



Stock Info

| | |
|-----------------------|-------------|
| Bloomberg | GALSURF IN |
| Equity Shares (m) | 35 |
| M.Cap.(INRb)/(USD\$) | 94 / 1.1 |
| 52-Week Range (INR) | 3370 / 2241 |
| 1, 6, 12 Rel. Per (%) | -5/-1/-26 |
| 12M Avg Val (INR M) | 80 |
| Free float (%) | 29.1 |

Financials Snapshot (INR b)

| Y/E March | FY25E | FY26E | FY27E |
|-------------|-------|-------|-------|
| Sales | 41.6 | 47.6 | 54.7 |
| EBITDA | 5.2 | 6.3 | 7.2 |
| PAT | 3.4 | 4.2 | 4.9 |
| EPS (INR) | 96 | 118 | 139 |
| EPS Gr. (%) | 12.4 | 23.7 | 17.8 |
| BV/Sh.(INR) | 686 | 773 | 877 |

Ratios

| | | | |
|------------|------|------|------|
| Net D:E | -0.1 | -0.1 | -0.2 |
| RoE (%) | 14.7 | 16.2 | 16.9 |
| RoCE (%) | 14.4 | 16.0 | 16.8 |
| Payout (%) | 25.9 | 25.9 | 25.9 |

Valuations

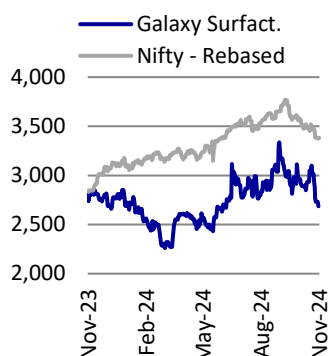
| | | | |
|----------------|------|------|------|
| P/E (x) | 27.7 | 22.4 | 19.0 |
| P/BV (x) | 3.9 | 3.4 | 3.0 |
| EV/EBITDA (x) | 17.6 | 14.3 | 12.1 |
| Div. Yield (%) | 0.9 | 1.2 | 1.4 |
| FCF Yield (%) | 2.6 | 3.0 | 3.6 |

Shareholding pattern (%)

| As On | Sep-24 | Jun-24 | Sep-23 |
|----------|--------|--------|--------|
| Promoter | 70.9 | 70.9 | 70.9 |
| DII | 13.0 | 12.7 | 12.6 |
| FII | 4.1 | 3.9 | 3.1 |
| Others | 12.0 | 12.5 | 13.4 |

FII Includes depository receipts

Stock performance (one-year)



Galaxy Surfactants

CMP: INR2,652

TP: INR3,865 (+46%)

Buy

Triggers for sustainable growth in place!

- India's personal care market is at an inflection point, with rising disposable income and premiumization trends driven by new applications such as dish and washing liquids. Galaxy Surfactants (GALSURF) is positioned to benefit as rural awareness, robust distribution, and local players prompt a shift from mass to premium segments.
- GALSURF anticipates robust growth in FY25 across the RoW, AMET, and Indian markets, driven by demand recovery, inflation easing, and profitability focus barring ongoing macroeconomic risks, thereby aiming for PAT growth > EBITDA growth > volume growth and a 22% RoCE.
- We estimate a volume CAGR of 9% over FY24-27, led by robust volumes in the domestic market and a recovery in the volumes of specialty care products in developed markets, which have already started growing. The stock is currently trading at ~22x FY26E EPS of INR118.3 and ~14x FY26E EV/EBITDA. We value the company at 30x Sep'26E EPS to arrive at a TP of INR3,865. We reiterate our BUY rating on the stock.

Decadal opportunity to ensure sustainable growth...

- India is at a growth inflection, similar to China in CY06 and the US in the CY60s. Currently, the personal care markets in the US and China are 6x and 5x the size of India's. Shampoo and toothpaste penetration in India exceeds 90%, but emerging applications promise further growth in performance and specialty care products. However, dish wash and washing liquids still have under 25% penetration.
- Premiumization is now more feasible, with GALSURF well-positioned to capitalize on this trend due to its existing global specialty care presence and anticipated growth from rising disposable income in India. Increased spending on premium beauty, personal care, and home care products (liquid detergents, dish washes, and premium powders) is expected to support growth opportunities. Rising expenditures on these products and consumer durables with sustainability awareness will further accelerate demand.
- The Indian market is set for growth across all segments, consistently expanding at 10-12% on a lower base. Rural awareness of personal and home care solutions is rising, and deep distribution channels promise last-mile connectivity, reinforcing our bullish outlook. Growth is also expected to be fueled by local and niche players, especially in South India, as some smaller players cater to limited areas with quality products (within 2-3kms radius). The entry of new players, private labels, and D2C brands will support growth in specialty categories and the migration of consumers from mass to premium tiers through better distribution.

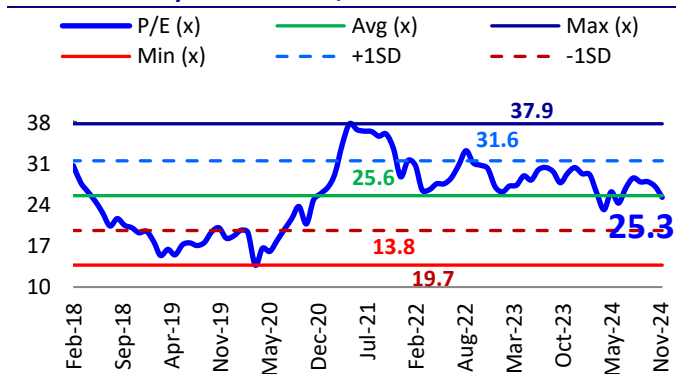
...with recovery across regions to aid volumes and margin

- The RoW market witnessed mid twenty's volume growth in 1H FY25 on YoY basis (13% for FY24), driven by post-destocking recovery and increased demand in the mass and masstige segments, positioning the company for growth in FY25. With easing global inflation, demand in North America and Europe is expected to rise, though GALSURF remains cautious about economic uncertainties- barring any macro-economic volatility management has maintained its guidance of 6-8% volume growth with a bias on the higher side of the range.
- The AMET region faced demand challenges in FY24 due to inflation and geopolitical tensions, but GALSURF anticipates a recovery in the remainder of FY25 (volumes flat in 1H FY25 on YoY basis) as inflation stabilizes and supply chain disruptions ease. The company is focusing on supply chain efficiencies and inflation mitigation to support demand rebound in personal care products as purchasing power improves.
- India is a key growth market and witnessed 11% volume growth in FY24 (volumes flat in 1H FY25 on YoY basis), with GALSURF focusing on urban demand and rural recovery to strengthen expansion. Supported by projected GDP growth (~8% in FY24 and ~7% in FY25), rising consumer spending on personal and home care products, and government-led infrastructure initiatives, GALSURF anticipates robust demand ahead, as highlighted above as well.
- That being said, macroeconomic risks such as geopolitical tensions, slow recovery in China, and high inflation in advanced economies pose ongoing challenges. With FY24 focused on volume normalization, FY25 is expected to see profitability normalization, driven by premium specialties growth in 2H FY25, supporting GALSURF's principle of PAT growth > EBITDA growth > volume growth and a target RoCE of 22%.

Valuation and view

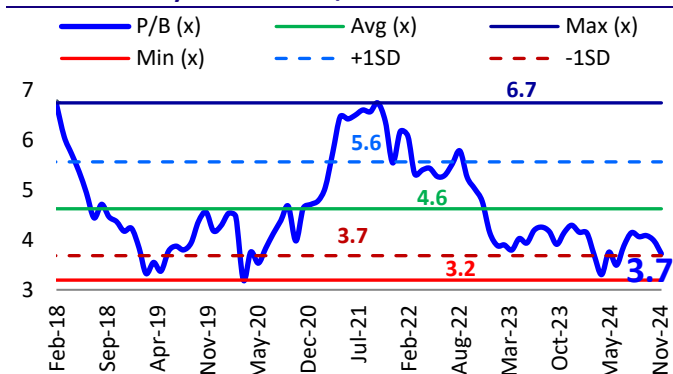
- The continued focus on R&D (with an annual expenditure of INR400-500m) and increased wallet share from its existing customers and acquisition of new customers should drive volume growth. Margin is also likely to expand gradually with an increase in volume of premium specialty products.
- We estimate a volume CAGR of 9% over FY24-27, fueled by robust volumes in the domestic market and a recovery in the specialty care product volumes in the developed markets, which have already started growing. The stock is currently trading at ~22x FY26E EPS of INR118.3 and ~14x FY26E EV/EBITDA. We value the company at 30x Sep'26E EPS to arrive at a TP of INR3,865. We reiterate our BUY rating on the stock.

Exhibit 1: One year forward P/E



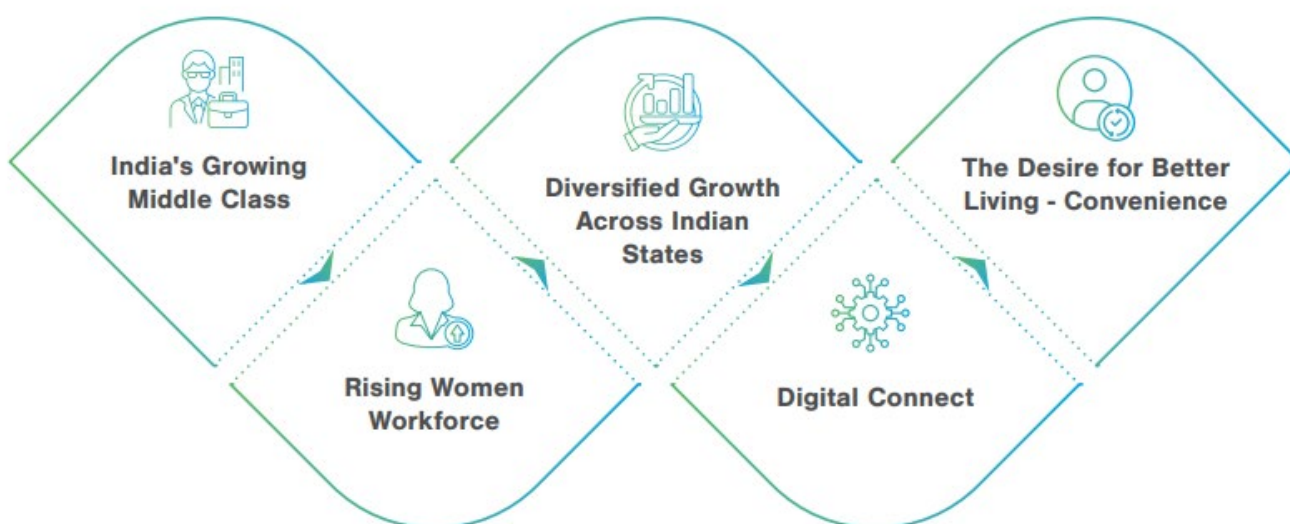
Source: MOFSL

Exhibit 2: One year forward P/B



Source: MOFSL

Exhibit 3: Triggers for sustainable growth of GALSURF



Source: Company, MOFSL

Exhibit 4: India in CY22 was at that stage where US was in CY60-61 and China in CY06

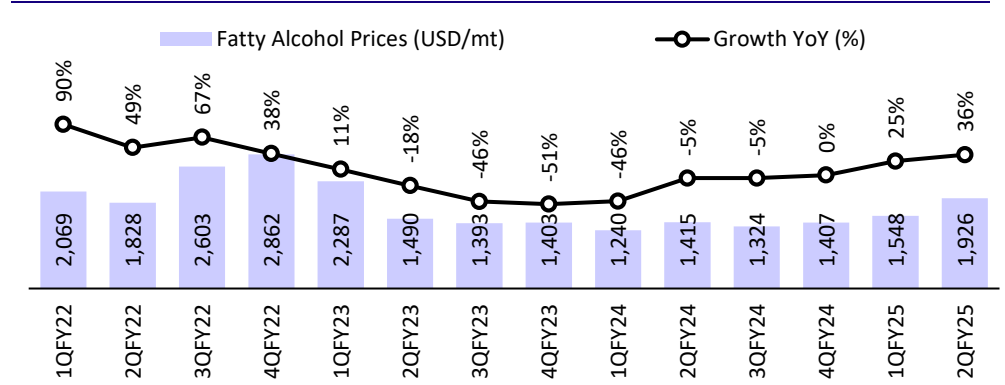
| Parameter | India in CY22 | US in CY60-61 | China in CY06 |
|---|---------------|---------------|---------------|
| Average Age | 29 | 29 | 31 |
| Essential Spend % (Food + Housing + Clothing) | 57% | 63% | 56% |
| Per Capita Income (USD) | 2,100 | 3,007 | 2,000 |
| Working Age Population | 71% | 69% | 72% |
| Personal Care Spend per Household (USD) | 24 | 155 | 40 |

Source: Company, MOFSL

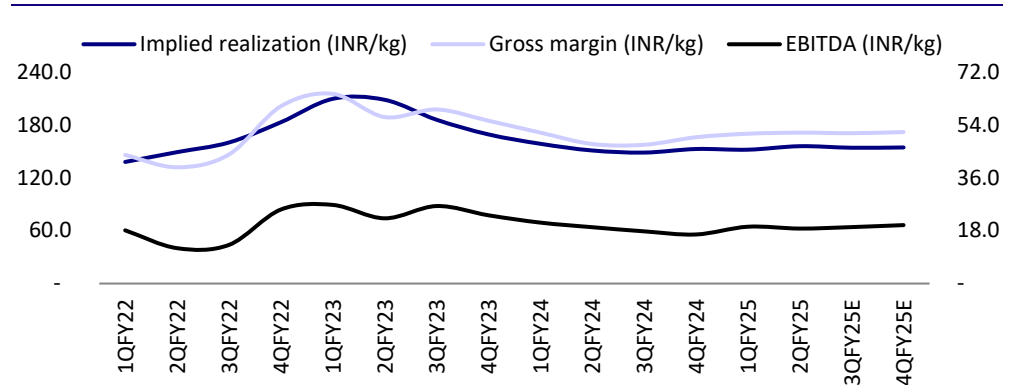
Exhibit 5: Categories where penetration is < 25% in India and is an addressable market for GALSURF



Source: Company, MOFSL

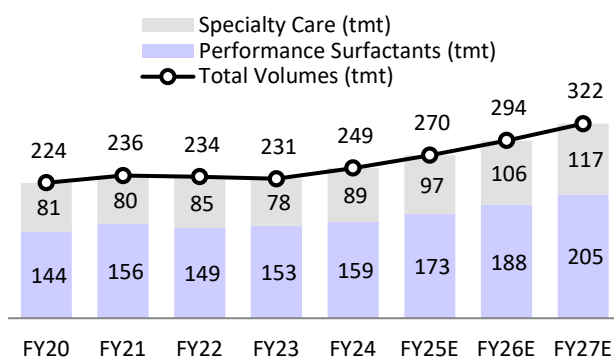
Exhibit 6: Fatty alcohol prices (USD/mt)

Source: Company, MOFSL

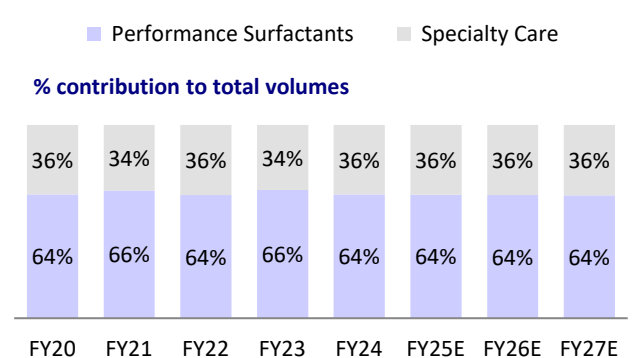
Exhibit 7: Operating performance trend on per kg basis

*EBITDA/ kg excludes other income

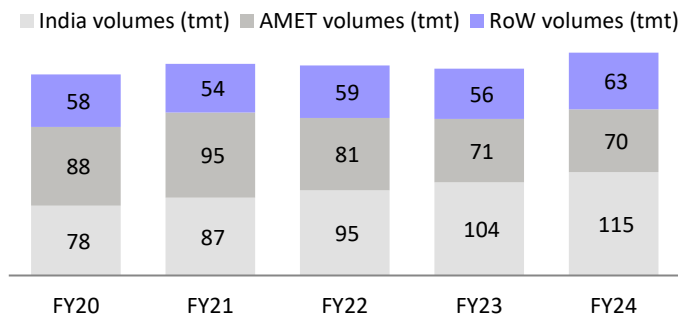
Source: Company, MOFSL

Exhibit 8: Specialty care volumes bounced back in FY24 after a lackluster FY23

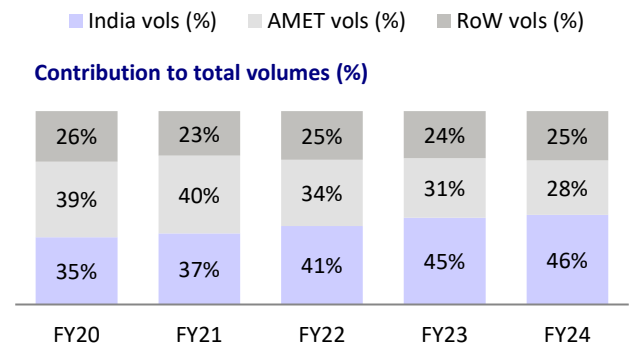
Source: Company, MOFSL

Exhibit 9: Performance volumes contribute to majority of the volumes and are likely to be the same going forward

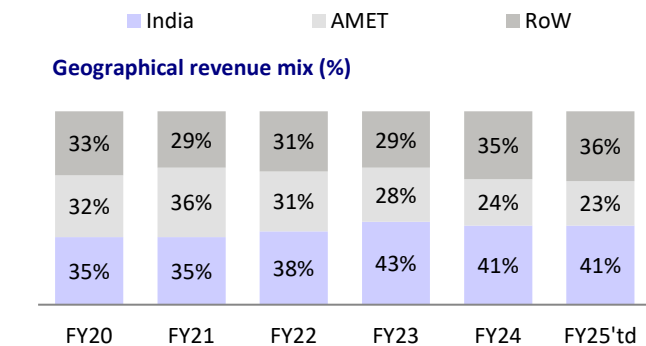
Source: Company, MOFSL

Exhibit 10: AMET volumes continued to decline in FY24 albeit at a much lower rate compared to FY23 and FY22

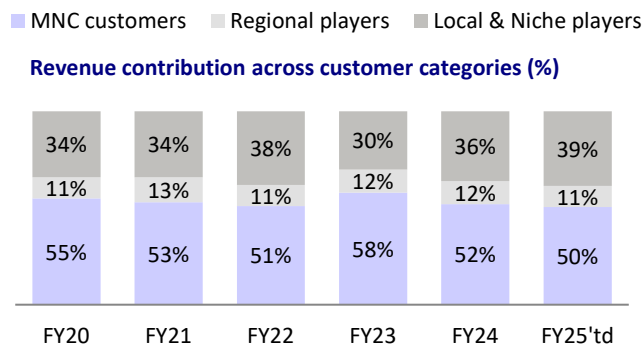
Source: Company, MOFSL

Exhibit 11: India volumes have historically contributed higher, in line with performance surfactant volumes

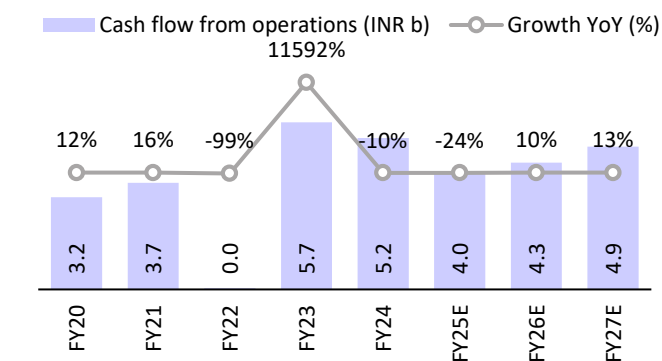
Source: Company, MOFSL

Exhibit 12: Geographical revenue mix

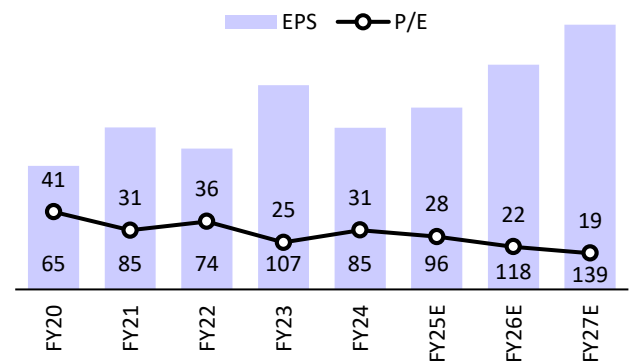
Source: Company, MOFSL

Exhibit 13: Revenue contribution across customer categories

Source: Company, MOFSL

Exhibit 14: Strong cash flow generation from operations

Source: Company, MOFSL

Exhibit 15: Reasonable valuation compared to the sector average

Source: Company, MOFSL

Exhibit 16: GALSURF has been consistent in its R&D spends

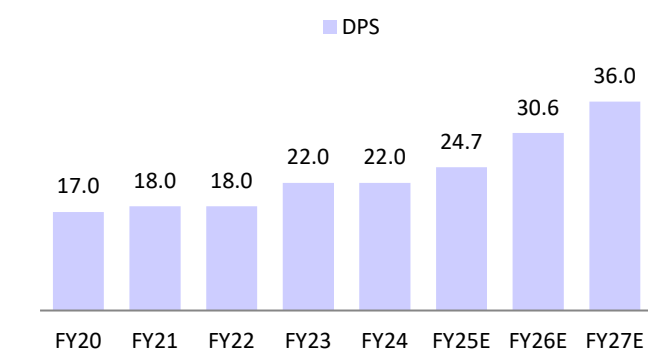
| R&D Expenditure (INR m) | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|--|------------|------------|------------|------------|------------|------------|
| Capital Expenditure | 13 | 24 | 10 | 10 | 18 | 23 |
| Revenue Expenditure | 142 | 148 | 130 | 145 | 127 | 137 |
| Total Expenditure | 155 | 172 | 140 | 156 | 145 | 160 |
| Total R&D expenditure as % of total turnover | 0.56% | 0.66% | 0.50% | 0.42% | 0.32% | 0.42% |

Source: Company, MOFSL

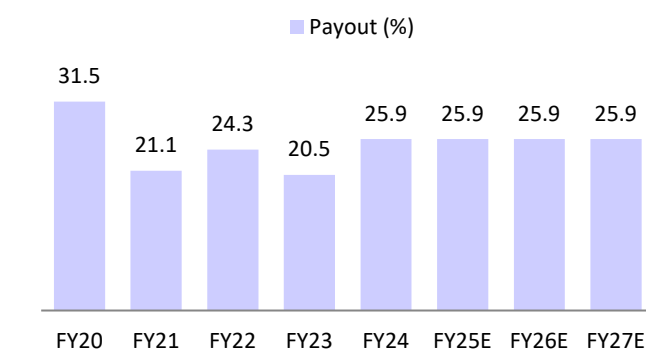
Exhibit 17: R&D expenses and capex in specific technologies to total R&D and capex

| % R&D and capex investments to total R&D and capex investments | FY23 | FY24 | Improvements in environmental and social impacts |
|--|------|------|---|
| R&D | 16% | 8% | Innovation is key to GALSURF's strategy, providing a sustainable competitive edge. The company uses an innovation funnel to develop ideas into successful businesses. Investments in R&D focus on scaling new products, green initiatives, workplace safety, and emergency preparedness. Lab expansions support the study of natural and benign products. |
| Capex | 20% | 16% | |

Source: Company, MOFSL

Exhibit 18: Dividend declared consistently

Source: Company, MOFSL

Exhibit 19: Payout ratio remained higher in FY24

Source: Company, MOFSL

Exhibit 20: Cash conversion cycle at 68 days in FY24, similar to FY23

| Cash conversion cycle (year-end basis) | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Days | | | | | | | | | | |
| Inventory | 46 | 46 | 52 | 51 | 46 | 46 | 56 | 70 | 53 | 53 |
| Debtor | 41 | 49 | 56 | 62 | 56 | 62 | 61 | 63 | 50 | 57 |
| Creditor | 33 | 38 | 41 | 49 | 40 | 38 | 49 | 51 | 35 | 43 |
| Cash conversion cycle | 54 | 56 | 67 | 65 | 62 | 69 | 68 | 82 | 68 | 68 |

Source: Company, MOFSL

Exhibit 21: Peer comparison for our coverage universe

| Company | Reco | TP (INR) | EPS (INR) | | | P/E (x) | | | P/BV (x) | | | EV/EBITDA (x) | | | ROE (%) | | |
|------------------------|------------|--------------|-------------|--------------|--------------|-------------|-------------|-------------|------------|------------|------------|---------------|-------------|-------------|-------------|-------------|-------------|
| | | | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E | FY25E | FY26E | FY27E |
| Alkyl Amines | Neutral | 2,095 | 37.2 | 51.4 | 68.4 | 52.4 | 38.0 | 28.5 | 7.2 | 6.4 | 5.6 | 32.1 | 23.4 | 17.9 | 14.3 | 17.8 | 20.8 |
| Atul | Buy | 9,995 | 177.3 | 231.0 | 282.0 | 41.1 | 31.5 | 25.8 | 3.9 | 3.5 | 3.2 | 22.4 | 18.6 | 15.6 | 9.8 | 11.7 | 12.9 |
| Clean Science | Neutral | 1,430 | 24.4 | 36.0 | 45.6 | 52.9 | 35.8 | 28.3 | 9.6 | 7.8 | 6.3 | 36.1 | 26.7 | 20.9 | 19.7 | 24.0 | 24.6 |
| Deepak Nitrite | Neutral | 2,485 | 61.5 | 78.0 | 87.5 | 43.5 | 34.3 | 30.5 | 6.6 | 5.6 | 4.9 | 27.6 | 21.5 | 19.0 | 16.2 | 17.7 | 17.1 |
| Fine Organic | Sell | 3,885 | 147.0 | 114.4 | 107.7 | 32.2 | 41.4 | 44.0 | 6.4 | 5.6 | 5.0 | 23.5 | 28.0 | 27.5 | 21.8 | 14.4 | 12.0 |
| Galaxy Surfact. | Buy | 3,865 | 95.6 | 118.3 | 139.3 | 27.7 | 22.4 | 19.0 | 3.9 | 3.4 | 3.0 | 17.8 | 14.5 | 12.3 | 14.7 | 16.2 | 16.9 |
| Navin Fluorine | Neutral | 3,240 | 57.6 | 82.1 | 103.1 | 57.9 | 40.6 | 32.4 | 6.4 | 5.7 | 5.1 | 33.8 | 25.4 | 20.8 | 11.5 | 14.9 | 16.6 |
| NOCIL | Neutral | 270 | 7.8 | 8.7 | 12.9 | 33.6 | 30.2 | 20.3 | 2.5 | 2.4 | 2.2 | 25.7 | 20.5 | 13.9 | 7.5 | 8.0 | 11.2 |
| P I Industries | Buy | 5,200 | 117.0 | 129.6 | 152.9 | 35.4 | 32.0 | 27.1 | 6.1 | 5.2 | 4.4 | 25.6 | 21.8 | 18.2 | 18.7 | 17.5 | 17.6 |
| SRF | Neutral | 2,080 | 40.5 | 67.4 | 88.9 | 54.3 | 32.6 | 24.7 | 5.4 | 4.8 | 4.1 | 26.0 | 18.8 | 15.1 | 10.2 | 15.5 | 17.9 |
| Tata Chemicals | Neutral | 1,070 | 30.7 | 49.0 | 61.6 | 34.7 | 21.8 | 17.3 | 1.2 | 1.2 | 1.1 | 12.4 | 9.3 | 7.9 | 3.5 | 5.4 | 6.5 |
| Vinati Organics | Buy | 2,545 | 41.5 | 51.9 | 61.3 | 42.7 | 34.1 | 28.9 | 6.6 | 5.7 | 5.0 | 31.3 | 24.6 | 21.0 | 16.3 | 17.9 | 18.4 |

Source: Company, MOFSL

Story in charts

Exhibit 22: Specialty products share to increase going forward...

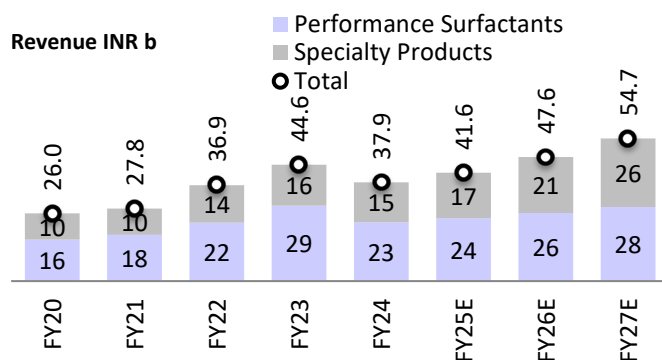


Exhibit 23: ...with performance products share at 52%

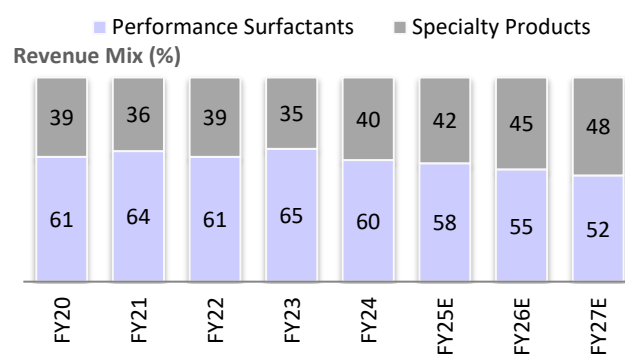


Exhibit 24: Volume CAGR of 9% expected over FY24-27

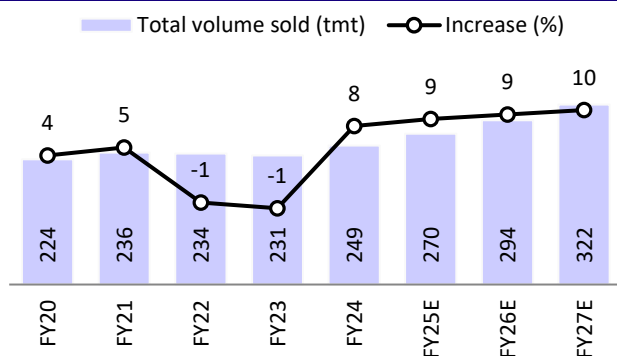


Exhibit 25: With higher EBITDA/kg

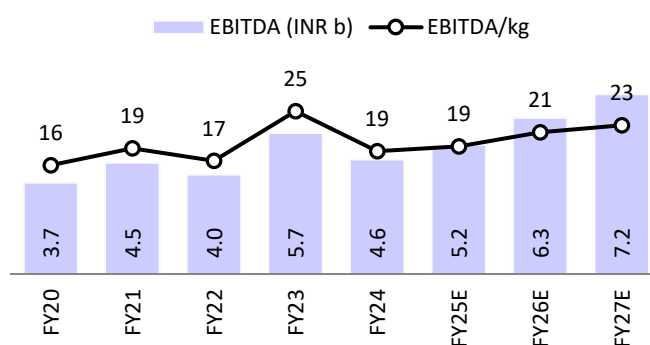


Exhibit 26: Expect PAT margin to remain stable

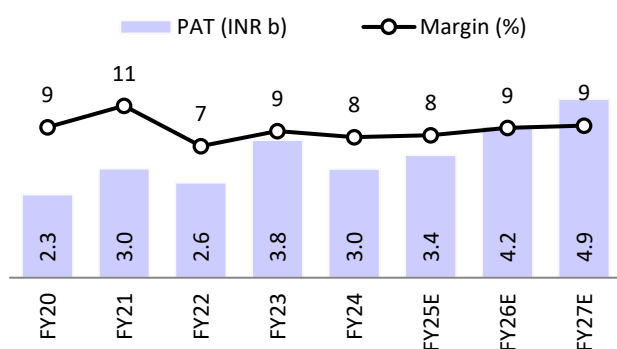


Exhibit 27: GALSURF to generate an FCF of INR8.7b over FY25-27

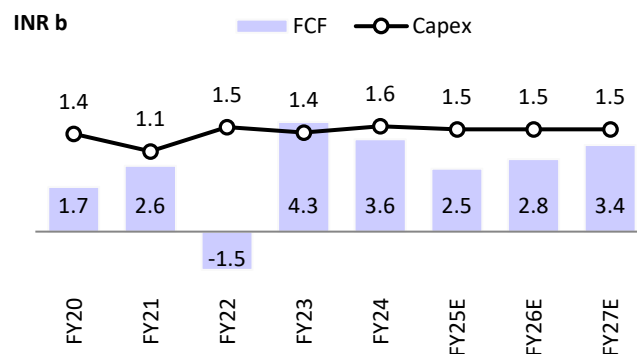


Exhibit 28: Return ratios to improve going forward

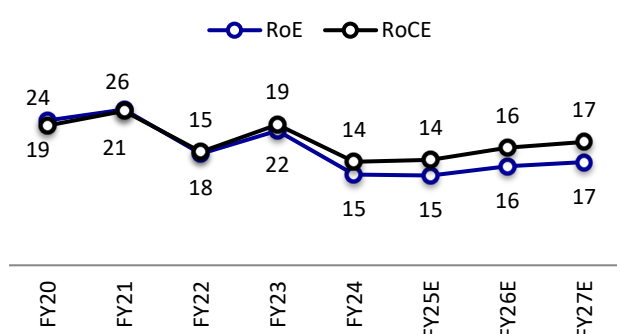
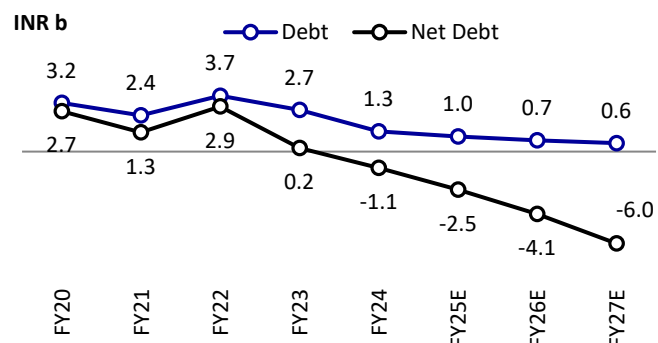


Exhibit 29: Debt profile of GALSURF



Source: Company, MOFSL

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR m)

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total Income from Operations | 25,964 | 27,841 | 36,857 | 44,640 | 37,944 | 41,588 | 47,606 | 54,746 |
| Change (%) | -6.0 | 7.2 | 32.4 | 21.1 | -15.0 | 9.6 | 14.5 | 15.0 |
| Gross Margin (%) | 33.9 | 36.3 | 29.8 | 30.6 | 32.1 | 33.3 | 34.2 | 33.0 |
| EBITDA | 3,689 | 4,488 | 4,007 | 5,683 | 4,622 | 5,207 | 6,294 | 7,248 |
| Margin (%) | 14.2 | 16.1 | 10.9 | 12.7 | 12.2 | 12.5 | 13.2 | 13.2 |
| Depreciation | 622 | 740 | 711 | 835 | 998 | 1,138 | 1,177 | 1,208 |
| EBIT | 3,067 | 3,749 | 3,297 | 4,848 | 3,624 | 4,069 | 5,118 | 6,040 |
| Int. and Finance Charges | 238 | 134 | 129 | 217 | 224 | 167 | 173 | 181 |
| Other Income | 59 | 109 | 125 | 99 | 355 | 291 | 309 | 328 |
| PBT bef. EO Exp. | 2,888 | 3,723 | 3,293 | 4,730 | 3,755 | 4,193 | 5,254 | 6,187 |
| PBT after EO Exp. | 2,888 | 3,723 | 3,293 | 4,730 | 3,755 | 4,193 | 5,254 | 6,187 |
| Total Tax | 584 | 702 | 665 | 920 | 740 | 805 | 1,062 | 1,250 |
| Tax Rate (%) | 20.2 | 18.8 | 20.2 | 19.4 | 19.7 | 19.2 | 20.2 | 20.2 |
| Reported PAT | 2,304 | 3,021 | 2,628 | 3,810 | 3,015 | 3,388 | 4,193 | 4,937 |
| Adjusted PAT | 2,304 | 3,021 | 2,628 | 3,810 | 3,015 | 3,388 | 4,193 | 4,937 |
| Change (%) | 20.6 | 31.1 | -13.0 | 45.0 | -20.9 | 12.4 | 23.7 | 17.8 |
| Margin (%) | 8.9 | 10.9 | 7.1 | 8.5 | 7.9 | 8.1 | 8.8 | 9.0 |

Consolidated - Balance Sheet

(INR m)

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Equity Share Capital | 355 | 355 | 355 | 355 | 355 | 355 | 355 | 355 |
| Total Reserves | 10,323 | 12,660 | 15,389 | 18,471 | 21,438 | 23,950 | 27,058 | 30,718 |
| Net Worth | 10,678 | 13,014 | 15,744 | 18,826 | 21,793 | 24,304 | 27,412 | 31,072 |
| Total Loans | 3,196 | 2,374 | 3,660 | 2,718 | 1,317 | 987 | 741 | 555 |
| Deferred Tax Liabilities | 241 | 233 | 249 | 283 | 297 | 297 | 297 | 297 |
| Capital Employed | 14,115 | 15,621 | 19,652 | 21,827 | 23,406 | 25,588 | 28,450 | 31,924 |
| Gross Block | 11,525 | 11,945 | 12,828 | 16,721 | 18,214 | 19,714 | 21,214 | 22,714 |
| Less: Accum. Deprn. | 5,231 | 5,971 | 6,681 | 7,516 | 8,514 | 9,652 | 10,829 | 12,037 |
| Net Fixed Assets | 6,294 | 5,974 | 6,146 | 9,205 | 9,699 | 10,062 | 10,385 | 10,677 |
| Goodwill on Consolidation | 28 | 27 | 28 | 30 | 30 | 30 | 30 | 30 |
| Capital WIP | 660 | 1,240 | 2,055 | 1,392 | 1,585 | 1,585 | 1,585 | 1,585 |
| Total Investments | 58 | 435 | 5 | 0 | 1,980 | 1,980 | 1,980 | 1,980 |
| Curr. Assets, Loans&Adv. | 11,081 | 12,821 | 17,772 | 16,717 | 15,852 | 18,205 | 21,606 | 25,858 |
| Inventory | 3,250 | 4,278 | 7,118 | 6,458 | 5,561 | 6,071 | 6,894 | 7,926 |
| Account Receivables | 4,394 | 4,689 | 6,380 | 6,148 | 5,931 | 6,501 | 7,441 | 8,557 |
| Cash and Bank Balance | 542 | 1,114 | 711 | 2,476 | 2,393 | 3,486 | 4,825 | 6,575 |
| Cash | 477 | 815 | 638 | 2,319 | 2,205 | 3,297 | 4,636 | 6,386 |
| Bank balance | 65 | 299 | 74 | 157 | 188 | 188 | 188 | 188 |
| Loans and Advances | 2,894 | 2,740 | 3,563 | 1,635 | 1,968 | 2,148 | 2,446 | 2,800 |
| Curr. Liability & Prov. | 4,005 | 4,874 | 6,353 | 5,518 | 5,742 | 6,274 | 7,137 | 8,207 |
| Account Payables | 2,731 | 3,770 | 5,189 | 4,302 | 4,461 | 4,871 | 5,531 | 6,359 |
| Other Current Liabilities | 1,098 | 918 | 1,011 | 1,094 | 1,145 | 1,255 | 1,436 | 1,652 |
| Provisions | 176 | 186 | 153 | 122 | 136 | 149 | 170 | 196 |
| Net Current Assets | 7,075 | 7,947 | 11,419 | 11,200 | 10,110 | 11,931 | 14,469 | 17,652 |
| Appl. of Funds | 14,115 | 15,621 | 19,652 | 21,827 | 23,406 | 25,588 | 28,450 | 31,924 |

Financials and valuations

Ratios

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| Basic (INR) | | | | | | | | |
| EPS | 65.0 | 85.2 | 74.1 | 107.5 | 85.0 | 95.6 | 118.3 | 139.3 |
| EPS Growth (%) | 20.6 | 31.1 | -13.0 | 45.0 | -20.9 | 12.4 | 23.7 | 17.8 |
| Cash EPS | 82.5 | 106.1 | 94.2 | 131.0 | 113.2 | 127.7 | 151.5 | 173.3 |
| BV/Share | 301.2 | 367.1 | 444.1 | 531.0 | 614.7 | 685.6 | 773.3 | 876.5 |
| DPS | 17.0 | 18.0 | 18.0 | 22.0 | 22.0 | 24.7 | 30.6 | 36.0 |
| Payout (%) | 31.5 | 21.1 | 24.3 | 20.5 | 25.9 | 25.9 | 25.9 | 25.9 |
| Valuation (x) | | | | | | | | |
| P/E | 40.8 | 31.1 | 35.8 | 24.7 | 31.2 | 27.7 | 22.4 | 19.0 |
| Cash P/E | 32.1 | 25.0 | 28.2 | 20.2 | 23.4 | 20.8 | 17.5 | 15.3 |
| P/BV | 8.8 | 7.2 | 6.0 | 5.0 | 4.3 | 3.9 | 3.4 | 3.0 |
| EV/Sales | 3.7 | 3.4 | 2.6 | 2.1 | 2.4 | 2.2 | 1.9 | 1.6 |
| EV/EBITDA | 26.2 | 21.2 | 24.2 | 16.6 | 20.1 | 17.6 | 14.3 | 12.1 |
| Dividend Yield (%) | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 | 0.9 | 1.2 | 1.4 |
| FCF per share | 49.2 | 72.7 | -42.3 | 121.0 | 102.2 | 69.5 | 80.2 | 95.7 |
| Return Ratios (%) | | | | | | | | |
| RoE | 23.7 | 25.5 | 18.3 | 22.0 | 14.8 | 14.7 | 16.2 | 16.9 |
| RoCE | 19.1 | 21.1 | 15.5 | 19.2 | 14.1 | 14.4 | 16.0 | 16.8 |
| RoIC | 20.5 | 23.7 | 17.7 | 22.4 | 16.4 | 18.3 | 21.2 | 23.0 |
| Working Capital Ratios | | | | | | | | |
| Fixed Asset Turnover (x) | 4.6 | 4.5 | 6.1 | 5.8 | 4.0 | 4.2 | 4.7 | 5.2 |
| Asset Turnover (x) | 1.8 | 1.8 | 1.9 | 2.0 | 1.6 | 1.6 | 1.7 | 1.7 |
| Inventory (Days) | 46 | 56 | 70 | 53 | 53 | 53 | 53 | 53 |
| Debtor (Days) | 62 | 61 | 63 | 50 | 57 | 57 | 57 | 57 |
| Creditor (Days) | 38 | 49 | 51 | 35 | 43 | 43 | 42 | 42 |
| Leverage Ratio (x) | | | | | | | | |
| Current Ratio | 2.8 | 2.6 | 2.8 | 3.0 | 2.8 | 2.9 | 3.0 | 3.2 |
| Interest Cover Ratio | 12.9 | 27.9 | 25.7 | 22.3 | 16.2 | 24.4 | 29.6 | 33.3 |
| Net Debt/Equity | 0.2 | 0.1 | 0.2 | 0.0 | 0.0 | -0.1 | -0.1 | -0.2 |

Consolidated - Cash Flow Statement

(INR m)

| Y/E March | FY20 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| OP/(Loss) before Tax | 2,888 | 3,723 | 3,293 | 4,730 | 3,755 | 4,193 | 5,254 | 6,187 |
| Depreciation | 622 | 740 | 711 | 835 | 998 | 1,138 | 1,177 | 1,208 |
| Others | 220 | 79 | 90 | 214 | 102 | 167 | 173 | 181 |
| Direct Taxes Paid | -686 | -706 | -594 | -953 | -781 | -805 | -1,062 | -1,250 |
| (Inc)/Dec in WC | 113 | -186 | -3,450 | 903 | 1,110 | -728 | -1,198 | -1,433 |
| CF from Operations | 3,157 | 3,651 | 49 | 5,729 | 5,185 | 3,965 | 4,344 | 4,894 |
| Capex | -1,414 | -1,073 | -1,547 | -1,439 | -1,563 | -1,500 | -1,500 | -1,500 |
| Free Cash Flow | 1,744 | 2,578 | -1,498 | 4,291 | 3,622 | 2,465 | 2,844 | 3,394 |
| CF from Investments | -1,511 | -1,647 | -841 | -1,486 | -3,439 | -1,500 | -1,500 | -1,500 |
| Inc/(Dec) in Debt | 562 | -951 | 941 | -1,039 | -1,404 | -329 | -247 | -185 |
| Interest Paid | -226 | -152 | -131 | -241 | -235 | -167 | -173 | -181 |
| Dividend Paid | -940 | -495 | -142 | -1,275 | -143 | -877 | -1,085 | -1,277 |
| CF from Fin. Activity | -1,434 | -1,650 | 592 | -2,643 | -1,889 | -1,373 | -1,504 | -1,644 |
| Inc/Dec of Cash | 212 | 354 | -201 | 1,601 | -143 | 1,092 | 1,340 | 1,750 |
| Opening Balance | 250 | 477 | 815 | 638 | 2,319 | 2,205 | 3,297 | 4,636 |
| Closing Balance | 477 | 815 | 637 | 2,318 | 2,205 | 3,297 | 4,636 | 6,386 |

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NOTES

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|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | > - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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