

# Bharat Forge

Refer to important disclosures at the end of this report

## Results above estimates; growth prospects remain positive

- BHFC's Q4 EBITDA grew 29% yoy to Rs4.3bn and came in 15% above our estimate, driven by better scale. Revenue grew by 28% yoy to Rs16.7bn, 12% above estimates on higher sales in the domestic industrials and overseas auto segments.
- We reduce our FY23E/24E EPS by 4%/3% to Rs25.6/Rs31.9, factoring in input cost pressures. Following the revision, we build in robust FY22-24E revenue/earnings CAGRs of 15%/21%, led by the cyclical recovery in the underlying auto and industrial segments in both domestic and overseas markets. Margins are likely to improve to 28.1% in FY24E from 26.9% in FY22.
- Our positive view on BHFC is underpinned by its leadership position in automotive forgings, focus on diversification, and the continuation of cyclical upturn in the core segments. Medium-term performance should be supported by new segments such as Defense, Railways, aerospace, E-mobility, and Light-weighting solutions.
- Retain Buy with a TP of Rs810 (Rs840 earlier), based on 24x P/E for the standalone business on Jun'24E EPS (25x Mar'24E earlier). Our target P/E multiple has reduced due to an increase in the cost of equity and a reduction in margin assumptions over the medium term in our DCF model.

**What we like?** 1) In FY22, the Indian operations secured new orders worth ~Rs10bn across automotive and industrial applications. This includes EV orders of ~Rs5bn. 2) In the US operations, new orders worth \$150mn have been secured across steel and aluminum forging operations; xEV orders account for ~80% of aluminum orders. 3) The total EV order-book for Germany, US and India regions stands in excess of ~Rs15bn. 4) ATAGS has successfully completed field trials and orders are expected in FY23. 5) Export PV revenues are expected to grow at 30% in FY23, supported by pending orders.

**EBITDA above estimates:** Revenue grew by 28% yoy to Rs16.7bn (est.: Rs15bn), above estimates due to higher sales in the domestic industrials and overseas auto segments. Tonnage grew by 3% and realization grew by 24%. EBITDA grew by 29% to Rs4.3bn (est.: Rs3.7bn), above estimates, owing to operating leverage benefits. EBITDA margin expanded by 20bps to 25.7%. Accordingly, adjusted PAT grew 46% to Rs2.6bn (est.: Rs2.2bn), above estimates, mainly led by higher operating profits. Overseas subsidiaries' adj. PBT profit stood at Rs147mn vs. Rs309mn last year. The profitability was impacted by cost pressures and the recent commencement of the US aluminum facility. Net debt (standalone) stood at Rs14.2bn as of Mar'22 vs. Rs16.3bn as of Dec'21.

**Maintain Buy** with a TP of Rs810, based on 24x P/E for the standalone business on Jun'24E EPS. Net debt-to-equity is expected to improve to 0.03x in FY24E from 0.24x in FY22E, with an average FCF generation of Rs14bn/year. **Key risks:** 1) lower-than-expected growth in key segments and geographies; 2) supply constraints at the company and customer-end; and 3) adverse commodity and currency rates.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(Page 9\)](#)

### Financial Snapshot (Standalone)

(Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Revenue	36,515	62,546	72,224	83,013	90,514
EBITDA	7,332	16,804	19,535	23,291	25,540
EBITDA Margin (%)	20.1	26.9	27.0	28.1	28.2
APAT	3,269	10,107	12,081	14,867	16,478
EPS (Rs)	7.0	21.7	25.9	31.9	35.4
EPS (% chg)	(42.5)	209.2	19.5	23.1	10.8
ROE (%)	5.8	15.5	16.0	17.4	16.9
P/E (x)	94.2	30.5	25.5	20.7	18.7
EV/EBITDA (x)	43.9	19.4	16.2	13.3	11.8
P/BV (x)	5.2	4.3	3.8	3.4	3.0

Source: Company, Emkay Research

CMP	Target Price
Rs 661 as of (May 16, 2022)	Rs 810 (▼) 12 months
Rating	Upside
BUY (■)	22.5 %

### Change in Estimates

EPS Chg FY23E/FY24E (%)	(4.4)/(2.7)
Target Price change (%)	(3.5)
Target Period (Months)	12
Previous Reco	BUY

### Emkay vs Consensus

EPS Estimates		
	FY23E	FY24E
Emkay	25.9	31.9
Consensus	25.7	31.5
Mean Consensus TP (12M)	Rs 893	

### Stock Details

Bloomberg Code	BHFC IN
Face Value (Rs)	2
Shares outstanding (mn)	466
52 Week H/L	848 / 595
M Cap (Rs bn/USD bn)	308 / 3.98
Daily Avg Volume (nos.)	1,581,419
Daily Avg Turnover (US\$ mn)	13.8

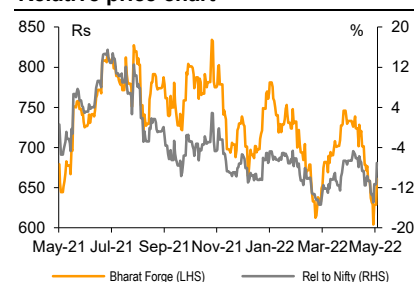
### Shareholding Pattern Mar '22

Promoters	45.3%
FIIs	19.8%
DIIIs	23.6%
Public and Others	11.4%

### Price Performance

(%)	1M	3M	6M	12M
Absolute	(10)	(8)	(17)	2
Rel. to Nifty	-	-	(6)	(5)

### Relative price chart



Source: Bloomberg

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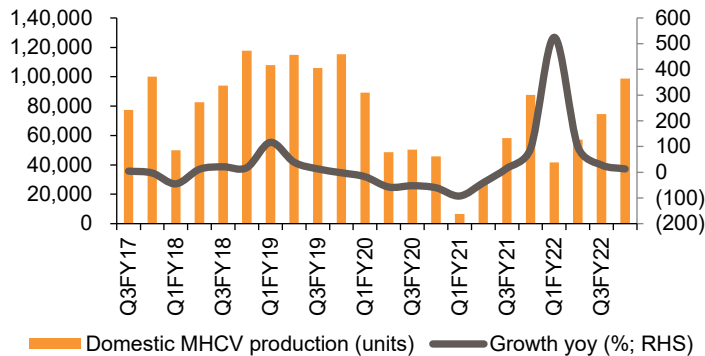
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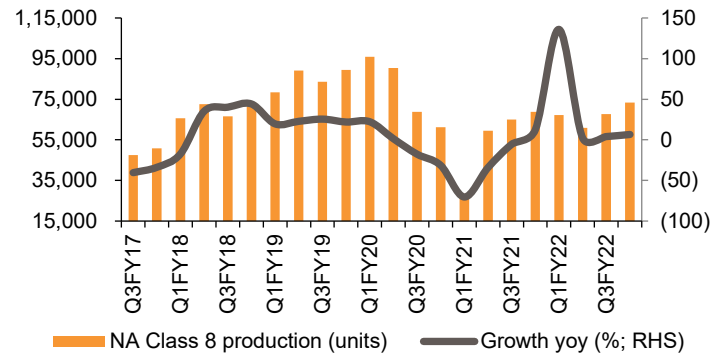
# Story in Charts

**Exhibit 1: Domestic MHCV production grew by 13% yoy; Expect production growth of 34% in FY23E**



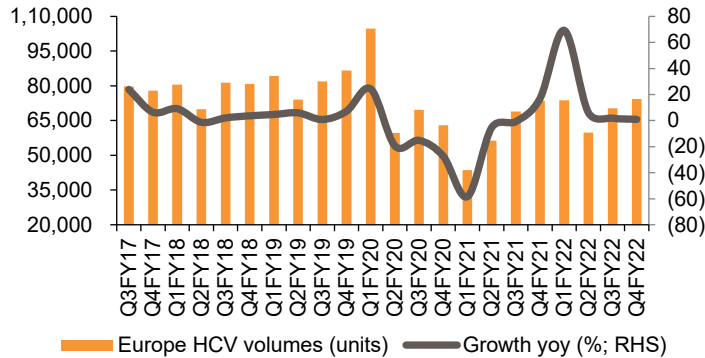
Source: SIAM, Emkay Research

**Exhibit 2: North America Class 8 production in Q1FY23 is estimated to grow by 10%; BHFC supplies with lead of 2-3 months; Expect production growth of 12% in CY22E**



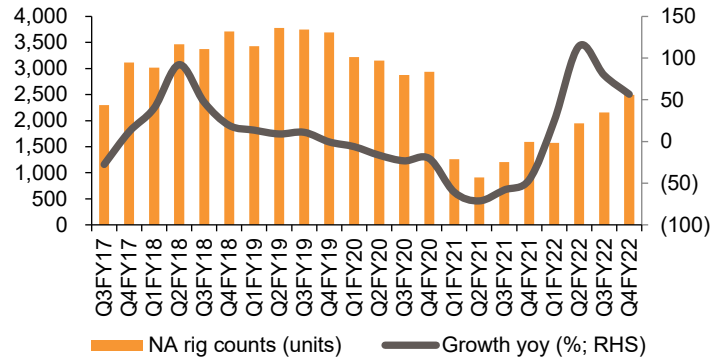
Source: Industry, Emkay Research

**Exhibit 3: Europe HCV volume in Q1FY23 is estimated to grow by 4%; BHFC generally supplies with lead of 2-3 months; Expect volume growth of 6% in CY22E**



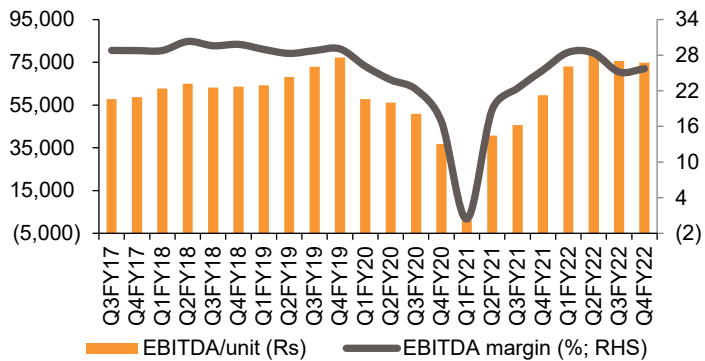
Source: Bloomberg, Emkay Research

**Exhibit 4: North America rig count in Q1FY23 is estimated to grow by 59%; BHFC generally supplies with lead of 2-3 months; Expect 38% growth in CY22E**



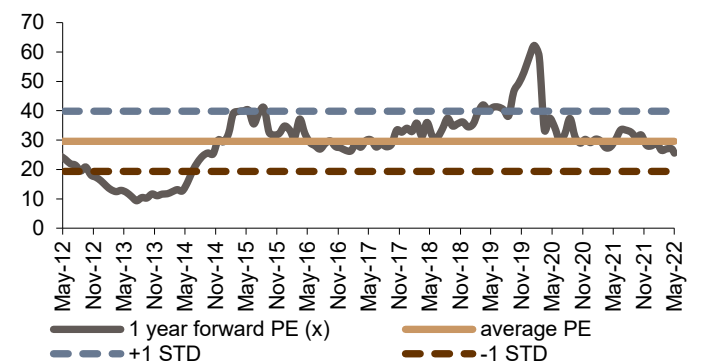
Source: Baker Hughes, Emkay Research

**Exhibit 5: EBITDA margin expanded by 20bps to 25.7%, led by positive operating leverage**



Source: Company, Emkay Research

**Exhibit 6: One-year forward P/E (Average: 30x, +1sd: 40x, -1sd: 19x)**



Source: Company, Emkay Research

## Con-call takeaways

### Order-bookings

- In FY22, India operations secured new orders worth ~Rs10bn across automotive and industrial applications. This includes EV orders of ~Rs5bn.
- In the US operations, new orders worth \$150mn have been secured across steel and aluminum forging operations. xEV orders account for ~80% of aluminum orders.
- The EV vertical has secured orders from a global EV OEM for the supply of aluminum castings and its maiden order from an Indian OEM for the supply of DC-DC converters for CV applications.
- Total EV order-book is in excess of ~Rs15bn for Germany, US and India regions.

### Outlook

- US/Europe CV production growth is expected to be robust for CY22/23. Order-backlogs are healthy, with production slots booked for at least 12 months.
- Domestic MHCV industry production growth is expected to be robust for FY23, supported by the improvement in fleet operators' profitability and the strong focus of the government on infrastructure development.
- Management expects an uptrend in Oil & Gas revenues in FY23, on new products and increasing rig counts.
- PV segment revenues are likely to outpace the underlying market on market share gains and new products. Expects 30% growth in overseas PVs in FY23.
- ATAGS has successfully completed field trials and orders are expected in FY23.
- CLWT revenue stood at Rs200-300mn in FY22, and is expected to improve to Rs2bn in FY24.
- Aerospace segment revenue expected to grow at 30-40% in FY23.
- Domestic industrial segment revenue growth is expected to be healthy in the medium term, as the focus remains on new products and import substitution.

### Others

- Q4FY22 losses in India subsidiaries were due to Defense and EV subsidiaries. Sanghvi Forgings has registered positive EBITDA.
- Q4FY22 USD-INR realization stood at Rs76/USD.
- Consolidated capex is expected at Rs3-3.5bn in FY23.
- JS Auto acquisition is expected to be completed in Q1FY23. The company expects to triple revenues over five years.
- Tork Motors has order book of ~1,000 units. It is targeting component supplies to other OEMs, and capacity is being set up for it.

**Exhibit 7: Revenue assumptions: Expect strong revenue CAGR of 15% over FY22-24E**

Key revenue assumptions (Rs mn)	FY20	FY21	FY22	FY23E	FY24E	FY25E	CAGR % FY22-24E
Domestic CV	5,167	5,111	7,417	10,297	12,356	14,210	29
yoy (%)	-53	-1	45	39	20	15	
Domestic PV	2,263	2,161	2,936	3,829	4,786	5,408	28
yoy (%)	-5	-5	36	30	25	13	
Domestic Industrial	8,078	7,446	11,665	10,857	13,030	14,286	6
yoy (%)	-20	-8	57	-7	20	10	
Total Domestic	15,508	14,718	22,018	24,983	30,172	33,903	17
yoy (%)	-34	-5	50	13	21	12	
Export CV	12,702	9,591	17,180	18,868	19,341	20,213	6
yoy (%)	-20	-24	79	10	3	5	
Export PV	5,047	4,496	5,619	6,462	7,754	8,530	17
yoy (%)	4	-11	25	15	20	10	
Export Industrial	8,753	5,555	13,904	16,555	18,784	20,088	16
yoy (%)	-47	-37	150	19	13	7	
Total Export	26,502	19,642	36,703	41,885	45,879	48,831	12
yoy (%)	-29	-26	87	14	10	6	
CLWT			250	1,000	2,000	2,400	
yoy (%)					100	20	
Scrap	2,310	1,670	2,978	3,424	3,938	4,253	15
yoy (%)	-18	-28	78	15	15	8	
Other operating income	1,319	486	847	932	1,025	1,127	10
yoy (%)	-24	-63	74	10	10	10	
<b>Total Revenue (Rs mn)</b>	<b>45,639</b>	<b>36,516</b>	<b>62,796</b>	<b>72,224</b>	<b>83,013</b>	<b>90,514</b>	<b>15</b>
yoy (%)	-30	-20	71	15	15	9	

Source: Company, Emkay Research

**Exhibit 8: Changes in estimates**

Rs mn	FY23E				FY24E				FY25E	
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Introducing	% YoY
Revenues	73,187	72,224	(1.3)	15.5	82,352	83,013	0.8	14.9	90,514	9.0
EBITDA	20,223	19,535	(3.4)	16.3	23,683	23,291	(1.7)	19.2	25,540	9.7
Margin (%)	27.6	27.0	-58 bps	18 bps	28.8	28.1	-70 bps	101 bps	28.2	16 bps
Net Profit	12,637	12,081	(4.4)	19.5	15,280	14,867	(2.7)	23.1	16,478	10.8
FDEPS	27.1	25.9	(4.4)	19.5	32.8	31.9	(2.7)	23.1	35.4	10.8

Source: Company, Emkay Research

**Exhibit 9: Actual vs. Estimates (Q4FY22)**

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	16,741	14,998	16,257	11.6	3.0	Above estimates due to higher sales in domestic industrials and overseas auto segments
EBITDA	4,308	3,743	3,882	15.1	11.0	Above estimates owing to operating leverage benefits
EBITDA Margin (%)	25.7	25.0	23.9	78 bps	185 bps	
Adjusted Net profit	2,640	2,175	2,406	21.4	9.7	Above estimates mainly led by higher operating profit

Source: Bloomberg, Company, Emkay Research

## Exhibit 10: Quarterly Financial Summary (Standalone)

Rs mn	Q4FY21	Q1FY22	Q2FY22	Q3FY22	Q4FY22	YoY (%)	QoQ(%)	FY22	FY21	YoY(%)
<b>Revenue</b>	<b>13,073</b>	<b>13,718</b>	<b>16,066</b>	<b>16,021</b>	<b>16,741</b>	<b>28.1</b>	<b>4.5</b>	<b>62,546</b>	<b>36,515</b>	<b>71.3</b>
<b>Expenditure</b>	<b>9,742</b>	<b>9,809</b>	<b>11,513</b>	<b>11,987</b>	<b>12,433</b>	<b>27.6</b>	<b>3.7</b>	<b>45,742</b>	<b>29,183</b>	<b>56.7</b>
as % of sales	74.5	71.5	71.7	74.8	74.3			73.1	79.9	
Consumption of RM	5,266	5,211	6,384	6,681	7,250	37.7	8.5	25,526	14,145	80.5
as % of sales	40.3	38.0	39.7	41.7	43.3			40.8	38.7	
Employee Cost	1,134	1,216	1,275	1,284	1,283	13.1	(0.1)	5,058	4,482	12.8
as % of sales	8.7	8.9	7.9	8.0	7.7			8.1	12.3	
Other expenditure	3,342	3,381	3,854	4,022	3,901	16.7	(3.0)	15,158	10,556	43.6
as % of sales	25.6	24.6	24.0	25.1	23.3			24.2	28.9	
<b>EBITDA</b>	<b>3,332</b>	<b>3,910</b>	<b>4,553</b>	<b>4,034</b>	<b>4,308</b>	<b>29.3</b>	<b>6.8</b>	<b>16,804</b>	<b>7,332</b>	<b>129.2</b>
Depreciation	1,006	1,019	1,026	1,031	1,042	3.6	1.1	4,118	3,661	12.5
<b>EBIT</b>	<b>2,326</b>	<b>2,891</b>	<b>3,528</b>	<b>3,002</b>	<b>3,266</b>	<b>40.4</b>	<b>8.8</b>	<b>12,686</b>	<b>3,671</b>	
Other Income	320	333	322	358	662	107.0	84.7	1,675	1,405	19.3
Interest	137	406	142	118	407	198.4	244.8	1,073	779	37.7
<b>PBT</b>	<b>2,509</b>	<b>2,818</b>	<b>3,708</b>	<b>3,242</b>	<b>3,520</b>	<b>40.3</b>	<b>8.6</b>	<b>13,288</b>	<b>4,297</b>	<b>209.3</b>
Total Tax	705	539	891	873	879	24.7	0.8	3,181	1,028	209.4
<b>Adjusted PAT</b>	<b>1,804</b>	<b>2,279</b>	<b>2,818</b>	<b>2,370</b>	<b>2,640</b>	<b>46.4</b>	<b>11.4</b>	<b>10,107</b>	<b>3,269</b>	<b>209.2</b>
Extra ordinary items Loss/(Gain)	-251	612	-300	-1,004	21			-671	148	
<b>Reported PAT</b>	<b>2,054</b>	<b>1,667</b>	<b>3,118</b>	<b>3,374</b>	<b>2,620</b>	<b>27.5</b>	<b>(22.4)</b>	<b>10,778</b>	<b>3,121</b>	<b>245.3</b>
<b>Adjusted EPS</b>	<b>3.9</b>	<b>4.9</b>	<b>6.1</b>	<b>5.1</b>	<b>5.7</b>	<b>46.4</b>	<b>11.4</b>	<b>21.7</b>	<b>7.0</b>	<b>209.2</b>

Margins (%)						(bps)	(bps)			(bps)
EBIDTA	25.5	28.5	28.3	25.2	25.7	25	56	26.9	20.1	679
EBIT	17.8	21.1	22.0	18.7	19.5	172	77	20.3	10.1	1,023
EBT	19.2	20.5	23.1	20.2	21.0	184	79	21.2	11.8	948
PAT	13.8	16.6	17.5	14.8	15.8	198	98	16.2	9.0	721
Effective Tax rate	28.1	19.1	24.0	26.9	25.0	(313)	(193)	23.9	23.9	1

Source: Company, Emkay Research

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

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>Revenue</b>	<b>36,515</b>	<b>62,546</b>	<b>72,224</b>	<b>83,013</b>	<b>90,514</b>
<b>Expenditure</b>	<b>29,183</b>	<b>45,742</b>	<b>52,688</b>	<b>59,722</b>	<b>64,975</b>
<b>EBITDA</b>	<b>7,332</b>	<b>16,804</b>	<b>19,535</b>	<b>23,291</b>	<b>25,540</b>
Depreciation	3,661	4,118	4,510	4,957	5,450
<b>EBIT</b>	<b>3,671</b>	<b>12,686</b>	<b>15,026</b>	<b>18,334</b>	<b>20,089</b>
Other Income	1,405	1,675	1,859	2,063	2,383
Interest expenses	779	1,073	989	835	791
<b>PBT</b>	<b>4,297</b>	<b>13,288</b>	<b>15,896</b>	<b>19,562</b>	<b>21,681</b>
Tax	1,028	3,181	3,815	4,695	5,203
Extraordinary Items	(148)	671	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
<b>Reported Net Income</b>	<b>3,121</b>	<b>10,778</b>	<b>12,081</b>	<b>14,867</b>	<b>16,478</b>
<b>Adjusted PAT</b>	<b>3,269</b>	<b>10,107</b>	<b>12,081</b>	<b>14,867</b>	<b>16,478</b>

**Balance Sheet**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
Equity share capital	931	931	931	931	931
Reserves & surplus	58,555	70,166	79,186	90,285	102,587
<b>Net worth</b>	<b>59,486</b>	<b>71,098</b>	<b>80,117</b>	<b>91,217</b>	<b>103,518</b>
<b>Minority Interest</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Loan Funds</b>	<b>37,117</b>	<b>39,992</b>	<b>31,062</b>	<b>28,965</b>	<b>27,913</b>
Net deferred tax liability	2,346	2,888	2,967	3,065	3,174
<b>Total Liabilities</b>	<b>98,949</b>	<b>113,978</b>	<b>114,147</b>	<b>123,247</b>	<b>134,605</b>
<b>Net block</b>	<b>34,590</b>	<b>33,011</b>	<b>33,232</b>	<b>32,574</b>	<b>31,624</b>
<b>Investment</b>	<b>35,693</b>	<b>38,998</b>	<b>43,998</b>	<b>49,998</b>	<b>59,998</b>
<b>Current Assets</b>	<b>38,163</b>	<b>53,919</b>	<b>55,953</b>	<b>62,901</b>	<b>67,484</b>
Cash & bank balance	2,801	3,828	2,532	2,637	3,015
Other Current Assets	4,234	5,468	6,314	7,257	7,913
<b>Current liabilities &amp; Provision</b>	<b>12,196</b>	<b>14,431</b>	<b>19,286</b>	<b>22,677</b>	<b>24,952</b>
<b>Net current assets</b>	<b>25,967</b>	<b>39,488</b>	<b>36,667</b>	<b>40,224</b>	<b>42,533</b>
Misc. exp	0	0	0	0	0
<b>Total Assets</b>	<b>98,949</b>	<b>113,978</b>	<b>114,147</b>	<b>123,247</b>	<b>134,605</b>

**Cash Flow**

Y/E Mar (Rs mn)	FY21	FY22	FY23E	FY24E	FY25E
<b>PBT (Ex-Other income) (NI+Dep)</b>	<b>2,745</b>	<b>12,284</b>	<b>14,037</b>	<b>17,499</b>	<b>19,298</b>
Other Non-Cash items	0	0	0	0	0
Chg in working cap	1,818	(10,481)	1,055	(4,114)	(2,268)
<b>Operating Cashflow</b>	<b>6,733</b>	<b>1,079</b>	<b>18,684</b>	<b>16,599</b>	<b>20,489</b>
Capital expenditure	(3,128)	(3,026)	(2,500)	(4,500)	(4,500)
<b>Free Cash Flow</b>	<b>3,604</b>	<b>(1,946)</b>	<b>16,184</b>	<b>12,099</b>	<b>15,989</b>
Investments	(8,485)	295	(5,000)	(6,000)	(10,000)
Other Investing Cash Flow	314	245	(1,859)	(2,063)	(2,383)
<b>Investing Cashflow</b>	<b>(9,895)</b>	<b>(812)</b>	<b>(7,500)</b>	<b>(10,500)</b>	<b>(14,500)</b>
Equity Capital Raised	0	0	0	0	0
Loans Taken / (Repaid)	4,304	3,380	(8,929)	(2,097)	(1,052)
Dividend paid (incl tax)	0	(1,642)	(2,561)	(3,062)	(3,768)
Other Financing Cash Flow	(2,317)	(265)	0	0	0
<b>Financing Cashflow</b>	<b>1,521</b>	<b>759</b>	<b>(12,480)</b>	<b>(5,994)</b>	<b>(5,611)</b>
<b>Net chg in cash</b>	<b>(1,641)</b>	<b>1,027</b>	<b>(1,296)</b>	<b>105</b>	<b>378</b>
Opening cash position	4,442	2,801	3,828	2,532	2,637
<b>Closing cash position</b>	<b>2,801</b>	<b>3,828</b>	<b>2,532</b>	<b>2,637</b>	<b>3,015</b>

Source: Company, Emkay Research

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**Key Ratios**

<b>Profitability (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EBITDA Margin	20.1	26.9	27.0	28.1	28.2
EBIT Margin	10.1	20.3	20.8	22.1	22.2
Effective Tax Rate	23.9	23.9	24.0	24.0	24.0
Net Margin	9.0	16.2	16.7	17.9	18.2
ROCE (post tax)	4.1	10.1	11.1	12.9	13.1
ROE	5.8	15.5	16.0	17.4	16.9
RoIC (post tax)	5.2	15.3	16.8	20.3	21.6

<b>Per Share Data (Rs)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
EPS	7.0	21.7	25.9	31.9	35.4
CEPS	14.9	30.5	35.6	42.6	47.1
BVPS	127.7	152.7	172.0	195.9	222.3
DPS	2.0	5.5	6.6	8.1	9.0

<b>Valuations (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
PER	94.2	30.5	25.5	20.7	18.7
P/CEPS	44.4	21.7	18.6	15.5	14.0
P/BV	5.2	4.3	3.8	3.4	3.0
EV / Sales	8.8	5.2	4.4	3.7	3.3
EV / EBITDA	43.9	19.4	16.2	13.3	11.8
Dividend Yield (%)	0.3	0.8	1.0	1.2	1.4

<b>Gearing Ratio (x)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Net Debt/ Equity	0.2	0.2	0.1	0.0	(0.1)
Net Debt/EBIDTA	1.9	1.0	0.4	0.1	(0.2)
Working Cap Cycle (days)	231.6	208.1	172.5	165.3	159.4

<b>Growth (%)</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23E</b>	<b>FY24E</b>	<b>FY25E</b>
Revenue	(20.0)	71.3	15.5	14.9	9.0
EBITDA	(29.5)	129.2	16.3	19.2	9.7
EBIT	(47.2)	245.5	18.4	22.0	9.6
PAT	(34.1)	245.3	12.1	23.1	10.8

<b>Quarterly (Rs mn)</b>	<b>Q4FY21</b>	<b>Q1FY22</b>	<b>Q2FY22</b>	<b>Q3FY22</b>	<b>Q4FY22</b>
Revenue	13,073	13,718	16,066	16,021	16,741
EBITDA	3,332	3,910	4,553	4,034	4,308
<b>EBITDA Margin (%)</b>	<b>25.5</b>	<b>28.5</b>	<b>28.3</b>	<b>25.2</b>	<b>25.7</b>
PAT	1,804	2,279	2,818	2,370	2,640
<b>EPS (Rs)</b>	<b>3.9</b>	<b>4.9</b>	<b>6.1</b>	<b>5.1</b>	<b>5.7</b>

Source: Company, Emkay Research

<b>Shareholding Pattern (%)</b>	<b>Mar-21</b>	<b>Jun-21</b>	<b>Sep-21</b>	<b>Dec-21</b>	<b>Mar-22</b>
Promoters	45.8	44.8	44.8	44.8	45.3
FIs	24.9	25.3	25.1	23.4	19.8
DIs	12.2	12.1	13.3	20.0	23.6
Public and Others	17.1	17.8	16.9	11.9	11.4

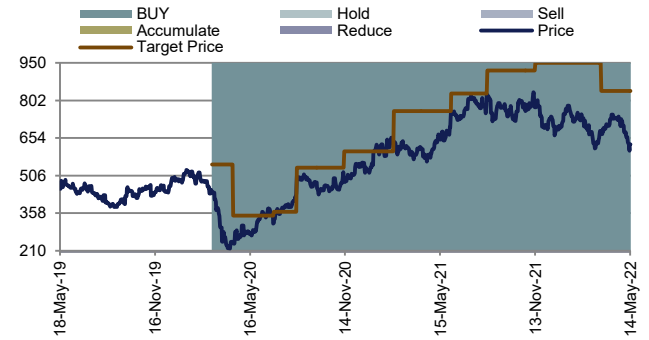
Source: Capitaline

## RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
06-Apr-22	727	840	12m	Buy	Mumuksh Mandlesha
19-Mar-22	682	840	12m	Buy	Mumuksh Mandlesha
24-Feb-22	668	950	12m	Buy	Mumuksh Mandlesha
11-Feb-22	732	950	12m	Buy	Mumuksh Mandlesha
16-Nov-21	801	950	12m	Buy	Mumuksh Mandlesha
13-Nov-21	775	950	12m	Buy	Mumuksh Mandlesha
23-Aug-21	720	920	12m	Buy	Mumuksh Mandlesha
13-Aug-21	820	920	12m	Buy	Mumuksh Mandlesha
02-Jul-21	772	830	12m	Buy	Mumuksh Mandlesha
18-Jun-21	727	830	12m	Buy	Mumuksh Mandlesha
11-Jun-21	748	830	12m	Buy	Mumuksh Mandlesha
05-Jun-21	751	830	12m	Buy	Mumuksh Mandlesha
01-Jun-21	667	760	12m	Buy	Mumuksh Mandlesha
30-May-21	678	760	12m	Buy	Mumuksh Mandlesha
15-Feb-21	628	760	12m	Buy	Mumuksh Mandlesha
17-Nov-20	495	601	12m	Buy	Mumuksh Mandlesha
12-Nov-20	497	601	12m	Buy	Mumuksh Mandlesha
11-Oct-20	466	537	12m	Buy	Mumuksh Mandlesha
28-Sep-20	454	537	12m	Buy	Mumuksh Mandlesha
13-Aug-20	503	537	12m	Buy	Mumuksh Mandlesha
30-Jun-20	319	363	12m	Buy	Mumuksh Mandlesha
29-Jun-20	317	348	12m	Buy	Mumuksh Mandlesha
04-May-20	270	348	12m	Buy	Mumuksh Mandlesha
13-Apr-20	239	348	12m	Buy	Mumuksh Mandlesha
04-Mar-20	437	550	12m	Buy	Mumuksh Mandlesha

Source: Company, Emkay Research

## RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research



## Emkay Alpha Portfolio – Automobiles & Auto Ancillaries



### Analyst: Raghunandhan NL

#### Contact Details

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#### Sector

Automobiles and Ancillaries

#### Analyst bio

Raghu holds an MBA and comes with total 13 years of research experience. His team currently covers 17 stocks in the Indian Automobiles and Ancillaries space.

### EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight based on Current NAV	Change vs last published EAP (bps)
<b>Auto &amp; Auto Ancillaries</b>	<b>4.56</b>	<b>4.56</b>	<b>0%</b>	<b>0</b>	<b>100.00</b>	
Amara Raja Batteries	0.00	0.00	NA	0	0.00	0
Apollo Tyres	0.00	0.00	NA	0	0.00	0
Ashok Leyland	0.19	0.19	0%	0	4.20	0
Atul Auto	0.00	0.00	NA	0	0.00	0
Bajaj Auto	0.51	0.41	-20%	-10	8.97	0
Bharat Forge	0.17	0.17	0%	0	3.83	0
Eicher Motors	0.37	0.37	0%	0	8.08	0
Escorts	0.00	0.02	NA	2	0.40	0
Exide Industries	0.00	0.00	NA	0	0.00	0
Hero Motocorp	0.34	0.34	0%	0	7.57	0
Mahindra & Mahindra	0.92	0.94	2%	2	20.70	0
Maruti Suzuki India	1.02	1.04	2%	2	22.91	0
Motherson Sumi	0.00	0.00	NA	0	0.00	0
Motherson Sumi Wiring India	0.00	0.02	NA	2	0.40	0
Tata Motors	0.77	0.78	2%	1	17.19	0
Tata Motors DVR*	0.10	0.11	10%	1	2.37	0
TVS Motor	0.15	0.15	0%	0	3.37	0
<b>Cash</b>	<b>0.00</b>	<b>0.00</b>	<b>NA</b>	<b>0</b>	<b>0.0</b>	<b>0</b>

Source: Emkay Research

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

### Sector portfolio NAV

	Base					Latest
	1-Apr-19	14-May-21	12-Nov-21	11-Feb-22	13-Apr-22	13-May-22
EAP - Auto & Auto Ancillaries	100.0	117.3	141.0	139.4	128.8	124.8
BSE200 Neutral Weighted Portfolio (ETF)	100.0	117.5	139.9	138.3	128.1	124.6

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

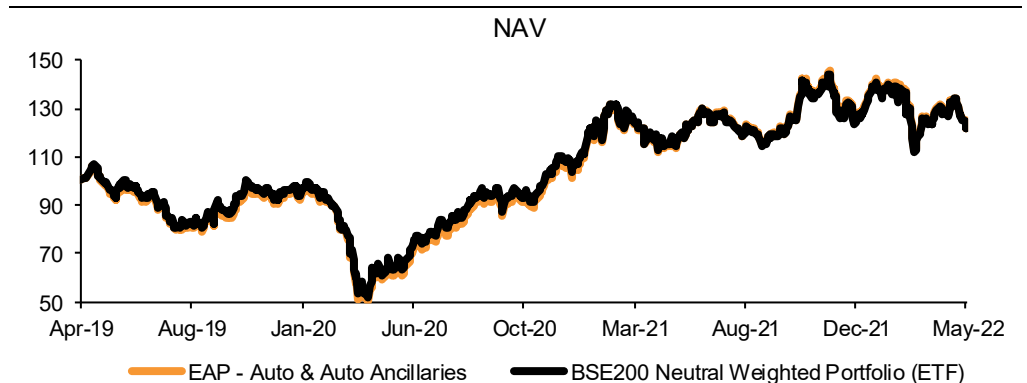
Source: Emkay Research

### Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	-3.1%	-10.4%	-11.5%	6.4%
BSE200 Neutral Weighted Portfolio (ETF)	-2.7%	-9.9%	-11.0%	6.0%

Source: Emkay Research

### NAV chart



Source: Emkay Research

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

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

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

## Emkay Rating Distribution

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

Completed Date: 17 May 2022 00:41:10 (SGT)  
Dissemination Date: 17 May 2022 00:42:10 (SGT)

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