

Rating matrix	
Rating	: Buy
Target	: ₹ 170
Target Period	: 12-18 months
Potential Upside	: 31%

What's changed?	
Target	Changed from ₹ 245 to ₹ 170
EPS FY19E	Changed from ₹ 5.8 to ₹ 7.4
EPS FY20E	Changed from ₹ 9.4 to ₹ 9.6
Rating	Unchanged

Quarterly performance					
	Q1FY19	Q1FY18	YoY (%)	Q4FY18	QoQ (%)
Revenue	604.7	452.3	33.7	550.8	9.8
EBITDA	135.8	99.8	36.0	124.4	9.2
EBITDA (%)	22.4	22.1	38 bps	22.6	-13 bps
PAT	76.7	50.0	53.2	71.2	7.6

Key financials				
₹ crore	FY17	FY18	FY19E	FY20E
Net Sales	1324.2	1971.2	2394.1	2969.4
EBITDA	227.0	450.3	540.2	690.9
Net Profit	81.2	242.6	309.2	400.4
EPS (₹/share)	1.9	5.8	7.4	9.6

Valuation summary				
	FY17	FY18	FY19E	FY20E
P/E	67.0	22.4	17.6	13.6
Target P/E	87.7	29.4	23.0	17.8
EV / EBITDA	26.3	12.8	11.1	8.7
P/BV	5.0	3.7	3.1	2.5
RoNW	7.5	16.7	17.6	18.6
RoCE	10.6	18.2	19.5	21.6
ROIC	11.1	23.2	25.7	25.7

Stock data	
Stock Data	₹ crore
Market Capitalization	5439
Total Debt (FY18)	624
Cash and Cash Equivalent (FY18)	305
Enterprise Value	5758
52 week H/L	197 / 102
Equity Capital	41.8
Face Value	₹ 10
MF Holding (%)	0.4
FII Holding (%)	2.4

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Himadri Speciality (HIMCHE)

₹ 130

Firmly placed, moving up the value chain...

- Himadri Speciality Chemicals (HSCL) reported a robust Q1FY19 performance. Net sales in Q1FY19 were at ₹ 604.7 crore, up 34% YoY largely tracking 28% growth in realisations and 5% growth in volume
- Carbon sales volume in Q1FY19 were at 99,200 tonne with blended realisations at ₹ 60,467/tonne (94,769 tonne, ₹ 47,264/tonne in Q1'18)
- EBITDA in Q1FY19 came in at ₹ 135.8 crore with corresponding EBITDA margins at 22.4% (EBITDA/tonne at ₹ 13,685/tonne)
- PAT in Q1FY19 came in at ₹ 76.7 crore vs. ₹ 50.0 crore in the base quarter and ₹ 71.2 crore in Q4FY18
- HSCL is well poised to commission its speciality carbon black plant (capacity 60,000 tonne) by Q1FY20E and advance carbon material plant (capacity 20,000 tonne) by FY20 end (total capex at ₹ 600 crore)

Advance carbon material: Most exciting part, new & credible play

HSCL, with three decades of experience in the carbon industry and a decade long indigenous research, has developed advance carbon material for use in manufacturing Li-ion batteries for electric vehicles, Consumer electronics (mobile phones) and energy storage solutions. HSCL has already started supplying small batches to end customers and is on its way for a 20,000 tonne capacity expansion in this domain by FY20. It may fetch high margin with intended RoCE of ~30%+ and provide fillip to earnings from FY20E onwards. HSCL is one of the few listed players with exposure to the EV story in true sense domestically.

Speciality carbon black; breakthrough bodes well, global play

Carbon black is an industrial chemical primarily used as a reinforcement material for manufacturing tyres. HSCL is the third largest player (~15% market share) of carbon black in India and has the capacity to manufacture 1.2 lakh tonne (sales at ~1 lakh tonne). However, with robust product demand under way and favourable economics, HSCL is executing a 60,000 tonne speciality grade carbon black expansion (capex of ~₹ 300 crore) with likely commissioning by FY19E end. HSCL has access to the requisite manpower to penetrate the highly protective and remunerative speciality carbon black space. This speciality grade carbon black line is primarily meant for export markets and is expected to fetch ~30% EBITDA margins with realised RoCE in excess of 40%.

Healthy balance sheet & return ratios, impressive growth trajectory, BUY

HSCL, through a decade of indigenous research and development is gradually moving up the value chain with a specialised product profile. It is on the verge of commissioning a speciality carbon black line, which is a new chemistry with very high margin profile. It has also developed a process to manufacture advance carbon material that is intended to be used in batteries for electric vehicles. This is indeed a very promising upcoming segment. On the balance sheet front, HSCL has gradually lowered its debt gearing with debt: equity at 0.7x FY17, which is gradually expected to decline to 0.3x by FY20E. It is also generating healthy cash flows with CFO yield at ~5%. On account of process efficiencies as well as realisation support, HSCL also realises healthy return ratios with average RoE, RoCE in FY18-20E at ~18%, ~20%, respectively. Factoring in the management commentary over some delay in executing projects as well as funding the capex through internal accruals entirely, we revise our estimates. Going forward, we expect HSCL to clock sales, PAT CAGR of 22.7% & 28.5%, respectively, in FY18-20E. We value HSCL at ₹ 170 i.e. 18x P/E on FY20E EPS of ₹ 9.6 with a **BUY** rating on the stock.

Product profile

Exhibit 1: Product Profile

Product Name	Product Diagram/Picture	Specifications	End User Industries
Aluminum grade pitch		Coal Tar Pitch for aluminum, graphite and other industries	Power lines & cables, automobiles, construction, packaging (cans, foils, caps etc.) and consumer durables.
Graphite grade binder pitch		Used as a binding agent in the manufacture of high quality electrodes in the manufacture of graphite through the electric arc furnace route. It accounts for ~44% in volume terms per tonne of graphite	Steel, refractory, batteries, brake linings, etc.
Graphite grade zero QI impregnating pitch		Used in graphite electrode manufacturing process to cover pores and enhances the life of the electrode. They have lower quinoline insoluble content and used in larger quantities to density graphite electrodes	Graphite manufacturing
Special and other Pitches		Special pitches are further processed to impart certain properties to enhance the product quality of the final product	DRDO in manufacture of long range warhead missiles. Refractory, water proofing solutions, manufacture of ultramarine blue among others
Advanced Carbon Material		Manufactured by distilling coal tar to create specialised pitch, which then undergoes carbonisation, graphitisation and powder treatment to finally be used as anode material in lithium ion batteries	Fast growing sectors like electric vehicles, consumer electricals (laptops, smart phones), and power storage equipment
Value added by-products from coal tar distillation process			
Carbon Black and Creosote Oils		~35% of coal tar distilled yields useful oils that are further processed to manufacture downstream VAP's. Carbon black is used as a reinforcement material in tyres and other industrial rubber goods. Creosote oils are used as preservative oils to elongate life of wood and as wash oil in steel plants	Tyres, plastic master batches, printing inks, reinforcement material in tyres and other conveyor belts, hoses and pipes and fibre industrial rubber goods. Creosote oils are used as coatings among others
Refined Naphthalene, SNF and PCE		Total ~10% of coal tar distilled yields naphthalene that is sold as naphthalene balls of flakes. It is also further processed to manufacture value added products like SNF and PCE that are used to increase strength in concrete ad mixtures and agrochemical industries	Infrastructure, commercial construction, dyes and pigments, agrochemicals, leather and high performance concrete

Source: Company, ICICI Direct Research

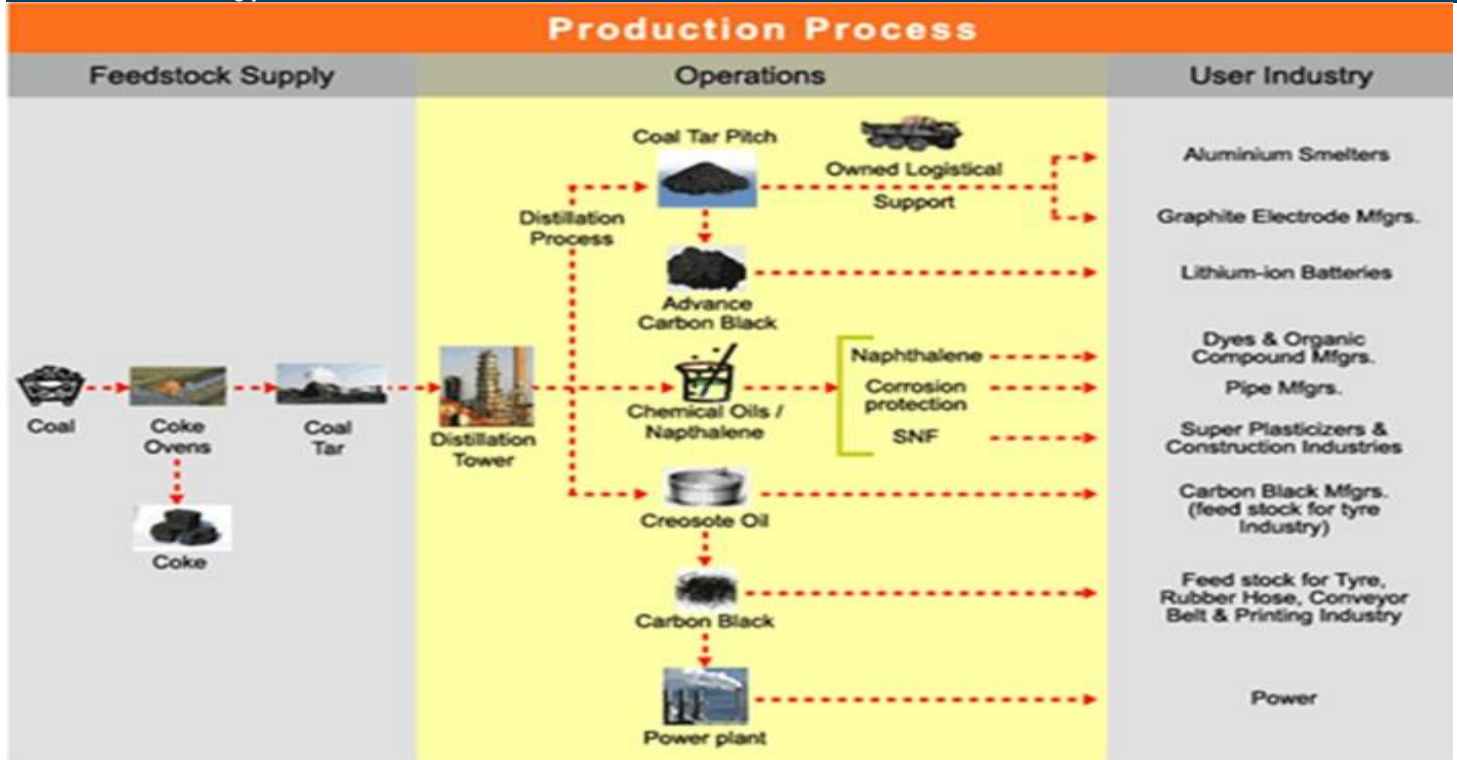
Company Analysis

Himadri Speciality Chemical (HSC), founded and promoted by the Choudhary group, began its journey in 1987 as a private limited company called Himadri Casting Pvt Ltd. In 1990, the company entered the coal tar distillation business by setting up a 4800 MT capacity in Howrah (West Bengal). After three decades, HSC has evolved as India's leading fully integrated specialty carbon company by tapping into the entire carbon value chain with a wide range of high demand specialised products. The company has grown exponentially with total installed capacity of 400,000 MT of coal tar distillation, 120,000 MT of carbon black, 68,000 MT of SNF (concrete add mixture) and a 20 MW power plant strategically spread across eight zero discharge facilities across India (West Bengal, Odisha, Chattisgarh, Gujarat, Andhra Pradesh). As of 2017, HSC commands a staggering market share of ~70% of total domestic coal tar pitch demand catering to aluminium & graphite electrode manufacturers. The company is the third largest carbon black manufacturer domestically commanding a market share in excess of ~15%. HSC is also the only company in India to manufacture anode material for lithium ion batteries, which find application in high growth sectors like smart phones, consumer electrical, electric vehicles and energy storage solutions

Manufacturing process

Coal tar is the basic raw material for HSC, which is obtained as a by-product while manufacturing metallurgical coke in steel making process (blast furnace route). HSC is the largest procurer of coal tar from steel plants in India. Coal tar is then distilled at high temperature and pressure to mainly yield coal tar pitch along with other co-products such as residual oil that is used for manufacturing carbon black and naphthalene.

Exhibit 2: Manufacturing process



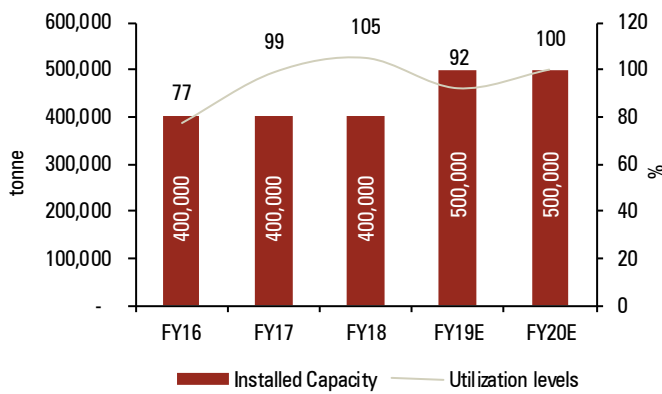
Source: Company, ICICI Direct Research

In the advance carbon space, the company manufactures both intermediates as well as the final product. Intermediates are coke granules and coke powder while the final product is the anode material of the lithium ion battery (LIB) itself.

With firm capex plans, HSCL to witness 9.3% volume CAGR in FY18-20

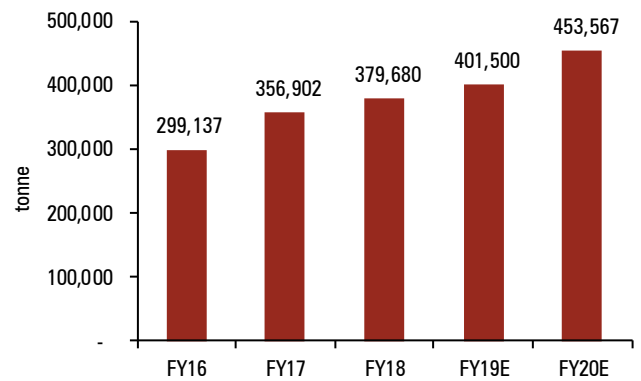
HSCL has a coal tar distillation capacity of 4 lakh tonne with our back of the envelope calculation depicting utilisation levels of 100% for FY17. Going forward, the company is executing a de-bottlenecking exercise, which will augment its coal tar distillation capacity by 1 lakh tonne and is due to be commissioned in FY19E. Going forward, given the robust product demand and HSCL's prerogative to maintain its market share in the CTP business segment, we expect utilisation levels to remain elevated in FY18-20E. Consequently, we expect the company to record total carbon sales volume growth of 9.3% CAGR in FY18-20E. We expect HSCL to record carbon sales of 4.5 lakh tonne in FY20E (3.8 lakh tonne in FY18).

Exhibit 3: Capacity and utilisation levels trend



Source: Company, ICICI Direct Research

Exhibit 4: Carbon sales volume trend

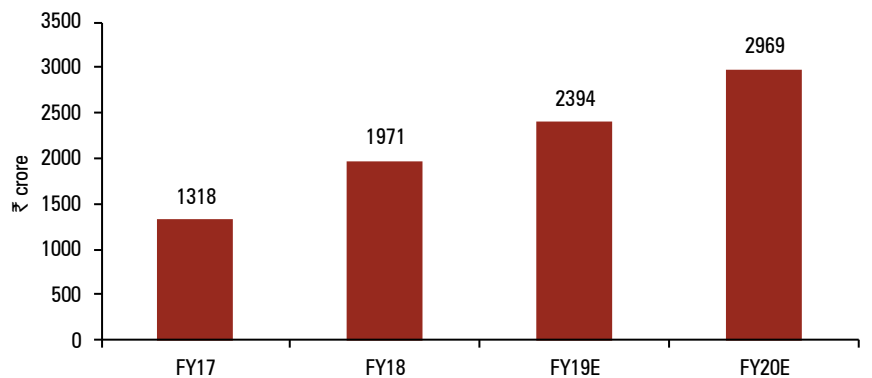


Source: Company, ICICI Direct Research

Net sales to grow at CAGR of 22.7% in FY18-20E

Consequent topline growth is expected at 22.7% CAGR in FY18-20E. We expect HSCL to report net sales of ₹ 2969 crore in FY20E vs. ₹ 1971 crore reported in FY18. On the growth trajectory front, FY19E would be a year of consolidation with ~6% volume growth with pent up sales expected in FY20E as new capacity gets commissioned. The CTP pitch is expected to continue to command a lion's share in overall revenues with its share in total topline expected at 40%+ in FY18-20E (down from present levels of 50%+). Speciality carbon black and advance carbon material are expected to command a revenue share of ~17% in FY20E.

Exhibit 5: Net sales trend



Source: Company, ICICI Direct Research

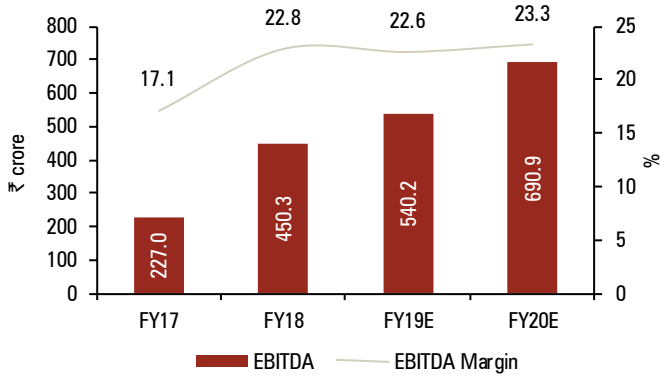
We expect HSCL to record net sales of ₹ 2394 crore in FY19E & ₹ 2969 crore in FY20E

EBITDA/tonne is expected at ₹13454/tonne in FY19E & ₹15232/tonne in FY20E (₹ 11859/tonne in FY18).

EBITDA to stage impressive 23.9% CAGR over FY18-20E

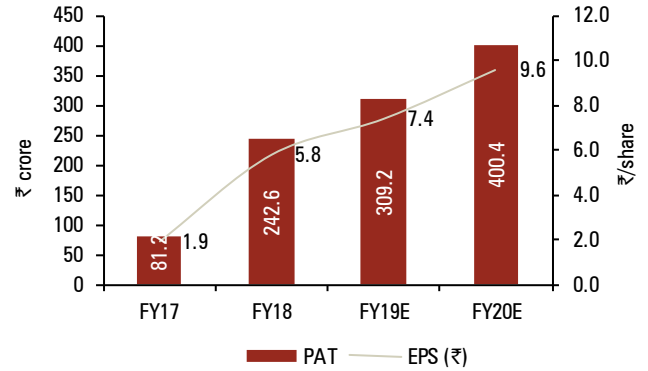
We expect EBITDA to stage an impressive CAGR of 23.9% in FY18-20E, building in conservative 50 bps improvement in EBITDA margins i.e. from 22.8% in FY18 to 23.3% in FY20E. The expansion in margins is conservative given the new product segment i.e. advance carbon material & speciality carbon black, which may fetch at least 25% EBITDA margins

Exhibit 6: EBITDA & EBITDA margins trend



Source: Company, ICICI Direct Research

Exhibit 7: PAT & EPS trend



Source: Company, ICICI Direct Research

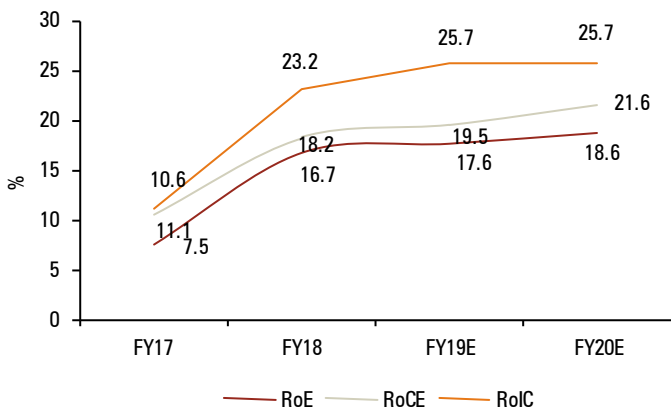
Going forward, robust topline growth coupled with margin expansion is expected to lead to 28.5% CAGR in PAT in FY18-20E. We expect HSCCL to report PAT of ₹ 309.2 crore in FY19E vs. ₹ 242.6 in FY18. In FY20E, however, growth is expected to be exponential with PAT expected at ₹ 400.4 crore given the incremental capacity of value added products gets commissioned.

Core returns ratios clocking 20%; debt: equity steadily on decline

In the past, return ratios were dismal with HSCCL clocking single digit return ratios. Going forward, however, improved profitability in FY18E and negotiations of contractual terms has resulted in a resurging efficiency with FY18 RoIC at 23%. Given the robust product demand outlook, we expect RoIC to remain in the +20% band (FY18-20E).

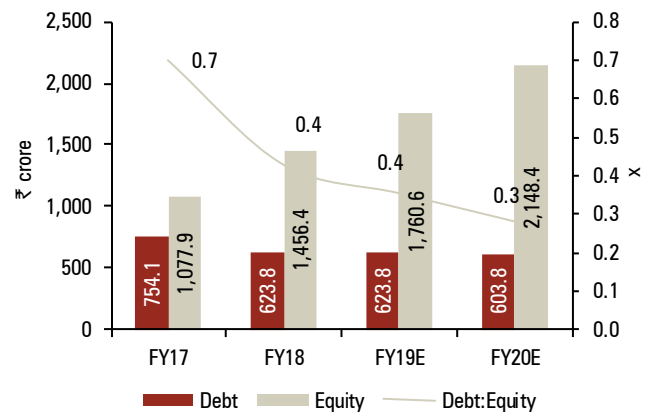
Return ratios were dismal due to volatile foreign exchange rate and HSCCL's business model being susceptible to foreign exchange risk. It is also attributable to constricted contractual terms with its key customers thereby resulting in HSCCL absorbing all trade shocks of abnormal price movements (both raw material & end product)

Exhibit 8: Return ratios profile



Source: Company, ICICI Direct Research

Exhibit 9: Debt: Equity trend



Source: Company, ICICI Direct Research

We expect absolute debt at ₹ 624 crore in FY19E & ₹ 604 crore in FY20E vs. ₹ 624 crore in FY18

Absolute debt peaked out in FY14. Since then, debt has been on a declining trend with absolute debt as on FY18 at ~₹ 620 crore (debt: equity at 0.4x). Going forward, expect debt to further decline with consequent debt: equity at 0.3x by FY20E. We expect a large part of the capex spend to be met by internal accruals.

Outlook and valuation

HSCL, through a decade of indigenous research and development, is gradually moving up the value chain with a specialised product profile. The company is on the verge of commissioning a speciality carbon black line that is a new chemistry with very high margin profile. It has also developed a process to manufacture advance carbon material, which is intended to be used in batteries for electric vehicles. This is indeed a very promising upcoming segment. On the balance sheet front, HSCL has gradually lowered its debt gearing with debt: equity at 0.7x FY17, which is gradually expected to decline to 0.3x by FY20E. It is also generating healthy cash flows with CFO yield at ~5%. On account of process efficiencies as well as realisation support, HSCL also realises healthy return ratios with average RoE, RoCE in FY18-20E at ~18% & ~20% respectively. Factoring in the management commentary over some delay in executing projects as well as funding the capex through internal accruals entirely, we revise our estimates. Going forward, we expect HSCL to clock sales, PAT CAGR of 22.7% & 28.5%, respectively, in FY18-20E. We value HSCL at ₹ 170 i.e. 18x P/E on FY20E EPS of ₹ 9.6. We have a **BUY** rating on the stock.

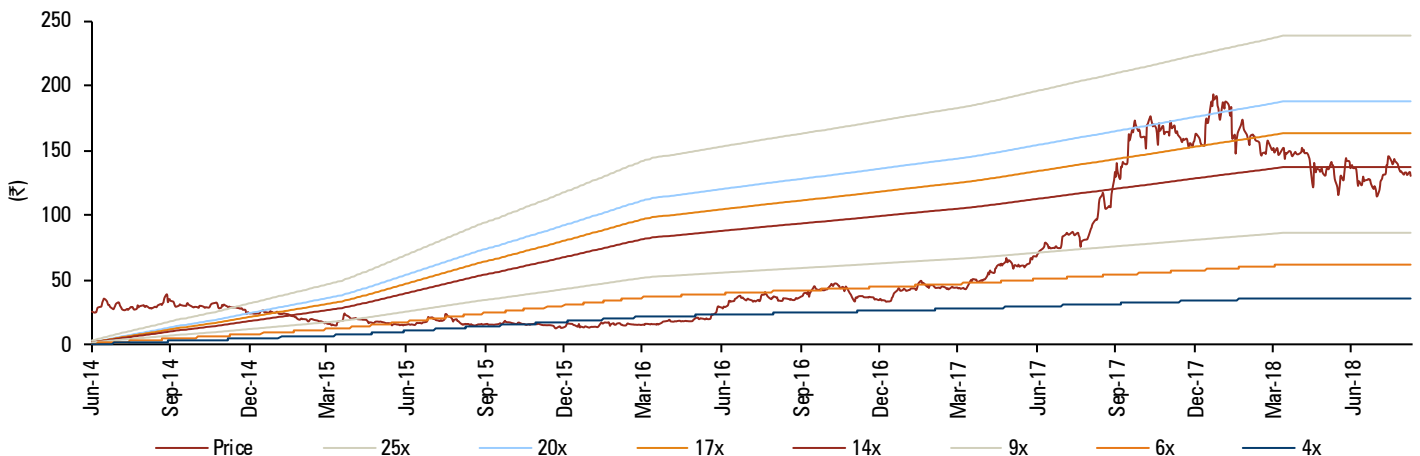
We expect HSCL to command premium valuations on account of; 1) Leadership position in base business (CTP, ~70% market share), 2) increasing share of hard to penetrate, speciality grade carbon black segment and 3) successful breakthrough in the emerging advance carbon material technology.

Exhibit 10: Valuation Summary

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY17	1324.2	15.0	1.9	-595.9	67.0	26.3	7.5	10.6
FY18	1971.2	48.9	5.8	198.8	22.4	12.8	16.7	18.2
FY19E	2394.1	21.5	7.4	27.5	17.6	11.1	17.6	19.5
FY20E	2969.4	24.0	9.6	29.5	13.6	8.7	18.6	21.6

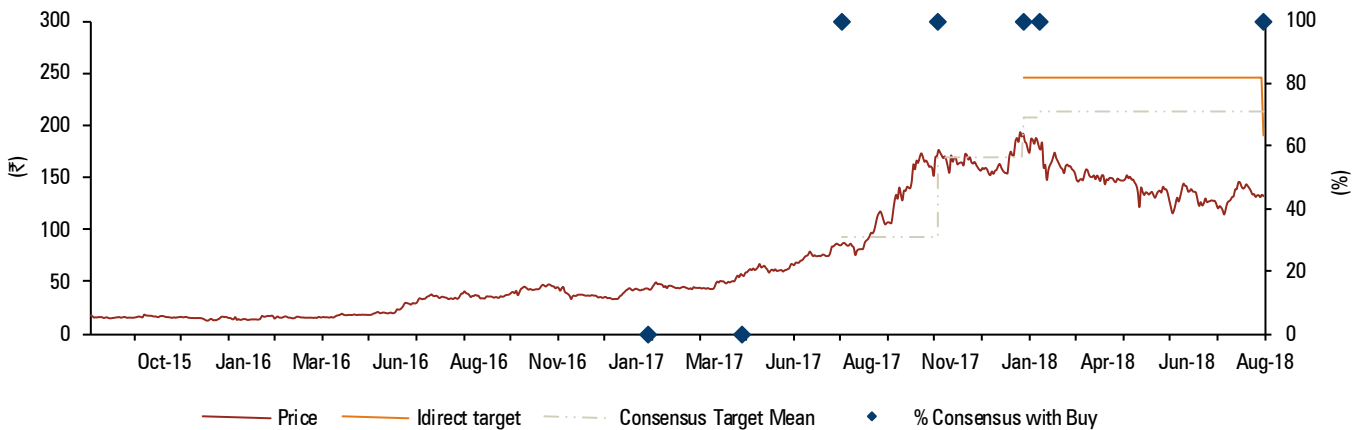
Source: Company, ICICI Direct Research

Exhibit 11: Two year forward P/E (Trading at two year forward P/E multiple of 13.6x)



Source: Reuters, ICICI Direct Research

Recommendation history vs. consensus estimate



Source: Bloomberg, Company, ICICI Direct Research; *I-direct coverage on Himadri Speciality Chemical was initiated on January 2018

Key events

Date/Year	Event
1993	HSCCL commission coal tar distillation plant at Howrah. Established new unit at Vishakapatnam
2000	Merged Himari Ispat into the company
2005	The company had a vision to create a vertically integrated carbon complex in Mahistikry. Commissioned & expanded distillation unit and commercialised a by-product at this plant
2008	HSCCL started production of Advance Carbon Material
2009	Acquired SNF Plant at Vapi. Commissioned a 50,000 tonne Carbon Black plant at Mahistikry along with co-gen power plant
2010	HSCCL completed further expansion of coal tar pitch plant at Mahistikry taking the total distillation capacity to ~250,000 tonne. Complether expansion of SNF plant at Vapi
2011	The company set up 100% export-oriented unit in Falta. Recognised R&D centre by Gol at Mahistikry
2012	Commissioned a coal tar pitch plant in China
2015	HSCCL expanded carbon black capacity to 120,000 tonne & power plant capacity. Brownfield expansion enhanced distillation capacity by 60% at Mahistikry taking the overall capacity to 400,000 tonne
2017	The company is moving higher on the value chain by setting up a 60,000 tonne specialty carbon black and 20,000 tonne advance carbon material plant that are expected to be commissioned by FY20E
2018	HSCCL commences FY19 on a strong foot. Net sales for Q1FY19 at ₹ 604.7 crore, up 34% YoY. EBITDA for the quarter stood at ₹ 135.8 crore with corresponding EBITDA/tonne at ₹ 13,685/tonne. PAT in Q1FY19 stood at ₹ 76.7 crore, up 53% YoY

Source: Company, ICICI Direct Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Bain Capital Private Equity, LP	30-Jun-18	24.7	103.2	0.0
2	Himadri Dyes & Intermediates, Ltd.	30-Jun-18	23.5	98.3	0.0
3	Himadri Group of Industries	30-Jun-18	22.4	93.8	0.0
4	Chaturveda Advisory Services, L.L.P	30-Jun-18	1.4	5.8	-3.0
5	Lakhi (Dilipkumar)	30-Jun-18	1.4	5.7	0.0
6	HSBC Global Asset Management (Hong Kong) Limited	30-Jun-18	1.1	4.5	0.9
7	Choudhary (Vijay Kumar)	30-Jun-18	0.8	3.3	0.0
8	Choudhary (Shyam Sundar)	30-Jun-18	0.8	3.2	0.0
9	Dimensional Fund Advisors, L.P.	31-Jul-18	0.4	1.6	0.0
10	Choudhary (Bankey Lal)	30-Jun-18	0.4	1.5	0.0

Source: Reuters, ICICI Direct Research

Shareholding Pattern

(in %)	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
Promoter	49.0	49.0	49.0	49.0	49.0
FII	1.4	1.5	2.2	2.2	2.4
DII	1.5	1.2	1.2	0.6	0.4
Others	48.1	48.4	47.7	48.3	48.3

Recent Activity

Investor name	Buys		Investor name	Sells	
	Value (US\$ M)	Shares (M)		Value (US\$ M)	Shares (M)
HSBC Global Asset Management (Hong Kong) Ltd.	1.7	0.9	Chaturveda Advisory Services, L.L.P	-5.5	-3.0
Principal PNB Asset Management Company Ltd.	0.1	0.1	J.P. Morgan Asset Management (Hong Kong) Ltd.	-0.7	-0.4
Bessemer Trust Company, N.A. (US)	0.0	0.0	Reliance Nippon Life Asset Management Limited	-0.2	-0.1
			Edelweiss Asset Management Ltd.	-0.1	-0.1
			State Street Global Advisors (US)	0.0	0.0

Source: Reuters, ICICI Direct Research

Financial summary (Standalone)

Profit and loss statement		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Net Sales	1318.5	1971.2	2394.1	2969.4	
Other Operating Income	5.7	0.0	0.0	0.0	
Total Operating Income	1324.2	1971.2	2394.1	2969.4	
Growth (%)	15.0	48.9	21.5	24.0	
Raw Material Expenses	887.0	1,324.8	1,609.7	1,989.5	
Employee Expenses	35.9	46.6	58.4	67.8	
Other Operating Expense	154.4	149.8	172.3	213.8	
Foreign Exchange Loss/(Gain)	20.0	-0.3	13.6	7.4	
Total Operating Expenditure	1,097.2	1,520.9	1,853.9	2,278.6	
EBITDA	227.0	450.3	540.2	690.9	
Growth (%)	60.0	98.4	20.0	27.9	
Depreciation	31.0	31.4	31.6	48.5	
Interest	80.5	70.4	62.4	61.4	
Other Income	7.9	7.5	7.6	7.8	
PBT	123.4	355.9	453.9	588.8	
Exceptional Item	0.0	0.0	0.0	0.0	
Total Tax	42.2	113.4	144.6	188.4	
PAT	81.2	242.6	309.2	400.4	
Growth (%)	-595.9	198.8	27.5	29.5	
EPS (₹)	1.9	5.8	7.4	9.6	

Source: Company, ICICI Direct Research

Balance sheet		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Liabilities					
Equity Capital	41.8	41.8	41.8	41.8	
Reserve and Surplus	1,036.1	1,414.5	1,718.7	2,106.5	
Total Shareholders funds	1,077.9	1,456.4	1,760.6	2,148.4	
Total Debt	754.1	623.8	623.8	603.8	
Deferred Tax Liability	89.7	252.5	252.5	252.5	
Minority Interest / Others	9.1	6.1	6.1	6.1	
Total Liabilities	1,930.8	2,338.8	2,643.0	3,010.8	
Assets					
Gross Block	1,526.2	1,554.4	1,602.1	1,992.1	
Less: Acc Depreciation	423.2	455.2	486.8	535.3	
Net Block	1,103.0	1,099.2	1,115.3	1,456.8	
Capital WIP	9.4	17.7	360.0	240.0	
Total Fixed Assets	1,112.3	1,116.9	1,475.3	1,696.8	
Investments	191.6	353.2	133.2	83.2	
Inventory	392.1	415.2	524.7	650.8	
Debtors	215.6	277.9	360.8	447.4	
Loans and Advances	122.0	49.9	59.9	65.3	
Other Current Assets	10.6	110.4	111.9	114.2	
Cash	118.4	31.4	39.2	55.6	
Total Current Assets	858.7	884.9	1,096.4	1,333.3	
Current Liabilities	241.3	225.9	269.7	309.1	
Provisions	2.0	3.0	4.9	6.1	
Current Liabilities & Prov	243.3	228.9	274.7	315.2	
Net Current Assets	615.4	656.0	821.8	1,018.1	
Others Assets	12.1	212.7	212.7	212.7	
Application of Funds	1,930.8	2,338.8	2,643.0	3,010.8	

Source: Company, ICICI Direct Research

Cash flow statement		₹ Crore			
(Year-end March)	FY17	FY18	FY19E	FY20E	
Profit after Tax	81.2	242.6	309.2	400.4	
Add: Depreciation	31.0	31.4	31.6	48.5	
(Inc)/dec in Current Assets	-98.5	-113.1	-203.8	-220.6	
Inc/(dec) in CL and Provisions	95.9	-14.4	45.8	40.6	
Others	80.5	70.4	62.4	61.4	
CF from operating activities	190.1	216.9	245.2	330.3	
(Inc)/dec in Investments	-41.9	-161.7	220.0	50.0	
(Inc)/dec in Fixed Assets	-15.1	-36.6	-390.0	-270.0	
Others	-8.6	-40.8	0.0	0.0	
CF from investing activities	-65.6	-239.0	-170.0	-220.0	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	-104.3	-130.3	0.0	-20.0	
Interest & Dividend paid	-83.0	-75.5	-67.4	-73.9	
Inc/(dec) in Share Cap	0.0	0.0	0.0	0.0	
Others	78.5	140.9	0.0	0.0	
CF from financing activities	-108.8	-64.8	-67.4	-93.9	
Net Cash flow	15.7	-87.0	7.8	16.3	
Opening Cash	102.7	118.4	31.4	39.2	
Closing Cash	118.4	31.4	39.2	55.6	

Source: Company, ICICI Direct Research

Key ratios					
(Year-end March)	FY17	FY18	FY19E	FY20E	
Per share data (₹)					
EPS	1.9	5.8	7.4	9.6	
Cash EPS	2.7	6.5	8.1	10.7	
BV	25.8	34.8	42.1	51.3	
DPS	0.1	0.1	0.1	0.3	
Cash Per Share (Incl Invst)	7.4	9.2	4.1	3.3	
Operating Ratios (%)					
EBITDA Margin	17.1	22.8	22.6	23.3	
PAT Margin	6.1	12.3	12.9	13.5	
Inventory days	108.5	76.9	80.0	80.0	
Debtor days	59.7	51.5	55.0	55.0	
Creditor days	41.3	22.2	25.0	25.0	
Return Ratios (%)					
RoE	7.5	16.7	17.6	18.6	
RoCE	10.6	18.2	19.5	21.6	
RoIC	11.1	23.2	25.7	25.7	
Valuation Ratios (x)					
P/E	67.0	22.4	17.6	13.6	
EV / EBITDA	26.3	12.8	11.1	8.7	
EV / Net Sales	4.5	2.9	2.5	2.0	
Market Cap / Sales	4.1	2.8	2.3	1.8	
Price to Book Value	5.0	3.7	3.1	2.5	
Solvency Ratios					
Debt/EBITDA	3.3	1.4	1.2	0.9	
Debt / Equity	0.7	0.4	0.4	0.3	
Current Ratio	4.9	6.1	5.7	5.6	
Quick Ratio	2.3	2.7	2.5	2.5	

Source: Company, ICICI Direct Research

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