

## Atul Auto

Refer to important disclosures at the end of this report

## Valuations factor in near-term concerns; Retain Buy

CMP: Rs 195  
as of (August 26, 2020)TP: Rs 258 (▲)  
12 months

Rating: BUY (■)

Upside: 32.4 %

- Q1FY21 results were weak due to lower volumes. Revenue declined 82% yoy to Rs265n, in line with our estimates. Net loss stood at Rs68mn, better than the estimated Rs81mn loss, owing to lower-than-expected employee expenses.
- Near-term volume performance is likely to remain under pressure. We expect a pick-up by FY21-end, led by replacement demand and a gradual improvement in economic activity. Market share gain is expected in FY21 on high exposure to cargo segment and launches
- To strengthen presence, management continues its efforts on: 1) increasing penetration in alternative-fuel vehicles; 2) improving credit access through its group finance arm; 3) increasing presence in key export geographies; 4) launches; and 5) network expansion.
- Average ROCE is expected at 16% over FY21-23E. Valuations are inexpensive at 9x/7x P/E on FY22/23E compared to the historical average of 14x P/E. Maintain Buy with a TP of Rs258 (Rs238 earlier), based on P/E of 10x Sep'22E (Mar'22E earlier).

**Weak quarter, but better than estimates:** Revenue declined 82% yoy to Rs265mn, in line with the expectation of Rs266mn. Volume fell 86% to 1,477 units. EBITDA loss stood at Rs72mn in Q1FY21, compared to a profit of Rs182mn in Q1FY20, owing to contraction in gross margin and lower scale. EBITDA loss was better than our expectation of Rs90mn, owing to lower-than-expected employee expenses (down 42%). PAT was a loss of Rs68mn in Q1FY21, compared to profit of Rs113mn in Q1FY20 but better than the estimated loss of Rs81mn, owing to EBITDA beat and higher tax credit.

**Improving market presence:** Management continues its efforts to strengthen presence through: 1) increasing presence in alternative-fuel vehicles (Petrol, CNG and LPG) and Electric Vehicles; 2) improving credit access through its group finance arm – Khusboo Finance; 3) increasing market penetration in major countries in Africa, Asia and Latin America; 4) new products; and 4) network expansion in the domestic market. A new product in alternative fuel vehicles segment is expected by Oct'20 and new lithium-based electric vehicle launch is likely by Apr'21.

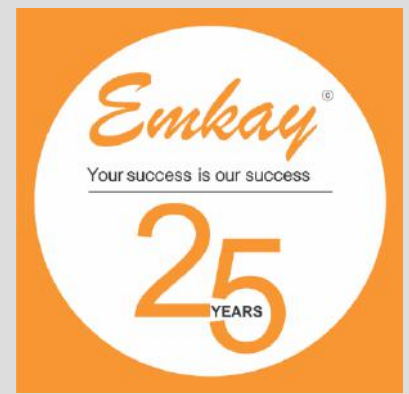
**Maintain Buy:** Led by lower volume and margin assumptions, we reduce our FY21E EPS by 22% to Rs7.5 and FY22E EPS by 4% to Rs22.9. We expect 6%/8% CAGRs for revenue/EBITDA over FY20-23E, with average ROCE of 16%. Valuations are inexpensive at 9x P/E and 1.2x P/B on FY22E, compared to the historical average of 14x P/E and 3x P/B. Maintain Buy with a TP of Rs258 (Rs238 earlier), based on P/E of 10x Sep'22E (Mar'22E earlier). Key downside risks are demand slowdown in key geographies, high competitive intensity, and adverse commodity/currency rates.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(Page 8\)](#)

## Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	6,668	6,253	4,293	6,746	7,411
EBITDA	815	713	276	722	889
EBITDA Margin (%)	12.2	11.4	6.4	10.7	12.0
APAT	531	524	165	502	632
EPS (Rs)	24.2	23.9	7.5	22.9	28.8
EPS (% chg)	15.0	(1.4)	(68.5)	203.5	25.9
ROE (%)	22.2	18.6	5.3	14.9	16.5
P/E (x)	8.1	8.2	25.9	8.5	6.8
EV/EBITDA (x)	4.9	6.0	14.8	5.6	4.2
P/BV (x)	1.7	1.4	1.4	1.2	1.0

Source: Company, Emkay Research



## Change in Estimates

EPS Chg FY21E/FY22E (%)	(22.1)/(4.1)
Target Price change (%)	8.5
Target Period (Months)	12
Previous Reco	BUY

## Emkay vs Consensus

EPS Estimates		
	FY21E	FY22E
Emkay	7.5	22.9
Consensus	16.1	19.5
Mean Consensus TP (12M)	Rs 221	

## Stock Details

Bloomberg Code	ATA IN
Face Value (Rs)	5
Shares outstanding (mn)	22
52 Week H/L	299 / 117
M Cap (Rs bn/USD bn)	4 / 0.06
Daily Avg Volume (nos.)	149,642
Daily Avg Turnover (US\$ mn)	0.4

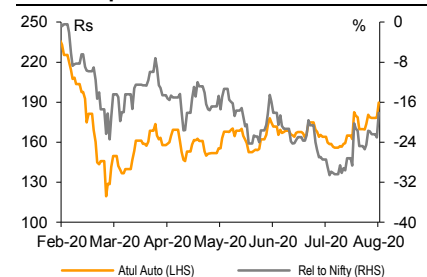
## Shareholding Pattern Jun '20

Promoters	52.7%
FIIIs	0.0%
DIIIs	15.2%
Public and Others	32.1%

## Price Performance

(%)	1M	3M	6M	12M
Absolute	19	25	(17)	(11)
Rel. to Nifty	15	(2)	(16)	(14)

## Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

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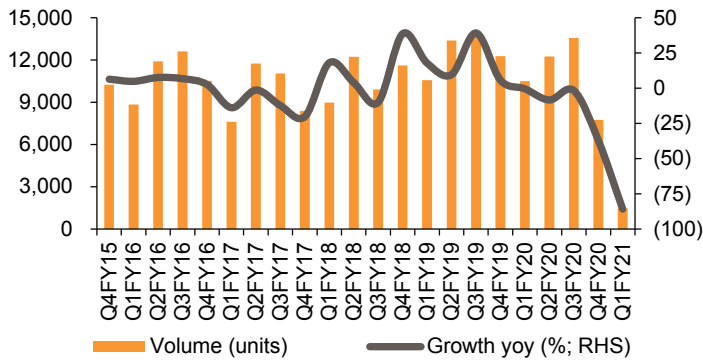
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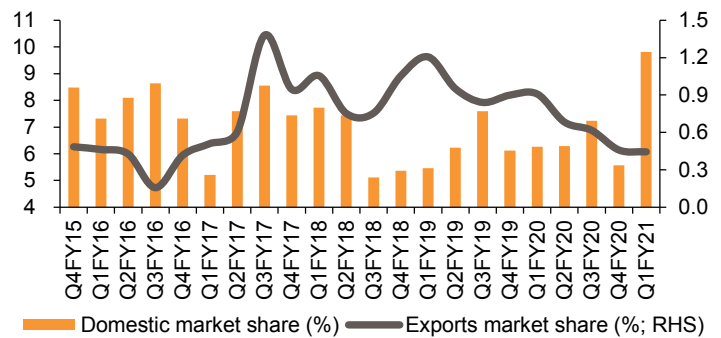
# Story in Charts

**Exhibit 1: Volumes declined by 86% yoy to 1,477 units**



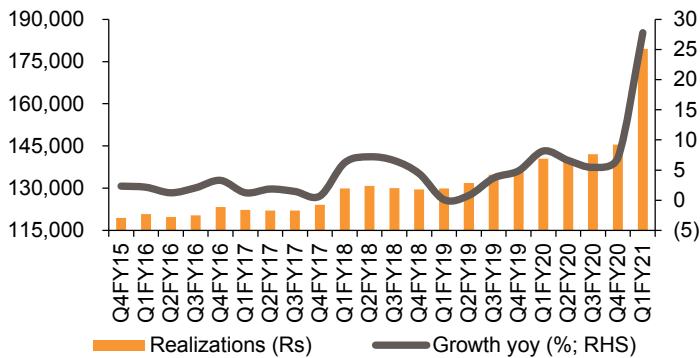
Source: Company, Emkay Research

**Exhibit 2: Domestic market share increased 360bps yoy to 9.8% and Exports market share fell 50bps yoy to 0.4%**



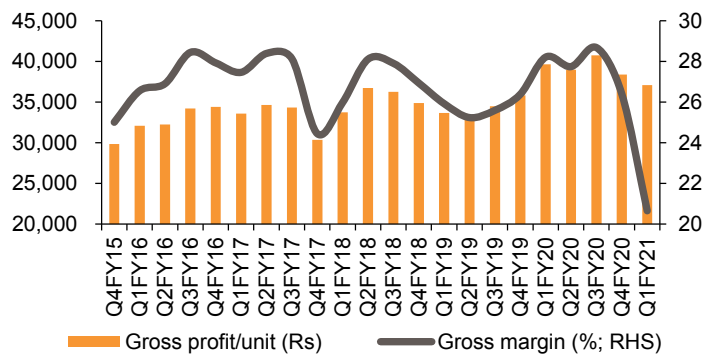
Source: SIAM, Emkay Research

**Exhibit 3: Realizations grew 28% yoy to Rs179,535 due to BS6 price hikes and higher share of non-vehicle revenues**



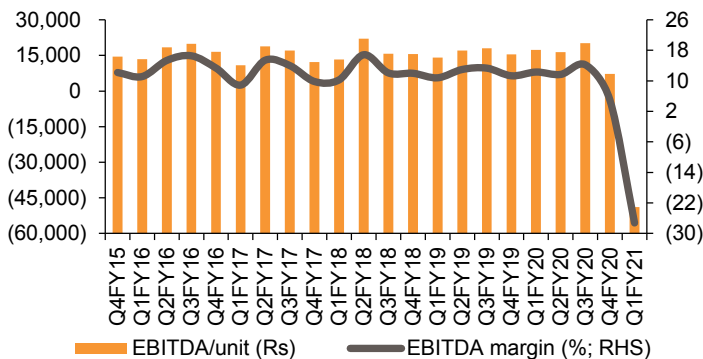
Source: Company, Emkay Research

**Exhibit 4: Gross margin declined 760bps yoy to 20.7%, owing to lower efficiency in consumption of raw materials and BS6 transition impact**



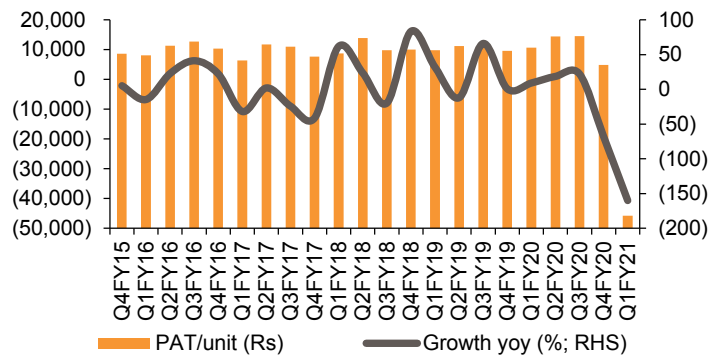
Source: Company, Emkay Research

**Exhibit 5: EBITDA loss was better than our expectation of Rs90mn, owing to lower-than-expected employee expenses (down 42%)**



Source: Company, Emkay Research

**Exhibit 6: Net loss of Rs68mn better than the estimated loss of Rs81mn, owing to EBITDA beat and higher tax credit**



Source: Company, Emkay Research

**Exhibit 7: Revenue assumption: Expect 6% CAGR over FY20-23**

	FY16	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Volume (units)</b>								
Domestic	42,361	36,507	39,333	44,513	40,711	24,250	37,465	40,130
YoY %	5.5	-13.8	7.7	13.2	-8.5	-40.4	54.5	7.1
Exports	1,532	2,288	3,411	5,536	3,371	2,064	3,075	3,532
YoY %	4.6	49.3	49.1	62.3	-39.1	-38.8	49.0	14.9
<b>Total</b>	<b>43,893</b>	<b>38,795</b>	<b>42,744</b>	<b>50,049</b>	<b>44,082</b>	<b>26,315</b>	<b>40,540</b>	<b>43,663</b>
YoY %	5.5	-11.6	10.2	17.1	-11.9	-40.3	54.1	7.7
<b>Realization (Rs/unit)</b>								
Realization (Rs/unit)	120,983	122,524	130,072	133,221	141,858	163,143	166,406	169,734
YoY %	2.1	1.3	6.2	2.4	6.5	15.0	2.0	2.0
<b>Revenue</b>								
Revenue	5,310	4,753	5,560	6,668	6,253	4,293	6,746	7,411
YoY %	7.8	-10.5	17.0	19.9	-6.2	-31.3	57.1	9.9

Source: Company, Emkay Research

**Exhibit 8: Actual vs. Estimates (Q1FY21)**

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	266	265	265	0.1	0.2	Broadly in line with estimates
EBITDA	(72)	(90)	(90)	(19.8)	(19.9)	
EBITDA Margin (%)	(27.2)	(33.9)	(34.0)	676 bps	681 bps	Above estimates, owing to lower employee expenses
Adjusted Net profit	(68)	(81)	(81)	NM	NM	Above estimates, owing to EBITDA beat and higher tax credit

Source: Bloomberg, Company, Emkay Research

**Exhibit 9: Quarterly Financial Summary**

Rs mn	Q1FY19	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY (%)	QoQ (%)
<b>Revenue</b>	<b>1,373</b>	<b>1,477</b>	<b>1,722</b>	<b>1,928</b>	<b>1,126</b>	<b>266</b>	<b>(82.0)</b>	<b>(76.4)</b>
<b>Expenditure</b>	<b>1,225</b>	<b>1,295</b>	<b>1,521</b>	<b>1,654</b>	<b>1,070</b>	<b>338</b>	<b>(73.9)</b>	<b>(68.4)</b>
as % of sales	89.2	87.7	88.3	85.8	95.0	127.2		
Consumption of RM	1,017	1,061	1,244	1,375	829	210	(80.2)	(74.6)
as % of sales	74.1	71.8	72.3	71.3	73.6	79.2		
Employee Cost	115	133	141	140	132	78	(41.6)	(41.1)
as % of sales	8.4	9.0	8.2	7.3	11.7	29.2		
Other expenditure	92	102	136	139	109	50	(51.3)	(54.7)
as % of sales	6.7	6.9	7.9	7.2	9.7	18.7		
<b>EBITDA</b>	<b>148</b>	<b>182</b>	<b>201</b>	<b>274</b>	<b>56</b>	<b>(72)</b>	<b>(139.6)</b>	<b>(229.0)</b>
Depreciation	13	16	16	16	16	16	3.2	0.6
<b>EBIT</b>	<b>135</b>	<b>166</b>	<b>185</b>	<b>258</b>	<b>40</b>	<b>(88)</b>	<b>(153.1)</b>	<b>(321.9)</b>
Other Income	24	10	10	8	4	3	(66.7)	(15.8)
Interest	2	2	5	2	2	3	72.2	72.2
<b>PBT</b>	<b>158</b>	<b>174</b>	<b>190</b>	<b>264</b>	<b>42</b>	<b>(88)</b>	<b>(150.7)</b>	<b>(311.0)</b>
Total Tax	54	62	13	67	4	(21)	(133.3)	(588.1)
<b>Adjusted PAT</b>	<b>103</b>	<b>113</b>	<b>177</b>	<b>197</b>	<b>38</b>	<b>(68)</b>	<b>(160.2)</b>	<b>(280.1)</b>
Extra ordinary items Loss/(Gain)	0	0	0	0	0	0		
Reported PAT	103	113	177	197	38	(68)	(160.2)	(280.1)
<b>Adjusted EPS</b>	<b>4.7</b>	<b>5.1</b>	<b>8.1</b>	<b>9.0</b>	<b>1.7</b>	<b>(3.1)</b>	<b>(160.2)</b>	<b>(280.1)</b>
<b>Margins (%)</b>								
EBIDTA	10.8	12.3	11.7	14.2	5.0	(27.2)	(3,948)	(3,212)
EBIT	9.8	11.3	10.8	13.4	3.5	(33.3)	(4,451)	(3,679)
EBT	11.5	11.8	11.1	13.7	3.7	(33.2)	(4,500)	(3,693)
PAT	7.5	7.6	10.3	10.2	3.3	(25.5)	(3,311)	(2,884)
Effective Tax rate	34.5	35.4	7.0	25.5	10.0	23.2	(1,214)	1,319

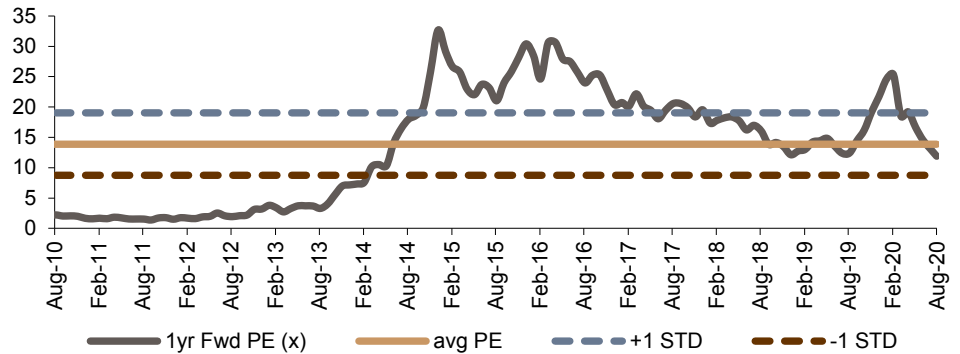
Source: Company, Emkay Research

## Exhibit 10: Changes in estimates

Rs mn	FY21E				FY22E				FY23E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Volumes	29,302	26,315	(10.2)	(40.3)	41,414	40,540	(2.1)	54.1	45,676	43,663	(4.4)	7.7
Revenue	4,614	4,293	(7.0)	(31.3)	6,652	6,746	1.4	57.1	7,483	7,411	(1.0)	9.9
EBITDA	342	276	(19.2)	(61.2)	755	722	(4.4)	161.2	878	889	1.2	23.1
Margin (%)	7.4	6.4	(96) bps	(496) bps	11.3	10.7	(60) bps	426 bps	11.7	12.0	29 bps	129 bps
APAT	212	165	(22.1)	(68.5)	523	502	(4.1)	203.5	629	632	0.4	25.9
EPS	9.7	7.5	(22.1)	(68.5)	23.8	22.9	(4.1)	203.5	28.7	28.8	0.4	25.9

Source: Company, Emkay Research

## Exhibit 11: One-year forward P/E



Source: Bloomberg, Emkay Research

## Exhibit 12: Peer comparison

Company	CMP (Rs)	Target (Rs)	Mcap (Rs.bn)	Reco	EPS (Rs)			PE (x)			ROE (%)			ROCE (%)		
					FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E
Ashok Leyland	71	89	209	Buy	1.3	0.0	3.4	56.0	2407.1	21.0	4.8	0.1	13.2	6.3	1.8	14.0
<b>Atul Auto</b>	<b>195</b>	<b>258</b>	<b>4</b>	<b>Buy</b>	<b>23.9</b>	<b>7.5</b>	<b>22.9</b>	<b>8.2</b>	<b>25.9</b>	<b>8.5</b>	<b>18.6</b>	<b>5.3</b>	<b>14.9</b>	<b>23.9</b>	<b>7.3</b>	<b>19.5</b>
Bajaj Auto	3,082	2,978	892	Hold	176.2	136.6	192.2	17.5	22.6	16.0	24.5	19.1	24.6	30.7	24.5	31.6
Eicher Motors	2,249	2,673	614	Buy	66.9	52.7	99.4	33.6	42.7	22.6	19.3	13.7	22.4	23.7	17.9	27.0
Escorts Ltd	1,125	1,256	152	Buy	55.4	53.2	72.0	20.3	21.1	15.6	15.2	12.7	13.7	19.4	16.8	17.8
Hero Motocorp	3,161	2,798	631	Hold	159.4	122.6	179.8	19.8	25.8	17.6	23.6	17.1	23.7	28.1	22.0	30.5
Mahindra & Mahindra	613	718	762	Buy	30.0	24.0	38.1	20.5	25.5	16.1	10.3	8.0	11.8	14.2	10.0	14.5
Maruti Suzuki India	7,009	6,910	2117	Buy	187.1	133.4	268.8	37.5	52.6	26.1	11.9	8.1	15.4	15.0	10.5	19.8
Tata Motors	138	120	453	Hold	-20.7	-28.0	12.6	-6.6	-4.9	10.9	-12.1	-18.2	8.4	0.8	-2.0	8.1
TVS Motor	468	331	222	Sell	13.0	5.8	13.6	36.0	80.8	34.4	17.7	7.4	16.2	16.5	8.4	16.8
Amara Raja Batteries	744	803	127	Buy	38.7	34.4	48.9	19.2	21.6	15.2	18.9	15.3	19.4	23.7	20.0	25.3
Apollo Tyres	132	111	76	Hold	8.3	4.1	10.9	15.9	32.3	12.1	4.8	2.5	6.1	5.0	3.8	6.5
Exide Industries	170	205	144	Buy	9.9	8.2	10.8	17.2	20.8	15.7	13.7	10.7	13.1	17.0	14.0	17.1
Motherson Sumi	117	120	368	Buy	3.7	2.5	5.4	31.5	47.1	21.8	10.7	6.9	14.2	10.3	4.5	14.3
Bharat Forge	499	537	232	Buy	12.2	8.0	18.1	40.9	62.3	27.6	10.6	6.8	14.4	9.7	7.1	13.7

Source: Company, Emkay Research

**Key Financials (Standalone)****Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>Revenue</b>	<b>6,668</b>	<b>6,253</b>	<b>4,293</b>	<b>6,746</b>	<b>7,411</b>
<b>Expenditure</b>	<b>5,853</b>	<b>5,540</b>	<b>4,017</b>	<b>6,024</b>	<b>6,522</b>
<b>EBITDA</b>	<b>815</b>	<b>713</b>	<b>276</b>	<b>722</b>	<b>889</b>
Depreciation	55	64	74	82	87
<b>EBIT</b>	<b>759</b>	<b>649</b>	<b>203</b>	<b>640</b>	<b>802</b>
Other Income	69	31	33	38	39
Interest expenses	9	10	18	18	10
<b>PBT</b>	<b>819</b>	<b>670</b>	<b>217</b>	<b>660</b>	<b>831</b>
Tax	288	146	52	158	199
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>531</b>	<b>524</b>	<b>165</b>	<b>502</b>	<b>632</b>
<b>Adjusted PAT</b>	<b>531</b>	<b>524</b>	<b>165</b>	<b>502</b>	<b>632</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	110	110	110	110	110
Reserves & surplus	2,476	2,923	3,058	3,469	3,986
<b>Net worth</b>	<b>2,586</b>	<b>3,033</b>	<b>3,168</b>	<b>3,579</b>	<b>4,096</b>
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan Funds</b>	<b>0</b>	<b>0</b>	<b>150</b>	<b>0</b>	<b>0</b>
Net deferred tax liability	54	32	34	40	49
<b>Total Liabilities</b>	<b>2,640</b>	<b>3,064</b>	<b>3,352</b>	<b>3,619</b>	<b>4,145</b>
<b>Net block</b>	<b>934</b>	<b>921</b>	<b>2,058</b>	<b>2,261</b>	<b>2,374</b>
<b>Investment</b>	<b>230</b>	<b>149</b>	<b>149</b>	<b>149</b>	<b>549</b>
<b>Current Assets</b>	<b>2,005</b>	<b>1,522</b>	<b>1,359</b>	<b>1,819</b>	<b>1,909</b>
Cash & bank balance	168	24	330	202	132
Other Current Assets	38	54	37	58	64
<b>Current liabilities &amp; Provision</b>	<b>895</b>	<b>694</b>	<b>469</b>	<b>780</b>	<b>857</b>
<b>Net current assets</b>	<b>1,110</b>	<b>828</b>	<b>889</b>	<b>1,039</b>	<b>1,052</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>2,640</b>	<b>3,064</b>	<b>3,352</b>	<b>3,619</b>	<b>4,145</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>751</b>	<b>639</b>	<b>185</b>	<b>622</b>	<b>792</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(222)	30	267	(287)	(79)
<b>Operating Cashflow</b>	<b>283</b>	<b>542</b>	<b>481</b>	<b>232</b>	<b>592</b>
Capital expenditure	(601)	(732)	(300)	(200)	(200)
<b>Free Cash Flow</b>	<b>(318)</b>	<b>(190)</b>	<b>181</b>	<b>32</b>	<b>392</b>
Investments	317	146	0	0	(400)
Other Investing Cash Flow	7	3	0	0	0
<b>Investing Cashflow</b>	<b>(208)</b>	<b>(552)</b>	<b>(267)</b>	<b>(162)</b>	<b>(561)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	0	0	150	(150)	0
Dividend paid (incl tax)	(139)	(73)	(30)	(91)	(114)
Other Financing Cash Flow	59	(54)	(10)	61	24
<b>Financing Cashflow</b>	<b>(86)</b>	<b>(134)</b>	<b>92</b>	<b>(198)</b>	<b>(101)</b>
<b>Net chg in cash</b>	<b>(11)</b>	<b>(144)</b>	<b>306</b>	<b>(128)</b>	<b>(69)</b>
Opening cash position	179	168	24	330	202
<b>Closing cash position</b>	<b>168</b>	<b>24</b>	<b>330</b>	<b>202</b>	<b>132</b>

Source: Company, Emkay Research

**Key Ratios**

<b>Profitability (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EBITDA Margin	12.2	11.4	6.4	10.7	12.0
EBIT Margin	11.4	10.4	4.7	9.5	10.8
Effective Tax Rate	35.2	21.8	24.0	24.0	24.0
Net Margin	8.0	8.4	3.8	7.4	8.5
ROCE	33.9	23.9	7.3	19.5	21.7
ROE	22.2	18.6	5.3	14.9	16.5
RoIC	46.0	36.1	9.3	22.4	25.1

<b>Per Share Data (Rs)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
EPS	24.2	23.9	7.5	22.9	28.8
CEPS	26.7	26.8	10.9	26.6	32.8
BVPS	117.9	138.2	144.4	163.1	186.7
DPS	4.0	1.5	1.1	3.4	4.3

<b>Valuations (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
PER	8.1	8.2	25.9	8.5	6.8
P/CEPS	7.3	7.3	17.9	7.3	6.0
P/BV	1.7	1.4	1.4	1.2	1.0
EV / Sales	0.6	0.7	1.0	0.6	0.5
EV / EBITDA	4.9	6.0	14.8	5.6	4.2
Dividend Yield (%)	2.1	0.8	0.6	1.8	2.2

<b>Gearing Ratio (x)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Net Debt/ Equity	(0.1)	0.0	(0.1)	(0.1)	(0.1)
Net Debt/EBIDTA	(0.3)	0.0	(0.7)	(0.3)	(0.6)
Working Cap Cycle (days)	51.6	47.0	47.6	45.3	45.3

<b>Growth (%)</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21E</b>	<b>FY22E</b>	<b>FY23E</b>
Revenue	19.9	(6.2)	(31.3)	57.1	9.9
EBITDA	12.3	(12.5)	(61.2)	161.2	23.1
EBIT	12.9	(14.5)	(68.8)	216.0	25.2
PAT	15.0	(1.4)	(68.5)	203.5	25.9

<b>Quarterly (Rs mn)</b>	<b>Q1FY20</b>	<b>Q2FY20</b>	<b>Q3FY20</b>	<b>Q4FY20</b>	<b>Q41Y21</b>
Revenue	1,477	1,722	1,928	1,126	266
EBITDA	182	201	274	56	(72)
<b>EBITDA Margin (%)</b>	<b>12.3</b>	<b>11.7</b>	<b>14.2</b>	<b>5.0</b>	<b>(27.2)</b>
PAT	113	177	197	38	(68)
<b>EPS (Rs)</b>	<b>5.1</b>	<b>8.1</b>	<b>9.0</b>	<b>1.7</b>	<b>(3.1)</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Jun-19</b>	<b>Sep-19</b>	<b>Dec-19</b>	<b>Mar-20</b>	<b>Jun-20</b>
Promoters	52.7	52.7	52.7	52.7	52.7
FIs	-	-	-	-	-
DIs	18.2	18.6	18.8	18.4	15.2
Public and Others	29.1	28.7	28.5	28.9	32.1

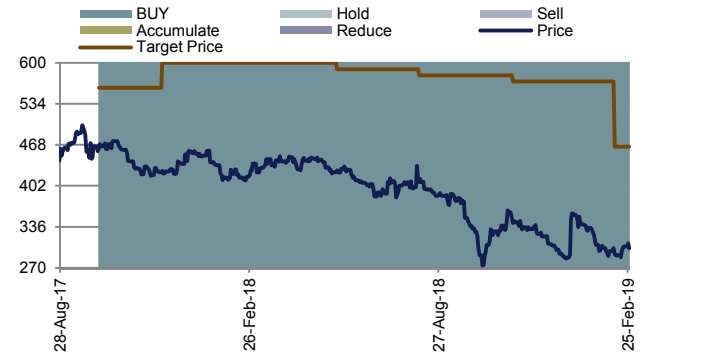
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
30-Jun-20	169	238	12m	Buy	Raghunandhan NL
30-Jun-20	169	238	12m	Buy	Raghunandhan NL
29-Jun-20	166	250	12m	Buy	Raghunandhan NL
29-Jun-20	166	250	12m	Buy	Raghunandhan NL
4-May-20	161	250	12m	Buy	Raghunandhan NL
4-May-20	161	250	12m	Buy	Raghunandhan NL
13-Apr-20	159	250	12m	Buy	Raghunandhan NL
13-Apr-20	159	250	12m	Buy	Raghunandhan NL
27-Feb-20	233	360	12m	Buy	Raghunandhan NL
27-Feb-20	233	360	12m	Buy	Raghunandhan NL
14-Feb-20	243	360	12m	Buy	Raghunandhan NL
14-Feb-20	243	360	12m	Buy	Raghunandhan NL
27-Dec-19	251	340	12m	Buy	Raghunandhan NL
27-Dec-19	251	340	12m	Buy	Raghunandhan NL
27-Nov-19	228	340	12m	Buy	Raghunandhan NL
27-Nov-19	228	340	12m	Buy	Raghunandhan NL
16-Nov-19	222	340	12m	Buy	Raghunandhan NL
16-Nov-19	222	340	12m	Buy	Raghunandhan NL
23-Sep-19	236	330	12m	Buy	Raghunandhan NL
23-Sep-19	236	330	12m	Buy	Raghunandhan NL
14-Aug-19	211	310	12m	Buy	Raghunandhan NL
14-Aug-19	211	310	12m	Buy	Raghunandhan NL
30-May-19	311	450	12m	Buy	Raghunandhan NL
30-May-19	311	450	12m	Buy	Raghunandhan NL
12-Feb-19	291	465	12m	Buy	Raghunandhan NL
12-Feb-19	291	465	12m	Buy	Raghunandhan NL
4-Feb-19	295	570	12m	Buy	Raghunandhan NL
4-Feb-19	295	570	12m	Buy	Raghunandhan NL
6-Nov-18	342	570	12m	Buy	Raghunandhan NL
6-Nov-18	342	570	12m	Buy	Raghunandhan NL
8-Aug-18	408	580	12m	Buy	Raghunandhan NL
8-Aug-18	408	580	12m	Buy	Raghunandhan NL
21-May-18	427	590	12m	Buy	Raghunandhan NL
21-May-18	427	590	12m	Buy	Raghunandhan NL
14-Feb-18	420	600	12m	Buy	Raghunandhan NL
14-Feb-18	420	600	12m	Buy	Raghunandhan NL
4-Dec-17	426	600	12m	Buy	Raghunandhan NL
4-Dec-17	426	600	12m	Buy	Raghunandhan NL
4-Oct-17	463	560	12m	Buy	Raghunandhan NL
4-Oct-17	463	560	12m	Buy	Raghunandhan NL

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

## Emkay Alpha Portfolio – Automobiles & Auto Ancillaries



### Analyst: Raghunandhan NI

#### Contact Details

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+91 22 6624 2428

#### Sector

Automobiles and Ancillaries

#### Analyst bio

Raghu holds an MBA and comes with total 11 years of research experience. His team currently covers 14 stocks in the Indian Automobiles and Ancillaries space.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
<b>Auto &amp; Auto Ancillaries</b>	<b>5.58</b>	<b>5.58</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>
Amara Raja Batteries	0.10	0.10	-2%	0	1.71
Apollo Tyres	0.07	0.07	-2%	0	1.18
Ashok Leyland	0.16	0.31	92%	15	5.51
Atul Auto	0.00	0.12	NA	12	2.16
Bajaj Auto	0.62	0.29	-54%	-34	5.17
Bharat Forge	0.20	0.33	66%	13	5.94
Eicher Motors	0.49	0.60	22%	11	10.71
Escorts	0.00	0.00	NA	0	0.00
Exide Industries	0.13	0.12	-2%	0	2.21
Hero Motocorp	0.61	0.33	-47%	-29	5.89
Mahindra & Mahindra	0.93	1.02	10%	9	18.25
Maruti Suzuki India	1.51	1.60	6%	10	28.71
Motherson Sumi	0.22	0.22	-2%	0	3.95
Tata Motors	0.36	0.36	-2%	-1	6.40
Tata Motors DVR*	0.04	0.04	-2%	0	0.68
TVS Motor	0.14	0.09	-40%	-6	1.53
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.00</b>

Source: Emkay Research

\* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

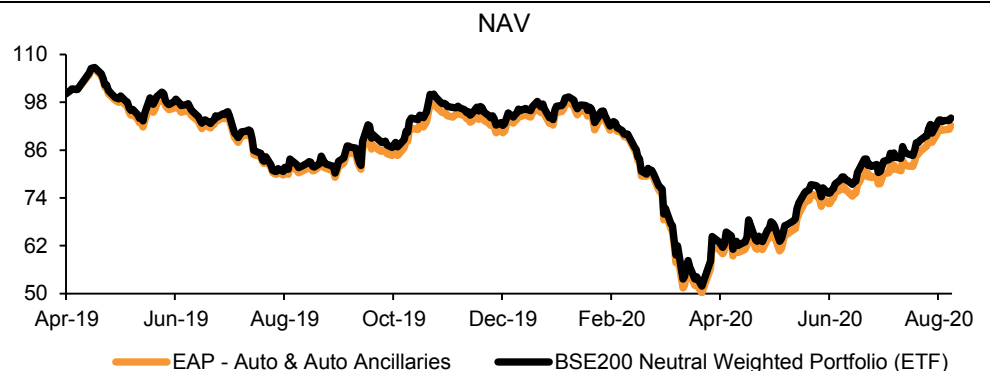
### Sector portfolio NAV

	Base					Latest
	01-Apr-19	22-Nov-19	25-Feb-20	27-May-20	24-Jul-20	25-Aug-20
EAP - Auto & Auto Ancillaries	100.0	93.2	85.2	66.3	81.3	92.1
BSE200 Neutral Weighted Portfolio (ETF)	100.0	95.1	86.1	68.8	84.3	94.0

\*Performance measurement base date 1<sup>st</sup> April 2019

Source: Emkay Research

### NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”



## Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 26 Aug 2020 22:47:31 (SGT)

Dissemination Date: 26 Aug 2020 22:48:31 (SGT)

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