RESULT REVIEW

BUY

TP: Rs 4,530 | ⮝ 38%

MAHINDRA & MAHINDRA | Automobiles | 31 July 2026

Geared for challenges as overall steady show continues; BUY

- **Healthy volume growth across Auto (22%) and Farm (18%) aid maintaining 25% SUV revenue share and ~45% tractor market share**
- **Commodity inflation impact of ~450bps on Auto and 300bps on Farm segment weighed on margins; Recent price hike should partially offset**
- **Earnings estimates maintained for now; continue to value MM's core business at 24x Jun-28 P/E with TP of Rs 4,530 (Rs 4,317). Retain BUY**

Milind Raginwar
Research Analyst
Ayush Dugar
Research Associate
research@bobcaps.in

Strong volume-led growth despite commodity headwinds: MM (SA) revenue grew ~23% YoY to ~Rs419bn, driven by robust blended volume growth of ~20% YoY (~459k units), led by SUVs (+15% YoY), LCVs (+20% YoY) and continued strength in tractors. However, sharp inflation in steel, aluminum and precious metals (~450bps), along with an ~85bps hedging MTM loss, weighed on profitability. MM expects margins to recover from Q1 trough, supported by cumulative ~4.2% price hikes.

SUV momentum remains demand-led: Automotive revenue increased ~24% YoY, led by ~22% volume growth while SUV volumes grew ~15% YoY, sustaining ~25% revenue market share**.** EV business has turned EBITDA positive (with margins at 11.3%) even without PLI incentives, highlighting improving economics through localisation, scale and platform leverage

FES faces near-term cost pressure: Tractor volumes rose ~18% YoY / 32% QoQ, helping MM strengthen its leadership position with ~44.9% domestic market share. Farm equipment revenue increased ~19%/29% YoY/QoQ. However, elevated steel and rubber prices (majority unhedged) impacted margins by 300bps and are expected to further pressure farm margins in Q2FY27 before improving in H2FY27.

Product cadence in place: Dealer inventory remains lean at ~15 days for auto segment, and tractors maintain healthy levels at 30-40 days. Capacity expansion from 64.5k to 68k units byend-H1FY27 is expected to support festive demand. NU_IQ platform remains key driver for ICE and E-SUV pipeline while multiple upgrade and launches remain on roadmap for farm equipment.

Maintain estimates for now; maintain BUY: We retain EBITDA estimates for FY27E/FY28E/FY29E to factor in margin cushion ~ 60bps due to Q1 hedging loss, positive bias on EV at EBITDA accretive without PLI support. Strong FES deliveries with higher HP focus adds cushion. Our 3Y PAT/EBITDA/PAT CAGR is 12% and 14% each. We continue to value MM's core business at 24x Jun-2028 earnings, a 10% premium to its long-term average (22x), resulting in a revised SOTP-based TP of Rs4,530 vs Rs 4,317d. This includes a subsidiary value of Rs347. Maintain BUY.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	MM IN/Rs 3,284
Market cap	US$ 43.3bn
Free float	81%
3M ADV	US$ 99.0mn
52wk high/low	Rs 3,840/Rs 2,896
Promoter/FPI/DII	19%/37%/29%

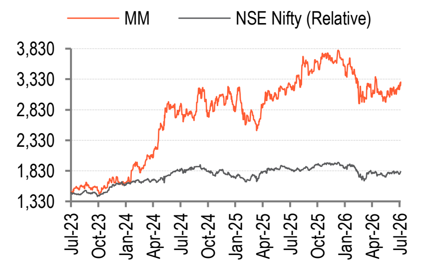
Source: NSE | Price as of 30 Jul 2026

Key financials

Y/E 31 Mar	FY26P	FY27E	FY28E
Total revenue (Rs mn)	14,55,758	15,61,284	17,86,908
EBITDA (Rs mn)	2,03,001	2,27,858	2,62,422
Adj. net profit (Rs mn)	1,57,372	1,77,550	2,01,566
Adj. EPS (Rs)	131.4	148.2	168.2
Consensus EPS (Rs)	131.4	139.9	159.6
Adj. ROAE (%)	23.2	21.7	20.5
Adj. P/E (x)	25.0	22.2	19.5
EV/EBITDA (x)	21.1	18.3	15.7
Adj. EPS growth (%)	32.7	12.8	13.5

Source: Company, Bloomberg, BOBCAPS Research | P – Provisional

Stock performance



Source: NSE

Fig 1 – Earnings Call Highlights

Parameter	Q1FY27	Q4FY26	Our view
Market	SUV volumes grew ~15% YoY, while LCV volumes increased ~20% YoY despite geopolitical disruptions, commodity inflation and temporary production losses due to supplier issues and heavy rains. EV SUV volumes surged ~77% YoY, with EVs contributing ~12% of SUV volumes. Dealer inventory remained lean at ~15 days, while capacity expansion from 64.5k to 68k units/month is on track by end-H1FY27 to support festive demand. Capacity is projected to reach 92,000 units after additions in Chakan, with a further increase of 20,000 units per month in two phases at Nagpur by H1 calendar 2029	SUV volumes grew 21% YoY with continued revenue market share leadership up by 60bps YoY to 24.5% in Q4FY26. FY26 SUV volumes +19% YoY. LCV (<3.5T) market share up 60 bps YoY; MM ranked 5th largest exporter overall. Trucks & buses grew ~15%, with MM ranking No.3 in ILCV buses (22.9% market share). April volumes were impacted by two supplier shortfalls (~7–8k units short); though the issues are largely resolved. MM's Q1FY26 base was very high (+22% vs industry -4.7%). Management guides for mid-to-high teens SUV growth and high single-digit LCV growth in FY27.	Q1 volume helped by continue GST benefit traction. Going forward we feel capacity ramp up till FY29 will aid confidence in growth. Higher EV penetration and stronger earnings without PLI adds comfort. FES segment momentum continues despite fears of adverse weather conditions is positive.
Order book/ Product pipeline	Management specifically highlighted that the first product from the NU_IQ platform is slated for launch in F28. Additionally, a new EV model is also scheduled for launch in the same year. Following the combination with SML, the company is focused on creating synergies and enhancing competitiveness across its expanded product range in the LCV and ICV bus segments	Strong product-level momentum continues. XUV 7XO at ~9.5k/month, while Bolero/Bolero Neo (post refresh) scaled to ~9–10k/month. Scorpio-N demand remains robust, while Scorpio Classic is at peak capacity. 3XO is fully maxed out, with exports (incl. Indonesia orders) constraining domestic availability. Product pipeline expanded to 10 ICE SUVs + 6 BEVs by FY31 (vs earlier 9+7), enabled via NU_IQ platform (ICE–EV flexibility). LCV portfolio also strengthened with 7 additional launches planned (10 total by FY31).	Focus on boosting growth is a stated policy. The model shifting towards premiumisation is a strong indicator of healthy margins, aided by product mix. MM has a limited cannibalisation impact. Revival in rural demand a strong relief, indicating structural demand momentum.
Electric Vehicle	The EV business is reporting EBITDA margins upwards of 10%. The total EV PBIT for the quarter was ~Rs 2.9bn. EV business has turned EBITDA positive even without PLI benefits. Management reiterated that future profitability will be driven through scale, localisation, platform leverage (INGLO), and gradual pricing power as EV penetration rises beyond 20–25%. EV margins are expected to converge with ICE over time. The company is currently operationally ready for 8,000 EVs per month. This capacity is planned to increase to 12,000 units per month in F28 to support the new launches	Cumulative eSUV sales reached ~55k units, with Q4FY26 run-rate at ~7.4k/month (led by 9S). EV penetration improved to ~9.6% in Q4FY26, crossing 10% in the last two months. Revenue market share in eSUVs stood at ~37.7% (No.1); volume share at ~31.4% (No.2). Mahindra Electric PBIT was Rs 2.3bn in Q4FY26 (incl. contract mfg: Rs 2.5bn); PBIT was positive for FY26 at ~Rs 2.9bn. All variants across BE6, 9E & 9S are now PLI certified. Q4FY26 PLI accrual was ~Rs 5bn (most of BE6 PLI to flow in Q1FY27). EV capacity currently at ~8k/month, with +4k/month planned for H2FY27.	Efforts on expanding EV base is a long-stated strategy. Strong product pipeline will ensure the healthy growth strategy. Most of the EV products under PLI scheme will provide some respite to the quality of earnings besides quantity. Capacity readiness to cater to additional EV growth will imply continued market share and better leverage will aid margin traction.
FES	Tractors achieved 18% volume growth in Q1FY27, market share was strong at 44.9% though QoQ dip from 45.2%. Farm PAT grew 15% YoY before impairments. Core tractor business maintained healthy margin of 19.2%. Commodity inflation impact was 300bpss mainly from steel price (=24%)	Q4FY26 tractor volumes were up 36% YoY; FY26 market share was at 43.6%. Farm PAT grew 13% YoY in FY26 (36% excl. impairments); impairments of Rs 14bn from international subsidiary exits weighed on reported number. International markets	Tractor performance may be altered as festivities are shifted to Q3. This will help partially offset the higher base impact. may taper in FY27. Additionally, the met department indications

Parameter	Q1FY27	Q4FY26	Our view
	and rubber (+53%). Despite the initial rainfall deficit in June, it has recovered to 15% now. Tractor channel inventory remains at 30–40 days with no meaningful destocking required. Management highlighted continued premiumisation, with ~70% of industry volumes now coming from 40–50 HP tractors, driven by higher mechanisation and increasing adoption of farm implements.	of US, Brazil and Turkey are all seeing industry down-cycles. Product roadmap includes ProTech transmission (Swaraj) and H1 platform refresh (30–50 HP; rollout in 7 states, full rollout in ~8–10 months). 19 launches planned in FY27 (7 new, 12 upgrades). FY27 growth guided at ~5%, with H1 stronger (low base) and H2 moderating (high base). Nagpur plant land acquisition near completion; commissioning targeted CY28.	of monsoon deficiency moderating over a period of time and better than expected reservoirs levels all are positive for the FES segment. Shift towards higher HP products only augurs well for MM.
Margin	Auto margins were impacted by ~450bps commodity inflation and an additional ~85bps hedging MTM loss during Q1. Core PBIT margin was down to 8.9% vs 10.8% YoY. Management has implemented cumulative price hikes of ~4.2% (1.5% + 2.7%) and expects Q1 to be the margin trough, with Q2 margins likely to remain stable or improve sequentially assuming commodity prices stabilise. Farm margins remain under greater pressure due to unhedged steel and rubber inflation. Margins were also under pressure due to loss in international subsidiary due to impairment of Erkunt foundry MMFSL reported further improvement in profitability with ROA at ~2.4%, NIM at ~7.3%, while GS2+GS3 remained below 10% for the seventh consecutive quarter.	Q4FY26 Consol revenue was up 29% YoY; PAT up 42% YoY. FY26 revenue was up 25%, PAT was up 35%. Auto PBIT margin (ex-contract mfg) was 10.9% / 10.4% in Q4FY26/FY26. Including contract mfg it was 9.5% / 9.3% in Q4FY26/FY26 Farm PBIT margin was 20.4%/20.8% in Q4FY26/FY26. Net cash generated in FY26 was Rs 160bn; cash balance stands at Rs 410bn post dividend. Dividends have increased by 30%, in line with profit growth. MM has taken ~2.6% price hikes; management indicated that there is headroom available from GST cut before crossing pre-September pricing. MMFSL's GS3 was at 3.41% down by 27bps; AUM grew by 12%.	Focus is on sustaining momentum hence; volume push will be key. Maintaining margins in a challenging business scenario is very encouraging. Commodity inflation is a concern largely on account of volatility as it can impact earnings despite hedging. However, with benefits of hedging loss cushioning margins and impairment losses non-recurring should be of help. Other businesses stay on a steady growth path; management's strong focus only reassures growth.
All-round focus, healthy balance sheet comes handy	Mahindra Lifespaces reiterated its strategy of focusing exclusively on Mumbai, Pune and Bengaluru, targeting Rs 100bn pre-sales by FY30, supported by a Rs 500bn development pipeline while avoiding affordable housing. MMFSL targets a 70:30 wheels/non-wheels loan mix by FY31, with strong growth in mortgages and SME lending. Aerospace order book continues to scale, with management indicating revenue conversion will accelerate as projects mature.	Last Mile Mobility listing is targeted in CY27 (FY28). Growth gems aggregate value: ~Rs 550–560bn (from ~Rs 80bn in FY20). To ensure compliance with CAFE norms, target EV penetration of 13–21% will be needed over a 5Y block. Management is confident of achieving the target given NU_IQ platform fungibility. Aerospace orderbook stands at ~USD 1bn in last 12 months. DRAM shortage remains structural (AI-driven). MM continues inventory build-up via higher-cost sourcing. Management outlines the capacity expansion plan for next few years via the Nagpur greenfield facility (adding ~100k units annually).	MM's major segments are firing all cylinders. Capacity expansion of the automotive business is to capture the newer demand emanating from a structural shift and is the right strategy.

Source: Company, BOBCAPS Research

Fig 2 – Quarterly performance (Standalone)

(Rs mn)	Q1FY27	Q1FY26	YoY (%)	Q4FY26	QoQ (%)	Q1FY27E	Deviation (%)
Volume	4,58,511	3,81,338	20.2	4,21,266	8.8	4,58,511	0.0
Avg. Realisation per Vehicle	9,14,258	8,93,780	2.3	9,38,935	(2.6)	9,20,156	(0.6)
Net Revenues	4,19,197	3,40,832	23.0	3,95,541	6.0	4,08,717	2.6
Total Income (A)	**4,19,197**	**3,40,832**	**23.0**	**3,95,541**	**6.0**	**4,08,717**	**2.6**
Operating Expenses							
Raw materials consumed	3,26,943	2,59,207	26.1	3,02,213	8.2	3,24,930	0.6
Employee Expenses	14,062	13,017	8.0	13,015	8.0	13,340	5.4
Other Expenses	27,087	19,769	37.0	24,670	9.8	24,523	10.5
Total Expenditure (B)	**3,68,092**	**2,91,993**	**26.1**	**3,39,898**	**8.3**	**3,62,793**	**1.5**
EBITDA (A-B)	51,106	48,840	4.6	55,644	(8.2)	45,924	11.3
Other Income	8,154	7,913	3.0	6,907	18.1	6,976	16.9
Depreciation	10,503	9,999	5.0	12,006	(12.5)	12,126	(13.4)
EBIT	48,756	46,754	4.3	50,545	(3.5)	40,774	19.6
Finance Costs	997	559	78.3	715	39.4	755	32.1
PBT after excep items	47,759	46,195	3.4	49,830	(4.2)	40,019	19.3
Tax expense	10,197	10,214	(0.2)	11,440	(10.9)	9,004	13.2
Reported PAT	**37,562**	**34,498**	**8.9**	**37,373**	**0.5**	**31,015**	**21.1**
Adjusted PAT	**37,562**	**35,981**	**4.4**	**38,390**	**(2.2)**	**31,015**	**21.1**
EPS (Rs)	**30.2**	**27.8**	**8.9**	**30.1**	**0.5**	**19.5**	**54.8**
Key Ratios (%)			**(bps)**		**(bps)**		
Gross Margin	22.0	23.9	(194)	23.6	(159)	20.5	151
EBITDA Margin	12.2	14.3	(214)	14.1	(188)	11.2	96
EBIT Margin	11.6	13.7	(209)	12.8	(115)	10.0	165
PBT Margin	11.4	13.6	(216)	12.6	(120)	9.8	160
Tax Rate	21.4	22.1	(76)	23.0	(161)	22.5	(115)
Adj PAT Margin	9.0	10.6	(160)	9.7	(75)	7.6	137

Source: Company, BOBCAPS Research

Valuation Methodology

We retain EBITDA estimates for FY27E to factor in margin cushion ~ 60bps due to Q1 hedging loss. We retain FY28E/FY29E earnings with a positive bias on BEV at EBITDA accretive without PLI support. Strong FES deliveries with higher HP focus adds cushion. Our 3Y PAT/EBITDA/PAT CAGR is 12%/14%/14% despite higher base.

We expect the automotive segment to keep up a strong momentum, owing to MM's focus on premiumisation and EVs across segments; driving volumes and market share. The capacity addition at regular intervals till FY29 will enable MM to tap the additional demand and retain market share. The EV segment EBITDA positive without PLI is the highlight implying healthy margins as operating leverage comes to the fore in the segment.

The earlier signs of FES's revival may pause after a very strong rebound in FY26 are likely to be unreal as monsoon deficiency figures are narrowing and reservoir levels are improving compared to earlier estimates. Further, festive shift to Q3 will help to mitigate the higher base effect partially.

The FTA with the European Union is unlikely to hit MM domestic volume as apprehended, due to the arrangements in the agreement favouring domestic manufacturers vs EU companies.

Additionally, organic capacity expansion plans are the right measures to address market preferences, especially in the automotive segment and will help MM to maintain leadership in the SUV segment. Despite a strong capex for automotive and FES, we believe MM's capital allocation policy continues to imply less debt stress, which will result in balance sheet health and keep return ratios moving at a good pace.

We continue to value MM's core business at 24x on a roll over Jun-28 earnings, a 10% premium to its long-term average (22x), resulting in a revised SOTP-based TP of Rs4,530 vs Rs 4,317 earlier. This includes a subsidiary value of Rs347. Maintain BUY

Fig 3 – Key assumptions

Parameter	FY27E	FY28E	FY29E
Volume (units)	18,16,585	20,45,243	23,16,048
Growth (%)	10.64	12.59	13.24
Revenue (Rs mn)	15,61,284	17,86,908	20,44,712
Growth (%)	13.5	14.5	14.4
EBITDA (Rs mn)	2,27,858	2,62,422	3,02,950
EBITDA margin (%)	14.6	14.7	14.8
Adj. PAT (Rs mn)	1,77,550	2,01,566	2,30,253
EPS (Rs)	148.2	168.2	192.2

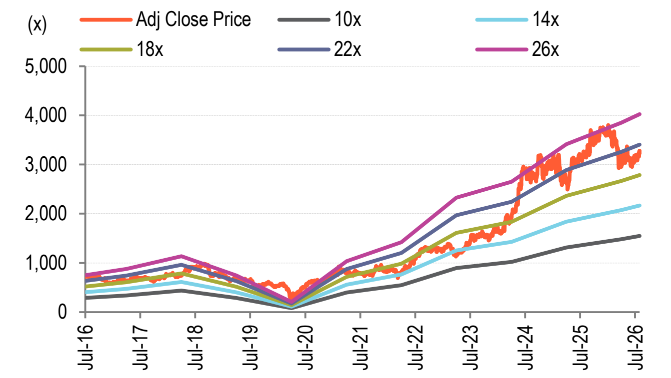
Source: Company, BOBCAPS Research,

Fig 4 – Valuation summary

Business	Value (Rs/sh)	Valuation basis
Core Business	4,166	24x Jun-2028 forward EPS
Subsidiaries	364	30% holding company discount
Total	**4,530**	-

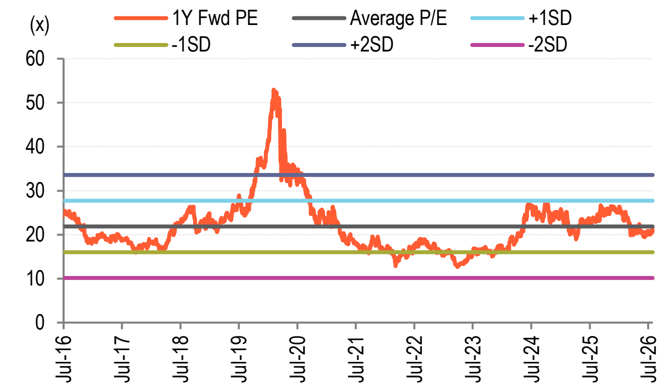
Source: BOBCAPS Research\| Note: June 2028 forward valuations

Fig 5 – P/E band: We continue to value MM at 24x 1YF core business EPS



Source: Company, Bloomberg, BOBCAPS Research

Fig 6 – P/E 1YF MM have converged to the mean however given its leadership will command a premium



Source: Company, Bloomberg, BOBCAPS Research

Key Risks

Key downside risks to our estimates:

- Commodity inflation sustaining for longer-than-expected in the high-end segment.
- Accelerated launches by competitors in the high-end automotive segment
- Slower-than-expected recovery in the farm equipment segment in FY27 vs management guidance.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY25A	FY26P	FY27E	FY28E	FY29E
Total revenue	**11,64,837**	**14,55,758**	**15,61,284**	**17,86,908**	**20,44,712**
EBITDA	1,62,745	2,03,001	2,27,858	2,62,422	3,02,950
Depreciation	42,268	42,927	46,994	51,244	55,494
EBIT	1,59,005	2,09,720	2,27,268	2,58,046	2,94,793
Net interest inc./(exp.)	(2,505)	(2,496)	(2,521)	(2,899)	(3,334)
Other inc./(exp.)	38,527	49,645	46,404	46,868	47,337
Exceptional items	0	(982)	0	0	0
EBT	1,56,500	2,07,224	2,24,747	2,55,147	2,91,459
Income taxes	37,952	49,852	47,197	53,581	61,206
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	0	0	0
Reported net profit	**1,18,548**	**1,56,390**	**1,77,550**	**2,01,566**	**2,30,253**
Adjustments	0	982	0	0	0
Adjusted net profit	**1,18,548**	**1,57,372**	**1,77,550**	**2,01,566**	**2,30,253**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY25A	FY26P	FY27E	FY28E	FY29E
Accounts payables	2,37,166	2,85,653	3,26,777	3,77,364	4,33,223
Other current liabilities	87,343	92,661	65,616	74,485	84,616
Provisions	22,689	27,796	2,394	2,633	2,896
Debt funds	16,818	16,535	11,199	10,445	10,650
Other liabilities	0	0	0	0	0
Equity capital	6,004	6,010	6,010	6,010	6,010
Reserves & surplus	6,09,846	7,37,159	8,89,466	10,65,789	12,70,799
Shareholders' fund	6,15,850	7,43,169	8,95,476	10,71,800	12,76,809
Total liab. and equities	**9,79,866**	**11,65,814**	**13,01,462**	**15,36,728**	**18,08,195**
Cash and cash eq.	1,14,345	1,59,097	46,156	72,428	1,27,147
Accounts receivables	57,256	64,858	78,064	89,345	1,02,236
Inventories	1,03,333	1,03,059	1,60,032	1,87,625	2,14,695
Other current assets	1,37,760	1,83,034	2,65,418	3,39,512	4,08,942
Investments	3,54,680	4,20,316	5,13,005	6,05,774	6,98,626
Net fixed assets	1,92,111	2,09,791	2,12,797	2,11,553	2,06,059
CWIP	37,010	40,170	40,500	45,000	65,000
Intangible assets	0	0	0	0	0
Deferred tax assets, net	(16,629)	(14,510)	(14,510)	(14,510)	(14,510)
Other assets	0	0	0	0	0
Total assets	**9,79,866**	**11,65,814**	**13,01,462**	**15,36,728**	**18,08,195**

Cash Flows

Y/E 31 Mar (Rs mn)	FY25A	FY26P	FY27E	FY28E	FY29E
Cash flow from operations	**1,59,264**	**1,54,469**	**11,731**	**1,49,771**	**1,91,939**
Capital expenditures	(58,550)	(63,768)	(50,330)	(54,500)	(70,000)
Change in investments	(54,726)	(65,636)	(92,688)	(92,769)	(92,852)
Other investing cash flows	38,527	49,645	46,404	46,868	47,337
Cash flow from investing	**(74,749)**	**(79,758)**	**(96,614)**	**(1,00,401)**	**(1,15,515)**
Equities issued/Others	(787)	6	0	0	0
Debt raised/repaid	(3,547)	(283)	(5,336)	(754)	205
Interest expenses	(2,505)	(2,496)	(2,521)	(2,899)	(3,334)
Dividends paid	(25,160)	(25,243)	(25,243)	(25,243)	(25,243)
Other financing cash flows	1,560	(5,953)	0	0	0
Cash flow from financing	**(30,438)**	**(33,968)**	**(33,099)**	**(28,896)**	**(28,372)**
Chg in cash & cash eq.	**54,077**	**40,742**	**(1,17,982)**	**20,474**	**48,052**
Closing cash & cash eq.	**1,14,345**	**1,59,097**	**46,156**	**72,428**	**1,27,147**

Per Share

Y/E 31 Mar (Rs)	FY25A	FY26P	FY27E	FY28E	FY29E
Reported EPS	98.9	131.4	148.2	168.2	192.2
Adjusted EPS	98.9	131.4	148.2	168.2	192.2
Dividend per share	21.0	21.1	21.1	21.1	21.1
Book value per share	514.0	620.3	747.4	894.6	1,065.7

Valuations Ratios

Y/E 31 Mar (x)	FY25A	FY26P	FY27E	FY28E	FY29E
EV/Sales	3.6	2.9	2.7	2.3	2.1
EV/EBITDA	26.0	21.1	18.3	15.7	14.0
Adjusted P/E	33.2	25.0	22.2	19.5	17.1
P/BV	6.4	5.3	4.4	3.7	3.1

DuPont Analysis

Y/E 31 Mar (%)	FY25A	FY26P	FY27E	FY28E	FY29E
Tax burden (Net profit/PBT)	75.7	75.5	79.0	79.0	79.0
Interest burden (PBT/EBIT)	98.4	98.8	98.9	98.9	98.9
EBIT margin (EBIT/Revenue)	13.7	14.4	14.6	14.4	14.4
Asset turnover (Rev./Avg TA)	198.1	209.1	187.4	179.7	172.6
Leverage (Avg TA/Avg Equity)	1.0	1.0	1.0	1.0	1.0
Adjusted ROAE	20.8	23.0	21.7	20.5	19.6

Ratio Analysis

Y/E 31 Mar	FY25A	FY26P	FY27E	FY28E	FY29E
YoY growth (%)					
Revenue	17.9	25.0	7.2	14.5	14.4
EBITDA	28.5	24.7	12.2	15.2	15.4
Adjusted EPS	10.6	32.7	12.8	13.5	14.2
Profitability & Return ratios (%)					
EBITDA margin	14.0	13.9	14.6	14.7	14.8
EBIT margin	13.7	14.4	14.6	14.4	14.4
Adjusted profit margin	10.2	10.8	11.4	11.3	11.3
Adjusted ROAE	20.8	23.2	21.7	20.5	19.6
ROCE	20.4	22.8	21.5	20.4	19.6
Working capital days (days)					
Receivables	16	15	17	17	17
Inventory	31	26	31	36	36
Payables	92	86	96	96	96
Ratios (x)					
Gross asset turnover	0.4	0.4	0.4	0.4	0.3
Current ratio	1.2	1.3	1.4	1.5	1.6
Net interest coverage ratio	(63.5)	(84.0)	(90.2)	(89.0)	(88.4)
Adjusted debt/equity	0.0	0.0	0.0	0.0	0.0

Source: Company, BOBCAPS Research | Note: TA = Total Assets

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
Website: **https://www.bobcaps.in/**
CIN: **U65999MH1996GOI098009**

Logo:

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

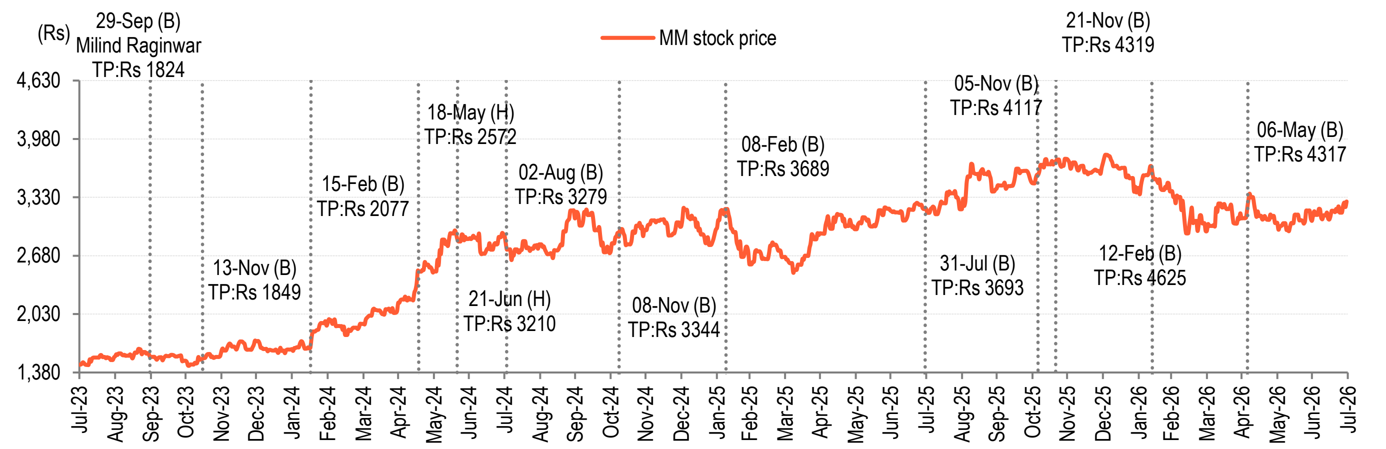
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): MAHINDRA & MAHINDRA (MM IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd) ("**MSL**") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as **"MAYBANK"**). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.