

May 24, 2023

## Q4FY23 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

|                | Current    |        | Previous   |        |
|----------------|------------|--------|------------|--------|
|                | FY24E      | FY25E  | FY24E      | FY25E  |
| Rating         | ACCUMULATE |        | ACCUMULATE |        |
| Target Price   | 1,301      |        | 1,280      |        |
| Sales (Rs. m)  | 61,114     | 70,856 | 61,069     | 70,045 |
| % Chng.        | 0.1        | 1.2    |            |        |
| EBITDA (Rs. m) | 5,197      | 6,383  | 5,202      | 6,334  |
| % Chng.        | (0.1)      | 0.8    |            |        |
| EPS (Rs.)      | 30.9       | 38.4   | 30.6       | 37.7   |
| % Chng.        | 0.9        | 1.9    |            |        |

### Key Financials - Standalone

| Y/e Mar        | FY22   | FY23   | FY24E  | FY25E  |
|----------------|--------|--------|--------|--------|
| Sales (Rs. m)  | 47,882 | 54,174 | 61,114 | 70,856 |
| EBITDA (Rs. m) | 2,511  | 3,575  | 5,197  | 6,383  |
| Margin (%)     | 5.2    | 6.6    | 8.5    | 9.0    |
| PAT (Rs. m)    | 1,500  | 2,283  | 3,553  | 4,420  |
| EPS (Rs.)      | 13.1   | 19.8   | 30.9   | 38.4   |
| Gr. (%)        | (13.0) | 51.9   | 55.6   | 24.4   |
| DPS (Rs.)      | 3.0    | 4.0    | 5.0    | 5.0    |
| Yield (%)      | 0.2    | 0.3    | 0.4    | 0.4    |
| RoE (%)        | 9.0    | 12.3   | 16.8   | 17.9   |
| RoCE (%)       | 13.5   | 19.5   | 24.6   | 26.1   |
| EV/Sales (x)   | 2.9    | 2.5    | 2.2    | 1.9    |
| EV/EBITDA (x)  | 55.0   | 37.9   | 25.7   | 20.7   |
| PE (x)         | 92.9   | 61.1   | 39.3   | 31.6   |
| P/BV (x)       | 8.0    | 7.1    | 6.1    | 5.3    |

### Key Data

BJEL.BO | BJE IN

|                     |                      |
|---------------------|----------------------|
| 52-W High / Low     | Rs.1,265 / Rs.858    |
| Sensex / Nifty      | 61,982 / 18,348      |
| Market Cap          | Rs.140bn / \$ 1,685m |
| Shares Outstanding  | 115m                 |
| 3M Avg. Daily Value | Rs.183.42m           |

### Shareholding Pattern (%)

|                         |       |
|-------------------------|-------|
| Promoter's              | 62.86 |
| Foreign                 | 11.22 |
| Domestic Institution    | 12.40 |
| Public & Others         | 13.51 |
| Promoter Pledge (Rs bn) | -     |

### Stock Performance (%)

|          | 1M   | 6M   | 12M  |
|----------|------|------|------|
| Absolute | 12.0 | 13.6 | 29.2 |
| Relative | 7.8  | 12.7 | 13.2 |

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## Healthy performance continues

### Quick Pointers:

- CP segment grew 9.5%, mainly with 16.2% growth in appliances.
- Lighting segment continue to scale up professional lighting business.

**BJE reported comparatively better growth in consumer products segment against peers in the quarter even after muted demand environment and subdued demand in fans amidst high channel inventory on account of transition to BEE norms and unseasonal rains. The growth in CP mainly come from appliances segment (up 16.2% YoY). BJE's FMEG (CP+Lighting) business has delivered ~15% growth in FY23, outperform the peers on account of market share gain in fans & coolers segment. The appliance business has maintained market share even after muted demand environment. Margin in CP segment has recovery in Q4FY23 as expected and overall margin expected 200-300bps improvement in coming years. It has shown continued balance sheet improvements as it has achieved net cash of Rs4.1bn. We believe market share gain in fans/cooler business is quite encouraging, and increase in premium product contribution holds good for margin improvement in coming years. We tweak our FY24/FY25 earnings upwards by 0.9%/1.9% and maintain 'Accumulate' rating.**

**Sales up by 12.3%, PAT up by 39.3% YoY:** Sales grew by 12.3% YoY to Rs14.9bn. Gross margin for 4QFY23 came at 28.2%, expanded 240bps YoY driven by core FMEG. Consumer products business grew 9.5%YoY to Rs9.9bn and EBIT margin came at 7.1%, expanded by 190bps YoY. Lighting revenue grew 1% YoY to Rs 3.1bn and EBIT margin contracted by 170bps YoY to 7.4%. EPC revenue grew 59.8% YoY to Rs1.98bn on account of strong order book & timely order execution and has delivered positive EBIT. Overall EBITDA came at Rs888mn (up 39.8% YoY). EBITDA margin expanded by 120bps YoY to 6.0%. (PL:6.2%), mainly with improvement in gross margin. Adj. PAT came at Rs587mn (up 39.3% YoY). Net Cash balance stands at Rs4.1bn. Order book stand at Rs16bn mostly of RDSS – power distribution. In terms of product category, appliances grew 16.2% YoY, Fans grew 2.3% YoY and Morphy Richards declined 10.0% YoY. Reduction in overall receivables stands at Rs9.86bn (down 6.7% YoY).

**Con call highlights:** **1)** CP segment grew with SSG growth without distribution expansion in FY23, expected to drive growth through product portfolio expansion, branding and alternate channels expansion, **2)** BJE registered market share gain in Fan & Cooler, **3)** In Fan business, company witnessed subdued demand amidst high channel inventory due to change in BEE norms and unseasonal rains, **4)** Company not able to pass-on increase in cost in fan business due to BEE norms & expected to mitigate with product mix towards premium, **5)** Fan business observed higher trade discount due to softness in demand, while BJE tactically placed themselves without giving discount, **6)** CP receivables have increased on account of higher contribution from alternate channels, **7)** Other expense increased with increase in logistics cost due to transition to in-house operations and increase in warranty & R&D spends in FY23 which will normalized & improve margins by 200-300bps in coming years, **8)** De-merger expected by 1<sup>st</sup> Jul-23, post NCLT hearing.

**Exhibit 1: 4QFY23 Result Overview: Sales grew by 12.3% YoY to Rs14.9bn; PAT up by 39.3% at Rs587mn**

| Y/e March                          | Q4FY23        | Q4FY22        | YoY gr. (%) | Q3FY23        | QoQ gr. (%)   | FY23          | FY22          | YoY gr. (%) |
|------------------------------------|---------------|---------------|-------------|---------------|---------------|---------------|---------------|-------------|
| <b>Net Sales</b>                   | <b>14,904</b> | <b>13,272</b> | <b>12.3</b> | <b>14,831</b> | <b>0.5</b>    | <b>54,174</b> | <b>47,882</b> | <b>13.1</b> |
| <b>Expenditure</b>                 |               |               |             |               |               |               |               |             |
| Operating & Manufacturing Expenses | 10,702        | 9,847         | 8.7         | 10,093        | 6.0           | 37,683        | 34,133        | 10.4        |
| <i>% of Net Sales</i>              | <i>71.8</i>   | <i>74.2</i>   |             | <i>68.1</i>   | <i>3.7</i>    | <i>69.6</i>   | <i>71.3</i>   |             |
| Gross Profit                       | 4,202         | 3,425         | 22.7        | 4,738         | (11.3)        | 16,491        | 13,748        | 19.9        |
| <i>% of Net Sales</i>              | <i>28.2</i>   | <i>25.8</i>   |             | <i>31.9</i>   |               | <i>30.4</i>   | <i>28.7</i>   |             |
| Personnel Cost                     | 1,056         | 906           | 16.5        | 1,086         | (2.7)         | 4,191         | 3,954         | 6.0         |
| <i>% of Net Sales</i>              | <i>7.1</i>    | <i>6.8</i>    |             | <i>7.3</i>    |               | <i>7.7</i>    | <i>8.3</i>    |             |
| Other Expenses                     | 2,259         | 1,884         | 19.9        | 2,648         | (14.7)        | 8,725         | 7,283         | 19.8        |
| <i>% of Net Sales</i>              | <i>15.2</i>   | <i>14.2</i>   |             | <i>17.9</i>   |               | <i>16.1</i>   | <i>15.2</i>   |             |
| Total Expenditure                  | 14,016        | 12,638        | 10.9        | 13,826        | 1.4           | 50,599        | 45,371        | 11.5        |
| <b>EBITDA</b>                      | <b>888</b>    | <b>635</b>    | <b>39.8</b> | <b>1,005</b>  | <b>(11.7)</b> | <b>3,575</b>  | <b>2,511</b>  | <b>42.4</b> |
| <i>Margin (%)</i>                  | <i>6.0</i>    | <i>4.8</i>    |             | <i>6.8</i>    |               | <i>6.6</i>    | <i>5.2</i>    |             |
| Other income                       | 340           | 224           | 51.7        | 194           | 75.3          | 833           | 724           | 15.1        |
| Depreciation                       | 228           | 163           | 39.9        | 178           | 28.3          | 754           | 630           | 19.6        |
| <b>EBIT</b>                        | <b>999</b>    | <b>696</b>    | <b>43.6</b> | <b>1,021</b>  | <b>(2.1)</b>  | <b>3,654</b>  | <b>2,605</b>  | <b>40.3</b> |
| Interest                           | 138           | 104           | 32.3        | 167           | (17.7)        | 499           | 687           | (27.4)      |
| <b>PBT before exceptional item</b> | <b>862</b>    | <b>592</b>    | <b>45.6</b> | <b>854</b>    | <b>0.9</b>    | <b>3,156</b>  | <b>1,918</b>  | <b>64.5</b> |
| Total Taxes                        | 275           | 135           |             | 219           | 25.6          | 872           | 418           | 108.5       |
| <i>ETR (%)</i>                     | <i>31.9</i>   | <i>22.8</i>   |             | <i>25.7</i>   |               | <i>27.6</i>   | <i>21.8</i>   |             |
| <b>Adj. PAT</b>                    | <b>587</b>    | <b>457</b>    | <b>28.3</b> | <b>635</b>    | <b>(7.6)</b>  | <b>2,283</b>  | <b>1,500</b>  | <b>52.2</b> |
| Exceptional item                   | -             | -             |             | -             |               | -             | (132)         |             |
| <b>PAT</b>                         | <b>587</b>    | <b>421</b>    | <b>39.3</b> | <b>635</b>    | <b>(7.6)</b>  | <b>2,283</b>  | <b>1,368</b>  | <b>66.9</b> |

Source: Company, PL

**Exhibit 2: Segmental Breakup: Consumer Products sales up 9.5%; EBIT margin at 7.1%**

| Y/e March              | Q4FY23     | Q4FY22       | YoY gr. (%) | Q3FY23     | QoQ gr. (%) | FY23       | FY22         | YoY gr. (%) |
|------------------------|------------|--------------|-------------|------------|-------------|------------|--------------|-------------|
| <b>Revenues</b>        |            |              |             |            |             |            |              |             |
| Consumer Products      | 9,868      | 9,009        | 9.5         | 10,381     | (4.9)       | 37,524     | 32,904       | 14.0        |
| EPC                    | 1,981      | 1,240        | 59.8        | 1,750      | 13.2        | 5,400      | 4,170        | 29.5        |
| Lighting               | 3,054      | 3,023        | 1.0         | 2,700      | 13.1        | 11,250     | 10,807       | 4.1         |
| Revenues               | 14,904     | 13,272       | 12.3        | 14,831     | 0.5         | 54,174     | 47,882       | 13.1        |
| <b>EBIT</b>            |            |              |             |            |             |            |              |             |
| Consumer Products      | 702        | 473          | 48.4        | 781        | (10.0)      | 2,537      | 2,313        | 9.7         |
| <i>EBIT margin (%)</i> | <i>7.1</i> | <i>5.3</i>   |             | <i>7.5</i> |             | <i>6.8</i> | <i>7.0</i>   |             |
| EPC                    | 8          | (20)         | (139.1)     | 7          | NA          | 74         | (396)        | (118.6)     |
| <i>EBIT margin (%)</i> | <i>0.4</i> | <i>(1.6)</i> |             | <i>0.4</i> |             | <i>1.4</i> | <i>(9.5)</i> |             |
| Lighting               | 226        | 275          | NA          | 172        | NA          | 870        | 588          | 47.9        |
| <i>EBIT margin (%)</i> | <i>7.4</i> | <i>9.1</i>   |             | <i>6.4</i> |             | <i>7.7</i> | <i>5.4</i>   |             |
| EBIT                   | 936        | 728          | 28.5        | 959        | (2.4)       | 3,481      | 2,505        | 39.0        |
| <i>EBIT margin (%)</i> | <i>6.3</i> | <i>5.5</i>   |             | <i>6.5</i> |             | <i>6.4</i> | <i>5.2</i>   |             |

Source: Company, PL

**Exhibit 3: SOTP: Implied PE of 34x Mar25 EPS**

| March25             | Basis | Multiple | Per Share | Value (Rs)  | Valuation % |
|---------------------|-------|----------|-----------|-------------|-------------|
| Consumer Products   | P/E   | 35.0     | 36.5      | 1291        | 99%         |
| EPC                 | P/E   | 5.0      | 1.9       | 10          | 1%          |
| <b>Target Price</b> |       |          |           | <b>1301</b> | <b>100%</b> |

Source: PL

## Financials

### Income Statement (Rs m)

| Y/e Mar                       | FY22          | FY23          | FY24E         | FY25E         |
|-------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenues</b>           | <b>47,882</b> | <b>54,174</b> | <b>61,114</b> | <b>70,856</b> |
| YoY gr. (%)                   | 4.7           | 13.1          | 12.8          | 15.9          |
| Cost of Goods Sold            | 34,133        | 37,683        | 41,374        | 47,544        |
| Gross Profit                  | 13,748        | 16,491        | 19,740        | 23,312        |
| Margin (%)                    | 28.7          | 30.4          | 32.3          | 32.9          |
| Employee Cost                 | 3,954         | 4,191         | 4,889         | 5,739         |
| Other Expenses                | 4,514         | 5,538         | 6,115         | 7,094         |
| <b>EBITDA</b>                 | <b>2,511</b>  | <b>3,575</b>  | <b>5,197</b>  | <b>6,383</b>  |
| YoY gr. (%)                   | (16.7)        | 42.4          | 45.4          | 22.8          |
| Margin (%)                    | 5.2           | 6.6           | 8.5           | 9.0           |
| Depreciation and Amortization | 630           | 754           | 778           | 867           |
| <b>EBIT</b>                   | <b>1,881</b>  | <b>2,821</b>  | <b>4,419</b>  | <b>5,516</b>  |
| Margin (%)                    | 3.9           | 5.2           | 7.2           | 7.8           |
| Net Interest                  | 687           | 499           | 423           | 461           |
| Other Income                  | 724           | 833           | 792           | 902           |
| <b>Profit Before Tax</b>      | <b>1,918</b>  | <b>3,156</b>  | <b>4,788</b>  | <b>5,957</b>  |
| Margin (%)                    | 4.0           | 5.8           | 7.8           | 8.4           |
| Total Tax                     | 418           | 872           | 1,235         | 1,537         |
| Effective tax rate (%)        | 21.8          | 27.6          | 25.8          | 25.8          |
| <b>Profit after tax</b>       | <b>1,500</b>  | <b>2,283</b>  | <b>3,553</b>  | <b>4,420</b>  |
| Minority interest             | -             | -             | -             | -             |
| Share Profit from Associate   | -             | -             | -             | -             |
| <b>Adjusted PAT</b>           | <b>1,500</b>  | <b>2,283</b>  | <b>3,553</b>  | <b>4,420</b>  |
| YoY gr. (%)                   | (12.7)        | 52.2          | 55.6          | 24.4          |
| Margin (%)                    | 3.1           | 4.2           | 5.8           | 6.2           |
| Extra Ord. Income / (Exp)     | (132)         | -             | -             | -             |
| <b>Reported PAT</b>           | <b>1,368</b>  | <b>2,283</b>  | <b>3,553</b>  | <b>4,420</b>  |
| YoY gr. (%)                   | (14.6)        | 66.9          | 55.6          | 24.4          |
| Margin (%)                    | 2.9           | 4.2           | 5.8           | 6.2           |
| Other Comprehensive Income    | -             | -             | -             | -             |
| Total Comprehensive Income    | 1,368         | 2,283         | 3,553         | 4,420         |
| <b>Equity Shares O/s (m)</b>  | <b>115</b>    | <b>115</b>    | <b>115</b>    | <b>115</b>    |
| <b>EPS (Rs)</b>               | <b>13.1</b>   | <b>19.8</b>   | <b>30.9</b>   | <b>38.4</b>   |

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

| Y/e Mar                               | FY22          | FY23          | FY24E         | FY25E         |
|---------------------------------------|---------------|---------------|---------------|---------------|
| <b>Non-Current Assets</b>             |               |               |               |               |
| <b>Gross Block</b>                    | <b>9,695</b>  | <b>11,139</b> | <b>11,055</b> | <b>11,700</b> |
| Tangibles                             | 9,579         | 10,823        | 10,639        | 11,184        |
| Intangibles                           | 116           | 316           | 416           | 516           |
| <b>Acc: Dep / Amortization</b>        | <b>4,486</b>  | <b>5,240</b>  | <b>5,187</b>  | <b>5,809</b>  |
| Tangibles                             | 4,381         | 5,100         | 4,974         | 5,503         |
| Intangibles                           | 105           | 140           | 213           | 306           |
| <b>Net fixed assets</b>               | <b>5,210</b>  | <b>5,899</b>  | <b>5,868</b>  | <b>5,891</b>  |
| Tangibles                             | 5,198         | 5,723         | 5,665         | 5,681         |
| Intangibles                           | 12            | 176           | 203           | 210           |
| Capital Work In Progress              | 434           | 420           | 115           | 115           |
| Goodwill                              | 1,636         | 1,636         | 1,636         | 1,636         |
| Non-Current Investments               | 3,451         | 1,991         | 3,662         | 3,972         |
| Net Deferred tax assets               | 814           | (54)          | (55)          | (57)          |
| Other Non-Current Assets              | 2,363         | 2,843         | 2,848         | 2,888         |
| <b>Current Assets</b>                 |               |               |               |               |
| Investments                           | -             | 408           | 408           | 408           |
| Inventories                           | 9,760         | 10,496        | 11,425        | 13,246        |
| Trade receivables                     | 11,366        | 14,805        | 12,593        | 13,995        |
| Cash & Bank Balance                   | 1,419         | 3,692         | 5,410         | 7,008         |
| Other Current Assets                  | 3,214         | 4,522         | 4,008         | 4,647         |
| <b>Total Assets</b>                   | <b>40,015</b> | <b>47,148</b> | <b>48,426</b> | <b>54,282</b> |
| <b>Equity</b>                         |               |               |               |               |
| Equity Share Capital                  | 230           | 230           | 230           | 230           |
| Other Equity                          | 17,217        | 19,380        | 22,473        | 26,317        |
| <b>Total Networkth</b>                | <b>17,447</b> | <b>19,611</b> | <b>22,703</b> | <b>26,547</b> |
| <b>Non-Current Liabilities</b>        |               |               |               |               |
| Long Term borrowings                  | 118           | -             | -             | -             |
| Provisions                            | 529           | 887           | 1,001         | 1,161         |
| Other non current liabilities         | 618           | 577           | 651           | 744           |
| <b>Current Liabilities</b>            |               |               |               |               |
| ST Debt / Current of LT Debt          | 240           | 2             | -             | -             |
| Trade payables                        | 12,240        | 15,603        | 13,036        | 13,677        |
| Other current liabilities             | 8,822         | 10,414        | 10,979        | 12,095        |
| <b>Total Equity &amp; Liabilities</b> | <b>40,015</b> | <b>47,148</b> | <b>48,426</b> | <b>54,282</b> |

Source: Company Data, PL Research

**Cash Flow (Rs m)**

| Y/e Mar                              | FY22           | FY23           | FY24E        | FY25E          |
|--------------------------------------|----------------|----------------|--------------|----------------|
| PBT                                  | 1,918          | 3,156          | 4,788        | 5,957          |
| Add. Depreciation                    | 630            | 754            | 778          | 867            |
| Add. Interest                        | 687            | 499            | 423          | 461            |
| Less Financial Other Income          | 724            | 833            | 792          | 902            |
| Add. Other                           | 6,375          | 926            | 181          | 201            |
| Op. profit before WC changes         | 9,611          | 5,335          | 6,171        | 7,485          |
| Net Changes-WC                       | 190            | 739            | (1,889)      | (2,529)        |
| Direct tax                           | (443)          | (872)          | (1,235)      | (1,537)        |
| <b>Net cash from Op. activities</b>  | <b>9,358</b>   | <b>5,201</b>   | <b>3,046</b> | <b>3,420</b>   |
| Capital expenditures                 | (49)           | 206            | (442)        | (889)          |
| Interest / Dividend Income           | 410            | -              | -            | -              |
| Others                               | -              | (168)          | (408)        | 104            |
| <b>Net Cash from Inv. activities</b> | <b>361</b>     | <b>38</b>      | <b>(850)</b> | <b>(786)</b>   |
| Issue of share cap. / premium        | 143            | 0              | -            | -              |
| Debt changes                         | (5,434)        | (357)          | (2)          | -              |
| Dividend paid                        | -              | (345)          | (460)        | (576)          |
| Interest paid                        | (38)           | (499)          | (423)        | (461)          |
| Others                               | -              | -              | -            | -              |
| <b>Net cash from Fin. activities</b> | <b>(5,329)</b> | <b>(1,199)</b> | <b>(885)</b> | <b>(1,036)</b> |
| <b>Net change in cash</b>            | <b>4,390</b>   | <b>4,040</b>   | <b>1,310</b> | <b>1,598</b>   |
| Free Cash Flow                       | 9,309          | 5,408          | 2,604        | 2,530          |

Source: Company Data, PL Research

**Key Financial Metrics**

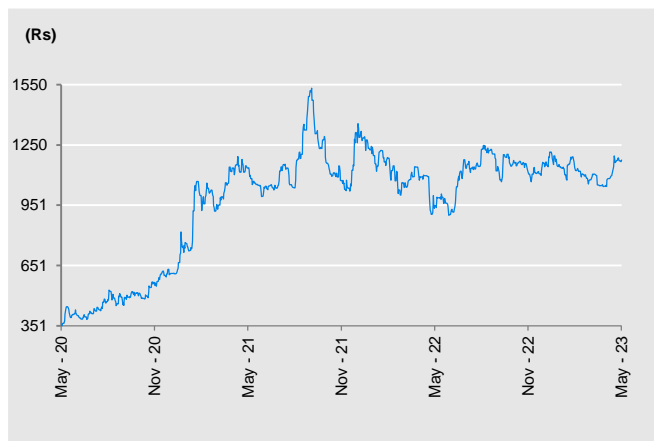
| Y/e Mar                    | FY22  | FY23  | FY24E | FY25E |
|----------------------------|-------|-------|-------|-------|
| <b>Per Share(Rs)</b>       |       |       |       |       |
| EPS                        | 13.1  | 19.8  | 30.9  | 38.4  |
| CEPS                       | 18.5  | 26.4  | 37.6  | 45.9  |
| BVPS                       | 151.9 | 170.4 | 197.2 | 230.6 |
| FCF                        | 81.0  | 47.0  | 22.6  | 22.0  |
| DPS                        | 3.0   | 4.0   | 5.0   | 5.0   |
| <b>Return Ratio(%)</b>     |       |       |       |       |
| RoCE                       | 13.5  | 19.5  | 24.6  | 26.1  |
| ROIC                       | 8.3   | 14.0  | 21.4  | 23.8  |
| RoE                        | 9.0   | 12.3  | 16.8  | 17.9  |
| <b>Balance Sheet</b>       |       |       |       |       |
| Net Debt : Equity (x)      | (0.1) | (0.2) | (0.3) | (0.3) |
| Net Working Capital (Days) | 68    | 65    | 66    | 70    |
| <b>Valuation(x)</b>        |       |       |       |       |
| PER                        | 92.9  | 61.1  | 39.3  | 31.6  |
| P/B                        | 8.0   | 7.1   | 6.1   | 5.3   |
| P/CEPS                     | 65.4  | 45.9  | 32.2  | 26.4  |
| EV/EBITDA                  | 55.0  | 37.9  | 25.7  | 20.7  |
| EV/Sales                   | 2.9   | 2.5   | 2.2   | 1.9   |
| Dividend Yield (%)         | 0.2   | 0.3   | 0.4   | 0.4   |

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

| Y/e Mar                           | Q1FY23        | Q2FY23        | Q3FY23        | Q4FY23        |
|-----------------------------------|---------------|---------------|---------------|---------------|
| <b>Net Revenue</b>                | <b>12,236</b> | <b>12,204</b> | <b>14,831</b> | <b>14,904</b> |
| YoY gr. (%)                       | 43.5          | (5.5)         | 13.7          | 12.7          |
| Raw Material Expenses             | 8,507         | 8,381         | 10,093        | 10,702        |
| Gross Profit                      | 3,728         | 3,822         | 4,738         | 4,202         |
| Margin (%)                        | 30.5          | 31.3          | 31.9          | 28.2          |
| <b>EBITDA</b>                     | <b>745</b>    | <b>938</b>    | <b>1,005</b>  | <b>888</b>    |
| YoY gr. (%)                       | 943.0         | 19.3          | 22.3          | 50.0          |
| Margin (%)                        | 6.1           | 7.7           | 6.8           | 6.0           |
| Depreciation / Depletion          | 170           | 178           | 178           | 228           |
| <b>EBIT</b>                       | <b>575</b>    | <b>760</b>    | <b>827</b>    | <b>659</b>    |
| Margin (%)                        | 4.7           | 6.2           | 5.6           | 4.4           |
| Net Interest                      | 76            | 97            | 167           | 138           |
| Other Income                      | 101           | 198           | 194           | 340           |
| <b>Profit before Tax</b>          | <b>600</b>    | <b>862</b>    | <b>854</b>    | <b>862</b>    |
| Margin (%)                        | 4.9           | 7.1           | 5.8           | 5.8           |
| Total Tax                         | 155           | 223           | 219           | 275           |
| Effective tax rate (%)            | 25.9          | 25.9          | 25.7          | 31.9          |
| <b>Profit after Tax</b>           | <b>445</b>    | <b>639</b>    | <b>635</b>    | <b>587</b>    |
| Minority interest                 | -             | -             | -             | -             |
| Share Profit from Associates      | -             | -             | -             | -             |
| <b>Adjusted PAT</b>               | <b>445</b>    | <b>639</b>    | <b>635</b>    | <b>587</b>    |
| YoY gr. (%)                       | (791.3)       | 0.8           | 2.7           | 22.4          |
| Margin (%)                        | 3.6           | 5.2           | 4.3           | 3.9           |
| Extra Ord. Income / (Exp)         | -             | -             | -             | -             |
| <b>Reported PAT</b>               | <b>445</b>    | <b>639</b>    | <b>635</b>    | <b>587</b>    |
| YoY gr. (%)                       | (791.3)       | 0.8           | 21.6          | 32.3          |
| Margin (%)                        | 3.6           | 5.2           | 4.3           | 3.9           |
| Other Comprehensive Income        | -             | -             | -             | -             |
| <b>Total Comprehensive Income</b> | <b>445</b>    | <b>639</b>    | <b>635</b>    | <b>587</b>    |
| Avg. Shares O/s (m)               | 115           | 115           | 115           | 115           |
| <b>EPS (Rs)</b>                   | <b>3.9</b>    | <b>5.6</b>    | <b>5.5</b>    | <b>5.1</b>    |

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


| No. | Date      | Rating     | TP (Rs.) | Share Price (Rs.) |
|-----|-----------|------------|----------|-------------------|
| 1   | 11-Apr-23 | Accumulate | 1,280    | 1,053             |
| 2   | 03-Feb-23 | Accumulate | 1,286    | 1,154             |
| 3   | 06-Jan-23 | Hold       | 1,147    | 1,196             |
| 4   | 16-Aug-22 | Accumulate | 1,211    | 1,144             |
| 5   | 04-Jul-22 | Accumulate | 1,091    | 1,077             |

**Analyst Coverage Universe**

| Sr. No. | Company Name                          | Rating     | TP (Rs) | Share Price (Rs) |
|---------|---------------------------------------|------------|---------|------------------|
| 1       | Astral Ltd.                           | BUY        | 1,830   | 1,687            |
| 2       | Bajaj Electricals                     | Accumulate | 1,280   | 1,053            |
| 3       | Cera Sanitaryware                     | BUY        | 7,706   | 6,690            |
| 4       | Crompton Greaves Consumer Electricals | BUY        | 403     | 298              |
| 5       | Finolex Industries                    | BUY        | 224     | 172              |
| 6       | Havells India                         | BUY        | 1,447   | 1,245            |
| 7       | Kajaria Ceramics                      | Accumulate | 1,264   | 1,185            |
| 8       | KEI Industries                        | Hold       | 1,811   | 1,836            |
| 9       | Polycab India                         | Hold       | 3,249   | 3,381            |
| 10      | Prince Pipes and Fittings             | BUY        | 693     | 574              |
| 11      | Supreme Industries                    | BUY        | 3,245   | 2,722            |
| 12      | Voltas                                | Hold       | 848     | 808              |

**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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