3 September 2026

Company Update | Sector: Consumer

Godrej Consumer

BSE SENSEX	S&P CNX
76,750	23,914

CMP: INR903 **TP: INR1,150 (+27%)** **Buy**

FY27 guidance intact; all eyes on execution

- Godrej Consumer Products (GCPL) held a business update call, where new CEO Mr. Aasif Malbari outlined the company's roadmap for its next phase of growth. Management acknowledged that while GCPL has strengthened its financials, simplified operations, and laid the foundation for portfolio transformation, its growth achievements remained below aspirations. The strategy, therefore, is focused on reviving the core through sharper innovation and execution, accelerating portfolio transformation across India and international markets, rebuilding profitability, and investing ahead in R&D, GTM, and digital capabilities. Importantly, management reiterated its FY27 growth guidance despite a planned correction in India channel inventory. GCPL outlined a mid-term ambition of mid-teens revenue and profit growth, with sustained profit growth being the key measure of becoming a structural outperformer.
- Growth performance over the past five years has been below aspirations. Organic UVG stood at ~4% for both India and the consolidated business, with organic sales growth of ~7%/6% and EBITDA growth of ~6%. The key structural weakness has been flattish revenue growth in core categories alongside profitability pressure. Management, however, believes GCPL is materially stronger today, with a simplified operating structure, stronger balance sheet and capital allocation framework, and multiple growth pilots in place. Hence, there is no change in strategic direction; the focus is now on execution. GCPL will retain its broad strategy while increasing resources to areas where it has a clear right to win, with execution driven through granular country-, category- and market-level action plans.
- FY27 guidance retained despite near-term investment and channel headwinds: GCPL has maintained its guidance of high-single-digit standalone UVG and double-digit consolidated revenue and EBITDA growth. Near-term profitability will likely absorb the India channel inventory correction of ~INR1.25-1.5b over the next three quarters, along with front-loaded investments of ~INR2b over the next 12 months across R&D, GTM, and digital capabilities.
- GCPL has guided for mid-teens consolidated revenue and PAT growth in the medium term. While its guidance is encouraging, consistency in performance and achievements of initial milestones will be critical for the stock. The core portfolio remains under-indexed, while the new growth businesses offer significant scaling-up potential. We model a 13%/14% revenue/EBITDA CAGR over FY26-29E. We remain constructive on GCPL and reiterate BUY with a TP of INR1,150, based on 35x Sep'28E EPS.

FY27 guidance intact; mid-teens PAT growth in medium term

GCPL maintained its FY27 guidance of high-single-digit standalone volume growth and double-digit consolidated revenue (18% in 1QFY27) and EBITDA growth (15% in 1QFY27). Management stated that the emphasis is on better execution of the existing strategy, faster scaling of successful products, and fixing underperforming businesses rather than a strategic reset.

Stock Info

Bloomberg	GCPL IN
Equity Shares (m)	1023
M.Cap.(INRb)/(USDb)	926.1 / 9.8
52-Week Range (INR)	1309 / 891
1, 6, 12 Rel. Per (%)	-14/-19/-27
12M Avg Val (INR M)	1700
Free float (%)	47.0

Financials Snapshot (INR b)

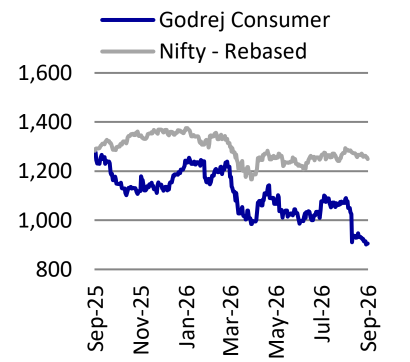
Y/E Mar	2027E	2028E	2029E
Sales	178.3	197.6	217.7
Sales Gr. (%)	17.5	10.8	10.2
EBITDA	36.7	41.7	46.5
Margins (%)	20.6	21.1	21.4
Adj. PAT	24.5	29.3	33.3
Adj. EPS (INR)	23.9	28.6	32.6
EPS Gr. (%)	20.8	19.6	13.8
BV/Sh.(INR)	125.6	130.2	136.8
Ratios			
RoE (%)	19.2	22.4	24.4
RoCE (%)	16.2	19.5	21.9
Payout (%)	91.9	83.9	79.8
Valuations			
P/E (x)	37.7	31.6	27.7
P/BV (x)	7.2	6.9	6.6
EV/EBITDA (x)	25.7	22.4	19.9
Div. Yield (%)	2.4	2.7	2.9

Shareholding pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	53.1	53.1	53.1
DII	19.6	18.0	12.4
FII	12.3	13.9	19.4
Others	15.0	15.0	15.2

FII Includes depository receipts

Stock's performance (one-year)



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Core revival to drive growth ahead; new growth engines scaling up

Core revival is the immediate priority, with the first six categories contributing ~90% of revenue. GCPL aims to bring these categories to at least industry-level growth through sharper innovation and execution, while portfolio expansion provides the incremental growth required to reach double-digit growth. Innovation resources are being reoriented toward the core, supported by a ~INR1.5b R&D center that will double R&D capacity, while portfolio transformation through new categories, G-Lab, and white-space businesses continues. G-Lab, pet care, and entry into new categories remain key levers for portfolio transformation.

Category playbook: Premiumization and execution

GCPL sees significant headroom across its core categories, particularly through premiumization and sharper execution. The household insecticides (HI) category remains a structural opportunity, with penetration increasing from ~65% to ~80% and volumes compounding at ~15%. Soaps/skin cleansing offer scope for renewed share gains, while hair color presents a clear consumer-upgrade opportunity, with around two-thirds of consumers still using traditional formats. Hair care remains a large, multi-decade opportunity, while management expects corrective actions in fragrances following execution/integration issues related to the RCCL acquisition.

India inventory correction; international platform ready to scale

GCPL plans to withdraw INR1.25-1.5b of distributor inventory over the next three quarters, potentially reducing general-trade inventory from ~20 days to ~10 days. Management views this as a channel correction rather than a demand issue, with lower inventory expected to improve working-capital efficiency and enable more offtake-led execution. In contrast, international inventory is considered healthy, while restructuring across Africa, Middle East, and the Americas is largely complete, allowing focus to shift toward scaling Hair Care, HI, Hair Colour, and other winning categories.

Investing in capabilities; near-term margins under pressure

GCPL is front-loading investments across R&D, global GTM, and digital capabilities, with total investment expected to reach ~INR2b over the next 12 months, including ~INR1.5b of R&D capex and a 2-3 year expected payback. Near-term profitability will be impacted by the India inventory correction and higher investments, although management views the pressure as largely temporary. Simplification is already 70-80% complete, with further gains expected from technology adoption, asset utilization, and operational productivity over the next 1.5-2 years.

Management indicated that major capex projects should largely conclude in FY27, with capex intensity moderating from FY28. M&A will remain selective and increasingly India-focused, with targets required to offer a clear right to win, attractive unit economics, and meaningful potential for growth acceleration. Assets offering only 10-15% growth are unlikely to meet the threshold.

Exhibit 1: GCPL's segmental information

Segmental Information	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue (INR b)										
India	54.7	62.5	69.5	76.7	84.1	87.8	94.7	107.6	119.2	130.7
Indonesia	16.9	16.5	16.5	15.9	17.9	18.7	18.2	20.9	22.5	24.3
GAUM	23.2	24.6	30.2	33.7	30.8	25.6	31.5	40.9	45.8	51.4
Others	5.6	6.5	7.2	6.9	7.2	9.3	9.9	11.4	12.5	13.8
Total	**99.1**	**110.3**	**122.8**	**133.2**	**141.0**	**140.0**	**151.8**	**178.3**	**197.6**	**217.7**
Revenue Gr. (%)										
India	-4%	14%	11%	10%	10%	4%	8%	14%	11%	10%
Indonesia	11%	4%	0%	-4%	13%	4%	-2%	15%	8%	8%
GAUM	-5%	8%	23%	12%	-9%	-17%	23%	30%	12%	12%
Others	-27%	19%	11%	-4%	5%	29%	6%	15%	10%	10%
Total	**-4%**	**11%**	**11%**	**8%**	**6%**	**-1%**	**8%**	**17%**	**11%**	**10%**
Revenue Mix (%)										
India	55%	57%	57%	58%	60%	63%	62%	60%	60%	60%
Indonesia	17%	15%	13%	12%	13%	13%	12%	12%	11%	11%
GAUM	23%	22%	25%	25%	22%	18%	21%	23%	23%	24%
Others	6%	6%	6%	5%	5%	7%	7%	6%	6%	6%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**
EBITDA (INR b)										
India	14.6	16.5	17.3	18.7	22.4	21.0	22.3	25.5	29.1	32.6
Indonesia	4.5	4.9	3.9	3.1	4.0	4.3	4.4	4.9	5.5	6.0
GAUM	2.4	2.4	3.0	3.5	3.6	4.0	4.6	5.8	6.5	7.3
Others	0.3	0.8	1.0	0.2	0.1	0.8	0.6	0.8	0.9	1.0
Total	**21.4**	**24.4**	**24.9**	**25.4**	**30.7**	**30.0**	**31.5**	**36.7**	**41.7**	**46.5**
EBITDA margin (%)										
India	26.6%	26.5%	24.9%	24.4%	26.7%	23.9%	23.6%	23.7%	24.4%	25.0%
Indonesia	26.5%	29.6%	23.9%	19.4%	22.0%	22.8%	24.0%	23.7%	24.5%	24.5%
GAUM	10.4%	9.8%	9.8%	10.4%	11.7%	15.7%	14.5%	14.2%	14.2%	14.2%
Others	4.6%	12.0%	13.4%	3.5%	1.1%	8.7%	6.1%	7.0%	7.5%	7.5%
Total	**21.6%**	**22.2%**	**20.3%**	**19.1%**	**21.8%**	**21.5%**	**20.8%**	**20.6%**	**21.1%**	**21.4%**
EBITDA mix (%)										
India	68%	68%	69%	74%	73%	70%	71%	70%	70%	70%
Indonesia	21%	20%	16%	12%	13%	14%	14%	13%	13%	13%
GAUM	11%	10%	12%	14%	12%	13%	14%	16%	16%	16%
Others	1%	3%	4%	1%	0%	3%	2%	2%	2%	2%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Company

Highlights from the investor meet

Business operations

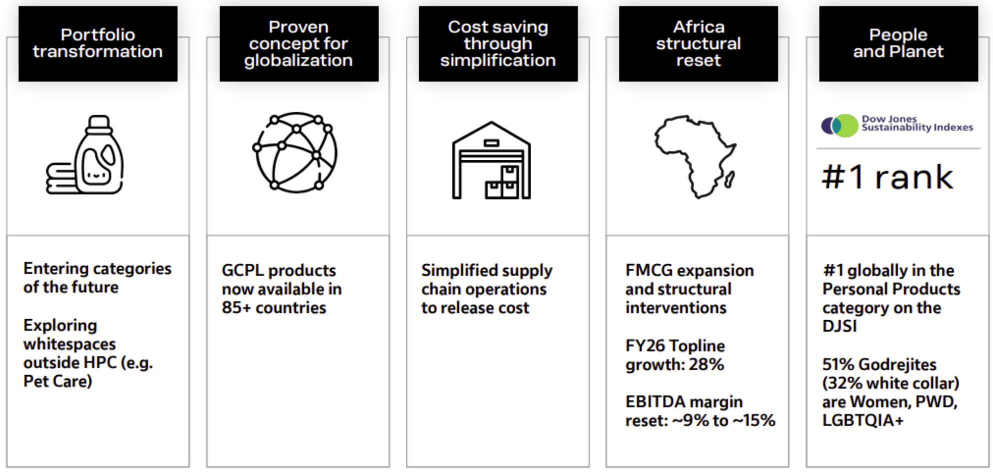
- Management candidly acknowledged that GCPL's performance over the last five years has been ‘good, but not great’, with the initial ambition of double-digit volume growth falling short of its own expectations.
- Over the last five years, organic UVG stood at ~4% in India and at the consolidated level, while sales growth (organic) was ~7%/6% and EBITDA growth was ~6%, indicating that the company has not yet reached its desired growth trajectory.
- The biggest structural weakness has been the flattish revenue growth in core categories, accompanied by pressure on profitability.
- Management believes the organization is now materially stronger, having simplified the business, strengthened the balance sheet/capital allocation framework, and established multiple growth pilots.
- The strategy going forward is, therefore, not a complete reset; rather, GCPL intends to retain the broad strategic direction while significantly improving execution and increasing resources behind areas where it sees a right to win.
- Management aspires for mid-teen revenue and profit growth going ahead, rather than merely achieving a particular revenue/volume metric.
- Execution rigor is the key organizational priority, with management acknowledging that the previous strategy was broadly right but execution was inadequate. The new approach will translate strategy into granular country, category, and market-level action plans.

Exhibit 2: GCPL’s last five year CAGR

Consolidated (5Y CAGR)	4% UVG Organic	6% USG Organic	6% EBITDA	2% PAT
Standalone (5Y CAGR)	4% UVG Organic	7% USG Organic	6% EBITDA	4% PAT

Source: Company Presentation

Exhibit 3: GCPL's achievements over the last five years

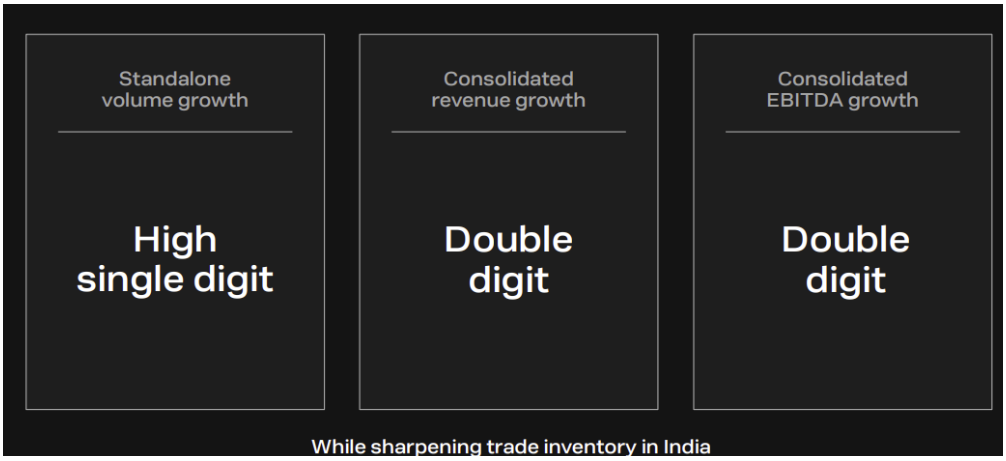


Source: Company Presentation

FY27 guidance remains intact

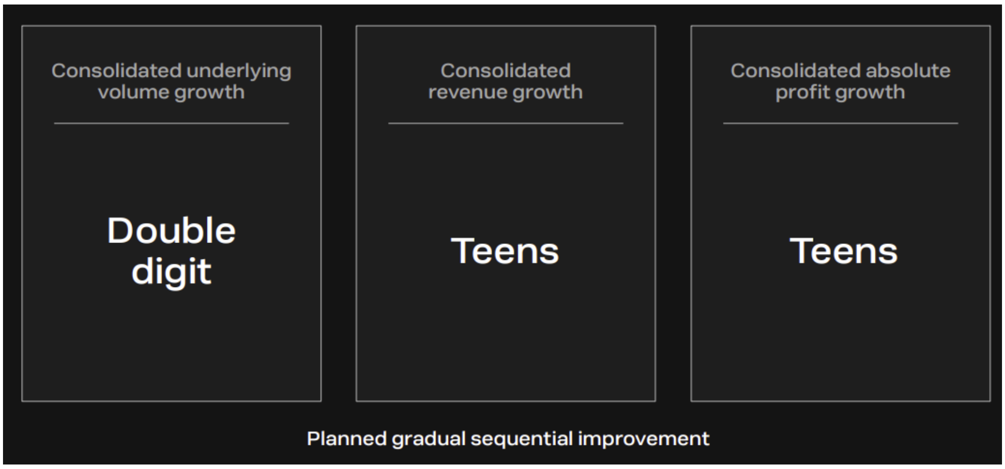
- **GCPL maintained its FY27 guidance of high-single-digit volume growth in the standalone business, double-digit revenue growth, and EBITDA growth in the consolidated business.**
- Management's preference is clearly to prioritize sustainable volume-led growth, as it believes sustained profit growth in FMCG cannot be achieved without improving underlying volume growth.
- The company will continue to invest wherever required to support growth.
- The focus will remain on better execution of existing strategy, scaling successful products faster, and addressing underperforming businesses.
- There is no change to the strategy shared in May 2026, and GCPL does not require a strategic reset.
- Management believes GCPL has the right brands, categories, and markets, with the key opportunity now being to improve the speed and quality of execution.

Exhibit 4: FY27 guidance remains intact



Source: Company Presentation

Exhibit 5: Ambition of sustainable performance going ahead



Source: Company Presentation

Core strategy: Revive the core while continuing portfolio transformation

- Core revival is the immediate priority, with the first six categories contributing ~90% of revenue. GCPL aims to restore these categories to at least industry-level growth through sharper innovation and execution, while portfolio expansion drives the company toward double-digit growth.
- Innovation focus is shifting back to the core, supported by a new state-of-the-art R&D center involving ~INR1.5b investment that will double GCPL's R&D capacity.
- Portfolio transformation remains intact through entry into new categories, the G-Lab entrepreneurial innovation model, and white-space businesses, although these businesses will require investment for several years before reaching attractive profitability.

Exhibit 6: GCPL has a large portfolio spanning home and personal care

Source: Company Presentation

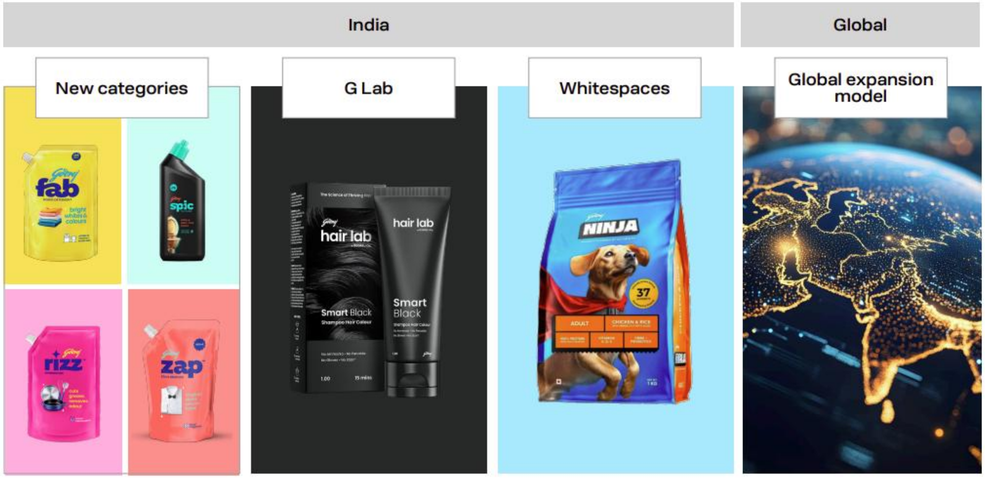
Category strategy: Premiumization and sharper execution remain key

- HI remains a structural growth opportunity, with penetration rising from ~65% to ~80% over the past decade and category volumes expanding at ~15% CAGR. GCPL will focus on gaining share in high-growth formats, driving premiumization, and improving the mental and physical availability of existing innovations.
- Hair care remains a large, multi-decade TAM opportunity, supported by low per-capita spending and urban penetration, with GCPL focusing on sustained innovation and stronger execution.
- Soaps/skin cleansing offer scope for renewed share gains, with market share stabilizing over the past three years. GCPL plans granular state level and consumption-segment interventions and will expand beyond soaps into hand wash, face wash, and body wash.
- Hair colour provides both a consumer upgrade and premiumization opportunity, with around two-thirds of consumers still using traditional formats versus one-third using modern formats. GCPL is relaunching Creme, entering the premium hair colour segment, and expects its professional hair color business to return to stronger growth.
- The fragrances segment remains a large long-term opportunity, although management acknowledged execution and integration issues with the RCCL acquisition and expects corrective actions over the next few quarters.

New growth engines: G-Lab and white-space businesses

- G-Lab is being built as a ‘company within a company’ to develop science-led products with greater autonomy and faster innovation cycles. Its first product is a premium hair-coloring proposition featuring a patented formulation and single-step application.
- Pet care has moved beyond the experimental stage, with product-market-price fit established and ARR at ~INR100m. GCPL expects ARR to reach ~INR500m by FY27-end and is targeting a ~INR5000m business by FY30, while expanding from dogs to cats and from South India to a national footprint.
- New categories, such as liquid detergents, offer significant white-space potential, supported by rising washing-machine penetration, urbanization, and changing lifestyles, with GCPL leveraging the Godrej master brand and group-level R&D capabilities.

Exhibit 7: Levers of portfolio transformation



Source: Company Presentation

International: Platform fixed; focus shifts to growth

- International restructuring is largely complete across Africa, Middle East, and the Americas, with operational complexity, product/factory complexity, and profitability issues addressed. GCPL now aims to scale the platform through Hair Care, HI, Hair Colour, and other winning categories.
- International inventory is not a concern, with inventory levels in Indonesia, Africa, and the Americas considered appropriate. The inventory correction is specific to India.

Distribution and marketing: Near-term reset

- India is undertaking a channel inventory correction rather than addressing an underlying demand issue, with GCPL planning to withdraw ~INR1.25-1.5b of distributor inventory over the next three quarters and potentially reduce general-trade inventory from ~20 days to ~10 days.
- The inventory correction should improve working-capital efficiency and inventory RoI, while allowing the company to move toward more offtake-led execution as modern/other-than-traditional channels grow faster than traditional general trade.
- Marketing efficiency remains a focus, with GCPL moving to WPP (media company) globally to consolidate TV and connected-TV spending, while increasing capabilities in social media, influencers, and digital marketing. Benefits are expected to become more visible over the next 12 months.

Capex and productivity

- GCPL is front-loading investments to build capabilities for the next phase of growth, including ~INR1.5b capex for a new state-of-the-art R&D center that will double its R&D capacity. Meanwhile, spending on R&D resources, global GTM, and digital marketing is expected to ramp up to ~INR2b (including INR1.5b capex) over the next 12 months. Management expects these investments to have a 2-3 year payback.
- Near-term profitability will face pressure from the India inventory correction and higher strategic investments, but management views this as largely a

temporary impact and believes sustainable margin expansion ultimately requires stronger underlying volume growth.

- Simplification is 70-80% complete, with the remaining 1.5-2 years focused on process simplification, technology adoption, asset utilization, and granular operational productivity.

Capital allocation and M&A

- GCPL maintains a minimum ~50% CAD (Cash Available for Distribution) payout framework, with payout potentially remaining close to 100% in the absence of a large M&A opportunity. Major capex projects should largely conclude in FY27, with capex intensity moderating from FY28.
- M&A will remain selective and increasingly India-focused, with acquisitions required to offer a clear right to win, attractive unit economics, and meaningful growth acceleration. It further indicated that assets offering only 10-15% growth are unlikely to meet the threshold.

Story in charts

Exhibit 8: Domestic volume growth expected in high single digit over FY26-29

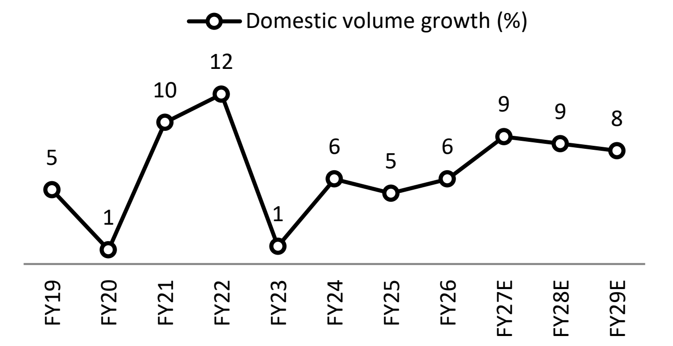


Exhibit 9: Consol. revenue expected to deliver 13% CAGR over FY26-29

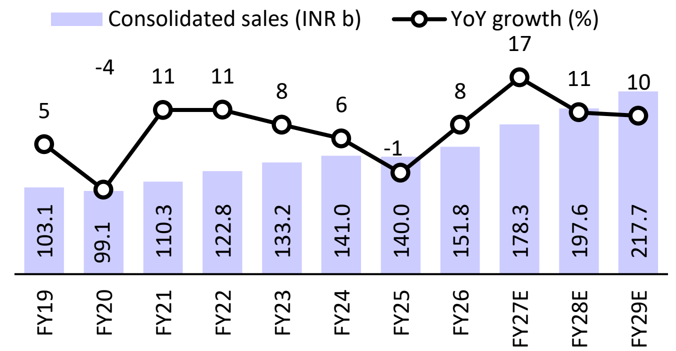


Exhibit 10: Gross margin expected to remain under pressure on cost inflation…

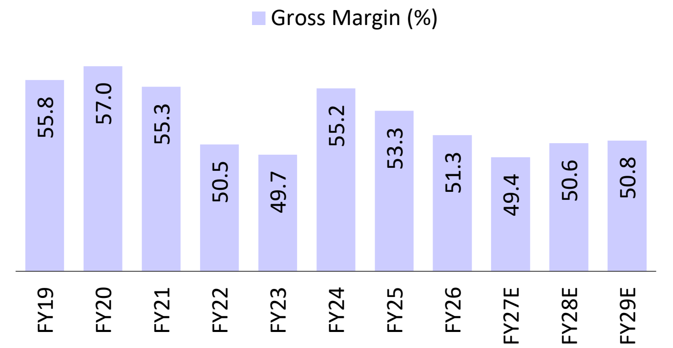


Exhibit 11: …leading to some contraction in EBITDA margin as well

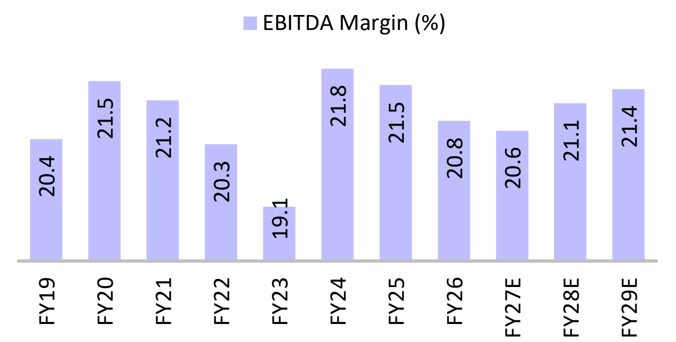


Exhibit 12: Consol. EBITDA expected to deliver 14% CAGR over FY26-29

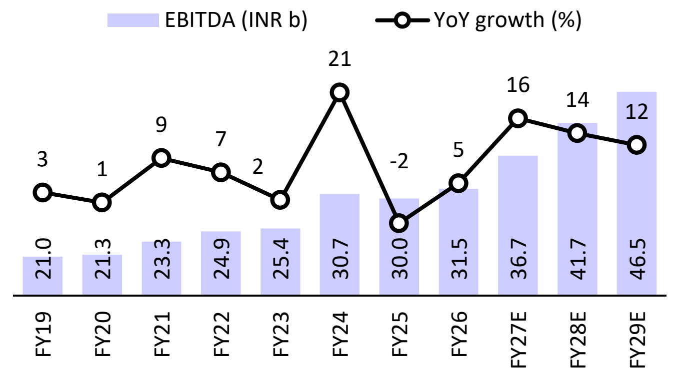


Exhibit 13: Consol. APAT expected to deliver 18% CAGR over FY26-29

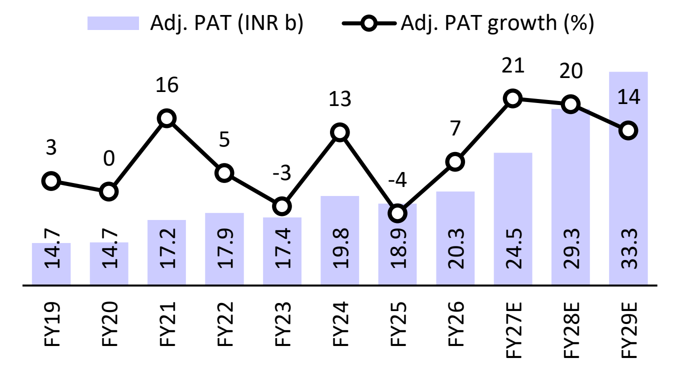


Exhibit 14: GCPL's P/E (x)

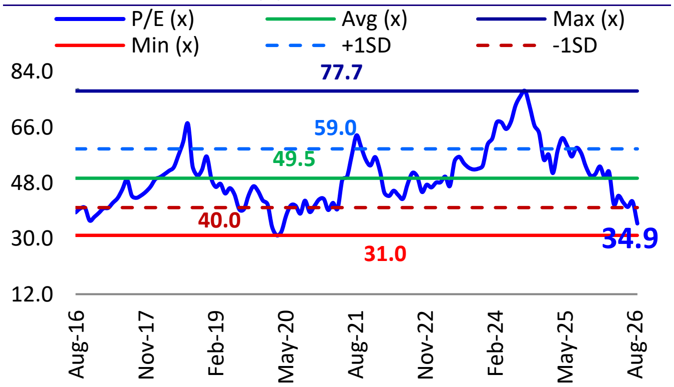
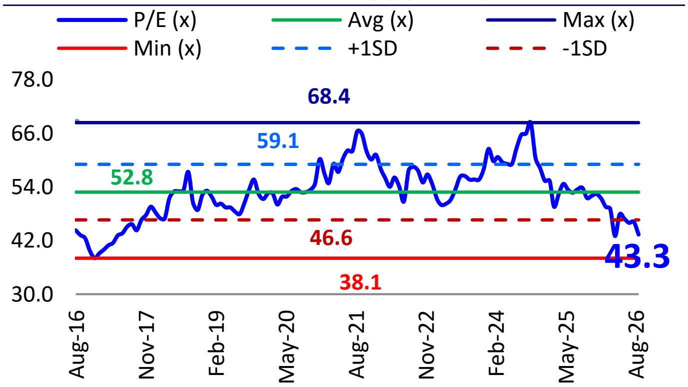


Exhibit 15: Consumer sector P/E (x) (ex-ITC)



Source: Company, MOFSL

Source: Company, MOFSL

Financials and valuations

Income Statement

(INR b)

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E
Net Sales	**110.3**	**122.8**	**133.2**	**141.0**	**140.0**	**151.8**	**178.3**	**197.6**	**217.7**
Change (%)	11.3	11.3	8.5	5.9	-0.7	8.4	17.5	10.8	10.2
Gross Profit	**61.0**	**62.0**	**66.1**	**77.8**	**74.6**	**77.8**	**88.2**	**100.0**	**110.7**
Margin (%)	55.3	50.5	49.7	55.2	53.3	51.3	49.4	50.6	50.8
Total Expenditure	87.0	97.8	107.8	110.3	109.9	120.3	141.6	155.9	171.1
EBITDA	**23.3**	**24.9**	**25.4**	**30.7**	**30.0**	**31.5**	**36.7**	**41.7**	**46.5**
Change (%)	9.3	6.8	1.9	20.9	-2.2	4.9	16.4	13.7	11.6
Margin (%)	21.2	20.3	19.1	21.8	21.5	20.8	20.6	21.1	21.4
Depreciation	2.0	2.1	2.4	2.4	2.3	2.7	3.0	3.1	3.1
Int. and Fin. Charges	1.3	1.1	1.8	3.0	3.5	3.3	3.4	3.0	2.5
Interest Income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Income-rec.	0.7	0.9	1.7	2.7	3.2	2.7	2.4	3.5	3.5
PBT	**20.7**	**22.6**	**23.0**	**28.0**	**27.4**	**28.2**	**32.6**	**39.0**	**44.4**
Change (%)	13.0	9.3	1.5	22.1	-2.4	3.0	15.9	19.6	13.8
Margin (%)	18.8	18.4	17.2	19.9	19.5	18.6	18.3	19.8	20.4
Total tax	3.6	3.7	4.3	7.6	8.2	7.3	8.1	9.8	11.1
Tax Rate (%)	17.4	16.4	18.7	27.1	30.0	25.9	24.9	25.0	25.0
PAT	**17.1**	**18.9**	**18.7**	**20.4**	**19.2**	**20.9**	**24.5**	**29.3**	**33.3**
Change (%)	9.1	10.5	-1.3	9.5	-6.3	9.0	17.4	19.4	13.8
Margin (%)	15.5	15.4	14.0	14.5	13.7	13.8	13.8	14.8	15.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group Adjusted PAT	**17.2**	**17.9**	**17.4**	**19.8**	**18.9**	**20.3**	**24.5**	**29.3**	**33.3**
Non-rec. (Exp.)/Income	-0.4	-0.1	-0.5	-24.8	-0.6	-1.7	-0.1	0.0	0.0
Reported PAT	**16.1**	**17.8**	**17.0**	**-5.6**	**18.5**	**18.6**	**24.4**	**29.3**	**33.3**

Balance Sheet

(INR b)

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E
Share Capital	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	93.4	111.3	136.9	125.1	119.0	125.5	127.5	132.2	138.9
Minority Int	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Networth	**94.4**	**112.3**	**137.9**	**126.1**	**120.0**	**126.5**	**128.5**	**133.2**	**140.0**
Loans	17.7	16.1	10.3	31.5	38.8	41.4	33.4	25.4	19.4
Deferred Liability	-6.4	-6.8	-6.4	-2.8	0.9	1.9	1.9	1.9	1.9
Capital Employed	**105.7**	**121.6**	**141.9**	**154.9**	**159.8**	**169.8**	**163.8**	**160.5**	**161.2**
Gross Block	46.3	45.9	49.9	62.8	63.7	79.5	81.0	82.5	84.0
Less: Accum. Depn.	8.6	7.5	8.8	8.8	9.3	11.9	14.9	18.0	21.1
Net Fixed Assets	**37.7**	**38.4**	**41.1**	**54.0**	**54.4**	**67.6**	**66.0**	**64.5**	**62.9**
Capital WIP	0.6	1.2	0.5	0.8	4.6	2.3	2.3	2.3	2.3
Goodwill	51.3	53.8	58.2	50.3	51.5	57.2	57.2	57.2	57.2
Non Curr Investments	0.2	1.7	8.4	17.9	6.3	10.0	10.5	11.0	11.5
Current Investments	6.6	8.4	21.9	17.2	31.0	18.5	18.5	18.5	18.5
Currents Assets	**39.7**	**47.3**	**37.9**	**40.8**	**45.1**	**53.9**	**55.0**	**57.3**	**63.8**
Inventory	17.2	21.3	15.4	12.7	14.2	16.6	17.1	17.3	19.1
Account Receivables	10.0	11.2	12.5	15.4	18.2	18.4	21.5	23.8	26.2
Cash and Bank Balance	6.7	7.8	3.9	5.5	4.8	10.1	6.3	5.2	6.7
Loans and Advances	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Current Assets	5.5	7.0	6.1	7.2	7.9	8.9	10.0	10.9	11.8
Curr. Liab. & Prov.	**30.4**	**29.2**	**26.1**	**26.1**	**33.2**	**39.6**	**45.7**	**50.2**	**54.9**
Account Payables	20.1	21.6	18.2	16.8	21.4	23.0	26.9	29.8	32.8
Other Liabilities	8.4	5.7	6.1	6.7	9.2	13.7	15.7	17.2	18.7
Net Current Assets	**9.3**	**18.1**	**11.8**	**14.7**	**12.0**	**14.3**	**9.3**	**7.1**	**8.9**
Net Assets	**105.7**	**121.6**	**141.9**	**154.9**	**159.8**	**169.8**	**163.8**	**160.5**	**161.2**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E
Basic (INR)									
EPS	**16.8**	**17.5**	**17.1**	**19.3**	**18.5**	**19.8**	**23.9**	**28.6**	**32.6**
Cash EPS	18.8	19.6	19.4	21.7	20.8	22.4	26.9	31.6	35.6
BV/Share	92.3	109.8	134.9	123.3	117.3	123.7	125.6	130.2	136.8
DPS	0.0	0.0	0.0	15.0	20.0	20.0	22.0	24.0	26.0
Payout (%)	0.0	0.0	0.0	77.5	108.0	100.9	91.9	83.9	79.8
Valuation (x)									
P/E	53.8	51.5	52.9	46.7	48.8	45.6	37.7	31.6	27.7
Cash P/E	48.1	46.1	46.6	41.6	43.4	40.3	33.6	28.6	25.3
EV/Sales	8.5	7.6	6.9	6.6	6.8	6.2	5.3	4.7	4.2
EV/EBITDA	40.0	37.3	36.3	30.3	31.7	30.0	25.7	22.4	19.9
P/BV	9.8	8.2	6.7	7.3	7.7	7.3	7.2	6.9	6.6
Dividend Yield	0.0	0.0	0.0	1.7	2.2	2.2	2.4	2.7	2.9
Return Ratios (%)									
RoE	19.8	17.4	13.9	15.0	15.4	16.4	19.2	22.4	24.4
RoCE (Post-tax)	17.7	17.4	15.2	15.2	13.7	14.2	16.2	19.5	21.9
RoIC	19.9	19.6	17.8	18.7	17.1	17.7	19.8	23.2	26.5
Working Capital Ratios									
Debtor (Days)	33	33	34	40	47	44	44	44	44
Asset Turnover (x)	2.9	3.1	3.2	2.6	2.4	2.2	2.6	3.0	3.3
Leverage Ratio									
Debt/Equity (x)	0.2	0.1	0.1	0.3	0.3	0.3	0.3	0.2	0.1

Cash Flow Statement (INR b)

Y/E March	2021	2022	2023	2024	2025	2026	2027E	2028E	2029E
OP/(Loss) before Tax	20.8	21.6	21.3	2.0	26.7	25.9	32.6	39.0	44.4
Net interest	0.9	0.5	0.8	1.1	1.2	1.6	2.2	1.3	0.7
Direct Taxes Paid	-4.0	-4.5	-4.2	-3.7	-4.7	-5.3	-8.1	-9.8	-11.1
(Inc)/Dec in WC	-0.5	-5.4	0.9	-4.6	0.4	0.6	1.3	1.1	-0.4
CF from Operations	**17.3**	**12.2**	**18.9**	**-5.2**	**23.5**	**22.8**	**27.9**	**31.7**	**33.7**
Inc in FA	-1.6	-2.8	-2.2	-2.8	-5.6	-5.4	-1.5	-1.5	-1.5
Free Cash Flow	**18.7**	**11.7**	**19.3**	**17.9**	**20.2**	**19.5**	**29.6**	**33.3**	**35.3**
Pur of Investments	-0.3	-4.7	-16.4	-6.1	0.5	10.4	-0.5	-0.5	-0.5
Others	-1.2	-2.1	1.1	-24.3	0.5	-0.8	1.0	1.7	1.8
CF from Investments	**-3.1**	**-9.6**	**-17.5**	**-33.2**	**-4.6**	**4.2**	**-1.0**	**-0.3**	**-0.2**
Inc in Debt	-16.2	-2.2	-6.3	22.7	7.3	0.3	-8.0	-8.0	-6.0
Dividend Paid	0.0	0.0	0.0	-5.1	-25.6	-20.5	-22.5	-24.6	-26.6
Interest Paid	-1.6	-1.1	-1.1	-2.6	-3.1	-2.8	-3.4	-3.0	-2.5
Other Item	-0.4	-0.5	-0.5	-0.9	-0.5	-0.8	0.0	0.0	0.0
CF from Fin. Activity	**-18.2**	**-3.8**	**-7.9**	**14.1**	**-21.8**	**-23.9**	**-33.9**	**-35.6**	**-35.1**
Inc/Dec of Cash	**-1.0**	**1.1**	**-3.9**	**1.6**	**-0.6**	**5.2**	**-3.7**	**-1.1**	**1.5**
Add: Beginning Balance	7.7	6.7	7.8	3.9	5.5	4.8	10.1	6.3	5.2
Closing Balance	**6.7**	**7.8**	**3.9**	**5.5**	**4.8**	**10.1**	**6.3**	**5.2**	**6.7**

E: MOFSL Estimates

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

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