

Pidilite Industries

Estimate change 

TP change 

Rating change 

Motilal Oswal values your support in the Asiamoney Brokers Poll 2020 for India Research, Sales and Trading team. We request your ballot.



	PIDI IN
Bloomberg	PIDI IN
Equity Shares (m)	513
M.Cap.(INRb)/(USDb)	699.6 / 9
52-Week Range (INR)	1710 / 1186
1, 6, 12 Rel. Per (%)	-5/-4/3
12M Avg Val (INR M)	1140
Free float (%)	29.8

Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E
Sales	72.9	62.7	83.2
Sales Gr. (%)	3.0	-14.0	32.6
EBITDA	15.8	12.7	18.3
EBITDA Margin (%)	21.6	20.2	22.0
Adj. PAT	11.7	8.7	13.0
Adj. EPS (INR)	23.1	17.1	25.6
EPS Gr. (%)	24.5	-26.2	50.3
BV/Sh.(INR)	87.7	95.6	112.1
Ratios			
RoE (%)	27.3	18.6	24.7
RoCE (%)	25.0	17.3	23.3
Payout (%)	30.2	44.0	29.3
Valuations			
P/E (x)	59.6	80.7	53.7
P/BV (x)	15.7	14.4	12.3
EV/EBITDA (x)	43.4	53.5	36.8

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	70.2	69.9	69.8
DII	8.1	8.0	8.0
FII	11.2	11.5	11.5
Others	10.5	10.6	10.8

FII Includes depository receipts

CMP: INR1,377

TP: INR1,335 (-3%)

Neutral

Outlook improving gradually, B2B expected to be a laggard

- Pidilite (PIDI) reported 56.5% decline in consolidated sales (58.3% volume decline), with EBITDA/PAT decline of 85%/95%. However, the performance came in better than our expectation of loss in both EBITDA and PAT.
- The improving demand scenario is likely to lead to positive topline and earnings growth in 2HFY21. However, the B2C nature of the business and a continued wariness among the urban consumer mean earnings growth over FY20–22 is likely to be muted. As PIDI delivered a profit against our expectations of a loss in 1QFY21, we have increased our PAT estimates for FY21 and FY22 by 26.1% and 4.7%, respectively. We expect sales/EBITDA/PAT CAGR at 6.8%/7.8%/5.3% over FY20–22E, continuing the trend of 7–8% sales/EBITDA and PBT growth in the last four years. While the structural investment case remains intact, the recent earnings track record, lower ROCEs (in the mid-20 levels) v/s consumer peers, and valuations of 54x FY22 do not leave much room for us to turn constructive from a one-year perspective. Maintain **Neutral**.

Performance hard hit by lockdown, but better than expected

- **PIDI's 1QFY21 consolidated net sales declined 56.5% YoY to INR8.8b** (est.: INR7.1b). EBITDA plunged 85% YoY to INR664m (est.: –INR636m). PBT decreased 92.9% YoY to INR312m (est.: –INR811m). Adj. PAT declined 94.8% YoY to INR154m (est.: –INR811m).
- Overall gross margins expanded 210bp YoY to 53.5%. Higher employee expenses as a percentage of sales (up 1250bp YoY to 24.6%) and higher other expenses as a percentage of sales (up 400bp YoY to 21.3%) led to contraction in the EBITDA margin by 1440bp YoY to 7.6% (est.: -9%).
- **The standalone Consumer and Bazaar (C&B) segment's** revenues were down 57.2% YoY to INR6.1b. Segmental EBIT declined 66.6% YoY to INR1.5b. Segmental EBIT margins contracted 670bp YoY to 23.8%.
- Standalone Business to Business (B2B) segmental revenues declined by 52.7% YoY to INR1.7b. Segmental margins contracted 1220bp to 3.7%.
- **Subsidiaries' performances:** Revenue from overseas subsidiaries fell 35.9% YoY to INR953m in 1QFY21; EBITDA stood at –INR1m, against INR93m in 1QFY20. Revenue from domestic subsidiaries declined 82.2% YoY to INR295m in 1QFY21; EBITDA stood at –INR308m v/s INR176m in 1QFY20.

Highlights from management commentary

- Recovery was witnessed in June and July, although the management was unable to quantify how much of this was pent-up demand.
- Consumers remain reluctant about allowing laborers into their houses for furniture making. The company is looking to tackle this problem by providing certifications for contractors stating they are following all the prudent measures.
- VAM costs for the quarter were in the USD650–700 range due to low demand. The management expects this to continue in the near term, with the caveat that these low levels are unlikely to sustain as the demand environment improves.

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Valuation and view

- Improvement in the demand scenario is likely to lead to positive topline and earnings growth in 2HFY21. However, the B2C nature of the business and a continued wariness among the urban consumer mean earnings growth over FY20–22 is likely to be muted. We expect sales/EBITDA/PAT CAGR at 6.8%/7.8%/5.3% over FY20–22E, continuing the trend of 7–8% sales/EBITDA and PBT growth in the last four years.
- While the structural investment case remains intact, the recent earnings track record, lower ROCEs (in the mid-20 levels) v/s consumer peers, and valuations of 54x FY22 do not leave much room for us to turn constructive from a one-year perspective. Maintain **Neutral**, with TP of INR1,335 (50x Jun'22 EPS).

Consol. Quarterly perf.**(INR m)**

Y/E March	FY20				FY21				FY20	FY21E	FY21	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	20,166	18,066	19,266	15,447	8,778	16,259	20,229	17,479	72,945	62,746	7,058	24.4
YoY change (%)	10.0	2.8	4.2	-5.8	-56.5	-10.0	5.0	13.2	3.1	-14.0	-65.0	
Gross Profit	10,361	9,644	10,363	8,552	4,694	8,943	11,429	9,861	38,920	34,927	4,164	
Margin (%)	51.4	53.4	53.8	55.4	53.5	55.0	56.5	56.4	53.4	55.7	59.0	
EBITDA	4,437	3,682	4,632	3,009	664	3,343	4,779	3,907	15,760	12,692	-636	-204.4
YoY change (%)	16.3	0.5	37.5	7.9	-85.0	-9.2	3.2	29.8	15.6	-19.5	-114.3	
Margins (%)	22.0	20.4	24.0	19.5	7.6	20.6	23.6	22.3	21.6	20.2	-9.0	
Depreciation	377	402	419	501	461	470	480	500	1,699	1,911	400	
Interest	73	83	82	98	91	90	85	71	336	337	75	
Other Income	399	558	398	140	200	250	310	375	1,494	1,135	300	
PBT	4,385	3,755	4,530	2,550	312	3,033	4,524	3,710	15,219	11,579	-811	-138.5
Tax	1,444	293	1,084	656	159	728	1,041	988	3,477	2,915	0	
Rate (%)	32.9	7.8	23.9	25.7	50.8	24.0	23.0	26.6	23.7	25.2	0.0	
Adj PAT	2,941	3,462	3,445	1,894	154	2,305	3,484	2,723	11,742	8,665	-811	-118.9
YoY change (%)	22.4	48.2	58.0	-23.1	-94.8	-33.4	1.1	43.8	25.1	-26.2	-127.6	
Margins (%)	14.6	19.2	17.9	12.3	1.7	14.2	17.2	15.6	16.1	13.8	-11.5	

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY20				FY21
	1Q	2Q	3Q	4Q	
2Y average growth (%)					
Sales	15.0	8.8	12.0	2.3	-23.3
EBITDA	17.6	-1.0	14.2	4.8	-34.4
PAT	14.4	20.5	25.0	-11.6	-36.2
% of Sales					
COGS	48.6	46.6	46.2	44.6	46.5
Operating Expenses	29.4	33.0	29.7	35.9	45.9
Depreciation	1.9	2.2	2.2	3.2	5.3
YoY change (%)					
COGS	8.1	-5.3	-8.7	-15.4	-58.3
Operating Expenses	8.7	18.9	6.9	1.6	-32.0
Other Income	24.1	101.9	29.9	-75.2	-49.8
EBIT	15.5	-2.1	38.3	4.6	-95.0

Exhibit 1: Segmental Performance (Consolidated)

Segmental	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19*	1QFY20*	2QFY20	3QFY20*	4QFY20*	1QFY21*
Consumer and Bazaar													
Sales (INRm)	14,318	13,147	13,086	12,276	15,941	15,114	15,974	11,975	15,743	15,350	14,783	11,244	7,020
Sales Growth (%)	-1.6	1.4	7.4	6.0	11.3	15.0	22.1	-2.4	-1.2	1.6	-7.5	-6.1	-55.4
EBIT (INRm)	3,341	3,838	3,684	2,821	4,030	3,661	3,584	2,874	4,423	3,889	4,488	2,787	1,305
% Contribution	90.2	92.3	89.7	86.1	92.1	90.1	92.5	84.0	87.3	88.6	86.7	79.4	124.3
EBIT Growth %	-14.7	24.0	25.2	10.5	20.6	-4.6	-2.7	1.9	9.7	6.2	25.2	-3.0	-70.5
EBIT margin %	23.3	29.2	28.2	23.0	25.3	24.2	22.4	24.0	28.1	25.3	30.4	24.8	18.6
Business to Business													
Sales (INRm)	2,485	2,266	2,470	2,727	2,576	2,537	2,618	4,549	4,592	2,899	4,626	4,411	1,882
Sales Growth (%)	0.2	-6.1	13.3	7.3	3.7	11.9	6.0	66.8	78.3	14.3	76.7	-3.0	-59.0
EBIT (INRm)	367	327	418	469	379	420	309	565	653	525	688	732	-220
% Contribution	9.9	7.9	10.2	14.3	8.7	10.3	8.0	16.5	12.9	12.0	13.3	20.9	-21.0
EBIT Growth %	-18.8	-28.6	26.7	14.0	3.3	28.6	-26.0	20.3	72.2	24.9	122.5	29.7	-133.7
EBIT margin %	14.8	14.4	16.9	17.2	14.7	16.6	11.8	12.4	14.2	18.1	14.9	16.6	-11.7

*reflect the performance as per the restructured segments

Source: Company, MOFSL

**Conference call highlights****Outlook**

- Recovery was witnessed in June and July. However, the management was unable to quantify how much of this was pent-up demand.
- Pipeline inventory remains similar to end-Mar'20 levels.
- Near-term demand appears uncertain.
- International business, particularly in SAARC, was also affected.
- Normalcy would resume once the pandemic situation comes under control and the consumer has money in his pockets once again. Consumers remain reluctant about allowing labor into their house. The company is providing certifications for contractors stating that they are following all the prudent measures. Recovery in confidence, however, is being seen gradually.
- Manufacturing and store openings are at 80% of pre-COVID-19 levels, but the management refrained from commenting on whether sales have also recovered at anywhere near the same level.
- Recovery has been strong wherever the lockdown is being repealed.
- There has been a significant increase in the use of digital technology to connect with channel partners and end users.

Segmental outlook

- The C&B business is seeing a swifter recovery, particularly in the rural areas. Rural and small towns in India constitute 30% of domestic sales.
- Retail construction chemicals are also recovering well.
- The B2B business in Construction Chemicals continues to be negative.
- Domestic subsidiaries Nina and Cipy struggled in 1QFY21, and their outlook remains unclear.

Material and other costs

- VAM price is currently at USD650–700 due to low demand. Management does not believe these low price levels are sustainable in a post-pandemic environment. However, the near-term material cost outlook remains soft.
- Consumption cost for RM was ~USD800 for 1QFY21, against USD925 in 1QFY20.
- Going forward, gross margins may be similar to 1QFY21 levels.

Other points

- Capex in a normal year is at 4–5% of revenue, and this would continue in the long term. However, management deemed it difficult to guide for the current year due to the rapidly changing business environment. JVs also impact capex at the consolidated level.

Key exhibits

Consolidated performance for 1QFY21

- Net sales declined 56.5% YoY to INR8.8b (est.: INR7.1b).
- Overall gross margins expanded 210bp YoY to 53.5%.
- Higher employee expenses as a percentage of sales (up 1250bp YoY to 24.6%) and higher other expenses as a percentage of sales (up 400bp YoY to 21.3%) led to contraction in the EBITDA margin by 1440bp YoY to 7.6% (est.: -9%).
- EBITDA declined 85% YoY to INR664m (est.: -INR636m).
- PBT declined 92.9% YoY to INR312m (est.: -INR811m).
- Adj. PAT decreased 94.8% YoY to INR154m (est.: -INR811m).
- The C&B segment's revenues were down 55.4% YoY to INR7b, with segmental EBIT declining 70.5% YoY to INR1.3b. Segmental EBIT margins contracted by 950bp YoY to 18.6%.
- The B2B segment's revenues declined by 59% YoY to INR1.9b, with segmental margins down 2590bp YoY to -11.7%.

Exhibit 2: Standalone Consumer & Bazaar (C&B) volumes declined 58.6% in 1QFY21

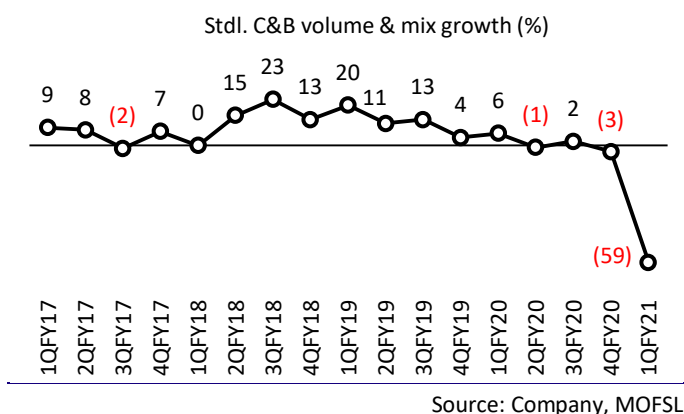


Exhibit 3: Consol. sales declined 56.5% YoY to INR8.8b in 1QFY21

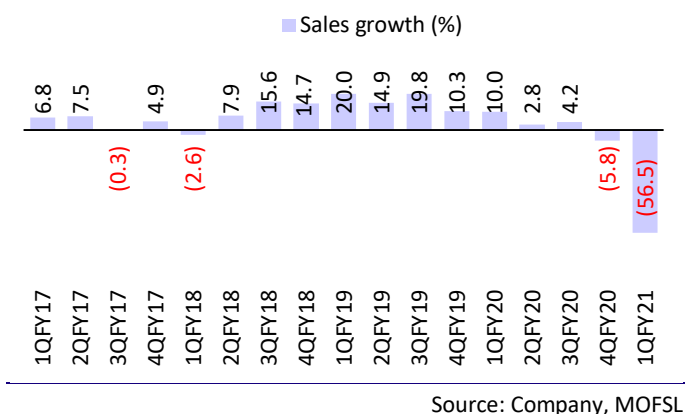


Exhibit 4: Consol. gross margins expanded 210bp YoY to 53.5%

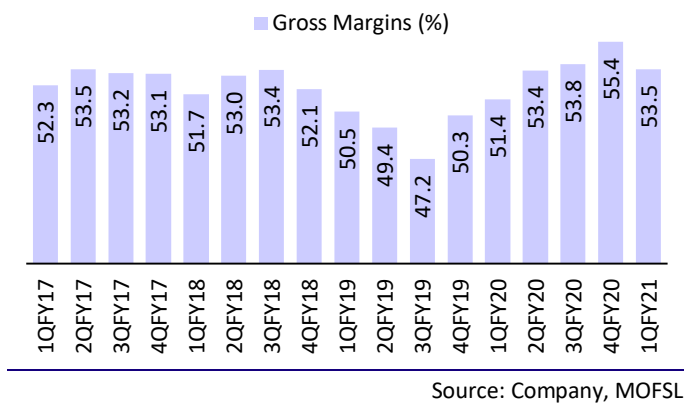


Exhibit 5: Consol. employee expenses as % of sales were up 1250bp YoY to 24.6%

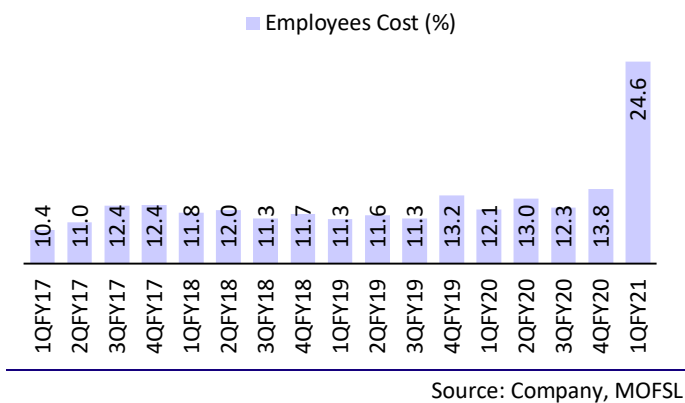
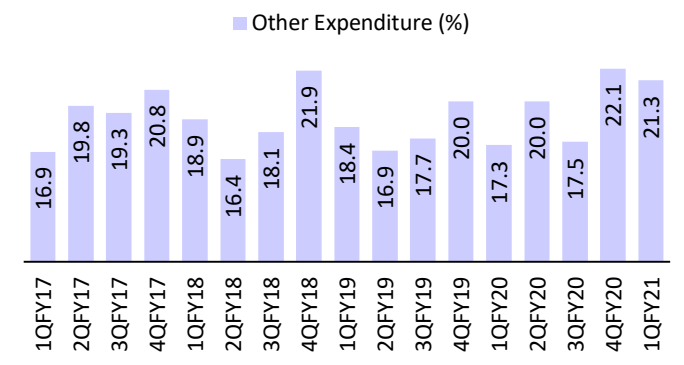
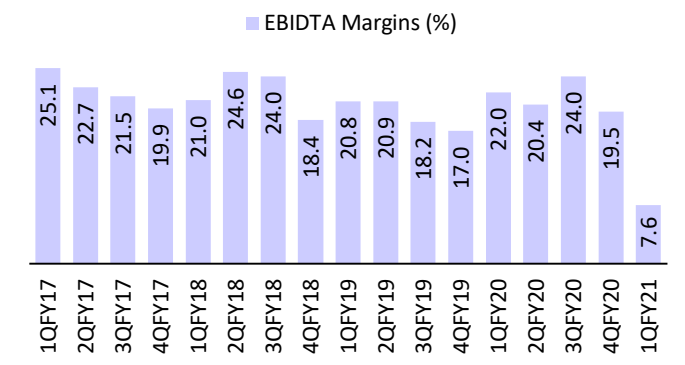


Exhibit 6: Consol. other expenses as % of sales were up 400bp YoY to 21.3%



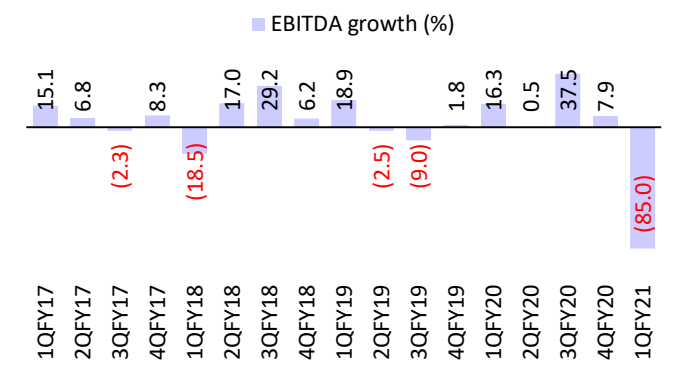
Source: Company, MOFSL

Exhibit 7: Consol. EBITDA margins declined by 1440bp YoY to 7.6%



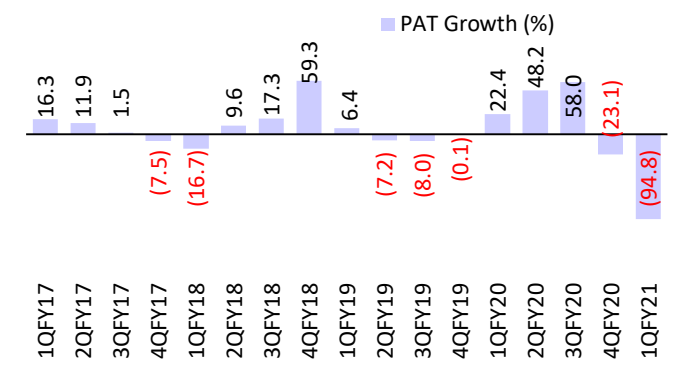
Source: Company, MOFSL

Exhibit 8: Consol. EBITDA declined 85% YoY to INR664m



Source: Company, MOFSL

Exhibit 9: Consol. Adj. PAT declined 94.8% YoY to INR154m



Source: Company, MOFSL

Standalone performance for 1QFY21

- Overall volume and mix declined 58.3% YoY during the quarter. Volume and mix decline in the C&B and B2B segments was 58.6% YoY and 53.7% YoY, respectively.
- Net sales fell 56.6% YoY to INR7.7b.
- The C&B segment’s revenues were down 57.2% YoY to INR6.1b. Segmental EBIT declined 66.6% YoY to INR1.5b. Segmental EBIT margins contracted 670bp YoY to 23.8%.
- The B2B segment’s revenues declined 52.7% YoY to INR1.7b. Segmental margins contracted 1220bp to 3.7%.
- Overall gross margins expanded 290bp YoY to 54.5%, while EBITDA margins contracted 1110bp YoY to 12.4%.
- EBITDA declined 77.2% YoY to INR954m.
- PBT declined 81.9% YoY to INR769m.
- Adj. PAT declined 80.3% YoY to INR567m.

Imputed subsidiary performance

- In 1QFY21, imputed subsidiary revenues declined 55.6% to INR1.1b.

Exhibit 10: Segmental Performance (Standalone)

Segmental	1QFY18	2QFY18	3QFY18	4QFY18	1QFY19	2QFY19	3QFY19	4QFY19*	1QFY20	2QFY20	3QFY20*	4QFY20*	1QFY21*
Consumer and Bazaar													
Sales (INRm)	12,489	11,486	11,415	10,159	13,683	12,719	13,388	10,436	14,349	13,001	13,263	9,939	6,145
Sales Growth (%)	-0.3	4.8	11.5	2.4	9.6	10.7	17.3	2.7	4.9	2.2	-0.9	-4.8	-57.2
EBIT (INRm)	3,221	3,934	3,645	2,683	4,219	3,743	3,607	2,843	4,378	3,848	4,419	2,832	1,464
% Contribution	89.8	92.5	89.6	85.5	92.4	90.3	92.6	85.0	88.8	88.5	88.4	79.4	98.2
EBIT Growth %	-17.6	30.2	24.6	3.0	31.0	-4.9	-1.0	6.0	3.8	2.8	22.5	-0.4	-66.6
EBIT margin %	25.8	34.2	31.9	26.4	30.8	29.4	26.9	27.2	30.5	29.6	33.3	28.5	23.8
Business to Business													
Sales (INRm)	2,485	2,266	2,470	2,727	2,576	2,537	2,618	3,462	3,563	2,899	3,443	3,332	1,683
Sales Growth (%)	0.2	-6.1	13.3	7.3	3.7	11.9	6.0	27.0	38.3	14.3	31.5	-3.7	-52.7
EBIT (INRm)	367	327	418	469	379	420	309	516	566	525	577	746	62
% Contribution	10.2	7.7	10.3	15.0	8.3	10.1	7.9	15.4	11.5	12.1	11.5	20.9	4.1
EBIT Growth %	-18.8	-28.6	26.7	14.0	3.3	28.6	-26.0	9.9	49.1	24.9	86.4	44.5	-89.1
EBIT margin %	14.8	14.4	16.9	17.2	14.7	16.6	11.8	14.9	15.9	18.1	16.7	22.4	3.7

*reflect the performance as per the restructured segments

Source: Company, MOFSL

Valuation and view**PIDI has done exceptionally well in the past 10 years**

- Stringent focus on topline growth, market share gains, and pricing discipline have facilitated strong growth in the past decade. This has also been aided in recent years by conversion from the unorganized segment.
- Continued use of pioneering advertising strategy has strengthened the brand in a perceived commoditized category.
- Consistently uniform performance across lines is reflected in the ~13% sales CAGR / ~15% EBITDA CAGR and ~16% PAT CAGR in the past 10 years ending FY20.
- Earnings growth in the past five years has also been strong at an ~18% CAGR, but this has come on a sales CAGR of just ~8%. This indicates further dependence on margin expansion over the second half of the decade.

Comments on valuations

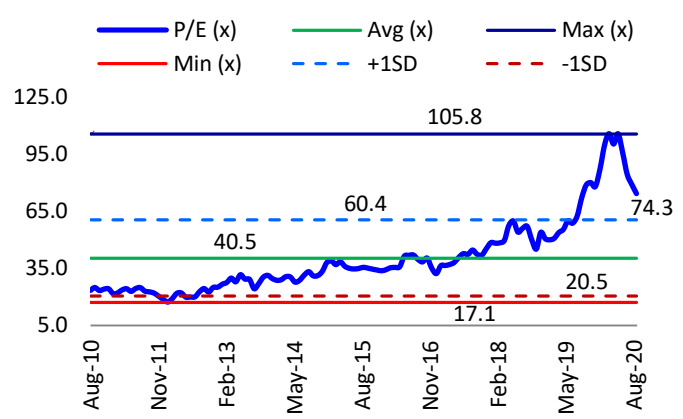
- Improvement in the demand scenario is likely to lead to positive topline and earnings growth in 2HFY21. However, the B2C nature of the business and a continued wariness among the urban consumer mean earnings growth over FY20–22 is likely to be muted. We expect sales/EBITDA/PAT CAGR at 6.8%/7.8%/5.3% over FY20–22E, continuing the trend of 7–8% sales/EBITDA and PBT growth in the last four years.
- As PIDI delivered a profit against our expectations of a loss in 1QFY21, we have increased our PAT estimates for FY21 and FY22 by 26.1% and 4.7%, respectively.
- While the structural investment case remains intact, the recent earnings track record, lower ROCEs (in the mid-20 levels) v/s consumer peers, and valuations of 54x FY22 do not leave much room for us to turn constructive from a one-year perspective. Maintain **Neutral**, with TP of INR1,335 (50x Jun'22 EPS).

Exhibit 11: Our PAT forecasts have increased by 26.1%/4.7% for FY21/FY22

INR M	New		Old		% Change	
	FY21E	FY22E	FY22E	FY21E	FY21E	FY22E
Total Income	62,746	83,230	54,553	76,512	15.0	8.8
EBITDA	12,692	18,300	9,875	17,216	28.5	6.3
Adjusted PAT	8,665	13,022	6,869	12,433	26.1	4.7

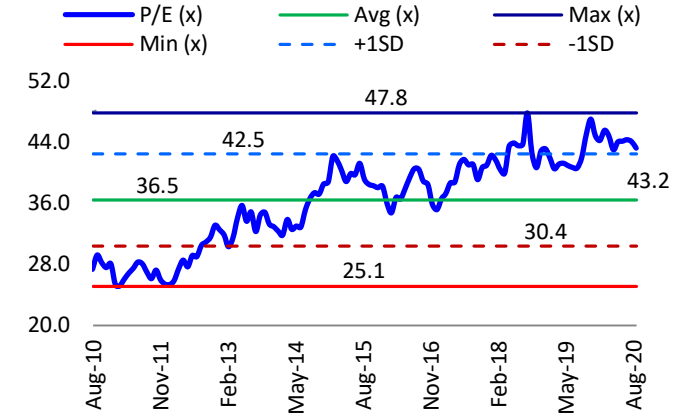
Source: Company, MOFSL

Exhibit 12: PIDI P/E (x)



Source: Company, MOFSL

Exhibit 13: Consumer sector P/E (x)



Source: Company, MOFSL

Financials and Valuations

Income Statement							(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Net Sales	53,612	56,168	60,784	70,787	72,945	62,746	83,230
Change (%)	9.9	4.8	8.2	16.5	3.0	-14.0	32.6
Raw Materials	25,847	26,396	28,877	35,866	34,025	27,819	37,406
Gross Profit	27,765	29,772	31,908	34,922	38,920	34,927	45,825
Margin (%)	51.8	53.0	52.5	49.3	53.4	55.7	55.1
Operating Expenses	16,030	17,174	18,495	21,240	23,160	22,235	27,525
EBITDA	11,735	12,598	13,412	13,682	15,760	12,692	18,300
Change (%)	45.8	7.4	6.5	2.0	15.2	-19.5	44.2
Margin (%)	21.9	22.4	22.1	19.3	21.6	20.2	22.0
Depreciation	1,005	1,151	1,199	1,327	1,699	1,911	1,941
Int. and Fin. Charges	133	139	155	261	336	337	317
Other Income	778	1,123	1,484	1,466	1,494	1,135	1,359
Profit before Taxes	11,376	12,430	13,542	13,560	15,219	11,579	17,402
Change (%)	66.6	9.3	8.9	0.1	12.2	-23.9	50.3
Margin (%)	21.2	22.1	22.3	19.2	20.9	18.5	20.9
Tax	3,335	3,851	3,927	4,132	3,477	2,915	4,380
Tax Rate (%)	29.3	31.0	29.0	30.5	22.8	25.2	25.2
Adj PAT	8,040	8,579	9,615	9,428	11,742	8,665	13,022
Change (%)	56.6	6.7	12.1	-1.9	24.5	-26.2	50.3
Margin (%)	15.0	15.3	15.8	13.3	16.1	13.8	15.6

Balance Sheet							(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Share Capital	513	513	508	508	508	508	508
Reserves	25,867	34,196	35,233	40,973	44,048	48,064	56,437
Net Worth	26,380	34,709	35,740	41,481	44,556	48,572	56,945
Loans	800	975	1,226	1,111	2,806	1,403	1,173
Deferred Liability	753	877	1,048	1,094	693	693	693
Minority Interest	434	1,273	1,750	2,072	2,157	2,157	2,157
Capital Employed	28,367	37,835	39,764	45,757	50,211	52,825	60,967
Gross Block	17,942	20,329	21,624	23,518	28,818	29,618	31,618
Less: Accum. Depn.	7,901	8,915	9,976	10,892	12,591	14,502	16,443
Net Fixed Assets	10,040	11,414	11,648	12,626	16,227	15,116	15,175
Capital WIP	1,581	1,477	2,277	2,421	2,593	2,593	2,593
Goodwill	1,334	1,338	1,774	1,850	1,840	1,840	1,840
Others	517	754	793	889	728	728	728
Investments	7,055	14,431	12,459	15,477	11,862	17,004	22,146
Curr. Assets, L&A	16,611	18,290	23,034	25,775	31,977	27,648	34,445
Inventory	6,274	7,209	8,043	9,345	9,295	7,995	10,605
Account Receivables	7,016	7,685	9,381	10,560	10,885	9,363	12,420
Cash and Bank Balance	1,318	999	1,636	1,904	7,033	5,408	5,947
Others	2,003	2,397	3,974	3,966	4,765	4,882	5,473
Curr. Liab. and Prov.	8,772	9,870	12,222	13,281	15,016	12,105	15,960
Current liabilities	8,223	9,231	11,573	12,534	14,194	11,279	15,051
Provisions	549	639	649	747	822	825	910
Net Current Assets	7,839	8,420	10,812	12,494	16,961	15,543	18,484
Application of Funds	28,367	37,835	39,764	45,757	50,211	52,825	60,967

E: MOFSL Estimates

Financials and Valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
Basic (INR)							
EPS	15.7	16.7	18.9	18.6	23.1	17.1	25.6
Cash EPS	17.6	19.0	21.3	21.2	26.5	20.8	29.4
BV/Share	51.5	67.7	70.4	81.7	87.7	95.6	112.1
DPS	0.5	4.7	6.0	6.5	7.0	7.5	7.5
Payout %	3.2	28.2	31.5	34.9	30.2	44.0	29.3
Valuation (x)							
P/E	87.8	82.3	72.7	74.2	59.6	80.7	53.7
Cash P/E	78.1	72.6	64.7	65.0	52.1	66.2	46.8
EV/Sales	13.0	12.3	11.3	9.7	9.4	10.8	8.1
EV/EBITDA	59.5	54.9	51.2	49.9	43.4	53.5	36.8
P/BV	26.8	20.3	19.6	16.9	15.7	14.4	12.3
Dividend Yield (%)	0.0	0.3	0.4	0.5	0.5	0.5	0.5
Return Ratios (%)							
RoE	32.8	28.1	27.3	24.4	27.3	18.6	24.7
RoCE	31.1	26.2	25.1	22.5	25.0	17.3	23.3
RoIC	45.6	40.2	39.1	34.8	39.7	28.5	42.1
Working Capital Ratios							
Debtor (Days)	48	50	56	54	54	54	54
Creditor (Days)	72	77	89	80	91	82	85
Asset Turnover (x)	3.0	2.8	2.7	2.8	2.2	2.0	2.5
Leverage Ratio							
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.1	0.0	0.0

Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E
(INR m)							
PBT before Extra Ord	11,408	12,483	13,588	13,416	14,698	11,579	17,402
Add: Depreciation	1,005	1,151	1,199	1,327	1,699	1,911	1,941
Interest Paid	82	80	81	55	211	337	317
Less: Taxes Paid	3,140	3,733	4,276	4,093	3,931	2,915	0
Non operating income	268	645	854	467	448	1,135	1,359
(Incr)/Decr in WC	-12	-1,399	-1,774	-1,791	565	-207	-2,402
CF from Operations	9,075	7,938	7,964	8,448	12,796	9,571	15,898
Incr in FA	-1,659	-1,224	-1,760	-2,538	-4,439	-800	-2,000
Free Cash Flow	7,416	6,713	6,204	5,910	8,356	8,771	13,898
Pur of Investments	-2,577	-6,613	2,896	-2,317	4,713	-5,142	-5,142
Others	-671	-825	-566	281	551	1,135	-3,021
CF from Invest.	-4,907	-8,662	570	-4,574	825	-4,807	-10,163
Change in share capital	0	0	0	0	28	0	0
Incr in Debt	116	55	-4	-92	328	-1,403	-230
Dividend Paid	-4,032	-316	-2,930	-3,635	-8,254	-4,649	-4,649
Interest Paid	-133	-139	-155	-167	-254	-337	-317
Others	339	807	-4,808	287	-340	0	0
CF from Fin. Activity	-3,711	407	-7,898	-3,606	-8,492	-6,389	-5,196
Incr/Decr of Cash	458	-318	636	269	5,128	-1,625	539
Add: Opening Balance	860	1,318	999	1,636	1,904	7,033	5,408
Closing Balance	1,318	999	1,636	1,904	7,032	5,408	5,947

E: MOFSL Estimates

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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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