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Rating Information	
Price (Rs)	405
Target Price (Rs)	463
Target Date	30th Sep'18
Target Set On	13th July 17
Implied yrs of growth (DCF)	20
Fair Value (DCF)	388
Fair Value (DDM)	338
Ind Benchmark	SPBSMIP
Model Portfolio Position	NA

Stock Information	
Market Cap (Rs Mn)	59,774
Free Float (%)	33.14 %
52 Wk H/L (Rs)	436/324.5
Avg Daily Volume (1yr)	95,499
Avg Daily Value (Rs Mn)	36
Equity Cap (Rs Mn)	148
Face Value (Rs)	1
Bloomberg Code	BJCOR IN

Ownership	Recent	3M	12M
Promoters	66.9 %	0.0 %	0.0 %
DII	4.9 %	-0.6 %	2.6 %
FII	23.7 %	0.8 %	-1.3 %
Public	4.6 %	-0.2 %	-1.3 %

Price %	1M	3M	12M
Absolute	8.2 %	-5.6 %	2.8 %
Vs Industry	5.8 %	-11.2 %	-23.0 %
Emami	-5.1 %	4.6 %	-3.6 %
Marico	3.7 %	9.1 %	17.8 %

#### Standalone Quarterly EPS forecast

Rs/Share	1Q	2Q	3Q	4Q
EPS (17A)	3.5	4.0	3.9	3.6
EPS (18E)	3.7	3.9	4.0	4.4

# Bajaj Corp

1QFY18 Result: Estimate (↓), TP (↑), Rating (↔)

Regular Coverage

Absolute : LONG  
Relative : Overweight  
14% ATR in 15 Months

Decent quarter amidst uncertain times, management sounded upbeat after a while, maintain LONG

Personal Care

BCO's 1QFY18 revenue declined 3% yoy (2.5% above EE) due to dealer level de-stocking on account of GST. Overall volumes declined by 7.7% yoy during 1QFY18. BCO volumes were strong for April and May while GST impacted volume growth for 1QFY18 owing to de-stocking in June. We broadly maintain our FY18E/FY19E volume growth estimates at 3%/7% while we factor lower than previous price hikes and hence reduce our revenue estimates marginally. 1QFY18 EBITDAM stood at 30.7% down 402bps yoy and 166bps qoq largely due to higher prices of LLP and increased employee cost. We lower FY18E/FY19E EBITDA estimates by 3%/3% to factor the same. We maintain LONG rating on the stock due to favourable risk reward with Sep'18 TP of Rs. 463 at 27x TTM EPS of Rs. 17.2 (prev. Jun'18 TP Rs. 456).

**GST impacts volume growth while higher raw material prices and employee costs impact EBITDAM:** 1QFY18 sales declined by 3% yoy and stood at Rs. 1,974mn which was 2.5% above EE. This was largely on account of decline in volumes (-7.7% yoy). Volumes in ADHO declined by 6.6% on a yoy basis despite strong start during April and May as de-stocking impacted growth for the full quarter. While inventory at distributor and retailer level has reduced; this is likely to result in primary sales picking up during 2QFY18. Higher raw material prices are likely to weigh in on gross margins which witnessed a 211bps decline on a qoq basis. BCO also plans to ramp up its sales team significantly over the next 6 months which would lead to higher employee costs and we have factored the same in our estimates.

**Nielsen trends suggest growth in the hair oil industry is picking up which is likely to augur well for BCO:** Volume growth during 1QFY18 as per Nielsen data suggests that overall hair oil market has witnessed growth both in terms of volume and value during 1QFY18. Growth in 1QFY18 was mostly driven by Amla and Light Hair oils. The strong trend being witnessed recently has been after a gap of a couple of years. Besides that we believe that another year of good monsoons is likely to boost demand from the rural side which should augur well for BCO.

**Outlook and Valuations:** We believe that given the favorable base in terms of volume growth and an uptick in demand witnessed during first couple of months augurs well for Bajaj Corp. Volume growth for BCO is likely to inch up during 2HFY18 given the favorable base effect. Hence we retain our LONG rating on the stock with revised Sep'18 TP of Rs. 463. At our TP the stock would trade at 27x its TTM EPS of Rs. 17.2.

**Key risks:** Lower than expected volume growth, increase in RM costs.

#### Change in Estimates

Rs. Mn	FY18E	Chg (%)	FY19E	Chg (%)
Sales	8,405	-3%	9,486	-1%
EBITDA	2,623	-3%	2,998	-3%
EPS	16	-2%	18	-2%

#### Consolidated Financials

Rs. Mn YE Mar	FY17A	FY18E	FY19E	FY20E
Sales	7,969	8,405	9,486	10,597
EBITDA	2,636	2,623	2,998	3,328
Depreciation	237	58	57	57
Interest Expense	10	12	12	12
Other Income	394	451	495	535
Reported PAT	2,173	2,364	2,615	2,656
Recurring PAT	2,182	2,364	2,615	2,656
Total Equity	4,942	5,286	5,665	5,798
Gross Debt	150	158	158	158
Cash	3,510	3,803	4,143	4,238
Rs Per Share	FY17A	FY18E	FY19E	FY20E
Earnings	14.8	16.0	17.7	18.0
Book Value	34	36	38	39
Dividends	11.5	11.4	12.6	14.2
FCFF	13.4	15.7	17.5	17.8
P/E (x)	27.4	25.3	22.9	22.5
P/B (x)	12.1	11.3	10.6	10.3
EV/EBITDA (x)	21.4	21.4	18.6	16.7
ROE (%)	45 %	46 %	48 %	46 %
Core ROIC (%)	110 %	112 %	119 %	117 %
EBITDA Margin (%)	33 %	31 %	32 %	31 %
Net Margin (%)	27 %	28 %	28 %	25 %

## Key Highlights of Conference Call

1. Owing to GST, there was de-stocking along the distribution chain with noticeable stock reduction at both retail (down 7 days) and distributor (down 5 days) level.
2. During 1QFY18, Apr'17 and May'17 sales grew by ~6%, whereas in June the sales were affected on the back of GST implementation from Jul'17.
3. Management has indicated that the sales during Jul'17 will be strained. Purchases have not comeback in as of Jul'17. During 1QFY18, sales drop in modern trade channels was marginal whereas Canteen store sales dropped by 40% yoy. There have been no orders for Jul'17 from canteen stores.
4. As of 1QFY18, BCO's total distribution reach stands at 3.8mn outlets and direct distribution at 0.575mn outlets. Management has indicated that the direct distribution could increase to ~20% of total distribution reach by FY19.
5. Due to current instability of crude oil prices, BCO has not entered into any long term contracts for LLP.
6. During 1QFY18 'No Marks' had adopted a new strategy in two states. Accordingly, sales in these states have shown improvement. Management has indicated that similar strategy could be extended to other states in coming quarters.
7. Management has indicated that it will maintain the current EBITDA margin levels of 1QFY18 for remainder of FY18.
8. Management has indicated that the modern trade channel has asked for margin increase for hair oil. Since contribution from the modern trade to the total sales is low, the margin increase will not have significant impact on the profitability of BCO.
9. Management has indicated that its plan to launch 3 new products between Jun'17 and Oct'17 could be postponed by 3 months.
10. Management has indicated that the inventory levels maintained at Distributor/Retail level stands at 30/45 days.
11. The LHO off-take was in double digit during 1QFY18.
12. Management has indicated that post implementation of GST, BCO could undergo distribution restructuring and the number of depots or regional stockists could come down from 29 to 18.
13. Management has indicated that the distribution restructuring will have minimum impact on profitability but will increase the efficiency of the distribution.
14. Management has indicated that the growth in Hair oil segment could be sustainable in the near-term on the back of positive demand trend in urban and rural segment.
15. Management expects volume growth for HO to come back in 2HFY18.

**Quarterly Result Table (Standalone)**

RsMn	1QFY18	1QFY18E	4QFY17	1QFY17	% Change			Comments
					1QFY18E	4QFY17	1QFY17	
Net Sales	1,974	1,927	2,045	2,043	2.5%	-3.5%	-3.4%	Sales growth marginally better than expectations
(Increase)/Decrease in stock in trade & WIP	-38	0	-27	42	#DIV/0!	41.6%	-190.7%	
Raw Material Consumption	617	520	555	554	18.6%	11.1%	11.4%	
Purchase of Traded Goods	109	135	141	109	-19.3%	-22.9%	0.0%	
Employee Cost	169	154	152	138	9.5%	10.9%	22.1%	
Other Expenditure	511	482	420	303	6.0%	21.8%	68.4%	
<b>Total Expenditures</b>	<b>1,368</b>	<b>1,291</b>	<b>1,241</b>	<b>1,146</b>	<b>6.0%</b>	<b>10.2%</b>	<b>19.4%</b>	
<b>EBITDA</b>	<b>606</b>	<b>636</b>	<b>662</b>	<b>710</b>	<b>-4.6%</b>	<b>-8.4%</b>	<b>-14.5%</b>	EBITDA lower than expected due to lower than expected gross margins
Depreciation	15	14	14	128	9.0%	10.5%	-87.9%	
<b>EBIT</b>	<b>591</b>	<b>622</b>	<b>648</b>	<b>582</b>	<b>-4.9%</b>	<b>-8.8%</b>	<b>1.5%</b>	
Other Income	111	79	23	84	40.8%	377.7%	32.2%	Higher than expectations
<b>PBT</b>	<b>699</b>	<b>697</b>	<b>669</b>	<b>664</b>	<b>0.3%</b>	<b>4.5%</b>	<b>5.3%</b>	
Tax	149	146	142	142	1.9%	5.0%	5.3%	
<b>Recurring PAT</b>	<b>550</b>	<b>551</b>	<b>527</b>	<b>522</b>	<b>-0.2%</b>	<b>4.4%</b>	<b>5.3%</b>	In-line with expectations due to higher other income
Extraordinaries	0	0	8	0				
<b>Reported PAT</b>	<b>550</b>	<b>551</b>	<b>518</b>	<b>522</b>	<b>-0.2%</b>	<b>6.1%</b>	<b>5.3%</b>	
EPS (Rs)	3.7	3.7	3.6	3.5	-0.2%	4.4%	5.3%	
EBITDA Margin	30.7%	33.0%	32.4%	34.7%	-229 bps	-166 bps	-402 bps	
EBIT Margin	29.9%	32.3%	31.7%	28.5%	-233 bps	-176 bps	145 bps	
PBT Margin	35.4%	36.2%	32.7%	32.5%	-78 bps	271 bps	293 bps	
PAT Margin	27.8%	28.6%	25.3%	25.5%	-74 bps	251 bps	230 bps	
Tax Rate	21.3%	21.0%	21.2%	21.3%	34 bps	10 bps	0 bps	

## Company Snapshot

### How we differ from Consensus

		Equirus	Consensus	% Diff	Comment
EPS	FY18E	16.0	16.9	-5 %	We believe that margins are likely to remain under pressure given the increase in the prices of key raw Materials.
	FY19E	17.7	18.8	-6 %	
Sales	FY18E	8,405	9,037	-7 %	
	FY19E	9,486	10,239	-7 %	
PAT	FY18E	2,364	2,495	-5 %	
	FY19E	2,615	2,764	-5 %	

### Key Estimates:

Particulars	FY15	FY16	FY17	FY18E	FY19E	FY20E
ADHO Revenue (Rs. Mn)	7,372	7,297	7,346	7,758	8,716	9,695
NoMarks (Rs. Mn)	582	343	252	327	352	382
EBITDA (Rs. Mn)	2,392	2,737	2,636	2,623	2,998	3,328
EBITDA Margin(%)	29.0%	34.2%	33.1%	31.2%	31.6%	31.4%
PAT (Rs. Mn)	1,727	1,964	2,182	2,364	2,615	2,656
PAT Margin(%)	20.9%	24.6%	27.4%	28.1%	27.6%	25.1%

### Risk to Our View:

- Volatility of commodity prices could lead to fluctuations in raw material cost
- Increasing competitive intensity could lead to price wars thereby reduce margins going forward
- Economic slowdown & high inflation

### Key Triggers

- Stable raw material prices

Comparable valuation			Mkt Cap Rs. Mn.	Price Target	Target Date	EPS			P/E			BPS	P/B	RoE			Div Yield	
Company	Reco.	CMP				FY17A	FY18E	FY19E	FY17A	FY18E	FY19E	FY17A	FY18E	FY17A	FY18E	FY17A	FY18E	FY19E
Bajaj Corp	LONG	405	59,774	463	30th Jun'18	14.8	16.0	17.7	27.4	25.3	22.9	33.5	11.3	45 %	46 %	48 %	2.8 %	2.8 %
Emami	NR	1,075	243,990	NR	NR	15.0	27.8	33.4	71.7	38.7	32.2	77.3	27.7	22 %	39 %	45 %	0.7 %	0.5 %
Marico	REDUCE	328	423,339	290	30th Jun'18	6.2	7.0	7.8	50.9	45.3	40.4	18.0	15.5	37 %	36 %	36 %	1.1 %	1.2 %

- Increasing demand for premium products.

Sensitivity to Key Variables	% Change	% Impact on EPS
Raw Material Cost	1 %	-3 %
-	-	-
-	-	-

### DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr
6.5 %	0.8	11.0 %	3.0 %	7.9 %

	FY18E	FY19E	FY20-27E	FY28-32E	FY33-37E
Sales Growth	5 %	13 %	10 %	6 %	6 %
NOPAT Margin	24 %	24 %	22 %	22 %	22 %
IC Turnover	4.54	4.95	5.17	5.00	5.00
RoIC	111.5 %	119.3 %	117.6 %	112.2 %	112.2 %
Years of strong growth	1	2	10	15	20
Valuation as on date (Rs)	193	206	282	314	342
Valuation as of 30thSep'18	219	234	320	357	388

Based on DCF, assuming 20 years of 9.4% CAGR growth and 115% average ROIC, we derive current fair value of Rs. 342 and 30<sup>th</sup> Sep'18 fair value of Rs. 388.

### Company Description:

Headquartered in Udaipur, Bajaj Corp Ltd is one of India's leading FMCG Company with major brands in Hair care category. Bajaj Corp has very strong brand heritage with brands that have been in the market for past 60 years. The company's principal product is Almond Drops, which is in the light hair oil segment. Recently Bajaj Corp with acquisition of No Marks Brand marked its entry into the Rs. 85bn skin-care category.

## Standalone Quarterly Earnings Forecast and Key Drivers

Rs in Mn	1Q17A	2Q17A	3Q17A	4Q17A	1Q18A	2Q18E	3Q18E	4Q18E	1Q19E	2Q19E	3Q19E	4Q19E	FY17A	FY18E	FY19E	FY20E
Revenue	2,043	1,968	1,869	2,045	1,974	2,039	2,089	2,302	2,224	2,311	2,355	2,596	7,925	8,405	9,486	10,597
(Increase)/Decrease in stock in trade & WIP, Purchase of traded goods	150	155	181	115	71	122	125	138	133	139	141	156	601	457	569	689
Raw Material Consumption	554	507	463	555	617	591	606	668	645	670	683	753	2,078	2,482	2,751	3,073
Employee Cost	138	146	157	152	169	184	188	184	191	199	203	223	594	724	816	901
Other Expenditure	303	332	327	420	511	357	366	403	382	398	405	446	1,382	1,636	1,632	1,801
Advertisement Expense	188	156	129	142	0	153	157	173	178	166	181	195	615	482	720	805
EBITDA	710	672	612	662	606	632	648	737	694	740	742	823	2,656	2,623	2,998	3,328
Depreciation	128	77	13	14	15	14	14	14	14	14	14	14	231	58	57	57
EBIT	582	595	600	648	591	618	633	722	680	725	728	808	2,425	2,564	2,941	3,271
Interest	2	2	2	3	3	3	3	3	3	3	3	3	9	12	12	12
Other Income	84	149	138	23	111	115	127	98	116	128	141	110	393	451	495	535
PBT	664	742	735	669	699	730	757	817	792	850	866	915	2,809	3,004	3,424	3,794
Tax	142	159	157	142	149	156	161	174	169	181	184	275	599	640	809	1,138
Recurring PAT	522	583	578	527	550	575	596	643	624	669	681	641	2,210	2,364	2,615	2,656
Extraordinary	0	0	0	8	0	0	0	0	0	0	0	0	8	0	0	0
Reported PAT	522	583	578	518	550	575	596	643	624	669	681	641	2,201	2,364	2,615	2,656
EPS (Rs)	3.54	3.95	3.92	3.57	3.73	3.90	4.04	4.36	4.23	4.54	4.62	4.34	14.98	16.02	17.73	18.01
<b>Key Drivers</b>																
ADHO Sales	1,887	1,812	1,753	1,894	1,835	1,885	1,931	2,107	2,062	2,118	2,169	2,367	7,346	7,758	8,716	9,695
ADHO Volume Growth	2%	2%	-4%	-7%	-7%	2%	8%	8%	7%	7%	7%	7%	-2%	3%	7%	8%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sequential Growth (%)</b>																
Revenue	-2 %	-4 %	-5 %	9 %	-3 %	3 %	2 %	10 %	-3 %	4 %	2 %	10 %	-	-	-	-
(Increase)/Decrease in stock in trade & WIP, Purchase of traded goods	0 %	3 %	16 %	-37 %	-38 %	72 %	2 %	10 %	-3 %	4 %	2 %	10 %	-	-	-	-
EBITDA	-6 %	-5 %	-9 %	8 %	-8 %	4 %	2 %	14 %	-6 %	7 %	0 %	11 %	-	-	-	-
EBIT	-7 %	2 %	1 %	8 %	-9 %	5 %	2 %	14 %	-6 %	7 %	0 %	11 %	-	-	-	-
Recurring PAT	-3 %	12 %	-1 %	-9 %	4 %	5 %	4 %	8 %	-3 %	7 %	2 %	-6 %	-	-	-	-
EPS	-3 %	12 %	-1 %	-9 %	4 %	5 %	4 %	8 %	-3 %	7 %	2 %	-6 %	-	-	-	-
<b>Yearly Growth (%)</b>																
Revenue	2 %	4 %	-5 %	-2 %	-3 %	4 %	12 %	13 %	13 %	13 %	13 %	13 %	0 %	6 %	13 %	12 %
EBITDA	7 %	4 %	-10 %	-12 %	-15 %	-6 %	6 %	11 %	14 %	17 %	15 %	12 %	-3 %	-1 %	14 %	11 %
EBIT	9 %	14 %	9 %	4 %	2 %	4 %	6 %	11 %	15 %	17 %	15 %	12 %	9 %	6 %	15 %	11 %
Recurring PAT	10 %	24 %	17 %	-3 %	5 %	-1 %	3 %	22 %	13 %	16 %	14 %	0 %	12 %	7 %	11 %	2 %
EPS	10 %	24 %	17 %	-3 %	5 %	-1 %	3 %	22 %	13 %	16 %	14 %	0 %	12 %	7 %	11 %	2 %
<b>Margin (%)</b>																
EBITDA	35 %	34 %	33 %	32 %	31 %	31 %	31 %	32 %	31 %	32 %	32 %	32 %	34 %	31 %	32 %	31 %
EBIT	28 %	30 %	32 %	32 %	30 %	30 %	30 %	31 %	31 %	31 %	31 %	31 %	31 %	31 %	31 %	31 %
PBT	32 %	38 %	39 %	33 %	35 %	36 %	36 %	36 %	36 %	37 %	37 %	35 %	35 %	36 %	36 %	36 %
PAT	26 %	30 %	31 %	26 %	28 %	28 %	29 %	28 %	28 %	29 %	29 %	25 %	28 %	28 %	28 %	25 %

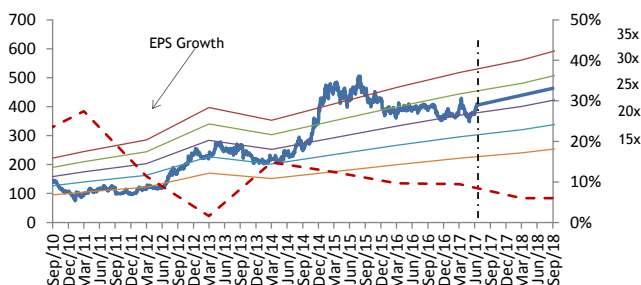
## Consolidated Financials

P&L (Rs Mn)	FY17A	FY18E	FY19E	FY20E
Revenue	7,969	8,405	9,486	10,597
Op. Expenditure	5,333	5,782	6,488	7,269
EBITDA	2,636	2,623	2,998	3,328
Depreciation	237	58	57	57
EBIT	2,399	2,564	2,941	3,271
Interest Expense	10	12	12	12
Other Income	394	451	495	535
PBT	2,782	3,004	3,424	3,794
Tax	600	640	809	1,138
PAT bef. MI & Assoc.	2,182	2,364	2,615	2,656
Minority Interest	0	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	2,182	2,364	2,615	2,656
Extraordinaires	10	0	0	0
Reported PAT	2,173	2,364	2,615	2,656
FDEPS (Rs)	14.8	16.0	17.7	18.0
DPS (Rs)	11.5	11.4	12.6	14.2
CEPS (Rs)	16.4	16.4	18.1	18.4
FCFPS (Rs)	13.4	15.7	17.5	17.8
BVPS (Rs)	33.5	35.8	38.4	39.3
EBITDAM (%)	33 %	31 %	32 %	31 %
PATM (%)	27 %	28 %	28 %	25 %
Tax Rate (%)	22 %	21 %	24 %	30 %
Sales Growth (%)	0 %	5 %	13 %	12 %
FDEPS Growth (%)	11 %	8 %	11 %	2 %

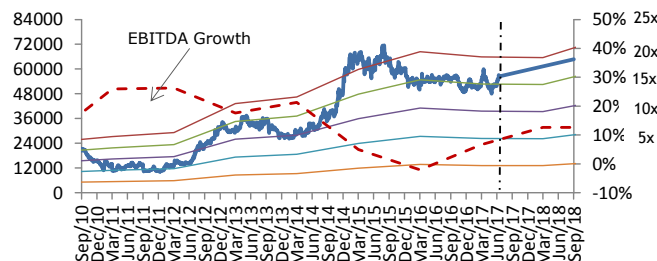
Balance Sheet (Rs Mn)	FY17A	FY18E	FY19E	FY20E
Equity Capital	148	148	148	148
Reserve	4,794	5,138	5,517	5,650
Networth	4,942	5,286	5,665	5,798
Long Term Debt	150	158	158	158
Def Tax Liability	8	0	0	0
Minority Interest	0	0	0	0
Account Payables	403	451	528	618
Other Curr Liabi	393	382	431	482
Total Liabilities & Equity	5,895	6,276	6,781	7,055
Net Fixed Assets	1,186	1,227	1,270	1,313
Capital WIP	0	0	0	0
Others	451	451	451	451
Inventory	425	437	494	552
Account Receivables	274	138	156	174
Other Current Assets	50	220	267	327
Cash	3,510	3,803	4,143	4,238
Total Assets	5,895	6,276	6,781	7,056
Non-cash Working Capital	-47	-38	-42	-47
Cash Conv Cycle	-2.1	-1.6	-1.6	-1.6
WC Turnover	-170.8	-223.9	-224.1	-224.0
FA Turnover	6.7	6.8	7.5	8.1
Net D/E	-0.7	-0.7	-0.7	-0.7
Revenue/Capital Employed	1.6	1.7	1.8	1.9
Capital Employed/Equity	1.0	1.0	1.0	1.0

Cash Flow (Rs Mn)	FY17A	FY18E	FY19E	FY20E
PBT	2,782	3,004	3,424	3,794
Depreciation	237	58	57	57
Others	-386	0	0	0
Taxes Paid	585	640	809	1,138
Change in WC	71	-9	5	5
Operating C/F	2,120	2,413	2,677	2,718
Capex	-361	-121	-100	-100
Change in Invest	-76	21	0	0
Others	284	0	0	0
Investing C/F	-153	-100	-100	-100
Change in Debt	0	8	0	0
Change in Equity	0	0	0	0
Others	-2,000	-2,027	-2,236	-2,523
Financing C/F	-2,000	-2,020	-2,236	-2,523
Net change in cash	-33	293	341	95
RoE (%)	45 %	46 %	48 %	46 %
RoIC (%)	44 %	45 %	47 %	45 %
Core RoIC (%)	110 %	112 %	119 %	117 %
Div Payout (%)	103 %	85 %	86 %	95 %
P/E	27.4	25.3	22.9	22.5
P/B	12.1	11.3	10.6	10.3
P/FCFF	30.3	25.7	23.1	22.8
EV/EBITDA	21.4	21.4	18.6	16.7
EV/Sales	7.1	6.7	5.9	5.3
Dividend Yield (%)	2.8 %	2.8 %	3.1 %	3.5 %

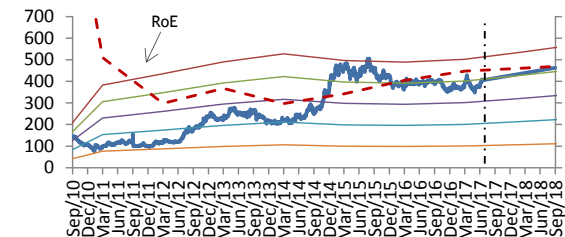
TTM P/E vs. 2 yr forward EPS growth



TTM EV/EBITDA vs. 2 yr forward EBITDA growth



TTM P/B vs. 2 yr forward RoE



## Historical Consolidated Financials

P&L (Rs Mn)	FY14A	FY15A	FY16A	FY17A
Revenue	6,717	8,256	7,997	7,969
Op. Expenditure	4,857	5,864	5,260	5,333
EBITDA	1,860	2,392	2,737	2,636
Depreciation	329	518	519	237
EBIT	1,530	1,874	2,218	2,399
Interest Expense	59	1	2	10
Other Income	401	316	287	394
PBT	1,873	2,188	2,503	2,782
Tax	384	462	539	600
PAT bef. MI & Assoc.	1,489	1,727	1,964	2,182
Minority Interest	0	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	1,489	1,727	1,964	2,182
Extraordinares	0	0	0	10
Reported PAT	1,489	1,727	1,964	2,173
EPS (Rs)	10.1	11.7	13.3	14.8
DPS (Rs)	6.5	12.6	11.2	11.5
CEPS (Rs)	12.3	15.2	16.8	16.4
FCFPS (Rs)	9.1	12.7	13.5	13.4
BVPS (Rs)	35.2	33.1	32.6	33.5
EBITDAM (%)	28 %	29 %	34 %	33 %
PATM (%)	22 %	21 %	25 %	27 %
Tax Rate (%)	20 %	21 %	22 %	22 %
Sales growth (%)	11 %	23 %	-3 %	0 %
FDEPS growth (%)	-11 %	16 %	14 %	11 %

Balance Sheet (Rs Mn)	FY14A	FY15A	FY16A	FY17A
Equity Capital	148	148	148	148
Reserve	5,045	4,738	4,663	4,794
Networth	5,192	4,886	4,811	4,942
Long Term Debt	0	0	100	150
Def Tax Liability	4	5	8	8
Minority Interest	0	0	0	0
Account Payables	406	514	435	403
Other Curr Liabi	191	274	309	393
Total Liabilities & Equity	5,793	5,679	5,662	5,895
Net Fixed Assets	1,929	1,417	963	1,186
Capital WIP	7	7	9	0
Others	430	430	539	451
Inventory	395	393	502	425
Account Receivables	84	133	254	274
Other Current Assets	89	121	43	50
Cash	2,860	3,178	3,353	3,510
Total Assets	5,793	5,679	5,662	5,895
Non-cash Working Capital	-30	-142	54	-47
Cash Conv Cycle	-1.6	-6.3	2.5	-2.1
WC Turnover	-226.9	-58.3	148.3	-170.8
FA Turnover	3.5	5.8	8.2	6.7
Net D/E	-0.6	-0.7	-0.7	-0.7
Revenue/Capital Employed	1.5	1.6	1.6	1.6
Capital Employed/Equity	1.0	1.0	1.0	1.0

Cash Flow (Rs Mn)	FY14A	FY15A	FY16A	FY17A
PBT	1,873	2,188	2,503	2,782
Depreciation	329	518	519	237
Others	-401	-316	-285	-386
Taxes Paid	393	459	532	585
Change in WC	-149	135	-276	71
Operating C/F	1,259	2,067	1,929	2,120
Capex	-1,467	-7	-170	-361
Change in Invest	1,107	-417	-22	-76
Others	395	229	252	284
Investing C/F	35	-195	60	-153
Change in Debt	0	0	0	0
Change in Equity	0	0	0	0
Others	-1,122	-2,035	-1,943	-2,000
Financing C/F	-1,122	-2,035	-1,943	-2,000
Net change in cash	173	-164	45	-33
RoE (%)	30 %	34 %	41 %	45 %
RoIC (%)	31 %	34 %	40 %	44 %
Core RoIC (%)	65 %	67 %	97 %	110 %
Div Payout (%)	72 %	126 %	99 %	103 %
P/E	40.1	34.6	30.4	0.0
P/B	11.5	12.2	12.4	0.0
P/FCFF	44.6	44.6	44.6	44.6
EV/EBITDA	30.6	23.7	20.7	0.0
EV/Sales	8.5	8.5	8.5	8.5
Dividend Yield (%)	1.6 %	3.1 %	2.8 %	2.8 %



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