

## Solid delivery, macros conducive to profitable growth

Mahindra & Mahindra (M&M) reported a healthy operational performance in Q2FY21. Standalone net sales were at ₹ 11,711 crore (up 5.7% YoY), with ASPs in automotive rising 1.6% QoQ to ₹ 7.03 lakh/unit in tractor segment rising 1.9% QoQ to ₹ 5.19 lakh/unit. Standalone EBITDA in Q2FY21 was at ₹ 1,890 crore with corresponding EBITDA margins at 16.1% (up 358 bps YoY). The margin performance was attributable to lower other expenses (down 287 bps YoY), employee costs (down 50 bps YoY). Auto segment posted ~30 bps increase in EBIT margins YoY to 4.3% while tractor margins were up strongly by ~510 bps YoY to 24.4%. Consequent standalone PAT came in at ₹ 77 crore. PAT came in substantially lower as the company took a large impairment hit of ₹ 1,150 crore on certain long-term investments.

## Tractor buoyancy key to topline, bottomline prospects

M&M's rural exposure through strong market leadership position in the domestic tractor industry (41.2% market share as of FY20) has benefited it immensely in the post Covid months. The segment continues to heavily outperform the rest of the auto industry (~40% YoY retail volume growth in June-October 2020 vs. double-digit declines in other segments). Lower pandemic spread and firmer farm incomes are seen resulting in sustained positivity, with the industry expected to post low double-digit YoY volume growth in FY21E. Once supply-side constraints at M&M subside in coming weeks, the company is expected to regain some of the lost market share thus far in FY21. Along with revenue visibility, continued healthy tractor performance is also seen strengthening blended margin prints of M&M (Q2FY21 tractor margins at a record high of 24.4% vs. usual ~19-20% range). Going forward, we build in 9% tractor volume CAGR over FY20-23E.

## Automotive performance may be on the mend

Automotive segment performance remains below-par, as evidenced by the slide in market share of traditional stronghold i.e. UV (Q2FY21 market share at 15% vs. 19% in FY20). Supply side constraints have played a part in reduced market share, with inventory levels low at present. The performance, going forward, is set to improve amid a strong response to the new Thar (>20,000 bookings as on date) as well as M&M looking to build inventory post the conclusion of the festive period as supply issues abate. LCV dispatches are also set to improve, going forward, in a similar vein. We build flattish automotive volume CAGR in FY20-23E.

## Valuation & Outlook

We expect sales, adjusted PAT to grow at 8%, 36.2% CAGR, respectively, in FY20-23E. Continued demand traction for tractor segment along with ongoing focus on responsible capital allocation helps us maintain our constructive stance on M&M. Accordingly, we retain our **BUY** rating on M&M, valuing it at ₹ 760/share on SOTP basis (7.5x FY22E EV/EBITDA for base business; 30% holding company discount to its investments).

### Key Financial Summary

Key Financials	FY19	FY20	FY21E	FY22E	FY23E	CAGR (FY20 -23E)
Net Sales	53,614.0	45,487.8	42,635.5	51,437.7	57,295.7	8.0%
EBITDA	6,639.6	5,798.0	5,861.8	7,180.3	8,141.4	12.0%
EBITDA Margins (%)	12.4	12.7	13.7	14.0	14.2	
Net Profit	4,796.1	1,330.4	2,722.3	4,780.9	5,537.5	60.9%
Adjusted Net Profit	4,818.6	2,190.4	3,464.2	4,780.9	5,537.5	36.2%
EPS (₹)	40.2	11.2	22.8	40.1	46.4	
P/E	15.4	55.6	27.2	15.5	13.4	
RoNW (%)	14.1	6.4	9.5	11.9	12.5	
RoCE (%)	12.3	8.8	8.4	10.5	11.5	

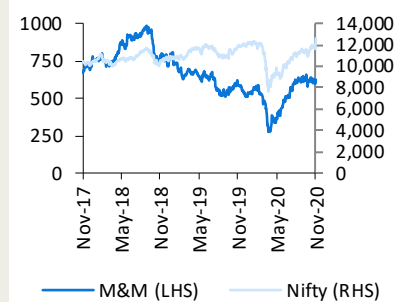
Source: ICICI Direct Research, Company



### Particulars

Particular	Amount
Market Capitalization (₹ crore)	77,078.4
Total Debt (FY20, ₹ crore)	3,068.0
Cash and Inv (FY20, ₹ crore)	6,426.1
EV (FY20, ₹ crore)	73,720.4
52 week H/L (₹)	666 / 246
Equity capital (₹ crore) (FY20)	596.5
Face value (₹)	₹ 5

### Price chart



### Key Highlights

- Revenues rise 5.7% YoY in Q2FY21 backed by strong tractor performance, ASP improvement across segments
- Overall margins at multi-year high of 16.1% tracking record 24.4% tractor EBIT performance and savings in other overheads
- Healthy rural exposure through tractor market leadership provides revenue visibility and boost to blended profitability
- Maintain BUY with unchanged target price of ₹ 760 on SOTP basis

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Exhibit 1: Variance Analysis

	Q2FY21	Q2FY21E	Q2FY20	YoY (%)	Q1FY21	QoQ (%)	Comments
Total Operating Income	11710.5	11458.4	11076.1	5.7	5602.2	109.0	Topline came in ahead of our tracking marginal beat on the ASP's both in the automotive as well as tractor business
Raw Material Expenses	8092.3	7879	7677	5.4	3788	113.6	RM costs came in on expected lines ~69% of sales
Employee Expenses	701.2	745	719	-2	678	3	
Other expenses	1027.2	1,318	1,289	-20.3	587	75.0	Real savings were realised in other expenses which for the quarter came in at 8.8% of sales, down 280 bps YoY
EBITDA	1889.9	1,516.5	1,391.0	35.9	549.2	244.1	
EBITDA Margin (%)	16.1	13.2	12.6	358 bps	9.8	634 bps	EBITDA margins came in at multiyear high of 16.1% tracking lower than anticipated employee as well as other expenses
Other income	392.6	326.3	827.7	-52.6	127.8	207.2	
Depreciation	554.5	632	540	2.7	548	1.1	
Interest	109.1	67	30	261	67	63	Interest came in higher primarily on account of higher gross debt as of H1FY21 end
Tax	392.1	288	436	-10.1	14	2,700.7	
PAT	77.2	855	1213	-93.6	112	-31.1	PAT of the quarter came in substantially lower despite beat on profitability due to exceptional charge of ~₹ 1150 on account of impairment of certain long term investments
EPS	2.2	7.2	10.2	-78.0	0.5	385.9	
<b>Key Metrics</b>							
Auto revenues (₹ crore)	6472.2	6,431	7,030	-7.9	2,052	215.4	Automotive segment ASP's stood at ₹ 7.04 lakh/unit
FES revenues (₹ crore)	4835.4	4,792	3,631	33.2	3,341	44.7	Tractor segment ASP's stood at ₹ 5.2 lakh/unit
EBITDA margins (%)	16.1	13.2	12.6	358 bps	9.8	634 bps	

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ Crore)	FY21E			FY22E			FY23E		Comments
	Old	New	% Change	Old	New	% Change	Introduced		
Revenue	42,478	42,636	0.4	50,105	51,438	2.7	57,296	Marginally altered our revenue estimates incorporating the out-performance of FES division over automotive division in FY21E. Introduced FY23E estimates. We expect revenues at M&M to grow at a CAGR of 8% over FY20-23	
EBITDA	5,613	5,862	4.4	7,225	7,180	-0.6	8,141		
EBITDA Margin (%)	13.2	13.7	54 bps	14.4	14.0	-46 bps	14.2	Altered margin estimates tracking out-performance in Q2FY21 amidst commodity price pressure going forward. Introduced FY23E EBITDA margins at 14.2%	
PAT	3,473	2,722	-21.6	4,768	4,781	0.3	5,538		
EPS (₹)	29.1	22.8	-21.6	40.0	40.1	0.3	46.4	Reported PAT estimates get meaningful downgrade tracking impairment charge booked in Q2FY21. Introduced FY23E numbers. Expect normalised PAT at M&M to grow at a CAGR of 36.2% over FY20-23E	

Source: ICICI Direct Research

Exhibit 3: Assumptions

Units	Current						Earlier		Comments
	FY18	FY19	FY20	FY21E	FY22E	FY23E	FY21E	FY22E	
Automotive volumes	5,48,664	6,08,597	4,76,043	3,39,143	4,19,018	4,61,329	3,77,371	4,52,794	Total volumes at M&M are seen growing at a
Automotive ASPs (₹)	5,80,009	5,80,892	5,96,766	7,11,344	7,33,702	7,52,118	6,68,967	6,86,236	CAGR of 3.1% over FY20-23E. Automotive volumes
FES Volumes	3,18,538	3,30,436	3,01,915	3,32,249	3,65,467	3,91,050	3,07,987	3,31,086	are seen growing at -1% CAGR over FY20-23E
FES ASPs (₹)	5,05,232	5,10,679	5,10,158	5,13,935	5,21,150	5,31,626	5,11,471	5,24,199	while tractor sales volume are seen growing 9%

Source: ICICI Direct Research

## Q2FY21 earnings conference call highlights

- **M&M expects the tractor industry to post low double-digit YoY volume growth in FY21E**, with longer term growth trajectory seen at ~8% CAGR
- **The rural economy continues to benefit from sustained tailwinds in the form of high rainfall (third highest in the past 25 years; ~9% higher than long term average) and record Kharif output (~9% YoY growth). This is expected to lead to ~13% YoY rise in farm incomes. Government spends on agriculture, rural development also continue. Moreover, reservoir levels as of September-end are at ~86% of capacity, boding well for upcoming Rabi crop**
- Tractor market share as of Q2FY21 was at 38.2% vs. 41.2% as of FY20. The decline was largely on account of supply constraints (Covid related lockdowns in Maharashtra, the state with tractor manufacturing presence as well as supplier base) that prevented meeting of demand. The company said that market share losses would not be fully regained by the end of FY21E
- **The company recorded highest ever EBIT margins in tractors (24.4%) as well as negative working capital for the first time.** The auto segment also recorded negative working capital leading to strong cash generation
- Global tractor businesses contributed positive ₹ 3 crore EBIT to consolidated tractor segment performance in Q2FY21 vs. negative ₹ 56 crore in Q2FY20. It was led by a sharp volume uptick in North America (retails up 41%), Brazil (retails up 31%) and 380 bps Mexico market share improvement (during January-September). M&M is on track to halving North America losses by half this year
- The farm equipment business is witnessing healthy growth this year, with Q2FY21 revenues up ~90% YoY
- M&M's tractor as well as automotive system inventory levels remain low amid ongoing supply side issues. **Inventory levels (both in tractors, automotive including LCV pickups) would be built up post conclusion of festive period**
- **The all new Thar has received > 20,000 bookings and > 78,000 dealer enquiries thus far. Total 44% of bookings are for automatic transmission, while 55% buyers are first time buyers**
- M&M realised cost savings in areas such as travelling, digital marketing, etc, and expects large part of these to be sustainable, going forward. However, commodity cost pressures are seen increasing in Q3FY21E. Also, competitive pricing pressure could emerge as demand normalises in coming months
- The company has exited Gipps Aerospace as part of its renewed capital allocation focus, which would curb incurring of majority of losses from the business, going forward

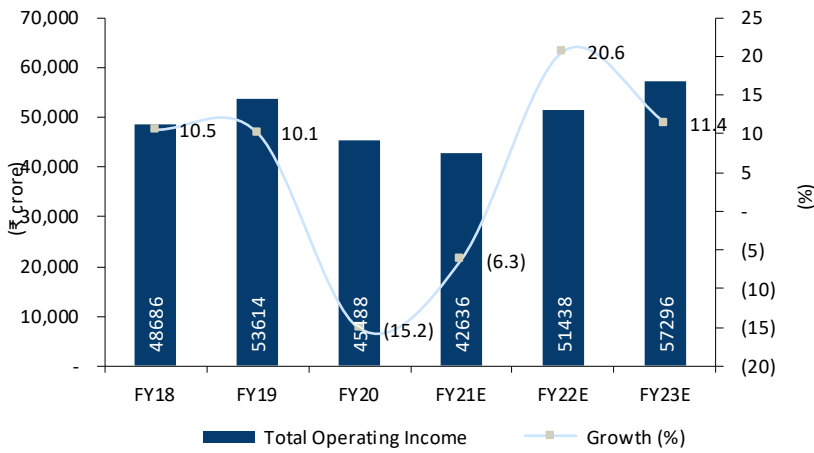
Exhibit 4: Key financials of some smaller business ventures (₹ crore)

		F20 Revenue	F20 PAT
<b>Clean Energy</b>			
	Susten Group	2,231	20
<b>Rural &amp; Fin Services</b>			
	Rural Housing Finance	1,528	149
	Agri Sector	1,277	(51)
<b>Infra &amp; Technology</b>			
	Powerol	1,517	102
	Accelo Group	1,361	26
	Bristlecone Group	701	40
<b>Mobility</b>			
	Aftermarket Group	491	(39)
	Classic Legends	411	(6)
	Electric	279	(55)
	Shared mobility Group	506	(14)
	<b>Total</b>	<b>10,302</b>	<b>172</b>

Source: Company, ICICI Direct Research

## Financial story in charts

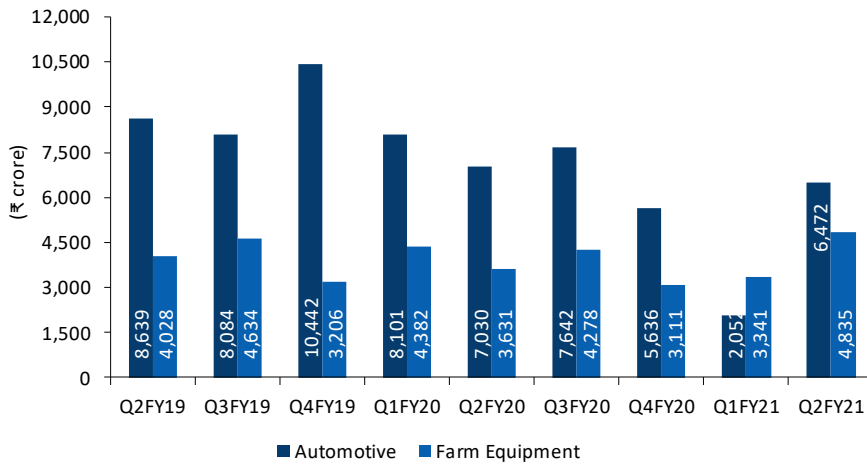
Exhibit 5: Topline trend



We expect sales to grow at 8% CAGR in FY20-22E

Source: Company, ICICI Direct Research

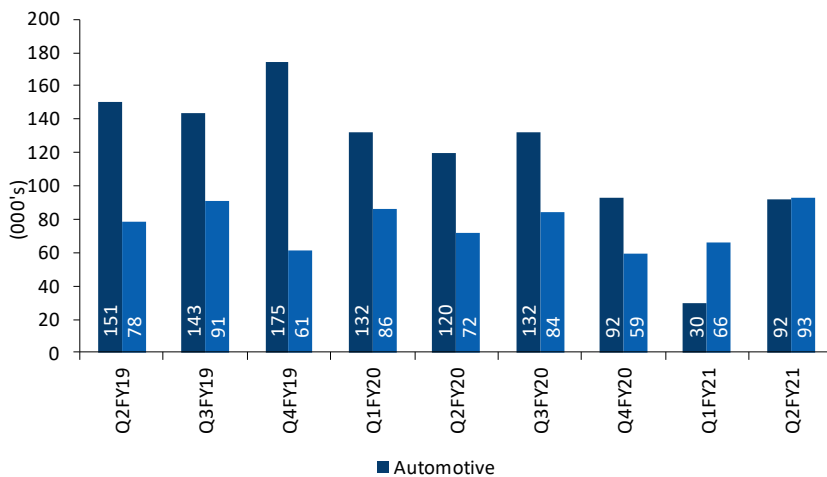
Exhibit 6: Segment wise revenue trend



Segment wise revenue mix for Q2FY21 at automotive: tractor: 55:41

Source: Company, ICICI Direct Research

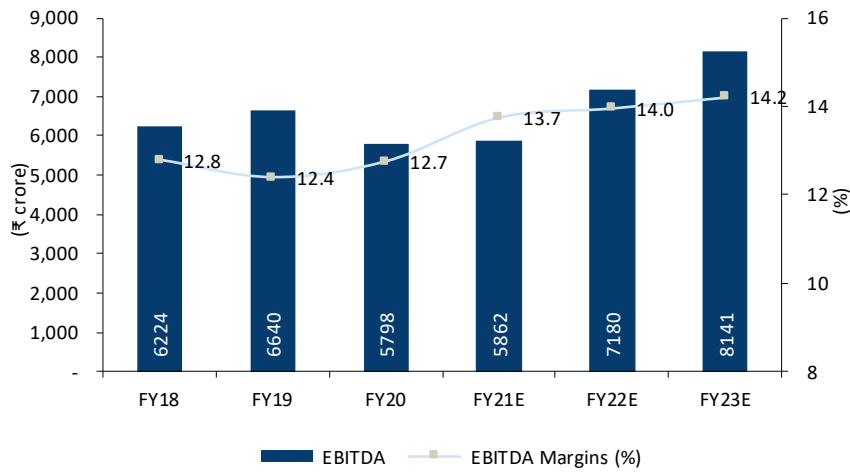
Exhibit 7: Segment wise volume trend



In Q2FY21, automotive segment volumes declined 23% YoY to 92,024 units while sales for tractors rose 30% YoY to ~93,246 units

Source: Company, ICICI Direct Research

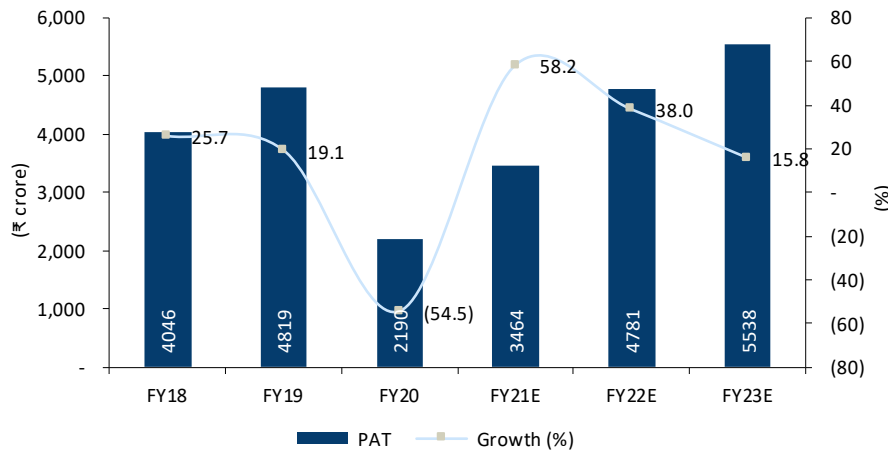
Exhibit 8: EBITDA and EBITDA margin trend



We build in 14% & 14.2% as EBITDA margins in FY22E and FY23E, respectively

Source: Company, ICICI Direct Research

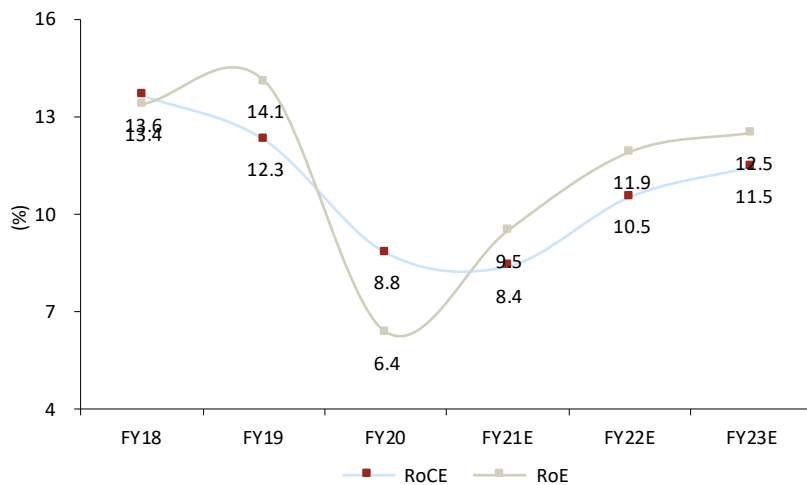
Exhibit 9: Profitability (adjusted PAT) trend



Adjusted PAT expected to grow to ₹ 5,538 crore by FY23E

Source: Company, ICICI Direct Research

Exhibit 10: Return ratios trend



RoCE profile at M&M seen improving to ~12% levels gradually by FY23E

Source: Company, ICICI Direct Research

Exhibit 11: Valuation matrix (SOTP Valuation)

Valuation Matrix (SOTP)					
Automotive Business (UV +PV +CV +Tractors)	₹crore	₹/share	Remark		
<b>Standalone business</b>					
FY 22E EBITDA	7,180				
Assigning EV/EBITDA Multiple of 7.5x	7.5				
Enterprise Value	53,852	451			
Net Debt	(6,782)	-57			
<b>Value of Standalone Business (A)</b>	<b>60,634</b>	<b>508</b>			
<b>Mahindra Vehicle Manufacturers Ltd</b>					
Investment made by M&M (wholly owned subsidiary)	4,065				
Assigning 0.5x P/B on investment value	0.5				
<b>Value of MVML attributable to M&amp;M (B)</b>	<b>2,033</b>	<b>17</b>			
<b>Total value of automobile business (C = A+B)</b>		<b>525</b>			
Value of Investments (listed companies)	M&M stake (%)	Estimated value ₹ crore	Contribution to M&M ₹crore	₹/share	Remark
Tech Mahindra	26	80,195	20,898.71	175	Current market cap
M&M Financial Services	51	17,669	9,047	76	Current market cap
Mahindra Life space	52	1,385	714	6	Current market cap
Mahindra CIE	11	5,306	607.0	5	Current market cap
Mahindra Holidays & Resorts	67	2,430	1635.4	14	Current market cap
Other subsidiaries & investments			8,571	72	
<b>Total Value of subsidiaries &amp; associates (D)</b>			<b>41,472.3</b>	<b>348</b>	
<b>Value of investments post 30% holding company discount (E = 0.7*D)</b>				<b>235</b>	
<b>M&amp;M Target Price (value of equity per share , C +E)</b>				<b>760</b>	

Source: ICICI Direct Research

Exhibit 12: Valuation Summary

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY 19	53,614	10.1	40.2	14.7	15.4	11.0	14.1	12.3
FY 20	45,488	(15.2)	11.2	(72.3)	33.8	12.7	6.4	8.8
FY 21E	42,636	(6.3)	22.8	104.6	21.4	12.3	9.5	8.4
FY 22E	51,438	20.6	40.1	75.6	15.5	9.8	11.9	10.5
FY 23E	57,296	11.4	46.4	15.8	13.4	8.2	12.5	11.5

Source: Company, ICICI Direct Research

Exhibit 13: Shareholding pattern

(in %)	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
Promoter	19.8	19.9	19.9	19.6	19.6
FII	34.2	34.0	33.9	34.6	34.7
DII	27.8	34.2	28.1	29.3	30.7
Others	18.1	22.0	18.1	16.5	15.0

Source: Bloomberg, ICICI Direct Research

## Financial Summary

Exhibit 14: Profit and loss statement					₹ crore
(Year-end March)	FY20	FY21E	FY22E	FY23E	
<b>Total operating Income</b>	<b>45,487.8</b>	<b>42,635.5</b>	<b>51,437.7</b>	<b>57,295.7</b>	
Growth (%)	-15.2	-6.3	20.6	11.4	
Raw Material Expenses	31,632.6	29,636.7	35,795.5	39,779.7	
Employee Expenses	2,880.1	2,881.4	3,086.7	3,252.2	
Other Expenses	5,177.1	4,255.6	5,375.2	6,122.4	
Total Operating Expenditure	39,689.8	36,773.7	44,257.4	49,154.3	
<b>EBITDA</b>	<b>5,798.0</b>	<b>5,861.8</b>	<b>7,180.3</b>	<b>8,141.4</b>	
Growth (%)	-12.7	1.1	22.5	13.4	
Depreciation	2,222.6	2,238.4	2,314.7	2,435.1	
Interest	113.3	310.7	193.1	119.7	
Other Income	1,667.8	1,754.3	1,719.0	1,816.4	
<b>PBT</b>	<b>5,129.9</b>	<b>5,067.0</b>	<b>6,391.5</b>	<b>7,403.1</b>	
Others (incl exceptional item)	2,014.0	1,085.2	0.0	0.0	
Total Tax	1,785.5	1,259.5	1,610.7	1,865.6	
<b>PAT</b>	<b>1,330.4</b>	<b>2,722.3</b>	<b>4,780.9</b>	<b>5,537.5</b>	
<b>Adjusted PAT</b>	<b>2,190.4</b>	<b>3,464.2</b>	<b>4,780.9</b>	<b>5,537.5</b>	
Growth (%)	-72.3	104.6	75.6	15.8	
<b>EPS (₹)</b>	<b>11.2</b>	<b>22.8</b>	<b>40.1</b>	<b>46.4</b>	

Source: Company, ICICI Direct Research

Exhibit 15: Cash flow statement					₹ crore
(Year-end March)	FY20	FY21E	FY22E	FY23E	
<b>Profit after Tax</b>	<b>3,344.4</b>	<b>2,722.3</b>	<b>4,780.9</b>	<b>5,537.5</b>	
Add: Depreciation	2,222.6	2,238.4	2,314.7	2,435.1	
(Inc)/dec in Current Assets	2,621.7	1,256.9	-2,139.9	-1,035.4	
Inc/(dec) in CL and Provisions	-3,857.5	173.1	1,889.7	1,266.0	
<b>CF from operating activities</b>	<b>4,331.2</b>	<b>6,390.7</b>	<b>6,845.3</b>	<b>8,203.1</b>	
(Inc)/dec in Investments	82.3	-3,250.0	-2,750.0	-4,500.0	
(Inc)/dec in Fixed Assets	-4,125.1	-1,500.0	-2,000.0	-1,500.0	
Others	791.7	10.7	-33.1	-22.0	
<b>CF from investing activities</b>	<b>(3,251.1)</b>	<b>(4,739.3)</b>	<b>(4,783.1)</b>	<b>(6,022.0)</b>	
Issue/(Buy back) of Equity	-94.0	0.0	0.0	0.0	
Inc/(dec) in loan funds	496.5	600.0	-900.0	-750.0	
Dividend paid & dividend tax	-336.4	-656.2	-1,133.4	-1,372.0	
Others	-641.5	0.0	0.0	0.0	
<b>CF from financing activities</b>	<b>(575.4)</b>	<b>(56.2)</b>	<b>(2,033.4)</b>	<b>(2,122.0)</b>	
Net Cash flow	504.8	1,595.2	28.8	59.1	
Opening Cash	3,731.6	4,236.4	5,831.6	5,860.5	
<b>Closing Cash</b>	<b>4,236.4</b>	<b>5,831.6</b>	<b>5,860.5</b>	<b>5,919.5</b>	

Source: Company, ICICI Direct Research

Exhibit 16: Balance Sheet					₹ crore
(Year-end March)	FY20	FY21E	FY22E	FY23E	
<b>Liabilities</b>					
Equity Capital	596.5	596.5	596.5	596.5	
Reserve and Surplus	33,871.3	35,937.4	39,584.9	43,750.4	
<b>Total Shareholders funds</b>	<b>34,467.8</b>	<b>36,534.0</b>	<b>40,181.4</b>	<b>44,346.9</b>	
Total Debt	3,068.0	3,668.0	2,768.0	2,018.0	
Deferred Tax Liability	1,408.2	1,408.2	1,408.2	1,408.2	
Others	1,621.2	1,519.5	1,833.3	2,042.0	
<b>Total Liabilities</b>	<b>40,565.3</b>	<b>43,129.7</b>	<b>46,190.9</b>	<b>49,815.2</b>	
<b>Assets</b>					
Gross Block	24,510.1	28,019.5	30,019.5	31,519.5	
Less: Acc Depreciation	14,115.5	16,353.9	18,668.6	21,103.6	
<b>Net Block</b>	<b>10,394.6</b>	<b>11,665.7</b>	<b>11,351.0</b>	<b>10,415.9</b>	
Capital WIP	4,009.5	2,000.0	2,000.0	2,000.0	
Total Fixed Assets	14,404.0	13,665.7	13,351.0	12,415.9	
Other investments	17,748.5	20,248.5	22,248.5	24,248.5	
Liquid Investments	2,189.7	2,939.7	3,689.7	6,189.7	
Inventory	3,400.9	2,920.2	3,523.1	3,924.4	
Debtors	2,999.0	2,336.2	3,523.1	3,924.4	
Loans and Advances	512.0	479.9	579.0	644.9	
Other current assets	1,297.0	1,215.7	1,466.7	1,633.7	
<b>Cash</b>	<b>4,236.4</b>	<b>5,831.6</b>	<b>5,860.5</b>	<b>5,919.5</b>	
Total Current Assets	12,951.7	13,290.0	15,458.8	16,553.3	
Creditors	6,785.8	7,008.6	8,455.5	9,418.5	
Provisions	595.6	615.1	742.1	826.6	
Total Current Liabilities	7,381.4	7,623.7	9,197.6	10,245.1	
<b>Net Current Assets</b>	<b>5,570.4</b>	<b>5,666.4</b>	<b>6,261.2</b>	<b>6,308.2</b>	
<b>Application of Funds</b>	<b>40,565.3</b>	<b>43,129.7</b>	<b>46,190.9</b>	<b>49,815.2</b>	

Source: Company, ICICI Direct Research

Exhibit 17: Key ratios					₹ crore
(Year-end March)	FY20	FY21E	FY22E	FY23E	
<b>Per share data (₹)</b>					
EPS	11.2	22.8	40.1	46.4	
Cash EPS	29.8	41.6	59.5	66.8	
BV	288.9	306.2	336.8	371.7	
DPS	2.4	5.5	9.5	11.5	
Cash Per Share	35.5	48.9	49.1	49.6	
<b>Operating Ratios (%)</b>					
EBITDA Margin	12.7	13.7	14.0	14.2	
PBT / Net sales	7.9	8.5	9.5	10.0	
PAT Margin	2.9	6.4	9.3	8.5	
Inventory days	27.3	25.0	25.0	25.0	
Debtor days	24.1	20.0	25.0	25.0	
Creditor days	54.5	60.0	60.0	60.0	
Net Working Capital days	-3.1	-15.0	-10.0	-10.0	
<b>Return Ratios (%)</b>					
RoE	6.4	9.5	11.9	12.5	
RoCE	8.8	8.4	10.5	11.5	
RoIC	11.9	11.2	14.0	16.0	
<b>Valuation Ratios (x)</b>					
P/E	55.6	27.2	15.5	13.4	
EV / EBITDA	12.7	12.3	9.8	8.2	
EV / Net Sales	1.6	1.7	1.4	1.2	
Market Cap / Sales	1.7	1.8	1.5	1.3	
Price to Book Value	2.1	2.0	1.8	1.7	
<b>Solvency Ratios</b>					
Debt/E equity	0.1	0.1	0.1	0.0	
Current Ratio	0.9	0.8	0.8	0.8	
<b>Quick Ratio</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	

Source: Company, ICICI Direct Research

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

Sector / Company	CMP (₹)	TP (₹)	Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
					FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E
Apollo Tyre (APOTYR)	165	175	Buy	9,439	8.3	6.4	11.6	19.8	25.8	14.2	8.1	6.3	5.6	4.5	5.0	7.0	4.8	3.3	6.3
Ashok Leyland (ASHLEY)	91	100	Buy	26,637	0.8	-0.6	2.4	111.5	-143.3	37.3	24.4	43.0	15.4	4.5	0.0	9.5	4.7	-2.6	9.5
Bajaj Auto (BAAUTO)	3,000	3,570	Buy	86,811	176.2	142.5	180.2	17.0	21.0	16.6	13.6	15.1	11.0	23.9	24.1	27.3	25.6	18.5	20.7
Balkrishna Ind. (BALIND)	1,475	1,700	Buy	28,514	48.9	48.1	58.6	30.2	30.7	25.2	23.2	18.3	15.1	14.4	17.6	19.7	18.8	16.7	18.2
Bharat Forge (BHAFOR)	520	415	Hold	24,210	7.5	3.5	13.7	69.3	149.2	38.0	24.0	32.6	18.1	5.8	2.2	7.9	7.8	3.0	11.1
Eicher Motors (EICMOT)	2,233	2,470	Buy	60,872	67.0	46.6	71.3	33.3	47.9	31.3	24.9	31.2	21.4	17.3	11.5	15.4	18.3	11.6	15.4
Escorts (ESCORT)	1,335	1,460	Buy	16,364	39.6	59.5	71.0	33.7	22.4	18.8	22.8	14.9	12.5	16.2	15.3	15.3	14.2	14.0	14.5
Exide Industries (EXIIND)	162	180	Buy	13,770	9.7	6.3	8.9	11.8	18.0	12.9	10.0	12.3	9.6	15.7	10.3	13.5	13.4	8.2	10.7
Hero Moto (HERHON)	2,950	3,450	Buy	58,912	181.9	123.6	161.8	16.2	23.9	18.2	13.2	15.2	11.4	21.3	16.6	20.6	22.7	16.0	19.0
<b>M&amp;M (MAHMAH)</b>	<b>620</b>	<b>760</b>	<b>Buy</b>	<b>77,078</b>	<b>11.2</b>	<b>22.8</b>	<b>40.1</b>	<b>55.6</b>	<b>27.2</b>	<b>15.5</b>	<b>12.7</b>	<b>12.3</b>	<b>9.8</b>	<b>8.8</b>	<b>8.4</b>	<b>10.5</b>	<b>6.4</b>	<b>9.5</b>	<b>11.9</b>
Maruti Suzuki (MARUTI)	6,800	6,335	Reduce	2,05,414	187.1	132.1	191.8	36.4	51.5	35.5	23.2	33.2	21.5	7.4	3.6	7.6	11.7	7.8	10.6
Minda Industries (MININD)	340	370	Hold	8,915	5.9	2.8	10.0	57.6	120.8	33.9	16.0	18.5	12.0	10.2	6.3	12.7	10.3	4.0	13.0
Tata Motors (TATMOT)	146	165	Buy	52,526	-33.3	-16.6	6.1	NM	NM	23.9	5.3	4.9	3.6	1.3	2.8	6.4	-18.7	-10.6	3.7

Source: Bloomberg, ICICI Direct Research



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Sell: <-15%



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