

Godrej Consumer Products Ltd

Reinvented, Resilient, Resurgent



Reco BUY

Industry	FMCG
LTP (Apr 17, 2026)	1,109
Entry Range	1,103-1,130
Add on Dips	995-1,025
Base Case Target	1,218
Bull Case Target	1,336
Time Horizon	4 Quarters

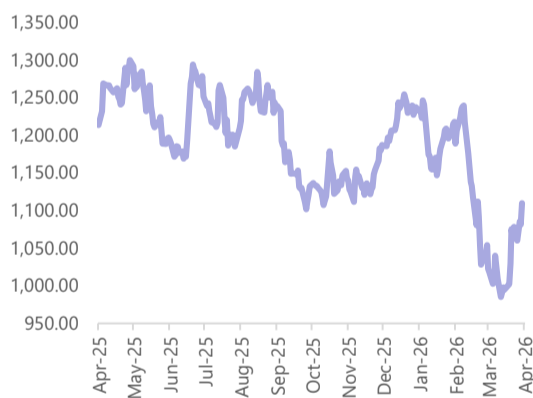
Stock Info

HDFC Scrip Code	GODCON
BSE Code	532424
NSE Code	GODREJCP
Bloomberg	GCPL:IN
Equity Capital (Rs Cr)	102.3
Face Value (Rs)	1
Equity Share O/S (Cr)	102.3
Market Cap (Rs Cr)	1,13,667
Book Value (Rs)	119.0
Avg. 52 Wk Volumes	13,20,732
52 Week High	1,309
52 Week Low	967

Share Holding Pattern (%) (Dec'25)

Promoters	53.1
Institutions	31.8
Non-Institutions	15.1
Total	100.0

One Year Price Chart



* Refer at the end for explanation on Risk Ratings

Fundamental Research Analyst

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Volume Leadership Restored, FY27 Positioned for an Inflection

Godrej Consumer Products Ltd (GCPL) has navigated a challenging FY26 with admirable resilience, emerging from a year of commodity headwinds, soft urban demand, and a disruptive GST transition, with its volume growth trajectory not only intact but visibly strengthening. Domestic volume growth recovered to a high single-digit 9% in Q3FY26 from a subdued 3% in Q2FY26 (flat Q3FY25), while standalone EBITDA margins returned to normative levels of ~24.8%, aided by easing input costs and disciplined cost management. The broad-based recovery — spanning Home Care, Hair Colour, Air Fresheners, Fabric Care and the Raymond-acquired categories — underscores the depth and durability of GCPL's portfolio reinvention under MD & CEO Sudhir Sitapati.

As we enter FY27, the narrative shifts from navigating headwinds to sustaining, and subsequently building on volume growth momentum. The domestic business is expected to deliver double-digit underlying sales growth and high-single-digit underlying volume growth in Q4FY26. Excluding the soaps category, volume growth remains in double digits, positioning GCPL among the volume leaders in the Indian FMCG sector. With a favourable policy environment, personal income tax relief and GST rationalisation serving as structural demand tailwinds, GCPL is at an inflexion point where execution quality is expected to translate into earnings acceleration. Given the overall correction, we believe the risk-reward is compelling at current levels.

We believe investors can buy the stock in Rs 1,103-1,130 band (39.0x FY28E EPS) and add on dips in Rs 995-1,025 band (35.5x FY28E EPS) for a base case fair value of Rs 1,218 (43.0x FY28E EPS) and bull case fair value of Rs 1,336 (47.0x FY28E EPS) over the next 4 quarters.

Our Take

Volume Growth Restored, India Business Sustaining Momentum

After a challenging H1FY26, marred by GST 2.0 transition and palm-oil price-driven headwinds, GCPL reported strong consolidated volume growth of 7.0% in Q3FY26 and double-digit volume growth of 11.0% during the quarter. In Q4FY26 as well, the company has delivered a strong double-digit sales growth at a consolidated level, as per its quarterly update. This resurgence is particularly buoyed by strong growth in domestic standalone business, which returned 9.0% YoY volume growth in Q3FY26, a 7-quarter high. Domestic business continues to witness strong traction with all (ex-soap) delivering double-digit volume growth in Q4FY26. EBITDA margins too, have been resilient in the standalone business in the face of multiple inflationary headwinds, following global turmoil. We expect broad-based growth momentum in India business and a steady recovery in International business to drive growth momentum, going into FY27.

Product Innovations Yielding Positive Returns

GCPL's recent investments in product innovations have yielded a positive response from consumers. Products like Godrej Fab in the liquid detergent category, Godrej Aer-O in fragrance and Renofluthrin (RNF), the new molecule in Home Insecticides, are expected to be future volume drivers. Management has noted that as these growth engines achieve critical mass, the compounding effect is expected to lift the overall India volume trajectory by approximately 100 bps per year. Under its Vision 2040, the company is looking to increase the total addressable market (TAM), enter new categories, and focus on fast-growing segments to achieve its double-digit growth target.

Commodity Cycle – The Worst Seems to be Behind

Sustained inflation in palm oil prices and increased crude oil prices since March 2026, had introduced fresh cost headwinds as the company entered FY27. With Brent crude at \$100–110 per barrel and palm oil at MYR 4,500–4,800 per tonne, the management estimates a 6–9% cost hit but plans to offset the impact through a combination of pricing actions, cost savings, and media optimization. Importantly, management has noted that elevated commodity costs could actually accelerate formalisation in categories like burning formats of household insecticides and drive premiumisation in laundry, both of which are structural tailwinds for GCPL's branded portfolio. With easing tension in the Middle East, margins are expected to build on from current levels with multiple cost-saving measures in place, whereas even if the costs remain at these levels, GCPL's margins are expected to be broadly in line with its original plans for FY27, while stepping up revenue growth.

International Portfolio at an Inflexion - GAUM Shines, Indonesia Stabilising

GCPL's international business is progressively turning the corner. Godrej Africa, US, and Middle East (GAUM) delivered outstanding results with 19% INR sales growth and 18% EBITDA growth in Q3FY26, led by Hair Fashion and Air Fresheners, while Aer Pocket has resonated strongly across

these markets, reinforcing the innovation-led growth strategy. Indonesia, while still facing competitive pricing pressure, has seen early signs of stabilisation with mid-single-digit volume growth expected in Q4FY26 and a meaningful operational recovery anticipated from FY27 as market conditions normalise.

Valuation & Recommendation

GCPL has delivered on its FY26 commitments despite navigating a year marked by commodity cost spikes, GST-led trade disruption, soft urban demand, and competitive pricing pressure in Indonesia. The domestic business has demonstrably recovered, with Q3FY26 standalone volumes growing 9% and exiting the year with high-single-digit volume growth in Q4FY26; H2FY26 was a stark contrast to H1FY26.

In FY27, the worst seems to be behind as the company navigates external geopolitical headwinds to build on strong domestic macros such as a clean channel post-GST, policy tailwinds from income tax relief, and new growth categories achieving critical mass. The strengthening GAUM business, combined with an anticipated recovery in Indonesia, is expected to drive further revenue growth in the coming financial years. We are further bolstered by MD and CEO Sudhir Sitapati's strong track record, since he took over, 4 years ago, delivering a sustainable turnaround in volume growth trajectory. The company's Vision 2040 sees GCPL meaningfully larger across categories and geographies, with TAM expanded well beyond its current perimeter through play in high-growth, underpenetrated segments.

We expect revenue to grow at a 10.1% CAGR between FY25-28 and the EBITDA margin to recover gradually to 21.2% in FY28E, factoring in elevated crude oil prices (\$90-95/bbl) and a gradual easing of palm oil prices over the next couple of years. Pricing actions, supply chain savings, manufacturing consolidation and reduced ad spend intensity are expected to offset the impact from elevated input costs.

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Financial Summary

Particulars (in Rs Cr)	Q3FY26	Q3FY25	YoY-%	Q2FY26	QoQ-%	FY23	FY24	FY25	FY26E	FY27E	FY28E
Operating Income	4,099	3,768	8.8%	3825	7.2%	13,316	14,096	14,364	15,551	17,106	19,210
EBITDA	880	756	16.5%	734	20.0%	2,430	2,943	3,003	3,095	3,524	4,063
APAT	498	498	-0.1%	460	8.3%	1,757	1,916	1,915	2,075	2,428	2,911
Diluted EPS (Rs)	4.9	4.9	0.0%	4.5	8.5%	17.2	18.7	18.7	20.3	23.7	28.4
RoE-%						13.9	14.5	15.6	16.9	18.6	20.5
P/E (x)						64.6	59.2	59.3	54.7	46.8	39.0
EV/EBITDA (x)						46.1	38.9	37.9	36.7	32.1	27.5

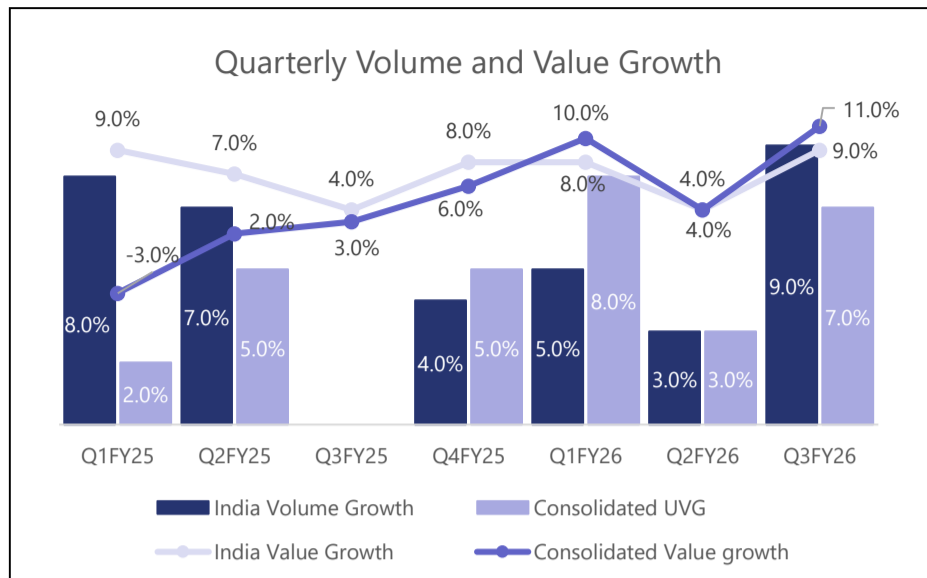
Revenue Mix

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Revenue (in Rs Cr)											
India	2,005	2,168	2,204	2,034	2,163	2,301	2,262	2,185	2,330	2,389	2,510
% of net sales	57.5%	59.6%	59.7%	59.5%	64.2%	62.1%	59.4%	60.1%	62.8%	61.5%	60.2%
Indonesia	451	473	467	498	465	514	508	504	448	480	494
% of net sales	12.9%	13.0%	12.6%	14.6%	13.8%	13.9%	13.3%	13.9%	12.1%	12.4%	11.8%
Africa	849	816	923	594	545	645	772	690	707	805	923
% of net sales	24.3%	22.4%	25.0%	17.4%	16.2%	17.4%	20.3%	19.0%	19.1%	20.7%	22.1%
Others	181	183	99	290	195	248	264	257	226	209	246
% of net sales	5.2%	5.0%	2.7%	8.5%	5.8%	6.7%	6.9%	7.1%	6.1%	5.4%	5.9%
EBIT (in Rs Cr)											
India	634	683	676	580	570	607	538	504	532	510	606
EBIT Margin	31.6%	31.5%	30.7%	28.5%	26.4%	26.4%	23.8%	23.1%	22.8%	21.4%	24.2%
Indonesia	99	101	117	133	117	109	105	147	106	105	121
EBIT Margin	22.1%	21.4%	25.0%	26.7%	25.2%	21.2%	20.6%	29.2%	23.7%	21.8%	24.5%
Africa	44	50	83	67	63	77	93	100	73	93	114
EBIT Margin	5.2%	6.1%	8.9%	11.2%	11.5%	11.9%	12.0%	14.5%	10.4%	11.5%	12.4%
Others	8	3	2	7	15	15	35	21	20	35	31
EBIT Margin	4.4%	1.9%	2.5%	2.6%	7.5%	5.9%	13.1%	8.2%	8.9%	16.5%	12.7%

(Source: Company, HDFC sec)

Story in Charts

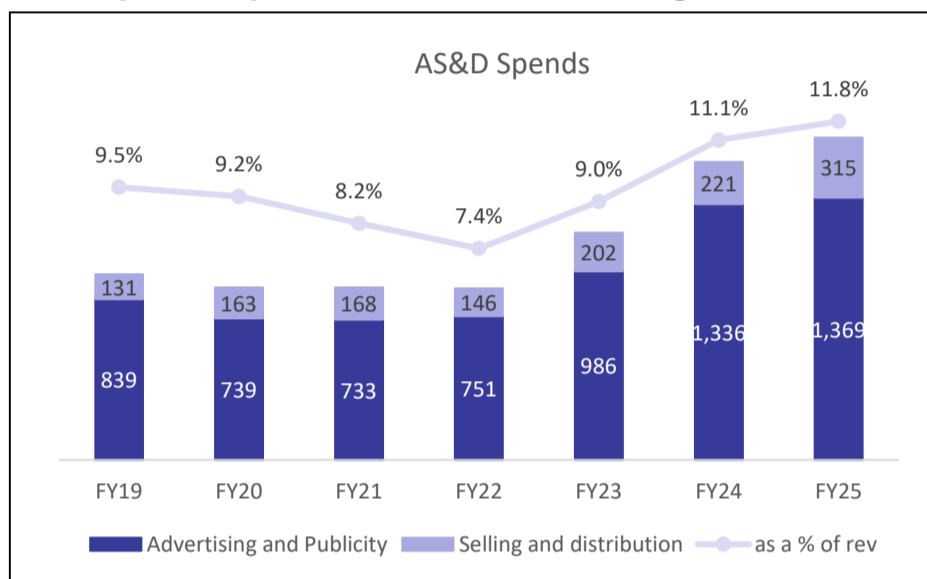
India volume and value growth at a 7 quarter high



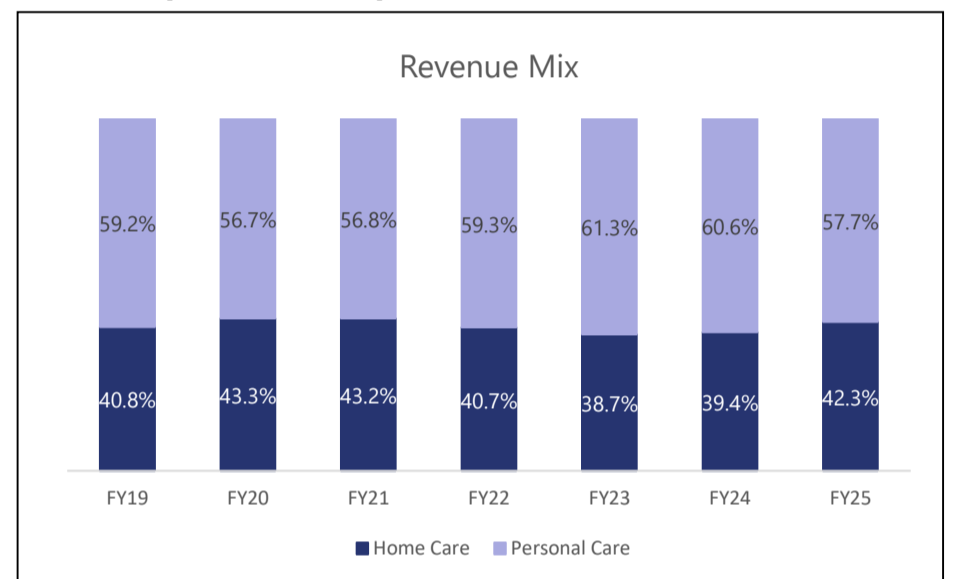
Indonesia volume growth remains strong, but pricing pressures persist



Media Spends expected to moderate, amid high inflation



Increasing salience of personal care portfolio in revenue mix



(Source: Company, HDFC sec)

Q4FY26 Result Preview

GCPL's pre-quarter update for Q4FY26 was broadly in line with earlier management guidance with the company expected to deliver close to double-digit consolidated sales growth on the back of strong volume led growth recovery in H2FY26.

The domestic India business is expected to deliver low double-digit sales growth in Q4FY26 versus 8% growth in Q4FY25, and high-single-digit volume growth compared to 4% volume expansion in Q4FY25. Excluding soaps, India volumes are expected to grow in the double-digits. Home Care is the primary driver led by HI, Air Fresheners and Fabric Care, while Personal Care also picks up on restocking and the lagged effect of earlier price hikes in soaps. Future-ready categories are showing strong traction and the growth remains broad-based.

Standalone Q4FY26 EBITDA margin is expected to sustain within the normative range of 24-26%, aided by significant cost savings. However, looking ahead, with Brent crude between \$100-110 and palm oil between MYR 4,500-4,800, GCPL expects a cost hit of 6-9% in FY27, which it expects to offset through pricing, cost savings, operating leverage and some prudent media optimisation. Elevated commodity costs are expected to persist through H1FY27.

In international business, Indonesia is expected to deliver mid-single-digit volume growth in Q4FY26, with market share gains across categories as the peak of competitive intensity passes. GAUM is projected to deliver high-single-digit volume growth and double-digit sales growth in constant currency terms, with Hair Fashion and Air Fresheners continuing to lead. A key monitorable remains the Nigerian Naira devaluation in January 2026, which is expected to cause a double-digit decline in GAUM's INR-reported sales, though constant-currency performance remains healthy.

The overall demand conditions and consumer sentiment remained steady in the domestic FMCG sector through Q4 FY26, with trade channels normalising following the GST transition and food inflation easing. Policy tailwinds, including personal income tax relief and GST rationalisation, do position the industry well to offset the impact of crude-led inflation.

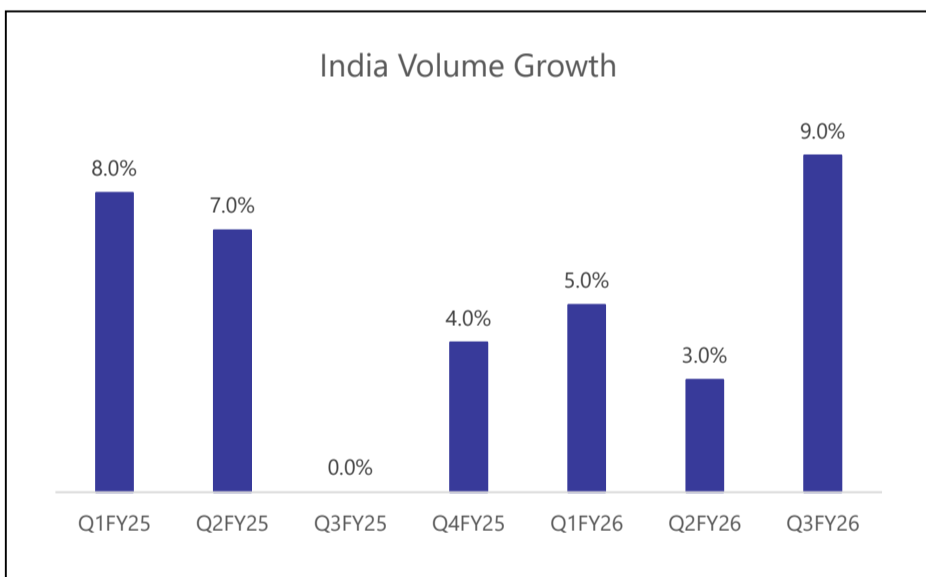
Key Rationale

Volume-led growth strategy intact, Product Innovation gaining critical mass

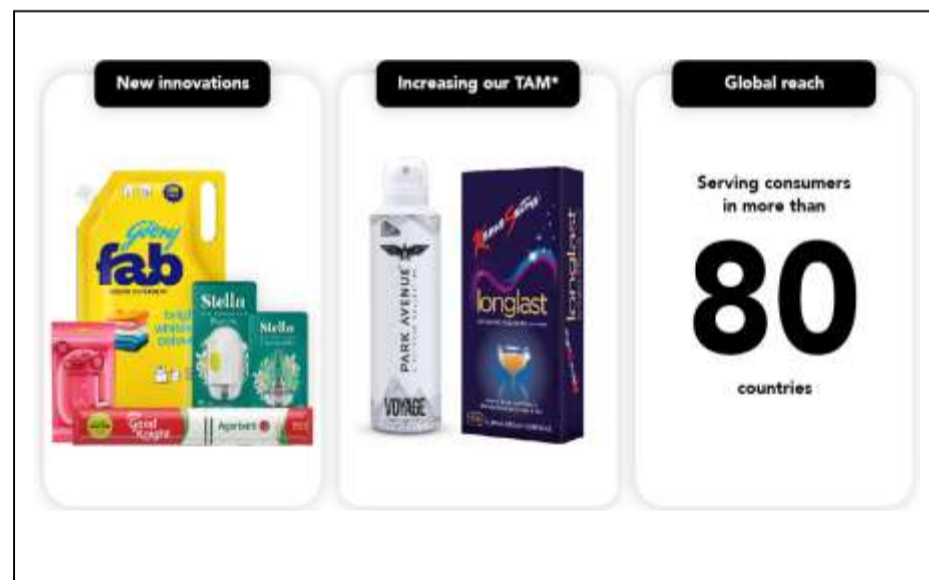
Razor sharp focus on driving volume growth

- Management's razor-sharp focus on high-single to low-double-digit volume growth through category development continues to bear fruit. Excluding soaps, volume growth has consistently remained in the double digits, positioning GCPL among the leaders in volume growth in India's FMCG sector.
- After witnessing a dip in H1FY26 amid slowdown in urban consumption and GST transition impact, volume growth rebounded sharply in H2FY26, to high single digits, in-line with management's erstwhile targets. Resilience of standalone domestic business has been the key underlying driver of volume growth. India volume growth remains broad-based, as all categories barring soaps (impacted by high palm oil prices) continue to witness double-digit headline growth. New product innovations, strengthening of distribution channels and continued marketing spends have led to robust growth in these categories.
- By setting consistent volume growth targets of 9-10% in the upcoming years for India, the management aims to establish a robust trajectory for future expansion and market leadership. The company continues to focus on its strengths of product innovation and robust in-market distribution to drive sustainable volume growth. Under its Vision 2040, the company is looking to increase the total addressable market (TAM), enter new categories, and focus on fast-growing segments to achieve its double-digit growth target.
- New product innovations (Aer-O, Godrej Fab, new RNF) have all witnessed positive traction and are quickly gaining critical mass. GCPL has also increased its TAM in India by investing in categories of the future, like Fragrance and Sexual Wellness (acquired from Raymond). The company has also expanded its global reach and now serves consumers in over 80 countries globally. Products like Aer Pocket and Godrej Expert Shampoo Hair Colour, which are Indian innovations, are finding acceptance in global markets.

Domestic volume growth on a strong footing



Driving volume growth through product innovations and category development



(Source: Company, HDFC sec.)

Simplification agenda progressing well

Simplification across the organisation to continue to improve efficiency and reduce costs

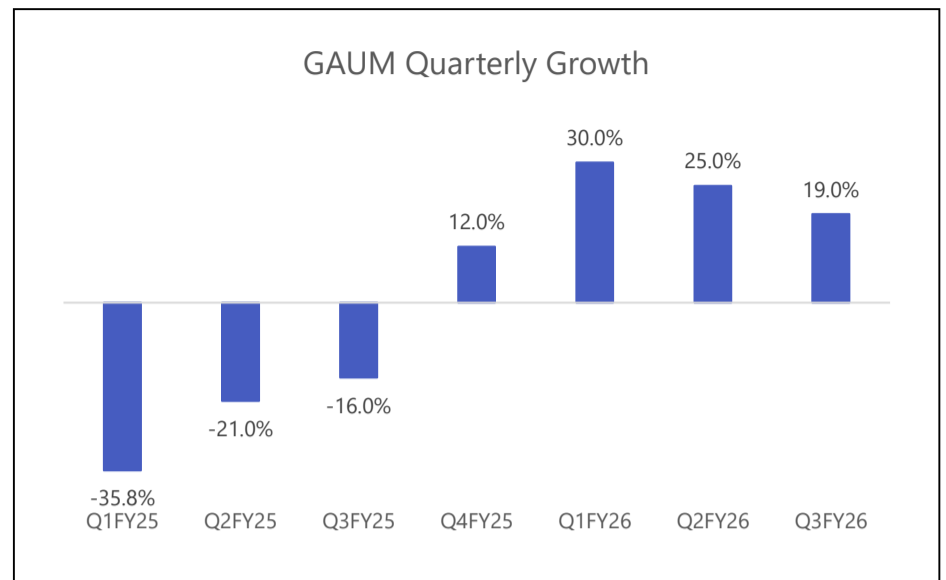
- GCPL has taken various steps in order to focus on four elements of simplification - SKUs, People, Operations and Processes and use the process from the same to invest in its focus areas.
- SKUs:** The company has reduced its SKUs by nearly 30% from what it were in FY22. In the Raymond Consumer Care business, for example, it has reduced 550 SKUs to just 100.
- People:** The company has also become more agile by reducing 10% managers as compared to that in FY22 by creating larger, richer roles, and introducing more modern tools
- Operations:** GCPL undertook various measures in its GAUM business such as exit in East Africa, closing down direct distribution in West Africa and reassessment of its manufacturing footprint in the region in order to focus on improving profitability and in turn its ROCE.
- Processes:** GCPL is using in-house capabilities for creativity and designing in order to simplify number of categories, agencies and executions, resulting in ~40 bps of savings in media.
- The planned consolidation into two integrated manufacturing facilities in Chennai and Madhya Pradesh by 2026 is progressing. Once operational, the facilities are expected to deliver ~100 bps

savings in supply chain costs over two years, providing a structural margin tailwind to complement operating leverage.

Simplification of portfolio and people to lead to savings



Simplified operations in GAUM business has led to growth revival



(Source: Company, HDFC sec.)

Rebooted HI segment through RNF molecule and distribution

- HI witnessed extremely strong sales growth (19% CAGR) over FY10-16 while growth tapered off in the latter half, falling to just >2% CAGR over FY16-22. The category had been under pressure due to exponential growth in the illegal incense-sticks market and an irregular, poor monsoon, which resulted in low mosquito infestation. However, the company has been reporting an improved performance over the past few quarters.
- Further, with the goal to democratise the category, the company has recently announced the introduction of Renofluthrin (RNF) molecule, which is 2x more effective than any other registered molecule. GCPL has exclusive access to it in the medium term, and that gives us a very powerful competitive edge. GCPL launched the new Goodnight Agarbatti with the RNF molecule India.
- The exclusive Renofluthrin (RNF) molecule, with 2x efficacy versus all other registered molecules, is gaining consumer acceptance across incense sticks and coils formats. RNF has been well received by customers, especially in the form of incense sticks and coils. The company is awaiting responses in electronics to further roll out the molecule across all formats.
- As the company expands distribution for the electric format and scales the incense sticks reach, the HI business is poised for sustained double-digit volume growth, with the additional tailwind of formalisation accelerating as elevated crude costs price out illegal players.

Revival of HI business through RNF molecule

Launched exclusive RNF molecule across the portfolio in 2024

The infographic features three main points:

- 2x More effective:** Represented by a large '2x' and a handshake icon.
- GCPL exclusivity for medium term:** Represented by a handshake icon.
- Made in India molecule:** Represented by a lion silhouette and the text 'MADE IN INDIA'.

 Images of Goodnight Agarbatti products are also shown.

Goodnight Agarbatti is now the largest branded incense sticks

The infographic highlights key performance metrics:

- ~8% Market share:** Represented by a large percentage sign.
- #1 Rank by value with 50% SAH:** Represented by a large '#1'.
- Cumulative revenue achieved in less than 15 months:** Represented by a bar chart showing growth from Q4 FY24 to Q4 FY25, reaching over 100 crore.

(Source: Company, HDFC sec.)

International business on a recovery path

- GCPL's inherent strength in the Indonesia business include long runway for growth and its market leadership in the categories in which it operates. Over the last 3 years the company has shifted from deep discounting in Indonesia to Every Day Low Promotion (EDLP), which has led to improved throughput. GCPL also moved from brand and distributor model to direct distribution model, which

has led to increased reach, driving volume growth. Indonesia business faced a challenging FY26 on the back of intense competitive pricing.

- GCPL's Indonesia business is expected to recover meaningfully from FY27 as market conditions normalise, with mid-single-digit volume growth and market share gains across all key categories. The shift from deep discounting to EDLP, direct distribution model and expanded media spends that drove Indonesia's volume growth from 1% CAGR (FY18-23) to >10% in subsequent years, remain intact structurally, and the current competitive pricing pressure is being managed through product and portfolio interventions.
- GAUM business has undergone a tough phase from FY17-20 with sales CAGR of 3% YoY and EBITDA CAGR of -11%, largely due to weak macroeconomic conditions and liquidity challenges. However, it has shown a tremendous recovery over the past few quarters, a part of which can be attributed to the appointment of Mr. Dharnesh Gordhon as CEO of GAUM in April 2020. He has built a strong van distribution model. In Africa, GCPL has been moving away from wholesale and this has yielded great results in its FMCG business. The objective for GAUM is to pivot further towards the FMCG business in terms of salience. This will entail focusing on the braids part of the hair extension business to achieve scale.
- GAUM's pivot to van-led direct distribution, focus on Hair Fashion and Air Fresheners, and exit from low-margin sub-segments have resulted in three consecutive quarters of margin growth. Double-digit revenue and profit growth guidance for GAUM in FY26 has been met and is expected to continue in FY27.

Entering the fast-growing Male Grooming segment through Muuchstac acquisition

- GCPL successfully completed the acquisition of Muuchstac, a men's face wash brand, in November 2025, strengthening the company's portfolio in the fast-growing male grooming segment. This acquisition is performing in line with plan and signals GCPL's intent to expand its TAM in underpenetrated personal care categories adjacent to its core.
- India's male grooming category, estimated at ~Rs 6,000-7,000 cr and compounding at 12-15% annually, is at a structural inflexion driven by rising grooming consciousness, quick commerce-led discovery, and a generational shift away from multi-use soaps toward category-specific skincare, yet per-capita penetration remains a fraction of peer emerging markets, underscoring the long runway ahead.
- GCPL's acquisition of Muuchstac, a digitally native men's face wash brand with established quick commerce traction, provides an immediately relevant entry point into this whitespace at a fraction of the cost of building a credible brand organically, and when combined with the Raymond-acquired Park Avenue deodorant and KamaSutra sexual wellness portfolio, gives GCPL a uniquely comprehensive presence across the male personal care occasion that no other Indian FMCG major currently replicates.
- Muuchstac's current digital-first footprint, when plugged into GCPL's 6.5 mn+ retail touchpoints and deepening quick commerce relationships, has the potential to scale the brand's reach exponentially and establish male grooming as GCPL's next high-growth, high-margin category engine over the medium term.

Risks & Concerns

- Competition risk can arise in the form of product pricing strategy, aggressive pricing by competitors, entry of new players, emergence of e-com/digital first brands and dependency on a few product categories to drive sales. The likely disruption in the grocery retail market, along with the growth of Reliance Retail's hyper-local formats and new e-commerce hypermarkets, poses a risk to industry dynamics in the medium term.
- The company faces currency risk as it has over 40% of its revenue from foreign operations and has a presence in five continents. Currency fluctuations in its key international markets, including Africa and Indonesia, will affect its earnings performance.
- Commodity risk exists as volatility in commodity prices (like palm oil, crude oil derivatives etc.) can impact GCPL's revenue and margins.
- Business slowdown risk exists. GCPL saw muted sales, EBITDA and PAT growth in FY18-20 due to a combination of factors (including consumer spending slowdown/downtrading in various geographies, volatility in raw material prices, geopolitical issues in some countries, nil growth/de-growth in insecticides business for some quarters, heightened competition in some categories, etc.)

and, hence, its stock price underperformed. Any resurgence of such a slow-growth scenario could hurt its growth, going forward.

- Structural fall in demand for HI in India could be a risk for the company.

Company Description

Godrej Consumer Products Ltd (GCPL) is a part of the 124-year-old Godrej Group; it was formed by the de-merger of the consumer products division of the erstwhile Godrej Soaps Ltd in April 2001. Although it was formed in its current form in 2001, it has been operating as Godrej Soaps for over 100 years in the personal care segment. GCPL, today, has a strong presence in the FMCG industry—across three core categories - personal care, home care and hair care – with focus on three geographies - Asia, Africa and Latin America.

Its brands, such as Goodknight and Hit in home care, Godrej Expert in the hair colouring segment and Cinthol and Godrej No 1 in the personal care segment, enjoy market-leading positions in the domestic market. Similarly, in international markets, its brands Darling in the dry hair care segment in Africa and Mitu wet wipes and Stella air fresheners in Indonesia enjoy established market positions in their respective regions.

Financial Statements

Income Statement

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	13316	14096	14364	15551	17106	19210
Growth (%)	8.5	5.9	1.9	8.3	10.0	12.3
Operating Expenses	10886	11153	11361	12456	13582	15147
EBITDA	2430	2943	3003	3095	3524	4063
Growth (%)	1.5	21.1	2.0	3.0	13.9	15.3
EBITDA Margin (%)	18.3	20.9	20.9	19.9	20.6	21.2
Depreciation	236	241	234	250	275	286
Other Income	168	269	316	311	359	423
EBIT	2363	2971	3085	3156	3608	4199
Interest expenses	176	296	350	310	259	223
PBT	2133	198	2672	2706	3349	3977
Tax	430	759	820	771	921	1066
PAT	1702	-561	1852	1935	2428	2911
Share of Asso./Minority Int.	0	0	0	0	0	0
Adj. PAT	1757	1916	1915	2075	2428	2911
Growth (%)	-2.0	9.1	0.0	8.3	17.0	19.9
EPS	17.2	18.7	18.7	20.3	23.7	28.4

Balance Sheet

Particulars (in Rs Cr) - As at March	FY23	FY24	FY25	FY26E	FY27E	FY28E
SOURCE OF FUNDS						
Share Capital	102	102	102	102	102	102
Reserves	13,692	12,496	11,902	12,497	13,390	14,766
Shareholders' Funds	13,794	12,599	12,004	12,599	13,492	14,868
Minority Interest	0	0	0	0	0	0
Total Debt	1,130	3,222	4,004	3,504	3,054	2,654
Other Non-Curr. Liab	105	167	174	174	174	174
Net Deferred Taxes	62	104	468	468	468	468
Total Sources of Funds	15,090	16,092	16,650	16,746	17,189	18,164
APPLICATION OF FUNDS						
Net Block & Goodwill	9,934	10,430	10,590	10,790	10,915	10,979
CWIP	45	83	464	464	464	464
Investments	3,029	3,514	3,731	3,731	3,731	3,731
Other Non-Curr. Assets	874	624	652	652	652	652
Total Non-Current Assets	13,882	14,651	15,437	15,637	15,762	15,826
Inventories	1,537	1,271	1,419	1,902	2,092	2,350
Debtors	1,245	1,535	1,819	1,695	1,865	2,094
Cash & Equivalents	391	547	455	173	364	1,104
Other Current Assets	443	492	543	543	543	543
Total Current Assets	3,616	3,845	4,235	4,313	4,863	6,090
Creditors	1,823	1,675	2,142	2,325	2,557	2,872
Other Current Liab & Provisions	585	728	879	879	879	879
Total Current Liabilities	2,408	2,404	3,021	3,204	3,436	3,751
Net Current Assets	1,208	1,441	1,214	1,109	1,427	2,339
Total Application of Funds	15,090	16,092	16,650	16,746	17,189	18,164

Cash Flow Statement

Particulars (in Rs Cr)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Reported PBT	2,133	198	2,672	2,706	3,349	3,977
Non-operating & EO items	-69	2,164	-244	0	0	0
Interest Expenses	176	296	350	310	259	223
Depreciation	236	241	234	250	275	286
Working Capital Change	93	-456	35	-177	-127	-172
Tax Paid	-418	-374	-470	-771	-921	-1,066
OPERATING CASH FLOW (a)	2,151	2,070	2,577	2,318	2,835	3,248
Capex	-220	-277	-559	-450	-400	-350
Free Cash Flow	1,931	1,793	2,018	1,868	2,435	2,898
Investments	-1,638	-613	48	0	0	0
Non-operating income	99	-2,473	168	0	0	0
INVESTING CASH FLOW (b)	-1,758	-3,363	-344	-450	-400	-350
Debt Issuance / (Repaid)	-675	2,185	694	-500	-450	-400
Interest Expenses	-119	-267	-311	-310	-259	-223
FCFE	-402	625	2,617	1,058	1,726	2,275
Share Capital Issuance	0	0	0	0	0	0
Dividend	0	-511	-2,565	-1,340	-1,535	-1,535
Others	0	0	0	0	0	0
FINANCING CASH FLOW (c)	-794	1,406	-2,182	-2,149	-2,244	-2,158
NET CASH FLOW (a+b+c)	-402	113	52	-282	191	740

Key Ratios

Particulars	FY23	FY24	FY25	FY26E	FY27E	FY28E
Profitability Ratios (%)						
EBITDA Margin	18.3	20.9	20.9	19.9	20.6	21.2
EBIT Margin	17.7	21.1	21.5	20.3	21.1	21.9
APAT Margin	13.2	13.6	13.3	13.3	14.2	15.2
RoE	13.9	14.5	15.6	16.9	18.6	20.5
RoCE	16.8	19.3	19.4	19.7	22.1	24.7
Solvency Ratio (x)						
Net Debt/EBITDA	0.3	0.9	1.2	1.1	0.8	0.4
Net D/E	0.1	0.2	0.3	0.3	0.2	0.1
PER SHARE DATA (Rs)						
EPS	17.2	18.7	18.7	20.3	23.7	28.4
CEPS	19.5	21.1	21.0	22.7	26.4	31.2
BV	134.9	123.1	117.3	123.1	131.8	145.3
Dividend	0.0	10.0	25.0	13.1	15.0	15.0
Turnover Ratios (days)						
Debtor days	32	36	43	41	38	38
Inventory days	50	36	34	39	43	42
Creditors days	55	45	49	52	52	52
Valuation (X)						
P/E	64.6	59.2	59.3	54.7	46.8	39.0
P/BV	8.2	9.0	9.5	9.0	8.4	7.6
EV/EBITDA	46.1	38.9	37.9	36.7	32.1	27.5
EV / Revenues	8.4	8.1	7.9	7.3	6.6	5.8
Dividend Yield (%)	0.0	0.9	2.3	1.2	1.4	1.4
Dividend Payout (%)	0.0	53.4	133.6	64.6	63.2	52.7

(Source: Company, HDFC sec.)

HDFC Sec Prime Research Rating description

Green Rating stocks

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. This stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

Yellow Rating stocks

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

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This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicity of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

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