

Asian Paints

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	APNT IN
Equity Shares (m)	959
M.Cap.(INRb)/(USDb)	2515.8 / 27.4
52-Week Range (INR)	2986 / 2125
1, 6, 12 Rel. Per (%)	-1/11/6
12M Avg Val (INR M)	3127

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	352.2	384.5	425.3
Sales Gr. (%)	3.9	9.2	10.6
EBITDA	65.3	73.8	82.9
EBIT Margin (%)	18.6	19.2	19.5
Adj. PAT	44.2	50.8	57.8
Adj. EPS (INR)	46.0	53.0	60.3
EPS Gr. (%)	8.4	15.1	13.8
BV/Sh. (INR)	206.2	216.9	234.7

Ratios

RoE (%)	22.5	25.0	26.7
RoCE (%)	19.2	21.0	22.1
Payout (%)	89.1	77.4	68.0

Valuation

P/E (x)	57.0	49.5	43.6
P/BV (x)	12.7	12.1	11.2
EV/EBITDA (x)	37.7	33.3	29.5
Div. Yield (%)	1.6	1.6	1.6

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	52.6	52.6	52.6
DII	21.1	21.6	14.1
FII	12.8	11.7	13.7
Others	13.4	14.1	19.7

FII includes depository receipts

CMP: INR2,623 TP: INR2,950 (+12%) Neutral

Lackluster performance; industry demand more critical to track

- Asian Paints (APNT) reported a 4% YoY growth in consolidated revenue (base - 6%), with standalone sales rising 3% YoY. Despite a favorable base and multiple initiatives, growth delivery remained soft. Domestic decorative volumes rose 8% YoY (est. 12%). A shorter festive period and an extended monsoon did weigh on 3Q performance and further delay demand recovery. The international business rose 6.3% YoY (+4.2% in constant currency terms).
- However, gross margin sustained its expansion and registered 200bp YoY to 44.4% (est. 43.8%), driven by lower raw material costs. EBITDA margin improved 90bp YoY to 20.1% (est. 19.8%), resulting in a 9% YoY growth in EBITDA to INR17.8b (est. INR18b).
- The management commentary on demand recovery was uninspiring, especially after the constructive commentary post-2QFY26. APNT expects volumes to be in the 8-10% range and value growth of ~5% in the near term. That said, management maintained its EBITDA margin guidance of 18-20%, aided by formulation and sourcing efficiencies. We model 10% revenue CAGR over FY26-28E along with ~19% EBITDA margin for FY27/FY28E.
- Given slower demand recovery and competitive pressure, the near-term growth outlook looks muted. However, as the paint category enjoys pent-up demand, we will be watchful if the recovery pace picks up faster in the coming seasonal quarters. The company is focusing on product innovation, brand salience, regionalization, and execution excellence to negate competitive pressure. We cut our EPS estimates by 1%-3% over FY26-28E. We value the company at 50x Dec'27E EPS to arrive at our TP of INR2,950. **We reiterate our Neutral rating on the stock.**

Muted performance; revenue below our estimate

- Sales inch up 4% on a low base:** Consol. net sales growth of 4% YoY at INR88.7b. (est. INR91b), on a favorable base of -6%. Decorative business (India) clocked volume growth of 8% (est. 12%, 11% in 2QFY26) and revenue growth of 3% YoY, partially impacted by shorter festive period and extended monsoon. The industrial segment clocked mid-teen growth (+17% YoY) aided by overall coatings performance, with volume growth of 8.3% and value growth of 4.4%. The bath business declined 4%, while the kitchen business revenue grew 2.6%. White Teak business revenue grew 12%, while Weather Seal revenue was up 59%.
- International business experienced steady growth:** International business registered a value growth of 6.3% (4.2% growth in CC terms) backed by steady performance in key markets of the UAE, Sri Lanka, and Ethiopia.

- **Better margin delivery:** Gross margin improved 200bp YoY to 44.4% (est. 43.8%). GP grew 9% YoY at INR39.4b (est. INR39.8b). Employee expenses increased 12% YoY, and other expenses rose 6% YoY. EBITDA margin expanded 90bp YoY to 20.1% (est. 19.8%). EBITDA grew 9% YoY (on -20% in 3QFY25) to INR17.8b (est. INR18b). PBT grew 8% YoY (on -24% in 3QFY25) to INR15.8b (est. INR16.3b). Adj. PAT grew of 9% YoY (on -24% in 3QFY25) to INR12.3b (est. INR12.5b).
- Exceptional items of INR1,576m included a one-time expense of INR637m towards an increase in the gratuity liability by INR529m and an increase in the liability towards compensated absences by INR108m (impact of the Labor Code). There was also an impairment loss of INR939m recognized on the acquisition of Obgenix Software Private Limited ('White Teak').
- For 9MFY26, net sales, EBITDA, and APAT grew 3%, 9%, and 6%, respectively.

Key highlights from the management commentary

- The demand in Oct was muted due to the curtailed festive period and extended monsoon. However, marginal demand recovery was noted during Nov and Dec'25. The exit of the quarter was slightly better.
- Growth in rural markets was slightly ahead of the urban markets on the back of favorable monsoons.
- In 3QFY26, the value and the volume gap were ~5% vs. the earlier gap of 6-8%. APNT expects this 5% gap to continue in the near term. The company expects volume growth to be in the 8-10% range going forward.
- The management expects current demand trends to continue over the next couple of quarters. **In the near term, the management expects competitive intensity to remain elevated.**
- Management aims to maintain its EBITDA margin guidance at 18–20%, aided by efficiency measures and product mix improvement, even as marketing and technology investments remain high amid elevated competitive intensity.

Valuation and view

- We cut our EPS estimates by 1-3% over FY26-28, given the prolonged softness in demand and elevated competitive intensity.
- APNT expects competitive intensity to stay elevated with a gradual demand improvement and is focusing on innovation, brand salience, regionalization, and execution excellence to drive consistent growth. The company has maintained its EBITDA margin guidance at 18–20%, despite benign RM prices and formulation efficiencies, as it will continue to invest in marketing and strengthen brand equity amid elevated competitive intensity. We model 10% revenue CAGR over FY26-28E along with ~19% EBITDA margin for FY27/FY28E, factoring in a favorable base.
- We value the company at 50x Dec'27E EPS to arrive at our TP of INR2,950. **We reiterate our Neutral rating on the stock.**

Quarterly Performance (Consol.)

(InR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Est. Dom. Deco. Vol. growth (%)	7.0	-0.5	1.6	1.8	3.9	10.9	7.9	9.3	2.5	8.0	12.0	
Net Sales	89,697	80,275	85,494	83,589	89,386	85,313	88,670	88,789	3,39,056	3,52,158	91,052	-2.6%
Change (%)	-2.3	-5.3	-6.1	-4.3	-0.3	6.3	3.7	6.2	-4.5	3.9	6.5	
Gross Profit	38,152	32,732	36,291	36,724	38,155	36,849	39,382	39,530	1,43,898	1,53,916	39,881	
Gross Margin (%)	42.5	40.8	42.4	43.9	42.7	43.2	44.4	44.5	42.4	43.7	43.8	
EBITDA	16,938	12,395	16,367	14,362	16,250	15,034	17,810	16,250	60,062	65,343	18,050	-1.3%
Margin (%)	18.9	15.4	19.1	17.2	18.2	17.6	20.1	18.3	17.7	18.6	19.8	
Change (%)	-20.2	-27.8	-20.4	-15.1	-4.1	21.3	8.8	13.1	-20.8	8.8	10.3	
Interest	554	630	558	528	445	439	479	497	2,270	1,860	455	
Depreciation	2,277	2,420	2,556	3,011	3,009	3,049	3,131	3,164	10,263	12,353	3,100	
Other Income	1,562	1,736	1,430	999	1,928	1,986	1,610	1,232	5,726	6,757	1,800	
PBT	15,669	11,081	14,683	11,822	14,724	13,532	15,810	13,821	53,255	57,887	16,295	-3.0%
Tax	4,168	2,654	3,897	3,214	3,917	3,733	4,152	2,960	13,934	14,761	3,992	
Effective Tax Rate (%)	26.6	23.9	26.5	27.2	26.6	27.6	26.3	21.4	26.2	25.5	24.5	
Adjusted PAT	11,868	8,738	11,284	8,838	11,171	10,182	12,315	10,491	40,728	44,159	12,502	-1.5%
Change (%)	-24.6	-29.1	-23.5	-30.7	-5.9	16.5	9.1	18.7	-26.7	8.4	10.8	

E: MOFSL Estimates

Standalone performance

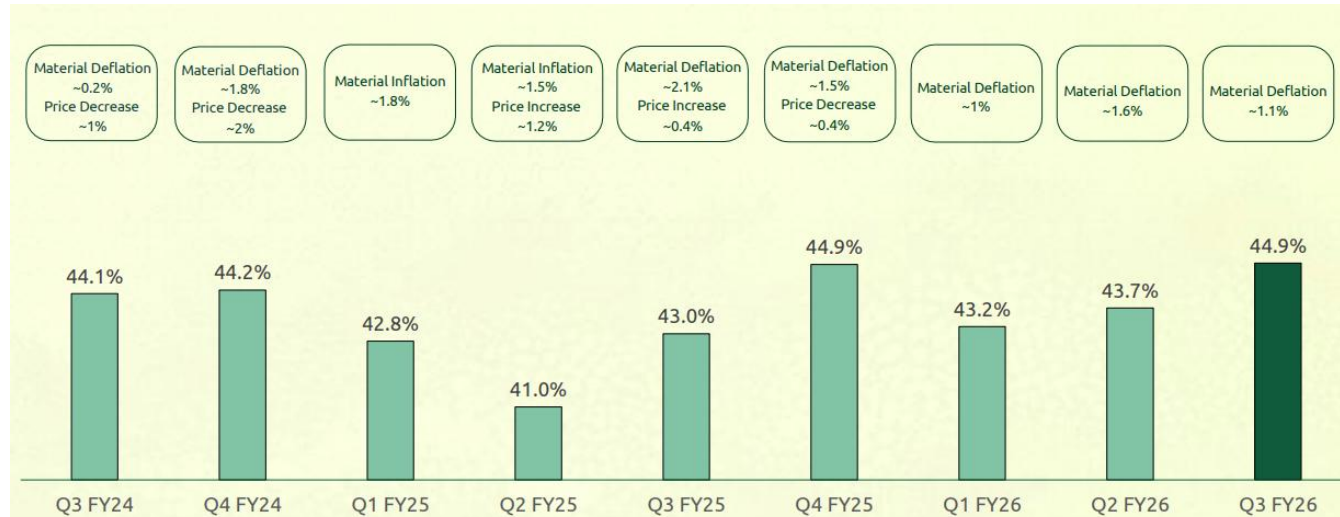
- Standalone net sales were up 3% YoY (on a base of -6%) to INR76.2b.
- Gross margin improved 190bp YoY to 45.1%, and EBITDA margin improved 100bp YoY to 21.3%.
- The EBITDA was up 8% YoY (on -21% base) to INR16.3b.
- The PBT rose 7% YoY to INR15.8b.
- Adj. PAT increased 8% YoY (on a -24% base) at INR11.9b.

Quarterly Performance (Standalone)

(InR m)

Y/E March	FY25			FY26			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Sales	79,756	69,364	74,178	71,924	78,685	73,563	76,245
Change (%)	-1.7	-5.5	-6.3	-5.1	-1.3	6.1	2.8
Gross Profit	34,288	28,424	32,075	32,516	34,082	32,268	34,389
Gross Margin (%)	43.0	41.0	43.2	45.2	43.3	43.9	45.1
EBITDA	15,959	10,930	15,088	13,242	15,200	13,591	16,267
Margin (%)	20.0	15.8	20.3	18.4	19.3	18.5	21.3
Change (%)	-20.2	-31.0	-20.5	-14.8	-4.8	24.3	7.8
Interest	327	417	353	340	303	297	280
Depreciation	1,983	2,100	2,241	2,694	2,693	2,735	2,751
Other Income	2,245	1,809	2,268	1,380	2,477	2,320	2,578
PBT	15,893	10,221	14,762	11,588	14,682	12,879	15,814
Tax	4,001	2,553	3,722	2,847	3,685	3,324	3,896
Effective Tax Rate (%)	25.2	25.0	25.2	24.6	25.1	25.8	24.6
Adjusted PAT	11,892	7,668	11,041	8,741	10,996	9,556	11,919
Change (%)	-21.2	-33.9	-23.5	-27.7	-7.5	24.6	8.0

Exhibit 1: RM deflation, coupled with sourcing & formulation efficiencies, aided GM despite lower mix and higher discounting



Sources: Company reports



Highlights from the management commentary

Business and Environment

- The Decorative business in India reported 8% volume growth, despite a shorter festive period and the impact of prolonged monsoon in certain regions.
- Oct was muted for APNT due to the expected monsoon and Diwali, while Nov-Dec fared much better for them.
- Growth in rural markets was slightly ahead of the urban markets on the back of favourable monsoons.
- In 3QFY26, the value and the volume gap were ~5%, lower vs the earlier gap of 6-8%. APNT expects this 5% gap to continue in the near term. The expect volumes to be in the 8-10% range going forward.
- The management expects current demand trends to continue over the next couple of quarters.
- Consumer demand shows changing patterns, with reduced painting frequency and occasion-led painting, as discretionary spending shifts to areas like travel and hospitality. That said, luxury and premium housing are on an uptick, driving higher growth in that segment and increasing demand for waterproofing and construction chemicals.
- **In the near term, management expects competitive intensity to remain elevated.**
- Focus remains on strengthening brand equity through continued investment in regional and national media to enhance awareness and influence customer decisions.
- 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.
- Management remains confident of achieving material market share gains over the next 12 to 18 months.
- New products contributed to ~16% of overall revenues. New launches are more focused on the premium and luxury segments.
- B2B Projects is leading the retail business. APNT is seeing strong growth in factories, hospitality, and government segments, which is driving synergy across coatings solutions and services.

- The company continues to expand its distribution; it has added 3.5-4.0k retailers over 9MFY26 with more than 160k retail outlet touchpoints.
- Over the last 6–9 months, the company strengthened relationships with dealers and distributors, focusing on improving their return on investment and driving higher retail-level business.
- Home décor contributed around 4-4.5% to overall revenues, while the Beautiful Homes Network expanded to 74 stores, enhancing customer engagement and brand visibility.
- Asian Paints strengthens its integrated décor presence with the launch of a 15,000 sq. ft. Beautiful Homes luxury studio in Hyderabad, offering complete home solutions under one roof.
- Launched AP Assure: A dedicated digital platform for B2B professionals. Industry-first B2B platform, delivering end-to-end solutions for construction chemicals and coatings.
- Launched WoodTech PU Gold - Premium PU with Termite Shield. First-of-its-kind PU wood finish with termite-repellent technology for long-term wood protection.
- The white cement plant was successfully commissioned in record time, while the VAM-VAE project remains on track.

Costs and margins

- Gross margin was aided by sourcing and formulation efficiencies, as well as raw material deflation, despite an adverse product mix and higher discounting.
- Geopolitical uncertainty and exchange rate volatility remain key variables that may impact input prices.
- Material cost deflation stood at 1.1% in 3QFY26, providing additional support to margins.
- Raw material prices are expected to remain stable; however, geopolitical uncertainties and exchange rate volatility could pose upward risks. No immediate price hikes.
- 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.

Segmental Information

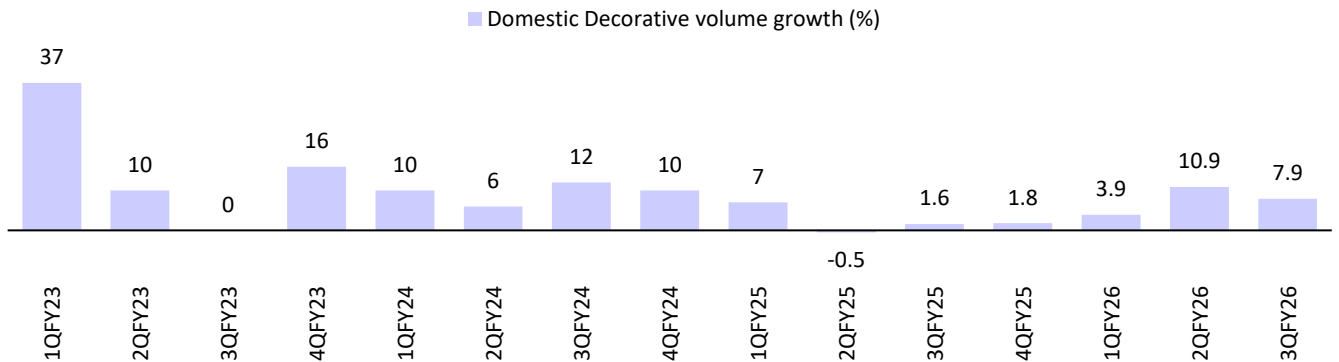
- White Teak (decorative and designer lighting) net sales grew 12% YoY. Weatherseal (uPVC windows and doors) posted net sales growth of 59% YoY.
- The Kitchen business saw a revenue growth of ~3% in 3Q with some improvement in profitability.
- The Bath business reported a revenue decline of ~4% and continued to remain weak.
- PPG Asian Paints (PPGAP) delivered 17% revenue growth, benefiting from strong performance in the Automotive and General Industrial segments.
- Asian Paints PPG (APPPG) posted revenue growth of 16.5%, driven by the Protective Coatings segment.

International performance

- The international business grew by 6.3% in INR terms and 4.2% in constant currency, led by steady performance in key markets of the UAE, Sri Lanka, and Ethiopia.
- Significant improvement in profitability driven by material deflation and aided by divestment of loss-making operations in Indonesia.
- Going ahead, the company expects international markets to perform well, ex-Bangladesh, where elections are due.

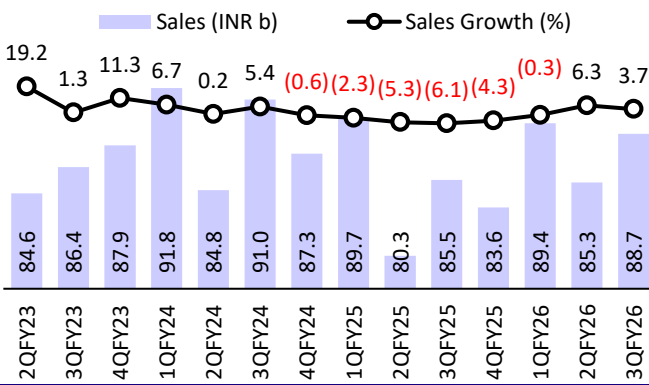
Key exhibits

Exhibit 2: Domestic business volumes were up by 7.9% YoY in 3QFY26



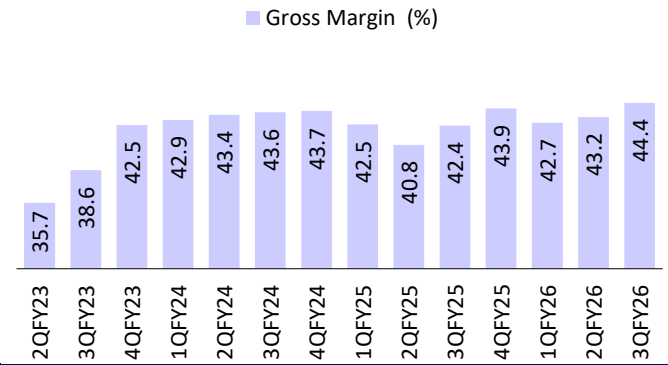
Sources: Company reports

Exhibit 3: Consolidated sales grew 3.7% YoY at INR88.7b in 3QFY26



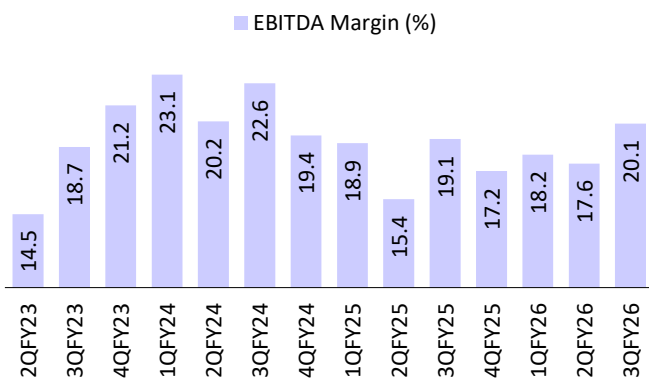
Sources: Company reports, MOFSL

Exhibit 4: Gross margin improved 200bp YoY to 44.4% in 3QFY26



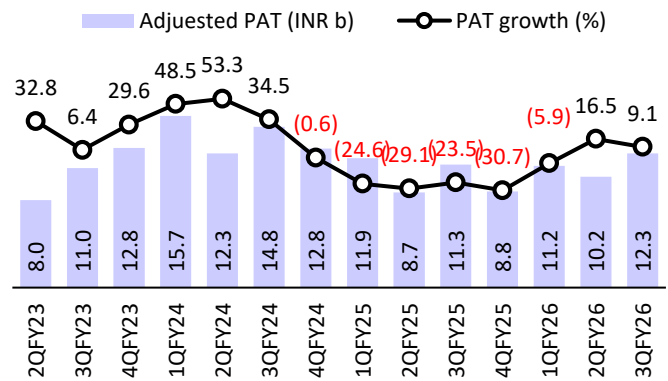
Sources: Company reports, MOFSL

Exhibit 5: EBITDA margin improved 100bp YoY to 20.1%



Sources: Company reports, MOFSL

Exhibit 6: PAT was up 9.1% YoY to INR12.3b



Sources: Company reports, MOFSL

Valuation and view

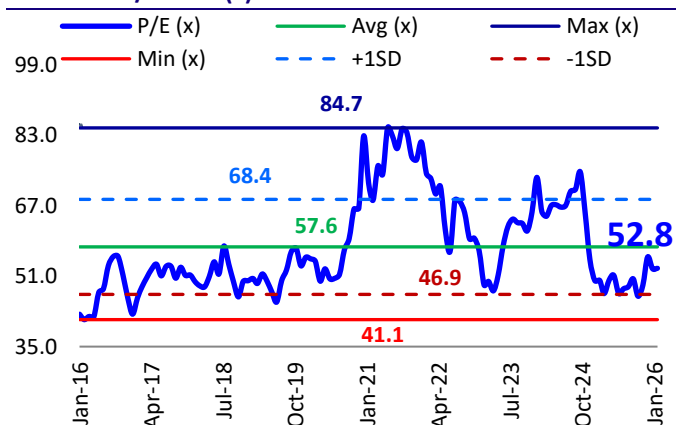
- We cut our EPS estimates by 1-3% over FY26-28, given the prolonged softness in demand and elevated competitive intensity.
- APNT expects competitive intensity to stay elevated with a gradual demand improvement and is focusing on innovation, brand salience, regionalization, and execution excellence to drive consistent growth. The company has maintained its EBITDA margin guidance at 18–20%, despite benign RM prices and formulation efficiencies, as it will continue to invest in marketing and strengthen brand equity amid elevated competitive intensity. We model 10% revenue CAGR over FY26-28E along with ~19% EBITDA margin for FY27/FY28E, factoring in a favorable base.
- We value the company at 50x Dec'27E EPS to arrive at our TP of INR2,950. **We reiterate our Neutral rating on the stock.**

Exhibit 7: We trim our EPS estimates by 1-3% over FY26-28

INR b	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	352.2	384.5	425.3	357.8	396.9	439.0	-1.6	-3.1	-3.1
EBITDA	65.3	73.8	82.9	66.1	75.9	85.4	-1.2	-2.7	-3.0
PAT	44.2	50.8	57.8	44.8	52.3	59.6	-1.4	-2.8	-2.9

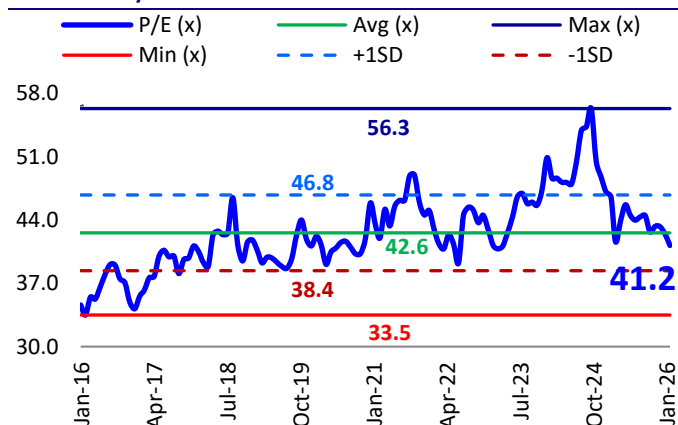
Sources: Company reports, MOFSL

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 b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	202.1	217.1	291.0	344.9	354.9	339.1	352.2	384.5	425.3
Change (%)	5.0	7.4	34.0	18.5	2.9	-4.5	3.9	9.2	10.6
Raw Materials	113.8	121.0	183.0	211.6	200.9	195.2	198.2	214.7	237.3
Gross Profit	88.3	96.2	108.0	133.3	154.0	143.9	153.9	169.8	188.0
Margin (%)	43.7	44.3	37.1	38.7	43.4	42.4	43.7	44.2	44.2
Operating Expenses	46.7	47.6	60.0	70.7	78.2	83.8	88.6	96.0	105.1
EBITDA	41.6	48.6	48.0	62.6	75.8	60.1	65.3	73.8	82.9
Change (%)	10.5	16.7	-1.1	30.3	21.2	-20.8	8.8	13.0	12.3
Margin (%)	20.6	22.4	16.5	18.2	21.4	17.7	18.6	19.2	19.5
Depreciation	7.8	7.9	8.2	8.6	8.5	10.3	12.4	12.6	13.4
Int. and Fin. Charges	1.0	0.9	1.0	1.4	2.1	2.3	1.9	2.0	1.9
Other Income	3.0	3.0	3.8	3.9	6.9	5.7	6.8	7.4	8.1
Profit before Taxes	35.8	42.8	42.7	56.4	72.1	53.3	57.9	66.6	75.6
Change (%)	9.5	19.3	-0.1	32.1	27.8	-26.2	8.7	15.0	13.6
Margin (%)	17.7	19.7	14.7	16.4	20.3	15.7	16.4	17.3	17.8
Tax	9.5	11.2	11.6	15.1	17.8	13.8	14.8	17.0	19.3
Deferred Tax	-1.0	-0.2	-0.6	-0.2	0.1	0.2	0.0	0.0	0.0
Tax Rate (%)	23.9	25.7	25.8	26.5	24.8	26.2	25.5	25.5	25.5
PAT Before Minority	27.3	31.8	31.7	41.5	54.2	39.3	43.1	49.6	56.3
Minority Interest	-0.5	-0.3	-0.3	-0.9	-1.3	-1.4	-1.0	-1.2	-1.5
Adjusted PAT	27.8	32.1	32.0	42.4	55.6	40.7	44.2	50.8	57.8
Change (%)	25.5	15.4	-0.2	32.6	30.9	-26.7	8.4	15.1	13.8
Margin (%)	13.8	14.8	11.0	12.3	15.7	12.0	12.5	13.2	13.6
Reported PAT	27.7	32.1	30.8	42.0	55.6	37.1	44.2	50.8	57.8

Balance Sheet

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	100.3	127.1	137.2	159.0	186.3	193.0	196.8	207.1	224.1
Net Worth	101.3	128.1	138.1	159.9	187.3	194.0	197.8	208.1	225.1
Loans	3.4	3.4	7.8	9.7	11.1	8.6	10.6	10.1	10.1
Other Liability	12.0	11.5	11.4	13.2	17.3	18.6	20.8	23.4	26.3
Minority Interest	4.0	4.2	3.9	4.5	7.0	6.6	7.6	8.8	10.3
Capital Employed	120.7	147.2	161.1	187.3	222.6	227.8	236.9	250.4	271.8
Gross Block	69.9	71.9	73.9	78.7	89.1	117.5	132.5	142.5	152.5
Less: Accum. Depn.	19.6	24.8	30.2	35.4	40.3	46.0	58.3	70.9	84.3
Net Fixed Assets	50.3	47.1	43.7	43.3	48.7	71.6	74.2	71.7	68.2
Capital WIP	1.4	1.8	4.3	10.2	27.0	12.5	12.5	12.5	12.5
Right to Use Assets	9.2	8.5	9.1	12.1	18.6	18.4	18.4	18.4	18.4
Investments	20.2	47.4	32.5	42.6	45.9	47.2	54.3	62.5	71.9
Current	5.1	32.7	21.8	27.0	32.0	32.4	38.8	46.2	54.7
Non-current	15.1	14.7	10.7	15.6	13.8	14.8	15.5	16.3	17.1
Curr. Assets, L&A	77.1	95.8	137.7	147.3	154.7	151.6	156.7	172.1	196.8
Inventory	33.9	38.0	61.5	62.1	59.2	67.2	65.6	71.6	79.2
Account Receivables	18.0	26.1	38.7	46.4	48.9	43.2	43.4	47.4	52.4
Cash and Bank Balance	7.8	6.1	8.6	8.4	10.8	7.8	9.6	7.5	11.4
Others	17.3	25.6	28.7	30.3	35.7	33.3	38.1	45.6	53.7
Curr. Liab. and Prov.	40.7	56.3	68.5	70.5	76.4	75.7	81.5	89.0	98.2
Account Payables	21.4	33.8	41.6	36.4	38.3	38.5	40.2	43.5	48.1
Other Liabilities	16.9	19.5	24.0	31.1	35.2	34.0	37.4	41.1	45.2
Provisions	2.4	3.0	2.9	3.0	2.9	3.2	4.0	4.4	4.9
Net Current Assets	36.4	39.4	69.2	76.8	78.3	75.8	75.1	83.1	98.6
Goodwill on Cons.	3.2	3.0	2.4	2.3	4.2	2.2	2.2	2.2	2.2
Application of Funds	120.7	147.2	161.1	187.3	222.6	227.8	236.9	250.4	271.8

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	29.0	33.4	33.4	44.2	57.9	42.5	46.0	53.0	60.3
Cash EPS	37.1	41.7	41.9	53.2	66.8	53.2	58.9	66.1	74.3
BV/Share	105.6	133.5	144.0	166.7	195.2	202.2	206.2	216.9	234.7
DPS	21.8	4.9	18.2	25.6	44.0	44.0	41.0	41.0	41.0
Payout %	75.3	14.5	54.4	58.0	75.9	103.6	89.1	77.4	68.0
Valuation (x)									
P/E	90.6	78.5	78.7	59.3	45.3	61.8	57.0	49.5	43.6
Cash P/E	70.7	63.0	62.7	49.3	39.3	49.4	44.6	39.7	35.3
EV/Sales	12.3	11.4	8.5	7.2	7.0	7.3	7.0	6.4	5.7
EV/EBITDA	59.9	50.8	51.7	39.6	32.6	41.1	37.7	33.3	29.5
P/BV	24.9	19.7	18.2	15.7	13.4	13.0	12.7	12.1	11.2
Dividend Yield (%)	0.8	0.2	0.7	1.0	1.7	1.7	1.6	1.6	1.6
Return Ratios (%)									
RoE	28.4	28.0	24.0	28.5	32.0	21.4	22.5	25.0	26.7
RoCE	23.6	24.2	21.0	24.4	27.2	18.2	19.2	21.0	22.1
RoIC	23.2	24.1	20.6	25.1	28.6	18.7	18.7	20.5	21.6
Working Capital Ratios									
Debtor (Days)	32	44	49	49	50	47	45	45	45
Asset Turnover (x)	1.7	1.5	1.8	1.8	1.6	1.5	1.5	1.5	1.6
Leverage Ratio									
Debt/Equity (x)	0.0	0.0	0.1	0.1	0.1	0.0	0.1	0.0	0.0

Cash Flow Statement

(INR b)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(loss) before Tax	36.3	43.0	41.9	56.9	73.5	51.0	57.9	66.6	75.6
Depreciation	7.8	7.9	8.2	8.6	8.5	10.3	12.4	12.6	13.4
Net interest	0.1	0.2	-0.1	0.1	0.2	0.3	-4.9	-5.3	-6.2
Others	-0.4	-1.4	-0.3	-1.0	-2.9	-2.2	0.0	0.0	0.0
Direct Taxes Paid	-10.1	-10.8	-11.8	-14.9	-18.4	-14.0	-14.8	-17.0	-19.3
(Incr)/Decr in WC	-7.4	-2.1	-28.0	-7.7	0.1	-5.7	2.5	-10.0	-11.6
CF from Operations	26.3	36.8	9.9	41.9	61.0	39.8	53.0	46.8	52.1
Incr in FA	-3.7	-2.5	-5.0	-12.5	-21.9	-18.0	-15.0	-10.0	-10.0
Free Cash Flow	22.6	34.3	4.9	29.5	39.1	21.8	38.0	36.8	42.1
Pur of Investments	-2.5	-3.7	1.0	1.8	0.3	0.0	-7.1	-8.2	-9.4
Others	7.9	-25.8	14.8	-10.1	-7.2	3.3	6.8	7.4	8.1
CF from Invest.	1.7	-32.1	10.7	-20.7	-28.8	-14.7	-15.3	-10.8	-11.3
Incr in Debt	-2.6	0.3	3.2	2.4	0.0	-0.1	2.0	-0.5	0.0
Dividend Paid	-21.2	-5.0	-17.6	-19.4	-25.5	-31.4	-39.3	-39.3	-39.3
Net interest Paid	-1.0	-0.9	-0.9	-1.4	-1.9	-2.0	-1.9	-2.0	-1.9
Others	0.2	-0.9	-2.8	-3.0	-2.4	5.5	3.2	3.7	4.4
CF from Fin. Activity	-24.7	-6.5	-18.1	-21.4	-29.8	-28.1	-35.9	-38.1	-36.9
Incr/Decr of Cash	3.4	-1.7	2.5	-0.2	2.4	-3.0	1.8	-2.1	3.9
Add: Opening Balance	4.4	7.8	6.1	8.6	8.4	10.8	7.8	9.6	7.5
Closing Balance	7.8	6.1	8.6	8.4	10.8	7.8	9.6	7.5	11.4

E: MOFSL Estimates

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

NOTES

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 and BSE enlistment no. 5028. 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 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 and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.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>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).

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(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or 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 alterations 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, enlistment as RA with Exchange 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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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 dpgrievances@motilaloswal.com.