

Estimate changes	
TP change	
Rating change	

Bloomberg	DABUR IN
Equity Shares (m)	1774
M.Cap.(INRb)/(USDb)	938.3 / 10.7
52-Week Range (INR)	672 / 420
1, 6, 12 Rel. Per (%)	12/-/16
12M Avg Val (INR M)	1408

Financials & Valuations (INR b)			
Y/E March	2026E	2027E	2028E
Sales	134.3	145.4	157.4
Sales Gr. (%)	6.9	8.3	8.2
EBITDA	25.1	27.9	30.5
EBITDA mrg. (%)	18.7	19.2	19.4
Adj. PAT	19.4	21.7	23.8
Adj. EPS (INR)	11.0	12.3	13.4
EPS Gr. (%)	7.9	11.9	9.5
BV/Sh.(INR)	65.5	67.4	68.9
Ratios			
RoE (%)	17.3	18.5	19.7
RoCE (%)	16.1	17.0	18.1
Payout (%)	86.7	89.7	93.1
Valuation			
P/E (x)	48.3	43.1	39.4
P/BV (x)	8.1	7.8	7.7
EV/EBITDA (x)	33.9	30.1	27.4
Div. Yield (%)	1.8	2.1	2.4

Shareholding pattern (%)			
As On	Jun-25	Mar-25	Jun-24
Promoter	66.2	66.3	66.3
DII	16.2	15.7	13.6
FII	11.8	12.7	15.0
Others	5.7	5.4	5.2

FII Includes depository receipts

**CMP: INR529** **TP: INR600 (+13%)** **Buy**

### Steady quarter; consumption recovery underway

- Dabur's 1QFY26 performance was largely in line with our estimates. Cons. revenue increased ~2% YoY. Excluding the impact of seasonal portfolio, consol. sales grew by 7%. India business revenue grew by 4.3% YoY, excluding the seasonal portfolio. Domestic volume declined 1%; excluding the seasonal portfolio impact, volume grew ~3.5%.
- Home & Personal Care revenue was up 5%, backed by strong performance in oral care, home care and skin care. The healthcare portfolio declined by 4.4%; excluding glucose, it was up by 2.7%. In this portfolio, Dabur has increased prices by ~6%. F&B revenue declined 14.3% YoY given milder summers and unseasonal rains. The international business grew 13.7% YoY in cc terms and 12.7% in INR terms.
- GM contracted 75bp YoY to 47% (est. 47.2%), while EBITDA margin was flat YoY at 19.6% (est: 19.1%). EBITDA grew 2% YoY. Management said that there was ~7% inflation in the quarter, which was mitigated by price increases of ~4% and cost-saving initiatives.
- Dabur's growth trajectory is improving sequentially. Most of its initiatives were impacted by a high base, seasonality, weak consumption and high competitive intensity. We believe that with improving macros for consumption, Dabur can deliver a better print in FY26. It expects high single-digit growth with an improvement in operating profits in FY26. The stock has been under pressure after delivering a poor performance in FY25. However, with a positive consumption outlook for FY26, we expect that a gradual performance recovery will reflect in the stock accordingly. **We reiterate our BUY rating on the stock with a TP of INR600 (premised on 45x Jun'27E EPS).**

### In-line performance; volume growth at 3.5% ex-seasonal portfolio

- In-line performance:** Dabur's 1QFY26 consolidated sales grew 1.7% YoY (in line) to INR34b (est. INR34.3b); excluding the seasonal portfolio, cons. sales grew by 7% in 1QFY26. The India business revenue grew by 4.3% YoY, excluding the seasonal portfolio. Volume declined 1%; excl. seasonal portfolio, volume grew 3.5%. EBITDA grew 2% to INR6.7b (est. INR6.5) and adj. PAT grew 3% YoY to INR5.2b (est. INR4.9).
- HPC business grew 5% YoY:** Oral Care grew in mid-single digits YoY. The toothpaste business grew 7.3%, backed by Dabur Red and Meswak. Skin care grew in high single-digits, with robust double-digit growth in Gulabari.
- Healthcare portfolio up 2.7% YoY:** Healthcare portfolio, excluding glucose, grew by 2.7%; Including glucose, it declined 4.4% YoY. Dabur has taken ~6% price increase in this portfolio. Glucose declined ~40% YoY on account of unseasonal rains and high growth in the base quarter (31% growth in 1QFY25). While Chyawanprash grew in strong double digits on account of early onset of monsoons, Honey saw healthy growth of ~11% in 1Q.

- **Foods and Beverages saw steep decline:** F&B revenue declined 14.3% YoY as Real portfolio was hit by milder summers and unseasonal rains. Badshah delivered 6.5% growth YoY, while volume grew in double digits YoY.
- International growth was at 13.7% in CC terms and 12.7% in INR terms, led by MENA, Turkey, UK, SSA and Bangladesh.
- **EBITDA margin flat:** Gross margin contracted 75bp YoY to 47% (est. 47.2%). As a percentage of sales, ad-spends declined 110bp YoY to 5.9%, other expenses were flat YoY at 11.6%, and staff costs increased 30bp YoY to 9.9%. EBITDA margin remained flat YoY at 19.6% (est. 19.1%).

### Highlights from the management commentary

- For the last five consecutive quarters, rural markets have outperformed urban. In 1QFY26, rural growth was 390bp higher than urban growth, both in value and volume terms. That said, the urban markets witnessed sequential recovery.
- Management said that there was ~7% inflation in the quarter, which was mitigated by price increases of ~4% and cost-saving initiatives.
- For FY26, Dabur aspires to grow in high single digits, while given the low base for 2QFY26, it expects growth to be in double digits.
- NPD contributed more than 20% to consol sales.
- For FY26, the company expects GM improvement and operating margin to see significant improvement YoY.
- In 1QFY26, the toothpaste category grew 4%, while non-herbal grew 4.4% and herbal grew 8.8%.

### Valuation and view

- We maintain our EPS estimates for FY26 and FY27.
- Despite taking price hikes, Dabur is unable to offset the impact of inflationary pressures. However, backed by disciplined cost control, operational efficiencies, and improving macro scenario, we expect things to improve gradually for Dabur. With a broader distribution reach (to ~0.13m villages and ~7.9m outlets), increased direct penetration (~1.5m outlets), and extensive presence/categorical leadership in the rural market, DABUR is better positioned to capitalize on both the rural and urban consumption trends compared to its peers.
- Operating margin, which has been hovering around the 20% band over the last 8-9 years (unlike its peers that have experienced expansions), has room for expansion in the medium term.
- **We reiterate our BUY rating on the stock with a TP of INR600 (premised on 45x P/E on Jun'27E).**

Y/E March	Quarterly Performance (Consolidated)								(INR m)		
	FY25				FY26				FY25	FY26E	FY26E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	Var. (%)
<b>Domestic FMCG vol. growth (%)</b>	<b>5.2</b>	<b>-7.0</b>	<b>1.2</b>	<b>-5.0</b>	<b>-1.0</b>	<b>8.0</b>	<b>8.0</b>	<b>9.0</b>	<b>-1.4</b>	<b>6.0</b>	<b>3.0</b>
<b>Net sales</b>	<b>33,491</b>	<b>30,286</b>	<b>33,553</b>	<b>28,301</b>	<b>34,046</b>	<b>33,055</b>	<b>36,299</b>	<b>30,911</b>	<b>125,631</b>	<b>134,310</b>	<b>34,302</b>
YoY change (%)	7.0	-5.5	3.1	0.6	1.7	9.1	8.2	9.2	1.3	6.9	2.4
<b>Gross profit</b>	<b>16,005</b>	<b>14,943</b>	<b>16,124</b>	<b>13,211</b>	<b>16,013</b>	<b>16,032</b>	<b>17,786</b>	<b>15,041</b>	<b>60,282</b>	<b>64,872</b>	<b>16,191</b>
Margin (%)	47.8	49.3	48.1	46.7	47.0	48.5	49.0	48.7	48.0	48.3	47.2
<b>EBITDA</b>	<b>6,550</b>	<b>5,526</b>	<b>6,819</b>	<b>4,269</b>	<b>6,678</b>	<b>6,049</b>	<b>7,514</b>	<b>4,875</b>	<b>23,163</b>	<b>25,116</b>	<b>6,552</b>
Margins (%)	19.6	18.2	20.3	15.1	19.6	18.3	20.7	15.8	18.4	18.7	19.1
YoY growth (%)	8.3	-16.4	2.1	-8.6	2.0	9.5	10.2	14.2	-3.5	8.4	0.0
Depreciation	1,091	1,110	1,086	1,169	1,141	1,130	1,194	1,196	4,456	4,661	1,189
Interest	327	474	442	393	346	375	350	354	1,635	1,425	375
Other income	1,294	1,515	1,280	1,412	1,440	1,439	1,472	1,477	5,501	5,828	1,398
<b>PBT</b>	<b>6,427</b>	<b>5,457</b>	<b>6,571</b>	<b>4,119</b>	<b>6,630</b>	<b>5,984</b>	<b>7,442</b>	<b>4,802</b>	<b>22,573</b>	<b>24,858</b>	<b>6,385</b>
Tax	1,481	1,284	1,418	992	1,543	1,466	1,823	1,257	5,175	6,089	1,564
Rate (%)	23.0	23.5	21.6	24.1	23.3	24.5	24.5	26.2	22.9	24.5	24.5
<b>Adjusted PAT</b>	<b>5,084</b>	<b>4,333</b>	<b>5,306</b>	<b>3,284</b>	<b>5,222</b>	<b>4,680</b>	<b>5,781</b>	<b>3,743</b>	<b>18,006</b>	<b>19,426</b>	<b>4,983</b>
YoY change (%)	7.7	-17.2	1.6	-8.2	2.7	8.0	8.9	14.0	-4.0	7.9	-2.0

E: MOFSL Estimates

#### Exhibit 1: Category-wise performance

Business Segment	Category	1QFY25	2QFY25*	3QFY25	4QFY25	1QFY26
Healthcare	Health Supplements	7.8	-11.2	-3.4	0.5	3
	Digestives	10.7	-7.7	3.9	-2.1	7.7
	OTC & Ethical	3.7	-14	0.4	-8.4	2
Home and Personal Care	Oral Care	11.4	-8.7	9.1	-5.2	5
	Hair care	3.3	-10.2	2.7	-4.6	2
	Home care	8	-4.9	5	0.9	10.1
Foods	Skin & Salon	6.1	-14	5.6	8	9.2
	Beverages	2.8	-21.6	-10.3	-9.2	NA
	Foods	21.3	10.6	30	14.2	NA

Sources: Company reports, MOFSL



## Highlights from the management commentary

### Operating Business and Environment

- Unseasonal rains during peak summer months impacted the performance of Dabur's summer-centric portfolio, particularly in categories like beverages and glucose. Excluding this seasonal portfolio, cons. sales grew by 7% in 1QFY26. India business revenue grew by 4.3%, excluding the seasonal portfolio.
- Volume declined 1%; excl. seasonal portfolio, volume grew 3.5%.
- For the last five consecutive quarters, rural markets have outperformed urban. In 1QFY26, rural growth was 390bp higher than urban growth, both in value and volume terms. That said, urban markets witnessed sequential recovery.
- Dabur drove consumer engagement and brand superiority across product categories, leading to market share gains across 95% of the portfolio.
- Premium portfolios are doing well.
- NPD contribute more than 20% to consol sales.
- Dabur is looking for companies in the space of wellness, wellness foods, health, etc. in terms of inorganic growth opportunities.
- For FY26, Dabur aspires to grow in high single digits, while given the low base for 2QFY26, it expects growth in double digits.
- Dabur exited from Tea, adult baby diaper, sanitizers and breakfast cereals categories in line with its Vision FY28 strategy, as these were margin-dilutive segments and recorded cumulative sales of INR80m.
- Dabur expects sequential recovery in demand in India on the back of softening food inflation, favorable monsoon, sustained momentum in rural and some green shoots visible in urban demand.

### Cost and Margins

- Management said that there was ~7% inflation in the quarter, which was mitigated by price increases of ~4% and cost-saving initiatives.
- For FY26, the company expects GM improvement and expects operating margin to see significant improvement YoY.
- Dabur indicated that Dabur will continue to invest in its brands.

### Channel-wise performance

- Dabur has made remarkable strides in expanding its distribution footprint, with direct reach surging by 63,000 outlets YoY, now spanning 1.52m vs 1.45m in 1QFY25.
- Village coverage expanded by around 10,000 villages, reaching 0.13m villages, while Yoddha network grew by around 900 members to 19,900 Yoddhas.
- MT and emerging channels are doing well in urban markets. That said, quick commerce is ~10% of population and thus GT will remain key focus channel for Dabur.
- Dabur is focusing more on rural markets by expanding its rural footprint, enhancing last-mile connectivity, and rolling out tailored product formats.

### International business

- Dabur's International Business reported 13.7% growth in cc terms.
- The UK business reported 41% growth, while the Turkey business grew by 36%. Namaste business grew by 30%, Sub-Saharan Africa grew by 20%, and MENA reported 10.1% growth.
- The Bangladesh business also reported 10. 2% cc growth.

## Segmental performance

### HPC

- HPC portfolio performed well with 5% YoY growth.
- Oral Care grew in mid-single digits YoY. The toothpaste business grew 7.3%, backed by Dabur Red and Meswak.
- In 1QFY26, the toothpaste category grew 4%, while non-herbal grew 4.4% and herbal grew 8.8%.
- Home Care grew in double digits, backed by strong performance in both Odonil and Odomos.
- Skin Care grew in high single digits, with robust double-digit growth in the Gulabari franchise.
- Hair Care grew in low single digits, while hair oils grew ahead of the category and gained 214bp market share. Its pure Coconut oil, "Dabur Anmol", grew in double digits, led by pricing growth.

### Healthcare

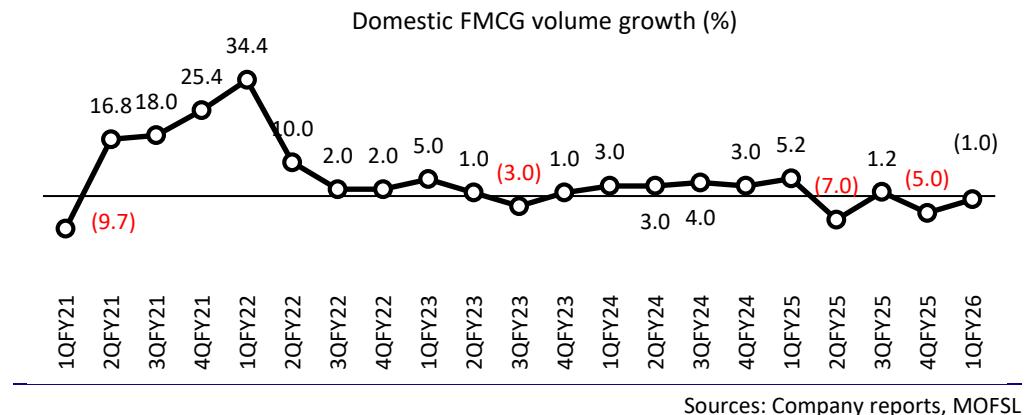
- The overall healthcare, excluding glucose, grew by 2.7% and Dabur has taken ~6% price increase in this portfolio.
- Including Glucose, it declined 4.4% YoY.
- Health Supplements saw high single-digit YoY growth, excl. Glucose. Glucose declined ~40% YoY on account of unseasonal rains and high growth in base quarter (31% growth in 1QFY25). While Chyawanprash grew in double digits on account of early onset of monsoons, Honey reported healthy growth of ~11% in 1Q.
- Digestives grew in high single digits YoY as Hajmola and Pudin Hara grew in high single digits. Extensions and variants now contribute to more than 50% of Hajmola franchise.
- The OTC & Ethicals segment grew in low single digits YoY. Honitus recorded strong double-digit growth; ramp up in consumption on account of early monsoons. Health juices grew in high teens during the quarter.

### Food & beverages

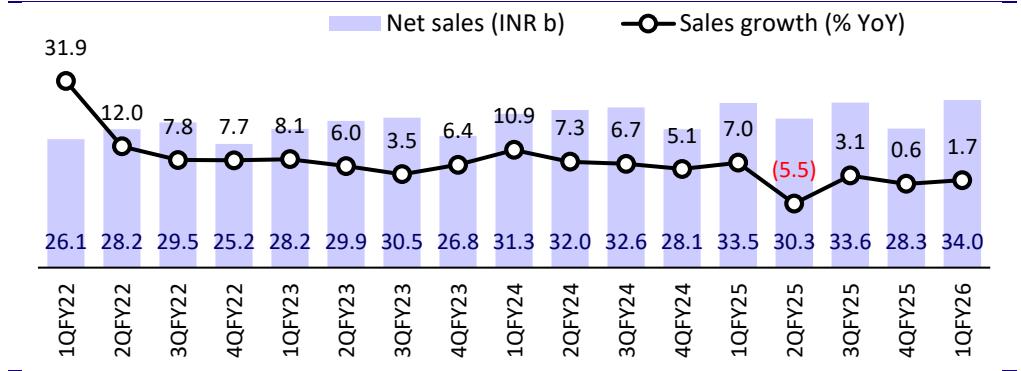
- Foods and Beverages segment declined 14.3% YoY as Real portfolio was impacted by milder summers and unseasonal rains.
- Activ range maintained its strong double-digit growth momentum; grew by ~20%. Coconut water performed well on the back of a new campaign focused on 'hydration' and 'no added sugar'.
- Management indicated that in spite of headwinds during the quarter, Dabur performed better than the category and gained 207bp market share in the nectars category and 141bp in 100% Juices.
- Dabur indicated that the beverage business will grow in low single-digit in 2QFY26.
- In the culinary portfolio, key products like coconut milk, Lemoneez and mustard oil recorded strong double-digit growth.
- Badshah delivered 6.5% growth YoY, while volume grew in double-digits YoY.

## Key exhibits

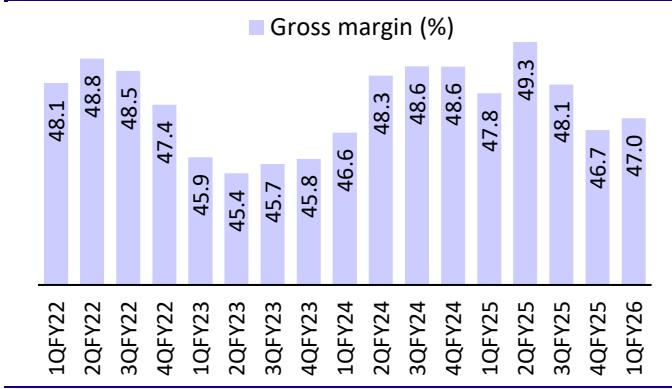
**Exhibit 2: Domestic FMCG business volumes fell 1% YoY in 1QFY26**



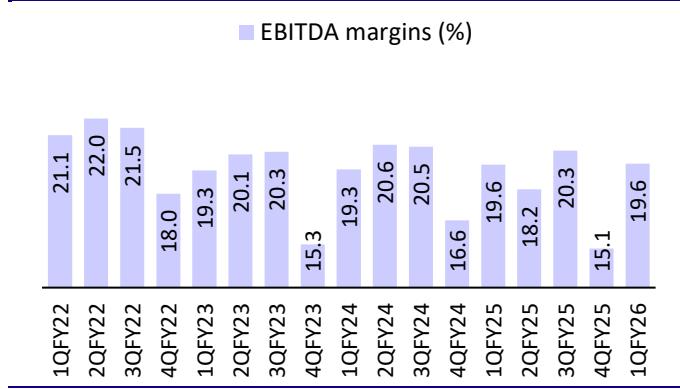
**Exhibit 3: Consolidated reported net sales up ~2% YoY to INR34b**



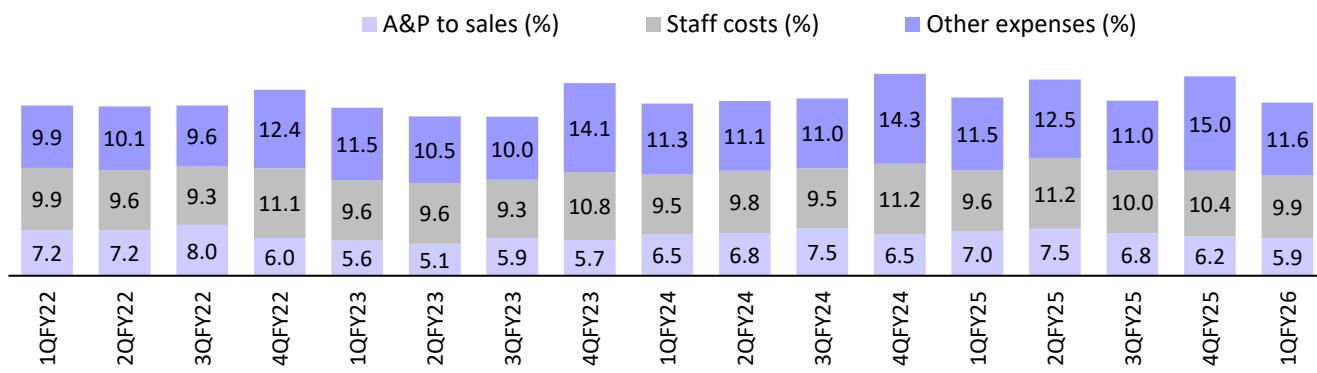
**Exhibit 4: Con. GP margin contracted 75bp YoY to 47%**



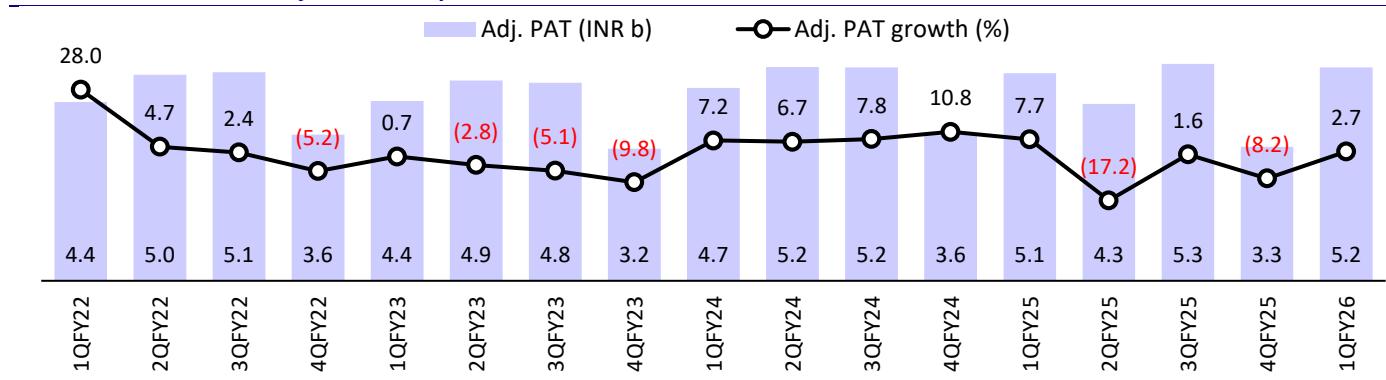
**Exhibit 5: EBITDA margin was flat YoY at 19.6%**



**Exhibit 6: Ad spends declined 110bp YoY to 5.9%, other expenses were flat YoY at 11.6%, and staff costs increased 30bp YoY to 9.9%**



**Exhibit 7: Consolidated adjusted PAT up 3% YoY to INR5.2b**



Sources: Company reports, MOFSL

### Valuation and view

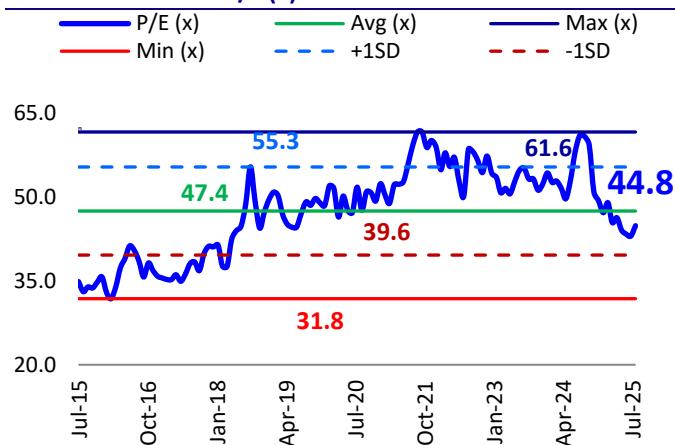
- We maintain our EPS estimates for FY26 and FY27.
- Despite taking price hikes, Dabur is unable to offset the impact of inflationary pressures. However, backed by disciplined cost control, operational efficiencies, and improving macro scenario, we expect things to improve gradually for Dabur. With a broader distribution reach (to ~0.13m villages and ~7.9m outlets), increased direct penetration (~1.5m outlets), and extensive presence/categorical leadership in the rural market, DABUR is better positioned to capitalize on both the rural and urban consumption trends compared to its peers.
- Operating margin, which has been hovering around the 20% band over the last 8-9 years (unlike its peers that have experienced expansions), has room for expansion in the medium term.
- **We reiterate our BUY rating on the stock with a TP of INR600 (premised on 45x P/E on Jun'27E).**

**Exhibit 8: We maintain our EPS estimates for FY26 and FY27**

	New		Old		% Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
<b>Net Sales</b>	134.3	145.4	134.5	145.7	-0.2	-0.2
<b>EBITDA</b>	25.1	27.9	25.1	28.0	0.1	-0.4
<b>Adjusted PAT</b>	19.4	21.7	19.4	21.8	0.1	-0.4

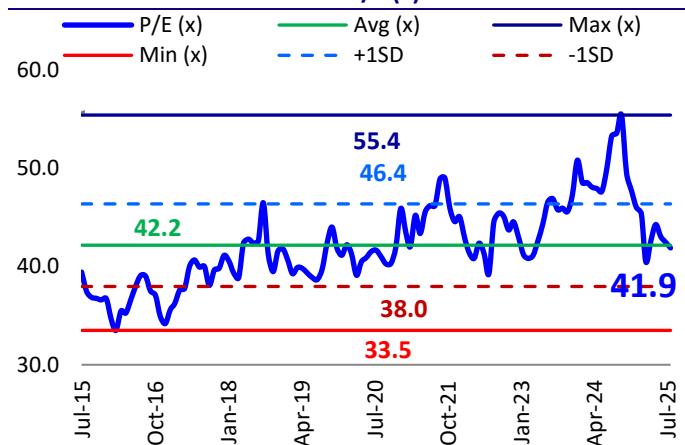
Source: MOFSL

**Exhibit 9: DABUR's P/E (x)**



Sources: Bloomberg, MOFSL

**Exhibit 10: Consumer sector's P/E (x)**



Sources: Bloomberg, MOFSL

## Financials and valuations

Consol. Income Statement										
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Net Sales</b>	<b>85,150</b>	<b>86,846</b>	<b>95,683</b>	<b>1,08,960</b>	<b>1,15,379</b>	<b>1,24,040</b>	<b>1,25,631</b>	<b>1,34,310</b>	<b>1,45,418</b>	<b>1,57,415</b>
Change (%)	10.3	2.0	10.2	13.9	5.9	7.5	1.3	6.9	8.3	8.2
<b>Gross Profit</b>	<b>42,240</b>	<b>43,434</b>	<b>47,944</b>	<b>52,563</b>	<b>52,692</b>	<b>59,571</b>	<b>60,282</b>	<b>64,872</b>	<b>70,964</b>	<b>77,133</b>
Margin (%)	49.6	50.0	50.1	48.2	45.7	48.0	48.0	48.3	48.8	49.0
Other Expenditure	24,845	25,510	27,700	29,952	30,971	35,568	37,119	39,756	43,044	46,595
<b>EBITDA</b>	<b>17,395</b>	<b>17,924</b>	<b>20,243</b>	<b>22,611</b>	<b>21,721</b>	<b>24,002</b>	<b>23,163</b>	<b>25,116</b>	<b>27,920</b>	<b>30,538</b>
Change (%)	7.5	3.0	12.9	11.7	-3.9	10.5	-3.5	8.4	11.2	9.4
Margin (%)	20.4	20.6	21.2	20.8	18.8	19.4	18.4	18.7	19.2	19.4
Depreciation	1,769	2,205	2,401	2,529	3,110	3,992	4,456	4,661	4,873	5,085
Int. and Fin. Charges	596	495	308	386	782	1,242	1,635	1,425	1,200	1,200
Other Income - Recurring	2,962	3,053	3,253	3,932	4,454	4,824	5,501	5,828	6,207	6,490
<b>Profit before Taxes</b>	<b>17,992</b>	<b>18,277</b>	<b>20,787</b>	<b>23,628</b>	<b>22,283</b>	<b>23,593</b>	<b>22,573</b>	<b>24,858</b>	<b>28,054</b>	<b>30,743</b>
Change (%)	5.4	1.6	13.7	13.7	-5.7	5.9	-4.3	10.1	12.9	9.6
Margin (%)	21.1	21.0	21.7	21.7	19.3	19.0	18.0	18.5	19.3	19.5
Tax	4,070	4,654	3,630	4,422	4,816	5,395	4,991	6,021	6,942	7,500
Deferred Tax	-1,284	-1,857	-20	842	357	79	184	69	70	184
Tax Rate (%)	15.5	15.3	17.4	22.3	23.2	23.2	22.9	24.5	25.0	25.0
<b>Profit after Taxes</b>	<b>15,206</b>	<b>15,480</b>	<b>17,176</b>	<b>18,364</b>	<b>17,110</b>	<b>18,118</b>	<b>17,399</b>	<b>18,769</b>	<b>21,042</b>	<b>23,059</b>
Change (%)	10.8	1.8	11.0	6.9	-6.8	5.9	-4.0	7.9	12.1	9.6
Margin (%)	17.9	17.8	18.0	16.9	14.8	14.6	13.8	14.0	14.5	14.6
Minority Interest	30	25	17	31	-58	-314	-272	-330	-370	-416
<b>Adjusted PAT</b>	<b>15,176</b>	<b>15,454</b>	<b>17,160</b>	<b>18,333</b>	<b>17,168</b>	<b>18,757</b>	<b>18,006</b>	<b>19,426</b>	<b>21,737</b>	<b>23,799</b>
Exceptional Items	-753	-1,000	0	-850	16	-5	0	0	0	0
<b>Reported PAT</b>	<b>14,423</b>	<b>14,454</b>	<b>17,160</b>	<b>17,483</b>	<b>17,184</b>	<b>18,427</b>	<b>17,676</b>	<b>19,096</b>	<b>21,407</b>	<b>23,469</b>

Balance Sheet										(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Share Capital	1,766	1,767	1,767	1,768	1,772	1,772	1,772	1,772	1,772	1,772
Reserves	54,551	64,290	74,868	82,045	87,961	96,891	1,06,235	1,14,366	1,17,680	1,20,352
<b>Net Worth</b>	<b>56,317</b>	<b>66,057</b>	<b>76,635</b>	<b>83,813</b>	<b>89,733</b>	<b>98,663</b>	<b>1,08,007</b>	<b>1,16,139</b>	<b>1,19,452</b>	<b>1,22,125</b>
Minority Interest	314	365	367	406	4,682	4,368	4,096	4,426	4,796	5,212
Loans	5,288	4,718	4,847	10,072	11,434	11,581	7,301	7,101	6,901	6,701
<b>Capital Employed</b>	<b>61,919</b>	<b>71,140</b>	<b>81,849</b>	<b>94,291</b>	<b>1,05,848</b>	<b>1,14,612</b>	<b>1,19,404</b>	<b>1,27,666</b>	<b>1,31,150</b>	<b>1,34,037</b>
Gross Block	28,028	32,935	35,238	39,265	53,541	59,488	65,673	61,039	60,689	63,489
Less: Accum. Depn.	-11,698	-13,768	-16,169	-18,698	-21,807	-25,799	-30,255	-34,917	-39,790	-44,875
<b>Net Fixed Assets</b>	<b>16,330</b>	<b>19,167</b>	<b>19,069</b>	<b>20,568</b>	<b>31,734</b>	<b>33,689</b>	<b>35,417</b>	<b>26,122</b>	<b>20,899</b>	<b>18,613</b>
Capital WIP	638	1,466	1,473	1,675	1,751	2,091	1,690	1,690	1,690	1,690
Goodwill	3,361	3,360	3,360	2,512	4,053	4,051	4,051	3,551	3,051	2,551
<b>Investments</b>	<b>33,588</b>	<b>28,003</b>	<b>41,484</b>	<b>62,102</b>	<b>62,574</b>	<b>69,254</b>	<b>75,114</b>	<b>77,614</b>	<b>80,114</b>	<b>82,614</b>
<b>Curr. Assets, L&amp;A</b>	<b>30,451</b>	<b>41,325</b>	<b>42,199</b>	<b>35,983</b>	<b>37,854</b>	<b>42,079</b>	<b>46,026</b>	<b>56,742</b>	<b>66,400</b>	<b>72,751</b>
Inventory	13,005	13,796	17,343	19,114	20,242	19,470	23,001	22,098	23,609	25,322
Account Receivables	8,336	8,139	5,616	6,462	8,488	8,987	8,885	9,499	10,284	11,133
Cash and Bank Balance	3,282	8,114	12,710	5,387	4,703	6,664	5,780	16,120	22,762	25,774
Others	5,828	11,277	6,531	5,021	4,422	6,958	8,360	9,024	9,744	10,522
<b>Curr. Liab. and Prov.</b>	<b>22,216</b>	<b>22,226</b>	<b>26,484</b>	<b>27,732</b>	<b>31,229</b>	<b>35,525</b>	<b>41,476</b>	<b>36,635</b>	<b>39,586</b>	<b>42,764</b>
Current Liabilities	19,812	19,475	23,126	23,884	28,446	32,343	38,157	33,113	35,851	38,809
Provisions	2,404	2,751	3,357	3,847	2,784	3,182	3,320	3,523	3,734	3,955
<b>Net Current Assets</b>	<b>8,235</b>	<b>19,099</b>	<b>15,716</b>	<b>8,251</b>	<b>6,625</b>	<b>6,554</b>	<b>4,550</b>	<b>20,107</b>	<b>26,814</b>	<b>29,987</b>
Deferred Tax Liability	-231	46	747	-816	-889	-1,027	-1,417	-1,417	-1,417	-1,417
<b>Application of Funds</b>	<b>61,919</b>	<b>71,140</b>	<b>81,849</b>	<b>94,291</b>	<b>1,05,848</b>	<b>1,14,612</b>	<b>1,19,404</b>	<b>1,27,666</b>	<b>1,31,150</b>	<b>1,34,037</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>										
EPS	8.6	8.7	9.7	10.4	9.7	10.6	10.2	11.0	12.3	13.4
Cash EPS	9.2	9.4	11.1	11.3	11.5	12.7	12.5	13.4	14.8	16.1
BV/Share	31.9	37.4	43.4	47.4	50.6	55.7	60.9	65.5	67.4	68.9
DPS	4.0	4.5	4.8	4.8	5.2	5.5	8.0	9.5	11.0	12.5
Payout %	46.6	51.5	48.9	45.8	53.7	52.0	78.7	86.7	89.7	93.1
<b>Valuation (x)</b>										
P/E	61.6	60.5	54.5	51.0	54.6	50.0	52.1	48.3	43.1	39.4
Cash P/E	57.7	56.1	47.8	46.7	46.2	41.8	42.4	39.5	35.7	32.8
EV/Sales	10.6	10.4	9.3	8.1	7.6	7.0	6.9	6.3	5.8	5.3
EV/EBITDA	51.9	50.4	43.7	38.8	40.6	36.4	37.3	33.9	30.1	27.4
P/BV	16.6	14.2	12.2	11.2	10.4	9.5	8.7	8.1	7.8	7.7
Dividend Yield (%)	0.8	0.9	0.9	0.9	1.0	1.0	1.5	1.8	2.1	2.4
<b>Return Ratios (%)</b>										
RoE	26.8	25.3	24.1	22.9	19.8	19.9	17.4	17.3	18.5	19.7
RoCE	24.4	23.9	22.8	21.2	17.7	17.3	15.9	16.1	17.0	18.1
RoIC	53.2	45.9	49.4	60.8	46.1	41.9	39.3	44.7	58.8	75.5
<b>Working Capital Ratios</b>										
Debtor (Days)	36	34	21	22	27	26	26	26	26	26
Asset Turnover (x)	1.4	1.2	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.2
<b>Leverage Ratio</b>										
Debt/Equity (x)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1

### Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(loss) before Tax	17,249	17,276	20,787	22,778	22,187	23,587	22,579	24,858	28,054	30,743
Int./Div. Received	1,765	2,553	2	39	-1,038	-2,201	-566	330	370	416
Depreciation & Amort.	1,769	2,205	2,401	2,529	3,110	3,992	4,456	4,661	4,873	5,085
Interest Paid	-2,002	-2,001	308	386	-2,829	-2,689	-2,447	1,425	1,200	1,200
Direct Taxes Paid	-3,507	-3,089	-3,611	-5,264	-4,945	-4,939	-4,045	-6,089	-7,012	-7,685
(Incr)/Decr in WC	-181	-580	7,979	141	-1,601	2,385	-110	-5,217	-65	-161
<b>CF from Oper.</b>	<b>15,092</b>	<b>16,364</b>	<b>27,867</b>	<b>20,609</b>	<b>14,884</b>	<b>20,135</b>	<b>19,868</b>	<b>19,968</b>	<b>27,420</b>	<b>29,599</b>
(Incr)/Decr in FA	-2,344	-4,175	-2,311	-3,381	-4,857	-5,609	-5,695	5,134	850	-2,300
<b>Free Cash Flow</b>	<b>12,748</b>	<b>12,190</b>	<b>25,556</b>	<b>17,228</b>	<b>10,027</b>	<b>14,526</b>	<b>14,172</b>	<b>25,102</b>	<b>28,270</b>	<b>27,299</b>
(Pur)/Sale of Inv.	-53,928	-84,788	-13,481	-20,618	-4,950	-7,978	-61,884	-2,500	-2,500	-2,500
Others	60,600	86,031	-878	1,515	4,591	7,025	60,882	-3	-5	-5
<b>CF from Invest.</b>	<b>4,329</b>	<b>-2,931</b>	<b>-16,670</b>	<b>-22,484</b>	<b>-5,216</b>	<b>-6,562</b>	<b>-6,698</b>	<b>2,631</b>	<b>-1,655</b>	<b>-4,805</b>
Issue of Shares	5	1	-501	-1,006	4	0	0	0	0	0
(Incr)/Decr in Debt	-2,720	-1,751	129	5,226	488	-472	-2,168	-200	-200	-200
Dividend Paid	-15,970	-6,178	-5,921	-9,281	-9,213	-9,658	-9,748	-10,634	-17,723	-20,381
Others	-515	-673	-308	-386	-1,631	-1,483	-2,138	-1,425	-1,200	-1,200
<b>CF from Fin. Act.</b>	<b>-19,200</b>	<b>-8,601</b>	<b>-6,602</b>	<b>-5,448</b>	<b>-10,352</b>	<b>-11,612</b>	<b>-14,053</b>	<b>-12,259</b>	<b>-19,123</b>	<b>-21,781</b>
<b>Incr/Decr of Cash</b>	<b>221</b>	<b>4,832</b>	<b>4,596</b>	<b>-7,323</b>	<b>-684</b>	<b>1,961</b>	<b>-883</b>	<b>10,340</b>	<b>6,642</b>	<b>3,012</b>
Add: Opening Bal.	3,061	3,282	8,114	12,710	5,387	4,703	6,664	5,780	16,120	22,762
<b>Closing Balance</b>	<b>3,282</b>	<b>8,114</b>	<b>12,710</b>	<b>5,387</b>	<b>4,703</b>	<b>6,664</b>	<b>5,780</b>	<b>16,120</b>	<b>22,762</b>	<b>25,774</b>

E: MOFSL Estimates

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NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrivances@motilaloswal.com.