

## Low decorative paint demand restricts topline growth

**About the stock:** Kansai Nerolac (KNL) is a global leader in industrial coatings (auto). However, in the last 10 years, it has increased its decorative paint mix to 55% of its total topline. Currently, KNL is the third largest decorative paint player in India.

- Strong distribution network of ~28,000 dealers across the country with 75-80% penetration of tinting machine
- In the last two years, KNL has increased its total paint manufacturing capacity by 28% to 5.3 lakh tonnes at an investment of ~₹ 1100 crore

**Q3FY23 Results:** Topline growth impacted by lower demand of decorative paints

- Muted revenue growth of ~1% YoY to ~₹ 1717 crore supported by ~8% (I-direct estimate) growth in industrial paints. Decorative paint revenues declined 5% dragged by 9% volume de-growth
- Improved product mix and price hikes helped gross margin recovery QoQ. However, EBITDA margin remained flat QoQ at ~11% (down 142 bps YoY) due to higher advertisement and other expenses
- PAT down 15% YoY to ~₹ 112 crore tracking lower EBITDA margin

**What should investors do?** KNL's share price has given negative return over the past five years (from ₹ 504 in February 2018 to ₹ 413 levels in February 2023).

- We maintain our **HOLD** rating on the stock

**Target Price and Valuation:** We roll over our valuation on FY25E and value the stock at ₹ 435 i.e. 32x P/E on FY25E EPS.

**Key triggers for future price performance:**

- We believe regaining lost market share in the decorative paint (~55% of total revenue) will be a key trigger for the company's future revenue growth
- Revival in passenger vehicle sales and strong demand momentum in industrial paints would help in a recovery in 45% of KNL's revenue portfolio
- Focus on improving product mix towards premium products would help drive gross margin, going forward
- Higher ad expenses to keep overall EBITDA margin expansion under check

**Alternate Stock Idea:** We like Supreme Industries in our coverage.

- Supreme is market leader in the plastic piping segment with ~15% market share. Robust b/s with average RoE, RoCE of 24%, 27%, respectively
- BUY with a target price of ₹ 2600



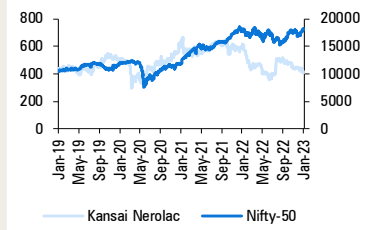
### Particulars

Particular	Amount
Market Capitalization (₹ Crore)	22,257.4
Debt (FY22) (₹ Crore)	0.0
Cash & Inv (FY22) (₹ Crore)	310.1
EV (₹ Crore)	21,947.3
52 week H/L	546/ 358
Equity capital (₹ Crore)	53.9
Face value (₹)	1.0

### Shareholding pattern

(in %)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Promoter	75.0	75.0	75.0	75.0	75.0
FII	3.6	3.6	3.3	3.5	3.3
DII	13.2	13.2	13.4	13.3	13.3
Others	8.2	8.3	8.3	8.3	8.3

### Price Chart



### Recent event & key risks

- **Key Risk:** (i) Faster recovery in decorative paints segment (ii) Higher ad expenses to keep EBITDA margin under check

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### Key Financial Summary

(₹ Crore)	FY20	FY21	FY22	5 Year CAGR (FY17-22)	FY23E	FY24E	FY25E	3 Year CAGR (FY22-25E)
Net Sales	4943.2	4770.9	5948.9	8.3	7058.2	7825.8	8550.5	12.9
EBITDA	781.6	843.5	647.3	-2.4	806.8	969.6	1145.0	20.9
EBITDA Margin (%)	15.8	17.7	10.9		11.4	12.4	13.4	
Net Profit	535.4	530.6	374.3	-5.8	498.0	602.7	723.1	24.5
EPS (₹)	9.9	9.8	6.9		9.2	11.2	13.4	
P/E (x)	41.6	42.0	59.5		44.7	36.9	30.8	
Price/Book (x)	5.9	5.5	5.3		5.4	5.0	4.5	
Mcap/Sales (x)	4.5	4.7	3.7		3.2	2.8	2.6	
RoE (%)	14.1	13.2	9.2		12.1	13.5	14.7	
RoCE (%)	17.5	17.2	12.1		15.6	17.6	19.1	

## Key takeaways of recent quarter & conference call highlights

### Q3FY23 Results: Muted topline growth; margins remained flat QoQ

- Kansai Nerolac's Q3FY23 revenues grew albeit a slow pace of ~1.4% YoY to ₹ 1717 crore supported by higher demand from industrial paints segment. We believe the industrial paint segment volume, values were up ~8% to 9% YoY, respectively, supported by strong demand from automotive OEMs. However, the decorative paint segment revenues declined 5% YoY dragged by lower volume offtake (I-direct estimate: 9%). The decorative segment volume offtake was impacted by lower consumer demand, extended monsoon and unfavourable base of last year
- The gross margin was up 160 bps QoQ supported by improved product mix and price increases. However, EBITDA margin remained flat at 11% QoQ (down 142 bps YoY) due to higher advertisement and fixed costs
- PAT declined ~15% YoY to ~₹ 112 crore tracking lower EBITDA margin

### Q3FY23 Earnings Conference Call highlights

- **Market Share:**
  - Decorative paint market share is in single digits
  - Kansai has a better market share in Tier II, III and IV cities and is now focusing on improving market share in Tier I cities
  - On the international front, Kansai has gained market share in Sri Lanka
- **Decorative Paints Segment:**
  - In Q3FY23, there was a de-growth in the decorative paints segment on account of early festival season and extended monsoon
  - Dealers made high stockings in Q3 in anticipation of price hikes as the company had taken significant price hikes in Q3FY22
  - The company is increasingly focusing on premiumisation of products and new product launches in the decorative segment
  - Kansai is making various efforts to improve its brand strength by several marketing activities and influencer network expansion
  - The management expects demand uptick from both urban and rural areas from Q4FY23 onwards
  - The company is lowering its focus on selling puttys as it is a low margin business
- **Industrial Paints Segment:**
  - Kansai's topline growth was led by industrial paints as a result of strong demand of auto industry. Demand was led by passenger vehicles, commercial vehicles and tractors. Demand from two wheelers was softer
  - The company is consistently focusing on extending technologically superior products and have started selling seam sealant and underwater sealant, which is a new market
  - KNL has started higher margin technology products in coil coatings. It has exited some basic categories of coil coatings where profitability was low
  - The management expects robust demand in industrial paints segment for the coming few quarters led by auto sector
  - On the non-auto side, the company is witnessing good demand from infrastructure segment. Kansai has received approvals for its performance coatings for bullet trains, Vande Bharat trains and Mumbai Coastal project. On the construction chemicals front, the company has received approvals for construction equipment and air conditioner segment
- **Margins:**
  - KNL has taken 3% price hikes in decorative paints segment in 9MFY23

Kansai Nerolac - ESG Disclosure Score*			
Score	FY20	FY21	FY22
Environmental	25.2	44.3	40.9
Social	41.8	38.9	38.9
Governance	89.9	83.6	89.9
<b>Overall ESG Score</b>	<b>52.3</b>	<b>55.7</b>	<b>56.6</b>

*Source: Bloomberg, ICICI Direct Research, \*Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures*

- The company concluded further price increases from auto OEMS. Price hikes taken in the industrial segment are in the range of 8-9% in 9MFY23
  - The company is holding some high cost inventory, which is expected to get liquidated in the next two to three quarters. Post this, there will be a recovery in margins
  - Industrial paints segment margins are in the single digit range but the company plans to improve margins in this segment using high-technology products. Despite that, industrial margins are unlikely to be closer to decorative paints margins
  - The management expects an improvement in gross margin from Q4FY23 onwards led by falling raw material prices, which is expected to result in better EBITDA margin as well. However, in Q4, the product mix is higher towards industrial paints segment that commands lower margin than decorative paints
- **Distribution & Expansion:**
    - Kansai's total paint manufacturing capacity was at 50,000 kL/month. The company is planning a capex of ₹ 290 crore to expand its water based manufacturing capacity by 42% YoY
    - The company's dealer count is increasing on account of increasing influencer network
    - KNL is focusing on same-store growth and increase the counter share. For the same, it has started initiatives such as next-generation shopping, which gives a touch and feel experience
    - The company's dealer count is in the range of 28000-30000. KNL is focusing on increasing its pace of expanding the distribution network

Exhibit 1: Peer comparison

Company	Mcap ₹ cr	Revenue				EBITDA margin				PAT				RoCE				RoE				PE			
		FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E
Asian Paints	2,64,492	21713	29101	33662	39040	22	17	17	18	3207	3085	3962	4750	30	27	33	34	25	23	28	28	82	86	67	56
Berger Paints	54,684	6818	8762	10535	11938	17	15	14	14	720	833	913	1075	25	23	27	29	21	21	24	26	76	66	60	51
Kansai Nero	22,257	4771	5949	7058	7826	18	11	11	12	531	374	498	603	17	12	16	18	13	9	12	14	42	59	45	37
Pidilite Ind	1,17,606	7293	9921	11874	13474	23	19	17	20	1126	1207	1329	1797	23	22	23	27	20	18	19	23	104	97	89	65
Sheela Foam	12,000	2435	2982	3105	3492	15	11	9	12	238	217	196	283	24	18	16	21	20	16	13	18	50	55	61	42

Source: Bloomberg, ICICI Direct Research

We believe, Kansai Nerolac’s Q3FY23 decorative paints volume de-growth of ~9% YoY is the lowest when compared to Berger Paints and Asian Paints (decorative paint volumes grew ~7% for Berger Paints while it was flattish for Asian Paints). On a three-year basis, KNL’s overall revenue CAGR of 11% is much lower than 17% CAGR of each of Asian Paints and Berger Paints. We believe Kansai Nerolac has lost market share in the decorative paints business due to aggressive product launches and dealer addition by Asian Paints and Berger Paints over the last two years. However, the management has indicated that Kansai Nerolac has stepped up efforts to regain its lost market share through new product launches (in the premium product segments) and addition of dealers/influencers in new geographies.

On the industrial paint front, recovery in the automotive demand and new launches in the non-automotive segment drove industrial paint demand for KNL. Going forward, we introduce FY25E estimates and building KNL’s overall revenue CAGR of 13% on a favourable base and strong demand for industrial paints. The decorative paint segment is likely to grow at CAGR of ~11% supported by new product launches and dealer expansion in tier II and III cities. We believe the company’s focus on regaining lost market share in the decorative segment will delay EBITDA margin recovery due to higher advertisement and promotional expenses. We cut our PAT estimate by ~9%, 13% for FY23E and FY24E, respectively, owing to slow recovery in EBITDA margin. We maintain our HOLD rating on the stock with a revised target price of ₹ 435/share (valuing the stock at 32x FY25E, 45% discount to Asian Paints).

Exhibit 2: Variance Analysis

	Q3FY23	Q3FY23E	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	Comments
Net Revenue	1,717.1	1,838.9	1,693.7	1.4	1,814.3	-5.4	Recovery in industrial paint demand and price hikes helped drive revenue growth. However revenue growth was muted mainly due to lower volume offtake of decorative paints
Other Income	8.6	4.1	9.3	-7.4	3.5	143.2	
Raw Material Exp	1,198.5	1,271.2	1,162.7	3.1	1,295.5	-7.5	The gross margin increased by 160 bps QoQ (down 115 bps YoY) supported by price hikes. However use of high cost inventories restricted the gross margin movements
Employee Exp	83.2	85.1	74.3	11.9	82.7	0.6	
Manuf & Other exp	247.0	252.4	246.7	0.1	238.8	3.4	
Total Expenses	1,528.6	1,608.6	1,483.7	3.0	1,616.9	-5.5	
EBITDA	188.5	230.2	210.0	-10.2	197.3	-4.5	
<b>EBITDA Margin (%)</b>	<b>11.0</b>	<b>12.5</b>	<b>12.4</b>	<b>142 bps</b>	<b>10.9</b>	<b>10 bps</b>	EBITDA margin remained flat on a QoQ basis but was down 142 bps YoY due to low operating leverage
Depreciation	42.1	41.3	39.0	8.1	41.2	2.2	
Interest	2.5	2.4	2.3	9.3	2.5	0.0	
PBT	152.5	190.7	178.1	-14.4	157.2	-3.0	
Total Tax	40.2	48.4	45.7	-11.9	39.9	0.8	
<b>Adj PAT</b>	<b>112.3</b>	<b>142.3</b>	<b>132.4</b>	<b>-15.2</b>	<b>117.3</b>	<b>-4.2</b>	PAT came in lower by 15% YoY, mainly attributable to lower EBITDA margin
<b>Key Metrics</b>							
Volume Growth (%)	-1.0	8.3	7.0		15.8		We believe decorative paints volume offtake was lower by ~9% YoY (I-direct estimate) due to unfavourable base and lower consumer demand. On the industrial paint segment, the volume growth came in at ~8% YoY (I-direct estimate) led by strong demand from auto OEMs
Realisation Growth (%)	2.4	0.2	5.7		3.0		Realisation growth is largely driven by price hike of 3% & 8% YTD in the decorative and industrial paint segment, respectively

Source: Company, ICICI Direct Research

Exhibit 3: Change in estimates

₹ Crore	FY23E			FY24E			FY25E	Comments
	Old	New	%Chg	Old	New	%Chg	Introduce	
Revenue	7317.6	7058.2	(3.5)	8162.6	7825.8	(4.1)	8550.5	We tweak our revenue estimate downward for FY23E-24E factoring in slower offtake of decorative paints. We introduced FY25E with revenue CAGR 13% over FY22-25E led by industrial paint segment revenue CAGR of 15%. We build in blended volume CAGR of 12%
EBITDA	892.0	806.8	(9.5)	1120.9	969.6	(13.5)	1145.0	
EBITDA Margin %	12.2	11.4	-77bps	13.7	12.4	-131bps	13.4	We revise our EBITDA margin downward for FY23E-FY24E factoring slow recovery gross margin and higher advertisement expenditure
PAT	545.1	498.0	(8.6)	696.2	602.7	(13.4)	723.1	
EPS (₹)	10.1	9.2	(8.6)	12.9	11.2	(13.4)	13.4	

Source: ICICI Direct Research

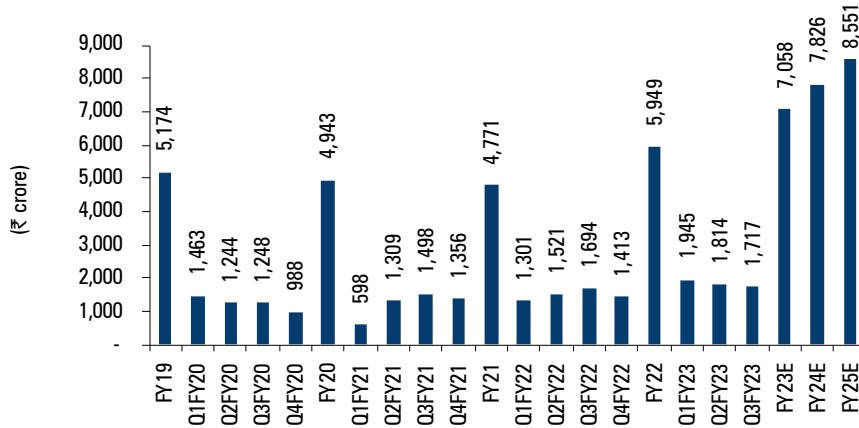
Exhibit 4: Assumptions

Assumptions	Current				FY25E	Earlier		Comments
	FY21E	FY22E	FY23E	FY24E	Introduced	FY23E	FY24E	
Volume Growth (%)	-3.9	17.4	13.4	11.9	11.5	18.6	10.3	We model blended volume CAGR of 12% over FY22-25E led by strong demand from auto OEMs in the industrial paint segment. On the decorative front, we believe volume growth would be largely driven by capacity expansion (plans to increase water based capacity by 42% by FY25E), new product launches and dealer expansion in new geographies
Realisation Growth (%)	0.4	6.2	4.7	-0.9	-2.0	3.7	1.1	

Source: ICICI Direct Research

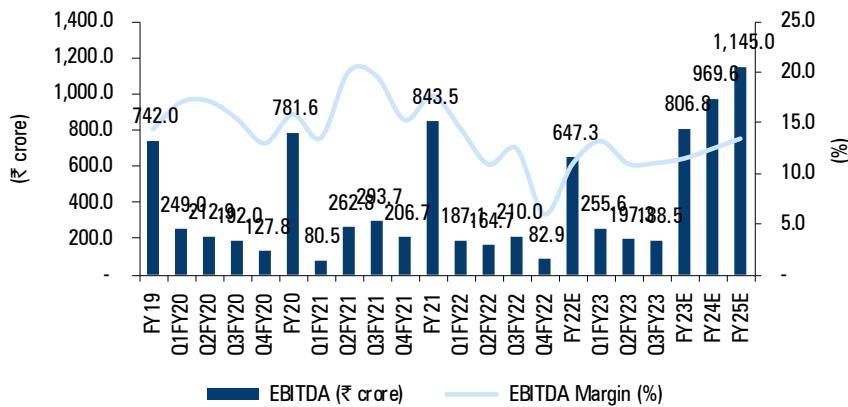
## Financial story in charts

Exhibit 5: Revenue trend



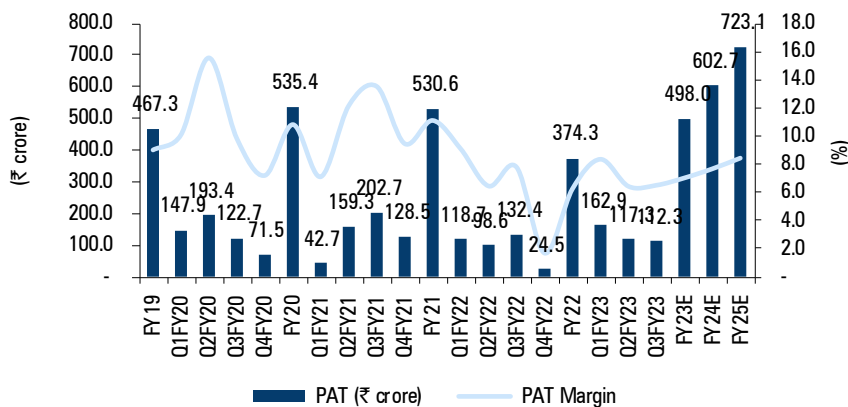
Source: Company, ICICI Direct Research

Exhibit 6: EBITDA and EBITDA margin movement



Source: Company, ICICI Direct Research

Exhibit 7: PAT movement



Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 8: Profit and loss statement				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
<b>Total operating Income</b>	5,948.9	7,058.2	7,825.8	8,550.5
Growth (%)	24.7	18.6	10.9	9.3
Raw Material Expenses	4,129.3	4,946.5	5,378.2	5,798.1
Employee Expenses	312.4	327.5	344.4	364.0
Other expenses	859.9	977.4	1,133.6	1,243.5
Total Operating Expenditure	5,301.6	6,251.4	6,856.2	7,405.6
<b>EBITDA</b>	<b>647.3</b>	<b>806.8</b>	<b>969.6</b>	<b>1,145.0</b>
Growth (%)	-23.3	24.6	20.2	18.1
Depreciation	153.8	165.2	181.6	198.4
Interest	9.9	10.1	10.3	10.6
Other Income	32.9	28.1	27.2	29.7
Exceptional Income	11.4	0.0	0.0	0.0
PBT	505.1	659.7	804.9	965.7
Total Tax	130.8	161.7	202.2	242.6
<b>PAT</b>	<b>374.3</b>	<b>498.0</b>	<b>602.7</b>	<b>723.1</b>

Source: Company, ICICI Direct Research

Exhibit 10: Balance Sheet				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
<b>Liabilities</b>				
Equity Capital	53.9	53.9	53.9	53.9
Reserve and Surplus	4,117.0	4,060.2	4,402.3	4,864.7
Total Shareholders funds	4,170.9	4,114.1	4,456.1	4,918.6
Total Debt	0.0	0.0	0.0	0.0
Deferred Tax Liability	95.6	95.6	95.6	95.6
<b>Total Liabilities</b>	<b>4,352.4</b>	<b>4,295.5</b>	<b>4,637.6</b>	<b>5,100.1</b>
<b>Assets</b>				
Gross Block	3,092.3	3,416.2	3,716.2	4,066.2
Less: Acc Depreciation	1,216.2	1,381.3	1,562.9	1,761.2
Net Block	1,876.2	2,034.9	2,153.3	2,304.9
Capital WIP	223.9	100.0	100.0	100.0
Total Fixed Assets	2,100.0	2,134.9	2,253.3	2,404.9
Non-Current Investments	90.9	90.9	90.9	90.9
Inventory	1,531.5	1,353.6	1,500.8	1,639.8
Debtors	965.4	1,102.2	1,222.1	1,335.3
Loans and Advances	0.0	27.5	30.5	33.4
Investments & Other CA	392.5	437.3	413.7	458.0
Cash	80.7	130.0	101.7	230.3
Total Current Assets	2,971.3	3,051.5	3,327.0	3,743.0
Creditors	890.4	928.2	964.8	1,054.2
Provisions & other CL	152.9	154.8	170.1	185.8
Total Current Liabilities	1,043.3	1,083.0	1,134.9	1,240.0
Net Current Assets	1,928.0	1,968.5	2,192.1	2,503.0
Others Non-Current Assets	233.5	101.3	101.3	101.3
<b>Application of Funds</b>	<b>4,352.4</b>	<b>4,295.5</b>	<b>4,637.6</b>	<b>5,100.1</b>

Source: Company, ICICI Direct Research

Exhibit 9: Cash flow statement				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
Profit before Tax	374.3	498.0	602.7	723.1
Add: Depreciation	153.8	165.2	181.6	198.4
(Inc)/dec in Current Assets	-54.6	-30.8	-303.9	-287.4
Inc/(dec) in CL and Provisions	93.6	39.7	51.9	105.1
Others	9.9	10.1	10.3	10.6
<b>CF from operating activities</b>	<b>577.1</b>	<b>682.1</b>	<b>542.7</b>	<b>749.8</b>
(Inc)/dec in Investments	74.7	0.0	0.0	0.0
(Inc)/dec in Fixed Assets	-332.0	-200.0	-300.0	-350.0
Others	-74.7	0.0	0.0	0.0
<b>CF from investing activities</b>	<b>-323.7</b>	<b>-122.1</b>	<b>-194.4</b>	<b>-67.8</b>
Inc/(dec) in loan funds	-90.1	0.0	0.0	0.0
Dividend paid & dividend tax	-260.7	-260.7	-260.7	-260.7
Others	-33.1	-304.3	-10.3	-10.6
<b>CF from financing activities</b>	<b>-383.9</b>	<b>-564.9</b>	<b>-271.0</b>	<b>-271.2</b>
Net Cash flow	-1.2	49.4	-28.3	128.5
Opening Cash	81.9	80.7	130.0	101.7
<b>Closing Cash</b>	<b>80.7</b>	<b>130.0</b>	<b>101.7</b>	<b>230.3</b>

Source: Company, ICICI Direct Research

Exhibit 11: Key ratios				
(Year-end March)	FY22	FY23E	FY24E	FY25E
<b>Per share data (₹)</b>				
EPS	6.9	9.2	11.2	13.4
Cash EPS	9.8	12.3	14.6	17.1
BV	77.4	76.3	82.7	91.3
DPS	4.8	4.8	4.8	4.8
Cash Per Share	22.6	25.6	29.0	32.7
<b>Operating Ratios (%)</b>				
EBITDA Margin	10.9	11.4	12.4	13.4
EBIT Margin	8.3	9.1	10.1	11.1
PAT Margin	6.4	7.1	7.7	8.5
Inventory days	94	70	70	70
Debtor days	59	57	57	57
Creditor days	55	48	45	45
<b>Return Ratios (%)</b>				
RoE	9.2	12.1	13.5	14.7
RoCE	12.1	15.6	17.6	19.1
RoIC	13.7	17.1	19.2	21.4
<b>Valuation Ratios (x)</b>				
P/E	59.6	44.8	37.0	30.9
EV / EBITDA	34.3	27.5	22.9	19.3
EV / Net Sales	3.7	3.1	2.8	2.6
Market Cap / Sales	3.8	3.2	2.9	2.6
Price to Book Value	5.3	5.4	5.0	4.5
<b>Solvency Ratios</b>				
Debt/EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	2.6	2.5	2.6	2.6
Quick Ratio	1.1	1.2	1.3	1.3

Source: Company, ICICI Direct Research

**Exhibit 12: ICICI Direct Consumer Discretionary universe**

Sector / Company	CMP (₹)	TP(₹)	Rating	M Cap		EPS (₹)				P/E (x)				EV/EBITDA (x)				RoCE (%)				RoE (%)			
				(₹ Cr)	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	FY21	FY22	FY23E	FY24E	
Asian Paints (ASIPAI)	2,758	3,180	Hold	2,64,492	33.4	32.2	41.3	49.5	82.5	85.7	66.8	55.7	53.5	54.5	44.6	37.1	29.6	27.1	32.6	33.7	25.0	23.0	27.5	27.7	
Berger Paints (BERPAI)	563	610	Hold	54,684	7.4	8.6	9.4	11.1	76.0	65.6	59.9	50.9	45.8	41.3	37.3	32.3	24.9	23.3	26.9	29.2	21.3	21.2	24.3	26.0	
Kansai Nerolac (KANNER)	413	435	Hold	22,257	9.8	6.9	9.2	11.2	42.0	59.5	44.7	36.9	26.4	34.3	27.4	22.9	17.2	12.1	15.6	17.6	13.2	9.2	12.1	13.5	
Pidilite Industries (PIDIND)	2,316	2,535	Hold	1,17,606	22.2	23.8	26.2	35.4	104.4	97.5	88.5	65.5	69.6	63.4	57.6	44.0	23.3	21.7	22.5	27.3	19.6	18.4	18.8	22.6	
Sheela Foam (SHEFOA)	1,230	1,450	Buy	12,000	24.4	22.3	20.1	29.0	50.5	55.2	61.3	42.4	33.2	38.8	42.3	30.1	24.3	18.0	16.3	20.9	20.1	15.6	13.2	17.5	
Bajaj Electricals (BAJELE)	1,177	1,275	Hold	13,518	16.5	10.8	19.5	31.1	71.4	108.7	60.4	37.9	45.4	53.6	37.0	26.7	15.1	13.5	20.2	24.6	10.7	7.8	13.5	18.2	
Crompton Greaves(CROGR)	318	335	Hold	19,932	9.8	9.2	7.3	9.0	32.3	34.5	43.7	35.5	26.2	26.0	27.0	22.6	34.4	16.2	14.3	17.6	31.9	24.0	18.5	20.5	
Havells India (HAVIND)	1,196	1,420	Buy	74,905	16.7	19.1	18.2	26.1	71.8	62.7	65.7	45.8	47.1	41.4	43.6	31.1	24.9	23.7	23.6	30.2	20.1	20.0	19.9	25.3	
Polycab India (POLI)	2,982	3,380	Buy	44,564	59.3	61.4	80.7	90.1	50.3	48.6	36.9	33.1	39.3	34.4	23.8	21.4	20.6	20.2	25.8	24.3	17.9	15.6	19.2	18.4	
Symphony (SYMLIM)	963	1,215	Hold	6,737	15.3	17.3	26.1	34.8	63.0	55.7	36.9	27.7	47.2	40.7	28.4	21.4	15.2	15.9	24.5	29.0	14.9	14.4	23.6	27.4	
V-Guard Ind (VGUARD)	248	310	Buy	10,622	4.7	5.3	4.6	6.7	52.6	46.5	54.0	36.9	33.2	31.3	34.1	21.4	23.9	21.2	16.0	22.0	16.7	16.2	14.0	17.0	
Voltas Ltd (VOLTAS)	815	1,005	Hold	26,955	16.0	15.3	16.1	23.3	51.0	53.3	50.6	35.0	41.3	38.6	37.5	26.7	15.0	14.0	16.5	20.3	10.6	9.2	10.9	14.2	
Amber Enterprises (AMBEN)	1,881	2,150	Hold	6,338	24.7	33.0	44.1	69.4	76.1	56.9	42.6	27.1	28.6	24.3	18.4	13.8	7.7	6.8	9.8	13.0	5.2	6.4	8.4	11.6	
Dixon Technologies (DIXTEC)	2,708	3,055	Hold	16,072	27.3	32.1	40.4	68.1	99.3	84.4	67.0	39.8	56.1	42.8	33.5	22.6	23.5	17.7	22.0	27.9	21.7	19.1	24.6	31.7	
Supreme Indus (SUPIND)	2,675	2,880	Buy	33,980	77.0	76.2	63.9	84.6	34.7	35.1	41.9	31.6	25.9	26.9	29.5	21.9	33.1	25.9	22.5	28.0	30.9	25.2	20.7	24.5	
Astral Ltd (ASTPOL)	2,075	2,275	Buy	41,683	20.3	24.4	22.1	32.7	102.1	85.0	93.9	63.5	64.0	54.5	53.7	40.9	27.5	26.6	23.3	27.7	21.5	21.0	17.3	22.0	
EPL (ESSPRO)	152	175	Hold	4,803	7.7	7.0	8.6	10.6	19.6	21.7	17.7	14.4	8.2	9.1	7.6	6.5	16.2	12.6	15.9	18.5	14.8	12.1	14.7	17.1	
Time Techno (TIMTEC)	82	125	BUY	1,854	4.8	8.5	9.8	13.2	17.2	9.6	8.3	6.2	6.3	5.1	4.5	3.7	8.7	11.3	12.5	14.7	5.7	9.3	10.4	12.6	
Moldtek Packaging (MOLPLA)	958	1,045	Hold	3,186	17.2	20.4	26.7	34.4	55.8	47.0	35.9	27.9	34.7	26.7	21.4	16.9	20.1	18.6	27.6	27.9	18.7	13.9	24.3	24.3	

Source: Bloomberg, ICICI Direct Research



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Reduce: -15% to -5%;

Sell: <-15%



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