BUY Motherson Sumi Wiring India

Upgrade to BUY; strong growth and underlying margins

Auto & Auto Ancillaries | Result Update | August 05, 2026

CMP (Rs): 40 | TP (Rs): 50

We upgrade MSUMI to BUY from Add and raise TP by 11% to Rs50 from Rs45, at 30x Jun-28E PER (rolled forward), owing to the strong underlying revenue performance (ex-commodity impact) and margins. Underlying 1Q EBITDAM (ex-copper and minimum wage cost impact; assuming 50% pass through) stood at 10% vs reported 7.6%. MSUMI delivered an in-line 1Q, with reported revenue up 37% yoy (30% growth in underlying revenue, ex-7% copper price impact), with sustained outperformance vs key client MSIL. EBITDA was up 6% yoy, while reported EBITDAM fell by 60bps qoq as the 130bps qoq gross margin expansion was offset by a 210bps qoq rise in staff costs. Given the volatility in commodity prices, MSUMI is in active discussions with OEMs to reduce reset cycles to 1M vs 3M/6M currently. It expects to receive a cost pass-through for elevated staff costs. The 3 greenfields (at combined breakeven ex copper price change since 4QFY26) are expected to positively contribute to margins/bottom-line after 1-2Q. We raise FY27-28E EPS by 3-3.5% to factor in strong topline print. MSUMI's valuations at below 1SD (1YF PER) are attractive, with 25% FY26-29E EPS CAGR, ~50% ROCE, and 75% FY28E dividend payout.

Strong top-line print

Revenue was up 37% yoy (1%/4% beat on our/street estimate) and was ahead of the 17% yoy PV production growth. EBITDA came in at Rs2.6bn (1%/7% below our/street estimates), with EBITDAM down by ~64bps qoq (along expected lines) to ~7.6%, as the 130bps qoq gross margin expansion was more than offset by a 210bps qoq rise in staff costs (due to hike in minimum wages in the NCR region).

Earnings call KTAs

1) Greenfield projects and successful ramp-up of new customer programs contributed to substantial revenue growth and enhanced customer confidence. 2) 3 more greenfields are now at run rate, with revenue and EBITDAM maintained at similar levels to 4Q, though their contribution to the bottom-line will take another 1–2 quarters to flow through. 3) MSUMI is witnessing a structural increase in the wiring harness content with the introduction of every new architecture. 4) Constructive discussions continue with customers to recover cost increases and maintain business momentum; some portion of MUSMI's material costs also relate to components specified by customers, so any price increases are negotiated and passed through to those customers. 5) 1Q currently reflects the full impact of the wage hike; the situation in other states remains to be seen, as there are early indications of similar moves elsewhere; wage hikes have been higher than anticipated. 6) Discussions are ongoing with customers, and MSUMI hopes to reach an agreement that is beneficial over the long term. It believes that OEMs acknowledge the manpower-intensive nature of the business, and that costs will be accommodated accordingly. 7) OEMs continue to build on existing architecture rather than create new ones at a far higher cost of development. MSUMI has not witnessed any de-contenting from OEMs so far; in fact, there has been a rise in new-architecture vehicles. 8) MSUMI will announce further capex plans over coming quarters (based on volume forecasts and production schedules given by OEMs). Capex for FY27 would be entirely funded by internal accruals.

Motherson Sumi Wiring India: Financial Snapshot (Standalone)

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	93,194	114,776	145,077	162,500	182,111
EBITDA	9,962	10,603	13,782	16,981	19,395
Adj. PAT	6,058	6,252	8,269	10,483	12,090
Adj. EPS (Rs)	0.9	0.9	1.2	1.6	1.8
EBITDA margin (%)	10.7	9.2	9.5	10.5	10.7
EBITDA growth (%)	(1.7)	6.4	30.0	23.2	14.2
Adj. EPS growth (%)	(5.1)	3.2	32.3	26.8	15.3
RoE (%)	35.9	32.4	36.2	41.3	42.8
RoIC (%)	38.1	33.0	35.2	40.6	44.1
P/E (x)	43.5	42.2	31.9	25.1	21.8
EV/EBITDA (x)	26.5	25.0	19.3	15.6	13.6
P/B (x)	15.5	12.2	10.9	9.9	8.9
FCFF yield (%)	0.7	2.1	2.3	3.3	4.3

Source: Company, Emkay Research

Target Price – 12M	Jun-27
Change in TP (%)	**11.1**
Current Reco.	BUY
Previous Reco.	ADD
Upside/(Downside) (%)	25.0

Stock Data	**MSUMI IN**
52-week High (Rs)	54
52-week Low (Rs)	36
Shares outstanding (mn)	6,631.7
Market-cap (Rs bn)	264
Market-cap (USD mn)	2,764
Net-debt, FY27E (Rs mn)	2,011.2
ADTV-3M (mn shares)	12.1
ADTV-3M (Rs mn)	564.5
ADTV-3M (USD mn)	5.9
Free float (%)	38.3
Nifty-50	24,614.9
INR/USD	95.4

Shareholding,Jun-26	
Promoters (%)	61.7
FPIs/MFs (%)	8.9/17.9

Price Performance

(%)	1M	3M	12M
Absolute	(3.8)	(4.1)	3.9
Rel. to Nifty	(5.1)	(6.1)	4.4

1-Year share price trend (Rs)

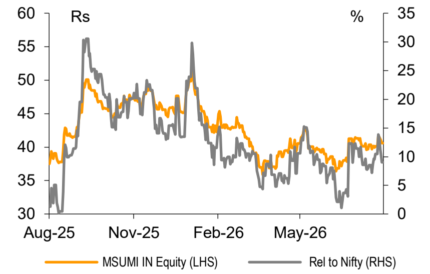

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Exhibit 1: 1QFY27 – Consolidated revenue was up 37% yoy, with EBITDA up ~6%; EBITDAM down 60bps qoq to 7.6%

(Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Revenue	**21,848**	**23,256**	**23,003**	**25,095**	**24,940**	**27,619**	**28,871**	**33,346**	**34,073**	**36.6**	**2.2**
Growth yoy (%)	17.5	10.5	8.6	12.4	14.2	18.8	25.5	32.9	36.6		
Expenditure	**19,461**	**20,761**	**20,627**	**22,383**	**22,498**	**24,822**	**26,248**	**30,606**	**31,490**	**40.0**	**2.9**
as a % of sales	89.1	89.3	89.7	89.2	90.2	89.9	90.9	91.8	92.4		
Consumption of RM	14,231	15,104	14,937	16,493	16,132	18,288	19,499	23,498	23,552	46.0	0.2
as a % of sales	65.1	64.9	64.9	65.7	64.7	66.2	67.5	70.5	69.1		
Employee costs	3,756	4,012	4,123	4,141	4,759	4,801	4,981	5,178	6,015	26.4	16.2
as a % of sales	17.2	17.3	17.9	16.5	19.1	17.4	17.3	15.5	17.7		
Other expenditure	1,473	1,645	1,568	1,748	1,607	1,732	1,768	1,930	1,923	19.6	-0.4
as a % of sales	6.7	7.1	6.8	7.0	6.4	6.3	6.1	5.8	5.6		
EBITDA	**2,388**	**2,496**	**2,376**	**2,712**	**2,443**	**2,797**	**2,623**	**2,741**	**2,583**	**5.7**	**-5.8**
Growth yoy (%)	23.0	0.6	-9.3	-6.9	2.3	12.1	10.4	1.0	5.7		
EBITDA margin (%)	**10.9**	**10.7**	**10.3**	**10.8**	**9.8**	**10.1**	**9.1**	**8.2**	**7.6**		
Depreciation	399	444	470	476	492	531	565	573	601	22.3	4.9
EBIT	**1,989**	**2,052**	**1,906**	**2,236**	**1,951**	**2,266**	**2,058**	**2,167**	**1,981**	**1.6**	**-8.6**
Other income	50	48	6	16	9	8	10	13	54	525.6	307.6
Interest	55	72	66	55	63	64	72	64	81	28.7	27.7
PBT	**1,984**	**2,027**	**1,846**	**2,197**	**1,896**	**2,210**	**1,995**	**2,117**	**1,954**	**3.0**	**-7.7**
Total tax	495	506	447	548	465	557	501	444	501	7.6	12.7
Adjusted PAT	**1,489**	**1,521**	**1,400**	**1,649**	**1,431**	**1,653**	**1,494**	**1,673**	**1,453**	**1.6**	**-13.1**
Growth yoy (%)	20.9	-2.4	-16.6	-13.8	-3.9	8.7	6.8	1.4	1.6		
PAT margin (%)	**6.8**	**6.5**	**6.1**	**6.6**	**5.7**	**6.0**	**5.2**	**5.0**	**4.3**		
Exceptional item (expense)/profit	-	-	-	-	-	-	-	-	-		
Reported PAT	**1,489**	**1,521**	**1,400**	**1,649**	**1,431**	**1,653**	**1,494**	**1,673**	**1,453**	**1.6**	**-13.1**
Adjusted EPS (Rs)	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.3**	**0.2**	**1.6**	**-13.1**

(%)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (bps)	qoq (bps)
EBITDAM	10.9	10.7	10.3	10.8	9.8	10.1	9.1	8.2	7.6	-221	-64
EBITM	9.1	8.8	8.3	8.9	7.8	8.2	7.1	6.5	5.8	-201	-69
PBTM	9.1	8.7	8.0	8.8	7.6	8.0	6.9	6.3	5.7	-187	-61
APATM	6.8	6.5	6.1	6.6	5.7	6.0	5.2	5.0	4.3	-147	-75
Effective tax rate	24.9	25.0	24.2	24.9	24.5	25.2	25.1	21.0	25.6	108	465

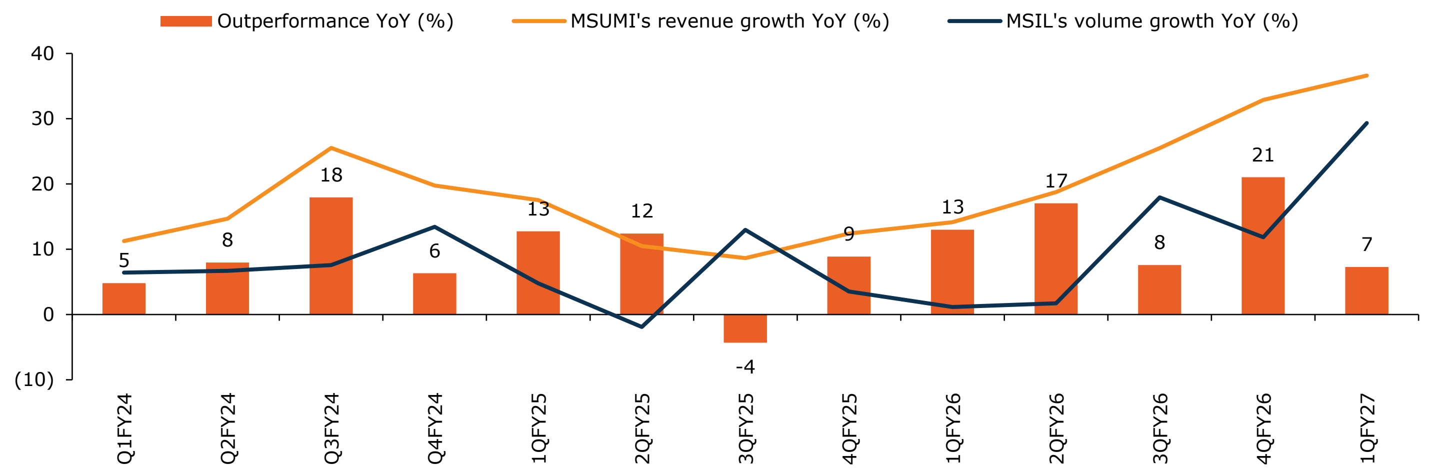
Source: Company, Emkay Research

Exhibit 2: Actuals vs estimates – 1QFY27

(Rs mn)	Actual	Emkay estimate	Variance (%)	Consensus	Variance (%)
Revenue	34,073	33,774	0.9	32,721	4.1
EBITDA	2,583	2,605	(0.9)	2,789	(7.4)
EBITDA margin (%)	7.6	7.7	(13) bps	8.5	(94) bps
Adjusted net income	1,453	1,456	(0.2)	1,621	(10.4)

Source: Company, Bloomberg, Emkay Research

Exhibit 3: MSUMI continues to outperform key client MSIL on yoy basis



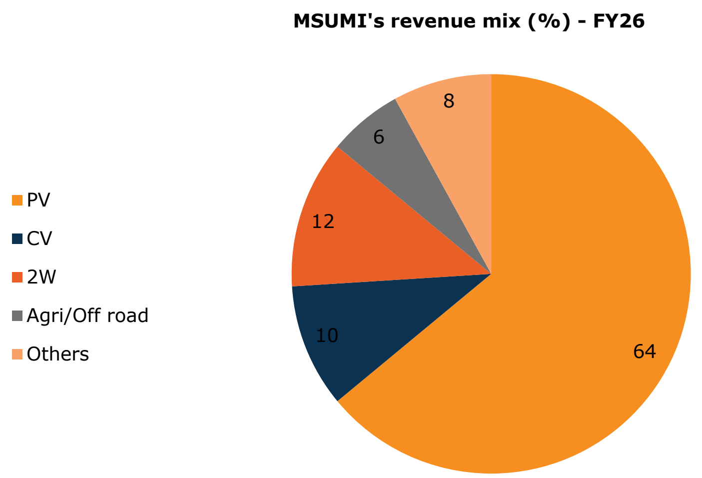
Source: Company, Emkay Research

Exhibit 4: On like-to-like basis (ex-greenfield), revenue grew 26% yoy; EBITDAM was down by ~170bps qoq, largely due to the rise in copper prices

Revenue (Rs mn)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)
Reported	21,848	23,256	23,003	25,095	24,940	27,619	28,871	33,346	34,073	36.6	2.2
Greenfield	48	544	800	1,190	1,560	1,899	2,501	4,426	4,515	189.3	2.0
Ex-greenfield	21,800	22,712	22,203	23,905	23,380	25,720	26,370	28,920	29,558	26.4	2.2
EBITDA (Rs mn)	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**	**yoy (%)**	**qoq (%)**
Reported	2,388	2,496	2,376	2,712	2,443	2,797	2,623	2,741	2,583	5.7	(5.8)
Greenfield	(172)	(387)	(400)	(260)	(307)	(463)	(367)	(139)	(135)		
Ex-greenfield	2,560	2,882	2,776	2,972	2,750	3,260	2,990	2,880	2,447	(11.0)	(15.0)
EBITDA margin (%)	**1QFY25**	**2QFY25**	**3QFY25**	**4QFY25**	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**	**yoy (bps)**	**qoq (bps)**
Reported	10.9	10.7	10.3	10.8	9.8	10.1	9.1	8.2	7.6	*(221) bps*	*(64) bps*
Greenfield	(355.8)	(71.0)	(50.0)	(21.8)	(19.7)	(24.4)	(14.7)	(3.1)	(3.0)		
Ex-greenfield	11.7	12.7	12.5	12.4	11.8	12.7	11.3	10.0	8.3	*(348) bps*	*(168) bps*

Source: Company, Emkay Research; Note – management indicated similar run rate and margin performance for 1QFY27 vs 4QFY26

Exhibit 5: Contribution of PVs to overall revenue rose to 64% in FY26 vs 61% in FY25



Source: Company, Emkay Research

Exhibit 6: Per management, revenue growth (ex-copper price movement) stood at ~30% yoy vs 37% on reported basis

Particulars	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
Copper (Rs/kg)	880	835	836	875	883	929	1,067	1,259	1,348
Movement (qoq %)	15.6	-5.1	0.1	4.7	0.9	5.2	14.9	18.0	7.1
Brass (Rs/kg)	641.3	609.1	620.4	640.6	637.8	673.7	775.3	918.8	964.0
Movement (qoq %)	16.0	-5.0	1.8	3.3	-0.4	5.6	15.1	18.5	4.9
Crude (Rs/kg)	7,093	6,617	6,256	6,495	5,715	5,948	5,617	7,184	9,149
Movement (qoq %)	4.3	-6.7	-5.5	3.8	-12.0	4.1	-5.6	27.9	27.3
Reported revenue (Rs mn)	**21,848**	**23,256**	**23,003**	**25,095**	**24,940**	**27,619**	**28,871**	**33,346**	**34,073**
Growth qoq (%)	-2.1	6.4	-1.1	9.1	-0.6	10.7	4.5	15.5	2.2
Growth yoy (%)	17.5	10.5	8.6	12.4	14.2	18.8	25.5	32.9	36.6
Impact from commodities (% BOM) - 60% 1Q lag + 40% 2Q lag									
Impact from Copper movement (28%)	0.3	2.9	0.9	-0.6	0.8	0.7	1.0	3.1	4.7
Impact from Brass movement (9%)	0.1	1.0	0.3	-0.1	0.2	0.1	0.3	1.0	1.5
Impact from Crude Derivative movement (31%)	-0.6	0.6	-0.7	-1.8	0.0	-1.8	-0.7	-0.5	4.5
Implied qoq revenue growth (ex RM price change)	-1.9	1.9	-1.6	11.6	-1.7	11.7	4.0	11.9	-8.5
Implied underlying revenue (ex RM Change)	**21,905**	**22,272**	**22,890**	**25,666**	**24,671**	**27,865**	**28,723**	**32,316**	**30,495**
Ex RM price change									
-- Comparable revenue growth qoq (%)	**-1.6**	**1.7**	**2.8**	**12.1**	**-3.9**	**12.9**	**3.1**	**12.5**	**-5.6**
-- Comparable revenue growth yoy (%)	**22.9**	**5.7**	**8.5**	**15.3**	**12.6**	**25.1**	**25.5**	**25.9**	**23.6**

Source: Company, Bloomberg, Emkay Research

Exhibit 7: We build in 19%/22%/25% revenue/EBITDA/EPS CAGR, respectively, over FY26-29E

Rs mn	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E	FY26-29E CAGR
PVs	**33,810**	**40,994**	**48,304**	**56,848**	**73,457**	**96,963**	**110,053**	**124,910**	**19%**
Mix (%)	*60*	*58*	*58*	*61*	*64*	*67*	*68*	*69*	
Growth yoy (%)		*21.2*	*17.8*	*17.7*	*29.2*	*32.0*	*13.5*	*13.5*	
CVs	**6,198**	**8,482**	**9,994**	**9,319**	**11,478**	**13,544**	**14,492**	**15,506**	**11%**
Mix (%)	*11*	*12*	*12*	*10*	*10*	*9*	*9*	*9*	
Growth yoy (%)		*36.8*	*17.8*	*-6.7*	*23.2*	*18.0*	*7.0*	*7.0*	
2Ws	**6,762**	**8,482**	**11,660**	**12,115**	**13,773**	**16,803**	**18,820**	**21,078**	**15%**
Mix (%)	*12*	*12*	*14*	*13*	*12*	*12*	*12*	*12*	
Growth yoy (%)		*25.4*	*37.5*	*3.9*	*13.7*	*22.0*	*12.0*	*12.0*	
Agri/Off road	**3,381**	**7,068**	**8,328**	**6,524**	**6,887**	**7,575**	**8,333**	**9,166**	**10%**
Mix (%)	*6*	*10*	*10*	*7*	*6*	*5*	*5*	*5*	
Growth yoy (%)		*109.1*	*17.8*	*-21.7*	*5.6*	*10.0*	*10.0*	*10.0*	
Other components	**6,198**	**5,654**	**4,997**	**8,387**	**9,182**	**10,192**	**10,804**	**11,452**	**8%**
Mix (%)	*11*	*8*	*6*	*9*	*8*	*7*	*7*	*6*	
Growth yoy (%)		*-8.8*	*-11.6*	*67.9*	*9.5*	*11.0*	*6.0*	*6.0*	
Revenues	**56,350**	**70,680**	**83,283**	**93,194**	**114,776**	**145,077**	**162,500**	**182,111**	**17%**
Growth yoy (%)	*43.1*	*25.4*	*17.8*	*11.9*	*23.2*	*26.4*	*12.0*	*12.1*	
EBITDA	**7,303**	**7,920**	**10,132**	**9,962**	**10,603**	**13,782**	**16,981**	**19,395**	**22%**
EBITDA margin (%)	*13.0*	*11.2*	*12.2*	*10.7*	*9.2*	*9.5*	*10.5*	*10.7*	
EBITDA growth yoy (%)	*32.0*	*8.5*	*27.9*	*(1.7)*	*6.4*	*30.0*	*23.2*	*14.2*	
EBIT	**6,248**	**6,684**	**8,659**	**8,173**	**8,442**	**11,271**	**14,254**	**16,402**	**25%**
EBIT margin (%)	*11.1*	*9.5*	*10.4*	*8.8*	*7.4*	*7.8*	*8.8*	*9.0*	
Other income	300	117	69	128	39	81	82	83	
PBT	**6,263**	**6,522**	**8,455**	**8,054**	**8,219**	**11,054**	**14,015**	**16,163**	**25%**
Tax	1,592	1,652	2,072	1,996	1,967	2,786	3,532	4,073	
Tax rate (%)	*25*	*25*	*25*	*25*	*24*	*25*	*25*	*25*	
PAT	**4,671**	**4,870**	**6,383**	**6,058**	**6,252**	**8,269**	**10,483**	**12,090**	**25%**
Growth yoy (%)	*18*	*4*	*31*	*(5)*	*3*	*32*	*27*	*15*	
EPS (Rs)	**0.7**	**0.7**	**1.0**	**0.9**	**0.9**	**1.2**	**1.6**	**1.8**	**25%**

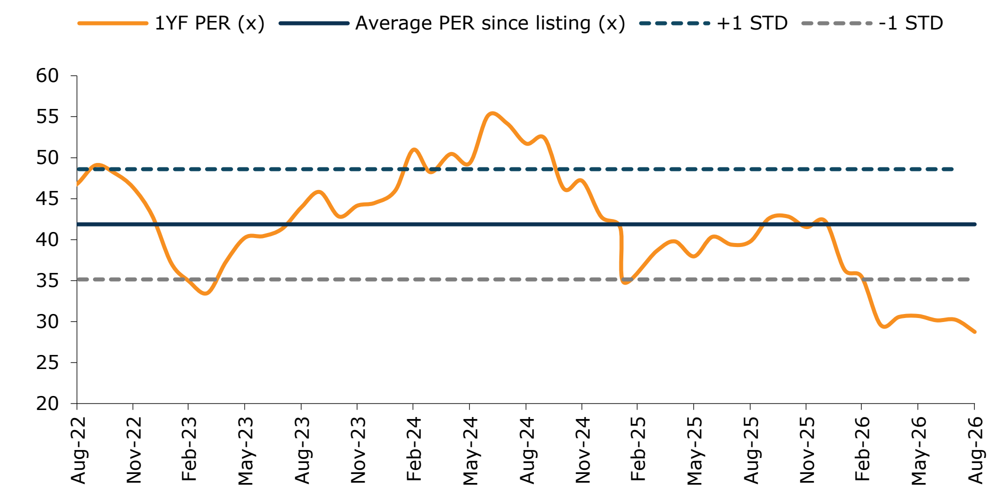
Source: Company, Emkay Research

Exhibit 8: We raise FY27-28E EPS by 3-3.5% largely to factor in a strong topline print

Standalone	FY26		FY27E				FY28E				FY29E	
Rs mn	**Actual**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**	**Earlier**	**Revised**	**% Change**	**% yoy**	**Introduced**	**% yoy**
Revenues	**114,776**	**23.2**	**132,428**	**145,077**	**9.6**	**26.4**	**149,418**	**162,500**	**8.8**	**12.0**	**182,111**	**12.1**
EBITDA	**10,603**	**6.4**	**13,375**	**13,782**	**3.0**	**30.0**	**16,511**	**16,981**	**2.8**	**23.2**	**19,395**	**14.2**
Margin (%)	9.2	-145 bps	10.1	9.5	-60 bps	26 bps	11.1	10.5	-65 bps	95 bps	10.7	20 bps
Depreciation	2,161	20.8	2,511	2,511	0.0	16.2	2,727	2,727	0.0	8.6	2,993	9.8
EBIT	**8,442**	**3.3**	**10,864**	**11,271**	**3.7**	**33.5**	**13,784**	**14,254**	**3.4**	**26.5**	**16,402**	**15.1**
Other income	39	-69.2	41	81	98.1	105.9	41	82	98.9	0.9	83	1.0
Interest expense	2,161	20.8	263	298	13.4	-86.2	263	321	22.4	7.9	321	0.0
PBT	6,320		10,642	11,054	3.9	74.9	13,563	14,015	3.3	26.8	16,163	15.3
Adjusted PAT	**6,252**	**3.2**	**8,000**	**8,269**	**3.4**	**32.3**	**10,184**	**10,483**	**2.9**	**26.8**	**12,090**	**15.3**
EPS (Rs)	**0.9**	**3.2**	**1.2**	**1.2**	**3.4**	**32.3**	**1.5**	**1.6**	**2.9**	**26.8**	**1.8**	**15.3**

Source: Emkay Research

Exhibit 9: MSUMI trades below its -1SD on 1YF PER basis (since the listing in Mar-22)



Source: Company, Bloomberg, Emkay Research

Exhibit 10: Auto universe – valuation matrix

Company Name	Price (Rs)	Reco	Target Price (Rs)	% Upside / (Downside)	FY26-28E Revenue CAGR (%)	FY26-28E EPS CAGR (%)	PER (x)			PBV (x)			EV/EBITDA (x)			ROE (%)		
							FY26	FY27E	FY28E	FY26e	FY27e	FY28e	FY26	FY27E	FY28E	FY26	FY27E	FY28E
JK Tyre	410	Buy	650	58.5	13%	14%	12.8	11.6	9.9	2.0	1.7	1.5	8.1	7.6	6.6	16.7	15.7	16.2
Apollo Tyres	437	Buy	550	26.0	11%	-13%	11.5	21.0	15.2	1.7	1.6	1.4	6.6	7.5	6.2	15.3	7.7	9.8
CEAT	3,611	Buy	4,500	24.6	15%	19%	19.0	20.6	13.4	2.9	2.6	2.2	8.6	8.1	6.2	16.3	13.3	18.0
Pricol	767	Buy	800	4.3	18%	23%	37.3	32.0	24.7	7.4	6.2	5.1	18.6	15.6	12.4	22.1	21.1	22.6
Craftsman Automation	10,193	Buy	11,900	16.7	18%	45%	61.3	40.4	29.2	7.5	4.5	3.9	22.2	16.9	14.0	13.0	14.4	14.4
Bharat Forge	2,181	Buy	2,100	-3.7	22%	33%	84.5	66.0	47.5	10.9	9.8	8.5	34.2	26.5	21.2	13.1	15.6	19.1
Minda Corporation	724	Buy	775	7.1	19%	25%	48.1	39.8	30.7	6.5	5.3	4.6	20.9	17.8	14.8	14.8	14.9	16.0
MSUMI	**40**	**Buy**	**45**	**25.8**	**14%**	**33%**	**42.2**	**31.9**	**25.1**	**12.2**	**10.9**	**9.9**	**25.0**	**19.3**	**15.6**	**32.4**	**36.2**	**41.3**
Sandhar Technologies	637	Buy	950	49.2	14%	35%	24.9	17.6	13.8	2.9	2.5	2.2	10.6	8.8	7.3	12.4	15.3	17.1
SAMIL	150	Buy	150	0.1	11%	30%	39.3	29.6	23.1	3.9	3.5	3.1	12.6	11.1	9.3	10.6	12.4	14.2
Shriram Pistons & Rings	4,106	Buy	4,850	18.1	27%	21%	31.1	25.2	21.4	6.2	5.1	4.2	22.9	17.0	14.1	22.0	22.2	21.4
Suprajit Engineering	509	Buy	575	13.0	10%	28%	36.6	26.4	22.5	4.9	4.3	3.7	18.0	13.9	12.0	14.0	17.2	17.7
SJS Enterprises	2,400	Buy	2,400	0.0	17%	21%	45.0	40.4	30.7	8.8	7.4	6.0	23.3	21.0	16.8	22.1	19.9	21.6
Uno Minda	1,225	Reduce	1,100	-10.2	20%	21%	59.1	52.1	40.7	10.4	8.9	7.6	32.4	22.8	22.4	19.5	18.4	20.1

Source: Company, Emkay Research

Motherson Sumi Wiring India: Standalone Financials and Valuations

Profit & Loss

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**93,194**	**114,776**	**145,077**	**162,500**	**182,111**
Revenue growth (%)	11.9	23.2	26.4	12.0	12.1
EBITDA	**9,962**	**10,603**	**13,782**	**16,981**	**19,395**
EBITDA growth (%)	(1.7)	6.4	30.0	23.2	14.2
Depreciation & Amortization	1,789	2,161	2,511	2,727	2,993
EBIT	**8,173**	**8,442**	**11,271**	**14,254**	**16,402**
EBIT growth (%)	(5.6)	3.3	33.5	26.5	15.1
Other operating income	-	-	-	-	-
Other income	128	39	81	82	83
Financial expense	248	263	298	321	321
PBT	**8,054**	**8,219**	**11,054**	**14,015**	**16,163**
Extraordinary items	0	0	0	0	0
Taxes	1,996	1,967	2,786	3,532	4,073
Minority interest	-	-	-	-	-
Income from JV/Associates	-	-	-	-	-
Reported PAT	**6,058**	**6,252**	**8,269**	**10,483**	**12,090**
PAT growth (%)	(5.1)	3.2	32.3	26.8	15.3
Adjusted PAT	**6,058**	**6,252**	**8,269**	**10,483**	**12,090**
Diluted EPS (Rs)	**0.9**	**0.9**	**1.2**	**1.6**	**1.8**
Diluted EPS growth (%)	(5.1)	3.2	32.3	26.8	15.3
DPS (Rs)	**0.5**	**0.6**	**0.9**	**1.2**	**1.4**
Dividend payout (%)	**58.2**	**60.0**	**70.0**	**75.0**	**75.0**
EBITDA margin (%)	10.7	9.2	9.5	10.5	10.7
EBIT margin (%)	8.8	7.4	7.8	8.8	9.0
Effective tax rate (%)	24.8	23.9	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**6,148**	**6,422**	**8,431**	**10,662**	**12,268**
Shares outstanding (mn)	6,632	6,632	6,632	6,632	6,632

Source: Company, Emkay Research

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	6,632	6,632	6,632	6,632	6,632
Reserves & Surplus	10,351	14,985	17,466	20,087	23,109
Net worth	**16,983**	**21,617**	**24,098**	**26,718**	**29,741**
Minority interests	-	-	-	-	-
Non-current liab. & prov.	(574)	(636)	(636)	(636)	(636)
Total debt	**2,692**	**2,332**	**2,732**	**2,732**	**2,732**
Total liabilities & equity	**19,101**	**23,313**	**26,193**	**28,814**	**31,837**
Net tangible fixed assets	4,179	5,067	4,353	3,626	0
Net intangible assets	0	0	0	0	0
Net ROU assets	-	-	-	-	-
Capital WIP	367	17	220	220	220
Goodwill	-	-	-	-	-
Investments [JV/Associates]	-	-	-	-	-
Cash & equivalents	**2,375**	**692**	**720**	**1,299**	**3,309**
Current assets (ex-cash)	27,066	38,318	47,887	53,619	59,568
Current Liab. & Prov.	17,613	23,508	29,714	32,676	36,620
NWC (ex-cash)	**9,453**	**14,810**	**18,173**	**20,942**	**22,948**
Total assets	**19,101**	**23,313**	**26,193**	**28,814**	**31,837**
Net debt	317	1,640	2,011	1,433	(577)
Capital employed	19,101	23,313	26,193	28,814	31,837
Invested capital	**16,359**	**22,604**	**25,253**	**27,295**	**28,308**
BVPS (Rs)	2.6	3.3	3.6	4.0	4.5
Net Debt/Equity (x)	-	0.1	0.1	0.1	-
Net Debt/EBITDA (x)	-	0.2	0.1	0.1	-
Interest coverage (x)	33.5	32.3	38.1	44.6	51.3
RoCE (%)	**42.5**	**38.9**	**44.7**	**50.9**	**53.2**

Source: Company, Emkay Research

Cash flows

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	8,054	8,219	11,054	14,015	16,163
Others (non-cash items)	(42)	6	0	0	0
Taxes paid	(1,939)	(2,113)	(2,786)	(3,532)	(4,073)
Change in NWC	(4,344)	(888)	(2,964)	(2,769)	(2,006)
Operating cash flow	**3,648**	**7,613**	**8,114**	**10,762**	**13,399**
Capital expenditure	(1,712)	(2,005)	(2,000)	(2,000)	(2,000)
Acquisition of business	1,000	0	0	0	0
Interest & dividend income	0	0	0	0	0
Investing cash flow	**(601)**	**(1,999)**	**(2,000)**	**(2,000)**	**(2,000)**
Equity raised/(repaid)	0	0	0	0	0
Debt raised/(repaid)	0	0	0	0	0
Payment of lease liabilities	-	-	-	-	-
Interest paid	(239)	(253)	(298)	(321)	(321)
Dividend paid (incl tax)	(3,528)	(3,749)	(5,788)	(7,862)	(9,068)
Others	412	(3,295)	0	0	0
Financing cash flow	**(3,355)**	**(7,297)**	**(6,086)**	**(8,184)**	**(9,389)**
Net chg in Cash	(308)	(1,683)	28	579	2,010
OCF	3,648	7,613	8,114	10,762	13,399
Adj. OCF (w/o NWC chg.)	7,992	8,501	11,078	13,531	15,404
FCFF	1,936	5,608	6,114	8,762	11,399
FCFE	1,688	5,346	5,816	8,441	11,077
OCF/EBITDA (%)	36.6	71.8	58.9	63.4	69.1
FCFE/PAT (%)	27.9	85.5	70.3	80.5	91.6
FCFF/NOPLAT (%)	**31.5**	**87.3**	**72.5**	**82.2**	**92.9**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E Mar	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	43.5	42.2	31.9	25.1	21.8
P/CE(x)	33.6	31.3	24.5	20.0	17.5
P/B (x)	15.5	12.2	10.9	9.9	8.9
EV/Sales (x)	2.8	2.3	1.8	1.6	1.4
EV/EBITDA (x)	26.5	25.0	19.3	15.6	13.6
EV/EBIT(x)	32.3	31.4	23.6	18.6	16.0
EV/IC (x)	16.1	11.7	10.5	9.7	9.3
FCFF yield (%)	0.7	2.1	2.3	3.3	4.3
FCFE yield (%)	0.6	2.0	2.2	3.2	4.2
Dividend yield (%)	1.3	1.4	2.2	3.0	3.4
DuPont-RoE split					
Net profit margin (%)	6.5	5.4	5.7	6.5	6.6
Total asset turnover (x)	4.9	5.4	5.9	5.9	6.0
Assets/Equity (x)	1.1	1.1	1.1	1.1	1.1
RoE (%)	**35.9**	**32.4**	**36.2**	**41.3**	**42.8**
DuPont-RoIC					
NOPLAT margin (%)	6.6	5.6	5.8	6.6	6.7
IC turnover (x)	5.8	5.9	6.1	6.2	6.6
RoIC (%)	**38.1**	**33.0**	**35.2**	**40.6**	**44.1**
Operating metrics					
Core NWC days	37.0	47.1	45.7	47.0	46.0
Total NWC days	**37.0**	**47.1**	**45.7**	**47.0**	**46.0**
Fixed asset turnover	7.0	7.1	7.8	7.9	8.1
Opex-to-revenue (%)	24.1	23.3	22.2	22.2	22.0

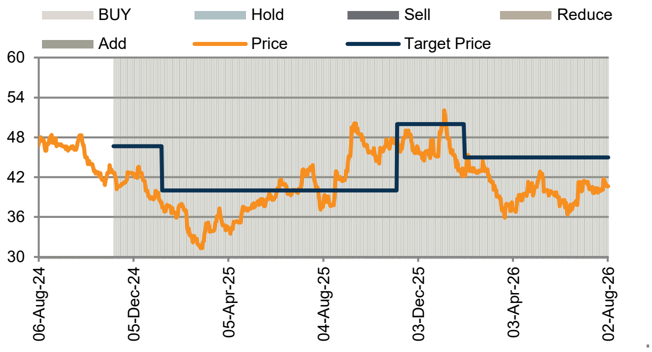
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
03-Jun-26	38	45	Add	Chirag Jain
29-Apr-26	40	45	Add	Chirag Jain
16-Apr-26	39	45	Add	Chirag Jain
09-Mar-26	40	45	Add	Chirag Jain
31-Jan-26	43	45	Add	Chirag Jain
06-Nov-25	48	50	Add	Chirag Jain
29-Jul-25	39	40	Add	Chirag Jain
29-May-25	39	40	Add	Chirag Jain
09-May-25	38	40	Add	Chirag Jain
16-Apr-25	35	40	Add	Chirag Jain
07-Feb-25	37	40	Add	Chirag Jain
10-Jan-25	37	40	Add	Chirag Jain
09-Nov-24	43	47	Add	Chirag Jain
05-Aug-24	47	50	Add	Chirag Jain

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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