

Asian Paints

Estimate change



TP change



Rating change



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Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USD\$b)	1641.1 / 22.1
52-Week Range (INR)	1916 / 1396
1, 6, 12 Rel. Per (%)	-11/4/15
12M Avg Val (INR M)	3388

Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E
Sales	202.1	195.3	226.6
Sales Gr. (%)	5.0	-3.4	16.0
EBITDA	41.6	39.9	46.9
EBIT Margin (%)	20.6	20.4	20.7
Adj. PAT	27.8	24.4	29.9
Adj. EPS (INR)	29.0	25.5	31.2
EPS Gr. (%)	25.5	-12.1	22.4
BV/Sh.(INR)	105.6	123.2	136.4

Ratios

RoE (%)	28.3	22.3	24.0
RoCE (%)	24.5	20.0	21.8
Payout (%)	51.6	51.0	57.7

Valuation

P/E (x)	59.1	67.2	54.9
P/BV (x)	16.2	13.9	12.5
EV/EBITDA (x)	38.8	39.9	33.7
Div. Yield (%)	0.9	0.8	1.1

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	52.8	52.8	52.8
DII	9.0	10.0	9.1
FII	18.2	17.2	16.7
Others	20.0	20.0	21.5

FII Includes depository receipts

CMP: INR1,711 TP: INR1,605 (-6%) Upgrade to Neutral
Recovery sharper than expected, commentary healthy

Upgrade to Neutral

- While Asian Paints (APNT) reported sharp YoY declines of 42.7%, 58.2%, and 67.4% in sales, EBITDA, and PAT, respectively, the numbers were still better than expected given the double-digit volume growth witnessed in Jun'20. Importantly, commentary on recovery sustaining is also reasonably strong.
- Despite healthy volume growth, earnings growth has been weak for several years now, which is likely to continue going ahead. Nevertheless, the likelihood of sharp earnings decline, as feared earlier, may not materialize. Therefore, it is possible that APNT, unlike other discretionary peers, would emerge relatively unscathed from the COVID-19 crisis. With better than expected recovery, APNT continues to remain market leader in a category with attractive long term potential. Hence, we upgrade our rating from Sell to **Neutral**.
- Rich valuations of 55x FY22 EPS for a business with uncertain earnings growth and weaker ROCE v/s peers prevent us from turning more constructive.

Sharp decline on all fronts, but momentum in June drives strong beat

- In 1QFY21, APNT reported consol. net sales decline of 42.7% YoY to INR29.2b (est.: INR17.9b).** We believe volume decline to be 35% (est.: -55%) in the domestic Decorative Paints business.
- Gross margins were up 110bp YoY to 44.7%.**
- During the quarter, employee costs increased 6.4% YoY to INR3.6b, whereas other expenses declined 36.7% YoY to INR4.6b.
- As a percentage of sales, employee costs increased by 570bp YoY and other expenses by +150bp YoY.
- EBITDA declined by 58.2% YoY to INR4.8b** (est.: INR1.8b). The EBITDA margin contracted by 610bp YoY to 16.6% (est.: 10.2%).
- PBT was down 68.4% YoY to INR3.2b (est.: INR319m).
- Adj. PAT declined 67.4% YoY to INR2.2b (est.: INR139m).

Highlights from management commentary

- Following a near-washout in April, May demand was down just 20% YoY, while June demand rose to the double digits YoY in terms of volume.
- Demand in metros and tier 1 cities (~45% of total sales) is still weak, but has recovered in tier 2, tier 3, and tier 4 markets.
- Deterioration in the mix explains sequentially weaker gross margins despite lower material costs.
- No price increase/decrease was posted for 1QFY21, and there are no plans going forward either.

Valuation and view

- While sharp decline was reported in sales, EBITDA, and PAT by 42.7%, 58.2%, and 67.4% YoY, respectively, numbers were still better than expected given the double-digit volume growth witnessed in June.

Management commentary on recovery sustaining is also strong, albeit with the caveat of the negative impact of the ongoing re-imposition of lockdown in certain pockets of the country.

- Earnings growth has been weak for several years (PBT CAGR of 7.7% over FY16–20), and there is no evidence of a sharp reversal in this trend.
- Nevertheless, the likelihood of sharp earnings decline, as feared earlier, may not materialize. Therefore, it is possible that APNT, unlike other discretionary peers, would emerge relatively unscathed from the COVID-19 crisis. With better than expected recovery, APNT continues to remain market leader in a category with attractive long term potential. Hence, we upgrade our rating from Sell to **Neutral**.
- Rich valuations of 55x FY22 EPS for a business with uncertain earnings growth and weaker ROCE v/s peers prevent us from turning more constructive. We value APNT at 50x Jun'22 EPS, leading to TP of INR1,605, with 6% downside over CMP.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY20				FY21				FY20	FY21E	FY20	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Est. Dom. Deco. Vol. growth (%)	16.0	14.0	11.0	2.5	-35.0	6.0	18.0	23.0	10.9	3.0	-55.0	
Net Sales	51,047	50,507	54,203	46,356	29,227	50,507	60,707	54,901	202,113	195,342	17,867	63.6%
Change (%)	16.3	9.4	3.0	-7.1	-42.7	0.0	12.0	18.4	5.0	-3.4	-65.0	
Gross Profit	22,280	21,435	23,313	21,250	13,077	22,981	27,318	24,423	88,278	87,798	8,808	
Gross Margin (%)	43.6	42.4	43.0	45.8	44.7	45.5	45.0	44.5	43.7	44.9	49.3	
EBITDA	11,579	9,548	11,894	8,596	4,843	10,531	12,718	11,777	41,618	39,868	1,819	166.2%
Margin (%)	22.7	18.9	21.9	18.5	16.6	20.8	21.0	21.5	20.6	20.4	10.2	
Change (%)	24.5	13.0	7.7	-3.0	-58.2	10.3	6.9	37.0	10.5	-4.2	-84.3	
Interest	267	259	241	257	201	225	240	234	1,023	900	200	
Depreciation	1,918	1,972	1,971	1,945	1,912	2,100	2,225	2,386	7,805	8,623	1,900	
Other Income	735	1,052	698	558	471	650	700	739	3,043	2,560	600	
PBT	10,131	8,369	10,381	6,953	3,200	8,856	10,953	9,895	35,833	32,904	319	902.5%
Tax	3,511	72	2,776	2,190	862	2,232	2,760	2,439	8,549	8,292	80	
Effective Tax Rate (%)	34.7	0.9	26.7	31.5	26.9	25.2	25.2	24.6	23.9	25.2	25.2	
Adjusted PAT	6,742	8,450	7,797	4,803	2,196	6,504	8,068	7,562	27,791	24,331	139	1482.3%
Change (%)	18.3	67.1	20.3	-1.8	-67.4	-23.0	3.5	57.5	25.5	-12.5	-97.9	

E: MOFSL Estimates

Key Performance Indicators (Consol.)

Y/E March	FY20				FY21			
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE
Realization growth (%)	0.3	-4.6	-8.0	-9.6	-7.7	-6.0	-6.0	-4.6
2Y average growth (%)								
Volume	13.0	12.5	16.0	6.3	-9.5	10.0	14.5	12.8
Sales	15.7	8.8	13.3	2.1	-13.2	4.7	7.5	5.7
EBITDA	32.1	9.2	15.8	1.3	-16.8	11.7	7.3	17.0
PAT	24.2	31.6	17.3	-1.6	-24.6	22.0	11.9	27.8
3Y average growth (%)								
Volume	10.0	11.3	12.7	7.5	-3.0	10.3	16.7	11.8
% of Sales								
COGS	56.4	57.6	57.0	54.2	55.3	54.5	55.0	55.5
Operating Expenses	21.0	23.5	21.1	27.3	28.2	24.7	24.0	23.0
Depreciation	3.8	3.9	3.6	4.2	6.5	4.2	3.7	4.3
YoY change (%)								
COGS	15.4	4.8	-0.4	-13.7	-43.9	-5.3	8.1	21.4
Operating Expenses	10.5	19.4	7.9	5.9	-23.0	4.7	27.9	-0.1
Other Income	19.2	62.1	41.6	-2.5	-35.9	-38.2	0.2	32.4
EBIT	21.7	8.1	5.6	-6.0	-69.7	11.3	5.7	41.2

E: MOFSL Estimates

Consolidated segmental performance

INR m	1QFY20	4QFY20	1QFY21
Segment Revenue			
Paints	49,969	45,329	28,706
Home Improvement	1,078	1,027	521
Total	51,047	46,356	29,227
Segment revenue growth (%)			
Paints	16.0	(7.5)	(42.6)
Home Improvement	18.6	(13.8)	(51.7)
Total	16.1	(7.6)	(42.7)
EBIT			
Paints	10,624	8,070	3,716
Home Improvement	(158)	(222)	(212)
Total	10,466	7,848	3,504
EBIT margin			
Paints	21.3%	17.8%	12.9%
Home Improvement	-14.7%	-21.6%	-40.6%
Total	20.5%	16.9%	12.0%

Source: Company, MOFSL

Standalone performance

- Standalone net sales declined 44.1% YoY to INR24.5b, with 44.1% YoY decline in the standalone Paints business.
- The gross margin was up 150bp YoY to 46.3%, whereas the EBITDA margin was down 580bp YoY to 19.1%.
- EBITDA declined 57.2% YoY to INR4.7b.
- PBT was down 65.8% YoY to INR3.4b.
- Adj. PAT declined 61.4% YoY to INR2.5b.

Quarterly Performance (Standalone)

Y/E March	FY20				FY21	
	1Q	2Q	3Q	4Q	1Q	1Q
Net Sales	43,802	42,780	46,569	38,790		24,466
Change (%)	18.2	9.3	2.7	-8.4		-44.1
Gross Profit	19,622	18,557	20,470	18,230		11,337
Gross Margin (%)	44.8	43.4	44.0	47.0		46.3
EBITDA	10,899	8,735	11,179	7,758		4,670
Margin (%)	24.9	20.4	24.0	20.0		19.1
Change (%)	25.2	12.4	7.8	-5.4		-57.2
Interest	193	202	196	193		149
Depreciation	1,698	1,743	1,737	1,722		1,669
Other Income	855	1,141	928	651		518
PBT	9,863	7,930	10,174	6,495		3,370
Tax	3,339	25	2,585	1,642		851
Effective Tax Rate (%)	33.8	0.3	25.4	25.3		25.3
Adjusted PAT	6,525	7,905	7,589	4,853		2,519
Change (%)	20.5	64.5	20.1	1.5		-61.4

Exhibit 1: Imputed Subsidiary Quarterly Performance

INR m	1QFY19	2QFY19	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21
Sales	6,840	7,013	7,579	7,829	7,246	7,726	7,634	7,566	4,761
Sales growth (%)	11.7	5.8	12.6	10.5	5.9	10.2	5.0	-3.4	-34.3
EBITDA	496	674	572	529	681	814	715	838	173
EBITDA margin (%)	7.3	9.6	7.5	6.8	9.4	10.5	9.4	11.1%	3.6%
PAT	287	261	162	78	238	574	208	282	(323)

Source: Company, MOFSL



Management call highlights

Performance and outlook comments

- May and June witnessed improving demand.
- Demand is still weak in metros and tier 1 cities such as Ahmedabad and Surat (~45% of total sales), but has recovered in tier 2, tier 3, and tier 4 markets. Western India demand is weaker than the rest of the country.
- After a near-washout in April, May demand was down only 20% YoY, while June demand rose to the double digits YoY in terms of volumes.
- Demand recovery was driven by: (a) the 'safe painting' campaign, which gave customers confidence, and (b) a campaign to paint ahead of the monsoons.
- The demand outlook for rural and lower tier cities is good.
- Channel normalization has also played some part in driving sales growth, but was not the most significant part.
- Unless the mortality rate increases due to COVID-19, APNT does not expect the improved sentiment to reverse. However, the re-imposition of sporadic lockdowns would lead to demand impact in the affected pockets.
- The management is looking at demand on a quarter-to-quarter basis. The predictability of festive season demand is weak currently.

Other businesses

- Both automotive and industrial coating demand remains very weak, although the former seemed to have recovered a bit in June.
- Demand recovery for Sleek (kitchen equipment retail) and Ess Ess (bathroom fittings) has not been as good as for the Decorative Paints business.

Margins and pricing

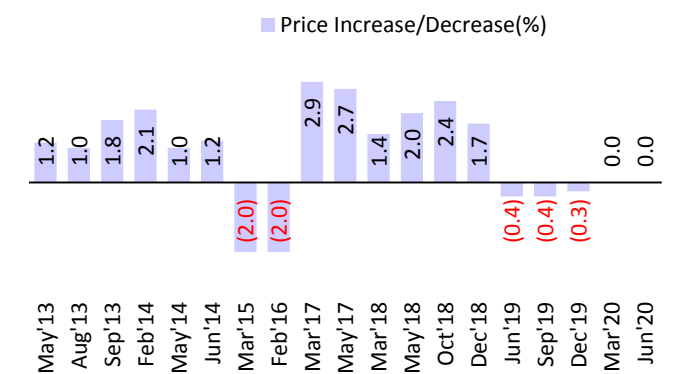
- Decline in gross margins happened sequentially despite input prices also falling sequentially. Margin decline could be on account of deterioration in the mix.
- No change was seen in pricing in 1QFY21, and change is not likely in 2QFY21 either.
- Other expenses declined sharply due to controlled discretionary spends.

Other points

- Waterproofing margins in the retail business are comparable with those of Decorative Paints. However, institutional business margins are lower in Waterproofing.
- APNT is looking at sourcing and formulation efficiencies on material costs for gains from a longer term perspective.
- The per capita consumption of paints in India is half of that in developed countries. Infrastructure development would be a big boost to improve this metric.

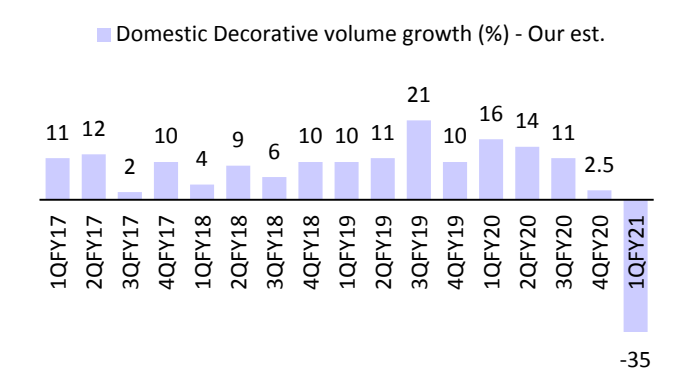
Key exhibits

Exhibit 2: No price cut in 1QFY21



Source: Company, MOFSL

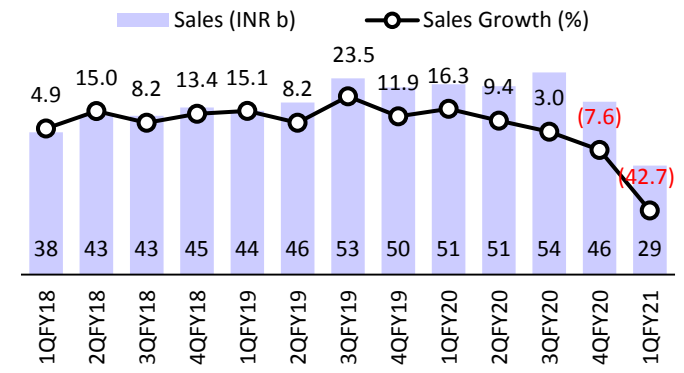
Exhibit 3: Volume decline for Decorative domestic business stands at ~35% in 1QFY21



Source: Company, MOFSL

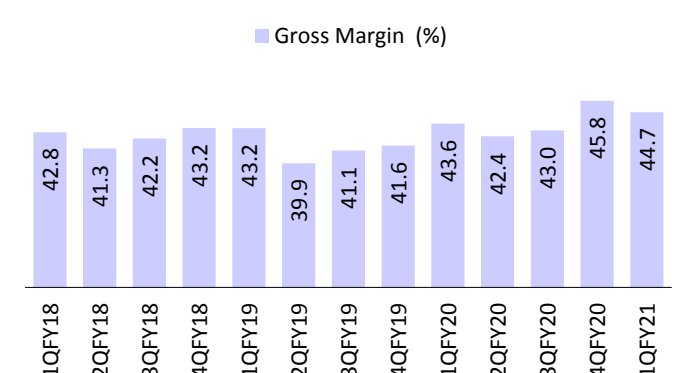
■ **Consol. gross margins were up by 110bp YoY to 44.7%.** However, high employee costs as a percentage of sales (+570bp YoY) and high other expenses as a percentage of sales (+150bp YoY) imply the EBITDA margin contracted by 610bp YoY to 16.6% (est. 10.2%).

Exhibit 4: Consol. net sales decline 42.7% YoY to INR29.2b



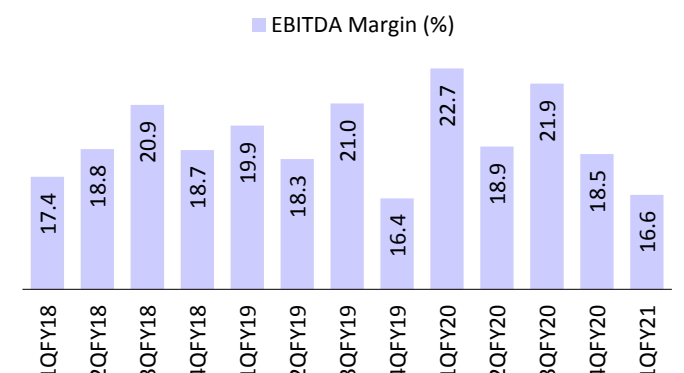
Source: Company, MOFSL

Exhibit 5: Gross margin expands 110bp YoY



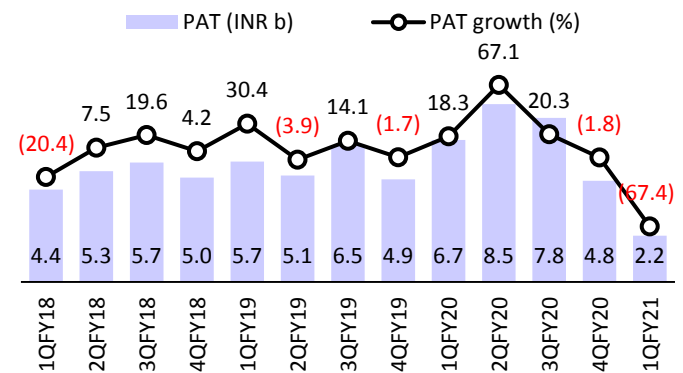
Source: Company, MOFSL

Exhibit 6: EBITDA margin contracts by 610bp YoY



Source: Company, MOFSL

Exhibit 7: PAT declines 67.4% YoY to INR2.2b



Source: Company, MOFSL

Valuation and view

Asian Paints – a wealth creator in the past decade

- Despite an already sizeable sales base of ~INR67b in FY10, APNT reported a healthy CAGR of 12–13% on sales/EBITDA/PAT for the 10 years ended FY20.
- The broadening of its dealer network and increased thrust in non-metro cities led to a faster shift from unorganized paints, which still form ~30% of the market.
- Its successful entry into categories such as ‘Putty’ has also led to new growth regions, particularly in the hinterland.

APNT’s topline growth momentum to continue

- We do believe that Paints continues to be one of the few categories wherein double-digit topline growth, led by volumes, is possible. This is especially true given the 30% unorganized market, from which top players have started gaining share (post GST) and superior growth opportunities in the hinterland.
- It also holds true that while the Real Estate market continues to have bleak prospects in the near term, the longer term prospects for Decorative Paints on recovery in this segment remain attractive.
- Over the past few years, APNT has also done well in terms of widening its distribution network and broadening its product portfolio. More recently, it has been in the midst of a massive expansion (it is nearly doubling its capacity), which would create further entry barriers for peers.

Concerns persist despite superior performance v/s peers

- **Modest trend in profit in recent years:** While the decadal average is still healthy at ~13%, PBT growth (which adjusts for the one-off corporate tax cut) has significantly slowed to 7.7% in the four years ended FY20.
- **Deteriorating RoCE over the past decade:** From over 45% at the start of the decade, RoCE has come down to the early 20s in recent years, driven by: (a) declining net fixed asset turnover, (b) slowing sales and EBIT growth, and (c) a worsening cash conversion cycle.
- **Uncertainty in earnings growth going forward:** Decline in crude prices played a major role in boosting gross and EBITDA margins in FY20. The outlook on the direction of crude prices is uncertain going forward. The above uncertainty holds even more importance at the net profit level as the company is in the midst of massive capex. Due to this, depreciation could more than double over FY19–21E.
- **Valuations:** Despite modest earnings growth for four years in succession, declining RoCE, and the lack of visibility on earnings growth, valuations at 55x FY22E EPS are fair compared with a 5- /10- /15-year average of 56x/45x/36x.

Valuation and view

- Changes to the model have resulted in a 41%/9.8% increase in FY21/FY22 EPS estimates. While sales, EBITDA, and PAT reported sharp declines of 42.7%, 58.2%, and 67.4% YoY, respectively, the numbers were still better than expected given the double-digit volume growth witnessed in June. Management commentary on recovery sustaining is also strong, albeit with the caveat of the

negative impact of the ongoing re-imposition of lockdown in certain pockets of the country.

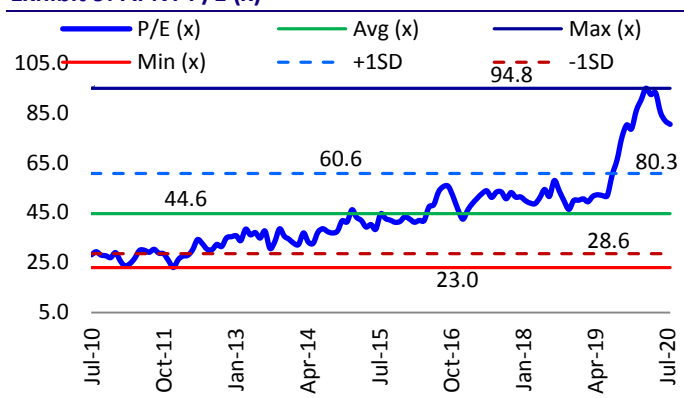
- Earnings growth has been weak for several years (PBT CAGR of 7.7% over FY16–20), and there is no evidence of a sharp reversal in this trend.
- Nevertheless, the likelihood of sharp earnings decline, as feared earlier, may not materialize. Therefore, it is possible that APNT, unlike other discretionary peers, would emerge relatively unscathed from the COVID-19 crisis. With better than expected recovery, APNT continues to remain market leader in a category with attractive long term potential. Hence, we upgrade our rating from Sell to **Neutral**.
- Rich valuations of 55x FY22 EPS for a business with uncertain earnings growth and weaker ROCE v/s peers prevent us from turning more constructive. We value APNT at 50x Jun'22 EPS, leading to TP of INR1,605, with 6% downside over CMP.

Exhibit 8: 40%/10% increase in our EPS forecasts for FY21/FY22E

INR m	New		Old		Change	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Sales	195,342	226,615	168,976	208,435	15.6%	8.7%
EBITDA	39,868	46,921	30,347	43,116	31.4%	8.8%
PAT	24,434	29,906	17,328	27,225	41.0%	9.8%

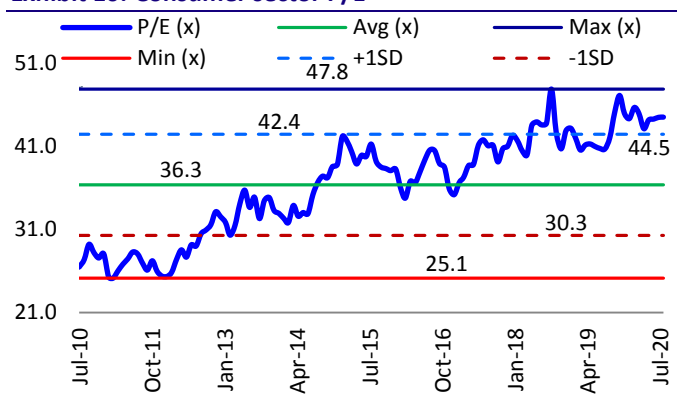
Source: Company, MOFSL

Exhibit 9: APNT P/E (x)



Source: Bloomberg, Company, MOFSL

Exhibit 10: Consumer sector P/E



Source: Bloomberg, Company, MOFSL

Financials and valuations

Income Statement consol.							(INR m)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	
Net Sales	142,715	150,620	168,246	192,401	202,113	195,342	226,615	
Change (%)	1.9	5.5	11.7	14.4	5.0	-3.4	16.0	
Raw Materials	80,497	83,289	96,912	112,646	113,835	107,543	124,527	
Gross Profit	62,218	67,331	71,334	79,756	88,278	87,798	102,089	
Margin (%)	43.6	44.7	42.4	41.5	43.7	44.9	45.0	
Operating Expenses	34,527	37,467	39,358	42,100	46,660	47,930	55,168	
EBITDA	27,692	29,864	31,976	37,655	41,618	39,868	46,921	
Change (%)	34.6	7.8	7.1	17.8	10.5	-4.2	17.7	
Margin (%)	19.4	19.8	19.0	19.6	20.6	20.4	20.7	
Depreciation	2,756	3,348	3,605	6,221	7,805	8,623	8,859	
Int. and Fin. Charges	407	300	351	1,053	1,023	840	851	
Other Income	2,134	2,624	2,206	2,330	3,043	2,628	2,816	
Profit before Taxes	26,663	28,841	30,227	32,712	35,833	33,033	40,026	
Change (%)	26.7	8.2	4.8	8.2	9.5	-7.8	21.2	
Margin (%)	18.7	19.1	18.0	17.0	17.7	16.9	17.7	
Tax	7,972	8,936	10,414	9,428	9,501	7,829	9,486	
Deferred Tax	473	497	-5	1,553	-953	495	600	
Tax Rate (%)	31.7	32.7	34.4	33.6	23.9	25.2	25.2	
PAT Before Minority	18,218	19,408	19,817	21,731	27,284	24,708	29,939	
Minority Interest	-334	-496	-458	-407	-507	275	33	
Adjusted PAT	18,552	19,904	20,275	22,138	27,791	24,434	29,906	
Change (%)	30.4	7.3	1.9	9.2	25.5	-12.1	22.4	
Margin (%)	13.0	13.2	12.1	11.5	13.8	12.5	13.2	
Reported PAT	18,028	19,904	20,275	22,138	27,791	24,434	29,906	

Balance Sheet							(INR m)	
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	
Share Capital	959	959	959	959	959	959	959	
Reserves	64,289	75,080	83,143	94,238	100,342	117,244	129,884	
Net Worth	65,248	76,039	84,102	95,197	101,302	118,203	130,843	
Loans	3,233	5,604	5,334	6,270	3,401	2,801	2,301	
Other Liability	2,968	3,467	4,011	5,427	10,216	8,928	8,279	
Minority Interest	3,837	3,755	3,277	3,631	4,035	4,310	4,343	
Capital Employed	75,286	88,864	96,724	110,524	118,954	134,241	145,767	
Gross Block	34,921	37,203	43,781	69,345	81,374	82,874	85,874	
Less: Accum. Depn.	2,748	6,100	9,731	14,046	21,851	30,474	39,334	
Net Fixed Assets	32,173	31,103	34,050	55,299	59,523	52,400	46,541	
Capital WIP	1,066	2,575	14,051	2,097	1,402	1,402	1,402	
Investments	27,121	26,520	21,407	25,697	20,189	38,358	46,030	
Current	15,853	13,007	10,567	11,745	5,125	17,269	18,614	
Non-current	11,268	13,513	10,840	13,952	15,064	21,089	27,416	
Curr. Assets, L&A	43,240	61,919	64,854	70,028	77,066	85,951	101,774	
Inventory	19,982	26,269	26,583	31,499	33,898	31,576	36,631	
Account Receivables	11,917	14,466	17,371	19,134	17,994	19,267	22,351	
Cash and Bank Balance	4,242	8,012	4,047	4,449	7,828	14,772	16,563	
Others	7,099	13,172	16,854	14,946	17,345	20,337	26,229	
Curr. Liab. and Prov.	30,304	35,188	40,911	45,809	42,426	47,070	53,180	
Account Payables	15,651	19,228	21,600	23,943	21,366	23,571	27,294	
Other Liabilities	11,906	14,008	17,344	19,547	18,628	20,491	22,540	
Provisions	2,748	1,952	1,967	2,318	2,432	3,008	3,346	
Net Current Assets	12,936	26,731	23,944	24,219	34,640	38,881	48,594	
Goodwill on Cons.	1,990	1,935	3,273	3,213	3,200	3,200	3,200	
Application of Funds	75,286	88,864	96,724	110,524	118,954	134,241	145,767	

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Basic (INR)							
EPS	19.3	20.8	21.1	23.1	29.0	25.5	31.2
Cash EPS	22.2	24.2	24.9	29.6	37.1	34.5	40.4
BV/Share	68.0	79.3	87.7	99.2	105.6	123.2	136.4
DPS	7.8	9.6	12.4	13.1	15.0	13.0	18.0
Payout %	40.4	46.1	58.6	56.7	51.6	51.0	57.7
Valuation (x)							
P/E	88.5	82.5	80.9	74.1	59.1	67.2	54.9
Cash P/E	77.0	70.6	68.7	57.9	46.1	49.6	42.3
EV/Sales	11.3	10.7	9.6	8.4	8.0	8.1	7.0
EV/EBITDA	58.2	54.0	50.7	42.9	38.8	39.9	33.7
P/BV	25.2	21.6	19.5	17.2	16.2	13.9	12.5
Dividend Yield (%)	0.5	0.6	0.7	0.8	0.9	0.8	1.1
Return Ratios (%)							
RoE	32.9	28.2	25.3	24.7	28.3	22.3	24.0
RoCE	28.1	23.9	21.6	21.6	24.5	20.0	21.8
RoIC	27.9	24.1	23.7	22.9	24.1	20.5	23.2
Working Capital Ratios							
Debtor (Days)	30	35	38	36	32	36	36
Asset Turnover (x)	1.9	1.7	1.7	1.7	1.7	1.5	1.6
Leverage Ratio							
Debt/Equity (x)	0.0	0.1	0.1	0.1	0.0	0.0	0.0

Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
OP/(loss) before Tax	26,139	29,642	31,391	33,107	36,283	33,033	40,026
Depreciation	2,756	3,388	3,605	4,307	7,819	8,623	8,859
Net interest	-509	-765	-422	-282	96	-1,788	-1,964
Others	90	-1,711	-1,835	-896	-401	0	0
Direct Taxes Paid	-8,024	-9,254	-10,807	-9,820	-10,108	-7,829	-9,486
(Incr)/Decr in WC	1,978	-6,028	-797	-4,274	-7,371	2,703	-7,923
CF from Operations	22,430	15,273	21,134	22,143	26,319	34,742	29,512
Incr in FA	-8,022	-6,672	-14,088	-11,336	-3,669	-1,500	-3,000
Free Cash Flow	14,408	8,601	7,047	10,807	22,650	33,242	26,512
Pur of Investments	-775	2,039	426	1,602	-2,536	-18,170	-7,672
Others	-2,945	694	2,353	-3,177	7,918	2,976	-1,426
CF from Invest.	-11,742	-3,939	-11,309	-12,911	1,713	-16,694	-12,098
Incr in Debt	-1,103	2,134	-440	631	-2,614	-600	-500
Dividend Paid	-7,642	-9,473	-12,178	-10,487	-21,207	-12,470	-17,266
Net interest Paid	-402	-357	-352	-512	-1,009	1,788	1,964
Others	658	132	-822	1,539	178	178	178
CF from Fin. Activity	-8,490	-7,564	-13,791	-8,830	-24,652	-11,104	-15,623
Incr/Decr of Cash	2,198	3,770	-3,966	402	3,380	6,944	1,791
Add: Opening Balance	2,044	4,242	8,012	4,047	4,449	7,828	14,772
Closing Balance	4,242	8,012	4,047	4,449	7,828	14,772	16,563

E: MOFSL Estimates

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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