

Estimate change



TP change



Rating change



CMP: INR2,572 TP: INR2,680 (+4%)

Neutral

Chemical business continues its strong momentum

Earnings in line with our estimates

- SRF reported muted operating performance (EBIT grew 2% YoY), primarily led by a steep decline in EBIT of Technical Textile/Packaging (47%/85% YoY). However, the chemical business recorded a 47% YoY growth in EBIT, driven by strong demand in both specialty and fluorochemicals, as well as higher realization in Ref gas.
- We increase our FY24 EBITDA estimates by 5%, on the back of better-than-expected margins in chemical business; however, we maintain our F25E EBITDA. We reiterate our **Neutral** rating on the stock, owing to its rich valuation, which has been priced into the near-term upside.

Weak Packaging and Textile business continue to drag performance

- SRF reported an overall revenue of INR37.8b (est. of INR38.8b) in 4QFY23, up 6% YoY. EBITDA margin contracted 100bp to 25.4% (est. of 23.8%), primarily led by higher input cost (gross margins declined 310bp YoY to 50%). EBITDA stood at INR9.6b (est. of INR9.2b), up 2% YoY. Adjusted PAT declined 1% YoY to INR5.9b (est. of INR5.6b) in 4QFY23.
- Chemicals** revenue (56% of total sales in 4QFY23) grew 34% YoY to INR21b in 4QFY23, with EBIT growth of 47% YoY to INR7.4b (est. INR5.9b). EBIT margin expanded 290bp YoY to 35.2% (est. 30%). The chemical business performed exceedingly well on account of strong demand for the company's flagship products in specialty chemicals and their downstream derivatives, as well as higher volumes in the fluorochemicals business.
- Packaging Film** revenue (31% of total sales in 4QFY23) declined 17% YoY to INR11.5b in 4QFY23 and EBIT was down 85% YoY to INR410m. Margin contracted 16.3pp YoY to 3.6%. Demand continued to get adversely impacted by excessive supply addition in both BOPET and BOPP globally. Margin pressure is expected to continue as excess supply scenario in BOPET is unlikely to change in the short term.
- Technical Textiles** revenue (11% of total sales in 4QFY23) declined 13% YoY to INR4.3b in 4QFY23; EBIT margin contracted 7.2pp YoY to 11.2%. EBIT declined 47% YoY to INR484m. Weak demand scenario for Nylon Tyre Cord Fabrics segment negatively impacted the business.
- For FY23, Revenue/EBITDA/Adj. PAT grew 20%/17%/25% to INR148.7b/INR36.3b/INR22.7b. CFO for FY23 stood at ~INR29b v/s INR21.1b in FY22 with CFO/EBITDA of 80% v/s 68% in FY22. Net debt increased 18%YoY to INR32.5b in FY23 v/s INR27.6b in FY22.

Highlights from the management commentary

- While the management expects packaging business's pressure on margin to continue in FY24, it anticipates some improvement with capacity debottlenecking (incremental 10-15%) in South Africa and Hungary capacity coming back.

Bloomberg	SRF IN
Equity Shares (m)	297
M.Cap.(INRb)/(USDb)	762.3 / 9.3
52-Week Range (INR)	2864 / 2003
1, 6, 12 Rel. Per (%)	4/8/9
12M Avg Val (INR M)	1533

Financials & Valuations (INR b)

Y/E Mar	2023	2024E	2025E
Sales	148.7	167.3	192.3
EBITDA	36.3	42.6	47.0
PAT	22.7	25.9	28.9
EBITDA (%)	24.4	25.4	24.4
EPS (INR)	76.2	87.2	97.1
EPS Gr. (%)	24.8	14.5	11.4
BV/Sh. (INR)	347	422	505

Ratios

Net D/E	0.3	0.2	0.2
RoE (%)	24.0	22.7	21.0
RoCE (%)	17.9	17.6	17.2
Payout (%)	9.9	13.8	15.4

Valuations

P/E (x)	33.8	29.5	26.5
EV/EBITDA (x)	21.9	18.7	16.8
Div Yield (%)	0.3	0.5	0.6
FCF Yield (%)	(0.0)	1.0	1.9

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	50.5	50.5	50.7
DII	15.0	14.9	8.7
FII	18.5	18.3	19.6
Others	16.0	16.3	21.0

Note: FII includes depository receipts

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- Chemical business is expected to grow ~20%YoY in FY24 with specialty chemicals segment growing by over 20%. The fluorochemicals segment is expected to witness some headwinds in 1QFY24, due to the ongoing summer being less hot than expected.
- The company plans to launch seven to eight active intermediates (largely patented) over the next couple of years. Some of these products will integrate with the existing products of SRF. (i.e., moving up the value chain).

Valuation and view

- The packaging business and the technical textile business are expected to face pressure in the near term, while the specialty chemicals business will maintain its growth momentum with robust demand for the flagship product as well as new product additions. Fluorochemicals would continue on its positive trend with demand in the refrigerants segment expected to remain healthy in the near to medium term.
- We increase our FY24 EBITDA estimates by 5%, on the back of better-than-expected margins in the chemicals business; however, we maintain our F25E EBITDA. We reiterate our **Neutral** rating on the stock with an SoTP-based target price of INR2,680, owing to its rich valuation, which has been priced into the near-term upside.

Consolidated - Quarterly Earnings Model

(INR m)

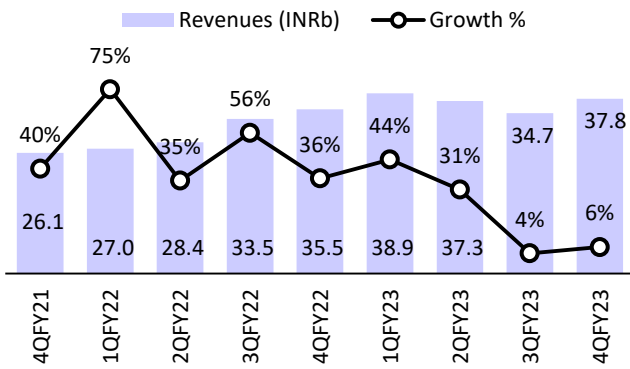
Y/E March	FY22				FY23				FY22	FY23	FY23E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	26,994	28,390	33,459	35,494	38,947	37,278	34,697	37,781	124,337	148,703	38,757	-3
YoY Change (%)	74.7	35.1	55.9	36.1	44.3	31.3	3.7	6.4	48.0	19.6	15.8	
Total Expenditure	20,350	21,846	24,980	26,128	28,749	29,226	26,211	28,185	93,305	112,371	29,528	
EBITDA	6,644	6,544	8,479	9,366	10,198	8,052	8,486	9,596	31,032	36,332	9,229	4
Margins (%)	24.6	23.0	25.3	26.4	26.2	21.6	24.5	25.4	25.0	24.4	23.8	
Depreciation	1,230	1,303	1,324	1,316	1,307	1,393	1,507	1,546	5,172	5,753	1,530	
Interest	275	234	294	357	325	445	620	659	1,159	2,048	640	
Other Income	138	111	107	72	99	327	100	223	428	749	110	
PBT before EO expense	5,277	5,118	6,968	7,765	8,665	6,542	6,460	7,614	25,128	29,280	7,169	
Extra-Ord expense & DO	-72	-206	-335	-114	249	361	150	280	-727	1,040	0	
PBT	5,349	5,324	7,303	7,879	8,416	6,181	6,309	7,334	25,856	28,240	7,169	
Tax	1,396	1,500	2,247	1,823	2,336	1,371	1,200	1,709	6,966	6,617	1,577	
Rate (%)	26.5	29.3	32.3	23.5	27.0	21.0	18.6	22.5	27.7	22.6	22.0	
Reported PAT	3,953	3,825	5,055	6,057	6,080	4,810	5,109	5,625	18,889	21,623	5,592	
Adj PAT	3,881	3,619	4,720	5,943	6,329	5,171	5,259	5,905	18,162	22,663	5,592	6
YoY Change (%)	108.7	11.2	55.9	59.6	63.1	42.9	11.4	-0.6	53.1	24.8	18.5	
Margins (%)	14.4	12.7	14.1	16.7	16.2	13.9	15.2	15.6	14.6	15.2	14.4	

Key Performance Indicators

Y/E March	FY22				FY23				FY22	FY23	FY23E
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q
Segment Revenue (INRm)											
Technical Textile	4,929	5,579	5,378	4,967	5,710	4,662	4,259	4,307	20,852	18,939	4,867
Chemicals	11,137	11,264	14,283	15,725	17,224	18,302	17,566	21,017	52,408	74,109	19,656
Packaging Film	10,413	10,717	12,760	13,902	14,960	13,310	12,027	11,531	47,792	51,828	13,207
Others	536	863	1,071	934	1,056	1,004	923	943	3,403	3,926	1,027
Segment Revenue Growth (%)											
Technical Textile	251.0	67.8	46.5	24.0	15.8	-16.4	-20.8	-13.3	68.1	-9.2	-25.5
Chemicals	57.9	27.8	57.7	36.4	54.7	62.5	23.0	33.7	43.8	41.4	16.9
Packaging Film	53.7	28.7	59.1	41.9	43.7	24.2	-5.7	-17.1	45.2	8.4	-37.8
Other	126.3	51.8	45.1	20.2	96.9	16.3	-13.7	1.0	46.7	15.4	176.2
Segment Results (INRm)											
Technical Textile	1,337	1,328	1,135	914	1,162	629	342	484	4,714	2,617	681
Chemicals	2,223	2,511	4,192	5,043	5,202	5,173	5,639	7,393	13,969	23,407	5,897
Packaging Film	2,368	1,795	2,542	2,758	2,952	1,014	1,186	410	9,463	5,562	1,717
Others	19	58	86	41	68	76	91	113	204	348	113
Segment EBIT Margins (%)											
Technical Textile	27.1	23.8	21.1	18.4	20.4	13.5	8.0	11.2	22.6	13.8	14.0
Chemicals	20.0	22.3	29.4	32.1	30.2	28.3	32.1	35.2	26.7	31.6	30.0
Packaging Film	22.7	16.7	19.9	19.8	19.7	7.6	9.9	3.6	19.8	10.7	13.0
Others	3.5	6.7	8.0	4.4	6.4	7.6	9.9	12.0	6.0	8.9	11.0
Cost Break-up											
RM Cost (% of sales)	49.3	50.4	49.1	46.9	47.7	52.4	48.8	50.0	48.8	49.7	48.8
Staff Cost (% of sales)	6.7	6.3	6.2	6.0	5.0	5.2	6.1	5.7	6.3	5.5	6.1
Power and Fuel Cost (% of sales)	8.6	9.3	9.0	9.6	10.5	10.0	9.9	9.1	9.1	9.9	9.9
Other Cost (% of sales)	10.7	11.0	10.4	11.2	10.6	10.7	10.7	9.8	10.8	10.5	10.7
Gross Margins (%)	50.7	49.6	50.9	53.1	52.3	47.6	51.2	50.0	51.2	50.3	51.2
EBITDA Margins (%)	24.6	23.0	25.3	26.4	26.2	21.6	24.5	25.4	25.0	24.4	24.5
EBIT Margins (%)	20.1	18.5	21.4	22.7	22.8	17.9	20.1	21.3	20.8	20.6	20.1

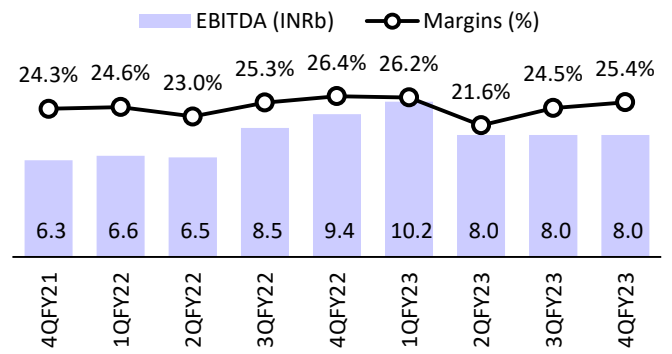
Key Exhibits

Exhibit 1: Consolidated revenue trend



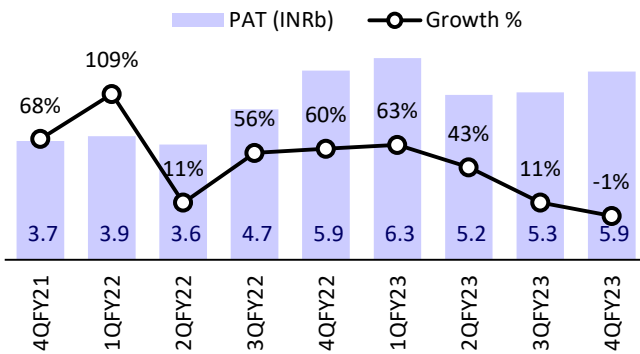
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



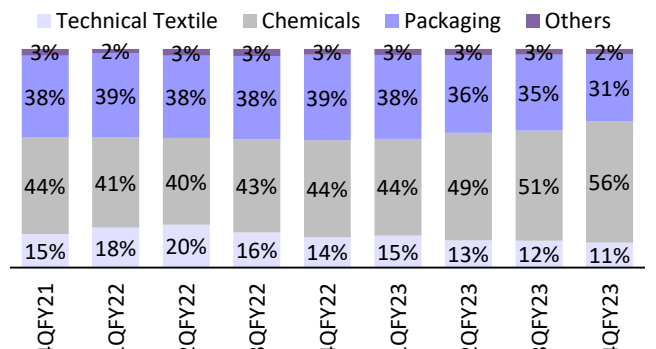
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



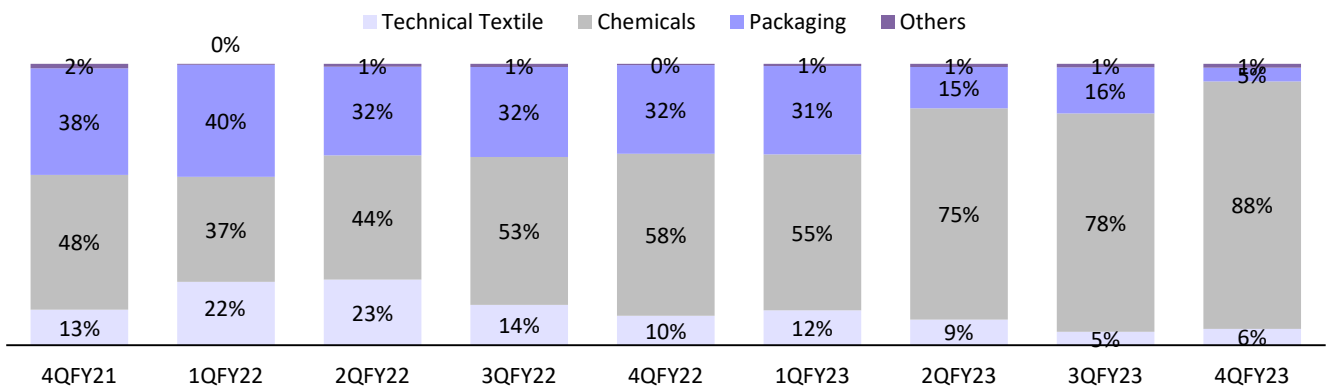
Source: Company, MOFSL

Exhibit 4: Revenue mix trend



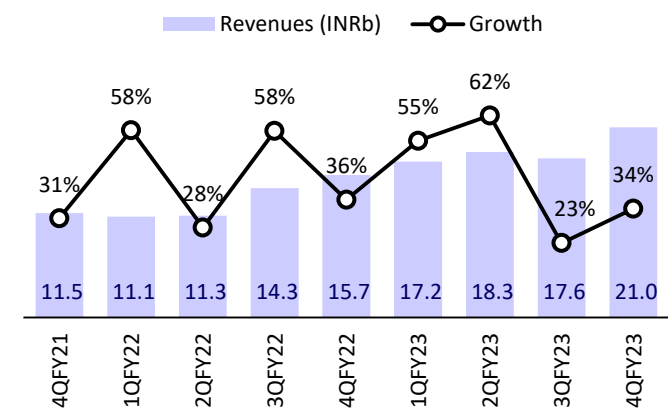
Source: Company, MOFSL

Exhibit 5: EBIT mix trend



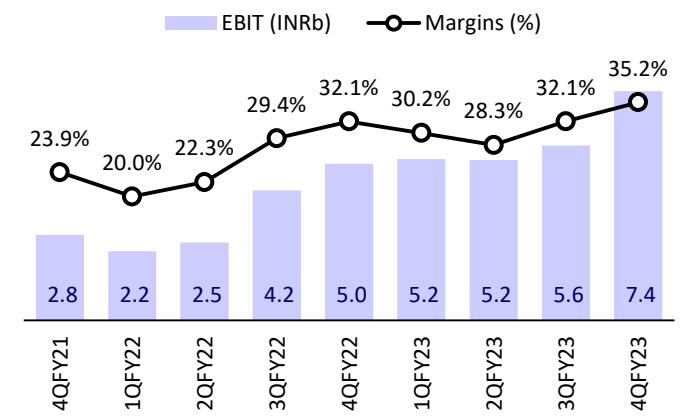
Source: Company, MOFSL

Exhibit 6: Revenue trend in Chemicals business



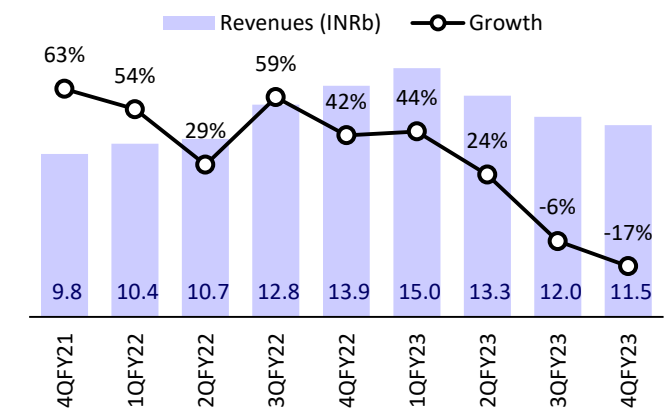
Source: Company, MOFSL

Exhibit 7: EBIT trend in Chemicals business



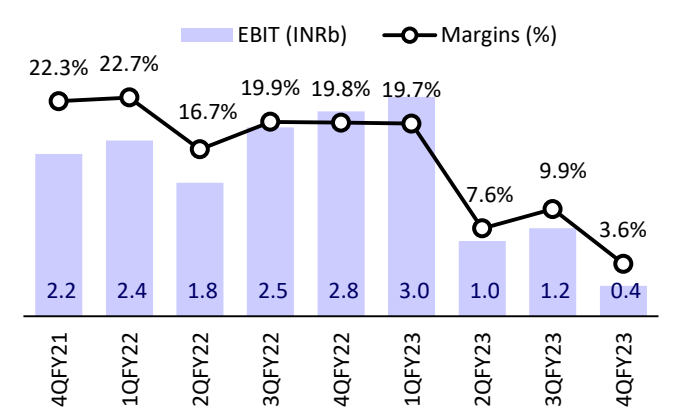
Source: Company, MOFSL

Exhibit 8: Revenue trend in Packaging Film business



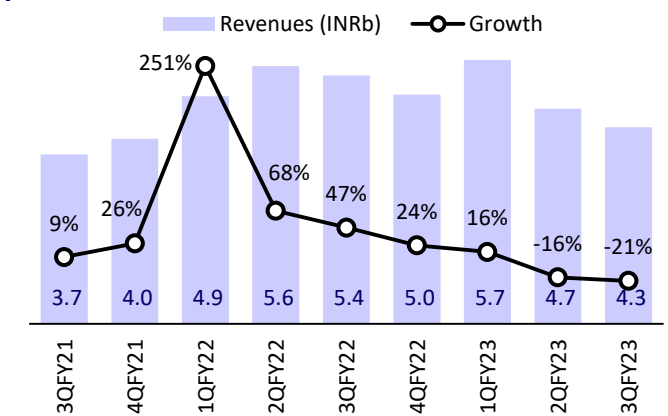
Source: Company, MOFSL

Exhibit 9: EBIT trend in Packaging Film business



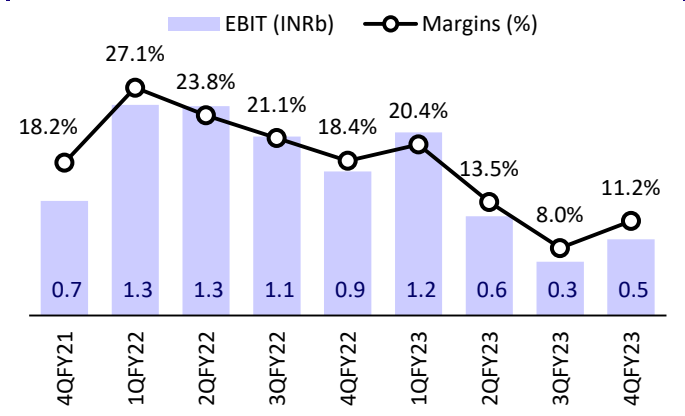
Source: Company, MOFSL

Exhibit 10: Revenue trend in Technical Textiles business



Source: Company, MOFSL

Exhibit 11: EBIT trend in Technical Textiles business



Source: Company, MOFSL



Key highlights from the management commentary

Chemicals segment:

- The Specialty Chemicals business delivered a robust performance, on the back of: 1) new products commercialized (in FY23, SRF launched four products in Agro and two in the Pharma segment), 2) strong sales of key products and derivatives, led by an increase in customer demand for complex and advanced products, and 3) commissioning of new plant during the year, which will also aid future volume growth.
- The Fluorochemicals business reported a healthy growth, on the back of strong traction for Ref gases, higher realizations of major HFCs, and record sales for Dymel[®] HFA 134a/P with and expanded geographical footprint across over 20 countries.
- SRF commissioned several new plants during the year including CMS2, CPP, and CaCl₂, which will be ramped up in FY24. Also, the PTFE facility is expected to get commissioned in FY24 and PX-1/PX-2 capex is on track.
- SRF is focusing on building an export portfolio in CMS to offset the margin pressure caused by the slowdown in the domestic market and oversupply situation.
- The management is confident of delivering over 20% growth in the segment. However, the ROCE level may moderate from its current levels.
- SRF already has CWIP of over INR20b for this segment. The intensity of capex is likely to continue going ahead.
- The management is expecting to launch ~7-8 AI products in the next two years.
- Although the Generic products coming from China to America are priced lower, majority (~80-85%) of SRF's products are innovative. Hence, the company is not witnessing any demand slowdown.
- Starting January 2024, the US will reduce its consumption and production of HFCs by around 30%. However, it will still be a net importer of HFCs. Additionally, there will be a gradual reduction in the GWP equivalent over the next five years.
- The EU has initiated discussions about regulating certain types of Fluorochemicals. However, SRF can serve multiple fluorochemical products, including fluoropolymers.
- New plants in specialty chemicals is likely to be capitalized in 2HFY24.
- PTFE facility is likely to be commissioned by Jun'23. Revenues from the facility is likely to start from 3QFY24.
- Revenue from Specialty chemicals/Fluorochemicals stood at INR42b/INR32b in FY23. Margins in both the segment have expanded in FY23.
- The company is considering acquisitions in the Pharma division to enhance its capabilities.

Market Outlook:

- **Chemical business:** The global demand outlook for refrigerant gas remains strong and sustainable with the Indian chemical industry poised for further growth on the back of 'China plus one' and 'Europe plus one'.

- The company is witnessing healthy opportunities in key markets of India, USA, and Middle East; however, raw material prices and supply chain constraints remain key challenges
- The management is expecting some impact on HFC volumes in 1QFY24 on account of a weak summer season.
- **Packaging Film business:** The management expects pressure on margin to continue in FY24. The company expects global suppliers with multi-locational facilities and better customer relationships to witness positive traction. Sustainability initiatives are likely to gain momentum in FY24.
- **Technical Textiles Business:** The demand for Nylon Tyre Cord Fabric is improving. Further, the demand for Belting Fabrics is expected to remain healthy due to enhanced focus on infrastructural development.

Packaging Film segment

- The segment continued to face headwinds as margins faced pressure due to significant supply addition. This was further impacted by global demand slowdown and steep energy costs in Europe.
- The operations in Hungary were significantly impacted in FY23.
- Capacity utilization for the segment stood at ~92-95% in FY23. However, for the Hungary plant, it was ~69%.
- SRF has expanded its customer footprint and focused on VAP sales in order to navigate through the uncertainties.
- Aluminum Foil project is progressing as per schedule. However, the cost of project has increased as the company is ensuring higher output and better quality of products. The plant is expected to commercialize by 2QFY24.
- SRF has commercialized 10 new products in the year (4 in BOPET and 6 in BOPP)
- The management is expecting volume gains from the debottlenecking activity at the South African unit, which is likely to increase capacity by ~10-15%.

Technical Textile business:

- The segment has witnessed capacity utilization of ~75-76% in FY23. SRF will focus on ramping up capacity in FY24.
- The demand for Nylon Tyre Cord Fabric remained subdued in 4QFY23.
- The management is witnessing improvement in demand for Polyester Industrial Yarn with geo-textiles and seat belts being the key drivers.
- It also expects the demand for belting fabrics to improve in FY24.
- The company's continued focus on high-end VAP sales is yielding positive results

Other Businesses:

- SRF-coated fabrics business witnessed improved demand in all categories, with healthy contribution from VAPs.
- In the laminated business, margins in mass signage application were subdued. Further, it is likely to remain under pressure, due to oversupply in the market.

Capex:

- The management has indicated that the company will incur a capex of ~INR12-13b in FY24. It is expecting the asset turnover of little less than 1x with the capex in pipeline.

Valuation and view

- The packaging business and the technical textile business are expected to face pressure in the near term, while the specialty chemicals business will maintain its growth momentum with robust demand for the flagship product as well as new product additions. Fluorochemicals would continue on its positive trend with demand in the refrigerants segment expected to remain healthy in the near to medium term.
- We increase our FY24 EBITDA estimates by 5%, on the back of better-than-expected margins in chemicals business; however, we maintain our F25E EBITDA. We reiterate our **Neutral** rating on the stock with an SoTP based target price of INR2,680, owing to its rich valuation, which has been priced into the near-term upside.

Exhibit 12: Valuation methodology

EV/EBITDA	FY25 EBITDA (INR m)	Multiple (x)	EV (INR m)
Technical Textiles	4,444	9	39,995
Chemicals	34,130	20	6,82,594
Packaging Films	10,964	9	98,678
Others	633	5	3,167
Total EV			8,24,433
Less: Debt			36,541
Less: Minority Interest			-
Add: Cash & Cash Equivalents			9,105
Target Mcap (INR m)			7,96,998
Outstanding share (m)			297.4
Target Price (INR)			2,680

Source: MOFSL

Exhibit 13: Revisions to our estimates

Earnings Change (INR m)	Old		New		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	1,70,432	1,95,169	1,67,317	1,92,323	-2	-1
EBITDA	40,434	47,159	42,573	47,011	5	0
Adj. PAT	24,365	29,034	25,942	28,895	6	0

Source: MOFSL

Financials and valuations

Consolidated - Income Statement

	(INRm)								
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Income from Operations	51,366	56,849	70,996	72,094	84,000	1,24,337	1,48,703	1,67,317	1,92,323
Less: Excise Duty	3,148	958	0	0	0	0	0	0	0
Total Income from Operations	48,218	55,890	70,996	72,094	84,000	1,24,337	1,48,703	1,67,317	1,92,323
Change (%)	5.0	15.9	27.0	1.5	16.5	48.0	19.6	12.5	14.9
Cost of Materials Consumed	24,188	30,320	39,671	36,870	40,189	60,669	73,935	81,546	95,116
% of Sales	50.2	54.2	55.9	51.1	47.8	48.8	49.7	48.7	49.5
Personnel Expenses	4,338	4,740	4,608	5,419	6,214	7,800	8,138	9,035	10,193
% of Sales	9.0	8.5	6.5	7.5	7.4	6.3	5.5	5.4	5.3
Other Expenses	9,998	11,768	13,508	15,221	16,264	24,835	30,297	34,163	40,003
% of Sales	20.7	21.1	19.0	21.1	19.4	20.0	20.4	20.4	20.8
Total Expenditure	38,524	46,828	57,787	57,510	62,667	93,305	1,12,371	1,24,744	1,45,312
% of Sales	79.9	83.8	81.4	79.8	74.6	75.0	75.6	74.6	75.6
EBITDA	9,694	9,062	13,209	14,584	21,333	31,032	36,332	42,573	47,011
Margin (%)	20.1	16.2	18.6	20.2	25.4	25.0	24.4	25.4	24.4
Depreciation	2,834	3,158	3,582	3,886	4,531	5,172	5,753	6,771	7,748
EBIT	6,859	5,904	9,627	10,698	16,803	25,860	30,579	35,802	39,263
Int. and Finance Charges	1,018	1,239	1,984	2,007	1,340	1,159	2,048	2,340	2,069
Other Income	730	688	280	491	545	428	749	899	1,079
PBT bef. EO Exp.	6,572	5,353	7,923	9,182	16,008	25,128	29,280	34,361	38,273
EO Items	0	463	262	997	116	727	-1,040	0	0
PBT after EO Exp.	6,572	5,817	8,185	10,179	16,123	25,856	28,240	34,361	38,273
Current Tax	1,422	1,200	1,769	265	4,154	7,139	6,617	8,419	9,378
Deferred Tax	0	0	0	-277	-10	-173	0	0	0
Tax Rate (%)	21.6	20.6	21.6	-0.1	25.7	26.9	23.4	24.5	24.5
Reported PAT	5,150	4,617	6,416	10,191	11,979	18,889	21,623	25,942	28,895
Adjusted PAT	5,150	4,154	6,155	9,194	11,864	18,162	22,663	25,942	28,895
Change (%)	17.0	-19.3	48.2	49.4	29.0	53.1	24.8	14.5	11.4
Margin (%)	10.7	7.4	8.7	12.8	14.1	14.6	15.2	15.5	15.0

Consolidated - Balance Sheet

	(INRm)								
Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	574	575	575	585	603	2,974	2,974	2,974	2,974
Total Reserves	31,252	35,071	40,718	48,748	67,962	82,679	1,00,296	1,22,669	1,47,102
Net Worth	31,826	35,646	41,293	49,333	68,564	85,654	1,03,271	1,25,643	1,50,077
Deferred Liabilities	2,866	2,914	3,420	1,755	3,862	6,775	8,092	8,092	8,092
Total Loans	23,962	31,418	37,302	40,468	33,950	35,394	43,541	41,541	36,541
Capital Employed	58,655	69,978	82,014	91,556	1,06,376	1,27,822	1,54,903	1,75,276	1,94,709
Gross Block	77,169	87,502	68,322	76,934	96,167	1,06,943	1,28,622	1,48,622	1,68,622
Less: Accum. Deprn.	33,169	36,327	12,269	15,540	20,071	25,243	30,997	37,768	45,516
Net Fixed Assets	44,000	51,175	56,053	61,394	76,096	81,699	97,626	1,10,855	1,23,107
Goodwill on Consolidation	49	41	41	6	6	0	0	0	0
Capital WIP	2,586	5,588	7,536	13,933	7,723	16,716	24,055	28,055	28,055
Current Investments	1,708	1,217	1,005	1,985	4,125	3,167	4,901	4,901	4,901
Total Investments	1,959	1,218	1,006	2,027	4,167	3,209	4,942	4,942	4,942
Curr. Assets, Loans&Adv.	21,090	25,608	34,243	31,265	41,121	56,025	60,735	67,106	79,437
Inventory	8,381	9,582	12,247	12,012	14,658	21,385	22,743	24,129	28,144
Account Receivables	6,569	6,807	10,288	8,911	12,746	17,925	17,856	20,628	23,711
Cash and Bank Balance	961	967	1,989	1,255	2,820	4,594	6,165	6,282	9,105
Loans and Advances	5,178	8,252	9,719	9,088	10,898	12,123	13,972	16,067	18,477
Curr. Liability & Prov.	11,055	13,653	16,865	17,211	22,918	29,944	32,642	35,869	41,019
Account Payables	8,089	10,442	13,824	11,117	15,852	20,964	22,313	24,575	28,665
Other Current Liabilities	2,606	2,831	2,600	5,653	6,544	8,391	9,642	10,606	11,667
Provisions	359	380	441	442	522	590	687	687	687
Net Current Assets	10,035	11,955	17,378	14,054	18,203	26,081	28,093	31,237	38,418
Deferred Tax assets	26	0	0	143	181	116	187	187	187
Appl. of Funds	58,655	69,978	82,014	91,556	1,06,376	1,27,822	1,54,903	1,75,276	1,94,709

Financials and valuations

Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)									
EPS	17.3	14.0	20.7	30.9	39.9	61.1	76.2	87.2	97.1
Cash EPS	26.8	24.6	32.7	44.0	55.1	78.5	95.5	110.0	123.2
BV/Share	107.0	119.8	138.8	165.9	230.5	288.0	347.2	422.4	504.6
DPS	2.3	3.1	3.9	2.8	4.9	16.8	7.2	12.0	15.0
Payout (%)	15.7	23.1	20.8	9.6	12.1	26.4	9.9	13.8	15.4
Valuation (x)									
P/E	148.5	184.1	124.3	83.2	64.5	42.1	33.8	29.5	26.5
Cash P/E	95.8	104.6	78.6	58.5	46.7	32.8	26.9	23.4	20.9
P/BV	24.0	21.5	18.5	15.5	11.2	8.9	7.4	6.1	5.1
EV/Sales	16.3	14.2	11.3	11.1	9.4	6.4	5.4	4.8	4.1
EV/EBITDA	81.1	87.6	60.5	55.0	37.1	25.5	21.9	18.7	16.8
Dividend Yield (%)	0.1	0.1	0.2	0.1	0.2	0.7	0.3	0.5	0.6
FCF per share	0.2	-20.3	-5.3	-2.3	19.1	9.7	0.0	27.0	48.3
Return Ratios (%)									
EBITDA Margins (%)	20.1	16.2	18.6	20.2	25.4	25.0	24.4	25.4	24.4
Net Profit Margins (%)	10.7	7.4	8.7	12.8	14.1	14.6	15.2	15.5	15.0
RoE	17.3	12.3	16.0	20.3	20.1	23.6	24.0	22.7	21.0
RoCE	11.0	8.5	10.7	13.3	13.4	17.2	17.9	17.6	17.2
RoIC	17.8	13.8	18.0	15.3	26.3	34.2	34.7	35.7	34.8
Working Capital Ratios									
Fixed Asset Turnover (x)	0.6	0.6	1.0	0.9	0.9	1.2	1.2	1.1	1.1
Asset Turnover (x)	0.8	0.8	0.9	0.8	0.8	1.0	1.0	1.0	1.0
Inventory (Days)	126	115	113	119	133	129	112	108	108
Debtor (Days)	50	44	53	45	55	53	44	45	45
Creditor (Days)	122	126	127	110	144	126	110	110	110
Working Cap. Turnover (Days)	69	72	79	65	67	63	54	54	56
Leverage Ratio (x)									
Current Ratio	1.9	1.9	2.0	1.8	1.8	1.9	1.9	1.9	1.9
Interest Cover Ratio	7	5	5	5	13	22	15	15	19
Debt/Equity	0.8	0.9	0.9	0.8	0.5	0.4	0.4	0.3	0.2

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	6,572	5,817	8,269	10,706	16,099	25,856	28,240	34,361	38,273
Depreciation	2,834	3,158	3,669	3,929	4,531	5,172	5,753	6,771	7,748
Interest & Finance Charges	1,018	1,239	2,016	2,016	1,340	1,159	2,048	2,340	2,069
Direct Taxes Paid	-1,159	-1,176	-1,502	-1,427	-2,553	-4,016	-6,617	-8,419	-9,378
(Inc)/Dec in WC	-2,556	-1,909	-3,165	-239	-1,236	-6,645	-408	-3,026	-4,358
CF from Operations	6,709	7,129	9,286	14,984	18,181	21,527	29,017	32,026	34,354
Others	-255	-349	-330	-1,940	-464	-469	0	0	0
CF from Operating incl EO	6,454	6,780	8,956	13,044	17,717	21,057	29,017	32,026	34,354
(inc)/dec in FA	-6,409	-12,829	-10,526	-13,730	-12,047	-18,171	-29,019	-24,000	-20,000
Free Cash Flow	45	-6,049	-1,570	-685	5,670	2,886	-2	8,026	14,354
(Pur)/Sale of Investments	25	840	332	-886	-1,886	1,028	-1,733	0	0
Others	251	35	53	2,813	-1,064	1,265	1,138	0	0
CF from Investments	-6,133	-11,953	-10,142	-11,803	-14,997	-15,877	-29,614	-24,000	-20,000
Issue of Shares	0	0	1	0	7,500	2	0	0	0
Inc/(Dec) in Debt	-4,552	4,095	2,677	3,205	-6,856	622	8,147	-2,000	-5,000
Interest Paid	-1,109	-1,299	-2,241	-2,040	-1,574	-1,173	-2,048	-2,340	-2,069
Dividend Paid	-829	-829	-836	-803	-1,408	-2,117	-2,142	-3,569	-4,462
Others	3,731	3,213	2,606	-2,337	1,182	-741	-1,789	0	0
CF from Fin. Activity	-2,760	5,179	2,207	-1,975	-1,155	-3,406	2,168	-7,909	-11,531
Inc/Dec of Cash	-2,438	6	1,021	-734	1,565	1,774	1,571	117	2,823
Opening Balance	3,399	961	967	1,989	1,255	2,820	4,594	6,164	6,282
Closing Balance	961	967	1,989	1,255	2,820	4,594	6,164	6,282	9,105

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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