Motilal Oswal Financial Services

12 November 2025
2QFY26 Results Update | Sector: Consumer

Asian Paints

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USDb)	2656.8 / 30
52-Week Range (INR)	2839 / 2125
1, 6, 12 Rel. Per (%)	16/14/4
12M Avg Val (INR M)	3002

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	357.8	396.9	439.0
Sales Gr. (%)	5.5	10.9	10.6
EBITDA	66.1	75.4	85.3
EBIT Margin (%)	18.5	19.0	19.4
Adj. PAT	44.8	51.9	59.4
Adj. EPS (INR)	46.8	54.1	61.9
EPS Gr. (%)	10.1	15.7	14.5
BV/Sh.(INR)	206.9	218.9	238.5
Ratios			
RoE (%)	22.9	25.4	27.1
RoCE (%)	19.5	21.4	22.7
Payout (%)	87.7	75.8	66.2
Valuation			
P/E (x)	60.6	52.4	45.7
P/BV (x)	13.7	12.9	11.9
EV/EBITDA (x)	40.3	35.2	31.0
Div. Yield (%)	1.4	1.4	1.4

Shareholding Pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	52.6	52.6	52.6
DII	21.6	21.0	13.2
FII	11.7	11.9	15.3
Others	14.1	14.4	18.9

FII includes depository receipts

CMP: INR2,770 TP: INR3,000 (+8%) Neutral

Turning the corner; improving growth commentary

- Asian Paints (APNT) reported a 6% YoY growth in consolidated revenue (base -5%), with standalone sales up 6% YoY, marking growth after six consecutive quarters of decline. Two-year revenue CAGR was flat in 2Q, in line with its listed peers. Domestic decorative volumes grew 11% YoY. Extended monsoon impacted early-quarter demand, but a visible recovery was seen in September and October, supported by festive demand and improved consumer sentiment. The international business grew 9.9% YoY (+10.6% in constant currency terms).
- Gross margin expanded 240bp YoY to 43.2% (est. 42.5%), driven by lower raw material costs. EBITDA margin expanded 220bp YoY to 17.6%, resulting in a 21% YoY growth in EBITDA to INR15.0b (vs. est. +9%).
- Management expects mid-single-digit value growth and high-single-digit volume growth for FY26. Additionally, it maintains its EBITDA margin guidance of 18-20%, supported by formulation and sourcing efficiencies. We model +8% revenue growth in 2HFY26, factoring in a favorable base, improving demand scenario, and the company's own initiatives to regain growth.
- APNT is focused on innovation, brand salience, regionalization, and execution excellence to drive consistent growth. While competitive intensity remains elevated, the demand environment is stabilizing, and with the peak of disruption behind, APNT appears well-positioned to sustain steady growth and defend its market leadership.
- Given that the worst of demand pressure is behind, coupled with stability in competitive pressure and benign RM, we increase EPS by 4-6%. With expectations of better earnings, we raise our target valuation multiple to 50x (10-year average P/E) on Sep'27E EPS to derive a TP of INR3,000. We reiterate our Neutral rating.

Beat after multiple quarters of miss; domestic volume up 11%

- **Sales up 6% after six quarters of contraction:** Consolidated net sales grew 6% YoY to INR85.3b (est. INR81.1b). Decorative business (India) clocked volume growth of 10.9% (est. 5%, 3.9% in 1QFY26), while revenue grew 6% YoY on a favorable base (-5%). Growth was further aided by improved consumer sentiment, supportive government policies, and an early festive season, despite the impact of an extended monsoon in September. Two-year CAGR was flat for APNT in 2Q. Berger and Indigo reported 1% and 5% CAGR.
- **Beat in margins**: Gross margin expanded 240bp YoY to 43.2% (est. 42.5%). GP grew 13% YoY at INR36.8b. Employee expenses rose 1% YoY, and other expenses rose 10% YoY. EBITDA margin expanded 220bp YoY to 17.6% (est. 16.7%).
- **Industrial performed better:** The industrial coatings segment posted a 12% YoY revenue growth, led by strong performance in auto and protective coatings. The bath business declined 5%, while the kitchen business's revenue declined 7%. The white teak business's revenue declined 15%, while Weather Seal's revenue increased 57%.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@MotilalOswal.com)
Research Analyst: Tanu Jindal (Tanu.Jindal@MotilalOswal.com) | **Amey Tiwari** (Amey.Tiwari@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.
Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **International saw healthy growth:** International business registered a value growth of 9.9% (10.6% growth in CC terms), backed by growth in Nepal, Sri Lanka, and Egypt.
- **Double-digit growth in profitability**: EBITDA grew 21% YoY to INR15b (est. INR13.5b). PBT grew 22% YoY to INR13.5b (est. INR11.8b). Adj. PAT grew 16.5% YoY to INR10.2b (est. INR9.1b).
- In 1HFY26, net sales, EBITDA, and APAT grew 3%, 7%, and 4%.

Key highlights from the management commentary

- The overall paint industry grew by about 3–3.5% in 1HFY26, with a visible recovery during September and October, supported by the festive demand.
- The focus remains on strengthening brand equity through continued investments in regional and national media to enhance awareness and influence customer decisions.
- Over the past 6-9 months, the company has strengthened relationships with dealers and distributors, focusing on improving its return on investment and driving higher retail-level business.
- New product development (NPD) contributed over 15% of total revenue, underscoring the company's strong innovation pipeline.
- For FY26, the company expects mid-single-digit value growth and high-single-digit volume growth, with the 4–5% gap between value and volume likely to persist.

Valuation and view

- We increased our EPS estimates by 5% for FY26 and FY27, given the improving demand in 2QFY26 and expanding margins.
- APNT remains focused on innovation, brand salience, regionalization, and execution excellence to drive consistent growth. While competitive intensity remains elevated, the demand environment is stabilizing, and with the peak of disruption behind, APNT appears well-positioned to sustain steady growth and defend its market leadership.
- With expectations of better earnings, we raise our target valuation multiple to 50x (10-year average P/E) on Sep'27E EPS to derive TP of INR3,000. We reiterate our Neutral rating.

Quarterly Performance (Consol.) (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Est. Dom. Deco. Vol. growth (%)	7.0	-0.5	1.6	1.8	3.9	10.9	12.0	13.2	2.5	10.0	5.0	
Net Sales	89,697	80,275	85,494	83,589	89,386	85,313	93,189	89,886	3,39,056	3,57,773	81,078	5.2%
Change (%)	-2.3	-5.3	-6.1	-4.3	-0.3	6.3	9.0	7.5	-4.5	5.5	1.0	
Gross Profit	38,152	32,732	36,291	36,724	38,155	36,849	40,817	39,660	1,43,898	1,55,481	34,458	
Gross Margin (%)	42.5	40.8	42.4	43.9	42.7	43.2	43.8	44.1	42.4	43.5	42.5	
EBITDA	16,938	12,395	16,367	14,362	16,250	15,034	18,986	15,863	60,062	66,133	13,511	11.3%
Margin (%)	18.9	15.4	19.1	17.2	18.2	17.6	20.4	17.6	17.7	18.5	16.7	
Change (%)	-20.2	-27.8	-20.4	-15.1	-4.1	21.3	16.0	10.5	-20.8	10.1	9.0	
Interest	554	630	558	528	445	439	475	569	2,270	1,927	500	
Depreciation	2,277	2,420	2,556	3,011	3,009	3,049	3,050	3,020	10,263	12,128	3,015	
Other Income	1,562	1,736	1,430	999	1,928	1,986	1,800	1,042	5,726	6,757	1,850	
PBT	15,669	11,081	14,683	11,822	14,724	13,532	17,261	13,317	53,255	58,834	11,846	14.2%
Tax	4,168	2,654	3,897	3,214	3,917	3,733	4,762	2,592	13,934	15,003	2,962	
Effective Tax Rate (%)	26.6	23.9	26.5	27.2	26.6	27.6	27.6	19.5	26.2	25.5	25.0	
Adjusted PAT	11,868	8,738	11,284	8,838	11,171	10,182	12,798	10,695	40,728	44,846	9,072	12.2%
Change (%)	-24.6	-29.1	-23.5	-30.7	-5.9	16.5	13.4	21.0	-26.7	10.1	3.8	

E: MOFSL Estimates

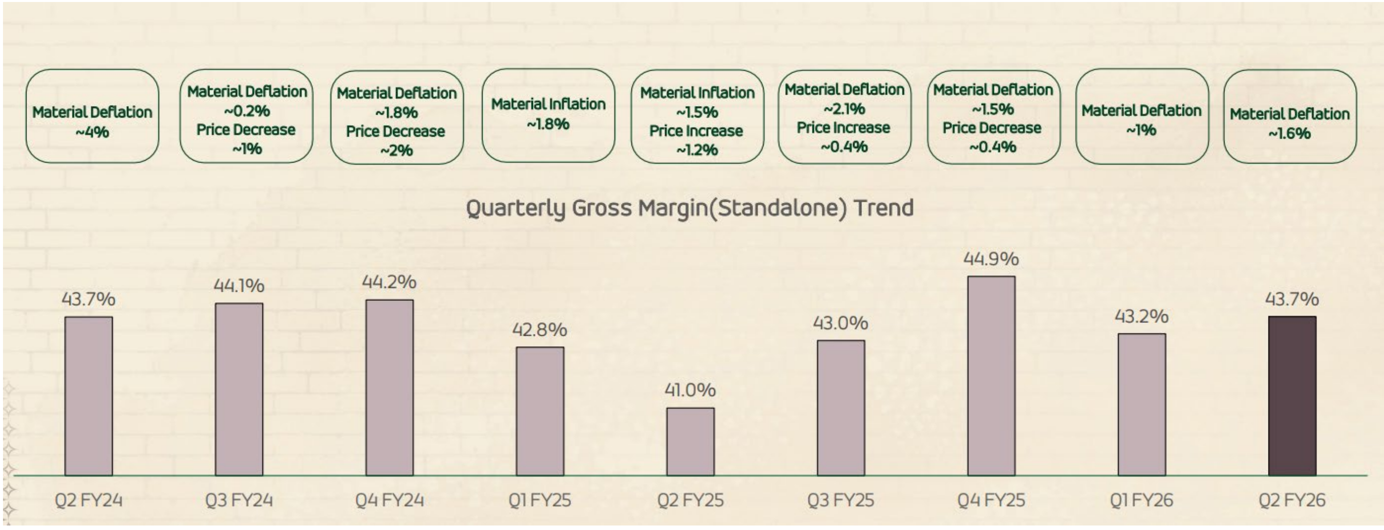
Standalone performance

- Standalone net sales rose 6% YoY to INR73.6b.
- Gross margin expanded 290bp YoY to 43.9%, and EBITDA margin expanded 270bp YoY to 18.5%.
- EBITDA rose 24% YoY to INR13.6b.
- PBT increased 26% YoY to INR12.9b.
- Adj. PAT increased 25% YoY to INR9.6b.

Quarterly Performance (Standalone) (INR m)

Y/E March	FY25				FY26	
	1Q	2Q	3Q	4Q	1Q	2Q
Net Sales	**79,756**	**69,364**	**73,205**	**71,924**	**78,685**	**73,563**
Change (%)	-1.7	-5.5	-7.5	-5.1	-1.3	6.1
Gross Profit	**34,288**	**28,424**	**31,785**	**32,516**	**34,082**	**32,268**
Gross Margin (%)	43.0	41.0	43.4	45.2	43.3	43.9
EBITDA	**15,959**	**10,930**	**15,084**	**13,242**	**15,200**	**13,591**
Margin (%)	20.0	15.8	20.6	18.4	19.3	18.5
Change (%)	-20.2	-31.0	-20.5	-14.8	-4.8	24.3
Interest	327	417	328	340	303	297
Depreciation	1,983	2,100	2,214	2,694	2,693	2,735
Other Income	2,245	1,809	2,265	1,380	2,477	2,320
PBT	**15,893**	**10,221**	**14,807**	**11,588**	**14,682**	**12,879**
Tax	4,001	2,553	3,721	2,847	3,685	3,324
Effective Tax Rate (%)	25.2	25.0	25.1	24.6	25.1	25.8
Adjusted PAT	**11,892**	**7,668**	**11,086**	**8,741**	**10,996**	**9,556**
Change (%)	-21.2	-33.9	-23.2	-27.7	-7.5	24.6

Exhibit 1: RM deflation, coupled with sourcing and formulation efficiencies, supported GM



Sources: Company reports

CONFERENCE CALL

Highlights from the management commentary

Business and Environment

- The decorative business in India reported 11% volume growth, supported by a favorable base (vs -0.5% in 2QFY25).
- Growth was further aided by improved consumer sentiment, supportive government policies, and an early festive season, despite the impact of an extended monsoon in September.
- Performance remained broad-based across both urban and rural markets, with all product categories contributing meaningfully, led by an improved offtake in PreLux and waterproofing products.
- Home décor contributed around 4% to decorative revenue, while the Beautiful Homes Network expanded to 73 stores, enhancing customer engagement and brand visibility.
- **The company continued to strengthen its regional customization strategy by introducing state-specific variants across the full portfolio, ranging from economy to luxury offerings.**
- Demand conditions showed improvement; however, the company remains cautious about the sustainability of growth, particularly in urban markets.
- GST 2.0 reforms and benign inflation are expected to support broader consumption recovery in the near term.
- **The overall paint industry grew by about 3–3.5% in 1HFY26, with visible recovery during September and October, supported by festive demand.**
- The company expects continued momentum from the festive and marriage seasons, with a good monsoon likely to further support rural growth in the coming quarters.
- The company highlighted that the practice of offering additional grammage in paints impacts retailer turnover and creates ambiguity regarding benefit allocation among painters, retailers, and consumers.
- **The focus remains on strengthening brand equity through continued investments in regional and national media to enhance awareness and influence customer decisions.**
- Marketing and technology spends are expected to remain elevated as the company continues to focus on innovation, brand saliency, and premiumization.
- Regional and micro-marketing initiatives are helping the company expand its reach in smaller towns, while innovations in premium and luxury products continue to drive demand.
- **For FY26, the company expects mid-single-digit value growth and high-single-digit volume growth, with the 4–5% gap between value and volume likely to persist.**
- **In 2HFY26, the company anticipates high-single-digit value growth, supported by festive demand and improving macro conditions.**
- The B2B delivered strong growth across all segments, driven by robust demand from builders, factories, and government projects.
- The B2B segment is expected to deliver double-digit growth, with further support from innovation and expansion into newer categories.

- **Over the last 6–9 months, the company strengthened relationships with dealers and distributors, focusing on improving its return on investments and driving higher retail-level business.**
- The white cement plant was successfully commissioned in record time, while the VAM-VAE project remains on track.

Cost and margins

- Gross margins were aided by sourcing and formulation efficiencies as well as raw material deflation, despite an adverse product mix and higher discounting.
- Material cost deflation stood at 1.6% in 2QFY26**,** providing additional support to margins.
- Raw material prices are expected to remain stable; however, geopolitical uncertainties and exchange rate volatility could pose upward risks
- The company aims to maintain its EBITDA margin guidance at 18–20%, supported by efficiency measures and product mix improvement, even as marketing and technology investments remain high amid elevated competitive intensity.

New launches and Innovation

- During the quarter, the company launched SmartCare Damp Secure, an exterior waterproofing primer that locks in paint and protects against dampness while enhancing the aesthetic appeal of homes.
- It also introduced Sparc Shyne under the Tractor and Ace range, offering a rich finish at an affordable price point, aimed at balancing aspiration and value.
- **New product development (NPD) contributed over 15% of total revenue, underscoring the company's strong innovation pipeline.**
- The company's painting services network has expanded to over 650 towns across India, improving accessibility and brand connect with consumers.

Segmental Information

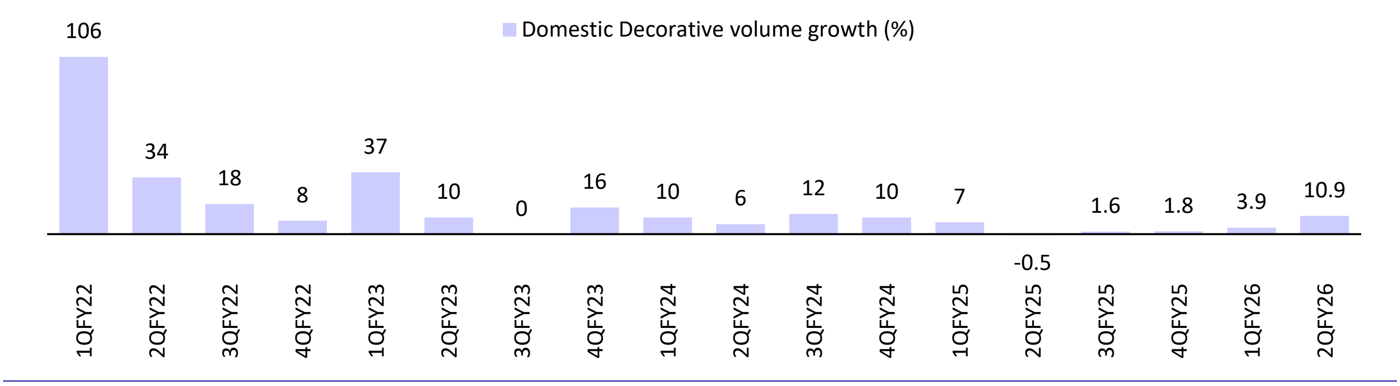
- White Teak (decorative and designer lighting) net sales decline 15% YoY, impacted by BIS-related challenges and subdued retail demand.
- Weatherseal (uPVC windows and doors) posted net sales growth of 57% YoY, driven by an expanded product portfolio, wider reach, and synergies with the Beautiful Homes Network.
- The Kitchen business saw a revenue decline of ~7% in 1Q due to weak demand conditions.
- The Bath business reported a revenue decline of ~5%, also impacted by muted demand.
- PPG Asian Paints (PPGAP) delivered 13% revenue growth, benefiting from strong performance in the Automotive and General Industrial segments.
- Asian Paints PPG (APPPG) posted revenue growth of 10%, driven by the Protective Coatings segment.

International performance

- The international business grew 9.9% in INR terms and 10.6% in constant currency, led by strong performance in Nepal, Sri Lanka, and the UAE, with PreLux and waterproofing categories driving growth.
- Profitability improved due to lower material costs and the divestment of loss-making operations in Indonesia.

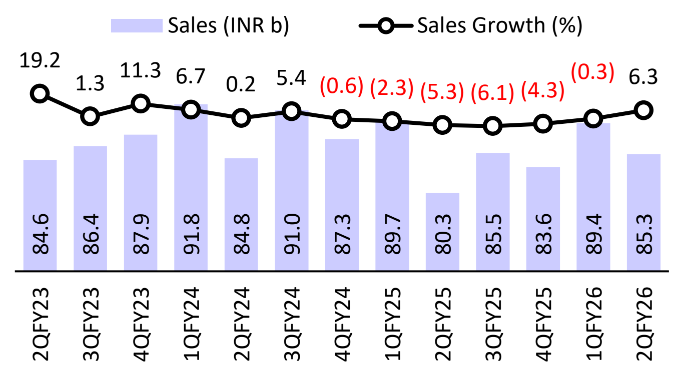
Key exhibits

Exhibit 2: Domestic business volume up by 10.9% YoY in 2QFY26



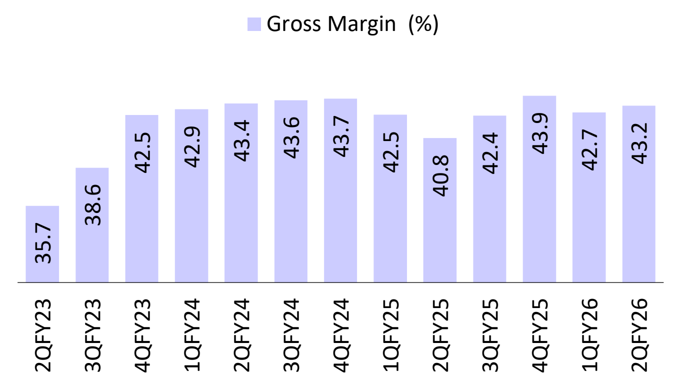
Sources: Company reports

Exhibit 3: Consolidated sales grew 6.3% YoY at INR85.3b in 2QFY26



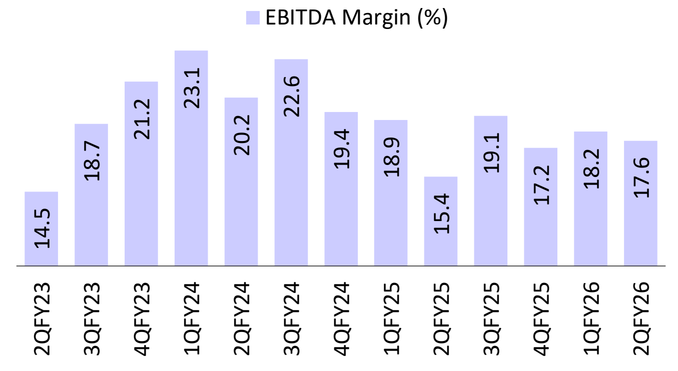
Sources: Company reports, MOFSL

Exhibit 4: Gross margin expanded 240bp YoY to 43.2% in 2QFY26



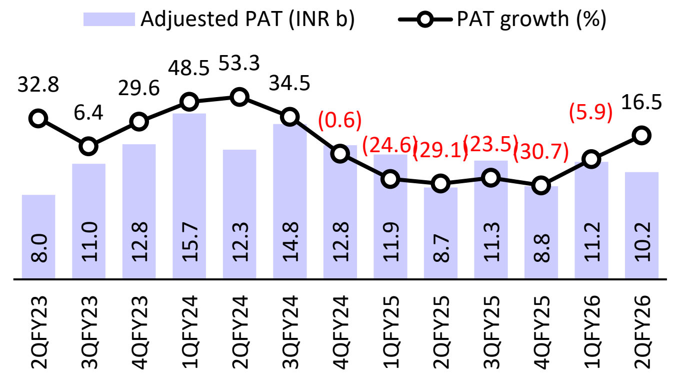
Sources: Company reports, MOFSL

Exhibit 5: EBITDA margin expanded 220bp YoY to 17.6% in 2QFY26



Sources: Company reports, MOFSL

Exhibit 6: PAT up 16.5% YoY to INR10.2b in 2QFY26



Sources: Company reports, MOFSL

Valuation and view

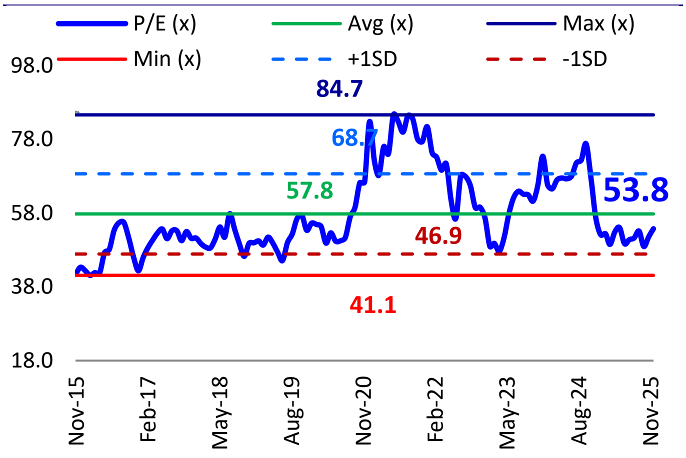
- We increased our EPS estimates by 5% for FY26 and FY27, given the improving demand in 2QFY26 and expanding margins.
- APNT remains focused on innovation, brand salience, regionalization, and execution excellence to drive consistent growth. While competitive intensity remains elevated, the demand environment is stabilizing, and with the peak of disruption behind, APNT appears well-positioned to sustain steady growth and defend its market leadership.
- With expectations of better earnings, we raise our target valuation multiple to 50x (10-year average P/E) on Sep'27E EPS to derive TP of INR3,000. We reiterate our Neutral rating.

Exhibit 7: We increased our EPS estimates by 5% each for FY26 and FY27

	New			Old			Change (%)		
INR b	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	357.8	396.9	439.0	348.2	388.5	430.2	2.7	2.1	2.0
EBITDA	66.1	75.4	85.3	63.1	71.8	80.0	4.8	5.0	6.7
PAT	44.8	51.9	59.4	42.4	49.7	55.9	5.8	4.3	6.2

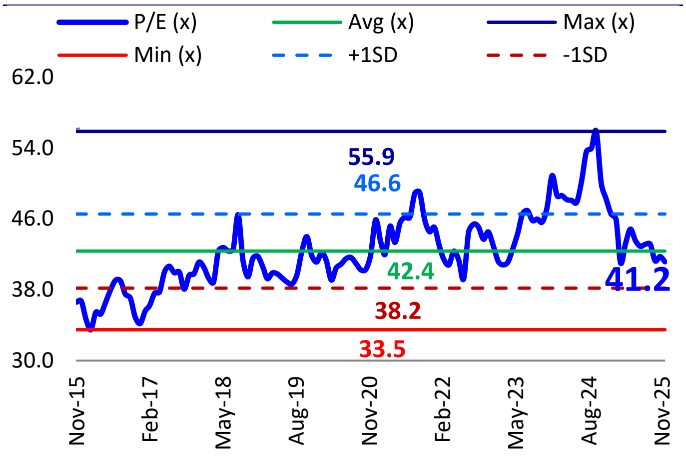
Sources: Company reports, MOFSL

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	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**1,92,401**	**2,02,113**	**2,17,128**	**2,91,013**	**3,44,886**	**3,54,947**	**3,39,056**	**3,57,773**	**3,96,866**	**4,39,049**
Change (%)	14.4	5.0	7.4	34.0	18.5	2.9	-4.5	5.5	10.9	10.6
Raw Materials	1,12,646	1,13,835	1,20,972	1,83,008	2,11,565	2,00,902	1,95,158	2,02,292	2,22,767	2,45,240
Gross Profit	**79,756**	**88,278**	**96,156**	**1,08,005**	**1,33,321**	**1,54,045**	**1,43,898**	**1,55,481**	**1,74,099**	**1,93,809**
Margin (%)	41.5	43.7	44.3	37.1	38.7	43.4	42.4	43.5	43.9	44.1
Operating Expenses	42,100	46,660	47,600	59,969	70,723	78,195	83,836	89,348	98,670	1,08,482
EBITDA	**37,655**	**41,618**	**48,556**	**48,036**	**62,598**	**75,850**	**60,062**	**66,133**	**75,429**	**85,327**
Change (%)	17.8	10.5	16.7	-1.1	30.3	21.2	-20.8	10.1	14.1	13.1
Margin (%)	19.6	20.6	22.4	16.5	18.2	21.4	17.7	18.5	19.0	19.4
Depreciation	6,221	7,805	7,913	8,164	8,580	8,530	10,263	12,128	12,558	13,488
Int. and Fin. Charges	1,053	1,023	916	954	1,445	2,052	2,270	1,927	2,129	2,129
Other Income	2,330	3,043	3,031	3,800	3,865	6,880	5,726	6,757	7,432	8,324
Profit before Taxes	**32,712**	**35,833**	**42,758**	**42,719**	**56,438**	**72,148**	**53,255**	**58,834**	**68,175**	**78,035**
Change (%)	8.2	9.5	19.3	-0.1	32.1	27.8	-26.2	10.5	15.9	14.5
Margin (%)	17.0	17.7	19.7	14.7	16.4	20.3	15.7	16.4	17.2	17.8
Tax	9,428	9,501	11,218	11,644	15,108	17,847	13,756	15,003	17,385	19,899
Deferred Tax	1,553	-953	-242	-614	-173	54	178	0	0	0
Tax Rate (%)	33.6	23.9	25.7	25.8	26.5	24.8	26.2	25.5	25.5	25.5
PAT Before Minority	**21,731**	**27,284**	**31,782**	**31,689**	**41,503**	**54,247**	**39,321**	**43,831**	**50,790**	**58,136**
Minority Interest	-407	-507	-286	-316	-939	-1,330	-1,407	-1,015	-1,092	-1,277
Adjusted PAT	**22,138**	**27,791**	**32,068**	**32,005**	**42,442**	**55,577**	**40,728**	**44,846**	**51,882**	**59,413**
Change (%)	9.2	25.5	15.4	-0.2	32.6	30.9	-26.7	10.1	15.7	14.5
Margin (%)	11.5	13.8	14.8	11.0	12.3	15.7	12.0	12.5	13.1	13.5
Exceptional/Prior Period inc	-58	-50	0	-1,157	-489	0	-3,631	0	0	0
Reported PAT	**22,080**	**27,742**	**32,068**	**30,848**	**41,953**	**55,577**	**37,097**	**44,846**	**51,882**	**59,413**

Balance Sheet (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	959	959	959	959	959	959	959	959	959	959
Reserves	93,746	1,00,342	1,27,104	1,37,156	1,58,963	1,86,324	1,93,039	1,97,543	2,09,006	2,27,815
Net Worth	**94,706**	**1,01,302**	**1,28,063**	**1,38,116**	**1,59,922**	**1,87,283**	**1,93,998**	**1,98,502**	**2,09,965**	**2,28,774**
Loans	6,156	3,401	3,402	7,757	9,722	11,071	8,638	10,637	10,137	10,137
Other Liability	12,137	11,984	11,538	11,362	13,158	17,306	18,609	20,817	23,356	26,277
Minority Interest	3,613	4,035	4,229	3,875	4,537	6,954	6,592	7,607	8,699	9,975
Capital Employed	**1,16,611**	**1,20,722**	**1,47,232**	**1,61,109**	**1,87,339**	**2,22,614**	**2,27,837**	**2,37,563**	**2,52,158**	**2,75,163**
Gross Block	66,983	69,895	71,910	73,895	78,693	89,061	1,17,532	1,32,532	1,42,532	1,52,532
Less: Accum. Depn.	13,942	19,573	24,807	30,191	35,362	40,349	45,964	58,092	70,650	84,138
Net Fixed Assets	**53,041**	**50,322**	**47,103**	**43,705**	**43,331**	**48,712**	**71,568**	**74,440**	**71,882**	**68,394**
Capital WIP	2,097	1,402	1,830	4,264	10,196	26,984	12,545	12,545	12,545	12,545
Right to Use Assets	8,711	9,201	8,456	9,058	12,089	18,563	18,437	18,437	18,437	18,437
Investments	**25,686**	**20,189**	**47,368**	**32,475**	**42,617**	**45,879**	**47,248**	**54,335**	**62,485**	**71,858**
Current	11,745	5,125	32,671	21,807	26,970	32,034	32,450	38,797	46,170	54,727
Non-current	13,941	15,064	14,697	10,668	15,647	13,845	14,798	15,538	16,315	17,130
Curr. Assets, L&A	**69,740**	**77,066**	**95,770**	**1,37,654**	**1,47,276**	**1,54,679**	**1,51,559**	**1,57,982**	**1,75,307**	**2,01,568**
Inventory	31,499	33,898	37,986	61,530	62,106	59,234	67,193	66,654	73,937	81,795
Account Receivables	19,134	17,994	26,051	38,738	46,391	48,908	43,224	44,109	48,929	54,129
Cash and Bank Balance	4,449	7,828	6,108	8,643	8,438	10,840	7,820	9,133	6,854	11,988
Others	14,659	17,345	25,626	28,743	30,340	35,696	33,323	38,087	45,588	53,654
Curr. Liab. and Prov.	**45,878**	**40,658**	**56,322**	**68,475**	**70,455**	**76,394**	**75,716**	**82,371**	**90,694**	**99,834**
Account Payables	23,943	21,366	33,787	41,643	36,354	38,313	38,480	41,013	45,164	49,720
Other Liabilities	19,617	16,860	19,538	23,952	31,051	35,230	33,986	37,385	41,124	45,236
Provisions	2,318	2,432	2,996	2,880	3,049	2,850	3,249	3,974	4,406	4,878
Net Current Assets	**23,863**	**36,408**	**39,449**	**69,179**	**76,821**	**78,285**	**75,843**	**75,611**	**84,613**	**1,01,734**
Godwill on Cons.	3,213	3,200	3,026	2,429	2,285	4,192	2,196	2,196	2,196	2,196
Application of Funds	**1,16,611**	**1,20,722**	**1,47,232**	**1,61,109**	**1,87,339**	**2,22,614**	**2,27,837**	**2,37,563**	**2,52,158**	**2,75,163**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)										
EPS	**23.1**	**29.0**	**33.4**	**33.4**	**44.2**	**57.9**	**42.5**	**46.8**	**54.1**	**61.9**
Cash EPS	29.6	37.1	41.7	41.9	53.2	66.8	53.2	59.4	67.2	76.0
BV/Share	98.7	105.6	133.5	144.0	166.7	195.2	202.2	206.9	218.9	238.5
DPS	10.7	21.8	4.9	18.2	25.6	44.0	44.0	41.0	41.0	41.0
Payout %	46.4	75.3	14.5	54.4	58.0	75.9	103.6	87.7	75.8	66.2
Valuation (x)										
P/E	122.7	97.7	84.7	84.9	64.0	48.9	66.7	60.6	52.4	45.7
Cash P/E	95.8	76.3	67.9	67.6	53.2	42.4	53.3	47.7	42.2	37.3
EV/Sales	14.0	13.3	12.3	9.2	7.8	7.5	7.9	7.4	6.7	6.0
EV/EBITDA	71.5	64.7	54.9	55.9	42.7	35.2	44.5	40.3	35.2	31.0
P/BV	28.7	26.8	21.2	19.7	17.0	14.5	14.0	13.7	12.9	11.9
Dividend Yield (%)	0.4	0.8	0.2	0.6	0.9	1.6	1.6	1.4	1.4	1.4
Return Ratios (%)										
RoE	24.8	28.4	28.0	24.0	28.5	32.0	21.4	22.9	25.4	27.1
RoCE	21.0	23.6	24.2	21.0	24.4	27.2	18.2	19.5	21.4	22.7
RoIC	22.1	23.2	24.1	20.6	25.1	28.6	18.7	19.0	20.9	22.1
Working Capital Ratios										
Debtor (Days)	36	32	44	49	49	50	47	45	45	45
Asset Turnover (x)	1.6	1.7	1.5	1.8	1.8	1.6	1.5	1.5	1.6	1.6
Leverage Ratio										
Debt/Equity (x)	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.0	0.0

Cash Flow Statement (INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(loss) before Tax	33,107	36,283	43,044	41,877	56,888	73,478	51,031	58,834	68,175	78,035
Depreciation	4,307	7,819	7,913	8,164	8,580	8,530	10,263	12,128	12,558	13,488
Net interest	-282	96	165	-125	102	151	265	-4,829	-5,304	-6,196
Others	-896	-401	-1,426	-342	-972	-2,873	-2,152	0	0	0
Direct Taxes Paid	-9,820	-10,108	-10,797	-11,757	-14,943	-18,351	-13,955	-15,003	-17,385	-19,899
(Incr)/Decr in WC	-4,274	-7,371	-2,065	-27,952	-7,721	101	-5,702	1,545	-11,281	-11,986
CF from Operations	**22,143**	**26,319**	**36,834**	**9,865**	**41,934**	**61,036**	**39,751**	**52,675**	**46,764**	**53,442**
Incr in FA	-11,336	-3,669	-2,543	-4,987	-12,475	-21,939	-17,952	-15,000	-10,000	-10,000
Free Cash Flow	**10,807**	**22,650**	**34,291**	**4,878**	**29,460**	**39,097**	**21,799**	**37,675**	**36,764**	**43,442**
Pur of Investments	1,602	-2,536	-3,679	973	1,813	283	-9	-7,087	-8,150	-9,373
Others	-3,177	7,918	-25,829	14,761	-10,077	-7,153	3,293	6,757	7,432	8,324
CF from Invest.	**-12,911**	**1,713**	**-32,050**	**10,747**	**-20,739**	**-28,809**	**-14,668**	**-15,330**	**-10,718**	**-11,048**
Incr in Debt	631	-2,614	257	3,247	2,382	31	-130	2,000	-500	0
Dividend Paid	-10,487	-21,207	-4,994	-17,628	-19,361	-25,509	-31,402	-39,327	-39,327	-39,327
Net interest Paid	-512	-1,009	-893	-936	-1,420	-1,906	-2,032	-1,927	-2,129	-2,129
Others	1,539	178	-875	-2,759	-3,003	-2,441	5,461	3,223	3,631	4,197
CF from Fin. Activity	**-8,830**	**-24,652**	**-6,504**	**-18,076**	**-21,401**	**-29,825**	**-28,103**	**-36,032**	**-38,325**	**-37,259**
Incr/Decr of Cash	**402**	**3,380**	**-1,721**	**2,536**	**-205**	**2,402**	**-3,020**	**1,313**	**-2,279**	**5,135**
Add: Opening Balance	4,047	4,449	7,828	6,108	8,643	8,438	10,840	7,820	9,133	6,854
Closing Balance	**4,449**	**7,828**	**6,108**	**8,643**	**8,438**	**10,840**	**7,820**	**9,133**	**6,854**	**11,988**

E: MOFSL Estimates

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N O T E S

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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
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Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

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