

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	GRASIM IN
Equity Shares (m)	657
M.Cap.(INRb)/(USDb)	1444.8 / 17.4
52-Week Range (INR)	2182 / 1521
1, 6, 12 Rel. Per (%)	4/7/11
12M Avg Val (INR M)	1197

### Financial Snapshot (INR b)

Y/E MARCH	FY24E	FY25E	FY26E
Sales	253.4	290.7	311.8
EBITDA	23.7	27.5	35.4
Adj. PAT	15.6	13.2	16.4
EBITDA Margin (%)	9.4	9.4	11.4
S/A Adj. EPS (INR)	23.7	20.1	24.1
S/A EPS Gr. (%)	(25.5)	(15.2)	20.0
Consol EPS (INR)	94.3	96.0	105.6
BV/Sh. (INR)	737.7	769.5	796.6

### Ratios

Net D:E	0.1	0.2	0.1
RoE (%)	4.6	2.9	3.8
RoCE (%)	5.9	5.3	6.3

### Valuations

P/E (x)	91.6	108.0	90.0
EV/EBITDA (x)	4.2	3.7	2.8
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	(2.7)	(1.7)	(0.3)

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	42.8	42.8	42.8
DII	16.7	16.9	16.5
FII	16.8	16.4	16.8
Others	23.8	23.9	24.0

FII Includes depository receipts

**CMP: INR2,169**

**TP: INR2,670 (+23%)**

**Buy**

### In-line performance of core segments; eyes on Paints rollout...

#### ...by the end of 4QFY24

- Grasim's 3QFY24 EBITDA was ~10% below our estimates, primarily due to higher losses (up INR470m QoQ to INR900m) in the new businesses (Birla Pivot and Paints) and the insulator segment. EBITDA for the VSF/Chemical segments was 5%/4% above our estimates. The VSF segment posted an EBITDA/kg of INR18.7 (est. INR17.6), while the Chemical segment clocked an OPM of 13.2% (est. 12.3%) during the quarter. The lower tax rate resulted in a 47% YoY growth in adjusted profit to INR2.4b (vs. estimate of INR2.0b).
- Management indicated that the margin in the VSF segment is stable. Even though the caustic soda price is declining, global prices are likely to bottom out soon, and then prices should remain stable or rise. The losses in the Paints and B2B businesses were higher due to the rise in employee strength.
- We largely retain our EPS estimates for FY24-26. **Reiterate BUY** with a TP of INR2,670 as we value its: 1) holding in subsidiary companies by assigning a discount of 40%; 2) standalone business at 7x EV/EBITDA, and 3) Paints business at 1x of investments.

#### Low base helps VSF segment; margin contracts in the Chemical segment

- Grasim's standalone revenue/EBITDA/Adj. PAT stood at INR64.0b/INR5.2b/INR2.4b, (+3%/+10%/+47% YoY and -1%/-10%/+19% vs. our est.) in 3QFY24.
- Sales volume in the VSF segment rose 32% YoY, while blended realization dipped 11% YoY. Lower costs led to EBITDA growth of 6.4x YoY (on a low base) to INR4b. OPM surged 9pp YoY to 10.8%. EBITDA/kg stood at INR19 vs. INR4/INR21 in 3QFY23/2QFY24.
- The Chemical segment's volumes rose 5% YoY, though realization was down 27% YoY (ECU realization dipped 33% YoY). Lower realization offset the benefits of lower costs, and EBITDA declined 23% YoY to INR20b. OPM dipped 5.7pp YoY to 13.2%.
- In 9MFY24, revenue declined 6% YoY, while EBITDA dropped 35% YoY to INR17.9b as the Chemical segment's EBITDA was down 55%. OPM dipped 4.3pp YoY to 9.4% as the Chemical segment's OPM dropped 10pp YoY to 14%. Adjusted profit was down 31% YoY to INR13.9b during the period.

#### Highlights from the management commentary

- Grasim raised the capacity of specialty chemicals (Epoxy) to 246KTPA from 123KTPA earlier. This will enable the company to meet the growing demand in value-added products and specialty chemicals.
- VSF plants' operating rate in China improved to 88% vs. 85% in 2QFY24, with a decline in inventory days (10 days vs. 12 in 2QFY24). The realization was further hurt by cheaper imports from China. VFY sales (applied in embroidery and home furnishing) witnessed lower demand in 3QFY24.
- Trial production of Paints has started at three plants; Ludhiana, Cheyyar, and Panipat. The brand architecture under Birla Opus is complete, and the full range of products will be launched in FY25E.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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## Valuation and view

- The VSF segment's margin is expected to remain stable, and caustic soda prices appear to be bottoming out. Grasim will benefit from the capacity expansion of Epoxy, where margins are better than caustic soda. This would help improve the margin of the chemical segment. The company has started a trial run of the paint plants at three locations and is geared up to launch its Paints brand by Mar'24. Management has successfully completed the Rights issue of INR40b with an oversubscription of nearly 2x.
- We largely retain our EPS estimates for FY24-26. **Reiterate BUY** with a TP of INR2,670 as we value its: 1) holding in subsidiary companies by assigning a discount of 40%; 2) standalone business at 7x EV/EBITDA, and 3) Paints business at 1x of investments.

## Quarterly Performance (S/A)

(INR m)

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
<b>Net Sales</b>	72.5	67.5	62.0	66.5	62.4	64.4	64.0	62.6	268.4	253.4	64.5	(1)	3	(1)
YoY Change (%)	92.8	36.7	7.1	4.2	(14.0)	(4.5)	3.3	(5.8)	28.7	(5.6)	4.2			.
<b>EBITDA</b>	13.2	9.6	4.8	4.3	6.7	5.9	5.2	5.8	31.8	23.7	5.8	(10)	10	(12)
Margins (%)	18.2	14.2	7.7	6.4	10.8	9.2	8.2	9.3	11.8	9.4	9.0	(81)	46	(105)
Depreciation	2.6	2.7	2.8	3.0	2.9	2.9	3.0	3.1	11.0	11.9	3.0	(0)	8	2
Interest	0.9	0.9	0.9	1.1	1.1	1.1	1.1	1.1	3.7	4.3	1.1	(3)	20	0
Other Income	0.4	7.6	1.0	1.2	1.2	7.6	1.2	1.3	10.2	11.2	1.1	6	17	(84)
<b>PBT before EO Items</b>	10.2	13.6	2.2	1.4	4.0	9.6	2.4	2.9	27.3	18.8	2.8	(16)	11	(75)
Extraordinary Inc/(Exp)	-	(0.9)	-	-	-	-	-	-	(0.9)	-	-			
<b>PBT after EO Items</b>	10.2	12.7	2.2	1.4	4.0	9.6	2.4	2.9	26.5	18.8	2.8	(16)	11	(75)
Tax	2.1	3.1	-0.4	0.4	0.4	1.6	0.0	1.2	5.2	3.2	0.9			
Rate (%)	20.9	24.2	(19.7)	30.9	10.2	16.8	1.2	40.0	19.7	17.0	30.0			
<b>Reported PAT</b>	8.1	9.6	2.6	0.9	3.6	7.9	2.4	1.7	21.2	15.6	2.0	19	(8)	(70)
Prior period tax/DTL reversal	-	-	(1.0)	-	-	-	-	-	(1.0)	-	-			
<b>Adj. PAT</b>	8.1	10.3	1.6	0.9	3.6	7.9	2.4	1.7	20.9	15.6	2.0	19	47	(70)
Margins (%)	11.1	15.3	2.6	1.4	5.7	12.3	3.7	2.8	7.8	6.2	3.1			
YoY Change (%)	81.3	8.8	(67.1)	(73.2)	(56.1)	(22.9)	46.9	85.4	(6.2)	(25.5)	23.7			

## Segmental performance

(INR b)

Y/E March	FY23				FY24				FY23	FY24E	FY24	Var. (%)	YoY (%)	QoQ (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
<b>VSF Segment</b>														
Sales Volume (ton)	207	182	164	203	196	221	215	217	756	850	217	(1)	32	207
YoY Change (%)	73.2	9.5	(3.8)	6.4	(5.3)	21.6	31.7	7.0	16.9	12.5				73.2
Blended realization (INR/kg)	207	215	195	185	183	176	173	178	200	177	173	(0)	(11)	207
Net Sales (INR m)	43.0	39.0	31.8	37.6	35.8	38.9	37.1	38.6	151.5	150.4	37.5	(1)	17	43.0
YoY Change (%)	104.5	29.9	(4.6)	(0.1)	(16.7)	(0.4)	16.8	2.5	24.1	(0.7)				104.5
EBITDA (INR m)	5.0	3.2	0.6	1.4	3.9	4.7	4.0	4.4	10.3	17.0	3.8	5	538	5.0
EBITDA (%)	11.6	8.3	2.0	3.8	10.9	12.0	10.8	11.5	6.8	11.3	10.2	66	884	11.6
EBITDA/kg (INR)	24.1	17.8	3.9	7.1	19.9	21.2	18.7	20.5	13.6	20.1	17.6	6	385	24.1
<b>Chemical Segment</b>														
Sales Volume (ton)	278	296	284	286	292	306	299	303	1,144	1,200	300	(0)	5	(2)
YoY Change (%)	16.3	16.5	1.8	4.4	5.0	3.4	5.3	5.9	9.6	4.9				
Blended realization (INR/kg)	98	92	91	84	73	65	67	67	91	68	69	(3)	(27)	3
Net Sales (INR m)	27.3	27.1	25.8	24.0	21.5	19.9	20.0	20.4	104.2	81.7	20.7	(4)	(23)	0
YoY Change (%)	90.3	66.5	10.5	(3.6)	(21.5)	(26.6)	(22.7)	(14.8)	32.1	(21.6)				
EBITDA (INR m)	8.1	6.1	4.9	3.7	3.6	2.4	2.6	3.0	22.7	11.6	2.5	4	(46)	12
EBITDA (%)	29.5	22.5	18.9	15.3	16.7	11.9	13.2	14.5	21.8	14.1	12.3	90	(567)	136



## Highlights from the management commentary

### VSF segment

- VSF business is making new strides in the area of sustainability. The business has received first rank in Canopy's Hot Button Report 2023 with a rating of 'Dark Green Shirt'. The business has implemented the EU bet technology at Kharach Unit and achieved its feat of pioneering circular solutions in the fashion industry. It has made its first shipment of Lyocell fiber produced with recycled cotton waste for use in the textile value chain, and the response has been promising, with repeat orders.
- The Viscose business saw a strong YoY growth, partially due to a low base (as 3QFY23 was an exceptionally weak quarter). However, the realization was further hit by cheaper imports from China. VFY sales, which are used in embroidery and home furnishing, witnessed lower demand in 3QFY24.
- VSF plants' operating rate in China improved to 88% from 85% in 2QFY24, with a decline in inventory days (10 days in 3QFY24 vs. 12 in 2QFY24).
- VSF's capacity utilization was >95%, though the value chain is still concerned about poor realization amid higher inventory levels.
- The company sold 92% of VSF volumes in domestic markets vs. 90% in 2QFY24. Specialty fibers contributed 19% of total volumes (similar to last quarter).

### Caustic Soda and advance material business

- International Caustic Soda spot prices (CFR SEA) increased 6% QoQ to USD444/t in 3QFY24. Prices had improved to USD488/t in Oct '23, but the quarter exit price declined to USD423/t. The sharp YoY decline in caustic prices appears to be bottoming out at current levels of about USD400 to USD450 level. However, the market remains oversupplied due to large capacity additions in FY23.
- The company has completed an expansion of specialty chemicals capacity (epoxy polymers and curing agents). It doubled the capacity to 246KTPA in Dec'23. This will enable it to meet the growing demand in value-added products and specialty chemicals. Chlorine integration will increase to ~70% from the current level of ~63%.

### Paints business

- The Paints business has started trial production at three plants; Ludhiana, Cheyyar, and Panipat. The brand architecture under Bila Opus is complete and the full range of products will be launched in FY25. Each location has a capacity of ~200mlpa and one facility also has a capacity of 30mlpa of solvent paints.
- Management plans to roll out the Paints business gradually, starting with North and a few areas of South, and gradually rolling it out nation-wide.
- The sub-brand portfolios, across multiple categories of luxury, premium and economy segments and development work for design, package, artwork, consumer communication etc. have been completed.
- The supply chain, logistics, and distribution network is also in place to support the launch. It would offer a complete range of high-performance, superior products in the premium, midrange, and mass markets that are favorably placed across multiple price points.

- The dealer onboarding has already commenced. It is largely onboarding existing paint dealers, but could also add new dealers as well.
- Capex for the Paints business stands at INR60b till now (INR34b in 9MFY24).

#### B2B E-commerce (Birla Pivot)

- Birla Pivot – B2B E-commerce achieved monthly revenue run-rate of INR1.2b in Dec'23. The private label 'Birla pivot tiles' are gaining good response and is now launching private label in plywood and doors categories.

#### Capex and debt position

- Capex in 3QFY24/9MFY24 stood at INR14.3b/44.6b, including INR10.9b/INR34b for the Paints business. The budgeted capex for FY24 is INR59.3b (including INR42.8b for the Paints business).
- Standalone net debt stood at INR57.3b vs. INR44.6b/INR17.8b in Sep'23/ Mar'23. The company maintains its guidance to keep the net debt/EBITDA below 3.5x, including the Paints business.

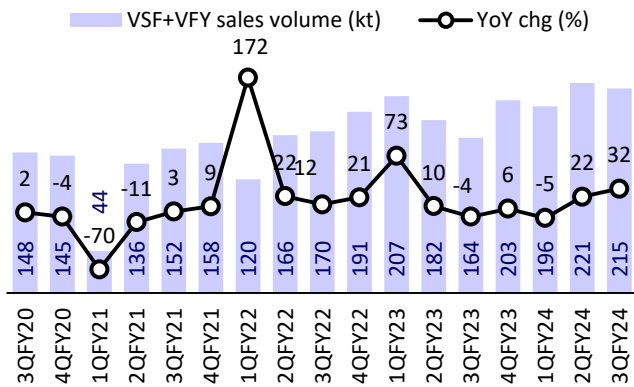
#### Exhibit 1: INR14.3b spent on expansion in 3QFY24 and estimated capex is at INR59b in FY24

Particulars (₹ Cr.)	Planned Capex FY24	Capex Spent Q3FY24	Capex Spent 9MFY24
<b>Viscose Business</b>	<b>663</b>	<b>115</b>	<b>394</b>
Capacity Expansion (including debottlenecking)	225	35	158
Modernisation and Maintenance Capex	438	80	236
<b>Chemicals Business (A+B+C)</b>	<b>797</b>	<b>192</b>	<b>555</b>
(A) Capacity Expansion - Chlor-Alkali & Chlorine Derivatives	272	59	158
Caustic Soda: (1,359 KTPA --> 1,530 KTPA)	70	18	82
Chlorine Derivatives: (957 KTPA --> 1,237 KTPA)	202	41	76
(B) Capacity Expansion - Speciality Chemicals	170	42	124
Epoxy Polymers & Curing Agents: (123 KTPA --> 246 KTPA)			
(C) Modernisation and Maintenance Capex	355	91	273
<b>New High Growth Businesses</b>	<b>4,342</b>	<b>1,092</b>	<b>3,422</b>
Birla Opus (Decorative Paints)^	4,283	1,088	3,404
Birla Pivot (B2B E-commerce)	59	4	18
<b>Other Businesses</b>	<b>127</b>	<b>26</b>	<b>88</b>
Textiles, Insulators & Others			
<b>Total</b>	<b>5,929</b>	<b>1,425</b>	<b>4,459</b>

Source: Company, MOFSL; Note: Budgeted capex is for running operations

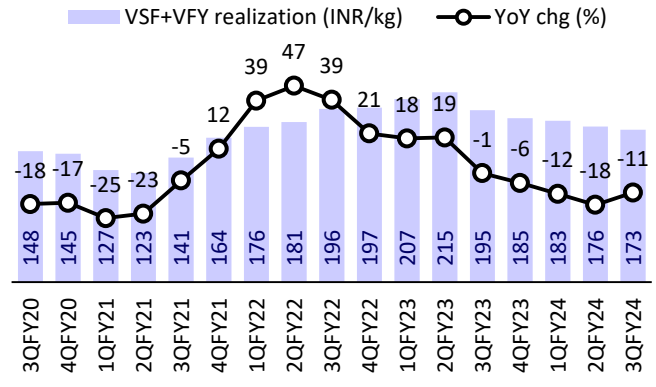
Story in charts

Exhibit 1: Volume of the VSF segment up 32% YoY



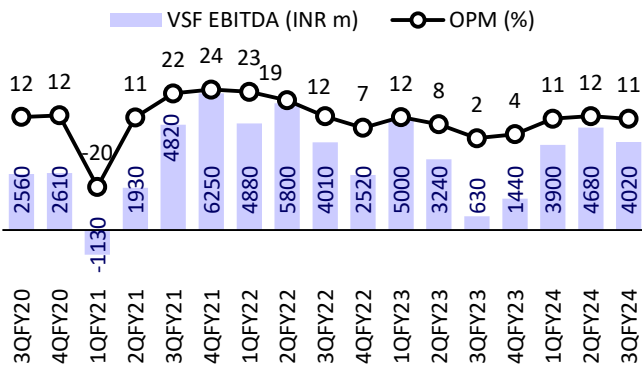
Source: Company, MOFSL

Exhibit 2: Blended realization of VSF segment down 11% YoY



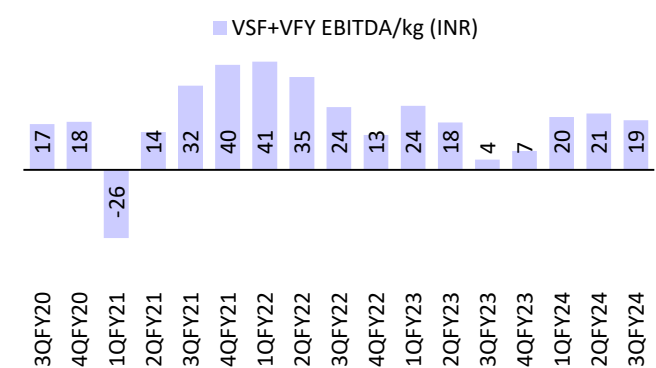
Source: Company, MOFSL

Exhibit 3: OPM of VSF segment up 8.8pp YoY on a low base...



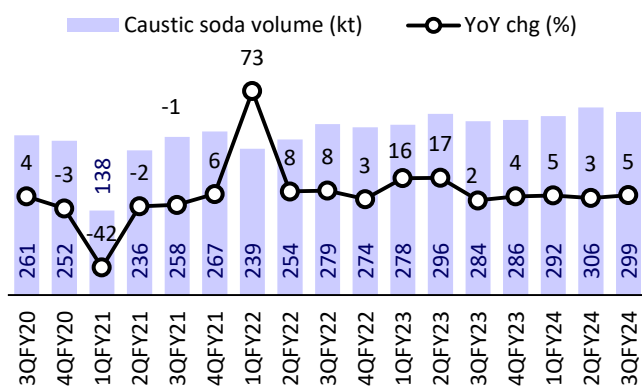
Source: Company, MOFSL

Exhibit 4: ...and EBITDA/kg increases to INR19 vs. INR4 YoY



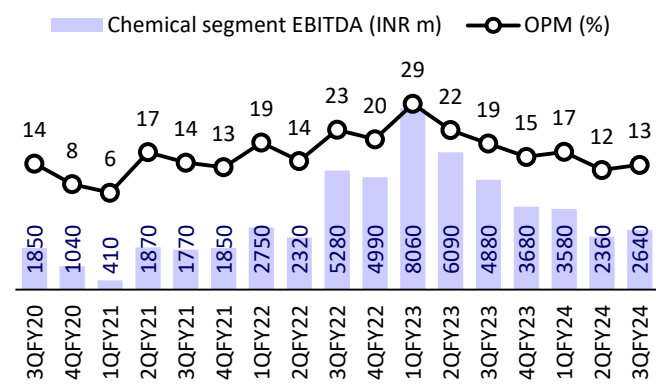
Source: Company, MOFSL

Exhibit 5: Caustic soda volumes up 5% YoY

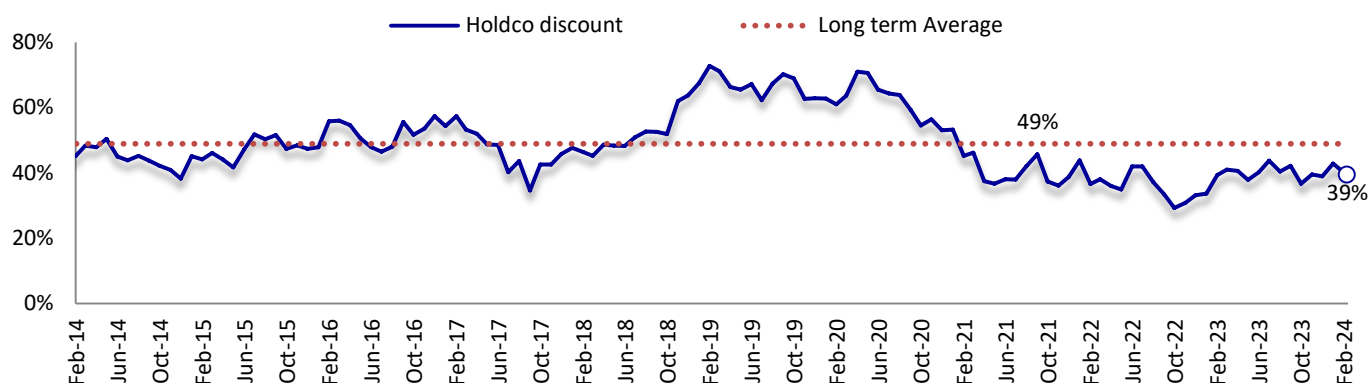


Source: Company, MOFSL

Exhibit 6: OPM of the Chemical segment down 5.7pp YoY



Source: Company, MOFSL

**Exhibit 7: Holding company discount at 39%; in line with the last three years' average**

Source: Company, MOFSL

**Exhibit 8: SoTP valuation**

Particulars	Valuation method	Unit	FY26E	INR/share
UTCEM's m-cap based on TP		INR b	3,464	
Holding company discount		%	40	
GRASIM's stake		%	57	
<b>Value of its cement stake</b>		<b>INR b</b>	<b>1,190</b>	
<b>Value/share</b>	<b>35% HoldCo discount to our TP</b>	<b>INR</b>		<b>1,810</b>
Value of standalone business (excluding-Paint)		INR b	320	
<b>Value/share</b>	<b>7x for the standalone business</b>			<b>486</b>
Value of listed investments		INR b	107	
Holding company discount		%	40	
<b>Assigned value to listed investments</b>		<b>INR b</b>	<b>64</b>	
<b>Value/share</b>	<b>35% HoldCo discount on the CMP</b>	<b>INR</b>		<b>98</b>
VSF and Fiber JV		INR b	8	
<b>Value/share</b>	<b>1x P/BV</b>	<b>INR</b>		<b>12</b>
Standalone net debt		INR b	(63)	
<b>Value/share</b>		<b>INR</b>		<b>(95)</b>
ABCAP		INR b	463	
Holding company discount		%	40	
GRASIM's stake		%	53	
<b>Value of ABCAP's stake in GRASIM</b>		<b>INR b</b>	<b>146</b>	
<b>Value/share</b>	<b>35% HoldCo discount on the CMP</b>	<b>INR</b>		<b>222</b>
Paint Business		INR b	90	
<b>Value/share</b>	<b>1x of invested capital</b>	<b>INR</b>		<b>137</b>
<b>SoTP-based TP</b>		<b>INR</b>		<b>2,670</b>

Source: MOFSL, Company

## Financials and valuations

### Standalone Income Statement

	(INR m)							
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Net Sales</b>	<b>2,05,504</b>	<b>1,86,094</b>	<b>1,23,864</b>	<b>2,08,568</b>	<b>2,68,397</b>	<b>2,53,434</b>	<b>2,90,748</b>	<b>3,11,809</b>
Change (%)	30.2	(9.4)	(33.4)	68.4	28.7	(5.6)	14.7	7.2
Total Expenditure	1,64,793	1,62,989	1,08,220	1,76,407	2,36,598	2,29,698	2,63,290	2,76,375
<b>EBITDA</b>	<b>40,712</b>	<b>23,105</b>	<b>15,643</b>	<b>32,162</b>	<b>31,799</b>	<b>23,736</b>	<b>27,458</b>	<b>35,434</b>
Change (%)	32.2	(43.2)	(32.3)	105.6	(1.1)	(25.4)	15.7	29.0
Margin (%)	19.8	12.4	12.6	15.4	11.8	9.4	9.4	11.4
Depreciation	7,604	8,468	8,282	9,140	10,973	11,875	14,718	18,016
<b>EBIT</b>	<b>33,108</b>	<b>14,638</b>	<b>7,362</b>	<b>23,022</b>	<b>20,826</b>	<b>11,861</b>	<b>12,740</b>	<b>17,418</b>
Int. and Finance Charges	1,991	3,039	2,360	2,472	3,677	4,300	7,317	8,602
Other Income - Rec.	5,680	5,255	5,137	8,953	10,183	11,231	11,109	11,690
<b>PBT &amp; EO Items</b>	<b>36,797</b>	<b>16,854</b>	<b>10,139</b>	<b>29,503</b>	<b>27,333</b>	<b>18,791</b>	<b>16,531</b>	<b>20,506</b>
Change (%)	32.1	(54.2)	(39.8)	191.0	(7.4)	(31.2)	(12.0)	24.0
Extra Ordinary (income)/expense	23,680	2,941	810	691	880	0	0	0
<b>PBT but after EO Items</b>	<b>13,117</b>	<b>13,913</b>	<b>9,329</b>	<b>28,812</b>	<b>26,452</b>	<b>18,791</b>	<b>16,531</b>	<b>20,506</b>
Tax	7,964	1,214	1,224	1,857	5,215	3,195	3,306	4,101
Tax Rate (%)	21.6	7.2	12.1	6.3	19.1	17.0	20.0	20.0
<b>Reported PAT</b>	<b>5,153</b>	<b>12,700</b>	<b>8,105</b>	<b>26,955</b>	<b>21,237</b>	<b>15,597</b>	<b>13,225</b>	<b>16,405</b>
<b>PAT Adj for EO items</b>	<b>23,708</b>	<b>15,640</b>	<b>8,817</b>	<b>22,306</b>	<b>20,933</b>	<b>15,597</b>	<b>13,225</b>	<b>16,405</b>
Change (%)	20.4	(34.0)	(43.6)	153.0	(6.2)	(25.5)	(15.2)	24.0
Margin (%)	11.5	8.4	7.1	10.7	7.8	6.2	4.5	5.3

### Standalone Balance Sheet

	(INR m)							
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	1,315	1,316	1,316	1,317	1,317	1,317	1,317	1,361
Employee Stock options outstanding		527	567	708	708	708	708	708
Reserves	4,18,277	3,74,898	4,27,595	4,84,133	4,67,524	4,83,700	5,04,665	5,40,026
<b>Net Worth</b>	<b>4,19,592</b>	<b>3,76,740</b>	<b>4,29,479</b>	<b>4,86,158</b>	<b>4,69,549</b>	<b>4,85,726</b>	<b>5,06,690</b>	<b>5,42,095</b>
Loans	33,108	50,681	41,634	41,208	52,542	95,454	1,12,154	97,654
Deferred liabilities	18,789	14,025	17,339	18,414	15,348	15,348	15,348	15,348
<b>Capital Employed</b>	<b>4,71,488</b>	<b>4,41,447</b>	<b>4,88,452</b>	<b>5,45,779</b>	<b>5,37,440</b>	<b>5,96,528</b>	<b>6,34,192</b>	<b>6,55,098</b>
Gross Block	1,38,489	1,54,142	1,48,940	1,95,985	2,20,577	2,64,124	3,49,124	3,86,207
Less: Accum. Deprn.	26,166	33,310	39,302	47,435	58,408	70,283	85,001	1,03,017
<b>Net Fixed Assets</b>	<b>1,12,322</b>	<b>1,20,832</b>	<b>1,09,637</b>	<b>1,48,549</b>	<b>1,62,169</b>	<b>1,93,840</b>	<b>2,64,123</b>	<b>2,83,190</b>
Capital WIP	15,672	27,919	40,334	17,428	29,257	45,000	10,000	8,000
Non-Current Investments /Strategic	2,81,616	2,56,621	3,05,230	3,39,418	3,08,412	3,18,412	3,18,412	3,18,412
Current - Financial	29,931	20,504	41,553	47,490	30,556	30,556	30,556	30,556
<b>Curr. Assets</b>	<b>78,398</b>	<b>69,070</b>	<b>46,827</b>	<b>73,477</b>	<b>91,378</b>	<b>92,501</b>	<b>97,555</b>	<b>1,05,576</b>
Inventory	29,317	26,262	21,790	39,408	44,928	45,035	46,218	49,525
Account Receivables	34,916	29,053	13,120	16,904	15,973	16,441	17,145	18,985
Cash and Bank Balance	425	789	1,327	2,253	4,744	3,147	3,663	4,326
Others	13,741	12,965	10,590	14,912	25,734	27,878	30,529	32,740
<b>Curr. Liability &amp; Prov.</b>	<b>46,452</b>	<b>53,499</b>	<b>55,130</b>	<b>80,583</b>	<b>84,332</b>	<b>83,781</b>	<b>86,454</b>	<b>90,636</b>
Account Payables	23,757	26,648	27,069	46,507	47,112	49,324	51,436	55,303
Provisions	4,604	5,514	3,250	3,419	3,866	3,802	4,361	4,677
Other Liabilities	18,091	21,337	24,811	30,656	33,353	30,656	30,656	30,656
<b>Net Current Assets</b>	<b>31,947</b>	<b>15,571</b>	<b>-8,303</b>	<b>-7,105</b>	<b>7,046</b>	<b>8,720</b>	<b>11,102</b>	<b>14,939</b>
<b>Appl. of Funds</b>	<b>4,71,488</b>	<b>4,41,447</b>	<b>4,88,452</b>	<b>5,45,779</b>	<b>5,37,440</b>	<b>5,96,528</b>	<b>6,34,192</b>	<b>6,55,098</b>

## Financials and valuations

### Standalone Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Share price</b>								
EPS	36.0	23.8	13.4	33.9	31.8	23.7	20.1	24.1
Cash EPS	47.6	36.6	26.0	47.8	48.5	41.7	42.4	50.6
BV/Share	638.0	572.7	652.6	738.4	713.1	737.7	769.5	796.6
DPS	6.2	7.0	9.0	10.0	10.0	6.0	6.0	6.5
<b>Valuation</b>								
P/E	60.2	91.2	161.9	64.0	68.2	91.6	108.0	90.0
Cash P/E	45.6	59.2	83.5	45.4	44.8	52.0	51.1	42.9
P/BV	3.4	3.8	3.3	2.9	3.0	2.9	2.8	2.7
EV/Sales*	0.4	0.6	0.6	0.3	0.3	0.5	0.5	0.4
EV/EBITDA*	1.8	4.4	4.5	1.9	2.7	4.2	3.7	2.8
Dividend Yield (%)	0.3	0.3	0.4	0.5	0.5	0.3	0.3	0.3
<b>Return Ratios (%)</b>								
RoE*	17.1	10.3	4.9	11.5	9.0	4.6	2.9	3.8
RoCE*	20.8	9.4	5.3	12.9	11.0	5.9	5.3	6.3
<b>Working Capital Ratios</b>								
Debtor (Days)	70	54	31	37	24	23	23	23
Asset Turnover (x)	0.4	0.4	0.3	0.4	0.5	0.4	0.5	0.5
<b>Leverage Ratio</b>								
Debt/Equity	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2

\*calculated for standalone business

### Standalone Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	36,797	12,916	9,329	28,812	26,452	18,791	16,531	20,506
Depreciation	7,604	8,135	8,282	9,140	10,973	11,875	14,718	18,016
Interest & Finance Charges	(1,435)	(249)	(421)	(4,552)	(4,184)	(3,727)	(691)	116
Direct Taxes Paid	(5,123)	(2,183)	(1,786)	(6,502)	(4,071)	(3,195)	(3,306)	(4,101)
(Inc)/Dec in WC	(10,735)	12,611	9,350	132	(5,426)	(3,270)	(1,866)	(3,175)
<b>CF from Operations</b>	<b>27,108</b>	<b>31,231</b>	<b>24,754</b>	<b>27,029</b>	<b>23,744</b>	<b>20,475</b>	<b>25,386</b>	<b>31,362</b>
Others	(1,553)	1,919	(780)	(467)	(556)	-	-	-
<b>CF from Operating incl EO</b>	<b>25,555</b>	<b>33,150</b>	<b>23,974</b>	<b>26,562</b>	<b>23,188</b>	<b>20,475</b>	<b>25,386</b>	<b>31,362</b>
(Inc)/Dec in FA	(20,440)	(26,823)	(11,932)	(25,382)	(40,225)	(59,290)	(50,000)	(35,083)
<b>Free Cash Flow</b>	<b>5,115</b>	<b>6,328</b>	<b>12,041</b>	<b>1,181</b>	<b>(17,036)</b>	<b>(38,815)</b>	<b>(24,614)</b>	<b>(3,721)</b>
(Pur)/Sale of Investments	56	127	102	66	111	-	-	-
Others	(2,247)	(17,904)	(10,249)	(9,541)	18,211	(1,973)	8,008	8,486
<b>CF from Investments</b>	<b>(22,631)</b>	<b>(44,600)</b>	<b>(22,079)</b>	<b>(34,857)</b>	<b>(21,902)</b>	<b>(61,263)</b>	<b>(41,992)</b>	<b>(26,598)</b>
Issue of Shares	86	90	126	(425)	(902)	4,530	11,690	23,424
Inc/(Dec) in Debt	3,504	17,127	(9,384)	(583)	11,306	42,912	16,700	(14,500)
Interest Paid	(2,050)	(2,130)	(3,241)	(843)	(5,478)	(4,300)	(7,317)	(8,602)
Dividend Paid	(4,530)	(5,155)	(2,622)	(5,915)	(6,574)	(3,951)	(3,951)	(4,423)
Others	-	-	-	-	-	-	-	-
<b>CF from Fin. Activity</b>	<b>(2,990)</b>	<b>9,932</b>	<b>(15,120)</b>	<b>(7,766)</b>	<b>(1,648)</b>	<b>39,191</b>	<b>17,122</b>	<b>(4,102)</b>
<b>Inc/Dec of Cash</b>	<b>(65)</b>	<b>(1,517)</b>	<b>(13,226)</b>	<b>(16,061)</b>	<b>(362)</b>	<b>(1,596)</b>	<b>516</b>	<b>663</b>
Opening Balance	261	195	510	692	527	4,744	3,147	3,663
Add: Cash on amalgamation	-	1,832	13,408	15,895	-	-	-	-
<b>Closing Balance</b>	<b>196</b>	<b>510</b>	<b>692</b>	<b>527</b>	<b>165</b>	<b>3,147</b>	<b>3,663</b>	<b>4,326</b>

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Explanation of Investment Rating	
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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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