

## Poor performance highlights scale of challenges

Bharat Forge (BFL) reported dismal Q4FY20 results. Standalone revenues came in at ₹ 881 crore, down 47.2% YoY (domestic sales down 43.8%, export sales down 49.1%) tracking a 36% drop in tonnage to 40,173 MT. Standalone EBITDA margins were at a new low of 12.5% - a 937 bps sequential fall courtesy major toll extracted by negative operating leverage (employee costs, other expenses rose 250 bps, 890 bps, respectively QoQ on percentage of sales basis). Reported loss at the PAT level was at ₹ 73.3 crore, tracking a fall in revenues and margins and a charge of ₹ 89 crore taken for impairment of investments in an associate. BFL said the lockdown impacted sales, profitability to the tune of ₹ 200 crore, ₹ 90 crore, respectively, during the quarter, while overseas operations would post ₹ 5 million cash loss during H1CY20.

### Worst on demand front yet to play out

BFL's segmental revenue mix at standalone level for FY20 was at ~39% CV, ~37% industrial, ~16% PV, ~8% others. The CV space domestically (~11% of sales) as well as in overseas geographies (~29% of sales) remains a laggard. In India, present run rate of retail sales for M&HCVs trails wider industry by a large margin when compared to pre-Covid levels on account of continued demand side (muted economic activity) and supply side (system overcapacity, revised axle load norms) issues. We expect the domestic CV recovery to be quite gradual in nature. In the US Class 8 truck market, estimates suggest >50% YoY contraction in CY20 volumes to ~1.6 lakh units vs. earlier estimates of 30% decline. Within industrials, high oil & gas sector exposure is also seen contributing to overall sluggishness given relative softness of crude prices. PV segment, however, is expected to impart some positivity. We build -2.4%, -2.3% standalone revenue, volume CAGR respectively to FY22E amid demand challenges.

### Structural moves provide greater comfort on margins

BFL has intensified focus on controllables (costs, capex) amid topline pressure. It has further increased cost reduction targets (across areas, fixed as well as variable) by ~25-30% over earlier levels (present India fixed costs at ₹ 60 crore/month), with similar efforts also being undertaken at subsidiaries. BFL expects to return to previous margin trajectory by Q4FY21E. We expect structural cost initiatives and accelerated shift in product mix towards aluminium to push margins to 15.4% levels by FY22E.

### Valuation & Outlook

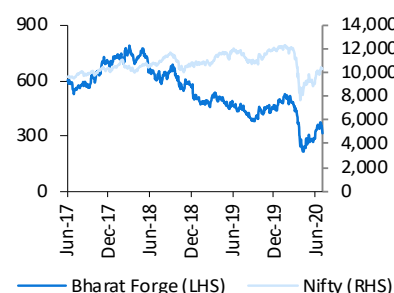
For BFL, we expect -3.4%, 1.8%, 15.4% CAGR for consolidated sales, EBITDA, PAT, respectively, in FY20P-22E. Further progress on business de-risking from CV and improvement in financials of European subsidiaries are key monitorables going ahead, although margin initiatives are a positive. We maintain **HOLD** rating on BFL, valuing it at 30x FY22E EPS of ₹ 10 for target price of ₹ 300.



#### Particulars

Particular	Amount
Market Capitalization	₹ 14665 Crore
Total Debt (FY 20P)	₹ 4238.2Crore
Cash and Inv. (FY 20P)	₹ 1641.2Crore
EV	₹ 17262.5crore
52 week H/L (₹)	533 / 208
Equity capital	₹ 93.1 Crore
Face value	₹ 2

#### Price chart



#### Key Highlights

- Q4FY20 standalone revenues fell 47% YoY tracking 36% drop in tonnage to 40,173 MT. Margins slid 937 bps QoQ to new low of 12.5% on negative operating leverage
- Demand challenges continue to weigh, with weakness in US Class 8 truck market expected to accelerate. India CV business, oil & gas segment also suffer from weak outlook
- Margins, however, are seen being more resilient amid structural cost control efforts
- Maintain **HOLD** with revised target price of ₹ 300

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#### Key Financial Summary

Key Financials	FY18	FY19	FY20P	FY21E	FY22E	CAGR (FY20P-22E)
Net Sales	8,357.7	10,145.7	8,055.8	5,854.4	7,522.1	-3.4%
EBITDA	1,723.0	2,055.6	1,114.8	579.9	1,156.3	1.8%
EBITDA Margins (%)	20.6	20.3	13.8	9.9	15.4	
Net Profit	754.0	1,032.6	349.2	0.8	465.4	15.4%
EPS (₹)	16.2	22.2	7.5	0.0	10.0	
P/E	19.5	14.2	42.0	NM	32.0	
RoNW (%)	17.3	19.1	7.8	0.0	8.6	
RoCE (%)	17.8	13.2	16.6	17.6	7.7	

Source: ICICI Direct Research, Company

**Exhibit 1: Variance Analysis**

	Q4FY20	Q4FY20E	Q4FY19	YoY (%)	Q3FY20	QoQ (%)	Comments
Total Operating Income	881	1,024	1,669	-47.2	1,077	-18.2	Management said loss to sales to the tune of ~₹ 200 crore due to restriction on movement of goods post lockdown on account of Covid-19
Raw Material Expenses	325	403	622	-47.7	420	-22.7	Gross margins improved QoQ 210 bps
Employee Expenses	119	109	119	-0.3	118	0.9	
Other Expenses	327	295	411	-20.3	303	7.9	Other expenses rose sharply to 37% of sales vs. <30% trajectory in the past
EBITDA	110	216	517	-78.7	236	-53.2	
EBITDA Margin (%)	12.5	21.1	31.0	-1848 bps	21.9	-936 bps	EBITDA margins came in at a new low of 12.5% tracking perils of negative operating leverage
Depreciation	84.7	81.0	82.1	3.1	82.3	3.0	
Interest	41.5	35.0	31.5	31.8	35.6	16.6	
Other Income	31	37	50	-37.2	40	-20.9	
PBT	-78.3	136.9	453.8	-117.3	157.6	-149.7	PBT includes an exceptional loss on impairment of its overseas investment in an EV arm
Tax	-5.0	34.5	154.3	-103.3	29.7	-116.9	
Reported PAT	-73.3	102.4	299.5	-124.5	127.9	-157.3	Company reported loss at the PAT level
<b>Key Metrics</b>							
Domestic revenues	408	505	674	-39.5	448	-9.0	Domestic revenues declined 40% YoY to ₹ 408 crore
Export revenues	635	844	976	-34.9	773	-17.8	Export revenues declined 35% YoY to ₹ 635 crore

Source: Company, ICICI Direct Research

**Exhibit 2: Change in estimates**

	FY21E			FY22E			
(₹ Crore)	Old	New	% Change	Old	New	% Change	Comments
Revenue	7,643	5,854	-23.4	8,417	7,522	-10.6	Revise downward our sales estimates tracking prolonged slowdown in domestic & global CV space
EBITDA	997	580	-41.8	1,331	1,156	-13.1	
EBITDA Margin (%)	13.0	9.9	-314 bps	15.8	15.4	-44 bps	Negative operating leverage to limit overall margin profile at the company amid aggressive control measures being undertaken, benefits to accrue from Q4FY21 onwards
PAT	331	1	-99.8	597	465	-22.0	
EPS (₹)	7.1	0	-99.8	12.8	10	-22.0	Downward revision in sales, margins weigh on overall profitability at PAT level

Source: Company, ICICI Direct Research

**Exhibit 3: Assumptions**

	Current			Earlier		
(₹ crore)	FY18	FY19	FY20P	FY21E	FY22E	Comments
Domestic Revenues	2,227	2,627	1,782	1,386	1,739	FY21E expected to be painful year for company with concurrent decline in domestic M&HCV space, US Class -8 trucks and muted capex spend on oil & gas exploration space. On standalone basis, we expect sales to decline 25% in FY21 followed by growth to the tune of
Export revenues	2,971	3,726	2,650	1,924	2,479	
Americas (\$ mn)	296	369	265	186	236	
Europe (Euro mn)	102	125	87	63	79	
Asia Pac (\$ mn)	21	18	14	8	11	
USD/INR	68.0	70.4	70.6	73.0	74.0	
EUR/US\$	1.2	1.1	1.1	1.1	1.1	

Source: ICICI Direct Research

## Conference Call Highlights

### Demand and management guidance/outlook

- BFL said that industry estimates suggest >50% YoY drop in US Class 8 truck production to 1.6 lakh units during CY20. On the industrial side, while the oil & gas segment also remains under pressure, it is a critical space for US efforts on de-risking from geopolitical concerns
- Client wins in PV and oil & gas along with market share improvement via BS-VI related business as well as new orders for machining are some positive demand-related aspects. Further, US clients like Caterpillar and Cummins are expected to benefit from economic stimulus while in India, the government's vision for greater self-reliance (Atmanirbhar Bharat) is expected to aid operations in mining, defence, railways & agri. BFL expects to post ₹ 40-50 million revenues from aerospace business, going forward
- BFL won ₹ 600 crore worth of new orders in FY20

### Covid-19 update

- BFL lost ₹ 200 crore worth of sales in March on account of lockdown
- All plants are now operational, albeit at a reduced capacity. While April and May were washout months, it expects to close June with ~ 60-70% utilisation levels. US capacity utilisation is at 50% while in Europe it is 40%
- Domestic truck industry is currently operating at 5-6% of normal capacity
- The company is facing no issues related to supply chain or migrant labour
- BFL expects to be a beneficiary of alternative sourcing trend as well as of industry consolidation – especially in Europe

### Sales, costs and margins

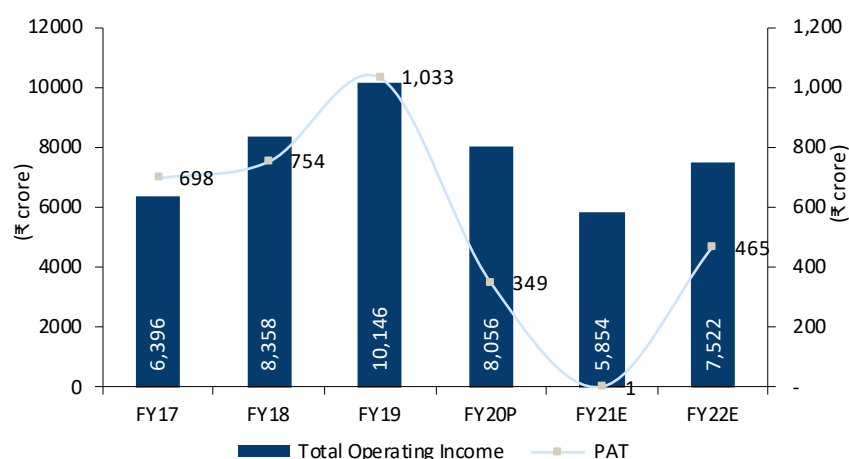
- The company expects to be profitable in FY21E despite topline challenges. It has accelerated cost reduction efforts for fixed as well as variable costs (added 25-30% to earlier targets) and expects to reach previous margin trajectory by Q4FY21E courtesy structural initiatives. Similar efforts are on in European subsidiaries to help bolster profitability
- Operations in Germany, Sweden are benefiting from government support for employee wages to the tune of 80% in some cases
- Exceptional charges during the quarter included an amount of ₹ 89 crore for impairment of investments in Tevva Motors Jersey. BFL holds 35% stake in the associate company, which is engaged in modular electrification systems for medium duty (9-14T) CVs. Covid disruption put a spanner in proposed investment by a US based investor, with earlier proposed technology grant by UK government also now uncertain. Hence, BFL wrote off the amount on prudent basis. The company, however, retains technological access and intends to offer solutions & individual components for Indian customers

### Others

- The company would spend only on maintenance capex (₹ 100 -120 crore in India, €2-3 million in international operations) during FY21E
- It expects further improvement in cash balances during the year as receivables outstrip payables

## Financial story in charts

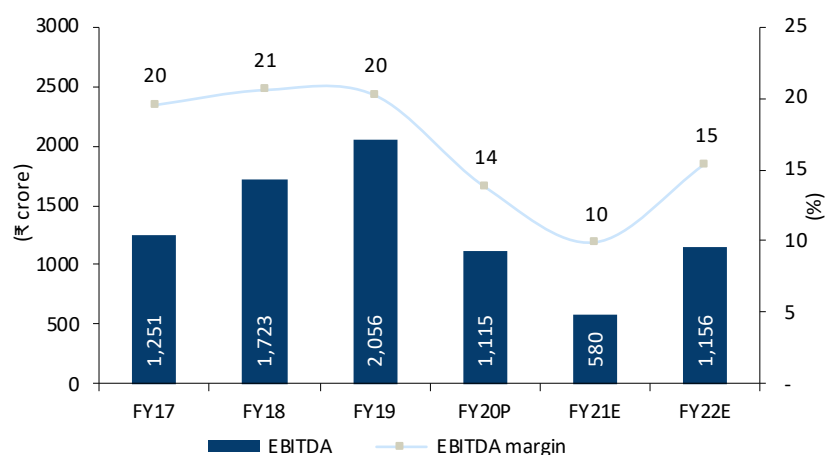
**Exhibit 4: Topline trend**



Source: Company, ICICI Direct Research

We expect consolidated sales to de-grow at 3.4% CAGR over FY20P-22E to ₹ 7,522 crore amid pressures on CV and oil & gas space. Growth in PAT is expected to be higher as cost initiatives feed into margin improvement at both standalone and consolidated levels

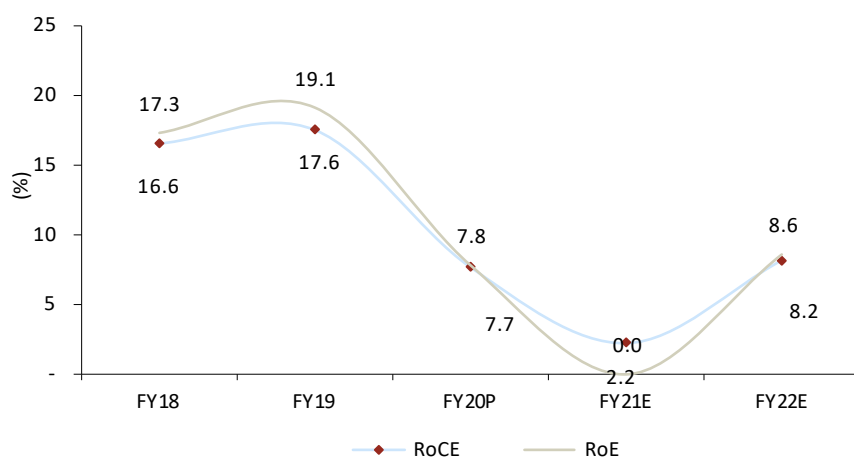
**Exhibit 5: EBITDA and EBITDA margin trend**



Source: Company, ICICI Direct Research

Margins seen growing to 15.4% levels by FY22E, aided by structural cost related initiatives and shift in product mix towards aluminium. This would, however, be on the back of a dip during FY21E amid expected negative operating leverage

**Exhibit 6: Trend in return ratios**



Source: Company, ICICI Direct Research

Return ratios are seen dipping substantially during FY21E before recovering towards 8% mark in the following year backed by rise in margins

**Exhibit 7: Segment-wise revenue mix at BFL (standalone)**

India Revenues (Segmental Bifurcation)										
Particulars	% Share	Q4FY20 ₹ crore	Q4FY19 ₹ crore	YoY %	Q3FY20 ₹ crore	QoQ %	% Share	FY20 ₹ crore	FY19 ₹ crore	YoY %
Commercial Vehicles	25.1	98.3	227.3	(56.8)	110.9	(11.4)	27.1	518.2	1,094.8	(52.7)
Industrial	45.3	177.3	287.7	(38.4)	193.4	(8.3)	42.1	805.8	1,013.3	(20.5)
Passenger Vehicles	13.8	54.2	67.2	(19.3)	61.0	(11.1)	11.8	226.3	237.3	(4.6)
Others	15.8	61.8	123.8	(50.1)	76.1	(18.8)	19.0	363.4	448.8	(19.0)
<b>Total</b>	<b>100.0</b>	<b>391.6</b>	<b>706.0</b>	<b>(44.5)</b>	<b>441.4</b>	<b>(11.3)</b>	<b>100.0</b>	<b>1,913.7</b>	<b>2,794.2</b>	<b>(31.5)</b>

International Revenues (Segmental Bifurcation)										
Particulars	% Share	Q4FY20 ₹ crore	Q4FY19 ₹ crore	YoY %	Q3FY20 ₹ crore	QoQ %	% Share	FY20 ₹ crore	FY19 ₹ crore	YoY %
Commercial Vehicles	48.8	238.8	406.1	(41.2)	295.6	(19.2)	47.9	1,270.2	1,591.2	(20.2)
Industrial	28.7	140.3	421.0	(66.7)	224.8	(37.6)	33.0	875.3	1,647.1	(46.9)
Passenger Vehicles	22.6	110.5	135.5	(18.5)	114.9	(3.8)	19.0	504.7	487.5	3.5
<b>Total</b>	<b>100.0</b>	<b>489.6</b>	<b>962.6</b>	<b>(49.1)</b>	<b>635.3</b>	<b>(22.9)</b>	<b>100.0</b>	<b>2,650.2</b>	<b>3,725.8</b>	<b>(28.9)</b>

International Revenues (Geographical Bifurcation)										
Particulars	% Share	Q4FY20 ₹ crore	Q4FY19 ₹ crore	YoY %	Q3FY20 ₹ crore	QoQ %	% Share	FY20 ₹ crore	FY19 ₹ crore	YoY %
Americas	69.4	339.6	707.5	(52.0)	450.8	(24.7)	70.5	1,867.3	2,602.2	(28.2)
Europe	29.1	142.6	223.3	(36.1)	165.2	(13.7)	25.8	684.2	991.2	(31.0)
Rest of World	1.5	7.4	31.8	(76.7)	19.3	(61.7)	3.7	98.7	132.4	(25.5)
<b>Total</b>	<b>100.0</b>	<b>489.6</b>	<b>962.6</b>	<b>(49.1)</b>	<b>635.3</b>	<b>(22.9)</b>	<b>100.0</b>	<b>2,650.2</b>	<b>3,725.8</b>	<b>(28.9)</b>

Source: Company, ICICI Direct Research

**Exhibit 8: Key valuation metrics**

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY 18	8,358	30.7	16.2	8.1	19.5	10.0	17.3	16.6
FY 19	10,146	21.4	22.2	37.0	14.2	8.6	19.1	17.6
FY 20P	8,056	-20.6	7.5	-66.2	42.0	15.5	7.8	7.7
FY 21E	5,854	-27.3	0.0	-99.8	NA	29.0	0.0	2.2
FY 22E	7,522	28.5	10.0	NA	32.0	30.1	8.7	8.6

Source: Bloomberg, ICICI Direct Research

**Exhibit 9: Shareholding pattern**

(in %)	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Promoter	45.8	45.8	45.8	45.8	45.8
FII	19.3	18.9	19.2	20.5	20.7
DII	12.9	13.5	13.9	15.2	15.7
Others	22.0	21.9	21.2	18.5	17.8

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 10: Profit and loss statement					₹ crore
(Year-end March)	FY19	FY20P	FY21E	FY22E	
<b>Total operating Income</b>	<b>10145.7</b>	<b>8055.8</b>	<b>5854.4</b>	<b>7522.1</b>	
Growth (%)	21.4	-20.6	-27.3	28.5	
Raw Material Expenses	4,214.3	3,576.4	2,517.4	3,309.7	
Employee Expenses	1,246.3	1,195.5	1,083.1	1,128.3	
Other expenses	2,629.5	2,169.1	1,674.0	1,927.8	
Total Operating Expenditure	8,090.2	6,941.1	5,274.5	6,365.8	
<b>EBITDA</b>	<b>2,055.6</b>	<b>1,114.8</b>	<b>579.9</b>	<b>1,156.3</b>	
Growth (%)	19.3	-45.8	-48.0	99.4	
Depreciation	520.8	547.7	585.4	601.8	
Interest	127.2	171.3	155.5	147.5	
Other Income	202.8	187.9	210.4	218.5	
<b>PBT</b>	<b>1,610.4</b>	<b>583.6</b>	<b>49.4</b>	<b>625.5</b>	
Others	-11	-43	-39	-19	
Total Tax	566.4	112.5	9.9	140.7	
<b>PAT</b>	<b>1,032.6</b>	<b>349.2</b>	<b>0.8</b>	<b>465.4</b>	
Growth (%)	37.0	-66.2	-99.8	59,859.5	
<b>EPS (₹)</b>	<b>22.2</b>	<b>7.5</b>	<b>0.0</b>	<b>10.0</b>	

Source: Company, ICICI Direct Research

Exhibit 11: Cash flow statement					₹ crore
(Year-end March)	FY19	FY20P	FY21E	FY22E	
<b>Profit after Tax</b>	<b>1032.6</b>	<b>349.2</b>	<b>0.8</b>	<b>465.4</b>	
Add: Depreciation	520.8	547.7	585.4	601.8	
(Inc)/dec in Current Assets	-630.3	893.3	873.7	-709.9	
Inc/(dec) in CL and Provisions	135.4	-50.7	-498.4	346.2	
<b>CF from operating activities</b>	<b>1185.7</b>	<b>1910.8</b>	<b>1117.1</b>	<b>851.0</b>	
(Inc)/dec in Investments	-156.3	-525.8	-275.0	150.0	
(Inc)/dec in Fixed Assets	-1097.7	-1101.3	-200.0	-200.0	
Others	-70.4	275.3	18.7	-175.7	
<b>CF from investing activities</b>	<b>-1324.4</b>	<b>-1351.8</b>	<b>-456.3</b>	<b>-225.7</b>	
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	262.3	306.0	-350.0	-200.0	
Dividend paid & dividend tax	-280.2	-196.1	-93.1	-209.5	
Inc/(dec) in Sec. premium	0.0	0.0	0.0	0.0	
Others	328.0	-569.3	-155.5	-147.5	
<b>CF from financing activities</b>	<b>310.1</b>	<b>-459.3</b>	<b>-598.6</b>	<b>-557.0</b>	
Net Cash flow	171.4	99.7	62.1	68.3	
Opening Cash	304.0	475.4	575.1	637.2	
<b>Closing Cash</b>	<b>475.4</b>	<b>575.1</b>	<b>637.2</b>	<b>705.5</b>	

Source: Company, ICICI Direct Research

Exhibit 12: Balance Sheet					₹ crore
(Year-end March)	FY19	FY20P	FY21E	FY22E	
<b>Liabilities</b>					
Equity Capital	93.1	93.1	93.1	93.1	
Reserve and Surplus	5,312.7	5,158.6	5,066.2	5,322.1	
<b>Total Shareholders funds</b>	<b>5,405.9</b>	<b>5,251.7</b>	<b>5,159.4</b>	<b>5,415.3</b>	
Total Debt	4,022.8	4,238.2	3,888.2	3,688.2	
Deferred Tax Liability	270.2	131.1	131.1	131.1	
Minority Interest / Others	178.8	228.1	228.1	228.1	
<b>Total Liabilities</b>	<b>9,877.7</b>	<b>9,849.0</b>	<b>9,406.7</b>	<b>9,462.6</b>	
<b>Assets</b>					
Gross Block	8,636.8	9,426.1	10,076.1	10,526.1	
Less: Acc Depreciation	5,047.4	5,595.1	6,180.5	6,782.3	
Net Block	3,589.4	3,831.0	3,895.6	3,743.8	
Capital WIP	830.7	1,142.7	692.7	442.7	
<b>Total Fixed Assets</b>	<b>4,420.1</b>	<b>4,973.7</b>	<b>4,588.3</b>	<b>4,186.5</b>	
Investments	1,558.8	1,655.2	2,030.2	1,980.2	
Inventory	1,844.7	1,734.7	1,283.2	1,648.7	
Debtors	2,147.8	1,493.8	1,122.8	1,442.6	
Loans and Advances	2.8	5.2	3.8	4.8	
Other Current Assets	527.9	396.1	346.4	369.9	
<b>Cash</b>	<b>475.4</b>	<b>575.1</b>	<b>637.2</b>	<b>705.5</b>	
Total Current Assets	4,998.6	4,205.0	3,393.4	4,171.5	
Creditors	1,366.4	1,030.9	721.8	927.4	
Provisions	72.6	98.5	69.0	88.6	
Other Current Liabilities	325.5	584.3	424.6	545.6	
Total Current Liabilities	1,764.5	1,713.8	1,215.4	1,561.6	
<b>Net Current Assets</b>	<b>3,234.1</b>	<b>2,491.2</b>	<b>2,178.0</b>	<b>2,609.9</b>	
Other non-current assets	664.7	728.9	610.2	685.9	
<b>Application of Funds</b>	<b>9,877.7</b>	<b>9,849.0</b>	<b>9,406.7</b>	<b>9,462.6</b>	

Source: Company, ICICI Direct Research

Exhibit 13: Key ratios					
(Year-end March)	FY19	FY20P	FY21E	FY22E	
<b>Per share data (₹)</b>					
EPS	22.2	7.5	0.0	10.0	
Cash EPS	33.4	19.3	12.6	22.9	
BV	116.1	112.8	110.8	116.3	
DPS	5.0	3.5	2.0	4.5	
Cash Per Share	10.2	12.4	13.7	15.2	
<b>Operating Ratios</b>					
EBITDA Margin (%)	20.3	13.8	9.9	15.4	
PBT / Net sales (%)	15.1	7.0	-0.1	7.4	
PAT Margin (%)	10.2	4.3	0.0	6.2	
Inventory days	66.4	78.6	80.0	80.0	
Debtor days	77.3	67.7	70.0	70.0	
Creditor days	49.2	46.7	45.0	45.0	
<b>Return Ratios (%)</b>					
RoCE	17.6	7.7	2.2	8.2	
RoE	19.1	7.8	0.0	8.6	
RoIC	20.9	9.0	-0.1	8.7	
<b>Valuation Ratios (x)</b>					
P/E	14.2	35.7	NM	32.0	
EV / EBITDA	8.6	15.5	29.0	14.4	
EV / Net Sales	1.7	2.1	2.9	2.2	
Market Cap / Sales	1.4	1.8	2.5	1.9	
Price to Book Value	2.7	2.8	2.9	2.8	
<b>Solvency Ratios</b>					
Debt/EBITDA	2.0	3.8	6.7	3.2	
Debt / Equity	0.7	0.8	0.8	0.7	
Current Ratio	2.6	2.1	2.3	2.2	
<b>Quick Ratio</b>	<b>1.5</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	

Source: Company, ICICI Direct Research

**Exhibit 14: ICICI Direct coverage universe (Auto & Auto Ancillary)**

Sector / Company	CMP	TP	Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)			FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E	FY20E	FY21E	FY22E
Apollo Tyre (APOTYR)	111	100	Hold	6,350	8.3	2.4	7.6	13.3	46.7	14.5	6.4	6.0	4.7	4.8	3.5	6.1	4.8	1.2	4.3
Ashok Leyland (ASHLEY)	50	58	Hold	14,636	0.8	0.1	2.1	61.3	748.0	24.3	14.2	20.3	10.2	5.6	2.2	8.6	4.7	0.3	8.0
Bajaj Auto (BAAUTO)	2,860	2,840	Hold	82,760	176.3	134.9	162.1	16.2	21.2	17.6	13.2	16.3	12.6	23.8	23.2	25.1	25.6	17.7	19.1
<b>Bharat Forge (BHAFOR)</b>	<b>315</b>	<b>300</b>	<b>Hold</b>	<b>14,898</b>	<b>7.5</b>	<b>0.0</b>	<b>10.0</b>	<b>42.0</b>	<b>NM</b>	<b>32.0</b>	<b>15.7</b>	<b>29.0</b>	<b>14.4</b>	<b>7.7</b>	<b>2.2</b>	<b>8.2</b>	<b>7.8</b>	<b>0.0</b>	<b>8.6</b>
Eicher Motors (EICMOT)	18,300	18,070	Hold	49,886	670.4	495.4	690.9	27.3	36.9	26.5	21.1	26.4	18.6	22.5	15.9	19.1	18.3	12.2	14.9
Escorts (ESCORT)	1,050	1,020	Buy	12,871	39.6	40.8	50.3	26.5	25.7	20.9	17.6	17.1	13.7	18.9	13.3	14.2	14.2	10.1	11.1
Exide Industries (EXIIND)	150	170	Hold	12,750	9.7	8.1	9.7	15.4	18.5	15.5	9.2	9.7	8.2	16.7	13.8	15.2	13.4	10.3	11.4
Hero Moto (HERHON)	2,550	2,500	Hold	50,924	181.9	109.8	147.6	14.0	23.2	17.3	11.4	15.0	10.9	26.5	18.7	23.2	22.7	14.5	17.9
M&M (MAHMAH)	510	600	BUY	63,403	10.7	28.4	39.7	47.7	18.0	12.8	10.3	11.0	8.1	13.0	11.1	14.2	6.4	9.5	12.0
Maruti Suzuki (MARUTI)	5,700	4,650	Reduce	1,72,186	187.1	138.4	194.4	30.5	41.2	29.3	18.8	22.2	15.9	7.4	4.8	7.9	11.7	8.2	10.6
Minda Industries (MININD)	275	300	Buy	7,211	7.0	7.6	11.8	39.2	36.0	23.3	12.6	11.3	9.0	11.3	11.8	15.0	11.5	11.6	15.4
Tata Motors (TATMOT)	102	90	Hold	37,281	-32.8	-27.4	2.4	NM	NM	42.4	4.5	6.9	3.8	3.0	-0.1	7.2	-4.3	-12.3	8.5

Source: Bloomberg, ICICI Direct Research

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Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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