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Target Price	Rs. 90
Current Price	Rs. 78
Upside Potential	16%
Rating	BUY

Market Cap.	Rs.35 bn US\$0.42 bn
Shares Outstanding	449 mn
52 Week Range (Rs)	47.70 / 94.00
Sensex Index Level	63,795



Risk: Above Average

Forecasting and Valuations

(Rs mn except ratio)	FY 2023	FY 2024E
Revenue	4,708	5,414
Net Income	1,032	1,526
EPS (Rs)	2.30	3.40
EPS Growth	30%	48%
PE	34	23
P/S	7	6
P/B	3.0	2.7

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Paisalo Digital Ltd. (PAISALO)

Q2FY2023-24 Results Update

Industry : NBFC

Paisalo Digital reported extremely strong +97% YoY net income growth for Q2FY24, ended September, which was much stronger than our expectations, supported by stellar income statement and balance sheet growth, as well as healthy internal cost and NPA metrics. Total revenue for Paisalo increased by 21% YoY to Rs.1,447 million in Q2FY24 and by 21% YoY to Rs.2,809 million in the 1HFY2024. The total interest income has increased by 16% YoY to Rs.1,376 million in Q2FY24 mainly due to an increase in loan disbursements. The sequential quarter-on-quarter increase in interest income is also solid with 12% growth from Rs.1,223 million in Q1FY24. The sequential quarter-on-quarter increase was also robust at 24% from Rs.384 million in Q1FY24. For 1HFY2023-24 the net profit has increased by 90% YoY to Rs.859 million. The sharp rise in net profit both YoY and QoQ is mainly due to positive operating leverage given the increasing scale of the business, plus a recovery in old written-off bad debts. The company has recovered old written-off bad debts worth Rs.260 million in Q2FY24 and this has positively impacted on the bottom line by Rs.224 million. Key highlights for the quarter are:

- **Total revenue increased 21% on YoY to Rs. 1,447 million in Q2FY24**
- **Highest ever AUM of Rs.38,174 million in Q2FY24, up 28% YoY**
- **PAT grew by 97% to Rs.475 million in Q2FY24.**
- **Annualized RoE of 13.70% in Q2FY24 as against 7.95% in Q2FY23.**
- **Annualized RoA of 5.14% in Q2FY24 as against 3.01% in Q2FY23.**
- **Capital adequacy remained strong at 39.7% as of September-end**
- **Credit Rating of the company has been upgraded to IVR AA/Stable Outlook (IVR Double A with Stable Outlook) and Reaffirmed IVR A1+ (IVR A One Plus) for Commercial Paper.**
- **Gross NPA and Net NPA stood at 0.24% and 0.01% at Sept-end, compared to 0.76% and 0.27% last year.**

- **Extensive branch, distribution & collection network well-established in 18 states with 1,714 touch points**

Reiterating Buy Rating: Undervalued with Significant Upside

We are reiterating our Buy-rating and our near-term Rs. 90 price target, and we would observe that the stock is performing quite well, despite significant overall equity market turmoil, since our recent Initiation Report from a couple weeks ago. Risk-reward is extremely favorable, especially with the stock off from recent and prior highs. Paisalo's stock is undervalued today, trading at just 23x current FY3/2024 estimates. Our immediate price target, reflecting a typical one-year investment horizon, is Rs. 90.00, suggesting 16% upside. We had recommended the stock at Rs.68 per share on 11th October 2023 and the stock price has risen by 15% to Rs.78 per share till 27th October 2023. More importantly, our intermediate-term [2-3 horizon] price target is Rs. 115, suggesting 48% upside. We believe the fact that Paisalo's stock has actually achieved these price levels in the recent past lends credibility to our recommendation and analysis. Our immediate Rs. 90 target is close to the 52-week high, while Rs. 114 was the stock's prior all-time high a couple years back.

While we are not presently revising upwards our estimates following this strong earnings report, we would point out that there is clearly an upward bias to projections given the underlying business momentum.

Our Rs. 90 target price is justified by the sharp growth in the EPS that is expected to happen by the end of the FY2023-24. We expect an EPS of Rs.3.40 per share for the current FY 3/2024 which implies a P/E multiple of 26. We expect an EPS of Rs.5.00 per share at the end of the FY2024-25 which implies a P/E multiple of 23 to justify the target price of 115.

Paisalo continues to be a relatively undiscovered gem, in our view. Evaluate Research is the only firm actively covering the stock now, and we have done extensive analysis of this firm. While the banking & finance sector continues to be by far the largest sector in the broader Indian stock market [36% weighting in the NIFTY Index as of October 2023], it tends to be dominated by just a handful of large-cap brand names. These stocks tend to be over-owned [by domestic and foreign investors alike], and richly valued. This creates an opportunity for astute investors to seek more upside in some of the smaller-cap names which are growing more rapidly.

Strong Internal Metrics: Growth and Asset Quality

AUM at the end of Q2FY24 was up 28% YoY to Rs. 38,174 million and the growth is expected to continue going forward. AUM growth is solid due to the Co-lending model developed with SBI. The net non-performing assets (NNPA) have reduced to 0.01% in Q2FY24 as compared to 0.04% in Q1FY24. The NNPA was at 0.39% in Q2FY24. The company expects its Gross NPA and Net NPA to stay below 2% in the long term. The number of touch points have also increased to 1,714 in Q2FY24 from 1,377 in Q1FY24 across 18 states, an addition of 337 in Q2FY24. The company's continued ability to diversify their resource profile and raise funds at competitive interest rates would further add to the profitability of the company in the upcoming quarters. While the recovery of prior written-off bad debts is a one-time event, we nonetheless do expect further such writebacks in the next few quarters. We would also point out that write-backs clearly reflect the prudent and conservative nature of Paisalo's accounting and financial disclosure, as well as overall management culture.

FINANCIALS

(₹ in Millions, *Cumulative)

PARTICULARS	FY 2021	FY 2022	FY 2023	Q1 FY 2024	Q2 FY 2024*
AUM	₹23,178	₹26,973	₹34,928	₹36,444	₹38,174
Interest Income	₹3,115	₹3,922	₹4,732	₹1,362	₹2,809
NIM	4.05 %	4.03 %	5.50 %	5.80%	6.20%
PAT	₹609	₹793	₹936	₹384	₹859
Cash Accrual	₹646	₹819	₹950	₹392	₹875
Net worth	₹8,619	₹10,241	₹11,610	₹11,954	₹12,413
Total Debt	₹14,814	₹15,989	₹18,567	₹18,818	₹20,447
Debt Equity Ratio	1.72	1.46	1.58	1.52	1.58
Gross NPA	0.72 %	1.56 %	0.25 %	0.28%	0.24%
NET NPA	0.57 %	1.26 %	0.02 %	0.04%	0.01%
ROA	2.66 %	3.09 %	3.02 %	4.88%	5.14%
ROE	7.07 %	7.78 %	7.90 %	12.65%	13.70%
CAR	44.47 %	42.92 %	40.34 %	40.41%	39.74%
Book Value	₹20.20	₹23.00	₹25.50	₹26.38	₹27.41

Paisalo's stock, with a 62% return since July 2023, has outperformed the NIFTY/SENSEX indices with the Sensex declining by -5% since July. The stock has also significantly outperformed indices since its listing 16 years ago in 2007, with a large quantum of those returns generated over the past 3 years, as can be seen in the following chart. The stock has grown at a +16.5% CAGR since listing, fully 65% higher than the less than 10% per annum returns of the NIFTY/SENSEX/BSE Small-cap indices. Importantly, Paisalo's stock is down nearly -32% from 2021 highs of Rs. 114, despite the Indian small-cap indices being at breakout new highs – thus creating an attractive buying opportunity presently, in our opinion.



Plan on Track of 3,000 Disbursements per day in Phase 2 to 5000 in Phase 3

In the phase 2 of the plan of implementation of the number of disbursements per day, the company achieved 3,000 disbursements per day in the month of September 2023. Paisalo will continue to focus on stabilizing it at 3,000 disbursements per day for the next two quarters, with focused credit underwriting, disciplined execution, rapid adoption in all processes of the company and continued progress on all metrics. Phase 3, which is expected to be implemented sometime in FY2024-25 is expected to target 5,000 disbursements per day. The next update on the number of disbursements per day will be provided in the fourth quarter results [ending March 2024] by the company.

Robust Lending & EPS Growth Outlook

We expect Paisalo to deliver strong revenue growth especially due to the inherent scope for growth especially in the Co-lending Small Income Generation business segment. We see revenues growing at a 20% 5-year CAGR to Rs.11 bn (FY2024-2028) along with increases in the net profit margin. We see a unique opportunity in terms of investment as the company is known for its reputation of generating revenues from the microfinance sector which has huge scope for growth in India. Asset quality is the parameter where the company stands far ahead of its peers for the last several years and they also have a policy of writing off its overdue advances where recovery efforts in such accounts are continued.

Investment Thesis: A Growing Unique Business Model

Paisalo Digital is an attractive stock proposition as increasing loan disbursements are expected to drive rapid growth in its revenues thereby generating higher profitability in the near future. The company, despite being in the competitive microfinance industry, has expertise and capability in providing loans at competitive interest rates to rural customers along with maintaining lower non-performing assets. It will continue to generate higher revenues and increase profitability due to solid demand for microfinance in the Indian market.

The valuations for this company look attractive considering what is possible in terms of growth in the next few years to come. The stock looks cheap in terms of price to earnings and price to book on the forward basis. The expected rapid growth in EPS would re-rate the stock to higher levels.

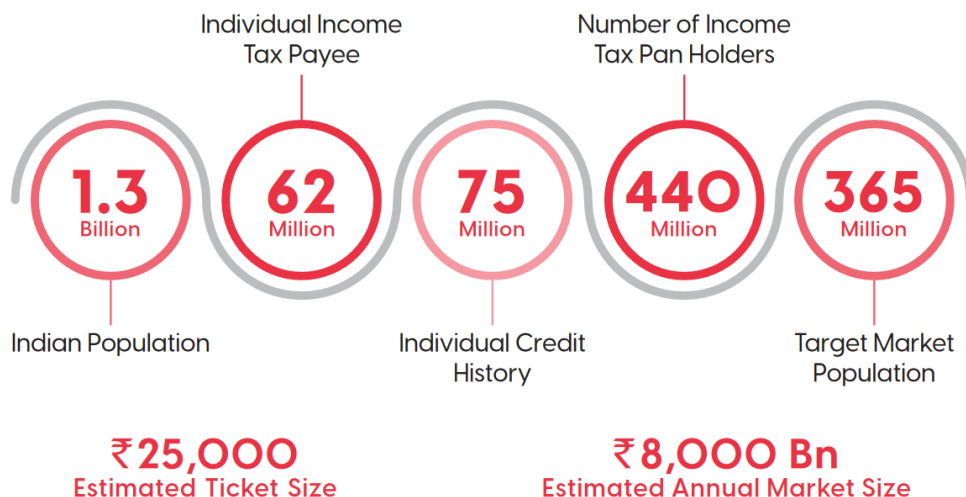
From a one-year investment perspective, we see 16% upside for this stock. The company is unique in the fact that most of its revenues come from the Co-lending Small Income Generation business segment. If the company is able to capture a larger market share in the next two years by serving customers and keeping NPAs at low levels, the stock would re-rate to even higher levels. More clients with innovation in lending business will incrementally generate higher profitability and higher margins for the company's business.

We believe that the company is staring at an inflection point as the credit growth especially in the rural areas is likely to pick up further pace in FY2024-25 due to new branches and new loan products (customizable loan products) being introduced by the company. The company has a market share of nearly 60% in its operating areas and is looking to capture more share going forward by focusing on growth.

Market Opportunity in Microfinance for Paisalo Digital

The market opportunity presented is evident from the following diagram. It suggests that with an Indian population of 1.3 billion only 62 million are registered income tax payers and 75 million have a credit history. The number of registered PAN holders are 440 million and the total opportunity that is presented for lending is 440 minus 75 which equals 365 million. Assuming that the estimated ticket size per individual is Rs.25,000 per annum and the total individuals are 365 million the total estimated annual market size comes to around Rs.8,000 billion. The company has already geared up for this opportunity in the microfinance lending space and has already started capitalizing on it currently and going forward.

Market Opportunity



The number of loan accounts for the microfinance industry increased to 136.3 million in FY23, from 123.9 million in FY22, posting a YoY growth of 10%. Lender-wise figures showed that NBFCs registered the highest YoY growth of 23%, followed by NBFC-MFIs at 15%, not-for profits or NFPs at 6%, banks at 6%, and small finance banks at 5%.

As per reported data, the market share of lenders in terms of portfolio shows NBFC-MFIs accounted for the largest share at 39.7%. Banks are the second-largest provider of micro credit at 34.1%, SFBs, NBFCs and NFPs accounted for 16.6%, 8.4% and 1.1% of the market share, respectively.

Paisalo has strategized to focus attention on this key area for its future growth. The microfinance business, which consists of the traditional business currently contributing the bulk of its revenues, will continue to be the key focus. In this segment the company has set up branches across 10 states of the country.

The focus is to develop new areas for lending and increase the disbursements on a pan-India level. There will be a specific focus on the development of rural regions in India that will command higher interest income and contribute to higher margins.

Income Statement (millions Rs)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E	CAGR (2024-2028)
Revenue	3,606.0	3,747.7	3,460.2	3,922.2	4,707.5	5,413.7	6,279.9	7,535.8	9,118.4	11,033.2	19.5%
y/y	19.0%	3.9%	-7.7%	13.4%	20.0%	15.0%	16.0%	20.0%	21.0%	21.0%	
Other Revenue	-	-	-	-	24.4	24.8	25.3	25.8	26.4	26.9	
as a % of sales	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%	0.4%	0.3%	0.3%	0.2%	
Employee Benefit Expenses	-277.0	-254.6	-233.2	-257.5	-346.7	-433.1	-502.4	-602.9	-729.5	-882.7	
as a % of sales	7.7%	6.8%	6.7%	6.6%	7.4%	8.0%	8.0%	8.0%	8.0%	8.0%	
Depreciation and Amortization	-47.0	-40.3	-37.4	-32.3	-32.9	0.0	0.0	0.0	0.0	0.0	
as a % of sales	1.3%	1.1%	1.1%	0.8%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	
Operating Income	3,282.0	3,452.8	3,189.6	3,632.4	4,352.3	5,005.4	5,802.8	6,958.8	8,415.3	10,177.5	19.4%
y/y	17.3%	5.2%	-7.6%	13.9%	19.8%	15.0%	15.9%	19.9%	20.9%	20.9%	
Operating margin (%)	91.0%	92.1%	92.2%	92.6%	92.5%	92.5%	92.4%	92.3%	92.3%	92.2%	
Interest Expense	-1,491.1	-1,565.5	-1,619.5	-1,841.1	-2,086.7	-1,878.0	-1,784.1	-1,784.1	-1,784.1	-1,784.1	
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
foreign currency exchange losses/gains	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
change in fair value of financial assets	-525.2	-849.6	-537.2	-546.4	-539.0	-539.0	-549.8	-560.8	-572.0	-583.4	
Dividend Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Other Income/expenses	-416.6	-296.1	-259.5	-173.3	-414.0	-415.0	-350.0	-350.0	-350.0	-350.0	
Exceptional Items	0.0	0.0	4.2	-0.3	45.3	0.0	0.0	0.0	0.0	0.0	
Pretax Income (reported)	1,265.7	1,037.7	1,032.9	1,244.9	1,726.6	2,173.4	3,118.9	4,263.9	5,709.1	7,459.9	36.1%
y/y	4.6%	-18.0%	-0.5%	20.5%	38.7%	25.9%	43.5%	36.7%	33.9%	30.7%	
Pretax Income (adjusted)	849.1	741.6	777.7	1071.3	1357.9	2588.4	3468.9	4613.9	6059.1	7809.9	31.8%
y/y	-1.8%	-12.7%	4.9%	37.8%	26.8%	90.6%	34.0%	33.0%	31.3%	28.9%	
- Income Tax Expense	-285.2	-200.3	-197.9	-278.7	-325.8	-647.1	-867.2	-1153.5	-1514.8	-1952.5	
effective tax rate (%)	22.5%	19.3%	19.2%	22.4%	18.9%	25.0%	25.0%	25.0%	25.0%	25.0%	
- Minority Interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Income Before XO Items	563.8	541.3	579.8	792.6	1032.2	1526.3	2251.7	3110.4	4194.4	5507.4	37.8%
y/y	-2.4%	-4.0%	7.1%	36.7%	30.2%	47.9%	47.5%	38.1%	34.8%	31.3%	
- Extraordinary Loss Net of Tax	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Net Income (reported)	563.8	541.3	579.8	792.6	1032.2	1526.3	2251.7	3110.4	4194.4	5507.4	37.8%
y/y	-2.4%	-4.0%	7.1%	36.7%	30.2%	47.9%	47.5%	38.1%	34.8%	31.3%	
Exceptional (L)G	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Basic EPS (reported)	13.90	12.80	13.71	18.72	2.30	3.40	5.01	6.93	9.34	12.27	
Basic Weighted Avg Shares in mn	40.56	42.29	42.29	42.35	449.02	449.02	449.02	449.02	449.02	449.02	
Diluted EPS (reported)	13.90	12.80	13.71	18.72	2.30	3.40	5.01	6.93	9.34	12.27	37.8%
y/y	-2.4%	-7.9%	7.1%	36.5%	-87.7%	47.9%	47.5%	38.1%	34.8%	31.3%	
y/y	-8.4%	-7.9%	7.1%	36.5%	-87.7%	88.1%	34.0%	33.0%	31.3%	28.9%	
Diluted Weighted Avg Shares (mn)	40.56	42.29	42.29	42.35	449.02	449.02	449.02	449.02	449.02	449.02	

Balance Sheet (millions Rs)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E
Assets										
+ Cash & Near Cash Items	140.5	349.9	477.8	103.4	291.1	360.7	773.5	1,079.1	1,248.3	1,311.5
+ Short-Term Investments	239.0	239.0	239.0	256.8	251.9	251.9	251.9	251.9	251.9	251.9
+ Accounts & Notes Receivable	126.0	118.9	316.9	280.7	97.5	222.5	258.1	309.7	374.7	453.4
+ Loans	19,399.8	19,269.8	20,874.4	25,634.2	31,404.2	32,974.5	34,623.2	36,354.3	38,172.1	40,080.7
+ Other Financial Assets	1,609.4	1,679.7	35.2	521.5	699.9	713.9	728.1	742.7	757.5	772.7
Total Financial Assets	21,514.7	21,657.3	21,943.3	26,796.6	32,744.6	34,523.4	36,634.8	38,737.7	40,804.5	42,870.2
+ Current Tax Assets	80.1	117.3	94.3	131.4	122.9	122.9	122.9	122.9	122.9	122.9
+ Gross Fixed Assets	72.4	643.0	626.9	624.2	655.7	709.8	772.6	848.0	939.2	1,049.5
+ Net Fixed Assets	72.4	643.0	626.9	624.2	655.7	681.8	712.0	748.3	792.2	845.4
+ Other Non-Financial Assets	61.8	38.2	21.6	13.4	7.1	7.4	7.7	8.0	8.3	8.6
+ Goodwill & other Intangible Assets	22.0	19.7	15.8	12.1	8.5	8.5	8.5	8.5	8.5	8.5
Total Non Financial Assets	236.4	818.2	758.6	781.0	794.2	820.5	851.1	887.7	931.9	985.4
Total Assets	21,751.1	22,475.5	22,701.9	27,577.6	33,538.7	35,343.9	37,485.9	39,625.4	41,736.4	43,855.6
Liabilities & Shareholders' Equity										
+ Accounts Payable	453.5	103.5	203.2	151.0	131.4	131.4	131.4	131.4	131.4	131.4
+ Borrowings	9,526.9	10,170.9	9,541.2	12,122.5	16,282.1	16,282.1	16,282.1	16,282.1	16,282.1	16,282.1
+ Other Financial Liabilities	3,710.8	2,955.9	1,167.7	915.1	934.3	981.0	1,030.1	1,081.6	1,135.7	1,192.4
Total Current Liabilities	13,691.1	13,230.3	10,912.2	13,188.7	17,347.8	17,394.5	17,443.6	17,495.1	17,549.2	17,605.9
+ Long-Term Borrowings	1,230.0	1,320.0	2,784.4	3,747.1	3,999.8	3,999.8	3,999.8	3,999.8	3,999.8	3,999.8
+ Other Non Financial Liabilities	188.7	265.4	355.0	407.2	565.7	577.1	588.6	600.4	612.4	624.6
Total Liabilities	15,109.9	14,815.7	14,051.6	17,343.0	21,913.4	21,971.4	22,032.0	22,095.2	22,161.3	22,230.4
+ Total Preferred Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Share Capital & APIC	405.7	423.0	423.0	439.2	449.1	449.1	449.1	449.1	449.1	449.1
+ Retained Earnings & Other Equity	6,235.6	7,236.8	8,227.3	9,795.5	11,176.3	12,923.5	15,004.8	17,081.1	19,126.0	21,176.1
Total Shareholders' Equity	6,641.2	7,659.8	8,650.3	10,234.7	11,625.4	13,372.5	15,453.9	17,530.1	19,575.1	21,625.2
+ Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities & Equity	21,751.1	22,475.5	22,701.9	27,577.6	33,538.7	35,343.9	37,485.8	39,625.4	41,736.4	43,855.6

Cash Flow (millions Rs)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E
+ Net Income	2,340.2	2,307.1	2,393.0	2,912.6	3,394.4	1,941.3	2,601.7	3,460.4	4,544.4	5,857.4
+ Depreciation & Amortization	8.4	19.0	20.7	19.6	24.4	28.1	32.5	39.1	47.3	57.2
+ Other Non-Cash Adjustments	42.5	122.4	553.9	575.2	568.7	11.3	11.5	11.8	12.0	12.2
+ Changes in Non-Cash Capital	-598.3	-290.1	-2,161.1	-5,306.3	-6,014.5	-1,716.1	-1,649.5	-1,745.8	-1,843.5	-1,945.7
Cash From Operating Activities	-28.6	349.4	-1,015.9	-3,961.5	-4,431.1	264.6	996.2	1,765.4	2,760.1	3,981.2
+ Disposal of Fixed Assets	0.00	0.00	0.00	0.05	11.8	0.0	0.0	0.0	0.0	0.0
+ Capital Expenditures	-35.7	-3.0	-0.7	-13.1	-62.6	-54.1	-62.8	-75.4	-91.2	-110.3
+ Increase in Investments	0.0	0.0	0.0	-17.8	0.0	-0.3	-0.3	-0.3	-0.3	-0.3
+ Decrease in Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Investing Activities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash From Investing Activities	-35.7	-3.0	-0.7	-30.9	-50.7	-54.4	-63.1	-75.7	-91.5	-110.7
+ Dividends Paid	-48.8	-48.9	-42.3	-42.3	-44.8	-194.1	-520.3	-1,384.2	-2,499.4	-3,807.3
+ Change in Short-Term Borrowings	-28.3	644.0	-629.6	2,581.2	4,159.6	0.0	0.0	0.0	0.0	0.0
+ Increase in Long-Term Borrowing	810.0	160.0	1,464.4	962.7	271.9	0.0	0.0	0.0	0.0	0.0
+ Decrease in Long-term Borrowing	-642.7	-894.4	-155.1	-252.6	0.0	0.0	0.0	0.0	0.0	0.0
+ Increase in Capital Stocks	0.0	0.0	460.0	856.6	523.5	0.0	0.0	0.0	0.0	0.0
+ Decrease in Capital Stocks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
+ Other Financing Activities	0.0	0.0	10.0	-485.3	-150.0	0.0	0.0	0.0	0.0	0.0
Cash from Financing Activities	90.1	-139.3	1,107.4	3,620.3	4,760.1	-194.1	-520.3	-1,384.2	-2,499.4	-3,807.3
Net Changes in Cash	25.8	207.2	90.8	-372.1	278.3	16.0	412.8	305.6	169.2	63.2
Opening cash	114.7	140.5	347.7	438.5	66.5	344.7	360.7	773.5	1,079.1	1,248.3
Closing cash	140.5	347.7	438.5	66.5	344.7	360.7	773.5	1,079.1	1,248.3	1,311.5

Ratio Analysis	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E
Per Share Data (Rs)										
Basic EPS (adjusted)	13.90	12.80	13.71	18.72	2.30	3.40	5.01	6.93	9.34	12.27
Diluted EPS (adjusted)	13.90	12.80	13.71	18.72	2.30	3.40	5.01	6.93	9.34	12.27
Dividend per share (DPS)	1.000	1.000	1.000	0.100	3.000	0.340	1.003	2.771	5.138	7.972
Book Value per share (BVPS)	163.2	180.7	204.2	241.4	25.9	28.9	32.9	37.1	41.3	45.6
Margins (%)										
Gross Margin	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Margin	91.0%	92.1%	92.2%	92.6%	92.5%	92.5%	92.4%	92.3%	92.3%	92.2%
EBITDA Margin	91.2%	92.6%	92.8%	93.1%	93.0%	93.0%	92.9%	92.9%	92.8%	92.8%
Pre-Tax Margin (adjusted)	23.5%	19.8%	22.5%	27.3%	28.8%	47.8%	55.2%	61.2%	66.4%	70.8%
Net Income Margin (adjusted)	15.6%	14.4%	16.8%	20.2%	21.9%	28.2%	35.9%	41.3%	46.0%	49.9%
Growth (%)										
Sales growth	19.0%	3.9%	-7.7%	13.4%	20.0%	15.0%	16.0%	20.0%	21.0%	21.0%
EBIT growth	17.3%	5.2%	-7.6%	13.9%	19.8%	15.0%	15.9%	19.9%	20.9%	20.9%
Net Income (adjusted) growth	-8.4%	-4.0%	7.1%	36.7%	30.2%	47.9%	47.5%	38.1%	34.8%	31.3%
EPS (adjusted) growth	-8.4%	-7.9%	7.1%	36.5%	-87.7%	47.9%	47.5%	38.1%	34.8%	31.3%
Return Ratios	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E
Dupont ROE (%)	8.5%	7.1%	6.7%	7.7%	8.9%	11.7%	15.2%	18.7%	22.6%	26.9%
Margin (%)	15.6%	14.4%	16.8%	20.2%	21.9%	28.2%	35.9%	41.3%	46.0%	49.9%
Turnover (x)	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.3
Leverage (x)	3.3	2.9	2.6	2.7	2.9	2.7	2.5	2.3	2.2	2.1
ROA	2.6%	2.4%	2.6%	2.9%	3.1%	4.4%	6.1%	8.0%	10.3%	12.9%
Return on Capital Employed	40.7%	37.3%	27.1%	25.2%	26.9%	28.5%	29.9%	32.7%	36.3%	40.5%
Return on Invested Capital	3.2%	2.8%	2.8%	3.0%	3.2%	4.6%	6.4%	8.4%	10.8%	13.5%
Net cash / equity	-156.3%	-142.3%	-134.2%	-151.5%	-169.8%	-154.2%	-134.5%	-118.9%	-106.7%	-97.0%
FCF Calculation										
Op. cash	-28.6	349.4	-1,015.9	-3,961.5	-4,431.1	-150.4	646.2	1,415.4	2,410.1	3,631.2
capex	-35.7	-3.0	-0.7	-13.1	-62.6	-54.1	-62.8	-75.4	-91.2	-110.3
FCF (Rs million)	-64.3	346.4	-1,016.6	-3,974.6	-4,493.7	-204.6	583.4	1,340.1	2,318.9	3,520.9
FCF margin (%)	-1.8%	9.2%	-29.4%	-101.3%	-95.5%	-3.8%	9.3%	17.8%	25.4%	31.9%
FCF per share	-1.58	8.19	-24.04	-93.86	-10.01	-0.46	1.30	2.98	5.16	7.84
Price/FCF per share	-49.2	9.5	-3.2	-0.8	-7.8	-171.2	60.0	26.1	15.1	9.9
FCF Yield	-2.03%	10.50%	-30.82%	-120.33%	-12.83%	-0.58%	1.67%	3.83%	6.62%	10.05%

Valuation ratio's	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024E	FY 2025E	FY 2026E	FY 2027E	FY 2028E
P/B	0.48	0.43	0.38	0.32	3.01	2.70	2.37	2.10	1.89	1.71
P/E	5.61	6.09	5.69	4.17	33.93	22.95	15.55	11.26	8.35	6.36
P/S	9.71	9.35	10.12	8.93	7.44	6.47	5.58	4.65	3.84	3.17
EV/sales	35.12	33.79	36.60	32.29	26.90	23.39	20.16	16.80	13.89	11.48
EV/EBITDA	38.49	15.93	17.23	15.15	12.64	10.99	9.48	7.91	6.54	5.41
EV/EBIT	38.58	36.68	39.70	34.86	29.10	25.30	21.82	18.20	15.05	12.44
EV/FCF	-1970.49	365.53	-124.56	-31.86	-28.18	-619.06	217.05	94.50	54.61	35.97
Dividend Yield (%)	1.3%	1.3%	1.3%	0.1%	3.8%	0.4%	1.3%	3.6%	6.6%	10.2%

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