

Samvardhana Motherson

BSE SENSEX
80,711

S&P CNX
24,741

CMP: INR95

TP: INR114 (+21%)

Buy



Bloomberg	MOTHERSO IN
Equity Shares (m)	10554
M.Cap.(INRb)/(USD b)	998.4 / 11.3
52-Week Range (INR)	145 / 72
1, 6, 12 Rel. Per (%)	-3/4/-25
12M Avg Val (INR M)	2595
Free float (%)	51.4

Financials & Valuations (INR b)

YE March	FY25	FY26E	FY27E
Sales	1,137	1,247	1,326
EBITDA	105.5	106.1	126.6
Adj. PAT	38.0	35.5	49.1
EPS (INR)	3.6	3.3	4.6
EPS Gr. (%)	51.5	-6.8	38.4
BV/Sh. (INR)	32.7	34.9	38.2

Ratios

RoE (%)	12.5	9.8	12.6
RoCE (%)	10.9	8.9	10.7
Payout (%)	30.0	30.0	30.0

Valuations

P/E (x)	26.5	28.5	20.6
P/BV (x)	2.9	2.7	2.5
Div. Yield (%)	1.1	1.0	1.5
FCF Yield (%)	1.8	8.8	6.7

Standing tall amid all adversities

We attended the SAMIL Analyst Meet, where management elaborated on its Vision 2030 targets. Its key performance highlights over the past five years include: 1) 3x growth in EBIT and 4.7x growth in PAT; 2) RoCE improved to 18.4% from 10.5% in FY20; and 3) net debt/EBITDA stands at 0.9x (the lowest in a decade). While SAMIL has fallen short of its five-year target, its performance remains commendable when viewed in the context of the significant headwinds faced during this period. The company has set a revenue target of USD108b for FY30, with other parameters expected to remain stable. In its core business, SAMIL aims to leverage synergies from 23 recent acquisitions and turn around 70 red units inherited through these acquisitions. Beyond this, its two key growth drivers include: 1) **Aerospace**: As a Tier 1 supplier to both Boeing and Airbus, the company is well-positioned to witness significant growth opportunities ahead; 2) **Consumer Electronics**: Being selected as a trusted partner by one of the most renowned brands globally highlights SAMIL's tech capabilities and opens up substantial future growth opportunities. SAMIL is not directly impacted by US tariffs as its facilities are close to most of its customers. Further, given the rising scale, management would look to unlock value by listing some of its key businesses separately, at an opportune time. Hence, despite the global headwinds, reiterate our Buy rating on SAMIL with a TP of INR114 (based on 24x June-27E EPS) given its significant growth opportunities going forward.

Vision 2030

- SAMIL has outlined its next five-year targets, which entail: 1) revenue target of USD108b by 2030 on a gross basis (FY25 at USD25.7b); 2) Diversification: 3CX10; 3) RoCE: 40%; and 4) Dividend payout: up to 40% of consolidated profit.
- Given the significant scale-up expected over the next five years, SAMIL plans to unlock value by demerging some of its large businesses into individual companies, which will eventually be separately listed, without a holding company structure.

	Vision 2030	In comparison to Vision 2025
Gross Revenues	USD108b	❖ 3x of Vision 2025 target (FY25 gross revenue at USD25.7b)
ROCE	40%	❖ Maintained; FY25 stands at 18.4%
Diversification	3CX10	❖ Maintained
Dividend	Up to 40%	❖ Maintained

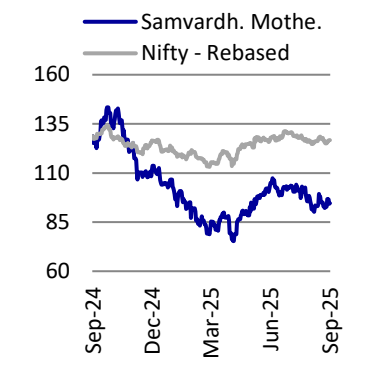
Vision 2025: SAMIL scorecard

- SAMIL had set a target of USD36b in FY20 for achievement by FY25, against which it has delivered USD25.7b, on a gross basis.
- While it fell short of its target, it is important to recognize that the company significantly outperformed the end market amid an exceptionally challenging five-year period from 2020 to 2025. Major headwinds faced by the global auto industry during this time included: 1) COVID; 2) Suez canal blockage crisis; 3) Energy crisis in Europe; 4) semiconductor shortage; and 5) geopolitical crisis.

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	48.6	58.1	60.4
DII	20.8	21.0	18.2
FII	12.6	12.4	12.9
Others	18.0	8.4	8.6

Stock Performance (1-year)



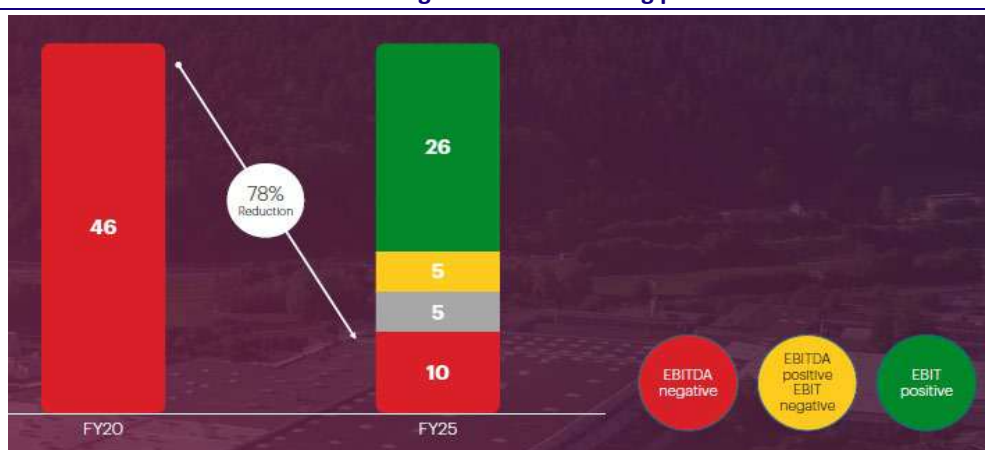
- Given these multiple headwinds, the global auto industry has posted just 1.5% CAGR in this 5-year period, reaching 90.3m units, much lower than the estimated 98.4m. As a result, the cumulative volumes lost by the industry over this five-year period stood at 60m units.
- In light of these disruptions, SAMIL's performance during this period has been exemplary. Some of its key achievements are as follows:
 - The company shifted its focus to improving operational efficiency and was able to reduce its loss-making units globally to just 10 from 46 in FY20 (78% reduction).
 - Asset turns improved to 6.8x in FY25 from 4x in FY20.
 - The company invested in 37 greenfield facilities, of which 36 came in emerging markets.
 - Further, it completed a record 23 acquisitions in this five-year period, adding 19 facilities in America, 28 in Europe, 4 in Africa, 21 in India, 10 in China, and 19 in APAC.
 - While SAMIL did not meet its revenue target, it successfully achieved its customer diversification goal, with no single customer accounting for over 10% of revenues. This was driven by the addition of over 40 customers, more than 50% of whom are in new industries.
 - The company also added new components during this period, which included integrated assembly, sunroof and fuel tanks, climate systems, aircraft engine parts and structural parts.
 - The non-auto business registered an 8x growth over the past five years.
 - On the innovation front, SAMIL prioritized investments in technology rather than products, filed and secured over 1,500+ patents, and enhanced its R&D network by adding 12 new engineering centers, taking the total to 35 worldwide.
 - Further, it delivered a robust 3x growth in EBIT and 4.7x growth in PAT in this five-year period.
 - RoCE, although still well below SAMIL's target, has significantly improved to 18.4% from 10.5% in FY20.
 - Further, despite all adversities, the balance sheet strength only improved in this period—net debt/EBITDA improved to 0.9x (the lowest leverage ratio in a decade) from 1.2x in FY21.
 - This has, in turn, resulted in credit rating agencies awarding them the best ratings in Motherson's history.
- Thus, although SAMIL fell short of its five-year target, considering the challenging headwinds, its performance over this period remains highly commendable.

Exhibit 1: The global auto industry faced significant headwinds between 2020 and 2025



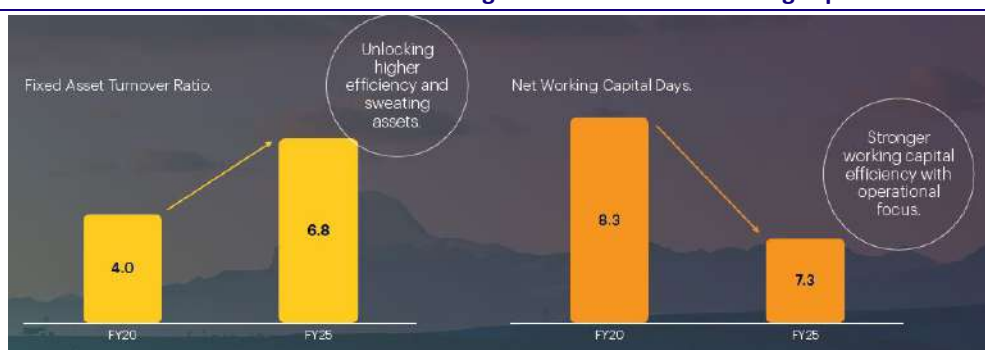
Source: Company

Exhibit 2: SAMIL has worked on turning around loss-making plants



Source: Company

Exhibit 3: SAMIL has strived to sweat existing assets and reduce working capital



Source: Company

Exhibit 4: SAMIL has closed 23 acquisitions and added different sub-segments in both auto and non-auto



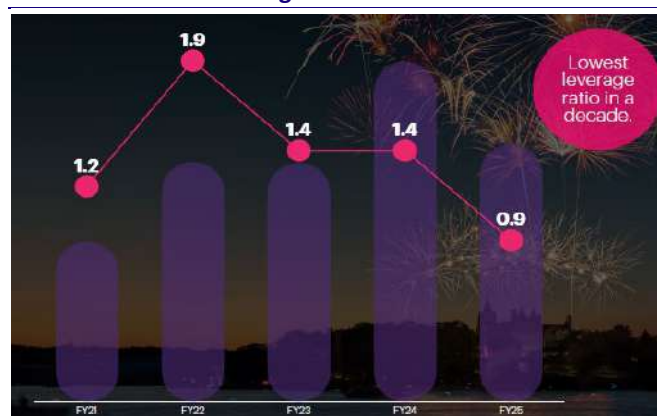
Source: Company

Exhibit 5: SAMIL: Improved returns over FY20-25



Source: Company

Exhibit 6: SAMIL: Leverage at decadal low



Source: Company

Key growth drivers to achieve Vision 2030

Leveraging integration benefits of recent acquisitions

- Having grown in size, scale, and competence across multiple product segments, SAMIL believes it can now be termed as DEMA – Design, Engineering, Manufacturing and Assembly Specialist.
- SAMIL plans to leverage synergies from its recent acquisitions in the coming years.
- Following the recent acquisition of Yutaka Giken, SAMIL has closed three acquisitions of Honda Group companies over the past three years, highlighting its emergence as a trusted supplier to Honda.
- With these three acquisitions from the Honda Group, SAMIL has become the only non-Japanese supplier within the coveted Keiretsu network of Japanese suppliers, unlocking significant long-term growth opportunities for the group.
- The company plans to offer these products to other Japanese OEMs as well as existing OEM customers, while also supplying its other components to Japanese OEMs.
- At Yachio, the company has started supplying to customers beyond Honda, with plans to expand to German and North American OEMs in the coming years. The fuel tank business at Yachio is also experiencing a resurgence, driven by a sharp uptick in demand globally for hybrids.
- In the Vision Systems division, SAMIL has supplied its camera-based system to a premium German carmaker as well as a European sports car maker. Additionally, the division has secured a major order for a complex system from

Man Commercial Vehicles. It has also secured orders to provide CMS solutions for Hyundai and Kia PVs.

- About 10 years ago, the delta cost between CMS and traditional mirrors used to be 10x. With advancements in technology, the same has now reduced to 2.5-3x. As a result, the market for CMS is gradually picking up in CVs.
- The acquisition of SAS has transformed SAMIL into a 0.5-tier supplier, presenting significant synergy benefits as well as growth opportunities going forward.
- Future growth opportunities within Vision Systems in auto include: 1) Digital interior mirrors; 2) driver monitoring systems; and 3) occupant monitoring. Similar opportunities for non-autos are expected in areas like: 1) defense; 2) off-road vehicles; and 3) health and medical.
- Given the multiple segments and regions in which it operates, SAMIL still has numerous untapped white spaces to explore in the coming years (refer to Exhibit 7).

Exhibit 7: SAMIL still has multiple white space to tap across segments and regions



Source: Company

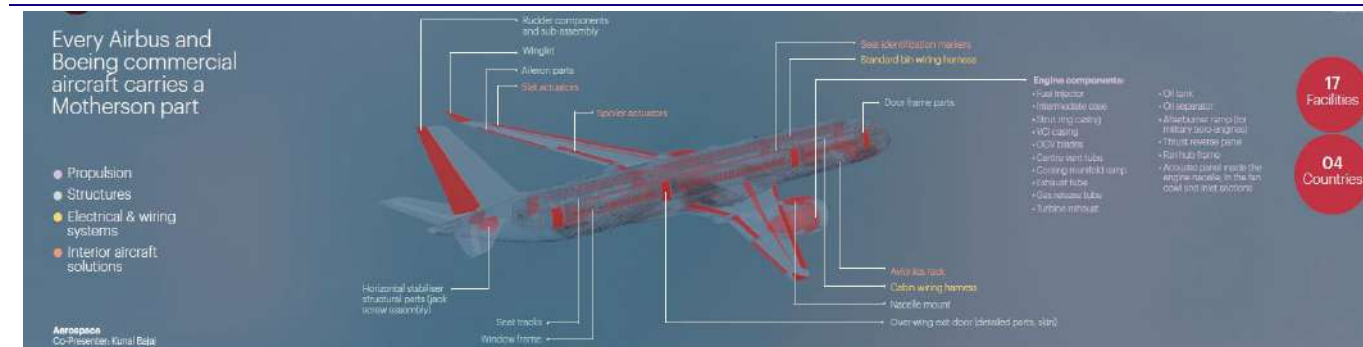
Aerospace – Huge growth visibility

- India's aerospace segment is expanding rapidly, with an expected demand of 2,500-3,000 new aircraft over the next 20 years.
- Despite being the third-largest aviation market, India currently supplies less than 2% of aerospace components worldwide. With less than 10% of the middle-class population flying at 50m, the long growth potential in this sector is significant. A mere shift of 10% of train passengers to airplane passengers could potentially quadruple the requirement for aircraft.
- Passenger demand in aerospace is getting stronger, as all new routes are running at near full capacity, and the modernization of 200 airports will provide greater infrastructure support for this growth.
- On the components supply side, Indian suppliers' performance, quality, and on-time deliveries are now equivalent or even better than other major global suppliers. Airbus sourcing from Indian component makers currently stands at USD1.4b (50% of which are from parts). Engine manufacturers like Pratt and Whitney supply 10-15% of their products to India.
- The component sourcing from India is expected to rise from <2% currently to 5%+ by 2030.
- The life of an aircraft is about 30 years. Additionally, given the stringent quality and regulatory requirements, once qualified, OEMs often do not prefer to

change their suppliers. Thus, this business is highly sticky and has huge entry barriers.

- The current backlog of orders in this segment stands at 10 years. A major reason for the high backlog is that the aviation industry lost almost 17% of its skilled workforce during COVID, and it takes about 4-5 years of training to restore those skill levels.
- Thus, while the order visibility is strong, the supply chain also has a high visibility of long-term production requirements.
- The aviation component ecosystem in India is evolving from a build-to-print model, where suppliers manufacture OEM-designed parts, to a build-to-design model, where companies develop their own advanced solutions in collaboration with OEMs.
- One of the critical challenges that the supply chain faces in this segment is the lack of availability of domestic raw materials, especially in titanium, superalloys, and metallic composites.
- SAMIL decided to foray into this division in FY17. Given the highly complex nature of the business, it took the company 2.5 years to identify the key focus area.
- The company has acquired two key companies viz CIM tools and AD Industries. With these, it now has a workforce of almost 2,000 employees, 17 global facilities spread over four countries.
- More importantly, SAMIL is now a Tier 1 supplier to Airbus and Boeing, and a Tier 2 supplier to Embraer. Every Boeing or Airbus aircraft manufactured today includes a SAMIL component. Additionally, SAMIL is the only Indian manufacturer to export aerospace components to Japan.
- To put it in context, SAMIL supplies only 6,000 unique parts to its customers, while an aircraft consists of over 1m different parts, signifying the vast opportunity ahead.
- AD Industries specializes in aircraft propulsion systems and supplies to large engine manufacturers like Safran and Rolls-Royce. Its machining capabilities are 20 years ahead of any other player in India.
- With extremely high precision and precaution required in aerospace production, the company manufactures parts ranging from the nose to the tail sections of aircraft. It is currently working on five key revenue drivers in this segment: 1) propulsion components; 2) structures; 3) electrical and wiring systems; 4) interior aircraft solutions; and 5) semiconductors.
- SAMIL currently manufactures small parts and assemblies but aims to expand into complex assemblies and become a systems supplier in areas like actuations, flow control, electronics, and avionics, where margins are higher. To support this growth, it is upgrading its facility in France and establishing new ones in India.
- Given its Tier 1 capability, another long-term growth driver in this segment is Maintenance, Repair, and Overhaul (MRO) operations. SAMIL has already signed MRO contracts with two customers and an additional engine manufacturer for the aftermarket segment.

Exhibit 8: Huge growth opportunities in aerospace division for SAMIL



Source: Company

Consumer Electronics – Entry at customer's behest

- This is one segment that SAMIL has entered at the behest of a large global OEM, which conducted thorough due diligence before selecting SAMIL as a supplier in India.
- One of the world's largest and most admired brands has hand-picked SAMIL as a trusted partner for its global supplies, which is a huge testimony to SAMIL's inherent technical capabilities.
- The mother plant for the same is expected to be established in Chennai in the next 12-15 months, which is the size of 33 football fields. The company will employ almost 10k+ employees in this segment in the next 2-3 years.
- Management indicated that opportunities like these come once in a lifetime. It highlighted that the targeted returns from this business are expected to surpass the core business's current returns, though achieving this will require significant effort. The company plans to pursue backward integration in this segment to improve product/process efficiencies.
- SAMIL has set up production lines featuring low cycle times, with processes such as gluing, welding, and testing being fully automated.
- The company plans to generate 60-70% of the power required for this plant through renewable sources, with an eventual target of achieving 100% green energy by 2030.
- Although the current facility is dedicated to a single customer, SAMIL aims to onboard additional customers, given that it is the only player from India with such competence to supply globally.

Drivers for improving operational performance

- SAMIL will continue to focus on improving operational efficiencies going forward. For instance, it has inherited 70 red units from acquisitions over the last couple of years and has developed targeted turnaround plans for each, with a potential EBIT improvement opportunity of INR11b. The strategy centers on the reduction of overhead and material costs, increasing automation, and driving better operational efficiencies. An example of such a focused turnaround is the success of the MPP Brazil unit, which moved from a loss of USD10m in 2020 to a profit of USD10m in 2025.
- SAS focuses exclusively on assembly and integration for its customers. The company has undergone a transformation to become smarter and leaner by optimizing material flows and reconfiguring assembly lines, which is expected to

reduce production surface requirements by 20%. Moreover, connecting the SAMIL team globally to address specialized needs will help reduce labor cost requirements by 15%. Automation and robotics will further reduce manual labor while enhancing quality control, contributing to a 20% reduction in direct effort. The integration of AI will improve overall efficiency by 20%. With a presence in over 400 locations worldwide, Motherson SAS sees ample opportunity to leverage these advancements for future growth.

- SAMIL's robotics division is focused on increasing asset life as a key lever to enhance ROCE, with sweating existing assets being a major priority. The company has demonstrated this capability with machines purchased as far back as 1988 that continue to operate even today with improved efficiency and lower power consumption than before. By extending the lifetime of equipment and continuously optimizing production processes, Motherson Robis is effectively positioning itself to compete with low-cost countries on both efficiency and cost advantage. All production lines and machine programming are handled in-house at SAMIL, including the development of its own AGVs, AMRs, and robots designed to optimize production lines.
- In the logistics division, SAMIL's partnership with Sanko to develop innovative packaging solutions that enhance transportation efficiency and ensure superior transit and product safety for customers has significantly improved efficiency, with volume utilization rising from below 50% to over 80% while simultaneously reducing damage. These strides in logistics proved critical during the Suez Canal disruption, wherein SAMIL's delivery times were reduced by 50% vs alternate routes used by global players. This also resulted in lower air freight expenses and inventory costs, showcasing the division's ability to adapt quickly and maintain service reliability under global supply chain challenges.
- SAMIL has its own IT division comprising 2,800 engineers, driving agility and cost advantages through in-house technology development focused on automation and manufacturing optimization. This division has developed AI-driven platforms to boost efficiencies across machinery, shop floor operations, and human productivity. All acquisitions over the last two years have been seamlessly integrated into Motherson's systems through its own in-house IT infrastructure. Going forward, the division aims to automate 30% of transactions through BOTS, targeting a 15% improvement in efficiency.

Valuation and view

- **Well-diversified business model:** Over the years, SAMIL has developed a well-diversified business model that focuses on its principle of 3CX10 (vs. 3CX15 earlier), which implies that no country, customer, or client should account for more than 10% of its revenue. This has helped the company achieve steady growth regardless of the end-market demand environment (achieved 9% revenue CAGR vs. 3% compounded volume decline in the global auto industry over the last five years). It is among the top three players globally for exterior rear-view mirrors, a market leader in PV wiring harness in India, and a major player in wiring harness for CVs in North America and Europe. Additionally, the company is a critical supplier of polymer parts to luxury OEMs worldwide, one of the leading lighting suppliers in India, and one of the largest shock absorber exporters from India.

- **To be a key beneficiary of evolving megatrends in Autos:** SAMIL is emerging as a major beneficiary of the rising premiumization trend and EV transition, which should drive higher content going forward. Following are some of the indicators of increasing content per vehicle for SAMIL: when transitioning to sedans and SUVs, content surges 1.4-1.5x for wiring harnesses, 1.4-1.7x for bumpers, 1.2-2.5x for door panels, and 1.7-3.0x for rear-view mirrors. Similarly, transitioning from ICE to EVs results in a 2.4x increase in the content for 4W wiring harnesses, an 8x increase for 2W wiring harnesses, a 1.5x increase for bumpers, a 3.3x increase for door panels, and a 1.4x increase for mirrors. These favorable trends have led to a notable ramp-up in its order book.
- **Closure of recent acquisitions provides huge growth opportunities:** Taking advantage of the global macro headwinds and at the customer's behest, SAMIL has acquired 15 entities since Sep'22, the combined pro forma net revenue of which stood at USD2.8b. Apart from this, these entities offer multiple synergy benefits, which include the company's entry into the Japanese supplier network (Yachio + Ichikoh), evolution as a cockpit assembler (SAS), complementary new segment addition (Yachio + Dr. Schneider), and strong opportunities in aerospace and medical equipment (Cirma, AD Industries, Irilic, and SMAST). These acquisitions provide SAMIL with significant growth opportunities in the long run, in our view.
- **Aggressive targets indicate ambitions; disciplined approach has been the key:** SAMIL has a track record of setting ambitious five-year targets since 2000. Its 2030 targets include revenue of USD108b, RoCE of 40% and dividend payout of upto 40%, and 3CX10. While most of its targets until 2015 have been achieved, it missed both its 2020 and 2025 targets by a margin. However, management has always refrained from acquiring entities solely to meet its targets, as was evident immediately after COVID. Thus, while its aggressive targets highlight management's growth aspirations, its disciplined approach would help generate long-term shareholder returns, in our view. The same can also be highlighted by the fact that it has acquired 15 entities since Sep'22, after patiently waiting throughout the entire COVID period for the right opportunity.
- **Valuation and view:** Management has alluded to its next five-year revenue growth aspiration, which now stands at a whopping USD108b. We expect SAMIL to continue to outperform global automobile sales, fuelled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. While the ongoing tariff issue may lead to some near-term slowdown in some of its key geographies, we expect SAMIL to be the least impacted by these tariffs as it has all its facilities close to its customers and can effectively realign supplies as per customer needs. Further, this is likely to lead to industry consolidation, with players like SAMIL likely to emerge as key beneficiaries in the long run. Given the long-term growth opportunities, we reiterate our BUY rating with a TP of INR114, based on 24x June-27E EPS.

Financials and valuations

Consolidated - Income Statement

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	607,290	582,250	637,740	787,881	984,947	1,136,626	1,247,489	1,326,118
Change (%)	-4.4	-4.1	9.5	23.5	25.0	15.4	9.8	6.3
Raw Materials	349,687	325,979	367,363	453,174	544,147	610,522	697,597	719,430
Employees Cost	143,726	140,996	153,746	179,314	235,385	283,870	298,063	312,966
Other Expenses	67,335	63,135	69,637	93,032	115,209	136,715	145,722	167,137
Total Expenditure	560,748	530,110	590,746	725,519	894,741	1,031,107	1,141,382	1,199,533
% of Sales	92.3	91.0	92.6	92.1	90.8	90.7	91.5	90.5
EBITDA	46,542	46,880	46,994	62,362	90,206	105,519	106,107	126,585
Margin (%)	7.7	8.1	7.4	7.9	9.2	9.3	8.5	9.5
Depreciation	27,210	30,260	29,582	31,358	38,105	44,934	49,934	54,974
EBIT	19,332	16,620	17,412	31,003	52,101	60,585	56,172	71,611
Interest Charges	5,928		5,426	7,809	18,112	18,824	15,192	12,369
PBT bef. EO Exp.	15,649	16,620	14,082	24,835	38,336	47,338	45,248	65,438
Tax Rate (%)	44.0	33.6	43.1	29.6	27.4	23.6	27.0	27.0
MI and Income from associates	669	440	-290	2,178	658	-1,848	-1,428	-1,294
Reported PAT	8,099	10,590	8,304	15,306	27,162	38,030	34,459	49,064
Adjusted PAT	8,099	10,590	8,237	15,344	25,108	38,030	35,456	49,064
Change (%)	-49.8	30.8	-22.2	86.3	63.6	51.5	-6.8	38.4

Consolidated - Balance Sheet

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	3,158	4,518	4,518	6,776	6,776	7,115	10,673	10,673
Total Reserves	81,394	121,088	201,365	217,739	254,773	341,688	3,62,252	3,96,597
Net Worth	112,609	125,606	205,882	224,515	261,549	348,804	3,72,925	4,07,270
Minority Interest	35,650	40,233	17,763	19,254	20,606	22,482	26,252	30,586
Total Loans	119,651	107,580	127,609	121,657	173,513	146,437	1,42,937	1,31,937
Deferred Tax Liabilities	-5,030	-10,224	-11,486	-13,645	-20,746	-24,413	-24,413	-24,413
Capital Employed	262,881	263,195	339,768	351,781	434,922	493,309	5,17,700	5,45,380
Net Fixed Assets	139,871	192,782	175,128	188,750	237,877	259,358	2,69,424	2,69,449
Goodwill	24,060	24,718	33,743	37,726	57,501	65,540	65,540	65,540
Capital WIP	8,154	8,769	13,097	14,779	24,978	26,457	26,457	26,457
Total Investments	1,614	2,581	7,212	6,834	8,976	72,906	1,06,906	1,60,906
Curr. Assets, Loans&Adv.	163,943	178,716	194,908	227,640	350,435	432,388	4,04,860	4,05,853
Inventory	51,566	49,956	64,417	78,228	91,386	107,873	1,14,307	1,23,392
Account Receivables	51,784	56,931	65,731	85,135	156,371	174,307	1,46,966	1,58,647
Cash and Bank Balance	48,688	59,367	48,775	45,381	67,432	56,426	82,312	58,139
Loans and Advances	11,905	12,463	15,985	18,897	35,246	93,782	61,275	65,674
Curr. Liability & Prov.	187,047	207,430	211,447	253,091	394,549	410,751	4,02,897	4,30,236
Account Payables	103,091	111,407	124,775	141,363	226,172	236,692	2,60,361	2,86,397
Other Current Liabilities	81,151	89,575	81,567	106,258	156,687	164,114	1,28,865	1,29,306
Provisions	2,805	6,449	5,104	5,471	11,690	9,945	13,671	14,533
Net Current Assets	-23,104	-28,714	-16,538	-25,451	-44,115	21,637	1,962	-24,384
Other non-current asset	112,286	63,060	127,126	129,145	149,705	47,410	47,410	47,410
Appl. of Funds	262,881	263,195	339,768	351,781	434,922	493,309	5,17,700	5,45,380

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	0.8	1.0	0.8	1.4	2.4	3.6	3.3	4.6
BV/Share	10.6	11.8	19.3	21.0	24.5	32.7	34.9	38.2
DPS	0.4	0.6	0.3	0.4	0.5	1.1	1.0	1.4
Payout (%)	68.1	64.0	35.4	28.8	20.0	30.0	30.0	30.0
Valuation (x)								
P/E	124.7	95.3	122.6	65.8	40.2	26.5	28.5	20.6
P/BV	9.0	8.0	4.9	4.5	3.9	2.9	2.7	2.5
EV/Sales	2.6	1.7	1.7	1.3	1.1	0.9	0.8	0.8
EV/EBITDA	29.8	20.9	22.4	16.4	11.6	9.7	9.4	8.0
Dividend Yield (%)	0.5	0.7	0.3	0.4	0.5	1.1	1.0	1.5
FCF per share (Eco. Int. basis)	3.9	2.9	0.0	2.3	3.3	1.7	8.3	6.4
Return Ratios (%)								
RoE	7.3	8.9	5.0	7.1	10.3	12.5	9.8	12.6
RoCE (post-tax)	4.7	4.2	3.8	6.7	10.0	10.9	8.9	10.7
RoIC	5.4	5.6	4.3	7.9	12.2	13.8	12.8	17.4
Working Capital Ratios								
Fixed Asset Turnover (x)	2.7	2.4	2.4	2.3	2.1	2.0	2.0	1.9
Inventory (Days)	31	31	37	36	34	35	33	34
Debtor (Days)	31	36	38	39	58	56	43	44
Creditor (Days)	62	70	71	65	84	76	76	79
Leverage Ratio (x)								
Current Ratio	0.9	0.9	0.9	0.9	0.9	1.1	1.0	0.9
Interest Cover Ratio	3.3	NA	3.2	4.0	2.9	3.2	3.7	5.8
Net Debt/Equity	0.6	0.4	0.3	0.3	0.4	0.0	-0.1	-0.2

Consolidated - Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
(INR M)								
OP/(Loss) before Tax	21,129	16,129	19,088	24,048	38,402	52,613	45,248	65,438
Depreciation	27,780	29,764	29,964	31,358	38,105	44,934	49,934	54,974
Interest & Finance Charges	5,626	4,544	4,346	7,809	18,112	18,824	15,192	12,369
Direct Taxes Paid	-10,776	-5,600	-8,324	-8,535	-14,353	-18,198	-12,217	-17,668
(Inc)/Dec in WC	16,202	6,432	-20,797	-6,846	-674	-20,783	45,561	2,173
Others	3,561	-757	351	-1,405	-3,902	-14,528	5,198	5,629
CF from Operating incl EO	63,521	50,512	24,627	46,431	75,689	62,862	1,48,916	1,22,916
(Inc)/Dec in FA	-21,943	-19,325	-24,363	-21,829	-40,101	-44,330	-60,000	-55,000
Free Cash Flow	41,578	31,187	264	24,602	35,589	18,532	88,916	67,916
(Pur)/Sale of Investments	-1,210	-45	-123	-279	-1,958	-1,869	-34,000	-54,000
Others	753	436	1,367	-340	-24,559	-2,417	0	0
CF from Investments	-22,399	-18,934	-23,119	-22,448	-66,618	-48,616	-94,000	-1,09,000
Issue of Shares	0	0	0	-1,453	236	63,762	0	0
Inc/(Dec) in Debt	-6,214	-11,324	2,456	-10,562	40,377	-56,568	-3,500	-11,000
Interest Paid	-5,667	-4,141	-5,528	-8,083	-15,096	-18,311	-15,192	-12,369
Dividend Paid	-12,794	-1,576	-6,457	-3,308	-6,751	-7,463	-10,338	-14,719
Others	-3,157	-3,859	-2,570	-3,972	-5,786	-6,672	0	0
CF from Fin. Activity	-27,832	-20,900	-12,099	-27,377	12,980	-25,252	-29,030	-38,089
Inc/Dec of Cash	13,290	10,678	-10,591	-3,395	22,052	-11,006	25,886	-24,173
Opening Balance	35,399	48,688	59,367	48,775	45,381	67,432	56,426	82,312
Closing Balance	48,688	59,367	48,775	45,381	67,432	56,426	82,312	58,139

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
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

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://online.reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: No.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
- MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
- MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

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
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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, BSE enlistment no. 5028 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. 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 dpgrievances@motilaloswal.com.