

ARA: Augmenting capabilities and strengthening the future

Specialty Chemicals ▶ Company Update ▶ July 21, 2025

CMP (Rs): 3,130 | TP (Rs): 3,250

SRF's FY25 annual report (AR) reflects resilience, innovation, and growth amid a challenging macro environment and uncertainties. Key takeaways: 1) Geographically, the sales mix is tilting toward the domestic business. 2) The balance sheet is strong, with a reasonable debt-equity ratio of ~0.4x (reduced borrowing cost in FY26) which augurs well for the Rs25bn capex planned for FY26. 3) Steady cash generation of ~Rs25bn is backed by a strong OCF/EBITDA ratio of 0.9x, indicating lower working capital required for incremental business. 4) R&D spends remain directed toward Chemical Business (CB) for portfolio expansion. 5) Sustainability (energy-saving, clean energy, wastewater management, recycled RM, etc) remains a cornerstone. The management has guided for +20% revenue growth in CB on capacity utilization and commissioning of the new fluoropolymers plant. The Performance Films & Foils Business (PFB) would see a better utilization for BOPET in India; BOPP to face oversupply due to new lines added. We retain ADD on the stock.

Business outlook points to growth

The mgmt expects FY26 to be better than FY25, led by growth in CB from maximum utilization of refrigerant gas capacities (the Middle East to do well; US to remain subdued), commissioning of the new specialty fluoropolymers plant, and a ramp-up in the new dedicated facility commissioned in Dahej. PFB to focus on increasing sales of high-impact products across BOPP and BOPET, with commissioning of new downstream assets including new offline coating machines in India and metallizers in Thailand and India. The Technical Textiles Business (TTB) is expected to perform better in FY26, owing to higher capacity utilization, cost-optimization steps, and premium and value-added products (VAPs).

Reinvested OCF toward capex and debt repayment in FY25

SRF's healthy operating performance led to a significant improvement in OCF generation (+19% YoY to Rs24.9bn in FY25 vs Rs20.9bn in FY24); OCF/EBITDA improved to 0.9x in FY25 (vs 0.8x YoY) on working capital efficiency. Such a strong OCF generation offers comfort to restart the mgmt's aggressive capex plan of Rs25bn annually over the next couple of years (Rs12bn spent in FY25). Most of the FY25 capex was directed toward the CB (Rs7bn for debottlenecking and expansion projects). The mgmt guided for capex of Rs25bn in FY26, targeting commissioning of the new fluoropolymers project and capacitor grade BOPP Film Line, while working on the 4th gen refrigerants and BOPP-BOPE film line.

R&D and ESG go together for sustainable growth

SRF's R&D spends were largely stable at Rs1.5bn YoY (~2.3% of CB revenue), as the R&D team worked on 50 molecules, 35 of which were taken up for scale-up studies and 50% were commercially produced in MPPs in FY25. SRF is seeing promising progress in the pharma sector. SRF undertook several initiatives on the ESG front: 1) implementing energy efficiency (17,395 MWh), 2) reducing water consumption and wastewater management (2mn KL), and 3) sourcing 74.38% of input materials sustainably.

Target Price – 12M	Mar-26
Change in TP (%)	-
Current Reco.	ADD
Previous Reco.	ADD
Upside/(Downside) (%)	3.8

Stock Data	SRF IN
52-week High (Rs)	3,325
52-week Low (Rs)	2,127
Shares outstanding (mn)	296.4
Market-cap (Rs bn)	928
Market-cap (USD mn)	10,753
Net-debt, FY26E (Rs mn)	33,340.9
ADTV-3M (mn shares)	1
ADTV-3M (Rs mn)	1,962.2
ADTV-3M (USD mn)	22.7
Free float (%)	0.0
Nifty-50	25,090.7
INR/USD	86.3

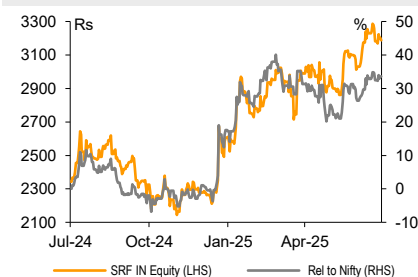
Shareholding, Jun-25

Promoters (%)	50.3
FPIs/MFs (%)	18.2/18.9

Price Performance

(%)	1M	3M	12M
Absolute	3.3	3.3	33.6
Rel. to Nifty	3.4	(0.6)	30.6

1-Year share price trend (Rs)



SRF: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	131,385	146,931	174,148	199,568	234,563
EBITDA	25,841	27,184	37,609	47,936	58,843
Adj. PAT	13,357	12,508	21,144	28,404	36,003
Adj. EPS (Rs)	45.1	42.2	71.3	95.8	121.5
EBITDA margin (%)	19.7	18.5	21.6	24.0	25.1
EBITDA growth (%)	(26.8)	5.2	38.3	27.5	22.8
Adj. EPS growth (%)	(38.0)	(6.4)	69.0	34.3	26.8
RoE (%)	12.3	10.4	15.5	17.9	19.1
RoIC (%)	11.3	9.3	13.6	15.9	17.2
P/E (x)	69.5	74.2	43.9	32.7	25.8
EV/EBITDA (x)	37.5	35.6	25.8	20.2	16.5
P/B (x)	8.1	7.3	6.4	5.4	4.5
FCFF yield (%)	(0.2)	1.2	0.6	1.0	1.2

Source: Company, Emkay Research

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Profitability analysis

Sales growth in FY25 largely supported by increase in volumes.

Exhibit 1: Consolidated profit and loss statement

Particulars (Rs bn)	FY21	FY22	FY23	FY24	FY25	FY21-25 CAGR
Sales (net)	84.0	124.3	148.7	131.4	146.9	15.0%
Cost of goods sold	40.2	60.7	73.9	67.1	77.0	
Gross profit	43.8	63.7	74.8	64.3	69.9	
<i>Gross margin</i>	<i>52.2%</i>	<i>51.2%</i>	<i>50.3%</i>	<i>48.9%</i>	<i>47.6%</i>	
Other overheads	16.3	24.8	31.3	29.1	32.3	
Personnel cost	6.2	7.8	8.1	9.4	10.4	
EBITDA	21.3	31.0	35.3	25.8	27.2	6.2%
<i>EBITDA margin</i>	<i>25.4%</i>	<i>25.0%</i>	<i>23.7%</i>	<i>19.7%</i>	<i>18.5%</i>	
Depreciation	4.5	5.2	5.8	6.7	7.7	
EBIT	16.8	25.9	29.5	19.1	19.5	
<i>EBIT margin</i>	<i>20.0%</i>	<i>20.8%</i>	<i>19.9%</i>	<i>14.5%</i>	<i>13.3%</i>	
Finance cost	1.3	1.2	2.0	3.0	3.8	
Other income	0.7	1.2	0.7	0.8	1.3	
PBT	16.1	25.9	28.2	16.9	17.0	
Tax expense	4.1	7.0	6.6	3.6	4.5	
PAT	12.0	18.9	21.6	13.4	12.5	1.1%
<i>PAT margin</i>	<i>14.3%</i>	<i>15.2%</i>	<i>14.5%</i>	<i>10.2%</i>	<i>8.5%</i>	

Source: Company, Emkay Research

Exhibit 2: Revenue from operations: geographical business segments

Particulars	Rs bn					% of Sales				
	FY21	FY22	FY23	FY24	FY25	FY21	FY22	FY23	FY24	FY25
India	36.4	52.6	60.0	59.6	73.2	43.3	42.3	40.3	45.4	49.8
USA	5.8	14.4	21.7	14.1	12.2	6.9	11.6	14.6	10.8	8.3
South Africa	4.8	6.0	6.6	5.5	6.3	5.7	4.9	4.4	4.2	4.3
United Kingdom	-	3.6	4.5	2.6	2.3	-	2.9	3.0	2.0	1.6
Italy	-	2.3	2.1	2.1	2.6	-	1.8	1.4	1.6	1.8
Indonesia	-	2.2	1.9	1.2	1.3	-	1.7	1.3	0.9	0.9
UAE	-	1.2	1.7	1.6	1.9	-	1.0	1.1	1.2	1.3
South Korea	-	1.5	1.6	1.2	1.8	-	1.2	1.1	0.9	1.2
Germany	4.8	4.6	4.9	4.1	3.6	5.7	3.7	3.3	3.2	2.5
Thailand	1.9	3.5	5.4	4.8	5.3	2.2	2.8	3.6	3.6	3.6
Hungary	0.1	0.3	0.3	0.3	0.4	0.2	0.2	0.2	0.2	0.2
Switzerland	6.9	8.3	8.8	6.6	7.5	8.2	6.7	5.9	5.0	5.1
Belgium	6.4	5.3	8.7	7.7	6.0	7.6	4.2	5.9	5.8	4.1
Others	17.1	18.5	20.6	19.9	22.5	20.3	14.9	13.8	15.1	15.3
Total revenue	84.0	124.3	148.7	131.4	146.9					

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	7.2	11.4	14.7	13.4	13.5	8.5	9.1	9.9	10.2	9.2
Freight charges	3.0	5.5	6.1	4.3	6.0	3.6	4.4	4.1	3.3	4.1
Repairs and maintenance	2.1	2.5	2.8	3.3	3.5	2.4	2.0	1.9	2.5	2.4
Effluent disposal expenses	0.8	1.2	1.8	1.6	1.8	0.9	1.0	1.2	1.2	1.2
Stores and spares consumed	0.7	0.8	0.9	0.9	1.0	0.8	0.7	0.6	0.7	0.7

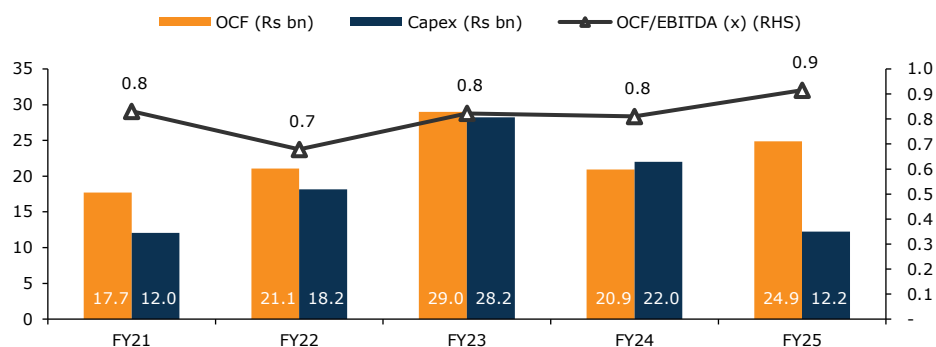
Source: Company, Emkay Research

Stable and strong operating cash generation...

OCF soared to Rs25bn in FY25, from Rs21bn in FY24, on higher non-cash adjustments and lower tax payments, while there was no cash stuck in the working capital. SRF generated free cash flows (FCF) of Rs13bn in FY25 (5Y cumulative FCF of Rs21bn), led by a slowdown in the pace of capex. SRF will be incurring a capex of Rs25bn in FY26 for long-term growth.

SRF's absolute revenues have grown to Rs146bn in FY25, from Rs84bn in FY21. This 75% growth in revenues was funded by a net working capital requirement of Rs10bn over FY21-25. Healthy core performance translated into strong cash conversion – OCF/EBITDA at 0.9x vs 0.8x YoY. Over FY21-25, SRF posted ~9% CAGR in OCF, higher than ~1% CAGR in PBT, highlighting efficiency in operations. Such strong cash generation enabled SRF to extend its annual capex to Rs18-28bn in FY22-24 (Rs93bn over FY21-25) vs Rs11-13bn over FY19-21.

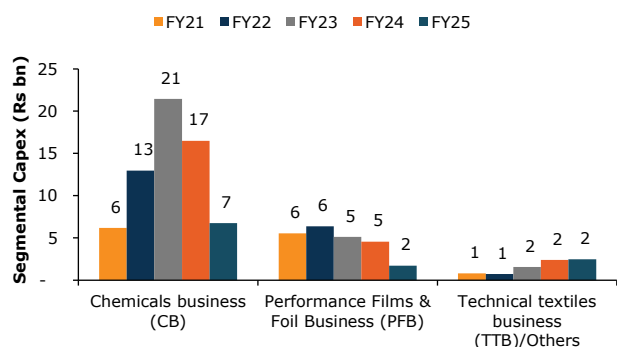
Exhibit 4: Capex to remain elevated – largely funded through internal accruals



Source: Company, Emkay Research

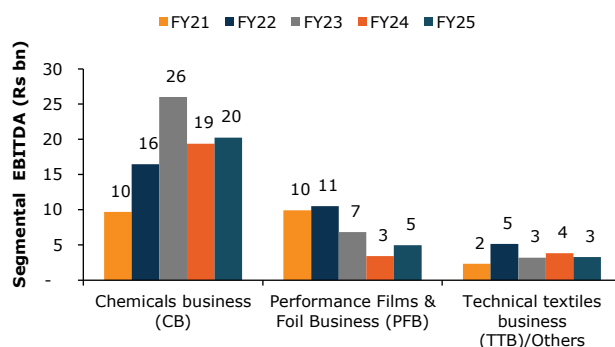
Most of SRF's operating cash flows are largely being reinvested into the Chemicals business (CB).

Exhibit 5: Segmental capex – focus on Chemicals...



Source: Company, Emkay Research

Exhibit 6: ...in sync with segmental EBITDA contribution



Source: Company, Emkay Research

OCF/EBITDA consistently at ~0.8x over the last 5Y.

Exhibit 7: Cumulative cash flow generation and utilization – past five years

(Rs bn)	FY21	FY22	FY23	FY24	FY25	FY21-25
Profit before tax	16	26	28	17	17	104
Non-operating expense	1	1	2	3	3	10
Non-cash adjustments	4	5	5	6	8	28
Direct taxes paid	-3	-4	-5	-4	-3	-19
Cash profit after tax	19	28	30	22	25	123
Increase in working capital	-1	-7	-1	-1	-0	-10
Cash flows from operations	18	21	29	21	25	114
Capex/ Acquisitions	-12	-18	-28	-22	-12	-93
Free cash flows (FCF)	6	3	1	-1	13	21
Net Debt/Interest	-8	0	5	2	-8	-10
Free cash flows to Equity (FCFE)	-3	3	5	1	4	11
OCF/EBITDA (x)	0.8	0.7	0.8	0.8	0.9	

Source: Company, Emkay Research

...backed by a steady cash conversion cycle

Cash conversion cycle improved to 54 days in FY25 (vs 58 in FY24) on decline in inventory (58 days vs. 65 YoY) which was partially negated by lower payable days (58 days vs 61 YoY). Receivable days remained stable YoY (54 days).

The adjusted cash conversion cycle increased to 86 days in FY25, from 82 days in FY24. This was led by higher value of receivables sold to banks under receivables purchase agreements, which increased to 32 days in FY25, from 25 days in FY24. This arrangement led to balance-sheet optimization and prudent usage of working capital.

Exhibit 8: Working capital days improved on better receivables management

(No of days)	FY21	FY22	FY23	FY24	FY25
Inventory	64	63	56	65	58
Finished goods	15	16	12	16	13
Raw materials	30	31	27	30	26
Others	19	16	17	19	20
Receivables	55	53	44	54	54
Payables	69	62	55	61	58
Cash conversion cycle	50	54	45	58	54
Receivables purchase agreement	16	22	27	25	32
Adj cash conversion cycle	66	76	72	82	86
Other current assets	22	16	15	16	14
Other current liabilities	24	16	16	17	11
Adj working capital days	64	76	71	81	89

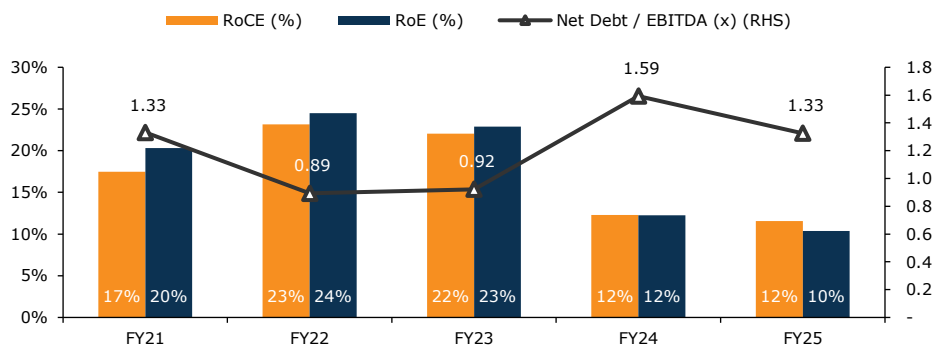
Source: Company, Emkay Research

Exhibit 9: Adj working capital doubled over FY21-25, in sync with growing operations

(Rs bn)	FY21	FY22	FY23	FY24	FY25
Inventory	15	21	23	23	23
Finished goods	3	5	5	6	5
Raw materials	7	11	11	11	10
Others	4	5	7	7	8
Receivables	13	18	18	19	22
Payables	16	21	22	22	23
Core working capital	12	18	18	21	22
Receivables purchase agreement	4	8	11	9	13
Adj core working capital	15	26	29	30	35
Other current assets	5	5	6	6	6
Other current liabilities	6	6	6	6	4
Adj working capital	15	26	29	29	36

Source: Company, Emkay Research

Exhibit 10: Return ratios declined as the company entered into a massive capex cycle over FY23-25. It shall benefit from the ramp-up ahead; leverage under control



Source: Company, Emkay Research

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Subsidiaries' performances

Many of the company's subsidiaries fall under the Performance Films & Foils business (PFB). SRF Altech has newly set up aluminum foil business (margins to improve with further capacity ramp-up). SRF Flexipack (South Africa), SRF Industries (Thailand) and SRF Europe Kft hold BOPP and BOPET lines, respectively.

Exhibit 11: Details of subsidiaries

Particulars (Rs mn)	Holding	FY24			FY25		
		Net worth	Sales	PAT	Net worth	Sales	PAT
Subsidiaries							
SRF Altech Limited	100%	4,048	120	-163	4,823	3,151	-403
SRF Global BV	100%	871	-	1,292	984	-	91
SRF Flexipak (South Africa)	100%	2,388	5,045	631	2,947	6,473	656
SRF Industries (Thailand)	100%	8,820	13,620	62	9,744	16,143	38
SRF Industex Belting	100%	-131	1,169	-12	-36	1,493	105
SRF Europe Kft	100%	77	4,612	-609	86	5,808	-325
SRF Middle East LLC	100%	-	-	-	19	124	11
SRF Holiday Home Limited	100%	38	-	-	41	-	-0
Total		16,112	24,565	1,201	18,608	33,191	172
% of Overall PAT				9%			1%

Source: Company, Emkay Research

FY25 was a muted year for BOPET as there was pressure on realizations due to Chinese oversupply which justifies the muted performance of SRF's Thailand and Hungary-based entities. BOPP volumes grew in FY25, reflecting higher sales at its South African entity.

Exhibit 12: Cash flow analysis

Particulars (Rs mn)	Standalone		Subsidiary (derived)		Consolidated	
	FY24	FY25	FY24	FY25	FY24	FY25
Profit before tax	17,179	17,044	-257	-7	16,922	17,037
Non-operating expense	2,105	2,132	862	1,023	2,967	3,155
Non-cash adjustments	4,581	6,818	1,438	1,381	6,019	8,198
Direct taxes paid	-3,647	-3,088	-179	-251	-3,826	-3,339
Cash profit after tax	20,218	22,905	1,865	2,146	22,083	25,051
(Increase)/Decrease in receivables	-1,013	-2,305	-674	262	-1,687	-2,043
(Increase)/Decrease in inventories	-592	949	-150	-890	-742	59
Increase in loans, advances & other assets	311	792	184	-180	495	612
Increase/(Decrease) in trade payables	-818	280	676	814	-142	1,095
Increase/(Decrease) in other liabilities	923	21	9	79	932	100
Increase in working capital	-1,190	-263	45	87	-1,145	-176
Net cash from operating activities	19,028	22,642	1,910	2,233	20,939	24,875
Interest expenses paid	-2,749	-3,095	-863	-836	-3,612	-3,931
Net cash from operating activities post interest	16,279	19,547	1,047	1,397	17,326	20,944
Capex/ Acquisitions	-18,504	-11,196	-3,513	-1,027	-22,017	-12,223
Free cash flows	-2,225	8,352	-2,466	370	-4,691	8,721
Investment Income	475	621	-210	-267	265	355
Application of funds						
Purchase of Investment	-4,690	-4,695	4,200	1,503	-490	-3,192
Net Borrowing	5,314	-4,405	90	114	5,404	-4,291
Dividend paid	-2,137	-2,132	-	-	-2,137	-2,132
Other investment activities	1,978	2,130	-2,010	-1,910	-32	220
Other financing activities	-371	-351	-1	-1	-372	-352
increase/(decrease) in Cash	-1,655	-479	-397	-191	-2,052	-670
Effect of exchange rate movements	-	-	-35	17	-35	17
Net increase/(decrease) in Cash	-1,655	-479	-432	-174	-2,087	-653

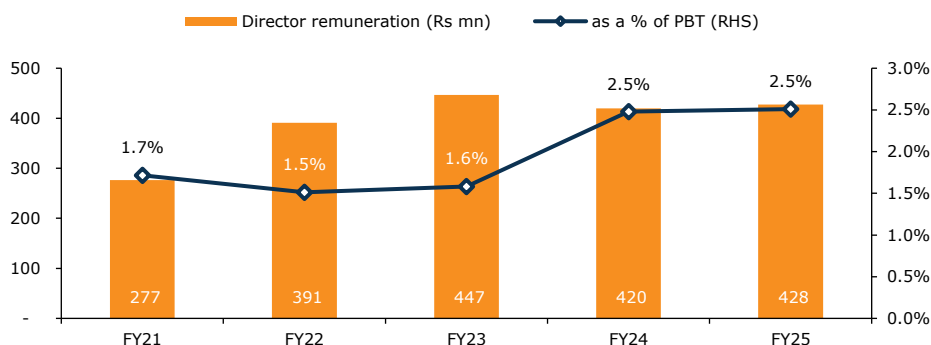
Source: Company, Emkay Research

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Related Party Transactions

- SRF's Related Party Transactions (RPT) have been limited to 1) sale of goods to enterprises over which the KMP have significant influence (Rs400mn), 2) contribution to post-employment benefit plans (Rs283mn), and 3) equity dividend of Rs1.1bn paid to the holding company. We do not see any material transactions over FY24-25.
- Director remuneration for FY25 stood at Rs428mn (2.5% of PBT). The compensation has remained flat YoY. These payments are largely shared between the MD and the JMD.

Exhibit 13: Director remuneration stands at 2.5% as a % of PBT



Source: Company, Emkay Research

Contingent liabilities and capital commitments

SRF's contingent liabilities increased to Rs5.4bn in FY25 vs Rs3.4bn in FY24, primarily due to a couple of orders received from the GST department on account of refund of IGST claimed on exports made using duty-free raw materials procured from SEZ/ EOU suppliers against Advance Authorization (Rs2.35bn), and on non-payment of GST on research and development services between internal units of the company (Rs0.2bn).

The company saw a reduction in income tax-related contingent liabilities, led by final assessment order received in the current year vs draft assessment order received in the previous year. SRF has deposited Rs600mn against contingent liability in the current year. The cases are pertaining to transfer pricing adjustments, disallowance of R&D expenditure, disallowance u/s 14A, and for generation of power from captive power plants, etc.

The group had capital and other commitments of Rs20.8bn outstanding as of Mar-25 (16.5% of its net worth), up 22% YoY.

Exhibit 14: Contingent liabilities and capital commitments

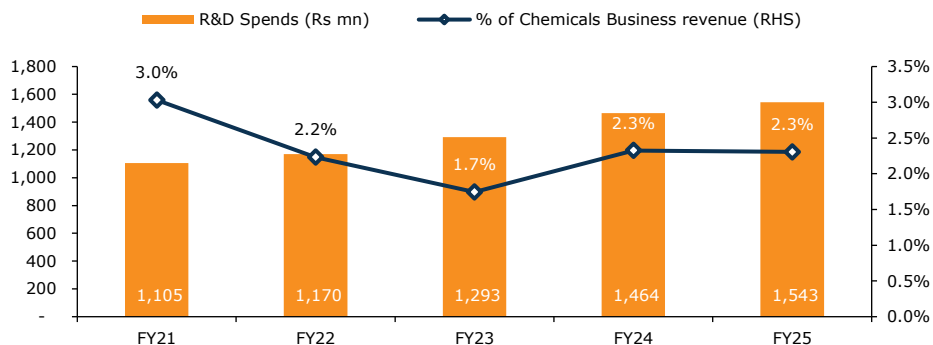
(Rs mn)	FY21	FY22	FY23	FY24	FY25
Contingent liabilities					
Sales tax and entry tax	204	192	156	140	140
GST, excise duty, customs duty, and service tax	231	84	74	179	2,783
Income Tax	37	223	3,048	3,002	2,388
Others	132	113	110	102	102
Total contingent liabilities	604	611	3,388	3,423	5,412
% of net worth	0.9	0.7	3.3	3.0	4.3
Capital and other commitments					
Estimated amounts of contracts remaining to be executed on capital account (PPE) and not provided for (net of advances)	7,516	9,606	7,628	3,188	6,726
Export obligation under advance license scheme on duty free import	6,194	7,218	13,977	13,882	14,092
Total capital and other commitments	13,709	16,824	21,605	17,070	20,818
% of net worth	20.0	19.6	20.9	14.9	16.5

Source: Company, Emkay Research

Pioneering new-age products through R&D

SRF gradually increased its R&D expenditure to Rs1.5bn (~2.3% of CB revenue), with a strong R&D pipeline, team, and underlying thrust on R&D spending. Chemicals Technology Group (CTG) is actively engaged in introducing novel chemistries and building cost-effective routes for existing and next-generation productions in the Specialty Chemicals and Fluorochemicals businesses across fluorinated and non-fluorinated molecules.

Exhibit 15: Revenue expenditure rising steadily

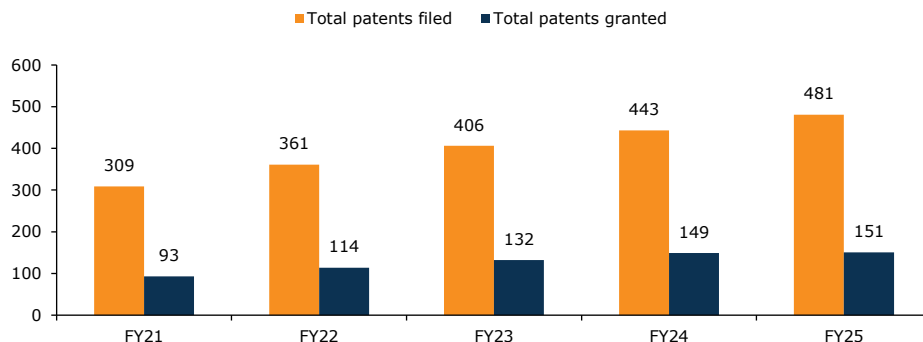


Source: Company, Emkay Research

SRF's R&D and business development team works with customers for joint products and process development to cater to their specific needs. This enhances customer-driven product development, increasing client stickiness and long-term partnerships.

CTG is now focusing on high-end molecules – filed 38 patents in FY25, aggregating to 481 patents till date. On aggregate, 151 patents have been granted till date with 2 patents granted in FY25. The R&D team worked on over 50 molecules, and 35 products were successfully taken up for scale-up studies and 50% were commercially produced in multipurpose and dedicated plants.

Exhibit 16: Patents filed till date rising steadily



Source: Company, Emkay Research

Exhibit 17: Working on 50 molecules – ~70% taken for further development

Particulars	FY21	FY22	FY23	FY24	FY25
No of molecules worked on	50	57	50	44	50
Taken for scale-up studies	15	20	20	34	35
Commercially produced in MPP and dedicated plants	100%	70%	70%	70%	50%

Source: Company, Emkay Research

In CB, CTG works on developing product and process technologies for intermediates that go into active and non-active ingredients for agrochemical and pharmaceutical sectors. In the PFB, the company has an advanced R&D Centre at Indore SEZ, equipped with modern facilities, including a pilot polymerization plant and pilot-scale equipment for printing, lamination, and coating. In TTB, the company has a state-of-the-art R&D facility near Chennai that facilitates polymerization, spinning, twisting, and dipping activities for development of next-generation products and manufacturing process.

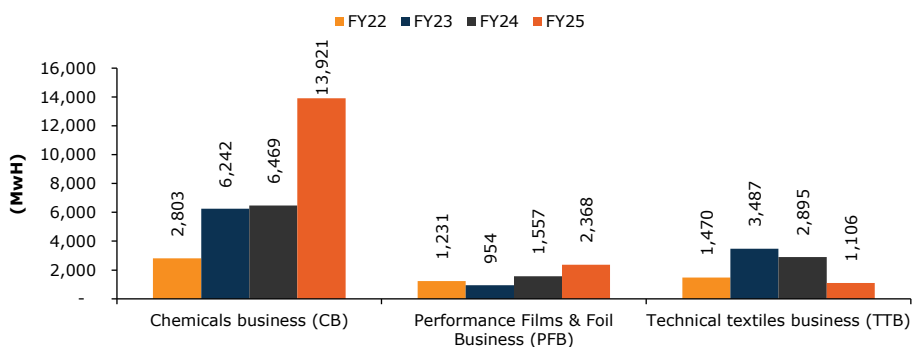
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ESG engagements and commitments remain strong

SRF has taken several initiatives on the ESG front as part of its efforts to build an organization focused on long-term sustainable growth and development.

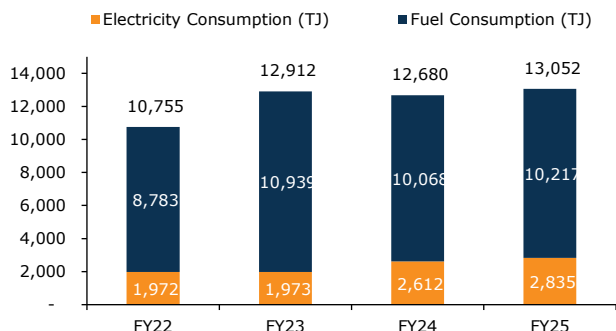
- Consumption of energy from renewable sources (including biomass consumption) increased by ~35% to 1,667TJ in FY25.
- Recycled water output increased by 22% in FY25 (2mn KL of water consumption was met through recycled wastewater in FY25).
- SRF has implemented energy-efficiency initiatives, leading to savings of 17,395MWh (vs 12,243MWh in FY22).
- It has started selling onsite generation of fly ash used as a raw material in cement industries; SRF now claims to have sourced ~74.38% of raw materials sustainably (including capital goods).
- The female workforce across managerial levels has risen by more than 8%, compared to FY24, with them currently running 37 CSR projects.
- SRF has reached 493 government schools across 34 locations in 13 states and 1 UT directly and indirectly by collaborating with like-minded partners, providing quality education to over 1,89,976 students and training 2,705 teachers and 493 headmasters.
- The 'Rural Health Program (RHP)' and 'SRF Swasthya Seva' are focused on improving medical practices and providing health awareness, diagnosis, and treatment in the community.
- The NRM program supports economically weaker families near the SRF Bhiwadi plant by adopting a watershed-based livelihood and environment conservation approach, benefiting over 8,000 farmers since 2010.

Exhibit 18: Total energy-savings by business segment



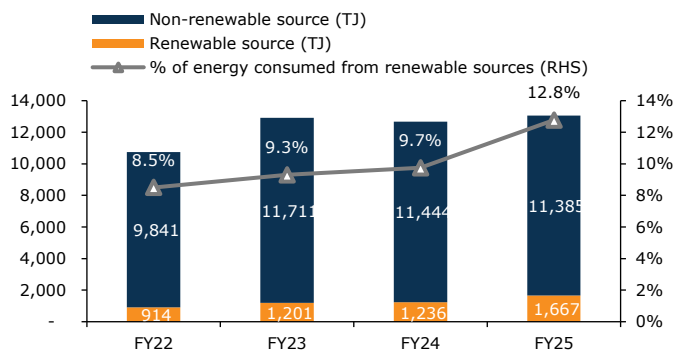
Source: Company, Emkay Research

Exhibit 19: Energy consumption growing steadily, amid rising capex and volume ramp-up



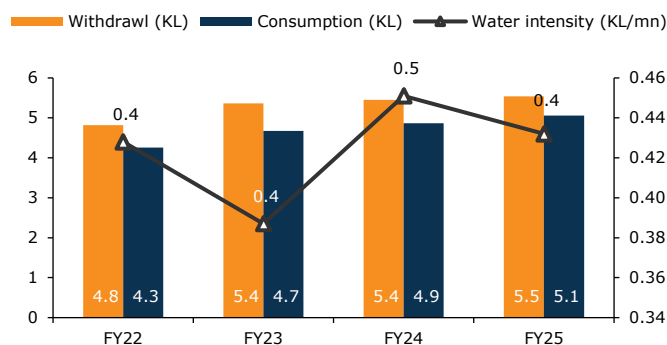
Source: Company, Emkay Research

Exhibit 20: The share of energy consumption from renewable sources is increasing over the years

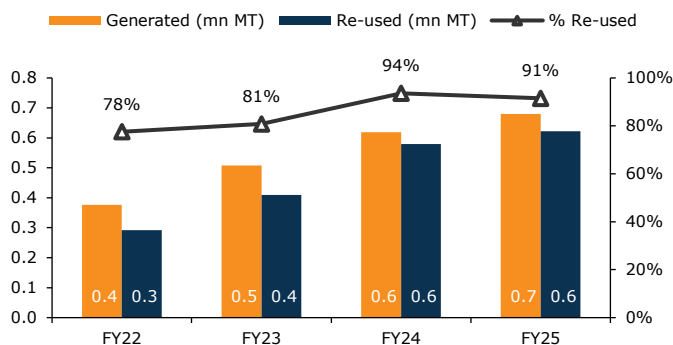


Source: Company, Emkay Research

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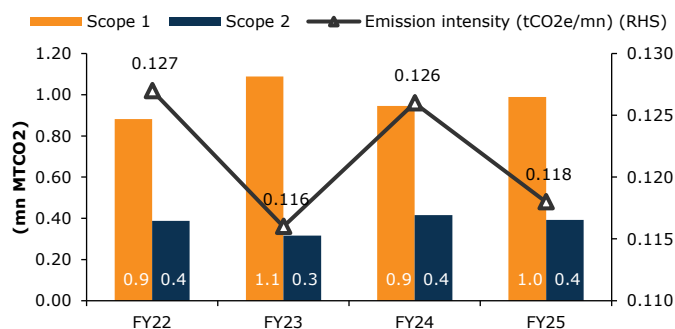
Exhibit 21: Water usage intensity has reduced

Source: Company, Emkay Research

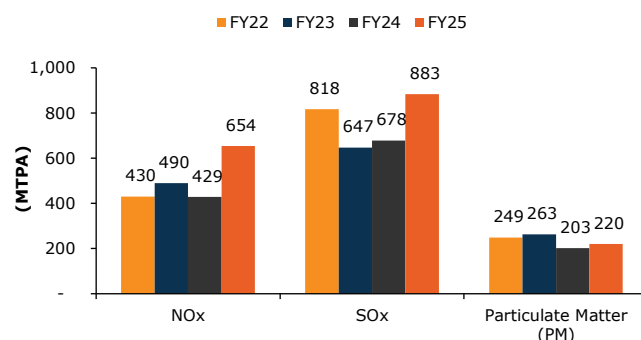
Exhibit 22: Solid waste reuse on the rise

Source: Company, Emkay Research

- SRF's Fluorochemicals Business is the first Indian chemical company to obtain the ISO 14064-1: 2006 certification for verification of greenhouse gas (GHG) emissions.
- SRF calculates its GHG emissions under Scope 1, ie emissions from burning of fossil fuels by the company and Scope 2, ie emissions from purchased electricity emissions data in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.
- The company has established automated monitoring mechanisms to ensure that its air emission is under control during manufacturing processes and regularly conducts stack monitoring for utilities such as boilers and diesel generators.

Exhibit 23: GHG emissions per rupee have gone down

Source: Company, Emkay Research

Exhibit 24: Air emissions (non-GHG)

Source: Company, Emkay Research

Exhibit 25: CSR expenditure for FY24-25 reflecting shortfall in spending

Particulars (Rs mn)	FY21	FY22	FY23	FY24	FY25
Prescribed CSR expenditure	128	186	286	410	434
Actual amount spent	102	191	286	315	285
% of average PAT in preceding 3FYs	1.4%	2.0%	2.1%	1.8%	1.6%
Shortfall/(Higher)	26	-5	-1	95	149

Source: Company, Emkay Research; Note: Shortfall of CSR expenditure must be spent in the next 3FYs

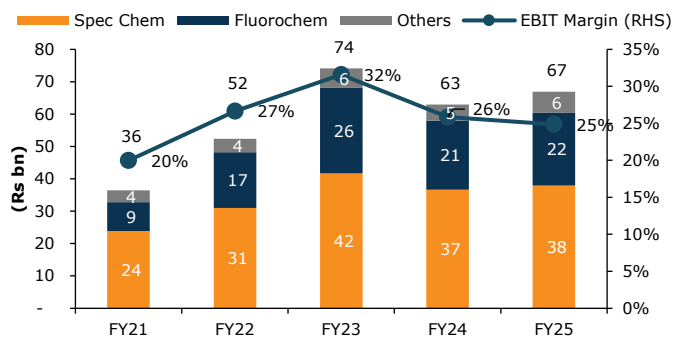
Exhibit 26: Independent chairmanship in 3 of 5 key committees

Audit Committee	CSR Committee	Risk Management Committee	Stakeholder relationship Committee	Nomination and Remuneration Committee
Bharti Gupta Ramola	Kartik Bharat Ram	Ashish Bharat Ram	Raj Kumar Jain	Puneet Yadu Dalmia
<u>Yash Gupta</u>	<u>Ira Gupta</u>	Kartik Bharat Ram	Ashish Bharat Ram	<u>Vineet Aggarwal</u>
<u>Raj Kumar Jain</u>	<u>Yash Gupta</u>	Bharti Gupta Ramola	Kartik Bharat Ram	<u>Ira Gupta</u>

Source: Company, Emkay Research; Note: Bold implies Chairperson of the Committee, underline implies independent members

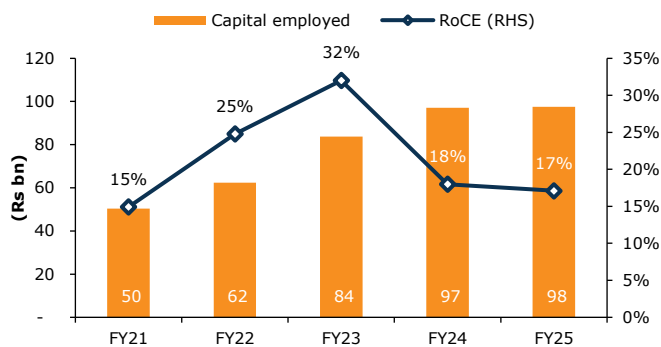
Segmental Performance

Exhibit 27: CB saw good volume-led recovery in FY25 with...



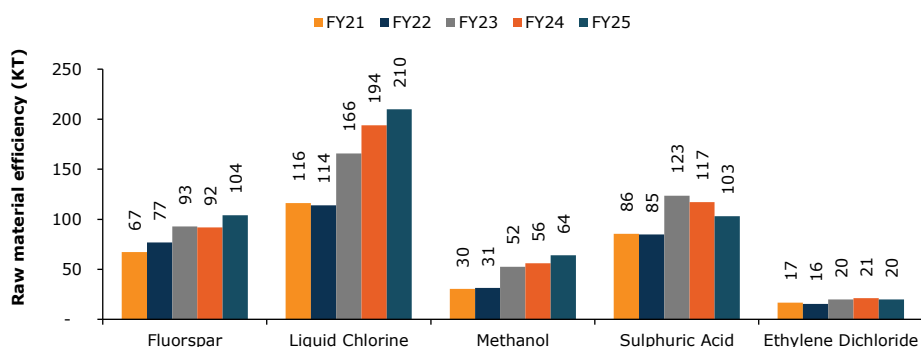
Source: Company, Emkay Research

Exhibit 28: ...all-round performance across sub-segments



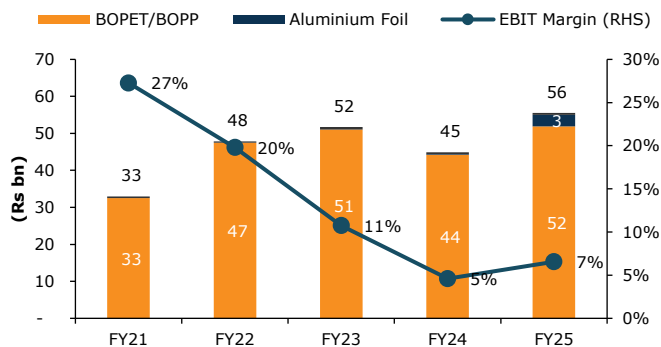
Source: Company, Emkay Research

Exhibit 29: CB's increased raw material requirement reflects strong volume growth



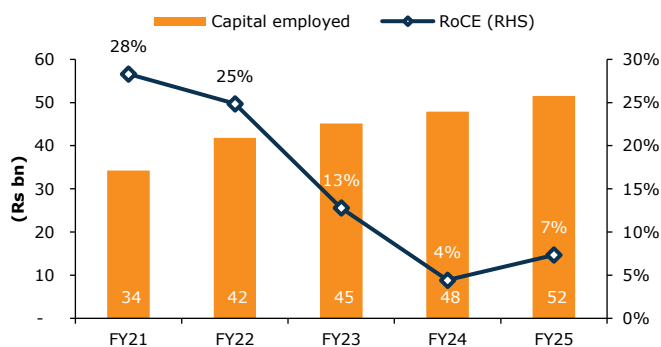
Source: Company, Emkay Research

Exhibit 30: PFB saw a year of recovery post a weaker FY24 upon...

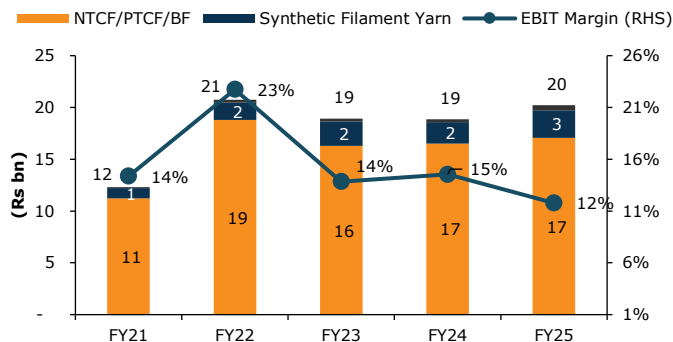


Source: Company, Emkay Research

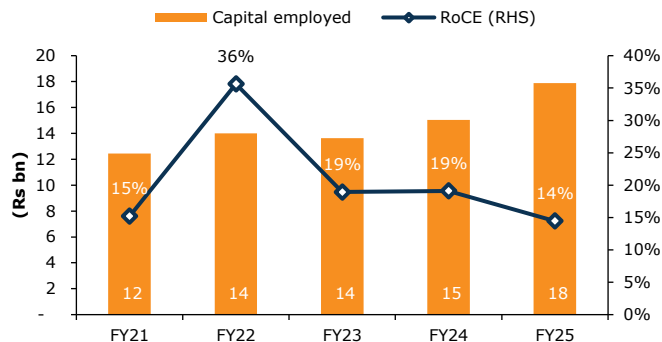
Exhibit 31: ...improved capacity utilization and growing demand



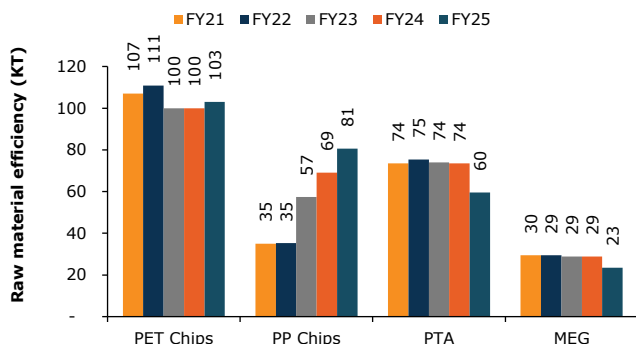
Source: Company, Emkay Research

Exhibit 32: TTB witnessed pressure from low-cost imports and...

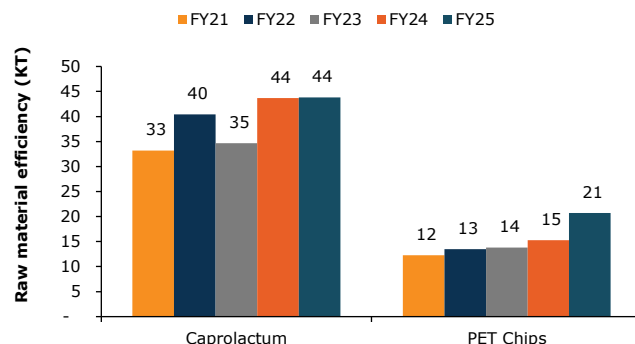
Source: Company, Emkay Research

Exhibit 33: ...reduced government spending in FY25

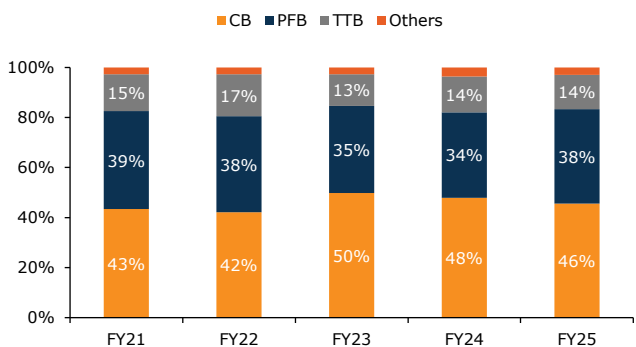
Source: Company, Emkay Research

Exhibit 34: PFB raw materials' efficiency reflects growth in BOPP

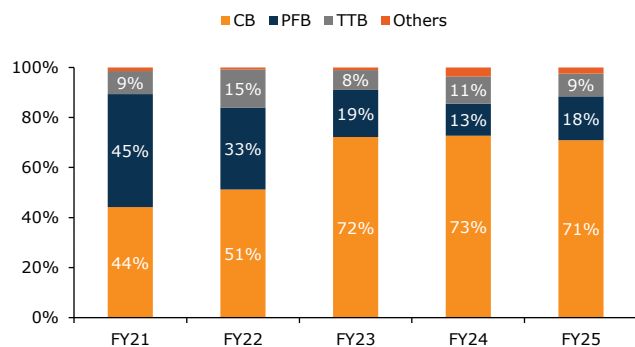
Source: Company, Emkay Research

Exhibit 35: TTB's raw material requirement improved in FY25

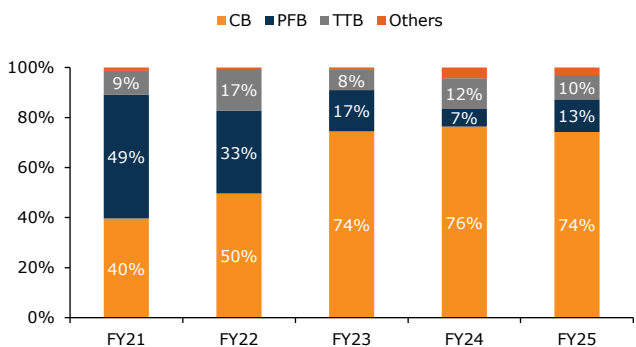
Source: Company, Emkay Research

Exhibit 36: Segmental revenue mix

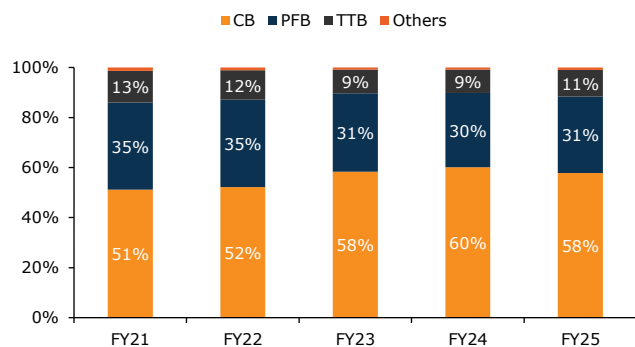
Source: Company, Emkay Research

Exhibit 37: Segmental EBITDA mix

Source: Company, Emkay Research

Exhibit 38: Segmental EBIT mix

Source: Company, Emkay Research

Exhibit 39: Segmental capital employed mix

Source: Company, Emkay Research

SRF: Consolidated Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	131,385	146,931	174,148	199,568	234,563
Revenue growth (%)	(11.6)	11.8	18.5	14.6	17.5
EBITDA	25,841	27,184	37,609	47,936	58,843
EBITDA growth (%)	(26.8)	5.2	38.3	27.5	22.8
Depreciation & Amortization	6,726	7,715	8,203	9,322	10,776
EBIT	19,115	19,469	29,407	38,614	48,067
EBIT growth (%)	(35.3)	1.9	51.0	31.3	24.5
Other operating income	-	-	-	-	-
Other income	830	1,327	1,367	1,408	1,450
Financial expense	3,023	3,760	2,952	2,648	2,144
PBT	16,922	17,037	27,821	37,374	47,373
Extraordinary items	0	0	0	0	0
Taxes	3,565	4,529	6,677	8,970	11,369
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	13,357	12,508	21,144	28,404	36,003
PAT growth (%)	(38.2)	(6.4)	69.0	34.3	26.8
Adjusted PAT	13,357	12,508	21,144	28,404	36,003
Diluted EPS (Rs)	45.1	42.2	71.3	95.8	121.5
Diluted EPS growth (%)	(38.0)	(6.4)	69.0	34.3	26.8
DPS (Rs)	7.2	7.2	4.9	8.3	11.2
Dividend payout (%)	16.0	17.0	6.9	8.7	9.2
EBITDA margin (%)	19.7	18.5	21.6	24.0	25.1
EBIT margin (%)	14.5	13.3	16.9	19.3	20.5
Effective tax rate (%)	21.1	26.6	24.0	24.0	24.0
NOPLAT (pre-IndAS)	15,088	14,294	22,349	29,347	36,531
Shares outstanding (mn)	296	296	296	296	296

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	2,974	2,974	2,974	2,974	2,974
Reserves & Surplus	111,816	123,288	142,974	168,915	201,609
Net worth	114,790	126,262	145,949	171,890	204,583
Minority interests	-	-	-	-	-
Non-current liab. & prov.	9,112	10,196	10,196	10,196	10,196
Total debt	49,202	46,412	44,427	37,046	28,938
Total liabilities & equity	176,702	187,801	205,503	224,062	248,648
Net tangible fixed assets	127,575	132,704	139,501	165,180	184,403
Net intangible assets	1,195	1,125	1,125	1,125	1,125
Net ROU assets	2,766	2,490	2,490	2,490	2,490
Capital WIP	8,053	8,110	13,110	3,110	3,110
Goodwill	0	0	0	0	0
Investments [JV/Associates]	1,211	1,228	1,228	1,228	1,228
Cash & equivalents	8,131	10,583	11,086	9,778	9,372
Current assets (ex-cash)	48,362	50,713	60,746	69,613	81,820
Current Liab. & Prov.	27,842	27,413	32,045	36,723	43,162
NWC (ex-cash)	20,520	23,300	28,701	32,890	38,657
Total assets	176,702	187,801	205,503	224,062	248,648
Net debt	41,071	35,830	33,341	27,268	19,565
Capital employed	176,702	187,801	205,503	224,062	248,648
Invested capital	150,170	158,008	170,206	200,074	225,065
BVPS (Rs)	387.3	426.0	492.4	579.9	690.2
Net Debt/Equity (x)	0.4	0.3	0.2	0.2	0.1
Net Debt/EBITDA (x)	1.6	1.3	0.9	0.6	0.3
Interest coverage (x)	6.6	5.5	10.4	15.1	23.1
RoCE (%)	12.8	12.4	17.0	20.0	22.4

Source: Company, Emkay Research

Cash flows					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	16,092	15,710	26,454	35,966	45,923
Others (non-cash items)	-	-	-	-	-
Taxes paid	(3,826)	(3,339)	(6,561)	(8,953)	(11,346)
Change in NWC	(1,112)	(1,696)	(5,401)	(4,189)	(5,767)
Operating cash flow	20,939	24,875	25,531	34,776	41,707
Capital expenditure	(22,747)	(12,830)	(20,000)	(25,000)	(30,000)
Acquisition of business	(1,707)	(16)	0	0	0
Interest & dividend income	265	355	1,367	1,408	1,450
Investing cash flow	(22,273)	(14,840)	(18,633)	(23,592)	(28,550)
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	5,662	(2,790)	(1,985)	(7,381)	(8,108)
Payment of lease liabilities	(26)	21	0	0	0
Interest paid	(3,023)	(3,760)	(2,952)	(2,648)	(2,144)
Dividend paid (incl tax)	(2,137)	(2,132)	(1,457)	(2,464)	(3,310)
Others	(1,193)	(2,045)	-	0	0
Financing cash flow	(717)	(10,705)	(6,395)	(12,493)	(13,562)
Net chg in Cash	(2,052)	(670)	503	(1,308)	(405)
OCF	20,939	24,875	25,531	34,776	41,707
Adj. OCF (w/o NWC chg.)	22,051	26,571	30,932	38,966	47,474
FCFF	(1,809)	12,045	5,531	9,776	11,707
FCFE	(4,566)	8,640	3,946	8,537	11,012
OCF/EBITDA (%)	81.0	91.5	67.9	72.5	70.9
FCFE/PAT (%)	(34.2)	69.1	18.7	30.1	30.6
FCFF/NOPLAT (%)	(12.0)	84.3	24.7	33.3	32.0

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	69.5	74.2	43.9	32.7	25.8
EV/CE(x)	5.9	5.6	5.1	4.6	4.1
P/B (x)	8.1	7.3	6.4	5.4	4.5
EV/Sales (x)	7.4	6.6	5.6	4.9	4.1
EV/EBITDA (x)	37.5	35.6	25.8	20.2	16.5
EV/EBIT(x)	50.7	49.8	33.0	25.1	20.2
EV/IC (x)	6.5	6.1	5.7	4.8	4.3
FCFF yield (%)	(0.2)	1.2	0.6	1.0	1.2
FCFE yield (%)	(0.5)	0.9	0.4	0.9	1.2
Dividend yield (%)	0.2	0.2	0.2	0.3	0.4
DuPont-RoE split					
Net profit margin (%)	10.2	8.5	12.1	14.2	15.3
Total asset turnover (x)	0.8	0.8	0.9	0.9	1.0
Assets/Equity (x)	1.5	1.5	1.4	1.3	1.2
RoE (%)	12.3	10.4	15.5	17.9	19.1
DuPont-RoIC					
NOPLAT margin (%)	11.5	9.7	12.8	14.7	15.6
IC turnover (x)	1.0	1.0	1.1	1.1	1.1
RoIC (%)	11.3	9.3	13.6	15.9	17.2
Operating metrics					
Core NWC days	57.0	57.9	60.2	60.2	60.2
Total NWC days	57.0	57.9	60.2	60.2	60.2
Fixed asset turnover	0.9	0.9	0.9	0.9	1.0
Opex-to-revenue (%)	29.3	29.1	29.2	28.2	27.2

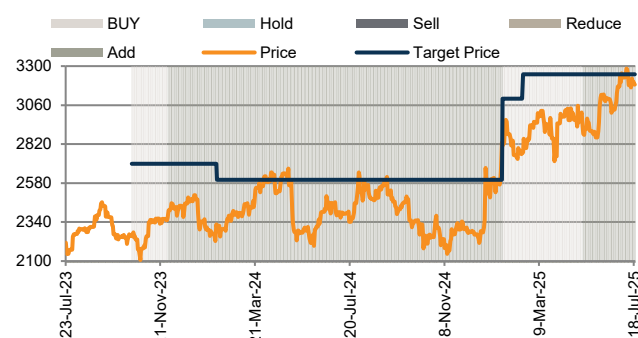
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
15-Jul-25	3,224	3,250	Add	Meet Vora
13-May-25	2,928	3,250	Add	Meet Vora
06-Apr-25	2,855	3,250	Buy	Meet Vora
26-Feb-25	2,768	3,250	Buy	Meet Vora
31-Jan-25	2,810	3,100	Buy	Meet Vora
27-Aug-24	2,556	2,600	Add	Meet Vora
23-Aug-24	2,491	2,600	Add	Meet Vora
24-Jul-24	2,368	2,600	Add	Meet Vora
14-Jul-24	2,390	2,600	Add	Meet Vora
07-Jun-24	2,312	2,600	Add	Meet Vora
10-May-24	2,278	2,600	Add	Meet Vora
07-Apr-24	2,587	2,600	Add	Meet Vora
26-Feb-24	2,401	2,600	Add	Meet Vora
01-Feb-24	2,308	2,600	Add	Meet Vora
30-Nov-23	2,367	2,700	Add	Meet Vora
22-Nov-23	2,333	2,700	Buy	Meet Vora
30-Oct-23	2,181	2,700	Buy	Meet Vora
15-Oct-23	2,255	2,700	Buy	Meet Vora

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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