

India

REDUCE (no change)

Consensus ratings*:	Buy 8	Hold 0	Sell 4
Current price:	Rs2,872		
Target price:	Rs1,946		
Previous target:	Rs1,946		
Up/downside:	-32.2%		
InCred Research / Consensus:	-33.1%		
Reuters:	GFL.NS		
Bloomberg:	FLUROCH IN		
Market cap:	US\$3,784m	Rs315,467m	
Average daily turnover:	US\$4.9m	Rs407.8m	
Current shares o/s:	109.9m		
Free float:	36.2%		

*Source: Bloomberg

Key changes in this note

► We have cut our EPS estimates for FY24F/25F/26F to Rs49.7/Rs53.7/Rs67.7, respectively.



Price performance	1M	3M	12M
Absolute (%)	3.9	(6.0)	(16.7)
Relative (%)	(2.9)	(10.2)	(24.0)

Major shareholders	% held
Promoter & Promoter Group	63.8
HDFC Asset Management Co Ltd	2.6
DSP MF	2.0

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Gujarat Fluorochemicals Ltd

30% margin in FY25F is unlikely - REDUCE

- We believe Gujarat Fluorochemicals is unlikely to achieve a 30% EBITDA margin in FY25F because it will face negative operational leverage.
- HFC sales are slowing down and at the same time, PFAs (PTFE, PVDF etc.) sales are facing regulatory headwinds.
- Consensus earnings estimates are still too high. In the most likely case, FY24F EPS will be well below Rs50. We retain our REDUCE rating on the stock.

Consensus EPS unrealistic, management guidance too aggressive

Consensus EPS estimates in the case of Gujarat Fluorochemicals (GFL) for FY24F & FY25F are unrealistic and management's margin guidance for FY25F is too aggressive. Both consensus and management believe that PTFE/ PVDF/elastomers are facing a cyclical slowdown, and it will reverse. However, we would like to point out to the investors regarding the recent decision of European parliament where it voted against the usage of PFAS in food packaging (please see the news report here). As it has happened with methyl and ethyl parabens (where cosmetics companies take pride in writing on their products that they are paraben-free, although parabens are not banned) and similarly, much before the actual widespread ban on PTFE and other PFAS, sales will collapse. The signs of the same are already evident. Declining PTFE and PVDF sales are resulting in a lower topline, which will result in negative operational leverage and thus lead to earnings collapse.

LiPF6 expansion project - GFL won't make even a single-digit RoCE

GFL is incurring a capex of Rs10bn to make LiPF6. Please note that current global demand for LiPF6 is ~67,000t against which the top-10 Chinese companies' capacity alone is 1,00,000t and another 1,50,000t capacity is in the pipeline. As of now, the spreads of LiPF6 over the raw material are at -Rs100/kg. Normally, 12 units of electricity are needed to make 1 kg of LiPF6, which means that the current EBITDA/kg will be nearly -Rs300/kg or overall EBITDA loss for a 1,800t plant will be~ Rs540m. Given the capex of Rs10bn for a 1,800t plant, at present even the interest costs (assuming 2:1 debt-equity ratio) won't be recovered. Assuming the last 36 months' average spreads EBITDA/kg is around Rs500 (removing the abnormally high spreads of the post-Covid supply chain crisis period between Sep 2021 to Mar 2022), EBITDA for a 1,800t plant should be ~Rs900m. Adjusting for working capital and necessary sustenance capex, it will be barely sufficient to recover 9-10% interest costs on debt taken for capex.

We cut our earnings estimates; retain REDUCE rating on the stock

We cut EPS estimates for FY24F/25F/26F to Rs49.7/Rs53.7/Rs67.7, respectively. The fall in HFC sales & margins, as well as lower PTFE & PVDF exports and margins will result in GFL's EPS falling by a 17% CAGR over FY23-26F. LiPF6 will not be a saviour as its prices have already fallen. Apart from earnings cut, derating is another big risk when it becomes more certain that fluoropolymers can't escape regulatory headwinds. Retain REDUCE rating on GFL with a one-year target price of Rs1,946. Upside risk: Recovery in HFC prices.

Financial Summary	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue (Rsm)	39,536	56,847	40,868	43,489	47,606
Operating EBITDA (Rsm)	11,976	20,472	9,129	9,953	12,026
Net Profit (Rsm)	7,748	13,231	5,455	5,904	7,435
Core EPS (Rs)	70.5	120.4	49.7	53.7	67.7
Core EPS Growth	(449.8%)	70.8%	(58.8%)	8.2%	25.9%
FD Core P/E (x)	40.71	23.84	57.83	53.43	42.43
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
EV/EBITDA (x)	27.47	16.05	34.69	31.50	25.23
P/FCFE (x)	314.77	238.95	22.43	351.83	57.44
Net Gearing	32.6%	23.9%	2.3%	(2.8%)	(16.1%)
P/BV (x)	7.41	5.71	5.20	4.74	4.26
ROE	20.0%	27.1%	9.4%	9.3%	10.6%
% Change In Core EPS Estimates			(29.94%)		
InCred Research/Consensus EPS (x)					

30% margin in FY25F is unlikely - REDUCE

3QFY24F is likely to be another difficult quarter for GFL as the export market has been dull. Last year, the refrigerants business did extremely well for GFL, but this year has been a washout for HFC-125 and HFC-410A. Also, falling R-22 prices are hurting the company. Further, we don't share the consensus enthusiasm for the fluoropolymer business. We reiterate that the terminal value of this business is zero in the current environment.

Fluoropolymer business is facing the heat

Global slowdown and at the same time, European Chemicals Agency or ECHA inquiry to ban the usage of PFAS, has been hitting the company hard. PTFE (polytetrafluoroethylene) exports are declining fast. We already have an alternate for PTFE in the market. Other polymers like FKM and PVDF (polyvinylidene fluoride) also have alternates available.

European parliament has voted to ban the usage of PFAS in food packaging ►

On 23 Nov 2023, the EU Parliament adopted its position on the new EU-wide rules on packaging, to tackle constantly growing waste and boost reuse and recycling. MEPs approved the proposal report for the new Packaging and Packaging Waste Regulation with 426 votes in favour, 125 against and 74 abstentions, banning the use of forever chemicals per- and polyfluoroalkyl substances (PFAS) and bisphenol-A (BPA) in food packaging. In other words, food packaging containing intentionally added PFAS or BPA might be prohibited in the EU 18 months after the enforcement of the new regulation. The EU Parliament is ready to start talks with national governments on the final form of the law. The link to the news report is here: (<https://www.tuv.com/regulations-and-standards/en/eu-parliament-adopted-the-ban-of-pfas-and-bpa-in-packaging.html>)

ECHA inquiry into the widespread ban on PFAS (in all usage) is still going on ►

<https://echa.europa.eu/hot-topics/perfluoroalkyl-chemicals-pfas>. The link here pertains to the website of ECHA where all the resources regarding the proposal to ban PFAs from all usage in Europe are listed. As of now, consultations are going on and ECHA will arrive at a decision in due course.

The fine paid by 3M for pollution due to PFAS is well know ►

3M paid an US\$10.4bn fine relating to PFAS in the US. The company has also decided to exit its PFAS business by 2025. Please see the link of both these news reports below:

1. <https://www.theguardian.com/environment/2023/jun/22/3m-settlement-municipal-water-systems-pfas-contamination>
2. <https://www.chemistryworld.com/news/3m-pledges-to-exit-pfas-manufacturing/4016766.article>

The global slowdown and negative publicity is weighing heavily on PFAS demand ►

As it has been the case with parabens, consumer activism can lead to a significant decline in demand, much before the actual ban on the usage of PFAS.

PFAS are also suffering from the reduced demand because of 1) global slowdown, and 2) negative publicity because of the likely ban in Europe.

Alternatives have already been developed for multiple PFAS, and we have listed them below ➤

Alternatives to PTFE

Non-fluorinated alternatives to PTFE are gaining popularity due to concerns about the environmental impact of fluorinated compounds. Some of these alternatives include:

Polyether Ether Ketone (PEEK): It is a high-performance thermoplastic known for its excellent mechanical properties, chemical resistance, and high-temperature stability. It's used in various industries, including aerospace, automotive, and pharmaceutical.

Polyether Sulfone (PES): It is a thermoplastic known for its high temperature resistance, good chemical resistance, and mechanical strength. PES is used in applications where stability under heat and exposure to chemicals is crucial.

Polyimides (PI): These high-performance polymers exhibit excellent thermal stability, chemical resistance, and mechanical properties at high temperatures. They are commonly used in electronics, aerospace, and automotive industries.

Polyphenylene Sulphide (PPS): It is a thermoplastic known for its excellent chemical resistance, flame retardancy, and high-temperature stability. PPS is used in applications requiring resistance to harsh chemicals and elevated temperatures.

Polyetherimide (PEI): It is a high-performance engineering plastic known for its excellent mechanical properties, high temperature resistance, and dimensional stability. PEI is used in electrical and electronic components, automotive, and aerospace applications.

Polyamide (nylon): Certain grades of nylon offer good mechanical properties, chemical resistance, and can be used as alternatives in specific applications where PTFE is used.

Alternatives to PVDF

Please note that the exact alternatives to the chemical may not be available as such but based on usage, multiple chemicals can replace PVDF. Non-fluorinated alternatives to PVDF can be found among various thermoplastics that offer similar properties without relying on fluorinated components. Some alternatives include:

Polyethylene (PE): Certain grades of polyethylene can offer chemical resistance and good electrical properties, making them suitable alternatives for specific applications where PVDF is used.

Polypropylene (PP): It shares some characteristics with PVDF, such as good chemical resistance and the ability to withstand high temperatures. PP is often used in applications where these properties are essential.

Polyamide (nylon): Certain nylon grades can exhibit good chemical resistance, high strength, and excellent mechanical properties, making them suitable for replacing PVDF in certain applications.

Polycarbonate (PC): It is known for high impact resistance, clarity, and good electrical properties. While PC may not match PVDF in chemical resistance, it can serve in applications where other properties are more critical.

Polyoxymethylene (POM): Also known as acetal, POM offers good mechanical properties, wear resistance, and dimensional stability. It may not match PVDF's chemical resistance entirely, but it serves well in certain engineering applications.

Polyether Ether Ketone (PEEK): It is a high-performance thermoplastic with excellent mechanical properties, chemical resistance, and high-temperature stability. While not identical to PVDF, it can serve as an alternative in certain applications.

Some companies like Clariant have developed specific alternatives to PTFE ➤

Clariant claims to have developed PTFE alternatives that are environment-friendly. Clariant claims and we quote from its website:

“Clariant’s PFAS-free additives offer equal performance to their PTFE-containing predecessors, with lower dosage levels. All tests have demonstrated that our PTFE-alternatives are a viable and safe replacement in printing on packaging, found in metal coatings and more. With a differentiated biopolymer-based micronized wax, the same rub resistance performance is achievable with a dosage reduction of 30 % – 50 %, making our additives a highly cost-efficient PTFE-alternative. Other benefits are:

1. *High mechanical and temperature resistance*
2. *Low Coefficient of Friction (COF)*
3. *Compliant with current and actually foreseeable regulatory requirements*
4. *Improved sustainability profile*
5. *Improved cost-performance effectiveness.”*

Please click the link to the website here: <https://www.clariant.com/en/Business-Units/Additives-and-Adsorbents/Waxes/PTFE-Free-Solutions>

Multiple companies have developed the alternatives to PVDF and some of them are listed below ➤

1. Solvay has developed [Rhodiasolv® PolarClean](#), which can be used as an eco-friendly solvent for PVDF copolymer membrane preparation.
2. White latex can be used as an aqueous binder for PVDF in the manufacturing of lithium-ion anodes.
3. Silicone modified polyester (SMP) can provide comparable performance to PVDF coatings without the drawbacks.
4. Polyester modified silicone resin IOTA 6072-50D can also replace PVDF.

Fluoroelastomer co-polymer and fluoroelastomer ter-polymer have also multiple non-fluorinated alternatives ➤

Creating a direct non-fluorinated alternative to a fluoroelastomer co-polymer can be challenging due to the unique properties that fluorinated compounds offer. However, certain non-fluorinated elastomers may provide some similarities or partial substitutes in specific applications. Here are a few alternatives to consider:

1. **Chlorinated Polyethylene (CPE):** It is a thermoplastic material that exhibits good resistance to heat, weathering, and chemicals. While it may not replicate all the properties of fluoroelastomer copolymers, it can be used in certain applications requiring weather resistance and flexibility.
2. **Ethylene Propylene Diene Monomer (EPDM) Rubber:** It offers good weather resistance, ozone resistance, and electrical insulation properties. It's commonly used in outdoor applications and automotive seals.
3. **Chloroprene Rubber (Neoprene):** It provides good resistance to oils, chemicals, and weathering. It's often utilized in applications requiring moderate chemical resistance and flexibility.
4. **Butyl Rubber:** It offers excellent resistance to gases, weathering, and ozone. It's used in applications where airtight seals or resistance to gases is crucial.

Creating a direct non-fluorinated alternative to a fluoroelastomer ter-polymer, which typically contains a combination of three monomers including fluorinated components, can be challenging due to the unique properties these materials offer. However, here are some non-fluorinated elastomers that may provide certain similarities or substitute properties in specific applications:

1. **Acrylonitrile Butadiene Rubber (NBR):** It offers excellent oil resistance and good mechanical properties. While it may not match the heat or chemical resistance of fluoroelastomer terpolymers, it's commonly used in automotive and industrial applications for its oil resistance.

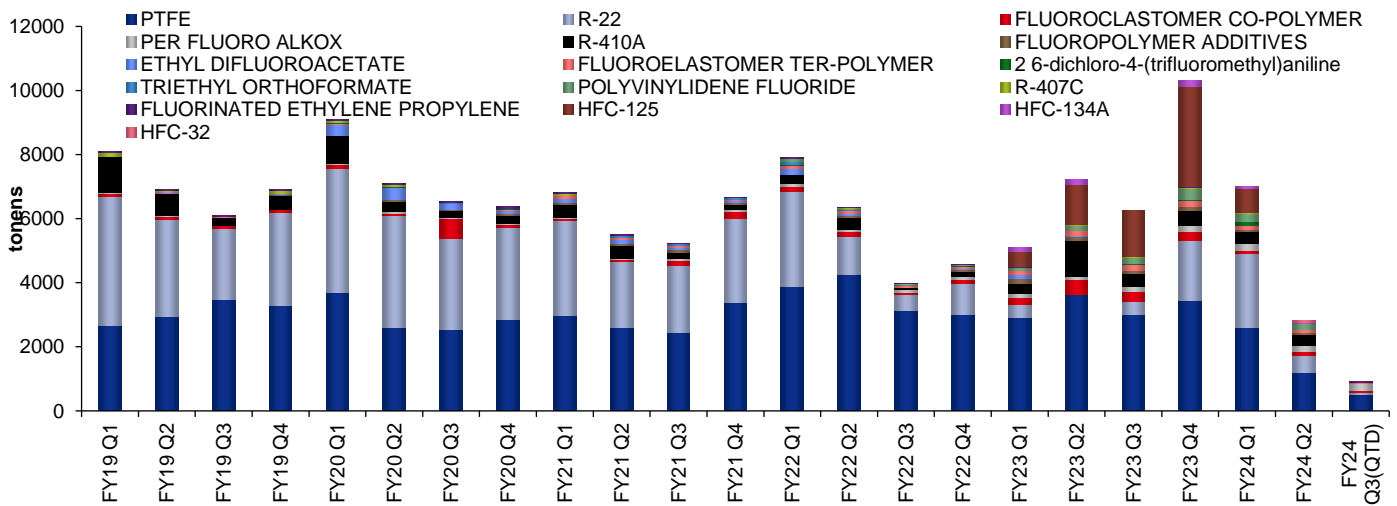
- Ethylene Propylene Diene Monomer (EPDM):** It provides good weather resistance, ozone resistance, and electrical insulation properties. It's often used in outdoor applications and automotive seals.
- Chloroprene Rubber (Neoprene):** It exhibits good resistance to oils, weathering, and ozone. It's utilized in applications requiring moderate chemical resistance and flexibility.
- Butyl Rubber:** It offers excellent gas impermeability, weather resistance, and ozone resistance. It's used where airtight seals or resistance to gases is essential.

GFL's sales are falling

Given the macroeconomic scenario, the potential for regulatory action and drying up of HFC sales, GFL will face continued stress on the sales front in 2HFY24F and FY25F as well.

Sales of PTFE and PVDF are falling and mostly 3QFY24F exports will be 60% down YoY ➤

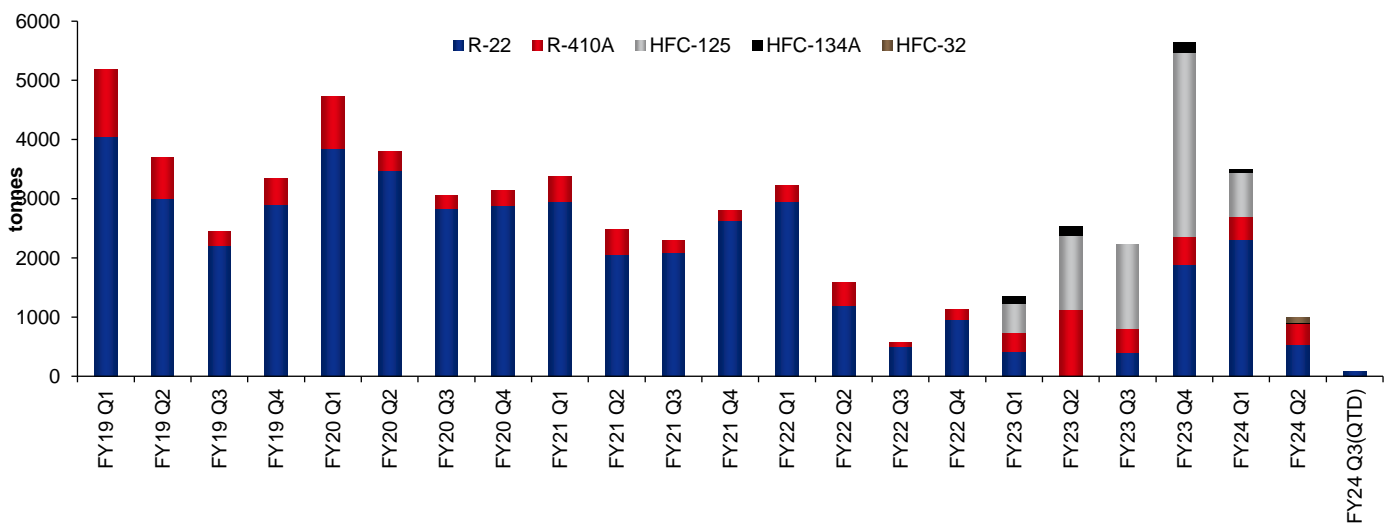
Figure 1: 3QFY24F looks very gloomy for GFL and most likely it will report a 2Q performance with the EPS remaining well below Rs 10



SOURCE: INCRED RESEARCH, COMPANY REPORTS

High-margin HFC exports have diminished ➤

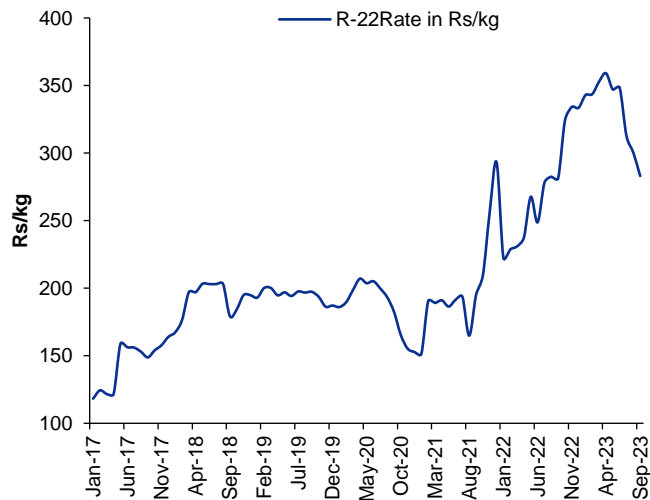
Figure 2: Last year, GFL made huge money in HFC-125 and HFC-410A exports; HFC-125 exports have diminished this year



SOURCE: INCRED RESEARCH, COMPANY REPORTS

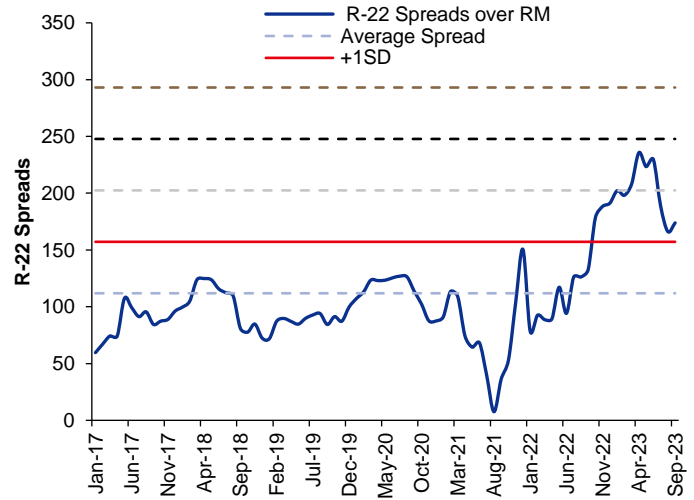
R-22 exports continue but its prices and gross profit are collapsing ➤

Figure 3: R-22 prices have come down by 15% from their peak levels



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: However, its gross profit (in Rs/ kg) has corrected by ~35%



SOURCE: INCRED RESEARCH, COMPANY REPORTS

We don't know how management gave guidance of a 30% EBITDA margin for FY25F as, in our view, it's not possible ➤

To achieve a 30% margin growth, GFL needs a massive gross margin expansion and volume growth as well - both of which are unlikely. We don't believe management will be able to deliver on its promise.

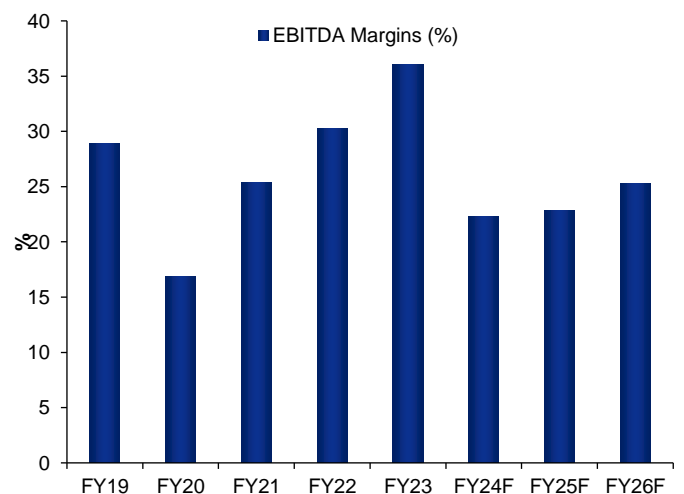
Figure 5: Management has given guidance of a 30% EBITDA margin in FY25F

There are also some questions on margin, and I would like to assure you that going forward in FY '25, we expect to get back to our normal business margin which is 30%, and looking at the current business scenario, I would not be able to provide much guidance on FY '24.

So, to close it, we are confident of delivering growth in FY '25, and for the remaining quarters of H2, we expect to be better than what we have seen in H1. We are seeing some green shoots also. And with this, I would like to close this call and thank you all for your interest in GFL and would like to wish you and all your families a very, very happy Deepavali. Okay. Thank you. Thanks, Nitin.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Please note that before FY22/23, GFL never achieved that kind of margin consistently; in FY22/23 it was achieved, courtesy HFC-125



SOURCE: INCRED RESEARCH, COMPANY REPORTS

LiPF6 venture may not be able to recover even cost of debt

- Multiple Indian companies are incurring capex to make LiPF6 electrolyte and its additive, cynylene carbonate. They hope that India will become a big powerhouse of lithium-ion battery manufacturing and hence, there will be huge demand for electrolytes.
- GFL is incurring a capex of Rs10bn to make LiPF6 while Neogene has also committed capex for the same. Even a small company like Ami Organics is incurring a capex of Rs2bn to make vinylene carbonate (an additive for LiPF6). Please note that current global demand for LiPF6 is ~67,000t against which

the top-10 Chinese companies' capacity alone is 1,00,000t and 1,50,000t capacity is in the pipeline.

3. As of now, the spreads of LiPF₆ over the raw material is -Rs100/kg. Normally, 12 units of electricity are needed to make 1kg of LiPF₆, which means that present EBITDA/kg will be nearly -Rs300 or **overall EBITDA loss for a 1,800t plant will be ~Rs540m**. Given the capex of Rs10bn for a 1,800t plant, at present even the interest costs (assuming 2:1 debt-equity ratio) won't be recovered.
4. Assuming the last 36 months' average spreads EBITDA/kg is around Rs500 (removing the abnormally high spreads of the post-Covid supply chain crisis period between Sep 2021 to Mar 2022,), EBITDA for a 1,800t plant should be ~Rs900m. Adjusting for working capital requirement and necessary sustenance capex, it will be barely sufficient to recover 9-10% interest costs on debt taken for capex.

LiPF₆ is the most hyped electrolyte in Indian equity markets ►

Investors are assigning a premium valuation to any company that makes LiPF₆ (none are making it on a commercial scale though) has an intention to make it or is in the process of installing a pilot plant. Contrary to market hype, 1) LiPF₆ is being replaced by a better electrolyte known as LiFSi, 2) LiPF₆ margins have collapsed, is hugely oversupplied and, in fact, the current and upcoming capacity in China alone can keep the product oversupplied beyond 2030F, and 3) the slew of LiPF₆ manufacturing capacities and little investment in Li (lithium) mining have resulted in skyrocketing lithium carbonate (LiC) prices. LiPF₆ margins have collapsed by 75% in the last six months and are expected to decline further in the coming months. Even LiPF₆ prices have collapsed by 60%. In this context, we are unable to understand as to why investors are assigning a premium valuation to Indian companies who have no indigenous source of LiC and are coming into oversupplied LiPF₆.

Leading electric vehicle or EV makers are replacing LiPF₆ with LiFSi ►

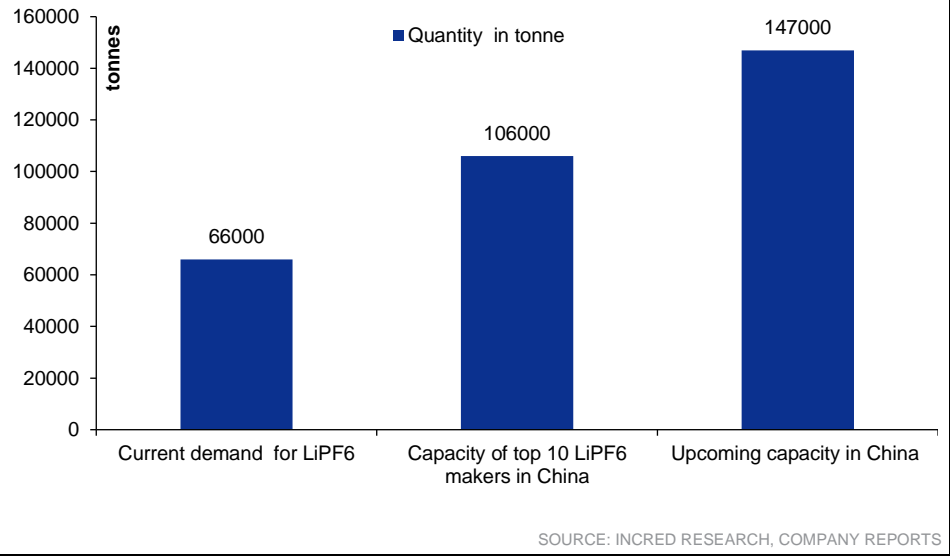
The trend is quite certain that LiFSi is becoming one of the mainstream lithium salts for the next-generation electrolytes. However, it is also true that due to severe technical problems in mass production and high costs, LiFSi has not been directly used as a solute lithium salt but as an additive mixed with lithium hexafluorophosphate (LiPF₆) for use in electrolytes of lithium-ion-powered batteries especially. To cite an example, LG Chem has been using LiFSi as an additive in its electrolytes for quite some time. Tesla's '4680' battery has commenced mass production and upgrade of the new battery technology has enabled LiFSi to be rapidly introduced into the industry chain.

Indian companies' foray into LiPF₆ and its additives is ill-timed ►

We can say that Indian companies' foray into LiPF₆ and its additives is ill-timed. Gujarat Fluorochemicals as well as Neogene are talking about putting up commercial plants of LiPF₆, and Ami Organics is venturing into LiPF₆ additives (vinylene carbonate or VC, and fluoroethylene carbonate or FEC). As we have stated in our report, VC prices have fallen by 80% over the last eight months and more decline is on the cards till it reaches the production cost of US\$4/kg (current price of VC is US\$12/kg). We retain our REDUCE rating on Gujarat Fluorochemicals. Ami Organics & Neogene are UNRATED stocks.

LiPF₆ is hugely oversupplied in global market ➤

Figure 7: LiPF₆ is hugely oversupplied, and it is being substituted by LiFSi



LiPF₆ spreads over raw material are collapsing ➤

Figure 8: LiPF₆ prices have collapsed...

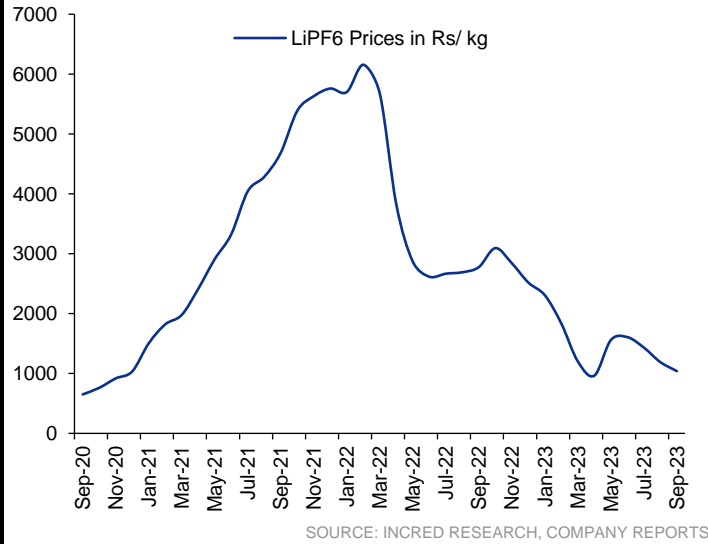
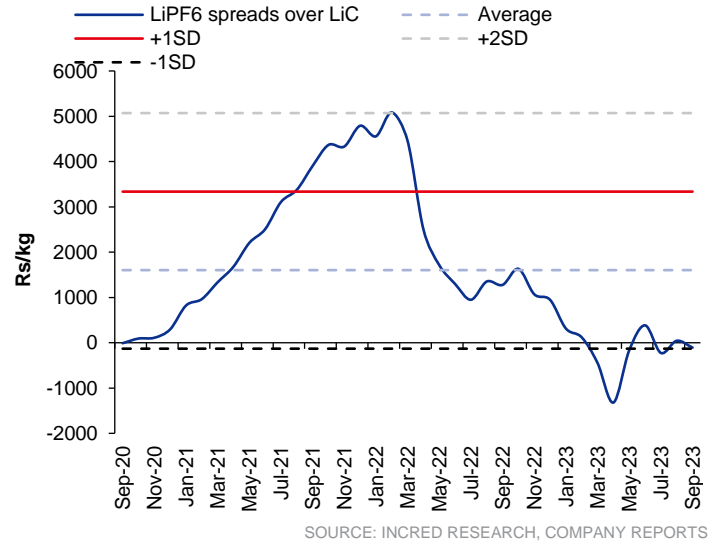
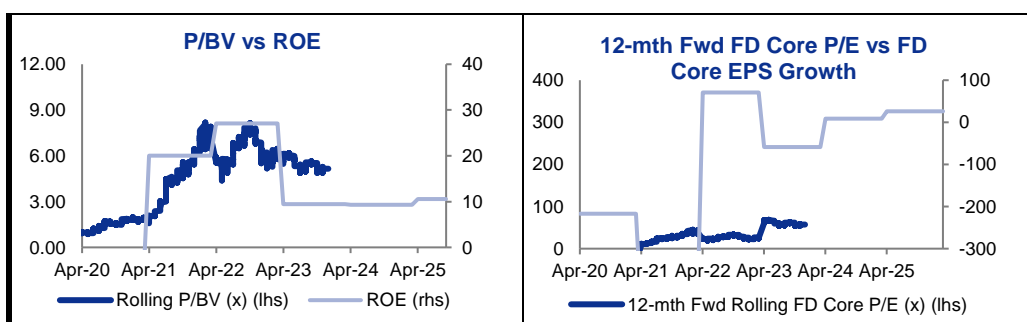


Figure 9: ...and similar is the case with its spreads



BY THE NUMBERS



Profit & Loss

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Total Net Revenues	39,536	56,847	40,868	43,489	47,606
Gross Profit	27,665	41,423	25,747	26,963	29,516
Operating EBITDA	11,976	20,472	9,129	9,953	12,026
Depreciation And Amortisation	(2,054)	(2,361)	(2,576)	(2,901)	(3,138)
Operating EBIT	9,922	18,111	6,553	7,052	8,888
Financial Income/(Expense)	(784)	(1,168)	(760)	(659)	(447)
Pretax Income/(Loss) from Assoc.					
Non-Operating Income/(Expense)	1,314	904	1,500	1,500	1,500
Profit Before Tax (pre-EI)	10,452	17,848	7,293	7,893	9,940
Exceptional Items					
Pre-tax Profit	10,452	17,848	7,293	7,893	9,940
Taxation	(2,704)	(4,617)	(1,838)	(1,989)	(2,505)
Exceptional Income - post-tax					
Profit After Tax	7,748	13,231	5,455	5,904	7,435
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	7,748	13,231	5,455	5,904	7,435
Recurring Net Profit	7,748	13,231	5,455	5,904	7,435
Fully Diluted Recurring Net Profit	7,748	13,231	5,455	5,904	7,435

Cash Flow

(Rs mn)	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
EBITDA	11,976	20,472	9,129	9,953	12,026
Cash Flow from Invt. & Assoc.					
Change In Working Capital	(2,544)	(8,827)	16,107	(568)	(329)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	1,680	4,156			
Other Operating Cashflow	(595)	(2,545)	2,260	2,159	1,947
Net Interest (Paid)/Received	(784)	(1,168)	(760)	(659)	(447)
Tax Paid	(2,320)	(4,700)	(1,838)	(1,989)	(2,505)
Cashflow From Operations	7,414	7,389	24,898	8,896	10,692
Capex	(6,740)	(6,750)	(10,000)	(5,000)	(200)
Disposals Of FAs/subsidiaries	248	49			
Acq. Of Subsidiaries/Investments	933	191			
Other Investing Cashflow	(279)	1,745			
Cash Flow From Investing	(5,839)	(4,764)	(10,000)	(5,000)	(200)
Debt Raised/(repaid)	(573)	(1,305)	(832)	(3,000)	(5,000)
Proceeds From Issue Of Shares					
Shares Repurchased					
Dividends Paid					
Preferred Dividends					
Other Financing Cashflow	(862)	(1,336)			
Cash Flow From Financing	(1,435)	(2,641)	(832)	(3,000)	(5,000)
Total Cash Generated	140	(16)	14,066	897	5,492
Free Cashflow To Equity	1,002	1,320	14,066	897	5,492
Free Cashflow To Firm	2,359	3,793	15,659	4,556	10,939

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	1,718	1,612	12,555	12,792	17,839
Total Debtors	7,781	11,068	7,957	8,467	9,269
Inventories	9,473	14,854	13,257	14,488	15,860
Total Other Current Assets	5,410	8,469	8,469	8,469	8,469
Total Current Assets	24,381	36,003	42,238	44,217	51,437
Fixed Assets	31,738	41,051	48,475	50,575	47,637
Total Investments	73	42	42	42	42
Intangible Assets	133	314	257	257	257
Total Other Non-Current Assets	12,456	6,304	8,617	8,617	8,617
Total Non-current Assets	44,399	47,711	57,392	59,491	56,554
Short-term Debt	11,173	12,950	13,950	10,950	5,950
Current Portion of Long-Term Debt					
Total Creditors	5,135	6,910	18,309	19,483	21,328
Other Current Liabilities	2,756	3,529	3,529	3,529	3,529
Total Current Liabilities	19,064	23,389	35,788	33,962	30,807
Total Long-term Debt	4,354	1,832			
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	136	477	477	477	477
Total Non-current Liabilities	4,490	2,309	477	477	477
Total Provisions	2,924	2,808	2,808	2,808	2,808
Total Liabilities	26,478	28,507	39,073	37,248	34,092
Shareholders Equity	42,551	55,207	60,663	66,568	74,005
Minority Interests	(248)		(107)	(107)	(107)
Total Equity	42,303	55,207	60,556	66,461	73,898

Key Ratios					
	Mar-22A	Mar-23A	Mar-24F	Mar-25F	Mar-26F
Revenue Growth	49.2%	43.8%	(28.1%)	6.4%	9.5%
Operating EBITDA Growth	78.0%	70.9%	(55.4%)	9.0%	20.8%
Operating EBITDA Margin	30.3%	36.0%	22.3%	22.9%	25.3%
Net Cash Per Share (Rs)	(125.71)	(119.90)	(12.70)	16.77	108.22
BVPS (Rs)	387.36	502.57	552.24	605.99	673.69
Gross Interest Cover	12.65	15.51	8.62	10.70	19.87
Effective Tax Rate	25.9%	25.9%	25.2%	25.2%	25.2%
Net Dividend Payout Ratio					
Accounts Receivables Days	66.71	60.51	84.96	68.92	67.99
Inventory Days	278.44	287.83	339.27	306.40	306.16
Accounts Payables Days	131.00	142.52	304.37	417.35	411.71
ROIC (%)	14.5%	22.7%	6.8%	8.1%	9.8%
ROCE (%)	17.7%	27.3%	8.8%	9.0%	11.0%
Return On Average Assets	13.0%	18.5%	6.6%	6.3%	7.3%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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