17 July 2026

Company Update| Sector: Automobiles

Maruti Suzuki

BSE SENSEX	S&P CNX
78,151	24,334

Bloomberg	MSIL IN
Equity Shares (m)	314
M.Cap.(INRb)/(USDb)	4339.7 / 45.1
52-Week Range (INR)	17372 / 12201
1, 6, 12 Rel. Per (%)	0/-8/14
12M Avg Val (INR M)	6805

Financials &Valuations (INR b)

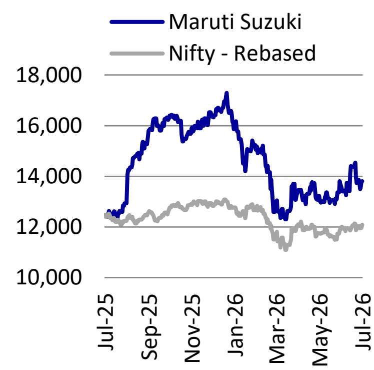
Y/E MARCH	2026	2027E	2028E
Sales	1,833	2,195	2,486
EBITDA	215	245	302
Adj. PAT	144	165	206
EPS (INR)	459	524	656
EPS Gr. (%)	1.0	14.0	25.2
BV/Sh. (INR)	3,343	3,717	4,213
Ratios			
RoE (%)	13.7	14.1	15.6
RoCE (%)	18.0	18.3	20.2
Payout (%)	32.6	30.5	30.5
Valuations			
P/E (x)	30.1	26.4	21.0
P/BV (x)	4.1	3.7	3.3
EV/EBITDA (x)	16.7	14.3	11.3
Div. Yield (%)	1.1	1.2	1.4

Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	58.5	58.3	58.3
DII	24.2	22.9	23.6
FII	14.1	15.8	15.0
Others	3.2	3.0	3.1

FII includes depository receipts

Stock Performance (one-year)



CMP: INR13,808 TP: INR17,059 (+24%) Buy

Market share revival seems back on track

Maruti Suzuki (MSIL)'s underperformance in 2HFY26 has largely been a function of its capacity constraints even as demand remained strong. This is visible in 1QFY27, wherein it outperformed the industry as soon as its Kharkhoda Phase 2 capacity came on stream. Among the biggest positives for MSIL, post-GST rate cut, has been the fact that car demand has also revived. We expect MSIL to sustain its outperformance in the coming quarters as well, aided by its healthy launch pipeline, revival in small car demand, lean inventory, and ramp-up of its two plants. Even in the medium term, it is looking to launch seven new SUVs by 2031, which should help sustain its outperformance. Further, despite the ongoing tensions in the Middle East, exports have remained healthy for MSIL. Exports are likely to be a key growth driver as MSIL continues to move towards its medium-term goal of 750-800k units by FY31. Further, following a relatively weak 1QFY27, margins are expected to normalize given the cooling of raw material costs and steady volume growth. Overall, we expect MSIL to record a 20% earnings CAGR over FY26-28E. We reiterate our BUY rating with a TP of INR17,059, valued at 26x FY28E EPS.

A healthy launch pipeline and revival in cars to help recoup market share

The most notable positive for MSIL following the GST rate cut has been the revival in demand for the small car segment. Further, after the Kharkhoda SOP and even before the launch of the new Brezza, MSIL outperformed the industry in 1Q. Given that Gujarat plant 4 will be commissioned soon and aided by its healthy launch pipeline and a lean dealer inventory, we expect MSIL to sustain its industry outperformance in the coming quarters. We now expect MSIL to post a volume growth of 16% YoY in the domestic market in FY27 (and 7.5% in FY28), translating to a monthly run rate of 238k for 9MFY27. Thus, MSIL's domestic volume growth forecast for FY27 appear realistic given it has aleady clocked 240k+ in Apr-May26.

Exports to remain a key growth driver

For FY27, MSIL successfully mitigated the impact of tensions on export volumes in the Middle East due to its well-diversified presence across more than 100 countries. Consequently, despite the crisis in West Asia, the company achieved a robust 28% YoY growth in exports in 1QFY27. However, given the uncertain geopolitical dynamics, MSIL has conservatively provided guidance of at least flat growth in exports for FY27E. However, given a very healthy start to the fiscal year, we factor in MSIL to post a 14% volume CAGR in exports over FY26-28E (7.5% growth in FY27E). On a longer-term basis, the company has guided for exports of 750-800k units by FY31, which translates to a 15% volume CAGR.

Valuation & view: Market share recovery key to stock re-rating

As highlighted above, we expect MSIL to sustain its outperformance in FY27, aided by a healthy launch pipeline, revival in car demand, lean inventory, and ramp-up of its two new facilities. A sustained market share recovery is likely to, in turn, drive the stock re-rating, in our opinion. Further, after a relatively weak 1Q, margins are expected to normalize given the moderating raw material costs and steady volume growth. We expect MSIL to deliver a 20% earnings CAGR over FY26-28. **We reiterate our BUY rating with a TP of INR17,059, valued at 26x FY28E EPS.**

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Supply constraints likely to be behind due to the new plant SOP

- According to wholesale data, MSIL has lost 160bp of market share in FY26 to reach a multi-year low of 39.3%. However, if one were to take a closer look, one would understand that its domestic performance in 2HFY26 (post GST rate cut) was hit by: 1) capacity constraints; and 2) prioritizing export orders over domestic orders given the capacity constraints.
- To delve deeper, if one were to look at production data, we understand that post-GST, MSIL has underperformed the industry only in a single month in 2HFY26. MSIL's effective annual capacity was ~2.4m units. Against this, FY26 total sales stood at 2.42m units, and annual production crossed 2.3m units. Further, at a time when domestic demand had materially picked up post-GST rate cuts, export demand for MSIL had also picked up following the launch of its e-Vitara, for which India is Suzuki's global production hub. As a result, exports have grown almost 30% for MSIL in 2HFY26. Overall, given the production constraints, MSIL's domestic wholesales grew at 12% in 2H vs. industry growth of 14%.
- With the SOP of Kharkhoda Phase 1 capacity with effect from Apr'26, which will add 250k units pa at full ramp-up, the supply constraints issue is now gradually waning. Further, MSIL would soon commence production at the fourth plant in Gujarat with a capacity of 250k units pa. MSIL has already started recovering lost share in 1QFY27, with MSIL posting a healthy 33% YoY growth in the domestic market relative to industry growth of 26%. With these capacities coming on stream and on the back of its healthy launch pipeline, we expect MSIL to sustain its outperformance going forward.

Market share revival, led by new launches, to help drive re-rating

As highlighted in the previous section, MSIL's market share loss in FY26 has largely been a function of production constraints and export revival. We expect MSIL to start recovering its lost share in this fiscal on the back of: 1) revival in small car demand, 2) healthy new launch pipeline, and 3) ramp-up of new capacity.

Much-anticipated revival in small car demand

Post the GST rate cut, one key trend that is visible is that the demand for the small car segment has also recovered. This revival has also been driven by the fact that MSIL has passed on more than the GST rate cut benefits to help these price-sensitive customers purchase their preferred small cars. As a result, the cars segment has posted 8% YoY growth in 2HFY26 Vs 7% decline in 1H. The demand seems to have further accelerated with the car industry now witnessing a solid 21% YoY growth in 1QFY27. MSIL, being a dominant player, is expected to be a key beneficiary of the same. A pick-up/stabilization of the small car demand is critical for MSIL's market share recovery, given its relatively higher presence in this segment.

Healthy new launch pipeline

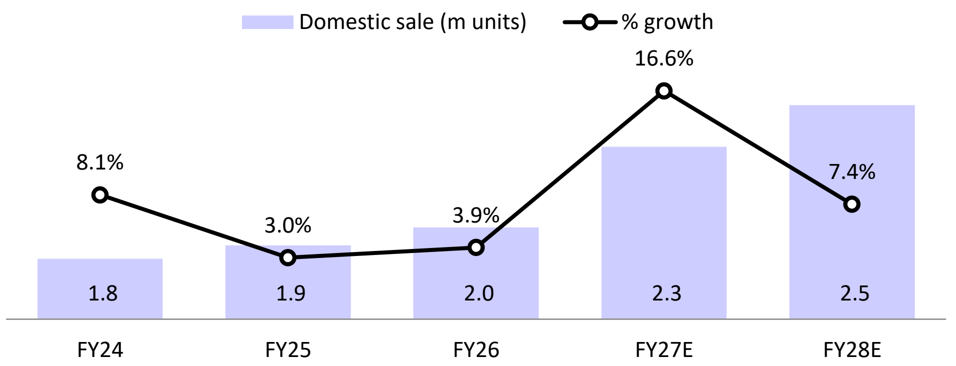
- The recently launched Victoris is already helping MSIL ramp up its presence in the compact SUV segment. Victoris has already surpassed the 100k-unit milestone since its launch in Sep'25, and we expect its monthly run rate to further inch up post the ramp-up of new capacities.

- The other SUV, which has seen a marked increase in volumes post-GST rate cut, is the Fronx. From avg monthly sales of 12.8k in H1FY26, its sales have now increased to ~17k per month in 2HFY26.
- Further, we understand that MSIL is also expected to launch a Brezza facelift in the current month. As per media reports, the upcoming update is likely to be a meaningful product overhaul rather than just a cosmetic refresh. The most important mechanical change could be the introduction of a smaller turbo-petrol engine, the 1.0-liter Boosterjet engine. The key advantage of a smaller engine in the Brezza would be its eligibility for the lower GST rate of 18%, compared with the current 40% applicable to the existing 1.5-liter engine variant. Even on the interior front, there are expectations of a dual-tone theme, a larger 10.25-inch touchscreen infotainment (up from the current nine-inch unit), ventilated front seats, and a powered driver's seat. Another significant change expected is that, similar to the Victoris, the new Brezza will likely feature an underbody CNG tank layout, preserving the boot space—a common pain point for customers. The strength of the Brezza brand is evident in its sustained volume performance despite the absence of a major upgrade or refresh since 2022. Since the 2022 upgrade, Brezza volumes have averaged around 15k units per month. A meaningful refresh could therefore unlock incremental volumes and support market share gains.
- Beyond the Brezza, MSIL usually has at least one new launch every fiscal year.
- In the long run, MSIL is preparing an aggressive product pipeline, planning to launch nine products over the next three years, seven of which will be SUVs. This strategy is likely to support its market share recovery in the coming years.

Expect MSIL to outperform the industry in the coming quarters

As highlighted above, the biggest positive for MSIL post-GST rate cut has been the revival in demand for the small car segment. Further, one has to note that with the SOP of the Kharkhoda plant Phase 2, MSIL has started outperforming the industry even before any new product launch. The strong demand for MSIL vehicles has reduced the finished goods inventory with dealers to about 13 days as of 1Q end. Given that Gujarat plant 4 will be commissioned soon and backed by its healthy launch pipeline, we expect MSIL to continue its industry outperformance in the coming quarters. Further, the Pay Commission payout expected in FY28 is likely to help boost discretionary purchases by consumers, which would, in turn, boost demand for PVs. We now factor in MSIL to post 16% YoY volume growth in the domestic market in FY27E and a 7.5% volume growth in FY28E. It is important to highlight here that post a strong 1Q, the ask rate for MSIL is 238k units per month for 9MFY27. This compares to 228k units avg already delivered in 1QFY27 (avg impacted by the biannual plant shutdown taken in June). Thus, MSIL’s domestic volume growth expectations appear realistic, with upside risks led by the success of new launches and if small car demand momentum sustains.

Exhibit 1: MSIL's domestic volume growth



Source: Company, MOFSL

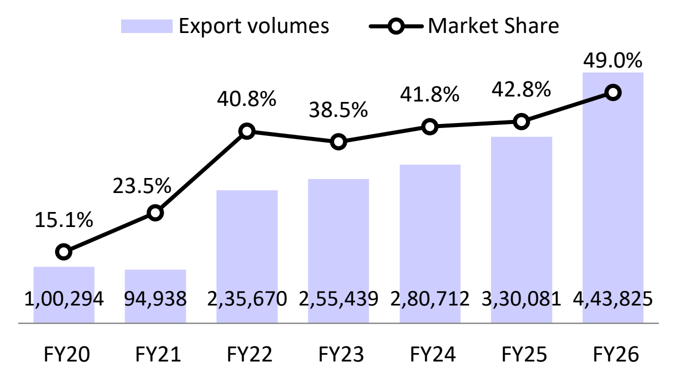
Exports to remain a key growth driver

- Over the past five years, MSIL has seen a stronger 28% volume CAGR in the export market. This growth has taken the export contribution of MSIL from 6.5% in FY20 to ~18.5% in FY26. Given its strong momentum in exports, MSIL's export market share in the PV segment has increased to ~49% in FY26 from 15.1% in FY20.
- The near-term strategy is focused on sustaining this higher export base and continuing the ramp-up across markets. MSIL's export growth has been driven by four key levers. First, the company is widening its product reach across global markets. MSIL currently exports 18 models to nearly 100 countries, with key markets across Latin America, Africa, Asia, and the Middle East. Second, Suzuki is increasingly using India-made models for markets with similar customer preferences, which include value-for-money positioning, fuel efficiency, etc. Third, the company is strengthening customer experience and after-sales support in export markets, which is critical for sustaining brand acceptance beyond initial shipments. Fourth, MSIL is expanding into more developed and higher-value markets through models such as the Fronx and e-Vitara, including exports to Japan and Europe.
- The e-Vitara is an important proof point of this strategy. It is Suzuki's first battery electric vehicle and is manufactured at Maruti's Gujarat facility for both domestic and global markets. MSIL commenced exports of 2900 units of E Vitara to 12 European countries from Aug'25, including the UK, Germany, Norway, France, Denmark, Switzerland, the Netherlands, Sweden, Hungary, Iceland, Austria, and Belgium. e-Vitara is currently produced on a shared line in the Gujarat plant, which has an annual capacity of 100k units. E-Vitara has now clocked 40.8k units of cumulative exports and is now shipped to 46 countries. This model is currently facing supply constraints, which are likely to be resolved once the fourth plant in Gujarat comes on stream in Jul'26.
- Further, India will be the global production hub for the recently launched Victoris, which will be exported to over 100 countries globally, including Latin America, Africa, and the Middle East. The Victoris is rebadged as 'Across' for global markets.
- Further, with both Suzuki's and Toyota's support, Japan has now emerged as a significant growth market following the recent introduction of the Fronx and Jimny. In Jul'25, the Fronx became the fastest Indian SUV to hit the 100k-unit

export milestone within just 25 months of its global launch. Japan has become the company's second-largest export destination, but it is still under 20% of total exports.

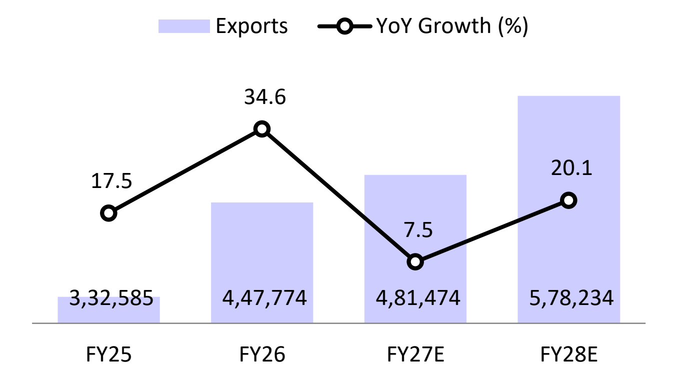
- For the current fiscal year, MSIL has successfully mitigated the impact of tensions in the Middle East due to its well-diversified export presence across more than 100 countries. While the Middle East, which contributes to about 12.5% of its exports, has seen a considerable slowdown in the last few months, this has been largely offset by healthy growth in other regions. As a result, despite the West Asia tensions, it has seen a robust 28% YoY growth in exports in 1QFY27. Given the uncertain geopolitical dynamics, MSIL has conservatively provided guidance of at least flat growth in exports for FY27E. However, given a very healthy start to the fiscal year, we factor in MSIL to post a 14% volume CAGR in exports over FY26-28E (7.5% growth in FY27E).
- On a longer-term basis, under the Maruti 3.0 roadmap, the company has guided for exports of 750-800k units by FY31. This implies exports can almost double from FY26 levels over the next five years. This would be driven by Maruti's capacity expansion plans, including the Gujarat capacity and the broader plan to scale annual production capacity toward 4m units.

Exhibit 2: Strong gains in export market share for MSIL



Source: SIAM, MOFSL

Exhibit 3: Exports to record 14% volume CAGR over FY26-28



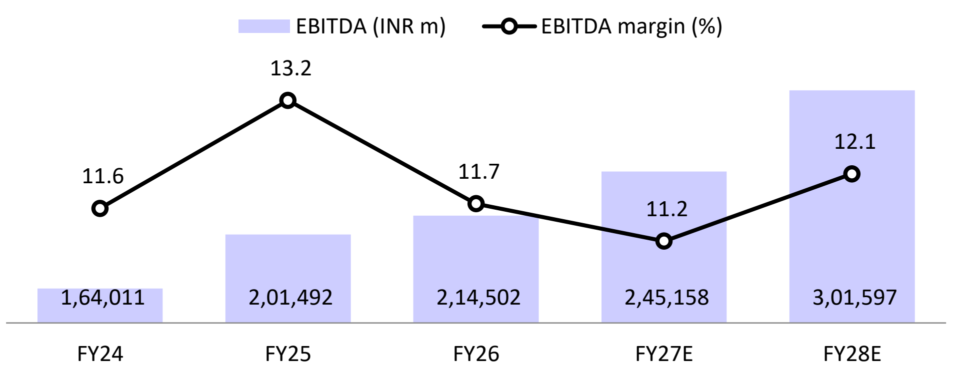
Source: Company, MOFSL

Near-term cost pressures to hurt margins and normalize by FY28E

- Over the past two quarters, commodity prices have moved up sharply due to a combination of factors, including the ongoing geopolitical disruptions.
- For instance, over the past six months, polymer/aluminum/rubber/copper prices have risen 71%/34%/30%/25%, respectively, while the largest commodity used in automobile manufacturing – steel – has also witnessed a 25% inflation over the same period.
- Despite the increase in raw material costs since the beginning of CY26, MSIL, unlike its peers, has taken a single price hike only in Jun'26 and that too up to INR30k. MSIL had also introduced a price-protection scheme under which small car buyers will be exempt from this price hike for all purchases until 14th Jun'26, to retain affordability amid inflationary pressures.
- Further, one has to note that two new plants (Kharkhoda Phase 2 starting Apr'26 and Gujarat plant 4 starting Jul'26) are expected to be in the ramp-up phase in 1HFY27, which could drive cost pressures in the near term.

- MSIL's logic of refraining from taking immediate price hikes in Jan26 or Apr26 like its peers was the fact that they have been of the view that the current sharp surge in input costs is transient in nature and the same is likely to cool off once the West Asia crisis resolves. Moreover, given that the government had reduced GST on automobiles in a bid to drive up demand, taking price increases might have led to a disruption in the demand momentum.
- MSIL appears to have done the right thing by absorbing the near-term cost pressure, as input costs have now cooled off over the last couple of months. Also, volatility in the end product prices usually hurts its resale value, which, in turn, is never in the best interest of the brand in the long run.
- Further, MSIL does have a few levers to offset some of these cost pressures in the interim. For instance, 1Q volume growth for MSIL has been a strong 32% YoY. Thus, the operating leverage benefit is likely to help partially offset input cost pressure.
- Moreover, given that demand continues to be higher than production, which is visible from the declining stock level, discounts are likely to have come down sequentially.
- Also, the extent of input cost pressure in 1Q will depend on how much it passes on to its vendors. We have factored in a 200bp margin impact QoQ in 1Q.
- As highlighted above, given the cooling off of input costs and a healthy volume growth expected, we do expect margins to normalize in the next couple of quarters. Overall, we factor in about a 50bp impact on margins for FY27E and then normalize in FY28E.
- Even in the long run, seven of the nine planned launches over FY31 are expected to be in the SUV segment, which should improve the product mix and support margins over the medium term. Additionally, as MSIL positions itself as Suzuki's preferred manufacturing hub for global markets and export volumes scale up in line with expectations, margins should receive a further boost in the coming years.

Exhibit 4: EBITDA margin trend over FY24-28E



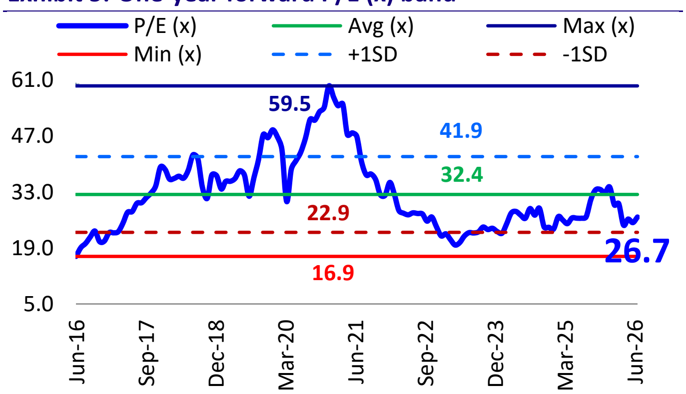
Source: Company, MOFSL

Valuation and view

- MSIL is looking to launch seven new SUVs by 2031, excluding the recently launched Victoris and e-Vitara. Both launches have been well received in the market, and on a positive note, the Victoris is driving minimal cannibalization of the Grand Vitara at the moment. Moreover, most of MSIL's new launches in the coming years are expected to be SUVs. GST rate cuts have provided a new lease of life for the car segment. MSIL's products have been positioned as more 'affordable' to prospective buyers due to heavy price cuts post the GST rate cuts, which look to further widen the gap with micro-SUVs and the second-hand market. This has led to a sharp pick-up in small car sales, which has sustained till 1QFY27.

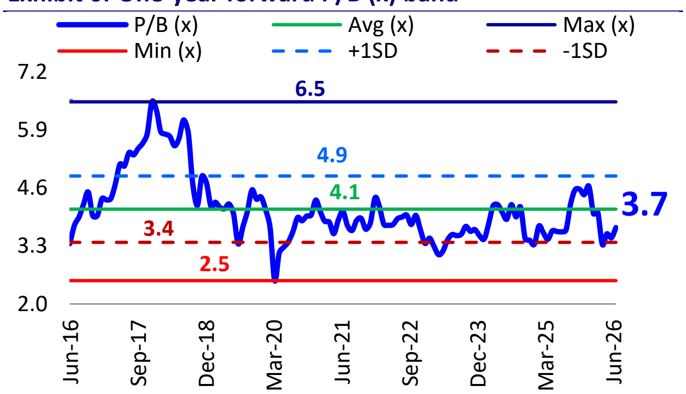
- Exports may remain relatively stable in the near term, given the adverse global macro environment. However, MSIL aims to achieve exports of 750-800k units by FY31, which will translate into a 15% volume CAGR during the same period. To achieve this target, MSIL is taking several initiatives: 1) introducing more models in its markets, with the Fronx and Jimny emerging as its top two export models; 2) making India the export hub for Suzuki's EVs, starting with the upcoming eVX launch, and planning to launch six EVs by FY31; 3) expanding into more markets – Fronx was the first MSIL SUV to be launched in Japan and is receiving a positive response; and 4) further ramping up its distribution network.
- While EV adoption appears to be the preferred bet to meet upcoming emission compliance, we think India is not yet ready to transition to EVs anytime soon. Given this, MSIL's multi-tech approach seems best suited to meet emission compliance in India. Further, the company has also introduced strong hybrids in Grand Vitara and Invicto in partnership with Toyota and plans to launch Suzuki's low-cost hybrid tech in India for low-end models. In EVs, MSIL targets achieving scale by initially focusing on exports first and gradually ramping up its presence in the domestic market as EV demand improves. The company is also working on vehicles compliant with flex fuels. Additionally, MSIL would emerge as the major beneficiary if the government considers a tax subsidy on any of these clean technologies (hybrid or flex fuels).
- We expect MSIL to sustain its outperformance in FY27, aided by a healthy launch pipeline, revival in car demand, lean inventory, and ramp-up of its two new facilities. A sustained market share recovery is likely to, in turn, drive the stock re-rating, in our opinion. Further, after a relatively weak 1Q, margins are expected to normalize given the moderating raw material costs and steady volume growth. We expect MSIL to deliver a 20% earnings CAGR over FY26-28. **We reiterate our BUY rating with a TP of INR17,059, valued at 26x FY28E EPS.**

Exhibit 5: One-year forward P/E (x) band



Source: MOFSL

Exhibit 6: One-year forward P/B (x) band



Source: MOFSL

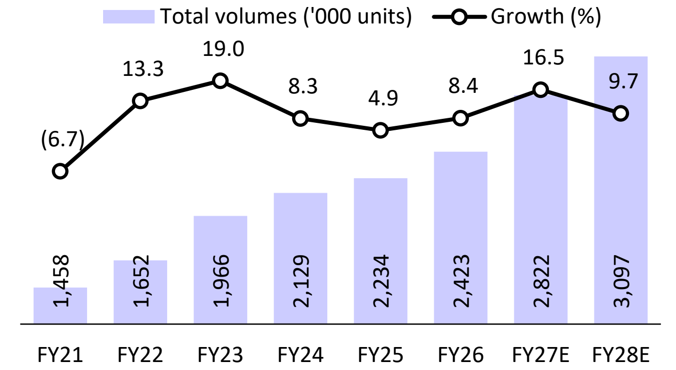
Exhibit 7: Snapshot of the revenue model

000 units	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
A1/LCVs	30	34	38	34	34	39	41	44
Growth (%)	35.7	14.4	12.4	-11.2	2.2	11.8	7.0	6.0
% of Dom vols	2.2	2.4	2.2	1.8	1.8	2.0	1.8	1.8
MPV (Vans)	105	108	131	137	136	140	157	166
Growth (%)	-11.3	3.1	21.1	4.5	-1.1	3.0	12.0	6.0
% of Dom vols	7.7	7.7	7.7	7.4	7.1	7.1	6.8	6.7
A2 (other hatchbacks)	840	810	985	858	780	744	839	869
Growth (%)	-4.6	-3.6	21.7	-12.9	-9.0	-4.7	12.8	3.6
% of Dom vols	61.7	57.3	57.7	46.5	41.0	37.7	36.4	35.1
A3 (Dzire, Ciaz)	142	145	164	175	173	231	257	272
Growth (%)	-30.5	1.8	13.4	6.6	-0.8	33.3	11.0	6.0
% of Dom vols	10.4	10.2	9.6	9.5	9.1	11.7	11.1	11.0
UVs	245	317	388	642	778	822	1,010	1,123
Growth (%)	4.3	29.3	22.4	65.4	21.1	5.6	22.9	11.2
% of Dom vols	18.0	22.4	22.8	34.8	40.9	41.6	43.9	45.4
Total Domestic	**1,362**	**1,414**	**1,707**	**1,846**	**1,902**	**1,975**	**2,303**	**2,473**
Growth (%)	-6.7	3.8	20.7	8.1	3.0	3.9	16.6	7.4
% of Total vols	93.4	85.6	86.8	86.7	85.1	81.5	81.6	79.9
Exports	96	238	259	283	333	448	519	624
Growth (%)	-6	148	9	9	17	35	16	20
% of Total vols	7	14	13	13	15	18	18	20
Total Volumes	**1,458**	**1,652**	**1,966**	**2,129**	**2,234**	**2,423**	**2,822**	**3,097**
Growth (%)	-6.7	13.3	19.0	8.3	4.9	8.4	16.5	9.7
ASP (INR 000/unit)	**482**	**534**	**598**	**662**	**684**	**756**	**778**	**803**
Growth (%)	-0.3	10.8	11.9	10.7	3.4	10.6	2.8	3.2
Net Sales (INR b)	**703**	**883**	**1,175**	**1,409**	**1,529**	**1,833**	**2,195**	**2,486**
Growth (%)	-7.0	25.5	33.1	19.9	8.5	19.9	19.8	13.3

Source: MOFSL, Company

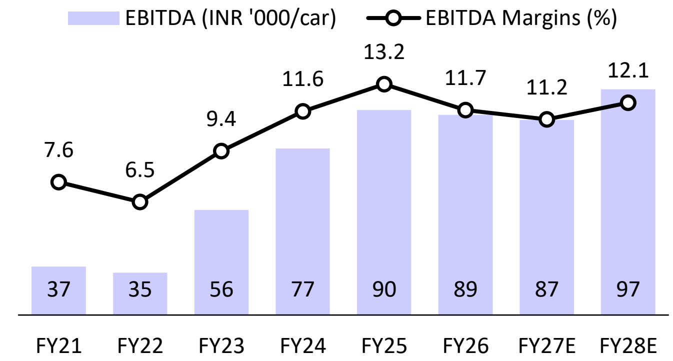
Story in charts

Exhibit 8: Trends in volume and growth



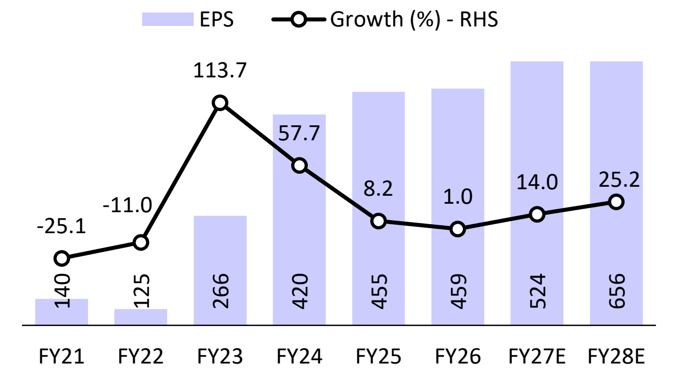
Source: Company, MOFSL

Exhibit 9: EBITDA margin and EBITDA per car



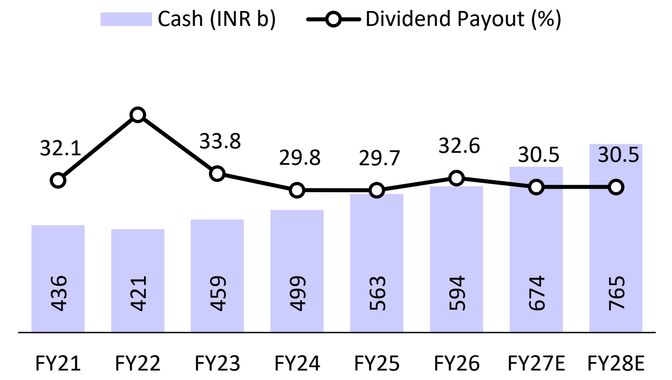
Source: Company, MOFSL; *restated financials FY25 onwards

Exhibit 10: EPS (INR) and growth in EPS



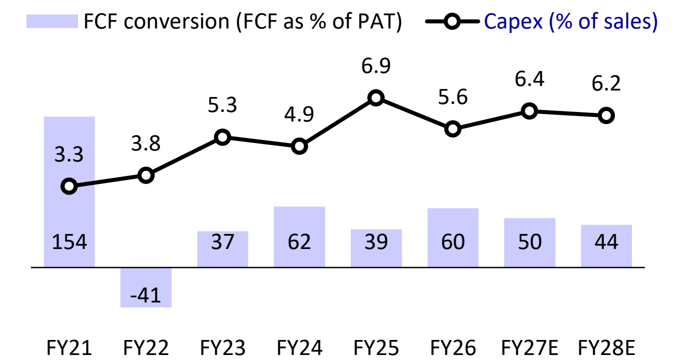
Source: MOFSL, Company

Exhibit 11: Dividend payout (%) and cash balance (INR b)



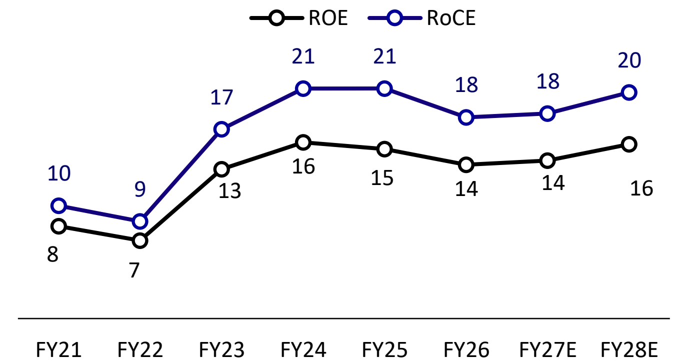
Source: MOFSL, Company

Exhibit 12: Expect FCF conversion to recover



Source: Company, MOFSL

Exhibit 13: RoE vs. RoCE (%)



Source: Company, MOFSL

Financials and valuations

Standalone Income Statement								(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Net Op Income	**7,03,325**	**8,82,956**	**11,75,229**	**14,09,326**	**15,28,679**	**18,32,661**	**21,95,021**	**24,85,865**
Change (%)	-7.0	25.5	33.1	19.9	8.5	19.9	19.8	13.3
EBITDA	**53,453**	**57,012**	**1,10,077**	**1,64,011**	**2,01,492**	**2,14,502**	**2,45,158**	**3,01,597**
Change (%)	-26.8	6.7	93.1	49.0	22.9	6.5	14.3	23.0
EBITDA Margins (%)	7.6	6.5	9.4	11.6	13.2	11.7	11.2	12.1
Depreciation	30,315	27,865	28,233	30,223	56,070	67,405	75,547	85,024
EBIT	**23,138**	**29,147**	**81,844**	**1,33,788**	**1,45,422**	**1,47,097**	**1,69,611**	**2,16,573**
EBIT Margins (%)	3.3	3.3	7.0	9.5	9.5	8.0	7.7	8.7
Interest	1,008	1,259	1,866	1,932	1,942	2,387	2,148	1,933
Other Income	29,464	17,935	21,613	38,548	50,647	43,919	46,440	53,253
EO Expense	0	0	0	0	0	0	0	0
PBT	**51,594**	**45,823**	**1,01,591**	**1,70,404**	**1,94,127**	**1,88,629**	**2,13,903**	**2,67,892**
Effective tax Rate (%)	18.0	17.8	20.8	22.5	26.3	23.4	23.0	23.0
PAT	**42,297**	**37,663**	**80,492**	**1,32,094**	**1,42,976**	**1,44,454**	**1,64,705**	**2,06,277**
Adj. PAT	**42,297**	**37,663**	**80,492**	**1,32,094**	**1,42,976**	**1,44,454**	**1,64,705**	**2,06,277**
Change (%)	-25.1	-11.0	113.7	64.1	8.2	1.0	14.0	25.2

Standalone Balance Sheet								(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	1,510	1,510	1,510	1,572	1,572	1,572	1,572	1,572
Reserves	5,12,158	5,39,350	6,02,310	8,38,248	9,42,701	10,49,526	11,67,071	13,23,044
Net Worth	**5,13,668**	**5,40,860**	**6,03,820**	**8,39,820**	**9,44,273**	**10,51,098**	**11,68,643**	**13,24,616**
Loans	4,888	3,819	12,158	331	0	0	0	0
Deferred Tax Liability	3,847	-2,027	-3,411	-1,124	10,290	11,866	11,866	11,866
Capital Employed	**5,22,403**	**5,42,652**	**6,12,567**	**8,39,027**	**9,54,563**	**10,62,964**	**11,80,509**	**13,36,482**
Application of Funds								
Gross Fixed Assets	3,14,553	3,24,892	3,89,704	4,22,982	5,95,177	6,77,988	8,17,988	9,71,988
Less: Depreciation	1,64,983	1,87,719	2,11,655	2,38,029	2,65,464	3,32,869	4,08,416	4,93,440
Net Fixed Assets	**1,49,570**	**1,37,173**	**1,78,049**	**1,84,953**	**3,29,713**	**3,45,119**	**4,09,572**	**4,78,548**
Capital WIP	14,898	29,294	28,970	65,339	79,290	98,382	98,382	98,382
Investments	4,47,908	4,37,675	4,77,607	6,85,180	6,48,108	7,62,786	8,27,786	9,04,786
Curr.Assets, Loans	**82,902**	**1,22,345**	**1,38,021**	**1,60,813**	**2,29,255**	**2,55,889**	**2,65,312**	**3,11,226**
Inventory	30,500	35,331	42,838	41,196	69,088	1,13,147	90,206	1,02,159
Sundry Debtors	12,766	20,301	32,958	46,013	65,349	53,360	60,138	68,106
Cash & Bank Balances	323	320	334	4,557	1,802	633	15,623	29,747
Loans & Advances	6,642	307	299	328	433	442	442	442
Others	32,671	66,086	61,592	68,719	92,583	88,307	98,904	1,10,772
Current Liab & Prov.	**1,72,875**	**1,83,835**	**2,10,080**	**2,57,258**	**3,31,803**	**3,99,212**	**4,20,544**	**4,56,461**
Sundry Creditors	1,01,617	97,610	1,17,804	1,45,824	1,69,214	2,21,314	2,40,550	2,72,424
Others	60,252	71,104	75,939	91,329	1,45,690	1,56,151	1,56,151	1,56,151
Provisions	11,006	15,121	16,337	20,105	16,899	21,747	23,842	27,886
Net Current Assets	**-89,973**	**-61,490**	**-72,059**	**-96,445**	**-1,02,548**	**-1,43,323**	**-1,55,231**	**-1,45,234**
Appl. of Funds	**5,22,403**	**5,42,652**	**6,12,567**	**8,39,027**	**9,54,563**	**10,62,964**	**11,80,509**	**13,36,482**

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)								
Adjusted EPS	**140.0**	**124.7**	**266.5**	**420.1**	**454.8**	**459.5**	**523.9**	**656.1**
Cash EPS	240.4	216.9	359.9	516.3	633.1	673.9	764.2	926.5
Book Value per Share	1,700	1,790	1,999	2,671	3,003	3,343	3,717	4,213
DPS	45.0	60.0	90.0	125.0	135.0	150.0	160.0	200.0
Div. payout (%)	32.1	48.1	33.8	29.8	29.7	32.6	30.5	30.5
Valuation (x)								
P/E	98.6	110.7	51.8	32.9	30.4	30.1	26.4	21.0
Cash P/E	57.4	63.7	38.4	26.7	21.8	20.5	18.1	14.9
EV/EBITDA	69.7	65.5	33.7	22.3	18.3	16.7	14.3	11.3
EV/Sales	5.6	4.5	3.3	2.7	2.5	2.1	1.7	1.4
P/BV	8.1	7.7	6.9	5.2	4.6	4.1	3.7	3.3
Dividend Yield (%)	0.3	0.4	0.7	0.9	1.0	1.1	1.2	1.4
FCF Yield (%)	1.5	-0.4	0.7	1.9	1.3	2.0	1.9	2.1
Profitability Ratios (%)								
RoIC	18.9	26.8	54.2	73.1	47.2	37.3	41.0	45.1
RoE	8.2	7.0	13.3	15.7	15.1	13.7	14.1	15.6
RoCE	10.1	8.7	16.9	20.5	20.5	18.0	18.3	20.2
Turnover Ratios								
Debtors (Days)	7	9	11	12	16	11	10	10
Inventory (Days)	17	16	15	12	19	26	17	17
Creditors (Days)	73	54	50	53	57	61	55	55
Work. Cap. (Days)	-49	-29	-24	-28	-22	-24	-27	-28
Asset Turnover (x)	1.3	1.6	1.9	1.7	1.6	1.7	1.9	1.9
Leverage Ratio								
Net Debt/Equity (x)	-0.8	-0.8	-0.7	-0.6	-0.6	-0.6	-0.6	-0.6

Standalone Cash Flow Statement (INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Profit before Tax	51,594	45,823	1,01,591	1,70,404	1,94,127	1,88,629	2,13,903	2,67,892
Interest	1,008	1,259	1,866	1,932	1,942	2,387	2,148	1,933
Depreciation	30,315	27,865	28,233	30,223	56,070	67,405	75,547	85,024
Direct Taxes Paid	-10,107	-11,769	-22,313	-35,557	-38,047	-43,351	-49,198	-61,615
(Inc)/Dec in WC	43,352	-28,098	3,787	22,777	-3,352	16,375	26,898	4,128
Other Items	-27,774	-17,168	-20,884	-38,109	-49,426	-40,814	-46,440	-53,253
CF from Oper. Activity	**88,388**	**17,912**	**92,280**	**1,51,670**	**1,61,314**	**1,90,631**	**2,22,858**	**2,44,110**
(Inc)/Dec in FA	-23,279	-33,227	-62,474	-69,637	-1,05,796	-1,03,444	-1,40,000	-1,54,000
Free Cash Flow	**65,109**	**-15,315**	**29,806**	**82,033**	**55,518**	**87,187**	**82,858**	**90,110**
(Pur)/Sale of Invest.	-49,560	31,337	-17,708	-37,191	-38,727	-43,516	-18,560	-23,748
CF from Inv. Activity	**-72,839**	**-1,890**	**-80,182**	**-1,06,828**	**-1,44,523**	**-1,46,960**	**-1,58,560**	**-1,77,748**
Change in Net Worth	0	0	0	0		0	0	0
Inc/(Dec) in Debt	3,723	-1,140	7,895	-11,960	-584	-359	0	0
Interest Paid	-1,006	-1,291	-1,854	-1,472	-1,667	-2,037	-2,148	-1,933
Dividends Paid	-18,125	-13,594	-18,125	-27,187	-39,300	-42,444	-47,160	-50,304
CF from Fin. Activity	**-15,408**	**-16,025**	**-12,084**	**-40,619**	**-41,551**	**-44,840**	**-49,308**	**-52,237**
Inc/(Dec) in Cash	**141**	**-3**	**14**	**4,223**	**-24,760**	**-1,169**	**14,990**	**14,125**
Add: Op. Balance	182	323	320	334	26,562	1,802	633	15,623
Closing Balance	**323**	**320**	**334**	**4,557**	**1,802**	**633**	**15,623**	**29,747**

E: MOFSL Estimates, restated financials from FY25

N O T E S

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, 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.

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