

## Well poised to capture industry tailwinds...

Ashok Leyland (ALL) reported an operationally strong Q4FY21 performance. Net sales came in at ₹ 7,001 crore (up 82.4% YoY, 45.4% QoQ), with ASPs climbing 10.3% sequentially to ₹ 15.9 lakh/unit amid share of M&HCV within overall volumes rising to 60% vs. 50% in the previous quarter. Total volumes were at ~44,060 units, up ~31.9% QoQ. EBITDA margins were at 7.6%, up 236 bps QoQ despite ~250 bps gross margin contraction as the company realised substantial operating leverage benefits. Consequent PAT amounted to ₹ 241 crore vs. loss after tax of ₹ 19 crore in Q3FY21.

### Broad-based domestic industry tailwinds to benefit

Post the Covid second wave, the domestic CV industry (M&HCV in particular) is expected to continue on the path of recovery that was evident in H2FY21. With usual CV down cycles lasting about two years and much of the present decline now behind us, we expect a sustained rebound from multi-year low industry volume levels for the next several quarters. Expected revival in economic activity along with upturn in key user applications (mining, road building, construction) is seen lifting truck performance. LCV segment continues to benefit from sustained e-commerce growth and the need for last mile mobility with evolution of hub-and-spoke model being a medium to long term driver for the space. We believe the laggard bus segment could stage a healthy recovery from last year's low base as vaccination momentum would reduce public transport anxieties and quicken reopening of schools and offices. ALL stands to be an outsized beneficiary of the broad-based revival courtesy its significant presence across the industry segments (FY21 market share in M&HCV trucks, M&HCV buses and LCV goods at 28.2%, 38.2%, 11.8%, respectively).

### Better product mix, o/p leverage to outweigh cost pressures

ALL has an ambition of being among the top 10 global CV players and is thus looking at exports as a major enabler. In line with this, it has introduced left hand drive (LHD) functionality across new platforms in both M&HCV (modular programme, AVTR) and LCV (Project Phoenix). Higher share of exports, going forward, is set to improve blended realizations. Under 'Project Reset', ALL expects profitability actions on costs, cash & capex to reflect in financials meaningfully from FY22E onwards. With expected operating leverage benefits in the pipeline, overall margin trajectory is seen improving once transient effect of higher commodity prices tapers. We expect ALL to clock 6.5%, 10.1% margins in FY22E, FY23E, respectively.

### Valuation & Outlook

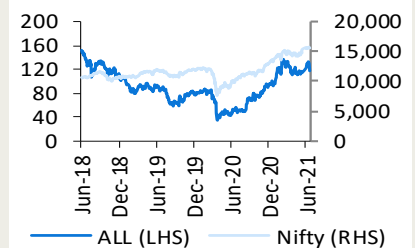
Volumes, sales CAGR are seen at 27%, 31%, respectively, in FY21P-23E. Healthy medium-term demand prospects along with market share gain possibilities and structural margin-accretive factors help us retain our **BUY** rating on ALL. We value it at an unchanged SOTP based target price of ₹ 150 (15x CV business FY23E EV/EBITDA, 2x P/BV for investments).



#### Particulars

Particular	₹ crore
Market Capitalization	36,588.8
Total Debt (FY21P)	3,771.3
Cash & Inv. (FY21P)	823.0
EV (₹ Crore)	39,537.0
52 week H/L (₹)	139 / 47
Equity capital (₹ crore)	293.6
Face value (₹)	1.0

#### Price Performance



#### Key Highlights

- Q4FY21 revenues were up ~45% QoQ tracking 32% volume growth and 10% QoQ ASP increase. Margins up 236 bps QoQ to 7.6% on operating leverage gains
- We expect ALL to be an outsized beneficiary of India CV revival post cyclical bottom and other industry tailwinds

#### Risks to our call

- Sustained sluggishness in buses where ALL commands formidable market share
- More than anticipated rise in input costs thereby impacting margins

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#### Key Financial Summary

Key Financials	FY19	FY20	FY21P	FY22E	FY23E	CAGR (FY21P-23E)
Net Sales	29,055.0	17,467.5	15,301.5	20,326.7	26,172.6	30.8%
EBITDA	3,135.7	1,173.6	535.1	1,324.3	2,651.1	122.6%
EBITDA Margins (%)	10.8	6.7	3.5	6.5	10.1	
Net Profit	1,983.2	239.5	(313.7)	323.5	1,288.8	LP
EPS (₹)	6.8	0.8	(1.1)	1.1	4.4	
P/E	18.5	153.2	(117.0)	113.4	28.5	
RoNW (%)	24.3	4.7	(4.4)	4.5	16.5	
RoCE (%)	25.7	4.5	(1.9)	4.8	15.7	

Exhibit 1: Variance Analysis

	Q4FY21	Q4FY21E	Q4FY20	YoY (%)	Q3FY21	QoQ (%)	Comments
Total Operating Income	7,000.5	6,876.1	3,838.5	82.4	4,813.5	45.4	Revenues came in slightly higher than estimates on account of higher than anticipated ASPs, which were at ₹ 15.9 lakh/unit for the quarter vs. our estimate of ₹ 15.5 lakh/unit
Raw Material Expenses	5,383.4	5,196.8	2,729.0	97.3	3,582.4	50.3	Gross margins contracted ~250 bps sequentially amid spike in prices of key input materials
Employee Expenses	401.6	481.3	409.7	-2.0	454.5	-11.6	Employee expenses were lower QoQ on absolute basis
Other expenses	681.3	790.8	516.8	31.8	522.8	30.3	
EBITDA	534.2	407.2	183.0	192.0	253.8	110.5	
EBITDA Margin (%)	7.6	5.9	4.8	286 bps	5.3	236 bps	Margins delivered a handsome beat on our estimates despite higher-than-expected gross margin deterioration as the company realised substantial savings in employee costs and other expenses on percentage of sales basis
Other Income	38.0	34.7	34.4	10.2	34.1	11.4	
Depreciation	218.5	199.2	187.7	16.4	194.4	12.4	
Interest	77.1	73.2	33.1	132.8	65.6	17.4	
Tax	72.8	42.7	-14.8	-592.4	1.1	6,339.8	
Reported PAT	241.2	126.8	-57.3	-520.7	-19.4	-1,343.1	PAT was much higher than anticipated primarily tracking the margin outperformance
EPS	0.8	0.4	-0.2	-520.7	-0.1	-1,343.1	
<b>Key Metrics</b>							
ASPs (₹ lakh/unit)	15.9	15.6	15.1	5.5	14.4	10.3	Product mix improved sharply for the quarter (M&HCV at 60% of total volumes vs. 50% in Q3FY21). Hence, ASPs jumped 10.3% sequentially

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY22E			FY23E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	21,531	20,327	-5.6	26,074	26,173	0.4	We trim our revenue estimates for FY22E tracking Covid-19 second wave impact on H1FY22E volumes. FY23E revenue estimates remain barely changed
EBITDA	1,517	1,324	-12.7	2,748	2,651	-3.5	
EBITDA Margin (%)	7.0	6.5	-53 bps	10.5	10.1	-41 bps	Margins in FY22E are seen dipping from earlier estimates on the back of sustained commodity cost pressures. We build in a slight moderation in FY23E margin estimates to 10.1%
PAT	409	323	-20.9	1,337	1,289	-3.6	
EPS (₹)	1.4	1.1	-20.9	4.6	4.4	-3.6	Downward revision in revenue and margin estimates lead to drop in FY22E PAT expectations

Source: ICICI Direct Research

Exhibit 3: Assumptions

	FY19	FY20	FY21P	Current		Earlier		Comments
				FY22E	FY23E	FY22E	FY23E	
M&HCV Passenger volumes	19,871	23,397	5,632	9,501	11,877	20,435	25,544	We expect Covid-19 second wave to lead to slightly back-ended recovery on the volume front for CV industry as well as ALL. However, with industry expected to ride cyclical upturn shortly, our numbers build in 27% total volume CAGR for the company over FY21P-23E comprising 30% M&HCV volume CAGR and 25% LCV volume CAGR
M&HCV Goods volumes	122,987	55,197	46,137	60,445	75,338	59,371	71,255	
LCV volumes	54,508	46,560	48,908	61,040	76,300	60,158	69,182	
Total Sales Volume	197,366	125,154	100,677	130,987	163,515	139,964	165,981	
YoY Growth (%)		-37%	-20%	30%	25%			
ASPs (₹ lakh/unit)	14.4	12.8	15.0	15.5	16.0	15.4	15.7	

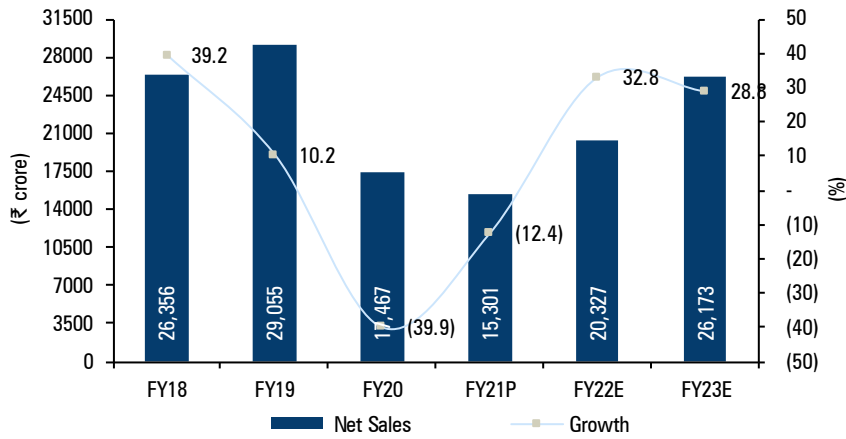
Source: ICICI Direct Research

## Q4FY21 earnings conference call highlights

- The management indicated that FY22E is set to be a year of gradual recovery for the industry, with sequential improvement expected throughout the year. Industry revival would be linked to economic growth, evolution of the pandemic, the government's continued infra push and sustained e-commerce led strength in last mile connectivity. Over the longer term, social distancing norms post Covid could be a growth driver for the bus category due to possible seating capacity restrictions
- ALL appointed ~6-7 large distributors in Africa and the Middle East regions in FY21 for its network expansion. Exports performance in coming months would be guided by opening up of global markets
- Going forward, the company estimates that CV electrification would be limited to metro and suburban regions initially. Larger vehicles plying inter-city and cross-country routes could feature a host of powertrain options such as ICE, various oil-blends (LNG, bio-diesel, ethanol, etc) as well as hydrogen fuel cells (HFC). HFC is an industry segment that could develop over the next few years on the back of government's ecosystem-enabling support via the National Hydrogen Mission
- The company does not expect upcoming Direct Freight Corridor (DFC) to impact CV demand (except perhaps in long haul category) in a major way, with CV differentiating itself as door-to-door delivery model vs. that of trans-shipment in DFC
- Raw material prices could soften from H2FY22E onwards. The company continues to target a host of actions including VA/VE initiatives to mitigate the impact of commodity cost inflation
- Industry discount levels are higher than those prevailing a couple of quarters ago
- Factory inventory as of Q4FY21 was at ~3,448 units vs. ~3,171 units in the previous quarter
- FY21 capex spends were at ₹ 621 crore, with FY22E spends pegged at ~₹ 750 crore. Some of the outflow could be towards debottlenecking LCV capacity
- Investment spends in FY21 were at ~₹ 368 crore vs. ~₹ 447 crore in FY20. The company could spend ~₹ 200-250 crore towards investments in FY22E
- ALL's net debt as of FY21 was at ~₹ 2,607 crore

## Financial story in charts

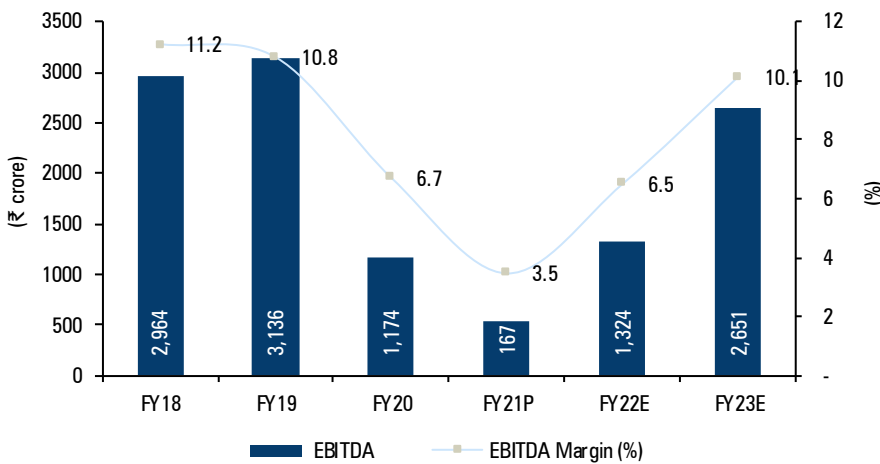
Exhibit 4: Topline trend



We expect sales to grow at ~31% CAGR over FY21P-23E to ₹ 26,173 crore amid ~27% volume CAGR

Source: Company, ICICI Direct Research

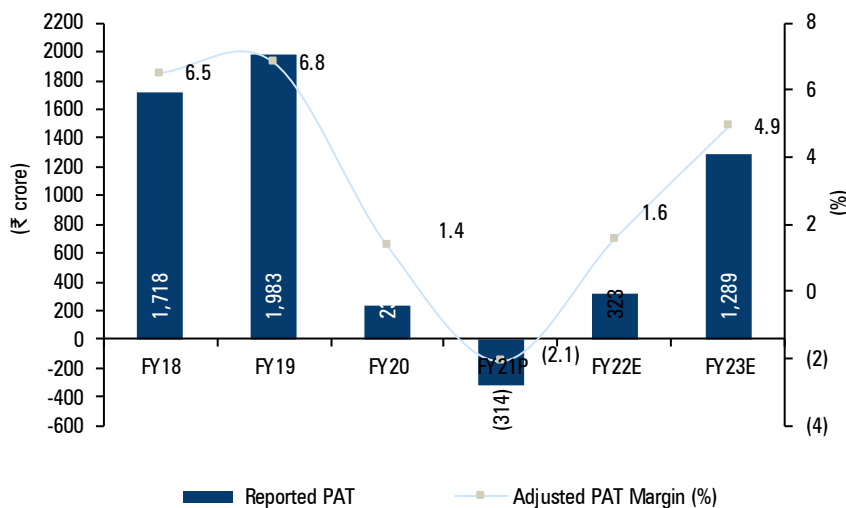
Exhibit 5: EBITDA and EBITDA margin trend



Margins seen growing to 10.1% by FY23E, aided by operating leverage benefits and focus on costs

Source: Company, ICICI Direct Research

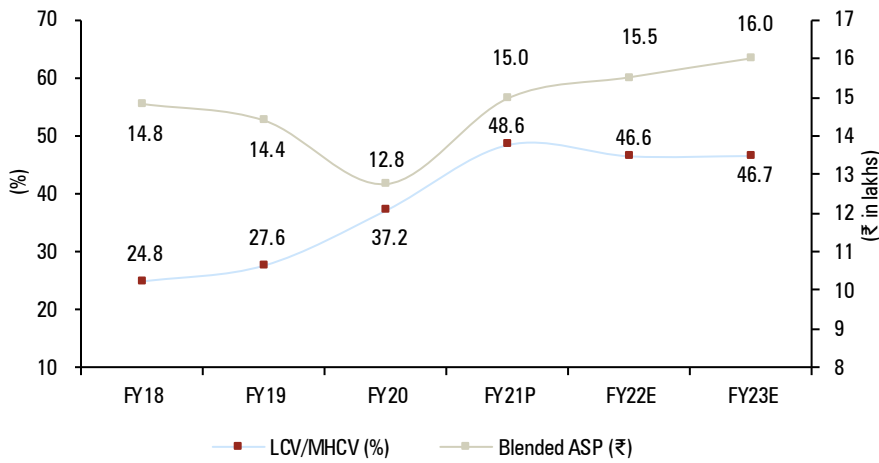
Exhibit 6: Profitability (PAT) trend



PAT expected to grow to ~₹ 1,300 crore by FY23E

Source: Company, ICICI Direct Research

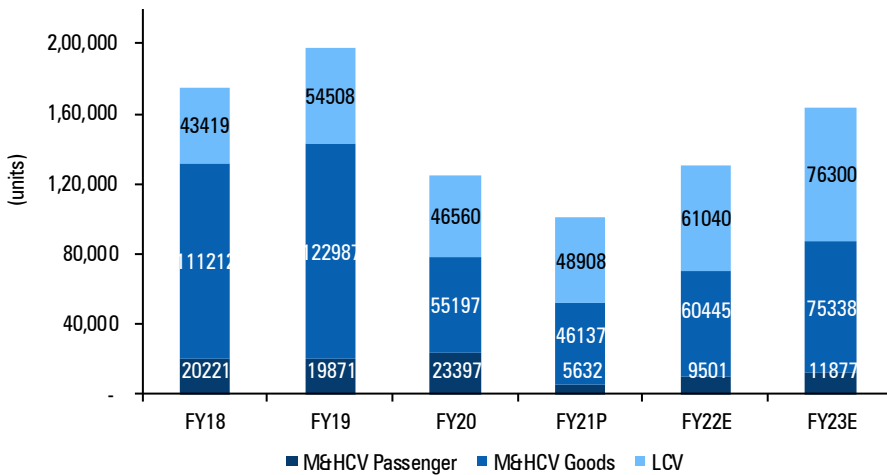
Exhibit 7: Product mix and realisation trend



LCV share of overall CV volumes seen declining to the ~46% mark in coming years given higher M&HCV growth on lower base. The same is seen pushing ASPs higher.

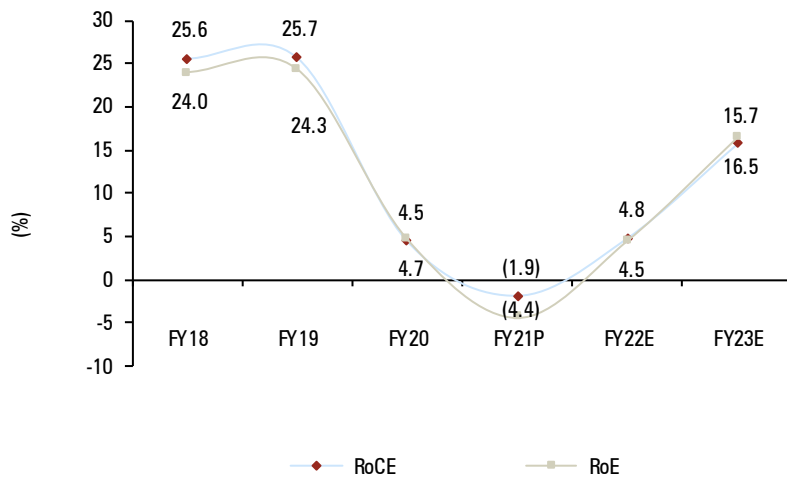
Source: Company, ICICI Direct Research

Exhibit 8: Segment wise volume break-up



Source: Company, ICICI Direct Research

Exhibit 9: Return ratio profile



Despite gradual improvement in return ratios over FY21P-23E, they are still seen to be far away from historical highs

Source: Company, ICICI Direct Research

Exhibit 10: Segment-wise ALL volume performance in FY21

Particulars	Domestic			Exports			Total			% of sales mix		Domestic MS %
	FY20	FY21	YoY %	FY20	FY21	YoY %	FY20	FY21	YoY %	FY20	FY21	
I. M&HCV - Passenger	18,141	2,795	(84.6)	5,182	2,837	(45.3)	23,323	5,632	(75.9)	18.6	5.6	38.2
II. M&HCV - Goods	53,227	43,210	(18.8)	2,004	2,927	46.1	55,231	46,137	(16.5)	44.1	45.8	28.2
<b>A. Total M&amp;HCV (I + II)</b>	<b>71,368</b>	<b>46,005</b>	<b>(35.5)</b>	<b>7,186</b>	<b>5,764</b>	<b>(19.8)</b>	<b>78,554</b>	<b>51,769</b>	<b>(34.1)</b>	<b>62.7</b>	<b>51.4</b>	
III. LCV - Passenger	1,445	83	(94.3)	190	168	(11.6)	1,635	251	(84.6)	1.3	0.2	0.7
IV. LCV - Goods	43,467	46,588	7.2	1,544	2,069	34.0	45,011	48,657	8.1	36.0	48.3	11.8
<b>B. Total LCV (III + IV)</b>	<b>44,912</b>	<b>46,671</b>	<b>3.9</b>	<b>1,734</b>	<b>2,237</b>	<b>29.0</b>	<b>46,646</b>	<b>48,908</b>	<b>4.8</b>	<b>37.3</b>	<b>48.6</b>	
<b>C. Total Sales (A + B)</b>	<b>1,16,280</b>	<b>92,676</b>	<b>(20.3)</b>	<b>8,920</b>	<b>8,001</b>	<b>(10.3)</b>	<b>1,25,200</b>	<b>1,00,677</b>	<b>(19.6)</b>	<b>100.0</b>	<b>100.0</b>	<b>16.3</b>

Source: SIAM, ICICI Direct Research

Exhibit 11: SOTP based target price calculation

SOTP	
Target EV/EBITDA (x)	15.0
EBITDA (FY23E)	2,651
Enterprise Value (₹ Crore)	39,766
Net Debt (₹ crore)	2,537
Target Market cap Core business (₹crore)	37,229
<b>Value/Share (A)</b>	<b>130</b>
Strategic Investments FY23E (₹ crore)	3,419
P/BV(x)	2.0
<b>Total Value/Share post applying 20% Holdco. Discount (B)</b>	<b>20</b>
<b>Price target (₹, A + B)</b>	<b>150</b>

Source: ICICI Direct Research

Exhibit 12: Key valuation metrics

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY18	26,356	31.7	5.9	36.6	21.3	11.3	24.0	25.6
FY19	29,055	10.2	6.8	15.1	18.5	11.4	24.3	25.7
FY20	17,467	(39.9)	0.8	(87.9)	153.2	32.8	4.7	4.5
FY21P	15,301	(12.4)	(1.1)	NA	(117.0)	73.9	(4.4)	(1.9)
FY22E	20,327	32.8	1.1	NM	113.4	30.1	4.5	4.8
FY23E	26,173	28.8	4.4	298.4	28.5	14.8	16.5	15.7

Source: Company, ICICI Direct Research

Exhibit 13: Shareholding pattern

	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
Promoters	51.5	51.5	51.5	51.5	51.5
FII	16.9	15.6	14.6	16.3	18.1
DII	15.0	14.0	17.6	17.6	16.7
Others	16.6	18.9	16.3	14.5	13.7

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 14: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21P	FY22E	FY23E
Total operating Income	17,467.5	15,301.5	20,326.7	26,172.6
Growth (%)	-39.9	-12.4	32.8	28.8
Raw Material Expenses	12,369.2	11,403.4	15,244.4	19,243.1
Employee Expenses	1,615.1	1,583.9	1,636.9	1,792.0
Other Expenses	2,309.6	1,779.1	2,121.1	2,486.4
Total Operating Expenditure	16,293.8	14,766.4	19,002.4	23,521.5
<b>EBITDA</b>	<b>1173.6</b>	<b>535.1</b>	<b>1324.3</b>	<b>2651.1</b>
Growth (%)	-62.6	-54.4	147.5	100.2
Depreciation	669.8	747.7	772.4	811.4
Interest	109.5	306.8	260.5	225.5
Other Income	123.3	119.5	141.0	108.7
<b>PBT</b>	<b>517.7</b>	<b>-399.9</b>	<b>432.5</b>	<b>1723.0</b>
Others	0.0	0.0	0.0	0.0
Total Tax	122.4	-98.2	109.0	434.2
<b>PAT</b>	<b>239.5</b>	<b>-313.7</b>	<b>323.5</b>	<b>1288.8</b>
Growth (%)	-87.9	-231.0	-203.1	298.4
<b>EPS (₹)</b>	<b>0.8</b>	<b>-1.1</b>	<b>1.1</b>	<b>4.4</b>

Source: Company, ICICI Direct Research

Exhibit 15: Cash flow statement				
	₹ crore			
(Year-end March)	FY20	FY21P	FY22E	FY23E
Profit after Tax	239.5	-313.7	323.5	1,288.8
Add: Depreciation	669.8	747.7	772.4	811.4
(Inc)/dec in Current Assets	2,683.8	-2,495.2	499.3	-1,414.9
Inc/(dec) in CL and Provisions	-3,383.5	1,989.1	-607.0	1,465.2
<b>CF from operating activities</b>	<b>319.0</b>	<b>234.7</b>	<b>1248.7</b>	<b>2376.0</b>
(Inc)/dec in Investments	-83.1	-349.1	-250.0	-100.0
(Inc)/dec in Fixed Assets	-1,243.4	-681.5	-750.0	-500.0
Others	-275.1	86.3	-181.7	-182.8
<b>CF from investing activities</b>	<b>-1601.7</b>	<b>-944.3</b>	<b>-1181.7</b>	<b>-782.8</b>
Issue/(Buy back) of Equity	0.0	0.0	0.0	0.0
Inc/(dec) in loan funds	2,648.9	489.9	-50.0	-500.0
Dividend paid & dividend tax	-176.7	-176.1	-176.1	-587.1
Others	-1,240.8	-103.7	-260.5	-225.5
<b>CF from financing activities</b>	<b>1231.5</b>	<b>210.1</b>	<b>-486.6</b>	<b>-1312.6</b>
<b>Net Cash flow</b>	<b>-51.2</b>	<b>-499.4</b>	<b>-419.6</b>	<b>280.6</b>
Opening Cash	1,373.6	1,322.4	823.0	403.4
<b>Closing Cash</b>	<b>1322.4</b>	<b>823.0</b>	<b>403.4</b>	<b>684.0</b>

Source: Company, ICICI Direct Research

Exhibit 16: Balance Sheet				
	₹ crore			
(Year-end March)	FY20	FY21P	FY22E	FY23E
<b>Liabilities</b>				
Equity Capital	293.6	293.6	293.6	293.6
Reserve and Surplus	6,970.4	6,683.7	6,831.1	7,532.8
<b>Total Shareholders funds</b>	<b>7264.0</b>	<b>6977.3</b>	<b>7124.6</b>	<b>7826.3</b>
Total Debt	3,281.3	3,771.3	3,721.3	3,221.3
Deferred Tax Liability	264.8	170.8	170.8	170.8
Other non-current liabilities	327.3	280.5	280.5	280.5
<b>Total Liabilities</b>	<b>11318.2</b>	<b>11389.4</b>	<b>11486.7</b>	<b>11688.4</b>
<b>Assets</b>				
Gross Block	7,802.9	8,706.7	9,678.5	10,228.5
Less: Acc Depreciation	2,359.8	3,107.5	3,879.9	4,691.3
<b>Net Block</b>	<b>5443.1</b>	<b>5599.2</b>	<b>5798.6</b>	<b>5537.3</b>
Capital WIP	594.1	371.9	150.0	100.0
Total Fixed Assets	6,037.2	5,971.0	5,948.6	5,637.3
Investments	2,719.6	3,068.7	3,318.7	3,418.7
Inventory	1,238.0	2,142.3	1,949.1	2,509.7
Debtors	1,188.4	2,816.0	1,949.1	2,151.2
Loans and Advances	23.0	20.6	27.4	35.3
Other current assets	0.0	0.0	0.0	0.0
<b>Cash</b>	<b>1322.4</b>	<b>823.0</b>	<b>403.4</b>	<b>684.0</b>
Total Current Assets	3,771.8	5,801.9	4,329.0	5,380.1
Creditors	3,037.3	5,164.7	4,176.7	5,019.4
Provisions	624.9	465.0	376.0	451.9
Other current Liabilities	685.5	693.6	921.4	1,186.3
Total Current Liabilities	3,662.1	5,629.6	4,552.7	5,471.3
Net Current Assets	109.7	172.3	-223.7	-91.2
<b>Application of Funds</b>	<b>11318.2</b>	<b>11389.4</b>	<b>11486.7</b>	<b>11688.4</b>

Source: Company, ICICI Direct Research

Exhibit 17: Key ratios				
(Year-end March)	FY20	FY21P	FY22E	FY23E
<b>Per share data (₹)</b>				
EPS	0.8	-1.1	1.1	4.4
Cash EPS	3.1	1.5	3.7	7.2
BV	24.7	23.8	24.3	26.7
DPS	0.5	0.6	0.6	2.0
Cash Per Share	4.5	2.8	1.4	2.3
<b>Operating Ratios (%)</b>				
EBITDA Margin	6.7	3.5	6.5	10.1
PBT / Net sales	3.0	-2.6	2.1	6.6
PAT Margin	1.4	-2.1	1.6	-4.5
Inventory days	25.9	51.1	35.0	35.0
Debtor days	24.8	67.2	35.0	30.0
Creditor days	63.5	123.2	75.0	70.0
<b>Return Ratios (%)</b>				
RoE	4.7	-4.4	4.5	16.5
RoCE	4.5	-1.9	4.8	15.7
RoIC	5.4	-2.1	5.0	16.9
<b>Valuation Ratios (x)</b>				
P/E	107.1	-120.5	113.4	28.5
EV / EBITDA	32.8	73.9	30.1	14.8
EV / Net Sales	2.2	2.6	2.0	1.5
Market Cap / Sales	2.1	2.4	1.8	1.4
Price to Book Value	5.1	5.3	5.2	4.7
<b>Solvency Ratios</b>				
Debt/Equity	0.5	0.5	0.5	0.4
Current Ratio	1.0	1.1	1.1	1.1
<b>Quick Ratio</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>0.8</b>

Source: Company, ICICI Direct Research

Exhibit 18: ICICI Direct coverage universe (Auto & Auto Ancillary)

Sector / Company	CMP	TP	Rating	M Cap	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)		(₹ Cr)	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Apollo Tyre (APOTYR)	220	260	BUY	13,971	5.5	9.9	16.2	39.9	22.3	13.5	6.6	6.9	5.0	7.6	6.1	9.1	6.4	5.3	8.2
<b>Ashok Leyland (ASHLEY)</b>	<b>125</b>	<b>150</b>	<b>Buy</b>	<b>36,589</b>	<b>-1.1</b>	<b>1.1</b>	<b>4.4</b>	<b>-117.0</b>	<b>113.4</b>	<b>28.5</b>	<b>73.9</b>	<b>30.1</b>	<b>14.8</b>	<b>-1.9</b>	<b>4.8</b>	<b>15.7</b>	<b>-4.4</b>	<b>4.5</b>	<b>16.5</b>
Bajaj Auto (BAAUTO)	4,200	4,500	BUY	1,21,535	157.4	183.5	210.0	26.7	22.9	20.0	20.2	16.6	14.2	18.2	21.9	25.2	18.1	20.6	23.1
Balkrishna Ind. (BALIND)	2,250	2,250	Buy	43,496	59.8	68.2	80.5	37.6	33.0	28.0	24.6	21.2	17.9	19.3	20.4	21.6	19.2	19.0	19.4
Bharat Forge (BHAFOR)	740	875	Buy	34,452	-2.7	15.9	25.0	NM	46.7	29.6	42.6	22.9	16.3	2.2	8.0	12.1	3.3	12.3	16.9
Eicher Motors (EICMOT)	2,700	2,970	Hold	73,602	49.3	66.7	87.4	54.8	40.5	30.9	37.0	28.4	21.6	11.3	13.5	15.8	11.8	14.3	16.6
Escorts (ESCORT)	1,165	1,140	Hold	14,281	71.2	62.0	76.9	16.4	18.8	15.1	10.0	11.5	9.0	18.7	13.8	14.8	16.2	12.6	13.7
Exide Industries (EXIIND)	182	200	Hold	15,470	8.9	9.3	11.0	15.3	14.7	12.4	10.7	10.3	8.8	14.0	13.8	15.1	11.0	10.5	11.5
Hero Moto (HERHON)	2,950	3,440	Buy	58,912	148.4	170.8	196.5	19.9	17.3	15.0	12.7	10.7	9.2	20.8	23.1	24.5	19.5	20.7	21.7
M&M (MAHMAH)	805	1,000	Buy	1,00,078	2.3	29.9	37.8	357.5	27.0	21.3	14.9	15.7	12.5	9.5	8.2	10.5	2.7	9.6	11.1
Maruti Suzuki (MARUTI)	7,650	6,080	Reduce	2,31,091	140.0	172.9	225.1	54.6	44.2	34.0	35.1	26.2	19.5	4.3	6.6	9.1	8.2	9.5	11.4
Minda Industries (MININD)	660	725	Buy	17,946	7.6	10.9	19.1	86.9	60.6	34.5	25.9	21.7	15.3	9.1	10.6	16.7	10.4	14.2	19.6
Motherson (MOTSUM)	240	300	Buy	75,790	3.3	7.4	10.0	NM	32.3	24.0	16.7	10.1	8.1	6.7	16.2	20.5	8.8	16.7	19.7
Tata Motors (TATMOT)	340	400	Buy	1,22,322	-35.0	17.6	38.3	NM	19.3	8.9	5.3	4.3	3.0	6.4	9.7	14.3	-23.6	10.6	18.8

Source: Company, ICICI Direct Research



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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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