

Reco : Not Rated
CMP : INR 360

Manish Mahawar

+91 22 6911 3427

manish.mahawar@antiquelimited.com

Darshita Shah

+91 22 6911 3431

darshita.shah@antiquelimited.com

Jenish Karia

+91 22 6911 3406

jenish.karia@antiquelimited.com

Market data

Sensex	:	65,970
Sector	:	Sp. Chemicals
Market Cap (INR bn)	:	39.8
Market Cap (USD bn)	:	0.478
O/S Shares (mn)	:	110.7
52-wk HI/LO (INR)	:	368/203
Avg. Daily Vol ('000)	:	286
Bloomberg	:	FTXC IN

Source: Bloomberg

Valuation

	FY21	FY22	FY23
EPS (INR)	3.8	5.0	8.0
P/E (x)	93.6	72.3	45.1
P/BV (x)	19.0	15.2	11.4
EV/EBITDA (x)	81.6	46.4	29.2
Dividend Yield (%)	-	0.1	0.1

Source: Bloomberg

Returns (%)

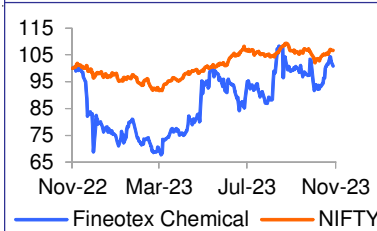
	1m	3m	6m	12m
Absolute	19	27	22	13
Relative	16	26	14	7

Source: Bloomberg

Shareholding pattern

Promoters	:	65%
Public	:	35%
Others	:	0%

Source: Bloomberg

Price performance vs Nifty

Source: Bloomberg Indexed to 100

COMPANY VISIT

Fineotex Chemical

Scouting for newer areas of growth

Fineotex Chemical (FCL) distinguishes its business model by being a customized technical solutions provider across segments. Company started with catering to the textile industry value chain. Its investment in Biotex, Malaysia (72% stake) gives FCL access to a niche product portfolio which caters to high end specialty textile chemicals applications, thus margin accretive in nature. With similar chemistry and fungibility of the manufacturing plants, in FY21, FCL forayed into a FMCG segments like cleaning and hygiene and has been focusing on scaling it up by adding new clients. Consequently, the segment contribution to overall topline in FY23 was ~40% vs negligible in FY21. Further, with strong demand and order inflow in the cleaning and hygiene business FCL expanded its Ambarnath plant capacity to 61 KMT from 40 KMT in FY22, taking the overall capacity to 104 KMT. We believe that the company can show strong growth momentum in the near term driven by wallet share gain in textile chemicals, traction in newer segments, and capacity addition. We do not have a rating on the stock.

Targeting a high wallet share in the textile segment

FCL and its subsidiary Biotex, Malaysia, in which it owns 72%, has a diverse product portfolio (450+ products) that finds application across the entire textile industry value chain. Not only has it been focusing on adding new customers, but also on gaining wallet share by tapping into its a) Strong relationships with major textile clients, both in India and globally; b) Innovative product portfolio; c) Technology assistance from Biotex Malaysia; and 4) Providing high-end customized solutions. Of the entire portfolio of 25 products that FCL provides, the cost of those chemicals for any textile company, is not more than 3% creating a high entry barrier for new players, limiting competitive intensity. Additionally, if anything goes wrong due to changes in the chemical composition or product mix, it can lead to fabric damage resulting in huge losses for textile companies, making clients sticky in nature. Thus, the gestation period to onboard a client is a prolonged one.

Foray into new segments

By leveraging its technical expertise, as well as benefit of similar chemistry, FCL has successfully forayed into non-textile segments like FMCG, and drilling specialty chemicals. It ventured into cleaning and hygiene in the FMCG segment in FY21 and within 2 years, has been able to bag orders from leading detergent companies including brands of Patanjali, and RSPL (Ghadi Detergent). The company scaled up the business in a span 2 years resulting in its contribution to overall topline increasing to 40% in FY23 vs negligible in FY21. Further, it has also been providing customized solutions for drilling in oil exploratory processes. The shift into non-textile segments will enable the company to diversify its product portfolio thus, reducing dependence on single industry and drive volume growth going forward.

Capacity expansion to support growth

FCL has been expanding its capacity at its Ambarnath plant taking the total capacity including the capacity of the plants in Mahape and Malaysia, to 104 KMT from 43 KMT in two years and focusing on improving the capacity utilization. On the back of increased traction and order inflow from the cleaning and hygiene segment, company has scaled up capacity utilization up to 68% in 2QFY24 (62% in 1QFY24). Additionally, it can expand the capacity by another ~20 KMT for a capex of INR 200 –250 mn. The expected asset turnover from Ambarnath plant is >8x with superior margin. Given that product lines are fungible, it saved time for changeover of product line for different solutions and segments. Furthermore, FCL is also consistently looking for organic and inorganic acquisitions to expand its capacity as well as diversify into new segments.

Valuation and Outlook

FCL's revenue/ EBITDA/ PAT has grown at 30%/ 29%/ 31% CAGR over FY18–23 aided by capacity expansion, improving utilization levels, and increased traction in the FMCG segment. The company is net cash and has been maintaining a strong RoCE profile of +20% since FY18. Going forward, FCL believes its robust earnings growth momentum will continue, driven by expansion and ramp-up in utilization at its new facility in Ambarnath. Currently, the stock is trading at 34x TTM EPS.

Textile chemicals—targeting a high wallet share

FCL manufactures chemicals for the entire value chain for the textile industry, including pre-treatment, dyeing, printing, and finishing process. The segment in FY23 contributed 60% to overall topline and 40% to overall volumes. FCL has a strong global footprint with presence across 60+ countries, majorly in Europe and Asia, and enjoys longstanding relations with marquee clients in the domestic markets also.

FCL has been focusing on becoming a one-stop-shop for its clients in the textile space by expanding its portfolio and thus increasing wallet share by having a diversified product range and more solutions for textile companies. Of the entire portfolio of 25 products that FCL provides, the cost of those chemicals for any textile company, is not more than 3% creating a high entry barrier for new players, limiting competitive intensity. Additionally, if anything goes wrong due to change in the chemical composition or product mix, it can lead to fabric damage resulting in huge losses for textile companies, making clients sticky in nature. Given such a scenario, the gestation period to onboard a client is long.

Exhibit 1: Transforming to be a one-stop-shop for clients in the textile space











Source: Company, Antique

Synergies with Biotex

Biotex, a Malaysia-based subsidiary in which FCL holds a 72% stake and its Founder and MD Dr. Cedric Veniat, a technocrat with over 25 years of work experience, holds the remaining 28%. Biotex's niche portfolio of 50+ products finds application in high-end super specialty textile chemicals. The company has been focusing on developing value-added products that will aid textile companies in reducing water and energy consumption. Additionally, changing client preferences and expectations for fabrics to be water and dust-repellent, anti-microbial, and the increasing demand for such sustainable products in the textile market have resulted in an increase in the addressable market for the company. This in turn has increased the demand for its products, helping it garner more market share.

Furthermore, in partnership in Biotex, FCL has developed a unique 'Mosquito Life Cycle Controller' product, which is non-toxic and eco-friendly in nature. The product has already been approved by the Ministry of Health Malaysia, Singapore PUB, European Union, National Sanitation Foundation (NSF) and relevant authorities in Vietnam and Cambodia.

Exhibit 2: Synergistic model with Biotex

	Fineotex - India		Biotex - Malaysia
 Overview	<ul style="list-style-type: none"> Diverse product portfolio (400+ categories) across business segments Applications primarily across the entire textile value chain: pre-treatment to finishing 		<ul style="list-style-type: none"> Niche product portfolio (50+ categories) High end super speciality textile chemical applications
 Focus Areas	<ul style="list-style-type: none"> Focused on textiles and rapidly entering other fast growing sectors High profile India customer base 		<ul style="list-style-type: none"> Sustainable and effective textile solutions Grow 'Mosquito Life Cycle Controller' revenue share High profile International customer base
 Business Segments	<ul style="list-style-type: none"> Textile, Cleaning and Hygiene, Drilling and Other Specialities 		<ul style="list-style-type: none"> Textile and auxiliary sectors 'Mosquito Life Cycle Controller', an eco friendly non toxic solution for mosquito outbreaks used primarily across developing countries
 Competitive Edge	<ul style="list-style-type: none"> Strong brand recall in Indian markets Reputation for diverse product portfolio Deep customer relationships 		<ul style="list-style-type: none"> Strong brand recall in International markets Solutions for finishing process in textile Strong R&D capabilities

Source: Company, Antique

Strategic partnerships

FCL's JV with Healthguard, Australia will concentrate on developing cutting-edge solutions that will be marketed and channelized by FCL-Biotex. The company's anti-microbial product is US EPA approved. The synergies derived are expected to provide durable metal-free sustainable chemistry solutions that are anti-microbial and anti-viral. The JV offers a range of products with wider application across several industries like textiles, detergent, leather, and allied industries. Further, FCL has set up a R&D center in collaboration with Sasmira Institute, which is India's premier textile institute. Recently, FCL entered into a strategic collaboration with Eurodye-CTC, Belgium to commercialize specialty chemical products for the Indian market. We believe that the collaboration will help FCL expand its product profile, geographical reach, and up-skill R&D.

Exhibit 3: Leveraging the benefits of various partnerships

		
Strategic collaboration with Eurodye-CTC, Belgium, to commercialize specialty chemicals for the Indian market	Strategic collaboration with HealthGuard, Australia to become the exclusive global marketing and sales channel partner with joint operations from Malaysia	Setting up a state of art Research & Development centre in collaboration with Sasmira Institute, one of India's premier textile institutes
Addition to its portfolio, specialized pre-treatment and dyeing products for the cotton-synthetic and woollen fibre/ fabric/ yarn	HealthGuard® will concentrate on developing cutting-edge solutions, that will be marketed and channelized across the world by Fineotex-Biotex	Develop a first-of-its-kind Support and Solution Centre for technical service in Sasmira to catalyze innovation and focus on sustainable chemistry
Eurodye-CTC has REACH registration, Bluesign certification & GOTS 6 certification for a large selection of its product range	Synergy will provide durable metal-free sustainable chemistry solutions that are anti-microbial and anti-viral	Focus on new sustainable solutions and chemicals to reduce water, time and energy consumption for the textile wet processing industry
Fineotex is committed to sustainable practices and Eurodye-CTC is also an environmentally conscious company	Range of products over several industries - textile, detergent, leather and allied industries	Provide the much-needed exposure for students and help provide practical experience, which will benefit the industry in the long term

Source: Company, Antique

Foray into newer segments




By utilizing the fundamental benefits of cleaning agents and chemicals required in the textile industry and leveraging its technical expertise, FCL has successfully forayed into the non-textile segments like FMCG and drilling specialty chemicals.

It ventured into the cleaning and hygiene space in the FMCG segment in FY21 and within two years has been able to bag orders from leading detergent companies, including Patanjali and RSPL (Ghadi detergent). FCL has scaled up the business within a span of two years resulting in the contribution of these products to the overall topline increasing from a negligible 1% in FY21 to 40% in FY23. Further, the cleaning and hygiene space’s contribution to overall volume is now 60%. Also, in May’23 Mr. Madhukar Shenoy (ex-Dow Consumer Solutions) joined FCL as Business Head for Consumer and Industrial Care.

The company has also been providing customized solutions for drilling in oil exploratory processes. It has received sizeable orders from O&G companies, including ONGC; however, these are largely contract-based and not continuous in nature.

The shift into non-textile segments will enable the company to diversify its product portfolio, thus reducing dependence on a single industry and driving volume growth going forward.

Exhibit 4: Details of FCL’s foray in to new segments

 Cleaning and Hygiene Chemicals	 Drilling Speciality Chemicals	 Other Speciality Chemicals
<ul style="list-style-type: none">Customised solutions for:<ul style="list-style-type: none">Housekeeping, Kitchen Care and DisinfectantsPublic Health and HygieneThe plant has been approved and certified by the Food & Drugs Administration (Maharashtra State) department. The license has been granted for production of disinfectant/antimicrobial hygiene and cleaning products ensuring safety and effectiveness.Post the outbreak of COVID-19, large addressable market for solutions used in disinfectants and sanitizers	<ul style="list-style-type: none">Customised solutions for Oil and GasSignificant potential for offering effective products used for drilling in oil exploratory processesSizeable orders from a leading oil and gas company in India	<ul style="list-style-type: none">Non toxic eco-friendly solution designed with European technology in Malaysia by BiotexApproved by Ministry of Health Malaysia, Singapore PUB, European Union, NSF and relevant authorities in Vietnam and CambodiaA unique ‘Mosquito Life Cycle Controller’ product under development by Biotex

Key Products







Cleaning and Hygiene Chemicals

Source: Company, Antique

Enhanced capacity coupled with better utilization at existing plants to drive growth

FCL has been expanding its capacity at its Ambernath plant taking the total capacity including the capacity of the plants in Mahape and Malaysia, to 104 KMT from 43 KMT in two years and focusing on improving the capacity utilization. On the back of increased traction and order inflow from the cleaning and hygiene segment, company has scaled up capacity utilization up to 68% in 2QFY24 (62% in 1QFY24). Additionally, it can expand the capacity by another ~20 KMT for a capex of INR 200 –250 mn. The expected asset turnover from Ambernath plant is >8x with superior margin. Given that product lines are fungible, it saved time for changeover of product line for different solutions and segments.

Exhibit 5: Details of plants and capacities

Location	Operating Facts	Strategic Advantages
Mahape and Ambernath, India	Total Production Capacity (India): 97 KMT. ■ Mahape: 36.5 KMT ■ Ambernath: 61 KMT	■ Plant located near key port close to Mumbai with logistical advantages to textile hubs across North, West, South, and Central India.
Selangor, Malaysia	Total Production Capacity: 6.5 KMT	■ Easy access to high raw quality materials in the region. ■ Malaysian plant provides raw materials to Indian facilities. ■ Cost benefits due to Free Trade Agreements (FTAs) with important regional markets like Vietnam, China, and India.

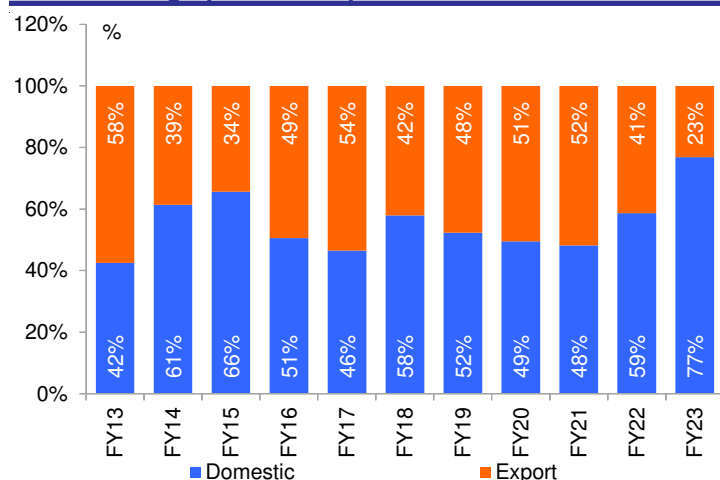
Source: Company, Antique

Furthermore, FCL is also consistently looking for organic and inorganic acquisitions to expand its capacity as well as diversify into new segments.

Diversified geographical presence

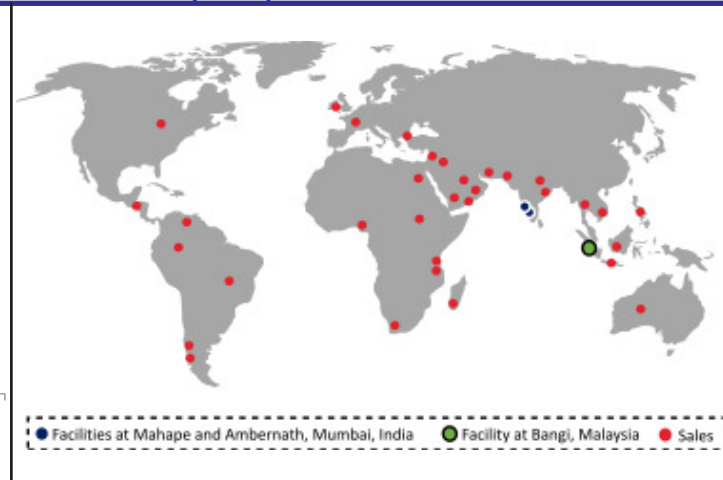
The company has widespread presence in India and globally with sales spread across 70+ countries including Brazil, Bangladesh, Germany, Indonesia, Malaysia, Singapore, Syria, Thailand, USA, Venezuela, and Vietnam. It has 34+ technical marketing experts and 110+ dealers in India and the global markets. As of FY23, domestic/ export contribution was 77%/ 23% vs. 59%/ 41% in FY22. The decline in export contributions was largely on account of weakness in textile business demand as well as the increasing contribution from the cleaning and hygiene business.

Exhibit 6: Geographic break-up



Source: Company, Antique

Exhibit 7: Widespread presence


















Source: Company, Antique

ESG accreditations

The company has been awarded various certifications like Green Screen Certificate, Beehive Certificate, Bluesign, ECO Passport, to name a few. These certifications pertaining to sustainability standards guarantee the highest level of security for clients and considers the chemical composition of textile products to ensure healthy and safe materials. It was also rewarded ESG Registered Badge by Dun & Bradstreet (D&B), which is a testament to FCL’s dedication and adherence to ESG initiatives. Recently, the company’s R&D laboratory in collaboration with Sasmira Institute was accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL).

Exhibit 8: ESG accreditations

	Bhive certified	Certificates			
	Blue Sign certified	ISO 9001	ISO 14001	ISO 14045	ISO 45001
	Dun and Bradstreet Badge	ISO 20000	SA 8001	OHSAS18001	ISO 22000
	ECO Passport by OEKO-TEX	Awards and Recognitions			
	Global Organic Textile Standard (GOTS) certified				
	Hazard Analysis Critical Control Point Certification	<ul style="list-style-type: none">Received Dun and Bradstreet ESG BadgeRecognized with the Women at Work Leadership Award by Times Ascent			
	Indian Green Building Council				
	REACH certified				
	SA 8000 - Social Accountability Certification				
	Scivera				
	Star Export House				
	US The Environmental Protection Agency				
	The Great Place to Work				
	WHO Good Manufacturing Practice certified				
	Zero Discharge Hazardous Chemical				

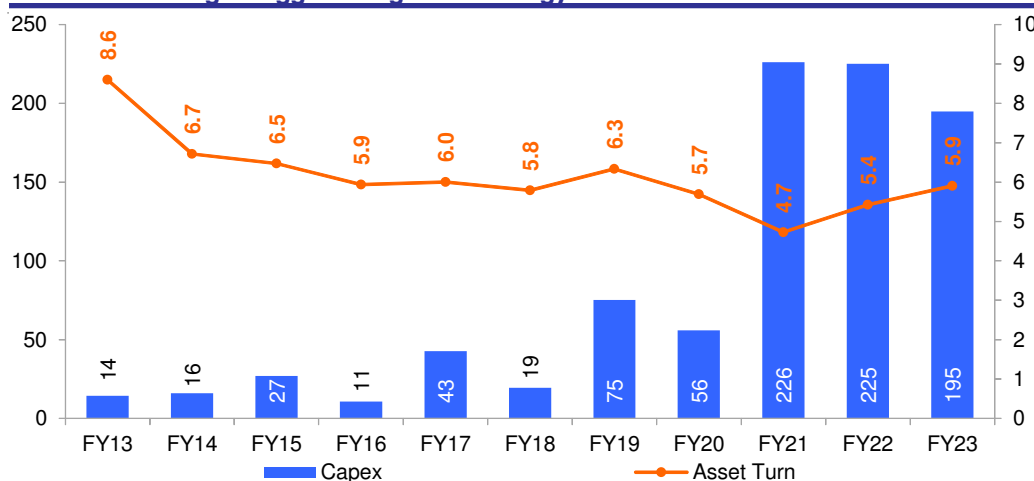
Source: Company, Antique

In line with its effort to encourage sustainability and its endeavor to minimize its environmental footprint, the company recently commissioned a 100 kWp solar power plant at its Ambarnath facility.

Product innovation to add value and support margins

FCL has been focusing on becoming a one-stop-shop for clients in the textile space by expanding its portfolio and thus increasing wallet share by having a diversified product range and more solutions for textile companies. Further, the company has also diversified its product portfolio and end-user industry by foraying into non-textile segments like FMCG i.e. cleaning and hygiene, and drilling specialty chemicals.

Exhibit 9: Pursuing an aggressive growth strategy

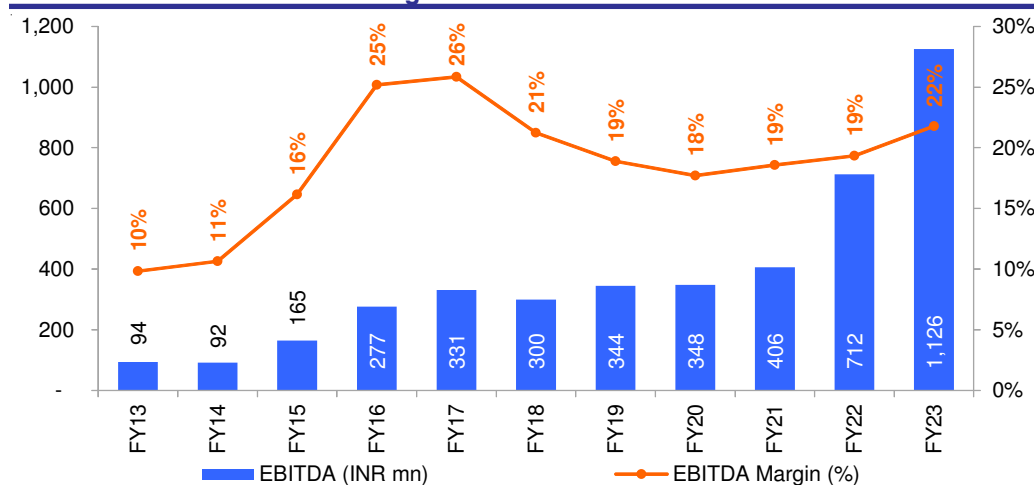


Source: Company, Antique

Continued focus on high-margin specialty chemicals

FCL posted a consolidated revenue stream growth CAGR of 19% from FY12–23 and recorded a significant EBITDA growth CAGR of 28% during the same period. The company also witnessed its EBITDA margin expand to 22% in FY23 from 9% in FY12. It has been able to maintain its EBITDA margin at +18% level since FY16. Expansion in margin was primarily backed by a superior product mix. Going forward, the company is confident of healthy revenue growth on the back of enhanced capacities coming on-stream in the near term, which are high-yielding products fetching better margins.

Exhibit 10: EBITDA and EBITDA margin

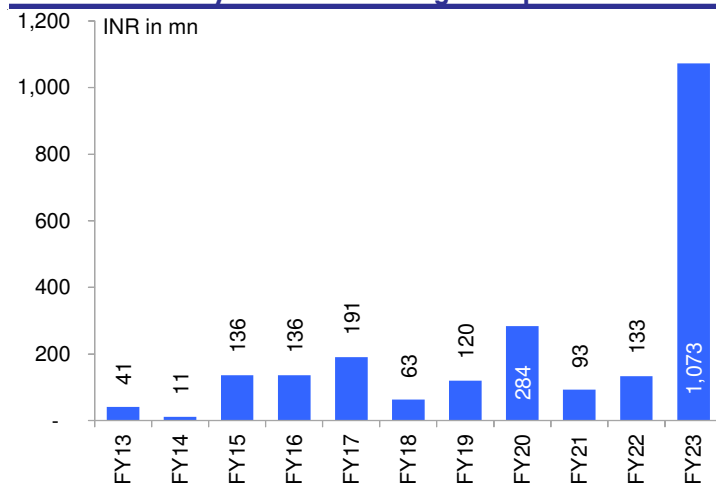


Source: Company, Antique

Net cash balance sheet

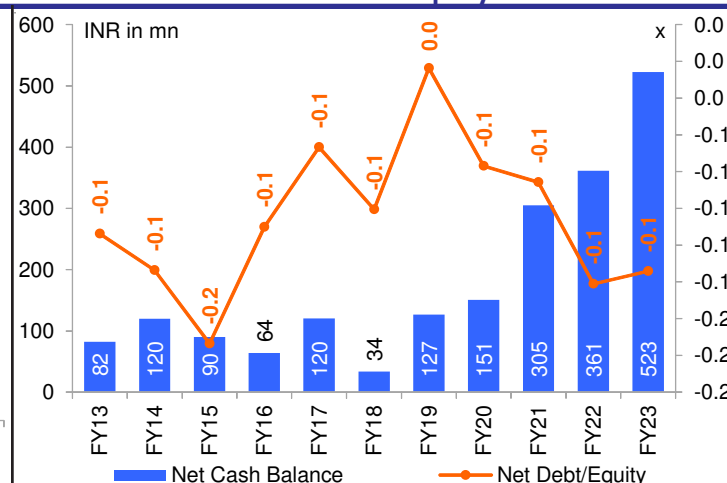
FCL has net cash of INR 523 mn as of FY23 and a comfortable balance sheet to support organic and inorganic growth. The company has also recorded healthy OCF, which would aid to grow its operations. We believe that a healthy balance sheet would in turn help the company to execute further growth plans. According to recent ratings assigned by ICRA, FCL's long-term rating stands at A+ Stable and short-term rating at A1+, which further demonstrates the company's strong balance sheet.

Exhibit 11: Healthy OCF to aid future growth plans



Source: Company, Antique

Exhibit 12: FCL is a net debt free company

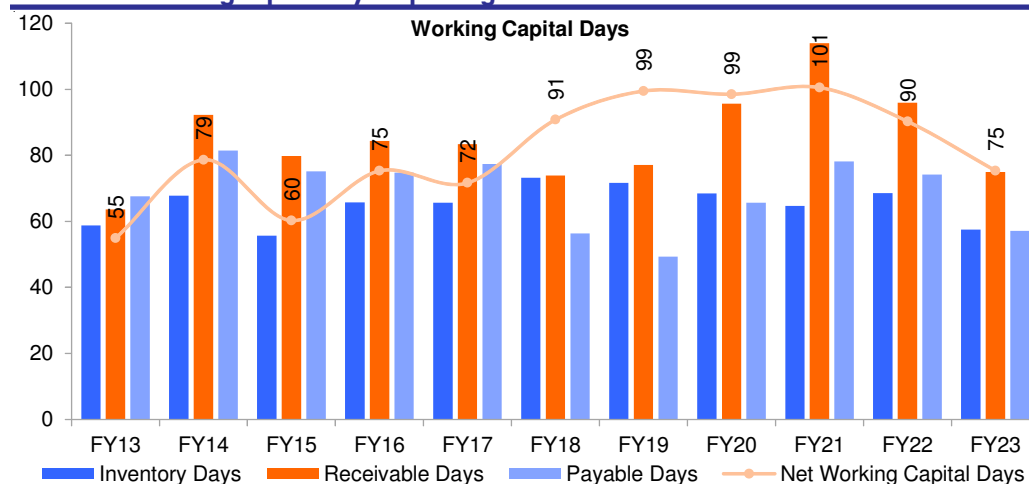


Source: Company, Antique

Improvement in working capital

With its foray in to the FMCG business, the company has been able to improve its working capital cycle. As of FY23, the company's net working capital stood at 75 days, down from 90 as of FY22. The improvement was largely on the back of improvement in inventory and receivable days which stood at 58/ 75 days as of FY23 vs. 69/ 96 days as of FY22.

Exhibit 13: Working capital days improving

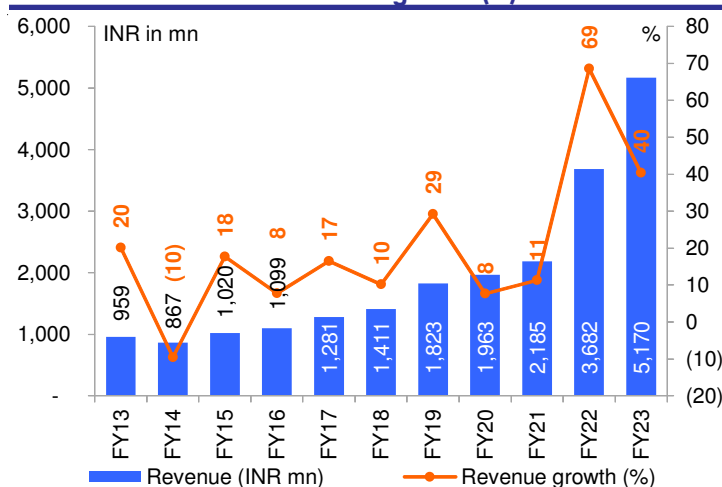


Source: Company, Antique

Company Background

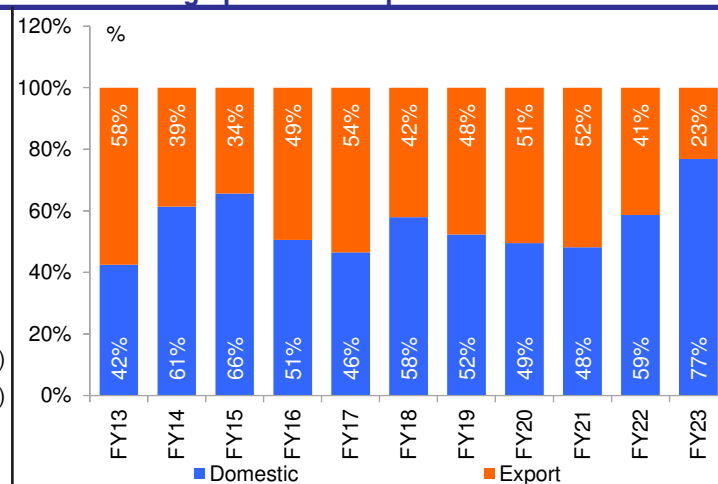
Mumbai-based Fineotex group was founded by Mr. Surendra Tibrewala in 1979. Fineotex group is one of the leading manufacturers of chemicals for the textiles, construction, water-treatment, fertilizer, leather, and paint industries. Fineotex manufactures and provides an entire range of products for pre-treatment, dyeing, printing, and finishing for textile processing to clients globally. The company has a diverse product portfolio (450+ categories) across business segments with business in 70+ countries across the globe. The company has manufacturing facilities located at Mahape Mumbai, Ambarnath (Maharashtra) and Selangor, Malaysia with a combined production capacity of 104 KMT. The company recently forayed into the home care and hygiene division with products across house-keeping, kitchen care, and disinfectant categories. FCL has two R&D laboratories in Mumbai with all modern-age equipment. The company has a network of 100+ dealers in the Indian and international markets. The company has been certified as Great Place to Work in May'22.

Exhibit 14: Revenue and revenue growth (%)



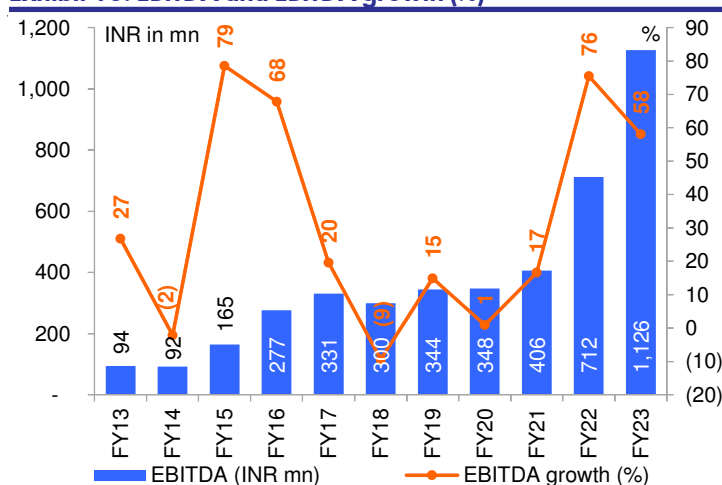
Source: Company, Antique

Exhibit 15: Geographical break-up



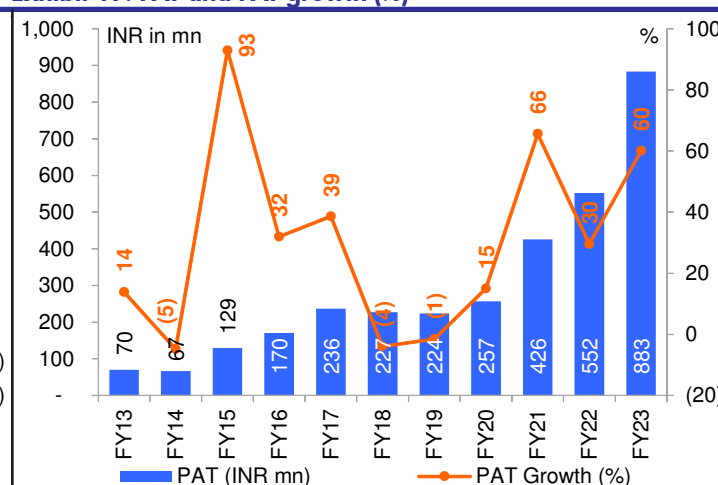
Source: Company, Antique

Exhibit 16: EBITDA and EBITDA growth (%)



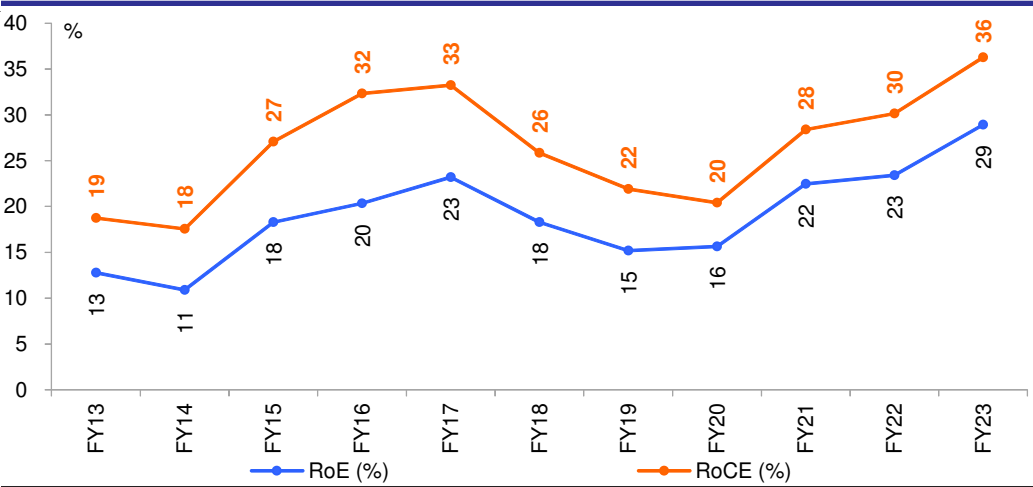
Source: Company, Antique

Exhibit 17: PAT and PAT growth (%)



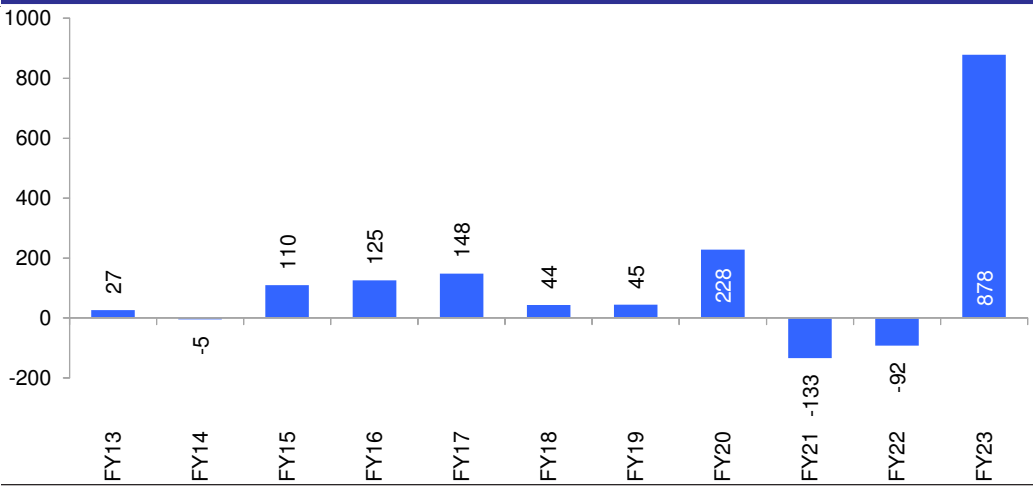
Source: Company, Antique

Exhibit 18: Return ratios



Source: Company, Antique

Exhibit 19: FCF generation to increase with enhanced capex



Source: Company, Antique

Financials

Profit and loss account (INR mn)

Year ended 31 Mar	FY19	FY20	FY21	FY22	FY23
Net Revenue	1,823	1,963	2,185	3,682	5,170
Op. Expenses	1,479	1,615	1,779	2,970	4,044
EBITDA	344	348	406	712	1,126
Depreciation	10	12	15	25	43
EBIT	334	336	391	687	1,083
Other income	9	16	175	55	73
Interest Exp.	8	6	7	9	8
Extra Ordinary Items -gain/(loss)	(2)	126	-	-	-
Reported PBT	333	472	559	733	1,148
Tax	93	77	113	164	252
Reported PAT	240	396	446	569	896
Minority Int./Profit (loss) From Asso.	18	12	20	17	12
Net Profit	258	408	465	586	908
Adjusted PAT	224	257	426	552	883
Adjusted EPS (INR)	2.0	2.3	3.8	5.0	8.0

Balance sheet (INR mn)

Year ended 31 Mar	FY19	FY20	FY21	FY22	FY23
Share Capital	223	223	221	221	221
Reserves & Surplus	1,365	1,474	1,872	2,400	3,265
Networth	1,588	1,697	2,093	2,621	3,487
Debt	21	28	34	19	73
Minority Interest	57	63	67	73	70
Net deferred Tax liabilities	2	(5)	7	11	21
Capital Employed	1,667	1,783	2,202	2,724	3,651
Gross Fixed Assets	345	403	605	813	1,004
Accumulated Depreciation	23	35	49	74	116
Capital work in progress	1	6	46	-	4
Net Fixed Assets	323	374	602	740	892
Goodwill	-	-	-	61	61
Investments	519	563	362	212	933
Non Current Investments	519	563	362	212	933
Current Assets, Loans & Adv.	1,105	1,136	1,707	2,381	2,341
Inventory	251	211	288	596	473
Debtors	491	538	827	1,109	1,014
Cash & Bank balance	147	179	339	381	596
Loans & advances and others	215	207	254	296	259
Current Liabilities & Provisions	280	290	469	671	576
Liabilities	209	234	368	588	474
Provisions	71	56	101	83	103
Net Current Assets	825	846	1,238	1,711	1,765
Application of Funds	1,667	1,783	2,202	2,724	3,651

Per share data

Year ended 31 Mar	FY19	FY20	FY21	FY22	FY23
No. of shares (mn)	111	111	111	111	111
Diluted no. of shares (mn)	111	111	111	111	111
BVPS (INR)	14.3	15.2	18.9	23.7	31.5
CEPS (INR)	2.2	3.7	4.2	5.4	8.5
DPS (INR)	0.1	0.1	-	0.4	0.3

Source: Company, Antique

Cash flow statement (INR mn)

Year ended 31 Mar	FY19	FY20	FY21	FY22	FY23
PBT	336	220	559	733	1,148
Depreciation & amortization	10	12	15	25	43
Interest expense	8	6	7	9	8
(Inc)/Dec in working capital	(128)	6	(237)	(422)	179
Tax paid	(96)	(80)	(96)	(171)	(264)
Less: Interest/Div. Income Recd.	(3)	(7)	(16)	(10)	(11)
Other operating Cash Flow	(7)	126	(138)	(31)	(31)
CF from operating activities	120	284	93	133	1,073
Capital expenditure	(79)	(63)	(242)	(225)	(195)
Inc/(Dec) in investments	107	(134)	263	173	(686)
Add: Interest/Div. Income Recd.	14	7	(86)	45	(137)
CF from investing activities	42	(190)	(65)	(8)	(1,018)
Inc/(Dec) in share capital	-	-	(18)	-	-
Inc/(Dec) in debt	(1)	(1)	-	-	-
Dividend Paid	(26)	(32)	(13)	(50)	(67)
Others	(32)	(57)	94	65	223
CF from financing activities	(59)	(90)	62	15	156
Net cash flow	103	4	90	141	210
Opening balance	44	176	230	206	289
Closing balance	147	179	339	381	596

Growth indicators (%)

Year ended 31 Mar	FY19	FY20	FY21	FY22	FY23
Revenue (%)	29.2	7.7	11.3	68.5	40.4
EBITDA (%)	14.9	1.0	16.6	75.5	58.1
Adj PAT (%)	-1.5	15.0	65.6	29.6	60.1
Adj EPS (%)	-1.5	15.0	66.5	29.6	60.1

Valuation (x)

Year ended 31 Mar	FY19	FY20	FY21	FY22	FY23
P/E (x)	179.2	155.8	93.6	72.3	45.1
P/BV (x)	25.2	23.6	19.0	15.2	11.4
EV/EBITDA (x)	96.6	95.6	81.6	46.4	29.2
EV/Sales (x)	18.2	16.9	15.1	9.0	6.4
Dividend Yield (%)	0.0	0.0	-	0.1	0.1

Financial ratios

Year ended 31 Mar	FY19	FY20	FY21	FY22	FY23
RoE (%)	15.2	15.7	22.5	23.4	28.9
RoCE (%)	21.9	20.4	28.4	30.1	36.3
Asset/T.O (x)	1.8	1.7	1.4	1.7	2.0
Net Debt/Equity (x)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
EBIT/Interest (x)	41.2	55.9	78.2	80.4	140.9

Margins (%)

Year ended 31 Mar	FY19	FY20	FY21	FY22	FY23
EBITDA Margin (%)	18.9	17.7	18.6	19.3	21.8
EBIT Margin (%)	18.3	17.1	17.9	18.7	21.0
PAT Margin (%)	12.2	13.0	18.0	14.8	16.8

Source: Company Antique

Important Disclaimer:

This report has been prepared by Antique Stock Broking Limited (hereinafter referred to as ASBL) to provide information about the company(ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies).

ASBL is a Stock Broker having SEBI Registration No. INZ000001131 and Depository Participant having SEBI Registration No. IN-DP-721-2022(CDSL) registered with and regulated by Securities & Exchange Board of India. SEBI Registration Number: INH000001089 as per SEBI (Research Analysts) Regulations, 2014. CIN: U67120MH1994PLC079444.

ASBL and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group.

This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and ASBL is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

We and our affiliates have investment banking and other business relationships with some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that ASBL and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on the profitability of ASBL which may include earnings from investment banking and other business.

ASBL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, ASBL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. ASBL and its affiliated company(ies), their directors and employees and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the affiliates of ASBL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report

Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition ASBL has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt ASBL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold ASBL or any of its affiliates or employees responsible for any such misuse and further agrees to hold ASBL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent ASBL's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, ASBL and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent ASBL and/or its affiliates from doing so. ASBL or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. ASBL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

ASBL and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

ASBL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of ASBL or its associates during twelve months preceding the date of distribution of the research report

ASBL and/or its affiliates and/or employees and /or relatives may have interests/positions, financial or otherwise of over 1 % at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, ASBL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

There are no material disciplinary action that been taken by any regulatory authority impacting equity research analysis activities

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of ASBL research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement Companies where there is interest

- Analyst ownership of the stock - No
- Served as an officer, director or employee - No

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject ASBL & its group companies to registration or licensing requirements within such jurisdictions.

For U.S. persons only: This research report is a product of Antique Stock Broking Limited, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution by Antique Stock Broking Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Antique Stock Broking Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Compliance/Grievance officer: Ms. Jayshree Thakkar, Contact No: 022-69113461, Email id: jayshree@antiquelimited.com/compliance@antiquelimited.com

Disclaimer that:

- Investment in securities market are subject to market risks. Read all the related documents carefully before investing.
- The securities quoted are for illustration only and are not recommendatory.
- Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Shivendra Prasad

**Antique Stock Broking Limited**

ITI House
 36, Dr. R.K. Shirodkar Marg
 Parel (East), Mumbai 400012
 Tel. : +91 22 6911 3300 / +91 22 6909 3600
 www.antiquelimited.com

M. Jayshree