

TVS Motor Company

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	TVSL IN
Equity Shares (m)	475
M.Cap.(INRb)/(USDb)	1771.3 / 19.3
52-Week Range (INR)	3909 / 2191
1, 6, 12 Rel. Per (%)	5/31/49
12M Avg Val (INR M)	2530

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	465.3	548.8	646.3
EBITDA	59.7	72.4	89.2
Adj. PAT	36.5	45.9	57.6
EPS (INR)	76.7	96.6	121.3
EPS Gr. (%)	34.5	25.9	25.6
BV/Sh (INR)	271.9	351.0	450.3

Ratios

RoE (%)	31.9	31.0	30.3
RoCE (%)	38.4	38.1	38.2
Payout (%)	18.2	18.1	18.1

Valuations

P/E (x)	48.5	38.5	30.7
P/BV (x)	13.7	10.6	8.3
Div. Yield (%)	0.4	0.5	0.6
FCF Yield (%)	1.9	2.3	3.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	50.3	50.3	50.3
DII	18.3	18.4	20.0
FII	23.1	22.9	21.3
Others	8.3	8.5	8.5

FII includes depository receipts

CMP: INR3,728 **TP: INR4,461 (+20%)** **Buy**

Margins continue to improve gradually

Continued outperformance to support premium valuation

- TVS Motor Company (TVS)'s 3QFY26 PAT stood at INR9.7b, in line with our estimate of INR10b. EBITDA margin expanded 120bp YoY to 13.1% (slightly above our estimate of 12.9%). TVS remains confident of outperforming industry growth in the coming quarters as well.
- We factor in a revenue/EBITDA/PAT CAGR of 21%/26%/29% over FY25-28E. TVS's consistent market share gains across key domestic and export segments, along with a gradual improvement in margins, have driven healthy returns over the years. This strong track record is likely to help sustain its premium valuations in the long run. **We reiterate our BUY rating** and value the stock at 36x Dec'27 EPS to arrive at our TP of INR4,461.

Earnings in line

- TVS's 3Q PAT came in at INR9.7b, in line with our estimate of INR10b.
- TVS posted its highest-ever quarterly sales of 1.54m units this quarter, up 27.4% YoY. Motorcycle volumes were up 31% YoY, Scooters rose 25%, and 3W volumes doubled. Despite rare earth magnet supply constraints, the EV business reached its best-ever quarter with 106k units sold, recording a 40% YoY growth.
- Revenues came in line at INR124.8b, up 37% YoY.
- Realizations were up ~8% YoY at INR80.8k per unit.
- EBITDA margin expanded 120bp YoY to 13.1% (slightly above our estimate of 12.9%). This was despite incurring higher marketing spend (INR 600m) in 3Q on account of the festive season.
- EBITDA grew 51.1% YoY to INR16.3b, broadly in line with our estimate.
- Other income was below our estimate, as it included a loss on the fair valuation of an investment of INR320m made by TVS. Additionally, TVS recognized INR413.7m as an exceptional item to provide for the prior period impact of the new labor code.
- Adjusted for this, PAT came in line at INR9.7b, up 57% YoY.
- TVS's 9MFY26 revenue/EBITDA/Adj PAT stood at INR344.6b/44.1b/26.6b. Its 9MFY26 revenue grew 29% YoY, while PBT rose 43%, and EBITDA margin improved 100bp to 12.7%.

Key takeaways from the management commentary

- Demand across the urban and rural markets was balanced, with urban growing 21% YoY and rural growing 19%. Management remains optimistic that the industry will post 15% YoY growth in 4Q, with full-year industry growth expected at 9% (despite a weak 1H FY26). Also, given the strong momentum, management has indicated that growth is likely to remain healthy in H1 FY27, also aided by a low base.

- The African market has been gradually picking up QoQ. The Latin American market continues to see healthy demand. Further, TVS has established a strong presence in several key Asian markets, particularly in Sri Lanka and Nepal, with both showing a sharp rebound. TVS remains confident of sustaining its outperformance in export markets in the coming quarters.
- The EV business is currently gross margin positive. EBITDA breakeven is expected as volumes scale up further.
- Input prices rose by 0.4% overall this quarter due to the increase in prices of precious metals such as platinum, palladium, and rhodium. There is a risk of raw material cost inflation in 4QFY26.
- TVS Credit's total book stood at INR296.8b, with a customer base of ~23m, having added 4.1m new customers this fiscal. PBT for 3Q stood at INR3.9b, up 21% YoY. TVS has invested INR2b in TVS Credit in 3Q.
- Capex guidance for FY26E stands at INR 17b. They would also invest INR 29b in subsidiaries and associates in FY26E.

Valuation and view

Overall, we factor in a revenue/EBITDA/PAT CAGR of 21%/26%/29% over FY25-28E. TVS's consistent market share gains across key domestic and export segments, along with a gradual improvement in margins, have driven healthy returns over the years. This strong track record is likely to help sustain its premium valuations in the long run. **We reiterate our BUY rating** and value the stock at 36x Dec'27 EPS to arrive at our TP of INR4,461.

S/A Quarterly Performance

Y/E March (INR m)	FY25				FY26E				FY25	FY26E	FY26
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE
Vols ('000 units)	1,087.2	1,228.2	1,212.0	1,216.3	1,277.0	1,507.0	1,544.5	1,496.3	4,744	5,825	1,544.5
Growth (%)	14.1	14.3	10.1	14.2	17.5	22.7	27.4	23.0	13.2	39.0	27.4
Realn (INR '000/unit)	77.0	75.1	75.1	78.5	78.9	79.0	80.8	80.6	76.4	79.9	79.1
Growth (%)	1.7	(0.9)	0.2	2.4	2.5	5.1	7.6	2.7	0.8	5.4	5.4
Net Sales	83,756	92,282	90,971	95,504	100,810	119,054	124,763	120,671	362,513	465,298	122,189
Growth (%)	16.0	13.3	10.3	16.9	20.4	29.0	37.1	26.4	14.1	46.4	34.3
Total RM Cost	59,804	66,018	65,112	66,672	71,754	84,604	88,828	85,455	257,607	330,641	86,754
RM (% of sales)	71.4	71.5	71.6	69.8	71.2	71.1	71.2	70.8	71.1	71.1	71.0
Emp cost (% of sales)	5.7	5.4	5.5	5.2	5.8	5.1	5.0	5.2	5.4	5.2	5.1
Other exp (% of sales)	11.4	11.4	11.1	11.0	10.5	11.2	10.7	11.1	11.2	10.9	11.0
EBITDA	9,602	10,798	10,815	13,326	12,630	15,086	16,341	15,594	44,540	59,651	15,762
EBITDA Margin(%)	11.5	11.7	11.9	14.0	12.5	12.7	13.1	12.9	12.3	12.8	12.9
Interest	372	319	338	358	403	466	579	516	1,387	1,963	455
Depreciation	1,763	1,806	1,883	1,994	2,039	2,144	2,335	2,485	7,446	9,004	2,165
Other Income	363	299	-227	145	343	-213	-280	271	580	120	250
PBT before EO Exp	7,829	8,972	8,367	11,120	10,531	12,263	13,147	12,864	36,288	48,804	13,392
EO Exp	0	0	0	1,617	0	0	414	0		414	0
PBT after EO Exp	7,829	8,972	8,367	12,737	10,531	12,263	12,733	12,864	36,288	48,390	13,392
Tax	2,056	2,346	2,182	2,599	2,745	3,202	3,329	3,071	9,183	12,347	3,124
Total Tax	2056	2346	2182	2599	2745	3202	3329	3071	9183	12347	3124
Tax rate (%)	26.3	26.1	26.1	20.4	26.1	26.1	26.1	23.9	25.3	25.5	25.0
Reported PAT	5,773	6,626	6,185	10,139	7,786	9,061	9,404	9,792	27,105	36,043	10,269
Adjusted PAT	5,773	6,626	6,185	8,521	7,786	9,061	9,712	9,792	27,105	36,351	10,044
Growth (%)	23.4	23.5	4.2	75.5	34.9	36.7	57.0	14.9	30.1	34.5	62.4

Exhibit 1: Trends in volume and volume growth

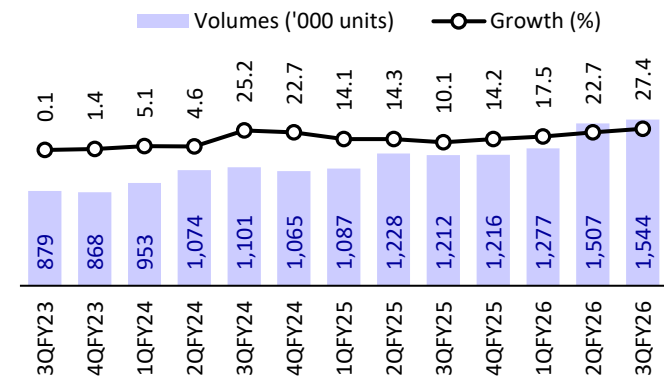


Exhibit 2: Trend in blended realizations

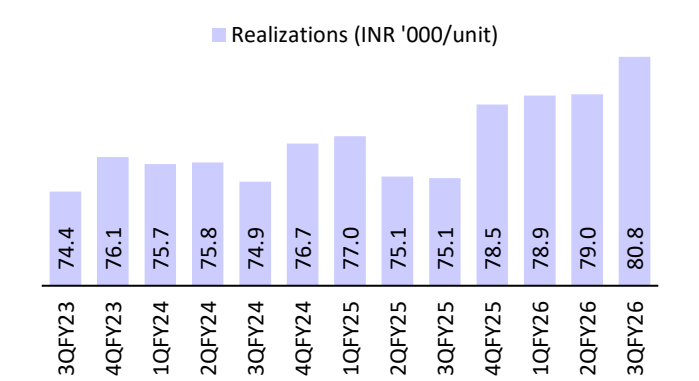


Exhibit 3: Net sales and growth trends

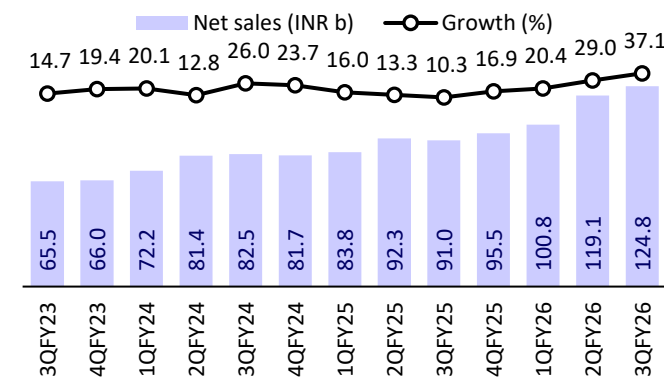


Exhibit 4: Product mix trend

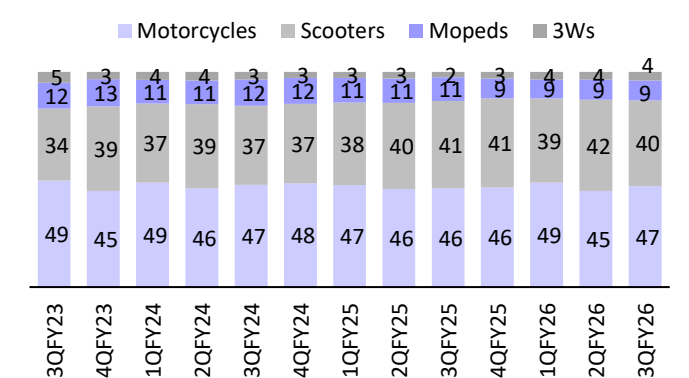
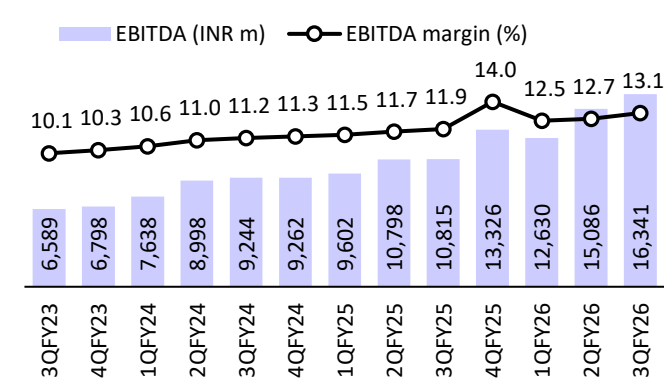
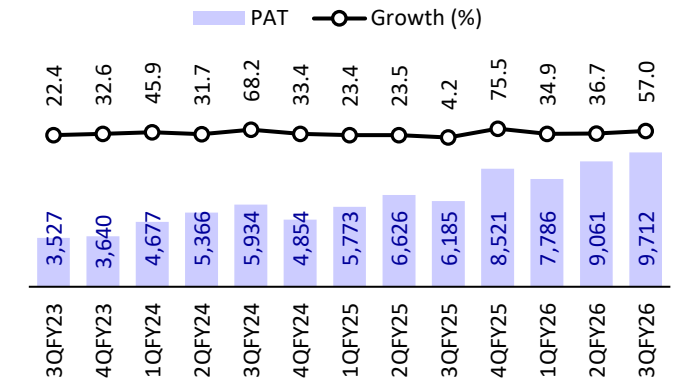


Exhibit 5: EBITDA and EBITDA margin trends



Source: Company, MOFSL

Exhibit 6: PAT and its growth trajectory



Source: Company, MOFSL



Key takeaways from the management commentary

Update on the domestic market

- TVS ICE volumes grew 21% YoY in 3QFY26, outperforming the industry's overall growth rate of ~16%.
- Demand across the urban and rural markets was balanced, with urban growing 21% YoY and rural growing 19%. Management remains optimistic that the industry will post 15% YoY growth in 4Q, with full-year industry growth expected at 9% (despite a weak 1HFY26). Also, given the strong momentum, management has indicated that growth is likely to remain healthy in H1FY27, also aided by a low base.
- The scooter segment contribution to total two-wheelers (ICE + EV) has now increased to 40%. Premium and super premium motorcycle segments continue to show strong industry-beating growth while executives continue to expand, but at a more moderate pace. The entry-level segment has relatively underperformed the other segments, according to the management.
- TVSL is expected to continue outperforming the 2W industry going into FY27 and beyond.
- Capacity expansion is underway and will take a quarter to materialize meaningfully.
- In terms of dealer stock, only EV variants are facing a stock crunch with dealers, given the ongoing shortage of rare earth magnets.

Update on EVs

- The EV industry in India grew by 14% in 3QFY26, despite facing constraints due to the magnet shortage, which affected production and supply.
- The TVS iQube continues to lead the electric scooter segment. Current production of iQube stands at 30-32k units monthly.
- The TVS Orbiter was launched in select parts of India and received a favorable customer response, as it has been positioned at a more accessible price point, albeit with a lower range. Capacity is ramping up towards 10k units per month for this model.
- The EV business is currently contributing positively at a unit level. EBITDA breakeven is expected as volumes scale up further.
- TVS is seeing strong traction for their King EV and King Kargo ST electric 3W in last-mile and cargo applications. As of 3QFY26, 8.5k-9k units were sold.

Update on Exports

- TVS exports were up 35% YoY compared to an industry-wide growth rate of ~23%. Export revenues for TVS stood at INR29.1b in 3Q with USD-INR realization flattish QoQ at INR88.
- The African market has been gradually picking up QoQ. The Latin American market continues to see healthy demand. Further, TVS has established a strong presence in several key Asian markets, particularly in Sri Lanka and Nepal, with both showing a sharp rebound. Jupiter is a key brand in Sri Lanka.
- However, Europe continues to face structural and regulatory challenges, and hence, demand continues to remain muted. Impact on TVS due to Mexico tariffs is likely to be negligible given its small presence in this market. TVS is considering setting up a CKD facility in Mexico.
- TVS remains confident of sustaining its outperformance in export markets in the coming quarters.

Update on subsidiaries and investments

- TVS Credit's total book stood at INR296.8b, with a customer base of ~23m, having added 4.1m new customers this fiscal. PBT for 3Q stood at INR3.9b, up 21% YoY. TVS has invested INR2b in TVS Credit in 3Q.
- TVS has invested ~INR1b in its premium electric scooter subsidiary ION Mobility in 3Q.
- Investments were made into their Dubai subsidiary to set it up as a hub for future global operations.
- Norton unveiled their product range at the EICMA 2025 in Milan, Italy, with products set to hit markets over CY2026. They are positioned as super premium luxury motorcycles. In India, the strategy will be highly differentiated and more focused on exclusivity and brand experience. In 3Q, TVS invested INR 2.9b in Norton, post the INR 2.4b investment in 2Q. This incremental investment in 3Q was towards marketing for the upcoming new bikes, as well as the EICMA event.

Other highlights

- Spares revenue in 3QFY26 stood at INR11.83b.
- Benefit from PLI on margins has improved to 70bp in 3Q. A small portion (premium range) of their EV portfolio is not eligible for these benefits.
- Input prices rose by 0.4% overall this quarter, due to the increase in prices of precious metals like platinum, palladium, and rhodium. There is a risk of raw material cost inflation in 4QFY26.
- Capex guidance for FY26E stands at INR 17b. They would also invest INR 29b in subsidiaries and associates in FY26E.

Valuation and view

- **Consistent market share gains seen across segments:** TVS has been the only player in India to showcase consistent market share gains across its key segments over the past decade. In domestic motorcycles, its market share improved to ~11% for 9MFY26 from 7.5% in FY19. More importantly, in the premium 150-250cc segment, it is nearing market leadership with 29.7% market share (from 19.5% in FY19). Even in the 125cc segment, it has captured an 11.8% market share in 9MFY26 from just 4.6% in FY19. In scooters (ICE), it has notably improved its share to 27.8% as of 9MFY26 from 18.5% in FY19. In the EV scooter segment, it has now emerged as the market leader, with 33.7% market share as of 9MFY26.
- **Healthy new launch pipeline to sustain outperformance:** TVS's new Jupiter has continued to significantly outperform the scooter industry over the last 12 months. A similar trend is now observed in the 125cc variant, which saw a healthy pickup in demand following its launch. It has now launched the Ntorq 150cc, with many segment-first features to help it further gain a share in scooters. It has also launched a new 2W EV Orbiter focused on urban consumers at an attractive price point to sustain leadership in e-scooters. Further, it has recently launched an upgrade of its 125cc motorcycle, Raider, which will help it regain share in this sub-segment. Beyond 2Ws, it is now seeing a strong acceptance in the 3W EV segment and targets to gain a prominent presence in the segment going forward. It has recently launched a cargo 3W variant, which will help boost its presence in 3W EVs going forward. On the back of its healthy new launch pipeline, we expect TVS to continue to outperform industry growth. We factor in TVS to post a 15% volume CAGR over FY25-28E.
- **TVS outperforms in exports as well:** Being a challenger to the market leader in key markets, TVS has been outperforming in 2W exports from India over the last

few years. The African market has now picked up from its lows. It is a small player in Latin America but is confident of outperforming the region with its premium products in the coming years. While the company is seeing healthy growth in major Asian markets, like Sri Lanka and Nepal, it has been strengthening its network in Bangladesh. Overall, the management remains confident of sustaining a healthy growth momentum in exports and TVS to outperform in key markets. We factor in TVS to post 20% volume CAGR in exports over FY25-28E.

- **Investing in brand building first, margins to follow:** Over the years, TVS's strategy has been to establish its brand in key segments, and once a strong customer connect is established, it focuses on gradually improving margins within each segment. Over the years, we have seen TVS establish a strong presence in 125cc motorcycles with Raider, in 150-250cc with Apache, in scooters with Jupiter, and in EVs with iQube. This strategy has helped improve its margins from ~8% in FY19 to 12.3% in FY25 and further to 12.8% for 9MFY26. We expect it to continue delivering gradual margin improvement over the forecast period. We factor in TVS margins to improve to 13.8% by FY28E.
- **Valuation and view:** Overall, we factor in a revenue/EBITDA/PAT CAGR of 21%/26%/29% over FY25-28E. Its consistent market share gains across key domestic and export segments, along with a gradual improvement in margins, have driven healthy returns over the years. This strong track record is likely to help sustain its premium valuations in the long run. **We reiterate our BUY rating** and value the stock at 36x Dec'27 EPS to arrive at our TP of INR4,461.

Exhibit 7: Our revised forecasts (Standalone)

(INR M)	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Volumes (m units)	5.82	5.83	0.0	6.60	6.60	-0.1
Net Sales	465,298	460,800	1.0	548,809	543,029	1.1
EBITDA	59,651	59,075	1.0	72,443	71,680	1.1
EBITDA (%)	12.8	12.8	0bp	13.2	13.2	0bp
Net Profit	36,456	36,891	-1.2	45,893	46,203	-0.7
EPS (INR)	76.7	77.6	-1.1	96.6	97.2	-0.6

Exhibit 8: P/E band

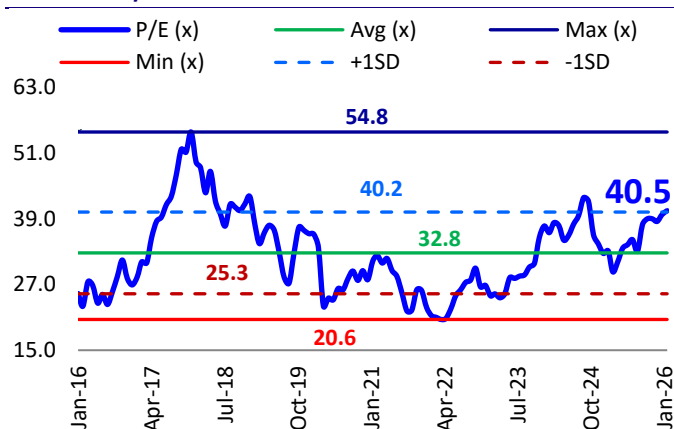
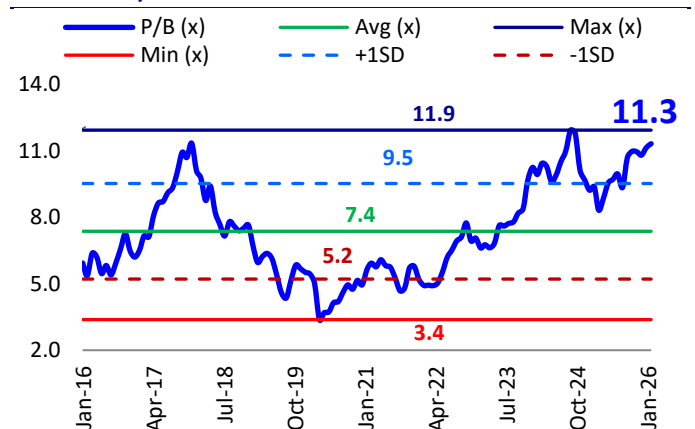


Exhibit 9: P/BV band



Story in charts

Exhibit 10: Volume growth trajectory

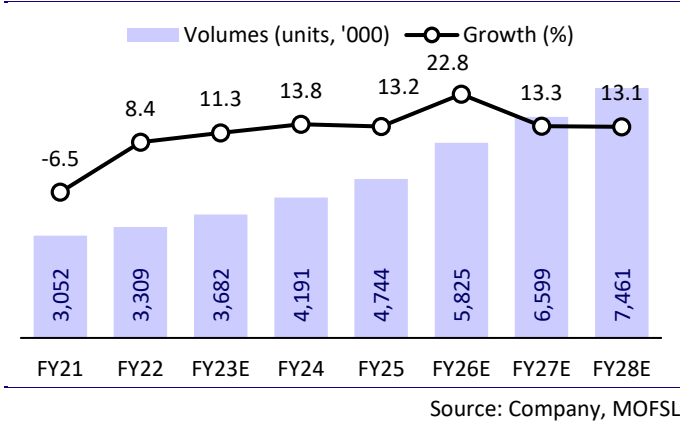


Exhibit 11: Revenue growth trend

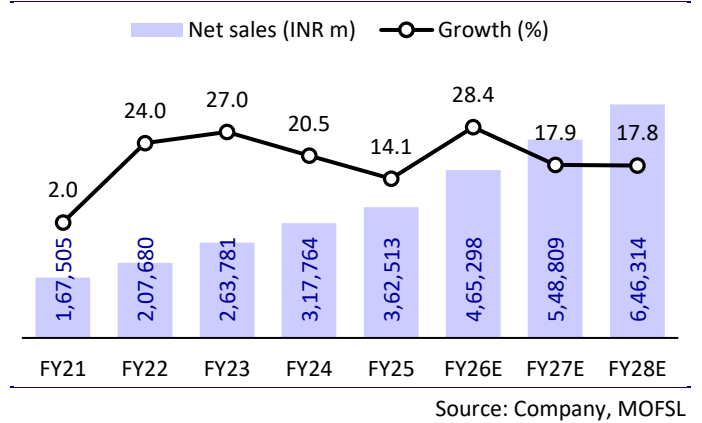


Exhibit 12: EBITDA margin trends upward

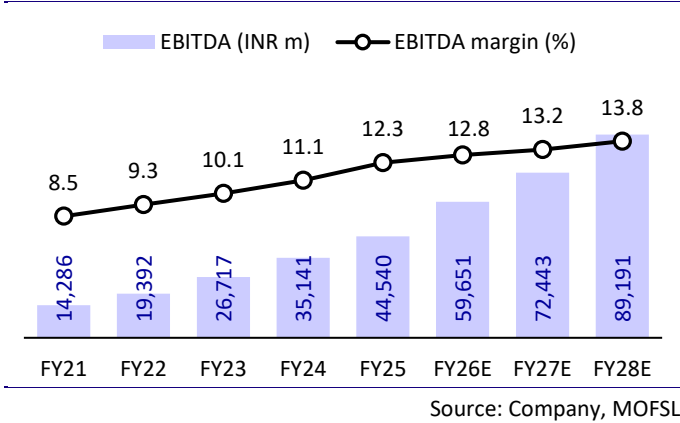


Exhibit 13: Trends in PAT and PAT growth

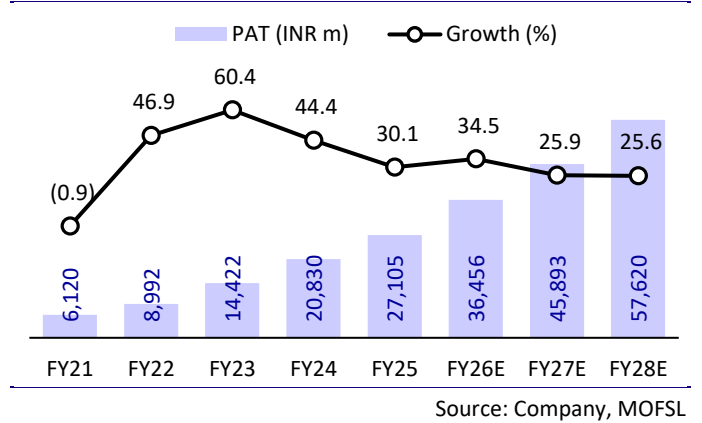


Exhibit 14: FCF to remain strong despite high capex plans

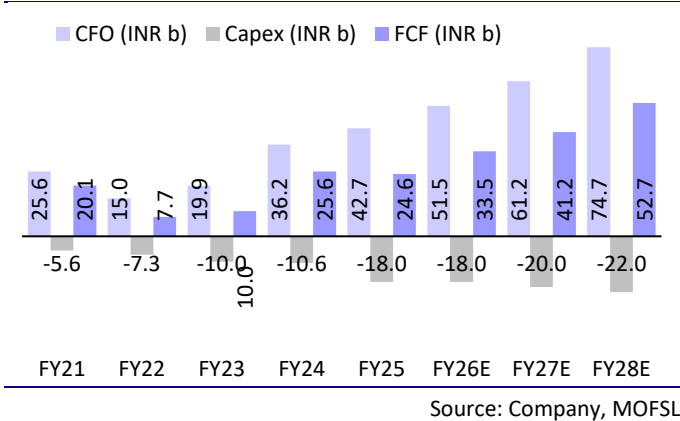
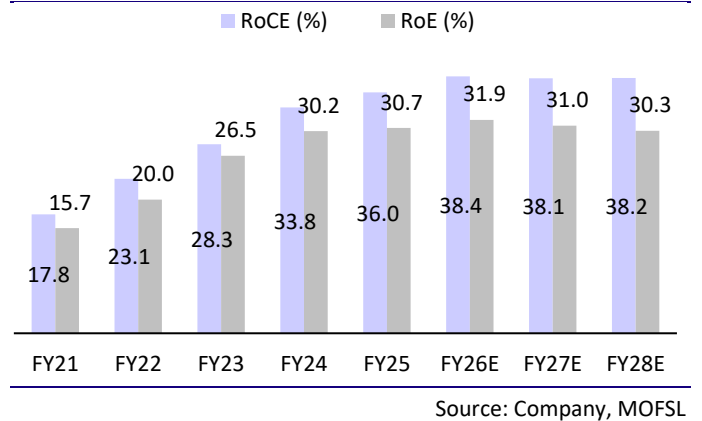


Exhibit 15: Steady improvement in return ratios



Key operating metrics

units	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Motorcycle	13,41,759	17,31,324	17,33,256	19,90,343	21,95,228	26,94,561	30,51,816	34,64,329
Growth (%)	-1.4	28.9	0.0	15.1	10.6	22.8	13.3	13.6
% of total vols	44.0	52.3	47.1	47.5	46.3	46.3	46.2	46.4
Scooter	9,60,946	9,22,578	13,33,925	15,67,240	19,03,508	23,83,089	27,10,658	30,61,310
Growth (%)	-10.6	-4.0	44.6	17.5	21.5	25.2	13.7	12.9
% of total vols	31.5	27.9	36.2	37.4	40.1	40.9	41.1	41.0
Moped	6,25,560	4,83,396	4,45,773	4,87,241	5,10,237	5,26,275	5,48,659	5,68,930
Growth (%)	-3.9	-22.7	-7.8	9.3	4.7	3.1	4.3	3.7
% of total vols	20.5	14.6	12.1	11.6	10.8	9.0	8.3	7.6
Total 2Ws	29,28,265	31,37,298	35,12,954	40,44,824	46,08,973	56,03,925	63,11,134	70,94,569
Growth (%)	-5.2	7.1	12.0	15.1	13.9	21.6	12.6	12.4
% of total vols	96.0	94.8	95.4	96.5	97.2	96.2	95.6	95.1
3Ws	1,23,596	1,71,875	1,69,114	1,46,170	1,34,663	2,20,908	2,87,394	3,66,133
Growth (%)	-28.9	39.1	-1.6	-13.6	-7.9	64.0	30.1	27.4
% of total vols	4.0	5.2	4.6	3.5	2.8	3.8	4.4	4.9
Domestic	21,72,492	20,55,982	26,14,011	31,77,841	35,48,148	42,58,136	47,81,855	53,63,465
Growth (%)	-10.3	-5.4	27.1	21.6	11.7	20.0	12.3	12.2
% of total vols	71.2	62.1	71.0	75.8	74.8	73.1	72.5	71.9
Exports	8,79,369	12,53,191	10,68,057	10,13,153	11,95,488	15,66,696	18,16,673	20,97,237
Growth (%)	4.6	42.5	-14.8	-5.1	18.0	31.1	16.0	15.4
% of total vols	28.8	37.9	29.0	24.2	25.2	26.9	27.5	28.1
Total volumes	30,51,861	33,09,173	36,82,068	41,90,994	47,43,636	58,24,833	65,98,528	74,60,702
Growth (%)	-6.5	8.4	11.3	13.8	13.2	22.8	13.3	13.1
ASP (INR/unit)	54,886	62,759	71,639	75,821	76,421	79,882	83,171	86,629
Growth (%)	9.1	14.3	14.2	5.8	0.8	4.5	4.1	4.2
Net Sales (INR m)	1,67,505	2,07,680	2,63,781	3,17,764	3,62,513	4,65,298	5,48,809	6,46,314
Growth (%)	2.0	24.0	27.0	20.5	14.1	28.4	17.9	17.8

Financials and valuations

Standalone - Income Statement

(INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Volumes (units)	3,051,861	3,309,173	3,682,068	4,190,994	4,743,636	5,824,833	6,598,528	7,460,702
Growth (%)	(6.5)	8.4	11.3	13.8	13.2	22.8	13.3	13.1
Net Sales	167,505	207,680	263,781	317,764	362,513	465,298	548,809	646,314
Change (%)	2.0	24.0	27.0	20.5	14.1	28.4	17.9	17.8
EBITDA	14,286	19,392	26,717	35,141	44,540	59,651	72,443	89,191
Margin (%)	8.5	9.3	10.1	11.1	12.3	12.8	13.2	13.8
Depreciation	4,937	6,114	6,312	7,004	7,446	9,004	10,296	11,724
EBIT	9,349	13,278	20,405	28,138	37,094	50,647	62,147	77,467
Int. and Finance Charges	1,416	1,259	1,407	1,816	1,387	1,963	1,561	1,381
Other Income - Rec.	330	190	389	1,485	580	120	850	1,050
PBT bef. EO Exp.	8,262	12,209	19,387	27,807	36,288	48,804	61,436	77,135
EO Expense/(Income)	0	77	-617	0	0	0	0	0
PBT after EO Exp.	8,262	12,132	20,004	27,807	36,288	48,804	61,436	77,135
Current Tax	2,034	3,000	5,037	7,021	8,677	12,347	15,543	19,515
Deferred Tax	108	196	87	-44	506	0	0	0
Tax Rate (%)	25.9	26.3	25.6	25.1	25.3	25.3	25.3	25.3
Reported PAT	6,120	8,936	14,881	20,830	27,105	36,456	45,893	57,620
PAT Adj for EO items	6,120	8,992	14,422	20,830	27,105	36,456	45,893	57,620
Change (%)	-0.9	46.9	60.4	44.4	30.1	34.5	25.9	25.6

Standalone - Balance Sheet

(INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	475	475	475	475	475	475	475	475
Total Reserves	41,234	47,745	60,003	76,835	98,891	128,696	166,275	213,443
Net Worth	41,710	48,220	60,479	77,310	99,367	129,172	166,750	213,918
Deferred Liabilities	1,955	1,979	1,982	1,871	2,659	2,659	2,659	2,659
Total Loans	10,829	16,006	22,446	15,134	17,349	18,349	16,349	14,349
Capital Employed	54,493	66,205	84,906	94,315	119,375	150,180	185,758	230,926
Gross Block	63,490	72,064	79,879	87,263	97,555	115,555	135,555	157,555
Less: Accum. Deprn.	33,387	38,998	43,920	49,545	54,092	63,096	73,391	85,116
Net Fixed Assets	30,104	33,066	35,959	37,719	43,464	52,460	62,164	72,440
Capital WIP	2,787	4,245	6,277	9,301	12,388	12,388	12,388	12,388
Total Investments	33,862	48,538	61,740	71,891	95,642	120,642	151,642	190,642
Curr. Assets, Loans&Adv.	35,223	32,628	35,948	41,712	48,135	62,392	71,442	83,886
Inventory	11,518	11,227	12,364	13,708	17,257	22,150	26,125	30,767
Account Receivables	8,700	9,507	9,551	13,021	12,801	16,430	19,379	22,822
Cash and Bank Balance	8,590	3,288	2,344	4,858	2,936	3,967	3,119	4,005
Loans and Advances	6,415	8,607	11,690	10,124	15,142	19,844	22,819	26,292
Curr. Liability & Prov.	47,482	52,273	44,050	54,616	65,937	83,385	97,561	114,113
Account Payables	45,557	49,815	41,306	51,122	61,537	78,984	93,160	109,712
Provisions & other CL	1,925	2,458	2,744	3,495	4,401	4,401	4,401	4,401
Net Current Assets	-12,259	-19,644	-8,102	-12,905	-17,802	-20,993	-26,119	-30,227
Appl. of Funds	54,493	66,205	84,906	94,315	119,375	150,180	185,758	230,926

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	12.9	18.9	30.4	43.8	57.1	76.7	96.6	121.3
Growth (%)	-0.9	46.9	60.4	44.4	30.1	34.5	25.9	25.6
Cash EPS	23.3	31.8	43.6	58.6	72.7	95.7	118.3	146.0
BV/Share	87.8	101.5	127.3	162.7	209.1	271.9	351.0	450.3
DPS	3.5	4.5	5.0	8.0	10.0	14.0	17.5	22.0
Payout (%)	27.2	23.9	16.0	18.2	17.5	18.2	18.1	18.1
Valuation (x)								
P/E	288.7	196.5	122.5	84.8	65.2	48.5	38.5	30.7
Cash P/E	159.8	117.0	85.2	63.5	51.1	38.9	31.4	25.5
P/BV	42.4	36.6	29.2	22.9	17.8	13.7	10.6	8.3
EV/Sales	10.6	8.6	6.8	5.6	4.9	3.8	3.2	2.7
EV/EBITDA	123.8	91.8	66.9	50.6	40.0	29.9	24.6	19.9
Dividend Yield (%)	0.1	0.1	0.1	0.2	0.3	0.4	0.5	0.6
Return Ratios (%)								
EBITDA Margins (%)	8.5	9.3	10.1	11.1	12.3	12.8	13.2	13.8
Net Profit Margins (%)	3.7	4.3	5.5	6.6	7.5	7.8	8.4	8.9
RoE	15.7	20.0	26.5	30.2	30.7	31.9	31.0	30.3
RoCE	17.8	23.1	28.3	33.8	36.0	38.4	38.1	38.2
RoIC	37.2	74.0	86.2	109.8	144.4	163.2	164.1	172.0
Operating Ratios								
Fixed Asset Turnover (x)	2.6	2.9	3.3	3.6	3.7	4.0	4.0	4.1
Inventory (Days)	25.1	19.7	17.1	15.7	17.4	17.4	17.4	17.4
Debtor (Days)	19	17	13	15	13	13	13	13
Creditor (Days)	99	88	57	59	62	62	62	62
Working Capital (Days)	-45	-40	-14	-20	-21	-20	-19	-19
Leverage Ratio (x)								
Current Ratio	0.7	0.6	0.8	0.8	0.7	0.7	0.7	0.7
Debt/Equity	0.3	0.3	0.4	0.2	0.2	0.1	0.1	0.1

Standalone - Cash Flow Statement

(INR M)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
NP/ (Loss) bef Tax and EO	8,262	12,132	20,004	27,807	36,288	48,804	61,436	77,135
Depreciation	4,937	6,114	6,312	7,004	7,446	9,004	10,296	11,724
Interest & Finance Charges	1,416	1,259	1,407	1,816	1,387	1,963	1,561	1,381
Direct Taxes Paid	2,020	3,100	4,826	6,162	8,314	12,347	15,543	19,515
(Inc)/Dec in WC	12,918	-962	-2,051	5,359	6,138	4,223	4,277	4,994
CF from Operations	25,513	15,444	20,846	35,824	42,945	51,647	62,027	75,720
Others	96	-469	-918	349	-288	-120	-850	-1,050
CF from Operations	25,609	14,976	19,929	36,173	42,657	51,527	61,177	74,670
(inc)/dec in FA	-5,557	-7,279	-9,968	-10,555	-18,010	-18,000	-20,000	-22,000
Free Cash Flow	20,052	7,697	9,960	25,618	24,647	33,527	41,177	52,670
CF from Investments	-9,206	-21,410	-23,118	-18,963	-38,708	-42,880	-50,150	-59,950
(Inc)/Dec in Debt	-10,700	1,300	3,100	-4,400	-261	1,000	-2,000	-2,000
Interest Paid	-1,129	-1,231	-1,371	-2,137	-1,384	-1,963	-1,561	-1,381
Dividend Paid	-998	-1,904	-2,918	-3,801	-4,790	-6,651	-8,314	-10,452
CF from Fin. Activity	-11,956	1,132	2,245	-14,696	-5,871	-7,615	-11,876	-13,834
Inc/Dec of Cash	4,447	-5,302	-944	2,515	-1,923	1,032	-849	887
Add: Beginning Balance	4,143	8,590	3,287	2,343	4,858	2,936	3,967	3,119
Closing Balance	8,590	3,287	2,343	4,858	2,936	3,967	3,119	4,005

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

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on www.motilaloswal.com > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).

6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

received compensation/other benefits from the subject company in the past 12 months

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.