

Estimate changes

TP change

Rating change



Bloomberg	GCPL IN
Equity Shares (m)	1022
M.Cap.(INRb)/(USDb)	1004.9 / 12.2
52-Week Range (INR)	994 / 709
1, 6, 12 Rel. Per (%)	-1/20/13
12M Avg Val (INR M)	1137

Financials & Valuations (INR b)

Y/E March	2023	2024E	2025E
Sales	133.2	153.3	174.1
Sales Gr. (%)	8.5	15.1	13.5
EBITDA	25.4	31.4	38.0
EBITDA mrg. (%)	19.1	20.5	21.8
Adj. PAT	17.6	22.3	27.2
Adj. EPS (INR)	17.2	21.8	26.6
EPS Gr. (%)	-2.0	27.1	21.7
BV/Sh.(INR)	134.9	146.7	157.3

Ratios

RoE (%)	13.9	15.5	17.5
RoCE (%)	14.8	15.4	16.7
Payout (%)	0.0	45.8	60.2

Valuations

P/E (x)	57.2	45.0	37.0
P/BV (x)	7.3	6.7	6.2
EV/EBITDA (x)	39.5	31.5	25.8
Div. Yield (%)	0.0	1.0	1.6

Shareholding pattern (%)

As On	Mar-23	Dec-22	Mar-22
Promoter	63.2	63.2	63.2
DII	7.1	6.7	5.9
FII	23.7	24.0	24.2
Others	5.9	6.0	6.7

FII Includes depository receipts

CMP: INR983
TP: INR1,130 (+15%)
Buy

Healthy performance; focus on simplifying business

- Godrej Consumer (GCPL)'s consolidated revenue and gross profit was in line, while EBITDA was marginally higher than our estimates. The company delivered a strong volume growth of ~13% YoY in the India branded business. Importantly, EBITDA grew ~32% YoY despite a ~21% YoY rise in consolidated ad-spends.
- Outlook on the margin is getting better, led by decreasing input costs and cost-saving initiatives. The management also reiterated its strategy, wherein it would concentrate on category development activities, simplification of business, and focus on people & planet along with profitability.
- Healthy pace of earnings (mid-20's CAGR on EBITDA and PAT over FY23-FY25E) is likely to be led by: a) superior growth in highly profitable markets, such as India and Indonesia; b) focus on profitability in Africa; and c) continuing working capital improvement in the overseas business. **We reiterate our BUY rating with a TP of INR1,130 (based on SoTP valuation: 55x domestic business, 25x Indonesia business, 15x GAUM, other business and RCCL).**

Sales/gross profit in line; PAT beat led by lower tax rate

- Godrej Consumer (GCPL)'s 4QFY23 consolidated net sales grew 9.8% YoY to INR32.0b (in line).
- Gross profit grew 17.4% YoY to INR16.9b (in line). EBITDA rose 32.3% YoY to INR6.6b (est. INR6.3b) in 4QFY23, PBT was up 42.8% YoY to INR5.8b (est. INR5.3b), while Adj. PAT grew 23.6% YoY to INR4.7b (est. INR3.8b).
- Consolidated comparable constant currency sales grew 14% YoY in 4Q.
- Gross margin expanded 340bp YoY to 52.9% (est. 51.9%).
- As a percentage of sales, higher ad spends (up 70bp YoY to 7%), lower other expenses (down 80bp YoY to 15.7%) and stable staff costs (at 9.4%) led to EBITDA margin of 20.8% (est. 19.7%) during the quarter.
- Consolidated volumes grew 6% YoY.
- Sales/EBITDA grew 8.5%/6.0% to INR133.2b/INR25.4b in FY23, while Adj. PAT remained flat at INR17.6b.

Highlights from the management commentary

- FY24 growth would be led by volumes with low price growth. The Indian business is expected to experience lower pricing growth, while the international business could see higher pricing growth.
- The management believes that the HI (home Insecticides) category performed well, and it expects the category to continue experiencing a high growth phase for the next 15-20 years. Within the HI category, mosquitoes are the management's first priority, followed by cockroaches and out-of-home HI.

- Globally, hair color penetration levels are at around 60%, while in India, it currently stands at 50-55%. GCPL is currently focused on converting customers from powder to crème format as the crème portfolio is only about 20% penetrated in India due to the high salience of powder colors.
- Indonesia macros are turning favorable and the management is confident of growth from this region.
- Overall strategy would be to concentrate on category development activities, simplification of business, and focus on people & planet along with profitability.

Valuation and view

- There are no material changes to our FY24/FY25 EPS estimates.
- GCPL has been on the right path toward improving the India business sales growth in recent years. FY23 is likely to be the third consecutive year of close to double-digit sales growth after a weak FY16-FY20 period, where growth decelerated (~4% CAGR). Disruptive innovations, access packs, and higher but concentrated ad-spends are likely to result in continued healthy growth in this high-margin and high-ROCE domestic business.
- Profitability outlook is also gradually improving in the overseas business. Working capital improvement (especially in overseas) is also on track.
- GCPL's valuations are inexpensive at 37x FY25E EPS, given robust earnings growth prospects and expected improvements in return ratios. **We reiterate our BUY rating with a TP of INR1,130 (based on SoTP valuation: 55x domestic business, 25x Indonesia business, 15x GAUM, other business and RCCL).**

Quarterly Performance (Consolidated)

Quarterly Performance (Consolidated)												(INR m)
Y/E March	FY22				FY23				FY22	FY23	FY23	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales (including OOI)	28,945	31,637	33,026	29,158	31,250	33,919	35,989	32,002	1,22,765	1,33,160	31,729	0.9%
YoY change (%)	24.4	8.5	8.1	6.8	8.0	7.2	9.0	9.8	11.3	8.5	8.8	
Cost of Goods Sold	13,847	15,876	16,294	14,734	16,692	17,681	17,581	15,074	60,751	67,028	15,247	
Gross Profit	15,098	15,760	16,732	14,424	14,558	16,238	18,408	16,928	62,014	66,132	16,481	2.7%
Margin (%)	52.2	49.8	50.7	49.5	46.6	47.9	51.1	52.9	50.5	49.7	51.9	
EBITDA	6,111	6,792	6,991	5,024	5,326	5,743	7,675	6,648	23,951	25,392	6,258	6.2%
Margins (%)	21.1	21.5	21.2	17.2	17.0	16.9	21.3	20.8	19.5	19.1	19.7	
YoY growth (%)	29.3	-0.8	-1.7	-12.6	-12.8	-15.4	9.8	32.3	0.3	6.0	24.6	
Depreciation	509	509	542	540	571	533	573	686	2,099	2,363	597	
Interest	273	245	256	328	351	483	399	525	1,102	1,757	498	
Other Income	209	226	224	238	275	399	432	579	897	1,684	459	
Forex gain / (loss)	-111.4	-195.6	-310.8	-348.5	-118.1	-321.4	-408.5	-239.4	-966	-1,087	-352	
PBT	5,427	6,068	6,107	4,045	4,562	4,804	6,725	5,777	21,647	21,868	5,270	9.6%
Tax	1,272	1,267	972	208	1,093	989	1,188	1,034	3,719	4,303	1,436	
Rate (%)	23.4	20.9	15.9	5.1	23.9	20.6	17.7	17.9	17.2	19.7	27.2	
Adj PAT	4,152	4,803	5,138	3,838	3,470	3,815	5,538	4,743	17,931	17,566	3,834	23.7%
YoY change (%)	8.8	4.8	3.7	-10.7	-16.4	-20.6	7.8	23.6	1.6	-2.0	-0.1	

Key Performance Indicators

Y/E March	FY22				FY23			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
2Y average growth %								
Sales	11.7	9.7	9.0	16.8	16.2	7.9	8.5	8.3
EBITDA	16.1	9.0	5.5	4.0	8.2	-8.1	4.0	9.9
PAT	20.1	7.3	7.0	20.0	-3.8	-7.9	5.7	6.5
% sales								
COGS	47.8	50.2	49.3	50.5	53.4	52.1	48.9	47.1
Other expenditure	31.0	28.3	29.5	32.2	29.5	30.9	29.8	32.1
Depreciation	1.8	1.6	1.6	1.9	1.8	1.6	1.6	2.1
YoY change %								
COGS	30.1	23.7	18.6	21.9	20.5	11.4	7.9	2.3
Other expenditure	13.7	-5.3	0.3	-0.8	2.7	17.0	10.2	9.4
Other income	-4.0	62.4	49.1	43.4	31.7	76.1	92.5	143.7
EBIT	32.3	-0.8	-2.6	-13.8	-15.1	-17.1	10.1	33.0

Exhibit 1: Snapshot of 4QFY23 performance as reported by the company

Growth (%)	Consolidated	India
Net sales	10	12
Net sales (constant currency)	14	-
EBITDA	32	26
Net profit (reported)	24	(2)
Net profit (without exceptional and one-off items)	29	17

Source: Company, MOFSL

Standalone performance in 4QFY23

- Net sales (including OOI) grew 11.5% YoY to INR18.2b in 4QFY23.
- **India branded business volumes increased 13% YoY.**
- **Home care business grew 14% YoY and Personal Care was up 17% YoY, while Unbranded Exports declined 33% YoY.**
- Gross margin expanded 540bp YoY to 57%. EBITDA margin improved 280bp YoY to 26.4% during the quarter.
- EBITDA grew 24.6% YoY to INR4.8b.
- Adj. PAT declined 11.5% YoY to INR4.1b in 4QFY23.

International performance

- **Segmental growth:** India +12%, GAUM +8% (CC), Indonesia +5% (CC) (Indonesia ex-hygiene grew +11% (CC), and LATAM (including SAARC) +64% (CC) on YoY basis.

Exhibit 2: Snapshot of sales by geography

International business	4QFY23		
	Sales (INR m)	Growth (%)	CC growth (%)
India	17,890	12	-
Indonesia	4,340	8	5
GAUM	7,700	6	8
Others	2,030	(3)	64
Total net sales	31,720	10	14

Source: Company, MOFSL



Highlights from the conference call

Performance and outlook

- The Indian branded business performed well at 16% value growth, partly driven by healthy growth and the remaining due to seasonality (base was negatively impacted while the current was not).
- The management believes that the HI category performed well, and it expects the category to continue experiencing a high growth phase for the next 15-20 years. Within the HI category, mosquitoes are the management's first priority, followed by cockroaches and out-of-home HI.
- Hair colour and Hair care had explosive growth.
- Globally, hair colour penetration levels are at around 60%, while in India, it is currently stands at 50-55%. GCPL is currently focused on converting customers from powder to crème format as the crème portfolio is only about 20% penetrated in India due to the high salience of powder colors.
- Indonesia macros are turning favourable and management is confident of growth from this region.
- Africa operations were adversely affected by the impact of elections and demonetization in Nigeria, with the latter causing significant disruptions in the months of February and March.
- GCPL led the category creation of powder to liquid handwash, which has since been adopted by many other players in the market. However, the company faced some challenges on powder to liquid bodywash and is currently working on addressing them.

Costs and margins

- Controllable cost savings in FY23 stood at ~150bp.
- They are integrating technology in decision making and are tracking metrics such as cost/reach and cost/incremental/reach and are trying to reduce the same.
- Employee costs – fixed component of salary would increase, while variable pay would be lower. However, longer-term incentives would be higher.

FY 24 Strategy

- Overall strategy remains unchanged. The company will concentrate on category development activities, simplification of business, and on people & planet.
- **Category development activities would include:**
 - driving relevance,
 - Investment in brand (share of voice is up ~1400bp over FY21),
 - creating access (example – INR15 crème sachets and Good Night chottu liquid at INR50 price points),
 - improving distribution (Nigeria is up 1.8x and Kenya is up 2x of FY22 levels) and,
 - educative sampling (3m household sampled in FY23 and targeting 6m in FY24).
- **Simplification of business:**
 - The company is focusing on reducing the costs that are not visible to consumers, such as selling/distribution costs, employee costs, and admin costs.
 - In Indonesia, the company has moved to distributor models and currently has 140 distributors. About 30% of the sales is through 110 distributors.

- The company has implemented a single distributor partner model in Nigeria, which has helped to increase distribution by 2x and the number of warehouses. As a result, lead time has been reduced by 4x
- In Kenya, they had 2000 SKUs, which is now reduced by 70%.
- The company is incorporating technology into its decision-making process. For example, media planning would rely more on an algorithmic model than a judgement-based model.
- **People and planet:**
- The company's focus is on building stronger performance culture, wherein input metrics would weigh more than output metrics. Mantra is "when you focus on input, output happens."
- To have net zero emission by 2023, use 60% renewable energy, etc.
- The company is targeting to be included in DJSI by FY26.

Outlook

- FY24 growth would be led by volumes with low price growth. The Indian business is expected to experience lower pricing growth, while the international business could see higher pricing growth.
- The management is expecting FY24 to be steady for the HI category.
- Gross margin would be back to its average levels.
- FY25 growth would be led by both – volumes and value.
- Tax rate for FY24 would be ~23% and for FY25, it would be ~25%.

Other points

- Under the simplification strategy, the number of subsidiaries would reduce to 25-30 from its current 60 in the next 12-18 months.

Key exhibits

Exhibit 3: Segmental quarterly sales growth and EBIT margin

Segment revenue (INR m)	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23
India	16,353	18,494	19,850	20,098	18,229
Indonesia	4,016	3,765	4,087	4,333	4,345
Africa (including SON)	7,228	7,789	8,587	10,071	7,701
Others	2,116	1,541	1,744	1,828	2,036
Less: Inter-segment eliminations	-554	-338.7	-348.3	-340.1	-309.7
Net Sales from operations	29,159	31,250	33,919	35,989	32,002
Segment revenue growth (%)					
India	9.0	11.4	8.0	10.6	11.5
Indonesia	-14.8	-8.5	-8.2	-3.1	8.2
Africa (including SON)	14.7	12.2	14.7	13.9	6.5
Others	18.4	-3.5	0.4	-8.7	-3.8
Less: Inter-segment eliminations	12.7	7.1	-16.4	-26.8	-44.1
Net Sales from operations	6.8	8.0	7.2	9.0	9.8
Segment EBIT (INR m)					
India	3,822	4,101	4,340	5,604	4,961
Indonesia	854	576	737	948	1,047
Africa (including SON)	-461	246	205	621.1	297
Others	191	25	80.2	129.3	185.6
Less: Inter-segment eliminations	-32	-35	-75	-177.6	-189
Net EBIT from operations	4,373	4,913	5,287	7,125	6,302
Less: Interest	-328	-351	-483	-399.2	-525
Less: Exceptional Items	-205	-18	-227	-74.4	-222
Total Profit Before Tax	3,840	4,544	4,577	6,651	5,555
Segment EBIT growth (%)					
India	16.6	-4.0	-3.2	23.4	29.8
Indonesia	-47.9	-38.1	-35.8	3.2	22.6
Africa (including SON)	-309.2	-24.1	-55.7	-15.2	-164.4
Others	309.7	-88.3	-71.0	-38.4	-2.6
Net EBIT from operations	-56.6	-13.8	-16.3	12.0	44.1
Total Profit Before Tax	-9.5	-16.0	-24.4	6.5	44.7
Segment EBIT mix (%)					
India	87	83	82	78.7	79
Indonesia	20	12	14	13.3	17
Africa (including SON)	-11	5	4	8.7	5
Others	4	1	2	1.8	3
Less: Inter-segment eliminations	-1	-1	-1	-2.5	-3
Net EBIT from operations	100	100	100	100	100
Segment EBIT margin (%)					
India	23.4	22.2	21.9	27.9	27.2
Indonesia	21.3	15.3	18.0	21.9	24.1
Africa (including SON)	-6.4	3.2	2.4	6.2	3.9
Others	9.0	1.6	4.6	7.1	9.1
Net EBIT margin from operations	15.0	15.7	15.6	19.8	19.7
Segment EBIT margin change (%)					
India	1.5	-1.5	-3.8	-2.1	10.2
Indonesia	-13.6	-11.8	-11.3	-3.4	0.1
Africa (including SON)	-9.9	-4.0	-4.4	0.5	4.7
Others	6.4	0.0	0.0	0.0	0.0
Overall EBIT change	-3.7	-4.1	-4.5	0.2	3.5

Source: Company, MOFSL

Valuation and view

What has happened from a business perspective over the last decade?

- In the last decade, the company has added a host of businesses in Indonesia, Africa, and LatAm to its relatively small international portfolio. The international business now contributes to nearly half of GCPL's total sales. Most of the acquisitions have been EPS-accretive since the company's inception.
- In the India business, the company has emerged as the second largest player in Soaps, strengthened its lead in the HI category, and introduced and scaled up products in the Car/Room Freshener market.

Financial performance – a tale of two halves

- Over the course of the last decade, the company posted a sales/EBITDA/PAT CAGR of 7.6%/10.0%/10.4%.
- Over FY12–17, it posted a strong performance with a 13.8%/17.3%/19.5% CAGR in sales/EBITDA/PAT. This was followed by a weak performance over the next five years (FY18–23) with a much slower sales/EBITDA/PAT CAGR of 6.2%/4.2%/4.1%.
- The domestic sales slowdown in recent years, the continued inability to scale up margins, and weak RoCE in the international business have adversely impacted the pace of earnings growth.

Valuation and view

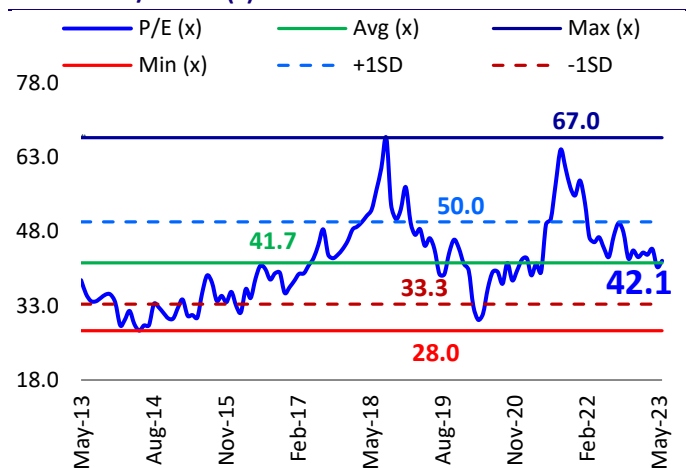
- There are no material changes to our FY24E/FY25E EPS estimates.
- GCPL has been on the right path toward improving the India business sales growth in recent years. FY23 is likely to be the third consecutive year of close to double-digit sales growth after a weak FY16-FY20 period, where growth decelerated (~4% CAGR). Disruptive innovations, access packs, and higher but concentrated ad-spends are likely to result in continued healthy growth in this high-margin and high-ROCE domestic business.
- Profitability outlook is also gradually improving in the overseas business. Working capital improvement (especially in overseas) is also on track.
- GCPL's valuations are inexpensive at 37x FY25E EPS, given robust earnings growth prospects and expected improvements in return ratios. **We reiterate our BUY rating with a TP of INR1,130 (based on SoTP valuation: 55x domestic business, 25x Indonesia business, 15x GAUM, other business and RCCL).**

Exhibit 4: No material changes to our model

(INR bn)	Old		New		Change	
	FY24E	FY25E	FY24E	FY25E	FY24E	FY25E
Sales	155.8	176.2	153.3	174.1	-1.6	-1.2
EBITDA	31.7	38.8	31.4	38.0	-1.1	-2.2
PAT	22.3	27.4	22.3	27.2	0.3	-0.6

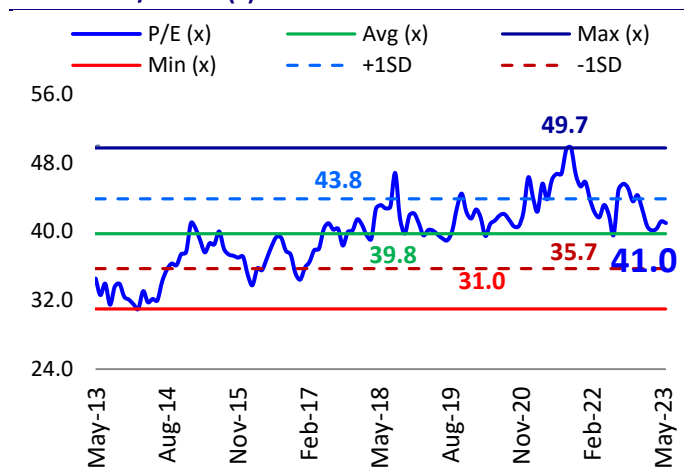
Source: Company, MOFSL

Exhibit 5: P/E ratio (x) for GCPL



Source: Company, MOFSL

Exhibit 6: P/E ratio (x) for the Consumer sector



Source: Company, MOFSL

Financials and valuations

Income Statement							(INR b)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Net Sales	98.5	103.1	99.1	110.3	122.8	133.2	153.3	174.1
Change (%)	6.3	4.7	-3.9	11.3	11.3	8.5	15.1	13.5
Gross Profit	55.7	58.1	56.5	61.0	62.0	66.1	83.1	97.4
Margin (%)	56.6	56.3	57.0	55.3	50.5	49.7	54.2	56.0
Total Expenditure	77.8	81.5	77.7	86.4	98.8	107.8	122.0	136.1
EBITDA	20.7	21.7	21.4	23.9	24.0	25.4	31.4	38.0
Change (%)	8.9	4.9	-1.2	11.4	0.3	6.0	23.5	21.1
Margin (%)	21.0	21.0	21.6	21.7	19.5	19.1	20.5	21.8
Depreciation	1.6	1.7	2.0	2.0	2.1	2.4	2.5	2.7
Int. and Fin. Charges	1.6	2.2	2.2	1.3	1.1	1.8	1.8	1.3
Interest Income	0.7	0.9	0.8	0.4	0.6	0.6	1.0	1.2
Other Income-rec.	0.4	0.2	0.4	0.3	0.3	1.1	0.8	0.9
PBT	18.6	18.8	18.4	21.2	21.6	21.9	28.9	36.2
Change (%)	10.2	1.4	-2.3	15.4	1.9	1.0	32.2	25.3
Margin (%)	18.9	18.3	18.6	19.3	17.6	16.4	18.9	20.8
Total tax	4.0	3.9	3.9	3.6	3.7	4.3	6.6	9.1
Tax Rate (%)	21.8	20.9	21.4	16.9	17.2	19.7	22.8	25.0
PAT	14.5	14.9	14.5	17.7	17.9	17.6	22.3	27.2
Change (%)	11.2	2.5	-2.9	22.0	1.6	-2.0	27.1	21.7
Margin (%)	14.8	14.4	14.6	16.0	14.6	13.2	14.6	15.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Group Adjusted PAT	14.4	14.9	14.5	17.7	17.9	17.6	22.3	27.2
Non-rec. (Exp.)/Income	1.8	8.5	0.5	-0.4	-0.1	-0.5	0.0	0.0
Reported PAT	16.3	23.4	15.0	17.2	17.8	17.0	22.3	27.2

Balance Sheet							(INR b)	
Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Share Capital	0.7	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Reserves	61.9	71.6	78.0	93.4	114.5	136.9	149.0	159.8
Minority Int	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Networth	62.6	72.7	79.0	94.4	115.6	137.9	150.0	160.9
Loans	35.1	33.8	35.2	7.6	17.0	11.3	22.3	15.6
Deferred Liability	1.9	-4.7	-5.7	-6.4	-6.8	-6.4	-6.4	-6.4
Capital Employed	99.6	101.8	108.5	95.6	125.8	142.8	165.9	170.0
Gross Block	39.6	42.1	45.2	46.3	49.4	54.4	57.9	61.2
Less: Accum. Depn.	3.6	4.6	6.3	8.6	11.0	13.3	15.8	18.5
Net Fixed Assets	36.0	37.5	38.9	37.7	38.4	41.1	42.1	42.7
Capital WIP	0.8	0.5	0.6	0.6	1.2	0.5	0.5	0.5
Goodwill	47.2	49.2	53.4	51.3	53.8	58.2	58.2	58.2
Non Curr Investments	1.4	0.3	0.3	0.2	1.7	8.4	35.8	34.0
Current Investments	8.6	4.8	6.4	6.6	8.4	21.9	24.1	26.5
Currents Assets	44.7	43.8	43.5	39.6	50.5	37.9	39.7	46.6
Inventory	15.8	15.6	17.0	17.2	21.3	15.4	17.7	20.0
Account Receivables	12.5	12.9	11.6	10.0	11.2	12.5	13.9	15.7
Cash and Bank Balance	9.6	8.9	7.7	6.7	11.1	3.9	2.0	4.6
Loans and Advances	6.8	6.3	7.1	5.6	6.8	6.0	6.0	6.0
Other Current Assets	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2
Curr. Liab. & Prov.	39.0	34.4	34.6	40.5	28.2	25.1	34.5	38.5
Account Payables	23.5	25.4	24.8	21.6	21.6	18.2	27.3	31.0
Other Liabilities	15.3	8.7	9.3	18.3	6.4	6.8	7.0	7.3
Net Current Assets	5.6	9.4	8.9	-0.8	22.3	12.7	5.2	8.2
Net Assets	99.6	101.8	108.5	95.6	125.8	142.8	165.9	170.0

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
Basic (INR)								
EPS	14.1	14.6	14.2	17.3	17.5	17.2	21.8	26.6
Cash EPS	23.4	16.2	16.1	19.3	19.6	19.5	24.3	29.2
BV/Share	91.9	71.1	77.3	92.3	113.0	134.9	146.7	157.3
DPS	9.0	12.0	8.0	0.0	0.0	0.0	10.0	16.0
Payout (%)	64.0	82.3	56.5	0.0	0.0	0.0	45.8	60.2
Valuation (x)								
P/E	69.9	67.4	69.4	56.9	56.0	57.2	45.0	37.0
Cash P/E	42.0	60.5	61.0	51.0	50.2	50.4	40.4	33.7
EV/Sales	7.0	10.0	10.4	9.1	8.2	7.5	6.5	5.6
EV/EBITDA	33.5	47.4	48.1	42.1	42.1	39.5	31.5	25.8
P/BV	10.7	13.8	12.7	10.6	8.7	7.3	6.7	6.2
Dividend Yield	0.9	1.2	0.8	0.0	0.0	0.0	1.0	1.6
Return Ratios (%)								
RoE	24.9	22.0	19.1	20.4	17.1	13.9	15.5	17.5
RoCE (Post-tax)	16.2	16.6	15.4	18.3	17.0	14.8	15.4	16.7
RoIC	19.3	19.0	16.9	20.7	19.6	17.5	21.0	25.5
Working Capital Ratios								
Debtor (Days)	46	46	43	33	33	34	33	33
Asset Turnover (x)	2.7	2.7	2.5	2.9	3.1	3.2	3.6	4.0
Leverage Ratio								
Debt/Equity (x)	0.6	0.5	0.4	0.1	0.1	0.1	0.1	0.1

Cash Flow Statement

(INR b)

Y/E March	2018	2019	2020	2021	2022	2023	2024E	2025E
OP/(Loss) before Tax	20.5	20.4	20.6	23.8	23.8	24.0	30.6	37.9
Net interest	0.9	1.4	1.4	0.9	0.5	0.8	0.8	0.0
Direct Taxes Paid	-4.1	-4.5	-3.6	-4.0	-4.5	-4.2	-6.6	-9.1
(Inc)/Dec in WC	-0.2	0.0	-2.6	-0.5	-5.4	0.9	5.6	-0.2
CF from Operations	17.2	17.3	15.9	20.3	14.5	21.5	30.4	28.7
Inc in FA	-3.1	-2.1	-1.5	-1.6	-2.8	-2.2	-3.5	-3.3
Free Cash Flow	14.1	15.2	14.4	18.7	11.7	19.3	26.9	25.4
Pur of Investments	0.4	2.9	-2.6	-0.1	-5.5	-16.4	-29.6	-0.6
Others	-0.2	1.6	0.0	-1.3	1.9	-2.2	1.9	2.2
CF from Investments	-2.9	2.4	-4.2	-3.1	-6.4	-20.7	-31.2	-1.7
Inc in Debt	0.0	0.0	-1.3	-16.2	-2.2	-6.3	11.0	-6.7
Dividend Paid	-6.1	-12.3	-8.2	0.0	0.0	0.0	-10.2	-16.4
Interest Paid	-1.6	-2.1	-1.5	-1.6	-1.1	-1.1	-1.8	-1.3
Other Item	-6.1	-6.0	-2.0	-0.4	-0.5	-0.5	0.0	0.0
CF from Fin. Activity	-13.8	-20.4	-13.0	-18.2	-3.8	-7.9	-1.0	-24.3
Inc/Dec of Cash	0.5	-0.7	-1.2	-1.0	4.4	-7.2	-1.9	2.7
Add: Beginning Balance	9.1	9.6	8.9	7.7	6.7	11.1	3.9	2.0
Closing Balance	9.6	8.9	7.7	6.7	11.1	3.9	2.0	4.6

E: MOFSL 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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