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SYSTEMATIX INSTITUTIONAL EQUITIES

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## Triveni Engineering and Industries

05 February 2025

## Yet another challenging quarter

## RESULT UPDATE

Sector: Sugar Rating: BUY

CMP: Rs 377 Target Price: Rs 472

## Stock Info

Sensex/Nifty	78,451/23,753
Bloomberg	TRE IN
Equity shares (mn)	219
52-wk High/Low	Rs 536/ Rs 266
Face value	Rs 1
M-Cap	Rs 83bn/ USD 1bn
3-m Avg traded value	USD 5.8mn

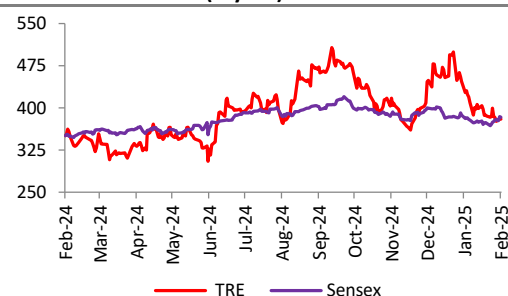
## Financial Snapshot (Rs mn)

Y/E Mar	FY25E	FY26E	FY27E
Net sales	68,274	65,062	70,460
EBITDA	6,138	7,379	9,449
EBITDA margin (%)	9.0	11.3	13.4
PAT	3,650	4,532	5,970
EPS adj. (Rs)	16.7	20.7	27.3
PE (x)	22.8	18.3	13.9
EV/EBITDA (x)	15.6	12.6	9.8
P/B (x)	2.6	2.3	2.0
RoE (%)	12.0	13.4	15.5
RoCE (%)	10.7	12.6	15.7
D/E (x)	0.41	0.30	0.23
DPS (Rs)	3.3	3.3	3.3
Dividend payout (%)	19.5	15.7	11.9

## Shareholding Pattern (%)

	Dec'24	Sep'24	Jun'24
Promoter	61.0	61.0	61.0
—Pledged	-	-	-
FII	5.2	4.7	4.8
DII	9.7	10.0	8.8
Others	24.2	24.4	25.4

## Stock Performance (1-year)



Triveni Engineering and Industries' (TRE) consolidated revenue grew 3% YoY to Rs 16bn (in line with estimate) on the back of 9%/3% YoY growth in distillery/gear revenues at Rs 3.3bn/Rs 0.7bn, respectively. However, 9%/8% YoY degrowth in sugar/water revenues at Rs 9.3bn/Rs 0.5bn respectively, partly offset the positive performance. Gross margin contracted 227bps YoY to 42.9% (estimate of 43%), EBITDA fell 60% YoY to Rs 771mn (48% below estimate) and EBITDA margin contracted 760bps YoY to 4.8% (estimate of 9.5%). Weak performance in all business verticals impacted TRE's profitability, as EBIT for sugar/distillery/gears fell by 65%/92%/11% YoY. However, we expect profitability to improve in the coming quarters on the back of a) Rs 2-2.5/kg increase in sugar price, on forecast lower sugar production in SS 2025 and allocation of sugar export, b) higher price of C-Heavy molasses-based ethanol, availability of FCI rice at lower price and expected softening of maize prices in anticipation of a bumper crop, and c) positive developments in gears, water, and waste-water treatment businesses in 9MFY25, supported by robust domestic and international order books. We have raised FY25 revenue by 16% to factor in higher export sugar volumes but cut FY25E/FY26E EBITDA by 7.7%/22.6% to factor in higher raw material (RM) sugar and ethanol costs; EPS too is cut by 7.9%/25.5%. We roll forward valuations to newly introduced FY27E. Our SoTP-based target price of Rs 472 (Rs 482 earlier) implies 17x FY27E P/E and 12x FY27E EV/EBITDA. We retain BUY on TRE and assign EV/EBIT of 14x to distillery, 7x to sugar and 20x to engineering & water businesses. Key risks: Disappointing recovery rate and higher maize/rice procurement prices.

**Sugar division – Subdued realization, higher costs hurt profitability:** EBIT fell 65% YoY to Rs 418mn (estimate of Rs 538) on subdued sugar prices which could not fully offset higher RM cost. Lower initial recoveries led to higher cost of production, subsequently resulting in inventory write down. Recoveries are expected to moderate in the remaining period of the season. TRE's subsidiary, Sir Shadi Lal Enterprises Ltd (SSEL), reported EBIT loss of Rs 133mn due to lower sugar production during SS 2023-24 and extensive repairs which further impacted TRE's consolidated EBIT.

**Distillery division – EBIT nosedives due to RM availability and cost issues:** The segment reported yet another quarter of weak performance, with EBIT nosediving 92% YoY to Rs 28mn due to a) lower sales volume of high-margin ethanol (produced from B-Heavy molasses and cane juice), as the feedstock was in short supply, b) lower ethanol production, again because of feedstock shortage, resulting in lower capacity utilization impacting operating leverage, and c) elevated cost of procuring maize. We expect profitability to improve in ESY 2024-25, backed by a) higher price of C-Heavy molasses-based ethanol, b) availability of FCI rice at a lower price of Rs 2,250/quintal vs Rs 2800/quintal, and c) softening maize prices.

**Power transmission business (PTB) – One-off events drag profitability:** EBIT fell 11% YoY to Rs 237mn and EBIT margin contracted 500bps YoY to 32.2%. Increase in infrastructure expenses required for proposed higher capacity and maintenance shutdown of one critical machine led to the decline. The company has approved additional capex of Rs600mn, which is slated to increase the capacity to Rs 7bn by September 2026. Order booking surged 23% YoY to Rs1bn, with the closing order book at an all-time high of Rs 3.8bn.

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Investors are advised to refer disclosures made at the end of the research report.

**Scheme of arrangement:** On 10 December 2024, TRE's Board of Directors approved a Composite Scheme of Arrangement proposing 1) Amalgamation of Sir Shadi Lal Enterprises Limited (SSEL) with TRE. SSEL is a subsidiary of TRE, in which TRE currently holds a 61.77% stake, 2) Transfer and vesting of TRE's Power Transmission Business (PTB) to Triveni Power Transmission Limited (TPTL), a wholly-owned subsidiary of the company.

## Key takeaways (KTAs) from the concall

### Sugar:

- **Operational details:** Sugar sales declined 10.3% YoY to 0.18mn tonnes with average realization dipping 1.6% YoY to Rs 38,907/tonne. SSEL's sugar sales volume in 3QFY25 was 13,619 tonnes, with average realization of Rs 36,874/tonne. On a consolidated basis (including SSEL), sugar sales stood at 0.20mn tonnes (down 3.9% YoY), with blended realization at Rs 38,770/tonne (down 1.9% YoY). EBIT per tonne stood at Rs 2,063/tonne vs. Rs 5,687/tonne in 3QFY24.
- **SSLE:** Reported revenue of Rs 554mn with an EBIT loss of Rs 133mn.
- **Brazil sugar outlook:** Brazil's sugar production for the 2024-25 season remained under pressure, with Central-South (CS) mills processing 614mn tonnes of sugarcane by mid-December 2024, marking a 4.75% YoY decline. This resulted in 39.8mn tonnes of sugar production, down 5.4% YoY (per UNICA data). The reduced output exacerbated global sugar deficit, which is now pegged at 0.70mn tonne for SS 2024-25 and supported a price recovery in 3QFY25.
- **International sugar prices:** International sugar prices declined in mid-January 2025, with NY #11 raw sugar futures hitting a low of 17.79 cents/lb and London #5 white sugar dropping to USD 466.4/tonne, driven by higher production in Brazil (down 5.4% YoY to 39.78mn tonnes as of mid-December 2024). Prices saw a sharp rebound by late January 2025, with NY #11 rising to 19.3 cents/lb and London #5 to USD 516.4/tonne, fueled by tightening global stocks (deficit of 721,000 tonnes) and India's approval of 1mn tonnes of sugar exports for SS 2024-25. Management highlighted that current global price trends and India's export quota position the domestic sugar industry favorably, though challenges persist due to lower sugarcane recoveries and elevated input costs. As of 29 January 2025, NY #11 and London #5 were trading at 19.3 cents/lb and USD 516.4/tonne, respectively, with further firmness expected amid supply constraints.
- **India's sugar production and export quota update for SS 2024-25:** India's sugar production notably declined as of 31 January 2025, with total production falling to 16.5mn tonnes this season, down 12% YoY from 18.8mn tonnes. On 20 January 2025, government of India (GoI) announced its decision to allocate an export quota of 1mn tonnes of sugar for SS 2024-25. TRE (including SSEL) received an allocation of 13,883 tonnes as export quota. With an estimated opening balance of 8.4mn tonnes as of 1 October 2024, sugar production of 27mn tonnes, domestic sales of 28mn tonnes and exports of 1mn tonne, the closing stock is expected to cross 6.4mn tonnes (after accounting for diversion of 4.0mn tonnes of sugar equivalent to ethanol).
- **Domestic sugar prices:** Refined sugar prices remain range-bound at ~Rs 40/kg (ex-mill), while sulphitation-grade sugar trades at Rs 38.8/kg (ex-mill). Despite the recent firming up of prices, post GoI's 1mn tonne export quota announcement, domestic realizations continue to lag input cost escalations (FRP/SAP hikes).

- **Minimum support price (MSP):** Management reiterated its call for a revision in the Minimum Support Price (MSP) of sugar, stagnant since 2019, to ensure sustainability in the industry and to align the price with rising sugarcane costs.
- **Inventory:** As of 31 December 2024, the company held inventory of 0.29mn tonnes, valued at Rs 38.8/kg.
- **Cogen:** 9MFY25 external co-generation (cogen) sales (including incidental cogen) of Rs 260mn fell by 15% YoY.
- **Varietal substitution and crop management:** TRE has accelerated its shift from the Co-0238 sugarcane variety to high-yielding alternatives, with better recovery rates. As of 3QFY25, Co-0238 accounted for 50-55% of its sugarcane mix, and the company aims to reduce this further to 30-35% in the upcoming season. This strategy includes rigorous crop management practices, farmer education programs, and incentives for adopting premium varieties like Co-15023 and Co-0232, which offer higher sucrose content and resilience to pests/weather fluctuations.
- **Projected yields:** TRE's sugar recovery rate of 9.1% (consolidated) during SS 2024-25 fell from 9.8% YoY. The impact came from the predominance of the Co-0238 sugarcane variety (50-55% of the crop mix). The company aims to reduce the share of Co-0238 to 30-35% in the next season, shifting to higher-yielding varieties to improve recovery. The newly integrated Shamli unit (SSEL) reported 8.8% recovery rate during 3QFY25 with potential upside as operational synergies materialize post-acquisition. Management expects recoveries to stabilize in the latter half of SS 2024-25, supported by agronomic interventions and farmer training programs.

### Distillery

- **TRE's operational details:** The 3% YoY fall in TRE's consolidated sales of 42.5mn litres was due to the shortage of molasses-based feedstock, resulting from Gol's policy decision of restricting the diversion of sugar to B-Heavy molasses and sugarcane juice in SS 2023-24. Consolidated average blended realization increased 5.5% YoY to Rs 62.3/litre.
- **3QFY25 sales breakup:** Ethanol constituted ~89%/~91% of total alcohol sales in 3QFY25/9MFY25 (vs ~92%/93% in 3QFY24/9MFY24). Sales mix of ethanol/ENA produced from molasses-based feedstock was ~48%/~49% in 3QFY25/9MFY25 vs ~73%/~67% of total sales in 3QFY24/9MFY24, respectively.
- **Ethanol procurement contracts surge:** Oil Marketing Companies (OMCs) have secured 9.3bn litres of ethanol for ESY 2024-25 (Nov-Oct), a ~38% YoY increase over 6.72bn litres during ESY 2023-24.
- **Feedstock mix shifts toward grains:** During ESY 2024-25, 64% of the contracted ethanol has been grain-based, with maize alone contributing 52% – surpassing the combined share of all sugarcane-based feedstocks.
- **Progress of blending targets:** Blending percentage reached 16.4% cumulatively in ESY 2024-25 (as of 31 December 2024). December 2024 saw a higher monthly blending rate of 18.2%, reflecting a seasonal uplift.
- **Policy boost for feedstock availability:** On 17 January 2025, DFPD fixed rice prices at Rs 2,250/quintal for ethanol production vs. market price of Rs 2,800/quintal, ensuring stable feedstock supplies for distilleries at lower prices.

- **Ethanol pricing revised higher:** Gol approved Rs 1.69/litre hike for ethanol derived from C-Heavy molasses, raising the procurement price to Rs 57.97/litre (from Rs 56.28/litre) for ESY 2024-25.

#### PTB

- PTB reported modest 3% YoY revenue growth at Rs 734mn (17% below estimate) due to shifting of certain large orders to the following 1-2 quarters. A large project in Bangladesh continued to face execution challenges, impacting the business during the quarter. Also, the company shut down one of its machines for maintenance, which further impacted production.
- **Order book details:** 3Q order book grew at 23.1% YoY, with some slow down seen in the domestic product segment, even as export operations witnessed increased customer engagement and received qualification orders across product lines. 9MFY25 order book was up 33% YoY to Rs 3.1bn, driven by both product and aftermarket segments. Outstanding order book reached an all-time high of Rs 3.7bn as on 31 December 2024, including long duration orders of Rs 1.3bn.
- The company's defense business received a second order for 42 propulsion gearboxes for Fast Patrol Vessels (FPVs) from Mazagon Dock Shipbuilders.
- **Outlook:** In the defense segment, management expects increased order booking from key segments, such as gas turbine packaging, propulsion gearboxes, propulsion shafting and special application pumps. Key activities of qualifications and Request for Proposal (RFP) in these segments have progressed considerably over the last couple of years. TRE is setting up a dedicated multi-modal facility for defense products, which will also help the business in gaining confidence of key customers and in expanding its service offerings.

#### Water business

- **3QFY25 performance:** Revenue fell 7.6% YoY to Rs 491mn, due to delays in receiving new orders and slow execution of certain projects. EBIT grew 67.3% YoY to Rs 104mn, with EBIT margin expanding 953 bps YoY to ~21%. Profitability improved due to the reversal of provisions made in earlier years, upon receipt of favourable arbitration award.
- **Details of the order book:** Order book grew substantially during 3Q and 9MFY25, with the outstanding order book at Rs 19.7bn as on 31 December 2024. This includes a long-term order book of Rs 11.2bn for O&M contracts.

**Capex:** TRE's board of directors have approved a capex of Rs 600mn for PTB, to enhance capacity to Rs 7bn, which the company intends to complete by September 2026. Earlier the board had approved a capex of Rs 1.8bn; it has an existing capacity of Rs 4bn. The project to enhance capacity to Rs 5bn is under progress; it currently operates at ~90% utilization.

**Debt:** Consolidated net debt as on 31 December 2024 increased by 410% YoY to Rs 9.6bn (Rs 2.3bn as of 31 December 2023), of which, ~Rs 1.2bn pertains to the SSLE subsidiary.

#### Change in estimates

We have raised FY25E sugar EBIT by 11% to factor in higher export volumes and superior export realizations. For FY26E, we have cut sugar EBIT by 18% to adjust for the lower recovery rate in the ongoing crushing season SS 2024-25, resulting in higher cost of production. For the distillery segment, we have cut EBIT by 38.5%/36.5% to factor in higher RM costs and increased transfer pricing for

molasses. For PTB, we have tweaked FY25/FY26E revenue by 8% each and EBIT by 10.6%/8%, respectively, to factor in the 3QFY25 performance. We have cut overall EBITDA by 7.7%/22.6% and EPS by 7.9%/25.5% for FY25/FY26E. We introduce FY27E, to which we roll forward our valuations. Reiterating BUY with revised SoTP-based TP of Rs 472 (earlier Rs 482). **Key risks:** Lower-than-expected recovery rate, no revision in ethanol prices and subdued domestic sugar prices.

### Exhibit 1: Change in estimates

(Rs mn)	Old estimates			Revised estimates			Change (%)		
	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net sales	58,797	68,976	74,365	68,274	65,062	70,460	16.1	(5.7)	(5.3)
EBITDA	6,650	9,538	11,138	6,138	7,379	9,449	(7.7)	(22.6)	(15.2)
EBITDA margin	11.3	13.8	15.0	9.0	11.3	13.4	(232)bps	(249)bps	(157)bps
Adjusted PAT	3,963	6,080	7,149	3,650	4,532	5,970	(7.9)	(25.5)	(16.8)
EPS	18.1	27.8	32.7	16.7	20.7	27.2	(7.9)	(25.5)	(16.8)
<b>Target price</b>			<b>482</b>			<b>472</b>			<b>(2.2)</b>

Source: Company, Systematix Institutional Research

### Exhibit 2: SoTP valuation

Segment	Methodology	FY27E EBIT (Rs mn)	Multiple (x)	Value
Sugar	EV/EBIT	3,298	7.0	23,087
Distillery	EV/EBIT	3,315	14.0	46,411
Engg (PTB)	EV/EBIT	1,888	20.0	37,753
Water treatment	EV/EBIT	415	20.0	8,306
<b>Total EV</b>				<b>1,15,556</b>
Less: Net debt				12,290
Equity valuation				1,03,267
No of shares				219
<b>Price per share</b>				<b>472</b>

Source: Company, Systematix Institutional Research

### Exhibit 3: Financial snapshot

(Rs mn)	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
<b>Gross revenues</b>	<b>16,003</b>	<b>15,536</b>	<b>3.0</b>	<b>17,483</b>	<b>(8.5)</b>	<b>48,827</b>	<b>46,033</b>	<b>6.1</b>
<b>Net revenues (net of excise duty)</b>	<b>12,820</b>	<b>13,112</b>	<b>(2.2)</b>	<b>14,910</b>	<b>(14.0)</b>	<b>40,736</b>	<b>39,180</b>	<b>4.0</b>
Operating expenses	15,232	13,607	11.9	17,437	(12.6)	47,147	42,225	11.7
<b>EBITDA</b>	<b>771</b>	<b>1,930</b>	<b>(60.0)</b>	<b>46</b>	<b>1,561.9</b>	<b>1,680</b>	<b>3,808</b>	<b>(55.9)</b>
<b>EBITDA margins (%)</b>	<b>4.8</b>	<b>12.4</b>	<b>(760)bps</b>	<b>0.3</b>	<b>455bps</b>	<b>3.4</b>	<b>8.3</b>	<b>(483)bps</b>
Other income (Net)	239	219	9.1	137	74.7	484	465	4.1
Interest	106	65	63.1	164	(35.6)	533	375	42.3
Depreciation	330	262	26.2	321	2.7	941	772	21.9
PBT	574	1,823	(68.5)	(302)	(290.2)	690	3,126	(77.9)
Tax	150	447	(66.5)	(78)	(291.2)	179	781	(77.1)
Effective tax rate (%)	26	25	158bps	26	14bps	26	25	98bps
Profit from share of associates	1.2	(1.6)	(175.0)	(0.6)	(300.0)	0.7	(3.6)	(119.4)
Extra ordinary items	-	-		-		-	-	
<b>Reported PAT</b>	<b>426</b>	<b>1,374</b>	<b>(69.0)</b>	<b>(224)</b>	<b>(289.9)</b>	<b>511</b>	<b>2,341</b>	<b>(78.2)</b>
No. of equity shares	219	219		219		219	219	
<b>EPS</b>	<b>1.9</b>	<b>6.3</b>	<b>(69.0)</b>	<b>(1.0)</b>	<b>(289.9)</b>	<b>2.3</b>	<b>10.7</b>	<b>(78.2)</b>

Source: Company, Systematix Institutional Research

**Exhibit 4: Key ratios**

(% of net sales)	3QFY25	3QFY24	YoY bps chg	2QFY25	QoQ bps chg	9MFY25	9MFY24	YoY bps chg
Raw material cost	57	55	227bps	70	(1,261)bps	64	61	290bps
Staff costs	7	6	91bps	6	159bps	6	6	52bps
Other expenses	31	27	442bps	24	647bps	26	25	141bps
Effective tax rate	26	25	158bps	26	14bps	26	25	98bps
Gross margin	43	45	(227)bps	30	1,261bps	36	39	(290)bps
OPM	5	12	(760)bps	0	455bps	3	8	(483)bps
NPM	3	9	(618)bps	(1)	394bps	1	5	(404)bps

Source: Company, Systematix Institutional Research

**Exhibit 5: Segmental financial snapshot**

(Rs mn)	3QFY25	3QFY24	YoY (%)	2QFY25	QoQ (%)	9MFY25	9MFY24	3QFY25
<b>Segment revenue</b>								
Sugar	9,295	10,270	(9.5)	9,593	(3.1)	28,883	29,304	(1.4)
Distillery (Net of excise)	3,345	3,073	8.9	4,121	(18.8)	10,356	9,468	9.4
Gears	734	711	3.3	1,021	(28.1)	2,303	2,036	13.1
Water and waste treatment	491	532	(7.6)	400	22.7	1,402	1,800	(22.1)
Other	524	511	2.7	475	10.4	1,477	1,327	11.3
Less: Intersegment revenue	1,570	1,984	(20.9)	700	124.2	3,685	4,755	(22.5)
<b>Total revenue</b>	<b>12,820</b>	<b>13,112</b>	<b>(2.2)</b>	<b>14,910</b>	<b>(14.0)</b>	<b>40,736</b>	<b>39,180</b>	<b>4.0</b>
<b>Segment EBIT</b>								
Sugar	418	1,199	(65.1)	(354)	(218.2)	429	1,473	(70.9)
Distillery	28	374	(92.4)	(58)	(149.1)	163	1,389	(88.2)
Gears	237	265	(10.6)	385	(38.6)	804	737	9.0
Water and waste treatment	104	62	67.3	32	221.1	197	158	24.5
Others	(2)	(0)	1,677.8	(3)	(40.7)	(5)	(7)	(28.3)
Unallocable exp.	105	12	785.7	141	(25.2)	365	249	46.5
<b>Total EBIT</b>	<b>680</b>	<b>1,888</b>	<b>(64.0)</b>	<b>(138)</b>	<b>(592.0)</b>	<b>1,223</b>	<b>3,502</b>	<b>(65.1)</b>
<b>Segment EBIT margin</b>								
Sugar	4.5	11.7	(718)bps	(3.7)	819bps	1.5	5.0	(354)bps
Distillery	0.8	12.2	(1,133)bps	(1.4)	225bps	1.6	14.7	(1,309)bps
Gears	32.2	37.2	(501)bps	37.7	(549)bps	34.9	36.2	(131)bps
Water and waste treatment	21.1	11.7	945bps	8.1	1,304bps	14.1	8.8	526bps
EBIT margin	5.3	14.4	(910)bps	(0.9)	623bps	3.0	8.9	(593)bps

Source: Company, Systematix Institutional Research



## FINANCIALS

### Profit & Loss Statement

YE: Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Net revenues	56,168	52,201	68,274	65,062	70,460
<b>EBITDA</b>	<b>6,159</b>	<b>6,264</b>	<b>6,138</b>	<b>7,379</b>	<b>9,449</b>
Less: Depreciation	935	1041	1265	1459	1653
<b>EBIT</b>	<b>5,224</b>	<b>5,223</b>	<b>4,873</b>	<b>5,920</b>	<b>7,796</b>
Less: Interest expenses	567	555	728	599	559
Add: Non op. income	804	620	720	720	720
<b>PBT</b>	<b>5,461</b>	<b>5,288</b>	<b>4,865</b>	<b>6,041</b>	<b>7,957</b>
Less: Taxes	1,718	1,338	1,216	1,510	1,989
Add: Minority interest	163	2	2	2	2
<b>Adjusted PAT</b>	<b>3,906</b>	<b>3,952</b>	<b>3,650</b>	<b>4,532</b>	<b>5,970</b>
Add/Less: EO items	14,012	0	0	0	0
<b>Reported PAT</b>	<b>17,918</b>	<b>3,952</b>	<b>3,650</b>	<b>4,532</b>	<b>5,970</b>

Source: Company, Systematix Institutional Research

### Cash Flow

YE: Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
<b>PBT</b>	<b>19,636</b>	<b>5,290</b>	<b>4,867</b>	<b>6,043</b>	<b>7,959</b>
Add: Non cash items	(1,316)	68	777	548	223
<b>Cash profit</b>	<b>18,320</b>	<b>5,358</b>	<b>5,644</b>	<b>6,591</b>	<b>8,182</b>
Add/Less: WC changes	(334)	(4,356)	215	1,199	(2,015)
<b>Operating cash flow</b>	<b>17,986</b>	<b>1,003</b>	<b>5,859</b>	<b>7,790</b>	<b>6,167</b>
Less: Capex	(2,355)	(3,556)	(3,800)	(3,800)	(3,800)
<b>Free cash flow</b>	<b>15,632</b>	<b>(2,554)</b>	<b>2,059</b>	<b>3,990</b>	<b>2,367</b>
Financing cash flow	(17,624)	2,633	(2,440)	(3,811)	(2,771)
Investing cash flow	14,136	(3,592)	(3,800)	(3,800)	(3,800)
<b>Net change in cash</b>	<b>14,499</b>	<b>43</b>	<b>(381)</b>	<b>179</b>	<b>(404)</b>
Add: Opening cash	233	721	778	398	577
Closing cash	721	764	398	577	173

Source: Company, Systematix Institutional Research

### Balance Sheet

YE: Mar (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Share capital	219	219	219	219	219
Reserves	26,434	28,790	31,729	35,550	40,808
<b>Net worth</b>	<b>26,653</b>	<b>29,009</b>	<b>31,948</b>	<b>35,769</b>	<b>41,027</b>
Minority interest	-	-	-	-	-
Borrowings	9,293	14,239	13,239	10,739	9,239
Deferred tax (Net)	1,084	1,209	1,209	1,209	1,209
<b>Total liabilities</b>	<b>37,029</b>	<b>44,457</b>	<b>46,396</b>	<b>47,717</b>	<b>51,475</b>
Gross block	20,243	21,753	24,810	28,610	32,410
Less: Accumulated dep	5,546	6,588	7,853	9,312	10,965
Net block	14,697	15,166	16,957	19,298	21,445
Add: Capital WIP	283	2,257	3,000	3,000	3,000
Investments	62	552	552	552	552
Inventories	19,965	24,199	24,317	23,173	25,096
Trade receivables	5,631	5,058	5,612	5,348	5,791
Cash & Bank balances	796	779	398	577	173
Trade payables	4,147	3,565	4,452	4,242	4,594
Other assets	(257)	13	13	13	13
<b>Total assets</b>	<b>37,029</b>	<b>44,457</b>	<b>46,396</b>	<b>47,717</b>	<b>51,475</b>
Net debt	8,436	12,909	12,290	9,611	8,515
WC days	111	124	125	125	125
D/E (x)	0.35	0.49	0.41	0.30	0.23

Source: Company, Systematix Institutional Research

### Ratios

YE: Mar	FY23	FY24	FY25E	FY26E	FY27E
<b>Income statement ratio (%)</b>					
Revenue growth	30.9	(7.1)	30.8	(4.7)	8.3
EBITDA growth	(2.9)	1.7	(2.0)	20.2	28.1
PAT growth	322.5	(77.9)	(7.6)	24.2	31.7
EBITDA margin	11.0	12.0	9.0	11.3	13.4
Net margin	31.9	7.6	5.3	7.0	8.5
<b>Return &amp; Liquidity ratio</b>					
Net Debt/Equity (x)	0.3	0.5	0.4	0.3	0.2
RoE (%)	17.1	14.2	12.0	13.4	15.5
RoCE (%)	14.3	12.8	10.7	12.6	15.7
<b>Per share data &amp; Valuation ratio</b>					
Diluted EPS (Rs/Share)	17.8	18.1	16.7	20.7	27.3
EPS growth (%)	3.4	1.2	(7.6)	24.2	31.7
DPS (Rs/Share)	3.3	5.8	3.3	3.3	3.3
P/E ratio (x)	21.3	21.0	22.8	18.3	13.9
EV/EBITDA (x)	14.9	15.4	15.6	12.6	9.8
EV/Sales (x)	1.6	1.9	1.4	1.4	1.3
BVPS (Rs)	121.8	132.5	145.9	163.4	187.4
Price/Book (x)	3.1	2.9	2.6	2.3	2.0
Dividend yield (%)	0.9	1.5	0.9	0.9	0.9

Source: Company, Systematix Institutional Research

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