

## Weighted Average Cost of Capital

All figures are in INR unless stated otherwise

### Peer Comps

Name of the Comp	Country	Total Debt	Total Equity	Tax Rate <sup>1</sup>	Debt / Equity	Debt / Capital	Levered Beta <sup>2</sup>	Unlevered Beta <sup>3</sup>
Hind. Unilever	India	₹ 1,648.0	₹ 558,967.8	25.00%	0.29%	0.29%	0.40	0.40
Nestle India	India	₹ 3,915.5	₹ 234,796.4	25.00%	1.67%	1.64%	0.70	0.69
Britannia Inds.	India	₹ 1,246.5	₹ 132,899.1	25.00%	0.94%	0.93%	0.60	0.60
Godrej Consumer	India	₹ 4,004.5	₹ 131,937.4	25.00%	3.04%	2.95%	0.75	0.73
Dabur India	India	₹ 950.4	₹ 85,673.9	25.00%	1.11%	1.10%	0.90	0.89
		<b>Average</b>		25.00%	1.41%	1.38%	0.67	0.66
		<b>Median</b>		25.00%	1.11%	1.10%	0.70	0.69

### Cost of Debt

Pre tax cost of Debt <sup>5</sup>	7.42%
tax Rate	25.00%
Post Tax cost of Debt	5.57%

### Cost of Equity

Risk-Free Rate <sup>6</sup>	4.04%
Market Risk Premium <sup>7</sup>	7.26%
Levered Beta <sup>4</sup>	0.70
cost of equity	9.11%

### Capital structure

		Current	Target
Total Debt	1648	0.29%	1.38%
Market Capitalization	558967.75	99.71%	98.62%
Total Capital	560615.75	100.00%	100.00%
Debt / Equity		0.29%	1.40%

### Levered Beta

comps Median Unlevered Beta	0.69
Target Debt/Equity	1.40%
Tax rate	25.00%
Levered Beta	0.70

## **Capital structure**

	<b>Total cost</b>	<b>Total Weight</b>
Debt	5.57%	1.38%
Equity	9.11%	98.62%
<b>Weighted average Cost of Capital</b>		<b>9.06%</b>

### **Notes**

1. Tax Rate Considered as Marginal Tax Rate of the country
2. Levered Beta is based on 5 year monthly data
3. Unlevered Beta = Levered Beta / (1+ (1- Tax rate ) \* ( debt / Equity ))
4. Levered Beta = Unlevered Beta \* (1+ (1- Tax rate ) \* ( debt / Equity ))
5. cost of debt ( hind. Unilever ) = risk-free rate ( india ) + country risk Premium + company default spread ( Hind. Unilever)
6. Risk-free rate ( india ) = Sovereign Bond Yield - Default spread ( india )
7. Equity Risk Premium Taken from - <https://pages.stern.nyu.edu/~adamodar/>