



04th May 2026

MONTHLY INVESTMENT REPORT

COMPANY NAME: **MAHINDRA & MAHINDRA**

RATING: BUY | CMP: 3106 | TARGET: 3589 | TIME FRAME: 9-12 MONTHS

SECTOR: AUTOMOBILES

Why M&M is a BUY:

Mahindra & Mahindra (M&M) is considered a strong investment candidate due to its leadership position in key segments like **tractors and utility vehicles**, coupled with a well-diversified business model.

The company dominates India's tractor market, benefiting from rural demand and government support for agriculture, while its SUV portfolio (such as Scorpio and XUV series) continues to gain significant market share in the fast-growing passenger vehicle segment.

M&M is also aggressively investing in **future mobility through its electric vehicle subsidiary** and partnerships, positioning itself well for the EV transition. Its capital allocation discipline, improving return ratios, and focus on high-margin segments have strengthened profitability in recent years.

Additionally, the company's exposure to multiple sectors—including auto, farm equipment, and financial services—provides stability across economic cycles, making it an attractive long-term compounder for investors.

Unique qualities of the company:

Mahindra & Mahindra stands out due to its unique blend of strong rural dominance, brand legacy, and forward-looking strategy. One of its key qualities is its leadership in the tractor segment, where it enjoys a structurally strong demand base driven by India's agriculture economy.

At the same time, it has successfully built a powerful identity in the SUV space with rugged, aspirational products that resonate well with Indian consumers. Unlike many auto companies, M&M benefits from a **diversified portfolio that includes farm equipment, automotive, financial services, and emerging EV ventures, which provides resilience across economic cycles.**

The company is also known for its disciplined capital allocation under its "capital allocation framework," focusing on high-return businesses while exiting underperforming segments.

Additionally, its **aggressive push into electric mobility and global partnerships** reflects strong management vision, making it not just a traditional auto player but a future-ready mobility company.



Additionally, its group synergies, **including access to financing through its financial services arm, enhance customer affordability and boost sales.**

Why to invest in M&M:

1. Mahindra & Mahindra (M&M) further strengthens its investment appeal through its ability to capture multiple structural growth themes within the Indian economy. The company is a direct beneficiary of rising rural incomes, increasing mechanization in agriculture, and strong infrastructure push, all of which support sustained demand for tractors and commercial vehicles.
2. At the same time, its sharp focus on the premiumization trend in the passenger vehicle segment—through feature-rich, **high-margin SUVs—has significantly improved its earnings** quality and brand perception. M&M's turnaround strategy over the past few years, including cost rationalization, sharper business focus, and improved operational efficiency, has led to consistent margin expansion and stronger balance sheet health.
3. Importantly, the company has built a strong pipeline in electric mobility with dedicated EV platforms and strategic investors, which not only unlocks future growth but also enhances valuation potential. Its global presence, especially in farm equipment and select international markets, adds diversification benefits. Moreover, strong management execution, clear strategic vision, and a focus on shareholder returns through better capital allocation make M&M a structurally sound story.
4. Overall, the **combination of cyclical recovery, structural growth drivers, and future-ready investments makes it a high-quality long-term investment opportunity.**

Future prospects of the company:

1. Mahindra & Mahindra (M&M) is a compelling long-term investment due to its strong positioning across multiple high-growth segments and its ability to consistently create value through disciplined execution.
2. The company enjoys market leadership in tractors, which provides a stable and recurring revenue base driven by India's rural economy and favorable government policies, while its rapidly growing SUV portfolio continues to gain market share in the premium utility vehicle segment, supporting margin expansion.
3. M&M's strategic focus on capital allocation—exiting low-return businesses and doubling down on high-growth, high-ROE segments—has significantly improved its financial profile and investor confidence.
4. Additionally, its early and aggressive investments in electric vehicles, along with partnerships and platform-based development, position it well to benefit from the long-term EV transition in India.
5. The presence of a financial services arm further strengthens its ecosystem by enabling customer financing and boosting sales conversions.
6. With improving return ratios, strong free cash flow generation, a robust product pipeline, and exposure to both cyclical (auto) and defensive (farm equipment) segments, M&M offers a balanced mix of growth, resilience, and future readiness, making it an attractive compounder for long-term investors.

KEY FINANCIALS TILL Q3FY26:**Consolidated Quarterly Results:**

	Mar 2024	Jun 2024	Sep-24	Dec 2024	Mar 2025	Jun 2025	Sep-25	Dec 2025
Sales	35,452	37,218	37,924	41,470	42,599	45,529	46,106	52,100
Expenses	28,848	29,975	30,790	33,239	34,688	37,301	37,166	41,939
Operating Profit	6,604	7,243	7,133	8,231	7,911	8,228	8,940	10,160
OPM %	19%	19%	19%	20%	19%	18%	19%	20%
Other Income	750	733	1,126	719	1,141	1,395	1,134	976
Interest	1,989	2,108	2,217	2,362	2,397	2,431	2,347	2,405
Depreciation	1,335	1,248	1,302	1,495	2,029	1,548	1,669	2,163
Profit before tax	4,030	4,621	4,740	5,092	4,627	5,644	6,058	6,569
Tax %	22%	23%	29%	29%	23%	22%	35%	24%
Net Profit	3,125	3,546	3,361	3,624	3,542	4,377	3,964	5,021
EPS in Rs	22	26	26	26	27	33	30	38

Profit & Loss Statement:

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
Sales	104,721	75,382	74,278	90,171	121,269	139,078	159,211
Expenses	89,514	65,224	62,791	75,488	100,983	114,186	128,693
Operating Profit	15,207	10,158	11,487	14,683	20,285	24,892	30,518
OPM %	15%	13%	15%	16%	17%	18%	19%
Other Income	2,676	885	1,152	3,204	3,961	3,298	3,718
Interest	5,021	6,021	6,102	5,018	5,830	7,488	9,083
Depreciation	3,991	3,367	3,378	3,508	4,357	4,724	6,074
Profit before tax	8,871	1,655	3,158	9,362	14,060	15,978	19,080
Tax %	32%	119%	52%	23%	19%	23%	26%
Net Profit	6,017	-321	1,512	7,253	11,374	12,270	14,073
EPS in Rs	43	1	15	53	83	91	104



Balance Sheet:

	Mar 2019	Mar 2020	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
Equity Capital	544	554	555	556	557	557	558
Reserves	39,439	39,415	41,027	46,567	55,809	65,633	76,481
Borrowing	70,848	82,092	80,625	77,605	92,247	108,647	129,025
Other Liabilities	51,057	43,655	42,762	47,661	55,670	59,884	69,950
Total Liabilities	161,889	165,716	164,968	172,388	204,283	234,722	276,013
Fixed Assets	28,983	29,689	21,380	26,018	27,140	28,129	34,636
CWIP	4,760	6,856	7,873	6,703	3,969	8,039	8,298
Investments	18,268	19,210	28,778	30,060	35,272	35,208	41,309
Other Assets	109,878	109,960	106,938	109,607	137,902	163,345	191,771
Total Assets	161,889	165,716	164,968	172,388	204,283	234,722	276,013

Shareholding Pattern:

	Jun 2024	Sep-24	Dec 2024	Mar 2025	Jun 2025	Sep-25	Dec 2025
Promoters	18.55%	18.53%	18.48%	18.45%	18.43%	18.43%	18.43%
FIIIs	41.90%	41.18%	38.92%	38.30%	38.53%	38.04%	37.49%
DIIIs	26.18%	27.04%	29.22%	29.77%	29.57%	29.95%	30.39%
Public	9.57%	9.44%	9.66%	9.78%	9.77%	9.93%	10.03%
No. of Shareholders	756,259	799,531	855,175	895,699	864,189	881,154	885,061

Stock price CAGR:

Stock Price CAGR	
10 Years:	17%
5 Years:	33%
3 Years:	37%
1 Year:	6%



Technical View on the Stock:



1. Mahindra & Mahindra (M&M) currently shows a broadly positive but slightly mixed technical structure, indicating a medium- to long-term bullish trend with some near-term consolidation. As per recent technical indicators, the stock is trading with a “Buy to Strong Buy” bias, supported by multiple indicators such as MACD and momentum oscillators turning positive.
2. The RSI is around 52–55, which suggests the stock is in a neutral zone—neither overbought nor oversold—leaving room for further upside. At the same time, indicators like Stochastic and ROC reflect improving momentum, signaling accumulation at current levels.
3. Moving averages show a mixed trend: short-term averages (20 DMA and below) are bullish, indicating positive near-term momentum, while long-term averages (50, 100, 200 DMA) are still acting as resistance, suggesting the stock is in a recovery or breakout phase.
4. Additionally, low ATR levels indicate relatively controlled volatility, which supports gradual price movement rather than sharp swings.
5. Overall, the technical setup suggests that M&M is consolidating after a strong move, with a positive bias, and a sustained move above long-term averages could trigger a fresh upside rally, making it attractive from a positional and medium-term trading perspective.

Conclusion:

In conclusion, Mahindra & Mahindra (M&M) stands out as a well-rounded investment opportunity backed by strong fundamentals, sector leadership, and a clear future growth roadmap. Its dominant position in tractors provides stability, while its rapidly expanding SUV portfolio drives growth and margin expansion. The company’s disciplined capital allocation, improving return ratios, and focus on high-growth segments enhance long-term value creation. Additionally, its strategic push into electric vehicles and technology-led mobility solutions positions it well for the next phase of industry transformation. With a balanced exposure to both rural and urban demand, strong management execution, and a resilient business model, M&M offers a compelling mix of growth, stability, and future readiness, making it an attractive stock for long-term investors looking for consistent wealth creation.

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RESEARCH ANALYST: SATISH KUMAR AVUSULA