

Result update	EXIT
CMP	965
Target Price	-
Previous Target Price	-
Upside	-
Change from Previous	-

Market Data	
BSE Code	500520
NSE Symbol	M&M
52wk Range H/L	1026/636
Mkt Capital (Rs, Cr)	59267
Average Daily Volume	2.62 Cr
Nifty	5986

Stock Performance-%	1M	1yr	YTD
Absolute	4.6	46.9	26.2
Rel. to Nifty	3.7	26	12.4

Share Holding Pattern-%	Current	4QFY13	3QFY1
Promoters	25.2	25.3	25.4
FII	35.0	32.9	30.0
DII	15.5	16.4	18.6
Others	24.3	25.4	26.1



Good Quarter but Outlook Shaky.

Management Guidance :

Company optimistic on the tractor volume growth outlook and indicated they see an upside potential of 6-8% yoy growth in tractor volumes for the industry in FY2014E.

Company posted its good 4QFY13 results ,the standalone Net Sales of the company came at Rs 10352 Cr up 12% YoY. The healthy growth in sales led by strong volume growth in company passenger utility vehicle .The total volume of passenger UV for the 4QFY13 came at 69033 up 18% YoY. All the products within this portfolio has done well on average.In the car portfolio company has sold 1501 vertigo cars.

The standalone EBITDA for the company stands at Rs 1269 Cr and OPM during the quarter came at 12 % up by almost 200bps.The RM cost to sales for the quarter decreased to 52 % from 56 % on YoY basis indicating company's tight control over the cost.

The standalone net profit for 4QFY13 IS Rs 888 Cr which is up by 2% YoY in comparison to net profits for the same period last fiscal. The jump in profits is mainly due to strong volume sales especially on utility vehicle segment front.

Company is facing some pain on tractor sales volumes however there is 9% YoY improvement in tractor average selling price. The total number of Tractor including export and domestic during the 4QFY13 stands at 138046 which is lower than 2% YoY. The domestic Tractor business decline for the 4QFY13 by 4 % YoY at 46395.The export business which saw big decline of almost 29% YoY and solely responsible for dragging the tractor business down.

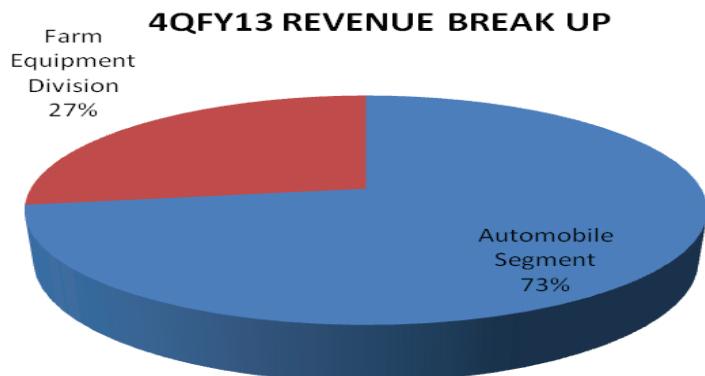
Post the results management said that they are optimistic on the tractor volume growth outlook and indicated they see an upside potential of 6-8% yoy growth in tractor volumes for the industry in FY2014E

There is improvement in average realization in average price of Tractors though volumes have suffered decline and whole things thing depends upon normal monsoons.The effect of hike duty duty post budget is clearly visible as volume decline in utility vehicles coupled by Weak economic growth and a narrowing gap between diesel and petrol prices. At CMP of Rs 965 the stock does not seems to provide much upsides from current levels,we recommend exit from the stock.

Financials	Rs, Crore				
	4QFY13	3QFY13	(QoQ)-%	4QFY12	(YoY)-%
Revenue	10486	10774	(2.7)	9387	11.7
EBITDA	1269	1211	4.8	969	31.0
PAT	888	836	6.2	874	1.6
EBITDA Margin	12.1%	11.2%	90bps	10.3%	180bps
PAT Margin	8.5%	7.8%	70bps	9.3%	(80bps)

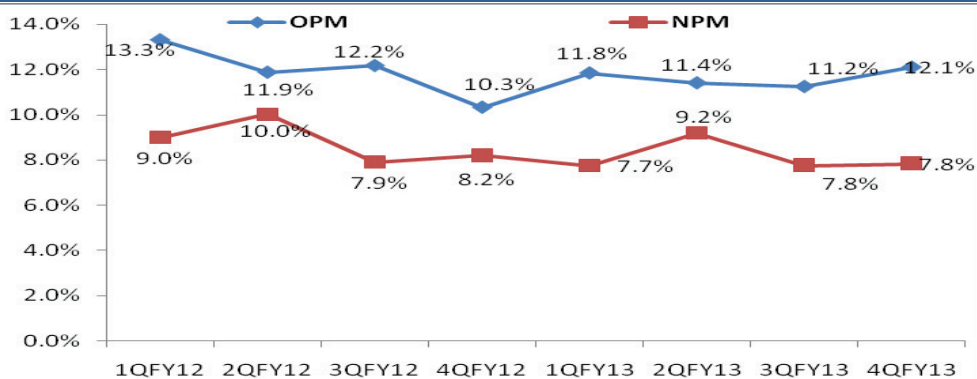
(Source: Company/Eastwind)

4QFY13 REVENUE BREAK UP



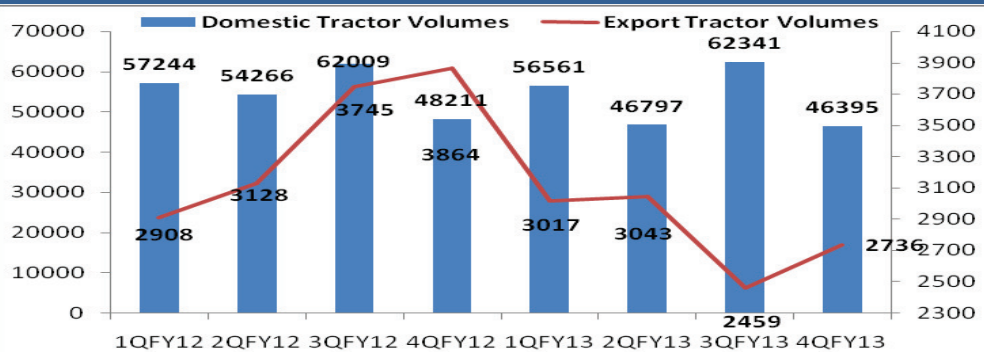
(Source: Company/Eastwind)

OPM & NPM%



(Source: Company/Eastwind)

TRACTOR VOLUME TREND



(Source: Company/Eastwind)