

India Specialty Ingredients

24 September, 2021

Ignore the noise; structural story intact

India specialty ingredients space has been witnessing challenges like container unavailability, sharp increase in key raw material prices, delay in pass-through on account of the disruptions caused by Covid-19, delay in new launches on account of travel restrictions etc. While all these hurdles are affecting the quarterly earnings growth of these companies and are likely to persist for some more time, we believe that these are industry-related concerns globally and not company-specific issues. Also, we see these challenges as an opportunity for the established businesses, as there is scope for consolidation. For example, in Oleochemicals, FINEORG and GALSURF are the leaders in their respective end-user segments and the current challenging situation might throw up lucrative M&A opportunities in future. Strong balance sheets with net cash reserves should enable these companies to go for acquisitions comfortably, in our view. ROSSARI's back-to-back acquisitions at reasonable valuations are the testimony of the same. We believe that nothing changes on the opportunity side and these specialty ingredients continue to remain the backbone of majority of the end-user industries. We roll forward our coverage valuation to Sept'23E earnings. We continue to like oleochemicals names and have a Buy rating on Fine Organic (FINEORG) and Galaxy Surfactants (GALSURF). We have upgraded GALSURF to Buy. Apart from that, we maintain Buy on Camlin Fine Sciences (CFIN) and Accumulate rating on Rossari Biotech (ROSSARI) and Advanced Enzyme (ADVZENY) after revision in earnings and multiples.

What are the near-term challenges? Raw material prices have risen across the board over the last 1 year and this spike is primarily linked to Covid-19 related disruptions, logistic challenges and select climatic adversities. These ingredients form very small portion of the end products. Immediate pass-through becomes a challenge, especially in case of long-term contracts and all companies (including global names) are struggling to cope with the unprecedented volatility in input prices. Second most important hurdle is the freight cost, which has surged by as much as 5x over the same period on account of serious container availability issues. This again is a global issue and not specific to any company. Thirdly, because of the travel restrictions caused by Covid-19, new launch activities and marketing of the recent launches have been delayed.

Challenging environment could be an opportunity for select companies to gain market share: As discussed in the above point, these supply challenges are affecting all companies. We do not see market share gains by peers from these Indian specialty ingredients companies. Managements of oleochemical companies are quite confident in terms of long-term opportunities. In fact, during the pandemic, FINEORG has witnessed some market share gain in select products. Since these businesses have strong balance sheets, they have an edge over peers (including global companies) in a challenging environment.

We expect consolidation in the industry: Discussions with a few industry experts suggest that there could be consolidation in the ingredients space wherein businesses with weak financial profile, no succession planning etc would like to exit. This might throw up lucrative M&A opportunities for the established players. ROSSARI's back-to-back acquisitions at reasonable valuations are the testimony of the same.

Margins have bottomed out: While the supply challenges are still not over, we believe that margins have bottomed out and expect a sequential improvement. While business growth is not back to normal, pass-through impact and change in the freight model (FOB + actual freight) would help some of these companies to report EBITDA margin expansion. In CFIN, higher utilisation at Dahej and new product launches will lift the company's margin profile. ADVZENY's margin could be under pressure considering the tepid growth guidance during the year.

Valuation and outlook: Oleochemicals stocks have not corrected (in fact, they have gone up) despite weak quarterly growth. We believe that the structural growth story is intact and hence we still see value (backed by DCF calculation) in these names. We like ROSSARI on account of multiple growth avenues with focus on core chemistries, but do not see a meaningful upside from a 1-year perspective. CFIN and ADVZENY are trading at relatively lower valuations; consistency in earnings delivery and better execution could be re-rating triggers.

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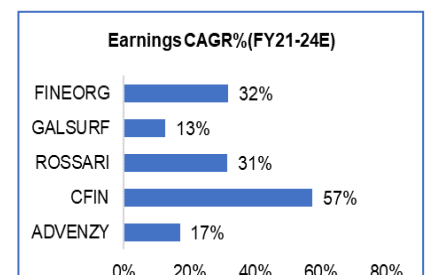
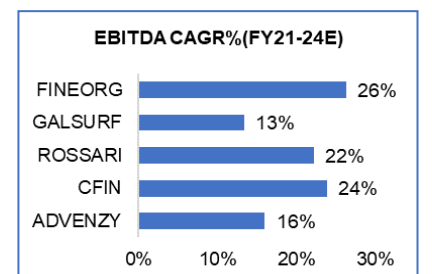
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Company	Target Price		Change %
	Old	New	
FINEORG	3,500	3,700	6%
GALSURF	3,200	4,000	25%
ROSSARI	1,230	1,500	22%
CFIN	205	215	5%
ADVZENY	410	430	5%

Company	Rating		Change
	Old	New	
FINEORG	Buy	Buy	-
GALSURF	Acc	Buy	Upgrade
ROSSARI	Acc	Acc	-
CFIN	Buy	Buy	-
ADVZENY	Acc	Acc	-

Valuation (FY24E)	PE	EV/EBITDA
FINEORG	35	23
GALSURF	28	19
ROSSARI	44	30
CFIN	11	6
ADVZENY	19	11

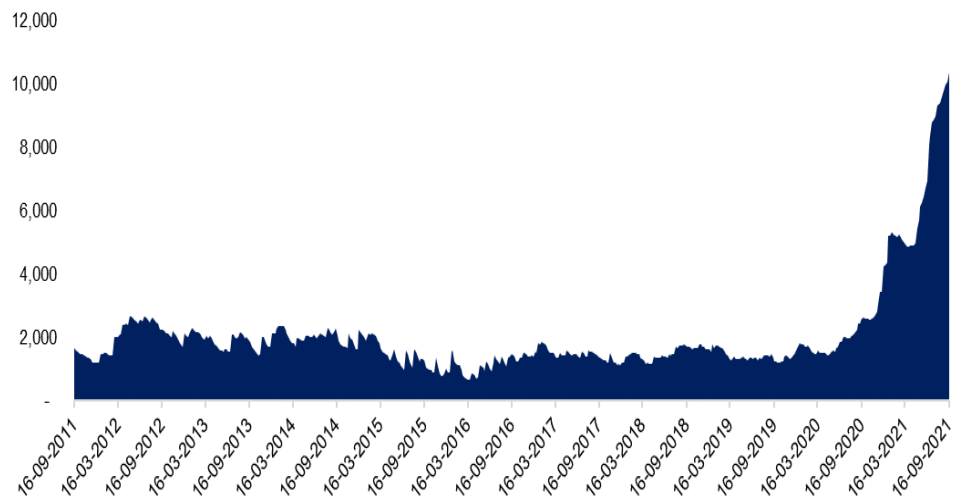


Source: Nirmal Bang Institutional Equities Research

Exhibit 1: Vegetable oil prices across the globe

Month (USD/MT)	Soybean				Cottonseed US	Sunseed		Peanut		Palm Malay	Canola Rott	Coconut Rott	Corn US
	US	Brz	Arg	Rott		US	Rott	US	Rott				
Oct-19	664	677	665	762	836	1,235	738	1,356	1,362	547	883	718	624
Nov-19	675	704	692	769	847	1,235	763	1,391	1,400	641	904	833	669
Dec-19	711	778	782	825	887	1,676	802	1,326	1,470	718	923	1,032	689
Jan-20	728	790	799	871	884	1,543	830	1,301	1,505	761	946	1,011	734
Feb-20	667	712	726	795	849	1,543	759	1,301	1,550	677	899	850	794
Mar-20	596	608	611	725	798	1,676	706	1,317	1,550	589	804	839	814
Apr-20	566	587	589	673	823	1,676	728	1,312	1,650	563	765	840	989
May-20	557	595	595	672	820	1,631	751	1,369	1,750	529	798	832	1,050
Jun-20	587	661	659	740	810	1,235	807	1,868	1,750	605	857	915	1,132
Jul-20	633	724	709	817	948	1,243	817	1,874	1,723	643	893	897	1,002
Aug-20	708	773	746	867	1,032	1,257	842	1,984	na	715	930	983	987
Sep-20	754	855	799	899	1,095	1,257	1,000	1,984	na	746	941	1,034	956
Oct-20	748	899	821	895	1,066	1,257	999	2,050	na	767	924	1,108	951
Nov-20	833	977	944	968	1,200	na	1,129	2,177	na	878	1,030	1,383	938
Dec-20	965	1,010	1,016	1,020	1,305	na	1,191	2,205	na	929	1,079	1,480	920
Jan-21	977	1,052	1,055	1,081	1,393	na	1,299	1,984	2,023	980	1,112	1,449	975
Feb-21	1,084	1,063	1,078	1,127	1,664	na	1,387	2,028	2,040	1,017	1,245	1,429	984
Mar-21	1,306	1,201	1,210	1,290	1,913	na	1,640	2,425	2,153	1,036	1,290	1,540	1,190
Apr-21	1,386	1,238	1,239	1,406	2,020	1,830	1,601	2,396	2,185	1,075	1,359	1,598	1,720
May-21	1,648	1,364	1,349	1,588	2,228	1,830	1,613	2,425	2,177	1,149	1,580	1,662	1,813
Jun-21	1,648	1,237	1,198	1,524	2,220	na	1,320	2,385	2,164	1,015	1,577	1,600	1,490
Jul-21	1,608	1,273	1,244	1,452	2,202	na	1,305	2,337	2,036	1,072	1,386	1,567	1,457
Aug-21	1,543	1,323	1,301	1,435	2,127	na	1,380	2,398	2,028	1,151	1,486	1,476	1,414
Aug'21 vs May'21 (peak)	-6%	-3%	-4%	-10%	-5%	na	-14%	-1%	-7%	0%	-6%	-11%	-22%

Source: Industry, Nirmal Bang Institutional Equities Research

Exhibit 2: WCI Container Freight Benchmark USD/40 ft Box


Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 3: India chemical companies have consistently outperformed

	Fine Organics	Rossari Biotech	Galaxy Surfactants	Camlin Fine	Advanced Enzymes
Revenue CAGR (%)					
FY16-18	14%	28%	16%	21%	15%
FY18-21	10%	34%	5%	18%	9%
FY21-24E	17%	22%	13%	24%	16%
EBITDA CAGR (%)					
FY16-18	4%	89%	11%	N/A	9%
FY18-21	8%	40%	16%	144%	12%
FY21-24E	26%	25%	13%	33%	15%
APAT CAGR (%)					
FY16-18	12%	193%	25%	N/A	7%
FY18-21	8%	40%	24%	N/A	31%
FY21-24E	32%	31%	13%	57%	17%
Avg EBITDA margin (%)					
FY16-18	20%	11%	12%	9%	45%
FY18-21	20%	16%	14%	9%	44%
FY21-24E	20%	18%	15%	17%	45%
Revenue share % (FY21)					
Domestic	45%	91%	34%	15%	46%
Overseas	55%	9%	66%	85%	54%
Gross margin %(FY21)	36%	35%	36%	51%	80%
Staff costs % sales (FY21)	7%	6%	7%	10%	17%
Other expenses % sales (FY21)	11%	12%	13%	25%	17%

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 4: Key financial parameters of the coverage universe companies

Particulars	FINEORG	GALSURF	ROSSARI	CFIN	ADVENZY
Fixed Asset turnover (x)					
FY20	7.0	4.1	7.2	5.2	1.8
FY21	5.5	4.1	5.4	4.8	1.7
FY22E	6.5	5.4	4.9	4.4	2.0
FY23E	6.1	5.1	5.7	5.3	2.4
FY24E	5.8	4.9	5.9	7.0	3.0
Capex (Rsmn)					
FY16-21	2,423	5,195	2,021	4,045	1,079
FY21-24E	3,464	6,548	2,456	4,180	554
Net working capital days					
FY20	65	68	27	123	111
FY21	58	66	42	124	113
FY22E	52	68	46	119	110
FY23E	49	68	41	114	110
FY24E	46	62	41	114	111
Net debt to equity (x)					
FY20	(0.2)	0.2	(0.3)	1.1	(0.2)
FY21	(0.3)	0.1	(0.2)	0.5	(0.3)
FY22E	(0.4)	0.0	(0.6)	0.5	(0.4)
FY23E	(0.4)	(0.1)	(0.5)	0.4	(0.5)
FY24E	(0.4)	(0.1)	(0.5)	0.4	(0.5)
OCF/EBITDA (%)					
FY20	91.1%	85.7%	52.3%	65.8%	69.4%
FY21	67.0%	81.3%	38.8%	64.5%	70.4%
FY22E	65.6%	68.5%	86.1%	93.9%	62.8%
FY23E	69.5%	76.9%	62.7%	31.4%	63.9%
FY24E	69.0%	65.8%	60.1%	25.5%	64.8%
FCF yield (%)					
FY20	1.9%	4.2%	N/A	-10.1%	5.6%
FY21	0.9%	2.1%	-0.1%	5.3%	3.3%
FY22E	1.1%	1.6%	0.8%	0.2%	3.6%
FY23E	0.7%	2.0%	1.2%	2.8%	4.2%
FY24E	1.8%	1.9%	0.6%	0.5%	4.9%
ROCE (%)					
FY20	31.1%	24.4%	37.0%	11.5%	22.7%
FY21	20.4%	25.6%	26.5%	13.6%	22.1%
FY22E	23.4%	24.3%	19.7%	13.7%	22.4%
FY23E	26.1%	24.0%	19.9%	19.9%	22.2%
FY24E	27.8%	23.5%	20.9%	24.6%	22.0%
ROE (%)					
FY20	29.4%	23.9%	31.8%	7.7%	17.0%
FY21	17.8%	25.5%	23.0%	12.5%	16.2%
FY22E	21.9%	22.8%	18.0%	13.8%	16.8%
FY23E	23.0%	22.0%	17.6%	20.1%	16.5%
FY24E	23.8%	21.2%	18.2%	24.7%	16.2%

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: Specialty chemicals has consistently outperformed all the leading sector indices

Company Name	0.5yr absolute	1yr absolute	1.5yr CAGR	2yr CAGR	3yr CAGR	4yr CAGR	5yr CAGR	10yr CAGR	15yr CAGR
Nifty 50	19	57	59	25	16	15	15	14	11
Sensex 30	18	56	57	25	17	17	15	14	11
Nifty Bank	10	75	49	13	13	11	13	15	14
Nifty Auto	1	33	54	16	-1	-2	-0	11	11
Nifty Fin Service	15	74	50	19	19	16	17	17	16
Nifty FMCG	20	42	37	18	11	13	13	16	14
Nifty IT	40	84	106	53	32	36	29	21	15
Nifty Media	29	39	52	7	-6	-9	-6	6	3
Nifty Metal	42	148	119	48	14	12	17	6	9
Nifty Pharma	21	20	62	34	12	11	4	12	12
Nifty PSU Bank	10	81	38	-3	-6	-7	-6	-3	2
Nifty PVT Bank	8	67	47	10	10	9	12	17	18
Nifty Realty	29	107	70	28	20	12	16	6	NA
Average of Indian chemical companies	46	97	132	86	51	41	35	38	33
Average of Agrochemical companies	24	39	63	42	26	18	17	19	26
Average of Specialty chemical companies	67	146	181	125	73	62	53	52	38
Average of Specialty Ingredient companies	30	71	111	57	38	16	9	33	NA
MSCI World Chemical Index	4	22	52	16	7	7	10	9	7

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Exhibit 6: India chemical companies stock price performance over various time horizons

Indian chemicals companies	0.5yr absolute	1yr absolute	1.5yr CAGR	2yr CAGR	3yr CAGR	4yr CAGR	5yr CAGR	10yr CAGR	15yr CAGR
UPL	14	36	79	13	17	8	10	22	16
Coromandel	8	2	30	40	27	17	27	10	23
PI Industries	40	70	93	60	62	43	31	40	53
Rallis India	12	3	34	29	16	8	5	5	20
Bayer Cropscience India	6	-10	33	26	8	8	5	21	25
BASF India	64	135	110	83	23	23	24	19	20
Navin Fluorine	53	97	121	129	76	57	52	49	31
SRF	104	161	124	94	77	63	46	42	29
Aarti Industries	42	76	78	50	42	43	43	55	36
Vinati Organics	32	52	77	28	40	43	44	49	58
Deepak Nitrate	58	186	245	191	106	93	82	64	39
Alkyl Amines	83	217	292	251	151	118	96	72	46
Balaji Amines	178	483	627	311	106	91	72	63	40
Atul	35	51	71	57	44	41	34	46	35
Neogen Chemicals	57	93	132	97	NA	NA	NA	NA	NA
Sudarshan Chemicals	23	40	46	41	15	14	11	25	29
Fine Organic Industries	44	20	44	44	43	NA	NA	NA	NA
Rossari Biotech	39	87	NA	NA	NA	NA	NA	NA	NA
Galaxy Surfactant	41	87	102	58	40	NA	NA	NA	NA
Camlin Fine Sciences	19	83	170	69	44	22	15	33	NA
Advanced Enzyme Technologies	9	75	128	55	25	11	3	NA	NA

Source: Bloomberg, Nirmal Bang Institutional Equities Research

Valuation and outlook

Oleochemicals stocks have not corrected (in fact they have advanced) despite weak quarterly growth. We believe that the structural growth story is intact and hence we still see value (backed by DCF calculation) in these names. We like ROSSARI on account of multiple growth avenues with focus on core chemistries, but do not see a meaningful upside from a 1-year perspective. CFIN and ADVENZY are trading at relatively lower valuations; consistency in earnings delivery and better execution could be re-rating triggers.

Exhibit 7: Valuation of Indian and global chemical companies

Company Name	Mcap (USD bn)	FY21-24E CAGR (%)			EBITDA margin (%) FY24E/CY23E	ROE (%)			P/E (x)			EV/EBITDA (x)			P/B (x)		
		Revenue	EBITDA	PAT		FY22E/CY21E	FY23E/CY22E	FY24E/CY23E	FY22E/CY21E	FY23E/CY22E	FY24E/CY23E	FY22E/CY21E	FY23E/CY22E	FY24E/CY23E	FY22E/CY21E	FY23E/CY22E	FY24E/CY23E
						1E	2E	3E	Y21E	Y22E	Y23E	21E	22E	23E	21E	22E	23E
Indian companies																	
UPL Ltd	7.5	8.6	11.9	20.7	23.7	18.8	19.0	18.7	14.0	11.8	10.4	7.7	6.6	5.6	2.4	2.0	1.8
Coromandel International Ltd	3.3	9.7	5.6	8.7	13.1	26.2	23.8	21.4	15.7	14.4	14.0	10.4	9.2	8.8	3.8	3.2	2.8
PI Industries Ltd	6.7	23.8	24.6	24.2	23.9	15.7	17.1	18.3	55.1	43.5	34.8	37.6	28.8	22.9	8.1	6.9	5.9
Rallis India Ltd	0.8	12.7	15.1	14.2	14.8	15.2	16.3	15.9	21.8	18.3	16.7	15.0	12.4	11.1	3.2	2.8	2.5
Bayer CropScience Ltd/India	3.2	12.4	15.7	18.4	20.9	25.2	24.9	28.2	33.4	28.7	24.6	24.2	20.4	18.6	7.8	6.6	6.3
BASF India Ltd	2.0	14.4	19.7	33.3	N/A	22.8	16.6	N/A	30.3	32.3	N/A	N/A	N/A	N/A	7.0	5.9	N/A
Navin Fluorine International L	2.6	28.1	31.3	30.2	28.2	18.2	22.9	22.7	60.6	41.4	35.2	48.3	30.8	26.6	10.4	8.7	7.4
SRF Ltd	8.6	19.4	23.6	25.9	28.3	20.5	21.8	22.4	41.2	32.5	26.6	24.1	19.4	16.1	7.8	6.5	5.5
Aarti Industries Ltd	4.5	21.5	25.4	29.4	21.5	16.7	17.7	18.3	45.5	33.4	28.6	27.7	21.4	18.2	6.3	5.6	4.9
Vinati Organics Ltd	2.6	32.7	31.1	30.7	35.6	22.9	26.8	26.4	53.2	37.6	32.4	41.0	28.3	24.0	10.7	8.7	7.3
Atul Ltd	3.8	15.1	14.1	14.0	24.0	17.6	17.2	16.0	37.2	32.4	28.0	25.5	22.2	20.0	6.3	5.4	4.8
Deepak Nitrite Ltd	4.5	20.4	19.3	21.8	26.7	36.1	30.0	26.8	31.8	28.6	25.1	21.4	19.1	17.2	10.2	7.8	6.3
Alkyl Amines Chemicals	2.7	18.8	16.6	16.7	31.8	34.9	33.1	31.1	62.9	51.8	40.7	N/A	N/A	N/A	19.8	15.7	11.8
Balaji Amines Ltd	2.0	17.8	20.0	24.1	28.8	28.2	26.2	22.1	48.4	39.6	36.1	N/A	N/A	N/A	13.7	10.8	N/A
Sudarshan Chemical Industries	0.6	18.0	23.4	30.2	17.8	20.0	22.2	24.8	26.6	20.0	16.0	15.5	12.4	9.7	5.3	4.5	3.8
Fine Organic Industries Ltd	1.3	17.0	26.3	31.9	22.1	21.9	23.0	23.8	55.4	44.0	35.2	38.9	29.4	22.8	11.1	9.3	7.6
Rossari Biotech Ltd	1.1	22.2	24.9	31.4	18.5	18.0	17.6	18.2	76.0	54.4	44.3	55.1	39.5	32.0	9.9	8.4	7.0
Galaxy Surfactants Ltd	1.6	13.4	12.9	12.6	15.9	22.8	22.0	21.2	37.1	32.1	28.1	24.7	21.1	18.6	7.8	6.5	5.5
Camlin Fine Sciences Ltd	0.3	23.9	33.0	57.4	19.0	13.8	20.1	24.7	28.4	16.3	10.6	11.8	8.2	6.1	2.8	2.3	1.8
Advanced Enzyme Technologies L	0.6	16.0	14.9	17.1	44.7	16.8	16.5	16.2	24.7	21.3	18.6	14.6	12.3	10.2	3.8	3.3	2.8
Global companies																	
DuPont de Nemours Inc	35.7	-3.9	-0.9	4.6	26.3	5.4	7.1	8.4	20.9	16.0	14.0	10.3	10.6	9.7	1.3	1.3	1.3
BASF SE	68.3	8.8	16.6	28.6	14.8	-1.2	14.9	12.9	21.8	10.0	11.1	10.3	6.4	6.6	1.6	1.6	1.6
Chemours Co/The	4.5	11.3	21.3	38.8	21.7	41.0	65.9	53.3	15.4	7.4	6.5	8.7	5.9	5.4	5.9	4.5	3.5
Solvay SA	13.1	5.9	8.8	17.7	23.3	7.6	13.4	11.7	17.7	12.6	11.8	7.0	6.4	6.1	1.4	1.5	1.5
FMC Corp	12.1	6.4	7.4	9.8	27.3	29.1	28.7	28.6	15.2	13.8	12.3	11.9	11.3	10.2	4.1	3.8	3.6
China Petroleum & Chemical Cor	81.4	3.7	12.6	22.8	8.0	4.5	8.9	8.2	17.3	8.3	8.5	3.8	2.7	2.7	0.7	0.7	0.7
Clariant AG	6.5	6.2	9.6	14.3	16.6	10.2	12.5	11.2	27.1	20.9	19.2	11.3	9.6	8.9	2.4	2.5	2.4
Novozymes A/S	21.2	4.5	5.7	6.2	36.0	25.2	27.3	28.1	46.7	43.0	40.7	28.0	26.3	25.1	11.8	11.6	11.0
Croda International PLC	17.3	14.3	15.7	17.8	30.3	17.5	18.9	18.7	52.4	39.0	35.6	34.3	24.9	22.7	8.0	7.2	6.6
Evonik Industries AG	14.9	7.6	11.2	17.0	17.2	7.2	10.2	11.4	18.6	14.2	12.9	8.6	6.5	6.0	1.4	1.5	1.4
Huntsman Corp	5.8	9.8	24.6	47.3	15.9	10.4	18.2	17.5	28.0	8.3	8.3	10.6	5.2	5.2	1.6	1.4	1.3
Wacker Chemie AG	9.4	8.4	19.0	44.6	19.4	9.0	34.8	17.7	47.7	11.5	15.5	12.9	5.6	6.1	3.8	3.0	2.8
Givaudan SA	44.4	4.7	5.8	10.9	23.0	21.5	24.2	24.5	44.1	43.9	40.9	31.2	29.4	27.7	10.9	10.9	9.9
Ecolab Inc	63.2	6.0	13.1	18.5	23.9	12.4	21.5	25.1	54.4	44.7	35.9	28.1	24.5	21.0	10.6	9.3	8.7
International Flavors & Fragra	33.8	36.8	46.1	35.7	23.7	8.8	6.1	5.9	23.6	23.0	20.4	35.9	17.7	14.8	2.4	1.5	1.5
Associated British Foods PLC	20.5	6.9	15.2	-1.3	15.1	4.3	6.0	11.4	33.1	26.2	13.5	9.9	8.0	5.8	1.6	1.6	1.4
Ingredion Inc	5.9	6.9	7.2	8.6	13.9	13.6	4.9	15.4	14.7	13.2	12.3	8.9	8.1	7.6	2.1	2.1	2.1
Archer-Daniels-Midland Co	33.0	8.9	11.5	7.8	5.5	8.9	12.3	11.0	17.1	12.3	13.0	12.6	9.3	9.3	1.6	1.5	1.4
Chr Hansen Holding A/S	11.4	2.2	4.0	2.2	38.0	30.6	23.5	20.5	280.7	340.0	297.6	174.0	184.4	168.0	80.6	54.1	50.4
Kao Corp	28.6	3.3	4.4	6.5	18.7	14.6	13.6	14.7	24.9	24.7	22.2	12.0	11.9	10.9	3.5	3.3	3.2
Kerry Group PLC	25.0	3.0	7.7	10.0	15.9	12.1	13.8	13.3	35.4	31.5	28.7	23.5	21.4	19.7	4.3	4.2	3.8
Taiyo Holdings Co Ltd	1.6	7.3	6.3	9.3	25.4	12.9	13.0	12.4	17.9	16.7	15.2	9.6	8.6	7.9	2.3	2.0	1.9
Koninklijke DSM NV	37.7	6.9	9.7	12.9	20.1	9.8	11.1	11.2	43.1	36.0	32.9	22.7	18.5	17.4	4.1	3.9	3.6
Ube Industries Ltd	2.2	-9.5	2.2	20.0	14.4	5.0	6.5	6.8	14.3	9.6	9.0	5.9	4.8	5.4	0.7	0.6	0.6
Eastman Chemical Co	13.6	6.7	10.4	17.1	22.7	11.9	16.5	18.6	16.9	11.0	10.6	10.7	8.0	7.8	2.2	2.1	1.9
Mitsui Chemicals Inc	7.2	8.6	13.2	23.0	14.0	9.2	14.8	12.0	15.2	8.0	8.7	7.3	5.1	5.1	1.3	1.1	1.0

Source: Bloomberg, Nirmal Bang Institutional Equities Research (For companies under coverage, our estimates have been used)

Exhibit 8: Change in estimates

Company	Old Revenue			New Revenue			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
FINEORG	14,153	16,430	-	13,032	15,129	18,164	-8%	-8%	NA
GALSURF	33,973	35,751	-	33,973	36,741	40,565	-	3%	NA
ROSSARI	8,759	10,900	-	8,759	10,900	12,956	-	-	NA
CFIN	13,531	18,972	-	12,782	16,913	22,583	-6%	-11%	NA
ADVZENY	5,941	6,881	-	5,941	6,881	7,840	-	-	NA
Company	Old EBITDA			New EBITDA			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
FINEORG	2,449	3,366	-	2,412	3,178	4,017	-2%	-6%	NA
GALSURF	4,911	5,658	-	4,911	5,690	6,461	-	1%	NA
ROSSARI	1,419	2,017	-	1,419	1,962	2,397	-	-3%	NA
CFIN	2,141	3,563	-	2,149	3,106	4,284	0%	-13%	NA
ADVZENY	2,678	3,058	-	2,678	3,058	3,508	-	-	NA
Company	Old PAT			New PAT			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
FINEORG	1,800	2,432	-	1,751	2,207	2,760	-3%	-9%	NA
GALSURF	3,262	3,796	-	3,262	3,778	4,312	-	0%	NA
ROSSARI	1,058	1,531	-	1,058	1,480	1,817	-	-3%	NA
CFIN	947	2,008	-	952	1,655	2,549	1%	-18%	NA
ADVZENY	1,767	2,044	-	1,767	2,044	2,345	-	-	NA

Source: Nirmal Bang Institutional Equities Research

Exhibit 9: Change in rating and Target price

Company	Old Target Price	New Target Price	Change in TP(%)	Old Rating	New Rating	CMP	Upside/Down side (%)
FINEORG	3,500	3,700	6%	Buy	Buy	3,161	17%
GALSURF	3,200	4,000	25%	Acc	Buy	3,383	18%
ROSSARI	1,230	1,500	22%	Acc	Acc	1,492	1%
CFIN	205	215	5%	Buy	Buy	185	16%
ADVZENY	410	430	5%	Acc	Acc	387	11%

Source: Nirmal Bang Institutional Equities Research

Fine Organic (FINEORG)
Exhibit 10: Financial summary

Y/E March (Rsmn)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	10,381	11,332	13,032	15,129	18,164
Growth YoY%	-2.1	9.2	15.0	16.1	20.1
Gross margin %	41.3	35.9	36.2	38.4	38.9
EBITDA	2,405	1,993	2,412	3,178	4,017
EBITDA margin %	23.2	17.6	18.5	21.0	22.1
Adj PAT	1,648	1,203	1,751	2,207	2,760
Growth YoY%	21.0	-27.0	45.6	26.0	25.1
Adj. EPS	53.7	39.2	57.1	72.0	90.0
RoCE	31.1	20.4	23.4	26.1	27.8
RoE	29.4	17.8	21.9	23.0	23.8
P/E	58.8	80.5	55.3	43.9	35.1
EV/EBITDA	39.8	47.6	38.9	29.3	22.8
P/BV	15.7	13.3	11.1	9.2	7.6

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Change in estimates

Consolidated (Rsmn)	Old Estimates			New estimates			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	14,153	16,430	-	13,032	15,129	18,164	-8%	-8%	NA
EBITDA	2,449	3,366	-	2,412	3,178	4,017	-2%	-6%	NA
EBITDA margin %	17.3%	20.5%	-	18.5%	21.0%	22.1%	-120bps	-52bps	NA
APAT	1,800	2,432	-	1,751	2,207	2,760	-3%	-9%	NA

Source: Nirmal Bang Institutional Equities Research

Exhibit 12: DCF working

Particulars (Rsmn)	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	FY36E
Net revenue	10,603	10,381	11,332	13,032	15,129	18,155	21,423	24,851	28,827	32,863	37,464	41,960	46,995	51,694	56,864	62,550	68,805	75,685
Growth %	23.9%	-2.1%	9.2%	15.0%	16.1%	20.0%	18.0%	16.0%	16.0%	14.0%	14.0%	12.0%	12.0%	10.0%	10.0%	10.0%	10.0%	10.0%
EBIT	2,161	2,058	1,525	1,988	2,607	3,540	4,499	5,094	5,823	7,230	7,867	8,812	10,339	10,597	11,941	13,636	15,137	16,802
EBIT margin %	20.4%	19.8%	13.5%	15.3%	17.2%	19.5%	21.0%	20.5%	20.2%	22.0%	21.0%	21.0%	22.0%	20.5%	21.0%	21.8%	22.0%	22.2%
EBIT(1-t)	1,276	1,569	1,132	1,494	1,961	2,664	3,385	3,833	4,381	5,439	5,919	6,629	7,778	7,973	8,984	10,259	11,388	12,641
Depreciation	175	347	468	424	571	635	750	870	1,067	1,216	1,349	1,511	1,645	1,809	1,990	2,189	2,408	2,649
% of sales	1.6%	3.3%	4.1%	3.3%	3.8%	3.5%	3.5%	3.5%	3.7%	3.7%	3.6%	3.6%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Gross cash flow	1,451	1,916	1,599	1,919	2,532	3,299	4,135	4,703	5,448	6,655	7,268	8,140	9,423	9,782	10,974	12,448	13,796	15,290
Change in Working capital	-493	411	-235	-250	-243	-243	-428	-249	-288	-329	-375	-420	-470	-517	-569	-625	-688	-757
Capex	404	722	464	500	1,500	1,500	1,500	1,500	1,500	2,000	2,000	1,500	1,500	1,000	1,500	1,000	1,500	1,500
% of revenue	3.8%	7.0%	4.1%	3.8%	9.9%	8.3%	7.0%	6.0%	5.2%	6.1%	5.3%	3.6%	3.2%	1.9%	2.6%	1.6%	2.2%	2.0%
Free cash flow	554	1,606	900	1,168	789	1,556	2,206	2,954	3,659	4,327	4,893	6,220	7,453	8,265	8,906	10,823	11,608	13,033
Growth %		na	-43.9%	29.8%	-32.5%	97.1%	41.8%	33.9%	23.9%	18.2%	13.1%	27.1%	19.8%	10.9%	7.7%	21.5%	7.3%	12.3%
Discounting Period				0.0	0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5
Discounting Factor				1.0	1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.3	0.3	0.3
Discounted FCF				1168	754	1355	1753	2141	2420	2610	2692	3122	3412	3451	3392	3760	3679	3768

DCF Valuation	
Terminal Growth Rate	4%
WACC	10%
PV of expected CF	38,309
PV of terminal CF	72,323
Total EV	1,10,631
Net Debt	(3,442)
Equity Value	1,14,073
No of shares	31
Equity value per share	3,700
CMP	3,165
Upside	17%
Implied PE (Sept'23E)	46

Residual growth rate	WACC				
	9%	10%	11%	12%	13%
7%	7,900	6,400	4,600	4,000	3,600
6%	5,700	5,000	4,000	3,500	3,200
5%	4,600	4,100	3,500	3,200	3,000
4%	4,000	3,700	3,200	3,000	2,800
3%	3,500	3,300	2,900	2,800	2,600

Source: Company, Nirmal Bang Institutional Equities Research

Financials (Consolidated)
Exhibit 13: Income statement

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	10,381	11,332	13,032	15,129	18,164
Growth YoY%	-2.1	9.2	15.0	16.1	20.1
COGS	6,093	7,260	8,311	9,315	11,089
Gross margin %	41.3	35.9	36.2	38.4	38.9
Staff costs	725	796	872	1,015	1,165
Other expenses	1,158	1,284	1,436	1,622	1,893
EBITDA	2,405	1,993	2,412	3,178	4,017
Growth YoY%	2.9	-17.1	21.0	31.8	26.4
EBITDA margin %	23.2	17.6	18.5	21.0	22.1
Depreciation	347	468	424	571	696
EBIT	2,058	1,525	1,988	2,607	3,321
Interest	48	61	50	48	48
Other income	202	171	393	375	394
PBT (bei)	2,161	1,621	2,330	2,933	3,666
PBT	2,161	1,621	2,330	2,933	3,666
ETR	23.7	25.8	24.8	24.8	24.7
PAT	1,648	1,203	1,752	2,207	2,760
Adj PAT	1,648	1,203	1,751	2,207	2,760
Growth YoY%	21.0	-27.0	45.6	26.0	25.1

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Balance sheet

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Share Capital	153	153	153	153	153
Reserves & Surplus	6,036	7,161	8,562	10,327	12,535
Net worth	6,189	7,314	8,715	10,480	12,688
MI	1	1	1	1	1
Long term debt	915	567	400	350	350
Short term debt	-	-	-	-	-
Total debt	915	567	400	350	350
Other non-current liabilities	76	44	44	44	44
Total Equity & Liabilities	7,180	7,926	9,159	10,874	13,083
Gross block	4,203	4,461	4,961	6,461	7,461
Accumulated depreciation	2,035	2,503	2,927	3,498	4,194
Net Block	2,168	1,959	2,034	2,963	3,267
CWIP	58	263	263	263	263
Intangible and others	-	-	-	-	-
Other non-current assets	724	739	739	739	739
Investments	328	311	311	311	311
Trade receivables	1,323	1,610	2,120	2,336	2,705
Inventories	1,317	1,262	839	1,016	1,210
Cash & Cash equivalents	2,104	2,637	3,545	4,088	5,655
Other current assets	498	689	793	793	793
Total current assets	5,243	6,198	7,297	8,233	10,362
Trade payables	858	1,072	1,053	1,237	1,493
Other current liabilities	483	472	432	397	366
Total current liabilities	1,341	1,544	1,485	1,635	1,860
Total Assets	7,180	7,926	9,159	10,874	13,083

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Cash flow

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
PBT	2,161	1,621	2,330	2,933	3,666
Depreciation	344	463	424	571	696
Interest	63	52	50	48	48
Other adjustments	-170	-147	-393	-375	-394
Change in Working capital	411	-235	-250	-243	-337
Tax paid	-612	-415	-573	-721	-901
Operating cash flow	2,190	1,334	1,583	2,208	2,773
Capex	-722	-464	-500	-1,500	-1,000
Free cash flow	1,469	870	1,083	708	1,773
Other investing activities	-126	79	393	375	394
Investing cash flow	-847	-386	-107	-1,125	-606
Issuance of share capital	-	-	-	-	-
Movement of Debt	-14	-347	-167	-50	-
Dividend paid (incl DDT)	-407	-92	-350	-441	-552
Other financing activities	53	40	-20	-49	-49
Financing cash flow	-367	-399	-537	-540	-601
Net change in cash flow	975	550	938	543	1,567
Opening C&CE	1,081	2,057	2,607	3,545	4,088
Closing C&CE	2,057	2,607	3,545	4,088	5,655

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 16: Key ratios

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Per share (Rs)					
Adj EPS	53.7	39.2	57.1	72.0	90.0
Book value	201.9	238.5	284.2	341.8	413.8
DPS	7.0	11.0	11.4	14.4	18.0
Valuation (x)					
P/Sales	9.3	8.6	7.4	6.4	5.3
EV/sales	9.2	8.4	7.2	6.2	5.0
EV/EBITDA	39.8	47.6	38.9	29.3	22.8
P/E	58.8	80.5	55.3	43.9	35.1
P/BV	15.7	13.3	11.1	9.2	7.6
Return ratios (%)					
RoCE	31.1	20.4	23.4	26.1	27.8
RoE	29.4	17.8	21.9	23.0	23.8
Profitability ratios (%)					
Gross margin	41.3	35.9	36.2	38.4	38.9
EBITDA margin	23.2	17.6	18.5	21.0	22.1
PAT margin	15.6	10.5	13.0	14.2	14.9
Liquidity ratios (%)					
Current ratio	3.9	4.0	4.9	5.0	5.6
Quick ratio	2.9	3.2	4.3	4.4	4.9
Solvency ratio (%)					
Debt to Equity ratio	0.1	0.1	0.0	0.0	0.0
Turnover ratios					
Fixed asset turnover ratio (x)	7.0	5.5	6.5	6.1	5.8
Debtor days	51	47	52	54	51
Inventory days	39	42	29	22	22
Creditor days	24	31	30	28	27
Net Working capital days	65	58	52	49	46

Source: Company, Nirmal Bang Institutional Equities Research

Galaxy Surfactants (GALSURF)
Exhibit 17: Financial summary

Y/E March (Rsmn)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	25,964	27,841	33,973	36,741	40,565
Growth YoY%	-6.0	7.2	22.0	8.1	10.4
Gross margin %	33.9	36.3	34.6	36.3	36.4
EBITDA	3,689	4,488	4,911	5,690	6,461
EBITDA margin %	14.2	16.1	14.5	15.5	15.9
Adj PAT	2,319	3,021	3,262	3,778	4,312
Growth YoY%	17.7	30.3	8.0	15.8	14.1
Adj EPS	65.4	85.2	92.0	106.6	121.6
RoCE	24.4	25.6	24.3	24.0	23.5
RoE	23.9	25.5	22.8	22.0	21.2
P/E	51.7	39.7	36.8	31.7	27.8
EV/EBITDA	33.2	27.0	24.5	21.0	18.5
P/BV	11.2	9.2	7.7	6.4	5.4

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 18: Change in estimates

Consolidated (Rsmn)	Old Estimates			New estimates			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	33,973	35,751	-	33,973	36,741	40,565	-	3%	NA
EBITDA	4,911	5,658	-	4,911	5,690	6,461	-	1%	NA
EBITDA margin %	14.5%	15.8%	-	14.5%	15.5%	15.9%	-	34bps	NA
APAT	3,262	3,796	-	3,262	3,778	4,312	-	0%	NA

Source: Nirmal Bang Institutional Equities Research

Exhibit 19: DCF working

Particulars	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	FY36E
Net revenue	27,630	25,964	27,841	33,973	36,741	41,885	47,749	53,479	59,896	65,886	72,474	79,722	86,100	92,988	1,00,427	1,06,452	1,12,839	1,19,610
Growth %	13.5%	-6.0%	7.2%	22.0%	8.1%	14.0%	14.0%	12.0%	12.0%	10.0%	10.0%	10.0%	8.0%	8.0%	8.0%	6.0%	6.0%	6.0%
EBIT	3,022	3,067	3,749	4,101	4,745	5,654	6,685	7,754	8,745	9,619	10,726	11,799	12,915	14,134	15,566	16,713	17,829	19,138
EBIT margin %	10.9%	11.8%	13.5%	12.1%	12.9%	13.5%	14.0%	14.5%	14.6%	14.6%	14.8%	14.8%	15.0%	15.2%	15.5%	15.7%	15.8%	16.0%
EBIT(1-t)	2,105	2,450	3,042	3,366	3,894	4,640	5,486	6,363	7,176	7,894	8,802	9,682	10,598	11,598	12,773	13,715	14,630	15,704
Depreciation	512	622	740	810	945	963	1,098	1,230	1,378	1,515	1,667	1,834	1,980	2,139	2,310	2,448	2,595	2,751
% of sales	1.9%	2.4%	2.7%	2.4%	2.6%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%	2.3%
Gross cash flow	2,617	3,072	3,782	4,176	4,839	5,603	6,584	7,593	8,554	9,409	10,469	11,516	12,578	13,737	15,083	16,163	17,225	18,455
Change in Working capital	11	113	-186	-833	-489	-419	-477	-535	-599	-659	-725	-797	-861	-930	-1,004	-1,065	-1,128	-1,196
Capex	1,689	1,416	1,075	1,473	2,000	1,675	1,910	2,139	2,396	2,306	2,537	2,790	3,013	3,720	4,017	4,258	4,514	4,784
% of revenue	6.1%	5.5%	3.9%	4.3%	5.4%	4.0%	4.0%	4.0%	3.5%	3.5%	3.5%	3.5%	3.5%	4.0%	4.0%	4.0%	4.0%	4.0%
Free cash flow	916	1,543	2,892	3,536	3,328	4,347	5,151	5,989	6,757	7,762	8,657	9,523	10,426	10,947	12,070	12,969	13,840	14,867
Growth %		na	87.4%	22.3%	-5.9%	30.6%	18.5%	16.3%	12.8%	14.9%	11.5%	10.0%	9.5%	5.0%	10.3%	7.4%	6.7%	7.4%
Discounting Period				0.0	0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5
Discounting Factor				1.0	1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4	0.3	0.3	0.3
Discounted FCF				3536	3179	3788	4095	4343	4470	4685	4767	4784	4778	4577	4604	4513	4394	4306

DCF Valuation	
Terminal Growth Rate	4%
WACC	10%
PV of expected CF	61,285
PV of terminal CF	79,780
Total EV	1,41,065
Net Debt	(509)
Equity Value	1,41,574
No of shares	35
Equity value per share	4,000
CMP	3,400
Upside	18%
Implied PE (Sept23E EPS)	35

Residual growth rate	TP sensitiv					WACC				
	4.0%	5.0%	6.0%	7.0%	8.0%	10.0%	10.5%	11.0%	11.5%	12.0%
5.0%	4,000	4,900	4,500	4,300	4,100	3,900	3,900	3,900	3,900	3,900
4.5%	4,600	4,600	4,200	4,100	3,900	3,700	3,700	3,700	3,700	3,700
4.0%	4,300	4,300	4,000	3,800	3,700	3,500	3,500	3,500	3,500	3,500
3.5%	4,000	4,000	3,800	3,700	3,500	3,400	3,400	3,400	3,400	3,400
3.0%	3,800	3,800	3,600	3,500	3,400	3,300	3,300	3,300	3,300	3,300

Source: Nirmal Bang Institutional Equities Research

Financials (Consolidated)
Exhibit 20: Income statement

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	25,964	27,841	33,973	36,741	40,565
Growth YoY%	-6.0	7.2	22.0	8.1	10.4
COGS	17,153	17,746	22,228	23,396	25,803
Gross margin %	33.9	36.3	34.6	36.3	36.4
Staff costs	1,781	2,040	2,434	2,594	2,845
Other expenses	3,341	3,566	4,400	5,061	5,456
EBITDA	3,689	4,488	4,911	5,690	6,461
Growth YoY%	4.4	21.7	9.4	15.9	13.5
EBITDA margin %	14.2	16.1	14.5	15.5	15.9
Depreciation	622	740	810	945	1,078
EBIT	3,067	3,749	4,101	4,745	5,383
Interest	238	134	197	231	219
Other income	74	109	70	90	90
PBT (bei)	2,904	3,723	3,974	4,604	5,254
PBT	2,904	3,723	3,974	4,604	5,254
ETR	20.1	18.8	17.9	17.9	17.9
PAT	2,319	3,021	3,262	3,778	4,312
Adj PAT	2,319	3,021	3,262	3,778	4,312
Growth YoY%	17.7	30.3	8.0	15.8	14.1

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 22: Balance sheet

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Share capital	355	355	355	355	355
Reserves	10,323	12,660	15,269	18,292	21,741
Net worth	10,678	13,014	15,624	18,646	22,095
Long term debt	1,166	774	1,118	1,009	844
Short term debt	2,030	1,600	1,600	1,600	1,600
Total debt	3,196	2,374	2,718	2,609	2,445
Other non-current liabilities	582	506	506	506	506
Total Equity & Liabilities	14,456	15,894	18,848	21,761	25,046
Gross block	12,774	12,009	13,559	15,559	17,559
Accumulated depreciation	5,296	6,035	6,845	7,791	8,868
Net Block	7,478	5,974	6,714	7,769	8,691
CWIP	660	1,240	1,162	1,162	1,162
Intangible and others	-	-	-	-	-
Other non-current assets	627	1,704	2,028	2,417	3,584
Investments	58	435	435	435	435
Trade receivables	4,394	4,689	5,325	5,769	6,382
Inventories	3,250	4,278	4,490	4,840	5,324
C&CE and others	545	1,114	2,249	3,229	3,159
Other current assets	247	1,056	1,214	1,214	1,821
Total current assets	9,295	11,142	13,284	15,059	16,694
Trade payables	2,731	3,770	3,985	4,331	4,807
Other current liabilities	841	745	708	673	639
Total current liabilities	3,663	4,601	4,775	5,080	5,519
Total Assets	14,456	15,894	18,848	21,761	25,046

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 21: Cash flow

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
PBT	2,888	3,723	3,974	4,604	5,254
Depreciation	622	740	810	945	1,078
Interest	238	134	197	231	219
Other adjustments					
Change in Working capital	113	-186	-833	-489	-1,266
Tax paid	-574	-662	-610	-708	-808
Operating cash flow	3,162	3,651	3,366	4,375	4,253
Capex	-1,416	-1,075	-1,473	-2,000	-2,000
Free cash flow	1,746	2,575	1,894	2,375	2,253
Other investing activities	-95	-571	45	-299	-1,077
Investing cash flow	-1,511	-1,647	-1,428	-2,299	-3,077
Issuance of share capital					
Movement of Debt	-272	-951	344	-109	-164
Dividend paid (incl DDT)	-940	-495	-652	-756	-862
Other financing activities	-226	-152	-197	-231	-219
Financing cash flow	-1,438	-1,650	-505	-1,096	-1,246
Net change in cash flow	213	354	1,434	980	-70
Opening C&CE	250	477	815	2,249	3,229
Closing C&CE	477	815	2,249	3,229	3,159

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 23: Key ratios

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Per share (Rs)					
Adj EPS	65.4	85.2	92.0	106.6	121.6
Book value	301.2	367.1	440.7	526.0	623.3
DPS	14.0	18.0	18.4	21.3	24.3
Valuation (x)					
P/Sales	4.6	4.3	3.5	3.3	3.0
EV/sales	4.7	4.4	3.5	3.2	2.9
EV/EBITDA	33.2	27.0	24.5	21.0	18.5
P/E	51.7	39.7	36.8	31.7	27.8
P/BV	11.2	9.2	7.7	6.4	5.4
Return ratios (%)					
RoCE	24.4	25.6	24.3	24.0	23.5
RoE	23.9	25.5	22.8	22.0	21.2
Profitability ratios (%)					
Gross margin	33.9	36.3	34.6	36.3	36.4
EBITDA margin	14.2	16.1	14.5	15.5	15.9
PAT margin	8.9	10.8	9.6	10.3	10.6
Liquidity ratios (%)					
Current ratio	1.6	1.9	2.2	2.3	2.4
Quick ratio	1.1	1.2	1.4	1.6	1.7
Solvency ratio (%)					
Debt to Equity ratio	0.3	0.2	0.2	0.1	0.1
Turnover ratios					
Fixed asset turnover ratio (x)	4.1	4.1	5.4	5.1	4.9
Debtor days	61	60	61	61	55
Inventory days	48	49	48	48	48
Creditor days	41	43	41	41	41
Net Working capital days	68	66	68	68	62

Source: Company, Nirmal Bang Institutional Equities Research

Rossari Biotech (ROSSARI)
Exhibit 24: Financial summary

Y/E March (Rsmn)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	6,001	7,093	8,759	10,900	12,956
Growth YoY%	16.2	18.2	23.5	24.4	18.9
Gross margin %	38.1	34.8	34.0	35.5	36.0
EBITDA	1,047	1,231	1,419	1,962	2,397
EBITDA margin %	17.5	17.3	16.2	18.0	18.5
Adj PAT	653	800	1,058	1,480	1,817
Growth YoY%	42.8	22.7	32.2	39.8	22.8
Adj EPS	12.9	14.9	19.7	27.5	33.8
RoCE %	37.0	26.5	19.7	19.9	20.9
RoE %	31.8	23.0	18.0	17.6	18.2
P/E	116.0	100.2	75.8	54.2	44.1
EV/EBITDA	71.7	61.4	50.9	36.4	29.6
P/BV	26.4	18.5	9.8	8.3	7.0

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 25: Change in estimates

Consolidated (Rsmn)	Old Estimates			New estimates			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	8,759	10,900	-	8,759	10,900	12,956	-	-	NA
EBITDA	1,419	2,017	-	1,419	1,962	2,397	-	-3%	NA
EBITDA margin %	16.2%	18.5%	-	16.2%	18.0%	18.5%	-	50bps	NA
APAT	1,058	1,531	-	1,058	1,480	1,817	-	-3%	NA

Source: Nirmal Bang Institutional Equities Research

Exhibit 26: Valuation

Sept'23 Proforma estimates (Rsmn)	Scenario 1	Scenario 2	Scenario 3	Average
Revenue	11,928	11,928	11,928	11,928
Acquisition revenue	5,621	5,384	6,127	5,711
Total	17,549	17,312	18,055	17,638
APAT	2,297	2,243	2,375	2,305
EPS	42.7	41.7	44.2	42.9
Target PE multiple				35.0
Target price				1,500

Source: Nirmal Bang Institutional Equities Research

Financials (Consolidated) excluding acquisitions
Exhibit 27: Income statement

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	6,001	7,093	8,759	10,900	12,956
Growth YoY%	16.2	18.2	23.5	24.4	18.9
COGS	3,717	4,622	5,781	7,031	8,292
Gross margin %	38.1	34.8	34.0	35.5	36.0
Staff costs	372	420	552	654	777
Other expenses	864	821	1,007	1,254	1,490
EBITDA	1,047	1,231	1,419	1,962	2,397
Growth YoY%	35.1	17.5	15.3	38.3	22.2
EBITDA margin %	17.5	17.3	16.2	18.0	18.5
Depreciation	169	228	260	286	315
EBIT	879	1,002	1,159	1,676	2,082
Interest	36	30	30	30	30
Other income	37	92	280	326	369
PBT (bei)	878	1,068	1,413	1,976	2,425
PBT	878	1,068	1,413	1,976	2,425
ETR	26	25	25	25	25
PAT	653	800	1,058	1,480	1,817
Adj PAT	653	800	1,058	1,480	1,817
Growth YoY%	42.8	22.7	32.2	39.8	22.8

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 29: Balance sheet

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Share capital	102	104	108	108	108
Reserves	2,765	3,984	7,582	8,989	10,715
Net worth	2,867	4,088	7,690	9,096	10,823
Long term debt	340	-	-	-	-
Short term debt	271	-	14	14	14
Total debt	610	-	14	14	14
Other non-current liabilities	351	24	420	462	507
Total Equity & Liabilities	3,828	4,112	8,124	9,572	11,344
Gross block	1,224	2,196	2,724	3,024	4,024
Accumulated depreciation	289	517	805	1,136	1,541
Net Block	935	1,679	1,919	1,888	2,483
CWIP	218	3	50	50	50
Intangible and others	-	134	-	-	-
Other non-current assets	586	251	705	847	1,017
Investments	179	731	870	1,289	1,289
Trade receivables	941	1,441	1,440	1,792	2,130
Inventories	582	954	1,080	1,195	1,420
Cash & Cash equivalents	1,272	152	3,570	4,248	4,902
Other current assets	532	270	324	386	461
Total current assets	3,327	2,817	6,414	7,620	8,912
Trade payables	970	1,311	1,416	1,762	2,094
Other current liabilities	448	191	418	360	313
Total current liabilities	1,418	1,502	1,834	2,122	2,407
Total Assets	3,828	4,112	8,124	9,571	11,344

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 28: Cash flow

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
PBT	881	1,064	1,413	1,976	2,425
Depreciation	169	228	260	286	315
Interest	36	30	30	30	30
Other adjustments	(24)	(48)	(280)	(326)	(369)
Change in Working capital	(311)	(483)	153	(240)	(353)
Tax paid	(201)	(269)	(375)	(507)	(600)
Operating cash flow	548	478	1,222	1,230	1,440
Capex	(760)	(581)	(575)	(300)	(1,000)
Free cash flow	(211)	(103)	647	930	440
Other investing activities	(1,143)	209	(181)	(235)	199
Investing cash flow	(1,903)	(372)	(756)	(535)	(801)
Issuance of share capital	1,000	427	2,570	-	-
Movement of Debt	629	(610)	14	-	-
Dividend paid (incl DDT)	(26)	(25)	(27)	(74)	(91)
Other financing activities	(33)	(37)	366	56	107
Financing cash flow	1,569	(246)	2,924	(18)	16
Net change in cash flow	215	(140)	3,389	677	654
Opening C&CE	57	292	181	3,570	4,248
Closing C&CE	292	181	3,570	4,248	4,902

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 30: Key ratios

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Per share (Rs)					
Adj EPS	12.9	14.9	19.7	27.5	33.8
Book value	56.5	80.5	151.5	179.2	213.2
DPS	0.5	0.5	0.5	1.4	1.7
Valuation (x)					
P/Sales	12.6	10.7	8.6	6.9	5.8
EV/sales	12.5	10.7	8.2	6.6	5.5
EV/EBITDA	71.7	61.4	50.9	36.4	29.6
P/E	116.0	100.2	75.8	54.2	44.1
P/BV	26.4	18.5	9.8	8.3	7.0
Return ratios (%)					
RoCE	37.0	26.5	19.7	19.9	20.9
RoE	31.8	23.0	18.0	17.6	18.2
Profitability ratios (%)					
Gross margin	38.1	34.8	34.0	35.5	36.0
EBITDA margin	17.5	17.3	16.2	18.0	18.5
PAT margin	10.8	11.1	11.7	13.2	13.6
Liquidity ratios (%)					
Current ratio	2.1	2.4	3.9	3.9	4.0
Quick ratio	1.7	1.7	3.3	3.4	3.4
Solvency ratio (%)					
Debt to Equity ratio	0.2	-	0.0	0.0	0.0
Turnover ratios					
Fixed asset turnover ratio (x)	7.2	5.4	4.9	5.7	5.9
Debtor days	55	61	60	60	60
Inventory days	34	39	45	40	40
Creditor days	62	59	59	59	59
Net Working capital days	27	42	46	41	41

Source: Company, Nirmal Bang Institutional Equities Research

Camlin Fine Sciences (CFIN)
Exhibit 31: Financial summary

Y/E March (Rsmn)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	10,491	11,871	12,782	16,913	22,583
Growth YoY%	17.6	13.1	7.7	32.3	33.5
Gross margin %	49.1	50.8	47.0	50.4	52.2
EBITDA	1,307	1,819	2,149	3,106	4,284
EBITDA margin %	12.5	15.3	16.8	18.4	19.0
Adj PAT	298	654	952	1,655	2,549
Growth YoY%	NA	119.1	45.7	73.8	54.0
Adj EPS	2.5	4.2	6.1	10.6	16.3
RoCE %	11.5	13.6	13.7	19.9	24.6
RoE %	7.7	12.5	13.8	20.1	24.7
P/E	NA	44.4	30.5	17.5	11.4
EV/EBITDA	20.8	14.6	12.3	8.5	6.3
P/BV	5.6	3.5	3.0	2.5	1.9

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 32: Change in estimates

Consolidated (Rsmn)	Old Estimates			New estimates			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	13,531	18,972	-	12,782	16,913	22,583	-6%	-11%	NA
EBITDA	2,141	3,563	-	2,149	3,106	4,284	0%	-13%	NA
EBITDA margin %	15.8%	18.8%	-	16.8%	18.4%	19.0%	-99bps	42bps	NA
APAT	947	2,008	-	952	1,655	2,549	1%	-18%	NA

Source: Nirmal Bang Institutional Equities Research

Exhibit 33: DCF working

Particulars	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E	FY32E	FY33E	FY34E	FY35E	FY36E
Net revenue	8,922	10,491	11,871	12,782	16,913	19,450	22,368	25,723	28,810	32,267	35,494	39,043	42,167	45,540	49,183	52,134	55,262	58,578
Growth %	23.8%	17.6%	13.1%	7.7%	32.3%	15.0%	15.0%	15.0%	12.0%	12.0%	10.0%	10.0%	8.0%	8.0%	8.0%	6.0%	6.0%	6.0%
EBIT	397	979	1,376	1,571	2,516	2,918	3,400	3,987	4,610	5,227	5,750	6,442	6,957	7,651	8,263	8,759	9,450	10,134
EBIT margin %	4.4%	9.3%	11.6%	12.3%	14.9%	15.0%	15.2%	15.5%	16.0%	16.2%	16.2%	16.5%	16.5%	16.8%	16.8%	16.8%	17.1%	17.3%
EBIT(1-t)	71	502	856	1,145	1,867	2,165	2,523	2,959	3,421	3,880	4,267	4,781	5,164	5,678	6,132	6,500	7,013	7,521
Depreciation	290	328	443	578	589	584	671	772	864	807	887	976	1,054	1,138	1,230	1,303	1,382	1,464
% of sales	3.2%	3.1%	3.7%	4.5%	3.5%	3.0%	3.0%	3.0%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Gross cash flow	361	830	1,299	1,723	2,457	2,749	3,194	3,731	4,285	4,686	5,155	5,757	6,218	6,817	7,362	7,804	8,395	8,986
Change in Working capital	-798	-408	-659	223	-1,557	-1,557	-1,557	-1,557	-1,557	-1,557	-1,557	-1,557	-1,557	-1,557	-1,557	-1,557	-1,557	-1,557
Capex	694	1,341	839	1,968	383	973	1,118	772	864	968	1,420	781	843	911	984	1,043	1,105	1,172
% of revenue	7.8%	12.8%	7.1%	15.4%	2.3%	5.0%	5.0%	3.0%	3.0%	3.0%	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Free cash flow	-1,130	-919	-199	-22	517	220	519	1,402	1,864	2,162	2,178	3,420	3,818	4,349	4,822	5,204	5,733	6,257
Growth %		na	-78.3%	-89.0%	#####	-57.5%	136.4%	170.1%	32.9%	15.9%	0.8%	57.0%	11.6%	13.9%	10.9%	7.9%	10.2%	9.1%
Discounting Period				0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5	10.5	11.5	12.5	13.5	
Discounting Factor				0.9	0.9	0.8	0.7	0.6	0.6	0.5	0.4	0.4	0.4	0.4	0.3	0.3	0.3	0.2
Discounted FCF				490	187	397	964	1,152	1,200	1,086	1,532	1,537	1,573	1,567	1,519	1,504	1,475	

DCF Valuation	
Terminal Growth Rate	4%
WACC	11%
PV of expected CF	16,182
PV of terminal CF	21,010
Total EV	37,192
Net Debt	3,508
Equity Value	33,684
No of shares	157
Equity value per share	215
CMP	170
Upside	26%
Implied PE (Sept'23E)	16

Residual growth rate	WACC				
	10.0%	11.0%	11.3%	12.0%	13.0%
5.5%	301	261	252	234	213
5.0%	278	245	238	222	204
4.5%	260	232	225	212	197
4.0%	244	221	215	203	190
3.0%	219	202	198	189	178

Source: Company, Nirmal Bang Institutional Equities Research

Financials (Consolidated)
Exhibit 34: Income statement

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	10,491	11,871	12,782	16,913	22,583
Growth YoY%	17.6	13.1	7.7	32.3	33.5
COGS	5,338	5,835	6,776	8,396	10,796
Gross margin %	49.1	50.8	47.0	50.4	52.2
Staff costs	997	1,204	1,228	1,608	2,239
Other expenses	2,850	3,013	2,629	3,803	5,265
EBITDA	1,307	1,819	2,149	3,106	4,284
Growth YoY%	90.4	39.2	18.1	44.5	37.9
EBITDA margin %	12.5	15.3	16.8	18.4	19.0
Depreciation	328	443	578	589	636
EBIT	979	1,376	1,571	2,516	3,648
Interest	431	375	357	342	347
Other income	34	50	92	56	132
PBT (bei)	582	1,051	1,306	2,230	3,432
PBT	582	1,051	1,306	2,230	3,432
ETR	49	38	27	26	26
PAT	298	654	952	1,655	2,549
Adj PAT	298	654	952	1,655	2,549
Growth YoY%	5,071.7	119.1	45.7	73.8	54.0

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 36: Balance sheet

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Share Capital	121	127	127	127	127
Reserves & Other Equity	3,910	6,307	7,259	8,914	11,462
Net worth	4,031	6,434	7,386	9,041	11,590
Minority Interest	570	697	550	560	560
Long term debt	2,115	2,732	1,627	2,630	2,630
Short term debt	2,781	2,169	2,571	2,089	1,703
Total debt	4,896	4,901	4,198	4,719	4,333
Other non-current liabilities	(261)	176	176	176	176
Total Equity & Liabilities	9,236	12,209	12,309	14,495	16,658
Gross block	4,340	6,564	8,584	9,004	10,024
Accumulated depreciation	1,303	1,746	2,324	2,913	3,549
Net Block	3,037	4,818	6,260	6,091	6,474
CWIP	1,760	237	184	148	118
Intangible and others	27	241	241	241	241
Other non-current assets	265	1,481	1,076	1,454	1,982
Investments	94	93	93	93	93
Trade receivables	2,528	2,707	2,819	3,729	4,980
Inventories	2,981	3,200	3,152	3,939	5,259
Cash & Cash equivalents	648	1,383	721	1,179	151
Other current assets	592	656	528	789	1,179
Total current assets	6,750	7,947	7,220	9,636	11,569
Trade payables	1,737	1,584	1,788	2,366	3,159
Other current liabilities	960	1,023	977	801	660
Total current liabilities	2,698	2,607	2,765	3,167	3,819
Total Assets	9,236	12,209	12,309	14,495	16,658

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 35: Cash flow

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
PBT	582	1,051	1,306	2,230	3,432
Depreciation	328	443	578	589	636
Interest	431	375	357	342	347
Other adjustments	106	323	(92)	(56)	(132)
Change in Working capital	(408)	(659)	223	(1,557)	(2,309)
Tax paid	(11)	(104)	(105)	(147)	(266)
Operating cash flow	860	1,174	2,018	974	1,091
Capex	(1,341)	(839)	(1,968)	(383)	(990)
Free cash flow	(481)	335	50	591	101
Other investing activities	440	(490)	1,124	(322)	(397)
Investing cash flow	(901)	(1,329)	(844)	(705)	(1,387)
Issuance of share capital	-	757	-	-	-
Movement of Debt	507	229	(704)	521	(385)
Dividend paid (incl DDT)	(28)	-	-	-	-
Other financing activities	(447)	(600)	(505)	(332)	(347)
Financing cash flow	33	386	(1,208)	189	(732)
Net change in cash flow	(8)	232	(34)	458	(1,028)
Opening C&CE	532	524	755	721	1,179
Closing C&CE	524	755	721	1,179	151

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 37: Key ratios

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Per share (Rs)					
Adj EPS	2.5	4.2	6.1	10.6	16.3
Book value	33.2	53.1	60.9	74.6	95.6
Valuation (x)					
P/Sales	2.1	1.9	1.8	1.3	1.0
EV/sales	2.6	2.2	2.1	1.6	1.2
EV/EBITDA	20.8	14.6	12.3	8.5	6.3
P/E	75.2	44.4	30.5	17.5	11.4
P/BV	5.6	3.5	3.0	2.5	1.9
Return ratios (%)					
RoCE	11.5	13.6	13.7	19.9	24.6
RoE	7.7	12.5	13.8	20.1	24.7
Profitability ratios (%)					
Gross margin	49.1	50.8	47.0	50.4	52.2
EBITDA margin	12.5	15.3	16.8	18.4	19.0
PAT margin	2.8	5.5	7.4	9.8	11.2
Liquidity ratios (%)					
Current ratio	1.2	1.7	1.4	1.8	2.1
Quick ratio	0.7	1.0	0.8	1.1	1.1
Solvency ratio (%)					
Debt to Equity ratio	1.2	0.8	0.6	0.5	0.4
Turnover ratios					
Fixed asset turnover ratio (x)	5.2	4.8	4.4	5.3	7.0
Debtor days	80	80	80	80	80
Inventory days	102	95	90	85	85
Creditor days	59	51	51	51	51
Net Working capital days	123	124	119	114	114

Source: Company, Nirmal Bang Institutional Equities Research

Advanced Enzyme Technologies (ADVENZY)
Exhibit 38: Financial summary

Y/E March (Rsmn)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	4,440	5,018	5,941	6,881	7,840
Growth YoY%	5.8	13.0	18.4	15.8	13.9
Gross margin %	81.8	80.3	79.6	78.8	78.9
EBITDA	2,031	2,315	2,678	3,058	3,508
EBITDA margin %	45.8	46.1	45.1	44.4	44.7
Adj PAT	1,293	1,462	1,767	2,044	2,345
Growth YoY%	16.4	13.1	20.9	15.7	14.7
Adj EPS	11.6	13.1	15.8	18.3	21.0
RoCE %	22.7	22.1	22.4	22.2	22.0
RoE %	17.0	16.2	16.8	16.5	16.2
P/E	33.4	29.6	24.5	21.1	18.4
EV/EBITDA	21.0	17.9	15.2	13.0	11.3
P/BV	5.1	4.5	3.8	3.2	2.8

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 39: Change in estimates

Consolidated (Rsmn)	Old Estimates			New estimates			Change (%)		
	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E	FY22E	FY23E	FY24E
Revenue	5,941	6,881	-	5,941	6,881	7,840	-	-	NA
EBITDA	2,678	3,058	-	2,678	3,058	3,508	-	--	NA
EBITDA margin %	45.1%	44.4%	-	45.1%	44.4%	44.7%	-	-	NA
APAT	1,767	2,044	-	1,767	2,044	2,345	-	-	NA

Source: Nirmal Bang Institutional Equities Research

Exhibit 40: DCF working

Particulars	FY19	FY20	FY21	FY22E	FY23E	FY24E	FY25E	FY26E	FY27E	FY28E	FY29E	FY30E	FY31E
Net revenue	4,196	4,440	5,018	5,941	6,881	7,840	8,937	10,010	11,211	12,556	13,812	15,193	16,530
Growth %	7.3%	5.8%	13.0%	18.4%	15.8%	13.9%	14.0%	12.0%	12.0%	12.0%	10.0%	10.0%	8.8%
EBIT	1,614	1,774	2,031	2,381	2,749	3,185	3,718	4,184	4,686	5,274	5,801	6,381	6,943
EBIT margin %	38.5%	39.9%	40.5%	40.1%	39.9%	40.6%	41.6%	41.8%	41.8%	42.0%	42.0%	42.0%	42.0%
EBIT(1-t)	1,155	1,317	1,462	1,740	2,009	2,328	2,717	3,058	3,425	3,854	4,240	4,664	5,074
Depreciation	211	258	284	297	310	323	357	400	448	502	552	608	661
% of sales	5.0%	5.8%	5.7%	5.0%	4.5%	4.1%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Gross cash flow	1,366	1,575	1,747	2,037	2,318	2,651	3,075	3,458	3,873	4,356	4,792	5,271	5,735
Change in Working capital	-121	-156	-150	-320	-318	-333	-333	-333	-333	-333	-333	-333	-333
Capex	124	507	194	89	120	150	447	500	224	251	276	304	331
% of revenue	3.0%	11.4%	3.9%	1.5%	1.7%	1.9%	5.0%	5.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Free cash flow	1,122	912	1,402	1,628	1,881	2,168	2,295	2,625	3,316	3,772	4,183	4,635	5,072
Growth %		na	53.7%	16.1%	15.5%	15.3%	5.9%	14.4%	26.3%	13.8%	10.9%	10.8%	9.4%
Discounting Period				0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	
Discounting Factor				0.9	0.8	0.8	0.7	0.6	0.5	0.5	0.4	0.4	
Discounted FCF				1778	1831	1732	1770	1998	2031	2012	1992	1992	1948

DCF Valuation	
Terminal Growth Rate	4%
WACC	12%
PV of expected CF	17,092
PV of terminal CF	25,591
Total EV	42,683
Net Debt	(5,281)
Equity Value	47,965
No of shares	112
Equity value per share	430
CMP	387
Upside	11%
Implied PE (Sept'23E)	22

	TP sensi		WACC			
	430	9.6%	10.6%	11.9%	12.6%	13.6%
Residual growth rate	7%	918	719	580	534	483
	6%	714	602	513	480	444
	5%	598	527	465	441	413
	4%	524	475	430	411	389
	3%	473	437	402	387	370

Source: Company, Nirmal Bang Institutional Equities Research

Financials (Consolidated)
Exhibit 41: Income statement

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	4,440	5,018	5,941	6,881	7,840
Growth YoY%	5.8	13.0	18.4	15.8	13.9
COGS	809	990	1,210	1,457	1,655
Gross margin %	81.8	80.3	79.6	78.8	78.9
Staff costs	802	871	1,067	1,240	1,400
Other expenses	798	842	986	1,126	1,276
EBITDA	2,031	2,315	2,678	3,058	3,508
Growth YoY%	11.3	14.0	15.7	14.2	14.7
EBITDA margin %	45.8	46.1	45.1	44.4	44.7
Depreciation	258	284	297	310	323
EBIT	1,774	2,031	2,381	2,749	3,185
Interest	41	16	20	20	20
Other income	59	88	150	190	190
PBT (bei)	1,792	2,104	2,511	2,919	3,355
PBT	1,792	2,104	2,511	2,919	3,355
ETR %	26	28	27	27	27
PAT	1,293	1,462	1,767	2,044	2,345
Adj PAT	1,293	1,462	1,767	2,044	2,345
Growth YoY%	16.4	13.1	20.9	15.7	14.7

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 43: Balance sheet

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Share Capital	223	223	223	223	223
Reserves & Surplus	8,173	9,483	11,162	13,103	15,331
Net worth	8,397	9,706	11,385	13,327	15,555
MI	278	601	669	759	866
Long term debt	42	99	-	-	-
Short term debt	127	47	47	47	47
Total debt	169	146	47	47	47
Other non-current liabilities	400	445	445	445	445
Total Equity & Liabilities	9,244	10,898	12,546	14,577	16,912
Gross block	3,864	4,519	4,639	4,759	4,909
Accumulated depreciation	1,128	1,412	1,709	2,018	2,341
Net Block	2,736	3,107	2,930	2,741	2,568
CWIP	48	50	20	20	20
Intangible and others	54	54	54	54	54
Goodwill on consolidation	2,941	2,901	2,901	2,901	2,901
Other non-current assets	177	254	493	714	1,228
Investments	1,236	1,214	1,820	2,730	4,095
Trade receivables	747	863	941	1,085	1,239
Inventories	800	939	1,067	1,228	1,404
Cash & Cash equivalents	830	1,978	2,668	3,439	3,736
Other current assets	143	168	193	193	193
Total current assets	3,756	5,161	6,689	8,675	10,666
Trade payables	96	152	86	94	110
Other current liabilities	372	476	455	434	414
Total current liabilities	468	629	541	528	525

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 42: Cash flow

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
PBT	1,792	2,104	2,511	2,919	3,355
Depreciation	258	284	297	310	323
Interest	26	16	20	20	20
Other adjustments	(1)	(57)	(150)	(190)	(190)
Change in Working capital	(156)	(150)	(320)	(318)	(333)
Tax paid	(127)	(268)	(257)	(302)	(353)
Operating cash flow	1,409	1,629	1,682	1,955	2,273
Capex	(507)	(194)	(89)	(120)	(150)
Free cash flow	902	1,435	1,593	1,835	2,123
Other investing activities	62	(66)	(637)	(941)	(1,689)
Investing cash flow	(445)	(260)	(726)	(1,061)	(1,839)
Issuance of share capital	2	3	-	-	-
Movement of Debt	(223)	(157)	(99)	-	-
Dividend paid (incl DDT)	(105)	(80)	(88)	(102)	(117)
Other financing activities	(59)	(30)	(20)	(20)	(20)
Financing cash flow	(386)	(263)	(207)	(122)	(137)
Net change in cash flow	578	1,106	749	771	297
Opening C&CE	231	827	1,919	2,668	3,439
Closing C&CE	827	1,919	2,668	3,439	3,736

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 44: Key ratios

Y/E March (Rsm)	FY20	FY21	FY22E	FY23E	FY24E
Per share (Rs)					
Adj EPS	11.6	13.1	15.8	18.3	21.0
Book value	75.2	86.9	101.9	119.3	139.3
DPS	0.6	0.9	0.8	0.9	1.1
Valuation (x)					
P/Sales	9.7	8.6	7.3	6.3	5.5
EV/sales	9.6	8.2	6.8	5.8	5.0
EV/EBITDA	21.0	17.9	15.2	13.0	11.3
P/E	33.4	29.6	24.5	21.1	18.4
P/BV	5.1	4.5	3.8	3.2	2.8
Return ratios (%)					
RoCE	22.7	22.1	22.4	22.2	22.0
RoE	17.0	16.2	16.8	16.5	16.2
Profitability ratios (%)					
Gross margin	81.8	80.3	79.6	78.8	78.9
EBITDA margin	45.8	46.1	45.1	44.4	44.7
PAT margin	28.7	28.6	29.0	28.9	29.2
Liquidity ratios (%)					
Current ratio	6.3	7.6	11.4	15.1	18.7
Quick ratio	5.0	6.2	9.6	13.0	16.2
Solvency ratio (%)					
Debt to Equity ratio	0.0	0.0	0.0	0.0	0.0
Turnover ratios					
Fixed asset turnover ratio (x)	1.8	1.7	2.0	2.4	3.0
Debtor days	55	59	55	54	54
Inventory days	65	63	62	61	61
Creditor days	8	9	7	5	5
Net Working capital days	111	113	110	110	111

Source: Company, Nirmal Bang Institutional Equities Research

Rating Track
FINEORG

Date	Rating	Market price (Rs)	Target price (Rs)
1 April 2021	BUY	2,290	2,700
30 May 2021	BUY	3,003	3,500
19 August 2021	BUY	2,837	3,500
23 September 2021	BUY	3,161	3,700

GALSURF

Date	Rating	Market price (Rs)	Target price (Rs)
1 April 2021	ACCUMULATE	2,546	2,800
9 June 2021	ACCUMULATE	3,023	3,200
11 August 2021	ACCUMULATE	3,075	3,200
23 September 2021	BUY	3,383	4,000

ROSSARI

Date	Rating	Market price (Rs)	Target price (Rs)
1 April 2021	BUY	1,073	1,230
17 May 2021	ACCUMULATE	1,225	1,230
02 August 2021	ACCUMULATE	1,290	1,230
23 September 2021	ACCUMULATE	1,492	1,500

CFIN

Date	Rating	Market price (Rs)	Target price (Rs)
1 April 2021	BUY	140	180
31 May 2021	BUY	178	205
13 August 2021	BUY	178	205
23 September 2021	BUY	185	215

ADVENZY

Date	Rating	Market price (Rs)	Target price (Rs)
1 April 2021	ACCUMULATE	353	400
31 May 2021	ACCUMULATE	428	410
11 August 2021	ACCUMULATE	383	410
14 September 2021	ACCUMULATE	412	410
23 September 2021	ACCUMULATE	387	430

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BUY > 15%

ACCUMULATE -5% to 15%

SELL < -5%

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