

# Mahindra & Mahindra

13 February, 2023

Reuters: MAHM.BO; Bloomberg: MM IN

## All-round robust performance; Maintain BUY

Mahindra and Mahindra (M&M) reported revenue of Rs216bn, which was in line with our estimate and up 3% QoQ. Gross margin increased by ~50bps/(130bps) YoY/QoQ to 24%, in-line with our estimate. Overall EBITDA margin at 13% (up 110bps QoQ) was 50bps above our estimate. Auto segment's EBIT margin stood at 6.7%, up 70bps QoQ mainly on the back of product mix improvement and operating leverage benefits. Tractor segment's EBIT margin came in at 16.6%. FES segment clocked EBIT of Rs10.3bn in 3QFY23, up 14.4% QoQ. M&M has been consistently gaining market share in UV segment, with its revenue market share going up by 500bps over the last four quarters. The management alluded to continuing momentum in the Auto segment, led by new launches (Scorpio, Electric XUV400 and XUV700). It indicated that open bookings as on 1<sup>st</sup> Feb'2023 stood at 266k+ units, with New Scorpio (119k+), XUV700 (77k) and Thar (37k) contributing the most. The company has also seen a strong response for XUV400, with 15k bookings in 13 days of the launch. Easing chip constraints have led to reduction in waiting periods by ~1-1.5 months. Moreover, in order to meet the growing demand and ease the long waiting periods, M&M is expanding its UV capacity from 29k units last year to 39k units in FY23 and further to 49k units by FY24-end. Cancellations stood at ~5-8% in 3QFY23. We are building in ~23% volume CAGR for the Auto segment over FY22-FY25, led by new capacity addition and backed by a strong order book. For the FES segment, the company has guided for industry volume growth of 10%+ for FY23 on the back of increasing rural incomes and positive rural sentiments. We expect M&M to outperform industry growth in FES, led by market share gains (160bps gain over last year) and network expansion. We further believe that with the increase in production levels, softening RM costs and improvement in the product mix, margins will improve going ahead. We are building in margin expansion of 220bps over FY22-FY25. We expect 23%/6% volume CAGR for Auto/FES segments over FY22-FY25. We estimate 22%/29% CAGR in Revenue/EBITDA over FY22-FY25. We value M&M on SoTP basis, with the core business valued at ~16x Sept'24E core EPS, owing to strong new model launch pipeline and robust demand outlook while the other listed entities are valued at the current market value to arrive at a target price (TP) of Rs1,575. We maintain BUY on M&M.

**Revenue and margins broadly in line with expectations:** M&M+MVML reported revenue of Rs216bn, which was in line with our estimate, driven by strong growth in Autos as well as Tractor segment. Reported EBITDA margin came in at 13% (up 120bps YoY and 110bps QoQ) vs our expectation of 12.5%. FES sales grew by ~20% YoY to Rs62bn (up 13% QoQ) while EBIT margin stood at 16.6%. Automotive segment's net sales grew by 55% YoY to Rs148bn (flat QoQ) with EBIT margin coming in at 6.7%. Demand for the Auto business remained robust with strong response for new products, including EVs. Adjusted PAT came in at Rs21.5bn vs. our estimate of Rs18.1bn.

**Valuation and risks:** We value M&M on SoTP basis with the core business valued at ~16x Sept'24E core EPS and other listed entities valued at the current market value to arrive at a TP of Rs1,575. **We remain positive on M&M due to the following catalysts: (1) Strengthening leadership in the SUV segment (2) Market share gains in UV and FES segments (3) Margin expansion and (4) Prudent capital allocation driving ROE improvement.**

**Key risks:** (1) Slowdown in Tractor volume (2) Persistent supply chain issues (3) Inability to fulfill demand due to capacity constraints.

Y/E March (Rsmn)	3QFY22	2QFY23	3QFY23	YoY (%)	QoQ (%)	FY22	FY23	YoY (%)
Net sales	152,428	210,101	216,537	42.1	3.1	403,109	622,765	54.5
COGS	113,931	160,768	164,471	44.4	2.3	292,661	475,478	62.5
% of sales	74.7	76.5	76.0	1.2	(0.6)	72.6	76.3	3.7
Employee costs	8,786	9,224	9,342	6.3	1.3	25,607	26,928	5.2
% of sales	5.8	4.4	4.3	(1.4)	(0.1)	6.4	4.3	(2.0)
Other expenses	11,663	15,137	14,583	25.0	(3.7)	33,879	43,833	29.4
% of sales	7.7	7.2	6.7	(0.9)	(0.5)	8.4	7.0	(1.4)
EBITDA	18,048	24,973	28,142	55.9	12.7	50,963	76,525	50.2
EBITDA margin %	11.8	11.9	13.0	120bps	110bps	12.6	12.3	(30)bps
Depreciation	6,313	7,913	8,292	31.3	4.8	17,706	23,011	30.0
EBIT	11,735	17,060	19,851	69.2	16.4	33,258	53,514	60.9
EBIT margin %	7.7	8.1	9.2	150bps	110bps	8.3	8.6	30bps
Interest expenses	533	641	686	28.8	6.9	1,672	2,025	21.1
Other income	5,248	13,134	6,700	27.7	(49.0)	18,348	22,220	21.1
Exceptional items	-	2,479	6,289			3,335	9,177	
PBT	16,451	27,074	19,576	19.0	(27.7)	46,600	64,532	38.5
Tax	2,919	6,394	4,296	47.2	(32.8)	10,195	14,270	40.0
Effective tax rate %	17.7	23.6	21.9	4.2	(1.7)	21.9	22.1	0.2
Reported PAT	13,532	20,680	15,281	12.9	(26.1)	36,405	50,262	38.1
Adj. PAT	13,532	23,159	21,569	59.4	(6.9)	39,740	59,439	49.6
EPS	8.9	11.0	10.0	110bps	(100)bps	9.9	9.5	(40)bps

Source: Company, Nirmal Bang Institutional Equities Research

## BUY

Sector: Automobile

CMP: Rs1,363

Target Price: Rs1,575

Upside: 16%

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### Key Data

Current Shares O/S (mn)	1,243.2
Mkt Cap (Rsbn/US\$bn)	1,697.5/20.6
52 Wk H / L (Rs)	1,392/671
Daily Vol. (3M NSE Avg.)	2,373,328

### Price Performance (%)

	1 M	6 M	1 Yr
M&M	3.5	8.4	60.0
Nifty Index	(0.6)	0.9	2.8

Source: Bloomberg

[Annual Report FY2021-22](#)
[3QFY23 results presentation](#)

## Exhibit 1: Financial summary (M&M+MVML)

Y/E March (Rsmn)	FY21	FY22	FY23E	FY24E	FY25E
Automotive Volume	352,281	465,601	682,952	769,846	857,076
YoY growth (%)	(26.0)	32.2	46.7	12.7	11.3
Farm Equipment Volume	354,498	354,698	397,791	413,906	426,323
YoY growth (%)	17.4	0.1	12.1	4.1	3.0
Net sales	446,299	574,460	822,659	932,906	1,042,928
YoY growth (%)	(0.5)	28.7	43.2	13.4	11.8
EBITDA	69,575	70,423	102,832	130,607	151,225
EBITDA margin (%)	15.6	12.3	12.5	14.0	14.5
Adjusted PAT	29,909	50,709	73,790	94,982	110,816
YoY change (%)	(15.8)	69.5	45.5	28.7	16.7
RoCE (%)	13.2	14.1	18.6	20.6	20.8
RoE (%)	8.5	13.0	16.5	18.0	17.7
P/E (x)	50.5	29.8	20.5	15.9	13.6
EV/Sales (x)	2.9	2.2	1.5	1.2	1.0
EV/EBITDA (x)	18.7	18.3	12.0	8.9	7.1

Source: Company, Nirmal Bang Institutional Equities Research

## Exhibit 2: Segment-wise performance

Segment-wise results	3QFY22	2QFY23	3QFY23	YoY (%)	QoQ (%)	FY22	FY23	YoY (%)
<b>Segment volumes</b>								
Automotive	121,167	179,683	176,114	45.3	(2.0)	309,695	333,145	7.6
FES	92,967	93,540	105,765	13.8	13.1	281,816	212,049	(24.8)
<b>Total volumes</b>	<b>214,134</b>	<b>273,223</b>	<b>281,879</b>	<b>31.6</b>	<b>3.2</b>	<b>591,511</b>	<b>545,194</b>	<b>(7.8)</b>
<b>Segment revenue</b>								
Automotive	95,476	148,958	147,965	55.0	(0.7)	235,150	419,987	78.6
FES	52,178	55,381	62,777	20.3	13.4	154,396	185,044	19.9
Others	5,469	6,562	6,800	24.3	3.6	15,556	20,137	29.5
<b>Total</b>	<b>153,123</b>	<b>210,902</b>	<b>217,542</b>	<b>42.1</b>	<b>3.1</b>	<b>405,102</b>	<b>625,168</b>	<b>54.3</b>
Intersegment	695	800	1,004	44.6	25.5	1,992	2,403	20.6
<b>Total Revenue</b>	<b>152,428</b>	<b>210,101</b>	<b>216,537</b>	<b>42.1</b>	<b>3.1</b>	<b>403,109</b>	<b>622,765</b>	<b>54.5</b>
<b>Revenue proportion %</b>								
Automotive	62.4	70.6	68.0	5.7	(2.6)	58.0	67.2	9.1
FES	34.1	26.3	28.9	(5.2)	2.6	38.1	29.6	(8.5)
Others	3.6	3.1	3.1	(0.4)	0.0	3.8	3.2	(0.6)
<b>Segment results</b>								
Automotive	3,491	8,886	9,896	183.5	11.4	6,625	25,817	289.7
FES	9,052	9,085	10,393	14.8	14.4	29,021	30,213	4.1
Others	330	551	481	45.7	(12.8)	888	1,451	63.4
<b>Total EBIT</b>	<b>12,872</b>	<b>18,522</b>	<b>20,770</b>	<b>61.4</b>	<b>12.1</b>	<b>36,534</b>	<b>57,481</b>	<b>57.3</b>
<b>EBIT margin %</b>								
Automotive	3.7	6.0	6.7	300bps	70bps	2.8	6.1	330bps
FES	17.3	16.4	16.6	(70)bps	20bps	18.8	16.3	(250)bps
Others	6.0	8.4	7.1	110bps	(130)bps	5.7	7.2	150bps
<b>Total EBIT Margin</b>	<b>8.4</b>	<b>8.8</b>	<b>9.5</b>	<b>110bps</b>	<b>70bps</b>	<b>9.0</b>	<b>9.2</b>	<b>20bps</b>
<b>EBIT composition %</b>								
Automotive	27.1	48.0	47.6	20.5	(0.3)	18.1	44.9	26.8
FES	70.3	49.0	50.0	(20.3)	1.0	79.4	52.6	(26.9)
Others	2.6	3.0	2.3	(0.2)	(0.7)	2.4	2.5	0.1

Source: Company, Nirmal Bang Institutional Equities Research-

### Exhibit 3: Deviation of our estimates from actual performance

(Rsmn)	Actual	Our estimate	Deviation
	3QFY23	3QFY23	(%)
Net sales	216,537	214,578	0.9
EBITDA	28,142	26,822	4.9
EBITDA (%)	13.0	12.5	50bps
Adj PAT	21,569	18,099	19.2

Source: Nirmal Bang Institutional Equities Research

### Exhibit 4: Change in our estimates

Y/E March (Rsmn)	New estimate			Old estimate			Change (%)		
	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E	FY23E	FY24E	FY25E
Volume	1,080,743	1,183,752	1,283,399	1,018,687	1,129,823	1,254,608	6.1	4.8	2.3
Net sales	822,659	932,906	1,042,928	754,104	868,827	993,477	9.1	7.4	5.0
EBITDA	102,832	130,607	151,225	96,525	123,373	144,054	6.5	5.9	5.0
EBITDA margin (%)	12.5	14.0	14.5	12.8	14.2	14.5	(30)bps	(20)bps	0bps
PAT	73,790	94,982	110,816	68,965	89,449	105,330	7.0	6.2	5.2
EPS (Rs)	61.6	79.5	92.7	57.7	74.9	88.1	6.8	6.2	5.2

Source: Company, Nirmal Bang Institutional Equities Research

## Valuation

### Exhibit 5: SOTP valuation

	Basis of valuation	Per share value
Core business	16x Sep24E core EPS	1134
Tech Mahindra	CMP	174
MMFS	CMP	114
Mahindra Lifespace	CMP	21
Mahindra Holidays	CMP	11
MCIE (including stake in CIE, Spain)	CMP	20
Swaraj Engines	CMP	7
Mahindra Logistics	CMP	11
Other Investment Book (incl cash in hand)	Book value	82
<b>Price (INR)</b>		<b>1,575</b>

Source: Nirmal Bang Institutional Equities Research

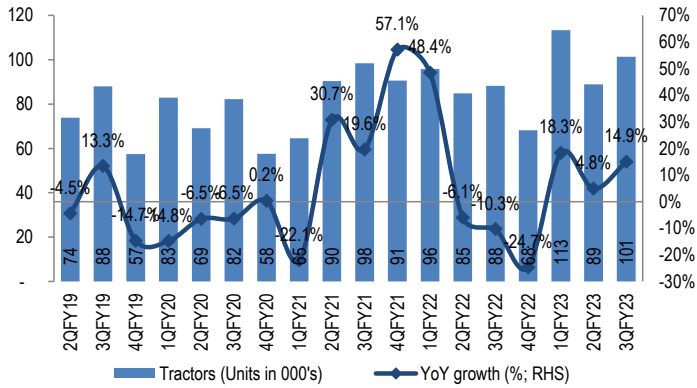
## Key conference call highlights:

- **Market share:** M&M reported highest ever volumes of 11.8k units in electric 3W with current market share at 63.5% as on 3QFY23. In FES, market share stood at 41% (+160bps YoY). SUV continued its growth trajectory by improving its revenue market share by 500bps YoY at 20.6% in 3QFY23. In Harvester category, current market share stands at 10%. In tractors, current market share stands at 40%. The management sees huge potential to increase market share in near-term backed by new product launches and rapid network expansion..
- **Dealers and touch-points:** M&M added 120 new dealers in the FES segment in 3QFY23. On the EV side, the company added 130 touch points in urban areas and 220 touch points in rural areas. The company is continuously investing in network expansion besides ensuring that the dealers don't over-invest in infrastructure.
- **Outlook for FES:** M&M continues to be positive in the Tractor industry, driven by higher water reservoir levels, strong Kharif harvest and increased government spending. The company expects Tractor industry growth of 10%+ by FY23-end. For FES, M&M expects revenue to grow by 10x by FY27-end.
- **Margins:** M&M expects FES segment margins to improve going forward, led by softening RM costs. The company took price hikes of 1.6% in 3QFY23. M&M reiterated its focus to strike a balance between market share and margins. Creating product differentiation would further help in operating leverage benefits in the near term. Bulk of the steel costs decline is already factored in 3QFY23.
- **LCV:** Management indicated that it has seen some weakness taking place in the sub- 2 tonne category in LCV segment. Reason highlighted for the same by the management is that it does not receive last-mile transportation and is more prone to price hikes.
- **EV:** The company has signed a MoU with the Telengana government for expanding its manufacturing plant to manufacture electric 3Ws and 4Ws. It has currently 15k order book in the EV space with 15% of total orders coming from new buyers. A large chunk of new buyers want EVs to be their primary vehicle.
- **Booking pipeline:** The company has received a strong response for its Scorpio-N (~16.5k bookings) with open bookings at 119k units. The XUV700 has also received a strong response, with 77k bookings and monthly bookings of 9.9k units. It has received 15k bookings in 13 days for its electric SUV. improved semiconductor availability has reduced wait time by further ~1-1.5 months and cancellations stood at ~5-8% in 3QFY23.
- **MMFSL:** Disbursements increased by 80% YoY to Rs145bn. GNPA stood at 5.9% for 9MFY23. ROE stood at 16%. Net NPA stood at 2.5% for 3QFY23.
- M&M has unveiled its Gen3 XUV400 Formula Edition race car. The company has signed Lucas di Grassi at the ongoing 9<sup>TH</sup> season of Formula e-championship.



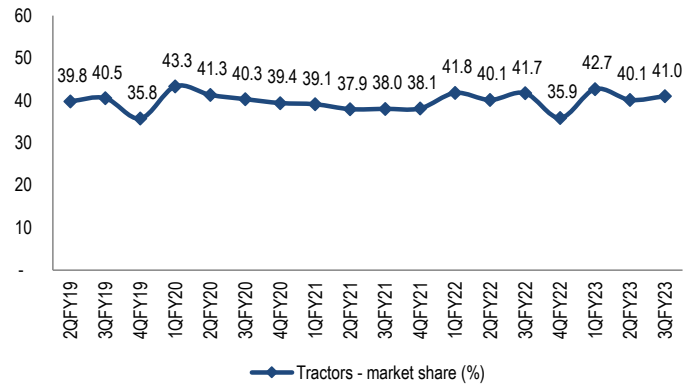
Story in charts

**Exhibit 6: Tractors – Domestic volume trend**



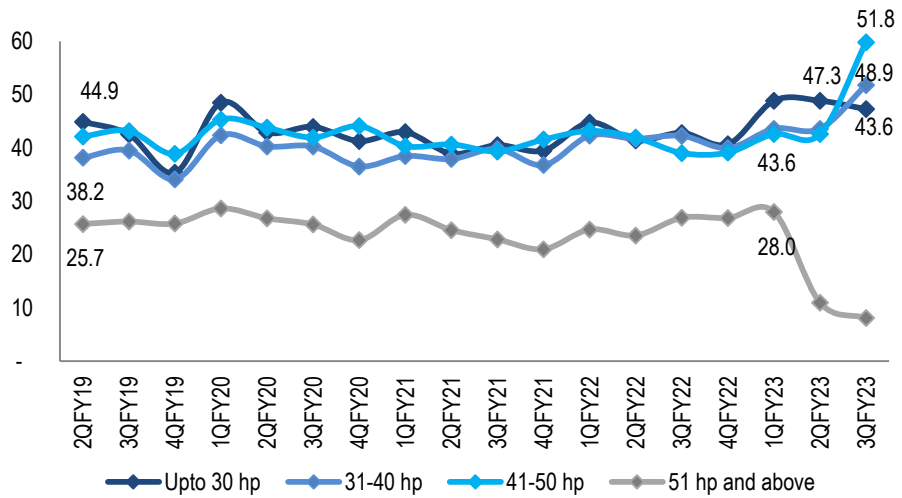
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 7: Tractors – Domestic market share (%)**



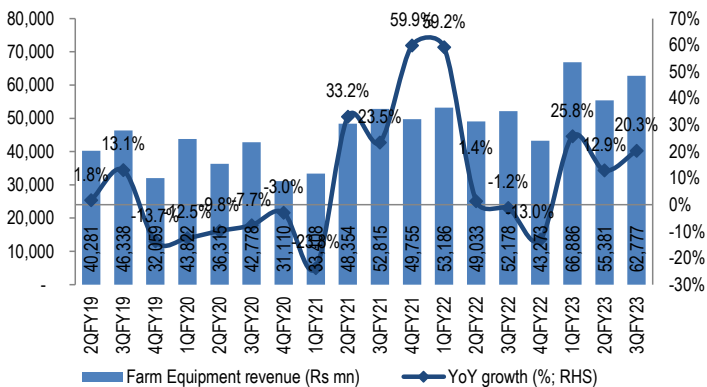
Source: CRISIL, Nirmal Bang Institutional Equities Research

**Exhibit 8: Tractors – Domestic (hp-wise) market share (%)**



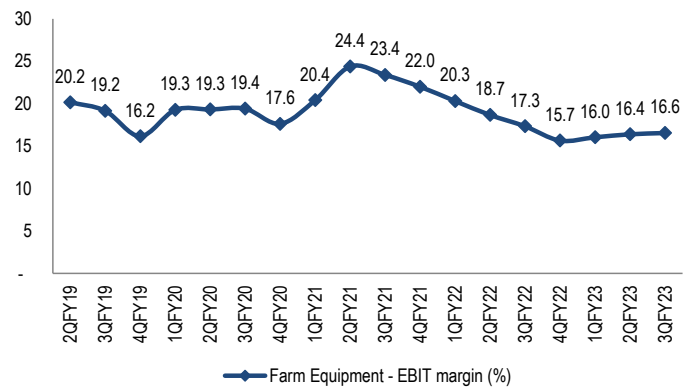
Source: CRISIL, Nirmal Bang Institutional Equities Research

**Exhibit 9: Farm Equipment revenue & YoY growth (%)**



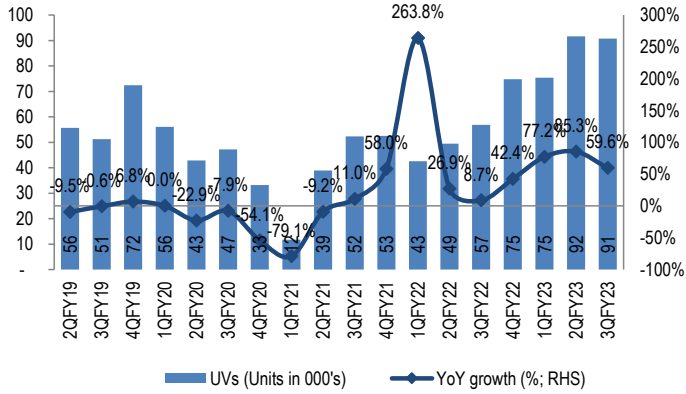
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 10: Farm Equipment – EBIT margin trend**



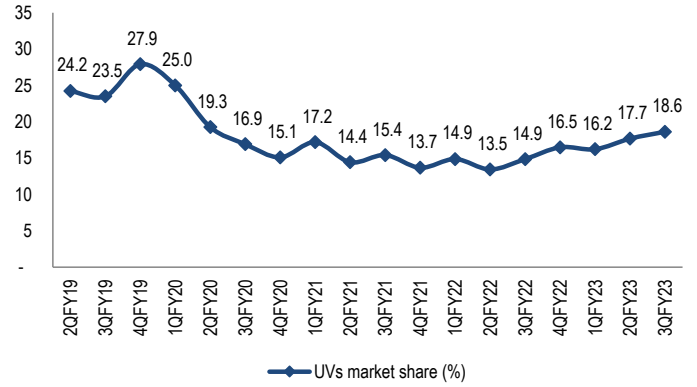
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 11: UVs - Domestic volume & YoY growth (%)**



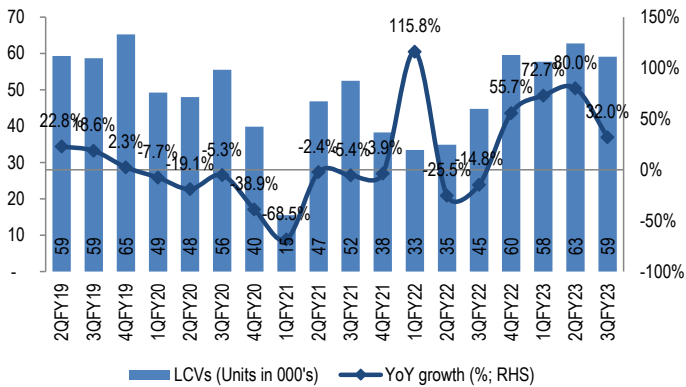
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 12: UVs – Domestic market share (%)**



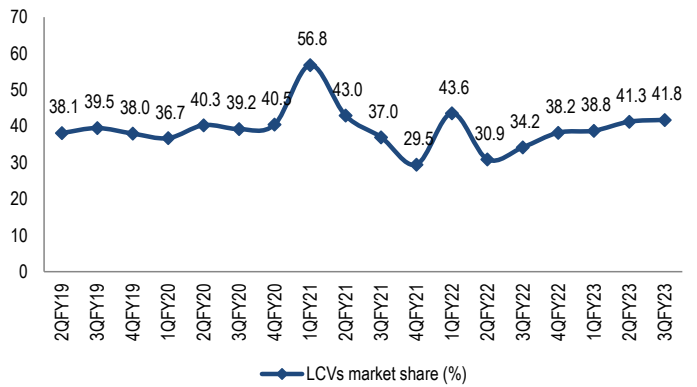
Source: CRISIL, Nirmal Bang Institutional Equities Research

**Exhibit 13: LCVs - Domestic volume & YoY growth (%)**



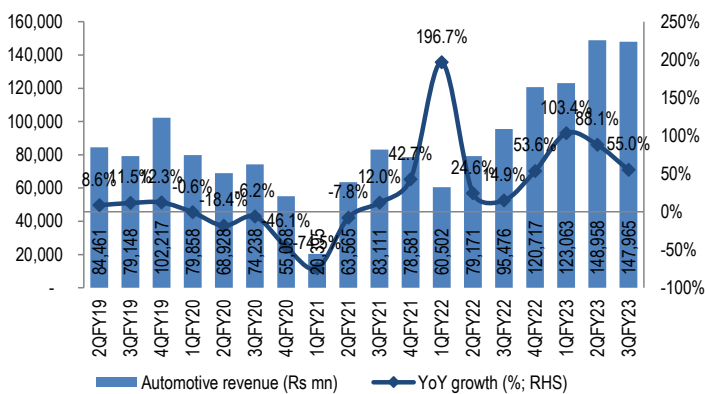
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 14: LCVs – Domestic market share (%)**



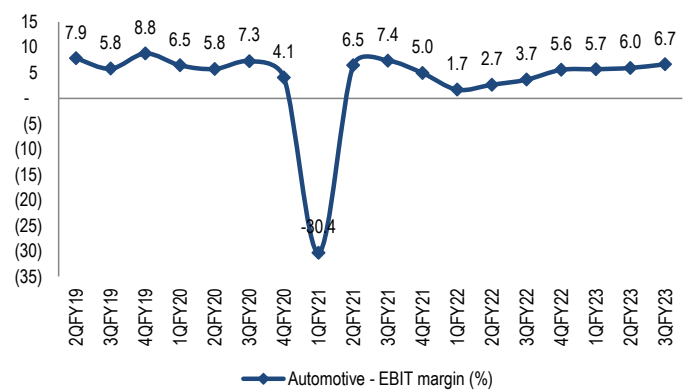
Source: CRISIL, Nirmal Bang Institutional Equities Research

**Exhibit 15: Automotive - revenue & YoY growth (%)**



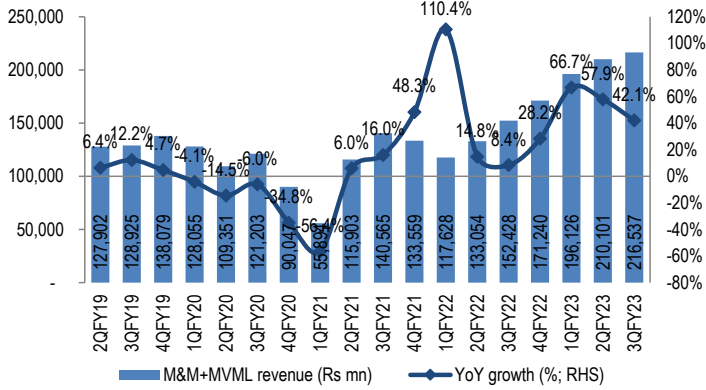
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 16: Automotive – EBIT margin trend**



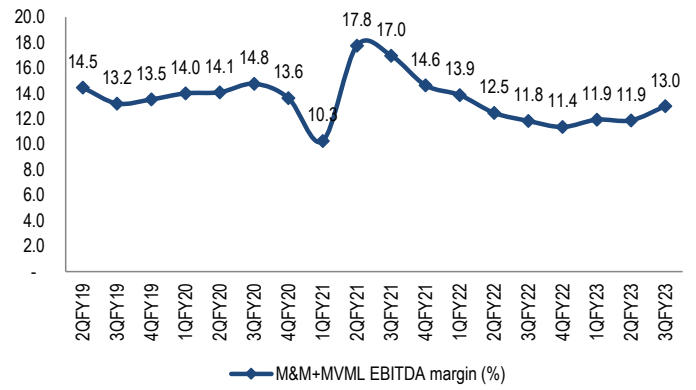
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 17: M&M+MVML - revenue & YoY growth (%)**



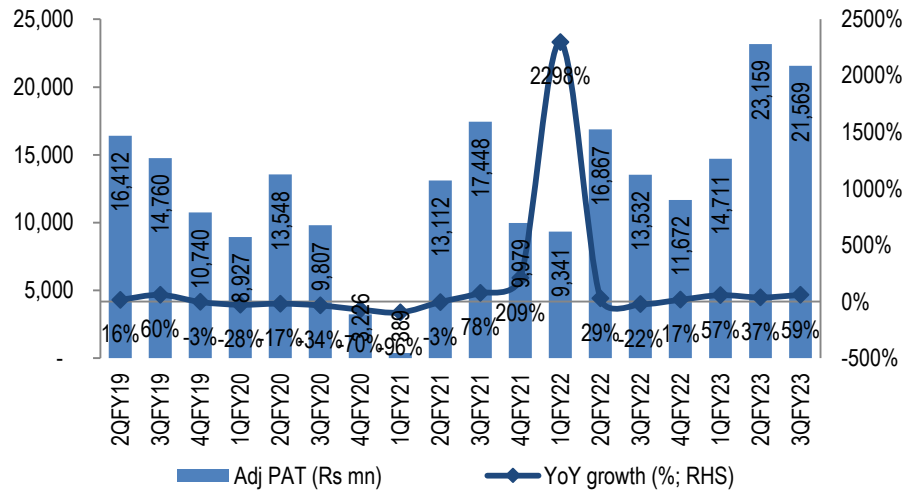
Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 18: M&M+MVML – EBITDA margin trend**



Source: Company, Nirmal Bang Institutional Equities Research

**Exhibit 19: M&M+MVML – Adj. PAT & YoY growth (%)**



Source: Company, Nirmal Bang Institutional Equities Research

## Financials (MM+MVML)

### Exhibit 20: Income statement

Y/E March (Rsmn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Net Sales</b>	<b>446,299</b>	<b>574,460</b>	<b>822,659</b>	<b>932,906</b>	<b>1,042,928</b>
% Growth	(0.5)	28.7	43.2	13.4	11.8
Raw material	301,766	423,416	627,689	699,680	782,196
<b>Gross margin (%)</b>	<b>32.4</b>	<b>26.3</b>	<b>23.7</b>	<b>25.0</b>	<b>25.0</b>
Staff costs	32,520	33,060	36,197	41,981	44,846
Other expenses	42,439	47,562	55,941	60,639	64,662
Total expenses	376,724	504,037	719,827	802,300	891,704
<b>EBITDA</b>	<b>69,575</b>	<b>70,423</b>	<b>102,832</b>	<b>130,607</b>	<b>151,225</b>
% Growth	9.6	1.2	46.0	27.0	15.8
<b>EBITDA margin (%)</b>	<b>15.6</b>	<b>12.3</b>	<b>12.5</b>	<b>14.0</b>	<b>14.5</b>
Other income	11,995	20,759	21,174	22,868	24,698
Interest costs	3,963	2,230	2,271	1,947	1,947
Depreciation	23,699	24,511	25,278	27,368	29,118
Profit before tax (before exceptional items)	53,907	64,441	96,457	124,160	144,857
Exceptional items	(30,873)	(2,087)	-	-	-
Tax	13,193	13,002	22,667	29,178	34,041
Profit after tax	9,842	49,352	73,790	94,982	110,816
<b>Adj. Profit after tax</b>	<b>29,909</b>	<b>50,709</b>	<b>73,790</b>	<b>94,982</b>	<b>110,816</b>
% Growth	(15.8)	69.5	45.5	28.7	16.7
<b>Adj PAT margin (%)</b>	<b>6.7</b>	<b>8.8</b>	<b>9.0</b>	<b>10.2</b>	<b>10.6</b>
EPS (Rs)	25.0	42.4	61.6	79.5	92.7
% Growth	(15.8)	69.5	45.2	29.0	16.7
DPS (Rs)	8.8	11.6	12.5	12.0	13.0
Payout (incl. div. tax) (%)	29.1	26.8	20.2	15.1	14.0

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 22: Balance sheet

Y/E March (Rsmn)	FY21	FY22	FY23E	FY24E	FY25E
Share capital	5,973	5,983	5,983	5,983	5,983
Reserves	347,239	383,627	442,479	523,122	618,402
Net worth	353,212	389,610	448,462	529,105	624,385
Total debt	72,143	64,900	64,900	64,900	64,900
Deferred tax liability	14,497	17,008	17,008	17,008	17,008
<b>Capital employed</b>	<b>439,851</b>	<b>471,517</b>	<b>530,369</b>	<b>611,012</b>	<b>706,293</b>
Net block	120,070	145,486	170,486	195,486	220,486
Capital work-in-progress	61,255	50,182	40,182	30,182	20,182
Investments	222,862	251,098	286,098	321,098	346,098
Inventories	47,827	58,829	84,246	95,536	106,803
Debtors	22,012	30,351	43,465	49,289	55,102
Cash	62,555	36,505	62,540	100,819	163,720
Loans & advances	19,399	28,057	28,057	28,057	28,057
Other current assets	63,130	70,795	77,874	85,661	94,227
Total current assets	214,922	224,537	296,182	359,362	447,910
Creditors	106,438	128,935	184,643	209,387	234,082
Other current liabilities & provisions	72,821	70,850	77,935	85,729	94,302
Total current liabilities	179,258	199,786	262,578	295,116	328,383
Net current assets	35,664	24,751	33,603	64,246	119,527
<b>Application of funds</b>	<b>439,851</b>	<b>471,517</b>	<b>530,369</b>	<b>611,012</b>	<b>706,293</b>

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 21: Cash flow

Y/E March (Rsmn)	FY21	FY22	FY23E	FY24E	FY25E
OP/(loss) before tax	45,876	45,912	77,555	103,239	122,107
Depreciation & amortization	23,699	24,511	25,278	27,368	29,118
Other income	11,995	20,759	21,174	22,868	24,698
(Inc.)/dec. in working capital	32,992	(15,136)	17,182	7,636	7,621
Direct taxes paid	(13,764)	(10,491)	(22,667)	(29,178)	(34,041)
Cash flow from operations before EO	100,797	65,555	118,521	131,933	149,502
Extraordinary (EO) items	(30,873)	(2,087)	-	-	-
<b>Cash flow from operations after EO</b>	<b>69,925</b>	<b>63,468</b>	<b>118,521</b>	<b>131,933</b>	<b>149,502</b>
Capital expenditure (-)	(35,931)	(38,854)	(40,278)	(42,368)	(44,118)
<b>Net cash after capex</b>	<b>33,994</b>	<b>24,614</b>	<b>78,244</b>	<b>89,565</b>	<b>105,384</b>
Other investing activities	(47,533)	(28,236)	(35,000)	(35,000)	(25,000)
Dividends paid (-)	(10,456)	(13,802)	(14,937)	(14,340)	(15,535)
Inc./(dec.) in total borrowings	36,650	(9,473)	(2,271)	(1,947)	(1,947)
Others	7,535	848	0	0	0
<b>Cash from financial activities</b>	<b>33,729</b>	<b>(22,428)</b>	<b>(17,209)</b>	<b>(16,287)</b>	<b>(17,482)</b>
Opening cash balance	42,365	62,555	36,505	62,540	100,819
Closing cash balance	62,555	36,505	62,540	100,819	163,720
Change in cash balance	20,190	(26,050)	26,035	38,278	62,902

Source: Company, Nirmal Bang Institutional Equities Research

### Exhibit 23: Key ratios

Y/E March	FY21	FY22	FY23E	FY24E	FY25E
<b>Per share (Rs)</b>					
EPS	25.0	42.4	61.6	79.5	92.7
EPS Growth (%)	(15.8)	69.5	45.2	29.0	16.7
Cash EPS	44.9	62.9	82.9	102.4	117.1
Book value per share	295.7	325.6	374.8	442.2	521.8
DPS	8.8	11.6	12.5	12.0	13.0
Payout (incl. div. tax) %	29.1	26.8	20.2	15.1	14.0
<b>Valuation (x)</b>					
P/E	50.5	29.8	20.5	15.9	13.6
Cash P/E	28.2	20.1	15.3	12.4	10.8
EV/Sales	2.9	2.2	1.5	1.2	1.0
EV/EBITDA	18.7	18.3	12.0	8.9	7.1
P/BV	4.3	3.9	3.4	2.9	2.4
Dividend yield (%)	0.7	0.9	1.0	0.9	1.0
<b>Return ratios (%)</b>					
RoCE	13.2	14.1	18.6	20.6	20.8
RoE	8.5	13.0	16.5	18.0	17.7
<b>Profitability ratios (%)</b>					
EBITDA margin	15.6	12.3	12.5	14.0	14.5
PAT margin	2.2	8.6	9.0	10.2	10.6
<b>Turnover ratios</b>					
Debtors (days)	18	19	19	19	19
Inventory (days)	39	37	37	37	37
Creditors (days)	87	82	82	82	82
Working capital (days)	(30)	(25)	(25)	(25)	(25)
Asset turnover (x)	1.0	1.2	1.6	1.5	1.5
<b>Leverage Ratio</b>					
Debt/equity (x)	0.2	0.2	0.1	0.1	0.1

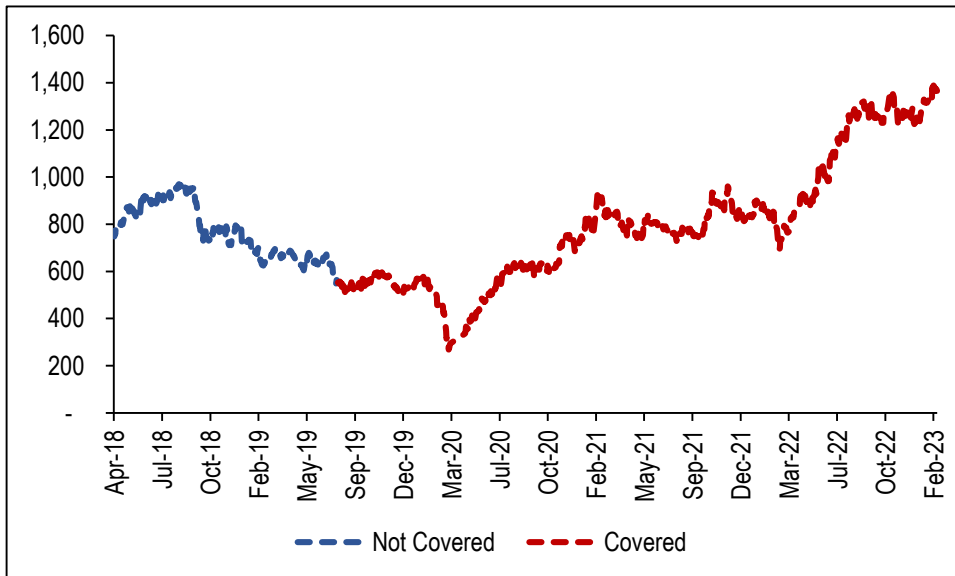
Source: Company, Nirmal Bang Institutional Equities Research



## Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
29 July 2019	Buy	565	800
08 August 2019	Buy	517	782
23 September 2019	Buy	565	711
11 November 2019	Buy	582	686
12 February 2020	Buy	524	663
30 March 2020	Buy	295	438
15 June 2020	Acc	510	518
10 August 2020	Buy	603	695
22 September 2020	Buy	618	830
11 November 2020	Buy	622	810
6 January 2021	Buy	739	929
7 February 2021	Buy	863	1,033
30 May 2021	Buy	845	972
7 August 2021	Buy	758	972
26 September 2021	Buy	779	972
10 November 2021	Buy	893	1,042
11 February 2022	Buy	853	1,025
31 May 2022	Buy	1,032	1,184
7 August 2022	Buy	1,237	1,444
13 November 2022	Buy	1,289	1,493
13 February 2023	Buy	1,363	1,575

## Rating track graph



## DISCLOSURES

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BUY > 15%

ACCUMULATE -5% to 15%

SELL < -5%

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