

## Higher input cost mars performance

Pidilite's Q4FY19 consolidated performance was largely hit by lower-than-expected volume growth of 2.5% YoY in the standalone business. On the segment front, volume growth in the consumer & bazaar (C&B) and industrial segment remained low at 4% and -1% YoY, respectively, owing to lower offtake by dealers. Further, the consolidated EBITDA margin was impacted by high input cost like raw material cost (up ~180 bps YoY) and employee cost (up 160 bps YoY). Lower EBITDA margin and exceptional item of ₹ 11 crore (diminution in value of investments made by subsidiaries) hit the bottomline. We believe the benefit of price hikes and benign raw material prices (spot price of VAM hovering at US\$950/tonne, lower than Q4FY19 consumption price of ~US\$1100/tonne) will flow in. This is expected to result in EBITDA margin expansion by ~200 bps in FY19-21E.

## Tepid volume growth in Q4

Consolidated revenue growth at 10% YoY (I-direct estimate: 15% YoY) was led by ~11% YoY growth in the C&B segment while industrial product segment revenue increased ~7% YoY. Standalone business volume growth was impacted by lower offtake by dealers owing to recent price hikes. However, FY19 volume growth at ~10% YoY was led by ~12% volume growth in the C&B segment. We model volume CAGR of ~12% in FY19-21E led by recovery in demand from C&B amid better monsoon and higher government spending in rural India. This, coupled with strong performance of domestic subsidiaries (revenue up 25% YoY in Q4FY19 and 63% YoY in FY19) would help drive consolidated sales CAGR of ~16% in FY19-21E.

## Higher input cost takes toll on margin

Consolidated EBITDA margins declined ~140 bps YoY to 17% led by 170 bps contraction in gross margin in Q4FY19. Lower gross margin was largely due to higher raw material prices and adverse currency movement. The margin has contracted to 19.3% in FY19E from its peak of 22.4% recorded in FY17, which still higher by 170 bps points from its 10 year average EBITDA margin of 17.6%. We model an increase in EBITDA margin by 200 bps in FY19-21E led by benign raw material prices and operating leverage supported by sustained demand.

## Valuation & Outlook

We maintain our positive stance on growth prospects considering it is the market leader in many of the consumer adhesive categories and commands pricing power. We believe benign VAM & stable rupee would help recoup operating margins to ~22% in FY21E. Along with a strong balance sheet, these healthy return ratios and efficient deployment of cash for inorganic expansion give us comfort despite relatively rich valuation multiples. We maintain our **BUY** recommendation.



| Particulars                 |            |
|-----------------------------|------------|
| Particular                  | Amount     |
| Market Capitalization (₹)   | 59,568.8   |
| Total Debt (FY19) (₹ Crore) | 111.1      |
| Cash & Inv (FY19) (₹ Crore) | 190.4      |
| EV (₹ Crore)                | 58,338.0   |
| 52 week H/L                 | 1311 / 898 |
| Equity capital (₹ Crore)    | 50.8       |
| Face value (₹)              | 1.0        |

## Key Highlights

- Price hike impacted volumes that grew ~3% YoY in Q4
- Lower gross margin was owing to higher input cost but spot price of VAM is hovering at US\$950/tonne, lower than Q4FY19 consumption price of ~US\$1100/tonne
- Domestic and international subsidiary recorded revenue growth of 63% and 8% YoY in FY19, respectively
- Maintain our stance on the stock as BUY with a revised target price of ₹ 1335/share

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## Key Financial Summary

| ₹ Crore          | FY17   | FY18   | FY19E  | FY20E  | FY21E  | (CAGR 19-21E) |
|------------------|--------|--------|--------|--------|--------|---------------|
| Net sales        | 5616.8 | 6078.4 | 7078.7 | 8113.8 | 9358.2 | 15.0          |
| EBITDA           | 1259.8 | 1341.2 | 1368.3 | 1692.7 | 2034.9 | 22.0          |
| EBITDA Margin(%) | 22.4   | 22.1   | 19.3   | 20.9   | 21.7   |               |
| Net Profit       | 863.2  | 966.1  | 928.4  | 1167.9 | 1411.4 | 23.3          |
| EPS (₹)          | 16.8   | 18.8   | 18.1   | 22.8   | 27.5   |               |
| P/E(x)           | 68.9   | 61.6   | 64.1   | 50.9   | 42.1   |               |
| Price /book (x)  | 17.1   | 16.6   | 14.3   | 12.5   | 10.8   |               |
| Mcap /sales (x)  | 10.6   | 9.8    | 8.4    | 7.3    | 6.4    |               |
| RoE (%)          | 24.9   | 27.0   | 22.7   | 24.5   | 25.6   |               |
| RoCE (%)         | 33.0   | 33.6   | 29.6   | 32.3   | 34.0   |               |

Source: Company, ICICI Direct Research

Exhibit 1: Variance Analysis

|                          | Q4FY19  | Q4FY19E | Q4FY18  | YoY (%)  | Q3FY19  | QoQ (%)  | Comments  |
|--------------------------|---------|---------|---------|----------|---------|----------|---|
| Revenue                  | 1638.9  | 1701.1  | 1485.3  | 10.3     | 1848.3  | -11.3    | Sales mainly driven by C&B segment. However, volume growth at ~2.5% YoY was hit by price hike   |
| Other Income             | 56.2    | 46.0    | 52.1    | 8.0      | 30.7    | 83.3     |   |
| Raw Material Exp         | 737.9   | 684.0   | 628.8   | 17.4     | 860.4   | -14.2    | Lower gross margin (down ~180 bps YoY) was on account of use of high cost inventory   |
| Employee Exp             | 217.1   | 209.0   | 173.5   | 25.2     | 208.7   | 4.0      | Higher employee cost due to increase in variable pay and Esop   |
| Admin & Other exp        | 328.2   | 365.2   | 326.0   | 0.7      | 327.6   | 0.2      |   |
| Purchase of Traded goods | 76.9    | 110.0   | 83.2    | -7.5     | 114.8   | -33.0    |   |
| Total Expenditure        | 1360.2  | 1368.2  | 1211.4  | 12.3     | 1511.6  | -10.0    |   |
| EBITDA                   | 278.8   | 333.9   | 273.9   | 1.8      | 336.8   | -17.2    |   |
| EBITDA Margin (%)        | 17.0    | 19.6    | 18.4    | -143 bps | 18.2    | -121 bps | Contraction in EBITDA margin was mainly due to lower gross margin   |
| Depreciation             | 39.0    | 47.1    | 29.8    | 30.9     | 32.1    | 21.4     |   |
| Interest                 | 6.6     | 8.7     | 3.8     | 71.5     | 6.2     | 5.8      |   |
| Exceptional items        |         |         |         |          |         |          |   |
| PBT                      | 278.5   | 323.0   | 292.4   | -4.8     | 329.1   | -15.4    |   |
| Total Tax                | 43.1    | 48.5    | 45.7    | -5.7     | 111.0   | -61.2    |   |
| PAT                      | 236.9   | 287.8   | 247.5   | -4.3     | 219.6   | 7.9      | Lower EBITDA margin coupled with higher provision for depreciation provision lowered PAT  |
| Key Metrics              |         |         |         |          |         |          |   |
| Consumer & Bazaar        | 1,364.5 | 1,418.0 | 1,227.6 | 11.1     | 1,597.4 | -14.6    | On a standalone basis, C&B segment recorded sales growth of ~9% YoY led by price hikes, which led to muted volume growth of ~4% during Q4FY19 |
| Industrial               | 292.3   | 296.0   | 272.7   | 7.2      | 261.8   | 11.7     | Revenue growth in the industrial segment led by price hike but sales volume & mix recorded a marginal decline of ~1% YoY                      |
| Others                   | 14.2    | 18.3    | 12.6    | 12.9     | 18.3    | -22.2    |   |

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

| (₹ crore)         | FY20E   |         |       | FY21E   |         |       | Comments  |
|-------------------|---------|---------|-------|---------|---------|-------|---|
|                   | Old     | New     | % Chg | Old     | New     | % Chg |   |
| Revenue           | 8,204.5 | 8,113.8 | (1.1) | 9,470.0 | 9,358.2 | (1.2) | We model revenue CAGR of 16% in FY19-21E led by revenue CAGR of 16% in the C&B segment  |
| EBITDA            | 1,717.9 | 1692.7  | (1.5) | 2,030.5 | 2034.9  | 0.2   |   |
| EBITDA Margin (%) | 20.90   | 20.9    | -4bps | 21.4    | 21.7    | 34bps | We believe respite in raw material prices coupled with price hike at regular interval would help maintain EIBTDA margin at higher level |
| PAT               | 1129.1  | 1167.9  | 3.4   | 1336.6  | 1411.4  | 5.6   |   |
| EPS (₹)           | 22.0    | 22.8    | 3.6   | 26.1    | 27.5    | 5.5   |   |

Source: Company, ICICI Direct Research

Exhibit 3: Assumptions

|                       | Current |       |       | Earlier |       |       | Comments  |
|-----------------------|---------|-------|-------|---------|-------|-------|---|
|                       | FY18    | FY19E | FY20E | FY21E   | FY20E | FY21E |   |
| Consumer & Bazaar (%) | 2.8     | 15.1  | 15.7  | 16.1    | 15.5  | 15.6  | We model segment revenue CAGR of 16% in FY19-21E led by strong domestic performance |
| Industrial Growth (%) | 3.3     | 7.1   | 7.1   | 10.4    | 10.4  | 16.7  |   |

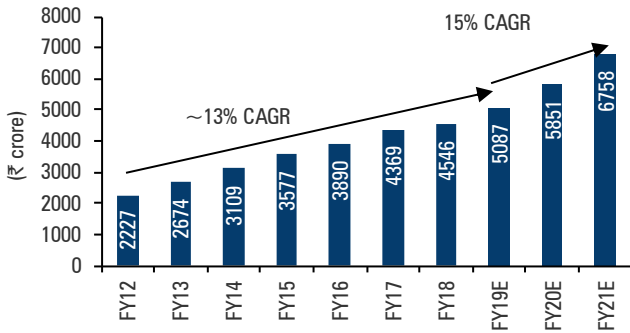
Source: Company, ICICI Direct Research

## Conference call highlights

- Q4FY19 witnessed tepid volume growth in both C&B and industrial segment owing to slow demand due to price hike. However, standalone volume growth for FY19 was at ~10% YoY led by ~12% YoY volume growth in the C&B segment and ~2% YoY growth in the industrial product category
- Margin pressure was due to higher input cost in Q4FY19 and FY19
- Standalone net sales of C&B grew 8.9% in Q4FY19 and ~16% in FY19. PBIT grew 9.2% in Q4FY19 and ~7% in FY19
- Standalone net sales of industrial product increased 7.1% in Q4FY19 and 9.2% in FY19. PBIT declined 8% in Q4FY19 and 2.6% in FY19 due to input cost led contraction in gross margin
- Overseas subsidiaries witnessed revenue growth of ~8% YoY while EBITDA declined ~30% YoY during Q4FY19. For FY19, revenue increased ~5% YoY to ₹ 523 crore while EBITDA declined ~55% YoY to ₹ 11.5 crore
- Domestic subsidiaries recorded revenue growth of 25% and 63% YoY in Q4FY19 and FY19 to ₹ 177 crore and ₹ 693 crore, respectively. EBITDA increased 31% and 59% YoY to ₹ 17 crore and ₹ 63 crore, respectively
- Nina Percept subsidiary engaged in waterproofing services reported sales decline of 2% YoY due to higher base and challenging market conditions (low demand from real estate)
- Average VAM prices during Q3FY19 were at US\$1300/tonne, down to US\$1100/tonne in Q4FY19. The average consumption price of the raw material is less than US\$1100/tonne in Q4FY19. The spot price has further declined to US\$950/tonne, which would likely benefit the company in the coming quarters
- Advertisement expenses as a percent of sales were at 4.1% in Q4FY19 and 3.6% in FY19
- The capex for FY20 would be 2-3% of revenue while future tax rate would be in the range of 32-33%
- The management reiterated EBITDA margin guidance at 21-24% for the standalone business

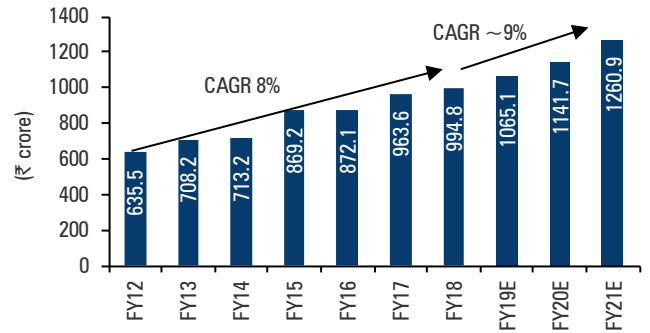
Financial story in charts

Exhibit 4: Growth trend in C&B business



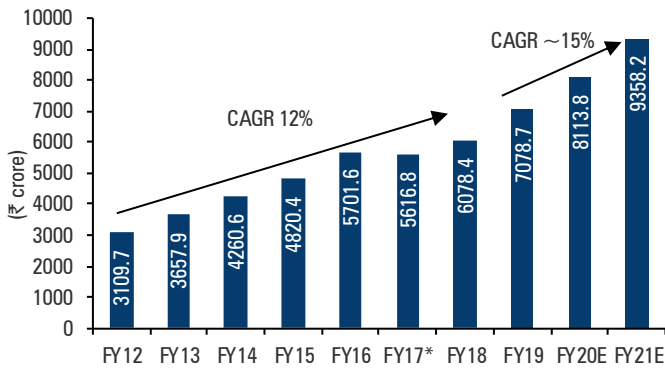
Source: Company, ICICI Direct Research

Exhibit 5: Growth trend in industrial business



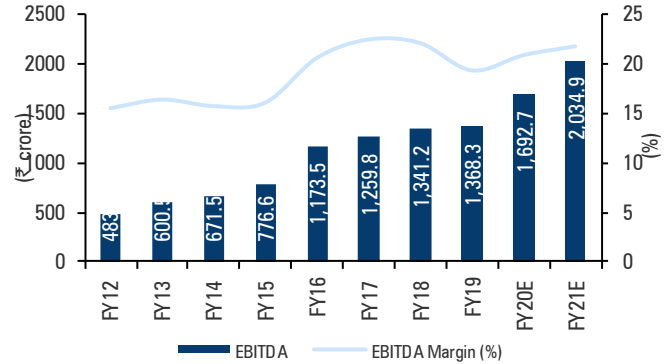
Source: Company, ICICI Direct Research

Exhibit 6: Consolidated sales growth trend



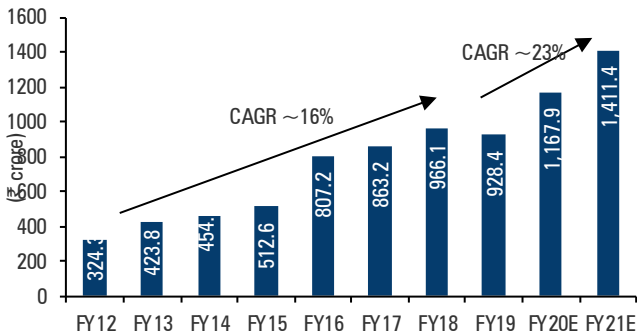
Source: Company, ICICI Direct Research

Exhibit 7: EBITDA margin trend



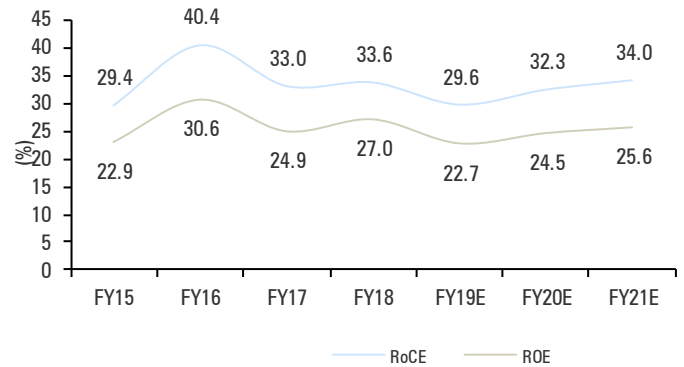
Source: Company, ICICI Direct Research

Exhibit 8: PAT growth trend



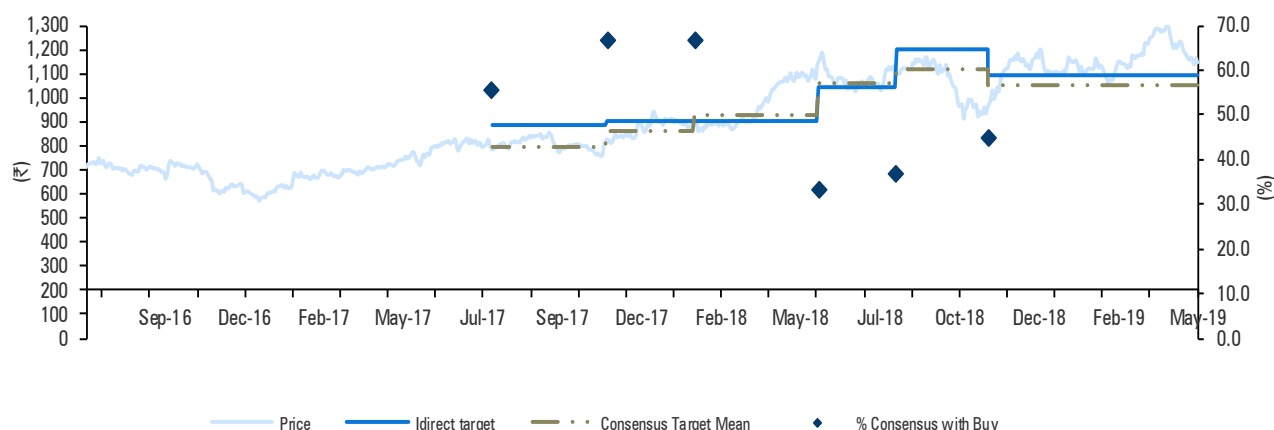
Source: Company, ICICI Direct Research

Exhibit 9: Return ratios trend



Source: Company, ICICI Direct Research

Exhibit 10: Recommendation History vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Exhibit 11: Top 10 Shareholders

| Rank | Name                                  | Last filing date | %O/S | Position (m) | Change (m) |
|------|---------------------------------------|------------------|------|--------------|------------|
| 1    | Parekh (Narendrakumar Kalyanji)       | 31-Mar-19        | 10.7 | 54.3         | 0.0        |
| 2    | Parekh (Madhukar Balvantray)          | 31-Mar-19        | 10.4 | 52.8         | 0.0        |
| 3    | Parekh (Ajay Balvantray)              | 31-Mar-19        | 9.3  | 47.4         | 0.0        |
| 4    | Parekh (Sushil Kumar Kalyanji)        | 31-Mar-19        | 8.2  | 41.8         | 0.0        |
| 5    | Devkalyan Sales Pvt. Ltd.             | 31-Mar-19        | 5.2  | 26.2         | 0.0        |
| 6    | Ishijas Chemical Pvt. Ltd.            | 31-Mar-19        | 4.9  | 24.9         | 0.0        |
| 7    | Axis Asset Management Company Limited | 30-Apr-19        | 3.3  | 16.9         | -0.2       |
| 8    | Life Insurance Corporation of India   | 31-Mar-19        | 2.5  | 12.5         | -3.9       |
| 9    | Harton Pvt. Ltd.                      | 31-Mar-19        | 2.4  | 12.4         | 0.0        |
| 10   | Vaccum Forming Company Pvt. Ltd.      | 31-Mar-19        | 2.3  | 11.5         | 0.0        |

Source: Reuters, ICICI Direct Research

Exhibit 12: Recent Activity

| Buys                                      |          |           |   | Sells    |           |  |  |
|---|----------|-----------|---|----------|-----------|--|--|
| Investor name                             | Value(m) | Shares(m) | Investor name                                     | Value(m) | Shares(m) |  |  |
| Parekh (Kalpana Apurva)                   | 60.3     | 3.3       | Life Insurance Corporation of India               | -70.5    | -3.9      |  |  |
| Caisse de Depot et Placement du Quebec    | 1.9      | 0.1       | Vakil (Harshada Harvadan)                         | -13.7    | -0.8      |  |  |
| Capital Investment Trust Corporation      | 1.1      | 0.1       | Matthews International Capital Management, L.L.C. | -11.4    | -0.7      |  |  |
| Northern Trust Global Investments Limited | 1.1      | 0.1       | Kotak Mahindra Asset Management Company Ltd.      | -4.2     | -0.2      |  |  |
| Paresh Marketing Ltd.                     | 0.6      | 0.0       | Axis Asset Management Company Limited             | -3.7     | -0.2      |  |  |

Source: Reuters, ICICI Direct Research

Exhibit 13: Shareholding Pattern

| (in %)   | Mar-18 | Jun-18 | Sep-18 | Dec-18 | Mar-18 |
|----------|--------|--------|--------|--------|--------|
| Promoter | 69.8   | 69.8   | 69.7   | 69.8   | 69.8   |
| FII      | 10.4   | 11.8   | 11.9   | 11.4   | 11.7   |
| DII      | 9.2    | 8.0    | 8.0    | 7.8    | 7.5    |
| Others   | 10.7   | 10.4   | 10.4   | 11.0   | 11.1   |

Source: Company, ICICI Direct Research

## Financial summary

| Exhibit 14: Profit and loss statement |                |                |                |                |
|---------------------------------------|----------------|----------------|----------------|----------------|
|                                       | ₹ crore        |                |                |                |
| (Year-end March)                      | FY18           | FY19E          | FY20E          | FY21E          |
| <b>Total Operating Income</b>         | <b>6078.4</b>  | <b>7078.7</b>  | <b>8113.8</b>  | <b>9358.2</b>  |
| Growth (%)                            |                | 16.5           | 14.6           | 15.3           |
| Raw Material Expenses                 | 2887.7         | 3586.6         | 4085.6         | 4521.4         |
| Employee Expenses                     | 712.4          | 836.6          | 927.8          | 1094.1         |
| Marketing Expenses                    | 195.7          | 225.0          | 324.5          | 395.0          |
| Other Expenses                        | 941.4          | 1062.3         | 1083.1         | 1312.8         |
| Total Operating Expenditure           | 4737.2         | 5710.5         | 6421.1         | 7323.3         |
| <b>EBITDA</b>                         | <b>1,341.2</b> | <b>1,368.3</b> | <b>1,692.7</b> | <b>2,034.9</b> |
| Growth (%)                            |                | 2.0            | 23.7           | 20.2           |
| Other Income                          | 148.4          | 146.6          | 165.2          | 189.7          |
| Interest                              | 15.5           | 26.1           | 27.4           | 28.3           |
| PBDT                                  | 1474.1         | 1488.9         | 1830.5         | 2196.4         |
| Depreciation                          | 119.9          | 132.7          | 143.6          | 157.2          |
| Total Tax                             | 392.7          | 413.3          | 522.9          | 632.1          |
| Profit from Associates                | 4.6            | 3.6            | 4.0            | 4.4            |
| <b>PAT</b>                            | <b>966.1</b>   | <b>928.4</b>   | <b>1,167.9</b> | <b>1411.4</b>  |

Source: Company, ICICI Direct Research

| Exhibit 16: Balance sheet |               |               |               |               |
|---------------------------|---------------|---------------|---------------|---------------|
|                           | ₹ crore       |               |               |               |
| (Year-end March)          | FY18          | FY19E         | FY20E         | FY21E         |
| Equity Capital            | 50.8          | 50.8          | 50.8          | 50.8          |
| Reserve and Surplus       | 3523.3        | 4097.3        | 4709.9        | 5466.0        |
| Total Shareholders funds  | 3574.1        | 4148.1        | 4760.7        | 5516.7        |
| Total Debt                | 122.6         | 111.1         | 131.1         | 141.1         |
| Deferred Tax Liability    | 110.7         | 120.1         | 120.1         | 120.1         |
| Minority Interest         | 175.0         | 207.2         | 209.2         | 211.2         |
| <b>Total Liabilities</b>  | <b>4073.5</b> | <b>4672.4</b> | <b>5307.0</b> | <b>6075.1</b> |
| <b>Assets</b>             |               |               |               |               |
| Total Gross Block         | 2333.1        | 2563.6        | 2813.8        | 3093.8        |
| Less acc depreciation     | 1168.3        | 1301.0        | 1444.6        | 1601.9        |
| Net Block                 | 1164.8        | 1262.6        | 1369.1        | 1491.9        |
| <b>Total Fixed Assets</b> | <b>1392.5</b> | <b>1504.8</b> | <b>1611.1</b> | <b>1733.9</b> |
| Other Investments         | 131.0         | 396.3         | 446.3         | 496.3         |
| Goodwill on consolidation | 177.4         | 184.99        | 184.99        | 184.99        |
| Inventory                 | 804.3         | 934.5         | 1071.1        | 1235.4        |
| Debtors                   | 938.1         | 1056.0        | 1244.8        | 1435.8        |
| Loans and Advances        | 11.9          | 12.1          | 15.8          | 18.2          |
| Other Current Assets      | 276.0         | 237.6         | 272.3         | 314.1         |
| Cash                      | 163.6         | 190.4         | 226.0         | 328.6         |
| Total Current Assets      | 2193.8        | 2430.5        | 2830.1        | 3332.1        |
| Total Current Liabilities | 1131.0        | 1242.1        | 1413.4        | 1630.2        |
| Net Current Assets        | 1062.9        | 1188.4        | 1416.7        | 1702.0        |
| <b>Total Assets</b>       | <b>4073.5</b> | <b>4672.4</b> | <b>5307.0</b> | <b>6075.1</b> |

Source: Company, ICICI Direct Research

| Exhibit 15: Cash flow statement    |               |               |               |               |
|------------------------------------|---------------|---------------|---------------|---------------|
|                                    | ₹ crore       |               |               |               |
| (Year-end March)                   | FY18          | FY19E         | FY20E         | FY21E         |
| Profit after Tax                   | 966.1         | 928.4         | 1167.9        | 1411.4        |
| Depreciation                       | 119.9         | 132.7         | 143.6         | 157.2         |
| CF bef working cap chan            | 1102          | 1087          | 1339          | 1597          |
| Net Inc in Current Assets          | -386.0        | -209.9        | -363.9        | -399.4        |
| Net Inc in Current Liab.           | 168.4         | 111.1         | 171.3         | 216.8         |
| <b>Net CF from Op activities</b>   | <b>883.9</b>  | <b>988.4</b>  | <b>1146.3</b> | <b>1414.2</b> |
| (Purchase)/Sale of FA              | -223.2        | -245.0        | -250.0        | -280.0        |
| Increase/decrease in other investn | -77.7         | -265.3        | -50.0         | -50.0         |
| Others                             | 334.2         | -59.4         | -248.0        | -308.0        |
| <b>Net CF from Inv Activities</b>  | <b>33.2</b>   | <b>-569.7</b> | <b>-548.0</b> | <b>-638.0</b> |
| Inc / (Dec) in Equity Capital      | -0.5          | 0.0           | 0.0           | 0.0           |
| Inc / (Dec) in Loan Funds          | 25.0          | -11.5         | 20.0          | 10.0          |
| Total Outflow of dividend          | -370.2        | -401.1        | -555.3        | -555.3        |
| Others                             | -508          | 21            | -27           | -128          |
| <b>Net CF from Fin. Activities</b> | <b>-853.4</b> | <b>-391.9</b> | <b>-562.7</b> | <b>-673.6</b> |
| Net Cash flow                      | 63.7          | 26.8          | 35.6          | 102.7         |
| Cash and Cash Equi beg.            | 99.9          | 163.6         | 190.4         | 226.0         |
| <b>Cash</b>                        | <b>163.6</b>  | <b>190.4</b>  | <b>226.0</b>  | <b>328.6</b>  |

Source: Company, ICICI Direct Research

| Exhibit 17: Key ratios  |         |       |       |       |
|-------------------------|---------|-------|-------|-------|
|                         | ₹ crore |       |       |       |
| (Year-end March)        | FY18    | FY19E | FY20E | FY21E |
| <b>Per Share Data</b>   |         |       |       |       |
| EPS                     | 18.8    | 18.1  | 22.8  | 27.5  |
| Cash EPS                | 21.2    | 20.7  | 25.6  | 30.6  |
| BV                      | 69.7    | 80.9  | 92.9  | 107.6 |
| DPS                     | 7.2     | 7.8   | 10.8  | 10.8  |
| <b>Operating Ratios</b> |         |       |       |       |
| EBITDA Margin           | 22.1    | 19.3  | 20.9  | 21.7  |
| PAT Margin              | 15.9    | 13.3  | 14.4  | 15.1  |
| <b>Return Ratios</b>    |         |       |       |       |
| RoE                     | 27.0    | 22.7  | 24.5  | 25.6  |
| RoCE                    | 33.6    | 29.6  | 32.3  | 34.0  |
| RoIC                    | 44.7    | 38.0  | 42.0  | 45.2  |
| <b>Valuation Ratios</b> |         |       |       |       |
| EV / EBITDA             | 43.6    | 42.6  | 34.3  | 28.4  |
| P/E                     | 61.7    | 64.2  | 51.0  | 42.2  |
| EV / Net Sales          | 9.6     | 8.2   | 7.2   | 6.2   |
| Market Cap / Sales      | 9.8     | 8.4   | 7.3   | 6.4   |
| Price to Book Value     | 16.7    | 14.4  | 12.5  | 10.8  |
| <b>Turnover Ratios</b>  |         |       |       |       |
| Asset turnover          | 1.5     | 1.5   | 1.5   | 1.5   |
| Debtor Days             | 56.3    | 54.5  | 56.0  | 56.0  |
| Creditor Days           | 32.7    | 29.9  | 29.9  | 29.9  |
| <b>Solvency Ratios</b>  |         |       |       |       |
| Debt / Equity           | 0.0     | 0.0   | 0.0   | 0.0   |
| Current Ratio           | 3.4     | 3.5   | 3.6   | 3.6   |
| Quick Ratio             | 2.1     | 2.0   | 2.1   | 2.1   |

Source: Company, ICICI Direct Research

**Exhibit 18: ICICI Direct Coverage Universe (Consumer Discretionary)**

| Sector / Company             | CMP   |       |        | M Cap<br>(₹ Cr) | EPS (₹) |       |       | P/E (x) |       |       | EV/EBITDA (x) |       |       | RoCE (%) |       |       | RoE (%) |       |       |
|------------------------------|-------|-------|--------|-----------------|---------|-------|-------|---------|-------|-------|---------------|-------|-------|----------|-------|-------|---------|-------|-------|
|                              | (₹)   | TP(₹) | Rating |                 | FY19E   | FY20E | FY21E | FY19E   | FY20E | FY21E | FY19E         | FY20E | FY21E | FY19E    | FY20E | FY21E | FY18E   | FY19E | FY20E |
| Asian Paints (ASIPAI)        | 1,298 | 1,600 | Buy    | 124,478         | 23.1    | 26.9  | 31.8  | 56.3    | 48.2  | 40.8  | 36.0          | 30.4  | 25.3  | 30.0     | 32.0  | 32.5  | 23.2    | 24.6  | 24.6  |
| Astral Polytechnik (ASTPOL)  | 1,170 | 1,250 | Hold   | 14,011          | 14.6    | 22.3  | 29.1  | 80.3    | 52.5  | 40.2  | 39.3          | 28.3  | 23.1  | 20.7     | 24.8  | 26.3  | 13.9    | 17.7  | 19.0  |
| Bajaj Electricals (BAJELE)   | 534   | 474   | Hold   | 5,449           | 18.9    | 21.4  | 26.3  | 28.3    | 24.9  | 20.3  | 14.8          | 13.0  | 11.5  | 17.2     | 17.8  | 19.5  | 18.5    | 17.9  | 18.5  |
| Havells India (HAVIND)       | 721   | 800   | Buy    | 44,983          | 14.1    | 17.3  | 20.4  | 51.2    | 41.6  | 35.3  | 37.2          | 28.8  | 24.0  | 29.4     | 31.0  | 31.1  | 22.2    | 22.7  | 22.5  |
| Kansai Nerolac (KANNER)      | 400   | 455   | Hold   | 21,557          | 8.7     | 9.7   | 11.3  | 46.1    | 41.4  | 35.4  | 29.5          | 25.7  | 22.0  | 20.2     | 21.8  | 22.9  | 13.6    | 14.6  | 15.4  |
| Pidilite Industries (PIDIND) | 1,160 | 1,335 | Buy    | 59,466          | 18.5    | 22.0  | 26.1  | 62.7    | 52.7  | 44.5  | 42.2          | 38.6  | 32.5  | 33.6     | 29.6  | 31.4  | 27.0    | 21.7  | 22.8  |
| Essel Propack (ESSPRO)       | 133   | 136   | Hold   | 4,179           | 6.2     | 6.7   | 7.9   | 21.5    | 19.8  | 16.7  | 9.3           | 8.3   | 7.2   | 16.9     | 17.4  | 19.3  | 13.9    | 13.7  | 15.0  |
| Supreme Indus (SUPIND)       | 968   | 1,075 | Buy    | 12,296          | 35.3    | 39.3  | 44.8  | 27.4    | 24.6  | 21.6  | 16.6          | 14.0  | 12.4  | 25.0     | 28.6  | 28.6  | 18.7    | 21.5  | 21.5  |
| Symphony (SYMLIM)            | 1,188 | 1,110 | Hold   | 8,311           | 18.8    | 25.9  | 31.7  | 63.1    | 46.0  | 37.5  | 37.7          | 52.5  | 35.2  | 41.3     | 25.5  | 34.5  | 31.5    | 22.6  | 29.9  |
| V-Guard Ind (VGUARD)         | 202   | 205   | Hold   | 8,599           | 3.3     | 4.2   | 5.1   | 60.9    | 48.1  | 39.2  | 43.9          | 41.9  | 32.8  | 23.7     | 24.0  | 26.0  | 17.7    | 18.2  | 19.8  |
| Voltas Ltd (VOLTAS)          | 551   | 605   | Hold   | 18,223          | 15.5    | 18.3  | 21.9  | 35.5    | 30.1  | 25.1  | 27.5          | 28.8  | 22.7  | 19.8     | 17.3  | 19.9  | 14.8    | 12.7  | 15.1  |
| Time Techno (TIMTEC)         | 81    | 80    | Hold   | 1,832           | 8.8     | 10.8  | 12.7  | 9.2     | 7.5   | 6.4   | 5.4           | 5.3   | 4.7   | 14.9     | 14.7  | 15.5  | 12.2    | 12.2  | 13.2  |

Source: Company, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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