

November 7, 2023

## Q2FY24 Result Update

☑ Change in Estimates | ■ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY24E	FY25E	FY24E	FY25E
Rating	BUY		BUY	
Target Price	1,170		1,170	
Sales (Rs.m)	1,60,813	1,77,497	1,63,482	1,80,406
% Chng.	(1.6)	(1.6)		
EBITDA (Rs.m)	28,008	36,271	29,248	36,224
% Chng.	(4.2)	0.1		
EPS (Rs.)	28.5	41.8	30.7	41.6
% Chng.	(7.1)	0.3		

### Key Financials - Standalone

Y/e Mar	FY23	FY24E	FY25E	FY26E
Sales (Rs. m)	1,29,103	1,60,813	1,77,497	1,92,304
EBITDA (Rs. m)	17,675	28,008	36,271	39,590
Margin (%)	13.7	17.4	20.4	20.6
PAT (Rs. m)	4,280	13,260	19,449	22,450
EPS (Rs.)	9.2	28.5	41.8	48.2
Gr. (%)	(60.3)	209.8	46.7	15.4
DPS (Rs.)	5.5	7.0	7.0	7.0
Yield (%)	0.5	0.7	0.7	0.7
RoE (%)	5.8	16.0	20.2	20.0
RoCE (%)	8.7	14.9	18.7	18.8
EV/Sales (x)	4.2	3.3	3.0	2.7
EV/EBITDA (x)	30.4	19.2	14.6	13.2
PE (x)	117.0	37.8	25.8	22.3
P/BV (x)	6.5	5.6	4.8	4.1

### Key Data

BFRG.BO | BHFC IN

52-W High / Low	Rs.1,148 / Rs.744
Sensex / Nifty	64,959 / 19,412
Market Cap	Rs.501bn / \$ 6,019m
Shares Outstanding	466m
3M Avg. Daily Value	Rs.1326.92m

### Shareholding Pattern (%)

Promoter's	45.25
Foreign	16.28
Domestic Institution	28.12
Public & Others	10.34
Promoter Pledge (Rs bn)	16.13

### Stock Performance (%)

	1M	6M	12M
Absolute	(1.5)	41.5	25.8
Relative	0.1	33.0	18.1

Himanshu Singh

himanshuksingh@plindia.com | 91-22-66322269

## Strong standalone performance

### Quick Pointers:

- Strong standalone performance to continue, aided by new revenue streams.
- Guidance unchanged for overseas subsidiaries.

**We cut our FY24E earnings by c7%, given miss on revenue and margins at overseas subsidiaries. Bharat Forge (BHFC) 2QFY24 standalone adj. EBITDA margin at 27.4% (140bps QoQ) came slightly above PLe (26.8%), however, subsidiaries' margins at +0.4% was -c330bps down QoQ and lower than PLe (4.7%). Strong growth was seen across segments in standalone, however, international subsidiary was lower QoQ given holiday season in key markets. Defense has been ramping up with Rs. 100bn run-rate in 2Q and BHFC sees strong double digit growth continuing for next two years. Aerospace is also expected to show a strong growth over the next few years.**

**We remain positive on BHFC given (1) multiple growth drivers in domestic & export automotive segment (upcycle in CV industry & easing chip shortage helping PVs), (2) strong order book leading to a strong growth in high margin non-auto segment (3) contribution from defense & renewable segment and (4) rising traction in E-mobility division. Retain 'BUY' with TP of Rs 1,170 at 26x Sep-25E EPS (unchanged).**

- Miss on revenues, largely in-line margins:** Standalone revenue grew by c21% YoY to Rs. 22.5bn and was in-line of PLe (Rs. 22.3bn) and Bloomberg consensus estimates (BBGe) (Rs. 22.2bn). Standalone EBITDA margins at 27.4% beat PLe (26.8%) and BBGe (26.5%). Consol. revenue at Rs. 37.7bn grew 22.7% YoY missed PLe (Rs. 40bn) and EBITDA margin expanded by 245bps YoY to 16.5% missing PLe by 54bps on lower operating leverage.
- Key takeaways:** (1) BHFC sees overall strong growth to continue in the medium term helped by growth in traditional business and new segments like aerospace and ramp-up in defense. (2) BHFCs PV exports growth was driven by market share gains, increasing value addition and order wins from newer geographies & customers. (3) Overseas subsidiary is expected to continue to ramp-up both in revenue and margins with Europe operations expected to be PBT positive and American operations to be EBITDA positive by 4QFY24. Aluminum business capacity utilization was at 50%/70% for US and Europe. (4) Defense: KSSL won new orders worth Rs. 11bn which will be executed over next 24 months. Order book now stands at Rs. 30bn. (5) Domestic PV business remains well placed driven by premiumisation and shift towards SUV within PV space. (6) JS Auto secured new orders of Rs. 550mn in 2QFY24, but growth is hampered by structural challenges in the wind industry and slowdown in construction and mining sectors. (7) BHFC noted that capex will be utilized in defence segment, aluminum casting, aluminum forging and EV business. This diversification will help reduce cyclicity and increase profitability. (8) While most traditional segments are expected to grow with market share gains and new segments to aid growth profile, tailwinds are present from ramp-up of defense, e-mobility and overseas subsidiaries. However, headwinds from geopolitical crises could impact growth.

**Exhibit 1: Standalone Q2FY24 Result Overview (Rs mn)**

Y/e March	2QFY24	2QFY23	YoY gr.(%)	1QFY24	QoQ gr.(%)	1HFY24	1HFY23	YoY gr.(%)
<b>Net Revenues</b>	<b>22,494</b>	<b>18,639</b>	<b>20.7</b>	<b>21,273</b>	<b>5.7</b>	<b>43,767</b>	<b>36,233</b>	<b>20.8</b>
Raw Materials	9,744	8,281	17.7	9,420	3.4	19,164	15,554	23.2
<i>% of Net Sales</i>	<i>43.3</i>	<i>44.4</i>		<i>44.3</i>		<i>43.8</i>	<i>42.9</i>	
Personnel	1,506	1,351	11.5	1,494	0.8	3,000	2,708	10.8
<i>% of Net Sales</i>	<i>6.7</i>	<i>7.2</i>		<i>7.0</i>		<i>6.9</i>	<i>7.5</i>	
Manufacturing & Other Exp	5,081	4,481	13.4	4,830	5.2	9,910	8,845	12.0
<i>% of Net Sales</i>	<i>22.6</i>	<i>24.0</i>		<i>22.7</i>		<i>22.6</i>	<i>24.4</i>	
Total Expenditure	16,331	14,113	15.7	15,743	3.7	32,074	27,107	18.3
<b>EBITDA</b>	<b>6,163</b>	<b>4,526</b>	<b>36.2</b>	<b>5,530</b>	<b>11.4</b>	<b>11,693</b>	<b>9,126</b>	<b>28.1</b>
<i>EBITDA Margin (%)</i>	<i>27.4</i>	<i>24.3</i>		<i>26.0</i>		<i>26.7</i>	<i>25.2</i>	
Depreciation	1,128	1,066	5.9	1,089	3.6	2,217	2,130	4.1
<b>EBIT</b>	<b>5,034</b>	<b>3,460</b>	<b>45.5</b>	<b>4,441</b>	<b>13.4</b>	<b>9,475</b>	<b>6,997</b>	<b>35.4</b>
Interest Expenses	726	357	103.2	705	3.0	1,431	621	130.6
Non-operating income	424	477	(11.2)	472	(10.3)	896	737	21.6
Extraordinary Expenses	-	6	(100.0)	-	#DIV/0!	21	37	(42.6)
<b>PBT</b>	<b>4,732</b>	<b>3,574</b>	<b>32.4</b>	<b>4,208</b>	<b>12.4</b>	<b>8,919</b>	<b>7,076</b>	<b>26.0</b>
Tax-Total	1,156	897	28.8	1,050	10.1	2,206	1,713	28.8
<i>Tax Rate (%) - Total</i>	<i>24.4</i>	<i>25.1</i>		<i>25.0</i>		<i>24.7</i>	<i>24.2</i>	
<b>Reported PAT</b>	<b>3,576</b>	<b>2,677</b>	<b>33.6</b>	<b>3,158</b>	<b>13.2</b>	<b>6,713</b>	<b>5,363</b>	<b>25.2</b>
<b>Adj. PAT</b>	<b>3,576</b>	<b>2,682</b>	<b>33.3</b>	<b>3,158</b>	<b>13.2</b>	<b>6,729</b>	<b>5,391</b>	<b>24.8</b>
<i>PAT Margin (%)</i>	<i>15.9</i>	<i>14.4</i>		<i>14.8</i>		<i>15.4</i>	<i>14.9</i>	

Source: Company, PL

**Exhibit 2: Operating Metrics –**

Y/e March	2QFY24	2QFY23	YoY gr.(%)	1QFY24	QoQ gr.(%)	1HFY24	1HFY23	YoY gr.(%)
Volume (MT)	<b>70,316</b>	<b>61,149</b>	<b>15.0</b>	<b>67,780</b>	<b>3.7</b>	<b>1,38,096</b>	<b>1,19,064</b>	<b>16.0</b>
Realisation / ton (Rs)	3,19,897	3,04,819	4.9	3,13,851	1.9	3,16,930	3,04,318	4.1
RM cost / ton (Rs)	1,38,575	1,35,431	2.3	1,38,972	(0.3)	1,38,770	1,30,633	6.2
Gross Profit / ton (Rs)	1,81,322	1,69,388	7.0	1,74,880	3.7	1,78,160	1,73,685	2.6
Staff Cost / ton (Rs)	21,423	22,098	(3.1)	22,039	(2.8)	21,725	22,743	(4.5)
Other Mfg cost / ton (Rs)	72,256	73,275	(1.4)	71,255	1.4	71,765	74,291	(3.4)
EBITDA / ton (Rs)	87,643	74,015	18.4	81,586	7.4	84,670	76,651	10.5
Adj. Profit / ton (Rs)	50,850	43,853	16.0	46,596	9.1	48,724	45,278	7.6

Source: Company, PL

**Exhibit 3: Geographical and segment revenue mix (Rs mn)**

Y/e March	2QFY24	2QFY23	YoY gr.(%)	1QFY24	QoQ gr.(%)	1HFY24	1HFY23	YoY gr.(%)
<b>Domestic</b>								
CV India	2,603	2,428	7.2	2,734	(4.8)	5,337	4,766	12.0
PV India	817	993	(17.7)	624	30.9	1,441	1,767	(18.4)
Industrial India	5,080	3,396	49.6	5,034	0.9	10,114	6,321	60.0
Others	1,122	1,159	(3.2)	1,093	2.7	2,215	2,241	(1.2)
<b>Total domestic revenue</b>	<b>9,622</b>	<b>7,976</b>	<b>20.6</b>	<b>9,485</b>	<b>1.4</b>	<b>19,107</b>	<b>15,095</b>	<b>26.6</b>
<b>Exports</b>								
CV Export	5,474	4,630	18.2	5,151	6.3	10,625	9,206	15.4
PV Export	3,364	2,423	38.8	2,782	20.9	6,146	4,365	40.8
Industrial Export	4,033	3,611	11.7	3,855	4.6	7,888	7,568	4.2
<b>Total exports revenue</b>	<b>12,871</b>	<b>10,664</b>	<b>20.7</b>	<b>11,788</b>	<b>9.2</b>	<b>24,659</b>	<b>21,139</b>	<b>16.7</b>
<b>Total</b>								
CV	8,077	7,058	14.4	7,885	2.4	15,962	13,972	14.2
PV	4,181	3,416	22.4	3,406	22.8	7,587	6,132	23.7
Industrial	9,113	7,007	30.1	8,889	2.5	18,002	13,889	29.6
Others	1,122	1,159	(3.2)	1,093	2.7	2,215	2,241	(1.2)
<b>Net revenue</b>	<b>22,493</b>	<b>18,640</b>	<b>20.7</b>	<b>21,273</b>	<b>5.7</b>	<b>43,766</b>	<b>36,234</b>	<b>20.8</b>
<b>As % of domestic sales</b>								
CV India	27.1	30.4		28.8		27.9	31.6	
PV India	8.5	12.4		6.6		7.5	11.7	
Industrial India	52.8	42.6		53.1		52.9	41.9	
Others	11.7	14.5		11.5		11.6	14.8	
<b>As % of export sales</b>								
CV Export	42.5	43.4		43.7		43.1	43.5	
PV Export	26.1	22.7		23.6		24.9	20.6	
Industrial Export	31.3	33.9		32.7		32.0	35.8	
<b>As % of total sales</b>								
CV	35.9	37.9		37.1		36.5	38.6	
PV	18.6	18.3		16.0		17.3	16.9	
Industrial	40.5	37.6		41.8		41.1	38.3	
Others	5.0	6.2		5.1		5.1	6.2	

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Net Revenues</b>	<b>1,29,103</b>	<b>1,60,813</b>	<b>1,77,497</b>	<b>1,92,304</b>
YoY gr. (%)	23.4	24.6	10.4	8.3
Cost of Goods Sold	59,614	75,069	80,403	87,039
Gross Profit	69,489	85,744	97,094	1,05,265
Margin (%)	53.8	53.3	54.7	54.7
Employee Cost	15,631	19,226	20,410	22,168
Other Expenses	36,183	38,510	40,412	43,508
<b>EBITDA</b>	<b>17,675</b>	<b>28,008</b>	<b>36,271</b>	<b>39,590</b>
YoY gr. (%)	(10.2)	58.5	29.5	9.1
Margin (%)	13.7	17.4	20.4	20.6
Depreciation and Amortization	7,356	8,452	9,231	9,160
<b>EBIT</b>	<b>10,319</b>	<b>19,556</b>	<b>27,041</b>	<b>30,430</b>
Margin (%)	8.0	12.2	15.2	15.8
Net Interest	2,986	4,335	4,123	4,081
Other Income	1,271	2,300	2,640	3,182
<b>Profit Before Tax</b>	<b>8,202</b>	<b>17,501</b>	<b>25,558</b>	<b>29,530</b>
Margin (%)	6.4	10.9	14.4	15.4
Total Tax	3,186	4,319	6,308	7,280
Effective tax rate (%)	38.8	24.7	24.7	24.7
<b>Profit after tax</b>	<b>5,016</b>	<b>13,181</b>	<b>19,249</b>	<b>22,250</b>
Minority interest	-	-	-	-
Share Profit from Associate	(334)	100	200	200
<b>Adjusted PAT</b>	<b>4,280</b>	<b>13,260</b>	<b>19,449</b>	<b>22,450</b>
YoY gr. (%)	-	-	-	-
Margin (%)	3.3	8.2	11.0	11.7
Extra Ord. Income / (Exp)	(402)	(21)	-	-
<b>Reported PAT</b>	<b>4,682</b>	<b>13,281</b>	<b>19,449</b>	<b>22,450</b>
YoY gr. (%)	(57.8)	183.7	46.4	15.4
Margin (%)	3.6	8.3	11.0	11.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
<b>Equity Shares O/s (m)</b>	<b>466</b>	<b>466</b>	<b>466</b>	<b>466</b>
<b>EPS (Rs)</b>	<b>9.2</b>	<b>28.5</b>	<b>41.8</b>	<b>48.2</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>58,587</b>	<b>67,087</b>	<b>75,587</b>	<b>84,087</b>
Tangibles	58,587	67,087	75,587	84,087
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>26,210</b>	<b>30,828</b>	<b>35,751</b>	<b>41,140</b>
Tangibles	26,210	30,828	35,751	41,140
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>32,377</b>	<b>36,258</b>	<b>39,836</b>	<b>42,947</b>
Tangibles	32,377	36,258	39,836	42,947
Intangibles	-	-	-	-
Capital Work In Progress	3,032	2,930	2,657	2,411
Goodwill	-	-	-	-
Non-Current Investments	35,267	35,972	36,712	37,490
Net Deferred tax assets	(2,000)	(343)	(343)	(343)
Other Non-Current Assets	7,292	8,021	8,823	9,706
<b>Current Assets</b>				
Investments	7,527	7,678	7,831	7,988
Inventories	12,638	13,937	15,525	16,746
Trade receivables	32,547	38,011	39,518	42,627
Cash & Bank Balance	4,024	3,325	11,097	20,987
Other Current Assets	7,011	7,712	8,483	9,332
<b>Total Assets</b>	<b>1,41,941</b>	<b>1,54,093</b>	<b>1,70,756</b>	<b>1,90,534</b>
<b>Equity</b>				
Equity Share Capital	931	931	931	931
Other Equity	76,069	87,782	1,02,841	1,20,023
<b>Total Networkth</b>	<b>77,000</b>	<b>88,713</b>	<b>1,03,772</b>	<b>1,20,954</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	15,487	15,487	15,952	16,430
Provisions	470	517	569	626
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	32,476	32,476	33,125	33,788
Trade payables	12,127	13,937	14,114	15,224
Other current liabilities	1,990	2,189	2,408	2,649
<b>Total Equity &amp; Liabilities</b>	<b>1,41,941</b>	<b>1,54,093</b>	<b>1,70,756</b>	<b>1,90,534</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY23	FY24E	FY25E	FY26E
PBT	8,604	17,521	25,558	29,530
Add. Depreciation	7,356	8,452	9,231	9,160
Add. Interest	2,986	4,335	4,123	4,081
Less Financial Other Income	1,271	2,300	2,640	3,182
Add. Other	(1,271)	(2,300)	(2,640)	(3,182)
Op. profit before WC changes	17,675	28,008	36,271	39,590
Net Changes-WC	(10,965)	(5,192)	(2,003)	(3,655)
Direct tax	(2,750)	(4,319)	(6,308)	(7,280)
<b>Net cash from Op. activities</b>	<b>3,960</b>	<b>18,496</b>	<b>27,960</b>	<b>28,655</b>
Capital expenditures	(13,581)	(11,790)	(12,182)	(11,707)
Interest / Dividend Income	-	-	-	-
Others	(6,900)	1,468	1,763	2,257
<b>Net Cash from Inv. activities</b>	<b>(20,481)</b>	<b>(10,322)</b>	<b>(10,419)</b>	<b>(9,450)</b>
Issue of share cap. / premium	(1,709)	1,771	(931)	(1,809)
Debt changes	22,011	-	-	-
Dividend paid	(2,561)	(3,260)	(3,260)	(3,260)
Interest paid	(2,986)	(4,335)	(4,123)	(4,081)
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>14,755</b>	<b>(5,824)</b>	<b>(8,314)</b>	<b>(9,150)</b>
<b>Net change in cash</b>	<b>(1,766)</b>	<b>2,350</b>	<b>9,228</b>	<b>10,055</b>
Free Cash Flow	(9,621)	6,706	15,779	16,948

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q3FY23	Q4FY23	Q1FY24	Q2FY24
<b>Net Revenue</b>	<b>33,534</b>	<b>36,292</b>	<b>38,774</b>	<b>37,743</b>
YoY gr. (%)	40.0	1.6	36.0	22.7
Raw Material Expenses	16,016	17,512	18,780	17,642
Gross Profit	17,518	18,779	19,993	20,101
Margin (%)	52.2	51.7	51.6	53.3
<b>EBITDA</b>	<b>4,326</b>	<b>4,784</b>	<b>6,176</b>	<b>6,224</b>
YoY gr. (%)	(13.8)	(13.4)	44.4	44.1
Margin (%)	12.9	13.2	15.9	16.5
Depreciation / Depletion	1,856	1,811	2,061	2,113
<b>EBIT</b>	<b>2,470</b>	<b>2,973</b>	<b>4,115</b>	<b>4,111</b>
Margin (%)	7.4	8.2	10.6	10.9
Net Interest	1,092	973	1,145	1,243
Other Income	377	391	472	424
<b>Profit before Tax</b>	<b>1,798</b>	<b>1,982</b>	<b>3,443</b>	<b>3,270</b>
Margin (%)	5.4	5.5	8.9	8.7
Total Tax	1,021	490	1,278	1,218
Effective tax rate (%)	56.8	24.7	37.1	37.2
<b>Profit after Tax</b>	<b>778</b>	<b>1,492</b>	<b>2,165</b>	<b>2,053</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>759</b>	<b>1,799</b>	<b>2,165</b>	<b>2,066</b>
YoY gr. (%)	(72.5)	(23.9)	36.8	41.9
Margin (%)	2.3	5.0	5.6	5.5
Extra Ord. Income / (Exp)	19	(307)	-	(13)
<b>Reported PAT</b>	<b>778</b>	<b>1,492</b>	<b>2,165</b>	<b>2,053</b>
YoY gr. (%)	(78.1)	(36.4)	38.6	41.3
Margin (%)	2.3	4.1	5.6	5.4
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Avg. Shares O/s (m)	-	-	-	-
<b>EPS (Rs)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: Company Data, PL Research

**Key Financial Metrics**

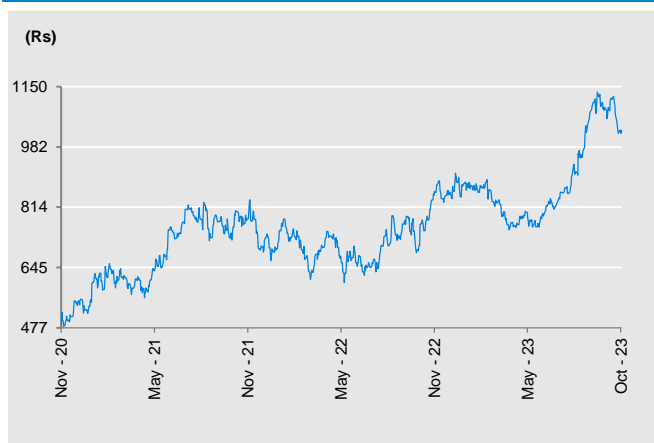
Y/e Mar	FY23	FY24E	FY25E	FY26E
<b>Per Share(Rs)</b>				
EPS	9.2	28.5	41.8	48.2
CEPS	25.0	46.6	61.6	67.9
BVPS	165.4	190.5	222.9	259.8
FCF	(20.7)	14.4	33.9	36.4
DPS	5.5	7.0	7.0	7.0
<b>Return Ratio(%)</b>				
RoCE	8.7	14.9	18.7	18.8
ROIC	5.9	12.3	16.2	17.2
RoE	5.8	16.0	20.2	20.0
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.5	0.4	0.3	0.2
Net Working Capital (Days)	88	82	80	79
<b>Valuation(x)</b>				
PER	117.0	37.8	25.8	22.3
P/B	6.5	5.6	4.8	4.1
P/CEPS	43.0	23.1	17.5	15.8
EV/EBITDA	30.4	19.2	14.6	13.2
EV/Sales	4.2	3.3	3.0	2.7
Dividend Yield (%)	0.5	0.7	0.7	0.7

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY23	FY24E	FY25E	FY26E
Shipment tonnage (MT)	2,46,467	2,90,831	3,17,006	3,36,026
Net realisation (Rs/ton)	3,07,254	3,18,033	3,25,006	3,30,730

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Oct-23	BUY	1,170	1,092
2	09-Aug-23	BUY	1,070	963
3	07-Jul-23	BUY	955	855
4	08-May-23	BUY	940	760
5	12-Apr-23	BUY	960	764
6	14-Feb-23	BUY	1,000	873
7	05-Jan-23	BUY	1,000	861
8	12-Dec-22	BUY	1,005	857
9	14-Nov-22	BUY	950	859

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Ashok Leyland	BUY	220	172
2	Bajaj Auto	Reduce	4,800	5,144
3	Bharat Forge	BUY	1,170	1,092
4	CEAT	Accumulate	2,515	2,195
5	Eicher Motors	Accumulate	3,730	3,450
6	Endurance Technologies	Accumulate	1,820	1,585
7	Exide Industries	Accumulate	295	259
8	Hero Motocorp	Accumulate	3,575	3,052
9	Mahindra & Mahindra	BUY	1,775	1,549
10	Maruti Suzuki	BUY	12,485	10,561
11	Tata Motors	BUY	785	636
12	TVS Motor Company	Accumulate	1,650	1,609

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

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### **Prabhudas Lilladher Pvt. Ltd.**

**3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209**

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