motilal oswal Financial Services

3 May 2025
4QFY25 Results Update | Sector: Chemicals

Atul

Estimate change	↑
TP change	⟷
Rating change	⟷

Bloomberg	ATLP IN
Equity Shares (m)	29
M.Cap.(INRb)/(USDb)	207.3 / 2.5
52-Week Range (INR)	8180 / 4752
1, 6, 12 Rel. Per (%)	16/-10/10
12M Avg Val (INR M)	552
Free float (%)	54.8

Financials and Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	55.8	64.5	71.6
EBITDA	9.1	11.3	12.3
PAT	5.0	6.5	7.1
EPS (INR)	169.3	222.1	241.4
EPS Gr. (%)	53.9	31.2	8.7
BV/Sh. (INR)	1,900	2,090	2,295
Ratios			
Net D:E	0.0	-0.0	-0.1
RoE (%)	9.3	11.1	11.0
RoCE (%)	8.7	10.5	10.5
Payout (%)	14.8	14.8	14.8
Valuations			
P/E (x)	41.6	31.7	29.2
P/BV (x)	3.7	3.4	3.1
EV/EBITDA (x)	22.9	18.1	16.4
Div. Yield (%)	0.4	0.5	0.5
FCF Yield (%)	1.6	1.9	2.5

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	45.2	45.2	45.2
DII	23.6	22.8	25.7
FII	9.8	11.2	8.5
Others	21.4	20.8	20.7

FII Includes depository receipts

CMP: INR7,042 TP: INR8,450 (+20%) Buy

Stellar bounce-back in FY25; growth expected to continue

- Atul's (ATLP) 4QFY25 revenue came in line with our expectation. The Life Science Chemicals (LSC) segment's revenue increased 18% YoY, while the Performance & Other Chemicals (P&OC) segment's revenue rose 21% YoY. **Gross margin came in at 49.7% (-10bp YoY), while EBITDAM expanded 320bp YoY to 15.4%.** EBITDA grew 51% YoY to INR2.2b, and PAT jumped 121% YoY to INR1.3b.
- The LSC segment maintained strong performance for the fifth straight quarter, with EBIT margin expansion of 410bp YoY. The P&OC segment also delivered robust results, recording a 660bp YoY margin gain in 4Q. LSC's EBIT contribution fell to 53% (from 84% in 4QFY24), while P&OC's share rose to 47% (from 16%). Additionally, total PBT contribution from subsidiaries and JVs turned positive in FY25 vs. FY24.
- ATLP delivered a 17% YoY increase in sales volume, with a 1% uptick in contribution margin in FY25. While capacity utilization improved vs. FY24, geopolitical disruptions and subdued end-user demand constrained output, leading to underperformance in new investments. ATLP completed a major capex in FY25 and debottlenecking activities took place for seven products. The total unrealized sales potential currently stands at INR25b.
- Due to the beat in 4QFY25 and FY25 earnings vs. our estimates, we increase our EBITDA/PAT estimates by 9%/12% for FY26 while keeping FY27 estimates unchanged as of now. We estimate a CAGR of 13%/16%/19% in revenue/EBITDA/PAT during FY25-27. EBITDAM is estimated to improve 80bp in FY27 from the FY25 level. We believe ATLP is on track to make a comeback in the next 2-3 years, and FY25 earnings support our view.
- Investments are set to be supported by further recovery in ATLP's sub-segments and management's efforts to expand its capacities for key products and for debottlenecking the existing ones. The stock is trading at ~29x FY27E EPS of INR241.4 and ~16x FY27E EV/EBITDA. We value the stock at 35x FY27E EPS to arrive at our TP of INR8,450. **We reiterate our BUY rating on the stock.**

Beat on EBITDA; lower interest and higher OI drive strong earnings beat

- 4Q revenue stood at INR14.5b (+20% YoY). LSC revenue came in at INR4.4b (+18% YoY). P&OC revenue was INR10.5b (+21% YoY).
- Gross margin was 49.7% (-10bp YoY) and EBITDA margin was 15.4% (+320bp YoY).
- EBIT margin expanded YoY for both LSC and P&OC segments. LSC margin stood at 21.8% (+410bp YoY) and EBIT at INR966m. P&OC margin was at 8.1% (+660bp YoY) and EBIT at IN855m.

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- EBITDA came in at INR2.2b (est. INR1.8b, +51% YoY). **Adj. EBITDA was INR2.5b (+68% YoY)** as other expenses included ~INR246m related to application fees, cess, premium, conversion charges, customary penal charges, non-agricultural assessment charges, differential stamp duty, etc., for converting a part of agricultural land to industrial use.
- PAT stood at INR1.3b (est. INR835m, +121% YoY), **resulting in EPS of INR44.2. Contribution from the subsidiaries/JVs was positive** (profit at INR44m in 4QFY25 vs. PAT of INR244m in 3QFY25 and net loss of INR161m in 4QFY24).
- **For FY25**, revenue was at INR55.8b (+18% YoY), EBITDA was at INR9.1b (+43% YoY), and PAT at INR5b (+54% YoY). EBITDAM for FY25 stood at 16.4% (+290bp YoY).
- The board has recommended a final dividend of INR25/share for FY25.

Valuation and view

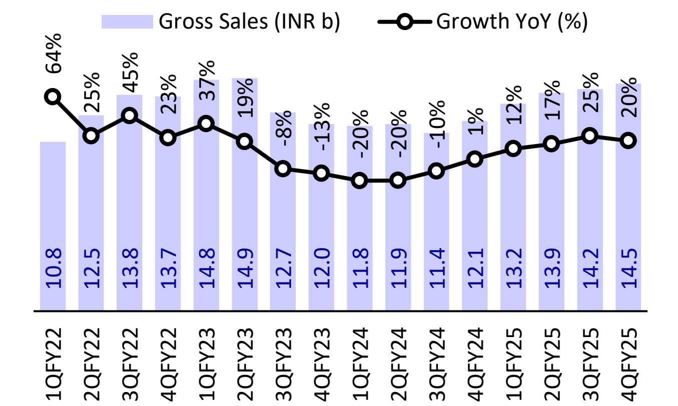
- The end-user market demand has picked up in FY25 compared to FY24, though significant improvements are yet to happen in the new investments that ATLP has done. The company is undertaking various projects and initiatives aimed at improving plant efficiencies, expanding its capacities for key products, debottlenecking its existing capacities, capturing a higher market share, and expanding its international presence.
- ATLP has already commissioned its liquid epoxy resins plant of 50ktpa capacity in Oct'24 (revenue potential of INR8b). Its caustic soda plant (300tpd) also faced teething issues in Dec'23, which were largely resolved in FY25. The unrealized sales potential remains at INR25b (INR17b from existing projects and INR8b from a new project). The future looks bright for both the retail businesses of ATLP as well.
- The stock is trading at ~29x FY27E EPS of INR241.4 and ~16x FY27E EV/EBITDA. We value the stock at 35x FY27E EPS to arrive at our TP of INR8,450. We reiterate our BUY rating. The upside risk could be a faster-than-expected ramp-up of new projects and products. Downside risks include weaker-than-expected revenue growth and margin compression amid teething issues in new projects.

Consolidated - Quarterly Snapshot (INR m)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Gross Sales	**11,820**	**11,937**	**11,378**	**12,122**	**13,221**	**13,928**	**14,168**	**14,516**	**47,257**	**55,834**	**14,148**	**3%**
YoY Change (%)	-20.0	-19.7	-10.3	1.4	11.8	16.7	24.5	19.8	-12.9	18.1	16.7	
Gross Margin (%)	46.5%	44.1%	47.1%	49.7%	50.0%	53.1%	50.5%	49.7%	46.9%	50.8%	48.4%	1.3%
EBITDA	**1,823**	**1,552**	**1,517**	**1,476**	**2,232**	**2,427**	**2,241**	**2,229**	**6,367**	**9,130**	**1,817**	**23%**
Margin (%)	15.4	13.0	13.3	12.2	16.9	17.4	15.8	15.4	13.5	16.4	12.8	2.5
Depreciation	519	540	612	758	766	775	810	817	2,429	3,168	837	
Interest	20	19	21	51	54	89	43	54	111	240	75	
Other Income	82	221	150	129	130	315	158	487	582	1,090	173	
PBT before EO expense	**1,365**	**1,215**	**1,034**	**796**	**1,543**	**1,878**	**1,546**	**1,845**	**4,409**	**6,812**	**1,078**	**71%**
PBT	**1,365**	**1,215**	**1,034**	**796**	**1,543**	**1,878**	**1,546**	**1,845**	**4,409**	**6,812**	**1,078**	**71%**
Tax	364	325	334	242	455	514	407	560	1,265	1,937	272	
Rate (%)	26.7	26.7	32.3	30.4	29.5	27.4	26.4	30.3	28.7	28.4	25.2	
Minority Interest and Profit/Loss of Asso. Cos.	20	22	21	34	33	31	33	16	97	113	29	
Reported PAT	**1,021**	**912**	**721**	**588**	**1,121**	**1,395**	**1,171**	**1,301**	**3,241**	**4,988**	**835**	**56%**
Adj PAT	**1,021**	**912**	**721**	**588**	**1,121**	**1,395**	**1,171**	**1,301**	**3,241**	**4,988**	**835**	**56%**
YoY change (%)	-37.6	-38.4	-30.0	-36.2	9.8	52.9	62.5	121.3	-36.0	53.9	42.1	
Margin (%)	8.6	7.6	6.3	4.9	8.5	10.0	8.3	9.0	6.9	8.9	5.9	3.1
Segmental Revenue (INR mn)												
Life Science Chemicals	3,502	3,620	3,378	3,767	4,236	4,078	4,164	4,439	14,267	16,917	4,796	-7%
Performance & Other chemicals	8,745	8,684	8,406	8,696	9,386	10,237	10,412	10,547	34,531	40,582	9,740	8%
Others	117	165	109	241	194	186	187	171	633	739	160	7%
Segmental EBIT (INR mn)												
Life Science Chemicals	522	417	424	667	710	836	956	966	2,031	3,468		
Performance & Other chemicals	890	722	657	129	852	990	752	855	2,398	3,449		
Others	18	41	-3	0	50	27	34	12	57	123		
Segmental EBIT Margin (%)												
Life Science Chemicals	14.9%	11.5%	12.6%	17.7%	16.8%	20.5%	23.0%	21.8%	14.2%	20.5%		
Performance & Other chemicals	10.2%	8.3%	7.8%	1.5%	9.1%	9.7%	7.2%	8.1%	6.9%	8.5%		
Others	15.5%	25.0%	-2.6%	0.0%	25.9%	14.3%	18.1%	7.1%	9.0%	16.6%		

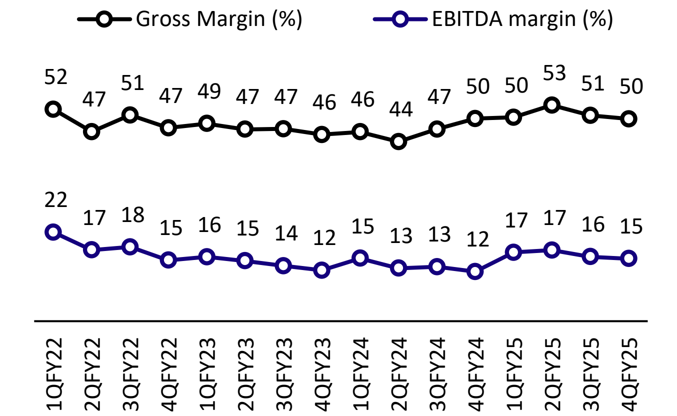
ATLP's 4QFY25 in charts

Exhibit 1: Sales increased 20% YoY



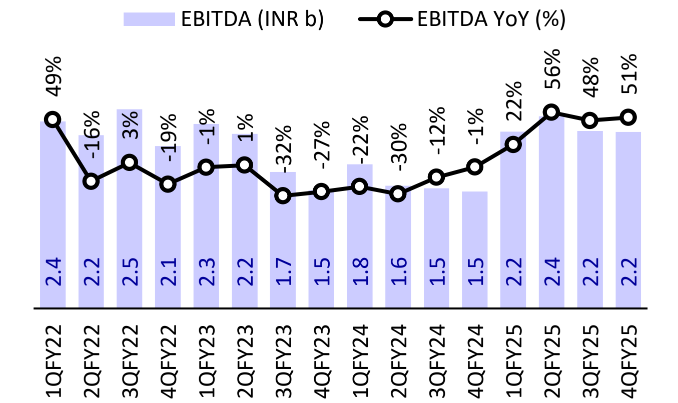
Source: Company, MOFSL

Exhibit 2: EBITDAM expanded YoY



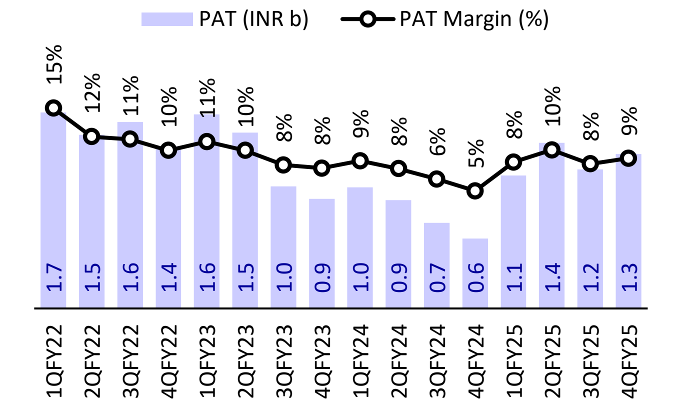
Source: Company, MOFSL

Exhibit 3: EBITDA increased 51% YoY…



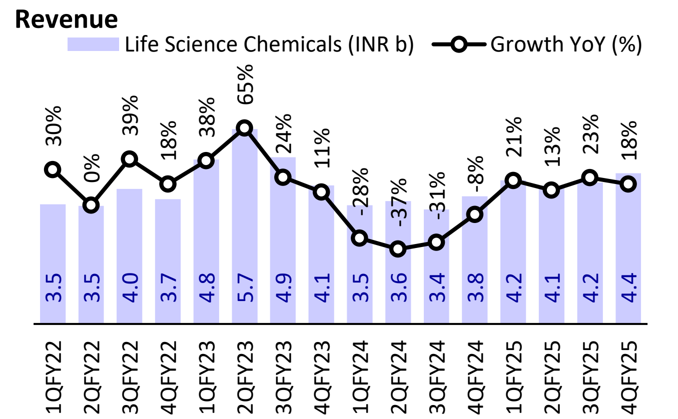
Source: Company, MOFSL

Exhibit 4: …and PAT was up 121% YoY



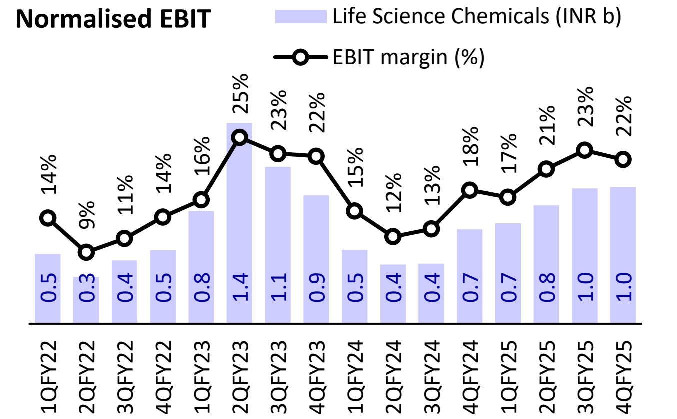
Source: Company, MOFSL

Exhibit 5: LSC revenue increased 18% YoY…



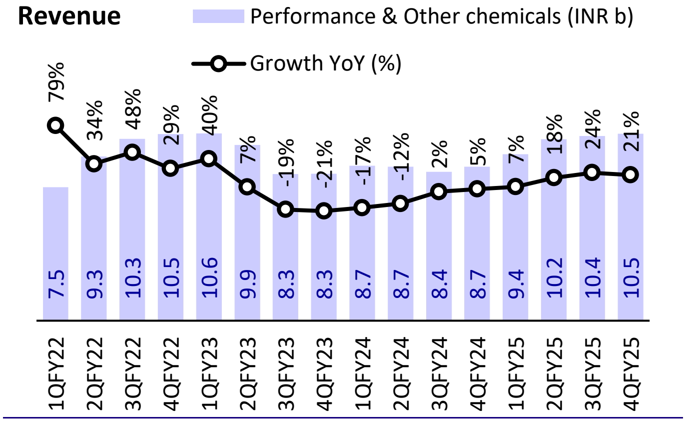
Source: Company, MOFSL

Exhibit 6: …and EBIT margin expanded 410bp YoY



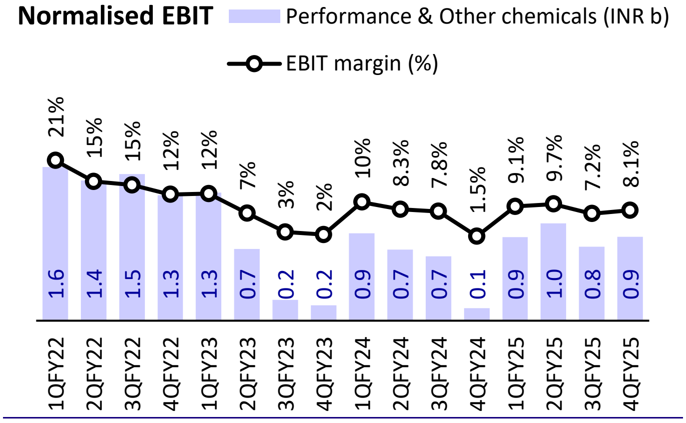
Source: Company, MOFSL

Exhibit 7: P&OC revenue rose 21% YoY…



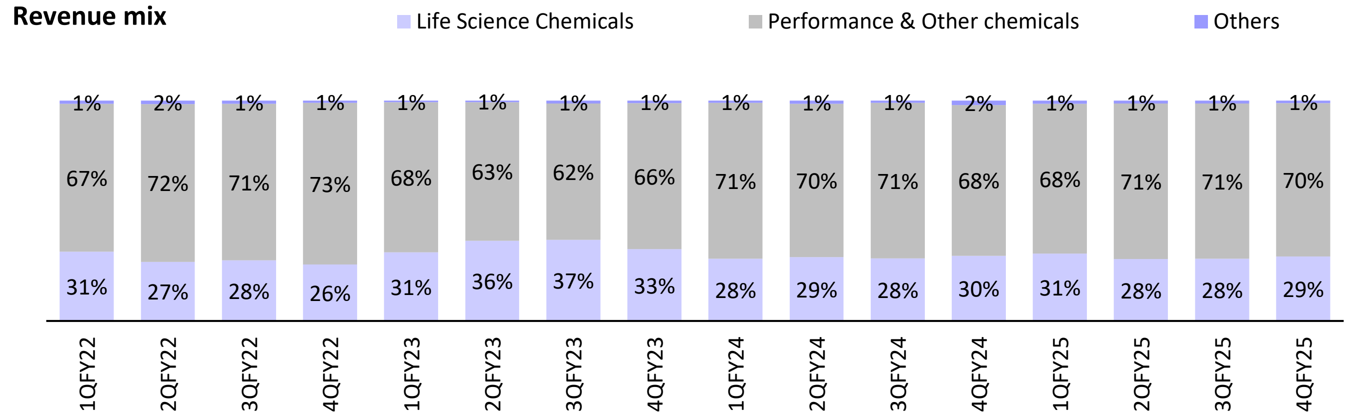
Source: Company, MOFSL

Exhibit 8: …while EBIT margin contracted 660bp YoY



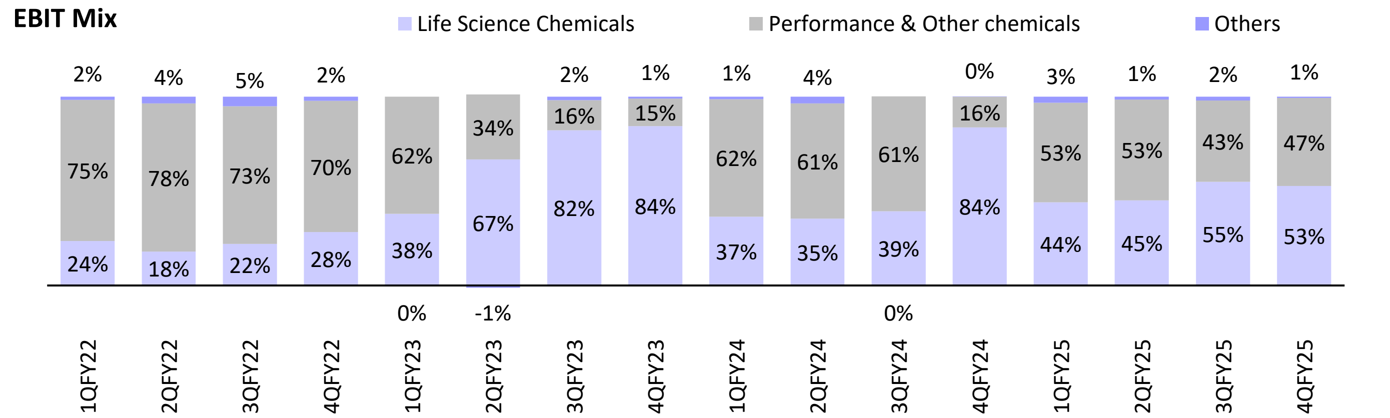
Source: Company, MOFSL

Exhibit 9: P&OC contribution to total revenue mix stood at 70%, while it was 29% for LSC segment



Source: Company, MOFSL

Exhibit 10: EBIT mix for the P&OC segment stood at 47%, while the same stood at 53% for the LSC segment



Source: Company, MOFSL

CONFERENCE CALL

ATLP FY25 analyst meet KTAs

Consolidated highlights for FY25

- Consolidated sales volume grew 17% YoY.
  - Contribution margin higher by 1% YoY.
- Capex
  - Completed a capex of INR8b.
  - Capex has been reduced deliberately since most assets are already online.
    - ATLP wants to become most cash positive going forward.
  - Debottlenecking of seven products done in FY25.
  - Completed USFDA inspection with 'zero 483 observations'.
  - Unrealized sales potential of INR25b (INR17b from existing products, INR8b from new projects).
- Supply chain is still impacted by geopolitical situation.
- There was still subdued demand in end-user industries.
  - Leading to lower capacity utilization but higher than FY24.
  - Therefore, ATLP could not reach expected performance in new investments.

Guidance

- Expanding into downstream and upstream products – value added products.
- 'Sky is the limit' in both the retail businesses of ATLP.
- Wants to become big in the agri biotech business and would also be willing to explore inorganic growth.

Global Chemical industry

- Share in the chemicals market is growing for China, and future projections also suggest that it is going to grow.
- While China has been doing exceedingly well, the world is lagging.
- India production has grown 7%, but import has grown 13%.
- India's trade deficit with China increased in FY25 compared to FY21, while for 'others' India has a surplus.
- US reciprocal tariff: overall marginally positive for ATLP.
  - 9% turnover of ATLP comes from exports to US.
  - Major concern is dumping by China in other markets, including India.
  - Freight rates may go up due to limited port infrastructure on Indian west coast.

P&L

- OI up due to some treasury investments bearing good returns.
- Better efficiencies and better product mix led to margin expansion.
- Depreciation has gone up as Atul Products Ltd commissioned its project in Dec'23.
- Despite higher profit, OCF declined YoY due to increase in working capital.

Segmental highlights

- LSC performance driven by higher volume of sub-segments – Crop Protection and Pharmaceuticals.
- P&OC performance led by higher demand of products of sub-segments – Polymers, Aromatics and Colors.

- **Aromatics**
  - Cresol/aldehydes are main products with majority market share for ATLP.
  - Sales volume grew 14% YoY, while price rose 12% YoY.
  - Unrealized sales potential of INR1.6b.
  - 3 downstream products identified in spec chem, while 4 products already developed in pilot plant.
- **Bulk Chemicals and Intermediates + Atul Products + Amal + Anaven LLP**
  - Main products are Resorcinol, 1.3-CHD and Resorcinol Formaldehyde Resins.
  - Sales volume was flat YoY, while price declined 2% YoY.
  - Caustic plant had technical problem because of which utilization was on the lower side; that is now sorted.
  - Unrealized sales potential of INR760m.
  - Trying to increase production in Resorcinol.
  - EV tyre requirements are very different and China is not geared up in terms of quality for EV vehicles.
  - Will introduce chlorine-based products also.
  - **Atul Products:** Chlor market is expected to clock a 4% CAGR during FY24-30.
  - Unrealized sales potential of INR2b.
  - **Amal:** realization growth was 57% YoY, while volumes increased 27% YoY.
  - Global sulphuric market to grow at 4% during FY24-30.
  - **Anaven LLP**: realization grew 18% YoY, while volumes increased 12% YoY.
  - Unrealized sales potential of INR1.3b.
- **Colors + Rudolf Atul Chemicals**
  - Main products are Vat, Sulphur Black, HP pigments.
  - Sales volume grew 17% YoY, while price rose 15% YoY.
  - Unrealized sales potential of INR3.5b.
  - Want to increase volume in reactive and specialty disperse dyes, along with newer applications for existing acid dyes.
  - **Rudolf Atul Chemicals:** Sales volume grew 23% YoY, while price rose 20% YoY.
  - Want to increase market share in India and establish sustainable solutions in denim, printing, etc.
- **Crop protection**
  - **Bulk Actives**
  - Two main products like 2,4 D and Indoxacarb – gained market share in FY25 by 3% in both the products.
  - Sales volume grew 25%, YoY while prices rose 27% YoY.
  - Unrealized sales potential of INR850m.
  - Prices expected to further improve from current levels.
  - This business is not likely to have downturn since end-industry is foods.
  - ATLP is looking to do debottlenecking activities, increase utilization of recently commissioned plants and improve efficiencies.
  - **Retail**
  - Price growth at 25% YoY, while volume growth was 36% YoY.
  - ATLP introduced new products. Margin improved for the business.
- **Pharma + Atul Bioscience**
  - Main products are Dapsone (continue to hold market share) and Phosgene Chemicals
  - Trying to go into downstream of Phosgene Chemicals.

- Sales volume grew 36% YoY, while price grew 31% YoY.
- Unrealized sales potential of INR550m.
- Management wants to unlock value of Dapsone plant by adding one more product.
- Wants to do backward integration in all the APIs that the company would be getting into.
- **Atul Bioscience:**
- Sales volume grew 6% YoY, while price grew 4% YoY.
- Unrealized sales potential of INR1.5b.
- Stability coming in this business- 2 approvals have been received.
- Expects to run plants at 90% utilization.
- **Polymers**
- **Performance Materials**
- Main products are epoxy resins, reactive diluents and sulfones.
- Volume growth at 17% YoY, while price growth at 3% YoY.
- Unrealized sales potential of INR7.7b.
- **Epoxy**
- 50ktpa capacity was commercialized in FY25.
- The company is fighting for ADD as USA and Europe filed petition for ADD in liquid epoxy resins from Asia.
- No ADD on India in epoxy which is positive.
- Total TAM for ATLP is USD1.4b in liquid epoxy resins.
- Paints & coatings, composites and EMS are main consumers.
- Next 2-3 years epoxy capacity to be sold out as per management.
- In wind blades, the company has made inroads and market share expected at 60-70% in India in epoxy.
- **Retail**
- Volume growth of 3% YoY, while realization declined by 2% YoY.
- Achieved highest sales of footwear adhesives in key accounts and cyanoacrylate adhesives in retail.
- The company wants to expand international business, while introducing new products and formulations.
- **Floras**
- Sales of INR620m in FY25 with volume growth of 10% YoY.
- GBP3.5m spent as capex in DPD, UK till now on cumulative basis.
- ATLP is becoming the preferred player in terms of healthcare in Valsad

Financial story in charts

Exhibit 11: Expect ~13% revenue CAGR over FY25-27...

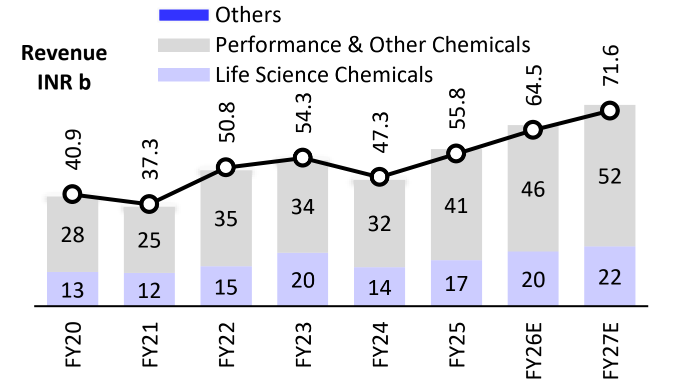


Exhibit 12: ...with exports increasing to ~48%

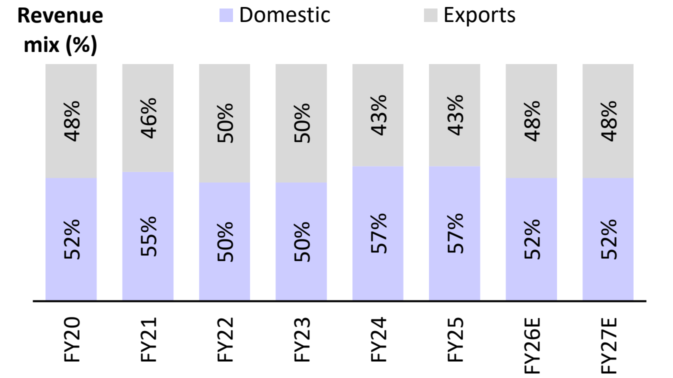


Exhibit 13: Expect EBITDAM to recover to 17.2% in FY27...

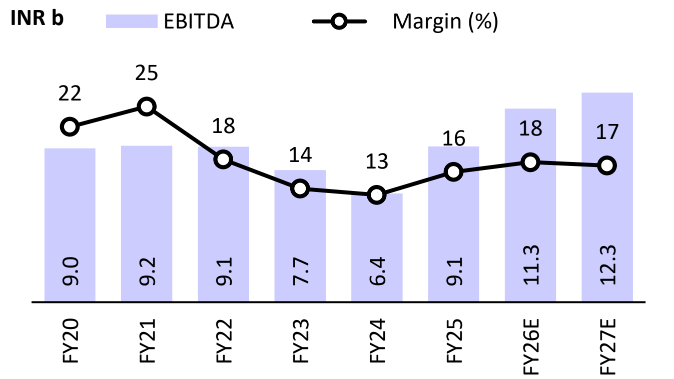


Exhibit 14: ...with PAT margin improving to 9.9%

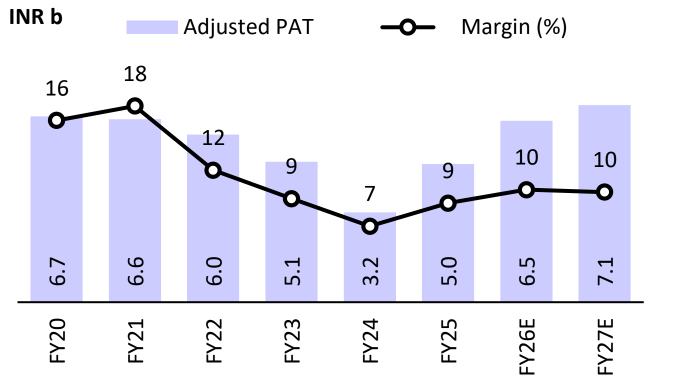


Exhibit 15: One-year forward P/E trades at 33.3x...

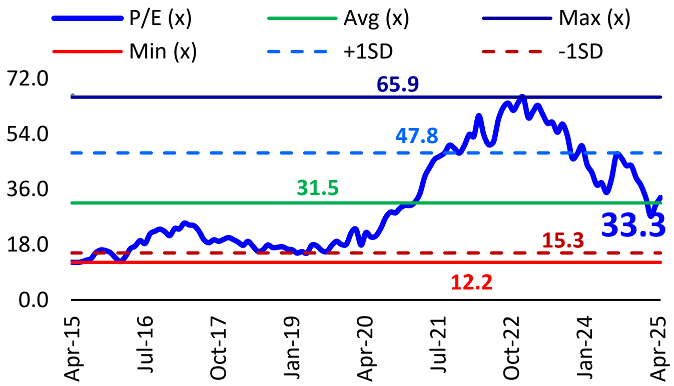


Exhibit 16: ...with return ratios at 10-11%

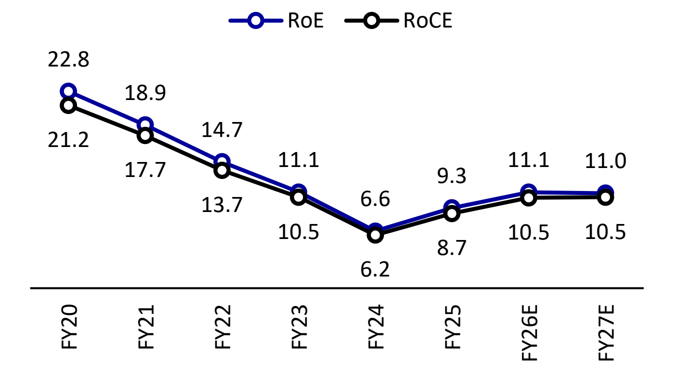
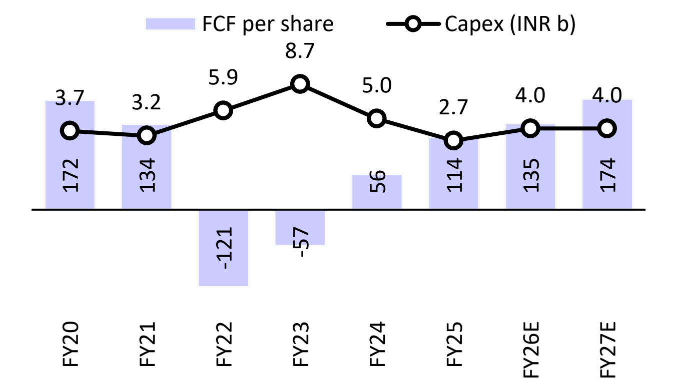
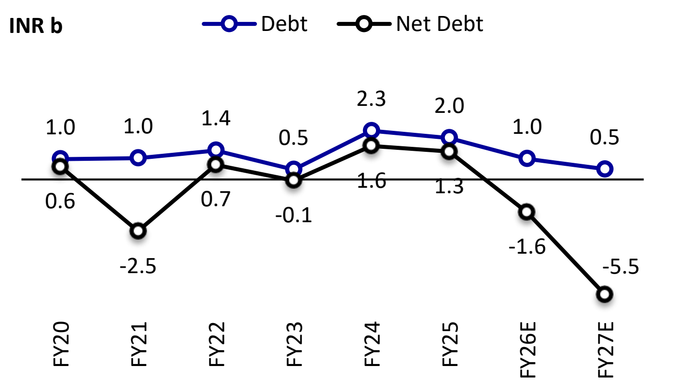


Exhibit 17: Capex for FY26-27E at ~INR8b



Source: Company, MOFSL

Exhibit 18: Debt profile of ATLP



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Total Income from Operations	**40,931**	**37,315**	**50,809**	**54,275**	**47,257**	**55,834**	**64,470**	**71,578**
Change (%)	*1.4*	*-8.8*	*36.2*	*6.8*	*-12.9*	*18.1*	*15.5*	*11.0*
Gross Margin (%)	*51.9*	*54.6*	*49.1*	*47.2*	*46.9*	*50.8*	*50.7*	*50.5*
EBITDA	**9,020**	**9,171**	**9,114**	**7,749**	**6,367**	**9,130**	**11,342**	**12,291**
Margin (%)	*22.0*	*24.6*	*17.9*	*14.3*	*13.5*	*16.4*	*17.6*	*17.2*
Depreciation	1,302	1,363	1,767	1,978	2,429	3,168	3,328	3,521
EBIT	**7,718**	**7,808**	**7,348**	**5,770**	**3,938**	**5,961**	**8,014**	**8,770**
Int. and Finance Charges	94	94	92	79	111	240	245	259
Other Income	780	1,030	760	1,149	582	1,090	822	841
PBT bef. EO Exp.	**8,404**	**8,744**	**8,016**	**6,840**	**4,409**	**6,812**	**8,592**	**9,352**
PBT after EO Exp.	**8,404**	**8,744**	**8,016**	**6,840**	**4,409**	**6,812**	**8,592**	**9,352**
Total Tax	1,745	2,217	2,050	1,812	1,265	1,937	2,163	2,354
Tax Rate (%)	*20.8*	*25.3*	*25.6*	*26.5*	*28.7*	*28.4*	*25.2*	*25.2*
Minority Interest	50	73	82	38	97	113	113	113
Reported PAT	**6,709**	**6,600**	**6,047**	**5,066**	**3,241**	**4,988**	**6,542**	**7,111**
Adjusted PAT	**6,709**	**6,600**	**6,047**	**5,066**	**3,241**	**4,988**	**6,542**	**7,111**
Change (%)	*53.9*	*-1.6*	*-8.4*	*-16.2*	*-36.0*	*53.9*	*31.2*	*8.7*
Margin (%)	*16.4*	*17.7*	*11.9*	*9.3*	*6.9*	*8.9*	*10.1*	*9.9*

Consolidated - Balance Sheet								(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**
Equity Share Capital	297	296	296	295	295	295	295	295
Total Reserves	31,252	37,969	43,994	46,419	50,849	55,691	61,267	67,328
Net Worth	**31,549**	**38,265**	**44,290**	**46,714**	**51,143**	**55,986**	**61,562**	**67,623**
Total Loans	970	1,017	1,384	470	2,319	1,977	988	494
Deferred Tax Liabilities	1,148	1,351	1,436	1,338	1,742	2,253	2,253	2,253
Capital Employed	**33,666**	**40,940**	**47,418**	**49,002**	**55,694**	**60,854**	**65,442**	**71,009**
Gross Block	17,868	19,874	23,835	27,228	39,871	43,587	47,587	51,587
Less: Accum. Deprn.	4,946	6,309	8,076	10,054	12,483	15,651	18,979	22,499
Net Fixed Assets	**12,922**	**13,566**	**15,760**	**17,174**	**27,388**	**27,936**	**28,608**	**29,087**
Goodwill on Consolidation	291	291	291	291	291	291	291	291
Capital WIP	3,681	2,497	4,205	10,329	2,808	1,243	1,243	1,243
Total Investments	**11,373**	**13,643**	**13,419**	**8,842**	**13,953**	**17,692**	**17,692**	**17,692**
Curr. Assets, Loans, and Adv.	**13,236**	**19,375**	**23,389**	**21,045**	**20,322**	**22,848**	**28,180**	**34,433**
Inventory	5,165	5,941	8,641	7,894	6,183	7,293	8,421	9,349
Account Receivables	7,197	7,332	9,890	8,446	9,270	11,263	13,005	14,439
Cash and Bank Balance	354	3,482	689	520	723	647	2,544	5,971
Cash	262	469	577	381	603	514	2,411	5,838
Bank Balance	92	3,013	112	140	120	133	133	133
Loans and Advances	520	2,619	4,169	4,185	4,146	3,646	4,210	4,674
Curr. Liability and Prov.	**7,838**	**8,432**	**9,645**	**8,678**	**9,069**	**9,156**	**10,572**	**11,738**
Account Payables	4,776	5,631	6,347	5,385	5,793	6,147	7,098	7,880
Other Current Liabilities	2,485	2,170	2,538	2,760	2,754	2,431	2,807	3,116
Provisions	577	631	760	533	522	578	668	741
Net Current Assets	**5,398**	**10,943**	**13,744**	**12,367**	**11,254**	**13,692**	**17,607**	**22,695**
Appl. of Funds	**33,666**	**40,939**	**47,419**	**49,002**	**55,694**	**60,854**	**65,442**	**71,009**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	**226.6**	**222.9**	**204.2**	**171.6**	**110.0**	**169.3**	**222.1**	**241.4**
EPS Growth (%)	**53.9**	**-1.6**	**-8.4**	**-16.0**	**-35.9**	**53.9**	**31.2**	**8.7**
Cash EPS	270.6	268.9	263.9	238.6	192.5	276.9	335.0	360.9
BV/Share	1,065	1,292	1,496	1,582	1,736	1,900	2,090	2,295
DPS	37.8	19.9	24.9	24.9	20.0	25.0	32.8	35.6
Payout (%)	16.7	8.9	12.2	14.5	18.2	14.8	14.8	14.8
Valuation (x)								
P/E	31.1	31.6	34.5	41.0	64.0	41.6	31.7	29.2
Cash P/E	26.0	26.2	26.7	29.5	36.6	25.4	21.0	19.5
P/BV	6.6	5.4	4.7	4.5	4.1	3.7	3.4	3.1
EV/Sales	5.1	5.5	4.1	3.8	4.4	3.7	3.2	2.8
EV/EBITDA	23.2	22.5	22.9	26.8	32.8	22.9	18.1	16.4
Dividend Yield (%)	0.5	0.3	0.4	0.4	0.3	0.4	0.5	0.5
FCF per share	171.6	133.9	-121.3	-56.6	55.7	113.5	135.2	173.7
Return Ratios (%)								
RoE	22.8	18.9	14.7	11.1	6.6	9.3	11.1	11.0
RoCE	21.2	17.7	13.7	10.5	6.2	8.7	10.5	10.5
RoIC	31.9	29.5	21.7	14.5	8.3	10.7	14.1	14.6
Working Capital Ratios								
Fixed Asset Turnover (x)	3.5	2.8	3.5	3.3	2.1	2.0	2.3	2.5
Asset Turnover (x)	1.2	0.9	1.1	1.1	0.8	0.9	1.0	1.0
Inventory (Days)	46	58	62	53	48	48	48	48
Debtor (Days)	64	72	71	57	72	74	74	74
Creditor (Days)	43	55	46	36	45	40	40	40
Leverage Ratio (x)								
Current Ratio	1.7	2.3	2.4	2.4	2.2	2.5	2.7	2.9
Net Debt/Equity ratio	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	-0.1

Consolidated - Cash Flow Statement (INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	8,454	8,817	8,097	6,878	4,506	6,925	8,592	9,352
Depreciation	1,302	1,363	1,767	1,978	2,429	3,168	3,328	3,521
Interest Expenses	94	94	92	79	111	240	245	259
Others	-536	-826	-580	-206	-408	-705	0	0
Direct Taxes Paid	-2,168	-2,023	-2,017	-1,934	-1,073	-1,506	-2,163	-2,354
(Inc.)/Dec. in WC	1,667	-245	-5,046	271	1,110	-2,090	-2,018	-1,661
CF from Operations	**8,813**	**7,180**	**2,314**	**7,067**	**6,675**	**6,031**	**7,984**	**9,117**
(Inc.)/Dec. in FA	-3,733	-3,215	-5,905	-8,739	-5,035	-2,687	-4,000	-4,000
Free Cash Flow	**5,080**	**3,964**	**-3,591**	**-1,672**	**1,640**	**3,344**	**3,984**	**5,117**
Change in Investments	-4,344	-3,899	4,136	3,572	-2,000	-2,677	0	0
Others	250	651	93	474	203	413	0	0
CF from Investments	**-7,827**	**-6,464**	**-1,676**	**-4,694**	**-6,832**	**-4,951**	**-4,000**	**-4,000**
Inc./(Dec.) in Debt	537	182	117	-914	1,849	-342	-988	-494
Interest Paid	-94	-87	-99	-79	-116	-237	-245	-259
Dividend Paid	-1,515	-617	-590	-1,828	-1,356	-589	-966	-1,050
Others	-33	0	-3	246	-1	-11	113	113
CF from Fin. Activity	**-1,106**	**-522**	**-575**	**-2,575**	**375**	**-1,178**	**-2,086**	**-1,691**
Inc./Dec. in Cash	**-120**	**194**	**63**	**-202**	**219**	**-98**	**1,898**	**3,426**
Opening Balance	377	261	469	577	380	603	513	2,411
Closing Balance	**261**	**469**	**577**	**380**	**603**	**513**	**2,411**	**5,837**

NOTES

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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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