

Q3FY26 Result Update | Automobile | 30 January 2026

Maruti Suzuki India Ltd

Improved demand sentiments, Growth outlook improving, Upgrade to BUY

Maruti's Q3FY26 operational performance was lower than our estimates because of lower-than-expected realization. Also, operating margin remained lower than our estimates. Higher RM cost led to gross margin dip of 223bps YoY & 75bps QoQ to 27.3% in Q3FY26 due to adverse commodity prices impact & Rare earth element issues. EBITDA margin dipped by 190bps YoY & 84bps QoQ to 11.2% led by model price cuts & forex related adjustments. The company amalgamated SMG corporation in this quarter. Management remained optimistic that PV industry grew by 20.5% in Q3 vs ~0.4% decline in H1FY26 & will continue to grow with healthy rates in the coming years. Maruti outperformed industry growth by 150bps supported by GST rate cut, robust SUV trend, smaller car segment picking up, stronger exports market & it will continue to outperform industry growth. After a lull, rural markets have also started to perform & is expected to continue led by better monsoon driving entry level cars. The company is prompting the expansion of Nexa outlets in areas where demand for higher-priced models is increasing. The outlook for CNG is healthy, with fuel pumps expected to increase, alongside growing acceptance and model offerings. The company is committed to launching 8 new SUVs excl. Victoris and eVitara, by FY31, targeting a capacity of 4mn units and around 800K exports. The company is also pursuing backward integration and localization in EVs with support from Suzuki Corp. These initiatives are expected to enhance Maruti's market share and help it retain its leadership position. The new Kharkhoda plant ramp up will lead to higher volumes of EV vehicles. New model launches and refreshes will drive volume growth supported by increasing mix of SUVs, CNG & Hybrid vehicles. The company is also revitalizing the hatchback segment which should be positive over the longer term. Near-term uncertainties like slowing domestic volume growth, dwindling of consumer disposable incomes & uncertain export market are now behind. We have tweaked our EBITDA estimates upwards in lieu of SMG Corp amalgamation as some cost items earlier were booked in other expense which will now flow to depreciation keeping EBIT & PAT estimates constant for the next 2 years. Last quarter we upgraded our target multiple factoring GST rate cut benefits, improved demand sentiment & uptick in rural. We maintain our target multiple of 28x & roll forward our valuations to March 28E EPS of Rs 662 & arrive at a target price of Rs 18,548 per share, upside of ~28% from current valuations. Therefore, we upgrade to BUY rating on the stock.

Q3FY26 Result Analysis - Performance lower than estimates

- Revenue/EBITDA/PAT lower than our est. by 2%/16%/24%. Total volumes grew by ~18% YoY, while realization witnessed growth of ~9% YoY taking the overall revenue growth to ~29% on YoY basis. EBITDA margin at 11.2% was below est. by 196bps. The company took impact of Rs5.93bn of the new labour codes, we have adjusted for the same. Adj. PAT was up by ~16% on YoY basis, lower than est. by ~15%.
- The domestic PV industry saw robust ~20.5% YoY growth in Q3FY26, rebounding from a ~0.4% decline in H1FY26. Maruti's domestic volumes rose ~22% in Q3FY26 (vs. 5.8% decline in H1FY26), fueled mainly by the small car segment in the 18% GST bracket.
- Gross per unit improved by ~1% YoY to Rs 2.04 lakhs supported by better product mix. EBITDA per unit also improved by ~3% YoY led by operating leverage & cost control benefits despite higher advertising expenses & one-off model price corrections.

Y/E Mar (Rs mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	3QFY26e	Var (%)
Volumes (No)	667,769	566,213	17.9	550,874	21.2	667,769	-
Realization (Rs)	747,137	684,412	9.2	768,457	(2.8)	759,697	(1.7)
EBITDA/unit (Rs)	83,438	89,447	(6.7)	92,304	(9.6)	99,697	(16.3)
Revenues	498,915	387,523	28.7	423,323	17.9	507,302	(1.7)
Gross margin (%)	27.3	29.5	(223) bps	28.1	(75) bps	-	-
EBITDA	55,717	50,646	10.0	50,848	9.6	66,575	(16.3)
EBITDA margin (%)	11.2	13.1	(190) bps	12.0	(84) bps	13.1	(196) bps
Other income	10,543	10,672	(1.2)	9,661	9.1	-	-
PBT	48,300	46,568	3.7	42,909	12.6	-	-
Taxes paid	10,360	9,975	3.9	9,881	4.8	-	-
Effective tax rate (%)	21.4	21.4	3 bps	23.0	(158) bps	-	-
Reported PAT	37,940	36,593	3.7	33,028	14.9	49,921	(24.0)
PAT margin (%)	7.6	9.4	(184) bps	7.8	(20) bps	9.8	(224) bps
Adjusted PAT	42,394	36,593	15.9	33,028	28.4	49,921	(15.1)

Source: Company, SMIFS Research *Note- Q3FY26 employee benefit expenses include one off expense of Rs. 5,939 mn related to new labour code

Standalone Y/E Mar (Rs mn)	Revenue	YoY (%)	EBITDA	EBITDA (%)	Adj PAT	YoY (%)	Adj EPS	RoE (%)	RoCE (%)	Adj P/E (x)	EV/EBITDA (x)
FY24	1,409,326	19.9	164,011	11.6	132,094	64.1	431	18.3	15.9	23.5	15.5
FY25	1,519,001	7.8	177,852	11.7	139,552	5.6	444	15.7	15.0	27.4	18.0
FY26E	1,836,353	20.9	219,250	11.9	158,809	13.8	505	16.0	15.3	28.7	17.6
FY27E	1,983,829	8.0	244,321	12.3	178,768	12.6	569	16.1	15.3	25.5	15.4
FY28E	2,191,582	10.5	280,372	12.8	208,274	16.5	662	16.7	15.9	21.9	13.0

Source: Company, SMIFS Research Estimates



SMIFS LIMITED
LEGACY | TRUST | GROWTH

Rating: **BUY** Return: **~28%**
Current Price: **14,500** Target Price: **18,548**

Earlier recommendation

Previous Rating: Accumulate
Previous Target Price: 17,242
Source: SMIFS Research

Market data

Bloomberg: MSIL IN
52-week H/L (Rs): 17,372/11,072
Mcap (Rs bn/USD bn): 4,677/50.8
Shares outstanding (mn): 314
Free float: 42.0%
Daily vol. (3M Avg): 0.36mn
Face Value (Rs): 5
Source: SMIFS Research

Shareholding pattern (%)

	Dec-25	Sep-25	Jun-25	Mar-25
Promoter	58.3	58.3	58.3	58.3
FII's	15.8	15.8	15.2	15.0
DII's	22.9	22.6	23.3	23.6
Public/others	3.0	3.3	3.2	3.1

Source: SMIFS Research

Pro. Pledging

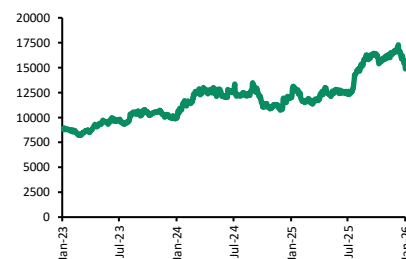
Promoters pledged shares 0.0 0.0 0.0 0.0
Source: BSE

Price performance (%) *

	1M	3M	12M	36M
Nifty 50	-2.0	-2.4	9.7	44.4
NIFTY 500	-2.3	-3.4	8.9	55.5
MSIL	-12.3	-10.1	21.1	66.0

*as on 29th Jan'26; Source: AceEquity, SMIFS Research

3 Year Price Performance Chart



Source: NSE

Aditya Khetan

Sector Lead – Auto & Ancillary
+91 9004126470/ 022-4200 5512
aditya.khetan@smifs.co.in

Niraj Vajifdar

Research Associate- Auto & Ancillary
+91 9987 445430/022 42005516
niraj.vajifdar@smifs.com

Demand related uncertainty behind now, led by GST rate cuts & rural uptick, exports market continuing its strong growth momentum

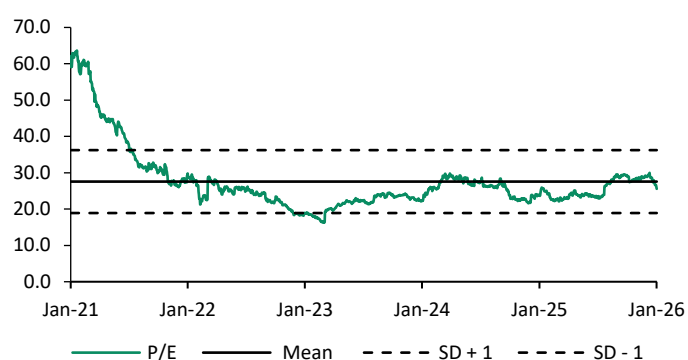
- Total volumes are projected to grow by ~10% (earlier ~9%) CAGR from FY25-28E, reaching ~2.96mn units.
- Maruti's domestic volumes grew by around 10.4% over the past three years. It's now expected to increase by a ~8% CAGR from FY25-28E, largely led by demand improvement in small car segment & continued SUV trend post GST rate rationalization.
- Maruti is well-positioned among its peers due to its extensive CNG portfolio and hybrid vehicles. As EV adoption in cars faces cost and infrastructure challenges, hybrids are currently the best option, where Maruti holds an advantage over its competitors.
- The company exports market is expected to grow by ~21% CAGR (in line compared with last estimate) over FY25-28E.
- Growth will be driven by leveraging the international distribution network of Suzuki/Toyota and increased activity in African and Middle Eastern markets.

Margins recovery visible despite some near-term pressures led by sustained improvement visible supported by robust SUV trend & better exports

- In the coming years, EBITDA margin is expected to improve, driven by a higher SUV mix (projected to rise from 39.3% in FY25 to 44% in FY28E) & increased export contribution (from ~15% in FY25 to 20% in FY28E) because of operating leverage, lower promotional expenses, getting offset slightly by higher overheads from new plant & cost increase led by 6 airbags.
- Although, higher commodity prices largely of steel could pose some near term headwind on margins, although better operating leverage & robust product mix could largely offset it.
- Overall, we anticipate EBITDA margins to improve from 11.7% from FY25 to 12.8% in FY28E.

Outlook and Valuations

- **Growth rebounded from earlier softness backed by prompt govt initiatives & boosting rural incomes, the long-term outlook is positive for the company**, as renewed efforts are particularly visible in the SUV space. The goal of achieving a dominant position, along with strong traction in CNG/Hybrid vehicles and benefits from new SUV launches, should support better growth than the industry average in the coming years but higher competitive intensity by rivals with new launches in pipeline by competitors will keep market share in check.
- Factoring SMG amalgamation, we have tweaked our EBITDA estimates upwards as earlier accounting method followed classification of cost under other expense which will now be classified under depreciation naturally upgrading EBITDA estimates but EBIT & PAT estimates will remain constant for FY27E/28E factoring despite slightly better volume growth & increasing export presence.
- We maintain our target multiple of 28x & roll forward our valuations to March 28E of Rs 662 to arrive at a target price of Rs 18,548 per share, upside of ~28% from the current valuations. We upgrade to **BUY** rating on the stock from earlier **ACCUMULATE** rating.
- **Downside risks** include commodity inflation.

Fig 1: 1-year forward P/E


Source: AceEquity, SMIFS research

Fig 2: 1-year forward EV/EBITDA


Source: AceEquity, SMIFS research

Fig 3: Changes in estimates

Rs (mn)	New estimates			Old estimates			Change (%)		
	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e	FY26e	FY27e	FY28e
Total Volumes (No)	2,469,575	2,700,145	2,960,694	2,457,813	2,696,764	2,920,806	0.5%	0.1%	1.4%
Revenue	1,836,353	1,983,829	2,191,582	1,732,011	1,968,524	2,169,801	6.0%	0.8%	1.0%
Gross Profit	504,997	555,472	624,601	476,303	547,250	609,714	6.0%	1.5%	2.4%
Gross Margin (%)	27.5	28.0	28.5	27.5	27.8	28.1	0 bps	20 bps	40 bps
EBITDA	219,250	244,321	280,372	187,337	222,594	255,488	17.0%	9.8%	9.7%
EBITDA Margin (%)	11.9	12.3	12.8	10.8	11.3	11.8	112 bps	101 bps	102 bps
PAT	158,809	178,768	208,274	154,927	179,681	207,523	2.5%	-0.5%	0.4%
EPS (Rs)	505	569	662	493	571	660	2.5%	-0.5%	0.4%

Source: Company, SMIFS Research

Fig 4: Quarterly volume analysis

Volume analysis (No)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Total Domestic Sales	564,669	466,993	20.9	440,387	28.2	1,435,945	1,382,135	564,669
% of total volumes	84.6	82.5	208 bps	79.9	462 bps	82.2	84.8	84.6
Total Export Sales	103,100	99,220	3.9	110,487	(6.7)	310,559	247,496	103,100
% of total volumes	15.4	17.5	(208) bps	20.1	(462) bps	17.8	15.2	15.4
Total Volumes	667,769	566,213	17.9	550,874	21.2	1,746,504	1,629,631	667,769
Net Revenues (Rs mn)	498,915	387,523	28.7	423,323	17.9	1,306,374	1,114,865	498,915
Blended realization (Rs)	747,137	684,412	9.2	768,457	(2.8)	747,994	684,121	747,137

Source: Company, SMIFS Research

Q3FY26 – Key takeaways from the management call

Domestic segment: Post-GST reforms, the PV industry saw robust ~20.5% YoY growth in Q3FY26, rebounding from a ~0.4% decline in H1FY26. Maruti's domestic volumes rose ~22% in Q3FY26 (vs. 5.8% decline in H1FY26), fueled mainly by the small car segment in the 18% GST bracket. First-time buyers now make up 47% of sales (up from 40% pre-GST), with more 2W owners upgrading to small cars. Q3 retail volumes reached ~684k units. Dealer network inventory stood at record low of 3-4 days at end December 2025, due to ongoing robust demand momentum post GST. MSIL has a healthy order book of ~175k units. Further, to fulfil pending orders and capitalize on rising demand, the Kharkhoda second facility will start operations by April 2026, and Gujarat's fourth line will follow shortly after—each adding 250k units capacity. Further, MSIL has proposed new greenfield facility for 1mn units at Gujarat. MSIL plans to introduce eight additional SUV models in India by FY2031, excluding the recently launched Victoris and E Vitara. The newly launched Victoris has seen a positive response, though the company is facing supply issues to meet rising demand and is accelerating capacity expansion. Further in mass market segment model Wagonr, MSIL has come up with swivel seats to provide convenience to elderly and disabled customers.

Exports: Export revenue hit ~Rs 82 bn in Q3, with ~46% market share in CY25. Volumes in Q3 were hampered by logistical shipment delays. MSIL remains on track for FY26 export target of ~400k units. Exported ~13k E-Vitara units to 28 countries (UK as top market); initial Victoria shipments of 400-500 units have begun. The growth momentum in exports is expected to persist, offsetting trade/tariff risks via a diversified base across 100+ countries. Preliminary India-EU FTA terms appear favorable, as reduced tariffs apply only to vehicles above ~Rs 25 lakhs. Further, to benefit Maruti's increasing presence in EU and UK market, though details are yet to be seen.

EV sales: Sales of the E-Vitara to the overseas market have commenced, with around 13k units exported to 28 countries, with UK being top market. Expect domestic launch soon of e-VITARA. Further, MSIL is working on charging infrastructure and has collaborated with 13 charging operators and has long term target of over ~100k charging point across the country by 2030. MSIL to also introduce multiple EVs in coming years.

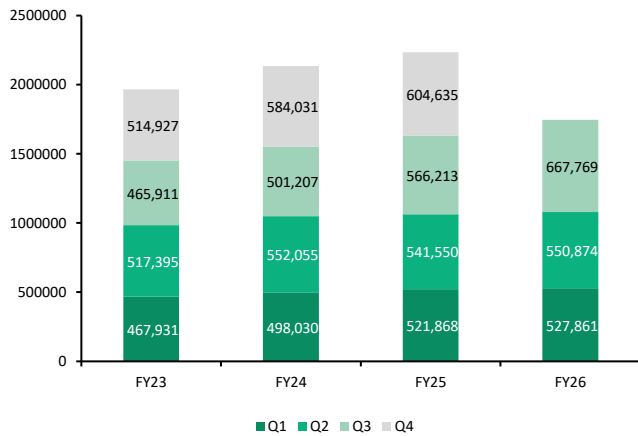
Margins: Q3 EBIT margin impacted sequentially due to adverse commodity costs (-60bps), Rare Earth Element issues (-20bps), higher fixed cost leverage from inventory drawdown (-50bps), negative forex (-15bps), model price cuts (-70bps), and one-off new labour code costs (-125bps). This was partly offset by operating leverage (+190bps) and better product mix/lower promotions (+120bps). PGM content is ~2% of net sales; Rare Earth impact stemmed from constrained importing larger sub-assemblies (higher costs). Long-term resolution expected via India's domestic Rare Earth production. Steel (key commodity) can't be hedged but is negotiated quarterly; other commodities use targeted hedging based on future trends. No price hikes implemented, preserving post-GST demand momentum. SMG amalgamation won't affect EBIT margins; EBITDA will rise as prior SMG depreciation (treated as lease rentals in other expenses) and related material costs shift.

Capacity expansion plans: The Kharkhoda second facility will start operations by April 2026, and Gujarat's fourth line will follow shortly after—each adding 250k units capacity. The company has signed an MoU with the Gujarat government to set up a 1mn unit plant by FY29E and has earmarked Rs350bn of capex.

Other key highlights: Capex guidance: Rs 100 bn for the year. MSIL remains aligned with Suzuki Motor Corporation's strategic vision of regaining ~50% domestic market share, achieving a 10% EBIT margin, and scaling up exports with a focus on electric vehicles.

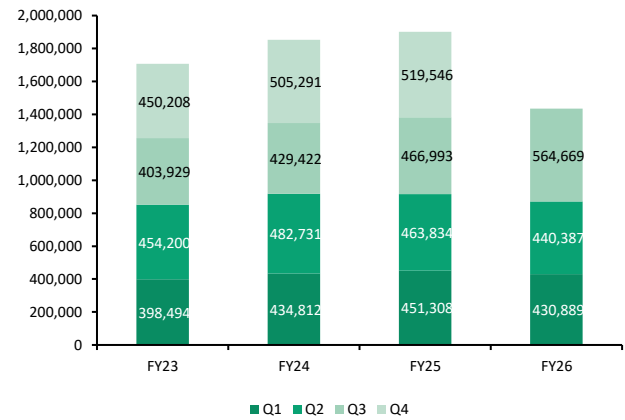
Key Charts

Fig 5: Quarterly Total Volumes (in units)



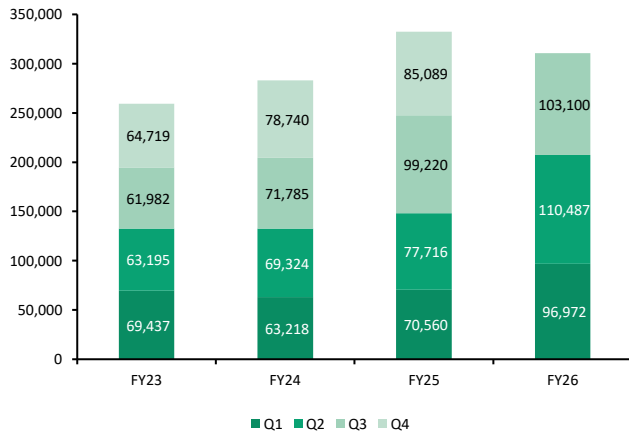
Source: Company, SMIFS research

Fig 6: Quarterly Domestic volumes (in units)



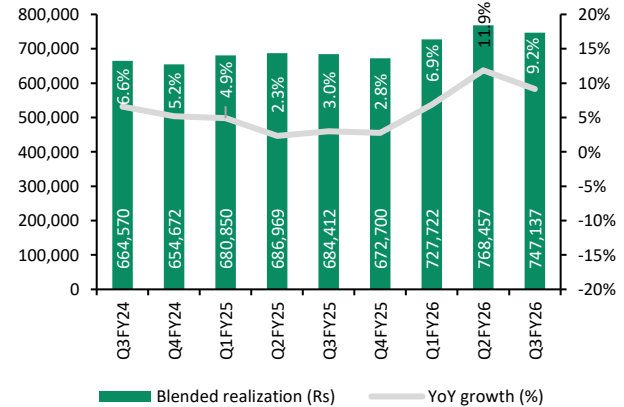
Source: Company, SMIFS research

Fig 7: Quarterly Export volumes (in units)



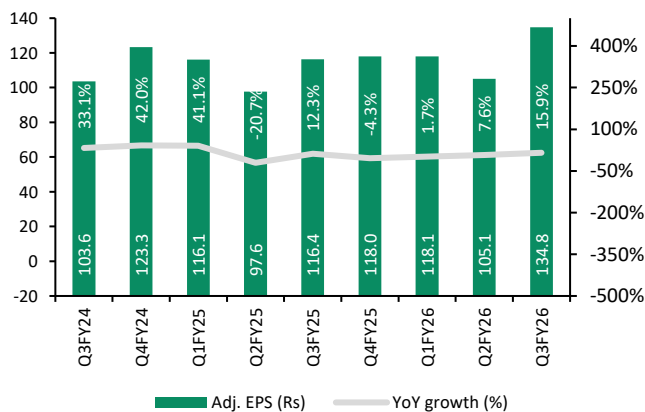
Source: Company, SMIFS research

Fig 8: Quarterly blended realization and growth



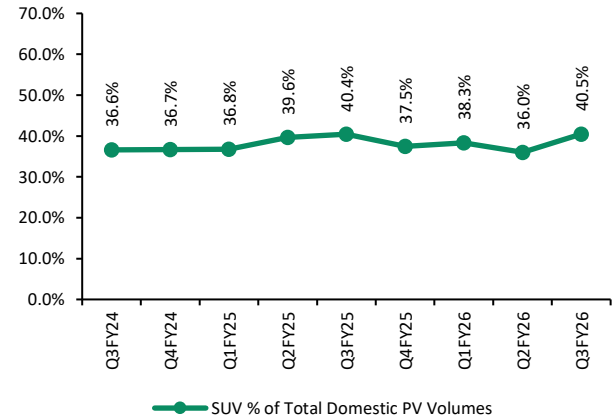
Source: Company, SMIFS research

Fig 9: Quarterly Adj. EPS & growth

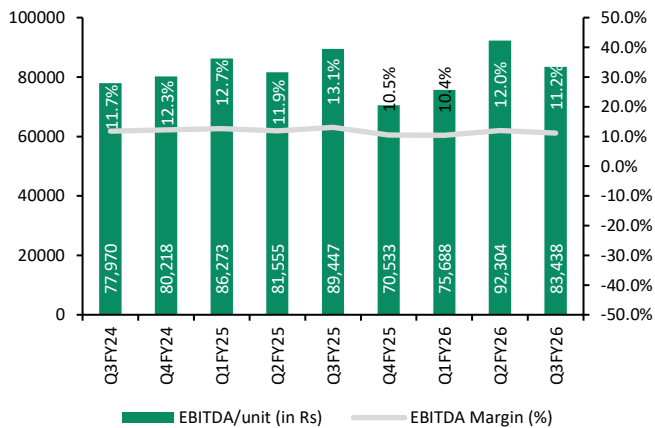


Source: Company, SMIFS research

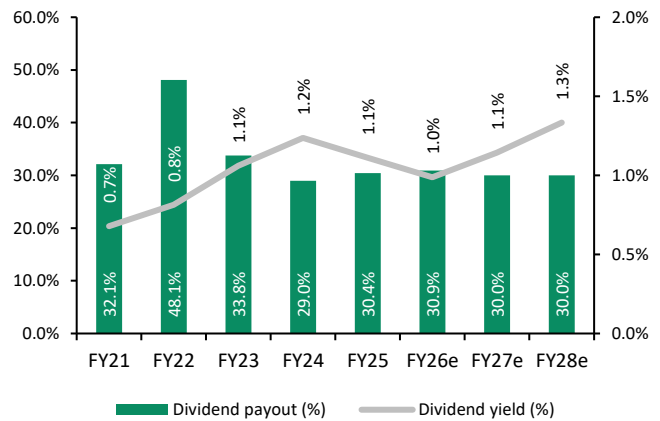
Fig 10: SUV mix



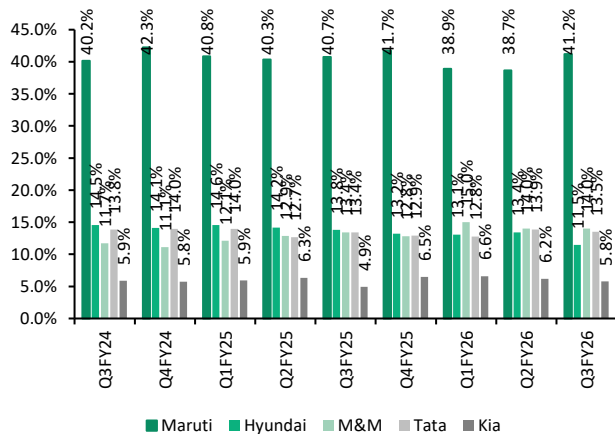
Source: Company, SMIFS research

Fig 11: Quarterly EBITDA per unit & margin


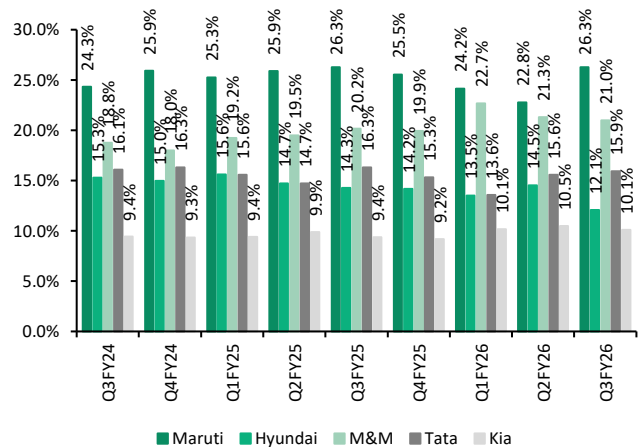
Source: Company, SMIFS research

Fig 12: Dividend payout & yield (%)


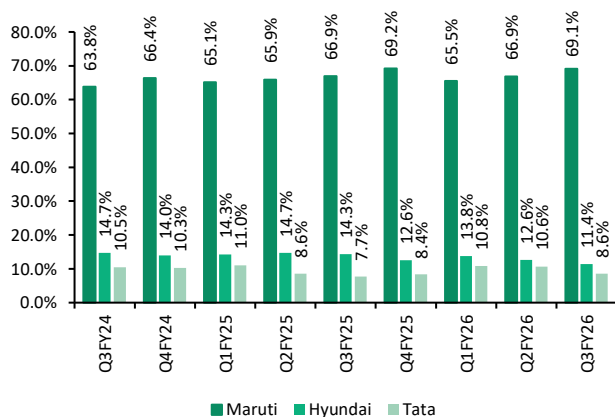
Source: Company, SMIFS research

Fig 13: Quarterly Domestic total PV market share trend (%)


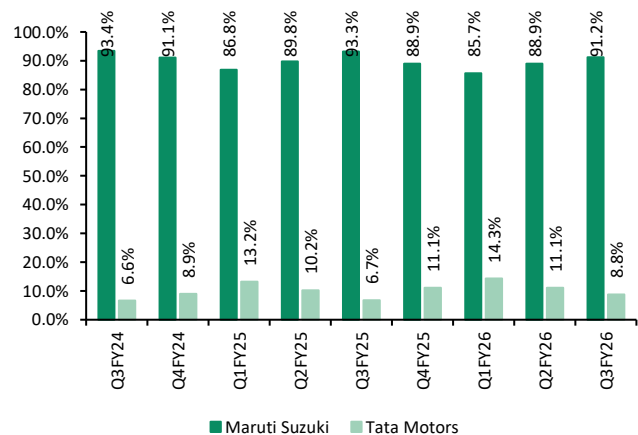
Source: Company, SMIFS research

Fig 14: Quarterly Domestic UV market share trend (%)


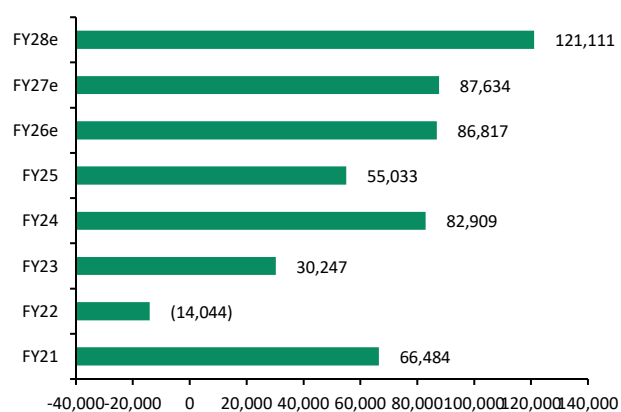
Source: Company, SMIFS research

Fig 15: Quarterly Domestic passenger cars market share


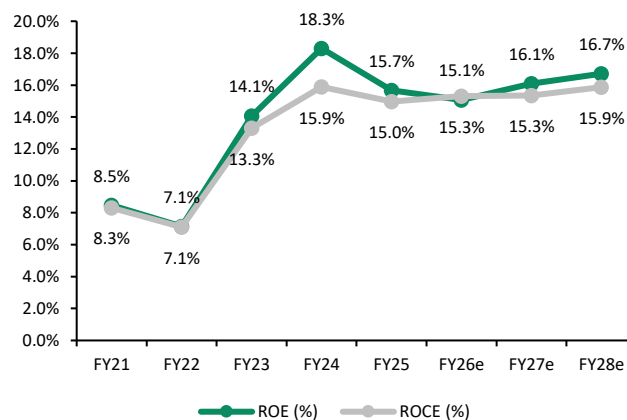
Source: Company, SMIFS research

Fig 16: Quarterly Domestic vans market share


Source: Company, SMIFS research

Fig 17: Adjusted FCF (Rs mn)


Source: Company, SMIFS research

Fig 18: ROE & ROCE trend (%)


Source: Company, SMIFS research

Quarterly financials, operating metrics and key performance indicators

Fig 19: Quarterly Financials

Y/E March (Rs mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Sales	382,349	355,314	372,028	387,523	406,738	384,136	423,323	498,915
Raw Materials	272,884	249,329	267,459	273,045	292,353	277,296	304,569	362,673
Employee Costs	13,662	15,576	14,688	17,799	15,691	17,752	20,456	26,929*
Other Expenditure	48,953	45,386	45,715	46,033	56,047	49,135	47,450	53,596
EBITDA	46,850	45,023	44,166	50,646	42,647	39,953	50,848	55,717
Depreciation	7,290	7,310	7,509	14,287	8,724	9,375	17,028	17,343
Interest	762	573	402	463	472	466	572	617
Other Income	11,180	9,751	14,750	10,672	14,466	18,230	9,661	10,543
PBT	49,978	46,891	51,005	46,568	47,917	48,342	42,909	48,300
Tax	11,200	10,392	20,313	9,975	10,806	11,225	9,881	10,360
Tax rate (%)	22.4	22.2	39.8	21.4	22.6	23.2	23.0	21.4
Reported PAT	38,778	36,499	30,692	36,593	37,111	37,117	33,028	37,940
Adjusted PAT	38,778	36,499	30,692	36,593	37,111	37,117	33,028	42,394
YoY Growth (%)								
Revenue	19.3	9.9	0.4	16.3	6.4	8.1	13.8	28.7
EBITDA	39.8	50.9	(7.7)	29.6	(9.0)	(11.3)	15.1	10.0
PAT	47.8	46.9	(17.4)	16.9	(4.3)	1.7	7.6	15.9
QoQ Growth (%)								
Revenue	14.8	(7.1)	4.7	4.2	5.0	(5.6)	10.2	17.9
EBITDA	19.9	(3.9)	(1.9)	14.7	(15.8)	(6.3)	27.3	9.6
PAT	23.9	(5.9)	(15.9)	19.2	1.4	0.0	(11.0)	28.4
Margin (%)								
RMC/revenue (%)	71.4	70.2	71.9	70.5	71.9	72.2	71.9	72.7
Gross margin (%)	28.6	29.8	28.1	29.5	28.1	27.8	28.1	27.3
Employee cost/revenue (%)	3.6	4.4	3.9	4.6	3.9	4.6	4.8	5.4
Other expenses/revenue (%)	12.8	12.8	12.3	11.9	13.8	12.8	11.2	10.7
EBITDA margin (%)	12.3	12.7	11.9	13.1	10.5	10.4	12.0	11.2
PAT margin (%)	10.1	10.3	8.2	9.4	9.1	9.7	7.8	8.5

Source: Company, SMIFS Research, *Note- Q3FY26 employee benefit expenses include one off expense of Rs. 5,939 mn related to new labour code

Fig 20: Key Assumptions

Operating Details	FY23	FY24	FY25	FY26e	FY27e	FY28e
Domestic sales volume						
Passenger cars	1,109,550	980,446	904,909	959,204	1,007,164	1,057,522
Utility vehicles	366,129	642,296	720,186	806,608	887,269	975,996
Vans	131,191	137,139	135,672	145,169	152,427	160,049
LCVs	38,006	33,763	34,492	35,182	36,941	38,788
Sales to other OEMs	61,955	58,612	106,422	117,064	128,771	141,648
Total domestic volume sales	1,706,831	1,852,256	1,901,681	2,063,227	2,212,572	2,374,002
Growth (%)	20.7	8.5	2.7	8.5	7.2	7.3
Total exports volume sales						
Total exports volume sales	259,333	283,067	332,585	406,348	487,573	586,692
Growth (%)	8.8	9.2	17.5	22.2	20.0	20.3
Total volume sales						
Total volume sales	1,966,164	2,135,323	2,234,266	2,469,575	2,700,145	2,960,694
Growth (%)	19.0	8.6	4.6	10.5	9.3	9.6
Total revenues (Rs mn)						
Total revenues (Rs mn)	1,175,229	1,409,326	1,519,001	1,836,353	1,983,829	2,191,582
Blended realization (Rs)						
Blended realization (Rs)	597,727	660,006	679,866	743,591	734,712	740,226
Growth (%)	11.9	10.4	3.0	9.4	(1.2)	0.8
EBITDA/unit (Rs)						
EBITDA/unit (Rs)	55,986	76,809	79,602	88,781	90,484	94,698
Growth (%)	62.3	37.2	3.6	11.5	1.9	4.7

Source: Company, SMIFS Research

Financial Statements (Standalone)

Income Statement					
YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenues	1,409,326	1,519,001	1,836,353	1,983,829	2,191,582
Raw Materials	1,006,067	1,084,708	1,331,356	1,428,357	1,566,981
% of sales	71.4	71.4	72.5	72.0	71.5
Personnel	54,784	61,370	81,008	89,312	98,466
% of sales	3.9	4.0	4.4	4.5	4.5
Other Expenses	184,464	195,071	204,738	221,840	245,763
% of sales	13.1	12.8	11.1	11.2	11.2
EBITDA	164,011	177,852	219,250	244,321	280,372
Other Income	38,548	47,504	49,626	56,748	64,955
Depreciation &	30,223	31,593	61,742	68,576	74,945
EBIT	172,336	193,763	207,134	232,493	270,382
Finance cost	1,932	1,931	2,028	1,825	1,642
Core PBT	131,856	144,328	155,480	173,920	203,785
Exceptional items	-	-	5,939	-	-
PBT	170,404	191,832	199,167	230,668	268,740
Tax-Total	38,310	52,280	44,813	51,900	60,467
Tax Rate (%) - Total	22.5	27.3	22.5	22.5	22.5
Reported PAT	132,094	139,552	154,354	178,768	208,274
Adjusted PAT	132,094	139,552	158,809	178,768	208,274

Source: Company, SMIFS Research

Key Ratios					
YE March	FY24	FY25	FY26E	FY27E	FY28E
Growth Ratios (%)					
Net Sales	19.9	7.8	20.9	8.0	10.5
EBITDA	49.0	8.4	23.3	11.4	14.8
Net Profit	64.1	5.6	13.8	12.6	16.5
Margin Ratio (%)					
Gross Profit	28.6	28.6	27.5	28.0	28.5
EBITDA	11.6	11.7	11.9	12.3	12.8
EBIT	12.2	12.8	11.3	11.7	12.3
Core PBT	9.4	9.5	8.5	8.8	9.3
Adj. PAT	9.4	9.2	8.6	9.0	9.5
Return Ratios					
ROE	18.3	15.7	16.0	16.1	16.7
ROCE	15.9	15.0	15.3	15.3	15.9
Turnover Ratios (days)					
Gross Block Turnover (x)	3.5	3.3	3.3	3.0	2.8
Adj. OCF/ Adj. PAT (%)	113	99	122	115	114
Inventory	11	12	12	12	12
Debtors	12	16	16	16	16
Creditors	38	42	42	42	42
Cash Conversion Cycle	(15)	(14)	(14)	(14)	(14)
Solvency ratio (x)					
Debt-equity	0.0	0.0	0.0	0.0	0.0
Net Debt-Equity	(0.7)	(0.7)	(0.7)	(0.7)	(0.7)
Gross Debt/EBITDA	0.0	0.0	0.0	0.0	0.0
Current ratio	0.9	1.1	1.3	1.5	1.7
Interest coverage ratio	89.2	100.3	102.2	127.4	164.6
Dividend					
DPS (Rs.)	125	135	147	171	199
Dividend Yield (%)	1.2	1.1	1.0	1.2	1.4
Dividend Payout (%)	29.0	30.4	29.2	30.0	30.0
Per share (Rs.)					
Basic EPS (reported)	431	444	491	569	662
Adjusted EPS	431	444	505	569	662
CEPS	530	544	701	787	901
BV	2,741	2,991	3,335	3,733	4,197
Valuation					
P/E	23.5	27.4	28.7	25.5	21.9
P/BV	3.1	2.8	2.5	2.3	2.0
EV/EBITDA	15.5	18.0	17.6	15.4	13.0
EV/Sales	1.8	2.1	2.1	1.9	1.7
Adj Mcap/Core PBT	19.3	22.2	24.8	21.6	17.9
Adj Mcap/Adj OCF	17.0	23.1	19.9	18.4	15.3

Source: Company, SMIFS Research

Balance Sheet					
YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Sources of funds					
Capital	1,572	1,572	1,572	1,572	1,572
Reserves & Surplus	838,248	938,895	1,046,943	1,172,081	1,317,872
Shareholders' Funds	839,820	940,467	1,048,515	1,173,653	1,319,444
Total Loan Funds	1,186	764	764	764	764
Other non-current liabilities	33,064	47,990	55,812	61,338	68,698
Total Liabilities	874,070	989,221	1,105,092	1,235,755	1,388,906
Application of funds					
Gross Block	419,158	510,692	613,692	719,418	825,776
Net Block	181,129	245,228	291,105	333,663	371,275
Capital WIP	63,034	53,575	53,575	61,349	68,127
Quasi cash investments	513,016	556,280	556,280	556,280	556,280
Other investments	132,999	133,179	133,179	133,179	133,179
Other non-current assets	35,046	35,418	40,603	43,012	46,406
Inventories	41,196	51,230	61,933	66,907	73,914
Sundry Debtors	46,013	65,377	79,036	85,383	94,325
Current investments	39,122	55,604	55,604	55,604	55,604
Cash & Bank Balances	4,600	10,514	98,402	186,494	307,062
Other current Assets	46,693	49,797	55,960	61,245	67,396
Total Current Assets	177,624	232,522	350,935	455,632	598,300
Sundry Creditors	145,824	174,211	210,607	227,521	251,348
Other Current Liabilities	82,954	92,770	109,978	119,839	133,313
Total Current Liabilities	228,778	266,981	320,585	347,360	384,661
Net Current Assets	(51,154)	(34,459)	30,350	108,272	213,639
Total Assets	874,070	989,221	1,105,092	1,235,755	1,388,906

Source: Company, SMIFS Research

Cash Flow					
YE March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Operating profit before WC changes					
Net chg in working capital	22,777	(1,052)	25,717	13,286	19,168
Income taxes paid (net)	(35,557)	(37,818)	(44,813)	(51,900)	(60,467)
Cash flow from operating activities (a)	151,670	140,124	194,982	206,550	240,001
Adjusted OCF	149,738	138,193	192,955	204,725	238,359
Capital expenditure	(66,829)	(83,160)	(106,138)	(117,091)	(117,248)
Adj. Free Cash Flow	82,909	55,033	86,817	87,634	121,111
Cash flow from investing activities (b)					
Debt	(11,827)	(331)	-	-	-
Interest and Lease expenses	(1,605)	(1,855)	(2,028)	(1,825)	(1,642)
Dividend Paid	(27,187)	(39,300)	(46,306)	(53,630)	(62,482)
Cash flow from financing activities (c)	(40,619)	(41,486)	(48,334)	(55,455)	(64,124)
Net chg in cash (a+b+c)	4,223	(3,777)	87,888	88,091	120,569

Source: Company, SMIFS Research

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Contact us:

SMIFS Limited. (<https://www.smifs.com/>)

Compliance Officer:

Tamari Chatterjee,

5F Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: +91 33 4011 5414 / +91 33 6634 5414

Email Id.: compliance@smifs.com

Mumbai Office:

206/207, Trade Centre, Bandra Kurla Complex (BKC), Bandra East, Mumbai – 400051, India

Contact No.: (D) +91 22 4200 5508, (B) +91 22 4200 5500

Email Id: institutional.equities@smifs.com

Kolkata Office:

Vaibhav, 4 Lee Road, Kolkata 700020, West Bengal, India.

Contact No.: (D) +91 33 6634 5466, (B) +91 33 4011 5466

Email Id: smifs.institutional@smifs.com