

## Jul-Sep'23 Earnings Preview

### Higher realisation to drive strong performance

#### Quick Pointers:

- Sharp increase in ASP to aid revenue and margins, along with benign RM costs
- EBITDA margins should improve YoY and QoQ

**We expect 2QFY24 to show strong YoY revenue and margin improvement, aided by strong tailwinds from realization, operating leverage for few OEMs and benign commodity prices. In 2QFY24, auto industry witnessed overall flattish volumes -1.1% on back of decline in 2Ws and Tractors. For our OEM coverage universe, we expect (1) aggregate revenue to grow by +26% YoY (incl JLR; +17% excl JLR) owing to sharp rise in ASP from price hikes, higher volume and better mix and (2) EBITDA margin to expand ~320bps YoY (incl JLR) led by lower commodity cost and superior product mix. Commodity costs continue to remain benign which should continue to aid margins.**

**Festive season is the next major catalyst for the automobile industry, while the expectations are high and initial trends for regional festive periods have shown positive momentum, a lot depends on the one-month festive period which starts from mid-October. OEMs have built inventory in anticipation of strong growth and higher retails would be key to avoid large inventory backlog post the festive season. We introduce FY26E for our coverage universe, change our earnings estimates for FY24-25E for all the companies in the range of -5% to +6%. Our top picks are Maruti Suzuki, Tata Motors and Ashok Leyland.**

- **Volume performance remains uneven; 3W, PV and CV show growth;** In 2QFY24, the PV industry grew by ~5% YoY, we saw MM gaining market share of ~165bps while Tata Motors saw a decline in market share of ~110bps. Growth in the PV segment was led by SUV segment. OEMs continue to hold strong orderbook in the SUV segment which should help in cushioning slowdown in cars. CV industry grew by ~7% YoY, with Tata Motors and Maruti losing market share while Ashok Leyland and VECV gained share. M&HCV segment continued to outperform led by strong end-user industry demand. Tractors industry saw a decline in 2QFY24 with domestic tractors sales dropping by (2.7)% YoY and (21.7)% QoQ. 2W industry saw a de-growth of (3.7)% YoY on back of lower exports and a delayed festive season. 2W export demand increased by ~12% QoQ as fall has largely stabilized. 3Ws continue to show strong growth in the domestic market YoY, while exports remain weak.
- **Revenue to increase by 17% YoY (excl JLR)** for our auto OEM coverage universe led by increase in PVs and CV, while export focused and lower CC focused 2W OEMs showed lower growth. Strong growth seen for MSIL (+23%), MM (+21%) and AL (+18%), double digit growth for TVSL, TTMT, EIM while BJAUT and HMCL should see mid-single digit growth YoY. Amongst the Ancs, we see double digit growth for BHFC, EXID, ENDU while single digit for CEAT.

October 9, 2023

#### Exhibit 1: PL Coverage

Company Name	Rating	CMP (Rs)	TP (Rs)
Ashok Leyland	BUY	172	220
Bharat Forge	BUY	1,092	1,170
Bajaj Auto	Reduce	5,015	4,750
CEAT	Acc	2,125	2,450
Eicher Motors	Acc	3,450	3,730
Endurance Tech.	Acc	1,585	1,820
Exide Industries	Acc	259	295
Hero Motocorp	Acc	3,038	3,575
M&M	BUY	1,549	1,775
Maruti Suzuki	BUY	10,302	11,500
Tata Motors	BUY	622	760
TVS Motor Company	Acc	1,501	1,560

Source: Company, PL Acc=Accumulate

#### Top Picks

**Maruti Suzuki**

**Tata Motors**

**Ashok Leyland**

Himanshu Singh

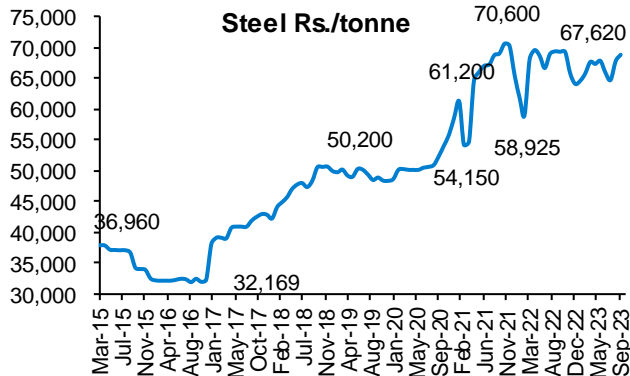
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- **Aggregate EBITDA margin to grow by ~200bps YoY (excl JLR) for OEMs** led by improving mix, operating leverage, lower commodity prices. We build in higher margin across OEMs YoY in the range of 100bps-400bps and 60bp to 590bps for Acns.
- **Commodity price were largely stable or declined in 2Q sequentially:** Major commodity prices were flattish or showed decline during 2QFY24 sequentially. Base metals declined the most with Nickle dropping by (9.2)% and Zinc by (5.1)% QoQ, while Steel and Iron were flattish QoQ. The outlook on impact from commodity prices remains benign for 3Q.
- **Key Rating & TP Changes** We introduce FY26E, roll-forward our TP to Sep-25 and adjust our FY24-25E earnings in the range of -5% to +6% to factor in quarterly volumes, increase in competitive intensity, and lower than expected volumes in some segments. Below are the key TP and rating changes: -
  - **We maintain our 'BUY' rating** on MSIL (TP: Rs 11,500; previous: Rs 11,100), AL (TP: Rs 220; previous: Rs 225), TTMT (TP: Rs 760; previous: Rs 760), MM (TP: Rs 1,775; previous: Rs 1,760) and BHFC (TP: Rs 1,170; previous: Rs 1070).
  - **We maintain our 'ACCUMULATE' rating** on EIM (TP: Rs 3,729; previous: Rs 3,520), TVSL (TP: Rs 1,560; previous: Rs 1,400), HMCL (TP: Rs 3,575; previous: Rs 3,535), EXID (TP: Rs 295; previous Rs. 295) and ENDU (TP: Rs 1,820; previous: Rs 1,725).
  - **We upgrade to 'Accumulate'** from Hold on CEAT (TP: Rs 2,450; previous: Rs 2,430) given recent correction in the stock.
  - **We maintain 'REDUCE'** on BJAUT (TP Rs 4,750; previous: Rs 4,575).
- **Key tailwinds and headwinds to watch out in FY24: Tailwinds:** Upcoming festive season, stable pricing environment across segments, improving sentiment in the rural and urban markets translating to demand for discretionary products, low base for some of the segments, **Headwinds:** Impact from increase in interest rates, rise in inflation, increase in competition, fall-out from weak global macro resulting in slowdown in growth in the Indian economy.

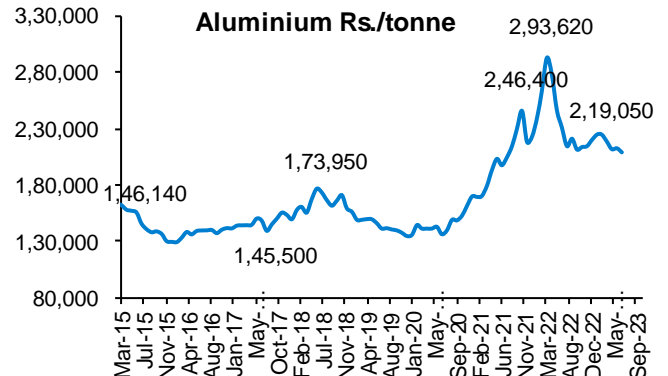
### Top picks

- **MSIL (BUY, TP Rs 11,500):** We prefer MSIL in the PV space given multiple product intervention in the SUV space yielding success, industry leading volume growth (could help regain some of the market share losses), margin improvement opportunity (from operating leverage, cost reduction, and superior mix), improvement in rural demand. On the EV side MSIL has been preparing in the background and will launch first model in FY25.
- **TTMT (BUY, TP Rs 760):** TTMT is expected to benefit from (1) JLR's volume ramp-up resulting in strong revenue, profitability and FCF, 2) CV segment (on domestic side) benefitting from ongoing upcycle, operating leverage and tailwinds from low commodity costs & low discounting and (3) sustained market share in PV segment led by revamped portfolio, rising SUV share and market leadership position in fast growing EV segment.

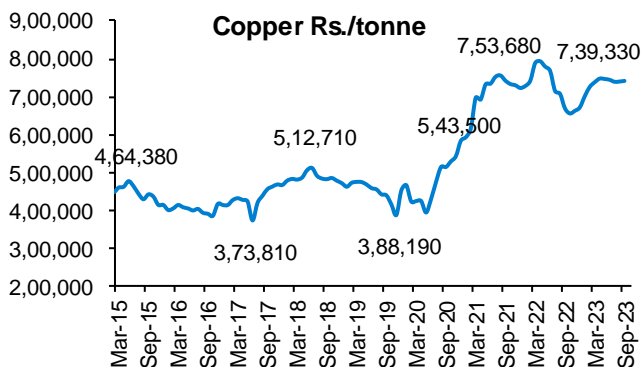
- **AL (BUY, TP Rs 220):** Recovery in CVs to continue going ahead led by (1) economic recovery benefitting demand from segments like Infra, Mining and E-com. (2) AL gaining market share with help of channel expansion, and product intervention. AL is further helped by (a) Increasing share of LCV segment and (b) Increased focus on spares and exports business. New product launches to fill white space should help performance along with e-LCV.

**Exhibit 2: Steel prices remain flattish QoQ**

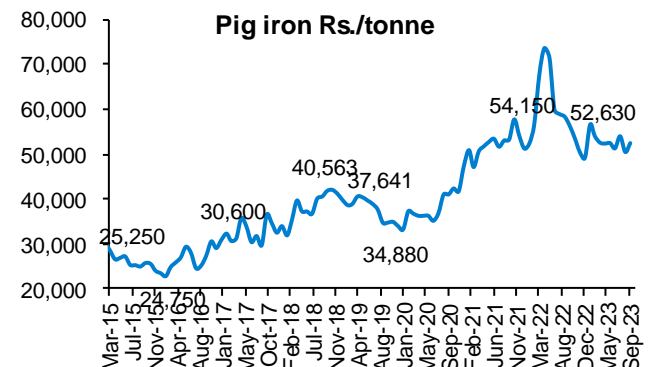
Source: Bloomberg, PL

**Exhibit 3: Aluminum prices de-grew by -2.1% QoQ**

Source: Bloomberg, PL

**Exhibit 4: Copper prices remained flattish QoQ**

Source: Bloomberg, PL

**Exhibit 5: Pig iron prices remained flattish QoQ**

Source: Bloomberg, PL

## Exhibit 6: Volume summary 2QFY24

Company	1QFY22	2QFY22	3QFY22	4QFY22	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	QoQ gr. (%)	YoY gr. (%)
<b>Ashok Leyland</b>	<b>17,987</b>	<b>27,543</b>	<b>34,077</b>	<b>48,719</b>	<b>39,651</b>	<b>45,295</b>	<b>47,562</b>	<b>59,697</b>	<b>41,329</b>	<b>49,846</b>	20.6%	10.0
- MHCV	9,050	13,514	19,305	32,016	24,987	27,841	30,790	40,491	26,165	32,086	22.6%	15.2
- LCV	8,937	14,029	14,772	16,703	14,664	17,454	16,772	19,206	15,164	17,760	17.1%	1.8
<b>Bajaj Auto</b>	<b>10,06,014</b>	<b>11,44,407</b>	<b>11,81,361</b>	<b>9,76,651</b>	<b>9,33,646</b>	<b>11,51,012</b>	<b>9,83,276</b>	<b>8,59,926</b>	<b>10,20,050</b>	<b>10,53,953</b>	3.3%	-8.4
- 2W	8,99,305	10,29,915	10,48,545	8,59,091	8,47,158	10,19,034	8,51,047	7,25,603	8,81,973	8,81,583	0.0%	-13.5
- CV	1,06,709	1,14,492	1,32,816	1,17,560	86,488	1,31,978	1,32,229	1,34,323	1,38,077	1,72,370	24.8%	30.6
<b>Eicher</b>	<b>1,29,446</b>	<b>1,38,561</b>	<b>1,85,570</b>	<b>2,05,768</b>	<b>2,04,674</b>	<b>2,25,380</b>	<b>2,39,563</b>	<b>2,44,901</b>	<b>2,47,277</b>	<b>2,48,831</b>	0.6%	10.4
- 2W	1,23,640	1,23,427	1,69,526	1,85,675	1,87,205	2,07,764	2,21,401	2,18,525	2,27,706	2,29,280	0.7%	10.4
- CV	5,806	15,134	16,044	20,093	17,469	17,616	18,162	26,376	19,571	19,551	-0.1%	11.0
<b>Escorts</b>	<b>25,935</b>	<b>21,073</b>	<b>25,325</b>	<b>21,895</b>	<b>26,797</b>	<b>23,703</b>	<b>28,025</b>	<b>26,293</b>	<b>27,955</b>	<b>23,601</b>	-15.6%	-0.4
<b>Hero Motocorp</b>	<b>10,24,415</b>	<b>14,38,552</b>	<b>12,92,135</b>	<b>11,88,884</b>	<b>13,90,192</b>	<b>14,28,168</b>	<b>12,39,599</b>	<b>12,70,493</b>	<b>13,52,574</b>	<b>14,16,526</b>	4.7%	-0.8
<b>Maruti</b>	<b>3,53,614</b>	<b>3,79,541</b>	<b>4,30,668</b>	<b>4,88,830</b>	<b>4,67,931</b>	<b>5,17,395</b>	<b>4,65,911</b>	<b>5,15,043</b>	<b>3,25,317</b>	<b>3,52,056</b>	8.2%	-32.0
<b>M&amp;M</b>	<b>1,86,777</b>	<b>1,90,600</b>	<b>2,14,134</b>	<b>2,28,784</b>	<b>2,71,971</b>	<b>2,73,223</b>	<b>2,81,859</b>	<b>2,78,958</b>	<b>3,01,147</b>	<b>3,02,139</b>	0.3%	10.6
- Auto	86,848	1,01,680	1,21,167	1,55,902	1,53,462	1,79,683	1,76,094	1,90,038	1,86,138	2,12,078	13.9%	18.0
- Tractors	99,929	88,920	92,967	72,882	1,18,509	93,540	1,05,765	88,920	1,15,009	90,061	-21.7%	-3.7
<b>Tata Motors</b>	<b>1,14,531</b>	<b>1,70,820</b>	<b>1,89,531</b>	<b>2,33,078</b>	<b>2,31,046</b>	<b>2,42,861</b>	<b>2,23,365</b>	<b>2,51,822</b>	<b>2,26,245</b>	<b>2,43,024</b>	7.4%	0.1
- PV	64,386	83,933	99,002	1,23,051	1,30,125	1,42,325	1,31,661	1,35,654	1,40,450	1,38,939	-1.1%	-2.4
- CV	50,145	86,887	1,00,070	1,19,870	1,00,921	1,00,536	95,914	1,16,168	85,795	1,04,085	21.3%	3.5
<b>TVS Motors</b>	<b>6,57,758</b>	<b>9,16,705</b>	<b>8,78,659</b>	<b>8,56,456</b>	<b>9,05,443</b>	<b>10,27,437</b>	<b>8,79,423</b>	<b>8,68,417</b>	<b>9,53,244</b>	<b>10,74,378</b>	12.7%	4.6
- 2W	6,18,701	8,69,552	8,34,768	8,14,682	8,52,071	9,61,281	8,06,708	8,39,295	9,18,482	10,31,372	12.3%	7.3
- 3W	39,057	47,153	43,891	41,774	45,996	50,511	43,485	29,122	34,762	43,006	23.7%	-14.9

Source: Company, PL

## Exhibit 7: Q2FY24 Result Preview

Company Name		Q2FY24E	Q1FY24	YoY gr. (%)	Q1FY24	QoQ gr. (%)	Remark
<b>Ashok Leyland</b>	Sales	97,138	82,660	17.5	81,893	18.6	We expect revenue to grow by c18% YoY due to volume increase of c10% YoY. EBITDA margin to increase to 10.4%, up 390bps YoY led by operating leverage, lower input costs. We Expect PAT to increase by 189bps YoY.
	EBITDA	10,102	5,373	88.0	8,207	23.1	
	Margin (%)	10.4	6.5	390 bps	10.0	38 bps	
	PBT	7,674	3,035	152.8	6,227	23.2	
	Adj. PAT	5,602	1,940	188.7	4,503	24.4	
<b>Bharat Forge</b>	Sales	40,024	30,764	30.1	38,774	3.2	We expect a revenue growth of 30.1% YoY, led by strong growth across segments. Expect EBITDA margins at c17% benefiting from lower commodity and input cost and operating leverage. Expect shipment tonnage at 70.6k MT (standalone) grew 15.5% YoY, led by healthy automotive and industrial demand in both India and export business.
	EBITDA	6,815	4,320	57.8	6,176	10.3	
	Margin (%)	17.0	14.0	299 bps	15.9	110 bps	
	PBT	3,994	2,390	67.1	3,443	16.0	
	Adj. PAT	2,981	1,456	104.7	2,165	37.7	
<b>Bajaj Auto</b>	Sales	1,08,122	1,02,028	6.0	1,03,098	4.9	We expect revenue to grow by c6% YoY due to volume decline of -8% YoY and an better mix leading to higher ASP. EBITDA margin to increase by c220bps to 19.4% YoY led by lower input costs, price hikes. We Expect PAT to increase by c13.4% YoY.
	EBITDA	21,015	17,588	19.5	19,539	7.6	
	Margin (%)	19.4	17.2	220 bps	19.0	48 bps	
	PBT	22,975	20,140	14.1	22,046	4.2	
	Adj. PAT	17,349	15,300	13.4	16,648	4.2	

Company Name		Q2FY24E	Q1FY24	YoY gr. (%)	Q1FY24	QoQ gr. (%)	Remark
CEAT	Sales	30,103	28,945	4.0	29,352	2.6	We expect revenue to grow at c6% YoY due to increase in demand of high price products. Decline in commodity basket should lead to better margins, we expect EBITDA margin at c13% (+c590bps YoY and -23bps QoQ). CEAT's commodity basket is expected to decline by ~2% and will see some pass through to OEMs which should keep margins largely flattish QoQ.
	EBITDA	3,929	2,031	93.4	3,871	1.5	
	Margin (%)	13.1	7.0	603 bps	13.2	-14 bps	
	PBT	1,999	401	398.9	1,993	0.3	
	Adj. PAT	1,469	142	934.6	1,464	0.3	
Eicher Motors	Sales	40,405	35,194	14.8	39,864	1.4	We expect revenue to grow by c15% YoY due to growth in RE volumes led by new launches. EBITDA margins should increase by c340bps to 26.7% aided by operating leverage, inventorisation benefits, lower commodity costs and price hikes. We expect PAT to grow by 47% YoY.
	EBITDA	10,803	8,216	31.5	10,208	5.8	
	Margin (%)	26.7	23.3	339 bps	25.6	113 bps	
	PBT	11,206	8,361	34.0	11,114	0.8	
	Adj. PAT	9,677	6,569	47.3	9,183	5.4	
Endurance Technologies	Sales	26,630	23,606	12.8	24,500	8.7	We expect revenue growth of c13% YoY helped by new products. EBITDA margin at 13.8% is expected to expand by c230bps YoY led by lower input costs and operating leverage. PAT is expected to grow 52% YoY.
	EBITDA	3,681	2,716	35.5	3,213	14.6	
	Margin (%)	13.8	11.5	232 bps	13.1	71 bps	
	PBT	2,594	1,747	48.6	2,159	20.2	
	Adj. PAT	1,998	1,315	51.9	1,635	22.2	
Exide Industries	Sales	41,280	37,189	11.0	40,726	1.4	We expect an improvement in revenue by 11% YoY. EBITDA margin is expected to reach 11.7% YoY (+c60 bps). PAT to increase by 17.7% YoY.
	EBITDA	4,830	4,124	17.1	4,322	11.8	
	Margin (%)	11.7	11.1	61 bps	10.6	109 bps	
	PBT	3,887	3,298	17.8	3,222	20.6	
	Adj. PAT	2,897	2,462	17.6	2,419	19.7	
Hero Motocorp	Sales	93,195	90,754	2.7	87,673	6.3	We expect revenue growth of c3% YoY led by flattish volumes and higher ASP. Hero Motocorp's EBITDA margin at 14.1% (+c270bps YoY) is higher due to lower input cost.
	EBITDA	13,141	10,383	26.6	12,063	8.9	
	Margin (%)	14.1	11.4	266 bps	13.8	34 bps	
	PBT	12,641	9,637	31.2	12,548	0.7	
	Adj. PAT	9,556	7,161	33.5	9,452	1.1	
Mahindra & Mahindra	Sales	2,53,961	2,10,101	20.9	2,40,561	5.6	MM's revenue is expected to grow by c21% YoY while EBITDA margin is estimated at 12.9% (+c100bps YoY), helped by lower commodity prices, price hikes. MM 's overall volumes grew 10.6% YoY. PAT to increase by 28% YoY.
	EBITDA	32,761	24,973	31.2	32,351	1.3	
	Margin (%)	12.9	11.9	101 bps	13.4	-55 bps	
	PBT	38,524	29,553	30.4	31,107	23.8	
	Adj. PAT	29,663	23,159	28.1	25,399	16.8	
Maruti Suzuki	Sales	3,69,086	2,99,308	23.3	3,23,269	14.2	Maruti's revenue to grow 23% YoY due to 6.7% improvement in volumes and higher realisation of +16% YoY. We expect EBITDA margin to increase to 11.1% (+c180bps YoY) due to lower input cost and higher operating leverage.
	EBITDA	40,784	27,689	47.3	32,416	25.8	
	Margin (%)	11.1	9.3	180 bps	10.0	102 bps	
	PBT	38,683	26,283	47.2	34,488	12.2	
	Adj. PAT	29,786	20,615	44.5	27,437	8.6	
Tata Motors	Sales	10,90,459	7,96,114	37.0	10,22,361	6.7	We expect a revenue growth of 37% YoY with strong volume growth at JLR and India business and increased realisation. TTMT consol EBITDA margin at 14.7% is expected to increase by c380bps YoY. PAT to turn positive YoY.
	EBITDA	1,60,698	87,178	84.3	1,59,732	0.6	
	Margin (%)	14.7	11.0	379 bps	15.6	-89 bps	
	PBT	60,846	-17,738	NA	53,297	14.2	
	Adj. PAT	50,459	-12,572	NA	38,798	30.1	
TVS Motor Company	Sales	82,165	72,192	13.8	72,179	13.8	We build-in c14% increase in revenue due to c4.6% YoY increase in volumes and higher realisation. We expect margins to improve YoY to 11.2% (+c100bps). PAT is expected to grow by 34% YoY.
	EBITDA	9,219	7,365	25.2	7,638	20.7	
	Margin (%)	11.2	10.2	102 bps	10.6	64 bps	
	PBT	7,276	5,492	32.5	6,104	19.2	
	Adj. PAT	5,444	4,075	33.6	4,677	16.4	

Source: Company, PL

**Exhibit 8: Valuation Summary**

Company Names	S/C Rating	CMP (Rs)	TP (Rs)	MCAp (Rs bn)	Sales (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EPS (Rs)				RoE (%)				PE (x)			
					FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E	FY22	FY23	FY24E	FY25E
Ashok Leyland	S BUY	172	220	504.7	216.9	361.4	408.1	437.5	9.9	29.3	44.1	48.6	0.2	13.2	25.3	28.3	0.1	4.5	8.6	9.7	0.2	16.8	28.1	27.8	NA	38.1	20.0	17.8
Bharat Forge	S BUY	1,092	1,170	508.4	104.6	129.1	163.5	180.4	19.7	17.7	29.2	36.2	10.8	4.3	14.3	19.4	23.1	9.2	30.7	41.6	16.5	5.8	17.2	20.2	47.2	118.8	35.6	26.2
Bajaj Auto	S Reduce	5,015	4,750	1,418.9	331.4	364.3	426.8	489.8	52.6	65.5	80.9	94.4	48.1	55.8	67.9	78.2	166.3	197.2	239.8	276.5	18.5	21.4	25.6	26.9	30.2	25.4	20.9	18.1
CEAT	C Acc	2,125	2,450	86.0	93.6	113.1	118.3	128.3	7.1	9.7	15.1	16.1	0.8	2.1	5.7	6.3	19.6	51.9	142.1	156.3	2.4	6.3	15.6	15.0	108.3	41.0	15.0	13.6
Eicher Motors	S Acc	3,450	3,730	943.7	103.0	144.4	161.3	179.0	21.7	34.4	40.4	45.4	16.8	29.1	37.2	42.3	61.3	106.5	135.9	154.7	13.9	21.1	23.0	22.7	56.2	32.4	25.4	22.3
Endurance Tech.	C Acc	1,585	1,820	223.0	75.5	88.0	104.3	117.6	9.6	10.4	14.1	17.1	4.9	4.9	7.6	9.7	34.5	34.7	54.2	68.7	13.0	11.7	16.1	17.5	45.9	45.7	29.2	23.1
Exide Industries	S Acc	259	295	220.2	124.1	145.9	160.0	175.8	14.1	15.7	18.7	21.7	8.5	9.0	11.0	13.0	10.0	10.6	12.9	15.2	9.7	8.3	9.4	10.3	26.0	24.4	20.1	17.0
Hero Motocorp	S Acc	3,038	3,575	607.1	292.5	338.1	372.3	405.1	33.7	39.9	51.0	56.5	24.7	29.1	38.5	41.5	123.8	145.6	192.9	207.6	16.0	17.9	22.0	21.4	24.5	20.9	15.7	14.6
Mahindra & Mahindra	S BUY	1,549	1,775	1,855.7	577.9	849.6	1,006.7	1,111.2	71.4	104.4	132.9	150.0	51.9	80.4	101.4	111.8	43.4	67.1	84.6	93.3	14.2	19.7	21.4	20.1	35.7	23.1	18.3	16.6
Maruti Suzuki	S BUY	10,302	11,500	3,111.2	883.0	1,175.2	1,412.0	1,561.0	57.0	110.1	152.0	184.8	37.7	80.5	110.5	132.0	124.7	266.5	365.7	437.2	7.1	14.1	17.2	18.1	82.6	38.7	28.2	23.6
Tata Motors	C BUY	622	760	2,384.0	2,784.5	3,459.7	4,415.5	4,743.6	248.0	318.2	588.5	649.9	-107.3	7.2	196.2	233.5	-28.0	1.9	51.2	61.0	-21.5	1.6	35.3	30.1	-22.2	331.2	12.1	10.2
TVS Motor Company	S Acc	1,501	1,560	713.2	207.9	263.8	314.4	353.5	19.6	26.7	33.8	41.9	9.2	14.1	19.7	25.6	19.3	29.7	41.5	53.8	20.4	26.0	28.5	28.7	77.9	50.5	36.2	27.9

Source: Company, PL

S=Standalone / C=Consolidated / Acc=Accumulate

**Exhibit 9: Change in Estimates**

	Rating		Target Price			Sales						PAT						EPS					
						FY24E			FY25E			FY24E			FY25E			FY24E			FY25E		
	C	P	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.	C	P	% Chng.
Ashok Leyland	BUY	BUY	220	225	-2.1%	4,08,057	4,04,639	0.8%	4,37,519	4,34,912	0.6%	25,286	24,669	2.5%	28,335	27,838	1.8%	8.6	8.4	2.5%	9.7	9.5	1.8%
Bharat Forge	BUY	BUY	1,170	1,070	9.4%	1,63,482	1,63,482	0.0%	1,80,406	1,80,406	0.0%	14,274	14,274	0.0%	19,383	19,160	1.2%	30.7	30.7	0.0%	41.6	41.1	1.2%
Bajaj Auto	REDUCE	REDUCE	4,750	4,575	3.8%	4,26,812	4,21,942	1.2%	4,89,816	4,88,757	0.2%	67,852	66,625	1.8%	78,246	78,633	-0.5%	239.8	235.5	1.8%	276.5	277.9	-0.5%
CEAT	Acc	HOLD	2,450	2,430	0.8%	1,18,270	1,19,385	-0.9%	1,28,323	1,29,533	-0.9%	5,749	5,909	-2.7%	6,324	6,552	-3.5%	142.1	146.1	-2.7%	156.3	162.0	-3.5%
Eicher Motors	Acc	Acc	3,730	3,520	6.0%	1,61,302	1,61,787	-0.3%	1,79,010	1,80,025	-0.6%	37,172	36,674	1.4%	42,317	42,330	0.0%	135.9	134.1	1.4%	154.7	154.8	0.0%
Endurance Tech.	Acc	Acc	1,820	1,725	5.5%	1,04,302	1,04,302	0.0%	1,17,636	1,16,671	0.8%	7,625	7,674	-0.6%	9,664	9,706	-0.4%	54.2	54.6	-0.6%	68.7	69.0	-0.4%
Exide Industries	Acc	Acc	295	295	0.0%	1,59,987	1,59,987	0.0%	1,75,786	1,75,786	0.0%	10,956	10,956	0.0%	12,958	12,958	0.0%	12.9	12.9	0.0%	15.2	15.2	0.0%
Hero Motocorp	Acc	Acc	3,575	3,535	1.1%	3,72,284	3,73,621	-0.4%	4,05,098	4,10,128	-1.2%	38,550	37,416	3.0%	41,482	42,148	-1.6%	192.9	187.2	3.0%	207.6	210.9	-1.6%
Mahindra & Mahindra	BUY	BUY	1,775	1,760	0.8%	10,06,650	10,04,040	0.3%	11,11,197	11,20,109	-0.8%	1,01,379	98,780	2.6%	1,11,799	1,13,398	-1.4%	84.6	82.4	2.6%	93.3	94.6	-1.4%
Maruti Suzuki	BUY	BUY	11,500	11,100	3.6%	14,11,983	13,97,590	1.0%	15,60,971	15,41,605	1.3%	1,10,456	1,10,315	0.1%	1,32,043	1,34,088	-1.5%	365.7	365.3	0.1%	437.2	444.0	-1.5%
Tata Motors	BUY	BUY	760	760	0.0%	44,15,502	43,74,924	0.9%	47,43,610	46,99,371	0.9%	1,96,235	2,07,260	-5.3%	2,33,538	2,46,107	-5.1%	51.2	54.1	-5.3%	61.0	64.3	-5.1%
TVS Motor Company	Acc	Acc	1,560	1,400	11.4%	3,14,363	3,03,557	3.6%	3,53,486	3,39,846	4.0%	19,719	18,850	4.6%	25,556	24,039	6.3%	41.5	39.7	4.6%	53.8	50.6	6.3%

Source: Company, PL

C=Current / P=Previous / Acc=Accumulate



**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ashok Leyland	BUY	225	182
2	Bajaj Auto	Reduce	4,575	4,839
3	Bharat Forge	BUY	1,070	963
4	CEAT	Hold	2,430	2,496
5	Eicher Motors	Accumulate	3,520	3,380
6	Endurance Technologies	Accumulate	1,725	1,636
7	Exide Industries	Accumulate	295	274
8	Hero Motocorp	Accumulate	3,535	2,995
9	Mahindra & Mahindra	BUY	1,760	1,465
10	Maruti Suzuki	BUY	11,100	9,821
11	Tata Motors	BUY	760	639
12	TVS Motor Company	Accumulate	1,400	1,364

**PL's Recommendation Nomenclature**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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