

BSE SENSEX 71,948
S&P CNX 22,331



Stock Info

Bloomberg	MRCO IN
Equity Shares (m)	1298
M.Cap.(INRb)/(USDb)	955.4 / 10.1
52-Week Range (INR)	814 / 640
1, 6, 12 Rel. Per (%)	5/15/18
12M Avg Val (INR M)	1480
Free Float (%)	41.1

Financials Snapshot (INR b)

Y/E Mar	2026E	2027E	2028E
Sales	136.8	155.2	171.2
Sales Gr. (%)	26.3	13.5	10.3
EBITDA	23.5	29.1	32.7
Margins (%)	17.1	18.8	19.1
Adj. PAT	17.6	20.9	23.4
Adj. EPS (INR)	13.7	16.2	18.2
EPS Gr. (%)	10.3	18.3	12.4
BV/Sh.(INR)	32.0	34.6	38.3

Ratios

RoE (%)	43.5	48.5	49.8
RoCE (%)	39.2	43.7	45.0
Payout (%)	91.5	83.5	79.8

Valuations

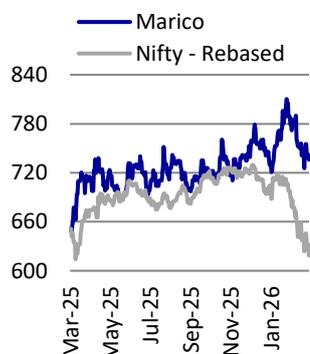
P/E (x)	53.9	45.5	40.5
P/BV (x)	23.0	21.2	19.2
EV/EBITDA (x)	39.9	31.9	28.2
Div. Yield (%)	1.7	1.8	2.0

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	58.9	58.9	59.1
DII	12.4	12.0	12.9
FII	24.2	24.5	23.4
Others	4.5	4.6	4.6

FII includes depository receipts

Stock's performance (one-year)



CMP: INR736

TP: INR900 (+22%)

Buy

Limited impact of geopolitical headwinds; low risk of an earnings cut

- The ongoing geopolitical challenges, if sustained, are expected to have huge bearings on cost inflation (more specifically on crude derivatives) across most of the FMCG companies. Besides raw material availability issues, a weak rupee is also expected to increase import costs for these companies. In this context, Marico appears relatively less affected by the overall RM volatility vs. its FMCG peers (refer to Exhibits 2 and 3). Copra accounts for ~50% of Marico's raw material basket, and it is currently witnessing a deflationary trend (with prices having corrected by 40% from their peak). Further, crude derivatives (including packaging) constitute 18-20% of total raw materials, resulting in a relatively lower impact than that faced by Marico's peers. After registering 130% inflation over the past two years, copra prices are expected to continue their deflationary trend. Consequently, Marico is among the few companies where operating margins are projected to expand in FY27. Management has guided a base case EBITDA margin expansion of 150-200bp in FY27, and we believe this guidance remains achievable in the current environment.
- Moreover, Marico has been one of the few FMCG companies successfully expanding its non-core businesses. The company is steadily shifting its focus toward foods and premium personal care (targeting a 20–25% CAGR), with digital brands (e.g., Beardo and Plix) scaling well and improving profitability. Management aims to increase the contribution from foods and digital-first brands to ~33% of domestic revenue (up from ~25% currently). Such initiatives will help the company navigate macro calamities.
- Marico has been one of the best-performing stocks among FMCG peers during the last two years, delivering a 50% return. We reiterate our BUY rating on the stock with a TP of INR900 (premised on 50x P/E on FY28).

Resilient demand trends; minimal impact of geopolitical uncertainties

- Marico continues to witness resilient demand trends. The India business has delivered high single-digit volume growth and ~30% value growth in 9MFY26, outperforming most FMCG peers. The international business (~25% of revenue) grew ~18% in 9MFY26, driven by broad-based performance across geographies. The impact of ongoing geopolitical uncertainties remains limited, given low exposure to MENA (less than 5% of revenue).
- The demand trends are largely stable in 4Q, with no material disruption from gas supply issues due to the ongoing geopolitical uncertainties. The GST rate reduction has supported consumption, and this benefit is likely to continue into FY27, aiding demand recovery. Management remains confident in delivering double-digit growth over the medium term.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

Research Analyst: Amey Tiwari (Amey.Tiwari@MotilalOswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

India's core business essential with strong market leadership

- **Parachute coconut oil:** The Parachute franchise witnessed muted volume performance (-1% 3Q and -2% in 9M) due to a spike in copra prices. However, the segment delivered strong value growth (+50% in 3Q and 45% in 9M), driven by price hikes and selective grammage reduction. This led to a significant divergence between value and volume growth, which is expected to normalize as copra prices correct. With copra prices correcting meaningfully (~40% from peak), the company is likely to implement price reductions, which should support a gradual recovery in volumes and consumption trends.
- **Saffola edible oil:** The segment reported a relatively subdued performance, with flat value growth and a marginal dip in 3Q volumes, reflecting the impact of prior price rises and a softer consumption environment. The segment continues to face demand sensitivity due to pricing volatility; however, the company is focusing on premium offerings and health-oriented positioning, which are expected to support the gradual recovery. The performance is also hit by competitive intensity and consumer downtrading in certain segments.
- **Value-added hair oil (VAHO):** It has delivered the healthy revenue growth (29% YoY in 3Q) and gained ~170bp market share. Growth is led by premiumization, rural expansion under Project SETU, and improved distribution reach, with the segment likely to sustain double-digit growth over the medium term.

Evolving from a legacy FMCG to a digital and premium portfolio

- Marico is steadily transitioning from a traditional FMCG player toward a more digital-first and premium-focused consumer company. The portfolio is gradually shifting away from core categories such as coconut oil and edible oils toward higher-growth segments, including value-added foods, premium personal care, and digital-first brands. This transformation is aided by targeted acquisitions, strong operational discipline, synergy-led scale benefits, and prudent capital allocation within a scalable operating framework. Going forward, the company aims to deliver double-digit growth, driven by steady expansion in the core portfolio and faster, strong double-digit growth in its digital-first businesses.
- The company is steadily shifting its focus toward foods and premium personal care (targeting a 20–25% CAGR), with digital brands (e.g., Beardo and Plix) scaling well and improving profitability. Management aims to increase the contribution from foods and digital-first brands to ~33% of domestic revenue (up from ~25% currently).
- Marico is strengthening its portfolio through inorganic growth (refer to Exhibit 9). Recent acquisitions (4700BC, Cosmix, and Candid) are expected to contribute ~5% to FY30 revenues. Distribution expansion through Project SETU and rising traction in quick commerce are additional growth levers.

Food segment: Building a scalable high-growth engine

- Marico continues to build its food portfolio (refer to Exhibit 6) as a key long-term growth engine, with a focus on premium snacking, health & wellness, and modern breakfast categories. The segment reported moderate growth (5% in 3QFY26), impacted by ongoing portfolio rationalization and exit from low-margin SKUs, aimed at improving the quality of growth.
- Despite near-term moderation, the company aspires to deliver a 20-25% CAGR in the foods segment. The segment has surpassed the revenue of INR9b in FY25 (5x that of FY20) and is expected to scale to ~9x FY20 levels by FY27 and ~15x by FY30 (refer to Exhibit 8). The growth is supported by strong traction in core brands such as True Elements, Saffola Oats, and Saffola Soya. In addition, recent acquisitions such as 4700BC (ARR of ~INR1.4b) and Cosmix (ARR of ~INR1b) are expected to scale 3.0–3.5x by FY30, further strengthening the portfolio.
- Operational improvements, including supply chain efficiencies and GTM refinements, have led to ~1,000bp gross margin expansion over the last two years, with further gradual improvement expected. While the company has a strong presence in modern trade and e-commerce, expanding general trade penetration remains a key growth lever.

Digital & D2C portfolio: Strong growth momentum

- Marico has built a strong portfolio of digital-first and D2C brands, including Beardo, Plix, Just Herbs, and True Elements (refer to Exhibit 7). The company is focusing on high-growth categories such as male grooming, plant-based skincare, Ayurveda, and dermatology-led products. Growth is driven by strong consumer engagement, high repeat purchases, and increasing traction in e-commerce and quick commerce channels. In FY26, the premium personal care portfolio is expected to exit at an ARR of ~INR3.5b, while digital-first brands are likely to surpass an ARR of INR10b.
- Key brands have delivered robust growth over the last few years. Beardo has scaled ~5x over FY21-26 (~INR3.5b in FY26E). Plix has also witnessed strong momentum, with revenue scaling ~6x since FY24 (INR9b in FY26E). The recently acquired Candid brand (ARR of INR1b) is anticipated to scale ~3x over FY25-30. The digital-first personal care (PPC) segment is on track to deliver double-digit EBITDA margins by FY27, with a gradual improvement to mid-teen levels over the medium term.

International business driving growth; diversification reducing risk

- Marico's international business reported strong growth of ~18% in INR terms during 9MFY26, driven by broad-based performance across key markets. The segment is expected to remain a key growth driver, supported by a gradual shift towards premium personal care and digital-first portfolios in core regions such as Vietnam, Bangladesh, and the Middle East.
- Marico is also focusing on reducing concentration risk through geographical and category diversification, while scaling up higher-margin segments within the portfolio. The increasing contribution from premium products and organized trade channels is likely to support margin improvement over the medium term. Despite ongoing geopolitical uncertainties, the overall impact on Marico remains limited, given its relatively low exposure to the MENA region.

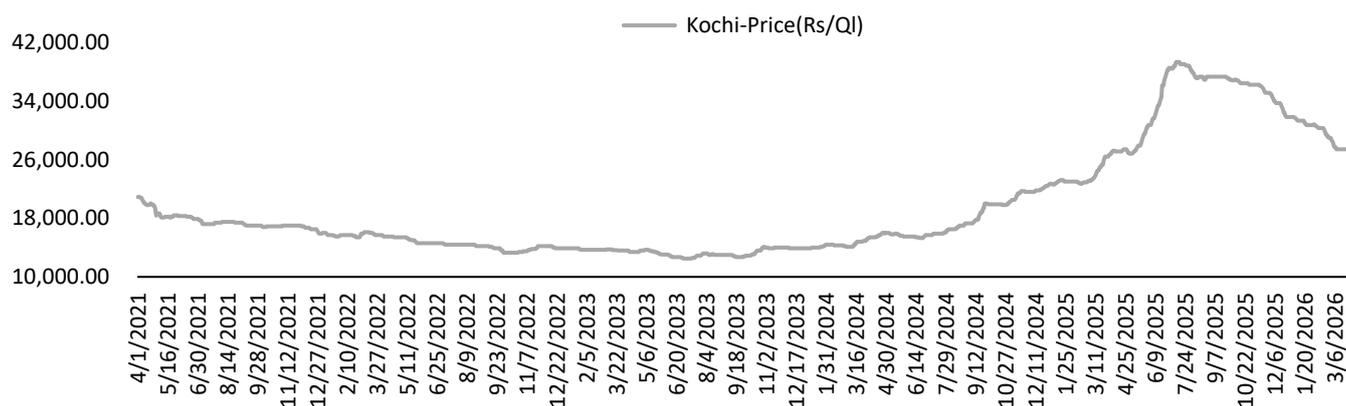
EBITDA margin outlook improving

- Marico’s EBITDA margin dipped ~300bp YoY in 9MFY26 mainly due to a spike in copra prices, while the company did not fully pass on the cost increase through price hikes. Going forward, management expects margins to improve 150-200bp in FY27, supported by easing copra prices (which have declined ~40% from their peak), a higher share of premium and value-added products, and operating leverage from scaling newer businesses.
- However, while some pressure may persist due to inflation in select raw materials amid ongoing geopolitical uncertainties, Marico remains relatively less impacted by overall RM volatility compared to other FMCG peers (refer to Exhibits 2 and 3). This is primarily because ~50% of its raw material basket is copra, which is currently witnessing a deflationary trend. We model an EBITDA margin of 18.8% in FY27 and 19.1% in FY28 (vs. 17.1% in FY26E).

Valuation and view

- The company is on track to deliver ~25% consolidated revenue growth in FY26, driven by pricing, expanded direct reach, and strong momentum across core categories as well as newer growth engines, such as foods and premium personal care.
- To improve its distribution reach, Marico has also started Project SETU, which helps drive growth in GT through a transformative expansion of its direct reach.
- This project is designed to drive growth by deepening market penetration and strengthening Marico’s presence across India. With these strategic initiatives in place, the company is focused on ensuring long-term profitability and further diversifying its business portfolio.
- We model a 12%/18%/16% revenue/EBITDA/APAT CAGR during FY26-28E. **We reiterate our BUY rating with a TP of INR900 (based on 50x Mar’28E EPS).**

Exhibit 1: Coconut oil prices declined 40% from their peak



Source: Coconut board, MOFSL

Exhibit 2: FMCG peers – RM mix (%)

Companies (India)	Key RM						% of Total RM		% of Total Revenue	
	Packaging	Other Crude deriv.	Palm Oil	Copra	Veg Oil	Others	Crude Driven	Others	Crude Driven	Others
Dabur	27	8	15	5	0	45	35	65	18	34
Marico	10	10	0	50	25	5	20	80	11	45
HUL	10	18	20	0	0	52	28	72	14	35
Nestle	14	0	10	0	0	76	14	86	6	38
Britannia	14	0	25	0	0	61	14	86	8	49
Colgate	20	0	0	0	0	80	20	80	6	24
Emami	18	12	0	0	0	70	30	70	9	21
Jyothy	20	35	5	0	0	40	55	45	29	24
Godrej Consumer	15	0	25	0	0	60	15	85	7	40
Zyduz Wellness	10	0	0	0	0	90	10	90	4	33

Source: MOFSL est., Company

Exhibit 3: FMCG companies' sensitivity to RM inflation and required price hikes; (%)

Companies RM sensitivity	YoY RM inflation @Crude rate (1HFY25 rate 68.5)					Price hike requirement				
Crude rate (USD)	85	90	95	100	105	85	90	95	100	105
YoY inflation (%)	24	31	39	46	53	24	31	39	46	53
General inflation (%)	5.0	6.0	6.5	7.0	8.0	5.0	6.0	6.5	7.0	8.0
Dabur	10	13	16	19	22	5	7	8	10	11
Marico	1	2	4	5	7	0	1	2	3	4
HUL	9	12	14	17	19	5	6	7	8	9
Nestle	7	9	10	12	14	3	4	5	5	6
Britannia	6	8	9	11	12	4	5	5	6	7
Colgate	9	11	13	15	17	3	3	4	4	5
Emami	11	14	16	19	22	3	4	5	5	6
Jyothy	15	20	24	28	33	8	11	13	15	17
Godrej Consumer	7	8	10	11	13	3	4	5	5	6
Zyduz Wellness	7	9	10	11	13	3	3	4	4	5
Average	8	11	13	15	17	4	5	6	7	8

Assuming flat YoY palm oil prices, ~10% YoY deflation in copra, and ~2% YoY inflation in vegetable oils. Source: MOFSL est., Company

Exhibit 4: Marico's domestic business revenue mix

Domestic revenue mix (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Parachute Coconut (Rigid pack)	39	39	38	36	34	34	34	40	41	39
VAHO	26	25	22	22	22	23	19	17	16	15
Saffola Oil	17	19	22	25	25	20	20	19	17	16
Foods and D2C	6	7	8	10	13	19	24	23	25	28
Others	12	10	10	7	6	3	2	2	2	2
Total	100									

Source: MOFSL, Company

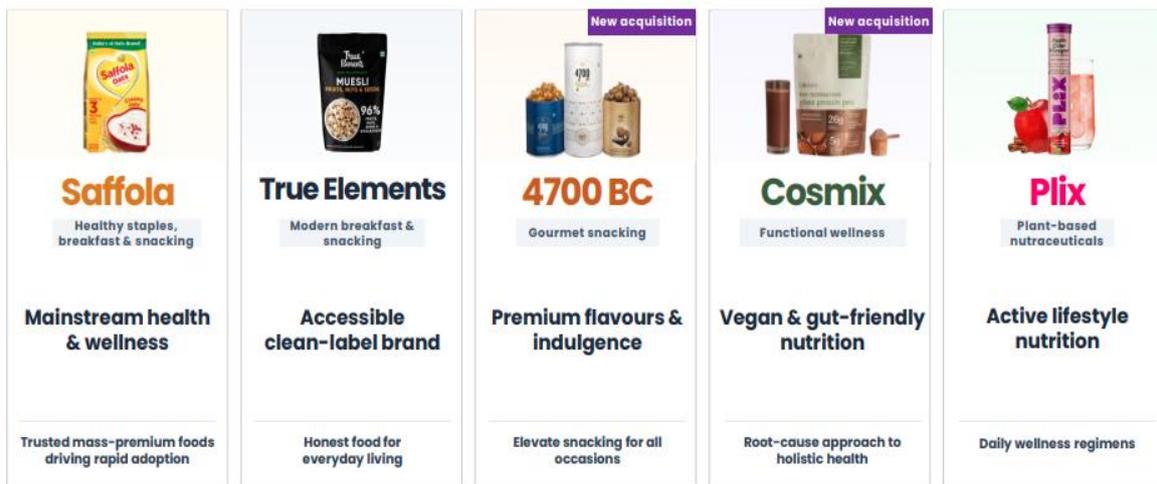
Exhibit 5: Marico's volume and value growth trajectory

Volume growth (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	4QFY25	1QFY26	2QFY26	3QFY26
India FMCG business	8	1	9	7	2	3	6	7	9	7	8
Parachute Coconut (Rigid pack)	8	0	6	5	2	3	2	-1	-1	-3	-1
VAHO	7	-2	0	14	2	1	1	6	5	8	21
Saffola Oil	8	9	17	11	-1	8	2	-1	5	0	-1

Revenue growth (%)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	4QFY25	1QFY26	2QFY26	3QFY26
India FMCG business	16	-2	9	18	0	-3	14	23	27	35	28
Parachute Coconut (Rigid pack)	24	-2	7	13	-6	-1	13	22	31	59	50
VAHO	12	-6	-2	14	4	-1	-4	1	13	16	29
Saffola Oil	9	12	25	34	-3	-19	12	26	28	19	0
Foods	32	31	47	52	34	6	26	7	20	12	5
International (INR)	16	5	12	17	11	4	8	11	12	19	24

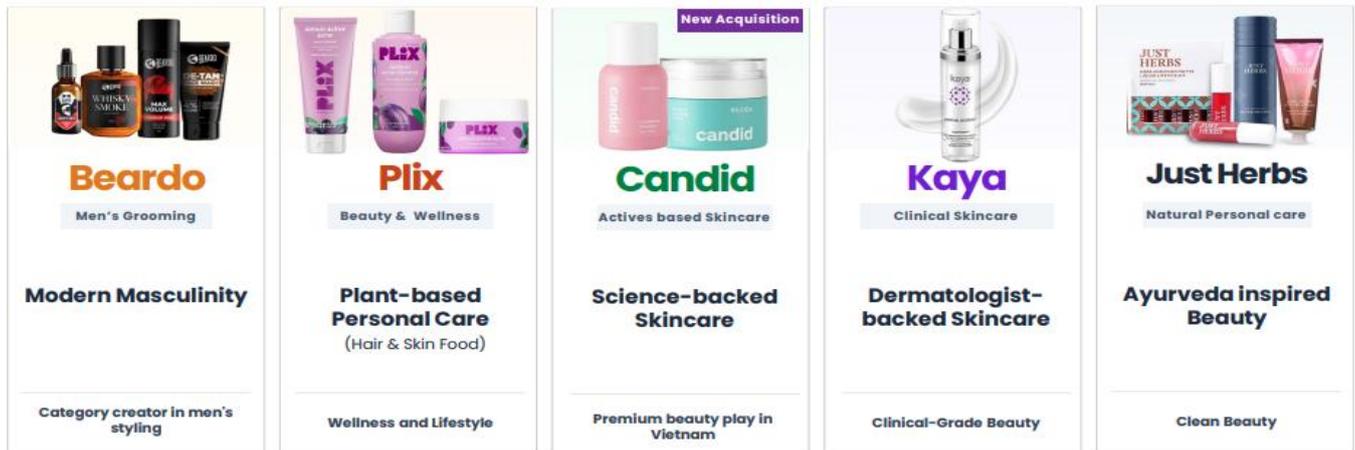
Source: MOFSL, Company

Exhibit 6: Marico – foods portfolio



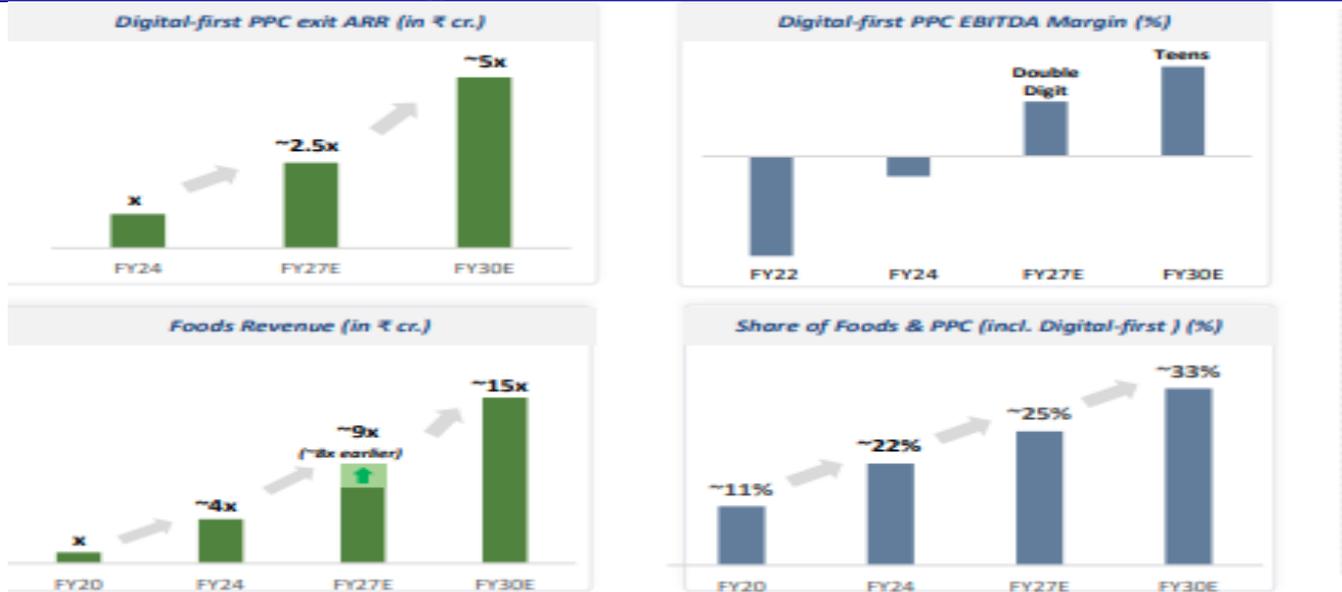
Source: MOFSL, Company PPT

Exhibit 7: Marico – personal care portfolio



Source: MOFSL, Company PPT

Exhibit 8: Marico – diversification strategy



Source: MOFSL, Company PPT

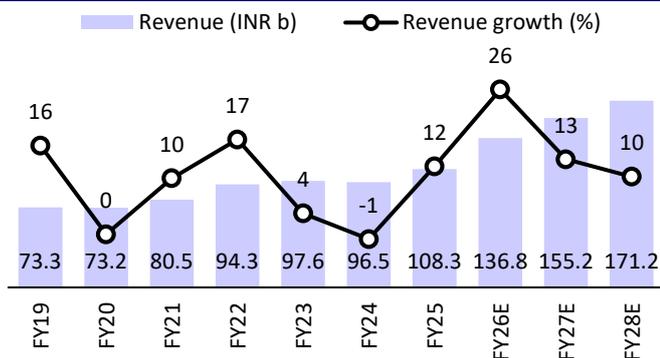
Exhibit 9: Key acquisitions of Marico

Year	Name of company	Stake	Previous Owner	Category	Consideration	Target's turnover (In mn)	Rationale
FY12	Set Wet	100%	Paras Personal Care (Owned by Reckitt Benckiser)	BPC	NA	FY12 - 1,500 mn	❖ Strengthens Marico's presence in the male grooming/styling category with a mass-premium positioning. Enhances play in youth-centric urban segments with strong brand recall.
FY17	Isoplus	100%	JM Products SA Pty. Limited & Ms. Mary Harris	BPC	INR 360mn	FY16 - 300 mn	❖ Provides entry into the ethnic haircare segment (Black hair products) in international markets. Helps diversify portfolio and strengthen presence in niche global categories.
FY17	Beardo	45%	Zed lifestyles Pvt. Ltd.	BPC	INR 0.2bn	NA	❖ Builds a strong foothold in premium men's grooming and beard care. Enables rapid scale-up in D2C-led grooming with strong digital traction and brand loyalty.
FY20	Beardo	55%	Zed lifestyles Pvt. Ltd.	BPC	INR 1.3 bn	FY20 - 785 mn	❖ Builds a strong foothold in premium men's grooming and beard care. Enables rapid scale-up in D2C-led grooming with strong digital traction and brand loyalty.
FY21	Just Herbals	60%	Apcos Naturals Private Limited ("Apcos Naturals")	BPC	NA	FY21 - 175mn	❖ Expands into ayurvedic and clean beauty skincare, aligned with natural product trends. Strengthens premium personal care portfolio with high-margin offerings.
FY24	Just Herbals	40%	Apcos Naturals Private Limited ("Apcos Naturals")	BPC	INR 0.7 bn	FY24 -960 mn	❖ Expands into ayurvedic and clean beauty skincare, aligned with natural product trends. Strengthens premium personal care portfolio with high-margin offerings.
FY22	True elements	54%	HW Wellness Solutions Private Limited ("HW Wellness")	Packaged Foods	INR 0.2 bn	FY22 - 543mn	❖ Establishes presence in health foods and clean-label breakfast/snacking. Aligns with rising health-conscious consumption and supports foods premiumisation strategy.
FY25	True elements	46%	HW Wellness Solutions Private Limited ("HW Wellness")	Packaged Foods	INR 1.4 bn	FY25 -1,644 mn	❖ Establishes presence in health foods and clean-label breakfast/snacking. Aligns with rising health-conscious consumption and supports foods premiumisation strategy.
FY22	Purità de Pròvence, Ôliv	100%	Beauty X Joint Stock Company ("BeautyX")	BPC	INR 1.7 bn	CY21 - 820mn	❖ Enhances presence in premium skincare and international personal care segments. Supports portfolio premiumisation and brand diversification in global markets.
FY23	Plix	58%	Satiya Nutraceuticals Private Limited ("Satiya Nutraceuticals")	Health & Wellness	INR 3.7bn	FY23 -1,064 mn	❖ Enters fast-growing plant-based nutrition and wellness space. Leverages D2C and digital channels to tap into health, fitness, and lifestyle-driven consumption.
FY26	4700BC	93%	Zea Maize Private Limited ("Zea Maize")	Packaged Foods	INR 2.3bn	FY25 - 987 mn	❖ Strengthens play in premium snacking (ready-to-eat popcorn) category. Adds a scalable, youth-focused brand in the high-growth foods segment.
FY26	Cosmix	60%	Cosmix Wellness Private Limited ("Cosmix Wellness")	Health & Wellness	INR 2.3bn	FY25 - 509 mn	❖ Expands into clean-label, plant-based health supplements. Complements Plix and strengthens positioning in holistic wellness and nutrition.
FY26	Candid, Murad	75%	Skinetiq Joint Stock Company ("Skintetiq")	BPC	INR 2.6bn	CY25 - 1,520 mn	❖ Candid - Provides entry into dermatology-led skincare, a high-growth premium segment. Enhances credibility in science-backed personal care offerings. Murad - Adds a globally recognized premium clinical skincare brand. Strengthens presence in high-end skincare with strong margins and brand equity.

Source: MOFSL, Company

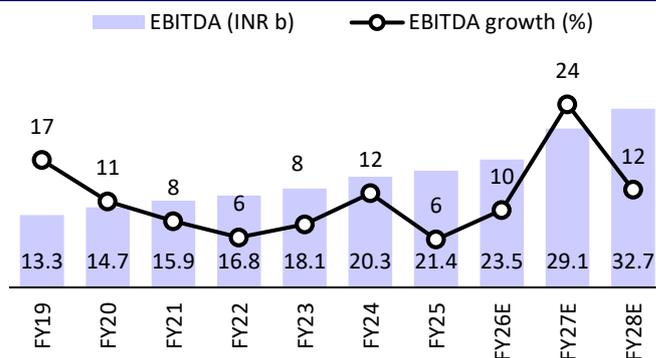
Story in charts

Exhibit 10: Revenue to clock a 12% CAGR over FY26-28E...



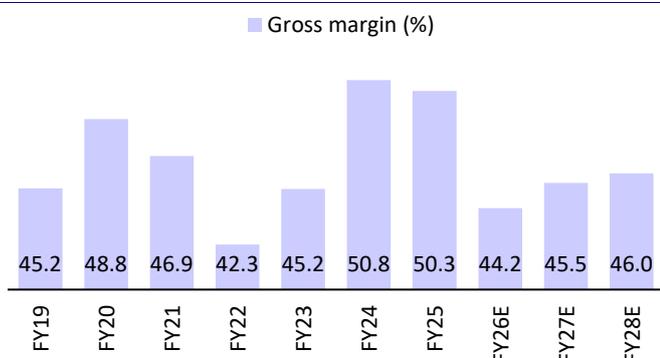
Source: MOFSL, Company

Exhibit 11: ...with EBITDA rising 18% over the same period



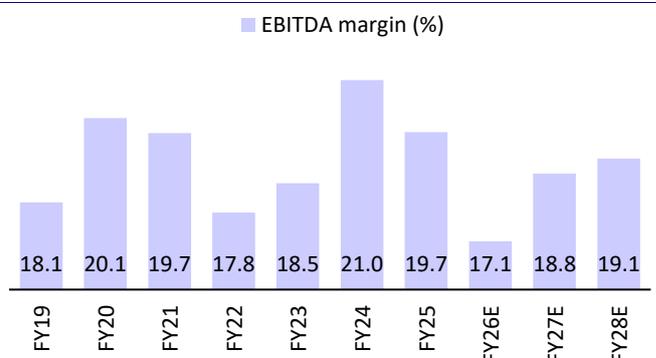
Source: MOFSL, Company

Exhibit 12: Gross margin likely to expand...



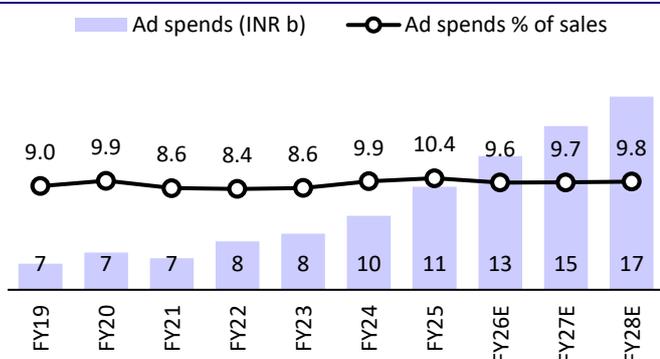
Source: MOFSL, Company

Exhibit 13: ...leading to an EBITDA margin expansion



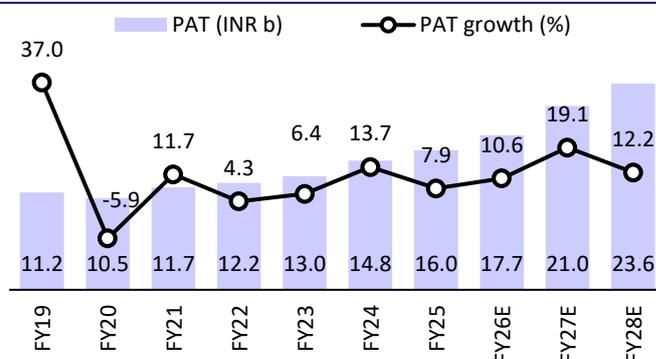
Source: MOFSL, Company

Exhibit 14: A&P spending to remain steady at ~10% of sales



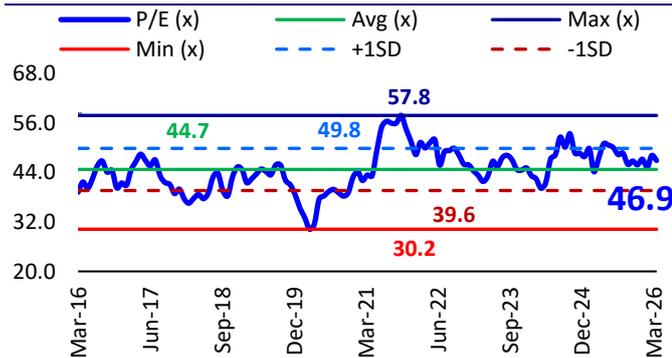
Source: MOFSL, Company

Exhibit 15: PAT to post ~16% CAGR over FY26-28E



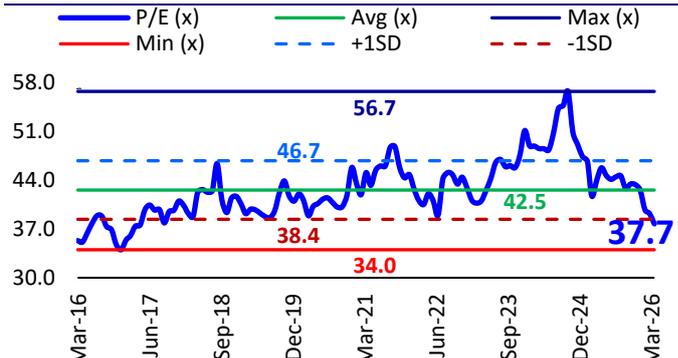
Source: MOFSL, Company

Exhibit 16: Marico's P/E (x)



Source: Company, MOFSL

Exhibit 17: Consumer sector's P/E (x) (ex-ITC)



Source: Company, MOFSL

Financials and valuations

Income Statement								(INR m)		
Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net Sales	73,336	73,150	80,480	94,266	97,640	96,530	1,08,310	1,36,759	1,55,212	1,71,205
Change (%)	16.0	-0.3	10.0	17.1	3.6	-1.1	12.2	26.3	13.5	10.3
COGS	40,170	37,450	42,740	54,360	53,510	47,480	53,880	76,311	84,591	92,451
Gross Profit	33,166	35,700	37,740	39,906	44,130	49,050	54,430	60,447	70,622	78,754
Margin (%)	45.2	48.8	46.9	42.3	45.2	50.8	50.3	44.2	45.5	46.0
Operating Expenses	19,910	21,010	21,860	23,096	26,030	28,790	33,040	36,994	41,498	46,016
EBITDA	13,256	14,690	15,880	16,810	18,100	20,260	21,390	23,453	29,123	32,739
Change (%)	16.5	10.8	8.1	5.9	7.7	11.9	5.6	9.6	24.2	12.4
Margin (%)	18.1	20.1	19.7	17.8	18.5	21.0	19.7	17.1	18.8	19.1
Depreciation	1,310	1,400	1,390	1,390	1,550	1,580	1,780	2,029	2,442	2,597
Int. and Fin. Charges	400	500	340	390	560	730	530	477	501	526
Other Income - Recurring	1,030	1,240	1,131	958	1,440	1,420	1,660	1,879	1,715	2,045
Profit before Taxes	12,576	14,030	15,281	15,988	17,430	19,370	20,740	22,827	27,895	31,661
Change (%)	12.6	11.6	8.9	4.6	9.0	11.1	7.1	10.1	22.2	13.5
Margin (%)	17.1	19.2	19.0	17.0	17.9	20.1	19.1	16.7	18.0	18.5
Current Tax (excl MAT Ent)	1,430	3,470	3,240	3,460	4,210	4,350	4,580	4,763	6,695	7,915
Deferred Tax	-170	-160	0	0	0	0	0	0	0	0
Tax Rate (%)	10.0	23.6	21.2	21.6	24.2	22.5	22.1	20.9	24.0	25.0
Minority Interest	-160	-220	-310	-290	-200	-210	-290	-377	-339	-305
Profit after Taxes	11,156	10,500	11,731	12,238	13,020	14,810	15,975	17,627	20,861	23,440
Change (%)	37.0	-5.9	11.7	4.3	6.4	13.7	7.9	10.3	18.3	12.4
Margin (%)	15.2	14.4	14.6	13.0	13.3	15.3	14.7	12.9	13.4	13.7
Extraordinary items	1,871	-154	231	-22	0	0	315	0	0	0
Reported PAT	13,027	10,346	11,962	12,216	13,020	14,810	16,290	17,627	20,861	23,440

Balance Sheet								(INR m)		
Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290
Reserves	28,460	28,940	31,110	31,890	36,700	37,030	38,460	39,962	43,407	48,142
Net Worth	29,750	30,230	32,400	33,180	37,990	38,320	39,750	41,252	44,697	49,432
Minority Interest	120	130	180	570	1,570	3,370	2,910	3,287	3,626	3,932
Loans	3,490	3,350	3,480	3,450	4,750	3,830	3,790	3,050	2,850	2,650
Capital Employed	33,360	33,710	36,060	37,200	44,310	45,520	46,450	47,589	51,174	56,014
Gross Fixed Assets	11,180	12,650	15,450	17,910	22,240	28,590	30,770	39,020	41,020	43,020
Less: Accum. Depn.	-3,210	-4,070	-5,460	-6,850	-8,400	-9,980	-11,760	-13,789	-16,231	-18,828
Net Fixed Assets	7,970	8,580	9,990	11,060	13,840	18,610	19,010	25,231	24,789	24,192
Capital WIP	450	580	240	390	670	440	400	400	400	400
Goodwill	5,030	5,380	6,130	6,540	8,620	8,630	8,570	8,570	8,570	8,570
Investments	4,500	7,330	8,540	8,280	10,960	6,020	15,900	10,900	10,900	10,900
Current	3,910	6,280	6,280	6,410	5,780	2,590	13,750	8,750	8,750	8,750
Non-current	590	1,050	2,260	1,870	5,180	3,430	2,150	2,150	2,150	2,150
Deferred Charges	0	0	0	0	0	0	0	0	0	0
Curr. Assets, L&A	29,120	26,560	28,340	29,420	33,910	39,830	38,930	33,066	41,004	49,922
Inventory	14,110	13,800	11,280	14,009	12,250	13,360	12,350	13,416	15,103	16,621
Account Receivables	5,170	5,390	3,880	6,520	10,150	10,690	12,710	8,616	9,778	10,786
Cash and Bank Balance	5,520	2,790	9,250	5,391	7,560	9,430	7,770	6,399	11,467	17,839
Others	4,320	4,580	3,930	3,500	3,950	6,350	6,100	4,634	4,656	4,675
Curr. Liab. and Prov.	15,600	16,250	18,200	19,270	23,370	25,900	34,450	28,668	32,579	36,060
Current Liabilities	3,880	4,240	5,190	4,430	7,260	8,780	19,090	20,999	23,099	25,409
Accounts Payable	9,440	9,780	11,340	13,440	14,520	15,810	13,630	5,669	7,168	7,976
Provisions	2,280	2,230	1,670	1,400	1,590	1,310	1,730	2,000	2,313	2,675
Net Current Assets	13,520	10,310	10,140	10,150	10,540	13,930	4,480	4,398	8,425	13,862
Deferred Tax Liability	1,890	1,530	1,020	780	-320	-2,110	-1,910	-1,910	-1,910	-1,910
Application of Funds	33,360	33,710	36,060	37,200	44,310	45,520	46,450	47,589	51,174	56,014

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Basic (INR)										
EPS	8.6	8.1	9.1	9.5	10.1	11.5	12.4	13.7	16.2	18.2
Cash EPS	8.2	9.1	10.1	10.6	11.3	12.7	13.8	15.2	18.1	20.2
BV/Share	23.1	23.4	25.1	25.7	29.4	29.7	30.8	32.0	34.6	38.3
DPS	5.0	6.8	7.5	9.3	9.5	10.5	11.5	12.5	13.5	14.5
Payout %	49.5	84.2	80.9	97.7	94.1	91.5	91.1	91.5	83.5	79.8
Valuation (x)										
P/E	85.1	90.4	80.9	77.6	72.9	64.1	59.4	53.9	45.5	40.5
Cash P/E	89.6	80.7	73.0	69.6	65.2	57.9	53.5	48.3	40.7	36.5
EV/Sales	12.9	12.9	11.6	10.0	9.6	9.7	8.6	6.8	6.0	5.4
EV/EBITDA	71.1	64.2	58.9	55.9	51.7	46.3	43.5	39.9	31.9	28.2
P/BV	31.9	31.4	29.3	28.6	25.0	24.8	23.9	23.0	21.2	19.2
Dividend Yield (%)	0.7	0.9	1.0	1.3	1.3	1.4	1.6	1.7	1.8	2.0
Return Ratios (%)										
RoE	40.4	35.0	37.5	37.3	36.6	38.8	40.9	43.5	48.5	49.8
RoCE	37.7	33.1	35.3	35.0	33.5	34.7	36.0	39.2	43.7	45.0
RoIC	49.0	44.2	55.6	58.7	52.0	52.9	58.8	64.9	69.6	81.8
Working Capital Ratios										
Debtor (Days)	26	27	18	25	38	40	43	23	23	23
Asset Turnover (x)	2.2	2.2	2.2	2.5	2.2	2.1	2.3	2.9	3.0	3.1
Leverage Ratio										
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	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
(INR m)										
OP/(loss) before Tax	12,570	13,740	15,401	15,988	17,430	19,370	21,160	22,767	27,895	31,661
Others	-460	-100	-231	22	-580	-1,000	-1,300	0	0	0
Depreciation	1,310	1,500	1,390	1,390	1,550	1,580	1,780	2,029	2,442	2,597
Interest Paid	-140	-220	340	390	70	-40	-240	477	501	526
Direct Taxes Paid	-3,200	-2,900	-3,240	-3,460	-3,690	-3,780	-4,840	-4,763	-6,695	-7,915
(Incr)/Decr in WC	210	330	7,230	-3,728	-590	-2,260	-2,930	-1,501	788	642
CF from Operations	10,290	12,350	20,890	10,602	14,190	13,870	13,630	19,009	24,931	27,511
(Incr)/Decr in FA	-1,430	-1,860	-3,210	-3,020	-1,570	-1,350	-1,220	-8,250	-2,000	-2,000
Free Cash Flow	8,860	10,490	17,680	7,582	12,620	12,520	12,410	10,759	22,931	25,511
(Pur)/Sale of Investments	1,030	-1,890	0	-130	-7,560	2,450	-5,690	5,000	0	0
Others	609	130	-1,380	870	2,709	2,320	-1,890	-16	-10	-9
CF from Invest.	209	-3,620	-4,590	-2,280	-6,421	3,420	-8,800	-3,266	-2,010	-2,009
Issue of Shares	0	0	225	453	90	340	460	0	0	0
(Incr)/Decr in Debt	-50	-690	130	-30	1,280	-910	-50	-740	-200	-200
Dividend Paid	-6,820	-10,250	-9,675	-11,933	-6,070	-12,290	-4,530	-16,125	-17,415	-18,705
Others	-110	-520	-520	-670	-900	-2,560	-2,370	-249	-239	-224
CF from Fin. Activity	-6,980	-11,460	-9,840	-12,180	-5,600	-15,420	-6,490	-17,114	-17,854	-19,129
Incr/Decr of Cash	3,519	-2,730	6,460	-3,858	2,169	1,870	-1,660	-1,371	5,067	6,372
Add: Opening Balance	2,001	5,520	2,790	9,250	5,391	7,560	9,430	7,770	6,399	11,467
Closing Balance	5,520	2,790	9,250	5,391	7,560	9,430	7,770	6,399	11,467	17,839

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishView/Litigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report:No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
 - actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
 - received compensation/other benefits from the subject company in the past 12 months
 - any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
 - acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
 - be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
 - received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
 - Served subject company as its clients during twelve months preceding the date of distribution of the research report.
- The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report
 Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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 dpgrievances@motilaloswal.com.