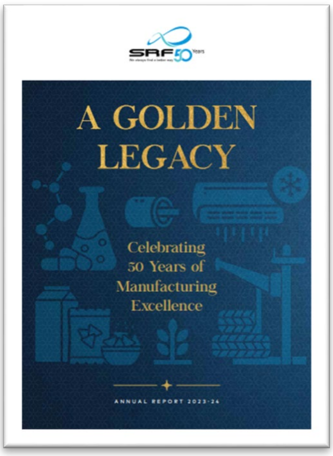
SRF

BSE SENSEX	S&P CNX
77,338	23,516



Stock Info

Bloomberg	SRF IN
Equity Shares (m)	296
M.Cap.(INRb)/(USDb)	716.4 / 8.6
52-Week Range (INR)	2697 / 2040
1, 6, 12 Rel. Per (%)	2/-10/-25
12M Avg Val (INR M)	1283
Free float (%)	49.7

Financials Snapshot (INR b)

Y/E MARCH	2024	2025E	2026E
Sales	131.4	151.9	175.5
EBITDA	26.6	32.3	39.4
Adj. PAT	14.1	16.8	21.7
EBITDA margin (%)	20.3	21.3	22.5
Cons. Adj. EPS (INR)	47.5	56.5	73.0
EPS Gr. (%)	(37.7)	19.0	29.2
BV/Sh. (INR)	386	427	483
Ratios			
Net D:E	0.4	0.3	0.3
RoE (%)	13.0	13.9	16.0
RoCE (%)	10.5	11.1	12.8
Payout (%)	16.0	26.5	23.3
Valuations			
P/E (x)	50.8	42.7	33.1
EV/EBITDA (x)	28.5	23.6	19.3
Div. Yield (%)	0.3	0.6	0.7
FCF Yield (%)	(0.3)	0.7	1.2

CMP: INR2,417 TP: INR2,140 (-11%) Neutral

Recovery in sight during FY25!

SRF witnessed a challenging year (revenue/EBITDA down ~12%/27% YoY), with multiple headwinds plaguing its business segments. The chemicals and packaging businesses inhibited SRF's overall performance, while the technical textiles business remained flat. Due to this, the capex intensity also waned in FY24. However, SRF expects some recovery across businesses going forward. The expected pickup in capex would bode well for the company in FY25.

- **The chemicals and packaging businesses reported a decline of 15% and 13% YoY, respectively, in FY24 due to weak demand, excess inventory in the market, an increase in competitive intensity, and overcapacity. The impact on margins was severe due to adverse operating leverage and initial inefficiencies in the newly commissioned plant.**
- **The slowdown in business operations was reflected in lower capex (down 17% YoY), to preserve cash during difficult times. The chemicals business continued to be the largest part of the capex (at ~70%). Management guided that SRF will spend INR22.0b in FY25 (lower than the FY24 capex of INR23.5b).**
- **However, the company's moat lies in its technological innovation and advancement to meet evolving customer needs and maintain a leadership position. R&D spending has been increasing (up 13% YoY), touching 1.1%/5.5% of total sales/EBITDA (vs. 0.9%/3.6% in FY23).**
- **Notwithstanding the difficulties encountered in FY24, SRF projects robust growth in FY25, propelled by its strategic investments and capacity expansions. To maintain profitability, the firm focuses on innovation and operational efficiency in addition to increased performance across all segments.**

FY24 – a year of multiple challenges

- SRF posted a weak performance in FY24 with revenue/EBITDA declining ~12%/27% YoY to INR131.4b/INR26.6b due to a decline in the Chemicals/ Packaging business revenue by 15%/~13% to ~INR63.0b/ INR44.9b. However, Technical Textiles' revenue was flat YoY at ~INR19b. The decline in EBITDA was much higher for Chemicals/Packaging at 24%/44% YoY, while Technical Textiles reported 5% YoY growth.
- The **Chemicals** business witnessed a subdued performance in FY24, and accounted for ~48%/74% of consolidated sales/EBIT. Revenue/EBITDA declined 15%/24% YoY to ~INR63.0b/INR20.3b due to a subdued performance in both Specialty Chemicals and Fluorochemicals. EBITDA Margin contraction was much higher at 385bp YoY to 32.3% vs. 36.1% in FY23 led by weak market conditions, higher raw material costs, and initial inefficiencies from the new capacities.
- The **Specialty Chemicals** business witnessed multiple challenges in FY24, such as, excess inventory in the market, forcing agrochemicals customers to initiate inventory rationalization measures, and incremental capacity from China that made the overall market landscape more competitive. This led to a revenue decline of 12% YoY to INR36.7b in this business.

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- The **Fluorochemicals** business also experienced a tough year with revenue declining 19% YoY to INR21.3b led by weak domestic demand, Chinese dumping (affecting prices and volumes), intensified competition due to the additional capacities in India and the Middle East, and continued destocking of HFC inventory in the US.
- The **Packaging** business (34%/9% of consolidated revenue/EBIT) was also hit in FY24 due to the cyclical downturn and overcapacity in both BOPET and BOPP, resulting in a revenue/EBITDA decline of 13%/44% YoY to INR44.9b/INR4.1b. The major impact was seen in the BOPET segment, and the Hungary plant also witnessed elevated energy costs due to the Russia-Ukraine conflict, thus impacting margins adversely. This led to a EBITDA margin contraction of 510bp YoY to 9.1%.
- The **Technical Textiles business** (14%/12% of consolidated revenue/ EBIT) reported flat revenue growth YoY at ~INR19b. Increased sales volumes of Nylon Tyre Cord Fabric (NTCF), and Nylon Yarn and Belting Fabric (BF) in the domestic market were offset by the stress on domestic margins due to cheap imports from China. To mitigate this, SRF focused on high-end, value-added products (VAPs) to widen its customer base.
- The other businesses, which include **Coated and Laminated Fabrics** businesses, achieved all-time high domestic sales (up ~18.5% to INR4.7b), led by the strong demand for flagship and value-added products.

Capacity additions to support growth…

- Over the past few years, SRF has maintained a robust capex program aimed at expanding its manufacturing capabilities and entering new markets. However, the capex investments have also focused on enhancing operational efficiency, upgrading existing equipment, and expanding into new business segments, such as the Pharma segment.
- SRF's capex intensity has picked up pace over the last three years, with a cumulative capex of INR71.7b as of Mar'24. Chemicals reported the largest spending (~71%), followed by Packaging Films (22%), and Technical Textiles (6%).
- However, the intensity slowed down in FY24 led by weakness across businesses and SRF's conscious decision to slowdown capex to preserve cash. SRF incurred a capex of INR23.5b in FY24, down 17% YoY, of which 70% was incurred in the Chemicals business (vs. 76% in FY23), followed by Packaging Films (19% vs. 18%) and Technical Textiles (9% vs. 5%).
- The company focused on both Greenfield (new facilities) and brownfield (expansions/upgrades of existing facilities) projects across its segments.
- A notable investment was made in the Chemicals Business to expand its production capabilities with a capex of INR16.5b (down 23% YoY). In FY24, the company has capitalized on a large number of plants amounting to ~INR18b. It expects an asset turn of ~0.9x-1.1x on these incremental capacities.
- **Specialty Chemicals business**: In FY24, nine dedicated facilities were commissioned at the Dahej site to enhance production in the Specialty Chemicals Business (pharma). These facilities are part of SRF's strategic efforts to seize future market opportunities in specialty chemicals.
- **Fluorochemicals business:** This business faced challenges due to market conditions, but SRF continued to invest in this area. A significant capex of ~INR12b was capitalized in FY24, which included the Polytetrafluoroethylene

(PTFE) and R32 plants along with capacity expansion of the Anhydrous Hydrogen Chloride (AHCl) plant for pharma applications. Various projects are in progress for backward integration and development of refrigerant gases and other chemical intermediates. SRF is also undertaking a capacity enhancement program, which includes facilities for PTFE, thermal oxidation, pharma intermediates, and agrochemicals intermediates. Each of these projects has significant individual capacities, enhancing the overall production capability.

- **With improving business scenario in Chemicals, SRF is likely to increase the capex intensity in 2HFY25, in line with its aspirations for the future.**
- In the **Packaging Films business**, SRF commissioned its aluminum foil facility at Jetapur, MP in Jan'24, with a capacity of ~20,000MTPA. The total capex incurred on this project was ~INR5.36b with an asset turnover of ~1.7x-2.0x. The company is also in the process of commissioning a Capacitor Grade BOPP Film to the existing portfolio in line with its strategy of growing adjacencies.
- SRF also commissioned the Polyester Industrial Yarn (PIY) facility under the **Technical Textiles business,** and it is likely to be fully utilized in FY25. SRF is also currently expanding its belting fabrics capacity (on track).
- A majority of the capex in FY24 would be utilized over the next 2-3 years.
- **SRF is expecting a total capex of ~INR22b in FY25 (with ~INR11-12b on sanctioned and running projects, INR8-9b on projects that are not yet announced, and ~INR0.5-1.0b on maintenance capex). This will still be lower than its FY24 capex outflow of INR23.5b.**

…backed by increasing investments in R&D

- Through its Chemicals Technology Group (CTG), SRF prioritizes continuous technological innovation and advancement to meet evolving customer needs and maintain a leadership position. This includes developing new fluoropolymer grades and optimizing production processes.
- The company also focuses on process enhancements to reduce its resources, improve cost-effectiveness, and strengthen the value chain by integrating critical raw materials in-house. Management also aims to automate processes to improve robustness, cost, and safety.
- This was reflected in an increasing R&D spending, which rose 13% YoY to INR1.5b (at a CAGR of ~14% over FY14-24). R&D spending as a percentage of sales/EBITDA inched up to 1.1%/5.5% in FY24 from 0.9%/3.6% in FY23. FY24 witnessed the highest R&D spending over the last decade.
- SRF has applied for 37 patents during the year, while 17 patents were granted in FY24. The company had 149 total patents granted up to FY24, indicating its commitment to technological advancement and maintaining a competitive edge in the market.
- In FY24, SRF launched 15 new products catering to the agrochemical and pharma sectors. These products have good long-term prospects, are at a different maturity level of market potential, and have a future growth potential.
- One such innovative product is "R467A", a low-GWP (~1330) refrigerant blend. It is a perfect retrofit for R22, which had a significant potential to cause global warming. This is the first refrigerant in Indian history to earn an ASHRAE accreditation. R467A is a non-toxic, lower-flammability refrigerant blend designed mainly for use in stationary air conditioning applications.

Chemicals and Technical Textiles to drive growth; Packaging to be a drag

- FY24 turned out to be a challenging year for the company, with headwinds persisting across businesses. This led to a muted performance. However, SRF is optimistic of a healthy recovery despite the short-term challenges, driven by strategic investments, capacity expansions, and a diversified business model.
- Over the last decade, SRF has witnessed a revenue/EBITDA/Adj. PAT CAGR of 13%/18%/24% and we expect the company to clock a 16%/22%/24% CAGR over FY24-26. This growth will be largely propelled by the Chemicals business (20% CAGR over FY24-26), followed by Packaging (12%), and Technical Textiles (10%).
- The Chemicals business has recorded 21%/23% revenue/EBITDA CAGR over the last decade. Management expects the **Chemicals business** to **grow ~20% YoY in FY25,** with a major recovery possibly more towards 2HFY25. **We have built in similar growth CAGR (20%) over FY24-26E.**
  - The **Fluorochemicals** segment has posted a 21% CAGR over the last decade. However, it declined 19% YoY in FY24. Management expects **a strong recovery in FY25,** aided by better global and Indian economic conditions, reduced inflation, and a revival in the Indian air conditioning industry. Pricing pressures are anticipated to ease with market stabilization. SRF's focus will be on ramping up the newly commissioned plants to meet the rising demand, along with ongoing investments in R&D and technology to introduce the new and enhanced products. **We expect its revenue to clock 9% CAGR over FY24-26.**
  - The **Specialty Chemicals business has** recorded healthy 24% revenue CAGR over the last decade while succumbing to macro headwinds in FY24. The company anticipates a **strong market recovery in this segment with better utilization of new capacities**. It is strategically entering the Pharma segment, leveraging new skills and technologies to garner market share. There will be a continued emphasis on developing new products, optimizing production processes, and enhancing operational efficiencies and cost-effectiveness through technological advancements and process improvements. **We expect this segment to post a strong 27% CAGR over FY24-26.**
- The **Technical Textiles** segment has not been able to move the needle materially over the last decade, with a compounded revenue decline of 1%. The company also expects **moderately improved results** in FY25, after a flattish performance in FY24. This will be driven by increased volumes and better capacity utilization. SRF's focus will be on high-quality and high-end VAPs to cater to market demand. It is also putting efforts towards cost reduction and efficiency improvements to maintain profitability despite the potential margin pressures. **We expect a revenue/EBITDA CAGR of 10%/19% over FY24-26.**
- The global **Packaging Films** market faces competition and margin pressure from new capacity additions; yet there is a growing demand for high-quality, sustainable solutions. SRF aims to enhance profitability through VAPs and capacity expansion projects, such as the Aluminum Foil plant and Capacitor Grade BOPP Film project. Despite margin challenges, SRF's focus on VAPs, sustainability, and capacity expansion is expected to drive **moderate growth over FY25 and improve profitability** in the Packaging Films segment. We expect a revenue/EBITDA CAGR of 12%/32% over FY24-26 vs. historical (FY14-24) CAGR of 18%/24%.

Valuation and view

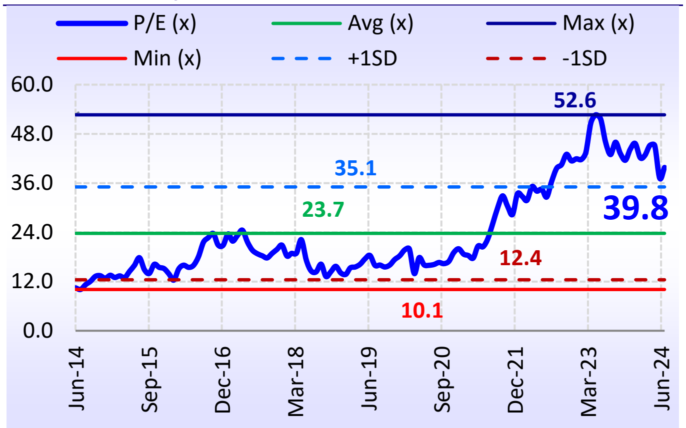
- Despite challenges in FY24, SRF anticipates a healthy growth in FY25, driven by strategic investments and capacity expansions. The company targets improved performance across segments, focusing on market recovery, innovation, and operational efficiencies to sustain profitability.
- The Chemicals business (Fluorochemicals and Specialty Chemicals) is expected to grow 20% YoY in FY25, with major improvements likely from 2HFY25. Conversely, Technical Textiles would witness a moderate growth in FY25. The packaging business is likely to remain under pressure in the medium term; however, marginal improvement is expected in FY25.
- We expect SRF to clock a revenue/EBITDA/Adj. PAT CAGR of 16%/22%/24% over FY24-26.
- **We reiterate our Neutral rating on the stock with our SoTP-based TP of INR2,140, owing** to its rich valuations**.**

Exhibit 1: Valuation methodology

EV/EBITDA	FY26 EBITDA (INR m)	Multiple (x)	EV (INR m)
Technical Textiles	4,534	10	47,375
Chemicals	29,999	18	5,53,779
Packaging Films	7,128	10	74,778
Others	1,275	5	6,998
Total EV			**6,82,931**
Less: Debt			50,202
Less: Minority Interest			-
Add: Cash & Cash Equivalents			3,713
Target Mcap (INR m)			**6,36,441**
Outstanding share (m)			297.4
Target Price (INR)			**2,140**

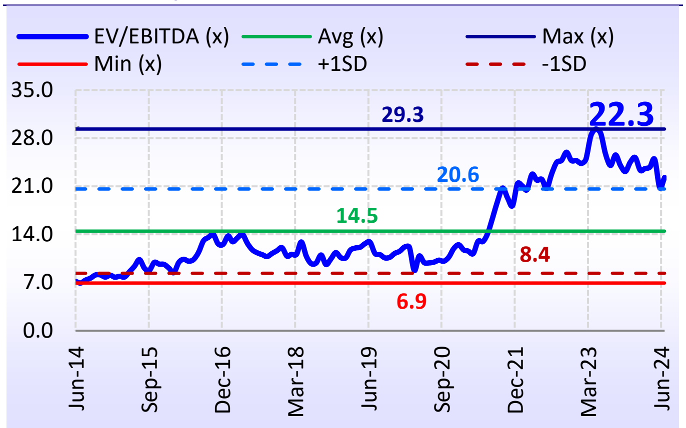
Source: MOFSL

Exhibit 2: One-year forward P/E ratio



Source: MOFSL

Exhibit 3: One-year forward EV/EBITDA ratio



Source: MOFSL

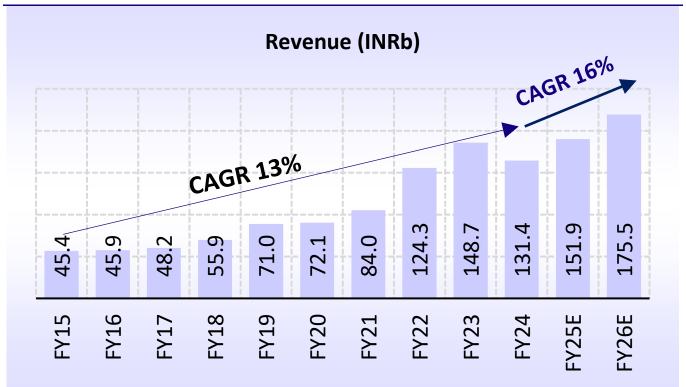
Story in charts

Exhibit 4: FY24 and outlook in a nutshell

Business Segment	Technical Textiles Business	Chemicals Business		Packaging Films Business
		Fluorochemicals	Specialty Chemicals	
Revenue in FY24 (INRb)	**19.0**	**21.3**	**36.7**	**44.9**
Growth %	0.2	(19.3)	(12.0)	(13.4)
CAGR % (FY14-24)	(1)	21	24	18
CAGR % (FY24-26E)	10	9	27	12
EBITDA (INRb)	**3.2**	**20.3**		**4.1**
EBITDAM %	17	32		9
CAGR % (FY14-24)	2	23		24
CAGR % (FY24-26E)	19	22		32
Current Situation	❖ Demand surge in 2HFY24 for high-quality products	❖ Challenging FY24 due to weak domestic market and increased competition	❖ Faced headwinds from excess inventory and increased competition from China	❖ Continuous margin pressure in FY24 due to competition and new capacities (overcapacity)
Key Developments	❖ Commissioned PIY capacity expansion ❖ Focus on capacity utilization and high-end VAPs portfolio.	❖ Commissioned PTFE, F32, and AHCl plants ❖ Backward integration and development of new refrigerant gases	❖ Commissioned nine dedicated facilities at Dahej ❖ Significant capex on new plants	❖ Achieved the highest-ever packed production and commercialization of VAPs Commissioned Aluminium Foil plant and started Capacitor Grade BOPP Film project
Outlook	❖ Moderate improvement in FY25 expected. ❖ Increased volumes and better capacity utilization ❖ Continued product innovation and market expansion	❖ Expects improvement with better global and Indian economic conditions ❖ Easing pricing pressures ❖ Full capacity ramp-up and continued product innovation	❖ Strong recovery expected with market improvements. ❖ Strategic entry into the Pharma segment ❖ Focus on product development and operational efficiency	❖ Margins to remain under pressure; focus on VAPs and capacity utilization ❖ Emphasis on ramping up the Aluminium Foil Business and sustainability initiatives

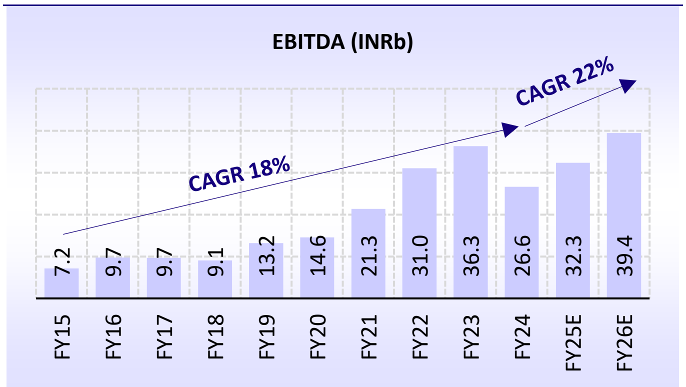
Source: MOFSL

Exhibit 5: SRF's consolidated revenue expected to register 16% CAGR over FY24-26



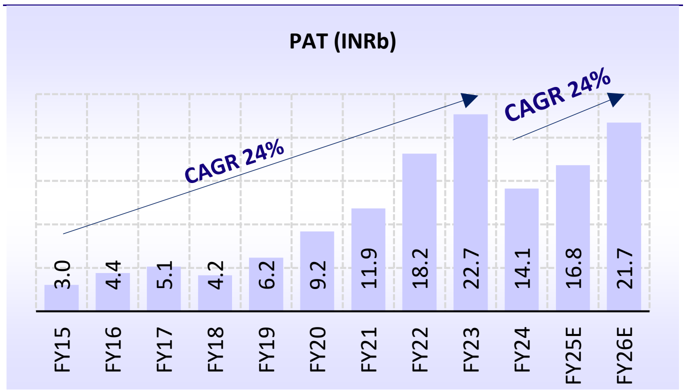
Source: Company, MOFSL

Exhibit 6: Consolidated EBITDA likely to report 22% CAGR over FY24-26



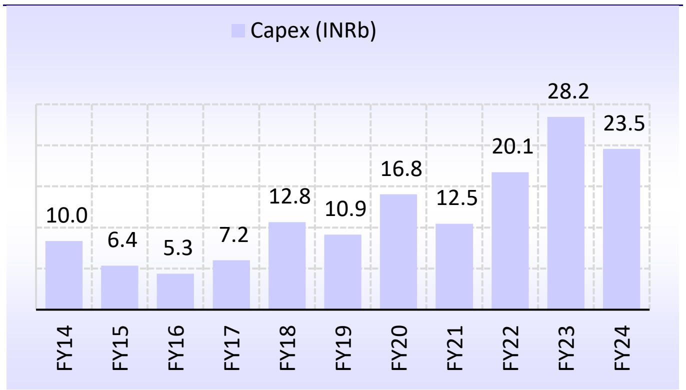
Source: Company, MOFSL

Exhibit 7: Consolidated Adj. PAT expected to clock 24% CAGR over FY24-26



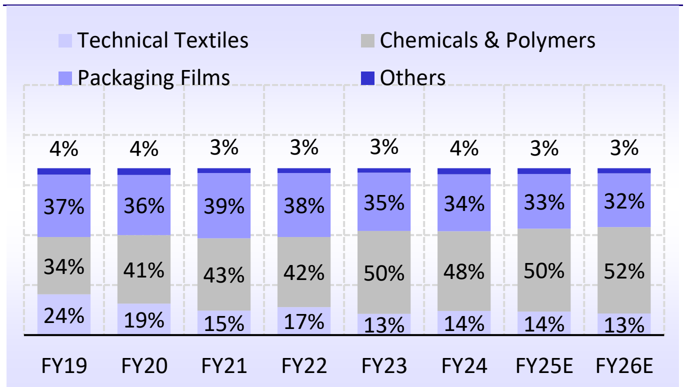
Source: Company, MOFSL

Exhibit 8: Capex trend



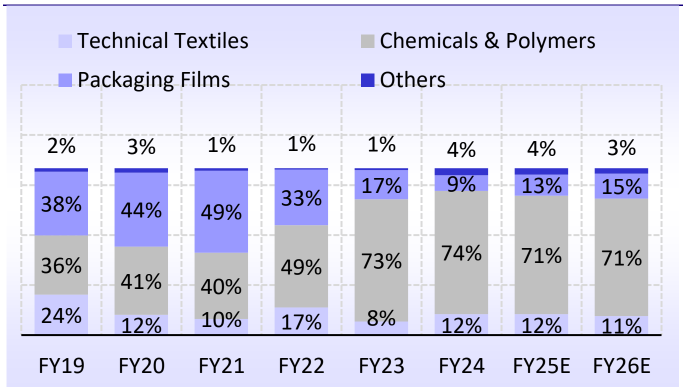
Source: Company, MOFSL

Exhibit 9: Revenue mix trend



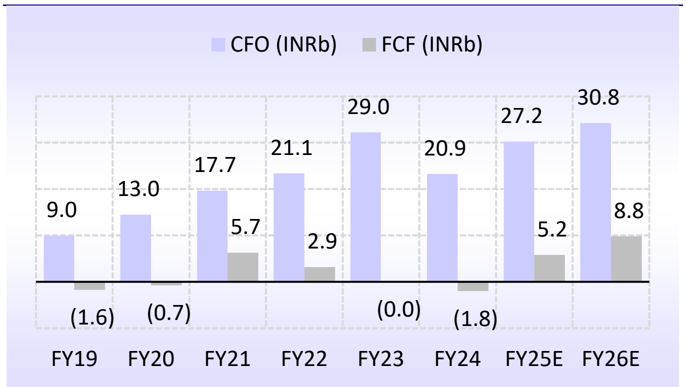
Source: Company, MOFSL

Exhibit 10: EBIT mix trend



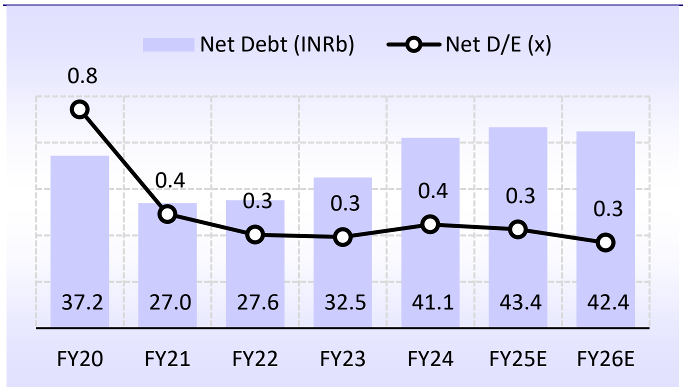
Source: Company, MOFSL

Exhibit 11: Cash flow trend



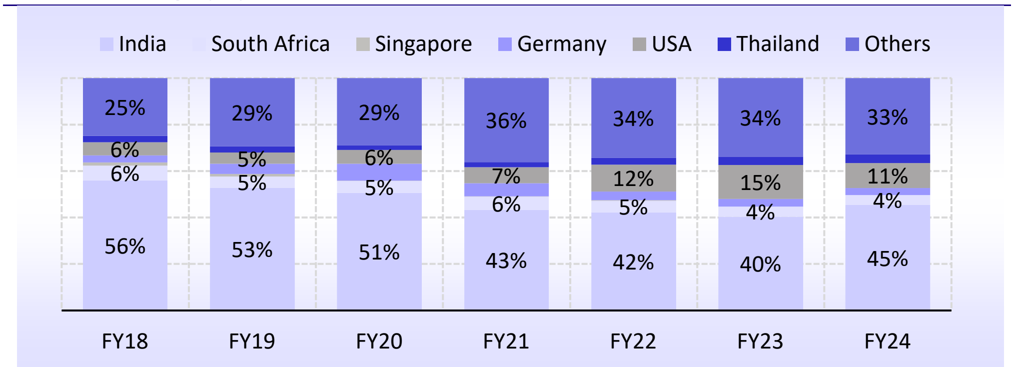
Source: Company, MOFSL

Exhibit 12: Net debt trend



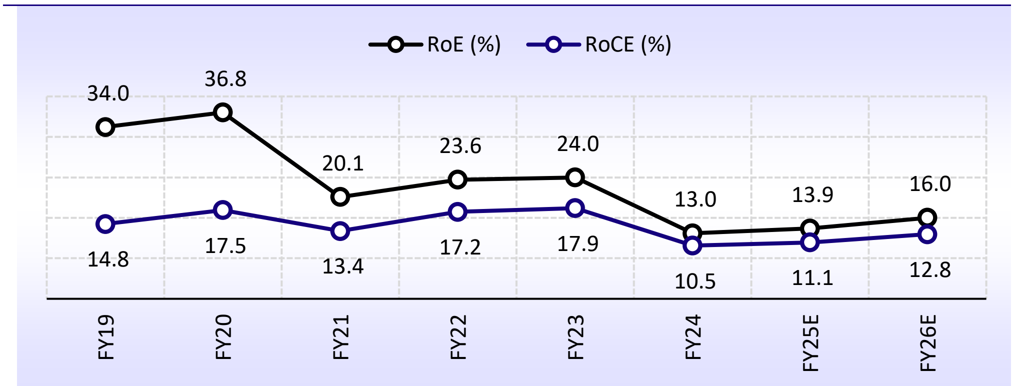
Source: Company, MOFSL

Exhibit 13: Geography-wise revenue mix (%)



Source: Company, MOFSL

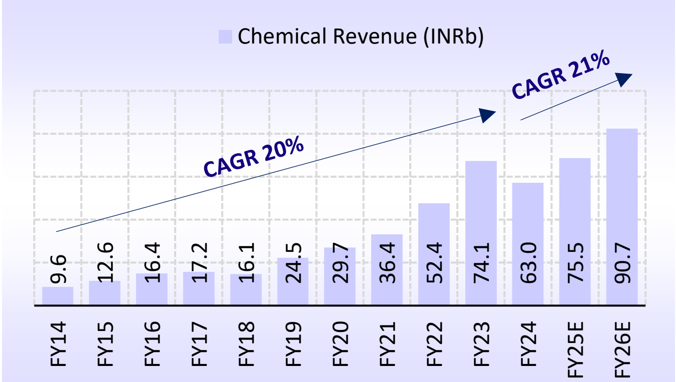
Exhibit 14: RoE and RoCE trends



Source: Company, MOFSL

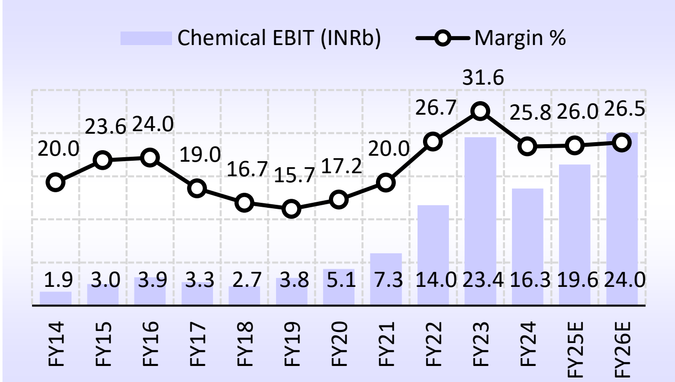
Key Charts

Exhibit 15: Chemicals' revenue likely to continue its growth momentum over FY24-26



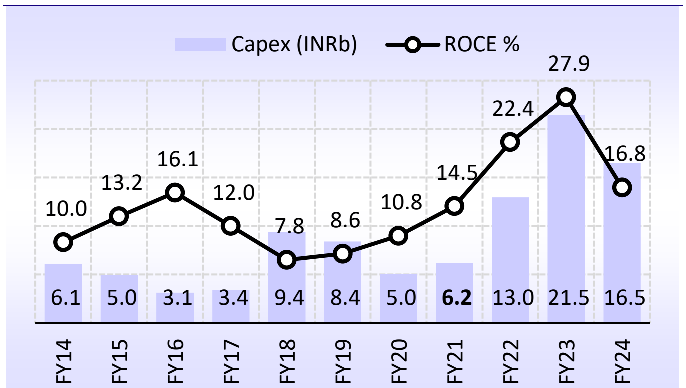
Source: Company, MOFSL

Exhibit 16: Chemicals' EBIT margin anticipated to improve by ~65bp over FY24-26



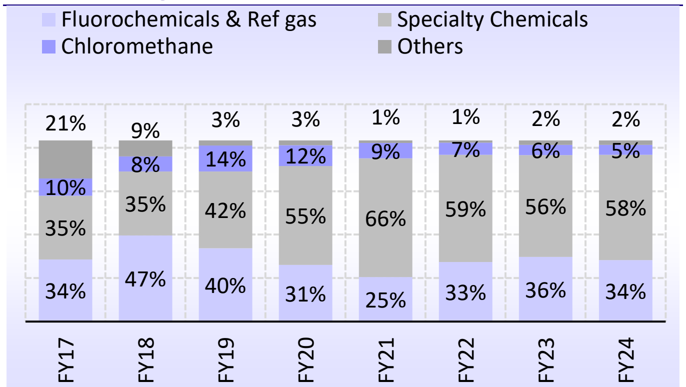
Source: Company, MOFSL

Exhibit 17: Hiatus on upward trajectory of SRF's Chemicals Business RoCE



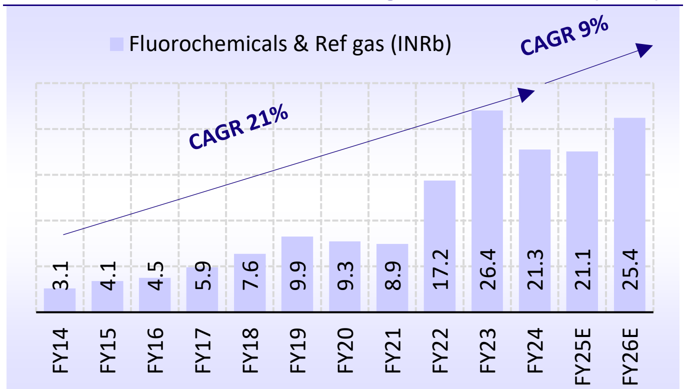
Source: Company, MOFSL

Exhibit 18: Segment mix trend of the Chemicals business



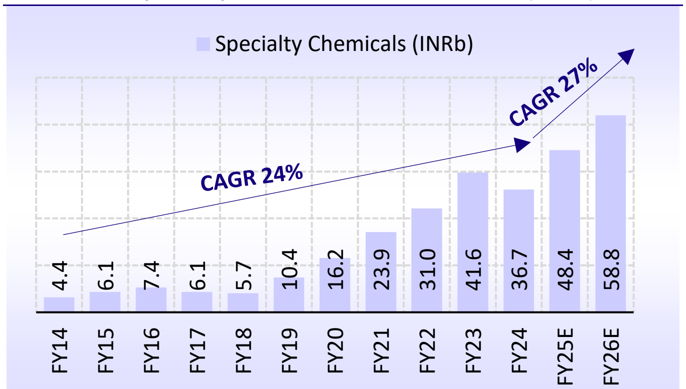
Source: Company, MOFSL

Exhibit 19: Fluorochemicals & Ref gas revenue trend (INRb)



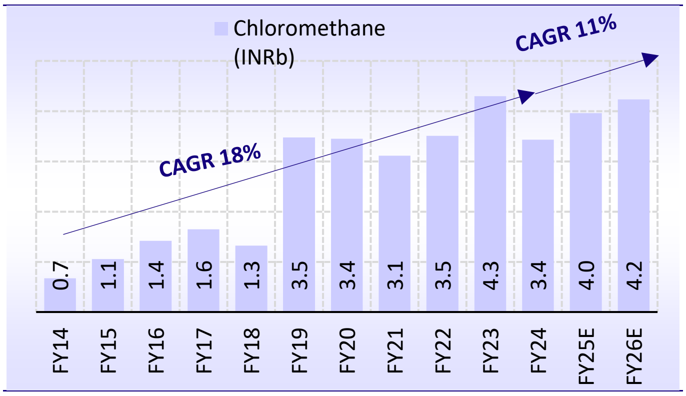
Source: Company, MOFSL

Exhibit 20: Specialty Chemicals' revenue trend (INRb)



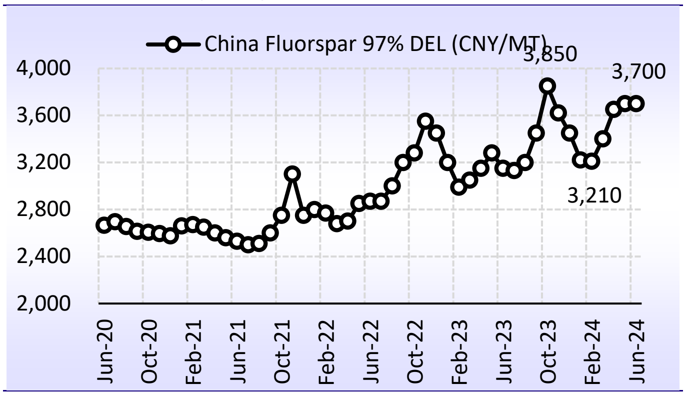
Source: Company, MOFSL

Exhibit 21: Chloromethane's revenue trend (INRb)



Source: Company, MOFSL

Exhibit 22: Fluorspar's price trend

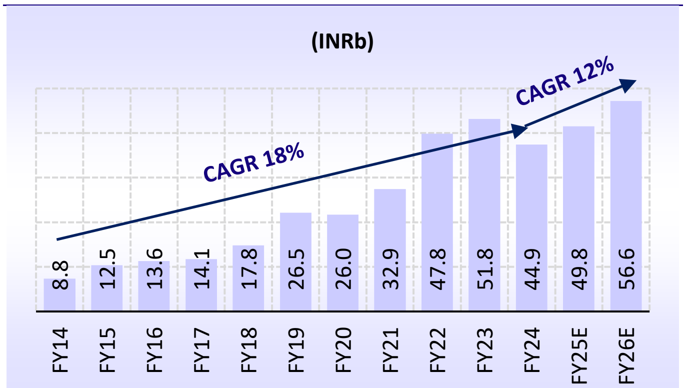


Source: BBG, MOFSL

Exhibit 23: SRF's Fluorochemicals – business products

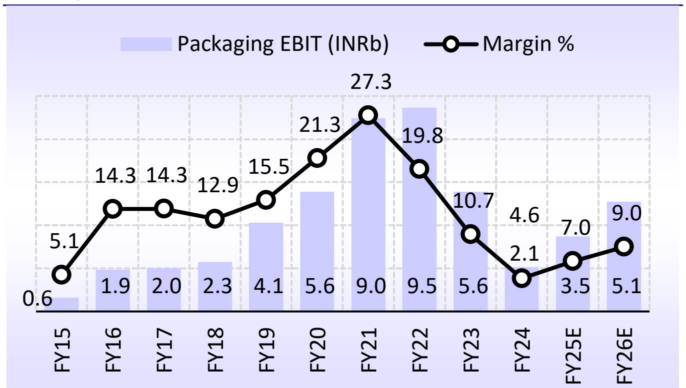
Source: Company, MOFSL

Exhibit 24: Packaging's revenue expected to register 12% CAGR over FY24-26



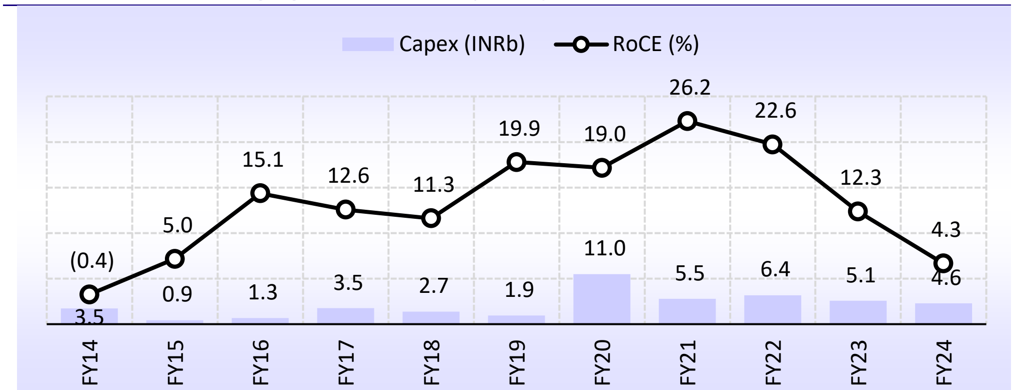
Source: Company, MOFSL

Exhibit 25: Packaging's EBIT margin likely to recover by ~440bp over FY24-26



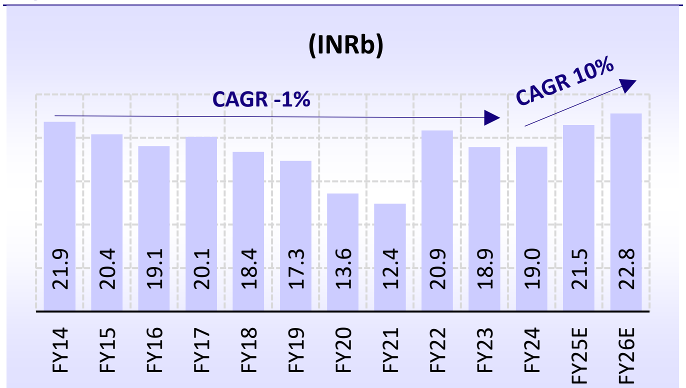
Source: Company, MOFSL

Exhibit 26: SRF's Packaging Film – RoCE trajectory



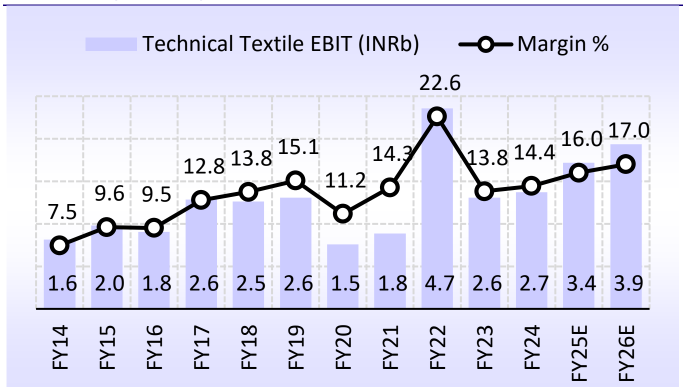
Source: Company, MOFSL

Exhibit 27: Technical Textiles' business revenue expected to register 10% CAGR over FY24-26



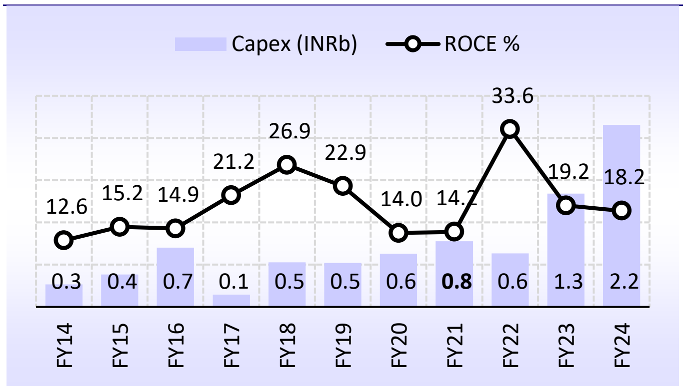
Source: Company, MOFSL

Exhibit 28: Technical Textiles' business EBIT margin likely to recover by ~255bp over FY24-26



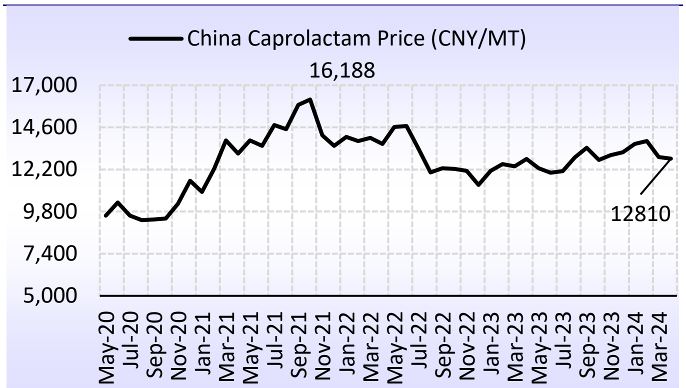
Source: Company, MOFSL

Exhibit 29: Technical Textiles' business capex and RoCE trends



Source: Company, MOFSL

Exhibit 30: Caprolactam's (key raw material) price trend



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement									(INRm)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**
Income from Operations	56,849	70,996	72,094	84,000	1,24,337	1,48,703	1,31,385	1,51,934	1,75,479
Less: Excise Duty	958	0	0	0	0	0	0	0	0
Total Income from Operations	**55,890**	**70,996**	**72,094**	**84,000**	**1,24,337**	**1,48,703**	**1,31,385**	**1,51,934**	**1,75,479**
Change (%)	15.9	27.0	1.5	16.5	48.0	19.6	-11.6	15.6	15.5
Cost of Materials Consumed	30,320	39,671	36,870	40,189	60,669	73,935	67,088	77,925	88,512
Personnel Expenses	4,740	4,608	5,419	6,214	7,800	8,138	9,350	10,332	11,406
Other Expenses	11,768	13,508	15,221	16,264	24,835	30,297	28,339	31,382	36,140
Total Expenditure	**46,828**	**57,787**	**57,510**	**62,667**	**93,305**	**1,12,371**	**1,04,777**	**1,19,638**	**1,36,058**
EBITDA	**9,062**	**13,209**	**14,584**	**21,333**	**31,032**	**36,332**	**26,608**	**32,296**	**39,421**
Margin (%)	16.2	18.6	20.2	25.4	25.0	24.4	20.3	21.3	22.5
Depreciation	3,158	3,582	3,886	4,531	5,172	5,753	6,726	7,980	9,036
EBIT	**5,904**	**9,627**	**10,698**	**16,803**	**25,860**	**30,579**	**19,882**	**24,316**	**30,384**
Int. and Finance Charges	1,239	1,984	2,007	1,340	1,159	2,048	3,023	3,042	2,816
Other Income	688	280	491	545	428	749	830	996	1,195
PBT bef. EO Exp.	**5,353**	**7,923**	**9,182**	**16,008**	**25,128**	**29,280**	**17,689**	**22,270**	**28,764**
EO Items	463	262	997	116	727	-1,040	-767	0	0
PBT after EO Exp.	**5,817**	**8,185**	**10,179**	**16,123**	**25,856**	**28,240**	**16,922**	**22,270**	**28,764**
Current Tax	1,200	1,769	265	4,154	7,139	6,617	3,565	5,457	7,048
Deferred Tax	0	0	-277	-10	-173	0	0	0	0
Tax Rate (%)	20.6	21.6	-0.1	25.7	26.9	23.4	21.1	24.5	24.5
Reported PAT	**4,617**	**6,416**	**10,191**	**11,979**	**18,889**	**21,623**	**13,357**	**16,813**	**21,716**
Adjusted PAT	**4,154**	**6,155**	**9,194**	**11,864**	**18,162**	**22,663**	**14,124**	**16,813**	**21,716**
Change (%)	-19.3	48.2	49.4	29.0	53.1	24.8	-37.7	19.0	29.2
Margin (%)	7.4	8.7	12.8	14.1	14.6	15.2	10.8	11.1	12.4

Consolidated - Balance Sheet									(INRm)
Y/E March	**FY18**	**FY19**	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25E**	**FY26E**
Equity Share Capital	575	575	585	603	2,974	2,974	2,974	2,974	2,974
Total Reserves	35,071	40,718	48,748	67,962	82,679	1,00,296	1,11,816	1,24,167	1,40,827
Net Worth	**35,646**	**41,293**	**49,333**	**68,564**	**85,654**	**1,03,271**	**1,14,790**	**1,27,142**	**1,43,801**
Deferred Liabilities	2,914	3,420	1,755	3,862	6,775	8,092	9,387	9,387	9,387
Total Loans	31,418	37,302	40,468	33,950	35,394	43,541	49,202	52,202	50,202
Capital Employed	**69,978**	**82,014**	**91,556**	**1,06,376**	**1,27,822**	**1,54,903**	**1,73,380**	**1,88,731**	**2,03,391**
Gross Block	87,502	68,322	76,934	96,167	1,06,943	1,28,622	1,67,373	1,95,373	2,15,373
Less: Accum. Deprn.	36,327	12,269	15,540	20,071	25,243	30,997	37,723	45,703	54,739
Net Fixed Assets	**51,175**	**56,053**	**61,394**	**76,096**	**81,699**	**97,626**	**1,29,650**	**1,49,669**	**1,60,633**
Goodwill on Consolidation	41	41	6	6	0	0	0	0	0
Capital WIP	5,588	7,536	13,933	7,723	16,716	24,055	8,053	2,053	4,053
Current Investments	1,217	1,005	1,985	4,125	3,167	4,901	4,056	4,056	4,056
Total Investments	**1,218**	**1,006**	**2,027**	**4,167**	**3,209**	**4,942**	**5,267**	**5,267**	**5,267**
Curr. Assets, Loans&Adv.	**25,608**	**34,243**	**31,265**	**41,121**	**56,025**	**60,735**	**61,574**	**66,346**	**71,118**
Inventory	9,582	12,247	12,012	14,658	21,385	22,743	23,265	24,552	26,190
Account Receivables	6,807	10,288	8,911	12,746	17,925	17,856	19,428	19,980	21,634
Cash and Bank Balance	967	1,989	1,255	2,820	4,594	6,165	4,075	4,788	3,713
Loans and Advances	8,252	9,719	9,088	10,898	12,123	13,972	14,805	17,026	19,580
Curr. Liability & Prov.	**13,653**	**16,865**	**17,211**	**22,918**	**29,944**	**32,642**	**31,440**	**34,880**	**37,956**
Account Payables	10,442	13,824	11,117	15,852	20,964	22,313	21,978	24,552	26,675
Other Current Liabilities	2,831	2,600	5,653	6,544	8,391	9,642	8,660	9,526	10,479
Provisions	380	441	442	522	590	687	802	802	802
Net Current Assets	**11,955**	**17,378**	**14,054**	**18,203**	**26,081**	**28,093**	**30,134**	**31,466**	**33,162**
Deferred Tax assets	0	0	143	181	116	187	276	276	276
Appl. of Funds	**69,978**	**82,014**	**91,556**	**1,06,376**	**1,27,822**	**1,54,903**	**1,73,380**	**1,88,731**	**2,03,391**

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)									
EPS	**14.0**	**20.7**	**30.9**	**39.9**	**61.1**	**76.2**	**47.5**	**56.5**	**73.0**
Cash EPS	24.6	32.7	44.0	55.1	78.5	95.5	70.1	83.4	103.4
BV/Share	119.8	138.8	165.9	230.5	288.0	347.2	385.9	427.5	483.5
DPS	3.1	3.9	2.8	4.9	16.8	7.2	7.2	15.0	17.0
Payout (%)	23.1	20.8	9.6	12.1	26.4	9.9	16.0	26.5	23.3
Valuation (x)									
P/E	172.9	116.7	78.1	60.5	39.5	31.7	50.8	42.7	33.1
Cash P/E	98.2	73.8	54.9	43.8	30.8	25.3	34.4	29.0	23.4
P/BV	20.1	17.4	14.6	10.5	8.4	7.0	6.3	5.6	5.0
EV/Sales	13.4	10.6	10.5	8.9	6.0	5.0	5.8	5.0	4.3
EV/EBITDA	82.5	57.0	51.8	34.9	24.0	20.7	28.5	23.6	19.3
Dividend Yield (%)	0.1	0.2	0.1	0.2	0.7	0.3	0.3	0.6	0.7
FCF per share	-20.3	-5.3	-2.3	19.1	9.7	0.0	-6.1	17.5	29.6
Return Ratios (%)									
EBITDA Margins (%)	16.2	18.6	20.2	25.4	25.0	24.4	20.3	21.3	22.5
Net Profit Margins (%)	7.4	8.7	12.8	14.1	14.6	15.2	10.8	11.1	12.4
RoE	12.3	16.0	20.3	20.1	23.6	24.0	13.0	13.9	16.0
RoCE	8.5	10.7	13.3	13.4	17.2	17.9	10.5	11.1	12.8
RoIC	13.8	18.0	15.3	26.3	34.2	34.7	18.2	18.9	21.4
Working Capital Ratios									
Fixed Asset Turnover (x)	0.6	1.0	0.9	0.9	1.2	1.2	0.8	0.8	0.8
Asset Turnover (x)	0.8	0.9	0.8	0.8	1.0	1.0	0.8	0.8	0.9
Inventory (Days)	115	113	119	133	129	112	127	115	108
Debtor (Days)	44	53	45	55	53	44	54	48	45
Creditor (Days)	126	127	110	144	126	110	120	115	110
Working Cap. Turnover (Days)	72	79	65	67	63	54	72	64	61
Leverage Ratio (x)									
Current Ratio	1.9	2.0	1.8	1.8	1.9	1.9	2.0	1.9	1.9
Interest Cover Ratio	5	5	5	13	22	15	7	8	11
Debt/Equity	0.9	0.9	0.8	0.5	0.4	0.4	0.4	0.4	0.3

Consolidated - Cash Flow Statement

(INRm)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	5,817	8,269	10,706	16,099	25,856	28,240	16,922	22,270	28,764
Depreciation	3,158	3,669	3,929	4,531	5,172	5,753	6,726	7,980	9,036
Interest & Finance Charges	1,239	2,016	2,016	1,340	1,159	2,048	3,023	3,042	2,816
Direct Taxes Paid	-1,176	-1,502	-1,427	-2,553	-4,016	-6,617	-3,565	-5,457	-7,048
(Inc)/Dec in WC	-1,909	-3,165	-239	-1,236	-6,645	-408	-2,168	-620	-2,770
CF from Operations	**7,129**	**9,286**	**14,984**	**18,181**	**21,527**	**29,017**	**20,938**	**27,216**	**30,798**
Others	-349	-330	-1,940	-464	-469	0	0	0	0
CF from Operating incl EO	**6,780**	**8,956**	**13,044**	**17,717**	**21,057**	**29,017**	**20,938**	**27,216**	**30,798**
(inc)/dec in FA	-12,829	-10,526	-13,730	-12,047	-18,171	-29,019	-22,748	-22,000	-22,000
Free Cash Flow	**-6,049**	**-1,570**	**-685**	**5,670**	**2,886**	**-2**	**-1,810**	**5,216**	**8,798**
(Pur)/Sale of Investments	840	332	-886	-1,886	1,028	-1,733	-325	0	0
Others	35	53	2,813	-1,064	1,265	1,138	800	0	0
CF from Investments	**-11,953**	**-10,142**	**-11,803**	**-14,997**	**-15,877**	**-29,614**	**-22,273**	**-22,000**	**-22,000**
Issue of Shares	0	1	0	7,500	2	0	0	0	0
Inc/(Dec) in Debt	4,095	2,677	3,205	-6,856	622	8,147	5,662	3,000	-2,000
Interest Paid	-1,299	-2,241	-2,040	-1,574	-1,173	-2,048	-3,023	-3,042	-2,816
Dividend Paid	-829	-836	-803	-1,408	-2,117	-2,142	-2,142	-4,462	-5,056
Others	3,213	2,606	-2,337	1,182	-741	-1,789	-1,252	0	0
CF from Fin. Activity	**5,179**	**2,207**	**-1,975**	**-1,155**	**-3,406**	**2,168**	**-754**	**-4,504**	**-9,873**
Inc/Dec of Cash	**6**	**1,021**	**-734**	**1,565**	**1,774**	**1,571**	**-2,089**	**712**	**-1,074**
Opening Balance	961	967	1,989	1,255	2,820	4,594	6,164	4,075	4,788
Closing Balance	**967**	**1,989**	**1,255**	**2,820**	**4,594**	**6,164**	**4,075**	**4,788**	**3,713**

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UNDER REVIEW	Rating may undergo a change
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