

Paradeep Phosphates | BUY

Fantastic quarter led by favourable product mix

Paradeep Phosphates' 4QFY25 earnings print was significantly better than our and Street estimates on account of strong volume growth in an otherwise lean quarter, and gross spread expansion due to favourable product mix. On a full year basis, the company achieved its overall sales volume (including trading) guidance of 3MMT by FY25 (ahead of its guidance of FY26). To continue its 5-7% p.a. volume growth ambition over the next 2-3 years, it is in the process of debottlenecking its capacities by ~5-7%. Going forward, we believe that the company will be able to continue showing robust volume growth owing to a favourable monsoon. As a result, we expect Paradeep to register ~7% volume growth CAGR over FY25-28E. Further, i) benefits from phosphoric backward integration, ii) Goa energy efficiency project, and iii) NPK volume as % of overall volume increasing to ~73%, will likely lead to EBITDA/kg inching up to ~INR 5/kg in FY27E from INR 4.1/kg in FY25. Factoring this, we raise our FY26/27 EBITDA and EPS estimates by 7-10%. We expect Paradeep to register 14%/19% EBITDA/EPS CAGR over FY25-28E. We maintain BUY with a revised Mar'26 TP of INR 160/share (based on 9x Mar'27E EBITDA, ~10% discount to Coromandel's fertiliser business).

- **EBITDA beat on account of gross margin expansion:** Paradeep's 4QFY25 consolidated gross profit came 48% above JMFe at INR 9.8bn (up 6%/66% QoQ/YoY) on account of higher-than-anticipated gross margin of 28.1% (vs. JMFe of 22.3% and 22.7%/26.4% in 3QFY25/4QFY24) with revenue coming 17%/10% above JMFe/consensus at INR 34.9bn (down 15% QoQ while up 56% YoY). During the quarter, other expenses were higher at ~INR 5.7bn (vs. JMFe of INR 4.5bn and INR 5.3bn in 3QFY25). As a result, EBITDA came in 111%/41% above JMFe/consensus at INR 3.5bn (up 3%/134% QoQ/YoY). Further, PAT was 415%/160% above JMFe/consensus at INR 1.6bn (up 1%/644% QoQ/YoY).
- **Fertiliser sales volume higher than anticipated:** In 4QFY25, total fertiliser sales volume came in higher than anticipated at ~744KT (13% above JMFe) as NPK-20 volume was higher than anticipated at ~322KT (47% above JMFe, up 61% YoY) and Other NPK volume was higher than anticipated at ~125KT (57% above JMFe, up 73% YoY), more than offsetting lower than anticipated DAP volume at ~119KT (28% below JMFe, down 22% YoY). Urea volume was also higher than anticipated at ~101KT (41% above JMFe, up 55% YoY). Further, traded products volume was lower than anticipated at ~76KT (38% below JMFe).
- **Gross margin expansion due to decline in DAP as % of phosphatic volume:** In 4QFY25, on account of DAP as % of phosphatic volume coming down to 21%, gross profit came in much higher than anticipated at INR 13.2/kg (vs. JMFe of INR 10.1/kg and 12.1/kg in 4QFY24). Despite opex coming in at ~INR 8.5/kg (vs. JMFe 7.6/kg and ~INR 9.1/kg in 4QFY24), EBITDA (including trading EBITDA) came in higher than anticipated at ~INR 4.7/kg (vs. JMFe of ~INR 2.5/kg and ~INR 3/kg in 4QFY24).
- **EBITDA to reach ~INR 4.9-5.0/kg by FY27E:** Paradeep's FY25 EBITDA stood at INR ~4.1/kg. Given that its capacities are fungible, it is targeting more value-added products, resulting in product mix moving towards high-margin NPK grades, which will bring down

Financial Summary					(INR mn)
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	115,751	138,202	144,664	165,732	166,818
Sales Growth (%)	-13.2	19.4	4.7	14.6	0.7
EBITDA	6,480	12,558	13,973	17,635	18,542
EBITDA Margin (%)	5.6	9.1	9.7	10.6	11.1
Adjusted Net Profit	999	5,518	6,341	8,878	9,326
Diluted EPS (INR)	1.2	6.8	7.8	10.9	11.4
Diluted EPS Growth (%)	-67.2	452.3	14.9	40.0	5.1
ROIC (%)	4.0	9.9	10.6	12.8	12.2
ROE (%)	2.8	14.4	14.4	17.2	15.4
P/E (x)	112.5	20.4	17.7	12.7	12.1
P/B (x)	3.2	2.8	2.4	2.0	1.7
EV/EBITDA (x)	23.3	11.7	10.3	8.0	7.5
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0

Source: Company data, JM Financial. Note: Valuations as of 08/May/2025



Krishan Parwani

krishan.parwani@jmfl.com | Tel: (91 22) 6630 3073

Siddhinathan KN

siddhinathan.kn@jmfl.com | Tel: (91 22) 6630 3048

Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	160
Upside/(Downside)	15.9%
Previous Price Target	145
Change	10.4%

Key Data – PARADEEP IN

Current Market Price	INR138
Market cap (bn)	INR112.6/US\$1.3
Free Float	44%
Shares in issue (mn)	814.8
Diluted share (mn)	814.8
3-mon avg daily val (mn)	INR809.8/US\$9.4
52-week range	154/62
Sensex/Nifty	80,335/24,274
INR/US\$	85.7

Price Performance

%	1M	6M	12M
Absolute	10.3	26.0	106.1
Relative*	1.4	24.7	85.7

* To the BSE Sensex

JM Financial Research is also available on:
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the proportion of low-margin DAP volume. The company is targeting 100% backward integration for phosphoric acid by FY27E, which could generate ~INR 500mn in FY26E and INR ~2bn in FY27E in savings. The energy savings project at the Goa facility could save ~INR 450mn per year. Further, cumulatively over FY25-27E, increase in volume can contribute ~INR 2.1bn and product mix and cost synergies can contribute ~570mn to the overall EBITDA. These measures could take PPL's EBITDA to ~INR 4.9-5.0/kg in FY27E. As a result, we expect its fertiliser EBITDA to reach ~INR 17.6bn by FY27E from ~INR 12.6bn in FY25. This results in an EBITDA CAGR of ~14% over FY25-27E.

- **Net working capital cycle decreased to 74 days in FY25:** During FY25, net working capital days improved to 74 days (vs. 97 days in FY24) due to reduction in receivable days to 67 days (vs. 86 in FY24) and payable days increasing to 54 days (vs. 47 days in FY24). Further, inventory days increased slightly to 60 days (vs. 58 days in FY24). This improvement in working capital cycle has enabled Paradeep to reduce its net debt to INR 34.1bn in FY25. Further, the net debt for FY27E stands at INR 29.3bn after considering a capex of INR 10bn over FY25-27E.
- **Estimate 14%/19% EBITDA/EPS CAGR over FY25-28E, maintain BUY:** On account of robust growth in volume, improved product mix, 100% phosphoric acid backward integration and Goa facility energy cost savings, we expect PPL's EBITDA to reach INR 4.9-5.0/kg in FY27E from INR 4.1/kg in FY25. Factoring in this, our FY26E/27E EBITDA and EPS estimates are revised upwards by ~7%/8% and ~8%/10% respectively. We estimate PPL to register a 6%/14%/19% sales/EBITDA/EPS CAGR over FY25-28E. We maintain BUY with a revised Mar'26 TP of INR 160/share (based on 9x Mar'27E EBITDA, ~10% discount to Coromandel's fertiliser business) (from INR 145/share earlier).

4QFY25 Result Review

Key takeaways from post-results conference call

- **Healthy demand for fertilisers forecasted in FY26** – The company expects demand for its fertilisers to be healthy in FY26 set to be driven by increasing demand for NPK due to a fundamental awareness among farmers about balanced nutrition offered by the product and low availability of DAP in the market against its actual demand. Additionally, in FY26, the company is expecting favorable monsoon conditions and healthy reservoir levels to be beneficial for its fertiliser sales volume, particularly in the kharif season.
- **5-7% YoY increase in fertiliser sales volumes expected in the next 2 years** – The management is confident of achieving 5-7% annual growth in total fertiliser sales volume in the next 2 years. This is set to be driven by full utilisation of fertiliser manufacturing capacity (similar to FY25), debottlenecking of existing capacity providing ~0.2MMT (or ~7-8%) incremental capacity per year and increasing traded volumes appropriately based on demand in the market. The company is also pushing sales of triple super phosphate with 46% P, which prevents nitrogen overuse and expects improvement in sales for the product. It achieved its highest-ever fertiliser sales volume of 3.03MMT in FY25 with the proportion of NPK grades steadily increasing. The company has an inventory of 0.35-0.40MMT of fertiliser stocks as of Mar'25.
- **MCFL merger to enable 23-24% fertiliser volume growth in FY26, to reach >3.7MMT** – The management informed that, including the 5-7% organic growth, MCFL merger should enable a total 23-24% growth in fertiliser sales volume for the company. This can take the total sales volume to >3.7MMT in FY26 from 3.03MT in FY25. The merger process with the NCLT is expected to be closed in the next 3-4 months.
- **INR 500/MT worth of additional DAP subsidy yet to be booked, subsidy outstanding at INR 19bn** – The management said that INR 500/MT of the total INR 3,500/MT DAP additional subsidy announced last year has not yet been booked by the company. The total subsidy outstanding for the company stood at INR 19bn as of FY25-end with INR 7bn worth of subsidy due.

- **Reiterates sustainable EBITDA guidance of at least INR 4,500** – The management reiterated its sustainable EBITDA guidance at a range of INR 4,500-5,000/MT and this can improve further with the commissioning of incremental phosphoric and sulphuric acid captive capacities. The energy efficiency project at Goa is also set to improve the EBITDA/MT for the company. Trading EBITDA is expected to be INR 2,000/MT less than manufactured EBITDA levels, going forward. Also, the government policy on trading is set to lead to a positive margin on DAP trading volume. The current EBITDA margin improvement has been driven by favourable product mix with higher proportion of high-margin NPK volume and existing backward integration through 0.5MMTPA phosphoric acid captive capacity.
- **Additional phosphoric acid capacity to be completed in 2 years, sulphuric acid by 3QFY26** – The management indicated that the sulphuric acid expansion to 1.9MMTPA is set to be completed in 3QFY26. The 0.2MMTPA additional capacity for phosphoric acid is expected to be completed within 2 years. The current phosphoric acid capacity of 0.5MMT is sufficient for the Paradeep plant while the incremental 0.2MMT expansion will help support other facilities in addition to Paradeep. Similarly, with full expansion of sulphuric acid capacity, the Paradeep facility's requirement will be fully met.
- **INR 2bn capex for Goa energy project to be completed in 4QFY26, payback period of 4 -** Phase 2 of the Goa energy efficiency project with a capex of INR 2bn is set to be completed in 4QFY26. This is expected to have a payback period of 4. The commissioning of captive acid capacities and energy efficiency improvement at Goa is expected to positively affect the margins for the company.
- **INR 5bn capex planned for FY26** – The management has indicated a total capex of INR 5bn for FY26. This includes the balance of INR 1.2bn (out of total INR 4.8bn) for the sulphuric acid capacity expansion to 1.9MMTPA, the balance of INR 1bn capex (out of 1.3bn) for 0.2MMT incremental phosphoric acid capacity and INR 2bn capex for phase 2 of Goa energy efficiency project. The INR 40bn investment through the MoU with Odisha government will take place in a phased manner over the course of a few years after the completion of sulphuric acid and phosphoric acid capacity expansions.
- **Net debt-to-equity ratio at ~0.8x in FY25, to go down further** – The management informed that the net to debt-to-equity ratio was ~0.8x in FY25, which is an improvement of ~28% YoY. This was enabled by better cash flows and better working capital management. The company is confident of taking this down further to 0.5-0.6x levels driven by growth in volume and sales, better free cash flows and debt reduction. The interest rate stood at 8.5% in FY25 and the company expects this to come down to ~7% in FY26 helped by improved working capital and good subsidy and receivables collection.

Exhibit 1. Paradeep Phosphates quarterly financial snapshot

Consolidated (INR mn)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	4QFY25E	% QoQ	% YoY	% difference
Net Sales	30,543	36,830	25,950	22,427	23,774	38,438	41,049	34,940	29,797	-15%	56%	17%
COGS	25,713	29,065	18,710	16,496	17,219	28,255	31,739	25,118	23,152	-21%	52%	
Gross Profit	4,830	7,765	7,241	5,931	6,555	10,183	9,310	9,823	6,645	6%	66%	48%
Gross margin	15.8%	21.1%	27.9%	26.4%	27.6%	26.5%	22.7%	28.1%	22.3%	543 bps	167 bps	
Employee cost	582	578	559	579	580	615	607	689	500	14%	19%	
Employee cost as % of sales	2%	2%	2%	3%	2%	2%	1%	2%	2%	49 bps	-61 bps	
Other expenditure	4,633	4,627	3,857	3,871	4,504	5,315	5,340	5,663	4,500	6%	46%	
Other expenditure as % of sales	15%	13%	15%	17%	19%	14%	13%	16%	15%	320 bps	-105 bps	
EBIDTA	-386	2,560	2,825	1,481	1,471	4,253	3,363	3,471	1,645	3%	134%	111%
EBITDA margin	-1%	7%	11%	6.6%	6.2%	11.1%	8.2%	9.9%	5.5%	174 bps	333 bps	
Depreciation	470	507	552	578	612	626	648	631	660	-3%	9%	
EBIT	-856	2,053	2,273	903	858	3,627	2,715	2,839	985	5%	215%	
Interest expense	924	959	825	953	909	819	864	1,031	870	19%	8%	
Other income	192	110	86	300	192	149	352	421	300	20%	40%	
PBT	-1,588	1,204	1,535	250	142	2,957	2,202	2,230	415	1%	790%	
Tax	-394	309	446	47	78	683	615	630	104	2%	1229%	
PAT	-1,199	894	1,089	215	54	2,275	1,588	1,600	311	1%	644%	415%
PAT margin	-4%	2%	4%	1.0%	0.2%	5.9%	3.9%	4.6%	1.0%	71 bps	362 bps	
Basic EPS (INR)	-1.47	1.10	1.34	0.26	0.07	2.79	1.95	1.96	0.38	1%	644%	
Tax rate	24.8%	25.7%	29.0%	18.9%	55.3%	23.1%	27.9%	28.3%	25.0%	31 bps	932 bps	

Source: Company, JM Financial

Exhibit 2. Paradeep Phosphates quarterly operational snapshot

Volumes (MT)	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	4QFY25E	% QoQ	% YoY	% difference
Manufactured Sales Volumes												
(1) DAP	242,319	252,009	207,955	152,694	102,918	218,383	220,178	119,277	164,910	-46%	-22%	-28%
(2) NPK-20	127,664	234,361	240,589	199,877	155,037	254,544	294,969	322,223	219,865	9%	61%	47%
(3) Other NPK	90,483	198,963	93,065	72,293	115,531	192,100	107,985	125,011	79,522	16%	73%	57%
(4) Phosphatic volume (1 + 2 + 3)	460,466	685,333	541,609	424,864	373,486	665,027	623,132	566,511	464,297	-9%	33%	22%
DAP as % of phosphatic volume	53%	37%	38%	36%	28%	33%	35%	21%	36%			
(5) Urea	118,711	120,957	49,553	65,397	108,619	113,756	86,588	101,262	71,937	17%	55%	41%
(6) Total manufactured volume (4 + 5)	579,177	806,290	591,162	490,261	482,105	778,783	709,720	667,773	536,233	-6%	36%	25%
(7) Traded volume					72,532	86,503	160,866	75,770	121,543	-53%	NA	-38%
Total sales volume (6 + 7)					554,637	865,286	870,586	743,543	657,776	-15%	NA	13%
INR/MT												
Realisation/MT	49,118	45,678	43,897	45,746	42,865	44,422	47,151	46,991	45,299	0%	3%	4%
RM Cost/MT	41,351	36,048	31,649	33,648	31,046	32,654	36,457	33,781	35,197	-7%	0%	-4%
Gross Profit/MT	7,767	9,630	12,248	12,098	11,819	11,768	10,694	13,211	10,102	24%	9%	31%
Opex/MT	8,388	6,455	7,469	9,077	9,167	6,853	6,831	8,543	7,601	25%	-6%	12%
EBITDA/MT (including trading EBITDA)	-621	3,175	4,779	3,021	2,652	4,915	3,863	4,668	2,500	21%	55%	87%
Trading EBITDA/MT*					2,000	2,000	2,000	2,000	2,000			
Manufactured EBITDA/MT					2,750	5,239	4,285	4,970	2,614	16%	NA	90%

Source: Company, JM Financial

Assumptions and Estimates

Exhibit 3. Key assumptions for Paradeep Phosphates

PPL Volume Snapshot	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Paradeep + Goa										
Manufactured Sales Volumes										
(1) DAP	607,420	646,484	657,950	630,843	669,442	768,238	660,685	700,000	725,000	750,000
(2) NPK-20	453,789	377,289	338,163	375,953	676,813	802,166	1,026,773	1,150,000	1,250,000	1,275,000
(3) Other NPK	32,169	102,597	123,784	116,957	224,363	391,741	540,602	600,000	700,000	750,000
Total NPK (2 + 3)	485,958	479,886	461,947	492,910	901,177	1,193,907	1,567,375	1,750,000	1,950,000	2,025,000
(4) Total phosphatic fertiliser volume (1+2+3)	1,093,378	1,126,370	1,119,897	1,123,753	1,570,619	1,962,145	2,228,060	2,450,000	2,675,000	2,775,000
DAP as % of total phosphatic volume	56%	57%	59%	56%	43%	39%	30%	29%	36%	27%
Urea	0	0	0	0	379,107	354,618	410,210	410,210	410,210	410,210
Total manufactured fertiliser volumes (4+5)	1,093,378	1,126,370	1,119,897	1,123,753	1,949,725	2,316,763	2,638,270	2,860,210	3,085,210	3,185,210
Traded volume	167,933	210,621	469,270	245,204	79,558	214,988	395,690	425,690	446,975	486,212
Total volume	1,261,311	1,336,991	1,589,167	1,368,957	2,029,283	2,531,751	3,033,996	3,285,900	3,532,185	3,671,422

Source: Company, JM Financial

Exhibit 4. Paradeep Phosphates per MT financials

	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Volume (MT)	1,261,311	1,336,991	1,589,167	1,368,957	2,029,283	2,531,751	3,033,996	3,285,900	3,532,185	3,671,422
Sales/MT	34,551	31,360	32,500	57,407	65,741	45,720	45,551	44,026	46,921	45,437
RM cost/MT	24,770	22,021	24,360	45,884	52,300	35,542	33,728	32,007	34,017	32,533
Gross/MT	9,780	9,340	8,140	11,523	13,441	10,177	11,823	12,019	12,903	12,904
Opex/MT	6,280	5,901	4,728	6,621	9,494	7,618	7,684	7,767	7,911	7,854
EBITDA/MT	3,501	3,439	3,412	4,902	3,947	2,560	4,139	4,252	4,993	5,050

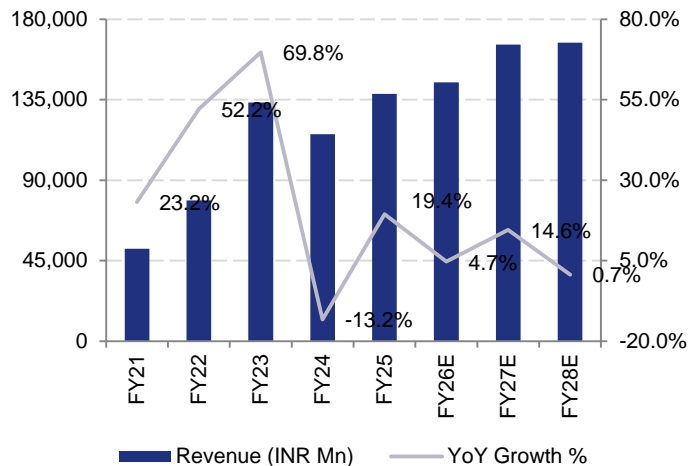
Source: Company, JM Financial

Exhibit 5. Change in estimates

	New	Old	Difference
EBITDA (INR Mn)			
FY26	13,973	13,111	7%
FY27	17,635	16,264	8%
FY28	18,542	NA	NA
PAT (INR Mn)			
FY26	6,341	5,878	8%
FY27	8,878	8,079	10%
FY28	9,326	NA	NA
EPS (INR)			
FY26	7.8	7.2	8%
FY27	10.9	9.9	10%
FY28	11.4	NA	NA

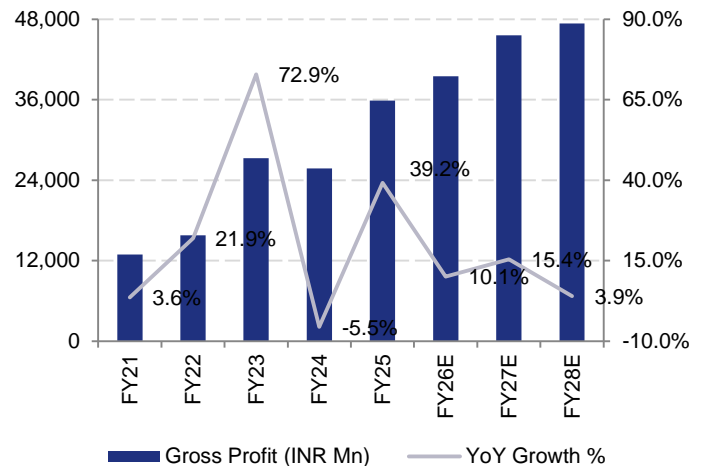
Source: JM Financial

Exhibit 6. PPL's sales likely to register 6% CAGR over FY25-28E



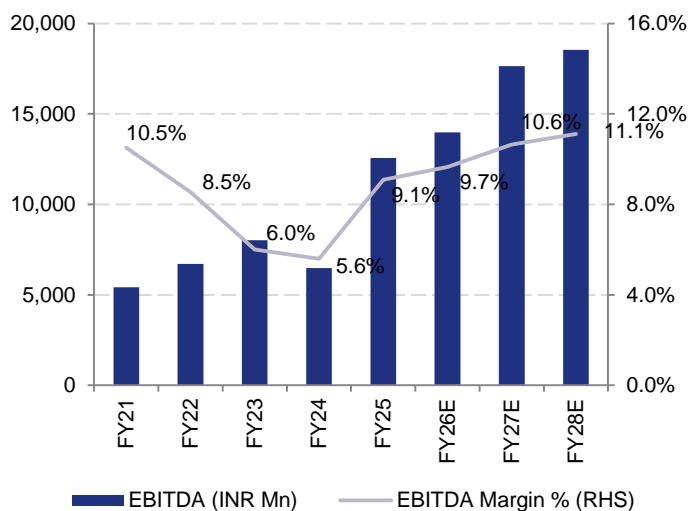
Source: Company, JM Financial

Exhibit 7. PPL's EBITDA likely to post 14% CAGR over FY25-28E



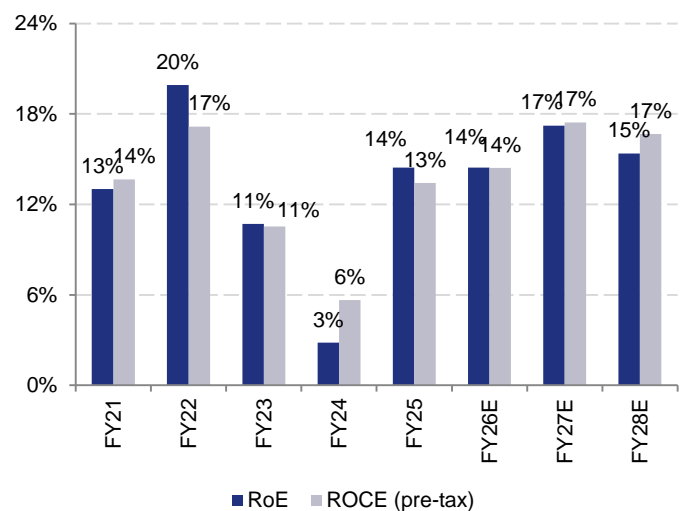
Source: Company, JM Financial

Exhibit 8. PPL's PAT likely to register 19% CAGR over FY25-28E



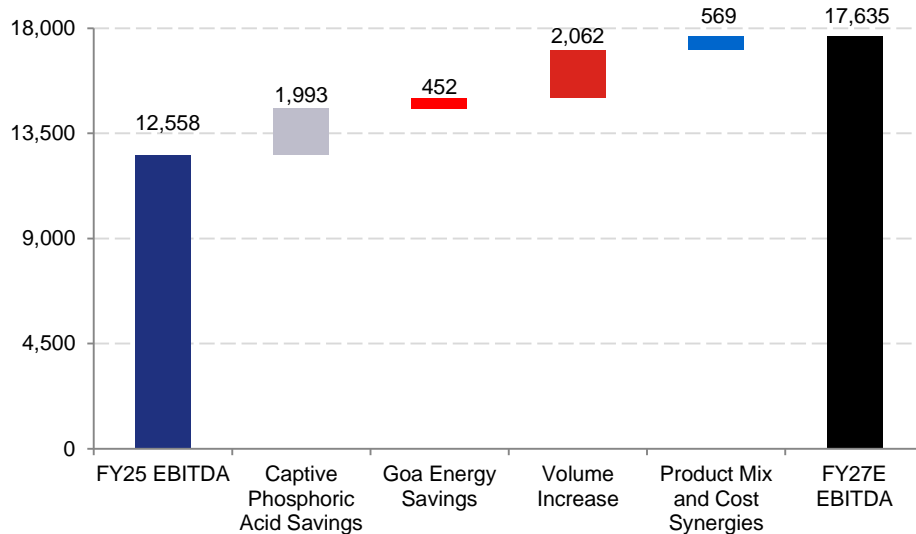
Source: Company, JM Financial

Exhibit 9. RoE/RoCE likely to improve to 15%/17% by FY28E



Source: Company, JM Financial

Exhibit 10. Paradeep's FY27E EBITDA break-up (in INR mn)



Source: Company, JM Financial

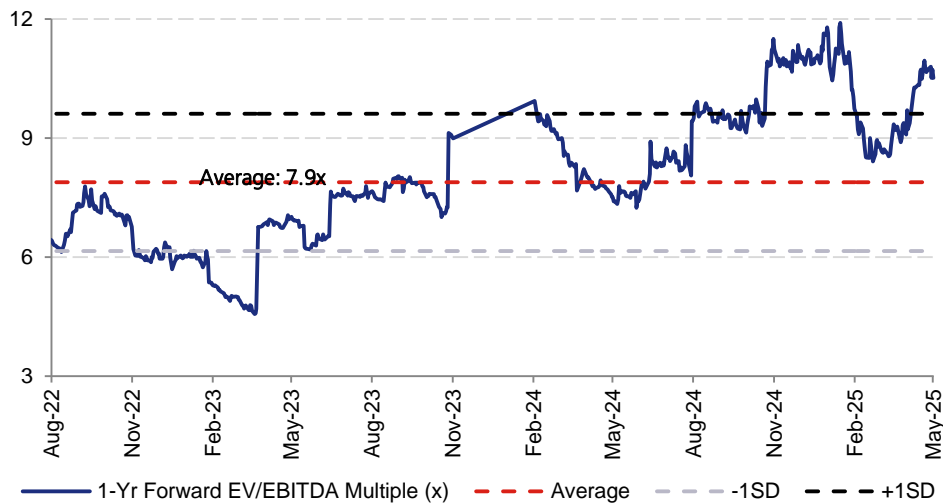
Valuation

Exhibit 11. Our Mar'26 TP for PPL stands at 160/share

			Value (INR bn)	Value (INR/share)
	Mar'27 EBITDA (INR bn)	EV/EBITDA multiple (x)		
Paradeep + Goa	18	9	160	197
Less: Gross debt			37	46
Add: Cash and cash equivalent			8	10
Mar'26 TP			131	160
Mar'27E consolidated EPS				11
Implied P/E multiple	-	-		15

Source: JM Financial

Exhibit 12. PPL is currently trading at ~10.5x 1-year forward consensus EV/EBITDA multiple



Source: Bloomberg, JM Financial

Exhibit 13. Chemical companies peer valuation

Company	Rating	CMP (INR)	TP (INR)	P/E (x)				P/B (x)				EV/EBITDA (x)				ROE (%)			
				FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
SRF	BUY	2,934	3,115	65.1	72.3	44.9	32.5	7.6	7.0	6.2	5.3	35.2	33.9	25.5	19.6	12.3	10.0	14.6	17.6
PI Industries	HOLD	3,604	3,860	32.8	32.7	31.4	27.5	6.3	5.3	4.5	3.9	25.3	22.7	20.3	17.6	21.0	17.5	15.5	15.1
Deepak Nitrite	BUY	1,904	2,305	33.5	42.5	32.5	25.9	5.6	5.1	4.4	3.8	24.1	27.8	21.8	17.3	18.2	12.5	14.5	15.9
Clean Science	BUY	1,189	1,670	51.8	47.8	36.5	28.4	10.5	8.6	7.0	5.7	37.1	31.5	25.5	19.6	22.1	19.8	21.3	22.0
Fine Organic	SELL	4,053	3,670	33.7	32.5	32.7	32.6	6.7	5.7	5.0	4.4	23.8	23.1	22.4	21.0	21.8	19.0	16.3	14.4
Galaxy Surfactants	HOLD	2,058	2,605	24.2	24.0	21.5	19.7	3.3	3.0	2.6	2.3	15.1	14.2	12.7	11.4	14.8	13.1	12.9	12.4
PCBL Chemical	HOLD	361	410	27.8	31.4	24.7	19.5	4.2	3.7	3.4	3.0	17.4	13.9	13.0	11.2	16.2	12.5	14.3	16.3
Ami Organics	BUY	1,163	1,330	117.9	59.4	41.0	31.0	14.1	7.3	6.3	5.3	75.5	40.1	28.3	21.2	12.7	16.2	16.4	18.4
Anupam Rasayan	HOLD	879	685	75.1	108.6	61.7	38.6	3.5	3.3	3.1	2.8	27.7	27.3	21.1	16.7	5.0	3.1	5.2	7.7
Archean Chemicals	BUY	583	585	22.5	35.6	23.3	15.0	4.2	3.9	3.4	2.8	14.8	22.7	14.8	9.8	20.4	11.3	15.5	20.3
Tatva Chintan Pharma Chem	SELL	718	405	55.3	294.0	116.4	53.8	2.3	2.3	2.2	2.2	24.3	49.7	35.2	23.6	4.8	0.8	1.9	4.1
Paradeep Phosphates	BUY	138	160	112.7	20.4	17.8	12.7	3.2	2.8	2.4	2.0	23.4	11.7	10.3	8.0	2.8	14.4	14.4	17.2

Source: Companies, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	115,751	138,202	144,664	165,732	166,818
Sales Growth	-13.2%	19.4%	4.7%	14.6%	0.7%
Other Operating Income	0	0	0	0	0
Total Revenue	115,751	138,202	144,664	165,732	166,818
Cost of Goods Sold/Op. Exp	89,984	102,330	105,171	120,156	119,442
Personnel Cost	2,298	2,491	2,616	2,746	2,884
Other Expenses	16,989	20,823	22,905	25,195	25,951
EBITDA	6,480	12,558	13,973	17,635	18,542
EBITDA Margin	5.6%	9.1%	9.7%	10.6%	11.1%
EBITDA Growth	-19.1%	93.8%	11.3%	26.2%	5.1%
Depn. & Amort.	2,107	2,518	2,881	3,340	3,784
EBIT	4,374	10,040	11,092	14,295	14,758
Other Income	688	1,114	1,114	1,114	1,114
Finance Cost	3,660	3,623	3,562	3,307	3,158
PBT before Excep. & Forex	1,402	7,531	8,644	12,101	12,713
Excep. & Forex Inc./Loss(-)	0	0	0	0	0
PBT	1,402	7,531	8,644	12,101	12,713
Taxes	409	2,006	2,303	3,224	3,387
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	7	-7	0	0	0
Reported Net Profit	999	5,518	6,341	8,878	9,326
Adjusted Net Profit	999	5,518	6,341	8,878	9,326
Net Margin	0.9%	4.0%	4.4%	5.4%	5.6%
Diluted Share Cap. (mn)	814.8	814.8	814.8	814.8	814.8
Diluted EPS (INR)	1.2	6.8	7.8	10.9	11.4
Diluted EPS Growth	-67.2%	452.3%	14.9%	40.0%	5.1%
Total Dividend + Tax	0	0	0	0	0
Dividend Per Share (INR)	0.0	0.0	0.0	0.0	0.0

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	1,408	7,524	8,644	12,101	12,713
Depn. & Amort.	2,107	2,518	2,881	3,340	3,784
Net Interest Exp. / Inc. (-)	3,660	3,110	3,562	3,307	3,158
Inc (-) / Dec in WCap.	8,344	-624	-1,618	-5,275	-272
Others	0	-92	0	0	0
Taxes Paid	-584	1,423	-2,303	-3,224	-3,387
Operating Cash Flow	14,368	13,860	11,166	10,250	15,997
Capex	-4,111	-3,687	-5,000	-5,000	-10,000
Free Cash Flow	10,256	10,174	6,166	5,250	5,997
Inc (-) / Dec in Investments	45	-2,466	0	0	0
Others	397	187	0	0	0
Investing Cash Flow	-3,669	-5,966	-5,000	-5,000	-10,000
Inc / Dec (-) in Capital	0	27	0	0	0
Dividend + Tax thereon	0	0	0	0	0
Inc / Dec (-) in Loans	-6,490	3,345	-2,882	-2,614	-480
Others	-3,732	-3,435	-3,562	-3,307	-3,158
Financing Cash Flow	-10,222	-64	-6,444	-5,921	-3,638
Inc / Dec (-) in Cash	477	7,830	-278	-671	2,358
Opening Cash Balance	430	907	8,737	8,460	7,788
Closing Cash Balance	907	8,737	8,460	7,788	10,147

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	35,644	40,769	47,110	55,988	65,314
Share Capital	8,148	8,152	8,152	8,152	8,152
Reserves & Surplus	27,496	32,617	38,958	47,836	57,162
Preference Share Capital	0	0	0	0	0
Minority Interest	0	0	0	0	0
Total Loans	39,944	43,408	40,408	37,408	36,908
Def. Tax Liab. / Assets (-)	1,509	1,776	1,776	1,776	1,776
Total - Equity & Liab.	77,096	85,952	89,294	95,171	103,998
Net Fixed Assets	37,853	38,864	40,984	42,643	48,859
Gross Fixed Assets	41,693	43,412	53,945	58,945	68,945
Intangible Assets	581	581	581	581	581
Less: Depn. & Amort.	8,143	10,661	13,542	16,882	20,666
Capital WIP	3,722	5,533	0	0	0
Investments	306	33	33	33	33
Current Assets	58,453	72,566	74,949	82,954	85,760
Inventories	18,308	22,870	23,939	27,426	27,605
Sundry Debtors	27,205	25,347	26,532	30,396	30,595
Cash & Bank Balances	907	8,737	8,460	7,788	10,147
Loans & Advances	0	0	0	0	0
Other Current Assets	12,033	15,311	15,718	17,044	17,112
Current Liab. & Prov.	19,515	25,511	26,673	30,460	30,655
Current Liabilities	15,053	20,450	21,399	24,491	24,650
Provisions & Others	4,462	5,061	5,274	5,969	6,005
Net Current Assets	38,938	47,055	48,277	52,495	55,105
Total - Assets	77,096	85,952	89,294	95,171	103,998

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	0.9%	4.0%	4.4%	5.4%	5.6%
Asset Turnover (x)	1.4	1.7	1.6	1.8	1.7
Leverage Factor (x)	2.3	2.1	2.0	1.8	1.6
RoE	2.8%	14.4%	14.4%	17.2%	15.4%

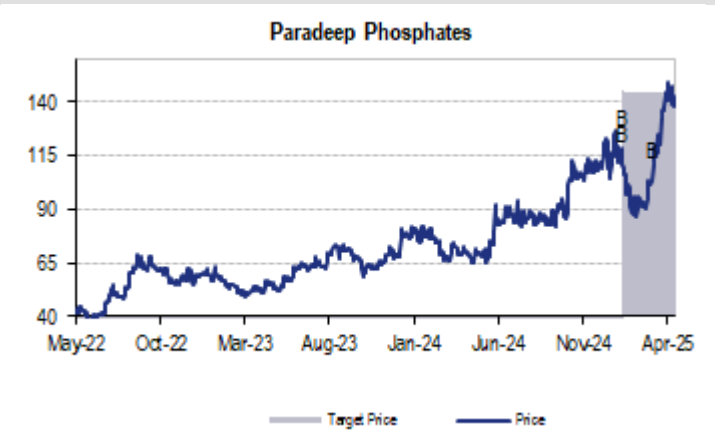
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	43.7	50.0	57.8	68.7	80.2
ROIC	4.0%	9.9%	10.6%	12.8%	12.2%
ROE	2.8%	14.4%	14.4%	17.2%	15.4%
Net Debt/Equity (x)	1.1	0.8	0.7	0.5	0.4
P/E (x)	112.5	20.4	17.7	12.7	12.1
P/B (x)	3.2	2.8	2.4	2.0	1.7
EV/EBITDA (x)	23.3	11.7	10.3	8.0	7.5
EV/Sales (x)	1.3	1.1	1.0	0.9	0.8
Debtor days	86	67	67	67	67
Inventory days	58	60	60	60	60
Creditor days	50	59	59	60	60

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
3-Feb-25	Buy	145	
5-Feb-25	Buy	145	-0.3
30-Mar-25	Buy	145	0.1

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd. and National Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst - INH000000610

Registered Office: 7th Floor, Chenergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, India.

Board: +91 22 6630 3030 | Fax: +91 22 6630 3488 | Email: jmfinancial.research@jmfl.com | www.jmfl.comCompliance Officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: sahil.salastekar@jmfl.comGrievance officer: Mr. Sahil Salastekar | Tel: +91 22 6224 1073 | Email: instcompliance@jmfl.com

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
Sell	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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