REDUCE Navin Fluorine

FY25: A pivotal year

Specialty Chemicals ▸ Company Update ▸ **August 28, 2025**

CMP (Rs): 4,725 | TP (Rs): 5,000

Navin's FY25 annual report focuses on its 3P business model—viz product, platform, partnership—as it scale up business operations led by already-commissioned assets (R32; fluorospecialty capex) in FY25 and projects (AHF; cGMP-4; immersion cooling fluid project) set to commission in FY26/27. KTAs: 1) Revenue growth led by domestic sales (flat exports). 2) Strong balance sheet with ~Rs4.7bn worth liquid investments and the recent QIP to keep debt at comfortable levels and fund the FY26 capex. 3) Cash generated was precisely enough to fund capex in FY25. 4) No change in absolute working capital (WC) requirement, despite 14% revenue growth YoY, while the WC cycle eased to 90 days from 103 in FY24. 5) R&D spends spread evenly across verticals (primarily CDMO), with focus on maturing from the early stage into commercial stage. We retain REDUCE and remain cautious of the evolving ref gas pricing environment.

Consistent growth in topline; profitability to follow

Navin's revenue/EBITDA/PAT CAGR stood at ~19%/15%/4% over FY21-25. PAT remained depressed due to higher leverage from FY23 onward and increase in depreciation. In FY25, NFIL commissioned its fluorospecialty capex of Rs5.4bn and R32 capex at Surat. The management expects both the projects to ramp-up in FY26, with strong traction from the export markets. cGMP-4 capex of Rs1.6bn (Phase-1) is expected to commission in early-CY27. AHF capex of Rs4.5bn is scheduled for commissioning by Q2FY26. The company has forayed into the advanced materials space with tie-ups with Chemours for immersion cooling fluids and investment in electronic/solar grade AHF.

Cash generation cycle has begun

FY22-23 saw limited cash generation due to significant infusion in working capital, led by the rising refrigerant gas/raw material pricing environment. Over FY21-25, the company invested Rs26bn toward capex which led to negative FCF of ~Rs10bn over the same period. Thus, capex during that period was funded through external borrowings. Navin generated OCF of Rs5.7bn in FY25 (vs 5Y cumulative OCF of Rs15.7bn) which augers well for future operating performance and provides comfort on funding future capex (recent QIP to reduce debt). OCF-to-EBITDA has remained volatile over the last 5years owing to an irregular working capital cycle; we expect the ratio to fall back in the 0.7-0.8x range.

Consistent spending on R&D; ESG remains at the forefront of operations

NFIL's R&D expenditure saw a spike in FY24 and reached ~6% of revenue, led by capex at its Dewas R&D facility. FY25 R&D expenditure stood at Rs547mn (2.3% of revenue). Revenue expenditure toward R&D has seen ~25% CAGR over FY21-25. Focus remains on maturing of early-stage innovations into commercial scale operations. Navin has undertaken several initiatives on the ESG front: 1) implementing energy efficiency (251,209 KwH), 2) reducing water consumption and wastewater management (0.8mn Kl), and 3) 81% of the waste is being recycled. Director remuneration at ~5.1% of PBT.

Navin Fluorine: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	20,650	23,494	33,442	39,997	43,113
EBITDA	3,983	5,337	8,160	10,079	11,080
Adj. PAT	2,184	2,886	4,884	6,261	6,851
Adj. EPS (Rs)	44.1	58.2	95.4	122.3	133.8
EBITDA margin (%)	19.3	22.7	24.4	25.2	25.7
EBITDA growth (%)	(27.6)	34.0	52.9	23.5	9.9
Adj. EPS growth (%)	(41.8)	32.0	63.9	28.2	9.4
RoE (%)	9.6	11.5	15.3	15.5	14.9
RoIC (%)	9.0	11.0	14.2	14.5	14.1
P/E (x)	86.5	81.2	49.5	38.6	35.3
EV/EBITDA (x)	60.9	45.4	29.7	24.0	21.9
P/B (x)	9.8	8.9	6.4	5.6	5.0
FCFF yield (%)	-	(0.2)	(1.1)	(0.1)	1.4

Source: Company, Emkay Research

Target Price – 12M	Jun-26
Change in TP (%)	-
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	5.8

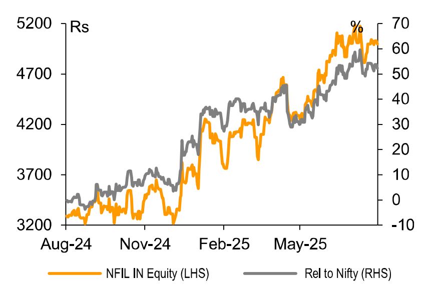
Stock Data	**NFIL IN**
52-week High (Rs)	5,444
52-week Low (Rs)	3,160
Shares outstanding (mn)	51.2
Market-cap (Rs bn)	242
Market-cap (USD mn)	2,762
Net-debt, FY26E (Rs mn)	5,498.6
ADTV-3M (mn shares)	0
ADTV-3M (Rs mn)	701.3
ADTV-3M (USD mn)	8.0
Free float (%)	72.9
Nifty-50	24,500.9
INR/USD	87.6

Shareholding,Jul-25	
Promoters (%)	27.1
FPIs/MFs (%)	22.0/29.9

Price Performance

(%)	1M	3M	12M
Absolute	(7.4)	10.0	43.6
Rel. to Nifty	(6.7)	11.2	46.8

1-Year share price trend (Rs)



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Profitability analysis

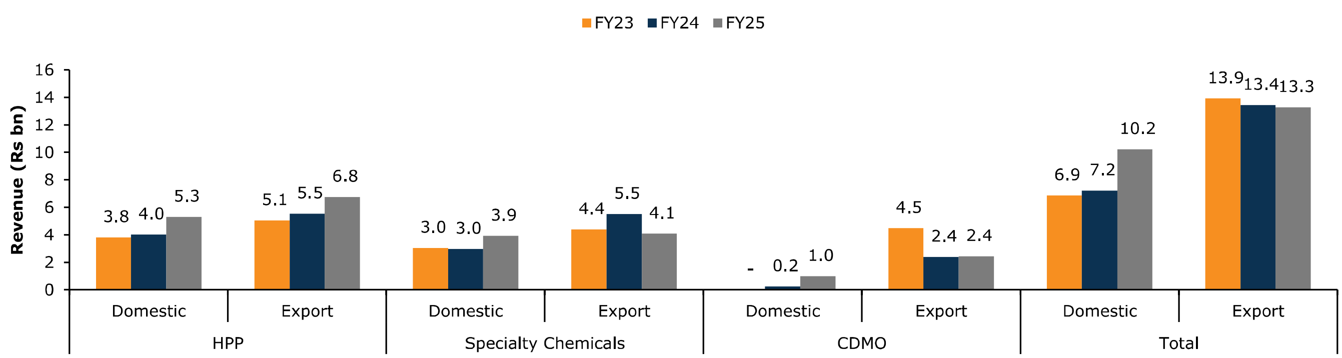
Sales growth in FY25 largely supported by increase in volume

Exhibit 1: Consolidated profit and loss statement

Particulars (Rs bn)	FY21	FY22	FY23	FY24	FY25	FY21-25 CAGR
Sales (net)	**11.8**	**14.5**	**20.8**	**20.7**	**23.5**	**18.8%**
Cost of goods sold	5.4	6.7	9.0	9.4	10.4	
Gross profit	**6.4**	**7.9**	**11.8**	**11.3**	**13.1**	
Gross margin	*54.4%*	*54.2%*	*56.9%*	*54.7%*	*55.8%*	
Other overheads	1.9	2.5	3.8	4.5	4.8	
Personnel cost	1.4	1.8	2.5	2.9	3.0	
EBITDA	**3.1**	**3.5**	**5.5**	**4.0**	**5.3**	**14.6%**
EBITDA margin	*26.2%*	*24.4%*	*26.5%*	*19.3%*	*22.7%*	
Depreciation	0.4	0.5	0.6	1.0	1.2	
EBIT	**2.7**	**3.1**	**4.9**	**3.0**	**4.1**	
EBIT margin	*22.5%*	*21.1%*	*23.5%*	*14.6%*	*17.6%*	
Finance cost	0.0	0.0	0.3	0.7	0.8	
Other income	0.8	0.4	0.4	0.6	0.4	
Exceptional item	0.2	-	-	0.5	-	
PBT	**3.6**	**3.4**	**5.0**	**3.4**	**3.8**	
Tax expense	1.1	0.8	1.2	0.7	0.9	
PAT	**2.5**	**2.6**	**3.8**	**2.7**	**2.9**	**4.0%**
PAT margin	*20.9%*	*18.1%*	*18.1%*	*13.1%*	*12.3%*	

Source: Company, Emkay Research

Exhibit 2: Exports maintain prominent share of the overall business



Source: Company, Emkay Research

Exhibit 3: Analysis of key expenditure items

Particulars	Rs bn					% of Sales				
	FY21	FY22	FY23	FY24	FY25	FY21	FY22	FY23	FY24	FY25
Power and fuel costs	0.5	0.8	1.3	1.5	1.6	4.6	5.2	6.5	7.3	6.8
Freight charges	0.2	0.4	0.4	0.4	0.7	2.0	2.5	2.1	2.1	2.9
Stores and spares consumed	0.3	0.4	0.5	0.6	0.6	2.7	2.8	2.3	2.9	2.7
Labor contract charges	0.1	0.2	0.3	0.3	0.3	1.2	1.2	1.5	1.3	1.2
Repairs and maintenance	0.1	0.1	0.1	0.2	0.2	0.8	0.8	0.7	0.9	1.1

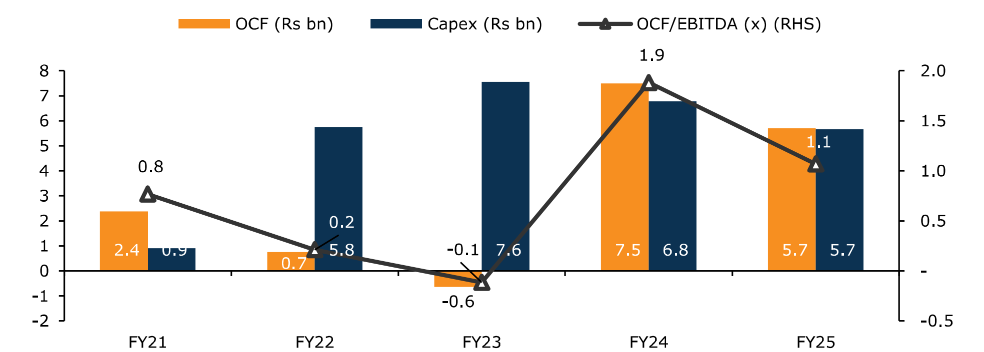
Source: Company, Emkay Research

The cash generation cycle has begun…

FY22 and FY23 saw higher requirement of cash toward working capital, with the cash profit after tax also seeing a jump. FY23 benefitted from strong ref gas pricing which led to the company logging its highest-ever PBT, of, Rs5bn which in turn led to expansion of the balance sheet due to increase in overall working capital (Rs5.3bn). Thus, FY23 saw negative OCF of Rs0.6bn. OCF soared in FY24 to Rs7.5bn due to easing of working capital (Rs3.6bn). OCF in FY25 was higher than average, at Rs5.7bn on account of increasing non-cash adjustment (primarily led by higher depreciation) and cash released from working capital. As operations continue to grow and the company starts to realize the benefit from capex incurred over FY22-25, the OCF-to-EBITDA conversion, which has been volatile, shall moderate to 0.7-0.8x (contingent on the nature of contracts).

Over FY21-25, NFIL invested Rs26bn in capex/acquisitions and will incur further capex in FY26 for its AHF plant and cGMP-4. Cumulative cash flow from operations over the same period stood at Rs15.7bn which led to negative free cash flow generation. Cash requirement for the capex was met through external borrowings in FY23/24 (net debt-to-EBITDA jumped from -2x in FY21 to +2x in FY24, and moderated to 1.75x in FY25). The recent QIP in Jul-25 shall lead to partial repayment of those borrowings in FY26, thus lowering leverage ratios.

Exhibit 4: Capex to remain elevated – Largely funded through internal accruals



Source: Company, Emkay Research

Exhibit 5: Cumulative cash flow generation and utilization over the past five years

OCF-to-EBITDA volatile, as the company is in the growth phase

(Rs bn)	FY21	FY22	FY23	FY24	FY25	FY21-25
Profit before tax	**3.6**	**3.4**	**5.0**	**3.4**	**3.8**	**19.1**
Non-operating expense	-0.3	-0.3	0.1	0.1	0.6	0.2
Non-cash adjustments	0.2	0.5	0.7	0.8	1.1	3.3
Direct taxes paid	0.2	-0.8	-1.1	-0.3	-0.8	-2.8
Cash profit after tax	**3.6**	**2.9**	**4.7**	**3.9**	**4.8**	**19.8**
Increase in working capital	-1.3	-2.1	-5.3	3.6	0.9	-4.1
Cash flows from operations	**2.4**	**0.7**	**-0.6**	**7.5**	**5.7**	**15.7**
Capex/Acquisitions	-0.3	-5.8	-7.6	-6.8	-5.7	-26.0
Free cash flows (FCF)	**2.1**	**-5.0**	**-8.2**	**0.7**	**0.0**	**-10.3**
Net Debt-to-Interest	-0.0	1.0	7.2	4.2	0.2	12.6
Free cash flows to Equity (FCFE)	**2.1**	**-4.0**	**-1.0**	**4.9**	**0.3**	**2.2**
OCF-to-EBITDA (x)	**2.1**	**-5.0**	**-7.9**	**1.5**	**0.8**	**-8.4**

Source: Company, Emkay Research

…while the working capital requirement might increase

The cash conversion cycle improved to 90 days in FY25 (vs 103 in FY24) on account of decline in inventory (50 days vs 66 YoY), while receivables and payables were stable at ~90 days and ~50 days, respectively. We expect the number of raw material inventory days to increase going forward, with scalability of operations.

The adjusted cash conversion cycle consistently declined, to 102 days in FY25 from 118 days in FY24. Other current assets and liabilities were stable over FY24-25 (increased on absolute terms at the revenue growth rate).

No change in absolute working capital requirement, despite the 14% revenue growth in FY25

Exhibit 6: The number of working capital days improved, on better inventory management

(No of days)	FY21	FY22	FY23	FY24	FY25
Inventory	56	65	82	66	50
Finished goods	10	11	10	12	11
Raw materials	22	34	53	35	20
Others	23	19	19	18	19
Receivables	88	90	99	91	90
Payables	33	37	43	53	51
Cash conversion cycle	**110**	**118**	**138**	**103**	**90**
Other current assets	32	51	50	27	27
Other current liabilities	17	15	13	13	15
Adj working capital days	**125**	**154**	**176**	**118**	**102**

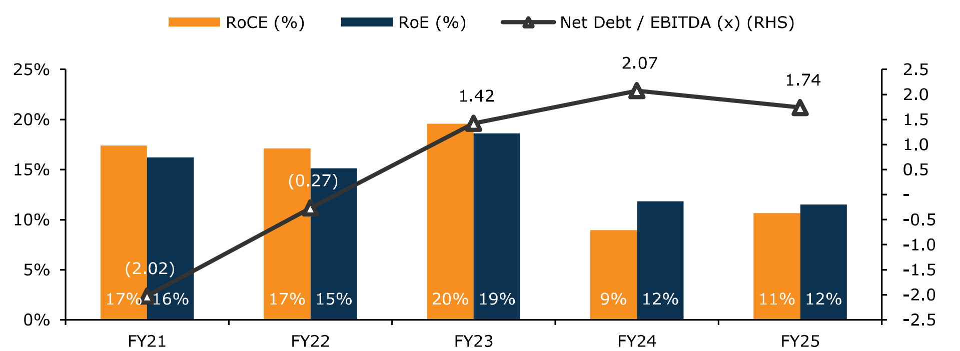
Source: Company, Emkay Research

Exhibit 7: Adjusted working capital flat over FY24-25

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Inventory	180	258	468	372	322
Finished goods	34	45	58	68	71
Raw materials	72	136	299	200	130
Others	23	19	19	18	19
Receivables	284	358	562	513	582
Payables	107	147	243	303	327
Core working capital	**357**	**469**	**786**	**582**	**578**
Other current assets	102	204	287	155	172
Other current liabilities	56	59	73	71	95
Adj working capital	**402**	**614**	**1,000**	**666**	**655**

Source: Company, Emkay Research

Exhibit 8: Return ratios declined as the company entered a massive capex cycle over FY22-25; shall benefit from the ramp-up ahead; leverage under control



Source: Company, Emkay Research

Performance of subsidiaries

The company has one material wholly-owned subsidiary—Navin Fluorine Advanced Sciences Limited (NFASL), incorporated in Feb-20. Navin's Dahej plant falls under NFASL. A large part of the capex (excluding CDMO) is being undertaken within this entity. Navin's other subsidiary in UK is primarily a joint-investment entity holding 49% of Manchester Organics along with the standalone entity. Navin's US entity focuses on increasing the market penetration of the CDMO business in the US and attracting appropriate talent as and when the business needs expansion. The company's Shanghai-based subsidiary caters to local sourcing in China.

Exhibit 9: Details of subsidiaries

Particulars (Rs mn)	Holding	FY24			FY25		
		Net worth	Sales	PAT	Net worth	Sales	PAT
Subsidiaries							
Navin Fluorine Advanced Sciences	100%	6,929	7,627	342	7,426	8,409	499
NFIL (UK)	100%	691	-	-0	728	-	-0
Manchester Organics	100%	252	256	-9	273	195	8
Navin Fluorine (Shanghai)	100%	2	13	0	2	10	0
NFIL (USA)	100%	21	103	6	30	107	8
Sulakshana Securities	100%	195	-	49	188	-	38
Total		**8,090**	**7,998**	**388**	**8,648**	**8,721**	**554**
% of overall PAT				**14%**			**19%**

Source: Company, Emkay Research

Navin has been investing in capex at its Dahej site. FY25 saw FCF generation of Rs786mn at the standalone level, while the subsidiaries saw negative FCF of Rs1.5bn. NFASL capitalised ~Rs8bn of assets, including the recently commissioned fluoro plant as well as assets supporting efficiency improvements. NFASL is incurring capex on the AHF plant (40ktpa capacity), which is expected to commission in Q2/Q3 FY26 and lead to depressed FCF in FY26.

Exhibit 10: Cash flow analysis

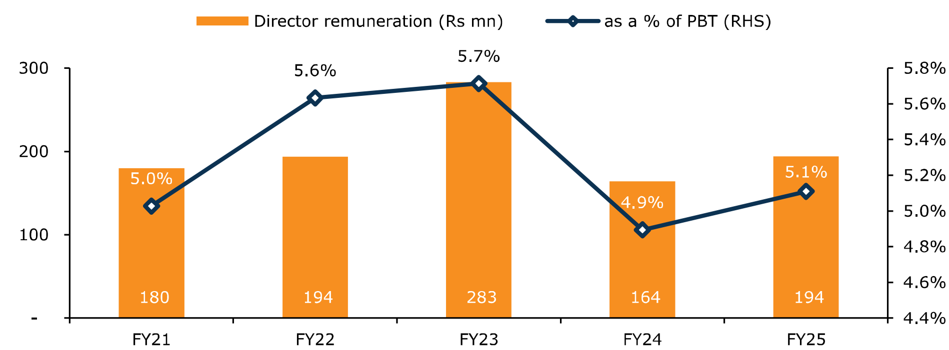
Particulars (Rs mn)	Standalone		Subsidiary (derived)		Consolidated	
	FY24	FY25	FY24	FY25	FY24	FY25
Profit before tax	**2,925**	**3,213**	**431**	**588**	**3,355**	**3,801**
Non-operating expense	-102	626	517	597	415	1,223
Non-cash adjustments	-175	-198	636	731	461	533
Direct taxes paid	-351	-768	8	-12	-343	-780
Cash profit after tax	**2,297**	**2,873**	**1,592**	**1,903**	**3,889**	**4,776**
(Increase)/Decrease in receivables	729	-1,262	-223	479	506	-784
(Increase)/Decrease in inventories	1,123	460	-159	32	965	492
Increase in loans, advances & other assets	335	91	444	257	779	348
Increase/(Decrease) in trade & other payables	1,071	448	289	428	1,360	876
Increase in working capital	**3,259**	**-263**	**351**	**1,196**	**3,610**	**932**
Net cash from operating activities	**5,556**	**2,609**	**1,943**	**3,099**	**7,499**	**5,708**
Interest expenses paid	-50	-32	-696	-754	-746	-786
Net cash from operating activities post interest	**5,506**	**2,577**	**1,247**	**2,345**	**6,753**	**4,922**
Capex/Acquisitions	-869	-1,792	-5,914	-3,873	-6,783	-5,665
Free cash flows	**4,638**	**786**	**-4,667**	**-1,528**	**-29**	**-742**
Investment Income	89	90	38	44	127	134
Application of funds						
Purchase of Investment	-4,022	96	-292	306	-4,313	402
Net Borrowing	397	-47	4,516	1,061	4,913	1,014
Dividend paid	-743	-595	-	-	-743	-595
Other investment activities	-368	-228	401	246	33	18
Other financing activities	-65	-91	-2	-11	-66	-102
increase/(decrease) in Cash	**-74**	**14**	**-4**	**117**	**-78**	**130**

Source: Company, Emkay Research

Related-party transactions

- Navin is engaged in related-party transactions with subsidiary NFASL, for the sale/purchase of goods. It has invested in preference share of the same entity and received repayment of inter-corporate deposits. Navin continues to provide material corporate guarantees of ~Rs17bn, as of Mar-25.
- Navin's related-party transactions (RPTs) on the consolidated front have been limited to 1) sale of goods to enterprises over which the KMP has significant influence (Rs23mn), and 2) donations (Rs20mn). We do not see any material transactions over FY24-25.
- Director remuneration for FY25 stood at Rs194mn (5.1% of PBT). The compensation has increased 18% YoY. These payments are largely shared between the Chairman and the professional MD.

Exhibit 11: Director remuneration stands at ~5%, as a % of PBT



Source: Company, Emkay Research

Contingent liabilities and capital commitments

Navin's contingent liabilities marginally increased to ~Rs124mn in FY25 from ~Rs116bn in FY24, primarily due to income tax-related matters. There have been no reductions in other contingent matters over the last year. The company has not disclosed the case matters pertaining to income tax.

The group had capital and other commitments of Rs2.4bn outstanding as of Mar-25 (~90% of its net worth), up 17% YoY. These are largely further to contracts to be executed on capital account which are not provided for as on the balance sheet date.

Exhibit 12: Contingent liabilities and capital commitments

(Rs mn)	FY21	FY22	FY23	FY24	FY25
Contingent liabilities					
Income tax matters	36	36	36	46	55
Excise duty matters	42	42	42	42	42
Sales-tax matters	16	9	9	9	9
Employee related matters	1	1	1	8	8
GST matters	-	-	8	8	8
Other Corporate guarantee / Bank guarantees	291	2	2	2	2
Total contingent liabilities	**386**	**89**	**97**	**116**	**124**
% of net worth	23.6	4.8	4.4	4.8	4.7
Capital and other commitments					
Estimated amounts of contracts remaining to be executed on capital account (PPE) and not provided for	3,514	2,123	3,669	2,034	2,380
% of net worth	215.1	115.1	167.9	85.4	90.6

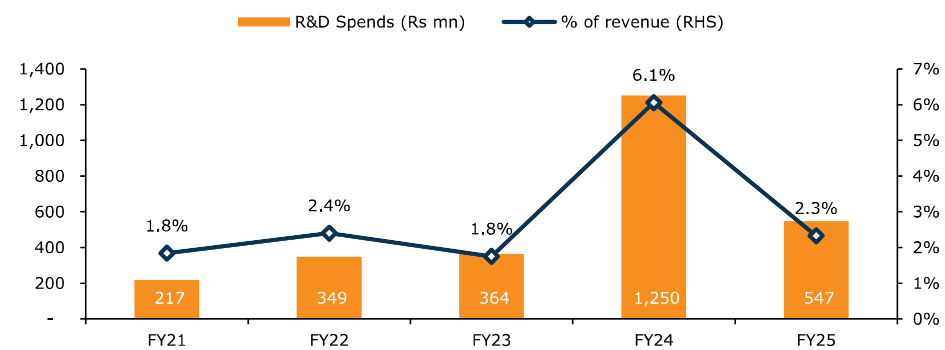
Source: Company, Emkay Research

Consistent R&D toward developing its CDMO vertical

Navin had incurred significant capital expenditure, of Rs800mn in FY24, toward commissioning of the 1,400sqft modern R&D store at Dewas R&D for ensuring safe handling and storage of chemicals based on their compatibility and expanding the kilo lab & pilot plant and new instruments. Total spends toward R&D were as high as ~6% of revenue in FY24.

Navin Fluorine operates three R&D centers (Surat, Dewas, and Manchester Organics), each designed with a unique business model for managing distinct and diversified portfolios – from ideation to commercialization of molecules. Navin halved its R&D spend to ~Rs547mn in FY25.

Exhibit 13: Revenue expenditure rising steadily, from ~Rs210mn in FY21 to ~Rs500mn in FY25



Source: Company, Emkay Research

ESG remains at the forefront of operations

Navin has taken several initiatives on the ESG front as part of its efforts to build an organization focused on accountability, transparency, and sustainable value creation.

- The Dewas (CDMO) site was awarded the Gold Medal in the EcoVadis Business Sustainability Rating in CY24. The EcoVadis assessment evaluates 21 sustainability criteria across environment, labour and human rights, ethics, and sustainable procurement.
- On the environment front, the company remains committed to driving energy efficiency, renewable energy, value to waste, recycled materials, waste management, etc.
  - The company completed 32 customer audits with major pharma innovators across the EU and US in FY25.
  - Navin consumed 15.8mn kWh units of electricity in FY25, and could reduce 0.3mn kWh units of electricity on chiller compressor and optimized steam usage in the BF3 plant. 20% of the electricity consumed is from a renewable source.
  - 60% of the total water demand is filled from recycled water. 81% of the total waste generated is recycled. The company could conserve 15,539GJ of energy.
- On the social front, the company is nurturing a culture of continuous growth and collaboration by way of various engagement programs and training. In Q4FY25, the company has been able to improve its weekly learning hours trend, from ~100 to ~1,100.
  - The company has a total of ~1,500 full-time employees. The female workforce count across the organization stands at 50.
  - Navin has various initiatives catering to engagement, viz the Emerging Leaders Programme (ELP), Navin-Udemy Learning Universe, Voice of People (VOP) survey.
  - During the year, the company rolled out the integrated HRMS platform that focuses on various core modules pertaining to people management.
  - During the year, Navin allocated Rs69mn toward CSR as against budget of Rs66mn.

- On the governance front, 4 of the 7 committees are chaired by independent directors. The median age of the directors as of Mar-25 is 58, thus highlighting their rich experience. The company has 2 executive directors and 7 non-executive directors.

Navin Fluorine: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	**20,650**	**23,494**	**33,442**	**39,997**	**43,113**
Revenue growth (%)	(0.6)	13.8	42.3	19.6	7.8
EBITDA	**3,983**	**5,337**	**8,160**	**10,079**	**11,080**
EBITDA growth (%)	(27.6)	34.0	52.9	23.5	9.9
Depreciation & Amortization	962	1,194	1,592	1,966	2,254
EBIT	**3,021**	**4,143**	**6,568**	**8,114**	**8,827**
EBIT growth (%)	(38.0)	37.1	58.5	23.5	8.8
Other operating income	-	-	-	-	-
Other income	559	437	481	529	556
Financial expense	746	779	746	616	599
PBT	**2,834**	**3,801**	**6,302**	**8,027**	**8,784**
Extraordinary items	521	0	0	0	0
Taxes	650	915	1,418	1,766	1,932
Minority interest	0	0	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**2,705**	**2,886**	**4,884**	**6,261**	**6,851**
PAT growth (%)	(27.9)	6.7	69.2	28.2	9.4
Adjusted PAT	**2,184**	**2,886**	**4,884**	**6,261**	**6,851**
Diluted EPS (Rs)	**44.1**	**58.2**	**95.4**	**122.3**	**133.8**
Diluted EPS growth (%)	(41.8)	32.0	63.9	28.2	9.4
DPS (Rs)	**15.0**	**12.0**	**16.9**	**19.1**	**24.5**
Dividend payout (%)	**27.5**	**20.6**	**17.7**	**15.6**	**18.3**
EBITDA margin (%)	19.3	22.7	24.4	25.2	25.7
EBIT margin (%)	14.6	17.6	19.6	20.3	20.5
Effective tax rate (%)	22.9	24.1	22.5	22.0	22.0
NOPLAT (pre-IndAS)	**2,328**	**3,146**	**5,090**	**6,329**	**6,885**
Shares outstanding (mn)	50	50	51	51	51

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	99	99	102	102	102
Reserves & Surplus	23,728	26,163	37,679	42,963	48,562
Net worth	**23,827**	**26,262**	**37,781**	**43,065**	**48,664**
Minority interests	0	0	0	0	0
Non-current liab. & prov.	643	754	754	754	754
Total debt	**13,399**	**14,407**	**10,470**	**11,929**	**9,837**
Total liabilities & equity	**37,869**	**41,424**	**49,005**	**55,749**	**59,255**
Net tangible fixed assets	16,854	25,505	30,467	37,501	38,248
Net intangible assets	902	902	902	902	902
Net ROU assets	-	-	-	-	-
Capital WIP	7,111	3,554	4,000	2,000	4,000
Goodwill	878	878	878	878	878
Investments [JV/Associates]	593	575	575	575	575
Cash & equivalents	**5,136**	**5,123**	**4,971**	**5,148**	**5,180**
Current assets (ex-cash)	12,690	12,182	16,741	19,745	21,172
Current Liab. & Prov.	5,901	6,880	9,113	10,585	11,284
NWC (ex-cash)	**6,789**	**5,302**	**7,628**	**9,160**	**9,888**
Total assets	**37,869**	**41,424**	**49,005**	**55,749**	**59,255**
Net debt	8,264	9,284	5,499	6,781	4,657
Capital employed	37,869	41,424	49,005	55,749	59,255
Invested capital	**25,030**	**32,171**	**39,459**	**48,025**	**49,500**
BVPS (Rs)	480.9	529.5	737.9	841.1	950.4
Net Debt/Equity (x)	0.3	0.4	0.1	0.2	0.1
Net Debt/EBITDA (x)	2.1	1.7	0.7	0.7	0.4
Interest coverage (x)	4.8	5.9	9.4	14.0	15.7
RoCE (%)	**10.6**	**11.8**	**15.9**	**16.7**	**16.5**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	2,276	3,364	5,822	7,498	8,228
Others (non-cash items)	(831)	(219)	(481)	(529)	(556)
Taxes paid	(343)	(780)	(1,391)	(1,748)	(1,924)
Change in NWC	4,160	1,598	(2,325)	(1,532)	(728)
Operating cash flow	**7,499**	**5,708**	**4,416**	**6,781**	**8,419**
Capital expenditure	(7,585)	(6,266)	(7,000)	(7,000)	(5,000)
Acquisition of business	40	18	0	0	0
Interest & dividend income	163	134	481	529	556
Investing cash flow	**(10,935)**	**(5,111)**	**(6,519)**	**(6,471)**	**(4,444)**
Equity raised/(repaid)	0	-	7,500	0	0
Debt raised/(repaid)	4,913	1,008	(3,937)	1,459	(2,093)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(746)	(779)	(746)	(616)	(599)
Dividend paid (incl tax)	(745)	(595)	(866)	(977)	(1,252)
Others	(65)	(100)	-	-	-
Financing cash flow	**3,357**	**(466)**	**1,951**	**(133)**	**(3,943)**
Net chg in Cash	(78)	131	(152)	177	32
OCF	7,499	5,708	4,416	6,781	8,419
Adj. OCF (w/o NWC chg.)	3,339	4,111	6,742	8,313	9,148
FCFF	(86)	(558)	(2,584)	(219)	3,419
FCFE	(670)	(1,203)	(2,849)	(306)	3,376
OCF/EBITDA (%)	188.3	106.9	54.1	67.3	76.0
FCFE/PAT (%)	(24.7)	(41.7)	(58.3)	(4.9)	49.3
FCFF/NOPLAT (%)	**(3.7)**	**(17.7)**	**(50.8)**	**(3.5)**	**49.7**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	86.5	81.2	49.5	38.6	35.3
EV/CE(x)	6.5	6.0	5.0	4.4	4.1
P/B (x)	9.8	8.9	6.4	5.6	5.0
EV/Sales (x)	11.7	10.3	7.2	6.1	5.6
EV/EBITDA (x)	60.9	45.4	29.7	24.0	21.9
EV/EBIT(x)	80.2	58.5	36.9	29.9	27.5
EV/IC (x)	9.7	7.5	6.1	5.0	4.9
FCFF yield (%)	-	(0.2)	(1.1)	(0.1)	1.4
FCFE yield (%)	(0.3)	(0.5)	(1.2)	(0.1)	1.4
Dividend yield (%)	0.3	0.3	0.4	0.4	0.5
DuPont-RoE split					
Net profit margin (%)	10.6	12.3	14.6	15.7	15.9
Total asset turnover (x)	0.6	0.6	0.7	0.8	0.7
Assets/Equity (x)	1.5	1.6	1.4	1.3	1.3
RoE (%)	**9.6**	**11.5**	**15.3**	**15.5**	**14.9**
DuPont-RoIC					
NOPLAT margin (%)	11.3	13.4	15.2	15.8	16.0
IC turnover (x)	0.8	0.8	0.9	0.9	0.9
RoIC (%)	**9.0**	**11.0**	**14.2**	**14.5**	**14.1**
Operating metrics					
Core NWC days	120.0	82.4	83.2	83.6	83.7
Total NWC days	**120.0**	**82.4**	**83.2**	**83.6**	**83.7**
Fixed asset turnover	1.0	0.9	1.0	0.9	0.9
Opex-to-revenue (%)	35.4	33.1	31.2	30.8	30.8

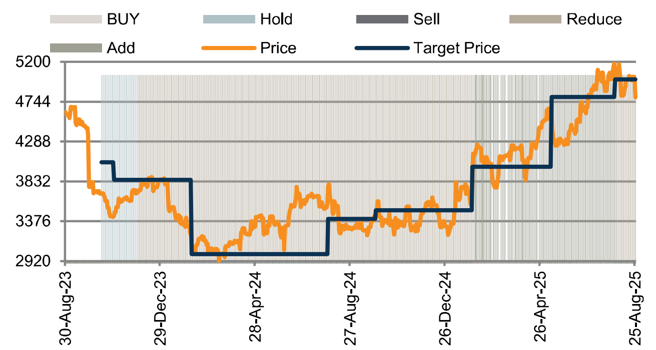
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
31-Jul-25	5,048	5,000	Reduce	Meet Vora
15-Jul-25	5,081	4,800	Add	Meet Vora
11-May-25	4,595	4,800	Add	Meet Vora
06-Apr-25	4,071	4,000	Add	Meet Vora
30-Jan-25	3,908	4,000	Add	Meet Vora
24-Oct-24	3,412	3,500	Reduce	Meet Vora
29-Sep-24	3,429	3,500	Reduce	Meet Vora
27-Aug-24	3,290	3,400	Reduce	Meet Vora
30-Jul-24	3,771	3,400	Reduce	Meet Vora
14-Jul-24	3,657	3,000	Reduce	Meet Vora
07-Jun-24	3,329	3,000	Reduce	Meet Vora
08-May-24	3,411	3,000	Reduce	Meet Vora
07-Apr-24	3,148	3,000	Reduce	Meet Vora
26-Feb-24	3,109	3,000	Reduce	Meet Vora
07-Feb-24	3,093	3,000	Reduce	Meet Vora
30-Nov-23	3,701	3,850	Reduce	Meet Vora
22-Nov-23	3,610	3,850	Hold	Meet Vora
31-Oct-23	3,438	3,850	Hold	Meet Vora
15-Oct-23	3,692	4,050	Hold	Meet Vora

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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