

**Estimate changes**

**TP change**

**Rating change**


Bloomberg	DABUR IN
Equity Shares (m)	1774
M.Cap.(INRb)/(USDb)	905.4 / 9.8
52-Week Range (INR)	577 / 420
1, 6, 12 Rel. Per (%)	6/-4/-11
12M Avg Val (INR M)	1301

**Financials & Valuations (INR b)**

Y/E March	2026E	2027E	2028E
Sales	132.3	143.0	153.2
Sales Gr. (%)	5.3	8.1	7.1
EBITDA	24.9	27.6	30.0
EBITDA mrg. (%)	18.8	19.3	19.6
Adj. PAT	19.1	21.6	23.5
Adj. EPS (INR)	10.8	12.2	13.2
EPS Gr. (%)	6.0	12.8	8.9
BV/Sh.(INR)	65.3	67.1	68.4
<b>Ratios</b>			
RoE (%)	17.1	18.4	19.5
RoCE (%)	15.9	16.9	17.9
Payout (%)	88.2	90.5	94.5
<b>Valuation</b>			
P/E (x)	47.2	41.9	38.5
P/BV (x)	7.8	7.6	7.4
EV/EBITDA (x)	32.8	29.3	26.7
Div. Yield (%)	1.9	2.2	2.5

**Shareholding pattern (%)**

As On	Dec-25	Sep-25	Dec-24
Promoter	66.2	66.2	66.3
DII	18.4	17.4	14.9
FII	10.1	10.9	13.3
Others	5.3	5.5	5.5

FII Includes depository receipts

**CMP: INR510**
**TP: INR535 (+5%)**
**Neutral**
**Uninspiring volume delivery; HPC outperforms**

- Dabur's (DABUR) 3QFY26 performance was broadly in line with our expectations. Consolidated revenue grew ~6% YoY. India business revenue grew 6% YoY, with volume growth at 3% (est: 5%). Oct witnessed GST transition-led trade disruption, which improved mid-November onwards. Overall, the quarter appeared neutral from the GST destocking and restocking point of view. Compared to other FMCG peers, DABUR's volume growth performance was slightly weaker. Rural continued to grow ahead of urban, while the gap narrowed from 600bp (last year) to 300bp, led by a recovery in urban. That said, DABUR expects 4QFY26 revenue to be in high single digits.
- Home & personal care revenue rose 11%, backed by hair care and oral care. The healthcare portfolio posted ~3% growth. F&B declined 1% YoY. Management expects better performance in beverages in 4Q, aided by improved seasonality and inventory normalization. The international business grew 7.5% YoY in cc terms and 11% in INR terms.
- GM expanded 30bp YoY to 48.4% (inline), and EBITDA margin rose 30bp YoY to 20.6% (inline). RM costs remained inflationary in 3Q. Management expects to take a ~2% weighted average price increase in 4Q, with the benefit flowing into FY27. We build a modest margin expansion and expect EBITDA margin to be ~19.5% for FY27/FY28E.
- In line with trends seen in the past couple of years, DABUR continues to deliver muted sales growth, despite a favorable base. The performance remains impacted by weak demand, GT channel disruption, and unfavorable seasonality. While a part of 3QFY26 was impacted by GST-led disruption, management's commentary of a modest improvement for 4QFY26 and FY27 was uninspiring even on a soft base. DABUR's consistent weak execution despite macros turning positive is concerning, in our view. The stock has remained in a similar range over the last five years. **We reiterate our Neutral rating on the stock with a TP of INR535 (based on 40x Dec'27E EPS).**

**In-line performance; HPC's outperformance**

- Revenue continues to grow in mid-single digits:** DABUR's 3QFY26 consolidated sales grew 6% (Est:7.5%) to INR35.6b (est. INR36b). India business revenue grew 6% YoY. India business volume growth stood at 3%. (est. 5%).
- HPC business grew ~11% YoY:** Hair care grew in double digits, with hair oil growing 19.1%. Toothpastes recorded ~10% growth YoY, leading to oral care growth of high-single digit. Skin care grew in mid-single digit, while Home care grew in low-single digit YoY in 3QFY26.

- **Healthcare portfolio up ~3% YoY:** Health supplements grew 2.7% YoY (3.3% - excl. the impact of discontinued brands – Baby Super Pants and Vedic Tea). Dabur honey reported ~10% growth YoY, while Chyawanprash sales remained muted due to inventory liquidation at the trade level. Digestives and OTC & Ethicals grew in mid-single digit.
- **Foods and beverages declined ~1%:** The culinary portfolio grew in double digits, led by coconut milk, edible oils, and fats. Beverages grew ~5% in 3Q despite winter seasonality. Management expects better performance in the summer season, aided by improved seasonality and inventory normalization. The Badshah business performed well, with domestic growth in high single digit.
- International growth was at 7.5% in CC terms and 11% in INR terms. The growth was led by Turkey, MENA, US, and Bangladesh.
- **Flattish margins:** Gross margin expanded 30bp YoY to 48.4% (est. 48.8%), given inflationary RM prices. Employee expenses rose 5%, ad spends increased 5%, and other expenses rose 8% YoY. EBITDA margin expanded 30bp YoY to 20.6% (est. 20.5%).
- In 9MFY26, net sales, EBITDA, and APAT grew 4%, 5% and 6%, respectively.

#### Highlights from the management commentary

- Demand trends in India have shown improvement, aided by GST reduction initiatives, although October was disrupted due to GST-related trade disruptions. November saw a partial impact, while improvement was seen in December.
- Rural demand continued to outperform urban demand for the eighth consecutive quarter, with data showing a ~330bp growth gap (vs ~600 bps earlier).
- **In 4Q, revenue growth is expected to be in high single digits (broadly in line with or slightly better than 3Q).**
- **Management expects to take a ~2% weighted average price increase in 4Q, with the benefit flowing into FY27.**
- Management expects growth in FY27 to be more volume-led, supported by easing inflation.

#### Valuation and view

- We largely maintain our EPS estimates for FY26-FY28E.
- The company has been witnessing muted sales growth over the past two years. After delivering 1.3% growth in FY25, revenue growth improved modestly to 4% in 9MFY26. Management is guiding for high-single-digit growth in 4QFY26 with a gradual improvement in FY27.
- We remain positive on consumption recovery, supported by improving macros. However, DABUR's consistent weak execution despite macros turning positive is concerning, in our view. The stock has remained in a similar range over the last five years. **We reiterate our Neutral rating on the stock with a TP of INR535 (based on 40x Dec'27E EPS).**

Y/E March	Quarterly Performance (Consolidated)								(INR m)		
	FY25				FY26				FY25	FY26E	FY26E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE	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>2.0</b>	<b>3.0</b>	<b>14.0</b>	<b>-1.4</b>	<b>4.5</b>	<b>5.0</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>31,913</b>	<b>35,587</b>	<b>30,759</b>	<b>1,25,631</b>	<b>1,32,305</b>	<b>36,057</b>
YoY change (%)	7.0	-5.5	3.1	0.6	1.7	5.4	6.1	8.7	1.3	5.3	7.5
<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>15,778</b>	<b>17,218</b>	<b>14,498</b>	<b>60,282</b>	<b>63,506</b>	<b>17,596</b>
Margin (%)	47.8	49.3	48.1	46.7	47.0	49.4	48.4	47.1	48.0	48.0	48.8
<b>EBITDA</b>	<b>6,550</b>	<b>5,526</b>	<b>6,819</b>	<b>4,269</b>	<b>6,678</b>	<b>5,881</b>	<b>7,341</b>	<b>4,973</b>	<b>23,163</b>	<b>24,873</b>	<b>7,392</b>
Margins (%)	19.6	18.2	20.3	15.1	19.6	18.4	20.6	16.2	18.4	18.8	20.5
YoY growth (%)	8.3	-16.4	2.1	-8.6	2.0	6.4	7.7	16.5	-3.5	7.4	8.4
Depreciation	1,091	1,110	1,086	1,169	1,141	1,154	1,172	1,194	4,456	4,661	1,194
Interest	327	474	442	393	346	397	311	421	1,635	1,475	375
Other income	1,294	1,515	1,280	1,412	1,440	1,401	1,406	1,456	5,501	5,703	1,400
<b>PBT</b>	<b>6,427</b>	<b>5,457</b>	<b>6,571</b>	<b>4,119</b>	<b>6,630</b>	<b>5,731</b>	<b>7,265</b>	<b>4,814</b>	<b>22,573</b>	<b>24,440</b>	<b>7,223</b>
Tax	1,481	1,284	1,418	992	1,543	1,282	1,575	1,587	5,175	5,987	1,769
Rate (%)	23.0	23.5	21.6	24.1	23.3	22.4	21.7	33.0	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>4,608</b>	<b>5,795</b>	<b>3,448</b>	<b>18,006</b>	<b>19,110</b>	<b>5,615</b>
YoY change (%)	7.7	-17.2	1.6	-8.2	2.7	6.4	9.2	5.0	-4.0	6.1	5.8

E: MOFSL Estimates

### Exhibit 1: Category-wise performance

Business Segment	Category	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Healthcare	Health Supplements	7.8	-11.2	-3.4	0.5	3	5	3
	Digestives	10.7	-7.7	3.9	-2.1	7.7	2	5
	OTC & Ethical	3.7	-14	0.4	-8.4	2	-5	5
Home and Personal Care	Oral Care	11.4	-8.7	9.1	-5.2	5	14.3	10
	Hair care	3.3	-10.2	2.7	-4.6	2	5	10
	Home care	8	-4.9	5	0.9	10.1	5	2
	Skin & Salon	6.1	-14	5.6	8	9.2	8	5
Foods	Beverages	2.8	-21.6	-10.3	-9.2	-20	-12	NA
	Foods	21.3	10.6	30	14.2	12	14	14

Sources: Company reports, MOFSL



### Highlights from the management commentary

#### Demand and Environment

- Demand trends in India have shown improvement, aided by GST reduction initiatives, despite October witnessing disruption due to GST-related trade disruptions. November saw a partial impact, while improvement was seen in December.
- Rural demand continued to outperform urban demand for the eighth consecutive quarter, with data showing a ~330 bps growth gap.
- The rural–urban growth gap has narrowed to ~300bp from ~600bp last year, indicating a gradual improvement in urban demand.
- Sequential recovery in demand is visible, supported by improving macroeconomic conditions and GST benefits.
- Input cost inflation remained elevated in 3Q; however, coconut prices have started to soften.
- Management expects growth in FY27 to be more volume-led, supported by easing inflation.
- On the back of easing inflation and gradual premiumization of the portfolio, margins are expected to improve by FY27.
- NPD is 2-3% of revenue for the company.

- DABUR expanded its total reach (urban + rural) by ~50,000 outlets, taking the overall distribution to over 8.5m outlets, making it the second-most distributed FMCG company in India.

#### Guidance

- **In 4Q, revenue growth is expected to be in high single digits (broadly in line with or slightly better than 3Q).**
- EBITDA margin expected to improve in 4Q on a YoY basis, though lower than 3Q due to seasonality, as glucose-based products (lower margin) have higher salience in 4Q.
- In 4Q, EBITDA growth is expected to outpace revenue growth, while PAT growth is expected to be higher than EBITDA growth.
- **Management expects to take a ~2% weighted average price increase in 4Q, with the benefit flowing into FY27.**

#### US litigation

- US litigation costs have declined significantly over the past 2–3 years, showing an improvement in risk management.
- 3Q saw a temporary spike due to a lower base last year and certain insurance-related factors; this is not a structural increase.
- Litigation costs are expected to normalize again from the 4Q onwards.
- Cumulatively, litigation expenses have reduced by ~25% over the last three years.
- Management expects litigation costs to stabilize at these lower levels from FY27, supporting margin sustainability going forward.

#### Segmental performance

##### HPC

The HPC portfolio delivered 10.6% YoY growth, driven by broad-based performance across categories.

##### Oral Care

- Oral care reported double-digit growth, continuing to outperform the category.
- Toothpastes grew ~10% YoY, led by sustained momentum in Dabur Red Toothpaste. Dabur Meswak and Dabur Herbal posted strong double-digit growth.
- The herbal segment outperformed the non-herbal segment by ~530bp. Performance was supported by strong distribution and a stable consumer franchise.
- Babool underperformed during the quarter, and management is evaluating a revamp of the portfolio.
- Competitive intensity increased, particularly in modern trade, with the market leader becoming more aggressive.

##### Skin Care

- Skin care reported mid-single digit growth.
- Bleaches and facial kits performed well during the quarter.

### Home Care

- Home care grew in low single digits.
- Odonil grew in mid-single digits, with gels and aerosols delivering double-digit growth.
- Sanifresh recorded high single-digit growth.

### Hair Care

- Hair care delivered double-digit growth during the quarter.
- Hair oils grew 19.1% YoY, driven by the Amla franchise, Dabur Almond, and Anmol Coconut. The hair oils portfolio gained a 193bp market share.
- Growth in hair oils category was largely price-led due to elevated coconut oil prices, while volume growth remained muted at ~3–4%.
- Coconut hair oil grew ~29%, while perfumed hair oil grew ~16–17%.
- In the Hindi belt, DABUR's hair oil market share reached ~20%, the highest level recorded across both coconut and perfumed oils.
- The shampoo category's growth was mid-single digit, with market share gains.

### Healthcare

The overall healthcare portfolio grew 3.3% YoY, excluding Baby Super Pants and Vedic Tea, while reported growth stood at 2.7%.

### Health Supplements

- Health supplements grew in low single digits.
- Dabur Honey delivered ~10% YoY growth.
- Chyawanprash secondary sales grew ~11%, with market share gains. Primary sales remained muted due to inventory liquidation at the trade level. Strong tertiary/offtake trends indicate healthy underlying demand.
- Premium Chyawanprash account for ~13–14% of the Chyawanprash mix.
- 4Q primary growth is expected to improve on a low base as channel stocking normalizes.

### Digestives

- Digestives grew in mid-single digits.
- Hajmola grew in high single digits, driven by strong candy performance.
- Pudin Hara grew in mid-single digits, with fizz variants continuing to perform well.

### OTC & Ethicals

- OTC and Ethicals grew in mid-single digits.
- Dabur Honitus recorded strong double-digit growth due to a favorable season.
- Health juices sustained double-digit growth.

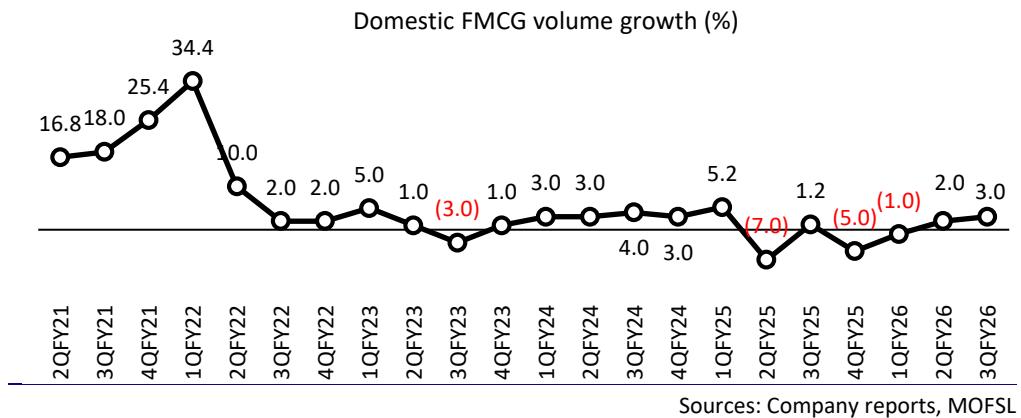
### Food & beverages

- The Food & Beverages segment reported a 1% YoY decline in 3QFY26.
- The culinary portfolio grew in double digits, led by coconut milk, edible oils, and fats.
- The Badshah business performed well, with domestic growth in high single digits.

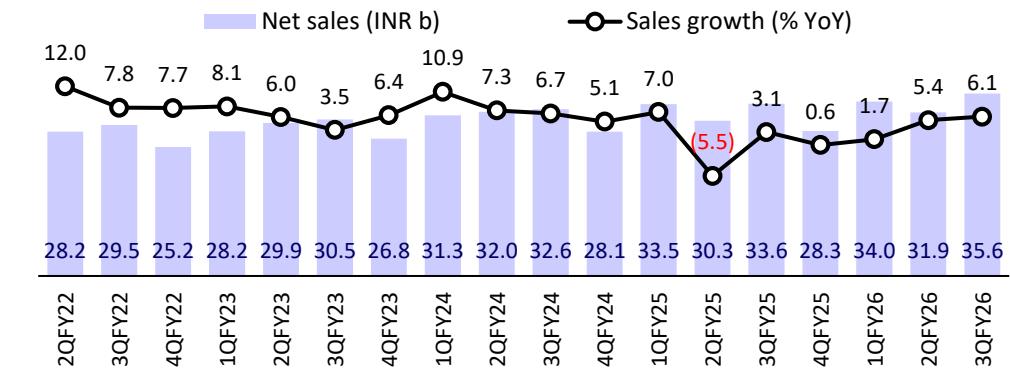
- The Activ range (juices and coconut water) maintained double-digit growth momentum.
- Despite headwinds, Dabur gained market share of 195bp in nectars and 650bp in Activ juices.
- The beverages portfolio is currently at ~INR2b, with a long-term target of INR5b.
- Beverages grew ~5% in 3Q despite winter seasonality.
- GST reduction in juices has narrowed the price gap vs carbonated beverages, supporting demand.
- Higher-margin products outperformed, with Active juices growing ~38% and coconut water growing ~50%, while lower-margin nectars remained muted.
- Management expects better performance in the summer season, aided by improved seasonality and inventory normalization.

## Key exhibits

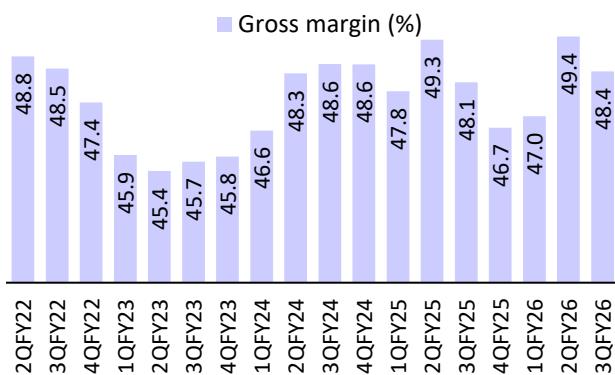
**Exhibit 2: Domestic FMCG business volumes rose 3% YoY in 3QFY26**



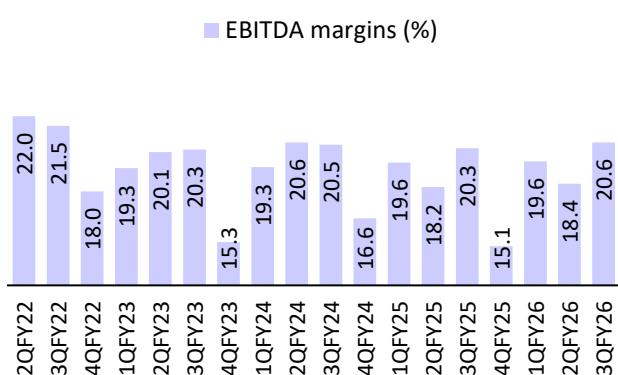
**Exhibit 3: Consolidated reported net sales rose 6.1% YoY to INR35.6b**



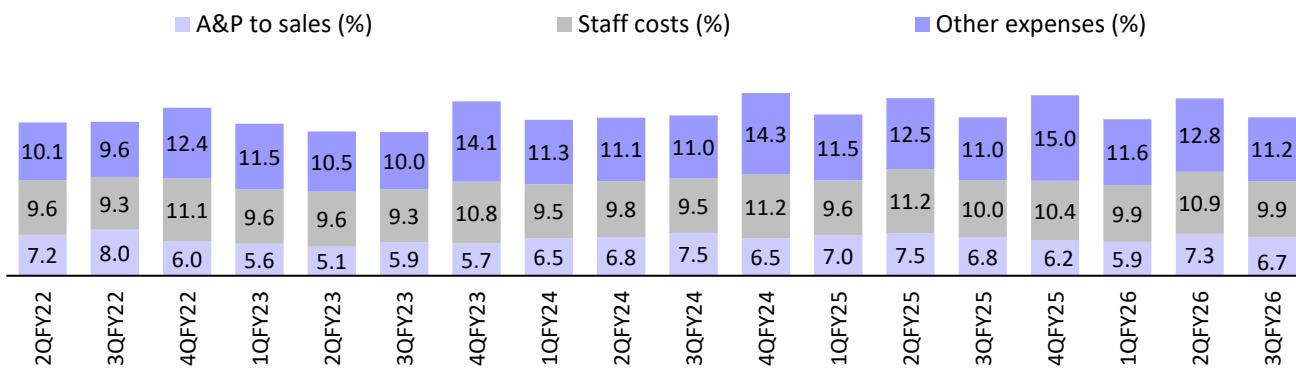
**Exhibit 4: Con. GP margin expanded 30bp YoY to 48.4%**



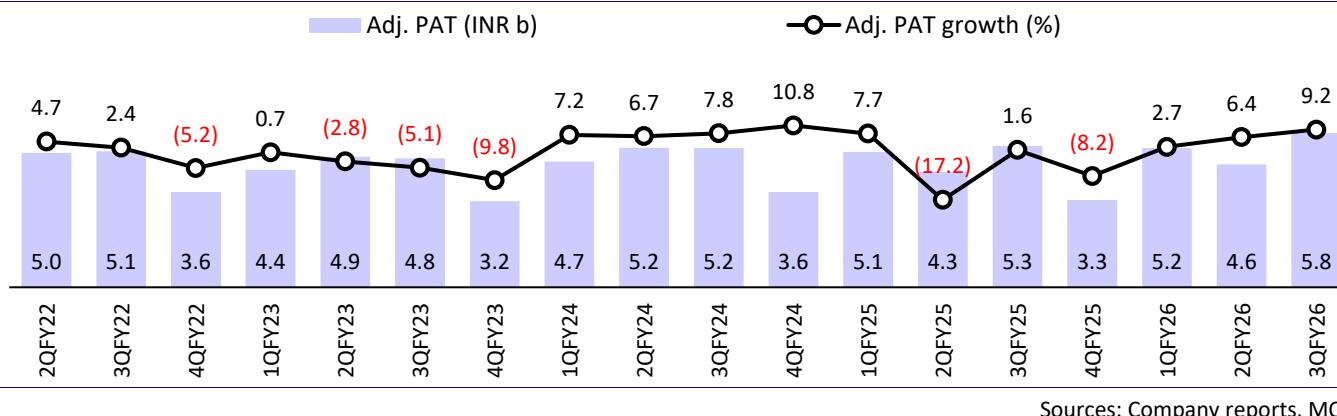
**Exhibit 5: EBITDA margin expanded 30bp YoY to 20.6%**



**Exhibit 6: Ad spends declined 10bp YoY to 6.7%, and staff costs declined 10bp YoY to 9.9%, while other expenses rose 20bp YoY to 11.2%**



**Exhibit 7: Consolidated adjusted PAT rose 9.2% YoY to INR5.8b**



Sources: Company reports, MOFSL

### Valuation and view

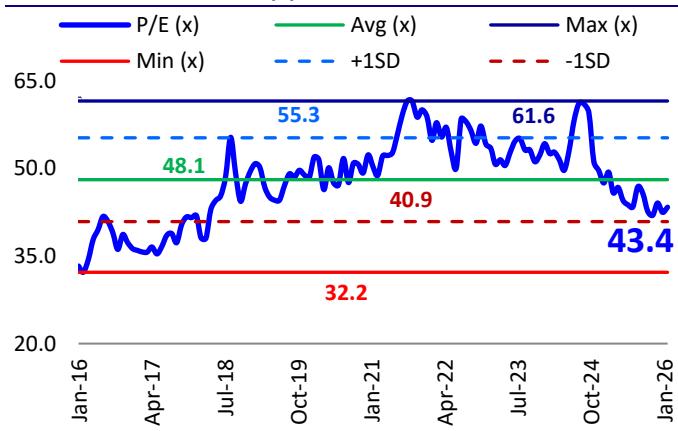
- We largely maintain our EPS estimates for FY26-FY28E.
- The company has been witnessing muted sales growth over the past two years. After delivering 1.3% growth in FY25, revenue growth improved modestly to 4% in 9MFY26. Management is guiding for high-single-digit growth in 4QFY26 with a gradual improvement in FY27.
- We remain positive on consumption recovery, supported by improving macros. However, DABUR's consistent weak execution despite macros turning positive is concerning, in our view. The stock has been in a similar range over the last five years. **We reiterate our Neutral rating on the stock with a TP of INR535 (based on 40x Dec'27E EPS).**

### Exhibit 8: We cut our EPS estimates by 1% for FY26 and ~1% for FY27 and FY28

	New			Old			% Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Net Sales	132.3	143.0	153.2	133.1	144.9	156.4	-0.6	-1.3	-2.1
EBITDA	24.9	27.6	30.0	25.0	27.7	30.3	-0.6	-0.3	-1.1
Adjusted PAT	19.1	21.6	23.5	19.2	21.6	23.7	-0.6	-0.3	-1.0

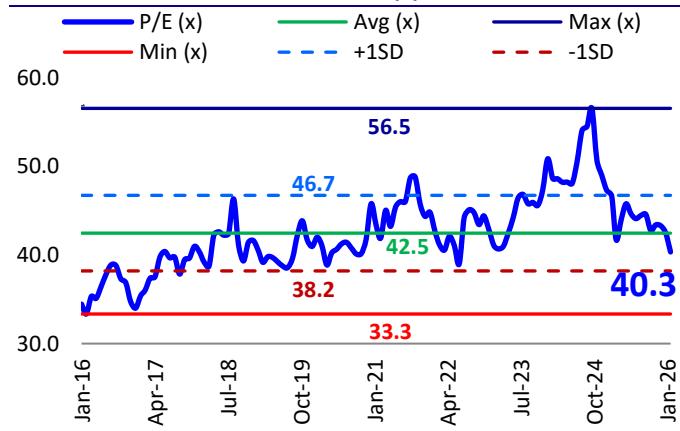
Source: MOFSL

### 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	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	(INR m) FY28E
<b>Net Sales</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>1,32,305</b>	<b>1,43,019</b>	<b>1,53,163</b>
Change (%)	2.0	10.2	13.9	5.9	7.5	1.3	5.3	8.1	7.1
<b>Gross Profit</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>63,506</b>	<b>69,364</b>	<b>74,743</b>
Margin (%)	50.0	50.1	48.2	45.7	48.0	48.0	48.0	48.5	48.8
Other Expenditure	25,510	27,700	29,952	30,971	35,568	37,119	38,633	41,762	44,724
<b>EBITDA</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>24,873</b>	<b>27,603</b>	<b>30,020</b>
Change (%)	3.0	12.9	11.7	-3.9	10.5	-3.5	7.4	11.0	8.8
Margin (%)	20.6	21.2	20.8	18.8	19.4	18.4	18.8	19.3	19.6
Depreciation	2,205	2,401	2,529	3,110	3,992	4,456	4,661	4,673	4,885
Int. and Fin. Charges	495	308	386	782	1,242	1,635	1,475	1,200	1,200
Other Income - Recurring	3,053	3,253	3,932	4,454	4,824	5,501	5,703	6,082	6,365
<b>Profit before Taxes</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>24,440</b>	<b>27,811</b>	<b>30,300</b>
Change (%)	1.6	13.7	13.7	-5.7	5.9	-4.3	8.3	13.8	8.9
Margin (%)	21.0	21.7	21.7	19.3	19.0	18.0	18.5	19.4	19.8
Tax	4,654	3,630	4,422	4,816	5,395	4,991	5,918	6,882	7,390
Deferred Tax	-1,857	-20	842	357	79	184	69	70	184
Tax Rate (%)	15.3	17.4	22.3	23.2	23.2	22.9	24.5	25.0	25.0
<b>Profit after Taxes</b>	<b>15,480</b>	<b>17,176</b>	<b>18,364</b>	<b>17,110</b>	<b>18,118</b>	<b>17,399</b>	<b>18,453</b>	<b>20,860</b>	<b>22,726</b>
Change (%)	1.8	11.0	6.9	-6.8	5.9	-4.0	6.1	13.0	8.9
Margin (%)	17.8	18.0	16.9	14.8	14.6	13.8	13.9	14.6	14.8
Minority Interest	25	17	31	-58	-314	-272	-330	-370	-416
<b>Adjusted PAT</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>19,110</b>	<b>21,555</b>	<b>23,467</b>
Exceptional Items	-1,000	0	-850	16	-5	0	0	0	0
<b>Reported PAT</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>18,780</b>	<b>21,225</b>	<b>23,137</b>

Balance Sheet									
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	(INR m) FY28E
Share Capital	1,767	1,767	1,768	1,772	1,772	1,772	1,774	1,774	1,774
Reserves	64,290	74,868	82,045	87,961	96,891	1,06,235	1,14,043	1,17,160	1,19,484
<b>Net Worth</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>1,15,816</b>	<b>1,18,934</b>	<b>1,21,257</b>
Minority Interest	365	367	406	4,682	4,368	4,096	4,426	4,796	5,212
Loans	4,718	4,847	10,072	11,434	11,581	7,301	7,101	6,901	6,701
<b>Capital Employed</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>1,27,343</b>	<b>1,30,631</b>	<b>1,33,170</b>
Gross Block	32,935	35,238	39,265	53,541	59,488	65,673	61,039	60,689	63,489
Less: Accum. Depn.	-13,768	-16,169	-18,698	-21,807	-25,799	-30,255	-34,917	-39,590	-44,475
<b>Net Fixed Assets</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>21,099</b>	<b>19,013</b>
Capital WIP	1,466	1,473	1,675	1,751	2,091	1,690	1,690	1,690	1,690
Goodwill	3,360	3,360	2,512	4,053	4,051	4,051	3,551	3,051	2,551
<b>Investments</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>41,325</b>	<b>42,199</b>	<b>35,983</b>	<b>37,854</b>	<b>42,079</b>	<b>46,026</b>	<b>55,925</b>	<b>65,090</b>	<b>70,436</b>
Inventory	13,796	17,343	19,114	20,242	19,470	23,001	21,859	23,316	24,707
Account Receivables	8,139	5,616	6,462	8,488	8,987	8,885	9,357	10,115	10,832
Cash and Bank Balance	8,114	12,710	5,387	4,703	6,664	5,780	15,685	21,916	24,375
Others	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>22,226</b>	<b>26,484</b>	<b>27,732</b>	<b>31,229</b>	<b>35,525</b>	<b>41,476</b>	<b>36,141</b>	<b>38,994</b>	<b>41,716</b>
Current Liabilities	19,475	23,126	23,884	28,446	32,343	38,157	32,618	35,260	37,761
Provisions	2,751	3,357	3,847	2,784	3,182	3,320	3,523	3,734	3,955
<b>Net Current Assets</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>19,784</b>	<b>26,096</b>	<b>28,720</b>
Deferred Tax Liability	46	747	-816	-889	-1,027	-1,417	-1,417	-1,417	-1,417
<b>Application of Funds</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>1,27,343</b>	<b>1,30,631</b>	<b>1,33,170</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Basic (INR)</b>									
EPS	<b>8.7</b>	<b>9.7</b>	<b>10.4</b>	<b>9.7</b>	<b>10.6</b>	<b>10.2</b>	<b>10.8</b>	<b>12.2</b>	<b>13.2</b>
Cash EPS	9.4	11.1	11.3	11.5	12.7	12.5	13.2	14.6	15.8
BV/Share	37.4	43.4	47.4	50.6	55.7	60.9	65.3	67.1	68.4
DPS	4.5	4.8	4.8	5.2	5.5	8.0	9.5	11.0	12.5
Payout %	51.5	48.9	45.8	53.7	52.0	78.7	88.2	90.5	94.5
<b>Valuation (x)</b>									
P/E	59.7	53.8	50.3	53.9	49.3	51.4	48.4	43.0	39.5
Cash P/E	55.4	47.2	46.1	45.6	41.3	41.8	39.5	35.8	33.0
EV/Sales	10.3	9.1	7.9	7.5	6.9	6.8	6.3	5.8	5.4
EV/EBITDA	49.7	43.1	38.3	40.0	35.9	36.8	33.8	30.1	27.5
P/BV	14.0	12.0	11.0	10.3	9.4	8.6	8.0	7.8	7.6
Dividend Yield (%)	0.9	0.9	0.9	1.0	1.1	1.5	1.8	2.1	2.4
<b>Return Ratios (%)</b>									
RoE	25.3	24.1	22.9	19.8	19.9	17.4	17.1	18.4	19.5
RoCE	23.9	22.8	21.2	17.7	17.3	15.9	15.9	16.9	17.9
RoIC	45.9	49.4	60.8	46.1	41.9	39.3	44.1	58.0	73.3
<b>Working Capital Ratios</b>									
Debtor (Days)	34	21	22	27	26	26	26	26	26
Asset Turnover (x)	1.2	1.2	1.2	1.1	1.1	1.1	1.0	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

### Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(loss) before Tax	17,276	20,787	22,778	22,187	23,587	22,579	24,440	27,811	30,300
Int./Div. Received	2,553	2	39	-1,038	-2,201	-566	330	370	416
Depreciation & Amort.	2,205	2,401	2,529	3,110	3,992	4,456	4,661	4,673	4,885
Interest Paid	-2,001	308	386	-2,829	-2,689	-2,447	1,475	1,200	1,200
Direct Taxes Paid	-3,089	-3,611	-5,264	-4,945	-4,939	-4,045	-5,987	-6,952	-7,574
(Incr)/Decr in WC	-580	7,979	141	-1,601	2,385	-110	-5,329	-81	-165
<b>CF from Oper.</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>19,590</b>	<b>27,022</b>	<b>29,062</b>
(Incr)/Decr in FA	-4,175	-2,311	-3,381	-4,857	-5,609	-5,695	5,134	850	-2,300
<b>Free Cash Flow</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>24,724</b>	<b>27,872</b>	<b>26,762</b>
(Pur)/Sale of Inv.	-84,788	-13,481	-20,618	-4,950	-7,978	-61,884	-2,500	-2,500	-2,500
Others	86,031	-878	1,515	4,591	7,025	60,882	-3	-5	-5
<b>CF from Invest.</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	1	-501	-1,006	4	0	0	1	0	0
(Incr)/Decr in Debt	-1,751	129	5,226	488	-472	-2,168	-200	-200	-200
Dividend Paid	-6,178	-5,921	-9,281	-9,213	-9,658	-9,748	-10,642	-17,737	-20,398
Others	-673	-308	-386	-1,631	-1,483	-2,138	-1,475	-1,200	-1,200
<b>CF from Fin. Act.</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>-12,316</b>	<b>-19,137</b>	<b>-21,798</b>
<b>Incr/Decr of Cash</b>	<b>4,832</b>	<b>4,596</b>	<b>-7,323</b>	<b>-684</b>	<b>1,961</b>	<b>-883</b>	<b>9,905</b>	<b>6,230</b>	<b>2,459</b>
Add: Opening Bal.	3,282	8,114	12,710	5,387	4,703	6,664	5,780	15,685	21,916
<b>Closing Balance</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>15,685</b>	<b>21,916</b>	<b>24,375</b>

E: MOSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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