

# PI INDUSTRIES LIMITED



AUGUST 2024

## WHY IT IS A BUY:

- Low Debt Company with strong long term fundamental strength.
- Healthy long term growth as Net Sales has grown by an annual rate of 21.96% and Operating Profit at 28.44%.
- Company has a low Debt to Equity ratio at 0.02 times.
- The company has been able to generate a Return on Equity of 16.01% signifying high profitability per unit of shareholders funds.
- Stock is technically in a BULLISH stance: Weekly chart Rectangle breakout.
- High Institutional Holdings at 44.76%.

## Investors Returns (3 years)

Period	6M	1Y	2Y	3Y
Stock (%)	31.73%	23.08%	43.41%	50.31%
Sector (%)	30.52%	30.52%	23.46%	16.58%
Sensex (%)	13.92%	22.87%	41.99%	55.44%

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## Low Debt Company with strong long term fundamental strength

- High Growth in Net sales of 22.0% CAGR
- Low Debt to Ratio over the past few years is low at -0.30 times.
- Company has delivered good profit growth pf 33.1% CAGR over last 5 years

### ROE

The company has been able to generate a Return on Equity (avg) of 16.01% signifying high profitability per unit of shareholders' funds.

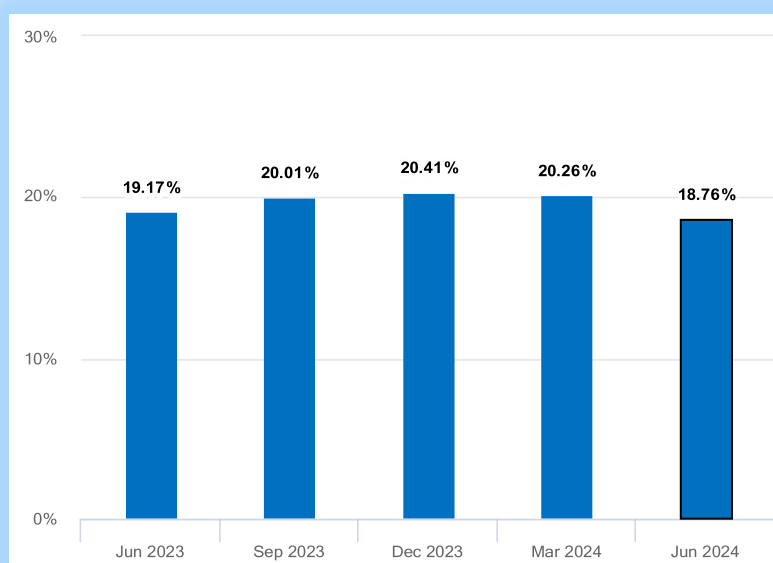
### Dividend Payout Ratio

Company's high Dividend Pay-out ratio of 10.81% signify the company in not able to payback profits to shareholders at this point.

### Institutional Holding

High Institutional Holdings at 44.6%. These investors have better capability and resources to analyse fundamentals of companies than most retail investors.

### FII holding has increased by -1.5%



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## QUARTERLY RESULTS:

	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Sales	1,696	1,571	1,506	1,829	1,969	1,721	1,626
Expenses	1,273	1,153	1,172	1,354	1,415	1,177	1,173
Operating Profit	423	418	334	475	553	544	453
OPM%	25%	27%	22%	26%	28%	32%	28%
Other Income	31	48	53	47	56	65	56
Interest	11	9	2	2	2	2	4
Depreciation	55	56	56	59	63	62	62
Profit before tax	389	402	328	462	545	545	443
Ta%	16%	12%	15%	14%	15%	11%	13%
Net Profit	327	353	279	395	464	486	384
EPS in Rs	21.57	23.25	18.42	26.05	30.62	32	25

## ANNUAL RESULTS:

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales	1,770	1,613	1,566	1,910	2,117	1,898	1,741
Expenses	1,338	1,198	1,223	1,443	1,566	1,344	1,299
Operating Profit	432	415	343	468	551	554	442
OPM %	0	0	0	0	0	0	0
Other Income	33	51	51	52	49	58	60
Interest	11	9	3	4	8	7	11
Depreciation	56	57	58	70	80	78	80
Profit before tax	398	400	332	445	512	526	411
Tax %	0	0	0	0	0	0	0
Net Profit	335	352	281	383	480	449	370
EPS in Rs	22	23	18	25	32	30	24

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## BALANCE SHEET:

	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
<b>Equity Capital</b>	14	14	14	15	15	15	15
<b>Reserves</b>	1,898	2,261	2,577	5,271	6,024	7,082	8,666
<b>Borrowings</b>	84	49	519	370	305	33	44
<b>Other Liabilities</b>	619	0	997	1308	1285	1206	1502
<b>Total Liabilities</b>	2615	51	4106	6965	7628	8,336	10,227
<b>Fixed Assets</b>	996	9	16668	2118	2423	2513	2738
<b>CWIP</b>	90	57	270	288	114	130	117
<b>Investments</b>	161	400	454	1012	1036	1169	2448
<b>Other Assets</b>	1368	0	1715	3548	4055	4524	4924
<b>Total Assets</b>	2615	352	4106	6965	7628	8,336	10,227

## SHAREHOLDING PATTERN:

	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
<b>Promoters</b>	46.09%	46.08%	46.08%	46.09%	46.09%	46.09%	46.09%
<b>FIIS</b>	18.60%	18.59%	19.17%	20.01%	20.41%	20.26%	18.76%
<b>DIIS</b>	24.24%	24.06%	23.80%	23.11%	23.00%	24.18%	25.84%
<b>Government</b>	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
<b>Public</b>	10.90%	11.10%	10.77%	10.61%	10.34%	9.29%	9.14%
<b>Others</b>	0.03%	0.03%	0.03%	0.02%	0.02%	0.02%	0.01%



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## TECHNICAL ANALYSIS:



The above weekly chart prices traded lower within the channel of “**Rectangle**” of similar tops and bottoms since the **May 2023**. Prices breached the rectangle resistance and closed well above the same suggesting the bullishness and is confirmed with the rise in the volumes. The RSI 14 period is trading at 74 levels which has the potential to trade higher and the breakout of resistance trend line is also visible. We expect the prices to trade higher in the coming months.

### Sources:

[www.nseindia.com](http://www.nseindia.com)    [www.bseindia.com](http://www.bseindia.com)    [www.moneycontrol.com](http://www.moneycontrol.com)  
[www.screener.in](http://www.screener.in)    [www.in.tradingview.com](http://www.in.tradingview.com)

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