

Maruti Suzuki

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR10,187 **TP: INR11,850 (+16%)** **Buy**

Result in line; demand outlook moderates for FY25

Order backlog declines to ~215k units in 3QFY24 vs. ~288k in 2Q

- Maruti Suzuki (MSIL)'s 3QFY24 performance was in line. MSIL's EBITDA margin expanded ~200bp YoY to 11.7%, despite higher discounts during the quarter. While the PV growth outlook appears to moderate in FY25E, the market share gains through SUV launches and growth in CNG penetration should augur well for the company.
- We cut our FY24E/25E EPS by ~3% each to factor in the sustained weakness in the lower-end PV segment. The stock trades at 23.8x/22.8x FY24E/FY25E consolidated EPS. **Reiterate BUY with a TP of INR11,850 (premised on 25x Dec'25E consolidated EPS).**

Discounting in 3Q rises 60bp YoY to 3.5% of ASP

- MSIL's revenue/EBITDA/PAT grew 15%/38%/33% YoY to ~INR333.1b/INR39.1b/INR31.3b in 3QFY24 (v/s est. INR334.7b/INR40.7b/INR30.7b). 9MFY24 revenue/EBITDA/adj. PAT jumped 20%/55%/72% YoY.
- Net realizations improved ~7% YoY to INR664.6k/unit (est. INR667.8k/unit), due to a better mix. Volumes were up ~8% YoY in 3QFY24.
- Gross margins expanded 180bp YoY (-30bp QoQ) to 29.1% (in line) driven by a better mix and stable commodity costs, but offset by higher discounts (+60bp YoY to 3.5% of ASP or INR23.3k/unit) in 3QFY24.
- EBITDA margin improved 200bp YoY (-120bp QoQ) to 11.7% (vs. est. 12.2%). There was an adverse impact of operating de-leverage, discounts, and advertisements to the tune of 110bp, 70bp, and 30bp QoQ, respectively. This was offset by the benefits of favorable FX, royalty, and commodity prices to the tune of 30bp, 30bp, and 10bp QoQ, respectively.
- Further, higher other income boosted adj. PAT to INR31.3b (vs. est. of INR30.7b) in 3QFY24.

Highlights from the management commentary

- **Demand outlook:** Preliminary estimates by SIAM indicate that PV volumes in FY25 should be ~4.3m units (vs. 4.18-4.20m in FY24E). The small car segment is shrinking both in absolute and percentage terms. The first-time buyer mix is ~41% now vs. a low of 38% in the last quarter.
- **EVs:** MSIL will start the production of BEV in 2024. The mid-SUV model will be sold in the domestic market, along with the exports market, such as Japan and Europe. The model is an upmarket EV. It is bigger than the Grand Vitara, and has a higher range of 550km with a battery of 60kWh.
- **Inventory level stood at ~45k units at the quarter end** after de-stocking happened in Dec'23, wherein it reduced the stock by ~115k units. The pending order backlog stood at ~215k units (vs. ~288k units in 2QFY24). **CNG mix was 16.5% in 3QFY24 (vs. 15.0% in 2Q)** for the industry and ~30% for MSIL. MSIL is seeing further headroom for penetration as there are key models with higher CNG penetration such as Ertiga (57%), WagonR (50%), and Dzire (44%).

Bloomberg	MSIL IN
Equity Shares (m)	314
M.Cap.(INRb)/(USDb)	3202.8 / 38.6
52-Week Range (INR)	10933 / 8127
1, 6, 12 Rel. Per (%)	-1/-6/-8
12M Avg Val (INR M)	4846

Financials & valuations (INR b)

Y/E MARCH	2023	2024E	2025E
Sales	1,175	1,384	1,499
EBITDA	110	160	178
Adj. PAT	80	128	139
Cons. Adj. EPS (INR)	272	428	447
EPS Gr. (%)	111.7	57.5	4.5
BV/Sh. (INR)	1,999	2,332	2,992

Ratios

RoE (%)	13.3	18.2	14.8
RoCE (%)	16.9	23.3	19.2
Payout (%)	33.1	23.4	26.8

Valuations

P/E (x)	37.5	23.8	22.8
P/BV (x)	5.1	4.4	3.4
EV/EBITDA (x)	23.7	15.9	13.9
Div. Yield (%)	0.9	1.0	1.2

Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	58.2	56.5	56.4
DII	17.8	18.3	18.3
FII	20.6	21.8	21.5
Others	3.4	3.4	3.8

FII Includes depository receipts

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

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

Valuation and view

- Stable growth in domestic PVs, success of new SUV launches, and increasing CNG penetration should drive better volume growth for MSIL in FY25 vis-à-vis peers. We expect a recovery in both market share and margins in FY25, led by an improvement in supplies, a healthy mix, and operating leverage.
- The stock trades at 23.8x/22.8x FY24E/FY25E consolidated EPS. **Reiterate BUY with a TP of INR11,850 (premised on 25x Dec'25E consolidated EPS).**

S/A Quarterly Performance**(INR b)**

Y/E March	FY23				FY24E				FY23	FY24E		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
Financial Performance												
Volumes ('000 units)	467.9	517.4	465.9	514.9	498.0	552.2	501.2	533.0	1,966.2	2,084.4	501.2	
Change (%)	32.3	36.3	8.2	5.4	6.4	6.7	7.6	3.5	19.0	6.0	7.6	
ASP (INR '000/car)	566.3	578.5	623.4	622.4	649.1	671.2	664.6	669.2	597.7	663.8	667.8	
Change (%)	12.7	6.9	15.5	13.7	14.6	16.0	6.6	7.5	11.9	11.1	7.1	
Net operating revenues	265.0	299.3	290.4	320.5	323.3	370.6	333.1	356.7	1,175	1,384	335	
Change (%)	49.1	45.7	24.9	19.9	22.0	23.8	14.7	11.3	33.1	17.7	15.2	
RM Cost (% of sales)	74.6	73.1	72.7	73.3	72.8	70.6	70.9	71.1	73.4	71.3	70.9	
Staff Cost (% of sales)	4.4	3.8	4.1	3.5	4.5	3.5	4.0	3.7	3.9	3.9	3.9	
Other Cost (% of sales)	13.8	13.9	13.4	12.8	13.5	12.9	13.3	13.1	13.3	13.2	13.0	
EBITDA	19.1	27.7	28.3	33.5	29.8	47.8	39.1	43.2	110	160	41	
EBITDA Margins (%)	7.2	9.3	9.8	10.5	9.2	12.9	11.7	12.1	9.4	11.6	12.2	
Depreciation	6.5	7.2	7.1	7.4	7.5	7.9	7.5	7.6	28.2	30.5	8	
EBIT	12.6	20.5	21.2	26.1	22.4	39.9	31.6	35.6	82	129	33	
EBIT Margins (%)	4.8	6.8	7.3	8.1	6.9	10.8	9.5	10.0	7.0	9.4	9.8	
Interest	0.3	0.3	0.3	1.0	0.5	0.4	0.4	0.4	1.9	1.5	0.4	
Non-Operating Income	0.9	6.1	8.6	7.4	10.0	8.4	9.3	9.4	21.6	37.1	7.5	
PBT	13.2	26.3	29.5	32.5	31.9	48.0	40.5	44.6	101.6	165.0	39.8	
Effective Tax Rate (%)	23.4	21.6	20.4	19.4	22.1	22.6	22.8	22.3	20.8	22.5	22.8	
Adjusted PAT	10.1	20.6	23.5	26.2	24.9	37.2	31.3	34.6	80.5	128.0	30.7	
Change (%)	129.8	333.7	132.5	42.7	145.4	80.3	33.1	32.1	113.7	59.0	30.7	

Key Performance Indicators

Y/E March	FY23				FY24E				FY23	FY24E	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
Dom. PV Market Sh (%)	42.6	43.5	42.4	43.1	42.8	44.1	41.6	-	42.9	-	-
Volumes ('000 units)	467.9	517.4	465.9	514.9	498.0	552.2	501.2	533.0	1,966.2	2,084.4	501.2
Change (%)	32.3	36.3	8.2	5.4	6.4	6.7	7.6	3.5	19.0	6.0	7.6
Discounts (INR '000/unit)	12.8	13.8	18.3	13.3	16.2	17.7	23.3	0.0	14.9	19.9	0.0
% of Net Realn	2.3	2.4	2.9	2.1	2.5	2.6	3.5	0.0	2.5	3.0	0.0
ASPs (INR '000/unit)	566.3	578.5	623.4	622.4	649.1	671.2	664.6	669.2	597.7	663.8	667.8
Change (%)	12.7	6.9	15.5	13.7	14.6	16.0	6.6	7.5	11.9	11.1	7.1
Gross Profit (INR/unit)	143.8	155.6	170.4	166.2	176.6	197.3	193.4	193.6	159.1	190.4	194.3
EBITDA (INR '000/unit)	40.9	53.5	60.8	65.1	59.9	86.6	78.0	81.0	56.0	76.7	81.2
EBIT (INR '000/unit)	26.9	39.6	45.6	50.7	44.9	72.3	63.0	66.7	41.6	62.1	65.2



Highlights from the management commentary

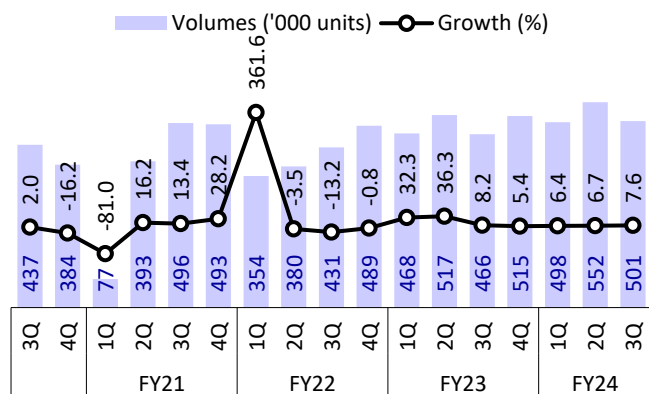
- **Demand outlook:** Preliminary estimates by SIAM indicate that PV volumes in FY25 should be ~4.3m units (vs. 4.18-4.20m in FY24E).
 - The small car segment is shrinking both in absolute and percentage terms. Recovery will largely depend upon the improving income level of the customers of those segments.
 - The first-time buyer (FTB) mix reached the highest of 47% in FY21 and it went to a low of 38% in the last quarter. It has now increased to 41%, however, the outlook still remains uncertain.
 - Semiconductor shortage is over for the foreseeable future. However, there are some minor bottlenecks, which are holding up CNG supplies.
 - **Exports:** The company aims to sell ~750k units in the exports market by the end of the decade (vs. ~270k in CY23).
 - Africa is turning out to be a good market. The Middle East has picked up quite well. The government is also signing FTA's due to which the company has got benefits of duty in UAE and gulf countries. Top MSIL models in exports are Baleno, Dzire, Jimny, Swift and Vitara.
 - The Red Sea crisis is impacting the overall logistics arrangement adversely, and has also resulted in a minor increase in the cost.
 - **CNG mix was 16.5% in 3QFY24 (vs. 15% in 2Q)** for the industry and ~30% for MSIL. The company has a portfolio of 14 vehicles in the segment. MSIL sold ~127k units in 3QFY24.
 - MSIL is seeing further headroom for penetration as there are key models with higher CNG penetration such as Ertiga (57%), WagonR (50%), and Dzire (44%). Delhi, Mumbai and Gujarat have been traditional CNG markets and now markets like Pune are also picking up.
 - **EVs:** MSIL will start the production of BEV in 2024. The mid-SUV model will be sold in the domestic market, along with the exports market, such as Japan and Europe. The model is an upmarket EV. It is bigger than the Grand Vitara, and has a higher range of 550km with a battery of 60kWh.
 - **Capacity expansion-** As mentioned earlier, the company is planning a two-fold increase in its annual production capacity to ~4m units by FY31.
 - It is setting up a greenfield at Kharkhoda and construction is already in progress for its first plant with a capacity of 250k units, to be operational in 2025.
 - It also plans to set up four such plants with total capacity of 1m units.
 - It has signed an MoU with the Gujarat government to set up a new manufacturing plant, with an aim to start production in FY28-29.
 - **Inventory level stood at ~45k units at the quarter end** after de-stocking happened in Dec'23, wherein it reduced the stock by ~115k units. The pending order backlog stood at ~215k units (vs. ~288k units in 2QFY24).
 - **Other highlights**
 - MSIL's retailed ~530k units in 3QFY24.
 - Discount for the quarter stood at INR23,300/vehicle in 3QFY24 vs. INR17,700/vehicle in 2QFY24.
 - Announced price hikes of 0.4-0.5%.
- Commodity: Steel prices may show upward movements, while management expects continuation of the past benefits of palladium, rhodium, etc.

Key exhibits

Trend in volumes

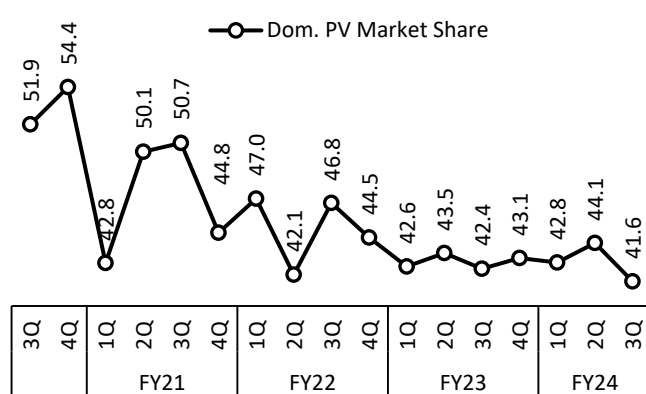
('000 units)	3QFY24	3QFY23	YoY (%)	2QFY24	QoQ (%)	FY24E	FY23	YoY (%)
Mini	27.1	53.0	-48.9	32.2	-15.8	129.1	232.9	-44.6
<i>% of total</i>	5.4	11.4		5.8		6.2	11.8	
MPV+LCVs	41.4	33.7	22.6	42.6	-2.9	168.1	169.2	-0.7
<i>% of total</i>	8.3	7.2		7.7		8.1	8.6	
Compact incl Dzire tour	205.4	216.1	-5.0	224.4	-8.5	885.5	902.8	-1.9
<i>% of total</i>	41.0	46.4		40.6		42.5	45.9	
Mid-size	1.5	4.6	-68.2	3.7	-60.4	12.2	13.6	-10.0
<i>% of total</i>	0.3	1.0		0.7		0.6	0.7	
UV	154.1	96.5	59.6	180.1	-14.4	612.5	388.3	57.7
<i>% of total</i>	30.7	20.7		32.6		29.4	19.8	
Exports	71.8	62.0	15.8	69.3	3.5	276.9	259.3	6.8
<i>% of total</i>	14.3	13.3		12.6		13.3	13.2	
Total Sales	501.2	465.9	7.6	552.2	-9.2	2,084.4	1,966.2	6.0
Total Dom. PV MS (%)	41.6	42.4	-80bp	44.1	-250bp	-	42.9	30bp

Exhibit 1: Volume trends



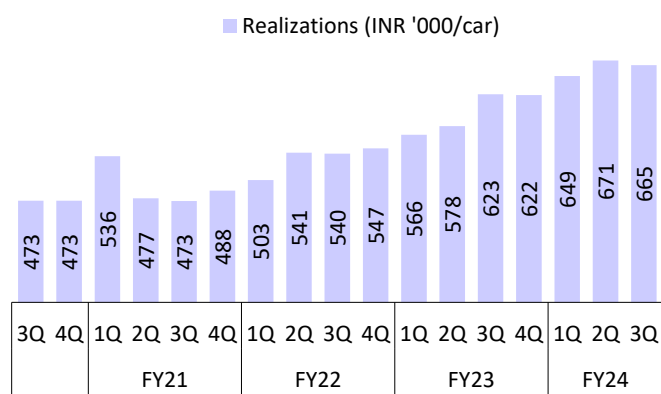
Source: Company, MOFSL

Exhibit 2: Domestic PV market share trends (%)



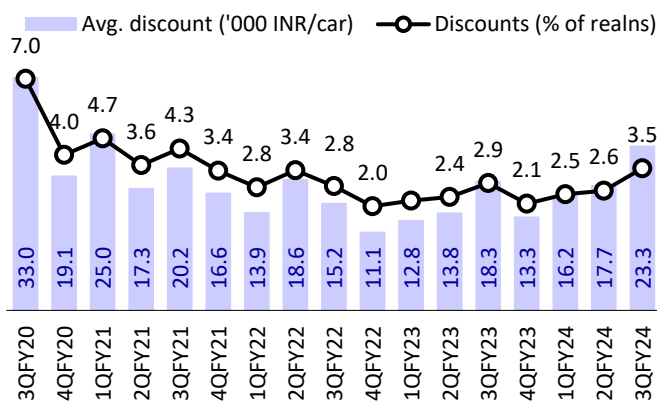
Source: Company, MOFSL

Exhibit 3: Trend in realization per unit



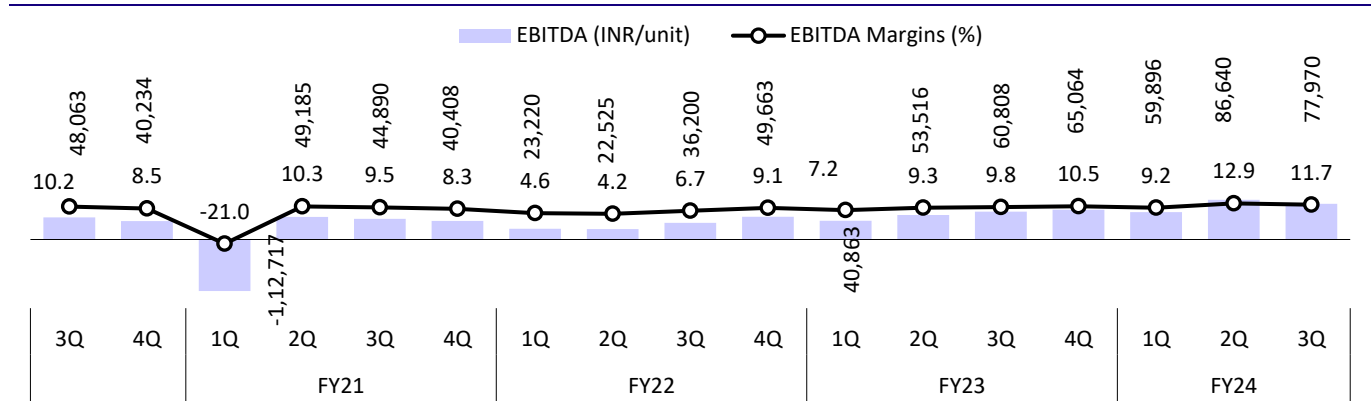
Source: Company, MOFSL

Exhibit 4: Trend in average discounts per unit



Source: Company, MOFSL

Exhibit 5: Trends in EBITDA and EBITDA margin



Source: Company, MOFSL

Valuation and view

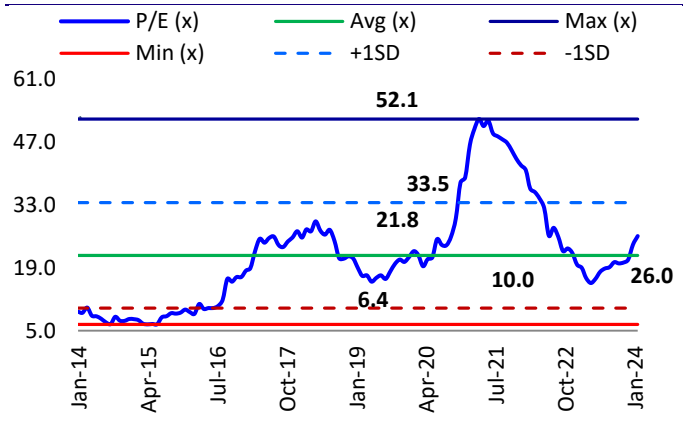
- Our long-term view on the PV industry remains intact:** The Indian PV industry has undershot our expectations over the past five years (FY18-23: ~3% volume CAGR). This can be attributed to several factors, including regulatory impact on costs, Covid-related impact, and supply chain challenges. However, 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 4-6% CAGR in PV industry volume over FY23-26.
- 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 favorable product lifecycle. New launches such as Fronx, Jimny, Brezza and Grand Vitara are witnessing good customer traction. The company could gain further market share, driven by an expected shift towards petrol/hybrid vehicles, resulting in ~6% volume CAGR over FY23-26E. This, coupled with an improved mix, would drive a ~12% revenue CAGR over FY23-26E.
- 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 of 6.5% in FY22, due to higher commodity costs, weak forex, and operating deleverage. The recovery in EBITDA margin to ~12% in FY25E would be driven by: a) normalization in the product lifecycle, b) price increases and mix improvement, c) commodity cost/FX benefits, e) lower royalty, and f) operating leverage.
- Valuation and view:** We cut our FY24E/25E EPS by ~3% each to factor in the sustained weakness in the lower-end PV segment. 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 FY25, led by an improvement in supplies, healthy mix, and operating leverage. The stock trades at 23.8x/22.8x FY24E/FY25E consolidated EPS. **Reiterate BUY with a TP of INR11,850 (premised on 25x Dec'25E consolidated EPS).**

Exhibit 6: Our revised estimates

(INR b)	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Total Volumes ('000)	2,084	2,135	-2.4	2,195	2,273	-3.4
Net Sales	1,384	1,433	-3.4	1,499	1,565	-4.2
EBITDA	160	171	-6.4	178	187	-5.0
EBITDA Margin (%)	11.6	11.9	-40bp	11.9	12.0	-10bp
PAT	128.0	132.6	-3.5	139.2	143.4	-3.0
Consol EPS (INR)	428.0	443.3	-3.4	447.4	460.9	-2.9

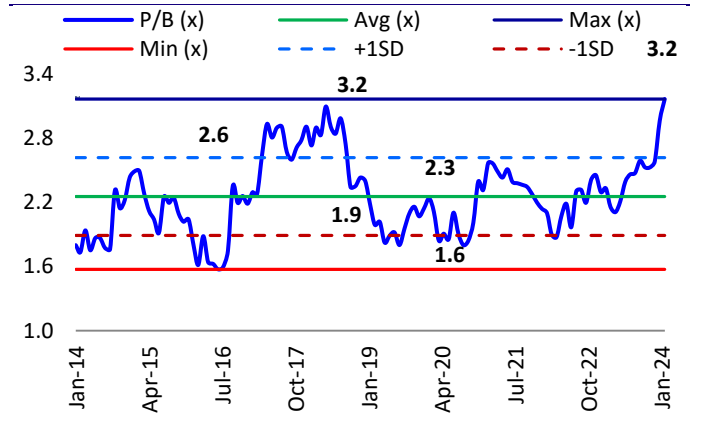
Source: Company, MOFSL

Exhibit 7: One-year forward P/E (x) band



Source: MOFSL

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



Source: MOFSL

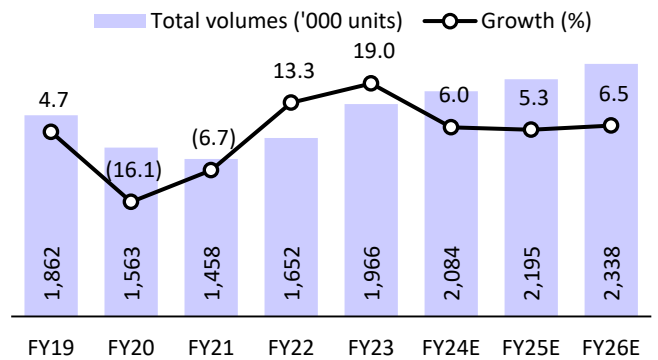
Story in charts

Exhibit 9: 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

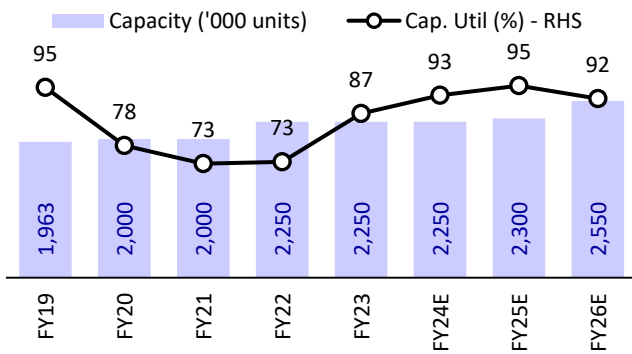
*Excluding supplies to Toyota; Source: Company, MOFSL

Exhibit 10: Trends in volume and growth over FY23-26E



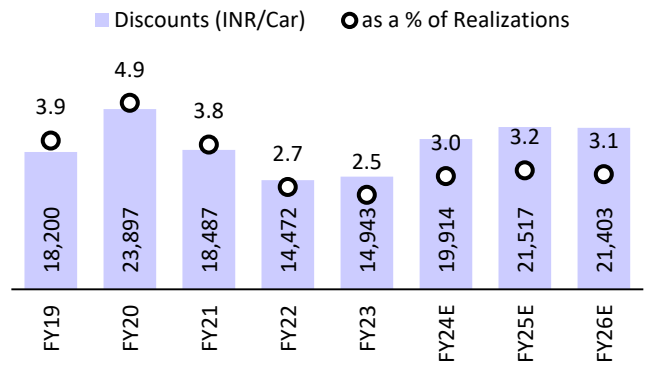
Source: Company, MOFSL

Exhibit 11: MSIL's utilization to improve materially



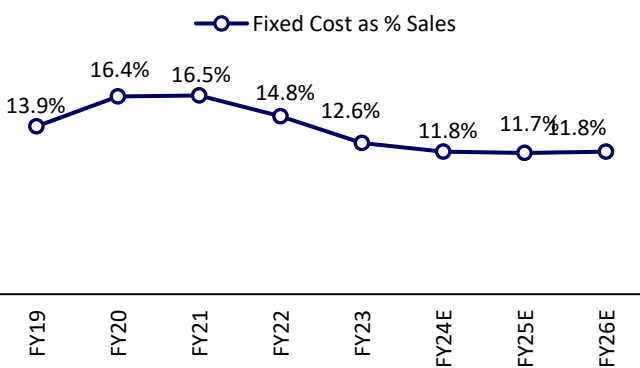
Source: Company, MOFSL

Exhibit 12: Discounts to increase from the lows of FY23



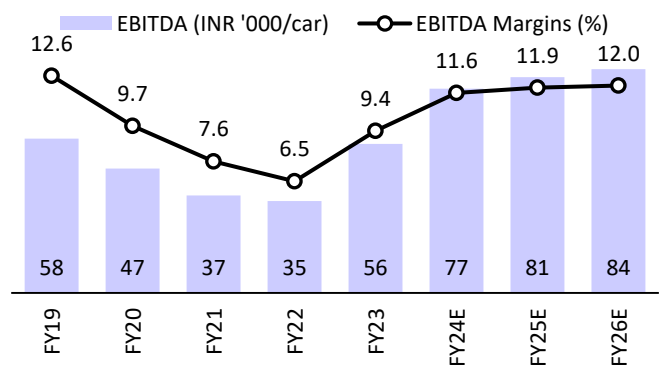
Source: Company, MOFSL

Exhibit 13: Fixed cost as a percentage of sales



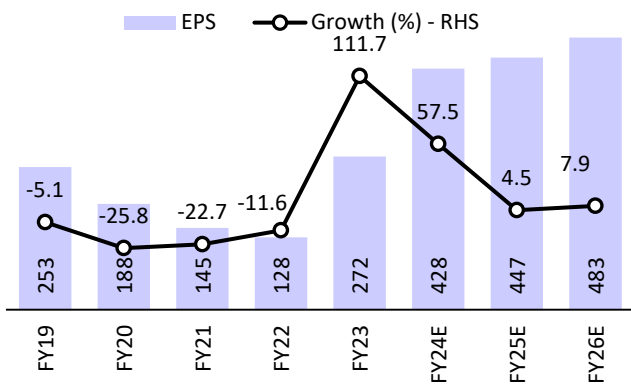
Source: Company, MOFSL

Exhibit 14: EBITDA margin and EBITDA per car



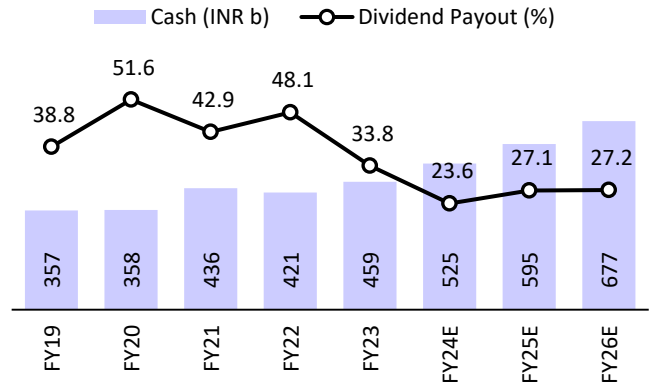
Source: Company, MOFSL

Exhibit 15: EPS (INR) and growth in EPS



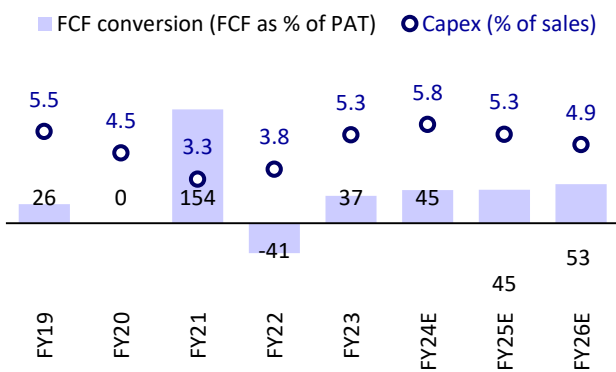
Source: MOFSL, Company

Exhibit 16: Dividend payout (%) and cash balance (INR b)



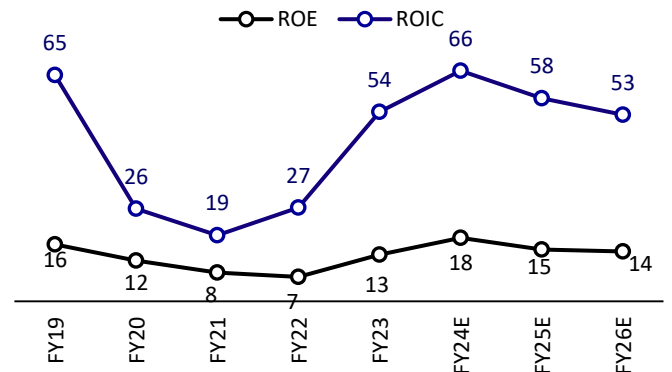
Source: MOFSL, Company

Exhibit 17: Expect FCF conversion to recover



Source: Company, MOFSL

Exhibit 18: RoE vs. RoIC (%)



Source: Company, MOFSL

Exhibit 19: Snapshot of the revenue model

000 units	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
A1/LCVs	24	22	30	34	38	32	34	36
Growth (%)	138.0	-8.8	35.7	14.4	12.4	-15.0	5.0	5.0
% of Dom vols	1.4	1.5	2.2	2.4	2.2	1.8	1.8	1.7
MPV (Vans)	179	118	105	108	131	136	140	147
Growth (%)	15.1	-33.7	-11.3	3.1	21.1	3.5	3.0	5.0
% of Dom vols	10.2	8.1	7.7	7.7	7.7	7.5	7.3	7.2
A2 (other hatchbacks)	987	881	840	810	985	858	890	932
Growth (%)	5.5	-10.8	-4.6	-3.6	21.7	-12.9	3.6	4.7
% of Dom vols	56.3	60.3	61.7	57.3	57.7	47.5	46.7	45.7
A3 (Dzire, Ciaz)	300	204	142	145	164	169	173	181
Growth (%)	0.3	-31.9	-30.5	1.8	13.4	2.8	2.8	4.6
% of Dom vols	17.1	14.0	10.4	10.2	9.6	9.3	9.1	8.9
UVS (Ertiga, Compact SUV)	264	235	245	317	388	613	670	745
Growth (%)	4.1	-10.9	4.3	29.3	22.4	57.7	9.4	11.2
% of Dom vols	15.1	16.1	18.0	22.4	22.8	33.9	35.1	36.5
Total Domestic	1,754	1,460	1,362	1,414	1,707	1,807	1,907	2,041
Growth (%)	6.1	-16.7	-6.7	3.8	20.7	5.9	5.5	7.0
% of Total vols	94.2	93.5	93.4	85.6	86.8	86.7	86.9	87.3
Exports	109	102	96	238	259	277	288	297
Growth (%)	-14	-6	-6	148	9	7	4	3
% of Total vols	6	7	7	14	13	13	13	13
Total Volumes	1,862	1,563	1,458	1,652	1,966	2,084	2,195	2,338
Growth (%)	4.7	-16.1	-6.7	13.3	19.0	6.0	5.3	6.5
ASP (INR 000/unit)	462	484	482	534	598	664	683	702
Growth (%)	3.0	4.8	-0.3	10.8	11.9	11.1	2.9	2.7
Net Sales (INR b)	860	756	703	883	1,175	1,384	1,499	1,640
Growth (%)	8	-12	-7	26	33	18	8	9

Source: MOFSL, Company

Financials and valuations

Income Statement						(INR b)		
Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Net Op Income	860.2	756.1	703.3	883.0	1,175.2	1,383.6	1,499.1	1,640.5
Change (%)	7.8	-12.1	-7.0	25.5	33.1	17.7	8.3	9.4
EBITDA	108.0	73.0	53.5	57.0	110.1	159.9	177.9	196.6
EBITDA Margins (%)	12.6	9.7	7.6	6.5	9.4	11.6	11.9	12.0
Depreciation	30.2	35.3	30.3	27.9	28.2	30.5	35.9	42.6
EBIT	77.8	37.8	23.1	29.1	81.8	129.4	142.0	154.0
EBIT Margins (%)	9.0	5.0	3.3	3.3	7.0	9.4	9.5	9.4
Interest	0.8	1.3	1.0	1.3	1.9	1.5	1.5	1.5
Other Income	25.6	34.2	29.5	17.9	21.6	37.1	39.9	42.3
EO Expense	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
PBT	104.7	70.6	51.6	45.8	101.6	165.0	180.5	194.8
Effective tax Rate (%)	28.3	20.0	18.0	17.8	20.8	22.5	22.9	22.9
PAT	75.0	56.5	42.3	37.7	80.5	128.0	139.2	150.2
Adj. PAT	73.6	56.5	42.3	37.7	80.5	128.0	139.2	150.2
Change (%)	-6.8	-23.2	-25.1	-11.0	113.7	59.0	8.8	7.9

Balance Sheet						(INR b)		
Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Sources of Funds								
Share Capital	1.5	1.5	1.5	1.5	1.5	1.5	1.6	1.6
Reserves	459.9	482.9	512.2	539.4	602.3	703.1	939.2	1,051.7
Net Worth	461.4	484.4	513.7	540.9	603.8	704.6	940.8	1,053.2
Loans	1.5	1.1	4.9	3.8	12.2	12.2	12.2	12.2
Deferred Tax Liability	5.6	6.0	3.8	-2.0	-3.4	-3.4	-3.4	-3.4
Capital Employed	468.6	491.4	522.4	542.7	612.6	713.3	949.5	1,062.0
Application of Funds								
Gross Fixed Assets	263.3	297.3	314.6	324.9	389.7	408.7	548.7	618.7
Less: Depreciation	109.2	140.2	165.0	187.7	211.7	242.2	278.1	320.7
Net Fixed Assets	154.1	157.1	149.6	137.2	178.0	166.5	270.6	298.0
Capital WIP	16.0	14.1	14.9	29.3	29.0	90.0	30.0	40.0
Investments	365.2	364.7	417.9	407.6	477.6	477.6	606.0	606.0
Curr.Assets, Loans	89.8	84.4	112.9	152.4	138.1	222.8	300.6	392.8
Inventory	33.3	32.1	30.5	35.3	42.8	56.9	61.6	67.4
Sundry Debtors	23.1	21.3	12.8	20.3	33.0	37.9	41.1	44.9
Cash & Bank Balances	1.8	0.2	30.4	30.4	0.4	66.1	136.0	218.5
Loans & Advances	5.1	5.2	6.6	0.3	0.3	0.3	0.3	0.3
Others	26.5	25.5	32.7	66.1	61.6	61.6	61.6	61.6
Current Liab & Prov.	156.5	128.8	172.9	183.8	210.1	243.5	257.7	274.7
Sundry Creditors	96.3	74.9	101.6	97.6	117.8	151.6	164.3	179.8
Others	51.1	44.9	60.3	71.1	75.9	75.9	75.9	75.9
Provisions	9.1	9.0	11.0	15.1	16.3	15.9	17.4	19.0
Net Current Assets	-66.7	-44.4	-59.9	-31.4	-72.0	-20.7	43.0	118.0
Appl. of Funds	468.6	491.4	522.4	542.7	612.6	713.3	949.5	1,062.0

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Basic (INR)								
Adjusted EPS	243.6	187.1	140.0	124.7	266.5	423.6	442.7	477.8
Consol EPS	253.3	188.0	145.3	128.4	271.8	428.0	447.4	483.0
Book Value per Share	1,527	1,603	1,700	1,790	1,999	2,332	2,992	3,350
DPS	80.0	60.0	45.0	60.0	90.0	100.0	120.0	130.0
Div. payout (%)	38.8	38.5	31.0	46.7	33.1	23.4	26.8	26.9
Valuation (x)								
Consol. P/E	40.2	54.2	70.1	79.3	37.5	23.8	22.8	21.1
Cash P/E	28.8	33.4	41.5	46.1	27.9	19.2	18.1	16.5
EV/EBITDA	25.1	37.1	49.3	46.3	23.7	15.9	13.9	12.2
EV/Sales	3.3	3.8	4.0	3.2	2.3	1.9	1.7	1.5
P/BV	6.7	6.4	6.0	5.7	5.1	4.4	3.4	3.0
Dividend Yield (%)	0.8	0.6	0.4	0.6	0.9	1.0	1.2	1.3
FCF Yield (%)	0.6	0.0	2.0	-0.5	0.9	1.8	2.0	2.5
Profitability Ratios (%)								
RoIC	64.7	26.5	18.9	26.8	54.2	66.0	58.1	53.4
RoE	16.3	11.7	8.2	7.0	13.3	18.2	14.8	14.3
RoCE	22.1	14.6	10.1	8.7	16.9	23.3	19.2	18.5
Turnover Ratios								
Debtors (Days)	10	11	7	9	11	10	10	10
Inventory (Days)	16	17	17	16	15	17	17	17
Creditors (Days)	59	51	73	54	50	56	56	56
Work. Cap. (Days)	-33	-23	-49	-29	-24	-29	-29	-29
Asset Turnover (x)	1.8	1.5	1.3	1.6	1.9	1.9	1.6	1.5
Net Debt/Equity (x)	-0.8	-0.7	-0.8	-0.8	-0.7	-0.7	-0.6	-0.6

Cash Flow Statement

(INR b)

Y/E March	2019	2020	2021	2022	2023	2024E	2025E	2026E
Profit before Tax	104.7	70.9	51.6	45.8	101.6	165.0	180.5	194.8
Interest	0.8	1.3	1.0	1.3	1.9	1.5	1.5	1.5
Depreciation	30.2	35.3	30.3	27.9	28.2	30.5	35.9	42.6
Direct Taxes Paid	-31.4	-14.4	-10.1	-11.8	-22.3	-37.0	-41.3	-44.6
(Inc)/Dec in WC	-13.2	-25.7	43.4	-28.1	3.8	14.5	6.2	7.4
Other Items	-25.0	-33.5	-27.8	-17.2	-20.9	-37.1	-39.9	-42.3
CF from Oper. Activity	65.9	34.1	88.4	17.9	92.3	137.3	142.9	159.4
(Inc)/Dec in FA	-47.0	-34.0	-23.3	-33.2	-62.5	-80.0	-80.0	-80.0
Free Cash Flow	18.9	0.1	65.1	-15.3	29.8	57.3	62.9	79.4
(Pur)/Sale of Invest.	11.6	29.4	-49.6	31.3	-17.7	37.1	-88.5	42.3
CF from Inv. Activity	-35.4	-4.6	-72.8	-1.9	-80.2	-42.9	-168.5	-37.7
Change in Networth	0.0	0.0	0.0	0.0	0.6	0.0	128.4	0.0
Inc/(Dec) in Debt	0.4	-0.5	3.7	-1.1	7.9	0.0	0.0	0.0
Interest Paid	-0.7	-1.3	-1.0	-1.3	-1.9	-1.5	-1.5	-1.5
Dividends Paid	-29.1	-29.1	-18.1	-13.6	-18.1	-27.2	-31.4	-37.7
CF from Fin. Activity	-29.5	-31.0	-15.4	-16.0	-11.5	-28.7	95.5	-39.2
Inc/(Dec) in Cash	1.1	-1.6	0.1	0.0	0.6	65.8	69.9	82.5
Add: Op. Balance	0.7	1.8	0.2	0.3	0.3	0.9	66.7	136.6
Closing Balance	1.8	0.2	0.3	0.3	0.9	66.7	136.6	219.1

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NOTES

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