

# TVS Motor Company

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	TVSL IN
Equity Shares (m)	475
M.Cap.(INRb)/(USDb)	1331.1 / 15.2
52-Week Range (INR)	2961 / 2170
1, 6, 12 Rel. Per (%)	-1/9/11
12M Avg Val (INR M)	2217

## Financials & Valuations (INR b)

Y/E March	2025	2026E	2027E
Sales	362.5	419.0	469.7
EBITDA	44.5	52.4	61.1
Adj. PAT	27.1	31.9	37.8
EPS (INR)	57.1	67.1	79.6
EPS Gr. (%)	30.1	17.7	18.6
BV/Sh (INR)	209.1	264.3	329.9

### Ratios

RoE (%)	30.7	28.4	26.8
RoCE (%)	36.0	34.3	32.9
Payout (%)	17.5	17.9	17.6

### Valuations

P/E (x)	49.1	41.7	35.2
P/BV (x)	13.4	10.6	8.5
Div. Yield (%)	0.4	0.4	0.5
FCF Yield (%)	1.9	2.1	2.3

## Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	50.3	50.3	50.3
DII	18.8	19.7	20.1
FII	22.5	21.6	21.1
Others	8.4	8.5	8.6

FII Includes depository receipts

**CMP: INR2,802 TP:INR2,839 (+1%) Neutral**

## Margins continue to expand

### TVS outperforms industry in both domestic and exports in 1Q

- TVS Motor Company's (TVS) 1Q PAT at INR7.8b was ahead of our estimate of INR7.4b, led by better-than-expected margins at 12.5%. Management is confident of sustaining its export momentum and is hopeful of a revival in domestic demand, led by improved rural sentiments and the upcoming festive season.
- Post the recent stock rally, we believe TVS at 41.7x/35.2x FY26E/FY27E EPS appears fairly valued. **Reiterate Neutral with a TP of ~INR2,839 (based on ~32x June'27E EPS and INR220/sh for the NBFC).**

### Strong operational performance

- TVSL's standalone revenue/EBITDA/adj. PAT grew ~20%/32%/35% YoY in 1QFY26 to INR100.8b/~INR12.6b/INR7.8b (est. INR100.3b/12b/7.4b).
- **Revenue growth of ~20% YoY was largely driven by strong volume growth (+17.5% YoY, the highest-ever quarterly unit sales).** ASP was up 2.5% YoY at INR78.9k/unit, with limited pricing action.
- **Gross margins largely remained stable YoY** at 28.8% (est. 28.4%). RM costs were largely flat QoQ with minimal price increase.
- Other expenses were lower 90bp YoY.
- Consequently, **EBITDA margin expanded 100bp YoY** to 12.5% (estimate 12%). Adjusted for PLI accrual for Q1FY25, margins would have been up 50bp YoY.
- This has resulted in **~32% YoY growth in EBITDA** at INR12.6b (in line with estimates).
- Adj. PAT came in at INR7.8b (+35% YoY, beating estimates of INR7.4b).

### Key takeaways from the management interaction

- **Domestic:** Management remains optimistic that domestic market growth momentum will continue in FY26. 1QFY26 witnessed **retail growth of ~9% YoY, with rural markets slightly outperforming at ~10% YoY**, supported by healthy reservoir levels, improving agricultural outlook, and continued infrastructure investments. **2W domestic ICE segment grew ~8% YoY.**
- **Exports:** Africa showed strong recovery, led by HLX 125 Five Gear and entry into Morocco which is expected to drive further growth. LATAM maintains consistent MoM growth; Nepal and Sri Lanka are performing well in Asia. Bangladesh remains challenged but a gradual recovery is expected. The Middle East is stable with sustained performance.
- **Capex:** Capex is expected to remain in the range of INR1.6b-1.7b, with investments in new products. TVS will continue to invest about INR20b in subsidiaries and associates.
- Management has iterated that it has sufficient stock of rare earth magnets to meet short-term demand.

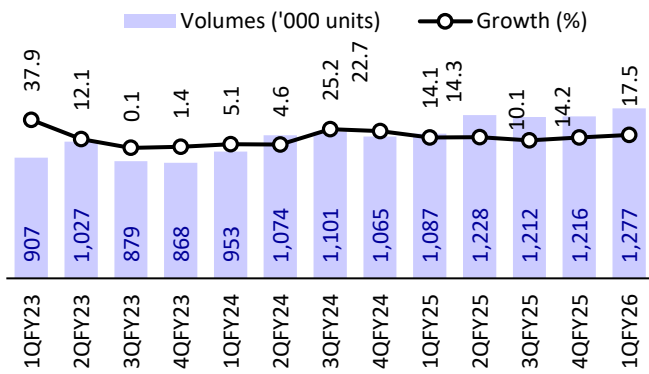
### Valuation and view

- The recently launched Jupiter 110 has been well-received by customers and is likely to help TVS gain a share in scooters in the coming quarters. However, in motorcycles, for the first time in many years, TVS has underperformed the industry in FY25. More importantly, the company has underperformed in the 125cc segment, which has been its key growth driver in recent years. Further, post the recent stock rally, we believe TVS at 41.7x/35.2x FY26E/FY27E EPS appears fairly valued. **Reiterate Neutral with a TP of ~INR2,839 (based on ~32x June'27E EPS and INR220/sh for the NBFC).**

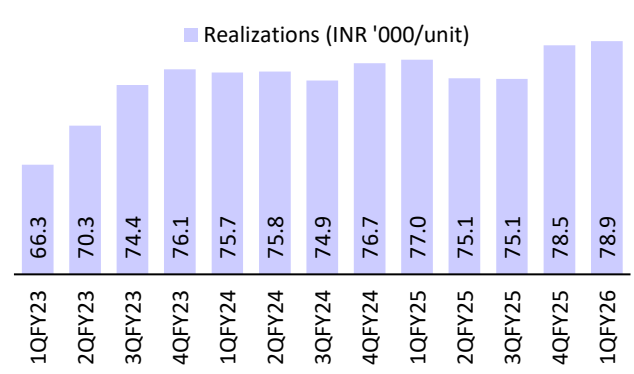
### S/A Quarterly Performance

Y/E March (INR m)	FY25				FY26E				FY25	FY26E	1QE
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
<b>Vols ('000 units)</b>	<b>1,087.2</b>	<b>1,228.2</b>	<b>1,212.0</b>	<b>1,216.3</b>	<b>1,277.0</b>	<b>1,325.9</b>	<b>1,342.7</b>	<b>1,355.4</b>	<b>4,744</b>	<b>5,301</b>	<b>1,277.2</b>
Growth (%)	14.1	14.3	10.1	14.2	17.5	8.0	10.8	11.4	13.2	26.5	17.5
<b>Realn (INR '000/unit)</b>	<b>77.0</b>	<b>75.1</b>	<b>75.1</b>	<b>78.5</b>	<b>78.9</b>	<b>78.9</b>	<b>79.2</b>	<b>79.1</b>	<b>76.4</b>	<b>79.0</b>	<b>78.6</b>
Growth (%)	1.7	(0.9)	0.2	2.4	2.5	5.0	5.5	0.7	0.8	4.2	2.0
<b>Net Sales</b>	<b>83,756</b>	<b>92,282</b>	<b>90,971</b>	<b>95,504</b>	<b>100,810</b>	<b>104,606</b>	<b>106,330</b>	<b>107,215</b>	<b>362,513</b>	<b>418,961</b>	<b>100,361</b>
Growth (%)	16.0	13.3	10.3	16.9	20.4	13.4	16.9	12.3	14.1	31.8	19.8
<b>Total RM Cost</b>	<b>59,804</b>	<b>66,018</b>	<b>65,112</b>	<b>66,672</b>	<b>71,754</b>	<b>74,793</b>	<b>76,132</b>	<b>76,459</b>	<b>257,607</b>	<b>299,138</b>	<b>71,859</b>
RM (% of sales)	71.4	71.5	71.6	69.8	71.2	71.5	71.6	71.3	71.1	71.4	71.6
Emp cost ( % of sales)	5.7	5.4	5.5	5.2	5.8	5.4	5.3	4.8	5.4	5.3	5.4
Other exp (% of sales)	11.4	11.4	11.1	11.0	10.5	11.2	11.2	11.2	11.2	10.8	11.0
<b>EBITDA</b>	<b>9,602</b>	<b>10,798</b>	<b>10,815</b>	<b>13,326</b>	<b>12,630</b>	<b>12,873</b>	<b>13,272</b>	<b>13,595</b>	<b>44,540</b>	<b>52,370</b>	<b>12,043</b>
EBITDA Margin(%)	11.5	11.7	11.9	14.0	12.5	12.3	12.5	12.7	12.3	12.5	12.0
Interest	372	319	338	358	403	400	390	378	1,387	1,571	420
Depreciation	1,763	1,806	1,883	1,994	2,039	2,050	2,100	2,122	7,446	8,311	1,817
Other Income	363	299	-227	145	343	120	80	77	580	620	210
<b>PBT before EO Exp</b>	<b>7,829</b>	<b>8,972</b>	<b>8,367</b>	<b>11,120</b>	<b>10,531</b>	<b>10,543</b>	<b>10,862</b>	<b>11,173</b>	<b>36,288</b>	<b>43,108</b>	<b>10,016</b>
EO Exp	0	0	0	1,617	0	0	0	0			0
<b>PBT after EO Exp</b>	<b>7,829</b>	<b>8,972</b>	<b>8,367</b>	<b>12,737</b>	<b>10,531</b>	<b>10,543</b>	<b>10,862</b>	<b>11,173</b>	<b>36,288</b>	<b>43,108</b>	<b>10,016</b>
Tax	2,056	2,346	2,182	2,599	2,745	2,802	2,802	2,683	9,183	11,208	2,895
<b>Total Tax</b>	<b>2056</b>	<b>2346</b>	<b>2182</b>	<b>2599</b>	<b>2745</b>	<b>2802</b>	<b>2802</b>	<b>2683</b>	<b>9183</b>	<b>11208</b>	<b>2895</b>
Tax rate (%)	26.3	26.1	26.1	20.4	26.1	25.0	25.0	23.9	25.3	26.0	26.0
<b>Reported PAT</b>	<b>5,773</b>	<b>6,626</b>	<b>6,185</b>	<b>10,139</b>	<b>7,786</b>	<b>7,741</b>	<b>8,060</b>	<b>8,490</b>	<b>27,105</b>	<b>31,934</b>	<b>7,412</b>
<b>Adjusted PAT</b>	<b>5,773</b>	<b>6,626</b>	<b>6,185</b>	<b>8,521</b>	<b>7,786</b>	<b>7,907</b>	<b>8,146</b>	<b>8,490</b>	<b>27,105</b>	<b>31,934</b>	<b>7,412</b>
Growth (%)	23.4	23.5	4.2	75.5	34.9	19.3	31.7	(0.4)	30.1	17.7	28.4

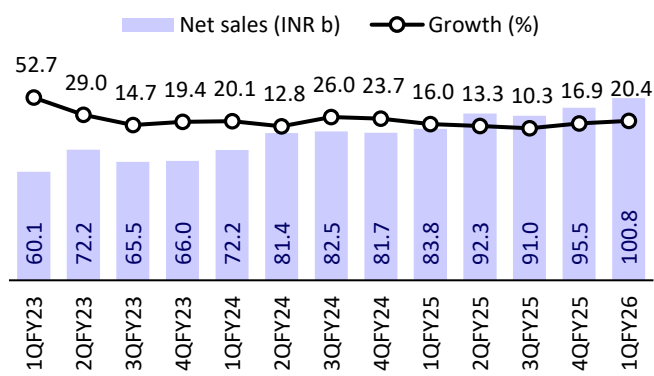
**Exhibit 1: Trends in volume and volume growth**



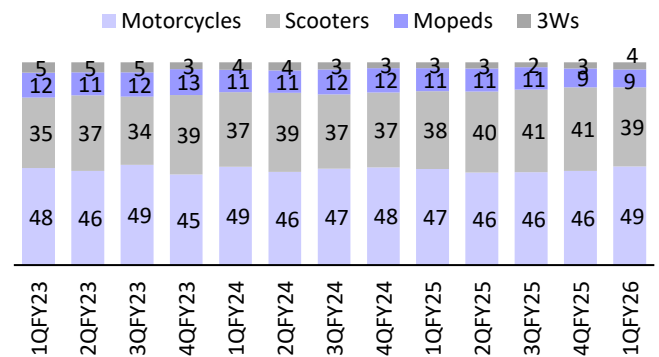
**Exhibit 2: Trend in blended realizations**



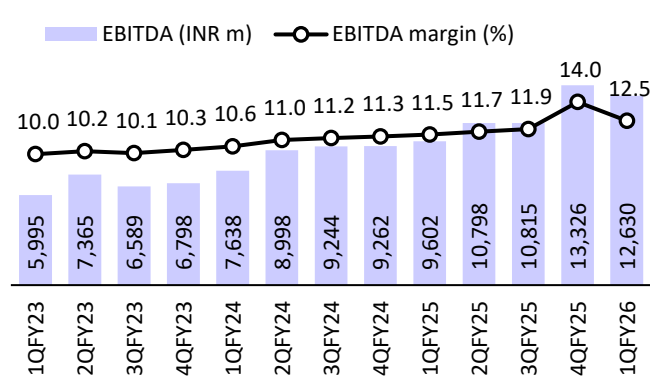
**Exhibit 3: Net sales and growth trends**



**Exhibit 4: Contribution of different segments in the volume mix**

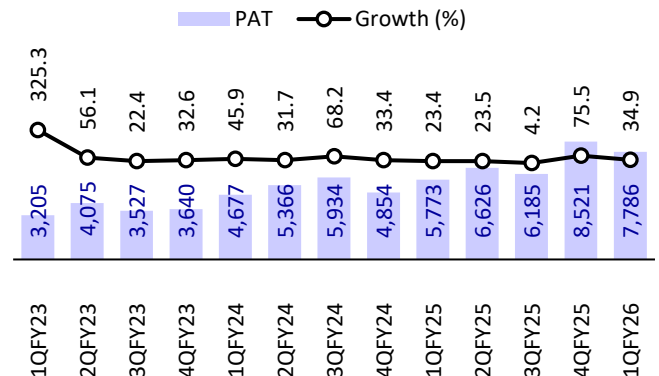


**Exhibit 5: EBITDA and EBITDA margin trends**



Source: Company, MOFSL

**Exhibit 6: PAT and its growth trajectory**



Source: Company, MOFSL



## Key takeaways from the management interaction

- **Domestic:** Management remains optimistic that domestic market growth momentum will continue in FY26. 1QFY26 saw **retail growth of ~9% YoY, with rural markets slightly outperforming at ~10% YoY**, supported by healthy reservoir levels, improving agricultural outlook, and continued infrastructure investments. **The 2W domestic ICE segment grew ~8% YoY.**
- **International: 2W exports grew 40% YoY** against an **industry growth of 23%**. Africa remains a key focus, particularly with the successful launch of the HLX 125 Five Gear variant, which has received an excellent response across the East and West African markets. Entry into Morocco is expected to further strengthen the brand in North Africa.
  - LATAM continues to perform well, with consistent MoM improvement.
  - Sri Lanka's reopening and Nepal's stability are aiding performance in Asia.
  - Bangladesh continues to face macroeconomic challenges, though a gradual recovery is anticipated.
  - The Middle East also continues to remain resilient and consistent overall.
  - The company reported the highest-ever quarterly export volumes of 352k units despite global headwinds.
  - Exports revenue for Q1 stood at INR24.9b.
- **EV:** TVS reported EV revenue of INR10b in 1QFY26. **EV 2W sales grew 35% to 70k units in 1QFY26.**
  - **2Ws:** TVS is seeing **robust momentum in EVs**, led by **iQube**, which is now available in over **900 dealerships**, with plans to scale up to **1,400**. EV penetration in the 2W industry stands at **~6.3%**, and TVS is targeting structured expansion in key markets. New variants of iQube have been launched recently, bringing the total to six, making it one of the widest and most competitive portfolios in this sector.
  - A **new family scooter** and other **ICE & EV variants** are under development for launch later in the year.
  - **3W:** TVS recently launched King EV Max, offering a 179 km range, quick 2-hour 15-minute charging, and advanced features for better ROI and earning potential. The 3W category is growing faster, with penetration at 26% last quarter, expected to rise further.
  - **Both 2W and 3W EVs are gross margin positive.**
  - Management has iterated that it has sufficient stock of rare earth magnets to meet short-term demand. It is currently exploring alternatives in the short term, apart from the resizing of larger- magnets that it is already pursuing. Over the long term, it is looking to target HRE free ferrite-based, magnet free motors as well as import from other countries, if possible.
  - **Battery localization** and vertical integration are being pursued to **improve the cost structure** and supply chain resilience. TVS is investing in **charging infrastructure, financing, and digital retail** to support EV adoption. The company is actively working on **swappable battery tech** and improved **connected features** for future EV launches.
- **TVS Credit:** The company reported a book size of INR269b, with PBT growth of 30% YoY at INR2.43b. It is working to build a diversified book, expanding product offerings and distribution, enhancing customer experience, and improving

operational efficiency. TVS Credit disbursed loans of over 1.6m new customers, bringing the total customer base to 20m. It will continue to focus on steady growth by increasing market share and expanding the book size.

- **Capex:** Capex is expected to be in the range of INR1.6b-1.7b, with investments in new products.
- TVS will continue to invest about INR20b in subsidiaries and associates.
- Norton's product development is on track, with initial release of three products; over a period of time, it will look to expand the range further. The products will be launched in Q4FY26E in the Indian and European markets.

### Valuation and view

- **Key beneficiary of the premiumization trend:** TVSL has emerged as a major beneficiary of the industry's transition toward the 125cc+ segment, where it has established a strong presence. The contribution of its 125cc+ segment to domestic motorcycle volumes has notably increased from 55% in FY19 to 72% in FY24. We anticipate that TVS will sustain its pace of volume growth, outpacing the broader domestic 2W industry, with an expected 7% volume CAGR over the next two years, compared to the industry's CAGR of 6%. This growth trajectory is anticipated to be propelled by the continued demand for its existing products in the 125cc and new product launches.
- **Emerged as the leading incumbent in EVs:** TVS has acquired a substantial market share in the scooter segment in recent years, driven by popular products like Jupiter and Ntorq. While this has contributed to an increased revenue share from scooters, it also means that approximately 40% of its total EBITDA stems from the domestic scooter business, rendering it susceptible to potential disruptions from the emergence of electric vehicles (EVs) in the 2W market. However, the company has effectively managed this risk with the successful introduction of iQube, and has now emerged as the second-largest player in the electric 2W segment in India. Its robust performance in EVs demonstrates its adaptability and resilience to changing market dynamics, reassuring investors that TVS is evolving into a tech-agnostic play.
- **Expect 70bp margin expansion over FY25-27:** Over the years, TVS has worked to improve its profitability. From ~9% margin three years back, its margins improved to 11.9% in 3QFY25. In fact, core ICE margins are likely to be higher, given the current margin impact from the EV ramp-up in its financials. This improvement in performance has been driven by: 1) stringent cost-cutting measures; 2) establishment of a strong brand in the market; 3) alternate sourcing strategies; etc. We expect TVS to continue improving its profitability and factor in 70bp expansion in EBITDA margin over FY25-27E. This improvement is projected to drive an earnings CAGR of approximately 18% in standalone earnings per share (EPS) over the same period.
- **Investments in subsidiaries and associates a cause for concern:** While its operational performance over the years has been the best among listed players over the last few years, one major investor concern has been its continued investments in associates and subsidiaries that dilute standalone performance and hurt returns. Even in FY26E, it has earmarked investments to the tune of INR20b in associates and subsidiaries. The fact that TVS has now been investing in both

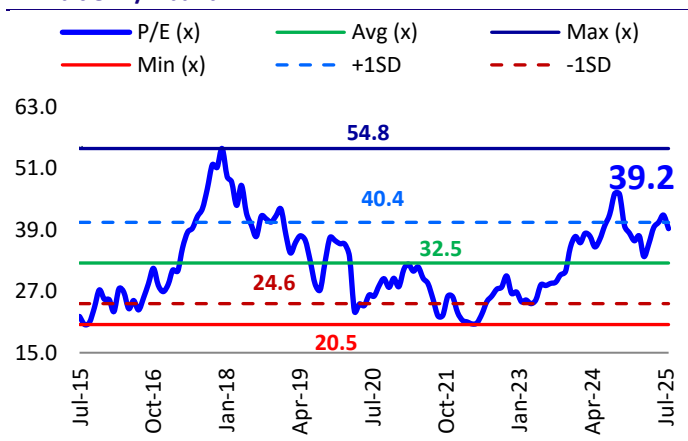
Norton and e-bike businesses in Europe for over three years without any returns in sight has been a major cause of investor concern in the stock.

- **Valuation and view:** The recently launched Jupiter 110 has been very well received by customers and is likely to help TVSL gain share in scooters in the coming quarters. However, in motorcycles, for the first time in many years, TVSL has underperformed the industry in FY25. More importantly, TVSL has underperformed in the 125cc segment, which has been its key growth driver in recent years. Further, post the recent stock rally, we believe TVSL at 41.7x/35.2x FY26E/FY27E EPS appears fairly valued. **Reiterate Neutral with a TP of ~INR2,839 (based on ~32x June'27E EPS and INR220/sh for the NBFC).**

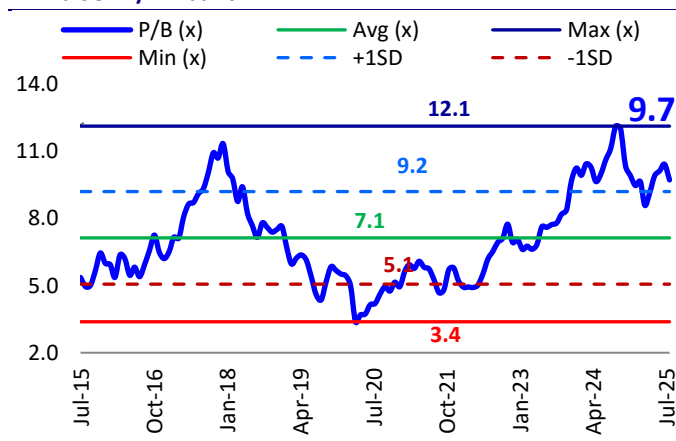
**Exhibit 7: Our revised forecasts (Standalone)**

(INR M)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Volumes (m units)	5.30	5.25	1.1	5.75	5.69	1.1
Net Sales	418,961	412,654	1.5	469,687	460,489	2.0
EBITDA	52,370	51,582	1.5	61,059	59,864	2.0
EBITDA (%)	12.5	12.5	0bp	13.0	13.0	0bp
Net Profit	31,900	31,696	0.6	37,822	37,478	0.9
EPS (INR)	67.1	66.7	0.6	79.6	78.9	0.9

**Exhibit 8: P/E band**

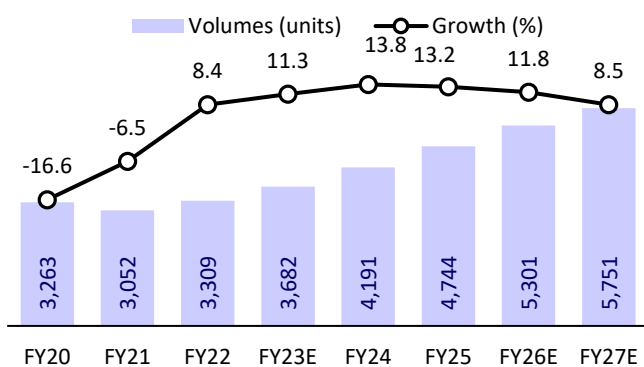


**Exhibit 9: P/BV band**



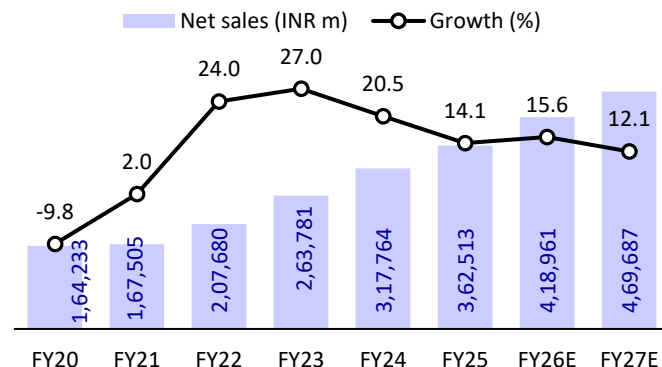
## Story in charts

**Exhibit 10: Volume growth trajectory**



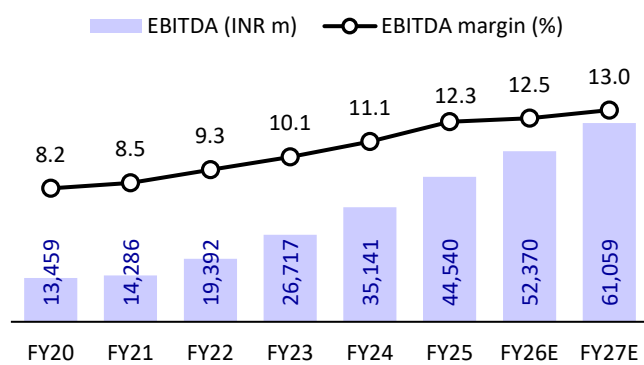
Source: Company, MOFSL

**Exhibit 11: Revenue growth trend**



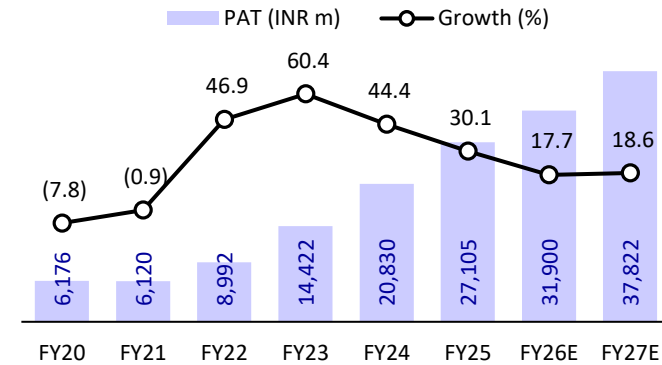
Source: Company, MOFSL

**Exhibit 12: EBITDA margin trends upward**



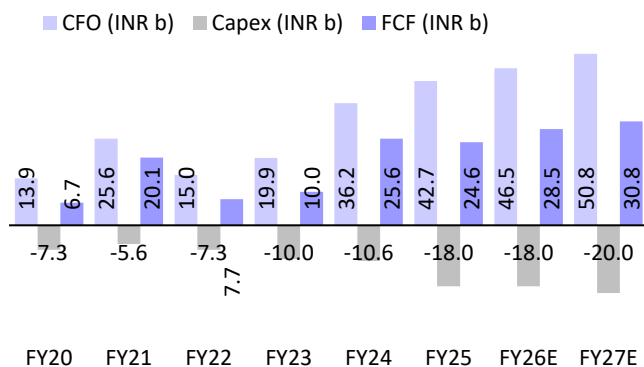
Source: Company, MOFSL

**Exhibit 13: Trends in PAT and PAT growth**



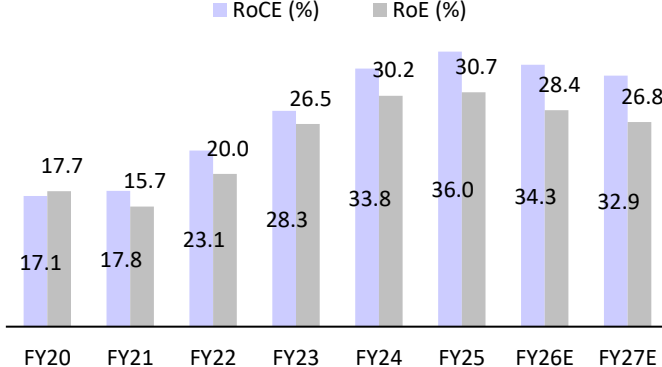
Source: Company, MOFSL

**Exhibit 14: FCF to remain strong despite high capex plans**



Source: Company, MOFSL

**Exhibit 15: Sharp improvement in return ratios**



Source: Company, MOFSL



## Key operating metrics

units	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Motorcycle</b>	<b>1,348,662</b>	<b>1,329,213</b>	<b>1,713,464</b>	<b>1,713,975</b>	<b>1,972,181</b>	<b>2,182,000</b>	<b>25,20,369</b>	<b>27,64,834</b>
Growth (%)	-12.4	-1.4	28.9	0.0	15.1	10.6	15.5	9.7
% of total vols	41.3	43.6	51.8	46.5	47.1	46.0	47.5	48.1
<b>Scooter</b>	<b>1,075,203</b>	<b>960,946</b>	<b>922,578</b>	<b>1,333,925</b>	<b>1,567,240</b>	<b>1,903,508</b>	<b>20,99,037</b>	<b>22,71,472</b>
Growth (%)	-17.4	-10.6	-4.0	44.6	17.5	21.5	10.3	8.2
% of total vols	32.9	31.5	27.9	36.2	37.4	40.1	39.6	39.5
<b>Moped</b>	<b>650,799</b>	<b>625,560</b>	<b>483,396</b>	<b>445,773</b>	<b>487,241</b>	<b>510,237</b>	<b>4,85,989</b>	<b>4,96,450</b>
Growth (%)	-27.4	-3.9	-22.7	-7.8	9.3	4.7	-4.8	2.2
% of total vols	19.9	20.5	14.6	12.1	11.6	10.8	9.2	8.6
<b>Total 2Ws</b>	<b>3,089,581</b>	<b>2,928,265</b>	<b>3,137,298</b>	<b>3,512,954</b>	<b>4,044,824</b>	<b>4,608,973</b>	<b>51,19,417</b>	<b>55,47,619</b>
Growth (%)	-17.8	-5.2	7.1	12.0	15.1	13.9	11.1	8.4
% of total vols	94.7	96.0	94.8	95.4	96.5	97.2	96.6	96.5
<b>3Ws</b>	<b>173,911</b>	<b>123,596</b>	<b>171,875</b>	<b>169,114</b>	<b>146,170</b>	<b>134,663</b>	<b>1,81,842</b>	<b>2,03,663</b>
Growth (%)	11.2	-28.9	39.1	-1.6	-13.6	-7.9	35.0	12.0
% of total vols	5.3	4.0	5.2	4.6	3.5	2.8	3.4	3.5
<b>Domestic</b>	<b>2,422,674</b>	<b>2,172,492</b>	<b>2,055,982</b>	<b>2,614,011</b>	<b>3,177,841</b>	<b>3,548,148</b>	<b>38,34,780</b>	<b>41,11,931</b>
Growth (%)	-23.2	-10.3	-5.4	27.1	21.6	11.7	8.1	7.2
% of total vols	74.2	71.2	62.1	71.0	75.8	74.8	72.3	71.5
<b>Exports</b>	<b>840,818</b>	<b>879,369</b>	<b>1,253,191</b>	<b>1,068,057</b>	<b>1,013,153</b>	<b>1,195,488</b>	<b>14,66,479</b>	<b>16,39,350</b>
Growth (%)	10.4	4.6	42.5	-14.8	-5.1	18.0	22.7	11.8
% of total vols	25.8	28.8	37.9	29.0	24.2	25.2	27.7	28.5
<b>Total volumes</b>	<b>3,263,492</b>	<b>3,051,861</b>	<b>3,309,173</b>	<b>3,682,068</b>	<b>4,190,994</b>	<b>4,743,636</b>	<b>53,01,259</b>	<b>57,51,281</b>
Growth (%)	-16.6	-6.5	8.4	11.3	13.8	13.2	11.8	8.5
<b>ASP (INR/unit)</b>	<b>50,324</b>	<b>54,886</b>	<b>62,759</b>	<b>71,639</b>	<b>75,821</b>	<b>76,421</b>	<b>79,031</b>	<b>81,667</b>
Growth (%)	8.2	9.1	14.3	14.2	5.8	0.8	3.4	3.3
<b>Net Sales (INR m)</b>	<b>164,233</b>	<b>167,505</b>	<b>207,680</b>	<b>263,781</b>	<b>317,764</b>	<b>362,513</b>	<b>4,18,961</b>	<b>4,69,687</b>
Growth (%)	-9.8	2.0	24.0	27.0	20.5	14.1	15.6	12.1



## Financials and valuations

### Standalone - Income Statement

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Volumes (units)	3,263,492	3,051,861	3,309,173	3,682,068	4,190,994	4,743,636	53,01,259	57,51,281
Growth (%)	(16.6)	(6.5)	8.4	11.3	13.8	13.2	11.8	8.5
Net Sales	164,233	167,505	207,680	263,781	317,764	362,513	4,18,961	4,69,687
Change (%)	-9.8	2.0	24.0	27.0	20.5	14.1	15.6	12.1
EBITDA	13,459	14,286	19,392	26,717	35,141	44,540	52,370	61,059
Margin (%)	8.2	8.5	9.3	10.1	11.1	12.3	12.5	13.0
Depreciation	4,890	4,937	6,114	6,312	7,004	7,446	8,311	9,291
EBIT	8,568	9,349	13,278	20,405	28,138	37,094	44,059	51,768
Int. and Finance Charges	1,022	1,416	1,259	1,407	1,816	1,387	1,571	1,508
Other Income - Rec.	321	330	190	389	1,485	580	620	850
PBT bef. EO Exp.	7,867	8,262	12,209	19,387	27,807	36,288	43,108	51,110
EO Expense/(Income)	323	0	77	-617	0	0	0	0
PBT after EO Exp.	7,544	8,262	12,132	20,004	27,807	36,288	43,108	51,110
Current Tax	2,339	2,034	3,000	5,037	7,021	8,677	11,208	13,289
Deferred Tax	-717	108	196	87	-44	506	0	0
Tax Rate (%)	21.5	25.9	26.3	25.6	25.1	25.3	26.0	26.0
Reported PAT	5,923	6,120	8,936	14,881	20,830	27,105	31,900	37,822
PAT Adj for EO items	6,176	6,120	8,992	14,422	20,830	27,105	31,900	37,822
Change (%)	-7.8	-0.9	46.9	60.4	44.4	30.1	17.7	18.6

### Standalone - Balance Sheet

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	475	475	475	475	475	475	475	475
Total Reserves	35,706	41,234	47,745	60,003	76,835	98,891	1,25,090	1,56,260
Net Worth	36,181	41,710	48,220	60,479	77,310	99,367	1,25,565	1,56,736
Deferred Liabilities	1,581	1,955	1,979	1,982	1,871	2,659	2,659	2,659
Total Loans	20,219	10,829	16,006	22,446	15,134	17,349	18,349	19,349
Capital Employed	57,981	54,493	66,205	84,906	94,315	119,375	1,46,574	1,78,744
Gross Block	58,077	63,490	72,064	79,879	87,263	97,555	1,15,555	1,35,555
Less: Accum. Deprn.	29,077	33,387	38,998	43,920	49,545	54,092	62,403	71,694
Net Fixed Assets	28,999	30,104	33,066	35,959	37,719	43,464	53,152	63,861
Capital WIP	2,854	2,787	4,245	6,277	9,301	12,388	12,388	12,388
Total Investments	28,604	33,862	48,538	61,740	71,891	95,642	1,17,642	1,42,642
Curr. Assets, Loans&Adv.	33,154	35,223	32,628	35,948	41,712	48,135	53,227	58,299
Inventory	10,389	11,518	11,227	12,364	13,708	17,257	19,944	22,359
Account Receivables	12,814	8,700	9,507	9,551	13,021	12,801	14,794	16,585
Cash and Bank Balance	4,143	8,590	3,288	2,344	4,858	2,936	3,739	3,215
Loans and Advances	5,808	6,415	8,607	11,690	10,124	15,142	14,751	16,140
Curr. Liability & Prov.	35,631	47,482	52,273	44,050	54,616	65,937	75,519	84,130
Account Payables	33,869	45,557	49,815	41,306	51,122	61,537	71,119	79,729
Provisions & other CL	1,763	1,925	2,458	2,744	3,495	4,401	4,401	4,401
Net Current Assets	-2,477	-12,259	-19,644	-8,102	-12,905	-17,802	-22,292	-25,831
Appl. of Funds	57,981	54,493	66,205	84,906	94,315	119,375	1,46,574	1,78,744

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>13.0</b>	<b>12.9</b>	<b>18.9</b>	<b>30.4</b>	<b>43.8</b>	<b>57.1</b>	<b>67.1</b>	<b>79.6</b>
Growth (%)	-7.8	-0.9	46.9	60.4	44.4	30.1	17.7	18.6
Cash EPS	23.3	23.3	31.8	43.6	58.6	72.7	84.6	99.2
BV/Share	76.2	87.8	101.5	127.3	162.7	209.1	264.3	329.9
DPS	3.5	3.5	4.5	5.0	8.0	10.0	12.0	14.0
Payout (%)	33.8	27.2	23.9	16.0	18.2	17.5	17.9	17.6
<b>Valuation (x)</b>								
P/E	215.5	217.5	148.0	92.3	63.9	49.1	41.7	35.2
Cash P/E	120.3	120.4	88.1	64.2	47.8	38.5	33.1	28.3
P/BV	36.8	31.9	27.6	22.0	17.2	13.4	10.6	8.5
EV/Sales	8.2	8.0	6.5	5.1	4.2	3.7	3.2	2.9
EV/EBITDA	100.1	93.3	69.3	50.6	38.2	30.2	25.7	22.1
Dividend Yield (%)	0.1	0.1	0.2	0.2	0.3	0.4	0.4	0.5
<b>Return Ratios (%)</b>								
EBITDA Margins (%)	8.2	8.5	9.3	10.1	11.1	12.3	12.5	13.0
Net Profit Margins (%)	3.8	3.7	4.3	5.5	6.6	7.5	7.6	8.1
RoE	17.7	15.7	20.0	26.5	30.2	30.7	28.4	26.8
RoCE	17.1	17.8	23.1	28.3	33.8	36.0	34.3	32.9
<b>RoIC</b>	<b>26.2</b>	<b>37.2</b>	<b>74.0</b>	<b>86.2</b>	<b>109.8</b>	<b>144.4</b>	<b>141.8</b>	<b>131.9</b>
<b>Operating Ratios</b>								
Fixed Asset Turnover (x)	2.8	2.6	2.9	3.3	3.6	3.7	3.6	3.5
Inventory (Days)	23.1	25.1	19.7	17.1	15.7	17.4	17.4	17.4
Debtor (Days)	28	19	17	13	15	13	13	13
Creditor (Days)	75	99	88	57	59	62	62	62
Working Capital (Days)	-15	-45	-40	-14	-20	-21	-23	-23
<b>Leverage Ratio (x)</b>								
Current Ratio	0.9	0.7	0.6	0.8	0.8	0.7	0.7	0.7
Debt/Equity	0.6	0.3	0.3	0.4	0.2	0.2	0.1	0.1

### Standalone - Cash Flow Statement

(INR M)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
NP/ (Loss) bef Tax and EO	7,544	8,262	12,132	20,004	27,807	36,288	43,108	51,110
Depreciation	4,890	4,937	6,114	6,312	7,004	7,446	8,311	9,291
Interest & Finance Charges	1,022	1,416	1,259	1,407	1,816	1,387	1,571	1,508
Direct Taxes Paid	1,850	2,020	3,100	4,826	6,162	8,314	11,208	13,289
(Inc)/Dec in WC	2,926	12,918	-962	-2,051	5,359	6,138	5,293	3,015
<b>CF from Operations</b>	<b>14,532</b>	<b>25,513</b>	<b>15,444</b>	<b>20,846</b>	<b>35,824</b>	<b>42,945</b>	<b>47,075</b>	<b>51,636</b>
Others	-596	96	-469	-918	349	-288	-620	-850
<b>CF from Operations</b>	<b>13,936</b>	<b>25,609</b>	<b>14,976</b>	<b>19,929</b>	<b>36,173</b>	<b>42,657</b>	<b>46,455</b>	<b>50,786</b>
(inc)/dec in FA	-7,267	-5,557	-7,279	-9,968	-10,555	-18,010	-18,000	-20,000
<b>Free Cash Flow</b>	<b>6,669</b>	<b>20,052</b>	<b>7,697</b>	<b>9,960</b>	<b>25,618</b>	<b>24,647</b>	<b>28,455</b>	<b>30,786</b>
<b>CF from Investments</b>	<b>-12,889</b>	<b>-9,206</b>	<b>-21,410</b>	<b>-23,118</b>	<b>-18,963</b>	<b>-38,708</b>	<b>-39,380</b>	<b>-44,150</b>
(Inc)/Dec in Debt	4,013	-10,700	1,300	3,100	-4,400	-261	1,000	1,000
Interest Paid	-1,003	-1,129	-1,231	-1,371	-2,137	-1,384	-1,571	-1,508
Dividend Paid	-2,000	-998	-1,904	-2,918	-3,801	-4,790	-5,701	-6,651
<b>CF from Fin. Activity</b>	<b>2,705</b>	<b>-11,956</b>	<b>1,132</b>	<b>2,245</b>	<b>-14,696</b>	<b>-5,871</b>	<b>-6,272</b>	<b>-7,159</b>
<b>Inc/Dec of Cash</b>	<b>3,753</b>	<b>4,447</b>	<b>-5,302</b>	<b>-944</b>	<b>2,515</b>	<b>-1,923</b>	<b>803</b>	<b>-524</b>
Add: Beginning Balance	390	4,143	8,590	3,287	2,343	4,858	2,936	3,739
<b>Closing Balance</b>	<b>4,143</b>	<b>8,590</b>	<b>3,287</b>	<b>2,343</b>	<b>4,858</b>	<b>2,936</b>	<b>3,739</b>	<b>3,215</b>

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