

Mahindra & Mahindra

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	MM IN
Equity Shares (m)	1244
M.Cap.(INRb)/(USDb)	3990.4 / 45.6
52-Week Range (INR)	3303 / 2360
1, 6, 12 Rel. Per (%)	4/2/11
12M Avg Val (INR m)	9162

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	1,165	1,360	1,537
EBITDA	171.2	192.6	221.7
Adj. PAT	118.5	143.4	164.2
Adj. EPS (INR)	98.7	119.5	136.7
EPS Gr. (%)	11.3	21.0	14.5
BV/Sh. (INR)	513	606	713

Ratios

RoE (%)	20.8	21.3	20.7
RoCE (%)	19.9	20.5	20.0
Payout (%)	23.7	21.7	21.8

Valuations

P/E (x)	32.5	26.8	23.4
P/BV (x)	6.3	5.3	4.5
Div. Yield (%)	0.7	0.8	0.9
FCF Yield (%)	3.1	2.0	3.7

Shareholding pattern (%)

As On	Jun-25	Mar-25	Jun-24
Promoter	18.1	18.1	18.1
DII	29.2	29.4	25.7
FII	43.1	42.9	46.8
Others	9.6	9.6	9.4

FII Includes depository receipts

CMP: INR3,209 **TP: INR3,687 (+15%)** **Buy**

FES performance continues to impress

Well-positioned to outperform in both the Auto and FES segments

- Mahindra & Mahindra (MM)'s 1QFY26 PAT at INR34.4b was ahead of our estimate of INR30.7b due to higher other income even as EBITDA margin came in line. While the FES segment's margin improved 140bp YoY to 19.8%, the auto segment's margin remained steady at 8.9%, affected by the contract manufacturing margin for its e-SUVs.
 - While MM has outperformed its own targets of earnings growth and RoE of 18%, management remains committed to delivering 15-20% EPS growth and 18% RoE. This ensures sustained profitability and shareholder value.
- Reiterate BUY with a TP of INR3,687 (based on Jun'27E SoTP).**

Margins in line

- MM's revenue grew 26% YoY to INR341b, in line with our estimate.
- EBITDA margin also came in line with our estimate at 14.3% in 1QFY26.
- However, MM reported higher-than-expected other income at INR6.4b (est. of INR3.7b). This led to a strong 32% YoY growth in PAT to INR34.4b.
- On a segmental basis, the auto segment's margin was in line with our estimate at 8.9%. However, this included margin dilution on account of contract manufacturing of EVs for MEAL. While the core auto ICE margin came in at 10%, e-SUV contract manufacturing delivered a 0.2% PBIT margin.
- At the MEAL level, MM has delivered a 2.9% EBITDA margin but a -3.5% EBIT margin. MM could deliver a positive EBITDA margin on EVs as it is: 1) currently selling only the top-end variants, and 2) leveraging its existing capacity, which helps absorb cost overheads.
- MM's tractor margin remained healthy and was up 140bp YoY to 19.8% (ahead of our estimate of 18.8%). Core tractor PBIT margin (ex-farm machinery and power) improved 100bp to 20.7% for the quarter.
- While the Auto segment PAT grew 32% YoY to INR17.6b, the FES segment PAT rose 7% YoY to INR13.2b during the quarter.
- RoE for 1Q stood at 20.6%, well ahead of its target of 18%.

Highlights from the management commentary

- In the auto segment, MM's revenue market share improved 570bp to 27.3% in 1Q. Further, its LCV share (<3.5T segment) improved 340bp YoY to 54.2%.
- MM's tractor share also improved by 50bp to 45.2% for the quarter.
- The company continued to maintain its growth guidance of mid-to-high teens for UVs in FY26E, aided by healthy traction seen for most of its models.
- It expects rising steel prices to drive cost inflation in the coming quarters.
- MM has an adequate rare earth inventory, at least for the next two quarters, and hence it does not expect any production disruption. It has explored substitutes such as light earths and ferrites as the alternates for rare earth materials.

Valuation and view

- We believe MM is well-positioned to outperform across its core businesses, fueled by a healthy recovery in rural areas and new product launches in both UVs and tractors. We estimate MM to post a CAGR of ~15%/14%/18% in revenue/ EBITDA/PAT over FY25-27.
- While MM has outperformed its own targets of earnings growth and RoE of 18% in FY24, management remains committed to delivering 15-20% EPS growth and 18% RoE. This ensures sustained profitability and shareholder value. **Reiterate BUY with a TP of INR3,687 (based on Jun'27E SoTP).**

Quarterly Performance

Y/E March	FY25				FY26				FY25	FY26	1QE	Var.
INR b	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				(%)
Total Volumes ('000 units)	315	301	344	319	361	333	376	352	1,280	1,424	361	0.0
Growth YoY (%)	4.7	-0.5	17.8	15.3	14.4	10.4	9.5	10.1	14.0	11.3	14.4	
Net Realization (INR '000/unit)	857	914	889	981	945	950	929	1,005	910	955	916	3.1
Growth YoY (%)	7.0	13.5	2.2	8.0	10.2	3.9	4.5	2.4	3.1	4.9	6.9	
Net Op. Income	270.4	275.5	305.4	313.5	340.8	316.2	349.5	353.4	1,165	1,360	330.6	3.1
Growth YoY (%)	12.0	12.9	20.3	24.5	26.1	14.7	14.4	12.7	17.5	16.7	22.3	
RM Cost (% of sales)	73.7	74.2	74.4	74.1	74.5	75.5	75.0	71.6	74.1	74.5	74.5	0bp
Staff (% of sales)	4.3	4.2	4.2	4.0	4.5	4.8	5.1	4.0	4.2	4.0	4.5	0bp
Oth. Exp. (% of Sales)	7.0	7.3	6.7	6.9	8.3	8.5	8.8	10.3	7.0	7.4	8.3	0bp
EBITDA	40.2	39.5	44.7	46.8	48.8	44.4	49.6	49.8	171.2	193	47.3	3.2
EBITDA Margins (%)	14.9	14.3	14.6	14.9	14.3	14.0	14.2	14.1	14.7	14.2	14.3	0bp
Other income	3.5	20.0	6.1	0.5	6.4	21.0	4.1	0.8	30.0	32.3	3.7	
Interest	0.5	0.6	0.6	0.8	0.6	0.5	0.4	0.4	2.5	1.9	0.4	
Depreciation	9.1	9.6	10.5	13.1	10.0	10.5	10.9	11.2	42.3	42.6	11.2	
PBT after EO	34.1	49.3	39.7	33.5	44.7	54.3	42.4	39.0	156.5	180.4	39.4	13.5
Tax	7.9	10.9	10.0	9.1	10.2	10.9	8.3	7.7	38.0	37.0	8.7	
Effective Tax Rate (%)	23.3	22.1	25.3	27.1	22.0	20.0	19.5	19.6	24.3	20.5	22.0	
Reported PAT	26.1	38.4	29.6	24.4	34.5	43.5	34.2	31.3	118.5	143.4	30.7	12.2
Adj PAT	26.1	38.4	29.6	24.4	34.5	43.5	34.2	31.3	118.5	143.4	30.7	12.2
Change (%)	23.2	13.2	19.1	21.9	32.0	13.2	15.2	28.5	11.4	21.0	17.6	

Y/E March	FY25				FY26				FY25	FY26E	1QE
Segmental (M&M + MVML)	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Realizations (INR '000/unit)											
Auto	977	1,015	1,010	1,079	1,101	1,055	1,061	1,090	1,022	1,074	1,026
Farm Equipment	670	696	671	730	685	717	691	777	689	713	684
Blended	857	914	889	981	945	950	929	1,005	910	957	916
Segment PBIT Margins (%)											
Auto	9.5	9.5	9.7	9.2	8.9	9.2	9.2	9.5	9.5	9.2	8.8
Farm Equipment	18.5	17.5	18.1	19.4	19.8	18.0	18.5	20.5	18.4	19.2	18.8

Key Performance Indicators	FY25				FY26E				FY25	FY26E	1QE
Y/E March	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			
Tractors ('000 units)	121.5	93.4	121.8	88.0	134.1	101.3	132.1	95.3	424.6	462.9	134.1
Change (%)	5.6	3.7	19.8	22.9	10.4	8.5	8.5	8.3	12.2	9.0	10.4
Total UV ('000 units)	183.4	190.6	209.7	223.9	223.1	227.9	240.9	255.5	842.2	947.5	223.1
Change (%)	17.3	7.2	15.4	15.5	17.1	15.0	10.0	8.9	14.7	12.5	17.1
Cost Break-up											
RM Cost (% of sales)	73.7	74.2	74.4	74.1	74.5	75.5	75.0	71.6	74.1	74.5	74.5
Staff Cost (% of sales)	4.3	4.2	4.2	4.0	4.5	4.8	5.1	4.0	4.2	4.0	4.5
Other Cost (% of sales)	7.0	7.3	6.7	6.9	8.3	8.5	8.8	10.3	7.0	7.4	8.3
Gross Margins (%)	26.3	25.8	25.6	25.9	25.5	24.5	25.0	28.4	25.9	25.5	25.5
EBITDA Margins (%)	14.9	14.3	14.6	14.9	14.3	14.0	14.2	14.1	14.7	14.2	14.3
EBIT Margins (%)	11.5	10.8	11.2	10.8	11.4	10.7	11.1	10.9	11.1	11.0	10.9

E:MOFSL Estimates



Highlights from the management commentary

Auto update

- In SUVs, MM posted a robust 22% YoY growth to 152k units despite a weak demand environment.
- In the auto segment, its revenue market share improved 570bp to 27.3% in 1Q. Also, their LCV share (<3.5T segment) has improved by 340bp YoY to 54.2%
- E-SUV penetration for MM stood at 7.8% vs. 5.6% for the industry. MM's E SUV market share improved to 31.8% after the launch of its new BEVs.
- MM continues to maintain its leadership in 3W EVs with a 38.7% share
- A new multi-energy platform that will support petrol, diesel, hybrid, and EV variants will be unveiled on August 15, 2025. It is currently scouting for a location to set up a greenfield for the same.
- ICE SUV capacity stood at 55k units, and the utilization was around 80%. EV sales are expected to ramp up to 5-6k units by the festive season. It expects these to ramp up further after the new launches scheduled for Jan'26. MM plans to launch seven BEVs by 2030, with two slated for debut in 2026.
- MM continues to maintain its growth guidance of mid-to-high teens for UVs in FY26E on the back of healthy traction seen for most of its models.
- It expects rising steel prices to drive cost inflation in the coming quarters.
- MM has not accrued PLI benefit in 1Q and expects to receive its final PLI certification for the XE 9E by 2Q-3QFY26. It hopes to apply for the same for BE 6E in 4QFY26.
- MM has an adequate rare earth inventory, at least for the next two quarters, and hence it does not expect any production disruption. It has explored substitutes such as light earths and ferrites as alternates for rare earth materials.
- MM would continue to invest in brand, channel, and market creation in key export markets. The launch of XUV 3XO in South Africa has received a very good response. They have also recently launched the same model in Australia. In South Africa, they are already amongst the top 10 OEMs and amongst the fastest growing in the region.

FES segment update

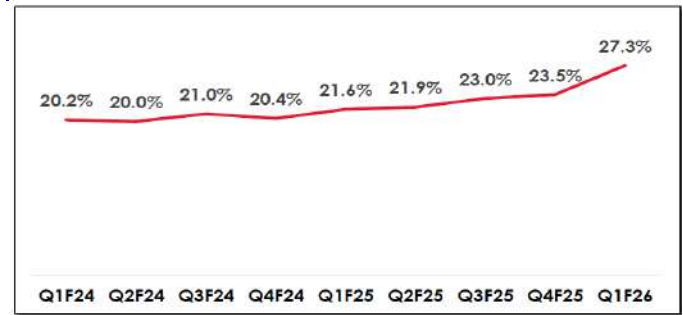
- MM's 1Q volume grew 10% YoY to 133k units.
- Tractor share also improved 50bp to 45.2%.
- The farm machinery business has delivered 17% YoY growth to INR3.1b in revenues. It has now changed its strategy in this business to reasonable growth without diluting margins. In the rotavator segment, its market share now stands at 25%. Further, it has now reached a 5-6% share in the harvester business. The company is now happy with the current run-rate in this business.
- The consolidated farm segment has posted just 6% EBIT growth due to the impairment taken on its subsidiary Sampo (Finland). Management has taken impairments in this entity in 4Q as well, but it doesn't expect the same to continue going forward. Ex-impairments, Farm EBIT growth (consol) would have been 18%
- On TremV, an expert panel has been in place, and they have recommended implementing the same based on segments. However, management awaits clarity on the timeline of implementation.

Exhibit 1: Domestic tractor market share trend for MM



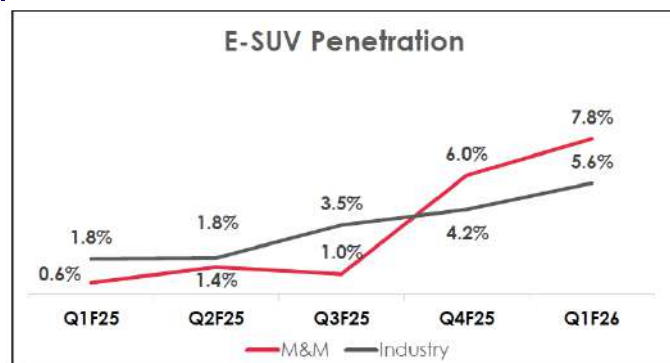
Source: Company, MOFSL

Exhibit 2: Domestic PV revenue market share trend for MM



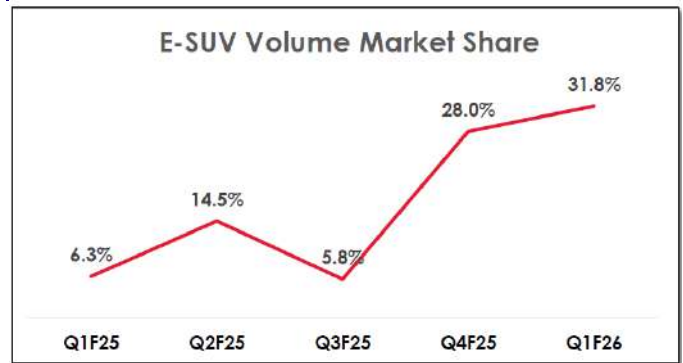
Source: Company, MOFSL

Exhibit 3: E SUV penetration – MM vs. Industry



Source: Company, MOFSL

Exhibit 4: E-SUV market share trend for MM (%)



Source: Company, MOFSL

Exhibit 5: EV margin impact on MM

	Auto Standalone*	+	eSUV Contract Mfg.	=	Auto Standalone as reported
Revenue	22,136		2,813		24,949
PBIT	2,214		7		2,221
PBIT%	10.0%		0.2%		8.9%

Source: Company, MOFSL

Exhibit 6: BEV margin positive

BEV = MEAL Ltd + eSUV Contract Mfg.	
Particulars	Q1 F26
Revenue	3,068
EBITDA	111
EBITDA %	3.6%
PBIT	-101
PBIT %	-3.3%

Source: Company, MOFSL

Exhibit 7: Positive margin at MEAL

MEAL Ltd as a Company	
Particulars	Q1 F26
Revenue	3,068
EBITDA	90
EBITDA %	2.9%
PBIT	-108
PBIT %	-3.5%

Auto Subsidiary; part of Auto Conso

Source: Company, MOFSL

Exhibit 8: Contract Manufacturing margin

eSUV Contract Mfg. in Auto Standalone	
Particulars	Q1 F26
Revenue	2,813
EBITDA	21
EBITDA %	0.7%
PBIT	7
PBIT %	0.2%

Part of Auto Standalone

Source: Company, MOFSL

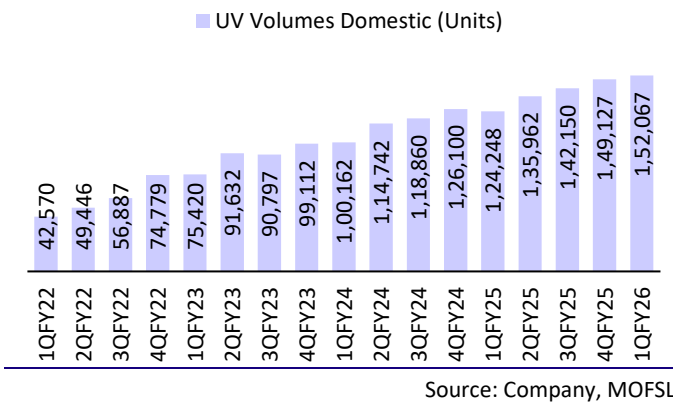
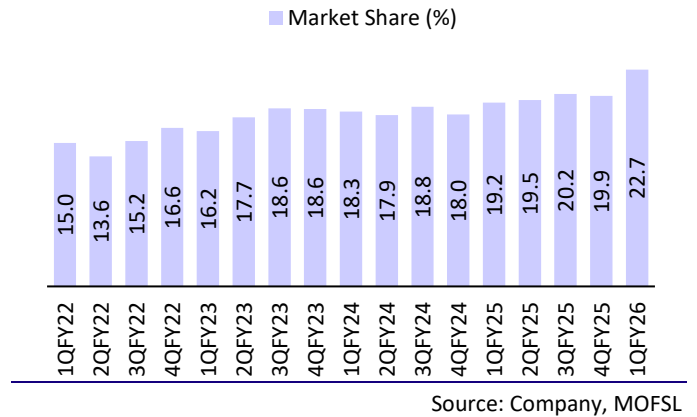
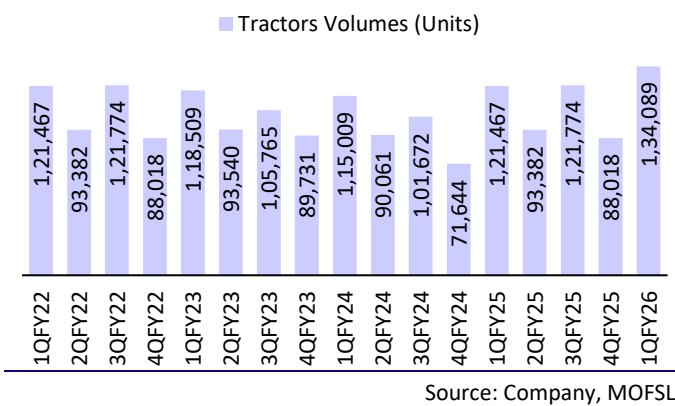
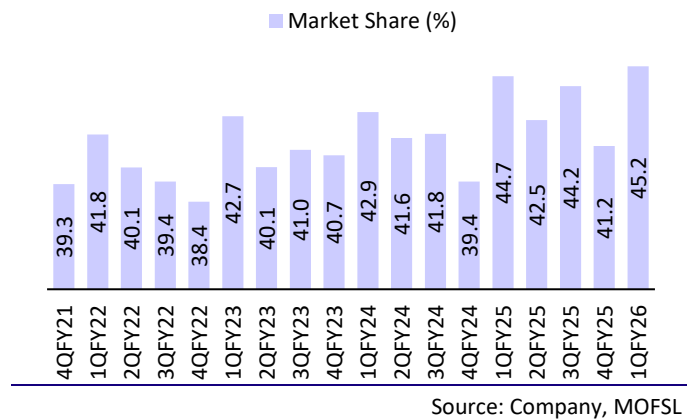
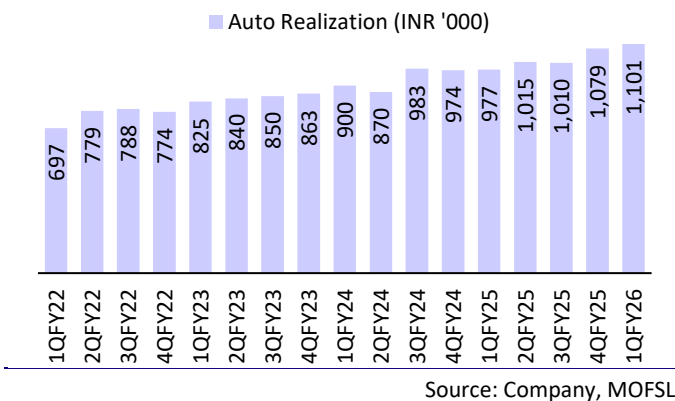
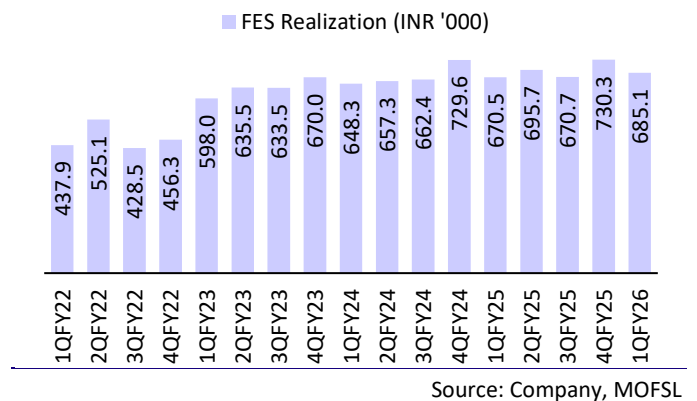
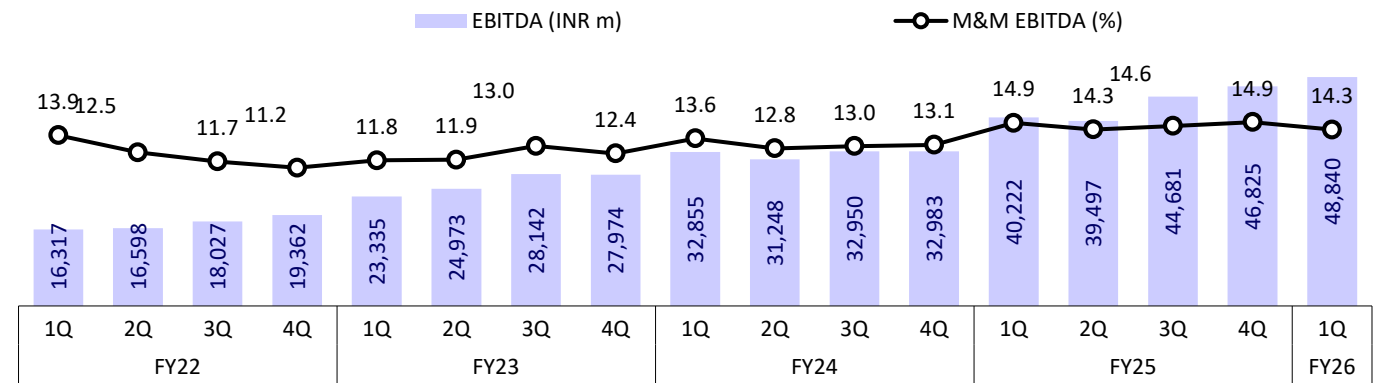
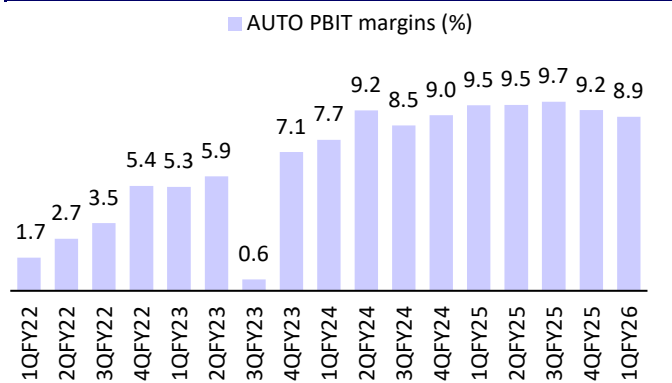
Exhibit 9: UV volume trend

Exhibit 10: Domestic PV market share trend (%)

Exhibit 11: Tractor volume trend

Exhibit 12: Domestic tractor market share trend (%)

Exhibit 13: Auto ASP trend

Exhibit 14: Tractor ASP trend


Exhibit 15: Trend in EBITDA margin



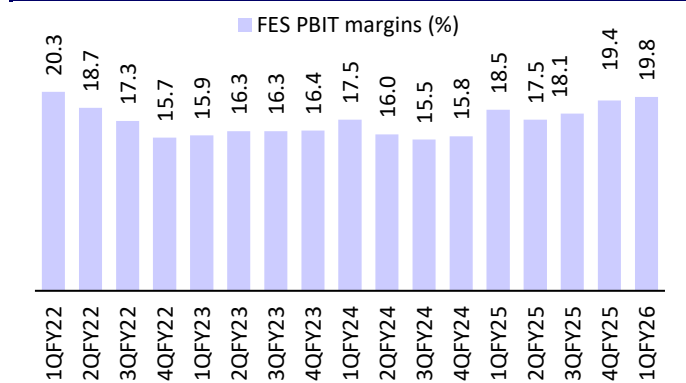
Source: Company, MOFSL

Exhibit 16: Trend in PBIT margin for the Auto segment



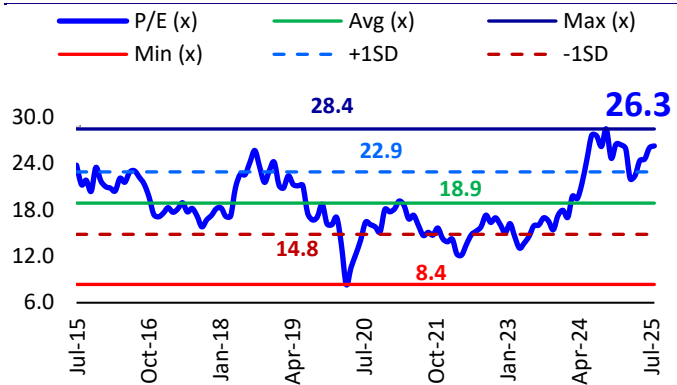
(3QFY23 margins w/o MTBD impairment at 6.6%) Company, MOFSL

Exhibit 17: Trend in PBIT margin for FES



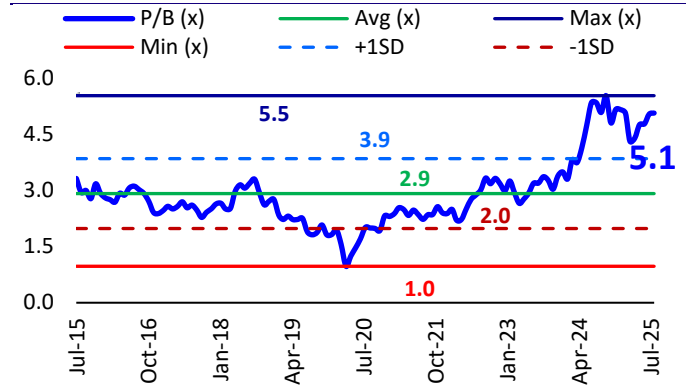
Source: Company, MOFSL

Exhibit 18: One-year forward P/E (x) band



Source: MOFSL

Exhibit 19: One-year forward P/B (x) band



Source: MOFSL

Valuation and view

- **M&M is likely to continue to outperform industry growth:** MM's recently unveiled new XUV 3XO and Thar Roxx have received a healthy response. The company will continue to have a healthy launch pipeline, even in the long run, and targets to launch seven ICE SUVs (two mid-cycle enhancements), five BEVs, and five LCVs (of which two would be EVs) by 2030. Of this, in CY26, the company targets to launch three ICE SUVs (two mid-cycle enhancements), two BEVs, and two LCVs (of which one would be an EV in the <3.5T category). Driven by a strong order backlog and new launches, we expect MM would continue to outperform industry growth, even in FY26. We have assumed MM to post a 13% volume CAGR in passenger UVs over FY25-27E.
- **Tractor industry to see healthy momentum in FY26 as well:** Farm sentiments are now positive given: 1) good kharif output, 2) healthy reservoir levels, 3) healthy rabi sowing, and 4) positive terms of trade for farmers where output inflation is higher than input inflation. Given this and the current demand momentum, management expects the tractor industry to post high single-digit growth in FY26E as well. Further, given favorable market conditions (MM's strong markets, viz South and West, are seeing strong demand), MM is likely to continue to outperform industry growth even in FY26E. We have factored in M&M to post 7% volume CAGR over FY25-27E.
- **MM to capitalize on market leadership in the below-3.5T LCV category:** MM maintains a dominant position in the below-3.5T segment, where its market share improved by 290bp to 51.9% in FY25. While the pick-up segment seems to have seen subdued demand for FY25, we anticipate its growth to rebound from FY26 onwards. The resurgence will be backed by the ongoing e-commerce boom in India and the demand stemming from the hub-and-spoke transport arrangement within the industry. We assume MM to clock a 7% volume CAGR over FY25-27E in this segment on a corrected base.
- **Strategy in place for EV transition:** MM has articulated a clear roadmap for its EV transition and has already partnered with VW. Under this partnership, VW will supply components of its MEB platform to MM's INGLO platform. On this platform, MM plans to launch five all-electric SUVs in India, two of which have already been launched and are seeing a strong response. MM has lined up investments of INR120b in EVs over the next three years. It expects EVs to contribute to 20-30% of its mix in five years.
- **Value unlocking in growth gems provides option value:** MM has identified nine businesses as its growth gems and has set an ambitious target of achieving 5x growth in 5-7 years for each of these segments. Any incremental value unlocked in any or all of the growth gems in the coming years is likely to provide additional returns for MM shareholders.
- **Valuation and view:** We believe MM is well-positioned to outperform across its core businesses, fueled by a healthy recovery in rural areas and new product launches in both UVs and tractors. We estimate MM to post a CAGR of ~15%/14%/18% in revenue/ EBITDA/PAT over FY25-27. While MM has outperformed its own targets of earnings growth and RoE of 18% in FY24, management remains committed to delivering 15-20% EPS growth and 18% RoE. This ensures sustained profitability and shareholder value. **Reiterate BUY with a TP of INR3,687 (based on Jun'27E SoTP).**

Exhibit 20: Our revised forecasts

	FY26E			FY27E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Volumes ('000 units)	1,422	1,417	0.3	1,541	1,536	0.3
Net Sales	1,360	1,346	1.1	1,537	1,520	1.1
EBITDA (%)	14.2	14.6	-40bp	14.4	14.4	0bp
Net Profit	143	143	0.4	164	160	2.8
EPS (INR)	119.5	118.9	0.4	136.7	133.0	2.8

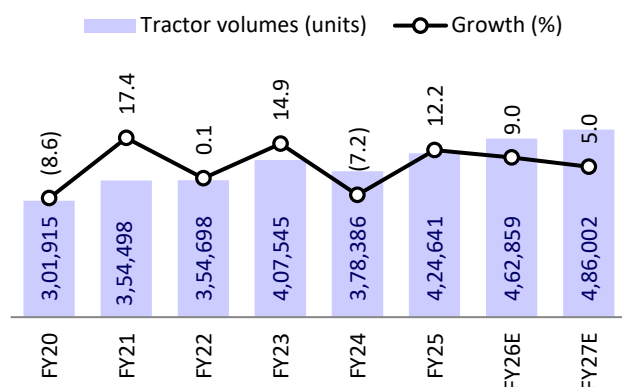
SOTP (INR/sh)	Target P/E (x)FY25		FY26E	FY27E
Tractors	24	817	1011	1116
Autos	22	1121	1364	1627
Value of ePV business (40% HoldCo discount)		414	414	414
Value of Core Business		2352	2790	3158
Value of subs post hold-co discount		440	440	440
- Tech Mahindra		257	257	257
- MMFSL		118	118	118
- Mah. Lifespaces		20	20	20
- Mah. Holidays		34	34	34
- Mah. Logistics		10	10	10
Fair Value (INR/sh)		2792	3230	3597

Snapshot of the revenue model

000 units	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Tractors	302	354	355	408	378	425	463	486
Growth (%)	-8.6	17.4	0.1	14.9	-7.2	12.2	9.0	5.0
% of total volumes	38.8	50.2	43.2	38.8	33.6	33.2	32.5	31.5
Autos								
Pick-up/LCVs (<3.5t)	188	154	171	239	250	256	269	290
Growth (%)	-18.1	-18.3	11.2	39.8	4.7	2.6	5.0	8.0
SUVs	179	156	226	359	460	551	637	706
Growth (%)	-24.4	-13.3	45.2	59.0	28.0	19.9	15.5	10.8
3-Ws	62	21	30	59	78	86	98	110
Growth (%)	-6.8	-67.0	46.5	94.6	32.6	10.6	14.0	12.0
LCVs (>3.5t)	6	2	2	4	4	3	4	4
Growth (%)	-26.5	-75.0	31.0	84.9	-5.0	-5.0	12.0	12.0
M&HCVs (MTBL)	5	3	4	9	10	10	10	11
Growth (%)	-53.0	-50.0	60.0	30.0	20.0	0.0	9.0	9.0
Others & Exports	35	18	33	-26	-53	-51	-56	-64
Growth (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Autos	476	352	466	643	747	855	961	1,057
Growth (%)	-21.8	-26.0	32.2	38.1	16.2	14.4	12.4	10.0
% of total volumes	61.2	49.8	56.8	61.2	66.4	66.8	67.5	68.5
Total volumes ('000 units)	778	707	820	1,050	1,126	1,280	1,424	1,543
Growth (%)	-17.2	-9.1	16.1	34.8	1.8	13.7	11.1	8.4
ASP (INR '000/Unit)	577	629	705	769	880	910	957	997
Growth (%)	2.5	9.1	12.0	9.1	14.5	3.4	5.1	4.3
Net Sales (INR b)	449	445	578	850	991	1,165	1,360	1,537
Growth (%)	-15.1	-0.9	29.9	47.0	16.6	17.5	16.7	13.0

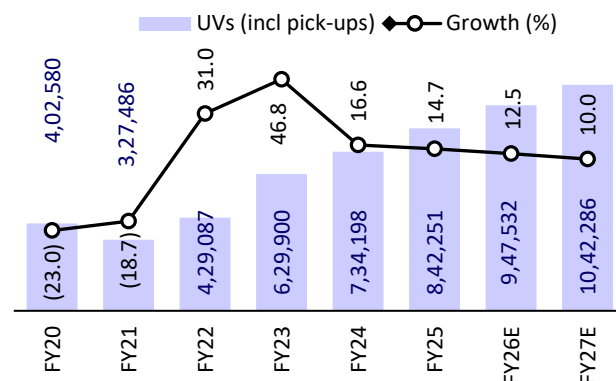
Story in charts

Exhibit 21: Trend in Tractor volumes



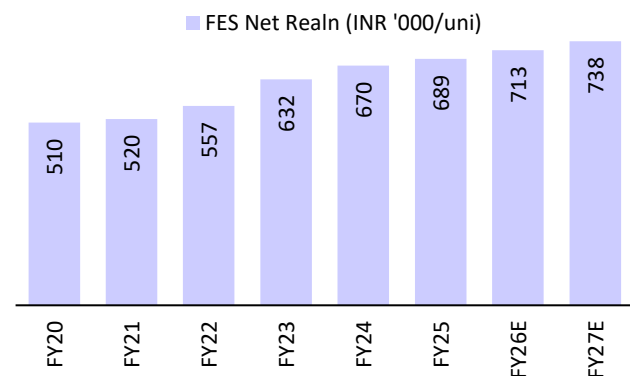
Source: Company, MOFSL

Exhibit 22: New product launches to drive UV sales



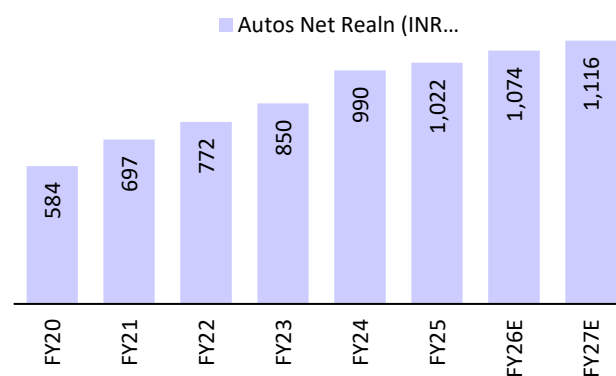
Source: Company, MOFSL

Exhibit 23: Trend in FES business realizations



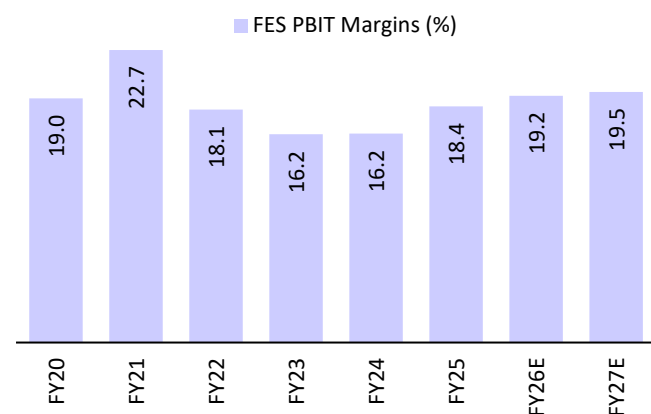
Source: Company, MOFSL

Exhibit 24: Trend in Auto business realizations



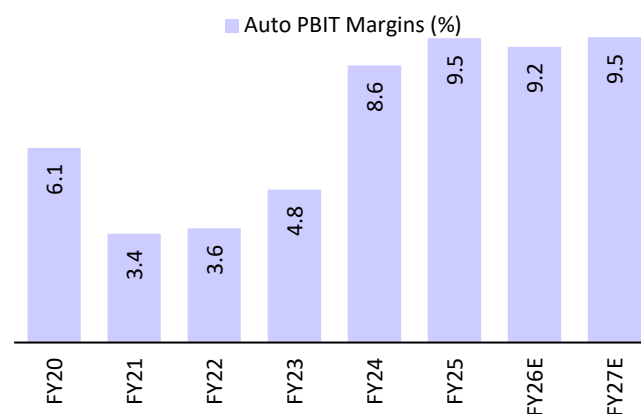
Source: Company, MOFSL

Exhibit 25: Trend in FES business PBIT margin



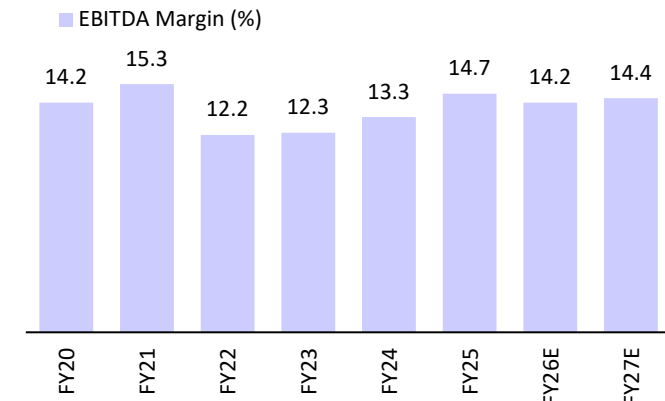
Source: Company, MOFSL

Exhibit 26: Trend in Auto business PBIT margin



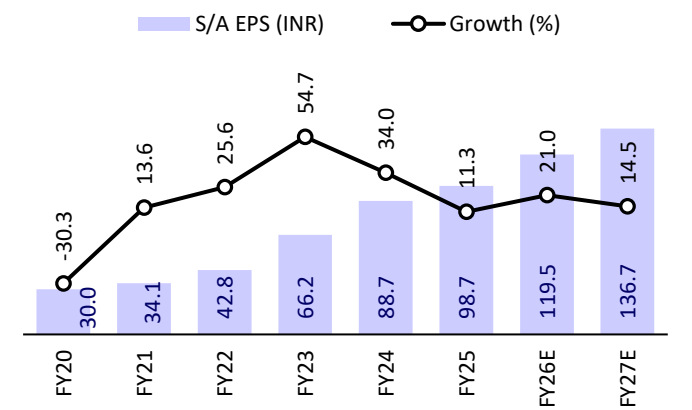
Source: Company, MOFSL

Exhibit 27: Trend in EBITDA margin



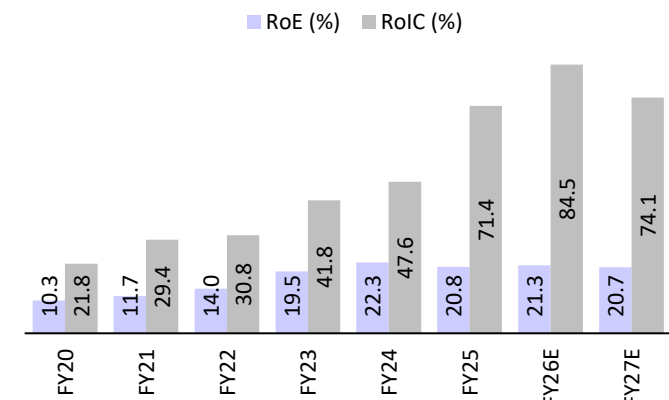
Source: Company, MOFSL

Exhibit 28: Trend in standalone EPS



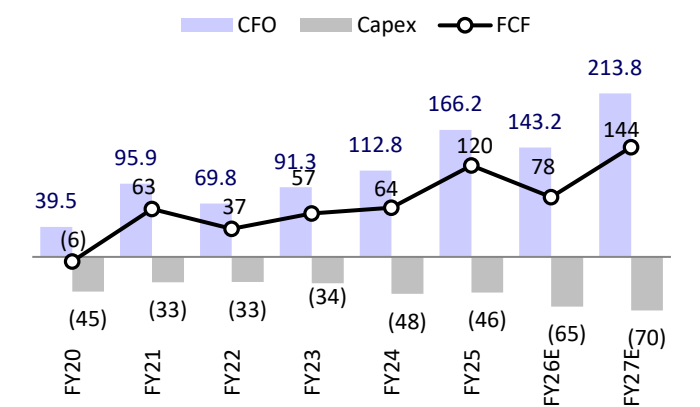
Source: Company, MOFSL

Exhibit 29: Trend in capital efficiencies (standalone)



Source: Company, MOFSL

Exhibit 30: FCF to improve despite higher capex plans



Source: Company, MOFSL

Financials and valuations

S/A Income Statement (incl MVML)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Net Op. Income	4,48,655	4,44,719	5,77,869	8,49,603	9,90,977	11,64,837	13,59,881	15,36,514
Change (%)	-15.1	-0.9	29.9	47.0	16.6	17.5	16.7	13.0
EBITDA	63,506	67,995	70,275	1,04,424	1,31,454	1,71,226	1,92,597	2,21,651
Margins (%)	14.2	15.3	12.2	12.3	13.3	14.7	14.2	14.4
Depreciation	23,631	23,699	24,984	31,545	34,880	42,268	42,590	48,733
EBIT	39,875	44,296	45,291	72,879	96,574	1,28,958	1,50,006	1,72,918
Int. & Finance Charges	1,245	3,963	2,262	2,728	1,405	2,505	1,885	1,137
Other Income	15,391	11,995	20,538	25,452	39,409	30,048	32,301	34,730
Profit before Tax	25,910	23,035	61,480	81,308	1,34,578	1,56,501	1,80,423	2,06,511
Tax	18,513	13,193	12,781	15,821	28,155	37,952	36,987	42,335
Eff. Tax Rate (%)	71.5	57.3	20.8	19.5	20.9	24.3	20.5	20.5
Profit after Tax	7,397	9,842	48,699	65,486	1,06,423	1,18,550	1,43,436	1,64,176
Adj. Profit after Tax	35,770	40,710	51,200	79,330	1,06,423	1,18,550	1,43,436	1,64,176
Change (%)	(30.3)	13.8	25.8	54.9	34.2	11.4	21.0	14.5

Balance Sheet

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
								(INR m)
Sources of Funds								
Share Capital	5,965	5,974	5,983	5,991	5,996	6,004	6,004	6,004
Reserves	3,40,326	3,43,536	3,75,998	4,27,577	5,16,769	6,09,847	7,22,219	8,50,551
Net Worth	3,46,291	3,49,510	3,81,981	4,33,567	5,22,766	6,15,851	7,28,223	8,56,555
Deferred tax	15,068	14,497	17,622	14,703	15,551	16,629	16,629	16,629
Loans	31,530	77,863	67,431	50,255	20,365	16,818	16,818	16,818
Capital Employed	3,92,889	4,41,870	4,67,033	4,98,525	5,58,681	6,49,298	7,61,669	8,90,002
Application of Funds								
Gross Fixed Assets	2,66,446	2,88,343	3,15,772	3,62,150	3,94,670	4,35,527	5,00,527	5,70,527
Less: Depreciation	1,45,935	1,68,230	1,66,733	1,92,388	2,19,390	2,39,014	2,81,604	3,30,337
Net Fixed Assets	1,20,511	1,20,113	1,49,040	1,69,762	1,75,280	1,96,513	2,18,923	2,40,190
Capital WIP	48,582	61,255	52,627	27,846	37,558	39,046	39,046	39,046
Investments	1,94,459	2,73,103	2,71,378	3,02,587	3,36,520	4,89,968	5,39,968	6,49,968
Curr.Assets, L & Adv.	1,54,627	1,61,175	1,93,020	2,57,603	2,88,756	2,70,962	3,44,010	3,78,722
Inventory	40,408	47,830	59,704	88,814	95,048	1,03,333	1,34,125	1,51,547
Inventory Days	33	39	38	38	35	32	36	36
Sundry Debtors	29,012	22,028	30,386	40,417	45,495	57,256	64,692	73,095
Debtor Days	24	18	19	17	17	18	17	17
Cash & Bank Bal.	23,235	8,675	7,173	13,101	18,694	12,644	7,881	4,670
Loans & Advances	6,511	19,324	49,264	51,792	71,464	53,560	93,143	1,05,241
Others	55,460	63,317	46,494	63,479	58,056	44,169	44,169	44,169
Current Liab. & Prov.	1,25,290	1,73,775	1,99,032	2,59,273	2,79,433	3,47,191	3,80,278	4,17,924
Sundry Creditors	72,006	1,06,427	1,29,701	1,71,456	1,85,920	2,34,058	2,60,799	2,94,674
Creditor Days	59	87	82	74	68	73	70	70
Other Liabilities	37,503	52,271	55,442	69,677	74,800	90,445	90,445	90,445
Provisions	15,781	15,077	13,889	18,139	18,714	22,689	29,034	32,805
Net Current Assets	29,337	-12,601	-6,012	-1,670	9,323	-76,229	-36,267	-39,202
Working Capital	6,101	-21,276	-13,185	-14,771	-9,371	-88,873	-44,148	-43,872
Application of Funds	3,92,889	4,41,870	4,67,033	4,98,525	5,58,681	6,49,298	7,61,669	8,90,002

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
Fully diluted EPS	30.0	34.1	42.8	66.2	88.7	98.7	119.5	136.7
Cash EPS	49.8	53.9	63.7	92.5	117.8	133.9	154.9	177.3
Book Value per Share	290.3	292.5	319.2	361.9	435.9	512.9	606.5	713.3
DPS	2.4	8.8	11.5	16.3	21.1	23.5	26.0	30.0
Div. Payout (%)	44.0	106.2	28.2	29.6	23.7	23.7	21.7	21.8
Valuation (x)								
P/E	106.9	94.1	74.9	48.4	36.1	32.5	26.8	23.4
Cash P/E	64.4	59.5	50.4	34.6	27.2	23.9	20.7	18.1
EV/EBITDA	59.9	56.7	53.1	35.3	27.6	20.7	18.5	15.9
EV/Sales	8.5	8.6	6.5	4.3	3.7	3.0	2.6	2.3
Price to Book Value	11.0	11.0	10.0	8.9	7.4	6.3	5.3	4.5
Dividend Yield (%)	0.1	0.3	0.4	0.5	0.7	0.7	0.8	0.9
Profitability Ratios (%)								
RoE	10.3	11.7	14.0	19.5	22.3	20.8	21.3	20.7
RoCE	9.3	10.1	11.6	17.0	20.3	19.9	20.5	20.0
RoIC	21.8	29.4	30.8	41.8	47.6	71.4	84.5	74.1
Turnover Ratios								
Debtors (Days)	24	18	19	17	17	18	17	17
Inventory (Days)	33	39	38	38	35	32	36	36
Creditors (Days)	59	87	82	74	68	73	70	70
Core. Work. Cap (Days)	-2	-30	-25	-18	-17	-23	-17	-17
Asset Turnover (x)	1.1	1.0	1.2	1.7	1.8	1.8	1.8	1.7
Leverage Ratio								
Net Debt/Equity (x)	-0.1	-0.1	-0.3	-0.4	-0.4	-0.5	-0.4	-0.4

Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	54,021	53,907	63,567	95,603	1,34,830	1,56,501	1,50,006	1,72,918
Int./Dividends Received	-12,918	-9,458	-18,167	-20,468	-25,213	-29,715	32,301	34,730
Depreciation & Amort.	23,631	23,699	24,984	31,545	34,389	42,268	42,590	48,733
Direct Taxes Paid	-11,986	-11,381	-5,984	-19,380	-28,509	-35,415	-36,987	-42,335
(Inc)/Dec in Wkg. Capital	-14,954	35,866	3,913	3,871	8,681	26,023	-44,725	-276
Other Items	1,657	3,302	1,455	121	-11,386	6,511		
CF from Oper. Activity	39,451	95,936	69,767	91,293	1,12,792	1,66,172	1,43,187	2,13,770
(Inc)/Dec in FA+CWIP	-45,418	-33,113	-32,916	-34,313	-48,328	-46,489	-65,000	-70,000
Free Cash Flow	-5,967	62,824	36,852	56,980	64,464	1,19,683	78,187	1,43,770
(Pur)/Sale of Invest.	16,423	-1,12,247	-6,720	-13,222	-3,496	-92,251	-50,000	-1,10,000
CF from Inv. Activity	-28,994	-1,45,638	-39,636	-47,535	-51,824	-1,38,740	-1,15,000	-1,80,000
Change in Net Worth	0	0	33	83	0	0	0	0
Inc/(Dec) in Debt	3,892	42,723	-15,978	-19,752	-32,148	-6,171	0	0
Interest Paid	-1,904	-4,645	-4,824	-3,810	-3,016	-1,181	-1,885	-1,137
Dividends Paid	-12,132	-2,936	-10,891	-14,359	-20,211	-26,196	-31,232	-36,011
CF from Fin. Activity	-10,144	35,142	-31,660	-37,838	-55,375	-33,548	-33,118	-37,148
Inc/(Dec) in Cash	312	-14,560	-1,528	5,921	5,593	-6,117	-4,931	-3,379
Add: Beginning Balance	22,923	23,235	8,701	7,180	13,101	18,593	12,644	7,881
Closing Balance	23,235	8,675	7,173	13,101	18,694	12,644	7,881	4,670

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SELL	< - 10%
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Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

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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

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