PI Industries

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	PI IN
Equity Shares (m)	152
M.Cap.(INRb)/(USDb)	376.7 / 4
52-Week Range (INR)	3918 / 2457
1, 6, 12 Rel. Per (%)	-6/-18/-35
12M Avg Val (INR M)	874

Financials & Valuations (INR b)

Y/E Mar	2026	2027E	2028E
Sales	67.1	69.1	77.1
EBITDA	17.0	16.6	19.7
PAT	12.4	11.4	13.6
EBITDA (%)	25.3	24.0	25.5
EPS (INR)	81.8	75.0	89.2
EPS Gr. (%)	(25.1)	(8.3)	18.9
BV/Sh. (INR)	739	798	871
Ratios			
Net D/E	(0.3)	(0.3)	(0.4)
RoE (%)	11.6	9.8	10.7
RoCE (%)	11.5	9.7	10.6
Payout (%)	18.4	21.3	17.9
Valuations			
P/E (x)	30.4	33.1	27.8
EV/EBITDA (x)	21.1	21.1	17.4
Div Yield (%)	0.6	0.6	0.6
FCF Yield (%)	(1.3)	3.2	2.8

Shareholding Pattern (%)

As on	Jun-26	Mar-26	Jun-25
Promoter	46.1	46.1	46.1
DII	31.6	31.3	29.4
FII	14.8	15.9	17.0
Others	7.4	6.7	7.6

Note: FII includes depository receipts

CMP: INR2,483 TP: INR3,000 (+21%) Buy

Weak Agchem export volume weighs on performance

Operating performance misses our estimate

- PI Industries (PI) reported a weak quarter as revenue declined 10% YoY, primarily due to a 13% YoY dip in the CSM business, attributed to muted global agrochemical demand and continued pricing pressure. Domestic Agri reported a muted revenue growth of 3% YoY, while the Pharma business declined 25% YoY. Gross margin contracted 70bp YoY, while lower volumes led to adverse operating leverage, resulting in an overall EBITDA margin contraction of 570bp YoY.
- Going forward, we remain cautiously optimistic, supported by a stable ~USD1.2b CSM order book, expectations of a gradual recovery in global agrochemical demand, and a healthy innovation pipeline with 4-5 planned product launches during FY27. In addition, the biologicals platform, proprietary products such as Pi-Liprole, and continued investments in pharma CRDMO & electronic chemicals are expected to emerge as key medium-term growth drivers.
- Factoring in the muted 1QFY27, we cut our FY27/FY28 earnings estimates by 15%/12% respectively. We **reiterate our BUY rating with a TP of INR3,000 (based on 34x FY28E EPS, i.e., a discount of ~9% to the company's six-year historical P/E at 37x).**

Adverse operating leverage contracts margins

- Revenue stood at INR17b (est. INR18.3b), declining 10% YoY. Agrochemicals business revenue declined 10% YoY to INR16.5b, and Pharma business revenue declined 25% YoY to INR542m, driven by order phasing and customer delivery schedule timing.
- Agchem export demand remained weak (revenue -12%, volume -8%), while domestic volumes grew ~12%, led by strong biologicals growth, partially offset by pricing pressure and demand deferment led by delayed monsoon.
- EBITDA stood at INR3.7b (est. INR4.9b), declining 29% YoY. EBITDA margin contracted 570bp YoY to 21.6% (est. 26.5%); gross margin stood at 56.7% (down 70bp YoY); employee expenses rose 310bp YoY to 15.3%; other expenses rose 190bp YoY to 19.8% of sales.
- EBIT margin for Agrochemical business stood at 23.3% (down 770bp), and Pharma reported an operating loss of INR816m vs operating loss of INR760m in 1QFY26. Adj. PAT declined 39% YoY to INR2.4b (est. INR3.5b).
- Surplus cash net of debt stood at INR8b. NWC improved by 19 days to 120 vs 139 days in 4QFY26, led by an improvement of 14/10 days in DSO/DPO to 112/63.

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Highlights from the management commentary

- **Guidance/outlook:** Management has guided for low single-digit revenue growth, driven by a gradual recovery in exports during 2HFY27, new product launches, and scaling of its biologicals and pharma businesses. The company remains committed to investing 3-4% of revenue in R&D while continuing to build capabilities in biologicals, pharma CRDMO, electronic chemicals, and specialty chemicals.
- **New products/emerging drivers:** New products contributed 16-18% of CSM revenue in 1QFY27. PI has an active pipeline of ~60 projects and plans to launch 4-5 products in FY27, including the proprietary diamide insecticide Pi-Liprole. The company is also scaling its global biological nematicide platform and advancing electronic chemicals and pharma CRDMO businesses, which management expects would become meaningful contributors to future growth.
- **Pharma:** While some projects witnessed timing-related delays during the quarter, management indicated that customer programs remain on track and revenue visibility is intact. PI is strengthening its front-end drug discovery capabilities through Integrated Drug Discovery (IDD) partnerships and early-stage engagement with innovators, aiming to create a larger pipeline of opportunities that can eventually scale into commercial CDMO contracts.

Valuation and view

- While near-term demand remains subdued in CSM, we expect growth to improve over the coming quarters, supported by a healthy order book of USD1.2b, new product launches, and a gradual recovery in the global agrochemical cycle.
- Going forward, we believe growth recovery will be led by: 1) improving growth prospects in the CSM business, supported by faster growth in new molecules (commercialization of 20+ molecules over the last few years), ramp up of newly launched molecules (~16% share), and a strong pipeline of 60+ projects (majority in advanced stages of development); 2) robust pipeline of biological products across various development stages; and 3) the ramp-up of its pharma business, with a focus on profitable growth.
- We expect a CAGR of 7%/8%/4% in revenue/EBITDA/adj. PAT over FY26-28. **We reiterate our BUY rating with a TP of INR3,000 (based on 34x FY28E EPS, i.e. a discount of ~9% to the company's six-year historical P/E at 37x).**

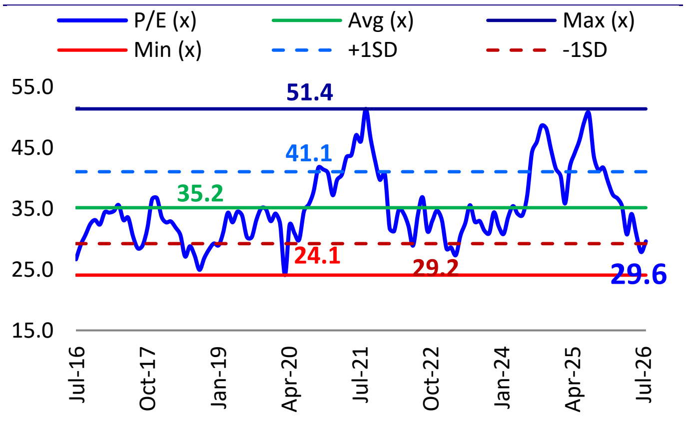
Quarterly Earning Model (INR m)

Y/E March	FY26				FY27				FY26	FY27E	FY27E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1Q	(%)
Net Sales	**19,005**	**18,723**	**13,757**	**15,652**	**17,023**	**18,733**	**16,095**	**17,230**	**67,137**	**69,081**	**18,325**	**-7**
YoY Change (%)	-8.1	-15.7	-27.6	-12.4	-10.4	0.1	17.0	10.1	-15.8	2.9	-4	
Total Expenditure	13,814	13,310	10,734	12,283	13,349	14,050	12,152	12,951	50,141	52,502	13,469	
EBITDA	**5,191**	**5,413**	**3,023**	**3,369**	**3,674**	**4,683**	**3,943**	**4,279**	**16,996**	**16,579**	**4,856**	**-24**
Margins (%)	27.3	28.9	22.0	21.5	21.6	25.0	24.5	24.8	25.3	24.0	26.5	
Depreciation	965	980	1,054	1,067	1,037	1,150	1,090	1,214	4,066	4,491	1,000	
Interest	39	26	62	37	79	60	60	55	164	254	39	
Other Income	859	825	667	756	641	832	700	729	3,107	2,901	790	
PBT before EO expense	**5,046**	**5,232**	**2,574**	**3,021**	**3,199**	**4,305**	**3,493**	**3,738**	**15,873**	**14,735**	**4,607**	
Extra-Ord expense	0	0	-1,051	20	0	0	0	0	-1,031	0	0	
PBT	**5,046**	**5,232**	**3,625**	**3,001**	**3,199**	**4,305**	**3,493**	**3,738**	**16,904**	**14,735**	**4,607**	
Tax	1,074	1,160	516	1,003	776	975	791	847	3,753	3,389	1,060	
Rate (%)	21.3	22.2	14.2	33.4	24.3	22.7	22.7	22.7	22.2	23.0	23.0	
MI & Profit/Loss of Asso. Cos.	-28	-21	-4	-4	-19	-14	-14	-14	-57	-60	-15	
Reported PAT	**4,000**	**4,093**	**3,113**	**2,002**	**2,442**	**3,343**	**2,716**	**2,905**	**13,208**	**11,406**	**3,562**	
Adj PAT	**4,000**	**4,093**	**2,325**	**2,017**	**2,442**	**3,343**	**2,716**	**2,905**	**12,435**	**11,406**	**3,562**	**-31**
YoY Change (%)	-10.9	-19.5	-37.6	-39.0	-39.0	-18.3	16.8	44.0	-25.1	-8.3	-11	
Margins (%)	21.0	21.9	16.9	12.9	14.3	17.8	16.9	16.9	18.5	16.5	19.4	

Key Performance Indicators

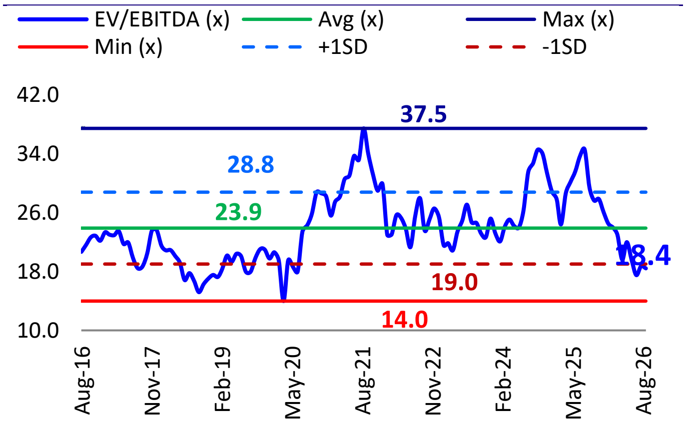
Y/E March	FY26				FY27				FY26	FY27E
Particulars	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
CSM Revenue (INRm)	14,897	14,105	10,574	11,537	13,000	13,400	12,372	12,691	**51,113**	**51,462**
% Change	-13.6	-18.0	-32.1	-15.4	-12.7	-5.0	17.0	10.0	**-19.7**	**0.7**
Domestic Formulation (INRm)	3,385	3,984	2,584	3,067	3,481	4,382	2,765	3,282	**13,020**	**13,910**
% Change	5.9	-13.4	-7.9	-9.3	2.8	10.0	7.0	7.0	**-6.9**	**6.8**
Pharma	723	634	599	1,048	542	951	958	1,258	**3,004**	**3,709**
% Change	185.8	54.3	-6.0	23.3	-25.0	50.0	60.0	20.0	**39.7**	**23.5**
Cost Break-up										
RM Cost (% of sales)	42.6	42.7	41.0	42.2	43.3	44.0	40.5	40.9	**42.2**	**42.2**
Staff Cost (% of sales)	12.2	11.8	16.6	14.5	15.3	14.1	15.5	14.8	**13.5**	**14.9**
Other Cost (% of sales)	17.9	16.6	20.5	21.8	19.8	16.9	19.5	19.4	**19.0**	**18.8**
Gross Margins (%)	57.4	57.3	59.0	57.8	56.7	56.0	59.5	59.1	**57.8**	**57.8**
EBITDA Margins (%)	27.3	28.9	22.0	21.5	21.6	25.0	24.5	24.8	**25.3**	**24.0**
EBIT Margins (%)	22.2	23.7	14.3	14.7	15.5	18.9	17.7	17.8	**19.3**	**17.5**

Exhibit 1: One year forward P/E



Source: Company, MOFSL

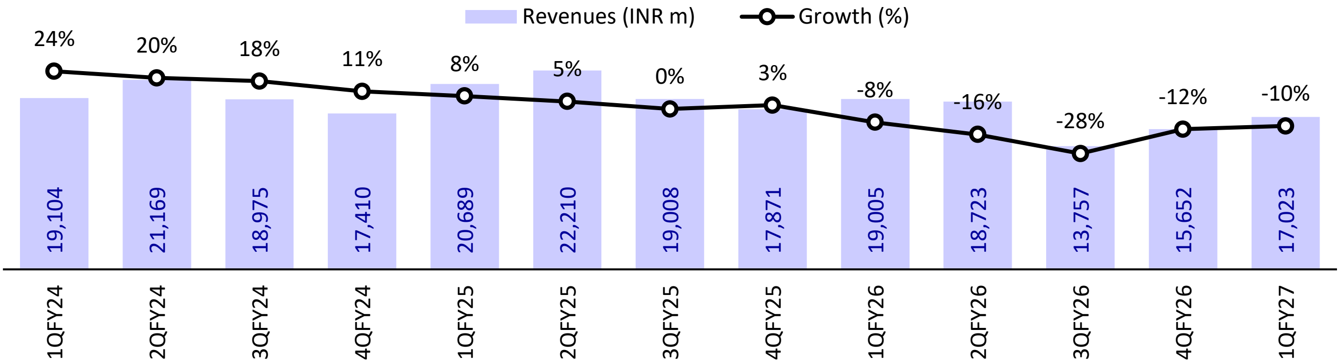
Exhibit 2: One year forward EV/EBITDA



Source: Company, MOFSL

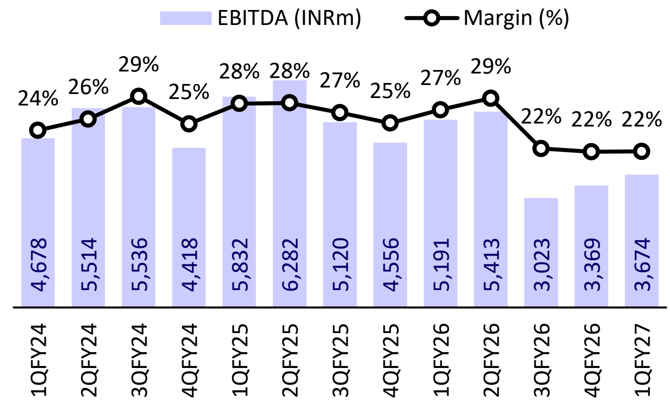
Key exhibits

Exhibit 3: Revenue growth trend



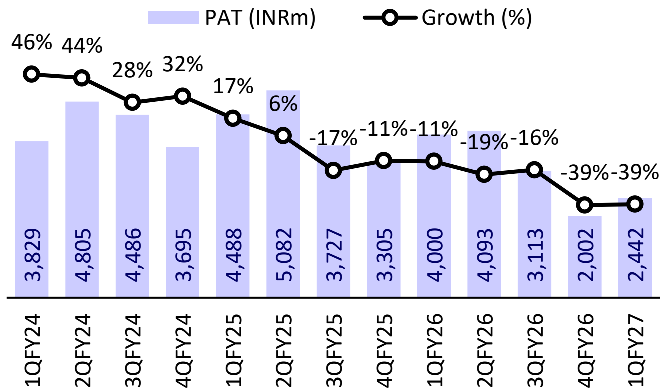
Source: Company, MOFSL

Exhibit 4: EBITDA trend



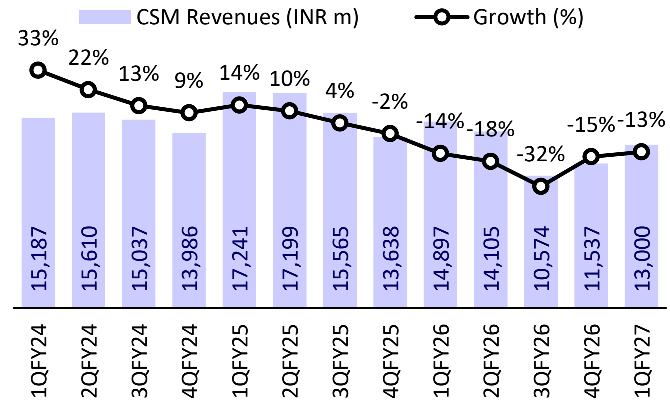
Source: Company, MOFSL

Exhibit 5: PAT trend



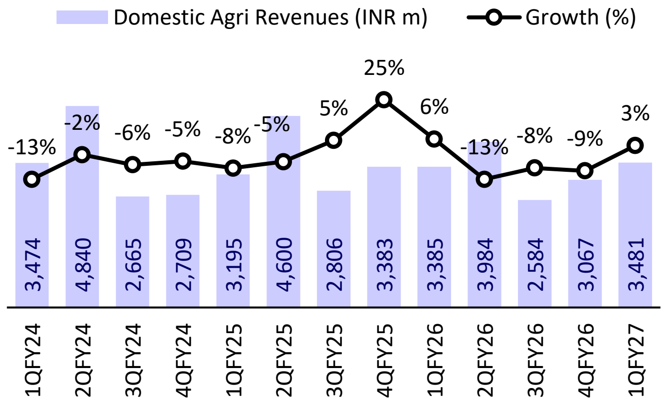
Source: Company, MOFSL

Exhibit 6: CSM revenue trend



Source: Company, MOFSL

Exhibit 7: Revenue trend in agri inputs



Source: Company, MOFSL

Exhibit 8: Momentum of new product launches to continue

Source: Company, MOFSL

CONFERENCE CALL

Highlights from the management commentary

Management Guidance and Outlook

- Management reiterated expectations of positive revenue growth in FY27, likely in low single digits.
- FY27 is expected to be better than FY26, supported by export recovery in 2HFY27, new product launches, and scaling of biologicals and pharma businesses.
- The company remains committed to maintaining R&D investments at 3-4% of revenue despite near-term margin pressures.
- PI is transforming from a traditional agrochemical company into a broader innovation-led technology platform.
- Current investments in biologicals, pharma, electronics, and R&D are intended to create future growth engines rather than maximize near-term profitability.
- Long-term focus remains on innovation, intellectual property creation, customer partnerships, and commercialization of differentiated technologies across global markets.

Industry Outlook & Business Environment

- Global crop protection markets are showing early signs of stabilization after a prolonged downturn, though recovery remains gradual.
- Demand remains impacted by weak crop economics, soft commodity prices, channel inventory overhang, and muted farmer spending globally.
- Geopolitical disruptions, tariffs, and supply chain uncertainties continue to increase compliance and operating costs across the industry.
- Management believes the industry is structurally shifting toward innovation-led, sustainable, and differentiated technologies, while older chemistries face increasing regulatory scrutiny.
- Future competitive advantages are expected to come from innovation, process excellence, commercialization capabilities, and deep customer partnerships rather than manufacturing scale alone.
- Management remains constructive on the long-term outlook, given growing food demand, sustainability requirements, and increasing adoption of advanced chemistry and biological solutions.

Financial Performance, Margins & Balance Sheet

- Gross margin remained strong at 57% despite weak industry conditions.
- Domestic business delivered ~12% volume growth, while export volumes declined ~8% YoY.
- Working capital improved significantly with a reduction of 19 days, releasing approximately INR3b of cash.
- The company maintained a debt-free balance sheet with net cash of approximately INR38b.
- R&D investments continue at 3-4% of revenue despite industry weakness.
- Management expects FY27 EBITDA margin to remain around 24%.
- Gross margin protection remains a key focus through product mix optimization and operational agility.

Export (CSM) Business & New Molecule Pipeline

- Export revenue declined ~12% YoY due to continued weakness in the global agrochemical industry.
- Pricing pressure persists because of weak demand, lower consumption, and subdued commodity prices.
- Input-cost inflation continues to create margin pressure across the value chain.
- Management expects industry conditions to gradually improve from 2HFY27.
- Export order book remains healthy at approximately USD1.2b.
- New products contributed around 16-18% of CSM revenue during the quarter.
- The company currently has around 60 active projects under development across agchem, biologicals, electronics, and specialty chemicals.
- Management described the overall pipeline as aggressive and expects several projects to become meaningful growth drivers over the medium term.
- PI plans to launch 4-5 new products during FY27.
- Three recently launched export molecules are next-generation crop protection products being developed with global innovators.
- Management remains confident that long-standing strategic partnerships will continue despite increasing competition.
- Currency benefits are largely shared with customers under PI's business model and, therefore, do not fully translate into revenue gains.

Domestic Agri Business & Proprietary Products

- Domestic business delivered approximately 12% volume growth despite delayed monsoon and elevated channel inventories.
- Revenue growth remained modest at around 3% due to pricing pressure.
- Delayed sowing impacted replacement demand during the quarter, though sowing has subsequently recovered to near last year's levels.
- Flagship brands such as Nominee Gold, Roket, and Pivota continued to maintain leadership positions.
- Management expects improving monsoon conditions and new product launches to support growth in coming quarters.
- PI's first internally discovered insecticide molecule is approaching commercial launch subject to regulatory approvals.
- The proprietary diamide insecticide (Pi-Liprole) is expected to be launched during FY27.
- Management highlighted that the product has demonstrated superior efficacy in certain target segments and offers a differentiated value proposition.
- The molecule is not intended to replace existing diamides but rather create its own niche within the market.
- Management expects the product to evolve into a meaningful three-digit crore brand over the next five to seven years.

Biologicals Business – Key Growth Engine

- Biologicals recorded more than 50% growth during the quarter.
- The business has delivered approximately 15% CAGR over the last three years.
- PI has built one of India's largest biological portfolios and is now expanding aggressively into international markets.

- More than 500 field trials and 1,000+ grower engagements are underway globally.
- Significant investments are currently being made in market development, farmer education, demonstration programs and commercial infrastructure.
- Management views current losses in the biologicals business as growth investments rather than operating losses.
- These investments are expected to continue over the next few quarters as the platform scales.
- The global biologicals market is estimated at around USD10b and continues to grow at a double-digit rate.
- PI's biological nematicide is registered in Brazil, Mexico, and the US.
- The product offers unique flexibility through foliar, seed-treatment, and soil application options.
- Brazil alone represents an approximately USD750m nematicide market opportunity.
- Management believes the product can eventually achieve double-digit market share in Brazil.
- Adoption is expected to build gradually over a five-to-ten-year period as farmer awareness and usage increase.
- Management sees significant long-term opportunities for nematode management globally, including in India.

Pharma CRDMO Business

- Management continues to build an integrated CRDMO platform across India and Europe.
- The company remains focused on becoming a fully integrated discovery-to-commercialization partner over time.
- Several customer inquiries have progressed toward commercial-stage discussions.
- Pharma revenues continue to experience quarterly volatility due to customer development timelines and regulatory milestones.
- Certain orders were delayed during the quarter due to customer scheduling changes rather than business loss.
- Management indicated that most opportunities remain intact and are primarily timing-related.
- Portfolio diversification and customer additions are expected to reduce volatility over time.
- PI continues to invest heavily in regulatory capabilities, discovery infrastructure, and customer acquisition.
- The company has strengthened its integrated drug discovery capabilities through partnerships and early-stage development programs.
- Management is evaluating multiple additional Integrated Drug Discovery (IDD) opportunities.
- The strategy is to engage customers at the discovery stage and subsequently convert them into long-term CDMO relationships.

Electronic Chemicals, Specialty Chemicals & Technology Investments

- Electronic chemicals remain a strategic long-term diversification opportunity.
- Management acknowledged that the business has a long gestation period before meaningful revenue contribution.
- Commercial-scale manufacturing operations have commenced and commercial supplies have started.
- The company is targeting high-value, technology-intensive opportunities rather than commoditized products.
- Customer inquiries and commercialization activities continue to progress positively.
- Investments in advanced manufacturing assets are proceeding as planned.
- PI commissioned one of the world's largest advanced flow chemistry facilities during the quarter.
- The facility is expected to improve safety, sustainability, process control, and manufacturing efficiency.
- Advanced flow chemistry capabilities strengthen PI's ability to handle complex chemistries and meet stringent regulatory requirements.
- FY27 capex guidance remains INR7-8b.
- Capex is being deployed across existing manufacturing assets, innovation platforms, electronic chemicals, biologicals, pharma, and future growth businesses.

Valuation and view

- While near-term demand remains subdued in CSM, we expects growth to improve over the coming quarters, supported by a healthy order book of USD1.2b, new product launches, and a gradual recovery in the global agrochemical cycle.
- Going forward, we believe growth recovery will be led by: 1) improving growth prospects in the CSM business, supported by faster growth in new molecules (commercialization of 20+ molecules over the last few years), ramp up of newly launched molecules (~16% share), and a strong pipeline of 60+ projects (majority in advanced stages of development); 2) a robust pipeline of biological products across various development stages; and 3) the ramp-up of its pharma business with profitable growth.
- We expect a CAGR of 7%/8%/4% in revenue/EBITDA/adj. PAT over FY26-28. **We reiterate our BUY rating with a TP of INR3,000 (based on 34x FY28E EPS, i.e. a discount of ~9% to the company's six-year historical P/E at 37x).**

Exhibit 9: Changes to our estimates

Earnings Change	Old		New		Change	
(INR m)	FY27E	FY27E	FY27E	FY27E	FY27E	FY28E
Revenue	73,779	82,425	69,081	77,117	-6%	-6%
EBITDA	18,887	21,843	16,579	19,685	-12%	-10%
PAT	13,433	15,458	11,406	13,563	-15%	-12%

Financials and valuations

Income Statement (Consolidated)								(INRm)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Gross Revenue	45,770	52,995	64,920	76,658	79,778	67,137	69,081	77,117
Excise Duty	0	0	0	0	0	0	0	0
Net Revenue	**45,770**	**52,995**	**64,920**	**76,658**	**79,778**	**67,137**	**69,081**	**77,117**
Change (%)	36.0	15.8	22.5	18.1	4.1	-15.8	2.9	11.6
Cost of Materials Consumed	25,712	29,228	35,527	38,376	37,711	28,333	29,173	32,466
% of Sales	56.2	55.2	54.7	50.1	47.3	42.2	42.2	42.1
Personnel Expenses	4,169	4,804	5,266	7,013	7,837	9,077	10,314	11,413
% of Sales	9.1	9.1	8.1	9.1	9.8	13.5	14.9	14.8
Other Expenses	5,767	7,539	8,706	11,123	12,440	12,731	13,014	13,553
% of Sales	12.6	14.2	13.4	14.5	15.6	19.0	18.8	17.6
Total Expenditure	**35,648**	**41,571**	**49,499**	**56,512**	**57,988**	**50,141**	**52,502**	**57,432**
% of Sales	77.9	78.4	76.2	73.7	72.7	74.7	76.0	74.5
EBITDA	**10,122**	**11,424**	**15,421**	**20,146**	**21,790**	**16,996**	**16,579**	**19,685**
Margin (%)	22.1	21.6	23.8	26.3	27.3	25.3	24.0	25.5
Depreciation	1,748	2,018	2,265	3,082	3,525	4,066	4,491	4,982
EBIT	**8,374**	**9,406**	**13,156**	**17,064**	**18,265**	**12,930**	**12,088**	**14,702**
Int. and Finance Charges	282	128	371	300	330	164	254	254
Other Income	1,249	1,014	1,590	2,078	3,442	3,107	2,901	3,085
PBT bef. EO Exp.	**9,341**	**10,292**	**14,375**	**18,842**	**21,377**	**15,873**	**14,735**	**17,533**
EO Items	0	0	0	0	0	-1,031	0	0
PBT after EO Exp.	**9,341**	**10,292**	**14,375**	**18,842**	**21,377**	**16,904**	**14,735**	**17,533**
Current Tax	1,753	1,950	2,592	2,132	4,818	3,753	3,389	4,033
Deferred Tax	249	-60	-444	0	0	0	0	0
Tax Rate (%)	21.4	18.4	14.9	11.3	22.5	22.2	23.0	23.0
Less: MI/Profit & Loss of associates	-44	-36	-68	-105	-43	-57	-60	-63
Reported PAT	**7,383**	**8,438**	**12,295**	**16,815**	**16,602**	**13,208**	**11,406**	**13,563**
Adjusted PAT	**7,383**	**8,438**	**12,295**	**16,815**	**16,602**	**12,435**	**11,406**	**13,563**
Change (%)	61.7	14.3	45.7	36.8	-1.3	-25.1	-8.3	18.9
Margin (%)	16.1	15.9	18.9	21.9	20.8	18.5	16.5	17.6

Balance Sheet (Consolidated)								(INRm)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Equity Share Capital	152.0	152.0	152.0	152.0	152.0	152.0	152.0	152.0
Total Reserves	53,272	61,052	71,833	87,158	1,01,418	1,12,153	1,21,127	1,32,258
Net Worth	**53,424**	**61,204**	**71,985**	**87,310**	**1,01,570**	**1,12,305**	**1,21,279**	**1,32,410**
Deferred Liabilities	796	875	213	202	551	384	384	384
Total Loans	3,279	2,678	0	1,279	1,117	2,383	2,383	2,383
Capital Employed	**57,499**	**64,757**	**72,198**	**88,791**	**1,03,238**	**1,15,072**	**1,24,046**	**1,35,177**
Gross Block	28,921	34,082	37,877	47,404	55,805	63,492	71,492	79,492
Less: Accum. Deprn.	8,367	10,385	12,650	15,732	19,257	23,323	27,814	32,796
Net Fixed Assets	**20,554**	**23,697**	**25,227**	**31,672**	**36,548**	**40,169**	**43,678**	**46,695**
Goodwill on Consolidation	0	0	0	0	0	0	342	683
Capital WIP	2,875	1,145	1,324	2,781	5,502	7,550	6,550	5,550
Current Investments	8,517	8,547	9,843	13,028	12,598	13,271	14,271	15,271
Total Investments	**8,724**	**8,995**	**10,156**	**13,341**	**15,314**	**13,603**	**14,603**	**15,603**
Curr. Assets, Loans&Adv.	**37,866**	**44,074**	**48,090**	**59,846**	**65,403**	**73,115**	**76,176**	**85,850**
Inventory	10,528	14,234	13,976	13,012	9,839	12,167	12,302	13,733
Account Receivables	7,035	8,687	7,720	9,299	14,058	16,108	10,409	11,620
Cash and Bank Balance	14,757	14,102	22,429	27,039	24,996	21,823	29,977	36,591
Loans and Advances	5,546	7,051	3,965	10,496	16,510	23,017	23,488	23,906
Curr. Liability & Prov.	**12,520**	**13,154**	**12,599**	**18,849**	**19,529**	**19,365**	**17,302**	**19,204**
Account Payables	7,960	9,242	8,380	11,484	12,102	9,738	7,593	8,450
Other Current Liabilities	4,008	3,555	3,838	6,635	6,875	8,898	8,981	10,025
Provisions	552	357	381	730	552	729	729	729
Net Current Assets	**25,346**	**30,920**	**35,491**	**40,997**	**45,874**	**53,750**	**58,874**	**66,646**
Appl. of Funds	**57,499**	**64,757**	**72,198**	**88,791**	**1,03,238**	**1,15,072**	**1,24,046**	**1,35,177**

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	**48.6**	**55.5**	**80.9**	**110.6**	**109.2**	**81.8**	**75.0**	**89.2**
Cash EPS	60.1	68.8	95.8	130.9	132.4	108.6	104.6	122.0
BV/Share	351.5	402.7	473.6	574.4	668.2	738.8	797.9	871.1
DPS	5.0	5.0	10.0	10.0	16.0	16.0	16.0	16.0
Payout (%)	10.3	9.0	12.4	9.0	14.6	18.4	21.3	17.9
Valuation (x)								
P/E	51.1	44.7	30.7	22.4	22.7	30.4	33.1	27.8
Cash P/E	41.3	36.1	25.9	19.0	18.8	22.9	23.7	20.4
P/BV	7.1	6.2	5.2	4.3	3.7	3.4	3.1	2.9
EV/Sales	8.0	6.9	5.5	4.6	4.4	5.3	5.1	4.5
EV/EBITDA	36.2	32.0	23.0	17.5	16.2	21.1	21.1	17.4
Dividend Yield (%)	0.2	0.2	0.4	0.4	0.6	0.6	0.6	0.6
FCF per share	18.9	12.7	77.3	61.7	19.8	-32.9	80.1	70.0
Return Ratios (%)								
EBITDA Margins (%)	22.1	21.6	23.8	26.3	27.3	25.3	24.0	25.5
Net Profit Margins (%)	16.1	15.9	18.9	21.9	20.8	18.5	16.5	17.6
RoE	18.5	14.7	18.5	21.1	17.6	11.6	9.8	10.7
RoCE	17.2	14.1	18.5	21.1	17.6	11.5	9.7	10.6
RoIC	22.8	21.4	28.4	36.1	27.5	15.5	12.8	15.1
Working Capital Ratios								
Accum. Dep/Gross Block (x)	0	0	0	0	0	0	0	0
Fixed Asset Turnover (x)	1.6	1.6	1.7	1.6	1.4	1.1	1	1
Asset Turnover (x)	0.8	0.8	0.9	0.9	0.8	0.6	0.6	0.6
Inventory (Days)	84	98	79	62	45	66	65	65
Debtor (Days)	56	60	43	44	64	88	55	55
Creditor (Days)	113	115	86	109	117	125	95	95
Working Cap. Turnover (Days)	84	116	73	66	96	174	153	142
Leverage Ratio (x)								
Current Ratio	3.0	3.4	3.8	3.2	3.3	3.8	4.4	4.5
Interest Cover Ratio	30	73	35	57	55	79	48	58
Debt/Equity	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement (Consolidated) (INRm)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	9,385	10,328	14,443	18,842	21,377	15,873	14,735	17,533
Depreciation	1,748	2,018	2,265	3,082	3,525	4,066	4,491	4,982
Interest & Finance Charges	282	128	371	300	330	164	254	254
Direct Taxes Paid	-1,647	-1,751	-2,558	-2,132	-4,818	-3,753	-3,389	-4,033
(Inc)/Dec in WC	-1,303	-5,276	2,050	162	-6,327	-12,698	3,030	-1,159
CF from Operations	**8,465**	**5,447**	**16,571**	**20,254**	**14,087**	**3,652**	**19,122**	**17,578**
Others	-1,216	-160	-1,557	105	43	1,088	60	63
CF from Operating incl EO	**7,249**	**5,287**	**15,014**	**20,359**	**14,130**	**4,740**	**19,182**	**17,641**
(inc)/dec in FA	-4,375	-3,362	-3,263	-10,984	-11,122	-9,735	-7,000	-7,000
Free Cash Flow	**2,874**	**1,925**	**11,751**	**9,375**	**3,008**	**-4,995**	**12,182**	**10,641**
(Pur)/Sale of Investments	-5,516	39	-941	-7,076	-2,315	1,369	-1,342	-1,342
Others	-14,413	2,219	-758	55	-805	2,231	0	0
CF from Investments	**-24,304**	**-1,104**	**-4,962**	**-18,005**	**-14,242**	**-6,135**	**-8,342**	**-8,342**
Issue of Shares	19,736	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-1,786	-720	-2,669	1,279	-162	1,266	0	0
Interest Paid	-244	-85	-342	-300	-330	-164	-254	-254
Dividend Paid	-607	-758	-1,137	-1,520	-2,432	-2,432	-2,432	-2,432
Others	13,371	-3,275	2,423	2,797	993	-448	0	0
CF from Fin. Activity	**30,470**	**-4,838**	**-1,725**	**2,256**	**-1,931**	**-1,778**	**-2,686**	**-2,686**
Inc/Dec of Cash	**13,415**	**-655**	**8,327**	**4,610**	**-2,043**	**-3,173**	**8,154**	**6,613**
Opening Balance	1,342	14,757	14,102	22,429	27,039	24,996	21,823	29,977
Closing Balance	**14,757**	**14,102**	**22,429**	**27,039**	**24,996**	**21,823**	**29,977**	**36,591**

NOTES

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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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