

# Mahindra & Mahindra

BSE SENSEX

31,955

S&amp;P CNX

9,900

**CMP: INR1,383 TP: INR1,625 (+17%)**
**Buy**

Motilal Oswal values your support in the Asiamoney Brokers Poll 2017 for India Research, Sales and Trading team. We [request your ballot](#).



## Stock Info

Bloomberg	MM IN
Equity Shares (m)	592.6
52-Week Range (INR)	1,509/1,142
1, 6, 12 Rel. Per (%)	-3/-3/-20
M.Cap. (INR b)	819.9
M.Cap. (USD b)	12.7
Avg Val, INRm	1555.0
Free float (%)	74.8

## Financials Snapshot (INR b)

Y/E Mar	2018E	2019E	2020E
Sales	490.5	561.0	631.4
EBITDA	55.0	64.1	73.3
NP*	40.4	47.2	53.0
EPS (INR)*	67.4	78.9	88.6
EPS Gr. (%)	7.8	17.0	12.3
Cons.EPS (INR)	66.7	79.9	87.3
BV/Sh. (INR)	476.3	529.4	592.2
RoE (%)	14.1	14.6	14.8
RoCE (%)	13.1	13.6	13.9
Sales	490.5	561.0	631.4
P/E (x)	20.5	17.5	15.6
Cons. P/E (x)	20.7	17.3	15.9
P/BV (x)	2.9	2.6	2.3

\* incl. MVML

## Shareholding pattern (%)

As On	Mar-17	Dec-16	Mar-16
Promoter	25.3	25.3	25.4
DII	20.1	19.1	18.1
FII	39.8	41.0	42.9
Others	14.8	14.6	13.5

FII Includes depository receipts

## Getting future ready

### UV segment needs push; tractor segment healthy

Mahindra & Mahindra's (MM) FY17 annual report highlights the company's focus on technologically advanced new products in the farm segment, continuous improvement in the UV segment to comply with the new emission/regulatory norms, and market share increase in the CV segment.

### Farm segment: Focus on technological prowess

#### Right products drive growth and market share

- Strong tractor segment growth of ~23% in FY17 was supported by the good performance of YUVO, which has helped the company gain market share in the 30-50 HP segment (covers 70-80% of industry). YUVO, an all-new tractor platform launched in April 2016, was highly successful in strengthening the technology leadership of Mahindra tractors in FY17.
- MM, in April 2017, also launched its third new tractor platform, JIVO, a new-age small tractor platform in the sub-25 HP category (covers only 5% of industry), which is an ideal choice for the growing segments of horticulture and row crop farming.

#### Strategy: Farming 3.0 (a holistic view by MM)

- Farming 3.0 is a comprehensive ecosystem, with offerings across the value chain for the farmer. It provides access to smart machinery, precision farming practices, digital platforms and ecosystem connect with an aim to help farmers improve their crop yields and double their farm income.
- With increasing labor cost and its scarcity, greater adoption of various forms of mechanization is the way forward, in our view. Against this backdrop, MM believes that the market for tractors and other farm equipment should grow over the long term.
- MM's objective is to strengthen its global footprint and bring modern technologies in farm mechanization into India. It also plans to leverage its partnerships with MAM (Japan) and Sampo Rosenlew (Finland).

#### Outlook

- According to MM, tractor industry growth in FY18 is expected to be driven by positive rural sentiment, driven by normal monsoon and good agri income.

### Auto segment: Challenges remain, but confident of sailing through

#### Losing market share in UVs; CV segment remains healthy

- In the UV segment, MM lost market share from 37.9% to 29.2% in FY17, led by intensifying competition and rural slowdown due to the impact of demonetization. However, its bread and butter segment (Bolero, Scorpio, etc) is gradually recovering, and should do well, led by likely good monsoon and higher agri income.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**
**Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.**

- In February 2016, MM launched Blazo series of HCVs (trucks) with Fuelsmart technology, leading to ~18% volume growth to 6,715 units in FY17. Consequently, its market share in the HCV segment expanded to 4% from 3.4% in the previous year.
- In the LCV<2T segment, volumes grew ~8%, led by the success of Jeeto. MM's market share in this segment increased from 23.9% in FY16 to 25.7% in FY17.
- To maintain its leadership position in goods LCVs in the 2-3.5t segment (market share: 65.8%), the company launched Supro Minitruck and Supro Cargo Van in February 2017.

#### Strategy

- The company has strategized to strengthen the product portfolio and refresh/update existing products. Also, MM is pursuing a strategy to introduce petrol engines across the product range – the share of diesel variant in total PV sales declined to 40% in FY17 from 58% in FY13.

#### Healthy outlook

- For FY18, SIAM forecasts good growth for the industry: +7-9% for PVs, +5-7% for LCV goods, +4-6% for CVs, double-digit for 3Ws, and 9-11% for 2Ws.

#### Focus on EVs to stay ahead of market

- MM is focusing on development of the electric vehicle (EV) market and upgradation of EV technology capabilities. MM's EV portfolio comprises E20 electric car, e-Verito car and the Supro EV cargo and van. It sold 973 units in FY17, up from 870 units in FY16. The plan is to increase capacity from 1,000 units in phase-1 to 5,000 units in phase-2 over the next 2-3 years.

#### Regulatory changes to increase investment/capex

- The new safety regulations will be rolled out under the name of Bharat New Vehicle Safety Assessment Program (BNVSAP), which will be applicable from FY19 for new vehicles and from FY20 for existing vehicles. Similarly, emission norms will be changed to BS-VI with effect from 1 April 2020 on a pan-India basis. MM believes that conforming to the next stage of regulations will call for the use of advanced technologies and will have an impact on costs. At the same time, it is geared-up and confident of meeting these regulations.

#### Reduction of losses of key subsidiaries

- Ssangyong reported PAT of INR2.3b in FY17 as against loss of INR1.6b in FY16. Overall, the key subsidiaries reported reduction in losses this year ([Refer Exhibit 8](#)).
- MM is working toward containing 2W losses (FY17: INR4.7b) by adopting an efficiency-focused approach and cost management. The company will focus on improving sales of Mojo, and expects to bring a few Mojo variants in FY18. Mahindra Two Wheelers' (MTWL) past business strategy was focused on addressing the mass 2W market. However, given the market response, MTWL has decided to make a strategy shift by focusing on niche premium 2Ws.

#### Valuation and view

We estimate ~17% consolidated EPS CAGR over FY17-20 (v/s ~9% compounded annual decline over FY14-17). Recovery in rural markets improves visibility of volume revival in both its core businesses. MM is one of the cheapest large-cap auto stocks, with valuation of 17.5x/15.6x FY19/20E consolidated EPS and 14.1/12.4x core EPS (adjusted for value in subsidiaries after 20% holding discount). Maintain **Buy** with an SOTP-based target price of ~INR1,625.

## Story in charts:

**Exhibit 1: MM gained market share in FY17 with the help of YUVO launch**

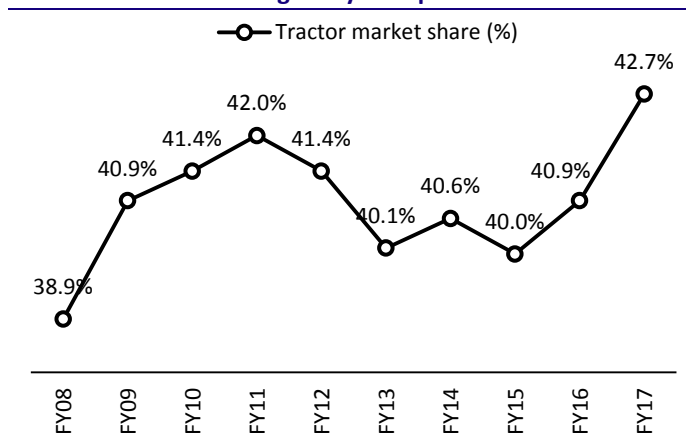
Tractors volumes (category-wise)		Industry	
HP Segment	FY17	FY16	Growth
<b>Total</b>	<b>582,084</b>	<b>493,497</b>	<b>18.0%</b>
<20	23,556	22,911	2.8%
20-30 (Launched JIVO in FY18)	30,558	30,225	1.1%
30-40 (Launched YUVO in FY17)	201,682	180,904	11.5%
40-50 (Launched YUVO in FY17)	284,706	226,627	25.6%
>50	41,582	32,830	26.7%

**Exhibit 2: UV segment loses market share, while LCV goods <3.5T maintains its share**

Segment	Industry		M&M		M&M Mkt. Share	
	F17	Growth	F17	Growth	CY	PY
Utility Vehicles	7,61,997	29.9%	2,22,541	0.1%	29.2%	37.9%
Cars	21,02,996	3.8%	3,219	-5.2%	0.2%	0.2%
Vans	1,81,734	2.4%	10,370	-2.1%	5.7%	6.0%
PV Total	30,46,727	9.2%	2,36,130	-0.1%	7.8%	8.5%
LCV Goods < 2T GVW	1,16,890	0.3%	30,043	7.9%	25.7%	23.9%
LCV Goods 2 to 3.5T GVW	2,07,610	13.2%	1,36,564	7.7%	65.8%	69.1%
LCV Goods < 3.5T	3,24,500	8.2%	1,66,607	7.7%	51.3%	51.6%
LCV Passenger	50,864	3.9%	4,640	22.8%	9.1%	7.7%
LCV Goods > 3.5T GVW	36,339	5.6%	2,986	12.8%	8.2%	7.7%
LCV > 3.5T	87,203	4.6%	7,626	18.7%	8.7%	7.7%
M+ICV Goods (7.5 to 16.2T)	89,357	0.9%	-	-	-	-
HCV Goods (>16.2T)	1,65,910	-2.3%	6,715	17.7%	4.0%	3.4%
MHCV Goods	2,55,267	-1.2%	6,715	17.7%	2.6%	2.2%
3W	5,11,658	-4.9%	52,306	-4.9%	10.2%	10.2%
MHCV Passenger	47,262	7.6%	-	-	-	-
AS (Dom) Total	42,72,617	6.5%	4,69,384	2.5%	11.0%	11.4%

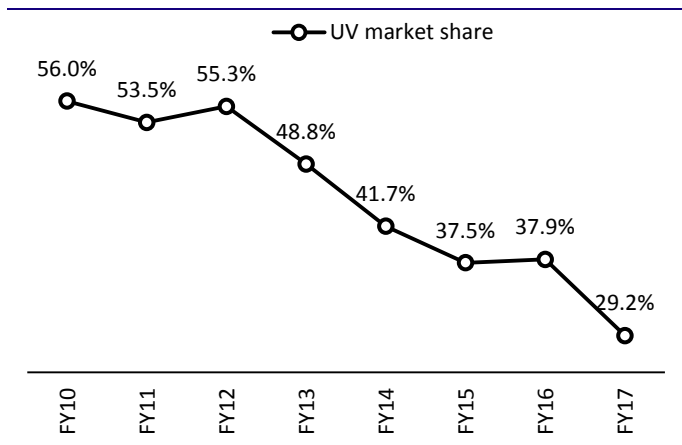
Source: Company, MOSL

**Exhibit 3: Market share gain by 180bps YoY**

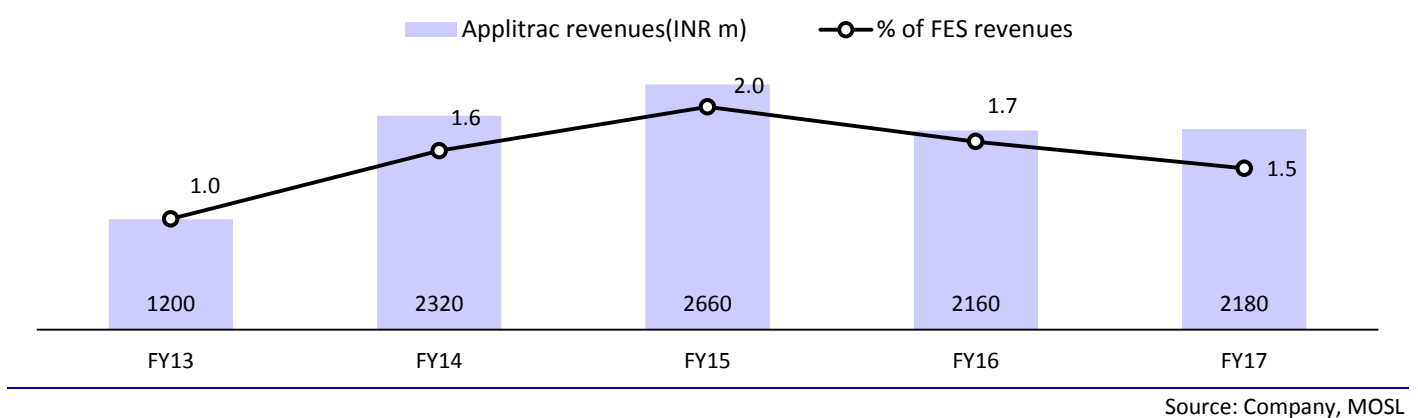
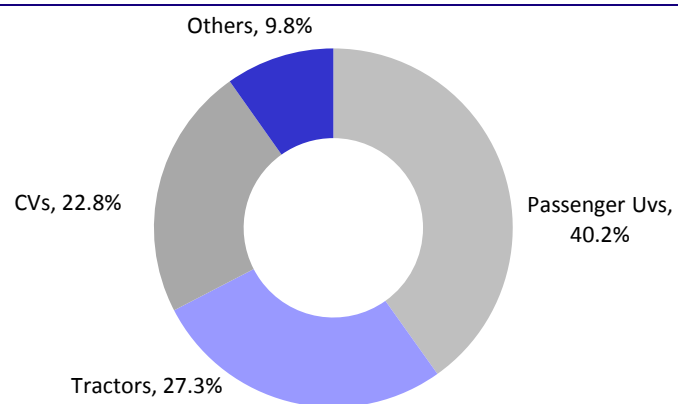
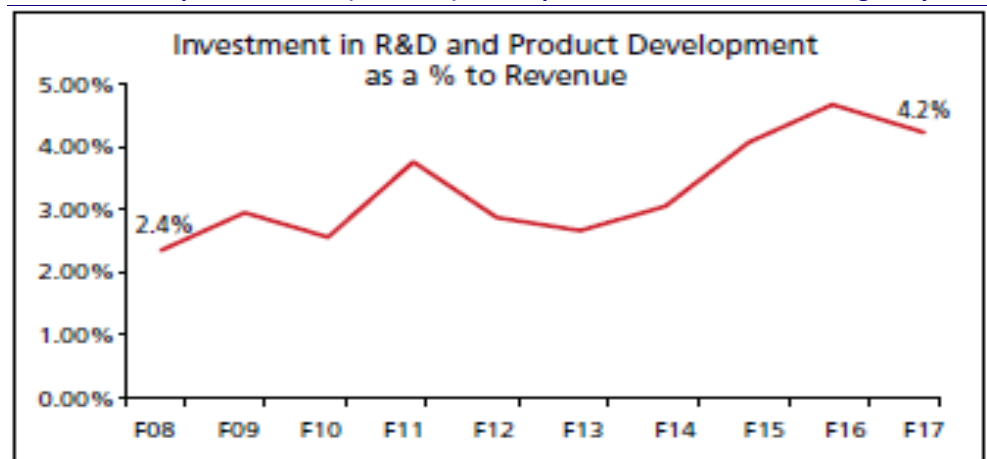


Source: Company, MOSL

**Exhibit 4: UV share continue to fall**



Source: Company, MOSL

**Exhibit 5: Implements business remained largely flat led by impact on rotary tillers sales due to demonetization****Exhibit 6: Bifurcation of revenue segment wise****Exhibit 7: MM spent INR20.8b (PY:18.9b) incl. capex of INR12b for R&D during the year**

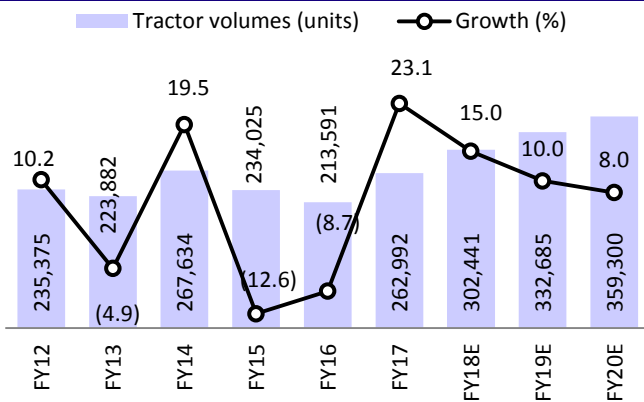
**Exhibit 8: Trend in key subsidiaries, associates and JVs**

INR m	FY17		FY16		
Subsidiaries	Net sales	PAT	Net sales	PAT	Change in PAT
Mahindra Two Wheelers	3,339	(4,716)	7,042	(6,152)	1,436
Peugot Motorcycles SAS	6,571	(1,608)	7,070	(1,868)	261
Mahindra Yueda Tractor Company	3,244	(1,544)	5,206	(1,361)	(183)
Mahindra Reva Electric vehicles	1,196	(1,132)	678	(916)	(216)
Mahindra Tractor Assembly	261	(1,124)	51	(961)	(163)
Mahindra Aerostructures Pvt	318	(525)	76	(523)	(2)
Mahindra Sanyo Special Steel	9,184	(461)	8,521	(521)	60
Mahindra First choice Services	792	(455)	606	(672)	218
Mahindra First Choice wheels	953	(162)	624	(106)	(56)
Mahindra Aerospace Pvt	10	(55)	30	(1,401)	1,346
Mahindra Aerospace Australia Pty	60	(2)	51	(1,347)	1,345
Gipp Aero Investments Pty	0	(1)	0	(968)	968
Mahindra Engineering & Chemical	15	3	25	(1,365)	1,368
Mahindra Trucks & Buses	1,316	80	1,179	93	(13)
Mahindra Intertrade	10,072	597	11,102	624	(27)
Mahindra Rural Housing Finance	7,034	830	4,955	627	203
Mahindra Retail Pvt	1,815	1,751	2,040	(931)	2,682
SsangYong Motor Company	209,723	2,312	200,808	(1,624)	3,936
<b>Listed entities (Subsidiaries &amp; Associates)</b>					
Mahindra Lifespace Developers	7,532	489	6,002	1,045	(556)
Mahindra Holidays	11,059	1,307	9,626	1,174	133
MMFSL	62,375	4,002	59,051	6,726	(2,724)
Tech Mahindra		7,406		8,267	(862)
Mahindra CIE Automotive		292		284	8
CIE Automotive SA		1,398		1,147	251
<b>Joint Ventures</b>					
Mitsubishi Mahindra Agriculture Machinery		(150)		(176)	27

Source: Company, MOSL

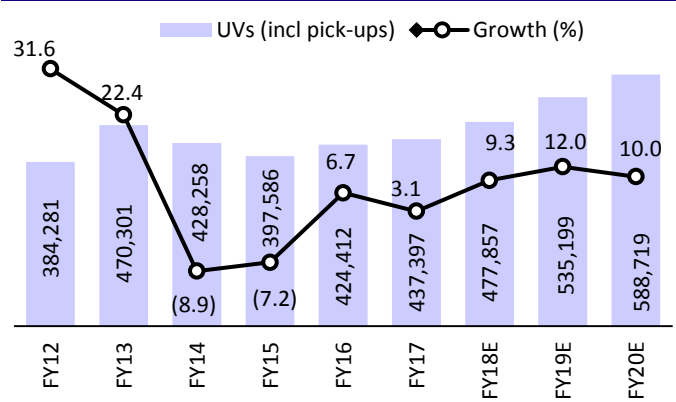
## Story in charts:

**Exhibit 9: Tractors to see strong growth in FY18-19**



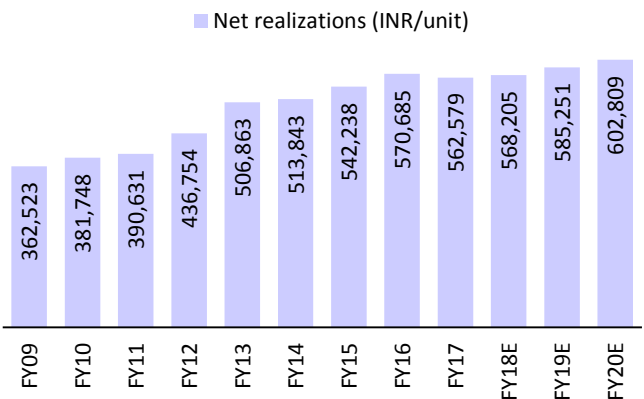
Source: Company, MOSL

**Exhibit 10: New product launches to drive UV CAGR of ~10%**



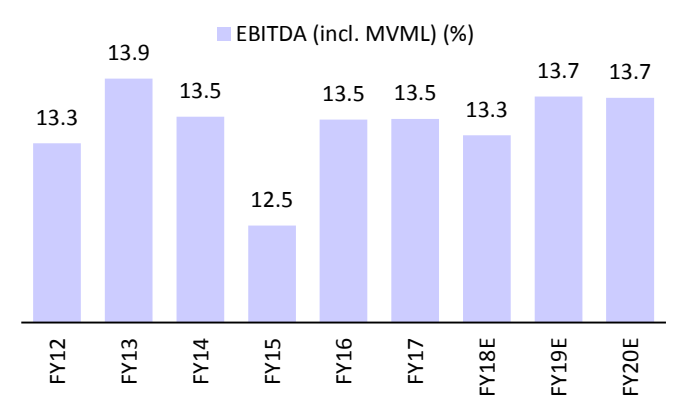
Source: Company, MOSL

**Exhibit 11: Realization to move up gradually**



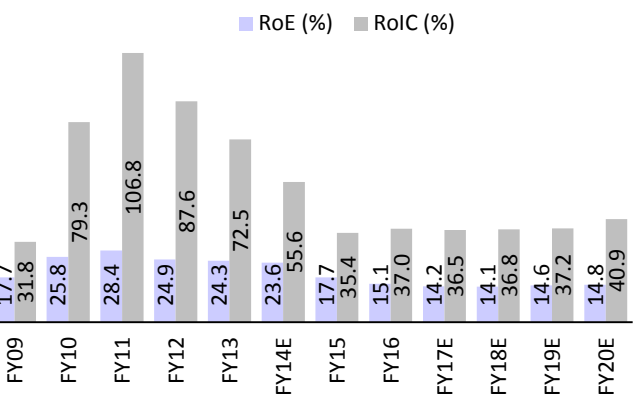
Source: Company, MOSL

**Exhibit 12: Margins to improve slightly going ahead**



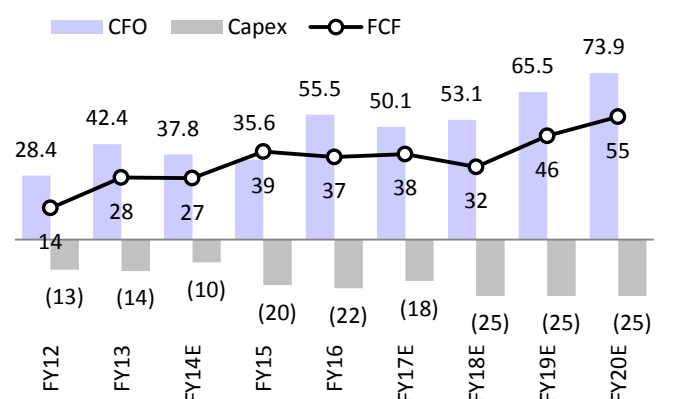
Source: Company, MOSL

**Exhibit 13: Capital efficiency to remain stagnant**



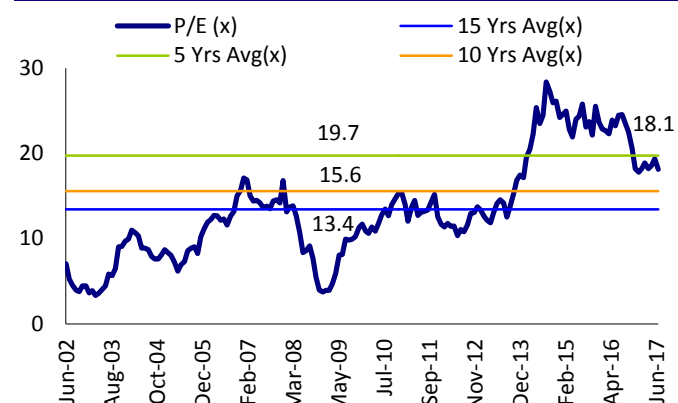
Source: Company, MOSL

**Exhibit 14: FCF to improve despite high capex plans**

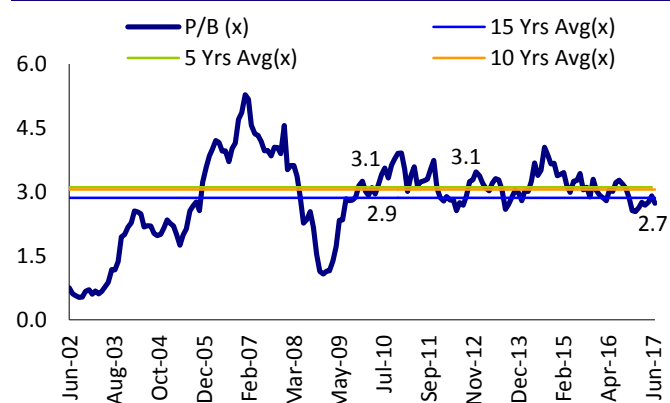


Source: Company, MOSL

Exhibit 15: P/E and P/B bands



Source: MOSL



Source: MOSL

Exhibit 16: Comparative valuation

	CMP	Rating	TP	P/E (x)		EV/EBITDA (x)		RoE (%)		Div Yield (%)		EPS CAGR (%)
	(INR)*		(INR)	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY17-19E
Auto OEM's												
Bajaj Auto	2,825	Buy	3,359	19.7	16.8	13.5	11.3	23.1	24.4	2.3	2.8	12.7
Hero MotoCorp	3,766	Neutral	3,666	19.0	19.0	12.4	12.2	36.0	31.0	2.4	2.4	8.4
TVS Motor	574	Buy	606	35.2	22.2	23.3	15.2	28.6	35.2	0.5	0.8	48.5
M&M	1,383	Buy	1,625	20.7	17.3	14.9	12.8	14.1	14.6	1.4	1.4	21.3
Maruti Suzuki	7,561	Buy	8,483	25.8	19.9	16.0	12.7	20.8	22.8	1.1	1.3	23.6
Tata Motors	461	Buy	631	14.9	7.2	4.4	2.8	16.5	27.3	0.1	0.1	80.2
Ashok Leyland	107	Buy	122	19.4	15.0	9.7	7.8	24.5	27.1	1.9	2.1	24.4
Eicher Motors	29,181	Buy	31,326	33.9	26.5	27.5	22.7	40.8	38.0	0.5	0.6	34.0
Auto Ancillaries												
Bharat Forge	1,148	Buy	1,330	30.5	23.1	18.1	14.5	19.8	22.3	0.7	0.9	37.8
Exide Industries	218	Buy	286	22.6	18.3	14.4	11.8	14.8	15.9	1.0	1.0	20.8
Amara Raja Batteries	835	Buy	1,073	24.7	20.6	14.1	11.6	20.4	20.7	0.6	0.7	20.3
BOSCH	24,366	Neutral	23,738	37.5	31.8	25.1	21.4	21.1	21.9	0.9	1.1	27.3
Endurance Tech	881	Buy	1,025	28.9	22.7	14.0	11.7	22.4	23.6	0.4	0.8	28.6

Source: Company, MOSL



## Financials and Valuations

Income Statement								(INR Million)
Y/E March	2013	2014	2015	2016	2017	2018E	2019E	2020E
<b>Net Op. Income</b>	<b>404,412</b>	<b>405,085</b>	<b>384,448</b>	<b>408,751</b>	<b>437,854</b>	<b>490,453</b>	<b>560,991</b>	<b>631,361</b>
Change (%)	27.0	0.2	-5.1	6.3	7.1	12.0	14.4	12.5
Total Expenditure	357,319	357,873	342,714	362,551	390,161	435,451	496,861	558,080
<b>EBITDA</b>	<b>47,093</b>	<b>47,212</b>	<b>41,734</b>	<b>46,199</b>	<b>47,693</b>	<b>55,002</b>	<b>64,130</b>	<b>73,281</b>
Margins (%)	11.6	11.7	10.9	11.3	10.9	11.2	11.4	11.6
<b>Margins (% incl. MVML)</b>	<b>13.9</b>	<b>13.5</b>	<b>12.5</b>	<b>13.5</b>	<b>13.5</b>	<b>13.3</b>	<b>13.7</b>	<b>13.7</b>
Depreciation	7,108	8,633	9,749	10,681	13,272	15,366	17,581	20,333
<b>EBIT</b>	<b>39,985</b>	<b>38,579</b>	<b>31,985</b>	<b>35,518</b>	<b>34,421</b>	<b>39,636</b>	<b>46,549</b>	<b>52,948</b>
Int. & Finance Charges	1,912	2,592	2,143	1,861	1,456	1,642	1,642	1,642
Other Income	5,177	7,180	9,883	8,499	13,425	12,543	13,008	14,188
Non-recurring Income	906	528	3,357	687	0	0	0	0
<b>Profit before Tax</b>	<b>44,156</b>	<b>43,694</b>	<b>43,082</b>	<b>42,845</b>	<b>46,390</b>	<b>50,536</b>	<b>57,915</b>	<b>65,493</b>
Tax	10,943	6,111	8,478	10,799	12,319	12,634	14,479	16,373
Eff. Tax Rate (%)	24.8	14.0	19.7	25.2	26.6	25.0	25.0	25.0
<b>Profit after Tax</b>	<b>33,214</b>	<b>37,584</b>	<b>34,604</b>	<b>32,046</b>	<b>34,072</b>	<b>37,902</b>	<b>43,436</b>	<b>49,120</b>
Change (%)	15.4	13.2	-7.9	-7.4	6.3	11.2	14.6	13.1
% of Net Sales	8.2	9.3	9.0	7.8	7.8	7.7	7.7	7.8
<b>Adj. Profit after Tax</b>	<b>32,532</b>	<b>37,129</b>	<b>31,908</b>	<b>31,532</b>	<b>34,072</b>	<b>37,902</b>	<b>43,436</b>	<b>49,120</b>
Change (%)	16.5	14.1	(14.1)	(1.2)	8.1	11.2	14.6	13.1
<b>Adj. PAT (incl. MVML)</b>	<b>35,438</b>	<b>38,605</b>	<b>31,595</b>	<b>33,394</b>	<b>37,429</b>	<b>40,355</b>	<b>47,215</b>	<b>53,011</b>

Balance Sheet								(INR Million)
Y/E March	2013	2014	2015	2016	2017	2018E	2019E	2020E
Share Capital	2,952	2,952	2,957	2,963	2,968	2,968	2,968	2,968
Reserves	143,638	164,961	189,594	221,269	253,728	279,758	311,321	348,569
<b>Net Worth</b>	<b>146,589</b>	<b>167,912</b>	<b>192,551</b>	<b>224,232</b>	<b>256,696</b>	<b>282,726</b>	<b>314,289</b>	<b>351,537</b>
Deferred tax	6,149	8,897	9,797	-54	2,057	2,057	2,057	2,057
Loans	42,792	48,787	46,615	18,436	27,374	27,374	27,374	27,374
<b>Capital Employed</b>	<b>195,530</b>	<b>225,596</b>	<b>248,963</b>	<b>242,614</b>	<b>286,127</b>	<b>312,157</b>	<b>343,721</b>	<b>380,968</b>
Application of Funds								
Gross Fixed Assets	89,500	107,961	117,385	139,386	153,044	188,424	213,424	238,424
Less: Depreciation	41,287	49,192	58,091	63,426	76,698	92,064	109,645	129,978
<b>Net Fixed Assets</b>	<b>48,213</b>	<b>58,770</b>	<b>59,295</b>	<b>75,960</b>	<b>76,346</b>	<b>96,360</b>	<b>103,779</b>	<b>108,446</b>
Capital WIP	10,000	12,284	21,788	15,622	20,379	10,000	10,000	10,000
Investments	118,335	113,799	131,382	135,474	179,022	182,955	197,955	212,955
<b>Curr.Assets, L &amp; Adv.</b>	<b>97,988</b>	<b>128,034</b>	<b>116,985</b>	<b>123,286</b>	<b>112,744</b>	<b>136,282</b>	<b>158,954</b>	<b>190,030</b>
Inventory	24,198	28,036	24,376	26,879	27,156	32,249	36,887	41,514
Inventory Days	22	26	23	24	23	24	24	24
Sundry Debtors	22,084	25,098	25,580	25,116	29,185	32,249	36,887	41,514
Debtor Days	20	23	25	23	25	24	24	24
Cash & Bank Bal.	17,814	29,504	20,648	22,870	16,870	27,571	39,517	59,894
Loans & Advances	28,509	39,640	40,054	17,103	5,398	10,078	11,527	12,973
Others	5,384	5,756	6,328	31,317	34,135	34,135	34,135	34,135
<b>Current Liab. &amp; Prov.</b>	<b>79,006</b>	<b>87,291</b>	<b>80,486</b>	<b>107,728</b>	<b>102,365</b>	<b>113,439</b>	<b>126,967</b>	<b>140,463</b>
Sundry Creditors	55,797	60,688	53,655	66,780	71,581	80,622	92,218	103,785
Creditor Days	51	55	52	60	60	61	61	61
Other Liabilities	4,154	5,863	6,143	30,300	19,380	19,380	19,380	19,380
Provisions	19,055	20,740	20,688	10,648	11,405	13,437	15,370	17,298
<b>Net Current Assets</b>	<b>18,982</b>	<b>40,743</b>	<b>36,499</b>	<b>15,558</b>	<b>10,379</b>	<b>22,842</b>	<b>31,987</b>	<b>49,568</b>
<b>Application of Funds</b>	<b>195,530</b>	<b>225,596</b>	<b>248,963</b>	<b>242,614</b>	<b>286,127</b>	<b>312,157</b>	<b>343,721</b>	<b>380,968</b>

E: MOSL Estimates



## Financials and Valuations

### Ratios

Y/E March	2013	2014	2015	2016	2017	2018E	2019E	2020E
<b>Basic (INR)</b>								
Fully diluted EPS	54.3	62.0	53.3	52.7	56.9	63.3	72.6	82.1
FD EPS (incl. MVML)	59.2	64.5	52.8	55.8	62.5	67.4	78.9	88.6
Consolidated EPS	60.9	72.7	47.8	52.1	54.3	66.7	79.9	87.3
Cash EPS	67.2	77.5	70.4	71.2	79.8	89.7	102.8	117.0
Book Value per Share	248.3	284.4	325.6	378.4	432.4	476.3	529.4	592.2
DPS	13.0	14.0	12.0	12.0	13.0	20.0	20.0	20.0
Payout (Incl. Div. Tax) %	26.8	25.7	24.5	26.3	22.7	36.4	31.8	28.1

### Valuation (x)

P/E					22.1	20.5	17.5	15.6
Consolidated P/E					25.5	20.7	17.3	15.9
Cash P/E					17.3	15.4	13.5	11.8
EV/EBITDA					16.7	14.5	12.2	9.0
EV/Sales					1.8	1.6	1.4	1.1
Price to Book Value					3.2	2.9	2.6	2.3
Dividend Yield (%)					0.9	1.4	1.4	1.4

### Profitability Ratios (%)

RoE	24.3	23.6	17.7	15.1	14.2	14.1	14.6	14.8
RoCE	19.2	18.7	14.2	13.4	13.3	13.1	13.6	13.9
ROIC	72.5	55.6	35.4	37.0	36.5	36.8	37.2	40.9

### Turnover Ratios

Debtors (Days)	20	23	25	23	25	24	24	24
Inventory (Days)	22	26	23	24	23	24	24	24
Creditors (Days)	51	55	52	60	60	61	61	61
Working Capital (Days)	17	37	35	14	9	17	21	29
Asset Turnover (x)	2.0	1.8	1.5	1.7	1.5	1.6	1.6	1.6

### Leverage Ratio

Debt/Equity (x)	0.3	0.3	0.2	0.1	0.1	0.1	0.1	0.1
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### Cash Flow Statement

(INR Million)

Y/E March	2013	2014	2015	2016	2017	2018E	2019E	2020E
OP/(Loss) before Tax	43,565	43,166	38,332	41,612	34,421	39,636	46,549	52,948
Int./Dividends Received	-2,043	-3,455	-3,723	-3,027	13,425	12,543	13,008	14,188
Depreciation & Amort.	7,108	8,633	-9,749	11,086	13,272	15,366	17,581	20,333
Direct Taxes Paid	-8,732	-8,942	-8,468	-9,279	-10,208	-12,634	-14,479	-16,373
(Inc)/Dec in Wkg. Capital	1,559	-2,126	15,802	14,393	-822	-1,763	2,802	2,796
Other Items								
<b>CF from Oper. Activity</b>	<b>41,457</b>	<b>37,277</b>	<b>32,195</b>	<b>54,785</b>	<b>50,088</b>	<b>53,148</b>	<b>65,462</b>	<b>73,891</b>
Extra-ordinary Items	906	528	3,357	687	0	0	0	0
<b>CF after EO Items</b>	<b>42,363</b>	<b>37,805</b>	<b>35,552</b>	<b>55,473</b>	<b>50,088</b>	<b>53,148</b>	<b>65,462</b>	<b>73,891</b>
(Inc)/Dec in FA+CWIP	-13,893	-10,053	-20,226	-21,597	-18,416	-25,000	-25,000	-25,000
<b>Free Cash Flow</b>	<b>27,564</b>	<b>27,224</b>	<b>11,969</b>	<b>33,189</b>	<b>31,672</b>	<b>28,148</b>	<b>40,462</b>	<b>48,891</b>
(Pur)/Sale of Invest.	-9,416	-7,295	-4,005	-13,865	-43,548	-3,933	-15,000	-15,000
<b>CF from Inv. Activity</b>	<b>-23,309</b>	<b>-17,348</b>	<b>-24,231</b>	<b>-35,461</b>	<b>-61,964</b>	<b>-28,933</b>	<b>-40,000</b>	<b>-40,000</b>
Change in Net Worth	0	1,839	26	0	7,359	1,923	1,923	1,923
Inc/(Dec) in Debt	-1,534	1,465	-3,847	-9,500	8,939	0	0	0
Interest Paid	-2,015	-2,608	-2,419	-2,110	-1,456	-1,642	-1,642	-1,642
Dividends Paid	-8,670	-8,935	-9,609	-8,461	-7,885	-12,040	-12,040	-12,040
<b>CF from Fin. Activity</b>	<b>-12,219</b>	<b>-8,239</b>	<b>-15,848</b>	<b>-20,071</b>	<b>6,957</b>	<b>-11,760</b>	<b>-11,760</b>	<b>-11,760</b>
<b>Inc/(Dec) in Cash</b>	<b>5,930</b>	<b>11,689</b>	<b>-7,884</b>	<b>-747</b>	<b>-4,918</b>	<b>12,456</b>	<b>13,702</b>	<b>22,132</b>
Add: Beginning Balance	11,884	17,814	29,504	20,648	22,870	16,870	27,571	39,517
<b>Closing Balance</b>	<b>17,814</b>	<b>29,504</b>	<b>21,788</b>	<b>20,069</b>	<b>18,120</b>	<b>29,494</b>	<b>41,441</b>	<b>61,817</b>

E: MOSL Estimates

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