

Estimate changes



TP change



Rating change



	PIDI IN
Bloomberg Equity Shares (m)	513
M.Cap.(INRb)/(USD\$b)	1249.9 / 15
52-Week Range (INR)	2796 / 2250
1, 6, 12 Rel. Per (%)	2/-7/-14
12M Avg Val (INR M)	918

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	118.0	126.8	143.9
Sales Gr. (%)	18.9	7.4	13.5
EBITDA	19.8	27.8	32.7
EBITDA Margin (%)	16.8	21.9	22.7
Adj. PAT	12.8	18.3	22.1
Adj. EPS (INR)	25.2	36.1	43.4
EPS Gr. (%)	7.3	42.9	20.5
BV/Sh.(INR)	141.9	161.9	185.4

Ratios

RoE (%)	18.8	23.7	25.0
RoCE (%)	16.9	21.8	23.5
Payout (%)	43.9	44.4	46.0

Valuations

P/E (x)	97.4	68.2	56.6
P/BV (x)	17.3	15.2	13.3
EV/EBITDA (x)	62.5	44.4	37.4
Div. Yield (%)	0.4	0.7	0.8

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	69.9	69.9	69.9
DII	8.0	7.9	7.8
FII	11.4	11.3	11.3
Others	10.7	10.8	11.0

FII includes depository receipts

CMP: INR2,458

TP: INR2,400 (-2%)

Neutral

Resilient volume growth; impressive margin expansion

- In 2QFY24, PIDI's performance was in line with our estimates. Volume growth was resilient at 8.2% despite monsoon-related disruptions. Consumer and bazaar (C&B) segment revenue grew 3%, while B2B segment revenue declined 1% due to price adjustments and lower demand from export markets and export-oriented industries.
- Prices of its key RM, vinyl acetate monomer (VAM), continued to decline materially to ~USD1,000/t from USD2,500/t in 2QFY23. Consequently, GP margin expanded sequentially and yearly. However, the company's A&P spending doubled YoY during the quarter.
- PIDI has set up a lending business to provide small retail loans to its domain ecosystem. In the next two years, PIDI plans to invest up to INR1b in the new business through a balanced mix of equity and debt in staggered tranches.
- The management indicated that rural growth remained higher than urban growth. Although a sharp reduction in raw material costs could lead to healthy earnings growth over FY23-FY25, expensive valuations compel us to reiterate our **Neutral** rating on the stock.

In-line performance; growth momentum remains intact

- Net sales grew 2.2% YoY to INR30.8b (est. INR32.2b). The 3-year/4-year CAGRs stood at 17.8%/14.2%.
- C&B segment** revenue rose 3.2% YoY to INR25.1b, with segmental EBIT increasing 31.7% YoY to INR6.9b. Segmental EBIT margins increased by 600bp YoY to 27.6%.
- B2B segment** revenue declined 1.3% YoY to INR6.2b, with segmental EBIT increasing 38.3% to INR685m. Segmental EBIT margins expanded 320bp to 11.1%.
- Overall gross margins expanded ~1,030bp YoY to 51.3% (est. 49.8%).
- As a percentage of sales, higher employee expenses (+180bp YoY to 11.1%) and other expenses (+310bp YoY to 16.9%) meant EBITDA margin expanded by 550bp YoY to 22.1% (est. 21.7%).
- EBITDA grew 36.0% YoY to INR6.8b (est. INR7.0b). The 3-year/4-year CAGRs stood at 9.9%/16.6%.
- PBT grew 43.0% YoY to INR6.2b (est. INR6.2b). The 3-year/4-year CAGRs stood at 9.2%/13.5%.
- Adj. PAT increased 37.4% YoY to INR4.6b (est. INR4.6b). The 3-year/4-year CAGRs stood at 8.9%/7.4%.

Highlights from the management commentary

- A pick-up in the construction and real estate business benefits the company. Growth in rural and semi-urban markets remained higher than in urban markets.

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- Waterproofing paint market is growing at a faster pace. Therefore, the company will not lose market share due to new players.
- VAM consumption cost in 2Q was USD1,000/t vs. USD2,500/t in 2QFY23.
- PIDI has set up a lending business to provide small retail loans for its domain ecosystem's business growth. A separate experienced team will be assigned to this business. PIDI management would not be affected by this.
- PIDI continues to focus on distribution expansion and has reached to 12,000 stores and 8,000+ villages under the 'Pidilite ki Duniya' program. It will add 1,000-1,500 stores every quarter.

Valuations and view

- There are no material changes to our EPS estimates for FY23 and FY24.
- We build in a CAGR of 28%-31% in EBITDA, PBT and PAT for FY23-FY25E. PIDI stands out for its market-leading position in the adhesives market with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. We **reiterate our Neutral rating** on the stock with a **TP of INR2,400 (premised on 55x FY25 EPS)**.

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY23				FY24E				FY23	FY24	FY24	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	31,011	30,112	29,976	26,893	32,751	30,760	33,243	30,019	1,17,991	1,26,774	32,159	-4.3
YoY change (%)	60.1	14.7	5.2	7.3	5.6	2.2	10.9	11.6	18.9	7.4	6.8	
Gross Profit	12,931	12,342	12,541	12,582	16,054	15,783	16,189	14,313	50,397	62,338	16,015	-1.5
Margin (%)	41.7	41.0	41.8	46.8	49.0	51.3	48.7	47.7	42.7	49.2	49.8	
EBITDA	5,295	4,999	4,959	4,592	7,070	6,797	6,866	7,058	19,844	27,791	6,987	-2.7
YoY change (%)	52.3	-9.0	-9.7	14.5	33.5	36.0	38.5	53.7	7.4	40.0	39.8	
Margins (%)	17.1	16.6	16.5	17.1	21.6	22.1	20.7	23.5	16.8	21.9	21.7	
Depreciation	613	636	686	762	734	752	789	808	2,697	3,084	757	
Interest	90	117	151	118	119	131	156	129	476	535	138	
Other Income	107	110	51	228	234	316	123	-81	496	592	120	
PBT	4,698	4,355	4,173	3,940	6,451	6,230	6,044	6,039	17,166	24,763	6,212	0.3
Tax	1,157	1,098	1,052	1,038	1,704	1,631	1,541	1,562	4,344	6,438	1,565	
Rate (%)	24.6	25.2	25.2	26.3	26.4	26.2	25.5	25.9	25.3	26.0	25.2	
Adj PAT	3,541	3,347	3,061	2,873	4,746	4,599	4,502	4,477	12,822	18,325	4,646	-1.0
YoY change (%)	64.4	-10.7	-13.9	15.3	34.0	37.4	47.1	55.8	7.3	42.9	38.8	
Margins (%)	11.4	11.1	10.2	10.7	14.5	15.0	13.5	14.9	10.9	14.5	14.4	

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY23				FY24	
	1Q	2Q	3Q	4Q	1Q	2Q
2Y CAGR (%)						
Sales	88.0	26.5	14.2	9.7	30.0	8.2
EBITDA	182.4	-1.3	-12.0	-0.2	42.6	11.2
PAT	380.3	-3.0	-17.0	-3.7	48.5	10.8
% of Sales						
COGS	58.3	59.0	58.2	53.2	51.0	48.7
Operating Expenses	24.6	24.4	25.3	29.7	27.4	29.2
Depreciation	2.0	2.1	2.3	2.8	2.2	2.4
YoY change (%)						
COGS	83.4	23.9	8.4	1.0	-7.6	-15.7
Operating Expenses	26.5	14.2	9.3	15.8	17.7	22.4
Other Income	74.5	-21.0	-0.8	105.4	119.4	187.7
EBIT	60.9	-10.8	-12.6	13.0	35.3	38.6

E: MOFSL Estimates

Exhibit 1: Consolidated segmental performance

Segmental	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Consumer and Bazaar										
Sales (INRm)	14,862	21,304	22,645	19,132	24,358	24,315	24,216	21,128	26,609	25,083
Sales Growth (%)	111.7	39.5	22.5	10.6	63.9	14.1	6.9	10.4	9.2	3.2
EBIT (INRm)	3,704	5,827	5,629	4,177	5,352	5,265	5,372	4,560	7,078	6,935
% Contribution	89.7	95.8	93.5	90.6	87.5	91.5	92.6	86.5	88.5	90.8
EBIT Growth %	180.6	9.5	-12.7	-11.0	44.5	-9.6	-4.6	9.2	32.3	31.7
EBIT margin %	24.9	27.4	24.9	21.8	22.0	21.7	22.2	21.6	26.6	27.6
Business to Business										
Sales (INRm)	4,820	5,324	6,186	6,453	7,220	6,237	5,999	6,340	6,780	6,153
Sales Growth (%)	156.1	41.2	30.2	20.6	49.8	17.2	-3.0	-1.8	-6.1	-1.3
EBIT (INRm)	420	263	400	444	748	495	391	707	917	685
% Contribution	10.2	4.3	6.6	9.6	12.2	8.6	6.7	13.4	11.5	9.0
EBIT Growth %	-285.4	-9.4	-28.3	-15.3	78.1	88.4	-2.2	59.3	22.5	38.3
EBIT margin %	8.7	4.9	6.5	6.9	10.4	7.9	6.5	11.2	13.5	11.1

Source: Company, MOFSL

**Highlights from the management commentary****Demand environment and outlook**

- Revenue growth in 2Q was driven by robust underlying volume growth of 8.2%.
- Domestic C&B delivered UVG of 8% (4yr CAGR: 14%) and domestic B2B recorded UVG of 20% (4yr CAGR: 11%).
- The company is optimistic about the near-term growth outlook, with tailwinds coming from the extended festive season, increase in construction activity and the government's focus on capex.
- A pick-up in the construction and real estate business benefits the company.
- Growth in rural markets remained higher than in urban markets.
- Araldite consistently delivered 20% volume growth since the acquisition by PIDI. Before the acquisition, it posted 6-8% volume growth.
- The ratio of core vs. new category products is 65:35 currently. It will reach to 60:40 by FY24 end.
- The core business is growing ahead of GDP.
- PIDI has taken a 3% weighted price cut in the last nine months from the peak level.
- The management expects double-digit growth in volume in FY24.
- The volume and value gap will be bridged in the next six months.
- Waterproofing paint market is growing at a faster pace. Therefore, the company will not lose market share due to new players.

Cost and margin

- VAM's consumption cost in 2QFY24 was USD1,000/t vs. USD2,500/t in 2QFY23.
- Ad-spending has doubled in 2QFY24 vs. 2QFY23.
- EBITDA margin would be in the range of 20-24% for FY24.

Lending business

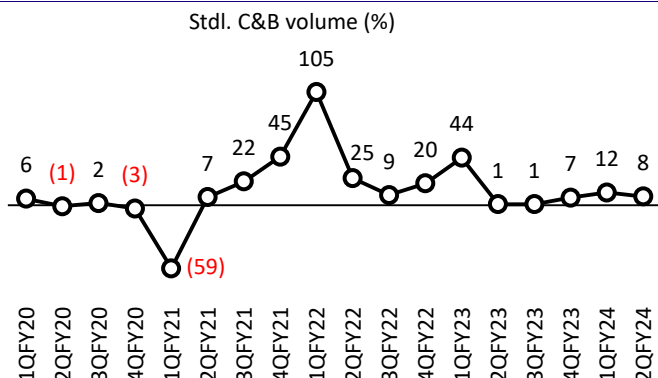
- PIDI has set up a lending business to provide small retail loans to its domain ecosystem's business growth. To facilitate this, it has identified **Pargro Investments Private Limited**, an NBFC in the Promoter Group, which is **debt-free and currently not involved in lending operations** as of Oct'23.
- Pargro will be acquired by **the company through a wholly-owned subsidiary**, as per a share purchase agreement (SPA) by 31st Mar'24. The acquisition **valued at up to INR100m** aligns with Pargro's liquid investments as of Oct'23, based on an independent valuation.
- In the next two years, PIDI plans to invest up to INR1b in the new business, utilizing a balanced mix of equity and debt in staggered tranches.
- PIDI is doing itself as it has strong information base. It has credit and buying capacity information pertaining to of dealers within the route to market spectrum including carpenters, masons, tile layers, plumbing contractors and others. Dealers will benefit as they will get credit from company.
- A separate experienced team will be assigned to this business. PIDI management would not be affected by this.

Others

- In 2QFY24, PIDI has commissioned four new plants, which, together with the four that were commissioned in 1QFY24, takes the total to eight new plants in 1HFY24.
- In Oct'23, it commissioned a regional distribution center in Hyderabad to strengthen the supply chain ecosystem.
- PIDI continues to focus on distribution expansion and has reached to 12,000 stores and 8,000+ villages under the 'Pidilite ki Duniya' program. It will add 1000-1500 stores every quarter.
- PIDI's paint business is currently running in Andhra Pradesh, Odisha and Telangana, only in towns with a population below 50,000.
- International subsidiaries, excluding Pidilite USA Inc., reported moderate sales growth amid uncertain global economic conditions, inflation, and currency devaluation challenges in certain countries.

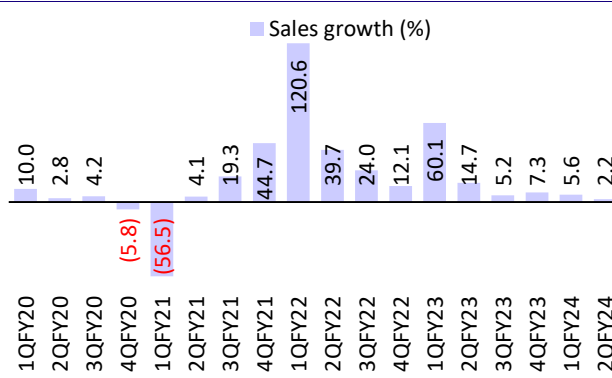
Key exhibits

Exhibit 2: Standalone C&B volume grew 8% YoY in 2QFY24



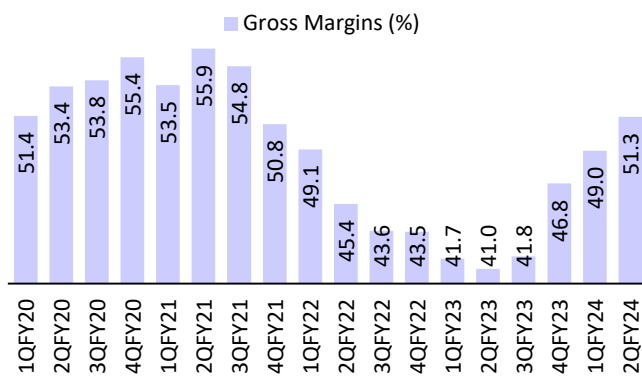
Source: Company, MOFSL

Exhibit 3: Consolidated sales grew 2.2% YoY to INR30.8b



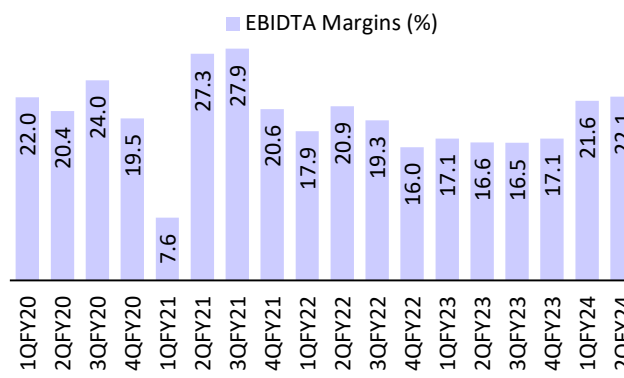
Source: Company, MOFSL

Exhibit 4: Consolidated gross margin expanded ~1,030bp YoY to 51.3% in 2QFY24



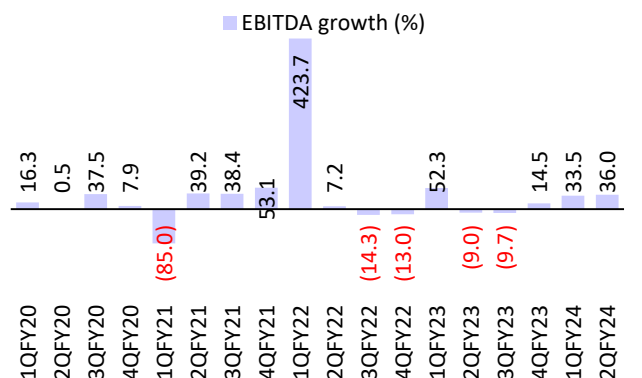
Source: Company, MOFSL

Exhibit 5: Consolidated EBITDA margin improved 550bp YoY to 22.1% in 2QFY24



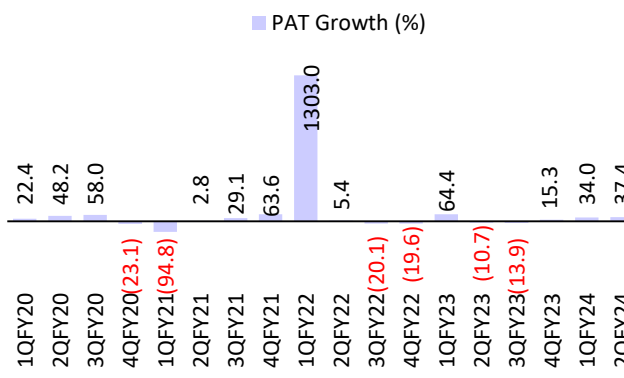
Source: Company, MOFSL

Exhibit 6: Consolidated EBITDA grew 36.0% YoY to INR6.8b



Source: Company, MOFSL

Exhibit 7: Consolidated adjusted PAT grew 37.4% YoY to INR4.6b



Source: Company, MOFSL

Standalone performance for 2QFY24

- Net sales grew 2.4% YoY to INR27.8b.
- Underlying volume growth was 8.2%.
- C&B segment revenues were up 3.7% YoY to INR22.8b. Segment EBIT grew 30.8% YoY to INR6.7b. Segmental EBIT margins expanded ~600bp YoY to 29.4%.
- B2B segment revenues were down 2.9% YoY at INR5.4b. Segment EBIT grew 54.4% YoY to INR705m. Segment margins expanded ~500bp YoY to 13.2%.
- Overall gross margins expanded ~1,100bp YoY to 51.2% and EBITDA margins expanded 600bp YoY to 23.1%.
- EBITDA grew 38.5% YoY to INR6.4b. The 3-year/4-year CAGRs stood at 10.8%/16.3%.
- PBT grew 40.8% YoY to INR6.1b. The 3-year/4-year CAGRs stood at 10.2%/12.9%.
- Adj. PAT grew 35.0% to INR4.5b. The 3-year/4-year CAGRs stood at 10.3%/7.0%.

Standalone Quarterly Performance

Y/E March	FY23				FY24	
	1Q	2Q	3Q	4Q	1Q	2Q
Sales	27,897	27,152	27,097	23,824	29,635	27,801
Change (%)	62.3	22.7	12.1	6.8	6.2	2.4
Gross Profit	11,388	10,944	11,126	11,074	14,494	14,234
Gross Margin %	40.8	40.3	41.1	46.5	48.9	51.2
EBITDA	4,872	4,641	4,678	4,361	6,713	6,425
EBITDA Margin %	17.5	17.1	17.3	18.3	22.7	23.1
Change (%)	50.3	-3.1	-2.2	12.3	37.8	38.5
Depreciation	504	527	575	614	615	625
Interest	44	71	101	69	67	75
Other Income	107	283	32	208	271	365
PBT	4,431	4,326	4,034	3,886	6,302	6,091
Tax	1,097	958	1,072	979	1,627	1,543
Effective Tax Rate (%)	24.8	22.1	26.6	25.2	25.8	25.3
Adj PAT	3,334	3,369	2,963	2,907	4,675	4,548
Change (%)	60.7	-0.7	-8.1	15.3	40.2	35.0

E: MOFSL Estimates

Exhibit 8: Standalone segmental performance

Segmental	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24
Consumer and Bazaar										
Sales (INRm)	13,213	18,026	19,251	17,132	21,983	21,964	22,106	18,824	24,309	22,767
Sales Growth (%)	115.0	35.0	20.5	18.1	66.4	21.8	14.8	9.9	10.6	3.7
EBIT (INRm)	3,489	5,143	5,019	4,144	5,104	5,118	5,189	4,546	6,870	6,695
% Contribution	86.2	92.5	91.1	89.8	87.0	91.9	92.1	87.6	88.5	90.3
EBIT Growth %	138.3	4.7	-15.1	-3.5	46.3	-0.5	3.4	9.7	34.6	30.8
EBIT margin %	26.4	28.5	26.1	24.2	23.2	23.3	23.5	24.1	28.3	29.4
Business to Business										
Sales (INRm)	4,204	4,394	5,117	5,549	6,329	5,517	5,128	5,365	5,807	5,356
Sales Growth (%)	149.7	39.5	35.2	31.9	50.6	25.5	0.2	-3.3	-8.2	-2.9
EBIT (INRm)	551	426	501	478	749	456	406	640	892	705
% Contribution	13.6	7.7	9.1	10.4	12.8	8.2	7.2	12.3	11.5	9.5
EBIT Growth %	796.3	-2.7	-13.0	-21.1	35.9	7.0	-18.9	33.7	19.0	54.4
EBIT margin %	13.1	9.7	9.8	8.6	11.8	8.3	7.9	11.9	15.4	13.2

Source: Company, MOFSL

Valuation and view

PIDI has done exceptionally well over the past 10 years

- Stringent focus on revenue growth, market share gains, and pricing discipline have facilitated strong growth in the past decade. This has been further aided by gains from the unorganized segment.
- Its pioneering advertising strategy has strengthened the brand in a perceived commoditized category.
- Consistent performance across lines is reflected in a CAGR of ~12.2%/~12.0%/~11.8% in sales/EBITDA/PAT over the 10 years ended FY23.
- However, the earnings CAGR over the past two/five years has slowed to ~7%/~6% due to the pandemic and high commodity inflation.

Comments on valuations

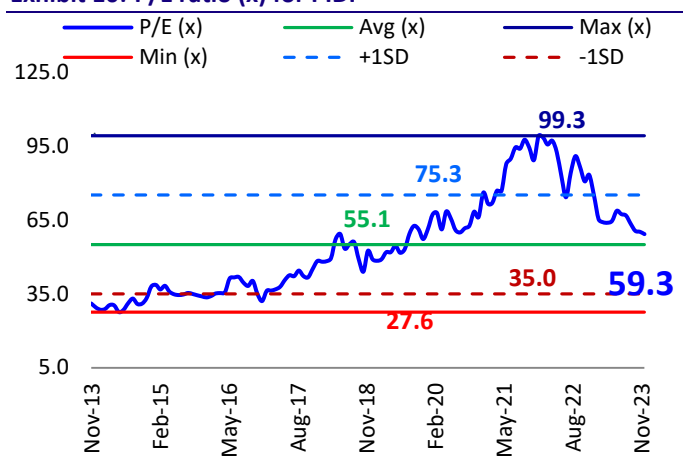
- There are no material changes to our EPS estimates for FY23 and FY24.
- We build in a CAGR of 28%-31% in EBITDA, PBT and PAT for FY23-FY25E. PIDI stands out for its market leading position in adhesives market with strong brand and solid balance sheet. However, we believe the current valuation limits the upside potential in the prices. We **reiterate our Neutral rating** on the stock with a **TP of INR2,400 (premised on 55x FY25 EPS)**.

Exhibit 9: No material change in our EPS estimates for FY24/FY25

(INR b)	New estimates		Old estimates		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Net Sales	126.8	143.9	131.1	149.3	(3.3)	(3.6)
EBITDA	27.8	32.7	28.3	33.4	(1.8)	(2.0)
Adjusted PAT	18.3	22.1	18.8	22.6	(2.4)	(2.2)

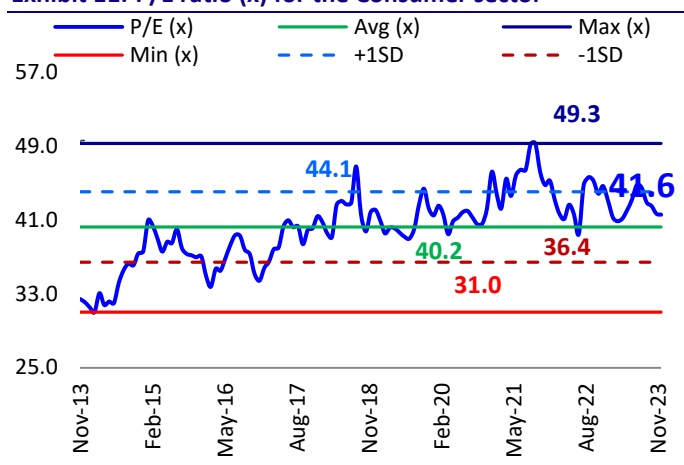
Source: Company, MOFSL

Exhibit 10: P/E ratio (x) for PIDI



Source: Company, MOFSL

Exhibit 11: P/E ratio (x) for the Consumer sector



Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	
Net Sales	60,784	70,780	73,348	72,927	99,210	1,17,991	1,26,774	1,43,939	
Change (%)	8.2	16.4	3.6	-0.6	36.0	18.9	7.4	13.5	
Raw Materials	28,877	35,866	34,025	33,767	54,442	67,594	64,435	71,805	
Gross Profit	31,908	34,914	39,323	39,160	44,768	50,397	62,338	72,134	
Margin (%)	52.5	49.3	53.6	53.7	45.1	42.7	49.2	50.1	
Operating Expenses	18,495	21,232	23,160	22,354	26,295	30,553	34,548	39,395	
EBITDA	13,412	13,682	16,163	16,806	18,473	19,844	27,791	32,739	
Change (%)	6.5	2.0	18.1	4.0	9.9	7.4	40.0	17.8	
Margin (%)	22.1	19.3	22.0	23.0	18.6	16.8	21.9	22.7	
Depreciation	1,199	1,327	1,699	2,007	2,396	2,697	3,084	3,259	
Int. and Fin. Charges	155	261	336	372	421	476	535	470	
Other Income	1,484	1,466	1,494	794	363	496	592	625	
Profit before Taxes	13,542	13,560	15,622	15,221	16,019	17,166	24,763	29,635	
Change (%)	8.9	0.1	15.2	-2.6	5.2	7.2	44.3	19.7	
Margin (%)	22.3	19.2	21.3	20.9	16.1	14.5	19.5	20.6	
Tax	3,927	4,132	3,477	3,964	4,070	4,344	6,438	7,557	
Tax Rate (%)	29.0	30.5	22.3	26.0	25.4	25.3	26.0	25.5	
Adj PAT	9,615	9,428	12,145	11,258	11,949	12,822	18,325	22,078	
Change (%)	12.1	-1.9	28.8	-7.3	6.1	7.3	42.9	20.5	
Margin (%)	15.8	13.3	16.6	15.4	12.0	10.9	14.5	15.3	
Reported PAT	9,661	9,249	11,567	11,312	12,039	12,913	18,415	22,169	

Balance Sheet								(INR m)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	
Share Capital	508	508	508	508	508	508	508	508	
Reserves	35,233	40,973	44,048	55,421	63,529	71,615	81,807	93,718	
Net Worth	35,740	41,481	44,556	55,930	64,037	72,123	82,315	94,227	
Loans	1,226	1,111	2,806	3,223	4,158	3,906	1,306	1,045	
Deferred Liability	1,048	1,094	693	3,814	3,772	3,780	3,780	3,780	
Minority Interest	1,750	2,072	2,157	2,400	1,989	2,336	2,336	2,336	
Capital Employed	39,764	45,757	50,211	65,367	73,956	82,145	89,737	1,01,388	
Gross Block	21,624	23,518	28,728	45,496	50,138	54,915	59,415	63,415	
Less: Accum. Depn.	9,976	10,892	12,501	14,157	15,974	18,672	21,755	25,014	
Net Fixed Assets	11,648	12,626	16,227	31,340	34,164	36,243	37,659	38,400	
Capital WIP	2,277	2,421	2,593	2,939	2,254	4,059	4,059	4,059	
Goodwill	1,774	1,850	1,840	12,840	12,868	12,898	12,898	12,898	
Others	793	889	728	941	554	510	510	510	
Investments	12,459	15,477	11,862	5,160	4,586	8,809	13,075	18,217	
Curr. Assets, L&A	23,034	25,775	31,977	34,919	40,517	42,530	46,178	54,998	
Inventory	8,043	9,345	9,295	12,342	16,951	18,171	18,756	20,506	
Account Receivables	9,381	10,560	10,885	13,210	14,305	15,353	16,672	19,718	
Cash and Bank Balance	1,636	1,904	7,033	4,515	3,552	3,267	4,491	7,913	
Others	3,974	3,966	4,765	4,853	5,709	5,740	6,260	6,861	
Curr. Liab. and Prov.	12,222	13,281	15,016	22,771	20,987	22,903	24,641	27,694	
Current liabilities	11,573	12,534	14,194	21,691	19,705	21,313	23,096	26,000	
Provisions	649	747	822	1,080	1,283	1,591	1,545	1,693	
Net Current Assets	10,812	12,494	16,961	12,148	19,529	19,627	21,536	27,304	
Application of Funds	39,764	45,757	50,211	65,367	73,956	82,146	89,737	1,01,388	

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Basic (INR)								
EPS	18.9	18.6	23.9	22.2	23.5	25.2	36.1	43.4
Cash EPS	21.3	21.2	27.2	26.1	28.2	30.5	42.1	49.8
BV/Share	70.4	81.7	87.7	110.1	126.0	141.9	161.9	185.4
DPS	6.0	6.5	7.0	7.5	8.0	11.0	16.0	20.0
Payout %	31.5	35.0	29.3	33.6	33.7	43.9	44.4	46.0
Valuation (x)								
P/E	129.8	132.4	102.8	110.9	104.5	97.4	68.2	56.6
Cash P/E	115.4	116.0	90.2	94.1	87.1	80.5	58.3	49.3
EV/Sales	20.3	17.4	16.8	17.0	12.5	10.5	9.7	8.5
EV/EBITDA	92.1	90.0	76.2	73.9	67.4	62.5	44.4	37.4
P/BV	34.9	30.1	28.0	22.3	19.5	17.3	15.2	13.3
Dividend Yield (%)	0.2	0.3	0.3	0.3	0.3	0.4	0.7	0.8
Return Ratios (%)								
RoE	27.3	24.4	28.2	22.4	19.9	18.8	23.7	25.0
RoCE	25.1	22.5	25.9	20.0	17.6	16.9	21.8	23.5
RoIC	39.1	34.8	41.1	26.9	20.6	19.8	27.3	31.5
Working Capital Ratios								
Debtor (Days)	56	54	54	66	53	47	48	50
Creditor (Days)	89	80	91	141	89	79	85	85
Asset Turnover (x)	2.7	2.8	2.2	1.7	1.8	2.1	2.1	2.2
Leverage Ratio								
Debt/Equity (x)	0.0	0.0	0.1	0.1	0.1	0.1	0.0	0.0

Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
PBT before Extra Ord	13,588	13,416	14,698	15,225	16,138	17,232	24,763	29,635
Add: Depreciation	1,199	1,327	1,699	2,007	2,396	2,697	3,084	3,259
Interest Paid	81	55	211	204	375	400	535	470
Less: Taxes Paid	4,276	4,093	3,931	3,709	4,620	4,116	6,438	7,557
Non-operating income	854	467	448	73	-369	-148	592	625
(Incr)/Decr in WC	-1,774	-1,791	565	268	-5,104	-786	-685	-2,345
CF from Operations	7,964	8,448	12,796	13,921	9,554	15,576	20,667	22,837
Incr in FA	-1,760	-2,538	-4,439	-3,520	-3,740	-4,977	-4,500	-4,000
Acquisition of companies	0	0	0	-20,569	-2,622	0		
Free Cash Flow	6,204	5,910	8,356	-10,167	3,192	10,599	16,167	18,837
Pur of Investments	2,896	-2,317	4,713	7,069	693	-4,034	-4,266	-5,142
Others	-566	281	551	1,343	-168	-286	592	625
CF from Invest.	570	-4,574	825	-15,677	-5,837	-9,297	-8,174	-8,517
Change in share capital	0	0	28	-291	-389	161	0	0
Incr in Debt	-4	-92	328	168	846	-805	-2,600	-261
Dividend Paid	-2,930	-3,635	-8,254	-7	-4,319	-5,083	-8,133	-10,166
Interest Paid	-155	-167	-254	-293	-332	-345	-535	-470
Others	-4,808	287	-340	-339	-487	-492	0	0
CF from Fin. Activity	-7,898	-3,606	-8,492	-762	-4,680	-6,564	-11,268	-10,897
Incr/Decr of Cash	636	269	5,128	-2,518	-963	-285	1,224	3,423
Add: Opening Balance	999	1,636	1,904	7,033	4,515	3,552	3,267	4,491
Closing Balance	1,636	1,904	7,032	4,515	3,552	3,267	4,491	7,913

E: MOFSL Estimates

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NOTES

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Investment Rating	Expected return (over 12-month)
BUY	>=15%
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NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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