

Equity Research Report

Mahindra & Mahindra Ltd

Performs Well, Still Market Leader Of SUV

About The Company

Mahindra & Mahindra Ltd (hereinafter referred as “M&M” Or “The Company”) is the Flagship Company of Mahindra Group, Which is diversified into many businesses across the globe. Mahindra & Mahindra Ltd was incorporated in October 1945 with the name Mahindra & Mohammed Ltd, On 1948 it got renamed as Mahindra & Mahinda.

The Company have 67 Manufacturing units and 21 R&D facility’s around the world. As the company being 4th largest Passenger Vehicle Company, No.1 SUV maker (by revenue) it also have a vision on EV. Company has announced to make investments of INR 10 thousand crore over a horizon of 7-8 years for setting up the manufacturing facility, development, and production of vehicles.

As a leader of Farm Equipment Sector company has increased its shareholding in Swaraj Engines Limited (SEL) and now it’s a subsidiary of the Company.

Brief Overview

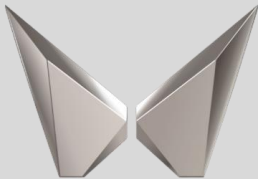
The company has reported a healthy quarter with a strong pipeline. Rising market share, volume growth due to high demand, and new launches are expected to support the company’s performance in the long term.

Though MM’s Farm & Agriculture sector business remains slow amid uneven monsoons in key markets, the automotive segment maintains strong growth momentum and will continue to benefit from management’s focus on driving volumes and market share.

Stock Is currently trading at P/E of 27.9x. With increase in EPS to 83.9 and P/E to 14.3(Consensus Basia).The price of stock is expected to reach XXX.

Key Highlights

- Topline growth is 34% YoY basis was achieved for YF23 and growth of 2.51% om QoQ basis.
- Gross Margin has dropped 5% YoY basis
- Despite Farm profits are down which is 7%, because of the lower volumes and the operating leverage. Auto profit is greater than 1,000 crore for the quarter, up 2x, and then on a good track.
- Company has given the guidance upon the CAPEX on EV and ICE segment of 15,900 Cr over FY22-FY24.

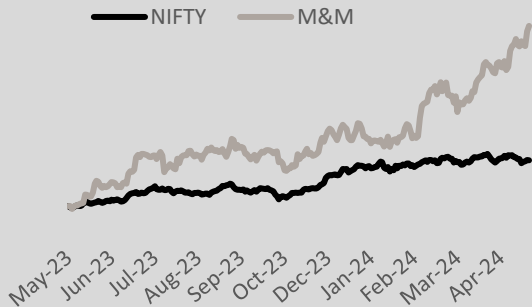


Recommendation	: XXX
CMP	: INR 2302.3
Target Price	: XXX

Stock Date (as on May 10, 2024)

Nifty	: 22200.55
52 Week H/L (INR)	: 2317.15 /1237.45
Market Cap (INR Crs)	: 2,86,298 Cr.
Outstanding Shares (Crs)	: 124.35
Dividend Yield (%)	: 0.71%
NSE Code	: M&M

Relative Stock Performance – 1Y



Absolute Return

1 Year	: 87.87%
3 Year	: 219.86%
5 Year	: 291.86%

Shareholding Pattern (as on Mar 2024)

Promoter	: 18.6%
FII	: 41.8%
DII	: 26.6%
Public	: 9.7%
Others	: 3.8%

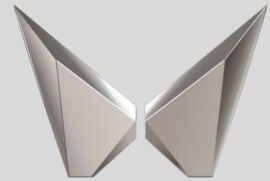
Financial Summary

In INR CR	FY23	FY 24E	FY25E
Net Revenue	121268.6	97848.3	109337
YoY Growth %	34%	-19%	12%
EBITDA	20285.3	13091	15272
EBITDA Margin%	6.0	7.5	7.2
PAT	11374.5	10659.2	11250
YoY Growth %	0.6	-6%	6%
ROE	20%	18.5	18.2
Earning Per Share (in INR)	91.5	83.9	90
EV/EBITDA	11.1	11.1	106

Prepared By – Shubham Garia

Guided by – CA Parth Varma (The Valuation School)

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Global Economy

The Global economy is recovering slowly from various factors like pandemic, Russia-Ukraine war, Disruption in Food & Energy market etc. Most of the country recover from COVID-19 crises but they are still effected by Inflation, cost of living crises, Increase in Food and Energy prices etc. Trade and Supply chain is also disturbed because of Russia-Ukraine war which effects prices of crude and fuel. While the Central Banks across the world are managing to control Inflation rates but recent Israel-Gaza conflict can impact negative on it.

Due to above issues, Developed countries Like USA, Germany, France are slowing growing at the rate of 2.2% as compared to 5.0% in CY21, While the Emerging and Developing countries has post growth of 4.4% as compared to 7.1% in CY 21. According the latest projections, global growth will slow from 3.5 percent in 2022 to 3 percent this year.

Source – IMF World Economic Outlook

Indian Economy

According to National Statistical Office (NSO) India's real GDP growth for FY23 is placed at 7.0% as against 9.1% in FY 2021-22.

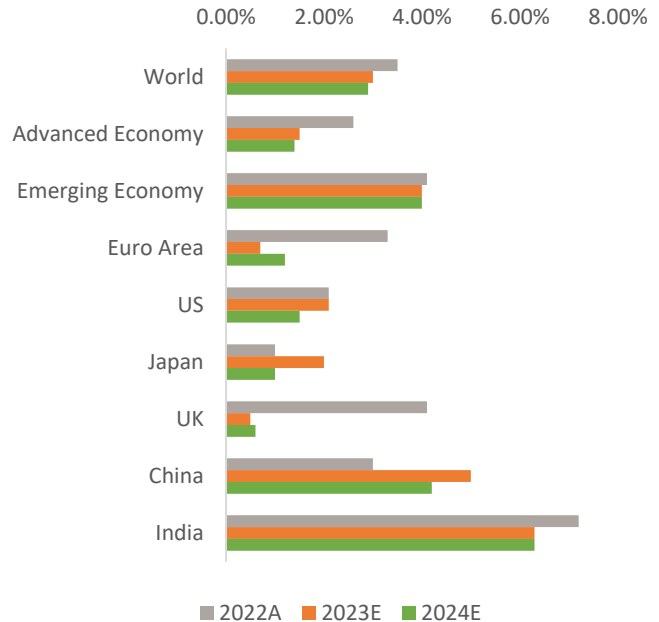
Rising consumer incomes and purchasing power have potential to sustain the rapid growth in household consumption, boosting the demand for goods and services across industries

Despite of global economic challenges, post COVID impact, Russia-Ukraine war, Disruption in supply chain, Inflation etc Indian economy was growing because of Governments Initiatives such as Increase Infrastructure, Gov push toward EV, Make In India policy, Rapid Digitalization.

GOI in the Union Budget 2023-24 increased total capex outlay by 33.0% to ₹ 10 lakh Crore. 100 critical transport infrastructure projects, for last and first mile connectivity for ports, coal, steel, fertilizer, and food grains sectors have been identified. Budgetary allocation for MoRTH saw a 25.0% increase totaling to ₹ 2.6 lakh Crore. The TIV for e-Buses & e-LCVs is expected to grow at CAGR of 37% and 73% respectively till 2032. The external demand drag could accentuate, given slowing global trade and output. Taking all these factors into consideration, RBI has forecasted India's real GDP growth for FY24 at 6.5%

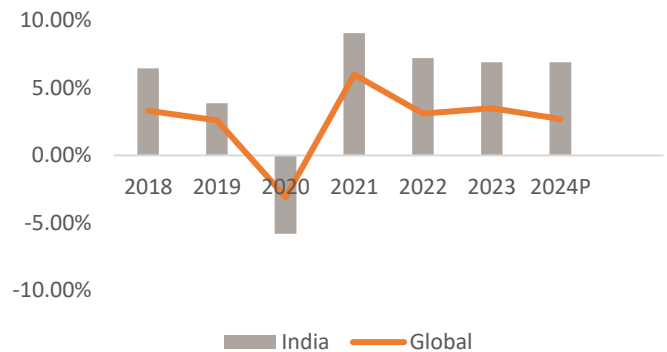
Source – IMF World Economic Outlook, MD&A

Global GDP Projections %



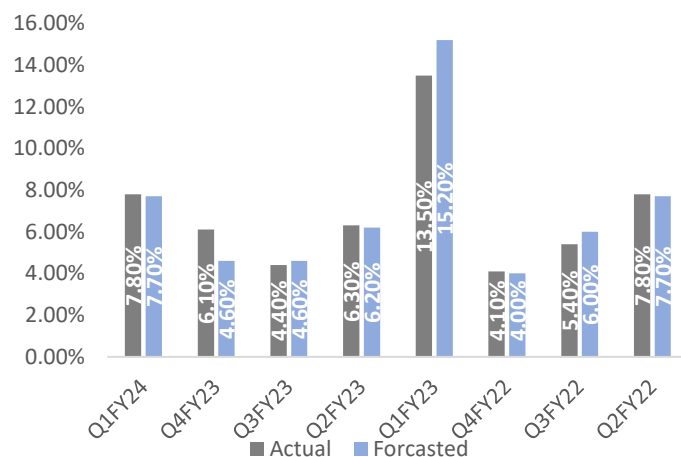
Source – IMF World Economic Outlook

India Vs Global GDP Growth %



Source – IMF, World bank

Indian GDP Quarterly Growth - Actual Vs Projected



Source – Investing.com

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Global Automotive Industry

Last year, we saw the auto sector grapple with challenges like declining EV sales, Shortage of semiconductor, supply chain disruptions, and rising material costs. Despite of challenges Global sale for Passenger cars and Commercial Cars increased to 81.6 million in Calander year 2022 a de-growth of 1% over Calander year 2021 which was 82.7 million. We can see growth of 1.9% in Passenger cars and De-growth of 8.3% in Commercial cars sales globally. The automotive outlook study has sized the global passenger vehicles and commercial vehicles combined sales were 92 million units in 2023 and is projected to reach 95 million units in 2024, witnessing a YoY growth of 3.1% from 2023 to 2024.The industry is predicted to continue growing at CAGR of 3.71% between 2020 to 2030.

In terms of revenue, it is among the biggest sectors in the world. Automakers are developing a variety of vehicles, including electric cars, SUVs, trucks, and vans. Electric car sales in 2023 were 3.5 million higher than in 2022, a 35% year-on-year increase. While sales of electric cars are increasing globally, they remain significantly concentrated in just a few major markets. In 2023, just under 60% of new electric car registrations were in China,25% in Europe and 10% in US

Source – MD&A, Spherical insights.

Indian Automotive Industry

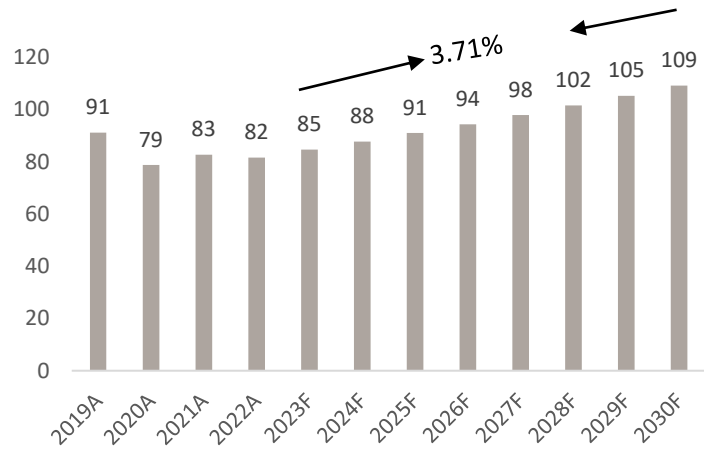
The long-term growth outlook for the Indian auto industry is positive, driven by robust economic growth outlook, focussed Government policies with vision for 2047, Government focus on road and infrastructure development, increasing income levels, current low levels of vehicle penetration, rapid urbanisation and a large, young and aspiring population.

The Indian passenger car market was valued at US\$ 32.70 billion in 2021, and it is expected to reach a value of US\$ 54.84 billion by 2027 while registering a CAGR of over 9% between 2022-27. The global EV market was estimated at approximately US\$ 250 billion in 2021 and by 2028, it is projected to grow by 5 times to US\$ 1,318 billion.

According to NITI Aayog and the Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach US\$ 50 billion (Rs. 3.7 lakh crore) by 2030. A report by the India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, the projection for the EV battery market is expected to expand at a CAGR of 30% during the same period.

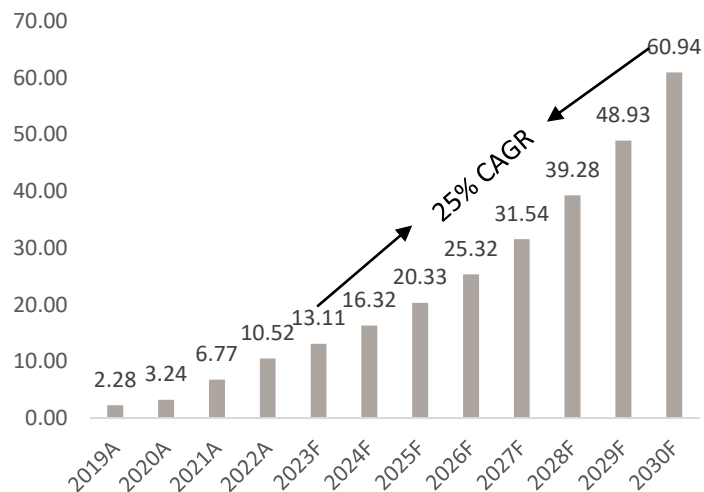
Source – MD&A, IBEF

Global Automotive Sale Forecast (Units in Mn)



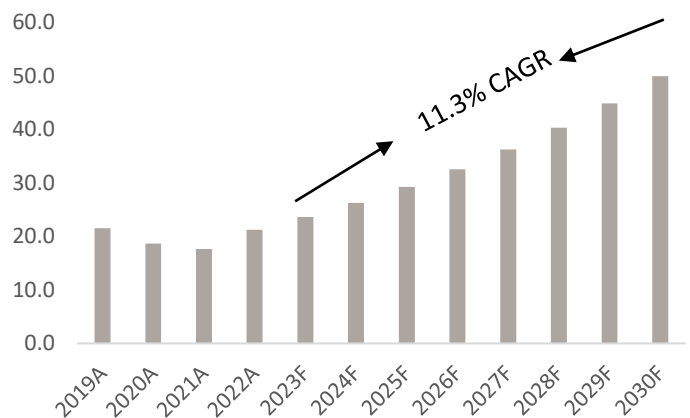
Source – Multiple Reports

Global EV Sales Forecast (Units in Mn)



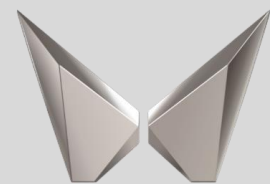
Source – Tridens Technology

Indian Automotive Sale Forecast (Unit in Mn)



Source – IBEF,SIAM

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Indian Auto Industry

The automotive industry in India is one of the main pillars of the economy. With strong backward and forward linkages, it is a key driver of growth. Liberalization and conscious policy interventions over the past few years created a vibrant, competitive market, and brought several new players, resulting in capacity expansion of the automobile industry and generation of huge employment. The contribution of this sector to the National GDP has risen to about 7.1% now from 2.77% in 1992-93. It provides direct and indirect employment to over 19 million people.

In the automobile market in India, Two-wheelers and passenger cars accounted for 77% and 18% market share respectively during the year 2021-22. Passenger car sales are dominated by small and mid-sized cars. Export of the total number of automobiles increased from 4,134,047 in 2020-21 to 5,617,246 in 2021-22, registering a growth of 35.9%. India exported close to 5.6 million vehicles in FY22, up 36% YoY compared with FY21. The strong export growth is attributed to the lower base in FY21 and manufacturers tapping the export market to enjoy the benefits of a strong dollar. In value terms, vehicle and component exports stood at US\$ 23 billion as of FY22, representing 5% of the total merchandise exports. For April-July FY23, the total automobile exports stood at US\$ 8.9 billion, up 25% YoY compared with US\$ 7.2 billion as of April-July FY22. Strong demand for vehicles owing to the recovery of the economy and alleviation of supply chain-related issues helped increase exports.

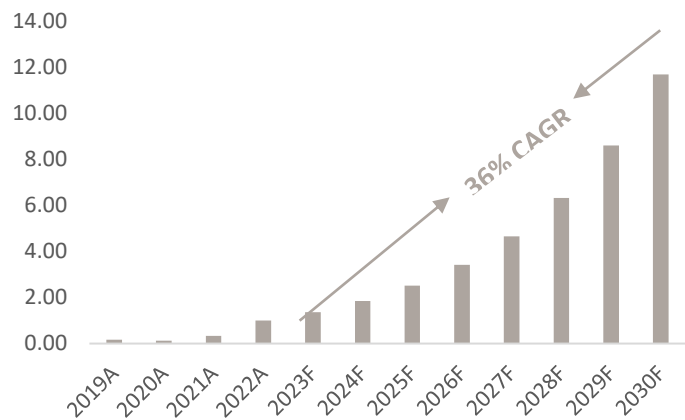
Source – IBEF

Indian Automotive Export by Segment

India is a major exporter of vehicles and auto components. Among vehicles, the major export segment includes passenger cars, commercial vehicles, two-wheelers, three-wheelers and quadricycles. According to the industry body Society of Indian Automobile Manufacturers (SIAM), all automobile segments reported growth in exports in FY22. Commercial vehicle exports grew the strongest by 83% YoY at 92,297 units, followed by passenger vehicles (+43% YoY), two-wheelers (+35% YoY), three-wheelers (+27% YoY) and quadricycles (+23% YoY). Two-wheelers accounted for the largest export share at 80% with 4.43 million units, followed by passenger cars with a 10% share with 0.5 million units as of FY22.

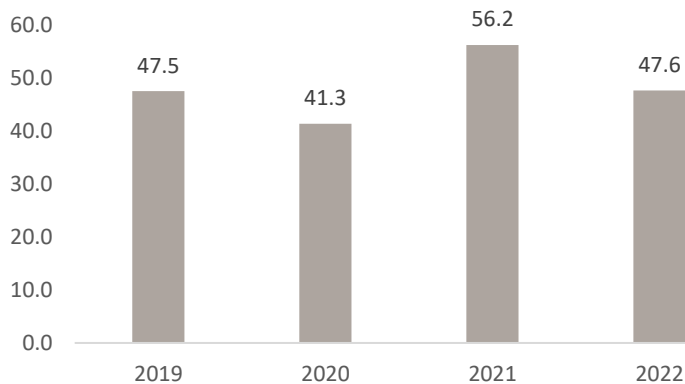
Source – IBEF, SIAM

Indian EV Sales Forecast (Units in Mn)



Source – Statiq

Indian Automotive Export (Units in Lac)

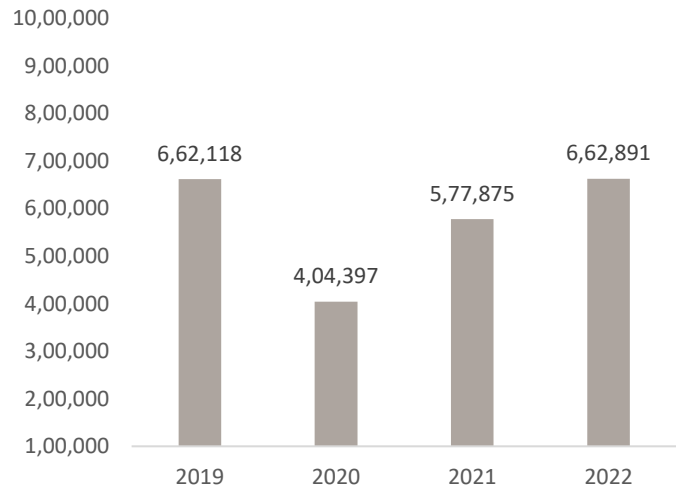


Source – IBEF, SIAM

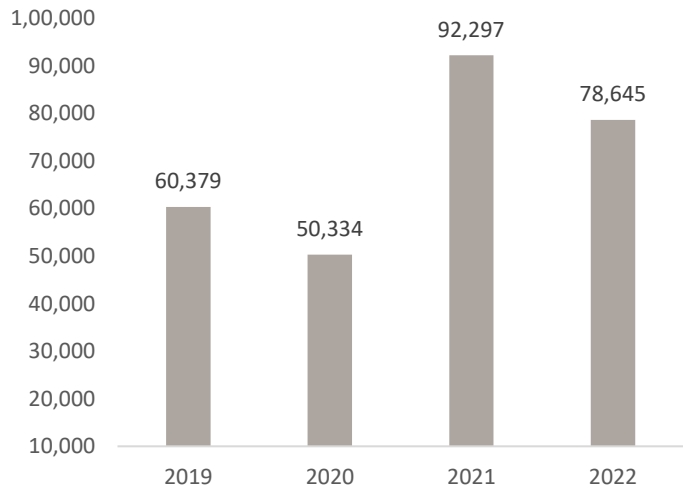
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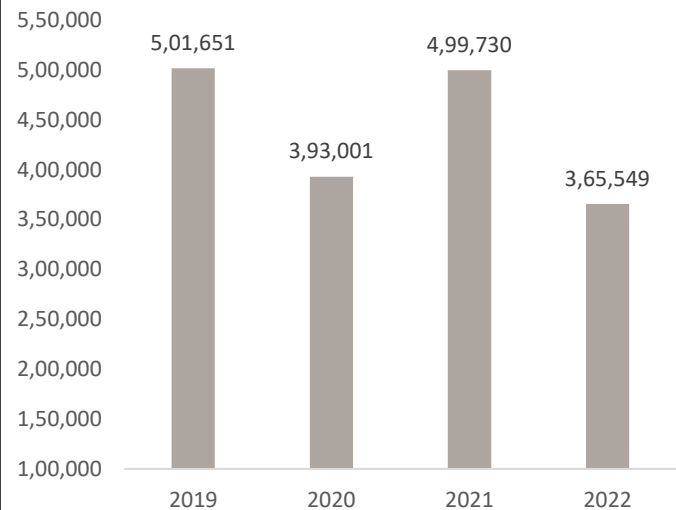
Passenger Vehicles Export



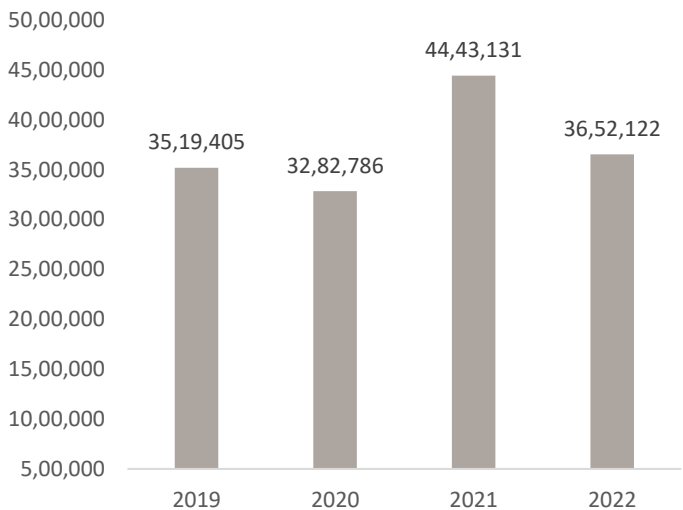
Commercial Vehicles Export



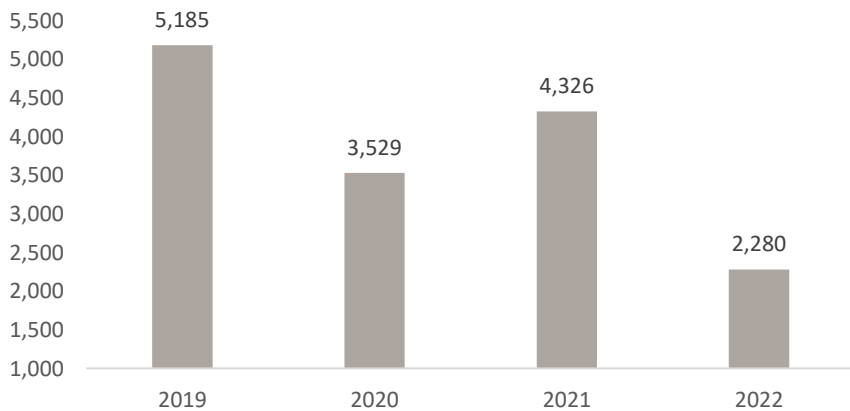
Three Wheelers Export



Two Wheelers Export



Quadricycles Export



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Quarterly Result Analysis – Q3FY24 & Q4FY24

Financial Result:

- Profit After Tax for Q3 2024 and Q4 2024 was INR 2,977 crores and INR 3,125 crores with Net Margin growth for Q3 2024 8.43% and Q4 2024 8.81%.
- **Auto sector** being a key driver for growth, SUV gained market share from 21% to 36% (No1 SUV Player). LCV remain constant with 49%. Which results in autos profits alone of INR 4,700 crores. Despite facing strong challenges in **Farm sector** company manage to earn profit of 2% in Q4 2024 from a negative of 5% in Q3 2024.
- **Mahindra Finance** performs very well with Asset Under Management grew 24%, Gross Stage 3 came down from 4% to 3.4% QonQ basis. Credit costs are on track in terms of what management has committed with strong Distribution Growth and increase in NIM's.
- **Tech Mahindra** has faced challenges this year due to number of factor, but it manage to gain profit from INR 524 crores to INR 664 crore QonQ basis.

Capex and Free Cash Flow:

- Company is increasing it Auto Capex from 49,000 crore to 64,000 crore and then to 72,000 crore per month till FY25.
- **CAPEX breakdown:**
ICE is very important factor, so ICE is going to get INR 14,000 crore, 15,000 crore for Auto segment for launching 23 new product and 5,000 crore for farm sector.
The next 64,000 to 72,000, additional 8,000 for Born Electric cars.

Market Trend:

- Rural economy is not having the best of time, that's concerning for Farm sector.

Strategic Focus:

- Company has launched a new tractor called OJA which is great product for multiple market like US and Southeast Asia. Exports are positions for the business and for the future growth and strong cash generation.
- Company wants to bring auto booking number down because it's not the nature of the business to run that way.
- For Tech Mahindra management is less focusing on profit number but more focused on value creation and new CEO is also coming in which can be a turnover for TechM.
- Waiting period for new launch XUV 700 is 12 to 15 month, so company is planning to bring new models for XUV700 so they can be divided and waiting period will decrease.

Productivity & Achievement :

- The auto booking number at this point of time stands at 220,000 . Company is is expecting booking to be in the range on 32,000 to 40,000 per month.
- Auto and farm business overall have achieved
- Energy productivity 100, auto is at 120, farm is slightly below 100, collectively they're over 100.This was the target company planned till 2023.They achieved the target 6 year prior.

Future Outlook:

- Farm machinery business is aiming for profitability in the next 2-3 years by scaling up and improving pricing.
- Company is very focused on ICE and EV growth.

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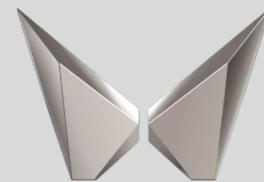


Management Analysis

Leadership

Below are the Details and Experience of Management

S.no	Name	Designation	Qualification And Experience
1	Mr. Anand G. Mahindra	Chairman	<p>Mr. Anand G Maindra is the Promoter and Chairman of the company. Mr. Mahindra was first appointed as a Director on the Board of the Company on 23rd November, 1989,He then took over as Deputy Managing Director of the Company in 1991..He has served on several influential bodies, national and international. These include the Reserve Bank of India Board,UN Global Compact Board, Global Board of Advisors of the Council on Foreign Relations, World Bank Group’s Advisory Board for Doing Business and the International Advisory Council of Singapore’s Economic Development Board. He has been the President of The Confederation of Indian Industry and served on the boards of the National Stock Exchange of India and the National Council of Applied Economic Research. He is currently on the board of Invest India, the National Investment Promotion and Facilitation Agency.</p> <p>. Mr. Anand G. Mahindra is also a Part-time Non-official Director of Central Board of Reserve Bank of India.</p>
2	Dr. Anish Shah	MD & CEO, Mahindra Group	<p>Dr. Anish Shah is the Managing Director and CEO of the Mahindra Group. He joined Mahindra Group in 2014, as Group President (Strategy)</p> <p>Anish was President and CEO of GE Capital India from 2009-14,during which he held several leadership positions at GE Capital’s US and global units</p> <p>Anish also led Strategy, eCommerce and Sales Force Effectiveness and had the unique experience of running a dot-com business within GE</p> <p>He led Bank of America's US Debit Products business</p> <p>As a strategy consultant at Bain & Company in Boston, he worked across multiple industries, including banking, oil rigs, paper, paint, steam boilers and medical equipment. His first role was with Citibank in Mumbai, where he issued bank guarantees and letters of credit as Assistant Manager, Trade Services</p>
3	Mr. Rajesh Jejurikar	ED & CEO, Auto & Farm Sectors	<p>Rajesh Jejurikar is Executive Director and CEO (Auto and Farm Sector) at Mahindra & Mahindra Ltd., since 2020. He is a Director on the Board of Mahindra & Mahindra Ltd. and serves on the boards of other Mahindra Group companies in India as well as overseas.</p> <p>He has diverse experience across Packaged Goods, Advertising, Media, Automotive and Farm Equipment.</p> <p>He has represented the Tractor Manufacturers Association (TMA) in India as its President on the National Council of the Confederation of Indian Industry (CII) in 2016, 2017. He was also a Member of the CII National Council on Agriculture.</p> <p>After having worked with Voltas (1986–90), FCB Ulka (1990–91) and Marico Ltd. (1991-2000), Jejurikar joined the Automotive Sector at Mahindra & Mahindra Ltd., as Vice President (Marketing) and was part of the team that launched the Scorpio.</p> <p>After ten months as president of Zee Entertainment Enterprises Ltd he re-joined Mahindra & Mahindra Ltd. as Chief Executive (Tractor & Farm Mechanization) in 2013. In April 2014, he was given additional responsibility of the Mahindra Two Wheeler Business</p>



Management Analysis

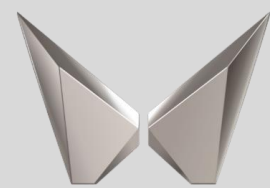
4	Mr. Mohit Joshi	MD & CEO, Tech Mahindra	<p>Mohit Joshi is Chief Executive Officer and Managing Director of Tech Mahindra. Mohit is also a member of the Group Executive Board at Mahindra Group. With over two decades of experience in enterprise technology software and consulting, he has collaborated with some of the largest corporations in the world steering digital transformation and building thriving businesses. He joined the company in 2023 to lead the company in the next phase of its growth.</p> <p>He is the Non-Executive Director at Aviva Plc. He also serves as the Board Member of the Tech Mahindra Foundation – the CSR arm of Tech Mahindra. Prior to joining Tech Mahindra, he was President at Infosys and has served as the CEO of the Mexico business at the company. He was also the chairperson of EdgeVerve, the subsidiary offering enterprise products and platforms. He started his career in banking with ABN AMRO and ANZ.</p>
5	Ms. Abanti Sankaranarayanan	EVP, Group Public Affairs	<p>Abanti Sankaranarayanan, leads Group Public Affairs (India & international), Group Sustainability and Group Risk & Economist functions at Mahindra and Mahindra Ltd. She is also a member of the Group Executive Board.</p> <p>Prior to joining Mahindra, she was Head of the Strategy and Corporate Affairs function at Diageo India and a member of its Executive Committee.</p> <p>Prior to Diageo, Abanti served as a member of the Tata Administrative Service (TAS) cadre since 1992, in an illustrious career where she held key roles managing some of the best-known consumer brands of the Tata Group in India, United Kingdom and the United States. In her 17-year career with the Tata group, Abanti worked across various companies such as Tata Global Beverages, London, the Taj Group of Hotels- Mumbai & New York, Tata Housing & Tata Finance in Mumbai.</p>
6	Mr. Amarjyoti Barua	EVP, Group Strategy	<p>Prior to joining Mahindra, Amar was the Finance Leader for Oilfield Services & Equipment (OFSE) segment of Baker Hughes. Chief Financial Officer for General Electric Co.</p>
7	Mr. Amit Kumar Sinha	MD & CEO, Mahindra Lifespaces	<p>Amit was a Senior Partner and Director with Bain & Company. Over 18 years at Bain across US and India, he managed large-scale strategy, organization, and performance improvement projects covering numerous industries including infrastructure, real-estate, construction, energy, and technology. Amit started his career with Tata Motors and worked with IGate Patni (now Capgemini) in technology leadership roles in India, Singapore, and US.</p>
8	Ms. Asha Kharga	EVP, Group Customer & Brand	<p>Asha serves on the Boards of several Mahindra Companies including Mahindra Lifespaces, which is a listed company on the Stock Exchange. Rich experience that spans FMCG, financial services and advertising.</p> <p>She joined the Mahindra Group from Axis Bank where she was the Executive Vice-President and Group Chief Marketing Officer for the Bank and its subsidiaries.</p> <p>Before Axis Bank, she was with Unilever for almost a decade in a variety of brand and marketing roles.</p> <p>Asha spent the first decade of her career with leading advertising agencies that include Leo Burnett, J Walter Thompson and TBWA, and has worked on brands like Lux, Close-Up, Tide, Mattel Toys, Nivea, Samsonite, Sony Entertainment Television, Frooti, and Swissair amongst a host of others. Externally</p>

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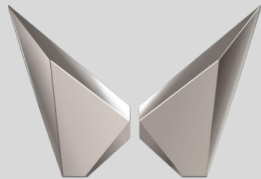
Management Analysis

9	Mr. Hemant Sikka	President, Farm Sector	<p>Mr Hemant has strong presence in agribusiness, aerospace, commercial vehicles, components, defense, logistics, real estate, renewable energy, speedboats and steel, amongst other businesses</p> <p>Prior to this Hemant was President-Chief Purchase Officer and managed a spend of Rs.35,000Cr for the Auto & Farm Sectors and led the business of Genset & Spares. He was earlier Head Purchase - SsangYong Motors, South Korea, a group subsidiary of Mahindra</p> <p>Previously spent 9 years with automobile company, Maruti Suzuki.</p>
10	Mr. Kavinder Singh	MD & CEO, Mahindra Holidays	<p>Kavinder Singh is the Managing Director (MD) and Chief Executive Officer (CEO) of Mahindra Holidays & Resorts India Limited (MHRIL). He is a Member of the Group Executive Board (GEB) of Mahindra Group, President (Leisure & Hospitality Sector) and ViceChairman of Holiday Club Resorts Oy (Finland).</p> <p>With more than 33 years of extensive consumer experience in the FMCG and hospitality, Kavinder has worked at Asian Paints, ITC Ltd and Pidilite Industries. In his 17-year career at ITC, he was heading the Biscuits and Confectionery business and played a crucial role in setting up and building the 'Sunfeast' biscuits business. At Pidilite, he initiated the 'Strategic Initiatives Group' and led the transformational Corporate Strategic Initiatives.</p>
11	Mr. Manoj Bhat	Group Chief Financial Officer	<p>Manoj leads the Mahindra Group's finance vertical. In his prior role, Manoj was the Chief Financial Officer at Tech Mahindra, responsible for the Finance and Secretarial functions across 160 subsidiaries and over 90 countries. In his 15 years at Tech Mahindra, he has had responsibilities for various functions like Finance, Corporate Planning & Development, M&A and Strategy. Manoj started his career with HCL Perot Systems and worked in various finance leadership roles across multiple geographies.</p>
12	Mr. Mohit Kapoor	EVP, Group Technology	<p>Mohit is a part of the Group Executive Board and Director on the board of Mahindra Intertrade Limited & Bristlecone Limited. Mohit also chairs the AI & digital tech committee at FICCI.</p> <p>Mohit joined the Mahindra Group in October 2020 from DBS Bank where he was the head of technology optimization and head of Asia Hub at Hyderabad. He led the development of digital banking capabilities focusing on technology innovation across Data/AI, Cloud, DevOps amongst other deep engineering areas.</p> <p>Mohit brings with him over 30 years of experience in Global Technology & Operations with the last 17 years in Banking and financial services industry. Prior to joining DBS, he was the Chief Technology Officer for Bank of Americas global business services across the world and the CIO for Mphasis before that.</p>
13	Mr. Naveen Raju	EVP, Group Legal	<p>He has over two decades of experience in working with leading Indian private sector companies including ACC, Crompton Greaves and Reliance Industries Limited.</p>
14	Mr. Puneet Renjhen	EVP, Group Partnerships & Alliances	<p>Puneet Renjhen is the Executive Vice President of Partnerships & Alliances and a member of Group Executive Board. In his role, Puneet serves as a Board of Director for Mahindra Susten,</p> <p>Puneet spent 20 years in investment banking, primarily with Avendus Capital, Citi and Standard Chartered and worked in their London, Singapore and Mumbai offices.</p> <p>Some of the key transactions executed by Puneet include BII Investment in Mahindra SUV Electric Business, Tata Motors acquisition of Jaguar Land Rover, Sale of Mphasis, sale of select Mahindra Susten assets to CLP India, fund raising by Mahindra group, Tata group, Infosys, Bharat Forge etc</p>

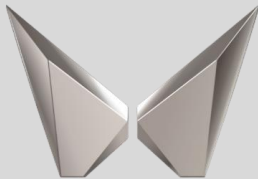


Management Analysis

15	Mr. R. Velusamy	President, Automotive Technology & Product Development	<p>Velusamy R, designated as Chief Of Global Product Development heads the product development for Auto Sector at Mahindra & Mahindra Ltd.</p> <p>Velu has over 25 years of experience in Vehicle and Powertrain development. He started his career in M&M in the year 1996 in Powertrain development. He is credited as the Brain behind the Mahindra state of Art M-Hawk Engines. He went on to hold various senior level positions at M&M Powertrain division, becoming the head of Vehicle Product development for Automotive Division in the year 2018.</p> <p>Under his leadership in Product Development M&M Has launched various flagship products like Marazzo, XUV300, All New Thar & the recent Blockbuster product, XUV700 which set various Industry Benchmark & marked a new beginning for Mahindra and SUV Segment in India.</p> <p>He also heads the Component Development & Material Management Division (CDMM) for Auto Sector. He is the Chairperson & Board of Director for Mahindra North America Technical Centre (MNATC) & Director on the Board of Automobili Pininfarina GMBH.</p> <p>He also contributes to various Industry and academia bodies. He is the Co-Chairman for SIAM Energy & Conservation Group and the Industry Chair for Virginia Tech India Centre.</p>
16	Mr. Rajeshwar Tripathi	CHRO, Auto & Farm Sectors	<p>Rajeshwar Tripathi is the Chief Human Resources Officer for Auto & Farm Sectors, Mahindra & Mahindra Ltd.</p> <p>Over the span of his career he has worked in multiple industries and locations and with different cultures including global geographies thus imbibing the spirit and essence of diversity.</p> <p>In his current role Rajeshwar is responsible for leading Human Resource Function for all the Businesses in the two sectors, globally. He has been at the forefront of leading and managing Mergers & Acquisitions both in India and international locations</p> <p>Prior to being with Mahindra, Rajeshwar has worked with Eicher Motors Ltd. as the Head of Human Resources for the Commercial Vehicle Business. His earlier stints include organizations such as Jindal SAW Pipes, Steel Authority of India (SAIL) and Cement Corporation of India (CCI).</p>
17	Mr. Ramesh Iyer	Vice Chairman & MD, Mahindra Finance	<p>Ramesh manages the Financial Services Sector of the Mahindra Group which includes Mahindra & Mahindra Financial Services Limited and its subsidiaries, Mahindra Insurance Brokers Limited, Mahindra Rural Housing Finance Limited, Mahindra Asset Management Company Private Limited and Mahindra Trustee Company Private Limited. He also oversees the operations of Mahindra Finance USA, LLC., a U.S. joint venture with De Lage Landen Financial Services Inc</p> <p>Ramesh has been closely involved in the development of the country’s dynamic financial services sector, affecting policy change as the Chairman of the Finance Industry Development Council (FIDC). He is a member of the National Committee on Financial Inclusion and Digitisation of Confederation of Indian Industry (CII)and also serves as the Co-Chairman of the NBFC Committee of IMC Chamber of Commerce & Industry</p> <p>He is also a member of the Banking & Finance Committee of the Bombay Chamber of Commerce and Industry (BCCI), and the Taskforce of NBFCs of the Federation of Indian Chambers of Commerce and Industry (FICCI). Apart from the Financial Services Sector, Ramesh is also on the Advisory Boards of various Educational Institutions like IITB-Washington University and Vidyalankar Institute of Technology – School of Management. He also serves on the boards of several Mahindra Group Companies.</p>



Management Analysis		
18	Mr. Rampraveen Swaminathan	<div>MD & CEO, Mahindra Logistics</div> <div>Mr. Rampraveen Swaminathan (Ram) is the Managing Director and Chief Executive Officer at Mahindra Logistics Ltd. He has over two decades of relevant industry experience spanning Automotive, Paper and the Energy sectors. During his career, Ram worked with Tata Administrative Services (TAS), Cummins Inc. and Schneider Electric. Ram has also served on the boards of Dodla Dairy Ltd., International Paper Holdings Asia Singapore Pte Ltd. and EROEI Power Solutions Pvt Ltd. Ram is a partner in SVP India, a strategic philanthropic organisation and was actively involved in the International Paper India Foundation as a Chairman. He volunteers his time for the cause of education and is on the Advisory Board of WWF – India.</div>
19	Mr. Ruzbeh Irani	<div>President, Group HR</div> <div>Ruzbeh is the President – Group Human Resources since April 2020. He is also responsible for Corporate Social Responsibility and Corporate Infrastructure Services. He is a member of Mahindra’s Group Executive Board. Ruzbeh joined the Mahindra Group in 2007, as Executive Vice President – Corporate Strategy, heading the Group’s Strategy function. He became the Chief Brand Officer of the Group He then moved to head International Operations for the Automotive and Farm Equipment Sectors of M&M. Subsequently he led the Group Corporate Brand, PR and Communications, Ethics as well as Mahindra’s Racing team.</div>
20	Mr. Veejay Ram Nakra	<div>President, Auto sector</div> <div>Veejay Ram Nakra is the President for the Automotive Division of Mahindra & Mahindra and also a member of Mahindra’s Group Executive Board. His portfolio consists of multiple domestic and global business segments which includes Passenger Vehicles, Commercial Vehicles (HCVs, LCVs, SCVs, & Vans, etc.), and Construction Equipment. Veejay is Chairman of the board of directors for Mahindra and Mahindra South Africa, Mahindra Ideal Lanka, and Mahindra eMarket. He is also a Director on the boards of Mahindra Electric Mobility and NBS international. Veejay has held various strategic positions over the past 25 years at M&M. Early in his career, he was a part of the core team that developed and launched the Scorpio. After establishing the Scorpio, as its first brand manager, he was responsible for Mahindra’s international business in Sub Sahara Africa region as CEO, Mahindra South Africa. On his return to India, Veejay held the National Sales Head- Automotive Division position, which was followed by a stint as Head-Sales & After-Sales. His last role, before becoming the Chief Executive, was that of Chief-Sales & Marketing Officer of the Auto Division.</div>
21	Mr. Vinod Sahay	<div>President, Aerospace & Defence; Chief Purchase Officer, Auto & Farm Sectors</div> <div>Vinod Sahay is President for the Aerospace and Defence businesses & Chief Procurement Officer of Mahindra and Mahindra Ltd. He is also member of Group Executive Board (GEB) of the Mahindra group. Prior to this he was CEO of Mahindra Trucks & Buses Division and Mahindra Construction Equipment Division. Vinod joined Mahindra in 2015 as COO of Mahindra Two Wheelers Limited and was elevated as CEO of Two-Wheeler Business in 2016. Vinod also served on the board of Peugeot Scooters, France. Prior to joining Mahindra, Vinod was with Tata Motors for 17 years</div>



Management Analysis

Board Of Director

Below are the Details and Experience of Board of Director

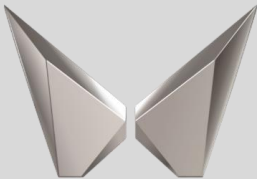
1	Mr. Anand G. Mahindra	Chairman	<p>Mr. Anand G Maindra is the Promoter and Chairman of the company. Mr. Mahindra was first appointed as a Director on the Board of the Company on 23rd November, 1989,He then took over as Deputy Managing Director of the Company in 1991..He has served on several influential bodies, national and international. These include the Reserve Bank of India Board,UN Global Compact Board, Global Board of Advisors of the Council on Foreign Relations, World Bank Group’s Advisory Board for Doing Business and the International Advisory Council of Singapore’s Economic Development Board. He has been the President of The Confederation of Indian Industry and served on the boards of the National Stock Exchange of India and the National Council of Applied Economic Research. He is currently on the board of Invest India, the National Investment Promotion and Facilitation Agency. . Mr. Anand G. Mahindra is also a Part-time Non-official Director of Central Board of Reserve Bank of India.</p>
2	Dr. Anish Shah	MD & CEO, Mahindra Group	<p>Dr. Anish Shah is the Managing Director and CEO of the Mahindra Group. He joined Mahindra Group in 2014, as Group President (Strategy) Anish was President and CEO of GE Capital India from 2009-14,during which he held several leadership positions at GE Capital’s US and global units Anish also led Strategy, eCommerce and Sales Force Effectiveness and had the unique experience of running a dot-com business within GE He led Bank of America's US Debit Products business As a strategy consultant at Bain & Company in Boston, he worked across multiple industries, including banking, oil rigs, paper, paint, steam boilers and medical equipment. His first role was with Citibank in Mumbai, where he issued bank guarantees and letters of credit as Assistant Manager, Trade Services</p>
3	Mr. Rajesh Jejurikar	ED & CEO, Auto & Farm Sectors	<p>Rajesh Jejurikar is Executive Director and CEO (Auto and Farm Sector) at Mahindra & Mahindra Ltd., since 2020. He is a Director on the Board of Mahindra & Mahindra Ltd. and serves on the boards of other Mahindra Group companies in India as well as overseas. He has diverse experience across Packaged Goods, Advertising, Media, Automotive and Farm Equipment. He has represented the Tractor Manufacturers Association (TMA) in India as its President on the National Council of the Confederation of Indian Industry (CII) in 2016, 2017. He was also a Member of the CII National Council on Agriculture. After having worked with Voltas (1986–90), FCB Ulka (1990–91) and Marico Ltd. (1991-2000), Jejurikar joined the Automotive Sector at Mahindra & Mahindra Ltd., as Vice President (Marketing) and was part of the team that launched the Scorpio. After ten months as president of Zee Entertainment Enterprises Ltd he re-joined Mahindra & Mahindra Ltd. as Chief Executive (Tractor & Farm Mechanization) in 2013. In April 2014, he was given additional responsibility of the Mahindra Two Wheeler Business</p>

Mahindra & Mahindra Ltd



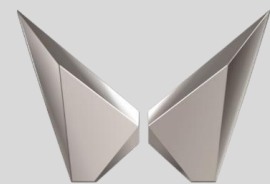
Management Analysis

4	Mr. Vikram Singh Mehta	Lead Independent Director	<p>Mr. Vikram Singh Mehta was until November, 2012 Chairman of the Shell Group of Companies in India. Mr. Vikram Singh Mehta's career began as a Member of the Indian Administrative Service of the Government of India in 1978.</p> <p>Mr. Vikram Singh Mehta, Independent Director and Chairman of Governance, Nomination and Remuneration Committee has been appointed as the Lead Independent Director with effect from 1st April, 2021.</p>
5	Mr. TN Manoharan	Independent Director	<p>Mr. TN Manoharan is a law graduate and a fellow member of The Institute of Chartered Accountants of India He is a Non-Executive Chairman on the Board of Canara Bank, an Independent Director on the Board of Directors of Tech Mahindra Limited and was nominated by the Government of India to the Board of Satyam Computer Services Limited where he made significant contribution towards the revival of the erstwhile Mahindra Satyam within a short span of time.</p> <p>Mr. Manoharan has also served as the President of Institute of Chartered Accountants of India ("ICAI") during 2006-07, and as Chairman of Accounting Research Foundation of ICAI & National Committee on Accounting Standards of Confederation of Indian Industry (CII). He was on the Board of the Insurance Regulatory and Development Authority ("IRDA") during 2006-07 and on the Committees constituted by Reserve Bank of India ("RBI"), Securities and Exchange Board of India ("SEBI"), Ministry of Corporate Affairs (MCA), Comptroller and Auditor General of India ("C&AG") and Central Board of Direct Taxes ("CBDT") during 2006-07.</p> <p>Mr. Manoharan at present is the Chairman of the National Committee on Accounting Standards and Taxation of the Confederation of Indian Industry. He is a Member of the Appellate Authority, and of the working group constituted by International Accounting Standards Board ("IASB") for making recommendations on "IFRS for SMEs". He is also a Member of the Governing Council for Skill Development in BFSI Sector since September, 2016.</p>
6	Ms. Shikha Sharma	Independent Director	<p>Ms. Shikha Sharma holds a Post Graduate Diploma in Management from IIM, Ahmedabad, a Post Graduate Diploma in Software Technology from National Center for Software Technology and a B.A. (Hons.) in Economics. Shikha was the Managing Director & CEO of Axis Bank, India's third largest private sector bank, from June, 2009 to December 2018. During her tenure as Managing Director & CEO, Axis Bank witnessed immense growth in the network, market capitalisation and in consumer lending business, and transformed Axis Bank into a digital leader in mobile banking and digital payments.</p>
7	Mr. Haigreve Khaitan	Independent Director	<p>Mr. Haigreve Khaitan has done his LL.B. from South Kolkata Law College. Mr. Haigreve Khaitan is a Partner of Khaitan & Co. Haigreve started his career in litigation and over the years has been involved in many M&A and private equity transactions, as well as project finance transactions. He has rich experience in all aspects of M&A due diligence, structuring, documentation involving listed companies, cross-border transactions, medium and small businesses etc., Restructuring & such as advice and documentation involving creditors restructuring, sick companies, de-mergers, spin-offs, sale of assets etc., Foreign Investment, Joint Ventures and Foreign Collaborations. He advises a range of large Indian conglomerates and multinational clients in various business sectors including infrastructure, power, telecom, automobiles, steel, software and information technology, retail, etc</p>
8	Ms. Nisaba Godrej	Independent Director	<p>Nisaba is the Chairperson and Managing Director of Godrej Consumer Products. She has been a key architect of GCPL's strategy and transformation in the last decade. In 2007, she initiated and led Project Leapfrog, which created a playbook for GCPL to accelerate domestic organic growth through innovation and consolidation, and to become a more global company by investing in emerging markets outside of India</p>



Management Analysis

9	Mr. Muthiah Murugappan	Independent Director	<p>Mr. Muthiah Murugappan, has completed his MBA from London Business School. He is B.Sc. Management Sciences from University of Warwick (Warwick Business School).He started his career in August 2004 with Indian FMCG major - CavinKare Pvt Ltd. He initially served as an Area Sales Manager in the Western and Southern regions and has worked in the states of Maharashtra, MP, Chattisgarh and AP. He subsequently moved into Brand Management role and served as a Product Manager for the International Business Unit, covering the GCC and ASEAN regions.In July 2007, he joined Carborundum Universal (CUMI) as an Exports Manager. CUMI is an integral part of the Murugappa Group. He subsequently moved to the US to handle CUMI's trading operations in North America and in 2010 returned to India to head its Wear Ceramics business where he served till July 2013.He then decided to take a sabbatical to pursue a Full Time MBA at the London Business School from 2013 - 2015. He has now returned to The Murugappa Group to head the Nutraceuticals Business of Group flagship – EID Parry India Ltd.</p>
10	Ms. Padmasree Warrior	Independent Director	<p>Ms. Padmasree Warrior is the Founder, President and CEO of Fable, a mobile-first company that brings stories for everyone, anywhere. Previously, Ms. Padma was the Chief Executive Officer of NIO U.S., Chief Development Officer and Board Member of NIO Inc., a manufacturer of Smart, Electric, and Autonomous Vehicles. Ms. Warrior served as the Chief Technology & Strategy Officer (CTSO) for Cisco until September, 2015. In this capacity, she was charged with aligning the company's technology and business strategy to business results. She oversaw corporate Strategy, Mergers, Acquisitions, Venture Investments, and Strategic Partnerships. Before that, she was the SVP and GM for Cisco Enterprise segment and co-led Cisco’s worldwide engineering organization. Prior to Cisco, she was EVP and CTO at Motorola. Under her leadership, Motorola was awarded the 2004 U.S. National Medal of Technology.Ms. Padmasree Warrior has been widely recognized for her creative, visionary leadership.</p> <p>Ms. Padmasree Warrior holds a Bachelor of Technology degree in Chemical Engineering from the Indian Institute of Technology in New Delhi, India and a Master of Science degree in Chemical Engineering from Cornell University, New York, U.S.</p> <p>Ms. Warrior served as a Director on the Board of Microsoft from 2015-2023 and currently serves as a Director on the Board of Spotify Technology SA and as Director and CEO of Fable Group Inc.</p>
11	Mr. Sat Pal Bhanoo	Non-Executive and Non-Independent Director	<p>Mr. Sat Pal Bhanoo has taken charge as Managing Director of Life Insurance Corporation of India (“LIC”) on 20th July, 2023.He joined the Corporation as Special Batch Direct Recruit Officer in October, 1988. He holds a Bachelor’s Degree in History (Honors) from Himachal Pradesh University, Shimla.</p> <p>He has a varied and rich marketing experience. He served the Corporation in various roles as Zonal Manager (Central Zone), Additional Director, Zonal Training Centre (Bhopal), Regional Manager (P&IR), North Zone (Delhi). He was In-charge of Bangalore – I and Shimla Divisions steering the Corporation through a challenging climate and leading to consistent growth of business under dynamic market conditions. Wherever he has been posted, he fostered a culture of human resource development and empowerment, resulting in a highly motivated and skilled workforce, committed to the Corporation’s mission and values.</p> <p>As Chief (Marketing-SBA), he looked after the Marketing portfolio of Senior Business Associates & Life Insurance Corporation Associates as well, with a focus on revolutionizing marketing activities and empowering them.He likes to meet people and often motivates them by sharing his experiences.</p>



Management Analysis

Mr. Ranjan Pant is a CEO Advisor and consultant specializing in global strategy and change management. With a tenure spanning over three decades, he has leveraged his expertise across diverse industries and international conglomerates.

Education:- Mr. Ranjan Pant is a Bachelor of Mechanical Engineering (Honours) from BITS, Pilani and MBA in Finance from The Wharton

Career Highlights:- Mr. Ranjan Pant has Spearheaded the energy and utilities practice and provided Strategic Advisory Services at Bain & Co., Management Consultants. He held the position of Director of internal consulting, focusing on Operational Excellence and Mergers & Acquisitions in General Electric Company.

Key Areas of Expertise:

Strategic Planning:- portfolio strategy, pricing-based valuation, and capital investment timing.

Operational Management:- post-merger integrations, enhancing manufacturing productivity, and accelerating new product introductions.

Corporate Governance:- orchestrating corporate venture capital initiatives and managing conglomerate corporate center roles.

Human Resources Strategy:- Senior Leadership Transitions and CEO Compensation Strategies.

Technology and Innovation:- Platform Business Models and Artificial Intelligence Product Development.

Board Directorships:

Mr. Ranjan Pant has contributed as a Board Director and Committee Member in leading corporations, including HDFC Life Insurance Company Limited, DSP Blackrock Investments Private Limited, and Schneider Electric Infrastructure Limited. Mr. Ranjan Pant is an Independent Director and Chairman of Schneider Electric President Systems Limited, Non-Executive and Non-Independent Director of Mahindra Accelo Limited, Mahindra Auto Steel Private Limited and a Director of Point RP Consulting Private Limited (OPC).

12 Mr. Ranjan Pant Non-Executive and Non-Independent Director

Commentary

The company has strong management with vast experience and technical expertise. Further, the independent directors come from different industries and have dignified professions such as Ex-member of Indian Administrative Services of Government of India, Ex-president, Ex-chairman & member of The Institute of Chartered Accountants of India and MD of Life Insurance Corporation, etc. Basis our screening of publicly available data, we do not found any prominent political connection of leadership and independent directors with national and regional political parties. Further we do not found any conflict of interest of Independent director with the company, as reported.

The Current Managing Director of the company Dr Anish Shah has joined the company in 2014 as Group President (Strategy) and gradually promoted to his current designation in April 2021.Since he joined, we have seen drastic changes in companies' overall performance. The other member of management were hired and promoted as per there competencies and technical expertise.

Mahindra & Mahindra Ltd



Shareholding Pattern

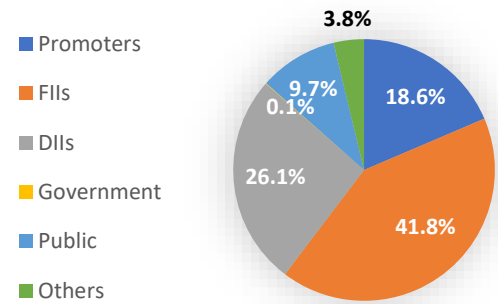
The Company has majority shareholding with Institutes, FII's & DIIs with total of 67.9%. As on March 2024 Promoter are holding 18.6%, FII's are holding 41.8%, DIIs are holding 26.1%, Government are holding 0.1%, Public 9.7% and Others (Trust and Banks) 3.8%.The Promoters has pledged 0.06% shares of there holdings from March 2022 quarter and it is constant till now. Promoters' shareholding is reducing from 26.7% in March 2017 to 18.6% in quarter ended March 2024. Though, there is decrease in promoter holding it is not significant to conclude managements strategic exit from the business.

Yearly and Quarterly shareholding patters of the company is as under:

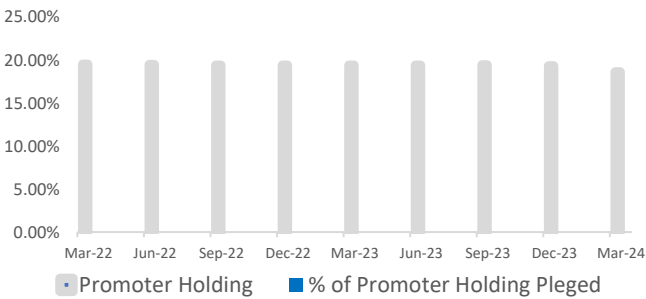
	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Promoters	26.7%	21.7%	21.5%	19.9%	19.5%	19.5%	19.4%	18.6%
FIIs	36.4%	33.6%	31.3%	33.9%	38.9%	37.3%	39.2%	41.8%
DIIs	21.1%	21.3%	23.4%	28.1%	27.4%	28.8%	27.7%	26.1%
Government	0.2%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%
Public	15.7%	18.3%	18.9%	13.6%	9.9%	10.4%	9.8%	9.7%
Others	0.0%	4.9%	4.7%	4.4%	4.1%	4.0%	3.9%	3.8%

	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24
Promoters	19.5%	19.5%	19.5%	19.5%	19.5%	19.4%	19.4%	19.4%	19.4%	19.3%	19.3%	18.6%
FIIs	40.1%	38.9%	38.7%	37.3%	37.9%	38.3%	39.2%	39.2%	40.1%	40.3%	40.9%	41.8%
DIIs	26.1%	27.1%	27.8%	28.8%	28.9%	28.5%	27.7%	27.7%	26.9%	26.8%	26.3%	26.1%
Government	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Public	10.2%	10.4%	10.0%	10.4%	9.7%	9.8%	9.8%	9.8%	9.7%	9.7%	9.7%	9.7%
Others	4.1%	4.1%	4.0%	4.0%	4.0%	3.9%	3.9%	3.9%	3.8%	3.8%	3.8%	3.8%

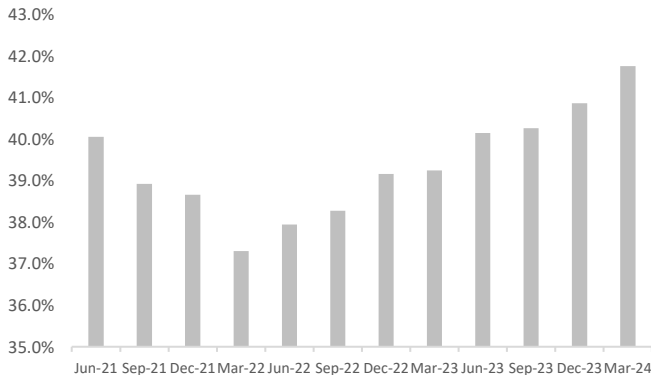
Shareholding pattern FY23



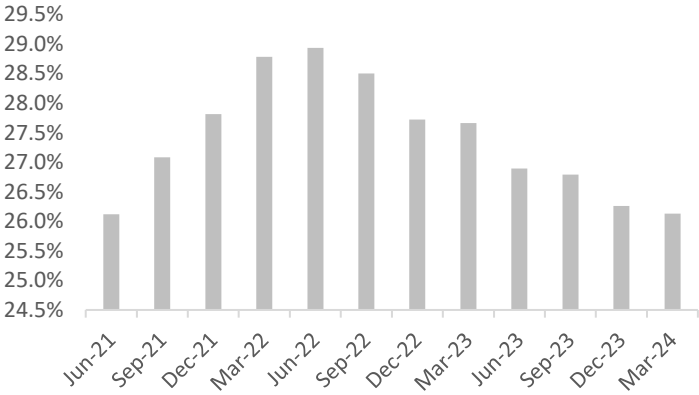
Quarterly Promoters Holding Vs Pledge



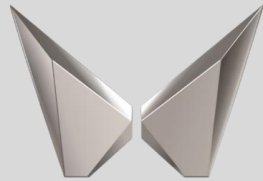
Quarterly FII Holding Pattern



Quarterly DII Holding Pattern



Mahindra & Mahindra Ltd



Key Managerial Person’s Remuneration

During FY23 the company has incurred remuneration for directors of INR 46.58 Cr as against INR 42.55 Cr in FY22 (9.5% increase in YoY basis). The details are as under.

Name	Designation	Remuneration of Director for n of Director		Growth%	Sales Growth YoY%	Net Profit Growth YoY%	Ratio of Remuneration of each Director to median remuneration
		FY 2022	2023				
Mr. Anand G. Mahindra	Chairman	10.3	5.1	-50.1%	34.5%	56.8%	50.4
Dr. Anish Shah	Managing Director and CEO	11.4	16.4	44.3%	34.5%	56.8%	161.2
Mr. Rajesh Jejurikar	Executive Director and CEO	9.7	12.7	31.3%	34.5%	56.8%	124.9
Mr. Vikram Singh Mehta	Independent Director	0.6	0.7	17.5%	34.5%	56.8%	6.6
Dr. Vishakha N. Desai	Independent Director	0.7	0.6	-16.4%	34.5%	56.8%	5.5
Mr. T. N. Manoharan	Independent Director	0.5	0.6	24.0%	34.5%	56.8%	6.1
Mr. Vijay Kumar Sharma	Nominee Director	0.4	0.5	23.1%	34.5%	56.8%	4.7
Mr. Haigreve Khaitan	Independent Director	0.5	0.6	20.8%	34.5%	56.8%	6.3
Ms. Shikha Sharma	Independent Director	0.5	0.6	18.4%	34.5%	56.8%	5.7
Ms. Nisaba Godrej	Independent Director	0.4	0.5	28.9%	34.5%	56.8%	4.8
Mr. Muthiah Murugappan	Independent Director	0.4	0.5	31.6%	34.5%	56.8%	4.9
Mr. Manoj Bhat	Group Chief Financial Officer	4.7	5.7	21.7%	34.5%	56.8%	—
Mr. Narayan Shankar	Company Secretary	2.6	2.1	-20.5%	34.5%	56.8%	—
Total		42.6	46.6	9.5%	34.5%	56.8%	

Median Ratio of KMP remuneration with median employee salary is 6.1x where as median of the same for the peers stood at 12.95x.

We have observed revenue growth of the company and growth in KMP remuneration. The revenue grew at 25.9% CAGR over last 5 years where as KMP remuneration has declined by 3.3% over the last 5 year.

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23
Growth in Revenue	14%	-28%	-1%	21%	34%
Growth in Remuneration	11%	-12%	30%	11%	9%
Growth in Net Profit	-24%	-105%	-571%	380%	57%

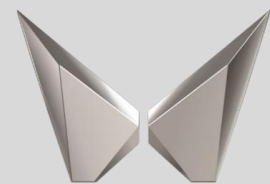
Board Efficiency

Basis our research, Board Of Directors (BOD) has adequate representation of independent director’s, industry expert, legal experts as require by the statue.

The efficiency of BOD can be gaged with there contribution in various important meeting held in FY23. The details are as under:

Name Of Director	Exec/Non-Exec/Independent Director	Number of Board Meeting		% of Attendance of Director
		Held	Attended	
Mr. Anand G. Mahindra	Chairman	9	9	100%
Dr. Anish Shah	MD & CEO	9	9	100%
Mr. Rajesh Jejurikar	Executive Director	9	8	89%
Mr. CP Gurnani	Non-Executive Non-Independent	9	9	100%
Mr. Vikram Singh Mehta	Lead Independent Director	9	9	100%
Mr. TN Manoharan	Independent Director	9	9	100%
Ms. Shikha Sharma	Independent Director	9	9	100%
Mr. Haigreve Khaitan	Independent Director	9	9	100%
Dr. Vishakha N Desai	Independent Director	9	8	89%
Mr. Vijay Kumar Sharma	Nominee Director	9	8	89%
Ms. Nisaba Godrej	Independent Director	9	8	89%
Mr. Muthiah Murugappan	Independent Director	9	9	100%

Mahindra & Mahindra Ltd



During FY23, the company has been supervised by the BOD efficiently as the majority of board members have attended all the board meetings which shows good participation by the board in key matters discussed during the year and helped the company in taking effective decisions.

Yearly Snapshot

Particulars (INR CR)	FY22A	FY23A	FY24A	FY25E	FY26E
Sales	90,171	1,21,362	1,39,078	1,50,397	1,60,820
EBITDA	14,683	20,325	24,892	28,362	31,905
Depreciation	3,508	4,357	4,724	5,577	6,361
EBIT	11,175	15,968	20,168	22,785	25,544
Interest	5,018	5,830	7,488	7,970	7,351
Other Income	3,204	3,922	3,298	3,328	3,392
PBT	9,362	14,060	15,978	18,143	21,585
Tax	2,109	2,686	3,708	4,567	5,433
Tax Rate (%)	22.5	19.1	23.2	25.2	25.2
Net Profit	7,253	11,374	12,270	13,576	16,152
Net Margin %	8%	9%	9%	9%	10%

Source – Company Analysis, GEOJIT, Motilal Oswal

Commentary

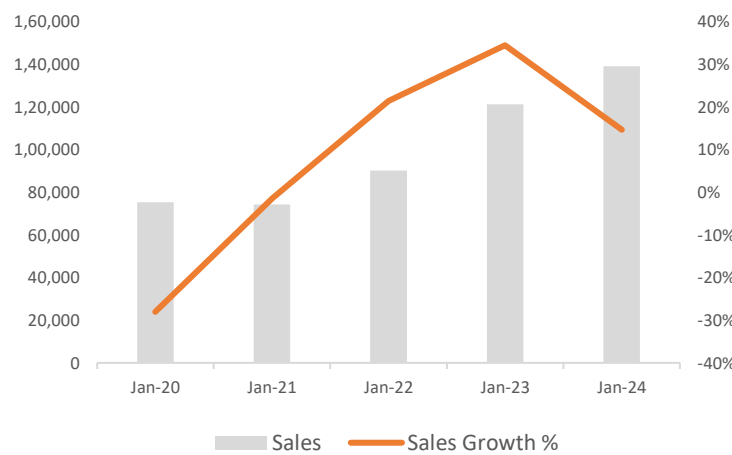
Revenue

The international market operations has remained a bit muted because of the high inflation . The business still did well and the short-term outlook is a bit of challenge because of the inflation but the long-term outlook remains very positive. In last 3year’s CAGR we have seen increase of 23.3% whereas growth in 5year’s CAGR is 5.8%. In recent quarterly result, the company’s operations posted revenue of INR 35,452 Cr and a net profit of INR 3,125 Cr. Company continues to be the #1 SUV player, revenues up 36% and LCV 49%.

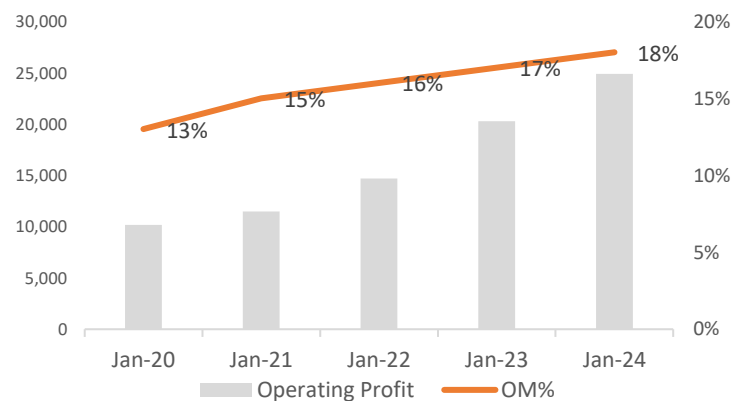
Margins

In recently Quarter result, the company posted consolidated EBITDA of INR 6,604 Cr with the margin of 6.1%. Auto & Farms were the key driver of growth with 54% up, and that has gained 350 basis points

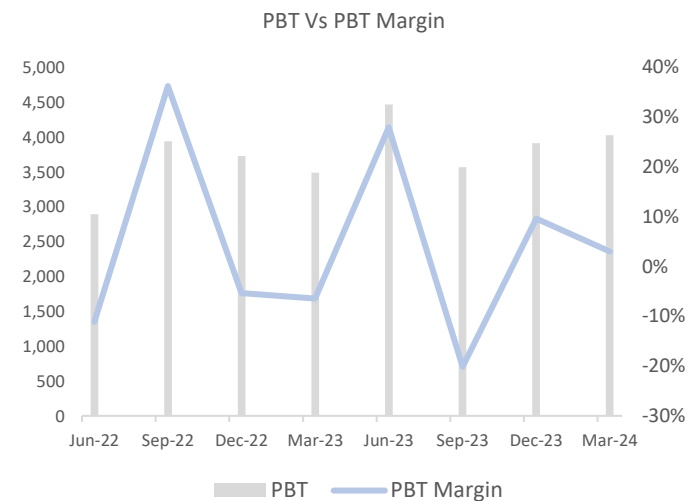
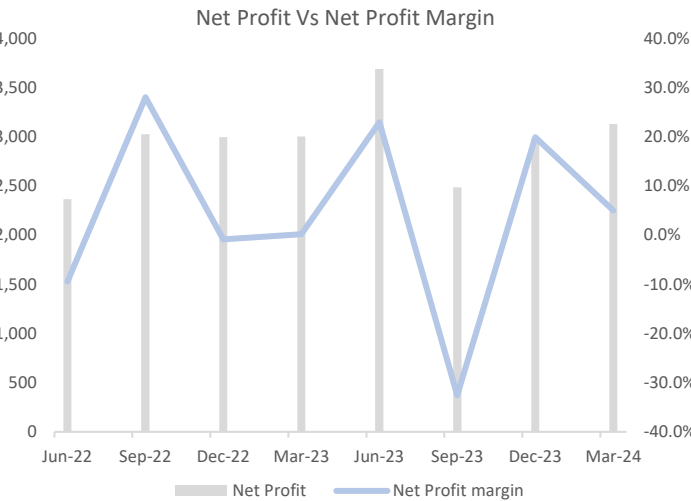
Sales Vs Sales Growth %



EBITDA Vs EBITDA Margin



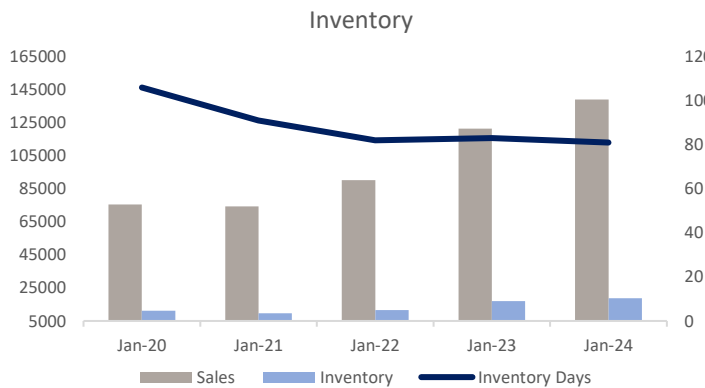
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Inventory

While companies' revenue growth and growth in inventory is almost aligned, there is stable margin in inventories (81Days in FY24 Vs 83 in FY23). The median inventory days of peers stand at 57 Days (Higher 81 days and Lowest being 19 days).Considering the size and scale of company's operations, the inventory days seems normal. As per our research there is no major challenges seen in Inventory levels.

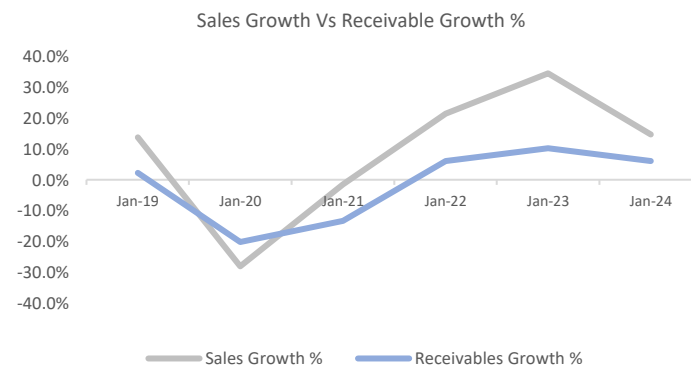
Source – Company Analysis



Trade Receivables

Bases on our research we found that 5year CAGR sales growth was more as compared to 5year CAGR receivable growth which is negative (5.8% Vs -3% respectively). And 3year CAGR sales growth is also high then 3year CAGR of receivables (23.3% Vs 7.5% respectively). The median day's receivable of peer's are 13days and M&M's days receivable stands at 20days which is almost align with peers. The improved and stable receivables indicates better debtor collecting policy.

Source – Company Analysis

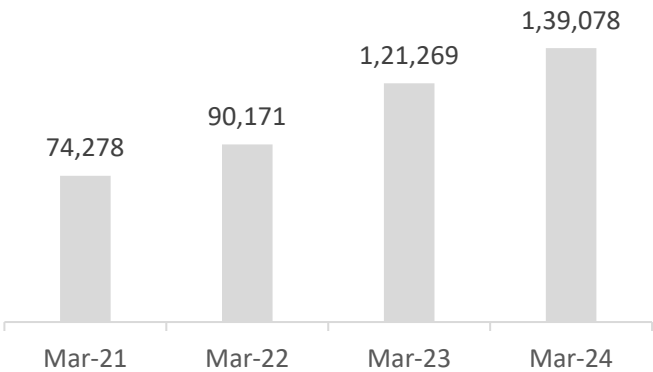


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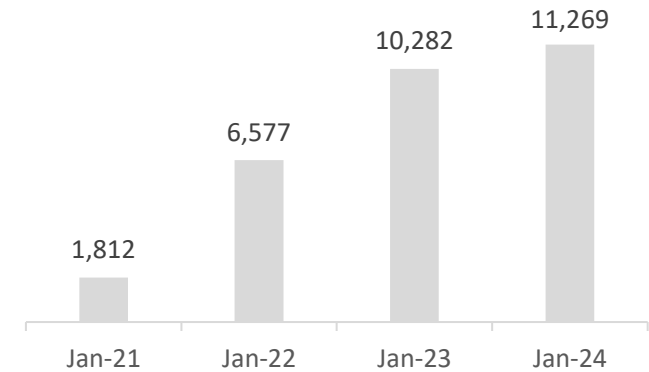
DuPont Analysis

Revenue from Operations (in Crs.)



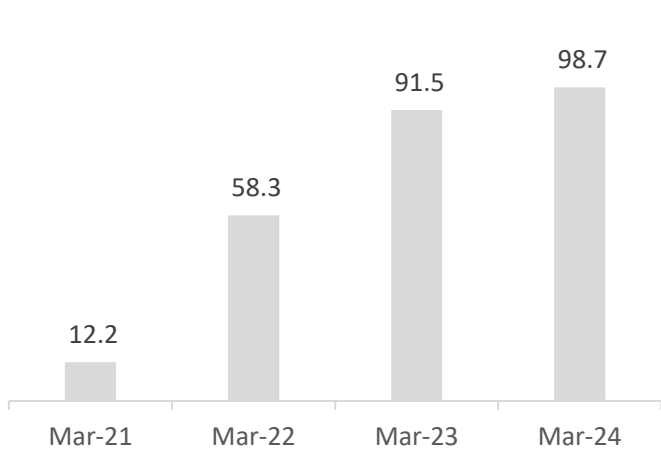
Source – Company Analysis

Net Profit (in Crs.)



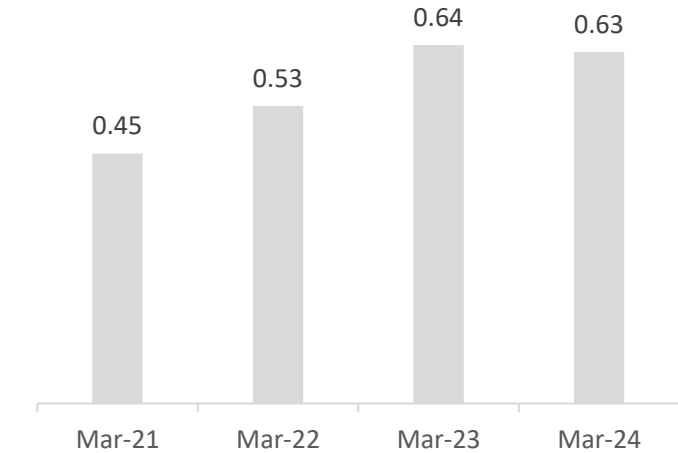
Source – Company Analysis

Earnings Per Share (in Rs.)



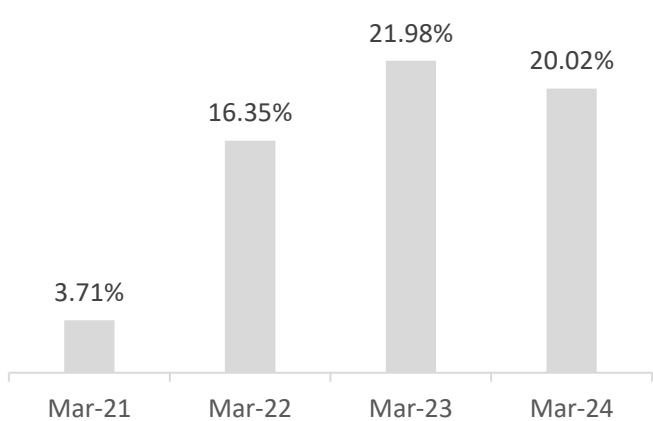
Source – Company Analysis

Asset Turnover Ratio



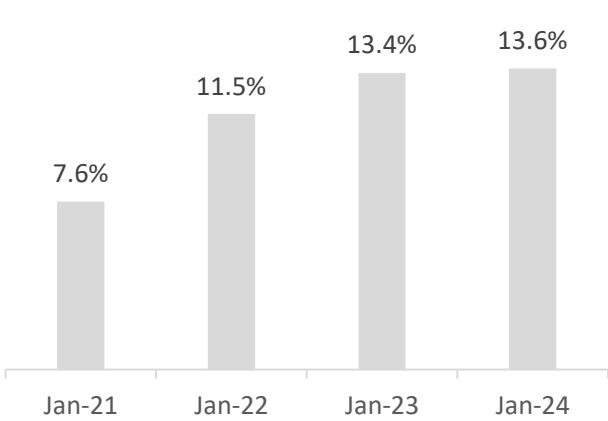
Source – Company Analysis

Return on Equity



Source – Company Analysis

Return on Capital Employed



Source – Company Analysis

Mahindra & Mahindra Ltd



DuPont Analysis

RETURN ON EQUITY (ROE)				
	Mar-21	Mar-22	Mar-23	Mar-24
NET PROFIT	₹ 1,512.39	₹ 7,253.01	₹ 11,374.48	₹ 12,269.82
AVERAGE SHAREHOLDERS EQUITY	₹ 40,775.62	₹ 44,352.28	₹ 51,744.22	₹ 61,278.17
RETURN ON EQUITY	3.71%	16.35%	21.98%	20.02%

ROE - DUPONT EQUATION				
	Mar-21	Mar-22	Mar-23	Mar-24
NET PROFIT	₹ 1,512.39	₹ 7,253.01	₹ 11,374.48	₹ 12,269.82
REVENUE	₹ 74,277.78	₹ 90,170.57	₹ 1,21,268.55	₹ 1,39,078.27
NET PROFIT MARGIN (A)	2.04%	8.04%	9.38%	8.82%
REVENUE	₹ 74,277.78	₹ 90,170.57	₹ 1,21,268.55	₹ 1,39,078.27
AVERAGE TOTAL ASSETS	₹ 1,65,342.23	₹ 1,68,678.41	₹ 1,88,335.81	₹ 2,20,291.93
ASSET TURNOVER RATIO (B)	0.45	0.53	0.64	0.63
AVERAGE TOTAL ASSETS	₹ 1,65,342.23	₹ 1,68,678.41	₹ 1,88,335.81	₹ 2,20,291.93
AVERAGE SHAREHOLDERS EQUITY	₹ 40,775.62	₹ 44,352.28	₹ 51,744.22	₹ 61,278.17
EQUITY MULTIPLIER (C)	4.05	3.80	3.64	3.59
RETURN ON EQUITY (A*B*C)	3.71%	16.35%	21.98%	20.02%

RETURN ON ASSETS (ROA)				
	Mar-21	Mar-22	Mar-23	Mar-24
NET PROFIT	₹ 1,512.39	₹ 7,253.01	₹ 11,374.48	₹ 12,269.82
AVERAGE TOTAL ASSETS	₹ 1,65,342.23	₹ 1,68,678.41	₹ 1,88,335.81	₹ 2,20,291.93
RETURN ON EQUITY	0.91%	4.30%	6.04%	5.57%

ROA - DUPONT EQUATION				
	Mar-21	Mar-22	Mar-23	Mar-24
NET PROFIT	₹ 1,512.39	₹ 7,253.01	₹ 11,374.48	₹ 12,269.82
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ASSET TURNOVER RATIO (B)	0.45	0.53	0.64	0.63
RETURN ON EQUITY (A*B)	0.91%	4.30%	6.04%	5.57%

RETURN ON CAPITAL EMPLOYED (ROCE)				
	Mar-21	Mar-22	Mar-23	Mar-24
NOPAT	₹ 3,883.17	₹ 8,658.08	₹ 12,885.86	₹ 15,487.72
AVERAGE CAPITAL EMPLOYED	₹ 1,01,319.35	₹ 1,02,878.28	₹ 1,13,397.32	₹ 1,37,103.93
RETURN ON CAPITAL EMPLOYED	3.83%	8.42%	11.36%	11.30%

Mahindra & Mahindra Ltd



ROCE - DUPONT EQUATION

	Mar-21	Mar-22	Mar-23	Mar-24
NOPAT	₹ 3,883.17	₹ 8,658.08	₹ 12,885.86	₹ 15,487.72
REVENUE	₹ 74,277.78	₹ 90,170.57	₹ 1,21,268.55	₹ 1,39,078.27
NOPAT MARGIN (A)	5.23%	9.60%	10.63%	11.14%
REVENUE	₹ 74,277.78	₹ 90,170.57	₹ 1,21,268.55	₹ 1,39,078.27
AVERAGE CAPITAL EMPLOYED	₹ 1,01,319.35	₹ 1,02,878.28	₹ 1,13,397.32	₹ 1,37,103.93
CAPITAL TURNOVER RATIO (B)	0.73	0.88	1.07	1.01
RETURN ON EQUITY (A*B)	3.83%	8.42%	11.36%	11.30%

MOAT ASSESSMENT

	Mar-21	Mar-22	Mar-23	Mar-24
Gross Profit Margin	48.48%	41.59%	37.31%	38.83%
EBITDA Margin	15.46%	16.28%	16.73%	17.90%
Net Profit Margin	2.04%	8.04%	9.38%	8.82%
ROIC	1.38%	6.38%	8.28%	7.63%
ROCE	3.83%	8.42%	11.36%	11.30%
ROE	0.91%	4.30%	6.04%	5.57%
EPS	₹ 12.17	₹ 58.34	₹ 91.47	₹ 98.67
ROA	0.91%	4.30%	6.04%	5.57%

PEER COMPARISON (DUPONT EQUATION)

	MAHINDRA & MAHINDRA LTD	Maruti Suzuki	Tata Motors	Eicher Motors
NET PROFIT MARGIN (A)	8.82%	9.51%	7.26%	24.20%
ASSET TURNOVER RATIO (B)	0.63	141.89%	124.38%	78.14%
EQUITY MULTIPLIER (C)	3.59	135.63%	540.69%	128.12%
RETURN ON EQUITY (A*B*C)	20.02%	18.30%	48.84%	24.22%

PEER COMPARISON

	MAHINDRA & MAHINDRA LTD	AVERAGE	MEDIAN
NET PROFIT MARGIN (A)	8.82%	13.66%	9.51%
ASSET TURNOVER RATIO (B)	63.13%	114.80%	124.38%
EQUITY MULTIPLIER (C)	359.49%	268.15%	135.63%
RETURN ON EQUITY (A*B*C)	20.02%	42.04%	16.04%

DuPont Summary

- ROE of Mahindra & Mahindra is continuously growing from 3.83% in FY21 and made a high of 21.98% in FY23 and currently is at 20.02% in FY24.
- While the company was able to increase net margin from 2.04% in FY21 to 8.82% in FY24. Asset efficiency of the company is constantly maintained through the period, we can see slight decrease in Equity Multiples which was 4.01 in FY21 to 3.59 in FY24.
- ROA of Mahindra & Mahindra is continuously increasing from 0.91% in FY21 and made a high of 6.04% in FY23 and currently its at 5.57% in FY24. While the asset efficiency remains constant, the reason for increase in ROA is increased net margin of the company.
- ROCE of Mahindra and Mahindra is constantly increasing from 3.85% in FY21 to 11.30% in FY24.

Mahindra & Mahindra Ltd



Ratio Analysis

Profitability Ratios	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Sales Growth		6.1%	10.5%	9.9%	13.7%	-28.0%	-1.5%	21.4%	34.5%	14.7%
Expenses Growth		7.4%	9.6%	7.7%	18.1%	-31.6%	-1.7%	23.5%	36.1%	11.5%
Sustainable Growth Rate	7.3%	11.0%	10.9%	19.4%	12.7%	-1.5%	1.3%	12.7%	17.0%	15.0%
Gross Profit Growth		4.8%	9.5%	16.7%	10.9%	-11.8%	-4.7%	4.2%	20.6%	19.4%
EBITDA Growth		14.7%	6.5%	23.2%	15.0%	-33.2%	13.1%	27.8%	38.2%	22.7%
EBIT Growth		14.6%	3.7%	25.5%	12.8%	-39.5%	19.4%	37.8%	42.5%	26.6%
PBT Growth		31.5%	12.0%	62.6%	-14.1%	-81.3%	90.9%	196.4%	50.2%	13.6%
Net Profit Growth		37.1%	14.0%	96.5%	-24.4%	-105.3%	-571.1%	379.6%	56.8%	7.9%
Dividend Growth		-8.6%	24.4%	0.9%	13.5%	-71.8%	272.9%	32.2%	40.9%	30.0%
Dividend Payout	27.4%	18.3%	19.9%	10.2%	15.4%	-81.2%	64.2%	17.7%	15.9%	19.2%
Gross Margin	40.4%	39.9%	39.5%	42.0%	40.9%	50.1%	48.5%	41.6%	37.3%	38.8%
Operating Margin	12.3%	13.3%	12.8%	14.4%	14.5%	13.5%	15.5%	16.3%	16.7%	17.9%
PBT Margin	6.0%	7.5%	7.6%	11.2%	8.5%	2.2%	4.3%	10.4%	11.6%	11.5%
Net Margin	3.6%	4.7%	4.8%	8.6%	5.7%	-0.4%	2.0%	8.0%	9.4%	8.8%

Efficiency Ratios	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Debtor Days	27.98	28.00	31.37	33.65	30.25	33.55	29.52	25.80	21.15	19.58
Debtor Turnover	13.05	13.04	11.64	10.85	12.07	10.88	12.36	14.15	17.26	18.64
Inventory Days	43.19	43.87	38.72	37.00	42.52	53.80	47.25	46.94	50.73	48.79
Inventory Turnover	8.45	8.32	9.43	9.86	8.58	6.78	7.72	7.78	7.19	7.48
Net Fixed Asset Turnover	3.75	3.68	3.99	3.52	3.61	2.54	3.47	3.47	4.47	4.25
Total Asset Turnover	0.76	0.76	0.74	0.68	0.65	0.45	0.45	0.52	0.59	0.59
Sales/Capital Employed	1.12	1.11	1.07	0.99	0.94	0.62	0.61	0.72	0.82	0.80

Leverage Ratios	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Debt/Equity	146.6%	156.8%	163.8%	152.0%	177.2%	205.4%	193.9%	164.7%	163.7%	161.1%
Debt/Assets	40.2%	41.6%	42.8%	41.0%	43.8%	49.5%	48.9%	45.0%	45.2%	45.1%
Debt/EBITDA	431.1%	412.1%	454.2%	422.6%	465.9%	808.2%	701.9%	528.5%	454.7%	428.4%
Debt/Capital	59.5%	61.1%	62.1%	60.3%	63.9%	67.3%	66.0%	62.2%	62.1%	61.7%
CFO/Debt	2.8%	5.7%	0.4%	1.2%	-6.1%	-1.8%	22.2%	11.9%	-7.7%	-5.3%
Debt Burden	-4.7%	-2.2%	-4.4%	-4.3%	-10.1%	-5.6%	19.9%	8.8%	-9.8%	-7.8%
Interest Coverage (Times)	2.37	2.68	2.74	3.59	2.77	1.27	1.52	2.87	3.41	3.13
Operating Leverage		2.37	0.35	2.57	0.93	1.41	-13.25	1.77	1.23	1.81
Financial Leverage	3.65	3.77	3.82	3.71	4.05	4.15	3.97	3.66	3.62	3.57

Mahindra & Mahindra Ltd



DuPont Ratio	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
DuPont ROA	2.7%	3.6%	3.6%	5.8%	3.7%	-0.2%	0.9%	4.2%	5.6%	5.2%
Net Profit Margin	3.6%	4.7%	4.8%	8.6%	5.7%	-0.4%	2.0%	8.0%	9.4%	8.8%
Sales/Total Asset	0.76	0.76	0.74	0.68	0.65	0.45	0.45	0.52	0.59	0.59
Return on Equity	10.0%	13.4%	13.6%	21.6%	15.0%	-0.8%	3.6%	15.4%	20.2%	18.5%
Capital Allocation Ratios	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Return on Capital Employed	11.7%	13.3%	12.7%	15.4%	12.5%	6.3%	7.6%	11.5%	13.4%	13.6%
EBIT Margins	9.3%	10.1%	9.5%	10.8%	10.7%	9.0%	10.9%	12.4%	13.1%	14.5%
Sales/Capital Employed	1.12	1.11	1.07	0.99	0.94	0.62	0.61	0.72	0.82	0.80
NOPAT	4009.50	4788.27	5053.14	7665.45	7607.33	-1317.49	3883.17	8658.08	12885.86	15487.72
Return on Invested Capital	4.4%	5.6%	5.5%	9.2%	5.9%	-0.3%	1.4%	6.4%	8.3%	7.6%
Cash Ratios	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Free Cash Flow (Rs Cr)	-1,794	-906	-2,157	-2,390	-7,139	-4,605	16,075	6,806	-9,074	-8,330
Operating Cash Flow Growth		126.1%	-92.3%	272.4%	-737.6%	-66.5%	-1329.2%	-48.4%	-176.5%	-20.4%
Free Cash Flow Growth		-49.5%	138.0%	10.8%	198.7%	-35.5%	-449.1%	-57.7%	-233.3%	-8.2%
FCF/Sales	-3%	-1%	-3%	-3%	-7%	-6%	22%	8%	-7%	-6%
CFO/Total Assets	1%	2%	0%	1%	-3%	-1%	11%	5%	-3%	-2%
CFO/Total Debt	3%	6%	0%	1%	-6%	-2%	22%	12%	-8%	-5%
Cash Interest Coverage	1.88	2.34	1.68	1.76	0.70	1.09	4.20	3.26	0.25	0.74
CFO/Capex	0.37	0.72	0.08	0.22	-1.56	-0.46	9.76	3.79	-3.54	-2.09
Valuation Ratios	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Enterprise Value (EV)	106773.9	112222.0	124037.2	141210.4	145892.6	109606.4	166638.3	166757.9	225057.8	333532.6
EV/EBITDA	12.14	11.13	11.55	10.68	9.59	10.79	14.51	11.36	11.09	13.40
Price/Earnings	28.45	21.16	19.73	11.54	13.92	-110.36	65.37	13.82	12.67	19.47
Price/Sales	1.03	0.99	0.95	1.00	0.80	0.47	1.33	1.11	1.19	1.72
Price/CFO	69.94	31.53	436.56	134.72	-19.27	-24.31	5.52	10.84	-20.37	-42.44
Price/Book Value	2.85	2.84	2.68	2.50	2.10	0.89	2.38	2.13	2.56	3.61

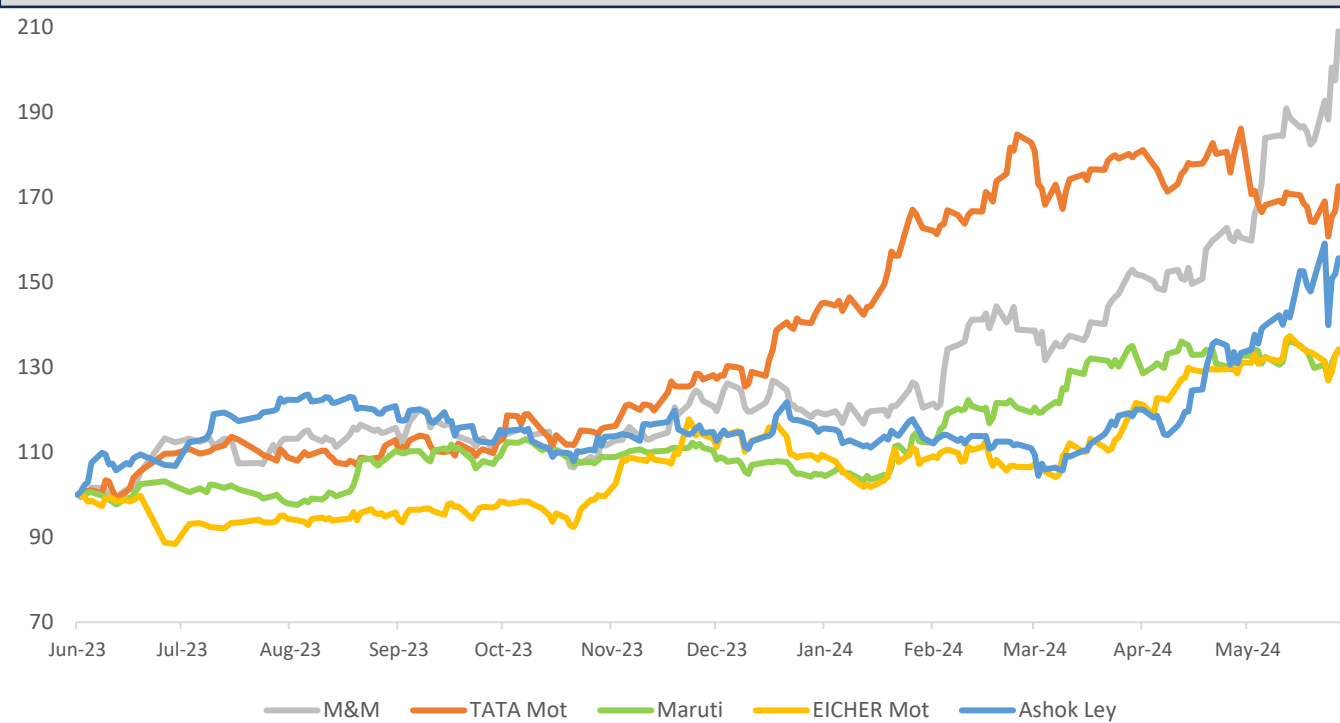
Source – Company Analysis

Mahindra & Mahindra Ltd



Peer Comparison

Peer Stock Performance (1Y) - Indexed



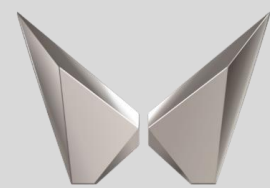
Source – Yahoo Finance

Peers Financial Performance

#	Name	CMP Rs.	Market Cap	PEG Ratio	P/E Ratio	Debt	Int Coverage	ROCE %	ROE %
1	Maruti Suzuki	12810.9	402777.99	1.7	29.9	119	91.0	23.7	18.3
2	M & M	2857.45	355332.15	1.9	31.5	106626	3.1	13.7	18.4
3	Tata Motors	970.5	355692.75	0.1	11.1	107263	3.9	20.1	49.4
4	Ashok Leyland	231.45	67963.61	6.1	26.8	40802	2.4	15.2	28.9
5	Eicher Motors	4762	130386.24	2.6	32.6	419	103.2	31.1	24.2

Source – Screener.com

Mahindra & Mahindra Ltd



Analyst Coverage Universe

#	DATE	Research House	Rating	TARGET	PRICE AT RECO
1	22-May-24	Geojit BNP Paribas	Hold	2754	2521.05
2	18-May-24	BOB Capital Markets Ltd.	Hold	2572	2503.7
3	17-May-24	ICICI Direct	Buy	2915	2514.6
4	19-Feb-24	ICICI Direct	Buy	2225	1848.55
5	15-Feb-24	BOB Capital Markets Ltd.	Buy	2077	1765.05
6	15-Feb-24	Prabhudas Lilladhar	Buy	1875	1765.05
7	02-Jan-24	Motilal Oswal	Buy	2005	1656.2
8	13-Nov-23	BOB Capital Markets Ltd.	Buy	1849	1540.25
9	06-Sep-23	Geojit BNP Paribas	Hold	1728	1577
10	23-Aug-23	Sharekhan	Buy	1736	1542.45
11	05-Aug-23	Motilal Oswal	Buy	1725	1464.65
12	05-Aug-23	ICICI Securities Limited	Buy	1686	1464.65
13	20-Jun-23	Sharekhan	Buy	1550	1396.45
14	31-May-23	Geojit BNP Paribas	Buy	1486	1319
15	30-May-23	BOB Capital Markets Ltd.	Buy	1665	1328.45
16	29-May-23	Prabhudas Lilladhar	Buy	1585	1330.15
17	28-May-23	ICICI Direct	Buy	1600	1281.85
18	27-May-23	ICICI Securities Limited	Buy	1478	1281.85

Source – Trandlyne.com

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