

## Riding high on tractor positivity, stern capital discipline

Mahindra & Mahindra (M&M) reported a relatively healthy operational performance in Q1FY21. Standalone net sales fell 56.6% YoY. Automotive ASPs surprised positively, coming in at ₹ 6.9 lakh/unit while ASP for farm equipment segment (FES) i.e. tractor was at ₹ 5.1 lakh/unit. Standalone EBITDA in Q1FY21 was at ₹ 549 crore with corresponding EBITDA margins at 9.8% (down 261 bps QoQ), primarily tracking a rise in staff costs (percentage of sales basis). Automotive segment posted EBIT loss of ₹ 576 crore while EBIT margins in FES expanded strongly by 280 bps QoQ to 20.4%. Consequent standalone PAT for the quarter came in at ₹ 112 crore, cramped by lower other income and higher interest costs.

## Rural buoyancy provides growth visibility

Domestic tractor industry is continuing to be at the forefront of post-Covid automotive recovery in India. Against overall auto industry's ~36% YoY fall in July retail volumes, tractor segment volumes rose 35%. M&M, as market leader with dominant 41.2% domestic market share as of FY20, is also benefitting from present sector tailwinds. Rural income levels stay on a relatively firmer footing with cash flows healthy on the back of strong Rabi harvest, rise in crop MSPs, healthy water table levels. Moreover, amid ongoing normal monsoon progress (1% above LPA as of July 31), strong Kharif sowing, outlook remains bright for rest of FY21E. In the medium to longer term, continued government focus on doubling farm incomes and its thrust on agriculture, rural development (spending up >2x in Q1FY21) along with underpenetrated nature of farm mechanisation in India are structural demand drivers. We continue to expect tractors to outperform wider auto industry in FY20-22E and build 4.7% volume CAGR for M&M in that time.

## Margin uptick on the cards

Healthy performance of FES is also expected to improve overall margin trajectory at M&M in coming quarters, courtesy the segment's industry leading ~19-20% EBIT margin profile. Amid relatively subdued auto segment prospects, tilt in revenue and earnings mix towards FES would help boost overall profitability, with ongoing efforts on the cost initiatives front acting as further catalyst to margins. Building in some benefits of operating leverage in FY22E, we estimate an uptick in standalone margins to 14.4% levels in that year vs. 12.7% reported as of FY20.

## Valuation & Outlook

We expect sales, EBITDA to grow at 5%, 11.6% CAGR, respectively, in FY20-22E. We continue to like M&M for its strong rural presence and sharpened capital allocation focus, although pace of recovery on automotive side remains a monitorable. We maintain **BUY** rating on M&M, valuing it at ₹ 700/share on SOTP basis (7.5x FY22E EV/EBITDA for base business; 30% holdco discount to its investments).

### Key Financial Summary

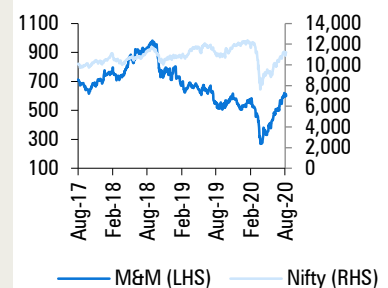
Key Financials	FY18	FY19	FY20	FY21E	FY22E	CAGR (FY20 -22E)
Net Sales	48,685.6	53,614.0	45,487.8	42,478.3	50,104.6	5.0%
EBITDA	6,224.1	6,639.6	5,798.0	5,612.7	7,225.0	11.6%
EBITDA Margins (%)	12.8	12.4	12.7	13.2	14.4	
Net Profit	4,356.0	4,796.1	1,330.4	3,467.3	4,753.8	89.0%
Adjusted Net Profit	4,046.5	4,818.6	2,190.4	3,418.9	4,753.8	47.3%
EPS (₹)	35.0	38.6	10.7	27.9	38.2	
P/E	17.1	15.6	56.1	21.5	15.7	
RoNW (%)	13.4	14.1	6.4	9.2	11.6	
RoCE (%)	16.6	16.6	12.9	10.8	13.8	

Source: ICICI Direct Research, Company

### Particulars

Particular	Amount
Market Capitalization (₹ crore)	74,592.0
Total Debt (FY 20, ₹ crore)	3,068.0
Cash and Inv (FY 20, ₹ crore)	6,426.0
EV (FY 20, ₹ crore)	71,234.0
52 week H/L (₹)	625 / 246
Equity capital (₹ crore) (FY 20)	596.5
Face value (₹)	₹ 5

### Price chart



### Key Highlights

- Revenues decline 56% YoY in Q1FY21 amid 75% drop in automotive segment, 24% dip in FES
- Overall margins decline 261 bps QoQ to 9.8% amid negative operating leverage, cost control measures
- Healthy rural exposure to rural geographies through tractor market leadership provides revenue visibility
- M&M remains committed to stringent capital allocation and is targeting ~18% RoE over next few years

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Exhibit 1: Variance Analysis

	Q1FY21	Q1FY21E	Q1FY20	YoY (%)	Q4FY20	QoQ (%)	Comments
Total Operating Income	5602.2	5403.0	12922.7	-56.6	9143.7	-38.7	Topline came in ahead of estimates tracking beat on automotive segment ASPs
Raw Material Expenses	3788.2	3630	9159	-58.6	6147	-38.4	RM costs contained at 67.6% of sales
Employee Expenses	678.0	648	784	-14	618	10	
Other expenses	586.8	675	1,357	-56.7	1,244	-52.8	Other expenses came in lower at 10.5% of sales
EBITDA	549.2	449.3	1,622.7	-66.2	1,134.8	-51.6	
EBITDA Margin (%)	9.8	8.3	12.6	-275 bps	12.4	-261 bps	EBITDA margins came in higher at 9.8% for the quarter, primarily tracking savings realised in other expenses
Other income	127.8	414.8	319.1	-60.0	314.7	-59.4	Other income came in lower on account of absence of dividends from subsidiaries amid Covid-19 pandemic
Depreciation	548.4	587	545	0.6	584	-6.0	
Interest	66.9	31	27	147	34	100	Interest costs came in higher tracking increase in short-term debt for maintaining healthy liquidity on B/S
Tax	14.0	62	423	-96.7	554	-97.5	
PAT	112.0	184	2314	-95.2	-2503	-104.5	PAT came in lower than anticipated primarily tracking lower than anticipated other income. It was also supported by lower effective tax rate (~11% for Q1FY21)
EPS	0.4	1.5	9.3	-95.3	8.6	-94.9	
<b>Key Metrics</b>							
Auto revenues (₹ crore)	2051.8	1,881	8,101	-74.7	5,636	-63.6	Auto segment revenues came in higher consequent to higher ASPs, which, for the quarter, came in at ₹ 6.9
FES revenues (₹ crore)	3340.8	3,445	4,382	-23.8	3,111	7.4	FES revenues came in marginally lower tracking lower than anticipated ASP's which for the quarter stood at ₹ 5.1 lakh/unit
EBITDA margins (%)	9.8	8.3	12.6	-275 bps	12.4	-261 bps	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY21E			FY22E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	42,645	42,478	-0.4	49,483	50,105	1.3	Marginally tweak estimates for FY21E, FY22E. We expect topline to grow at a CAGR of 5.0% over FY20-22E
EBITDA	5,423	5,613	3.5	7,088	7,225	1.9	
EBITDA Margin (%)	12.7	13.2	51 bps	14.3	14.4	12 bps	Marginally revise upward our margin estimates primarily tracking robust profitability at the farm equipment division
PAT	3,525	3,467	-1.6	4,937	4,754	-3.7	
EPS (₹)	28.4	27.9	-1.6	39.7	38.2	-3.7	PAT estimates get revised downward despite marginal increase in EBITDA estimates due to decline in other income (dividend from subsidiaries)

Source: ICICI Direct Research

Exhibit 3: Assumptions

Units	FY18	FY19	FY20P	Current		Earlier		Comments
				FY21E	FY22E	FY21E	FY22E	
Automotive volumes	548,664	608,597	476,043	377,371	452,794	393,820	463,299	We foresee pressure on automotive segment sales volume, going forward, with FY20-22E CAGR at -2.5%. FY21E volumes are seen declining 20% with similar rebound expected in
Automotive ASPs (₹)	580,009	580,892	596,766	668,967	686,236	654,521	670,951	
FES Volumes	318,538	330,436	301,915	307,987	331,086	295,329	316,001	Tractor sales volume seen growing 2% in FY21E and 7.5% thereafter in FY22E. On CAGR basis, we expect tractor sales to grow at 4.7% over
FES ASPs (₹)	505,232	510,679	510,158	511,471	524,199	519,618	528,506	

Source: ICICI Direct Research

## Conference Call Highlights

### Demand and management outlook/guidance

- The outlook for the tractor industry remains positive, with growth expected on a full year basis. Rural segment is performing very well on the back of several supportive factors, such as government spending on farm and rural development, normal monsoon progress and healthy Kharif sowing

#### Exhibit 1: Government spend on agriculture and rural development

Rural - Govt Spend Index\*: Govt spending on Agriculture & Rural Development improved significantly towards Q4 F20

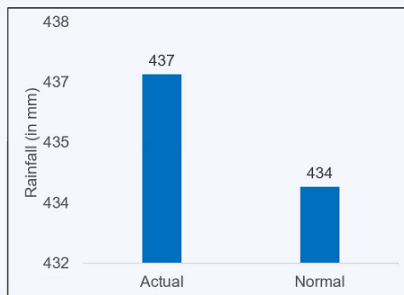


Government spending on agriculture and rural development combined jump >2x YoY in April-June 2020

Source: Company, ICICI Direct Research

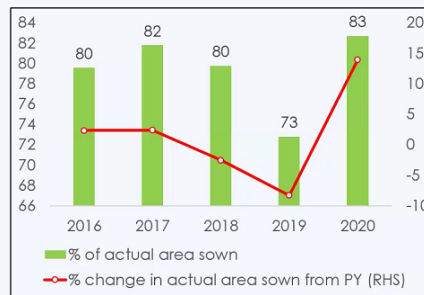
#### Exhibit 2: Status of monsoon progress and Kharif sowing

Cumulative rainfall higher than LPA by 1%



Note: As on 29<sup>th</sup> July, 2020

Kharif acreage so far – highest in 5 years higher than PY by 19%



Note: As on 31<sup>st</sup> July, 2020

Healthy progress of monsoon 2020 and robust growth in Kharif acreage, thus far, bode well for crop production and farm incomes

Source: Company, ICICI Direct Research

- FES capacity utilisation for June-July was at >90% while that for automotive segment was at >50%. Also, ~85% dealers and 100% of suppliers for both segments are now operational on pan-India basis
- Present nearly-full production levels in FES are still unable to meet some demand. Automotive demand is more subdued but the management expects to see improvement in monthly volumes in the run up to festive period
- Two areas of concern at present are localised supply chain disruptions due to intermittent lockdowns and spread of the pandemic in rural areas
- Increase in rural goods movement is behind improvement in LCV demand
- Share of rural in auto volumes was at 62% in Q1FY21 vs. 50% last year
- M&M is not witnessing any shift towards petrol in rural geographies in its served UV segments. However, 35-40% of urban demand in these products is now petrol. On an overall basis, 44% of UV demand is diesel vs. 50% last year
- The company said there are no issues on vendor or dealer financing side
- The all new Thar would be launched in early H2FY21E. Further UV launches are set to take place in Q1FY22E and Q3FY22E

- Jawa is witnessing good demand

Revenues, costs and margins

- M&M is confident of maintaining per unit margins under BS-VI regime but they are lower on percentage basis. It has been able to pass on cost elements to consumers
- M&M expects some part of fixed cost reduction to be sustainable post Covid
- Interest costs were higher during the quarter due to raising of debt to maintain liquidity during the pandemic

Subsidiaries and capital allocation

- The company will have a clear view on subsidiaries by FY21E end as regards capital allocation. It foresees no major need for cash infusion into any subsidiary at present
- The search for investors in SsangYong Motor is going on. It generated some cash in Q1FY21 by selling assets
- The North American automotive business (MANA) would not be bidding for US Postal Service order as doing so would have entailed further investment of \$500 million
- The US tractor business is seeing positive retail momentum, with volumes up 22% YoY till July. M&M is focusing on correcting stocks and working on costs with the aim to cut losses by half this year
- M&M is looking for investors in its EV unit i.e. Mahindra Electric. It hopes that ~\$100 million worth of upcoming product development costs over the next few years would be fully funded by outside investors

Others

- The company usually has multiple vendors for all but critical parts (e.g. fuel injection) on the tractor side. On the other hand, auto segment follows single sourcing model due to higher tooling cost. This is part of the reason for higher supply side issues on the auto side in recent months

Exhibit 3: Combined FES and auto system inventory levels

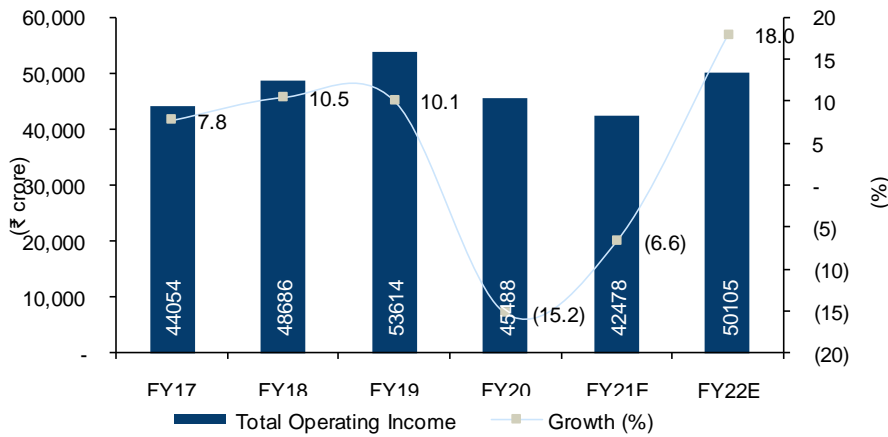


Inventory levels at M&M are at their lowest levels in the past three years

Source: Company, ICICI Direct Research

## Financial story in charts

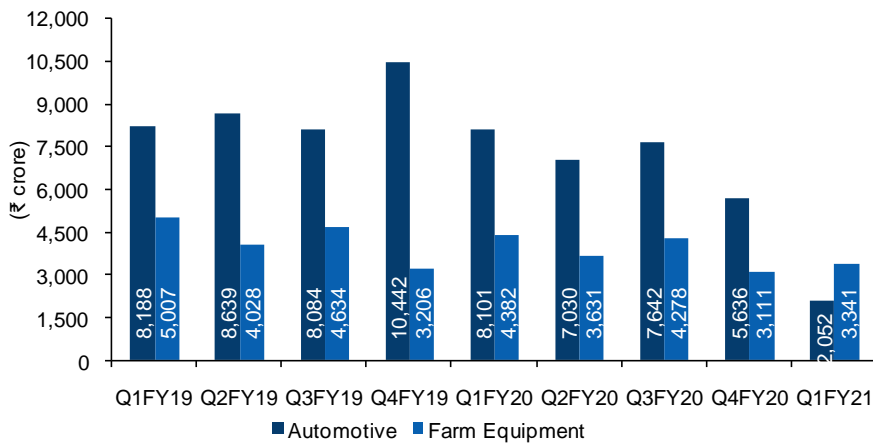
Exhibit 4: Topline trend



We expect sales to grow at 5% CAGR in FY20-22E

Source: Company, ICICI Direct Research

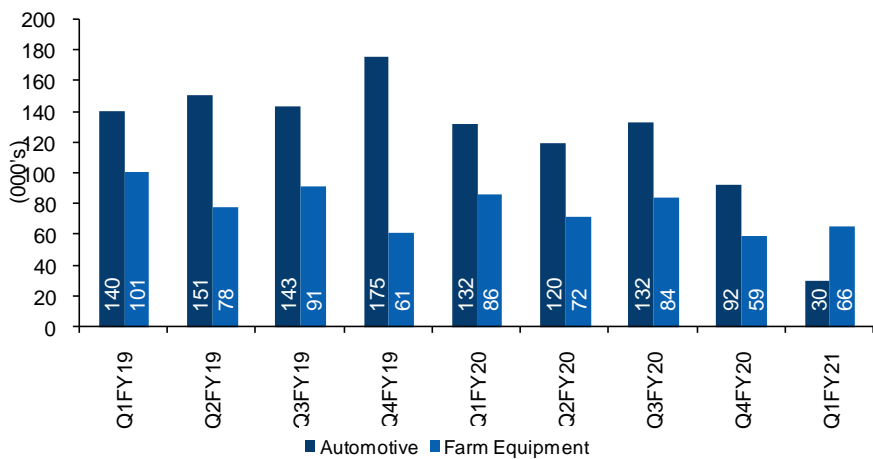
Exhibit 5: Segment wise revenue trend



Segment wise revenue mix for quarter i.e. Q4FY20 was at automotive: tractor: 38:62

Source: Company, ICICI Direct Research

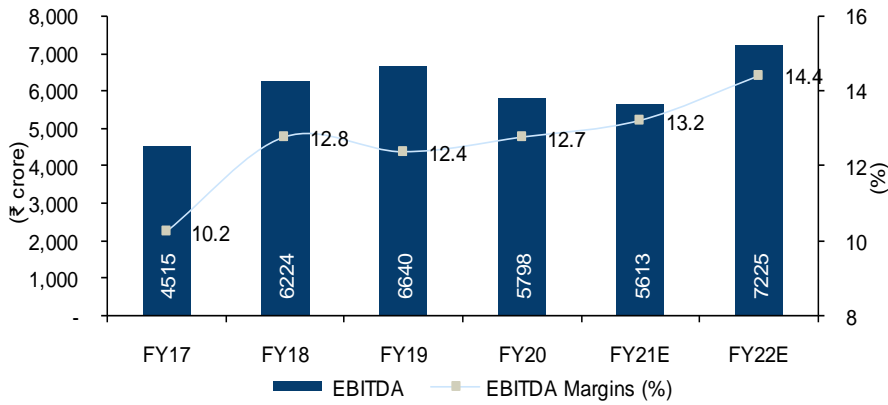
Exhibit 6: Segment wise volume trend



In Q1FY21, automotive segment volumes declined 77.5% YoY to 30,000 units while sales for tractors declined 24% YoY to ~66,000 units

Source: Company, ICICI Direct Research

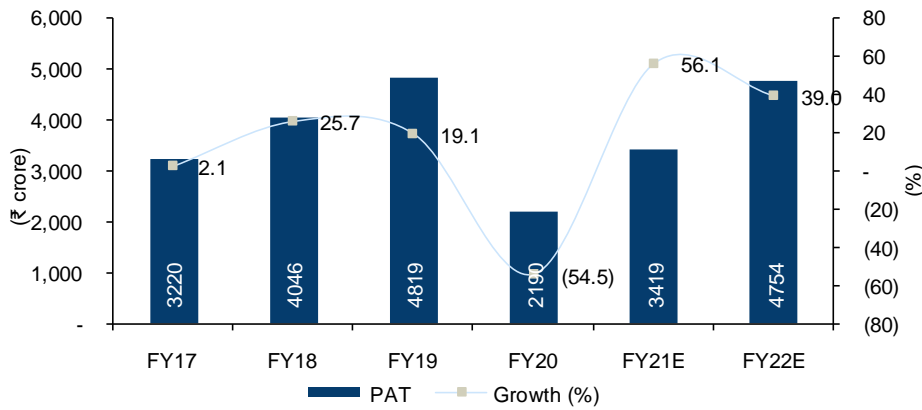
Exhibit 7: EBITDA and EBITDA margin trend



We build in 13.2% & 14.4% as EBITDA margins in FY21E and FY22E, respectively

Source: Company, ICICI Direct Research

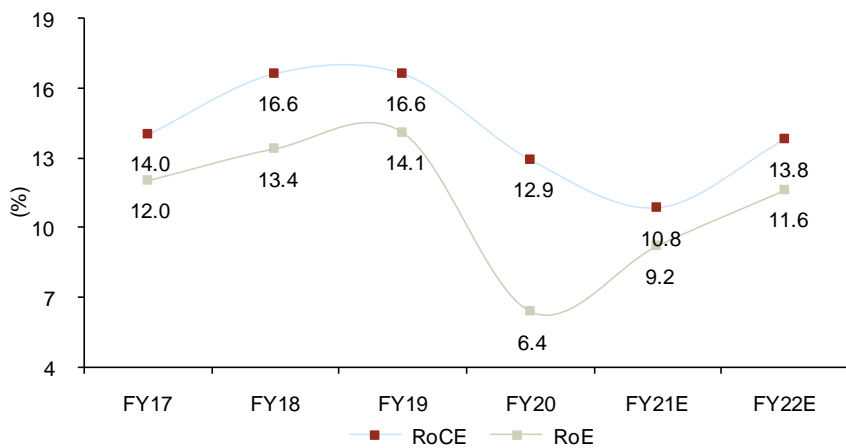
Exhibit 8: Profitability (adjusted PAT) trend



Adjusted PAT is expected to grow to ₹ 4,754 crore by FY22E

Source: Company, ICICI Direct Research

Exhibit 9: Return ratios trend



RoCE profile at M&M seen improving to 13.8% levels gradually by FY22E

Source: Company, ICICI Direct Research

Exhibit 10: Valuation matrix (SOTP Valuation)

Valuation Matrix (SOTP)					
Automotive Business (UV +PV +CV +Tractors)	₹crore	₹/share	Remark		
<b>Standalone business</b>					
FY22E EBITDA	7,225				
Assigning EV/EBITDA Multiple of 7.5x	7.5				
Enterprise Value	54,187	436			
Net Debt	(5,829)	-47			
<b>Value of Standalone Business (A)</b>	<b>60,016</b>	<b>483</b>			
<b>Mahindra Vehicle Manufacturers Ltd</b>					
Investment made by M&M (wholly owned subsidiary)	4,065				
Assigning 0.5x P/B on investment value	0.5				
<b>Value of MVML attributable to M&amp;M (B)</b>	<b>2,033</b>	<b>16.35</b>			
<b>Total value of automobile business (C =A +B)</b>		<b>500</b>			
Value of Investments (listed companies)	M&M stake (%)	Estimated value ₹ crore	Contribution to M&M ₹crore	₹/share	Remark
Tech Mahindra	26	64,349	16,769	135	Current market cap
M&M Financial Services	51	16,681	8,540	69	Current market cap
Mahindra Life space	52	1,067	550	4	Current market cap
Mahindra CIE	11	4,093	468.3	4	Current market cap
Mahindra Holidays & Resorts	67	2,250	1514.3	12	Current market cap
Other subsidiaries & investments			8,571	69	
<b>Total Value of subsidiaries &amp; associates (D)</b>			<b>36,413.1</b>	<b>293</b>	
<b>Value of investments post 30% holding company discount (E =0.7*D)</b>				<b>200</b>	
<b>M&amp;M Target Price (value of equity per share , C +E)</b>				<b>700</b>	

Source: ICICI Direct Research

Exhibit 11: Valuation Summary

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY19	53,614	10.1	38.6	10.1	15.5	10.6	14.1	16.6
FY20	45,488	(15.2)	10.7	(72.3)	34.1	12.3	6.4	12.9
FY21E	42,478	(6.6)	27.9	160.6	21.8	12.6	9.2	10.8
FY22E	50,105	18.0	38.2	37.1	15.7	9.5	11.6	13.8

Source: Bloomberg, ICICI Direct Research

Exhibit 12: Shareholding pattern

(in %)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoter	19.9	19.8	19.9	19.9	19.6
FII	34.5	34.2	34.0	33.9	34.6
DII	24.1	27.8	34.2	28.1	29.3
Others	21.6	18.1	22.0	18.1	16.5

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 13: Profit and loss statement				
₹ crore				
(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Total operating income</b>	<b>53,614.0</b>	<b>45,487.8</b>	<b>42,478.3</b>	<b>50,104.6</b>
Growth (%)	10.1	-15.2	-6.6	18.0
Raw Material Expenses	38,256.5	31,632.6	29,381.4	34,659.1
Employee Expenses	2,980.2	2,880.1	2,786.7	2,924.0
Other Expenses	5,737.7	5,177.1	4,697.4	5,296.5
Total Operating Expenditure	46,974.4	39,689.8	36,865.6	42,879.6
<b>EBITDA</b>	<b>6,639.6</b>	<b>5,798.0</b>	<b>5,612.7</b>	<b>7,225.0</b>
Growth (%)	6.7	-12.7	-3.2	28.7
Depreciation	1,860.4	2,222.6	2,336.3	2,505.2
Interest	113.4	113.3	193.2	133.7
Other Income	1,689.0	1,667.8	1,464.1	1,769.3
<b>PBT</b>	<b>6,354.8</b>	<b>5,129.9</b>	<b>4,547.3</b>	<b>6,355.4</b>
Others (incl exceptional item)	29.7	2,014.0	-64.3	0.0
Total Tax	1,529.0	1,785.5	1,144.4	1,601.5
<b>PAT</b>	<b>4,796.1</b>	<b>1,330.4</b>	<b>3,467.3</b>	<b>4,753.8</b>
<b>Adjusted PAT</b>	<b>4,818.6</b>	<b>2,190.4</b>	<b>3,418.9</b>	<b>4,753.8</b>
Growth (%)	10.1	-72.3	160.6	37.1
<b>EPS (₹)</b>	<b>38.6</b>	<b>10.7</b>	<b>27.9</b>	<b>38.2</b>

Source: Company, ICICI Direct Research

Exhibit 14: Cash flow statement				
₹ crore				
(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Profit after Tax</b>	<b>4,796.1</b>	<b>3,344.4</b>	<b>3,467.3</b>	<b>4,753.8</b>
Add: Depreciation	1,860.4	2,222.6	2,336.3	2,505.2
(Inc)/dec in Current Assets	-1,803.9	2,621.7	351.5	-1,410.7
Inc/(dec) in CL and Provisions	1,139.6	-3,857.5	-1,126.2	1,413.3
<b>CF from operating activities</b>	<b>5,992.2</b>	<b>4,331.2</b>	<b>5,028.9</b>	<b>7,261.7</b>
(Inc)/dec in Investments	-1,341.3	82.3	-3,250.0	-3,500.0
(Inc)/dec in Fixed Assets	-3,373.7	-4,125.1	-1,500.0	-2,000.0
Others	734.7	791.7	11.3	-28.7
<b>CF from investing activities</b>	<b>(3,980.4)</b>	<b>(3,251.1)</b>	<b>(4,738.7)</b>	<b>(5,528.7)</b>
Issue/(Buy back) of Equity	-195.9	-94.0	0.0	0.0
Inc/(dec) in loan funds	-292.9	496.5	600.0	-650.0
Dividend paid & dividend tax	-1,268.1	-350.6	-745.9	-1,056.7
Others	582.9	-627.3	0.0	0.0
<b>CF from financing activities</b>	<b>(1,174.0)</b>	<b>(575.3)</b>	<b>(145.9)</b>	<b>(1,706.7)</b>
Net Cash flow	837.8	504.8	144.3	26.2
Opening Cash	2,893.7	3,731.5	4,236.4	4,380.7
<b>Closing Cash</b>	<b>3,731.5</b>	<b>4,236.4</b>	<b>4,380.7</b>	<b>4,407.0</b>

Source: Company, ICICI Direct Research

Exhibit 15: Balance Sheet				
₹ crore				
(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Liabilities</b>				
Equity Capital	595.8	596.5	596.5	596.5
Reserve and Surplus	33,613.4	33,871.3	36,592.7	40,289.7
<b>Total Shareholders funds</b>	<b>34,209.2</b>	<b>34,467.8</b>	<b>37,189.2</b>	<b>40,886.3</b>
Total Debt	2,571.5	3,068.0	3,668.0	3,018.0
Deferred Tax Liability	634.1	1,408.2	1,408.2	1,408.2
Others	1,487.9	1,621.2	1,513.9	1,785.7
<b>Total Liabilities</b>	<b>38,902.7</b>	<b>40,565.3</b>	<b>43,779.3</b>	<b>47,098.2</b>
<b>Assets</b>				
Gross Block	21,974.6	24,510.1	28,019.5	30,019.5
Less: Acc Depreciation	11,892.9	14,115.5	16,451.8	18,957.0
<b>Net Block</b>	<b>10,081.7</b>	<b>10,394.6</b>	<b>11,567.7</b>	<b>11,062.5</b>
Capital WIP	2,419.8	4,009.5	2,000.0	2,000.0
Total Fixed Assets	12,501.5	14,404.0	13,567.7	13,062.5
Other investments	19,032.1	17,748.5	20,248.5	22,248.5
Liquid Investments	3,002.4	2,189.7	2,939.7	4,439.7
Inventory	3,839.3	3,400.9	2,909.5	3,431.8
Debtors	3,946.3	2,999.0	3,258.6	3,843.6
Loans and Advances	673.4	512.0	478.1	564.0
Other current assets	2,321.8	1,297.0	1,211.2	1,428.6
<b>Cash</b>	<b>3,731.5</b>	<b>4,236.4</b>	<b>4,380.7</b>	<b>4,407.0</b>
Total Current Assets	15,068.6	12,951.7	12,744.6	14,181.5
Creditors	9,678.2	6,785.8	5,818.9	6,863.6
Provisions	688.7	595.6	510.7	602.4
Total Current Liabilities	10,366.9	7,381.4	6,329.6	7,466.0
<b>Net Current Assets</b>	<b>4,701.8</b>	<b>5,570.3</b>	<b>6,414.9</b>	<b>6,715.4</b>
<b>Application of Funds</b>	<b>38,902.7</b>	<b>40,565.3</b>	<b>43,779.3</b>	<b>47,098.2</b>

Source: Company, ICICI Direct Research

Exhibit 16: Key ratios				
(Year-end March)	FY19	FY20	FY21E	FY22E
<b>Per share data (₹)</b>				
EPS	38.6	10.7	27.9	38.2
Cash EPS	53.5	28.6	46.7	58.4
BV	275.2	277.3	299.1	328.9
DPS	8.5	2.4	6.0	8.5
Cash Per Share	30.0	34.1	35.2	35.4
<b>Operating Ratios (%)</b>				
EBITDA Margin	12.4	12.7	13.2	14.4
PBT / Net sales	8.9	7.9	7.7	9.4
PAT Margin	8.9	2.9	8.2	9.5
Inventory days	26.1	27.3	25.0	25.0
Debtor days	26.9	24.1	28.0	28.0
Creditor days	65.9	54.5	50.0	50.0
<b>Return Ratios (%)</b>				
RoE	14.1	6.4	9.2	11.6
RoCE	16.6	12.9	10.8	13.8
RoIC	17.7	13.0	10.3	14.1
<b>Valuation Ratios (x)</b>				
P/E	15.6	56.1	21.5	15.7
EV / EBITDA	10.6	12.3	12.6	9.5
EV / Net Sales	1.3	1.6	1.7	1.4
Market Cap / Sales	1.4	1.6	1.8	1.5
Price to Book Value	2.2	2.2	2.0	1.8
<b>Solvency Ratios</b>				
Debt/E equity	0.1	0.1	0.1	0.1
Current Ratio	0.8	0.9	1.0	1.0
<b>Quick Ratio</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>

Source: Company, ICICI Direct Research



Exhibit 17: ICICI Direct coverage universe (Auto & Auto Ancillary)

Sector / Company	CMP	TP	Rating	M Cap	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)		(₹ Cr)	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Apollo Tyre (APOTYR)	124	120	Hold	7,093	8.3	4.9	8.9	14.9	25.2	13.9	6.8	5.9	5.0	4.7	4.7	6.6	4.8	2.5	4.9
Ashok Leyland (ASHLEY)	50	58	Hold	14,636	0.8	0.1	2.1	61.3	748.0	24.3	14.2	20.3	10.2	5.6	2.2	8.6	4.7	0.3	8.0
Bajaj Auto (BAAUTO)	3,000	3,210	Hold	86,811	176.2	136.9	173.5	17.0	21.9	17.3	13.7	16.5	12.1	23.8	23.3	26.6	25.6	17.9	20.2
Bharat Forge (BHAFOR)	408	300	Hold	18,995	7.5	0.0	10.0	54.4	NM	40.8	19.4	36.0	18.0	7.7	2.2	8.2	7.8	0.0	8.6
Eicher Motors (EICMOT)	21,793	18,070	Hold	59,408	670.4	495.4	690.9	32.5	44.0	31.5	25.4	31.9	22.7	22.5	15.9	19.1	18.3	12.2	14.9
Escorts (ESCORT)	1,124	1,300	Buy	13,778	39.6	46.1	54.5	28.4	24.4	20.6	19.0	16.0	13.4	18.9	15.0	15.2	14.2	11.2	11.8
Exide Industries (EXIIND)	162	180	Buy	13,770	9.7	6.3	8.9	11.8	18.0	12.9	10.0	12.3	9.6	15.7	10.3	13.5	13.4	8.2	10.7
Hero Moto (HERHON)	2,704	2,500	Hold	53,999	181.9	109.8	147.6	14.9	24.6	18.3	12.1	16.1	11.7	26.5	18.7	23.2	22.7	14.5	17.9
<b>M&amp;M (MAHMAH)</b>	<b>600</b>	<b>700</b>	<b>Buy</b>	<b>74,592</b>	<b>10.7</b>	<b>27.9</b>	<b>38.2</b>	<b>56.1</b>	<b>21.5</b>	<b>15.7</b>	<b>12.3</b>	<b>12.6</b>	<b>9.5</b>	<b>12.9</b>	<b>10.8</b>	<b>13.8</b>	<b>6.4</b>	<b>9.2</b>	<b>11.6</b>
Maruti Suzuki (MARUTI)	6,680	5,300	Reduce	2,01,789	187.1	124.9	203.4	35.7	53.5	32.8	22.9	31.3	19.2	7.4	3.5	8.2	11.7	7.4	11.1
Minda Industries (MININD)	285	320	Buy	7,473	5.9	2.8	9.6	48.2	100.9	29.6	13.4	15.2	10.3	10.6	6.6	12.7	10.3	5.1	13.6
Tata Motors (TATMOT)	119	115	Hold	43,495	-32.8	-24.6	7.4	NM	NM	16.0	4.8	5.0	3.3	1.4	1.1	6.8	-18.7	-16.5	4.8

Source: Bloomberg, ICICI Direct Research

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Reduce: -15% to -5%;

Sell: <-15%



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