

# Hero MotoCorp

BSE Sensex  
76,848

S&P CNX  
23,843

**CMP: INR5,247**

**TP: INR6,205 (+18%)**

**Buy**



Bloomberg	HMCL IN
Equity Shares (m)	200
M.Cap.(INRb)/(USDb)	1049.9 / 11.2
52-Week Range (INR)	6390 / 3664
1, 6, 12 Rel. Per (%)	-2/0/39
12M Avg Val (INR M)	3721

## Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	466.0	508.4	552.0
EBITDA	68.1	71.8	79.4
Adj. PAT	53.2	56.6	63.3
Adj. EPS (INR)	265.8	282.9	316.4
EPS Gr. (%)	15.5	6.4	11.8
BV/Sh. (INR)	1,065	1,138	1,224

## Ratios

RoE (%)	25.9	25.7	26.8
RoCE (%)	25.3	25.2	26.3
Payout (%)	71.5	74.2	72.7

## Valuations

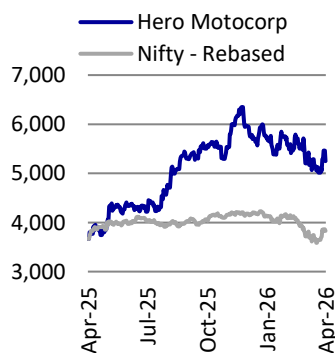
P/E (x)	19.7	18.5	16.6
P/BV (x)	4.9	4.6	4.3
Div. Yield (%)	3.6	4.0	4.4
FCF Yield (%)	5.6	5.4	6.0

## Shareholding Pattern (%)

As of	Dec-25	Sep-25	Dec-24
Promoter	34.7	34.7	34.7
DII	26.4	26.4	27.7
FII	29.4	28.8	28.0
Others	9.5	10.1	9.6

FII includes depository receipts

## Stock Performance (1-year)



## Sustainability of share gains would be a monitorable

### Sharp rise in input costs remains a key concern

- We interacted with the management of Hero MotoCorp (HMCL) to discuss demand trends in the domestic 2W market and the outlook ahead amid ongoing geopolitical headwinds. Some positive triggers driving the company's outperformance include: 1) a strong pick-up in Splendor sales post GST; 2) a revival in the 125cc motorcycle market share over the last few months, aided by the launches of Glamor and the new Xtreme125R; 3) a healthy ramp-up in scooters across both ICE and EV segments; and 4) a strong pick-up in exports. While these tailwinds remain supportive, input costs have started rising sharply in the recent past, and the company is likely to see some near-term margin pressure, despite the two price hikes taken in Q4.
- We expect HMCL to deliver a volume CAGR of ~7% over FY25-28, driven by rural recovery and a ramp-up in scooters and exports. This, in turn, is likely to drive 11% CAGR in revenue/EBITDA/PAT over FY25-28. **We reiterate our BUY rating with a TP of INR6,205 (based on 18x FY28E EPS + INR91/419 for Hero FinCorp/Ather after a 20% Holdco discount).**

### Demand remains healthy in 4Q with a positive outlook ahead

Demand has held up well in 4Q across 2W segments. Notably, retail demand in March for HMCL outpaced production, leading to a reduction in dealer stock levels by the end of the month. Splendor, which has not seen any material price reduction before, witnessed a marked pick-up in demand following GST rate cuts. Further, HMCL has recovered some lost share in the 125cc segment post the launch of the new Glamor and Xtreme 125R (with dual-channel ABS). The company's upgraded scooters (both ICEs and EVs) have been well accepted, enabling it to gain market share in this segment. Given the seasonally strong nature of 1Q for 2Ws and the momentum from recent launches, we expect growth to sustain in the near term.

### Macro headwinds to hurt margins in the near term

HMCL is effectively managing gas availability challenges and supporting its supply chain, resulting in no production disruption so far. However, the company is witnessing increasing pressure from rising input costs, with most key raw materials seeing sharp price increases over the past few months. To offset this, HMCL has already implemented two price hikes in 4Q and may require additional hikes going forward. Thus, margins are likely to remain under pressure in the near term until the full impact of input cost inflation is mitigated.

### Valuation and view

We expect HMCL to deliver a volume CAGR of ~7% over FY25-28, driven by rural recovery and a ramp-up in scooters and exports. This is likely to drive a 11% CAGR in revenue/EBITDA/PAT over FY25-28E. **We reiterate our BUY rating with a TP of INR6,205 (based on 18x FY28E EPS + INR91/419 for Hero FinCorp/Ather after a 20% Holdco discount).**

## Key highlights from the management meeting

### Update on domestic motorcycles

- HMCL's domestic sales growth slowed materially in Mar'26 to just 8% YoY (vs aggregate 35% for Jan-Feb), raising concerns among investors. However, management indicated that production had been aligned with this level of growth. Notably, retail sales growth of 24% YoY exceeded expectations, leading to a reduction in dealer stock to ~5 weeks by March-end.
- 1Q is a seasonally strong quarter for 2Ws, given the wedding season, particularly benefiting entry-level motorcycles. Additionally, April presents a low base month for HMCL (-44% YoY due to supply constraints faced).
- An interesting trend now emerging is that the 125cc segment, which was a key growth driver for motorcycles until last year, has started underperforming following the GST rate cuts. A possible rationale is that revised pricing of premium segment bikes (150cc) post GST rate cuts are now closer to the earlier 125cc price points (pre-GST) and hence customers are now preferring the upgrade option.
- For HMCL, in the 125cc segment, the Glamour relaunch has been well received, with an initial launch in key regions: South and East. Glamour X retail volumes grew ~70% YoY, while the Glamour portfolio reached its highest market share in the last eight quarters in Q3. A pan-India rollout is expected in the coming months. HMCL has launched a refresh of the Xtreme 125cc model with dual-channel ABS in Dec'25, which is a segment-first feature. Dual-channel ABS variants made up about 35% of Xtreme 125R retail volumes in the recent months. Post these launches, HMCL saw a gradual market share improvement in this segment over the last few months. Management expects to sustain outperformance as both the models are ramped up on a pan-India basis and backed by product-specific promotional campaigns.
- In the 100cc segment, HMCL continues to perform well, gaining a 300bp market share to a record high of 81.1% for FY26YTD. The HF Deluxe and Splendor together account for close to 95% of HMCL's 100cc portfolio. Splendor remains a key growth driver within the segment, having posted 9% YoY growth on YTD basis and accelerating to 16% YoY in the post GST period, supported by a marked pick-up in demand. On the other hand, HF Deluxe posted a 5.4% YoY growth on a YTD basis and about 8% growth post the GST rate cut. Management expects HF demand to pick up in 1Q, led by wedding season demand. Passion Plus posted a healthy 13.2% YoY growth during FY26YTD, but now contributes only 5% to HMCL's 100cc segment mix.
- Further, HMCL continues to focus on building its brand in the premium segment (150-250cc). It aims to launch an upgraded Xtreme160R soon. Further, its Xpulse model continues to perform well in its segment. HMCL has recently launched the all-new HD440 X, which comes with a much better fit and finish, and its advertising campaign has started recently.
- HMCL's premium network (Premia) has now expanded to 106 exclusive stores, covering over 50% of the premium two-wheeler market footprint. This is likely to ramp up to 125 by Mar'26 and further to 225 by Mar'27. By then, the network is expected to cover almost 90% of the addressable market for premium motorcycles, according to management. Beyond this, management intends to leverage Hero2.0 stores to sell premium brands. According to HMCL, over 50% of dealers running Premia stores for over 12 months have already reached break-even levels.

- The company's upcoming new launches would include Xtreme variants in the premium segment, the recently unveiled HD 440, and a few Vida variants. HMCL also plans to launch a couple of upgrades in the premium segment in FY27, apart from launching a few Vida variants.

#### Update on domestic scooters (ICE)

- HMCL has delivered a marked outperformance in the scooter segment relative to industry growth during the current fiscal. New launches and refreshes in the Destini and Xoom portfolios drove growth, with premium scooters now contributing over 50% of scooter volumes. While the industry reported 14.6% YoY growth over Apr-Feb'26, HMCL outpaced this with a much stronger 28% YoY growth. As a result, the company has gained 60bp in market share on a YTD basis, reaching 6%
- HMCL's new Destini 125 received a strong market response, growing 87% YoY on a YTD basis, while Xoom posted healthy 40% YoY growth, selling ~4.9k units per month. However, the company's Pleasure volumes continued to decline, dipping 30% YoY.
- The company is also in the process of substantially increasing its scooter capacity by 30k per month from the current 60k per month by 1Q end. Supported by sustained demand momentum and capacity enhancement, the company expects to continue outperforming the scooter segment in FY27.

#### Update on domestic scooters (EVs)

- In EVs, the Vida VX2 has been well received by customers. Its removable battery feature, which can be charged at home using a normal plug, is likely to be one of the key USPs of this product.
- Market share has increased from just 4% as of 4QFY25 to 11.1% by 4QFY26. VIDA has achieved over 20% market share in 28 towns and over 10% share in 79 towns, while ranking among the top two EV players in 37 towns.
- One VIDA model has been approved under the PLI scheme, with additional models under development to increase domestic value addition and eligibility.
- In the EV domain, HMCL is now present in 440 cities under the Vida EV brand, supported by a charging network of ~4,500 points for HMCL's Vida customers.
- HMCL is currently in the process of doubling its capacity in EV 2Ws to 30k per month, which should be operational by the end of March. Over the long term, the company aims for a leadership position in EVs.
- HMCL has taken a price hike of 10% in EVs in Dec'25. Further, it expects to receive the PLI eligibility certificate in 4Q. Supported by these measures and aggressive cost reduction initiatives, management is targeting positive contribution from EVs by 1QFY27E, with EBITDA likely to become positive within 15-18 months thereafter.

#### Exports – Healthy pick-up, albeit on a low base

- HMCL has seen a healthy ramp-up in exports, having posted 40% YoY growth in FY26. Its exports contribution has now improved to 6% of volumes from 5% YoY.
- Management attributed export growth to its '80-20 strategy', which concentrates resources on the top 10 markets accounting for 80% of volumes, with three of these markets now exceeding 10% market share. The top 10 markets include Bangladesh, Colombia, Mexico, Nigeria, Turkey, Nepal, Sri Lanka, and the Philippines.

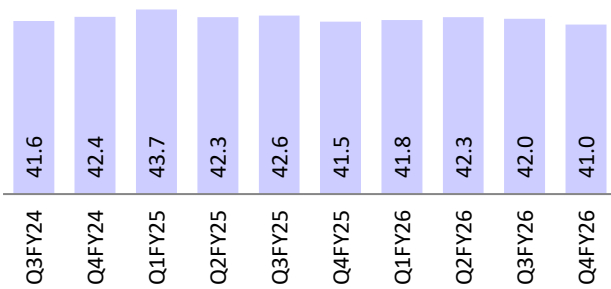
- Key growth markets include Bangladesh and Colombia, along with strong traction in Latin America, West and North Africa, Europe, and the Philippines.
- In Bangladesh, HMCL maintains its market leadership position and continues to gain share despite ongoing geopolitical challenges in the country.
- The company's Colombian subsidiary has delivered a sharp turnaround, with volumes growing over 200% and market share almost doubling from 5% to 9% on a YTD basis. Colombia presents a further growth opportunity, with a 700bp gap still remaining versus the market leader.
- HMCL has recently partnered with distributors in Europe to expand its overseas shipments. In October, it partnered with UK-based distributor MotoGB and French distributor GD France, following the announcement of its entry into Italy and Spain.
- In the UK, under its partnership with MotoGB, HMCL will sell its Euro 5+ compliant Hunk 440 motorcycle in the UK, priced at EUR3,990 (around USD4,650). The model will initially be sold through over 25 official sales and service outlets, with the network expected to expand to more than 35 locations by 2026.
- HMCL has also established new dealerships across West Africa and North Africa and expanded into additional Latin American countries.
- The company has introduced market-specific products, including the Hunk 125, Hunk 160, the 250cc model, and Zoom 110.
- Notably, around 40% of exports now come from premium products, with Xtreme 160, Xtreme 250, and Xpulse 200 performing particularly well.
- Exports are likely to remain a key growth driver for HMCL in the coming years.

#### **Update on macro headwinds**

- Currently, there are no supply constraints arising from the global gas shortage, with HMCL effectively managing its supplies.
- However, input costs have seen a marked increase in the recent past. Most critical raw materials, including steel, Al, rubber, and plastics, have seen over 10% increase in 4Q. While Cu prices have remained stable, PGM prices dipped in March after a sharp rise till Feb.
- To offset the increase in input costs, HMCL has implemented two price hikes in 4Q itself: INR300 avg in Jan and another INR700 avg in late Feb. This follows an earlier INR10k price hike on EVs.
- Despite these measures, management indicates that the price hikes are insufficient to fully offset the steep cost hike, and further price hikes may be required in 1Q.

**Exhibit 1: HMCL's motorcycle market share remains steady**

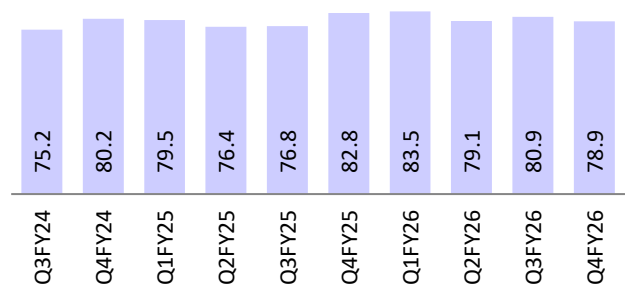
■ HMCL Domestic Motorcycle Market Share(%)



Source: Company, MOFSL

**Exhibit 2: HMCL continues to dominate in 100cc**

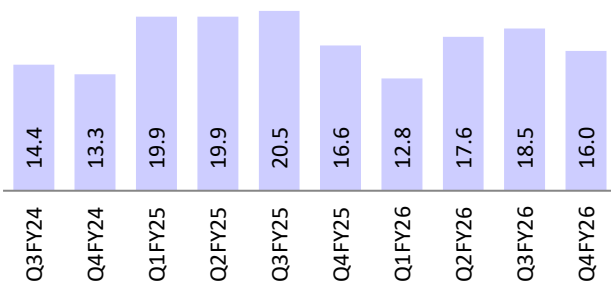
■ HMCL 100cc Market Share(%)



Source: Company, MOFSL

**Exhibit 3: 125cc market share on an uptrend from Q2**

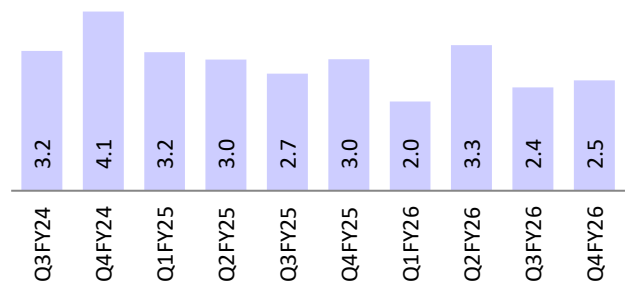
■ HMCL 125cc Market Share(%)



Source: Company, MOFSL

**Exhibit 4: HMCL is a small player in the 150-250cc segment**

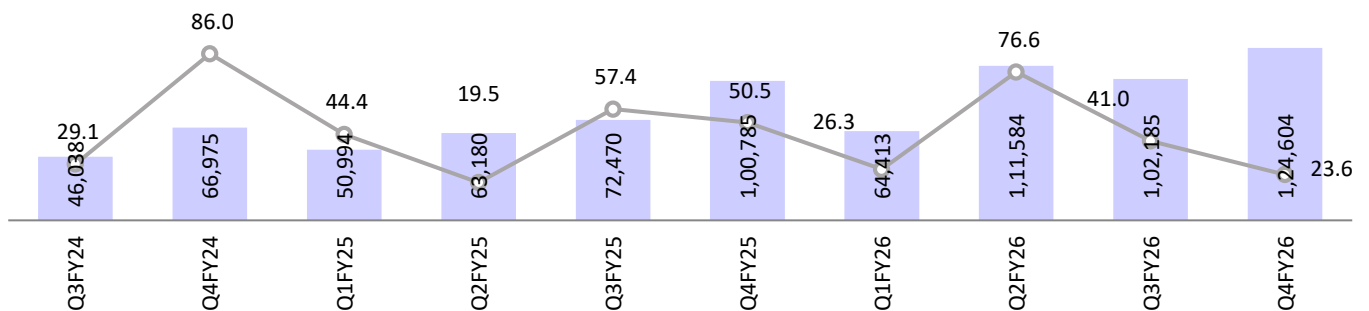
■ HMCL 150-250cc Market Share(%)



Source: Company, MOFSL

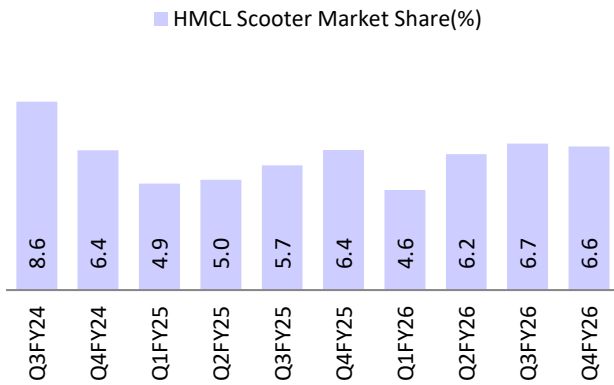
**Exhibit 5: HMCL export sales posted a CAGR of ~42% during FY24-26**

■ HMCL Exports    ○ YoY Growth(%)



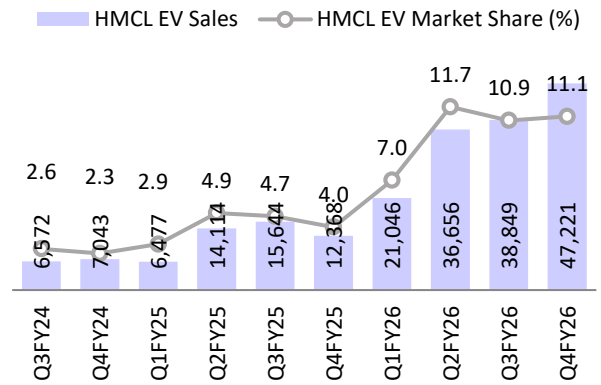
Source: Company, MOFSL

**Exhibit 6: HMCL ICE scooter market on an improving trend**



Source: Company, MOFSL

**Exhibit 7: HMCL gradually gaining share in 2W EVs**



Source: Company, MOFSL

**Exhibit 8: Snapshot of the revenue model**

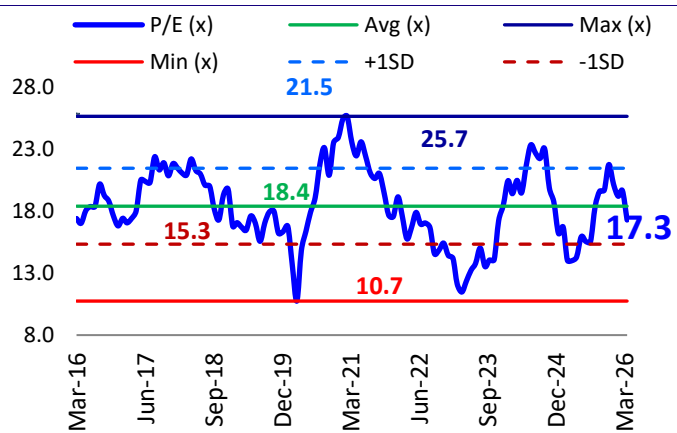
000 units	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total M/Cycles	5,333	4,628	4,959	5,191	5,476	5,843	6,160	6,497
Growth (%)	-11.0	-13.2	7.2	4.7	5.5	6.7	5.4	5.5
% of total volumes	92.1	93.6	93.1	92.3	92.8	90.3	89.8	89.7
Total Scooters	458	316	369	431	423	626	701	744
Growth (%)	9.2	-30.9	16.8	16.6	-1.9	48.2	12.0	6.0
% of total volumes	7.9	6.4	6.9	7.7	7.2	9.7	10.2	10.3
<b>Total volumes</b>	<b>5,792</b>	<b>4,944</b>	<b>5,329</b>	<b>5,621</b>	<b>5,899</b>	<b>6,469</b>	<b>6,862</b>	<b>7,240</b>
Growth (%)	-9.6	-14.6	7.8	5.5	4.9	9.7	6.1	5.5
- of which Exports	172	290	162	171	258	363	407	456
% of total volumes	3.3	6.5	3.3	3.3	4.8	6.2	6.5	6.9
Net Realizations (INR/unit)	53,182	59,152	63,443	66,630	69,088	72,040	74,090	76,243
Growth (%)	18.8	10.7	8.4	6.0	3.9	4.1	2.8	2.9
<b>Net Revenues (INR b)</b>	<b>308</b>	<b>292</b>	<b>338</b>	<b>375</b>	<b>408</b>	<b>466</b>	<b>508</b>	<b>552</b>
Growth (%)	6.8	-5.0	15.6	10.8	8.8	14.3	9.1	8.6

SIAM, Company, MOFSL

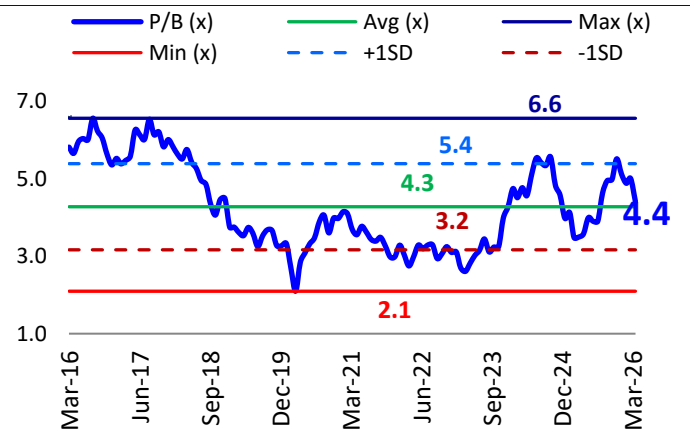
**Valuation and view**

- **We expect HMCL to deliver a volume CAGR of ~7% over FY25-28**, driven by: 1) new model launches in scooters, 2) the recently launched variants in the 125cc motorcycle segment, and 3) a ramp-up in exports.
- **Gradual rural revival bodes well for HMCL:** Rural sentiments are positive, given positive terms of trade for farmers and a healthy monsoon so far. Further, management has indicated that it is seeing a gradual recovery in rural markets currently. Given that HMCL has a dominant 100-110cc portfolio, any recovery in the rural region bodes well for the company.
- **Exports offer a huge headroom for growth:** Exports to emerging markets present a huge opportunity (~2x that of the Indian market) for HMCL, given that it has a relatively smaller presence in exports so far. Over the years, HMCL has been working on launching new products customized to key markets, revamping its distribution network, and investing in brand building in key markets. In FY26, HMCL posted 40% YoY growth in exports, at 1.8x the industry growth after a similar strong momentum in FY25. We expect exports to remain a steady growth driver for HMCL in the coming years.
- We expect HMCL to deliver a volume CAGR of ~7% over FY25-28, driven by rural recovery and a ramp-up in scooters and exports. This, in turn, is likely to drive 11% CAGR in revenue/EBITDA/PAT over FY25-28E. **We reiterate our BUY rating with a TP of INR6,205 (based on 18x FY28E EPS + INR91/419 for Hero FinCorp/Ather after a 20% Holdco discount).**

**Exhibit 9: P/E and P/B bands**



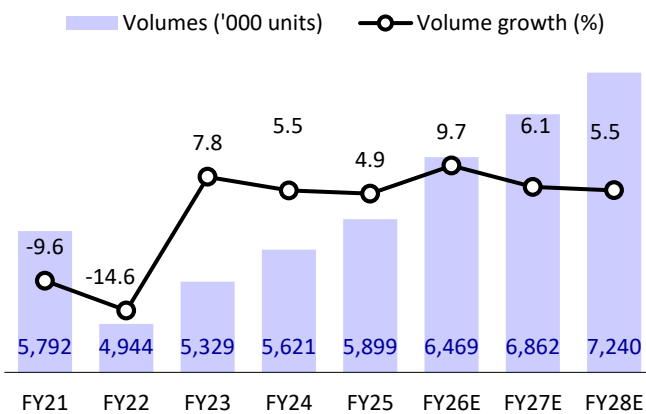
Source: MOFSL



Source: MOFSL

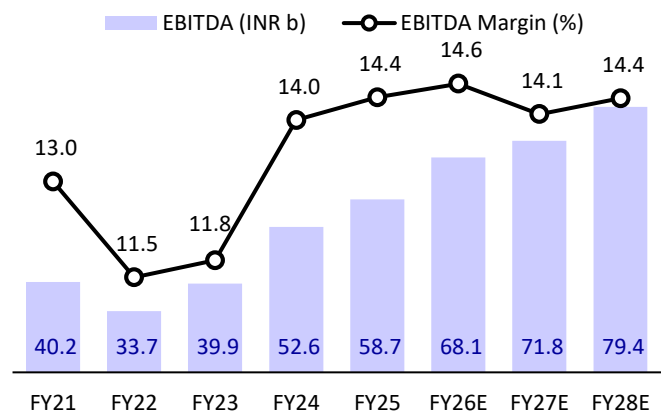
## Story in charts

**Exhibit 10: Steady growth expected, led by rural recovery**



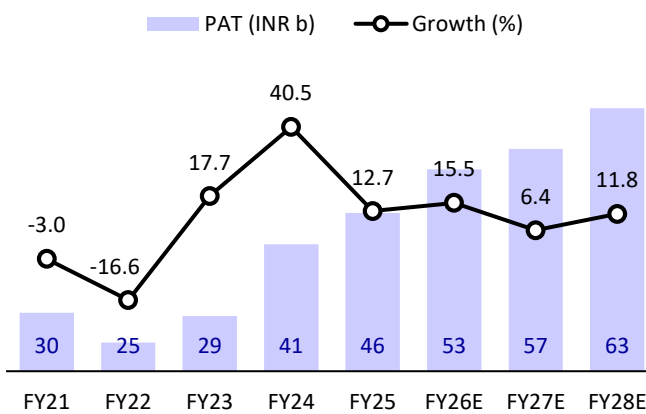
Source: Company, MOFSL

**Exhibit 11: EBITDA margin trend**



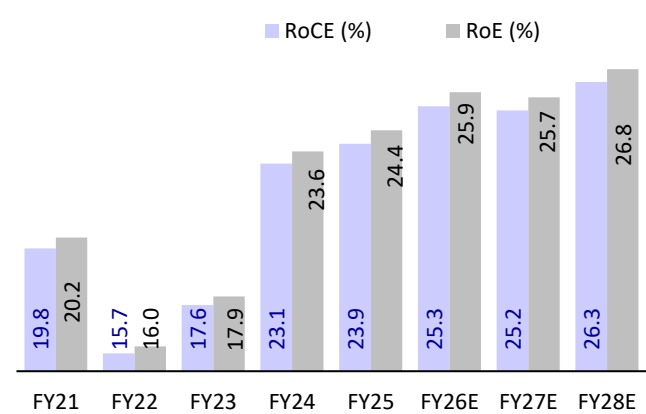
Source: Company, MOFSL

**Exhibit 12: PAT growth to be steady**



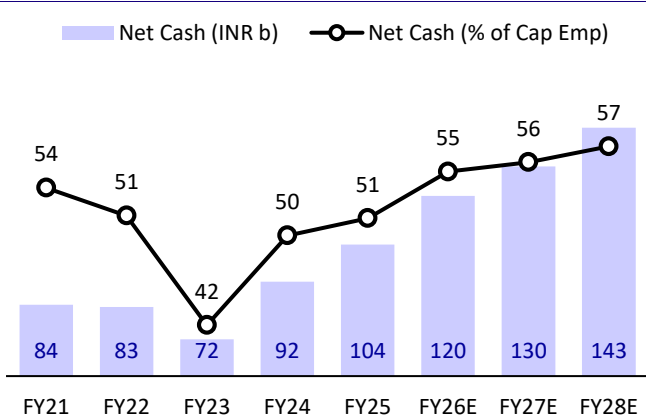
Source: Company, MOFSL

**Exhibit 13: Trend in return ratios**



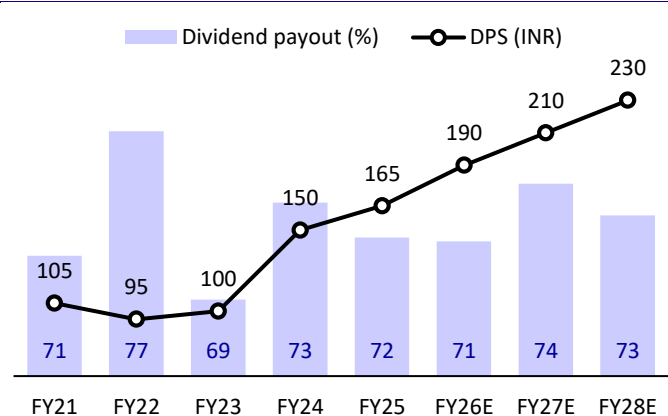
Source: Company, MOFSL

**Exhibit 14: Trend in cash levels**



Source: Company, MOFSL

**Exhibit 15: Dividend payout trends**



Source: Company, MOFSL



## Financials and valuations

Income Statement						(INR m)		
Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Volumes ('000)</b>	<b>5,792</b>	<b>4,944</b>	<b>5,329</b>	<b>5,621</b>	<b>5,899</b>	<b>6,469</b>	<b>6,862</b>	<b>7,240</b>
Volume Growth (%)	-9.6	-14.6	7.8	5.5	4.9	9.7	6.1	5.5
<b>Net Revenues</b>	<b>308,006</b>	<b>292,455</b>	<b>338,057</b>	<b>374,557</b>	<b>406,719</b>	<b>466,015</b>	<b>508,370</b>	<b>552,005</b>
Change (%)	6.8	-5.0	15.6	10.8	8.6	14.3	9.1	8.6
<b>EBITDA</b>	<b>40,192</b>	<b>33,688</b>	<b>39,862</b>	<b>52,557</b>	<b>57,832</b>	<b>68,098</b>	<b>71,818</b>	<b>79,388</b>
EBITDA Margin (%)	13.0	11.5	11.8	14.0	14.2	14.6	14.1	14.4
Depreciation	6,769	6,498	6,570	7,114	7,759	8,008	8,321	8,635
<b>EBIT</b>	<b>33,424</b>	<b>27,190</b>	<b>33,293</b>	<b>45,443</b>	<b>50,074</b>	<b>60,090</b>	<b>63,497</b>	<b>70,753</b>
Interest cost	218	258	199	185	199	240	203	205
Other Income	5,799	5,569	5,652	8,926	10,559	10,787	11,866	13,480
Non-recurring Expense	0	0	0	1,600	0	1,190	0	0
<b>PBT</b>	<b>39,004</b>	<b>32,501</b>	<b>38,746</b>	<b>52,584</b>	<b>60,434</b>	<b>69,446</b>	<b>75,160</b>	<b>84,028</b>
Tax	9,362	7,771	9,640	12,904	15,179	17,120	18,518	20,692
Effective Tax Rate (%)	24.0	23.9	24.9	24.5	25.1	24.7	24.6	24.6
<b>Adj. PAT</b>	<b>29,642</b>	<b>24,730</b>	<b>29,106</b>	<b>40,887</b>	<b>45,255</b>	<b>53,223</b>	<b>56,641</b>	<b>63,337</b>
Change (%)	-3.0	-16.6	17.7	40.5	10.7	15.5	6.4	11.8

Balance Sheet						(INR m)		
Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Sources of Funds</b>								
Share Capital	400	400	400	400	400	400	400	400
Reserves	151,585	157,430	166,651	179,462	197,669	212,853	227,453	244,743
<b>Net Worth</b>	<b>151,984</b>	<b>157,829</b>	<b>167,051</b>	<b>179,862</b>	<b>198,069</b>	<b>213,254</b>	<b>227,853</b>	<b>245,144</b>
Deferred Tax	4,041	3,833	4,054	4,348	5,096	5,096	5,096	5,096
<b>Capital Employed</b>	<b>156,025</b>	<b>161,662</b>	<b>171,105</b>	<b>184,210</b>	<b>203,165</b>	<b>218,349</b>	<b>232,949</b>	<b>250,239</b>
<b>Application of Funds</b>								
Gross Fixed Assets	142,362	146,657	151,942	157,862	165,383	175,383	186,383	197,383
Less: Depreciation	82,478	88,592	94,328	99,522	106,369	114,376	122,697	131,332
<b>Net Fixed Assets</b>	<b>59,884</b>	<b>58,065</b>	<b>57,614</b>	<b>58,340</b>	<b>59,014</b>	<b>61,006</b>	<b>63,685</b>	<b>66,051</b>
Capital WIP	4,366	4,582	4,638	4,805	4,925	4,925	4,925	4,925
Investments	105,876	107,288	111,875	131,551	150,445	172,445	184,445	201,445
<b>Curr.Assets, L &amp; Adv.</b>	<b>51,485</b>	<b>47,206</b>	<b>58,504</b>	<b>61,019</b>	<b>64,817</b>	<b>67,313</b>	<b>75,183</b>	<b>81,347</b>
Inventory	14,696	11,227	14,341	14,438	14,576	18,839	20,535	22,297
Sundry Debtors	24,268	23,043	27,982	27,034	36,744	35,165	38,331	41,621
Cash & Bank Balances	1,692	987	1,684	5,399	2,891	1,198	3,116	3,094
Loans & Advances	892	402	436	457	271	309	337	366
Others	9,938	11,547	14,062	13,691	10,335	11,802	12,864	13,969
<b>Current Liab. &amp; Prov.</b>	<b>65,585</b>	<b>55,478</b>	<b>61,527</b>	<b>71,506</b>	<b>76,037</b>	<b>87,339</b>	<b>95,290</b>	<b>103,528</b>
Sundry Creditors	52,046	42,603	47,045	55,282	55,661	69,075	75,294	81,756
Other Liabilities	10,211	9,490	10,744	11,516	13,317	12,559	13,690	14,865
Provisions	3,328	3,385	3,738	4,708	7,058	5,706	6,306	6,907
<b>Net Current Assets</b>	<b>-14,101</b>	<b>-8,272</b>	<b>-3,022</b>	<b>-10,487</b>	<b>-11,220</b>	<b>-20,026</b>	<b>-20,106</b>	<b>-22,181</b>
<b>Application of Funds</b>	<b>156,025</b>	<b>161,662</b>	<b>171,105</b>	<b>184,210</b>	<b>203,165</b>	<b>218,349</b>	<b>232,949</b>	<b>250,239</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>148.4</b>	<b>123.8</b>	<b>145.6</b>	<b>204.6</b>	<b>230.3</b>	<b>265.8</b>	<b>282.9</b>	<b>316.4</b>
EPS Growth (%)	-3.0	-16.6	17.7	40.5	12.6	15.5	6.4	11.8
Cash EPS	182.2	156.3	178.5	234.1	269.0	301.4	324.5	359.5
Book Value per Share	760.7	789.9	835.9	900.0	989.4	1,065.2	1,138.1	1,224.5
DPS	105.0	95.0	100.0	150.0	165.0	190.0	210.0	230.0
Payout (Incl. Div. Tax) %	70.8	76.8	68.7	73.3	71.7	71.5	74.2	72.7
<b>Valuation (x)</b>								
P/E	35.4	42.4	36.0	25.6	22.8	19.7	18.5	16.6
EV/EBITDA	23.4	27.9	23.5	17.3	15.3	12.9	12.0	10.7
EV/Sales	3.1	3.2	2.8	2.4	2.2	1.9	1.7	1.5
Price to Book Value	6.9	6.6	6.3	5.8	5.3	4.9	4.6	4.3
Dividend Yield (%)	2.0	1.8	1.9	2.9	3.1	3.6	4.0	4.4
<b>Profitability Ratios (%)</b>								
RoE	20.2	16.0	17.9	23.6	24.4	25.9	25.7	26.8
RoCE	19.8	15.7	17.6	23.1	23.9	25.3	25.2	26.3
RoIC	50.1	44.5	49.2	71.9	87.7	106.9	119.3	131.3
<b>Turnover Ratios</b>								
Debtors (Days)	30	30	32	28	35	29	29	29
Inventory (Days)	18	15	16	15	14	16	16	16
Creditors (Days)	62	53	51	54	50	54	54	54
Working Capital (Days)	-17	-10	-3	-10	-10	-16	-14	-15
Asset Turnover (x)	2.0	1.8	2.0	2.0	2.0	2.1	2.2	2.2
Fixed Asset Turnover	2.2	2.0	2.3	2.4	2.5	2.7	2.8	2.9

### Cash Flow Statement

Y/E March	2021	2022	2023	2024	2025	2026E	2027E	2028E
<b>(INR m)</b>								
Profit before Tax	39,004	32,501	38,746	52,584	60,434	70,636	75,160	84,028
Depreciation & Amort.	6,769	6,498	6,570	7,114	7,759	8,008	8,321	8,635
Direct Taxes Paid	-9,759	-7,688	-8,496	-13,142	-15,341	-17,120	-18,518	-20,692
(Inc)/Dec in Working Capital	10,700	-6,825	-5,832	10,747	-3,036	7,114	1,998	2,053
Other Items	-4,987	-4,283	-5,197	-6,637	-7,997	240	203	205
<b>CF from Oper. Activity</b>	<b>41,727</b>	<b>20,203</b>	<b>25,791</b>	<b>50,665</b>	<b>41,819</b>	<b>68,878</b>	<b>67,163</b>	<b>74,229</b>
Extraordinary Items	0	0	0	-1,600	0	-1,190	0	0
<b>CF after EO Items</b>	<b>41,727</b>	<b>20,203</b>	<b>25,791</b>	<b>49,065</b>	<b>41,819</b>	<b>67,688</b>	<b>67,163</b>	<b>74,229</b>
(Inc)/Dec in FA+CWIP	-5,101	-5,240	-5,675	-7,102	-8,103	-10,000	-11,000	-11,000
<b>Free Cash Flow</b>	<b>36,626</b>	<b>14,963</b>	<b>20,115</b>	<b>43,563</b>	<b>33,716</b>	<b>58,878</b>	<b>56,163</b>	<b>63,229</b>
(Pur)/Sale of Invest.	-16,998	3,721	987	-10,917	-7,755	-22,000	-12,000	-17,000
<b>CF from Inv. Activity</b>	<b>-22,099</b>	<b>-1,519</b>	<b>-4,688</b>	<b>-18,019</b>	<b>-15,858</b>	<b>-32,000</b>	<b>-23,000</b>	<b>-28,000</b>
Interest Paid	-515	-458	-455	-449	-540	-240	-203	-205
Dividends Paid	-18,900	-18,931	-19,951	-26,883	-27,929	-38,038	-42,042	-46,046
<b>CF from Fin. Activity</b>	<b>-19,415</b>	<b>-19,389</b>	<b>-20,406</b>	<b>-27,331</b>	<b>-28,469</b>	<b>-37,381</b>	<b>-42,245</b>	<b>-46,251</b>
<b>Inc/(Dec) in Cash</b>	<b>213</b>	<b>-705</b>	<b>697</b>	<b>3,715</b>	<b>-2,508</b>	<b>-1,693</b>	<b>1,918</b>	<b>-22</b>
Add: Beginning Balance	1,479	1,692	987	1,684	5,399	2,891	1,198	3,116
<b>Closing Balance</b>	<b>1,692</b>	<b>987</b>	<b>1,684</b>	<b>5,399</b>	<b>2,891</b>	<b>1,198</b>	<b>3,116</b>	<b>3,094</b>

E: MOFSL Estimates

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