21 November 2025

Company Update | Sector: Automobiles

Mahindra & Mahindra

BSE Sensex	S&P CNX
85,633	26,192

Motilal Oswal values your support in the EXTEL POLL 2025 for India Research, Sales, Corporate Access and Trading team. We request your ballot.

Stock Info

Bloomberg	MM IN
Equity Shares (m)	1244
M.Cap.(INRb)/(USDb)	4621.8 / 52.1
52-Week Range (INR)	3781 / 2360
1, 6, 12 Rel. Per (%)	2/15/15
12M Avg Val (INR M)	9003

Financial Snapshot (INR b)

INR b	FY26E	FY27E	FY28E
Sales	1,405	1,647	1,919
EBITDA	203.0	241.3	283.8
Adj. PAT	144.7	176.5	210.1
Adj. EPS (INR)	120.5	147.0	175.0
EPS growth %	22.1	21.9	19.0
BV/Sh. (INR)	608	725	866
Ratios			
RoE (%)	21.5	22.1	22.0
RoCE (%)	20.7	21.4	21.4
Payout (%)	21.5	20.3	19.3
Valuations			
P/E (x)	30.8	25.3	21.2
P/BV (x)	6.1	5.1	4.3
Div. Yield (%)	0.7	0.8	0.9
FCF Yield (%)	1.8	3.5	4.4

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	18.1	18.1	18.1
DII	29.6	29.2	26.5
FII	42.5	43.1	46.1
Others	9.8	9.6	9.3

FII Includes depository receipts

CMP: INR3,717 TP: INR4,275 (+15%) Buy

Bold targets set across segments for next five years…

We attended MM's analyst meet in Mumbai on 20th Nov'25. The company has a clear long-term roadmap for each of its businesses: SUVs and LCVs – targets to deliver 8x growth over FY20-30; and Farm – 3x revenue growth over FY20-30. Some of MM's growth gems are on a strong growth trajectory and include: 1) Last Mile Mobility – targets to deliver 6x revenue growth over FY20-30; 2) Trucks and Bus – to be among the top 3 in India's ILCV truck and bus segment and have a focused play in HCVs in India; 3) Aerostructures – to be among the global top 10; 4) Mahindra Holidays – targets to deliver 3x keys, 3x revenue and 4x PAT growth over FY20-30; 5) Mahindra Lifespace – targets to deliver >14x sales growth in this decade. Depending on the progress of these growth gems, MM would look to unlock value in some of these segments in a couple of years. MM has also indicated that it would look to enter one new segment next year, provided it fits in the company's guiding principles of delivering 18% RoE on a sustainable basis. Considering these long-term growth drivers, we maintain our BUY rating on MM with a TP of INR4,275 (valued at Sep'27E SoTP).

New model launches to drive healthy growth in auto segment

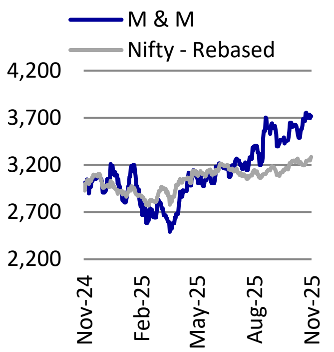
- MM has set ambitious targets in autos, looking to deliver 8x growth in both SUVs and LCVs over FY20-30. This translates into about 20% revenue CAGR over FY26-30.
- It would look to drive this growth on the back of upcoming new launches in SUVs, which include XEV 9S e-SUV to be launched on 26th Nov.
- From 2027 onward, MM will introduce vehicles based on the new, highly versatile NU-IQ platform, with four new models already showcased in Aug.
- In LCVs, its growth aspiration would be supported by product expansion and deeper market penetration.
- Within the below-3.5T category, MM is targeting 1.6x volume growth, leveraging its leadership position and strong customer acceptance.

Strengthening presence in farm equipment segment

- The company has set a long-term aspiration in its farm equipment segment, achieving 3x revenue growth over FY20-30, which would translate into 12% revenue CAGR.
- On the back of positive rural sentiment, management has raised its long-term growth forecast for the tractor industry to 9% during FY25-30, compared to its earlier estimate of 7%.
- The industry is seeing a shift in the mix toward the 41-50HP segment. MM could emerge as one of the key beneficiaries of this trend as both MM and Swaraj are considered top brands in India in this segment and it has gained 140bp market share in the segment over the last three years to 42.5%.
- MM is focusing on penetrating key export markets, starting with Brazil, North America and ASEAN. It is also looking to drive strong growth in its farm machinery business, which is currently seeing healthy growth.

Aniket Mhatre - Research analyst (Aniket.Mhatre@MotilalOswal.com)

Stock performance (one-year)



Value unlocking in growth gems:

- Some of MM's growth gems are on a strong growth trajectory: 1) Last Mile Mobility: targets to deliver 6x revenue growth over FY20-30; 2) Truck and bus segment: aspires to be among the top 3 in India's ILCV truck and bus segment and have a focused play in HCVs in India; 3) Aerostructures: aims to be among the global top 10; 4) Mahindra Holidays: targets to deliver 3x keys, 3x revenue and 4x PAT growth over FY20-30; 5) Mahindra Lifespace: targets to deliver >14x sales growth in this decade.
- For the growth gems, management has clearly indicated that MM would look to scale up each of these businesses over the next couple of years before taking a call on value unlocking depending upon their progress.

Valuation and view

- MM's long-term growth targets in each business segment clearly highlight the firm's visibility in the potential of each of these key segments going ahead.
- Management has also indicated that it would look to enter one new segment next year, provided it fits in MM's guiding principles of delivering 18% RoE on a sustainable basis in the long run.
- Considering these long-term growth drivers, we maintain our BUY rating on MM with a TP of INR4,275 (valued at Sep'27E SoTP).

Auto segment updates

- MM has maintained its leadership position in the SUV category for eight consecutive quarters, ranking No. 1 in SUV revenue market share and No. 2 in overall passenger vehicle (PV) revenue market share.
- The company has also sustained a market share of over 50% in the below-3.5T segment for the past six quarters, reinforcing its strong competitive position.
- Over FY20-25, MM's automotive business delivered robust performance, achieving 2x volume growth, a 3.2x increase in consolidated revenue, and a 6x expansion in consolidated PBIT.

SUVs

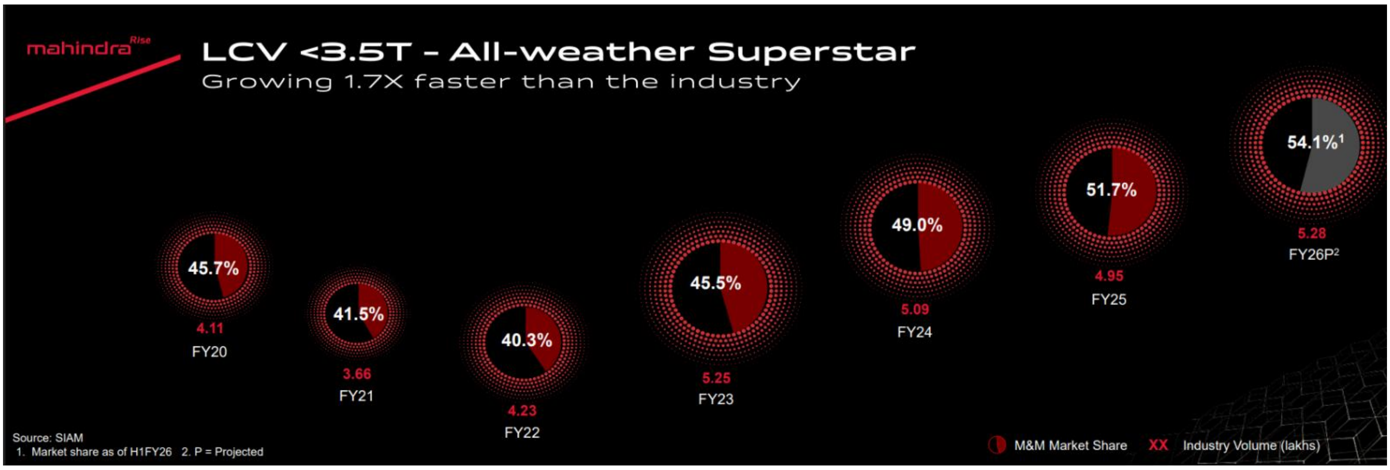
- MM has significantly strengthened its position in the SUV category, expanding its revenue market share to 26.4% in 1HFY26 from a low of 13.6% in FY21, supported by consistent gains in each year in this period.
- The improvement in market share over the last few years has been driven by a series of highly successful launches, including the Thar Roxx, which has won multiple awards such as the ICOTY; the impactful refreshes like the XUV 3XO, which became the fastest MM model to cross 100,000 units in cumulative sales; and limited-edition offerings such as the Batman Edition of the BE 6E, which sold 999 units in just 135 seconds.
- MM aims to become the fastest-growing SUV brand globally.
  To support this ambition, the company has imposed a long-term target of achieving 8x growth over FY20-30.
- While industry volume growth is unlikely to be so strong, its revenue growth is expected to be driven by: 1) growing ASP as EV mix continues to rise in its portfolio; 2) improving mix as even within its ICE portfolio, customers continue to buy higher-end variants.
- MM has also clarified that it is currently not targeting any launches in the micro-SUV and MPV segments and that it is also not looking to enter the fleet segment.
- Management remains cognizant of the intensified competition in the SUV segment and hence has not factored in any material market share gains by FY30.
- MM currently has ICE SUV capacity of 58k units per month and EV capacity of 5k, which will be increased to 8k units soon. It is also looking to add a brownfield in Chakan for launches on the new NU IQ platform. MM would look to invest in a greenfield facility for this versatile platform in 2028, details of which would be revealed later.
- It is preparing to have multiple levers to meet upcoming CAFÉ norms, which include: 1) looking at ratio of diesel vs. gasoline in the mix, 2) looking at CNG as an option in SUVs at some stage, 3) flex fuels, and 4) hybrids.
- The recently launched Thar Roxx is built on MM's new body-on-frame 4G platform, and the company plans to migrate its existing model line-up on this shared architecture in the future. Additionally, it has a monocoque platform for the XUV700.
- From 2027 onward, the company will introduce vehicles based on the NU-IQ platform, with four new models already showcased in Aug.

- All upcoming EV models will continue to be developed on the INGLO architecture, with the recently unveiled BE 7E 7-seater e-SUV scheduled for launch soon. Additionally, the company is set to introduce another new e-SUV (XEV 9ES) on 26th Nov, expanding its EV portfolio further.
- Having built a portfolio of globally competitive SUVs, MM now plans to strategically expand into key international markets. The company will adopt a calibrated, phased export strategy, focusing on a select set of high-potential markets to drive sustainable long-term growth.

LCVs

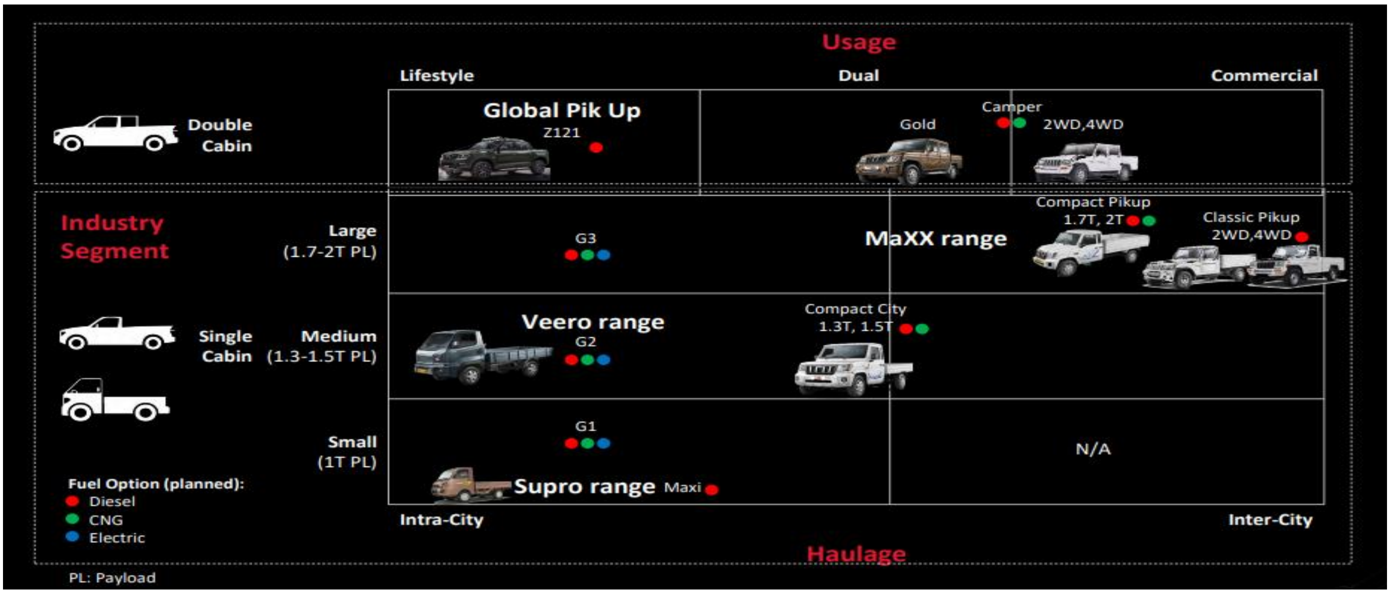
- MM's ambition in the light commercial vehicle (LCV) segment is to become the most trusted brand across all customer applications and sub-segments. The company aims to deliver an 8x increase in revenue in the LCV business over FY20-30, supported by product expansion and deeper market penetration. Within the below-3.5T category, MM is targeting 1.6x volume growth, leveraging its leadership position and strong customer acceptance.
- MM intends to deliver best-in-class total cost of ownership (TCO), supported by its strong residual values (currently almost 10% higher than the next best competitor) enhancing customer economics and loyalty.
- The company plans to cover the entire <3.5T addressable market by strengthening its portfolio. Given its leadership in this category, MM also aims to expand the overall market through the launch of next-generation multi-energy platforms.
- Customer centricity remains a key pillar, with over 80% rural penetration already achieved. MM aims to deliver the lowest downtime in the industry to further enhance customer experience and fleet productivity.
- MM has steadily gained share in the <3.5T segment since FY23, reaching a dominant 54% market share in 1HFY26. Following the launch of the Veero in Sep'24, the company now commands a 50% market share in the small pickup segment in YTDFY26. Veero has also meaningfully strengthened MM's position in southern markets, where its presence had historically been weaker. The introduction of CNG variants both in the Veero and the Maxx HD pickup in Jan'25 has sharply boosted MM's CNG market share to 60% in the 2-3.5T category in YTDFY26.

Exhibit 1: MM has been consistently gaining market share in LCV goods (<3.5T) since FY22



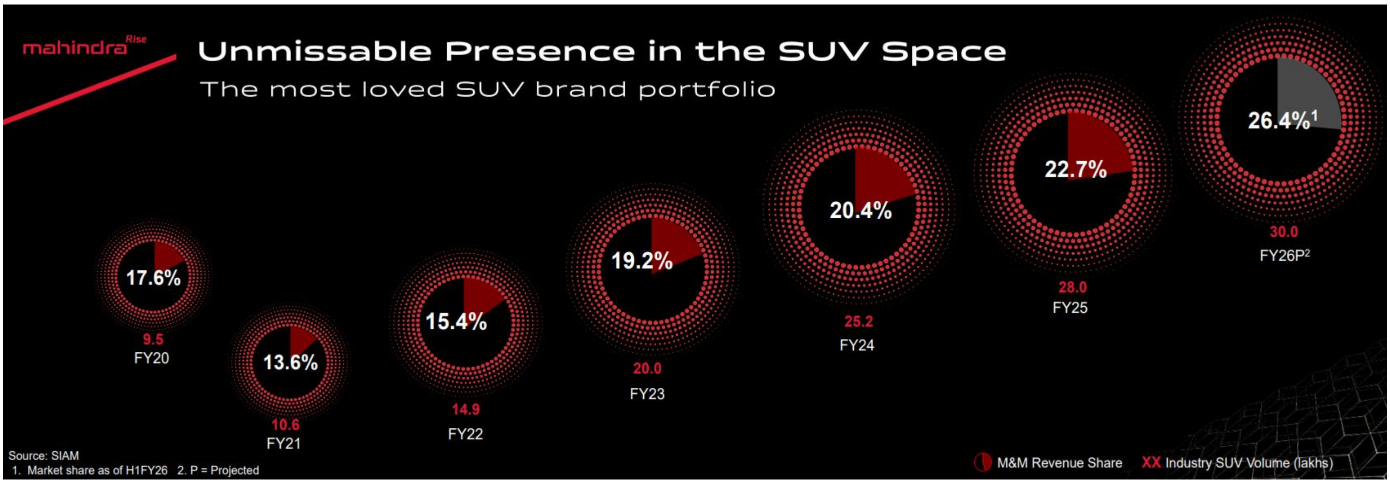
Source: Company, MOFSL

Exhibit 2: MM has a wide portfolio of products in LCVs



Source: Company, MOFSL

Exhibit 3: SUV revenue share trend



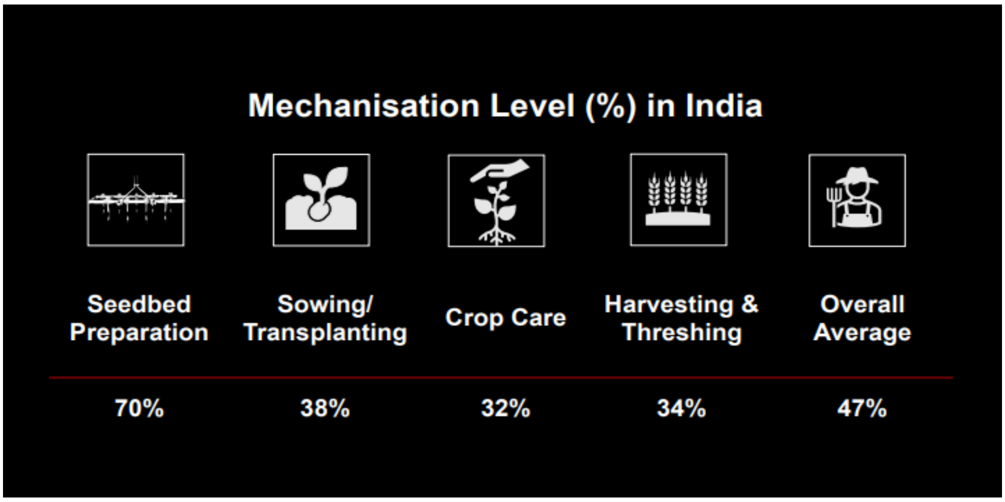
Source: Company, MOFSL

Farm segment updates

- Over the past five years, MM has delivered 1.4x growth in global tractor volumes and continues to hold its position as the world's largest tractor manufacturer by volumes.
- In the domestic market, the company has strengthened its leadership by gaining 220bp of market share to reach 43.3%. Over the last five years, the farm equipment segment has seen 1.7x growth in consolidated revenue and 2.6x growth in consolidated PBT.
- MM aims to transform the lives of farmers globally by democratizing access to advanced technologies. Aligned with this objective, the company has set a long-term aspiration to grow its farm equipment revenue by 3x over FY20-30.
- Supported by improving farm sentiment as profitability of cash and horticulture crops has risen 5.6% and the tractor price index has declined 7%, MM has raised its industry growth forecast to 9% for FY25-30 from 7% earlier. Accordingly, tractor penetration is set to rise to 6 HP per hectare, significantly improving from earlier projections of 4 HP, though still below China's 9 HP per hectare.
- Recent GST rate cuts are also providing a strong boost to sector growth. India is witnessing a structural shift toward higher HP tractors (41-50 HP), which have increased their share from 49% in FY20 to 64% currently, with further expansion expected in the next five years.
- MM is well-positioned to benefit from these trends, having gained 140bp market share in the 41-50 HP segment over the last three years to 42.5%. Both MM and Swaraj brands are the top two brands in this segment, as per customer feedback. With an already extensive portfolio across these HP categories, the company plans to introduce a next-generation platform to further consolidate its leadership position.
- MM has established manufacturing facilities, R&D centers, and commercial presence across several international markets. The company plans to expand its footprint in select high-potential geographies through a phased and disciplined export strategy. Few focused markets are as below:
- **Brazil -** In Brazil, MM holds an 8% share in the <120 HP segment of the 40,000-unit market, which accounts for roughly 80% of the country's total tractor industry. The company also enjoys a strong 20% market share in the <50 HP category. MM currently operates with 40% localization, supported by one manufacturing facility, and plans to increase localization by setting up an additional facility over the next few years. With 87 dealers already in place, the company aims to deepen its dealer network to accelerate future growth.
- **North America -** The market for tractors up to 110 HP stands at ~200,000 units annually. Within the <20 HP category, MM achieved a 10.4% market share in 4QFY25, positioning itself as the No. 3 brand in this segment. The company launched the 1,100 sub-compact and 2,100 compact series tractors in 4QFY25, strengthening its product offering. Future launches will include the OJA Small Utility, OJA Utility, and a larger high-HP platform. MM currently has 440 dealers across selected regions in North America and intends to scale up this network in the coming years.

- **ASEAN -** The ASEAN tractor market is estimated at 50,000 units annually. MM entered the Thailand market in 4QFY25, initially covering 16% of the ASEAN region and gaining around 4% market share in the region as of 2QFY26.
- MM's farm machinery business currently generates around INR10b in revenue and presents substantial growth potential. The company has a portfolio of 26 products and holds leading positions in key categories. It is No. 1 in orchard sprayers and potato seeders and No. 2 in rotavators. Significant growth opportunities lie ahead in segments such as harvesters and balers.
- To scale up this business, MM will leverage its combined network of over 2,300 dealers across the MM and Swaraj brands. The company has also outlined a long-term technology roadmap for this segment, including the introduction of EV models, starting with the Oja range of small-HP electric tractors, which it believes will see strong adoption. Additional technology initiatives include Level 2 ADAS features for customers who seek advanced automation, and the launch of alternate-fuel tractors using diesel–biodiesel blends, CNG, and ethanol (flex fuel) powertrains. MM also plans to embed digital technologies through telematics, drone integration, and pay-as-you-use tractor services to enhance productivity and affordability for farmers.

Exhibit 4: Farming mechanization level in India



Source: Company, MOFSL

Other updates

Last Mile Mobility

- MM's Last Mile Mobility (LMM) business has delivered 5x volume growth during FY22-25 and has now sold over 300,000 cumulative 3W EVs.
- MM aims to electrify India's last-mile transport ecosystem and become the No. 1 e-CV player, with a target of having one million EVs on the road by FY31. It is targeting 6x revenue growth over FY20-30, including a 65x surge in EV revenue.
- EV penetration in 3Ws is expected to rise from 30% currently to 50% by FY30, while the overall last-mile mobility industry (3W + 4W) is projected to double over FY23-30.
- MM plans to expand exports to over 10 markets, launch a new passenger 3W EV to strengthen its segment share, and deploy advanced technologies such as telematics for diagnostics, uptime improvement, and real-time customer insight.
- To support future demand, the company is setting up a new manufacturing facility in Telangana, which will double its production capacity and enhance its ability to scale rapidly.
- In exports, MM would target to first ramp up its presence in India-like markets (Sri Lanka, Bangladesh, Nepal, etc.) where Indian certificates are enough to sell EVs. MM would then look to sell in markets like South East Asia, Africa, etc.

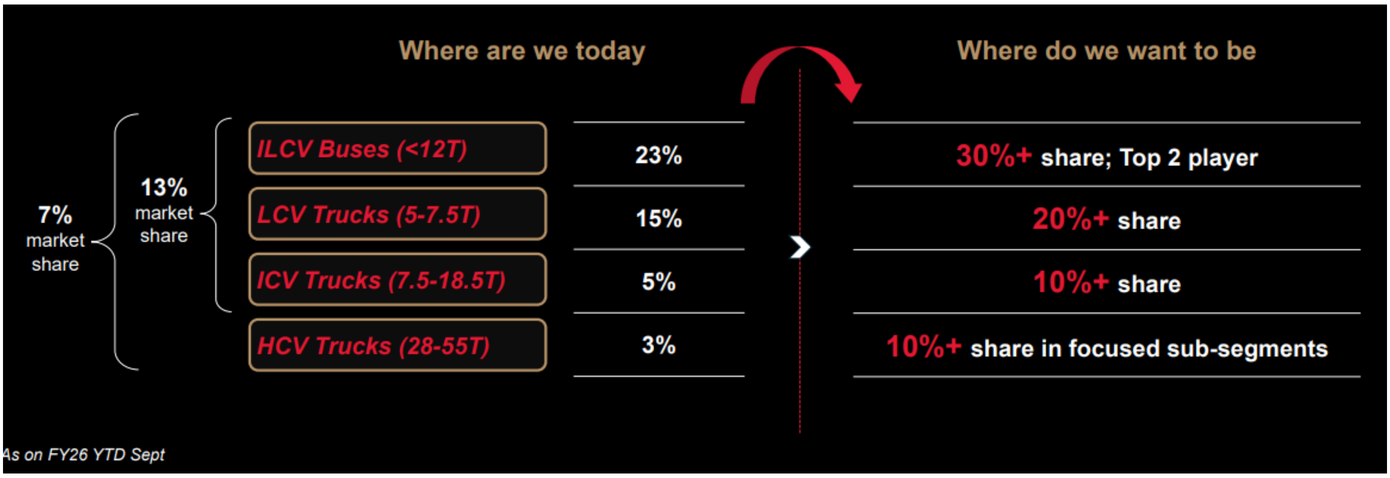
Trucks and buses

- Following the acquisition of SML Isuzu, MM aims to become one of the top three players in India's ILCV truck and bus segment while maintaining a focused and selective presence in the HCV category.
- The dominance of the top two OEMs in HCV trucks and MCV buses has reduced meaningfully over the last five years, and they no longer hold a combined share of over 50% in any segment.
- After the SM Isuzu acquisition, MM is already No. 3 in LCV and ICV buses and now aspires to move to the No. 2 position by strengthening its product and network capabilities.
- MM targets to become one of the top-three players in the ILCV truck and bus category, with a focused and selective presence in HCVs. The company aims for 6x growth over this decade, supported by long-term market share goals of reaching 10-12% in CVs by FY31 and further to 20%+ by FY36.
- MM plans to leverage a broader portfolio of in-house aggregates, supported by four cargo and three passenger platforms, to offer superior uptime and best-in-class TCO.
- The acquisition has doubled MM's combined channel and network strength and added complementary capabilities across product range, distribution, and manufacturing. In-house bus body-building further enhances the integrated offering across customer segments. MM and SML Isuzu will retain their distinct brand positioning, enabling differentiated customer targeting across segments.
- MM continues to scale up its Blazo range, which uniquely offers a fuel-efficiency guarantee that competitors have been unable to replicate. It is additionally introducing new, differentiated products across categories. Its connected vehicle platform, MM IMAXX, has become a benchmark technology widely adopted across the industry.

Aerospace and Aerostructures

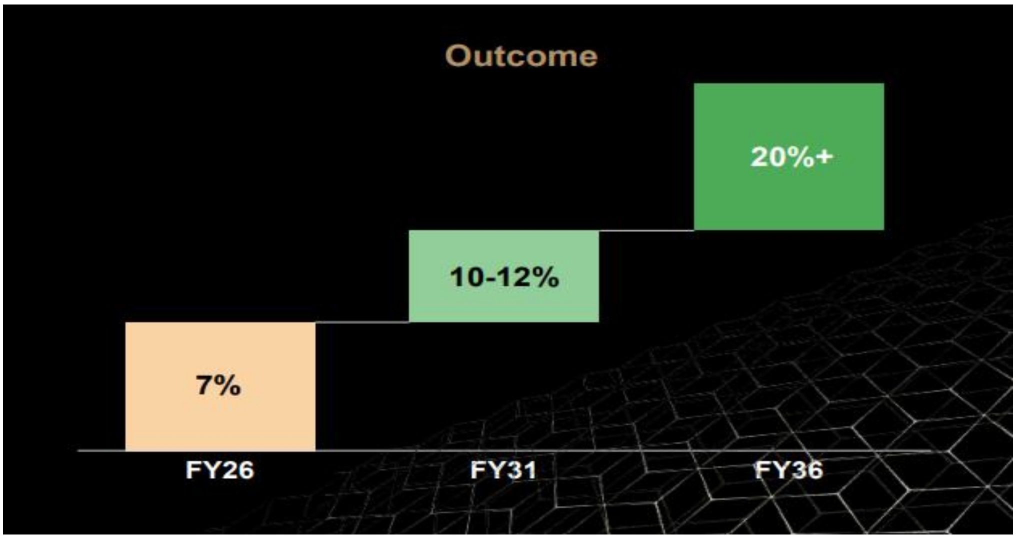
- Aircraft platforms typically operate for 20-25 years, with product lifecycles spanning two to three decades, ensuring enduring customer engagement and highly stable revenue streams.
- Given long certification cycles, stringent technical requirements, and consistent investment needs, the aerospace business presents significant entry barriers.
- MM has already established itself as a competent supplier in this industry, having been Tier 1 for AirBus.
- The company aspires to be among the top 10 players globally, with exceptional delivery, quality and operational excellence. It targets 12x revenue growth in this business over FY20-30.
- The airbus industry globally has an eight-year long order book. Thus, global players are always on the lookout to tie up with credible supply partners that can help to reduce this waiting period.
- Given MM's Tier 1 supplier status with AirBus, MM is already emerging as a key beneficiary of the tailwinds in this industry. It already has a USD1.1b order book in this segment.

Exhibit 5: MM targets material market share gains across CV segments over next 5 years



Source: Company, MOFSL

Exhibit 6: MM targets to achieve 20%+ market share by FY36 in CVs



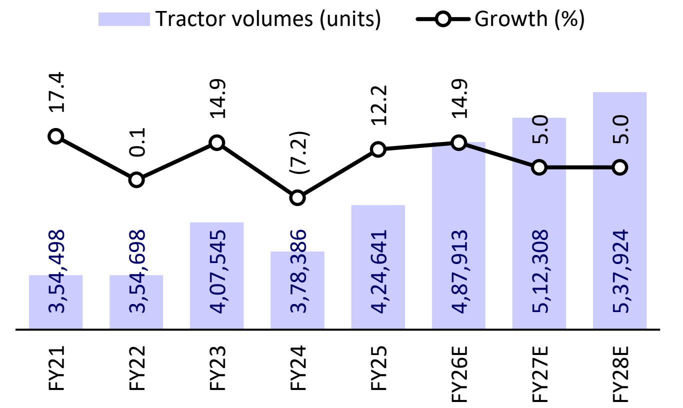
Source: Company, MOFSL

Valuation and view

- **MM likely to continue to outperform industry growth:** MM continues 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, it targets to launch three ICE SUVs (two mid-cycle enhancements), two BEVs, and two LCVs (of which one would be EV in <3.5T segment). Driven by new launches, we expect MM to continue to outperform industry growth. We have assumed MM to post a 13% volume CAGR in UVs over FY25-28E.
- **Tractor industry to see healthy momentum in FY26:** Farm sentiment is now positive, given 1) good kharif sowing, 2) healthy reservoir levels, 3) positive terms of trade for farmers where output inflation is higher than input inflation. Positive rural sentiments have further been boosted by the recent GST rate cuts. On the back of these favorable factors, management has now raised the industry growth guidance to low double digits for FY26E. As a result, we have factored in MM to post an 8% volume CAGR over FY25-28E.
- **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. The pick-up segment is now seeing a demand revival, especially after GST rate cuts, which have made them affordable. Given the demand visibility, management now expects the LCV segment to grow in low double digits for FY26E. We assume MM to clock a 10% volume CAGR over FY25-28E in this segment on a corrected base.
- **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:** MM's long-term growth targets in each business segment clearly highlight the firm's visibility in the potential of each of these segments going ahead. MM has also indicated that it would look to enter one new segment next year, provided it fits in the company's guiding principles of delivering 18% RoE on a sustainable basis in the long run. Considering these long-term growth drivers, we maintain our BUY rating on MM with a TP of INR4,275 (valued at Sep'27E SoTP).

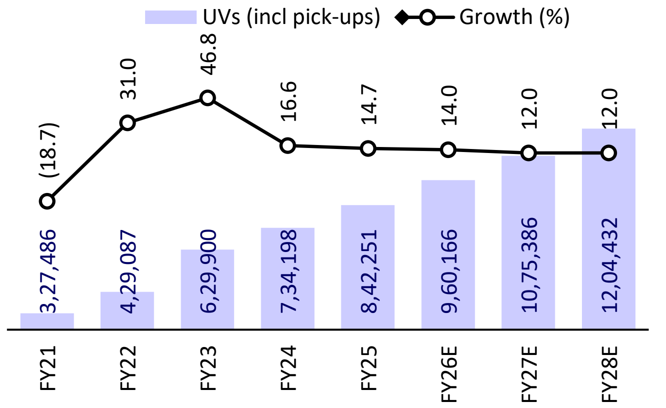
SoTP (INR/sh)	Target P/E (x)	FY26	FY27E	FY28E
Tractors	28	1199	1353	1478
Autos	26	1584	2065	2612
Value of ePV business (40% HoldCo discount)		44	44	44
Value of Core Business		**2826**	**3462**	**4134**
Value of subs post hold-co discount		478	478	478
- Tech Mahindra		256	256	256
- MMFSL		158	158	158
- Mah. Lifespaces		21	21	21
- Mah. Holidays		32	32	32
- Mah. Logistics		10	10	10
Fair Value (INR/sh)		**3304**	**3940**	**4611**

Exhibit 7: Trend in tractor volumes



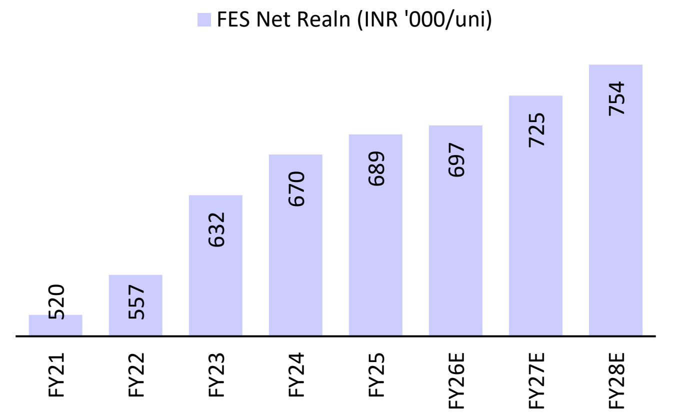
Source: Company, MOFSL

Exhibit 8: New product launches to drive UV sales



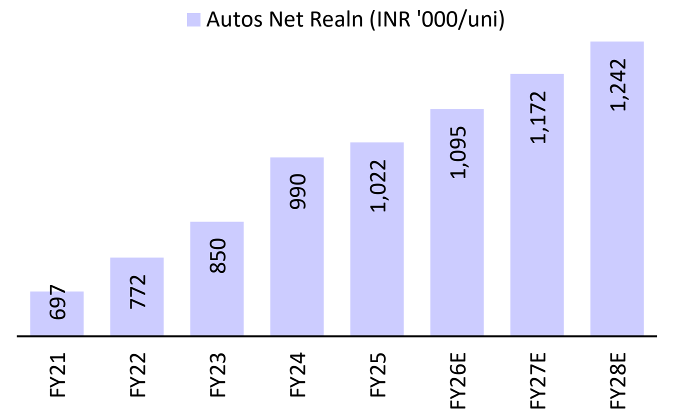
Source: Company, MOFSL

Exhibit 9: Trend in FES business realizations



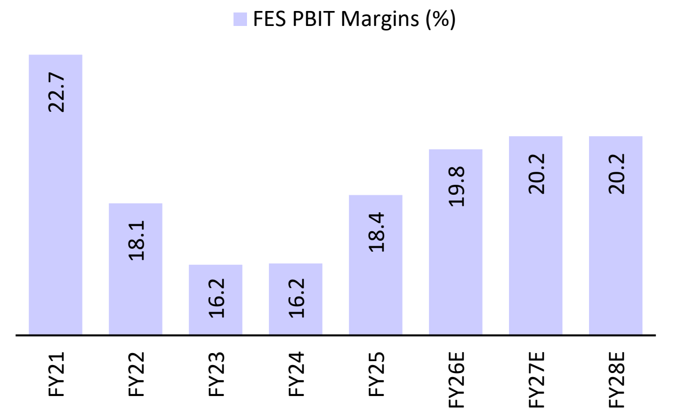
Source: Company, MOFSL

Exhibit 10: Trend in Auto business realizations



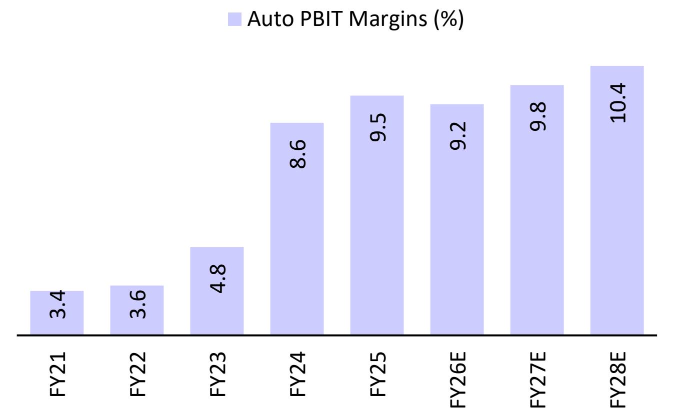
Source: Company, MOFSL

Exhibit 11: Trend in FES business PBIT margin



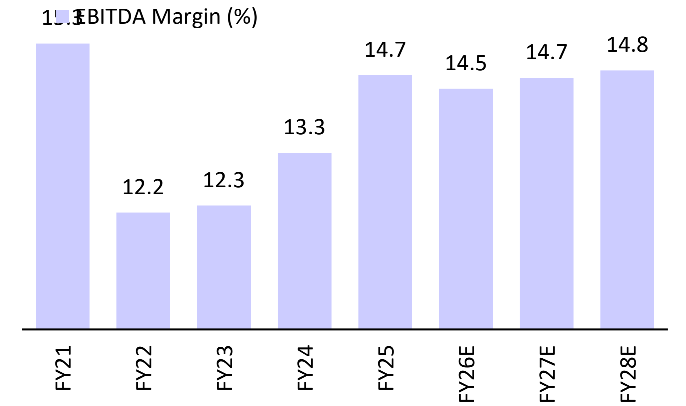
Source: Company, MOFSL

Exhibit 12: Trend in auto business PBIT margin



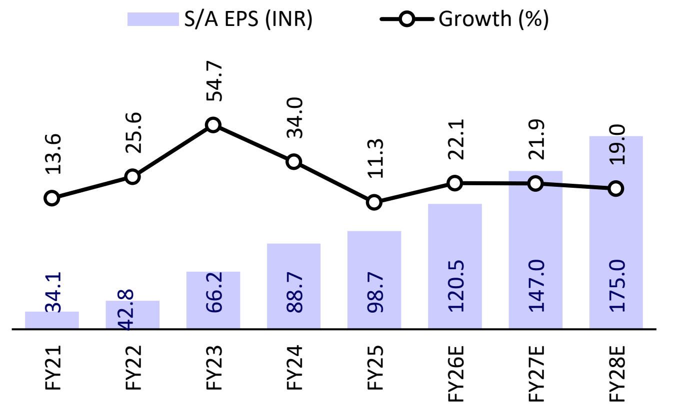
Source: Company, MOFSL

Exhibit 13: Trend in EBITDA margin



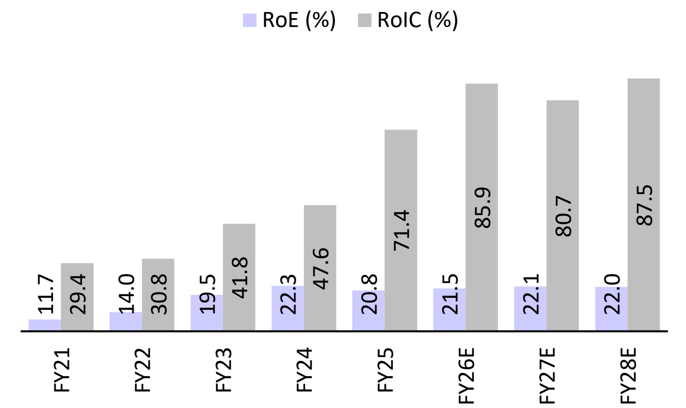
Source: Company, MOFSL

Exhibit 14: Trend in standalone EPS



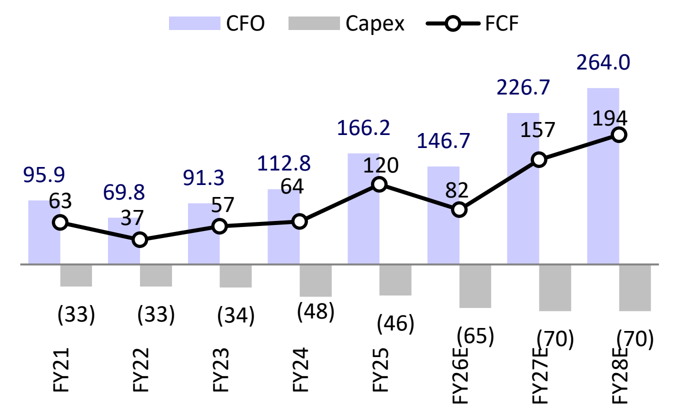
Source: Company, MOFSL

Exhibit 15: Trend in capital efficiencies (standalone)



Source: Company, MOFSL

Exhibit 16: FCF to improve despite higher capex plans



Source: Company, MOFSL

Financials and valuation

S/A Income Statement (incl MVML)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Op. Income	**4,44,719**	**5,77,869**	**8,49,603**	**9,90,977**	**11,64,837**	**1,404,523**	**1,646,609**	**1,919,010**
Change (%)	-0.9	29.9	47.0	16.6	17.5	20.6	17.2	16.5
EBITDA	**67,995**	**70,275**	**1,04,424**	**1,31,454**	**1,71,226**	**202,979**	**241,306**	**283,848**
Margins (%)	15.3	12.2	12.3	13.3	14.7	14.5	14.7	14.8
Depreciation	23,699	24,984	31,545	34,880	42,268	44,463	48,733	52,681
EBIT	**44,296**	**45,291**	**72,879**	**96,574**	**1,28,958**	**158,517**	**192,573**	**231,167**
Int. & Finance Charges	3,963	2,262	2,728	1,405	2,505	2,304	1,895	1,695
Other Income	11,995	20,538	25,452	39,409	30,048	34,242	38,529	43,357
Profit before Tax	**23,035**	**61,480**	**81,308**	**1,34,578**	**1,56,501**	**190,454**	**229,207**	**272,829**
Tax	13,193	12,781	15,821	28,155	37,952	45,709	52,718	62,751
Eff. Tax Rate (%)	57.3	20.8	19.5	20.9	24.3	24.0	23.0	23.0
Profit after Tax	**9,842**	**48,699**	**65,486**	**1,06,423**	**1,18,550**	**144,745**	**176,489**	**210,078**
Adj. Profit after Tax	**40,710**	**51,200**	**79,330**	**1,06,423**	**1,18,550**	**144,745**	**176,489**	**210,078**
Change (%)	13.8	25.8	54.9	34.2	11.4	22.1	21.9	19.0

Balance Sheet **(INR m)**

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Sources of Funds								
Share Capital	5,974	5,983	5,991	5,996	6,004	6,004	6,004	6,004
Reserves	3,43,536	3,75,998	4,27,577	5,16,769	6,09,847	723,528	864,174	1,033,630
Net Worth	**3,49,510**	**3,81,981**	**4,33,567**	**5,22,766**	**6,15,851**	**729,532**	**870,178**	**1,039,634**
Deferred tax	14,497	17,622	14,703	15,551	16,629	16,629	16,629	16,629
Loans	77,863	67,431	50,255	20,365	16,818	16,818	16,818	16,818
Capital Employed	**4,41,870**	**4,67,033**	**4,98,525**	**5,58,681**	**6,49,298**	**762,979**	**903,625**	**1,073,081**
Application of Funds								
Gross Fixed Assets	2,88,343	3,15,772	3,62,150	3,94,670	4,35,527	500,527	570,527	640,527
Less: Depreciation	1,68,230	1,66,733	1,92,388	2,19,390	2,39,014	283,476	332,209	384,890
Net Fixed Assets	**1,20,113**	**1,49,040**	**1,69,762**	**1,75,280**	**1,96,513**	**217,050**	**238,318**	**255,637**
Capital WIP	61,255	52,627	27,846	37,558	39,046	39,046	39,046	39,046
Investments	2,73,103	2,71,378	3,02,587	3,36,520	4,89,968	539,968	649,968	799,968
Curr.Assets, L & Adv.	**1,61,175**	**1,93,020**	**2,57,603**	**2,88,756**	**2,70,962**	**356,706**	**417,681**	**477,875**
Inventory	47,830	59,704	88,814	95,048	1,03,333	138,528	162,405	189,272
Inventory Days	39	38	38	35	32	36	36	36
Sundry Debtors	22,028	30,386	40,417	45,495	57,256	66,816	78,332	91,291
Debtor Days	18	19	17	17	18	17	17	17
Cash & Bank Bal.	8,675	7,173	13,101	18,694	12,644	10,992	19,993	21,703
Loans & Advances	19,324	49,264	51,792	71,464	53,560	96,200	112,781	131,439
Others	63,317	46,494	63,479	58,056	44,169	44,169	44,169	44,169
Current Liab. & Prov.	**1,73,775**	**1,99,032**	**2,59,273**	**2,79,433**	**3,47,191**	**389,792**	**441,388**	**499,445**
Sundry Creditors	1,06,427	1,29,701	1,71,456	1,85,920	2,34,058	269,361	315,788	368,029
Creditor Days	87	82	74	68	73	70	70	70
Other Liabilities	52,271	55,442	69,677	74,800	90,445	90,445	90,445	90,445
Provisions	15,077	13,889	18,139	18,714	22,689	29,987	35,155	40,971
Net Current Assets	**-12,601**	**-6,012**	**-1,670**	**9,323**	**-76,229**	**-33,086**	**-23,707**	**-21,570**
Working Capital	-21,276	-13,185	-14,771	-9,371	-88,873	-44,078	-43,700	-43,274
Application of Funds	**4,41,870**	**4,67,033**	**4,98,525**	**5,58,681**	**6,49,298**	**762,979**	**903,625**	**1,073,081**

E: MOFSL Estimates

Financials and valuation

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
Fully diluted EPS	**34.1**	**42.8**	**66.2**	**88.7**	**98.7**	**120.5**	**147.0**	**175.0**
Cash EPS	53.9	63.7	92.5	117.8	133.9	157.6	187.6	218.8
Book Value per Share	292.5	319.2	361.9	435.9	512.9	607.5	724.7	865.8
DPS	8.8	11.5	16.3	21.1	23.5	26.0	30.0	34.0
Div. Payout (%)	106.2	28.2	29.6	23.7	23.7	21.5	20.3	19.3
Valuation (x)								
P/E	105.1	83.7	54.1	40.4	36.3	30.8	25.3	21.2
Cash P/E	66.4	56.3	38.7	30.4	26.7	23.6	19.8	17.0
EV/EBITDA	63.3	59.5	39.6	31.1	23.4	20.6	17.0	14.2
EV/Sales	9.7	7.2	4.9	4.1	3.4	3.0	2.5	2.1
Price to Book Value	12.2	11.2	9.9	8.2	7.0	6.1	5.1	4.3
Dividend Yield (%)	0.2	0.3	0.5	0.6	0.7	0.7	0.8	0.9
Profitability Ratios (%)								
RoE	11.7	14.0	19.5	22.3	20.8	21.5	22.1	22.0
RoCE	10.1	11.6	17.0	20.3	19.9	20.7	21.4	21.4
RoIC	29.4	30.8	41.8	47.6	71.4	85.9	80.7	87.5
Turnover Ratios								
Debtors (Days)	18	19	17	17	18	17	17	17
Inventory (Days)	39	38	38	35	32	36	36	36
Creditors (Days)	87	82	74	68	73	70	70	70
Core. Work. Cap (Days)	-30	-25	-18	-17	-23	-17	-17	-17
Asset Turnover (x)	1.0	1.2	1.7	1.8	1.8	1.8	1.8	1.8
Leverage Ratio								
Net Debt/Equity (x)	-0.1	-0.3	-0.4	-0.4	-0.5	-0.4	-0.4	-0.4

Cash Flow Statement **(INR m)**

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	53,907	63,567	95,603	1,34,830	1,56,501	158,517	192,573	231,167
Int./Dividends Received	-9,458	-18,167	-20,468	-25,213	-29,715	34,242	38,529	43,357
Depreciation & Amort.	23,699	24,984	31,545	34,389	42,268	44,463	48,733	52,681
Direct Taxes Paid	-11,381	-5,984	-19,380	-28,509	-35,415	-45,709	-52,718	-62,751
(Inc)/Dec in Wkg. Capital	35,866	3,913	3,871	8,681	26,023	-44,795	-379	-426
Other Items	3,302	1,455	121	-11,386	6,511			
CF from Oper.Activity	**95,936**	**69,767**	**91,293**	**1,12,792**	**1,66,172**	**146,717**	**226,738**	**264,028**
(Inc)/Dec in FA+CWIP	-33,113	-32,916	-34,313	-48,328	-46,489	-65,000	-70,000	-70,000
Free Cash Flow	**62,824**	**36,852**	**56,980**	**64,464**	**1,19,683**	**81,717**	**156,738**	**194,028**
(Pur)/Sale of Invest.	-1,12,247	-6,720	-13,222	-3,496	-92,251	-50,000	-110,000	-150,000
CF from Inv. Activity	**-1,45,638**	**-39,636**	**-47,535**	**-51,824**	**-1,38,740**	**-115,000**	**-180,000**	**-220,000**
Change in Net Worth	0	33	83	0	0	0	0	0
Inc/(Dec) in Debt	42,723	-15,978	-19,752	-32,148	-6,171	0	0	0
Interest Paid	-4,645	-4,824	-3,810	-3,016	-1,181	-2,304	-1,895	-1,695
Dividends Paid	-2,936	-10,891	-14,359	-20,211	-26,196	-31,232	-36,011	-40,791
CF from Fin. Activity	**35,142**	**-31,660**	**-37,838**	**-55,375**	**-33,548**	**-33,537**	**-37,906**	**-42,485**
Inc/(Dec) in Cash	**-14,560**	**-1,528**	**5,921**	**5,593**	**-6,117**	**-1,819**	**8,832**	**1,543**
Add: Beginning Balance	23,235	8,701	7,180	13,101	18,593	12,644	10,993	19,993
Closing Balance	**8,675**	**7,173**	**13,101**	**18,694**	**12,644**	**10,993**	**19,993**	**21,703**

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BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
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