

July 26, 2018

## Q1FY18 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

|                     | Current    |        | Previous   |        |
|---------------------|------------|--------|------------|--------|
|                     | FY19E      | FY20E  | FY19E      | FY20E  |
| <b>Rating</b>       | <b>BUY</b> |        | <b>BUY</b> |        |
| <b>Target Price</b> | <b>290</b> |        | <b>299</b> |        |
| Sales (Rs. m)       | 47,032     | 54,210 | 48,024     | 55,359 |
| % Chng.             |            |        | (2.1)      | (2.1)  |
| EBITDA (Rs. m)      | 6,391      | 7,422  | 6,592      | 7,652  |
| % Chng.             |            |        | (3.0)      | (3.0)  |
| EPS (Rs.)           | 6.5        | 7.6    | 6.7        | 7.9    |
| % Chng.             |            |        | (3.3)      | (3.2)  |

### Key Financials

|                | FY17   | FY18   | FY19E  | FY20E  |
|----------------|--------|--------|--------|--------|
| Sales (Rs. m)  | 39,009 | 40,797 | 47,032 | 54,210 |
| EBITDA (Rs. m) | 4,846  | 5,310  | 6,391  | 7,422  |
| Margin (%)     | 12.4   | 13.0   | 13.6   | 13.7   |
| PAT (Rs. m)    | 2,857  | 3,238  | 4,046  | 4,775  |
| EPS (Rs.)      | 4.6    | 5.2    | 6.5    | 7.6    |
| Gr. (%)        | 139.8  | 13.3   | 25.0   | 18.0   |
| DPS (Rs.)      | 1.5    | 1.7    | 3.0    | 3.5    |
| Yield (%)      | 0.6    | 0.7    | 1.2    | 1.5    |
| RoE (%)        | 78.9   | 49.5   | 46.0   | 44.4   |
| RoCE (%)       | 50.1   | 39.8   | 41.0   | 42.2   |
| EV/Sales (x)   | 3.9    | 3.7    | 3.2    | 2.7    |
| EV/EBITDA (x)  | 31.6   | 28.5   | 23.5   | 20.0   |
| PE (x)         | 52.7   | 46.5   | 37.2   | 31.5   |
| P/BV (x)       | 29.1   | 19.1   | 15.5   | 12.7   |

### Key Data

CROP.BO | CROMPTON IN

|                     |                     |  |
|---------------------|---------------------|--|
| 52-W High / Low     | Rs.295 / Rs.203     |  |
| Sensex / Nifty      | 36,985 / 11,167     |  |
| Market Cap          | Rs.151bn/ \$ 2,192m |  |
| Shares Outstanding  | 627m                |  |
| 3M Avg. Daily Value | Rs.347.17m          |  |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 34.38 |
| Foreign                 | 34.79 |
| Domestic Institution    | 15.45 |
| Public & Others         | 15.38 |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M  | 6M    | 12M  |
|----------|-----|-------|------|
| Absolute | 7.6 | 1.1   | 17.1 |
| Relative | 3.3 | (1.5) | 2.5  |

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## On the right track

### Key pointers

- Growth bounced back in ECD segment led by success of new innovations like Air 360 (mass premium fan segment growth 31% YoY), Crest mini (30% YoY volume growth).
- Go-to-market (GTM) strategy showing encouraging results. They expect to reach coverage of ~75% in next 12-18 months.
- Air Cooler business grew 21% YoY in spite of a difficult market

**Crompton Greaves Consumer Electricals (CGCEL) delivered strong set of numbers with a 30% growth in PAT at Rs1.04bn. Revenues came in at Rs12.05bn, up 14.1% YoY (adjusted comparable growth – 20% YoY). CGCEL continued to gain healthy market share in core categories of Fans and Lighting (LED) segment. Innovation (Air 360/Crest mini pumps) in core categories is yielding results and helped growth in ECD segment.**

**Go-to-market (GTM) strategy implementation is on track and focus is to improve quality, reach of coverage using technology as the backbone. While the implementation of GTM strategy might create short-term disruptions, it will create a base for strong and sustainable growth for the future. CGCEL is seeing encouraging results in regions where GTM is being implemented. CGCEL expects to reach coverage of ~75% in next 12-18 months.**

**The company's focus is on a) investing and increasing brand awareness, b) developing innovative products in core categories like Fans/Lighting and Air Coolers and c) strengthening the go-to-market in order to increase its reach (both quality and quantity of reach) and significantly increasing focus on retail/distributor network.**

**While the company has successfully executed the first leg of strategy of setting Fans/Lighting/Agro pumps on a strong growth footing, maintenance of the growth and successful scale up in other categories will be the key monitorables. We expect sales to grow at a CAGR of 11.5% and earnings CAGR of 18% over FY17-20E. We maintain "BUY" with a TP of Rs290.**

- Strong margin beat:** Revenues came in at Rs12.04bn, up 14.1% YoY (Adjusted comparable growth-20% YoY). Sales for Electric consumer products segment grew by 14.7% YoY driven by new innovations (Air 360 fans and Crest Mini Pumps) and continued focus on Go-To-Market strengthening, while sales for Lighting segment was up 1.6% YoY (Adjusted for EESL sales for lighting up 15% YoY). EBITDA came in at ~Rs1.6bn, up 29.3% YoY due to operating efficiencies. EBITDA Margins improved 160bps to 13.9%. Better mix and reduced ESOP expense helped improve margins. CGCEL's continued focus on improving efficiency and cost-saving projects have started showing results, with EBIT margins improving by 200bps in the Electric Consumer Products to 19.5%. PAT came in at Rs1.04bn, up 30% YoY.

- **Fans segment:** CGCEL's focus on distribution and growth in the premium Fans segment continues to help the company grow faster than the market. While the Fans market has been flat (against historical growth rate of 7-8%), CGCEL continues to grow led by premium fans. The focus on innovation to drive the business continues to be at the core. Their "Anti-Dust" and "Air360" fans have seen an encouraging response leading to the ECD growth (mass premium segment which is 65% of fans segment have seen 31% YoY growth). CGCEL gained further 100bps market share in the fan segment in Q1FY19 (400bps market share gain in last 2-3 years).
- As a part of its go-to-market strategy, CGCEL is focusing more on retail/distributor network. Implementation of the go-to market strategy in the initial quarters might see some weakness in sales; however, a strong growth is expected soon after once the model settles. West and the North markets are seeing healthy growth. 20-25% of the business is under the GTM model with plans to take it to 75-80% in the next 18 months. With encouragement from pilot projects, CGCEL extended a pan-product segment 'Go-to-market' drive, enabled by technology, in wider geography to include North region.
- **Lighting segment:** Lighting segment clocked growth of 15% for the quarter (excluding EESL) driven by their focus on B-2-C and go-to market strategy. The segment grew 9% (against the historical 20%) due to growth in LED business (40%) and some lumpiness in the EESL orders. The LED business (80% of the total) continues to grow robustly in value and volume terms, on track with the company's target. LED to be 90-95% of business in the next 18 months, however Non Led business de—grew at fast pace of 30% YoY impacting overall segment growth.
- **Pumps segment:** CGCEL saw strong performance in domestic and agricultural pumps, witnessing a 30% volume growth. Their latest launch, the "Crest Mini Pumps" have received an over whelming response. To build on the success of its latest innovative products, the company is readying a steady stream of new products which could be potential market winners.
- **Air Coolers:** CGCEL's focus is to scale the Air cooler and Geyser business. In spite of the adverse market conditions, the company saw some green shoots, leading to a ~20% growth in the cooler business. **It aspires to be amongst the top three players in the Air cooler segment over near/medium term** led by innovative product offering.
- **Go-to-market programme:** The current reach for CGCEL is ~3000+dealers and 1,00,000+ retail touch points; it expects to increase its touch points to ~1,50,000 in the next few years through its go-to market programme. CGCEL had implemented pilot programme for B-2-C business in lightning/fan segment to improve its retail reach. It has got very encouraging results in most regions where it has been implemented (achieved 36% increase in store reach in lighting, 20-25% in sales etc.). CGCEL has also started with a pilot programme for fan and pumps and is implementing it on a pan-India basis based on the above achieved response. While go-to-market strategy is a continuous effort, channel switch should be completed in this year for all market and segments.

**Exhibit 1: Q1FY19 Result Overview (Rs m)**

| Y/e March                          | Q1FY19        | Q1FY18        | YoY gr. (%) | Q4FY18        | FY19E         | FY18          | YoY gr. (%) |
|------------------------------------|---------------|---------------|-------------|---------------|---------------|---------------|-------------|
| <b>Net Sales</b>                   | <b>12,039</b> | <b>10,555</b> | <b>14.1</b> | <b>11,263</b> | <b>47,032</b> | <b>40,797</b> | <b>15.3</b> |
| <b>Expenditure</b>                 |               |               |             |               |               |               |             |
| Operating & Manufacturing Expenses | 8,143         | 7,329         | 11.1        | 7,704         | 32,170        | 27,996        | 14.9        |
| <i>% of Net Sales</i>              | <i>67.6</i>   | <i>69.4</i>   |             | <i>68.4</i>   | <i>68.4</i>   | <i>68.6</i>   |             |
| Personnel Cost                     | 718           | 686           | 4.8         | 700           | 3,109         | 2,827         | 10.0        |
| <i>% of Net Sales</i>              | <i>6.0</i>    | <i>6.5</i>    |             | <i>6.2</i>    | <i>6.6</i>    | <i>6.9</i>    |             |
| Other Expenses                     | 1,505         | 1,246         | 20.8        | 1,215         | 5,362         | 4,664         | 15.0        |
| <i>% of Net Sales</i>              | <i>12.5</i>   | <i>11.8</i>   |             | <i>10.8</i>   | <i>11.4</i>   | <i>11.4</i>   |             |
| Total Expenditure                  | 10,366        | 9,261         | 11.9        | 9,618         | 40,640        | 35,486        | 14.5        |
| <b>EBITDA</b>                      | <b>1,673</b>  | <b>1,294</b>  | <b>29.3</b> | <b>1,645</b>  | <b>6,391</b>  | <b>5,310</b>  | <b>20.4</b> |
| <i>Margin (%)</i>                  | <i>13.9</i>   | <i>12.3</i>   | <i>1.6</i>  | <i>14.6</i>   | <i>13.6</i>   | <i>13.0</i>   |             |
| Other income                       | 88            | 97            | (8.8)       | 109           | 331           | 308           | 7.6         |
| Depreciation                       | 31            | 32            | (1.6)       | 31            | 135           | 126           | 7.0         |
| <b>EBIT</b>                        | <b>1,730</b>  | <b>1,359</b>  | <b>27.3</b> | <b>1,723</b>  | <b>6,587</b>  | <b>5,492</b>  | <b>19.9</b> |
| Interest                           | 152           | 161           | -5.8        | 161           | 637           | 637           | 0.0         |
| <b>PBT</b>                         | <b>1,578</b>  | <b>1,198</b>  | <b>31.7</b> | <b>1,562</b>  | <b>5,950</b>  | <b>4,854</b>  | <b>22.6</b> |
| Total Taxes                        | 535           | 395           | 35.4        | 530           | 1,904         | 1,617         | 17.8        |
| <i>ETR (%)</i>                     | <i>33.9</i>   | <i>33.0</i>   |             | <i>33.9</i>   | <i>32.0</i>   | <i>33.3</i>   |             |
| <b>PAT</b>                         | <b>1,043</b>  | <b>803</b>    | <b>29.9</b> | <b>1,032</b>  | <b>4,046</b>  | <b>3,238</b>  | <b>25.0</b> |

Source: Company, PL

**Exhibit 2: Segmental Breakup (Rs m)**

| Y/e March                  | Q1FY19      | Q1FY18      | YoY gr. (%) | Q4FY18      | QoQ gr. (%) |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Revenues</b>            |             |             |             |             |             |
| Lightning products         | 2,791       | 2,748       | 1.6         | 3,379       | (17.4)      |
| Electric Consumer Products | 9,248       | 8,061       | 14.7        | 7,884       | 17.3        |
| <b>EBIT</b>                |             |             |             |             |             |
| Lightning products         | 188         | 220         | (14.9)      | 374         | (49.9)      |
| <i>EBIT margin (%)</i>     | <i>6.7</i>  | <i>8.0</i>  |             | <i>11.1</i> |             |
| Electric Consumer Products | 1,802       | 1,414       | 27.4        | 1,711       | 5.3         |
| <i>EBIT margin (%)</i>     | <i>19.5</i> | <i>17.5</i> |             | <i>21.7</i> |             |

Source: Company, PL

## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY17          | FY18          | FY19E         | FY20E         |
|-------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenues</b>           | <b>39,009</b> | <b>40,797</b> | <b>47,032</b> | <b>54,210</b> |
| YoY gr. (%)                   | 115.3         | 4.6           | 15.3          | 15.3          |
| Cost of Goods Sold            | 27,335        | 27,996        | 32,170        | 37,079        |
| Gross Profit                  | 11,674        | 12,801        | 14,862        | 17,130        |
| Margin (%)                    | 29.9          | 31.4          | 31.6          | 31.6          |
| Employee Cost                 | 2,322         | 2,827         | 3,109         | 3,420         |
| Other Expenses                | 4,506         | 4,664         | 5,362         | 6,288         |
| <b>EBITDA</b>                 | <b>4,846</b>  | <b>5,310</b>  | <b>6,391</b>  | <b>7,422</b>  |
| YoY gr. (%)                   | 131.4         | 9.6           | 20.4          | 16.1          |
| Margin (%)                    | 12.4          | 13.0          | 13.6          | 13.7          |
| Depreciation and Amortization | 110           | 126           | 135           | 144           |
| <b>EBIT</b>                   | <b>4,736</b>  | <b>5,184</b>  | <b>6,256</b>  | <b>7,277</b>  |
| Margin (%)                    | 12.1          | 12.7          | 13.3          | 13.4          |
| Net Interest                  | 655           | 637           | 637           | 637           |
| Other Income                  | 195           | 308           | 331           | 331           |
| <b>Profit Before Tax</b>      | <b>4,250</b>  | <b>4,854</b>  | <b>5,950</b>  | <b>6,971</b>  |
| Margin (%)                    | 10.9          | 11.9          | 12.7          | 12.9          |
| Total Tax                     | 1,419         | 1,617         | 1,904         | 2,196         |
| Effective tax rate (%)        | 33.4          | 33.3          | 32.0          | 31.5          |
| <b>Profit after tax</b>       | <b>2,832</b>  | <b>3,238</b>  | <b>4,046</b>  | <b>4,775</b>  |
| Minority interest             | -             | -             | -             | -             |
| Share Profit from Associate   | -             | -             | -             | -             |
| <b>Adjusted PAT</b>           | <b>2,857</b>  | <b>3,238</b>  | <b>4,046</b>  | <b>4,775</b>  |
| YoY gr. (%)                   | 139.8         | 13.3          | 25.0          | 18.0          |
| Margin (%)                    | 7.3           | 7.9           | 8.6           | 8.8           |
| Extra Ord. Income / (Exp)     | (25)          | -             | -             | -             |
| <b>Reported PAT</b>           | <b>2,832</b>  | <b>3,238</b>  | <b>4,046</b>  | <b>4,775</b>  |
| YoY gr. (%)                   | 169.2         | 14.3          | 25.0          | 18.0          |
| Margin (%)                    | 7.3           | 7.9           | 8.6           | 8.8           |
| Other Comprehensive Income    | -             | -             | -             | -             |
| Total Comprehensive Income    | 2,832         | 3,238         | 4,046         | 4,775         |
| <b>Equity Shares O/s (m)</b>  | <b>627</b>    | <b>627</b>    | <b>627</b>    | <b>627</b>    |
| <b>EPS (Rs)</b>               | <b>4.6</b>    | <b>5.2</b>    | <b>6.5</b>    | <b>7.6</b>    |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY17          | FY18          | FY19E         | FY20E         |
|---------------------------------------|---------------|---------------|---------------|---------------|
| <b>Non-Current Assets</b>             |               |               |               |               |
| <b>Gross Block</b>                    | <b>8,725</b>  | <b>8,849</b>  | <b>9,049</b>  | <b>9,299</b>  |
| Tangibles                             | 853           | 954           | 1,154         | 1,404         |
| Intangibles                           | 7,873         | 7,895         | 7,895         | 7,895         |
| <b>Acc: Dep / Amortization</b>        | <b>110</b>    | <b>234</b>    | <b>385</b>    | <b>529</b>    |
| Tangibles                             | 95            | 194           | 329           | 473           |
| Intangibles                           | 15            | 39            | 56            | 56            |
| <b>Net fixed assets</b>               | <b>8,615</b>  | <b>8,616</b>  | <b>8,664</b>  | <b>8,770</b>  |
| Tangibles                             | 758           | 760           | 825           | 931           |
| Intangibles                           | 7,858         | 7,856         | 7,839         | 7,839         |
| Capital Work In Progress              | 1             | 6             | 6             | 6             |
| Goodwill                              | -             | -             | -             | -             |
| Non-Current Investments               | 124           | 129           | 141           | 163           |
| Net Deferred tax assets               | 295           | 479           | 477           | 477           |
| Other Non-Current Assets              | 64            | 147           | 188           | 271           |
| <b>Current Assets</b>                 |               |               |               |               |
| Investments                           | 3,189         | 3,676         | 3,676         | 3,676         |
| Inventories                           | 2,734         | 3,032         | 3,221         | 3,713         |
| Trade receivables                     | 4,728         | 5,536         | 6,443         | 7,426         |
| Cash & Bank Balance                   | 697           | 1,774         | 3,256         | 4,797         |
| Other Current Assets                  | 549           | 718           | 941           | 1,193         |
| <b>Total Assets</b>                   | <b>21,133</b> | <b>24,250</b> | <b>27,152</b> | <b>30,630</b> |
| <b>Equity</b>                         |               |               |               |               |
| Equity Share Capital                  | 1,254         | 1,254         | 1,254         | 1,254         |
| Other Equity                          | 3,924         | 6,641         | 8,431         | 10,574        |
| <b>Total Network</b>                  | <b>5,178</b>  | <b>7,895</b>  | <b>9,685</b>  | <b>11,827</b> |
| <b>Non-Current Liabilities</b>        |               |               |               |               |
| Long Term borrowings                  | 6,478         | 6,486         | 6,486         | 6,486         |
| Provisions                            | 176           | 175           | -             | -             |
| Other non current liabilities         | -             | -             | -             | -             |
| <b>Current Liabilities</b>            |               |               |               |               |
| ST Debt / Current of LT Debt          | -             | -             | -             | -             |
| Trade payables                        | 7,128         | 7,682         | 8,762         | 10,099        |
| Other current liabilities             | 2,174         | 2,012         | 2,218         | 2,216         |
| <b>Total Equity &amp; Liabilities</b> | <b>21,133</b> | <b>24,250</b> | <b>27,152</b> | <b>30,630</b> |

Source: Company Data, PL Research



## Cash Flow (Rs m)

| Y/e Mar                               | FY17           | FY18           | FY19E          | FY20E          |
|---------------------------------------|----------------|----------------|----------------|----------------|
| PBT                                   | 4,250          | 4,854          | 5,950          | 6,971          |
| Add. Depreciation                     | 110            | 126            | 135            | 144            |
| Add. Interest                         | 655            | 637            | 637            | 637            |
| Less Financial Other Income           | 195            | 308            | 331            | 331            |
| Add. Other                            | 124            | 282            | (312)          | (331)          |
| Op. profit before WC changes          | 5,140          | 5,900          | 6,410          | 7,422          |
| Net Changes-WC                        | (548)          | (933)          | (261)          | (496)          |
| Direct tax                            | (1,466)        | (1,812)        | (1,904)        | (2,196)        |
| <b>Net cash from Op. activities</b>   | <b>3,126</b>   | <b>3,154</b>   | <b>4,245</b>   | <b>4,730</b>   |
| Capital expenditures                  | (148)          | (133)          | (200)          | (250)          |
| Interest / Dividend Income            | 188            | 285            | 331            | 331            |
| Others                                | (3,233)        | (482)          | -              | -              |
| <b>Net Cash from Invt. activities</b> | <b>(3,193)</b> | <b>(331)</b>   | <b>131</b>     | <b>81</b>      |
| Issue of share cap. / premium         | -              | -              | -              | -              |
| Debt changes                          | 56             | 7              | -              | -              |
| Dividend paid                         | -              | (1,129)        | (2,256)        | (2,632)        |
| Interest paid                         | (230)          | (634)          | (637)          | (637)          |
| Others                                | -              | -              | -              | -              |
| <b>Net cash from Fin. activities</b>  | <b>(175)</b>   | <b>(1,755)</b> | <b>(2,894)</b> | <b>(3,270)</b> |
| <b>Net change in cash</b>             | <b>(242)</b>   | <b>1,069</b>   | <b>1,482</b>   | <b>1,541</b>   |
| Free Cash Flow                        | 2,976          | 3,020          | 4,045          | 4,480          |

Source: Company Data, PL Research

## Key Financial Metrics

| Y/e Mar                    | FY17 | FY18 | FY19E | FY20E |
|----------------------------|------|------|-------|-------|
| <b>Per Share(Rs)</b>       |      |      |       |       |
| EPS                        | 4.6  | 5.2  | 6.5   | 7.6   |
| CEPS                       | 4.7  | 5.4  | 6.7   | 7.8   |
| BVPS                       | 8.3  | 12.6 | 15.5  | 18.9  |
| FCF                        | 4.7  | 4.8  | 6.5   | 7.1   |
| DPS                        | 1.5  | 1.7  | 3.0   | 3.5   |
| <b>Return Ratio(%)</b>     |      |      |       |       |
| RoCE                       | 50.1 | 39.8 | 41.0  | 42.2  |
| ROIC                       | 56.8 | 45.7 | 51.0  | 56.8  |
| RoE                        | 78.9 | 49.5 | 46.0  | 44.4  |
| <b>Balance Sheet</b>       |      |      |       |       |
| Net Debt : Equity (x)      | 0.5  | 0.1  | 0.0   | (0.2) |
| Net Working Capital (Days) | 3    | 8    | 7     | 7     |
| <b>Valuation(x)</b>        |      |      |       |       |
| PER                        | 52.7 | 46.5 | 37.2  | 31.5  |
| P/B                        | 29.1 | 19.1 | 15.5  | 12.7  |
| P/CEPS                     | 4.9  | 5.5  | 6.8   | 8.1   |
| EV/EBITDA                  | 31.6 | 28.5 | 23.5  | 20.0  |
| EV/Sales                   | 3.9  | 3.7  | 3.2   | 2.7   |
| Dividend Yield (%)         | 0.6  | 0.7  | 1.2   | 1.5   |

Source: Company Data, PL Research

## Quarterly Financials (Rs m)

| Y/e Mar                           | Q2FY18       | Q3FY18       | Q4FY18        | Q1FY19        |
|-----------------------------------|--------------|--------------|---------------|---------------|
| <b>Net Revenue</b>                | <b>9,597</b> | <b>9,382</b> | <b>11,263</b> | <b>12,039</b> |
| YoY gr. (%)                       | -            | -            | 7.6           | 14.1          |
| Raw Material Expenses             | 6,686        | 6,277        | 7,704         | 8,143         |
| Gross Profit                      | 2,911        | 3,105        | 3,560         | 3,896         |
| Margin (%)                        | 30.3         | 33.1         | 31.6          | 32.4          |
| <b>EBITDA</b>                     | <b>1,207</b> | <b>1,165</b> | <b>1,645</b>  | <b>1,673</b>  |
| YoY gr. (%)                       | (6.7)        | (3.5)        | 41.2          | 1.7           |
| Margin (%)                        | 12.6         | 12.4         | 14.6          | 13.9          |
| Depreciation / Depletion          | 32           | 32           | 31            | 31            |
| <b>EBIT</b>                       | <b>1,175</b> | <b>1,133</b> | <b>1,614</b>  | <b>1,642</b>  |
| Margin (%)                        | 12.2         | 12.1         | 14.3          | 13.6          |
| Net Interest                      | 157          | 158          | 161           | 152           |
| Other Income                      | 35           | 66           | 109           | 88            |
| <b>Profit before Tax</b>          | <b>1,054</b> | <b>1,040</b> | <b>1,562</b>  | <b>1,578</b>  |
| Margin (%)                        | 11.0         | 11.1         | 13.9          | 13.1          |
| Total Tax                         | 346          | 345          | 530           | 535           |
| Effective tax rate (%)            | 32.8         | 33.2         | 33.9          | 33.9          |
| <b>Profit after Tax</b>           | <b>708</b>   | <b>695</b>   | <b>1,032</b>  | <b>1,043</b>  |
| Minority interest                 | -            | -            | -             | -             |
| Share Profit from Associates      | -            | -            | -             | -             |
| <b>Adjusted PAT</b>               | <b>708</b>   | <b>695</b>   | <b>1,032</b>  | <b>1,043</b>  |
| YoY gr. (%)                       | -            | -            | 29.0          | 29.9          |
| Margin (%)                        | 7.4          | 7.4          | 9.2           | 8.7           |
| Extra Ord. Income / (Exp)         | -            | -            | -             | -             |
| <b>Reported PAT</b>               | <b>708</b>   | <b>695</b>   | <b>1,032</b>  | <b>1,043</b>  |
| YoY gr. (%)                       | -            | -            | 29.0          | 29.9          |
| Margin (%)                        | 7.4          | 7.4          | 9.2           | 8.7           |
| Other Comprehensive Income        | -            | -            | -             | -             |
| <b>Total Comprehensive Income</b> | <b>708</b>   | <b>695</b>   | <b>1,032</b>  | <b>1,043</b>  |
| Avg. Shares O/s (m)               | -            | -            | -             | -             |
| <b>EPS (Rs)</b>                   | <b>-</b>     | <b>-</b>     | <b>-</b>      | <b>-</b>      |

Source: Company Data, PL Research



### PL's Recommendation Nomenclature (Absolute Performance)

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>Buy</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |



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