



## India

## ADD (previously HOLD)

Consensus ratings\*: Buy 12 Hold 12 Sell 5

Current price:	Rs3,246
Target price:	Rs4,080
Previous target:	Rs4,655
Up/downside:	25.7%
InCred Research / Consensus:	19.6%
Reuters:	NAFL.NS
Bloomberg:	NFIL IN
Market cap:	US\$1,934m Rs160,917m
Average daily turnover:	US\$9.0m Rs749.8m
Current shares o/s:	49.6m
Free float:	73.7%

\*Source: Bloomberg



Source: Bloomberg

<b>Price performance</b>	1M	3M	12M
Absolute (%)	6.1	(7.0)	(23.9)
Relative (%)	3.9	(11.1)	(39.0)

<b>Major shareholders</b>	% held
Promoter & Promoter Group	26.3
Goldman Sachs Group Inc	3.5
Axis Asset Management Co Ltd	3.2

## Research Analyst(s)



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## Navin Fluorine International Ltd

## Pharma molecules to drive future growth

- NFIL's FY24F EPS may decline by 31% YoY, driven mainly by agrochem slowdown, but future growth to be driven by less cyclical pharma products.
- We have analyzed its pharmaceutical products in detail. NFIL is making multiple potential intermediates for cystic fibrosis, cancer, and pain treatments.
- The correction in its stock price based on cyclical factors is a buying opportunity. We upgrade the stock's rating to ADD with a lower TP of Rs4,080.

## A deep dive into its products shows growth to come from pharma

Contract research and manufacturing services or CRAMS is a major growing category in the world. Navin Fluorine International (NFIL) produces many chemicals that are major compounds used in manufacturing key intermediates of several drugs. We find the following molecules to have a high growth potential within the pharma space: 1) 3-(3,3,3-trifluoro-2,2-dimethylpropoxy)-1H-pyrazole, 2) 4-methyl-2-(1,1,1-trifluoro-2-methylpropan-2-yl)pyridine, 3) 1-(2-bromo-4-chlorophenyl)-4-trifluoromethyl-1H-1,2,3-triazole, and 4) 8-chloro-6-(trifluoromethyl)imidazo(1,2-A)pyridine-2-carboxylic acid (QEK31). Within the agrochemicals space, certain molecules are stagnating like 2-fluoro-6-trifluoro methyl pyridine 2, which is used to make picoxystrobin, but it can have multiple pharmaceutical usage. Similarly, 3-trifluoro methyl acetophenone (TFMAP) is used to make trifloxystrobin (a fungicide) but recently a patent has been filed by Ildong Pharmaceuticals where this molecule is used to make drugs for pikfyve activity-related cancer disease, and certain inflammatory disease as well. Similarly, fluorobenzamide can be used to make 4-amino-2-fluorobenzamide, which can be used to treat multiple cardiovascular disorders.

## HFO to replace R-134A soon - a boon for NFIL

HFO-1234yf has one of the lowest global-warming potential or GWP among all refrigerants. HFO-1234yf has an atmospheric lifetime of only 11 days – compared to 13 years for R-134a and more than 500 years for carbon dioxide. Unlike HFCs and CFCs, which take decades to decompose, HFO-1234yf does not persist in the atmosphere. Quite simply, vehicles using highly energy-efficient HFO-1234yf refrigerant will use less fuel and produce fewer emissions than many of the existing alternatives. As the pressure and performance of HFO-1234yf is like 134a, it can be used as a replacement for HFC-134a with little or no re-engineering of the automotive systems. This enables automobile makers to comply with the new EU and US regulations quickly and cost-effectively.

## Upgrade NFIL to ADD from HOLD with a lower target price of Rs4,080

We believe the recent correction in NFIL's price after the departure of its CEO is overdone. Ultimately, its earnings that matter and EPS growth, in our view, is likely to make a comeback from FY25F. Downside risk: Delay in adoption of pharmaceutical intermediate products by the company's clients.

## Financial Summary

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	14,587	20,774	19,735	23,682	27,235
Operating EBITDA (Rsm)	3,602	5,503	4,739	6,136	7,254
Net Profit (Rsm)	2,684	3,752	2,589	3,421	4,043
Core EPS (Rs)	54.2	75.7	52.3	69.0	81.6
Core EPS Growth	13.6%	39.8%	(31.0%)	32.1%	18.2%
FD Core P/E (x)	59.91	42.86	62.11	47.01	39.78
DPS (Rs)	7.0	9.7	6.7	8.9	0.0
Dividend Yield	0.21%	0.30%	0.21%	0.27%	0.00%
EV/EBITDA (x)	44.35	30.53	34.02	26.45	22.26
P/FCFE (x)	(248,954.23)	40.34	49.99	(508.83)	149.46
Net Gearing	(5.2%)	35.8%	2.2%	5.9%	2.7%
P/BV (x)	8.72	7.36	6.67	5.94	5.17
ROE	15.4%	18.6%	11.3%	13.4%	13.9%
% Change In Core EPS Estimates			(0.45%)		
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

## Pharma molecules to drive future growth

### Refrigerants and specialty chemicals

The major new molecule for NFIL in this area is HFO. HFO is replacing HCFC as its lower GWP is making it the molecule of choice in USA.

**Figure 1: The low global warming potential of HFO makes it the refrigerant of choice in the developed world**

Refrigerant		Atmospheric Lifetime (Years)	Ozone Depletion Potential (ODP) (100 Year)	Global Warming Potential (GWP)
Ammonia	R-717	-	0	<1
CFC (no more)	CFC-11 (Baseline ODP)	50	14000	
	CFC -12	102	1	10900
HCFCs	HCFC-22	13.3	0.055	1820
	HCFC-123	1.4	0.02	93
	HCFC-141b	9.4	0.11	630
HFCs	HFC-134a	14.6	0	1300
	HFC-245fa	7.3	0	820
	R-32	-	0	675
HCs	HC-290 (Propane)	-	0	3
	R-1270 (Propelene)	-	0	<2
HFC Blends	R-404A	-	0	3260
	R-407A	-	0	1770
	R-407C	-	0	1530
	R-410A	-	0	1730
CO2	R-744	-	0	1
HFOs	1234yf, 1234ze	-	0	4,7

SOURCE: INCRED RESEARCH, COMPANY REPORTS

### Hydrofluoroolefins or HFOs

HFOs are being replaced by hydrochlorofluorocarbons or HCFCs as they are as effective and have a low ozone depletion potential compared to HCFCs. NFIL has also ventured into this category with HFO-1234ZE(US\$13m). The buyer of HFO-1234ZE is Honeywell Advanced. Honeywell Advanced sells it as a sustainable alternative to traditional refrigerants for air-conditioning, refrigeration, etc. HFOs are growing at a CAGR of 18.2%. So, it is expected to garner a revenue of US\$35.4m by 2028F. As NFIL has a major manufacturing tie-up with Honeywell Advanced, the upside could be even higher. The raw materials needed to produce HFO-1234ZE are di chloropropane and hydrogen fluoride. The gross margin is 12% but di chloropropane can be produced by NFIL at a much lower cost.

**Figure 2: As of now, HFO-1234yf is a low gross margin business for NFIL; higher volume sales in this category is the key requirement for high profitability**

HFOs	per kg	Price (Rs/kg)	Cost	Selling Price	Gross Margin
Di chloropropane	0.99	98			
HF	0.70	144			
Overall			198.193	223.86	11%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

### Agrochemicals

This is a major category for Navin Fluorine International or NFIL, with almost every compound produced being used in this category. The compounds produced by the company have many uses in the manufacture of agrochemicals such as fungicides (trifloxystrobin), fertilizers, pesticides, etc.

India is the fourth-largest agrochemicals producer in the world. There are many possibilities in this category as India is one of the major exporters to major domestic manufacturers and multinational companies. One of the potential

downsides is that their usage is very less in India (0.27 kg per hectare or ha). Also, there is a non-favourable perception towards the use of agrochemicals and lack of adequate training on their optimum use. These limit the growth of the industry. Focusing on manufacturing sustainable solutions at a global level is a likely solution to realize its potential.

The industry is expected to post a CAGR of 3.1%. Expecting a similar CAGR, the revenue would reach US\$1.9bn by 2028F. Many competitors produce a similar compound, but NFIL is one of the major fluorine companies in India. So, conservatively, we are expecting NFIL to maintain its market share.

## 2 fluoro-6-trifluoro methyl pyridine - a high potential molecule ➤

1. The major buyers are Corteva Agriscience International. It is used as a key intermediate to fungicides by Corteva for many of its fungicides such as picoxystrobin.
2. The European Union or EU has banned the use of picoxystrobin as it is toxic to aquatic organisms and earthworms. Corteva is one of the top manufacturers of fungicides in the world.
3. The revenue generated by this compound is US\$18.47m. The compound can be used in the manufacture of various other advanced fungicides by Corteva and many other agrochemical companies.
4. The raw materials used in manufacturing of the compound are alpha picoline, HF and chlorine feed injected into the reactor.
5. The gross margin for the compound is 91%. So, this is a very high margin product for NFIL and if any potential uses for it are found, it could be a very high potential compound for the company.

## 3-trifluoro methyl acetophenone (TFMAP) - potential usage in pharmaceuticals ➤

1. The major buyer of the compound is Bayer AgroSciences. It is used as an intermediate for many agrochemicals such as trifloxystrobin.
2. But trifloxystrobin is extremely toxic to fish and several aquatic invertebrates. There has been talk of banning trifloxystrobin and if that happens, it is a threat to the compound.
3. Bayer Science and Corteva are the two major global manufacturers of fungicides. It can also be used in several other advanced key intermediates in the manufacture of fungicides.
4. But it has potential uses in the pharmaceutical industry as well. This compound has many recent patents filed for its use in the production of a drug that is used as a therapeutic agent **for pikfyve activity-related cancer disease, inflammatory disease, etc. by Ildong Pharmaceuticals.**
5. The revenue generated by this compound is US\$24.8m. Conservatively, considering its usage in major agrochemicals, we can consider the CAGR to be 4%, which makes the revenue to be US\$30.2m by 2028F.
6. The raw materials required for manufacturing the compound are 3-amino-benzotrifluoride, acetaldoxide, sodium nitrite, sulphuric acid and hydrochloric acid. The gross margin of the compound is 79.8%.

**Figure 3: The gross margin of TFMAP is as high as 80%; the key volume ramp-up is by trying with pharmaceutical companies who can use this in various oncological and anti-inflammatory applications**

TFMAP	per kg	per kg	Cost	Selling Price	Gross Margin
3-amino-benzotrifluoride	0.86	104			
Sulphuric acid	0.52	5			
NaNO2	0.37	36			
HCL	0.19	9.6			
Acetal doxime	0.31	950			
			405	2007.36	80%

SOURCE: INCRED RESEARCH, COMPANY REPORTS \*  
NOTE: ALL PRICES ARE IN RS/KG

## Fluoro benzamide: Multiple usage possible apart from glyphosate ➤

1. The major buyer of the compound is Adama Agan. Fluorobenzamide is used in the synthesis of glyphosate, a widely used herbicide.
2. Glyphosate use is now restricted in many countries due to the harmful effects it has on humans and animals. Exposure of glyphosate could cause cancer, according to recent studies.
3. But fluoro benzamide has many possibilities in both pharmaceuticals and agriculture, with it being used in many intermediates.
4. Recently, a patent has been filed that shows that the compound can be used in the manufacture of drugs that can be used in the detection and treatment of neurodegenerative diseases.
5. It can also be used in a method for controlling invertebrate pests, arthropod pests and nematodes.
6. Novartis found that the compound can be used in treating multiple sclerosis in a paediatric patient. As Novartis takes few compounds from NFL, this could be a positive for the company.
7. A recent Japanese patent suggests that it can be used in pharmaceutical compositions comprising such compounds, as well as hyperglycemia, type-2 diabetes, impaired glucose tolerance, type-1 diabetes, obesity, and metabolic syndrome.
8. Use in the prevention and treatment of disorders such as diabetes, Alzheimer's disease, MODY1, MODY2, or MODY3 diabetes, mood disorders, and psychiatric disorders. It also has use in synthesizing amide compounds and many other pharmaceutical applications.
9. The revenue generated by this compound is US\$6.4m. The gross margin generated is 95.5%. It is a compound with very high potential and is expected to touch US\$9.5m by 2028F.

**Figure 4: With a gross margin of more than 90%, fluorobenzamide is the high potential molecule for NFIL**

Fluoro benzamide	per kg	per kg	Cost	Selling Price	Gross Margin
4-fluoro toluene	0.79	3,200			
o2 feed(negligible due to batch sizes)	-	0			
Thionyl chloride	0.86	20			
EDC	0.71	35.2			
25% NH3	0.12	23.2			
			2,580	57,400	95.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

NOTE: ALL PRICES ARE IN RS/KG

## 4-amino-2-fluorobenzamide - a derivative of fluorobezamide with wide applications ➤

1. Fluoro benzamide derivative, 4-amino-2-fluorobenzamide, is used in pharmaceutical compositions in the treatment of various disorders, including pain, by Vertex Pharmaceuticals (Vertex Pharmaceuticals is a big client of NFIL).
2. They are also used by Bayer AG to produce substituted oxopyridine derivatives, which are used in preparing medicaments for the treatment and/or prophylaxis of diseases, in particular cardiovascular disorders.
3. They are used in preparing drugs that treat many diseases including glaucoma. This compound has a very high potential in the pharmaceutical space.

## Pharmaceutical space

- CRAMS is a major growing category in the world. NFIL produces many chemicals that are major compounds used in manufacturing key intermediates of many drugs.
- There are many drugs under development that use NFIL's compounds and hence, it has a high upside.

- A few such examples are drugs used in the treatment of Sundown Syndrome, Trikafta (cystic fibrosis), cancer and non-opioids for pain. The company also emphasizes on its CRAMS unit due to its high potential. Trikafta and Alepelisib grew to US\$8.9bn and US\$370m, respectively, in 2023 in <3 years. They are growing at more than 15% every year.
- CRAMS market of NFIL is expected to post a CAGR of 30% to US\$112m by 2026F. NFIL entered this category via the launch of Navin Molecular, with the focus on CDMO.

### 3-(3,3,3-trifluoro-2,2-dimethylpropoxy)- 1h-pyrazole - key intermediate for the wonder drug ➤

1. The major buyers of this compound are AMPAC Fine Chemicals and Vertex Pharmaceuticals. AMPAC Fine Chemicals manufactures APIs and registered intermediates. The compound is exported to USA and Lisbon.
2. This compound is a key intermediate in manufacturing Trikafta, a cystic fibrosis drug by Vertex Pharmaceuticals. Trikafta grew to US\$8.9bn in 2023 and it is expected to top US\$10bn next year. It helps increase lung function and it is easier to maintain a healthy weight in patients older than two years with certain mutations in the CFTR gene. It is not completely preventive, but it is meant to prolong survival.
3. Vertex Pharmaceuticals is also producing a drug called Vanza Triple for cystic fibrosis, which is currently in a late-stage study. This compound is an intermediate in manufacturing Vanza Triple as well. So, considering the growth of Trikafta in less than three years, if the company can expand its partnership with Vertex Pharmaceuticals, this compound will have significant growth in the coming years.
4. Please note that NFIL is selling the compound to Vertex Pharmaceuticals at a lower price when compared to other buyers. The company is probably trying to be a cost leader and establishing a long-term partnership with Vertex Pharmaceuticals.

**Figure 5: The gross margin appears to be very high because we have not accounted for the cost of various catalysts that will be used in the process**

3-(3,3,3-trifluoro-2,2-dimethylpropoxy)- 1h-pyrazole	per kg	per kg Cost	Selling Price	Gross Margin
Water	0.07	5		
Meoh	0.13	23.2		
CH2CL2	0.34	39		
N-methylpyrrolidine (NMP), DMF, and DMSO	0.39	35		
n-butylacetate (n-BuOAc), i-BuOAc, and n-BuOH	0.46	85		
(S)- 3,5,5-trimethyl-pyrrolidin-2-one	0.50	240		
HF	0.24	144		
		224.5	229,346	99.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

NOTE: ALL PRICES ARE IN RS/KG

### 3-(3,3,3-trifluoro-2,2-dimethyl propoxy)- 1h-pyrazole-4-carboxylic acid, which is a derivative of 3-(3,3,3-trifluoro-2,2-dimethylpropoxy) - 1h-pyrazole has high potential ➤

1. A derivative 3-(3,3,3-trifluoro-2,2-dimethylpropoxy)- 1h-pyrazole, 3-(3,3,3-trifluoro-2,2-dimethyl propoxy)- 1h-pyrazole-4-carboxylic acid, also has many potential uses.
2. It was used in the production of Etrumadenant, a drug under development for the treatment of metastatic castration-resistant prostate cancer by Arcus Biosciences. It was terminated during clinical trials due to its underwhelming response on radiographic progression-free survival (rPFS) during trials. So, it has potential for a cancer drug as well.
3. The revenue generated by this compound is US\$11m. The raw materials used in manufacturing this compound are water, methanol, dichloromethane, (S)-3,5,5-trimethyl-pyrrolidin-2-one, DMF (dimethyl formamide), hydrogen fluoride and n-butyl acetate.

- It is sold at US\$2,800/kg, which shows that it could be very difficult to manufacture and hence, lower competition. This could be a differentiating compound in the company's portfolio because of its high potential.

#### 4-methyl-2-(1,1,1-trifluoro-2-methylpropan-2-yl) pyridine: bought by LEK Pharmaceuticals ►

- The buyer of the compound is LEK Pharmaceuticals. The compound also can be used as an agrochemical as it has some uses in that category as well.
- LEK Pharmaceuticals is a pioneer in generic pharmaceuticals and biosimilars. The company could be using it to produce one of its generics or biosimilars using the compound.
- It is also used as an intermediate in manufacturing 2-carboxamide cycloamino urea derivatives. LEK Pharmaceuticals could be developing a potential drug with the compound as well but if they are, it is still in the discovery stage.
- The revenue generated by this compound is US\$7.9m. We cannot talk about its potential until the potential new drug and its use is revealed by LEK Pharmaceuticals. The raw materials used in manufacturing this compound are 4-picoline, acetone and 3,3,3-trifluoropropene.

#### 1-(2-bromo-4-chlorophenyl)-4-(trifluoromethyl)-1H-1,2,3-triazole ►

The major buyer of this compound is Bayer AG. 1-(2-bromo-4-chlorophenyl)-4-chloro-1H-1,2,3-triazole is a versatile compound with various applications in the field of medicine and research. It is commonly used as a debromination agent and medicament in pharmaceutical formulation of many drugs. Additionally, 1-(2-bromo-4-chlorophenyl)-4-chloro-1H-1,2,3-triazole has demonstrated potential as an intermediate in the synthesis of monoterpenoid pyrazoles and aromatic ketones. It is used in the development of enzyme inhibitors and production of fatty acids and amides. If successful, it could be a high potential compound. The revenue generated by this compound is US\$6.9m.

#### 8-chloro-6-(trifluoromethyl)imidazo(1,2-A)pyridine-2-carboxylic acid (QEK31) ►

- The major buyers of the compound are Transtym Illzach and Tym Hombourg.
- The compound must be going to France and Hamburg through the said logistic company channels. It could probably be **going to Dupont**, as the company has patents related to the compound.
- It is used as an intermediate in the preparation of nematicidal sulphonamides. The compound is used in manufacturing heterocyclic compounds, which are used in treatment of various diseases. It could have other pharmaceutical and agricultural applications as well.
- The revenue generated by the compound is US\$6.2m with a gross profit margin of 58%. The possible raw materials for this compound are 2-chloro-6-aminopyridine, acetic anhydride, acetic acid and a diamine.

**Figure 6: The product is sold through a logistics company but based on patent filing, we ascertain that this product is sold to Dupont; Dupont uses this as an intermediate in the preparation of nematicidal sulphonamides**

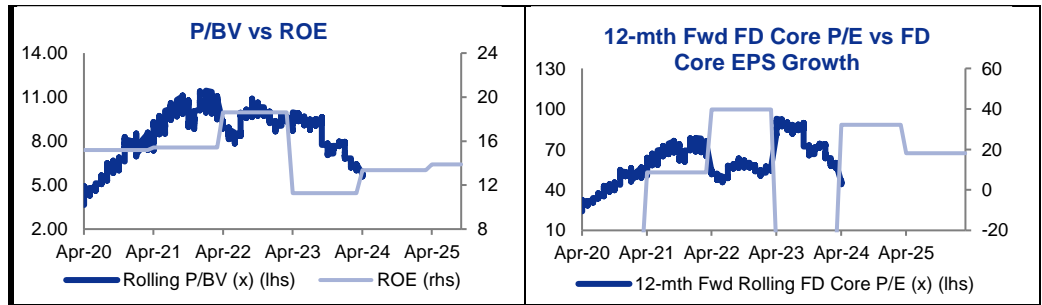
8-CHLORO-6-(TRIFLUOROMETHYL) IMIDAZO (1,2-A)PYRIDINE-2-CARBOXYLIC ACID(QEK31)	per kg	per kg	Cost	Selling Price	Gross Margin
2-chloro-6-aminopyridine	0.49	1,000			
Trifluoroacetic anhydride	0.40	1,800			
Acetic acid	0.23	72			
1,3-diaminopropane	0.28	10,000			
			4,016.8	9,779.32	59%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

NOTE: ALL PRICES ARE IN RS/KG

We acknowledge the contribution of Shakthi Sharvani Karanam (Intern) in the writing of this note.

**BY THE NUMBERS**



**Profit & Loss**

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>Total Net Revenues</b>	<b>14,587</b>	<b>20,774</b>	<b>19,735</b>	<b>23,682</b>	<b>27,235</b>
<b>Gross Profit</b>	<b>7,931</b>	<b>11,814</b>	<b>10,657</b>	<b>12,788</b>	<b>14,707</b>
<b>Operating EBITDA</b>	<b>3,602</b>	<b>5,503</b>	<b>4,739</b>	<b>6,136</b>	<b>7,254</b>
Depreciation And Amortisation	(479)	(626)	(1,220)	(1,535)	(1,851)
<b>Operating EBIT</b>	<b>3,123</b>	<b>4,877</b>	<b>3,518</b>	<b>4,600</b>	<b>5,404</b>
Financial Income/(Expense)	(19)	(275)	(301)	(301)	(310)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	392	357	205	223	250
<b>Profit Before Tax (pre-EI)</b>	<b>3,496</b>	<b>4,959</b>	<b>3,422</b>	<b>4,522</b>	<b>5,344</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>3,496</b>	<b>4,959</b>	<b>3,422</b>	<b>4,522</b>	<b>5,344</b>
Taxation	(812)	(1,207)	(833)	(1,101)	(1,301)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>2,684</b>	<b>3,752</b>	<b>2,589</b>	<b>3,421</b>	<b>4,043</b>
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>2,684</b>	<b>3,752</b>	<b>2,589</b>	<b>3,421</b>	<b>4,043</b>
Recurring Net Profit	2,684	3,752	2,589	3,421	4,043
<b>Fully Diluted Recurring Net Profit</b>	<b>2,684</b>	<b>3,752</b>	<b>2,589</b>	<b>3,421</b>	<b>4,043</b>

**Cash Flow**

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
<b>EBITDA</b>	<b>3,602</b>	<b>5,503</b>	<b>4,739</b>	<b>6,136</b>	<b>7,254</b>
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(2,104)	(4,970)	3,713	(1,595)	(1,143)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	(308)	(610)	834	21	15
Other Operating Cashflow	358	633	507	524	560
Net Interest (Paid)/Received	(19)	(275)	(301)	(301)	(310)
Tax Paid	(781)	(1,207)	(833)	(1,101)	(1,301)
<b>Cashflow From Operations</b>	<b>748</b>	<b>(927)</b>	<b>8,658</b>	<b>3,684</b>	<b>5,076</b>
Capex	(5,789)	(2,755)	(5,214)	(4,000)	(4,000)
Disposals Of FAs/subsidiaries	31				
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	4,035	227	(227)		
<b>Cash Flow From Investing</b>	<b>(1,724)</b>	<b>(2,529)</b>	<b>(5,441)</b>	<b>(4,000)</b>	<b>(4,000)</b>
Debt Raised/(repaid)	975	7,442			
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid	(542)	(482)	(332)	(439)	
Preferred Dividends					
Other Financing Cashflow	(19)	(275)	(301)	(301)	(310)
<b>Cash Flow From Financing</b>	<b>415</b>	<b>6,685</b>	<b>(634)</b>	<b>(741)</b>	<b>(310)</b>
Total Cash Generated	(561)	3,230	2,583	(1,057)	766
<b>Free Cashflow To Equity</b>	<b>(1)</b>	<b>3,987</b>	<b>3,217</b>	<b>(316)</b>	<b>1,076</b>
<b>Free Cashflow To Firm</b>	<b>(957)</b>	<b>(3,180)</b>	<b>3,519</b>	<b>(15)</b>	<b>1,386</b>

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

**Balance Sheet**

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Cash And Equivalents	2,000	659	7,950	6,894	7,660
Total Debtors	3,577	5,615	4,839	5,807	6,678
Inventories	2,575	4,681	2,920	3,504	4,029
Total Other Current Assets	2,416	3,706	2,665	2,856	3,028
<b>Total Current Assets</b>	<b>10,568</b>	<b>14,662</b>	<b>18,374</b>	<b>19,060</b>	<b>21,395</b>
Fixed Assets	11,729	13,858	17,852	20,316	22,466
Total Investments	139	644	139	139	139
Intangible Assets	878	878	878	878	878
Total Other Non-Current Assets	541	1,275	528	521	521
<b>Total Non-current Assets</b>	<b>13,287</b>	<b>16,654</b>	<b>19,396</b>	<b>21,854</b>	<b>24,003</b>
Short-term Debt	45	955	955	955	955
Current Portion of Long-Term Debt					
Total Creditors	1,465	2,435	2,055	2,466	2,835
Other Current Liabilities	2,329	1,825	2,339	2,076	2,132
<b>Total Current Liabilities</b>	<b>3,839</b>	<b>5,215</b>	<b>5,349</b>	<b>5,497</b>	<b>5,922</b>
Total Long-term Debt	1,000	7,531	7,531	7,531	7,531
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	235	199	235	235	235
<b>Total Non-current Liabilities</b>	<b>1,235</b>	<b>7,730</b>	<b>7,767</b>	<b>7,767</b>	<b>7,767</b>
Total Provisions	338	498	549	563	578
<b>Total Liabilities</b>	<b>5,413</b>	<b>13,443</b>	<b>13,664</b>	<b>13,826</b>	<b>14,267</b>
Shareholders Equity	18,442	21,850	24,106	27,088	31,131
Minority Interests					
<b>Total Equity</b>	<b>18,442</b>	<b>21,850</b>	<b>24,106</b>	<b>27,088</b>	<b>31,131</b>

**Key Ratios**

	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	23.7%	42.4%	(5.0%)	20.0%	15.0%
Operating EBITDA Growth	16.5%	52.8%	(13.9%)	29.5%	18.2%
Operating EBITDA Margin	24.7%	26.5%	24.0%	25.9%	26.6%
Net Cash Per Share (Rs)	19.28	(157.97)	(10.82)	(32.15)	(16.69)
BVPS (Rs)	372.19	440.96	486.50	546.69	628.28
Gross Interest Cover	164.35	17.72	11.67	15.26	17.43
Effective Tax Rate	23.2%	24.3%	24.3%	24.3%	24.3%
Net Dividend Payout Ratio	12.8%	12.8%	12.8%	12.8%	
Accounts Receivables Days	80.29	80.75	96.67	82.04	83.66
Inventory Days	120.06	147.80	152.80	107.61	109.74
Accounts Payables Days	69.63	79.44	90.25	75.72	77.22
ROIC (%)	22.7%	20.6%	10.3%	13.8%	13.9%
ROCE (%)	17.2%	19.4%	11.1%	13.4%	14.2%
Return On Average Assets	12.6%	14.4%	8.2%	9.3%	9.9%



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