

Mahindra and Mahindra

Performance Highlights

Y/E March (₹ cr)	1QFY12	1QFY11	% chg (yoy)	Angel est.	% diff
Net sales	6,734	5,160	30.5	6,586	2.2
EBITDA	897	776	15.7	906	(1.0)
EBITDA margin (%)	13.3	15.0	(170)bp	13.8	(43)bp
PAT	605	562	7.6	637	(5.0)

Source: Company, Angel Research

Mahindra and Mahindra (M&M) registered an in-line performance for 1QFY2012, led by sustained volume momentum and increased average net realisation. Operating margin declined slightly due to raw-material cost pressures and withdrawal of tax incentives at MVML. As a result, net profit was marginally lower than our estimates. **We largely retain our volume, revenue and earnings estimates for M&M and maintain our Buy view on the stock.**

Strong top-line performance, but margin contraction restricts bottom-line growth:

M&M reported a strong revenue performance for 1QFY2012, led by robust 22.6% yoy (down 2.9% qoq) growth in volumes and 6.2% yoy (2.9% qoq) growth in net average realisation due to change in product mix and price hikes. Strong volume performance in the automotive segment (24.2% yoy) and farm equipment segment (19.9% yoy) resulted in market share gains for M&M. EBITDA margin, however, came in marginally lower than our estimates at 13.3%, down 170bp yoy (up 61bp qoq), largely due to raw-material cost pressures, increased purchases from MVML and withdrawal of tax incentives at MVML. However, cost rationalisation measures coupled with lower staff cost and other expenses provided some respite. As a result, net profit for the quarter grew modestly by 7.6% yoy (flat qoq) to ₹605cr.

Outlook and valuation: M&M's passenger utility vehicle (UV), four-wheeler pick-up and tractor volumes continued to surprise positively despite a challenging macroeconomic environment. We maintain our volume assumptions and have modeled a ~12% CAGR in passenger UV and four-wheeler pick-up volumes over FY2011-13E and a ~13% CAGR in tractor volumes over the same period. We expect M&M to leverage upon its dominant position in the UV and tractor segments and believe that strong rural demand will help M&M sustain its volume momentum. We retain our Buy view on M&M, valuing it on SOTP basis. Our SOTP target price for the stock works out to ₹815, wherein its core business fetches ₹622/share and the value of its investments works out to ₹193/share.

Key financials

Y/E March (₹ cr)	FY2010	FY2011	FY2012E	FY2013E
Net sales	18,363	23,044	27,108	30,880
% chg	42.1	25.5	17.6	13.9
Adj. net profit	2,029	2,537	2,779	3,042
% chg	158.1	25.0	9.6	9.4
EBITDA margin (%)	14.8	13.0	12.7	12.6
Adj. EPS (₹)	35.9	43.2	47.3	51.8
P/E (x)	18.6	15.4	14.1	12.9
P/BV (x)	4.8	3.8	3.3	2.8
RoE (%)	31.0	28.0	25.2	23.6
RoCE (%)	23.2	21.6	21.5	21.8
EV/Sales (x)	1.7	1.3	1.1	0.9
EV/EBITDA (x)	12.5	10.5	9.2	8.1

Source: Company, Angel Research

BUY

CMP	₹666
Target Price	₹815

Investment Period	12 Months
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Stock Info

Sector	Automobile
Market Cap (₹ cr)	40,891
Beta	1.2
52 Week High / Low	826/550
Avg. Daily Volume	203,095
Face Value (₹)	5
BSE Sensex	16,990
Nifty	5,119
Reuters Code	MAHM.BO
Bloomberg Code	MM@IN

Shareholding Pattern (%)

Promoters	24.9
MF / Banks / Indian Fls	32.8
FII / NRIs / OCBs	33.8
Indian Public / Others	8.5

Abs. (%)	3m	1yr	3yr
Sensex	(8.3)	(6.4)	12.0
M&M	(6.5)	2.6	132.0

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Exhibit 1: Quarterly performance

Y/E March (₹ cr)	1QFY12	1QFY11	% chg	FY2011	FY2010	% chg
Net Sales (includes other operating income)	6,734	5,160	30.5	23,494	18,602	26.3
Consumption of RM	4,115	3,322	23.9	14,507	11,672	24.3
(% of Sales)	61.1	64.4		61.7	62.7	
Staff Costs	403	314	28.6	1,446	1,198	20.6
(% of Sales)	6.0	6.1		6.2	6.4	
Purchases of TG	719	268	168	1,757	661	166
(% of Sales)	10.7	5.2		7.5	3.6	
Other Expenses	599	480	24.7	2,328	2,115	10.0
(% of Sales)	8.9	9.3		9.9	11.4	
Total Expenditure	5,836	4,385	33.1	20,037	15,647	28.1
EBITDA	897	776	15.7	3,456	2,955	17.0
EBITDA margin	13.3	15.0		14.7	15.9	
Interest	(2.0)	(22.7)	(91)	(50.3)	27.8	(281)
Depreciation	110	98	12.6	414	371	11.6
Other Income	25	20	21.4	310	199	55.3
PBT (excl. Extr. Items)	814	721	12.9	3,402	2,756	23.4
Extr. Income/(Expense)	-	-	-	117.5	91	-
PBT (incl. Extr. Items)	814	721	12.9	3,520	2,847	23.6
(% of Sales)	12.1	14.0		15.0	15.3	
Provision for Taxation	209	159	31.9	858	759	13.0
(% of PBT)	26	22		24	27	
Reported PAT	605	562	7.6	2,662	2,088	27.5
PATM	9.0	10.9		11.3	11.2	
Equity capital (cr)	293.7	283.1		293.6	283.0	
EPS (₹)	10.3	9.9	3.7	45.3	36.9	22.9

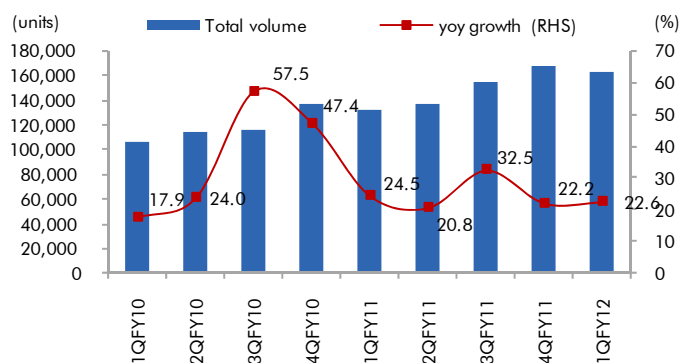
Source: Company, Angel Research

Exhibit 2: Volume performance

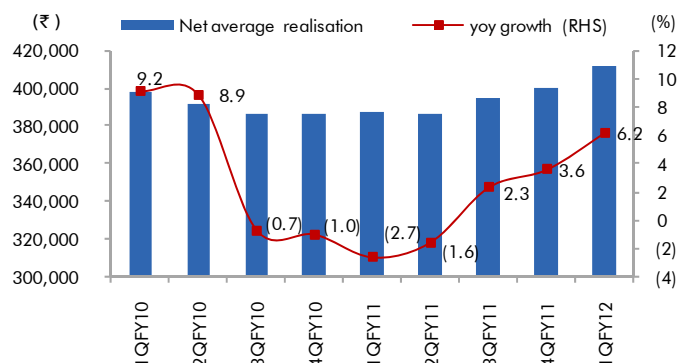
Y/E March (units)	1QFY12	1QFY11	%chg	FY2011	FY2010	%chg
Total Volume	162,149	132,241	22.6	590,719	472,914	24.9
Auto Sales - Domestic	96,280	78,318	22.9	358,023	286,713	24.9
Auto Sales - Exports	5,717	3,775	51.4	19,042	11,567	64.6
Total Auto Sales	101,997	82,093	24.2	377,065	298,280	26.4
Tractor Sales - Domestic	57,244	47,716	20.0	201,786	165,633	21.8
Tractor Sales - Exports	2,908	2,432	19.6	11,868	9,001	31.9
Total Tractor Sales	60,152	50,148	19.9	213,654	174,634	22.3

Source: Company, Angel Research

Net sales up 30.5% yoy on strong volume growth: For 1QFY2012, M&M reported net sales of ₹6,734cr, up by strong 30.5% yoy (down 0.7% qoq). Growth was aided by robust 22.6% yoy (down 2.9% qoq) growth in total volumes and 6.2% yoy (2.9% qoq) increase in average net realisation, led by better product mix and price hikes. Volume growth in the automotive and farm equipment segments maintained its strong momentum, registering 24.2% and 19.9% yoy growth, respectively. In the passenger UV segment, M&M posted 14.3% yoy growth to 44,407 vehicles, retaining its dominant position with a market share of 56.2% as Xylo, Scorpio and Bolero continued to see good offtake. Domestic tractor volumes also registered strong 20% yoy growth, outperforming the industry's growth of 13.7% yoy. As a result of the outperformance, M&M's market share in the domestic tractors market grew significantly to 43% as compared to 40.7% in 1QFY2011.

Exhibit 3: Total volumes up 22.6%


Source: Company, Angel Research

Exhibit 4: Realisation improves by 6.2%


Source: Company, Angel Research

Exhibit 5: Segmental performance

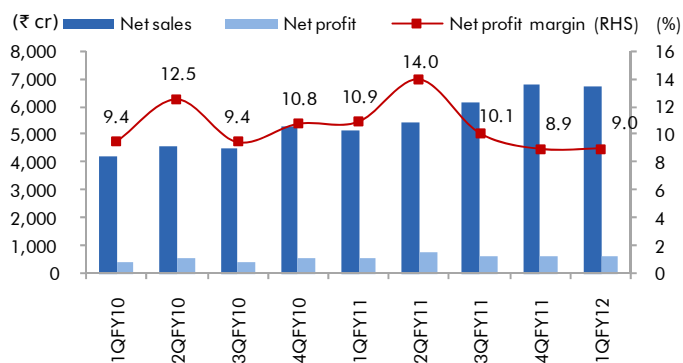
Y/E March (₹ cr)	1QFY12	1QFY11	% chg	FY2011	FY2010	% chg
Total Net Sales	6,740	5,167	30.4	23,530	18,634	26.3
Auto Segment	3,858	2,880	34.0	13,635	10,615	28.4
Farm Segment	2,861	2,274	25.8	9,797	7,935	23.5
Other Segments	21	14	50.1	98	84	17.1
Total PBIT	873	742	17.7	3,434	2,854	20.3
Auto Segment	414	352	17.5	1,716	1,339	28.2
Farm Segment	457	389	17.5	1,708	1,501	13.8
Other Segments	2.1	0.2	804.3	9.5	13.9	(31.5)
PBIT/ Sales (%)						
Total PBIT	13.0	14.4		14.6	15.3	
Auto Segment	10.7	12.2		12.6	12.6	
Farm Segment	16.0	17.1		17.4	18.9	
Other Segments	10.1	1.7		9.7	16.6	

Source: Company, Angel Research

Segmental performance: The automotive and farm equipment segments reported a strong revenue performance, with the automotive segment registering growth of 34% yoy to ₹3,858cr, driven by strong passenger UV and four-wheeler pick-up sales. *Scorpio, Bolero, Gio* and *Maximo* continued to drive the performance in the automotive segment. The farm equipment segment grew by 25.8% yoy to ₹2,861cr on account of strong performance by Mahindra and Swaraj divisions. While the automotive segment's EBIT declined by 150bp yoy to 10.7% (10.6% in 4QFY2011) due to raw-material cost pressures and ramp-up in volumes at MVML, the farm equipment segment's EBIT margin declined by 114bp yoy to 16%.

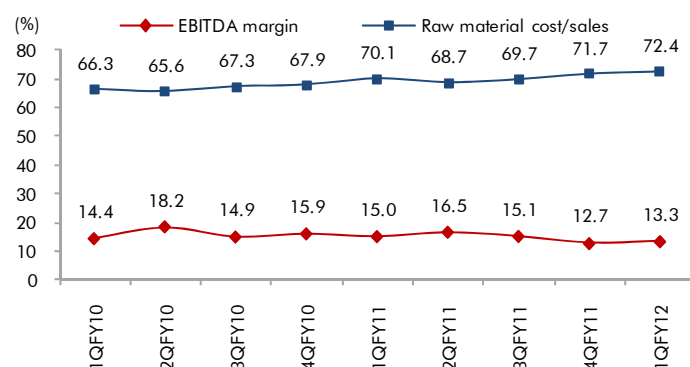
Margin continues to be under pressure, down 170bp yoy: M&M's EBITDA margin for 1QFY2012 came in 43bp below our estimate at 13.3%, posting a contraction of 170bp yoy (up 61bp qoq). The margin decline can be attributed to increased purchase of finished products from the company's manufacturing subsidiary, Mahindra Vehicle Manufacturers Limited (MVML), withdrawal of tax incentives at MVML and raw-material cost pressures. Raw-material costs for the quarter increased by 236bp yoy and 77bp on a qoq basis to 72.4% of sales. However, cost-rationalisation measures coupled with an 8bp and 39bp yoy decline in staff cost and other expenses, respectively, provided some respite on the margin front. Including MVML operations, operating margin stood at 14.2% as against 13.3% for standalone operations. During the quarter, M&M incurred an additional charge of ₹26.5cr towards amortisation of employee stock options granted in the previous years. Adjusting for the additional charge, operating margin stood at 13.7% for the quarter.

Exhibit 6: Sales and profitability trend



Source: Company, Angel Research

Exhibit 7: EBITDA margin declines 170bp yoy to 13.3%



Source: Company, Angel Research

Net profit at ₹605cr, up 7.6% yoy: Net profit for the quarter reported 7.6% yoy (flat qoq) growth to ₹605cr, 5% lower than our estimate, primarily due to higher tax rate and interest expense and lower other income. Interest cost increased on account of increased borrowings. Other income grew by 21.4% yoy ₹25cr.

Conference call – Key highlights

- Management expects the automotive and tractor industries to register growth of 10–12% and 11–13%, respectively in FY2012.
- Passenger UV and tractor sales remain strong, as a result of which M&M has increased its market share by ~450bp and ~230bp yoy to 56.2% and 43%, respectively. The company currently has waiting periods for *Bolero*, *Scorpio* and *Arjun* tractors.
- Sales of *Yuvraj* tractors are shaping up well and are on expected lines. The current monthly run-rate for *Yuvraj* tractors is ~1,000 units/month and is expected to increase to 1,500 units/month by the end of FY2012. *Yuvraj* tractors are now available in Gujarat, Maharashtra, Tamil Nadu, Karnataka and Madhya Pradesh.
- Management has indicated that inventory levels in the system remain at normal levels.
- MVML manufactured around 17,700 units in 1QFY2012 as against 5,700 units in 1QFY2011. The MVML plant in Chakan currently produces *Maxximo*, *Genio* and *Navistar* trucks. Ramp-up on the *Navistar* front will take a little longer and its current capacity is ~200 units/month.
- During 1QFY2012, M&M launched *Maxximo* mini-van, *Genio* double cab and *Scorpio EX* series and refreshed *Logan/Verito*.
- According to management, raw-material prices have stabilised and it does not see prices inching upwards.
- Management has guided for capital expenditure plans of ₹5,000cr over the next three years. Net debt to equity as of June 2011 stood at 0.22x.
- SsangYong registered losses of ₹135cr in 1HCY2011 largely on account of costs incurred towards employee wage increases and supplier price hikes. Management expects sales volume of 120,000 units in CY2011 and plans to invest US\$200mn in SsangYong.

Investment arguments

- **Strong growth continues in core business:** M&M's UV and tractor volume growth continues to surprise positively, with 25% (24%) overall growth reported in FY2011. *Xylo*, *Scorpio* and *Bolero* contributed to robust UV volume growth in FY2011. M&M has also performed well above our expectations in its farm equipment segment. We expect M&M to perform better than the competition in the UV and the tractor space. Thus, we have modeled a ~12% and ~13% CAGR in auto and farm equipment volumes over FY2011–13E, respectively.
- **New ventures firming up well:** M&M's new ventures in the CV space are firming up well. New product launches such as *GIO* and *Maxximo* have received good response. Further, launch of new products in the M&HCV space would position the company well, in-line with other major domestic CV players such as Ashok Leyland and Tata Motors over the next 2–3 years, aided by its well-known brand equity and extensive sales network. This is expected to substantially augment the company's overall volume growth.
- **Systech operations poised to benefit from the rebound:** Systech should be a key beneficiary of the growing trend of component sourcing from lower-cost countries, given its existing relationships with global OEMs. Systech's management is focused on creating shareholder value and has set a goal of achieving ₹500cr–600cr in EBITDA, with 75% coming from Europe and the rest from India. Management believes this is achievable even at 30% below peak levels. We believe these moves will start contributing positively to M&M's consolidated EPS, when the global industry cycle takes a positive turn.
- **Investments constitute 71% of the balance sheet:** M&M also has majority stakes in various listed companies in other sectors, including technology, property and finance. The high-growth potential of M&M's subsidiaries is expected to unlock the 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.

Outlook and valuation

M&M's passenger utility vehicle (UV), four-wheeler pick-up and tractor volumes continue to surprise positively despite a challenging macroeconomic environment. Hence, we maintain our volume assumptions and have modeled a ~12% CAGR in passenger UV and four-wheeler pick-up volumes over FY2011–13E and a ~13% CAGR in tractor volumes over the same period.

We expect M&M to leverage upon its dominant position in the UV and tractor segments and believe that strong rural demand will help M&M sustain its volume momentum. At ₹666, M&M is trading at 14.1x FY2012E and 12.9x FY2013E standalone earnings. **We maintain our positive outlook on M&M and retain our Buy rating.** Our SOTP target price for the stock works out to ₹815, wherein its core business fetches ₹622/share and the value of its investments works out to ₹193/share.

Exhibit 8: SOTP valuation

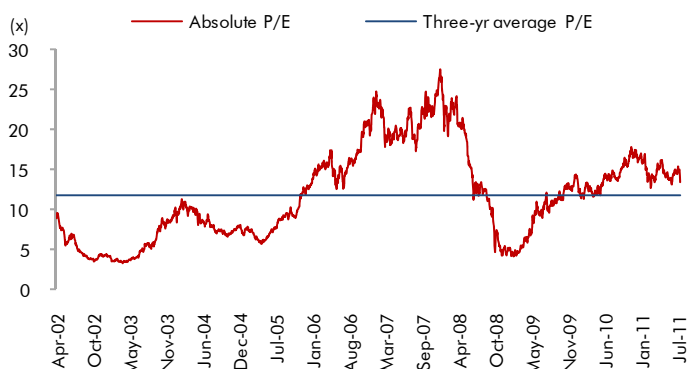
Key Subsidiary	No. of Shares (cr)	CMP (₹)	Value (₹ cr)
Mahindra Financial Services	5.4	659	3,559
Mahindra Lifespace	1.5	344	530
Tech Mahindra	5.4	710	3,820
Mahindra Forgings	4.2	66	275
Mahindra Holidays	7.0	361	2,527
Mahindra UGINE	1.7	48	79
Other Investments (at book value)			5,479
Total value (₹ cr)			16,269
No of share o/s of M&M (cr)			58.7
Per share value of Investments (30% discount)			193
M&M's Core Business/share value (12x FY13E EPS)			622
M&M Target Price with investments (₹)			815

Source: Company, Angel Research

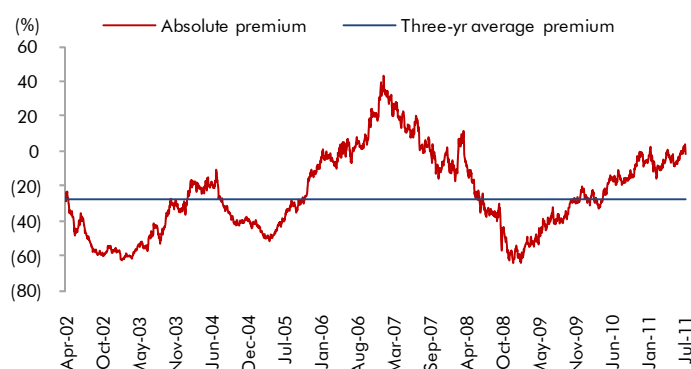
Exhibit 9: Key assumptions

Y/E March (units)	FY08	FY09	FY10	FY11	FY12E	FY13E
Passenger Utility Vehicles (UV)	148,761	153,655	150,726	169,205	191,202	210,322
4-wheeler pick-up	-	-	76,387	105,588	122,482	134,730
LCV	10,398	8,604	9,829	11,077	11,409	11,752
Logan	25,891	13,983	5,332	10,009	15,014	16,515
Three wheelers	33,927	44,533	44,439	62,142	67,113	72,482
Exports	25,657	8,500	11,567	19,042	24,755	29,706
Total Automotive Sales	244,634	229,275	298,280	377,063	431,975	475,506
Domestic Tractor Sales	90,037	113,302	165,633	201,785	230,035	257,639
Exports Tractor Sales	8,677	6,406	9,001	11,868	13,055	14,621
Total Tractor Sales	98,714	119,708	174,634	213,653	243,090	272,260
Total Volume	343,348	348,983	472,914	590,716	675,064	747,767

Source: Company, Angel Research

Exhibit 10: One-year forward P/E


Source: Company, Bloomberg, Angel Research

Exhibit 11: M&M - Premium/Discount to Sensex P/E


Source: Company, Bloomberg, Angel Research

Exhibit 12: Automobile - Recommendation summary

Company	Reco.	CMP (₹)	Tgt Price (₹)	Upside (%)	P/E (x)		EV/EBITDA (x)		RoE (%)		FY11-13E EPS
					FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	CAGR (%)
Ashok Leyland	Buy	24	31	29.0	10.6	8.5	3.9	3.2	14.9	17.3	9.2
Bajaj Auto	Accumulate	1,412	1,512	7.1	14.6	14.0	9.4	8.4	51.3	43.5	3.0
Hero Honda	Neutral	1,856	-	-	16.7	15.2	9.5	7.7	65.3	59.2	10.2
Maruti Suzuki	Accumulate	1,192	1,322	10.9	13.3	11.7	7.8	6.1	16.8	16.0	13.3
M&M	Buy	666	815	22.4	14.1	12.9	9.2	8.1	25.2	23.6	9.5
Tata Motors	Buy	832	1,100	32.3	5.2	4.8	3.4	2.8	40.6	30.7	9.6
TVS Motor	Buy	53	62	16.7	11.4	10.1	5.6	4.7	20.5	20.0	13.8

Source: Company, Angel Research

Profit & Loss Statement

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
Gross sales	12,866	14,514	20,157	25,137	29,626	33,749
Less: Excise duty	1,585	1,587	1,794	2,093	2,518	2,869
Net Sales	11,282	12,927	18,363	23,044	27,108	30,880
Total operating income	11,282	12,927	18,363	23,044	27,108	30,880
% chg	14.5	14.6	42.1	25.5	17.6	13.9
Total Expenditure	10,187	12,035	15,647	20,038	23,658	26,983
Net Raw Materials	7,726	9,274	12,346	16,263	19,246	21,925
Other Mfg costs	300	311	379	444	521	611
Personnel	862	1,018	1,190	1,438	1,694	1,930
Other	1,300	1,431	1,732	1,892	2,196	2,517
EBITDA	1,094	892	2,716	3,006	3,450	3,897
% chg	3.5	(18.5)	204.5	10.7	14.7	13.0
(% of Net Sales)	9.7	6.9	14.8	13.0	12.7	12.6
Depreciation & Amortisation	239	292	371	414	508	571
EBIT	856	600	2,345	2,593	2,941	3,326
% chg	0.9	(29.8)	290.6	10.5	13.5	13.1
(% of Net Sales)	7.6	4.6	12.8	11.3	10.9	10.8
Interest & other Charges	88	134	157	71	(44)	(36)
Other Income	639	601	658	998	770	750
(% of PBT)	51.1	61.0	23.6	29.4	20.5	18.3
Recurring PBT	1,407	1,067	2,847	3,520	3,756	4,111
% chg	(0.8)	(24.1)	166.7	23.6	6.7	9.5
Extraordinary Expense/(Inc.)	(156)	(81)	(59)	(125)	-	-
PBT	1,251	986	2,788	3,394	3,756	4,111
Tax	303	200	759	858	977	1,069
(% of PBT)	24.3	20.3	27.2	25.3	26.0	26.0
PAT (reported)	1,103	868	2,088	2,662	2,779	3,042
ADJ. PAT	947	786	2,029	2,537	2,779	3,042
% chg	(2.8)	(17.0)	158.1	25.0	9.6	9.4
(% of Net Sales)	8.4	6.1	11.0	11.0	10.3	9.9
Basic EPS (₹)	23.1	15.9	36.9	45.3	47.3	51.8
Fully Diluted EPS (₹)	19.8	14.4	35.9	43.2	47.3	51.8
% chg	(3.3)	(27.2)	148.7	20.5	9.6	9.4

Balance Sheet

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
SOURCES OF FUNDS						
Equity Share Capital	239	273	283	294	294	294
Reserves & Surplus	4,111	4,989	7,544	10,020	11,416	13,741
Shareholders' Funds	4,350	5,262	7,827	10,313	11,710	14,034
Total Loans	2,587	4,053	2,880	2,405	2,205	1,805
Deferred Tax Liability	57	(18)	240	354	354	354
Total Liabilities	6,994	9,297	10,947	13,073	14,270	16,195
APPLICATION OF FUNDS						
Gross Block	3,656	4,894	5,276	6,228	7,821	8,790
Less: Acc. Depreciation	1,842	2,326	2,538	2,842	3,350	3,921
Net Block	1,814	2,568	2,739	3,386	4,471	4,869
Capital Work-in-Progress	546	647	964	986	626	703
Goodwill	-	-	-	-	-	-
Investments	4,215	5,786	6,398	9,325	9,561	10,040
Current Assets	3,644	5,081	6,047	6,143	6,716	8,399
Cash	861	1,574	1,743	615	527	1,350
Loans & Advances	694	1,402	1,856	2,480	2,711	3,088
Other	2,089	2,104	2,447	3,049	3,478	3,962
Current liabilities	3,240	4,798	5,200	6,768	7,103	7,817
Net Current Assets	404	283	847	(624)	(388)	583
Mis. Exp. not written off	14	13	-	-	-	-
Total Assets	6,994	9,297	10,947	13,073	14,270	16,195

Cash Flow Statement

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
Profit before tax	1,251	986	2,788	3,394	3,756	4,111
Depreciation	239	292	371	414	508	571
Change in Working Capital	(51)	(1,426)	170	(1,248)	(196)	(468)
Less: Other income	336	(2,055)	254	(1,285)	1,081	75
Direct taxes paid	303	200	759	858	977	1,069
Cash Flow from Operations	799	1,707	2,316	2,988	2,011	3,070
(Inc.)/Dec. in Fixed Assets	(692)	(1,338)	(700)	(973)	(1,233)	(1,047)
(Inc.)/Dec. in Investments	(1,978)	(1,571)	(612)	(2,927)	(235)	(480)
(Inc.)/Dec. in loans and adv.	(286)	(242)	(646)	(646)	65	(147)
Other income	639	601	658	998	770	750
Cash Flow from Investing	(2,317)	(2,551)	(1,300)	(3,549)	(633)	(923)
Issue of Equity	1	1	10	11	-	-
Inc./(Dec.) in loans	951	1,466	(1,173)	(475)	(200)	(400)
Dividend Paid (Incl. Tax)	325	321	312	624	803	687
Others	223	231	(3)	727	2,067	1,612
Cash Flow from Financing	1,054	1,557	(848)	(567)	(1,464)	(1,325)
Inc./(Dec.) in Cash	(465)	713	169	(1,129)	(87)	822
Opening Cash balances	1,326	861	1,574	1,743	615	527
Closing Cash balances	861	1,574	1,743	615	527	1,350

Key Ratios

Y/E March	FY08	FY09	FY10	FY11	FY12E	FY13E
Valuation Ratio (x)						
P/E (on FDEPS)	33.6	46.2	18.6	15.4	14.1	12.9
P/CEPS	23.7	31.3	15.7	13.3	11.9	10.8
P/BV	7.3	6.9	4.8	3.8	3.3	2.8
Dividend yield (%)	0.9	0.8	1.5	1.8	1.5	1.5
EV/Sales	2.8	2.5	1.7	1.3	1.1	0.9
EV/EBITDA	33.5	40.1	12.5	10.5	9.2	8.1
EV / Total Assets	5.2	3.9	3.1	2.4	2.2	1.8
Per Share Data (₹)						
EPS (Basic)	23.1	15.9	36.9	45.3	47.3	51.8
EPS (fully diluted)	19.8	14.4	35.9	43.2	47.3	51.8
Cash EPS	28.1	21.3	42.4	50.2	56.0	61.5
DPS	5.9	5.1	9.7	12.0	10.0	10.0
Book Value	90.7	96.3	138.1	175.4	199.2	238.8
Dupont Analysis						
EBIT margin	7.6	4.6	12.8	11.3	10.9	10.8
Tax retention ratio	0.8	0.8	0.7	0.7	0.7	0.7
Asset turnover (x)	2.3	1.9	2.2	2.1	2.1	2.2
RoIC (Post-tax)	13.0	6.9	20.2	17.9	16.6	17.2
Cost of Debt (Post Tax)	3.1	3.2	3.3	2.0	(1.4)	(1.3)
Leverage (x)	-	-	-	-	-	-
Operating RoE	13.0	6.9	20.2	17.9	16.6	17.2
Returns (%)						
RoCE (Pre-tax)	14.0	7.4	23.2	21.6	21.5	21.8
Angel RoIC (Pre-tax)	11.0	6.3	18.7	15.8	15.9	16.6
RoE	24.0	16.4	31.0	28.0	25.2	23.6
Turnover ratios (x)						
Asset Turnover (Gross Block)	3.3	3.0	3.6	4.0	3.9	3.7
Inventory / Sales (days)	32	30	22	23	24	24
Receivables (days)	28	29	23	21	21	21
Payables (days)	69	82	69	65	67	69
WC cycle (ex-cash) (days)	(11)	(25)	(22)	(17)	(14)	(10)
Solvency ratios (x)						
Net debt to equity	(0.6)	(0.6)	(0.7)	(0.7)	(0.7)	(0.7)
Net debt to EBITDA	(2.3)	(3.7)	(1.9)	(2.5)	(2.3)	(2.5)
Interest Coverage (EBIT/Interest)	9.8	4.5	15.0	36.6	(66.7)	(92.1)

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Disclosure of Interest Statement

	M&M
1. Analyst ownership of the stock	No
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 ₹1 lakh for Angel, its Group companies and Directors

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