

CMP: INR 953

Rating: BUY

Target Price: INR 1,605

Stock Info

BSE	500201
NSE	INDIAGLYCO
Bloomberg	IGLY:IN
Reuters	IGLY.NS
Sector	Chemicals
Face Value (INR cr)	5
Equity Capital (INR cr)	31
Mkt Cap (INR cr)	6,384
52w H/L (INR)	1,223 / 502
Avg Yearly Volume (in 000')	205.9

Shareholding Pattern %

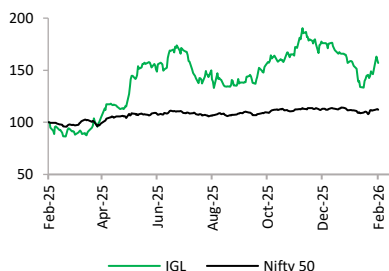
(As on Dec 2025)

Promoters	59.63
DII	5.22
FII	2.42
Public & Others	32.72

Stock Performance (%)

	3m	6m	12m
IGL	-9.0	11.0	57.0
NIFTY	-0.3	5.4	12.0

IGL vs Nifty



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India Glycols Ltd reported numbers, Q3FY26 revenue stood at INR 1,102cr (+13% YoY/+0.9% QoQ); above our estimates of INR 1,079cr, supported by Bio-fuels and Potable Spirits. Gross Profit stood at INR 411cr (+16.3% YoY/+1.1% QoQ); above our estimates of INR 395cr. Gross margins improved by 104 bps YoY (+5 bps QoQ) to 37.3% in Q3FY26, supported by in-house grain based distilleries and discontinuation of low margin business. EBITDA stood at INR 175cr (+41.9% YoY/+11.3% QoQ); above our estimates of INR 144cr. EBITDA margin improved by 324 bps YoY (+148 bps QoQ) to 15.9% in Q3FY26, supported by gross margin benefits, lower power & fuel and other expenses in-terms of sales. PAT stood at INR 68cr (+18.9% YoY/+3.9% QoQ); in-line with our estimates of INR 69cr. PAT margin improved by 30 bps YoY (+17 bps QoQ) to 6.1% in Q3FY26.

Key Highlights

Structural margin transformation and innovation-led growth in Chemicals: The company has taken strategic actions, including discontinuation of low-margin businesses, operational philosophy changes, and focus on high-value specialty products, led to margin improvement from 8.5% (Q3FY25) to 12.8% in Q3FY26. The company begins commercial sale of bio-based amines, with L'Oreal as the inaugural customer. More than 30 new products were introduced, targeting multiple multinational customers across crop protection, personal care, and industrial applications.

Continued execution of premiumization and geographic expansion in Potable Spirits: The company is executing a premiumization and geographic expansion strategy, led to revenue growth 17% YoY, while volume growth of 5% YoY in 9MFY26 shows moving up the value chain. The Amrut partnership, granting long-term distribution rights for premium single malts across high-growth northern markets. The company's 100% captive consumption of Extra Neutral Alcohol across all manufacturing facilities provides quality consistency and cost advantages over competitors. The ENA sales were validated by Diageo, Pernod Ricard, and Amrut. The access to CSD and paramilitary channels spanning 34 depots, premium brandy entry in Kerala, and distribution expansion in UP are upcoming growth drivers.

Ennature Biopharma recovery supported by Value-added nutraceuticals: The company is executing a strategic shift from commodity ingredients to branded, value-added nutraceuticals with clinical data support, organic certifications, and direct US market presence through a newly established Houston office. The nicotine business is showing early signs of recovery with stabilizing raw material availability and expected better realizations.

Outlook & Valuation: India Glycols is aggressively deleveraging and repaid INR 582cr in Q3FY26 and additional repayment of INR 75-100cr by Q4FY26E, leading to gross debt of INR 1,100cr by the end of Mar-26; further prepayments and refinancing are expected to save finance costs going forward. The chemical business margin improvement is driven by the discontinuation of low-margin business, while bio-based amines commercialization with L'Oréal and multi-fold expansion from a pipeline of over 30 new products, leading to a strong recovery going forward. Potable Spirits will benefit from deepening Amrut partnerships, state-specific premium singles, and recent CSD and Kerala market entries, all underpinned by the unassailable advantage of captive ENA consumption. Biofuels offer policy-protected profitability with organic volume growth and feedstock flexibility, while surplus ethanol capacity enables strategic import substitution for chemicals. Ennature Biopharma's shift to branded nutraceuticals offers better upside going forward. We anticipate deleveraging with no major capex, strong cash flows and completion of demerger is expected to unlock value going forward. At the CMP of INR 953 per share, we maintain our "BUY" rating at a TP of INR 1,605 per share; based on SOTP; an upside of 68.4%.

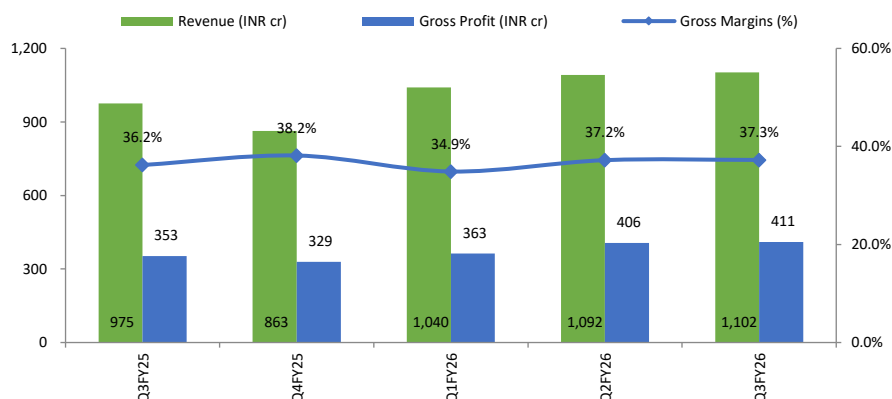
Q3FY26 Results

Income statement summary

Particular (INR cr)	Q3FY25	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Revenue	975	1,092	1,102	13.0%	0.9%
Net Raw Materials	622	686	692	11.2%	0.9%
Gross Profit	353	406	411	16.3%	1.1%
Gross Margin (%)	36.2%	37.2%	37.3%	+104 bps	+5 bps
Power & Fuel	105	115	106	1.0%	-8.4%
Employee Cost	31	32	35	12.9%	9.7%
Other Expenses	94	101	94	0.7%	-6.8%
EBITDA	124	158	175	41.9%	11.3%
EBITDA Margin (%)	12.7%	14.4%	15.9%	+324 bps	+148 bps
Depreciation	27	38	41		
Interest expense	44	49	47		
Other income	6	2	1		
Share of profits associate & JV	13	12	3		
Profit before tax	71	84	91	26.9%	8.4%
Taxes	15	19	23		
PAT	57	65	68	18.9%	3.9%
PAT Margin (%)	5.8%	6.0%	6.1%	+30 bps	+17 bps
EPS (INR)	9.2	10.5	10.1		

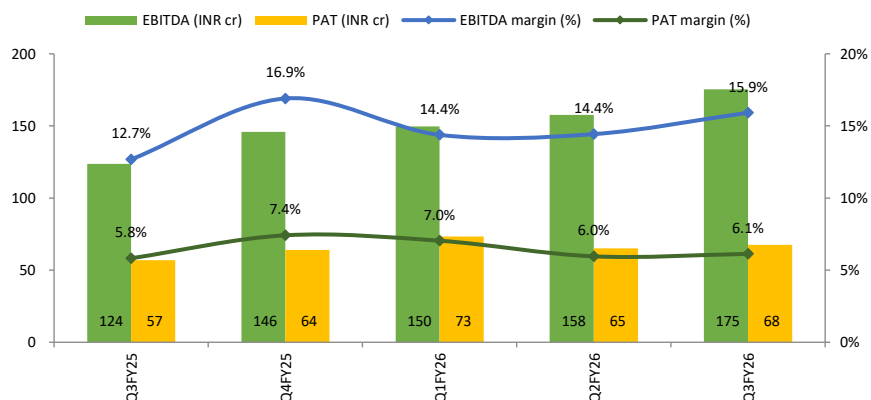
Source: Company Reports, Aриhant Capital Research

Exhibit 1: Gross margins improved by 104 bps YoY (+5 bps QoQ) to 37.3% in Q3FY26 due to low raw material costs.



Source: Company Reports, Aриhant Capital Research

Exhibit 2: EBITDA margin improved by 324 bps YoY (+148 bps QoQ) to 15.9% in Q3FY26; led by lower employee and other expenses in-terms of sales.



Source: Company Reports, Aриhant Capital Research

Quarterly results and segments

Exhibit 3: Bio-fuels supported overall growth, while Potable Spirits stabilized. Bio-based Specialities and Ennature Biopharma witnessed recovery on sequential basis.

Segment Revenue (INR cr)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Bio Based Specialities and Performance Chemicals	325	254	300	288	313	-3.8%	8.6%
Potable Spirits	328	284	342	338	345	5.0%	2.1%
Ennature Biopharma	50	52	51	43	50	0.5%	15.9%
Bio-Fuel	272	273	348	423	394	45.2%	-6.7%
Total Segment Revenue	975	863	1,040	1,092	1,102	13.0%	0.9%

Segment Revenue (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Bio Based Specialities and Performance Chemicals	33.4%	29.5%	28.8%	26.4%	28.4%		
Potable Spirits	33.7%	32.9%	32.9%	30.9%	31.3%		
Ennature Biopharma	5.1%	6.0%	4.9%	4.0%	4.6%		
Bio-Fuel	27.8%	31.7%	33.4%	38.7%	35.8%		
Total Segment Revenue	100.0%	100.0%	100.0%	100.0%	100.0%		

Source: Company Reports, Arianth Capital Research

Exhibit 4: Bio-fuels margin expansion supported by operating leverage and firming DDGS by-product prices. Chemical business margin expansion driven by discontinuation of low-margin trading and manufacturing, operational philosophy changes, and focus on high-value specialties. Ennature Biopharma margin remain under pressure due to western market volatility and feedstock costs; improvement expected Q4FY26 onwards with stabilizing raw material availability and better realizations. Potable Spirits sustained despite input cost environment.

Segment EBIT (INR cr)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Bio Based Specialities and Performance Chemicals	28	29	33	31	40	46.1%	27.9%
Potable Spirits	73	78	72	72	72	-1.1%	0.1%
Ennature Biopharma	5	4	1	1	2	-54.9%	108.2%
Bio-Fuel	9	16	23	29	33	273.2%	12.4%
Segment EBIT	114	128	129	134	148	29.4%	10.1%

Segment EBIT Margin (%)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Bio Based Specialities and Performance Chemicals	8.5%	11.4%	10.9%	10.9%	12.8%	+438 bps	+194 bps
Potable Spirits	22.3%	27.6%	21.1%	21.4%	21.0%	-131 bps	-43 bps
Ennature Biopharma	9.0%	8.3%	2.4%	2.3%	4.1%	-497 bps	+180 bps
Bio-Fuel	3.3%	5.8%	6.5%	6.9%	8.4%	+511 bps	+142 bps
Segment EBIT Margin	11.7%	14.8%	12.4%	12.3%	13.4%	+169 bps	+111 bps

Source: Company Reports, Arianth Capital Research

Exhibit 5: Potable spirits growth remain flat on YoY (+8.2% QoQ) in Q3FY26, however lower excise duty in-terms of sales improved revenue growth (+5% YoY/+2.1% QoQ) in Q3FY26.

Potable Spirits (INR cr)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Potable Spirits	1,777	1,609	1,805	1,658	1,793	0.9%	8.2%
Less: Excise duty	1,449	1,325	1,463	1,320	1,449	0.0%	9.7%
Excise duty as a % of sales	81.5%	82.4%	81.0%	79.6%	80.8%		
Net Potable Spirits	328	284	342	338	345	5.0%	2.1%

Source: Company Reports, Arianth Capital Research

Exhibit 6: Raw material cost reduction led by in-house grain based distilleries, discontinuation of low margin business etc. Power & Fuel costs and other expenses significantly reduced in-terms of sales.

Particular (INR cr)	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	YoY (%)	QoQ (%)
Revenue	975	863	1,040	1,092	1,102	13.0%	0.9%
Raw material costs	622	534	677	686	692	11.2%	0.9%
Raw material costs as % of sales	63.8%	61.8%	65.1%	62.8%	62.7%		
Employee costs	31	31	31	32	35	12.9%	9.7%
Employee costs as % of sales	3.2%	3.5%	3.0%	2.9%	3.2%		
Power & Fuel costs	105	75	92	115	106	1.0%	-8.4%
Power & Fuel costs as % of sales	10.7%	8.7%	8.8%	10.6%	9.6%		
Other expenses	94	77	91	101	94	0.7%	-6.8%
Other expenses as % of sales	9.6%	9.0%	8.7%	9.3%	8.5%		

Source: Company Reports, Arianth Capital Research

Exhibit 7: Product/Segment wise highlights in Q3FY26.

Product/Brand Segment	Key Highlights and Comments
Bio-based Amines	<ol style="list-style-type: none"> 1) World's first commercial sale achieved; L'Oréal is the inaugural customer after several years of collaborative development. 2) Discussions underway with multiple additional multinational customers.
New Specialty Chemicals (NSU)	<ol style="list-style-type: none"> 1) Over 30 new products introduced in the last three years. Pipeline includes potential opportunities with individual customer demand running into thousands of tons. 2) The company engaged with BASF, Dow, and other global majors. End-segments include crop protection, personal care, paper, oil fields, and coatings.
Glycols (Bio-based MEG/DEG)	<ol style="list-style-type: none"> 1) Strong foothold maintained in eastern and south-eastern markets despite RPEC competition. 2) Bio-DEG trials initiated for UPR applications with CEPAN and COEM partners. Growing sustainability-led interest from domestic and international customers, including China.
Carbon Smart Products (LanzaTech JV)	<ol style="list-style-type: none"> 1) Regular commercial sales ongoing to multinational customers. 2) Volumes lower than initial expectations but significant within performance chemicals portfolio.
Amrut Single Malts (Fusion, Amiga)	<ol style="list-style-type: none"> 1) Landmark long-term distribution, sales, and profit-sharing partnership secured for UP, Uttarakhand, and Delhi. 2) The partnership provides immediate premium portfolio credibility and access to fast-growing single malt category.
State/City Special Editions (Silver Jubilee, National Capital)	<ol style="list-style-type: none"> 1) Silver Jubilee edition launched for Uttarakhand (25th state formation year). 2) National Capital exclusive edition launched for Delhi. It targets Indian diaspora and high-end travelers.
Soulmate Whisky	<ol style="list-style-type: none"> 1) Million-case brand; flagship mass-market offering. 2) Recently launched in CSD channels pan-India. 3) Provides entry-level volume foundation.
Amazing Vodka & Flavors	<ol style="list-style-type: none"> 1) Ranked among top three vodka brands in UP, Uttarakhand, and Delhi. 2) Double-digit market share in key markets. 3) Established premium mainstream brand.
Bunty Bubly	<ol style="list-style-type: none"> 1) Asia's largest brandy brand; award winner from Asia Book of Awards. 2) Dominant player in brandy category.
Zumba Citrus Rum	<ol style="list-style-type: none"> 1) Targeted at female consumers; positioned as challenger brand to category leader. 2) Launched in CSD across 34 depots pan-India. 3) Gaining traction in premium flavored segment.
Macintosh White & Black Whisky	<ol style="list-style-type: none"> 1) Mid-premium whisky offerings; part of portfolio expansion across price points. 2) Complements range from INR 10-20 nips to premium malts.
Amazing Dark Spice Rum & Amazing Premium Brandy	<ol style="list-style-type: none"> 1) Launched in Kerala, a government-controlled market with secured payments. 2) Brandy blend sourced from Cognac, France. 3) Addresses India's second-largest spirits category after whisky. 4) Positioned as challenger to market leader.
CSD & Paramilitary Portfolio	<ol style="list-style-type: none"> 1) Soulmate Whisky and Zumba Lemon Citrus Rum rolled out across 34 CSD depots pan-India.
Biofuels (Ethanol)	<ol style="list-style-type: none"> 1) Diversified feedstocks are molasses, rice, corn. Captive ENA consumption provides quality consistency for potable spirits. 2) Surplus capacity offers import substitution optionality for chemicals.
DDGS (Distiller's Dried Grains with Solubles)	<ol style="list-style-type: none"> 1) Protein-rich animal feed by-product. 2) Increasing market acceptance as alternative to soy-based protein for poultry and veterinary use. 3) Prices trending upward; contributes to biofuels margin stability.
Ennature Biopharma	<ol style="list-style-type: none"> 1) Branded nutraceuticals launched at Supply Side West exhibition, USA. 2) Supported by clinical data. 3) Part of strategic shift from commodity to value-added branded ingredients.
Maxicama	<ol style="list-style-type: none"> 1) NOP organic certification and four-year registration underway. It will enhance global market positioning and pricing power.
Nicotine	<ol style="list-style-type: none"> 1) Raw material availability stabilizing; expected better realizations. 2) Recovery underway after period of stress.

Source: Company Reports, Arianth Capital Research

Q3FY26 Concall Highlights**Debt**

- The company reduced gross debt by INR 582cr in Q3FY26. The debt reduction through preferential allotment (INR 467cr) and Internal accruals (INR 116cr). The repayment debt breakup is working capital – INR 288cr, Term Loan – INR 200cr, Unsecured Loans – INR 87cr. Additional INR 75-100cr debt repayment planned in Q4FY26E.
- Gross debt is expected to reach INR 1,100cr by Mar-26, and further prepayment of INR 150cr is planned in Apr-26. Normal repayment obligation is around INR 285cr in FY27E.
- The company has initiated refinancing high-cost debt, having swapped INR 130cr of debt (125-150 bps cost savings).

Potable Spirits

- Potable Spirits volume stood at 23.7mn cases (+5% YoY) in 9MFY26.
- Single malt whiskey, including iconic Fusion, is acknowledged by the market. The Amrut partnership covers the high-growth markets of Uttar Pradesh, Uttarakhand, and Delhi.
- IMFL sales in UP have grown from 15 lakh cases/month to 23-25 lakh cases/month.
- The Bacardi partnership continues steadily, and the company is manufacturing 2 lakh cases/annum at the Kashipur facility.
- Buntly Bubly was recognized as Asia's largest brandy and an award winner from the Asia Book of Awards.
- Amazing Vodka and its flavor variants rank among the top 3 brands in UP, Delhi, and Uttarakhand.
- Zumba Citrus launched with a targeted female consumer focus and gained significant traction.
- The company launched Amazing Dark Spice Rum and Amazing Premium Brandy, with the brandy blend sourced from Cognac, France.
- The company secured orders and commenced supplies, launching Zumba Lemon Citrus Rum and Soulmate Whisky across 34 CSD depots pan-India.

Bio-fuels

- Biofuels margin improvement is supported by operating leverage and the strategic importance of ethanol blending policies.

Q3FY26 Concall Highlights

Chemicals

- Bio-based Specialties and Performance Chemicals' margin improvement supported by discontinuation of low-margin businesses, plant optimization, and focus on high-value products.
- Chemical business sustainable margins are 11%-13%. The company is focused on high-margin specialty products.
- Bio-based diethylene glycol is being positioned for new applications, including unsaturated polyester resin with CEPAN and COEM partners.
- The company commenced commercial sale of bio-based amines, with L'Oreal as the inaugural customer.

Ennature Biopharma

- Ennature Biopharma continues to face challenges due to cost pressures on field stock and significant volatility in Western markets, including Europe and the United States.
- The raw material availability and expected better realization in international markets, particularly in nicotine sales.
- The launch of gingerine and asparagus as branded nutraceuticals at the Supply Side West exhibition in the United States was supported by clinical data.
- Maxicuma NOP organic certification and four-year registration are underway to enhance market positioning.

Ethanol blending

- In ethanol blending, the challenges emerge beyond 20%. Those are vehicles that require modifications for optimal performance, ethanol's hydrophilic nature creates moisture absorption and corrosion risks in infrastructure, and mileage considerations.
- A NITI Aayog committee is examining the issues, with discussions ongoing between the government and automobile manufacturers.
- In FY20, around 80%-90% of blended ethanol came from sugarcane juice and molasses. Currently, 80% comes from grains, with corn (46%). The shift is to avoid overburdening any single feedstock. The rice requires significant water and longer crop cycles, while maize offers lower water intensity, shorter cycles, and greater scalability.

JV

- JV margin impacted due to widened reliance-sourced alternatives. It led to pricing pressure to maintain volumes.

Outlook & Valuation: India Glycols is aggressively deleveraging and repaid INR 582cr in Q3FY26 and additional repayment of INR 75-100cr by Q4FY26E, leading to gross debt of INR 1,100cr by the end of Mar-26; further prepayments and refinancing are expected to save finance costs going forward. The chemical business margin improvement is driven by the discontinuation of low-margin business, while bio-based amines commercialization with L'Oréal and multi-fold expansion from a pipeline of over 30 new products, leading to a strong recovery going forward. Potable Spirits will benefit from deepening Amrut partnerships, state-specific premium singles, and recent CSD and Kerala market entries, all underpinned by the unassailable advantage of captive ENA consumption. Biofuels offer policy-protected profitability with organic volume growth and feedstock flexibility, while surplus ethanol capacity enables strategic import substitution for chemicals. Ennature Biopharma's shift to branded nutraceuticals offers better upside going forward. We anticipate deleveraging with no major capex, strong cash flows and completion of demerger is expected to unlock value going forward. At the CMP of INR 953 per share, we maintain our "BUY" rating at a TP of INR 1,605 per share; based on SOTP; an upside of 68.4%.

IGL FY28E based implied valuation	IGL Sprints	India Glycols	Ennature Biopharma	
FY28E EBITDA (INR cr)	720	191	16	
EV/EBITDA (x)	15.0x	5.0x	1.0x	
EV (INR cr)	10,802	955	16	11,773
Net Debt/(cash) (INR cr) - FY28E end				1,018
Market Cap (INR cr)				10,756
Share outstanding (cr)				6.7
Value per share (INR) - FY28E				1,605
CMP (INR)				953
Upside/Downside (%)				68.4%
Rating				BUY

Source: Company reports, Arihant Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR cr)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Revenue	2,868	2,651	3,294	3,768	4,361	5,010	5,829
Net Raw Materials	1,921	1,582	2,149	2,408	2,757	3,162	3,668
Power & Fuel	332	417	328	362	417	474	546
Employee Cost	89	89	103	123	138	156	178
Other Expenses	444	267	311	365	389	442	509
EBITDA	81	296	402	511	660	776	929
EBITDA Margin (%)	2.8%	11.1%	12.2%	13.6%	15.1%	15.5%	15.9%
Depreciation	(80)	(94)	(101)	(115)	(156)	(164)	(170)
Interest expense	(70)	(100)	(121)	(164)	(177)	(119)	(104)
Other income	22	24	26	15	13	17	19
Exceptional Items	221	28	-	-	(1)	-	-
Share of profits associate & JV	21	11	17	46	48	55	64
Profit before tax	195	165	223	292	387	564	739
Taxes	(39)	(24)	(50)	(61)	(90)	(142)	(186)
PAT	156	141	173	231	297	422	552
PAT from discontinued operations	10	-	-	-	-	-	-
PAT	166	141	173	231	297	422	552
PAT Margin (%)	5.8%	5.3%	5.3%	6.1%	6.8%	8.4%	9.5%
Other Comprehensive income	(0)	0	(0)	(1)	-	-	-
Net profit	166	141	173	229	297	422	552
EPS (INR)	26.7	22.8	27.9	37.1	44.3	62.9	82.4

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR cr)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity capital	31	31	31	31	34	34	34
Reserves	1,761	1,870	2,020	2,225	2,953	3,329	3,821
Net worth	1,792	1,901	2,051	2,256	2,987	3,362	3,854
Minority Interest	(19)	-	-	-	-	-	-
Provisions	8	7	8	8	2	3	3
Debt	1,367	1,479	1,763	2,309	1,634	1,349	1,249
Other non-current liabilities	527	475	401	445	523	601	700
Total Liabilities	3,675	3,863	4,223	5,018	5,146	5,315	5,805
Fixed assets	2,303	2,690	3,171	3,736	3,748	3,747	3,744
Capital Work In Progress	243	125	84	98	93	97	100
Other Intangible assets	2	2	2	1	1	1	1
Investments	456	370	384	427	436	551	641
Other non current assets	19	25	31	96	39	50	58
Net working capital	362	368	286	527	584	701	913
Inventories	693	754	1,106	1,171	1,224	1,343	1,527
Sundry debtors	399	430	384	365	502	549	639
Loans & Advances	26	0	1	1	44	50	58
Other current assets	201	179	189	149	215	220	256
Sundry creditors	(642)	(752)	(1,099)	(979)	(1,095)	(1,160)	(1,275)
Other current liabilities & Prov	(314)	(244)	(295)	(179)	(305)	(301)	(291)
Cash	102	113	138	77	183	67	231
Other Financial Assets	188	170	127	54	61	100	117
Total Assets	3,675	3,863	4,223	5,018	5,146	5,315	5,805

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR cr)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profit before tax	195	165	223	292	387	564	739
Depreciation	80	94	101	115	156	164	170
Tax paid	(39)	(24)	(50)	(61)	(90)	(142)	(186)
Working capital Δ	322	(6)	81	(241)	(56)	(117)	(212)
Operating cashflow	558	229	355	105	397	469	510
Capital expenditure	(330)	(362)	(541)	(695)	(163)	(167)	(170)
Free cash flow	228	(133)	(186)	(590)	233	302	340
Equity raised	486	(8)	(0)	(1)	467	-	-
Investments	(374)	86	(14)	(43)	(9)	(115)	(90)
Others	(128)	12	37	8	50	(50)	(25)
Debt financing/disposal	(97)	131	284	546	(675)	(285)	(100)
Dividends paid	(18)	(23)	(23)	(25)	(33)	(46)	(61)
Other items	(93)	(53)	(74)	45	72	78	99
Net Δ in cash	4	12	25	(60)	106	(116)	164
Opening Cash Flow	98	102	113	138	77	183	67
Closing Cash Flow	102	113	138	77	183	67	231

Source: Company Reports, Arianth Capital Research

Ratio analysis

Y/e 31 Mar	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Growth matrix (%)							
Revenue growth	23.8%	-7.6%	24.3%	14.4%	15.7%	14.9%	16.4%
Op profit growth	-69.6%	263.3%	36.1%	26.9%	29.3%	17.5%	19.7%
Net profit growth	26.1%	-15.0%	22.7%	33.4%	28.6%	42.2%	31.0%
Profitability ratios (%)							
OPM	2.8%	11.1%	12.2%	13.6%	15.1%	15.5%	15.9%
Net profit margin	4.2%	5.7%	5.8%	5.3%	5.3%	6.1%	6.8%
RoCE	0.6%	5.9%	7.0%	7.7%	8.6%	10.1%	11.9%
RoNW	10.5%	7.6%	8.8%	10.7%	11.3%	13.3%	15.3%
RoA	4.2%	3.7%	4.1%	4.6%	5.8%	7.9%	9.5%
Per share ratios (INR)							
EPS	26.7	22.8	27.9	37.1	44.3	62.9	82.4
Dividend per share	3.0	3.7	3.7	4.0	4.9	6.9	9.1
Cash EPS	38.1	38.0	44.2	55.9	67.6	87.5	107.8
Book value per share	289.4	307.1	331.2	364.3	445.7	501.7	575.0
Valuation ratios (x)							
P/E	35.6	41.7	34.1	25.7	21.5	15.1	11.6
P/CEPS	25.0	25.1	21.6	17.1	14.1	10.9	8.8
P/B	3.3	3.1	2.9	2.6	2.1	1.9	1.7
EV/EBITDA	82.5	23.3	17.7	15.1	11.2	9.2	7.3
Payout (%)							
Dividend payout	11.8%	16.3%	13.3%	10.7%	11.0%	11.0%	11.0%
Tax payout	20.2%	14.5%	22.5%	21.0%	23.2%	25.2%	25.2%
Liquidity ratios							
Debtor days	48	57	45	36	36	38	37
Inventory days	124	167	158	173	159	148	143
Creditor days	80	108	117	116	102	97	91
WC Days	92	116	86	92	92	89	89
Leverage ratios (x)							
Interest coverage	0.0	2.0	2.5	2.4	2.8	5.1	7.3
Net debt / equity	0.7	0.7	0.8	1.0	0.5	0.4	0.3
Net debt / op. profit	15.6	4.6	4.0	4.4	2.2	1.7	1.1

Source: Company Reports, Arianth Capital Research

Story in Charts

Exhibit 8: Potable spirits and Biofuels will drive the growth going forward.

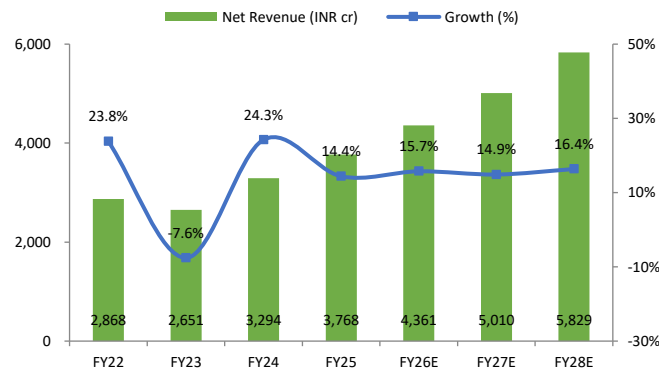


Exhibit 9: Grain based distilleries and discontinuation of low margin business is expected to improve gross margin going forward.

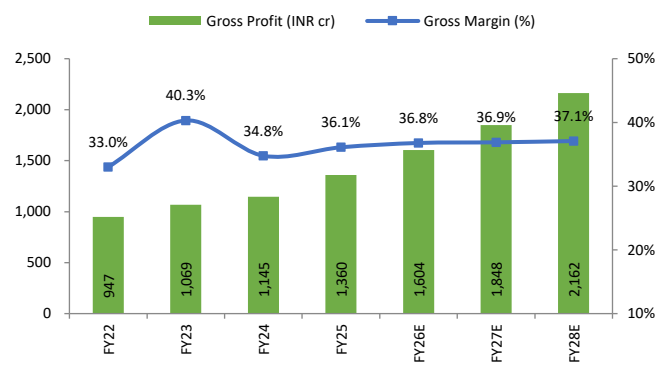


Exhibit 10: The captive wind and solar hybrid power will reduce costs going forward.

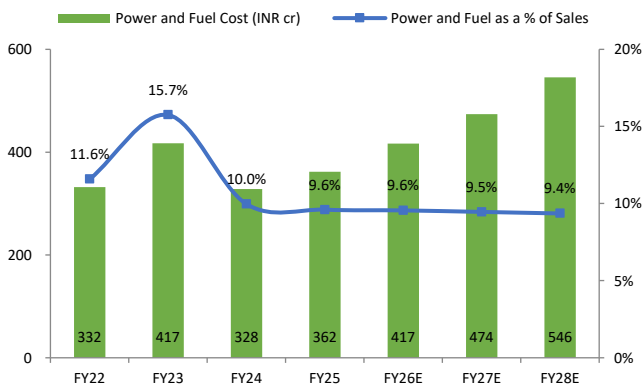


Exhibit 11: Growth in EBITDA & PAT levels.

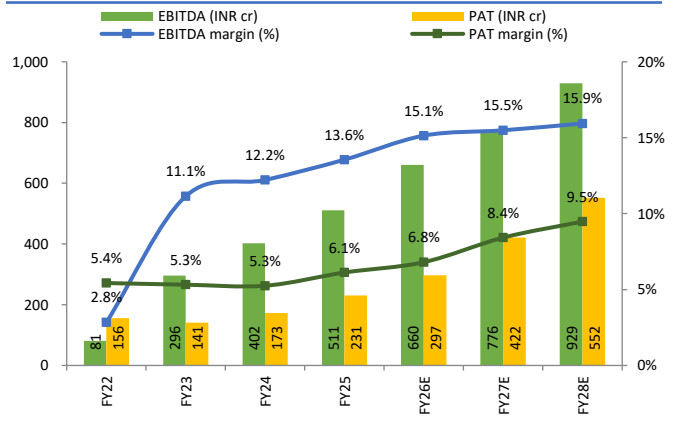


Exhibit 12: Working capital days to be improve

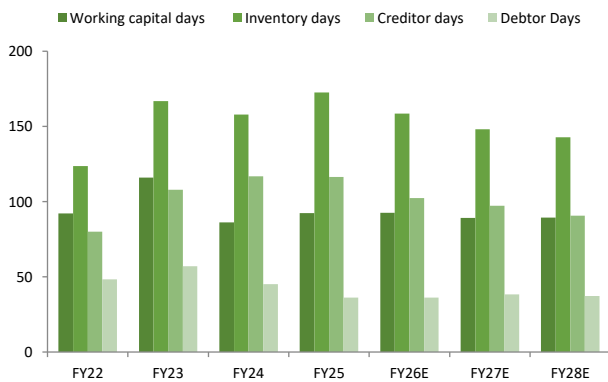
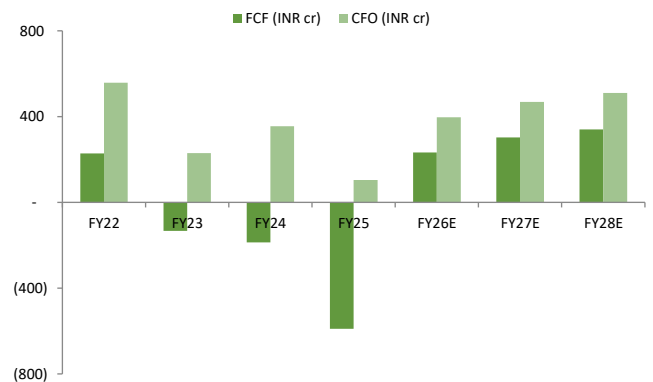


Exhibit 13: Cash flows to be improve



Source: Company Reports, Arianth Capital Research

Story in Charts

Exhibit 14: Return ratios to be improve.

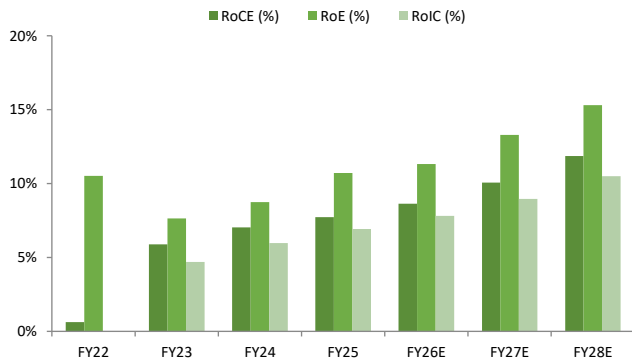


Exhibit 15: Working capital is expected to be below 20% in terms of sales going forward.

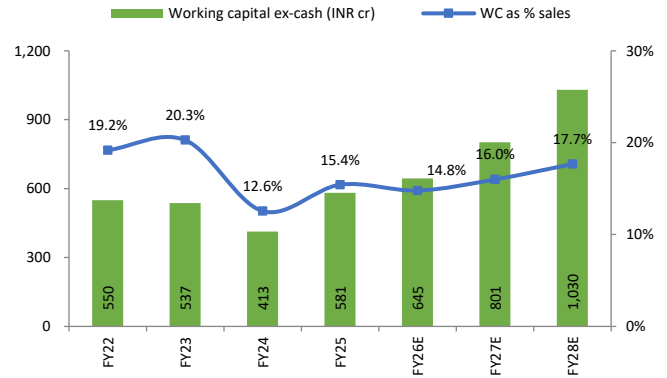


Exhibit 16: Cash conversion cycle is expected to maintain going forward.

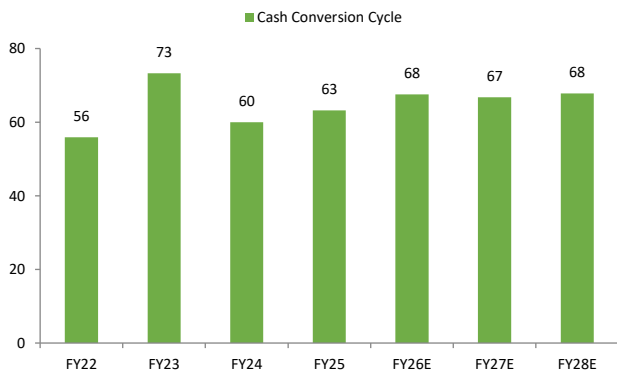


Exhibit 17: The company is aggressively repaying the debt.

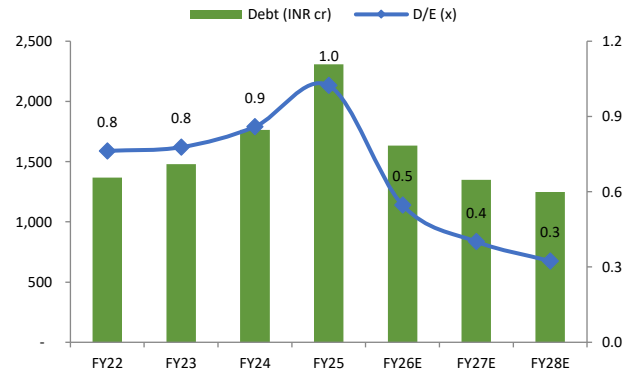


Exhibit 18: Ethanol blending, Potable Spirits and recovery in BSPC and will drive growth.

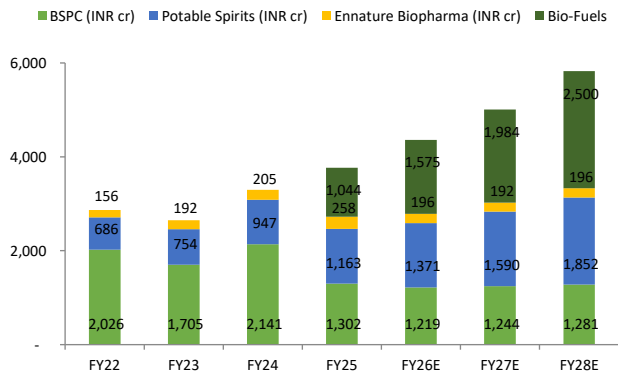
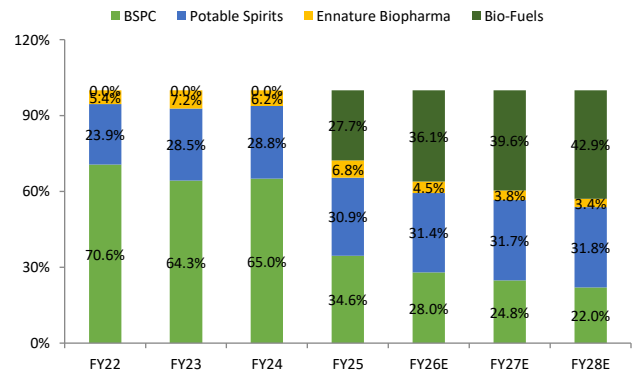


Exhibit 19: Segment wise mix



Source: Company Reports, Arianth Capital Research

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Stock Rating Scale

Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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