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Q4FY20 result review
and reco change

Specialty Chemicals

Target price: Rs3,653

Earnings revision

(%)	FY21E	FY22E
Revenue	↓ 4.0	↓ 2.7
EBITDA	↓ 1.8	↓ 4.0
EPS	↓ 0.3	↓ 3.8

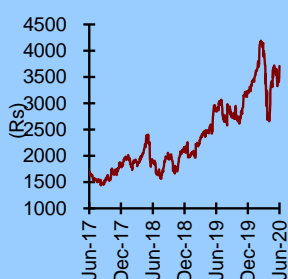
Target price revision

Rs3,653 from Rs3,361

Shareholding pattern

	Sep '19	Dec '19	Mar '20
Promoters	52.3	52.3	52.3
Institutional investors	30.4	30.0	29.6
MFs and other	11.4	11.2	11.1
Insurance/FIs	0.5	0.4	0.2
FIs	18.5	18.4	18.3
Others	17.3	17.7	18.1

Price chart



INDIA

SRF Limited

HOLD

Downgrade from Buy

Specialty chemicals beat already-high expectations **Rs3,650**

SRF's specialty chemicals saw an outstanding FY20 with revenues of Rs16.5bn, up 60% (on 82% growth in FY19). However, ref-gas revenues, despite doubling of HFC capacity, slightly dipped due to pressure on realisation. This also hurt margins resulting in chemical business EBIT margin improving by only 160bps to 17.3%. SRF has guided for 20-25% specialty chemical revenue growth in FY21, and last two years' track record suggests it should surpass the guidance. Management expects operating leverage to drive chemical business margins in coming years. We have slightly cut our EPS estimate by 0.3%/3.8% for FY21E/FY22E, but increased our target price to Rs3,653 (from Rs3,361) on rise in EBITDA multiple for chemical business to 15x (from 13.5x) and that of packaging films to 9x (from 7x) on better performance. However, we downgrade our rating to HOLD (from Buy) as stock looks fairly priced.

- **Weakness in ref-gas hurt chemical segment growth.** SRF's revenues dipped 10.3% YoY to Rs18.6bn, impacted by lower RM prices, sale of engineering plastic business and closure of Thailand plant. Chemical business revenues rose only 5% YoY to Rs8.8bn on lower volumes and weak realisation in ref-gas, but specialty chemicals performance remains on a strong footing. Packaging film revenues fell 3.5% YoY on decrease in raw material prices while technical textiles dipped 34.2% YoY to Rs3.2bn on weak demand due to slowdown in auto sales and lower caprolactam prices – in addition to closure of its plants in Thailand.
- **EBITDA margin expanded 73bps YoY.** SRF's gross profit rose 2.3% YoY to Rs9.4bn and margin improved 600bps YoY to 50.6% on higher revenue mix from chemical business and better margins in packaging films. EBITDA fell 6.9% YoY to Rs3.6bn and EBITDA margin expanded 73bps YoY to 19.4%. EBIT was down 11% YoY to Rs2.6bn. PAT declined 2.7% YoY to Rs1.9bn and benefited from lower tax rate.
- **Chemical business EBIT dipped 4.3% YoY** to Rs1.3bn and EBIT margin contracted 174bps to 18%, which was disappointing considering the better mix of specialty chemicals. It implies ref-gas realisation dip has been steeper. Packaging business EBIT rose 23.7% YoY to Rs1.3bn and its EBIT margin stayed high at 21.7%. However, we see divergent trend in margins for international operations where EBIT margin shrunk 600bps QoQ to 14.5% while India margins expanded 80bps to 25.6%. Technical textile EBIT dipped 34% YoY to Rs372mn.
- **Operating cashflow was Rs13bn in FY20 vs Rs9bn in FY19.** OCF before working capital grew 8% YoY to Rs14.7bn. Decline from working capital was Rs239mn (from Rs3.2bn in FY19), partly helped by lower RM prices. Capex stood at Rs13bn in FY20. Net debt remained flattish at Rs33bn-34bn, and was helped by Rs3bn received from asset sale. SRF expects capex to continue to drive growth and help grab opportunities, and sees deleveraging of Rs2bn-3bn annually in coming years.

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Market Cap	Rs210bn/US\$2.8bn	Year to March	FY19	FY20	FY21E	FY22E
Reuters/Bloomberg	SRFL.BO/SRF IN	Revenue (Rs bn)	76.9	72.7	75.1	96.6
Shares Outstanding (mn)	57.5	Net Income (Rs bn)	6.4	10.2	7.0	10.8
52-week Range (Rs)	4193/2579	Recurring EPS (Rs)	111.6	177.3	121.3	188.6
Free Float (%)	47.7	% Chg YoY	38.8	58.8	(31.6)	55.5
FII (%)	18.3	P/E (x)	32.7	20.6	30.1	19.4
Daily Volume (US\$'000)	13,581	CEPS (Rs)	175.5	245.2	194.2	264.4
Absolute Return 3m (%)	(7.1)	EV/E (x)	18.0	16.6	16.2	12.1
Absolute Return 12m (%)	26.6	Dividend Yield (%)	0.3	0.2	0.4	0.6
Sensex Return 3m (%)	(10.6)	RoCE (%)	10.5	12.7	8.9	11.9
Sensex Return 12m (%)	(13.5)	RoE (%)	16.7	22.1	12.9	17.5

Please refer to important disclosures at the end of this report

Conference call highlights

Chemical business

- **Specialty chemicals:**

- For FY20, specialty chemicals revenues stood at Rs16.5bn, up 60% YoY, after a strong 82% growth in FY19. This compared to the company's guidance of 40-50% for FY20.
- SRF has guided for specialty chemical revenue growth of 20-25% in FY21. Company said segmental orderbook remains healthy and provides visibility on revenue growth in coming years.
- SRF said it does not source fluorspar from China, and sees no risk to raw material procurement. It does some imports from China for specialty chemicals, but even that has been derisked.
- Company is willing do more complex chemistry and outsourcing some of the basic chemistry it currently does. It is not looking for any backward integration.

- **Ref-gas:**

- Ref-gas revenue decline was due to pressures on realisation due to weak demand. Company see prices to have bottomed and expects operating leverage to aid margin improvement if prices don't improve. It has the advantage of being fully integrated player, and price decline does not harm the prospects.
- Ref-gas capacity utilisation in FY20 was at 70-75% (with pro rata new HFC capacity). Company expects full utilization in next 2-3years.
- Sales to OEMs is 40-45% and replacement market accounted for 50-55% of total ref-gas sales.
- SRF expects gradual improvement in ref-gas sales though large part of India peak season has been lost due to lockdown.
- Frayed US-China relations should help push more sales in the US where SRF has tied up with key retailers.

Packaging film:

- SRF indicated BOPET is likely to see pressure on margins in coming quarters due to new capacity addition. It sees 4-5 new lines with cumulative capacity of 200ktpa getting added in next 12-15 months. SRF is exploring new markets in the Far East, Gulf and North America for its packaging films business.
- Revenues from value-added products grew by 20-22% in FY20.
- Existing facilities are operating at full capacity.
- Company has added one line in Thailand and another in Hungary should get added in Jul'20.
- Hungary capacity ramp-up should be gradual as products will require to go through approval from customers.

Technical textiles

- There was an inventory loss during the quarter and it expect some more loss in Q1FY21.
- Management expects gradual recovery the in NTCF business.

- Company is working on improving efficiency in energy and process to drive margins in technical textiles business amidst weak outlook for revenues.

Others

- Company has guided for capex of Rs7bn-8bn in standalone business and Rs12bn-13bn on consolidated basis for FY21. However, capex will be dependent on the recovery situation.
- Net debt for FY20 was flattish and management expects deleveraging of Rs2bn-3bn annually in coming years.
- Cost of debt is 3.5-3.75%.
- Tax rate for FY20 (excluding reversal of deferred tax asset/liability) was 25.4%. Management expects standalone tax rate at 27-28% in FY21.
- The land in Dahej has enough space for growth for next 2-3 years and the management does not see need for additional land parcel immediately.

Table 1: Q4Y20 result (consolidated)*(Rs mn, year ending March 31)*

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	QoQ (%)	YoY (%)
Net revenue	20,720	18,284	17,378	18,505	18,578	0.4	(10.3)
Cost of Goods sold	11,528	9,868	8,834	9,328	9,175	(1.6)	(20.4)
Gross profit	9,192	8,416	8,544	9,177	9,404	2.5	2.3
<i>Gross profit margin (%)</i>	<i>44.4</i>	<i>46.0</i>	<i>49.2</i>	<i>49.6</i>	<i>50.6</i>		
Employee cost	1,397	1,406	1,292	1,367	1,470	7.5	5.2
Power & Fuel	1,588	1,642	1,635	1,821	1,716	(5.7)	8.1
Other expenses	2,328	1,715	2,307	1,960	2,605	32.9	11.9
Total expenses	5,313	4,763	5,234	5,148	5,791	12.5	9.0
EBITDA	3,879	3,653	3,310	4,029	3,613	(10.3)	(6.9)
<i>EBITDA margin (%)</i>	<i>18.7</i>	<i>20.0</i>	<i>19.0</i>	<i>21.8</i>	<i>19.4</i>		
Depreciation	971	941	929	1,019	1,014	(0.5)	4.4
EBIT	2,908	2,712	2,381	3,010	2,599	(13.6)	(10.6)
<i>EBIT margin (%)</i>	<i>14.0</i>	<i>14.8</i>	<i>13.7</i>	<i>16.3</i>	<i>14.0</i>		
Other income	165	152	220	56	63	13.7	(61.8)
Finance cost	529	518	550	475	466	(1.9)	(11.9)
PBT	2,545	2,346	2,051	2,591	2,196	(15.2)	(13.7)
Tax expenses	636	495	41	-864	255	(129.5)	(59.9)
<i>ETR (%)</i>	<i>25.0</i>	<i>21.1</i>	<i>2.0</i>	<i>-33.4</i>	<i>11.6</i>		
PAT	1,909	1,892	3,011	3,430	1,858	(45.8)	(2.7)
<i>Net profit margin (%)</i>	<i>9.2</i>	<i>10.3</i>	<i>17.3</i>	<i>18.5</i>	<i>10.0</i>		
EPS (Rs)	33	32	35	60	34	(45.8)	(2.7)

Source: Company data, I-Sec research

Table 2: Q4FY20 segmental result (consolidated)*(Rs mn, year ending March 31)*

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	QoQ (%)	YoY (%)
Revenue							
Technical Textile	4,815	4,472	3,230	3,357	3,168	(5.6)	(34.2)
Chemical & Polymers	8,400	6,032	6,780	8,119	8,819	8.6	5.0
Packaging Film	6,231	7,017	6,627	6,382	6,015	(5.7)	(3.5)
Others	1,287	772	744	691	577	(16.5)	(55.2)
Total revenue	20,720	18,284	17,378	18,505	18,578	0.4	(10.3)
EBIT							
Technical Textile	563	608	209	365	372	1.9	(34.0)
Chemical & Polymers	1,660	787	1,308	1,431	1,589	11.1	(4.3)
Packaging Film	1,057	1,456	1,299	1,494	1,307	(12.5)	23.7
Others	107	101	81	83	53	(36.2)	(50.6)
Total EBIT	3,387	2,952	2,898	3,372	3,321	(1.5)	(1.9)
EBIT margin (%)							
Technical Textile	11.7	13.6	6.5	10.9	11.7		
Chemical & Polymers	19.8	13.0	19.3	17.6	18.0		
Packaging Film	17.0	20.7	19.6	23.4	21.7		
Others	8.3	13.1	10.9	12.0	9.2		
Total EBIT	16.3	16.1	16.7	18.2	17.9		

Source: Company data, I-Sec research

Table 3: Segmental mix (consolidated)*(Rs mn, year ending March 31)*

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Revenue					
Technical Textile	23.2	24.5	18.6	18.1	17.1
Chemical & Polymers	40.5	33.0	39.0	43.9	47.5
Packaging Film	30.1	38.4	38.1	34.5	32.4
Others	6.2	4.2	4.3	3.7	3.1
EBIT					
Technical Textile	16.6	20.6	7.2	10.8	11.2
Chemical & Polymers	49.0	26.7	45.2	42.4	47.8
Packaging Film	31.2	49.3	44.8	44.3	39.4
Others	3.2	3.4	2.8	2.5	1.6

Source: Company data, I-Sec research

Table 4: Q4FY20 result (standalone)*(Rs mn, year ending March 31)*

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	QoQ (%)	YoY (%)
Net revenue	17,894	15,240	15,084	16,518	16,465	(0.3)	(8.0)
Cost of Goods sold	9,933	8,105	7,520	8,303	8,018	(3.4)	(19.3)
Gross profit	7,962	7,136	7,565	8,215	8,448	2.8	6.1
<i>Gross profit margin (%)</i>	<i>44.5</i>	<i>46.8</i>	<i>50.1</i>	<i>49.7</i>	<i>51.3</i>		
Employee cost	1,151	1,161	1,164	1,231	1,314	6.7	14.2
Power & Fuel	1,389	1,443	1,516	1,716	1,614	(6.0)	16.2
Other expenses	2,010	1,458	2,061	1,767	2,274	28.7	13.2
Total expenses	4,550	4,062	4,741	4,715	5,203	10.3	14.3
EBITDA	3,412	3,074	2,824	3,501	3,245	(7.3)	(4.9)
<i>EBITDA margin (%)</i>	<i>19.1</i>	<i>20.2</i>	<i>18.7</i>	<i>21.2</i>	<i>19.7</i>		
Depreciation	875	835	838	925	933	0.8	6.6
EBIT	2,537	2,239	1,986	2,575	2,312	(10.2)	(8.9)
<i>EBIT margin (%)</i>	<i>14.2</i>	<i>14.7</i>	<i>13.2</i>	<i>15.6</i>	<i>14.0</i>		
Other income	215	150	221	73	71	(3.2)	(67.2)
Finance cost	477	458	491	437	435	(0.3)	(8.7)
PBT	2,275	1,931	1,715	2,211	1,947	(11.9)	(14.4)
Tax expenses	622	468	106	-906	201	(122.2)	(67.6)
<i>ETR (%)</i>	<i>27.3</i>	<i>24.3</i>	<i>6.2</i>	<i>-41.0</i>	<i>10.3</i>		
PAT	1,653	1,463	1,610	3,118	1,746	(44.0)	5.6
<i>Net profit margin (%)</i>	<i>9.2</i>	<i>9.6</i>	<i>10.7</i>	<i>18.9</i>	<i>10.6</i>		

Source: Company data, I-Sec research

Table 5: Q4FY20 segmental result (standalone)*(Rs mn, year ending March 31)*

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	QoQ (%)	YoY (%)
Revenue							
Technical Textile	4,042	3,821	3,230	3,357	3,168	(5.6)	(21.6)
Chemical & Polymers	8,395	6,031	6,803	8,210	8,805	7.2	4.9
Packaging Film	4,182	4,625	4,311	4,304	3,915	(9.0)	(6.4)
Others	1,287	772	744	691	577	(16.5)	(55.2)
Total revenue	17,894	15,240	15,084	16,518	16,465	(0.3)	(8.0)
EBIT							
Technical Textile	476	569	209	365	372	2.0	(21.7)
Chemical & Polymers	1,669	797	1,319	1,437	1,608	11.9	(3.6)
Packaging Film	763	1,006	880	1,068	1,004	(6.0)	31.6
Others	107	101	81	83	53	(36.2)	(50.6)
Total EBIT	3,014	2,473	2,488	2,953	3,037	2.8	0.8
EBIT margin (%)							
Technical Textile	11.8	14.9	6.5	10.9	11.8		
Chemical & Polymers	19.9	13.2	19.4	17.5	18.3		
Packaging Film	18.2	21.8	20.4	24.8	25.6		
Others	8.3	13.1	10.9	12.0	9.2		
Total EBIT	16.8	16.2	16.5	17.9	18.4		

Source: Company data, I-Sec research

Table 6: SRF – performance of international operations*(Rs mn, year ending March 31)*

	Q4FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	QoQ (%)	YoY (%)
Net revenue	2,826	3,044	2,294	1,987	2,113	6.4	(25.2)
Cost of Goods sold	1,596	1,764	1,315	1,025	1,157	12.9	(27.5)
Gross profit	1,231	1,280	979	962	956	(0.6)	(22.3)
<i>Gross profit margin (%)</i>	43.5	42.1	42.7	48.4	45.2		
Employee cost	245	245	128	136	156	14.4	(36.6)
Power & Fuel	199	199	119	104	102	(1.8)	(48.6)
Other expenses	323	270	241	212	250	18.1	(22.6)
Total expenses	768	714	488	452	508	12.4	(33.8)
EBITDA	463	566	491	510	448	(12.1)	(3.2)
<i>EBITDA margin (%)</i>	16.4	18.6	21.4	25.7	21.2		
Depreciation	96	106	91	93	81	(13.6)	(15.8)
EBIT	367	460	401	416	367	(11.8)	0.0
<i>EBIT margin (%)</i>	13.0	15.1	17.5	21.0	17.4		
Other income	-50	2	-1	-17	-7	(57.6)	(85.3)
Finance cost	52	60	59	39	31	(20.2)	(41.0)
PBT	265	402	341	361	329	(8.7)	24.1
Tax expenses	14	26	-65	42	54	26.5	282.1
<i>ETR (%)</i>	5.3	6.5	-18.9	11.7	16.3		
PAT	251	376	405	318	276	(13.4)	9.8
<i>Net profit margin (%)</i>	8.9	12.3	17.7	16.0	13.0		

Source: Company data, I-Sec research

Table 7: Earnings revision*(Rs mn, year ending March 31)*

Consolidated	Revised		Earlier		% change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Segmental revenue						
Technical Textile	10,944	11,935	12,008	12,784	(8.9)	(6.6)
Chemical & Polymers	35,092	49,648	38,015	50,726	(7.7)	(2.1)
Packaging Film	26,514	32,290	25,692	33,087	3.2	(2.4)
Others	2,565	2,770	2,565	2,770		
Segmental EBIT						
Technical Textile	820	1,116	1,089	1,288	(24.7)	(13.4)
Chemical & Polymers	6,402	10,361	7,009	11,193	(8.7)	(7.4)
Packaging Film	4,323	5,058	4,199	5,385	3.0	(6.1)
Others	151	190	151	190		
Financial						
Revenue	75,053	96,565	78,214	99,284	(4.0)	(2.7)
EBITDA	14,943	20,120	15,223	20,967	(1.8)	(4.0)
<i>EBITDA margin (%)</i>	19.9	20.8	19.5	21.1		
PAT	6,973	10,841	6,994	11,264	(0.3)	(3.8)
EPS (Rs)	121	189	122	196	(0.3)	(3.8)

Source: I-Sec research

Table 8: SoTP-based valuations*(Rs mn, year ending March 31)*

Business units (Rs mn)	Methodology	Multiple (x)	FY22E
Technical Textiles	EV/EBITDA	7.0	10,425
Chemical & Polymers	EV/EBITDA	15.0	200,127
Packaging films	EV/EBITDA	9.0	54,797
Less: Unallocated	Weighted avg EV/EBITDA	12.4	22,589
Enterprise value	EV/EBITDA	7.0	242,761
Net debt			32,795
Equity value			209,965
No of outstanding shares (mn)			57
Equity value (Rs/sh)			3,653

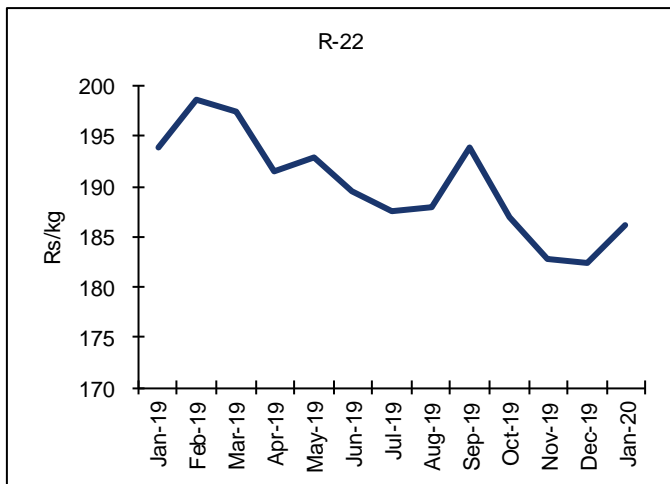
Source: Company data, I-Sec research

Table 9: Implied valuations

	FY21E	FY22E
Target price (Rs)	3,653	3,653
EPS	121	189
Implied PE (x)	30.1	19.4
Enterprise Value (Rs bn)	173	173
EBITDA (Rs bn)	15	20
Implied EV/EBITDA (x)	11.6	8.6

Source: Company data, I-Sec research

Chart 1: R-22 prices rose 1.2% QoQ...



Source: I-Sec research, Commerce Ministry

Chart 2: ...and fluorspar prices dipped 3.3%QoQ

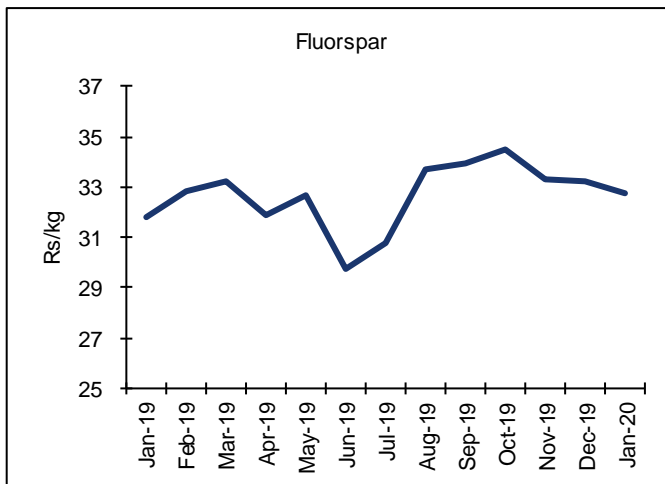


Chart 3: Chloroform prices declined 28.5% QoQ

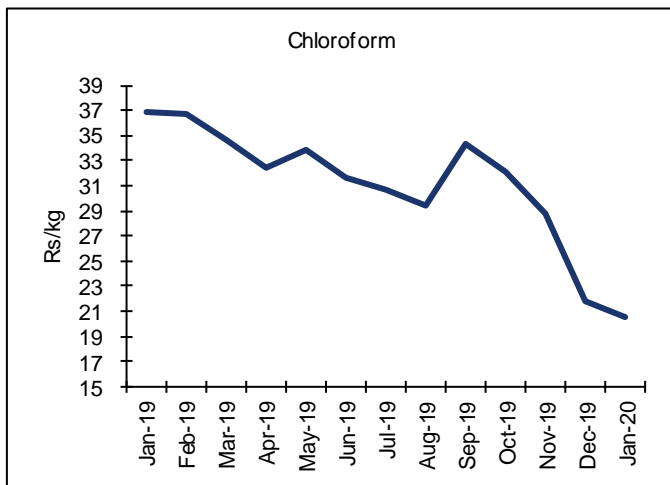
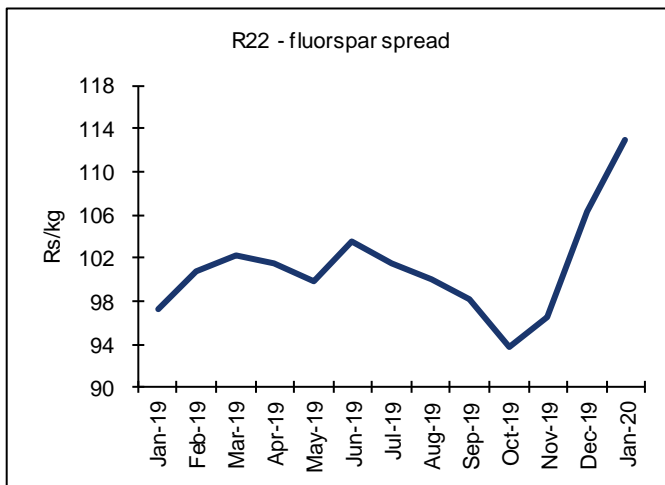
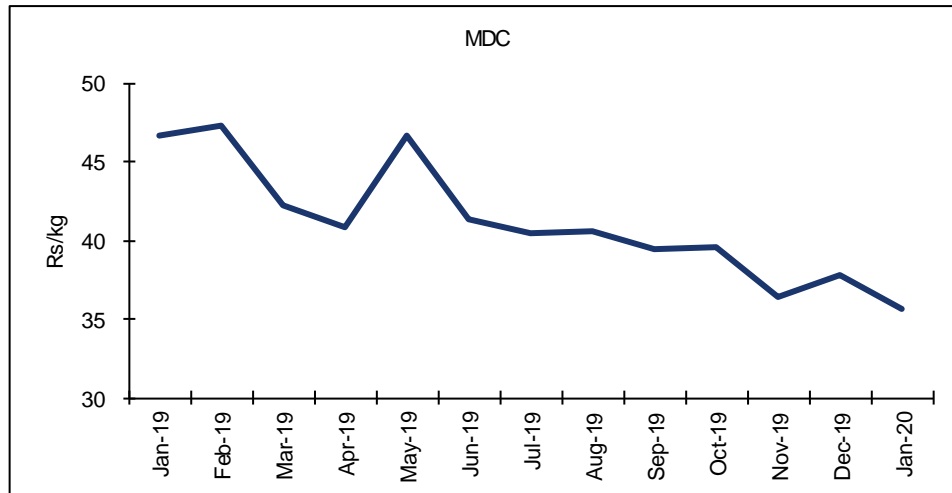


Chart 4: R-22 spread rose 16.4% QoQ



Source: I-Sec research, Commerce Ministry; Note: For calculating spread, we have assumed 1.3kg of fluorspar; and 1.5kg chloroform prices for 1kg of R-22

Chart 5: MDC prices declined 6.4% QoQ



Source: I-Sec research, Commerce Ministry

Chart 6: BOPET prices rose 17.3% QoQ

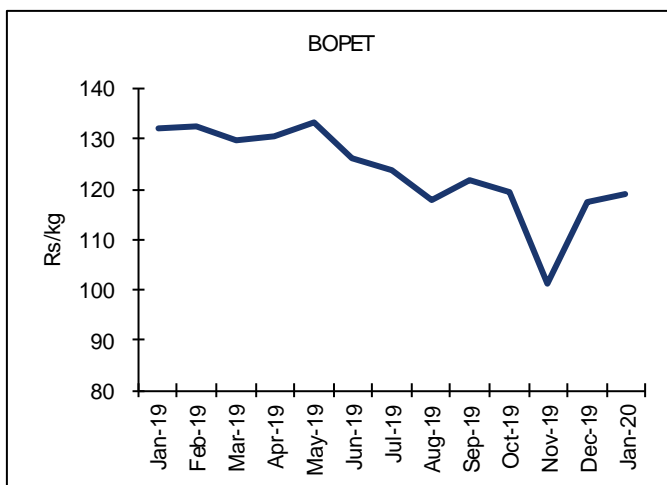
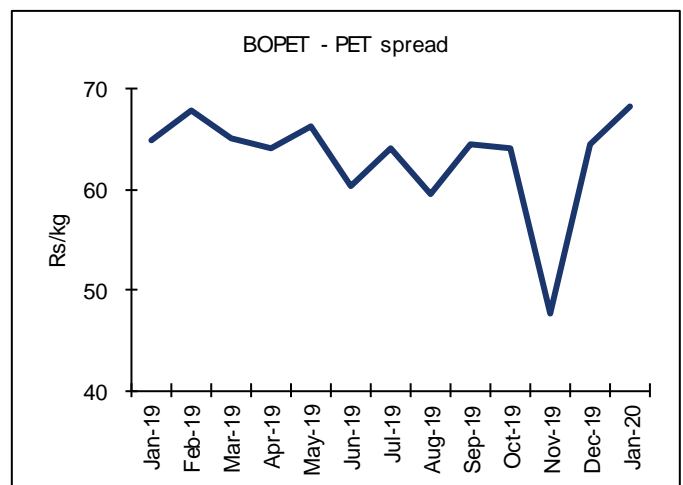


Chart 7: BOPET/PET spread rose 17.3% QoQ



Source: I-Sec research, Commerce Ministry; Note: For calculating spread, we have assumed 1kg of PET for 1kg of BOPET

Chart 8: BOPP prices rose 4.9% QoQ

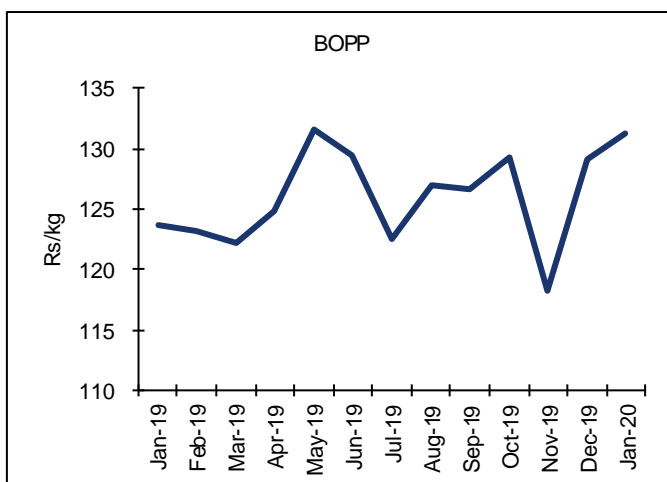
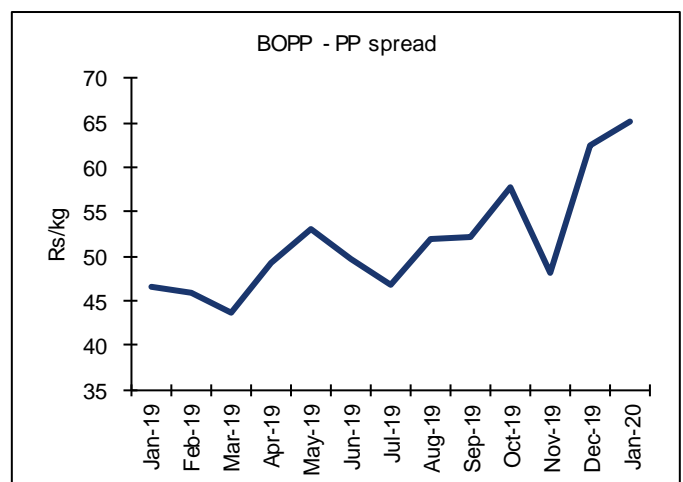


Chart 9: BOPP/PP spread rose 17.4% QoQ



Source: I-Sec research, Commerce Ministry; Note: For calculating spread, we have assumed 1kg of PP for 1kg of BOPP

Chart 10: NTCF prices rose 12.9% QoQ

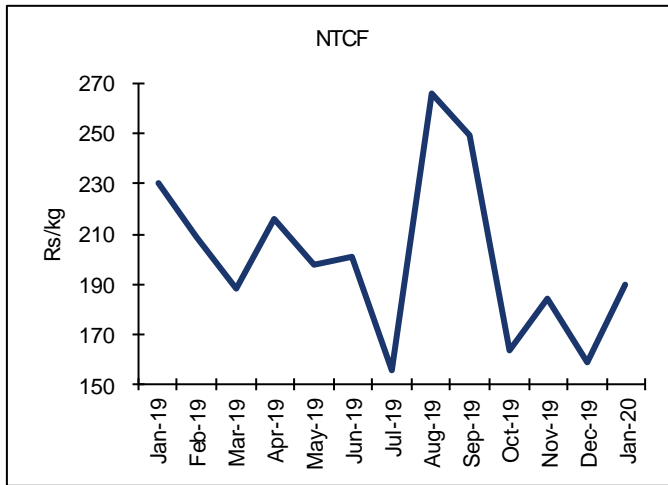
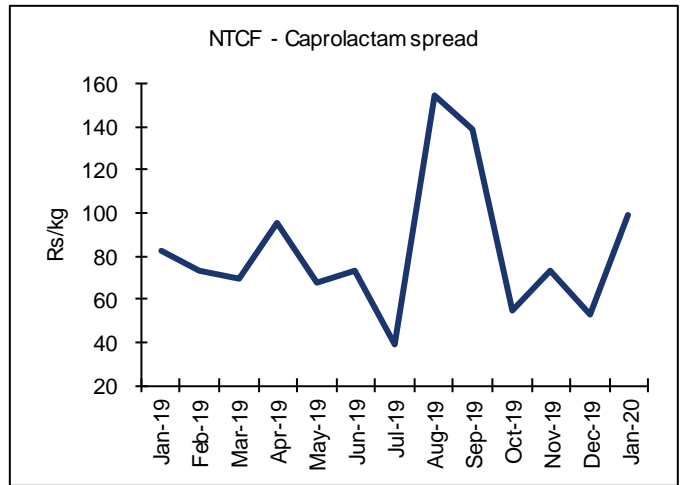


Chart 11: NTCF/caprolactam spread rose 66.4% QoQ



Source: I-Sec research, Commerce Ministry; Note: For calculating spread, we have assumed 1kg of caprolactam for 1kg of NTCF

Financial summary

Table 10: Profit & loss statement

(Rs mn, year ending March 31)

	FY19	FY20	FY21E	FY22E
Operating Income (Sales)	76,927	72,746	75,053	96,565
Operating Expenses	63,375	58,141	60,110	76,444
EBITDA	13,552	14,605	14,943	20,120
% margins	17.6	20.1	19.9	20.8
Depreciation & Amortisation	3,669	3,903	4,189	4,356
Net Interest	2,016	2,010	2,361	2,361
Other Income	401	491	517	544
Recurring PBT	8,269	9,183	8,910	13,947
Add: Extraordinaries	-	934	-	-
Less: Taxes	1,853	(74)	1,938	3,106
- Current tax	1,853	(74)	1,938	3,106
- Deferred tax				
Less: Minority Interest				
Net Income (Reported)	6,416	10,191	6,973	10,841
Recurring Net Income	6,416	10,191	6,973	10,841

Source: Company data, I-Sec research

Table 11: Balance sheet

(Rs mn, year ending March 31)

	FY19	FY20	FY21E	FY22E
Assets				
Total Current Assets	34,243	37,601	39,831	46,821
of which cash & cash eqv.	1,989	6,190	7,798	6,815
Total Current Liabilities & Provisions	16,865	16,584	16,683	20,325
Net Current Assets	17,378	21,017	23,148	26,495
Investments	1,006	1,006	1,006	1,006
of which				
Strategic/Group	1	1	1	1
Other Marketable	1,005	1,005	1,005	1,005
Net Fixed Assets	63,589	72,739	77,944	83,202
Goodwill	41	41	41	41
Total Assets	82,014	94,803	102,139	110,744
Liabilities				
Borrowings	37,302	40,302	41,502	40,615
Deferred tax liability	3,420	3,420	3,420	3,420
Minority Interest				
Equity Share Capital	585	585	585	585
Face Value per share (Rs)	10.0	10.0	10.0	10.0
Reserves & Surplus	40,708	50,496	56,632	66,124
Net Worth	41,293	51,081	57,217	66,709
Total Liabilities	82,014	94,803	102,139	110,744

Source: Company data, I-Sec research

Table 12: Quarterly trend

(Rs mn, year ending March 31)

	Jun-19	Sep-19	Dec-19	Mar-20
Net sales	18,284	17,378	18,505	18,578
% growth (YoY)	5.0	(9.3)	(5.8)	(10.3)
EBITDA	3,653	3,310	4,029	3,613
Margin (%)	20.0	19.0	21.8	19.4
Other income	152	220	56	63
Add: Extraordinaries	41	1,002	(25)	(84)
Net profit	1,892	3,011	3,430	1,858

Source: Company data

Table 13: Cashflow statement

(Rs mn, year ending March 31)

	FY19	FY20	FY21E	FY22E
Operating Cashflow	12,122	15,612	13,006	17,014
Working Capital Changes	(3,165)	563	(523)	(4,330)
Capital Commitments	(10,564)	(13,053)	(9,394)	(9,614)
Free Cashflow	(1,607)	3,123	3,089	3,070
Cashflow from Investing Activities	422	491	517	544
Issue of Share Capital	1	-	-	-
Inc (Dec) in Borrowings	5,534	3,000	1,200	(886)
Dividend paid & Others	(3,077)	(2,412)	(3,198)	(3,710)
Chg. in Cash & Bank balance	1,272	4,201	1,608	(983)

Source: Company data, I-Sec research

Table 14: Key ratios

(Year ending March 31)

	FY19	FY20	FY21E	FY22E
Per Share Data (in Rs.)				
Recurring EPS	111.6	177.3	121.3	188.6
Reported EPS	111.6	177.3	121.3	188.6
Recurring Cash EPS	175.5	245.2	194.2	264.4
Dividend per share (DPS)	12.0	7.0	14.6	23.5
Book Value per share (BV)	718.4	888.7	995.4	1,160.6
Growth Ratios (%)				
Operating Income	37.6	(5.4)	3.2	28.7
EBITDA	49.5	7.8	2.3	34.6
Recurring Net Income	39.0	58.8	(31.6)	55.5
Diluted Recurring EPS	38.8	58.8	(31.6)	55.5
Diluted Recurring CEPS	29.6	39.7	(20.8)	36.2
Valuation Ratios (% YoY)				
P/E	32.7	20.6	30.1	19.4
P/CEPS	20.8	14.9	18.8	13.8
P/BV	5.1	4.1	3.7	3.1
EV / EBITDA	18.0	16.6	16.2	12.1
EV / Operating Income	3.2	3.3	3.2	2.5
EV / Operating FCF	(155.5)	77.8	78.5	79.0
Operating Ratios				
Other Income / PBT (%)	4.9	5.3	5.8	3.9
Effective Tax Rate (%)	22.4	(0.8)	21.7	22.3
NWC / Total Assets (%)	18.8	15.6	15.0	17.8
Inventory Turnover (days)	58.1	62.0	61.6	60.2
Receivables (days)	48.8	52.2	51.6	49.3
Payables (days)	65.6	68.2	66.5	62.8
Net Debt/EBITDA Ratio (x)	2.5	2.3	2.2	1.6
Capex % of sales	13.7	17.9	12.5	10.0
Profitability Ratios (%)				
Rec. Net Income Margins	8.3	14.0	9.3	11.2
RoCE	10.5	12.7	8.9	11.9
RoIC	10.9	13.5	9.7	12.9
RoNW	16.7	22.1	12.9	17.5
Dividend Yield	0.3	0.2	0.4	0.6
Gross Margins	43.3	48.9	49.4	47.2
EBITDA Margins	17.6	20.1	19.9	20.8

Source: Company data, I-Sec research

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