

## Result Preview



### Company

Amara Raja Batteries  
 Apollo Tyres  
 Ashok Leyland  
 Bajaj Auto  
 Balkrishna Industries  
 Bharat Forge  
 BOSCH  
 Ceat  
 Eicher Motors  
 Endurance Technologies  
 Escorts  
 Exide Industries  
 Hero MotoCorp  
 Mahindra CIE  
 Mahindra & Mahindra  
 Maruti Suzuki  
 Motherson Sumi Systems  
 MRF  
 Tata Motors  
 TVS Motor Company

## Supply-side issues to hurt performance in 2QFY22E

Commodity prices stable, though the impact will reflect with a lag in 2QFY22E

- Demand evolution has been a mixed bag since the lifting of the second COVID-related lockdown restrictions from mid-Jun'21. Demand has bounced back quickly for PVs, but 2Ws have seen a slower recovery. CVs are recovering gradually, but demand for Tractors has been sluggish. The semiconductor shortage has hurt supplies for PVs, Premium 2Ws, and LCVs, which will potentially impact the upcoming festive season.
- Prices for core commodities have seen some stabilization since 1QFY22 and a 20-50% reduction in the precious metals basket. We expect the same to impact with some lag in 2QFY22E and then stabilize thereafter.
- EBITDA margin for our OEM (excluding JLR) universe is likely to decline by 280bp YoY (+130bp over 1QFY22) to 9% in 2QFY22E due to higher commodity prices and operating leverage. All OEMs are likely to deliver YoY margin erosion (except TVSL and CV players).
- We revise our FY22E EPS estimates to factor in the impact of supply-side issues on volumes and commodity cost inflation. We downgrade our FY22E EPS estimates for AL (-31%), MSS (-29%), MSIL (-21%), EIM (-13%), HMCL (-10%) and TVSL (-8%), but upgrade MRF (+6%).

## CVs and 3Ws grow on a low base, the other segments decline

Wholesale volumes grew strongly for CVs (+44.5% YoY, +70% QoQ) and 3Ws (+37% YoY, +25.5% QoQ) on a low base. Volumes declined for PVs (-3% YoY, +6% QoQ), 2Ws (-8% YoY, +42% QoQ) and Tractors (-6% YoY, -3% QoQ). Supply-side issues impacted volumes for PVs, Premium Motorcycles, and LCVs.

## EBITDA margins to contract due to cost inflation and operating leverage

We expect EBITDA margin to decline YoY due to commodity cost pressures and adverse operating leverage, partially offset by price hikes. EBITDA margin for our OEM (excluding JLR) universe is likely to decline by 280bp YoY (+130bp QoQ) to 9% in 2QFY22E. All OEMs (except TVSL and CV OEMs) are likely to deliver a YoY margin erosion. Prices of core commodities have seen some stabilization since 1QFY22 and a 20-50% reduction in the precious metals basket. We expect the same to impact with some lag in 2QFY22 and then stabilize thereafter.

## Demand evolution a mixed bag so far

The evolution in Retail demand has been a mixed bag since the lifting of the second COVID-related lockdown from mid-Jun'21. Demand has bounced back quickly for PVs, but 2Ws have seen a slower recovery. While CVs are expected to see a good recovery from Oct'21, the outlook for Tractors is cautious due to a very high base last year. We expect volume recovery in all segments to sustain in FY22, with core demand growing 5-7% for 2Ws/PVs, supported by benefits from a lower base over Apr-Aug'20. For 3Ws and CVs, we expect a recovery towards 2HFY22E.

## Valuation and view

We revise our FY22E EPS estimate to factor in the impact of supply-side issues on volumes and commodity cost inflation. We downgrade our FY22E EPS estimates for AL (-31%), MSS (-29%), MSIL (-21%), EIM (-13%), HMCL (-10%), and TVSL (-8%), but upgrade MRF (+6%). The semiconductor shortage is expected to continue in

2HFY22E, though supplies would improve from the lows of Sep'21. We would near/exceed the peak volumes of FY19 for PVs/LCVs in FY23E, for 2Ws in FY24E, and for M&HCVs and 3Ws in FY25E, based on our volume estimates. We prefer companies with: a) higher visibility in terms of a demand recovery, b) a strong competitive positioning, c) margin drivers, and d) balance sheet strength. **MSIL** and **TTMT** are our top OEM picks. Among Auto Component stocks, we prefer **BHFC** and **APTY**.

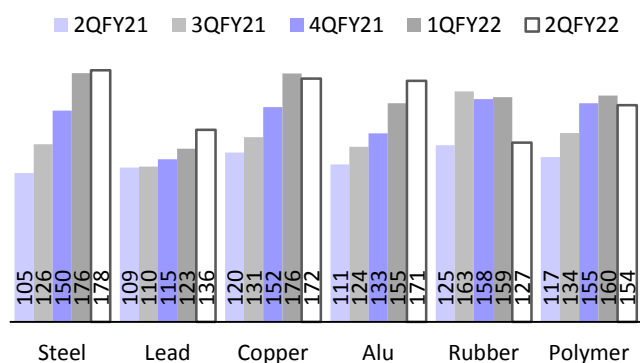
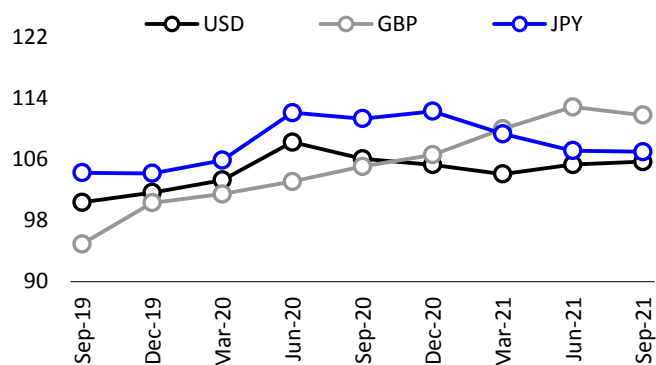
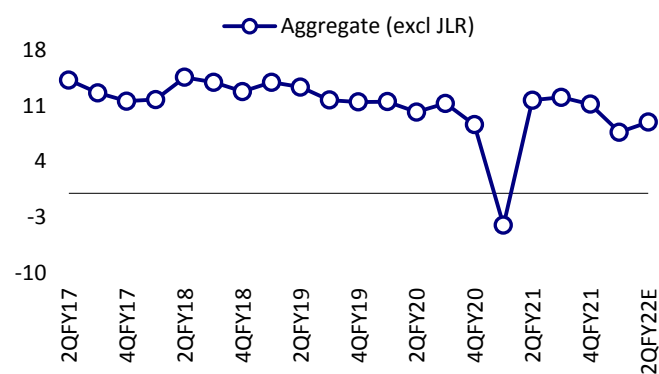
Exhibit 1: Summary of expected quarterly performance (INR m)

Sector	CMP		SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
	(INR)	RECO	Sep-21	Var % YoY	Var % QoQ	Sep-21	Var % YoY	Var % QoQ	Sep-21	Var % YoY	Var % QoQ
Amara Raja Batt.	766	Neutral	21,488	11.0	13.9	2,775	-18.5	11.1	1,466	-27.2	18.3
Apollo Tyres	228	Buy	48,719	13.8	6.3	6,557	-5.6	15.7	1,812	40.8	41.0
Ashok Leyland	130	Buy	44,058	55.3	49.3	1,398	73.8	LP	-944	Loss	Loss
Bajaj Auto	3826	Neutral	84,861	18.6	14.9	13,080	3.3	16.8	11,751	3.2	10.7
Balkrishna Inds	2522	Neutral	18,303	18.0	0.1	5,262	3.2	-0.3	3,496	3.0	-2.2
Bharat Forge	742	Buy	14,306	62.3	4.3	3,972	139.3	1.4	2,349	224.2	9.7
Bosch	15486	Neutral	28,263	14.0	15.7	4,169	44.7	35.9	3,390	21.7	30.5
CEAT	1336	Buy	22,159	12.0	16.2	1,977	-32.4	19.0	499	-72.6	107.9
Eicher Motors	2747	Buy	19,450	-8.8	-1.5	3,298	-30.0	-9.1	3,153	-8.2	33.0
Endurance Tech.	1576	Buy	19,812	13.7	17.0	2,988	4.8	22	1,519	4.9	26.2
Escorts	1496	Neutral	15,904	-3.0	-4.9	1,920	-36.2	-17.7	1,522	-33.8	-17.8
Exide Inds.	180	Buy	28,635	4.0	15.2	3,090	-21.2	18.6	1,636	-28.5	30.5
Hero Motocorp	2857	Buy	79,748	-14.9	45.3	9,345	-27.4	81.5	6,836	-28.3	87.1
Mahindra & Mahindra	841	Buy	1,22,094	6.0	3.8	14,957	-24.8	-8.3	11,171	-13.5	19.6
Mahindra CIE	245	Buy	19,491	15.0	-4.6	2,483	64.6	-4.4	1,141	87.8	-16.2
Maruti Suzuki	7178	Buy	1,93,121	3.0	8.7	9,460	-51.1	15.2	7,512	-45.2	70.4
Motherson Sumi	227	Buy	1,46,612	-6.5	-13.0	12,276	-21.0	-16.0	2,247	-39.6	-22.5
MRF	79780	Neutral	48,143	15.0	16.6	7,168	-16.1	47.1	3,177	-21.2	96.9
Tata Motors	342	Buy	6,11,662	14.3	-7.9	43,656	-22.9	-17.0	-31,466	Loss	Loss
TVS Motor	561	Neutral	55,929	21.4	42.2	5,460	26.9	99.4	2,907	48.1	283.8
<b>Automobiles</b>			<b>1642,758</b>	<b>9.0</b>	<b>2.3</b>	<b>155,290</b>	<b>-18.1</b>	<b>3.5</b>	<b>35,174</b>	<b>-52.9</b>	<b>593.6</b>

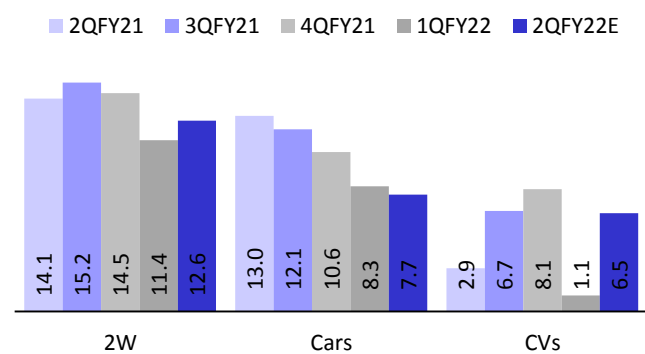
Exhibit 2: Volume snapshot in 2QFY22 ('000 units)

	2QFY22	2QFY21	YoY (%)	1QFY22	QoQ (%)	1HFY22	1HFY21	YoY (%)
Two-Wheelers	5,014	5,452	-8.0	3,540	41.6	8,554	7,081	20.8
Three-Wheelers	203	148	37.3	162	25.5	365	211	72.7
Passenger Cars	404	495	-18.4	417	-3.1	820	606	35.3
UVs and MPVs	415	347	19.6	357	16.2	771	434	77.8
<b>Total PVs</b>	<b>818</b>	<b>841</b>	<b>-2.7</b>	<b>773</b>	<b>5.8</b>	<b>1,592</b>	<b>1,040</b>	<b>53.0</b>
M&HCVs	56	27	105.4	35	60.3	92	33	176.6
LCVs	151	116	30.1	87	73.8	237	146	62.9
<b>Total CVs</b>	<b>207</b>	<b>143</b>	<b>44.5</b>	<b>122</b>	<b>69.9</b>	<b>329</b>	<b>179</b>	<b>84.0</b>
<b>Tractors</b>	<b>222</b>	<b>235</b>	<b>-5.7</b>	<b>229</b>	<b>-3.4</b>	<b>451</b>	<b>381</b>	<b>18.3</b>
<b>Total (excluding Tractors)</b>	<b>6,242</b>	<b>6,584</b>	<b>-5.2</b>	<b>4,597</b>	<b>35.8</b>	<b>10,840</b>	<b>8,511</b>	<b>27.4</b>

Source: Company, MOFSL

**Exhibit 3: Commodity prices reasonably stable (indexed)****Exhibit 4: Trend in key currencies v/s INR (indexed)****Exhibit 5: Margins to improve QoQ**

Source: MOFSL

**Exhibit 6: Trend in segment-wise EBITDA margins (%)**

Source: MOFSL

**Exhibit 7: Revised estimates**

	FY22E			FY23E		
	Revised	Old	Change (%)	Revised	Old	Change (%)
Bajaj Auto	191.8	196.1	-2.2	226.8	226.9	0.0
Hero MotoCorp	160.7	178.2	-9.8	204.7	215.6	-5.1
TVS Motor	23.1	25.0	-7.9	31.1	32.7	-5.0
Eicher Motors*	67.9	78.0	-12.9	129.5	121.2	6.8
Maruti*	147.9	187.7	-21.2	296.7	304.7	-2.6
M&M (including MVML)	37.0	38.9	-4.8	47.5	45.1	5.5
Tata Motors*	3.3	3.2	2.5	34.9	34.7	0.6
Ashok Leyland	1.6	2.3	-31.3	6.4	7.3	-12.6
Escorts	83.9	83.7	0.3	84.8	83.6	1.4
Amara Raja	36.9	36.2	2.0	46.3	45.8	1.1
Bharat Forge*	20.3	21.9	-7.2	30.8	30.8	0.2
BOSCH	477.1	481.7	-1.0	595.6	595.6	0.0
Ceat	75.1	74.0	1.4	122.6	121.2	1.2
Endurance Tech*	50.1	48.6	3.1	66.3	64.9	2.1
Exide Industries	8.9	10.4	-14.6	12.2	12.9	-4.8
Mahindra CIE*	14.6	15.6	-6.3	17.7	17.7	-0.1
Motherson Sumi*	5.5	7.7	-29.2	11.0	11.7	-5.9
Apollo Tyres*	18.0	18.0	0.0	23.1	23.1	0.0
Balkrishna Industries	77.7	79.7	-2.5	92.7	94.9	-2.3
MRF	3,117.8	2,941.9	6.0	3,794.4	3,861.9	-1.7

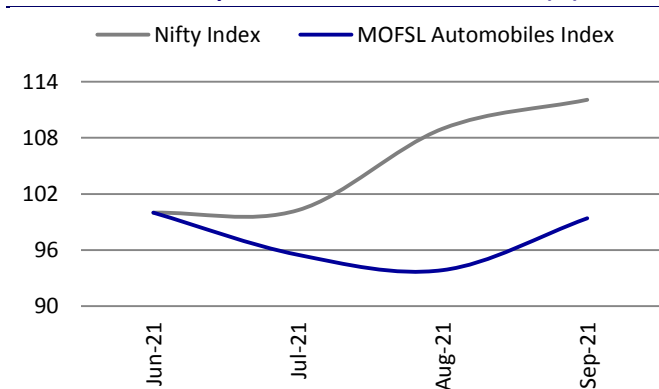
\*Source: Company, MOFSL

Exhibit 8: Margins to contract in 2QFY22E

	Volumes ('000 units)			EBITDA margin (%)			Adjusted PAT (INR m)		
	2QFY22	YoY (%)	QoQ (%)	2QFY22E	YoY (bp)	QoQ (bp)	2QFY22E	YoY (%)	QoQ (%)
BJAUT	1,144	8.6	13.8	15.4	-230	30	11,751	3.2	10.7
HMCL	1,439	-20.7	40.4	11.7	-200	230	6,836	-28.3	87.1
TVS Motor	917	5.6	39.4	9.8	40	280	2,907	48.1	283.8
MSIL	380	-3.5	7.3	4.9	-540	30	7,512	-45.2	70.4
MM	191	2.9	2.0	12.3	-500	-160	11,171	-13.5	19.6
TTMT (standalone)	171	55.2	49.2	7.3	440	480	-1,905	-83.7	-85.3
TTMT (JLR)*	80	-12.4	-17.6	6.2	-480	-280	-325	-378.1	13.8
TTMT (consolidated)				7.1	-340	-80	-31,466	894.2	-29
Ashok Leyland	28	41.7	53.1	3.2	30	790	-944	-35.1	-66.4
Eicher (RE)	123	-18.0	-0.2	16.5	-620	-100	2,443	-32.3	-8.6
Eicher (VECV)	15	85.3	160.7	7.8	90	680	1,008	-1,506.8	-239.9
Eicher (consolidated)				16.5	-620	-100	3,153	-8.2	33.0
<b>Agg. (excluding JLR)</b>	<b>4,407</b>	<b>-4.2</b>	<b>26.3</b>	<b>9.0</b>	<b>-280</b>	<b>130</b>	<b>40,481</b>	<b>1.6</b>	<b>163.3</b>

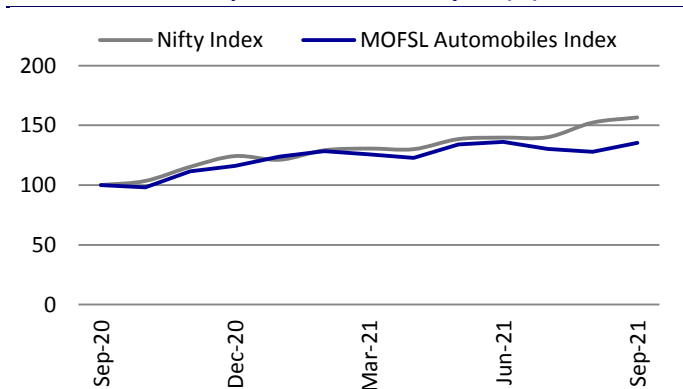
\* JLR PAT is in GBP m; Source: Company, MOFSL

Exhibit 9: Relative performance – three-months (%)



Source: Bloomberg, MOFSL

Exhibit 10: Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Exhibit 11: Comparative valuation

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			ROE (%)		
			FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
<b>Automobiles</b>						<b>37.5</b>	<b>31.7</b>	<b>17.6</b>	<b>3.4</b>	<b>3.5</b>	<b>3.0</b>	<b>9.2</b>	<b>11.0</b>	<b>17.2</b>
Amara Raja Batt.	766	Neutral	37.9	36.9	46.3	22.5	20.8	16.6	3.5	2.8	2.5	16.5	14.3	16.2
Apollo Tyres	228	Buy	11.5	18.0	23.1	19.5	12.6	9.9	1.1	1.1	1.0	6.2	8.7	10.4
Ashok Leyland	130	Buy	-1.0	1.6	6.4	-110	83	20.4	4.8	5.3	4.5	-4.2	6.5	24.0
Bajaj Auto	3,826	Neutral	167.8	191.8	226.8	21.9	19.9	16.9	4.2	4.3	4.2	21.5	21.8	25.2
Balkrishna Inds	2,522	Neutral	60.9	77.7	92.7	27.7	32.4	27.2	5.4	6.9	5.8	21.4	23.0	23.1
Bharat Forge	742	Buy	1.9	20.3	30.8	315.5	36.5	24.1	5.1	5.6	4.8	1.7	16.4	21.4
Bosch	15,486	Neutral	335.4	477.1	595.6	42.0	32.5	26.0	4.2	4.2	3.7	10.4	13.6	15.2
CEAT	1,336	Buy	114.3	75.1	122.6	13.7	17.8	10.9	1.9	1.5	1.3	14.9	8.8	13.1
Eicher Motors	2,747	Buy	50.7	74.7	129.5	51.4	36.8	21.2	6.2	5.8	4.8	12.9	16.7	24.6
Endurance Tech.	1,576	Buy	36.0	50.1	66.3	40.4	31.5	23.8	5.7	5.5	4.7	15.4	18.5	21.3
Escorts	1,496	Neutral	86.3	83.9	84.8	14.9	17.8	17.6	2.6	2.6	2.3	21.4	15.7	13.8
Exide Inds.	180	Buy	8.9	8.9	12.2	20.6	20.3	14.7	2.3	2.1	1.2	11.0	10.2	8.4
Hero Motocorp	2,857	Buy	148.4	160.7	204.7	19.6	17.8	14.0	3.8	3.6	3.3	20.2	20.6	24.5
Mahindra & Mahindra	841	Buy	33.8	37.0	47.5	23.5	22.7	17.7	2.7	2.6	2.3	11.6	11.9	13.8
Mahindra CIE	245	Buy	2.8	14.6	17.7	57.0	16.8	13.9	1.2	1.8	1.6	2.2	10.9	12.2
Maruti Suzuki	7,178	Buy	145.3	147.9	296.7	47.2	48.5	24.2	4.0	4.0	3.6	8.2	8.0	14.7
Motherson Sumi	227	Buy	3.4	5.5	11.0	59.3	41.3	20.5	5.1	5.2	4.4	9.0	13.1	23.1
MRF	79,780	Neutral	3,012.0	3,117.8	3,794.4	27.3	25.6	21.0	2.6	2.3	2.1	10.0	9.4	10.4
Tata Motors	342	Buy	0.6	3.3	34.9	535.5	105.1	9.8	2.1	2.3	1.9	0.4	2.2	21.2
TVS Motor	561	Neutral	12.9	23.1	31.1	45.4	24.3	18.0	6.7	5.3	4.3	15.7	23.8	26.2

The tables below provide a snapshot of actual and estimated numbers for companies under the MOFSL coverage universe. Highlighted columns indicate the quarter/financial year under review.

## Amara Raja Batteries

**Neutral**
**CMP: INR766 | TP: INR833 (+9%)**
**EPS CHANGE (%): FY22|23E: 2|1.1**

- Adverse mix on a QoQ basis (greater OEM share) and higher lead prices to impact margin.
- Our estimates are yet to factor in AMRJ's planned investment in net chemistries.
- Lead prices were up 11% QoQ in 1QFY22, the impact of which will reflect in 2QFY22 (with a quarter lag).

### Quarterly performance

**(INR m)**

Y/E March (INR m)	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Sales</b>	<b>11,510</b>	<b>19,358</b>	<b>19,601</b>	<b>21,027</b>	<b>18,859</b>	<b>21,488</b>	<b>23,129</b>	<b>24,644</b>	<b>71,497</b>	<b>88,119</b>
YoY Change (%)	-36.6	14.2	12.1	33.0	63.8	11.0	18.0	17.2	4.5	23.2
RM Cost (as a percentage of sales)	66.5	65.3	66.1	67.4	68.9	70.0	70.3	69.0	66.4	69.6
Staff Cost (as a percentage of sales)	7.3	6.0	6.0	5.1	6.3	5.6	5.4	5.3	6.0	5.6
Other Exp. (as a percentage of sales)	13.0	11.1	12.2	12.4	11.6	11.5	11.5	12.0	12.1	11.7
<b>EBITDA</b>	<b>1,524</b>	<b>3,404</b>	<b>3,064</b>	<b>3,165</b>	<b>2,499</b>	<b>2,775</b>	<b>2,971</b>	<b>3,387</b>	<b>11,159</b>	<b>11,632</b>
Margins (%)	13.2	17.6	15.6	15.1	13.2	12.9	12.8	13.7	15.6	13.2
Depreciation	748	782	791	871	963	970	975	981	3,192	3,889
Interest	27	25	26	28	32	27	28	14	105	100
Other Income	88	113	352	321	166	200	220	274	874	860
<b>PBT after EO</b>	<b>837</b>	<b>2,710</b>	<b>2,599</b>	<b>2,588</b>	<b>1,670</b>	<b>1,978</b>	<b>2,188</b>	<b>2,666</b>	<b>8,736</b>	<b>8,503</b>
Tax	210	695	667	693	431	512	567	692	2,265	2,202
Tax Rate (%)	25.1	25.6	25.7	26.8	25.8	25.9	25.9	26.0	25.9	25.9
<b>Adj. PAT</b>	<b>627</b>	<b>2,015</b>	<b>1,932</b>	<b>1,895</b>	<b>1,239</b>	<b>1,466</b>	<b>1,621</b>	<b>1,974</b>	<b>6,470</b>	<b>6,300</b>
YoY Change (%)	-55.5	-8.0	17.5	38.7	97.7	-27.2	-16.1	4.2	-2.1	-2.6

E: MOFSL estimates

## Apollo Tyres

**Buy**
**CMP: INR228 | TP: INR290 (+27%)**
**EPS CHANGE (%): FY22|23E: 0|0**

- Replacement demand remains strong, whereas OEM sales have recovered on a QoQ basis.
- EU business revenue to normalize from the negative effect of slower transition from the Netherlands plant in 1QFY22.
- RM basket is higher by 3-4% QoQ in 2QFY22. It has taken a 3-4% price hike in the Replacement market. However, under-recoveries from previous quarters remain.
- Adverse mix on a QoQ basis (higher OEM share) and higher commodity prices to impact margin.

### Consolidated quarterly performance

**(INR m)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Revenue</b>	<b>28,734</b>	<b>42,827</b>	<b>50,797</b>	<b>50,257</b>	<b>45,845</b>	<b>48,719</b>	<b>56,010</b>	<b>56,465</b>	<b>1,72,820</b>	<b>2,07,039</b>
YoY Change (%)	-33.7	7.4	15.5	39.0	59.5	13.8	10.3	12.4	5.7	19.8
<b>EBITDA</b>	<b>2,373</b>	<b>6,948</b>	<b>9,152</b>	<b>8,147</b>	<b>5,668</b>	<b>6,557</b>	<b>8,555</b>	<b>9,413</b>	<b>26,825</b>	<b>30,192</b>
Margins (%)	8.3	16.2	18.0	16.2	12.4	13.5	15.3	16.7	15.5	14.6
Depreciation	3,091	3,308	3,273	3,477	3,404	3,465	3,510	3,589	13,150	13,968
Interest	1,172	1,167	1,049	1,042	1,046	1,000	965	926	4,430	3,937
Other Income	268	385	228	619	405	280	230	240	1,294	1,154
<b>PBT before EO expense</b>	<b>-1,622</b>	<b>2,857</b>	<b>5,058</b>	<b>4,246</b>	<b>1,623</b>	<b>2,372</b>	<b>4,310</b>	<b>5,137</b>	<b>10,539</b>	<b>13,442</b>
Extra-Ord. expense	0	6,009	-1,095	13	9	0	0	0	4,927	9
<b>PBT</b>	<b>-1,622</b>	<b>-3,153</b>	<b>6,153</b>	<b>4,234</b>	<b>1,613</b>	<b>2,372</b>	<b>4,310</b>	<b>5,137</b>	<b>5,612</b>	<b>13,433</b>
Rate (%)	17.0	21.9	27.9	32.2	20.8	23.6	23.7	23.5	37.6	23.3
<b>Reported PAT</b>	<b>-1,346</b>	<b>-2,463</b>	<b>4,438</b>	<b>2,873</b>	<b>1,278</b>	<b>1,812</b>	<b>3,289</b>	<b>3,928</b>	<b>3,502</b>	<b>10,277</b>
<b>Adj. PAT</b>	<b>-1,346</b>	<b>1,287</b>	<b>3,755</b>	<b>2,880</b>	<b>1,285</b>	<b>1,812</b>	<b>3,289</b>	<b>3,928</b>	<b>6,577</b>	<b>10,285</b>
YoY Change (%)	-195.1	55.0	115.9	269.9	-195.5	40.8	-12.4	36.4	38.1	56.4
Margins (%)	-4.7	3.0	7.4	5.7	2.8	3.7	5.9	7.0	3.8	5.0

E: MOFSL estimates

**Ashok Leyland****Buy****CMP: INR130 | TP: INR170 (+31%)****EPS CHANGE (%): FY22|23E: -31.3|-12.6**

- LCV contribution to drive improvement in the mix and dilute the impact of cost inflation.
- M&HCV market share remains under pressure due to continued weakness in Buses, shift to CNG in ICVs, and weakness in southern markets.
- The company is expected to report a loss in 2QFY22E due to adverse operating leverage.
- EPS downgrade due to cut in volumes.

**Standalone quarterly performance****(INR m)**

	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Total Volumes (units)	3,814	19,433	33,410	44,020	17,987	27,543	40,675	59,329	1,00,677	1,45,534
Growth (%)	-90.4	-32.8	7.1	72.7	371.6	41.7	21.7	34.8	-19.6	44.6
Realizations (INR'000)	1,707	1,460	1,441	1,590	1,641	1,600	1,632	1,696	1,520	1,653
Change (%)	18.9	7.5	12.0	5.6	-3.9	9.6	13.2	6.6	9.0	8.7
<b>Net operating revenue</b>	<b>6,509</b>	<b>28,366</b>	<b>48,135</b>	<b>70,005</b>	<b>29,510</b>	<b>44,058</b>	<b>66,365</b>	<b>1,00,604</b>	<b>1,53,015</b>	<b>2,40,537</b>
Change (%)	-88.5	-27.8	19.9	82.4	353.4	55.3	37.9	43.7	-12.4	57.2
RM/sales (%)	64.1	71.2	74.4	76.9	74.1	75.0	75.0	75.3	74.5	75.0
Staff/sales (%)	54.4	13.2	9.4	5.7	14.4	10.3	6.9	4.8	10.4	7.6
Other exp./sales (%)	32.6	12.8	10.9	9.7	16.2	11.5	9.5	9.4	11.6	10.6
<b>EBITDA</b>	<b>-3,332</b>	<b>804</b>	<b>2,538</b>	<b>5,342</b>	<b>-1,401</b>	<b>1,398</b>	<b>5,687</b>	<b>10,662</b>	<b>5,351</b>	<b>16,345</b>
EBITDA Margins (%)	-51.2	2.8	5.3	7.6	-4.7	3.2	8.6	10.6	3.5	6.8
Interest	768	872	656	771	707	760	650	656	3,068	2,773
Other Income	256	219	341	380	134	175	190	201	1,195	700
Depreciation	1,637	1,712	1,944	2,185	1,835	2,075	2,125	2,139	7,477	8,174
<b>PBT before EO Item</b>	<b>-5,481</b>	<b>-1,561</b>	<b>278</b>	<b>2,766</b>	<b>-3,809</b>	<b>-1,262</b>	<b>3,102</b>	<b>8,068</b>	<b>-3,999</b>	<b>6,098</b>
EO Exp./(Inc.)	17	17	460	-374	17	0	0	0	120	0
<b>PBT after EO</b>	<b>-5,498</b>	<b>-1,578</b>	<b>-182</b>	<b>3,139</b>	<b>-3,826</b>	<b>-1,262</b>	<b>3,102</b>	<b>8,068</b>	<b>-4,119</b>	<b>6,098</b>
Effective Tax Rate (%)	29.3	7.1	-6.2	23.2	26.2	25.2	25.2	25.4	23.8	24.7
<b>Adj. PAT</b>	<b>-3,875</b>	<b>-1,454</b>	<b>157</b>	<b>2,127</b>	<b>-2,810</b>	<b>-944</b>	<b>2,320</b>	<b>6,019</b>	<b>-3,045</b>	<b>4,589</b>
Change (%)	-259.1	-277.8	-46.3	-1,899.0	-27.5	-35.1	1,380.3	183.0	-188.9	-250.7

E: MOFSL estimates

**Bajaj Auto****Neutral****CMP: INR3,826 | TP: INR4,250 (+11%)****EPS CHANGE (%): FY22|23E: -2.2|0.0**

- Strong exports partially offset a domestic sales loss in the Premium segment due to a shortage of chips.
- Price hikes taken in Jun-Sep'21 to dilute the impact of commodity cost inflation.
- RoDTEP scheme will boost margin by 40-50bp.

**Quarterly performance****(INR m)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volumes ('000 units)	443	1,053	1,307	1,170	1,006	1,144	1,335	1,285	3,973	4,770
Growth YoY (%)	-64.5	-10.2	8.7	17.9	127.0	8.6	2.2	9.8	(13.9)	20.1
Realization (INR/unit)	69,493	67,935	68,180	73,492	73,419	74,153	74,338	74,319	69,826	74,095
Growth YoY (%)	11.7	3.4	7.3	7.0	5.6	9.2	9.0	1.1	7.7	6.1
<b>Net Sales</b>	<b>30,792</b>	<b>71,559</b>	<b>89,099</b>	<b>85,961</b>	<b>73,860</b>	<b>84,861</b>	<b>99,255</b>	<b>95,490</b>	<b>2,77,411</b>	<b>3,53,467</b>
Change (%)	-60.3	-7.2	16.6	26.1	139.9	18.6	11.4	11.1	(7.3)	27.4
RM/Sales (%)	67.1	70.7	70.8	71.9	73.0	73.8	73.0	72.3	70.7	73.0
Staff cost/Sales (%)	11.0	4.5	3.6	3.6	4.9	4.3	3.7	3.9	4.6	4.1
Oth. Exp./Sales (%)	8.7	7.1	6.2	6.9	6.9	6.6	6.4	6.5	7.0	6.6
<b>EBITDA</b>	<b>4,085</b>	<b>12,662</b>	<b>17,296</b>	<b>15,241</b>	<b>11,198</b>	<b>13,080</b>	<b>16,817</b>	<b>16,753</b>	<b>49,285</b>	<b>57,848</b>
EBITDA Margins (%)	13.3	17.7	19.4	17.7	15.2	15.4	16.9	17.5	17.8	16.4
Other Income	3,379	2,858	3,692	2,836	3,293	3,000	3,000	3,084	12,765	12,377
Interest	10	27	10	20	23	20	20	22	67	85
Depreciation	638	643	650	662	641	660	675	677	2,593	2,653
<b>PBT after EO</b>	<b>6,817</b>	<b>14,851</b>	<b>20,328</b>	<b>17,395</b>	<b>13,827</b>	<b>15,400</b>	<b>19,122</b>	<b>19,138</b>	<b>59,390</b>	<b>67,487</b>
Effective Tax Rate (%)	22.5	23.4	23.4	23.4	23.3	23.7	23.7	24.0	23.3	23.7
<b>Adj. PAT</b>	<b>5,280</b>	<b>11,382</b>	<b>15,563</b>	<b>13,321</b>	<b>10,612</b>	<b>11,751</b>	<b>14,591</b>	<b>14,542</b>	<b>45,546</b>	<b>51,495</b>
Change (%)	(53.1)	(18.8)	23.4	1.7	101.0	3.2	(6.2)	9.2	(10.7)	13.1

E: MOFSL estimates



**Balkrishna Industries****Neutral****CMP: INR2,522 | TP: INR2,530 (0%)****EPS CHANGE (%): FY22|23E: -2.5|-2.3**

- Replacement demand remains strong, whereas OEM sales have recovered on a QoQ basis.
- There will be a continued impact of a sharp increase in Logistic costs.
- Taken a price hike of 3-4% in Jul'21 to pass on commodity and Logistic cost inflation.
- BIL wouldn't be claiming benefits under the RoDTEP scheme as it avails benefits under the Advance License Scheme.

**Standalone quarterly performance****(INR m)**

Y/E March	FY21				FY22			
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE
<b>Volumes (t)</b>	<b>38,096</b>	<b>61,224</b>	<b>59,810</b>	<b>68,002</b>	<b>68,608</b>	<b>67,346</b>	<b>68,183</b>	<b>70,542</b>
YoY Change (%)	-25.7	35.5	26.4	17.3	80.1	10.0	14.0	3.7
<b>Realizations (INR'000/t)</b>	<b>247.2</b>	<b>253.5</b>	<b>250.2</b>	<b>257.3</b>	<b>266.5</b>	<b>271.8</b>	<b>275.9</b>	<b>277.3</b>
YoY Change (%)	4.2	3.4	0.0	7.4	7.8	7.2	10.2	7.8
<b>Net Revenue</b>	<b>9,417</b>	<b>15,518</b>	<b>14,966</b>	<b>17,499</b>	<b>18,281</b>	<b>18,303</b>	<b>18,809</b>	<b>19,560</b>
YoY Change (%)	-22.7	40.2	26.5	26.0	94.1	18.0	25.7	11.8
Total Expenditure	6,981	10,421	10,282	12,041	13,004	13,041	13,241	13,406
<b>EBITDA</b>	<b>2,436</b>	<b>5,097</b>	<b>4,684</b>	<b>5,458</b>	<b>5,277</b>	<b>5,262</b>	<b>5,567</b>	<b>6,154</b>
Margins (%)	25.9	32.8	31.3	31.2	28.9	28.8	29.6	31.5
Depreciation	996	1,012	1,019	1,034	1,041	1,100	1,150	1,157
Interest	24	34	17	23	21	22	22	24
Other Income	203	454	594	544	632	500	500	526
<b>PBT before EO expense</b>	<b>1,619</b>	<b>4,505</b>	<b>4,241</b>	<b>4,945</b>	<b>4,847</b>	<b>4,640</b>	<b>4,895</b>	<b>5,499</b>
Rate (%)	24.7	24.6	24.1	24.7	26.2	24.2	24.2	24.2
<b>Adj. PAT</b>	<b>1,218</b>	<b>3,395</b>	<b>3,219</b>	<b>3,722</b>	<b>3,575</b>	<b>3,496</b>	<b>3,712</b>	<b>4,169</b>
YoY Change (%)	-30.8	16.7	45.9	44.7	193.5	3.0	15.3	12.0
Margins (%)	12.9	21.9	21.5	21.3	19.6	19.1	19.7	21.3

E: MOFSL estimates

**Bharat Forge****Buy****CMP: INR742 | TP: INR990 (+33%)****EPS CHANGE (%): FY22|23E: -7.2|0**

- No material impact of semiconductor shortage in 2Q, but the same will have an impact in 3QFY22E.
- RoDTEP scheme will boost margin by 50-60bp.
- Pickup in US Class 8 trucks' net ordering and recovery in crude oil to benefit the shale oil business in FY23E.
- FY22E EPS cut to factor in for impact of chip shortage.

**Standalone quarterly performance****(INR m)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Tonnage</b>	<b>17,840</b>	<b>40,775</b>	<b>50,943</b>	<b>55,837</b>	<b>53,512</b>	<b>55,862</b>	<b>55,018</b>	<b>65,508</b>	<b>165,396</b>	<b>229,900</b>
Change (%)	-70.7	-23.8	8.4	39.0	200.0	37.0	8.0	17.3	-18.0	39.0
<b>Realization (INR'000/t)</b>	<b>239.3</b>	<b>216.2</b>	<b>203.3</b>	<b>234.1</b>	<b>256.4</b>	<b>256.1</b>	<b>257.7</b>	<b>254.2</b>	<b>220.8</b>	<b>256.0</b>
Change (%)	8.2	-8.1	-11.3	6.7	7.1	18.5	26.7	8.6	-2.5	16.0
<b>Net operating income</b>	<b>4,270</b>	<b>8,815</b>	<b>10,357</b>	<b>13,073</b>	<b>13,718</b>	<b>14,306</b>	<b>14,176</b>	<b>16,653</b>	<b>36,515</b>	<b>58,853</b>
Change (%)	-68.3	-30.0	-3.8	48.4	221.3	62.3	36.9	27.4	-20.0	61.2
<b>EBITDA</b>	<b>17</b>	<b>1,660</b>	<b>2,333</b>	<b>3,338</b>	<b>3,918</b>	<b>3,972</b>	<b>3,839</b>	<b>4,771</b>	<b>7,348</b>	<b>16,499</b>
EBITDA Margins (%)	0.4	18.8	22.5	25.5	28.6	27.8	27.1	28.7	20.1	28.0
Non-Operating Income	420	313	352	320	333	330	340	297	1,405	1,300
Interest	299	75	268	137	406	150	150	154	779	860
Depreciation	808	883	964	1006	1019	1040	1050	1056	3,661	4,165
Forex loss/(gain)	46	94	185	-253	-4	0	0	0	72	-4
<b>PBT after EO items</b>	<b>-716</b>	<b>892</b>	<b>1,214</b>	<b>2,760</b>	<b>2,214</b>	<b>3,112</b>	<b>2,979</b>	<b>3,858</b>	<b>4,149</b>	<b>12,162</b>
Eff. Tax Rate (%)	21.4	21.2	23.6	25.6	24.3	24.5	24.5	24.6	24.8	24.5
<b>Rep. PAT</b>	<b>-563</b>	<b>702</b>	<b>927</b>	<b>2,054</b>	<b>1,675</b>	<b>2,349</b>	<b>2,248</b>	<b>2,907</b>	<b>3,121</b>	<b>9,179</b>
Change (%)	-132.3	-71.3	-27.5	-380.3	-397.5	234.3	142.5	41.5	-34.1	194.1
<b>Adj. PAT</b>	<b>-563</b>	<b>724</b>	<b>968</b>	<b>2,061</b>	<b>2,140</b>	<b>2,349</b>	<b>2,248</b>	<b>2,907</b>	<b>3,190</b>	<b>9,672</b>
Change (%)	-132.3	-70.4	-24.2	11,691.5	-480.1	224.2	132.2	41.1	-41.9	203.2

E: MOFSL estimates

**BOSCH****Neutral****CMP: INR15,486 | TP: INR16,650 (+8%)****EPS CHANGE (%): FY22|23E: -1|0**

- Expect BOS to grow faster than the underlying industry, led by strong CV volumes.
- Weak Tractor volumes in 2QFY22 to restrict overall growth.
- Margin recovery led by improving mix and operating leverage.
- Restructuring exercise has been completed and will drive margin.

**Standalone quarterly performance****(INR m)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Sales</b>	<b>9,915</b>	<b>24,792</b>	<b>30,296</b>	<b>32,177</b>	<b>24,435</b>	<b>28,263</b>	<b>33,326</b>	<b>37,029</b>	<b>97,180</b>	<b>1,23,053</b>
YoY Change (%)	-64.0	7.2	19.4	43.8	146.4	14.0	10.0	15.1	-1.3	26.6
RM Cost (as a percentage of sales)	57.7	59.4	57.9	61.4	58.9	58.5	58.5	58.6	59.4	58.6
Staff Cost (as a percentage of sales)	24.5	12.4	8.1	9.1	11.1	9.8	9.0	8.4	11.2	9.4
Other Expenses (as a percentage of sales)	28.1	16.6	22.2	15.2	17.5	17.0	20.5	15.5	19.1	17.6
<b>EBITDA</b>	<b>-1,021</b>	<b>2,881</b>	<b>3,581</b>	<b>4,605</b>	<b>3,066</b>	<b>4,169</b>	<b>3,999</b>	<b>6,489</b>	<b>10,039</b>	<b>17,723</b>
Margins (%)	-10.3	11.6	11.8	14.3	12.5	14.8	12.0	17.5	10.3	14.4
Depreciation	728	796	969	921	671	850	950	1,044	3,414	3,515
Interest	18	13	68	41	32	35	30	33	140	130
Other Income	1,734	1,015	1,113	1,171	990	1,180	1,100	1,175	5,040	4,445
<b>PBT before EO expense</b>	<b>-34</b>	<b>3,086</b>	<b>3,657</b>	<b>4,815</b>	<b>3,353</b>	<b>4,464</b>	<b>4,119</b>	<b>6,587</b>	<b>11,524</b>	<b>18,523</b>
Extra-Ord. expense	1,674	4,000	1,467	-1,586	0	0	0	0	5,555	0
<b>PBT after EO Expense</b>	<b>-1,707</b>	<b>-914</b>	<b>2,190</b>	<b>6,400</b>	<b>3,353</b>	<b>4,464</b>	<b>4,119</b>	<b>6,587</b>	<b>5,969</b>	<b>18,523</b>
Tax Rate (%)	46.9	29.1	15.2	24.7	22.5	24.1	24.1	24.8	14.2	24.1
<b>Adj. PAT</b>	<b>530</b>	<b>2,785</b>	<b>3,116</b>	<b>3,459</b>	<b>2,598</b>	<b>3,390</b>	<b>3,128</b>	<b>4,952</b>	<b>9,890</b>	<b>14,068</b>
YoY Change (%)	-84.6	-11.1	10.6	13.1	390.4	21.7	0.4	43.2	-20.6	42.2

**Ceat****Buy****CMP: INR1,336 | TP: INR1,800(+35%)****EPS CHANGE (%): FY22|23E: +1.4|+1.2**

- Replacement demand remains strong, whereas OEM sales have recovered on a QoQ basis.
- It has taken a 3-4% price hike in the Replacement market. However, under-recoveries from previous quarters remain.
- Expect RM basket to be higher by 3-4% QoQ in 2QFY22.
- Adverse mix on a QoQ basis (higher OEM share) and higher commodity prices to impact margin.

**Consolidated quarterly earnings model****(INR m)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Sales</b>	<b>11,202</b>	<b>19,785</b>	<b>22,213</b>	<b>22,897</b>	<b>19,064</b>	<b>22,159</b>	<b>23,990</b>	<b>23,788</b>	<b>76,096</b>	<b>89,001</b>
YoY Change (%)	-36.1	17.0	26.1	45.5	70.2	12.0	8.0	3.9	12.3	17.0
RM cost (%)	59.7	53.5	54.5	58.0	61.1	61.0	58.5	56.9	56.1	59.3
Employee cost (%)	13.5	8.1	8.1	8.0	9.3	8.1	7.6	8.0	8.9	8.2
Other expenses (%)	17.6	23.5	22.7	22.6	20.9	22.0	22.3	22.3	22.1	21.9
<b>EBITDA</b>	<b>1,020</b>	<b>2,925</b>	<b>3,277</b>	<b>2,608</b>	<b>1,662</b>	<b>1,977</b>	<b>2,788</b>	<b>3,052</b>	<b>9,830</b>	<b>9,479</b>
Margins (%)	9.1	14.8	14.8	11.4	8.7	8.9	11.6	12.8	12.9	10.7
Depreciation	785	839	873	899	965	975	990	1,036	3,396	3,966
Interest	488	450	419	399	460	450	450	447	1,755	1,807
Other Income	28	38	41	32	39	38	41	62	138	180
<b>PBT before EO expense</b>	<b>-225</b>	<b>1,674</b>	<b>2,025</b>	<b>1,342</b>	<b>276</b>	<b>590</b>	<b>1,389</b>	<b>1,631</b>	<b>4,816</b>	<b>3,885</b>
Exceptional item	218	0	123	0	0	0	0	0	341	0
<b>PBT</b>	<b>-443</b>	<b>1,674</b>	<b>1,903</b>	<b>1,342</b>	<b>276</b>	<b>590</b>	<b>1,389</b>	<b>1,631</b>	<b>4,476</b>	<b>3,885</b>
Tax	-56	-15	696	-110	115	153	361	419	516	1,049
Tax Rate (%)	12.6	-0.9	36.6	-8.2	41.8	26.0	26.0	25.7	11.5	27.0
Minority Int. and Profit of Asso. Cos.	-40	-130	-115	-76	-79	-62	-55	-4	-361	-200
<b>Reported PAT</b>	<b>-348</b>	<b>1,819</b>	<b>1,321</b>	<b>1,528</b>	<b>240</b>	<b>499</b>	<b>1,083</b>	<b>1,215</b>	<b>4,320</b>	<b>3,036</b>
<b>Adj. PAT</b>	<b>-155</b>	<b>1,819</b>	<b>1,430</b>	<b>1,528</b>	<b>240</b>	<b>499</b>	<b>1,083</b>	<b>1,215</b>	<b>4,622</b>	<b>3,036</b>
YoY Change (%)	-125	308	170	116	-255	-73	-24	-20	100.2	-34



E: MOFSL estimates

**Eicher Motors****Buy****CMP: INR2,747 | TP: INR3,270 (+19%)****EPS CHANGE (%): FY22 | 23E: -4.2 | 6.8**

- Semiconductor shortages restrict ramp-up of new Classic.
- Margin to decline QoQ due to cost inflation and operating deleverage.
- VECV benefitting from good recovery in ICVs.
- Earnings downgrade on lower volumes in RE.

**Consolidated quarterly performance****(INR m)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Operating income</b>	<b>8,182</b>	<b>21,336</b>	<b>28,283</b>	<b>29,403</b>	<b>19,743</b>	<b>19,450</b>	<b>29,633</b>	<b>39,244</b>	<b>87,204</b>	<b>1,08,070</b>
Growth (%)	-65.7	-2.7	19.3	33.2	141.3	-8.8	4.8	33.5	-4.7	23.9
<b>EBITDA</b>	<b>38</b>	<b>4,711</b>	<b>6,720</b>	<b>6,844</b>	<b>3,630</b>	<b>3,298</b>	<b>7,154</b>	<b>10,601</b>	<b>18,313</b>	<b>91,957</b>
EBITDA Margins (%)	0.5	22.1	23.8	23.3	18.4	17.0	24.1	27.0	21.0	85.1
<b>PAT</b>	<b>102</b>	<b>3,472</b>	<b>5,012</b>	<b>4,571</b>	<b>2,765</b>	<b>2,605</b>	<b>5,510</b>	<b>7,705</b>	<b>13,146</b>	<b>85,859</b>
Share of JV Loss/(PAT)/ Min. Int.	654	39	-314	-690	394	-548	-685	-975	-311.3	-1,814
<b>Recurring PAT</b>	<b>-552</b>	<b>3,433</b>	<b>5,326</b>	<b>5,633</b>	<b>2,371</b>	<b>3,153</b>	<b>6,195</b>	<b>8,680</b>	<b>13,829</b>	<b>20,400</b>
Growth (%)	-112.2	-40.0	6.8	85.1	-529.7	-8.2	16.3	54.1	-24.3	47.5

**Standalone (Royal Enfield)**

<b>Net operating income</b>	<b>7,692</b>	<b>21,233</b>	<b>28,041</b>	<b>29,224</b>	<b>19,078</b>	<b>18,950</b>	<b>28,933</b>	<b>38,481</b>	<b>86,190</b>	<b>1,05,442</b>
Growth (%)	-67.3	-2.7	18.6	34.1	148.0	-10.8	3.2	31.7	-5.1	22.3
<b>EBITDA</b>	<b>12</b>	<b>4,838</b>	<b>6,580</b>	<b>6,685</b>	<b>3,345</b>	<b>3,136</b>	<b>6,792</b>	<b>10,133</b>	<b>17,865</b>	<b>23,406</b>
EBITDA Margins (%)	0.2	22.8	23.5	22.9	17.5	16.5	23.5	26.3	20.7	22.2
Depreciation	971	1,036	1,219	1,234	1,105	1,200	1,300	1,368	4,460	4,973
Other income	1,153	998	1,241	1,129	1,340	1,300	1,300	1,486	4,520	5,426
Interest cost	30	18	22	22	19	25	25	31	92	100
<b>PBT before EO item</b>	<b>163</b>	<b>4,782</b>	<b>6,580</b>	<b>6,557</b>	<b>3,561</b>	<b>3,211</b>	<b>6,767</b>	<b>10,220</b>	<b>17,833</b>	<b>23,758</b>
Exceptional Exp./(Inc.)	0	0	0	250	0	0	0	0	250	0
<b>PBT after EO item</b>	<b>163</b>	<b>4,782</b>	<b>6,580</b>	<b>6,307</b>	<b>3,561</b>	<b>3,211</b>	<b>6,767</b>	<b>10,220</b>	<b>17,583</b>	<b>23,758</b>
Tax	40	1,173	1,696	1,627	889	768	1,619	2,408	4,536	5,684
Effective tax rate (%)	24.7	24.5	25.8	25.8	25.0	23.9	23.9	23.6	25.8	23.9
Reported PAT	123	3,609	4,885	4,681	2,672	2,443	5,148	7,811	13,047	18,074
<b>Recurring PAT</b>	<b>123</b>	<b>3,609</b>	<b>4,885</b>	<b>4,866</b>	<b>2,672</b>	<b>2,443</b>	<b>5,148</b>	<b>7,811</b>	<b>13,233</b>	<b>18,074</b>
Growth (%)	-97.5	-36.7	-0.1	40.6	2,072.4	-32.3	5.4	60.5	-30.5	36.6

**VECV: Quarterly performance**

<b>Net Op. Income</b>	<b>6,410</b>	<b>17,030</b>	<b>26,800</b>	<b>36,020</b>	<b>16,390</b>	<b>32,504</b>	<b>34,905</b>	<b>43,105</b>	<b>86,764</b>	<b>1,26,905</b>
Growth (%)	-71.6	-15.0	23.8	71.4	155.7	90.9	30.2	19.7	1.8	46.3
<b>EBITDA</b>	<b>-720</b>	<b>1,180</b>	<b>2,305</b>	<b>3,200</b>	<b>180</b>	<b>2,551</b>	<b>10,410</b>	<b>3,917</b>	<b>6,182</b>	<b>9,783</b>
EBITDA Margins (%)	-11.2	6.9	8.6	8.9	1.1	7.8	29.8	9.1	7.1	7.7
<b>Recurring PAT</b>	<b>-1,200</b>	<b>-72</b>	<b>580</b>	<b>1,274</b>	<b>-720</b>	<b>1,008</b>	<b>1,259</b>	<b>1,787</b>	<b>850</b>	<b>3,334</b>
Growth (%)	-416.3	-147.7	93.6	-695.3	-40.0	-1,506.8	117.0	40.3	45.8	292.2

## Endurance Technologies

Buy

CMP: INR1,576 | TP: INR1,950 (+24%)

EPS CHANGE (%): FY22|23E: 3.1|2.1

- The QoQ recovery in the underlying 2W industry leads to a sequential growth in India revenue.
- EU business to witness the impact of semiconductor shortages.
- QoQ margin improvement due to operating leverage in India, diluted by a QoQ decline in the EU.
- Slower recovery in India 2W volumes may pose a risk to our estimates.

## Consolidated quarterly performance

(INR m)

Y/E March	FY21				FY22				FY21	FY22E
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	6,031	17,422	20,409	21,329	16,937	19,812	23,263	23,608	65,191	83,619
YoY Change (%)	-67.6	-1.6	24.4	33.0	180.8	13.7	14.0	10.7	-5.2	28.3
RM Cost (as a percentage of sales)	47.9	54.9	54.1	57.3	53.8	56.7	57.0	56.0	54.8	56.0
Staff Cost (as a percentage of sales)	21.9	9.6	8.9	9.1	11.5	9.5	8.4	8.5	10.4	9.3
Other Exp. (as a percentage of sales)	23.1	19.1	19.8	18.1	20.3	18.7	18.4	18.3	19.3	18.8
EBITDA	427	2,852	3,521	3,322	2,443	2,988	3,806	4,055	10,123	13,292
Margins (%)	7.1	16.4	17.3	15.6	14.4	15.1	16.4	17.2	15.5	15.9
Depreciation	856	973	1,045	1,118	983	1,025	1,075	1,251	3,991	4,334
Interest	42	35	42	19	15	21	21	26	138	83
Other Income	109	71	58	69	127	105	110	106	307	448
PBT before EO expense	-361	1,916	2,493	2,254	1,573	2,047	2,820	2,883	6,301	9,322
Exceptional Items	0	-279	112	0	315	0	0	0	-167	0
PBT after EO	-361	2,195	2,380	2,254	1,258	2,047	2,820	2,883	6,468	9,322
Eff. Tax Rate (%)	31.0	23.9	20.2	16.9	23.3	25.8	25.7	25.5	19.7	24.5
Rep. PAT	-249	1,672	1,901	1,873	966	1,519	2,096	2,147	5,196	7,042
Adj. PAT	-249	1,447	1,991	1,873	1,203	1,519	2,096	2,147	5,061	7,042
YoY Change (%)	-119.2	-14.4	60.5	67.0	-583.1	4.9	5.3	14.6	-5.4	39.1

E: MOFSL estimates

## Escorts

Neutral

CMP: INR1,496 | TP: INR1,377 (-8%)

EPS CHANGE (%): FY22|23E: +0.3|+1.4

- Cautious outlook given by OEMs for 2HFY22 due to a high base.
- Catch-up in monsoon activity during Sep'21 augurs well for demand during the Rabi season.
- RM cost inflation and operating deleverage to keep margin in check.
- Yet to factor in benefits from the Kubota alliance.

## Standalone quarterly performance

(INR m)

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	10,616	16,397	20,174	22,105	16,715	15,904	21,132	22,839	69,293	76,591
YoY Change (%)	-25.4	23.9	23.5	60.1	57.4	-3.0	4.7	3.3	20.3	10.5
EBITDA	1,196	3,009	3,641	3,447	2,332	1,920	3,003	3,320	11,292	10,838
Margins (%)	11.3	18.3	18.0	15.6	14.0	12.1	14.2	14.5	16.3	14.2
Depreciation	264	274	315	304	314	315	320	320	1,157	1,268
Interest	19	32	33	26	30	25	25	21	110	100
Other Income	298	376	472	399	472	450	425	408	1,546	1,755
PBT	1,211	3,078	3,765	3,516	2,461	2,030	3,083	3,387	11,571	11,224
Rate (%)	23.9	25.3	25.5	22.8	24.8	25.0	25.0	25.1	24.5	24.4
Adj. PAT	922	2,299	2,807	2,713	1,852	1,522	2,313	2,538	8,741	8,487
YoY Change (%)	5.3	106.0	83.4	93.3	101.0	-33.8	-17.6	-6.5	77.4	-2.9
Margins (%)	8.7	14.0	13.9	12.3	11.1	9.6	10.9	11.1	12.6	11.1

E: MOFSL estimates

## Exide Industries

Buy

CMP: INR180 | TP: INR227 (+26%)

EPS CHANGE (%): FY22|23E: -14.6|-4.8

- Adverse mix on a QoQ basis (greater OEM share) and higher lead prices to impact margin.
- Our estimates are yet to factor in AMRJ's planned investment in net chemistries.
- Lead prices were up 11% QoQ in 1QFY22, the impact of which will reflect in 2QFY22 (with a quarter lag).
- Earnings cut to largely reflect higher lead prices.

## Standalone quarterly performance

(INR m)

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	15,476	27,534	28,010	29,388	24,864	28,635	31,371	32,688	1,00,408	1,17,559
Growth YoY (%)	-44.3	5.5	16.2	43.0	60.7	4.0	12.0	11.2	1.9	17.1
RM (%)	68.8	65.0	64.1	65.7	68.5	69.5	69.0	67.1	65.5	68.5
Employee cost (%)	9.0	6.9	7.4	6.3	7.4	6.5	6.1	6.0	7.2	6.4
Other Exp. (%)	12.6	13.9	14.1	14.0	13.6	13.3	13.5	13.7	13.8	13.5
EBITDA	1,485	3,920	4,028	4,123	2,606	3,090	3,565	4,295	13,556	13,555
EBITDA Margin (%)	9.6	14.2	14.4	14.0	10.5	10.8	11.4	13.1	13.5	11.5
Change (%)	-63.6	6.8	25.9	52.6	75.5	-21.2	-11.5	4.2	-0.7	0.0
Non-Operating Income	70	148	201	235	152	225	250	431	654	1,057
Interest	14	63	76	85	109	80	60	71	238	320
Depreciation	914	953	953	974	1,009	1,050	1,070	1,143	3,794	4,271
PBT after EO Exp.	627	3,052	3,200	3,300	1,640	2,185	2,685	3,512	10,179	10,021
Effective Tax Rate (%)	29.9	25.0	24.6	26.0	23.5	25.1	25.1	25.2	25.5	24.9
Adj. PAT	440	2,288	2,414	2,441	1,254	1,636	2,011	2,625	7,583	7,527
Change (%)	-80.4	-3.6	13.2	45.3	185.4	-28.5	-16.7	7.5	-10.0	-0.7

## Hero MotoCorp

Buy

CMP: INR2,857 | TP: INR3,235 (+13%)

EPS CHANGE (%): FY22|23E: -9.8|-5.1

- Demand recovery slower than expected after the lifting of the second COVID-related lockdown.
- However, price hikes and cost cutting to dilute the impact.
- RM cost inflation and operating deleverage to impact margin on a YoY basis.
- EPS downgrades led by cut in volume estimates.

## Standalone quarterly performance

(INR m)

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Total Volumes ('000 units)	565	1,815	1,845	1,567	1,024	1,439	1,919	1,770	5,792	6,153
Growth YoY (%)	-69.4	7.3	19.8	17.4	81.4	-20.7	4.0	13.0	-9.6	6.2
Net Realization	52,625	51,620	52,977	55,434	53,559	55,434	55,711	56,560	53,182	55,532
Growth YoY (%)	20.8	15.3	16.7	18.6	1.8	7.4	5.2	2.0	18.2	4.4
Net Op. Revenue	29,715	93,673	97,758	86,860	54,871	79,748	1,06,927	1,00,127	3,08,006	3,41,672
Growth YoY (%)	-63.0	23.7	39.7	39.2	84.7	-14.9	9.4	15.3	6.8	10.9
RM Cost (as a percentage of sales)	70.5	71.1	70.5	70.4	72.5	72.0	71.3	70.5	70.7	71.4
Staff Cost (as a percentage of sales)	12.9	5.5	5.3	5.6	7.9	6.3	4.9	5.3	6.2	5.8
Other Exp. (as a percentage of sales)	13.0	9.7	9.8	10.0	10.2	10.0	9.8	9.9	10.1	9.9
EBITDA	1,081	12,864	14,136	12,112	5,148	9,345	14,993	14,325	40,192	43,810
EBITDA Margins (%)	3.6	13.7	14.5	13.9	9.4	11.7	14.0	14.3	13.0	12.8
Other Income	1,485	1,413	2,027	874	1,386	1,400	1,450	1,369	5,799	5,605
Interest	63	46	47	63	61	50	45	44	218	200
Depreciation	1,708	1,732	1,698	1,631	1,630	1,700	1,770	1,800	6,769	6,899
PBT before EO Exp./Inc.)	795	12,500	14,418	11,291	4,844	8,995	14,628	13,850	39,004	42,316
Effective Tax Rate (%)	22.9	23.7	24.8	23.4	24.6	24.0	24.0	23.8	24.0	24.0
Adj. PAT	613	9,535	10,845	8,650	3,654	6,836	11,117	10,560	29,642	32,168
Growth (%)	-90.3	3.3	23.2	39.4	496.1	-28.3	2.5	22.1	-3.0	8.5

**Mahindra & Mahindra****Buy****CMP: INR841 | TP: INR962 (+14%)****EPS CHANGE (%): FY22|23E: -4.8|+5.5**

- SUVs and Pickups see a good recovery in demand, but were restricted by supply-chain constraints.
- Adverse mix (lower contribution from Tractors and LCVs) and higher RM cost impacts margin.
- Cautious outlook given by OEMs for 2HFY22 on account of a high base.
- EPS cut to account for lower volumes in the Auto segment.

**Quarterly performance (including MVML)****(INR m)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Total Volumes (units)</b>	95,308	1,85,270	2,23,978	2,02,223	1,86,777	1,90,600	2,19,441	2,37,692	7,06,779	8,34,509
Growth YoY (%)	-56.3	-3.2	3.3	33.3	96.0	2.9	-2.0	17.5	-9.1	18.1
<b>Net Realization</b>	5,86,460	6,21,920	6,23,567	6,59,576	6,29,777	6,40,578	6,42,275	6,82,088	6,28,435	6,50,430
Growth YoY (%)	-0.1	8.9	11.5	11.1	7.4	3.0	3.0	3.4	9.0	3.5
<b>Net Op. Income</b>	55,894	1,15,223	1,39,665	1,33,382	1,17,628	1,22,094	1,40,941	1,62,127	4,44,164	5,42,790
Growth YoY (%)	-56.4	5.4	15.2	48.1	110.4	6.0	0.9	21.6	-1.0	22.2
RM Cost (as a percentage of sales)	64.8	66.8	68.9	69.2	69.6	71.5	72.0	71.6	68.0	71.3
Staff (as a percentage of sales)	13.8	6.9	6.3	6.0	7.5	7.0	6.3	5.5	7.3	6.5
Oth. Exp. (as a percentage of sales)	11.1	9.1	8.3	10.2	9.0	9.3	9.5	9.9	9.4	9.4
<b>EBITDA</b>	5,732	19,893	22,955	19,605	16,317	14,957	17,265	21,740	68,186	70,279
EBITDA Margins (%)	10.3	17.3	16.4	14.7	13.9	12.3	12.3	13.4	15.4	12.9
Other income	1,338	3,839	5,618	1,178	2,052	6,500	3,400	3,260	11,973	15,212
Interest	768	1,179	1,039	971	714	800	800	743	3,957	3,057
Depreciation	5,813	5,870	6,043	5,899	5,586	5,900	6,200	6,549	23,624	24,235
EO Income/(Exp.)	288	-10,815	-11,240	-8,399	-785	0	0	0	-30,165	-785
<b>PBT after EO</b>	777	5,869	10,252	5,514	11,284	14,757	13,665	17,709	22,413	57,415
Effective Tax Rate (%)	12.7	72.4	48.2	70.5	24.2	24.3	24.3	24.4	58.8	24.3
<b>Reported PAT</b>	678	1,618	5,308	1,625	8,556	11,171	10,345	13,392	9,229	43,463
<b>Adj. PAT</b>	390	12,916	17,079	10,020	9,340	11,171	10,345	13,392	40,405	44,247
Change (%)	-95.8	-4.7	74.1	210.2	2,294.9	-13.5	-39.4	33.6	13.0	9.5

E: MOFSL estimates

**Mahindra CIE****Buy****CMP: INR245 | TP: INR292 (+19%)****EPS CHANGE (%): CY21|22E: -6.3|-0.1**

- Revenue to decline QoQ due to fall in the EU business on account of chip shortages. However, the same will be diluted by a QoQ recovery in India.
- Cost cutting initiatives in both India and EU to support margin.
- Focus on new products and exports to drive growth.
- EPS cut to reflect the impact of the semiconductor shortage in the EU and India business.

**Consolidated quarterly performance****(INR m)**

(INR m)	CY20				CY21				CY20	CY21E
Y/E December	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	16,627	7,355	16,943	19,576	21,894	20,425	19,491	23,677	60,501	85,487
YoY Change (%)	-23.5	-65.7	-9.3	13.6	31.7	177.7	15.0	20.9	-23.5	41.3
<b>EBITDA</b>	1,822	-963	1,508	2,475	2,868	2,598	2,483	3,183	5,016	11,132
Margins (%)	11.0	-13.1	8.9	12.6	13.1	12.7	12.7	13.4	8.3	13.0
Depreciation	815	518	849	882	883	886	930	970	3,064	3,669
Interest	182	167	142	57	142	131	130	121	548	524
Other Income	49	179	420	74	194	116	140	184	549	633
<b>PBT before EO expense</b>	873	-1,468	937	1,611	2,037	1,697	1,563	2,275	1,953	7,572
EO Exp./(Inc.)	-1	2	0	0	1,425	0	0	0	0	1,425
<b>PBT after EO exp.</b>	874	-1,470	937	1,611	612	1,697	1,563	2,275	1,952	6,147
Tax Rate (%)	28.3	12.5	35.2	30.6	83.6	19.7	27.0	34.3	45.4	33.3
<b>Adj. PAT</b>	626	-1,286	607	1,119	1,526	1,362	1,141	1,495	1,067	5,523
YoY Change (%)	-59.1	-201.9	4.2	500.2	143.5	-205.9	87.8	33.7	-70.1	417.9
Margins (%)	3.8	-17.5	3.6	5.7	7.0	6.7	5.9	6.3	1.8	6.5

## Maruti Suzuki

Buy

CMP: INR7,178 | TP: INR8,725 (+22%)

EPS CHANGE (%): FY22|23E:-21.2|-2.6

- Demand strong, but supply-side constraints result in lower volumes.
- New product lifecycle to kick start with the upcoming launch of the new Celerio in 2QFY22.
- Raised prices in Jul'21 and Sep'21. Discount moderation and better volumes drive QoQ margin improvement.
- Downgrade FY22E EPS on account of the volume cut due to the semiconductor shortage.

## Standalone quarterly performance

(INR m)

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Financial performance</b>										
Volumes ('000 units)	76.6	393.1	495.9	492.8	353.6	379.5	444.1	542.0	1,458.4	1,719.3
Change (%)	-81.0	16.2	13.4	28.2	361.6	-3.5	-10.4	10.0	-6.7	17.9
Realizations (INR/car)	5,36,104	4,76,802	4,73,038	4,87,538	5,02,545	5,08,827	5,05,011	5,11,010	4,82,264	5,07,237
Change (%)	9.4	-5.0	-0.1	3.0	-6.3	6.7	6.8	4.8	-0.3	5.2
<b>Net operating revenue</b>	<b>41,065</b>	<b>1,87,445</b>	<b>2,34,578</b>	<b>2,40,237</b>	<b>1,77,707</b>	<b>1,93,121</b>	<b>2,24,291</b>	<b>2,76,981</b>	<b>7,03,325</b>	<b>8,72,100</b>
Change (%)	-79.2	10.4	13.3	32.0	332.7	3.0	-4.4	15.3	-7.0	24.0
RM Cost (as a percentage of sales)	71.5	70.0	72.5	73.9	74.8	75.5	74.0	73.2	72.3	74.2
Staff Cost (as a percentage of sales)	17.8	4.4	4.0	3.7	6.0	5.4	4.6	3.8	4.8	4.8
Other Cost (as a percentage of sales)	31.7	15.3	13.9	14.1	14.6	14.3	14.3	14.3	15.3	14.3
<b>EBITDA</b>	<b>-8,634</b>	<b>19,336</b>	<b>22,261</b>	<b>19,911</b>	<b>8,211</b>	<b>9,460</b>	<b>15,954</b>	<b>24,383</b>	<b>53,453</b>	<b>58,008</b>
EBITDA Margins (%)	-21.0	10.3	9.5	8.3	4.6	4.9	7.1	8.8	7.6	6.7
<b>EBIT</b>	<b>-16,467</b>	<b>11,677</b>	<b>14,848</b>	<b>12,501</b>	<b>779</b>	<b>1,910</b>	<b>8,204</b>	<b>16,383</b>	<b>23,138</b>	<b>27,275</b>
EBIT Margins (%)	-40.1	6.2	6.3	5.2	0.4	1.0	3.7	5.9	3.3	3.1
Non-Operating Income	13,183	6,025	9,937	898	5,078	7,750	7,750	7,889	29,464	28,467
<b>PBT</b>	<b>-3,457</b>	<b>17,478</b>	<b>24,498</b>	<b>13,075</b>	<b>5,635</b>	<b>9,460</b>	<b>15,754</b>	<b>24,064</b>	<b>51,594</b>	<b>54,912</b>
<b>Adjusted PAT</b>	<b>-2,494</b>	<b>13,716</b>	<b>19,414</b>	<b>11,661</b>	<b>4,408</b>	<b>7,512</b>	<b>12,510</b>	<b>19,175</b>	<b>42,297</b>	<b>43,604</b>
Change (%)	-117.4	1.0	24.1	-9.7	-276.7	-45.2	-35.6	64.4	-25.1	3.1

## Motherson Sumi

Buy

CMP: INR227 | TP: INR270 (+19%)

EPS CHANGE (%): FY22|23E: -29.2|-5.9

- Semiconductor shortage to impact all businesses.
- Higher copper prices to have a transient impact on margin of both India and PKC business.
- PKC to benefit from strong traction in US Class 8 trucks.
- EPS cut to reflect the impact of semiconductor shortages as well as higher copper prices.

## Consolidated quarterly performance (including DWH) (INR m)

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Sales</b>	<b>85,039</b>	<b>1,56,735</b>	<b>1,80,283</b>	<b>1,79,892</b>	<b>1,68,505</b>	<b>146,612</b>	<b>180,695</b>	<b>223,249</b>	<b>6,01,950</b>	<b>7,19,060</b>
YoY Change (%)	-49.4	-1.6	15.1	18.7	98.2	-6.5	0.2	24.1	-5.3	19.5
<b>EBITDA</b>	<b>-6,300</b>	<b>15,530</b>	<b>20,410</b>	<b>20,060</b>	<b>14,620</b>	<b>12,276</b>	<b>19,389</b>	<b>23,678</b>	<b>49,700</b>	<b>69,963</b>
Margins (%)	-7.4	9.9	11.3	11.2	8.7	8.4	10.7	10.6	8.3	9.7
Depreciation	7,123	7,577	7,615	7,965	7,798	7,850	7,950	8,219	30,280	31,817
Interest	1,115	1,359	1,470	1,475	1,298	1,250	1,100	1,098	5,419	4,745
Other income	481	416	425	580	566	500	550	534	1,901	2,150
<b>PBT before EO expense</b>	<b>-14,058</b>	<b>7,010</b>	<b>11,750</b>	<b>11,200</b>	<b>6,090</b>	<b>3,676</b>	<b>10,889</b>	<b>14,896</b>	<b>15,902</b>	<b>35,551</b>
Extra-Ord. expense	0	596	25	2	5	0	0	0	623	5
<b>PBT after EO Expense</b>	<b>-14,058</b>	<b>6,414</b>	<b>11,725</b>	<b>11,198</b>	<b>6,085</b>	<b>3,676</b>	<b>10,889</b>	<b>14,896</b>	<b>15,280</b>	<b>35,546</b>
Tax Rate (%)	15.2	27.1	-5.7	11.1	29.9	28.0	28.0	27.2	2.1	28.0
Min. Int. and Share of profit	-3,810	1,088	4,363	2,813	1,367	400	2,850	3,668	4,454	8,285
<b>Adj. PAT</b>	<b>-8,104</b>	<b>3,720</b>	<b>7,980</b>	<b>7,142</b>	<b>2,900</b>	<b>2,247</b>	<b>4,990</b>	<b>7,472</b>	<b>10,737</b>	<b>17,312</b>
YoY Change (%)	-344.4	-3.3	195.0	289.5	-135.8	-39.6	-37.5	4.6	-8.2	61.2

**MRF****Neutral****CMP: INR79,780 | TP: INR83,100 (+4%)****EPS CHANGE (%): FY22|23E: +6 |-1.7**

- Replacement demand remains strong, whereas OEM sales have recovered on a QoQ basis.
- The company has taken a 3-4% price hike in the Replacement market, despite under-recoveries from previous quarters.
- Expect higher (3-4% QoQ) RM basket in 2QFY22.
- Adverse mix on a QoQ basis (higher OEM share) and higher commodity prices to impact margin.

**Standalone quarterly performance****(INR m)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Net Sales</b>	<b>24,306</b>	<b>41,864</b>	<b>45,668</b>	<b>47,377</b>	<b>41,277</b>	<b>48,143</b>	<b>50,234</b>	<b>51,386</b>	<b>1,59,214</b>	<b>1,91,041</b>
YoY Change (%)	-44.9	6.0	13.9	30.7	69.8	15.0	10.0	8.5	-0.4	20.0
Total Expenditure	20,991	33,319	36,036	39,921	36,405	40,975	42,062	42,309	1,30,267	1,61,750
<b>EBITDA</b>	<b>3,315</b>	<b>8,544</b>	<b>9,631</b>	<b>7,456</b>	<b>4,872</b>	<b>7,168</b>	<b>8,172</b>	<b>9,077</b>	<b>28,947</b>	<b>29,290</b>
Margins (%)	13.6	20.4	21.1	15.7	11.8	14.9	16.3	17.7	18.2	15.3
Depreciation	2,730	2,839	2,831	2,970	3,007	3,100	3,245	3,098	11,369	12,450
Interest	737	528	638	745	621	650	650	655	2,647	2,576
Other Income	430	443	634	565	924	875	900	901	2,072	3,600
<b>PBT before EO expense</b>	<b>279</b>	<b>5,620</b>	<b>6,797</b>	<b>4,306</b>	<b>2,168</b>	<b>4,293</b>	<b>5,177</b>	<b>6,226</b>	<b>17,003</b>	<b>17,864</b>
Extra-Ord. expense	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>279</b>	<b>5,620</b>	<b>6,797</b>	<b>4,306</b>	<b>2,168</b>	<b>4,293</b>	<b>5,177</b>	<b>6,226</b>	<b>17,003</b>	<b>17,864</b>
Rate (%)	38.8	28.3	24.7	26.3	25.6	26.0	26.0	26.1	26.5	26.0
<b>Reported PAT</b>	<b>171</b>	<b>4,030</b>	<b>5,117</b>	<b>3,173</b>	<b>1,613</b>	<b>3,177</b>	<b>3,831</b>	<b>4,598</b>	<b>12,490</b>	<b>13,219</b>
<b>Adj. PAT</b>	<b>171</b>	<b>4,030</b>	<b>5,117</b>	<b>3,173</b>	<b>1,613</b>	<b>3,177</b>	<b>3,831</b>	<b>4,598</b>	<b>12,490</b>	<b>13,219</b>
YoY Change (%)	-93.6	82.9	116.3	-52.6	845.8	-21.2	-25.1	44.9	-10.5	5.8
Margins (%)	0.7	9.6	11.2	6.7	3.9	6.6	7.6	8.9	7.8	6.9

E: MOFSL estimates

**Tata Motors****Buy****CMP: INR342 | TP: INR404 (+18%)****EPS CHANGE (%): FY22|23E: +2.5 |+0.6**

- JLR business severely impacted by the shortage of semiconductors.
- India business continues to see strong traction in PV volumes, whereas CV business benefits from cyclical recovery and market share gains.
- JLR mix improvement to continue with a higher share of LR; cost-cutting to aid performance.
- Expect volume recovery for JLR from 3QFY22E, assume 92k/119k volumes (excluding JV) in 3Q/4QFY22E.

**Consolidated quarterly performance****(INR m)**

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>JLR vols. (incl. JV)</b>	<b>65,425</b>	<b>91,367</b>	<b>1,19,658</b>	<b>1,36,461</b>	<b>97,141</b>	<b>80,000</b>	<b>1,10,000</b>	<b>1,42,519</b>	<b>4,12,911</b>	<b>4,29,660</b>
JLR Realizations (GBP/unit)	58,452	59,250	58,315	53,289	58,810	59,986	59,386	58,385	56,758	59,029
JLR EBITDA (%)	3.6	11.1	15.8	15.3	9.0	6.2	13.3	16.0	12.8	11.9
<b>JLR PAT (GBP m)</b>	<b>-648</b>	<b>117</b>	<b>388</b>	<b>566</b>	<b>-286</b>	<b>-325</b>	<b>169</b>	<b>674</b>	<b>423</b>	<b>231</b>
<b>S/A vol. (units)</b>	<b>25,047</b>	<b>1,10,379</b>	<b>1,58,208</b>	<b>1,91,730</b>	<b>1,14,784</b>	<b>1,71,270</b>	<b>1,92,620</b>	<b>2,20,665</b>	<b>4,85,364</b>	<b>6,99,339</b>
S/A Realizations (INR/unit)	1072,731	8,75,900	9,21,666	1040,820	1037,084	1096,389	1072,304	1088,545	3	44
S/A EBITDA (%)	-26.2	2.9	7.1	8.3	2.5	7.3	8.1	9.7	4.8	7.5
<b>S/A PAT (INR m)</b>	<b>-21,418</b>	<b>-11,661</b>	<b>-6,288</b>	<b>98</b>	<b>-12,960</b>	<b>-1,905</b>	<b>248</b>	<b>6,516</b>	<b>-39,818</b>	<b>-8,102</b>
<b>Net Op. Income</b>	<b>3,19,831</b>	<b>5,35,300</b>	<b>7,56,538</b>	<b>8,86,279</b>	<b>6,64,065</b>	<b>6,11,662</b>	<b>7,91,446</b>	<b>9,79,179</b>	<b>24,97,948</b>	<b>30,46,351</b>
Growth (%)	-48.0	-18.2	5.5	41.8	107.6	14.3	4.6	10.5	-4.3	22.0
<b>EBITDA</b>	<b>6,356</b>	<b>56,653</b>	<b>1,15,096</b>	<b>1,27,448</b>	<b>52,576</b>	<b>43,656</b>	<b>95,983</b>	<b>1,43,466</b>	<b>3,05,553</b>	<b>3,35,681</b>
EBITDA Margins (%)	2.0	10.6	15.2	14.4	7.9	7.1	12.1	14.7	12.2	11.0
Depreciation	55,994	56,015	61,288	62,171	62,021	62,000	62,500	64,028	2,35,467	2,50,549
Forex Loss/(Gain)	-471	-4,330	-6,231	-6,289	149	-2,823	-2,823	-5,795	-17,322	-11,292
Other Income	6,065	6,332	7,120	6,914	5,816	5,500	6,000	5,884	26,432	23,200
Interest Expenses	18,768	19,496	21,259	21,448	22,033	19,500	20,500	25,697	80,972	87,730
<b>PBT before EO</b>	<b>-61,870</b>	<b>-8,196</b>	<b>45,900</b>	<b>57,032</b>	<b>-25,812</b>	<b>-29,521</b>	<b>21,806</b>	<b>65,420</b>	<b>32,867</b>	<b>31,893</b>
EO Exp./(Inc.)	-32	-49	4,226	1,33,465	-25	0	0	0	1,37,610	-25
<b>PBT after EO Exp.</b>	<b>-61,837</b>	<b>-8,147</b>	<b>41,674</b>	<b>-76,433</b>	<b>-25,786</b>	<b>-29,521</b>	<b>21,806</b>	<b>65,420</b>	<b>-1,04,743</b>	<b>31,918</b>
Tax rate (%)	-35.6	57.9	22.7	1.7	-67.6	0.0	0.0	-4.6	-24.3	45.1
<b>PAT</b>	<b>-83,842</b>	<b>-3,433</b>	<b>32,222</b>	<b>-75,108</b>	<b>-43,206</b>	<b>-29,521</b>	<b>21,806</b>	<b>68,450</b>	<b>-1,30,161</b>	<b>17,529</b>
Minority Interest	60	-72	-350	-201	-8	-130	-110	-26	-563	-274
Share in profit of Associate	-598	360	-2,807	-745	-1,295	-1,814	-1,150	-516	-3,790	-4,775
<b>Adj. PAT</b>	<b>-84,420</b>	<b>-3,165</b>	<b>32,332</b>	<b>57,411</b>	<b>-44,523</b>	<b>-31,466</b>	<b>20,547</b>	<b>67,909</b>	<b>2,158</b>	<b>12,467</b>
Growth (%)	135.5	23.1	85.9	-182.1	-47.3	894.2	-36.5	18.3	-102.4	477.6



## TVS Motor Company

Neutral

CMP: INR561 | TP: INR591 (+5%)

EPS CHANGE (%): FY22|23E: -7.9|-5

- The 46% YoY growth in 2W exports dilutes the impact of an 8% YoY decline in domestic 2W volumes.
- Better mix, price hikes, and operating deleverage drive margin improvement.
- Mix improvement led by better export.
- EPS cut due to weaker than expected domestic 2W volumes.

## Standalone quarterly performance

(INR m)

Y/E March (INR m)	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
<b>Vols. ('000 units)</b>	<b>266.9</b>	<b>867.8</b>	<b>989.5</b>	<b>927.6</b>	<b>657.8</b>	<b>916.7</b>	<b>992.8</b>	<b>983.0</b>	<b>3,051.9</b>	<b>3,550</b>
Growth (%)	(71.1)	(2.0)	20.4	46.5	146.4	5.6	0.3	6.0	(6.5)	16.3
<b>Realn. (INR'000/unit)</b>	<b>53.6</b>	<b>53.1</b>	<b>54.5</b>	<b>57.4</b>	<b>59.8</b>	<b>61.0</b>	<b>61.8</b>	<b>61.9</b>	<b>54.9</b>	<b>61.2</b>
Growth (%)	10.8	8.1	8.5	4.3	11.5	15.0	13.4	7.9	9.1	11.6
<b>Net Sales</b>	<b>14,317</b>	<b>46,055</b>	<b>53,914</b>	<b>53,219</b>	<b>39,344</b>	<b>55,929</b>	<b>61,330</b>	<b>60,842</b>	<b>1,67,505</b>	<b>2,17,445</b>
Growth (%)	(68.0)	5.9	30.7	52.9	174.8	21.4	13.8	14.3	2.0	29.8
RM (as a percentage of sales)	75.9	76.5	76.1	75.3	75.7	76.1	75.8	75.9	76.0	75.9
Emp. cost (as a percentage of sales)	13.8	4.7	5.0	5.0	6.6	4.7	4.4	4.4	5.7	4.9
Other exp. (as a percentage of sales)	13.8	9.5	9.4	9.5	10.3	9.4	9.2	9.2	9.8	9.5
<b>EBITDA</b>	<b>-488</b>	<b>4,301</b>	<b>5,111</b>	<b>5,361</b>	<b>2,738</b>	<b>5,460</b>	<b>6,500</b>	<b>6,330</b>	<b>14,286</b>	<b>21,027</b>
EBITDA Margin (%)	(3.4)	9.3	9.5	10.1	7.0	9.8	10.6	10.4	8.5	9.7
Interest	523	407	291	195	300	250	225	200	1,416	975
Depreciation	911	1,331	1,329	1,366	1,431	1,440	1,465	1,477	4,937	5,813
Other Income	26	111	124	69	16	110	125	128	330	379
<b>PBT before EO Exp.</b>	<b>-1,896</b>	<b>2,674</b>	<b>3,615</b>	<b>3,869</b>	<b>1,023</b>	<b>3,880</b>	<b>4,935</b>	<b>4,781</b>	<b>8,262</b>	<b>14,619</b>
EO Exp.	0	0	0	0	302	0	0	0		302
<b>PBT after EO Exp.</b>	<b>(1,896)</b>	<b>2,674</b>	<b>3,615</b>	<b>3,869</b>	<b>722</b>	<b>3,880</b>	<b>4,935</b>	<b>4,781</b>	<b>8,262</b>	<b>14,317</b>
<b>Total Tax</b>	<b>-505</b>	<b>712</b>	<b>959</b>	<b>977</b>	<b>190</b>	<b>972</b>	<b>1237</b>	<b>1189</b>	<b>2142</b>	<b>3588</b>
Tax rate (%)	26.7	26.6	26.5	25.2	26.4	25.1	25.1	24.9	25.9	25.1
<b>Adjusted PAT</b>	<b>-1,391</b>	<b>1,963</b>	<b>2,656</b>	<b>2,892</b>	<b>758</b>	<b>2,907</b>	<b>3,698</b>	<b>3,592</b>	<b>6,120</b>	<b>10,955</b>
Growth (%)	(197.7)	0.5	46.9	191.4	(154.5)	48.1	39.2	24.2	(0.9)	79.0

## NOTES

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