

Estimate change	
TP change	
Rating change	

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Bloomberg	SRF IN
Equity Shares (m)	297
M.Cap.(INRb)/(USDb)	641.2 / 7.8
52-Week Range (INR)	2864 / 2050
1, 6, 12 Rel. Per (%)	-12/-8/-28
12M Avg Val (INR M)	1446

Financials & Valuations (INR b)			
Y/E Mar	2023	2024E	2025E
Sales	148.7	148.4	182.8
EBITDA	36.3	33.6	44.7
PAT	22.7	19.0	26.8
EBITDA (%)	24.4	22.6	24.5
EPS (INR)	76.2	64.0	90.2
EPS Gr. (%)	24.8	(16.0)	41.1
BV/Sh. (INR)	347	398	474
Ratios			
Net D/E	0.3	0.3	0.2
RoE (%)	24.0	17.2	20.7
RoCE (%)	17.9	13.6	16.8
Payout (%)	9.9	19.0	16.6
Valuations			
P/E (x)	28.4	33.8	24.0
EV/EBITDA (x)	18.6	20.2	15.1
Div Yield (%)	0.3	0.6	0.7
FCF Yield (%)	(0.0)	0.6	1.8

Shareholding pattern (%)			
As On	Jun-23	Mar-23	Jun-22
Promoter	50.5	50.5	50.7
DII	13.7	15.0	9.4
FII	20.0	18.5	19.2
Others	15.7	16.0	20.7

Note: FII includes depository receipts

**CMP: INR2,163**      **TP: INR2,250 (+4%)**      **Neutral**

## Weak operating performance across verticals

### Operating profitability below our estimate

- SRF reported subdued operating performance in 1QFY24 (EBIT declined 36% YoY), because of a broad-based deterioration in operating profitability across businesses. EBIT of Chemicals/Packaging/Technical Textile businesses dipped 12%/83%/48% YoY during the quarter.
- We reduce our FY24E/FY25E EBITDA by 20%/8%, due to the subdued demand scenario in Chemicals and Packaging businesses. We reiterate our **Neutral** rating owing to the stock's expensive valuation, which has been priced into the near-term upside.

### Packaging business drags overall profitability

- SRF reported an overall revenue of INR33.4b (est. of INR39.1b) in 1QFY24, down 14% YoY. EBITDA margin contracted 460bp YoY to 21.6% (est. of 23.5%). EBITDA stood at INR7.2b (est. of INR9.2b), down 29% YoY. Adjusted PAT declined 39% YoY to INR3.8b (est. of INR5.3b) during the quarter.
- Chemicals'** revenue (50% of total sales in 1QFY24) dropped 4% YoY to INR16.6b; while EBIT declined 12% YoY to INR4.6b (est. INR6.6b). EBIT margin contracted 250bp YoY to 27.7% (est. 32.5%). The Chemicals business was hit by lower sales in the Fluorochemicals business due to a very mild summer and general weakness in the industrial chemicals segment.
- Packaging Film's** revenue (33% of total sales in 1QFY24) declined 27% YoY to INR10.9b and EBIT was down 83% YoY to INR513m. Margin contracted 15pp YoY to 4.7%. Packaging film business continues to face significant margin pressure as falling commodity prices led to inventory corrections.
- Technical Textiles'** revenue (14% of total sales in 1QFY24) dipped 19% YoY to INR4.6b; EBIT margin contracted 7.3pp YoY to 13.1%. EBIT declined 48% YoY to INR607m. Lower Caprolactum price hit overall revenue of the business.

### Highlights from the management commentary

- Specialty Chemicals** segment delivered ~10% YoY growth in revenue despite inventory unwinding. Management expects to commercialize ~6-7 AIs by FY25.
- Fluorochemicals segment** was hit by weak domestic summer season and Chinese dumping across geographies. However, management expects sequential improvement in the segment.
- PTFE facility is anticipated to be commissioned by Sep/Oct'23. Management is expecting an output of ~1,000-1,500 MT from this plant in FY24.
- Margin pressure within the Packaging film business continued, as falling commodity prices led to inventory corrections. However, Hungary operations improved on a sequential basis.

### Valuation and view

- The Chemicals and Packaging business margins are expected to remain under pressure in FY24 led by weak demand scenario and lower realization. However, we expect the packaging performance to improve from FY25.
- We reduce our FY24E/FY25E EBITDA by 20%/8%, due to the subdued demand scenario in Chemicals and Packaging businesses. We reiterate our **Neutral** rating owing to the stock's expensive valuation, which has been priced into the near-term upside.

### Consolidated - quarterly earnings model

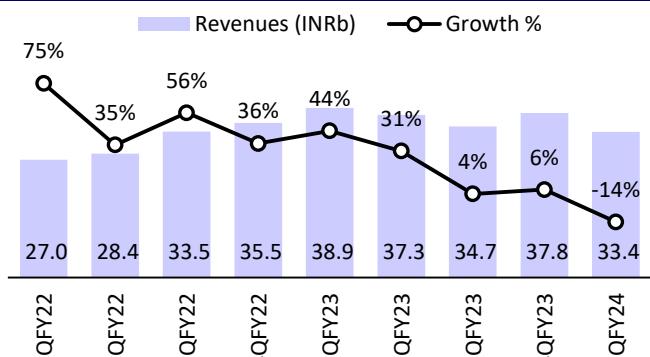
Y/E March	FY23								FY24E		FY23	FY24E	FY24E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	1Q	%				
<b>Net Sales</b>	<b>38,947</b>	<b>37,278</b>	<b>34,697</b>	<b>37,781</b>	<b>33,384</b>	<b>35,515</b>	<b>38,365</b>	<b>41,145</b>	<b>1,48,703</b>	<b>1,48,409</b>	<b>39,103</b>	<b>-15</b>		
YoY Change (%)	44.3	31.3	3.7	6.4	-14.3	-4.7	10.6	8.9	19.6	-0.2	16.9			
<b>Total Expenditure</b>	<b>28,749</b>	<b>29,226</b>	<b>26,211</b>	<b>28,185</b>	<b>26,184</b>	<b>28,022</b>	<b>29,369</b>	<b>31,270</b>	<b>1,12,371</b>	<b>1,14,845</b>	<b>29,919</b>			
<b>EBITDA</b>	<b>10,198</b>	<b>8,052</b>	<b>8,486</b>	<b>9,596</b>	<b>7,200</b>	<b>7,493</b>	<b>8,996</b>	<b>9,875</b>	<b>36,332</b>	<b>33,564</b>	<b>9,184</b>	<b>-22</b>		
Margins (%)	26.2	21.6	24.5	25.4	21.6	21.1	23.4	24.0	24.4	22.6	23.5			
Depreciation	1,307	1,393	1,507	1,546	1,566	1,640	1,700	1,770	5,753	6,676	1,590			
Interest	325	445	620	659	656	650	640	620	2,048	2,566	630			
Other Income	99	327	100	223	118	360	110	309	749	897	110			
<b>PBT before EO expense</b>	<b>8,665</b>	<b>6,542</b>	<b>6,460</b>	<b>7,614</b>	<b>5,095</b>	<b>5,563</b>	<b>6,766</b>	<b>7,794</b>	<b>29,280</b>	<b>25,218</b>	<b>7,074</b>			
Extra-Ord expense & DO	249	361	150	280	237	0	0	0	1,040	237	0			
<b>PBT</b>	<b>8,416</b>	<b>6,181</b>	<b>6,309</b>	<b>7,334</b>	<b>4,858</b>	<b>5,563</b>	<b>6,766</b>	<b>7,794</b>	<b>28,240</b>	<b>24,981</b>	<b>7,074</b>			
Tax	2,336	1,371	1,200	1,709	1,265	1,362	1,656	1,908	6,617	6,191	1,732			
Rate (%)	27.0	21.0	18.6	22.5	24.8	24.5	24.5	24.5	22.6	24.6	24.5			
<b>Reported PAT</b>	<b>6,080</b>	<b>4,810</b>	<b>5,109</b>	<b>5,625</b>	<b>3,593</b>	<b>4,201</b>	<b>5,110</b>	<b>5,886</b>	<b>21,623</b>	<b>18,789</b>	<b>5,342</b>			
<b>Adj PAT</b>	<b>6,329</b>	<b>5,171</b>	<b>5,259</b>	<b>5,905</b>	<b>3,830</b>	<b>4,201</b>	<b>5,110</b>	<b>5,886</b>	<b>22,663</b>	<b>19,027</b>	<b>5,342</b>	<b>-28</b>		
YoY Change (%)	63.1	42.9	11.4	-0.6	-39.5	-18.7	-2.8	-0.3	24.8	-16.0	13.2			
Margins (%)	16.2	13.9	15.2	15.6	11.5	11.8	13.3	14.3	15.2	12.8	13.7			

## Key Performance Indicators

Y/E March Consolidated	FY23				FY24E				FY23	FY24E	FY24E 1Q
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Segment Revenue (INR m)											
Technical Textile	5,710	4,662	4,259	4,307	4,647	4,895	5,111	5,255	18,939	17,875	5,082
Chemicals	17,224	18,302	17,566	21,017	16,605	17,753	18,971	21,017	74,109	73,490	20,325
Packaging Film	14,960	13,310	12,027	11,531	10,948	11,713	13,229	13,837	51,828	47,816	12,566
Others	1,056	1,004	923	943	1,187	1,154	1,053	1,037	3,926	4,057	1,130
Segment Revenue Growth (%)											
Technical Textile	15.8	-16.4	-20.8	-13.3	-18.6	5.0	20.0	22.0	-9.2	5.1	-43.1
Chemicals	54.7	62.5	23.0	33.7	-3.6	-3.0	8.0	0.0	41.4	0.3	27.0
Packaging Film	43.7	24.2	-5.7	-17.1	-26.8	-12.0	10.0	20.0	8.4	-4.1	-70.2
Other	96.9	16.3	-13.7	1.0	12.4	15.0	14.0	10.0	15.4	12.9	17.0
Segment Results (INR m)											
Technical Textile	1,162	629	342	484	607	734	894	963	2,617	3,198	661
Chemicals	5,202	5,173	5,639	7,393	4,601	4,971	5,502	6,095	23,407	21,168	6,606
Packaging Film	2,952	1,014	1,186	410	513	820	1,323	1,660	5,562	4,316	880
Others	68	76	91	113	232	139	137	145	348	652	79
Segment EBIT Margins (%)											
Technical Textile	20.4	13.5	8.0	11.2	13.1	15.0	17.5	18.3	13.8	16.1	13.0
Chemicals	30.2	28.3	32.1	35.2	27.7	28.0	29.0	29.0	31.6	28.5	32.5
Packaging Film	19.7	7.6	9.9	3.6	4.7	7.0	10.0	12.0	10.7	8.7	7.0
Others	6.4	7.6	9.9	12.0	19.5	12.0	13.0	14.0	8.9	14.7	7.0
Cost Break-up											
RM Cost (% of sales)	47.7	52.4	48.8	50.0	50.9	51.0	50.0	50.5	49.7	50.6	48.8
Staff Cost (% of sales)	5.0	5.2	6.1	5.7	6.5	6.2	5.9	5.7	5.5	6.0	6.1
Power and Fuel Cost (% of sales)	10.5	10.0	9.9	9.1	10.6	10.3	10.1	9.5	9.9	10.1	9.9
Other Cost (% of sales)	10.6	10.7	10.7	9.8	10.4	11.4	10.6	10.3	10.5	10.7	10.7
Gross Margins (%)	52.3	47.6	51.2	50.0	49.1	49.0	50.0	49.5	50.3	49.4	51.2
EBITDA Margins (%)	26.2	21.6	24.5	25.4	21.6	21.1	23.4	24.0	24.4	22.6	24.5
EBIT Margins (%)	22.8	17.9	20.1	21.3	16.9	16.5	19.0	19.7	20.6	19.1	20.1

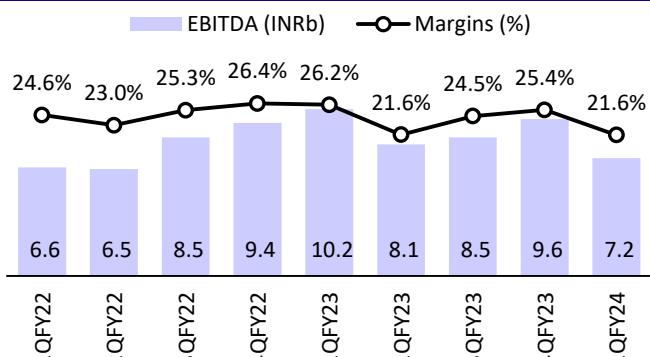
## Key Exhibits

### Exhibit 1: Consolidated revenue trend



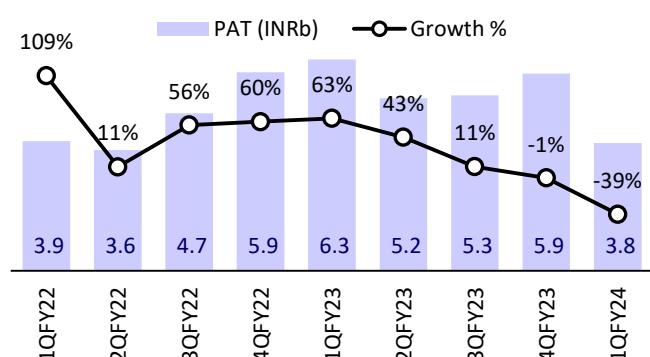
Source: Company, MOFSL

### Exhibit 2: Consolidated EBITDA trend



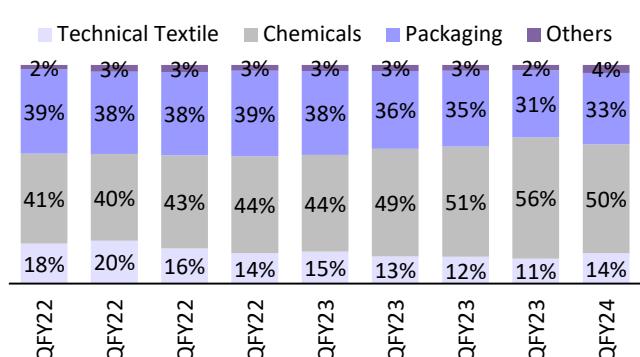
Source: Company, MOFSL

### Exhibit 3: Consolidated adjusted PAT trend



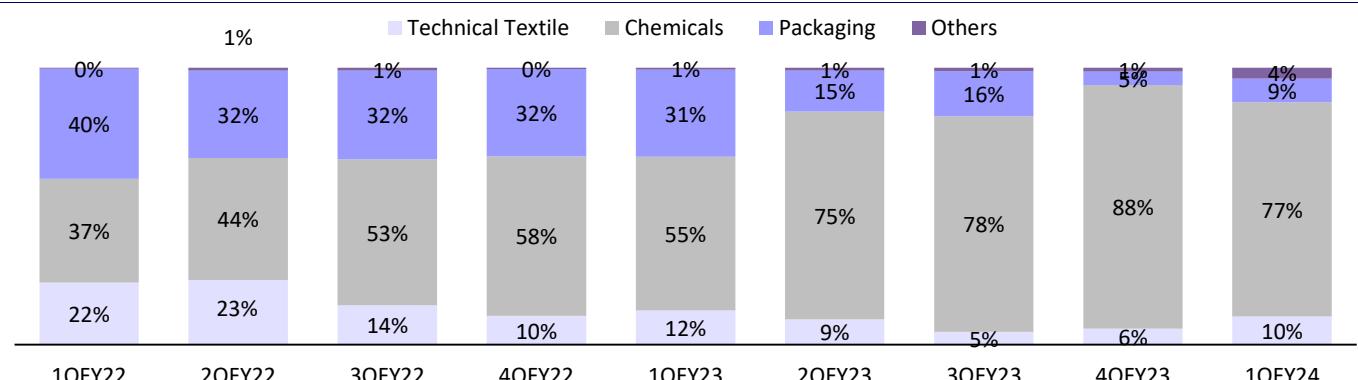
Source: Company, MOFSL

### Exhibit 4: Revenue mix trend



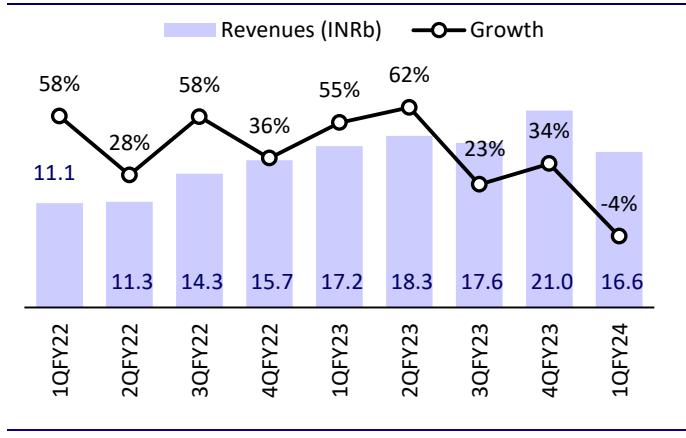
Source: Company, MOFSL

### Exhibit 5: EBIT mix trend



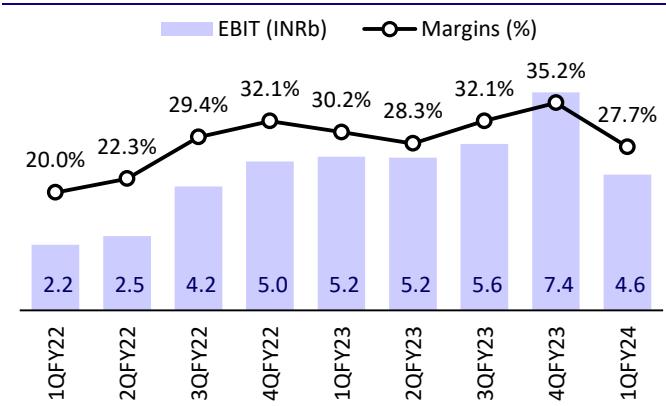
Source: Company, MOFSL

Exhibit 6: Revenue trend in Chemicals business



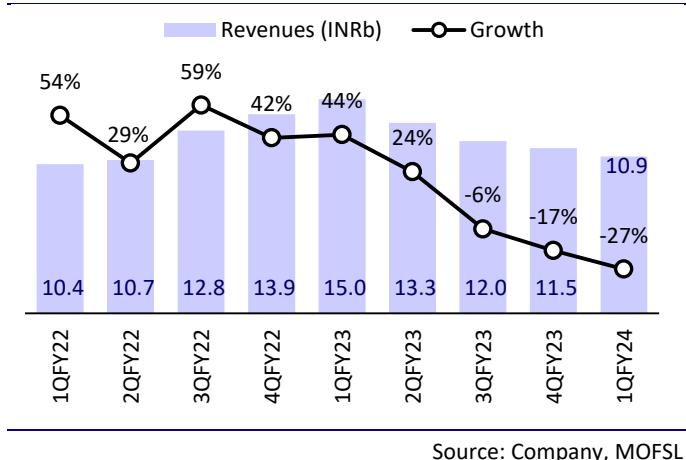
Source: Company, MOFSL

Exhibit 7: EBIT trend in Chemicals business



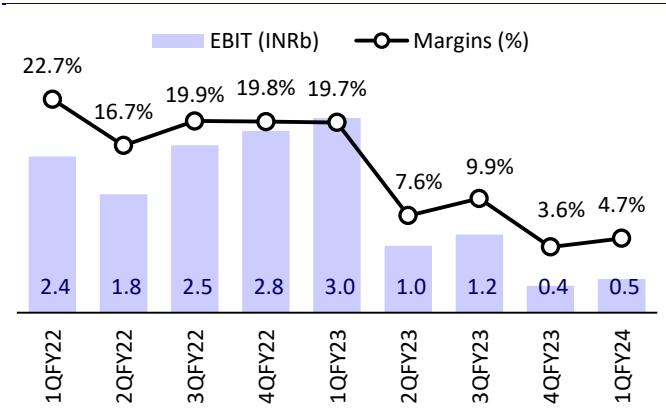
Source: Company, MOFSL

Exhibit 8: Revenue trend in Packaging Film business



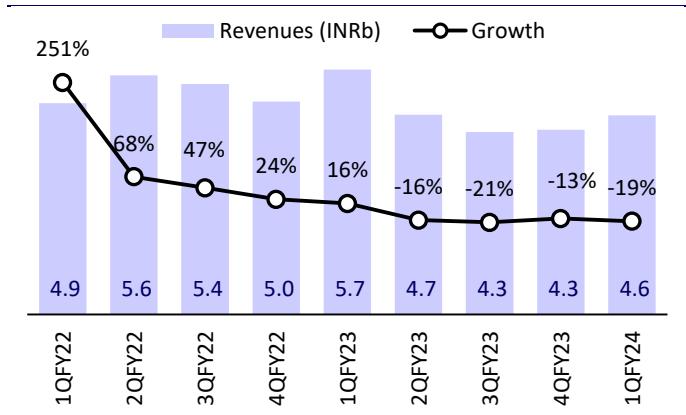
Source: Company, MOFSL

Exhibit 9: EBIT trend in Packaging Film business



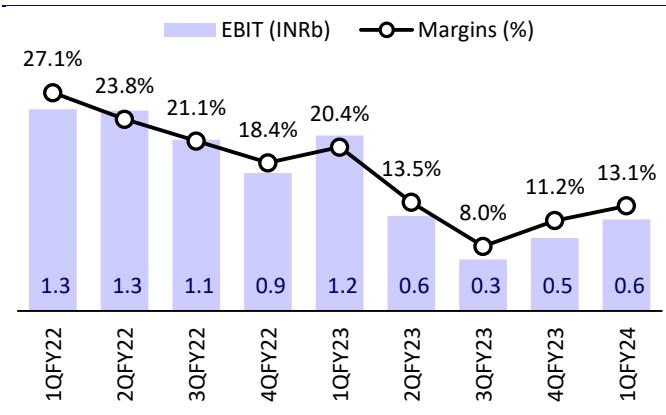
Source: Company, MOFSL

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 business:

- **The Specialty Chemicals segment** was hit by inventory rationalization by customers. However, despite inventory unwinding, the segment delivered healthy growth in revenue and margins.
- The ongoing expansion projects within the segment are as per schedule and are likely to be commissioned over the next few quarters. These will contribute positively going forward.
- SRF maintained its strong engagement with customers for complex downstream products/AIs. It has launched two new products in Agro and Pharma each during the quarter. Going ahead, SRF expects to commercialize ~6-7 AIs by FY25.
- Prices of certain key raw materials are softening; however, they are still higher than their long-term averages.
- **Fluorochemicals segment** was hit by weak domestic summer season and Chinese dumping across geographies (on account of weak local demand in China). Accordingly, it witnessed a decline in revenue YoY due to weaker volumes and price reduction.
- Management expects short-term pressures in HFCs. However, underlying potential remains strong due to production cuts in the US and strong traction for the products.
- Management expects 2QFY24 to be better than 1QFY24. Further, it expects significant improvement in 2HFY24 v/s 1HFY24.
- Moreover, mandatory installation of AC systems in truck cabins is expected to bolster the domestic demand for ref gases in future.
- Industrial chemicals witnessed lower demand during the quarter due to stagnant pharma and agro industry.
- PTFE facility is anticipated to be commissioned by Sep/Oct'23. Management is expecting an output of ~1,000-1,500 MT from this plant in FY24.

### Packaging Film business

- The company expects the demand-supply mismatch to continue, especially in BOPET films. However, it is banking on its Value Added Portfolio (VAP) to ensure differentiation against its peers.
- The business continues to face significant margin pressure as falling commodity prices led to inventory corrections.
- Hungary operations witnessed improvement on sequential basis though.
- Aluminum foil project is on schedule and is likely to be commissioned by 3QFY24. Full benefit of the aluminum foil project is expected to be witnessed from FY25.
- Management expects ROCE of ~15-16% from the business going ahead.

### Technical Textile business:

- Revenue from the business was hit by lower Caprolactum prices. However, the same was partly offset by sequential improvement in NTCF volumes.
- The business witnessed improved performance of Belting Fabrics and Polyester Industrial Yarn and management is focusing on high-end VAP sales.

- The company has commissioned Phase 1 of the solid woven fabric (a crucial component of belting fabrics) during the quarter.

#### Other businesses:

- SRF's coated fabric business maintains its leadership position within the domestic market by achieving the highest ever domestic sales and EBITDA on the back of increased demand from VAP. The demand scenario is likely to stay positive in near future.
- In the laminated business, SRF is operating its plant at full capacity and retained its price leadership. Demand is expected to remain stable in this business.

#### Market outlook:

- **Chemicals business:** The company expects the current inventory rationalization within specialty chemicals segment to be transitory in nature and can last for a couple of quarters. It is focusing on commissioning and ramping up of new plants within the segment.
- Within Fluorochemicals, strong demand outlook for HFCs is likely to continue. SRF expects better performance in 2HFY24. Long-term growth story continues to remain intact. It is focusing on PTFE product approvals in order to ramp up the plant. Industrial chemical prices may continue to witness pressure in the near term.
- **Packaging Film business:** Management expects pressure on margin to continue due to demand-supply mismatch. However, it expects the industry down cycle to be at its peak and over capacity within the industry to taper off over the period. Management will continue to focus on sustainability initiatives, cost optimization and value added products.
- **Technical Textiles business:** The business performance is likely to improve on the back of higher operating leverage and cost optimization. SRF expects demand for NTCF to remain stable while Belting fabrics is likely to witness strong domestic demand. Government's focus on Infrastructure development is likely to contribute towards the growth of the business.

#### Capitalization:

- Management has indicated that the company will capitalize ~INR11b/INR14-15b of capex for its Fluorochemicals/Specialty Chemicals businesses in FY24.
- Further, it will also capitalize ~INR4b towards the Aluminum foil project (Packaging Film business) during the year.

#### Valuation and view

- The Chemicals and Packaging business margins are expected to remain under pressure in FY24 led by weak demand scenario and lower realization. However, we expect the packaging performance to improve from FY25.
- We reduce our FY24E/FY25E EBITDA by 20%/8%, due to the subdued demand scenario in Chemicals and Packaging businesses. We reiterate our **Neutral** rating owing to the stock's expensive valuation, which has been priced into the near-term upside.

**Exhibit 12: Valuation methodology**

EV/EBITDA	FY25E EBITDA (INR m)	Multiple (x)	EV (INR m)
Technical Textiles	4,443	8	35,541
Chemicals	32,426	18	5,84,632
Packaging Films	9,884	8	79,069
Others	905	5	4,526
<b>Total EV</b>			<b>7,03,768</b>
Less: Debt			38,541
Less: Minority Interest			-
Add: Cash & Cash Equivalents			3,891
<b>Target Mcap (INR m)</b>			<b>6,69,119</b>
Outstanding share (m)			297.4
<b>Target Price (INR)</b>			<b>2,250</b>

Source: MOFSL

**Exhibit 13: Revisions to our estimates**

Earnings Change (INR m)	Old		New		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Revenue	1,69,005	1,95,807	1,48,409	1,82,809	-12	-7
EBITDA	42,119	48,561	33,564	44,701	-20	-8
Adj. PAT	25,598	30,056	19,027	26,839	-26	-11

Source: 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	1,48,409	1,82,809	
Less: Excise Duty	3,148	958	0	0	0	0	0	0	0	
<b>Total Income from Operations</b>	<b>48,218</b>	<b>55,890</b>	<b>70,996</b>	<b>72,094</b>	<b>84,000</b>	<b>1,24,337</b>	<b>1,48,703</b>	<b>1,48,409</b>	<b>1,82,809</b>	
Change (%)	5.0	15.9	27.0	1.5	16.5	48.0	19.6	-0.2	23.2	
Cost of Materials Consumed	24,188	30,320	39,671	36,870	40,189	60,669	73,935	75,079	92,397	
% of Sales	50.2	54.2	55.9	51.1	47.8	48.8	49.7	50.6	50.5	
Personnel Expenses	4,338	4,740	4,608	5,419	6,214	7,800	8,138	8,970	9,689	
% of Sales	9.0	8.5	6.5	7.5	7.4	6.3	5.5	6.0	5.3	
Other Expenses	9,998	11,768	13,508	15,221	16,264	24,835	30,297	30,797	36,021	
% of Sales	20.7	21.1	19.0	21.1	19.4	20.0	20.4	20.8	19.7	
<b>Total Expenditure</b>	<b>38,524</b>	<b>46,828</b>	<b>57,787</b>	<b>57,510</b>	<b>62,667</b>	<b>93,305</b>	<b>1,12,371</b>	<b>1,14,845</b>	<b>1,38,107</b>	
% of Sales	79.9	83.8	81.4	79.8	74.6	75.0	75.6	77.4	75.5	
<b>EBITDA</b>	<b>9,694</b>	<b>9,062</b>	<b>13,209</b>	<b>14,584</b>	<b>21,333</b>	<b>31,032</b>	<b>36,332</b>	<b>33,564</b>	<b>44,701</b>	
Margin (%)	20.1	16.2	18.6	20.2	25.4	25.0	24.4	22.6	24.5	
Depreciation	2,834	3,158	3,582	3,886	4,531	5,172	5,753	6,676	7,876	
<b>EBIT</b>	<b>6,859</b>	<b>5,904</b>	<b>9,627</b>	<b>10,698</b>	<b>16,803</b>	<b>25,860</b>	<b>30,579</b>	<b>26,888</b>	<b>36,825</b>	
Int. and Finance Charges	1,018	1,239	1,984	2,007	1,340	1,159	2,048	2,566	2,351	
Other Income	730	688	280	491	545	428	749	897	1,076	
<b>PBT bef. EO Exp.</b>	<b>6,572</b>	<b>5,353</b>	<b>7,923</b>	<b>9,182</b>	<b>16,008</b>	<b>25,128</b>	<b>29,280</b>	<b>25,218</b>	<b>35,550</b>	
EO Items	0	463	262	997	116	727	-1,040	-237	0	
<b>PBT after EO Exp.</b>	<b>6,572</b>	<b>5,817</b>	<b>8,185</b>	<b>10,179</b>	<b>16,123</b>	<b>25,856</b>	<b>28,240</b>	<b>24,981</b>	<b>35,550</b>	
Current Tax	1,422	1,200	1,769	265	4,154	7,139	6,617	6,191	8,711	
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	24.8	24.5	
<b>Reported PAT</b>	<b>5,150</b>	<b>4,617</b>	<b>6,416</b>	<b>10,191</b>	<b>11,979</b>	<b>18,889</b>	<b>21,623</b>	<b>18,789</b>	<b>26,839</b>	
<b>Adjusted PAT</b>	<b>5,150</b>	<b>4,154</b>	<b>6,155</b>	<b>9,194</b>	<b>11,864</b>	<b>18,162</b>	<b>22,663</b>	<b>19,027</b>	<b>26,839</b>	
Change (%)	17.0	-19.3	48.2	49.4	29.0	53.1	24.8	-16.0	41.1	
Margin (%)	10.7	7.4	8.7	12.8	14.1	14.6	15.2	12.8	14.7	

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	1,15,516	1,37,894	
<b>Net Worth</b>	<b>31,826</b>	<b>35,646</b>	<b>41,293</b>	<b>49,333</b>	<b>68,564</b>	<b>85,654</b>	<b>1,03,271</b>	<b>1,18,491</b>	<b>1,40,868</b>	
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	42,541	38,541	
<b>Capital Employed</b>	<b>58,655</b>	<b>69,978</b>	<b>82,014</b>	<b>91,556</b>	<b>1,06,376</b>	<b>1,27,822</b>	<b>1,54,903</b>	<b>1,69,123</b>	<b>1,87,501</b>	
Gross Block	77,169	87,502	68,322	76,934	96,167	1,06,943	1,28,622	1,60,622	1,80,622	
Less: Accum. Deprn.	33,169	36,327	12,269	15,540	20,071	25,243	30,997	37,673	45,549	
<b>Net Fixed Assets</b>	<b>44,000</b>	<b>51,175</b>	<b>56,053</b>	<b>61,394</b>	<b>76,096</b>	<b>81,699</b>	<b>97,626</b>	<b>1,22,950</b>	<b>1,35,073</b>	
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	16,055	16,055	
Current Investments	1,708	1,217	1,005	1,985	4,125	3,167	4,901	4,901	4,901	
<b>Total Investments</b>	<b>1,959</b>	<b>1,218</b>	<b>1,006</b>	<b>2,027</b>	<b>4,167</b>	<b>3,209</b>	<b>4,942</b>	<b>4,942</b>	<b>4,942</b>	
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>21,090</b>	<b>25,608</b>	<b>34,243</b>	<b>31,265</b>	<b>41,121</b>	<b>56,025</b>	<b>60,735</b>	<b>58,909</b>	<b>71,443</b>	
Inventory	8,381	9,582	12,247	12,012	14,658	21,385	22,743	22,215	27,339	
Account Receivables	6,569	6,807	10,288	8,911	12,746	17,925	17,856	18,297	22,538	
Cash and Bank Balance	961	967	1,989	1,255	2,820	4,594	6,165	3,029	3,891	
Loans and Advances	5,178	8,252	9,719	9,088	10,898	12,123	13,972	15,369	17,674	
<b>Curr. Liability &amp; Prov.</b>	<b>11,055</b>	<b>13,653</b>	<b>16,865</b>	<b>17,211</b>	<b>22,918</b>	<b>29,944</b>	<b>32,642</b>	<b>33,920</b>	<b>40,200</b>	
Account Payables	8,089	10,442	13,824	11,117	15,852	20,964	22,313	22,626	27,846	
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	
<b>Net Current Assets</b>	<b>10,035</b>	<b>11,955</b>	<b>17,378</b>	<b>14,054</b>	<b>18,203</b>	<b>26,081</b>	<b>28,093</b>	<b>24,989</b>	<b>31,243</b>	
Deferred Tax assets	26	0	0	143	181	116	187	187	187	
<b>Appl. of Funds</b>	<b>58,655</b>	<b>69,978</b>	<b>82,014</b>	<b>91,556</b>	<b>1,06,376</b>	<b>1,27,822</b>	<b>1,54,903</b>	<b>1,69,123</b>	<b>1,87,501</b>	

## Financials and valuations

### Ratios

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>Basic (INR)</b>									
EPS	<b>17.3</b>	<b>14.0</b>	<b>20.7</b>	<b>30.9</b>	<b>39.9</b>	<b>61.1</b>	<b>76.2</b>	<b>64.0</b>	<b>90.2</b>
Cash EPS	26.8	24.6	32.7	44.0	55.1	78.5	95.5	86.4	116.7
BV/Share	107.0	119.8	138.8	165.9	230.5	288.0	347.2	398.4	473.6
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	19.0	16.6
<b>Valuation (x)</b>									
P/E	124.9	154.9	104.5	70.0	54.2	35.4	28.4	33.8	24.0
Cash P/E	80.6	88.0	66.1	49.2	39.2	27.6	22.6	25.0	18.5
P/BV	20.2	18.0	15.6	13.0	9.4	7.5	6.2	5.4	4.6
EV/Sales	13.8	12.0	9.5	9.4	8.0	5.4	4.5	4.6	3.7
EV/EBITDA	68.6	74.2	51.3	46.7	31.4	21.6	18.6	20.2	15.1
Dividend Yield (%)	0.1	0.1	0.2	0.1	0.2	0.8	0.3	0.6	0.7
FCF per share	0.2	-20.3	-5.3	-2.3	19.1	9.7	0.0	13.4	39.3
<b>Return Ratios (%)</b>									
EBITDA Margins (%)	20.1	16.2	18.6	20.2	25.4	25.0	24.4	22.6	24.5
Net Profit Margins (%)	10.7	7.4	8.7	12.8	14.1	14.6	15.2	12.8	14.7
RoE	17.3	12.3	16.0	20.3	20.1	23.6	24.0	17.2	20.7
RoCE	11.0	8.5	10.7	13.3	13.4	17.2	17.9	13.6	16.8
RoIC	17.8	13.8	18.0	15.3	26.3	34.2	34.7	26.2	30.7
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	0.6	0.6	1.0	0.9	0.9	1.2	1.2	0.9	1.0
Asset Turnover (x)	0.8	0.8	0.9	0.8	0.8	1.0	1.0	0.9	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
<b>Leverage Ratio (x)</b>									
Current Ratio	1.9	1.9	2.0	1.8	1.8	1.9	1.9	1.7	1.8
Interest Cover Ratio	7	5	5	5	13	22	15	10	16
Debt/Equity	0.8	0.9	0.9	0.8	0.5	0.4	0.4	0.4	0.3

### Consolidated - Cash Flow Statement

Y/E March	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
<b>(INR m)</b>									
OP/(Loss) before Tax	6,572	5,817	8,269	10,706	16,099	25,856	28,240	24,981	35,550
Depreciation	2,834	3,158	3,669	3,929	4,531	5,172	5,753	6,676	7,876
Interest & Finance Charges	1,018	1,239	2,016	2,016	1,340	1,159	2,048	2,566	2,351
Direct Taxes Paid	-1,159	-1,176	-1,502	-1,427	-2,553	-4,016	-6,617	-6,191	-8,711
(Inc)/Dec in WC	-2,556	-1,909	-3,165	-239	-1,236	-6,645	-408	-32	-5,391
<b>CF from Operations</b>	<b>6,709</b>	<b>7,129</b>	<b>9,286</b>	<b>14,984</b>	<b>18,181</b>	<b>21,527</b>	<b>29,017</b>	<b>28,000</b>	<b>31,676</b>
Others	-255	-349	-330	-1,940	-464	-469	0	0	0
<b>CF from Operating incl EO</b>	<b>6,454</b>	<b>6,780</b>	<b>8,956</b>	<b>13,044</b>	<b>17,717</b>	<b>21,057</b>	<b>29,017</b>	<b>28,000</b>	<b>31,676</b>
(inc)/dec in FA	-6,409	-12,829	-10,526	-13,730	-12,047	-18,171	-29,019	-24,000	-20,000
<b>Free Cash Flow</b>	<b>45</b>	<b>-6,049</b>	<b>-1,570</b>	<b>-685</b>	<b>5,670</b>	<b>2,886</b>	<b>-2</b>	<b>4,000</b>	<b>11,676</b>
(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
<b>CF from Investments</b>	<b>-6,133</b>	<b>-11,953</b>	<b>-10,142</b>	<b>-11,803</b>	<b>-14,997</b>	<b>-15,877</b>	<b>-29,614</b>	<b>-24,000</b>	<b>-20,000</b>
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	-1,000	-4,000
Interest Paid	-1,109	-1,299	-2,241	-2,040	-1,574	-1,173	-2,048	-2,566	-2,351
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
<b>CF from Fin. Activity</b>	<b>-2,760</b>	<b>5,179</b>	<b>2,207</b>	<b>-1,975</b>	<b>-1,155</b>	<b>-3,406</b>	<b>2,168</b>	<b>-7,136</b>	<b>-10,813</b>
<b>Inc/Dec of Cash</b>	<b>-2,438</b>	<b>6</b>	<b>1,021</b>	<b>-734</b>	<b>1,565</b>	<b>1,774</b>	<b>1,571</b>	<b>-3,136</b>	<b>863</b>
Opening Balance	3,399	961	967	1,989	1,255	2,820	4,594	6,164	3,029
<b>Closing Balance</b>	<b>961</b>	<b>967</b>	<b>1,989</b>	<b>1,255</b>	<b>2,820</b>	<b>4,594</b>	<b>6,164</b>	<b>3,029</b>	<b>3,891</b>

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