

# HIL Ltd.

**Performance expected to improve led by turnaround in Parador**

HIL Ltd. (HIL) reported a weak performance in Q4FY24. While revenue was in line with our estimates profits were lower, mainly due to lower than expected margins in the roofing & polymer solutions segment and one time acquisition related cost of ~Rs 60 mn which was included in the other expenditure in Q4FY24 results. In Q4FY24 company reported ~1.3% YoY decline in revenue largely led by the decline in revenue of the flooring solutions segment which de-grew by ~9.5% YoY. Performance in the flooring solution segment was mostly in line with our estimates. Margins in polymer solution segment was impacted due to price cuts taken by the company in Q4FY24 which was in-line with other industry players and volumes grew by ~23% YoY. In the roofing solutions segment company reported volume growth of ~2% YoY and realisation improved by ~3% YoY and achieved highest ever sales volume in FY24. Growth in the building solutions segment in FY24 was driven by ~12% YoY increase in AAC Block volumes while realisations declined by ~8% YoY. Revenues in Polymer solution segment declined by ~2% YoY in FY24 despite a healthy volume growth due to decline in the raw material prices which was passed on to the customers. Parador business reported revenue growth of ~16% QoQ in Q4FY24 which is the third consecutive quarter of revenue growth QoQ and EBITDA of ~Rs 50 mn. Overall management has given a positive outlook for business going forward.

**Segmental Outlook:**

**Roofing Solutions:** In the roofing solutions segment company is the market leader with market share of ~23% at the end of FY24. For FY25 expects segment revenue to grow by ~8%-10% YoY and margin improvement of ~200-300 bps YoY. Expects to continue maintain its market leadership with a strict focus on cost reduction. Witnessed good demand for roofing products in April & May 2024.

**Building Solutions:** Management expects revenue growth of ~20%-25% YoY and margins to improve by ~350-400 bps YoY in FY25. **Next leg of growth will be driven by capacity enhancement at existing plants.** Margins in the segment is expected to improve with better pricing, increase in capacity utilisation levels and better product mix.

**Polymer Solution:** Company is one of the fastest growing brand in pipes and fittings. For FY25 expects organic volume growth of ~25%-30% YoY in the pipes segment and ~30%-35% YoY revenue growth in putty segment. For Topline (recently acquired company) expects volume growth of ~20% YoY in FY25. **Management believes PVC and CPVC prices to have largely bottomed out and hence expect stable pricing. Overall expect revenue growth of ~8%-10% YoY (ex-Topline) with stable margins.**

**Flooring Solutions:** Management reiterated mid to long term prospects of Parador business remains strong. Order intake is now outpacing turnover which augurs well for the upcoming quarters. Company expects revenue growth of ~15%-20% YoY (volume growth of ~17%-22%) with improvement in EBITDA margins on account of operating leverage. **Expect EBITDA margin of ~3%-4% in FY25, ~6%-7% in FY26 and further increasing to ~10%-12% in FY27.**

**Company is on track to achieve revenue of \$1 bn over next 3-4 years & progressively advancing towards becoming a "One-Stop" building material & Solution provider.** In order to reach this target, management would also take resort of any in-organic opportunities. **Going forward growth will be driven from Flooring, Polymer & Building solutions segment, supported by growth from Roofing solutions segment.**

**Outlook and Valuation:**

Considering HIL's dominant market position in the domestic fiber cement sheet industry and its commitment to achieve USD 1 bn revenue over next 3-4 years, **we continue to value the stock at 10x FY26e EPS of Rs. 309.3 to arrive at a target price of Rs. 3093. We continue to have a "Buy" rating on the stock.**

Y/E Mar (Rs mn)	Q4FY24	Q4FY23	YoY (%)	Q3FY24	QoQ (%)	Q4FY24E	Var. (%)
Net sales	8,520	8,633	-1.3%	7,842	8.6%	8,671	-2%
Operating costs	8,344	8,256	1.1%	7,677	8.7%		
EBITDA	177	377	-53.1%	166	7%	479	-63%
EBITDA Margin (%)	2.1%	4.4%	(229)Bps	2.1%	(4)Bps	5.5%	
Depreciation	311	294	5.8%	298	4.4%		
Interest	7	76	-90.9%	80	-91.3%		
Other income	108	34	219.6%	99	9.0%		
Share of associates	-3	-2		7			
Exceptional Items	7	0		0			
PBT	-29	39	-175.8%	-106			
Provision for tax	-28	-7		-35			
Effective tax rate (%)	96.3%	-18.8%		32.5%			
Reported PAT	-1	46	-102.4%	-72		98	
Adjusted PAT	-1	46	-102.9%	-72			
Adj PAT Margin (%)	0.0%	0.5%	(55)Bps	-0.9%	90 Bps	1.1%	

Source: Company, SMIFS Institutional Research Estimates

Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj. PAT	YoY (%)	Adj. EPS	RoE (%)	RoCE (%)	P/E (x)	EV/EBITDA (x)
FY22	35,202	16%	3,914	11.1%	2,104	-1.8%	280.1	18.0%	13.2%	16.1	9.2
FY23	34,790	-1.2%	2,229	6.4%	971	-54%	129.2	7.8%	5.8%	23.8	11.9
FY24	33,750	-3%	1,245	3.7%	-16	-102%	-2.2	-0.1%	0.2%	-	19.8
FY25E	37,593	11%	2,994	8.0%	1,287	LTP	170.7	9.6%	6.8%	14.5	7.0
FY26E	41,596	11%	4,400	10.6%	2,332	81%	309.3	15.7%	11.6%	8.0	4.5

Source: Company, SMIFS Institutional Research Estimates



**Rating: Buy** **Upside: 25%**  
**Current Price: 2,467** **Target Price: 3,093**

**Earlier recommendation**

Previous Rating: Buy  
 Previous Target Price: 3,262

**Market data**

Bloomberg:	HIL IN
52-week H/L (Rs):	3,275/2,415
Mcap (Rs bn/USD bn):	18.67/0.22
Shares outstanding (mn):	7.57
Free float:	59.4%
Avg. daily vol. 3mth (in '000):	11.98
Face Value (Rs):	10

Source: Bloomberg, ACE Equity, SMIFS Research

**Shareholding pattern (%)**

	Mar-24	Dec-23	Sep-23	Jun-23
Promoter	40.6	40.6	40.6	40.6
FIIs	2.2	2.5	2.5	2.5
DIIIs	3.2	3.3	3.3	3.6
Public/others	54.0	53.6	53.6	53.3

**Promoters Pledging (%)**

Pledged	0	0	0	0
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Source: BSE

**Price performance (%)\***

	1M	3M	12M	36M
NIFTY 50	-3.0	0.8	20.2	48.1
NIFTY 500	-2.1	1.9	31.9	61.9
HIL	-13.6	-9.2	-9.4	-28.5

\*as on May 9th 2024; Source: BSE, SMIFS Research

**3 Year Price Performance Chart**



Source: ACE

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## Q4FY24 — Key takeaway from management call

### Vision & Guidance-

- **Company is on-track to achieve revenue of \$1 bn over next 3-4 years & progressively advancing towards becoming a “One-Stop” building material & Solution provider.** In order to reach this target, management would also take resort of any in-organic opportunities.
- **Target to achieve EBIDTA margin in the range of ~7.5%-8% in FY25 and ~10%-12% in FY26e.**

### Roofing Solutions:

- In FY24 sales in the segment increased by ~5% YoY to ~Rs 11.5 bn supported by a volume growth of ~2% YoY and realization increase of ~3% YoY. Segment contributed ~34% to the overall sales of the company in FY24. Capacity utilization at the end of FY24 was ~90%.
- In FY24 despite sluggish demand in the market company has been able to grow its volumes and further increased its market share. **Company is the market leader with market share of ~23% at the end of FY24**, it expects to continue maintain its market leadership. Company also plans to launch certain new products in Q1FY25 in order to sustain its market leadership.
- **Demand has been good till now in Q1FY25 and expect to report volume growth YoY in Q1FY25 which is a seasonally strong quarter.**
- Raw material (fiber & cement) prices are now relatively stable and do not expect any volatility in prices.
- **For FY25 expects segment revenue to grow by ~8%-10% YoY and margin improvement of ~200-300 bps YoY.**

### Building Solutions:

- In FY24 sales in the segment increased by ~7% YoY to ~Rs 5.4 bn. Segment contributed ~16% to the overall sales of the company. In FY24 segment reported EBIDTA margin of ~9% and PBT margin of ~4%
- In FY24 company reported ~12% YoY increase in volumes in the AAC block segment within the building solutions. However, there was headwinds in pricing which declined by ~8% YoY.
- Capacity utilization of the segment was ~90% at the end of FY24. The next phase of growth is expected to come from enhancement of block capacities. Will add ~ 2 lakh cbm (on total existing capacity of 11 lakh cbm) in AAC blocks in FY25 at the Chennai plant.
- Raw material (mainly cement & fly ash) prices are now relatively stable and do not expect much volatility in prices in FY25.
- **Management expects revenue growth of ~20%-25% YoY in FY25 with margin improvement by ~350-400 bps YoY. Margins in the segment is expected to improve on better pricing, increase in capacity utilization and better product mix.**

### Polymer Solutions:

- In FY24 segment reported sales of ~Rs 5.4 bn a decline of ~2% YoY. Segment contributed ~16% to the overall sales of the company in FY24. Capacity utilization stood at ~65%-70% at the end of FY24.

- In the pipes and fitting segment company reported strong double digit increase in **sales volumes but because of decline in product prices by ~14% YoY revenue growth was impacted. In Q4FY24 volume increased by ~23% YoY driven by targeted distribution expansion efforts in retail segment and focused sales in the institutional segment.**
- **In March & April 2024 volumes grew by ~40% YoY. Company is prioritizing volume growth in the pipe segment.**
- Management believes that PVC and CPVC prices has now largely bottomed out and thus expect stability in product pricing and margins in FY25.
- Construction chemical business is on a strong growth momentum as the company continue to scale the business every month.
- In FY24 revenue mix from pipes & fittings was ~55% and rest ~35% was from putty segment.
- On April 5th, 2024, HIL completed the 100% acquisition of Crestia Polytech Pvt Ltd (Holding company for Topline brand) for a total cash consideration of ~Rs 1.58 bn (after adjustment of net debt and working capital as per SPA). **HIL has taken over full management and operational control from April 6<sup>th</sup>, 2024.**
- Crestia and its subsidiaries, will have an estimated turnover of ~Rs 3.30 bn in FY24 with an estimated adjusted EBIDTA margin in the range of ~9%-10%. This acquisition will be PAT accretive.
- The acquisition is a significant step towards HIL's commitment to further accelerate its fast-growing pipes & fittings business. With a complementary portfolio of products, technologies and market footprint, it will also **help to significantly scale HIL's production capacity and nearly double its revenue in the pipes and fittings segment.** Post the completion of the acquisition the consolidated pipes & fittings capacity of the company will increase to ~1,10,000 MT/year
- The combined synergy of the two organisation will help the company to broaden the product portfolio. **This will help the company to nearly double the SKU's offering, increase the manufacturing capacity and marketing reach.** HIL will gain access to Topline's significant channel presence across 15 states, with East being a stronghold. This acquisition will **enable company's entry into large segments such as HDPE, MDPE and water tanks which are large segments and company will have a meaning play in these segments.**
- For FY25 expects organic volume growth of ~25%-30% YoY in the pipes segment and ~30%-35% YoY revenue growth in putty segment. For Topline (recently acquired company) expects volume growth of ~20% YoY in FY25. **Overall expect revenue growth of ~8%-10% YoY (ex-Topline) with stable margins.**
- **Management ambition is to grow in this business segment five times on the current size by 2026.**

#### Flooring Solution- Parador:

- In FY24 segment reported sales of ~Rs 11.44 bn decline of ~13.6% YoY. Segment contributed ~34% to the overall sales of the company in FY24. Flooring market in Europe declined by ~20%-30% YoY.
- In FY24 performance in the Parador segment was impacted due to recessionary macro-economic conditions and weak consumer sentiments in the core European market. In this environment company doubled down its efforts to gain

market share by expanding its playfield into the commercial segment, agile pricing, re-structuring the sales team, seeding new markets and new product innovations. Also maintained strict discipline on cost and working capital to ensure lean operations.

- As a result of these efforts company managed to achieve QoQ revenue growth for last three quarters and also achieved positive operating margins in the last two quarters. ***Now as the macro-economic indicators are showing signs of turnaround management is confident of smart recovery in Parador business in FY25.***
- In Q4FY24 company launched ~65 new SKU's and achieved revenue growth of ~16% QoQ led by volume growth of ~13% QoQ. Inventory levels were at all-time low levels at the end of FY24 and projections are for further reduction in FY25.
- ***Order intake is now outpacing turnover which augurs well for the upcoming quarters. The expected improvement in consumer sentiments in Eurozone should further accelerate the turnaround.***
- March 2024 was the best month in terms of sales in FY24 and the same trend continued in April 2024. In Q4FY24 Parador reported EBIDTA of ~Rs 50 mn. Going forward margin improvement will be factor of operating leverage.
- Company is diversifying from core Europe market and has entered some large high growth markets. Target ~50% revenue for Parador from markets outside Europe.
- ***Management reiterated that the mid to long term prospects of Parador business remains strong.***
- ***In FY25 expect revenue growth of ~15%-20% YoY (volume growth of ~17%-22%) assuming flat market demand in Europe. Expect margins to improve on operating leverage benefit.*** Growth will be driven from entry into new markets and also sales from commercial channel.
- ***Expect to achieve EBIDTA margin of ~3%-4% in FY25 and ~6%-7% in FY26 and then further increasing to ~10%-12% in FY27.***

## Outlook and Valuation

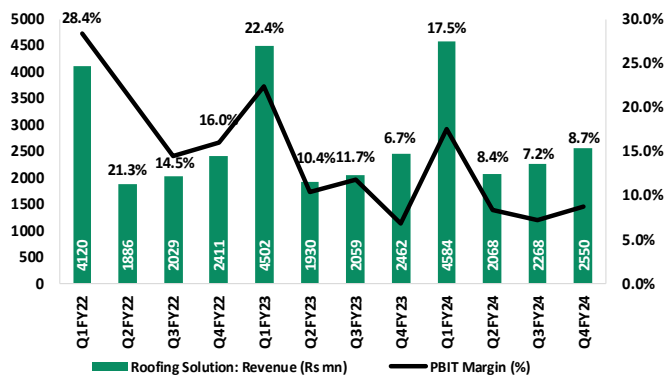
HIL's diversified business profile, geographical diversification, pan-India manufacturing presence, wide distribution and dealership network, strong brand recall, along with prudent working capital management and strong pricing power would help in healthy performance going forward. Despite the near term pressures, with the increasing thrust on development and housing; rising income levels of the people; increase in demand of fibre cement (FC) sheets and building materials would provide opportunity and growth to the company's like HIL.

Thus, considering HIL's dominant market position in the domestic Fibre Cement Sheet industry and its commitment to achieve USD 1 bn revenue over next 3-4 years, we continue to **value continue to value the stock at 10x FY26E EPS of Rs. 309.3 to arrive at a target price of Rs. 3,093** offering return potential of ~25% based on the CMP. **We retain our "Buy" rating on the stock.**

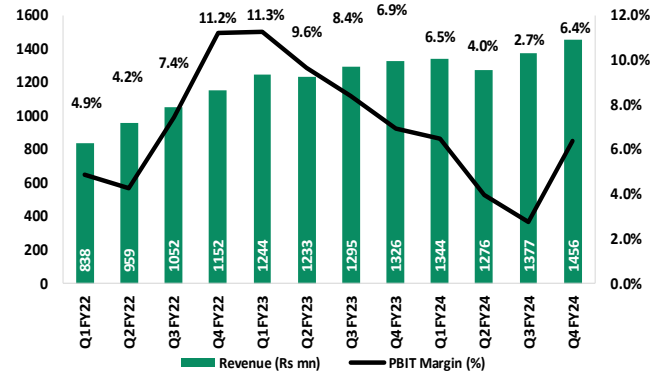
**Fig 1: 1-year forward P/E**



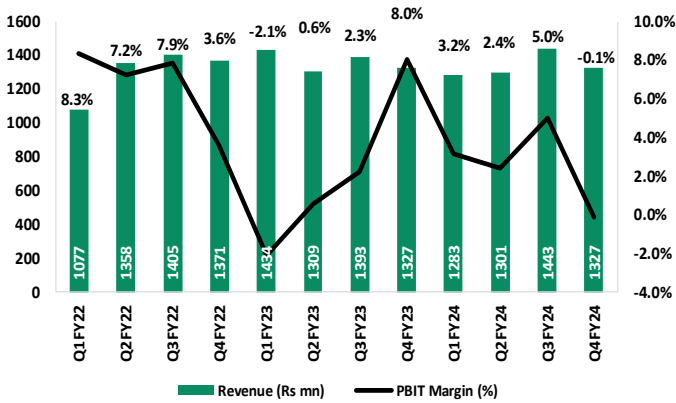
Source: Company, SMIFS Institutional Research Estimates

**Fig 2: Roofing Solution**


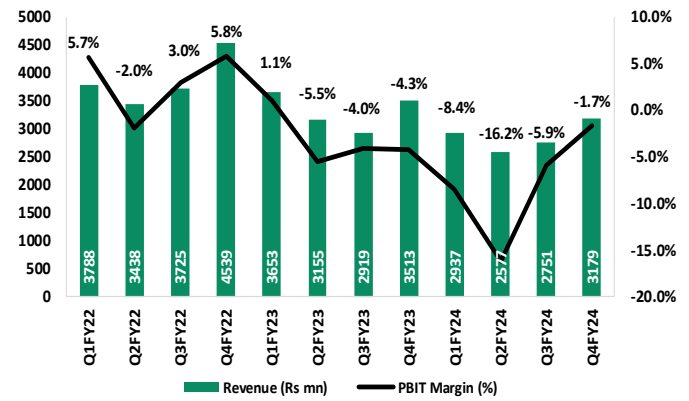
Source: Company, SMIFS Research

**Fig 3: Building Solution**


Source: Company, SMIFS Research

**Fig 4: Polymer Solution**


Source: Company, SMIFS Research

**Fig 5: Flooring Solution**


Source: Company, SMIFS Research

## Quarterly financials, operating metrics and key performance indicators

**Fig 6: Quarterly Financials (Consolidated)**

Y/E March (Rs mn)	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24
<b>Net Sales</b>	<b>10,847</b>	<b>7,639</b>	<b>7,672</b>	<b>8,633</b>	<b>10,155</b>	<b>7,232</b>	<b>7,842</b>	<b>8,520</b>
COGS	6,281	4,718	4,479	5,096	5,919	4,057	4,515	4,659
Employee Costs	1081	951	950	1132	1137	1123	1160	1253
Other Expenditure	2257	1850	1739	2029	2227	2022	2002	2431
<b>EBITDA</b>	<b>1,228</b>	<b>120</b>	<b>504</b>	<b>377</b>	<b>872</b>	<b>30</b>	<b>166</b>	<b>177</b>
Depreciation	279	263	271	294	302	289	298	311
Interest	29	35	57	76	96	172	80	7
Other Income	139	76	5	34	41	50	99	108
Share of Associates	-3	-5	-8	-2	-6	-3	7	-3
Extraordinary Items	-	-	-	-	227	139		7
<b>PBT</b>	<b>1057</b>	<b>-107</b>	<b>173</b>	<b>39</b>	<b>736</b>	<b>-245</b>	<b>-106</b>	<b>-29</b>
Tax	195	-39	48	-7	158	-87	-35	-28
Tax rate (%)	18.4%	-36.6%	27.7%	-18.8%	21.4%	35.6%	32.5%	96.3%
<b>Reported PAT</b>	<b>867</b>	<b>-68</b>	<b>125</b>	<b>46</b>	<b>579</b>	<b>-158</b>	<b>-72</b>	<b>-1</b>
Minority Interest	-	-	-	-	-	-	-	-
<b>Adjusted PAT</b>	<b>867</b>	<b>-68</b>	<b>125</b>	<b>46</b>	<b>401</b>	<b>-247</b>	<b>-72</b>	<b>-1</b>
<b>YoY Growth (%)</b>								
Revenue	10.3%	-0.3%	-6.6%	-9.1%	-6.4%	-5.3%	2.2%	-1.3%
EBITDA	-24.4%	-80.9%	-30.8%	-59.6%	-29.0%	-74.9%	-67.1%	-53.1%
Adj PAT	-12.9%	-125.9%	-63.4%	-90.9%	-53.8%	264.9%	-157.3%	-102.9%
<b>QoQ Growth (%)</b>								
Revenue	14.2%	-29.6%	0.4%	12.5%	17.6%	-28.8%	8.4%	8.6%
EBITDA	31.6%	-90.2%	319.5%	-25.2%	131.4%	-96.5%	448.7%	6.6%
Adj PAT	71.2%	-107.8%	LTP	-63.1%	767.1%	-161.7%	-70.9%	-98.1%
<b>Margin (%)</b>								
RMC/revenue (%)	57.9%	61.8%	58.4%	59.0%	58.3%	56.1%	57.6%	54.7%
Gross margin (%)	42.1%	38.2%	41.6%	41.0%	41.7%	43.9%	42.4%	45.3%
Employee cost/revenue (%)	10.0%	12.4%	12.4%	13.1%	11.2%	15.5%	14.8%	14.7%
Other expenses/revenue (%)	20.8%	24.2%	22.7%	23.5%	21.9%	28.0%	25.5%	28.5%
EBITDA margin (%)	11.3%	1.6%	6.6%	4.4%	8.6%	0.4%	2.1%	2.1%
Adj PAT margin (%)	8.0%	-0.9%	1.6%	0.5%	3.9%	-3.4%	-0.9%	0.0%

Source: Company, SMIFS Institutional Research Estimates

Rs mn	New estimates		Old estimates		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Revenue	37,593	41,596	38,201	42,221	-2%	-1%
Gross profit	16,903	18,876	17,180	19,204	-2%	-2%
Gross margin (%)	45.0%	45.4%	45.0%	45.5%	-1 Bps	-11 Bps
EBITDA	2,994	4,400	3,316	4,481	-10%	-2%
EBITDA margin (%)	8.0%	10.6%	8.7%	10.6%	-72 Bps	-3 Bps
Adj PAT	1,287	2,332	1,490	2,460	-14%	-5%
EPS (Rs)	170.7	309.3	197.6	326.2		

Source: Company, SMIFS research estimates



## Financial Statements (Consolidated)

Income Statement					
YE March (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
<b>Net Sales</b>	<b>35,202</b>	<b>34,790</b>	<b>33,750</b>	<b>37,593</b>	<b>41,596</b>
COGS	19,539	20,573	19,150	20,690	22,721
% of sales	55.5%	59.1%	56.7%	55.0%	54.6%
Employee Cost	4,188	4,113	4,674	4,962	5,116
% of sales	11.9%	11.8%	13.8%	13.2%	12.3%
Other Exp.	7,561	7,874	8,681	8,947	9,359
% of sales	21.5%	22.6%	25.7%	23.8%	22.5%
<b>EBITDA</b>	<b>3,914</b>	<b>2,229</b>	<b>1,245</b>	<b>2,994</b>	<b>4,400</b>
Other Income	304	253	298	320	360
Depreciation & Amortisation	1,163	1,108	1,200	1,260	1,350
<b>PBIT</b>	<b>3,056</b>	<b>1,375</b>	<b>343</b>	<b>2,054</b>	<b>3,410</b>
Interest cost	126	196	354	314	271
<b>Core PBT</b>	<b>2,625</b>	<b>926</b>	<b>-309</b>	<b>1,420</b>	<b>2,779</b>
Exceptional items	-	-	372	-	-
Share of associates	22	-12	-6	-12	-8
<b>PBT</b>	<b>2,951</b>	<b>1,167</b>	<b>355</b>	<b>1,728</b>	<b>3,131</b>
Tax Expenses	847	196	7	441	798
Tax Rate (%)	28.7%	16.8%	2.1%	25.5%	25.5%
PAT	2,104	971	348	1,287	2,332
<b>Adjusted PAT</b>	<b>2,104</b>	<b>971</b>	<b>-16</b>	<b>1,287</b>	<b>2,332</b>

Source: Company, SMIFS Institutional Research Estimates

Key Ratios					
YE March	FY22	FY23	FY24	FY25E	FY26E
<b>Growth ratios (%)</b>					
Net sales	15.7%	-1.2%	-3.0%	11.4%	10.6%
EBITDA	-4.4%	-43.0%	-44.2%	140.6%	47.0%
Adjusted PAT	-1.8%	-53.9%	-101.7%	LTP	81.2%
<b>Margin Ratio (%)</b>					
Gross Profit	44.5%	40.9%	43.3%	45.0%	45.4%
EBITDA	11.1%	6.4%	3.7%	8.0%	10.6%
EBIT	7.8%	3.2%	0.1%	4.6%	7.3%
Core PBT	7.5%	1.5%	-0.9%	3.7%	6.7%
Adjusted PAT	6.0%	2.8%	-0.05%	3.4%	5.6%
<b>Return Ratio (%)</b>					
ROE	18.0%	7.8%	-0.1%	9.6%	15.7%
ROCE	13.2%	5.8%	0.2%	6.8%	11.6%
<b>Turnover Ratio days (days)</b>					
Gross Block Turnover (x)	2.7	2.4	2.2	2.2	2.3
Adj OCF/Adj PAT (%)	73	116	-	173	142
Inventory	134	121	136	125	120
Debtors	11	13	17	15	15
Creditors	69	60	75	60	60
Cash Conversion Cycle	76	75	78	80	75
<b>Solvency Ratio (%)</b>					
Debt-equity (x)	0.3	0.3	0.4	0.4	0.3
Net Debt-equity (x)	0.2	0.3	0.2	0.2	0.1
Gross Debt/EBITDA	0.7	1.8	4.4	1.7	1.0
Current Ratio	1.4	1.4	1.4	1.5	1.5
Interest coverage ratio (x)	21.8	5.7	0.1	5.5	11.2
<b>Per share (Rs)</b>					
Reported EPS	280.5	129.1	46.1	170.7	309.3
Adj. EPS	280.1	129.2	-2.2	170.7	309.3
CEPS	427.5	276.7	157.0	337.8	488.3
Book value	1558	1661	1674	1785	1984
<b>Dividend</b>					
DPS (Rs)	65.0	45.0	37.5	60.0	100.0
Dividend Payout (%)	23%	35%	81%	35%	32%
Dividend Yield (%)	2.6%	1.8%	1.5%	2.4%	4.1%
<b>Valuation</b>					
P/E	16.1	23.8	-	14.5	8.0
P/BV	2.9	1.9	1.7	1.4	1.2
EV/EBITDA	9.2	11.9	19.8	7.0	4.5
EV/Sales	1.0	0.8	0.7	0.6	0.5
Adj M.Cap /Core PBT	12.5	42.9	-64.0	12.2	6.2
Adj M.Cap / Adj OCF	21.5	20.0	14.6	7.7	5.2

Source: Company, SMIFS Institutional Research Estimates

Balance Sheet					
YE March (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
<b>Sources of funds</b>					
Capital	75	76	76	76	76
Reserves & Surplus	11,587	12,361	12,453	13,286	14,776
<b>Shareholders' Funds</b>	<b>11,662</b>	<b>12,431</b>	<b>12,528</b>	<b>13,362</b>	<b>14,852</b>
Total Debt	2,877	4,075	5,478	4,978	4,278
Deferred Tax Liabilities	980	1,015	679	679	679
Other Non-current Liabilities	539	461	2410	2385	2397
<b>Total Liabilities</b>	<b>16,058</b>	<b>17,980</b>	<b>21,095</b>	<b>21,403</b>	<b>22,206</b>
<b>Application of funds</b>					
Gross Block	12,859	14,401	15,601	16,801	18,001
Net Block	10,076	10,774	12,723	12,564	12,320
Capital WIP	228	305	419	419	419
Other Non-current Asset	543	681	697	654	683
Quasi cash Investments	4	3	1026	1026	1026
Goodwill	1,270	1,425	1,431	1,431	1,431
Inventories	7,161	6,841	7,142	7,086	7,470
Sundry Debtors	1,098	1,283	1,538	1,545	1,709
Other Current Assets	1,118	1,702	1,102	1,157	1,215
Cash & Bank Balances	734	628	1355	1,491	2,213
<b>Total Current Assets</b>	<b>10,112</b>	<b>10,455</b>	<b>11,137</b>	<b>11,279</b>	<b>12,607</b>
Creditors	3,692	3,386	3,924	3,608	3,942
Other Current Liabilities	2,138	1,918	2,142	2,049	2,047
Provisions	343	356	271	312	292
<b>Total Current Liabilities</b>	<b>6,173</b>	<b>5,659</b>	<b>6,337</b>	<b>5,969</b>	<b>6,280</b>
<b>Net Current Assets</b>	<b>3,938</b>	<b>4,796</b>	<b>4,799</b>	<b>5,309</b>	<b>6,327</b>
<b>Total assets</b>	<b>16,058</b>	<b>17,980</b>	<b>21,095</b>	<b>21,403</b>	<b>22,206</b>

Source: Company, SMIFS Institutional Research Estimates

Cash Flow					
YE March (Rs mn)	FY22	FY23	FY24	FY25E	FY26E
<b>Op. profit before WC changes</b>	<b>3,898</b>	<b>2,335</b>	<b>1,630</b>	<b>3,258</b>	<b>4,704</b>
Net change in working capital	-1,310	-828	489	-271	-314
Tax Paid	-926	-187	-386	-441	-798
<b>Cash flow from operating activities (a)</b>	<b>1,663</b>	<b>1,320</b>	<b>1,733</b>	<b>2,546</b>	<b>3,591</b>
<b>Adjusted OCF</b>	<b>1,537</b>	<b>1,124</b>	<b>1,379</b>	<b>2,233</b>	<b>3,320</b>
Capital expenditure	-811	-1,322	-1,141	-1,200	-1,200
Adjusted free cash flow	726	-197	239	1,033	2,120
<b>Cash flow from investing activities (b)</b>	<b>-504</b>	<b>-1,777</b>	<b>-1,628</b>	<b>-1,144</b>	<b>-1,144</b>
Proceeds from issuance of share capital	13	29	4	0	0
Debt issuance (repayment)	-1,362	1,050	1,259	-500	-700
Interest & lease expenses	-107	-170	-344	-314	-271
Dividend Paid	-337	-488	-302	-452	-754
<b>Cash flow from financing activities (c)</b>	<b>-1,793</b>	<b>421</b>	<b>617</b>	<b>-1,266</b>	<b>-1,726</b>
<b>Net change in cash (a+b+c)</b>	<b>-634</b>	<b>-36</b>	<b>723</b>	<b>136</b>	<b>722</b>

Source: Company, SMIFS Institutional Research Estimates



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