

Mahindra & Mahindra

Performance Highlights

For 4QFY2010, Mahindra and Mahindra (M&M) clocked Net Sales of Rs5,305cr, up 45.5% yoy, but was marginally below expectations. This growth was aided by the 49.9% yoy growth in Core Volumes, while average realisation per vehicle declined by around 2.7%, owing to change in product mix. EBITDA Margins witnessed 65bp yoy increase, owing to lower Staff and Raw Material costs, which declined by 619bp yoy and accounted for 62.2% of Sales (68.4% in 4QFY2009). Operating Profit jumped 51.6% yoy, with Staff costs declining by 245bp yoy owing to lower provision for gratuity during the quarter. M&M registered Net Profit of Rs570cr (Rs418cr) during the quarter, up 36.4% yoy. Management is optimistic about growth in the Utility Vehicle (UV) and Tractor Segments in FY2011E to support future growth of its Auto and Farm Equipment Segments. **We maintain a Buy on the stock.**

FY2010 Consolidated Results: Gross Revenues for FY2010 grew 18% to Rs31,591cr (Rs26,767cr). Profit before Exceptional Items and Tax for the year stood at Rs3,780cr (Rs.2,331cr) in FY2010, up 62.2% yoy. Consolidated Profit After Tax for FY2010, after deducting Minority Interests, came in at Rs2,479cr (Rs1,405cr), and recorded a stupendous growth of 76.4% yoy. We also note that the company's Systech Division registered an improvement in performance during 4QFY2010, with Gross Operating Loss of around Rs33cr (as against a Loss of Rs72cr in 4QFY2009).

Outlook and Valuation: M&M recorded strong volume growth in its Auto business in FY2010. The Farm Division also posted a substantial improvement in Volumes and Operating performance post the PTL merger with M&M. We estimate Tractor volumes to register a CAGR of around 5% (including Swaraj) over FY2010-12E. M&M's UV volume growth continued to surprise positively in FY2010, primarily due to the substantial 6% market share gain in the Segment to around 63%. We have modeled 12% CAGR in UV Volumes over FY2010-12E for M&M. Owing to the better-than-expected 4QFY2010 performance, we upgrade our Adj. EPS estimates for FY2011E to Rs37.3 (Rs35.8 earlier) and for FY2012E to Rs39.7 (Rs38.8 earlier). At the CMP of Rs572, M&M is trading at 15.3x FY2011E and 14.4x FY2012E Earnings. Our SOTP Target Price for M&M works out to Rs688, wherein its Core business fetches Rs474 and the value of its investments works out to Rs214. We maintain a Buy on the stock.

Key Financials

Y/E March (Rs cr)	FY2009	FY2010E	FY2011E	FY2012E
Net Sales	12,985	18,452	21,646	24,613
% chg	15.1	42.1	17.3	13.7
Adj. Net Profit	868	2,088	2,160	2,296
% chg	(31.1)	140.7	3.5	6.3
OPM (%)	7.6	15.2	13.2	13.3
Adj. EPS (Rs)	15.0	36.1	37.3	39.7
P/E (x)	36.0	15.5	15.3	14.4
P/BV (x)	5.9	4.1	3.6	3.1
RoE (%)	22.1	22.6	24.8	22.1
RoCE (%)	8.5	24.0	20.8	21.1
EV/Sales (x)	2.0	1.4	1.2	1.1

Source: Company, Angel Research, Note: Estimated EPS adjusted for FCCB interest cost

BUY

CMP	Rs572
Target Price	Rs688

Investment Period	12 Months
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Stock Info

Sector	Automobile
Market Cap (Rs cr)	33,113
Beta	1.3
52 WK High / Low	598 / 322
Avg. Daily Volume	226,774
Face Value (Rs)	10
BSE Sensex	16,945
Nifty	5,086
Reuters Code	MAHM.BO
Bloomberg Code	MM@IN

Shareholding Pattern (%)

Promoters	26.3		
MF/Banks/Indian FIs	32.6		
FII/NRIs/OCBs	32.4		
Indian Public	8.7		
Abs. (%)	3m	1yr	3yr
Sensex	3.1	15.9	16.5
M&M	13.7	69.6	51.0

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Net Sales up 45.5%, Volume growth supported outstanding performance: For 4QFY2010, M&M clocked Net Sales of Rs5,305cr, up 45.5% yoy. This growth was aided by the substantial 49.9% yoy growth in Core Volumes, while average realisation per vehicle declined by around 2.7%. Strong volumes in the Automotive and Farm Equipment Divisions combined with lower Excise rate aided Top-line growth. The UV Segment posted robust growth of 23.8% and continued to dominate the UV industry with a market share of 60.8% on the back of Xylo and Bolero, which continued to see good off take and aided substantial growth in 4QFY2010 and FY2010. The Tractor Segment also grew by a strong 61.8% yoy in 4QFY2010 supplementing overall growth in Volumes.

Margins at 15.9% on dip in Raw Material and Staff costs: During 4QFY2010, M&M's EBITDA Margins witnessed 65bp yoy increase owing to lower Raw Material costs, which declined by 619bp yoy and accounted for 62.2% of Sales (68.4% in 4QFY2009). Operating Profit jumped 51.6% yoy, with Staff costs declining by 245bp yoy owing to lower provision for gratuity during the quarter. Overall, the company recorded decent improvement in Operating performance owing to the cost rationalisation measures initiated by it and partially due to cost synergies arising post the PTL merger.

Net Profit at Rs570cr, Volume drives growth: M&M registered Net Profit of Rs570cr (Rs418cr) during the quarter, which was above our expectation mainly due to the improvement in OPM. However, overall, the company reported 56bp decline in NPM for the quarter on account higher tax provisioning. Adjusted Profit for 4QFY2010 stood at Rs573cr (Rs280cr), up 105% yoy owing to reduced Forex losses on a yoy basis.

Exhibit 1: 4QFY2010 Performance (Standalone)

Y/E March (Rs cr)	4QFY10	4QFY09	% chg	FY10	FY09	% chg
Net Sales (include Other Op. Inc.)	5,305	3,647	45.5	18,602	13,094	42.1
Consumption of RM (% of Sales)	3,299 62.2	2,494 68.4	32.3 (618.9)	11,672 62.7	8,928.1 68.2	30.7
Staff Costs (% of Sales)	266.1 5.0	272.4 7.5	(2.3) (245.3)	1,198.5 6.4	1,024.6 7.8	17.0
Purchases of TG (% of Sales)	285.3 5.4	54.1 1.5	426.9	661.1 3.6	346.2 2.6	91.0
Other Expenses (% of Sales)	608.4 11.5	268.6 7.4	126.5	2,115.5 11.4	1,702.2 13.0	24.3
Total Expenditure	4,459.1	3,088.9	44.4	15,646.9	12,001.1	30.4
Operating Profit	845.6	557.7	51.6	2,955.2	1,092.6	170.5
OPM (%)	15.9	15.3	64.6	15.9	8.3	
Interest	0.9	17.4	(94.8)	27.8	45.3	(38.6)
Depreciation	94.7	93.2	1.7	370.8	291.5	27.2
Other Income	18.1	61.4	(70.5)	199.4	270.3	(26.3)
PBT (excl. Extr. Items)	768.1	508.6	51.0	2,756.0	1,026.2	168.6
Extr. Income/(Expense)	-	-	-	(90.8)	(41.0)	-
PBT (incl. Extr. Items)	768.1	508.6	51.0	2,846.8	1,067.2	166.7
(% of Sales)	14.5	13.9		15.3	8.2	
Provision for Taxation (% of PBT)	197.8 25.8	90.5 17.8	118.6	759.0 26.7	199.7 18.7	280.1
Reported PAT	570.3	418.1	36.4	2,087.8	867.5	140.7
PATM	10.8	11.5		11.2	6.6	
Equity capital (cr)	283.0	272.6		283.0	273.4	
EPS (Rs)	10.1	7.7	31.4	36.9	15.9	132.5

Source: Company, Angel Research

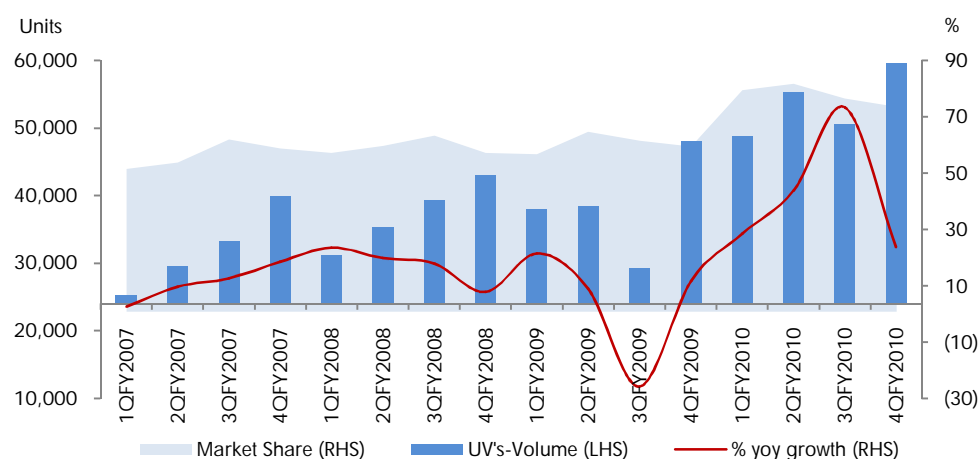
Exhibit 2: Segment-wise Performance

Y/E Mar (Rs cr)	4QFY10	4QFY09	%chg	FY10	FY09	%chg
Total Net Sales	5,310	3,661	45.0	18,634	13,133	41.9
Auto Segment	3,114	2,190	42.2	10,615	7,385	43.7
Farm Segment	2,176	1,441	51.1	7,935	5,667	40.0
Other Segments	20	31	(35.7)	84	81	4.0
Total PBIT	848	339	150.0	2,854	1,085	163.0
Auto Segment	406	175	131.9	1,339	448	199.1
Farm Segment	436	157	177.6	1,501	624	140.5
Other Segments	5	7	(21.6)	14	14	2.1
PBIT/ Sales (%)	16.0	9.3		15.3	1.2	
Auto Segment	13.1	8.0		12.6	6.1	
Farm Segment	20.0	10.9		18.9	11.0	
Other Segments	26.6	21.8		16.6	16.9	

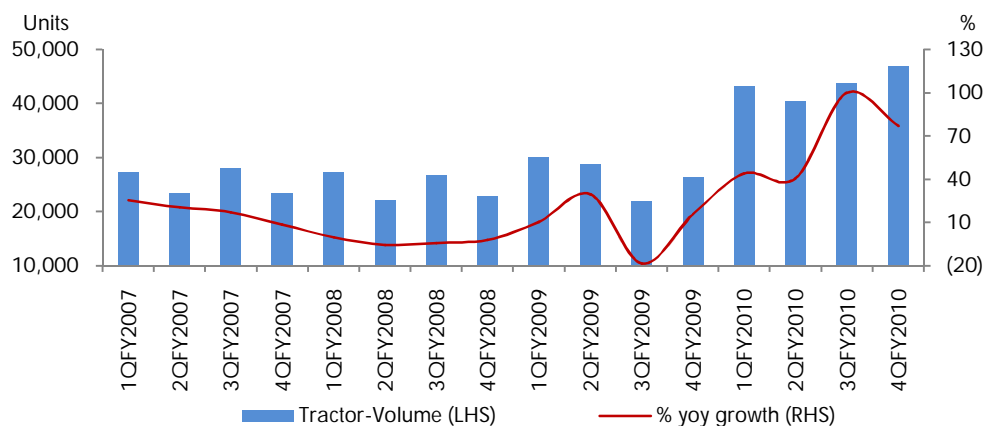
Source: Company, Angel Research: Note: Net Sales includes Other Operating Income

Segment-wise Performance: M&M's Farm Equipment Division clocked 51.1% yoy growth in Net Sales to Rs2,176cr, with a 55.8% yoy (including PTL) increase in Tractor volumes. The Auto Division also reported robust yoy increase of 42.2% in Net Sales, aided by a strong growth in UV volumes. PBIT Margin of the Auto Equipment Division improved by 505bp yoy to 13.1% (8.0%). The Farm Division reported a 913bp yoy increase in PBIT Margin to 20% (10.9%) during 4QFY2010.

Management indicated that they would be launching a 15HP tractor called the Yuvraj to target the 82% of farmer households that own less than 5 acres of land. Penetration of tractors in these households is close to 1%. The USP of the product would be affordable pricing and fuel efficiency. At the higher end, the company is expecting good demand for its harvesters and combines as labour gets more expensive in rural areas. The company sees good room for growth here given the low levels of farm productivity in the country.

Exhibit 3: Utility Vehicle Segment Volumes


Source: SIAM, Angel Research

Exhibit 4: Tractor Segment Volumes


Source: SIAM, Angel Research

Exhibit 5: M&M Group – Product Mix

Y/E Mar (in units)	4QFY10	4QFY09	% chg	FY10	FY09	%chg
Total Volume	136,668	92,741	47.4	472,071	328,671	43.6
Utility Vehicles	59,526	48,090	23.8	214,128	153,655	39.4
LCV*	2,605	1,724	51.1	9,792	8,604	13.8
Logan#	1,443	2,567	(43.8)	5,332	13,983	(61.9)
3-wheelers, GIO, Maximo	21,902	10,281	113.0	57,424	44,533	28.9
Exports	4,229	1,052	302.0	10,815	8,500	27.2
Total Auto Sales	89,705	63,714	40.8	297,491	229,275	29.8
Dom. Tractor Sales@	44,104	28,303	55.8	165,581	112,735	46.9
Export Tractor Sales	2,859	724	294.9	8,999	6,406	40.5
Total Tractor Sales	46,963	29,027	61.8	174,580	99,396	75.6

Source: Company, Angel Research Note: Logan and LCV sales are not included in the Standalone results; *Includes LCV sales of Mahindra International; # Mahindra Renault Pvt. Ltd. @ 4QFY2010 and FY2010 includes PTL Volume

Analyst Meet – Key Highlights

FY2010 Consolidated Results

Gross Revenues for FY2010 grew 18% to Rs31,591cr (Rs26,767cr). Profit before Exceptional Items and Tax for the year stood at Rs3,780cr (Rs.2,331cr) in FY2010, up 62.2% yoy. Consolidated Profit After Tax for FY2010, after deducting Minority Interests, came in at Rs2,479cr (Rs1,405cr), recording a stupendous yoy growth of 76.4%. We also note that the company's Systech Division registered an improvement in performance during 4QFY2010, with Gross Operating Loss of about Rs33cr as against a Loss of Rs72cr in 4QFY2009.

Exhibit 6: Group Results (Consolidated)

Sector (Rs cr)	FY2010		FY2009		% yoy chg	
	Net External Revenue	Results	Net External Revenue	Results	Net External Revenue	Results
Automotive	11,276.0	1,260.6	8,323.4	257.7	35.5	389.2
Farm Equipment	8,993.3	1,406.7	6,713.8	667.9	34.0	110.6
IT Services	4,824.5	1,026.4	4,654.3	1,126.3	3.7	(8.9)
Financial Services	1,570.3	524.2	1,389.6	333.9	13.0	57.0
Trading	590.1	82.6	669.1	94.8	(11.8)	(12.8)
Infrastructure	415.1	121.7	339.4	80.0	22.3	52.2
Hospitality	499.4	158.0	406.1	93.7	23.0	68.7
Systech	2,546.5	(108.1)	3,624.9	23.9	(29.8)	-
Others	875.2	(108.1)	646.5	(46.7)	35.4	-
Total	31,590.5	4,364.1	26,767.0	2,631.4	18.0	65.8
Net unall.(Exp.) / Gains		(143.0)		(93.2)		-
Net unall. Interest Inc./ (Exp.)		(441.3)		(207.7)		-
Exceptional items Inc./ (Exp.)		250.2		(76.4)		-
Profit before tax		4,030.0		2,254.1		78.8
Tax		1,154.2		542.2		112.9
Profit After Tax		2,875.8		1,712.0		68.0
Add/(Less): Prior Year Adj.		(4.3)		(6.4)		-
Add / (Less): Share of Asso.		19.6		11.3		74.2
Less: Minority Interest		412.6		311.5		32.5
Consolidated PAT excl. MI		2,478.6		1,405.4		76.4

Source: Company, Angel Research

Capex Plan

M&M has planned capex of around Rs7,000cr over FY2010-13. The company is setting up a new plant at Chakkan, with a capacity of 3,50,000 vehicles, which would be operational by FY2010. The company plans to manufacture UVs and light commercial vehicles (LCVs) at this plant. This includes 50,000 units of M&M's international trucks, 1,20,000 units of a new mass market platform, 90,000 units of a new SUV (successor to the *Scorpio*) and 90,000 units of *Ingenio* variants.

Management indicated capital expenditure plan of Rs4,500cr over FY2011-13E and an investment plan of Rs2,500cr bn over the same time period. Apart from further investments in the Chakan plant, the company is looking at setting up a new tractor plant. M&M's own tractor unit is currently running at 100% utilisation levels, while PTL's plants are running at over 80% utilisation levels currently.

New Launches

The company launched the *Ingenio* MUV in January 2009, in the form of *Xylo*, which has managed to grab almost 20% market share in the first year of its launch. M&M has further plans to launch new models over the next two years. It also plans to launch a new SUV over the next two years as a successor to the *Bolero*. M&M has indicated that it would be launching a successor to the *Scorpio* over the next two-three years. It also intends to launch a mass-market platform for cargo and passenger applications in 2009, as well as a new truck and bus platform.

The company launched its new pick-up, the 0.5tonner *Mahindra-GIO* in October 2009, the new pick up 0.8 tonner *Maxximo* in February 2010 and expects robust volumes from the segment. The *Maximmo* and *GIO* are both gaining traction and we maintain our estimates with combined sales estimate of 60,000 units for these two products in FY2011. The *Maximmo* has been launched only in the North and West and has gained 25% share in these regions. The product is yet to be launched in the South, which makes up close to 40% of the LCV market.

It also expects to launch M&HCV trucks from its JV with Navistar (Mahindra International) by July 2010. The company has stated that it would be launching a product in the Pick up Segment in the US by January 2011. It also plans to launch a new SUV in India in FY2011.

M&M plans to launch high-powered tractors in the 40-60HP range to further consolidate its market share. It has indicated that it will enhance its focus on Exports, especially to Africa, even as it sets up new assembly plants there to boost volumes. Management indicated that they would be launching a 15HP tractor called the *Yuvraj* to target the 82% of farmer households that own less than 5 acres of land.

Outlook and Valuation

M&M recorded strong volume growth in its Auto business in FY2010. The Farm Division posted a substantial improvement in volume and operating performance, after the PTL merger with M&M. We estimate Tractor volumes to register CAGR of around 5% (including Swaraj) over FY2010-12E. M&M's UV volume growth continues to surprise positively in FY2010 primarily due to the substantial 6% market share gain in the UV Segment to around 63%. The new Xylo and the established *Scorpio* and *Bolero* contributed to the robust UV volume growth. We have modeled 12% CAGR in UV volumes over FY2010-12E for M&M.

Systech's cost-rationalisation measures place it well for good Earnings upside from an improvement in European CV volumes. Systech should be a key beneficiary of the growing trend of component sourcing from lower cost countries, given its existing relationship with global OEMs. Systech's management is focused in creating shareholder value and has set a goal of achieving Rs500-600cr in EBITDA, with 75% coming from Europe and the rest from India. Management believes that this is achievable even at 30% below the peak levels. We believe that these moves will start contributing positively to M&M's consolidated EPS, when the global industry cycle takes a positive turn.

M&M also has majority stakes in various listed companies in other sectors (including Technology, Property and Finance). Investments in these companies constitute more than 50% of M&M's Balance Sheet (Standalone). Moreover, the high growth potential of M&M's subsidiaries is expected to unlock actual value of the stock over the years. Listing of its subsidiaries has been supporting M&M's valuation in the recent past, and may continue to do so in the long term as well.

Exhibit 7: SOTP Valuation

Key Subsidiary	No. of Shares Held (cr)	CMP (Rs)	Value (Rs cr)
Mahindra Financial Services	5.8	418	2,434
Mahindra Lifespace	1.5	422	650
Tech Mahindra	5.4	636	3,420
Mahindra Forgings	4.2	98	407
Mahindra Holidays	7.0	470	3,290
Other Investments			4,333
Total value			16,534
No. of share o/s of M&M (cr)			58
Per share value of Investments (15% discount)			214
M&M's Core Business per share value (13x core EPS)			474
M&M's price target with investments			688

Source: Company, C-line, Angel Research; Price as May 31, 2010

Owing to the better-than-expected 4QFY2010 performance, we upgrade our Adj. EPS estimates for FY2011E to Rs37.3 (Rs35.8 earlier) and FY2012E to Rs39.7 (Rs38.8 earlier). At the CMP of Rs572, M&M is trading at 15.3x FY2011E and 14.4x FY2012E Earnings. Our SOTP Target Price for M&M works out to Rs688, wherein its Core business fetches Rs474 and the value of its investments works out to Rs214. **We maintain a Buy on the stock.**

Profit & Loss Statement
(Rscr)

Y/E March	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
Gross sales	11,184	12,866	14,605	20,246	24,051	27,655
Less: Excise duty	1,335	1,585	1,619	1,794	2,405	3,042
Net Sales	9,849	11,282	12,985	18,452	21,646	24,613
Total operating income	9,849	11,282	12,985	18,452	21,646	24,613
% chg	-	14.5	15.1	42.1	17.3	13.7
Total Expenditure	8,791	10,187	12,001	15,647	18,799	21,339
Net Raw Materials	6,828	7,726	9,274	12,333	14,827	16,958
Other Mfg costs	252.1	299.9	0.0	0.0	497.9	566.1
Personnel	660.1	845.8	1,024.6	1,198.5	1,461.1	1,599.8
Other	1,051	1,316	1,702	2,115	2,013	2,215
EBITDA	1,057.8	1,094.5	984.2	2,805.2	2,846.4	3,273.5
% chg	-	3.5	(10.1)	185.0	1.5	15.0
(% of Net Sales)	10.7	9.7	7.6	15.2	13.2	13.3
Depreciation & Amortisation	209.6	238.7	291.5	370.8	440.6	527.4
EBIT	848	856	693	2,434	2,406	2,746
% chg	-	0.9	(19.1)	251.4	(1.2)	14.1
(% of Net Sales)	8.6	7.6	5.3	13.2	11.1	11.2
Interest & other Charges	19.8	87.6	45.3	27.8	28.8	28.8
Other Income	590	639	379	349	404	428
(% of PBT)	39.0	40.9	35.5	12.3	14.0	13.6
Recurring PBT	1,418	1,407	1,026	2,756	2,780	3,145
% chg	-	(0.8)	(27.1)	168.6	0.9	13.1
Extraordinary Expense/(Inc.)	93.4	156.0	41.0	90.8	102.8	0.0
PBT	1,512	1,563	1,067	2,847	2,883	3,145
Tax	350	303	200	759	723	849
(% of PBT)	23	19	19	27	25	27
PAT (reported)	1,068	1,103	827	1,997	2,058	2,296
PAT after MI (reported)	1,068	1,103	827	1,997	2,058	2,296
ADJ. PAT	1,162	1,259	868	2,088	2,160	2,296
% chg	-	8.4	(31.1)	140.7	3.5	6.3
(% of Net Sales)	11.8	11.2	6.7	11.3	10.0	9.3
Basic EPS (Rs)	20.5	19.8	15.9	36.9	37.3	39.7
Fully Diluted EPS (Rs)	20.1	21.8	15.0	36.1	37.3	39.7
% chg	-	8.4	(31.1)	140.7	3.5	6.3

Balance Sheet

(Rscr)

Y/E March	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
SOURCES OF FUNDS						
Equity Share Capital	238	239	273	283	289	289
Preference Capital	-	-	-	-	-	-
Reserves& Surplus	3,315	4,111	4,989	7,547	9,029	10,555
Shareholders Funds	3,553	4,350	5,262	7,830	9,318	10,844
Total Loans	1,636	2,587	4,053	2,880	2,880	2,880
Deferred Tax Liability	20	57	(18)	240	10	41
Total Liabilities	5209	6994	9297	10951	12208	13765
APPLICATION OF FUNDS						
Gross Block	3,230	3,656	4,894	6,474	7,731	8,790
Less: Acc. Depreciation	1,639	1,842	2,326	2,772	3,212	3,740
Net Block	1,591	1,814	2,568	3,703	4,518	5,051
Capital Work-in-Progress	281	546	647	324	387	440
Goodwill	-	-	-	-	-	-
Investments	2,237	4,215	5,786	6,074	7,325	8,259
Current Assets	3,748	3,644	5,081	6,042	5,919	6,663
Cash	1,326	861	1,574	1,743	1,144	1,230
Loans & Advances	843	694	1,402	1,852	1,515	1,723
Other	1,579	2,089	2,104	2,447	3,260	3,709
Current liabilities	2,666	3,240	4,798	5,197	5,941	6,647
Net Current Assets	1,083	404	283	846	(22)	16
Mis. Exp. not written off	18	14	13	4	-	-
Total Assets	5,209	6,994	9,297	10,951	12,208	13,765

Cash Flow Statement

(Rscr)

Y/E March	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
Profit before tax	1,512	1,563	1,067	2,847	2,883	3,145
Depreciation	210	239	292	371	441	527
Change in Working Capital	(719)	(51)	(1,426)	65	(160)	(361)
Less: Other income	(613)	621	(1,769)	1,092	106	(51)
Direct taxes paid	350	303	200	759	723	849
Cash Flow from Operations	1,266	826	1,501	1,432	2,335	2,514
(Inc.)/Dec. in Fixed Assets	(446)	(692)	(1,338)	(1,257)	(1,319)	(1,113)
(Inc.)/Dec. in Investments	(568)	(1,978)	(1,571)	(288)	(1,250)	(934)
(Inc.)/Dec. in loans and advances	(174)	(286)	(363)	191	191	(131)
Other income	590	639	379	349	404	428
Cash Flow from Investing	(598)	(2,317)	(2,894)	(1,005)	(1,975)	(1,750)
Issue of Equity	(9)	1	1	10	6	-
Inc./(Dec.) in loans	753	951	1,466	(1,173)	-	-
Dividend Paid (Incl. Tax)	278	325	321	312	630	670
Others	1,094	250	(317)	(592)	1,596	1,347
Cash Flow from Financing	(72)	1,027	2,106	(258)	(960)	(677)
Inc./(Dec.) in Cash	596	(465)	713	169	(599)	87
Opening Cash balances	730	1,326	861	1,574	1,743	1,144
Closing Cash balances	1,326	861	1,574	1,743	1,144	1,230

Key Ratios

Y/E March	FY2007	FY2008	FY2009	FY2010E	FY2011E	FY2012E
Valuation Ratio (x)						
P/E (on FDEPS)	27.9	28.9	36.0	15.5	15.3	14.4
P/CEPS	21.3	20.4	27.9	13.2	12.7	11.7
P/BV	7.7	6.3	5.9	4.1	3.6	3.1
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0	0.0
EV/Sales	2.5	2.3	2.0	1.4	1.2	1.1
EV/EBITDA	26.1	26.6	30.3	10.2	10.2	8.9
EV / Total Assets	5.3	4.2	3.2	2.6	2.4	2.1
Per Share Data (Rs)						
EPS (Basic)	20.5	19.8	15.9	36.9	37.3	39.7
EPS (fully diluted)	20.1	21.8	15.0	36.1	37.3	39.7
Cash EPS	26.8	28.1	20.5	43.4	45.0	48.8
DPS	5.9	5.9	5.1	9.5	10.0	11.3
Book Value	74.4	90.7	96.3	138.2	160.9	187.3
Dupont Analysis						
EBIT margin	8.6	7.6	5.3	13.2	11.1	11.2
Tax retention ratio	0.8	0.8	0.8	0.7	0.7	0.7
Asset turnover (x)	2.8	2.3	1.9	2.2	2.1	2.1
ROIC (Post-tax)	18.5	13.8	8.1	21.1	17.8	17.0
Cost of Debt (Post Tax)	1.2	3.3	1.1	0.6	0.7	0.7
Leverage (x)	0.0	0.0	0.0	0.0	0.0	0.0
Operating ROE	18.5	13.8	8.1	21.1	17.8	17.0
Returns (%)						
ROCE (Pre-tax)	18.5	14.0	8.5	24.0	20.8	21.1
Angel ROIC (Pre-tax)	16.5	11.0	7.2	19.2	16.1	16.0
ROE	25.8	30.6	22.1	22.6	24.8	22.1
Turnover ratios (x)						
Asset Turnover (Gross Block)	3.2	3.3	3.0	3.2	3.0	3.0
Inventory / Sales (days)	32.6	31.7	30.1	22.2	22.3	23.1
Receivables (days)	24.8	27.6	28.8	30.4	30.4	30.4
Payables (days)	64.3	68.7	81.8	68.4	65.9	69.8
Working capital cycle (ex-cash) (days)	(9.0)	(11.3)	(24.6)	(21.6)	(17.4)	(17.6)
Solvency ratios (x)						
Net debt to equity	(0.5)	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Net debt to EBITDA	(1.8)	(2.3)	(3.4)	(1.8)	(2.0)	(2.0)
Interest Coverage (EBIT / Interest)	42.8	9.8	15.3	87.5	83.5	95.3

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Disclosure of Interest Statement	M & M
1. Analyst ownership of the stock	Yes
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below Rs 1 lakh for Angel and its Group companies.

Ratings (Returns) :	Buy (> 15%) Reduce (-5% to -15%)	Accumulate (5% to 15%) Sell (< -15%)	Neutral (-5 to 5%)
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