

Asian Paints

Estimate change



TP change



Rating change



Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USD\$)	2603.9 / 35.5
52-Week Range (INR)	2871 / 1432
1, 6, 12 Rel. Per (%)	-3/27/30
12M Avg Val (INR M)	4868

Financials & Valuations (INR b)

Y/E March	2020	2021E	2022E	2023E
Sales	202.1	208.6	245.5	278.3
Sales Gr. (%)	5.0	3.2	17.7	13.4
EBITDA	41.6	50.1	56.4	64.0
EBIT Margin (%)	20.6	24.0	23.0	23.0
Adj. PAT	27.8	33.4	38.4	44.6
Adj. EPS (INR)	29.0	34.8	40.1	46.4
EPS Gr. (%)	25.5	20.2	15.1	15.9
BV/Sh.(INR)	105.6	120.1	135.2	151.6

Ratios

RoE (%)	28.4	30.9	31.4	32.4
RoCE (%)	23.6	26.8	27.9	29.4
Payout (%)	75.3	60.3	62.4	64.6

Valuation

P/E (x)	93.7	78.0	67.8	58.5
P/BV (x)	25.7	22.6	20.1	17.9
EV/EBITDA (x)	62.0	51.1	45.3	39.6
Div. Yield (%)	0.8	0.8	0.9	1.1

Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	52.8	52.8	52.8
DII	8.2	9.0	10.7
FII	19.8	18.2	17.0
Others	19.2	20.0	19.6

FII Includes depository receipts

CMP: INR2,715

TP: INR2,790 (+3%)

Neutral

Healthy sales outlook; rising material costs a concern

- A confluence of positive factors, including (a) a very strong festive season; (b) pent-up demand; (c) recovery in urban, particularly metro demand; (d) recovery in real estate demand, and (e) low material costs for the quarter led to a strong beat on our forecasts.
- The company reported its highest ever sales/EBITDA/PAT for any quarter in 3QFY21. While the outlook on demand remains healthy, the extraordinary confluence of positives mentioned above, especially festive season and pent-up demand, may not sustain going forward.
- Material cost inflation has also been sharp since December, which means that current all-time high gross and EBITDA margins are unlikely to sustain beyond FY21, especially in a highly competitive industry such as Paints. Valuations are rich at 67.8x FY22E and 58.5x FY23E EPS. Maintain **Neutral**.

Beat on all fronts

- **In 3QFY21, APNT reported consol. net sales growth of 25.2% YoY** to INR67.9b (v/s est. INR61.8b), with volume growth of 33% (v/s est. 19%) in the Domestic Decorative Paints business.
- The gross margin was up 210bp YoY to 45.1%. This, along with lower employee costs (-60bp YoY) and lower other expenses (-170bp YoY) as a percentage of sales, meant the EBITDA margin expanded 440bp YoY to 26.3% (est. 24.3%).
- EBITDA grew 50.3% YoY to INR17.9b (v/s est. INR15b).
- PBT grew 61% YoY to INR16.7b (v/s est. INR13.6b).
- Adj. PAT grew 62.3% YoY to INR12.7b (v/s est. INR10b).
- 9MFY21 sales declined 3.3%, while EBITDA/PAT grew 7.1%/1.7% YoY.

Highlights from management commentary

- Very strong festive season demand in October and marriage season demand aided sales growth.
- Pent-up demand was also a contributing factor – although this may not be the case going forward.
- Tier-1 demand has also bounced back and appears likely to sustain.
- Since December, raw material prices have been up in the high single digits.

Valuation and view

- Changes to our model have led to a 13.7%/8.1% increase in FY21/FY22E EPS estimates – owing to improving commentary on topline growth and improving margins.
- APNT has creditably posted much faster recovery than most peers, which is even more impressive considering the highly discretionary nature of the business. This should ensure premium valuations.

- While a strong beat was seen on forecasts and the demand outlook continues to be healthy, the confluence of some positive factors that led to the extraordinary beat – viz. pent-up demand, festive demand, and low material costs – are unlikely to be at play going forward. While we have taken a higher topline/EBITDA/PAT CAGR trajectory at 11.3%/15.4%/17.0% over FY20–FY23 – much higher than the preceding five-year average in the 9–11% range – valuations are rich at 67.8x FY22E and 58.5x FY23E EPS. Maintain **Neutral**.

Quarterly Performance (Consol.)

(INR m)

Y/E March	FY20				FY21				FY20	FY21E	FY20	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Est. Dom. Deco. Vol. growth (%)	16.0	14.0	11.0	2.5	-38.0	11.0	33.0	30.0	10.9	8.5	19.0	
Net Sales	51,047	50,507	54,203	46,356	29,227	53,502	67,885	57,983	2,02,113	2,08,597	61,791	9.9%
Change (%)	16.3	9.4	3.0	-7.1	-42.7	5.9	25.2	25.1	5.0	3.2	14.0	
Gross Profit	22,280	21,435	23,313	21,250	13,077	23,758	30,600	26,174	88,278	93,609	28,115	
Gross Margin (%)	43.6	42.4	43.0	45.8	44.7	44.4	45.1	45.1	43.7	44.9	45.5	
EBITDA	11,579	9,548	11,894	8,596	4,843	12,652	17,879	14,770	41,618	50,144	15,015	19.1%
Margin (%)	22.7	18.9	21.9	18.5	16.6	23.6	26.3	25.5	20.6	24.0	24.3	
Change (%)	24.5	13.0	7.7	-3.0	-58.2	32.5	50.3	71.8	10.5	20.5	26.2	
Interest	267	259	241	257	201	205	211	223	1,023	840	210	
Depreciation	1,918	1,972	1,971	1,945	1,912	1,936	1,932	1,992	7,805	7,771	1,950	
Other Income	735	1,052	698	558	471	826	979	657	3,043	2,934	700	
PBT	10,131	8,369	10,381	6,953	3,200	11,337	16,715	13,213	35,833	44,466	13,555	23.3%
Tax	3,511	72	2,776	2,190	862	2,936	4,314	3,094	8,549	11,205	3,416	
Effective Tax Rate (%)	34.7	0.9	26.7	31.5	26.9	25.9	25.8	23.4	23.9	25.2	25.2	
Adjusted PAT	6,742	8,450	7,797	4,803	2,196	8,519	12,654	10,034	27,791	33,402	10,014	26.4%
Change (%)	18.3	67.1	20.3	-1.8	-67.4	0.8	62.3	108.9	25.5	20.2	28.4	

E: MOFSL Estimates

Key Performance Indicators (Consol.)

Y/E March	FY20				FY21		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Realization growth (%)	0.3	-4.6	-8.0	-9.6	-4.7	-5.1	-7.8
2Y average growth (%)							
Volume	13.0	12.5	16.0	6.3	-11.0	12.5	22.0
Sales	15.7	8.8	13.3	2.1	-13.2	7.7	14.1
EBITDA	32.1	9.2	15.8	1.3	-16.8	22.8	29.0
PAT	24.2	31.6	17.3	-1.6	-24.6	34.0	41.3
3Y average growth (%)							
Volume	10.0	11.3	12.7	7.5	-4.0	12.0	21.7
% of Sales							
COGS	56.4	57.6	57.0	54.2	55.3	55.6	54.9
Operating Expenses	21.0	23.5	21.1	27.3	28.2	20.8	18.7
Depreciation	3.8	3.9	3.6	4.2	6.5	3.6	2.8
YoY change (%)							
COGS	15.4	4.8	-0.4	-13.7	-43.9	2.3	20.7
Operating Expenses	10.5	19.4	7.9	5.9	-23.0	-6.6	11.4
Other Income	19.2	62.1	41.6	-2.5	-35.9	-21.4	40.2
EBIT	21.7	8.1	5.6	-6.0	-69.7	41.4	60.7

E: MOFSL Estimates

Consolidated segmental performance

INR m	3QFY20	2QFY21	3QFY21
Segment Revenue			
Paints	52,941	52,329	66,351
Home Improvement	1,261	1,174	1,534
Total	54,203	53,502	67,885
Segment revenue growth (%)			
Paints	2.6	6.2	25.3
Home Improvement	20.8	(3.0)	21.6
Total	3.0	5.9	25.2
EBIT			
Paints	11,054	11,818	17,226
Home Improvement	(168)	(42)	(8)
Total	10,885	11,776	17,218
EBIT margin			
Paints	20.9	22.6	26.0
Home Improvement	(13.3)	(3.6)	(0.5)
Total	20.1	22.0	25.4

Source: Company, MOFSL

Standalone performance

- Standalone net sales grew 26.1% YoY to INR58.7b, with 26.1% YoY growth seen in the standalone Paints business.
- The gross margin was up 220bp YoY to 46.1% and the EBITDA margin 420bp YoY to 28.2%.
- EBITDA grew 48% YoY to INR16.5b.
- PBT grew 56.3% YoY to INR15.9b.
- Adj. PAT grew 56.5% YoY to INR11.9b.
- 9MFY21 sales declined 3.5%, while EBITDA/PAT grew 6.2%/1.4% YoY.

Quarterly Performance (Standalone)

(INR m)

Y/E March	FY20				FY21			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Net Sales	43,802	42,780	46,569	38,790	24,466	45,267	58,728	
Change (%)	18.2	9.3	2.7	-8.4	-44.1	5.8	26.1	
Gross Profit	19,622	18,557	20,470	18,230	11,337	20,554	27,100	
Gross Margin (%)	44.8	43.4	44.0	47.0	46.3	45.4	46.1	
EBITDA	10,899	8,735	11,179	7,758	4,670	11,496	16,542	
Margin (%)	24.9	20.4	24.0	20.0	19.1	25.4	28.2	
Change (%)	25.2	12.4	7.8	-5.4	-57.2	31.6	48.0	
Interest	193	202	196	193	149	153	168	
Depreciation	1,698	1,743	1,737	1,722	1,669	1,687	1,690	
Other Income	855	1,141	928	651	518	945	1,214	
PBT	9,863	7,930	10,174	6,495	3,370	10,601	15,898	
Tax	3,339	25	2,585	1,642	851	2,670	4,019	
Effective Tax Rate (%)	33.8	0.3	25.4	25.3	25.3	25.2	25.3	
Adjusted PAT	6,525	7,905	7,589	4,853	2,519	7,931	11,879	
Change (%)	20.5	64.5	20.1	1.5	-61.4	0.3	56.5	

Exhibit 1: Imputed Subsidiary Quarterly Performance

INR m	3QFY19	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	1QFY21	2QFY21	3QFY21
Sales	7,579	7,829	7,246	7,726	7,634	7,566	4,761	8,235	9,157
Sales growth (%)	12.6	10.5	5.9	10.2	5.0	(3.4)	(34.3)	6.6	19.9
EBITDA	572	529	681	814	715	838	173	1,156	1,337
EBITDA margin (%)	7.5	6.8	9.4	10.5	9.4	11.1	3.6	14.0	14.6
PAT	162	78	238	574	208	282	(323)	588	774

Source: Company, MOFSL



Management call highlights

Environment and outlook

- APNT posted 33% volume growth in the Domestic Decorative Paints segment in 3QFY21.
- Normalization was seen across activities and sectors due to fewer COVID cases.
- Recovery was supported by a strong festive season and marriages in October. Pent-up demand was also a contributing factor, although this may not be the case going forward.
- 4Q demand is expected to be good, although pent-up demand and festive demand may not contribute as sharply as seen in 3Q.
- Going ahead, 30% volume growth is not sustainable.
- Recovery in new construction projects is also contributing to volume growth. Mumbai, in particular, is doing well in terms of real estate sales. Forward-looking indicators are also positive.
- Continued strong growth is observed in the Tier-2, Tier-3, and Tier-4 markets. Rural growth is also doing well.
- Metro and Tier-1 demand has rebounded and appears likely to sustain.
- The Premium/Luxury segment has also recovered.
- APNT has been gaining market share in the current year.

Material costs and margins

- Since December raw material prices have been seeing an inflationary trend, which would impact costs from 4Q. 6–9% basket inflation is likely for now.
- APNT would decide on price increases at a later time based on material cost and INR movement.

International business

- Barring Ethiopia, Bahrain, and Indonesia, growth in all other international markets has rebounded.
- APNT posted 22% overall growth in revenues YoY in the international business.
- Waterproofing has now been launched in most countries.
- The Bathroom Fixtures business has been launched in Nepal and Bangladesh.
- Premiumization is also observed.

Other businesses

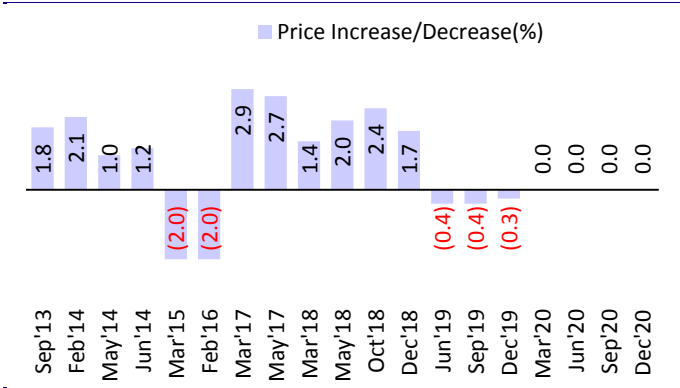
- OEM growth came in strong, and the Refinish business is also in the positive territory.
- The Industrial business has also recovered.
- The Kitchen Furniture and Bathroom businesses have grown well.
- EBITDA-positive levels are reported in the Kitchen and Bathroom businesses.

Other points

- Beautiful Homes – The complete interior design service was launched recently to a good response.
- The Home Décor business now has 16 stores.
- Capacity utilization is at 60% following the completion of massive capex a year and half ago.

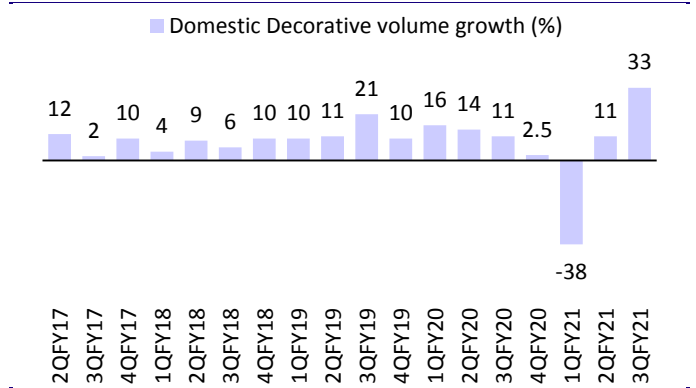
Key exhibits

Exhibit 2: No price cuts in 3QFY21



Source: Company, MOFSL

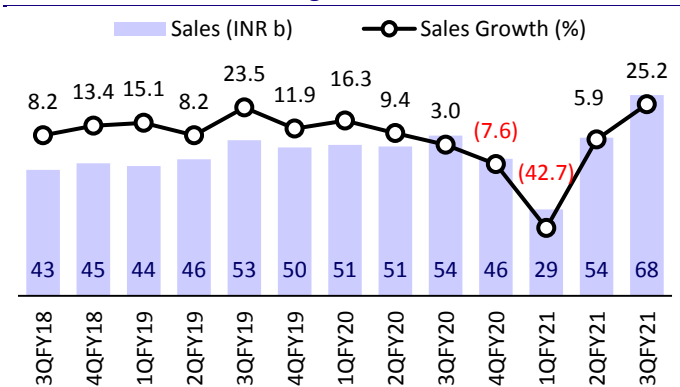
Exhibit 3: Volume growth for the Decorative domestic business stood at 33% in 3QFY21



Source: Company, MOFSL

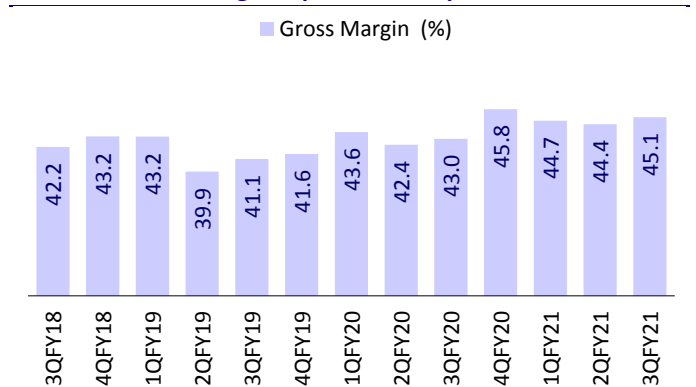
■ **Consol. gross margins were up 210bp YoY to 45.1%.** As a percentage of sales, lower employee costs (-60bp YoY) and lower other expenses (-170bp YoY) led to the EBITDA margin expanding 440bp YoY to 26.3% (v/s est. 24.3%).

Exhibit 4: Consol. net sales grew 25.2% YoY to INR67.9b



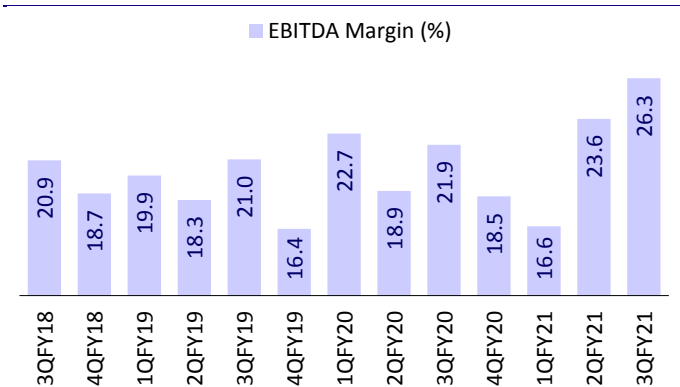
Source: Company, MOFSL

Exhibit 5: Gross margin expanded 210bp YoY



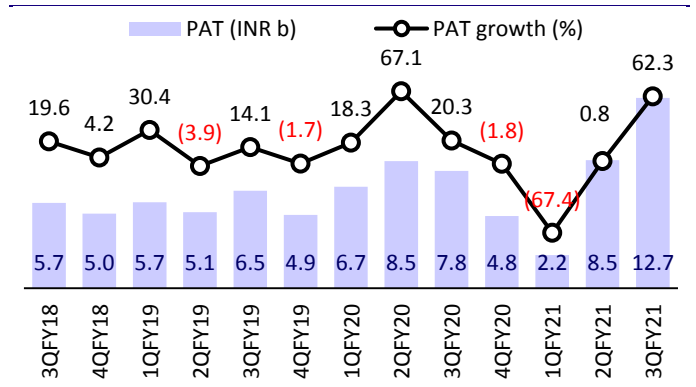
Source: Company, MOFSL

Exhibit 6: EBITDA margin expanded 440bp YoY



Source: Company, MOFSL

Exhibit 7: PAT grew 62.3% YoY to INR12.7b



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.
- A widening dealer network and increased thrust in non-metro cities have led to a faster shift from the unorganized Paints biz., which still forms ~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.
- While the Real Estate market continues to see strong recovery in the near term, longer term prospects for Decorative Paints (on account of recovery in this segment) remain attractive.
- Over the past few years, APNT has also done well in terms of widening its distribution network and expanding its product portfolio. More recently, it has been in the midst of a massive expansion (it is nearly doubling 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 (adjusting for the one-off corporate tax cut), growth 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 fallen to the early 20s in recent years, weighed by: (a) declining net fixed asset turnover, (b) slowing sales and EBIT growth, and (c) a worsening cash conversion cycle.
- **Valuations:** Despite modest earnings growth for five years in succession (FY16–21E PBT CAGR of 10.8% and earnings CAGR of 12.5% – with the latter boosted by corporate tax cuts) and declining RoCE, valuations at 67.8x FY22E EPS seem high v/s the 5-/10-/15-year average of 53x/43x/36x.

Valuation and view

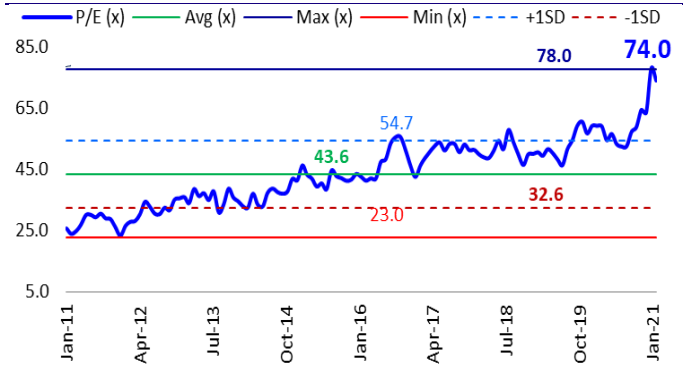
- Changes to our model have led to a 13.7%/8.1% increase in FY21/FY22E EPS estimates – owing to improving commentary on topline growth and improving margins.
- APNT has creditably posted much faster recovery than most peers, which is even more impressive considering the highly discretionary nature of its business. This should ensure premium valuations.
- While a strong beat was seen on forecasts and the demand outlook continues to be healthy, the confluence of some positive factors that led to the extraordinary beat – viz. pent-up demand, festive demand, and low material costs – are unlikely to be at play going forward. While we have taken a higher topline/EBITDA/PAT CAGR trajectory at 11.3%/15.4%/17.0% over FY20–FY23 – much higher than the preceding five-year average in the 9–11% range – valuations are rich at 67.8x FY22E and 58.5x FY23E EPS. Maintain **Neutral**.

Exhibit 8: 13.7%/8.1% increase in our EPS forecasts for FY21/FY22E

INR m	New		Old		Change (%)	
	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Sales	2,08,597	2,45,470	2,00,977	2,34,783	3.8	4.6
EBITDA	50,144	56,382	45,235	52,889	10.9	6.6
PAT	33,402	38,431	29,367	35,542	13.7	8.1

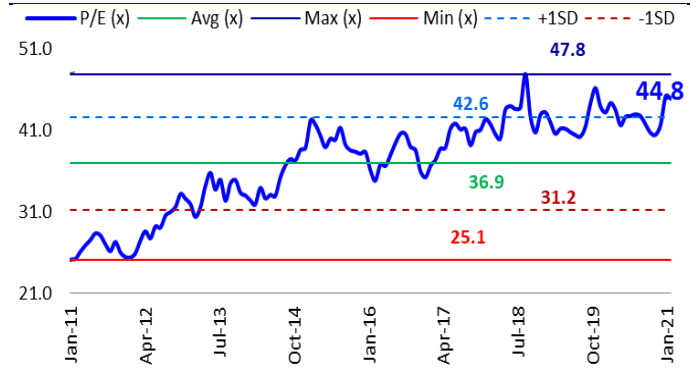
Source: Company, MOFSL

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	FY23E
Net Sales	1,42,715	1,50,620	1,68,246	1,92,401	2,02,113	2,08,597	2,45,470	2,78,335
Change (%)	1.9	5.5	11.7	14.4	5.0	3.2	17.7	13.4
Raw Materials	80,497	83,289	96,912	1,12,646	1,13,835	1,14,988	1,35,462	1,53,631
Gross Profit	62,218	67,331	71,334	79,756	88,278	93,609	1,10,008	1,24,704
Margin (%)	43.6	44.7	42.4	41.5	43.7	44.9	44.8	44.8
Operating Expenses	34,527	37,467	39,358	42,100	46,660	43,465	53,626	60,753
EBITDA	27,692	29,864	31,976	37,655	41,618	50,144	56,382	63,951
Change (%)	34.6	7.8	7.1	17.8	10.5	20.5	12.4	13.4
Margin (%)	19.4	19.8	19.0	19.6	20.6	24.0	23.0	23.0
Depreciation	2,756	3,348	3,605	6,221	7,805	7,771	7,873	7,969
Int. and Fin. Charges	407	300	351	1,053	1,023	840	851	312
Other Income	2,134	2,624	2,206	2,330	3,043	2,934	3,156	3,274
Profit before Taxes	26,663	28,841	30,227	32,712	35,833	44,466	50,814	58,944
Change (%)	26.7	8.2	4.8	8.2	9.5	24.1	14.3	16.0
Margin (%)	18.7	19.1	18.0	17.0	17.7	21.3	20.7	21.2
Tax	7,972	8,936	10,414	9,428	9,501	10,538	12,043	13,970
Deferred Tax	473	497	-5	1,553	-953	667	762	884
Tax Rate (%)	31.7	32.7	34.4	33.6	23.9	25.2	25.2	25.2
PAT Before Minority	18,218	19,408	19,817	21,731	27,284	33,261	38,009	44,090
Minority Interest	-334	-496	-458	-407	-507	-142	-423	-460
Adjusted PAT	18,552	19,904	20,275	22,138	27,791	33,402	38,431	44,550
Change (%)	30.4	7.3	1.9	9.2	25.5	20.2	15.1	15.9
Margin (%)	13.0	13.2	12.1	11.5	13.8	16.0	15.7	16.0
Reported PAT	18,028	19,904	20,275	22,080	27,742	33,402	38,431	44,550

Balance Sheet								(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Share Capital	959	959	959	959	959	959	959	959
Reserves	64,289	75,080	83,143	93,746	1,00,342	1,14,250	1,28,702	1,44,476
Net Worth	65,248	76,039	84,102	94,706	1,01,302	1,15,209	1,29,661	1,45,435
Loans	3,233	5,604	5,334	6,156	3,401	2,801	2,301	1,301
Other Liability	2,968	3,467	4,011	12,137	11,984	10,337	9,479	6,626
Minority Interest	3,837	3,755	3,277	3,613	4,035	3,894	3,471	3,011
Capital Employed	75,286	88,864	96,724	1,16,611	1,20,722	1,32,241	1,44,912	1,56,373
Gross Block	34,921	37,203	43,781	66,983	69,895	71,395	74,395	77,395
Less: Accum. Deprn.	2,748	6,100	9,731	13,942	19,573	27,344	35,216	43,185
Net Fixed Assets	32,173	31,103	34,050	53,041	50,322	44,051	39,179	34,210
Capital WIP	1,066	2,575	14,051	2,097	1,402	1,402	1,402	1,402
Right to Use Assets	0	0	0	8,711	9,201	9,201	9,201	9,201
Investments	27,121	26,520	21,407	25,686	20,189	35,370	41,383	47,591
Current	15,853	13,007	10,567	11,745	5,125	14,281	15,233	20,133
Non-current	11,268	13,513	10,840	13,941	15,064	21,089	26,151	27,458
Curr. Assets, L&A	43,240	61,919	64,854	69,740	77,066	85,610	1,03,786	1,29,577
Inventory	19,982	26,269	26,583	31,499	33,898	33,718	39,679	44,991
Account Receivables	11,917	14,466	17,371	19,134	17,994	20,574	24,211	27,452
Cash and Bank Balance	4,242	8,012	4,047	4,449	7,828	10,944	13,578	24,519
Others	7,099	13,172	16,854	14,659	17,345	20,374	26,319	32,615
Curr. Liab. and Prov.	30,304	35,188	40,911	45,878	40,658	46,594	53,239	59,607
Account Payables	15,651	19,228	21,600	23,943	21,366	25,203	29,690	33,673
Other Liabilities	11,906	14,008	17,344	19,617	16,860	18,546	20,401	22,441
Provisions	2,748	1,952	1,967	2,318	2,432	2,845	3,148	3,494
Net Current Assets	12,936	26,731	23,944	23,863	36,408	39,016	50,547	69,970
Godwill on Cons.	1,990	1,935	3,273	3,213	3,200	3,200	3,200	3,200
Application of Funds	75,286	88,864	96,724	1,16,611	1,20,722	1,32,241	1,44,912	1,56,373

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Basic (INR)								
EPS	19.3	20.8	21.1	23.1	29.0	34.8	40.1	46.4
Cash EPS	22.2	24.2	24.9	29.6	37.1	42.9	48.3	54.8
BV/Share	68.0	79.3	87.7	98.7	105.6	120.1	135.2	151.6
DPS	7.8	9.6	12.4	10.7	21.8	21.0	25.0	30.0
Payout %	40.4	46.1	58.6	46.4	75.3	60.3	62.4	64.6
Valuation (x)								
P/E	140.4	130.8	128.4	117.6	93.7	78.0	67.8	58.5
Cash P/E	122.2	112.0	109.1	91.8	73.2	63.3	56.2	49.6
EV/Sales	18.1	17.1	15.4	13.4	12.8	12.3	10.4	9.1
EV/EBITDA	93.0	86.2	80.8	68.5	62.0	51.1	45.3	39.6
P/BV	39.9	34.2	31.0	27.5	25.7	22.6	20.1	17.9
Dividend Yield (%)	0.3	0.4	0.5	0.4	0.8	0.8	0.9	1.1
Return Ratios (%)								
RoE	32.9	28.2	25.3	24.8	28.4	30.9	31.4	32.4
RoCE	28.1	23.9	21.6	21.0	23.6	26.8	27.9	29.4
RoIC	27.9	24.1	23.7	22.1	23.2	27.4	29.0	32.2
Working Capital Ratios								
Debtor (Days)	30	35	38	36	32	36	36	36
Asset Turnover (x)	1.9	1.7	1.7	1.6	1.7	1.6	1.7	1.8
Leverage Ratio								
Debt/Equity (x)	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0

Cash Flow Statement

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
(INR m)								
OP/(loss) before Tax	26,139	29,642	31,391	33,107	36,283	44,466	50,814	58,944
Depreciation	2,756	3,388	3,605	4,307	7,819	7,771	7,873	7,969
Net interest	-509	-765	-422	-282	96	-2,093	-2,305	-2,962
Others	90	-1,711	-1,835	-896	-401	0	0	0
Direct Taxes Paid	-8,024	-9,254	-10,807	-9,820	-10,108	-10,538	-12,043	-13,970
(Incr)/Decr in WC	1,978	-6,028	-797	-4,274	-7,371	507	-8,896	-8,482
CF from Operations	22,430	15,273	21,134	22,143	26,319	40,113	35,443	41,499
Incr in FA	-8,022	-6,672	-14,088	-11,336	-3,669	-1,500	-3,000	-3,000
Free Cash Flow	14,408	8,601	7,047	10,807	22,650	38,613	32,443	38,499
Pur of Investments	-775	2,039	426	1,602	-2,536	-15,182	-6,013	-6,207
Others	-2,945	694	2,353	-3,177	7,918	-1,843	-1,798	5,286
CF from Invest.	-11,742	-3,939	-11,309	-12,911	1,713	-18,525	-10,811	-3,921
Incr in Debt	-1,103	2,134	-440	631	-2,614	-600	-500	-1,000
Dividend Paid	-7,642	-9,473	-12,178	-10,487	-21,207	-20,143	-23,980	-28,776
Net interest Paid	-402	-357	-352	-512	-1,009	2,093	2,305	2,962
Others	658	132	-822	1,539	178	178	178	178
CF from Fin. Activity	-8,490	-7,564	-13,791	-8,830	-24,652	-18,472	-21,998	-26,637
Incr/Decr of Cash	2,198	3,770	-3,966	402	3,380	3,115	2,634	10,941
Add: Opening Balance	2,044	4,242	8,012	4,047	4,449	7,828	10,944	13,578
Closing Balance	4,242	8,012	4,047	4,449	7,828	10,944	13,578	24,519

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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