29 July 2026
1QFY27 Results Update | Sector: Consumer

Asian Paints

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USDb)	2645.9 / 27.7
52-Week Range (INR)	2986 / 2115
1, 6, 12 Rel. Per (%)	3/19/17
12M Avg Val (INR M)	3397

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	355.8	409.7	453.5
Sales Gr. (%)	4.9	15.1	10.7
EBITDA	67.0	78.4	87.8
EBIT Margin (%)	18.8	19.1	19.4
Adj. PAT	44.8	54.1	60.8
Adj. EPS (INR)	46.7	56.4	63.4
EPS Gr. (%)	11.2	20.6	12.4
BV/Sh.(INR)	222.8	245.4	270.7
Ratios			
RoE (%)	22.0	24.1	24.6
RoCE (%)	18.4	20.0	20.8
Payout (%)	87.7	72.7	64.7
Valuation			
P/E (x)	58.1	48.2	42.8
P/BV (x)	12.2	11.1	10.0
EV/EBITDA (x)	38.0	32.4	28.9
Div. Yield (%)	1.5	1.5	1.5

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	52.6	52.6	52.6
DII	20.8	21.8	21.0
FII	13.4	12.2	11.9
Others	13.2	13.4	14.4

FII includes depository receipts

CMP: INR2,758 TP: INR3,050 (+11%) Neutral

Revenue in line; beat on margins

- Asian Paints (APNT) reported 18% YoY consolidated revenue growth in 1QFY27 (vs. flat growth in 1QFY26), while standalone revenue grew 17% YoY. Domestic decorative volumes increased 9% YoY (est. 12%), partly impacted by channel up-stocking ahead of price hikes in 4Q. Management indicated that demand was healthy during the quarter and there was no meaningful inventory build-up. It expects demand to remain healthy in 2Q, supported by the festive season, and reiterated its FY27 volume growth guidance of 8–10%. International business delivered strong 27% YoY (20% in CC terms).
- Gross margin expanded 90bp YoY to 43.6% (est. 42.4%), aided by low-cost inventory carried over from the last quarter. The company witnessed 25% RM inflation and a 7-8% weighted average price increase (~4% realized pricing and ~3% favorable mix in 1Q). It implemented ~12% calibrated price hikes during the quarter and may take further pricing actions if needed. Realizations will depend on the product mix, as price hikes varied across categories. Management expects a weighted average price hike of 8-9% in 2QFY27, while 2HFY27 will depend on raw material inflation.
- EBITDA margin expanded 240bp YoY to 20.6% (est. 18.4%), driven by operating leverage. EBITDA increased 34% YoY to INR21.7b (est. INR19.2b). However, the higher-cost inventory is likely to weigh on margins in 2Q. Management maintained its FY27 EBITDA margin guidance of 18-20%, supported by premiumization, cost savings, and backward integration benefits. We model 20.4%/20.6% standalone and 19.1%/19.4% consolidated EBITDA margins for FY27/FY28.
- Given the volatile geopolitical backdrop, inflationary pressures are likely to remain elevated. Price hikes are reshaping the P&L structure, with revenue growth expected to remain strong, supported by double-digit price hikes. However, given the input cost inflation and stiff competition, margin expansion is likely to remain muted in the near term. The company is focusing on product innovation, brand salience, regionalization, and execution excellence to negate competitive pressure. We reiterate our Neutral rating with a TP of INR3,050.

Healthy 9% volume growth; beat on margins

- **Domestic volume up 9%:** APNT reported consol. net sales growth of 18% YoY to INR105.4b. (est. INR104.1b). Decorative business (India) clocked value growth of 17% and volume growth of 9% (est. 12%, 12% in 4QFY26). Industrial segment clocked mid-teen growth (+16% YoY). The bath business declined 4% and the kitchen business revenue grew 10%. White Teak business revenue declined 7%, while Weather Seal revenue rose 11%.
- **International witnessed strong momentum:** International business registered a value growth of 27% (20% growth in CC terms), backed by steady performance in Egypt, UAE, Oman, Nepal, and Bangladesh.
- **Better margin delivery**: Gross margin expanded 90bp YoY to 43.6% (est. 42.4%). GP grew 20% YoY to INR46b (est. INR44.2b). Employee expenses rose 12% YoY, while other expenses rose 10% YoY. EBITDA margin expanded 240bp YoY to 20.6% (est. 18.4%).

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- **Robust growth in profitability**: EBITDA grew 33% YoY to INR21.7b (est. INR19.2b). PBT grew 40% YoY to INR20.6b (est. INR17.1b). Adj. PAT grew 40% YoY to INR15.4b (est. INR12.9b).

Key highlights from the management commentary

- Recent supply chain disruptions benefited larger organized players. The company's strong supply chain and extensive distribution network enabled it to capture incremental demand while smaller players faced supply constraints. As a result, the company is expected to outpace industry growth.
- Growth in rural markets and the B2B segment helped offset relatively weaker demand in Tier-1 and Tier-2 cities, and the company believes demand could have reached double-digit growth under more favorable conditions.
- New products contributed to ~17% of overall revenues. New launches are more focused on premium and luxury segments. Innovation revenue includes products launched over the last three years. New launches span emulsions, construction chemicals, waterproofing, and premium/luxury offerings.
- The VAM-VAE project remains on track, with the first phase expected to be commissioned in 2QFY27. It has an annual production capacity of 1,00,000MT (VAM) and 1,50,000MT (VAE). Management highlighted that the project should continue delivering 300–500bp of gross margin benefit for products utilizing the in-house emulsion, although the exact benefit will depend on sourcing economics and product formulations.

Valuation and view

- We increase our EPS estimates by 3% for FY27 and FY28, supported by better delivery of margins.
- Given the volatile geopolitical backdrop, inflationary pressures are likely to remain elevated. Price hikes are reshaping the P&L structure, with revenue growth expected to remain strong, supported by a double-digit price hike. However, given the input cost inflation and stiff competition, margins could remain under pressure for the near term. The company is focusing on product innovation, brand salience, regionalization, and execution excellence to negate competitive pressure.
- We model 9% volume and 16% standalone revenue growth for FY27. Management maintains EBITDA margin guidance of 18-20%, supported by premiumization, cost efficiencies, and backward integration benefits. We model 20.4%/20.6% standalone and 19.1%/19.4% consolidated EBITDA margins for FY27/FY28. We value the company at 50x FY28E EPS to arrive at a TP of INR3,050. We reiterate our Neutral rating.

Quarterly Performance (Consol.) (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	(%)
Est. Dom. Deco. Vol. growth (%)	3.9	10.9	8.0	12.4	9.0	7.0	9.0	9.0	8.7	8.7	12.0	
Net Sales	89,386	85,313	88,670	92,467	105,419	96,301	102,369	105,593	355,835	409,682	104,118	1.2
Change (%)	-0.3	6.3	3.7	10.6	17.9	12.9	15.4	14.2	4.9	15.1	16.5	
Gross Profit	38,155	36,849	39,382	41,432	45,955	40,665	44,902	47,067	155,818	178,588	44,195	
Gross Margin (%)	42.7	43.2	44.4	44.8	43.6	42.2	43.9	44.6	43.8	43.6	42.4	
EBITDA	16,250	15,034	17,810	17,866	21,688	16,464	19,957	20,322	66,959	78,431	19,157	13.2
Margin (%)	18.2	17.6	20.1	19.3	20.6	17.1	19.5	19.2	18.8	19.1	18.4	
Change (%)	-4.1	21.3	8.8	24.4	33.5	9.5	12.1	13.7	11.5	17.1	17.9	
Interest	445	439	479	591	478	550	650	705	1,954	2,383	700	
Depreciation	3,009	3,049	3,131	3,100	3,042	3,200	3,250	3,385	12,289	12,877	3,150	
Other Income	1,928	1,986	1,610	1,714	2,409	2,000	1,900	1,798	7,238	8,107	1,800	
PBT	14,724	13,532	15,810	15,889	20,576	14,714	17,957	18,030	59,955	71,278	17,107	20.3
Tax	3,917	3,733	4,152	4,286	5,363	3,679	4,489	4,645	16,088	18,176	4,362	
Effective Tax Rate (%)	26.6	27.6	26.3	27.0	26.1	25.0	25.0	25.8	26.8	25.5	25.5	
PAT before MI & extraordinary	10,807	9,799	11,658	11,603	15,213	11,036	13,468	13,385	43,867	53,102	12,744	19.4
Profit from associates and MI	190	137	517	119	180	8	268	530	963	963	114	
Adjusted PAT	10,998	9,936	12,175	11,721	15,393	11,044	13,736	13,915	44,830	54,064	12,859	19.7
Change (%)	-6.0	13.6	9.6	33.9	40.0	11.2	12.8	18.7	11.2	20.6	16.9	
Exceptional / Prior Period items	-	0.0	(1576.1)	0.0	-	0.0	0.0	0.0	(1,576)			
Reported PAT	10,998	9,936	10,599	11,721	15,393	11,044	13,736	13,915	43,254	54,064	12,859	19.7

E: MOFSL Estimates

Standalone performance

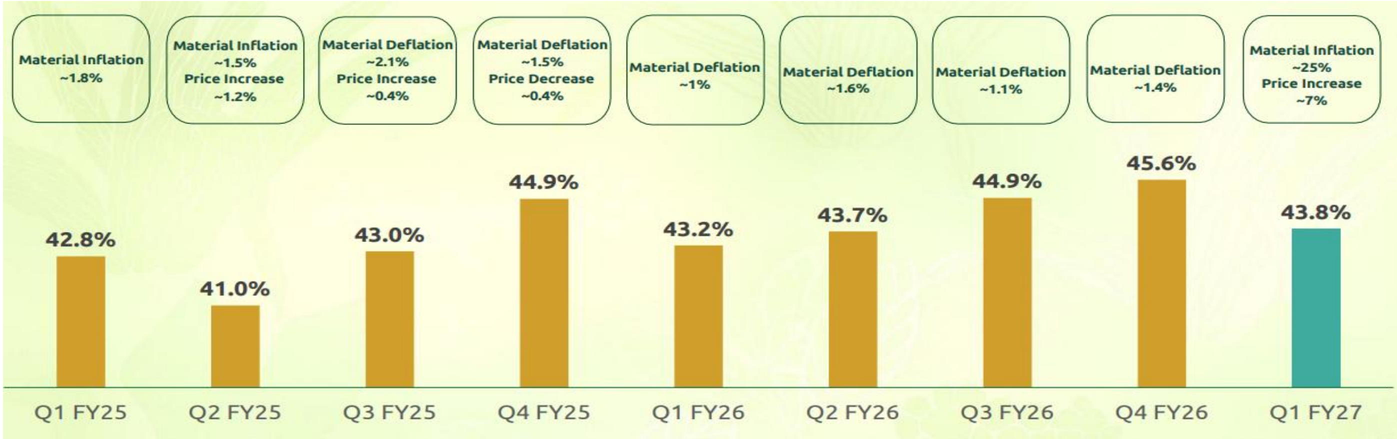
- Standalone net sales rose 17% YoY (on a base of -1%) to INR91.8b.
- Gross margin expanded 70bp YoY to 44%, and EBITDA margin expanded 260bp YoY to 21.9%.
- EBITDA rose 32% YoY (on -5% base) to INR20.1b.
- PBT increased 35% YoY to INR19.8b.
- Adj. PAT increased 34% YoY (on -8% base) to INR14.8b.

Quarterly Performance (Standalone) (INR m)

Y/E March	FY26				FY27				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Est. Dom. Deco. Vol. growth (%)	4	11	8	12	9	7	9	9	9	9
Net Sales	78,685	73,563	76,245	79,202	91,834	83,494	88,825	91,569	3,07,695	3,55,723
Change (%)	-1.3	5.6	2.8	10.1	16.7	13.5	16.5	15.6	4.1	15.6
Gross Profit	34,082	32,268	34,389	36,278	40,410	35,735	39,527	41,843	1,37,018	1,57,515
Gross Margin (%)	43.3	43.9	45.1	45.8	44.0	42.8	44.5	45.7	44.5	44.3
EBITDA	15,200	13,612	16,292	16,700	20,117	14,947	18,386	19,047	61,805	72,498
Margin (%)	19.3	18.5	21.4	21.1	21.9	17.9	20.7	20.8	20.1	20.4
Change (%)	-5	21	8	26	32	10	13	14	11	17
Interest	303	297	280	394	273	300	300	487	1,274	1,359
Depreciation	2,693	2,735	2,751	2,672	2,629	2,681	2,815	3,190	10,857	11,316
Other Income	2,477	2,320	2,578	1,953	2,605	2,320	2,578	2,291	9,327	9,793
PBT	14,682	12,900	15,839	15,588	19,820	14,285	17,849	17,661	59,001	69,615
Tax	3,685	3,324	3,896	3,980	5,037	3,571	4,462	4,334	14,894	17,404
Effective Tax Rate (%)	25	26	25	26	25	25	25	25	25	25
Adjusted PAT	10,996	9,577	11,944	11,607	14,784	10,714	13,387	13,327	44,107	52,211
Change (%)	-7.5	20.1	8.2	32.8	34.4	11.9	12.1	14.8	11.3	18.4
Exceptional / Prior Period items	0	0	1,665	0	0	0	0	0	1,665	0
Reported PAT	10,996	9,577	10,278	11,607	14,784	10,714	13,387	13,327	42,442	52,211

E: MOFSL Estimates

Exhibit 1: Low-cost inventory and calibrated pricing absorbed the steep RM inflation



Sources: Company reports

CONFERENCE CALL

Highlights from the management commentary

Business and Environment

- Domestic decorative volume rose 9% despite some channel stocking in 4Q ahead of price hikes.
- Growth in rural markets and the B2B segment helped offset relatively weaker demand in Tier-1 and Tier-2 cities, and the company believes demand could have reached double-digit growth under more favorable conditions.
- Management highlighted that premium products are witnessing healthy acceptance even in Tier-3 and Tier-4 cities, supporting realization growth.
- **The company witnessed 25% material inflation and has implemented a weighted average price increase of 7% during the quarter.**
- **Management expects demand to remain healthy in 2Q, supported by the festive season, and reiterated its FY27 volume growth guidance of 8–10%.**
- Value growth exceeded volume growth, led by an improving product mix and pricing. Management expects the value and volume gap to remain positive over the next few quarters.
- The weighted average price increase in 1QFY27 was ~7%. Although some products witnessed 13–14% price hikes, the overall realization impact depends on the product mix, as price increases varied across categories.
- **Decorative value growth of ~16.6% in 1QFY27 was supported by ~9% volume growth, ~4-5% realized pricing, and a favorable ~3% product mix.**
- **Management expects the weighted average pricing benefit to improve to 8-9% in the coming quarters, subject to the sales mix.**
- The increase in inventory value is primarily due to high-cost raw material inventory rather than higher finished goods inventory. Most of the low-cost finished goods inventory benefit was already realized in 1QFY27. The company used to maintain 35-40 days of inventory.
- **From 2QFY27 onwards, high-cost raw materials will begin flowing through the P&L, creating some cost pressure.**
- Management expects the impact of raw material inflation to be partly offset by the recent price hikes and a favourable product mix.

- Recent supply chain disruptions benefited larger organized players. The company's strong supply chain and wider distribution network enabled it to capture incremental demand while smaller players faced supply constraints. It is expected to outpace industry growth.
- Growth was witnessed across rural and urban markets, with rural growing ahead of urban markets.
- New products contributed to ~17% of overall revenues. New launches are more focused on premium and luxury segments. Innovation revenue includes products launched over the last three years. New launches span emulsions, construction chemicals, waterproofing, and premium/luxury offerings.
- VAM-VAE project is on track, and the company expects to commission the first phase in 2QFY27. It has annual production capacity of 1,00,000MT (VAM) and 1,50,000MT (VAE).
- Management highlighted that the project should continue delivering 300–500bp of gross margin benefit for products utilizing the in-house emulsion, although the exact benefit will depend on sourcing economics and product formulations.

Cost and margins

- Gross margin expansion was driven by a better premium product mix and higher realizations. Margins also benefited from the carryover of low-cost inventory during the quarter.
- Recent price hikes were calibrated, with the mix contributing more than pricing to margin expansion.
- **Management highlighted that raw material inflation remains higher than the cumulative price hikes taken so far, implying some cost pressure could flow through in the coming quarters.**
- Management indicated it is not appropriate to benchmark price hikes against crude oil, as the raw material basket comprises multiple inputs with different cost drivers. While TiO_2, the largest raw material, is independent of crude prices, monomers, polymers and additives follow different pricing trends.
- Raw material prices continue to remain volatile. Management highlighted that TiO_2 prices started increasing towards the end of June, while certain monomer prices have begun to soften, making it difficult to estimate a normalized cost base.
- Management indicated that 2Q margins are typically lower than 1Q due to seasonal product mix, and expects the same trend to continue this year.
- **The company does not intend to take further price hikes at present and will consider additional pricing actions only if raw material inflation worsens materially.**
- **Despite the volatility in input costs, management remains comfortable with its 18–20% EBITDA margin guidance, supported by pricing actions, premiumisation and disciplined sourcing.**
- Industrial margins remained under pressure as price hikes in the industrial business are implemented with a lag, unlike the decorative segment.

Segmental Information

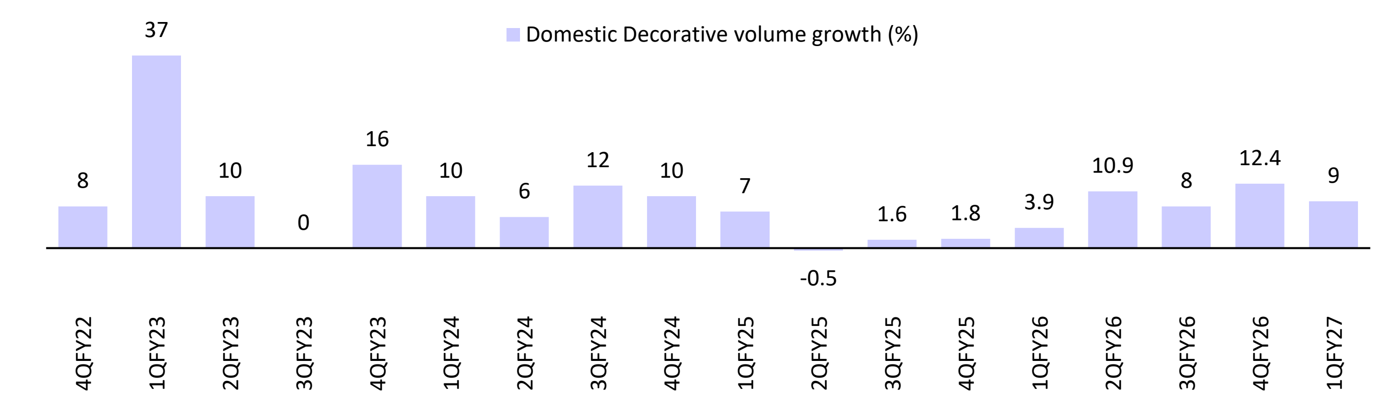
- White Teak (decorative and designer lighting) net sales declined 7% YoY. Weatherseal (uPVC windows and doors) posted net sales growth of 11% YoY.
- The Kitchen business witnessed revenue growth of ~10% in 4Q, with some improvement in profitability.
- The Bath business reported revenue decline of ~4%, with losses increasing.
- PPG Asian Paints (PPGAP) delivered 14% revenue growth, driven by Automotive and General Industrial segments.
- Asian Paints PPG (APPPG) posted revenue growth of 21%, driven by the Protective Coatings and powder segment.

International performance

- The international business delivered strong 27% growth in INR terms and 20% in constant currency, led by steady performance in key markets of Egypt, UAE, Oman, Nepal, and Bangladesh.
- Significant improvement in profitability was driven by cost optimization.
- Profit grew 95%, led by the Asia and Middle East markets.

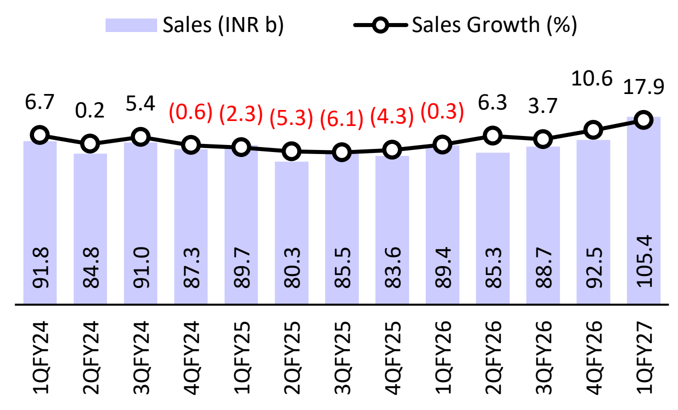
Key exhibits

Exhibit 2: Domestic business volumes rose 9% YoY in 1QFY27



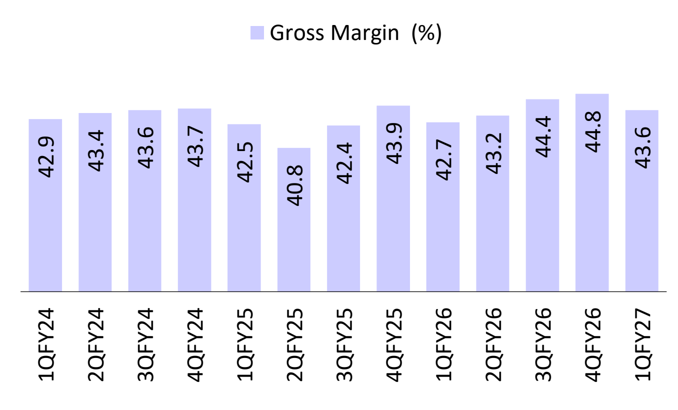
Sources: Company reports

Exhibit 3: Consolidated sales grew 18% YoY to INR105.4b in 1QFY27



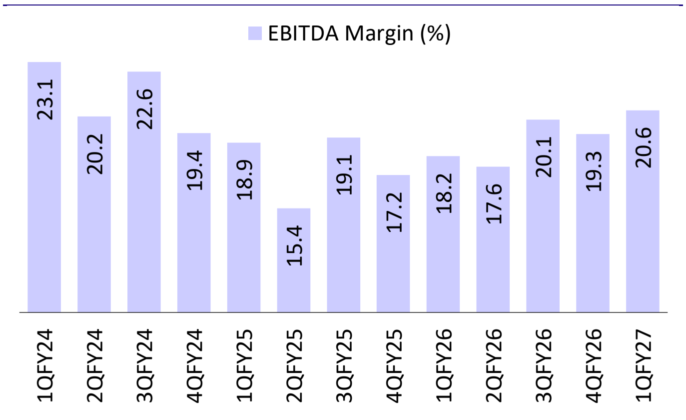
Sources: Company reports, MOFSL

Exhibit 4: Gross margin expanded 90bp YoY to 44% in 1QFY27



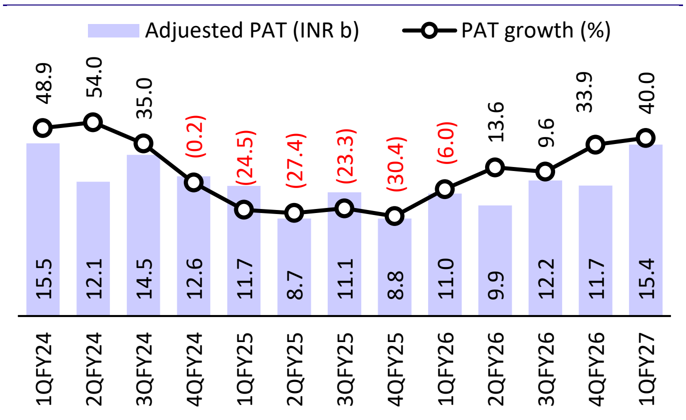
Sources: Company reports, MOFSL

Exhibit 5: EBITDA margin expanded 240bp YoY to 20.6% in 1QFY27



Sources: Company reports, MOFSL

Exhibit 6: PAT rose 40% YoY to INR15.4b in 1QFY27



Sources: Company reports, MOFSL

Valuation and view

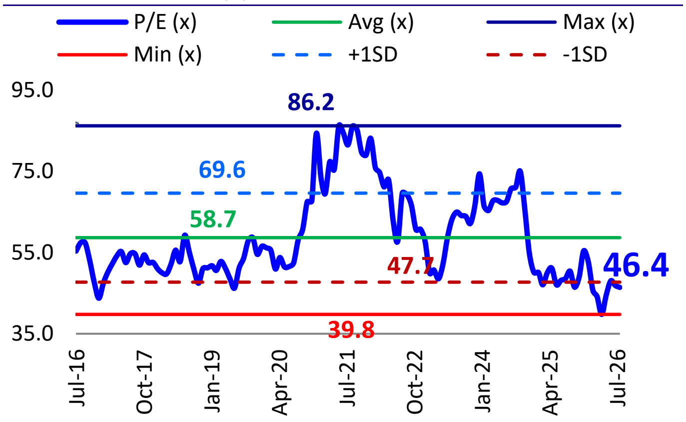
- We increase our EPS estimates by 3% for FY27 and FY28 on the back of better delivery of margins.
- Given the volatile geopolitical backdrop, inflationary pressures are likely to remain elevated. Price hikes are reshaping the P&L structure, with revenue growth expected to remain strong, supported by a double-digit price hike. However, given input cost inflation and stiff competition, margins could be under pressure for the near term. The company is focusing on product innovation, brand salience, regionalization, and execution excellence to negate competitive pressure.
- We model 9% volume and 16% standalone revenue growth for FY27. Management maintains EBITDA margin guidance of 18-20%, supported by premiumization, cost efficiencies, and backward integration benefits. We model 20.4%/20.6% standalone and 19.1%/19.4% consolidated EBITDA margins for FY27/FY28. We value the company at 50x FY28E EPS to arrive at a TP of INR3,050. We reiterate our Neutral rating.

Exhibit 7: We increase our EPS estimates by 3-4% for FY27 and FY28

	New		Old		Change (%)	
INR b	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Sales	409.7	453.5	408.3	451.8	0.3	0.4
EBITDA	78.4	87.8	77.2	86.7	1.6	1.3
PAT	54.1	60.8	52.2	59.2	3.5	2.7

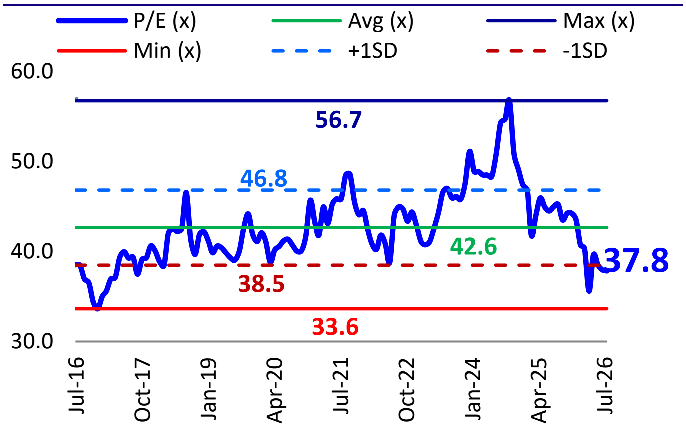
Sources: Company reports, MOFSL

Exhibit 8: P/E ratio (x) for APNT



Sources: Bloomberg, company reports, MOFSL

Exhibit 9: P/E ratio for the Consumer sector



Sources: Bloomberg, company reports, MOFSL

Financials and valuations

Income Statement consol.									(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Net Sales	**2,02,113**	**2,17,128**	**2,91,013**	**3,44,886**	**3,54,947**	**3,39,056**	**3,55,835**	**4,09,682**	**4,53,530**
Change (%)	5.0	7.4	34.0	18.5	2.9	-4.5	4.9	15.1	10.7
Raw Materials	1,13,835	1,20,972	1,83,008	2,11,565	2,00,902	1,95,158	2,00,018	2,31,094	2,52,873
Gross Profit	**88,278**	**96,156**	**1,08,005**	**1,33,321**	**1,54,045**	**1,43,898**	**1,55,818**	**1,78,588**	**2,00,657**
Margin (%)	43.7	44.3	37.1	38.7	43.4	42.4	43.8	43.6	44.2
Operating Expenses	46,660	47,600	59,969	70,723	78,195	83,836	88,858	1,00,156	1,12,871
EBITDA	**41,618**	**48,556**	**48,036**	**62,598**	**75,850**	**60,062**	**66,959**	**78,431**	**87,786**
Change (%)	10.5	16.7	-1.1	30.3	21.2	-20.8	11.5	17.1	11.9
Margin (%)	20.6	22.4	16.5	18.2	21.4	17.7	18.8	19.1	19.4
Depreciation	7,805	7,913	8,164	8,580	8,530	10,263	12,289	12,877	13,458
Int. and Fin. Charges	1,023	916	954	1,445	2,052	2,270	1,954	2,383	2,940
Other Income	3,043	3,031	3,800	3,865	6,880	5,726	7,238	8,107	8,917
Profit before Taxes	**35,833**	**42,758**	**42,719**	**56,438**	**72,148**	**53,255**	**59,955**	**71,278**	**80,305**
Change (%)	9.5	19.3	-0.1	32.1	27.8	-26.2	12.6	18.9	12.7
Margin (%)	17.7	19.7	14.7	16.4	20.3	15.7	16.8	17.4	17.7
Tax	9,501	11,218	11,644	15,108	17,847	13,756	15,501	18,176	20,478
Deferred Tax	-953	-242	-614	-173	54	178	587	0	0
Tax Rate (%)	23.9	25.7	25.8	26.5	24.8	26.2	26.8	25.5	25.5
PAT Before Minority	**27,284**	**31,782**	**31,689**	**41,503**	**54,247**	**39,321**	**43,867**	**53,102**	**59,828**
Profit from associates and MI	-183	-389	-227	50	355	982	963	963	963
Adjusted PAT	**27,101**	**31,393**	**31,463**	**41,553**	**54,602**	**40,303**	**44,830**	**54,064**	**60,790**
Change (%)	25.4	15.8	0.2	32.1	31.4	-26.2	11.2	20.6	12.4
Margin (%)	13.4	14.5	10.8	12.0	15.4	11.9	12.6	13.2	13.4
Exceptional/Prior Period inc	-50	0	-1,157	-489	0	-3,631	-1,576	0	0
Reported PAT	**27,052**	**31,393**	**30,306**	**41,064**	**54,602**	**36,672**	**43,254**	**54,064**	**60,790**

Balance Sheet									(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	959	959	959	959	959	959	959	959	959
Reserves	1,00,342	1,27,104	1,37,156	1,58,963	1,86,324	1,93,039	2,12,757	2,34,382	2,58,698
Net Worth	**1,01,302**	**1,28,063**	**1,38,116**	**1,59,922**	**1,87,283**	**1,93,998**	**2,13,716**	**2,35,342**	**2,59,658**
Loans	3,401	3,402	7,757	9,722	11,071	8,638	22,933	21,333	20,033
Other Liability	11,984	11,538	11,362	13,158	17,306	18,609	20,608	22,301	24,165
Minority Interest	4,035	4,229	3,875	4,537	6,954	6,592	6,434	6,434	6,434
Capital Employed	**1,20,722**	**1,47,232**	**1,61,109**	**1,87,339**	**2,22,614**	**2,27,837**	**2,63,691**	**2,85,409**	**3,10,289**
Intangible assets	2,675	2,340	1,860	1,874	4,250	3,692	2,562	2,327	2,087
Gross Block	65,677	67,724	69,969	74,818	82,519	1,11,030	1,22,887	1,32,887	1,42,887
Less: Accum. Depn.	18,029	22,960	28,124	33,361	38,057	43,154	51,425	59,929	69,217
Net Fixed Assets	**47,648**	**44,764**	**41,845**	**41,457**	**44,462**	**67,876**	**71,462**	**72,958**	**73,670**
Capital WIP	1,402	1,830	4,264	10,196	26,984	12,545	18,487	18,487	18,487
Right to Use Assets	9,201	8,456	9,058	12,089	18,563	18,437	20,188	19,150	18,320
Investments	**20,189**	**47,368**	**32,475**	**42,617**	**45,879**	**47,248**	**70,617**	**76,005**	**81,413**
Current	5,125	32,671	21,807	26,970	32,034	32,450	62,858	67,858	72,858
Non-current	15,064	14,697	10,668	15,647	13,845	14,798	7,759	8,147	8,554
Curr. Assets, L&A	**77,066**	**95,770**	**1,37,654**	**1,47,276**	**1,54,679**	**1,51,559**	**1,59,681**	**1,82,483**	**2,07,552**
Inventory	33,898	37,986	61,530	62,106	59,234	67,193	57,437	72,957	80,766
Account Receivables	17,994	26,051	38,738	46,391	48,908	43,224	44,672	50,509	55,915
Cash and Bank Balance	7,828	6,108	8,643	8,438	10,840	7,820	10,737	6,770	10,164
Others	17,345	25,626	28,743	30,340	35,696	33,323	46,835	52,247	60,707
Curr. Liab. and Prov.	**40,658**	**56,322**	**68,475**	**70,455**	**76,394**	**75,716**	**81,497**	**88,192**	**93,430**
Account Payables	21,366	33,787	41,643	36,354	38,313	38,480	38,630	44,897	49,702
Other Liabilities	16,860	19,538	23,952	31,051	35,230	33,986	37,963	38,342	38,726
Provisions	2,432	2,996	2,880	3,049	2,850	3,249	4,904	4,953	5,002
Net Current Assets	**36,408**	**39,449**	**69,179**	**76,821**	**78,285**	**75,843**	**78,184**	**94,291**	**1,14,122**
Godwill on Cons.	3,200	3,026	2,429	2,285	4,192	2,196	2,191	2,191	2,191
Application of Funds	**1,20,722**	**1,47,232**	**1,61,109**	**1,87,339**	**2,22,614**	**2,27,837**	**2,63,691**	**2,85,409**	**3,10,289**

E: MOFSL Estimates

Financials and valuations

Ratios									
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Basic (INR)									
EPS	**28.3**	**32.7**	**32.8**	**43.3**	**56.9**	**42.0**	**46.7**	**56.4**	**63.4**
Cash EPS	36.4	41.0	41.3	52.3	65.8	52.7	59.5	69.8	77.4
BV/Share	105.6	133.5	144.0	166.7	195.2	202.2	222.8	245.4	270.7
DPS	21.8	4.9	18.2	25.6	44.0	44.0	41.0	41.0	41.0
Payout %	77.3	14.8	55.3	59.2	77.3	104.7	87.7	72.7	64.7
Valuation (x)									
P/E	96.1	83.0	82.8	62.7	47.7	64.6	58.1	48.2	42.8
Cash P/E	74.6	66.3	65.7	51.9	41.3	51.5	45.6	38.9	35.1
EV/Sales	12.8	11.8	8.8	7.4	7.2	7.5	7.2	6.2	5.6
EV/EBITDA	62.0	52.6	53.5	40.9	33.7	42.6	38.0	32.4	28.9
P/BV	25.7	20.3	18.9	16.3	13.9	13.4	12.2	11.1	10.0
Dividend Yield (%)	0.8	0.2	0.7	0.9	1.6	1.6	1.5	1.5	1.5
Return Ratios (%)									
RoE	27.7	27.4	23.6	27.9	31.5	21.1	22.0	24.1	24.6
RoCE	23.6	24.2	21.0	24.4	27.2	18.2	18.4	20.0	20.8
RoIC	23.2	24.1	20.6	25.1	28.6	18.7	18.1	19.7	20.4
Working Capital Ratios									
Debtor (Days)	32	44	49	49	50	47	46	45	45
Asset Turnover (x)	1.7	1.5	1.8	1.8	1.6	1.5	1.3	1.4	1.5
Leverage Ratio									
Debt/Equity (x)	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.1	0.1

Cash Flow Statement									(INR m)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
OP/(loss) before Tax	36,283	43,044	41,877	56,888	73,478	51,031	60,034	71,278	80,305
Depreciation	7,819	7,913	8,164	8,580	8,530	10,263	12,289	12,877	13,458
Net interest	96	165	-125	102	151	265	124	-5,724	-5,978
Others	-401	-1,426	-342	-972	-2,873	-2,152	-584	963	963
Direct Taxes Paid	-10,108	-10,797	-11,757	-14,943	-18,351	-13,955	-15,738	-18,176	-20,478
(Incr)/Decr in WC	-7,371	-2,065	-27,952	-7,721	101	-5,702	14,757	-20,017	-16,372
CF from Operations	**26,319**	**36,834**	**9,865**	**41,934**	**61,036**	**39,751**	**70,882**	**41,201**	**51,899**
Incr in FA	-3,669	-2,543	-4,987	-12,475	-21,939	-17,952	-14,638	-10,100	-10,100
Free Cash Flow	**22,650**	**34,291**	**4,878**	**29,460**	**39,097**	**21,799**	**56,244**	**31,101**	**41,799**
Pur of Investments	-2,536	-3,679	973	1,813	283	-9	-1	-5,388	-5,407
Others	7,918	-25,829	14,761	-10,077	-7,153	3,293	-29,561	5,107	5,917
CF from Invest.	**1,713**	**-32,050**	**10,747**	**-20,739**	**-28,809**	**-14,668**	**-44,200**	**-10,381**	**-9,590**
Incr in Debt	-2,614	257	3,247	2,382	31	-130	8,265	-1,600	-1,300
Dividend Paid	-21,207	-4,994	-17,628	-19,361	-25,509	-31,402	-24,254	-32,439	-36,474
Net interest Paid	-1,009	-893	-936	-1,420	-1,906	-2,032	-2,283	-2,383	-2,940
Others	178	-875	-2,759	-3,003	-2,441	5,461	-5,493	1,636	1,799
CF from Fin. Activity	**-24,652**	**-6,504**	**-18,076**	**-21,401**	**-29,825**	**-28,103**	**-23,765**	**-34,786**	**-38,914**
Incr/Decr of Cash	**3,380**	**-1,721**	**2,536**	**-205**	**2,402**	**-3,020**	**2,917**	**-3,966**	**3,394**
Add: Opening Balance	4,449	7,828	6,108	8,643	8,438	10,840	7,820	10,737	6,770
Closing Balance	**7,828**	**6,108**	**8,643**	**8,438**	**10,840**	**7,820**	**10,737**	**6,770**	**10,164**

E: MOFSL Estimates

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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