

Pidilite Industries

Estimate changes	↔
TP change	↔
Rating change	↔

Bloomberg	PIDI IN
Equity Shares (m)	509
M.Cap.(INRb)/(USDb)	1515.8 / 17.8
52-Week Range (INR)	3415 / 2620
1, 6, 12 Rel. Per (%)	-6/-4/-4
12M Avg Val (INR M)	1142

Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	131.4	146.1	165.6
Sales Gr. (%)	6.1	11.1	13.4
EBITDA	30.1	33.4	37.7
EBITDA Margin (%)	22.9	22.9	22.8
Adj. PAT	21.0	23.7	27.2
Adj. EPS (INR)	41.3	46.7	53.5
EPS Gr. (%)	16.7	13.0	14.7
BV/Sh.(INR)	191.8	215.2	242.2

Ratios

RoE (%)	23.1	22.9	23.4
RoCE (%)	21.5	21.4	21.9
Payout (%)	48.4	49.8	49.6

Valuations

P/E (x)	72.1	63.9	55.7
P/BV (x)	15.5	13.8	12.3
EV/EBITDA (x)	49.1	44.4	38.7
Div. Yield (%)	0.7	0.8	0.9

Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	69.5	69.6	69.8
DII	9.4	9.2	8.9
FII	11.6	11.8	11.3
Others	9.5	9.5	10.0

FII includes depository receipts

CMP: INR2,980 TP: INR3,000 (+1%) Neutral

Sustaining volume growth; rich valuations limit upside

- Pidilite Industries (PIDI) reported consolidated revenue growth of 8% YoY in 4QFY25. Standalone revenue grew 10% YoY, with underlying volume growth (UVG) of 10% (est. 10%). Consumer business witnessed value/volume growth of 9%/8% YoY. B2B business reported value/volume growth of 14%/16%. The impact of price cuts has been minimal, and the value-volume gap has now neutralized. Management aims to drive revenue growth primarily through volume expansion going forward.
- Urban demand improved in 4Q; however, rural demand growth continued to outpace urban demand growth. We estimate a CAGR of 12% each in revenue/EBITDA over FY25-27.
- GM expanded 160bp YoY to an 18-quarter high of 55%, driven by benign raw material prices. VAM dipped to ~USD880/t in 4QFY25 from USD925/t in 4QFY24. PIDI remains focused on reinvesting in branding and customer acquisition. EBITDA margin was up 30bp YoY at 20.1%. EBITDA grew 10%.
- Consolidated EBIT growth for the consumer business stood at 13% YoY (10% in FY25) and B2B business EBIT growth stood at 69% (53% in FY25).
- PIDI's volume growth trajectory is inspiring, particularly in the current challenging environment. Operating margins are high (~23% EBITDA margin in FY25), and it will be crucial to monitor whether the company can sustain such high levels. Given rich valuations, we reiterate our **Neutral** rating on the stock with a **TP of INR3,000 (55x Mar'27E EPS)**.

In-line performance; volume-led growth sustains

- **Strong volume growth sustains:** Consolidated sales grew 8% YoY to INR31.4b (est. INR31.4b). UVG remained strong at 9.8% (est. 9.7% in 3QFY25). UVG was 8% for C&B businesses and 16.4% for B2B businesses.
- **Healthy growth in C&B:** The C&B segment's revenue rose 7% YoY to INR23.9b (est. INR26.6b), EBIT grew 13% YoY to INR6.2b (est. INR6.8b), and EBIT margin expanded 150bp YoY to 25.8%.
- **B2B outperformance continues:** The B2B segment's revenue grew 14% YoY to INR8.1b (est. INR5.3b), EBIT rose 69% YoY to INR1.4b (est. INR0.5b), and EBIT margin expanded 570bp YoY to 17.5%.
- **Double-digit growth in profitability:** Gross margin expanded ~160bp YoY to 55% (53.2% est), led by moderate RM prices. Employee expenses increased 22% YoY and other expenses rose 7% YoY. EBITDA margin improved 20bp YoY to 20.1% (in line). EBITDA grew 10% YoY to INR6.3b (est. INR6.3b). PBT grew 20% YoY to INR6b (est. INR5.7b). Adj. PAT increased 20% YoY to INR4.5b (est. INR4.4b).
- In FY25, net sales, EBITDA, and APAT grew 6%, 11%, and 17%, respectively.
- **Subsidiary performance:** Domestic subsidiaries posted double-digit revenue and EBITDA growth YoY. Sales of international subsidiaries (excluding Pidilite USA and Pulvitec Brazil) were flat YoY.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

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

Investors are advised to refer through important disclosures made at the last page of the Research Report.

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

Highlights from the management commentary

- PIDI remains cautiously optimistic about improved demand from a good monsoon, increase in government spends and increased construction activity.
- Haisha Paint is making steady progress in the paints segment and is currently present in five southern states—Telangana, Andhra Pradesh, Odisha, Karnataka, and Tamil Nadu.
- ‘Pidilite Ki Duniya’—the company’s rural outreach initiative—expanded its reach to around 16,500 villages in FY25, strengthening brand connect and category awareness in underserved markets.
- The company typically maintains 60-75 days of raw material inventory, with total days increasing modestly when including finished goods.
- Management is open to exploring opportunities in the EV and semiconductor sectors, given their high growth potential.

Valuations and view

- We broadly maintain our EPS estimates for FY26 and FY27.
- PIDI’s core categories still enjoy GDP multiplier; the advantage of penetration and distribution can help PIDI deliver healthy volume-led growth in the medium term. EBITDA margin is already high (23% in FY25). We do not model much expansion as growth drivers (consumer acquisition, distribution expansion, and brand investments) will require high opex. We build in a CAGR of 12%/12%/14% in revenue/EBITDA/PAT during FY25-27E.
- PIDI stands out for its market-leading position in the adhesives market, along with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. We **reiterate our Neutral rating** on the stock with a **TP of INR3,000 (premised on 55x Mar’27E EPS)**.

Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				FY24	FY25	FY25	(INR m) Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Volume growth (%)	7.9	8.2	10.4	15.2	9.6	8.0	9.7	9.8	10.4	9.3	9.7	
Net Sales	32,751	30,760	31,300	29,019	33,954	32,349	33,689	31,411	1,23,830	1,31,403	31,392	0.1
YoY change (%)	5.6	2.2	4.4	7.9	3.7	5.2	7.6	8.2	4.9	6.1	8.2	
Gross Profit	16,054	15,783	16,551	15,503	18,268	17,583	18,301	17,288	63,890	71,440	16,711	3.5
Margin (%)	49.0	51.3	52.9	53.4	53.8	54.4	54.3	55.0	51.6	54.4	53.2	
Total Expenditure	25,682	23,963	23,875	23,249	25,826	24,661	25,705	25,086	36,817	41,315	25,082	
EBITDA	7,070	6,797	7,425	5,769	8,127	7,688	7,984	6,326	27,073	30,125	6,310	0.3
YoY change (%)	33.5	36.0	49.7	25.6	15.0	13.1	7.5	9.6	36.4	11.3	9.4	
Margins (%)	21.6	22.1	23.7	19.9	23.9	23.8	23.7	20.1	21.9	22.9	20.1	
Depreciation	734	752	795	1,125	844	879	895	967	3,407	3,585	934	
Interest	119	131	128	134	118	117	125	144	512	504	143	
Other Income	234	316	370	489	539	571	558	804	1,397	2,472	449	
PBT	6,451	6,230	6,872	4,998	7,704	7,263	7,522	6,019	24,551	28,509	5,682	5.9
Tax	1,704	1,631	1,765	1,219	1,984	1,848	1,947	1,487	6,319	7,265	1,265	
Rate (%)	26.4	26.2	25.7	28.5	25.7	25.4	25.9	24.7	26.5	25.7	22.3	
Reported PAT	4,682	4,502	5,105	3,006	5,669	5,346	5,524	4,223	17,294	20,762	4,369	-3.3
Adj PAT	4,682	4,502	5,105	3,722	5,669	5,346	5,524	4,473	18,011	21,012	4,369	2.4
YoY change (%)	32.2	34.5	66.7	29.6	21.1	18.7	8.2	20.2	40.5	16.7	17.4	
Margins (%)	14.3	14.6	16.3	12.8	16.7	16.5	16.4	14.2	14.5	16.0	13.9	

E: MOFSL Estimates

Consolidated segmental performance

Consol. revenue (INR m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Consumer & Bazaar	24,358	24,315	24,216	21,128	26,609	25,083	25,413	22,472	27,408	25,805	26,726	23,976
% YoY	64%	14%	7%	10%	9%	3%	5%	6%	3%	3%	5%	7%
Business to business	7,220	6,237	5,999	6,340	6,780	6,153	6,373	7,079	7,256	7,036	7,572	8,089
% YoY	50%	17%	-3%	-2%	-6%	-1%	6%	12%	7%	14%	19%	14%
Consol. EBIT (INR m)												
Consumer & Bazaar	5,352	5,265	5,372	4,560	7,078	6,935	7,704	5,448	8,039	7,710	7,865	6,178
% margin	22.0%	21.7%	22.2%	21.6%	26.6%	27.6%	30.3%	24.2%	29.3%	29.9%	29.4%	25.8%
% YoY	44%	-10%	-5%	9%	32%	32%	43%	19%	14%	11%	2%	13%
Business to business	748	495	391	707	917	685	757	835	1,103	1,040	1,335	1,415
% margin	10.4%	7.9%	6.5%	11.2%	13.5%	11.1%	11.9%	11.8%	15.2%	14.8%	17.6%	17.5%
% YoY	78%	88%	-2%	59%	22%	38%	93%	18%	20%	52%	76%	69%



Highlights from the management commentary

Demand environment and outlook

- PIDI remains cautiously optimistic about improved demand from a good monsoon, increase in government spends and increased construction.
- Urban demand witnessed a notable improvement in 4QFY25 compared to previous quarters; however, rural demand growth continued to outpace urban demand growth.
- PIDI aspires to deliver double-digit UVG in FY26, although it remains cautious given the prevailing geopolitical uncertainties.
- The company is actively exploring growth opportunities in emerging sectors such as electronics, EVs, and semiconductors, including potential partnerships and investments in adhesives and specialty chemicals tailored for these segments.
- Its lending business is building a financing ecosystem to support its contractors and dealers. This is not a traditional lending business but a strategic enabler within the Pidilite network.
- Haisha Paint is making steady progress in the paints segment and is currently present in five southern states—Telangana, Andhra Pradesh, Odisha, Karnataka, and Tamil Nadu.
- During the quarter, value and volume growth were closely aligned, indicating minimal price-led growth.
- In its core categories, the company targets growth of 1-2x GDP growth, and in growth categories, 2-4x GDP growth. However, growth is likely to be at the lower end of this range given the current demand environment.
- Subsidiary performance was impacted in Mar'25 due to an extended holiday period around the Eid festival.
- The company typically maintains 60-75 days of raw material inventory, with total days increasing modestly when including finished goods.
- Rural retail expansion continues, with an additional focus on improving throughput per store to drive efficiency.
- 'Pidilite Ki Duniya'—the company's rural outreach initiative—expanded its reach to approximately 16,500 villages in FY25, strengthening brand connect and category awareness in underserved markets.
- The company is focusing on driving revenue growth through volume-led growth rather than price hikes.
- PIDI will continue to invest in brand building, upgrading and expanding manufacturing facilities, and strengthening the distribution network.

Cost and margin

- Consumption costs of VAM stood at USD880/ton in 4QFY25 vs. USD925/ton in 4QFY24 and USD884/ton in 3QFY25.
- PIDI has increased A&SP spends to expand the categories and branding (4QFY25: 5.4% of net sales; 4QFY24: 4.7%; 3QFY25: 3.9%)
- Employee expenses in 4QFY25 were high due to a one-time year-end adjustment of INR170m, comprising actuarial valuations, retirement benefits, and ESOP-related provisions.

Key exhibits

Exhibit 1: Standalone C&B volume grew 8% YoY

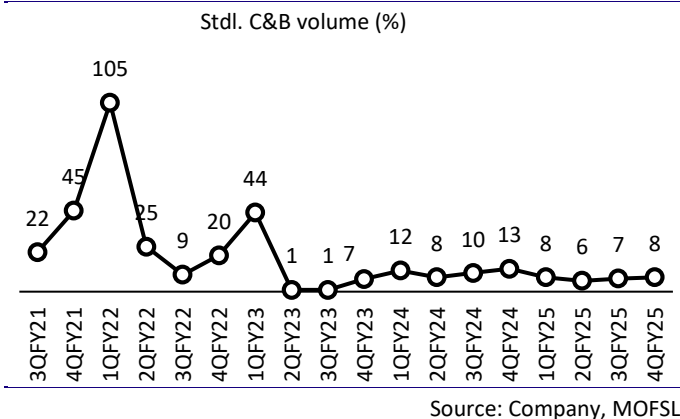


Exhibit 2: Consolidated sales grew 8% YoY to INR31b

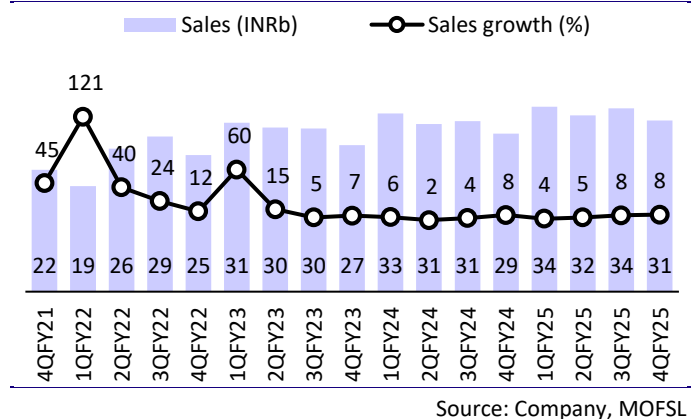


Exhibit 3: Consolidated gross margin expanded ~160bp YoY to 55% in 4QFY25

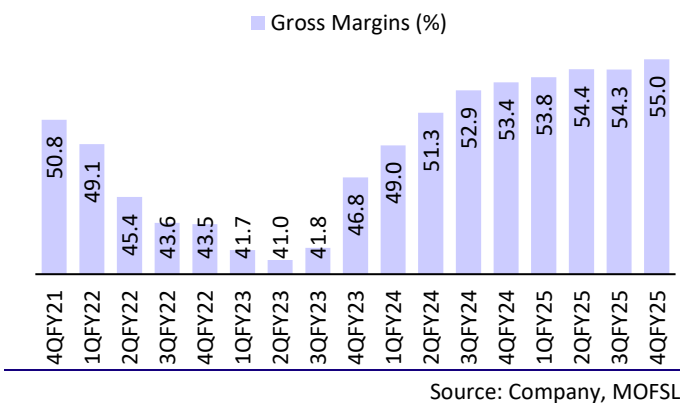


Exhibit 4: Consolidated EBITDA margin was up 20bp YoY to 20.1% on increase in A&P spends

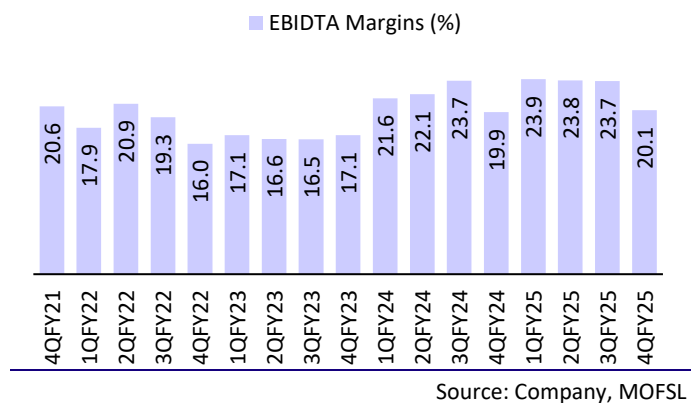


Exhibit 5: Consolidated EBITDA grew 10% YoY to INR6.3b

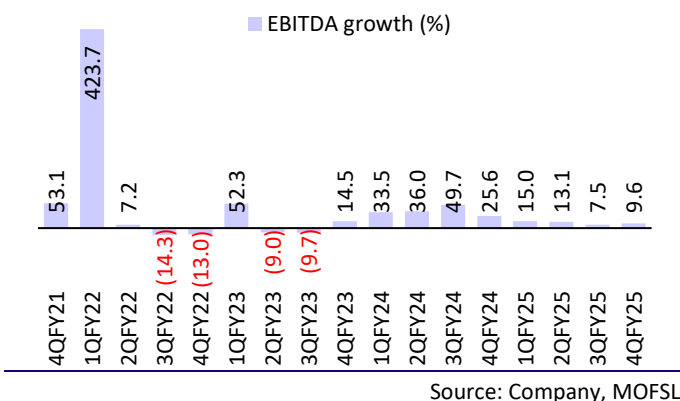
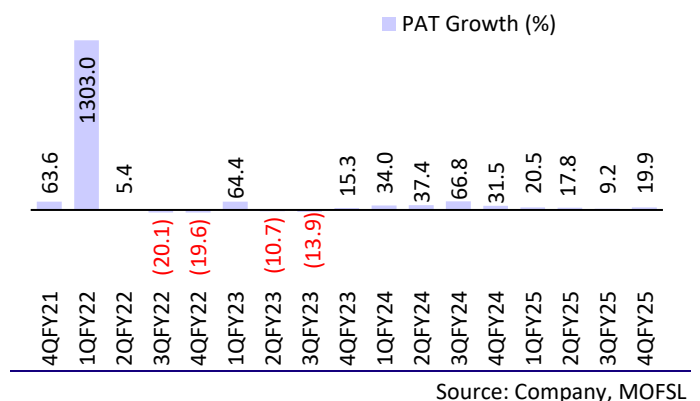


Exhibit 6: Consolidated adj. PAT grew 20% YoY to INR4.5b



Standalone performance for 4QFY25

- Net sales grew 10% YoY to INR28.5b, with UVG of 9.8%.
- **C&B segment** revenues were up 9% YoY to INR22.1b. Segment EBIT grew 12% YoY to INR5.8b. Segmental EBIT margins expanded ~60bp YoY to 26.4%.
- **B2B segment** revenues were up 14% YoY to INR6.9b. Segment EBIT grew 88% YoY to INR1.2m. Segment margins expanded ~710bp YoY to 18.1%.
- Gross margins expanded ~150bp YoY to 54.7%, while EBITDA margins were flat YoY at 20.5% on higher ad spends.
- EBITDA grew 11% YoY to INR5.8b.
- PBT grew 31% YoY to INR6.1b.
- Adj. PAT grew 34% to INR4.7b.

Standalone Quarterly Performance

(INR m)

Y/E March	FY24				FY25			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Sales	29,635	27,801	28,345	25,889	31,458	29,769	30,991	28,509
Change (%)	6.2	2.4	4.6	8.7	6.2	7.1	9.3	10.1
Gross Profit	14,494	14,234	15,001	13,786	16,840	16,067	16,703	15,606
Gross Margin %	48.9	51.2	52.9	53.3	53.5	54.0	53.9	54.7
EBITDA	6,713	6,425	7,083	5,275	7,713	7,308	7,490	5,838
EBITDA Margin %	22.7	23.1	25.0	20.4	24.5	24.5	24.2	20.5
Change (%)	37.8	38.5	51.4	21.0	14.9	13.7	5.7	10.7
Depreciation	615	624.6	665.2	986.3	723.9	754.3	767	838.9
Interest	67.3	74.9	74.9	77.5	81.4	79.3	83.1	103.4
Other Income	270.6	364.8	600.4	419.7	516.3	721.9	545.1	1160.1
PBT	6,302	6,091	6,943	4,631	7,424	7,196	7,185	6,056
Tax	1,627	1,543	1,715	1,160	1,908	1,776	1,840	1,397
Effective Tax Rate (%)	25.8	25.3	24.7	25.0	25.7	24.7	25.6	23.1
Adj PAT	4,675	4,548	5,229	3,472	5,516	5,420	5,345	4,659
Change (%)	40.2	35.0	76.5	19.4	18.0	19.2	2.2	34.2

E: MOFSL Estimates

Standalone segmental performance

Stand. revenue (INR m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Consumer & Bazaar	21,983	21,964	22,106	18,824	24,309	22,767	23,309	20,241	25,627	23,912	24,935	22,085
% YoY	66.4%	21.8%	14.8%	9.9%	10.6%	3.7%	5.4%	7.5%	5.4%	5.0%	7.0%	9.1%
Volume growth (%)	44%	1%	1%	7%	12%	8%	10%	13%	8%	6%	7%	8%
Business to business	6,329	5,517	5,128	5,365	5,807	5,356	5,371	6,031	6,342	6,192	6,485	6,881
% YoY	50.6%	25.5%	0.2%	-3.3%	-8.2%	-2.9%	4.7%	12.4%	9.2%	15.6%	20.7%	14.1%
Volume growth (%)	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	25.2%	18.0%	21.0%	21.7%	16.4%
Stand. EBIT (INR m)	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25
Consumer & Bazaar	5,104	5,118	5,189	4,546	6,870	6,695	7,545	5,208	7,786	7,459	7,630	5,823
% margin	23.2%	23.3%	23.5%	24.1%	28.3%	29.4%	32.4%	25.7%	30.4%	31.2%	30.6%	26.4%
% YoY	46%	0%	3%	10%	35%	31%	45%	15%	13%	11%	1%	12%
Business to business	749	456	406	640	892	705	752	664	1,066	1,110	1,175	1,249
% margin	11.8%	8.3%	7.9%	11.9%	15.4%	13.2%	14.0%	11.0%	16.8%	17.9%	18.1%	18.1%
% YoY	36%	7%	-19%	34%	19%	54%	85%	4%	20%	57%	56%	88%

Valuation and view

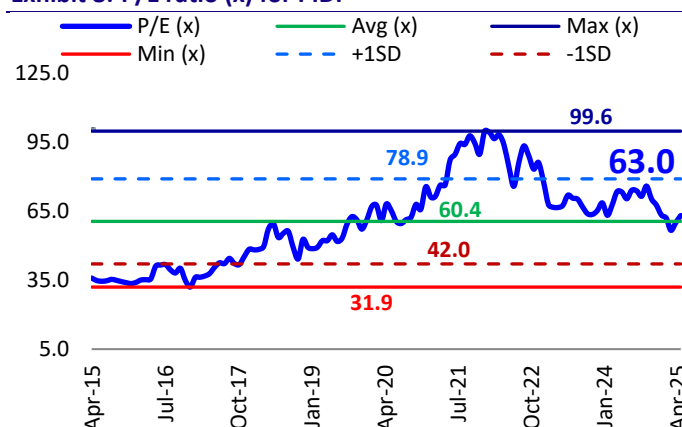
- We broadly maintain our EPS estimates for FY26 and FY27.
- PIDI's core categories still enjoy GDP multiplier; the advantage of penetration and distribution can help PIDI deliver healthy volume-led growth in the medium term. EBITDA margin is already at an elevated level (23% in FY25). We do not model much expansion as growth drivers (consumer acquisition, distribution expansion, and brand investments) will require high opex. We build in a CAGR of 12%/12%/14% in revenue/EBITDA/PAT during FY25-27E.
- PIDI stands out for its market-leading position in the adhesives market, along with a strong brand and a solid balance sheet. However, we believe the current valuation limits the upside potential. We **reiterate our Neutral rating** on the stock with a **TP of INR3,000 (premised on 55x Mar'27E EPS)**.

Exhibit 7: No material change in our EPS estimates for FY26/FY27

(INR b)	New estimates		Old estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Net Sales	146.1	165.6	147.4	167.2	(0.9)	(1.0)
EBITDA	33.4	37.7	34.1	38.9	(1.9)	(3.0)
Adjusted PAT	23.7	27.2	24.2	27.7	(1.8)	(1.9)

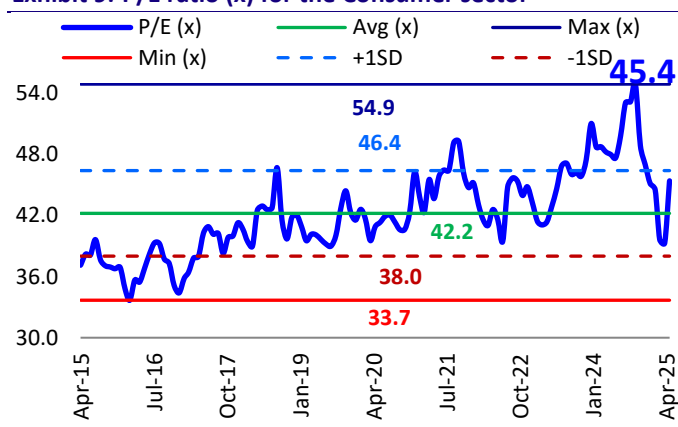
Source: Company, MOFSL

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



Source: Company, MOFSL

Exhibit 9: P/E ratio (x) for the Consumer sector



Source: Company, MOFSL

Financials and valuations

Income Statement Consol.

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Sales	70,780	73,348	72,927	99,210	1,17,991	1,23,830	1,31,403	1,46,052	1,65,607
Change (%)	16.4	3.6	-0.6	36.0	18.9	4.9	6.1	11.1	13.4
Raw Materials	35866	34025	33767	54442	67594	59940	59963	66180	74652
Gross Profit	34,914	39,323	39,160	44,768	50,397	63,890	71,440	79,872	90,955
Margin (%)	49.3	53.6	53.7	45.1	42.7	51.6	54.4	54.7	54.9
Operating Expenses	21232	23160	22354	26295	30553	36817	41315	46438	53223
EBITDA	13,682	16,163	16,806	18,473	19,844	27,073	30,125	33,434	37,732
Change (%)	2.0	18.1	4.0	9.9	7.4	36.4	11.3	11.0	12.9
Margin (%)	19.3	22.0	23.0	18.6	16.8	21.9	22.9	22.9	22.8
Depreciation	1,327	1,699	2,007	2,396	2,697	3,407	3,585	3,875	3,940
Int. and Fin. Charges	261	336	372	421	476	512	504	532	555
Other Income	1,466	1,494	794	363	496	1,397	2,472	2,914	3,354
Profit before Taxes	13,560	15,622	15,221	16,019	17,166	24,551	28,509	31,940	36,592
Change (%)	0.1	15.2	-2.6	5.2	7.2	43.0	16.1	12.0	14.6
Margin (%)	19.2	21.3	20.9	16.1	14.5	19.8	21.7	21.9	22.1
Tax	4,132	3,477	3,964	4,070	4,344	6,319	7,265	7,985	9,148
Tax Rate (%)	30.5	22.3	26.0	25.4	25.3	25.7	25.5	25.0	25.0
Share of Profit in associate	-36	-30	-40	-119	-66	41	33	41	41
Minority Int	35	56	-51	-8	156	180	199	180	180
Adj PAT	9,429	12,119	11,348	12,076	12,733	18,011	21,012	23,734	27,223
Change (%)	-2.4	28.5	-6.4	6.4	5.4	41.5	16.7	13.0	14.7
Margin (%)	13.3	16.5	15.6	12.2	10.8	14.5	16.0	16.3	16.4
Exceptional/Prior Period inc	180	552	36	0	0	717	249	0	0
Reported PAT	9,249	11,567	11,312	12,076	12,733	17,294	20,762	23,734	27,223

Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Share Capital	508	508	508	508	508	509	509	509	509
Reserves	40,973	44,048	55,421	63,529	71,615	83,563	97,036	1,08,960	1,22,683
Net Worth	41,481	44,556	55,930	64,037	72,123	84,072	97,545	1,09,469	1,23,192
Loans	1,111	1,691	2,226	2,873	1,633	1,312	1,472	1,472	1,472
Deferred Liability	1,094	693	3,814	3,772	3,780	3,640	3,776	3,776	3,776
Lease liability	0	1,115	1,084	1,285	2,274	2,513	3,070	3,412	3,869
Minority Interest	2,072	2,157	2,400	1,989	2,336	2,099	2,033	2,033	2,033
Capital Employed	45,757	50,211	65,454	73,956	82,145	93,635	1,07,895	1,20,162	1,34,341
Gross Block	23,518	26,945	43,240	47,150	49,887	55,752	61,572	67,372	73,172
Less: Accum. Depn.	10,892	12,188	13,478	15,015	16,743	17,542	21,604	25,479	29,419
Net Fixed Assets	12,626	14,757	29,762	32,135	33,144	38,209	39,968	41,892	43,752
Capital WIP	2,421	2,593	2,939	2,254	4,059	1,481	1,290	1,290	1,290
Goodwill	1,850	1,840	12,840	12,868	12,898	12,817	12,822	12,822	12,822
Others	0	1,470	1,578	2,029	3,099	3,480	4,263	4,738	5,373
Investments	15,477	11,862	5,160	4,586	8,809	22,350	35,513	39,472	44,757
Curr. Assets, L&A	26,664	32,705	35,861	41,071	43,040	42,419	45,981	49,274	66,013
Inventory	9,345	9,295	12,342	16,951	18,171	14,149	16,851	24,764	22,423
Account Receivables	10,560	10,885	13,210	14,305	15,353	16,747	18,112	23,503	23,683
Cash and Bank Balance	1,904	7,033	4,515	3,552	3,267	5,333	3,362	-7,311	10,708
Others	4,855	5,493	5,794	6,263	6,250	6,190	7,657	8,317	9,199
Curr. Liab. and Prov.	13,281	15,016	22,684	20,987	22,903	27,121	31,942	29,326	39,666
Trade Payables	5,806	6,210	10,067	10,493	10,636	11,476	13,901	9,308	17,008
Provisions	637	735	829	1,145	1,152	2,949	3,840	4,268	4,840
Other liabilities	6,837	8,070	11,787	9,349	11,115	12,696	14,201	15,750	17,819
Net Current Assets	13,383	17,689	13,177	20,083	20,137	15,298	14,040	19,948	26,347
Application of Funds	45,757	50,212	65,454	73,956	82,145	93,635	1,07,895	1,20,162	1,34,341

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)									
EPS	18.6	23.9	22.3	23.8	25.0	35.4	41.3	46.7	53.5
Cash EPS	21.2	27.2	26.3	28.5	30.4	42.1	48.4	54.3	61.3
BV/Share	81.7	87.7	110.1	126.0	141.9	165.3	191.8	215.2	242.2
DPS	6.5	7.0	8.5	10.0	11.0	16.0	20.0	23.2	26.5
Payout %	35.0	29.3	38.1	42.1	43.9	45.2	48.4	49.8	49.6
Valuation (x)									
P/E	160.5	124.9	133.5	125.4	119.0	84.2	72.1	63.9	55.7
Cash P/E	140.7	109.6	113.4	104.7	98.2	70.8	61.6	54.9	48.6
EV/Sales	21.2	20.4	20.7	15.2	12.7	12.0	11.2	10.2	8.8
EV/EBITDA	109.5	92.6	89.7	81.7	75.8	55.0	49.1	44.4	38.7
P/BV	36.5	34.0	27.1	23.7	21.0	18.0	15.5	13.8	12.3
Dividend Yield (%)	0.2	0.2	0.3	0.3	0.4	0.5	0.7	0.8	0.9
Return Ratios (%)									
RoE	24.4	28.2	22.6	20.1	18.7	23.1	23.1	22.9	23.4
RoCE	22.5	25.9	19.9	17.6	16.9	21.2	21.5	21.4	21.9
RoIC	34.8	41.1	26.8	20.6	19.8	26.9	29.9	28.7	30.9
Working Capital Ratios									
Debtor (Days)	15	15	18	14	13	14	14	16	14
Creditor (Days)	8	8	14	11	9	9	11	6	10
Asset Turnover (x)	2.7	2.3	1.7	1.9	2.2	2.3	2.4	2.4	2.4
Leverage Ratio									
Debt/Equity (x)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
PBT before Extra Ord	13,416	14,698	15,225	16,138	17,232	23,794	28,227	31,940	36,592
Add: Depreciation	1,327	1,699	2,007	2,396	2,697	3,407	3,585	3,875	3,940
Interest Paid	261	336	372	421	476	512	504	532	555
Less: Taxes Paid	4,093	3,931	3,709	4,620	4,116	6,481	7,327	7,985	9,148
Non-operating income	306	241	180	58	88	124	155	2,914	3,354
Others	-367	-332	-61	381	160	391	41	-221	-221
(Incr)/Decr in WC	-1,791	565	268	-5,104	-786	5,742	-2,008	-16,581	11,619
CF from Operations	8,448	12,796	13,921	9,554	15,576	27,239	22,866	8,648	39,982
Incr in FA	-2,538	-4,439	-3,520	-3,740	-4,977	-5,530	-4,481	-5,800	-5,800
Free Cash Flow	5,910	8,356	10,401	5,814	10,599	21,710	18,386	2,848	34,182
Pur of Investments	-2,317	4,713	7,069	693	-4,034	-12,869	-10,824	-3,959	-5,285
Others	281	551	-19,225	-2,485	-286	649	-353	2,438	2,719
CF from Invest.	-4,573	825	-15,677	-5,532	-9,297	-17,749	-15,657	-7,320	-8,366
Change in share capital	0	0	0	0	0	0	16	0	0
Incr in Debt	-92	328	168	540	-805	-130	350	0	0
Dividend Paid	-3,635	-8,254	-7	-4,319	-5,083	-5,997	-8,134	-11,810	-13,500
Interest Paid	-167	-254	-293	-332	-345	-345	0	-532	-555
Others	287	-313	-630	-875	-330	-953	-1,411	342	457
CF from Fin. Activity	-3,606	-8,492	-762	-4,985	-6,564	-7,425	-9,179	-12,000	-13,598
Incr/Decr of Cash	269	5,128	-2,518	-963	-285	2,065	-1,970	-10,673	18,018
Add: Opening Balance	1,636	1,904	7,033	4,515	3,552	3,267	5,332	3,362	-7,311
Closing Balance	1,904	7,033	4,515	3,552	3,267	5,332	3,362	-7,311	10,708

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

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

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI:

ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp@grievances@motilaloswal.com.