

Mahindra CIE Automotive (MAHCIE)

CMP: ₹ 195

Target: ₹ 230 (18%)

Target Period: 12 months

BUY

July 22, 2019

Performance set to improve, inexpensive valuations...

Mahindra CIE Automotive (MCI) reported a subdued Q2CY19 performance. Consolidated sales were at ₹ 2,142 crore, dragged by ~12% decline in Indian sales (like-to-like) and flattish Europe business performance. MCI consolidated Aurangabad Electricals (AEL) while reporting Q2CY19 numbers. Consolidated EBITDA was at ₹ 269.4 crore, with attendant EBITDA margins at 12.2%, down 80 bps QoQ. Standalone revenues for Q2CY19 came off spectacularly, dropping 16.8% YoY to ₹ 541 crore with margins at 10.0%, down 250 bps QoQ. Consequent standalone PAT was at ₹ 23.3 crore, down 47% YoY.

Historical outperformance arrested; demand woes weigh!

Q2CY19 represented a departure from recent history in terms of its outperformance vis-à-vis volume growth at its key Indian and European OEM clients courtesy rising wallet share. Excluding Aurangabad Electricals' performance, MCI India registered 12% revenue decline for the quarter vs. ~15% blended volume decline at M&M, Maruti, Tata Motors and Bajaj Auto (>50% of business). Revenue at MCI Europe was negatively impacted by adverse exchange rate movement. However, the performance was flat YoY in constant currency terms vs. 6.9% decline in PV segment in Europe. We build in 9.4% revenue CAGR in CY18-20E tracking the muted domestic and global demand prospects for OEMs amid consolidation of AEL financials.

Soft volumes impact margin trajectory!

MCI has demonstrated its turnaround capability in the past (CY18 margins at 13.1% vs. 8% in FY15). For Q2CY19, consolidated margins (12.2%) were dragged by India operations where steep volume decline at OEMs and the addition of margin decreative profile at Aurangabad Electricals (EBITDA margins at 11.2%) played spoilsport. Encouragingly, margins in Europe remained steady QoQ. Going forward, the company remains committed to margin improvement via increasing automation, higher efficiencies and introduction of value added products. We factor in EBITDA margins of 12.1% and 13.1% in CY19E and CY20E, respectively.

Valuation & Outlook

We expect sales, EBITDA and PAT to grow at a CAGR of 9.4%, 9.5% and 13.9%, respectively, in CY18-20E, with attendant margin improvement in tow. We believe the disappointing performance in Q2CY19 is not indicative of a structural worsening of the company's prospects. MCI's healthy return ratios (~14% RoCE) and ~7% FCF yield also provide valuation comfort. We value MCI at ₹ 230 i.e. 7.5x EV/EBITDA on CY20E numbers (implied P/E at 13.5x on CY20E; 10% discount to its long period average of ~15x forward P/E). We maintain our **BUY** rating on the stock.

Mahindra CIE

Particulars

Particular	Amount
Market Capitalization (₹ Crore)	7,381.7
Total Debt (CY18)	₹ 1613.38 Crore
Cash & Investments (CY18)	₹ 793.8 Crore
EV	₹ 8201.3 Crore
52 week H/L (₹)	302 / 184
Equity capital	₹ 378.8 Crore
Face value	₹ 10

Key Highlights

- MCI India business on like-to-like basis declined ~12% vs. ~15% decline in volume at its key clients
- European business reported flat performance in constant currency terms for Q2CY19
- MCI consolidated AEL financials
- Maintain **BUY** rating on stock with revised target price of ₹ 230 valuing at 7.5x EV/EBITDA on CY20E numbers
- Believe worst of volume decline and margin erosion behind us. Healthy cash flow generation, ~7% FCF yield provides good margin of safety

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Key Financial Summary

Key Financials	CY16	CY17	CY18	CY19E	CY20E	CAGR (CY18-20E)
Net Sales	5,319.9	6,520.0	8,031.5	9,046.0	9,613.1	9.4%
EBITDA	531.1	814.6	1,051.1	1,091.7	1,260.0	9.5%
EBITDA Margins (%)	10.0	12.5	13.1	12.1	13.1	
Net Profit	169.0	369.0	498.1	533.1	646.1	13.9%
EPS (₹)	4.5	9.7	13.2	14.1	17.1	
P/E	43.7	20.0	14.8	13.8	11.4	
RoNW (%)	5.4	10.1	12.4	11.1	11.9	
RoCE (%)	6.9	11.4	13.2	12.6	14.2	

Source: ICICI Direct Research, Company

Exhibit 1: Variance Analysis

	Q2CY19	Q2CY19E	Q2CY18	YoY(%)	Q1CY19	QoQ(%)	Comments
Total Operating Income	540.9	624.0	650.0	-16.8	642.6	-15.8	Topline came in substantially lower than our estimates primarily tracking muted volume at its key OEM clients
Raw Material Expenses	299.0	343.2	358.7	-16.7	355.7	-15.9	Subdued commodity prices aided in marginal gross margin expansion
Employee Expenses	68.0	74.9	71.9	-5.5	71.8	-5.4	
Other expenses	119.9	131.0	137.8	-13.0	136.4	-12.1	Decline in sales led to negative operating leverage with other expenses as percentage of sales increasing to 22.2%
Operating Profit (EBITDA)	54.1	74.9	81.5	-33.7	78.6	-31.3	
EBITDA Margin (%)	10.0	12.0	12.5	-255 bps	12.2	-225 bps	EBITDA margins on standalone basis, came in substantially lower tracking negative operating leverage, which was partially compensated by lower raw material costs
Other Income	6.5	9.1	1.0	550.0	1.0	550.0	
Depreciation	18.1	17.8	18.4	-1.7	17.8	1.6	
Interest	5.4	0.8	0.8	586.9	2.9	88.2	
PAT	23.3	42.5	43.9	-46.8	46.9	-50.3	Decline in sales and margin profile led to substantial 47% decline in PAT at standalone level
EPS	0.6	1.1	1.2	-46.8	1.2	-50.3	
Key Metrics (₹ crore)*							
MCIE India	923.6	NA	802.4	15.1	793.6	16.4	MCIE revenue not comparable YoY & QoQ due to consolidation of Aurangabad Electrical (AEL) financials in Q2CY19. Ex-AEL MCIE India revenues declined 12% vs. ~15% decline in proportionate volumes at its clients
EBITDA Margins %	13.1	NA	15.7	-251 bps	14.8	-165 bps	
MCIE Europe	1,131.6	NA	1,181.6	-4.2	1,284.4	-11.9	MCIE Europe revenue was flat in Euro terms vs. ~7% decline in PV segment for the region
EBITDA Margins %	13.1	NA	14.0	-91 bps	13.1	2 bps	
MCIE Consolidated	2,142.0	2,122.0	1,973.1	8.6	2,174.4	-1.5	Consolidated topline for the quarter incl AEL was at ₹ 2142 crore
EBITDA Margins %	12.2	14.5	14.7	-254 bps	13.0	-78 bps	Consolidated margins came in lower than our estimates at 12.2%, down 80 bps QoQ. This was primarily driven by lower margins in standalone operations and lower margin profile at AEL (EBITDA margins 11.2%)

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	CY19E			CY20E			Comments
	Old	New	% change	Old	New	% change	
Revenue	8,773.2	9,046.0	3.1	9,319.1	9,613.1	3.2	Incorporated financials of AEL. We expect revenues at Mahindra CIE on consolidated basis to grow at CAGR of 9.4% in CY18-20E
EBITDA	1,153.5	1,091.7	-5.4	1,281.6	1,260.0	-1.7	
EBITDA Margin (%)	13.1	12.1	-108 bps	13.8	13.1	-64 bps	Lower margin estimates primarily building in subdued sales growth as well as lower margin trajectory at AEL vs. base business at MCI
PAT	571.6	533.1	-6.7	660.0	646.1	-2.1	
EPS (₹)	15.1	14.1	-6.7	17.4	17.1	-2.1	We expect PAT to grow at a CAGR of 13.9% in CY18-20E. PAT growth exceeded sales growth primarily driven by lower interest costs due to decline in gross debt

Source: Company, ICICI Direct Research

Conference call highlights

Management outlook/guidance and demand

- MCI sees the coming two to three quarters as being difficult for India business, with the management hopeful the upcoming festive season and BS-VI related pre-buying would help revive demand. Europe CV business is expected to remain flat in H2CY19E while the Metalcastello division is expected to grow in step with the industry for the next few quarters
- MCI attributes current tough demand environment to ongoing lending crisis and confusion surrounding BS-VI inventory management at OEM level. However, it does not view these factors as being structural in nature
- Q2CY19 was an exceptionally difficult quarter both in India and Europe, with June being particularly harsh. The company's performance was affected severely by production cuts and inventory correction efforts at key domestic OEMs. In Europe, CV industry's de-growth was far higher than PV industry decline of ~5% YoY
- Bill Forge revenues were flattish during the quarter, with margins largely stable

Sales, costs and margins

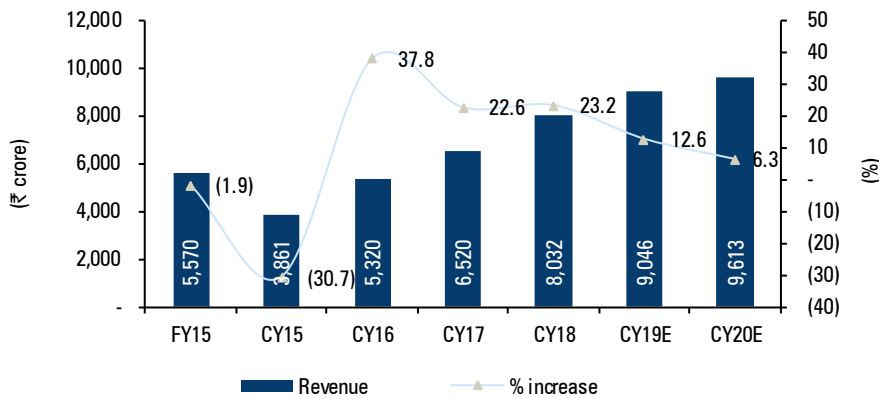
- MCI aims to control costs (labour and overheads) and improve efficiencies for augmenting margins during the current scenario. It is hopeful of recuperating margins lost in the India business, in particular
- Margins in MCI Europe are not seen deteriorating further. The company expects a recovery from current levels, going forward
- The company aims to increase Aurangabad Electricals margins to India business average of ~15% from current ~11% levels
- Margins in Mexico operations are growing and are expected to standardise by the end of the year
- Part of the dip in steel prices has been realised by the company

Other

- Capacity utilisation in India is ~77% currently vs. 80—85% last year. German forgings division is nearly full capacity while overall Europe utilisation is around the 80-85% mark
- Capex through to CY20E would be ~4.5% of sales
- PV and 2-W segments form 60% of India revenues
- MCI remains open to inorganic growth opportunities in the medium term
- Exposure to M&M's Bolero, Scorpio and tractor portfolio is high in the stampings division. MCI is working on diversifying the exposure through newer clients and exports thrust. M&M forms ~25-33% of India revenues currently
- Proposed electrification of India's 2-W segment is not seen having a major impact on Bill Forge while in the case of Aurangabad Electricals the impact would be to the extent of ~15-20% of revenues
- MCI added Kia Motors as a customer on the crankshaft forgings side during Q2CY19. Daimler is a major customer for MCI on the European CV side and forms ~10% of consolidated revenues

Financial story in charts

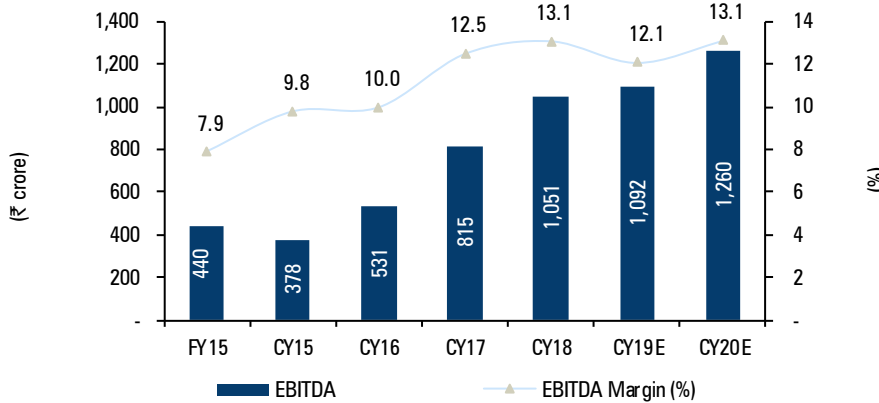
Exhibit 3: Topline trend



Source: Company, ICICI Direct Research

We expect sales to grow at a CAGR of 9.4% over CY18-20E factoring in muted demand prospects in the base business and consolidation of AEL in consolidated financials from Q2CY19 onwards

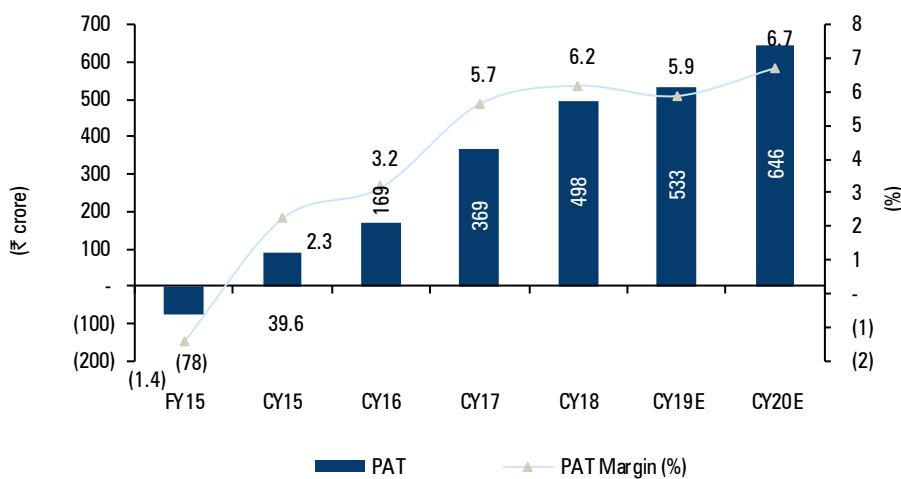
Exhibit 4: EBITDA margin trend



Source: Company, ICICI Direct Research

We build in revival in EBITDA margins to 13.1% for CY20E post a blip in CY19E (12.1%)

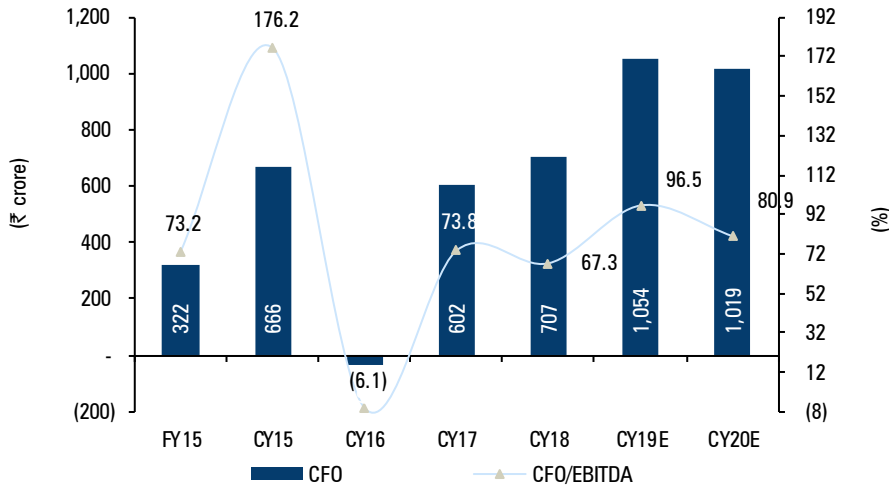
Exhibit 5: Profitability trend



Source: Company, ICICI Direct Research

PAT is expected to grow at a CAGR of 13.9% over CY18-20E to ₹ 646 crore. PAT growth exceeds sales growth due to decline in interest costs

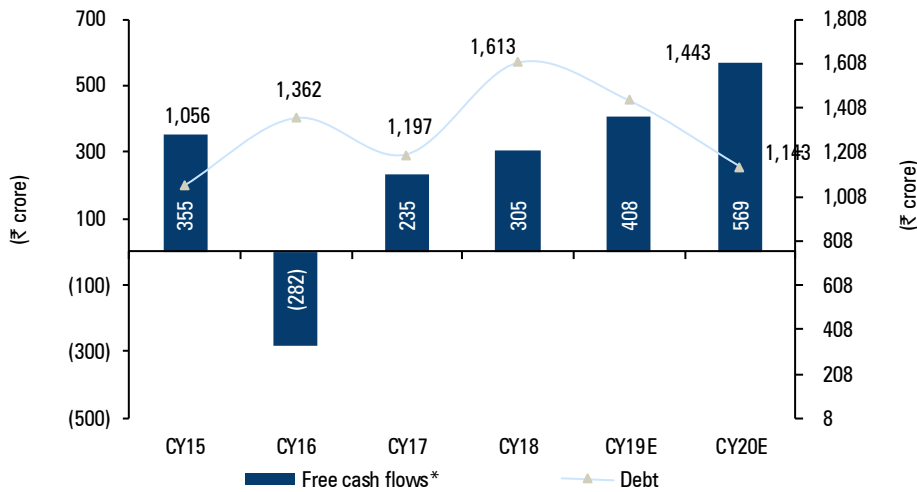
Exhibit 6: CFO trend



CFO trajectory expected to remain robust

Source: Company, ICICI Direct Research

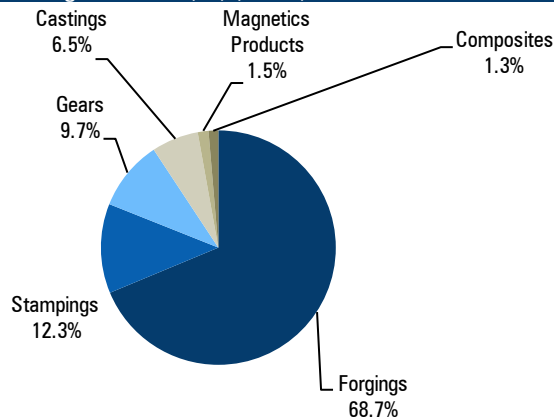
Exhibit 7: FCF and debt trend



In the absence of any major upcoming capex we expect CIE to post healthy FCF growth along with paring of debt levels. FCF yield over CY19-20E is expected at ~7%

Source: ICICI Direct Research

Exhibit 8: Consolidated segment mix (%) (CY18)



Source: Company, ICICI Direct Research

Exhibit 9: Financials of recent acquisition Aurangabad Electrical

Particulars	Units	Aurangabad Electrical Ltd		Mahindra CIE
		FY18	FY19E	CY18
Sales	₹ crore	651.0	858.6	8032.0
EBITDA	₹ crore	72.0	100.0	1051.0
EBITDA margins	%	11.2	11.8	13.1
PAT	₹ crore	34.4	40.0	548.5
PAT margins	%	5.3	4.7	6.8
P/E	x	24.1	20.8	16.6
Mcap/Sales	x	1.3	1.0	1.1
EV/EBITDA	x	12.8	9.2	9.4

We incorporate financials of AEL for CY19E & CY20E; starting Q2CY19

Source: Company, ICICI Direct Research

Exhibit 10: Revenue mix (segment, geography and product wise) (₹ crore)

Segment	Geography	Product	Focus Area	Customers	CY15 (9M)	CY16 (12M)	CY17 (12M)	CY18 (12M)
Standalone business								
Forging	India	Crankshafts, Stub Axles	PV, UV and Tractors	M&M, MSIL and TML	275	430	459	531
Stamping	India	Sheet metal stamping, Component & Assemblies	PV & UV	M&M and TML	482	705	844	1,008
Casting	India	Turbocharger Housing, Axles	PV, UV, Construction Equipment, Earthmoving,	M&M, Hyundai, John Deere, JCB, Cummins	285	406	440	527
Magnetic Product	India	& Transmission Parts Soft & Hard Magnets,	Tractors & export Turbo	Denso, Varroc, Lucas TVS, Nippon Electric, Bajaj Auto	98	149	136	121
Composite	India	Induction lighting Compound & Component	Tier 1 of PV, UV & 2-W and export	Electrical, Switchgear, L&T switchgear, M&M, Auto Component Volvo Eicher	64	98	96	109
Total Standalone Revenue					1204	1787	1974	2296
Subsidiaries								
Mahindra Forging Europe	Europe	Forged & Machined parts, Front Axles beams & Steel Piston	HCV	Diamler AG, Scania, Man, DAF, KS, Mahle, ZF, KION, Linde, AGCO	1,271	1,584	1,720	2,109
CIE Forging	Europe	Forged steel parts for Industrial, Crankshafts, Common rail, Stubs, Tulips	PV	VW, BMW, Mercedes, Audi, Renault, Fiat	1,037	1,486	1,708	2,097
Mahindra Gears	India	Gears (Engine, Timing, Transmission)	PV & UV, Tractors & Export	M&M, Turner, Eaton, NHFI, Truck Tractor CNH	106	159	192	233
Metallcastello	Europe	Gears (Engine, Timing, Transmission), Crown wheel Pinion	Tractors, Construction Equipment, Earthmoving, Exports	John Deere, Eaton CNH	249	364	390	557
Bill Forge*	India	2-W : Steering races & engine valve retainers. For PV - constant velocity joints, tulips, steering shafts & yokes & wheel hubs	2-W & PV	Hero, Bajaj, HMSI, TVS, Ford, GKN, NTN, Nexteer	NA	175	739	874
Total Subsidiary Revenue					2662	3768	4749	5870
Consolidated Revenue					3866	5555	6723	8166

Source: Company, ICICI Direct Research; * Bill forge numbers for CY16 are pertaining to just one quarter i.e. Q4CY16

Exhibit 11: Valuation (Target Price Calculation)

Particulars	
CY20E EBITDA (₹ crore)	1260
Implied target EV/EBITDA (x)	7.5
EV (₹ crore)	9450
CY20E Net Debt (₹ crore)	623
Mcap (₹ crore)	8827
No. of shares (crore)	37.9
Target Price (₹ per share)	230

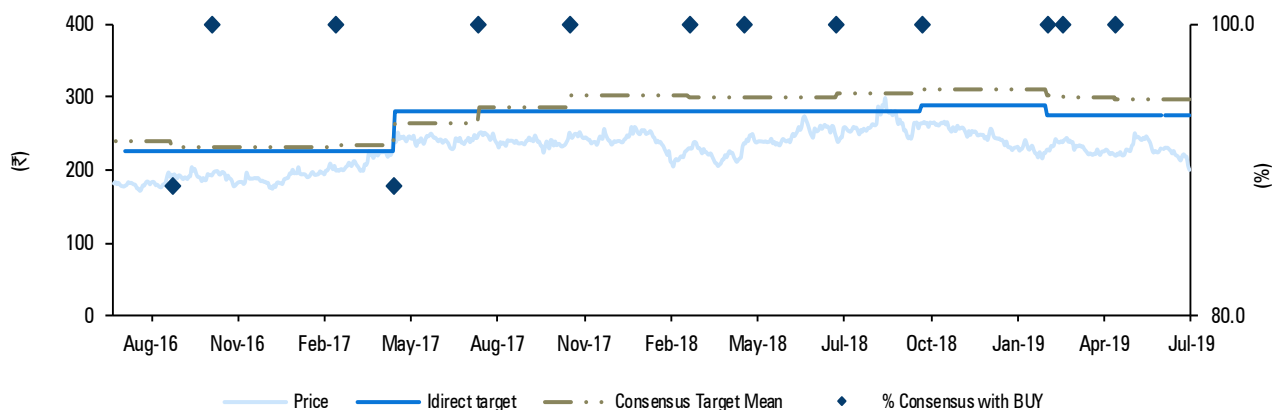
Source: Company, ICICI Direct Research

Exhibit 12: Valuation Summary Sheet

	Sales	Growth	EPS	Growth	PE	EV/EBITDA	RoNW	RoCE
	(₹ cr)	(%)	(₹)	(%)	(x)	(x)	(%)	(%)
CY16	5,319.9	37.8	4.5	93.8	43.7	16.2	5.4	6.9
CY17	6,520.0	22.6	9.7	118.4	20.0	10.4	10.1	11.4
CY18	8,031.5	23.2	13.2	35.0	14.8	7.8	12.4	13.2
CY19E	9,046.0	12.6	14.1	7.0	13.8	7.8	11.1	12.6
CY20E	9,613.1	6.3	17.1	21.2	11.4	6.4	11.9	14.2

Source: Bloomberg, ICICI Direct Research

Exhibit 13: Recommendation history vs. consensus



Source: Reuters, ICICI Direct Research

Exhibit 14: Top 10 shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	Participaciones Internacionales Autometal DOS, S. L.	30-Jun-19	56.3	213.2	0.00
2	Mahindra Group	30-Jun-19	11.4	43.3	0.00
3	Ruane, Cunniff & Goldfarb L.P.	30-Jun-19	3.8	14.4	0.00
4	Ainos Holdings Ltd.	30-Jun-19	2.1	8.0	0.00
5	Sundaram Asset Management Company Limited	30-Jun-19	2.0	7.6	0.00
6	Stewart Investors	31-May-19	1.5	5.8	0.00
7	Haridass (Anil)	30-Jun-19	1.5	5.6	0.00
8	UTI Asset Management Co. Ltd.	31-Mar-19	1.4	5.4	0.00
9	Haridass (Anjali Powar)	30-Jun-19	1.4	5.1	0.00
10	Franklin Templeton Asset Management (India) Pvt. Ltd.	30-Jun-19	1.3	5.1	0.00

Source: Reuters, ICICI Direct Research

Exhibit 15: Recent activity

Buys			Sells		
Investor name	Value(m\$)	Shares(m)	Investor name	Value(m\$)	Shares(m)
Caisse de Depot et Placement du Quebec	5.60	1.51	Tata Asset Management Limited	-2.32	-0.68
Luthra (Hemant)	1.77	0.53	BlackRock Asset Management North Asia Limited	-2.33	-0.63
Allianz Global Investors Asia Pacific Limited	0.47	0.14	Aditya Birla Sun Life AMC Limited	-0.27	-0.08
BlackRock Institutional Trust Company, N.A.	0.28	0.08	First State Investments (Singapore)	-0.23	-0.07
RAM Active Investments S.A.	0.28	0.08	Baillie Gifford & Co.	-0.07	-0.02

Source: Reuters, ICICI Direct Research

Exhibit 16: Shareholding pattern

(in %)	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Promoter	69.8	67.8	67.7	67.7	67.7
FII	5.0	7.7	9.7	10.1	10.3
DII	8.4	4.9	7.3	7.1	7.1
Others	16.9	19.7	15.3	15.1	14.9

Source: Company, ICICI Direct Research

Financial Summary

Exhibit 17: Profit and loss statement				
	₹ crore			
(Year-end March)	CY17	CY18	CY19E	CY20E
Total operating Income	6,520.0	8,031.5	9,046.0	9,613.1
Growth (%)	22.6	23.2	12.6	6.3
Raw Material Expenses	2,854.9	3,631.5	4,111.3	4,376.9
Employee Expenses	1,176.0	1,329.7	1,514.7	1,589.5
Other Expenses	1,674.5	2,019.2	2,328.3	2,386.6
Total Operating Expenditure	5,705.4	6,980.5	7,954.2	8,353.0
EBITDA	814.6	1,051.1	1,091.7	1,260.0
Growth (%)	53.4	29.0	3.9	15.4
Other Income	26.9	38.7	43.3	46.1
Interest	54.5	50.2	50.5	40.0
Depreciation	262.8	286.7	322.9	343.2
PBT	517.3	702.4	761.6	922.9
Total Tax	148.3	204.3	228.5	276.9
PAT before Minority Interest	369.0	498.1	533.1	646.1
Minority Interest	0.0	0.0	0.0	0.0
PAT after Minority Interest	369.0	498.1	533.1	646.1
EPS (₹)	9.7	13.2	14.1	17.1

Source: Company, ICICI Direct Research

Exhibit 18: Cash flow statement				
	₹ crore			
(Year-end March)	CY17	CY18	CY19E	CY20E
Profit after Tax	369.0	498.1	533.1	646.1
Add: Depreciation	262.8	286.7	322.9	343.2
(Inc)/dec in Current Assets	-445.2	-73.7	-178.6	-155.5
Inc/(dec) in CL and Provisions	360.3	-54.0	326.0	145.4
CF from operating activities	601.5	707.4	1,053.9	1,019.1
(Inc)/dec in Investments	-42.1	-5.6	-36.4	-20.3
(Inc)/dec in Fixed Assets	-366.2	-402.7	-646.0	-450.0
Others	-89.6	-699.6	-78.1	-161.2
CF from investing activities	-497.9	-1,107.9	-760.5	-631.5
Interest Paid	-54.5	-50.2	-50.5	-40.0
Inc/(dec) in loan funds	-165.2	416.5	-170.0	-300.0
Dividend paid & dividend tax	0.0	0.0	0.0	-45.4
Others	89.7	75.4	0.0	1.0
CF from financing activities	-130.0	441.8	-220.5	-384.4
Net Cash flow	-26.4	41.3	72.9	3.2
Opening Cash	98.1	71.7	113.0	185.9
Closing Cash	71.7	113.0	185.9	189.1

Source: Company, ICICI Direct Research

Exhibit 19: Balance Sheet				
	₹ crore			
(Year-end March)	CY17	CY18	CY19E	CY20E
Liabilities				
Equity Capital	378.4	378.8	378.8	378.8
Reserve and Surplus	3,337.2	3,910.3	4,443.4	5,045.0
Total Shareholders funds	3,715.6	4,289.1	4,822.2	5,423.8
Total Debt	1,196.9	1,613.4	1,443.4	1,143.4
Minority Interest	0.0	0.0	0.0	0.0
Total Liabilities	5,422.7	6,416.0	6,844.5	7,170.3
Assets				
Gross Block	6,172.2	6,539.2	7,188.4	7,631.2
Less: Acc Depreciation	4,258.4	4,545.1	4,868.0	5,211.1
Net Block	1,913.9	1,994.1	2,320.4	2,420.0
Capital WIP	60.2	96.0	92.8	100.0
Total Fixed Assets	1,974.1	2,090.1	2,413.2	2,520.0
Investments	55.0	680.8	155.8	330.8
Goodwill	2,836.4	2,911	3,561	3,561
Inventory	989.8	1,228.6	1,288.7	1,369.5
Debtors	598.4	741.4	817.9	869.1
Other current assets	401.6	193.7	218.2	231.8
Cash	71.7	113.0	185.9	189.1
Total Current Assets	2,061.6	2,276.7	2,510.7	2,659.6
Creditors	1,574.3	1,683.9	1,858.8	1,975.3
Provisions	19.6	44.9	45.2	48.1
Other Current Liabilities	505.2	265.4	416.1	442.2
Total Current Liabilities	2,099.1	1,994.2	2,320.1	2,465.6
Net Current Assets	-37.6	282.5	190.6	194.1
Application of Funds	5,422.7	6,416.0	6,844.5	7,170.3

Source: Company, ICICI Direct Research

Exhibit 20: Key ratios				
(Year-end March)	CY17	CY18	CY19E	CY20E
Per share data (₹)				
EPS	9.7	13.2	14.1	17.1
Cash EPS	16.7	20.7	22.6	26.1
BV	98.2	113.3	127.4	143.3
DPS	0.0	0.0	0.0	1.0
Cash Per Share	1.9	3.0	4.9	5.0
Operating Ratios (%)				
EBITDA Margin	12.5	13.1	12.1	13.1
PAT Margin	5.7	6.6	5.9	6.7
Inventory days	55.4	55.8	52.0	52.0
Debtor days	33.5	33.7	33.0	33.0
Creditor days	88.1	76.5	75.0	75.0
Return Ratios (%)				
RoE	10.1	12.4	11.1	11.9
RoCE	11.4	13.2	12.6	14.2
RoIC	26.3	25.6	29.2	31.4
Valuation Ratios (x)				
P/E	20.0	14.8	13.8	11.4
EV / EBITDA	10.4	7.8	7.8	6.4
EV / Net Sales	1.3	1.0	0.9	0.8
Market Cap / Sales	1.1	0.9	0.8	0.8
Price to Book Value	2.0	1.7	1.5	1.4
Solvency Ratios				
Debt/Equity	0.3	0.4	0.3	0.2
Current Ratio	1.1	1.2	1.1	1.1
Quick Ratio	0.6	0.5	0.5	0.5

Source: Company, ICICI Direct Research

Exhibit 21: ICICI Direct Research coverage universe (Auto & Auto Ancillary)

Sector / Company	CMP			M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)	Rating		FY18	FY19P	FY20E	FY18	FY19P	FY20E	FY18	FY19P	FY20E	FY18	FY19P	FY20E	FY18	FY19P	FY20E
Amara Raja (AMARAJ)	621	590	Reduce	10601	27.6	28.3	30.0	22.8	22.3	21.0	12.0	11.0	10.2	23.3	21.2	20.2	16.0	14.5	13.9
Apollo Tyre (APOTYR)	175	180	Hold	10017	12.7	11.9	15.3	14.9	15.8	12.3	7.5	7.5	7.3	7.8	8.2	8.0	7.4	8.3	8.2
Ashok Leyland (ASHLEY)	79	100	Hold	23264	5.9	6.8	6.4	13.5	11.7	12.3	7.7	8.1	7.9	29.7	27.5	25.9	24.0	24.4	20.7
Bajaj Auto (BAAUTO)	2570	2800	Reduce	74364	140.6	161.6	165.6	21.7	18.9	18.4	15.2	14.3	13.0	22.9	21.0	20.0	21.5	19.9	19.7
Balkrishna Ind. (BALIND)	733	740	Hold	14170	40.5	40.3	45.9	19.2	19.3	16.9	11.8	10.6	9.0	20.4	18.8	19.5	16.7	18.8	19.5
Bharat Forge (BHAFOR)	437	535	Buy	32590	16.2	22.2	23.9	28.7	21.0	19.5	13.7	11.9	10.9	18.2	18.4	18.5	17.3	19.1	17.9
Bosch (MICO)	15151	15550	Reduce	46240	449.1	523.6	538.7	37.9	32.5	31.6	23.4	23.3	21.9	14.4	17.5	15.9	21.4	25.8	23.6
Eicher Motors (EICMOT)	17077	19000	Hold	46553	718.9	808.1	912.5	26.1	23.2	20.5	16.8	16.6	14.3	39.1	32.5	29.6	29.9	24.8	22.8
Escorts (ESCORT)	495	600	Hold	6070	28.1	39.6	43.1	23.5	16.7	15.3	13.1	10.6	8.9	18.8	19.6	19.8	13.5	16.0	15.0
Exide Industries (EXIIND)	192	200	Reduce	16320	8.2	9.1	10.1	27.3	21.7	21.2	14.5	12.7	11.2	19.0	18.4	18.7	12.9	12.9	12.9
Hero Moto (HERHON)	2406	2700	Hold	48052	185.1	169.5	171.2	13.6	14.8	14.7	8.2	9.2	8.7	42.4	37.1	34.2	31.4	26.3	24.1
JK Tyre & Ind (JKIND)	75	100	Buy	1706	2.9	7.8	8.2	27.5	10.3	9.8	9.3	6.3	6.2	7.8	10.9	10.7	3.7	10.3	9.8
Mahindra CIE (MAHAUT)	195	230	Buy	7382	13.2	14.1	17.1	14.8	13.8	11.4	7.8	7.8	6.4	12.4	11.1	11.9	13.2	12.6	14.2
Maruti Suzuki (MARUTI)	5919	5815	Sell	178798	255.6	248.3	256.3	27.0	27.8	26.9	14.5	15.8	14.4	21.1	16.3	15.9	18.5	16.3	15.2
Motherson (MOTSUM)	111	125	Hold	35132	5.1	5.1	5.1	23.7	23.5	23.4	8.7	8.5	8.4	16.3	13.5	12.5	17.4	14.7	13.5
Tata Motors (TELCO)	157	185	Hold	46602	26.8	-84.6	14.5	6.7	NA	12.4	2.6	4.1	3.3	9.1	5.6	10.2	10.3	7.1	13.5
Wabco India (WABTVS)	6199	6510	Hold	11759	143.8	148.8	168.7	43.1	41.7	36.7	27.8	26.6	22.8	17.9	15.9	15.4	25.1	23.0	22.6

Source: Reuters, ICICI Direct Research

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