

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR2,368 TP: INR2,130 (-10%) Neutral

Chemical businesses mar operating performance

Operating performance in line.

- SRF posted muted 1QFY25, with a material decline in operating profitability (EBIT down 20% YoY), due to the continuing weakness in the Chemical businesses (EBIT dipped 33% YoY), which offset the strong performance in the Packaging Film/Technical Textile businesses (EBIT grew 69%/12% YoY).
- We maintain our FY25/FY26 EBITDA estimates. We value the stock on an SoTP-basis to arrive at our TP of INR2,130. **Reiterate NEUTRAL.**

Inventory rationalization/plant ramp ups hit chemical business margins

- SRF reported overall revenue of INR34.6b (est. of INR32.9b) in 1QFY25, up ~4% YoY. EBITDA margin contracted 360bp YoY to 17.9% (est. of 19.7%). EBITDA stood at INR6.2b (est. of INR6.5b), down 14% YoY. Adj. PAT declined 30% YoY to INR2.7b (est. of INR3.1b).
- **Chemicals'** revenue (43%/63% of total sales/EBIT in 1QFY25) dropped 11% YoY to INR14.8b, while EBIT declined 33% YoY to INR3.1b. EBIT margin contracted 700bp YoY to 20.7%. The specialty chemicals business continued to face headwinds due to inventory rationalization by certain key customers, while the Fluorochemicals business was affected by low margins in the Chloro-methane segment. However, the domestic refrigerant gasses business witnessed an improved performance in 1QFY25.
- **Packaging Film's** revenue (39%/18% of total sales/EBIT in 1QFY25) grew 22% YoY to INR13.4b, while EBIT grew 69% YoY to INR868m. Margin expanded 180bp YoY to 6.5%. The BOPP films segment performed well while, the BOPET films segment continued to witness an oversupply situation.
- **Technical Textiles'** revenue (15%/14% of total sales/EBIT in 1QFY25) grew 13% YoY to INR5.3b. EBIT grew 12% YoY to INR677m. EBIT margin contracted 20bp YoY to 12.9%. The segment performed well, led by healthy volumes in Nylon Tyre Cord Fabrics (NTCF) and Polyester Industrial Yarn (PIY).

Highlights from the management commentary

- The **Chemical business** is likely to witness a revival in 2HFY25. Despite weak 1Q, it is confident of achieving ~20% revenue growth within chemicals business in FY25. FY25 margins to be plus or minus 2% of FY24.
- **Packaging business:** The BOPET films segment continued to witness an oversupplied market. The business also had tough competition from the Chinese players in the Southeast Asian markets. Aluminum foil export sampling is under way, and production is expected to ramp-up from 2HFY25.
- **Capex:** SRF plans to incur a total capex of ~INR15-19b in FY25 (including INR6b towards the commissioning of three new fluoropolymer facilities).

Valuation and view

- The chemicals business (fluorochemicals and specialty chemicals) is expected to achieve major improvement from 2HFY25 onwards. The packaging business is likely to remain under pressure in the medium term, while the technical textile business is likely to continue the current growth momentum.
- We maintain our FY25/FY26 EBITDA estimates. We value the stock on an SoTP basis to arrive at our TP of INR2,130. **Reiterate NEUTRAL.**

Bloomberg	SRF IN
Equity Shares (m)	296
M.Cap.(INRb)/(USD\$)	701.8 / 8.4
52-Week Range (INR)	2697 / 2040
1, 6, 12 Rel. Per (%)	-6/-10/-14
12M Avg Val (INR M)	1264

Financials & Valuations (INR b)

Y/E Mar	2024	2025E	2026E
Sales	131.4	153.8	178.6
EBITDA	26.6	31.0	39.7
PAT	14.1	15.6	22.0
EBITDA (%)	20.3	20.1	22.2
EPS (INR)	47.5	52.6	74.0
EPS Gr. (%)	(37.7)	10.7	40.7
BV/Sh. (INR)	386	423	480

Ratios

Net D/E	0.4	0.3	0.3
RoE (%)	13.0	13.0	16.4
RoCE (%)	10.5	10.6	13.0
Payout (%)	16.0	28.8	23.0

Valuations

P/E (x)	49.8	45.0	32.0
EV/EBITDA (x)	28.0	24.1	18.7
Div Yield (%)	0.3	0.6	0.7
FCF Yield (%)	(0.3)	1.0	1.3

Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	50.3	50.3	50.5
DII	16.6	16.0	13.7
FII	18.7	19.1	20.0
Others	14.4	14.6	15.7

Note: FII includes depository receipts

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.

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

Consolidated - Quarterly Earning Model

(INR m)

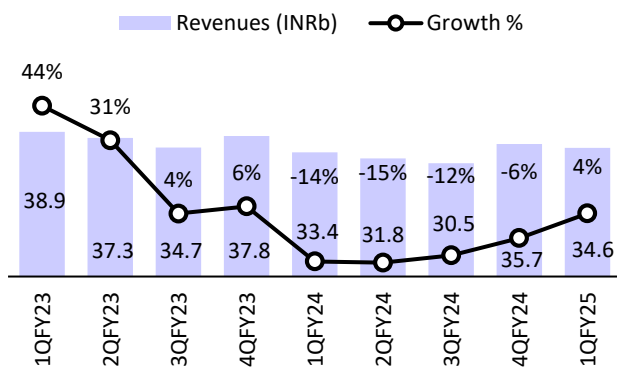
Y/E March	FY24				FY25E				FY24	FY25E	FY25E	Var. %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	33,384	31,774	30,530	35,697	34,641	36,309	38,349	44,472	1,31,385	1,53,772	32,860	5
YoY Change (%)	-14.3	-14.8	-12.0	-5.5	3.8	14.3	25.6	24.6	-11.6	17.0	-1.6	
Total Expenditure	26,184	25,320	24,691	28,581	28,435	29,384	30,483	34,488	1,04,777	1,22,789	26,389	
EBITDA	7,200	6,453	5,839	7,116	6,207	6,925	7,866	9,985	26,608	30,983	6,471	-4
Margins (%)	21.6	20.3	19.1	19.9	17.9	19.1	20.5	22.5	20.3	20.1	19.7	
Depreciation	1,566	1,612	1,689	1,859	1,882	1,950	1,950	2,180	6,726	7,962	1,900	
Interest	656	793	674	900	965	750	760	832	3,023	3,307	700	
Other Income	118	291	188	234	253	280	220	296	830	1,049	200	
PBT before EO expense	5,095	4,339	3,664	4,591	3,612	4,505	5,376	7,269	17,689	20,762	4,071	
Extra-Ord expense & DO	237	191	181	158	172	0	0	0	767	172	0	
PBT	4,858	4,148	3,483	4,433	3,440	4,505	5,376	7,269	16,922	20,590	4,071	
Tax	1,265	1,140	949	211	918	1,104	1,317	1,782	3,565	5,120	997	
Rate (%)	24.8	26.3	25.9	4.6	25.4	24.5	24.5	24.5	20.2	24.7	24.5	
Reported PAT	3,593	3,008	2,534	4,222	2,522	3,402	4,059	5,487	13,357	15,470	3,074	
Adj PAT	3,830	3,199	2,715	4,380	2,695	3,402	4,059	5,487	14,124	15,642	3,074	-12
YoY Change (%)	-39.5	-38.1	-48.4	-25.8	-29.6	6.3	49.5	25.3	-37.7	10.7	-20	
Margins (%)	11.5	10.1	8.9	12.3	7.8	9.4	10.6	12.3	10.8	10.2	9.4	

Key Performance Indicators

Y/E March	FY24E				FY25E				FY24	FY25E	FY25E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Consolidated											
Segment Revenue (INR m)											
Technical Textile	4,647	5,062	4,584	4,689	5,253	5,568	5,225	5,392	18,980	21,438	5,065
Chemicals	16,605	14,263	13,941	18,161	14,820	15,975	18,821	24,517	62,970	74,132	14,447
Packaging Film	10,948	11,215	10,907	11,824	13,363	13,346	13,088	13,361	44,893	53,158	12,043
Others	1,187	1,269	1,136	1,062	1,262	1,421	1,215	1,203	4,653	5,101	1,306
Segment Revenue Growth (%)											
Technical Textile	-18.6	8.6	7.6	8.9	13.1	10.0	14.0	15.0	0.2	12.9	9.0
Chemicals	-3.6	-22.1	-20.6	-13.6	-10.8	12.0	35.0	35.0	-15.0	17.7	-13.0
Packaging Film	-26.8	-15.7	-9.3	2.5	22.1	19.0	20.0	13.0	-13.4	18.4	10.0
Other	12.4	26.4	23.0	12.6	6.3	12.0	7.0	13.3	18.5	9.6	10.0
Segment Results (INR m)											
Technical Textile	607	750	688	698	677	779	784	863	2,742	3,103	760
Chemicals	4,601	3,478	3,219	4,977	3,064	3,674	4,705	6,620	16,274	18,063	3,525
Packaging Film	513	773	449	331	868	867	916	1,002	2,065	3,653	422
Others	232	331	212	156	236	355	231	180	930	1,002	261
Segment EBIT Margins (%)											
Technical Textile	13.1	14.8	15.0	14.9	12.9	14.0	15.0	16.0	14.4	14.5	15.0
Chemicals	27.7	24.4	23.1	27.4	20.7	23.0	25.0	27.0	25.8	24.4	24.4
Packaging Film	4.7	6.9	4.1	2.8	6.5	6.5	7.0	7.5	4.6	6.9	3.5
Others	19.5	26.1	18.7	14.7	18.7	25.0	19.0	15.0	20.0	19.6	20.0
Cost Break-up											
RM Cost (% of sales)	50.9	51.0	50.9	51.4	52.7	52.7	52.6	52.0	51.1	52.5	48.1
Staff Cost (% of sales)	6.5	7.1	8.0	6.9	7.3	7.0	6.7	5.8	7.1	6.7	7.6
Power and Fuel Cost (% of sales)	10.6	10.8	10.5	9.2	9.9	10.5	10.0	9.7	10.2	10.0	10.4
Other Cost (% of sales)	10.4	10.7	11.5	12.6	12.2	10.7	10.2	10.0	11.3	10.7	10.4
Gross Margins (%)	49.1	49.0	49.1	48.6	47.3	47.3	47.4	48.0	48.9	47.5	51.9
EBITDA Margins (%)	21.6	20.3	19.1	19.9	17.9	19.1	20.5	22.5	20.3	20.1	19.7
EBIT Margins (%)	16.9	15.2	13.6	14.7	12.5	13.7	15.4	17.5	15.1	15.0	14.5

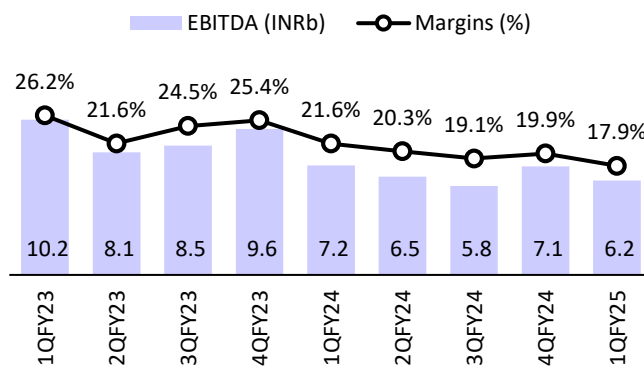
Key Exhibits

Exhibit 1: Consolidated revenue trend



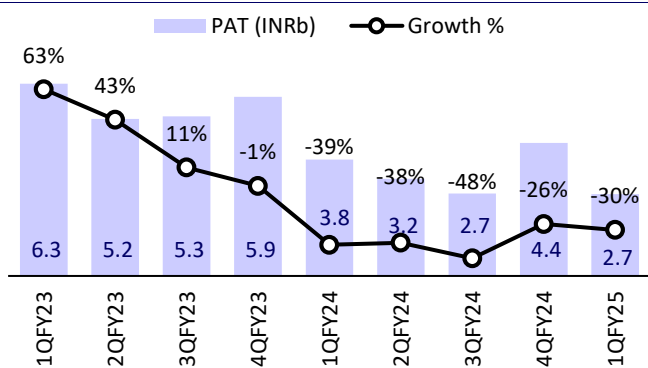
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



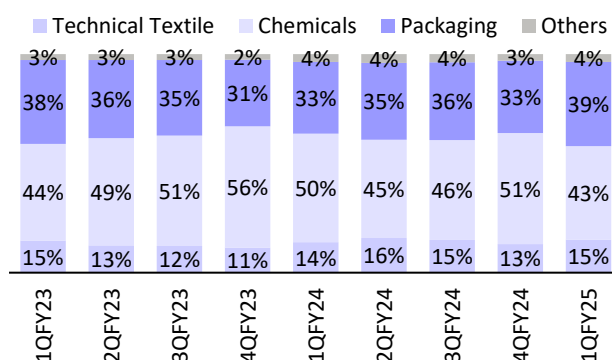
Source: Company, MOFSL

Exhibit 3: Consolidated adjusted PAT trend



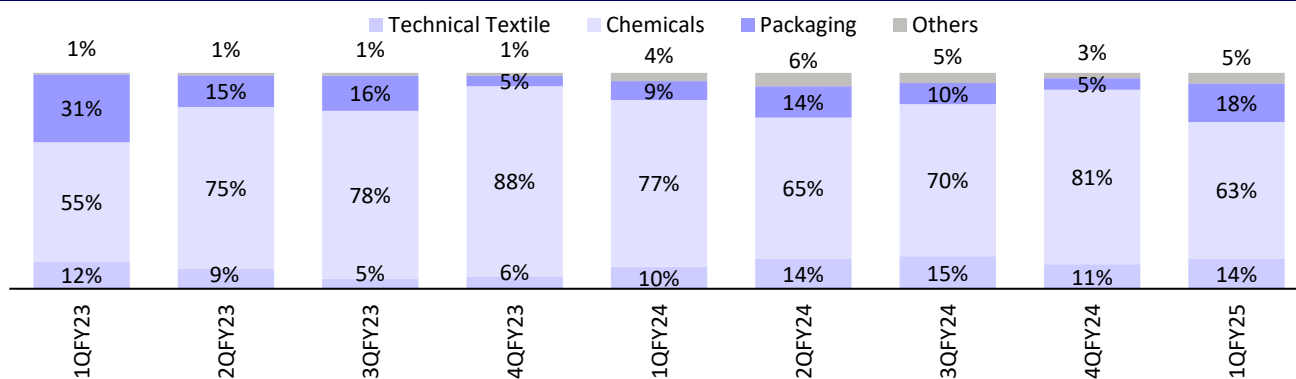
Source: Company, MOFSL

Exhibit 4: Revenue mix trend



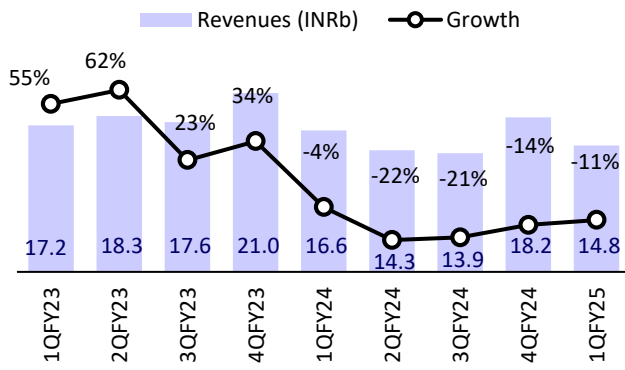
Source: Company, MOFSL

Exhibit 5: EBIT mix trend



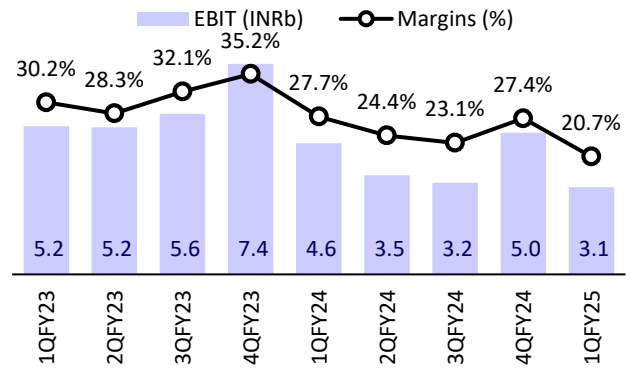
Source: Company, MOFSL

Exhibit 6: Revenue trend in the Chemicals business



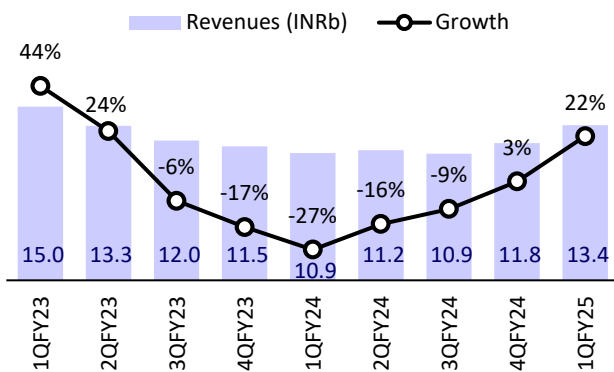
Source: Company, MOFSL

Exhibit 7: EBIT trend in the Chemicals business



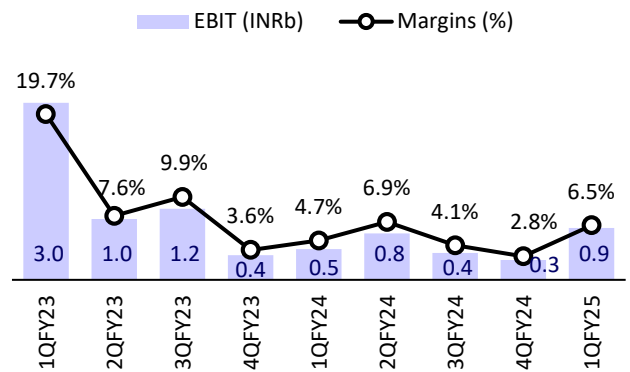
Source: Company, MOFSL

Exhibit 8: Revenue trend in the Packaging Film business



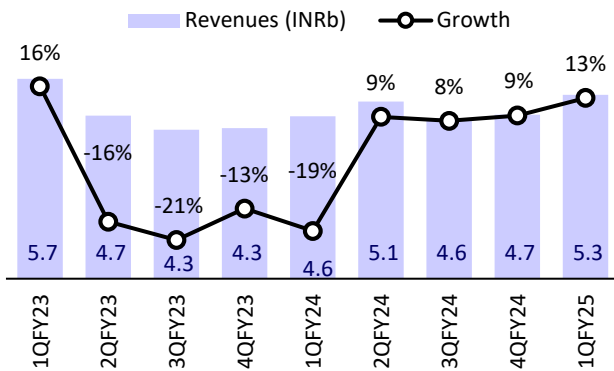
Source: Company, MOFSL

Exhibit 9: EBIT trend in the Packaging Film business



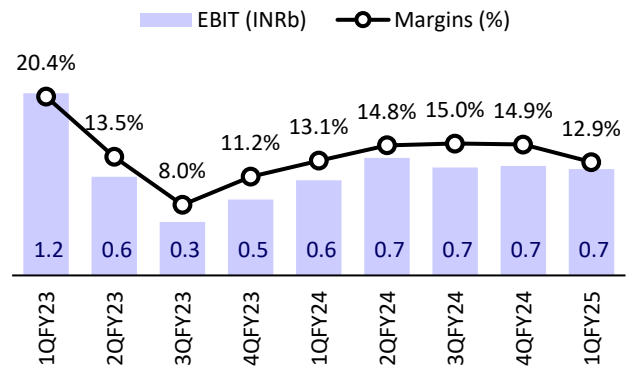
Source: Company, MOFSL

Exhibit 10: Revenue trend in the Technical Textiles business



Source: Company, MOFSL

Exhibit 11: EBIT trend in the Technical Textiles business



Source: Company, MOFSL



Key highlights from the management commentary

Chemicals business:

- **The Specialty Chemicals Business** continued facing headwinds during the quarter as the agrochemicals segment was sluggish due to inventory rationalization by certain key customers.
- Overall, demand was subdued for certain key Agro intermediates. The Chinese manufacturers have continued pushing cheaper Agrochemicals and intermediates within the market
- However, company expects agrochemicals segment to show improvement as demand is expected to pick up gradually
- SRF will focus on ramp-up of multiple new plants commissioned in FY24.
- SRF has multiple AIs in advanced stages of commercialization. This coupled with launch of new pharma intermediaries will also contribute to future growth of the company going ahead.
- **Fluorochemicals segment** was hit by low margin in the Chloromethane segment. However, the domestic refrigerant gases business improved during the quarter, boosting the overall performance.
- HFC volumes remain strong on YoY basis as the company was able to penetrate into domestic market and also grow export volumes. However, pricing remains subdued for certain key products
- The company is targeting ~70-75% utilization for the new R32 capacity (commissioned in Dec'23) in FY25
- Going ahead, global Ref gas demand is expected to remain stable to strong, with growth in India and the Middle East, while the US market may see a decline due to reduced HFC consumption
- SRF expects CMS demand and prices to be stable going ahead. It also expects healthy traction within PTFE value added grades from 2HFY25
- New HF plant will be commissioned in 2Q and should provide cost advantage post stabilization.
- Two pharma products have seen good traction in 1QFY25
- **The overall chemical business** is expected to revive in 2HFY25. Management believes that ~20% growth rate in FY25 is still achievable
- Margins are expected to improve as the plant ramps up. However, chemical plant takes time to ramp up leading to overall drag of ~1.7-1.8%. FY25 margin is expected to be in the similar range of FY24 (plus or minus 2%).

Packaging film business

- The business performed well on YoY basis with BOPP films witnessing higher margins led by balance demand-supply scenario.
- Company witnessed volume as well as realization growth during the quarter.
- However, the BOPET films segment continued to witness an oversupplied market. The business also had tough competition from the Chinese players in the Southeast Asian markets
- BOPET witnessed some pricing improvement towards the end of June; however, supply still outweighs demand
- The segment witnessed a spike in VAP on YoY basis. Currently, Aluminum foil export sampling is under way and company expects to ramp-up the same from 2HFY25.

- Utilization levels in Hungary has improved in 1QFY25
- Going ahead, SRF's continued focus on optimizing product mix, increase VAP sales and new product development coupled with cost efficiencies is expected to counter market challenges

Technical textile business:

- The business witnessed steady performance led by healthy volumes in Nylon Tyre Cord Fabrics (NTCF) and Polyester Industrial Yarn (PIY)
- However, Belting fabrics segment witnessed lower volumes
- Going ahead, demand for NTCF likely to be stable
- Focus on high-end VAPs in Belting Fabrics and expanded capacity is likely to drive growth ahead.

Capex:

- Company expects overall capex of ~INR15-19b in FY25
- Majority of this will be towards Fluorochemicals segment (three new fluoropolymers facility for capex of ~INR6b). These facilities will come online in a phase manner by Nov-Dec'25
- Company expects to complete the earlier guided capex of ~INR120-150b in 6 years against previous guidance of ~5 years.

Valuation and view

- The chemicals business (fluorochemicals and specialty chemicals) is expected to achieve major improvement from 2HFY25 onwards. The packaging business is likely to remain under pressure in the medium term, while the technical textile business is likely to continue the current growth momentum.
- We maintain our FY25/FY26 EBITDA estimates. We value the stock on an SoTP basis to arrive at our TP of INR2,130. Reiterate **NEUTRAL**.

Exhibit 12: Valuation methodology

EV/EBITDA	FY26 EBITDA (INRm)	Multiple (x)	EV (INRm)
Technical Textiles	4,523	10	47,041
Chemicals	29,539	18	5,45,586
Packaging Films	7,565	10	79,052
Others	1,269	5	6,969
Total EV			6,78,649
Less: Debt			50,202
Less: Minority Interest			-
Add: Cash & Cash Equivalents			5,245
Target Mcap (INR m)			6,33,691
Outstanding share (m)			297.4
Target Price (INR)			2,130

Source: MOFSL

Exhibit 13: Revisions to our estimates

Earnings Change (INR m)	Old		New		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY25E
Revenue	1,50,127	1,73,338	1,53,772	1,78,622	2	3
EBITDA	31,184	38,814	30,983	39,723	-1	2
Adj. PAT	15,974	21,258	15,642	22,008	-2	4

Source: MOFSL

Financials and valuations

Consolidated - Income Statement									(INRm)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Income from Operations	56,849	70,996	72,094	84,000	1,24,337	1,48,703	1,31,385	1,53,772	1,78,622
Less: Excise Duty	958	0	0	0	0	0	0	0	0
Total Income from Operations	55,890	70,996	72,094	84,000	1,24,337	1,48,703	1,31,385	1,53,772	1,78,622
Change (%)	15.9	27.0	1.5	16.5	48.0	19.6	-11.6	17.0	16.2
Cost of Materials Consumed	30,320	39,671	36,870	40,189	60,669	73,935	67,088	80,713	90,501
% of Sales	54.2	55.9	51.1	47.8	48.8	49.7	51.1	52.5	50.7
Personnel Expenses	4,740	4,608	5,419	6,214	7,800	8,138	9,350	10,231	11,610
% of Sales	8.5	6.5	7.5	7.4	6.3	5.5	7.1	6.7	6.5
Other Expenses	11,768	13,508	15,221	16,264	24,835	30,297	28,339	31,845	36,787
% of Sales	21.1	19.0	21.1	19.4	20.0	20.4	21.6	20.7	20.6
Total Expenditure	46,828	57,787	57,510	62,667	93,305	1,12,371	1,04,777	1,22,789	1,38,899
% of Sales	83.8	81.4	79.8	74.6	75.0	75.6	79.7	79.9	77.8
EBITDA	9,062	13,209	14,584	21,333	31,032	36,332	26,608	30,983	39,723
Margin (%)	16.2	18.6	20.2	25.4	25.0	24.4	20.3	20.1	22.2
Depreciation	3,158	3,582	3,886	4,531	5,172	5,753	6,726	7,962	9,015
EBIT	5,904	9,627	10,698	16,803	25,860	30,579	19,882	23,021	30,708
Int. and Finance Charges	1,239	1,984	2,007	1,340	1,159	2,048	3,023	3,307	2,816
Other Income	688	280	491	545	428	749	830	1,049	1,258
PBT bef. EO Exp.	5,353	7,923	9,182	16,008	25,128	29,280	17,689	20,762	29,150
EO Items	463	262	997	116	727	-1,040	-767	-172	0
PBT after EO Exp.	5,817	8,185	10,179	16,123	25,856	28,240	16,922	20,590	29,150
Current Tax	1,200	1,769	265	4,154	7,139	6,617	3,565	5,120	7,143
Deferred Tax	0	0	-277	-10	-173	0	0	0	0
Tax Rate (%)	20.6	21.6	-0.1	25.7	26.9	23.4	21.1	24.9	24.5
Less: Minority Interest	0	0	0	0	0	0	0	0	0
Reported PAT	4,617	6,416	10,191	11,979	18,889	21,623	13,357	15,470	22,008
Adjusted PAT	4,154	6,155	9,194	11,864	18,162	22,663	14,124	15,642	22,008
Change (%)	-19.3	48.2	49.4	29.0	53.1	24.8	-37.7	10.7	40.7
Margin (%)	7.4	8.7	12.8	14.1	14.6	15.2	10.8	10.2	12.3

Consolidated - Balance Sheet									(INRm)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	575	575	585	603	2,974	2,974	2,974	2,974	2,974
Preference Capital	0	0	0	0	0	0	0	0	0
Total Reserves	35,071	40,718	48,748	67,962	82,679	1,00,296	1,11,816	1,22,824	1,39,775
Net Worth	35,646	41,293	49,333	68,564	85,654	1,03,271	1,14,790	1,25,798	1,42,750
Minority Interest	0	0	0	0	0	0	0	0	0
Deferred Liabilities	2,914	3,420	1,755	3,862	6,775	8,092	9,387	9,387	9,387
Total Loans	31,418	37,302	40,468	33,950	35,394	43,541	49,202	52,202	50,202
Capital Employed	69,978	82,014	91,556	1,06,376	1,27,822	1,54,903	1,73,380	1,87,388	2,02,339
Gross Block	87,502	68,322	76,934	96,167	1,06,943	1,28,622	1,67,373	1,95,373	2,15,373
Less: Accum. Deprn.	36,327	12,269	15,540	20,071	25,243	30,997	37,723	45,684	54,699
Net Fixed Assets	51,175	56,053	61,394	76,096	81,699	97,626	1,29,650	1,49,688	1,60,673
Goodwill on Consolidation	41	41	6	6	0	0	0	0	0
Capital WIP	5,588	7,536	13,933	7,723	16,716	24,055	8,053	-947	1,053
Current Investments	1,217	1,005	1,985	4,125	3,167	4,901	4,056	4,056	4,056
Total Investments	1,218	1,006	2,027	4,167	3,209	4,942	5,267	5,267	5,267
Curr. Assets, Loans&Adv.	25,608	34,243	31,265	41,121	56,025	60,735	61,574	68,862	73,626
Inventory	9,582	12,247	12,012	14,658	21,385	22,743	23,265	25,430	26,779
Account Receivables	6,807	10,288	8,911	12,746	17,925	17,856	19,428	20,222	22,022
Cash and Bank Balance	967	1,989	1,255	2,820	4,594	6,165	4,075	6,184	5,245
Loans and Advances	8,252	9,719	9,088	10,898	12,123	13,972	14,805	17,026	19,580
Curr. Liability & Prov.	13,653	16,865	17,211	22,918	29,944	32,642	31,440	35,758	38,555
Account Payables	10,442	13,824	11,117	15,852	20,964	22,313	21,978	25,430	27,274
Other Current Liabilities	2,831	2,600	5,653	6,544	8,391	9,642	8,660	9,526	10,479
Provisions	380	441	442	522	590	687	802	802	802
Net Current Assets	11,955	17,378	14,054	18,203	26,081	28,093	30,134	33,104	35,070
Deferred Tax assets	0	0	143	181	116	187	276	276	276
Misc Expenditure	0	0	0	0	0	0	0	0	0
Appl. of Funds	69,978	82,014	91,556	1,06,376	1,27,822	1,54,903	1,73,380	1,87,388	2,02,339

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)									
EPS	14.0	20.7	30.9	39.9	61.1	76.2	47.5	52.6	74.0
Cash EPS	24.6	32.7	44.0	55.1	78.5	95.5	70.1	79.4	104.3
BV/Share	119.8	138.8	165.9	230.5	288.0	347.2	385.9	422.9	479.9
DPS	3.1	3.9	2.8	4.9	16.8	7.2	7.2	15.0	17.0
Payout (%)	23.1	20.8	9.6	12.1	26.4	9.9	16.0	28.8	23.0
Valuation (x)									
P/E	169.3	114.3	76.5	59.3	38.7	31.0	49.8	45.0	32.0
Cash P/E	96.2	72.2	53.8	42.9	30.1	24.8	33.7	29.8	22.7
P/BV	19.7	17.0	14.3	10.3	8.2	6.8	6.1	5.6	4.9
EV/Sales	13.1	10.4	10.3	8.7	5.9	4.9	5.7	4.8	4.2
EV/EBITDA	80.8	55.9	50.8	34.2	23.6	20.3	28.0	24.1	18.7
Dividend Yield (%)	0.1	0.2	0.1	0.2	0.7	0.3	0.3	0.6	0.7
FCF per share	-20.3	-5.3	-2.3	19.1	9.7	0.0	-6.1	23.1	30.0
Return Ratios (%)									
RoE	12.3	16.0	20.3	20.1	23.6	24.0	13.0	13.0	16.4
RoCE	8.5	10.7	13.3	13.4	17.2	17.9	10.5	10.6	13.0
RoIC	13.8	18.0	15.3	26.3	34.2	34.7	18.2	18.1	21.7
Working Capital Ratios									
Fixed Asset Turnover (x)	0.6	1.0	0.9	0.9	1.2	1.2	0.8	0.8	0.8
Asset Turnover (x)	0.8	0.9	0.8	0.8	1.0	1.0	0.8	0.8	0.9
Inventory (Days)	115	113	119	133	129	112	127	115	108
Debtor (Days)	44	53	45	55	53	44	54	48	45
Creditor (Days)	126	127	110	144	126	110	120	115	110
Leverage Ratio (x)									
Current Ratio	1.9	2.0	1.8	1.8	1.9	1.9	2.0	1.9	1.9
Interest Cover Ratio	5	5	5	13	22	15	7	7	11
Debt/Equity	0.9	0.9	0.8	0.5	0.4	0.4	0.4	0.4	0.4

Consolidated - Cash Flow Statement

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
(INRm)									
OP/(Loss) before Tax	5,817	8,269	10,706	16,099	25,856	28,240	16,922	20,590	29,150
Depreciation	3,158	3,669	3,929	4,531	5,172	5,753	6,726	7,962	9,015
Interest & Finance Charges	1,239	2,016	2,016	1,340	1,159	2,048	3,023	3,307	2,816
Direct Taxes Paid	-1,176	-1,502	-1,427	-2,553	-4,016	-6,617	-3,565	-5,120	-7,143
(Inc)/Dec in WC	-1,909	-3,165	-239	-1,236	-6,645	-408	-2,168	-861	-2,905
CF from Operations	7,129	9,286	14,984	18,181	21,527	29,017	20,938	25,877	30,934
Others	-349	-330	-1,940	-464	-469	0	0	0	0
CF from Operating incl EO	6,780	8,956	13,044	17,717	21,057	29,017	20,938	25,877	30,934
(inc)/dec in FA	-12,829	-10,526	-13,730	-12,047	-18,171	-29,019	-22,748	-19,000	-22,000
Free Cash Flow	-6,049	-1,570	-685	5,670	2,886	-2	-1,810	6,877	8,934
(Pur)/Sale of Investments	840	332	-886	-1,886	1,028	-1,733	-325	0	0
Others	35	53	2,813	-1,064	1,265	1,138	800	0	0
CF from Investments	-11,953	-10,142	-11,803	-14,997	-15,877	-29,614	-22,273	-19,000	-22,000
Issue of Shares	0	1	0	7,500	2	0	0	0	0
Inc/(Dec) in Debt	4,095	2,677	3,205	-6,856	622	8,147	5,662	3,000	-2,000
Interest Paid	-1,299	-2,241	-2,040	-1,574	-1,173	-2,048	-3,023	-3,307	-2,816
Dividend Paid	-829	-836	-803	-1,408	-2,117	-2,142	-2,142	-4,462	-5,056
Others	3,213	2,606	-2,337	1,182	-741	-1,789	-1,252	0	0
CF from Fin. Activity	5,179	2,207	-1,975	-1,155	-3,406	2,168	-754	-4,769	-9,873
Inc/Dec of Cash	6	1,021	-734	1,565	1,774	1,571	-2,089	2,108	-939
Opening Balance	961	967	1,989	1,255	2,820	4,594	6,164	4,075	6,184
Closing Balance	967	1,989	1,255	2,820	4,594	6,164	4,075	6,184	5,245

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

Explanation of Investment Rating	
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.