

India
Underweight (no change)

Highlighted Companies
Ami Organics
REDUCE, TP Rs714, Rs1355 close

While we all know about the risks of dolutegravir and darulamide, parabens' reliance is on them. Ami Organics is another hyped-up stock, driven by hopes of vinylene carbonate's success and the belief that Nubeqa will fuel significant growth.

Laxmi Organic Industries
REDUCE, TP Rs168, Rs270 close

Laxmi Organic Industries' investors may be holding unrealistic expectations for a commodity-focused business. The stock trades at 50x earnings for producing ethyl acetate. Our valuation of the stock stands at 35x one-year forward EPS, leading to a target price of Rs168.

Vinati Organics
ADD, TP Rs2111, Rs1900 close

Vinati Organics has strong earnings growth outlook, supported by expected increases in ATBS margins and volume growth from capacity expansion. Also, product diversification is boosting exports, which will contribute to the projected 50% year-on-year earnings growth in 1QFY25F.

Summary Valuation Metrics

P/E (x)	Mar24-A	Mar25-F	Mar26-F
Ami Organics	61.96	59.37	56.26
Laxmi Organic Industries	69.29	52.83	42.95
Vinati Organics	49.31	38.73	35.23

P/BV (x)	Mar24-A	Mar25-F	Mar26-F
Ami Organics	7.59	6.97	6.41
Laxmi Organic Industries	4.71	4.32	3.93
Vinati Organics	7.74	6.7	5.85

Dividend Yield	Mar24-A	Mar25-F	Mar26-F
Ami Organics	0%	0%	0%
Laxmi Organic Industries	0%	0%	0%
Vinati Organics	0.46%	0.59%	0.65%

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Chemicals - Overall

1Q-Disappointments galore but Vinati shines

- There is likely to be disappointment galore in chemicals, be it Astec, Ami, Navin, Jubilant, Galaxy & Anupam. Vinati and Deepak Nitrite are bright spots.
- Bulk chemicals appear to be doing well and product spreads are rising, be it phenol, iso propyl alcohol, acetic acid, ammonia or ammonium nitrate
- Bulk chemicals are the real China+1 story. Its prices are generally up as Europe has cut production & West is searching for alternate supply sources.

Disappointments galore for so-called specialty chemicals

The hype around specialty chemicals is fading, with disappointments becoming more common among companies like Astec Lifesciences, Ami Organics, Navin Fluorine, Jubilant Ingrevia, Galaxy Surfactants, Anupam Rasayan, etc. We're seeing a y-o-y decline in most of these names, some of which have traded at high multiples simply because they were labeled as specialty chemicals. Some stocks have become unique stories in a bull market, remaining resilient even after earnings disappointments. For instance, Astec Lifesciences is likely to suffer losses in FY25F (of which EBITDA-level losses in 1QFY25F) but it still trades at 5x sales. Ami Organics is another hyped-up stock, driven by hopes of vinylene carbonate's success and the belief that Nubeqa will fuel significant growth. Laxmi Organic Industries, trading at 50x earnings for producing ethyl acetate, and other commodity-driven stocks like Jubilant Ingrevia, trading at 35x earnings, highlight the market's irrational exuberance. The current bull market's infatuation with so-called specialty chemicals is evident, as these stocks trade at an average of 70x earnings (equal weighted market capitalization/profit for all the companies mentioned in report).

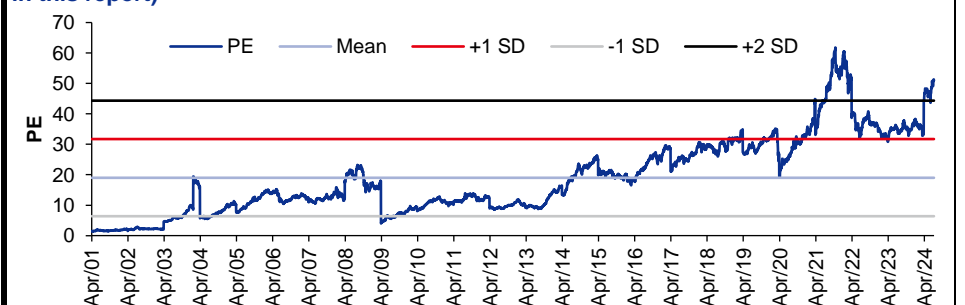
Bulk chemicals have shown a positive trend in spreads

Bulk chemical commodity spreads have shown a positive trend. Indian companies are benefiting from the China+1 strategy, with bulk chemical prices generally rising as Europe reduces their production across the board. Phenol's spreads are rising, and isopropyl alcohol is also performing well. While we have been bearish on Deepak Nitrite due to concerns over the future earnings potential of phenol and its derivatives, we acknowledge that phenol could perform well in the near term. This is mainly because European capacities are under pressure. Acetic acid prices and its spreads are also rising while methanol prices are remaining in check (due to higher Chinese production). Acetic acid's spreads & its price is moving up as Europe (accounts for 11% of the global production) is cutting production. Rising acetic acid prices is negative for Laxmi Organic Industries & Jubilant Ingrevia.

Vinati Organic & Deepak Nitrite stand out as bright spots in Q1FY25F

Vinati Organic is poised for growth as it diversifies its product range, leading to higher exports and a projected 50% year-on-year earnings growth in 1QFY25F. Export demand has rebounded significantly. Deepak Nitrite is also expected to perform well, with rising phenol spreads and the strong performance of isopropyl alcohol, benefiting from the pressure on European production capacities.

Figure 1: The craziness of this bull market for so-called specialty names is evident in the graph below; stocks trade at 70x (equally weighted average of companies mentioned in this report)



SOURCE: INCRED RESEARCH, COMPANY REPORTS

1Q-Disappointments galore but Vinati shines

In this report, we are covering the so called 'speciality chemicals' makers' financial results. We will come out with our earnings expectations for agrochemical names (Rallis India, UPL, PI Industries and Coromandel International) separately. We see a YoY decline for most companies mentioned in this report. However, we would like to single out one company, Astec Lifesciences, which although it has a minuscule (below Rs25bn) market, it made in last five quarters. This quarter also it will make an EBITDA-level loss. The company is making obsolete products and has invested in new capacity in the same product line.

Astec Lifesciences deserves to trade in low three digits

Astec Lifesciences is the unique story of this bull market. Its stock price doesn't fall at all, despite disappointing repeatedly. It's funny that a maker of SBI triazole trades at 25x market cap and 5x sales. This is despite the fact that the likelihood of sales growth is miniscule and the probability of making profit is negligible in FY25F. Please see our earlier reports: [IN: Astec Lifesciences - What are we paying for?; REDUCE \(REDUCE - Downgrade\)](#) and [IN: Astec Lifesciences - Illiquidity premium in valuation; REDUCE \(REDUCE - Maintained\)](#)

Astec Lifesciences to make EBITDA-level losses in 1QFY25F >

Figure 2: Astec Lifesciences is likely to report EBITDA-level losses the third time in the last four quarters

	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25F
Revenue From Operations	1,287	1,026	1,734	2,720	1,843	1,997	1,172	1,270	1,428	1,108	508	1,537	791
Other Operating Income													
Net Revenue	1,287	1,026	1,734	2,720	1,843	1,997	1,172	1,270	1,428	1,108	508	1,537	791
Expenses													
Total Cost of Goods Sold	784	513	928	1,643	1,225	1,228	697	862	1,026	760	353	1,053	542
Employee Benefit Expenses	93	115	129	167	130	150	114	129	154	172	144	147	147
Other Expenses	163	187	249	255	234	286	239	225	217	209	194	210	210
Total Expenses	1,040	815	1,305	2,065	1,588	1,665	1,051	1,216	1,397	1,142	691	1,410	899
EBITDA	247	211	429	655	255	333	121	54	31	-34	-183	127	-108
Depreciation	65	82	91	106	89	82	88	78	94	92	87	90	90
EBIT	182	129	338	548	165	251	33	-24	-63	-126	-270	37	-198
Other Income	8	9	20	68	27	40	38	26	17	17	9	20	20
Interest Expenses	15	17	26	33	39	45	59	64	65	60	61	67	67
Exceptional Items	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit Before Tax	174	122	332	583	153	246	12	-62	-110	-169	-322	-9	-244
Total Tax Expenses	44	31	85	152	39	63	4	-12	-28	-42	-79	0	0
Profit After Tax	130	91	248	431	114	183	8	-50	-82	-127	-243	-10	-244

SOURCE: COMPANY REPORTS, INCRED RESEARCH

Ami Organics - hype galore

Ami Organics is another stock with a huge hype. The hope of success of vinylene carbonate and investors' belief that Nubeqa will drive awesome growth is itself awesome. We have debunked these myths in multiple reports: [IN: Ami Organics - A washout year; we cut EPS estimates \(REDUCE - \)](#) and [IN: Ami Organics - After vinylene, high hopes on darolutamide \(REDUCE - Maintained\)](#)

1QFY25F EPS is likely to grow on a lower base but will disappoint consensus FY25F estimates... ➤

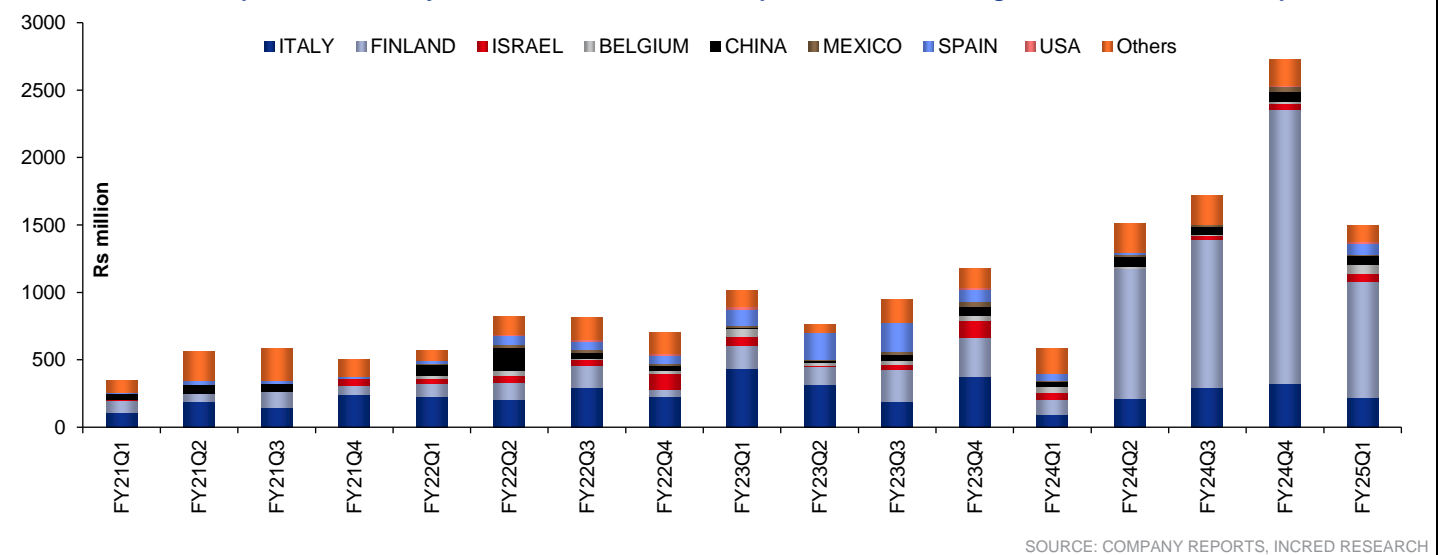
Figure 3: The company's earnings are likely to grow on a lower base of 1QFY24

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25F
Net Revenue	1,310	1,470	1,524	1,864	1,424	1,724	1,664	2,250	1,897
Total Cost of Goods Sold	671	764	823	1,051	786	1,016	950	1,350	1,138
Employee Benefit Expenses	118	128	128	115	137	158	161	170	170
Other Expenses	293	297	264	290	249	301	288	297	250
Total Expenses	1,081	1,189	1,216	1,455	1,172	1,475	1,399	1,818	1,559
EBITDA	229	281	308	409	251	248	265	432	338
Depreciation	30	28	31	34	34	37	38	50	50
EBIT	199	253	277	374	217	211	228	382	288
Other Income	6	9	30	-2	11	15	35	13	13
Interest Expenses	2	4	12	6	5	8	25	21	21
Exceptional Items	0	0	0	0	0	0	0	-3	
Profit Before Tax	203	257	296	367	223	218	237	371	281
Total Tax Expenses	55	67	73	95	57	71	59	115	70.8374
Profit After Tax	149	190	223	272	166	147	178	256	210
Fully Diluted EPS	4.1	5.2	6.1	7.5	4.6	4.0	4.9	7.0	5.8

SOURCE: COMPANY REPORTS, INCRED RESEARCH

...as we had indicated that exports to Finland are coming down ➤

Figure 4: Fermion (a Finnish company) has been the only saviour for the company since the last few quarters; please remember the intermediate of Nubeqa commands only a US\$56m market, at best, at peak sales for Ami Organics and it will face competition



SOURCE: COMPANY REPORTS, INCRED RESEARCH

Laxmi Organic Industries gets 50x multiple for making ethyl acetate

Laxmi Organic Industries is another company whose valuation is beyond comprehension. Even if one assumes that the market knows best about the EPS multiple, still the projected earnings never materializes. The hype of ketene and diketene is beyond comprehension, although these are simple chemicals which are used in multiple reactions as intermediates. Please see our reports: [IN: Chemicals - Overall - Ketene & diketene – fooled by randomness](#) and [IN: Laxmi Organic Industries - Weak EPS growth; B/S to worsen; REDUCE \(REDUCE - Maintained\)](#)

1QFY25F will be another muted quarter for Laxmi Organic Industries as we don't expect any earnings growth ➤

Figure 5: Don't expect any YoY growth in EPS for Laxmi Organic Industries

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25F
Net Revenue	7,566	6,522	6,546	7,332	7,336	6,523	6,943	7,921	7,438
Expenses									
Total Cost of Goods Sold	4,569	4,492	4,390	4,880	4,779	4,617	4,812	5,040	4,686
Employee Benefit Expenses	284	294	289	292	347	320	377	434	435
Other Expenses	1,698	1,449	1,320	1,553	1,437	1,196	1,231	1,547	1,547
Total Expenses	6,551	6,236	5,999	6,725	6,562	6,133	6,421	7,021	6,668
EBITDA	1,015	286	548	607	773	389	522	900	770
Depreciation	143	170	188	230	210	275	275	306	307
EBIT	872	116	360	377	564	114	247	595	463
Other Income	21	29	32	38	40	82	53	79	79
Interest Expenses	24	44	57	-12	46	21	5	-6	0
Exceptional Items									
Profit Before Tax	869	101	335	427	557	175	295	680	542
Total Tax Expenses	220	15	63	185	174	68	24	237	137
Profit After Tax	649	86	273	243	383	107	272	443	406
Fully Diluted EPS	2.5	0.3	1.0	0.9	1.5	0.4	1.0	1.7	1.5

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Vinati Organics' growth will be back as its products are getting diversified

Product diversification is leading to higher exports for the company, which will lead to higher earnings growth YoY. The company is likely to post a 50% earnings growth in 1QFY25F.

In 1QFY25F, the company is likely to post a 50% YoY EPS growth... ➤

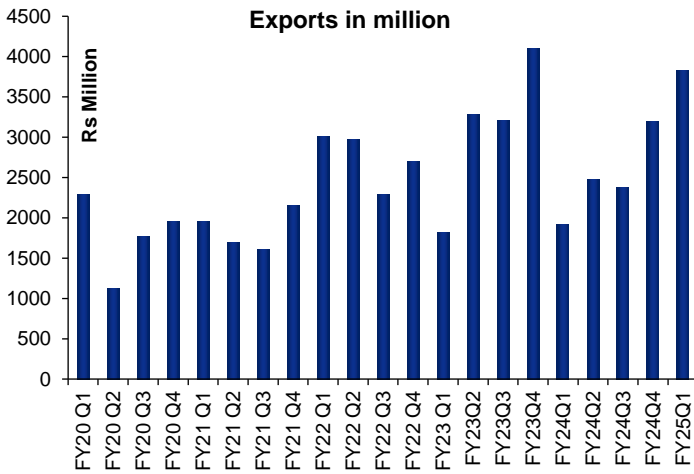
Figure 6: Aided by good exports, Vinati Organics' EPS is likely to grow 50% YoY

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25F
Net Revenue	5,063	5,663	5,193	5,034	4,310	4,629	4,480	5,503	6,232
Total Cost of Goods Sold	2,757	3,113	2,616	2,504	2,259	2,507	2,366	2,941	3,334
Employee Benefit Expenses	232	231	264	228	256	297	304	299	299
Other Expenses	765	833	841	779	705	777	663	761	761
Total Expenses	3,754	4,178	3,721	3,511	3,220	3,581	3,333	4,001	4,395
EBITDA	1,309	1,485	1,472	1,523	1,090	1,048	1,147	1,502	1,838
Depreciation	128	130	165	130	132	173	193	194	194
EBIT	1,181	1,354	1,307	1,393	958	875	954	1,308	1,643
Other Income	187	200	116	170	153	106	88	96	150
Interest Expenses	5	0	7	1	3	9	10	9	9
Exceptional Items	0	0	0	0	0	0	0	0	0
Profit Before Tax	1,363	1,554	1,415	1,561	1,108	972	1,032	1,396	1,785
Current Tax	335	376	289	343	261	174	215	264	
Deferred Tax	16	18	80	65	15	73	47	87	
Other Tax Expenses									
Total Tax Expenses	351	394	368	407	276	247	262	351	450
Profit After Tax	1,012	1,160	1,047	1,154	832	725	770	1,045	1,335
Fully Diluted EPS	9.8	11.2	10.1	11.1	8.0	7.0	7.4	10.1	12.9

SOURCE: INCRED RESEARCH, COMPANY REPORTS

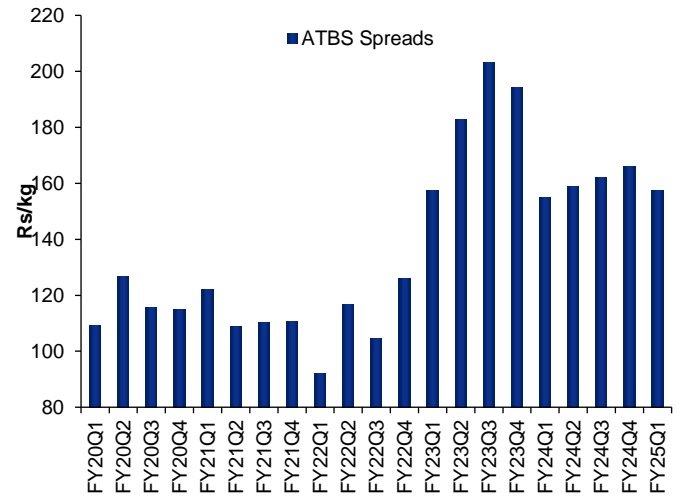
...as exports have bounced back ➤

Figure 7: Exports have doubled YoY...



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 8: ...and ATBS spreads are steady



SOURCE: INCRED RESEARCH, COMPANY REPORTS

For Jubilant ingrevia, it's another muted set of numbers

Jubilant Ingrevia makes products which are purely commodity in nature. Ethyl acetate and acetic anhydride manufacturing garners 35x P/E. The earnings are, as usual, inflated, but don't expect earnings revision post 1QFY25F disappointment.

Flattish EPS in 1QFY25F likely... ➤

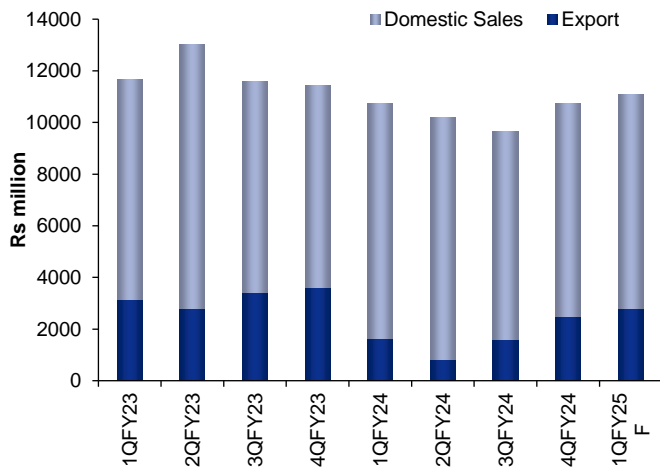
Figure 9: EPS is likely to grow QoQ ,but will be flattish YoY

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25F
Revenue From Operations	11,594	12,990	11,526	11,295	10,687	10,111	9,605	10,602	11,099
Other Operating Income	64	46	57	155	64	88	60	142	142
Net Revenue	11,658	13,036	11,583	11,450	10,750	10,199	9,664	10,744	11,241
Expenses									
Total Cost of Goods Sold	6,092	7,146	6,099	6,479	5,502	5,053	5,086	5,959	6,239
Employee Benefit Expenses	822	930	824	860	934	1,035	1,011	859	1,000
Power & Fuel	1,918	1,881	1,789	1,503	1,594	1,331	1,110	1,176	1,176
Other Expenses	1,419	1,550	1,358	1,587	1,553	1,604	1,501	1,838	1,700
Total Expenses	10,249	11,507	10,070	10,429	9,584	9,023	8,708	9,832	10,115
EBITDA	1,409	1,529	1,513	1,021	1,167	1,177	956	912	1,126
Depreciation	314	310	300	298	323	339	342	357	357
EBIT	1,095	1,219	1,213	722	844	837	613	555	769
Other Income	101	73	70	90	85	85	88	95	95
Interest Expenses	41	51	67	57	115	125	151	136	136
Profit Before Tax	1,155	1,241	1,216	755	814	797	550	514	728
Total Tax Expenses	361	398	301	232	237	224	165	221	183
Profit After Tax	794	843	915	523	577	574	385	293	545
Fully Diluted EPS	5.0	5.3	5.8	3.3	3.6	3.6	2.4	1.8	3.4

SOURCE: INCRED RESEARCH, COMPANY REPORTS

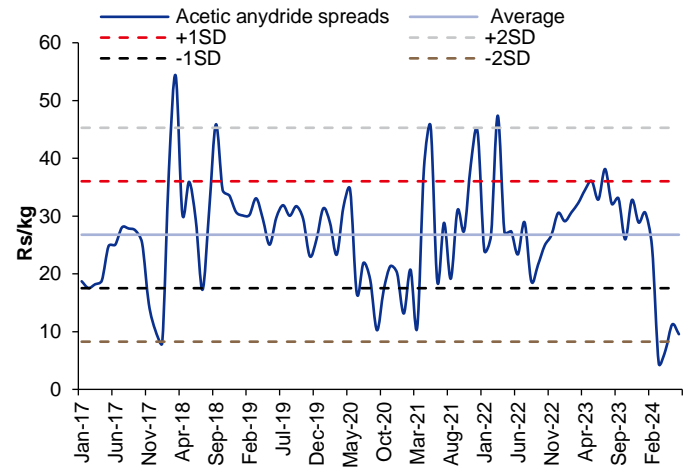
...as major products' spreads are either stagnant or falling ▶

Figure 10: Exports have bounced back...



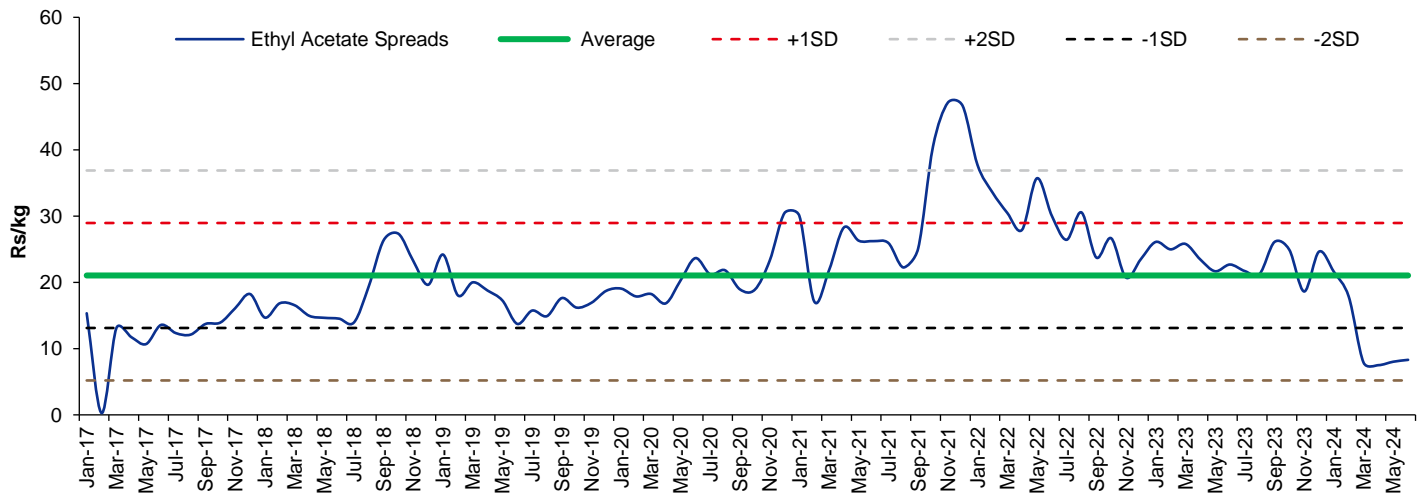
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 11: ...but acetic anhydride's spreads have collapsed



SOURCE: INCRED RESEARCH, COMPANY REPORTS

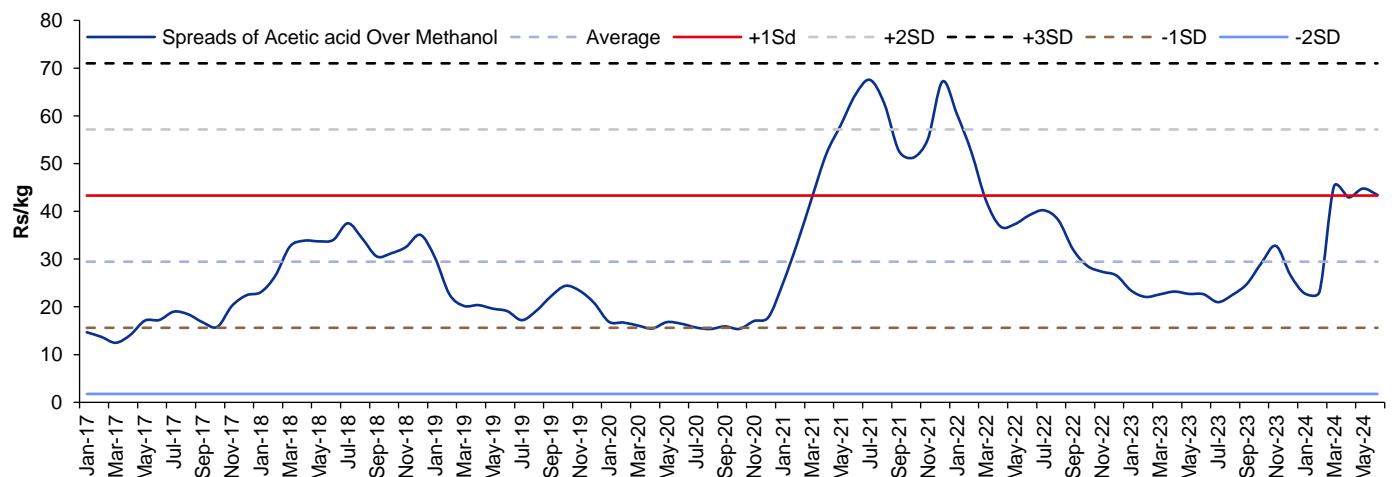
Figure 12: Ethyl acetate's spreads have also collapsed



SOURCE: COMPANY REPORTS, INCRED RESEARCH

Rising acetic acid's spreads are indicating a problem in the supply chain (primarily led by European capacity closures) ▶

Figure 13: Globally, 75% of the acetic acid is manufactured by the reaction of methanol and carbon mono oxide under high temperature and pressure; the European crisis has led to capacity closures, which is leading to higher acetic acid prices and thus, ethyl acetate makers will suffer

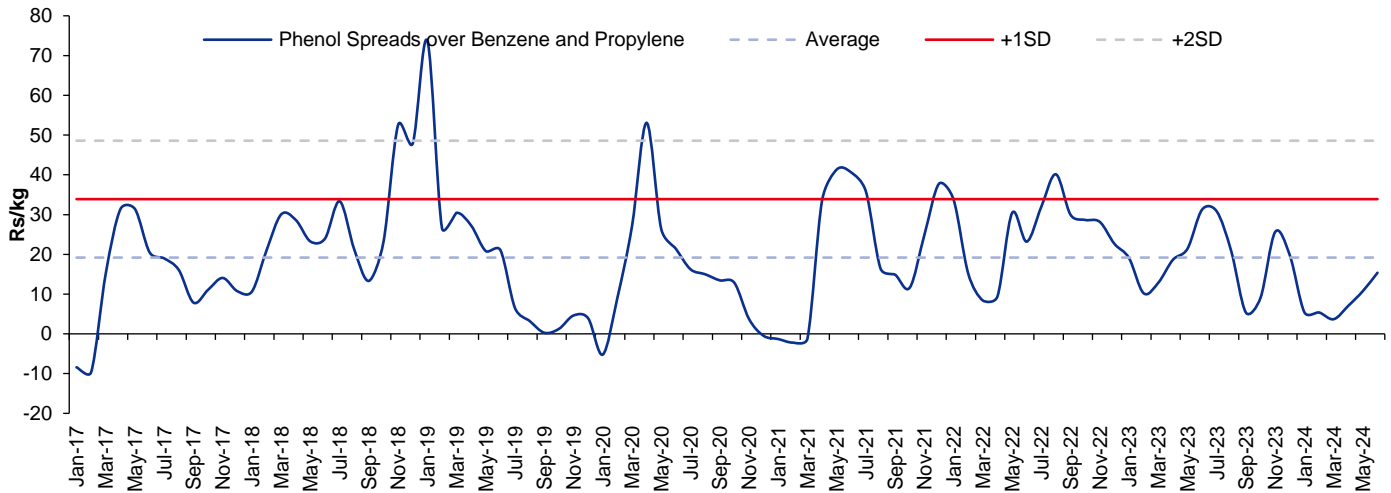


SOURCE: INCRED RESEARCH, COMPANY REPORTS

For Deepak Nitrite, phenol is doing well

Phenol's spreads are rising and at the same time, iso propyl alcohol is also doing well. We have been bearish on Deepak Nitrite because of the future earnings potential of phenol and phenol derivatives. While we still believe that expansion has little legs, phenol can do well in the near term mostly because European capacities are under pressure.

Figure 14: Phenol is likely to do well in the coming quarters as some European capacities are being shut



SOURCE: INCRED RESEARCH, COMPANY REPORTS

In 1QFY25F, the company is likely to post a 46% YoY EPS growth ➔

Figure 15: 1QFY25F is likely to see a 46% YoY EPS growth, but QoQ there will be decline of ~12%

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25F
Net Revenue	20,580	19,617	19,911	19,614	17,683	17,781	20,092	21,262	22000
Total Cost of Goods Sold	13,608	13,700	13,386	12,781	12,236	11,658	13,726	14,740	15,252
Employee Benefit Expenses	812	785	811	775	842	848	891	929	929
Power & Fuel	1,333	1,452	1,340	1,295	1,173	1,181	1,088	1,129	1,129
Other Expenses	1,267	971	1,229	1,284	1,334	1,070	1,340	1,453	1,453
Total Expenses	17,020	16,908	16,765	16,134	15,586	14,758	17,046	18,251	18,762
EBITDA	3,560	2,709	3,146	3,480	2,098	3,023	3,047	3,011	3,238
Depreciation	419	424	411	409	381	394	417	465	465
EBIT	3,141	2,285	2,735	3,070	1,717	2,628	2,630	2,547	2,773
Other Income	96	120	134	126	319	170	136	191	191
Interest Expense	86	59	58	45	18	27	29	44	44
Profit Before Tax	3,151	2,346	2,810	3,152	2,017	2,772	2,736	3,492	2,920
Total Tax Expenses	805	601	720	813	518	721	715	953	736
Profit After Tax	2,346	1,745	2,091	2,339	1,499	2,051	2,020	2,538	2,184

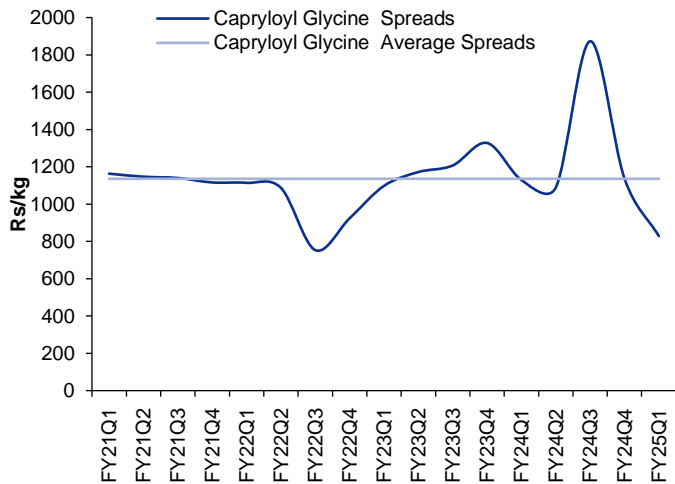
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Galaxy Surfactants' EPS growth is unlikely

Galaxy Surfactants is unlikely to show any EPS growth as multiple product spreads are falling. While we may see some volume growth, the QoQ increase in EBITDA/t is unlikely.

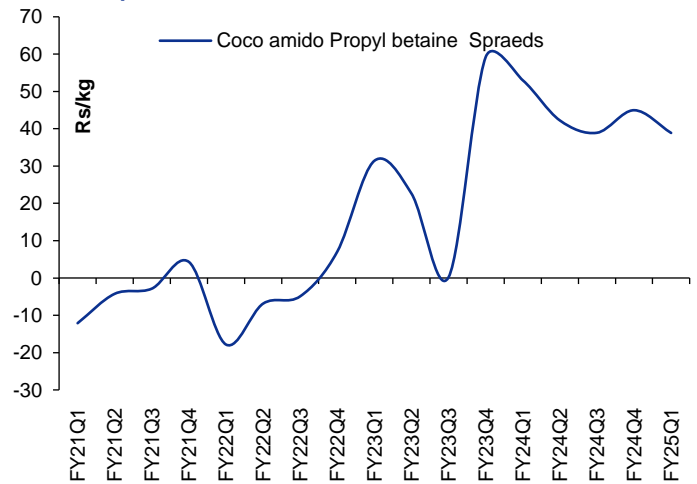
Most of the products' spreads for Galaxy Surfactants are either flat QoQ or have fallen ➤

Figure 16: Capryloyl glycine spreads are falling QoQ...



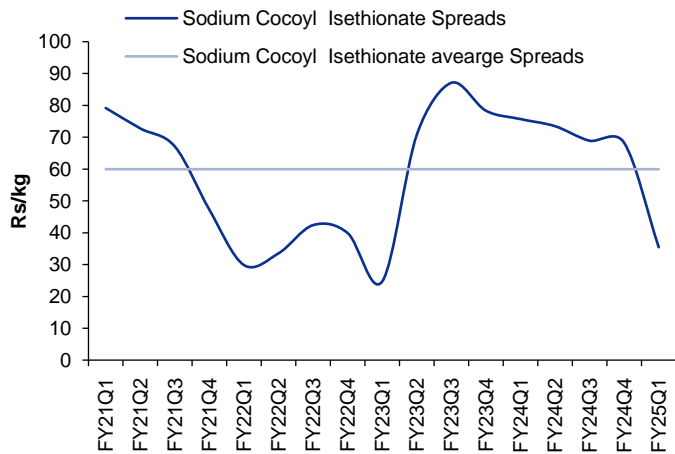
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 17: ...and the same is the case with coco amido propyl betaine's spreads



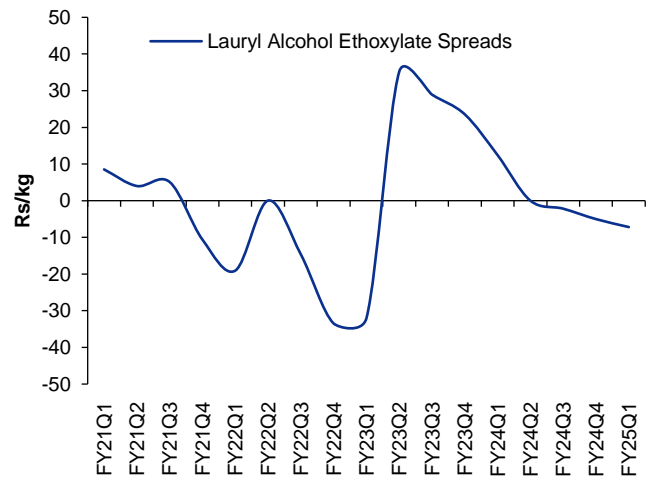
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 18: Sodium cocoyl isethionate's spreads are also falling...



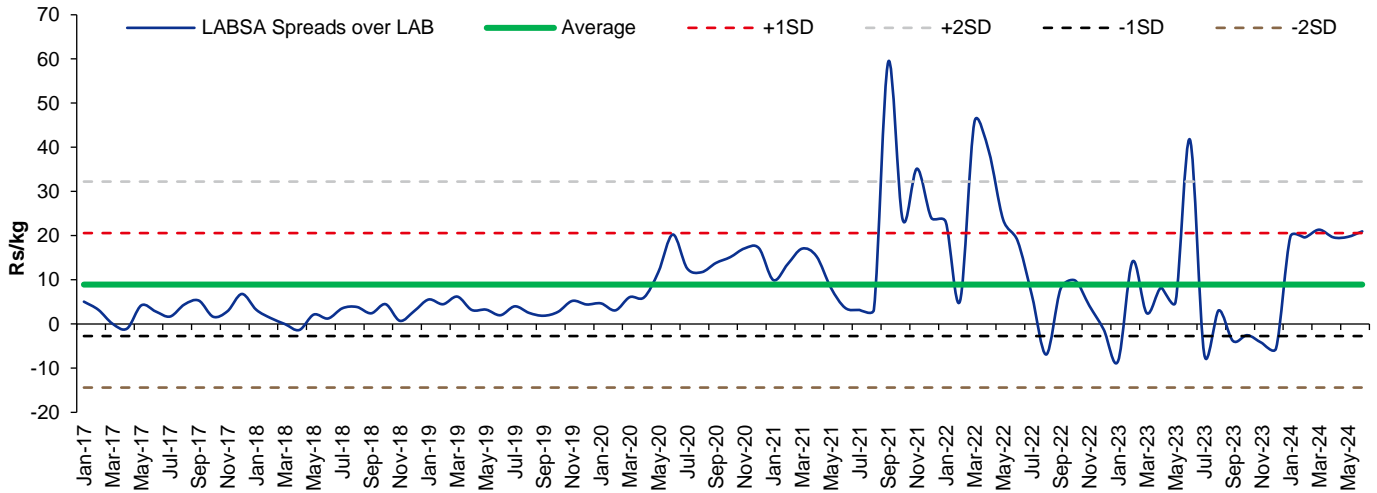
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 19: ...and the same is the case with lauryl ethoxylate's spreads



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 20: LABSA is the only saving grace, but it won't be able to help much



SOURCE: INCRED RESEARCH, COMPANY REPORTS

We expect its earnings to remain muted in 1QFY25F ▶

Figure 21: We expect its EPS to decline by 12% YoY and 14% QoQ

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25F
Revenue From Operations	11,589	12,316	10,803	9,745	9,418	9,831	9,405	9,290	9,245
Other Operating Income									
Net Revenue	11,589	12,316	10,803	9,745	9,418	9,831	9,405	9,290	9,245
Expenses									
Cost of Materials Consumed	8,136	8,925	6,625	6,028	6,088	6,336	6,200	6,327	
Purchase of Stock in Trade	206	177	264	91	144	133	115	130	
Change in Inventories	-325	-97	502	468	135	269	100	-197	
Total Cost of Goods Sold	8,018	9,005	7,391	6,588	6,367	6,738	6,415	6,259	6,378
Gross margin per tonne	64,611	55,863	58,456	54,557	51,391	47,518	47,252	49,766	47,000
Employee Benefit Expenses	619	627	600	635	713	646	676	720	740
Other Expenses	1,472	1,368	1,271	1,177	1,106	1,198	1,189	1,295	1,250
Total Expenses	10,109	10,999	9,262	8,400	8,186	8,582	8,280	8,273	8,368
EBITDA	1,480	1,317	1,541	1,345	1,232	1,249	1,125	1,017	877
EBITDA/tonne	26,780	22,214	26,396	23,245	20,751	19,186	17,780	16,694	14,377
Depreciation	189	205	216	225	238	247	251	262	262
EBIT	1,291	1,112	1,325	1,120	994	1,002	874	754	615
Other Income	-20	11	37	70	25	27	64	239	239
Interest Expenses	44	56	56	61	57	54	59	54	54
Exceptional Items									
Profit Before Tax	1,227	1,067	1,307	1,129	962	975	878	940	800
Current Tax	218	216	237	242	170	207	183	171	
Deferred Tax	6	12	8	-18	40	-6	-18	-6	
Other Tax Expenses									
Total Tax Expenses	223	228	245	224	210	201	165	165	136
Profit After Tax	1,004	839	1,062	905	752	774	714	775	664
EPS	28.3	23.7	30.0	25.5	21.2	21.8	20.1	21.9	18.7

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Navin Fluorine's EPS to disappoint; our FY25F EPS may be at risk

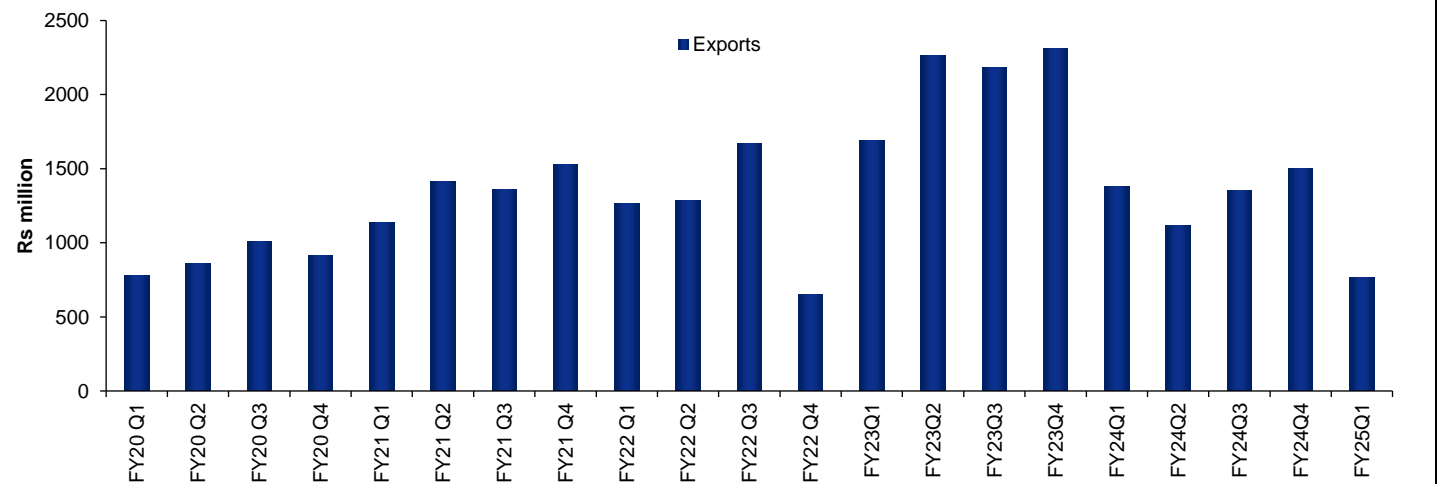
Figure 22: EPS to decline as its exports are trending down

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25F
Net Revenue	3,975	4,192	5,636	6,971	4,912	4,718	5,018	6,020	5,290
Expenses									
Cost of Materials Consumed	1,870	2,033	2,673	2,481	2,209	1,853	2,278	2,699	
Purchase of Stock in Trade	56	53	42	46	36	24	20	15	
Change in Inventories	-103	-251	-251	311	-218	144	16	297	
Total Cost of Goods Sold	1,823	1,836	2,464	2,837	2,027	2,020	2,314	3,010	2,539
Employee Benefit Expenses	507	572	686	730	792	609	745	713	713
Other Expenses	654	846	930	1,387	951	1,106	1,202	1,196	1,100
Total Expenses	2,984	3,254	4,080	4,953	3,769	3,735	4,262	4,919	4,352
EBITDA	991	938	1,556	2,018	1,142	983	757	1,101	938
Depreciation	124	177	250	76	213	243	249	257	257
EBIT	868	762	1,306	1,942	929	741	508	843	681
Other Income	109	109	99	40	83	231	119	125	125
Interest Expense	3	40	92	140	194	200	177	174	174
Exceptional Items							521		
Profit Before Tax	974	831	1,313	1,842	818	772	972	794	632
Total Tax Expenses	229	252	247	478	202	166	191	90	159
Profit After Tax	745	578	1,066	1,364	615	606	780	704	473
Fully Diluted EPS	15.1	11.7	21.5	27.6	12.4	12.3	15.8	14.2	9.6

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Anupam Rasayan - another disappointment on the cards

Figure 23: Exports are falling led by the slowdown in agrochemicals



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 24: EPS to decline 43% YoY and 26% QoQ

	3QFY21	4QFY21	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25F
Revenue From Operations	1,841	2,717	2,337	2,489	2,662	3,249	3,436	3,862	3,921	4,800	3,864	3,921	2,955	4,010	3,509
Other Operating Income															
Net Revenue	1,841	2,717	2,337	2,489	2,662	3,249	3,436	3,862	3,921	4,800	3,864	3,921	2,955	4,010	3,509
Expenses															
Cost of Materials Consumed	1,165	1,551	1,575	1,573	1,665	2,103	2,085	1,833	1,548	2,209	2,298	1,872	1,473	1,288	
Purchase of Stock in Trade															
Change in Inventories	-606	-338	-702	-676	-764	-1,076	-709	-217	136	149	-667	-247	-464	590	
Total Cost of Goods Sold	559	1,213	874	897	900	1,028	1,376	1,617	1,684	2,359	1,630	1,625	1,009	1,879	1644.2
Employee Benefit Expenses	71	120	109	128	123	126	144	181	200	164	186	185	210	170	170
Other Expenses	678	753	748	824	888	1,046	931	1,023	924	1,104	1,033	1,036	945	1,034	950
Total Expenses	1,307	2,087	1,730	1,849	1,911	2,199	2,451	2,820	2,808	3,627	2,850	2,847	2,164	3,083	2,764
EBITDA	534	630	607	640	751	1,050	986	1,042	1,112	1,173	1,014	1,075	791	927	745
Depreciation	131	133	144	148	155	154	164	177	185	185	187	198	204	207	207
EBIT	402	497	463	492	596	896	822	865	928	988	827	876	587	719	537
Other Income	55	25	43	62	50	-81	-93	-31	-33	243	124	35	24	120	120
Interest Expenses	144	190	66	52	52	138	122	160	160	203	178	204	251	261	261
Exceptional Items															
Profit Before Tax	313	332	440	502	593	677	607	674	735	1,028	773	707	359	579	397
Total Tax Expenses	96	110	118	141	214	223	202	196	209	301	250	220	99	174	100.07
Profit After Tax	216	221	321	361	379	454	405	478	526	726	523	487	260	405	297
Year End	2.0	2.0	2.9	3.3	3.5	4.2	3.8	4.4	4.8	6.6	4.8	4.4	2.4	3.7	2.7

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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