

Galaxy Surfactants | REDUCE



Raw material headwinds persist

Galaxy Surfactants (GSL) reported 3QFY26 consolidated EBITDA 8%/11% above JMFe/consensus driven by an increase in per kg spread—largely on account of improvement in realisation—while RM prices remained elevated. Volume decreased sequentially, while flat YoY, as the performance surfactants segment continues to sag. Furthermore, as we have been highlighting for a while, GSL would likely find it difficult to grow both volume and margin simultaneously going ahead. Accordingly, we: i) continue to build in a modest ~6% volume CAGR over FY26–28E (versus company's target of 6–8%) even after reckoning in potential benefits from the US-India trade deal; and ii) anticipate GSL's EBITDA/kg to improve marginally from INR 18/kg in FY26E to 18.5/kg in FY28E. Factoring in this and management commentary, we are cutting FY26–28E EPS by 3–5%. This along with a valuation rollover to Mar'28E earnings yields a revised Mar'27E TP of INR 1,940 (based on 20x Mar'28E EPS) (earlier Dec'26 TP of INR 2,185); maintain REDUCE.

- EBITDA beats JMFe led by increase in EBITDA/kg:** 3QFY26 consolidated gross profit beat JMFe by 1%, coming in at ~INR 3.3bn (up 2% QoQ/2% YoY) on the back of gross margin of 24.9% moving past JMFe of 24.6% (and 24.5% in 2QFY26); revenue is in line with JMFe but 2% above consensus at ~INR 13.3bn (flat QoQ/up 28% YoY). Other expenses were slightly less than expected at ~INR 1.31bn (versus JMFe of ~INR 1.34bn and ~INR 1.34bn in 2QFY26). As a result, EBITDA came in 8%/11% above JMFe/consensus at ~INR 1.2bn (up 8% QoQ/13% YoY). There was an exceptional item of INR 119mn during the quarter on account of provision for the new labour code. Hence, PAT was 8%/4% below JMFe/consensus and stood at ~INR 590mn (down 9% QoQ/11% YoY).
- EBITDA/kg higher on account of higher realisation:** During 3QFY26, performance surfactants segment's sales came in line with our expectation at ~INR 8.4bn (JMFe: ~INR 8.4bn; flat QoQ/up 32% YoY). The specialty care segment's sales was in line at INR 4.9bn (JMFe: INR 4.9bn; flat QoQ/up 20% YoY). Based on our calculations, Galaxy's gross profit/kg increased sequentially to INR 53.7 (JMFe: INR 49.5/kg and INR 49.2/kg in 2QFY26) on account of higher realisations. Opex/kg was higher than expected at INR 34.4 (versus INR 32.8/kg of JMFe of and INR 32.8/kg 2QFY26). As a result, EBITDA/kg was higher than expected at INR 19.4 (versus JMFe of INR 16.8/kg and INR 16.4/kg in 2QFY26). Based on our analysis, overall volume was likely 6% below JMFe at 61.6KT (down 8% QoQ/1% YoY) as performance surfactants segment's volume came in 10% below JMFe and stood at 37.8KT (down 11% QoQ/5% YoY) while specialty care volumes came in 1% below JMFe at 23.8KT (down 3% QoQ/up 5% YoY).
- EPS CAGR of ~11% over FY26–28E; maintain REDUCE:** Factoring in the 3QFY26 performance and management commentary, we are revising down FY26–28E EPS by 3–5%. Building in a volume CAGR of ~6%, at the lower end of the company's guidance of 6–8%, and a marginal improvement in profitability/kg, we expect Galaxy to deliver ~8%/11% EBITDA/EPSCAGR over FY26–28E. Alongside, we are rolling forward the valuation to Mar'28E earnings and maintain REDUCE rating with a revised Mar'27E TP of INR 1,940 (earlier Dec'26E TP of INR 2,185).

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Recommendation and Price Target

Current Reco.	REDUCE
Previous Reco.	REDUCE
Current Price Target (12M)	1,940
Upside/(Downside)	-2.1%
Previous Price Target	2,185
Change	-11.2%

Key Data – GALSURF IN

Current Market Price	INR1,981
Market cap (bn)	INR66.7/US\$0.7
Free Float (%)	26.1
Shares in issue (mn)	35.5
Diluted share (mn)	35.5
3-mon avg daily val (mn)	INR28.3/US\$0.4
52-week range	INR2,750/1,800
Sensex/Nifty	83,277/25,683
INR/US\$	90.7

Price Performance

%	1M	6M	12M
Absolute	-0.9	-17.0	-17.4
Relative*	-0.6	-19.7	-24.7

*To the NSE Nifty 50

Financial Summary

	(INR mn)				
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	37,944	42,237	52,686	56,322	59,716
Sales Growth (%)	-15.0	11.3	24.7	6.9	6.0
EBITDA	4,622	4,842	4,745	5,169	5,516
EBITDA Margin (%)	12.2	11.5	9.0	9.2	9.2
Adjusted Net Profit	3,015	3,049	2,787	3,221	3,439
Diluted EPS (INR)	85.0	86.0	78.6	90.8	97.0
Diluted EPS Growth (%)	-20.9	1.1	-8.6	15.5	6.8
ROIC (%)	15.4	15.5	13.9	14.5	14.8
ROE (%)	14.8	13.4	11.5	12.4	12.3
P/E (x)	22.1	21.9	23.9	20.7	19.4
P/B (x)	3.1	2.8	2.7	2.5	2.3
EV/EBITDA (x)	13.8	13.0	13.3	12.1	11.1
Dividend Yield (x)	0.2	2.0	2.0	2.0	2.0

Source: Company data, JM Financial. Note: Valuations as of February 17, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

3QFY26 conference call takeaways

- **Feedstock prices soften briefly; crude-fatty alcohol spread remains elevated:** Management highlighted that feedstock prices softened briefly during 3QFY26 driven by record palm oil production. However, the spread between crude and fatty alcohol prices continues to be high, sustaining the reformulation pressures across key product segments.
- **Performance segment volumes decline; specialty segment growth driven by non-US market:** Management shared that the high single digit volume decline in the performance segments was offset by high single digit volume growth in the specialty segment, which showed growth despite the effects of US tariff, led by momentum from non-US markets.
- **EBITDA growth driven by strong non-tier 1 volumes, improved realisation and cost efficiencies, among others:** Management shared that higher EBITDA and EBITDA/MT recorded for 3QFY26 compared to 3QFY25 was led by strong volume growth from non-Tier 1 accounts, improved realizations in masstige segment in India and prestige specialty segment in RoW, coupled with cost savings from lower logistic costs and multiple cost efficiency initiatives. Incremental service income from ongoing EPC project along with strong performance of Tri-K also contributed positively to EBITDA.
- **Exceptional items of INR 119mn due to impact of new labour code:** Management shared that the exceptional expense of INR 119mn incurred during the quarter was due to the impact of the new labour code, which is expected to be a one-time adjustment.
- **Impact of EPC revenues unlikely to be significant:** Management shared that the ongoing EPC project is expected to be completed by 4QFY27, with its impact on revenues remaining insignificant. Further, EPC revenues are not expected to materially contribute to overall revenues going ahead.
- **Domestic volumes affected by GST-related inventory adjustments and tier-1 reformulation:** Management shared that GST rate cut-related inventory adjustments in Oct'26, along with US tariff-related impact on the specialty segment, weighed on domestic volumes during 3QFY26. Overall domestic volumes grew by mid-single digits YoY, supported by strong 35% YoY growth in specialty volumes, while performance segment volumes declined 4% YoY, largely driven by reformulation by few tier-1 accounts.
- **Capacity reformulation awaiting approvals; commercialisation expected by 4QFY26E:** Management updated they have already undertaken capacity enhancements for reformulation, and are awaiting approvals thereof with commercialisation expected to begin from 4QFY26.
- **AMET facing enhanced competitive intensity, seeing good traction in 4QFY26:** Management shared that AMET volumes saw double-digit decline on a YoY basis due to market share losses in key tier-1 accounts driven by heightened competitive intensity and backward integration from local players. Although significant volume traction is being seen in 4QFY26, GSL won't be able to reach earlier volume levels in this region as one of the players has backward integrated and has taken shares from tier-1 customers.
- **RoW volumes grow in mid-single-digit despite US tariff headwinds; India-US trade deal structurally positive:** Management shared RoW volumes grew at a mid-single digit driven by healthy demand in LATAM and the EU, which was partially offset by tariff-related headwinds in the North American market. The recent India-US trade deal seen as a structural positive for the company.
- **Five new products launched under leave-on category:** Management shared they launched five new products in the sunscreen, leave-on category in Nov'25. These products are expected to commercialise 4QFY26 onwards.

Exhibit 1: Quarterly financial snapshot

Consolidated (INR mn)	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	3QFY26E	% YoY	% QoQ	% diff vs JMFe
Net Sales	9,290	9,741	10,630	10,417	11,449	12,779	13,262	13,295	13,267	28%	0%	0%
COGS	6,259	6,470	7,126	7,176	8,084	9,428	10,013	9,985	10,003	39%	0%	
Gross Profit	3,031	3,271	3,504	3,241	3,365	3,352	3,249	3,310	3,264	2%	2%	1%
Gross Margin (%)	32.6%	33.6%	33.0%	31.1%	29.4%	26.2%	24.5%	24.9%	24.6%	-621 bps	40 bps	
Employee expenses	720	769	760	738	758	835	805	802	820	9%	0%	
Employee expenses as % of sales	8%	8%	7%	7%	7%	7%	6%	6%	6%	-106 bps	-4 bps	
Other expenses	1,295	1,261	1,468	1,447	1,338	1,278	1,339	1,315	1,340	-9%	-2%	
Other expenses as % of sales	13.9%	12.9%	13.8%	13.9%	11.7%	10.0%	10.1%	9.9%	10.1%	-400 bps	-21 bps	
EBIDTA	1,017	1,241	1,277	1,056	1,269	1,239	1,105	1,194	1,104	13%	8%	8%
EBITDA Margin (%)	11%	13%	12%	10%	11%	10%	8%	9%	8%	-116 bps	64 bps	
Depreciation	262	266	278	277	283	293	298	307	305	11%	3%	
Other Income	239	54	87	40	78	112	58	48	60	21%	-17%	
Exceptional Item	0	0	0	0	0	0	0	119	0	NA	NA	
PBT	940	989	1,045	769	1,001	992	792	730	781	-5%	-8%	
Tax	165	192	198	123	243	197	127	141	141	14%	11%	
PAT	775	797	847	646	759	795	665	590	640	-9%	-11%	-8%
PAT Margin (%)	8%	8%	8%	6%	7%	6%	5%	4%	5%	-177 bps	-58 bps	
EPS (INR)	21.9	22.5	23.9	18.2	21.4	22.4	18.8	16.6	18.1	-9%	-11%	

Source: Company, JM Financial

Exhibit 2: Quarterly operational snapshot

Consolidated	4QFY24*	1QFY25*	2QFY25*	3QFY25*	4QFY25*	1QFY26*	2QFY26*	3QFY26*	3QFY26E	% YoY	% QoQ	% diff vs JMFe
Segmental Volume (MT)												
Performance surfactants	38,111	42,933	42,935	39,865	41,802	45,146	42,663	37,788	41,810	-5%	-11%	-10%
Specialty care	22,810	21,131	24,906	22,565	20,661	22,365	24,557	23,806	24,066	5%	-3%	-1%
Total	60,921	64,064	67,841	62,430	62,462	67,510	67,220	61,595	65,875	-1%	-8%	-6%
YoY growth (%)												
Performance surfactants	-4%	5%	5%	0%	10%	5.2%	-0.6%	-5.2%	-3%			
Specialty care	25%	13%	4%	-4%	-9%	5.8%	-1.4%	5.5%	14%			
Total	5%	8%	4%	-1%	3%	5.4%	-0.9%	-1.3%	3%			
Segmental volume contribution (%)												
Performance surfactants	63%	67%	63%	64%	67%	67%	63%	61%	63%	-251bps	-212bps	
Specialty care	37%	33%	37%	36%	33%	33%	37%	39%	37%	251bps	212bps	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	0bps	0bps	
Segmental Revenue (INR mn)												
Performance Surfactants	5,094	5,800	6,519	6,357	7,232	8,405	8,409	8,376	8,406	32%	0%	0%
Specialty care	4,081	3,990	4,203	4,100	4,293	4,486	4,911	4,919	4,861	20%	0%	1%
Total	9,175	9,790	10,722	10,457	11,525	12,891	13,320	13,295	13,267	27%	0%	0%
YoY growth (%)												
Performance surfactants	-31%	0%	11%	14%	42%	45%	29%	32%	45%			
Specialty care	67%	10%	6%	6%	5%	12%	17%	20%	22%			
Total	-6%	4%	9%	10%	26%	32%	24%	27%	36%			
Segmental revenue contribution (%)												
Performance surfactants	56%	59%	61%	61%	63%	65%	63%	63%	63%	221bps	-13bps	
Specialty care	44%	41%	39%	39%	37%	35%	37%	37%	37%	-221bps	13bps	
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	0bps	0bps	
Average realisations (INR/kg)												
Performance surf. realisations (INR/Kg)	134	135	152	159	173	186	197	222	201	39%	12%	10%
Specialty care realisations (INR/Kg)	179	189	169	182	208	201	200	207	202	14%	3%	2%
Overall average realisations (INR/Kg)	151	153	158	167	185	191	198	216	201	29%	9%	7%
Unit economics (INR/kg)												
Revenue per kg	150.6	152.8	158.0	167.5	184.5	190.9	198.2	215.8	201.4	29%	9%	7%
COGS per kg	102.7	101.0	105.0	114.9	129.4	139.6	149.0	162.1	151.8	41%	9%	7%
Gross profit per kg	47.9	51.8	53.0	52.6	55.1	51.3	49.2	53.7	49.5	2%	9%	8%
Opex per kg	31.2	32.5	34.2	35.6	34.8	33.0	32.8	34.4	32.8	-4%	5%	5%
EBITDA per kg	16.7	19.4	18.8	16.9	20.3	18.3	16.4	19.4	16.8	15%	18%	16%

Source: Company, JM Financial; *Note: volume numbers are our assumptions based on the commentary, per kg EBITDA numbers exclude other income

Assumptions and estimates

Exhibit 3: Key assumptions

	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Segmental sales volumes (MT)											
Performance surfactants	130,596	135,337	143,521	156,153	149,195	153,126	159,557	167,535	168,038	176,776	185,968
Specialty care products	66,833	79,374	80,716	80,011	85,023	77,659	89,061	89,263	96,315	104,405	112,131
Total	197,429	214,711	224,237	236,164	234,218	230,785	248,618	256,798	264,352	281,181	298,099
Volume YoY growth (%)											
Performance surfactants	13.2%	3.6%	6.0%	8.8%	-4.5%	2.6%	4.2%	5.0%	0.3%	5.2%	5.2%
Specialty care products	7.6%	18.8%	1.7%	-0.9%	6.3%	-8.7%	14.7%	0.2%	7.9%	8.4%	7.4%
Total	11.2%	8.8%	4.4%	5.3%	-0.8%	-1.5%	7.7%	3.3%	2.9%	6.4%	6.0%
Segmental revenue (INR mn)											
Performance surfactants	15,530	17,410	15,870	17,780	22,560	28,960	22,387	25,908	33,456	35,196	37,026
Specialty care products	8,130	10,270	10,150	10,170	14,420	15,590	15,557	16,329	19,229	21,126	22,690
Total	24,625	27,630	25,964	27,841	36,857	44,640	37,944	42,237	52,686	56,322	59,716
Segmental revenue contribution (%)											
Performance surfactants	63%	63%	61%	64%	61%	65%	59%	61%	64%	62%	62%
Specialty care products	33%	37%	39%	37%	39%	35%	41%	39%	36%	38%	38%
Others	4%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Revenue YoY growth (%)											
Performance surfactants	10.5%	12.1%	-8.8%	12.0%	26.9%	28.4%	-22.7%	15.7%	29.1%	5.2%	5.2%
Specialty care products	7.5%	26.3%	-1.2%	0.2%	41.8%	8.1%	-0.2%	5.0%	17.8%	9.9%	7.4%
Realisations (INR/kg)											
Performance surfactants	119	129	111	114	151	189	140	155	199	199	199
Specialty care products	122	129	126	127	170	201	175	183	200	202	202
Total	125	129	116	118	157	193	153	164	199	200	200
Realisation YoY growth (%)											
Performance surfactants	-2.3%	8.2%	-14.0%	3.0%	32.8%	25.1%	-25.8%	10.2%	28.7%	0.0%	0.0%
Specialty care products	-0.1%	6.4%	-2.8%	1.1%	33.4%	18.4%	-13.0%	4.7%	9.1%	1.4%	0.0%
Total	-1.5%	3.2%	-10.0%	1.8%	33.5%	22.9%	-21.1%	7.8%	21.2%	0.5%	0.0%
EBITDA margin (INR/tonne)											
	14,573	16,655	16,452	19,005	17,108	24,624	18,592	18,856	17,950	18,382	18,504

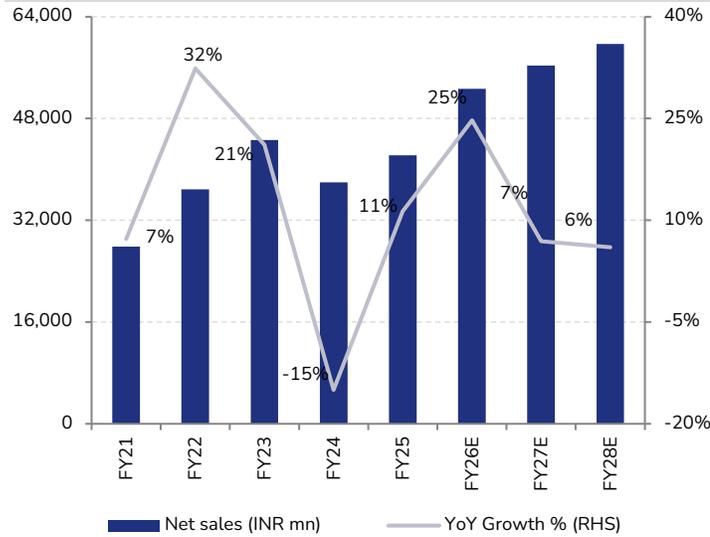
Source: Company, JM Financial

Exhibit 4: Changes in estimates

	New	Old	Divergence
EBITDA (INR Mn)			
FY26	4,745	4,702	0.9%
FY27	5,169	5,242	-1.4%
FY28	5,516	5,587	-1.3%
PAT (INR Mn)			
FY26	2,787	2,930	-4.9%
FY27	3,221	3,343	-3.7%
FY28	3,439	3,538	-2.8%
EPS (INR)			
FY26	78.6	82.6	-4.9%
FY27	90.8	94.3	-3.7%
FY28	97.0	100	-2.8%

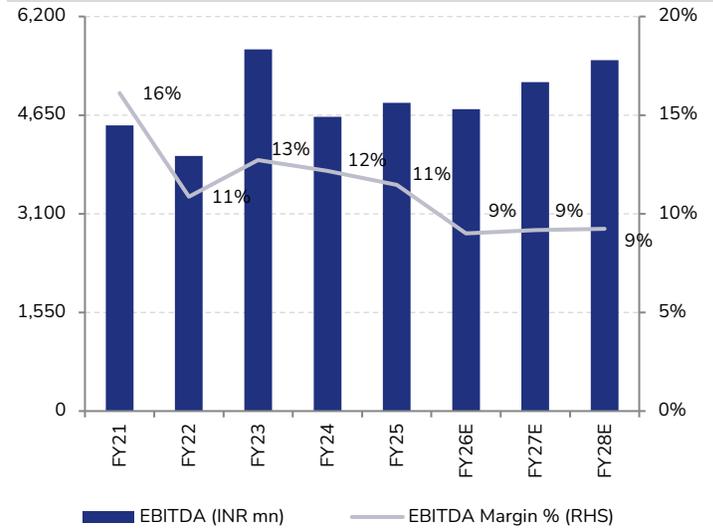
Source: Company, JM Financial

Exhibit 5: Galaxy likely to register ~6% sales CAGR over FY26–28E



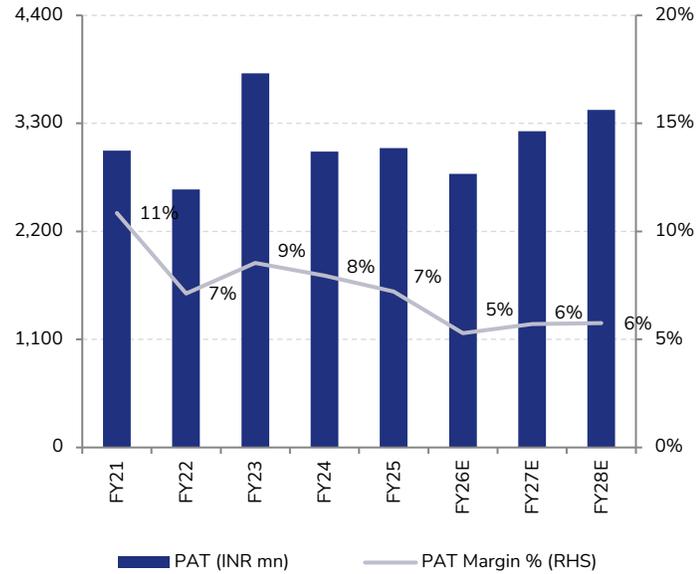
Source: Company, JM Financial

Exhibit 6: EBITDA to compound at ~8% over FY26–28E



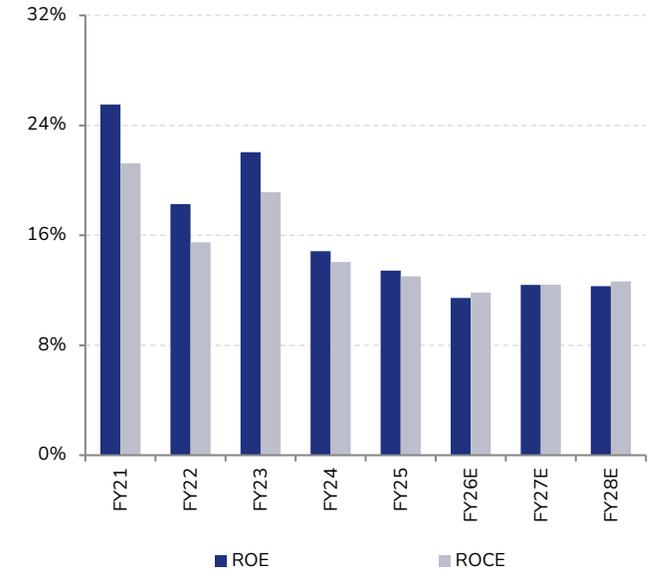
Source: Company, JM Financial

Exhibit 7: EPS CAGR of ~11% over FY26–28E



Source: Company, JM Financial

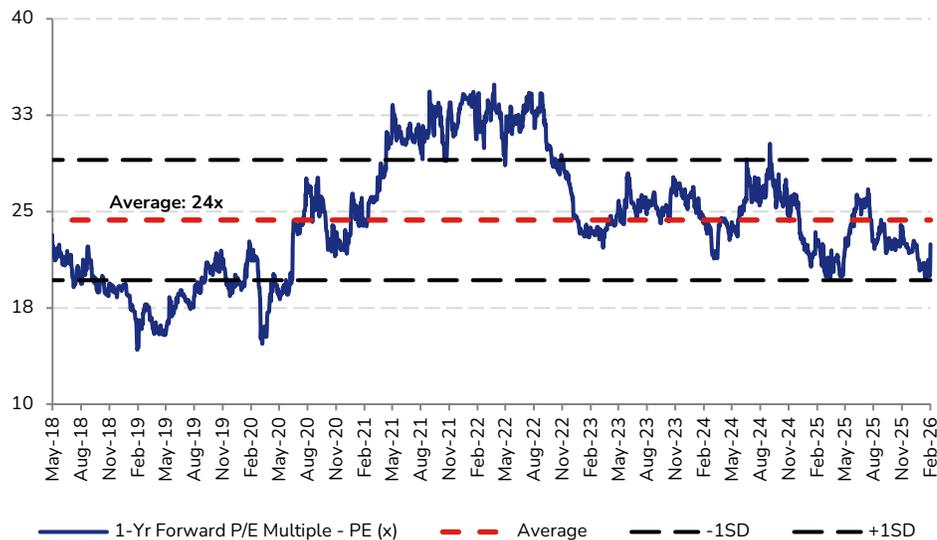
Exhibit 8: RoE/RoCE to moderate to ~12%/13% by FY28E



Source: Company, JM Financial

Valuation

Exhibit 9: Trading at ~22x 1Y forward consensus P/E



Source: Bloomberg, JM Financial

Exhibit 10: Chemical companies' peer valuation

Company	Rating	CMP (INR)	TP (INR)	P/E (x)				P/B (x)				EV/EBITDA (x)				ROE (%)			
				FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
SRF	BUY	2,743	3,520	65.0	44.1	32.2	29.4	6.4	5.7	5.0	4.4	31.2	24.6	19.1	16.4	10.4	13.8	16.6	15.9
PI Industries	REDUCE	3,065	2,975	28.1	36.1	33.3	30.4	4.6	4.2	3.8	3.4	19.7	24.0	21.8	19.7	17.5	12.1	11.9	11.8
Deepak Nitrite	BUY	1,651	1,930	32.3	48.5	29.4	25.8	4.2	3.9	3.5	3.1	21.2	28.3	18.7	16.2	13.6	8.3	12.5	12.7
Clean Science	BUY	745	1,085	30.0	34.9	26.9	20.2	5.6	4.8	4.1	3.4	19.5	22.3	17.3	13.2	20.2	14.9	16.5	18.5
Navin Fluorine	BUY	6,243	8,270	110.8	46.7	36.4	30.2	12.2	8.2	7.0	5.9	61.7	29.5	24.3	20.0	11.5	21.0	20.7	21.2
Fine Organic	REDUCE	4,549	4,180	34.0	36.5	36.5	33.2	6.1	5.3	4.8	4.3	25.3	27.8	24.7	20.9	19.5	15.6	13.8	13.6
Galaxy Surfactants	REDUCE	1,981	1,940	23.0	25.2	21.8	20.4	3.0	2.8	2.6	2.4	13.7	14.1	12.8	11.7	13.4	11.5	12.4	12.3
PCBL Chemical	REDUCE	318	305	27.6	43.4	24.4	22.2	3.2	3.2	3.0	2.7	12.7	15.4	12.3	11.5	12.5	7.4	12.6	12.8
Aether Industries	BUY	978	1,230	76.4	51.2	40.8	31.4	5.8	5.2	4.6	4.0	53.7	32.9	26.3	20.5	7.9	10.8	12.0	13.7
Acutaas Chemicals	ADD	2,074	2,125	105.9	53.5	42.8	34.0	13.0	10.6	8.5	6.9	72.2	37.7	30.0	23.9	16.2	21.7	22.1	22.4
Anupam Rasayan	SELL	1,260	805	148.4	91.2	64.2	46.0	4.9	4.4	4.1	3.7	38.1	29.1	24.9	20.4	3.3	5.1	6.6	8.4
Archean Chemicals	REDUCE	571	545	34.9	54.6	23.1	15.7	3.8	3.6	3.2	2.7	22.2	27.2	14.0	9.8	11.3	6.8	14.6	18.5
Tatva Chintan Pharma Chem	SELL	1,213	835	496.5	65.9	55.2	43.5	3.8	3.6	3.4	3.2	83.6	31.8	25.4	20.4	0.8	5.7	6.4	7.6
Paradeep Phosphates	REDUCE	125	135	19.6	12.5	11.7	10.5	2.2	1.9	1.6	1.4	9.2	7.5	7.0	6.6	12.8	16.3	14.8	14.2
Gujarat Fluorochemicals	REDUCE	3,389	3,505	68.3	61.5	41.8	34.0	5.1	4.8	4.3	3.8	33.5	29.6	21.9	18.1	8.3	8.0	10.8	11.9
Tata Chemicals	ADD	695	805	54.1	43.7	28.6	20.4	0.8	0.8	0.8	0.8	12.0	11.9	9.2	7.9	1.5	1.9	2.8	3.9

Source: Companies, JM Financial

Financial Tables (Consolidated)

Income Statement						(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E	
Net Sales	37,944	42,237	52,686	56,322	59,716	
Sales Growth (%)	-15.0	11.3	24.7	6.9	6.0	
Other Operating Income	-	-	-	-	-	
Total Revenue	37,944	42,237	52,686	56,322	59,716	
Cost of Goods Sold/Op. Exp	25,780	28,856	39,435	41,960	44,309	
Personnel Cost	2,755	3,025	3,273	3,601	3,961	
Other Expenses	4,787	5,513	5,232	5,593	5,930	
EBITDA	4,622	4,842	4,745	5,169	5,516	
EBITDA Margin (%)	12.2	11.5	9.0	9.2	9.2	
EBITDA Growth (%)	-18.7	4.8	-2.0	8.9	6.7	
Deprn. & Amort.	998	1,103	1,199	1,242	1,332	
EBIT	3,624	3,739	3,546	3,926	4,184	
Other Income	355	258	298	289	277	
Finance Cost	224	193	305	263	241	
PBT before Excep. & Forex	3,755	3,805	3,539	3,952	4,219	
Excep. & Forex Inc./Loss(-)	-	-	-119	-	-	
PBT	3,755	3,805	3,420	3,952	4,219	
Taxes	740	755	633	731	781	
Extraordinary Inc./Loss(-)	-	-	-	-	-	
Assoc. Profit/Min. Int.(-)	-	-	-	-	-	
Reported Net Profit	3,015	3,049	2,787	3,221	3,439	
Adjusted Net Profit	3,015	3,049	2,787	3,221	3,439	
Net Margin (%)	7.9	7.2	5.3	5.7	5.8	
Diluted Share Cap. (mn)	35	35	35	35	35	
Diluted EPS (INR)	85.0	86.0	78.6	90.8	97.0	
Diluted EPS Growth (%)	-20.9	1.1	-8.6	15.5	6.8	
Total Dividend + Tax	143	1,351	1,351	1,351	1,351	
Dividend Per Share (INR)	4.0	38.1	38.1	38.1	38.1	

Source: Company, JM Financial

Cash Flow Statement						(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E	
Profit before Tax	3,755	3,805	3,420	3,952	4,219	
Deprn. & Amort.	998	1,103	1,199	1,242	1,332	
Net Interest Exp. / Inc. (-)	134	92	7	-26	-35	
Inc (-) / Dec in WCap.	1,110	42	-2,346	-817	-762	
Others	-32	-155	-	-	-	
Taxes Paid	-781	-681	-633	-731	-781	
Operating Cash Flow	5,184	4,205	1,648	3,621	3,974	
Capex	-1,583	-1,840	-500	-1,500	-1,500	
Free Cash Flow	3,602	2,366	1,148	2,121	2,474	
Inc (-) / Dec in Investments	-	-	-	-	-	
Others	-1,857	-1,106	298	289	277	
Investing Cash Flow	-3,439	-2,946	-202	-1,211	-1,223	
Inc / Dec (-) in Capital	-	-	-	-	-	
Dividend + Tax thereon	-143	-1,351	-	-	-	
Inc / Dec (-) in Loans	-1,404	92	580	-1,827	-	
Others	-312	-271	-1,656	-1,614	-1,592	
Financing Cash Flow	-1,859	-1,530	-1,076	-3,441	-1,592	
Inc / Dec (-) in Cash	-114	-271	369	-1,031	1,158	
Opening Cash Balance	2,319	2,205	1,934	2,304	1,272	
Closing Cash Balance	2,205	1,934	2,304	1,272	2,430	

Source: Company, JM Financial

Balance Sheet						(INR mn)
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E	
Shareholders Fund	21,793	23,625	25,062	26,932	29,019	
Share Capital	355	355	355	355	355	
Reserves & Surplus	21,438	23,271	24,707	26,577	28,665	
Preference Share Capital	-	-	-	-	-	
Minority Interest	-	-	-	-	-	
Total Loans	1,317	1,418	1,998	171	171	
Def. Tax Liab. / Assets (-)	209	197	197	197	197	
Other non-current liabilities / Lease Liabilities	654	819	819	819	819	
Total - Equity & Liab.	23,763	25,863	27,880	27,922	30,010	
Net Fixed Assets	9,880	11,049	10,350	10,608	10,776	
Gross Fixed Assets	16,087	17,337	19,956	21,456	22,956	
Intangible Assets	256	245	245	245	245	
Less: Deprn. & Amort.	8,049	9,152	10,351	11,593	12,926	
Capital WIP	1,585	2,619	500	500	500	
Investments	2,169	3,210	3,210	3,210	3,210	
Current Assets	15,606	18,398	22,648	22,967	25,385	
Inventories	5,561	7,239	9,030	9,653	10,235	
Sundry Debtors	5,931	6,865	8,563	9,154	9,706	
Cash & Bank Balances	2,205	1,934	2,304	1,272	2,430	
Loans & Advances	6	9	9	9	9	
Other Current Assets	1,904	2,352	2,742	2,878	3,005	
Current Liab. & Prov.	5,087	8,440	9,973	10,507	11,005	
Current Liabilities	5,216	6,872	8,405	8,939	9,437	
Provisions & Others	-129	1,568	1,568	1,568	1,568	
Net Current Assets	9,765	9,286	12,002	11,787	13,707	
Other Non Current Assets/ROU Assets	2,159	2,515	2,515	2,515	2,515	
Total - Assets	23,763	25,863	27,880	27,922	30,010	

Source: Company, JM Financial

Dupont Analysis					
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin (%)	7.9	7.2	5.3	5.7	5.8
Asset Turnover (x)	1.6	1.7	1.9	2.0	2.0
Leverage Factor (x)	1.1	1.1	1.1	1.1	1.0
RoE (%)	14.8	13.4	11.5	12.4	12.3

Source: Company, JM Financial

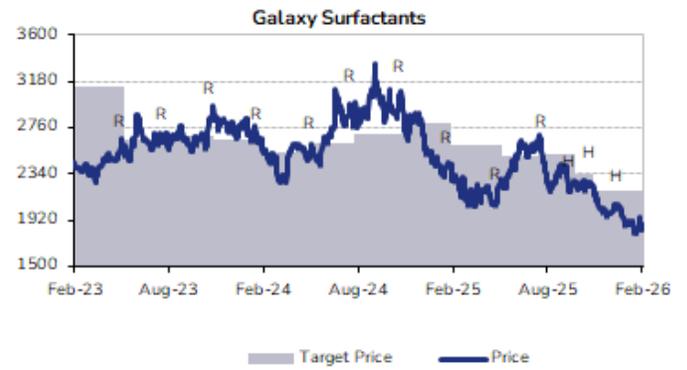
Key Ratios					
Y/E Mar	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	614.7	666.4	706.9	759.6	818.5
ROIC (%)	15.4	15.5	13.9	14.5	14.8
ROE (%)	14.8	13.4	11.5	12.4	12.3
Net Debt/Equity (x)	-0.1	-0.2	-0.1	-0.2	-0.2
P/E (x)	22.1	21.9	23.9	20.7	19.4
P/B (x)	3.1	2.8	2.7	2.5	2.3
EV/EBITDA (x)	13.8	13.0	13.3	12.1	11.1
EV/Sales (x)	1.7	1.5	1.2	1.1	1.0
Debtor days	57	59	59	59	59
Inventory days	53	63	63	63	63
Creditor days	49	61	59	59	59

Source: Company, JM Financial

Recommendation History Table

Date	Recommendation	Target Price	% Chg.
6-Jan-26	Hold	2,185	0.0
13-Nov-25	Hold	2,185	-6.4
7-Oct-25	Hold	2,335	-7.2
14-Aug-25	Reduce	2,515	0.8
19-May-25	Reduce	2,495	-4.2
11-Feb-25	Reduce	2,605	-7.3
13-Nov-24	Reduce	2,810	4.1
9-Aug-24	Reduce	2,700	3.1
22-May-24	Reduce	2,620	3.1
13-Feb-24	Reduce	2,540	-4.2
12-Nov-23	Reduce	2,650	-1.3
14-Aug-23	Reduce	2,685	1.3
24-May-23	Reduce	2,650	-15.3
10-Nov-22	Reduce	3,130	0.0
11-Aug-22	Reduce	3,130	4.0
18-May-22	Reduce	3,010	-1.9
15-Feb-22	Reduce	3,070	-9.3
11-Nov-21	Reduce	3,385	1.3
11-Aug-21	Reduce	3,340	-0.3
9-Jun-21	Reduce	3,350	

Recommendation History Chart



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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