Asian Paints Ltd. (ASIPAI)

CMP: ₹2320 | Target ₹ 2,740(18%) | Target Period: 12 months | BUY

October 31, 2026

Q2-miss on margins; Decorative Volume growth to be 8-9% in H2

About the stock: Asian Paints (APL) is India's leading paint and décor company. It has 27 in-house painting manufacturing facilities worldwide with installed capacity of 1.85mn kl/per annum. The company has retail touchpoints of 1.7 lakh retail touchpoints across India.

Q2FY27 performance: Consolidated Revenues recorded 16.9% YoY growth to Rs.9,976.5cr driven by 14.5% YoY growth in decorative paints business and 30% YoY growth in the international business. Gross margins decreased by 347bps YoY to 39.7% due to inflated input prices. EBITDA margins decreased by 201bps YoY to 15.6%. EBITDA grew by 3.6% YoY to Rs.1,557.1cr. Higher other income led to 6.6% YoY growth in the adjusted PAT to Rs1,085.4cr.

Investment Rationale:

- **Decorative paints volume growth to be at 8-9% in H2; price hikes/mix to aid mid-to-high teen revenue growth:** APL's domestic decorative paints business sales volume grew by 6.4% in Q2FY27 on high base of 11% volume growth in Q2FY26. Despite festive shift to Q3, demand environment remained stable and remained broad base across key markets. Rural market stayed ahead of the urban market. B2B sales continued to perform well in the tier1/2 cities. Management expects volume growth to improve to 8-9% in H2FY27 backed by festive season and upcoming wedding season. B2B demand will remain stable in the urban markets. The company took a price hike of 12% in H1FY27 (~7% price hike in Q1FY27 & ~5% price hike in Q2FY27). The company will take additional price increase of 3.5% in Nov,26. Hence we expect decorative paints revenue growth to be in mid-to-high teens in H2FY27.
- **EBIDTA margins to remain at 18-20% in FY27:** APL's consolidated EBIDTA margins dropped by 201bps YoY to 15.6% in Q2FY27 on account of input cost inflation (gross margins were down by 347bps YoY to 39.7%). Standalone raw material inflation grew by ~28% in H1FY27. However, the company took calibrated price hike of ~12% in H1. This along with unfavourable mix (due to lower sales of high margin external paints) affected the gross margins in Q2FY27. Full benefit of price earlier price hikes, additional price hike of 3.5%, improved mix towards high margin products and benefit from backward integration project (commissioning of VAE facility) would help consolidated gross margins to return to 42-43% in H2FY27. This along with cost saving initiatives will help EBIDTA margins to remain in guided range of 18-20% in H2FY27 vs. 18.2% in H1FY27.
- Backward integration projects – to incrementally add 300-500bps margins: APL's phase 1 of backward integration is on stream with the commissioning of 1,50,000 MT p.a. of VAE capacity in Q2FY27. Phase 2 with 1,00,000 MT p.a. of VAM capacity is under development. The integrated VAE-VAM facility provides APL's opportunity to develop differentiated innovative products and can provide strong margin benefit once phase 2 is on stream. Management expects backward integration should aid in 300-500bps accretion at full utilisation levels.

Rating and Target Price: We recommend Buy with a revised price target of Rs.2,740 (valuing at 40x its FY28-29E average EPS of Rs.68.4).

Particulars

Particuar	Amount
Market Capitalisation (₹ crore)	2,22,534
Debt (FY26) -₹ crore	7,087
Cash (FY26) - ₹ crore	7,360
EV (Rs crore)	2,22,262
52-week H/L (₹)	2986 / 2,115
Equity capital (₹ crore)	95.9
Face value (₹)	1

Shareholding pattern

	Sep-25	Dec-25	Mar-26	Jun-26
Promoters	52.6	52.6	52.6	52.6
FII	11.6	12.8	12.1	13.3
DII	21.5	21.1	21.7	20.7
Others	14.2	13.5	13.5	13.4

Price Chart



Key risks

(i) Significant increase in the raw material prices to impact gross margins.
(ii)Demand slowdown in the urban market would continue to impact decorative paints volume growth.

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Key Financial Summary

Key Financials (₹ Crore)	FY24	FY25	FY26	2-year CAGR (FY24-26)	FY27E	FY28E	FY29E	3-year CAGR (FY26-29E)
Revenues	35494.7	33905.6	35583.5	0.1	41823.0	46426.2	52567.9	14.2
EBIDTA	7585.0	6006.2	6695.9	-6.0	7501.7	8761.0	10225.2	14.4
EBIDTA Margins (%)	21.4	17.7	18.8		17.9	18.9	19.5	
Adjusted PAT	5424.7	3842.7	4347.3	-10.5	4975.9	5825.7	6902.3	15.8
EPS (Rs.)	57.9	38.7	45.8		53.5	62.6	74.2	
PE (x)	40.0	55.9	49.3		43.4	37.0	31.3	
EV to EBIDTA (x)	29.5	37.2	33.2		29.5	25.2	0.0	
RoE (%)	32.0	20.9	22.1		23.1	24.8	0.0	
RoCE (%)	21.6	15.2	15.2		16.8	18.9	20.6	

Source: Company, ICICI Direct Research

Result Update

ICICI Securities – Retail Equity Research

Q2FY27 – Key Performance highlights

- Consolidated revenues grew by 16.9% YoY to Rs.9976.5cr. Revenue growth was supported by 15% YoY growth in standalone decorative paint business and 30% YoY growth in the international business.
- Domestic decorative paint business volume growth stood at 6.4% in Q2FY27 with a value growth of 14.5%. Realisation growth for the quarter stood at 8% in domestic decorative business.
- International business revenues grew by 30% in INR terms to Rs.1096cr (23.6% YoY constant currency growth) with broad based performance across regions. Key growth driving regions were Sri Lanka, UAE and Bangladesh.
- Consolidated gross margins declined by 347bps YoY to 39.7% in Q2FY27, Raw material inflation witnessed sharp rise during the quarter, and the company also felt the full impact of inflation in the current quarter. In Q1FY27, the company had low-cost inventory to mitigate the impact which was absent in Q2FY27. EBITDA margins declined by 201bps YoY to 15.6% in Q2FY27 and was below the guided range of 18-20%. The company took some cost saving initiatives. This is visible in other expenses which has is ~150bps lower on YoY basis as % of revenues in Q2FY27.
- Consolidated EBITDA grew by 3.6% YoY to Rs.1557.1cr and adjusted PAT grew by 7% to Rs.1085.4cr in Q2FY27

Exhibit 1: Q2FY27 Consolidated result snapshot (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y (%)	Q1FY27	q-o-q (%)
Decorative business volume growth	**6.4%**	**11.0%**		**9.0%**	
Total Revenue	**9,976.5**	**8,531.3**	**16.9**	**10,541.9**	**-5.4**
Raw Material Cost	6,013.3	4,846.3	24.1	5,946.5	1.1
Employee Cost	775.6	686.2	13.0	790.4	-1.9
Other Expenses	1,630.5	1,495.3	9.0	1,636.3	-0.4
Total Operating Cost	8,419.4	7,027.9	19.8	8,373.2	0.6
Operating Profit	**1,557.1**	**1,503.4**	**3.6**	**2,168.8**	**-28.2**
Other Income	247.8	198.6	24.7	240.9	2.9
Interest & Other Financial Cost	55.4	43.9	26.3	47.8	15.8
Depreciation	313.7	304.9	2.9	304.2	3.1
Profit Before Tax	**1,435.8**	**1,353.2**	**6.1**	**2,057.6**	**-30.2**
Tax Expense	392.4	373.3	5.1	536.3	-26.8
Adjusted PAT	**1,043.4**	**979.9**	**6.5**	**1,521.3**	**-31.4**
Share of profit from associates	42.0	38.3	9.6	38.2	10.0
Adjusted PAT after MI	1,085.4	1,018.2	6.6	1,559.5	-30.4
Exceptional Items	0.0	0.0	-	0.0	-
Reported PAT	**1,085.4**	**1,018.2**	**6.6**	**1,559.5**	**-30.4**
Adj. EPS (Rs)	11.3	10.6	6.6	16.3	-30.4
Margins	**Q2FY27**	**Q2FY26**	**bps**	**Q1FY27**	**bps**
GPM (%)	39.7	43.2	-347	43.6	-387
OPM (%)	15.6	17.6	-201	20.6	-497
NPM (%)	10.9	11.9	-106	14.8	-391
Tax rate (%)	27.3	27.6	-25	26.1	127

Source: Company, ICICI Direct Research

Exhibit 2: Q2FY27 Standalone result snapshot (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y (%)	Q1FY27	q-o-q (%)
Total Revenue	8453.8	7356.3	14.9	9183.4	-7.9
Raw Material Cost	5027.7	4129.5	21.8	5142.5	-2.2
Employee Cost	595.2	533.4	11.6	615.9	-3.4
Other Expenses	1390.6	1334.3	4.2	1413.3	-1.6
Total Operating Cost	7013.6	5997.2	16.9	7171.8	-2.2
Operating Profit	1440.3	1359.1	6.0	2011.7	-28.4
Other Income	331.1	232.0	42.7	260.5	27.1
Interest & Other Financial Cost	32.7	29.7	10.1	27.3	19.9
Depreciation	270.6	273.5	-1.1	262.9	2.9
Profit Before Tax	1468.1	1287.9	14.0	1982.0	-25.9
Tax Expense	372.5	368.5	1.1	503.7	-26.0
Adjusted PAT before MI	1095.6	919.4	19.2	1478.4	-25.9
Exceptional Items	0.0	0.0	-	0.0	-
Reported PAT	1095.6	919.4	19.2	1478.4	-25.9
Adj. EPS (Rs)	11.4	9.6	19.2	15.4	-25.9
Margins	**Q2FY27**	**Q2FY26**	**bps**	**Q1FY27**	**bps**
GPM (%)	40.5	43.9	-334	44.0	-348
OPM (%)	17.0	18.5	-144	21.9	-487

Source: Company, ICICI Direct Research

Q2FY27- Other Key Business Highlights

- **Home Décor –** The home décor business reported yet another quarter or mixed performance with Kitchen and Bath reporting double-digit growth while Weatherseal and White teak report decline in revenue during the quarter. Kitchen reported 13% YoY growth in revenue to Rs.110.3cr in Q2FY27. PBT loss in Kitchen business widened to Rs.8cr vs Rs.3.6cr in Q2FY26. Bath delivered encouraging performance with revenue reporting 19% YoY growth to Rs.94cr. The business turned profitable with PBT of Rs.9cr in Q2FY27 vs loss of Rs.4cr in Q2FY26. Weatherseal and Whiteteak revenues witnessed 2% and 12% YoY decline in revenues to Rs.20cr and Rs.23cr respectively in Q2FY27.
- **Industrial Business** – Automobile OEM and General industrial continued to remain resilient leading to 34% YoY growth in PPGAP revenues to Rs.795cr. PBT for PPGAP stood at Rs.113cr growing by 10% YoY while margins declined by ~309bps YoY due to delayed price hikes in the segment. APPPG (protective coating business) witnessed 28% YoY growth in revenues to Rs.375cr in Q2FY27. The company undertook pricing actions during the quarter to tackle inflation but the flow through of the same is expected to come in Q3FY27. PBT declined by 33% YoY to Rs.17cr with margins declined by 425bps YoY to 4.6%.

Exhibit 3: Q2FY27 Segment-wise Revenues (₹ crore)

Particulars	Q2FY27	Q2FY26	y-o-y (%)	Q1FY27	q-o-q (%)
Standalone paints	8,205.9	7,132.2	15.1	8,954.5	-8.4
Kitchen business	110.3	97.7	12.9	107.9	2.2
Bath business	94.0	79.3	18.5	85.0	10.6
White Teak	23.3	26.4	-11.7	19.0	22.6
Weatherseal	20.3	20.7	-1.9	17.0	19.4
Domestic standalone business	**8,453.8**	**7,356.3**	**14.9**	**9,183.4**	**-7.9**
Africa	207.0	152.0	36.2	182.0	13.7
Middle East	433.0	299.0	44.8	379.0	14.2
Asia	450.0	364.0	23.6	364.0	23.6
South Pacific	50.0	41.0	22.0	43.0	16.3
International business	**1,095.6**	**846.0**	**29.5**	**968.0**	**13.2**
PPG-AP	794.8	600.0	32.5	652.0	21.9
AP-PPG	374.5	292.6	28.0	373.0	0.4

Source: Company, ICICI Direct Research

H1FY27 – Key performance highlights

- Consolidated revenues reported 17.5% YoY growth to Rs.20,518.5cr in H1FY27. Growth was driven by 16% YoY growth in the Standalone decorative paint business to Rs.17,637cr while international business grew by 28% YoY to Rs.2032cr in H1FY27.
- Gross margins witnessed 122bps YoY decline to 41.7% in H1FY27. Decline in gross margins was largely due to elevated raw material cost during the quarter.
- EBITDA margins witnessed ~30bps YoY expansion to 18.2%. Expansion was led by significant gains in Q1FY27. Q2FY27 margins were lower. The company has also taken cost saving initiatives while a favourable product mix in Q1FY27 also helped offset the gross margin decline in Q1FY27. EBITDA grew by 19.1% YoY to Rs.3725.8cr.
- Reported PAT grew by 23.8% YoY to Rs.2644.8cr in H1FY27.

Q2FY27 Earnings call highlights

- **Demand and Industry Outlook**
    - The management expects demand momentum to remain relatively better in the coming months, supported by the festive season, extended Diwali calendar and upcoming wedding season. Rural demand, however, remains an area to watch given the uneven monsoon
    - Rural markets continued to outperform urban markets in the decorative paints segment. However, B2B & B2G demand strong in the urban markets, particularly Tier-I and Tier-2 cities, providing some balance to the overall demand environment.
    - Industrial Paints continued to witness strong growth momentum, supported by healthy demand across automotive OEM, refinish and general industrial segments. Management highlighted sustained growth in the industrial segments ahead. Increased government spending on infrastructure key tailwind for the industry.

- Demand across home improvement and décor categories remained encouraging.
- The management highlighted that premiumisation remains key factor for growth. The key focus for the industry is to encourage consumers to upgrade from economy products to premium, luxury and super-luxury categories. However, management it also highlighted that the economy segment will continue to remain important given its significant contribution to the overall market.

- **Volume guidance and growth drivers**
  - The management expects volume growth to recover to 8-9% in H2FY27, supported by healthy underlying demand, the extended festive season and the upcoming wedding season.
  - Q3FY27 is expected to benefit from demand deferred from Q2 due to the later Diwali calendar, with October-November expected to witness good traction. The seasonal demand uptick is also expected to support growth.
  - Industrial business momentum, premiumisation, expansion of distribution reach and increasing contribution from new products are expected to remain key growth drivers.
  - New products currently contribute ~18% of overall revenues, reflecting the company's continued focus on innovation and differentiated product.
- **Margin guidance retained at 18-20% range**
  - Gross margins are expected to remain in the 41-43% range depending on the trajectory of input cost inflation.
  - The management reiterated its EBITDA margin guidance of 18-20% for FY27, despite elevated input cost pressures. Sustenance of margins shall be supported by calibrated price increases, cost saving initiatives and benefits from backward integration.
  - VAE backward integration is expected to provide a meaningful structural cost advantage. Phase 1 of the VAE facility has been commissioned, with formulations already underway. Management expects to utilise part of the 150 KT capacity by March 2027 and ramp up to full capacity during FY28. At full potential, VAE integration could provide 300-500bps advantage, with management indicating a minimum benefit of ~300bps across product categories.
  - Despite volatile raw material prices, the company maintained its EBIDTA margin guidance of 18-20% on back of calibrated pricing actions, improving mix, cost optimisation strategy and backward integration benefits.
  - Industrial and international businesses are witnessing a lag in passing on cost increases, given the B2B nature of operations and geopolitical challenges across certain markets. Management expects gradual improvement in profitability over the coming quarters as pricing actions take effect.
- **Price Hikes and raw material cost environment**
  - Asian Paints has taken price increases of approximately 7% in Q1FY27 and 5% in Q2FY27. These increases have not fully offset the prevailing raw material cost inflation (~28% rise in raw material cost in H1FY27).

- Overall, the realisation improved by 8% in Q2FY27. So out of overall price increase of 12%, only 8% has reflected as of Q2FY27 while the rest will get reflected in the quarters ahead.

- Additionally, the company has taken 3.5% price hike in November 2026 to mitigate input cost pressure.

- The management has highlighted it will take calibrated price hikes ahead to further mitigate the rise in raw material costs.

- The anti-dumping duty on TiO2, effective 24th October 2026, is expected to have an estimated 200-300bps impact on the overall cost structure. The actual impact will vary across TiO2 grade. To mitigate the impact, Asian Paints is rationalising TiO2 consumption through alternative chemistries and optimising the use of differential grades, as the applicable duty varies by grade

Revision in earnings estimates

We have reduced earnings estimates for FY27E and FY28E by 2.6% and 1.5% respectively to factor in lower EBIDTA margins and higher depreciation charges than earlier anticipated. We have introduced FY29E earnings estimates through this note.

Exhibit 4: Changes in headline estimates

(₹ crore)	FY27E			FY28E		
	Old	New	% Chg	Old	New	% Chg
Net Revenues	41534.1	41823.0	0.7	46038.3	46426.2	0.8
EBIDTA	7615.5	7501.7	-1.5	8774.1	8761.0	-0.1
EBIDTA margin (%)	18.3	17.9	(40) bps	19.1	18.9	(20) bps
PAT	5271.5	5132.7	-2.6	6103.7	6009.2	-1.5
EPS (Rs.)	55.0	53.5	-2.6	63.6	62.6	-1.5

Source: Company, ICICI Direct Research

Exhibit 5: Key Operating Assumptions

(Year-end March)	FY26	FY27E	FY28E	FY29E
Standalone decorative paints	29848.9	34891.2	38376.8	43296.4
YoY %	4.9	16.9	10.0	12.8
Decorative paint (volume growth %)	8.5	9.6	10.3	10.0
Home décor				
Kitchen	400.2	442.3	505.5	580.2
YoY %	1.7	10.5	14.3	14.8
Bath	347.0	372.8	421.1	473.8
YoY %	-2.6	7.4	13.0	12.5
WhiteTeak	98.8	98.0	109.7	122.9
YoY %	-7.5	-0.8	12.0	12.0
Weatherseal	74.6	78.9	91.9	102.9
YoY %	42.1	5.8	16.4	12.0
International	3340.0	4176.2	4784.8	5487.0
YoY %	7.1	25.0	14.6	14.7
Joint Ventures (50:50)				
PPGAP	2468.0	3012.3	3464.2	3983.8
YoY %	15.5	22.1	15.0	15.0
APPPG	1334.0	1614.7	1808.4	2025.5
YoY %	11.8	21.0	12.0	12.0
Total revenues	**35583.5**	**41823.0**	**46426.2**	**52567.9**
YoY %	**4.9**	**17.5**	**11.0**	**13.2**

Source: Company, ICICI Direct Research

Financial summary

Exhibit 6: Profit and loss statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Total Operating Income	35583.5	41823.0	46426.2	52567.9
Growth (%)	4.9	17.5	11.0	13.2
Raw Material Expenses	20001.8	24236.4	26346.9	29569.4
Gross Profit	15581.8	17586.6	20079.3	22998.5
Gross Profit Margins (%)	43.8	42.1	43.3	43.8
Employee Expenses	2799.6	3079.5	3449.1	3863.0
Advertisement & promotional expenses	1743.6	2091.2	2228.5	2523.3
Other Expenditure	4342.7	4914.2	5640.8	6387.0
Total Operating Expenditure	28887.6	34321.3	37665.2	42342.7
EBITDA	6695.9	7501.7	8761.0	10225.2
Growth (%)	11.5	12.0	16.8	16.7
Interest	195.4	234.6	172.1	146.8
Depreciation	1228.9	1289.9	1433.9	1541.9
Other Income	723.8	839.3	825.5	918.8
PBT	5995.5	6816.4	7980.4	9455.2
Less Tax	1648.2	1840.4	2154.7	2552.9
Adjusted PAT (before exceptional item)	4347.3	4975.9	5825.7	6902.3
Growth (%)	13.1	14.5	17.1	18.5
Profits from associates	165.6	156.7	183.5	217.4
Adjusted PAT (after profit from associates)	4512.9	5132.7	6009.2	7119.7
Exceptional item	118.2	0.0	0.0	0.0
Reported PAT	4394.7	5132.7	6009.2	7119.7
EPS (Adjusted)	45.8	53.5	62.6	74.2

Source: Company, ICICI Direct Research

Exhibit 7: Cash flow statement ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Profit/(Loss) after taxation	3789.1	4293.4	5183.7	6201.0
Add: Depreciation & Amort.	1228.9	1289.9	1433.9	1541.9
Other income	723.8	839.3	825.5	918.8
Changes in the working cap.	-286.6	-1774.9	-936.9	-1543.2
CF from Operating activities	5455.2	4647.7	6506.3	7118.5
(Purchase)/Sale of Fixed Assets	-2243.2	-785.1	-1600.0	-1200.0
Investments & Bank balances	-2337.0	1211.7	-1000.0	-1000.0
Others	0.4	-1.6	-1.7	-1.9
CF from Investing activities	-4579.8	425.0	-2601.7	-2201.9
(inc)/Dec in Loan	1975.1	-2587.3	-500.0	-750.0
Change in equity & reserves	96.7	0.0	0.0	0.0
Dividend paid	-2637.8	-3357.2	-3836.8	-3836.8
Other	-17.5	197.1	227.9	266.2
CF from Financing activities	-583.6	-5747.4	-4108.9	-4320.6
Net Cash Flow	291.8	-674.7	-204.4	596.0
Cash and Cash Equivalent (opening)	782.0	1073.8	399.1	194.7
Cash	1073.8	399.1	194.7	790.7
Free Cash Flow	4425.6	2447.7	4906.3	5918.5

Source: Company, ICICI Direct Research

Exhibit 8: Balance sheet ₹ crore

(Year-end March)	FY26	FY27E	FY28E	FY29E
Equity Capital	95.9	95.9	95.9	95.9
Reserve and Surplus	21275.7	23051.2	25223.6	28506.5
Total Shareholders funds	21371.6	23147.1	25319.5	28602.4
Minority Interest	643.4	800.1	983.6	1201.1
Total Debt	7087.3	4500.0	4000.0	3250.0
Deferred Tax Liability	403.3	443.6	487.9	536.7
Long-Term Provisions	273.8	301.2	331.3	364.4
Other Non Current Liabilities	37.7	37.7	37.7	37.7
Total Liabilities	29817.0	29229.6	31160.0	33992.3
Gross Block - Fixed Assets	14584.2	16784.2	18384.2	19584.2
Accumulated Depreciation	5419.2	6709.1	8143.0	9684.9
Net Block	9165.0	10075.1	10241.1	9899.2
Capital WIP	1848.7	400.0	400.0	400.0
Leased Assets	0.0	0.0	0.0	0.0
Fixed Assets	11013.7	10475.1	10641.1	10299.2
Goodwill & Other intangible assets	475.3	509.1	509.1	509.1
Investments	775.9	850.0	850.0	850.0
Other non-Current Assets	2079.6	2287.6	2516.4	2768.0
Inventory	5743.7	7104.2	7886.1	8929.3
Debtors	4467.2	5385.4	5723.8	6481.0
Current Investments	6285.8	5000.0	6000.0	7000.0
Other Current Assets	796.5	876.2	963.8	1060.2
Loans & Advances	1823.1	1987.2	2166.1	2361.0
Cash	1073.8	399.1	194.7	790.7
Total Current Assets	20190.1	20752.1	22934.4	26622.2
Creditors	3863.1	4648.1	5197.2	5832.9
Provisions	216.6	238.2	262.1	288.3
Other Current Liabilities	637.9	757.9	831.7	935.0
Total Current Liabilities	4717.6	5644.2	6290.9	7056.1
Net Current Assets	15472.5	15107.9	16643.5	19566.0
Application of Funds	29817.0	29229.6	31160.0	33992.3

Source: Company, ICICI Direct Research

Exhibit 9: Key ratios

(Year-end March)	FY26	FY27E	FY28E	FY29E
Per share data (₹)				
Adjusted EPS	47.0	53.5	62.6	74.2
Cash EPS	59.9	67.0	77.6	90.3
BV per share	222.8	241.3	264.0	298.2
Cash per Share	76.7	56.3	64.6	81.2
Dividend per share	27.5	35.0	40.0	40.0
Operating Ratios (%)				
Gross Profit Margins	43.8	42.1	43.3	43.8
EBIDTA margins (%)	18.8	17.9	18.9	19.5
(Adjusted) PAT Margins	12.7	12.3	12.9	13.5
Cash Conversion Cycle	34.2	39.0	35.0	35.0
Fixed asset turnover (x)	2.6	2.9	3.2	3.6
Return Ratios (%)				
RoE	22.1	23.1	24.8	0.0
RoCE	15.2	16.8	18.9	20.6
Valuation Ratios (x)				
P/E	49.3	43.4	37.0	31.3
EV / EBITDA	33.2	29.5	25.2	0.0
EV / Net Sales	6.2	5.3	4.7	4.1
Market Cap / Sales	6.3	5.3	4.8	0.0
Price to Book Value	10.4	9.6	8.8	7.8
Solvency Ratios				
Debt / EBITDA	1.0	0.5	0.4	0.0
Debt / Equity	0.3	0.2	0.2	0.0

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%

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