

Q3 performance marred by EMPS segment...

About the stock: Voltas is a home appliances company specialising in air conditioning and air cooling technology in the B2B and B2C space.

- The company is a market leader with 22.5% market share in RAC
- Healthy b/s reflected by strong return ratios (RoE: ~11%, RoCE: ~15%)

Q3FY23 Results: Delay in price hikes and execution of low margin orders dents EBITDA margin

- Revenue increased ~12% YoY to ₹ 2005.6 crore on a favourable base. UCP segment saw a slight recovery in demand thereby leading to increase in revenue by 11% YoY to ₹ 1216 crore
- EBITDA margin declined sharply by 487 bps YoY to 3.8% due to higher raw material cost and execution of low margin orders in EMPS segment. EBIT margin of UCP dipped 194 bps YoY (flat QoQ) to 7.4%
- Voltas reported a loss of ₹ 110.5 crore dragged by lower margin, one-time loss of ₹ 137.4 crore in EMPS segment as well as losses from JVs/associates

What should investors do? Voltas' share price has grown by ~1.5x over the past five years (from ~₹ 573 in February 2018 to ~₹ 850 levels in February 2022).

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

Target Price and Valuation: We value Voltas at ₹ 940 using SOTP i.e. 7x P/E for EMPS, 8x P/E for EPS and 45x P/E for UCP on FY25E EPS for each.

Key triggers for future price performance:

- Structural demand owing to changing consumer lifestyle (work from home) post pandemic is likely to drive near term demand for RAC
- On a long term basis, we believe rising income and aspirations of middle class household in India will be a key demand driver for cooling products. AC's penetration at 7% is lowest among white goods segment
- Higher demand for energy efficient products would help drive premiumisation in the air conditioner industry

Alternate Stock Idea: We like Havells in our coverage.

- Havells has a strong presence in the organised product category across its segments. Havells' market share ranges between 6% and 20% across these segments. It has a robust balance sheet with five-year average RoE & RoCE of 19% & 24%, respectively
- BUY with a target price of ₹ 1420

VOLTAS

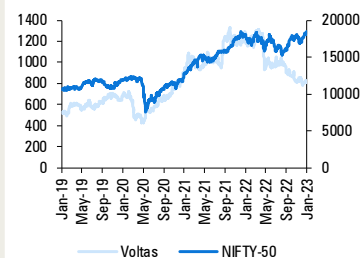
Particulars

Particular	Amount
Market Cap (₹ Crore)	28,112.4
Total Debt (FY22) (₹ Crore)	343.2
Cash & Inv (FY22) (₹ Crore)	1,005.9
EV (₹ Crore)	27,449.6
52 week H/L	1348 / 737
Equity capital (₹ Crore)	33.1
Face value (₹)	1.0

Shareholding pattern

(in %)	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22
Promoter	30.3	30.3	30.3	30.3	30.3
FII	24.4	26.2	24.7	24.4	21.6
DII	29.8	28.1	29.4	29.4	31.5
Others	15.5	15.5	15.6	15.9	16.7

Price Chart



Recent event & key risks

- **Key Risk:** (i) Delay in passing on high input prices (ii) Strong demand revival due to supporting weather

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Key Financial Summary

(₹ Crore)	FY20	FY21	FY22	5 Year CAGR (17-22)	FY23E	FY24E	FY25E	3 Year CAGR (22-25E)
Net Sales	7658.1	7555.8	7934.5	5.6	9799.8	11069.5	12330.1	15.8
EBITDA	686.7	641.4	681.6	3.8	611.7	906.0	1197.3	20.7
EBITDA Margin (%)	9.0	8.5	8.6		6.2	8.2	9.7	
Net Profit	521.0	528.8	506.0	-0.5	184.1	684.3	926.9	22.4
EPS (₹)	15.8	16.0	15.3		5.6	20.7	28.0	
P/E(x)	54.0	53.2	55.6		152.7	41.1	30.3	
Price/Book (x)	6.6	5.6	5.1		6.2	5.6	5.0	
RoE (%)	13.0	10.6	9.2		6.9	13.7	16.3	
RoCE(%)	19.5	15.0	14.0		15.1	19.2	22.4	

Key takeaways of recent quarter & conference call highlights

Q3FY23 Results: UCP segment drives revenue growth, margins take a hit

- Voltas reported a topline growth of ~12% YoY to ₹ 2005.6 crore on a favourable base. UCP segment reported revenue growth of 11.2% YoY to ₹ 1216 crore led by recovery in demand and launch of new products in the RAC segment. The YTD volume market share of the company is at 22.5% as of December 2022 and Voltas continues to be the market leader in the RAC segment
- On a favourable base, the EMPS segment revenue grew 17% YoY to ₹ 648 crore led by faster execution of domestic orders
- Engineering products & services (EPS) segment revenue declined 5.4% YoY to ₹ 118 crore due to slowdown in mining activities in India
- Gross margin declined 292 bps YoY to 24.1% mainly due to volatility in commodity costs and delay in price hikes. As a result, EBITDA margin declined sharply by 487 bps YoY to 3.8%. On the EMPS segment front, the company has made provision for an exceptional item amounting to ₹ 137.4 crore. This pertains to unilateral cancellation of an overseas project in Qatar by the main contractor and encashment of bank guarantee by the contractor. UCP segment EBIT margin declined by 192 bps YoY to 7.4% (flat QoQ) as a result of higher raw material costs and delay in price hikes
- As a result of one-time exceptional loss of ₹ 137.4 crore as well as losses from JVs and associates, the company reported a net loss of ₹ 110.5 crore in Q3FY23

Q3FY23 Earnings Conference Call highlights:

Unitary cooling products

- Voltas continues to remain the market leader in the RAC segment with a YTD market share of 22.5% as of December 2022
- In Q3, the company witnessed good demand for high tonnage and better star rated products across markets
- On the margins front, depreciation of rupee offset the marginal advantage of softening commodity price from their peak levels. The company has not taken any price hikes in Q3 and does not plan to take any price hikes in Q4 as well despite an energy upgradation in July increasing the cost across air-conditioner products due to higher competitive intensity
- The management expects improvement in demand in Q4 on account of softening of the rural inflation and buying across sales channels at the onset of strong summer is likely to support sale of cooling products. Easing of supply-chain disruptions is likely to bring stability in commodity and other related costs
- The share of inverters in split ACs has increased from 65% to 82% as a result of expansion of portfolio with improved features and tactical pricing of inverter category
- As a result of strong performance of inverters in split AC category, the company has recently launched inverter window category
- Margins in the UCP segment were impacted as a result of high-cost inventory. The management expects to see some impact of the same in Q3FY23 as well. The management has given margin guidance of higher single digit margin for coming few quarters to maintain a balance between market share and margins
- The management expects growth in sales and strengthening of its market share in the coming summer season on the back of expansion of exclusive brand outlets and increased participation with various channels
- According to the management, the commercial refrigerators division witnessed healthy growth in Q3 with participation from OEMs and retail chains

Voltas - ESG Disclosure Score*			
Score	FY20	FY21	FY22
Environmental	42.4	36.6	33.2
Social	28.3	31.4	31.4
Governance	78.6	76.2	78.6
Overall ESG Score	49.8	48.1	47.8

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

- The capacity expansion in the commercial refrigerators progressing as per schedule, which will help the company in introducing various consumer centric products with improved features
- Voltas has signed a technical agreement with Vestfrost, Denmark for medical refrigeration in line with its objective of product portfolio extension. The new SKUs will be launched in FY24 with the long term objective of attaining a leadership in this category
- Voltas has a market share of 9.2% in air coolers category led by introduction of SKUs across all product verticals and targeted distribution & dealer scheme which resulted in wider penetration across potential markets
- Expansion of commercial establishments across various sectors and a growing demand for light commercial & ductable products resulted in growth for the commercial air-conditioning category in Q3

Electro-mechanical projects and services

- The order book of domestic projects has increased from ₹ 185 crore in Q3FY22 to ₹ 1040 crore in Q3FY23
- Q3 witnessed a planned execution of the projects but a delayed certification coupled with low margin in new projects impacted the segment's EBIT margin adversely
- The company has secured an MEP project marking its entry in Saudi Arabia. The progress of the ongoing projects across Middle East is at scheduled pace and few of them are at the completion stage in the near future
- In one of the international projects in Qatar, the main contractor unilaterally terminated the contract with Voltas in October and encashed the underlying bank guarantees in spite of satisfactory execution and performance of Voltas' scope of work. Voltas is seeking legal remedy for the same and has made a provision of ₹ 137.4 crore in the current quarter
- On the domestic front, the company remains optimistic with an increased allocation of infrastructure relevant to its project skills and expertise covering water, electrical and modern infrastructure
- The carry forward order book for domestic projects was at ₹ 4538 crore containing orders across water, HVAC, rural electrification and urban infra activities. The International order book as of December 31, 2022 was at ₹ 3005 crore. Total carry forward order book of the segment was at ₹ 7543 crores which is near its pre-Covid levels
- The management expects to secure profitable orders in the project business led by higher government capex announced by the government in the recent Budget

Engineering Products and Services

- In Q3, mining operations in Mozambique were occurring at a strong pace
- In India, export levy on iron ore slowed down the mining activities impacting equipment sale and after sales services in Q3. However, with recent announcement of lifting the levy and foreseeable improved price realization of commodity, the management expects acceleration in equipment purchase by the industry players
- The management expects growth in this segment, going forward, led by order booking of capital machinery and a recent announced PLI scheme for textile, which bodes well for the industry as a whole

Voltas Beko

- The Voltbek brand has crossed a milestone of selling close to 3 million units cumulatively since launch
- In Q3, demand for appliances was muted due to weak consumer sentiments. Limited offtake during festive season affected the trade

participation in primary sales resulting into a marginal volume drop during the quarter

- The brand is pursuing growth strategy by increasing channel participation, focusing on the organised retail channels and e-commerce players

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
Havells	75,219	10428	13889	16898	18735	15	13	10	13	1040	1195	1141	1637	25	24	24	30	20	20	20	25	72	63	66	46
Crompton Greaves	19,932	4804	5394	6856	7870	15	14	12	12	617	578	456	561	34	16	14	18	32	24	18	20	32	34	44	36
Bajaj Electrical	13,690	4585	4813	5287	6574	7	5	7	8	189	124	224	357	15	14	20	25	11	8	13	18	72	110	61	38
Polycab	44,609	8792	12204	14253	16032	13	10	13	13	886	917	1207	1346	21	20	26	24	18	16	19	18	50	49	37	33
Symphony	7,213	900	1039	1283	1559	15	15	18	20	107	121	183	243	15	16	24	29	15	14	24	27	67	60	39	30
V guard	10,664	2721	3498	4141	4954	11	10	8	10	202	228	198	290	24	21	16	22	17	16	14	17	53	47	54	37
Voltas	28,112	7556	7934	9800	11070	8	9	6	8	529	506	184	684	15	14	15	19	11	9	7	14	53	56	153	41

Source: BSE, ICICI Direct Research

Voltas' Q3FY23 print came in with a negative surprise on the bottomline front, which was impacted by lower EBITDA margin. Delay in price hikes in the UCP segment and provision against outstanding dues in selected EMPS projects dragged EBITDA margin in Q3. Segment wise, UCP segment EBIT margin continued to remain under pressure on account of delay in price hikes amid intense competition and increased advertisement expenses. The management has guided of price hikes of ~3-4% from Q1FY24 onwards supported by new product launches and offset input cost pressure. We believe despite the price hike the segment EBIT margin is likely to remain at ~8% in FY24E (much lower than its pre-Covid level margin range of 13-14%) due to higher advertisement expenses and discounts in order to safeguard its market share.

On the EMPS front, we believe the margin pressure is likely to continue in the near term and meaning full recovery will visible from FY24 onwards supported by execution of high margin domestic orders and improved operating leverage. On the revenue front, we believe, slower offtake of Room AC post festive season and increased competition has resulted in market share loss for Voltas. The exit market share declined to 22.5% as of December 2022 compared to ~24% in Q1FY23. The company is confident of regaining lost market share through new launches and higher promotional activities in the coming period. We model UCP segment revenue CAGR of 20% over FY22-25E led by volume CAGR of ~19% during the same period on favourable base and new product launches. On the EMPS business, we build in revenues CAGR of 10% in FY22-25E on favourable base and increased government capex on water, electricals and modern infrastructure.

We introduce FY25E estimate and build-in consolidated revenue CAGR of 16% over FY22-25E. We believe a margin recovery will start from FY24 onwards led by pick-up in demand and easing raw material costs. We cut our PAT estimate for FY23E and FY24E by ~65%, ~10% respectively factoring in margin cut and losses from EMPS & JVs/Associates. We cut our target price to ₹ 940/share and maintain our HOLD rating on the stock. We roll over our valuation on FY25E. We use SoTP based valuation to value the company's EMPS, EPS and UCP segment at 7x, 8x & 45x P/E of FY25E earnings each respectively. The company is valued at implied P/E of 34x FY25E EPS.

Exhibit 2: SoTP based valuation

Segment	EPS (₹)	PE(x)	Fair value
EMPS	4.9	7	34
EPS	5.2	8	41
UCP	18.7	45	834
Target Price (A)			910
Per share Value of Volt-Bek (B)			30
Total Value (A+B)			940

Source: ICICI Direct Research

Exhibit 3: Variance Analysis

	Q3FY23	Q3FY23E	Q3FY22	YoY (%)	Q2FY23	QoQ (%)	Comments
Revenue	2,005.6	1,946.2	1,793.6	11.8	1,768.4	13.4	Strong growth in UCP and EMPS divisions drives consolidated revenue growth in Q3
Other Income	30.7	43.9	28.8	6.6	64.4	-52.4	
Raw Material Exp	1,143.9	786.1	722.8	58.3	1,032.5	10.8	Volatility in commodity costs and delay in price hikes dragged down gross margin by 292 bps YoY (30 bps QoQ)
Employee Exp	174.2	176.4	156.2	11.5	174.8	-0.3	
Purchase of Traded goods	379.3	632.7	587.0	-35.4	305.0	24.4	
Other Expenses	231.9	202.7	172.0	34.8	155.2	49.4	
EBITDA	76.4	148.2	155.6	-50.9	100.8	-24.3	
EBITDA Margin (%)	3.8	7.6	8.7	-487 bps	5.7	189 bps	Lower gross margin coupled with execution of low margin orders led to decline in consolidated EBITDA margin
Depreciation	11.1	11.0	9.7	13.9	9.7	13.9	
Interest	6.4	3.5	3.6	77.6	6.7	-4.6	
Exceptional items	137.4	0.0	0.0		106.4		Provision towards outstanding dues in one of its overseas projects
Profit/(loss) from Asso & JVs	(32.6)	(29.8)	(32.0)		(28.9)		Loss from JV & associates companies, which includes losses from Voltas-Beko
PBT	-80.5	147.8	139.1	-157.9	13.4	NM	
Total Tax	30.0	45.8	42.5	-29.4	19.5	54.2	
PAT	-110.5	102.0	96.6	-214.4	-6.0	NM	Lower margin and exceptional losses widened loss in Q3
Key Metrics							
EMPS	648	601	554	17.1	554	17.0	Favourable base and faster execution of domestic orders in Q3 led to drive revenue growth of EMPS segment
EPS	118	135	125	-5.4	137	-14.2	Segment revenue decline is attributable to lower revenues from mining equipment and services in India post levy of export duty on iron ore
UCP	1216	1182	1094	11.2	1048	16.1	Launch of new products in the RAC segment, strong demand of commercial refrigeration and air coolers drove overall segment revenues in Q3

Source: Company, ICICI Direct Research

Exhibit 4: Change in estimates

(₹ Crore)	FY23E			FY24E			FY25E	Comments
	Old	New	% Chg	Old	New	% Chg	ntroduced	
Revenue	9,424.5	9,799.8	4.0	10,984.1	11,069.5	0.8	12,330.1	We revise our revenue estimate upwards for FY23 factoring in better-than-expected revenue growth in Q3. We introduce FY25E estimates with revenue CAGR of 16% over FY22-25E
EBITDA	703.2	611.7	(13.0)	983.7	906.0	(7.9)	1197.3	
EBITDA Mar(%)	7.5	6.2	-126bps	9.0	8.2	-82bps	9.7	We cut our EBITDA margin estimate considering delay in price hikes and execution of low margin orders in EMPS segment
PAT	534.1	184.1	(65.5)	761.6	684.3	(10.2)	926.9	We revise our PAT estimate downwards mainly due to lower margins, provision for exceptional items and higher than expected losses from JV/Associates
EPS (₹)	16.2	5.6	(65.5)	23.0	20.7	(10.2)	28.0	

Source: ICICI Direct Research

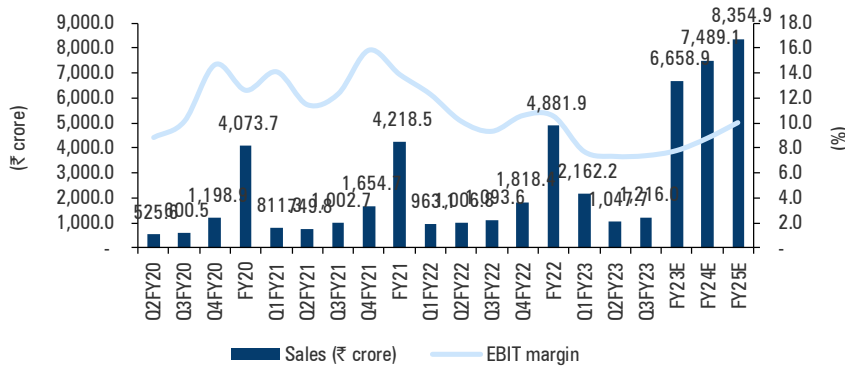
Exhibit 5: Assumptions

Segment growth (%)	Current					FY25E	Earlier		Comments
	FY20	FY21	FY22	FY23 E	FY24 E	Introduced	FY23E	FY24 E	
EMPS	-10.3	-11.3	-14.2	1.9	15.9	11.6	-3.5	2.7	We model EMPS segment revenue CAGR of 10% over FY22-25E considering higher government expenditure into water, electrical and model infrastructure
EPS	6.4	8.4	35.9	5.0	8.0	8.0	8.4	8.0	We build in segment revenue CAGR ~7% supported by improved order and services revenues from textile machines
UCP	29.1	3.6	15.7	36.4	12.5	11.6	31.0	22.7	We build in segment revenue CAGR of ~20% over FY22-25E led by 19% volume CAGR during the same period supported by new product launches and revival in rural demand

Source: ICICI Direct Research

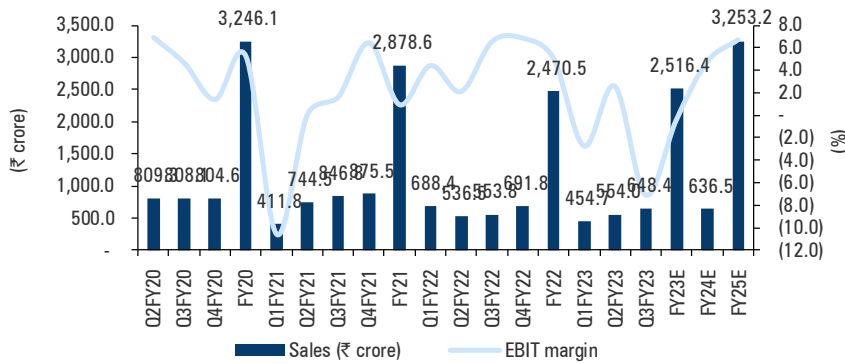
Financial story in charts

Exhibit 6: UCP segment revenue driven by recovery in demand in Q3



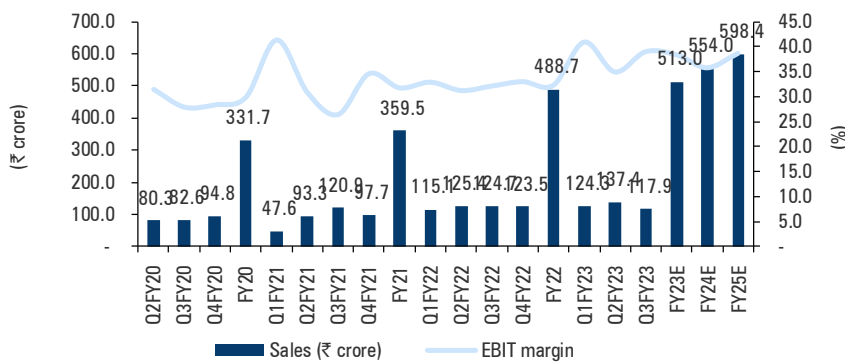
Source: Company, ICICI Direct Research

Exhibit 7: Execution of orders drives EMPS segment revenue growth in Q3



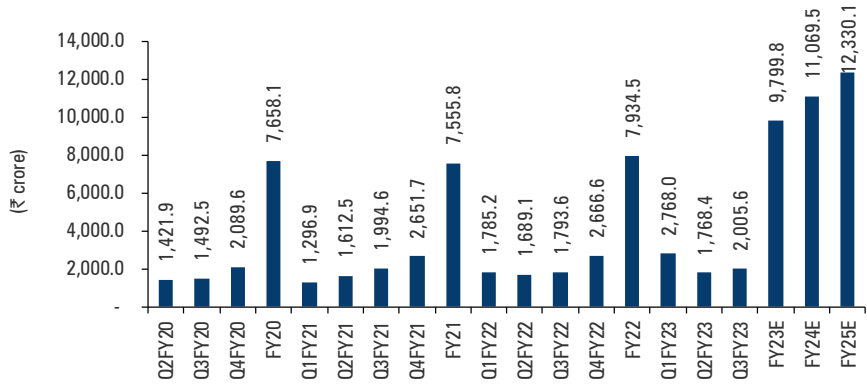
Source: Company, ICICI Direct Research

Exhibit 8: EPS segment revenue dragged by lower equipment sales in Q3



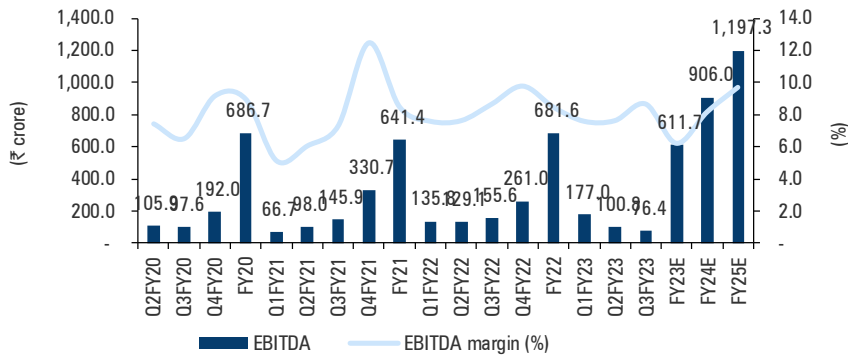
Source: Company, ICICI Direct Research

Exhibit 9: Overall revenue trend



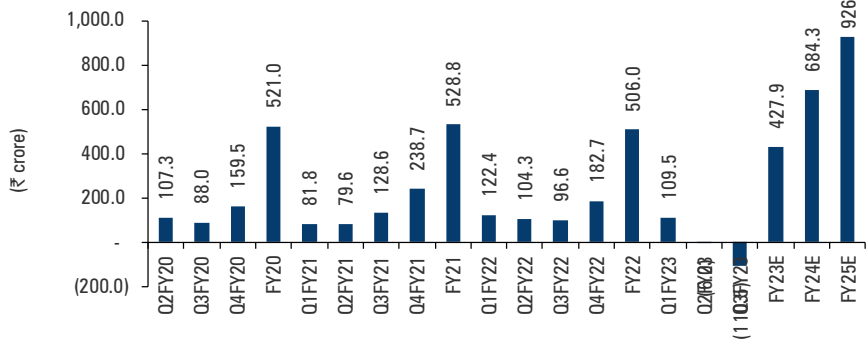
Source: Company, ICICI Direct Research

Exhibit 10: EBITDA margin movement



Source: Company, ICICI Direct Research

Exhibit 11: PAT movement



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 12: Profit and loss statement				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
Net Sales	7,934.5	9,799.8	11,069.5	12,330.1
Expenses				
Raw Material Expenses	3,853.9	5,301.5	5,850.5	6,147.3
(inc)/Dec in stocks	-	-	-	-
Purchase of traded goods	2,042.8	2,290.6	2,522.1	3,014.2
Employee Expenses	617.6	680.0	744.3	802.8
Other expenses	670.3	789.4	900.7	1,005.5
Total Operating Expenditure	7,252.9	9,188.1	10,163.5	11,132.8
EBITDA	681.6	611.7	906.0	1,197.3
Other Income	189.2	164.7	175.3	195.3
Interest	25.9	23.5	14.7	14.7
PBDT	844.9	752.8	1,066.7	1,378.0
Depreciation	37.3	41.2	44.3	49.3
PBT before Exceptional Items	807.6	711.7	1,022.4	1,328.6
Less: Exceptional Items	-	243.8	-	-
Total Tax	191.3	164.4	230.2	311.6
PAT before MI	506.0	184.1	684.3	926.9
PAT after MI	506.0	184.1	684.3	926.9
Profit from Associates	(110.3)	(119.3)	(108.0)	(90.1)
PAT	506.0	184.1	684.3	926.9

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
Profit after Tax	506.0	184.1	684.3	926.9
Depreciation	37.3	41.2	44.3	49.3
Cash Flow before working capital cha	569.1	248.8	743.2	990.9
Net Increase in Current Assets	(392.3)	83.2	(363.5)	(586.9)
Net Increase in Current Liabilities	471.7	886.0	443.4	585.4
Net cash flow from operating Acti	648.6	1,218.0	823.1	989.3
Long term loans and advances	4.6	(27.2)	(18.5)	(18.4)
Other non current assets	12.7	(19.6)	(13.3)	(13.2)
Liquid Investments	(569.0)	250.0	50.0	(50.0)
(Purchase)/Sale of Fixed Assets	(83.4)	(500.0)	(500.0)	(200.0)
Others	32.9	-	-	-
Net Cash flow from Investing Acti	(602.2)	(296.8)	(481.8)	(281.6)
Proceeds/(Repament) loans	91.8	(100.0)	100.0	(100.0)
Total Outflow on account of dividend	(212.8)	(232.2)	(232.2)	(232.2)
Others	187.2	(948.6)	(14.7)	(14.7)
Net Cash flow from Financing Acti	66.1	(1,280.8)	(146.8)	(346.8)
Net Cash flow	112.5	(359.6)	194.4	360.9
Cash and Cash Equivalent at the begin	459.0	571.7	212.2	406.6
Cash	571.7	212.2	406.6	767.6

Source: Company, ICICI Direct Research

Exhibit 14: Balance Sheet				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
Equity Capital	33.1	33.1	33.1	33.1
Reserve and Surplus	5,466.5	4,493.3	4,945.4	5,640.2
Total Shareholders funds	5,499.6	4,526.4	4,978.5	5,673.2
Total Debt	343.2	243.2	343.2	243.2
Deferred Tax Liability	12.4	12.4	12.4	12.4
Other Non Current Liabilities	42.3	42.3	42.3	42.3
Total Liability	5,935.6	4,862.5	5,414.6	6,009.3
Net Block	311.4	770.2	1,225.9	1,376.6
Total Fixed Assets	370.7	829.5	1,285.2	1,435.9
Other Investments	3,181.1	2,981.1	2,981.1	3,081.1
Goodwill on Consolidation	72.3	72.3	72.3	72.3
Deferred Tax Assets	44.0	44.0	44.0	44.0
Long term loans and advances	115.5	142.7	161.2	179.5
Other non current assets	83.4	103.0	116.3	129.6
Liquid Investments	434.3	384.3	334.3	284.3
Inventory	1,661.4	1,557.2	1,612.5	1,796.2
Debtors	2,109.7	2,147.9	2,426.2	2,702.5
Cash	571.7	212.2	406.6	767.6
Loans and Advances	3.2	7.4	8.3	9.3
Other Current Assets	1,099.5	1,078.0	1,107.0	1,233.0
Net Current Assets	1,634.6	306.0	420.5	783.0
Total Assets	5,935.6	4,862.5	5,414.4	6,009.3

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios				
(Year-end March)	FY22E	FY23E	FY24E	FY25E
Per Share Data				
EPS	15.3	5.6	20.7	28.0
Cash EPS	16.4	6.8	22.0	29.5
BV	166.3	136.9	150.5	171.5
DPS	6.4	7.0	7.0	7.0
Operating Ratios				
EBITDA margin	8.6	6.2	8.2	9.7
PAT margin	6.4	3.2	6.2	7.5
Return Ratios				
RoE	9.2	6.9	13.7	16.3
RoCE	14.0	15.1	19.2	22.4
RoIC	12.5	12.4	17.0	21.2
Valuation Ratios				
EV / EBITDA	40.3	45.4	30.6	22.8
P/E	55.6	152.7	41.1	30.3
EV / Net Sales	3.5	2.8	2.5	2.2
Sales / Equity	1.4	2.2	2.2	2.2
Market Cap / Sales	3.5	2.9	2.5	2.3
Price to Book Value	5.1	6.2	5.6	5.0
Turnover Ratios				
Asset turnover	1.3	2.0	2.0	2.1
Debtors Days	97.0	80.0	80.0	80.0
Creditors Days	135.3	135.0	130.0	130.0
Solvency Ratios				
Debt / Equity	0.1	0.1	0.1	0.0
Current Ratio	1.5	1.2	1.2	1.2
Quick Ratio	1.0	0.8	0.8	0.8

Source: Company, ICICI Direct Research

Exhibit 16: ICICI Direct universe (Consumer Discretionary)

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)	2,805	3,180	Hold	2,69,000	33.4	32.2	41.3	49.5	83.9	87.2	67.9	56.6	54.5	55.4	45.3	37.8	29.6	27.1	32.6	33.7	25.0	23.0	27.5	27.7	
Berger Paints (BERPAI)	572	610	Hold	55,558	7.4	8.6	9.4	11.1	77.2	66.7	60.9	51.7	46.5	41.9	37.9	32.8	24.9	23.3	26.9	29.2	21.3	21.2	24.3	26.0	
Kansai Nerolac (KANNER)	420	435	Hold	22,635	9.8	6.9	9.2	11.2	42.7	60.5	45.5	37.6	26.8	34.8	27.9	23.2	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)	1,195	1,450	Buy	11,658	24.4	22.3	20.1	29.0	49.0	53.6	59.5	41.2	32.3	37.7	41.1	29.3	24.3	18.0	16.3	20.9	20.1	15.6	13.2	17.5	
Bajaj Electricals (BAJELE)	1,192	1,275	Hold	13,690	16.5	10.8	19.5	31.1	72.3	110.0	61.2	38.4	45.9	54.3	37.4	27.0	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)	1,201	1,420	Buy	75,219	16.7	19.1	18.2	26.1	72.1	63.0	65.9	46.0	47.3	41.6	43.8	31.2	24.9	23.7	23.6	30.2	20.1	20.0	19.9	25.3	
Polycab India (POLI)	2,985	3,380	Buy	44,609	59.3	61.4	80.7	90.1	50.4	48.6	37.0	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)	1,031	1,215	Hold	7,213	15.3	17.3	26.1	34.8	67.4	59.6	39.5	29.6	50.6	43.7	30.4	22.9	15.2	15.9	24.5	29.0	14.9	14.4	23.6	27.4	
V-Guard Ind (VGUARD)	249	310	Buy	10,664	4.7	5.3	4.6	6.7	52.8	46.7	54.2	37.0	33.3	31.4	34.2	21.5	23.9	21.2	16.0	22.0	16.7	16.2	14.0	17.0	
Voltas Ltd (VOLTAS)	850	940	Hold	28,112	16.0	15.3	5.6	20.7	53.2	55.6	152.7	41.1	43.1	40.3	45.4	30.6	15.0	14.0	15.1	19.2	10.6	9.2	6.9	13.7	
Amber Enterprises (AMBEN)	1,907	2,150	Hold	6,425	24.7	33.0	44.1	69.4	77.2	57.7	43.2	27.5	28.9	24.6	18.6	13.9	7.7	6.8	9.8	13.0	5.2	6.4	8.4	11.6	
Dixon Technologies (DIXTEC)	2,705	3,055	Hold	16,054	27.3	32.1	40.4	68.1	99.2	84.3	66.9	39.7	56.0	42.7	33.5	22.6	23.5	17.7	22.0	27.9	21.7	19.1	24.6	31.7	
Supreme Indus (SUPIND)	2,663	2,880	Buy	33,827	77.0	76.2	63.9	84.6	34.6	34.9	41.7	31.5	25.7	26.8	29.4	21.8	33.1	25.9	22.5	28.0	30.9	25.2	20.7	24.5	
Astral Ltd (ASTPOL)	1,942	2,185	Buy	39,011	20.3	24.4	21.4	32.3	95.6	79.6	90.6	60.1	59.9	50.9	50.6	38.0	27.5	26.6	22.6	27.6	21.5	21.0	16.9	21.9	
EPL (ESSPRO)	160	175	Hold	5,056	7.7	7.0	8.6	10.6	20.6	22.9	18.6	15.1	8.6	9.6	8.0	6.8	16.2	12.6	15.9	18.5	14.8	12.1	14.7	17.1	
Time Techno (TIMTEC)	87	125	BUY	1,967	4.8	8.5	9.8	13.2	18.2	10.2	8.8	6.6	6.6	5.3	4.7	3.9	8.7	11.3	12.5	14.7	5.7	9.3	10.4	12.6	
Moldtek Packaging (MOLPLA)	966	1,045	Hold	3,213	17.2	20.4	24.0	29.7	56.2	47.4	40.3	32.5	35.0	26.9	23.5	19.4	20.1	18.6	25.4	25.3	18.7	13.9	22.4	22.2	

Source: Bloomberg, ICICI Direct Research

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