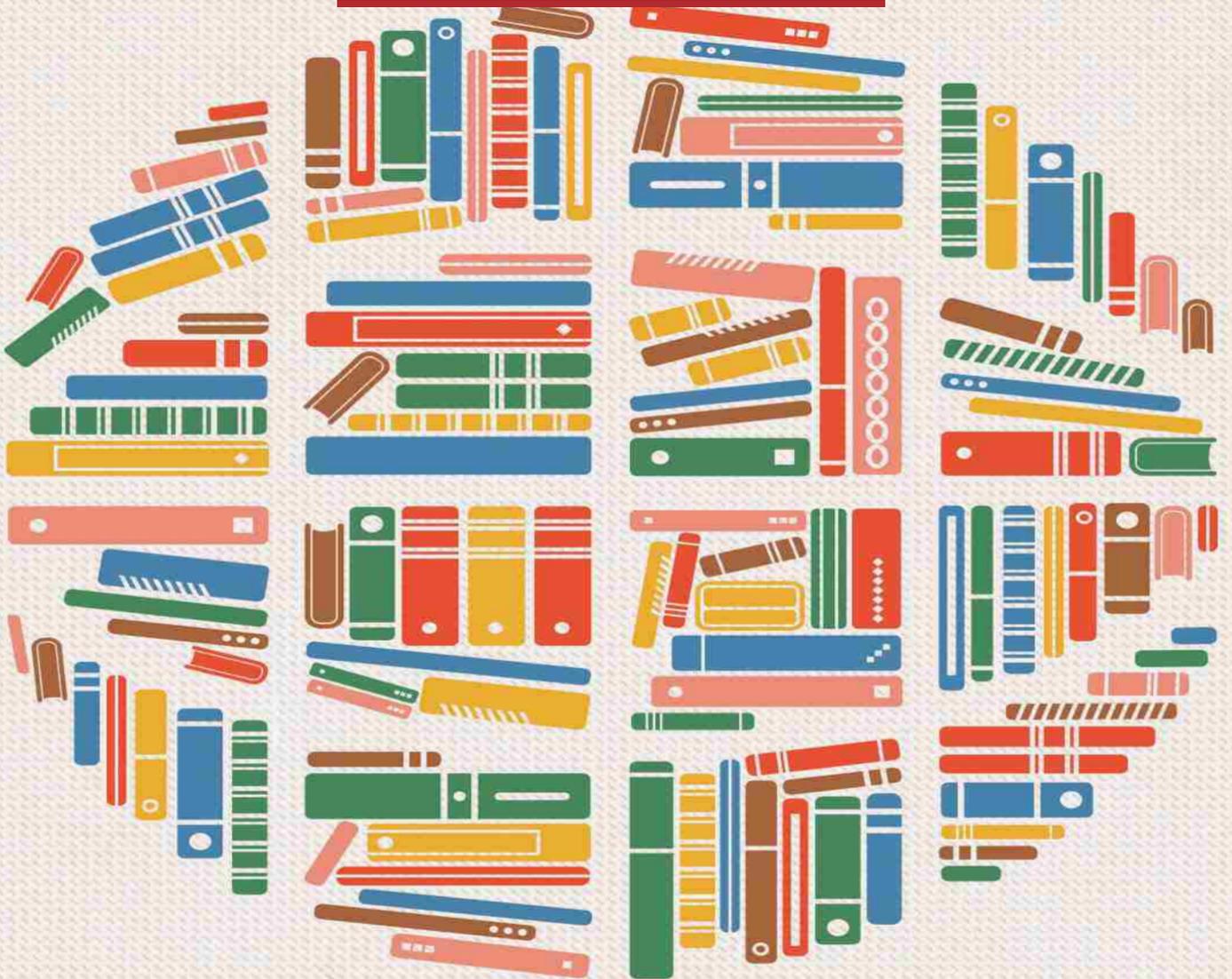


# Stock TALES



**Stock Tales** are concise, holistic stock reports across wider spectrum of sectors. Updates will not be periodical but based on significant events or change in price.

## Niche technical textile player with innovative products

**About the stock:** Garware Technical Fibres (GTFL) is one of India's leading players in the technical textiles sector and a major supplier of aquaculture cage nets to the global salmon farming industry (40% market share). GTFL also has a dominant market position in providing solutions to the domestic marine fisheries and a growing presence in sports nets and geosynthetics.

- The company has transitioned from being a provider of nets and ropes to Indian fisheries and shipping sector, respectively, to a value added solution provider to its clients across the globe with a presence in 75 countries with exports contributing ~ 63% of revenues
- GTFL develops new and innovative products to enable customers to maximise revenues and reduce costs that leads to customer stickiness and steady flow of repeat orders. GTFL has filed 75 patents over the years (granted 23 patents) for various products and continues to provide innovative solutions to its customers

### Financial performance over last decade:

- Over the last decade, GTFL's financials have witnessed significant improvement in operating metrics. Conscious strategy of focusing on value added products rather than commoditised products has led to moderate revenue CAGR of ~7%. However, profitability has improved materially with EBITDA and PAT CAGR of 14% and 21%, respectively
- B/s has also strengthened with D:E ratio improving from 0.6x in FY12 to 0.1x in FY22. Consistent OCF generation (average: ~70% OCF/EBITDA) has led to robust cash & investments worth ₹ 520 crore. RoCE, RoE have almost doubled from 12%, 9% in FY12 to 22%, 17%, respectively, in FY22

**What should investors do?** Over the past three years, the impact of GTFL's improved financial performance has been visible in upward momentum in stock price, which has grown at ~2.5x over the last three years.

- We initiate coverage under Stock Tales format with a **BUY** rating

**Target Price and Valuation:** We value GTFL at ₹ 3695 i.e. 32x FY24E EPS

### Key triggers for future price performance:

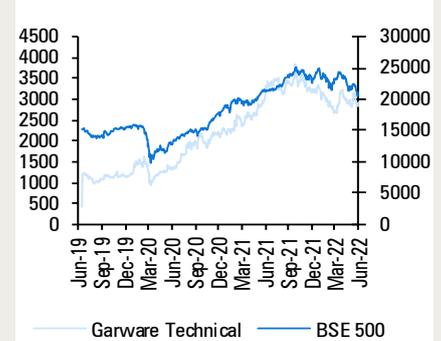
- GTFL has a unique business model as it derives ~ 60% of revenues from products developed for food related sectors that are relatively immune to demand fluctuations compared to textile fashion and clothing categories
- High share of value added products (75% of revenues) enhances customer stickiness and enables GTFL to pass on majority of the input cost increase to consumers and maintain its margin profile trajectory
- Expansion of aquaculture cages business by foraying into non-salmon fish farming cages coupled with strong growth in sports and geosynthetics segment would aid in maintaining pace of revenue growth. Increased traction in new high margin innovative products (40% of value added products) to drive 240 bps margin expansion to 21.1% in FY22-FY24E. We expect revenue, PAT CAGR of 12%, 20%, respectively, in FY22-24E with healthy RoCE in range of 22%-24% (RoIC: 40%+)



### Particulars

Particulars	Amount
Market Capitalisation (₹ crore)	6,309.7
Total Debt (FY22) (₹ crore)	79.6
Cash & Investments (FY22) (₹ crore)	561.2
EV (₹ crore)	5,828.1
52 Week H / L	4033 / 2611
Equity Capital (₹ crore)	20.6
Face Value (₹)	10.0

### Price Performance



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### Key Financial Summary

Financials	FY19	FY20	FY21	FY22	5 Year CAGR (FY17-22)	FY23E	FY24E	2 Year CAGR (FY22-24E)
Net Sales	1,017.8	953.1	1,034.6	1,189.4	6.6%	1,337.1	1,495.2	12.1%
EBITDA	192.0	177.5	204.4	222.9	11.0%	266.1	315.5	19.0%
Adjusted PAT	125.7	140.5	158.4	164.8	14.6%	196.3	238.1	20.2%
P/E (x)	53.3	47.6	39.8	38.3		32.1	26.5	
EV/EBITDA (x)	33.7	36.2	28.8	26.1		21.5	17.9	
RoCE (%)	25.8	21.8	23.9	21.6		22.7	24.5	
RoE (%)	19.3	19.0	19.5	17.0		17.4	18.7	

## Company Background

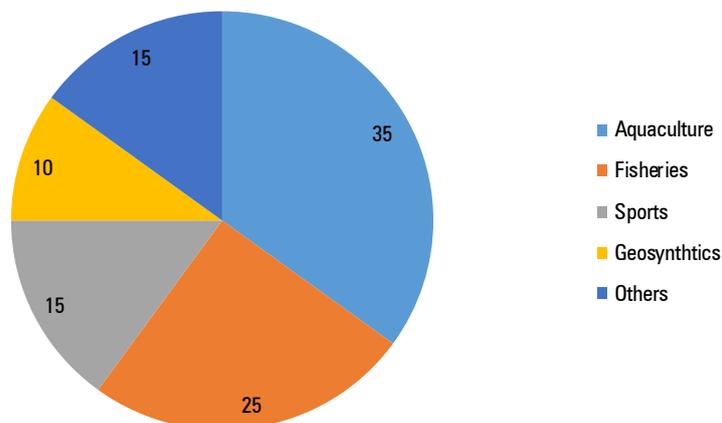
Garware Technical Fibres (GTFL) was incorporated in 1976 through a technical collaboration with Wall Industries Inc. (US) and was earlier known as Garware Wall Ropes. The company rebranded itself to Garware Technical Fibres in a bid to reflect the enhanced segmental domain over the last few years as it added several new product categories in its portfolio. Over the years, the company has transitioned from being a supplier of fishing nets and ropes to one with a presence in aquaculture, agriculture, sports, infrastructure and other related segments.

The share of exports in its revenues has increased from ~30% in 2012 to ~ 63% in FY21 mainly due to immense success in the global salmon aquaculture market. Over the years, GTFL has emerged as leading net (cage) supplier in key geographies like Canada, Scotland, Norway and Chile. The company has an international presence in more than 75 countries through six overseas offices across the globe.

GTFL constantly endeavours to improve existing products and meet stringent requirements of domestic as well as overseas clients. Its R&D department has been continuously developing application focused new products and the company has filed 75 patents of which 23 have been granted to the company.

GTFL has a strong focus on manufacturing excellence. It has two main factories at Pune and Wai in Maharashtra. The Pune factory is for manufacturing ropes, PPMF twines, cargo nets and gangway nets. The manufacturing facility at Wai is a large unit spread across 40 acres and manufactures aquaculture cage nets, fishing nets, sports & adventure activities related nets and agricultural nets. The Wai facility contributes to 60-70% of annual revenue and mainly manufactures value-added products.

Exhibit 1: Segmental revenue share trend (%)



Source: Company, ICICI Direct Research

## Investment Rationale

### Low cost, critical products enhance customer stickiness...

GTFL supplies products, which constitute a small proportion of the total cost for customers but which are very critical for the successful business performance. Products like nets and cages form a small part of the operating cost for the customers but the benefits of utilising such products outweigh the cost. For example, in salmon aquaculture, aquaculture cages have to adhere to strict quality norms and any defect in the nets can lead to significant loss of fish, which can impact the customer’s revenue. Also, similar is the case in terms of agriculture nets. Any defect in the protective nets quality can lead to damage to crops. In case of ropes for ships, if the rope quality is inferior or defective it can lead to severe damage to the ships. The purpose of GTFL’s products is to minimise revenue loss and/or reduce operational cost, which aids in enhancing the overall business performance of the customers and increases the customer’s dependence on GTFL’s products leading to long term relationships with most of its clients.

**Exhibit 2: GTFL’s products critical for success of customer’s business**

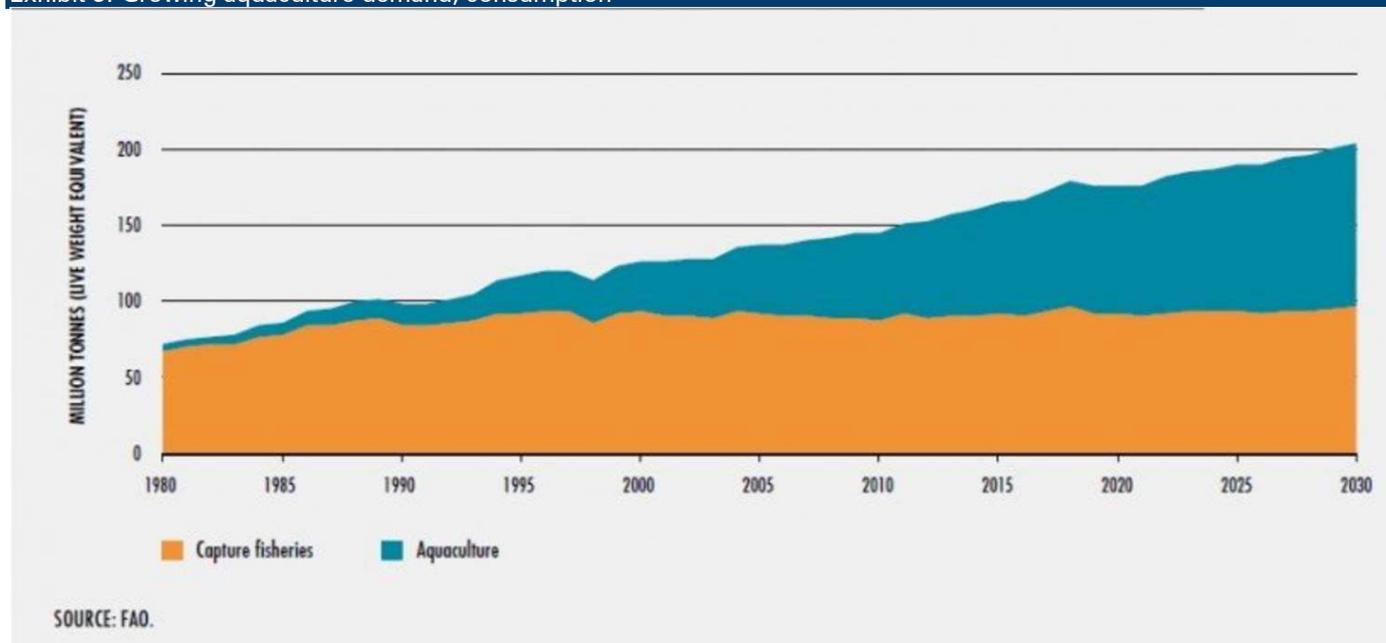
Product Category	Product Range offered	Purpose
Fish Nets	Twisted and braided nets used in trawling, purse seine nets, Gill Netting and Dole Netting	Improving fish catch
Aquaculture Nets	Grow out cage, Predator cage, Lice Shields, Mooring and vertical ropes	Protecting fishes from external threats
Sports Nets	Tennis nets, Soccer nets, Baseball Batting cage, Volleyball and hand ball nets	Providing high quality sports nets
Agriculture	Protected cultivation, Bird protection, Hail protection, Wind protection and fencing	Protecting agricultural crops
Geo Synthetics	Rock fall protection, Hazardous waste Land fill design, Coastal & River Protection works	Reducing accidents & aiding in environment infrastructure works

Source: Company, ICICI Direct Research

### Salmon aquaculture cages- success story for GTFL

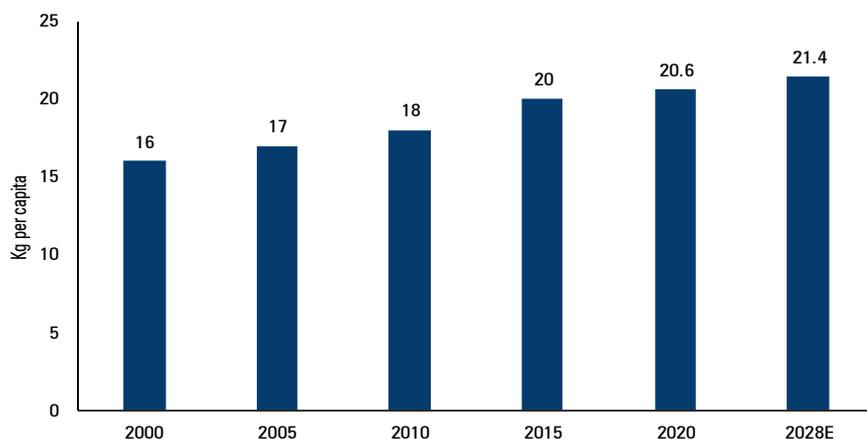
Increasing planned aquaculture activities are leading to higher demand for aquaculture cages industry, which is a major revenue contributor for GTFL (~35% revenue share). Globally, there has been growing aquaculture demand and consumption. The trend is in favour of planned aquaculture activities compared to capture fisheries. Also, the global per capita fish consumption has increased from 16 kg in 2000 to 20 kg in 2020 with the trend likely to continue in future and global per capita fish consumption expected to be ~ 21.4 kg by 2028, which would lead to sustained demand for fish consumption thereby providing long term growth opportunity for players like GTFL that cater to the planned aquaculture industry.

**Exhibit 3: Growing aquaculture demand, consumption**



Source: Company, ICICI Direct Research

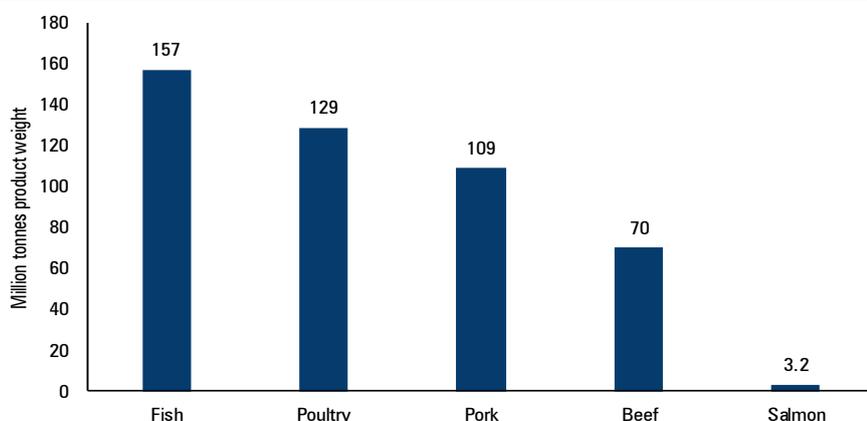
**Exhibit 4: Global per capita fish consumption trend**



Source: Salmon farming industry handbook, ICICI Direct Research

Most animal protein in our diet comes from fish, poultry, pork and beef, with salmon consumption representing a small portion of global protein consumption. In 2020, FAO estimated consumption of 157 million tonnes of fish, 129 million tonnes of poultry, 109 million tonnes of pork and 70 million tonnes of beef. In contrast, the total consumption of farmed Atlantic salmon was around 2.4 million tonnes (GWT). **If we combine all salmonids (both farmed and wild), it amounts to 3.2 million tonnes (GWT) in 2020.**

**Exhibit 5: Global animal protein consumption**



Source: Salmon farming industry handbook, ICICI Direct Research

Salmon sea farming requires 2-20 degree Celsius (°C) sea temperature. More than 99% of the global supply of salmon is produced in sea based net pens. Sea based production is dominated by Norway, Chile and Canada due to vast area with suitable conditions. **Compared to land based animal proteins, salmon offers higher protein and resource efficiency.**

**Aquaculture forms ~ 35% of revenues for GTFL. Focused work on innovations by GTFL to reduce the challenges faced by salmon farmers has led to market share gain for GTFL and it is currently the No.1 supplier of cages for salmon farming globally with a market share of ~ 40%. It has a market share of ~ 35% in both Chile and Norway, which are the major markets for salmon fish.**

**Exhibit 6: Global salmon supply to grow at steady pace**

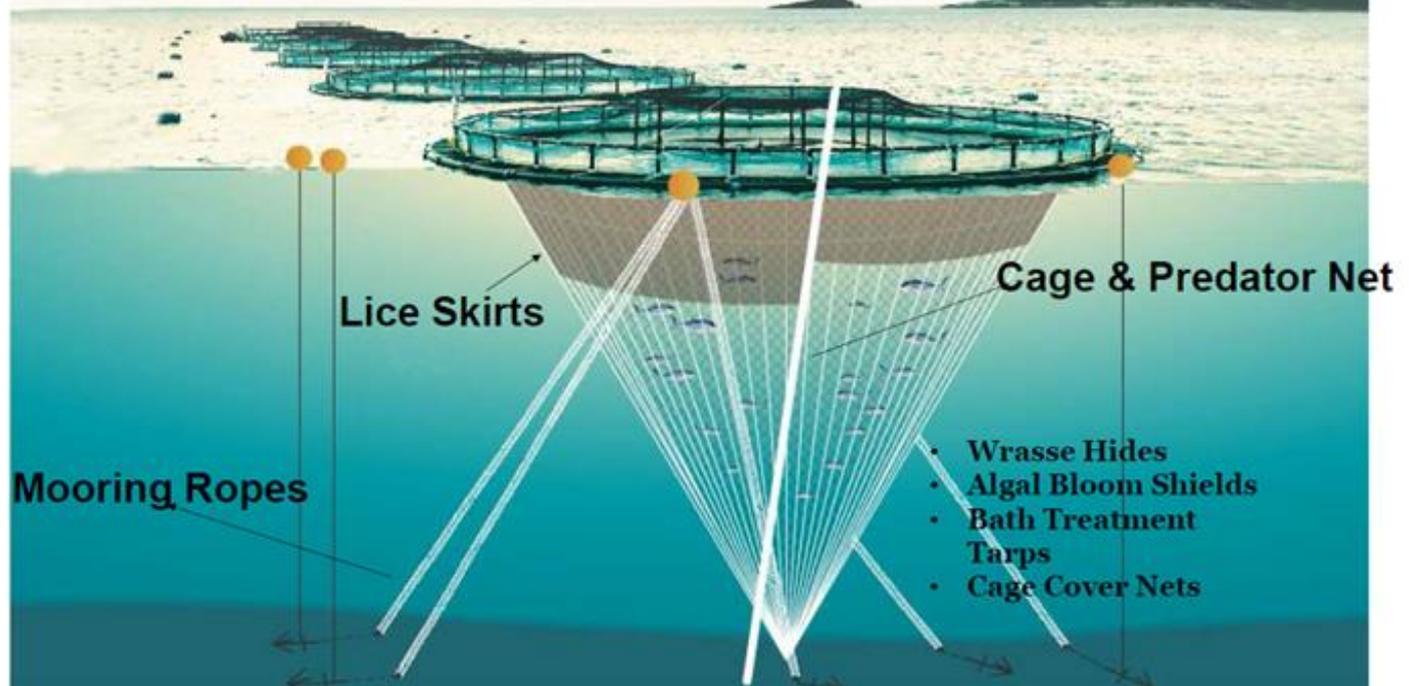
CAGR (%)	Global	Norway	Chile	UK	North America	Others
2001-2020	5.0	7.0	6.0	2.0	1.0	6.0
2011-2020	6.0	3.0	15.0	2.0	1.0	8.0
2020-2024E	4.0	5.0	1.0	5.0	1.0	13.0

Source: Salmon farming industry handbook, ICICI Direct Research

The aquaculture solutions offered by GTFL are critical for the business performance and provide solutions to salmon farmer to overcome challenges like loss due to fish escapes from cage, loss of fish caused by predator marine animals, Sea lice management, bio-fouling management.

*For example, in farmed salmon aquaculture, each cage could hold 800-1000 MT of salmon. The cage nets used have to be extremely resilient to the currents, predators and also ensure no fish escape. The cost of the cage is usually a very small proportion of the operating cost for the customer. Hence, the company has higher ability to pass on the increase in raw material costs to the customer.*

**Exhibit 7: GTFL's aquaculture cages hold, protect salmon fish from external threat, aid in maintaining their health**



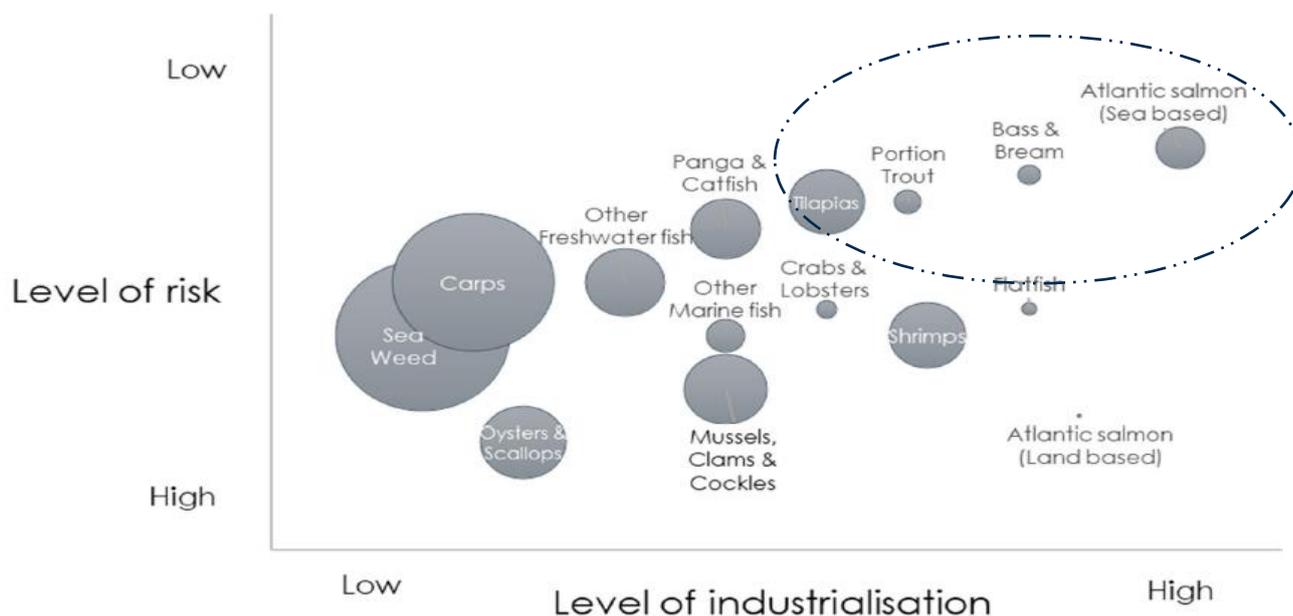
Source: Company, ICICI Direct Research

Normal cage nets release copper into the sea causing water pollution and require frequent cleaning, which not only increases the cost but also affects the health of fish. GTFL's V2 nets aid in reducing bio fouling and sedimentation, which reduces the cleaning cost that the salmon farmer has to bear. GTFL's V2 nets require less number of cleanings compared to normal nets. Hence, by installing GTFL's V2 nets, the customer is able to save on the cleaning cost and improve his payback. Also, reduced bio fouling aids in maintaining health and biomass of the fish.

## Foray into non-salmon fish farming to aid aquaculture revenue

Currently, GTFL's aquaculture cage nets business only caters to salmon aquaculture. GTFL is planning to foray into providing cage nets for other fish species to diversify its revenues in the aquaculture segment. The company is looking at fish species where the level of industrialisation is increasing with a lower risk aspect. The opportunity in other species could be similar to salmon aquaculture and the company is planning to tap these opportunities by marketing its products to other fish species farming like portion trout, sea bream, sea bass, tilapias, etc, which could provide long term sustained growth to its aquaculture revenues.

Exhibit 8: Wide opportunities across aquaculture



Source: Salmon Farming handbook, Company, ICICI Direct Research

## Fisheries (nets) business growing at steady pace

Capture fishing is a traditional business in India but has evolved globally. The trawling vessels range from 200-300 horse power (HP) in India to 18000 HP in global market. GTFL has a strong presence in marine fisheries. Its nets are customised for various applications and its nets enhance the scope for increased fish catch through better mouth opening of nets and reduces fuel consumption on account of lower drag on nets. GTFL enjoys a significant pricing premium compared to peers. The key distinguishing factors for GTFL nets is the ability to absorb shock effects without breaking and higher UV resistance, which protects it from degradation and better knot stability, which provides increased durability and strength. Marine fisheries currently contribute 25% of total revenues. GTFL is a major player in the domestic fisheries segment with a market share of close to 65%. We expect the fisheries segment business to grow at a steady pace over the next few years.

## Domestic market dominance in shipping ropes to continue with expanding international presence

GTFL is the market leader in mooring ropes for shipping in the domestic market. Its ropes are preferred by shipping companies for parking the ships. The company's most popular rope is Plateena, which has high strength though its weight is minimal. Owing to its high strength to weight ratio and no greasing requirements, it is preferred over the steel wire rope. Due to its superior performance parameters and essaying a critical role in saving ships from physical damage, GTFL mooring ropes command a pricing premium over peers. The company is also expanding its international presence for its mooring ropes, which should aid the revenue growth in the segment.

## Sports nets segment delivering superior revenue growth performance

The sports nets business has been growing at a double digit CAGR in sales value over the last five years and currently contributes ~ 15% of total revenues. Under the sports portfolio, the company provides around 50 different products conforming to international standards. GTFL holds the major market share in the tennis nets and baseball netting segment in the US and also holds the major market share in the soccer nets segment. We expect the sports segment to continue its revenue growth momentum and gradually increase its revenue share over the next few years.

## Geosynthetics business provides long term sustainable growth opportunity

Geosynthetics are polymer-based materials used in infrastructure solutions for environmental friendliness and lower overall cost. The benefits of geosynthetics is that it saves natural resources, enables faster construction, reduces project cost and enables maintaining of consistent quality. The key applications of geosynthetics is landfill, lining, rockfall protection, erosion control, river protection, etc.

The market size of geotextiles in India in 2019-20 was estimated at ₹ 765 crore and is likely to grow at a CAGR of 20% to ₹ 1903 crore by 2024-25. The global market for geotextiles was US\$3184 million in 2019-20 and is expected to grow at a CAGR of 6.1% to US\$4261 million in 2024-25.

Out of a total allocation of ₹ 110 lakh crore by the Central Government under the National Infrastructure Pipeline in 2020–25, roads & highways share is ₹ 20 lakh crore and railways is ₹ 14 lakh crore.

There is an increasing awareness on the need to protect roads from disasters like rock fall/landslides, etc, that impact the safety of road users. Nowadays, clients like NHAI, NHIDCL, etc, which are the owners of these highways do not give completion certificates to contractors unless the safety aspects are taken care of by them. Limitations of land availability along highways means that clients have to depend on modern and innovative techniques for stabilisation. Additionally, there are separate tenders that are being floated specifically to cater to safety aspects of roads & highways.

With road safety gaining importance, it is a key driver for the geosynthetics business wherein the business model of design, supply and installation positions GTFL as a one stop source for solutions. Also, new products developed by the R&D team add to the innovativeness of solutions proposed by GTFL. Geosynthetics currently contributes ~10% of sales with revenues expected to increase at a fast pace owing to increased acceptance in various infrastructure related applications.

Exhibit 9: Key application area of geosynthetics



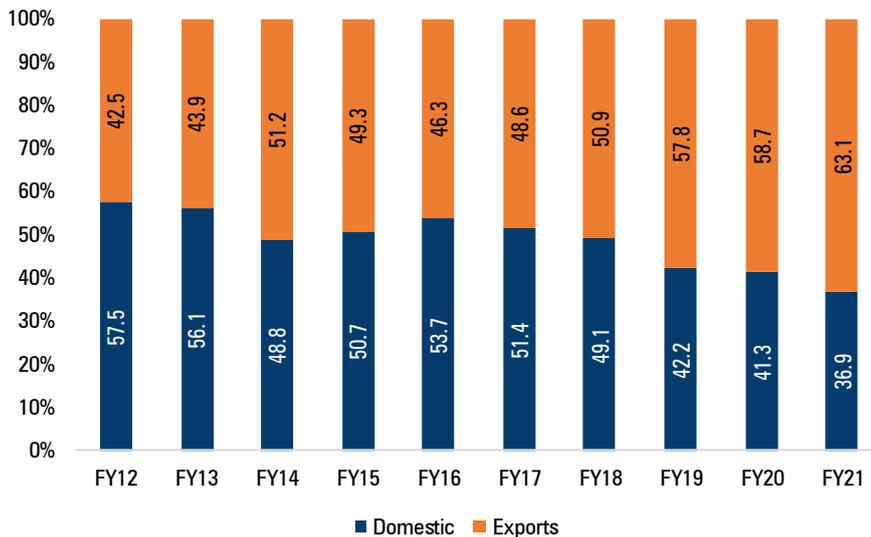
Source: Company, ICICI Direct Research

Increased global acceptance of GTFL’s innovative products driving exports growth

GTFL enjoys a large base of loyal customers with whom it has developed long term mutually beneficial relationships. The company develops new products and applications, which are driven by thorough understanding of needs of customers and the challenges that they face. GTFL tries to address the challenges faced by customers through innovative and rigorously tested solutions, which ensures sustained profitability for customers thereby leading to its products gaining greater acceptance from customers.

GTFL exports its product to 75 countries and exports remains the prime focus of the company. Exports revenues have grown at a CAGR of ~ 11% over FY12-21 to ₹ 653 crore (63% of total revenue). The domestic business has grown at 2% CAGR over the period to ₹ 382 crore (37% of total revenue). Innovative products and solutions, particularly in the aquaculture domain, have led to strong exports growth. The company is the largest manufacturer and supplier of salmon aquaculture cage nets (40% market share) in the world, with a market share of ~ 35% each in Norway and Chile.

Exhibit 10: Exports gain significant prominence in revenues over last decade

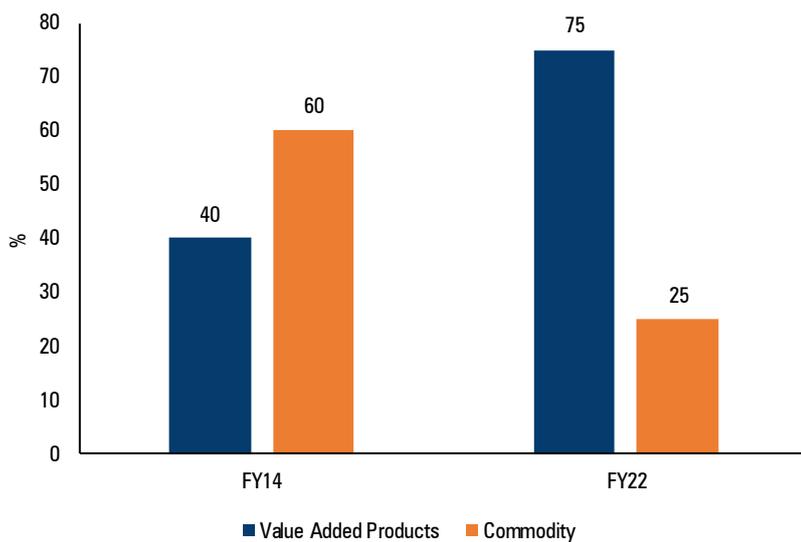


Source: Company, ICICI Direct Research

### Focus on value addition driving positive traction in margin profile:

GTFL has transitioned from a commoditised ropes, twines supplier to shipping, heavy engineering, safety and allied industries to a company with a presence across innovative and value added products providing solutions to customers in aquaculture and agriculture. The company derives ~ 60% of its revenues from food related sectors (aquaculture and agriculture), which reduces the volatility in the revenues owing to food related sectors being the least impacted in low demand/recessionary scenarios. Focus on innovative and value added products has enabled the company to enhance its margins from 11-12% (FY12-16) to 16-20% (FY17-21). The share of value added products has increased from ~ 40% in FY14 to ~ 75% in FY22. Around 40% of the value added products are new and innovative products, which have higher margin and would aid in improving the margin profile as they gain greater scale of operations. We expect the EBITDA margin to increase from 18.7% in FY22 to 21.1% in FY24E.

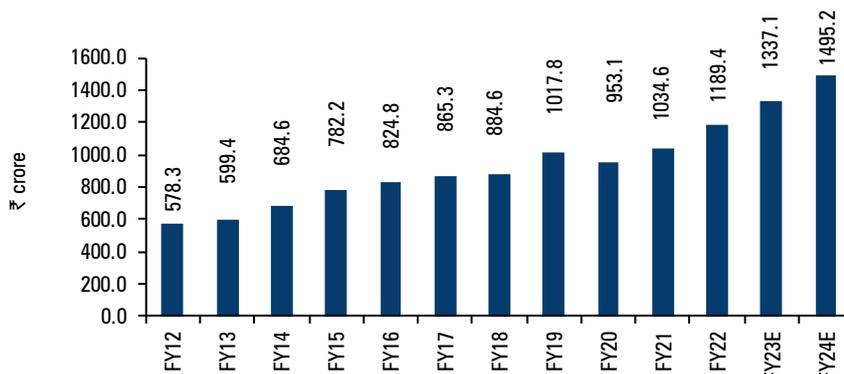
**Exhibit 11: Enhanced share of value added products**



Source: Company, ICICI Direct Research

## Financial story in charts

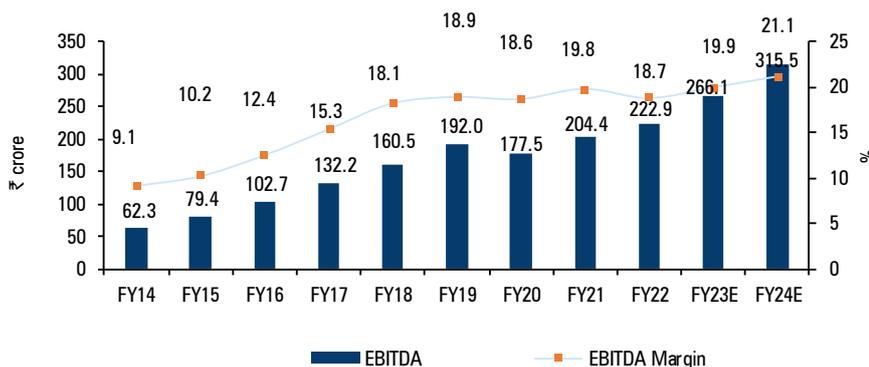
Exhibit 12: Revenue expected to grow at CAGR of 12% in FY22-24E



Source: Company, ICICI Direct Research

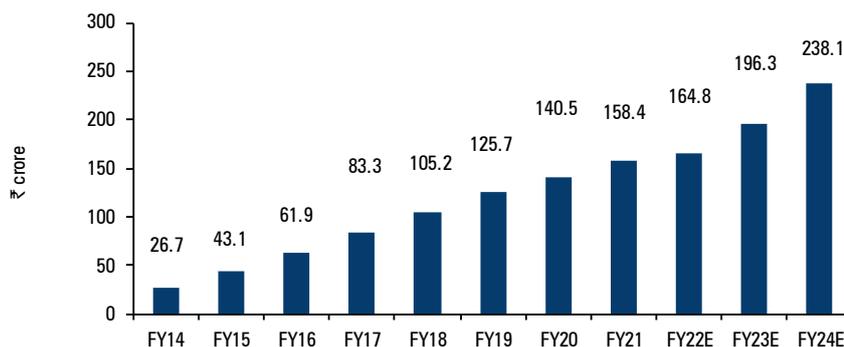
We expect GTFL to report steady revenue growth and maintain global market leadership position in aquaculture cage nets with fast paced growth in emerging business segments of sports nets and geosynthetics. Continued thrust on enhancing share of value added products would provide positive momentum to its margin profile. We expect the company to report a revenue, earnings CAGR of 12%, 20%, respectively, over FY22-24E with healthy RoCE in the range of 22%-24% over the period

Exhibit 13: EBITDA and EBITDA margin trend



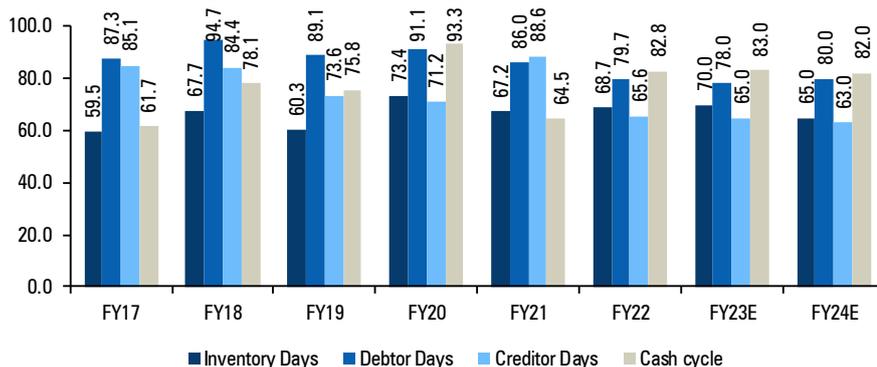
Source: Company, ICICI Direct Research

Exhibit 14: PAT expected to grow at CAGR of 20% in FY22-24E



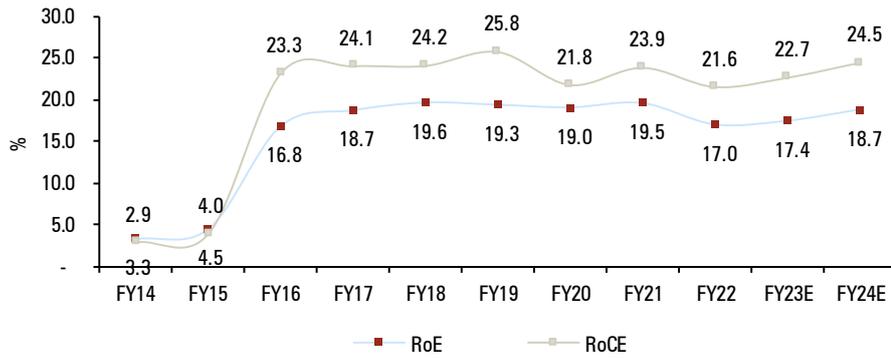
Source: Company, ICICI Direct Research

Exhibit 15: Working capital trend



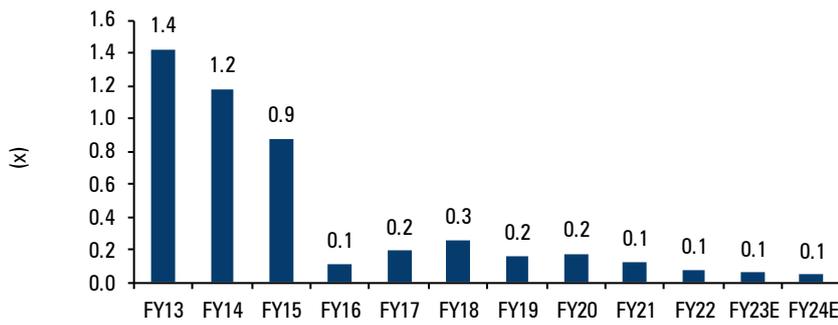
Source: Company, ICICI Direct Research

Exhibit 16: Return ratio trend



Source: Company, ICICI Direct Research

Exhibit 17: Debt/equity ratio trend



Source: Company, ICICI Direct Research

## Key risk and concerns

### Shift to land farming for salmon aquaculture:

Land-based salmon farming continues to remain the major risk for GTFL's aquaculture business. Among the key benefits of the land based salmon farming is that it can be cultivated close to the consumption markets, which reduces the air freight cost. However, land based salmon aquaculture requires huge capex and is still in a nascent stage, with little success. A major challenge is the adequate control of microbial conditions and the chemistry of water. Recent incidents from large land-based facilities show that the sector can suffer from mass mortalities. Also, the fish can have earthy flavour because biological conditions in land-based facilities are still difficult to control and very young fish are sensitive to poor water quality

### Regulatory risk in domestic fishing:

The fishery business segment is one of the important revenue contributors (25% of total revenues) for GTFL. A high proportion of fishery revenues come from the domestic market, which is regulated by state governments. Their decisions can impact the business of the company. In 2017, Maharashtra had banned use of purse seine nets (which are used for bulk fishing) along the 720 km long Maharashtra coast line. Any such implementation by other states or at a national level can impact the business performance of the company.

### Volatility in crude oil prices can impact input cost

GTFL's raw materials are polymers, which are derivatives of crude oil. Therefore, any adverse economic or political situation resulting in an unanticipated rise in price of crude oil can negatively affect the profitability of the company. If the company is unable to pass on the input price hike to customers or there is a time lag in taking price hike to factor the increased input cost the profit margins of the company can trend lower.

### Significant export exposes GTFL to foreign currency risk

Around 63% of GTFL's revenues are derived from exports. Hence, any sharp adverse movement in foreign currencies can negatively impact the competitiveness and profitability of the company.

## Financial Summary

**Exhibit 18: Profit & loss statement**

(Year-end March)	FY21	FY22A	FY23E	FY24E
<b>Net Sales</b>	1,034.6	1,189.4	1,337.1	1,495.2
Growth (%)	8.5	15.0	12.4	11.8
Total Raw Material Cost	296.1	349.5	398.4	442.6
Gross Margins (%)	71.4	70.6	70.2	70.4
Employee Exp	152.7	149.8	168.5	188.4
Other Expenses	381.4	467.2	504.1	548.7
Total Operating Expenditure	830.2	966.5	1,071.0	1,179.7
<b>EBITDA</b>	204.4	222.9	266.1	315.5
EBITDA Margin	19.8	18.7	19.9	21.1
Interest	10.3	10.6	10.0	9.0
Depreciation	20.7	21.5	23.7	26.3
Other Income	34.7	25.5	30.0	38.0
Exceptional Expense	-	-	-	-
PBT	208.1	216.4	262.4	318.2
Total Tax	49.7	51.6	66.0	80.1
<b>Profit After Tax</b>	158.4	164.8	196.3	238.1

Source: Company, ICICI Direct Research

**Exhibit 19: Cash flow statement**

(Year-end March)	FY21	FY22A	FY23E	FY24E
Profit/(Loss) after taxation	158.4	164.8	196.3	238.1
Add: Depreciation	20.7	21.5	23.7	26.3
Net Increase in Current Assets	-13.1	-61.8	-70.3	-64.6
Net Increase in Current Liabilities	83.7	-41.6	29.6	25.6
<b>CF from operating activities</b>	<b>249.5</b>	<b>82.8</b>	<b>179.4</b>	<b>225.3</b>
(Inc)/dec in Investments	-90.9	-53.8	-52.1	-57.3
(Inc)/dec in Fixed Assets	-23.3	-14.4	-40.0	-40.0
Others	2.1	-4.6	0.0	0.0
<b>CF from investing activities</b>	<b>-112.1</b>	<b>-72.8</b>	<b>-92.1</b>	<b>-97.3</b>
Inc / (Dec) in Equity Capital	-1.3	0.0	0.0	0.0
Inc / (Dec) in Loan	-30.7	-22.2	-8.0	-7.2
Others	-81.7	-4.7	-39.1	-95.1
<b>CF from financing activities</b>	<b>-113.7</b>	<b>-26.9</b>	<b>-47.1</b>	<b>-102.2</b>
Net Cash flow	23.7	-16.9	40.2	25.8
Opening Cash	33.7	57.4	40.5	80.7
<b>Closing Cash</b>	<b>57.4</b>	<b>40.5</b>	<b>80.7</b>	<b>106.5</b>

Source: Company, ICICI Direct Research

**Exhibit 20: Balance Sheet**

(Year-end March)	FY21	FY22A	FY23E	FY24E
Equity Capital	20.6	20.6	20.6	20.6
Reserve and Surplus	790.5	950.0	1,107.1	1,249.9
Total Shareholders funds	811.1	970.6	1,127.7	1,270.5
Total Debt	101.8	79.6	71.6	64.5
Non Current Liabilities	35.9	36.5	36.7	36.8
<b>Source of Funds</b>	<b>948.9</b>	<b>1,086.7</b>	<b>1,236.0</b>	<b>1,371.8</b>
Gross block	309.2	324.1	364.1	404.1
Less: Accum depreciation	66.9	88.3	112.0	138.3
Net Fixed Assets	242.4	235.8	252.2	265.9
Capital WIP	-	-	-	-
Intangible assets	4.8	4.2	4.2	4.2
Investments	466.9	520.7	572.8	630.1
Inventory	190.4	223.9	256.4	266.3
Cash	57.4	40.5	80.7	106.5
Debtors	243.8	259.6	285.7	327.7
Loans & Advances & Other CA	103.7	116.2	127.9	140.7
Total Current Assets	595.3	640.2	750.7	841.2
Creditors	251.3	213.8	238.1	258.1
Provisions & Other CL	118.7	114.6	119.9	125.6
Total Current Liabilities	370.0	328.4	358.0	383.6
Net Current Assets	225.3	311.8	392.7	457.5
LT L& A, Other Assets	9.5	14.1	14.1	14.1
Other Assets	0.0	0.0	0.0	0.0
<b>Application of Funds</b>	<b>948.9</b>	<b>1,086.7</b>	<b>1,235.9</b>	<b>1,371.8</b>

Source: Company, ICICI Direct Research

**Exhibit 21: Key ratios**

(Year-end March)	FY21	FY22A	FY23E	FY24E
<b>Per share data (₹)</b>				
EPS	76.8	79.9	95.2	115.5
Cash EPS	86.8	90.3	106.7	128.2
BV	393.4	470.7	546.9	616.2
DPS	0.0	2.5	19.0	46.2
Cash Per Share	27.8	19.6	39.1	51.7
<b>Operating Ratios (%)</b>				
EBITDA margins	19.8	18.7	19.9	21.1
PBT margins	20.1	18.2	19.6	21.3
Net Profit margins	15.3	13.9	14.7	15.9
Inventory days	67.2	68.7	70.0	65.0
Debtor days	86.0	79.7	78.0	80.0
Creditor days	88.6	65.6	65.0	63.0
<b>Return Ratios (%)</b>				
RoE	19.5	17.0	17.4	18.7
RoCE	23.9	21.6	22.7	24.5
RoIC	47.3	41.2	44.4	48.3
<b>Valuation Ratios (x)</b>				
P/E	39.8	38.3	32.1	26.5
EV / EBITDA	28.8	26.1	21.5	17.9
EV / Sales	5.7	4.9	4.3	3.8
Market Cap / Revenues	6.1	5.3	4.7	4.2
Price to Book Value	7.8	6.5	5.6	5.0
<b>Solvency Ratios</b>				
Debt / Equity	0.1	0.1	0.1	0.1
Debt/EBITDA	0.5	0.4	0.3	0.2
Current Ratio	1.5	1.8	1.9	1.9
Quick Ratio	0.9	1.1	1.2	1.2

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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