

Estimate change



TP change



Rating change



Bloomberg	MSIL IN
Equity Shares (m)	302
M.Cap.(INRb)/(USD\$b)	3190.2 / 38.3
52-Week Range (INR)	10846 / 8076
1, 6, 12 Rel. Per (%)	2/17/9
12M Avg Val (INR M)	4697

Financials & valuations (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	1,175	1,452	1,587
EBITDA	110	174	191
Adj. PAT	80	135	147
Cons. Adj. EPS (INR)	272	451	471
EPS Gr. (%)	111.7	65.9	4.4
BV/Sh. (INR)	1,999	2,355	3,037

Ratios

RoE (%)	13.3	19.0	15.3
RoCE (%)	16.9	24.4	19.9
Payout (%)	33.1	22.2	25.5

Valuations

P/E (x)	38.8	23.4	22.4
P/BV (x)	5.3	4.5	3.5
EV/EBITDA (x)	24.7	15.2	13.4
Div. Yield (%)	0.9	0.9	1.1

Shareholding pattern (%)

As On	Sep-23	Jun-23	Sep-22
Promoter	56.5	56.5	56.4
DII	18.3	18.2	18.2
FII	21.8	21.9	21.9
Others	3.4	3.4	3.6

FII Includes depository receipts

CMP: INR10,561

TP: INR12,300 (+16%)

Buy

Strong beat led by convergence of all positives in 2Q

Healthy demand to sustain during festive season; supply chain normalizes

- Maruti Suzuki (MSIL) reported a strong EBIT margin beat in 2QFY24; its margin improved ~400bp QoQ to 10.8% (vs. est. 9.1%). This was driven by RM cost savings, favorable FX, healthy mix, and operating leverage. While 2Q margin reflects all the positives and no negative, we expect some of these positives to ebb from the third quarter.
 - We raise our FY24E/25E EPS by 10%/6% to factor in better gross margin and higher other income (as we factor in the share swap for SMG instead of cash outflows). The stock trades at 23.4x/22.4x FY24E/FY25E consol. EPS.
- Maintain BUY with a TP of INR12,300 (premised on 25x Sep'25E consol. EPS).**

RM cost savings, favorable mix/FX, & operating leverage aid margin

- MSIL's revenue/EBITDA/PAT grew 24%/73%/80% YoY to ~INR370.6b/INR47.8b/INR37.2b in 2QFY24. Its 1HFY24 revenue/EBITDA/adj. PAT jumped 23%/66%/102% YoY.
- Net realizations improved ~16% YoY/3% QoQ to INR671.2k/unit (est. INR681.5k/unit). Volumes were up ~7% YoY. Net sales came in at INR370.6b (+24% YoY/ est. INR376.35k) during the quarter.
- Gross margin expanded 250bp YoY/220bp QoQ to 29.4% (est. 27.4%) driven by a better mix and stable commodity costs, but diluted by higher discounts (+20bp YoY to 2.6% of ASP or INR17.7k/unit) in 2QFY24.
- This, coupled with operating leverage, led to a 360bp YoY EBITDA margin improvement (+370bp QoQ) to 12.9% (vs. est. 11.1%). EBITDA/unit improved ~INR33k YoY (+INR26.7k/unit QoQ) to INR86.6k/unit. EBITDA jumped 73% YoY to INR47.8b (vs. est. INR41.7b) in 2QFY24.
- Further, higher other income and lower tax boosted adj. PAT to INR37.2b (vs. est. INR31b), a growth of 80% YoY.
- FCFF in 1HFY24 stood at INR53.1b (vs. INR12.3b in 1HFY23) due to improved CFO, which stood at INR80.1b (vs. INR50.6b in 1HFY23). Capex was at INR27b (vs. INR38.3b in 1HFY23).

Highlights from the management commentary

- **Management expects ~18% YoY industry growth during the festive season and 5-7% growth for FY24.** MSIL should grow ahead of the industry. Overall demand has been stable. The central region (Delhi, NCR, Rajasthan, and MP) is doing well; the southern market is stable, while there is a weakness in the eastern markets. Weakness in the lower-end segment remains, while the SUV is doing better.

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

- **Order book at end-2QFY24 was ~288k units** (~355k units in 1QFY24), which has further declined to ~250k units at present as supply side has now been largely normalized. Inventory is slightly higher than one month (normal).
- **The 2QFY24 reflects all the tailwinds.** The sequential decline in commodity prices (precious metals) contributed significantly to EBITDA margin expansion. This was further supported by favorable mix/FX, employee cost (1Q had a one-off), and operating leverage. Some benefits of the decline in precious metals should accrue in 3QFY24, while increasing steel prices may limit the gains.
- **Capex guidance for FY24 is INR80b (excl. SMG)**, while it is yet to be finalized for FY25.

Valuation and view

- Stable growth in domestic PVs and a favorable product lifecycle augur well for MSIL. We expect market share gains and margin recovery in FY24 vis-à-vis FY23. These would be fueled by an improvement in supplies, a favorable product lifecycle, healthy mix, and operating leverage.
- The stock trades at 23.4x/22.4x FY24E/FY25E consol. EPS. **Reiterate BUY with a TP of INR12,300 (premised on 25x Sep'25E consol. EPS).**

S/A Quarterly Performance

Y/E March	(INR Billion)											
	FY23				FY24E				FY23	FY24E	2Q	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Financial Performance												
Volumes ('000 units)	467.9	517.4	465.9	514.9	498.0	552.2	549.5	571.5	1,966.2	2,171.2	552.2	
Change (%)	32.3	36.3	8.2	5.4	6.4	6.7	17.9	11.0	19.0	10.4	6.7	
ASP (INR '000/car)	566.3	578.5	623.4	622.4	649.1	671.2	667.8	684.1	597.7	668.7	681.6	
Change (%)	12.7	6.9	15.5	13.7	14.6	16.0	7.1	9.9	11.9	11.9	17.8	
Net operating revenues	265.0	299.3	290.4	320.5	323.3	370.6	367.0	390.9	1,175	1,452	376	
Change (%)	49.1	45.7	24.9	19.9	22.0	23.8	26.4	22.0	33.1	23.5	25.7	
RM Cost (% of sales)	74.6	73.1	72.7	73.3	72.8	70.6	71.0	71.0	73.4	71.3	72.6	
Staff Cost (% of sales)	4.4	3.8	4.1	3.5	4.5	3.5	3.6	3.4	3.9	3.7	3.3	
Other Cost (% of sales)	13.8	13.9	13.4	12.8	13.5	12.9	12.7	12.9	13.3	13.0	13.0	
EBITDA	19.1	27.7	28.3	33.5	29.8	47.8	46.6	49.7	110	174	42	
EBITDA Margins (%)	7.2	9.3	9.8	10.5	9.2	12.9	12.7	12.7	9.4	12.0	11.1	
Depreciation	6.5	7.2	7.1	7.4	7.5	7.9	8.0	8.1	28.2	31.5	8	
EBIT	12.6	20.5	21.2	26.1	22.4	39.9	38.6	41.6	82	142	34	
EBIT Margins (%)	4.8	6.8	7.3	8.1	6.9	10.8	10.5	10.6	7.0	9.8	9.1	
Interest	0.3	0.3	0.3	1.0	0.5	0.4	0.4	0.4	1.9	1.7	0.5	
Non-Operating Income	0.9	6.1	8.6	7.4	10.0	8.4	7.5	7.7	21.6	33.6	6.8	
PBT	13.2	26.3	29.5	32.5	31.9	48.0	45.7	48.8	101.6	174.4	40.4	
Effective Tax Rate (%)	23.4	21.6	20.4	19.4	22.1	22.6	22.8	23.1	20.8	22.7	23.2	
Adjusted PAT	10.1	20.6	23.5	26.2	24.9	37.2	35.3	37.6	80.5	134.9	31.0	
Change (%)	129.8	333.7	132.5	42.7	145.4	80.3	50.1	43.1	113.7	67.5	50.5	

Key Performance Indicators

Y/E March	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE
Dom. PV Market Sh (%)	42.6	43.5	42.4	43.1	42.8	44.1	NA	NA	42.9	NA	
Volumes ('000 units)	467.9	517.4	465.9	514.9	498.0	552.2	549.5	571.5	1,966.2	2,171.2	552.2
Change (%)	32.3	36.3	8.2	5.4	6.4	6.7	17.9	11.0	19.0	10.4	6.7
Discounts (INR '000/unit)	12.8	13.8	18.3	13.3	16.2	17.7	NA	NA	14.9	NA	0.0
% of Net Realn	2.3	2.4	2.9	2.1	2.5	2.6	0.0	0.0	2.5	3.0	0.0
ASPs (INR '000/unit)	566.3	578.5	623.4	622.4	649.1	671.2	667.8	684.1	597.7	668.7	681.6
Change (%)	12.7	6.9	15.5	13.7	14.6	16.0	7.1	9.9	11.9	11.9	17.8
Gross Profit (INR/unit)	143.8	155.6	170.4	166.2	176.6	197.3	193.7	198.7	159.1	192.0	186.7
EBITDA (INR '000/unit)	40.9	53.5	60.8	65.1	59.9	86.6	84.8	86.9	56.0	80.1	75.6
EBIT (INR '000/unit)	26.9	39.6	45.6	50.7	44.9	72.3	70.3	72.7	41.6	65.6	61.7

E:MOSL Estimates; Note: MSIL market share includes supplies to Toyota



Highlights from the management commentary

- **Demand outlook:** The industry has grown 20% YoY during the festive season so far. Management expects ~18% YoY industry growth throughout the festival season, wherein MSIL should grow in line with the industry.
 - The industry is anticipated to grow 5% YoY in FY24, while MSIL is likely to outperform with ~10% YoY growth for the year.
 - Overall demand has been stable. The central region (Delhi, NCR, Rajasthan, and MP) is doing well; the southern market is stable, while there is a weakness in the eastern markets.
 - Rural growth was slightly better than the urban. There is a sustained weakness in lower-end models, which is also reflected in the reduction in first-time buyers by ~10%.
- **Order book at end-2QFY24 was 288k units** (~355k units in 1QFY24), which has further declined to 250k units now, as supply side issues are largely normalized.
 - MSIL has been cautiously optimistic about the availability of semiconductors. After eight quarters of production losses, the company finally did not witness any losses in 2Q.
 - Of the total order book, 130k is for CNG, and ~74k for Ertiga while most of the remaining order book is attributable to the SUVs. There are no longer any constraints for CNG.
 - Inventory is slightly higher than one month. The company believes this is a healthy level, considering the festival season.
- **Exports volume grew 9.7% YoY to 69k units in 2Q.** The top-3 models in exports are Baleno, Dzire and Spresso. The goal is to triple exports to 0.75m units per year by FY31. Grand Vitara and Brezza too have started contributing, while exports of the 5-door Jimny have commenced to LatAm and Africa.
 - The company is currently exporting to 150 countries. It will continue to focus on LatAm, the Middle East, Africa, and South East Asia.
 - Export revenue for the quarter grew 27% YoY to INR43.3b. Export ASPs are marginally higher than domestic.
- **The 2QFY24 reflects all the tailwinds.** The sequential decline in commodity prices contributed to significant EBITDA margin expansion. This was further supported by favorable mix, employee cost (1Q had a one-off), and operating leverage.

- Some benefits of the decline in precious metals should accrue in 3QFY24, while increasing steel prices may limit the gains. Contribution from a favorable FX should also accrue, as Yen is depreciating against the USD.
- **Discounts for 2QFY24 stood at INR17.7k/unit** (vs. INR16.2k/unit in 1QFY24).
- **Capex guidance for FY24 is INR80b**, while it is yet to be evaluated for FY25. The capex towards SMG production enhancement will be incremental to this and the quantum will be decided after completing the budget.
- **Others**
- The company reported 23% market share in SUV in 2QFY24.
- MSIL currently has 17 models and it aims to take it to 28 models by end of the decade, following the strategy to enrich the portfolio in the growing segment.

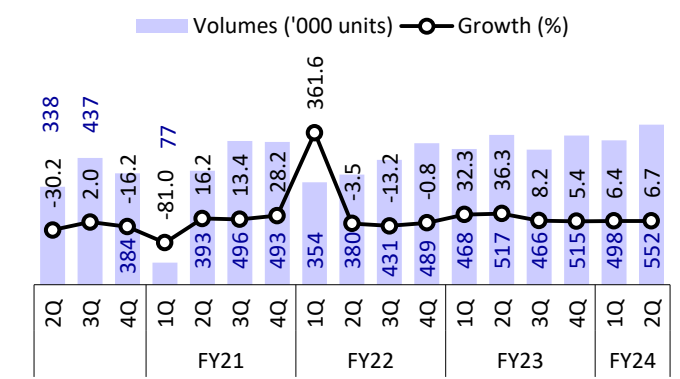
Key exhibits

Exhibit 1: Segment-wise growth and market share movement for MSIL

('000 units)	2QFY24	2QFY23	YoY (%)	1QFY24	QoQ (%)	FY24E	FY23	YoY (%)
Mini	32.2	72.1	-55.4	40.4	-20.4	163.0	232.9	-30.0
% of total	5.8	13.9		8.1		7.5	11.8	
MPV+LCVs	42.6	46.4	-8.3	40.8	4.5	171.3	169.2	1.2
% of total	7.7	9.0		8.2		7.9	8.6	
Compact incl Dzire tour	224.4	238.5	-5.9	223.5	0.4	910.7	902.8	0.9
% of total	40.6	46.1		44.9		41.9	45.9	
Mid-size	3.7	4.3	-13.3	3.8	-1.7	14.2	13.6	4.0
% of total	0.7	0.8		0.8		0.7	0.7	
UV	180.1	93.0	93.7	126.4	42.5	644.7	388.3	66.0
% of total	32.6	18.0		25.4		29.7	19.8	
Exports	69.3	63.2	9.7	63.2	9.7	267.3	259.3	3.1
% of total	12.6	12.2		12.7		12.3	13.2	
Total Sales	552.2	517.4	6.7	498.0	10.9	2,171.2	1,966.2	10.4
Total Dom. PV MS (%)	44.1	43.5	70bp	42.8	130bp	4.4	42.9	-3,850bp

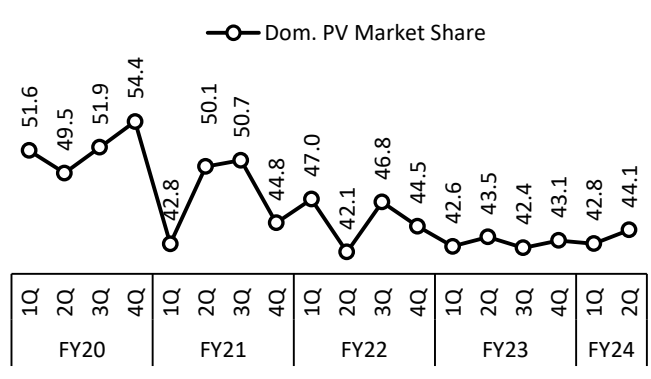
Note: MSIL market share includes supplies to Toyota; Source: Company, MOFSL

Exhibit 2: Volume trends



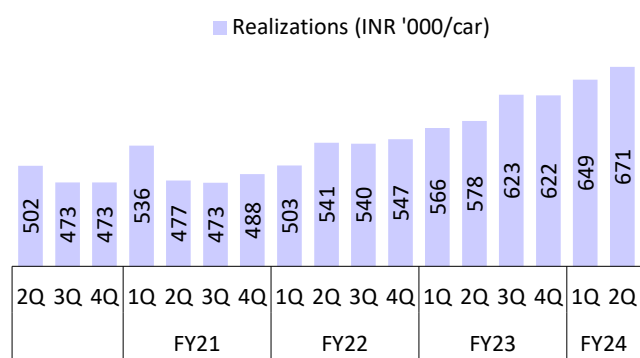
Source: Company, MOFSL

Exhibit 3: Domestic PV market share trends (%)



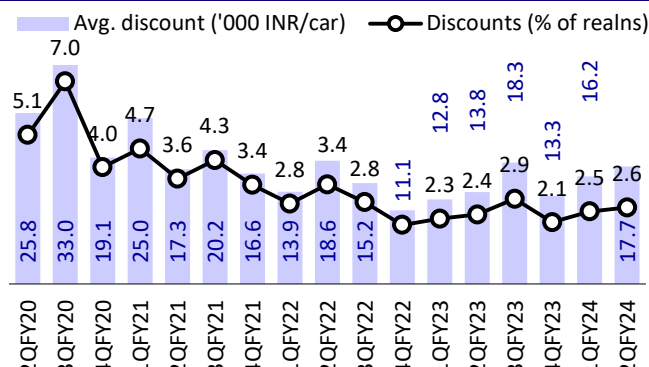
Source: Company, MOFSL

Exhibit 4: Trend in realization per unit



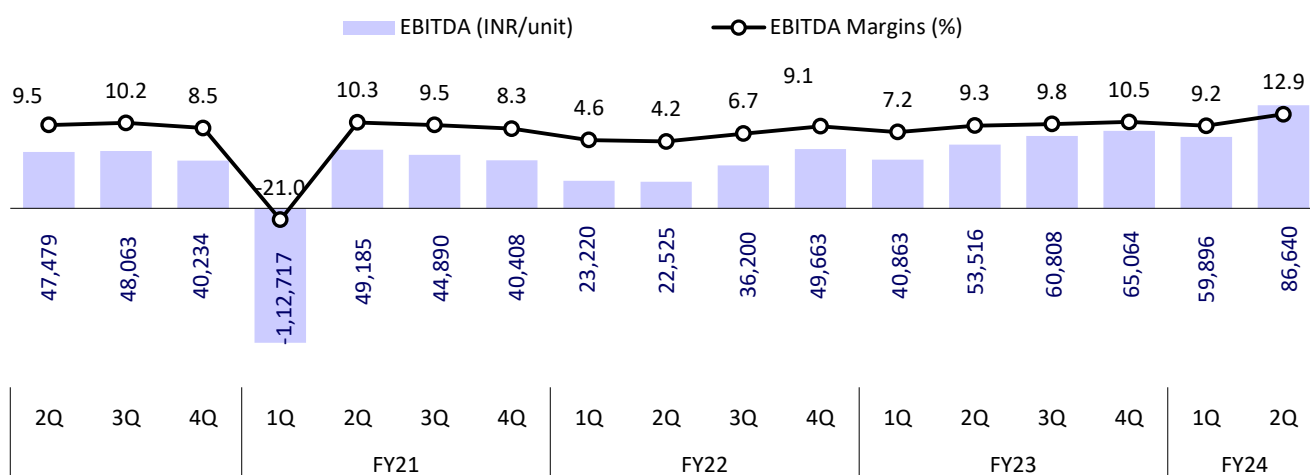
Source: Company, MOFSL

Exhibit 5: Trend in average discounts per unit



Source: Company, MOFSL

Exhibit 6: Trends in EBITDA and EBITDA margin



Source: Company, MOFSL

Valuation and view

- Our long-term view on the PV industry remains intact:** The Indian PV industry growth has undershot our expectations over the past five years (FY18-23: ~3% volume CAGR). This can be attributed to several factors, including regulatory impact on costs, Covid-related impact, and supply chain challenges. However, the industry is expected to grow, driven by high aspirations, improving affordability, lower penetration (less than 30 cars per population of 1,000) and increasing preference for personal mobility due to Covid-19. We estimate a 5-7% CAGR in PV industry volume over FY23-25.
- Strong product portfolio, with numerous launches lined up for the next few years:** MSIL is expected to outperform the domestic PV industry, considering its stronghold in the entry-level segment, and a favorable product lifecycle. New launches like Fronx, Jimny, Brezza and Grand Vitara are seeing good customer traction. The company could gain further market share, driven by an expected shift towards petrol/hybrid vehicles, resulting in ~8% volume CAGR over FY23-25E. This, coupled with an improved mix and lower discounts, would drive a ~16% revenue CAGR over FY23-25E.
- Operating performance recovery underway:** While FY21 witnessed the brunt of Covid-19 on operations, FY22 was marred by a second lockdown and semiconductor shortages. However, FY23 reported a sharp recovery. Going forward, demand growth would be supported by a favorable product lifecycle

and stability in the macroeconomic situation. EBITDA margin contracted to a 20-year low at 6.5% in FY22, due to higher commodity costs, weak forex, and operating leverage. The recovery in EBITDA margin to over ~12% in FY25E would be driven by: a) normalization in the product lifecycle, b) lower discounts, c) price increases and mix improvement, d) commodity cost/FX benefits, e) lower royalty, and f) operating leverage.

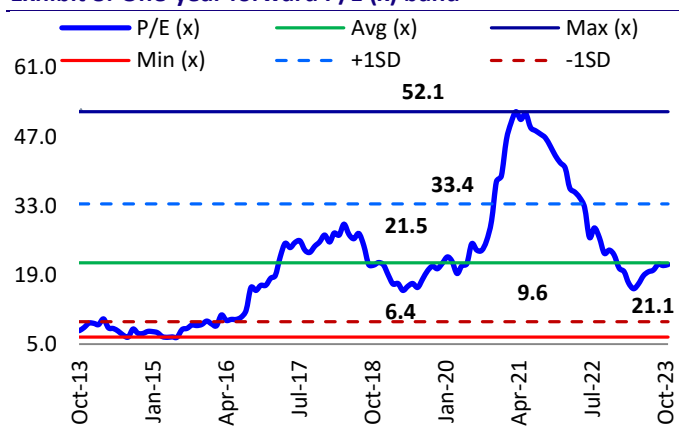
- Valuation and view:** We raise our FY24E/25E EPS by 10%/6% to factor in better gross margin and higher other income (as we factor in the share swap for SMG instead of cash outflows). Stable domestic PV industry growth and a favorable product lifecycle augur well for MSIL. We expect a recovery in both market share and margins in FY24, led by an improvement in supplies, a favorable product lifecycle, healthy mix, and operating leverage. The stock trades at 23.4x/22.4x FY24E/FY25E consol. EPS. **Reiterate BUY with a TP of INR12,300 (premised on 25x Sep'25E consol. EPS).**

Exhibit 7: Our revised estimates

(INR b)	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Total Volumes ('000)	2,171	2,187	-0.7	2,312	2,329	-0.7
Net Sales	1,452	1,475	-1.6	1,587	1,612	-1.6
EBITDA	174	160	8.4	191	185	3.3
EBITDA Margin (%)	12.0	10.9	110bp	12.1	11.5	60bp
PAT	134.9	122.2	10.3	146.5	133.2	10.0
Consol EPS (INR)	450.8	409.0	10.2	470.7	445.8	5.6
JPY/INR	0.57	0.57	-1.4	0.57	0.57	-1.4

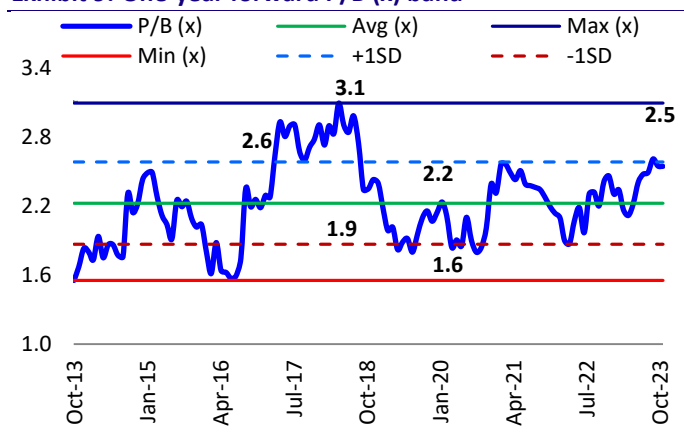
Source: Company, MOFSL

Exhibit 8: One-year forward P/E (x) band



Source: MOFSL

Exhibit 9: One-year forward P/B (x) band



Source: MOFSL

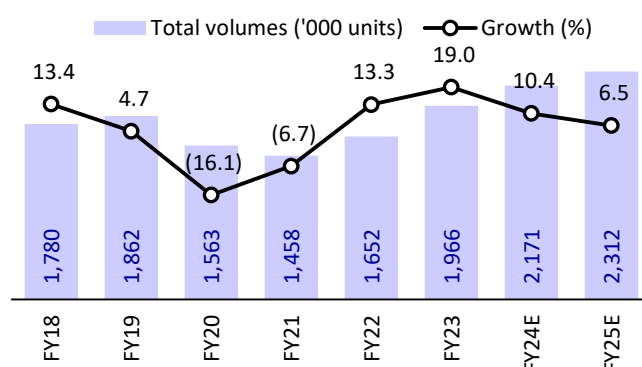
Story in charts – expect 32% EPS CAGR over FY23-25E

Exhibit 10: Market share declines (excluding Mini) due to the absence of a diesel portfolio

Market share (%)	FY18	FY19	FY20	FY21	FY22	FY23
Mini	71.3	72.3	79.0	84.5	88.5	94.9
Compact	52.2	56.4	57.4	54.8	55.3	57.5
Compact-Sedan	61.8	57.9	61.9	57.9	57.1	50.9
Mid-Size	30	25.8	25.8	19.1	20.0	19.8
UVC	40	40.4	27.9	20.2	18.6	18.7
UV1	38.8	38.2	31.4	25.7	25.8	39.4
MSIL Dom. PV market share (%)	50.2	51.4	51.1	47.7	43.4	41.3

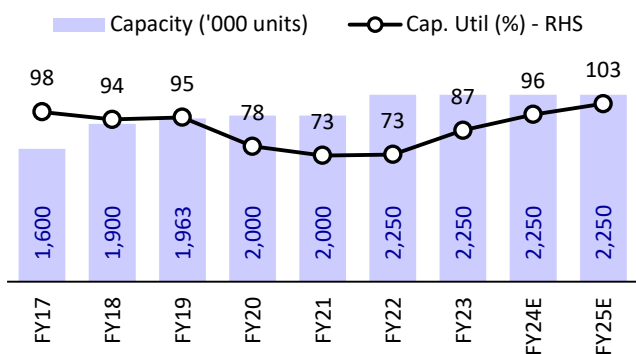
*Excluding supplies to Toyota; Source: Company, MOFSL

Exhibit 11: Trends in volume and growth over FY23-25E



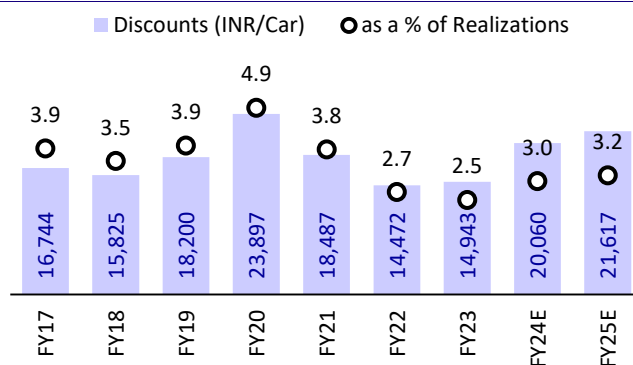
Source: Company, MOFSL

Exhibit 12: MSIL's utilization to improve materially



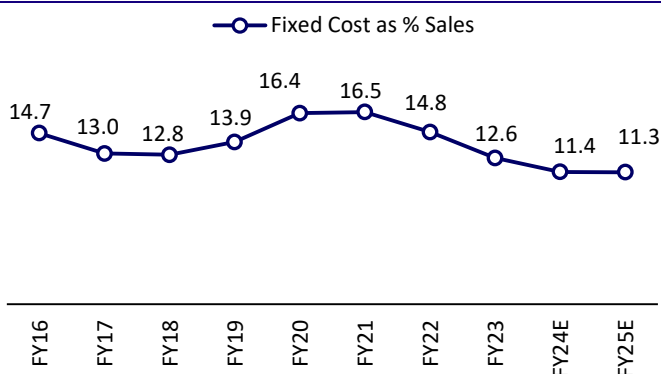
Source: Company, MOFSL

Exhibit 13: Discounts to increase from the lows of FY23



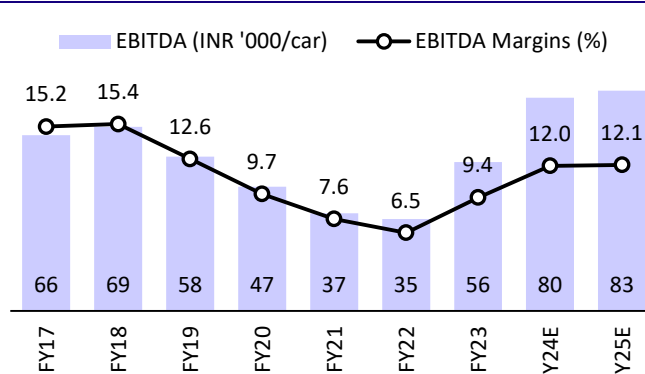
Source: Company, MOFSL

Exhibit 14: Fixed cost as a percentage of sales



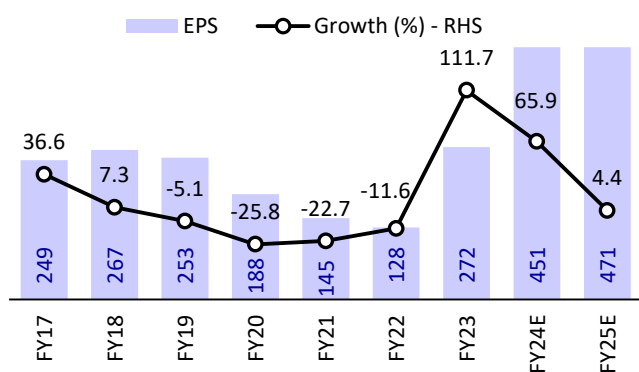
Source: Company, MOFSL

Exhibit 15: EBITDA margin and EBITDA per car



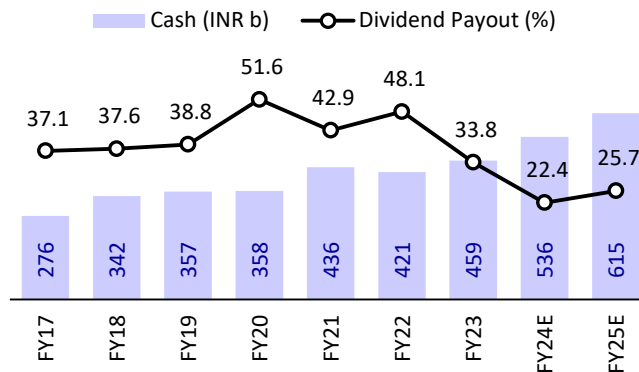
Source: Company, MOFSL

Exhibit 16: EPS (INR) and growth in EPS



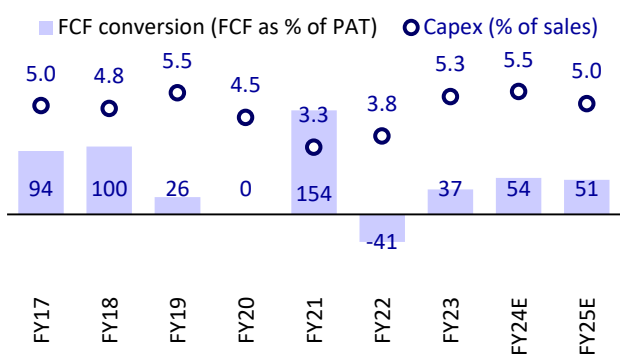
Source: MOFSL, Company

Exhibit 17: Dividend payout (%) and cash balance (INR b)



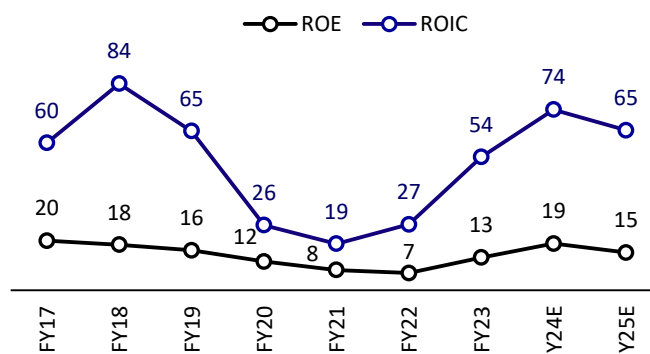
Source: MOFSL, Company

Exhibit 18: Expect FCF conversion to recover



Source: Company, MOFSL

Exhibit 19: RoE vs. RoIC (%)



Source: Company, MOFSL

Exhibit 20: Snapshot of the revenue model

000 units	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
A1/LCVs	24	22	30	34	38	34	36
Growth (%)	138.0	-8.8	35.7	14.4	12.4	-10.0	5.0
% of Dom vols	1.4	1.5	2.2	2.4	2.2	1.8	1.8
MPV (Vans)	179	118	105	108	131	137	145
Growth (%)	15.1	-33.7	-11.3	3.1	21.1	4.5	6.0
% of Dom vols	10.2	8.1	7.7	7.7	7.7	7.2	7.1
A2 (other hatchbacks)	987	881	840	810	985	917	961
Growth (%)	5.5	-10.8	-4.6	-3.6	21.7	-6.9	4.7
% of Dom vols	56.3	60.3	61.7	57.3	57.7	48.2	47.2
A3 (Dzire, Ciaz)	300	204	142	145	164	171	178
Growth (%)	0.3	-31.9	-30.5	1.8	13.4	4.0	4.6
% of Dom vols	17.1	14.0	10.4	10.2	9.6	9.0	8.8
Uvs (Ertiga, Compact SUV)	264	235	245	317	388	645	714
Growth (%)	4.1	-10.9	4.3	29.3	22.4	66.0	10.8
% of Dom vols	15.1	16.1	18.0	22.4	22.8	33.9	35.1
Total Domestic	1,754	1,460	1,362	1,414	1,707	1,904	2,034
Growth (%)	6.1	-16.7	-6.7	3.8	20.7	11.5	6.9
% of Total vols	94.2	93.5	93.4	85.6	86.8	87.7	88.0
Exports	109	102	96	238	259	267	278
Growth (%)	-14	-6	-6	148	9	3	4
% of Total vols	6	7	7	14	13	12	12
Total Volumes	1,862	1,563	1,458	1,652	1,966	2,171	2,312
Growth (%)	4.7	-16.1	-6.7	13.3	19.0	10.4	6.5
ASP (INR 000/unit)	462	484	482	534	598	669	686
Growth (%)	3.0	4.8	-0.3	10.8	11.9	11.9	2.6
Net Sales (INR b)	860	756	703	883	1,175	1,452	1,587
Growth (%)	8	-12	-7	26	33	24	9

Source: MOFSL, Company

Financials and valuations

Standalone Income Statement

	(INR m)						
Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Net Op Income	8,60,203	7,56,106	7,03,325	8,82,956	11,75,229	14,51,812	15,86,702
Change (%)	7.8	-12.1	-7.0	25.5	33.1	23.5	9.3
EBITDA	1,07,993	73,026	53,453	57,012	1,10,077	1,73,951	1,91,337
EBITDA Margins (%)	12.6	9.7	7.6	6.5	9.4	12.0	12.1
Depreciation	30,189	35,257	30,315	27,865	28,233	31,536	36,379
EBIT	77,804	37,769	23,138	29,147	81,844	1,42,415	1,54,958
EBIT Margins (%)	9.0	5.0	3.3	3.3	7.0	9.8	9.8
Interest	758	1,329	1,008	1,259	1,866	1,650	1,600
Other Income	25,610	34,208	29,464	17,935	21,613	33,645	37,090
EO Expense	-2,000	0	0	0	0	0	0
PBT	1,04,656	70,648	51,594	45,823	1,01,591	1,74,410	1,90,448
Effective tax Rate (%)	28.3	20.0	18.0	17.8	20.8	22.7	23.1
PAT	75,006	56,506	42,297	37,663	80,492	1,34,862	1,46,519
Adj. PAT	73,573	56,506	42,297	37,663	80,492	1,34,862	1,46,519
Change (%)	-6.8	-23.2	-25.1	-11.0	113.7	67.5	8.6

Standalone Balance Sheet

	(INR m)						
Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Sources of Funds							
Share Capital	1,510	1,510	1,510	1,510	1,510	1,510	1,572
Reserves	4,59,905	4,82,860	5,12,158	5,39,350	6,02,310	7,09,985	9,53,413
Net Worth	4,61,415	4,84,370	5,13,668	5,40,860	6,03,820	7,11,496	9,54,985
Loans	1,496	1,063	4,888	3,819	12,158	12,158	12,158
Deferred Tax Liability	5,640	5,984	3,847	-2,027	-3,411	-3,411	-3,411
Capital Employed	4,68,551	4,91,417	5,22,403	5,42,652	6,12,567	7,20,243	9,63,732
Application of Funds							
Gross Fixed Assets	2,63,293	2,97,260	3,14,553	3,24,892	3,89,704	4,08,674	5,48,674
Less: Depreciation	1,09,215	1,40,157	1,64,983	1,87,719	2,11,655	2,43,191	2,79,570
Net Fixed Assets	1,54,078	1,57,103	1,49,570	1,37,173	1,78,049	1,65,483	2,69,104
Capital WIP	16,001	14,083	14,898	29,294	28,970	90,000	30,000
Investments	3,65,150	3,64,676	4,17,867	4,07,633	4,77,564	4,77,564	6,05,975
Curr.Assets, Loans	89,815	84,390	1,12,943	1,52,387	1,38,064	2,39,058	3,26,967
Inventory	33,257	32,149	30,500	35,331	42,838	59,663	65,207
Sundry Debtors	23,104	21,270	12,766	20,301	32,958	39,776	43,471
Cash & Bank Balances	1,789	211	30,364	30,362	377	77,728	1,56,398
Loans & Advances	5,126	5,246	6,642	307	299	299	299
Others	26,539	25,514	32,671	66,086	61,592	61,592	61,592
Current Liab & Prov.	1,56,493	1,28,835	1,72,875	1,83,835	2,10,080	2,51,862	2,68,314
Sundry Creditors	96,330	74,941	1,01,617	97,610	1,17,804	1,59,103	1,73,885
Others	51,069	44,889	60,252	71,104	75,939	75,939	75,939
Provisions	9,094	9,005	11,006	15,121	16,337	16,821	18,490
Net Current Assets	-66,678	-44,445	-59,932	-31,448	-72,016	-12,804	58,653
Appl. of Funds	4,68,551	4,91,417	5,22,403	5,42,652	6,12,567	7,20,243	9,63,732

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024E	2025E
Basic (INR)							
Adjusted EPS	243.6	187.1	140.0	124.7	266.5	446.4	466.0
Consol EPS	253.3	188.0	145.3	128.4	271.8	450.8	470.7
Cash EPS	353.2	304.7	245.7	220.7	365.3	555.2	586.4
Book Value per Share	1,527	1,603	1,700	1,790	1,999	2,355	3,037
DPS	80.0	60.0	45.0	60.0	90.0	100.0	120.0
Div. payout (%)	38.8	38.5	31.0	46.7	33.1	22.2	25.5
Valuation (x)							
Consol. P/E	41.7	56.1	72.6	82.2	38.8	23.4	22.4
Cash P/E	29.9	34.6	43.0	47.8	28.9	19.0	18.0
EV/EBITDA	26.1	38.7	51.3	48.3	24.7	15.2	13.4
EV/Sales	3.4	3.9	4.1	3.3	2.4	1.9	1.7
P/BV	6.9	6.6	6.2	5.9	5.3	4.5	3.5
Dividend Yield (%)	0.8	0.6	0.4	0.6	0.9	0.9	1.1
FCF Yield (%)	0.6	0.0	2.0	-0.5	0.9	2.3	2.3
Profitability Ratios (%)							
RoIC	64.7	26.5	18.9	26.8	54.2	73.5	65.1
RoE	16.3	11.7	8.2	7.0	13.3	19.0	15.3
RoCE	22.1	14.6	10.1	8.7	16.9	24.4	19.9
Turnover Ratios							
Debtors (Days)	10	11	7	9	11	10	10
Inventory (Days)	16	17	17	16	15	17	17
Creditors (Days)	59	51	73	54	50	56	56
Work. Cap. (Days)	-33	-23	-49	-29	-24	-29	-29
Asset Turnover (x)	1.8	1.5	1.3	1.6	1.9	2.0	1.6
Leverage Ratio							
Net Debt/Equity (x)	-0.8	-0.7	-0.8	-0.8	-0.7	-0.7	-0.6

Standalone Cash Flow Statement

Y/E March	2019	2020	2021	2022	2023	2024E	2025E
(INR m)							
Profit before Tax	1,04,656	70,948	51,594	45,823	1,01,591	1,74,410	1,90,448
Interest	758	1,329	1,008	1,259	1,866	1,650	1,600
Depreciation	30,189	35,257	30,315	27,865	28,233	31,536	36,379
Direct Taxes Paid	-31,428	-14,357	-10,107	-11,769	-22,313	-39,547	-43,930
(Inc)/Dec in WC	-13,196	-25,659	43,352	-28,098	3,787	18,139	7,213
Other Items	-25,047	-33,467	-27,774	-17,168	-20,884	-33,645	-37,090
CF from Oper. Activity	65,932	34,051	88,388	17,912	92,280	1,52,543	1,54,620
(Inc)/Dec in FA	-47,000	-33,990	-23,279	-33,227	-62,474	-80,000	-80,000
Free Cash Flow	18,932	61	65,109	-15,315	29,806	72,543	74,620
(Pur)/Sale of Invest.	11,617	29,351	-49,560	31,337	-17,708	33,645	-91,321
CF from Inv. Activity	-35,383	-4,639	-72,839	-1,890	-80,182	-46,355	-1,71,321
Change in Network	0	0	0	0	593	0	1,28,411
Inc/(Dec) in Debt	388	-524	3,723	-1,140	7,895	0	0
Interest Paid	-732	-1,342	-1,006	-1,291	-1,854	-1,650	-1,600
Dividends Paid	-29,134	-29,134	-18,125	-13,594	-18,125	-27,187	-31,440
CF from Fin. Activity	-29,478	-31,000	-15,408	-16,025	-11,491	-28,837	95,371
Inc/(Dec) in Cash	1,071	-1,588	141	-3	607	77,350	78,670
Add: Op. Balance	699	1,770	182	323	320	927	78,277
Closing Balance	1,770	182	323	320	927	78,277	1,56,947

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