

Eureka Forbes Ltd.

Growing Consumer Electronic Play; Initiate with HOLD

An established 'cash cow', Eureka Forbes were the pioneers for introducing water purifier and vacuum cleaner in India. Eureka Forbes has a long history of launching innovative products and campaigns in India. Considering the future growth visibility, we assign HOLD rating with target price of INR 536 per share.

Investment Rationale

Market Leadership with Promising Opportunity Landscape

- First to launch vacuum cleaner in India and reign a commanding ~60% market share.
- Pioneer in the Indian water purifier market with its flagship product Aquaguard and hold a strong ~45% market share.
- The trend of urbanization has heightened the demand for convenient cleaning solutions, making vacuum cleaners a popular choice for urban households.
- The expansion of the target water purifier market is further boosted by Government of India's Jal Jeevan Mission, which has provided 113 million additional households with access to tap water since 2019.

Focus on Innovation

- Innovative variety of vacuum cleaners, e.g., robotic vacuum cleaners, zero bend cleaners, etc. offered.
- Cutting-edge technology in water purifiers such as Slim Tech water purifier, Blaze Insta, Aquaguard Marvel NXT, and Aquaguard Designo NXT models.

Widespread distribution network

- Strong retail presence in over 20,000 outlets.
- Distribution network in more than 19,000 pin codes.
- Fast-growing e-commerce channel.

Robust Free Cash Flows

- While, Eureka Forbes enjoys a normal cash conversion cycle of about a month, it benefits from a favourable adjusted cash conversion cycle due to advance receipts from its customers towards annual maintenance contracts, ranging from 1-4 years.
- Revenue from Annual Maintenance Contracts comprise ~30% of total revenue.
- The advance receipt of this revenue enables Eureka Forbes to use these funds to part finance its operations.
- Further, every product sold in a year assures a substantial stream of revenue through Annual Maintenance Contracts in the ensuing years.
- This enables Eureka Forbes to generate high free cash flows.

Key Risks

- Hike in raw material prices
- Mass-scale water purification by civic authorities

Valuation:

Eureka Forbes is currently trading at P/E of 65.4x on FY26 basis. We value the stock based on P/E methodology and assign multiple of 65x (2-year forward) on FY26E PAT of Rs.1,596 mn to arrive at a target price of Rs.536 per share, which is potential downside of 0.67% from current market price and recommend "HOLD" on the stock.



East India Securities Ltd
Excellent | Investment | Solutions

INDIA

Rating: **HOLD** Upside/(Downside): **-0.6%**
Current Price: **540** Target Price: **536**

Market Data

Bloomberg:	EUREKAFO:IN
52-week H/L (Rs):	588 / 397
Mcap (Rs bn/USD bn):	104.5/1.23
Shares outstanding (mn):	193.5
Free float:	37.4%
Daily vol. (3mth Avg)	556 mn
Face Value (Rs):	10
Group:	BSE SmallCap

Source: Bloomberg, EIS Research

Shareholding pattern

	Jun-24	Mar-24	Dec-23	Sep-23
Promoter	62.6	62.6	72.5	72.5
FIIIs	13.2	16.0	10.7	10.7
DIIIs	6.3	5.7	4.1	3.5
Public/others	17.9	15.7	12.7	13.3

Source: BSE

Price Performance (%)*

YE Mar (R)	1M	3M	6M	12M
BSE SmallCap	6.3	11.9	36.3	51.4
Eureka Forbes	17.3	22.6	23.8	6.5

As on 13 Sep 2024 Source: Ace Equity, EISEC Research

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Y/E Mar (mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	EPS	RoE (%)	RoCE (%)	P/E(x)	EV/EBITDA (x)
FY22	3,818	-	184	4.81%	26	0.0%	0.1	0.0%	0.0%	3,986.7	570.6
FY23	20,845	446.04%	1450	6.96%	665	2438.2%	3.4	1.63%	1.94%	157.1	72.1
FY24	21,892	5.02%	1,986	9.07%	1,108	66.60%	5.7	2.66%	2.99%	94.3	52.3
FY25E	24,362	11.28%	2,390	9.81%	1,421	28.25%	7.3	3.31%	3.76%	73.5	42.8
FY26E	27,234	11.79%	2,669	9.80%	1,596	12.34%	8.2	3.59%	4.03%	65.4	37.4

Source: Company, EISEC Research Estimates

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Background and History

Fig 1: Background & History

Founded in 1982	As a joint venture between Forbes & Company (a Shapoorji Pallonji (SP) Group company), Campbell (a Tata Group Company) and Electrolux of Sweden.
2001 - Tatas sold out fully	Tata sold out to the SP group.
2005 - Electrolux sold out fully	Electrolux of Sweden sold out 40% stake to the SP group.
September 2021 - SP group sells out	<p>An agreement between SP group and Advent International (Advent), a Private Equity firm that Eureka Forbes (a division of Forbes & Co) will be divested into a separate company.</p> <ul style="list-style-type: none"> Advent has been investing in India since 2007. It has invested more than Rs.22 bn in 16 companies in India. Advent has made four consumer sector investments viz. Crompton Greaves Consumer Electricals, Dixcy Textiles, Enamor and DFM Foods.
1 February 2022 - demerger was effective	Advent bought out SP Group's entire stake in Eureka Forbes, i.e., 72.56% stake at an enterprise value of Rs 44 bn.
16 March 2022	Listed only on BSE

What makes Eureka Forbes special?

- First to launch Vacuum Cleaner in India and reign a commanding ~60% market share.
- Pioneer in the Indian Water Purifier market with its flagship product, Aquaguard, and hold a strong ~45% market share.
- Amongst the pioneers in the industry to introduce an Air Purifier.
- 30% of revenue is derived from Annual Maintenance Contracts (AMC) of its products.
- Every product sold within a year assures a substantial stream of revenue through AMC in the ensuing years.
- Focus on Innovation with use of cutting-edge technology in water purifiers and introduction of innovative variety of vacuum cleaners.
- Widespread Distribution Network with a strong retail presence.
- Robust Free Cash Flows on account of a favourable cash conversion cycle.

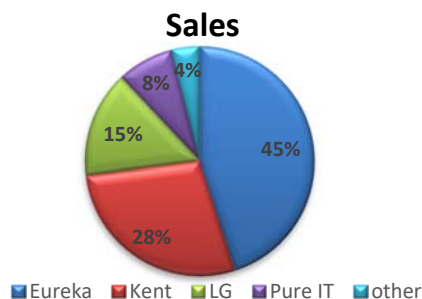
Business Segments

1. Water Purifier



- Aquaguard is Eureka Forbes' flagship water purifier product.
- Aquaguard contributes ~44% of total revenue of Eureka Forbes.
- It has been amongst India's best water purifiers for over three decades.
- The products are categorized into RO purifiers, UV purifiers, UF purifier etc.

Fig 2: Eureka Forbes Market Share in Water Purifier Segment



Source: ACE Equity, Company, EIS Research

- The purification process may vary depending on the specific model of the Aquaguard purifier, but here are some common technologies and methods that are often used in Aquaguard water purifiers:

Fig 3: Type of Water Purifier Filters

Type of Filter	Filtration Process
RO (Reverse Osmosis) Filtration	<ul style="list-style-type: none"> ▪ Removes dissolved impurities like heavy metals, chemicals, and salts from water
UV (Ultraviolet) Filtration	<ul style="list-style-type: none"> ▪ Kills harmful bacteria viruses, and other microorganisms present in water.
UF (Ultrafiltration) Filtration	<ul style="list-style-type: none"> ▪ It uses a membrane with fine pores to filter out suspended particles, colloids, and some bacteria from water.
Activated Carbon Filtration	<ul style="list-style-type: none"> ▪ It removes chlorine, organic compounds, and other chemicals that can affect the taste and odour of water.

Source: Company, EISEC Research

2. Vacuum Cleaner



- Eureka Forbes is the pioneer in the technology of vacuum cleaners, bringing innovative cleaning solutions to the country.
- Vacuum Cleaner contributes ~10% of total revenue of Eureka Forbes.
- Eureka Forbes offers a variety of vacuum cleaners, e.g., robotic vacuum cleaners, zero bend cleaners, etc.

Fig 4: Eureka Forbes Market Share in Vacuum Cleaner



Source: Company, EISEC Research

Fig 5: Type of Vacuum Cleaner

Types of Vacuum Cleaner	Usage
Canister Vacuum Cleaner	<ul style="list-style-type: none"> ▪ Wheeled design and detachable head. ▪ Ideal for various surfaces and tight spaces. ▪ It excels in both wet and dry cleaning with powerful suction and blower functions.
Handheld Vacuum Cleaners	<ul style="list-style-type: none"> ▪ Handheld vacuum cleaners are compact and portable, perfect for quick, on-the-spot cleaning with minimal storage needs.
Robotic Vacuum Cleaner	<ul style="list-style-type: none"> ▪ Eureka Forbes robotic vacuums use advanced navigation and real-time mapping for efficient cleaning. ▪ Also, smart voice control, auto-cleaning mode, and automatic docking ensure thorough and convenient cleaning for various floor types.
Upright Vacuum Cleaner	<ul style="list-style-type: none"> ▪ Offers convenience with their lightweight, ergonomic design and efficient cleaning while standing.

Source: Company, EISEC Research

3. Air Purifier



Air Purifiers Overview:

- They work by drawing in contaminated air, filtering it through multiple layers to capture pollutants such as dust, pollen smoke, etc.
- Air Purifier contributes ~1% of total revenue of Eureka Forbes.
- This continuous process helps ensure a fresh and healthy indoor environment.

Fig 6: Type of Air Purifier Filters and Technology

Types of Features	Usage
HEPA Filters:	<ul style="list-style-type: none"> ▪ High Efficiency Particulate Air (HEPA) filters can capture particles of 0.1 micrometers 99.5% of dust, pollen, bacteria, etc. ▪ The Forbes Air Purifier 355 Surround 360° can purify 90% of the room's air in 10 minutes.
Activated Carbon Filters	<ul style="list-style-type: none"> ▪ Designed to remove odors, volatile organic compounds (VOCs), and gaseous pollutants.
Air Quality Indicator	<ul style="list-style-type: none"> ▪ The Forbes 355 Surround 360°, are equipped with a PM 2.5 digital display for real-time air quality monitoring.

Source: Company, EISEC Research

4. Annual Maintenance Contracts

- Annual Maintenance Contract (AMC) is a contractual agreement between a customer and Eureka Forbes under which Eureka Forbes provides routine maintenance services for their products in order to ensure optimal performance and longevity of the equipment.
- AMC/Service contributes ~30% of total revenue of Eureka Forbes.
- Under the AMC, the customer pays a predetermined fee (annual maintenance contract) to Eureka Forbes.
- The service period of the AMC ranges from 1 year to 4 years.

Fig 7: Types of AMC

AMC Products	Base	Silver	Gold	Platinum
Break down	Free Break down visits	Free Break down visits	Free Break down visits	Free Break down visits
Mandatory service	1 Free Mandatory service per year	2 Free Mandatory services per year One Set Free Consumable kit per year excluding membrane, membrane to be charged at 50% discount	3 Free Mandatory services per year One free Consumable Kit every year	4 Free Mandatory services per year One free Consumable kit every year
Consumable	25% Discount on Consumables (Once during the AMC period)	10% Discount on Spare	Free Break down spares	Free Break down spares
Spares	Chargeable @ MRP			

Source: Company, EISEC Research

About Eureka Forbes

Promoter Shareholding

- Eureka Forbes was listed on March 16, 2022.
- Lunolux Ltd. is a special purpose vehicle established by AI Global Investments (Cyprus) PCC Ltd., which acts as the investment hub for Asia for all the funds managed by Advent International.

Fig 8: Latest Promoter Shareholding as on June 30, 2024

Particulars	% Holding
Lunolux Ltd.	62.56

Source: AceEquity, Company, EISEC Research

Key Management Personnel

Fig 9: Details of Key Management Personnel

Name	Designation	Profile
Mr. Arvind Uppal	Chairman & Independent Director	Mr. Uppal, holds an MBA from FMS Delhi and has completed an Executive program at I.M.D. Switzerland. He has over 31 years of experience in the consumer industry. Presently, Mr. Arvind Uppal is the Non-Executive Chairman of Whirlpool of India and a Director at Gulf Oil Lubricants India. He holds board positions at Amber Enterprises India and Akzo Nobel India, and acts as an Industry Advisor to Advent International.
Mr. Pratik Pota	Managing Director & CEO	Mr. Pota, holds an MBA degree in Marketing from IIM, Calcutta. He has a career extending over 30 years. Most notably, he served as the CEO of Jubilant Foodworks, where he was instrumental in a complete business turnaround and the expansion of Domino's as India's leading D2C brand.
Mrs. Gurveen Singh	Independent Director	Mrs. Gurveen has a Post Graduate degree in 'Personnel Management and Industrial Relations' from Xavier Labour Relations Institute, Jamshedpur. She is a specialist in Human Resource Management with a 42-year career span. She retired as the Chief Human Resources Officer of Reckitt Benckiser PLC.
Mr. Vinod Rao	Independent Director	Mr. Rao is a Chartered Accountant with over 35 years in finance roles. His last executive role was Group Treasurer and Head of Investor Relations at Diageo Plc, London. He possesses expertise in both developed and developing markets, including India and Europe.
Mr. Sahil Dalal	Independent Director	Mr. Dalal is an MBA from The Wharton School at the University of Pennsylvania. Mr. Dalal joined Advent in 2009 and leads Advent India's investing efforts in the Consumer sector. Prior to Advent, Mr. Sahil Dilip Dalal was an associate with JLL Partners, a New York-based private equity firm where he focused on buyout and growth equity transactions.
Mr. Homi Katgara	Independent Director	Mr. Katgara is a partner in Jeena & Company, a 122-year-old pioneering freight forwarding firm in India. He has over 31 years of experience in the forwarding industry. He also holds partnership and directorship roles in various group companies. Mr. Homi Adi Katgara serves as a Trustee at Masina Hospital in Mumbai.
Mr. Shashank Samant	Independent Director	Mr. Samant is an alumnus of Savitribai Phule Pune University. He currently serves as Chairman of GlobalLogic, after retiring as its President & CEO in 2022. He has also made significant contributions to Hewlett-Packard's Verifone division and was instrumental in establishing IBM's first India-based software engineering lab.
Mr. Gaurav Khandelwal	Chief Financial Officer	Mr. Khandelwal is a Chartered Accountant with an All-India Merit Rank. In his career spanning over two decades, he has played various roles covering finance business partnering, planning, controllership and supply chain. His last role was as Chief Financial Officer at Oyo Hotels and Homes.

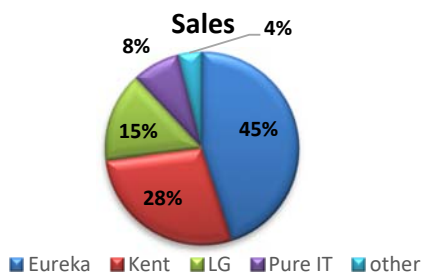
Source: Company, EISEC Research

Industry Overview

Water Purifier

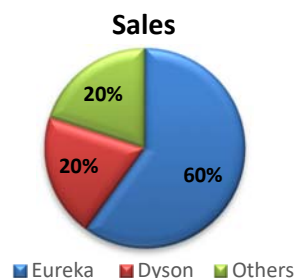
- India Water Purifier Market was valued at Rs.104.97 bn in 2023 and is expected to reach Rs.476.72 bn by 2032, at a CAGR of 18.4% during the forecast period 2023 - 2032. (Source: www.custommarketinsights.com)
- One of the significant market drivers for water purifiers in India is the increasing awareness of waterborne diseases.
- With a growing understanding of the health risks associated with contaminated water, consumers are actively seeking reliable water purification solutions.
- According to a report by the World Health Organization, ~21% of communicable diseases in India are waterborne.
- This alarming statistic has propelled the demand for water purifiers as households and businesses recognize the importance of ensuring access to clean and safe drinking water.

Fig 10: Market share of Eureka Forbes in Water Purifier



Source: Company, EISEC Research

Fig 11: Market share of Eureka Forbes in Vacuum Cleaner



Source: Company, EISEC Research

Vacuum Cleaner

- The India Vacuum Cleaners Market was valued at ~Rs.34.86 million in 2023 and is projected to grow at a CAGR of ~2.18% during the forecast period from 2024 to 2029. (Source: www.marknteladvisors.com)
- The trend of urbanization, witnessed by a significant preference towards city living and compact residential spaces, has increased the demand for convenient cleaning solutions, thus making vacuum cleaners a preferred choice for urban households.

Air Purifier

- The India Air Purifier Market is poised to surpass Rs.970 million by 2030, reflecting robust growth driven by escalating air pollution levels and heightened health awareness. According to Renub Research, the market is projected to expand at a CAGR of 7.4% from 2024 to 2030. (Source: www.marknteladvisors.com)
- The National Clean Air Program, launched in 2019 with a substantial budget of Rs.483 billion, aims to reduce particulate matter by 20-30% across 132 cities by 2024. Such initiatives are expected to further stimulate market growth.

Peer Comparison

- In the highly competitive market of vacuum cleaners, water and air purifiers, Eureka Forbes' products faces a formidable line up of rivals including well-known brands such as Kent RO, Zero-B and V- Guard.
- The latest advancements in Aquaguard and Vacuum Cleaner technology by Eureka Forbes have raised the bar, offering consumers solutions for cleaner environment and safe drinking water.
- Multiple players have entered the water purifier segment, but we believe there is limited success for most players considering Eureka Forbes':
 - Strong brand equity.
 - Widespread distribution network and direct sales channel.

Fig 12: Industry Comparison

Company Name	Net Sales (Rs.mn)			EBITDA (Rs.Mn.)			PAT (Rs.Mn.)			EBITDA Margin %			PAT Margin %		
	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24
Eureka Forbes	3,818	20,845	21,892	184	1,450	1,986	26	665	1,108	4.8%	7.0%	9.1%	0.7%	3.2%	5.1%
Ion Exchange	15,769	19,896	23,478	2,549	2,961	3,158	1,613	1,940	1,954	16.2%	14.9%	13.5%	10.2%	9.8%	8.3%
V- Guard	34,892	41,260	48,567	3,510	3,364	4,607	2,284	1,890	2,576	10.0%	8.1%	9.5%	6.5%	4.6%	5.3%
Kent RO	10,474	10,844	N.A.	2,392	1,671	N.A.	1,505	932	N.A.	22.8%	15.4%	N.A.	14.4%	8.6%	N.A.

N.A.: Not Available

Source: ACE, Company, EISEC Research

Company Name	CAGR FY22-24				EPS			P/E			RoE (%)		
	Mcap Rs mn	Revenue	EBITDA	PAT	FY22	FY23	FY24	FY22	FY23	FY24	FY22	FY23	FY24
Eureka Forbes	104,452	139.5%	228.9%	550.3%	0.1	3.4	5.7	3,986.7	157.1	94.3	N.A	1.6%	2.7%
Ion Exchange	99,590	22.0%	11.3%	10.1%	11.4	13.8	13.8	61.8	51.3	51.0	27.84	26.18	21.1
V- Guard	2,03,840	17.8%	14.6%	6.2%	5.3	4.4	5.9	89.2	107.9	79.1	17.91	12.88	15.4
Kent RO	N.A.	3.5%*	-30.1%*	-38.1%*	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	11.02	6.34	N.A.

* CAGR FY22-23

N.A.: Not Available

Source: ACE, Company, EISEC Research

Why Invest in Eureka Forbes?

Market Leadership with Promising Opportunity Landscape

- Eureka Forbes commands a substantial 45% market share in the **Water Purifier** segment.
- Water purifier penetration in India remains low at around 5%-6%, significantly lagging behind other consumer durables' penetration.
- Penetration rates in some of the Asian countries are higher, e.g., Thailand - 18%, China - 20% and South Korea - 60%.
- Eureka Forbes has launched a rental-based model in water purifiers with no maintenance or installation charges aimed at encouraging trials and long-term usage.
- The company has recently reduced the entry margin for its Aquaguard range and lowered the AMC of Aquaguard to just Rs.600/- for a single check-up, which makes the product more accessible to a broader customer base.
- The expansion of the target water purifier market is further boosted by the Government of India's Jal Jeevan Mission, which has provided 113 million additional households with access to tap water since 2019.
- Eureka Forbes has an impressive 60% market share in the **Vacuum Cleaner** industry.
- The trend of urbanization, witnessed by a significant preference towards city living and compact residential spaces, has increased the demand for convenient cleaning solutions, thus making vacuum cleaners a preferred choice for urban households.

Focus on Innovation

- Eureka Forbes was the first to introduce Water Purifiers and Vacuum Cleaners in India.
- It has consistently introduced cutting-edge innovations in water purification including the Slim Tech water purifier, Blaze Insta, Aquaguard Marvel NXT, and Aquaguard Designo NXT.
- Further, they are introducing newer technology like RO (Reverse Osmosis), UV (Ultraviolet), and UF (Ultrafiltration), establishing Aquaguard as one of India's leading water purifiers.
- Eureka Forbes has also revolutionized home cleaning with innovative solutions. Their range of vacuum cleaners includes robotic models and zero-bend designs, showcasing their commitment to technological advancement.

Widespread Distribution Network

- Eureka Forbes is a multi-product, multi-channel company with a varied portfolio that serves both B2C and B2B customers.
- It has built a multi-channel network with a unique direct sales business, strong retail presence in over 20,000 outlets, and a fast-growing e-commerce channel.
- It has an extensive pan-India service network and strong customer connections, with in-home service available in over 19,000 pin codes.

- Over 80 lakh active customers are served by the organisation.
- The expansion of Eureka Forbes's distribution channels is a key growth driver as it offers them substantial room to increase their visibility as they expand their footprint across the country.
- Their omnichannel presence gives them unique advantages and positions them well for driving sustained multi-year growth.
- Focus on multi-channel presence.

Fig 13: Distribution Network

Channel	Details
Direct Sales	Large direct sales in water purifier and air purifier
General Trade	> 20,000 outlets
Modern Trade	Present across most modern trade channels
Government	Present in Canteen Stores Department
B2B	Present in commercial water purifiers
Pin Codes	> 19,000 pin codes
Customer response centres	More than 150 in 120 cities

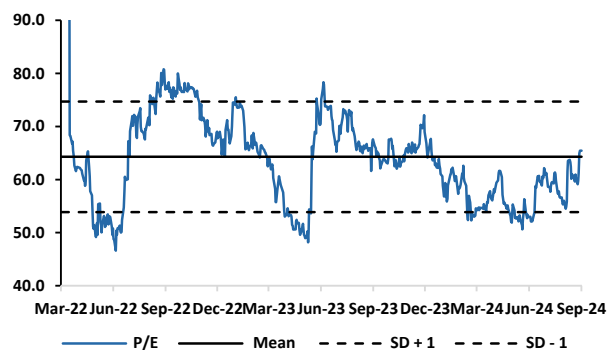
Robust Free Cash Flows

- Eureka Forbes enjoys a normal cash conversion cycle of about a month.
- Eureka Forbes' customers pay charges in advance towards Annual Maintenance Contract (AMC).
- The service periods for the AMCs range from 1-4 years.
- This results in a favourable adjusted cash conversion cycle, which is advantageous as the company can utilise funds received towards AMC to part finance its operations.
- Adjusted cash conversion cycle is expressed in number of days and is derived by deducting payables and customer advances from receivables and inventory. *{Number of Days of (Debtors + Inventory - Payables - Advance from Customers)}*.
- Every product sold in a year assures a substantial stream of revenue through annual maintenance contracts in the ensuing years.
- This enables Eureka Forbes to generate high free cash flows.

Valuation

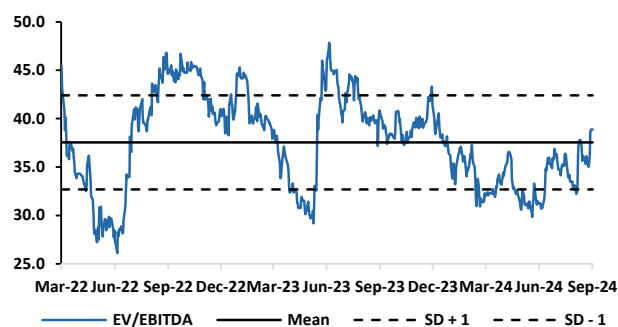
Eureka Forbes is currently trading at P/E of 65.4x on FY26 basis. We value the stock based on P/E methodology and assign multiple of 65x (2-year forward) on FY26E PAT of Rs.1,596 mn to arrive at a target price of Rs.536 per share, which is potential downside of 0.67% from current market price and recommend “HOLD” on the stock.

Fig 14: 2-year forward P/E chart



Source: AceEquity, EISEC Research

Fig 15: 2-year forward EV/EBITDA chart



Source: AceEquity, EISEC Research

Key Risks

Hike in Raw Material Cost

- The prices of primary raw materials, such as plastic, copper, and steel, in the consumer durables industry have been rising over the past few years.
- If this trend continues, it will exert pressure on maintaining operating margins.

Mass-scale Water Purification by Civic Authorities

- In USA, the Environmental Protection Agency (EPA) is responsible for ensuring that the quality of drinking water supplied through taps to both residential and non-residential properties meet specific standards.
- This is achieved through various Acts and laws that mandate water filtration and disinfection at community or non-community centers, with strict regulation by the EPA.
- Consequently, in USA, water purifiers are considered unnecessary.
- If a similar regulatory approach is adopted in India by the civic authorities, it could potentially render water purifiers redundant here as well.

Financials Consolidated

Income Statement	FY22	FY23	FY24	FY25E	FY26E
YE March (Rs mn)					
Revenues	3,818	20,845	21,892	24,362	27,234
% Growth	0.0%	446.0%	5.0%	11.3%	11.8%
Raw Material Expenses	1,615	8,332	8,886	9,690	10,894
% of sales	42.3%	40.0%	40.6%	39.8%	40.0%
Employee Costs	491	3,031	3,298	3,638	4,085
% of sales	12.9%	14.5%	15.1%	14.9%	15.0%
Advtg. & Sales Promotion Exp.	336	1,897	2,058	2,314	2,506
% of sales	8.8%	9.1%	9.4%	9.5%	9.2%
Other expenses	1,191	6,135	5,665	6,330	7,081
% of sales	31.2%	29.4%	25.9%	26.0%	26.0%
EBITDA	184	1,450	1,986	2,390	2,669
EBITDA Margin (%)	4.8%	7.0%	9.1%	9.8%	9.8%
Other Income	23	102	88	99	109
Depreciation & Amortization	92	565	540	514	594
EBIT	115	988	1,534	1,974	2,184
Finance cost	44	203	98	73	7
Extraordinary Items	0	-400	-152	0	0
Share of Profits of Associates	0	0	0	0	0
PBT	71	385	1,285	1,901	2,178
Tax-Total	45	120	328	481	581
Reported PAT	26	265	956	1,421	1,596
Adjusted PAT	26	665	1,108	1,421	1,596
PAT Margin	0.7%	3.2%	5.1%	5.8%	5.9%
% Growth	0.0%	2438.2%	66.6%	28.3%	12.3%

Source: Company, EISEC Research Estimates

Adjusted PAT = Report PAT + Minority Interest + Extraordinary Items

Key Ratios	FY22	FY23	FY24	FY25E	FY26E
YE March					
Growth Ratios (%)					
Net Sales	0.0%	446.0%	5.0%	11.3%	11.8%
EBITDA	0.0%	689.9%	37.0%	20.3%	11.7%
PAT	0.0%	2438.2%	66.6%	28.3%	12.3%
Margin Ratio (%)					
EBITDA Margin	4.8%	7.0%	9.1%	9.8%	9.8%
PBT margins	1.9%	1.8%	5.9%	7.8%	8.0%
PAT Margin	0.7%	3.2%	5.1%	5.8%	5.9%
Return Ratios					
ROE	0.0%	1.6%	2.7%	3.3%	3.6%
ROCE	0.0%	1.9%	3.0%	3.8%	4.0%
ROIC	-	2.0%	3.0%	3.8%	4.1%
Turnover Ratios					
Gross Block Turnover (x)	1.4x	7.1x	7.1x	7.6x	8.1x
Inventory (days)	278	39	42	42	43
Debtors (days)	144	22	27	27	27
Creditors (days)	211	37	32	32	31
Advance from Customers (days)	560	99	96	96	96
Cash Conversion Cycle (days)	-350	-76	-59	-59	-57
Solvency ratio (x)					
Debt-equity	0.1	0.0	0.0	0.0	0.0
Net Debt-Equity	0.1	0.0	0.0	-0.1	-0.1
Gross Debt/EBITDA		6.6	0.2	0.0	0.0
Current ratio	0.5	0.5	0.6	0.8	1.1
Per share (Rs.)					
Basic EPS (reported)	0.1	3.4	5.7	7.3	8.2
BV	210.7	211.8	218.4	225.7	234.0
CEPS	0.6	6.4	8.5	10.0	11.3
DPS	0.0	0.0	0.0	0.0	0.0
Dividend Payout (%)		0%	0%	0%	0%
Valuation					
P/E	3986.7	157.1	94.3	73.5	65.4
P/BV	2.6	2.5	2.5	2.4	2.3
EV/EBITDA	570.6	72.1	52.3	42.8	37.4
Dividend Yield (%)	0.0%	446.0%	5.0%	11.3%	11.8%

Source: Company, EISEC Research Estimates

Balance Sheet	FY22	FY23	FY24	FY25E	FY26E
YE March (Rs mn)					
Capital	1,935	1,935	1,935	1,935	1,935
Reserves & Surplus	38,826	39,042	40,322	41,742	43,339
Less: Goodwill on Consolidation	-30	-30	-30	-30	-30
Shareholders' Funds	40,731	40,946	42,226	43,647	45,243
Minority Interest	13	12	12	12	12
Total Loan Funds	496	247	0	0	0
Other Financial Liabilities	61	86	41	0	0
Provisions	18	25	38	38	38
Deferred tax liabilities	8,274	8,190	8,114	8,114	8,114
Total Liabilities	49,592	49,505	50,431	51,811	53,407
Property, Plant & Equipment	2,765	2,730	2,736	2,324	1,891
Capital WIP	1	0	0	0	0
Investment Property	159	212	159	159	159
Goodwill	20,558	20,558	20,558	20,558	20,558
Investments	0	0	0	0	0
Intangible Assets	31,533	31,303	31,158	31,158	31,158
Others	549	503	579	591	605
Total Non Current Assets	55,566	55,307	55,191	54,790	54,372
Inventories	2,903	2,200	2,527	2,803	3,208
Current Investments	617	758	549	549	549
Trade Receivables	1,536	1,237	1,375	1,802	2,015
Cash & Bank Balances	178	185	613	2,229	4,518
Other current Assets	445	588	1,008	1,008	1,008
Total Current Assets	5,679	4,969	6,073	8,392	11,299
Borrowing	1,932	963	249	0	0
Trade Payables	2,210	2,087	1,936	2,136	2,313
Others	7,510	7,720	8,648	9,236	9,951
Total Current Liabilities	11,652	10,770	10,833	11,372	12,264
Net Current Assets	-5,974	-5,801	-4,760	-2,980	-965
Total Assets	49,592	49,505	50,431	51,811	53,407

Source: Company, EISEC Research Estimates

Cash Flow	FY22	FY23	FY24	FY25E	FY26E
YE March (Rs mn)					
Optg. profit before WC changes	201	1,546	2,376	2,488	2,778
Changes in working capital	179	322	-418	-278	109
Cash flow from operations	367	1,806	1,945	1,730	2,305
Capex	-40	-132	-250	-153	-161
Cash flow from investments	-37	-263	-316	-153	-161
Cash flow from financing	-314	-1,535	-1,201	-322	-7
Net change in cash	16	8	428	1,255	2,138

Source: Company, EISEC Research Estimates

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