

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	MSIL IN
Equity Shares (m)	314
M.Cap.(INRb)/(USDb)	3964 / 45.3
52-Week Range (INR)	13680 / 10725
1, 6, 12 Rel. Per (%)	5/-3/-3
12M Avg Val (INR M)	5570

#### Financials & valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	1,519	1,673	1,878
EBITDA	178	187	217
Adj. PAT	140	154	169
EPS (INR)*	444	489	539
EPS Gr. (%)	5.6	10.1	10.3
BV/Sh. (INR)	2,991	3,345	3,734
<b>Ratios</b>			
RoE (%)	14.8	14.6	14.4
RoCE (%)	20.3	19.2	18.9
Payout (%)	30.4	30.7	30.6
<b>Valuations</b>			
P/E (x)	28.5	25.9	23.4
P/BV (x)	4.2	3.8	3.4
EV/EBITDA (x)	18.3	17.1	14.4
Div. Yield (%)	1.1	1.2	1.3

\*Cons. Adj.

#### Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	58.3	58.3	58.2
DII	23.3	23.6	19.5
FII	15.2	15.0	19.0
Others	3.2	3.1	3.3

FII includes depository receipts

**CMP: INR12,608**      **TP: INR14,476 (+15%)**      **Buy**

#### Growth to pick up with upcoming launches

##### Exports remain the key growth driver in 1Q

- MSIL's 1QFY26 PAT of INR37.1b was ahead of our estimate of INR29.5b, led by higher-than-expected other income, even as EBITDA margin was largely in line with estimates. Revenue growth was ahead of estimates, led by higher blended ASP, which was, in turn, driven by an improved mix.
- For FY26, we see multiple launch tailwinds for MSIL, such as the e-Vitara, one new SUV and hybrid variants. Further, MSIL anticipates that exports will sustain the growth momentum and grow by at least 20% in FY26. Overall, we expect MSIL to deliver a 10% earnings CAGR over FY25-27E, driven by new launches and strong export growth. At 25.9x FY26E/23.4x FY27E EPS, MSIL's valuations appear attractive. **Reiterate BUY with a TP of INR14,476, valued at 26x Jun'27E EPS.**

##### Earnings beat led by higher other income

- Revenue grew 8% YoY to INR384b, above our estimate of INR359b. While volume growth was just 1%, the revenue beat was driven by improved mix (higher SUVs, CNG, exports and lower discounts). CNG mix improved 400bp QoQ to 35%, mainly driven by higher CNG sales in SUVs.
- Overall, EBITDA margin was largely in line with our estimate at 10.4%. Factors that hurt margins in 1Q included: Impact of Kharkhoda greenfield plant (30bp), adverse commodity prices - Steel (40bp), unfavorable operating leverage (60bp), forex (40bp) and higher employee expenses (50bp) on account of seasonality.
- On the other hand, factors that helped to partially offset the above impact included: favorable mix (30bp) and low advertisement cost (60bp). Further, lumpy costs in 4QFY25 (90bp) was reversed in 1Q as expected.
- Other income increased to INR18.2b, led by MTM gain on forex and commodity hedges and prudent treasury management.
- Overall, PAT grew 2% YoY to INR37.1b, above our estimate of INR29.5b.

##### Highlights from the management commentary

- **Industry outlook:** Domestic PVs saw weak demand in 1Q, down 1.4% YoY. However, management is hopeful of a demand revival in PVs in 2Q-3Q, led by the festive season and positive rural sentiment. Management expects to outperform industry growth on the back of two new SUV launches coming up in 2Q.
- **Exports:** MSIL posted strong 37% YoY growth in exports in 1Q, while the industry (excl. MSIL) posted a 2% decline. Management expects its export momentum to improve further with the launch of its e-Vitara, which is slated to be launched in around 100 regions globally. Export revenue stood at INR65b in 1Q.

- The company has two launches lined up for FY26 in the SUV segment, of which one is the e-Vitara and the other in the ICE segment.
- **Inventory and discounts:** Dealer inventory by 1Q end for MSIL was normal at 33 days. Discounts remained flat QoQ, whereas peers saw a rise in discounting QoQ.
- Availability of rare earth magnets remains a challenge for the industry, including MSIL, though the company is managing its supplies so far.

### Valuation and view

- For FY26, we see multiple launch tailwinds for MSIL, such as the e-Vitara, one new SUV and hybrid variants. Further, the company anticipates exports to sustain the growth momentum and grow by at least 20% in FY26. MSIL expects to deliver 70k units of e-Vitara in FY26, the bulk of which would be in export markets.
- Further, any favorable policy for hybrids by the govt. may drive a re-rating, as MSIL would be the key beneficiary of the same. However, we factor in 50bp margin pressure for MSIL in FY26E given the anticipated rise in input costs.
- Overall, we expect MSIL to deliver a 10% earnings CAGR over FY25-27E, driven by new launches and strong export growth. At 25.9x FY26E/23.4x FY27E EPS, MSIL's valuations appear attractive. **Reiterate BUY with a TP of INR14,476, valued at 26x Jun'27E EPS.**

Y/E March	S/A Quarterly Performance								(INR b)		
	FY25				FY26E				FY25	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	(%)
<b>Financial Performance</b>											
Volumes ('000 units)	521.9	541.6	566.2	604.6	527.9	568.6	611.5	639.7	2,234.3	2,347.7	527.9 0.0
Change (%)	4.8	-1.9	13.0	3.5	1.1	5.0	8.0	5.8	4.9	10.3	1.1
ASP (INR '000/car)	680.9	687.0	679.8	672.7	727.7	707.6	707.0	710.5	679.9	712.8	680.9 6.9
Change (%)	4.9	2.3	2.3	2.8	6.9	3.0	4.0	5.6	2.7	7.7	27.4
<b>Net operating revenues</b>	<b>355.3</b>	<b>372.0</b>	<b>384.9</b>	<b>406.7</b>	<b>384.1</b>	<b>402.3</b>	<b>432.3</b>	<b>454.5</b>	<b>1,519</b>	<b>1,673</b>	<b>359.4 6.9</b>
Change (%)	9.9	0.4	15.6	6.4	8.1	8.2	12.3	11.7	7.8	10.2	1.1
RM Cost (% of sales)	70.2	71.9	71.6	71.9	72.2	72.2	72.2	72.0	71.4	72.1	72.0 20BP
Staff Cost (% of sales)	4.4	3.9	4.0	3.9	4.6	4.1	3.9	3.8	4.0	4.1	4.5 20BP
Other Cost (% of sales)	12.8	12.3	12.8	13.8	12.8	12.8	12.6	12.3	12.8	12.6	13.0 -20BP
<b>EBITDA</b>	<b>45.0</b>	<b>44.2</b>	<b>44.7</b>	<b>42.6</b>	<b>40.0</b>	<b>43.9</b>	<b>48.9</b>	<b>54.4</b>	<b>178</b>	<b>187</b>	<b>37.9 5.5</b>
EBITDA Margins (%)	12.7	11.9	11.6	10.5	10.4	10.9	11.3	12.0	11.7	11.2	10.5 -10BP
Depreciation	7.3	7.5	8.1	8.7	9.4	9.4	9.5	9.8	31.6	38.1	8.8
<b>EBIT</b>	<b>37.7</b>	<b>36.7</b>	<b>36.7</b>	<b>33.9</b>	<b>30.6</b>	<b>34.5</b>	<b>39.4</b>	<b>44.6</b>	<b>146</b>	<b>149</b>	<b>29.1 5.0</b>
EBIT Margins (%)	10.6	9.9	9.5	8.3	8.0	8.6	9.1	9.8	9.6	8.9	8.1
Interest	0.6	0.4	0.5	0.5	0.5	0.5	0.5	0.5	1.9	1.8	0.5
Non-Operating Income	9.8	14.8	9.9	14.5	18.2	12.5	10.5	13.7	47.5	54.9	10.2
<b>PBT</b>	<b>46.9</b>	<b>51.0</b>	<b>46.0</b>	<b>47.9</b>	<b>48.3</b>	<b>46.6</b>	<b>49.5</b>	<b>57.8</b>	<b>191.8</b>	<b>202.1</b>	<b>38.8</b>
Effective Tax Rate (%)	22.2	39.8	23.4	22.6	23.2	24.0	24.0	24.7	27.3	24.0	24.0
<b>Adjusted PAT</b>	<b>36.5</b>	<b>30.7</b>	<b>35.3</b>	<b>37.1</b>	<b>37.1</b>	<b>35.4</b>	<b>37.6</b>	<b>43.5</b>	<b>139.6</b>	<b>153.6</b>	<b>29.5 25.7</b>
Change (%)	46.9	-17.4	12.6	-4.3	1.7	15.3	6.6	17.3	5.6	10.1	-19.1

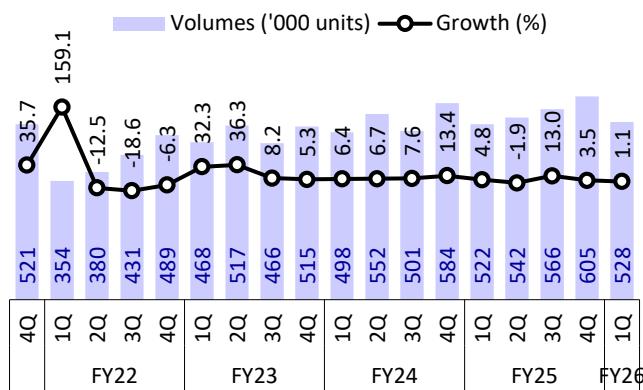


## Highlights from the management commentary

- **Industry outlook:** Domestic PVs saw weak demand in 1Q (down 1.4% YoY), as the participation of first-time buyers has declined mainly due to affordability issues, especially in the entry-level cars. However, management is hopeful of a demand revival in PVs in 2Q-3Q, led by the festive season and positive rural sentiment. Management expects to outperform industry growth on the back of two SUV launches coming up in 2Q.
- The company has two launches lined up for FY26 in the SUV segment, of which one will be in the EV segment and the other in the non-EV segment.
- Consumer preference continues to shift toward SUVs and MPVs, which led to an increase in the SUV mix to 55% and MPVs to 11% of total sales in the industry.
- Retail sales stood at 380k units and were down 3.7% YoY, lower than wholesales.
- **Inventory and discounts:** Dealer inventory by 1Q end for MSIL was normal at 33 days. Discounts remained flat on a per-vehicle basis QoQ, whereas peers saw a rise in discounting QoQ.
- **Rural-urban mix:** Rural markets continue to perform better than urban markets due to the early onset of monsoons.
- For MSIL, CNG mix stands at around one-third.
- **Exports: MSIL posted strong 37% YoY growth in exports in 1Q, while the industry (excl. MSIL) saw a 2% decline. Export mix improved to 18% for MSIL.** Japan becomes MSIL's second-largest export market, with models like Fronx and Jimny seeing strong demand. Management expects its export momentum to improve further with the launch of e-Vitara, which is slated to be launched in around 100 regions globally. Export revenue stood at INR65b in 1Q.
- While Grand Vitara volumes have declined in the recent past, MSIL is optimistic about its volume pick-up with the launch of the CNG upgrade.
- **Business performance:** Positive factors contributing to the margins were favorable mix (30bp) and lower advertisement cost (60bp). On the other hand, negative factors that led to margin pressure were: Impact of Kharkhoda greenfield plant (30bp), adverse commodity prices - Steel (40bp), unfavorable operating leverage (60bp), forex (40bp) and higher employee expenses (50bp) on account of seasonality. Further, lumpy costs in 4Q (90bp) were reversed in 1Q, on expected lines.
- **Higher non-operating income:** Other income significantly increased due to MTM gain on forex and commodity hedges and prudent treasury management.
- SMG has accrued interest income of INR400m from its investments.
- FY26 capex guidance is unchanged at INR100b.
- MSIL expects CAFÉ norms to be finalized in the next couple of months so that OEMs can prepare for them, which will be implemented in Apr'27. Given the multiple supply chain/infrastructure challenges in EV transition, a multi-fuel approach to meet CAFÉ norms is likely to be the best way forward, as per management.
- **Availability of rare earth magnets remains a challenge for the industry, including MSIL, and the company is managing its supplies so far.**

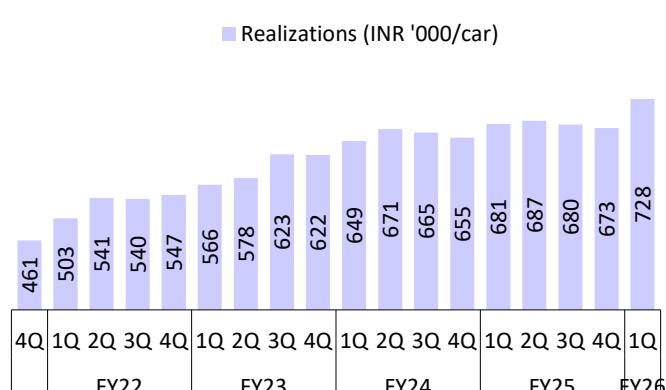
## Key exhibits

Exhibit 1: MSIL volume trends



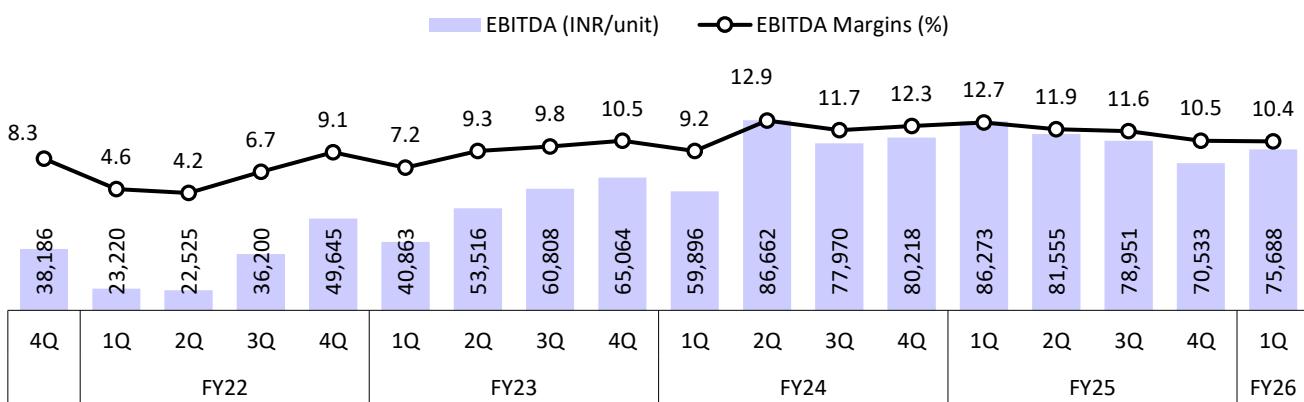
Source: Company, MOFSL

Exhibit 2: Trend in realization per unit



Source: Company, MOFSL

Exhibit 3: Trends in EBITDA and EBITDA margin



Source: Company, MOFSL

### Valuation and view

- New launches to help gain share in UVs:** According to media reports, MSIL is expected to launch six new models in the next three to four years in its focus segments within SUVs. Thus, MSIL is well placed to gain market share even in UVs in the coming years, thereby allaying investor concerns around the same. Management has indicated that it has two new launches (e-Vitara and one new SUV) lined up for FY26. We factor in an 11% revenue CAGR for MSIL, which is likely to be driven by a 7% volume CAGR over FY25-27E.
- Exports likely to remain a key growth driver:** MSIL aims to achieve exports of 750-800k units by FY31, which will translate into a 15% volume CAGR during the same period. To achieve this target, MSIL is taking several initiatives: 1) introducing more models in its markets, with Fronx and Jimny emerging as its top two export models; 2) making India the export hub for Suzuki's EVs, starting with the upcoming eVX launch, and planning to launch six EVs by FY31; 3) expanding into more markets – Fronx was the first MSIL SUV to be launched in Japan and is receiving a positive response; and 4) further ramping up its distribution network. Management has indicated that the export momentum will continue, and it expects exports to post at least 20% growth in FY26.

- **MSIL's multi-tech approach augurs well for India:** While EV adoption appears to be the preferred bet to meet upcoming emission compliance, we think India is not yet ready to transition to EVs anytime soon. Given this, MSIL's multi-tech approach seems best-suited to meet emission compliance in India. In CNG, the company is a market leader in PVs, with CNG's contribution rising to 24% in FY24, reaching 450k units. Further, the company has also introduced strong hybrids in Grand Vitara and Invicto in partnership with Toyota and plans to launch Suzuki's low-cost hybrid tech in India for low-end models. Also, in EVs, MSIL targets to achieve scale by initially focusing on exports first and gradually ramping up its presence in the domestic market as EV demand improves. The company is also working on vehicles compliant with flex fuels. Additionally, MSIL would emerge as the major beneficiary if the government considers a tax subsidy on any of these clean technologies (hybrid or flex fuels).
- **India will continue to have a healthy mix of cars in the long run:** Before writing off the car segment, it is important to consider that India has a large population of 2W customers aspiring to own their first car. Further, family nuclearization is driving household growth, which should further boost demand for cars in the coming years. Cars are likely to remain relevant in India due to their compact size, fuel efficiency, and versatility, making them the ideal choice for first-time buyers. While we believe that the small car segment might not reach its previous peak, we expect its contribution to stabilize at the current level, if not grow, in the near term. When this happens, MSIL is expected to emerge as a major beneficiary, given its dominant position in this segment with close to 67% market share.
- **Valuation and view:** For FY26, we see multiple launch tailwinds for MSIL, such as the e-Vitara, one new SUV and hybrid variants. Further, the company anticipates exports to continue the growth momentum and rise at least 20% in FY26. MSIL expects to deliver 70k units of e-Vitara in FY26, the bulk of which would be in exports. Further, any favorable policy for hybrids by the govt. may drive a re-rating, as MSIL would be the key beneficiary of the same. However, we factor in 50bp margin pressure for MSIL in FY26E given the anticipated rise in input costs. Overall, we expect MSIL to deliver a 10% earnings CAGR over FY25-27E, driven by new launches and strong export growth. At 25.9x FY26E/23.4x FY27E EPS, MSIL's valuations appear attractive. **Reiterate BUY with a TP of INR14,476, valued at 26x Jun'27E EPS.**

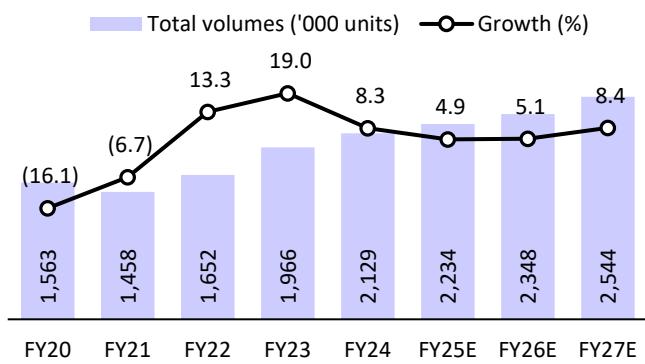
**Exhibit 4: Our revised estimates**

(INR B)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
<b>Total Volumes ('000)</b>	<b>2,348</b>	<b>2,405</b>	<b>-2.4</b>	<b>2,544</b>	<b>2,589</b>	<b>-1.7</b>
Net Sales	1,673	1,693	-1.1	1,878	1,892	-0.7
EBITDA	187	189	-1.0	217	215	0.9
<b>EBITDA Margin (%)</b>	<b>11.2</b>	<b>11.2</b>	<b>0bp</b>	<b>11.6</b>	<b>11.4</b>	<b>20bp</b>
PAT	153.6	152.0	1.1	169.5	169.3	0.1
<b>EPS (INR)</b>	<b>488.6</b>	<b>483.5</b>	<b>1.1</b>	<b>539.0</b>	<b>538.5</b>	<b>0.1</b>

Source: Company, MOFSL

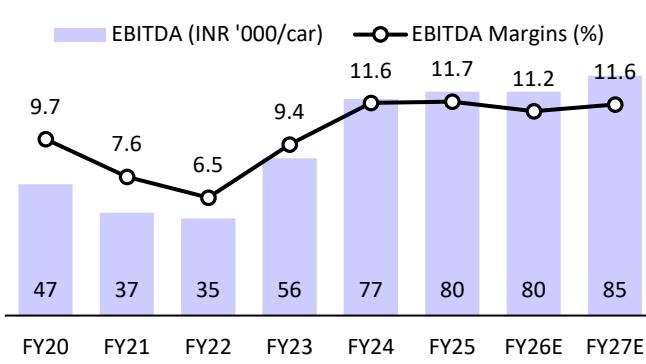
## Story in charts

### Exhibit 5: Trends in volume and growth



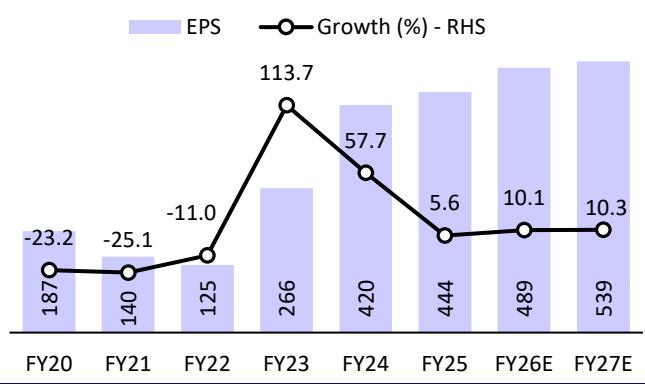
Source: Company, MOFSL

### Exhibit 6: EBITDA margin and EBITDA per car



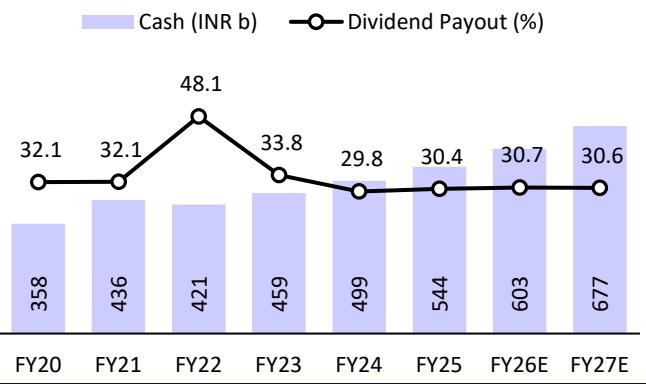
Source: Company, MOFSL

### Exhibit 7: EPS (INR) and growth in EPS



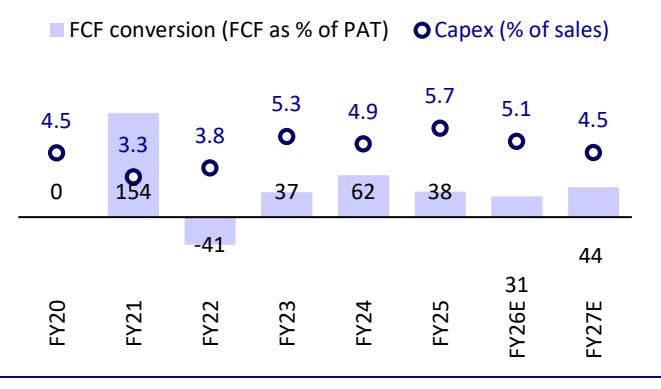
Source: MOFSL, Company

### Exhibit 8: Dividend payout (%) and cash balance (INR b)



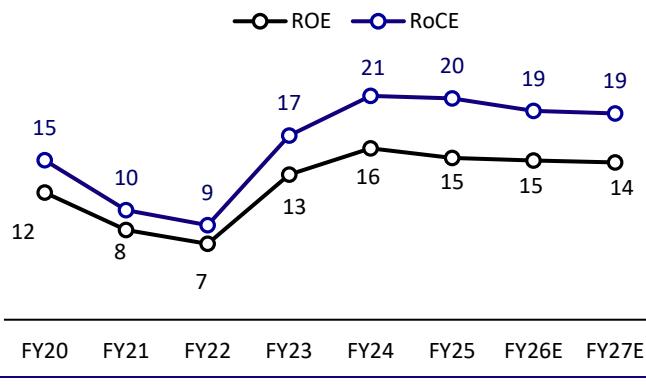
Source: MOFSL, Company

### Exhibit 9: Expect FCF conversion to recover



Source: Company, MOFSL

### Exhibit 10: RoE vs. RoCE (%)

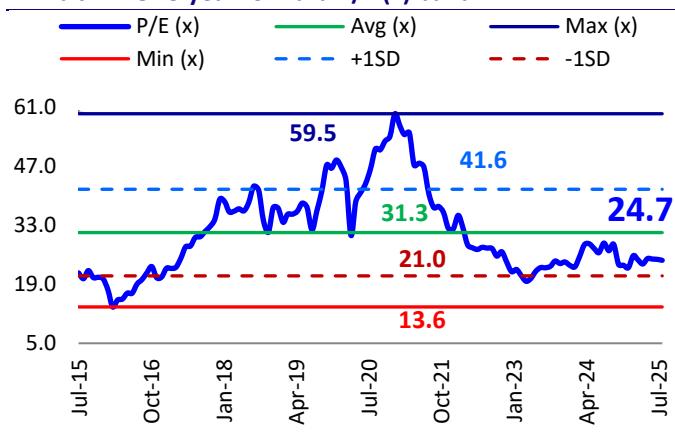
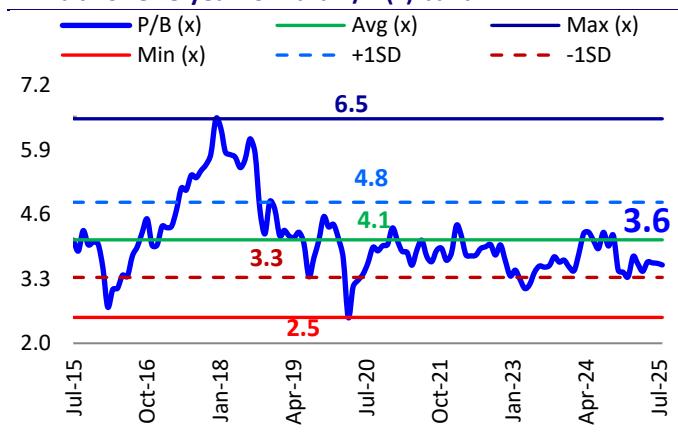


Source: Company, MOFSL

**Exhibit 11: Snapshot of the revenue model**

000 units	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
A1/LCVs	22	30	34	38	34	34	36	38
Growth (%)	-8.8	35.7	14.4	12.4	-11.2	2.2	5.0	5.0
% of Dom vols	1.5	2.2	2.4	2.2	1.8	1.8	1.9	1.8
MPV (Vans)	118	105	108	131	137	136	141	147
Growth (%)	-33.7	-11.3	3.1	21.1	4.5	-1.1	4.0	4.0
% of Dom vols	8.1	7.7	7.7	7.7	7.4	7.1	7.3	7.1
A2 (other hatchbacks)	881	840	810	985	858	780	747	761
Growth (%)	-10.8	-4.6	-3.6	21.7	-12.9	-9.0	-4.3	1.9
% of Dom vols	60.3	61.7	57.3	57.7	46.5	41.0	38.5	36.9
A3 (Dzire, Ciaz)	204	142	145	164	175	173	180	183
Growth (%)	-31.9	-30.5	1.8	13.4	6.6	-0.8	3.6	1.7
% of Dom vols	14.0	10.4	10.2	9.6	9.5	9.1	9.3	8.9
UVs	235	245	317	388	642	778	837	931
Growth (%)	-10.9	4.3	29.3	22.4	65.4	21.1	7.6	11.3
% of Dom vols	16.1	18.0	22.4	22.8	34.8	40.9	43.1	45.2
<b>Total Domestic</b>	<b>1,460</b>	<b>1,362</b>	<b>1,414</b>	<b>1,707</b>	<b>1,846</b>	<b>1,902</b>	<b>1,941</b>	<b>2,060</b>
Growth (%)	-16.7	-6.7	3.8	20.7	8.1	3.0	2.0	6.1
% of Total vols	93.5	93.4	85.6	86.8	86.7	85.1	82.7	81.0
Exports	102	96	238	259	283	333	407	485
Growth (%)	-6	-6	148	9	9	17	22	19
% of Total vols	7	7	14	13	13	15	17	19
<b>Total Volumes</b>	<b>1,563</b>	<b>1,458</b>	<b>1,652</b>	<b>1,966</b>	<b>2,129</b>	<b>2,234</b>	<b>2,348</b>	<b>2,544</b>
Growth (%)	-16.1	-6.7	13.3	19.0	8.3	4.9	5.1	8.4
<b>ASP (INR 000/unit)</b>	<b>484</b>	<b>482</b>	<b>534</b>	<b>598</b>	<b>662</b>	<b>680</b>	<b>713</b>	<b>738</b>
Growth (%)	4.8	-0.3	10.8	11.9	10.7	2.7	4.8	3.6
<b>Net Sales (INR b)</b>	<b>756</b>	<b>703</b>	<b>883</b>	<b>1,175</b>	<b>1,409</b>	<b>1,519</b>	<b>1,673</b>	<b>1,878</b>
Growth (%)	-12	-7	26	33	20	8	10	12

Source: MOFSL, Company

**Exhibit 12: One-year forward P/E (x) band**

**Exhibit 13: One-year forward P/B (x) band**


## Financials and valuations

Standalone Income Statement								
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
<b>Net Op Income</b>	<b>7,56,106</b>	<b>7,03,325</b>	<b>8,82,956</b>	<b>11,75,229</b>	<b>14,09,326</b>	<b>15,19,001</b>	<b>16,73,330</b>	<b>18,77,984</b>
Change (%)	-12.1	-7.0	25.5	33.1	19.9	7.8	10.2	12.2
<b>EBITDA</b>	<b>73,026</b>	<b>53,453</b>	<b>57,012</b>	<b>1,10,077</b>	<b>1,64,011</b>	<b>1,77,852</b>	<b>1,87,130</b>	<b>2,17,125</b>
EBITDA Margins (%)	9.7	7.6	6.5	9.4	11.6	11.7	11.2	11.6
Depreciation	35,257	30,315	27,865	28,233	30,223	31,593	38,055	41,692
<b>EBIT</b>	<b>37,769</b>	<b>23,138</b>	<b>29,147</b>	<b>81,844</b>	<b>1,33,788</b>	<b>1,46,259</b>	<b>1,49,075</b>	<b>1,75,433</b>
EBIT Margins (%)	5.0	3.3	3.3	7.0	9.5	9.6	8.9	9.3
Interest	1,329	1,008	1,259	1,866	1,932	1,931	1,834	1,651
Other Income	34,208	29,464	17,935	21,613	38,548	47,504	54,904	49,211
EO Expense	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>70,648</b>	<b>51,594</b>	<b>45,823</b>	<b>1,01,591</b>	<b>1,70,404</b>	<b>1,91,832</b>	<b>2,02,145</b>	<b>2,22,993</b>
Effective tax Rate (%)	20.0	18.0	17.8	20.8	22.5	27.3	24.0	24.0
<b>PAT</b>	<b>56,506</b>	<b>42,297</b>	<b>37,663</b>	<b>80,492</b>	<b>1,32,094</b>	<b>1,39,552</b>	<b>1,53,630</b>	<b>1,69,475</b>
<b>Adj. PAT</b>	<b>56,506</b>	<b>42,297</b>	<b>37,663</b>	<b>80,492</b>	<b>1,32,094</b>	<b>1,39,552</b>	<b>1,53,630</b>	<b>1,69,475</b>
Change (%)	-23.2	-25.1	-11.0	113.7	64.1	5.6	10.1	10.3

Standalone Balance Sheet								
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
Share Capital	1,510	1,510	1,510	1,510	1,572	1,572	1,572	1,572
Reserves	4,82,860	5,12,158	5,39,350	6,02,310	8,38,248	9,38,895	10,50,081	11,72,396
<b>Net Worth</b>	<b>4,84,370</b>	<b>5,13,668</b>	<b>5,40,860</b>	<b>6,03,820</b>	<b>8,39,820</b>	<b>9,40,467</b>	<b>10,51,653</b>	<b>11,73,968</b>
Loans	1,063	4,888	3,819	12,158	331	0	0	0
Deferred Tax Liability	5,984	3,847	-2,027	-3,411	-1,124	12,911	12,911	12,911
<b>Capital Employed</b>	<b>4,91,417</b>	<b>5,22,403</b>	<b>5,42,652</b>	<b>6,12,567</b>	<b>8,39,027</b>	<b>9,53,378</b>	<b>10,64,564</b>	<b>11,86,879</b>
<b>Application of Funds</b>								
Gross Fixed Assets	2,97,260	3,14,553	3,24,892	3,89,704	4,22,982	5,16,690	6,19,283	7,04,283
Less: Depreciation	1,40,157	1,64,983	1,87,719	2,11,655	2,38,029	2,69,622	3,07,677	3,49,369
<b>Net Fixed Assets</b>	<b>1,57,103</b>	<b>1,49,570</b>	<b>1,37,173</b>	<b>1,78,049</b>	<b>1,84,953</b>	<b>2,47,068</b>	<b>3,11,606</b>	<b>3,54,914</b>
Capital WIP	14,083	14,898	29,294	28,970	65,339	57,593	40,000	40,000
Investments	3,64,705	4,47,908	4,37,675	4,77,607	6,85,180	7,17,960	7,70,960	8,42,960
<b>Curr. Assets, Loans</b>	<b>84,361</b>	<b>82,902</b>	<b>1,22,345</b>	<b>1,38,021</b>	<b>1,60,813</b>	<b>2,28,838</b>	<b>2,45,397</b>	<b>2,77,117</b>
Inventory	32,149	30,500	35,331	42,838	41,196	51,230	68,767	77,177
Sundry Debtors	21,270	12,766	20,301	32,958	46,013	65,377	45,845	51,452
Cash & Bank Balances	182	323	320	334	4,557	780	6,012	8,794
Loans & Advances	5,246	6,642	307	299	328	432	432	432
Others	25,514	32,671	66,086	61,592	68,719	1,11,019	1,24,341	1,39,262
<b>Current Liab &amp; Prov.</b>	<b>1,28,835</b>	<b>1,72,875</b>	<b>1,83,835</b>	<b>2,10,080</b>	<b>2,57,258</b>	<b>2,98,081</b>	<b>3,03,399</b>	<b>3,28,112</b>
Sundry Creditors	74,941	1,01,617	97,610	1,17,804	1,45,824	1,74,211	1,83,379	2,05,807
Others	44,889	60,252	71,104	75,939	91,329	1,00,193	1,00,193	1,00,193
Provisions	9,005	11,006	15,121	16,337	20,105	23,677	19,827	22,113
<b>Net Current Assets</b>	<b>-44,474</b>	<b>-89,973</b>	<b>-61,490</b>	<b>-72,059</b>	<b>-96,445</b>	<b>-69,243</b>	<b>-58,002</b>	<b>-50,995</b>
<b>Appl. of Funds</b>	<b>4,91,417</b>	<b>5,22,403</b>	<b>5,42,652</b>	<b>6,12,567</b>	<b>8,39,027</b>	<b>9,53,378</b>	<b>10,64,564</b>	<b>11,86,879</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
<b>Basic (INR)</b>								
Adjusted EPS	<b>187.1</b>	<b>140.0</b>	<b>124.7</b>	<b>266.5</b>	<b>420.1</b>	<b>443.9</b>	<b>488.6</b>	<b>539.0</b>
Cash EPS	303.8	240.4	216.9	359.9	516.3	544.4	609.7	671.7
Book Value per Share	1,603	1,700	1,790	1,999	2,671	2,991	3,345	3,734
DPS	60.0	45.0	60.0	90.0	125.0	135.0	150.0	165.0
Div. payout (%)	32.1	32.1	48.1	33.8	29.8	30.4	30.7	30.6
<b>Valuation (x)</b>								
P/E	62.9	84.0	94.3	44.1	28.0	26.5	25.9	23.4
Cash P/E	38.7	48.9	54.2	32.7	22.8	21.6	20.7	18.8
EV/EBITDA	43.7	58.2	54.7	28.0	18.3	16.8	17.1	14.4
EV/Sales	4.4	4.7	3.7	2.7	2.2	2.1	2.0	1.7
P/BV	7.3	6.9	6.6	5.9	4.4	3.9	3.8	3.4
Dividend Yield (%)	0.5	0.4	0.5	0.8	1.1	1.1	1.2	1.3
FCF Yield (%)	0.0	1.8	-0.4	0.8	2.2	1.4	1.2	1.9
<b>Profitability Ratios (%)</b>								
RoIC	26.5	18.9	26.8	54.2	73.1	55.4	43.4	42.8
RoE	11.7	8.2	7.0	13.3	15.7	14.8	14.6	14.4
RoCE	14.6	10.1	8.7	16.9	20.5	20.3	19.2	18.9
<b>Turnover Ratios</b>								
Debtors (Days)	11	7	9	11	12	16	10	10
Inventory (Days)	17	17	16	15	12	14	17	17
Creditors (Days)	51	73	54	50	53	59	55	56
Work. Cap. (Days)	-23	-49	-29	-24	-28	-28	-28	-28
Asset Turnover (x)	1.5	1.3	1.6	1.9	1.7	1.6	1.6	1.6
<b>Leverage Ratio</b>								
Net Debt/Equity (x)	-0.7	-0.8	-0.8	-0.7	-0.6	-0.6	-0.6	-0.6

### Standalone Cash Flow Statement

(INR m)

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E
Profit before Tax	70,948	51,594	45,823	1,01,591	1,70,404	1,70,404	2,02,145	2,22,993
Interest	1,329	1,008	1,259	1,866	1,932	1,931	1,834	1,651
Depreciation	35,257	30,315	27,865	28,233	30,223	31,593	38,055	41,692
Direct Taxes Paid	-14,357	-10,107	-11,769	-22,313	-35,557	-37,818	-48,515	-53,518
(Inc)/Dec in WC	-25,659	43,352	-28,098	3,787	22,777	-1,052	-6,009	-4,225
Other Items	-33,467	-27,774	-17,168	-20,884	-38,109	-24,934	-54,904	-49,211
<b>CF from Oper. Activity</b>	<b>34,051</b>	<b>88,388</b>	<b>17,912</b>	<b>92,280</b>	<b>1,51,670</b>	<b>1,40,124</b>	<b>1,32,607</b>	<b>1,59,382</b>
(Inc)/Dec in FA	-33,990	-23,279	-33,227	-62,474	-69,637	-87,005	-85,000	-85,000
<b>Free Cash Flow</b>	<b>61</b>	<b>65,109</b>	<b>-15,315</b>	<b>29,806</b>	<b>82,033</b>	<b>53,119</b>	<b>47,607</b>	<b>74,382</b>
(Pur)/Sale of Invest.	29,351	-49,560	31,337	-17,708	-37,191	-15,410	1,904	-22,789
<b>CF from Inv. Activity</b>	<b>-4,639</b>	<b>-72,839</b>	<b>-1,890</b>	<b>-80,182</b>	<b>-1,06,828</b>	<b>-1,02,415</b>	<b>-83,096</b>	<b>-1,07,789</b>
Change in Networth	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	-524	3,723	-1,140	7,895	-11,960	-529	0	0
Interest Paid	-1,342	-1,006	-1,291	-1,854	-1,472	-1,657	-1,834	-1,651
Dividends Paid	-29,134	-18,125	-13,594	-18,125	-27,187	-39,300	-42,444	-47,160
<b>CF from Fin. Activity</b>	<b>-31,000</b>	<b>-15,408</b>	<b>-16,025</b>	<b>-12,084</b>	<b>-40,619</b>	<b>-41,486</b>	<b>-44,278</b>	<b>-48,811</b>
<b>Inc/(Dec) in Cash</b>	<b>-1,588</b>	<b>141</b>	<b>-3</b>	<b>14</b>	<b>4,223</b>	<b>-3,777</b>	<b>5,232</b>	<b>2,782</b>
Add: Op. Balance	1,770	182	323	320	334	4,557	780	6,012
<b>Closing Balance</b>	<b>182</b>	<b>323</b>	<b>320</b>	<b>334</b>	<b>4,557</b>	<b>780</b>	<b>6,012</b>	<b>8,794</b>

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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Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

#### Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrivances@motilaloswal.com.