

# Asian Paints | ADD

## Strong quarter, improving outlook; upgrade to ADD

Asian Paints' Q4FY26 earnings print was ahead of expectations led by higher decorative volume growth and EBITDA margin. Management commentary on demand outlook was quite promising – decorative segment volume was stable in April/May despite the price hike, and the company targets 8–10% volume growth in FY27E. On profitability, calibrated price hikes (prices hiked by ~10.4% so far, another 2–4% announced w.e.f. June against impact of ~20%), premiumisation (mix impact likely to be lower at 3–4% versus earlier guidance of ~5%), backward integration and cost efficiencies should help maintain EBITDA margin in the guided range of 18–20%. This is a positive surprise given that margin shrank sharply in previous inflation cycles. Factoring in 4Q beat and price hikes, we have increased our FY27/28E EPS by 6–9%. Given upbeat outlook and more rational competitive activity, we raise our target multiple to 48x (earlier 44x) and upgrade the stock to ADD (from REDUCE) with a revised TP of INR 2,815 (earlier INR 2,290).

- Decorative business performance above expectation; industrial business sustains momentum:** Consolidated revenue grew 10.6% YoY to INR 92.5bn (~5% above our and Street estimates) driven by better-than-expected performance in India decorative business (12.4%/10.1% YoY growth in volume/value versus Street estimate of 9–10%/5–6%). Demand trends were healthy across rural and urban markets with double-digit growth through Jan-Mar. Management highlighted some pre-buying ahead of price hikes in March, which narrowed the volume-value gap to ~2% in Q4FY26; however, it expects this gap to stay at 3–4% (lower than earlier guidance of ~5%). Home improvement segment sales rose ~10% YoY (bath fitting: +3.8% YoY and kitchen: +16.5% YoY) while White teak and Weatherseal sales went up 16.8% YoY and 24.9% YoY respectively. Industrial business sustains healthy momentum (AP-PPG sales grew 15% YoY driven by protective coatings and PPG-AP sales were up 20.9% YoY led by the automotive segment). International sales grew 11.1% YoY (+8.2% CC), led by Sri Lanka, Egypt and UAE.
- Positive gross margin flowthrough with lower other overheads drives EBITDA beat:** Consolidated gross margin expanded by 87bps YoY and 39bps QoQ to 44.8% (JMFe: 44.5%), led by raw material (RM) deflation (down 1.4%) and benefit of sourcing/formulation efficiencies. Standalone gross margin was up 60bps YoY and 70bps QoQ. Full impact of price hike and RM inflation will be seen from 1QFY27. Staff cost grew 14.2% YoY, while other expenses grew by just 1.9% YoY (better fixed cost absorption). Hence, EBITDA grew by 24.4% YoY to INR 17.9bn (~18% above JMFe) with margin expanding 214bps YoY to 19.3% (JMFe:17.3%). PAT (before extraordinary income and minority interest) grew ~34% YoY to INR 11.7bn, led by higher other income and lower depreciation.
- Positive outlook as volume trends stable despite hikes and margin guidance unchanged:** i) FY27E revenue construct remains promising – the company is targeting 8–10% volume growth in FY27E, which, along with double-digit price hike (prices already hiked by ~10.4% and 2–4% announced w.e.f. from June) and lower mix impact (3–4%) should lead to mid-teens sales growth; ii) Demand trends were stable in April-May and management is optimistic on Q2/Q3FY27 panning out well on the back of longer festive; iii) Management reiterates margin guidance of 18–20% despite steep inflation, supported by price hikes, sourcing efficiencies, mix improvement, and calibration in spends, and iv) It expects competitive intensity to remain elevated.



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### Recommendation and Price Target

Current Reco.	ADD
Previous Reco.	REDUCE
Current Price Target (12M)	2,815
Upside/(Downside)	5.4%
Previous Price Target	2,290
Change	22.9%

### Key Data – APNT IN

Current Market Price	INR2,672
Market cap (bn)	INR2,562.6/US\$27.0
Free Float (%)	49.4
Shares in issue (mn)	959.2
Diluted share (mn)	959.2
3-mon avg daily val (mn)	INR3,267.8/US\$34.4
52-week range	INR2,986/2,115
Sensex/Nifty	74,776/23,548
INR/US\$	95.0

### Price Performance

%	1M	6M	12M
Absolute	9.2	-7.1	16.4
Relative*	12.3	6.5	26.8

\*To the NSE Nifty 50

### Financial Summary

	(INR mn)				
Y/E Mar	FY24A	FY25A	FY26A	FY27E	FY28E
Net Sales	352,489	336,268	353,345	404,782	433,508
Sales Growth (%)	2.9	-4.6	5.1	14.6	7.1
EBITDA	75,850	60,062	66,959	72,480	82,436
EBITDA Margin (%)	21.4	17.7	18.8	17.8	18.9
Adjusted Net Profit	54,602	40,303	44,829	48,533	56,018
Diluted EPS (INR)	56.9	42.0	46.7	50.6	58.4
Diluted EPS Growth (%)	31.4	-26.2	11.2	8.3	15.4
ROIC (%)	41.0	26.3	26.0	26.6	30.5
ROE (%)	31.5	21.1	22.0	22.0	23.4
P/E (x)	46.9	69.9	59.2	52.8	45.7
P/B (x)	13.7	13.2	12.0	11.2	10.3
EV/EBITDA (x)	33.3	42.1	37.6	34.6	30.2
Dividend Yield (x)	1.2	0.9	0.9	1.1	1.5

Source: Company data, JM Financial. Note: Valuations as of May 29, 2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

# Q4FY26 conference call highlights

## ■ Operating environment

- Demand improved throughout FY26, with double digit growth seen in all three months of 4Q (March month growth had 3-4% benefit from upstocking) and both rural and urban markets turning in a better performance; rural still grew a bit faster, but urban also started improving.
- The company experienced 1.4% RM deflation in 4Q.
- The macro environment has turned more volatile in recent weeks because of geopolitical tensions. The company is watching this closely while trying to avoid passing through too much inflation so that demand is not hurt.
- Industrial coatings should continue to grow faster than decorative paints, supported by investments in infrastructure and government spending, while international business should remain a healthy growth contributor.

## ■ Pricing, inflation and competition

- The company has already hiked prices by 10.5–11% and may hike them further, but it is not passing on the full inflation shock to consumers. The underlying inflation impact is c. 20%.
- The company said some of the impact is being offset through cost excellence, better sourcing, efficiency and manufacturing improvements.
- Pricing action already undertaken will show up more meaningfully in 1Q and Q2FY27.
- Management reiterated that the aim is to maintain a balance between price hike and demand protection, rather than letting final landed consumer prices become too high.
- Management said competitive intensity remains strong and will likely stay high through the year. Existing players remain intense, newer players are active and discounting intensity is unchanged.

## ■ B2B, industrial and international

- B2B was called out as a strong growth engine, spanning builders, factories, hospitality and government projects such as airports, ports and tunnels. Management said it is becoming a very high-growth segment.
- In the industrial JV businesses, both PPGAP and APPPG delivered strong double-digit growth in 4Q and in the year.
- International business delivered double-digit growth in 4Q and about 9% in the year, with gains in markets such as Sri Lanka, Egypt and UAE, despite continuing geopolitical tension in the Middle East.

## ■ Backward integration

- The company highlighted VAM-VAE as a signature backward-integration project. The VAE part will be commissioned in the first half of the year, while the full VAM-VAE project benefits will phase in over the next 1.5–2 years.
- The benefits on gross margin from this project will not be visible immediately from 1Q itself and will need to be tracked over the year as capacity ramps up and usage broadens.

## ■ Guidance

- Demand remains healthy in Q1FY27; early signs in April-May are encouraging. Management expects high-single-digit (roughly 8–10%) volume growth for FY27, despite potential upstocking due to price increases.

- The company intends to maintain its margin guidance of 18–20% for the full year, leveraging calibrated price increases, cost efficiencies, and product mix improvements.
- The gap between volume and value was only 2.2% in 4Q and management expects 3–4% volume-value gap going ahead.

■ **Other highlights**

- Management said premiumisation is working well and has improved the mix. The PreLux category continues to grow strongly across segments and is an important part of the growth.
- The general industrial JV (APPPG) saw a 100bps margin decline due to competitive intensity.
- Material costs are 35–40% of the overall per square foot cost to the consumer, while the large portion is of labour, which helps nullify the impact of material price increases on overall demand.
- Asian Paints added more than 4,000 retailers during the year and expanded the reach of its Beautiful Homes painting service across 70–80% of the PIN codes in the country.
- New products now contribute 17% of revenue, which management highlighted as evidence of strong innovation momentum.
- The company has declared a final dividend of INR 23 per share, resulting in a total of INR 27.5 per share for the year, including an interim dividend of INR 4.5.

**Exhibit 1: Q4FY26 snapshot: Overall operating performance better than expected**

INR mn	CONSOLIDATED					PARENT		
	Q4FY26	Q4FY25	YoY growth	Q4FY26E	% Variance	Q4FY26	Q4FY25	YoY growth
<b>Net Revenue (excl. all taxes)</b>	<b>92,467</b>	<b>83,589</b>	<b>10.6%</b>	<b>87,702</b>	<b>5.4%</b>	<b>79,202</b>	<b>71,924</b>	<b>10.1%</b>
Cost of Goods Sold	51,035	46,865	8.9%	48,675	4.8%	42,924	39,408	8.9%
<b>Gross Profit</b>	<b>41,432</b>	<b>36,724</b>	<b>12.8%</b>	<b>39,028</b>	<b>6.2%</b>	<b>36,278</b>	<b>32,516</b>	<b>11.6%</b>
Gross Profit Margin - % of Net Sales	44.8%	43.9%	87 bps	44.5%	31 bps	45.8%	45.2%	60 bps
Staff Cost	7,210	6,315	14.2%	7,016	2.8%	5,562	4,811	15.6%
Other Expenses	16,356	16,047	1.9%	16,818	-2.7%	14,016	14,463	-3.1%
<b>EBITDA</b>	<b>17,866</b>	<b>14,362</b>	<b>24.4%</b>	<b>15,194</b>	<b>17.6%</b>	<b>16,700</b>	<b>13,242</b>	<b>26.1%</b>
EBITDA margin - % of Net Sales	19.3%	17.2%	214 bps	17.3%	200 bps	21.1%	18.4%	267 bps
Depreciation	3,100	3,011	2.9%	3,200	-3.1%	2,672	2,694	-0.8%
<b>EBIT</b>	<b>14,766</b>	<b>11,351</b>	<b>30.1%</b>	<b>11,994</b>	<b>23.1%</b>	<b>14,028</b>	<b>10,548</b>	<b>33.0%</b>
Interest Expense	591	528	12.0%	480	23.1%	394	340	15.7%
Other Income	1,714	999	71.6%	1,650	3.9%	1,953	1,380	41.5%
<b>PBT before exceptional items</b>	<b>15,889</b>	<b>11,822</b>	<b>34.4%</b>	<b>13,164</b>	<b>20.7%</b>	<b>15,588</b>	<b>11,588</b>	<b>34.5%</b>
PBT after exceptional items	15,889	9,992	59.0%	13,164	20.7%	15,588	9,790	59.2%
<b>Reported Net Profit</b>	<b>11,721</b>	<b>6,921</b>	<b>69.3%</b>	<b>9,858</b>	<b>18.9%</b>	<b>11,607</b>	<b>6,943</b>	<b>67.2%</b>
<b>Adjusted Net Profit*</b>	<b>11,855</b>	<b>8,838</b>	<b>34.1%</b>	<b>9,858</b>	<b>18.9%</b>	<b>11,607</b>	<b>8,741</b>	<b>32.7%</b>

Source: Company, JM Financial. Note: Adjusted PAT is as per figure/growth rate given in the company's presentation which excludes minority interest and exceptional item.

**Exhibit 2: FY26 performance snapshot – consolidated**

INR mn	FY26	FY25	YoY growth
<b>Net Revenue (excl. all taxes)</b>	<b>3,55,835</b>	<b>3,39,056</b>	<b>4.9%</b>
Cost of Goods Sold	2,00,018	1,95,158	2.5%
<b>Gross Profit</b>	<b>1,55,818</b>	<b>1,43,898</b>	<b>8.3%</b>
Gross Profit Margin - % of Net Sales	43.8%	42.4%	135 bps
Staff Cost	27,996	25,972	7.8%
Other Expenses	60,863	57,864	5.2%
<b>EBITDA</b>	<b>66,959</b>	<b>60,062</b>	<b>11.5%</b>
EBITDA margin - % of Net Sales	18.8%	17.7%	110 bps
Depreciation	12,289	10,263	19.7%
<b>EBIT</b>	<b>54,671</b>	<b>49,799</b>	<b>9.8%</b>
Interest Expense	1,954	2,270	-13.9%
Other Income	7,238	5,726	26.4%
<b>PBT before exceptional items</b>	<b>59,955</b>	<b>53,255</b>	<b>12.6%</b>
PBT after exceptional items	58,379	49,624	17.6%
<b>Reported Net Profit</b>	<b>43,254</b>	<b>36,672</b>	<b>17.9%</b>
<b>Adjusted Net Profit*</b>	<b>45,523</b>	<b>40,728</b>	<b>11.8%</b>

Source: Company, JM Financial. Note: Adjusted PAT is as per figure/growth rate given in the company's presentation which excludes minority interest and exceptional item.

## Exhibit 3: Quarterly financial performance – consolidated

INR mn	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Sales</b>	<b>87,308</b>	<b>89,697</b>	<b>80,275</b>	<b>85,494</b>	<b>83,589</b>	<b>89,386</b>	<b>85,313</b>	<b>88,670</b>	<b>92,467</b>
YoY	-1%	-2%	-5%	-6%	-4%	0%	6%	4%	11%
Gross profit	38,160	38,152	32,732	36,291	36,724	38,155	36,849	39,382	41,432
Staff cost	6,142	6,742	6,765	6,151	6,315	7,030	6,862	6,895	7,210
Other expenses	15,105	14,472	13,572	13,773	16,047	14,876	14,953	14,677	16,356
<b>EBITDA</b>	<b>16,914</b>	<b>16,938</b>	<b>12,395</b>	<b>16,367</b>	<b>14,362</b>	<b>16,250</b>	<b>15,034</b>	<b>17,810</b>	<b>17,866</b>
YoY	-9%	-20%	-28%	-20%	-15%	-4%	21%	9%	24%
Depreciation	2,256	2,277	2,420	2,556	3,011	3,009	3,049	3,131	3,100
Interest	541	554	630	558	528	445	439	479	591
Other income	1,871	1,562	1,736	1,430	999	1,928	1,986	1,610	1,714
Exceptional loss/(gain)	-	-	1,801	-	1,830	-	-	1,576	-
<b>PBT</b>	<b>15,988</b>	<b>15,669</b>	<b>9,279</b>	<b>14,683</b>	<b>9,992</b>	<b>14,724</b>	<b>13,532</b>	<b>14,233</b>	<b>15,889</b>
YoY	-5%	-24%	-43%	-24%	-38%	-6%	46%	-3%	59%
Tax	3,488	4,168	2,654	3,897	3,214	3,917	3,733	4,152	4,286
<b>PAT</b>	<b>12,500</b>	<b>11,501</b>	<b>6,625</b>	<b>10,786</b>	<b>6,778</b>	<b>10,807</b>	<b>9,799</b>	<b>10,082</b>	<b>11,603</b>
Share of profit from associates	253	367	311	498	231	363	383	658	252
Minority Interest	186	168	(10)	180	87	173	246	141	134
<b>Reported PAT</b>	<b>12,567</b>	<b>11,700</b>	<b>6,946</b>	<b>11,105</b>	<b>6,921</b>	<b>10,998</b>	<b>9,936</b>	<b>10,599</b>	<b>11,721</b>
YoY	2%	-25%	-42%	-23%	-45%	-6%	43%	-5%	69%
<b>% to sales</b>	<b>Q4FY24</b>	<b>Q1FY25</b>	<b>Q2FY25</b>	<b>Q3FY25</b>	<b>Q4FY25</b>	<b>Q1FY26</b>	<b>Q2FY26</b>	<b>Q3FY26</b>	<b>Q4FY26</b>
Gross margin	43.5%	42.4%	40.6%	42.3%	43.7%	42.6%	43.1%	44.3%	44.7%
Staff cost	7.0%	7.5%	8.4%	7.2%	7.6%	7.9%	8.0%	7.8%	7.8%
Other expenses	17.3%	16.1%	16.9%	16.1%	19.2%	16.6%	17.5%	16.6%	17.7%
EBITDA margin	19.4%	18.9%	15.4%	19.1%	17.2%	18.2%	17.6%	20.1%	19.3%

Source: Company, JM Financial

## Exhibit 4: Quarterly financial performance – standalone

Standalone (INR mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Decorative volume growth</b>	<b>10%</b>	<b>7%</b>	<b>-1%</b>	<b>2%</b>	<b>2%</b>	<b>4%</b>	<b>11%</b>	<b>8%</b>	<b>12.4%</b>
<b>Sales</b>	<b>74,809</b>	<b>78,816</b>	<b>68,684</b>	<b>73,205</b>	<b>71,924</b>	<b>78,685</b>	<b>73,563</b>	<b>76,245</b>	<b>79,202</b>
YoY	-2%	-3%	-6%	-8%	-5%	0%	7%	3%	10%
Gross Profit	33,428	33,973	28,416	31,785	32,516	34,082	32,268	34,389	36,278
Staff cost	4,659	5,145	5,114	4,476	4,811	5,545	5,334	5,325	5,562
Other expenses	13,281	12,898	12,080	12,225	14,463	13,337	13,343	12,796	14,016
<b>EBITDA</b>	<b>15,488</b>	<b>15,930</b>	<b>11,222</b>	<b>15,084</b>	<b>13,242</b>	<b>15,200</b>	<b>13,591</b>	<b>16,267</b>	<b>16,700</b>
YoY	-11%	-20%	-29%	-20%	-15%	-5%	21%	8%	26%
Depreciation	1,935	1,957	2,073	2,214	2,694	2,693	2,735	2,751	2,672
Interest	306	304	390	328	340	303	297	280	394
Other income	1,974	2,256	1,816	2,265	1,380	2,477	2,320	2,578	1,953
Exceptional loss/(gain)	-	-	1,998	-	1,798	-	-	1,665	-
<b>PBT</b>	<b>15,221</b>	<b>15,924</b>	<b>8,576</b>	<b>14,807</b>	<b>9,790</b>	<b>14,682</b>	<b>12,879</b>	<b>14,149</b>	<b>15,588</b>
YoY	-8%	-21%	-45%	-23%	-36%	-8%	50%	-4%	59%
Tax	3,127	4,000	2,553	3,721	2,847	3,685	3,324	3,896	3,980
<b>Reported PAT</b>	<b>12,094</b>	<b>11,924</b>	<b>6,023</b>	<b>11,086</b>	<b>6,943</b>	<b>10,996</b>	<b>9,556</b>	<b>10,253</b>	<b>11,607</b>
YoY	-2%	-21%	-48%	-23%	-43%	-8%	59%	-7%	67%
<b>% to sales</b>	<b>Q4FY24</b>	<b>Q1FY25</b>	<b>Q2FY25</b>	<b>Q3FY25</b>	<b>Q4FY25</b>	<b>Q1FY26</b>	<b>Q2FY26</b>	<b>Q3FY26</b>	<b>Q4FY26</b>
Gross margin	44.4%	42.9%	41.1%	43.2%	44.9%	43.2%	43.7%	44.9%	45.6%
Staff cost	6.2%	6.5%	7.4%	6.1%	6.7%	7.0%	7.3%	7.0%	7.0%
Other expenses	17.8%	16.4%	17.6%	16.7%	20.1%	16.9%	18.1%	16.8%	17.7%
EBITDA margin	20.7%	20.2%	16.3%	20.6%	18.4%	19.3%	18.5%	21.3%	21.1%

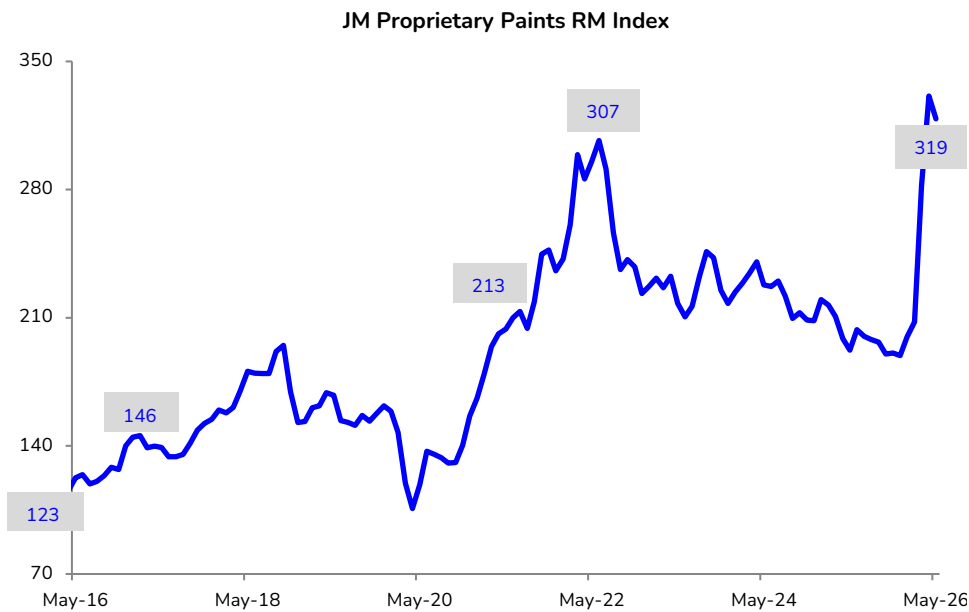
Source: Company, JM Financial

## Exhibit 5: Quarterly segmental overview

Segmental (INR mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26
<b>Components of Revenue</b>									
Paints - Domestic Decorative	74,888	77,882	67,853	73,302	71,005	77,798	72,770	75,405	78,248
Paints - Industrial (AP-PPG)	3,132	2,932	2,655	2,873	3,471	3,074	2,926	3,347	3,991
Paints - International	8,123	6,791	7,695	8,180	7,997	7,361	8,460	8,696	8,881
Ess Ess - Bathroom Fittings	887	934	831	876	919	887	793	840	954
Sleek - Kitchens	1,007	1,004	1,053	1,027	851	981	977	1,054	991
<b>Consolidated revenue</b>	<b>87,308</b>	<b>89,697</b>	<b>80,275</b>	<b>85,494</b>	<b>83,589</b>	<b>89,386</b>	<b>85,313</b>	<b>88,670</b>	<b>92,467</b>
<b>Components of PBT</b>									
Paints - Domestic Decorative	15,331	15,944	10,641	14,832	11,628	14,702	12,919	15,816	15,544
Paints - Industrial (AP-PPG)	340	298	190	241	289	248	25	267	292
Paints - International	440	65	(210)	608	(1,090)	380	764	766	754
Ess Ess - Bathroom Fittings	(110)	(20)	(67)	(70)	(40)	(20)	(40)	(2)	44
Sleek - Kitchens	(10)	(30)	(49)	(50)	(160)	(90)	36	(40)	(9)
<b>Consolidated PBT</b>	<b>15,988</b>	<b>15,669</b>	<b>11,081</b>	<b>14,683</b>	<b>11,822</b>	<b>14,724</b>	<b>13,532</b>	<b>15,810</b>	<b>15,889</b>
<b>PBT margin %</b>									
Paints - Domestic Decorative	20%	20%	16%	20%	16%	19%	18%	21%	20%
Paints - Industrial (AP-PPG)	11%	10%	7%	8%	8%	8%	1%	8%	7%
Paints - International	5%	1%	-3%	7%	-14%	5%	9%	9%	8%
Ess Ess - Bathroom Fittings	-12%	-2%	-8%	-8%	-4%	-2%	-5%	0%	5%
Sleek - Kitchens	-1%	-3%	-5%	-5%	-19%	-9%	4%	-4%	-1%
<b>Consolidated PBT margin</b>	<b>18%</b>	<b>17%</b>	<b>14%</b>	<b>17%</b>	<b>14%</b>	<b>16%</b>	<b>16%</b>	<b>18%</b>	<b>17%</b>

Source: Company, JM Financial

## Exhibit 6: JM Proprietary Paints RM Index for Mar-Q



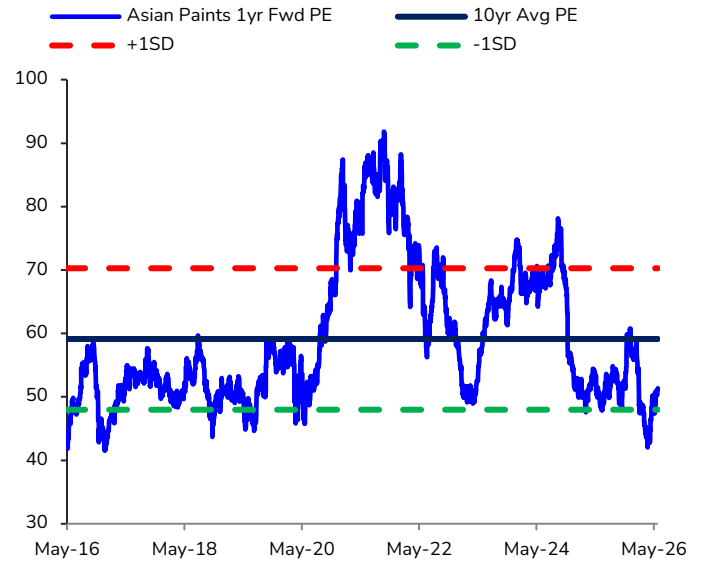
Source: Company, Bloomberg, Industry data, JM Financial

Exhibit 7: Five-year average PE band



Source: Bloomberg, JM Financial

Exhibit 8: 10-year average PE band



Source: Bloomberg, JM Financial

Exhibit 9: Revision in estimates

INR mn	Revised		Earlier		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Sales	4,04,782	4,33,508	3,76,095	4,09,177	7.6%	5.9%
EBITDA	72,480	82,436	66,958	74,637	8.2%	10.5%
PAT	48,533	56,018	45,511	51,481	6.6%	8.8%
EPS	50.6	58.4	47.4	53.7	6.6%	8.8%

Source: JM Financial

## Financial Tables (Consolidated)

Income Statement		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26A	FY27E	FY28E	
Net Sales	352,489	336,268	353,345	404,782	433,508	
Sales Growth (%)	2.9	-4.6	5.1	14.6	7.1	
Other Operating Income	2,459	2,788	2,491	2,853	3,056	
<b>Total Revenue</b>	<b>354,947</b>	<b>339,056</b>	<b>355,835</b>	<b>407,635</b>	<b>436,564</b>	
Cost of Goods Sold/Op. Exp	200,902	195,158	200,018	237,391	246,979	
Personnel Cost	23,262	25,972	27,996	31,184	33,397	
Other Expenses	54,934	57,864	60,863	66,580	73,751	
<b>EBITDA</b>	<b>75,850</b>	<b>60,062</b>	<b>66,959</b>	<b>72,480</b>	<b>82,436</b>	
EBITDA Margin (%)	21.4	17.7	18.8	17.8	18.9	
EBITDA Growth (%)	21.2	-20.8	11.5	8.2	13.7	
Depn. & Amort.	8,530	10,263	12,289	13,413	14,216	
EBIT	67,320	49,799	54,671	59,067	68,220	
Other Income	2,682	1,897	2,473	2,429	2,168	
Finance Cost	2,052	2,270	1,954	2,625	2,397	
PBT before Excep. & Forex	72,148	53,255	59,954	64,350	74,410	
Excp. & Forex Inc./Loss(-)	-	-	-	-	-	
PBT	72,148	53,255	59,954	64,350	74,410	
Taxes	17,901	13,934	16,088	16,860	19,495	
Extraordinary Inc./Loss(-)	-	-3,631	-1,576	-	-	
Assoc. Profit/Min. Int.(-)	2,305	1,832	2,349	2,600	2,904	
Reported Net Profit	54,602	36,672	43,253	48,533	56,018	
<b>Adjusted Net Profit</b>	<b>54,602</b>	<b>40,303</b>	<b>44,829</b>	<b>48,533</b>	<b>56,018</b>	
Net Margin (%)	15.4	11.9	12.6	11.9	12.8	
Diluted Share Cap. (mn)	959	959	959	959	959	
<b>Diluted EPS (INR)</b>	<b>56.9</b>	<b>42.0</b>	<b>46.7</b>	<b>50.6</b>	<b>58.4</b>	
Diluted EPS Growth (%)	31.4	-26.2	11.2	8.3	15.4	
Total Dividend + Tax	31,942	23,789	24,028	29,120	39,212	
Dividend Per Share (INR)	33.3	24.8	25.0	30.4	40.9	

Source: Company, JM Financial

Cash Flow Statement		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26A	FY27E	FY28E	
Profit before Tax	72,148	53,255	59,954	64,350	74,410	
Depn. & Amort.	8,530	10,263	12,289	13,413	14,216	
Net Interest Exp. / Inc. (-)	-2,146	-1,559	-2,810	-2,854	-4,023	
Inc (-) / Dec in WCap.	101	-5,702	14,757	-6,791	-6,539	
Others	754	1,938	2,430	-1,386	-1,064	
Taxes Paid	-18,351	-13,955	-15,738	-16,702	-19,189	
<b>Operating Cash Flow</b>	<b>61,036</b>	<b>44,240</b>	<b>70,882</b>	<b>50,030</b>	<b>57,811</b>	
Capex	-21,939	-17,952	-14,638	-8,096	-8,237	
Free Cash Flow	39,097	26,287	56,244	41,934	49,574	
Inc (-) / Dec in Investments	-468	4,197	11,973	-10,593	-12,182	
Others	-2,770	5,014	-10,675	5,091	5,989	
<b>Investing Cash Flow</b>	<b>-25,176</b>	<b>-8,741</b>	<b>-13,341</b>	<b>-13,597</b>	<b>-14,429</b>	
Inc / Dec (-) in Capital	-	-	-	-	-	
Dividend + Tax thereon	-25,509	-31,402	-24,254	-34,272	-34,166	
Inc / Dec (-) in Loans	31	-130	8,265	-2,293	-2,064	
Others	-4,655	-6,662	-7,718	779	900	
<b>Financing Cash Flow</b>	<b>-30,134</b>	<b>-38,194</b>	<b>-23,707</b>	<b>-35,786</b>	<b>-35,330</b>	
<b>Inc / Dec (-) in Cash</b>	<b>5,726</b>	<b>-2,695</b>	<b>33,834</b>	<b>647</b>	<b>8,052</b>	
Opening Cash Balance	19,612	22,265	-23,098	10,737	11,384	
Closing Cash Balance	25,338	19,570	10,737	11,384	19,436	

Source: Company, JM Financial

Balance Sheet		(INR mn)				
Y/E Mar	FY24A	FY25A	FY26A	FY27E	FY28E	
Shareholders Fund	194,237	200,591	220,150	235,190	257,942	
Share Capital	959	959	959	959	959	
Reserves & Surplus	186,324	193,039	212,757	227,019	248,870	
Preference Share Capital	-	-	-	-	-	
Minority Interest	6,954	6,592	6,434	7,213	8,113	
Total Loans	11,071	8,638	22,933	20,639	18,575	
Def. Tax Liab. / Assets (-)	3,289	3,888	3,875	3,875	3,875	
Other non-current liabilities / Lease Liabilities	13,672	14,265	16,357	17,175	18,033	
<b>Total - Equity &amp; Liab.</b>	<b>218,981</b>	<b>223,493</b>	<b>259,439</b>	<b>273,004</b>	<b>294,551</b>	
Net Fixed Assets	98,450	104,746	114,890	110,582	105,662	
Gross Fixed Assets	89,061	117,532	132,277	140,372	148,609	
Intangible Assets	4,192	2,196	2,191	2,191	2,191	
Less: Depn. & Amort.	40,349	45,964	58,252	71,665	85,882	
Capital WIP	45,546	30,982	38,674	39,684	40,744	
Investments	45,879	47,248	70,617	81,210	93,392	
Current Assets	154,679	151,559	159,681	179,707	199,618	
Inventories	59,234	67,193	57,437	65,798	70,468	
Sundry Debtors	48,908	43,224	44,672	49,905	53,446	
Cash & Bank Balances	25,338	19,570	10,737	11,384	19,436	
Loans & Advances	10,062	10,826	36,111	41,287	44,130	
Other Current Assets	11,136	10,747	10,724	11,334	12,138	
Current Liab. & Prov.	76,739	76,171	81,873	94,620	100,245	
Current Liabilities	38,313	38,480	38,630	45,848	47,700	
Provisions & Others	38,425	37,691	43,243	48,771	52,545	
Net Current Assets	77,940	75,388	77,807	85,088	99,373	
Other Non Current Assets/ROU Assets	-	-	-	-	-	
<b>Total - Assets</b>	<b>218,981</b>	<b>223,493</b>	<b>259,439</b>	<b>273,004</b>	<b>294,551</b>	

Source: Company, JM Financial

Dupont Analysis		FY24A	FY25A	FY26A	FY27E	FY28E
Y/E Mar						
Net Margin (%)		15.4	11.9	12.6	11.9	12.8
Asset Turnover (x)		1.7	1.5	1.5	1.5	1.5
Leverage Factor (x)		1.2	1.2	1.2	1.2	1.2
RoE (%)		31.5	21.1	22.0	22.0	23.4

Source: Company, JM Financial

Key Ratios		FY24A	FY25A	FY26A	FY27E	FY28E
Y/E Mar						
BV/Share (INR)		195.2	202.2	222.8	237.7	260.5
ROIC (%)		41.0	26.3	26.0	26.6	30.5
ROE (%)		31.5	21.1	22.0	22.0	23.4
Net Debt/Equity (x)		-0.2	-0.2	-0.2	-0.3	-0.3
P/E (x)		46.9	69.9	59.2	52.8	45.7
P/B (x)		13.7	13.2	12.0	11.2	10.3
EV/EBITDA (x)		33.3	42.1	37.6	34.6	30.2
EV/Sales (x)		7.1	7.4	7.1	6.1	5.7
Debtor days		50	47	46	45	45
Inventory days		61	72	59	59	59
Creditor days		50	50	49	50	49

Source: Company, JM Financial

**Recommendation History Table**

Date	Recommendation	Target Price	% Chg.
7-Apr-26	Reduce	2,290	-16.3
28-Jan-26	Reduce	2,735	-2.3
13-Nov-25	Reduce	2,800	29.3
13-Aug-25	Sell	2,165	0.0
29-Jul-25	Sell	2,165	2.6
4-Jun-25	Sell	2,110	0.0
8-May-25	Sell	2,110	-0.7
4-Feb-25	Sell	2,125	-15.3
11-Nov-24	Sell	2,510	-6.3
18-Jul-24	Sell	2,680	-6.5
9-May-24	Hold	2,865	-17.4
17-Jan-24	Hold	3,470	5.5
26-Oct-23	Hold	3,290	-8.0
25-Jul-23	Hold	3,575	8.7
11-May-23	Hold	3,290	3.3
20-Jan-23	Hold	3,185	-9.1
21-Oct-22	Hold	3,505	5.7
26-Jul-22	Hold	3,315	9.6
11-May-22	Hold	3,025	0.7
21-Jan-22	Hold	3,005	

**Recommendation History Chart**



## APPENDIX I

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ADD	Expected return $\geq$ 5% and $<$ 15% over the next twelve months.
REDUCE	Expected return $\geq$ -10% and $<$ 5% over the next twelve months.
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