

November 20, 2017

Tata Motors (TATMOT)

₹ 422

Cost control strategy yielding results...

- Tata Motors' (TML) Q2FY18 results came in above estimates. Consolidated revenues came in at ₹ 70156 crore (up 6.5% YoY, 19.9% QoQ), above our estimate of ₹ 68487 crore. Reported consolidated EBITDA margins were at 13.9% (our estimate: 12.9%) against 10.7% in Q2FY17. The company reported a consolidated PAT of ₹ 2501.7 crore (our estimate: ₹ 2322.3 crore) against ₹ 848.2 crore in Q2FY17 and ₹ 3199.9 crore in Q1FY18
- JLR revenues of £6.3 bn (up 6.2% YoY, 6.3% QoQ), came in above our estimates of £6.2 bn. The beat is attributable to JLR wholesale volumes, which were at 153210 units (up 10% YoY, 10.6% QoQ) against our estimates 149593 units. Growth in volumes was on account of 32.5% YoY increase in China volumes, which were significantly driven by JV volumes in China, up ~45% YoY. Reported consolidated EBITDA margins were at 13.9% against our estimate of 12.9%. Reported EBITDA margin of JLR for Q2FY18 came in at 11.8%, marginally below our estimate of 11.9%. While the JLR gross margins were in line with our estimates, other expense to sales was lower on account of lower warranty expense that offset the adverse effect of higher incentives in developed markets
- Consequently, JLR reported PAT of £308 million (mn) was marginally above our estimate of £300 mn
- In standalone operations, net revenues came in at ₹ 13400 crore (up 29.8% YoY, 13.5% QoQ), against our estimate of ₹ 13453 crore. The miss on the estimates was on account of lower than estimated ASP. Reported EBITDA margin was at 6.7% (up 306 bps YoY, 658 bps QoQ) against our estimate of 3.8%. Consequently, the standalone loss was at ₹ 295 crore against our estimated loss of ₹ 551.5 crore

Preparing for future growth

JLR has been aggressive in product launch, with its new Discovery & Velar (launched this fiscal) doing well. Ramp up of these models, along with launch of PHEV option in RR/RR Sport & E-Pace in FY18E end will aid volume growth in FY19E. We believe these new launches & growth in China will more than offset the decline in some developed markets. Also, to comply with regulatory targets of nations like China and uphold a competitive position in the EV landscape, the company will be launching its first EV I-Pace in 2018. By 2020, all JLR models will be available in EV/hybrid option. Convergence of forex hedge rate and spot rate in next two years will reduce forex loss & aid margins while introduction of new EV models can pressurise margins. We estimate JLR volume growth of 11% CAGR in FY17-19E along with a gradual improvement in EBITDA margin to 13.6% in FY19E.

Turnaround of standalone business

The company is implementing a turnaround program in standalone business by filling product gaps, rigorous cost reduction & supplier base consolidation. TML plans to gain market share in M&HCV & PV segment in the next two years. Overall, we expect standalone volumes to grow at 11.2% CAGR in FY17-19E. We expect the standalone business to report profits in FY19E

Long terms story intact; maintain BUY

We value the stock on an SOTP basis, with JLR (ex-China JV) at 3x EV/EBITDA basis contributing ~₹ 385/share while the domestic business contributes ₹ 43/share. Inclusive of other subsidiaries, we arrive at a target price of ₹ 500.

Rating matrix

Rating	:	Buy
Target	:	₹ 500
Target Period	:	12 months
Potential Upside	:	19%

What's Changed?

Target	Changed from ₹ 490 to ₹ 500
EPS FY18E	Changed from ₹ 31.3 to ₹ 32.3
EPS FY19E	Changed from ₹ 44.4 to ₹ 45.5
Rating	Unchanged

Quarterly Performance

	Q2FY18	Q2FY17	YoY (%)	Q1FY18	QoQ (%)
Revenue	70,156.0	65,900.4	6.5	58,493.4	19.9
EBITDA	9,774.8	7,024.5	39.2	6,408.5	52.5
EBITDA (%)	13.9	10.7	327 bps	11.0	298 bps
PAT	2,501.7	848.2	195.0	3,199.9	-21.8

Key Financials

₹ Crore	FY16	FY17E	FY18E	FY19E
Net Sales	275,561	269,693	297,233	363,327
EBITDA	41,851	33,002	35,564	49,527
Net Profit	12,638	7,557	10,969	15,448
EPS (₹)	37.2	22.3	32.3	45.5

Valuation summary

	FY16	FY17E	FY18E	FY19E
P/E (x)	8.3	15.3	13.1	7.6
Target P/E (x)	13.4	22.5	15.5	11.0
EV/EBITDA (x)	4.4	6.0	5.6	4.0
P/BV (x)	1.7	2.3	1.9	1.6
RoNW (%)	21.0	15.0	14.9	20.5
RoCE (%)	17.3	11.6	11.5	16.0

Stock data

Particular	Amount
Market Capitalization	₹ 143294.3 Crore
Total Debt (FY17)	72,038.8
Cash and Investments (FY17)	36,077.9
EV (FY17)	198,260.7
52 week H/L (₹)	552 / 358
Equity capital (₹ crore)	₹ 679.1 Crore
Face value (₹)	₹ 2

Price performance (%)

	1M	3M	6M	12M
Tata Motors Ltd	-2.4	9.5	-6.1	-10.8
M&M Ltd	3.2	3.6	2.8	16.2
Maruti Suzuki India Ltd	6.5	10.1	20.0	69.5

Research Analyst

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Variance analysis- Consolidated

	Q2FY18	Q2FY18E	Q2FY17	YoY (%)	Q1FY18	QoQ (%)	Comments
Total Operating Income	70,156	68,487	65,900	6.5	58,493	19.9	Came in higher on account of higher than estimated JLR revenues, which was attributable to higher than estimated wholesale volumes
Raw Material Expenses	44,352	42,762	39,276	12.9	36,576	21.3	
Employee Expenses	7,256	7,154	6,794	6.8	7,115	2.0	
Other expenses	13216	14340	17119	-22.8	12974	1.9	Lower other expenses is due to lower warranty expense in JLR
Operating Profit (EBITDA)	9,774.8	8,855.3	7,024.5	39.2	6,408.5	52.5	
EBITDA Margin (%)	13.9	12.9	10.7	327 bps	11.0	298 bps	Reported EBITDA margin of JLR for Q2FY18 came at 11.8%, marginally below our estimate of 11.9%, while standalone business had EBITDA margin of 6.7% against estimate of 3.8%
Depreciation	4969.9	4524.6	4454.0	11.6	4524.6	9.8	
Interest	1147	1095	1025	12.0	1109	3.5	
Product Development expenditure	765.0	837.9	742.0	3.1	812.4	-5.8	
Tax	1090	668	425	156.6	1207	-9.7	
PAT	2501.7	2322.3	848.2	195.0	3199.9	-21.8	
EPS	7.4	6.8	2.5	195.0	9.4	-21.8	
Key Metrics							
JLR sales (mn GBP)	6322	6220	5953	6.2	5599	6.3	Lower than estimates on account of lower than estimated JLR volumes
JLR margins (%)	11.8	11.9	10.3	147 bps	8.1	367 bps	
JLR PAT (mn GBP)	308	300	244	26.2	472	-48.3	
Domestic revenues (₹ crore)	13400.1	13453.4	10322.5	29.8	9094.3	13.5	Lower than estimates on account of lower than estimated ASP
Domestic margins (%)	6.7	3.8	3.6	306 bps	0.1	658 bps	
Domestic PAT (₹ crore)	-295.3	-551.5	-630.8	53.2	-467.0	35.1	

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY18E			FY19E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	296,685	297,233	0.2	351,356	363,327	3.4	Broadly maintain FY18E estimate, while in FY19E, we have increased estimates of JLR's ASP
EBITDA	35,584	35,564	-0.1	48,183	49,527	2.8	
EBITDA Margin (%)	12.0	12.0	-4 bps	13.7	13.6	-7 bps	We believe margins will improve as forex losses reverse
PAT	10,645	10,969	3.0	15,093	15,448	2.4	
EPS (₹)	31.3	32.3	3.2	44.4	45.5	2.5	

Source: Company, ICICIdirect.com Research

Assumptions

Units	FY16		FY17		Current		Earlier		Comments
	FY16	FY17	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	
Jaguar Land Rover	544,085	600,806	645,588	739,279	658,319	754,249			
Jaguar	102,106	176,560	184,681	222,371	191,255	230,261			
Land Rover	441,979	424,246	460,907	516,908	467,064	523,988			Expect growth in Land Rover volumes on the back of new Discovery & Velar
China JV	34,751	66,100	88,078	113,605	84,365	113,605			
Avg ASP/vehicle (£)	40,817.2	41,975.3	42,304.5	46,386.6	42,879.1	45,571.7			Favourable product mix will aid ASP growth
RM/Unit (GBP)	24162	25183	26347	28213	26333	27721			
Capitalised expenses (mn £)	1,242	1,426	1,577	1,926	1,608	1,931			
India									
M&HCV	176,493	175,808	178,799	192,164	180,200	193,902			
LCV	204,741	207,934	226,366	252,957	228,496	255,427			Growth likely to be largely back-ended in recovery cycle
PV	130,478	158,884	191,502	225,965	183,116	205,265			Passenger volumes likely to grow on the back of new product launches

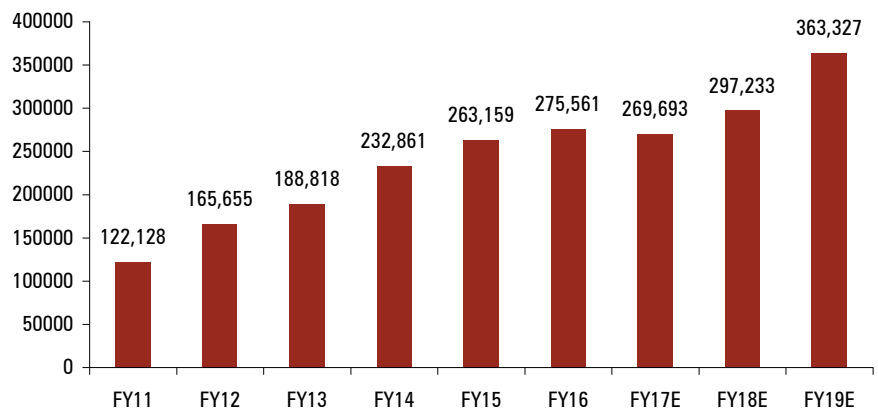
Source: Company, ICICIdirect.com Research

Company Analysis

Revenues to remain upbeat as JLR grows!

We expect consolidated revenues to grow at ~16% CAGR in FY17E-19E to ~₹ 363,327 crore driven by JLR's revenue growth of ~16.4% in the same period at ~£34.2 billion. On the India side, we expect revenues to rise at 17.4% CAGR to ~₹ 61,258 crore by FY19E.

Exhibit 1: We build revenue growth at 14% CAGR in FY17-19E

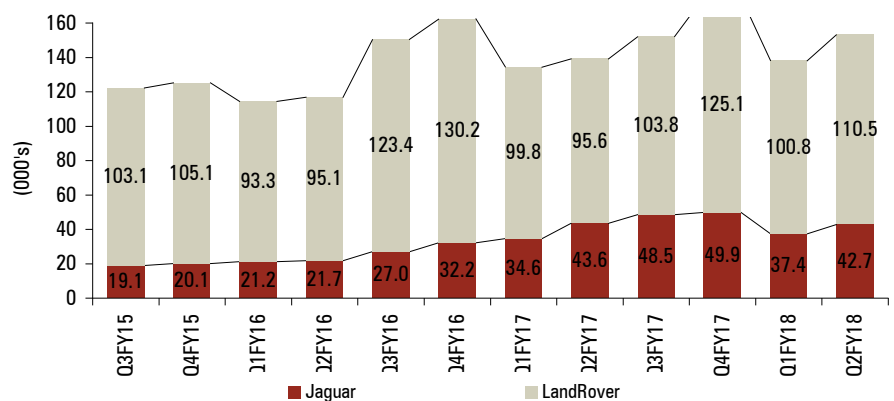


Source: Company, ICICIdirect.com Research

JLR product story to continue in coming years!

The management has given a capex guidance of £4-4.35 billion. It is towards new products, technology & expansion of manufacturing capacity. The management expects capex to remain in the range of 15-17% of sales in the medium term on significant investments in platform development. Thus, we believe the roadmap for new product launches (and refreshes) in the medium term looks clear. We expect the China JV to ramp up in FY18E.

Exhibit 2: JLR volumes trend

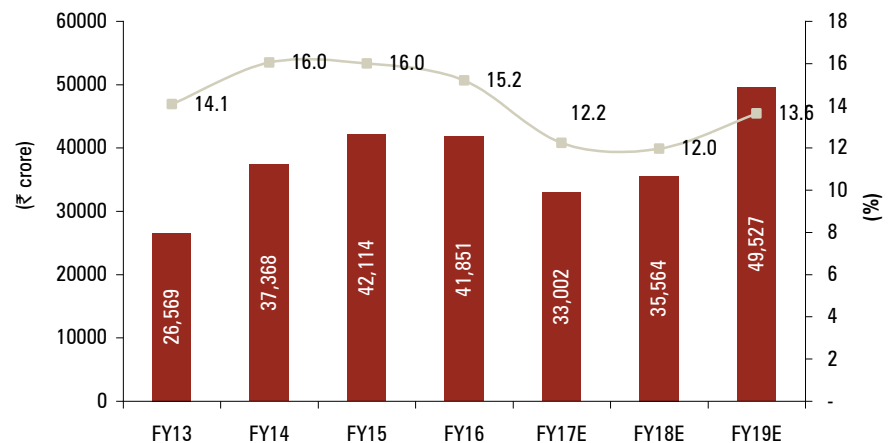


Source: Company, ICICIdirect.com Research

EBITDA margins to trend higher

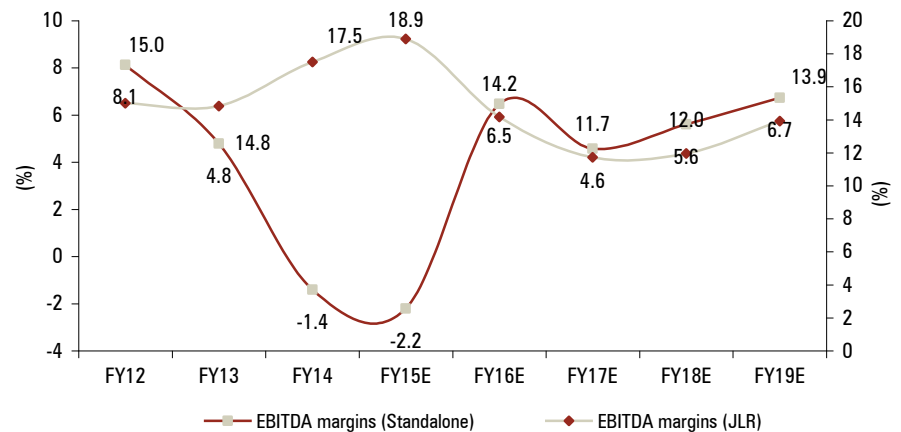
Tata Motors remains a unique case that in India has a combination of high leverage CV business along with a financial dragger on the PV side. On the other hand, on the global front with JLR, it has been one of the most profitable luxury carmakers in the world. The variation is mind boggling in itself with the number of levers towards EBITDA ranging from financial leverage to operating leverage to FX to product mix as well as market mix. Thus, in a nutshell, it remains a company that can have large variations from analyst estimates on a quarterly basis. We expect JLR's EBITDA margins to increase to 13.6% for FY19E. In the domestic business, we expect PAT to be positive in FY19E.

Exhibit 3: Consolidated EBITDA margins to increase



Source: Company, ICICIdirect.com Research

Exhibit 4: Margins trend on standalone and JLR

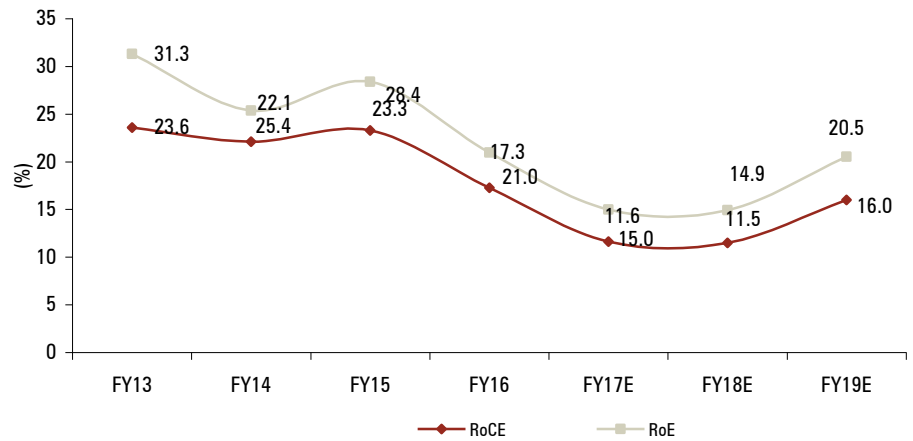


Source: Company, ICICIdirect.com Research

Return ratios to increase to reflect rising margins

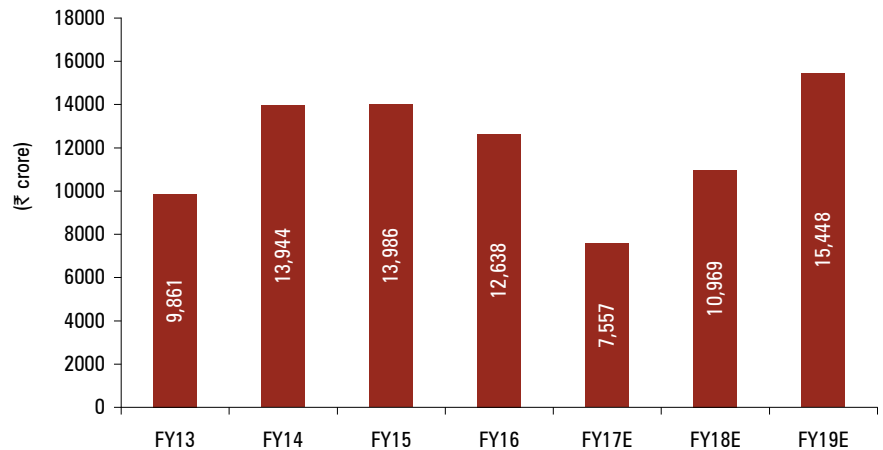
Return ratios witnessed a decline since FY12 primarily due to the significant investment in both JLR and domestic business, with the latter failing badly in generating strong returns. Going ahead, we expect high JLR margins to positively impact return ratios. Return ratios in FY16E appear lower on account of the recent rights issue, which led to an equity dilution of ~5%. At the consolidated level, we expect PAT of ₹ 15,448 crore in FY19E.

Exhibit 5: Returns ratios trend



Source: Company, ICICIdirect.com Research

Exhibit 6: Trend in net profit



Source: Company press release, ICICIdirect.com Research

Outlook and valuation

Tata Motors' business has been increasingly skewed towards the global business of JLR. We believe that with JLR's strong product line-up and planned product refreshes, the market share march is likely to continue. We remain positive on sustained earnings growth for the JLR business as the product pipeline grows and market share increases across geographies. We value the stock on an SOTP basis, with JLR on 3x EV/EBITDA basis contributing ~₹ 385/share (excluding JV) while the domestic business contributes ₹ 43/share. Inclusive of other subsidiaries, we arrive at a target price of ₹ 500.

Exhibit 7: Valuation on SOTP method

	Parameters	Basis	Multiple	Per Share
Tata Motors Core business	FY19E EBITDA	4,123	7	43
JLR	FY18E Adj EV/EBITDA	35,117	3.0	385
China JV @50% stake	FY19E EPS	7.1	8.0	57
Subsidiary valuation				
Tata Daewoo	FY19E EPS	0.3	8.0	3
Tata Motor Finance	FY19E Adj BV	3.8	1.0	4
Tata Technologies	FY19E EPS	1.2	10.0	12
Value of investments	0.1x BV of unquoted invst			3
Value of subsidiaries, investments				24
Value post discount	Holding co discount @ 30%			15
Total value per share				500
TML DVR inferred target value @ 30% discount				350

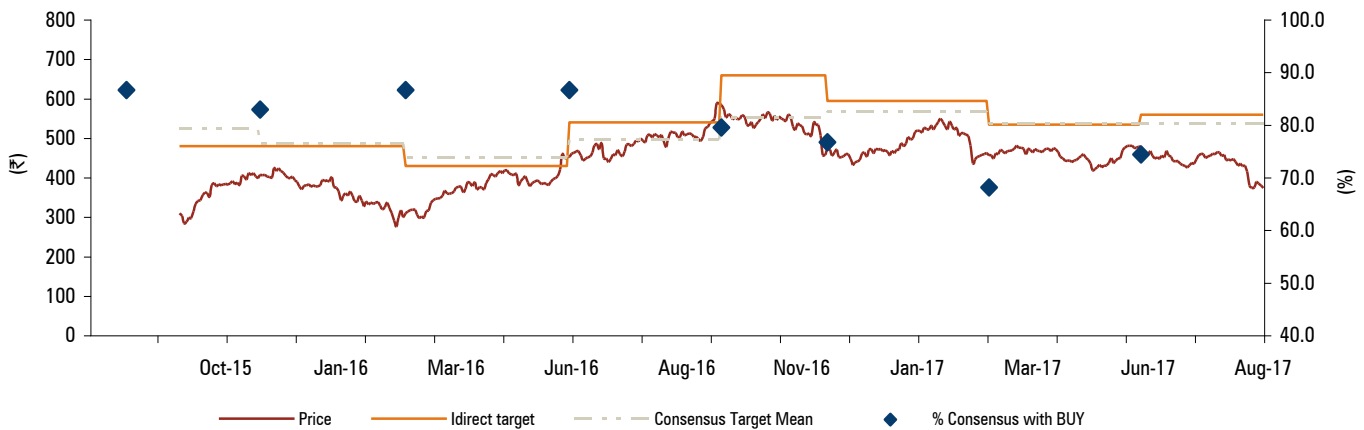
Source: Company, ICICIdirect.com Research

Exhibit 8: Valuation

	Revenues (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	275,561.1	4.7	37.2	(9.6)	11.3	4.4	21.0	17.3
FY17E	269,692.5	(2.1)	22.3	(40.2)	19.0	6.0	15.0	11.6
FY18E	297,233.2	10.2	32.3	45.2	13.1	5.6	14.9	11.5
FY19E	363,327.4	22.2	45.5	40.8	9.3	4.0	20.5	16.0

Source: Company, ICICIdirect.com Research

Recommended History vs. consensus



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
Jan-08	Much touted "Nano" is unveiled at Auto Expo along with new 1 tonne LCV's "ACE".
Jun-08	Acquisition of Jaguar & Land Rover for \$2.3 billion
Jan-09	Tata Motors posts losses as domestic economy sales weaken and global foray causes drag
Jul-09	Tata Motors' Q1FY10 results rise 58% YoY beat estimates ,early signs of recovery of economy. Nano dispathces rise to 9,000 units
May-10	JLR turns profitable for Tata Motors with FY10 PAT of £32 million, big earnings beat
Dec-10	Nano sales fall 85% to 509 units on unavailability of vehicle financing options amid fire incidents
Jun-11	JLR announces £1.5 billion capex spends, Tatat Motors CDS rises as European region problems flare up
Oct-11	JLR launches its path breaking mini-SUV "Evoque"
Aug-12	Karl Slym becomes MD of Tata Motor's domestic business
Jan-12	JLR reports highest rise in sales since June 2010 on the back of "Evoque"
May-12	JLR reports tax credits to boost profit amid weaker than estimated JLR margins
Oct-12	Siam cuts India auto sales forecast second time in a year
Aug-13	JLR reports stronger than estimated margins in Q1FY14 even as domestic business struggles in losses
Feb-14	JLR outlines timelines for new engine plant, new launches, China JV

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Top 10 Shareholders						Shareholding Pattern					
Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)	(in %)	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
1	Tata Group of Companies	30-Sep-17	0.36	1,045.0	60.17	Promoter	33.0	33.0	34.7	34.7	34.7
2	Life Insurance Corporation of India	30-Sep-17	0.0518	149.4	0.00	FII	42.6	45.2	43.1	42.3	41.4
3	GIC Private Limited	30-Sep-17	0.0189	54.5	0.52	DII	17.3	14.8	15.1	15.8	16.0
4	BlackRock Institutional Trust Company, N.A.	31-Oct-17	0.0164	47.3	0.72	Others	7.2	7.0	7.0	7.2	8.0
5	ICICI Prudential Life Insurance Company Ltd.	30-Sep-17	0.0147	42.6	-2.82						
6	The Vanguard Group, Inc.	30-Sep-17	0.0125	36.2	0.27						
7	APG Asset Management	31-Mar-17	0.0102	29.4	13.17						
8	ICICI Prudential Asset Management Co. Ltd.	31-Oct-17	0.0093	26.7	-1.86						
9	Dimensional Fund Advisors, L.P.	30-Sep-17	0.0088	25.3	-0.03						
10	SBI Funds Management Pvt. Ltd.	31-Oct-17	0.0077	22.1	0.51						

Source: Reuters, ICICIdirect.com Research

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Tata Group of Companies	+369.9M	+60.2M	Lyxor Asset Management	-41.3M	-5.6M
Reliance Nippon Life Asset Management Limited	+34.3M	+5.2M	DSP BlackRock Investment Managers Pvt. Ltd.	-31.0M	-5.0M
Tredje AP Fonden	+6.9M	+1.0M	ICICI Prudential Life Insurance Company Ltd.	-17.4M	-2.8M
Canara Robeco Asset Management Company Ltd.	+6.2M	+0.9M	American Century Investment Management, Inc.	-13.7M	-2.2M
T. Rowe Price International (UK) Ltd.	+5.7M	+0.9M	ICICI Prudential Asset Management Co. Ltd.	-12.3M	-1.9M

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement				
₹ Crore				
(Year-end March)	FY16	FY17E	FY18E	FY19E
Total operating Income	275,561	269,693	297,233	363,327
Growth (%)	4.7	-2.1	10.2	22.2
Raw Material Expenses	162,419	165,894	186,104	225,729
Employee Expenses	29,199	28,333	31,304	35,726
Marketing Expenses	65,032	59,340	62,030	72,633
Capitalised Expenses	-22,940	-16,877	-17,065	-20,288
Total Operating Expenditure	233,710	236,690	261,670	313,801
EBITDA	41,851	33,002	35,564	49,527
Growth (%)	-0.6	-21.1	7.8	39.3
Product development Expenses	3480	3414	3530	4417
Depreciation	17014	17905	19320	23616
Interest	4624	4238	4291	4291
Other Income	982	755	707	700
PBT	21195	11614	12659	22320
Minority Interest	106	0	0	0
Total Tax	2873	3251	3810	4655
PAT	12,638	7,557	10,969	15,448
Growth (%)	-9.6	-40.2	45.2	40.8
EPS (₹)	37.2	22.3	32.3	45.5

Source: Company, ICICIdirect.com Research

Cash flow statement				
₹ Crore				
(Year-end March)	FY16	FY17E	FY18E	FY19E
Profit after Tax	12,638.4	9,395.7	10,975.1	18,864.3
Add: Depreciation	17,014	17,905	19,320	23,616
(Inc)/dec in Current Assets	-7,676	-2,491	-6,285	-16,079
Inc/(dec) in CL and Provisions	12,465	16,033	4,375	13,542
Others	0	0	0	0
CF from operating activities	34,441	40,842	28,386	39,944
(Inc)/dec in Investments	0	0	0	0
(Inc)/dec in Fixed Assets	0	0	0	0
Others	-39,797	-18,882	-31,368	-30,483
CF from investing activities	(39,797)	(18,882)	(31,368)	(30,483)
Issue/(Buy back) of Equity	0	0	0	0
Inc/(dec) in loan funds	-6,112	8,939	0	0
Dividend paid & dividend tax	0	0	0	0
Inc/(dec) in Sec. premium	0	0	0	0
Others	13,772	-29,316	-204	-409
CF from financing activities	7,660	(20,378)	(204)	(409)
Net Cash flow	2,305	1,583	-3,187	9,052
Opening Cash	32,190	34,495	36,078	32,891
Closing Cash	34,495	36,078	32,891	41,943

Source: Company, ICICIdirect.com Research

Balance sheet				
₹ Crore				
(Year-end March)	FY16	FY17E	FY18E	FY19E
Liabilities				
Equity Capital	679	679	679	679
Reserve and Surplus	81,993	62,072	72,843	91,298
Total Shareholders funds	82,672	62,751	73,522	91,978
Total Debt	11,224	11,410	11,410	11,410
Deferred Tax Liability	3,166	1,174	1,294	1,582
Long term provisions	51876	60629	60629	60629
Minority Interest / Others	22,377	26,997	29,754	36,371
Total Liabilities	171,315	162,962	176,609	201,969
Assets				
Gross Block	196,366	214,627	255,326	312,276
Less: Acc Depreciation	100,778	118,683	138,003	161,619
Net Block	95,588	95,944	117,323	150,656
Capital WIP	33,263	33,699	25,000	50
Total Fixed Assets	128,851	129,643	142,323	150,706
Investments	2,506	10,594	10,594	10,594
Inventory	33,399	32,511	35,831	44,794
Debtors	12,990	12,561	13,844	16,922
Loans and Advances	10,746	14,757	14,443	15,918
Other Current Assets	97,717	101,791	104,889	130,019
Cash	34,495	36,078	32,891	41,943
Total Current Assets	97,717	101,791	104,889	130,019
Creditors	63,633	62,066	63,518	69,679
Provisions	8,702	8,488	8,686	9,529
Total Current Liabilities	99,597	115,629	120,005	133,547
Net Current Assets	-1,880	-13,839	-15,116	-3,528
Deferred Tax Asset	2,726	4,457	4,913	6,005
Application of Funds	171,315	162,962	176,609	201,969

Source: Company, ICICIdirect.com Research

Key ratios				
(Year-end March)	FY16	FY17E	FY18E	FY19E
Per share data (₹)				
EPS	37.2	22.3	32.3	45.5
Cash EPS	87.3	75.0	89.2	115.0
BV	243.5	184.8	216.5	270.9
DPS	0.0	0.0	0.0	0.0
Cash Per Share	6.1	6.0	6.6	8.1
Operating Ratios				
EBITDA Margin (%)	15.2	12.2	12.0	13.6
PBT / Net sales (%)	9.0	5.6	5.5	7.1
PAT Margin (%)	2.8	7.6	8.2	5.2
Inventory days	44.2	44.0	44.0	45.0
Debtor days	17.2	17.0	17.0	17.0
Creditor days	84.3	84.0	78.0	70.0
Return Ratios (%)				
RoE	21.0	15.0	14.9	20.5
RoCE	17.3	11.6	11.5	16.0
RoIC	41.9	25.1	19.4	21.7
Valuation Ratios (x)				
P/E	8.3	15.3	13.1	7.6
EV / EBITDA	4.4	6.0	5.6	4.0
EV / Net Sales	0.7	0.7	0.7	0.5
Market Cap / Sales	0.5	0.5	0.5	0.4
Price to Book Value	1.7	2.3	1.9	1.6
Solvency Ratios				
Debt/EBITDA	1.5	2.2	2.0	1.5
Debt / Equity	0.8	1.1	1.0	0.8
Current Ratio	0.6	0.6	0.7	0.7
Quick Ratio	0.3	0.3	0.3	0.3

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Auto & Auto Ancillary)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
Amara Raja (AMARAJ)	805	830	Hold	13749	28.0	28.4	36.0	28.7	28.3	22.3	15.7	14.8	12.1	25.8	23.5	25.3	18.5	16.3	17.6
Apollo Tyre (APOTYR)	236	275	Buy	13472	19.2	12.2	19.6	12.3	19.4	12.0	10.5	10.5	7.7	13.6	8.4	11.8	15.1	7.5	11.0
Ashok Leyland (ASHLEY)	115	130	Buy	32473	4.3	4.4	6.5	26.7	26.0	17.8	14.3	13.2	9.9	23.9	25.2	30.1	25.0	18.9	23.0
Bajaj Auto (BAAUTO)	3245	3170	Hold	93901	132.3	146.8	178.2	24.0	21.7	17.8	19.4	17.6	14.0	30.3	30.4	32.5	22.5	22.3	23.3
Balkrishna Ind. (BALIND)	2087	2050	Buy	20173	82.7	103.3	127.8	22.1	17.7	14.3	14.7	11.1	8.8	24.0	26.0	27.1	18.8	26.0	27.1
Bharat Forge (BHAFOR)	700	790	Buy	32590	15.0	17.8	24.7	46.7	39.3	28.3	26.1	18.7	14.3	16.7	21.7	27.5	15.4	17.8	21.7
Bosch (MICO)	19420	21550	Hold	60978	570.5	453.9	567.1	35.1	44.1	35.3	30.1	29.6	23.7	16.4	14.7	16.7	24.1	21.8	24.9
Eicher Motors (EICMOT)	30000	33800	Buy	82705	655.9	848.3	1109.6	46.7	36.1	27.6	27.6	20.9	16.3	39.2	40.0	38.3	36.0	34.0	32.6
Exide Industries (EXIIND)	202	250	Buy	17153	8.2	8.1	10.0	24.7	25.0	20.1	15.6	14.3	11.9	18.5	17.9	19.7	14.0	12.8	14.4
Hero Moto (HERHON)	3661	4275	Buy	73119	156.9	169.1	188.1	23.3	21.7	19.5	15.2	14.4	12.6	48.7	44.0	45.1	35.8	33.4	32.8
JK Tyre & Ind (JKIND)	145	155	Hold	3284	16.6	1.4	22.2	8.7	106.8	6.5	7.4	10.7	5.3	11.2	5.8	13.7	16.6	1.6	21.0
M&M (MAHMAH)	1405	1630	Buy	86984	67.0	66.9	82.8	21.0	21.0	17.0	17.0	13.6	11.1	16.4	18.9	21.0	13.7	14.3	15.6
Mahindra CIE (MAHAUT)	239	280	Buy	9036	9.6	11.9	13.9	24.9	20.2	17.2	12.6	11.1	9.8	10.1	11.1	11.6	11.5	12.9	13.8
Maruti Suzuki (MARUTI)	8440	9150	Buy	255054	242.9	289.1	365.4	34.7	29.2	23.1	24.0	19.3	15.8	26.3	28.5	30.3	20.3	20.9	22.3
Motherson (MOTSUM)	357	375	Hold	75085	7.4	9.3	13.4	48.3	38.2	26.7	18.7	14.0	10.6	16.0	19.4	25.3	19.6	22.4	25.4
Tata Motors (TELCO)	423	500	Buy	127513	22.3	32.3	45.5	17.0	11.7	8.3	5.6	5.2	3.7	11.6	11.5	16.0	15.0	14.9	20.5
Wabco India (WABTVS)	6453	7200	Hold	12261	146.4	180.8	218.7	44.1	35.7	29.5	32.4	26.0	21.1	18.4	18.7	18.6	24.6	25.2	25.1

Source: Company, ICICIdirect.com Research

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