

Pidilite Industries

Estimate changes



TP change



Rating change



CMP: INR2,545

TP: INR2,440 (-4%)

Neutral

In-line performance; margin outlook improves

- Pidilite Industries (PIDI)'s 1QFY24 performance was in line, due to healthy volume expansion. The domestic C&B business clocked a sharp volume growth of 12% YoY. Meanwhile, the B2B segment posted a single-digit decline mainly due to lower exports and weaker demand from export-focused sectors.
- Its key RM, vinyl acetate monomer (VAM), continued to decline materially to ~USD1,150/t from USD2,250/t in 1QFY23. Consequently, the GP margin expanded 730bp YoY/220bp QoQ in 1QFY24. However, the company's A&P spends rose to 3.6% of sales (from 2.1% in 1QFY23). As a result, EBITDA margin expanded to 450bp YoY to 21.6% in 1QFY24.
- Management indicated a double-digit growth in both urban and rural markets. Rural market has outpaced urban consistently. Although the sharp reduction in raw material cost could lead to healthy earnings growth over FY23-FY25, expensive valuations compel us to reiterate our **Neutral** rating on the stock.

Sales lower than estimated, performance in line

- PIDI's net sales grew 5.6% YoY to INR32.8b (vs. est. INR34.6b). The three-year/four-year sales CAGR stood at 55.0%/12.9%.
- Consumer & Bazaar (C&B)** segment's revenue rose 9.2% YoY to INR26.6b with segmental EBIT increasing 32.3% YoY to INR7.1b. Segmental EBIT margin improved 460bp YoY to 26.6% in 1QFY24.
- B2B segment** revenue declined 6.1% YoY to INR6.8b with segmental EBIT increasing 22.5% YoY to INR917m. Segmental EBIT margin expanded 320bp to 13.5%.
- Overall gross margin expanded 730bp YoY to 49.0% (est. 48.6%).
- As a percentage of sales, higher employee expenses (+70bp YoY to 10.9%) and other expenses (+210bp YoY to 16.6%) implied 450bp YoY expansion in EBITDA margin to 21.6% (est. 20.2%) in 1QFY24.
- EBITDA grew 33.5% YoY to INR7.1b (est. INR7.0b). The three-year/four-year CAGR stood at 120.0%/12.3%.
- PBT jumped 37.3% YoY to INR6.5b (est. INR6.3b). The three-year/four-year CAGR stood at 174.5%/10.1%.
- Adj. PAT increased 34% YoY to INR4.7b (est. INR4.7b). The three-year/ four-year CAGR stood at 213.9%/12.7%.

Highlights from the management commentary

- PIDI's 1QFY24 revenue growth was mainly driven by volume growth in domestic C&B business.
- The underlying volume growth was 8% YoY, adjusting for the product mix and price changes. However, actual volume growth was 19% YoY.
- PIDI achieve overall growth of 1.5x-2.0x of GDP. Its core categories grew 1.5x of GDP and new categories surged 2-3x of GDP.



Bloomberg	PIDI IN
Equity Shares (m)	513
M.Cap.(INRb)/(USDb)	1293.9 / 15.6
52-Week Range (INR)	2917 / 2251
1, 6, 12 Rel. Per (%)	-3/-1/-14
12M Avg Val (INR M)	960

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	118.0	131.1	149.3
Sales Gr. (%)	18.9	11.1	13.9
EBITDA	19.8	28.3	33.4
EBITDA Margin (%)	16.8	21.6	22.4
Adj. PAT	12.8	18.8	22.6
Adj. EPS (INR)	25.2	36.9	44.4
EPS Gr. (%)	7.3	46.4	20.3
BV/Sh.(INR)	141.9	162.8	187.2

Ratios

RoE (%)	18.8	24.2	25.4
RoCE (%)	16.9	22.2	23.8
Payout (%)	43.9	43.3	45.0

Valuations

P/E (x)	100.9	68.9	57.3
P/BV (x)	17.9	15.6	13.6
EV/EBITDA (x)	64.8	45.2	37.9
Div. Yield (%)	0.4	0.6	0.8

Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	69.9	69.9	69.9
DII	7.9	8.5	7.5
FII	11.3	10.6	11.1
Others	10.8	11.0	11.5

FII includes depository receipts

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Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- VAM's consumption cost in 1QFY24 was USD1,150/t vs. USD2,250/t in 1QFY23. The current ordering rate is ~USD850-900/t.
- PIDI continues to focus on distribution expansion and reach to 17,000 villages directly and reaches to 8,000+ villages under the Pidilite ki Duniya program.

Valuations and view

- Factoring in the margin expansion, we raise our FY24 and FY25 EPS estimates by 3% and 3.8%, respectively.
- VAM costs have fallen significantly, which should lead to healthy earnings growth despite relatively moderate sales growth prospects. We expect a robust 30-33% CAGR in EBITDA, PBT and PAT over FY23-FY25. Nevertheless, expensive valuation of ~57x FY25E EPS more than discounts the growth prospects and does not leave any room for an upside. We **reiterate our Neutral rating** on the stock with a **TP of INR2,440 (premised on 55x FY25 EPS)**.

Consolidated - Quarterly Earnings Model

(INR b)

Y/E March	FY23				FY24E				FY23	FY24	FY24	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Net Sales	31.0	30.1	30.0	26.9	32.8	32.2	33.8	32.4	118.0	131.1	34.6	-5.4
YoY change (%)	60.1	14.7	5.2	7.3	5.6	6.8	12.8	20.4	18.9	11.1	11.6	
Gross Profit	12.9	12.3	12.5	12.6	16.1	16.0	16.6	15.8	50.4	64.5	16.8	-4.6
Margin (%)	41.7	41.0	41.8	46.8	49.0	49.7	49.1	48.9	42.7	49.2	48.6	
EBITDA	5.3	5.0	5.0	4.6	7.1	7.0	7.3	6.9	19.8	28.3	7.0	1.1
YoY change (%)	52.3	(9.0)	(9.7)	14.5	33.5	40.0	47.0	50.9	7.4	42.5	32.1	
Margins (%)	17.1	16.6	16.5	17.1	21.6	21.8	21.6	21.4	16.8	21.6	20.2	
Depreciation	0.6	0.6	0.7	0.8	0.7	0.8	0.8	0.8	2.7	3.1	0.7	
Interest	0.1	0.1	0.2	0.1	0.1	0.1	0.2	0.1	0.5	0.5	0.1	
Other Income	0.1	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.5	0.6	0.1	
PBT	4.7	4.4	4.2	3.9	6.5	6.2	6.5	6.1	17.2	25.3	6.3	3.0
Tax	1.2	1.1	1.1	1.0	1.7	1.6	1.6	1.6	4.3	6.5	1.6	
Rate (%)	24.6	25.2	25.2	26.3	26.4	25.2	25.5	25.7	25.3	25.7	25.3	
Adj PAT	3.5	3.3	3.1	2.9	4.7	4.7	4.8	4.5	12.8	18.8	4.7	1.4
YoY change (%)	64.4	-10.7	-13.9	15.3	34.0	39.1	57.4	58.3	7.3	46.4	32.2	
Margins (%)	11.4	11.1	10.2	10.7	14.5	14.5	14.2	14.0	10.9	14.3	13.5	

E: MOFSL Estimates

Key Performance Indicators

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

E: MOFSL Estimates

Exhibit 1: Consolidated segmental performance

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

Source: Company, MOFSL

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

- PIDI's 1QFY24 revenue growth was mainly driven by volume growth in domestic C&B business.
- Rural market growth rate is 1.5x of urban markets.
- The underlying volume growth was 8% YoY, adjusting for the product mix and price changes. However, actual volume growth was 19% YoY.
- The company has been prioritizing innovation across divisions (Fevicol, Fixit, and Consumer Products Division).
- PIDI achieve overall growth of 1.5x-2.0x of GDP. Its core categories grew 1.5x of GDP and new categories surged 2-3x of GDP.
- Management indicated that it has not seen any competition from regional or local players.

Cost and margin

- Gross margin expanded due to moderation in input costs and operational efficiencies. Partial benefits were invested in A&P spends and growth incentives.
- A&P spends were 3.6% of sales in 1QFY24 vs. 2.1% in 1QFY23.
- VAM's consumption cost in 1QFY24 was USD1,150/t vs. USD2,250/t in 1QFY23. The current ordering rate is ~USD850-900/t.
- EBITDA margin will be maintained in the range of 20-24%.
- Management indicated that there is no difference in Profits and RoCE of rural and urban markets.
- Rural market has higher freight & logistics charges while in urban market, more discount scheme needs to be offered to remain competitive.
- Working capital remained healthy and improved since Mar'23.

Segmental

- C&B business volume grew ~12% YoY with double-digit growth in both rural and urban.
- B2B business faced headwinds from lower exports and lower demand from business dependent on exports. However, domestic B2B business has shown healthy growth.

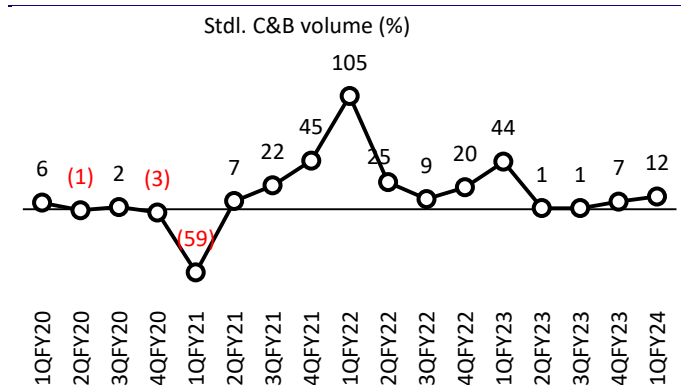
- Waterproofing portfolio contributed 15-18% to sales.
- Management indicated that waterproofing has been used in organized real estate market by 7/10 households, 5/10 in urban markets and 2/10 in rural markets.
- The ratio of core vs. new category products is 60:40.

Others

- Management indicated that rainfall has disrupted Jul'23 sales. It has seven plants in Himachal Pradesh and one warehouse in Ambala.
- PIDI continues to focus on distribution expansion and reach to 17,000 villages directly and reaches to 8,000+ villages under the Pidilite ki Duniya program.
- The decorative paint brand 'Haisha' has all the range of paint products.
- PIDI's online dealer app 'Pidilite Genie' contributed 25% to sales.
- The company plans to increase its supply chain; currently it has 70 own manufacturing facilities and plans to increase this by 3-4 every year.
- Capex will be 3.5-4.5% of sales.
- Currency challenges and local inflation hit international performance.
- The management indicated that price cut is taken on the basis of PIDI's price premium to the product. The company maintained a price premium of 10-15%.

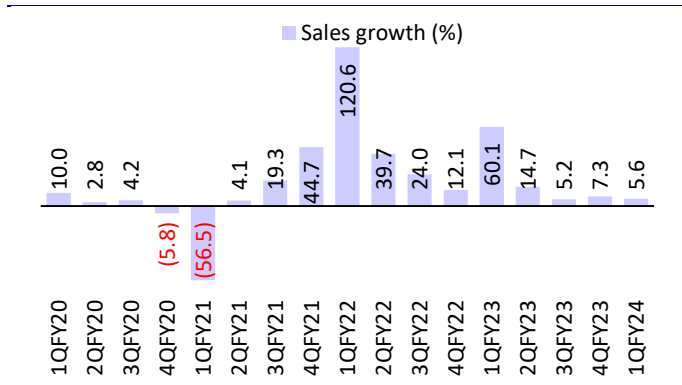
Key exhibits

Exhibit 2: Standalone C&B volume grew 12% YoY in 1QFY24



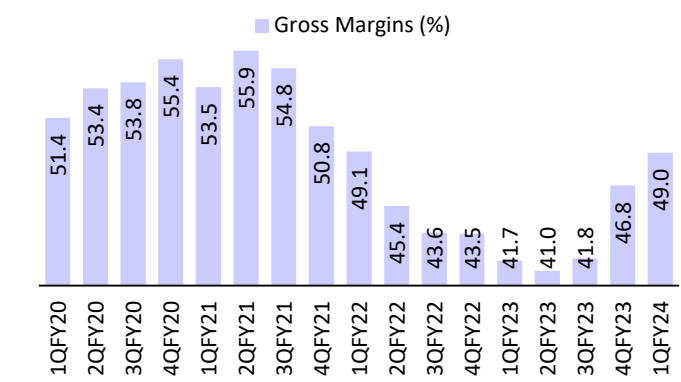
Source: Company, MOFSL

Exhibit 3: Consolidated sales grew 5.6% YoY to INR32.8b



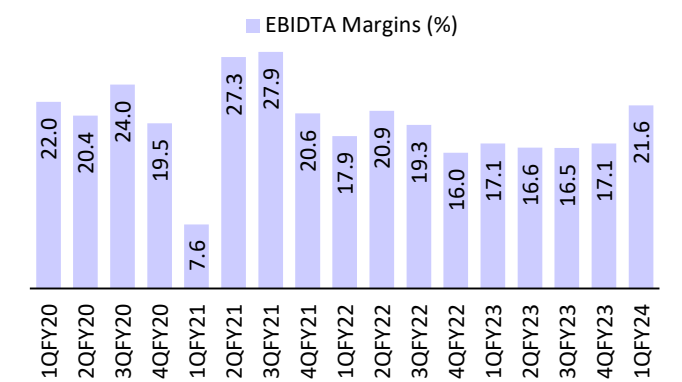
Source: Company, MOFSL

Exhibit 4: Consolidated gross margin expanded 730bp YoY to 49% in 1QFY24



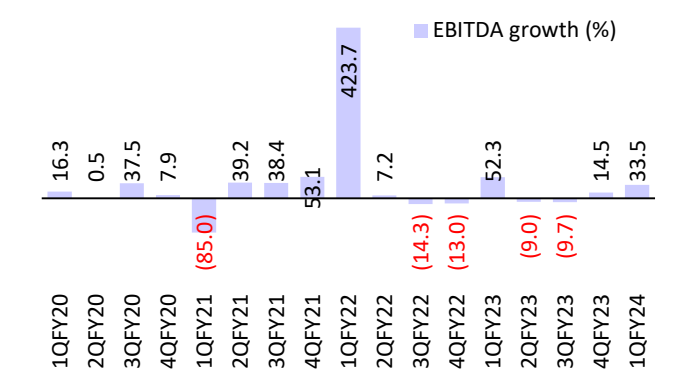
Source: Company, MOFSL

Exhibit 5: Consolidated EBITDA margin improved 450bp YoY to 21.6% in 1QFY24



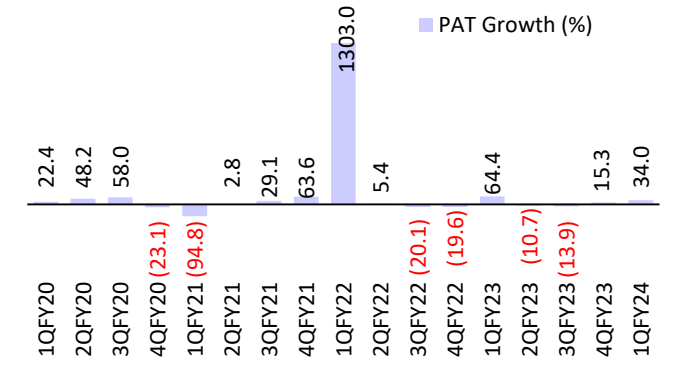
Source: Company, MOFSL

Exhibit 6: Consolidated EBITDA grew 33.5% YoY to INR7.1b



Source: Company, MOFSL

Exhibit 7: Consolidated adjusted PAT grew 34% YoY to INR4.7b



Source: Company, MOFSL

Standalone performance for 1QFY24

- PIDI's net sales grew 6.2% YoY to INR29.6b in 1QFY24.
- Underlying volume grew 8% YoY.
- **C&B** segment's revenue jumped 10.6% YoY to INR24.3b. Segmental EBIT grew 34.6% YoY to INR6.9b and EBIT margin was up 500bp YoY to 28.3%.
- **B2B** segment's revenue declined 8.2% YoY to INR5.8b. Segment EBIT grew 19% YoY to INR892m and EBIT margin rose 350bp YoY to 15.4%.
- Overall gross margin expanded 810bp YoY to 48.9% and EBITDA margin improved 520bp YoY to 22.7%.
- EBITDA grew 37.8% YoY to INR6.7b. The three-year/four-year CAGR stood at 91.6%/12.6%.
- PBT grew by 42.2% YoY at INR6.3b. The three-year/four-year CAGR stood at 101.6%/10.3%.
- Adj. PAT grew by 40.2% to INR4.7b. The three-year/four-year CAGR stood at 102.0%/12.9%.

Standalone Quarterly Performance

	(INR b)				
Y/E March	FY23				FY24
	1Q	2Q	3Q	4Q	1Q
Sales	27.9	27.2	27.1	23.8	29.6
Change (%)	62.3	22.7	12.1	6.8	6.2
Gross Profit	11.4	10.9	11.1	11.1	14.5
Gross Margin %	40.8	40.3	41.1	46.5	48.9
EBITDA	4.9	4.6	4.7	4.4	6.7
EBITDA Margin %	17.5	17.1	17.3	18.3	22.7
Change (%)	50.3	(3.1)	(2.2)	12.3	37.8
Depreciation	0.5	0.5	0.6	0.6	0.6
Interest	0.0	0.1	0.1	0.1	0.1
Other Income	0.1	0.3	0.0	0.2	0.3
PBT	4.4	4.3	4.0	3.9	6.3
Tax	1.1	1.0	1.1	1.0	1.6
Effective Tax Rate (%)	24.8	22.1	26.6	25.2	25.8
Adj PAT	3.3	3.4	3.0	2.9	4.7
Change (%)	60.7	(0.7)	(8.1)	15.3	40.2

E: MOFSL Estimates

Exhibit 8: Standalone segmental performance

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

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

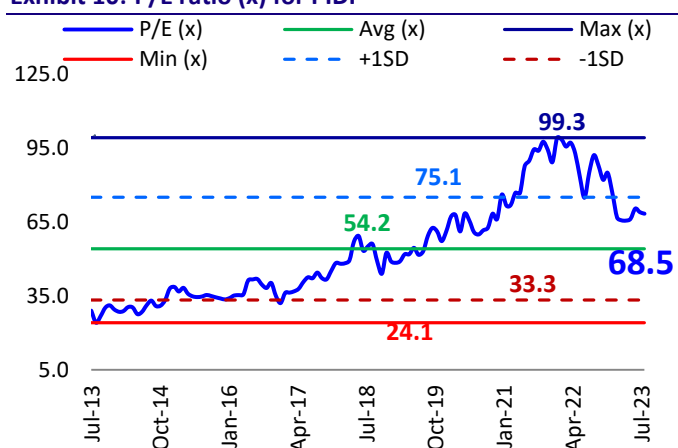
- Factoring in the margin expansion, we raise our FY24 and FY25 EPS estimates by 3% and 3.8%, respectively.
- VAM costs have fallen significantly, which should lead to healthy earnings growth despite relatively moderate sales growth prospects. We expect a robust 30-33% CAGR in EBITDA, PBT and PAT over FY23-FY25. Nevertheless, expensive valuation of ~57x FY25E EPS more than discounts the growth prospects and does not leave any room for an upside. We **reiterate our Neutral rating** on the stock with a **TP of INR2,440 (premised on 55x FY25 EPS)**.

Exhibit 9: Our FY24/FY25 EPS estimates increase by 3%/3.8%

(INR b)	Old estimates		New estimates		Change (%)	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Net Sales	131.1	149.3	131.6	150.0	(0.4)	(0.5)
EBITDA	28.3	33.4	27.5	32.3	2.9	3.4
Adjusted PAT	18.8	22.6	18.2	21.8	3.0	3.8

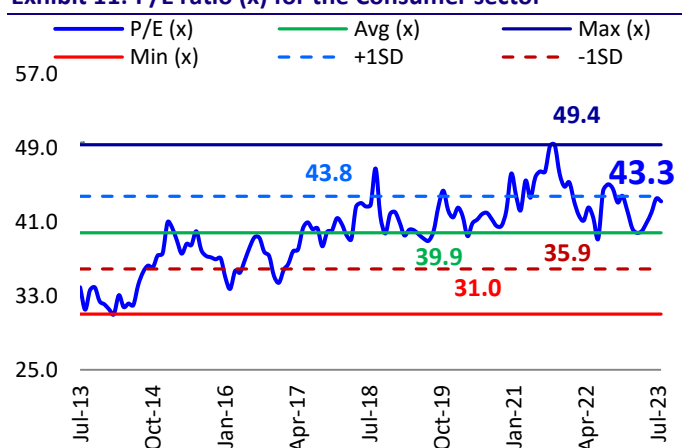
Source: Company, MOFSL

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 b)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Net Sales	60.8	70.8	73.3	72.9	99.2	118.0	131.1	149.3
Change (%)	8.2	16.4	3.6	(0.6)	36.0	18.9	11.1	13.9
Raw Materials	28.9	35.9	34.0	33.8	54.4	67.6	66.6	74.5
Gross Profit	31.9	34.9	39.3	39.2	44.8	50.4	64.5	74.8
Margin (%)	52.5	49.3	53.6	53.7	45.1	42.7	49.2	50.1
Operating Expenses	18.5	21.2	23.2	22.4	26.3	30.6	36.2	41.4
EBITDA	13.4	13.7	16.2	16.8	18.5	19.8	28.3	33.4
Change (%)	6.5	2.0	18.1	4.0	9.9	7.4	42.5	18.2
Margin (%)	22.1	19.3	22.0	23.0	18.6	16.8	21.6	22.4
Depreciation	1.2	1.3	1.7	2.0	2.4	2.7	3.1	3.3
Int. and Fin. Charges	0.2	0.3	0.3	0.4	0.4	0.5	0.5	0.5
Other Income	1.5	1.5	1.5	0.8	0.4	0.5	0.6	0.6
Profit before Taxes	13.5	13.6	15.6	15.2	16.0	17.2	25.3	30.3
Change (%)	8.9	0.1	15.2	(2.6)	5.2	7.2	47.1	20.0
Margin (%)	22.3	19.2	21.3	20.9	16.1	14.5	19.3	20.3
Tax	3.9	4.1	3.5	4.0	4.1	4.3	6.5	7.7
Tax Rate (%)	29.0	30.5	22.3	26.0	25.4	25.3	25.7	25.5
Adj PAT	9.6	9.4	12.1	11.3	11.9	12.8	18.8	22.6
Change (%)	12.1	(1.9)	28.8	(7.3)	6.1	7.3	46.4	20.3
Margin (%)	15.8	13.3	16.6	15.4	12.0	10.9	14.3	15.1
Reported PAT	9.7	9.2	11.6	11.3	12.0	12.9	18.9	22.7

Balance Sheet							(INR b)	
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Share Capital	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Reserves	35.2	41.0	44.0	55.4	63.5	71.6	82.2	94.7
Net Worth	35.7	41.5	44.6	55.9	64.0	72.1	82.8	95.2
Loans	1.2	1.1	2.8	3.2	4.2	3.9	1.3	1.0
Deferred Liability	1.0	1.1	0.7	3.8	3.8	3.8	3.8	3.8
Minority Interest	1.8	2.1	2.2	2.4	2.0	2.3	2.3	2.3
Capital Employed	39.8	45.8	50.2	65.4	74.0	82.1	90.2	102.3
Gross Block	21.6	23.5	28.7	45.5	50.1	54.9	59.4	63.4
Less: Accum. Depn.	10.0	10.9	12.5	14.2	16.0	18.7	21.8	25.0
Net Fixed Assets	11.6	12.6	16.2	31.3	34.2	36.2	37.7	38.4
Capital WIP	2.3	2.4	2.6	2.9	2.3	4.1	4.1	4.1
Goodwill	1.8	1.8	1.8	12.8	12.9	12.9	12.9	12.9
Others	0.8	0.9	0.7	0.9	0.6	0.5	0.5	0.5
Investments	12.5	15.5	11.9	5.2	4.6	8.8	13.1	18.2
Curr. Assets, L&A	23.0	25.8	32.0	34.9	40.5	42.5	47.5	57.0
Inventory	8.0	9.3	9.3	12.3	17.0	18.2	19.4	21.3
Account Receivables	9.4	10.6	10.9	13.2	14.3	15.4	17.2	20.5
Cash and Bank Balance	1.6	1.9	7.0	4.5	3.6	3.3	4.6	8.4
Others	4.0	4.0	4.8	4.9	5.7	5.7	6.3	6.9
Curr. Liab. and Prov.	12.2	13.3	15.0	22.8	21.0	22.9	25.5	28.7
Current liabilities	11.6	12.5	14.2	21.7	19.7	21.3	23.9	27.0
Provisions	0.6	0.7	0.8	1.1	1.3	1.6	1.6	1.8
Net Current Assets	10.8	12.5	17.0	12.1	19.5	19.6	22.0	28.3
Application of Funds	39.8	45.8	50.2	65.4	74.0	82.1	90.2	102.3

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	36.9	44.4
Cash EPS	21.3	21.2	27.2	26.1	28.2	30.5	43.0	50.8
BV/Share	70.4	81.7	87.7	110.1	126.0	141.9	162.8	187.2
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	43.3	45.0
Valuation (x)								
P/E	134.4	137.1	106.5	114.9	108.3	100.9	68.9	57.3
Cash P/E	119.5	120.2	93.4	97.5	90.2	83.4	59.2	50.1
EV/Sales	21.0	18.0	17.4	17.6	13.0	10.9	9.7	8.5
EV/EBITDA	95.4	93.3	79.0	76.6	69.8	64.8	45.2	37.9
P/BV	36.2	31.2	29.0	23.1	20.2	17.9	15.6	13.6
Dividend Yield (%)	0.2	0.3	0.3	0.3	0.3	0.4	0.6	0.8
Return Ratios (%)								
RoE	27.3	24.4	28.2	22.4	19.9	18.8	24.2	25.4
RoCE	25.1	22.5	25.9	20.0	17.6	16.9	22.2	23.8
RoIC	39.1	34.8	41.1	26.9	20.6	19.8	27.8	32.1
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	2.2	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

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
(INR b)								
PBT before Extra Ord	13.6	13.4	14.7	15.2	16.1	17.2	25.3	30.3
Add: Depreciation	1.2	1.3	1.7	2.0	2.4	2.7	3.1	3.3
Interest Paid	0.1	0.1	0.2	0.2	0.4	0.4	0.5	0.5
Less: Taxes Paid	4.3	4.1	3.9	3.7	4.6	4.1	6.5	7.7
Non-operating income	0.9	0.5	0.4	0.1	(0.4)	(0.1)	0.6	0.6
(Incr)/Decr in WC	(1.8)	(1.8)	0.6	0.3	(5.1)	(0.8)	(1.1)	(2.4)
CF from Operations	8.0	8.4	12.8	13.9	9.6	15.6	20.7	23.3
CFO after extraordinary	8.0	8.4	12.8	13.9	9.6	15.6	20.7	23.3
Incr in FA	(1.8)	(2.5)	(4.4)	(3.5)	(3.7)	(5.0)	(4.5)	(4.0)
Acquisition of companies	-	-	-	(20.6)	(2.6)	-	-	-
Free Cash Flow	6.2	5.9	8.4	(10.2)	3.2	10.6	16.2	19.3
Pur of Investments	2.9	(2.3)	4.7	7.1	0.7	(4.0)	(4.3)	(5.1)
Others	(0.6)	0.3	0.6	1.3	(0.2)	(0.3)	0.6	0.6
CF from Invest.	0.6	(4.6)	0.8	(15.7)	(5.8)	(9.3)	(8.2)	(8.5)
Change in share capital	0.0	0.0	0.0	(0.3)	(0.4)	0.2	-	-
Incr in Debt	(0.0)	(0.1)	0.3	0.2	0.8	(0.8)	(2.6)	(0.3)
Dividend Paid	(2.9)	(3.6)	(8.3)	(0.0)	(4.3)	(5.1)	(8.1)	(10.2)
Interest Paid	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)	(0.3)	(0.5)	(0.5)
Others	(4.8)	0.3	(0.3)	(0.3)	(0.5)	(0.5)	-	-
CF from Fin. Activity	(7.9)	(3.6)	(8.5)	(0.8)	(4.7)	(6.6)	(11.3)	(10.9)
Incr/Decr of Cash	0.6	0.3	5.1	(2.5)	(1.0)	(0.3)	1.3	3.8
Add: Opening Balance	1.0	1.6	1.9	7.0	4.5	3.6	3.3	4.6
Closing Balance	1.6	1.9	7.0	4.5	3.6	3.3	4.6	8.4

E: MOFSL Estimates

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NOTES

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UNDER REVIEW	Rating may undergo a change
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