



Bloomberg	MOTHERSO IN
Equity Shares (m)	10554
M.Cap.(INRb)/(USDb)	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

**CMP: INR95**

**TP: INR114 (+21%)**

**Buy**

## 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.

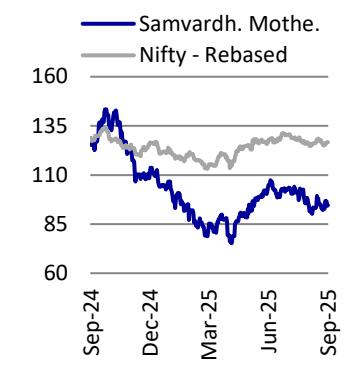
	Vision 2030	In comparison to Vision 2025
Gross Revenues	USD108b	❖ 3x of Vision 2025 target (FY25 gross revenue at USD25.7b)
ROCE	40%	❖ Maintained; FY25 stands at 18.4%
Diversification	3CX10	❖ Maintained
Dividend	Up to 40%	❖ Maintained

## 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.

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**



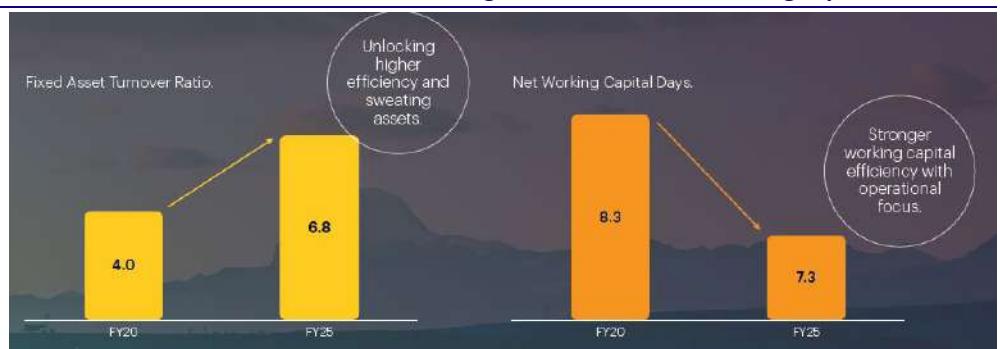
Source: Company

**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**



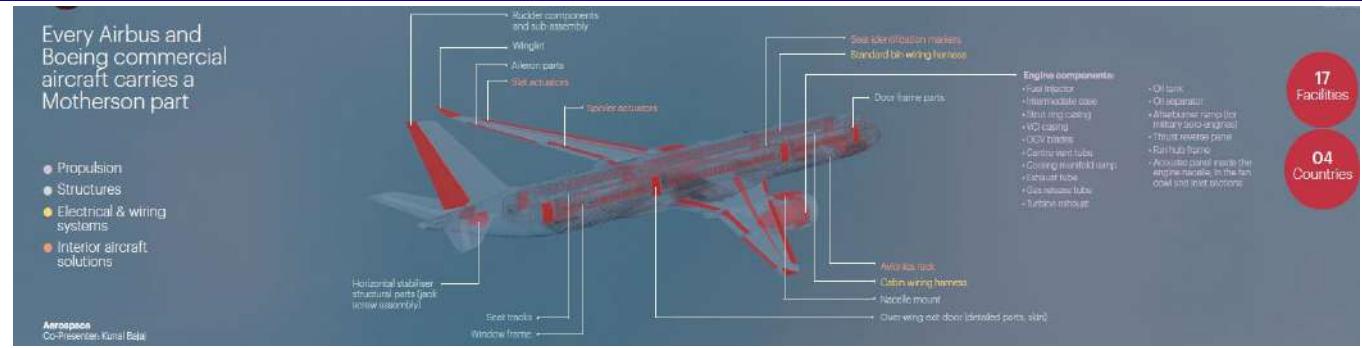
### Aerospace – Huge growth visibility

- 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 actuators, 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, Irillic, 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
<b>Total Income from Operations</b>	<b>607,290</b>	<b>582,250</b>	<b>637,740</b>	<b>787,881</b>	<b>984,947</b>	<b>1,136,626</b>	<b>1,247,489</b>	<b>1,326,118</b>
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
<b>Total Expenditure</b>	<b>560,748</b>	<b>530,110</b>	<b>590,746</b>	<b>725,519</b>	<b>894,741</b>	<b>1,031,107</b>	<b>1,141,382</b>	<b>1,199,533</b>
% of Sales	92.3	91.0	92.6	92.1	90.8	90.7	91.5	90.5
<b>EBITDA</b>	<b>46,542</b>	<b>46,880</b>	<b>46,994</b>	<b>62,362</b>	<b>90,206</b>	<b>105,519</b>	<b>106,107</b>	<b>126,585</b>
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
<b>EBIT</b>	<b>19,332</b>	<b>16,620</b>	<b>17,412</b>	<b>31,003</b>	<b>52,101</b>	<b>60,585</b>	<b>56,172</b>	<b>71,611</b>
Interest Charges	5,928		5,426	7,809	18,112	18,824	15,192	12,369
<b>PBT bef. EO Exp.</b>	<b>15,649</b>	<b>16,620</b>	<b>14,082</b>	<b>24,835</b>	<b>38,336</b>	<b>47,338</b>	<b>45,248</b>	<b>65,438</b>
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
<b>Reported PAT</b>	<b>8,099</b>	<b>10,590</b>	<b>8,304</b>	<b>15,306</b>	<b>27,162</b>	<b>38,030</b>	<b>34,459</b>	<b>49,064</b>
<b>Adjusted PAT</b>	<b>8,099</b>	<b>10,590</b>	<b>8,237</b>	<b>15,344</b>	<b>25,108</b>	<b>38,030</b>	<b>35,456</b>	<b>49,064</b>
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
<b>Net Worth</b>	<b>112,609</b>	<b>125,606</b>	<b>205,882</b>	<b>224,515</b>	<b>261,549</b>	<b>348,804</b>	<b>3,72,925</b>	<b>4,07,270</b>
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
<b>Capital Employed</b>	<b>262,881</b>	<b>263,195</b>	<b>339,768</b>	<b>351,781</b>	<b>434,922</b>	<b>493,309</b>	<b>5,17,700</b>	<b>5,45,380</b>
<b>Net Fixed Assets</b>	<b>139,871</b>	<b>192,782</b>	<b>175,128</b>	<b>188,750</b>	<b>237,877</b>	<b>259,358</b>	<b>2,69,424</b>	<b>2,69,449</b>
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
<b>Total Investments</b>	<b>1,614</b>	<b>2,581</b>	<b>7,212</b>	<b>6,834</b>	<b>8,976</b>	<b>72,906</b>	<b>1,06,906</b>	<b>1,60,906</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>163,943</b>	<b>178,716</b>	<b>194,908</b>	<b>227,640</b>	<b>350,435</b>	<b>432,388</b>	<b>4,04,860</b>	<b>4,05,853</b>
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
<b>Curr. Liability &amp; Prov.</b>	<b>187,047</b>	<b>207,430</b>	<b>211,447</b>	<b>253,091</b>	<b>394,549</b>	<b>410,751</b>	<b>4,02,897</b>	<b>4,30,236</b>
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
<b>Net Current Assets</b>	<b>-23,104</b>	<b>-28,714</b>	<b>-16,538</b>	<b>-25,451</b>	<b>-44,115</b>	<b>21,637</b>	<b>1,962</b>	<b>-24,384</b>
Other non-current asset	112,286	63,060	127,126	129,145	149,705	47,410	47,410	47,410
<b>Appl. of Funds</b>	<b>262,881</b>	<b>263,195</b>	<b>339,768</b>	<b>351,781</b>	<b>434,922</b>	<b>493,309</b>	<b>5,17,700</b>	<b>5,45,380</b>

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>								
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
<b>Valuation (x)</b>								
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
<b>Return Ratios (%)</b>								
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
<b>Working Capital Ratios</b>								
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
<b>Leverage Ratio (x)</b>								
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

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
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
<b>CF from Operating incl EO</b>	<b>63,521</b>	<b>50,512</b>	<b>24,627</b>	<b>46,431</b>	<b>75,689</b>	<b>62,862</b>	<b>1,48,916</b>	<b>1,22,916</b>
(Inc)/Dec in FA	-21,943	-19,325	-24,363	-21,829	-40,101	-44,330	-60,000	-55,000
<b>Free Cash Flow</b>	<b>41,578</b>	<b>31,187</b>	<b>264</b>	<b>24,602</b>	<b>35,589</b>	<b>18,532</b>	<b>88,916</b>	<b>67,916</b>
(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
<b>CF from Investments</b>	<b>-22,399</b>	<b>-18,934</b>	<b>-23,119</b>	<b>-22,448</b>	<b>-66,618</b>	<b>-48,616</b>	<b>-94,000</b>	<b>-1,09,000</b>
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
<b>Inc/Dec of Cash</b>	<b>13,290</b>	<b>10,678</b>	<b>-10,591</b>	<b>-3,395</b>	<b>22,052</b>	<b>-11,006</b>	<b>25,886</b>	<b>-24,173</b>
Opening Balance	35,399	48,688	59,367	48,775	45,381	67,432	56,426	82,312
<b>Closing Balance</b>	<b>48,688</b>	<b>59,367</b>	<b>48,775</b>	<b>45,381</b>	<b>67,432</b>	<b>56,426</b>	<b>82,312</b>	<b>58,139</b>

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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

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