
E-NEWSLETTER FOR
JULY 2026
OF
BRAHMAPUR BRANCH OF
EIRC(ICAI)
STOCK
MARKET GROWTH
HIGH
JULY 2026
1st-31st

CHAIRPERSON'S MESSAGE

July is one of the most eventful months in our calendar, both from the professional and administrative perspective. It is a month marked by a host of activities, while also heralding the beginning of the peak compliance season.

The 1st of July, CA Day, is a day of immense pride for every Chartered Accountant and CA aspirant. Hoisting the ICAI flag as the Chairperson of the Branch made the occasion truly special and memorable for me.

The month witnessed a number of meaningful initiatives aimed at the professional development of our members and the betterment of society at large. The AI-L2 Course and the highly insightful Seminar on Code of Ethics were among the highlights of the month, offering valuable learning and enriching experiences to our members.

One of the most fulfilling initiatives was the Blood Donation Camp organised at the Branch premises. Being able to contribute, even in a small way, towards the well-being of society brought immense satisfaction and reinforced our commitment to social responsibility.

We wrapped up the month with our Annual General Meeting (AGM), which witnessed enthusiastic participation and was well attended by our members.

As we move forward, several more meaningful seminars, learning initiatives and professional events are in the pipeline. I am confident that these programmes will continue to create opportunities for learning, networking and professional growth.

As the compliance season gathers momentum, I wish each one of you a productive, successful and fulfilling compliance season ahead.

Regards,

CA K Seeta Rajani

Chairperson, Brahmapur Branch

VALUATION SUMMARY METRICS

CA Padarabind Pradhan

Metric	CMP	FCFE Value	Variance to CMP	PV Terminal Share	Revenue CAGR
Value	Rs 1,697.8/sh	Rs 1,181.6/sh	-Rs 516.2/sh	80.6%	25.9%
Note	Market input	Rs 2,764 Cr equity value	-30.4% vs CMP	Rs 2,227 Cr PV terminal	FY26A-FY36E

Key Output Observation: The FCFE model generates a target value of **Rs 1,181.6 per share**, implying a **-30.4% downside** compared to the current market price of Rs 1,697.8 per share. Terminal value represents a highly sensitive 80.6% of total calculated equity value.

A. FORECAST DRIVERS FEEDING FCFE

Metric	FY26A	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	FY36E
Known Dahej-III eff. addn (KL)	0	0	115	300	300	300	300	300	300	300	300
Post-Dahej capacity addn (KL)	0	0	0	0	327	425	553	700	1,000	0	0
Total effective capacity (KL)	791	791	906	1,091	1,418	1,844	2,397	3,097	4,097	4,097	4,097
Utilisation %	70%	85%	85%	85%	90%	90%	90%	90%	90%	90%	90%
Revenue per utilised KL	0.914	0.914	0.914	0.914	0.914	0.914	0.914	0.914	0.914	0.914	0.914
Realisation index vs FY26	1.00x	1.08x	1.12x	1.16x	1.20x	1.25x	1.30x	1.35x	1.40x	1.45x	1.50x
Capacity-driven revenue	506	663	788	983	1,399	1,895	2,562	3,438	4,716	4,885	5,053
EBITDA margin	18.4%	19.9%	21.4%	22.9%	24.4%	25.9%	27.4%	26.0%	26.0%	26.0%	26.0%
Operating NWC / revenue	48.0%	40.0%	38.9%	37.8%	36.7%	35.6%	34.5%	33.4%	32.3%	31.2%	30.1%

B. FCFE CALCULATION (INCOME STATEMENT BUILD)

Metric	FY26A	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	FY36E
Revenue	506	663	788	983	1,399	1,895	2,562	3,438	4,716	4,885	5,053
EBITDA	93	132	169	225	341	490	701	894	1,226	1,270	1,314
D&A	37	46	53	63	86	112	144	183	238	233	227
EBIT	56	86	116	162	255	379	557	710	988	1,037	1,086
Interest expense	0	13	15	18	24	33	44	58	78	89	89
PBT	56	73	101	144	231	345	513	652	910	948	997
Cash taxes	0	19	26	37	60	90	133	170	237	246	259
PAT / Net income	56	54	75	106	171	256	380	482	673	701	738

B. FCFE CALCULATION & PRESENT VALUE BUILD

Cash Flow Metric	FY26A	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	FY36E
PAT / Net income (starting point)	56	54	75	106	171	256	380	482	673	701	738
Add: D&A	37	46	53	63	86	112	144	183	238	233	227
Less: Increase in NWC	0	22	41	65	142	161	210	265	376	1	-3
Less: Expansion capex	0	0	67	108	190	247	322	407	581	0	0
Less: Maintenance capex	0	23	28	34	49	66	90	121	165	171	177
Less: Total capex	0	23	95	142	239	314	411	528	747	171	177
Add: Net borrowing / repayment	0	13	25	39	85	97	126	159	225	1	-2
FCFE	0	68	17	2	-39	-11	28	32	15	763	789
Discount period	0.0	0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5
Discount factor	0.000	0.934	0.816	0.712	0.621	0.542	0.473	0.413	0.361	0.315	0.275
PV of FCFE	0	64	14	1	-24	-6	13	13	5	240	217

Working formulas shown in the FCFE Valuation sheet

Revenue = total effective capacity x utilisation x revenue per utilised KL x realisation index.

FCFE = PAT + D&A - total capex - increase in operating NWC + net borrowing / repayment.

Discount factor = 1 / (1 + cost of equity) ^ discount period; mid-year convention begins at 0.5 in FY27E.

Terminal equity value = terminal FCFE / (cost of equity - terminal growth); PV terminal = terminal equity value / (1 + cost of equity) ^ 10.

Key output: Rs 1,181.6/share versus CMP of Rs 1,697.8/share, implying -Rs 516.2/share variance.

C. EQUITY VALUE BRIDGE

Line Item	Value	Formula / Note
PV explicit FCFE	Rs 537 Cr	SUM of FY27E-FY36E PV FCFE
Terminal FCFE	Rs 829 Cr	FY36E FCFE x (1 + g)
Terminal growth	5.0%	Gordon growth
Cost of equity	14.56%	From FCFE CoE bridge
Terminal equity value	Rs 8,669 Cr	Terminal FCFE / (CoE - g)
PV terminal equity value	Rs 2,227 Cr	Discounted at CoE for 10 yrs
Equity value	Rs 2,764 Cr	PV explicit + PV terminal
Shares outstanding	2.3392 Cr	Share count from model inputs
FCFE value / share	Rs 1,181.6	Equity value / shares

D. FCFE SHEET COST-OF-EQUITY BRIDGE

Input / Calculation	Value	Formula / Note
Current market cap / target equity value	Rs 3,971 Cr	CMP x shares
Current gross debt	Rs 120 Cr	Gross debt from Inputs
Current debt weight	2.94%	Debt / (debt + market cap)
Current equity weight	97.06%	Market cap / (debt + market cap)
Pre-tax cost of debt	10.0%	User instruction
Tax rate	26%	Inputs
WACC reference	13.50%	Reference used in FCFE Valuation sheet
WACC less after-tax debt contribution	13.28%	WACC ref - debt wt x Kd x (1 - tax)
Implied cost of equity	**14.56%**	**Numerator / equity weight**

E. ASSUMPTION NOTES AND INTERPRETATION

Assumption notes and interpretation

Working capital funding: FCFE assumes debt funds 60% of incremental operating NWC, so net borrowing partly offsets the NWC cash drag. Debt balance rises to Rs 888 Cr by FY36E in the model.

Capacity ramp: post-Dahej capacity additions total about 3,006 KL by FY34E; effective capacity reaches 4,097 KL by FY36E. This drives revenue from Rs 506 Cr in FY26A to Rs 5,053 Cr in FY36E.

Valuation sensitivity: PV terminal value is 80.6% of FCFE equity value. The valuation is therefore most sensitive to cost of equity (14.56%) and terminal growth (5.0%).

WACC formula: CoE = 6.75% + 1.05 x 6.25% + 1.25% = 14.56%. After-tax cost of debt = 10.0% x (1 - 26%) = 7.4%. WACC = 87.5% x 14.56% + 12.5% x 7.4% = 13.67%.

FCFE discount-rate bridge: FCFE sheet uses a 13.50% WACC reference, then backs into equity cost using current market-cap and gross-debt weights. Implied CoE = [WACC reference - debt weight x pre-tax Kd x (1 - tax)] / equity weight = [13.50% - 2.94% x 10.0% x (1 - 26%)] / 97.06% = 14.56%.

Consistency point: WACC sheet output is 13.67%, while the FCFE Valuation sheet references 13.50% in the CoE bridge. This should be aligned before external circulation.

Media coverage

Brahmapur Branch of EIRC Successfully Concludes AI Level-2 Course

Brahmapur branch of EIRC successfully completed the AI Level -2 course on 24th July. The offline classes were held at the branch Premises.
The fantastic facilities of ICAI CA Tapas Ruparelia,CA Bhavin Goklani,CA Sulabh Gupta, CA Rupal Gargand and Mr. Tarun Manchanda explained the concepts of AI wonderfully well.
The course was attended by members of Brahmapur ,Gunpur ,
Raygada and other places in and around Brahmapur.

A.I L-2

CA DAY 01/07/2026

Blood donation camp 02/07/2026

Half day seminar on code of ethics 15/07/2026

AGM 26/07/2026