

### Subdued demand persists

- HUVR Q3FY25 Revenue/EBITDA were in line, while APAT was below our estimates. Revenue grew by mere 1.4% with flat volume growth due to adverse mix and subdued demand conditions. We expect consumption trends to remain subdued in the near term.
- GM contracted by 80bps YoY due to volatile commodity prices. A 80/20/10bps increase in RM cost/employee cost/other expense led to EBITDA margin contraction of 10bps. Going ahead, EBITDAM is expected to be at the lower end of the 23-24% range.
- We have lowered our FY26/27E EPS estimates by 3.4/3.4% YoY at Rs 49.7/54.8 to factor in Q3 performance and anticipated pressure in margin expansion. Despite near-term inflationary concerns, we remain confident about long-term premiumization strategy. Valuing the stock at 50x FY27E EPS we maintain 'Accumulate' rating with TP of Rs 2,740.

### Revenue and EBITDA in line; APAT below our estimates

Net sales grew by 1.4% YoY at Rs 154.1bn, with flat underlying volume growth. GM contracted by 80bps to 50.7%. A 100bps decline in ad expenses was fully offset by 80/20/10bps increase in RM cost/employee exp/other exp. Consequently, EBITDA margin contracted by 10bps to 23.2% in Q3FY25. EBITDA grew by 0.8% YoY to Rs 35.7bn. RPAT grew by 19.1% YoY to Rs 30.0bn. Excluding extraordinary items on account of the divestment of Pure-it business, APAT de-grew by 2.2% YoY to Rs 24.9bn.

### Decline in volume in key segments

In Q3, HUVR's majority portfolio gained market share. Beauty and wellbeing reported low-single-digit decline due to muted performance in skin care and colour cosmetics. Further, personal care and F&R reported mid-single-digit volume de-growth. However, home care reported high-single-digit volume growth led by growth in fabric wash and high-single-digit volume growth in the dish wash segment.

### Mixed performance at the segmental level

At the segmental level – (1) Home care posted 5.4% sales growth with 60bps EBIT margin expansion to 18.4% (2) Beauty & Well-being posted 1.4% revenue growth; However, EBIT margins declined by 290bps to 29.4% (3) Personal care reported 3.0% revenue de-growth, while EBIT margins expanded by 190bps to 17.6% and (4) F&R posted 0.3% YoY sales growth with EBIT margin expansion of 110bps to 20.2%.

#### Key Data

Nifty	23,155
Equity / FV	Rs 2,350mn / Rs 1
Market Cap	Rs 5,506bn
	USD 63.8bn
52-Week High/Low	Rs 3,035/ 2,172
Avg. Volume (no)	17,18,750
Bloom Code	HUVR IN

	Current	Previous
Rating	Accumulate	Accumulate
Target Price	2,740	2,978

#### Change in Estimates

(Rs.bn)	Current	Chg (%)	bps
	FY25E	FY26E	FY25E
Revenue	619	669	(3.3)
EBITDA	145	161	(3.7)
EBITDA (%)	23.5	24.1	(11)
APAT	105	117	(3.8)
EPS (Rs)	44.8	49.7	(3.8)

#### Valuation (x)

	FY25E	FY26E	FY27E
P/E	52.3	47.2	42.8
EV/EBITDA	37.6	33.8	30.6
ROE (%)	20.9	23.3	25.2
RoACE (%)	17.3	19.1	20.7

#### Q3FY25 Result (Rs Mn)

Particulars	Q3FY25	YoY (%)	QoQ (%)
Revenue	1,54,080	1.4	(0.6)
Total Expense	1,18,380	1.6	(0.2)
EBITDA	35,700	0.8	(2.1)
Depreciation	3,080	9.2	1.0
EBIT	32,620	0.1	(2.4)
Other Income	3,120	9.5	1.0
Interest	1,050	29.6	6.1
EBT	39,780	15.9	12.5
Tax	9,770	7.0	5.7
RPAT	30,010	19.1	14.9
APAT	24,920	(2.2)	(5.2)
		(bps)	(bps)
Gross Margin	50.7	(83)	(37)
EBITDA (%)	23.2	(14)	(35)
NPM (%)	19.5	289	263
Tax Rate (%)	24.6	(204)	(157)
EBIT (%)	21.2	(28)	(38)

Director Research: Sachin Bobade

+91 22 40969731

[sachinb@dolatcapital.com](mailto:sachinb@dolatcapital.com)

Associate: Jyoti Amonkar

+9122 61764822

[jyotia@dolatcapital.com](mailto:jyotia@dolatcapital.com)

Associate: Akshay Patel

+9122 40969753

[akshayp@dolatcapital.com](mailto:akshayp@dolatcapital.com)

### **Demerger of ice cream business into independent listed entity**

The BOD approved the demerger of the ice cream business into an independent listed entity on November 25, 2024. The company incorporated a wholly owned subsidiary named Kwaliti Walls (India) Limited (KWIL) on January 10, 2025. BOD has approved the scheme of arrangement between HUVR, KWIL, and their respective shareholders to demerge HUVR's ice cream business into KWIL. *Shareholders will receive one equity share in the new entity for each share held in HUVR.*

HUVR's ice cream business revenue stood at Rs 15.9bn in FY24 (represents ~2.7% of standalone revenue). It features iconic brands such as Kwaliti Wall's, Cornetto, and Magnum, and operates in a highly attractive market. With a dedicated and experienced management team, KWIL will have enhanced focus and flexibility to implement strategies tailored to its unique business model and market dynamics, thereby maximizing its growth potential.

The company believes this demerger will unlock significant value for HUVR's shareholders and offer them the opportunity to continue benefiting from the growth of the ice cream business.

### **HUVR to acquire stake in 'Minimalist' – active led premium beauty brand**

HUVR has entered into a definitive agreement to acquire a stake in Uprising Science Pvt Ltd, which is engaged in the business of hair care and skin care products under the brand name Minimalist, which is a premium, actives-led beauty brand. It was founded in 2020 by Mr. Mohit Yadav and Mr. Rahul Yadav, Minimalist is one of the fastest-growing digital brands, with a current annual revenue run rate of Rs 50bn.

This acquisition is a significant step in expanding HUVR's Beauty & Wellbeing portfolio within the high growth masstige beauty segment. The acquisition is a strategic fit for HUVR, as it strengthens its position in the fast-growing affluent beauty market. Minimalist's portfolio of efficacious products with distinct and sharp positioning complements HUVR's existing offerings and enhances its presence in both eCommerce and the masstige segment.

HUVR will acquire a 90.5% stake in the business through secondary buyouts at a pre-money enterprise value of Rs 29.5bn (subject to adjustments as per the transaction documents) and primary infusion. The remaining 9.5% stake will be acquired from the founders over the next two years. The transaction is expected to close in Q1FY26E, subject to applicable regulatory approvals and customary closing conditions.

HUVR has been under-indexed in the premium beauty segment, and the acquisition of 'Minimalist' is expected to be one of the levers in driving 900bps improvement in the portfolio shift towards premiumization over the next few years.

**Exhibit 1: Actual V/s Dolat estimate**

Particulars (Rs mn)	Actual	Estimates	Variance (%)	Comments
Revenue	1,54,080	1,55,688	(1.0)	
EBITDA	35,700	36,443	(2.0)	
EBITDA margin %	23.2	23.4	(20)	
APAT	24,920	26,599	(6.3)	On account of divestment of Pure-it business

Source: Company, DART

**Exhibit 2: Change in estimates**

Particulars (Rs mn)	FY25E			FY26E			FY27E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenue	6,18,605	6,39,567	(3.3)	6,68,640	6,88,784	(2.9)	7,29,455	7,51,313	(2.9)
EBIDTA	1,45,064	1,50,708	(3.7)	1,60,962	1,66,421	(3.3)	1,77,355	1,83,295	(3.2)
EBIDTA margin (%)	23.5	23.6	(10bps)	24.1	24.2	(10bps)	24.3	24.4	(10bps)
PAT	1,05,227	1,09,418	(3.8)	1,16,697	1,20,851	(3.4)	1,28,766	1,33,350	(3.4)
EPS (Rs)	44.8	46.6	(3.8)	49.7	51.4	(3.4)	54.8	56.7	(3.4)

Source: Company DART

Though Q3 revenue performance was in line with the estimate, we have downward revised our FY25/26/27E revenue estimates to factor in the delay in price pass-on. In line with the revision in revenues, we have revised our EBITDA and APAT estimates.

**Exhibit 3: 9MFY25 performance**

Particulars (Rs.mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	9MFY25	9MFY24	YoY (%)
Net Sales	1,54,080	1,51,880	1.4	1,55,080	(0.6)	4,62,550	4,56,120	1.4
Total Expenditure	1,18,380	1,16,480	1.6	1,18,610	(0.2)	3,54,320	3,48,570	1.6
RM Cost	76,010	73,670	3.2	75,930	0.1	2,26,420	2,21,760	2.1
Employee Exp	6,840	6,490	5.4	7,650	(10.6)	20,510	20,080	2.1
Ad spends	14,660	15,930	(8.0)	14,640	0.1	45,740	47,940	(4.6)
Other Exp	20,870	20,390	2.4	20,390	2.4	61,650	58,790	4.9
PBIDT (Excl OI)	35,700	35,400	0.8	36,470	(2.1)	1,08,230	1,07,550	0.6
Other Income	3,120	2,850	9.5	3,090	1.0	8,780	7,530	16.6
Depreciation	3,080	2,820	9.2	3,050	1.0	9,110	8,080	12.7
EBIT	35,740	35,430	0.9	36,510	(2.1)	1,07,900	1,07,000	0.8
Interest	1,050	810	29.6	990	6.1	2,890	2,000	44.5
Exceptional Items	5,090	(300)	NA	(160)	NA	4,450	(720)	NA
PBT	39,780	34,320	15.9	35,360	12.5	1,09,460	1,04,280	5.0
Tax	9,770	9,130	7.0	9,240	5.7	27,950	27,200	2.8
RPAT	30,010	25,190	19.1	26,120	14.9	81,510	77,080	5.7
APAT	24,920	25,490	(2.2)	26,280	(5.2)	77,060	77,800	(1.0)
EPS (Reported PAT)	10.6	10.8	(2.2)	11.2	(5.2)	33	33	(1.0)
			<b>bps</b>		<b>bps</b>			<b>bps</b>
Gross Profit (%)	50.7	51.5	(80)	51.0	(40)	51.0	51.4	(30)
Employee Cost (%)	4.4	4.3	20	4.9	(50)	4.4	4.4	-
Ad spends (%)	9.5	10.5	(100)	9.4	10	9.9	10.5	(60)
Other Exp (%)	13.5	13.4	10	13.1	40	13.3	12.9	40
EBITDA (%)	23.2	23.3	(10)	23.5	(30)	23.4	23.6	(20)
PAT (%) Adj	16.2	16.8	(60)	16.9	(80)	16.7	17.1	(40)

Source: Company, DART

## Exhibit 4: Segmental Performance

Particulars (Rs.mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Remarks
<b>Home Care</b>						<b>Fabric Wash &amp; Household Care</b>
Revenue	57,420	54,480	5.4	57,370	0.1	<ul style="list-style-type: none"> <li>Fabric wash posted high-single-digit volume growth led by strong broad-based performance across formats. Further, Liquids and Fabric care portfolio continued to deliver strong performance.</li> </ul>
EBIT	10,540	9,660	9.1	10,870	(3.0)	
EBIT Margin (%)	18.4	17.7	60bps	18.9	(60bps)	<ul style="list-style-type: none"> <li>High-single-digit volume growth in household care led by premium dishwash portfolio.</li> </ul>
<b>Beauty and Wellbeing</b>						<b>Skin Care, Colour Cosmetics and Hair Care</b>
Revenue	34,380	33,900	1.4	33,230	3.5	<ul style="list-style-type: none"> <li>Haircare posted mid-single-digit volume growth driven by strong performance across sachets and future-oriented formats.</li> </ul>
EBIT	10,120	10,970	(7.7)	11,210	(9.7)	
EBIT Margin (%)	29.4	32.4	(290bps)	33.7	(430bps)	<ul style="list-style-type: none"> <li>Skin care and colour cosmetics posted muted performance due to delayed winter and mass skin portfolio. However, the non-winter portfolio recorded mid-single-digit growth.</li> </ul>
<b>Personal Care</b>						<b>Skin Cleansing and Oral Care</b>
Revenue	22,460	23,150	(3.0)	24,120	(6.9)	<ul style="list-style-type: none"> <li>Skin cleansing posted muted performance due to decline in the hygiene segment. However, non-hygiene segment witnessed positive momentum in the quarter.</li> </ul>
EBIT	3,950	3,640	8.5	4,010	(1.5)	
EBIT Margin (%)	17.6	15.7	190bps	16.6	100bps	<ul style="list-style-type: none"> <li>Oral care grew in mid-single-digit driven by Closeup.</li> </ul>
<b>Food &amp; Refreshments</b>						<b>Tea, Nutrition Drinks, Foods and Ice Cream</b>
Revenue	37,450	37,330	0.3	38,030	(1.5)	<ul style="list-style-type: none"> <li>Tea strengthened value and volume market leadership. Tea recorded low-single-digit growth led by pricing, while coffee continued to deliver double-digit growth.</li> </ul>
EBIT	7,550	7,110	6.2	6,900	9.4	
EBIT Margin (%)	20.2	19.0	110bps	18.1	200bps	<ul style="list-style-type: none"> <li>Nutrition Drink witnessed muted performance due to subdued consumption.</li> <li>Foods posted mid-single-digit growth led by strong performance in future core and market makers portfolio. Food solutions, mayonnaise, international sauces and cuisines maintained strong double-digit volume growth.</li> <li>Ice cream exhibited flat value growth.</li> </ul>
<b>Others</b>						
Revenue	2,370	3,020.0	(21.5)	2,330	1.7	
EBIT	460.0	1,200.0	(61.7)	430.0	7.0	
EBIT Margin (%)	19.4	39.7	(2,030bps)	18.5	100bps	
<b>Total</b>						
Revenue	1,54,080	1,51,880	1.4	1,55,080	(0.6)	
EBIT	32,620	32,580	0.1	33,420	(2.4)	
EBIT Margin (%)	21.2	21.5	(30bps)	21.6	(40bps)	

Source: Company, Dolat Capital

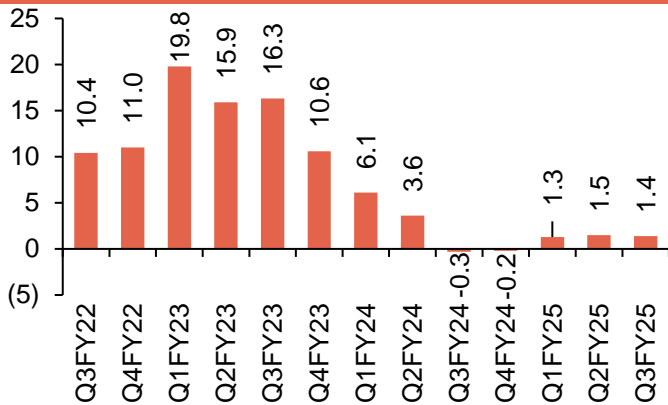
### Earning call KTA's

- Revenue grew by mere 1.4% YoY to Rs 154.1bn, with flat volume growth. The volume mix was negative as a result of - 1) home care growth outpacing the rest of the business (home care has a lower realization per tonne) and 2) smaller packs saw higher growth than large packs. This negative mix was partially offset by the continued premiumization trend. Going ahead, HUVR would continue to drive competitive volume-led growth. Further, the management expects that if commodity prices remain at similar levels, price growth will be in the low-single-digit.
- Over the last six months, overall FMCG volume growth has slowed on a MAT level basis. The FMCG demand trends remained muted during Q3FY25. Rural growth sustained gradual recovery, while urban growth remained moderate.
- During the quarter, a shift in consumer pattern has been observed, with small packs growing ahead of large packs across the portfolio, reflecting current macro-economic conditions and moderation in urban growth. However, the secular trend of premiumization has remained intact, with the premium segment growing ahead of the mass segment.
- GM contracted by 80bps YoY, due to inflated tea and crude palm oil prices (crude oil/soda ash/palm oil/ tea -11/-3/+40/+24% respectively), while GM dilution was restricted led by proactive cost control measures. Additionally, higher employee costs and other expenses contributed to a 10bps YoY decline in EBITDA margins. To mitigate higher RM costs, HUVR has implemented calibrated price hikes in line with net material inflation. The company believes that it will maintain EBITDA margins at the lower end of ~23-24% range and aims to improve its margin through a mix and leverage-led approach.
- RPAT grew by 19.1% YoY, primarily due to profit from the divestment of 'Pureit' business, while excluding exceptional items, APAT de-grew by 2.2% YoY. The company expects its effective tax rate for the full year to be ~25.5% after considering prior period tax adjustments.
- Home care posted revenue growth of 6% led by high-single-digit volume growth in both fabric wash and household care. The fabric wash business performance was broad-based across formats, with the liquid's portfolio delivering double-digit growth.
- Household care posted high-single-digit volume growth led by the outperformance of dishwash. During the quarter, the company launched Sunlight liquid dishwash – which is in line with the strategic intent to make liquids accessible within mass segment.
- Beauty & Wellbeing reported modest growth of 1% YoY, with volume growth declining by low-single-digit due to delayed winters. However, hair care delivered mid-single-digit volume growth driven by broad-based growth across sachets and formats - premium shampoo sachets have grown faster than mass sachets.
- Skin care and colour cosmetics posted muted performance, which was impacted by delayed winter and mass skin portfolio. However, the non-winter skin portfolio delivered a mid-single-digit growth. The mass skin performance witnessed sequential improvement led by portfolio expansion.
- Oral Care delivered mid-single-digit growth driven by pricing and strong performance of the Closeup brand.



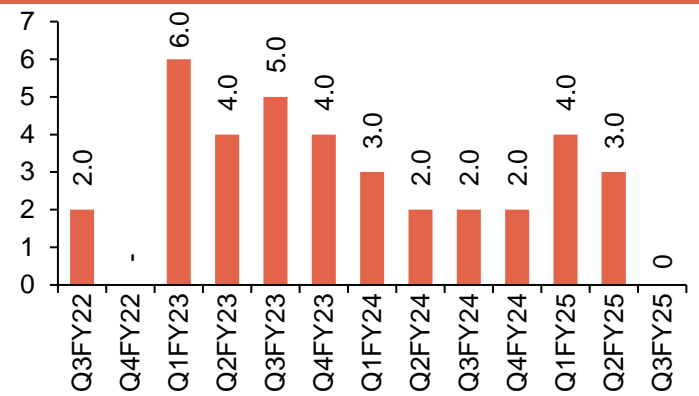
- Personal Care revenue de-grew by 4% with mid-single-digit drop in volume due to weak performance in the hygiene segment of skin cleansing - to address the decline in the hygiene segment, the company has relaunched Lifebuoy. Nonetheless, the non-hygiene segment delivered positive momentum. Bodywash continued to strengthen its market leadership with strong double-digit growth.
- Foods posted flat sales growth, with mid-single-digit price growth offset by a decline in volume. Nonetheless, tea delivered low-single-digit growth led by premium brands such as 3 Roses and Taj Mahal. Further, coffee grew double-digit, led by strong performance in organized trade and price growth. In addition, Ketchup, Mayonnaise, International Sauces, and Cuisine continue to see strong consumer traction while Food Solutions maintain its double-digit growth momentum. However, ice-cream revenue was flat on YoY basis.
- Nutrition drinks continued to strengthen their value and volume market leadership while the category declined due to subdued consumption. HUVR is taking actions to accelerate consumption, through adjustments to pricing architecture for consumption packs which was executed in the quarter and incentivizing consumers to purchase large packs. Furthermore, in line with the strategy to expand fast growing adult nutrition portfolio, HUVR has extended the presence of Strength Plus nationwide.
- HUVR launched various new products during Q3FY25 - Rin bar was re-launched with enhanced technology, and Comfort underwent a comprehensive re-launch to strengthen its brand. Dove introduced Hair and Scalp Therapy and launched a new Serum Shower collection, including soap and body wash, while Tresemmé launched the Silk Press range to further bolster its core and market-leading portfolios. Other notable launches included Lakmé's premium Rouge Bloom range, Glow and Lovely's Glass Bright cream, and Pond's Youthful Miracle regime. Knorr introduced a new flavor of Korean Noodles, and Horlicks expanded its Strength Plus product across India.
- HUVR's BOD approved the acquisition of the palm undertaking of 'Vishwatej Oil Industries Pvt Ltd', as a part of HUVR's Palm localisation strategy to build supply chain resilience for palm derivatives through backward integration. The palm undertaking is based in the Kamareddy district of Telangana. Currently, HUVR imports palm and its derivatives from Indonesia and Malaysia. This acquisition allows contributing to India's National Mission of increasing domestic oilseed production and reducing import dependence.

**Exhibit 5: Trend in revenue growth (%)**



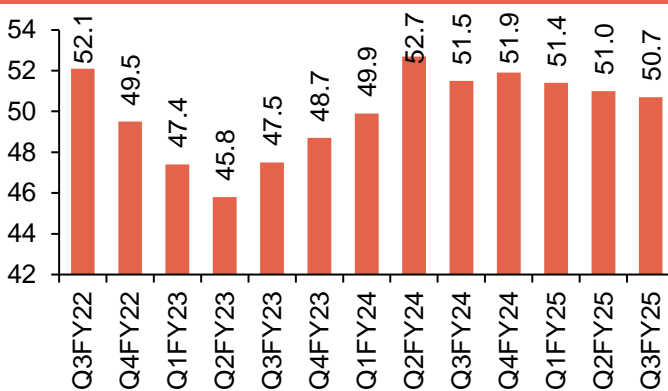
Source: Company, Dolat Capital

**Exhibit 6: Trend in domestic volume growth (%)**



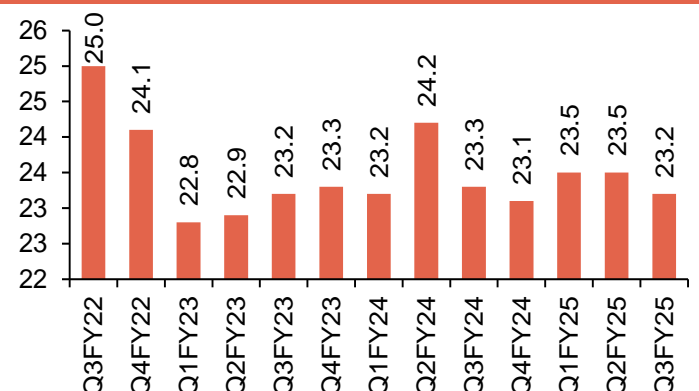
Source: Company, Dolat Capital

**Exhibit 7: Trend in gross margins (%)**



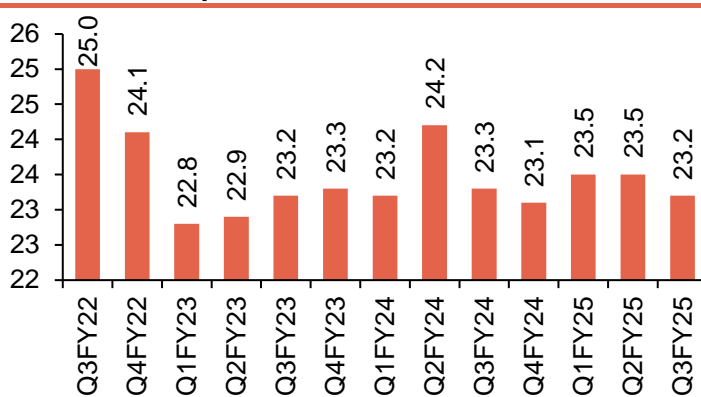
Source: Company, Dolat Capital

**Exhibit 8: Trend in EBITDA margins (%)**



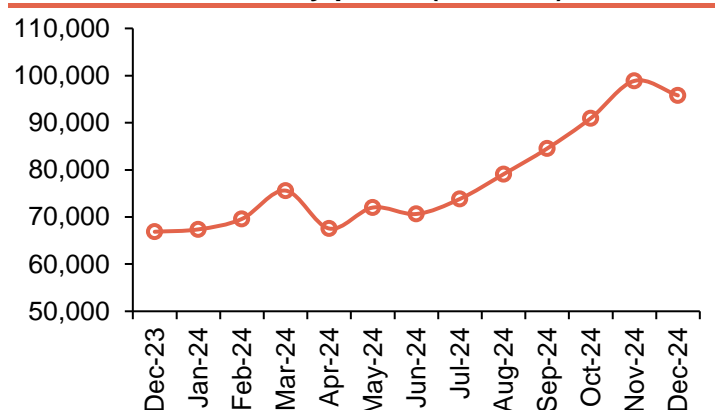
Source: Company, Dolat Capital

**Exhibit 9: Ad spends as a % of sales**



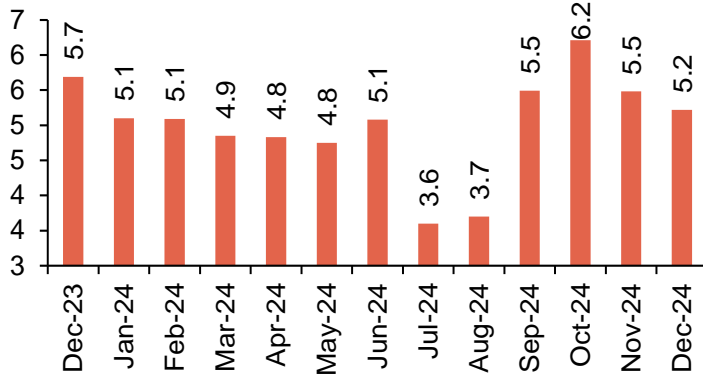
Source: Company, Dolat Capital

**Exhibit 10: Commodity prices (Palm Oil)- Rs /MT**



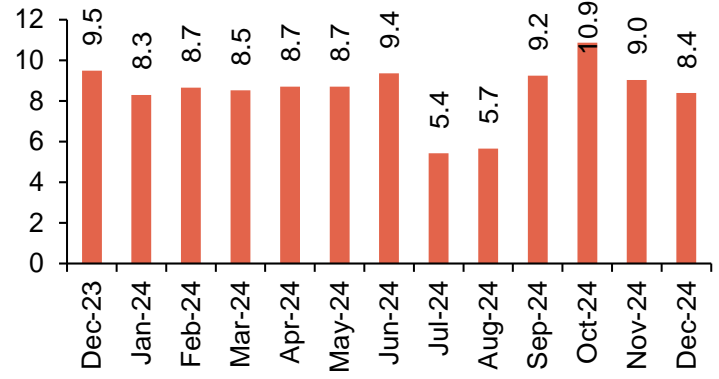
Source: Company, Dolat Capital

**Exhibit 11: CPI Monthwise (YoY %)**



Source: Company, Dolat Capital

**Exhibit 12: Food Inflation Monthwise (YoY %)**



Source: Company, Dolat Capital



## Financial Performance

### Profit and Loss Account

(Rs Mn)	FY24A	FY25E	FY26E	FY27E
<b>Revenue</b>	<b>6,04,689</b>	<b>6,18,605</b>	<b>6,68,640</b>	<b>7,29,455</b>
<b>Total Expense</b>	<b>4,62,790</b>	<b>4,73,540</b>	<b>5,07,677</b>	<b>5,52,100</b>
COGS	2,93,270	2,97,235	3,17,599	3,50,133
Employees Cost	27,820	29,079	32,099	35,748
Other expenses	1,41,700	1,47,226	1,57,979	1,66,218
<b>EBIDTA</b>	<b>1,41,899</b>	<b>1,45,064</b>	<b>1,60,962</b>	<b>1,77,355</b>
Depreciation	10,970	11,207	11,363	11,518
<b>EBIT</b>	<b>1,30,929</b>	<b>1,33,857</b>	<b>1,49,600</b>	<b>1,65,837</b>
Interest	3,020	3,050	2,440	2,513
Other Income	9,730	10,914	10,539	10,685
Exc. / E.O. items	(890)	0	0	0
<b>EBT</b>	<b>1,36,749</b>	<b>1,41,720</b>	<b>1,57,698</b>	<b>1,74,009</b>
Tax	35,610	36,493	41,002	45,242
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Profit/Loss share of associates	0	0	0	0
RPAT	1,01,139	1,05,227	1,16,697	1,28,766
Adjustments	890	0	0	0
<b>APAT</b>	<b>1,02,029</b>	<b>1,05,227</b>	<b>1,16,697</b>	<b>1,28,766</b>

### Balance Sheet

(Rs Mn)	FY24A	FY25E	FY26E	FY27E
<b>Sources of Funds</b>				
Equity Capital	2,350	2,350	2,350	2,350
Minority Interest	0	0	0	0
Reserves & Surplus	5,07,380	4,92,671	5,02,788	5,13,799
<b>Net Worth</b>	<b>5,09,730</b>	<b>4,95,021</b>	<b>5,05,138</b>	<b>5,16,149</b>
Total Debt	13,740	13,740	13,740	13,740
Net Deferred Tax Liability	1,11,150	1,11,150	1,11,150	1,11,150
<b>Total Capital Employed</b>	<b>6,34,620</b>	<b>6,19,911</b>	<b>6,30,028</b>	<b>6,41,039</b>

### Applications of Funds

Net Block	5,23,790	5,20,583	5,17,220	5,13,702
CWIP	9,150	9,150	9,150	9,150
Investments	54,930	55,618	56,354	57,142
<b>Current Assets, Loans &amp; Advances</b>	<b>1,82,890</b>	<b>1,81,716</b>	<b>2,03,874</b>	<b>2,29,821</b>
Current Investments	0	0	0	0
Inventories	38,120	44,811	48,435	52,847
Receivables	26,900	21,829	23,595	25,744
Cash and Bank Balances	72,160	68,787	83,836	1,01,128
Loans and Advances	45,710	46,290	48,009	50,102
Other Current Assets	0	0	0	0
<b>Less: Current Liabilities &amp; Provisions</b>	<b>1,36,140</b>	<b>1,47,156</b>	<b>1,56,570</b>	<b>1,68,777</b>
Payables	1,01,480	1,12,204	1,21,278	1,32,326
Other Current Liabilities	34,660	34,952	35,292	36,451
<i>sub total</i>				
Net Current Assets	46,750	34,561	47,304	61,045
<b>Total Assets</b>	<b>6,34,620</b>	<b>6,19,911</b>	<b>6,30,028</b>	<b>6,41,039</b>

E – Estimates

### Important Ratios

Particulars	FY24A	FY25E	FY26E	FY27E
<b>(A) Margins (%)</b>				
Gross Profit Margin	51.5	52.0	52.5	52.0
EBIDTA Margin	23.5	23.5	24.1	24.3
EBIT Margin	21.7	21.6	22.4	22.7
Tax rate	26.0	25.8	26.0	26.0
Net Profit Margin	16.7	17.0	17.5	17.7
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	48.5	48.0	47.5	48.0
Employee	4.6	4.7	4.8	4.9
Other	23.4	23.8	23.6	22.8
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	43.4	43.9	61.3	66.0
Inventory days	23	26	26	26
Debtors days	16	13	13	13
Average Cost of Debt	25.0	22.2	17.8	18.3
Payable days	61	66	66	66
Working Capital days	28	20	26	31
FA T/O	1.2	1.2	1.3	1.4
<b>(D) Measures of Investment</b>				
AEPS (Rs)	43.4	44.8	49.7	54.8
CEPS (Rs)	48.1	49.5	54.5	59.7
DPS (Rs)	40.0	51.0	45.4	50.1
Dividend Payout (%)	92.1	114.0	91.3	91.4
BVPS (Rs)	216.9	210.6	215.0	219.6
RoANW (%)	20.0	20.9	23.3	25.2
RoACE (%)	17.4	17.3	19.1	20.7
RoAIC (%)	23.9	24.0	27.3	30.5
<b>(E) Valuation Ratios</b>				
CMP (Rs)	2343	2343	2343	2343
Mcap (Rs Mn)	55,05,933	55,05,933	55,05,933	55,05,933
EV	54,47,513	54,50,886	54,35,837	54,18,544
MCap/ Sales	9.1	8.9	8.2	7.5
EV/Sales	9.0	8.8	8.1	7.4
P/E	54.0	52.3	47.2	42.8
EV/EBITDA	38.4	37.6	33.8	30.6
P/BV	10.8	11.1	10.9	10.7
Dividend Yield (%)	1.7	2.2	1.9	2.1
<b>(F) Growth Rate (%)</b>				
Revenue	2.2	2.3	8.1	9.1
EBITDA	4.1	2.2	11.0	10.2
EBIT	3.9	2.2	11.8	10.9
PBT	4.6	3.6	11.3	10.3
APAT	1.8	3.1	10.9	10.3
EPS	1.8	3.1	10.9	10.3

E – Estimates

## Cash Flow

Particulars	FY24A	FY25E	FY26E	FY27E
<b>Profit before tax</b>	<b>1,37,639</b>	<b>1,41,720</b>	<b>1,57,698</b>	<b>1,74,009</b>
Depreciation & w.o.	10,970	11,207	11,363	11,518
Net Interest Exp	3,020	3,050	2,440	2,513
Direct taxes paid	(35,610)	(36,493)	(41,002)	(45,242)
Change in Working Capital	(5,150)	8,816	2,305	3,552
Non Cash	0	0	0	0
<b>(A) CF from Operating Activities</b>	<b>1,10,869</b>	<b>1,28,301</b>	<b>1,32,805</b>	<b>1,46,349</b>
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(19,660)	(8,000)	(8,000)	(8,000)
<b>Free Cash Flow</b>	<b>91,209</b>	<b>1,20,301</b>	<b>1,24,805</b>	<b>1,38,349</b>
(Inc.)/ Dec. in Investments	(16,990)	(688)	(736)	(788)
Other	0	0	0	0
<b>(B) CF from Investing Activities</b>	<b>(36,650)</b>	<b>(8,688)</b>	<b>(8,736)</b>	<b>(8,788)</b>
Issue of Equity/ Preference	47,371	0	0	0
Inc./(Dec.) in Debt	3,350	0	0	0
Interest exp net	(3,020)	(3,050)	(2,440)	(2,513)
Dividend Paid (Incl. Tax)	(93,980)	(1,19,936)	(1,06,580)	(1,17,756)
Other	0	0	0	0
<b>(C) CF from Financing</b>	<b>(46,279)</b>	<b>(1,22,986)</b>	<b>(1,09,020)</b>	<b>(1,20,269)</b>
Net Change in Cash	27,940	(3,373)	15,049	17,293
<b>Opening Cash balances</b>	<b>44,220</b>	<b>72,160</b>	<b>68,787</b>	<b>83,836</b>
<b>Closing Cash balances</b>	<b>72,160</b>	<b>68,787</b>	<b>83,836</b>	<b>1,01,128</b>

E – Estimates

## Notes

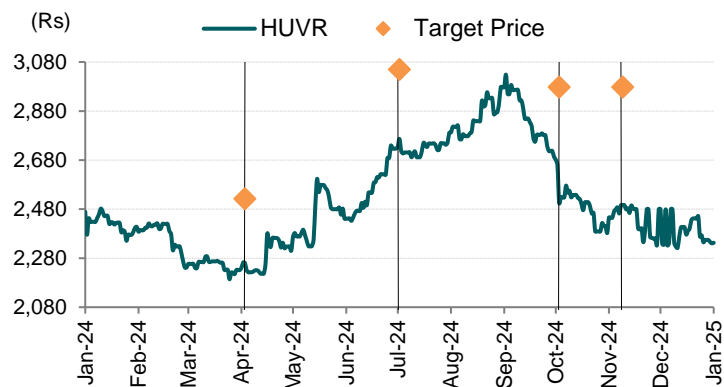
## Stock Info and Rating History

### Price Performance

Particulars	1M	3M	12M
Absolute (%)	(5)	(13)	(5)
Rel to NIFTY (%)	(1)	(7)	(12)

### Shareholding Pattern

Particulars	Jun'24	Sep'24	Dec'24
Promoters	61.9	61.9	61.9
MF/Banks/FIs	14.2	14.2	14.7
FIIIs	11.9	12.2	11.4
Public / Others	12.1	11.8	11.9



Month	Rating	TP (Rs.)	Price (Rs.)
Apr-24	Accumulate	2,522	2,260
Jul-24	Accumulate	3,050	2,766
Oct-24	Accumulate	2,978	2,505
Nov-24	Accumulate	2,978	2,496

\*Price as on recommendation date

## Notes

### Dolat Rating Matrix

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

### Dolat Team

<b>Purvag Shah</b>	<b>Managing Director</b>	<b>purvag@dolatcapital.com</b>	<b>+9122 4096 9747</b>
<b>Amit Khurana, CFA</b>	<b>Head of Equities</b>	<b>amit@dolatcapital.com</b>	<b>+9122 4096 9745</b>

#### CONTACT DETAILS

<b>Equity Sales</b>	<b>Designation</b>	<b>E-mail</b>	<b>Direct Lines</b>
Dinesh Bajaj	Director - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	Director - Equity Sales & Corporate Access	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	Director - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Girish Raj Sankunny	Director - Equity Sales	girishr@dolatcapital.com	+9122 4096 9625
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
<b>Equity Trading</b>	<b>Designation</b>	<b>E-mail</b>	
P. Sridhar	Director and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	Director - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	Director - Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Director - Sales Trading	kartikm@dolatcapital.com	+9122 4096 9715
Bhavin Mehta	Director Research - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

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**I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)**

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Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: [research@dolatcapital.com](mailto:research@dolatcapital.com) | [www.dolatresearch.com](http://www.dolatresearch.com)

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