Axis Annual Analysis 2025

AAA

Birla Corporation Ltd

AXIS SECURITIES

Outlook Remains Positive; Retain BUY

Summary

Aims to Reach the Capacity of 28 MTPA: The company is scaling up its cement production capacity from 20 MTPA to 28 MTPA by FY27-28 to meet the growing demand, which is in line with the projected growth in the economy and cement consumption. The expansion plan includes setting up three new grinding units along with capacity enhancements at the existing Maihar and Kundanganj plants. These initiatives will further strengthen its position in its core markets, where operations are already running at over 100% capacity. Additionally, the expansion is expected to enhance profitability through reduced lead distances and improved supply chain efficiency.

Increased Sales of Premium Cement: The company delivered consistent sales growth and maintained its strong market share in the premium segment. Premium cement accounted for 59.5% of sales through the trade channel. Full-year sales of premium cement reached 7.6 Mn tonne, marking the highest ever, up 11% YoY.

Cost Optimisation Initiatives: The Company launched Project Unnati, an initiative focused on driving profitability-led growth. Built on five core pillars—profitable revenue growth, cost optimisation, sustainable growth, strengthening presence in right-to-win markets, and deeper channel engagement—Unnati has already delivered tangible outcomes. During the year, it generated savings of Rs 37 Cr, contributing meaningfully to improved profitability.

Key Highlights

- **Decline in Revenue/EBITDA/PAT:** The company's Revenue/EBITDA/PAT contracted by 5%/15%/30% in FY25. This declining growth was driven by lower realisation and subdued demand witnessed during H1FY25. Capacity utilisation reached 91% during the year. Overall, cement realisation was down by 7% during the year.
- **Greenfield Capacity at Mukutban (Maharashtra) Ramping Up Well:** Mukutban unit in Maharashtra delivered a strong turnaround in FY24-25, significantly boosting profitability. With the successful scale-up of production and cost rationalisation measures, the plant is now among the most efficient cement manufacturing units in India.
- **Improvement in Net Debt:** Net debt was reduced to Rs 2,244 Cr from Rs 3,003 Cr, while the cost of borrowing declined by 35 bps to 7.6% during the year.

Key Competitive Strengths

a) High proportion of blended cement forming 81% of the total cement sales; b) Dominant player in the demand-accretive central region; c) Robust sales and distribution network; d) Expanding market reach, and e) Focus on the sale of high-margin premium cement.

Strategies Implemented

a) Ramped up Mukutban Greenfield unit; b) Increased use of green energy; c) Implementation of Project Unnati and Shiker for profitable growth and cost optimisation; d) Leveraged technology for rapid strides in the digital transformation journey.

Growth Drivers

a) Housing for All; b) Real Estate Growth; c) The government's keen focus on infrastructure development, including roads, highways, metros, airports, irrigation, and water projects; d) Proactive policy support by the government

Key focus areas going ahead

a) Optimise the performance of Mukutban Unit; b) Improve operational efficiencies through sustainable initiatives;c) Undertake digital transformation to achieve and augment operational excellence; d) Maintain financial prudence

Outlook & Recommendation: The company's overall performance in FY25 was subdued due to weaker cement prices. However, on the positive side, sales volumes improved as the Mukutban plant ramped up successfully and is now fully established. Capacity utilisation also reached an impressive 91% during the year, while lower operational costs helped offset the impact of subdued prices. Looking ahead, Birla Corp plans to expand its capacity to 28 MTPA by FY27-28, positioning itself to sustain and grow its market share. Cement demand is expected to remain resilient, supported by higher government spending on infrastructure, housing demand under the PM Awas Yojana, and continued momentum in the real estate sector. We maintain our **BUY** recommendation on the stock and value the company at 9x FY27E EV/EBITDA to arrive at a target price of Rs 1,560/ share, which implies an upside of 20% from the CMP.

Key Financials (Consolidated)

(Rs Cr)	FY25	FY26E	FY27E
Net Sales	9,214	10,039	10,769
EBITDA	1,217	1,524	1,769
Net Profit	295	540	610
EPS (Rs)	38.3	70.1	79.3
PER (x)	29	14	12
P/BV (x)	1.4	1.3	1.2
EV/EBITDA (x)	10	8	7
RoE (%)	4%	7%	8%

Source: Company, Axis Securities Research

(CMP as of 3rd September, 2025)

CMP (Rs)	1302
Upside/Downside (%)	20
High/Low (Rs)	1802/1137
Market cap (Cr)	10,025
Avg. daily vol. (6m) Shrs.	1,55,500
No. of shares (Cr)	7.7

Shareholding (%)

	Dec-24	Mar-25	Jun-25
Promoter	62.9	62.9	62.9
FIIs	5.6	6.3	7.1
MFs / UTI	14.5	13.9	13.8
Banks / FIs	0.0	0.0	0.0
Others	16.9	16.9	16.3

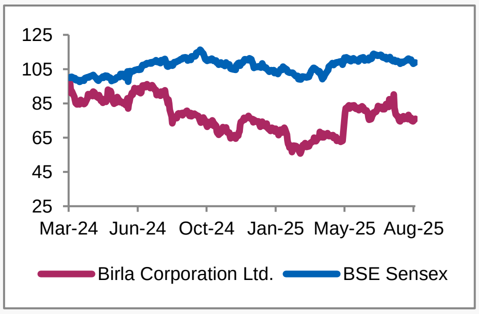
Financial & Valuations

Y/E Mar (Rs Cr)	FY25	FY26E	FY27E
Net Sales	9,214	10,039	10,769
EBITDA	1,217	1,524	1,769
Net Profit	295	540	610
EPS (Rs)	38.3	70.1	79.3
PER (x)	29	14	12
P/BV (x)	1.4	1.3	1.2
EV/EBITDA (x)	10	8	7
RoE (%)	4%	7%	8%

Change in Estimates (%)

Y/E Mar	FY26E	FY27E
Sales	0	0
EBITDA	0	0
PAT	0	0

Relative Performance



Source: Ace Equity

Uttam Kumar Srimal
Sr Research Analyst
uttamkumar.srimal@axissecurities.in

Shikha Doshi
Research Associate
shikha.doshi@axissecurities.in

Company Overview

Birla Corporation Limited, the flagship company of the M.P. Birla Group, was incorporated as Birla Jute Manufacturing Company Limited in 1919 and later evolved into a dominant cement player in India under the leadership of the Late Mr Madhav Prasad Birla. The company's core business is cement manufacturing, with a significant presence in the jute goods industry as well. Its cement division operates 11 plants across eight locations, including Satna and Maihar in Madhya Pradesh, Raebareli and Kundanganj in Uttar Pradesh, Chanderia in Rajasthan, Butibori and Mukutban in Maharashtra, and Durgapur in West Bengal. Currently, its total cement manufacturing capacity stands at 20 mtpa.

FY24 – Operational & Financial Performance Round-up

The company reported decline in revenue/ EBITDA/PAT on the back of subdued demand and lower cement prices. However, higher sale of premium cement and increasing use of green energy supported overall performance.

- **Financial Performance:** In FY24, the company's consolidated revenue declined by 5% to Rs 9,214 Cr from Rs 9,962 Cr in FY24. This decline was driven by subdued demand in H1FY25 and lower Cement prices despite an increase in volume. It recorded consolidated EBITDA of Rs 1,217 Cr, down 15% YoY from Rs 1,438 Cr in FY24. It reported a consolidated net profit of Rs 295 Cr in FY25, marking a 30% YoY decline due to these factors.
- **Decline in EBITDA Margin & EBITDA/tonne:** The company's EBITDA margin contracted to 13.2%, down from 15% YoY, and it reported a blended EBITDA/tonne of Rs 672, compared to Rs 815/tonne in FY24.
- **Blended Realisation/tonne Declined:** The company reported a blended realisation of Rs 5,091/tonne, down 7% from Rs 5,478/tonne in FY24, attributed to higher competitive intensity.
- **Healthy Capacity Utilisation:** The company's capacity utilisation in FY25 stood at 91%, including new units, and it reported volume growth of 2.6% during the year at 18.1 mtpa.
- **The Share of Premium Cement Sales Increased:** The company demonstrated consistent performance in sales growth and maintained a strong market share in the premium segment. Premium cement accounted for 59.5% of sales through the trade channel. Full-year sales of premium cement reached 7.6 Mn tonnes, the highest ever, reflecting an 11% increase over the previous year. Its super premium brand, Rakshak, has gained acceptance in Uttar Pradesh and Madhya Pradesh and has also been launched in Maharashtra, along with higher sales of Perfect Plus.
- **Controlling Operating Costs:** The company has undertaken several initiatives to reduce operating costs, with a focus on minimising fixed costs and discretionary expenses, including marketing and advertising. Additionally, it rationalised its power and fuel costs, as well as financing costs, during the year. Projects Unnati and Shikhar are aimed at enhancing profitability and lowering operational costs. Overall cost/tonne declined by 5% at Rs 4,418, led by lower P/F cost.
- **Reduction in Debt Level:** The company's total borrowings at the end of March stood at Rs 3,363 Cr, compared to Rs 3,770 Cr a year earlier, reflecting a reduction of 11% YoY. The interest cost for the March quarter of FY24 was 7.6%.
- **Dividend of Rs 10/share:** The company declared a dividend of Rs 10 per share for the year.
- **Non-trade Sale:** In line with its increasing focus on the non-trade segment, the company has strengthened its share of non-retail sales and continues to seek opportunities in rural areas, infrastructure, and government projects. Initiatives such as Bharatmala, Pradhan Mantri Awas Yojana, and Urban Infrastructure remain key drivers in this segment.
- **Higher Green Power Consumption:** The company has significantly reduced its thermal power consumption in recent years by transitioning to renewable energy sources, including the Waste Heat Recovery System (WHRS) and solar energy. WHRS and solar energy accounted for 25% of total consumption during the year, up from 24% in FY24. It is in the process of further increasing the share of renewables in its overall power mix by adding solar and WHRS capacity at its facilities.

Key Growth Drivers

Urbanisation

India’s working-age population (25-64 years) is projected to overtake China's between 2030 and 2035, becoming the largest working-age population in the world. By the end of FY25, an estimated 37% (541 Mn) of India's population will reside in urban areas. According to CRISIL, demand for housing is steadily growing in both urban and rural areas. This trend will accelerate urbanisation and increase the demand for housing and related services, subsequently boosting the demand for cement.

Higher focus on infra development along with affordable housing and real estate development to keep cement demand elevated. It is expected to grow at CAGR of 7%-8% over FY25-FY28E.

Rural Housing

The government’s announcement of an additional 3 Cr houses under the Pradhan Mantri Awas Yojana (Rural) over the next five years marks a significant step in addressing housing needs in rural areas. The allocation for Pradhan Mantri Awas Yojana (Rural) has seen a substantial increase of 70% from the FY24 revised estimate (RE) to Rs 54,500 Cr for FY25, reflecting the government's commitment to enhancing rural housing infrastructure. With 2.5 Cr houses completed over the past eight years, achieving 87% of the total target, the recent announcement of additional houses is expected to stimulate growth in the Indian infrastructure and cement sectors.

Urban Housing

The government plans to introduce a scheme to incentivise individuals residing in rented houses and unauthorised colonies to purchase or construct their own homes, thereby fostering urban housing demand. The allocation for Pradhan Mantri Awas Yojana (Urban) has been increased by 18% from the FY24 revised estimate (RE) to Rs 26,170 Cr for FY25, providing a substantial boost to urban housing initiatives.

Infrastructure Push by the Government

The government has consistently invested in infrastructure to advance the country’s development agenda, allocating Rs 11 Tn in Budget 2025-26. The steady increase in capital spending is a positive indicator for cement consumption in the coming years. Additionally, initiatives such as the National Infrastructure Pipeline and PM Gati Shakti are expected to enhance construction activity in the country, thereby increasing demand for cement.

Key Strategies Moving Forward

Capacity expansion is underway to meet rising demand. Mukutban unit has now established contributing to its profitability. Focus on green energy and digital initiatives are directed towards sustainable operation

Capacity Expansion

To meet the growing demand, Birla Corp is scaling up its cement production capacity from 20 MTPA to 28 MTPA by FY27-28, in line with the projected growth in the economy and cement consumption. The expansion plan includes setting up three new grinding units along with capacity enhancements at the existing Maihar and Kundanganj plants. These initiatives will further strengthen the company's position in its core markets, where operations are already running at over 100% capacity. Additionally, the expansion is expected to enhance profitability through reduced lead distances and improved supply chain efficiency.

Optimise the Performance of the Mukutban Unit.

Birla Corporation's 3.9 mt Mukutban factory in Maharashtra is one of the most efficient and profitable cement plants in India. With its superior product offering, the company was able to expand its marketing footprint in

Increase Operational Efficiency through Sustainable Operation.

The continued pursuit of operational efficiencies at all levels to optimise total costs amid rising input prices will remain a key factor in the company's profitability. It has implemented plant-wise sustainable operations initiatives during the year and continues to expand its use of green energy through the construction of solar power plants and WHRS capacity. To promote renewable energy and generate energy through cleaner sources, Birla Corp has installed Solar Power Plants at its Integrated Cement Plants. Additionally, it is sourcing solar power for the Raebareli Plant in a group captive mode under a long-term Power Purchase Agreement (PPA).

Digital Initiatives

The company's focus on leveraging technology to enhance efficiency and competitiveness received further impetus during the year, with digitisation initiatives implemented across various functions, including manufacturing, supply chain, sales, logistics, marketing, and HR management. Key initiatives included the adoption of a cloud-based CRM system, an Integrated Logistics Management System, an Influencer Program, Plant Maintenance enhancements, a transition to a Human Resource Management System (HRMS) with Darwin Box, and integrated business planning to improve safety and operational effectiveness.

Maintaining Financial Prudence

The company manages its excess funds efficiently by investing in highly rated debt securities, fixed deposits with banks and reputable financial institutions, and debt schemes of mutual funds, giving due consideration to key parameters of safety, liquidity, and returns. Additionally, loans are regularly monitored for opportunities to refinance, prepay, or restructure, aiming to reduce borrowing costs and mitigate foreign exchange rate risk.

Industry Outlook

In the Union Budget for FY2025-26, the government announced a capital investment outlay of Rs 11.2 Lc Cr for the infrastructure sector. Real GDP growth is projected at 6.5% for FY25-26, in line with FY24-25. With economic momentum strengthening, as projected by the RBI, cement demand is expected to witness a healthy recovery and grow sustainably at 6–7% over the next few years.

Overall, the long-term industry outlook remains positive, driven by housing and infrastructure development by the Government. New capacity addition may pose a challenge for higher utilisation. Pricing may remain competitive.

However, with new capacities coming on stream, average capacity utilisation is unlikely to see a meaningful improvement in the near term. While demand is expected to sustain its growth trajectory, pricing power may remain constrained for cement manufacturers due to the prevailing capacity overhang.

Considering the current market scenario, the Company has budgeted for a moderate price increase of 1–2% in FY25-26. With input costs expected to remain stable, profitability will be driven by sustained efficiency improvements across functions.

Together with its subsidiary RCCPL, the company now has a well-balanced geographical presence across the northern and central regions. With capacity utilisation remaining high despite industry challenges, the Company is gearing up for its next phase of growth by setting up new units.

Risks & Mitigation

The company has identified major risks in areas such as raw materials and fuels, quality, market, safety, litigation, logistics, community relations, intellectual property, project execution, finance, human resources, fraud, environment, information technology, and regulatory compliance. It has developed measures to mitigate these risks. Below are some key risks along with their corresponding mitigation strategies:

The company is exposed to many risks and it takes appropriate measures to deal with these risks.

- **Commodity Price Risk:** The company mainly imports coal, petroleum coke, gypsum and raw jute. It is exposed to commodity price risk arising from movements in the prices of these commodities. Such risks are monitored by tracking prices and managed by entering into fixed-price contracts when deemed necessary.

- **Government Incentive Risk:** The government remains committed to pushing capital expenditure-led growth of the Indian economy. However, if inflation is not contained, it can play spoilsport, impacting the government’s ability to borrow and inject cash into the economy.

- **Foreign Currency Risk:** The company is exposed to foreign exchange risk on imports of raw materials and capital equipment, and also borrows funds in foreign currencies for its operations. It evaluates the impact of exchange rate fluctuations by assessing its exposure to foreign currency risk. Certain of its transactions provide a natural hedge as a portion of its assets and liabilities are denominated in similar foreign currencies. For the remaining exposure to foreign exchange risk, the company adopts a policy of selective hedging based on management's assessment of the risk and uses derivatives when necessary to mitigate or eliminate the risk.

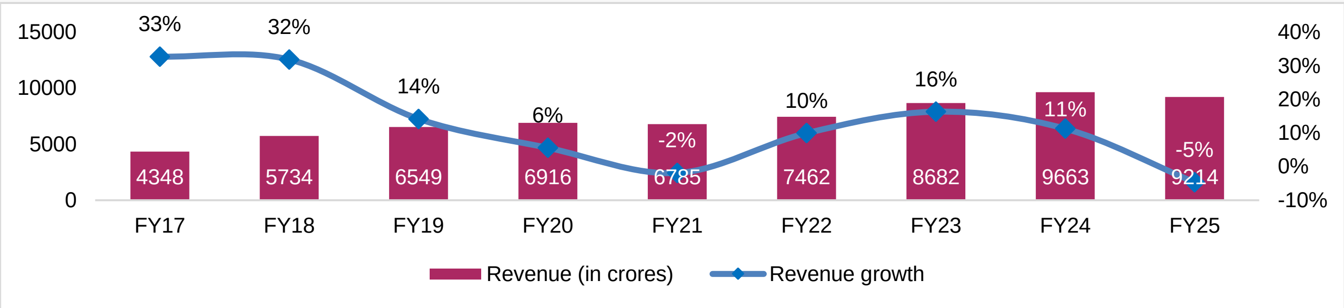
- **Demand and Price risk:** Cement demand and realisation are always critical for a cement company. A slowdown in demand along with a drop in prices can severely impact the company’s performance. To mitigate the risk, the company has expanded its capacity to reduce regional concentration and increase sales of the premium product, along with the launch of the new product, to continue achieving higher prices.

Profitability Analysis (Rs Cr)

Particulars	FY24	FY25	Change	Comments/Analysis
Sales	9,662	9214	-5%	Revenue growth was impacted by lower cement prices despite higher volume. The contribution of the cement and Jute business stood at 96% and 4%. We expect the company to grow its revenue at 8% CAGR over FY25-FY27E, driven by a volume CAGR of 7% over the same period.
Raw Materials/Others	5,808	5519	-5%	Lower owing to lower P/F cost during the year despite higher volume sold.
Gross Profits	3,854	3695	-4%	The company's gross profit was lower owing to lower cement prices, which contracted by 7% during the year.
Operating Expenses	2,416	2475	3%	Operating expenses were higher owing to an increase in staff costs and marketing expenses.
EBITDA	1438	1217	-15%	EBITDA was lower owing to lower cement prices and higher operating costs. Cost/tonne declined by 5% during the year. We estimate the company to report an EBITDA CAGR of 21% over FY25-FY27E, driven by a volume CAGR of 7% over the same period.
Depreciation	578	572	0%	Remained flattish as no new assets were capitalised.
Other income	86	98	14%	Increased on account of an increase in miscellaneous income.
EBIT	945	743	-21%	Lower owing to subdued operating performance during the year, on the back of lower cement prices.
Interest	371	327	-12%	The finance charge was lower owing to the repayment of debt.
Tax	159	83	-48%	Lower owing to lower profit during the year.
APAT	421	295	-30%	Lower owing to the above-mentioned attributes. We expect the company to report a CAGR of 44% over FY25-FY27E.
EPS	55	38	-30%	EPS is in line with APAT.
Volume	17.64	18.1	2.6%	Volume growth driven by better capacity utilisation of the Mukutban unit. We expect the company to report a volume CAGR of 7% over FY25-FY27E.

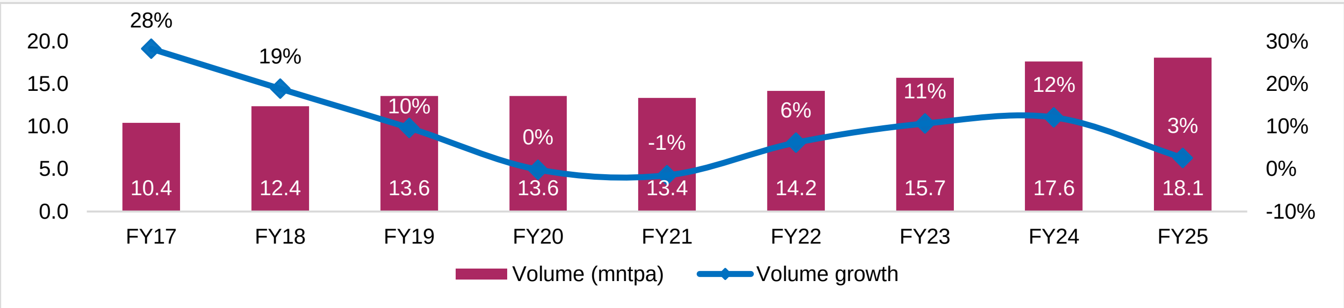
Source: Company; Axis Securities Research

Exhibit 1 Revenue & Growth Trend



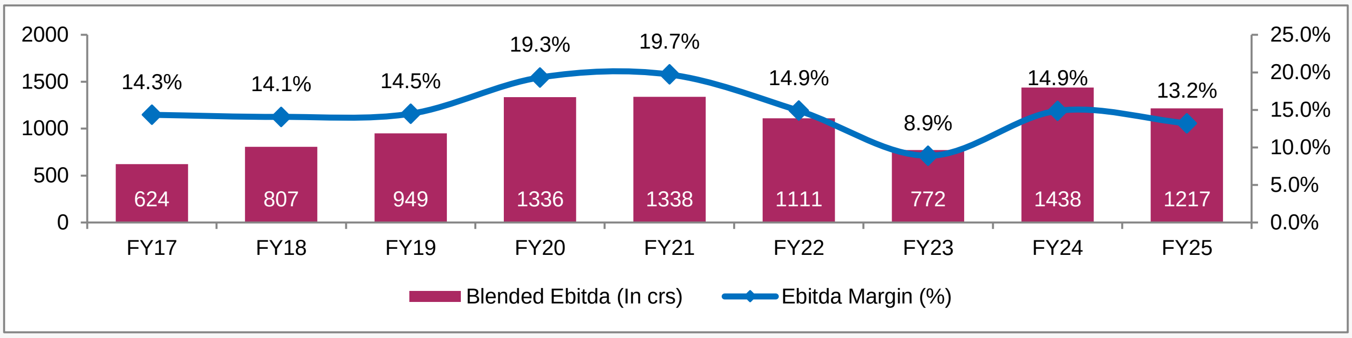
Source: Company, Axis Securities Research

Exhibit 2: Volume & growth trend



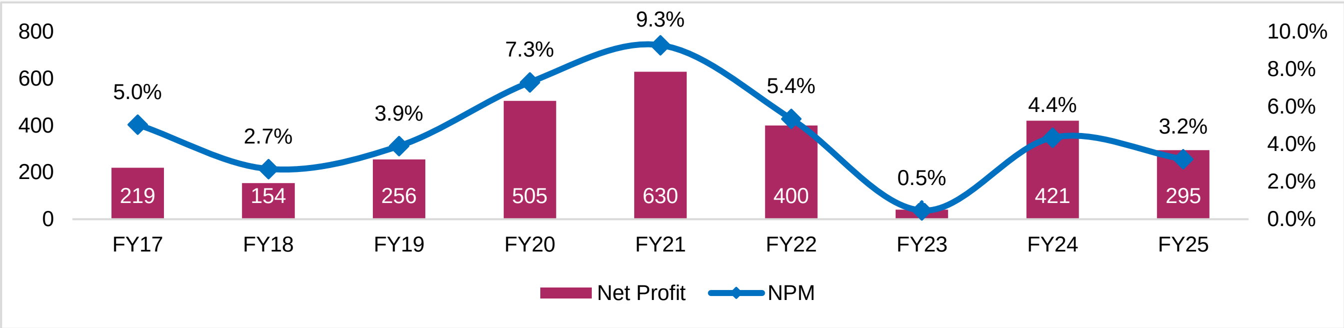
Source: Company, Axis Securities Research

Exhibit 3: Blended EBITDA and EBITDA margin



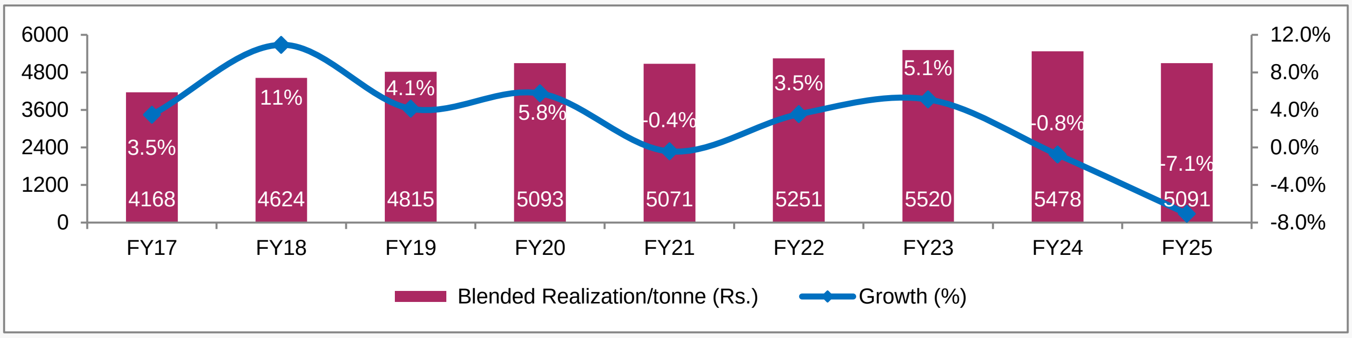
Source: Company, Axis Securities Research

Exhibit 4: Net profit & NPM trend



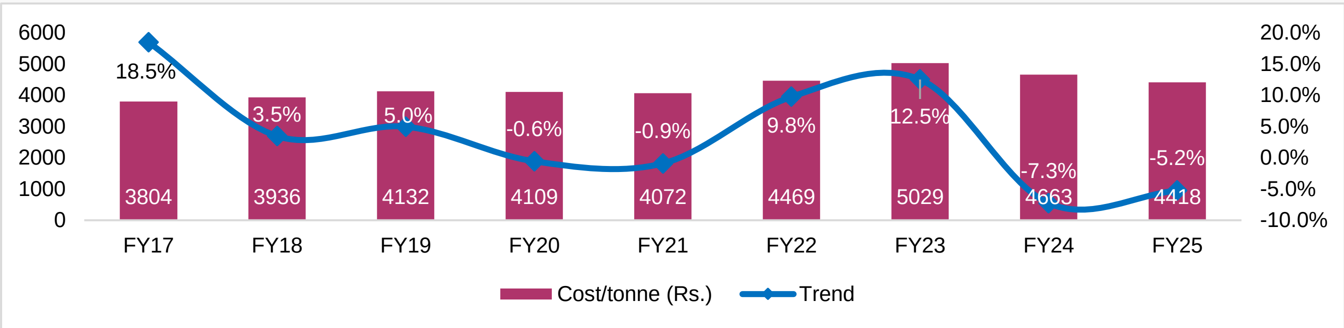
Source: Company, Axis Securities Research

Exhibit 5: Realisation/Tonne and Growth Trend



Source: Company, Axis Securities Research

Exhibit 6: Cost/tonne & its Trend



Source: Company, Axis Securities Research

Profitability Margins

Particulars	FY24	FY25	Change	Comments/Analysis
GPM	39.9%	40.1%	20bps	Lower operating costs positively impacted the GPM as input costs such as power & fuel declined during the year.
EBITDAM	14.9%	13.2%	-170bps	EBITDA margins were lower owing to lower cement prices and higher operating expenses as overall volume sold increased during the year.
APATM	4.4%	3.2%	-115bps	The APAT margin declined owing to lower cement prices.

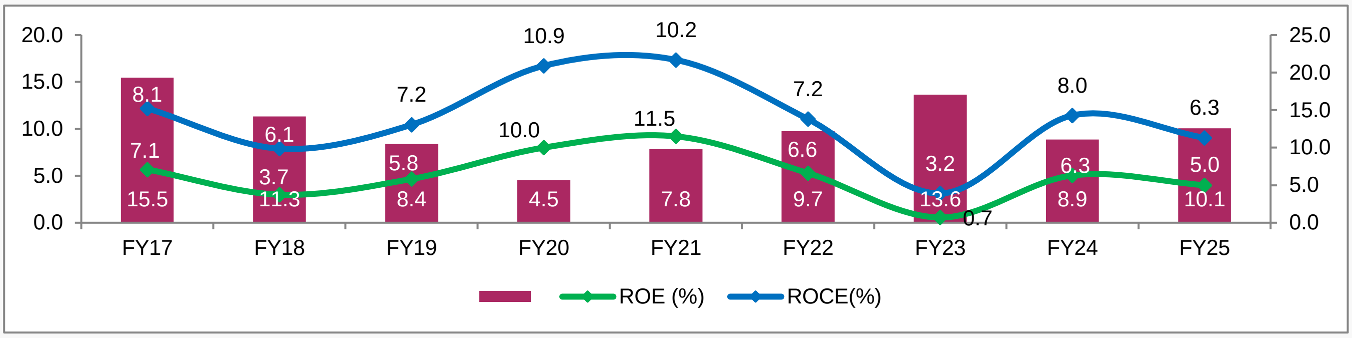
Source: Company; Axis Securities Research

Financial Ratios

Particulars	FY24	FY25	Change	Comments/Analysis
ROE	6.3%	4.2%	-210bps	ROE declined due to lower profits during the year
ROCE	8%	6%	-200bps	ROCE also declined as the EBIT margin contracted.
Asset Turn	0.7x	0.6x	-1x	Asset turnover declined owing to lower sales during the year.
Net Debt/Equity	0.5x	0.4x	-0.1x	Declined owing to lower debt level.
EV/EBITDA	9x	10x	1x	Higher, owing to an increase in price and a decline in EBITDA.

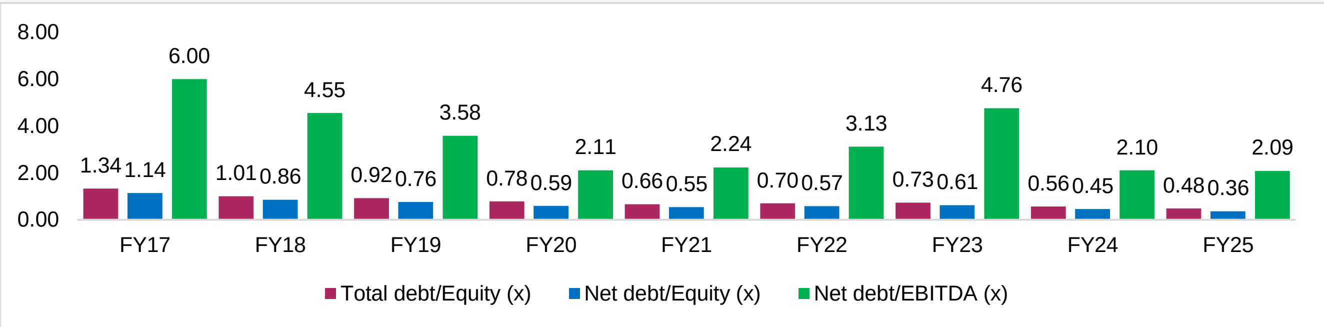
Source: Company; Axis Securities Research

Exhibit 7: EV/EBITDA, ROE& ROCE Trend



Source: Company, Axis Securities Research

Exhibit 8: Leverage Ratio



Source: Company, Axis Securities Research

Key Balance Sheet Takeaways

Working Capital Management

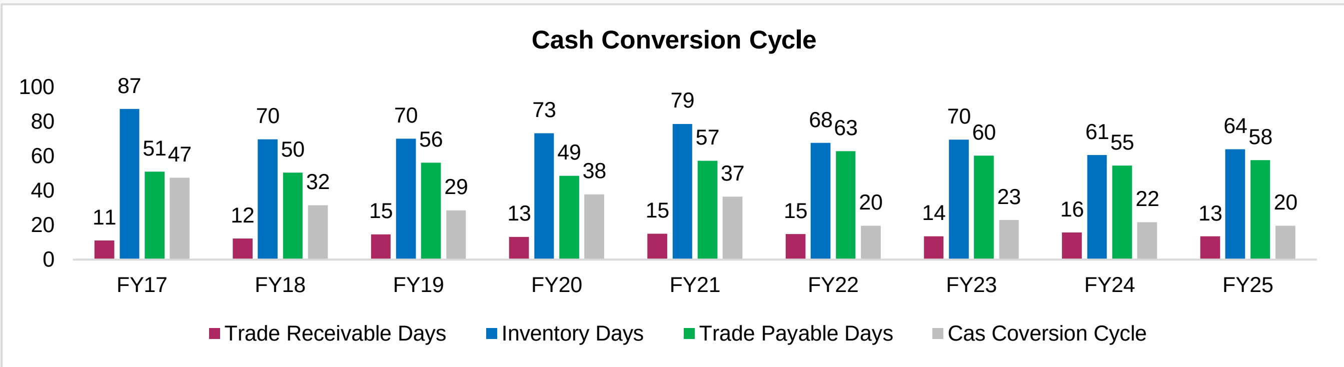
- The working capital intensity declined in FY25 as the cash conversion cycle improved to 20 days from 22 days in FY24. This was on account of lower debtors and an improvement in Creditor days. During the year, the OCF to EBITDA conversion improved to 137% vs. 113% in FY24. The 5-year average OCF/EBITDA conversion stands at 109% which indicates strong OCF generation.
- From FY20-FY25, the company generated a total OCF of Rs 7,596 Cr, and 55% of the total OCF (Rs 4,180 Cr) was utilised towards its Capex program, indicating a medium to high Capex intensity. While the CFO remained the major source of funding, Birla Corp also raised debt to fund the Capex. It generated FCF of Rs 3,415 Cr during FY20-FY25. During FY20-FY25, it incurred Rs 1,964 Cr towards interest expenses. Notably, despite major Capex, the company has generated FCF every year since 2013.

Cash Conversion Cycle

Particulars	FY24	FY25	Change	Comments/Analysis
Inventory Days	61	64	3	Declined owing to better procurement during the year.
Trade Receivables	16	13	-3	Increased owing to a higher credit period allowed.
Trade Payables	55	58	-3	Decreased owing to business conditions.
Cash Conversion Cycle	22	20	-3	Overall, CCC declined during the year.

Source: Company; Axis Securities Research

Exhibit 9: Cash Conversion Cycle

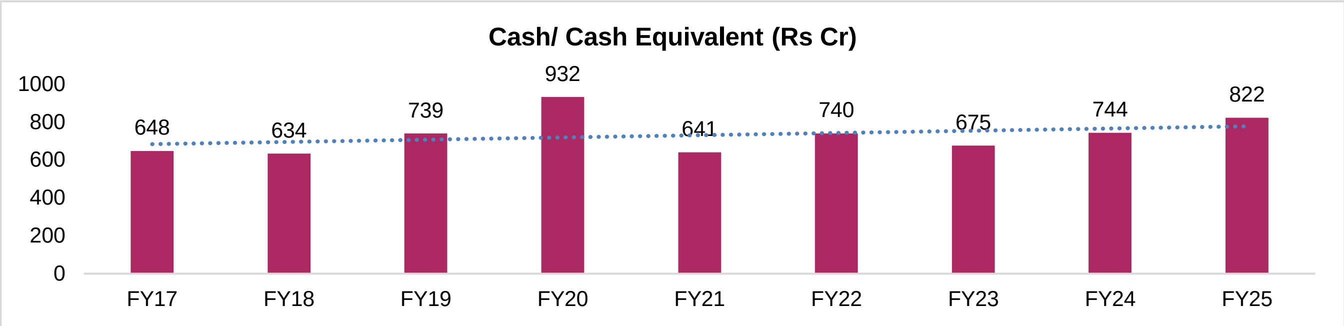


Source: Company, Axis Securities Research

Key Balance Sheet Takeaways (Cont...)

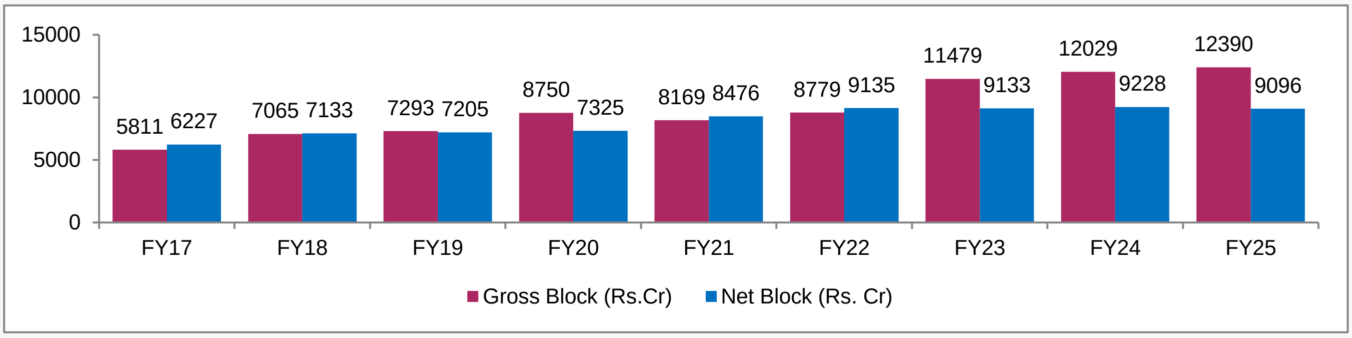
- **Debt Levels:** During the year, the company repaid long-term debt of Rs 520 Cr, reducing overall debt to Rs 3,363 Cr from Rs 3,770 Cr. Its debt/equity ratio stood at 0.5x, down from 0.6x in FY24, while net debt/equity improved to 0.4x from 0.5x in FY24. Net Debt/EBITDA declined and remained at 2.1x in FY25, owing to lower profitability.
- **Fixed capital formation:** Gross Fixed Capital Formation marginally improved to Rs 12,389 Cr in FY25 from Rs 12,029 Cr in FY24 as no new Capex came to stream during the year.
- **Capex plans:** The company has announced a major Capex plan to enhance its capacity from 20 mtpa to 28 mtpa by FY27-28. The expansion plan includes setting up three new grinding units along with capacity enhancements at the existing Maihar and Kundanganj plants. This will entail capital expenditure of Rs 4,335 Cr to be met out of internal accruals and debt.
- **Cash and liquidity position:** The company's cash & cash equivalents stood at Rs 822 Cr as of 31st March, 2025, against Rs 744 Cr in FY24, an improvement of 10% owing to better working capital management during the year.

Exhibit 10: Cash & Cash Equivalent (Rs Cr)



Source: Company, Axis Securities Research

Exhibit 11: Gross & Net Block



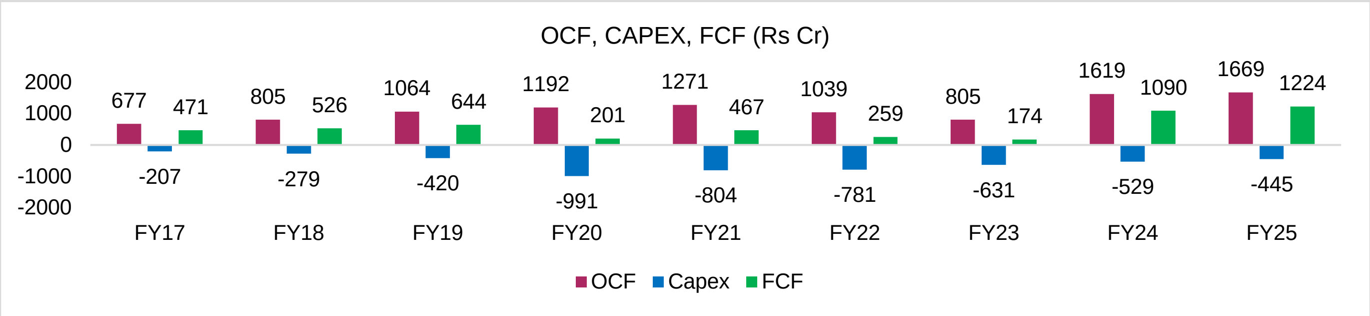
Source: Company, Axis Securities Research

Key Cash Flow Takeaways

Particulars (Rs Cr)	FY24	FY25	Change	Comments/Analysis
PBT	580	378	-35%	PBT was lower owing to a decline in revenue and higher operating expenses during the year.
Depreciation	578	572	-1%	Depreciation declined owing to no new major capex during the year.
Finance Cost	371	327	-12%	Finance charges declined owing to repayment of long-term loans.
Working Capital Adjustments	202	474	134%	Higher owing to better working capital management during the year.
CFO	1619	1669	3%	Higher led by better working capital management during the year.
CFI	-700	-885	26%	Higher due to increased investment during the year.
CFF	-969	-822	-15%	Declined owing to the repayment of a long-term loan

Source: Company; Axis Securities Research

Exhibit 12: OCF, Capex (in Cr)



Source: Company, Axis Securities Research

Financials (Consolidated)

Profit & Loss

(Rs Cr)

Y/E March	FY25	FY26E	FY27E
Net sales	**9214**	**10039**	**10769**
Other operating income	0	0	0
Total income	**9214**	**10039**	**10769**
Raw Material	1385	1640	1722
Power & Fuel	1772	1620	1702
Freight & forwarding	2364	2646	2778
Employee benefit expenses	564	594	653
Other Expenses	1913	2015	2146
EBITDA	**1217**	**1524**	**1769**
Other income	98	92	97
PBIDT	**1315**	**1616**	**1866**
Depreciation	572	561	705
Interest & Fin Chg.	327	310	336
E/o income / (Expense)	38	0	0
Pre-tax profit	**378**	**745**	**825**
Tax provision	83	206	214
(-) Minority Interests	0	0	0
Associates	0	0	0
Profit after Tax	**295**	**540**	**610**
Other Comprehensive Income	0	0	0
PAT after Comprehensive Income	**421**	**231**	**517**

Source: Company, Axis Securities Research

Balance Sheet

(Rs Cr)

Y/E March	FY25	FY26E	FY27E
Total assets	14331	14863	15450
Net Block	9096	9640	10120
CWIP	560	560	560
Investments	695	545	545
Wkg. cap. (excl cash)	-1379	-1342	-1310
Cash / Bank balance	118	158	187
Misc. Assets	5240	5301	5347
Capital employed	**14331**	**14863**	**15450**
Equity capital	77.01	77.01	77.01
Reserves	7015	7486	8027
Minority Interests	0	0	0
Borrowings	3290	3290	3290
DefTax Liabilities	1040	1040	1040
Other Liabilities and Provisions	2909	2970	3017

Source: Company, Axis Securities Research

Cashflow Statement (Rs Cr)

Y/E March	FY25	FY26E	FY27E
Profit before tax	378	745	825
Depreciation	572	561	705
Interest Expenses	327	310	336
Non-operating/ EO item	0	-92	-97
Change in W/C	148	-37	-32
Income Tax	-72	-206	-214
Operating Cash Flow	1352	1281	1522
Capital Expenditure	-445	-1104	-1185
Investments	0	0	0
Others	0	92	97
Investing Cash Flow	-62	-862	-1088
Borrowings	-315	-310	-336
Interest Expenses	-77	-69	-69
Dividend paid	0	0	0
Others	-392	-379	-406
Financing Cash Flow	-392	-379	-406
Change in cash	157	118	158
Opening Cash	118	158	187
Closing Cash	**FY25**	**FY26E**	**FY27E**

Source: Company, Axis Securities Research

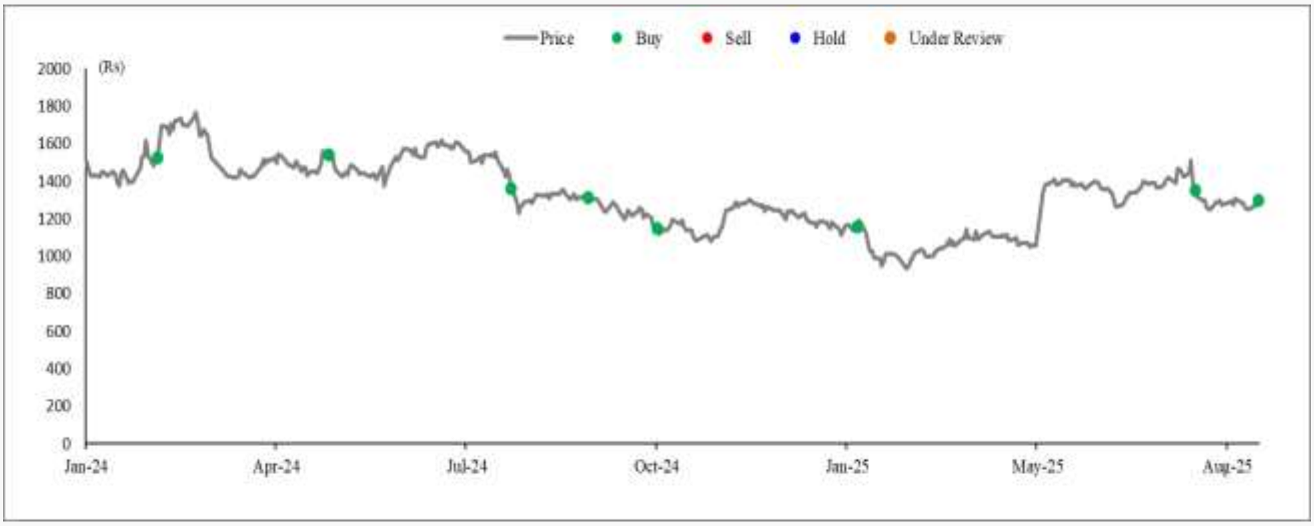
Ratio Analysis (%)

Y/E March	FY25	FY26E	FY27E
Sales growth	**-5%**	**9%**	**7%**
OPM	13.2%	15.2%	16.4%
Op. profit growth	-15%	25%	16%
COGS / Net sales	60%	59%	58%
Overheads/Net sales	27%	26%	26%
Depreciation / G. block	5%	5%	5%
Effective interest rate (%)	10%	9%	10%
Efficiency Ratios			
Total Asset Turnover (x)	0.64	0.68	0.70
Sales/Gross block (x)	0.74	0.74	0.73
Sales/Net block(x)	**1.01**	**1.04**	**1.06**
Working capital/Sales (x)	0.01	0.00	0.00
Valuation Ratios			
P/E (x)	29.4	14.0	12.4
P/BV (x)	1.38	1.30	1.21
EV/Ebitda (x)	**10**	**8**	**7**
EV/Sales (x)	1.33	1.26	1.18
EV/Tonne $ (x)	71	69	64
Return Ratios			
ROE (%)	4%	7%	8%
ROCE (%)	6	9	9
ROIC (%)	6	7	8

Leverage Ratios	0.48	0.45	0.42
Debt/Equity (x)	0.36	0.40	0.38
Net debt/ Equity (x)	2.09	1.96	1.70
Net debt/EBITDA (X)	2.3	3.4	3.5
Interest Coverage ratio (x)	2.3	3.4	3.5
Cash Flow Ratios			
OCF/Sales	18%	13%	14%
OCF/Ebitda	137%	84%	86%
OCF/Capital Employed	14%	11%	12%
FCF/Sales	13.3%	1.8%	3.1%
Payout ratio (Div/NP)			
AEPS (Rs.)	38	70	79
AEPS Growth	-40	110	13
CEPS (Rs.)	113	143	171
DPS (Rs.)	8	9	9

Source: Company, Axis Securities Research

Birla Crop Price Chart and Recommendation History



Date	Reco	TP	Research
08-Feb-24	BUY	1,835	Result Update
07-May-24	BUY	1,800	Result Update
12-Aug-24	BUY	1,505	Result Update
19-Sep-24	BUY	1,500	AAA
25-Oct-24	BUY	1,390	Result Update
06-Feb-25	BUY	1,340	Result Update
13-May-25	BUY	1,560	Result Update
01-Aug-25	BUY	1,560	Result Update
03-Sep-25	BUY	1,560	AAA

Source: Axis Securities Research

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Compliance Officer Details: Name – Mr. Rajiv Kejriwal, Tel No. – 022-68555574, Email id – compliance.officer@axisdirect.in.;

Registered Office Address – Axis Securities Limited, Unit No.002, Building- A, Agastya Corporate Park, Piramal Realty, Kamani Junction, Kurla (W), Mumbai – 400070.

Administrative office address: Axis Securities Limited, Aurum Q Parć, Q2 Building, Unit No. 1001, 10th Floor, Level – 6, Plot No. 4/1 TTC, Thane – Belapur Road, Ghansoli, Navi Mumbai, Pin Code – 400710.

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