

BSE SENSEX 63,416 S&P CNX 18,817

CMP: INR2,308 TP: INR2,580 (+12%) Neutral

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Stock Info

Bloomberg	SRF IN
Equity Shares (m)	297
M.Cap.(INRb)/(USDb)	684.1 / 8.3
52-Week Range (INR)	2864 / 2003
1, 6, 12 Rel. Per (%)	-10/-5/-18
12M Avg Val (INR m)	1455
Free float (%)	49.5

Financials Snapshot (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	148.7	169.0	195.8
EBITDA	36.3	43.3	48.6
Adj. PAT	22.7	26.5	30.1
EBITDA margin (%)	24.4	25.6	24.8
Cons. Adj. EPS (INR)	76.2	89.2	101.1
EPS Gr. (%)	24.8	17.0	13.4
BV/Sh. (INR)	347	424	510

Ratios

Net D:E	0.3	0.2	0.1
RoE (%)	24.0	23.1	21.6
RoCE (%)	17.9	18.0	17.8
Payout (%)	9.9	13.5	14.8

Valuations

P/E (x)	30.2	25.8	22.8
EV/EBITDA (x)	19.7	16.5	14.5
Div. Yield (%)	0.3	0.5	0.7
FCF Yield (%)	(0.0)	1.2	2.2

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

FII Includes depository receipts

Chemical business to spearhead growth trajectory

SRF's Chemical business was the top performer in FY23 with 41% growth, whereas its Packaging Film and Technical Textile businesses remained under pressure.

Going forward as well, the chemical business is expected to drive growth as the company has allocated a higher share of capex (~83% of total guided capex) to the business over the next five years.

- The Chemical business is expected to maintain robust growth (~20% CAGR over FY23-25E) on the back of a resilient capex plan (~10 plants to be commissioned in FY24) and upcoming launches. The sustainability of margins will be the key monitorable.
- SRF has guided for ~INR25b of capex in FY24 and ~INR150b over CY24-28. The majority of the capex (INR22-23b for FY24; INR120-130b for FY24-28) is allocated to the chemical business as the company plans to enter fluoropolymers and other refrigerants.
- The Packaging Film segment is expected to witness moderate growth going ahead as margin pressure is likely to continue for the near term. Increasing share of value-added products and operational efficiency will aid profitability.
- The Technical Textile business is expected to recover on the back of improving NTCF demand and capacity addition in the belting fabrics segment. Margins are likely to stay under pressure due to cheap imports from China.

Ramp-up of upcoming plants to drive Chemical business

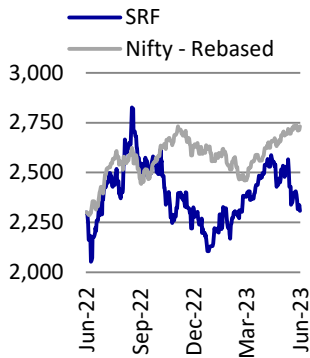
- **Chemical business** maintained robust growth in FY23, accounting for ~50%/73% of consolidated sales/EBIT in FY23. Revenue grew 41% YoY to ~INR74.1b, aided by higher sales volumes, enhanced realizations in refrigerants and strong demand for its specialty chemical business.
- In the **Fluorochemicals business** (~36% of chemical segment revenue in FY23), HFC is expected to remain the key product for the next 3-4 years. However, HFO is likely to play a major role thereafter, thanks to its zero ozone depletion potential and low global warming potential (GWP).
 - SRF's upcoming R32 plant (HFC variant with lower GWP) with capacity of ~15,000 MTPA (at capex of ~INR5.5b) is likely to be commissioned in Aug'23. The company expects to ramp up the production in CY23, with a majority of the products likely to be sold in the Middle East, the US and Southeast Asia markets.
 - Further, it is likely to commission its new Polytetrafluoroethylene (PTFE) plant at Dahej in FY24 with capacity of ~5,000 MTPA (~INR5.2b capex). The rising demand for electronic devices, automobiles, and industrial equipment is likely to drive growth for PTFE.
- **Specialty chemical business** has been the key growth driver for the company, with a ~49% revenue CAGR over FY18-23. It accounts for ~56% of chemical segment revenue in FY23, up from ~35% in FY18.

Sumant Kumar - Research Analyst (Sumant.Kumar@MotilalOswal.com)

Research Analyst: Meet Jain (Meet.Jain@MotilalOswal.com) / Omkar Shintre (Omkar.Shintre@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

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Stock Performance (1-year)

- SRF expects to sustain a high growth rate for the segment (guided for over 20% growth in FY24) on the back of commercialization of seven new specialty chemical plants in FY24, coupled with the enhancement of a new product portfolio and the strengthening of its customer base.
- It continues to focus on the Agrochemical and Pharmaceutical segments, where it will collaborate with major global innovators for process development, commercialization, and production of complex new age molecules.
- Overall, we expect SRF's Chemical business to see high growth (~20% CAGR over FY23-25E) on the back of a resilient capex plan (~10 plants to be commissioned in FY24), the launch of new products (~7-8 AI in next couple of years) and a ramp-up in adjacent categories such as Pharma.
- In the chemical business, EBITDA margin has increased by ~8.6pp over FY21-23 to 36.1%, aided by strong demand for specialty chemical in the international market and better realizations of fluorochemicals. The sustainability of margin will be a key monitorable in the near to mid-term. We expect EBITDA margins of ~36%/33% in FY24/25 for the segment.

Strong capex pipeline to support robust growth

- SRF expects to continue its growth trajectory in the Chemical business (revenue CAGR of ~36% FY18-23) and has guided for over 20% growth for the business in FY24
- In order to accommodate the growth pace, SRF has begun major expansion plans and has CWIP of ~INR20b as of Apr'23.
- The company expects to sustain the capex intensity going ahead and expects a capex of ~INR22-23b in FY24 for its chemical business (out of ~INR25b of capex on consolidated level), including ~INR7b for its specialty chemical segment, ~INR8b for the Fluorochemicals segment and the rest for land acquisition and other capex plans within the segment (yet to be announced).
- SRF is looking forward to further improving its capital allocation toward the chemical business. Over FY24-28, SRF has guided for a cumulative capex plan of INR150b on the consolidated basis. Out of this, INR120-130b will be directed toward the chemicals business as the company plans to enter areas such as fluoropolymers and other refrigerants.
- Over the last ten years (FY14-23), incremental revenue/EBIT in the Chemicals business stood at INR63.8b/INR19.9b. SRF incurred capex of INR53.6b over FY12-21 (assuming lag effect of 2 years due to asset monetization). Accordingly, the incremental revenue/EBIT-to-capex ratios translate to ~1.19x/0.37x.
- Assuming similar capex-to-revenue/EBIT ratios and considering capex guidance of ~INR120b over the next five years (up to FY28), SRF can generate incremental revenue/EBIT of INR142.8b/INR44.6b (1.9x FY23 revenue and EBIT).

Near-term margin pressure to continue for Packaging Film business

- **Packaging Film business**, which accounted for ~35%/17% of consolidated revenue/EBIT in FY23, witnessed severe headwinds in FY23, such as 1) oversupply with new lines of BOPP and BOPET being operationalized across the globe, 2) a decline in global demand, and 3) elevated energy costs in Europe.
- However, amid these headwinds, the industry is expected to consolidate as demand is likely to pivot toward few global suppliers with facilities in multiple locations.
- Accordingly, the company has continued its expansion plan and has commissioned its 2nd BOPP film and Metallizer line (adding capacity by ~60,000 MTPA) and debottlenecked its South Africa facility (adding ~15% to plant's total capacity). Further, it expects to commission its Aluminum Foil project with a capacity of ~21,000 MTPA by 2QFY24.
- Going ahead, we expect moderate growth in the segment, with margins likely to remain under pressure in the near term. However, an increase in the share of value-added products, coupled with SRF's focus on operational efficiencies and cost-reduction initiatives, should support the profitability of this segment.

Moderate growth outlook for Technical Textile business

- **Technical Textile business** (accounts for ~13%/8% of consolidated revenue/EBIT in FY23) witnessed weak demand for Nylon Tyre Cord Fabric (NTCF) in FY23 due to a decline in two-wheeler tyre sales and high imports. However, it was partly offset by the successful foray into Nylon Yarn.
- The company is witnessing slight demand improvement for NTCF. However, margins are likely to remain under pressure due to cheap imports from China.
- The Belting Fabrics segment is expected to grow, aided by increased Government focus on infrastructural development. Accordingly, SRF is undertaking the capacity expansion (from ~1,100 MTPA to ~1,800 MTPA in next three years) and modernization project.
- Overall, we expect a ~10% revenue CAGR in this business over FY23-25, aided by demand recovery and capacity expansion.

Valuation and view

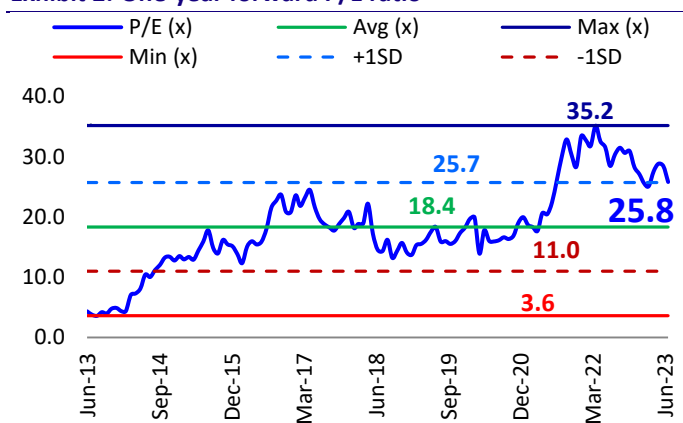
- SRF's Fluorochemicals business is expected to maintain its positive trend as demand in the Refrigerants segment is expected to remain healthy in the near to medium term. The Specialty Chemicals business should also maintain its growth momentum amid robust demand for the flagship product, as well as product additions. However, the sustainability of margin in the business will be a key monitorable in the near to medium term.
- The Packaging and Technical Textile businesses are expected to remain under pressure in the near term.
- We expect SRF to register a revenue/EBITDA/PAT CAGR of 15%/16%/15% over FY23-25.
- We reiterate our Neutral rating on the stock with our SoTP-based TP of INR2,580, owing to its rich valuation, which has been priced into the near-term upside.

Exhibit 1: Valuation methodology

EV/EBITDA	FY25 EBITDA (INR m)	Multiple (x)	EV (INR m)
Technical Textiles	4,466	8	35,729
Chemicals	35,069	19	6,67,007
Packaging Films	10,964	8	87,713
Others	633	5	3,167
Total EV			7,93,616
Less: Debt			36,541
Less: Minority Interest			-
Add: Cash & Cash Equivalents			10,428
Target Mcap (INR m)			7,67,504
Outstanding share (m)			297.4
Target Price (INR)			2,580

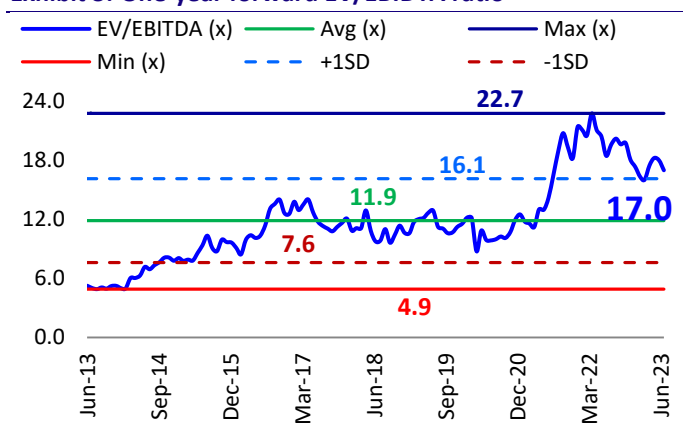
Source: MOFSL

Exhibit 2: One-year forward P/E ratio



Source: MOFSL

Exhibit 3: One-year forward EV/EBITDA ratio



Source: MOFSL

Ramp-up of upcoming plants to drive chemical business

- SRF maintained its robust growth rate in the chemical business in FY23, with revenues growing by ~41% YoY to over ~INR74b, aided by higher sales volumes, enhanced realizations in the refrigerants, and strong demand for its specialty chemical business.
- Going ahead, the company is fairly confident of sustaining strong growth and has guided for over 20% growth in FY24.
- Considering strong demand from customers, SRF will focus on quickly scaling up the upcoming plants and expanding the product portfolio.
- In order to meet the rising demand, SRF plans to commission seven specialty chemical plants and three Fluorochemicals plants in FY24. Going ahead, the capex intensity is expected to remain strong for the segment.

Exhibit 4: Chemical business revenue expected to register 20% CAGR over FY23-25

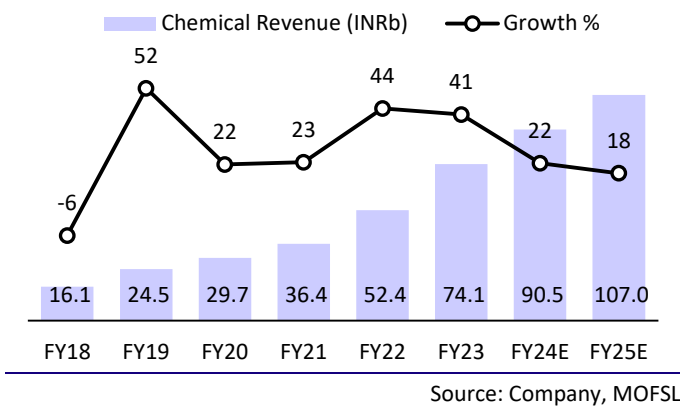


Exhibit 5: Chemical business EBIT margins expected to decline by ~360bp over FY23-25

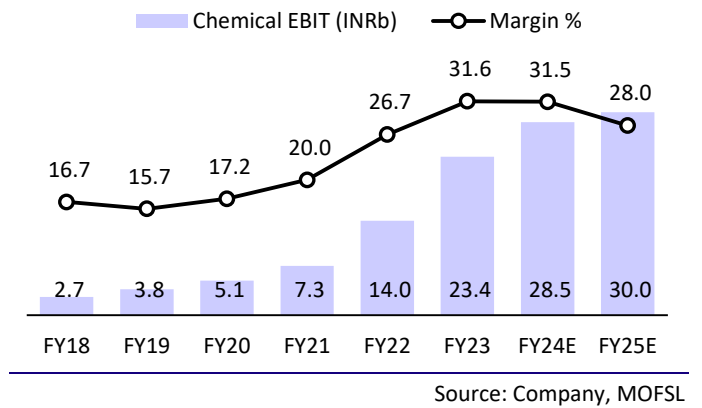


Exhibit 6: SRF's Chemical Business ROCE on an upward trajectory

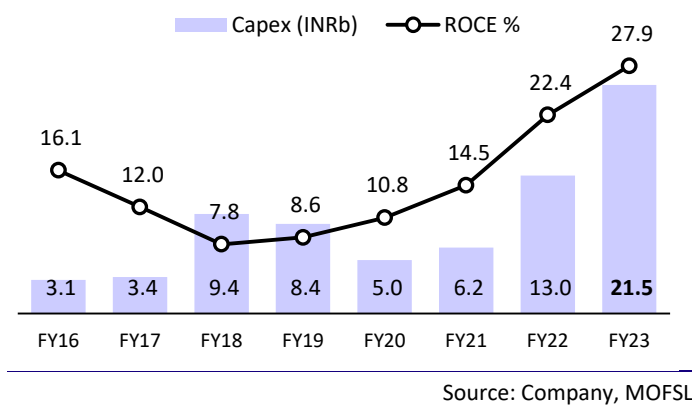
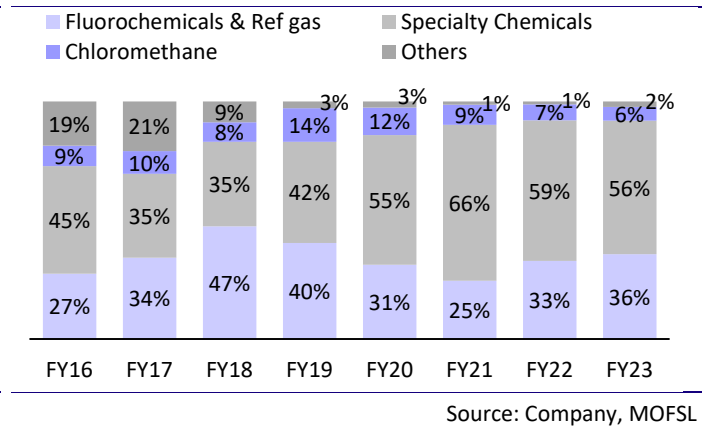


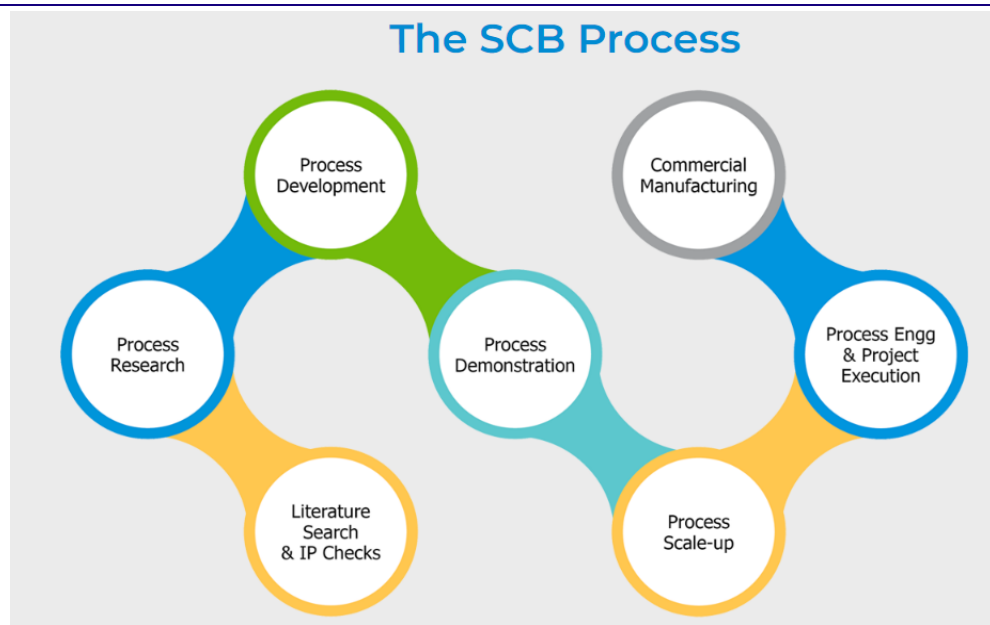
Exhibit 7: Share of Fluorochemicals and Ref gas improving over FY21-23



- **The Specialty Chemical business** maintained its growth momentum, despite being impacted by high input costs and a global shortage of some key raw materials.
- Growth was driven by strong demand in both domestic and export markets, and the expansion of its product portfolio and consumer base.
- The company has launched four new products in Agrochemical and one in Pharma and has an even stronger development pipeline going ahead.

- Apart from the intermediates plants, SRF commissioned a state-of-the-art multipurpose plant and a new Pharma Intermediates facility in FY23. The business is committed to continue investing in setting up new plants to cater to emerging demand from customers.
- Going ahead, the business will remain focused on Agrochemical and Pharmaceutical segments, collaborating with major global innovators for process development, commercialization, and production of complex new age molecules.

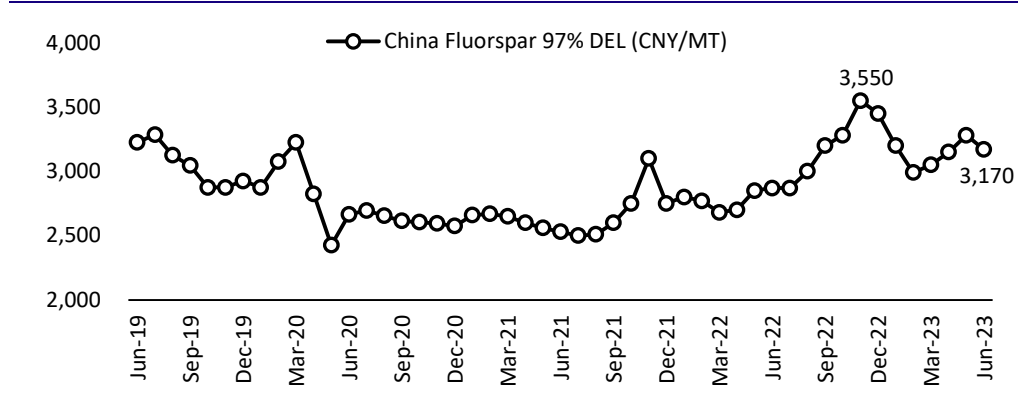
Exhibit 8: SRF's Specialty chemical business process flow



Source: Company, MOFSL

- **Fluorochemicals business** (comprising of Refrigerants, Propellants and Industrial Chemicals) began the year FY23 with uncertainties on account of high raw material and energy prices, coupled with supply chain bottlenecks.
- However, the business achieved significant growth across its product segments on the back of a surge in the post-pandemic domestic demand.
- Demand in international markets was healthy, despite cheap prices offered by Chinese manufacturers. Growth was further aided by the easing of commodity prices (fluorspar prices declined by ~11% from its peak price of ~CNY3,550/MT in Nov'22; Refer exhibit 9), especially in the latter part of the year.
- The Industrial Chemicals market remained stable; however, prices dropped due to an oversupply situation resulting from additional capacities kicking in. The Dymel/Propellants segment performed well because of increased market share, due to healthy demand and expansion in new geographies.
- Going ahead, the demand momentum is expected to remain intact, especially in the domestic market. With the addition of new capacities and better utilization, the business is poised to grow in the coming years.

Exhibit 9: Fluorspar price trend



Source: Company, MOFSL

Exhibit 10: SRF's Fluorochemicals business products



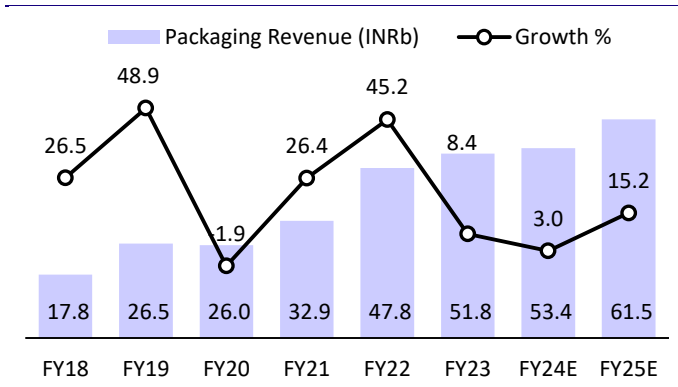
Source: Company, MOFSL

- **Fluoropolymers:** SRF is expected to commission its new Fluoropolymers plant at Dahej in FY24. It has a capacity 5,000 MTPA of PTFE.
- PTFE is a high-performance fluoropolymer that is used in a wide variety of applications, including electrical insulation, bearings, seals, and coatings. The demand for PTFE is expected to grow in the coming years, driven by the increasing demand for electronic devices, automobiles, and industrial equipment.
- SRF's PTFE plant is well positioned to capitalize on the growing demand for PTFE in India. The plant is located in a strategic location and has access to a large pool of skilled labor. The plant is also equipped with the latest technology, which will enable it to produce high-quality PTFE products.
- SRF's PTFE plant is a major investment by the company and is expected to help SRF grow its market share in the global PTFE market.

Near-term margin pressure to continue in Packaging film business

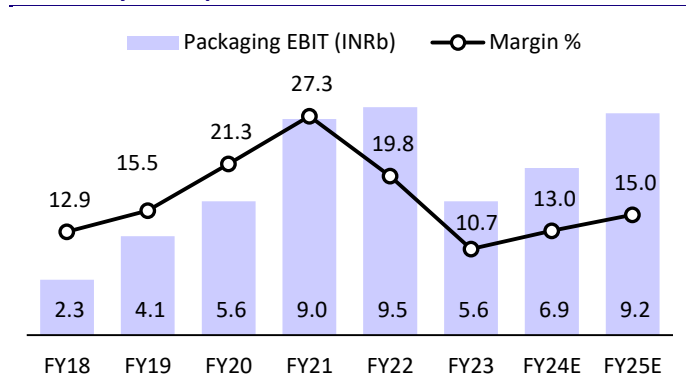
- **The Packaging Film business** witnessed moderate growth in FY23 (revenue up ~8% YoY to INR51.8b) as the segment faced an oversupply scenario caused by the operationalization of new lines in BOPET and BOPP film segments (both in India as well as overseas).
- Further, its Hungary operations were adversely affected by a decline in the global demand, coupled with elevated energy costs in Europe. However, SRF has witnessed a moderation in the energy index and is confident of a better performance in FY24.

Exhibit 11: Packaging business revenue expected to register 9% CAGR over FY23-25



Source: Company, MOFSL

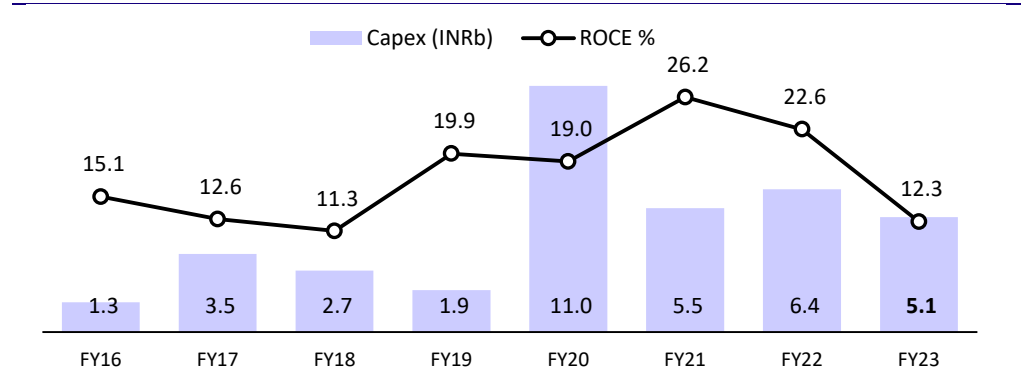
Exhibit 12: Packaging business EBIT margins expected to recover by ~430bp over FY23-25



Source: Company, MOFSL

- Despite the headwinds, the company has continued with its expansion plan and has accordingly commissioned its 2nd BOPP Film Line and Metalliser at Indore, adding capacity of another 60,000 MTPA to its existing BOPP capacity of 45,000 MTPA in India.
- Further, SRF’s Aluminum Foil project is likely to be commissioned by 2QFY24. Accordingly, SRF will be one of the few companies globally to operate in all three products, BOPET, BOPP and Aluminum Foil. This development will provide a unique cross-selling ability going ahead.

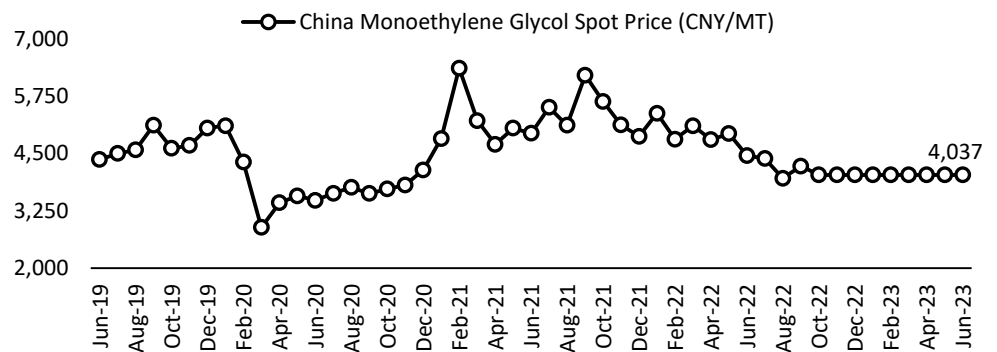
Exhibit 13: SRF’s Packaging film business ROCE trajectory



Source: Company, MOFSL

- In the longer run, SRF expects demand to pivot toward few global suppliers with facilities in multiple locations. SRF will continue to focus on operational efficiency, strong customer relationships and cost-reduction initiatives in order to mitigate the near to mid-term volatility in the segment.
- Going ahead, margins in both BOPET and BOPP segments are likely to remain under pressure due to an unfavorable demand-supply scenario.
- However, the company is looking to enhance the profitability through increasing the share of value-added products and has accordingly commercialized 10 new value-added products (6 in BOPP and 4 in BOPET) during FY23.

Exhibit 14: Monoethylene Glycol (key raw material) Spot price trend

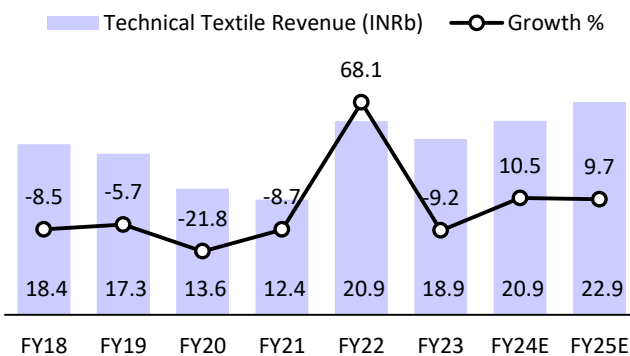


Source: Company, MOFSL

Moderate growth outlook for Technical Textile business

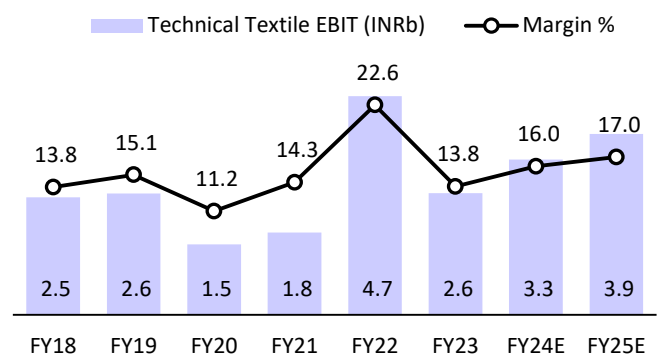
- **The Technical Textile business** witnessed a revenue decline (of 9% YoY to INR18.9b) in FY23, dragged down by weak demand for NTCF due to a decline in two-wheeler tyre sales and high imports.
- However, the business was able to partly offset the drop in NTCF sales volumes due to the successful foray into Nylon Yarn sales in the domestic as well as overseas markets.
- The company is witnessing a slight improvement in demand for NTCF and will look forward to improve its capacity utilization going ahead. It will also build on to the non-tyre market in order to de-risk its Technical Textiles business from NTCF.

Exhibit 15: Technical textile business revenue expected to register 10% CAGR over FY23-25



Source: Company, MOFSL

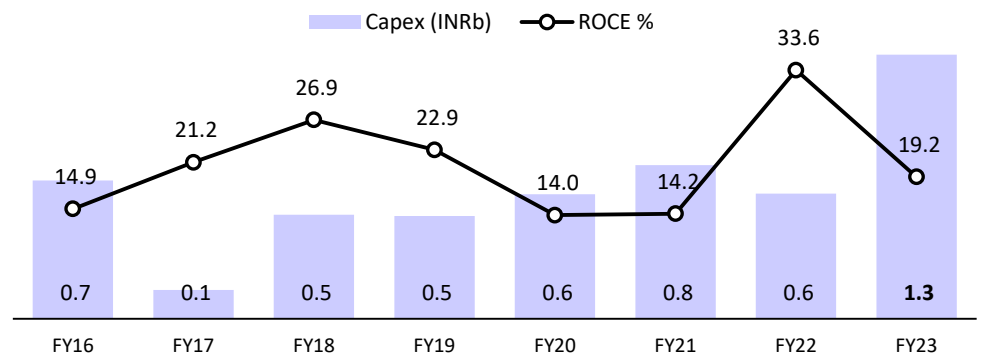
Exhibit 16: Technical textile business EBIT margins expected to recover by ~320bp over FY23-25



Source: Company, MOFSL

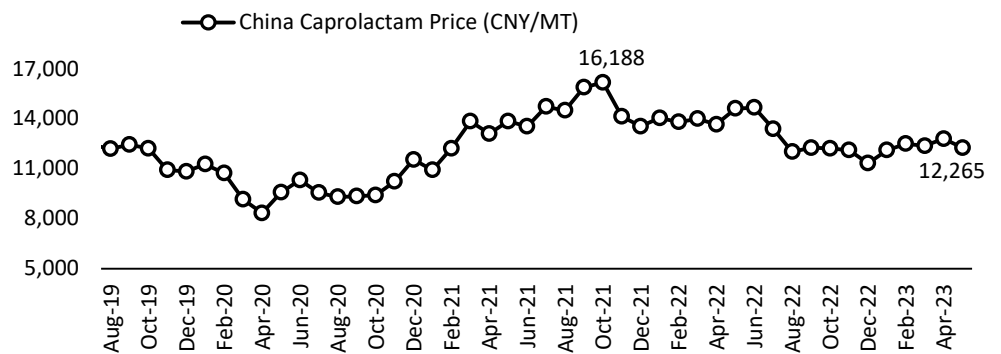
- Demand for Belting Fabrics is expected to grow in the near future on the back of increased Government focus on infrastructural development (Belting fabrics is used in core infra sectors such as coal, steel, cement, and power generation). Therefore, the company is undertaking a project for capacity expansion and modernization of its Belting Fabrics operations at Viralimalai.
- Accordingly, the capacity for the product is likely to increase from ~1,100 MTPA to ~1,800 MTPA within the next three years. This project is likely to enhance the company’s market share and will provide it a strong and sustainable margin profile in the business.
- Overall, SRF remains optimistic about moderate growth in FY24. However, margins of the Tyre Cord Fabrics segment is likely remain under pressure due to cheap imports from China.

Exhibit 17: SRF’s Technical textile business Capex and ROCE trend



Source: Company, MOFSL

Exhibit 18: Caprolactam (key raw material) price trend



Source: Company, MOFSL

Story in Charts

Exhibit 19: SRF's consolidated revenue expected to register 15% CAGR over FY23-25

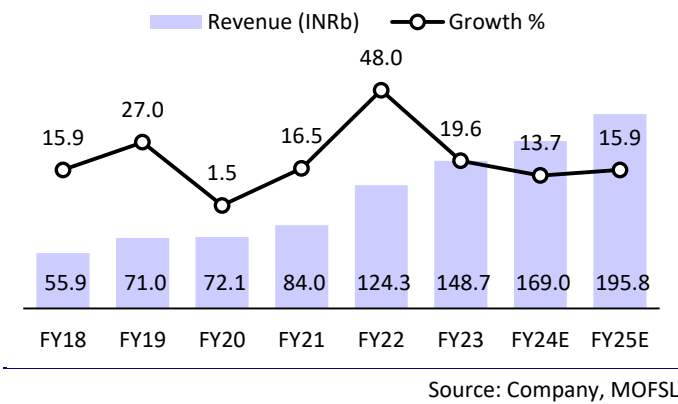


Exhibit 20: SRF's consolidated EBITDA expected to register 16% CAGR over FY23-25

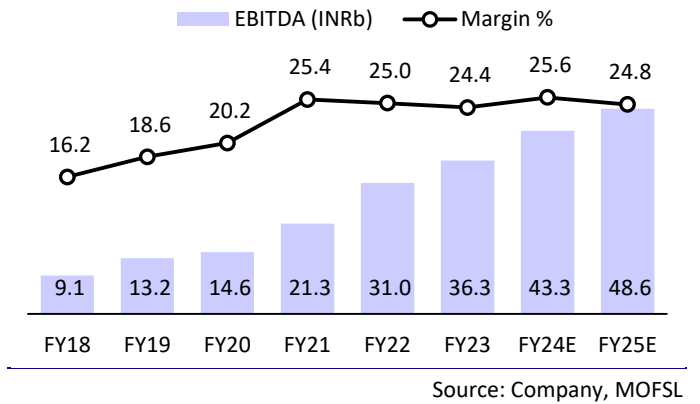


Exhibit 21: SRF's consolidated Adj. PAT expected to register 15% CAGR over FY23-25

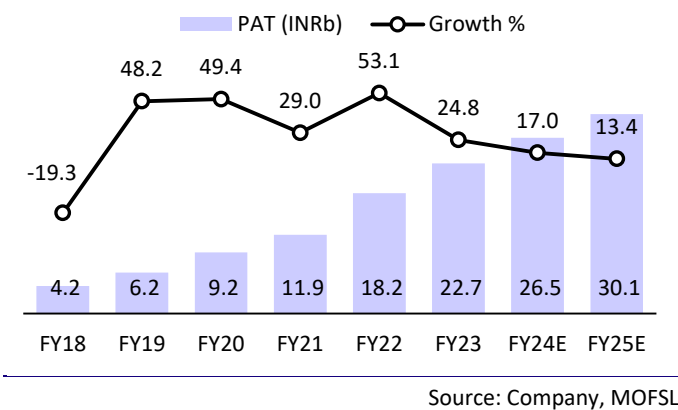


Exhibit 22: SRF's Capex trend

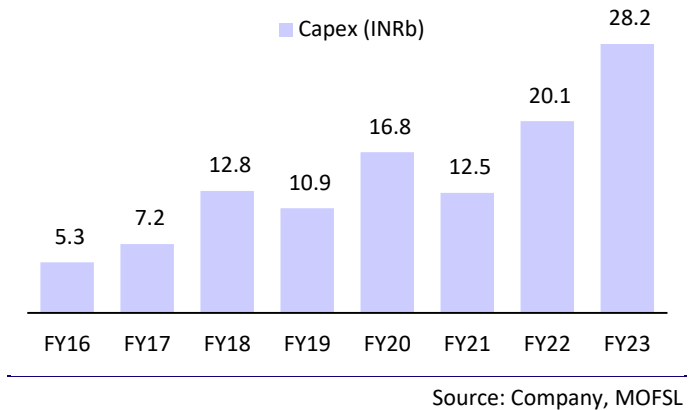


Exhibit 23: SRF Revenue Mix trend

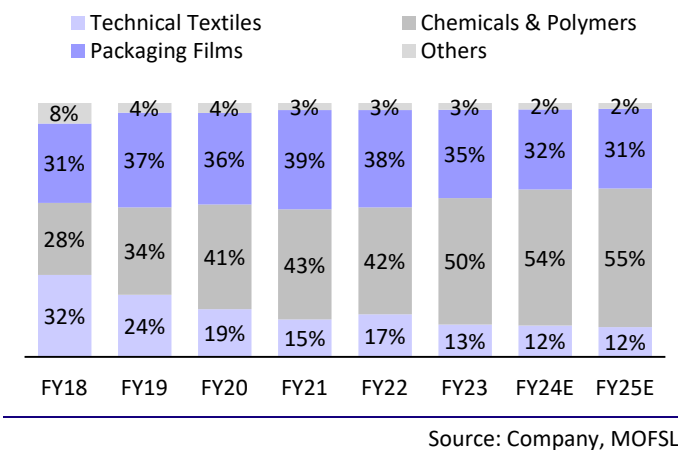


Exhibit 24: SRF's EBIT Mix trend

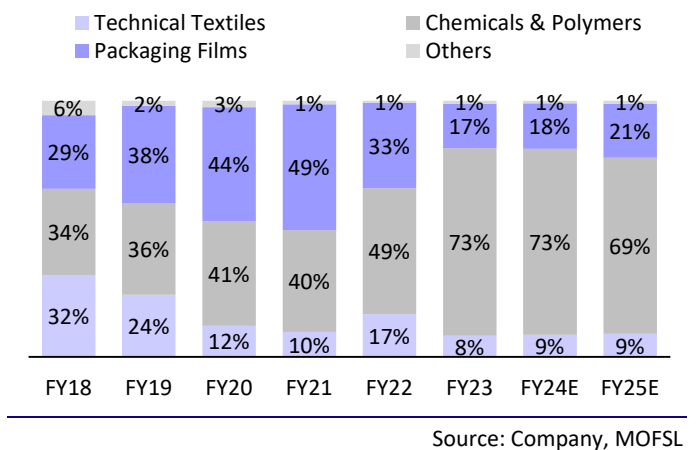
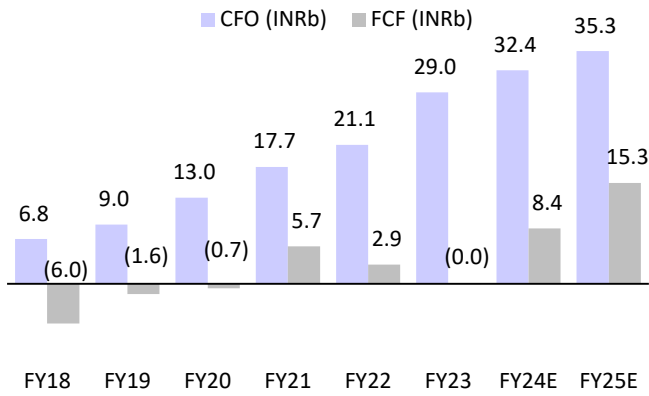
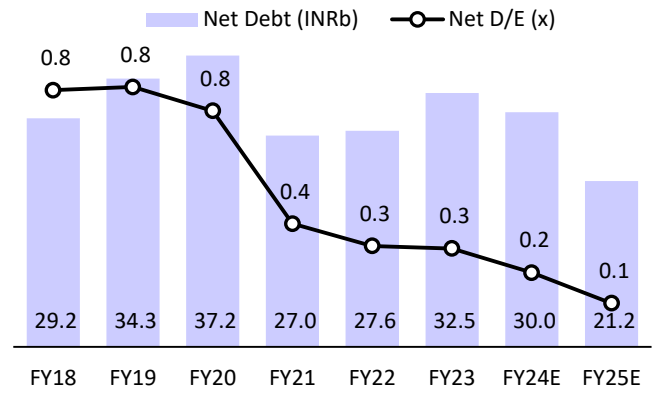


Exhibit 25: SRF Cash flow trend



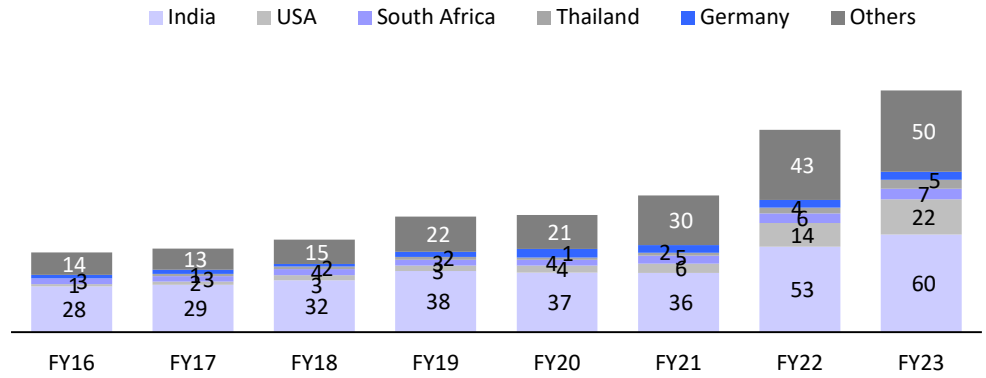
Source: Company, MOFSL

Exhibit 26: SRF's Net Debt trend



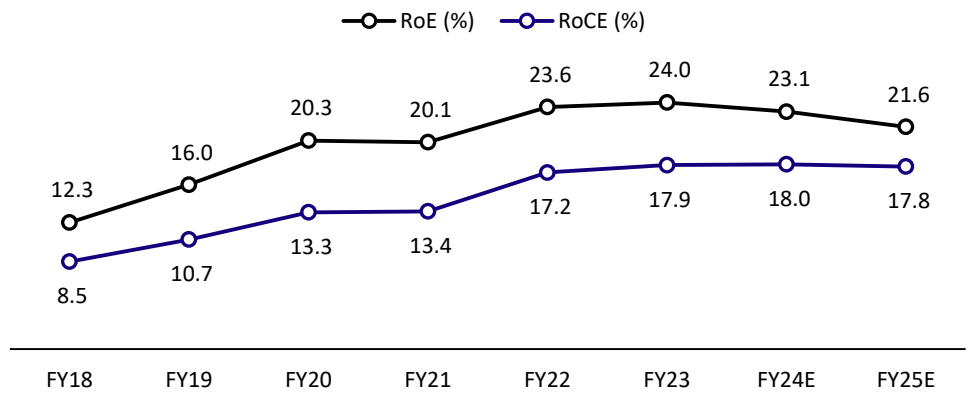
Source: Company, MOFSL

Exhibit 27: SRF's geography-wise revenue distribution



Source: Company, MOFSL

Exhibit 28: SRF's RoE and RoCE trend



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR m)

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	1,69,005	1,95,807
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	1,69,005	1,95,807
Change (%)	5.0	15.9	27.0	1.5	16.5	48.0	19.6	13.7	15.9
Cost of Materials Consumed	24,188	30,320	39,671	36,870	40,189	60,669	73,935	82,034	96,140
% of Sales	50.2	54.2	55.9	51.1	47.8	48.8	49.7	48.5	49.1
Personnel Expenses	4,338	4,740	4,608	5,419	6,214	7,800	8,138	9,126	10,378
% 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	34,508	40,728
% 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	1,25,668	1,47,246
% of Sales	79.9	83.8	81.4	79.8	74.6	75.0	75.6	74.4	75.2
EBITDA	9,694	9,062	13,209	14,584	21,333	31,032	36,332	43,336	48,561
Margin (%)	20.1	16.2	18.6	20.2	25.4	25.0	24.4	25.6	24.8
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	36,565	40,813
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	35,124	39,823
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	35,124	39,823
Current Tax	1,422	1,200	1,769	265	4,154	7,139	6,617	8,606	9,758
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	26,518	30,065
Adjusted PAT	5,150	4,154	6,155	9,194	11,864	18,162	22,663	26,518	30,065
Change (%)	17.0	-19.3	48.2	49.4	29.0	53.1	24.8	17.0	13.4
Margin (%)	10.7	7.4	8.7	12.8	14.1	14.6	15.2	15.7	15.4

Consolidated - Balance Sheet

(INR m)

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	1,23,245	1,48,849
Net Worth	31,826	35,646	41,293	49,333	68,564	85,654	1,03,271	1,26,219	1,51,823
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	1,75,852	1,96,456
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	67,829	81,493
Inventory	8,381	9,582	12,247	12,012	14,658	21,385	22,743	24,273	28,447
Account Receivables	6,569	6,807	10,288	8,911	12,746	17,925	17,856	20,836	24,141
Cash and Bank Balance	961	967	1,989	1,255	2,820	4,594	6,165	6,652	10,428
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	36,016	41,328
Account Payables	8,089	10,442	13,824	11,117	15,852	20,964	22,313	24,723	28,974
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	31,813	40,165
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	1,75,852	1,96,456

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	89.2	101.1
Cash EPS	26.8	24.6	32.7	44.0	55.1	78.5	95.5	111.9	127.1
BV/Share	107.0	119.8	138.8	165.9	230.5	288.0	347.2	424.4	510.4
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	13.5	14.8
Valuation (x)									
P/E	133.0	164.9	111.3	74.5	57.7	37.7	30.2	25.8	22.8
Cash P/E	85.8	93.7	70.4	52.4	41.8	29.4	24.1	20.6	18.1
P/BV	21.5	19.2	16.6	13.9	10.0	8.0	6.6	5.4	4.5
EV/Sales	14.6	12.8	10.1	10.0	8.5	5.7	4.8	4.2	3.6
EV/EBITDA	72.9	78.8	54.5	49.5	33.4	23.0	19.7	16.5	14.5
Dividend Yield (%)	0.1	0.1	0.2	0.1	0.2	0.7	0.3	0.5	0.7
FCF per share	0.2	-20.3	-5.3	-2.3	19.1	9.7	0.0	28.2	51.5
Return Ratios (%)									
RoE	17.3	12.3	16.0	20.3	20.1	23.6	24.0	23.1	21.6
RoCE	11.0	8.5	10.7	13.3	13.4	17.2	17.9	18.0	17.8
RoIC	17.8	13.8	18.0	15.3	26.3	34.2	34.7	36.4	36.1
Working Capital Ratios									
Fixed Asset Turnover (x)	0.6	0.6	1.0	0.9	0.9	1.2	1.2	1.1	1.2
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	55
Leverage Ratio (x)									
Current Ratio	1.9	1.9	2.0	1.8	1.8	1.9	1.9	1.9	2.0
Interest Cover Ratio	7	5	5	5	13	22	15	16	20
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	35,124	39,823
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	-8,606	-9,758
(Inc)/Dec in WC	-2,556	-1,909	-3,165	-239	-1,236	-6,645	-408	-3,232	-4,577
CF from Operations	6,709	7,129	9,286	14,984	18,181	21,527	29,017	32,397	35,306
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	32,397	35,306
(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	8,397	15,306
(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	488	3,775
Opening Balance	3,399	961	967	1,989	1,255	2,820	4,594	6,164	6,652
Closing Balance	961	967	1,989	1,255	2,820	4,594	6,164	6,652	10,428

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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