

**BSE SENSEX**

55,329

**S&P CNX**

16,451

**CMP: INR6,848**

**TP: INR8,200 (+20%)**

**Buy**

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#### Stock Info

Bloomberg	MSIL IN
Equity Shares (m)	302
M.Cap.(INRb)/(USDb)	2068.5 / 27.8
52-Week Range (INR)	8400 / 6274
1, 6, 12 Rel. Per (%)	-11/-15/-47
12M Avg Val (INR M)	7148
Free float (%)	43.6

#### Financials Snapshot (INR b)

Y/E MARCH	2021	2022E	2023E
Sales	703.3	946.4	1,043.5
EBITDA	53.5	72.1	116.3
Adj. PAT	42.3	55.6	90.9
Cons. Adj. EPS	145.3	187.7	304.7
EPS Gr. (%)	-22.7	29.2	62.3
BV/Sh. (INR)	1,700	1,840	2,040

#### Ratios

RoE (%)	8.2	10.0	14.7
RoCE (%)	10.1	12.7	18.9
Payout (%)	31.0	53.3	39.4

#### Valuations

P/E (x)	47.1	36.4	22.5
P/BV (x)	4.0	3.7	3.4
EV/EBITDA (x)	30.4	22.0	13.1
Div. Yield (%)	0.7	1.5	1.8

## Strategy for net zero emissions needs to be India focused

### CAFÉ-2 compliance strategy in place | Car subscription service for easy access

MSIL's FY21 annual report highlights the initiatives (digitization, online financing, subscription service, etc.) it took to emerge stronger from the COVID-19 pandemic. The management has shared its thought process on the path to attaining net zero emissions. It lays down the strategy to meet CAFÉ-2 norms from Apr'22. Key highlights from the annual report:

- **Net zero emissions – many paths to green mobility:** MSIL believes that its strategy of moving towards net zero emissions has to be consistent with the economic and infrastructure conditions prevailing in India. Per capita income at 5% of a large part of the developed market reduces the ability of a large number of people to buy expensive electric Cars. Some customers can only afford small Cars as only 5% of the Cars sold in India are priced over INR1.5m. It is focused on CNG and Hybrids to reduce emissions. These two technologies, coupled with biofuels, offer a means of moving towards its goal of net zero emissions. It also sees hydrogen as an interesting alternative to reduce dependence on importing Lithium.
- **CNG/Hybrid to help in complying with CAFÉ-2 norms:** Phase II of Corporate Average Fuel Efficiency (CAFE) norms to reduce the carbon footprint of the Automobile industry is applicable from Apr'22. In Phase I (Apr'17 onwards), MSIL had the least CO2 emissions per vehicle in the industry. CAFÉ-2 norms will need MSIL to reduce its fleet emission to 113gm of CO2/km at 1,145kg of fleet weight (from 130g CO2/km in Phase I). For further reduction in CO2 emissions, it is adopting a mix of powertrain technologies based on electrification and CNG. Suzuki's JV with Toshiba and Denso for a Li-ion battery will support MSIL's Hybrid plans.
- **Subscription model to offer flexible car ownership:** In FY21, MSIL launched its car subscription model 'Maruti Suzuki Subscribe', which offers easy and flexible car ownership to customers. This all-inclusive subscription service enables customers to enjoy the experience of owning a brand new car without purchasing it. It offers flexible ownership tenure options (from one to four years) by paying a monthly fee, which is inclusive of the vehicle cost, road tax, registration charges, insurance, maintenance, roadside assistance, and accessories. At the end of the ownership period, customers have the option to purchase the same vehicle at the market price or renew their subscription. This service is offered in nine cluster cities, in partnership with three leading shared mobility service providers, and covers 10 models. It plans to expand this offering to more than 40 cities over the next three years.
- **Digitizing sales and financing function:** In sync with the changing preferences of customers, catalyzed by the COVID-19 outbreak, MSIL has digitalized over 90% of its sales touch points, introduced augmented reality for visualizing vehicles on its website, and is automated the test drive experience. In FY21, over 100k users availed the AR experience, and the share of digital inquiries rose to 30% of total inquiries from 13%/4% in FY20/FY19. It also became the first OEM to offer an online end-to-end real-time car finance service facility, with 13 financiers across 30 cities offering this service.

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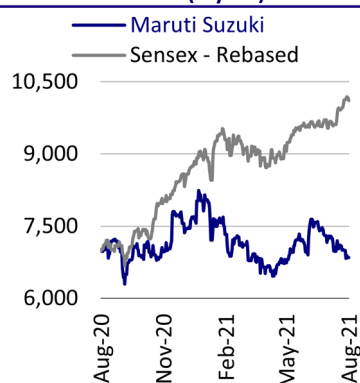
**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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

**Shareholding pattern (%)**

As On	Jun-21	Mar-21	Jun-20
Promoter	56.4	56.4	56.3
DII	15.8	15.1	17.1
FII	22.9	23.1	21.5
Others	5.0	5.4	5.2

FII Includes depository receipts

**Stock Performance (1-year)**

- **The network expansion pace slows down due to the COVID-19 outbreak, but service network expansion remains strong:** MSIL added ~34 sales outlets across formats, taking its total sales outlets to 3,120 in 1,992 cities. This has been the slowest addition since GFC due to the impact of the COVID-19 outbreak. It continued to rapidly expand its service network. Service outlet additions stood at 180, taking the total count to 4,044 outlets in 2,014 cities. Its True Value (used car) network shrunk by 77 outlets to 1,143 outlets in 868 cities (from 926 cities in FY20).
- **Penetration of CNG and mild Hybrid increasing:** CNG vehicles contributed 12% of domestic volumes (v/s 7.3% in FY20) for MSIL as sales of CNG vehicles grew 50% YoY (v/s an 8% decline in domestic volumes). Similarly, sales of mild Hybrid vehicles (offered in six vehicles) grew 18% YoY in FY21.
- **About 12% increase in total headcount due to COVID-19:** MSIL saw a 12% increase in total headcount to 37.2k personnel (including 21.1k non-regular personnel) in FY21, with almost the entire addition happening in non-regular employees. This increase was primarily to manage discontinuities created by the COVID-19 pandemic.

**Highlights from the financial statements**

- MSIL saw savings of INR1.4b in FY21 from localization (v/s INR572m in FY20) and VAVE of INR2.5b (v/s INR2.8b in FY20). Total savings stood at 0.6% of total sales (0.4% in FY20). Despite these savings, RM cost (as a percentage of sales) increased by 190bp due to commodity cost inflation.
- For the first time in a decade (since royalty was increased in FY11), it was lower than 5% (at 4.6%, down 40bp YoY), benefitting from a favorable product mix.
- Variable cost (excluding royalty), as a percentage of sales, improved by ~30bp as savings from lower marketing cost (-40bp) and power consumption (-25bp) were diluted by higher transportation cost (+40bp).
- Unlike many other OEMs, the total fixed cost for MSIL increased by ~50bp to 4.8%, impacted by a similar increase in rent expense. The latter largely pertains to depreciation of the Gujarat plant, which had risen in FY21 on account of commissioning of plant B and the powertrain plant in Jan'19.
- Core working capital days reduced to -49 days (from -23 days in FY20), driven by normalization in payable days.
- Despite a weak operating performance, CFO improved to INR88.4b in FY21 (v/s INR34b in FY20), driven by working capital normalization (inflow of INR43.3b v/s an outflow of INR25.7b in FY20). Coupled with lower capex (at INR23.2b v/s FY20 at INR34b), FCF improved substantially to INR65b (v/s INR61m in FY20).
- Net cash stood at INR431b (v/s INR357b in FY20), which is ~82.5% of capital employed (v/s ~73% in FY20).
- Considering a weak operating performance in a COVID-affected FY21, RoE declined to 8.2% (-350bp YoY). This is lowest RoE in the listed history of MSIL.

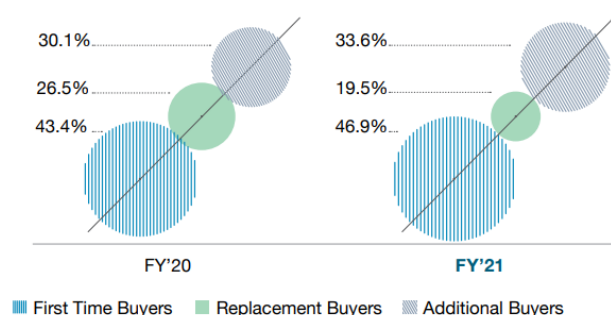
**Valuation and view**

- While the underlying demand is strong, the near term outlook is uncertain, hit by semiconductor shortages as well as the residual impact of commodity cost inflation reflecting in 2QFY22.

- After a gap of two years, we expect new product launches to resume, with a mix of complete product upgrades (five within 2-3 years) and new model launches (three within two years). This should drive volume, market share, and a margin recovery. Profitability is near the trough, and margin improvement is expected from the lows of 1HFY22.
- We see scope for further improvement in dividend payouts and a resultant re-rating. The stock trades at 36.4x/22.5x FY22E/FY23E consolidated EPS. We value the company at 27x Mar'23E consolidated EPS. We maintain our Buy rating, with a TP of INR8,200/share.

**Exhibit 1: Increased preference toward personal mobility led to growth in the share of first-time and addition buyers**

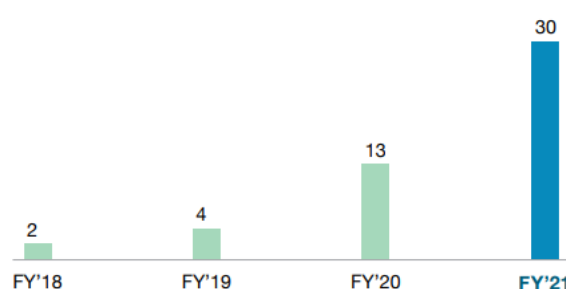
**Participation of first-time buyers increased while replacement buyers reduced**



Source: Company, MOFSL

**Exhibit 2: The COVID-19 pandemic led to a sharp increase in digital inquiries**

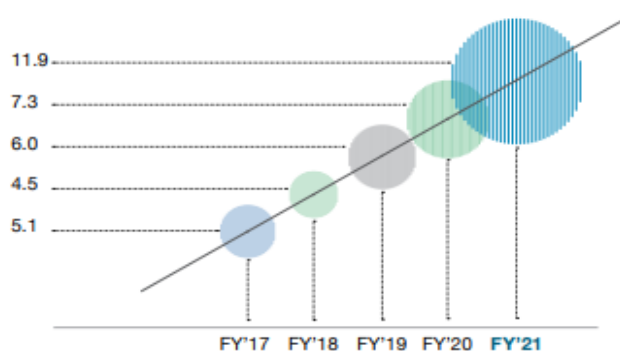
**Share of digital enquires in total enquiries (%)**



Source: Company, MOFSL

**Exhibit 3: Sales of CNG variants fueled by higher petrol/diesel prices...**

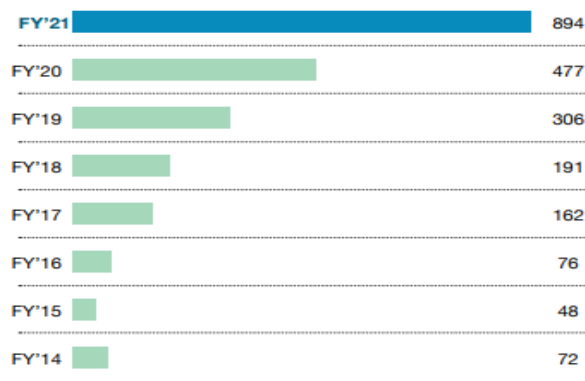
**The contribution of CNG vehicles in overall sales of the Company has increased sharply in FY 2020-21 (%)**



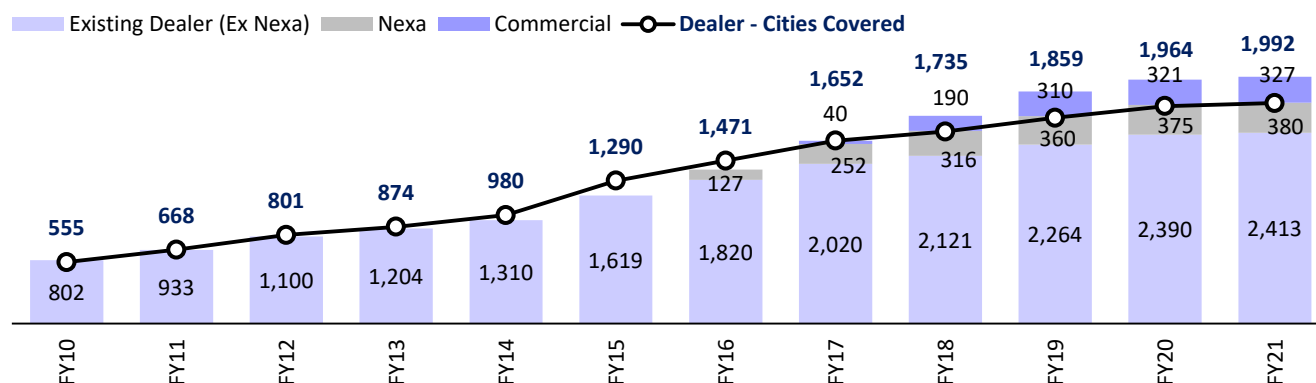
Source: Company, MOFSL

**Exhibit 4: ...and supported by increasing penetration of CNG stations**

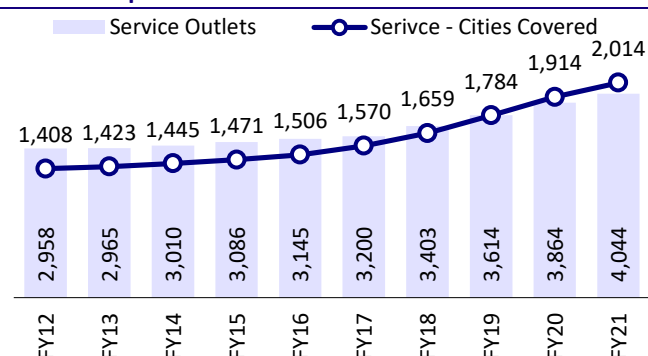
**CNG stations added per year**



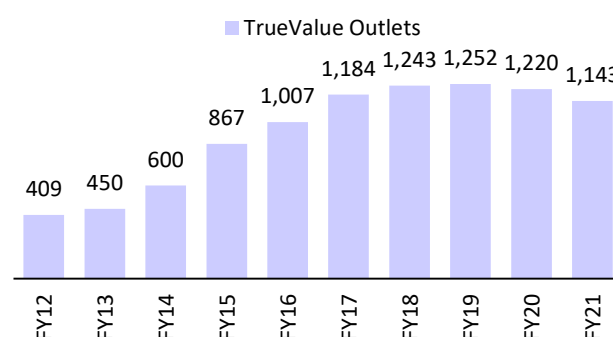
Source: Company, MOFSL

**Exhibit 5: MSIL's sales outlets increase marginally in a tough year, taking the total sales outlets to 3,120 in 1,992 cities**

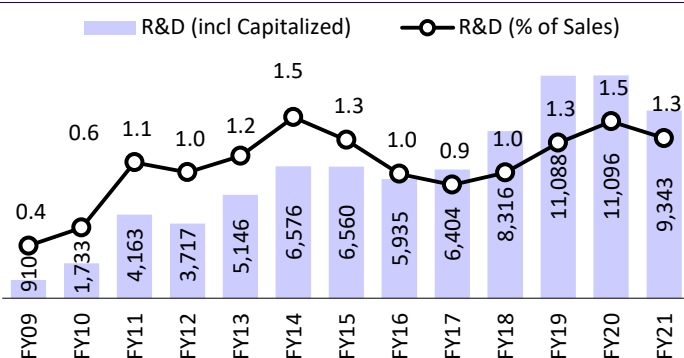
Source: Company, MOFSL

**Exhibit 6: Expansion in its service network continues**

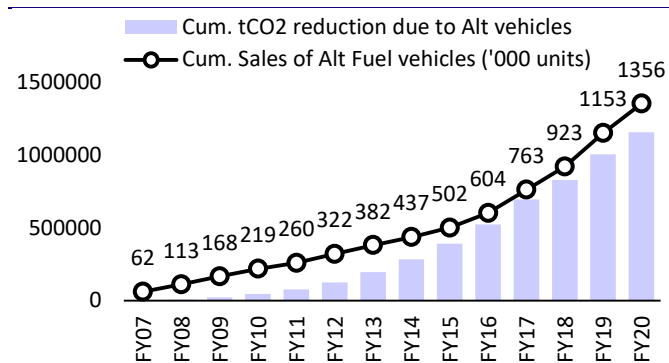
Source: Company, MOFSL

**Exhibit 7: Pre-owned car network declines in FY21**

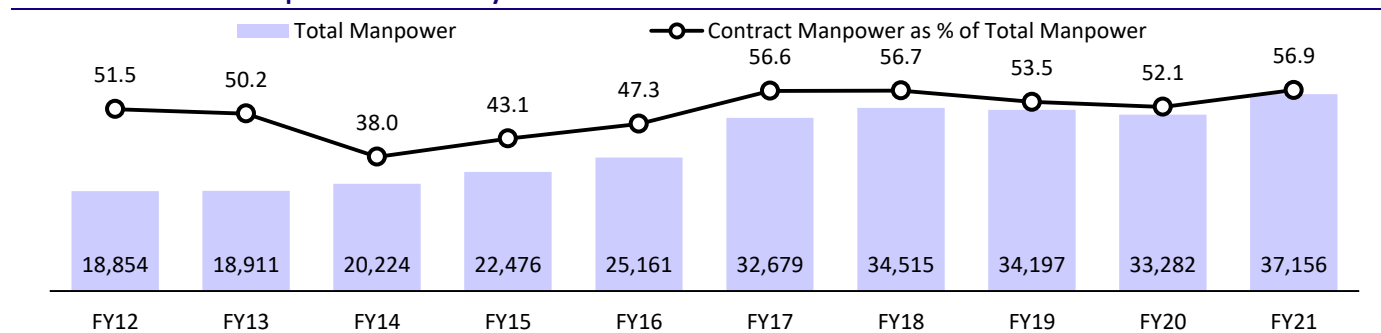
Source: Company, MOFSL

**Exhibit 8: R&D investments increase by ~33%**

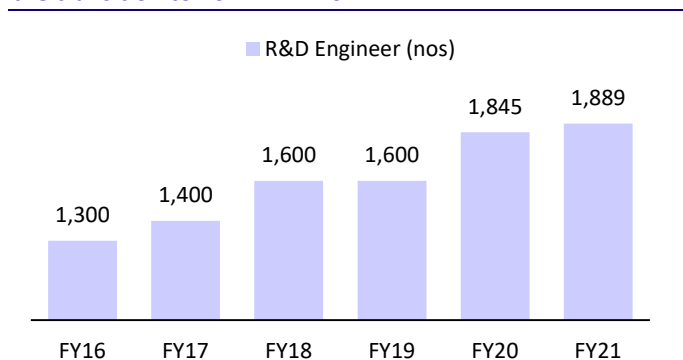
Source: Company, MOFSL

**Exhibit 9: Alternate fuel vehicles (CNG, LPG, and Hybrids) drive reduction in CO2 emission**

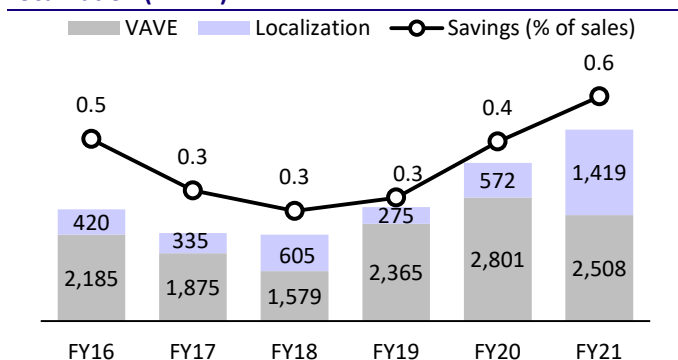
Source: Company, MOFSL

**Exhibit 10: Contract manpower increased by ~22% in FY21**

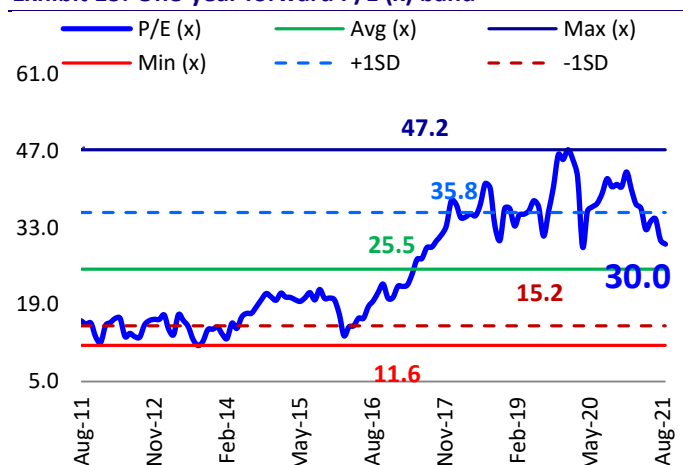
Source: Company

**Exhibit 11: Growth in MSIL's R&D engineers plateaus after the transition to BS-VI in FY20**

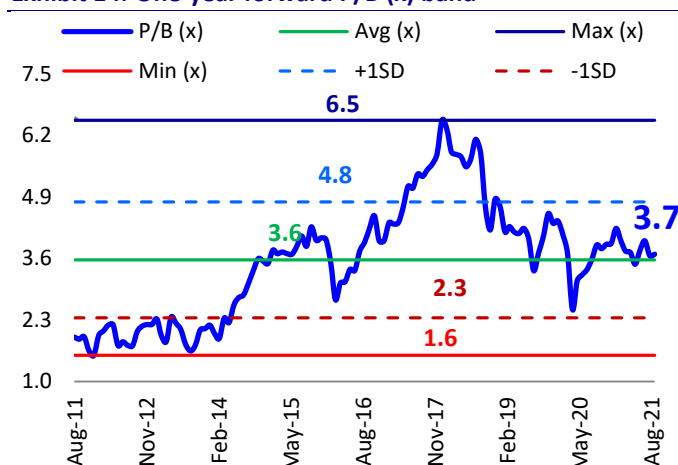
Source: Company

**Exhibit 12: MSIL sees significant growth in savings due to localization (INR m)**

Source: Company

**Exhibit 13: One-year forward P/E (x) band**

Source: MOFSL

**Exhibit 14: One-year forward P/B (x) band**

Source: MOFSL

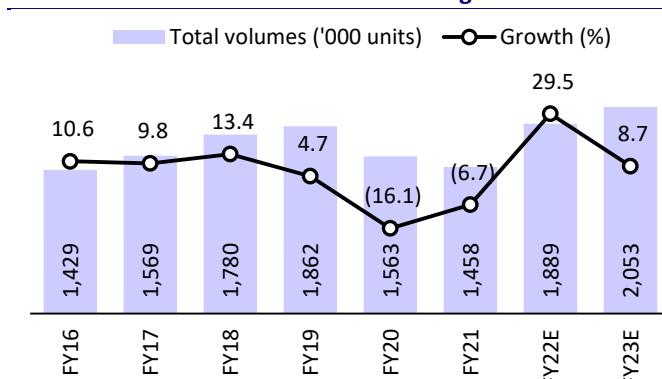
## Story in charts: Expect 47% EPS CAGR over FY21-23E

**Exhibit 15: Decline in market share (excluding Mini) due to absence of its Diesel portfolio**

	FY16	FY17	FY18	FY19	FY20	FY21
Mini	79.8	67.8	71.3	72.3	79.0	84.3
Compact	42.0	46.2	52.2	56.4	57.4	54.3
Compact-Sedan	58.1	54.8	61.8	57.9	61.9	59.8
Mid-Size	25.2	32.8	30.0	25.8	25.8	18.7
UV1	25.6	38.2	38.8	38.2	32.9	26.0
<b>Dom. PV</b>	<b>47.2</b>	<b>47.6</b>	<b>50.3</b>	<b>51.4</b>	<b>51.2</b>	<b>47.7</b>

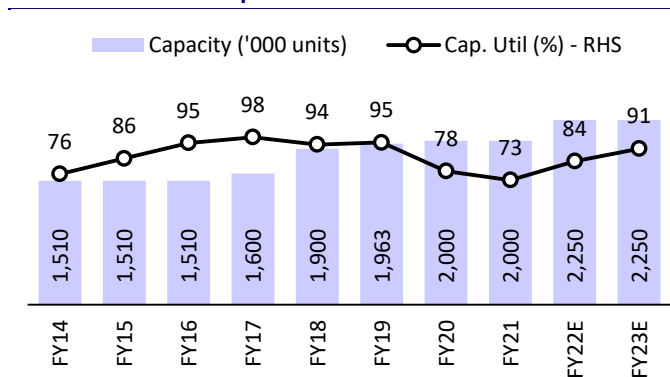
\*Excluding supplies to Toyota; Source: Company, MOFSL

**Exhibit 16: Trend in volume and volume growth**



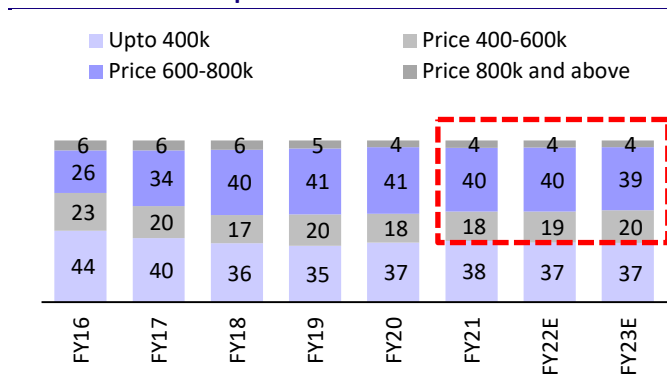
Source: Company, MOFSL

**Exhibit 17: MSIL to operate at low utilization**



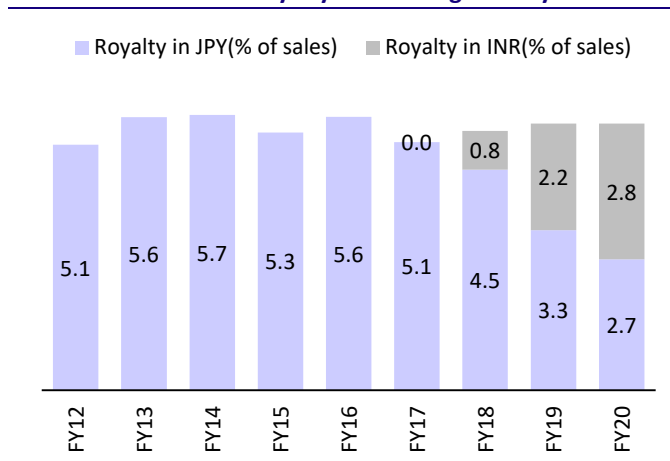
Source: Company, MOFSL

**Exhibit 18: Trend in product mix**



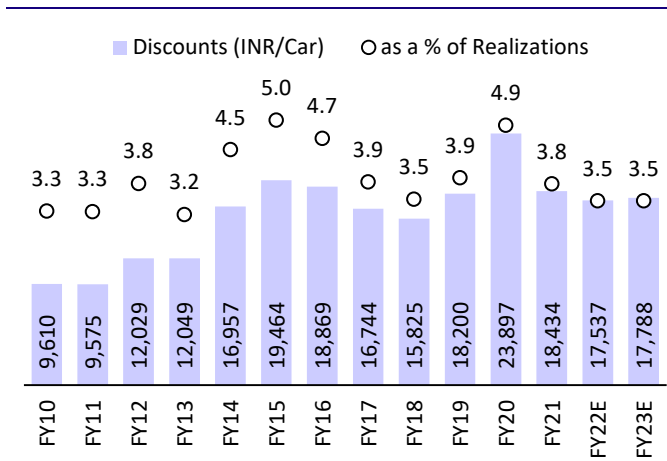
Source: Company, MOFSL

**Exhibit 19: JPY-based royalty to reduce gradually**



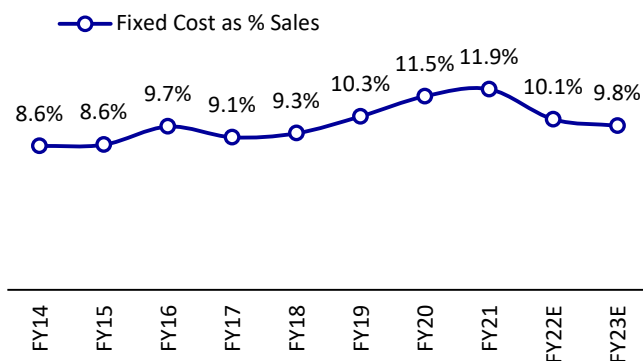
Source: Company, MOFSL

**Exhibit 20: Discounts to further reduce in FY22E**



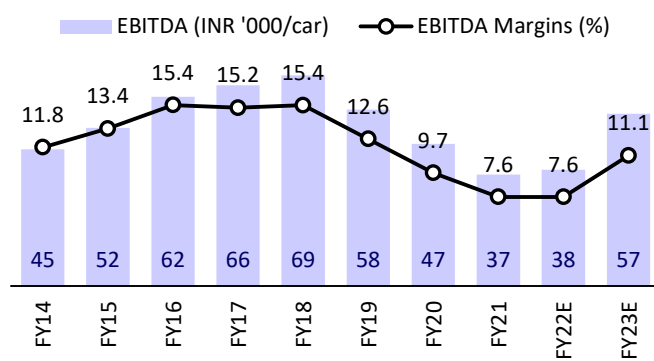
Source: Company, MOFSL

Exhibit 21: Fixed cost as a percentage of sales



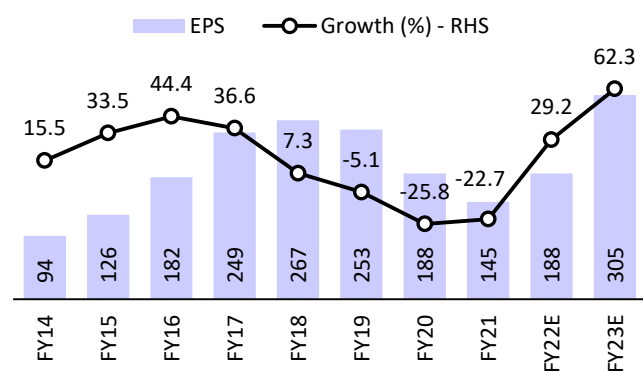
Source: Company, MOFSL

Exhibit 22: EBITDA margin and EBITDA per car



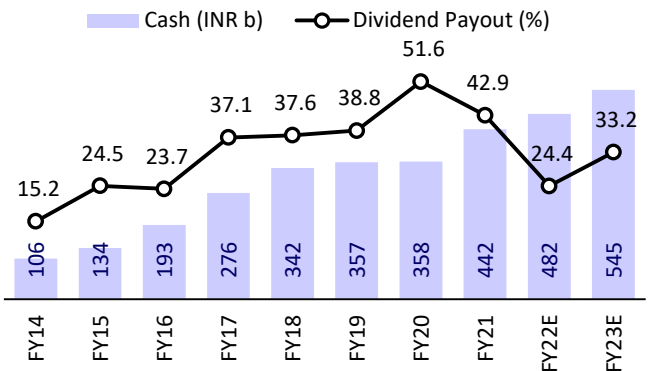
Source: Company, MOFSL

Exhibit 23: EPS (INR) and growth in EPS



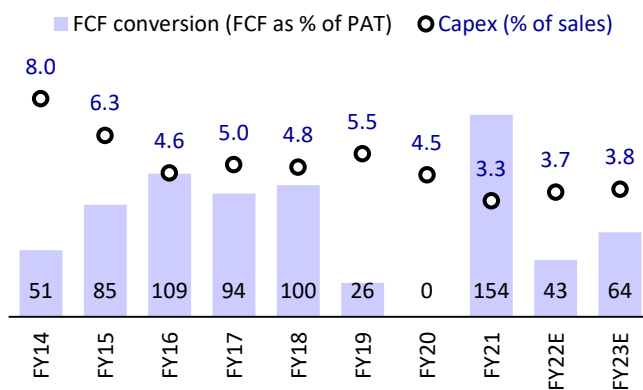
Source: MOFSL, Company

Exhibit 24: Dividend payout (%) and cash balance (INR b)



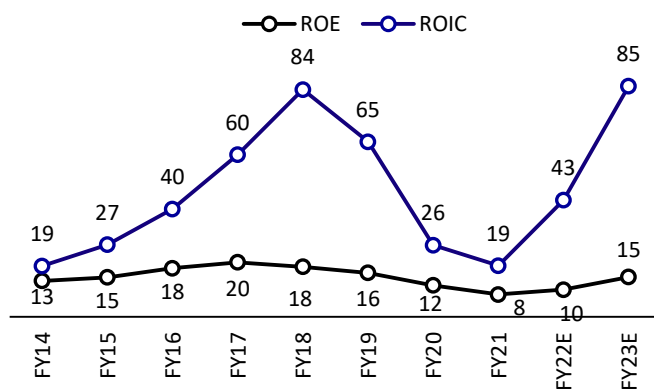
Source: MOFSL, Company

Exhibit 25: FCF conversion remains healthy



Source: Company, MOFSL

Exhibit 26: RoE v/s RoIC (%)



Source: Company, MOFSL



**Exhibit 27: Snapshot of the revenue model**

'000 units	FY16	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E
A1/LCVs	0	1	10	24	22	30	39	47
Growth (%)				138.0	-8.8	35.7	33.0	20.0
As a percentage of Dom. vols.	0.0	0.1	0.6	1.4	1.5	2.2	2.3	2.5
MPV (Vans)	143	152	155	179	118	105	136	146
Growth (%)	11.2	6.0	2.1	15.1	-33.7	-11.3	29.0	8.0
As a percentage of Dom. vols.	11.0	10.5	9.4	10.2	8.1	7.7	7.8	7.8
A2 (other hatchbacks)	779	832	936	987	881	840	1,046	1,118
Growth (%)	6.8	6.7	12.5	5.5	-10.8	-4.6	24.5	6.9
As a percentage of Dom. vols.	59.7	57.6	56.6	56.3	60.3	61.7	60.4	59.2
A3 (Dzire, Ciaz)	288	264	299	300	204	142	180	198
Growth (%)	18.3	-8.4	13.1	0.3	-31.9	-30.5	26.9	9.6
As a percentage of Dom. vols.	22.1	18.3	18.1	17.1	14.0	10.4	10.4	10.5
UVs (Ertiga, Compact SUV)	94	196	254	264	235	245	331	378
Growth (%)	38.4	107.3	29.6	4.1	-10.9	4.3	35.1	13.9
As a percentage of Dom. vols.	7.2	13.6	15.3	15.1	16.1	18.0	19.1	20.0
<b>Total Domestic</b>	<b>1,305</b>	<b>1,445</b>	<b>1,654</b>	<b>1,754</b>	<b>1,460</b>	<b>1,362</b>	<b>1,733</b>	<b>1,887</b>
Growth (%)	11.5	10.7	14.5	6.1	-16.7	-6.7	27.2	8.9
As a percentage of total vols.	91.3	92.1	92.9	94.2	93.5	93.4	91.7	91.9
Exports	124	124	126	109	102	96	156	167
Growth (%)	2	0	2	-14	-6	-6	63	7
As a percentage of total vols.	9	8	7	6	7	7	8	8
<b>Total Volume</b>	<b>1,429</b>	<b>1,569</b>	<b>1,780</b>	<b>1,862</b>	<b>1,563</b>	<b>1,458</b>	<b>1,889</b>	<b>2,053</b>
Growth (%)	10.6	9.8	13.4	4.7	-16.1	-6.7	29.5	8.7
<b>ASP (INR'000/unit)</b>	<b>403</b>	<b>434</b>	<b>448</b>	<b>462</b>	<b>484</b>	<b>482</b>	<b>501</b>	<b>508</b>
Growth (%)	4.1	7.7	3.3	3.0	4.8	-0.3	3.9	1.4
<b>Net Sales (INR b)</b>	<b>575</b>	<b>680</b>	<b>798</b>	<b>860</b>	<b>756</b>	<b>703</b>	<b>946</b>	<b>1,044</b>
Growth (%)	15	18	17	8	-12	-7	35	10

Source: MOFSL, Company



## Financials and valuations

Income Statement								(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Net Op. Income</b>	<b>5,75,381</b>	<b>6,80,348</b>	<b>7,97,627</b>	<b>8,60,203</b>	<b>7,56,106</b>	<b>7,03,325</b>	<b>946,425</b>	<b>1,043,508</b>
Change (%)	15.1	18.2	17.2	7.8	-12.1	-7.0	34.6	10.3
<b>EBITDA</b>	<b>88,844</b>	<b>1,03,517</b>	<b>1,23,122</b>	<b>1,07,993</b>	<b>73,026</b>	<b>53,453</b>	<b>72,053</b>	<b>116,266</b>
Change (%)	32.3	16.5	18.9	-12.3	-32.4	-26.8	34.8	61.4
EBITDA Margin (%)	15.4	15.2	15.4	12.6	9.7	7.6	7.6	11.1
Depreciation	28,202	26,021	27,579	30,189	35,257	30,315	30,732	33,435
<b>EBIT</b>	<b>60,642</b>	<b>77,496</b>	<b>95,543</b>	<b>77,804</b>	<b>37,769</b>	<b>23,138</b>	<b>41,321</b>	<b>82,831</b>
EBIT Margin (%)	10.5	11.4	12.0	9.0	5.0	3.3	4.4	7.9
Interest	815	894	3,457	758	1,329	1,008	830	830
Other Income	14,610	23,001	20,455	25,610	34,208	29,464	30,413	35,474
EO Expense	0	0	2,507	-2,000	0	0	0	0
Def. Revenue Exp./Others	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>74,437</b>	<b>99,603</b>	<b>1,10,034</b>	<b>1,04,656</b>	<b>70,648</b>	<b>51,594</b>	<b>70,903</b>	<b>117,475</b>
Tax	20,794	26,101	32,816	29,650	14,142	9,297	15,280	26,614
Effective tax Rate (%)	27.9	26.2	29.8	28.3	20.0	18.0	21.6	22.7
<b>PAT</b>	<b>53,643</b>	<b>73,502</b>	<b>77,218</b>	<b>75,006</b>	<b>56,506</b>	<b>42,297</b>	<b>55,623</b>	<b>90,861</b>
Change (%)	44.5	37.0	5.1	-2.9	-24.7	-25.1	31.5	63.4
As a percentage of Net Sales	9.5	11.0	9.9	9.0	7.9	6.4	6.2	9.2
<b>Adj. PAT</b>	<b>53,643</b>	<b>73,502</b>	<b>78,977</b>	<b>73,573</b>	<b>56,506</b>	<b>42,297</b>	<b>55,623</b>	<b>90,861</b>
Change (%)	44.5	37.0	7.4	-6.8	-23.2	-25.1	31.5	63.4

Balance Sheet								(INR m)
Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Sources of Funds								
Share Capital	1,510	1,510	1,510	1,510	1,510	1,510	1,510	1,510
Reserves	2,97,332	3,62,801	4,16,063	4,59,905	4,82,860	5,12,158	554,188	614,841
<b>Net Worth</b>	<b>2,98,842</b>	<b>3,64,311</b>	<b>4,17,573</b>	<b>4,61,415</b>	<b>4,84,370</b>	<b>5,13,668</b>	<b>555,698</b>	<b>616,351</b>
Loans	774	4,836	1,108	1,496	1,063	4,888	4,888	4,888
Deferred Tax Liability	1,943	4,662	5,589	5,640	5,984	3,847	3,847	3,847
<b>Capital Employed</b>	<b>3,01,559</b>	<b>3,73,809</b>	<b>4,24,270</b>	<b>4,68,551</b>	<b>4,91,417</b>	<b>5,22,403</b>	<b>564,433</b>	<b>625,086</b>
Application of Funds								
Gross Fixed Assets	1,53,218	1,86,595	2,14,239	2,63,293	2,97,260	3,14,553	354,451	394,451
Less: Depreciation	28,118	53,668	80,649	1,09,215	1,40,157	1,64,983	195,715	229,150
<b>Net Fixed Assets</b>	<b>1,25,100</b>	<b>1,32,927</b>	<b>1,33,590</b>	<b>1,54,078</b>	<b>1,57,103</b>	<b>1,49,570</b>	<b>158,736</b>	<b>165,301</b>
Capital WIP	10,069	12,523	21,259	16,001	14,083	14,898	10,000	10,000
Investments	1,99,322	2,84,810	3,52,902	3,65,150	3,64,676	4,17,867	417,867	417,867
<b>Curr. Assets, Loans</b>	<b>84,909</b>	<b>77,392</b>	<b>81,841</b>	<b>89,815</b>	<b>84,390</b>	<b>1,12,943</b>	<b>169,341</b>	<b>238,358</b>
Inventory	31,321	32,622	31,608	33,257	32,149	30,500	41,487	45,743
Sundry Debtors	13,222	11,992	14,618	23,104	21,270	12,766	18,151	20,012
Cash and Bank Balances	391	138	711	1,789	211	30,364	70,390	133,290
Loans and Advances	1,744	978	2,878	5,126	5,246	6,642	6,642	6,642
Others	38,231	31,662	32,026	26,539	25,514	32,671	32,671	32,671
<b>Current Liab. and Prov.</b>	<b>1,17,841</b>	<b>1,33,843</b>	<b>1,65,322</b>	<b>1,56,493</b>	<b>1,28,835</b>	<b>1,72,875</b>	<b>191,511</b>	<b>206,440</b>
Sundry Creditors	74,073	83,673	1,04,970	96,330	74,941	1,01,617	121,868	134,370
Others	31,675	42,328	50,055	51,069	44,889	60,252	60,252	60,252
Provisions	12,093	7,842	10,297	9,094	9,005	11,006	9,390	11,818
<b>Net Current Assets</b>	<b>-32,932</b>	<b>-56,451</b>	<b>-83,481</b>	<b>-66,678</b>	<b>-44,445</b>	<b>-59,932</b>	<b>-22,170</b>	<b>31,918</b>
<b>Appl. of Funds</b>	<b>3,01,559</b>	<b>3,73,809</b>	<b>4,24,270</b>	<b>4,68,551</b>	<b>4,91,417</b>	<b>5,22,403</b>	<b>564,433</b>	<b>625,086</b>

E: MOFSL estimates

## Financials and valuations

### Ratios

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Basic (INR)</b>								
<b>Adjusted EPS</b>	<b>177.6</b>	<b>243.3</b>	<b>261.4</b>	<b>243.6</b>	<b>187.1</b>	<b>140.0</b>	<b>184.1</b>	<b>300.8</b>
<b>Consol. EPS</b>	<b>182.0</b>	<b>248.6</b>	<b>266.7</b>	<b>253.3</b>	<b>188.0</b>	<b>145.3</b>	<b>187.7</b>	<b>304.7</b>
Cash EPS	275.3	334.8	358.0	353.2	304.7	245.7	289.5	415.4
Book Value per Share	989	1,206	1,382	1,527	1,603	1,700	1,840	2,040
DPS	35.0	75.0	80.0	80.0	60.0	45.0	100.0	120.0
Div. payout (%)	23.7	37.1	37.6	38.8	38.5	31.0	53.3	39.4
<b>Valuation (x)</b>								
Consol. P/E	38.3	28.1	26.2	27.6	37.1	48.0	36.4	22.5
Cash P/E	25.3	20.8	19.5	19.8	22.9	28.4	23.6	16.5
EV/EBITDA	21.5	17.7	14.3	16.1	23.9	31.1	22.0	13.1
EV/Sales	3.4	2.7	2.2	2.1	2.4	2.5	1.8	1.5
P/BV	7.1	5.8	5.0	4.6	4.4	4.1	3.7	3.4
Dividend Yield (%)	0.5	1.1	1.1	1.1	0.9	0.6	1.5	1.8
FCF Yield (%)	2.8	3.3	3.8	0.9	0.0	3.1	1.2	2.8
<b>Profitability Ratios (%)</b>								
RoIC	39.9	60.0	84.1	64.7	26.5	18.9	43.1	85.4
RoE	18.0	20.2	18.5	16.3	11.7	8.2	10.0	14.7
RoCE	25.0	26.9	27.3	22.1	14.6	10.1	12.7	18.9
<b>Turnover Ratios</b>								
Debtors (Days)	8	6	7	10	11	7	7	7
Inventory (Days)	23	21	17	16	17	17	17	18
Creditors (Days)	70	65	70	59	51	73	63	66
Work. Cap. (Days)	-39	-39	-46	-33	-23	-49	-39	-41
Asset Turnover (x)	1.9	1.8	1.9	1.8	1.5	1.3	1.7	1.7
<b>Leverage Ratio</b>								
Net Debt/Equity (x)	-0.6	-0.7	-0.8	-0.8	-0.7	-0.9	-0.8	-0.9

### Cash Flow Statement

(INR m)

Y/E March	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Profit before Tax	74,437	99,603	1,10,034	1,04,656	70,948	51,594	70,903	117,475
Interest	815	894	3,457	758	1,329	1,008	830	830
Depreciation	28,202	26,021	27,579	30,189	35,257	30,315	30,732	33,435
Direct Taxes Paid	-19,099	-23,214	-30,550	-31,428	-14,357	-10,107	-15,280	-26,614
(Inc.)/Dec. in WC	14,631	21,940	28,058	-13,196	-25,659	43,352	2,264	8,812
Other Items	-14,141	-22,451	-20,728	-25,047	-33,467	-27,774	-30,413	-35,474
<b>CF from Oper. Activity</b>	<b>84,845</b>	<b>1,02,793</b>	<b>1,17,850</b>	<b>65,932</b>	<b>34,051</b>	<b>88,388</b>	<b>59,037</b>	<b>98,464</b>
(Inc.)/Dec. in FA	-26,327	-33,723	-38,653	-47,000	-33,990	-23,279	-35,000	-40,000
<b>Free Cash Flow</b>	<b>58,518</b>	<b>69,070</b>	<b>79,197</b>	<b>18,932</b>	<b>61</b>	<b>65,109</b>	<b>24,037</b>	<b>58,464</b>
(Pur.)/Sale of Invest.	-45,947	-58,056	-44,168	11,617	29,351	-49,560	30,413	35,474
<b>CF from Inv. Activity</b>	<b>-72,274</b>	<b>-91,779</b>	<b>-82,821</b>	<b>-35,383</b>	<b>-4,639</b>	<b>-72,839</b>	<b>-4,587</b>	<b>-4,526</b>
Change in Net worth	0	0	0	0	0	0	0	0
Inc./(Dec.) in Debt	-2,353	2,527	-3,728	388	-524	3,723	0	0
Interest Paid	-921	-1,095	-3,464	-732	-1,342	-1,006	-830	-830
Dividends Paid	-9,090	-12,725	-27,268	-29,134	-29,134	-18,125	-13,594	-30,208
<b>CF from Fin. Activity</b>	<b>-12,364</b>	<b>-11,293</b>	<b>-34,460</b>	<b>-29,478</b>	<b>-31,000</b>	<b>-15,408</b>	<b>-14,424</b>	<b>-31,038</b>
<b>Inc./(Dec.) in Cash</b>	<b>207</b>	<b>-279</b>	<b>569</b>	<b>1,071</b>	<b>-1,588</b>	<b>141</b>	<b>40,026</b>	<b>62,900</b>
Add: Op. Balance	183	390	111	699	1,770	182	323	40,349
<b>Closing Balance</b>	<b>390</b>	<b>111</b>	<b>680</b>	<b>1,770</b>	<b>182</b>	<b>323</b>	<b>40,349</b>	<b>103,249</b>

E: MOFSL estimates

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

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