

India

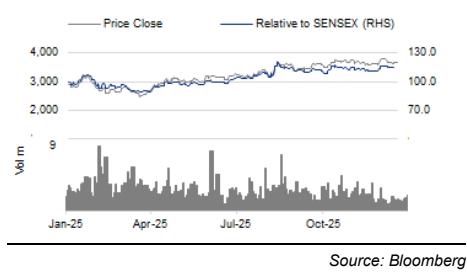
ADD (no change)

Consensus ratings*: Buy 41 Hold 1 Sell 0

Current price:	Rs3,593
Target price:	Rs4,289
Previous target:	Rs4,157
Up/downside:	19.4%
InCred Research / Consensus:	-1.2%
Reuters:	MAHM.NS
Bloomberg:	MM IN
Market cap:	US\$49,317m
Average daily turnover:	Rs4,468,124m
Current shares o/s:	US\$97.6m
Free float:	Rs8843.1m
*Source: Bloomberg	1,116.3m
	81.4%

Key changes in this note

- Sales raised by 4-6% for FY26F-28F.
- EBITDA raised by 3-5% for FY26F-28F.
- EPS raised by 7-9% for FY26F-28F.



Price performance	1M	3M	12M
Absolute (%)	(2.4)	(4.3)	20.3
Relative (%)	(2.5)	(3.4)	9.5

Major shareholders	% held
Mahindra Family	18.6
LIC	6.7
SBI Mutual Fund	3.8

Research Analyst(s)



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Mahindra & Mahindra

Tractor volume growth uncertainty prevails

- 3Q standalone EBITDA growth of 19% yoy in line with our estimate, but below BB consensus. Higher other income and lower depreciation provide EPS beat.
- New product launch, price hike, and capacity build-up drive our EBITDA upgrade. Tractor volume growth uncertainty prevails due to El Nino challenge.
- We maintain ADD rating on the stock as forward P/E valuation eases to +2SD.

In-line EBITDA performance; global provisions are cause for concern

Mahindra & Mahindra, or M&M's 3QFY26 standalone EBITDA rose by 19% yoy and 14% qoq to Rs52.9bn, which was in line with our estimate, but 4% below Bloomberg (BB) consensus estimate. EBIT margin stood at 9.5% for automotive (-21bp yoy & +117bp qoq) segment. Electric vehicle (EV) contract manufacturing continues to be margin-dilutive to the extent of 90bp in 3Q. Farm equipment segment's EBIT margin stood at 20.2% (+210bp yoy and +49bp qoq). Normalised PAT rose by 31% yoy to Rs40bn due to higher other income (+63% yoy) and flattish depreciation. The Rs5.9bn charges in respect of global farm equipment business hit reported PAT.

Management conference-call highlights

Management indicated that Goods and Services Tax (GST) cut is benefitting sports utility vehicle (SUV) premiumisation and entry-level car customers. Management indicated that XUV7XO launch has garnered 70% of bookings for top two variants. Improvement in the internal rate of return (IRR) for commercial segments (LCV, tractor & 3W) post-GST cut is driving their volume. Tractor demand is also influenced by Maharashtra government's subsidy scheme to the extent of 3% of industry volume. While El Nino fears are a cause for concern, the precise timing of its landing will be key to gauge the impact on FY27F tractor demand.

Raise our EBITDA estimates by 3-5% for pricing power benefit

We have raised sales volume estimates by 5-7% for FY26F-27F to factor in new vehicle launch momentum & capacity build-up. We build in 8% tractor industry volume growth for FY27F. Better pricing power and increasing models being confirmed for production-linked incentive (PLI) scheme benefits leads to our EBITDA upgrade of 3-5% for FY26F-28F. Low depreciation trend & higher other income lead to our FY26F-28F EPS upgrade of 7-9%.

Maintain ADD rating with a higher target price of Rs4,289

With current mark-to-market of investment in subsidiaries, we raise the value of subsidiaries to Rs709/share (from Rs654 earlier). The standalone entity is valued at 22x one-year forward P/E, marginally below the +1SD level to reflect concerns over rainfall, leading to a SOTP-based higher target price of Rs4,289 (Rs4,157 earlier) and maintain ADD rating on the stock. Key downside risk is the worse-than-expected rainfall trend impacting rural demand or a weak response to new vehicle launches.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	996,025	1,165,680	1,417,611	1,598,091	1,777,841
Operating EBITDA (Rsm)	137,585	172,069	200,811	222,045	249,243
Net Profit (Rsm)	106,017	127,872	153,608	166,600	183,911
Core EPS (Rs)	95.0	114.5	137.6	149.2	164.7
Core EPS Growth	32.9%	20.6%	20.1%	8.5%	10.4%
FD Core P/E (x)	37.83	31.37	26.11	24.08	21.81
DPS (Rs)	23.8	25.0	29.0	34.0	37.5
Dividend Yield	0.71%	0.75%	0.87%	1.02%	1.12%
EV/EBITDA (x)	26.69	20.69	17.66	15.59	13.62
P/FCFE (x)	115.51	51.35	93.57	48.63	48.39
Net Gearing	(23.7%)	(36.9%)	(29.3%)	(31.3%)	(30.8%)
P/BV (x)	7.67	6.51	5.48	4.67	4.02
ROE	22.2%	22.5%	22.8%	21.0%	19.8%
% Change In Core EPS Estimates			8.56%	6.96%	7.23%
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Tractor volume growth uncertainty prevails

Management conference call highlights ➤

- **Outlook:** Management expects 8–10% long-term volume growth, supported by government initiatives and favourable Indian demographics.
- **Volume performance:** Auto segment volume grew by 23% yoy, with margin expansion of 90 bp; farm equipment volume increased by 23% yoy, with margin up 240bp being partially offset by international impairment of Rs5.7bn.
- **Growth gems:** Subsidiaries like Mahindra Finance delivered a breakthrough performance with its PAT up 97% yoy, as transformation initiatives concluded and the business pivots to growth. Mahindra Lifespaces reported 5x PAT growth driven by strong residential project execution, while logistics business turned profitable after 11 quarters. For growth gems, the valuation stood at Rs 560bn three months ago; however, some smaller businesses have yet to post a meaningful performance.

Automotive division

- **CV outlook:** GST is a structural shift that may trigger the replacement cycle, with a significant benefit likely in the commercial vehicle or CV segment (LCV, tractors, and MHCVs) as the payback period improves and vehicle prices decline by ~10%, leading to 5–7% profitability improvement for truckers. LCV <3.5t volume up 20% yoy, driven by GST cut; the momentum is likely to sustain.
- **SUV outlook:** Premiumisation in SUVs is expected to continue, aided by GST cuts; entry-level cars have also seen traction, although it's premature to assess the sustainability. Sub-Rs1m segment witnessed strong growth post-GST cut.
- **Financial highlights:** Auto segment margin at 10.4%, which includes Rs100m EV contract manufacturing.
- **SUV segment:** SUV volume up 26%, retaining No. 1 position in the segment; margin expanded by 90bp yoy driven by new product launches; revenue market share at 24%.
- **SUV product actions:** Scaling down XUV700 as the focus shifts to 7XO; 7XO mix skewed towards top-end variants (~70%), which is higher than expected. Lower variants in 7XO have been discontinued. Launched a special edition Thar Roxx Star model.
- **EV portfolio:** EV sales run-rate at 4k units per month (BE6 and XEV 9E) over the last 10 months. XEV 9S, launched in Nov 2025, met with a strong response; North India region contributing new customers. Pricing strategy aims to narrow the gap between ICE vehicles and EVs (9S positioned closer to 7XO). One new EV planned for launch in 2027F. Annual EV production capacity at 80,000 units.
- **PLI benefits:** XEV 9E (all variants) qualified; XEV 9S Pack 3 and Pack 3 above qualified; Pack 1 above & Pack 2 above expected qualification by 1QFY27F; BE6 (all variants) qualification expected by 1QFY27F. PLI benefits in the range of 8–13% for certified EVs.
- **Launches:** In FY26F, two new ICE SUVs and two new LCVs to be launched; no new BEVs planned.
- **Capacity expansion:** CY26 debottlenecking at Chakan & Nashik for 3XO, Bolero, Scorpio N, and Thar (additional 3–5k units/month) plus ~3k EV units/month (total 7–8k units). CY27F new capacity under NU_IQ platform at Chakan (Vision S/Vision E, 7–8k units). CY28F greenfield plant at Nagpur (New IQ – Vision X and other products) with 8–10k units capacity, subject to land acquisition. Igatpuri plant to add incremental capacity.
- **Commodity inflation:** Precious metals are leading to inflation, followed by copper and aluminium. Precious metal prices are expected to remain elevated; other metal prices likely to moderate. Company has a hedging mechanism in place (except for steel). Currently, it is beneficial, but potential future impact remains; 1% price hike taken in Jan 2026, with further headroom available.

- **Currency impact:** Indian Rupee (INR) depreciation may impact imports; company is pursuing aggressive localisation to mitigate the risk.
- **Mahindra Last Mile Mobility:** Initial public offer planned next year, which is aimed at unlocking value for the overall business.
- **CAFÉ 3 norms:** Industry in discussions with government on CAFÉ norms; final norms likely to be less stringent than M&M's internal targets.

Farm equipment business:

- **Volume performance:** Domestic volume up 22% yoy; exports up 36% yoy. Operating leverage drove a 240bp margin expansion, along with continued residual action in international operations.
- **Maharashtra subsidy impact:** 35k units in FY26F attributed to a Maharashtra government subsidy, which is not expected to continue. Maharashtra volume up 68%, which is unlikely to sustain.
- **Capacity expansion plan:** Facing capacity constraints, particularly Swaraj engine availability. Adding 100,000 units per annum capacity at Nagpur plant.

Others

- **El Niño:** Potential impact post-Aug 2026; however, healthy water levels at reservoirs and continued government support to farmers may sustain rural sentiment.
- **Financial highlights:** RoE at 20.1% vs. long-term target of 18%. Impairment recorded in Japan and Turkey businesses.
- **EU Free Trade Agreement:** It is expected to enhance competitiveness in large markets; Indian manufacturers to benefit from lower cost structure. Import component prices are likely to decline.
- **Memory chip:** Anticipates a shortage, but company covered in the near term through premium payments to secure future supply.
- **Divestments:** Exited Sampo recently; Pelenferena also exited; impairment taken in Arcon.

Figure 1: Results comparison

Y/E Mar (Rs m)	3QFY26	3QFY25	yoY % chg	2QFY25	qoq % chg	9MFY26	9MFY25	yoY % chg	Comments
Revenue	3,85,168	3,05,382	26.1	3,31,886	16.1	10,57,886	8,51,303	24.3	3% above our estimate.
Raw material costs	2,93,455	2,27,268	29.1	2,52,786	16.1	8,05,447	6,31,102	27.6	
RM costs as a % of revenue	76.2	74.4	177	76.2	2	76	74	200	
EBITDA	52,926	44,681	18.5	46,285	14.3	1,48,051	1,24,400	19.0	1% above our estimate.
EBITDA margin (%)	13.7	14.6	(89)	13.9	(21)	14.0	14.6	(62)	29bp below our estimate.
Depreciation & amortisation	10,516	10,451	0.6	10,406	1.1	30,921	29,210	5.9	-
EBIT	42,410	34,231	23.9	35,879	18.2	1,17,129	95,190	23.0	
Interest expenses	632	614	2.8	590	7.1	1,781	1,695	5.1	
Other Income	11,226	6,901	62.7	23,599	(52.4)	42,738	29,816	43.3	55% above our estimate.
Pre-tax profit	53,005	40,517	30.8	58,887	(10.0)	1,58,087	1,23,312	28.2	14% above our estimate.
Tax	12,975	10,036	29.3	13,299	(2.4)	36,488	28,873	26.4	
Tax rate (%)	24.5	24.8	(29)	22.6	189.4	23.1	23.4	(33.4)	
Normalised net profit	40,030	30,481	31.3	45,588	(12.2)	1,21,599	94,439	28.8	11% above our estimate.
Exceptional items	-982	-	nm	140	nm	(842)	1,033	nm	-
Other comprehensive income	-	(838)	nm	-	nm	(1,483)	(1,294)	nm	
Reported net profit	39,048	29,643	31.7	45,728	(14.6)	1,19,275	94,178	26.6	
Normalised EPS (Rs)	36.0	27.4	31.3	41.0	(12.2)	109	85	28.8	
Volume (nos.)	4,48,801	3,64,448	23.1	3,81,085	17.8	12,08,003	10,15,676	18.9	
Net realisation (Rs)	8,58,216	8,37,931	2.4	8,70,898	(1.5)	8,75,732	8,38,164	4.5	-
EBITDA/vehicle	1,17,927	1,22,599	(3.8)	1,21,456	(2.9)	1,22,558	1,22,480	0.1	

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 2: Divisional financial performance

Automotive	3QFY26	3QFY25	yoY chg	2QFY26	qoq chg	9MFY26	9MFY25	yoY chg
Net sales	2,83,615	2,24,101	26.6%	2,46,961	14.8%	7,80,064	6,24,674	24.9%
EBIT	26,839	21,670	23.9%	20,481	31.0%	69,529	59,713	16.4%
EBIT margin (%)	9.5%	9.7%	(21)	8.3%	117	8.9%	9.6%	(65)
Farm Equipment								
Net sales	1,01,997	81,673	24.9%	85,399	19.4%	2,79,260	2,28,083	22.4%
EBIT	20,608	14,787	39.4%	16,835	22.4%	55,630	41,208	35.0%
EBIT margin (%)	20.2%	18.1%	210	19.7%	49	19.9%	18.1%	185

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 3: Divisional volume performance

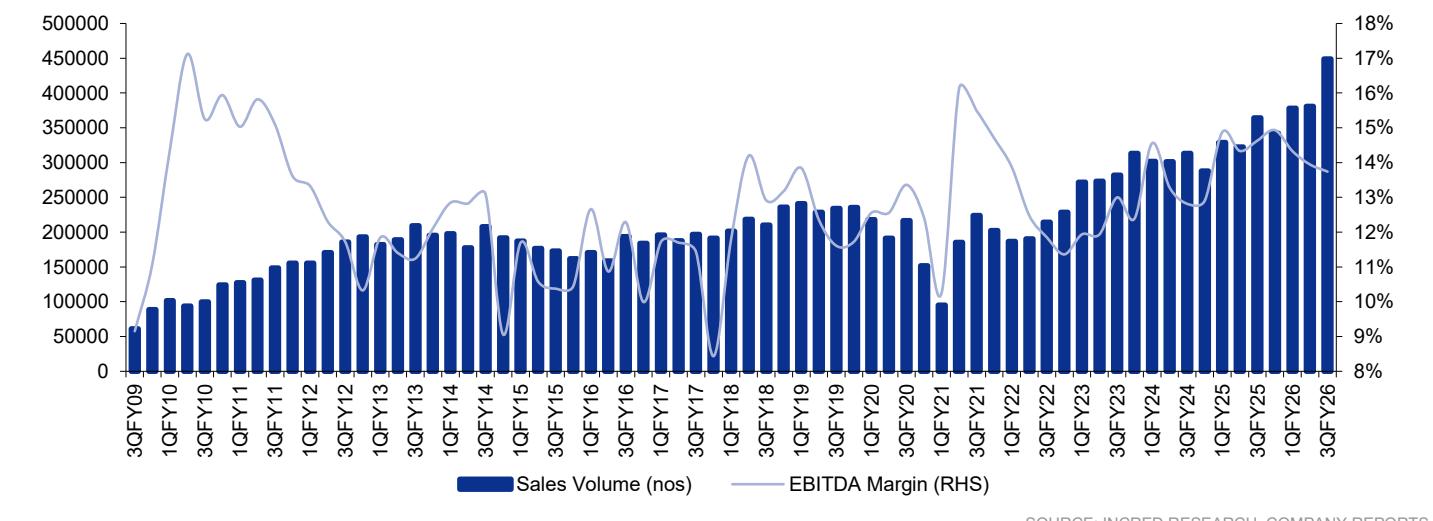
	3QFY26	3QFY25	yoY (%)	2QFY26	qoq (%)	9MFY26	9MFY25	yoY (%)
Tractors	1,44,554	1,18,091	22.4%	1,18,137	22.4%	3,91,890	3,24,327	20.8%
Passenger vehicles	1,78,906	1,42,150	25.9%	1,45,503	23.0%	4,76,476	4,02,360	18.4%
LCVs	70,836	58,095	21.9%	60,545	17.0%	1,85,012	1,59,738	15.8%
MHCV	10,534	9,442	11.6%	9,074	16.1%	27,416	28,634	-4.3%
3-wheelers	28,868	23,619	22.2%	33,019	-12.6%	82,446	64,233	28.4%
Automotive exports	10,090	9,368	7.7%	10,008	0.8%	30,061	24,088	24.8%
Tractor exports	5,013	3,683	36.1%	4,799	4.5%	14,702	12,296	19.6%
Total	4,48,801	3,64,448	23.1%	3,68,197	21.9%	12,08,003	10,15,676	18.9%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

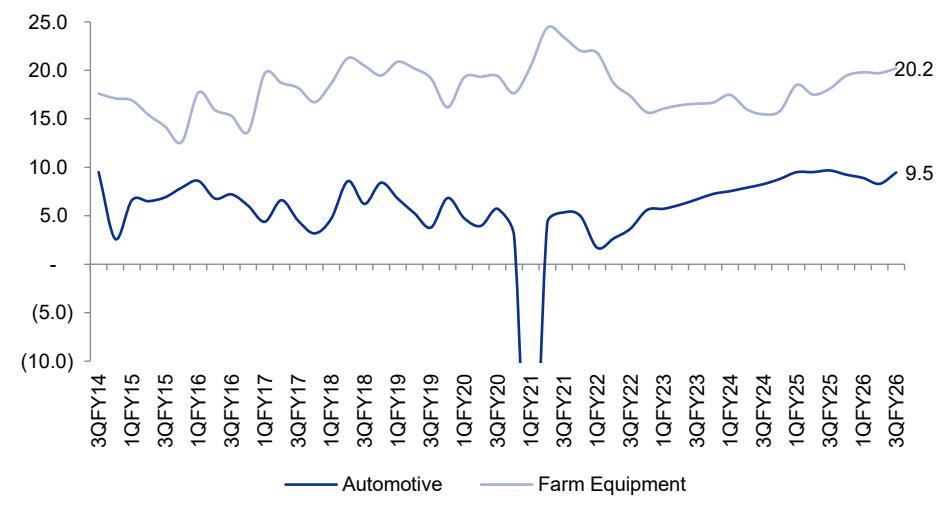
Figure 4: SUV portfolio's volume performance

SUV Models in units	3QFY26	3QFY25	yoY (%)	2QFY26	qoq (%)	9MFY26	9MFY25	yoY (%)
XUV 300 / 3XO	32,260	26,084	23.7%	21,791	48.0%	76,660	77,553	-1.2%
Bolero plus	35,475	22,815	55.5%	18,369	93.1%	78,644	69,347	13.4%
Scorpio	49,381	40,576	21.7%	41,959	17.7%	1,34,015	1,21,869	10.0%
Thar	13,682	8,504	60.9%	9,046	51.2%	32,636	37,428	-12.8%
Thar Roxx	17,920	15,807	13.4%	19,642	-8.8%	58,288	21,665	169.0%
XUV700 & 7XO	17,739	26,872	-34.0%	21,774	-18.5%	58,957	70,364	-16.2%
Electric Origin SUV	11,705	0	na	12,192	-4.0%	34,920	0	na
Others	744	1,492	-50.1%	730	1.9%	2,356	4,134	-43.0%
Total Domestic	1,78,906	1,42,150	25.9%	1,45,503	25.9%	4,76,476	4,02,360	18.4%
Exports	4,588	3,713	23.6%	4,912	23.6%	15,450	9,319	65.8%
Total	1,83,494	1,45,863	25.8%	1,50,415	25.8%	4,91,926	4,11,679	19.5%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 5: Quarterly sales and EBITDA margin trends

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 6: Segment-wise EBIT margin trend (%)

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 7: Automotive product launch pipeline in CY26F



Figure 8: Consolidated PAT performance

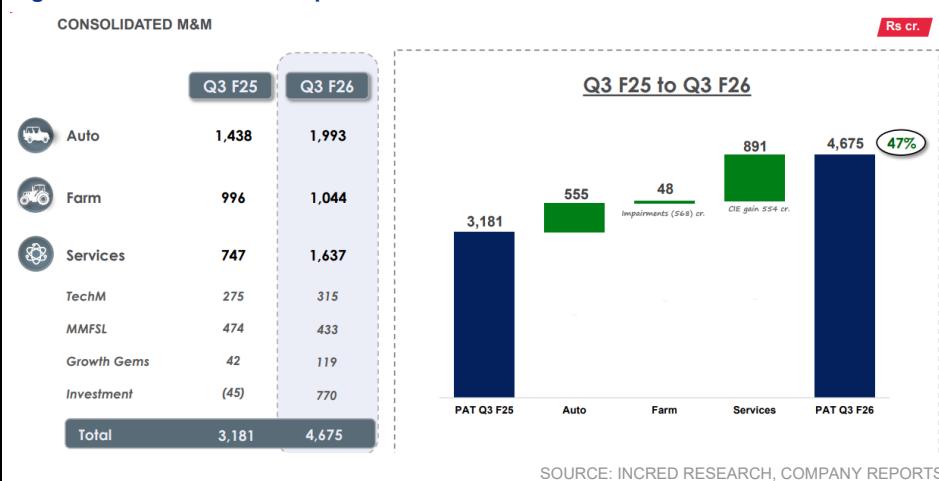


Figure 9: Born EV entity posts EBITDA of Rs1.75bn

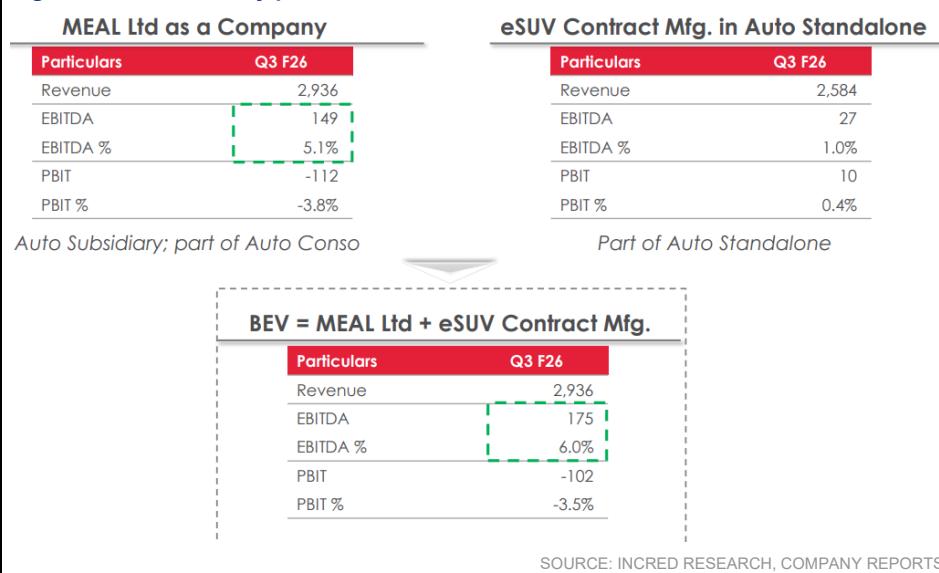


Figure 10: Farm equipment segment's 3QFY26 consolidated financials

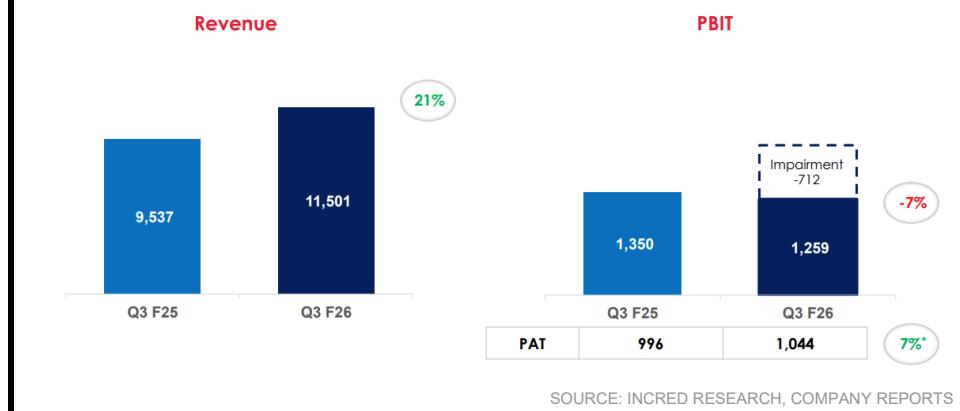


Figure 11: Earnings revision summary

(Rs m)	FY26F		FY27F		FY28F	
	Old	New	Old	New	Old	New
Sales volume (nos)	15,10,995	16,09,542	16,74,945	17,61,384	18,08,289	19,03,919
% change		6.5%		5.2%		5.3%
Net sales	13,33,950	14,17,611	15,32,830	15,98,091	17,03,358	17,77,841
% change		6.3%		4.3%		4.4%
EBITDA	1,91,360	2,00,811	2,16,346	2,22,045	2,39,051	2,49,243
% change		4.9%		2.6%		4.3%
Normalised PAT	1,41,490	1,53,608	1,55,758	1,66,600	1,71,513	1,83,911
% change		8.6%		7.0%		7.2%
EPS (Rs)	127.2	138.1	140.1	149.8	154.2	165.4
% change		8.6%		7.0%		7.2%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 12: Key assumptions

Nos.	FY23	FY24	FY25	FY26F	FY27F	FY28F
Scorpio	76,935	1,41,462	1,64,842	1,81,326	1,99,459	2,13,421
Growth (%)	98.8%	83.9%	16.5%	10.0%	10.0%	7.0%
XYLO / Marazzo	4,451	8,743	13,056	48,000	60,000	96,000
XUV500/700	66,473	79,398	93,082	88,428	97,271	1,03,107
Bolero/ other hardtops	1,01,023	1,10,841	94,750	1,05,173	1,12,535	1,18,161
Growth (%)	53.4%	9.7%	-14.5%	11.0%	7.0%	5.0%
Pick-ups & 1-ton LCV	2,38,540	2,35,696	2,28,909	2,45,052	2,62,595	2,82,240
Growth (%)	39.8%	-1.2%	-2.9%	7.1%	7.2%	7.5%
Total - domestic UVs & LCVs	5,95,501	6,95,560	7,80,396	8,92,988	9,78,980	10,72,251
Growth (%)	51.0%	16.8%	12.2%	14.4%	9.6%	9.5%
Export UVs & LCVs	32,107	24,663	27,869	32,050	36,857	42,386
Growth (%)	-1.2%	-23.2%	13.0%	15.0%	15.0%	15.0%
CVs	10,036	27,114	40,178	56,249	62,999	69,299
Growth (%)	56.0%	170.2%	48.2%	40.0%	12.0%	10.0%
3-wheelers	58,520	77,589	85,832	1,07,290	1,20,165	1,29,778
Growth (%)	94.6%	32.6%	10.6%	25.0%	12.0%	8.0%
Tractors - domestic	2,30,731	2,07,326	2,32,205	2,87,934	3,08,090	3,20,413
Growth (%)	20.0%	-10.1%	12.0%	24.0%	7.0%	4.0%
Swaraj Tractors	1,58,800	1,57,200	1,75,435	2,14,031	2,33,294	2,47,291
Growth (%)	9.7%	-1.0%	11.6%	22.0%	9.0%	6.0%
Tractor exports	18,014	13,860	15,939	19,000	21,000	22,500
Growth (%)	2.1%	-23.1%	15.0%	19.2%	10.5%	7.1%
Tractors total	4,07,545	3,78,386	4,23,579	5,20,965	5,62,383	5,90,205
Growth (%)	14.9%	-7.2%	11.9%	23.0%	8.0%	4.9%
Total sales volume	11,03,709	12,03,312	13,57,855	16,09,542	17,61,384	19,03,919
Growth (%)	34.9%	9.0%	12.8%	18.5%	9.4%	8.1%
Rs per unit metrics						
Net sales realisation	7,69,770	8,27,736	8,58,472	8,80,754	9,07,293	9,33,780
Growth (%)	9.7%	7.5%	3.7%	2.6%	3.0%	2.9%
Contribution	1,84,850	2,12,714	2,22,615	2,12,262	2,17,750	2,25,975
Growth (%)	0.2%	15.1%	4.7%	-4.7%	2.6%	3.8%
EBITDA	94,612	1,14,339	1,26,721	1,24,763	1,26,063	1,30,911
EBITDA (%)	12.3%	13.8%	14.8%	14.2%	13.9%	14.0%
PAT	72,285	88,104	94,172	95,436	94,585	96,596
Growth (%)	15.0%	21.9%	6.9%	1.3%	-0.9%	2.1%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 13: Updated valuation of subsidiaries

Subsidiary Company	Tech Mahindra	Mahindra Holidays	Mahindra Financial Services	Mahindra Lifespaces	Last Mile Mobility EV	E4W subsidiary	Mahindra Logistics
Value per share of M&M (Rs)	278.3	29.5	175.0	21.1	14.6	134.4	12.4
Equity capital of company (m)	974.2	201.2	1,235.4	154.6	-	na	72.0
M&M holding	25%	67%	52%	51%	86.4%	95%	58.1%
Valuation method	CMP	CMP	CMP	CMP	PE deal lower range	PE deal lower range	CMP
Current/ derived price (Rs)	1,566.0	305.0	379.0	372.0	18.3	168.0	413.0
Subsidiary Company	Mahindra China Tractors	Mahindra Heavy EPC Industry Engines	Mahindra First Choice	PORTER	Mahindra Susten	Mahindra Agri Solution	Total
Value per share of M&M (Rs)	(5.3)	4.6	1.4	10.3	8.1	3.4	4.3
Equity capital of company (m)	705.1	634.4	27.8	330.0	-	195.5	81.3
M&M Holding	100%	100%	54%	51%	30%	20%	98%
Valuation method	8xFY22F P/E	10xFY22F P/E	CMP	P/E valuation	P/E valuation	Deal value	2x FY22F MCAP/Sales
Current/ derived price (Rs)	(10.6)	10.2	127.1	85.0	33.6	121.3	88.7

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 14: SOTP valuation

Sum-of-the-parts valuation (Rs)

Standalone business value per share (Rs)	3,580
One-year forward EPS (Rs)	162.7
P/E (x)	22.0
Total subsidiaries' value per share (Rs)	709
Target price (Rs)	4,289

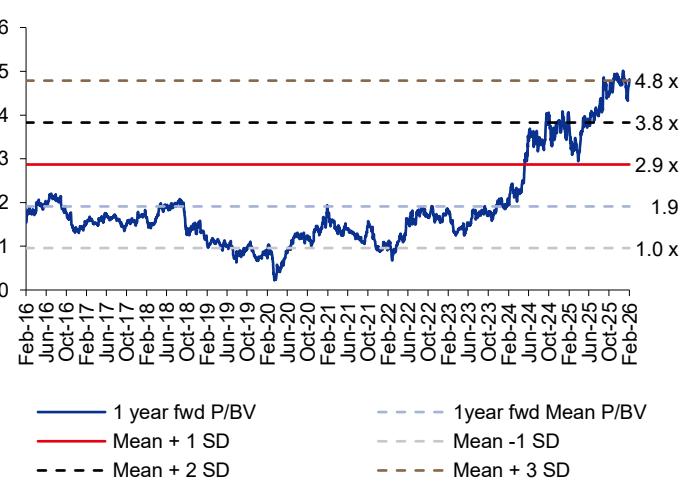
SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 15: Forward P/E valuation, adjusted for subsidiaries' valuation, eases to +2SD level



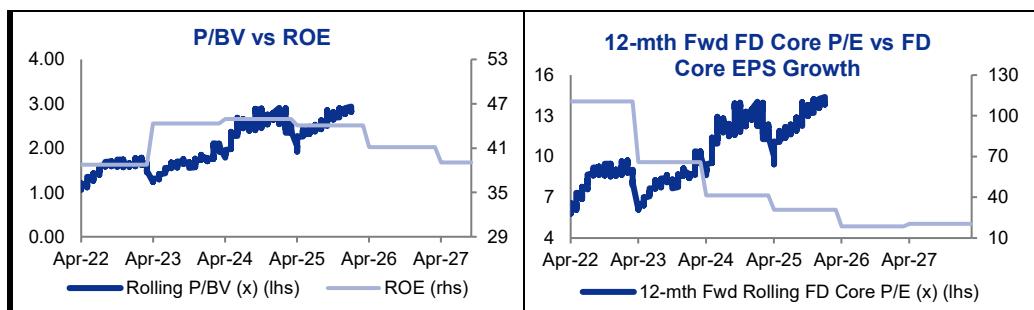
SOURCE: INCRED RESEARCH, BLOOMBERG, COMPANY REPORTS

Figure 16: Forward P/BV valuation, adjusted for subsidiaries' valuation, rich near +3SD level



SOURCE: INCRED RESEARCH, BLOOMBERG, COMPANY REPORTS

BY THE NUMBERS



Profit & Loss					
(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Net Revenues	996,025	1,165,680	1,417,611	1,598,091	1,777,841
Gross Profit	255,961	302,279	341,644	383,542	430,237
Operating EBITDA	137,585	172,069	200,811	222,045	249,243
Depreciation And Amortisation	(34,389)	(42,268)	(44,853)	(53,037)	(63,357)
Operating EBIT	103,197	129,801	155,958	169,008	185,886
Financial Income/(Expense)	(1,388)	(2,505)	(2,700)	(3,500)	(4,000)
Pretax Income/(Loss) from Assoc.	32,955	38,527	46,233	50,856	56,959
Profit Before Tax (pre-El)	134,763	165,824	199,491	216,364	238,845
Exceptional Items					
Pre-tax Profit	134,763	165,824	199,491	216,364	238,845
Taxation	(28,747)	(37,952)	(45,883)	(49,764)	(54,934)
Exceptional Income - post-tax					
Profit After Tax	106,017	127,872	153,608	166,600	183,911
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	106,017	127,872	153,608	166,600	183,911
Recurring Net Profit	106,017	127,872	153,608	166,600	183,911
Fully Diluted Recurring Net Profit	106,017	127,872	153,608	166,600	183,911

Cash Flow					
(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
EBITDA	137,585	172,069	200,811	222,045	249,243
Cash Flow from Invt. & Assoc.					
Change In Working Capital	3,151	28,092	(25,658)	(10,157)	14,483
(Incr)/Decr in Total Provisions	(12,929)	6,471	(5,000)	(5,000)	(5,000)
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	8,313	(2,610)	(2,325)		
Net Interest (Paid)/Received	31,567	36,023	43,533	47,356	52,959
Tax Paid	(28,747)	(37,952)	(45,883)	(49,764)	(54,934)
Cashflow From Operations	138,941	202,092	165,478	204,480	256,751
Capex	(44,544)	(64,757)	(116,508)	(80,000)	(143,357)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(29,083)	(54,727)	(1,106)	(37,000)	(30,000)
Cash Flow From Investing	(73,627)	(119,483)	(117,614)	(117,000)	(173,357)
Debt Raised/(repaid)	(30,588)	(4,498)	(5,000)	(5,000)	(500)
Proceeds From Issue Of Shares	6	8			
Shares Repurchased					
Dividends Paid	(28,482)	(30,020)	(34,823)	(40,827)	(45,029)
Preferred Dividends					
Other Financing Cashflow	4,193	4,547			
Cash Flow From Financing	(54,872)	(29,963)	(39,823)	(45,827)	(45,529)
Total Cash Generated	10,442	52,646	8,042	41,654	37,865
Free Cashflow To Equity	34,725	78,111	42,864	82,480	82,894
Free Cashflow To Firm	66,701	85,114	50,564	90,980	87,394

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS...cont'd

Balance Sheet					
(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Cash And Equivalents	139,726	238,800	220,947	269,601	307,465
Total Debtors	45,495	57,256	81,561	100,702	112,028
Inventories	95,048	103,333	135,935	144,485	160,736
Total Other Current Assets	50,204	47,709	54,209	60,709	67,209
Total Current Assets	330,473	447,098	492,652	575,496	647,439
Fixed Assets	212,615	251,835	306,982	333,945	413,945
Total Investments	215,487	223,786	250,786	280,786	310,786
Intangible Assets					
Total Other Non-Current Assets					
Total Non-current Assets	428,103	475,621	557,768	614,731	724,731
Short-term Debt					
Current Portion of Long-Term Debt					
Total Creditors	185,920	234,058	265,307	282,840	324,902
Other Current Liabilities					
Total Current Liabilities	185,920	234,058	265,307	282,840	324,902
Total Long-term Debt	15,849	11,351	6,351	1,351	851
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities					
Total Non-current Liabilities	15,849	11,351	6,351	1,351	851
Total Provisions	34,265	44,951	46,451	47,951	49,451
Total Liabilities	236,033	290,360	318,109	332,142	375,204
Shareholders Equity	522,766	615,851	732,312	858,085	996,966
Minority Interests					
Total Equity	522,766	615,851	732,312	858,085	996,966

Key Ratios					
	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	17.2%	17.0%	21.6%	12.7%	11.2%
Operating EBITDA Growth	31.8%	25.1%	16.7%	10.6%	12.2%
Operating EBITDA Margin	13.8%	14.8%	14.2%	13.9%	14.0%
Net Cash Per Share (Rs)	110.97	203.75	192.24	240.30	274.67
BVPS (Rs)	468.30	551.68	656.01	768.68	893.09
Gross Interest Cover	74.37	51.82	57.76	48.29	46.47
Effective Tax Rate	21.3%	22.9%	23.0%	23.0%	23.0%
Net Dividend Payout Ratio	26.9%	23.5%	22.7%	24.5%	24.5%
Accounts Receivables Days	15.74	16.09	17.87	20.81	21.84
Inventory Days	45.34	41.93	40.58	42.14	41.33
Accounts Payables Days	88.13	88.77	84.70	82.37	82.30
ROIC (%)	42.6%	44.8%	51.7%	40.4%	39.1%
ROCE (%)	19.7%	21.6%	22.1%	20.6%	19.5%
Return On Average Assets	15.0%	15.4%	15.8%	15.1%	14.6%

Key Drivers					
	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
ASP (% chg, main prod./serv.)	7.5%	3.7%	2.6%	3.0%	2.9%
Unit sales grth (% main prod./serv.)	9.0%	12.8%	18.5%	9.4%	8.1%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

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