

India

Overweight (no change)

Highlighted Companies

BCL Industries Ltd

ADD, TP Rs95, Rs60 close

BCL Industries has moved from being a 200klpd distillation player in FY22 to 700klpd now, with 250klpd to be added soon, within which industry-leading innovation has been undertaken in terms of fuel efficiency. The IMIL segment of the company has become operational in Punjab.

Globus Spirits Ltd

ADD, TP Rs1562, Rs796 close

Globus Spirits was the largest grain distillery in India with a 535klpd capacity in FY22, which has been now increased to over 1,000klpd. The company has successfully made inroads into the whisky, vodka and gin segments of IMFL business.

Gulshan Polyols Ltd

ADD, TP Rs382, Rs206 close

Gulshan Polyols was only a 60klpd grain distillery in FY22, but now has an 810klpd capacity. The IMIL division of the company has been repeatedly awarded territories in Madhya Pradesh.


Summary Valuation Metrics

P/E (x)	Mar26-F	Mar24-F	Mar25-F
BCL Industries Ltd	15.65	10.41	7.64
Globus Spirits Ltd	17.66	8.55	7.64
Gulshan Polyols Ltd	44.94	10.64	5.39

P/BV (x)	Mar26-F	Mar24-F	Mar25-F
BCL Industries Ltd	3.06	2.38	1.82
Globus Spirits Ltd	2.27	1.81	1.47
Gulshan Polyols Ltd	1.79	1.54	1.21

Dividend Yield	Mar26-F	Mar24-F	Mar25-F
BCL Industries Ltd	0.14%	0.19%	0.26%
Globus Spirits Ltd	0.34%	0.47%	0.52%
Gulshan Polyols Ltd	0.11%	0.38%	0.74%

Research Analyst(s)



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Agribusiness

Reiterate our bullish stance on grain ethanol

- We see the ethanol economy growing in India, with heavy gains for the grain distillation segment, as the third tender from OMCs was out in Mar 2024.
- It may be recalled that the grain distillation segment has been under the scanner after some reports questioning its viability.
- Examining our call on grain-distillation entities, we have recognized the shortcomings. Continue to retain ADD rating, with lower targets prices.

We prefer grain distillation business

While backing the Indian government’s ethanol blending program, we have maintained a bias towards the grain distillation segment, which was largely overlooked with the sugar-based segment hogging the limelight. As we continue to see the mix moving towards the grain segment, our confidence gets a further boost.

Moving towards maize as feedstock

There have been multiple reports questioning the viability of the grain distillation segment in the ethanol economy. Hence, we examined datasets to know the answers. After our analysis, we found enough evidence to support the required feedstock for the grain distillation segment, with a move towards maize. Not only the move towards maize will revive the grain-based ethanol economy, but it will also help ease the stress on the country’s natural resources.

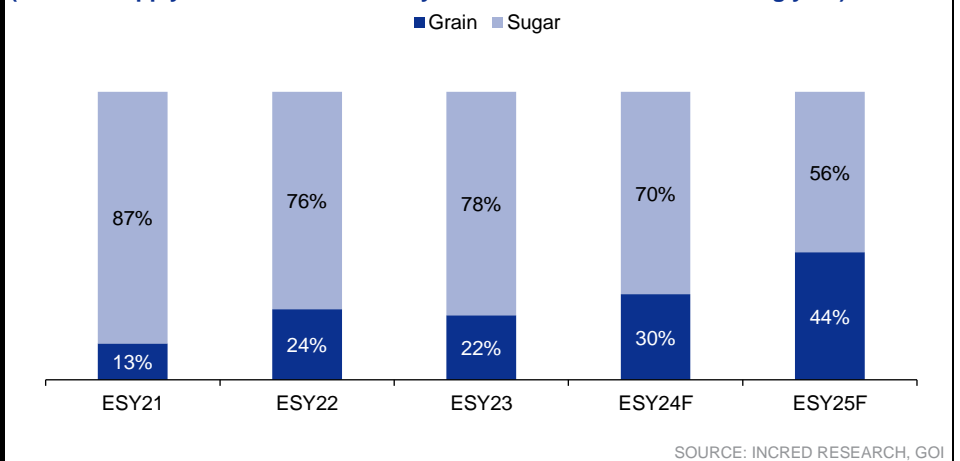
Our thought process

We described our thought process in our initial report dated 12 Jan 2022 in the following manner: a) Ethanol blending policy is a success. b) Grain distillation business gaining massively from a value perspective. c) Companies with know-how having an early-mover advantage within this space, namely Globus Spirits (GSL), Gulshan Polyols (GPL) and BCL Industries (BCL). However, we failed to achieve our target prices, which were arrived at by forecasting FY24 financials for these three companies based on our analysis. We have reflected on the reasons for the said failure in this report and concluded that progress has been made by the Government of India or GoI’s ethanol blending program and the said companies in their grain distillation business, and that they have not moved away from our thought process. Hence, it is a matter of elongating the initial timeline, rather than throwing in the towel.

Retain ADD rating on grain-based distillers

We retain our ADD rating on GSL, GPL & BCL with their target prices at Rs1,562 (Rs2,929 earlier) or 15x FY26F EPS, Rs382 (Rs508 earlier) or 10x FY26F EPS, and Rs95 (Rs94 earlier) or 12x FY26F EPS, respectively. Downside risks: Grain, mainly maize, is used for production of ENA (extra neutral alcohol) and ethanol, and any rise in its prices will directly impact the gross profit. The rise in fuel cost has a direct bearing on the EBITDA margin of these companies, although various steps have been taken by them in this regard. However, they are not fully insulated from the rise in the cost of fuel, mainly coal.

Figure 1: Increase in grain-based ethanol usage in the fuel blending mix during ESY (Ethanol Supply Year - December of a year to November of the following year)



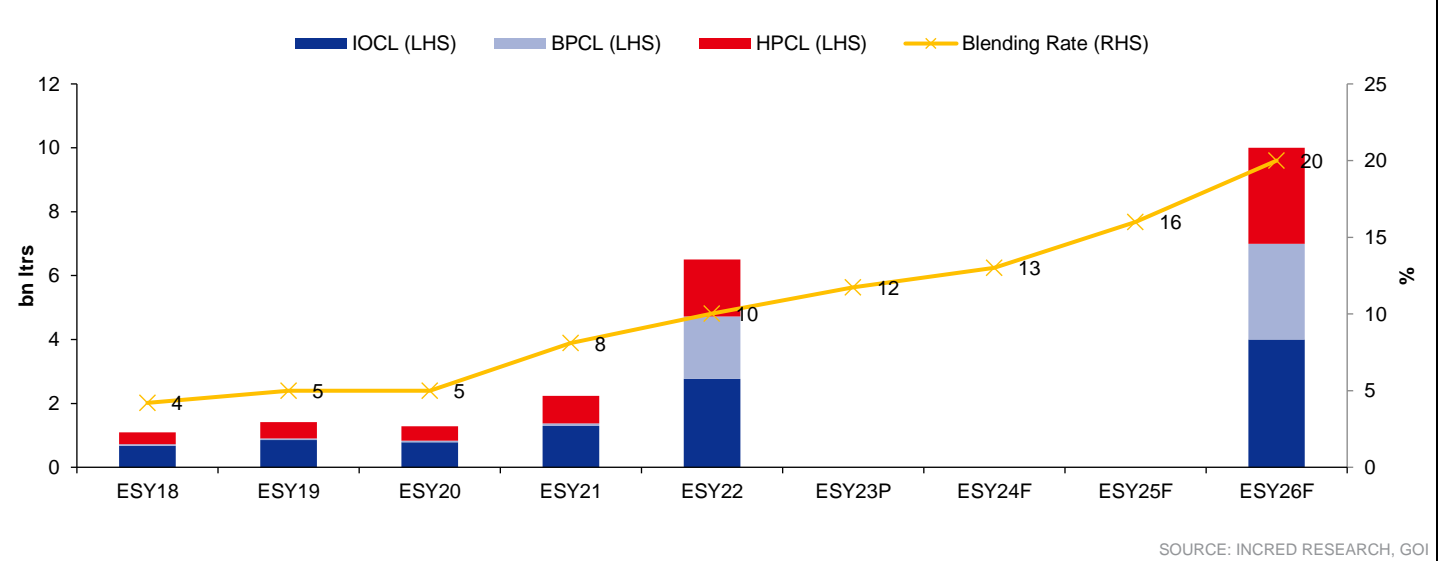
Reiterate our bullish stance on grain ethanol

Grain dynamics

OMCs' ethanol tenders in ESY24 >

Oil marketing companies or OMCs began by issuing the first ethanol tender in Oct 2023 for a requirement of 8.25bnL, with bids for 5.6bnL received (2.7bnL of sugar-based and 2.9bnL of grain-based ethanol). This was followed by the second tender in Jan 2024 for 2.67bnL, but only the C-route of sugar-based ethanol manufactured was allowed in the bidding process. Finally, in Mar 2024, a 1.51bn L tender was announced with the same conditions as in the second tender. OMCs need 10.2bnL of ethanol for a 20% blending of fuels by ESY26F.

Figure 2: OMCs stepping up blending



Grain-based ethanol to do the heavy lifting >

However, with most of the 2.9bnL of ethanol sought to be procured through the sugar-based route, the first tender was cancelled because of the priority given to sugar as a commodity considering inflation concerns. The grain route is expected to pick up steam and strangely, ESY24F is expected to be the first year where the grain-based ethanol for blending will be produced in a higher quantity.

Figure 3: Ethanol required through the grain and sugar routes

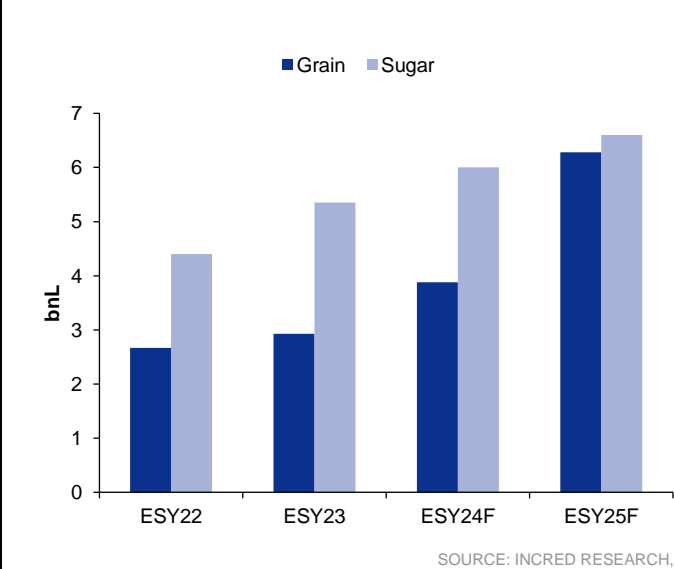
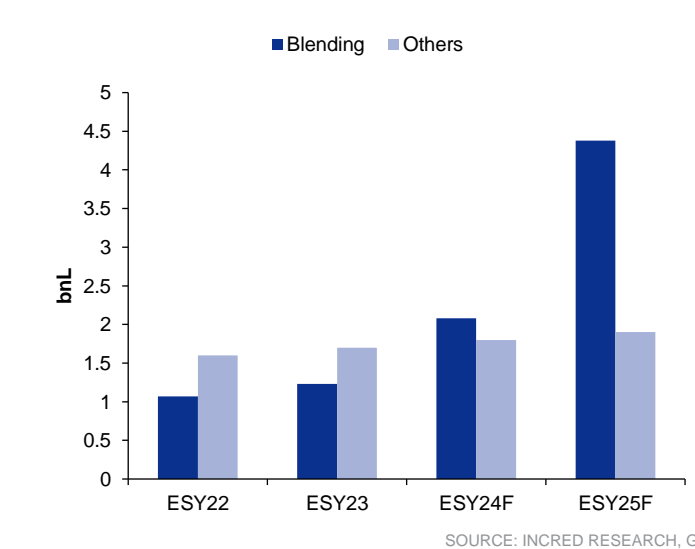


Figure 4: Grain-based ethanol required for blending and other uses



GSL, BCL & GPL in the limelight ➤

Currently, the grain-based ethanol’s standing capacity is pegged at ~4.5bnL, with the early movers GSL, BCL and GPL beginning to stand out with a larger share. To add further, GSL and BCL are set to increase their capacity by ~20% in ESY25F. GPL will continue its step-up approach to add another 45% capacity in ESY25F.

Figure 5: Current ethanol production capacity of listed companies*

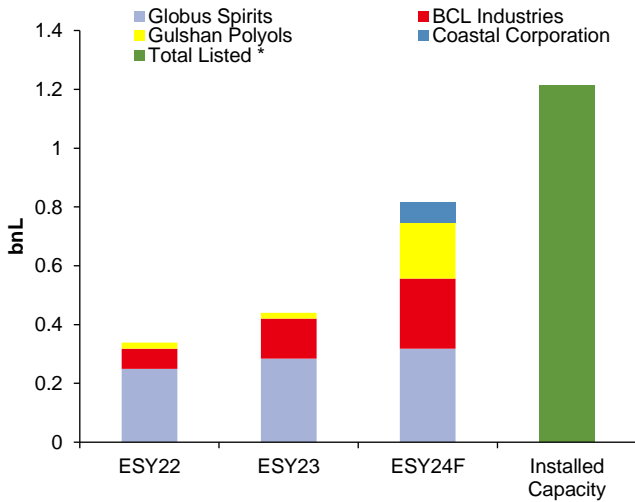
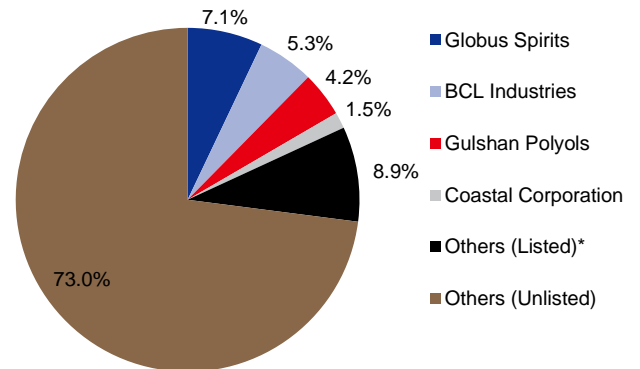


Figure 6: Share of GSL, BCL Industries, GPL, CCL and other listed/unlisted companies



*TOTAL LISTED COMPANIES ALSO INCLUDES, IFB AGRO, MODI NATURALS, BALRAMPUR CHINI, TRIVENI ENGG. , DALMIA BHARAT, RADICO KHAITAN AND INDIA GLYCOLS
 SOURCE: INCRED RESEARCH

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All set for action in maize

Maize as a feedstock

More maize than ever before ➤

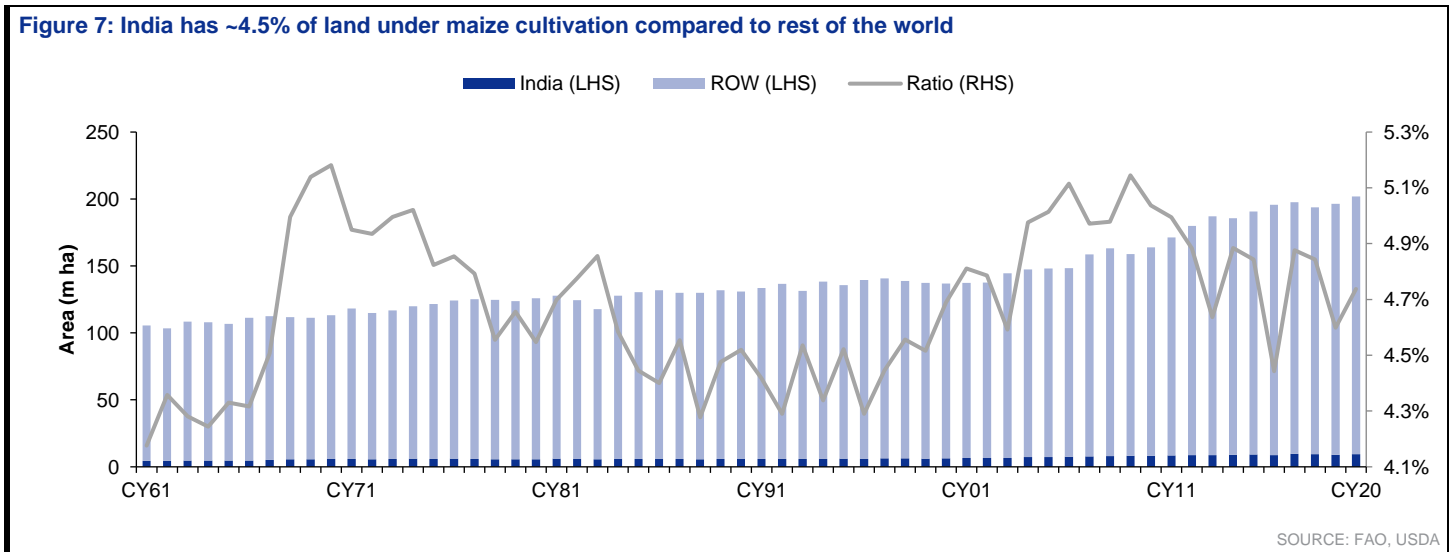
The key discussion around grain-based ethanol always circles down to availability of the feedstock, aka maize. Hence, we analyzed whether maize could face the challenges.

The basics with three grains - maize, wheat and rice.

1) Water required – maize 1x, wheat 2x and rice 10x+.

2) Land required – maize will grow anywhere compared to wheat and rice.

Figure 7: India has ~4.5% of land under maize cultivation compared to rest of the world

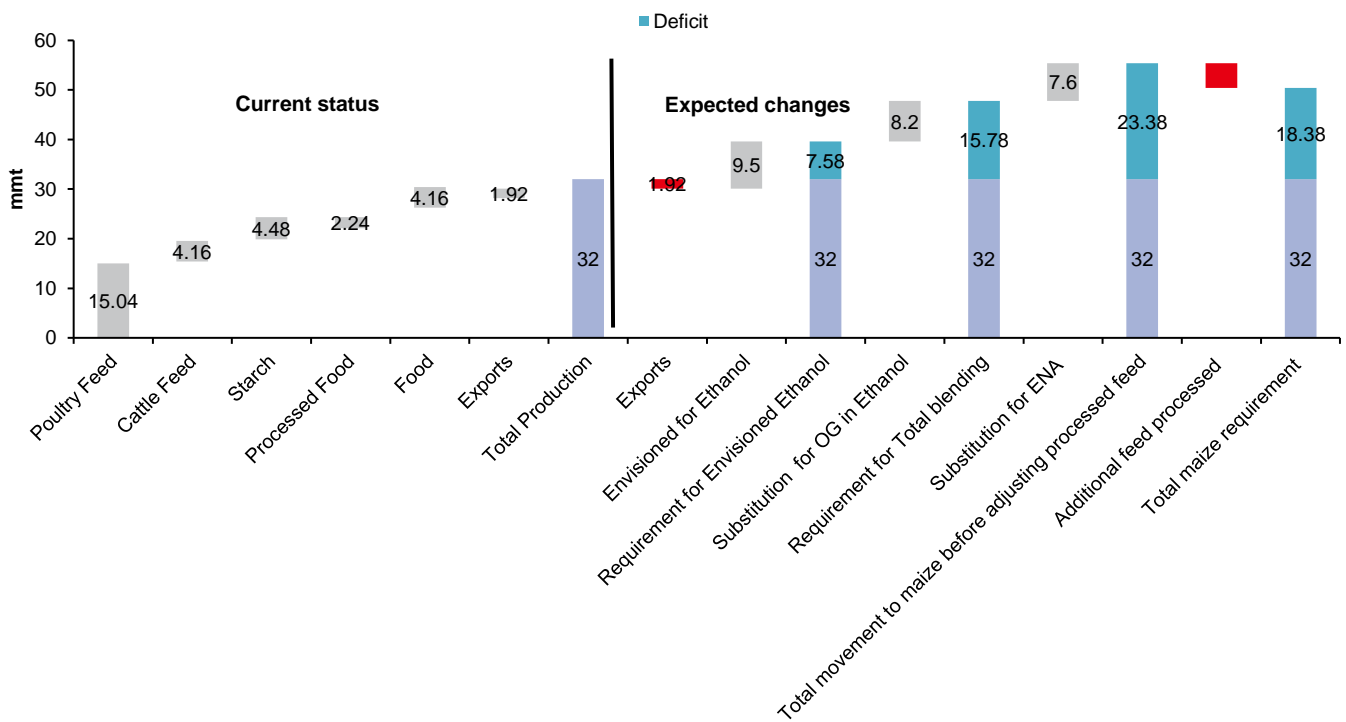


Current maize crop statistics ➤

- Maize is the third most important and most produced crop in India after rice and wheat.
- Both globally and in India, the area under maize cultivation has increased over the last six decades.
- As a ratio over the last six decades, India has maintained ~4.5% of total acreage under maize cultivation.
- Current average maize output in India is ~32mmt (five-year period ended FY23).

The major usage of India's maize crop is in poultry and cattle feed businesses at ~12mmt or ~60% of the total output while the starch and processed food industry accounts for ~6.5mmt or ~20%, followed by human consumption of ~4mm or 5%, and the remaining ~15% is exported.

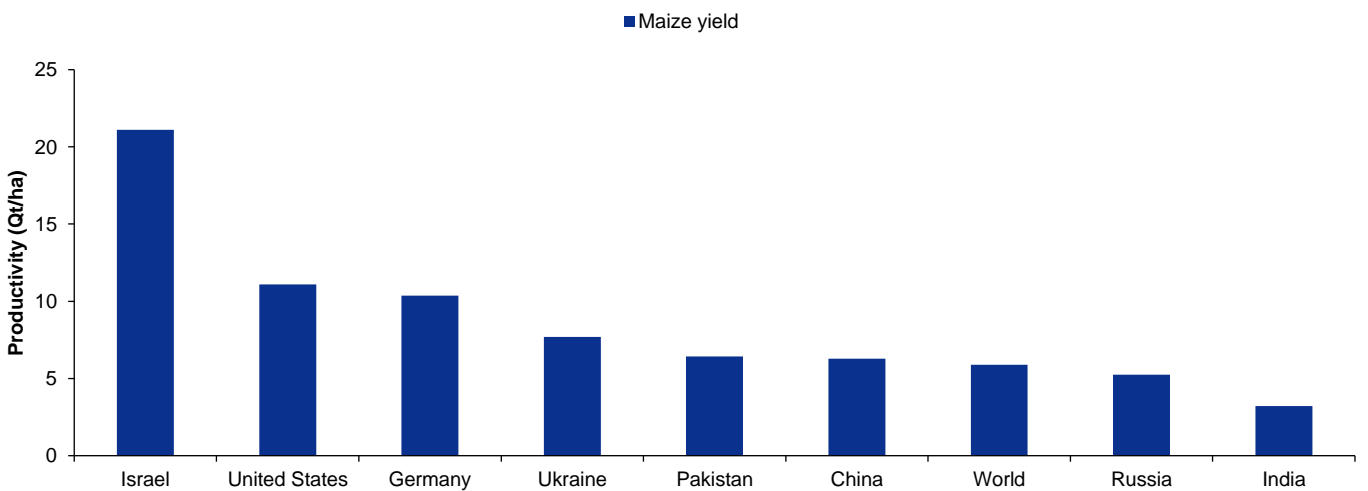
Figure 8: Maize requirement currently for E20 blending



SOURCE: INCRED RESEARCH

- Maize required for various programs.
- Additional requirement:
 - Envisioned for ethanol within the blending program, ~9.5mmt (~2.5bnL of ethanol).
 - Substitution of other grains, ~8.2mmt (~2.2bnL of ethanol).
 - Substitution of ENA ~7.6mmt (~2bnL of ethanol).
- Savings on account:
 - Current exports ~2mmt.
 - Additional animal feed produced due to ethanol/ENA distillation ~5mmt.
- Net deficit would be ~18mmt.

Figure 9: Maize yield in India compared with other countries

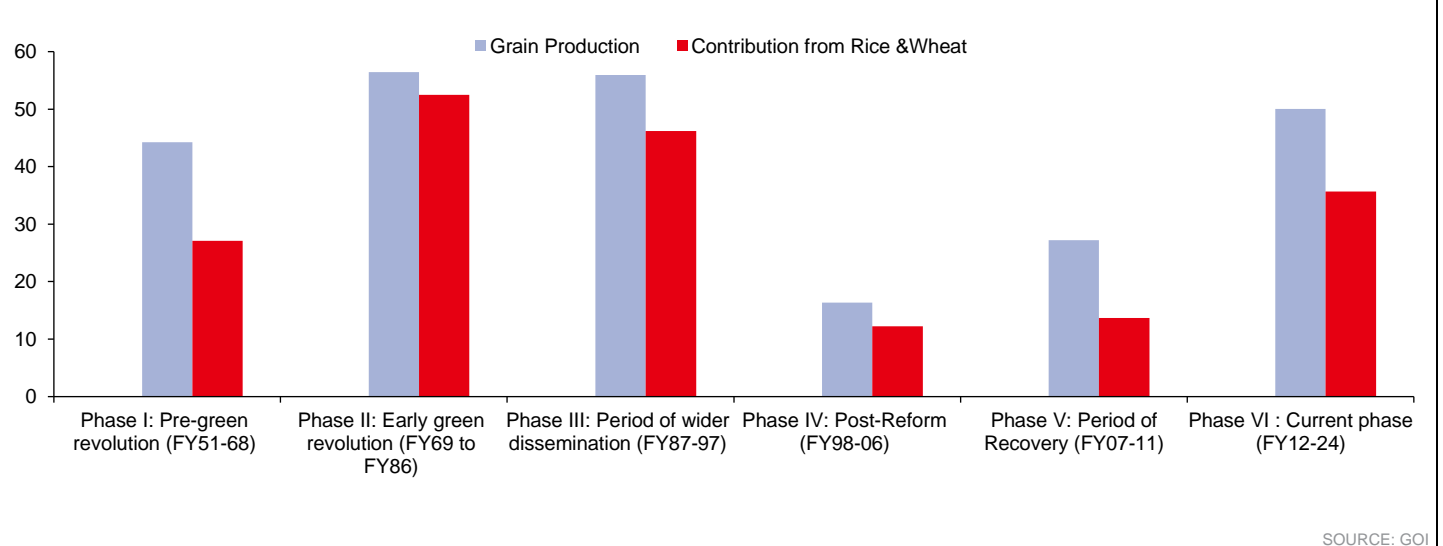


SOURCE: FOOD AND AGRICULTURE ORGANIZATION (FAO), UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)

How the requirement of maize can be met ➤

- Additional major grain output can be increased by only three ways:
 - Increase the land under cultivation for maize.
 - Considering the current dynamics, we hope that through shift and irrigation process the land for maize cultivation will increase.
 - However, we have not considered that or landed in that terrain.
 - Increase yields with GMO crops.
 - Currently, only one GMO crop is allowed for cultivation in India.
 - Cotton GMO was introduced in India in FY1995, with the go ahead in FY2000 and commercial approval in FY2001.
 - Next in line was GMO brinjal, with the approval received in FY09, but it was never released because of the backlash.
 - In FY17, the third crop, GMO mustard, was approved but there is a hearing going on in the Supreme Court regarding granting the final nod for commercial cultivation.
 - Post introduction of GMO cotton in India, its total production increased from ~140 lakh bales to ~340 lakh bales, a 143% increase. It must be noted that further technological developments, even in cotton, have not been allowed since FY01.
 - However, although we are confident that the GMO crop movement is gaining momentum, we have currently not considered that or landed in that terrain.
 - Absolute increase in yields with current means (non-GMO).
 - The only terrain we have worked with for the calculations - if the maize yield in India increases by 1.8t/per ha to 5t/per ha from the current 3.2t/ha. Even at 5t/ha yield, India would be below the world average yield by 1t/ha.
- But the question is if Indian farmers can produce over 5t/ha yield, why are they currently at 3.2t/ha yield.
- The answer is there was no demand and 3.2t/ha itself was too much for the market.

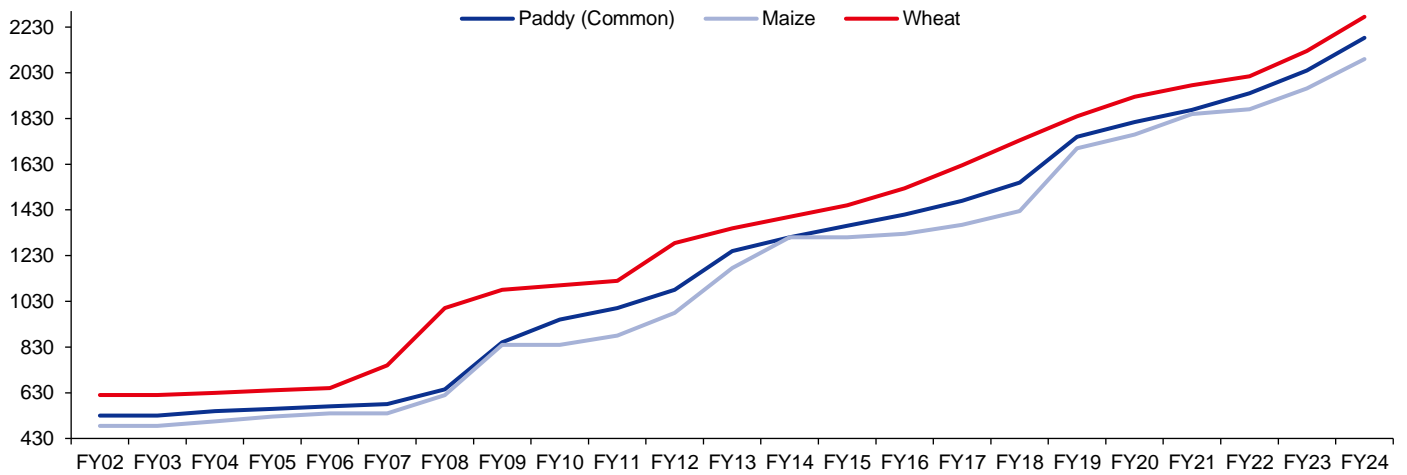
Figure 10: Most of the growth in grain output in India came via rice and wheat (in mmt)



The proof ➤

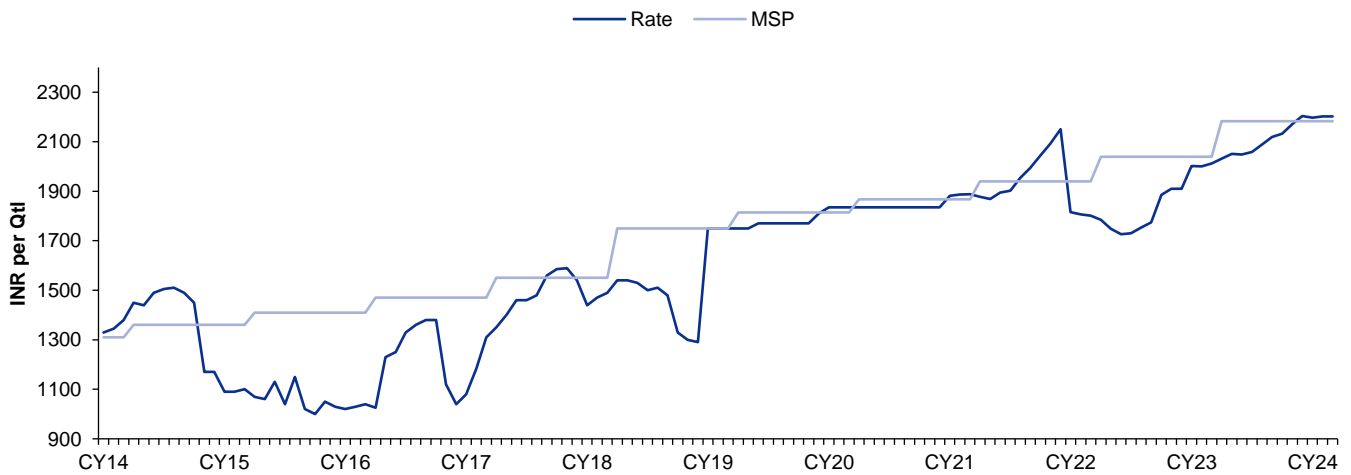
- The green revolution led to a massive rise in foodgrain production at 87%, 60%, 39%, 8%, 13% and 19% over six stages from FY51.
 - However, the 5x increase in grain production was largely due to a 5x increase in rice output and a 16x increase in wheat production from FY51 while maize production lagged since the middle of the green revolution.
 - Maize did not lose the minimum support price or MSP announcement race but rather it lost the race of getting procured.

Figure 11: MSP was increased for all three grains - paddy, maize and wheat (Rs/quintal)



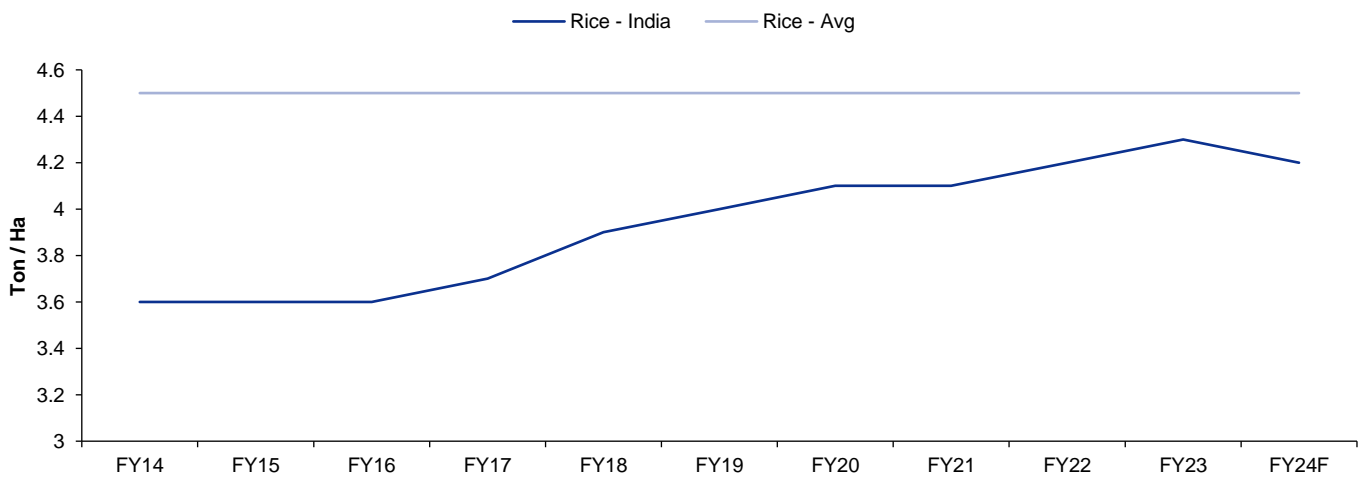
SOURCE: GOI

Figure 12: Rice market prices follow the MSP trend



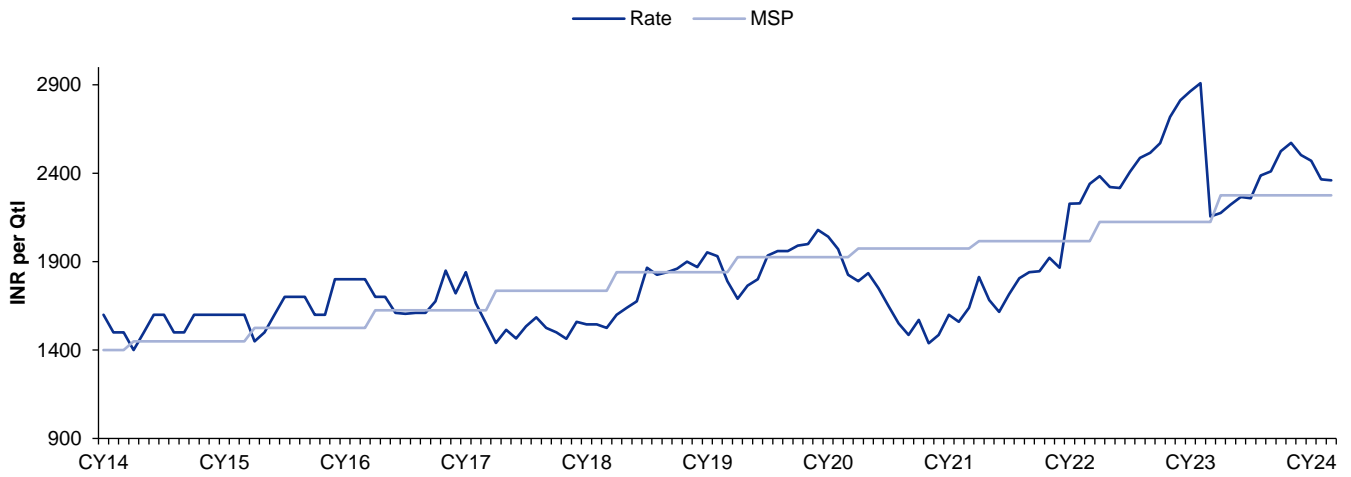
SOURCE: GOI

Figure 13: India's rice yield trying to match global average yield



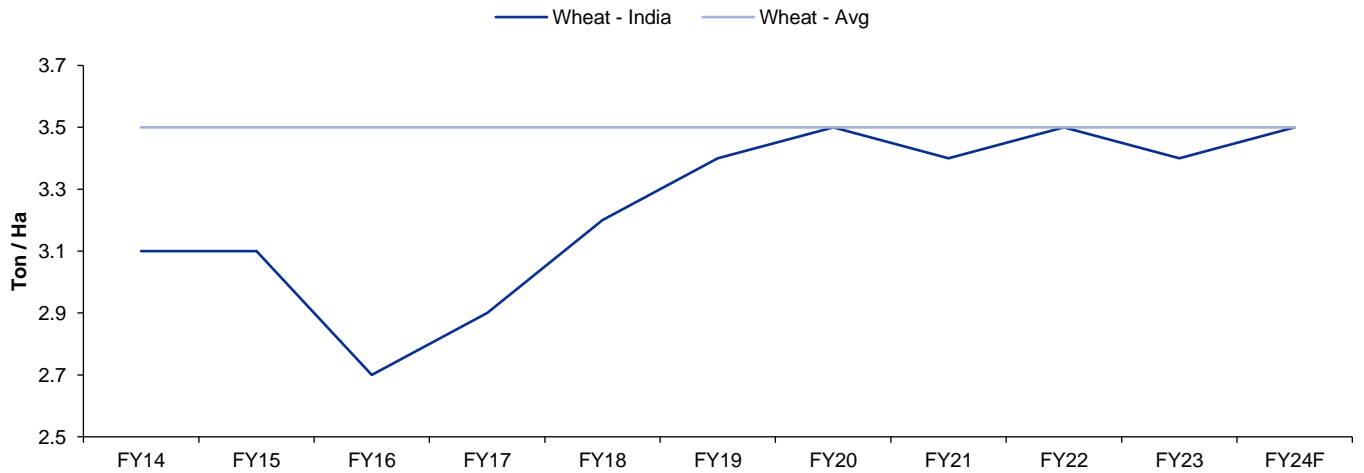
SOURCE: FAO, GOI

Figure 14: Wheat prices continuously rising with MSP



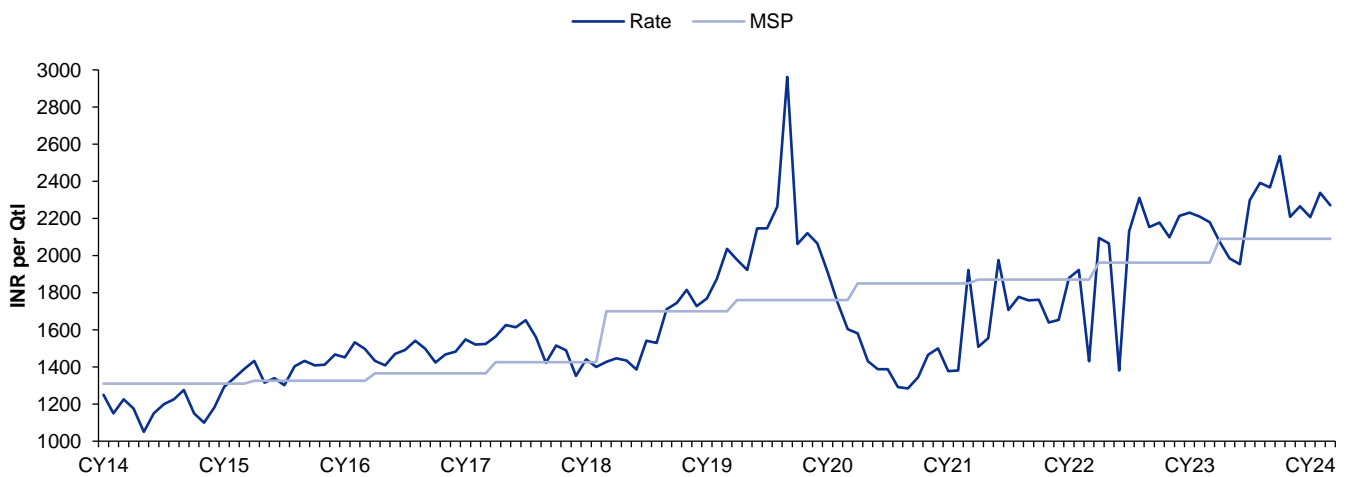
SOURCE: GOI

Figure 15: India's wheat yield trying to march past global average



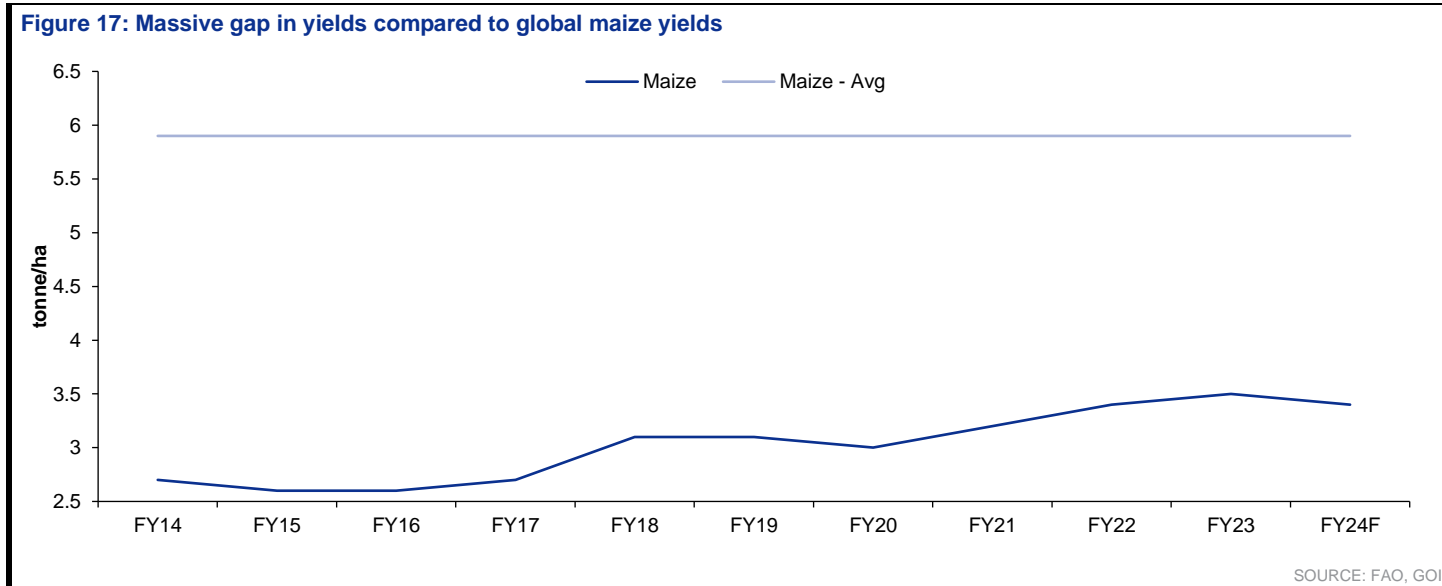
SOURCE: GOI

Figure 16: Maize prices have not moved as intended by MSP, leading to large periods of the produce being sold below MSP



SOURCE: GOI

Figure 17: Massive gap in yields compared to global maize yields



Gol to back maize procurement through NAFED & NCCF ➤

- National Agricultural Cooperative Marketing Federation of India (NAFED) and National Cooperative Consumers Federation of India (NCCF) have been approved to acquire and deal in maize in India.
- Specialized procurement for maize is required as the grain requires drying. Currently, the drying infrastructure is weak in India, and it needs to be strengthened.
- NCCF has already tied up for the supply of maize at a fixed price to Gulshan Polyols and Globus Spirits.

Grain ethanol hits and misses so-far

First order forecast ➤

- Ethanol blending policy will gather steam.

Data on blending available in Jan 2022:

- ESY21 achieved a blending rate of 8% from 5%.

Progress of data on blending:

- ESY22 achieved a blending rate of 10%.
- ESY23 achieved a blending rate of 11.7%.
- ESY24F is projected to have a blending rate of 12.5%.

Second order forecast ➤

- Sugar-based ethanol, which was on the forefront till ESY21, will step aside and give way to grain-based ethanol, with the price hike coming through for grain-based ethanol and a stable policy.

Figure 18: Prices of ethanol based on feedstock per litre or L

Feedstock – Rs/L	Jan-22	Apr-24	Change
Sugar Direct	65.60	65.60	0%
Sugar B-route	60.73	60.73	0%
Sugar C-route	49.40	63.14	28%
Grain Damaged	55.00	64.00	16%
Grain Maize	56.35	71.86	28%

SOURCE: GOI

Third order forecast ➤

- Grain-based ethanol / ENA companies to reap a fortune going ahead.
- Initiate coverage on GSL, GPL and BCL based on FY24F financials.

Forecast target prices (vs. actual prices as on 11 Jan 2022) in the initiating coverage or IC report dated 12th Jan 2022.

- Globus Spirits – Rs3,790 (Rs1,495) [Report link](#)
 - Why - massive capacity addition to 470klpd currently, increased utilization and foray into IMFL business from IMIL.
- Gulshan Polyols - Rs746 (Rs285) *adjusted for funds raised. [Report link](#)
 - Why – massive capacity addition to 60klpd currently, increased utilization and foray into IMIL business.
- BCL Industries – Rs78 (Rs38) *adjusted for split. [Report link](#)
 - Why – massive capacity addition to 200klpd currently, increased utilization and foray into IMIL business.

Stock prices as on 12th Apr 2024

- Globus Spirits – Rs796
 - Capacity stands at 1,030klpd (+119%), with increased utilization and foray into IMIL business.
- Gulshan Polyols – Rs206
 - Capacity stands at 810klpd (+1,250%), with increased utilization and foray into IMIL business.
- BCL Industries – Rs60
 - Capacity stands at 700klpd (+250%), with increased utilization and foray into IMIL business.

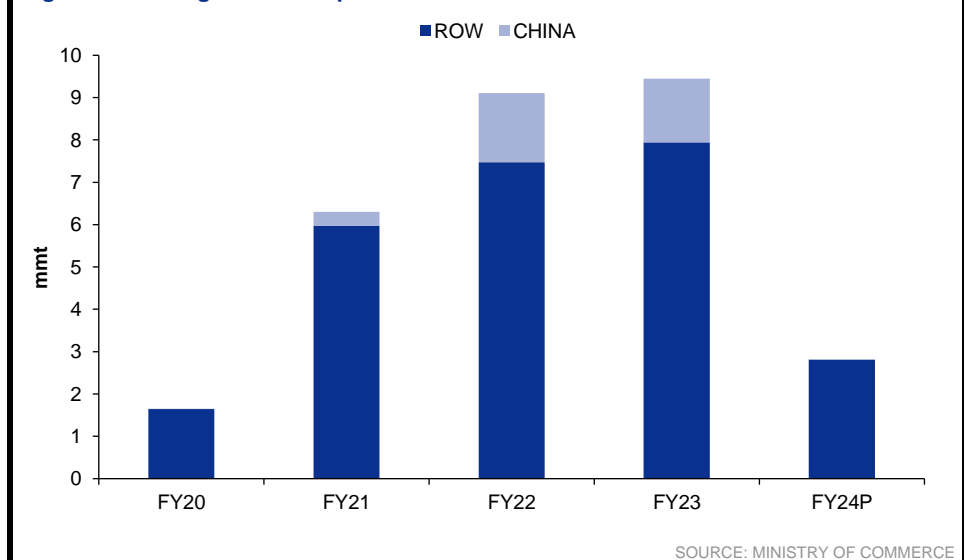
What actually happened? ➤

- The first order forecast on ethanol blending policy did gather steam.
- The second order forecast on the move to grain-based ethanol with pricing support turned out to be true.
- The third order forecast on companies adding massive capacities and foraying into newer segments (IMFL in the case of Globus Spirits and IMIL in the case of Gulshan Polyols & BCL Industries) also turned out to be true.
- However, our goal of achieving the forecasted target prices was not achieved.

What went wrong? ➤

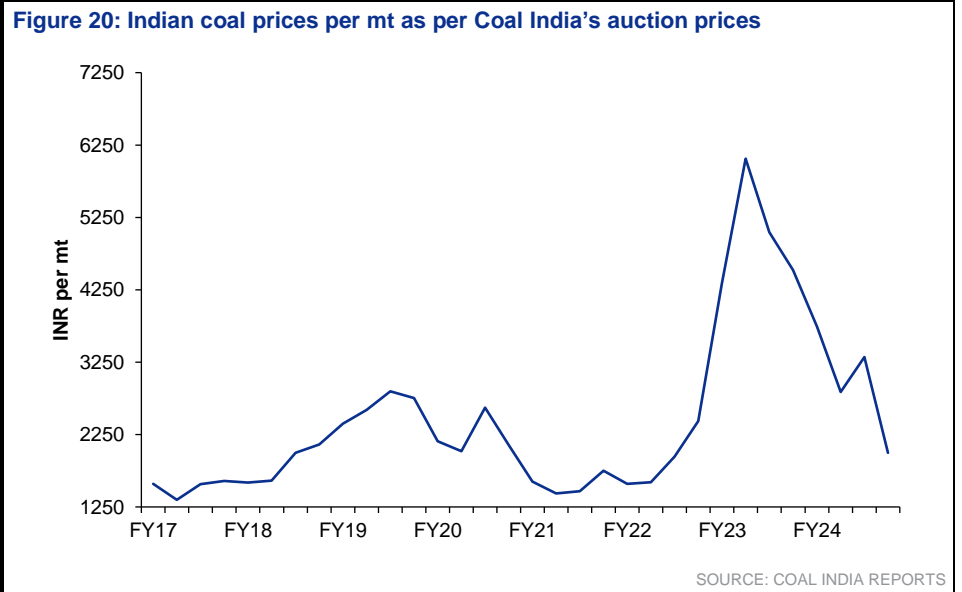
- Feedstock – base feedstock for starting the grain-based ethanol revolution was broken rice and the Food Corporation of India or FCI-supplied rice.
 - While in the beginning India had an oversupply of lower quality/ feed-grade rice, the fuel blending policy had a few years of leeway to shift to maize as a feedstock for making ethanol.
 - However, a massive piggery event in China led to global shortage of soymeal. Hence, animal husbandry practitioners jumped on animal feed alternatives such as feed-grade rice.
 - Sudden panic situation across the rice industry saw an unprecedented rise in the prices of feed-grade rice, with a kg of this rice, costing Rs15, selling at a price of as high as Rs30 during piggery restocking in China.

Figure 19: Feed-grade rice exports from India



- The checks and balances were bought by Gol in FY23, which has normalized the outflow of feed-grade rice.
- For reference purpose, while there was export of 1.6mmt feed-grade rice in FY20, the exports stood at 9.4mmt in FY23. The total requirement for ethanol production in ESY21,22 & 23 was only 5.6mmt of feed-grade rice.
- However, as the reserves of feed-grade rice had depleted, the industry had to shift to maize earlier than envisioned.

- Power/fuel cost – unlike sugar complex manufacturing, there is fuel cost incurred to run boilers for grain distillation.



- FY23 saw an unprecedented movement in coal prices.
- Coal prices at the start of FY23 were ~Rs2,400/t, but topped Rs6,000/t in 2QFY23.
- Coal prices remained on the higher side for the entire period of FY23 & FY24.
- Coal prices at the start of FY25 stood at ~Rs2,100/t.

However, the first & second order forecasts still hold strong➤

- Ethanol blending policy has gathered steam.

Data of blending at hand in Jan 2022:

- ESY21 achieved a blending rate of 8% from 5%.

Progress in data on blending:

- ESY22 achieved a blending rate of 10%.
- ESY23 achieved a blending rate of 11.7%.

Expected blending rate:

- ESY24F is projected to have a blending rate of 12%.
- ESY25F is projected to have a blending rate of 16%.
- ESY26F is projected to have a blending rate of 20%.
- Grain-based ethanol to be at the forefront of the blending policy.

Data of grain/sugar mix within ethanol blending:

- ESY21 achieved mix rate of 13:87.

Progress of data on mix rate:

- ESY22 achieved mix rate of 24:76.
- ESY23 achieved mix rate of 23:77.

Expected mix rate:

- ESY24F is projected to post mix rate of 30:70.
- ESY25F is projected to post mix rate of 40:60.
- ESY26F is projected to post mix rate of 50:50.

On the third order company-specific forecast ➤

- Globus Spirits or GSL, Gulshan Polyols or GPL and BCL Industries or BCL have incurred massive capex envisioned for ethanol, with most assets operational.
- GSL, GPL and BCL have made inroads in respective sub-segments of the liquor segment - IMFL in the case of GSL with beer & mead in the works and IMIL in the case of GPL & BCL.
- Hence, it is a matter of elongating the initial timeline, rather than throwing in the towel.

What about the wrongs on the cost front?

- Feedstock –
 - The maize policy has been preponed which, we believe, is achievable.
 - On a long-term basis, international grain prices are seen cooling off, with China's GMO approvals to be self-dependent.
- Power/fuel -
 - Coal prices have given up all their gains of the past two years.
 - On a long-term basis, companies within grain distillation facilities have started creating an alternative in the form of agri-residue as fuel.

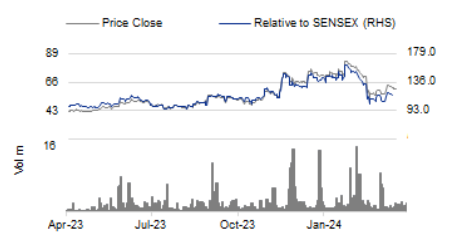
India

ADD (no change)

Consensus ratings*:	Buy 1	Hold 0	Sell 0
Current price:		Rs60	
Target price:	▲	Rs95	
Previous target:		Rs94	
Up/downside:		58.3%	
InCred Research / Consensus:		57.3%	
Reuters:			
Bloomberg:		BCLIL IN	
Market cap:		US\$195m	
		Rs16,231m	
Average daily turnover:		US\$2.0m	
		Rs170.9m	
Current shares o/s:		297.3m	
Free float:		43.1%	
*Source: Bloomberg			

Key changes in this note

- Roll forward our valuation to FY26F to arrive at our marginally higher target price of Rs95.
- EPS estimates reduced by 8.0%, 13.5% and 10.2% for FY24F/25F/26F, respectively.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	1.1	(17.7)	41.9
Relative (%)	(1.1)	(18.7)	15.5

Major shareholders	% held
Promoter & Promoter Group	56.9
Elara India Opportunities Fund	3.5

Research Analyst(s)



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BCL Industries Ltd

One step at a time

- BCL industries has increased its distillation capacity from 200klpd in FY21 to 950klpd, including 250klpd under execution.
- The PML (Punjab Made Liquor) policy will open new avenues for BCL Industries. We have not taken any upside from the same in our projections.
- Retain ADD rating on the stock with a marginally higher target price of Rs95.

An agro-energy giant in the making

BCL Industries has followed the one-step approach by steadily adding small capacities since FY21. The troubles brewing in the energy fuel space forced the company to innovate to use other non-traditional sources for fuel, adding to the EBITDA margin. The company has also decided to re-enter the IMIL (Indian Made Indian Liquor) along with most changes to the PML norms providing a better chance of success in the IMIL market. The extension into the bio-diesel space, we feel, will provide a more balanced portfolio towards agro energy.

Enough dry powder

Since FY21, the company has repaid high-cost debt, and is currently using subvented debt. The balance sheet of the company is in much better shape and will only get better with the expected land sale of the edible oil factory, apart from the massive reduction in the working capital cycle because of exiting the edible oil business. Hence, the company could study and expand further, after evaluating the landscape in ENA/ethanol, IMIL and biodiesel businesses.

Change in our earnings estimates

We have decreased our EPS estimates for BCL Industries by 8.0%/13.5%/10.2% for FY24F/25F/26F, respectively, mainly building in a 150bp volatility margin towards raw material and energy costs. We have cut the P/E ratio to 12x from 14x earlier due to the headwinds faced by the industry, with a revision due when prices of the raw material (maize) stabilize. Major change considered is the faster winding down of the edible oil segment. The movement, in terms of topline and margin accretion from the PML business, has not been considered by us as we wait and watch the developments of the newly implemented policy.

Retain ADD rating with a marginally higher target price of Rs95

We retain our ADD rating on BCL Industries with a marginally higher target price of Rs95 (Rs94 earlier) or 12x FY26F EPS, by rolling forward our valuation to FY26F EPS. We have not considered any growth in the PML segment and any upside in this segment is an additional gain, in our view. Downside risks: Maize will mainly be used to produce ENA /ethanol going ahead and any rise in their prices will directly impact the gross profit. Also, final product prices are decided by state/central governments and/or OMCs (oil marketing companies) and hence, profitability also depends on the prices fixed by them.

Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	19,797	18,183	21,242	23,526	28,749
Operating EBITDA (Rsm)	1,296	1,236	2,039	2,951	3,750
Net Profit (Rsm)	848	663	1,039	1,724	2,349
Core EPS (Rs)	3.5	2.7	3.9	5.8	7.9
Core EPS Growth	80.3%	(21.8%)	41.1%	49.8%	36.3%
FD Core P/E (x)	17.19	21.99	15.65	10.41	7.64
DPS (Rs)	1.8	0.8	0.1	0.1	0.2
Dividend Yield	0.29%	0.14%	0.14%	0.19%	0.26%
EV/EBITDA (x)	13.19	14.93	8.93	7.18	5.68
P/FCFE (x)	28.29	8.02	(8.54)	50.18	7.58
Net Gearing	63.3%	128.3%	29.2%	36.3%	26.7%
P/BV (x)	3.98	5.12	3.06	2.38	1.82
ROE	26.1%	20.3%	24.0%	25.7%	27.0%
% Change In Core EPS Estimates			(0.94%)	(0.93%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 21: Our revised earnings estimates

(Rs m)	Old estimates			New estimates			Change (%)		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Revenue	21,316	27,196	30,776	21,242	23,526	28,749	-0.3%	-13.5%	-6.6%
EBITDA	2,157	3,309	3,936	2,039	2,951	3,750	-5.4%	-10.8%	-4.7%
EBITDA Margin (%)	10.1%	12.2%	12.8%	9.6%	12.5%	13.0%	-50bp	34bp	24bp
PAT	1,121	1,999	2,618	1,039	1,724	2,349	-7.3%	-13.8%	-10.3%
EPS (Rs)	3.8	6.7	8.8	3.5	5.8	7.9	-8.0%	-13.5%	-10.2%

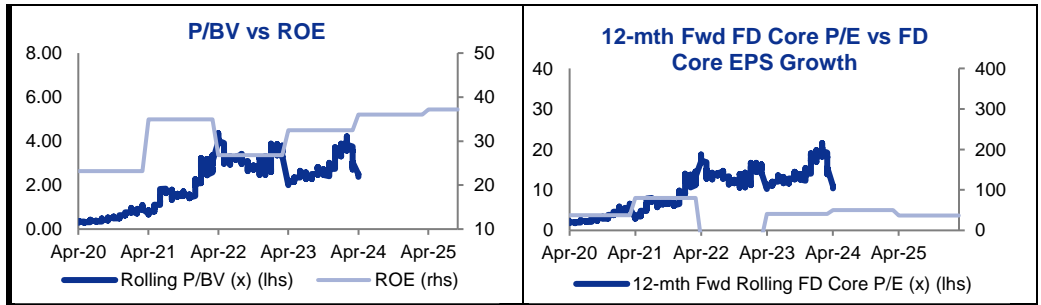
SOURCE: INCRED RESEARCH

Figure 22: Our key assumptions

Key assumptions	FY24F	FY25F	FY26F
Bulk alcohol sales (mL)	150	226	273
DDGS price (Rs per kg)	30	23	24
ENA price (Rs per L)	67.0	73.0	73.0
Ethanol price (Rs per L)	64.4	71.9	71.9

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	19,797	18,183	21,242	23,526	28,749
Gross Profit	3,229	4,097	5,467	7,287	9,479
Operating EBITDA	1,296	1,236	2,039	2,951	3,750
Depreciation And Amortisation	(147)	(250)	(322)	(312)	(272)
Operating EBIT	1,149	986	1,718	2,639	3,478
Financial Income/(Expense)	(15)	(131)	(222)	(31)	(39)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	1,134	855	1,496	2,608	3,438
Exceptional Items			(5)		
Pre-tax Profit	1,134	855	1,490	2,608	3,438
Taxation	(286)	(211)	(370)	(691)	(887)
Exceptional Income - post-tax					
Profit After Tax	848	644	1,121	1,917	2,551
Minority Interests		19	(82)	(193)	(202)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	848	663	1,039	1,724	2,349
Recurring Net Profit	848	663	1,043	1,724	2,349
Fully Diluted Recurring Net Profit	848	663	1,043	1,724	2,349

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	1,296	1,236	2,039	2,951	3,750
Cash Flow from Invt. & Assoc.					
Change In Working Capital	552	(37)	(335)	(250)	(572)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received	(15)	(131)	(222)	(31)	(39)
Tax Paid	(147)	(250)	(322)	(312)	(272)
Cashflow From Operations	1,686	818	1,160	2,358	2,866
Capex	(1,671)	(1,500)	(1,000)	(2,000)	(500)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow					
Cash Flow From Investing	(1,671)	(1,500)	(1,000)	(2,000)	(500)
Debt Raised/(repaid)	500	2,500	(2,065)		
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(119)	(864)	(147)	692	(557)
Preferred Dividends					
Other Financing Cashflow	363	(1,482)	1,968	193	202
Cash Flow From Financing	744	154	(245)	885	(355)
Total Cash Generated	759	(527)	(84)	1,243	2,011
Free Cashflow To Equity	515	1,818	(1,905)	358	2,366
Free Cashflow To Firm	110	(483)	468	510	2,518

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	211	1,327	1,274	169	258
Total Debtors	1,017	996	1,164	1,289	1,575
Inventories	1,956	1,993	2,328	2,579	3,151
Total Other Current Assets	659	455	531	588	719
Total Current Assets	3,843	4,770	5,297	4,624	5,703
Fixed Assets	1,298	4,211	4,890	6,577	6,806
Total Investments	288	238	238	1,238	2,738
Intangible Assets					
Total Other Non-Current Assets	2,147	273	319	353	431
Total Non-current Assets	3,732	4,722	5,446	8,168	9,975
Short-term Debt	1,565	2,065			
Current Portion of Long-Term Debt					
Total Creditors	1,015	1,269	1,482	1,642	2,006
Other Current Liabilities	51	55	64	71	86
Total Current Liabilities	2,632	3,388	1,546	1,712	2,092
Total Long-term Debt	1,040	3,040	3,040	3,040	3,040
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	1,040	3,040	3,040	3,040	3,040
Total Provisions	120	119	120	120	122
Total Liabilities	3,791	6,547	4,706	4,872	5,254
Shareholders Equity	3,667	2,847	5,857	7,546	9,848
Minority Interests	117	98	180	373	575
Total Equity	3,784	2,945	6,037	7,919	10,424

Key Ratios					
	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	38.7%	(8.1%)	16.8%	10.8%	22.2%
Operating EBITDA Growth	58.4%	(4.6%)	65.1%	44.7%	27.0%
Operating EBITDA Margin	6.5%	6.8%	9.6%	12.5%	13.0%
Net Cash Per Share (Rs)	(9.91)	(15.64)	(5.94)	(9.66)	(9.35)
BVPS (Rs)	15.18	11.79	19.70	25.38	33.12
Gross Interest Cover	12.08	4.97	5.58	17.36	22.88
Effective Tax Rate	25.2%	24.7%	24.8%	26.5%	25.8%
Net Dividend Payout Ratio	3.7%	2.3%	1.8%	1.4%	1.5%
Accounts Receivables Days	21.80	20.20	18.55	19.02	18.18
Inventory Days	49.18	51.17	49.99	55.14	54.26
Accounts Payables Days	19.63	23.10	24.98	27.56	27.12
ROIC (%)	27.5%	16.4%	26.0%	34.3%	36.0%
ROCE (%)	20.8%	13.4%	19.8%	26.0%	28.2%
Return On Average Assets	16.5%	11.6%	17.0%	22.4%	24.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

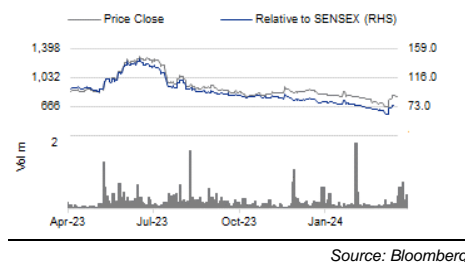
India

ADD (no change)

Consensus ratings*: Buy 2 Hold 0 Sell 0	
Current price:	Rs796
Target price:	Rs1,562
Previous target:	Rs2,929
Up/downside:	96.2%
InCred Research / Consensus:	96.3%
Reuters:	GLOS.NS
Bloomberg:	GBSL IN
Market cap:	US\$275m
	Rs22,937m
Average daily turnover:	US\$1.7m
	Rs140.5m
Current shares o/s:	28.8m
Free float:	49.0%
*Source: Bloomberg	

Key changes in this note

- Roll forward our valuation to FY26F to arrive at our lower target price of Rs1,562.
- PAT estimates reduced by 3.4%, 7.6% and 21.4% for FY24F/25F/26F, respectively.



Price performance	1M	3M	12M
Absolute (%)	5.3	(3.1)	(9.7)
Relative (%)	3.0	(4.3)	(26.5)

Major shareholders	% held
Promoter & Promoter Group	51.0
MIT	3.8

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Globus Spirits Ltd

Expanding its horizons

- GSL was the largest distillation player in India with a 535klpd capacity in FY21 and it continues to hold that position with over 1,000klpd capacity currently.
- GSL's dominance in RML (Rajasthan Made Liquor) has been there since FY21 but profitability is likely to surge post FY25 excise policy implementation.
- Retain our ADD rating on the stock with a lower target price of Rs1,562.

Moving towards being an alcobev major

Globus Spirits or GSL had been a major extra neutral alcohol or ENA supplier and a dominant player in the Indian Made Indian Liquor or IMIL segment before the ethanol boom. Post ethanol policy stabilization, the company pivoted towards ethanol by setting up major capacities across India. The focus of the company, post stabilization of its ethanol plants and regular cash flow generation from the same, is to create brands in different sub-segments of the Indian Made Foreign Liquor or IMFL segment.

Making its mark

The revamped IMFL offerings of GSL started with Terai gin in the semi-luxury segment. This was followed by the entry into the basic segments of whisky - Mountain Oak, and Governor's Reserve Select (regular segment), Governor's Reserve Superior (deluxe segment) and Oakton (semi-premium segment). Of late, the company has ventured into the deluxe segment of vodka with Snoski. Terai, the oldest in the list, has shaken the gin segment in India, making it quite popular. Apart from spreading its wings in the IMFL segment, the company has entered the mead space, and recently announced its plan of entering the beer segment as well. The foray into the beer segment will considerably lower mead costs by moving its production in-house. Thus, the company is present in all major liquor segments in India barring wine.

Change in our earnings estimates

We have decreased our PAT estimates for GSL by 3.4%/ 7.6% / 21.4% for FY24F/25F/26F, respectively, mainly building in a 150bp volatility margin towards raw material and energy costs. We have cut the P/E ratio to 15x from 25x earlier due to the headwinds faced by the industry, with a revision due when the prices of the raw material (maize) stabilize and contribution to the topline, as a percentage, tilt towards the IMFL segment. The movement, in terms of margin accretion from the RML business, has not been considered by us as we wait and watch the developments of the newly implemented policy.

Retain ADD rating with a lower target price of Rs1,562

We retain our ADD rating on GSL with a lower target price of Rs1,562 (Rs2,929 earlier) or 15x FY26F EPS by rolling forward our P/E valuation to FY26F. We have also cut the P/E ratio from 25x to 15x. We have not considered any growth in the IMIL segment of newer states (apart from Rajasthan) and any upside in this segment is an additional gain, in our view. Downside risks: Maize will be mainly used to produce ENA /ethanol going ahead and any rise in their prices will directly impact the gross profit. Also, final product prices are decided by state/central governments and/or OMCs (oil marketing companies) and hence, profitability also depends on the prices fixed by them.

Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	15,792	21,091	25,904	32,117	35,634
Operating EBITDA (Rsm)	3,286	2,456	2,121	4,342	4,859
Net Profit (Rsm)	1,873	1,222	1,298	2,682	3,000
Core EPS (Rs)	65.0	42.4	45.1	93.1	104.2
Core EPS Growth	30.7%	(34.7%)	6.2%	106.7%	11.8%
FD Core P/E (x)	12.24	18.76	17.66	8.55	7.64
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.49%	0.32%	0.34%	0.47%	0.52%
EV/EBITDA (x)	7.27	10.31	11.61	5.64	4.58
P/FCFE (x)	27.62	(17.03)	15.68	90.72	10.77
Net Gearing	12.7%	27.1%	16.8%	12.5%	(4.4%)
P/BV (x)	2.97	2.58	2.27	1.81	1.47
ROE	27.6%	14.7%	13.7%	23.6%	21.3%
% Change In Core EPS Estimates					
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 23: Our revised earnings estimates

(Rsm)	Old estimates			New estimates			Change (%)		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Revenue	25,861	33,371	39,131	25,904	32,117	35,634	0.2%	-3.8%	-8.9%
EBITDA	2,553	4,639	5,962	2,121	4,342	4,859	-16.9%	-6.4%	-18.5%
EBITDA Margin (%)	9.9%	13.9%	15.2%	8.2%	13.5%	13.6%	-168bp	-38bp	-160bp
PAT	1,344	2,902	3,816	1,298	2,682	3,000	-3.4%	-7.6%	-21.4%
EPS (Rs)	46.7	100.8	132	45.1	93.1	104.2	-3.4%	-7.6%	-21.4%

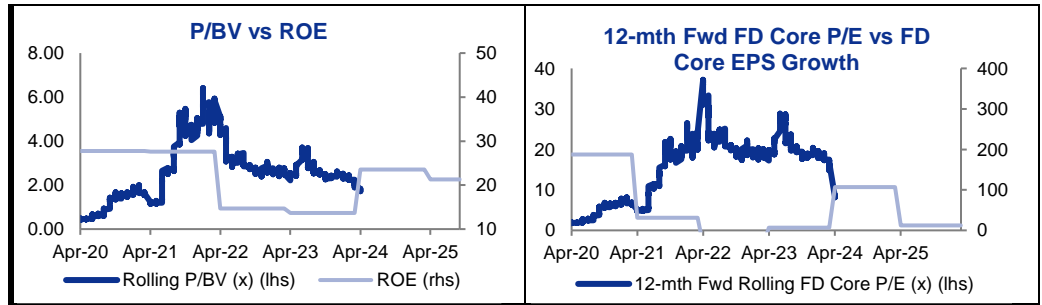
SOURCE: INCRED RESEARCH

Figure 24: Our key assumptions

Key assumptions	FY23A	FY24F	FY25F	FY26F
Bulk alcohol sales (mL)	226	269	297	319
IMIL (m cases)	14	15	17	18
IMFL (m cases)	0.2	0.4	0.8	1.5
DDGS price (Rs/kg)	30	30	30	30
ENA price (Rs/L)	63.7	64.2	72.0	72.0
Ethanol price (Rs/L)	53.9	64.9	72.0	72.0
IMFL price (Rs/case)	1,872	1,305	1,500	1,500
IMIL price (Rs/case)	492	543	570	580

SOURCE: INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	15,792	21,091	25,904	32,117	35,634
Gross Profit	7,408	8,677	9,031	13,913	15,478
Operating EBITDA	3,286	2,456	2,121	4,342	4,859
Depreciation And Amortisation	(426)	(563)	(631)	(623)	(723)
Operating EBIT	2,860	1,893	1,490	3,719	4,136
Financial Income/(Expense)	(48)	(92)	(151)	(94)	(82)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	2,812	1,801	1,339	3,624	4,053
Exceptional Items					
Pre-tax Profit	2,812	1,801	1,339	3,624	4,053
Taxation	(940)	(579)	(42)	(942)	(1,054)
Exceptional Income - post-tax					
Profit After Tax	1,873	1,222	1,298	2,682	3,000
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	1,873	1,222	1,298	2,682	3,000
Recurring Net Profit	1,873	1,222	1,298	2,682	3,000
Fully Diluted Recurring Net Profit	1,873	1,222	1,298	2,682	3,000

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	3,286	2,456	2,121	4,342	4,859
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(1,106)	(1,387)	1,637	(587)	(332)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	1,888	(791)			
Other Operating Cashflow					
Net Interest (Paid)/Received	66	78	61	40	28
Tax Paid	(940)	(579)	(42)	(942)	(1,054)
Cashflow From Operations	3,194	(223)	3,778	2,853	3,501
Capex	(2,242)	(2,135)	(1,499)	(2,500)	(1,000)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow					
Cash Flow From Investing	(2,242)	(2,135)	(1,499)	(2,500)	(1,000)
Debt Raised/(repaid)	(122)	1,012	(817)	(100)	(373)
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	112	73	78	107	120
Preferred Dividends					
Other Financing Cashflow	(124)	2,021	(2,336)	(194)	(455)
Cash Flow From Financing	(134)	3,107	(3,075)	(187)	(708)
Total Cash Generated	818	749	(797)	166	1,792
Free Cashflow To Equity	830	(1,346)	1,462	253	2,128
Free Cashflow To Firm	952	(2,358)	2,279	353	2,501

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	761	352	238	249	2,146
Total Debtors	1,180	2,113	2,595	3,217	3,570
Inventories	1,085	1,578	1,938	2,403	2,666
Total Other Current Assets	844	1,052	259	321	356
Total Current Assets	3,871	5,094	5,030	6,190	8,738
Fixed Assets	7,671	9,242	10,111	11,988	12,265
Total Investments					
Intangible Assets	6	7	6	6	6
Total Other Non-Current Assets	818	1,568	389	482	535
Total Non-current Assets	8,495	10,817	10,506	12,476	12,805
Short-term Debt	650	1,643	1,443	1,443	1,193
Current Portion of Long-Term Debt					
Total Creditors	1,847	2,845	3,338	3,975	4,335
Other Current Liabilities					
Total Current Liabilities	2,498	4,488	4,781	5,418	5,527
Total Long-term Debt	1,089	1,109	492	392	270
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	100	1,285			
Total Non-current Liabilities	1,190	2,394	492	392	270
Total Provisions	955	161	176	195	206
Total Liabilities	4,642	7,044	5,449	6,005	6,003
Shareholders Equity	7,723	8,866	10,086	12,661	15,540
Minority Interests					
Total Equity	7,723	8,866	10,086	12,661	15,540

Key Ratios					
	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	28.3%	33.6%	22.8%	24.0%	11.0%
Operating EBITDA Growth	28.8%	(25.3%)	(13.6%)	104.7%	11.9%
Operating EBITDA Margin	20.8%	11.6%	8.2%	13.5%	13.6%
Net Cash Per Share (Rs)	(33.98)	(83.36)	(58.94)	(55.09)	23.75
BVPS (Rs)	268.18	307.87	350.22	439.62	539.61
Gross Interest Cover	25.01	11.13	6.37	39.45	50.17
Effective Tax Rate	33.4%	32.1%	3.1%	26.0%	26.0%
Net Dividend Payout Ratio	6.0%	6.0%	6.0%	4.0%	4.0%
Accounts Receivables Days	23.80	28.50	33.17	33.03	34.76
Inventory Days	45.85	39.15	38.03	43.52	45.89
Accounts Payables Days	58.69	53.94	52.06	59.58	62.83
ROIC (%)	39.2%	19.4%	11.7%	31.1%	28.6%
ROCE (%)	32.4%	17.9%	13.2%	27.8%	26.1%
Return On Average Assets	17.2%	9.3%	9.2%	16.2%	15.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

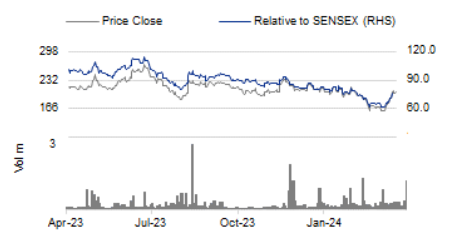
India

ADD (no change)

Consensus ratings*:	Buy 1	Hold 0	Sell 0
Current price:	Rs206		
Target price:	Rs382		
Previous target:	Rs508		
Up/downside:	85.4%		
InCred Research / Consensus:	85.5%		
Reuters:			
Bloomberg:	GULP IN		
Market cap:	US\$154m		
	Rs12,842m		
Average daily turnover:	US\$0.5m		
	Rs42.5m		
Current shares o/s:	52.0m		
Free float:	33.3%		
<small>*Source: Bloomberg</small>			

Key changes in this note

- Roll forward our valuation to FY26F to arrive at our lower target price of Rs382.
- EPS estimates reduced by 47.3%, 46.4% and 17.8% for FY24F/25F/26F, respectively.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	20.8	(1.8)	(2.8)
Relative (%)	18.2	(3.0)	(20.9)

Major shareholders	% held
Promoter & Promoter Group	66.7
Aditya Birla AMC	1.2

Research Analyst(s)

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Gulshan Polyols Ltd

Moves into a higher realm

- GPL has increased its distillation capacity from a meagre 60klpd in FY21 to 810klpd, of which a 500klpd plant is the largest single unit in India.
- The company has also added muscle in its grain processing division for starch-based derivatives.
- Retain ADD rating on the stock with a lower target price of Rs382.

Big leaps likely to pay off handsomely

Gulshan Polyols or GPL has followed the giant leap approach by adding massive capacities since FY21. Though the strategy has a high execution risk, it also stamps a leadership position if executed well. GPL has already received orders for supplying over 100mL of ethanol to oil marketing companies or OMCs for ESY24 (ending Nov 2024) from its 500klpd plant alone. The grand scale of ethanol production by the company is expected in ESY25F, with capacities getting ramped up to the full extent. The older 60klpd plant can now shift focus to the IMIL and ENA businesses in Madhya Pradesh.

Time to recoup before the next leap

The major capex for two mega distilleries and expansion in the grain segment is on the anvil. The company could plan more steps while recouping the returns on investments. The next leap, whenever that happens, would be aiming for the top slot in ethanol production. The strategic location of both its distilleries close to maize production belts will be an advantage, with the shift towards ethanol from maize. Due to the huge size of the distilleries of the company, smaller policies of state mandis (markets) for procurement and transportation in the states of Madhya Pradesh and Assam become key to increasing the profitability.

Change in our earnings estimates

We have decreased our EPS estimates for GPL by 47.3%/46.4%/17.8% for FY24F/25F/26F, respectively, mainly building in a 200bp volatility margin towards raw material and energy costs. We have cut the P/E ratio to 10x from 14x earlier due to the headwinds faced by the industry, with a revision due when the prices of the raw material (maize) stabilize, and the Assam plant starts contributing to profits. The company is a benefactor of Mahya-Pradesh and Assam government incentives for distillation, but in our financial calculations we have not included these incentives.

Retain ADD rating with a lower target price of Rs382

We retain our ADD rating on Gulshan Polyols with a lower target price of Rs382 (Rs508 earlier) or 10x FY26F EPS, by rolling forward our valuation to FY26F EPS. We have not considered any incentives from state governments towards ethanol schemes in our calculations. Downside risks: Maize will be mainly used to produce ENA /ethanol going ahead and any rise in its prices will directly impact the gross profit. Also, final product prices are decided by state/central governments and/or OMCs (oil marketing companies) and hence, profitability also depends on the prices fixed by them.

Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	11,007	11,797	15,161	23,232	33,251
Operating EBITDA (Rsm)	1,503	880	700	2,158	3,574
Net Profit (Rsm)	855	455	238	1,006	1,987
Core EPS (Rs)	16.8	8.8	4.6	19.4	38.2
Core EPS Growth	30.1%	(48.0%)	(47.7%)	322.6%	97.5%
FD Core P/E (x)	12.22	23.52	44.94	10.64	5.39
DPS (Rs)	1.3	1.6	0.9	0.2	0.8
Dividend Yield	0.80%	0.43%	0.11%	0.38%	0.74%
EV/EBITDA (x)	6.94	14.91	21.05	6.90	4.03
P/FCFE (x)	2.66	(10.78)	63.69	44.41	17.61
Net Gearing	(0.1%)	42.1%	67.6%	60.3%	41.9%
P/BV (x)	2.00	1.86	1.79	1.54	1.21
ROE	19.1%	8.2%	4.1%	15.6%	25.2%
% Change In Core EPS Estimates			(0.86%)	(0.57%)	
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 25: Our revised earnings estimates

(Rsm)	Old estimates			New estimates			Change (%)		
	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F	FY24F	FY25F	FY26F
Revenue	16,450	28,302	32,453	15,161	23,232	33,251	-7.8%	-17.9%	2.5%
EBITDA	1,089	3,325	4,138	700	2,158	3,574	-35.7%	-35.1%	-13.6%
EBITDA Margin (%)	6.6%	11.8%	12.8%	4.6%	9.3%	10.8%	-198bp	-251bp	-205bp
PAT	454	1,877	2,419	238	1,006	1,987	-47.6%	-46.4%	-17.9%
EPS (Rs)	8.7	36.1	46.5	4.6	19.4	38.2	-47.3%	-46.4%	-17.8%

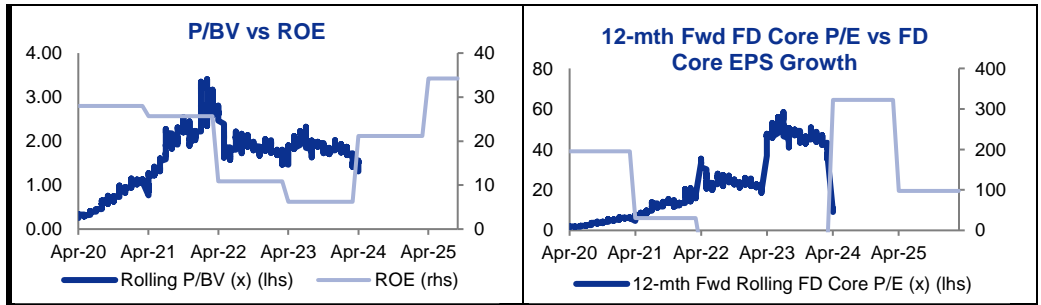
SOURCE: INCRED RESEARCH

Figure 26: Our key assumptions

Key assumptions	FY24F	FY25F	FY26F
Bulk alcohol sales (mL)	69	139	243
DDGS price (Rs/kg)	25	20	22
Ethanol price (Rs/L)	64	73	73

SOURCE: INCRED RESEARCH

BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	11,007	11,797	15,161	23,232	33,251
Gross Profit	5,272	4,811	5,627	9,525	13,965
Operating EBITDA	1,503	880	700	2,158	3,574
Depreciation And Amortisation	(324)	(287)	(333)	(547)	(622)
Operating EBIT	1,179	593	367	1,611	2,952
Financial Income/(Expense)	(29)	9	(2)	(241)	(249)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)					
Profit Before Tax (pre-EI)	1,150	602	365	1,369	2,703
Exceptional Items					
Pre-tax Profit	1,150	602	365	1,369	2,703
Taxation	(295)	(147)	(127)	(363)	(716)
Exceptional Income - post-tax					
Profit After Tax	855	455	238	1,006	1,987
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	855	455	238	1,006	1,987
Recurring Net Profit	855	455	238	1,006	1,987
Fully Diluted Recurring Net Profit	855	455	238	1,006	1,987

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	1,503	880	700	2,158	3,574
Cash Flow from Invt. & Assoc.					
Change In Working Capital	562	(554)	(104)	(1,612)	(2,001)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow					
Net Interest (Paid)/Received	(29)	9	(2)	(241)	(249)
Tax Paid	(295)	(147)	(127)	(363)	(716)
Cashflow From Operations	1,741	188	467	(59)	608
Capex	1,169	(2,541)	(2,499)		
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow					
Cash Flow From Investing	1,169	(2,541)	(2,499)		
Debt Raised/(repaid)	1,014	1,360	2,200	300	
Proceeds From Issue Of Shares	2				
Shares Repurchased					
Dividends Paid	(27)	(45)	(12)	(40)	(79)
Preferred Dividends					
Other Financing Cashflow	(50)	(61)	(110)	(241)	(249)
Cash Flow From Financing	939	1,253	2,078	18	(328)
Total Cash Generated	3,849	(1,100)	46	(41)	279
Free Cashflow To Equity	3,924	(993)	168	241	608
Free Cashflow To Firm	2,959	(2,292)	(1,922)	182	857

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	1,126	58	637	797	1,276
Total Debtors	1,196	1,416	1,820	2,789	3,992
Inventories	1,079	1,574	2,022	3,099	4,435
Total Other Current Assets	826	745	227	348	499
Total Current Assets	4,227	3,793	4,707	7,034	10,202
Fixed Assets	2,372	2,759	5,205	7,158	6,536
Total Investments	284	254	4	4	4
Intangible Assets					
Total Other Non-Current Assets	1,155	3,075	2,576	116	166
Total Non-current Assets	3,812	6,087	7,785	7,278	6,706
Short-term Debt	646	1,205	1,205	1,505	1,505
Current Portion of Long-Term Debt				1	2
Total Creditors	1,319	1,461	1,690	2,240	2,923
Other Current Liabilities	44	45			
Total Current Liabilities	2,009	2,710	2,895	3,746	4,430
Total Long-term Debt	473	1,275	3,475	3,475	3,475
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	473	1,275	3,475	3,475	3,475
Total Provisions	203	143	145	149	155
Total Liabilities	2,685	4,129	6,515	7,370	8,059
Shareholders Equity	5,354	5,751	5,977	6,943	8,850
Minority Interests					
Total Equity	5,354	5,751	5,977	6,943	8,850

Key Ratios

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	43.7%	7.2%	28.5%	53.2%	43.1%
Operating EBITDA Growth	15.0%	(41.5%)	(20.4%)	208.0%	65.7%
Operating EBITDA Margin	13.7%	7.5%	4.6%	9.3%	10.8%
Net Cash Per Share (Rs)	0.13	(46.60)	(77.78)	(80.48)	(71.31)
BVPS (Rs)	103.01	110.64	114.99	133.58	170.28
Gross Interest Cover	23.79	9.67	3.34	6.67	11.86
Effective Tax Rate	25.7%	24.4%	34.8%	26.5%	26.5%
Net Dividend Payout Ratio	7.4%	7.6%	3.3%	2.9%	2.9%
Accounts Receivables Days	36.88	40.41	38.96	36.21	37.22
Inventory Days	67.72	69.30	68.84	68.19	71.30
Accounts Payables Days	29.75	36.10	35.17	34.84	36.43
ROIC (%)	29.1%	11.3%	4.6%	15.9%	26.2%
ROCE (%)	22.0%	7.9%	3.8%	14.1%	22.7%
Return On Average Assets	18.5%	6.6%	3.3%	12.0%	18.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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