

Alkyl Amines Chemicals

BSE SENSEX 73,847
S&P CNX 22,399

CMP: INR1,677 **TP: INR1,610 (-4%)** **Neutral**



Alkyl Amines Chemicals Limited

Stock Info

| | |
|-----------------------|-------------|
| Bloomberg | AACL IN |
| Equity Shares (m) | 51 |
| M.Cap.(INRb)/(USD\$) | 85.8 / 1 |
| 52-Week Range (INR) | 2499 / 1508 |
| 1, 6, 12 Rel. Per (%) | -1/-17/-20 |
| 12M Avg Val (INR M) | 189 |
| Free float (%) | 28.0 |

Financials Snapshot (INR b)

| Y/E March | FY25E | FY26E | FY27E |
|-------------|-------|-------|-------|
| Sales | 15.8 | 18.1 | 20.9 |
| EBITDA | 3.1 | 3.7 | 4.3 |
| PAT | 1.9 | 2.4 | 2.7 |
| EPS (INR) | 37.6 | 46.0 | 53.7 |
| EPS Gr. (%) | 29.2 | 22.3 | 16.8 |
| BV/Sh.(INR) | 272.4 | 302.5 | 337.8 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | -0.1 | -0.1 | -0.1 |
| RoE (%) | 14.5 | 16.0 | 16.8 |
| RoCE (%) | 13.8 | 15.3 | 16.2 |
| Payout (%) | 34.4 | 34.4 | 34.4 |

Valuations

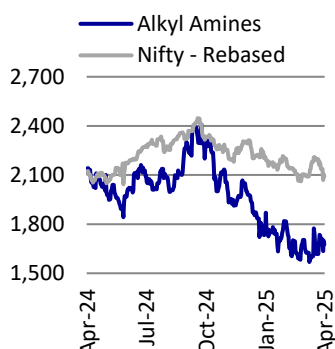
| | | | |
|----------------|------|------|------|
| P/E (x) | 45.0 | 36.8 | 31.5 |
| P/BV (x) | 6.2 | 5.6 | 5.0 |
| EV/EBITDA (x) | 28.0 | 23.3 | 19.6 |
| Div. Yield (%) | 0.8 | 0.9 | 1.1 |
| FCF Yield (%) | 1.5 | 1.1 | 2.2 |

Shareholding pattern (%)

| As On | Dec-24 | Sep-24 | Dec-23 |
|----------|--------|--------|--------|
| Promoter | 72.0 | 72.0 | 72.0 |
| DII | 1.8 | 1.5 | 1.1 |
| FII | 3.2 | 3.2 | 2.9 |
| Others | 23.0 | 23.3 | 24.0 |

FII Includes depository receipts

Stock performance (one-year)



ADD benefits on ACN to be assessed in the medium term

- The anti-dumping duty (ADD) on Acetonitrile (ACN) imports from China, Russia, and Taiwan may offer Alkyl Amines Chemicals (AACL) a margin and market share upside from 2HFY26. However, the near-term impact is limited due to the pre-duty stocking. China's continued access to SEZ markets and ongoing MIPA competition may partially offset the benefits.
- AACL is diversifying its product mix to reduce reliance on any single offering while expanding capacity through debottlenecking, a new Ethylamine plant, and repurposing assets for Methylamines. It faces competition, especially from Chinese players and domestic peers, but aims to maintain an edge through efficiency and quality.
- AACL expanded aliphatic amines capacity by ~30% in FY24 and is focusing on margin-accretive specialty products despite near-term demand headwinds. With a projected 15% revenue and 20% EPS CAGR over FY25–27, risks include intense competition and pricing pressure, while the recent ADD implementation could offer potential upside. We reiterate our Neutral rating with a TP of INR1,610 based on 30x FY27E EPS.

Long-awaited ADD levied on ACN

- The recent levy of ADD on ACN imports from China, Russia, and Taiwan is expected to influence trade dynamics over the next few quarters. Since the final imposition of duties may take up to 90 days, domestic customers are likely to front-load imports in the near term to build inventory ahead of any price correction. As a result, the impact of anti-dumping measures on domestic pricing and demand-supply equilibrium may remain muted in the first six months, with the real effect expected to emerge only in 2HFY26.
- India's ACN market, with a total addressable market (TAM) estimated at 30–35ktpa (including 5–6ktpa in SEZs), has been growing steadily at 7–10% annually across end-use segments. China accounts for nearly 45% of this market, while AACL mostly makes up the rest of the market. While the ADD could curb low-priced imports in the domestic tariff area (DTA) segment, China may still continue exporting duty-free to SEZ units, partially limiting the effectiveness of the measure and preserving its foothold in select industrial pockets.
- For AACL, the anti-dumping action presents an opportunity to recapture lost domestic market share and improve its margin that has been undercut by imports. However, sustained benefits will hinge on how effectively AACL can scale capacity and ensure competitive supply to SEZ and DTA customers alike. Meanwhile, competitive pressures from Chinese-origin MIPA (Mono Isopropyl Amine) remain, for which an ADD investigation is ongoing.

Portfolio expansion to de-risk dependence on any particular product

- To mitigate revenue concentration risks, AACL is strategically shifting its product mix, aiming to reduce dependency on any single product to 10% while targeting 5–10% revenue contribution annually from new offerings. However, this goal has not yet been fully realized. Many of AACL's target derivative and specialty segments face direct competition from Chinese players, but management is confident in sustaining competitiveness through higher quality output and better production efficiency.

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- In the Methylamines space, competitive pressures are set to intensify due to capacity additions by peers such as Balaji Amines and Aarti Industries, while products like DMA-HCL may see relatively lower headwinds. AACL is also undertaking debottlenecking initiatives in DMA and is actively evaluating inorganic growth opportunities, including JVs and mergers. A new product targeted at the dyes and pigments segment is also under development, with INR700m–800m of capex already completed and mechanical commissioning expected by Dec'25.
- AACL had also undertaken notable expansion at its Kurkumbh facility by commissioning a new 35ktpa Ethylamine plant in FY24 (~65% utilization in 3Q), at a capex of INR4b. With this, the older Ethylamine facility is being repurposed for Methylamines, effectively expanding capacity in a cost-efficient manner. The company is also enhancing existing infrastructure and introducing new products to broaden its specialty chemicals portfolio and align with market demand.

Valuation and view

- AACL boosted its aliphatic amines capacity by ~30% in FY24. The total capacity stands at ~200ktpa (including derivatives and specialty chemicals). Additionally, AACL is venturing into new specialty products that are likely to improve its margins amid robust demand (near-term headwinds persist) for amine derivatives and specialties.
- Over FY25-27, we estimate a ~15% revenue CAGR and a 20% EPS CAGR. The key risk to our outlook is high competition (domestic and imports, mainly from China), leading to limited pricing power. The commodity nature of some products could also make AACL susceptible to raw material price fluctuations. Upside risks could come from the recent implementation of ADD on ACN (investigation on MIPA going on).
- The stock is trading at ~37x FY26E EPS and ~23x FY26E EV/EBITDA. **We reiterate our Neutral rating on AACL with a TP of INR1,610, based on 30x FY27E EPS.**

Exhibit 1: Quarterly import volume and import price over the period of investigation

| Particulars | 3QFY23 | 4QFY23 | 1QFY24 | 2QFY24 |
|------------------------------|-----------------|-----------------|-----------------|-----------------|
| Import volume (mt) | 3,139 | 2,866 | 3,604 | 4,924 |
| China PR | 2,579 | 2,080 | 2,314 | 3,770 |
| Russia | 522 | 320 | 792 | 414 |
| Taiwan | 38 | 466 | 498 | 740 |
| Import price (INR/mt) | 1,59,809 | 1,57,382 | 1,37,820 | 1,16,700 |
| China PR | 1,70,241 | 1,59,658 | 1,39,656 | 1,18,832 |
| Russia | 1,30,389 | 1,34,390 | 1,37,947 | 1,12,300 |
| Taiwan | 1,78,797 | 1,78,098 | 1,35,856 | 1,18,968 |

Source: DGTR, MOFSL

Exhibit 2: Import volumes have increased 57% while import prices have declined 27% over the course of four quarters

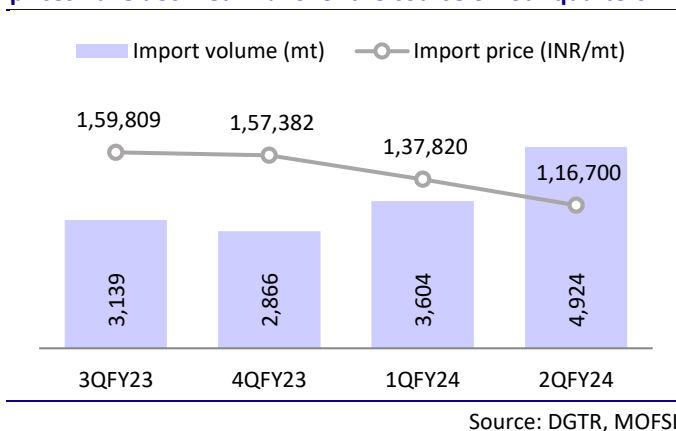
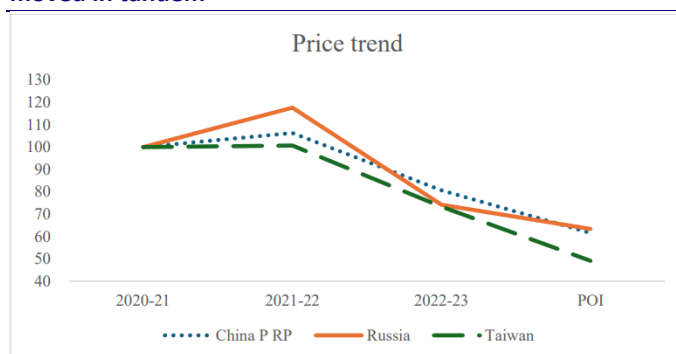


Exhibit 3: Import volumes from the subject countries on yearly basis

| Particulars | FY21 | FY22 | FY23 | POI |
|--------------------------|---------------|---------------|--------------|---------------|
| Subject Countries | 13,192 | 13,499 | 9,960 | 14,700 |
| China PR | 9,851 | 9,853 | 7,278 | 10,743 |
| Russia | 1,276 | 1,798 | 1,732 | 2,215 |
| Taiwan | 2,065 | 1,847 | 951 | 1,742 |

Note: POI = Period of Investigation Source: DGTR, MOFSL

Exhibit 4: Import price from all the subject countries has moved in tandem


Source: DGTR, MOFSL

Exhibit 5: Evolution of price

| Particulars | UOM | FY21 | FY22 | FY23 | POI |
|---------------------------------|--------|-------|-------|-------|-------|
| Landed price of imports | USD/MT | 3,378 | 3,586 | 2,480 | 1,822 |
| Trend | Index | 100 | 106 | 73 | 54 |
| Global acetic acid prices | USD/MT | 446 | 911 | 718 | 610 |
| Trend | Index | 100 | 204 | 161 | 137 |
| Global anhydrous ammonia prices | USD/MT | 268 | 699 | 1,033 | 709 |
| Trend | Index | 100 | 261 | 385 | 265 |
| Cost on account of major RM | USD/MT | 833 | 1,768 | 1,600 | 1,286 |
| Trend | Index | 100 | 212 | 192 | 154 |

Source: global import price as per Trademap data, MOFSL

Exhibit 6: Less than 1% impact on rise in ACN prices for end-consumers

| Product | Acetonitrile share (SION) | Acetonitrile cost | Product price (INR/kg) | Impact if price rise by 10% |
|---|---------------------------|-------------------|------------------------|-----------------------------|
| Ampicillin Sodium Sterile | 1.4 | *** | *** | 0.1% |
| Montelukast Sodium | 9.5 | *** | *** | 0.4% |
| Cefixime | 3.1 | *** | *** | 0.5% |
| 1,2-Dimethyl 1,4,5,6 Tetra Hydro Pyrimidine | 0.5 | *** | *** | 0.7% |
| Cypermethrin Technical 92% Minimum | 0.3 | *** | *** | 0.6% |

Note: SION = Standard Input Output Norms

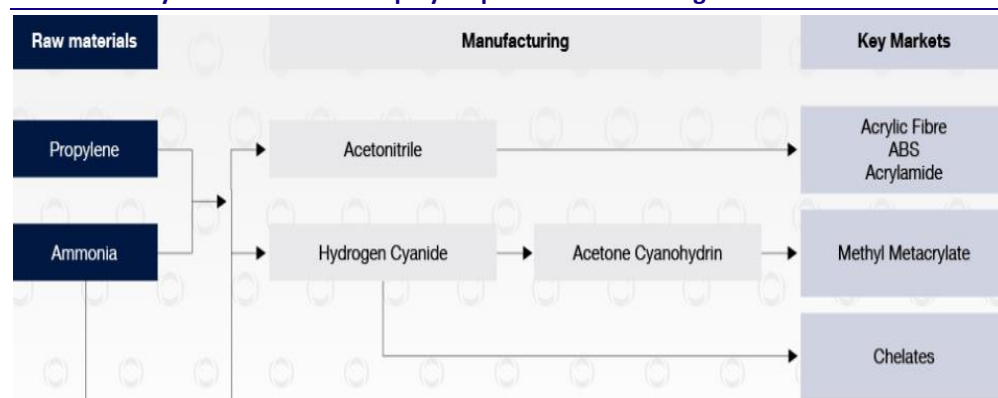
Source: DGTR, MOFSL

Exhibit 7: Duty levied

| Country of origin | Country of export | Producer | Amount (USD/mt) |
|--|----------------------------------|---|-----------------|
| China PR | ❖ Any country including China PR | ❖ Nantong Liyang Chemical Co., Ltd. | 202 |
| China PR | ❖ Any country including China PR | ❖ Shandong Kunda Biotechnology Co., Ltd | 292 |
| China PR | ❖ Any country including China PR | ❖ Weifang Zhonghui Chemical Co., Ltd | 260 |
| China PR | ❖ Any country including China PR | ❖ Any producer other than mentioned above | 481 |
| Any country other than China PR, Taiwan and Russia | ❖ China PR | ❖ Any producer | 481 |
| Russia | ❖ Any country including Russia | ❖ Any producer | 292 |
| Any country other than China PR, Taiwan and Russia | ❖ Russia | ❖ Any producer | 292 |
| Taiwan | ❖ Any country including Taiwan | ❖ Any producer | 233 |
| Any country other than China PR, Taiwan and Russia | ❖ Taiwan | ❖ Any producer | 233 |

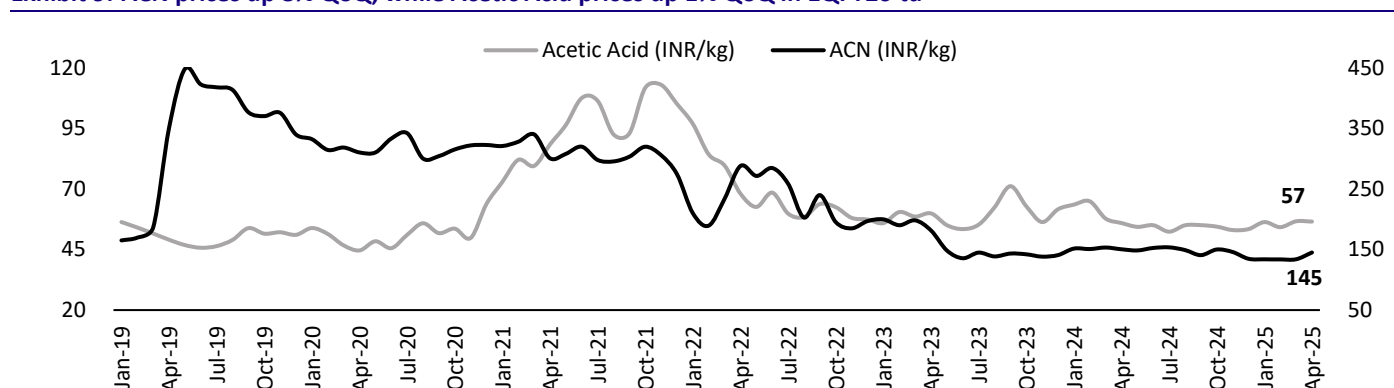
Source: DGTR, MOFSL

Exhibit 8: Only Chinese and Indian players produce ACN through acetic acid



Source: INEOS Nitriles, MOFSL

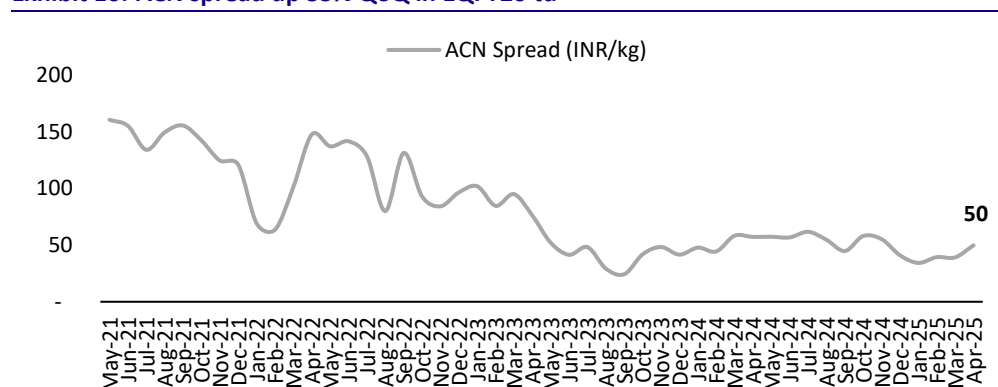
Exhibit 9: ACN prices up 8% QoQ, while Acetic Acid prices up 1% QoQ in 1QFY26'td



*as of 6th Apr'25

Source: IndianPetroChem, MOFSL

Exhibit 10: ACN spread up 33% QoQ in 1QFY26'td



*as of 6th Apr'25

Source: Bloomberg, MOFSL

Exhibit 11: Ammonia prices down 24% QoQ in 4QFY25

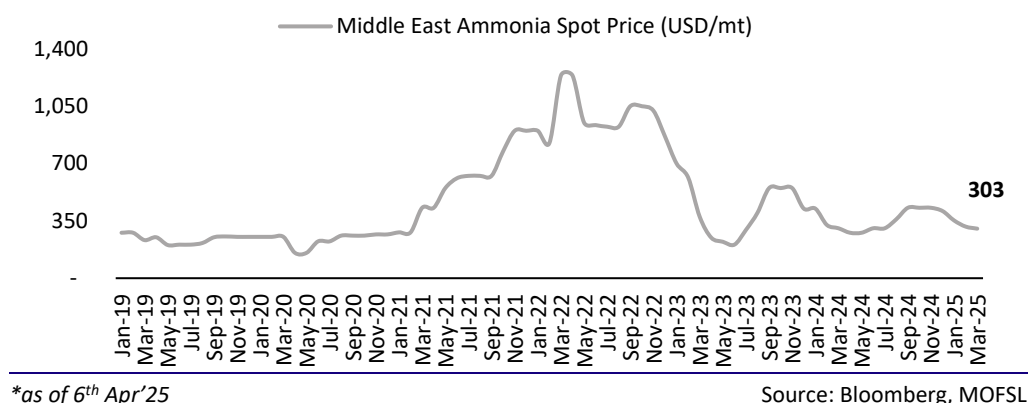


Exhibit 12: Peer comparison for our coverage universe

| Chemicals | Reco | TP (INR) | EPS (INR) | | | P/E (x) | | | P/BV (x) | | | EV/EBITDA (x) | | | ROE (%) | | |
|-------------------------|---------|----------|-----------|-------|-------|---------|-------|-------|----------|-------|-------|---------------|-------|-------|---------|-------|-------|
| | | | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E |
| Alkyl Amines | Neutral | 1,610 | 37.6 | 46.0 | 53.7 | 45.0 | 36.8 | 31.5 | 6.2 | 5.6 | 5.0 | 28.0 | 23.3 | 19.6 | 14.5 | 16.0 | 16.8 |
| Atul | Buy | 8,420 | 153.5 | 198.8 | 240.5 | 33.7 | 26.1 | 21.5 | 2.8 | 2.6 | 2.3 | 18.0 | 15.0 | 12.7 | 8.5 | 10.2 | 11.3 |
| Clean Science | Neutral | 1,290 | 24.8 | 35.1 | 43.0 | 46.3 | 32.7 | 26.7 | 8.5 | 6.9 | 5.7 | 31.8 | 24.5 | 19.8 | 20.0 | 23.4 | 23.4 |
| Deepak Nitrite | Neutral | 1,850 | 44.3 | 66.8 | 74.0 | 40.8 | 27.0 | 24.4 | 4.6 | 4.0 | 3.5 | 26.3 | 17.8 | 16.0 | 11.9 | 15.9 | 15.4 |
| Fine Organic Industries | Sell | 3,565 | 138.6 | 117.6 | 118.8 | 28.2 | 33.2 | 32.9 | 5.3 | 4.6 | 4.1 | 21.4 | 24.8 | 23.8 | 20.7 | 14.9 | 13.3 |
| Galaxy Surfactants | Buy | 2,535 | 74.5 | 85.3 | 101.3 | 28.0 | 24.4 | 20.6 | 3.1 | 2.8 | 2.6 | 17.5 | 15.2 | 13.0 | 11.6 | 12.2 | 13.1 |
| Navin Fluorine Inter. | Neutral | 3,840 | 60.0 | 83.5 | 96.0 | 66.3 | 47.7 | 41.5 | 7.6 | 6.8 | 6.1 | 38.2 | 29.0 | 25.4 | 11.9 | 15.1 | 15.5 |
| NOCIL | Neutral | 185 | 7.1 | 8.2 | 12.2 | 23.8 | 20.7 | 13.9 | 1.6 | 1.5 | 1.4 | 19.5 | 14.9 | 9.9 | 6.9 | 7.6 | 10.7 |
| PI Industries | Buy | 4,100 | 107.8 | 118.5 | 136.9 | 30.6 | 27.8 | 24.1 | 4.9 | 4.2 | 3.6 | 21.1 | 18.2 | 15.3 | 17.3 | 16.4 | 16.3 |
| SRF | Buy | 3,520 | 42.7 | 71.6 | 100.1 | 64.3 | 38.3 | 27.4 | 6.7 | 5.9 | 5.0 | 31.7 | 22.6 | 17.2 | 10.7 | 16.3 | 19.7 |
| Tata Chemicals | Neutral | 930 | 18.2 | 42.3 | 58.1 | 44.5 | 19.2 | 14.0 | 0.9 | 0.9 | 0.9 | 11.6 | 8.0 | 6.3 | 2.1 | 4.8 | 6.3 |
| Vinati Organics | Buy | 2,125 | 39.8 | 50.6 | 60.8 | 36.4 | 28.6 | 23.8 | 5.4 | 4.7 | 4.1 | 26.5 | 20.8 | 17.5 | 15.7 | 17.6 | 18.3 |

Source: Company, MOFSL

Exhibit 13: : The sector is trading at a premium to its historical averages, except for the five-year average

| Companies | Current P/E (x) | Average P/E (x) | | | Prem / Disc P/E (%) | | |
|-------------------------|-----------------|-----------------|-------|------|---------------------|-------|-------|
| | | 15 YR | 10 YR | 5 YR | 15 YR | 10 YR | 5 YR |
| Chemicals | 29.9 | 19.8 | 25.6 | 34.5 | 50.7 | 16.9 | -13.4 |
| Alkyl Amines | 33.9 | 25.3 | 35.1 | 58.7 | 34.2 | -3.3 | -42.2 |
| Atul | 27.6 | 22.5 | 30.6 | 43.4 | 22.9 | -9.7 | -36.4 |
| Clean Science | 34.5 | - | 60.4 | 60.4 | NA | -42.9 | -42.9 |
| Deepak Nitrite | 30.7 | 18.9 | 23.7 | 32.6 | 62.7 | 29.8 | -5.6 |
| Fine Organic Industries | 34.9 | 33.4 | 33.4 | 34.5 | 4.6 | 4.6 | 1.1 |
| Galaxy Surfactants | 22.6 | 25.6 | 25.6 | 28.3 | -11.6 | -11.6 | -20.0 |
| Navin Fluorine Inter. | 51.9 | 25.6 | 36.4 | 58.1 | 102.5 | 42.7 | -10.7 |
| NOCIL | 23.6 | 15.2 | 19.2 | 26.6 | 55.7 | 23.3 | -11.1 |
| PI Industries | 29.2 | 26.0 | 32.2 | 35.0 | 12.4 | -9.2 | -16.5 |
| SRF | 40.9 | 19.5 | 26.5 | 36.0 | 109.3 | 54.3 | 13.8 |
| Tata Chemicals | 20.8 | 11.4 | 15.4 | 23.4 | 82.3 | 34.8 | -11.2 |
| Vinati Organics | 31.9 | 27.1 | 35.0 | 46.8 | 17.7 | -8.9 | -31.9 |

Source: Company, MOFSL

Story in charts

Exhibit 14: Expect ~15% revenue CAGR over FY25-27...

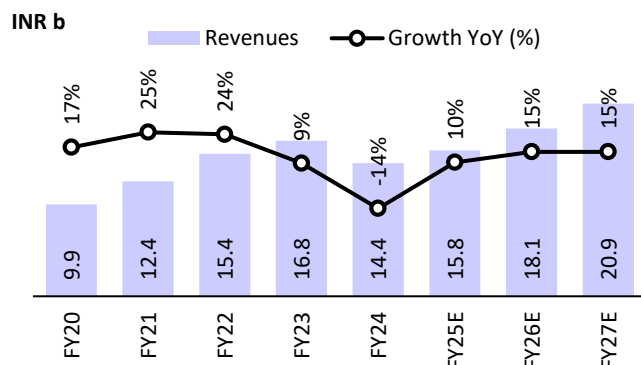


Exhibit 15: ...with revenue mix remaining constant

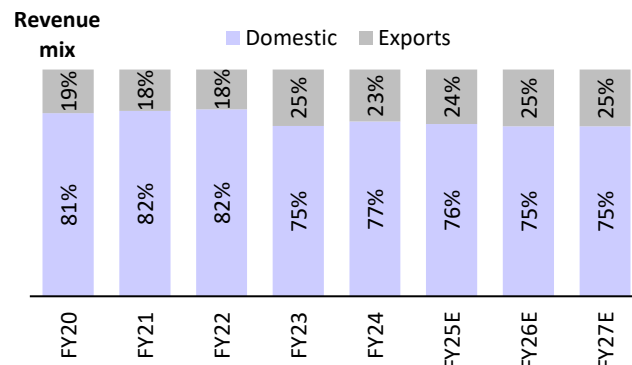


Exhibit 16: Expect EBITDA margin to improve to ~21%...

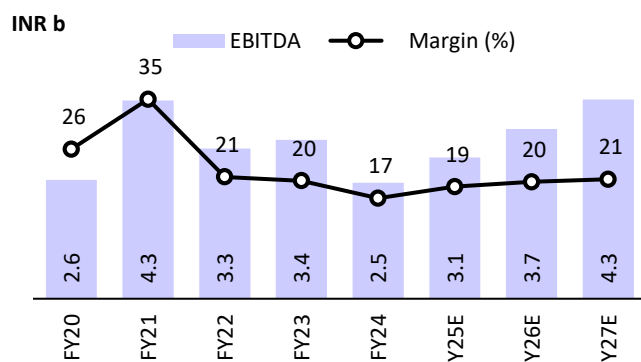


Exhibit 17: ...with PAT margin expanding by FY27E

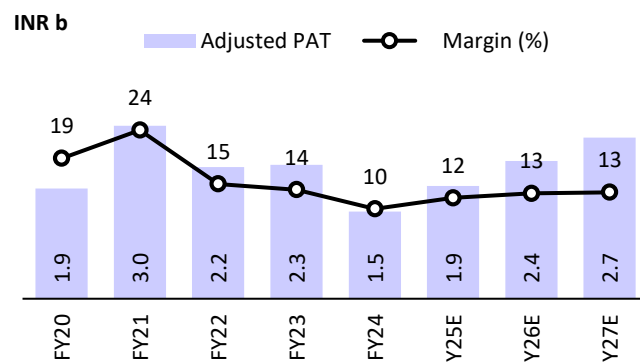


Exhibit 18: One-year forward P/E ratio trades at 33.9x...

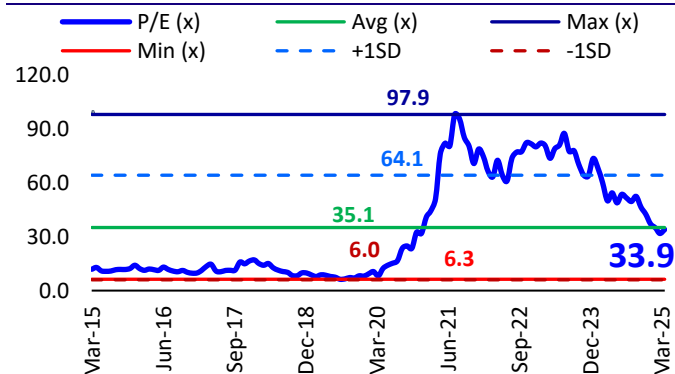


Exhibit 19: ...with return ratios increasing to 15-17%

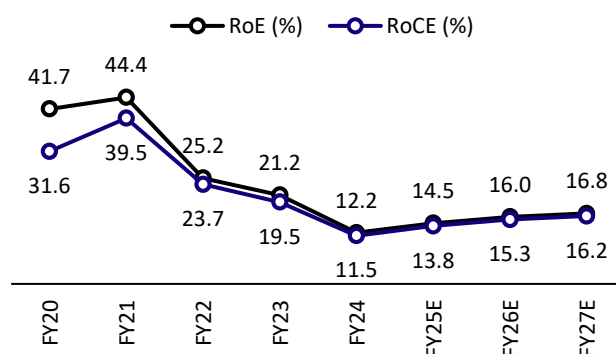


Exhibit 20: Expect strong FCF generation over FY25-27

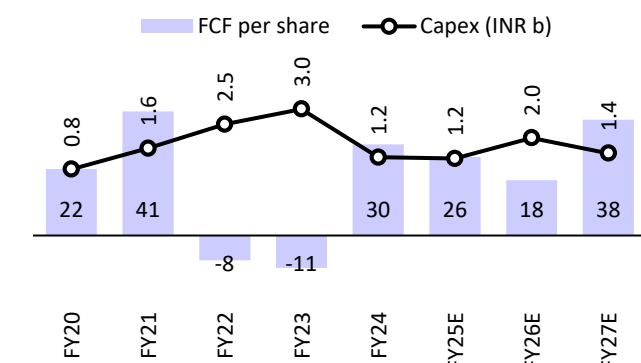
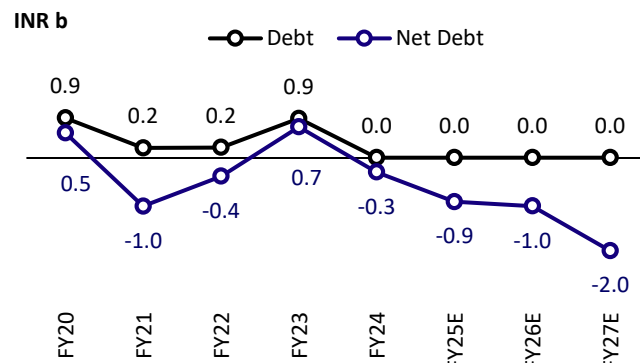


Exhibit 21: Expect AACL to remain net cash



Source: Company, MOFSL

Source: Company, MOFSL

Financials and valuations

Standalone Income Statement

(INR m)

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|-------------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Income from Operations | 9,929 | 12,424 | 15,420 | 16,831 | 14,406 | 15,775 | 18,141 | 20,862 |
| Change (%) | 17.3 | 25.1 | 24.1 | 9.1 | -14.4 | 9.5 | 15.0 | 15.0 |
| Gross Margins (%) | 51.2 | 57.9 | 45.8 | 48.9 | 46.7 | 47.5 | 48.3 | 48.5 |
| EBITDA | 2,570 | 4,291 | 3,252 | 3,439 | 2,507 | 3,059 | 3,672 | 4,311 |
| Margin (%) | 25.9 | 34.5 | 21.1 | 20.4 | 17.4 | 19.4 | 20.2 | 20.7 |
| Depreciation | 269 | 291 | 348 | 452 | 589 | 729 | 804 | 890 |
| EBIT | 2,301 | 4,001 | 2,904 | 2,987 | 1,918 | 2,329 | 2,868 | 3,421 |
| Int. and Finance Charges | 103 | 63 | 33 | 33 | 44 | 19 | 25 | 32 |
| Other Income | 70 | 70 | 150 | 132 | 151 | 285 | 300 | 283 |
| PBT bef. EO Exp. | 2,269 | 4,007 | 3,021 | 3,086 | 2,025 | 2,596 | 3,143 | 3,672 |
| EO Items | 328 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PBT after EO Exp. | 2,597 | 4,007 | 3,021 | 3,086 | 2,025 | 2,596 | 3,143 | 3,672 |
| Total Tax | 444 | 1,054 | 772 | 799 | 536 | 672 | 791 | 924 |
| Tax Rate (%) | 17.1 | 26.3 | 25.6 | 25.9 | 26.5 | 25.9 | 25.2 | 25.2 |
| Reported PAT | 2,153 | 2,953 | 2,249 | 2,287 | 1,489 | 1,923 | 2,352 | 2,748 |
| Adjusted PAT | 1,881 | 2,953 | 2,249 | 2,287 | 1,489 | 1,923 | 2,352 | 2,748 |
| Change (%) | 124.5 | 57.0 | -23.9 | 1.7 | -34.9 | 29.2 | 22.3 | 16.8 |
| Margin (%) | 18.9 | 23.8 | 14.6 | 13.6 | 10.3 | 12.2 | 13.0 | 13.2 |

Standalone Balance Sheet

(INR m)

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|--------------------------------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Equity Share Capital | 102 | 102 | 102 | 102 | 102 | 102 | 102 | 102 |
| Total Reserves | 5,264 | 7,822 | 9,796 | 11,587 | 12,569 | 13,832 | 15,375 | 17,179 |
| Net Worth | 5,366 | 7,924 | 9,898 | 11,689 | 12,671 | 13,934 | 15,478 | 17,281 |
| Total Loans | 866 | 216 | 227 | 855 | 6 | 6 | 6 | 6 |
| Deferred Tax Liabilities | 404 | 414 | 472 | 560 | 737 | 737 | 737 | 737 |
| Capital Employed | 6,636 | 8,554 | 10,598 | 13,104 | 13,415 | 14,677 | 16,221 | 18,025 |
| Gross Block | 4,971 | 5,315 | 7,663 | 9,013 | 13,307 | 14,482 | 16,432 | 17,807 |
| Less: Accum. Deprn. | 736 | 1,026 | 1,374 | 1,825 | 2,415 | 3,144 | 3,948 | 4,838 |
| Net Fixed Assets | 4,235 | 4,288 | 6,290 | 7,187 | 10,892 | 11,338 | 12,484 | 12,969 |
| Capital WIP | 449 | 1,376 | 1,426 | 3,525 | 356 | 356 | 356 | 356 |
| Total Investments | 0 | 302 | 0 | 0 | 0 | 0 | 0 | 0 |
| Curr. Assets, Loans, and Adv. | 3,150 | 5,486 | 5,997 | 5,207 | 4,589 | 5,635 | 6,431 | 8,207 |
| Inventory | 837 | 1,219 | 1,645 | 1,837 | 1,720 | 1,883 | 2,165 | 2,490 |
| Account Receivables | 1,642 | 2,280 | 2,767 | 2,584 | 2,217 | 2,428 | 2,792 | 3,211 |
| Cash and Bank Balance | 323 | 1,260 | 626 | 182 | 314 | 954 | 1,048 | 2,017 |
| Cash | 312 | 961 | 379 | 172 | 304 | 945 | 1,038 | 2,007 |
| Bank Balance | 10 | 299 | 247 | 10 | 10 | 10 | 10 | 10 |
| Loans and Advances | 349 | 727 | 959 | 604 | 338 | 370 | 426 | 489 |
| Curr. Liability and Prov. | 1,198 | 2,899 | 3,116 | 2,815 | 2,422 | 2,652 | 3,050 | 3,507 |
| Account Payables | 748 | 1,790 | 2,285 | 1,897 | 1,719 | 1,882 | 2,165 | 2,489 |
| Other Current Liabilities | 354 | 1,002 | 730 | 790 | 559 | 612 | 704 | 810 |
| Provisions | 97 | 107 | 101 | 128 | 144 | 157 | 181 | 208 |
| Net Current Assets | 1,952 | 2,587 | 2,882 | 2,392 | 2,167 | 2,984 | 3,381 | 4,700 |
| Appl. of Funds | 6,635 | 8,554 | 10,598 | 13,104 | 13,415 | 14,677 | 16,221 | 18,025 |

Financials and valuations

Ratios

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Basic (INR) | | | | | | | | |
| EPS | 36.9 | 57.9 | 44.0 | 44.7 | 29.1 | 37.6 | 46.0 | 53.7 |
| EPS Growth (%) | 124.5 | 57.0 | -24.0 | 1.6 | -34.9 | 29.2 | 22.3 | 16.8 |
| Cash EPS | 42.1 | 63.6 | 50.8 | 53.5 | 40.6 | 51.9 | 61.7 | 71.1 |
| BV/Share | 105.2 | 155.3 | 193.7 | 228.6 | 247.7 | 272.4 | 302.5 | 337.8 |
| DPS | 8.7 | 16.0 | 10.0 | 10.0 | 10.0 | 12.9 | 15.8 | 18.5 |
| Payout (%) | 20.6 | 27.7 | 22.7 | 22.4 | 34.4 | 34.4 | 34.4 | 34.4 |
| Valuation (x) | | | | | | | | |
| P/E ratio | 45.9 | 29.3 | 38.5 | 37.9 | 58.2 | 45.0 | 36.8 | 31.5 |
| Cash P/E ratio | 40.2 | 26.6 | 33.3 | 31.6 | 41.7 | 32.6 | 27.4 | 23.8 |
| P/BV ratio | 16.1 | 10.9 | 8.7 | 7.4 | 6.8 | 6.2 | 5.6 | 5.0 |
| EV/Sales ratio | 8.8 | 6.9 | 5.6 | 5.2 | 6.0 | 5.4 | 4.7 | 4.1 |
| EV/EBITDA ratio | 33.8 | 19.9 | 26.5 | 25.4 | 34.4 | 28.0 | 23.3 | 19.6 |
| Dividend Yield (%) | 0.5 | 0.9 | 0.6 | 0.6 | 0.6 | 0.8 | 0.9 | 1.1 |
| FCF per share | 21.8 | 40.7 | -8.1 | -10.7 | 29.9 | 25.8 | 18.1 | 38.0 |
| Return Ratios (%) | | | | | | | | |
| RoE | 41.7 | 44.4 | 25.2 | 21.2 | 12.2 | 14.5 | 16.0 | 16.8 |
| RoCE | 31.6 | 39.5 | 23.7 | 19.5 | 11.5 | 13.8 | 15.3 | 16.2 |
| RoIC | 34.6 | 51.4 | 30.5 | 24.7 | 12.7 | 13.2 | 15.2 | 16.8 |
| Working Capital Ratios | | | | | | | | |
| Fixed Asset Turnover (x) | 2.5 | 2.9 | 2.9 | 2.5 | 1.6 | 1.4 | 1.5 | 1.6 |
| Asset Turnover (x) | 1.5 | 1.5 | 1.5 | 1.3 | 1.1 | 1.1 | 1.1 | 1.2 |
| Inventory (Days) | 31 | 36 | 39 | 40 | 44 | 44 | 44 | 44 |
| Debtor (Days) | 60 | 67 | 66 | 56 | 56 | 56 | 56 | 56 |
| Creditor (Days) | 27 | 53 | 54 | 41 | 44 | 44 | 44 | 44 |
| Leverage Ratio (x) | | | | | | | | |
| Current Ratio | 2.6 | 1.9 | 1.9 | 1.8 | 1.9 | 2.1 | 2.1 | 2.3 |
| Interest Coverage Ratio | 22.4 | 63.2 | 88.5 | 89.9 | 43.6 | 121.9 | 112.5 | 107.4 |
| Net Debt/Equity ratio | 0.1 | -0.1 | 0.0 | 0.1 | 0.0 | -0.1 | -0.1 | -0.1 |

Standalone Cash Flow Statement

(INR m)

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| OP/(Loss) before Tax | 2,597 | 4,007 | 3,021 | 3,086 | 2,025 | 2,596 | 3,143 | 3,672 |
| Depreciation | 269 | 291 | 348 | 452 | 589 | 729 | 804 | 890 |
| Interest Expenses | 103 | 63 | 38 | 33 | 44 | 19 | 25 | 32 |
| Others | -308 | 1 | -48 | 55 | 34 | 0 | 0 | 0 |
| Direct Taxes Paid | -581 | -1,012 | -744 | -714 | -346 | -672 | -791 | -924 |
| (Inc.)/Dec. in WC | -193 | 290 | -569 | -428 | 404 | -176 | -304 | -350 |
| CF from Operations | 1,886 | 3,640 | 2,046 | 2,484 | 2,750 | 2,496 | 2,877 | 3,320 |
| (Inc.)/Dec. in FA | -771 | -1,561 | -2,462 | -3,030 | -1,220 | -1,175 | -1,950 | -1,375 |
| Free Cash Flow | 1,115 | 2,079 | -415 | -546 | 1,530 | 1,321 | 927 | 1,945 |
| Change in Investments | 343 | -587 | 369 | 237 | -3 | 0 | 0 | 0 |
| Others | 22 | 21 | 36 | 22 | 9 | 0 | 0 | 0 |
| CF from Investments | -407 | -2,127 | -2,057 | -2,771 | -1,215 | -1,175 | -1,950 | -1,375 |
| Issue of Shares | 0 | 4 | 7 | 12 | 8 | 0 | 0 | 0 |
| Inc./(Dec.) in Debt | -797 | -381 | -228 | 616 | -848 | 0 | 0 | 0 |
| Interest Paid | -107 | -68 | -40 | -31 | -44 | -19 | -25 | -32 |
| Dividend Paid | -443 | -408 | -306 | -511 | -511 | -661 | -808 | -944 |
| Others | -13 | -11 | -5 | -6 | -8 | 0 | 0 | 0 |
| CF from Fin. Activity | -1,360 | -864 | -572 | 80 | -1,404 | -680 | -834 | -976 |
| Inc./Dec. in Cash | 119 | 649 | -582 | -206 | 132 | 641 | 93 | 969 |
| Opening Balance | 193 | 312 | 961 | 379 | 172 | 304 | 945 | 1,038 |
| Closing Balance | 313 | 962 | 379 | 172 | 304 | 945 | 1,038 | 2,007 |

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|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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