

# Supreme Petrochem Ltd

## Weak Q3, Near term uncertain, Long term growth intact, Upgrade to BUY

The operational performance was below our estimates because of much lower spreads per ton than anticipated, despite better volumes. The blame to put is on ABS plant where operations started during the quarter but subsequently got halted because failure of some critical equipment impacted production leading to higher cost thereby impacting EBITDA & PAT. Overall, revenue stood ~12% higher than our estimate supported by higher volumes & in line realizations. Festive season & GST related cuts supported the volumes. Overall gross spreads dipped by ~14% YoY & ~12% QoQ basis to Rs 19.4 per kg because of inventory loss & muted demand. EBITDA per kg dipped ~33% YoY & ~24% QoQ to Rs 7.8 per kg (lowest in last 18 quarters) in Q3FY26 led by higher operational cost. The new phase 1 ABS capacity of 70KTPA has been halted & management has stated that personnels are on the site to restart the plant but difficult to put a timeline on to that. We feel the delay shouldn't last longer as technology globally is already proven & once plant starts to ramp up, there shouldn't be any technical mishap going ahead. However, demand related uncertainty & continued weakness in global demand prevail, thereby slowing volume growth. Management has stated that volume growth guidance of ~10% in FY27E. Excl. ABS, base business volumes will grow by ~3-4% compared to ~1-2% volume growth in FY26E. Once ABS & new EPS capacity ramp up, stronger volume growth is anticipated in FY27E. Despite some delay in sourcing RM from its key supplier IOCL to procure styrene monomer, company looks committed to invest Rs8bn in Haryana (North India) in downstream projects of PS & EPS post commissioning of ABS which indicates that the company will remain in capex mode for the next ~4 years. This will increase its value-added mix & provide stability to the margins in the longer run. At peak utilization levels this capex will incrementally add Rs18bn to the topline with higher margins than traditional businesses. The negative remains muted demand conditions, heightened geopolitical tensions & higher competitive intensity which could impact its profitability in the short term. We have cut our spreads estimates for the next 3 years factoring the stated negatives, however robust positioning of the company in existing businesses, strong balance sheet, better return ratios are the positives. The stock has witnessed correction since last quarter factoring in most negatives which seem transitory in nature over the due course of time. Therefore, we upgrade to BUY rating on the stock.

### Despite weakness in demand, volumes remained good in Q3 with subdued operating spreads

- Volumes beat our estimates by ~11% (During the quarter grew by ~7% YoY & ~19% QoQ) because of festive season & GST rate cut benefits leading to improved demand for appliances & accessories etc.
- H1FY26 had went weak owing to unseasonal rains and milder summer, overall domestic demand for cooling appliances like air conditioners and refrigerators remained weak. Management has stated that uncertainty is high today but as demand picks up in the coming quarters this could witness uptick in operating spreads & volume growth for the company.
- We understand that Supreme competitor in domestic market will expand capacity in PS & ABS businesses which could increase competitive intensity in the near term. However, we feel that import substitution is the theme which company is targeting coupled with technological tie-ups & strong R&D will keep it ahead of the curve.

### Capex intensity to remain high, focus remains on downstream expansion

- The company recently acquired Haryana land could witness slow commissioning as supply of its main RM Styrene Monomer from nearby IOCL plant is delayed. However, management remains committed to invest as the project will give economic benefits & advantage in longer run.
- The company will set up downstream capacity for PS & EPS. Overall company is looking at an investment of Rs8bn & at peak levels this will generate Rs20bn of topline.

### ABS phase 1 capacity of 70 KTPA halted as key equipment malfunctioned, company remains committed to resolve at earliest

- In last quarter, the company commercialized ABS phase 1 capacity of 70 KTPA but subsequently 2 months later it got halted as key equipment failed or malfunctioned thereby impacted production. The company remains committed to resolve the failure & gets production streamlined. However, factoring the incident we have trimmed our vol. growth estimate for FY26E & FY27E.
- Also, phase 2 construction will be completed by the next 2 years (tentative FY28E). The total project cost for both phases is estimated at ~Rs9.5bn for both phases. At peak utilization levels, the business will generate ~Rs18bn topline at peak utilization levels (~1.8-2x asset turnover).

### Valuation

- We roll forward our valuations to March 28E. The stock has witnessed correction since last quarter factoring most of the negatives & slowdown in demand. Currently, the stock is trading at March 28E P/E of ~20x.
- Overall near-term demand related uncertainty lingers around coupled with US tariff tensions & fear of oversupply will likely spoil the mood & in lieu of this we also cut our estimates factoring demand uncertainty & slower than expected uptick in volumes over the next 2 years. Since most of the lingering issues are transitory in nature & will keep mere short term weak, hence we still maintain our target multiple of 27x and thereby arrive at target price of Rs 680 per share which offers upside of 36% from current valuations.
- Earlier we had Reduce rating and the stock has witnessed a meaningful correction during last three months and now offering a decent upside from current levels. Therefore, we upgrade to BUY rating on the stock.

Y/E Mar (Rs mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Q2FY26E	Var (%)
Net sales	12,809	14,053	-8.9	11,178	14.6	11,480	11.6
Operating costs	12,101	13,061	-7.3	10,390	16.5		
EBITDA	708	992	-28.7	787	-10.1	850	-16.7
EBITDA Margin (%)	5.5	7.1	(154) bps	7.0	(152) bps	7.4	(188) bps
Depreciation	271	171	59.0	186	45.7		
Interest	42	35	21.1	30	40.3		
Other income	88	174	-49.2	87	1.3		
PBT Before Exceptional Items	483	961	-49.8	658	-26.6		
Exceptional items	71	0	NA	0	NA		
PBT After Exceptional Items	412	961	-57.2	658	-37.4		
Provision for tax	105	248	-57.6	173	-39.5		
Reported PAT	307	714	-57.0	485	-36.7		
Non-controlling interest	2	0	NA	2	0.0		
Adjusted PAT	358	714	-49.8	483	-25.8	527	-32.0

Source: Company, SMIFS Research

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	Adj EPS	RoE (%)	RoCE (%)	Adj P/E (x)	EV/EBITDA (x)
FY24	52,533	-0.6	4,668	8.9	3,465	-30.4	18.4	17.9	17.6	27.5	18.3
FY25	60,234	14.7	5,326	8.8	3,905	12.7	20.8	18.4	17.8	34.6	24.0
FY26E	51,905	-13.8	3,824	7.4	2,404	-38.5	12.8	10.7	10.6	39.1	22.8
FY27E	61,251	18.0	4,850	7.9	2,953	22.9	15.7	12.7	12.5	31.8	18.3
FY28E	75,799	23.8	7,364	9.7	4,728	60.1	25.1	18.8	18.2	19.9	11.7

Source: Company, SMIFS Research Estimates



Rating: **BUY** Return: **36%**  
 Current Price: **Rs 500** Target Price: **Rs 680**

### Earlier recommendation

Previous Rating: REDUCE  
 Previous Target Price: 750  
 Source: SMIFS Research

### Market data

Bloomberg: SPPT: IN  
 52-week H/L (Rs): 979/518  
 Mcap (Rs bn/USD bn): 94.3/1.0  
 Shares outstanding (mn): 188.0  
 Free float: 35.8%  
 Daily vol. (3M Avg.): 0.11mn  
 Face Value (Rs): 2

### Shareholding pattern (%)

	Dec-25	Sep-25	June-25	Mar-25
Promoter	64.2%	64.2%	64.2%	64.2%
FIIs	3.7%	3.7%	3.5%	3.5%
DII	4.0%	3.9%	3.8%	3.1%
Public/others	28.1%	28.2%	28.5%	29.2%

### Pro. Pledging

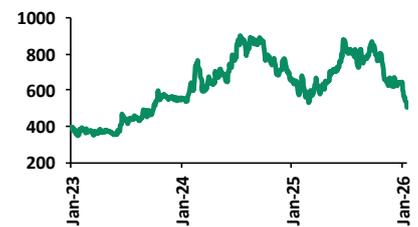
Pledging - - - -  
 Source: BSE

### Price performance (%) \*

	1M	3M	12M	36M
NIFTY 50	-4.3	-3.2	7.9	38.2
NIFTY 500	-5.0	-4.4	5.4	47.1
SPL	-21.9	-37.5	-17.9	37.6

\*As on 23<sup>rd</sup> Jan 26; Source: AceEquity, SMIFS Research

### 3 Year Price Performance Chart



Source: NSE

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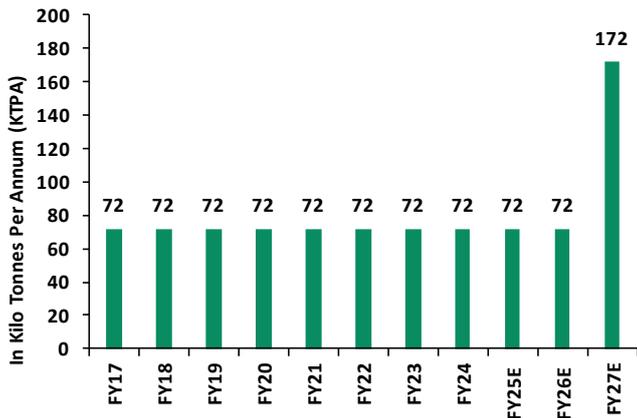
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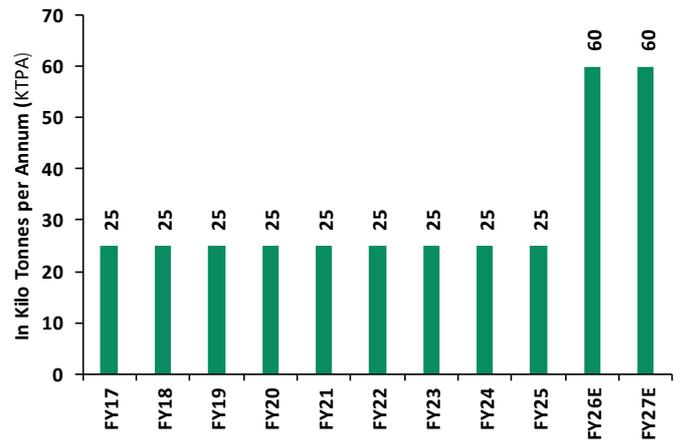
## Story in Charts

**Fig 1: XPS capacity data**



Source: Company, SMIFS Research Estimates

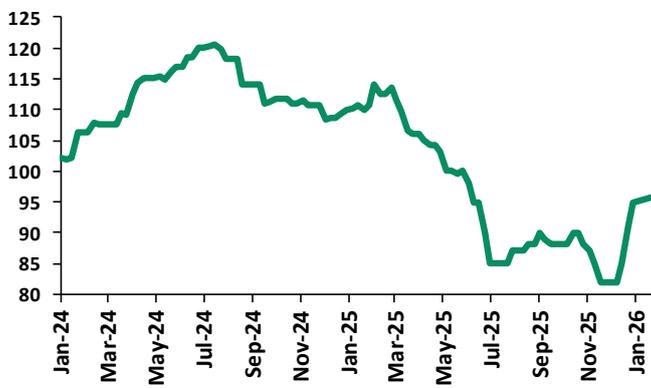
**Fig 2: SPC capacity to be doubled by FY26E supported by Xmol polymer acquisition**



Source: Company, SMIFS Research Estimates

**Fig 3: PS GPPS Prices**

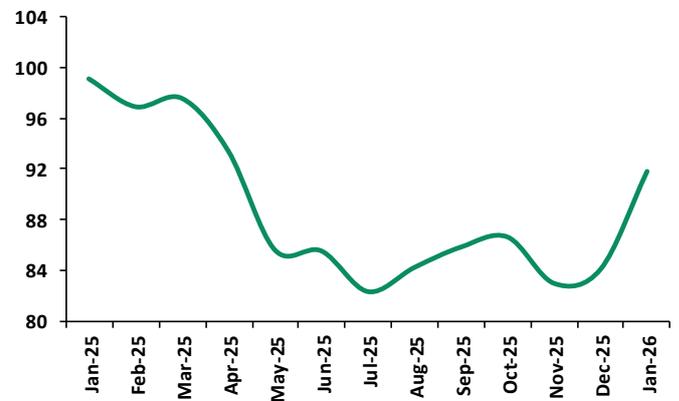
(Rs Per Kg)



Source: Company, SMIFS Research

**Fig 4: Indian Styrene Monomer Price**

(Rs Per Kg)



Source: Company, SMIFS Research

## Analyst Call Highlights

- **Demand outlook:** Volumes remained weak in the domestic market owing to lower pickup by OEMS because of higher cooling season. Recent heightened geopolitical escalations have also slowed volumes to its exports market particularly in US, Turkey along with increased lead times of shipping vessels, but the same is expected to be transitory & expects things to normalize going ahead. Although, seasonal uptick in next quarter Q4 is visible, it remains a key watch factor in times of weak demand & global uncertainty. Asian players of Polystyrene with large export volumes seeking alternative export outlets continue to look at Indian markets putting price pressure. EPS & XPS demand has relatively improved in current quarter compared to last H1FY26.
- **Raw material price outlook:** During the quarter, Styrene Monomer (SM) prices dipped because of weaker upstream benzene prices and sluggish demand across Asia. However, styrene prices are now rangebound & witnessing upward bias after the decline.
- **Volume guidance & outlook:** During the quarter, company reported volume growth of 7% YoY & ~19% QoQ. Management has outlined ~10% cumulative volume growth in FY27E incl. ABS. The base business excl. ABS will grow at ~3-4% in FY27E compared with ~1-2% in FY26E.
- Muted demand & higher supply has weakened spreads of polystyrene during the quarter. Management stated that average & normalized PS spreads generally quote at ~\$200-250/ton.
- **Value added grades has inched up:** The company value added grades is at 35-40% as compared with 25% last 2-3 years back, comparing its overall product portfolio. Generally, value added grades are 25-30% premium than normal grades.
- **Phase 1 ABS commercialized then temporary halted, volume uptick in sight:** Management stated that Mass ABS phase 1 capacity of 70,000 tonnes has been commercialized on Sept 2025 however subsequent 2 months later failure or malfunctioning of critical equipment has led to temporary closure. Management also clarified that plant personnels are on the site & are looking to restore the equipment at the earliest, however, management refrained in given clear idea on normalizing the operations. We do not foresee very big delay in solving the key problem & the plant should restore at the earliest.
- **XPS Update:** The XPS contributes around 1-1.5% of overall sales. With expansion of 1,00,000 cubic meter, this is set to inch upto 3-4% of sales at full utilization levels. The expansion is expected to commission by FY27E. During the quarter XPS demand has been relatively better compared with H1 of current fiscal.
- **Capex in Haryana (North India) has great significance for future growth but delayed because of delayed IOCL plant commissioning disrupting ley RM supply:** ~40% of volumes of PS & EPS are from North India region & secondly in future the Styrene monomer plant of IOCL is also coming up near Panipat but now it has been delayed & management acknowledged the fact & stated that their plant commissioning also will be delayed because IOCL RM supply was critical to start the plant. Here the company is looking to set up downstream capacity for PS & EPS which will have better margin than current margin profile. Overall management stated that company is looking at an investment of Rs8bn & at peak levels this will generate Rs20bn of topline.
- **EPS 3D panel project in recently acquired Haryana land:** At initial stages the company is setting up 1 million sq mt 3D panel capacity & expected revenue potential is Rs1bn. EPS panels are like wall made of EPS. It is jacketed with an iron mesh and then it is sprayed with the concrete, and it becomes as solid as a concrete wall plus they are lightweight, insulation, termite free & seismic resistant. Another slew of expansion in similar land will be announced at a later stage.
- **Ramp up of X mold Polymers is in sight:** X mold polymers is engaged in the business of manufacturing polymer compounds having its presence in India with an installed capacity of 15,000 TPA operating at ~70-75% utilization levels. Management stated that they are anticipating ~20% volume growth in the coming fiscal. The company has stated that 2 new OEM's have already sampled their product & received order from 1 OEM which will be supplied over the next fiscal.

## Valuation and Recommendations

We roll forward our valuations to March 28E. The stock has witnessed correction since last quarter factoring most of the negatives & slowdown in demand. Currently, the stock is trading at March 28E P/E of ~20x.

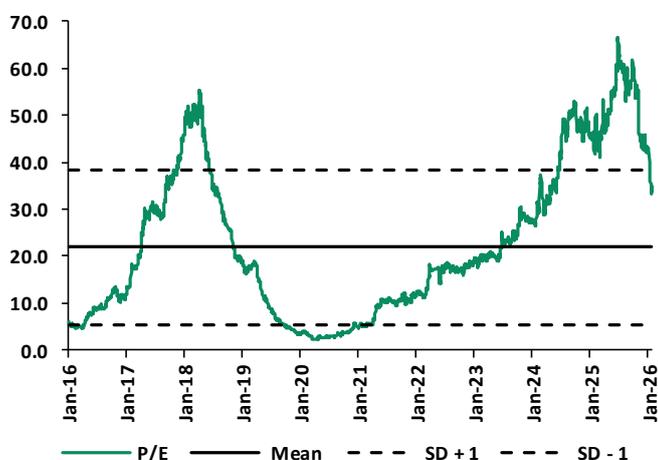
Overall near-term demand related uncertainty lingers around coupled with US tariff tensions & fear of oversupply will likely spoil the mood & in lieu of this we also cut our estimates factoring demand uncertainty & slower than expected uptick in volumes over the next 2 years.

***Since most of the lingering issues are transitory in nature & will keep mere short term weak & are largely behind now, hence we still maintain our target multiple of 27x and thereby arrive at target price of Rs 680 per share which offers upside of 36% from current valuations.***

Therefore, we upgrade to **BUY** rating on the stock.

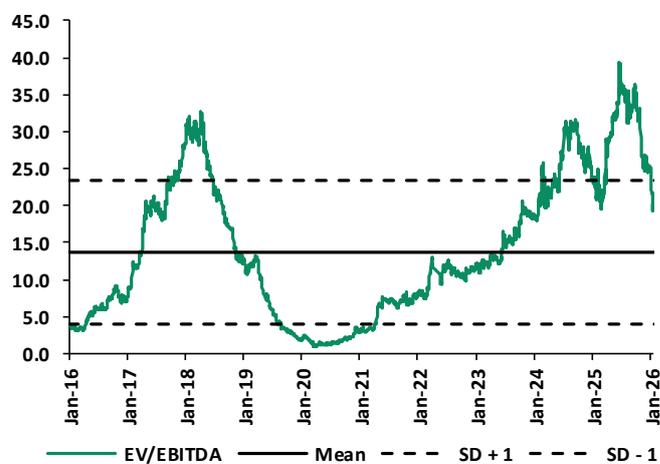
Risk to our call is decline in spreads & higher competitive intensity along with better than lower demand than anticipated in domestic and international market.

Fig 5: 1-Year Forward PE



Source: Company, SMIFS Research

Fig 6: 1-Year Forward EV/EBITDA



Source: Company, SMIFS Research

Fig 7: Change in Estimates

	New Estimates			Old Estimates			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	51,905	61,251	75,799	54,055	68,266	84,541	-4%	-10%	-10%
EBITDA	3,824	4,850	7,364	4,329	6,501	9,026	-12%	-25%	-18%
EBITDA Margin (%)	7.4%	7.9%	9.7%	8.0%	9.5%	10.7%	(64) bps	(160) bps	(96) bps
PAT	2,429	2,961	4,736	2,917	4,389	6,053	-17%	-33%	-22%
EPS (Rs)	12.5	15.7	25.2	15.5	23.3	32.2	-19%	-32%	-22%

Source: Company, SMIFS Research Estimates

- We have cut our volume & realization estimates for the next 3 years factoring slower demand uptick & slower than expected uptick in volumes. We anticipate slow uptick in ABS led by technical failure issues.
- EBITDA estimates are cut by ~25%/18% for FY27E/28E factoring lower volumes & higher operational cost.
- Cut PAT estimates by ~32%/22% led by lower other income & EBITDA.

## Quarterly financials, operating metrics and key performance indicators

**Fig 8: Quarterly Financials**

Y/E March (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
<b>Net Sales</b>	<b>15628</b>	<b>15735</b>	<b>15056</b>	<b>14053</b>	<b>15390</b>	<b>14019</b>	<b>11178</b>	<b>12809</b>
Raw Materials	12955	13208	12927	12125	12997	11942	9464	11036
Employee Costs	143	166	160	179	135	183	171	210
Other Expenditure	779	749	716	757	812	730	755	856
<b>EBITDA</b>	<b>1752</b>	<b>1611</b>	<b>1252</b>	<b>992</b>	<b>1446</b>	<b>1164</b>	<b>787</b>	<b>708</b>
Depreciation	160	164	170	171	175	184	186	271
Interest	17	31	28	35	30	32	30	42
Other Income	190	229	166	174	187	152	87	88
<b>PBT Before Exceptional Items</b>	<b>1766</b>	<b>1644</b>	<b>1220</b>	<b>961</b>	<b>1429</b>	<b>1101</b>	<b>658</b>	<b>483</b>
Exceptional Items	0	0	0	0	0	0	0	71
<b>PBT After Exceptional Items</b>	<b>1766</b>	<b>1644</b>	<b>1220</b>	<b>961</b>	<b>1429</b>	<b>1101</b>	<b>658</b>	<b>412</b>
Tax	451	425	316	248	360	281	173	105
Tax rate (%)	26	26	26	26	25	25	26	22
<b>Reported PAT</b>	<b>1315</b>	<b>1219</b>	<b>903</b>	<b>714</b>	<b>1069</b>	<b>821</b>	<b>485</b>	<b>307</b>
Non-Controlling Interest	0	0	0	0	0	2	2	2
<b>Adjusted PAT</b>	<b>1315</b>	<b>1219</b>	<b>903</b>	<b>714</b>	<b>1069</b>	<b>818</b>	<b>483</b>	<b>358</b>
<b>YoY Growth (%)</b>								
Revenue	12.7	28.4	17.8	18.3	-1.5	-10.9	-25.8	-8.9
EBITDA	-15.9	78.1	17.9	4.6	-17.4	-27.8	-37.1	-28.7
Adj. PAT	-17.5	76.1	15.7	5.4	-18.7	-32.9	-46.5	-49.8
<b>QoQ Growth (%)</b>								
Revenue	31.6	0.7	-4.3	-6.7	9.5	-8.9	-20.3	14.6
EBITDA	84.7	-8.0	-22.3	-20.8	45.7	-19.5	-32.4	-10.1
Adj. PAT	94.3	-7.3	-25.9	-21.0	49.8	-23.4	-41.0	-25.8
<b>Margin (%)</b>								
Gross Profit	17.1	16.1	14.1	13.7	15.5	14.8	15.3	13.8
EBITDA	11.2	10.2	8.3	7.1	9.4	8.3	7.0	5.5
Adj. PAT	8.4	7.7	6.0	5.1	6.9	5.8	4.3	2.8
Employee cost as % of sales	0.9	1.1	1.1	1.3	0.9	1.3	1.5	1.6
Other expenses as % of sales	5.0	4.8	4.8	5.4	5.3	5.2	6.8	6.7
<b>Operational Metrics</b>								
Overall Volume (in Tons)	96,255	93,323	81,566	85,537	95,556	93,853	76,962	91265
Overall Realization per kg	162.4	168.6	184.6	164.3	161.1	149.4	145.2	140.4
Gross spread per kg	27.8	27.1	26.1	22.5	25.0	22.1	22.3	19.4
EBITDA spread per kg	18.2	17.3	15.4	11.6	15.1	12.4	10.2	7.8

Source: Company, SMIFS Research

**Fig 9: Key Performance Indicators**

Operational Metrics	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Overall Volumes in tonnes</b>	<b>205000</b>	<b>233550</b>	<b>272627</b>	<b>286000</b>	<b>325235</b>	<b>355967</b>	<b>363125</b>	<b>397629</b>	<b>467213</b>
<b>Blended Gross Realization per kg</b>	<b>133</b>	<b>136</b>	<b>185</b>	<b>185</b>	<b>162</b>	<b>169</b>	<b>143</b>	<b>154</b>	<b>162</b>
YoY Change (%)	-22.8	2.6	35.3	0.2	-12.6	4.8	-15.5	7.8	5.3
<b>Blended Gross Spread per kg</b>	<b>17.9</b>	<b>38.1</b>	<b>43.6</b>	<b>34.6</b>	<b>24.9</b>	<b>25.2</b>	<b>21.3</b>	<b>24.5</b>	<b>28.1</b>
YoY Change (%)	5.3	112.8	14.3	-20.7	-27.9	1.2	-15.4	14.6	14.8
<b>Blended EBITDA Spreads per kg</b>	<b>7.2</b>	<b>28.6</b>	<b>33.2</b>	<b>23.0</b>	<b>14.4</b>	<b>15.0</b>	<b>10.5</b>	<b>12.2</b>	<b>15.8</b>
YoY Change (%)	44.0	295.4	15.8	-30.6	-37.6	4.3	-29.6	15.8	29.2

Source: Company, SMIFS Research Estimates Note: In above table, Blended Gross & EBITDA spreads per kg numbers includes trading turnover component.

## Financial Statements (Consolidated)

Income Statement					
YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Revenues</b>	<b>52,533</b>	<b>60,234</b>	<b>51,905</b>	<b>61,251</b>	<b>75,799</b>
Raw Materials	44,431	51,257	44,154	51,523	62,675
% of sales	84.6	85.1	85.1	84.1	82.7
Personnel	635	640	767	1,015	1,160
% of sales	1.2	1.1	1.5	1.7	1.5
Other Expenses	2,800	3,011	3,159	3,863	4,600
% of sales	5.3	5.0	6.1	6.3	6.1
<b>EBITDA</b>	<b>4,668</b>	<b>5,326</b>	<b>3,824</b>	<b>4,850</b>	<b>7,364</b>
Dep & Amortization	595	679	918	1,155	1,321
Other Income	681	732	459	394	406
<b>EBIT</b>	<b>4754</b>	<b>5378</b>	<b>3364</b>	<b>4089</b>	<b>6449</b>
Finance cost	72	124	144	134	124
<b>Core PBT</b>	<b>4,001</b>	<b>4,523</b>	<b>2,762</b>	<b>3,561</b>	<b>5,919</b>
Exceptional Items			71		
<b>PBT</b>	<b>4,682</b>	<b>5,254</b>	<b>3,150</b>	<b>3,955</b>	<b>6,325</b>
Tax-Total	1,217	1,349	791	994	1,589
Tax Rate (%) - Total	26.0	25.7	25.1	25.1	25.1
<b>PAT</b>	<b>3,465</b>	<b>3,905</b>	<b>2,358</b>	<b>2,961</b>	<b>4,736</b>
Non-controlling interest			8	8	8
<b>Adjusted PAT</b>	<b>3,465</b>	<b>3,905</b>	<b>2,404</b>	<b>2,953</b>	<b>4,728</b>

Source: Company, SMIFS Research Estimates

Key Ratios					
YE March	FY24	FY25	FY26E	FY27E	FY28E
<b>Growth Ratio (%)</b>					
Revenue	-0.6	14.7	-13.8	18.0	23.8
EBITDA	-29.1	14.1	-28.2	26.8	51.8
Adjusted PAT	-30.4	12.7	-38.5	22.9	60.1
<b>Margin Ratios (%)</b>					
Gross Profit	15.4	14.9	14.9	15.9	17.3
EBITDA	8.9	8.8	7.4	7.9	9.7
EBIT	9.1	8.9	6.5	6.7	8.5
Core PBT	7.6	7.5	5.3	5.8	7.8
PBT	8.9	8.7	6.1	6.5	8.3
Adjusted PAT	6.6	6.5	4.6	4.8	6.2
<b>Return Ratios (%)</b>					
ROE	17.9	18.4	10.7	12.7	18.8
ROCE	17.6	17.8	10.6	12.5	18.2
<b>Turnover Ratios (days)</b>					
Gross Block Turnover (x)	5.8	5.6	3.6	3.3	3.6
Adj OCF/Adj PAT (%)	152.8	79.0	98.8	148.7	121.9
Inventory	33.4	42.5	55.0	55.0	55.0
Debtors	27.4	23.8	20.0	20.0	20.0
Creditors	56.2	56.2	60.0	65.0	65.0
Cash conversion cycle	4.6	10.1	15.0	10.0	10.0
<b>Solvency Ratio (x)</b>					
Debt-equity	0.1	0.1	0.0	0.1	0.1
Net debt-equity	-0.5	-0.3	-0.3	-0.2	-0.3
Gross Debt/EBITDA	0.2	0.2	0.3	0.3	0.2
Current Ratio	2.2	1.9	1.9	1.6	1.7
Interest coverage ratio	65.8	43.3	23.4	30.5	51.9
<b>Dividend</b>					
DPS	9.0	9.5	10.0	10.5	11.0
Dividend Yield (%)	1.8	1.7	2.0	2.1	2.2
Dividend Payout (%)	48.8	45.7	79.8	66.7	43.7
<b>Per share Ratios (Rs)</b>					
Basic EPS (reported)	18.4	20.8	12.5	15.7	25.1
Adjusted EPS	18.4	20.8	12.8	15.7	25.1
CEPS	21.6	24.4	17.7	21.8	32.2
BV	107.4	118.7	121.2	126.5	140.7
<b>Valuation (x)</b>					
Adj P/E	27.5	34.6	39.1	31.8	19.9
P/BV	4.7	6.1	4.1	4.0	3.6
EV/EBITDA	18.3	24.0	22.8	18.3	11.7
EV/Sales	1.6	2.1	1.7	1.4	1.1
Adj Market Cap/Core PBT	21.1	27.9	31.2	24.6	14.3
Adj Market Cap/Adj OCF	15.9	41.0	36.3	19.9	14.6

Source: Company, SMIFS Research Estimates

Balance Sheet					
YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Source of funds</b>					
Share Capital	376	376	376	376	376
Reserves & Surplus	19815	21937	22419	23411	26079
<b>Shareholders' Funds</b>	<b>20191</b>	<b>22313</b>	<b>22795</b>	<b>23787</b>	<b>26455</b>
<b>Total Loan Funds</b>	<b>1141</b>	<b>1295</b>	<b>1116</b>	<b>1317</b>	<b>1630</b>
Other Liabilities	487	504	837	994	1219
<b>Total Liabilities</b>	<b>21820</b>	<b>24112</b>	<b>24748</b>	<b>26098</b>	<b>29304</b>
<b>Application of funds</b>					
<b>Gross Block</b>	<b>10496</b>	<b>11003</b>	<b>18108</b>	<b>18713</b>	<b>23318</b>
Net Block	7687	8136	14323	13773	17057
Capital WIP	2326	5808	818	4216	641
Quasi cash investments	0	0	0	0	0
<b>Other Investments</b>	<b>0</b>	<b>54</b>	<b>54</b>	<b>54</b>	<b>54</b>
<b>Other Non-Current Assets</b>	<b>607</b>	<b>269</b>	<b>245</b>	<b>280</b>	<b>328</b>
Inventories	4806	7008	7821	9230	11422
Sundry Debtors	3950	3932	2844	3356	4153
Cash & Bank Balance	5204	4618	3961	3275	6845
Current Investments	5718	4300	3800	3300	2800
Other current assets	350	355	479	567	700
<b>Total Current Assets</b>	<b>20027</b>	<b>20213</b>	<b>18905</b>	<b>19728</b>	<b>25920</b>
<b>Sundry Creditors</b>	<b>8089</b>	<b>9277</b>	<b>8532</b>	<b>10908</b>	<b>13498</b>
Other current liabilities	739	1091	1064	1044	1197
<b>Total Current Liabilities</b>	<b>8828</b>	<b>10369</b>	<b>9597</b>	<b>11951</b>	<b>14696</b>
<b>Net Current Assets</b>	<b>11199</b>	<b>9845</b>	<b>9308</b>	<b>7776</b>	<b>11224</b>
<b>Total Assets</b>	<b>21820</b>	<b>24112</b>	<b>24748</b>	<b>26098</b>	<b>29304</b>

Source: Company, SMIFS Research Estimates

Cash Flow					
YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
<b>Operating profit before WC changes</b>					
	<b>4,746</b>	<b>5,426</b>	<b>3,753</b>	<b>4,850</b>	<b>7,364</b>
Net changes in working capital	1,877	-761	-264	469	-201
Tax Paid	-1,052	-1,249	-791	-994	-1,589
<b>Cash flow from operating activities</b>	<b>5,570</b>	<b>3,416</b>	<b>2,698</b>	<b>4,325</b>	<b>5,575</b>
<b>Adj. OCF</b>	<b>5,294</b>	<b>3,083</b>	<b>2,375</b>	<b>4,392</b>	<b>5,763</b>
Capital expenditure	-3,124	-3,763	-2,010	-3,898	-925
Adj FCF	2,170	-679	365	494	4,838
<b>Cash flow from investing activities</b>					
	<b>-1,818</b>	<b>-3,302</b>	<b>-1,156</b>	<b>-3,109</b>	<b>-124</b>
Debt	1,141	1,295	1,116	1,317	1,630
Dividend	-1,692	-1,786	-1,876	-1,969	-2,068
Interest and Lease	-277	-333	-323	67	188
<b>Cash flow from financing activities</b>	<b>-1,969</b>	<b>-2,119</b>	<b>-2,199</b>	<b>-1,903</b>	<b>-1,879</b>
<b>Net change in cash</b>	<b>1,784</b>	<b>-2,006</b>	<b>-657</b>	<b>-686</b>	<b>3,571</b>

Source: Company, SMIFS Research Estimates

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