

Automobiles

Result Preview



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Company

Amara Raja Batteries
Ashok Leyland
Bajaj Auto
Bharat Forge
BOSCH
Ceat
CIE Automotive
Craftsman Automation
Eicher Motors
Endurance Technologies
Escorts
Exide Industries
Hero MotoCorp
Mahindra & Mahindra
Maruti Suzuki
Motherson Sumi Systems
Sona BLW Precision Ltd
Tata Motors
TVS Motor Company
Tube Investments

Signs of growth moderation visible in most segments

Margin expansion to continue in 1Q; commodity cost softens further

- 1QFY24 was a mixed bag from demand perspective, with signs of volume growth moderation in some segments. Demand largely remained intact for domestic 2Ws and PVs, whereas volumes declined for CVs (due to pre-buy in 4QFY23) and tractors (high inventory and Navratras in Mar-23). 2W exports remained weak.
- In terms of wholesale volumes, we estimate 1QFY24 volumes to grow 3% YoY for 2Ws, 33% YoY for 3Ws, and 11% YoY for PVs, while it is expected to decline by 1% YoY for M&HCVs, 6% YoY for LCVs, and 3% YoY for tractors. Domestic 2W volumes grew 12% YoY whereas exports declined 20% YoY.
- We estimate EBITDA margins to improve for the fifth quarter in a row on a YoY basis, with a 220bp YoY gain (up 50bp QoQ) for our Auto OEM Universe (ex JLR), led by a better mix, favorable FX, and operating leverage benefits. Except for CV-focused OEMs and MSIL, all other OEMs are likely to report margin expansion on a QoQ basis as well.
- We revise our FY24E EPS for select companies to account for: 1) demand evolution in the domestic market, 2) weakness in exports, and 3) commodity price/FX changes. We lower our FY24E EPS for SONACOMS (-5.6%), whereas upgrade our FY24E EPS for AL (up 13%), BJAUT (up 9%), TTMT (up 9%), and MSIL (up 5%).

Signs of growth moderation visible in most segments

1QFY24 was a mixed bag from demand perspective, with signs of volume growth moderation in most segments. 2W demand recovery sustained during the marriage and post marriage season (in Jun-23) leading to a 3% YoY growth in wholesales (domestic 2W volumes grew 12% YoY whereas exports declined 20% YoY). PV inquiries waned though wholesales/retails still saw good growth due to strong order book, driving 11% growth. Retail demand for tractors was good but inventory correction and Navratras being in Mar-23 (instead of Apr-23) led to a 3% YoY decline. CV volumes declined 4%, adversely impacted by the pre-buy activity in 4QFY23. Among the CV segment, M&HCV demonstrated a better performance with only a 1% decline, whereas LCVs experienced a larger decline of 6%. 3W volumes grew 33% YoY, primarily driven by the return to full normalcy, following the Covid-19 pandemic. The 2W, 3W, and tractor segments are expected to post QoQ improvements in volumes. However, overall exports are expected to remain under pressure for both OEMs and auto component suppliers, as the high base will continue to exert pressure until 2QFY24.

Fifth quarter of margin expansion, driven by mix, Fx, and operating leverage

We estimate EBITDA margins to improve for the fifth quarter in a row, with a 220bp YoY gain (up 50bp QoQ) for our Auto OEM Universe (ex-JLR), led by a better mix, favorable FX, and operating leverage benefits. Except for CV-focused OEMs (due to operating deleverage) and MSIL (a lag effect of JPYINR on vendor imports), all other OEMs are likely to report margin expansion on a QoQ basis as well. Going forward, our estimates are building for stable commodity cost, but expect to accrue benefit of favorable mix/Fx and operating leverage, leading to sustained margin recovery.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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Some major headwinds recede, but new ones emerge

After facing headwinds for the last three to four years, the sector is seeing some of these major headwinds turn into tailwinds. The demand recovery is expected to sustain for 2Ws, M&HCVs, and 3Ws. Exports seem to have largely bottomed out, but a recovery may take a couple of quarters. On the other hand, new headwinds are emerging in the form of: 1) signs of demand moderation in certain segments such as PVs, LCVs, and tractors due to higher inflation/interest rates, and 2) weak global macros raising fresh demand concerns for players with global exposure. Commodity prices have been volatile – after seeing inflationary pressures from the lows of 3QFY23. It has again seen correction in most of the commodities, especially for precious metals. We expect a volume CAGR of 9-11%/7-9%/4-6% for 2Ws/PVs/Tractors over FY23-25. For 3Ws/LCVs/M&HCVs, we expect a volume CAGR of 12-14%/4-6%/9-11% over FY23-25.

Valuation and view

We revise our FY24E EPS for select companies to account for: 1) demand evolution in the domestic market, 2) weakness in exports, and 3) commodity price/FX changes. We lower our FY24E EPS for SONACOMS (-5.6%), whereas upgrade our FY24E EPS for AL (+13%), BJAUT (+9%), TTMT (+9%), and MSIL (+5%). We prefer companies with 1) higher visibility in terms of demand recovery, 2) a strong competitive positioning, 3) margin drivers, and 4) balance sheet strength. **TTMT and AL** are our top OEM picks. Among auto component stocks, we prefer **MSUMI and BHFC**.

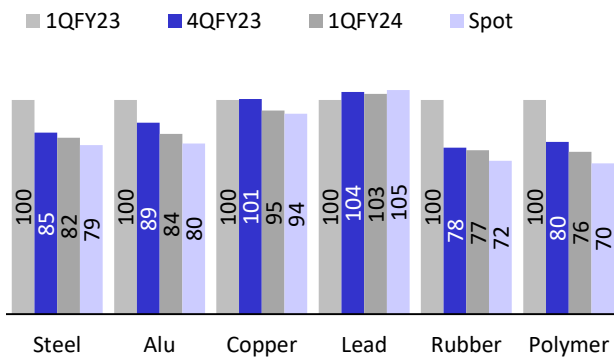
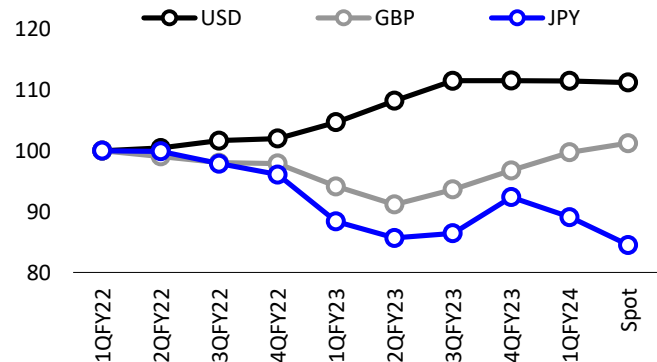
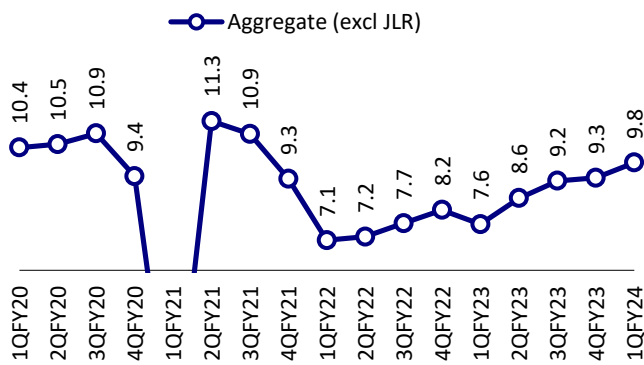
Exhibit 1: Summary of expected quarterly performance (INR m)

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Jun-23	Var % YoY	Var % QoQ	Jun-23	Var % YoY	Var % QoQ	Jun-23	Var % YoY	Var % QoQ
Amara Raja Batt.	681	Neutral	28,296	8.0	16.5	4,075	56.2	20.8	2,275	73.1	31.6
Apollo Tyres	407	Buy	65,531	10.3	4.9	10,421	51.1	4.4	4,079	113.9	-0.5
Ashok Leyland	167	Buy	78,876	9.2	-32.2	7,011	118.9	-45.0	3,345	461.8	-53.2
Bajaj Auto	4692	Neutral	1,05,327	31.6	18.3	20,571	58.6	19.8	17,021	45.1	18.8
Balkrishna Inds	2370	Neutral	25,002	-8.3	7.6	5,925	8.3	19.9	3,550	11.0	37.8
Bharat Forge	837	Buy	20,005	13.7	0.2	5,202	13.1	-0.5	2,883	17.2	4.7
Bosch	19067	Neutral	38,988	10.0	-4.0	5,118	13.9	-2.0	4,091	22.4	2.5
CEAT	2078	Buy	30,439	8.0	5.9	3,774	128.4	2.6	1,354	1,288.3	-3.1
CIE Automotive	515	Buy	25,243	13.9	3.4	3,886	27.1	2.1	2,243	21.5	1.8
Craftsman Auto	4029	Buy	10,279	52.1	4.8	1,957	19.8	3.9	619	11.3	-22.9
Eicher Motors	3582	Neutral	40,879	20.3	7.5	10,126	21.8	8.5	9,052	48.2	0.0
Endurance Tech.	1575	Buy	24,288	14.9	8.7	3,236	35.0	13	1,677	50.7	22.9
Escorts Kubota	2248	Neutral	22,231	10.3	1.8	2,401	19.1	1.8	2,016	36.7	-1.1
Exide Inds.	237	Buy	40,164	3.0	13.4	4,579	18.4	24.7	2,729	20.6	31.3
Hero Motocorp	2909	Buy	89,098	6.2	7.3	11,841	25.9	9.3	8,486	35.9	-1.2
Mahindra & Mahindra	1454	Buy	2,38,555	20.9	5.7	30,884	32.3	10.4	19,188	34.5	-2.8
Maruti Suzuki	9787	Buy	3,10,738	17.3	-3.0	31,066	62.5	-7.3	22,614	123.3	-13.8
Samvardhana Motherson	86	Buy	2,17,848	23.7	-3.1	16,915	57.1	-16.3	4,407	212.1	-32.6
Motherson Wiring	58	Buy	18,458	10.5	-1.0	2,216	9.3	5.9	1,381	9.6	-0.3
MRF	101244	Sell	60,468	8.0	5.6	8,633	80.5	2.4	3,705	229.8	4.8
Sona BLW Precis.	516	Neutral	7,286	23.7	-2.1	1,967	38.0	-2.3	1,056	39.2	-14.3
Tata Motors	596	Buy	10,03,086	39.4	-5.3	1,11,374	250.2	-13.1	17,726	LP	-68.5
Tube Investments	3172	Buy	18,670	-4.6	12.2	2,301	12.8	9.3	1,518	13.0	-44.4
TVS Motor	1325	Neutral	73,020	21.5	10.6	7,747	29.2	14.0	4,298	34.1	18.1
Automobiles			25,92,774	24.1	-1.6	3,13,227	80.1	-4.6	1,41,310	1,008.3	-23.8

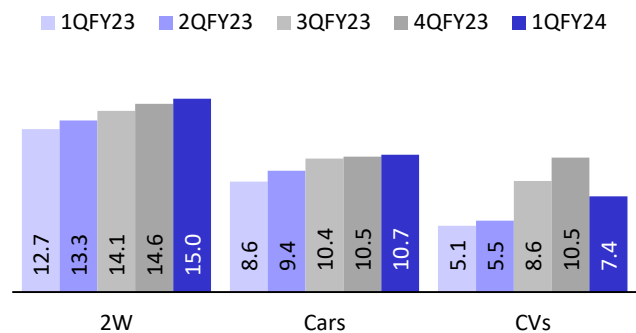
Exhibit 2: Volume snapshot 1QFY24 ('000 units)

	1QFY24	1QFY23	YoY (%)	4QFY23	QoQ (%)	FY24E	FY23	YoY (%)
Two wheelers	5,034	4,882	3.1	4,312	16.8	21,555	19,533	10.4
Three wheelers	234	176	33.2	216	8.6	989	857	15.5
Passenger cars	511	516	-1.0	545	-6.3	2,207	2,161	2.1
UVs & MPVs	681	554	22.9	645	5.6	2,863	2,389	19.8
Total PVs	1,192	1,070	11.4	1,190	0.2	5,069	4,550	11.4
M&HCV	81	82	-0.9	123	-34.3	422	381	10.8
LCV	152	162	-6.2	174	-12.5	670	659	1.6
Total CVs	233	244	-4.4	297	-21.5	1,092	1,040	5.0
Tractors	270	278	-2.6	217	24.8	1,023	986	3.8
Total (ex Tractor)	6,694	6,371	5.1	6,014	11.3	28,706	25,980	10.5

Source: Company, MOFSL

Exhibit 3: Commodity prices remain soft (indexed)**Exhibit 4: Trend in key currencies vs. INR (average, indexed)****Exhibit 5: Margins to improve on both a YoY & QoQ basis**

Source: MOFSL

Exhibit 6: Trend in segment-wise EBITDA margins (%)

Source: MOFSL

Exhibit 7: QoQ savings in RM costs drive margin

	Volumes ('000 units)					EBITDA margins (%)					Adj PAT (INR M)				
	1QFY24	1QFY23	YoY (%)	4QFY23	QoQ (%)	1QFY24	1QFY23	YoY (bp)	4QFY23	QoQ (bp)	1QFY24	1QFY23	YoY (%)	4QFY23	QoQ (%)
BJAUT	1,027	934	10.0	859.9	19.5	19.5	16.2	330	19.3	30	17,021	11,733	45.1	14,329	18.8
HMCL	1,353	1390	-2.7	1,270.5	6.5	13.3	11.2	210	13.0	30	8,486	6,245	35.9	8,589	-1.2
TVS Motor	953	907	5.1	866.5	10.0	10.6	10.0	60	10.3	30	4,298	3,205	34.1	3,640	18.1
MSIL	498	468	6.4	514.9	-3.3	10.0	7.2	280	10.5	-50	22,614	10,128	123.3	26,236	-13.8
MM	301	272	10.7	278.9	8.0	12.9	11.8	110	12.4	60	19,188	14,270	34.5	19,750	-2.8
TTMT India CV**	86	101	-14.6	116.5	-25.9	6.7	5.4	120	10.2	-350	4,615	3,020	52.8	17,040	-72.9
TTMT India PV**	140	130	7.7	134.8	4.2	8.0	6.2	180	7.3	80	4,006	140	2,761.1	2,340	71.2
TTMT (JLR) *	107	83	29.7	107.4	-0.3	12.5	6.3	610	14.6	-210	181	-386	-147.0	263	-31.0
TTMT (Cons)						11.1	4.4	670	12.1	-100	17,726	-65,002	-127.3	56,231	-68.5
Ashok Leyland	41	40	4.2	59.7	-30.8	8.9	4.4	450	11.0	-210	3,345	595	461.8	7,145	-53.2
Eicher (RE)	228	187	21.6	218.5	4.2	25.1	24.3	80	24.7	40	8,047	5,802	38.7	7,469	7.7
Eicher (VECV)	20	17	12.0	26.4	-25.8	8.4	5.3	310	9.9	-150	1,547	622	148.9	3,154	-50.9
Eicher (Consol)						25.1	24.3	80	24.7	40	9,052	6,107	48.2	9,056	0.0
Agg. (ex JLR)	4,708	4470	5.3	4,407	6.8	9.8	7.6	220	9.3	50	84,003	52,284	60.7	88,745	-5.3

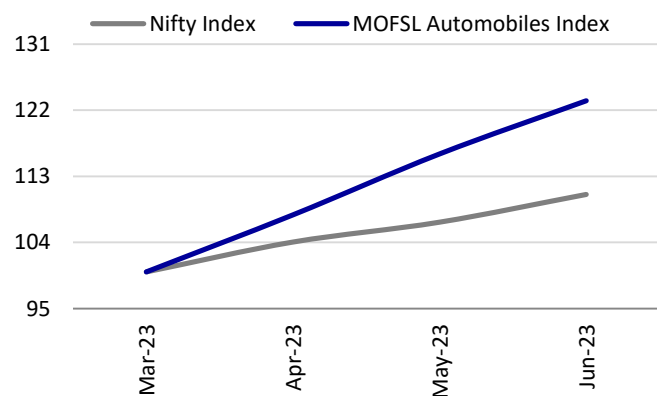
*JLR (in GBP m)

Exhibit 8: Revised estimates

	FY24E			FY25E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
BJAUT	267.5	244.8	9.3	295.8	273.1	8.3
HMCL	186.9	186.1	0.5	199.3	204.8	-2.7
TVSL	42.9	41.5	3.6	50.6	49.6	2.0
EIM *	139.3	139.2	0.1	170.0	176.9	-4.0
MSIL *	369.1	350.0	5.4	421.1	402.6	4.6
MM	78.9	77.8	1.4	88.5	87.4	1.3
TTMT *	32.1	29.5	8.7	38.1	34.1	11.6
AL	8.6	7.6	13.1	10.5	9.1	16.1
ESCORTS	75.0	75.3	-0.5	95.9	94.1	1.9
AMRJ	53.0	52.2	1.5	58.7	57.6	1.9
EXID	13.6	13.3	2.9	16.1	16.1	-0.4
BOSCH	620	632	-2.0	701	713.0	-1.7
ENDU	52.1	52.0	0.2	64.2	60.5	6.2
MACA	29.9	29.0	3.2	34.2	32.6	4.9
BHFC	30.3	31.0	-2.2	38.0	39.4	-3.4
MOTHERSO *	4.1	4.0	3.7	4.9	4.9	0.3
SONACOMS	8.6	9.1	-5.6	11.4	11.5	-1.3
CEAT	143.1	139.5	2.6	174.7	172.4	1.3
APTY *	26.4	26.7	-1.0	33.2	32.7	1.4
BIL	81.6	81.3	0.5	97.1	91.9	5.7
MRF	3,551.3	3,574.5	-0.6	4,151.0	4,193.8	-1.0
MSUMI	1.7	1.7	-0.1	2.0	2.0	0.5
TIINDIA	60.2	59.4	1.3	74.2	74.0	0.3
CRAFTSMA	174.6	173.6	0.6	225.0	219.6	2.5

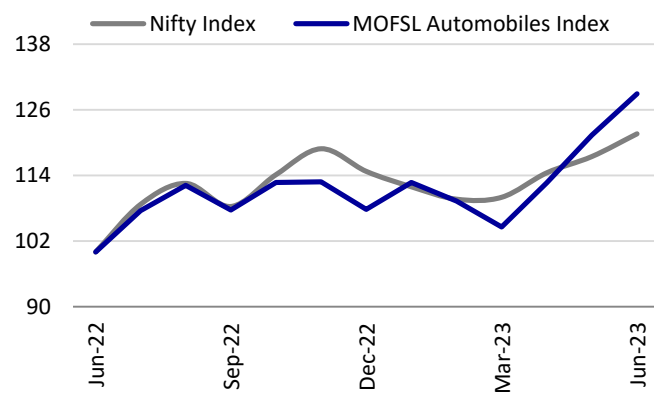
* Consolidated; Source: MOFSL

Exhibit 9: Relative performance – three-months (%)



Source: Bloomberg, MOFSL

Exhibit 10: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 11: Comparative valuation

Company Name	CMP INR	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E	FY23	FY24E	FY25E
Automobiles						29.8	22.2	19.1	3.8	4.0	3.5	12.7	18.1	18.4
Amara Raja Batt.	681	Neutral	42.7	53.0	58.7	13.6	12.8	11.6	1.9	2.0	1.7	14.8	16.1	15.9
Apollo Tyres	407	Buy	17.1	26.4	33.2	18.7	15.4	12.3	1.3	1.5	1.3	8.8	12.4	13.9
Ashok Leyland	167	Buy	4.5	8.6	10.5	31	20	15.9	4.8	4.7	3.8	16.8	26.7	26.7
Bajaj Auto	4,692	Neutral	214.2	267.5	295.8	18.1	17.5	15.9	4.3	4.9	4.7	23.3	28.9	30.2
Balkrishna Inds	2,370	Neutral	52.1	81.6	97.1	37.4	29.0	24.4	5.0	5.4	4.7	13.9	19.6	20.5
Bharat Forge	837	Buy	11.6	30.3	38.0	66.2	27.6	22.0	5.3	5.0	4.2	8.2	19.4	20.7
Bosch	19,067	Neutral	483.0	619.6	700.7	40.0	30.8	27.2	5.2	4.7	4.3	13.1	15.9	16.5
CEAT	2,078	Buy	51.9	143.1	174.7	28.0	14.5	11.9	1.7	2.1	1.8	6.3	15.6	16.4
CIE Automotive	515	Buy	18.1	25.0	29.9	19.4	20.6	17.2	2.6	3.3	2.9	13.3	17.3	17.9
Craftsman Auto	4,029	Buy	117.6	174.6	225.0	27.6	23.1	17.9	5.0	5.0	4.0	19.7	23.8	24.6
Eicher Motors	3,582	Neutral	106.5	139.3	170.0	27.7	25.7	21.1	5.4	5.6	4.7	21.1	23.4	24.2
Endurance Tech.	1,575	Buy	34.7	52.1	64.2	35.8	30.3	24.5	4.0	4.4	3.8	11.7	15.5	16.7
Escorts Kubota	2,248	Neutral	51.3	75.0	95.9	36.9	30.0	23.4	3.0	3.1	2.7	8.6	10.7	12.3
Exide Inds.	237	Buy	10.6	13.6	16.1	16.7	17.4	14.7	1.3	1.7	1.5	8.1	9.6	10.3
Hero Motocorp	2,909	Buy	145.6	186.9	199.3	16.1	15.6	14.6	2.8	3.2	2.9	17.9	21.4	20.7
Mahindra & Mahindra	1,454	Buy	64.9	78.9	88.5	17.9	18.4	16.4	3.2	3.4	2.9	19.1	20.0	19.2
Maruti Suzuki	9,787	Buy	271.8	369.1	421.1	30.5	26.5	23.2	4.1	4.3	3.8	13.3	16.0	16.3
Motherson Wiring	58	Buy	1.1	1.7	2.0	43.9	34.5	28.7	16.1	14.3	11.4	39.8	47.5	44.3
MRF	101,244	Sell	1,814	3,551	4,151	46.3	28.5	24.4	2.4	2.7	2.4	5.4	9.8	10.4
Samvardhana M.	86	Buy	2.3	4.1	4.9	29.0	20.9	17.5	2.0	2.4	2.2	7.3	11.9	13.0
Sona BLW Preci.	516	Neutral	5.0	8.6	11.4	83.4	60.0	45.4	10.6	11.5	9.8	13.5	20.4	23.2
Tata Motors	596	Buy	2.2	32.1	38.1	195.6	18.6	15.6	3.6	4.0	3.3	1.8	24.1	23.2
Tube Investments	3,172	Buy	40.5	60.2	74.2	62.7	52.7	42.7	12.4	12.4	10.0	22.3	26.1	25.8
TVS Motor	1,325	Neutral	30.4	42.9	50.6	35.4	30.9	26.2	8.5	8.1	6.4	26.6	29.5	27.1

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

Amara Raja Batteries

Neutral
CMP: INR681 | TP: INR715 (+5%)
EPS CHANGE (%): FY24|25E: 2|2

- Expect revenue growth of 8% YoY, driven by recovery in 2W OE demand, stable PV volumes, and ramp up in industrial division.
- Lead prices remained range bound in the last two quarters, with a change of +1%/-1% QoQ in 4QFY23 /1QFY24. EBITDA margin is expected to expand 50bp QoQ to 14.4%.

Quarterly Performance

(INR M)

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	26,200	26,995	26,372	24,292	28,296	29,154	29,537	29,391	1,03,859	1,16,379
YoY Change (%)	38.9	19.2	11.5	11.4	8.0	8.0	12.0	21.0	19.4	12.1
RM Cost (% of sales)	73.4	69.5	66.6	67.0	67.3	68.0	68.0	67.9	69.2	67.8
Staff Cost (% of sales)	5.1	5.6	6.1	6.0	5.7	5.6	5.6	5.7	5.7	5.7
Other Exp (% of sales)	11.5	11.6	12.2	13.1	12.6	12.3	12.2	12.3	12.1	12.4
EBITDA	2,609	3,602	3,969	3,373	4,075	4,111	4,194	4,146	13,552	16,526
Margins (%)	10.0	13.3	15.0	13.9	14.4	14.1	14.2	14.1	13.0	14.2
Depreciation	963	1,019	1,145	1,145	1,150	1,200	1,225	1,254	4,272	4,829
Interest	46	54	58	62	60	70	70	75	221	275
Other Income	170	237	261	226	220	200	220	220	893	860
PBT before EO expense	1,770	2,765	3,026	2,392	3,085	3,041	3,119	3,038	9,952	12,282
Extra-Ord expense	0	0	0	477	0	0	0	0	477	0
PBT after EO	1,770	2,765	3,026	1,915	3,085	3,041	3,119	3,038	9,476	12,282
Tax	455	744	798	535	810	798	819	797	2,532	3,224
Tax Rate (%)	25.7	26.9	26.4	28.0	26.3	26.3	26.3	26.3	26.7	26.3
Adj PAT	1,315	2,022	2,228	1,729	2,275	2,243	2,300	2,240	7,293	9,058
YoY Change (%)	6.1	40.3	54.0	75.5	73.1	10.9	3.2	29.6	42.7	24.2

Apollo Tyres

Buy
CMP: INR407 | TP: INR500 (+23%)
EPS CHANGE (%): FY24|25E: -1|1

- Revenue growth should be driven by 8%/17% YoY growth in standalone and EU operations. For India business, demand momentum was positive for TBR, while it slightly moderated for PCR in 1Q.
- Marginal increase in RM prices would be offset by operating leverage resulting in stable EBITDA margin at 15.9% (-10bp QoQ).

Consolidated - Quarterly Earnings Model

(INR M)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Revenues	59,420	59,560	64,228	62,473	65,531	66,072	70,239	66,990	2,45,681	2,68,833
YoY Change (%)	29.6	17.3	12.5	12.0	10.3	10.9	9.4	7.2	17.3	9.4
Total Expenditure	52,522	52,440	55,094	52,489	55,111	55,814	58,999	56,601	2,12,545	2,26,524
EBITDA	6,898	7,120	9,134	9,985	10,421	10,258	11,241	10,389	33,137	42,309
Margins (%)	11.6	12.0	14.2	16.0	15.9	15.5	16.0	15.5	13.5	15.7
Depreciation	3,437	3,485	3,544	3,724	3,800	3,835	3,880	3,993	14,191	15,508
Interest	1,182	1,320	1,420	1,390	1,380	1,340	1,320	1,300	5,312	5,340
Other Income	106	69	67	169	175	175	175	209	411	734
PBT before EO expense	2,384	2,383	4,237	5,039	5,416	5,258	6,216	5,305	14,044	22,194
Extra-Ord expense	0	0	0	-226	0	0	0	0	-226	0
PBT	2,384	2,383	4,237	5,265	5,416	5,258	6,216	5,305	14,269	22,194
Tax Rate (%)	20.0	18.5	31.1	18.8	24.7	24.3	23.4	25.7	22.6	24.5
Reported PAT	1,907	1,945	2,921	4,274	4,079	3,980	4,762	3,942	11,046	16,763
Adj PAT	1,907	1,945	2,921	4,099	4,079	3,980	4,762	3,942	10,872	16,763
YoY Change (%)	48.4	10.1	30.5	260.9	113.9	104.7	63.0	-3.8	69.0	54.4

Ashok Leyland**Buy****CMP: INR167 | TP: INR190 (+14%)****EPS CHANGE (%): FY24|25E: 13|16**

- Despite pre-buy impact before BS6 phase-II in Feb-Mar'23 and moderating discounts, CV volumes grew ~4% YoY.
- Net price realization is expected to improve, led by price hikes and lower discounts during the quarter.
- EBITDA margin is likely to expand on a YoY basis, led by softening RM prices, operating leverage, and lower interest expenses.
- Upgrade FY24/FY25E EPS to factor in operating leverage benefit, led by sustained healthy demand outlook

Qty Performance (S/A)**(INR M)**

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total Volumes (nos)	39,651	45,295	47,562	59,697	41,329	53,232	54,898	63,452	1,92,205	2,12,910
Growth %	120.4	64.5	39.6	22.5	4.2	17.5	15.4	6.3	49.8	10.8
Realizations (INR '000)	1,822	1,825	1,899	1,947	1,908	1,947	1,966	2,014	1,880	1,964
Change (%)	11.0	12.8	16.9	8.5	4.8	6.7	3.6	3.4	11.3	4.5
Net operating revenues	72,229	82,660	90,297	1,16,257	78,876	1,03,625	1,07,936	1,27,779	3,61,441	4,18,216
Change (%)	144.8	85.4	63.1	33.0	9.2	25.4	19.5	9.9	66.7	15.7
RM/sales %	79.3	78.0	76.3	75.6	75.3	75.1	75.1	74.6	77.1	75.0
Staff/sales %	6.2	6.4	6.1	5.1	6.2	5.5	5.4	4.9	5.8	5.5
Other exp/sales %	10.1	9.1	8.8	8.3	9.6	8.8	8.5	8.4	9.0	8.8
EBITDA	3,203	5,373	7,973	12,757	7,011	10,939	11,822	15,352	29,307	45,124
EBITDA Margins(%)	4.4	6.5	8.8	11.0	8.9	10.6	11.0	12.0	8.1	10.8
Interest	689	771	804	628	650	640	625	610	2,891	2,525
Other Income	256	200	316	389	390	425	450	505	1,161	1,770
Depreciation	1,824	1,768	1,890	1,838	1,850	1,880	1,900	1,953	7,320	7,583
PBT before EO Item	946	3,035	5,596	10,681	4,901	8,844	9,747	13,294	20,258	36,786
EO Exp/(Inc)	-130	-82	-69	-564	0	0	0	0	-846	0
PBT after EO	1,077	3,117	5,665	11,245	4,901	8,844	9,747	13,294	21,104	36,786
Effective Tax Rate (%)	36.8	36.1	36.2	33.2	31.7	31.7	31.7	31.7	34.6	31.7
Adj PAT	595	1,939	3,568	7,145	3,345	6,036	6,653	9,074	13,248	25,109
Change (%)	-121.2	-333.0	-1,054.2	70.8	461.8	211.3	86.5	27.0	7,587.8	89.5

Bajaj Auto**Neutral****CMP: INR4,692 | TP: INR4,905 (+5%)****EPS CHANGE (%): FY24|25E: 9|8**

- 2W domestic volumes grew 73% YoY, led by industry recovery and easing supply challenges, while 2W export volumes declined 35% YoY.
- Export demand continues to be adversely impacted by unavailability of FX in end markets, while sequential recovery is visible.
- Margin to expand QoQ, led by price hikes and operating leverage.
- We expect an upgrade in FY24/25E EPS due to a recovery in both domestic and exports demand.

Quarterly Performance**(INR M)**

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Volumes ('000 units)	934	1,151	983	860	1,027	1,100	1,132	1,139	3,928	4,398
Growth YoY (%)	-7.2	0.6	-16.8	-12.0	10.0	-4.5	15.1	32.5	(8.8)	12.0
Realization (INR/unit)	85,739	88,642	94,736	1,03,553	1,02,517	1,02,773	1,01,746	99,763	92,742	1,01,669
Growth YoY (%)	16.8	17.7	24.1	26.8	19.6	15.9	7.4	-3.7	21.1	9.6
Gross Sales	80,050	1,02,028	93,151	89,047	1,05,327	1,13,005	1,15,125	1,13,644	3,64,276	4,47,101
Net Sales	80,050	1,02,028	93,151	89,047	1,05,327	1,13,005	1,15,125	1,13,644	3,64,276	4,47,101
Change (%)	8.4	18.4	3.3	11.7	31.6	10.8	23.6	27.6	10.4	22.7
RM/Sales %	72.2	73.4	70.6	69.8	70.0	70.4	71.0	71.3	71.5	70.7
Staff cost/Sales %	4.7	3.5	3.8	4.1	3.5	3.4	3.4	3.4	4.0	3.4
Oth. Exp./Sales %	6.9	6.0	6.6	7.0	7.0	6.8	6.6	6.4	6.6	6.7
EBITDA	12,970	17,587	17,768	17,166	20,571	21,970	21,958	21,562	65,491	86,061
EBITDA Margins (%)	16.2	17.2	19.1	19.3	19.5	19.4	19.1	19.0	18.0	19.2
Other Income	3,193	3,332	2,691	2,598	2,850	3,000	3,200	3,250	11,814	12,300
Interest	43	109	85	157	100	100	100	100	395	400
Depreciation	673	670	740	742	770	800	825	861	2,824	3,256
PBT after EO	15,447	20,140	19,635	18,865	22,551	24,070	24,233	23,851	74,086	94,705
Effective Tax Rate (%)	24.0	24.0	24.0	24.0	24.5	24.5	24.5	24.5	24.0	24.5
Adj. PAT	11,733	15,300	14,914	14,329	17,021	18,167	18,290	18,001	56,276	71,479
Change (%)	10.6	31.3	22.8	16.9	45.1	18.7	22.6	25.6	20.6	27.0

Balkrishna Industries**Neutral****CMP: INR2,370 | TP: INR2,240 (-5%)****EPS CHANGE (%): FY24 | 25E: 1 | 6**

- Revenue is expected to decline 8% YoY, primarily hit by a 6% YoY decline in tonnage. This decline can be partly attributed to a channel inventory correction and weak macros coupled with realization decline of 2% YoY.
- Gross margin should continue to improve, led by softening RM costs.
- While operating cost inflation has started stabilizing, the full recovery is yet to commence.

Quarterly Earnings Model**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Volumes (Ton)	83,153	78,872	66,480	72,676	78,164	80,449	78,446	84,734	3,01,181	3,21,794
YoY Change (%)	21.2	8.4	-5.5	-5.8	-6.0	2.0	18.0	16.6	4.3	6.8
Realizations (INR '000/ton)	327.9	355.8	333.2	319.9	319.9	319.9	321.5	323.9	334.4	321.3
YoY Change (%)	23.0	24.5	12.7	1.4	-2.4	-10.1	-3.5	1.3	14.7	-3.9
Net Revenues	27,263	28,063	22,153	23,246	25,002	25,733	25,217	27,443	1,00,725	1,03,395
YoY Change (%)	49.1	34.9	6.6	-4.4	-8.3	-8.3	13.8	18.1	19.6	2.7
EBITDA	5,470	5,640	4,233	4,942	5,925	6,536	6,456	7,083	20,284	26,000
Margins (%)	20.1	20.1	19.1	21.3	23.7	25.4	25.6	25.8	20.1	25.1
Depreciation	1,262	1,341	1,449	1,515	1,525	1,550	1,575	1,612	5,566	6,262
Interest	27	43	136	250	100	100	100	94	456	394
Forex loss/(gain)	-260	-490	1,660	-30	-125	-125	-125	-125	880	-500
Other Income	-150	580	430	280	300	300	350	476	1,140	1,426
PBT before EI	4,290	5,327	1,417	3,487	4,725	5,311	5,256	5,977	14,521	21,269
Extra-Ord expense	0	0	0	23	0	0	0	0	23	0
PBT	4,290	5,327	1,417	3,465	4,725	5,311	5,256	5,977	14,499	21,269
Rate (%)	25.4	24.1	29.8	26.1	24.9	24.9	24.9	24.9	25.7	24.9
Reported PAT	3,199	4,043	995	2,559	3,550	3,990	3,949	4,491	10,774	15,980
Adj PAT	3,199	4,043	995	2,576	3,550	3,990	3,949	4,491	10,791	15,980
YoY Change (%)	-10.5	1.2	-69.7	-30.5	11.0	-1.3	296.8	74.3	-25.9	48.1

Bharat Forge**Buy****CMP: INR837 | TP: INR985 (+18%)****EPS CHANGE (%): FY24 | 25E: -2 | -3**

- Tonnage growth is expected to be at 11% YoY, led by gradual recovery in global macros and stable domestic market demand.
- Non-autos across both domestic and exports is to see high growth on a YoY basis over the low base of 1QFY23.
- EBITDA margin is expected to remain stable YoY as high RM prices is expected to be offset by operating leverage and reduction in other costs inflation.

Quarterly performance**(INR M)**

	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Tonnage	57,915	61,149	62,755	64,648	64,286	69,098	70,286	74,838	2,46,467	2,78,508
Change (%)	8.2	7.1	17.6	12.3	11.0	13.0	12.0	15.8	11.3	13.0
Realization (INR '000/ton)	303.8	304.8	311.1	308.9	311.2	312.0	306.3	303.3	307.3	308.0
Change (%)	18.5	9.1	3.6	6.2	2.4	2.4	-1.5	-1.8	9.0	0.3
Net operating income	17,594	18,639	19,521	19,973	20,005	21,560	21,529	22,695	75,727	85,789
Change (%)	28.2	16.8	21.8	19.3	13.7	15.7	10.3	13.6	21.3	13.3
EBITDA	4,600	4,522	4,936	5,226	5,202	5,798	5,762	6,084	19,284	22,846
EBITDA Margins (%)	26.1	24.3	25.3	26.2	26.0	26.9	26.8	26.8	25.5	26.6
Non-Operating Income	259	477	377	391	400	425	525	368	1,505	1,718
Interest	263	357	849	658	650	640	620	601	2,127	2,511
Depreciation	1064	1066	1079	1051	1070	1075	1080	1104	4,260	4,329
Fx loss/(gain)	250	-8	-415	347	0	0	0	0	173	0
PBT after EO items	3,252	3,579	3,844	3,154	3,882	4,508	4,587	4,746	13,827	16,949
Eff. Tax Rate (%)	25.1	25.1	24.8	22.5	25.7	25.7	25.7	21.5	24.4	25.7
Rep. PAT	2,436	2,681	2,892	2,445	2,883	3,348	3,407	3,724	10,454	12,589
Change (%)	46.2	-14.0	-14.3	-6.7	18.3	24.9	17.8	52.3	-3.0	20.4
Adj. PAT	2,460	2,686	2,859	2,754	2,883	3,348	3,407	3,724	10,776	13,208
Change (%)	14.8	-11.5	8.6	4.4	17.2	24.7	19.2	35.2	3.1	22.6

Bosch**Neutral****CMP: INR19,067 | TP: INR18,000 (-6%)****EPS CHANGE (%): FY24 | 25E: -2 | -2**

- We expect ~10% YoY revenue growth, led by growth in the underlying CV industry and stable growth in the tractor segment.
- EBITDA margin is likely to expand, driven by slight moderation in RM prices and cost control. The company's sustained focus on localization too should help margin.

Quarterly performance**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	35,444	36,616	36,599	40,634	38,988	42,108	40,991	46,164	1,49,293	1,68,252
YoY Change (%)	45.1	25.5	17.7	22.7	10.0	15.0	12.0	13.6	26.7	12.7
RM Cost (% of sales)	64.6	64.9	60.0	64.0	63.8	63.5	61.0	62.8	63.4	62.8
Staff Cost (% of sales)	7.6	7.5	7.4	8.1	7.6	7.2	7.3	7.8	7.7	7.5
Other Expenses (% of sales)	15.0	15.8	21.5	15.1	15.5	15.0	19.0	14.0	16.8	15.8
EBITDA	4,495	4,311	4,037	5,224	5,118	6,027	5,201	7,093	18,067	23,439
Margins (%)	12.7	11.8	11.0	12.9	13.1	14.3	12.7	15.4	12.1	13.9
Depreciation	648	919	1,083	1,206	750	950	1,150	1,387	3,856	4,237
Interest	36	19	20	46	25	25	25	25	121	100
Other Income	566	1,497	1,312	1,359	1,050	1,300	1,300	1,337	4,734	4,987
PBT before EO expense	4,377	4,870	4,246	5,331	5,393	6,352	5,326	7,018	18,824	24,089
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO Expense	4,377	4,870	4,246	5,331	5,393	6,352	5,326	7,018	18,824	24,089
Tax	1,035	1,146	1,057	1,341	1,302	1,534	1,286	1,695	4,579	5,817
Tax Rate (%)	23.6	23.5	24.9	25.2	24.1	24.1	24.1	24.1	24.3	24.1
Reported PAT	3,342	3,724	3,189	3,990	4,091	4,818	4,040	5,324	14,245	18,272
Adj PAT	3,342	3,724	3,189	3,990	4,091	4,818	4,040	5,324	14,245	18,272
YoY Change (%)	28.7	0.1	35.7	13.8	22.4	29.4	26.7	33.4	17.0	28.3

Ceat**Buy****CMP: INR2,078 | TP: INR2,400 (+15%)****EPS CHANGE (%): FY24 | 25E: 3 | 1**

- Healthy OEM demand, sequential recovery in replacement, and price hikes to result in healthy revenue growth.
- Ramp-up at new TBR/PCR plant to support domestic and export volumes.
- RM basket in 1QFY24 is expected to have increased 1-2% QoQ. This, coupled with higher marketing spends, should result in sequentially lower EBITDA margin.

Quarterly performance- consol**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	28,184	28,945	27,272	28,748	30,439	32,418	31,636	32,053	1,13,149	1,26,546
YoY Change (%)	47.8	18.1	13.0	10.9	8.0	12.0	16.0	11.5	20.8	11.8
RM cost (%)	68.3	67.5	65.5	59.9	60.8	61.5	61.8	61.9	65.3	61.5
Employee cost (%)	6.1	5.8	6.7	7.4	6.8	6.8	6.7	6.7	6.5	6.8
Other expenses (%)	19.7	19.7	19.2	19.9	20.0	19.2	19.3	18.9	19.6	19.4
EBITDA	1,653	2,031	2,376	3,678	3,774	4,052	3,875	3,990	9,738	15,692
Margins (%)	5.9	7.0	8.7	12.8	12.4	12.5	12.3	12.4	8.6	12.4
Depreciation	1,114	1,151	1,175	1,253	1,260	1,280	1,320	1,346	4,693	5,206
Interest	521	577	657	666	600	570	570	561	2,421	2,301
Other Income	28	98	20	24	40	40	45	55	169	180
PBT before EO expense	45	401	565	1,783	1,954	2,242	2,030	2,138	2,793	8,365
Exceptional item	7	237	5	86	0	0	0	0	334	0
PBT	38	164	560	1,698	1,954	2,242	2,030	2,138	2,459	8,365
Tax Rate (%)	31.0	64.6	26.7	26.5	32.0	32.0	32.0	32.0	29.2	32.0
Minority Int. & Profit of Asso. Cos.	-67	-20	57	-90	-25	-25	-25	-25	-120	-100
Reported PAT	92	78	354	1,337	1,354	1,550	1,406	1,479	1,862	5,788
Adj PAT	98	246	357	1,398	1,354	1,550	1,406	1,479	2,098	5,788
YoY Change (%)	-59	-42	-325	382	1,288	530	294	6	164	176

CIE Automotive**Buy****CMP: INR515 | TP: INR585 (+14%)****EPS CHANGE (%): CY23 | 24E: 3 | 5**

- Strong growth in standalone business, led by a sharp volume growth for its key customers (MM & TTMT). It will also benefit from global supply chain recovery.

- Softening RM costs, along with the cost-cutting initiatives in both India and EU, to support margin on a YoY basis.
- Raised EPS estimates by 3%/5% for FY24/25 to factor in for stable RM costs and higher other income.

Quarterly performance- Cons**(INR M)**

(INR m)	CY22				CY23E				CY22	CY23E
Y/E December	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	20,608	22,160	22,294	22,468	24,402	25,243	25,553	25,921	87,530	1,01,119
YoY Change (%)	-5.9	8.5	6.6	34.6	18.4	13.9	14.6	15.4	29.4	15.5
EBITDA	2,804	3,058	2,934	2,924	3,806	3,886	3,921	4,116	11,720	15,729
Margins (%)	13.6	13.8	13.2	13.0	15.6	15.4	15.3	15.9	13.4	15.6
Depreciation	717	747	731	767	825	825	825	801	2,962	3,276
Interest	40	-1	109	79	240	210	210	12	227	672
Other Income	107	98	134	244	160	150	150	337	583	797
Share of profit from associates	4	11	3	4	3	10	5	7	22	25
PBT before EO expense	2,155	2,409	2,229	2,321	2,901	3,001	3,036	3,639	9,114	12,577
EO Exp/(Inc)	0	0	-38	-379	0	0	0	0	-379	0
PBT after EO exp	2,155	2,409	2,267	2,700	2,901	3,001	3,036	3,639	9,492	12,577
Tax Rate (%)	23.9	23.8	24.5	28.0	24.2	25.6	25.5	25.0	25.3	25.1
Adj. PAT	1,643	1,847	1,685	1,662	2,203	2,243	2,266	2,736	6,828	9,448
YoY Change (%)	7.7	35.6	13.0	96.3	34.1	21.5	34.4	64.6	69.2	38.4

Craftsman Auto**Buy****CMP: INR4,029 | TP: INR4,750 (+18%)****EPS CHANGE (%): FY24 | 25E: 1 | 3**

- The quarter includes the full impact of DR Axion India's operations. Standalone revenue is expected to grow ~10% YoY, led by strong growth in storage division revenue and stable growth in OE volume across segments.

- Softening AL cost should be offset by a weak product mix, resulting in stable EBITDA margin at 21.3% for SA business.

Quarterly (Consol)**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net operating income	6,758	7,713	7,490	9,804	10,279	11,711	11,393	12,397	31,826	45,781
Change (%)	56.6	35.6	35.8	49.8	52.1	51.8	52.1	26.5	44.2	43.8
Total Cost	5,124	6,012	5,907	7,919	8,321	9,261	8,995	9,683	24,990	36,260
RM/Sales (%)	47.8	51.2	50.4	54.3	55.5	54.4	54.1	53.9	51.2	54.4
Staff Cost (% of Sales)	8.4	7.4	7.8	6.2	6.1	5.8	6.1	5.9	7.3	5.9
Other Exp. (% of Sales)	19.6	19.3	20.6	20.3	19.4	18.9	18.8	18.3	20.0	18.8
EBITDA	1,634	1,701	1,583	1,884	1,957	2,450	2,399	2,714	6,836	9,520
EBITDA Margins (%)	24.2	22.1	21.1	19.2	19.0	20.9	21.1	21.9	21.5	20.8
Non-Operating Income	13	17	46	49	32	35	35	48	125	150
Interest	254	233	296	419	450	428	408	406	1202	1692
Depreciation	532	547	538	599	647	670	695	732	2216	2744
Minority Int/Share of Profit	0	0	-2	-1	42	49	52	53	21	197
PBT after EO items	861	939	797	916	850	1,338	1,279	1,570	3,522	5,037
Tax	305	333	281	114	231	357	343	417	1038	1349
Eff. Tax Rate (%)	35.5	35.4	35.3	12.4	27.2	26.7	26.8	26.6	29.5	26.8
Rep. PAT	556	606	516	802	619	981	936	1,153	2,484	3,688
Change (%)	143.3	22.7	40.2	56.2	11.3	61.8	81.3	43.7	54.8	48.5
Adj. PAT	556	606	516	802	619	981	936	1,153	2,484	3,688
Change (%)	143.3	22.7	40.2	56.2	11.3	61.8	81.3	43.7	54.8	48.5

Eicher Motors**Neutral****CMP: INR3,582 | TP: INR3,700 (+3%)****EPS CHANGE (%): FY24|25E: -|-4**

- Overall RE volumes grew ~22% YoY in 1QFY24, led by continued traction in Hunter and easing supply challenges. However, exports volume growth declined 31% YoY.
- The impact of unfavorable product mix should be offset by operating leverage, resulting in EBITDA margin expansion.
- VECV margins are likely to improve YoY, led by higher CV volumes and moderating discounts.

Quarterly performance (Consolidated)

INR m	FY23				FY24E				FY23	FY24E
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Operating income	33,975	35,194	37,210	38,043	40,879	42,633	43,316	43,834	1,44,422	1,70,661
Growth (%)	72.1	56.4	29.2	19.1	20.3	21.1	16.4	15.2	40.2	18.2
EBITDA	8,311	8,216	8,572	9,337	10,126	10,629	10,783	11,016	34,436	42,554
EBITDA Margins (%)	24.5	23.3	23.0	24.5	24.8	24.9	24.9	25.1	23.8	24.9
PAT	5,769	6,127	6,770	7,322	8,210	8,119	8,522	7,347	25,988	32,198
Share of JV Loss/(PAT)/ Min. Int.	-338	-441	-639	-1,734	-842	-1,092	-1,532	-2,440	-3,152	-5,906
Recurring PAT	6,107	6,569	7,408	9,056	9,052	9,211	10,053	9,787	29,139	38,104
Growth (%)	157.5	76.0	62.4	48.4	48.2	40.2	35.7	8.1	73.8	30.8

Standalone (Royal Enfield)

(INR Million)	FY23				FY24E				FY23	FY24E
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Royal Enfield ('000 units)	187	208	221	219	228	235	239	241	835	943
Growth (%)	51.4	68.3	30.6	17.7	21.6	13.3	7.9	10.5	38.6	13.0
Net Realn (INR '000/unit)	173.5	163.5	162.2	175.3	175.3	177.1	177.3	177.6	168.5	176.8
Change - YoY (%)	12.4	-7.5	-3.1	1.9	1.1	8.3	9.3	1.3	0.2	5.0
Net operating income	32,479	33,972	35,902	38,314	39,923	41,677	42,360	42,878	1,40,666	1,66,839
Growth (%)	70.2	55.7	26.5	19.9	22.9	22.7	18.0	11.9	39.0	18.6
EBITDA	7,882	8,036	8,569	9,448	10,013	10,516	10,670	10,903	33,935	42,102
EBITDA Margins (%)	24.3	23.7	23.9	24.7	25.1	25.2	25.2	25.4	24.1	25.2

Endurance Technologies**Buy****CMP: INR1,575 | TP: INR2,000 (+27%)****EPS CHANGE (%): FY24|25E: -|6**

- India business to benefit from recovery in the 2W industry, while EU business is recovering, driven by improving supply chain situation and low base.
- Expect QoQ EBITDA margin expansion, driven by steel price correction (~32% of mix in India) in 1Q.
- We raise 25E EPS by 6% each to factor in for better earnings visibility and higher other income.

Consolidated - Quarterly

Y/E March	FY23				FY24E				FY23	FY24E
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	21,138	23,606	20,952	22,343	24,288	26,631	25,148	26,475	88,040	1,02,542
YoY Change (%)	24.8	25.1	10.9	7.5	14.9	12.8	20.0	18.5	16.6	16.5
RM Cost (% of sales)	60.4	62.3	59.9	59.3	58.7	59.9	59.8	59.8	60.5	59.6
Staff Cost (% of sales)	8.8	7.4	9.2	9.4	7.9	7.0	8.0	8.1	8.7	7.8
Other Exp. (% of sales)	19.4	18.8	19.4	18.5	19.0	18.7	18.4	17.7	19.0	18.9
EBITDA	2,398	2,716	2,395	2,854	3,236	3,676	3,356	3,800	10,363	14,068
Margins (%)	11.3	11.5	11.4	12.8	13.3	13.8	13.3	14.4	11.8	13.7
Depreciation	991	993	1,016	1,216	1,095	1,130	1,190	1,335	4,216	4,750
Interest	19	61	46	80	56	60	55	56	206	227
Other Income	47	84	115	208	120	135	150	158	454	563
PBT before EO expense	1,434	1,747	1,448	1,767	2,205	2,621	2,261	2,567	6,395	9,654
Exceptional Item	103	0	0	0	0	0	0	0	103	0
PBT after EO	1,331	1,747	1,448	1,767	2,205	2,621	2,261	2,567	6,293	9,654
Eff. Tax Rate (%)	22.3	24.7	25.3	22.8	24.0	24.4	24.2	23.9	23.8	24.1
Rep. PAT	1,034	1,315	1,082	1,365	1,677	1,981	1,713	1,953	4,796	7,323
Adj. PAT	1,112	1,315	1,082	1,365	1,677	1,981	1,713	1,953	4,875	7,323
YoY Change (%)	-8.3	-1.4	14.4	0.2	50.7	50.7	58.3	43.1	0.4	50.2

Escorts**Neutral****CMP: INR2,248 | TP: INR2,000 (-11%)****EPS CHANGE (%): FY24|25E: -1|2**

- 1Q witnessed ~5% YoY growth in tractor volumes, led by several subsidy and benefits announced by the various state governments and healthy reservoir level.
- Lower RM cost YoY should help drive EBITDA margin expansion by 80bp to 10.8% (flat QoQ).

Quarterly Performance (SA)**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3QE	4Q	1Q	2Q	3Q	4Q		
Net Sales	20,149	18,835	22,637	21,830	22,231	20,561	25,055	24,163	83,450	92,010
YoY Change (%)	20.5	12.2	15.6	16.8	10.3	9.2	10.7	10.7	16.0	10.3
Total Expenditure	18,133	17,308	20,733	19,471	19,830	18,464	21,748	20,973	75,645	81,015
EBITDA	2,016	1,527	1,903	2,358	2,401	2,097	3,307	3,190	7,804	10,995
Margins (%)	10.0	8.1	8.4	10.8	10.8	10.2	13.2	13.2	9.4	12.0
Depreciation	364	365	376	380	380	400	425	425	1,484	1,630
Interest	26	23	26	28	28	28	28	26	103	110
Other Income	354	776	913	763	700	750	780	890	2,806	3,120
PBT	1,981	1,187	2,414	2,470	2,693	2,419	3,634	3,629	8,051	12,375
Rate (%)	25.6	26.1	22.8	24.9	25.1	25.1	25.1	25.1	24.6	25.1
Adj. PAT	1,475	1,425	1,864	2,039	2,016	1,811	2,720	2,716	6,802	9,263
YoY Change (%)	-20.4	-19.4	-7.5	0.8	36.7	27.1	45.9	33.2	-11.2	36.2

Exide Industries**Buy****CMP: INR237 | TP: INR285 (+20%)****EPS CHANGE (%): FY24|25E: 3|-**

- Expect revenue growth of 3% YoY, driven by recovery in 2W OE demand and ramp up in industrial division.
- Lead prices remained range bound in the last two quarters, with a change of +1%/-1% QoQ in 4QFY23/1QFY24. EBITDA margin is expected to expand 100bp QoQ to 11.4%.

S/A Quarterly Performance**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	38,994	37,189	34,121	35,430	40,164	42,395	41,287	42,411	1,45,919	1,66,270
Growth YoY (%)	56.8	13.0	6.7	3.7	3.0	14.0	21.0	19.7	17.6	13.9
Gross opearting income	38,994	37,189	34,121	35,430	40,176	42,395	41,287	42,424	1,45,919	1,66,270
Growth YoY (%)	56.8	13.0	6.7	3.7	3.0	14.0	21.0	19.7	17.6	13.9
RM(%)	72.1	69.5	67.7	70.2	69.8	70.0	70.0	69.8	69.9	69.9
Employee cost (%)	5.5	5.9	6.3	6.2	5.9	5.6	5.6	5.6	6.0	5.7
Other Exp(%)	12.5	13.5	14.3	13.3	12.9	12.8	12.5	12.8	13.4	12.8
Total Cost	35,127	33,065	30,111	31,758	35,585	37,477	36,374	37,403	1,30,239	1,46,839
EBITDA	3,866	4,124	4,010	3,672	4,579	4,918	4,913	5,008	15,680	19,431
EBITDA Margin(%)	9.9	11.1	11.8	10.4	11.4	11.6	11.9	11.8	10.7	11.7
Change (%)	48.4	-0.2	7.6	4.9	18.4	19.2	22.5	36.4	12.1	23.9
Non-Operating Income	322	356	234	412	350	350	350	326	1,324	1,376
Interest	64	62	82	83	80	80	80	85	295	325
Depreciation	1,091	1,120	1,153	1,193	1,200	1,250	1,250	1,278	4,558	4,978
PBT after EO Exp	3,034	3,298	3,009	2,808	3,649	3,938	3,933	3,972	12,151	15,504
Effective Tax Rate (%)	25.4	25.3	25.8	26.0	25.2	25.2	25.2	25.3	25.6	25.2
Adj. PAT	2,263	2,462	2,232	2,078	2,729	2,946	2,942	2,981	9,036	11,597
Change (%)	80.5	5.1	9.4	-24.7	20.6	19.6	31.8	43.4	7.5	28.3

Hero MotoCorp**Buy****CMP: INR2,909 | TP: INR3,475 (+19%)****EPS CHANGE (%): FY24|25E: 1 |-3**

■ Volumes declined ~3% YoY; however, it continues to grow sequentially in 1QFY24. This was offset by ASP growth of ~9% YoY.

■ While price hikes largely offset the impact of cost pressures, operating leverage should help drive EBITDA margin sequentially in 1QFY24.

Quarterly Performance (S/A)**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total Volumes ('000 nos)	1,390	1,428	1,240	1,270	1,353	1,503	1,480	1,409	5,329	5,745
Growth YoY (%)	35.7	-0.7	-4.1	6.9	-2.7	5.2	19.4	10.9	7.8	7.8
Net Realization	60,370	63,545	64,782	65,382	65,873	65,543	64,233	65,410	63,443	65,250
Growth YoY (%)	12.7	8.1	6.2	4.7	9.1	3.1	-0.8	0.0	7.3	2.8
Net Op Revenues	83,925	90,754	80,310	83,068	89,098	98,515	95,066	92,165	3,38,057	3,74,845
Growth YoY (%)	53.0	7.4	1.9	11.9	6.2	8.6	18.4	11.0	15.6	10.9
RM Cost (% sales)	72.8	72.0	69.4	68.0	68.6	68.6	68.6	68.6	70.6	68.6
Staff Cost (% sales)	6.4	6.0	6.8	6.7	6.5	6.1	6.5	6.6	6.5	6.4
Other Exp (% sales)	9.6	10.6	12.3	12.3	11.6	11.4	11.1	10.9	11.2	11.3
EBITDA	9,408	10,383	9,241	10,830	11,841	13,703	13,098	12,788	39,862	51,431
EBITDA Margins (%)	11.2	11.4	11.5	13.0	13.3	13.9	13.8	13.9	11.8	13.7
Other Income	530	921	1,832	2,369	1,200	1,400	1,400	1,465	5,652	5,465
Interest	70	33	49	47	50	50	50	50	199	200
Depreciation	1,630	1,634	1,620	1,686	1,700	1,715	1,725	1,756	6,570	6,896
PBT before EO Exp/(Inc)	8,238	9,637	9,404	11,467	11,291	13,338	12,723	12,447	38,746	49,800
Effective Tax Rate (%)	24.2	25.7	24.4	25.1	24.8	24.8	24.8	24.8	24.9	24.8
Adj. PAT	6,245	7,161	7,111	8,589	8,486	10,024	9,562	9,354	29,106	37,425
Growth (%)	70.9	-9.9	3.6	37.0	35.9	40.0	34.5	8.9	17.7	28.6

MRF**Sell****CMP: INR1,01,244 | TP: INR78,000 (-23%)****EPS CHANGE (%): FY24|25E: -1 |-1**

■ Strong revenue growth on a low base, along with stable growth in underlying OE segments, replacement demand recovery, and price hikes.

■ While gross margin is expected to decline QoQ, operating leverage should drive EBITDA margin expansion during the quarter.

Quarterly Performance**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	55,989	57,190	55,349	57,254	60,468	61,765	59,777	61,801	2,25,782	2,43,812
YoY Change (%)	35.6	18.4	14.6	10.1	8.0	8.0	8.0	7.9	18.9	8.0
Total Expenditure	51,207	52,517	49,863	48,823	51,835	53,044	51,679	53,461	2,02,409	2,10,019
EBITDA	4,783	4,673	5,486	8,431	8,633	8,721	8,098	8,340	23,373	33,793
Margins (%)	8.5	8.2	9.9	14.7	14.3	14.1	13.5	13.5	10.4	13.9
Depreciation	2,969	3,083	3,149	3,285	3,300	3,400	3,500	3,554	12,486	13,754
Interest	635	704	802	839	780	750	720	662	2,981	2,912
Other Income	341	764	700	678	400	700	725	798	2,482	2,623
PBT before EO expense	1,519	1,650	2,235	4,985	4,953	5,271	4,603	4,922	10,389	19,751
Extra-Ord expense	0	0	0	-803	0	0	0	0	-803	0
PBT	1,519	1,650	2,235	5,788	4,953	5,271	4,603	4,922	11,192	19,751
Tax	395	410	543	1,682	1,248	1,328	1,160	1,241	3,030	4,977
Rate (%)	26.0	24.9	24.3	29.1	25.2	25.2	25.2	25.2	27.1	25.2
Reported PAT	1,123	1,240	1,692	4,106	3,705	3,943	3,443	3,682	8,162	14,774
Adj PAT	1,123	1,240	1,692	3,537	3,705	3,943	3,443	3,682	7,576	14,774
YoY Change (%)	-30.4	-32.4	16.0	125.6	229.8	218.0	103.5	4.1	17.0	95.0

Mahindra & Mahindra**Buy****CMP: INR1,454 | TP: INR1,665 (+15%)****EPS CHANGE (%): FY24|25E: 1|1**

- Strong volume growth in autos (improving supply chain) and stable tractor volumes YoY (aided by healthy reservoir level and government schemes and subsidies).
- A sequential improvement in EBITDA margin by ~50bp likely due to favorable mix (higher FES contribution) and softening RM prices. PBIT margin is likely to expand 10bp/30bp QoQ to 7.4%/17% for Auto/FES.

Quarterly Performance**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total Volumes (nos)	2,71,971	2,73,223	2,81,859	2,78,948	3,01,147	3,02,185	3,26,473	3,18,784	11,05,375	12,48,590
Growth YoY (%)	45.6	43.3	31.6	21.9	10.7	10.6	15.8	14.3	34.8	13.0
Net Realization	7,25,262	7,68,974	7,68,247	8,09,160	7,92,154	8,10,097	7,99,278	8,26,763	7,68,610	8,07,196
Growth YoY (%)	15.2	10.2	7.2	7.4	9.2	5.3	4.0	2.2	9.1	5.0
Net Op. Income	1,97,250	2,10,101	2,16,537	2,25,714	2,38,555	2,44,799	2,60,943	2,63,559	8,49,603	10,07,856
Growth YoY (%)	67.7	57.9	41.1	30.9	20.9	16.5	20.5	16.8	47.0	18.6
RM Cost (% of sales)	76.6	76.5	76.0	75.0	75.0	76.0	75.0	76.0	76.0	75.5
Staff (% of sales)	4.3	4.4	4.2	4.2	4.5	4.8	5.1	4.1	4.3	4.2
Oth. Exp. (% of Sales)	7.3	7.2	6.7	8.4	8.0	7.0	7.4	6.7	7.4	7.3
EBITDA	23,335	24,973	28,142	27,974	30,884	31,113	35,165	34,666	1,04,424	1,31,828
EBITDA Margins (%)	11.8	11.9	13.0	12.4	12.9	12.7	13.5	13.2	12.3	13.1
Other income	2,279	13,134	6,700	3,339	3,000	14,000	6,500	4,179	25,452	27,679
Interest	703	641	686	698	675	635	620	594	2,728	2,524
Depreciation	6,955	7,913	8,292	8,385	8,450	8,600	8,800	9,180	31,545	35,030
EO Income/(Exp)	-410	-2,479	-6,289	-5,118	0	0	0	0	-14,295	0
PBT after EO	17,547	27,074	19,576	17,111	24,759	35,878	32,245	29,071	81,308	1,21,953
Effective Tax Rate (%)	20.0	23.6	21.9	9.5	22.5	22.5	22.5	22.5	19.5	22.5
Reported PAT	14,036	20,680	15,281	15,490	19,188	27,806	24,990	22,530	65,486	94,514
Adj PAT	14,270	23,380	20,290	19,750	19,188	27,806	24,990	22,530	77,700	94,514
Change (%)	52.8	38.6	52.0	66.7	34.5	18.9	23.2	14.1	51.8	21.6

Maruti Suzuki**Buy****CMP: INR9,787 | TP: INR11,000 (+12%)****EPS CHANGE (%): FY24|25E: 5|5**

- Traction for new model launches and higher discounts for lower end models aided volume growth. As a result, volume grew ~6% YoY.
- However, initial signs of demand moderation might act as the near-term headwinds for the coming quarters.
- EBITDA margin likely to expand ~280bp YoY to 10%, led by benefits of lower RM costs and operating leverage.
- QoQ decline in margins is largely due to lag impact of JPYINR movements on vendor imports and operating deleverage.

Quarterly Performance- SA**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Volumes ('000 units)	467.9	517.4	465.9	514.9	498.0	549.6	559.2	574.7	1,966.2	2,181.6
Change (%)	32.3	36.3	8.2	5.4	6.4	6.2	20.0	11.6	19.0	11.0
Realizations (INR/car)	5,66,319	5,78,490	6,23,387	6,22,379	6,23,935	6,30,174	6,23,872	6,36,836	5,97,727	6,28,889
Change (%)	12.7	6.9	15.5	13.7	10.2	8.9	0.1	2.3	11.9	5.2
Net operating revenues	2,64,998	2,99,308	2,90,443	3,20,480	3,10,738	3,46,342	3,48,883	3,66,013	11,75,229	13,71,976
Change (%)	49.1	45.7	24.9	19.9	17.3	15.7	20.1	14.2	33.1	16.7
RM Cost (% of sales)	74.6	73.1	72.7	73.3	73.0	73.0	72.5	72.3	73.4	72.7
Staff Cost (% of sales)	4.4	3.8	4.1	3.5	3.8	3.4	3.6	3.4	3.9	3.6
Other Cost (% of sales)	13.8	13.9	13.4	12.8	13.2	13.0	13.0	12.7	13.3	13.0
EBITDA	19,121	27,689	28,331	33,503	31,066	36,595	38,098	42,159	1,10,077	1,47,917
EBITDA Margins (%)	7.2	9.3	9.8	10.5	10.0	10.6	10.9	11.5	9.4	10.8
Depreciation	6,514	7,226	7,101	7,392	7,400	7,450	7,500	7,541	28,233	29,891
EBIT	12,607	20,463	21,230	26,111	23,666	29,145	30,598	34,618	81,844	1,18,026
EBIT Margins (%)	4.8	6.8	7.3	8.1	7.6	8.4	8.8	9.5	7.0	8.6
Interest	274	305	296	991	375	375	375	375	1,866	1,500
Non-Operating Income	885	6,125	8,608	7,428	6,200	6,750	7,000	7,188	21,613	27,138
PBT	13,218	26,283	29,542	32,548	29,491	35,520	37,223	41,431	1,01,591	1,43,664
Effective Tax Rate (%)	23.4	21.6	20.4	19.4	23.3	23.3	23.3	23.3	20.8	23.3
Adjusted PAT	10,128	20,615	23,513	26,236	22,614	27,236	28,542	31,769	80,492	1,10,162
Change (%)	129.8	333.7	132.5	42.7	123.3	32.1	21.4	21.1	113.7	36.9

Samvardhana Motherson Sumi**Buy****CMP: INR86 | TP: INR102 (+18%)****EPS CHANGE (%): FY24|25E: 4|-**

- Easing chip shortages and healthy order book globally expected to result in ~24% YoY growth in revenue in 1QFY24.

- Slow ramp up in subsidiaries to adversely impact overall operating expenses, resulting in margin contraction.

Quarterly performance (Consol.)**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	1,76,147	1,82,608	2,02,672	2,24,769	2,17,848	2,12,755	2,29,090	2,44,226	7,87,007	9,03,919
YoY Change (%)	7.4	26.7	23.3	31.0	23.7	16.5	13.0	8.7	22.2	14.9
RM Cost (% of sales)	58.8	58.7	56.9	56.6	56.3	56.3	56.3	56.3	57.6	56.3
Staff Cost (% of sales)	24.3	22.5	22.7	22.1	22.8	22.8	22.8	22.8	22.8	22.8
Other Exp (% of sales)	10.8	11.2	12.4	12.4	13.1	12.0	11.4	11.5	11.7	12.0
EBITDA	10,768	14,031	16,163	20,205	16,915	18,929	21,837	23,034	62,077	80,715
Margins (%)	6.1	7.7	8.0	9.0	7.8	8.9	9.5	9.4	7.9	8.9
Depreciation	7,324	7,487	8,150	8,397	8,400	8,450	8,500	8,568	31,358	33,918
Interest	1,694	1,837	1,494	2,784	2,200	2,000	1,750	1,664	7,809	7,614
Other income	978	940	811	751	775	825	800	800	2,570	3,200
PBT after EO Expense	2,729	4,663	7,320	9,773	7,090	9,304	12,387	13,601	24,485	42,382
Tax Rate (%)	34.0	30.3	29.6	26.0	32.0	32.0	32.0	32.0	28.9	32.0
Min. Int & Share of profit	389	485	609	695	414	247	238	134	2,178	1,033
Reported PAT	1,412	2,464	4,539	6,540	4,407	6,080	8,185	9,115	14,956	27,787
Adj PAT	1,412	3,153	4,546	6,540	4,407	6,080	8,185	9,115	15,652	27,787
YoY Change (%)	-55.1	123.6	100.3	362.1	212.1	92.8	80.0	39.4	90.0	77.5

Motherson Wiring India**Buy****CMP: INR58 | TP: INR73 (+26%)****EPS CHANGE (%): FY24|25E: -|1**

- Healthy YoY growth, driven by 1) traction for new models and premium category in PVs, 2) stability in CV demand, and 3) healthy farm sentiments benefitting tractors.

- Copper prices declined 5% QoQ in 1QFY24. Also, the pass through for RM increase in 4Q should help gross margin expansion.

Quarterly performance-S/A**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	16,709	18,352	16,868	18,644	18,458	21,226	20,802	22,791	70,574	83,277
YoY Change (%)	50.0	31.1	15.6	12.2	10.5	15.7	23.3	22.2	25.2	18.0
RM Cost (% of sales)	64.9	66.2	64.3	66.9	65.0	65.0	64.5	64.5	65.6	64.8
Staff Cost (% of sales)	16.4	17.3	17.8	15.6	16.8	15.2	15.1	14.5	16.8	15.3
Other Expenses (% of sales)	6.6	6.6	7.3	6.2	6.2	6.2	6.3	6.3	6.5	6.3
EBITDA	2,028	1,808	1,790	2,093	2,216	2,888	2,924	3,345	7,814	11,373
Margins (%)	12.1	9.9	10.6	11.2	12.0	13.6	14.1	14.7	11.1	13.7
Depreciation	277	295	317	348	355	365	370	374	1,237	1,464
Interest	69	59	65	86	75	75	75	75	278	300
Other Income	77	107	7	127	60	65	70	70	223	265
PBT before EO expense	1,759	1,562	1,415	1,786	1,846	2,513	2,549	2,966	6,522	9,874
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT after EO Expense	1,759	1,562	1,415	1,786	1,846	2,513	2,549	2,966	6,522	9,874
Tax Rate (%)	28	25	25	22	25	25	25	25	25	25
Reported PAT	1,260	1,165	1,062	1,385	1,381	1,880	1,907	2,218	4,870	7,386
Adj PAT	1,260	1,165	1,062	1,385	1,381	1,880	1,907	2,218	4,870	7,386
YoY Change (%)	106.5	2.1	-19.6	-13.2	9.6	61.4	79.6	60.2	4.3	51.6

Sona Comstar**Neutral****CMP: INR516 | TP: INR495 (-4%)****EPS CHANGE (%): FY24 | 25E: -6 | -1**

- Revenue growth YoY driven by execution/ramp-up of new orders and recovery in global PV production.
- Better product mix should offset operating de-leverage, resulting in sequentially stable EBITDA margins at 27%.

Quarterly Performance- Cons.,**(INR M)**

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net operating revenues	5,892	6,574	6,850	7,440	7,286	7,791	8,492	9,422	26,756	32,991
Change (%)	17.7	12.2	38.6	35.3	23.7	18.5	24.0	26.6	25.6	23.3
EBITDA	1,425	1,657	1,862	2,014	1,967	2,111	2,318	2,580	6,958	8,977
EBITDA Margins (%)	24.2	25.2	27.2	27.1	27.0	27.1	27.3	27.4	26.0	27.2
Depreciation	400	429	470	481	550	555	557	560	1,780	2,222
EBIT	1,025	1,228	1,392	1,533	1,417	1,556	1,761	2,020	5,178	6,755
EBIT Margins (%)	17.4	18.7	20.3	20.6	19.5	20.0	20.7	21.4	19.4	20.5
Interest	29	43	51	46	50	35	35	79	169	199
Non-Operating Income	10	28	33	45	40	40	40	34	116	154
PBT	1,006	1,213	1,373	1,498	1,407	1,561	1,766	1,976	5,091	6,711
Effective Tax Rate (%)	24.6	23.7	22.0	20.0	25.0	25.0	25.0	25.0	22.4	25.0
Adjusted PAT	758	925	1,071	1,232	1,056	1,171	1,325	1,482	3,979	5,033
Change (%)	5.4	4.9	23.9	35.1	39.2	26.5	23.7	20.3	17.1	26.5

TVS Motor Company**Neutral****CMP: INR1,325 | TP: INR1,275 (-4%)****EPS CHANGE (%): FY24 | 25E: 4 | 2**

- In 1QFY24, domestic 2W volumes witnessed sharp growth (up 28% YoY), but exports were still under stress as volumes declined ~33% YoY.
- EBITDA margin to expand 30bp QoQ, driven by softening RM costs and price hikes.

S/A Qty Performance**(INR M)**

Y/E March (INR m)	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Vols ('000 units)	906.8	1,027.4	879.4	866.5	953.2	1,073.4	1,122.3	1,070.4	3,680	4,219
Growth (%)	37.9	12.1	0.1	1.2	5.1	4.5	27.6	23.5	11.2	14.7
Realn (INR '000/unit)	66.3	70.3	74.4	76.2	76.6	76.8	76.0	75.1	71.7	76.1
Growth (%)	10.8	15.1	14.6	18.0	15.6	9.2	2.1	(1.4)	14.2	6.2
Net Sales	60,087	72,192	65,454	66,048	73,020	82,390	85,282	80,418	2,63,781	3,21,110
Growth (%)	52.7	29.0	14.7	19.4	21.5	14.1	30.3	21.8	27.0	21.7
RM (% of sales)	76.1	76.2	75.5	75.4	75.5	75.3	75.5	75.5	75.8	75.5
Emp cost (% of sales)	5.3	4.8	5.2	5.1	4.8	4.5	4.5	4.6	5.1	4.6
Other exp (% of sales)	8.6	8.9	9.2	9.2	9.1	9.0	8.7	8.8	9.0	8.9
TOTAL EXPENDITURE	54,093	64,826	58,865	59,250	65,273	73,186	75,625	71,542	2,37,034	2,85,627
EBITDA	5,995	7,365	6,589	6,798	7,747	9,203	9,657	8,876	26,747	35,483
EBITDA Margin(%)	10.0	10.2	10.1	10.3	10.6	11.2	11.3	11.0	10.1	11.1
Interest	376	352	316	363	375	370	370	369	1,407	1,484
Depreciation	1,520	1,535	1,583	1,674	1,680	1,700	1,750	1,795	6,312	6,925
Other Income	222	14	65	88	100	110	110	105	389	425
PBT before EO Exp	4,321	5,492	4,755	4,849	5,792	7,243	7,647	6,816	19,417	27,498
EO Exp	0	0	0	-617	0	0	0	0	-617	
PBT after EO Exp	4,321	5,492	4,755	5,466	5,792	7,243	7,647	6,816	20,034	27,498
Tax rate (%)	25.8	25.8	25.8	24.9	25.8	25.8	25.8	25.8	25.6	25.8
Reported PAT	3,205	4,075	3,528	4,103	4,298	5,374	5,674	5,058	14,910	20,404
Adjusted PAT	3,205	4,075	3,527	3,640	4,298	5,374	5,674	5,058	14,451	20,404
Growth (%)	325.3	56.1	22.4	32.6	34.1	31.9	60.8	39.0	60.7	41.2

Tata Motors

Buy

CMP: INR596 | TP: INR670 (+13%)

EPS CHANGE (%): FY24|25E: 9|12

- India business performance was a mixed bag as CV volumes declined 15% YoY, due to the impact of pre-buy in 4QFY23 while PV grew ~8% YoY.
- However, led by lower RM costs, cost control, and operating leverage (in PVs), EBIT margin for CV/PV is likely to expand 90bp/190bp YoY in 1QFY24.
- JLR volumes to grow YoY, due to easing chip shortages and continued traction toward new models. We estimate EBIT margin of 5.6% for JLR in 1QFY24 (vs -4.4% in 1QFY23), supported by a favorable product mix, softening RM costs, and cost control.
- We raise EPS est for FY24/25 by 8.7%/11.6%, driven by ~9%/11% upgrade in JLR and better visibility for Indian business.

Qty Performance- Cons

(INR M)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
JLR vols. (incl JV)	82,587	89,899	92,345	1,07,386	1,07,100	1,11,250	1,17,000	1,16,574	3,72,217	4,51,924
JLR Realizations (GBP/unit)	61,352	69,847	75,901	75,035	75,785	76,164	73,879	70,900	70,976	74,092
JLR EBITDA (%)	6.3	10.3	11.9	14.6	12.5	12.6	13.5	15.5	11.3	13.5
JLR PAT (GBP m)	-386	-98	261	263	181	201	252	315	40	950
CV/PV vol. (units)	2,31,248	2,43,387	2,28,169	2,51,822	2,26,245	2,58,751	2,56,615	2,75,203	9,54,626	10,16,814
Realizations (INR/unit)	12,12,875	11,99,016	12,62,573	13,26,056	12,15,277	12,50,916	13,04,029	13,48,780	31	7
EBITDA (%)	9.4	11.1	12.1	2.6	9.3	11.6	12.9	8.0	7.3	9.3
PAT (INR m)	8,374	10,748	11,153	-10,227	6,828	14,334	16,850	1,267	21,345	42,401
Net Op Income	7,19,347	7,96,114	8,84,886	10,59,324	10,03,086	10,64,206	10,87,504	11,73,008	34,59,670	43,27,804
Growth (%)	8.3	29.7	22.5	35.1	39.4	33.7	22.9	10.7	24.2	25.1
RM/Sales (%)	67.0	66.1	64.9	64.4	88.9	88.5	87.7	29.4	65.5	72.4
Staff Costs/Sales (%)	10.8	9.9	9.7	8.9	0.0	0.0	0.0	0.0	9.7	0.0
OE/Sales (%)	19.2	18.3	16.9	17.4	0.0	0.0	0.0	63.8	17.9	17.3
EBITDA	31,805	61,962	96,430	1,28,098	1,11,374	1,22,170	1,33,507	1,57,233	3,18,296	5,24,284
EBITDA Margins (%)	4.4	7.8	10.9	12.1	11.1	11.5	12.3	13.4	9.2	12.1
Depreciation	58,410	58,973	60,718	70,502	65,000	66,000	67,000	70,778	2,48,604	2,68,778
Fx Loss/(Gain)	7,678	6,239	-11,773	-3,183	5,691	5,691	5,691	5,691	-1,039	22,763
Other Income	8,874	10,385	11,304	15,769	9,000	10,000	11,000	10,400	46,332	40,400
Interest Expenses	24,207	24,873	26,758	26,554	25,000	25,000	24,000	31,862	1,02,392	1,05,862
PBT before EO	-49,617	-17,738	32,030	49,995	24,683	35,480	47,816	59,303	14,670	1,67,282
EO Exp/(Inc)	-14,936	-3,126	4	2,153	0	0	0	0	-15,905	0
PBT after EO Exp	-34,681	-14,611	32,026	47,841	24,683	35,480	47,816	59,303	30,575	1,67,282
Tax rate (%)	-43.8	31.3	8.2	-13.0	27.2	27.2	27.2	27.2	23.0	27.2
PAT	-49,870	-10,041	29,398	54,048	17,973	25,834	34,817	43,181	23,535	1,21,805
Minority Interest	-556	-463	-854	-883	-600	-700	-800	-1,292	-2,756	-3,392
Share in profit of Associate	360	1,057	1,034	913	353	870	1,028	2,194	3,364	4,445
Adj PAT	-65,002	-12,572	29,581	56,231	17,726	26,004	35,045	44,083	8,238	1,22,858
Growth (%)	46.0	(71.7)	(284.6)	(1,862.6)	(127.3)	(306.8)	18.5	(21.6)	-107.6	1391.4

Tube Investments

Buy
CMP: INR3,172 | TP: INR3,615 (+14%)
EPS CHANGE (%): FY24|25E: 1|-

- Sequential recovery in 2W business along with exports to drive sequential growth in engineering business.
- However, revenue to decline on a YoY basis, led by ~31%/3% decline in mobility/engineering business, partially offset by ~6% growth in metal formed business.
- EBIT margin for the mobility business is likely to expand to 1.5% (vs -3% in 4QFY23); engineering business margin likely to remain flat QoQ at 12.6%; margin for metal formed business to contract 70bp QoQ to 12.2%.

Quarterly performance (S/A)

(INR M)

Y/E March	FY23				FY24E				FY23	FY24E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Sales	19,570	19,059	17,097	16,634	18,670	20,506	21,023	22,284	72,360	82,484
YoY Change (%)	55.7	14.4	0.5	-4.1	-4.6	7.6	23.0	34.0	13.8	14.0
EBITDA	2,040	2,512	2,144	2,106	2,301	2,595	2,684	3,035	8,803	10,615
Margins (%)	10.4	13.2	12.5	12.7	12.3	12.7	12.8	13.6	12.2	12.9
Depreciation	325	346	337	448	390	395	400	403	1,456	1,588
Interest	36	52	60	68	60	55	55	51	216	221
Other Income	120	145	171	1,717	175	200	250	2,018	2,152	2,643
PBT before EO expense	1,800	2,258	1,919	3,306	2,026	2,345	2,479	4,598	9,283	11,449
Tax	457	599	542	507	509	589	622	1,154	2,104	2,874
Tax Rate (%)	25.4	29.6	28.2	16.8	25.1	25.1	25.1	25.1	24.0	25.1
Adj PAT	1,343	1,603	1,377	2,729	1,518	1,756	1,857	3,444	7,053	8,575
YoY Change (%)	38.5	32.0	14.3	100.2	13.0	9.6	34.8	26.2	46.7	21.6

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