

Samvardhana Motherson

Estimate changes

TP change

Rating change



	MOTHERSO IN
Bloomberg Equity Shares (m)	10554
M.Cap.(INRb)/(USD)	1394.9 / 14.4
52-Week Range (INR)	136 / 90
1, 6, 12 Rel. Per (%)	10/28/40
12M Avg Val (INR M)	2199

MOTHERSO: Financials & Valuations

INR Billion	2026	2027E	2028E
Sales	1,261	1,497	1,678
EBITDA	119.0	139.1	166.5
Adj. PAT	41.5	54.1	70.8
EPS (Rs)	3.9	5.1	6.7
EPS Growth (%)	9.1	30.3	31.0
BV/Share (Rs)	38.8	42.9	48.2

Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	10.9	12.5	14.7
RoCE (%)	9.3	10.7	12.6
Payout (%)	16.4	20.0	22.0

Valuations

P/E (x)	33.7	25.8	19.7
P/BV (x)	3.4	3.1	2.7
Div. Yield (%)	0.5	0.8	1.1
FCF Yield (%)	3.8	5.5	6.1

Shareholding pattern (%)

As Of	Mar-26	Dec-25	Mar-25
Promoter	48.6	48.6	58.1
DII	21.1	21.6	21.0
FII	12.7	11.9	12.4
Others	17.6	17.9	8.4

FII includes depository receipts

CMP: INR132

TP: INR160 (+21%)

Buy

Strong performance amid a tough macro environment

Emerging business segment set to scale up rapidly from here on

- Samvardhana Motherson's (SAMIL) 4QFY26 adjusted PAT at INR16.3b was above our estimate of INR13b, up 55% YoY. EBITDA margin grew 200bp YoY to 11% and ahead of our estimate of 10.1%. Margin beat was driven by Emerging business (+240bp YoY to 14.5%), and Integrated Assemblies (+500bp YoY to 15.6%).
- Given the better-than-expected performance in 4Q, we raise our earnings estimates by 8% each for FY27/FY28. Management alluded to its next five-year revenue growth aspiration, which now stands at a staggering USD108b. We expect SAMIL to continue to outperform global automobile sales, fueled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. Given the long-term growth opportunities, **we reiterate our BUY rating on the stock** with a revised TP of INR160, based on 24x FY28E EPS.

Strong operating performance

- Consolidated revenue grew 17% YoY to INR343b (in line with our estimate of INR328b), aided by organic growth, favorable forex rates, and integration of Atsumitec.
- EBITDA margin expanded 200bp YoY and 130bp QoQ to 11%, above our estimate of 10.1%. This was led by a better-than-expected performance in wiring harness, integrated assembly, and emerging business segments.
- Wiring harness revenues grew 19% YoY to INR102b (7.5% above est) and managed to expand margins by ~170bp QoQ to 11.4% vs est of 10.9%, despite 16% QoQ rise in copper prices.
- Integrated assemblies' revenue grew 20% YoY to INR28.7b (16% above est.), and margin improved 500bp YoY to 15.6% vs. our est. of 12.8%, fueled by strong operating leverage, continued execution of the existing order book, and cost control measures.
- Emerging business revenues grew 60% YoY to INR51.5b (11% above est.), and margins also expanded 240bp YoY to 14.5% vs. our est. of 9.7% due to better performance from Lighting & Electronics and Aerospace businesses.
- Vision systems was the only laggard, with revenue 4% below and margin 70bp below our estimate at 11.2%.
- Overall, EBITDA grew 43% YoY to INR37.9b, ahead of our est. of INR33.1b.
- The company incurred an extraordinary expense of INR2b in respect of phased operational restructuring at certain units primarily located in Europe. Adjusted for this expense, PAT beat our estimates, growing 55% YoY to INR16.3b (ahead of our estimate of INR13b).
- FY26 performance:** Revenue/EBITDA/PAT grew 11%/13%/9% to INR1.2t/INR119b/INR41.5b. The OCF/FCF stood at INR113b/INR54b.

Research analyst - Aniket Mhatre (Aniket.Mhatre@MotilalOswal.com)

Research analyst - Jeemit Shah (Jeemit.Shah@MotilalOswal.com) | Uday Nair (Uday.Nair@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

Key highlights from the management commentary

- Total booked business was USD96b, providing strong visibility for future growth.
- SAMIL currently has 16 greenfield projects at various stages of completion spread across India, Poland, the UAE, Hungary, and Morocco, 13 of which are expected to come on stream during FY27.
- SAMIL is on track to complete the Yutaka Giken acquisition by 1HFY27. The proposed acquisition of Nexan's automotive wiring harness business is expected to close by Jun'26.
- **Consumer electronics** scaled rapidly, growing 46% QoQ in 4QFY26 and 7.5x YoY in FY26, driven by the ramp-up of the second facility. The segment achieved EBITDA profitability in FY26. The third facility is on track for Q3FY27 commissioning, with added upstream integration capabilities, and is expected to drive significant growth and improved margins.
- **Aerospace** business grew 40% YoY in FY26, with order book growth of 20% YoY to USD1.6b, providing strong growth visibility. The two existing facilities will cater to the existing order book, which is expected to be executed over 5–8 years, while the management expects larger order wins in the segment in FY27.
- Effective net debt fell to ~INR98b (vs. INR120b QoQ). The leverage ratio was 0.8x, as guided by the management, and it was the lowest after many quarters.
- Capex for FY26 stood at INR59.1b (in line with guidance of INR60b), and capex guidance for FY27 is at INR60b +/- 10%, 50% of which would be for growth capex and 50% for maintenance capex. Of the 50% growth capex, 60% would be used for the non-auto business, especially consumer electronics.

Valuation and view

Given the better-than-expected performance in 4Q despite adverse global macro, we raise our earnings estimates by 8% each for FY27/FY28. Management has alluded to its next five-year revenue growth aspiration, which now stands at a staggering USD108b. We expect SAMIL to continue to outperform global automobile sales, fueled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. Further, the current adverse global macro 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 on the stock** with a revised TP of INR160, based on 24x FY28E EPS.

Quarterly performance (Consol.)

(INR m)

Y/E March	FY25				FY26				FY25	FY26	4QE	var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	2,88,680	2,78,119	2,76,659	2,93,168	3,02,120	3,01,730	3,14,094	3,43,093	11,36,626	12,61,037	3,28,898	4.3
YoY Change (%)	28.5	18.2	7.9	9.1	4.7	8.5	13.5	17.0	15.4	10.9	12.2	
EBITDA	27,753	24,479	26,858	26,429	24,583	26,107	30,431	37,908	1,05,519	1,19,029	33,132	14.4
Margins (%)	9.6	8.8	9.7	9.0	8.1	8.7	9.7	11.0	9.3	9.4	10.1	
YoY Change (%)	44.2	23.1	16.0	-1.0	-11.4	6.6	13.3	43.4	17.0	12.8	25.4	
Depreciation	10,646	11,028	11,124	12,137	12,297	12,179	13,208	13,654	44,934	51,339	13,850	
Interest	4,445	5,462	4,661	4,256	4,250	3,865	3,411	4,718	18,824	16,244	3,739	
Other income	709	862	1,112	1,164	805	1,212	514	575	5,577	3,105	924	
PBT before EO expense	13,371	8,852	12,185	11,200	8,841	11,275	14,325	20,111	47,338	54,552	16,467	22.1
Extra-Ord expense	0	-1,730	0	0	1,365	362	465	1,944	0	4,135	0	
PBT after EO Expense	13,371	10,582	12,185	11,200	7,476	10,914	13,861	18,167	47,338	50,417	16,467	
Tax Rate (%)	26.0	33.2	27.7	12.2	30.1	34.7	31.7	21.3	23.6	28.2	27.2	
Min. Int & Share of profit	-51	-1,152	26	-672	-300	-1,270	-920	-1,084	-1,848	-3,573	-1,085	
Reported PAT	9,942	8,797	8,786	10,505	5,118	8,270	10,237	14,971	38,030	38,597	13,077	
Adj PAT	9,942	7,470	8,790	10,505	6,067	8,521	10,560	16,322	38,030	41,470	13,077	24.8
YoY Change (%)	65.5	65.7	62.2	14.6	-39.0	14.1	20.1	55.4	51.5	9.0	30.4	

Key Performance Indicators

(INR m)

Y/E March	FY25				FY26				FY25	FY26	4QE
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Business Wise Revenues (INRm)											
Wiring harness	83,260	81,110	78,290	85,940	86,400	85,496	90,826	1,02,356	3,28,610	3,65,080	95,181
Modules & Polymer products	1,51,930	1,46,400	1,46,140	1,53,590	1,50,080	1,53,738	1,57,753	1,67,367	5,98,060	6,28,941	1,66,359
Vision system	49,970	48,070	47,290	49,720	51,370	50,838	52,471	55,330	1,95,060	2,10,008	57,541
Integrated assemblies	25,230	25,280	26,600	23,980	28,190	25,801	27,587	28,773	1,01,090	1,10,350	24,898
Emerging businesses	25,910	29,050	26,930	32,280	37,020	40,013	42,182	51,505	1,14,180	1,70,716	46,428
Less: Inter-segment	12,330	12,070	9,910	13,200	12,030	12,099	12,525	15,566	47,550	52,218	13,803
Less: Revenues of Associates/JVs	35,290	39,720	38,680	39,140	38,910	42,058	44,200	46,671	1,52,830	1,71,841	47,706
Net Revenues	2,88,680	2,78,120	2,76,660	2,93,170	3,02,120	3,01,730	3,14,094	3,43,093	11,36,620	12,61,037	3,28,898
Business Wise EBITDA (INRm)											
Wiring harness	9,750	9,080	9,240	10,670	9,830	8,937	8,810	11,703	38,730	39,283	10,404
Modules & Polymer products	13,170	10,900	11,700	10,020	9,580	11,377	14,792	15,450	45,800	51,201	15,516
Vision system	4,740	4,440	4,360	5,970	4,730	4,692	4,827	6,178	19,500	20,425	6,850
Integrated assemblies	2,560	3,010	3,530	2,540	3,210	3,152	4,194	4,478	11,650	15,039	3,179
Emerging businesses	3,170	3,870	3,600	3,900	3,090	3,798	3,909	7,455	14,520	18,253	4,498
Less: Inter-segment	550	-110	-160	650	580	-227	24	-234	-830	-517	1,136
Less: EBITDA of Associates/JVs	5,087	6,931	5,732	6,021	5,277	6,076	6,077	7,590	22,260	24,390	6,178
Consol EBITDA	27,753	24,479	26,858	26,429	24,583	26,107	30,431	37,908	1,08,770	1,20,326	33,132
Business Wise PBITDA Margins (%)											
Wiring harness	11.7	11.2	11.8	12.4	11.4	10.5	9.7	11.4	11.8	10.8	10.9
Modules & Polymer products	8.7	7.4	8.0	6.5	6.4	7.4	9.4	9.2	7.7	8.1	9.3
Vision system	9.5	9.2	9.2	12.0	9.2	9.2	9.2	11.2	10.0	9.7	11.9
Integrated assemblies	10.1	11.9	13.3	10.6	11.4	12.2	15.2	15.6	11.5	13.6	12.8
Emerging businesses	12.2	13.3	13.4	12.1	8.3	9.5	9.3	14.5	12.7	10.7	9.7
Consol EBITDA Margins (%)	9.6	8.8	9.7	9.0	8.1	8.7	9.7	11.0	9.6	9.5	10.1

Note: Segmental EBITDA margins include part of other income; E: MOFSL Estimates



Highlights from the management commentary

- **Operation updates:** SAMIL currently has 16 greenfield projects at various stages of completion spread across India, Poland, the UAE, Hungary, and Morocco, 13 of which are expected to come on stream during FY27. Four new greenfield projects were announced during the quarter, viz., a wiring harness manufacturing facility in Morocco and Poland, each slated for operations in 1QFY28 and 4QFY27, respectively, and two logistics facilities – one in India and one in Hungary, which are expected to become operational by 3QFY27. All 16 greenfields are in emerging markets.
- **SAMIL outperforms industry:** SAMIL's revenues grew 11% YoY in FY26, the global LV market grew ~2%, while CVs grew by 5%. In FY26, emerging businesses' revenues grew 50% YoY to INR17b, of which Aerospace registered 40% YoY growth to INR24.5b, while Consumer Electronics revenues grew 7.5x YoY.
- **Financial performance and capital allocation:** Effective net debt declined to ~INR98b (vs. INR120b QoQ). Leverage ratio stood at 0.8x, as guided by management, and was the lowest after several quarters. The company plans to continue reducing debt through FCF generation and efficient capital allocation to make headroom for further expansion plans.
- Capex for FY26 stood at INR59.1b (in line with guidance of INR60b), and capex guidance for FY27 is at INR60b +/- 10%, 50% of which would be for growth capex and 50% for maintenance capex. Of the 50% growth capex, 60% would be used for the non-auto business, especially consumer electronics.
- ROCE moderated to 16.1% vs 17.2% in FY25, due to higher capex.
- **Order book details:** Total booked business stands at USD96 billion, providing strong visibility for future growth. Around 22% of the order book comes from EV programs, while non-automotive contributes approximately 3% and continues to grow steadily. Aerospace order book is USD1.6 billion, to be executed over 5–8 years, with expectations of bigger wins in FY27. Integrated Assemblies strengthened its order book by winning new programs and diversifying the business, supporting meaningful growth in FY27.
- **Acquisition update** - FY26 was the first year of integrating the Atsumitech acquisition. SAMIL is on track to complete the Yutaka Giken acquisition by H1 FY27. The proposed acquisition of Nexan's automotive wiring harness business is expected to close by Jun'26. This acquisition will enhance global passenger vehicle and commercial vehicle wiring harness capabilities, deepen relationships with large OEMs, and create meaningful cross-selling opportunities.

Segmental updates

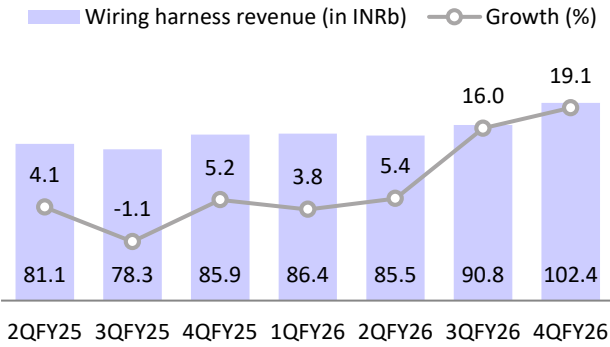
- **Wiring Harness** Q4 revenues stood at INR102b, up 19% YoY, with EBITDA margins of 11.4%, down 100 bps YoY due to higher copper prices. Margin expansion QoQ was supported by operational improvements in overseas entities (possibly at PKC, as the US Class8 cycle is recovering). A recovery in the commercial vehicle cycle across advanced economies is expected to drive growth momentum in the coming quarters.
- **Vision Systems** reported revenues of INR55.3b in Q4, up 11% YoY, with stable EBITDA margins of 11.2%. The robust order book, supported by new order wins,

is expected to maintain business momentum. The segment focuses on enhancing content per vehicle, expanding the premium SKU order book, and driving operational efficiencies to sustain margins amid industry slowdown.

- **Integrated Assemblies** delivered revenues of INR28.7b in 4Q, up 20% YoY, with EBITDA margins of 15.6%, a 500 bps YoY improvement—the highest among all divisions. Management has worked on improving the performance of “red units” by diversifying the business and winning new programs. A robust order book from new program launches in FY27, twice that of FY26, is expected to drive sustained business momentum.
- **Emerging Businesses** (including elastomers, lighting, precision metals, aerospace, health & medical, logistics, and technology solutions) delivered 4Q revenue at INR51.5b, up 60% YoY, with EBITDA margins of 14.5%, up 240 bps YoY. Revenue growth was primarily driven by Atsumitech, consumer electronics, and aerospace. Margin expansion was driven by better performance in lighting, Consumer electronics, and aerospace divisions.
- **Modules and Polymer Products** generated revenues of INR167.3b, up 9% YoY, with EBITDA margins of 9.2%, up 270 bps YoY, supported by operational efficiencies and transformative measures. OEM restructuring actions and the FY27 launch pipeline are expected to support demand recovery in the coming quarters, along with sustained cost-saving actions.
- **Consumer electronics** scaled rapidly, growing 46% QoQ in 4QFY26 and 7.5x YoY in FY26, driven by the ramp-up of the second facility. The production run-rate in Q4FY26 aligned with the targeted annual production guidance of 14–16m units. The segment achieved EBITDA profitability in FY26. The third facility is on track for Q3FY27 commissioning, with added upstream integration capabilities, and is expected to drive significant growth and improved margins going forward.
- **Aerospace** business grew 40% YoY in FY26, with order book growth of 20% YoY to USD1.6b, providing strong growth visibility. SAMIL expanded its product portfolio across platforms, securing orders for metallic parts, subassemblies, and wiring harnesses in business jets and rotary-wing aircraft. The two existing facilities will cater to the existing order book, which is expected to be executed over 5–8 years, while the management expects larger order wins in the segment in FY27.
- **EV Segment** - EV revenues account for 11% of total revenues. Customers who were initially focused solely on EVs are now exploring multiple powertrain options.

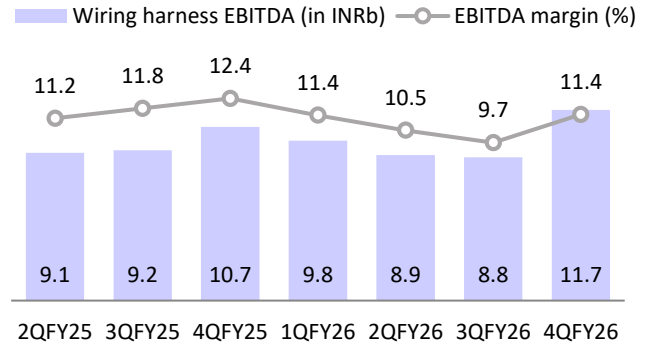
Key exhibits

Exhibit 1: Trends in wiring harness's revenue and growth



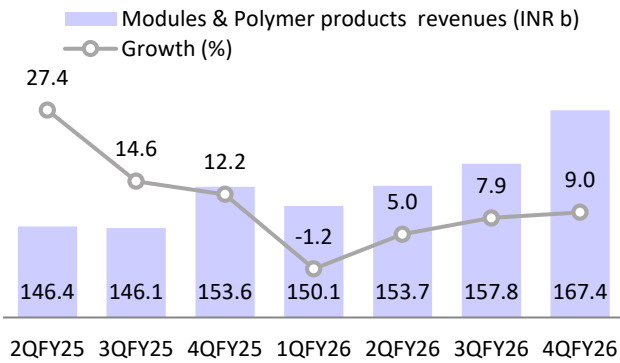
Source: Company, MOFSL

Exhibit 2: Wiring harness's EBITDA and EBITDA margin trends



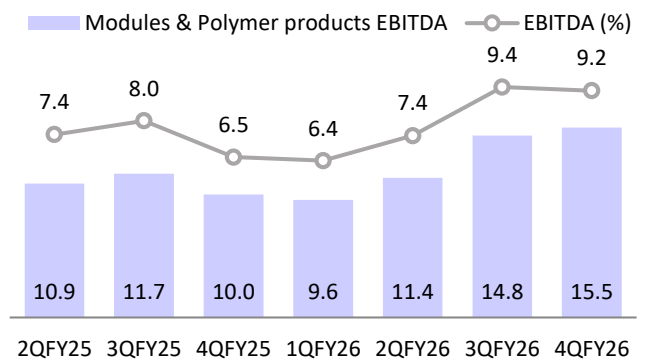
Source: Company, MOFSL

Exhibit 3: Trends in modules and polymer products' revenue



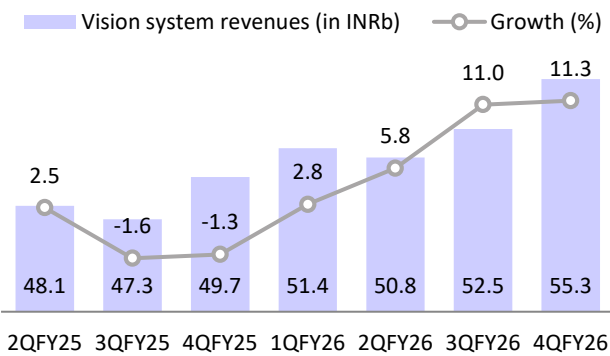
Source: Revenues in INRb, Company, MOFSL

Exhibit 4: Modules & polymer products' EBITDA margin trends



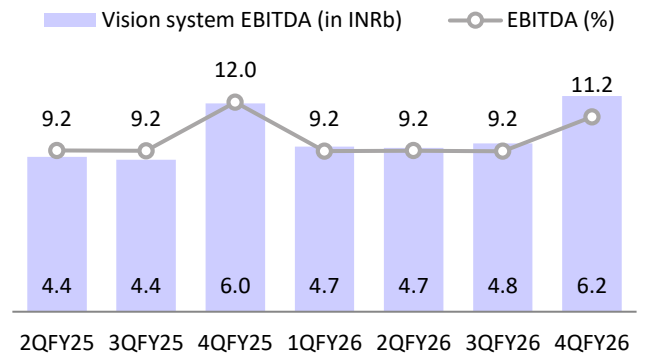
Source: EBITDA in INRb, Company, MOFSL

Exhibit 5: Trend in Vision systems' revenue



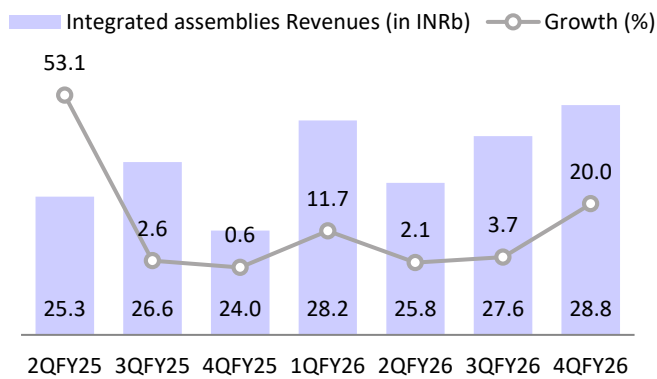
Source: Company, MOFSL

Exhibit 6: Vision systems' EBITDA margin



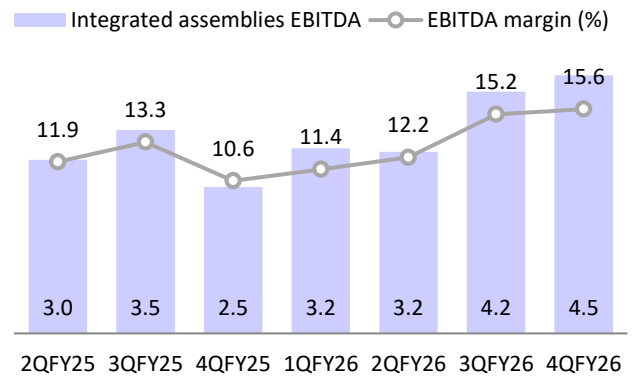
Source: Company, MOFSL

Exhibit 7: Trend in integrated assemblies' revenue



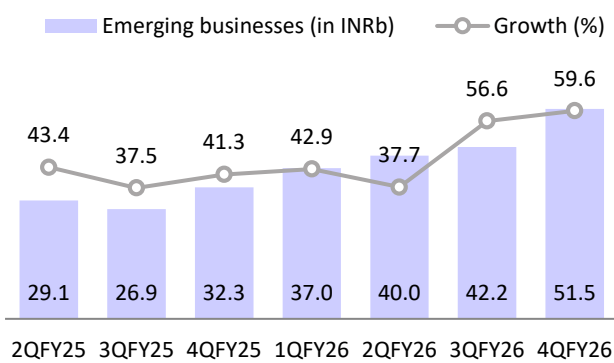
Source: Company, MOFSL

Exhibit 8: Integrated assemblies' EBITDA margin



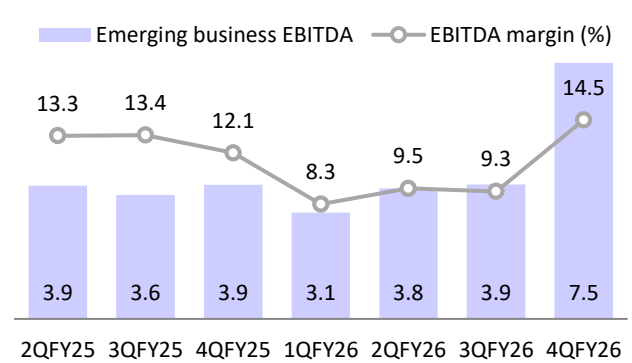
Source: EBITDA in INRb, Company, MOFSL

Exhibit 9: Trend in emerging businesses' revenue



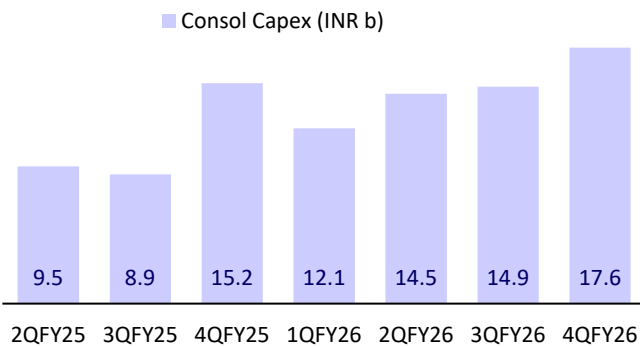
Source: Company, MOFSL

Exhibit 10: Emerging businesses' EBITDA margin



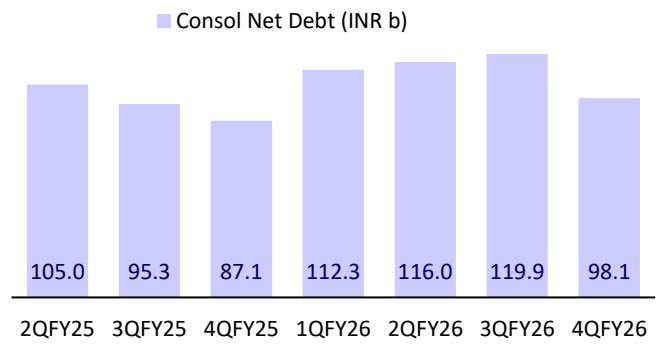
Source: EBITDA in INR b, Company, MOFSL

Exhibit 11: Trend in capex (INR b)



Source: Company, MOFSL

Exhibit 12: Trend in net debt (excl. lease liabilities, INR b)



Source: Company, MOFSL

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 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. It is among the top 3 players globally for exterior rear-view mirrors, a market leader in PV wiring harnesses in India, and a major player in wiring harnesses 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 one of the major beneficiaries of the rising premiumization trend and EV transition, which in turn should drive higher content going forward. The 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 in the recent past.
- **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, whose combined pro forma net revenue 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; a disciplined approach has been the key:** SAMIL has a track record of setting ambitious five-year targets since 2000. Its 2025 targets include revenue of USD36b, RoCE and dividend payout of 40%, and 3CX10. While most of its targets until 2015 have been achieved, it has missed 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-19. 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:** Given the better-than-expected performance in 4Q despite adverse global macro, we raise our earnings estimates by 8% each for FY27/FY28. Management has alluded to its next five-year revenue growth aspiration, which now stands at a staggering USD108b. We expect SAMIL to continue to outperform global automobile sales, fueled by rising premiumization and EV transition, a robust order backlog in autos and non-autos, and successful integration of recent acquisitions. Further, the current adverse global macro 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 on the stock** with a revised TP of INR160, based on 24x FY28E EPS.

Exhibit 13: Our revised estimates (consolidated)

(INR M)	FY27E			FY28E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Net Sales	14,96,707	14,62,000	2.4	16,77,772	16,09,058	4.3
EBITDA	1,39,120	1,35,123	3.0	1,66,549	1,58,782	4.9
EBITDA (%)	9.3	9.2	10bp	9.9	9.9	10bp
Adj. PAT	54,074	50,176	7.8	70,843	65,692	7.8
EPS (INR)	5.1	4.7	7.8	6.7	6.2	7.8

Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement

(INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	5,82,250	6,37,740	7,87,881	9,84,947	11,36,626	12,61,037	14,96,707	16,77,772
Change (%)	-4.1	9.5	23.5	25.0	15.4	10.9	18.7	12.1
Raw Materials	3,25,979	3,67,363	4,53,174	5,44,147	6,10,522	6,78,474	8,51,251	9,59,631
Employees Cost	1,40,996	1,53,746	1,79,314	2,35,385	2,83,870	3,14,778	3,30,516	3,47,042
Other Expenses	63,135	69,637	93,032	1,15,209	1,36,715	1,48,756	1,75,818	2,04,550
Total Expenditure	5,30,110	5,90,746	7,25,519	8,94,741	10,31,107	11,42,008	13,57,586	15,11,223
% of Sales	91.0	92.6	92.1	90.8	90.7	90.6	90.7	90.1
EBITDA	46,880	46,994	62,362	90,206	1,05,519	1,19,029	1,39,120	1,66,549
Margin (%)	8.1	7.4	7.9	9.2	9.3	9.4	9.3	9.9
Change (%)	0.7	0.2	32.7	44.6	17.0	12.8	16.9	19.7
Depreciation	30,260	29,582	31,358	38,105	44,934	51,339	57,339	62,839
EBIT	16,620	17,412	31,003	52,101	60,585	67,691	81,782	1,03,710
Interest Charges		5,426	7,809	18,112	18,824	16,244	16,384	16,674
PBT bef. EO Exp.	16,620	14,562	24,890	35,865	47,338	54,552	68,689	90,986
Tax Rate (%)	33.6	43.1	29.6	27.4	23.6	30.5	27.0	27.0
MI and Income from associates	440	-290	2,178	658	-1,848	-3,573	-3,931	-4,423
Reported PAT	10,590	8,304	15,306	27,162	38,030	38,597	54,074	70,843
Adjusted PAT	10,590	8,237	15,344	25,108	38,030	41,492	54,074	70,843
Change (%)	30.8	-22.2	86.3	63.6	51.5	9.1	30.3	31.0

Consolidated - Balance Sheet

(INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	4,518	4,518	6,776	6,776	7,037	10,554	10,554	10,554
Total Reserves	1,21,088	2,01,365	2,17,739	2,54,773	3,41,767	3,99,242	4,42,501	4,97,759
Net Worth	1,25,606	2,05,882	2,24,515	2,61,549	3,48,804	4,09,796	4,53,055	5,08,313
Minority Interest	40,233	17,763	19,254	20,606	22,482	26,795	29,280	31,913
Total Loans	1,07,580	1,27,609	1,21,657	1,73,513	1,46,437	1,58,949	1,38,949	1,38,949
Deferred Tax Liabilities	-10,224	-11,486	-13,645	-20,746	-24,413	-28,726	-28,726	-28,726
Capital Employed	2,63,195	3,39,768	3,51,781	4,34,922	4,93,309	5,66,815	5,92,559	6,50,450
Net Fixed Assets	1,92,782	1,75,128	1,88,750	2,37,877	2,59,358	3,03,915	3,11,576	3,18,738
Goodwill	24,718	33,743	37,726	57,501	65,540	73,090	73,090	73,090
Capital WIP	8,769	13,097	14,779	24,978	26,457	40,942	40,942	40,942
Total Investments	2,581	7,212	6,834	8,976	72,906	80,350	1,30,350	1,80,350
Curr. Assets, Loans&Adv.	1,78,716	1,94,908	2,27,640	3,50,435	4,32,388	5,20,346	4,54,785	5,15,728
Inventory	49,956	64,417	78,228	91,386	1,07,873	1,26,467	1,20,887	1,39,155
Account Receivables	56,931	65,731	85,135	1,56,371	1,74,307	1,98,810	1,69,998	1,95,687
Cash and Bank Balance	59,367	48,775	45,381	67,432	56,426	75,158	55,426	58,151
Loans and Advances	12,463	15,985	18,897	35,246	93,782	1,19,910	1,08,474	1,22,735
Curr. Liability & Prov.	2,07,430	2,11,447	2,53,091	3,94,549	4,10,751	5,09,412	4,75,769	5,35,982
Account Payables	1,11,407	1,24,775	1,41,363	2,26,172	2,36,692	2,81,647	3,09,812	3,40,793
Other Current Liabilities	89,575	81,567	1,06,258	1,56,687	1,64,114	2,16,265	1,49,555	1,76,803
Provisions	6,449	5,104	5,471	11,690	9,945	11,500	16,402	18,387
Net Current Assets	-28,714	-16,538	-25,451	-44,115	21,637	10,934	-20,984	-20,254
Other non-current asset	63,060	1,27,126	1,29,145	1,49,705	47,410	57,586	57,586	57,586
Appl. of Funds	2,63,195	3,39,768	3,51,781	4,34,922	4,93,309	5,66,815	5,92,559	6,50,450

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
EPS	1.0	0.8	1.5	2.4	3.6	3.9	5.1	6.7
BV/Share	11.9	19.5	21.3	24.8	33.0	38.8	42.9	48.2
DPS	0.6	0.3	0.4	0.5	0.6	0.6	1.0	1.5
Payout (%)	64.0	35.4	28.8	20.0	15.7	16.4	20.0	22.0
Valuation (x)								
P/E	131.9	169.5	91.0	55.6	36.7	33.7	25.8	19.7
P/BV	11.1	6.8	6.2	5.3	4.0	3.4	3.1	2.7
EV/Sales	2.4	2.2	1.8	1.5	1.2	1.1	0.9	0.8
EV/EBITDA	28.6	30.4	22.2	15.6	13.1	11.6	10.0	8.3
Dividend Yield (%)	0.5	0.2	0.3	0.4	0.4	0.5	0.8	1.1
FCF per share (Eco. Int. basis)	3.0	0.0	2.3	3.4	1.8	5.1	7.3	8.1
Return Ratios (%)								
RoE	8.9	5.0	7.1	10.3	12.5	10.9	12.5	14.7
RoCE (post-tax)	4.2	3.8	6.7	10.0	10.9	9.3	10.7	12.6
RoIC	5.6	4.3	7.9	12.2	13.8	13.3	16.2	20.5
Working Capital Ratios								
Fixed Asset Turnover (x)	2.4	2.4	2.3	2.1	2.0	1.9	2.0	2.1
Asset Turnover (x)	2.2	1.9	2.2	2.3	2.3	2.2	2.5	2.6
Inventory (Days)	31	37	36	34	35	37	29	30
Debtor (Days)	36	38	39	58	56	58	41	43
Creditor (Days)	70	71	65	84	76	82	76	74
Leverage Ratio (x)								
Current Ratio	0.9	0.9	0.9	0.9	1.1	1.0	1.0	1.0
Interest Cover Ratio	NA	3.2	4.0	2.9	3.2	4.2	5.0	6.2
Net Debt/Equity	0.4	0.3	0.3	0.4	0.0	0.0	-0.1	-0.2

Consolidated - Cash Flow Statement

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
(INR M)								
OP/(Loss) before Tax	16,129	19,088	24,048	38,402	52,613	56,249	68,689	90,986
Depreciation	29,764	29,964	31,358	38,105	44,934	51,339	57,339	62,839
Interest & Finance Charges	4,544	4,346	7,809	18,112	18,824	16,244	16,384	16,674
Direct Taxes Paid	-5,600	-8,324	-8,535	-14,353	-18,198	-16,907	-18,546	-24,566
(Inc)/Dec in WC	6,432	-20,797	-6,846	-674	-20,783	9,419	12,186	1,995
Others	-757	351	-1,405	-3,902	-14,528	-3,503	6,415	7,057
CF from Operating incl EO	50,512	24,627	46,431	75,689	62,862	1,12,840	1,42,467	1,54,984
(Inc)/Dec in FA	-19,325	-24,363	-21,829	-40,101	-44,330	-59,106	-65,000	-70,000
Free Cash Flow	31,187	264	24,602	35,589	18,532	53,734	77,467	84,984
(Pur)/Sale of Investments	-45	-123	-279	-1,958	-1,869	-2,431	-50,000	-50,000
Others	436	1,367	-340	-24,559	-2,417	301	0	0
CF from Investments	-18,934	-23,119	-22,448	-66,618	-48,616	-61,235	-1,15,000	-1,20,000
Issue of Shares	0	0	-1,453	236	63,762	0	0	0
Inc/(Dec) in Debt	-11,324	2,456	-10,562	40,377	-56,568	1,257	-20,000	0
Interest Paid	-4,141	-5,528	-8,083	-15,096	-18,311	-15,389	-16,384	-16,674
Dividend Paid	-1,576	-6,457	-3,308	-6,751	-7,463	-7,064	-10,815	-15,586
Others	-3,859	-2,570	-3,972	-5,786	-6,672	-11,676	0	0
CF from Fin. Activity	-20,900	-12,099	-27,377	12,980	-25,252	-32,872	-47,199	-32,259
Inc/Dec of Cash	10,678	-10,591	-3,395	22,052	-11,006	18,732	-19,732	2,725
Opening Balance	48,688	59,367	48,775	45,381	67,432	56,426	75,158	55,426
Closing Balance	59,367	48,775	45,381	67,432	56,426	75,158	55,426	58,151

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

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://onlinereports.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>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

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: Yes.
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, not 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 registered Mutual Fund Distributor and SIF Distributor: 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.