

# Automobiles

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“While we have the Brezza, we also have the Fronx now which is for the urban, sophisticated, technology savvy consumers, but there is also a niche segment which has developed which is the segment of lifestyle SUV and that is what the Jimny caters to. We have so far booking of almost 30,000 units for the Jimny and I think that is a great beginning.”

**Shashank Srivastava,**  
Executive director- MSIL.

## May'23: Strong beat for 2Ws; PVs/tractors in line

### CV dispatches exceeded estimates, led by TTMT

May'23 overall dispatches were encouraging as volumes for 2W/CVs came in better than expectations. PV/tractors were largely in line. Growth in 2W dispatches indicates a gradual recovery in domestic markets. Export volumes too witnessed sequential growth. PV industry volume growth was driven by healthy demand in UVs, while volume growth for lower-end models was largely flat. Dispatches for CVs surpassed expectations, largely driven by a volume beat by TTMT. AL/VECV were in line. While CV volumes declined 6% YoY, it was mainly affected by pre-buying happened in Mar'23 ahead of the transition to BS6-II norms. Tractor volumes declined by ~2% YoY. However, healthy farm sentiment should further drive volume growth in FY24 despite a high base of FY23. Overall dispatches for 2W/PV/3Ws grew 13%/10%/41% YoY, while CV/tractor volumes declined 6%/2% YoY.

- **2Ws dispatches grew ~13% YoY (above estimates across OEMs).** HMCL/BJAUT/TVSL/RE reported 7%/23%/11%/22% YoY volume growth. Domestic dispatches continued to improve with significant volume growth on YoY/MoM basis. Exports remained weak, though there was a sequential pickup in volumes. TVS iQube recorded dispatches of ~18k units, contributing ~17% to its total scooter sales. It currently has an order backlog of ~30k units. We expect 2W industry volumes should continue to grow, led by an anticipated recovery in rural areas, a gradual pickup in exports and new product launches.
- **PVs increased by 10% YoY (in line).** Volumes for MSIL came in at 178.1k units (+10% YoY), while TTMT grew 6% YoY to ~46k units. M&M saw 10% YoY growth in UVs (including pickups). Growth was largely driven by UVs despite supply chain challenges, while demand for the lower-end segment was largely flat YoY. As per M&M, semiconductor supply constraints on specific parts (like Air Bag ECU) continued during May'23. Despite a high base of FY23, we expect PV industry volume to grow in mid-single digits in FY24, led by execution of a strong order book, improving supply chain and new model launches.
- **CV dispatches exceeded estimates, driven by a strong volume beat by TTMT.** MHCv volume growth was flat YoY, while LCV sales declined 13% YoY. May'23 wholesales should be seen in light of pre-buying happened in Mar'23 ahead of the transition to BS6-II norms. It is also a seasonally weak month for CVs. TTMT/AL volumes declined 12%/1% YoY, while VECV grew ~12% YoY.
- **Tractors declined 2% YoY (in line).** M&M volumes decline 4.5% YoY, while ESC volumes grew 9% YoY. As per M&M, high Rabi crop output, good reservoir levels, improved terms of trade for farmers and IMD's prediction of a normal southwest monsoon augur well for the upcoming Kharif season. We believe demand drivers are intact for the tractor industry; however, a high base of FY23 could restrict volume growth.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**

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| Surprise (Variance %) | In line (Variance %) | Disappointment (Variance %) |
|-----------------------|----------------------|-----------------------------|
| BJAUT (+9%)           | RE (4%)              | NA                          |
| TVSL (+6%)            | MM (-)               |                             |
| HMCL (+24%)           | AI (+2%)             |                             |
| MSIL (+8%)            |                      |                             |
| TTMT (+6%)            |                      |                             |
| ESCORTS (+16%)        |                      |                             |

**Valuation and view:** We prefer CVs over other segments, considering strong demand and a stable competitive environment. We prefer companies with: 1) higher visibility in terms of demand recovery, 2) a strong competitive positioning, 3) encouraging margin drivers, and 4) a strong balance sheet. **TTMT and AL are our top OEM picks. Among auto component stocks, we prefer MOTHERSO, MSUMI and BHFC.**

**Snapshot of volumes for May'23 (incl Exports) \***

| Company Sales   | YoY              |                  |             | MoM              |             |                  |                  |              |                    |
|-----------------|------------------|------------------|-------------|------------------|-------------|------------------|------------------|--------------|--------------------|
|                 | May-23           | May-22           | YoY (%) chg | Apr-23           | MoM (%) chg | FY24YTD          | FY23YTD          | (%) chg      | FY24E              |
| <b>2W</b>       | <b>12,23,926</b> | <b>10,86,904</b> | <b>12.6</b> | <b>10,52,014</b> | <b>16.3</b> | <b>22,75,940</b> | <b>21,29,414</b> | <b>6.9</b>   | <b>1,42,62,113</b> |
| Cars            | 1,30,472         | 1,29,752         | 0.6         | 1,24,815         | 4.5         | 2,55,287         | 2,41,135         | 5.9          | 16,07,292          |
| Uvs + MPVs      | 1,45,262         | 1,20,976         | 20.1        | 1,36,214         | 6.6         | 2,81,476         | 2,39,544         | 17.5         | 18,64,917          |
| <b>PVs</b>      | <b>2,75,734</b>  | <b>2,50,728</b>  | <b>10.0</b> | <b>2,61,029</b>  | <b>5.6</b>  | <b>5,36,763</b>  | <b>4,80,679</b>  | <b>11.7</b>  | <b>34,72,208</b>   |
| <b>3Ws</b>      | <b>64,617</b>    | <b>45,938</b>    | <b>40.7</b> | <b>60,283</b>    | <b>7.2</b>  | <b>1,24,900</b>  | <b>93,296</b>    | <b>33.9</b>  | <b>8,29,364</b>    |
| M&HCVs          | 26,517           | 26,392           | 0.5         | 23,864           | 11.1        | 50,381           | 52,129           | -3.4         | 4,33,683           |
| LCVs            | 25,792           | 29,494           | -12.6       | 21,518           | 19.9        | 47,310           | 56,938           | -16.9        | 3,67,711           |
| <b>CVs</b>      | <b>52,309</b>    | <b>55,886</b>    | <b>-6.4</b> | <b>45,382</b>    | <b>15.3</b> | <b>97,691</b>    | <b>1,09,067</b>  | <b>-10.4</b> | <b>8,01,394</b>    |
| <b>Tractors</b> | <b>43,293</b>    | <b>44,143</b>    | <b>-1.9</b> | <b>43,970</b>    | <b>-1.5</b> | <b>87,263</b>    | <b>93,407</b>    | <b>-6.6</b>  | <b>5,31,268</b>    |

\* 2W: HMCL, TVSL, EIM BJAUTO; PVs: MSIL, MM & TTMT; 3Ws: TVSL, MM & BJAUTO; CVs: TTMT, AL, MM, EIM; Tractors: MM, ESC

## Snapshot of volumes for May-23

| Company Sales                  | YoY             |                 |              | MoM             |             |                 |                 |              |                  |             | Residual Growth (%) | Residual Monthly Run rate | FY24 YTD Monthly Run rate |
|--------------------------------|-----------------|-----------------|--------------|-----------------|-------------|-----------------|-----------------|--------------|------------------|-------------|---------------------|---------------------------|---------------------------|
|                                | May-23          | May-22          | YoY (%) chg  | Apr-23          | MoM (%) chg | FY24YTD         | FY23YTD         | (%) chg      | FY24E            | Gr. (%)     |                     |                           |                           |
| <b>Maruti Suzuki</b>           | <b>1,78,083</b> | <b>1,61,413</b> | <b>10.3</b>  | <b>1,60,529</b> | <b>10.9</b> | <b>3,38,612</b> | <b>3,12,074</b> | <b>8.5</b>   | <b>21,73,331</b> | <b>19.0</b> | <b>21.1</b>         | <b>1,83,472</b>           | <b>1,69,306</b>           |
| LCVs                           | 2,888           | 3,526           | -18.1        | 2,199           | 31.3        | 5,087           | 7,792           | -34.7        | 38,006           | 0.0         | 9.0                 | 3,292                     | 2,544                     |
| Vans                           | 12,818          | 10,482          | 22.3         | 10,504          | 22.0        | 23,322          | 21,636          | 7.8          | 1,37,751         | 5.0         | 4.4                 | 11,443                    | 11,661                    |
| Mini Segment                   | 12,236          | 17,408          | -29.7        | 14,110          | -13.3       | 26,346          | 34,545          | -23.7        | 2,27,575         | -2.3        | 1.4                 | 20,123                    | 13,173                    |
| Compact (incl Dzire Tour)      | 76,429          | 71,041          | 7.6          | 78,974          | -3.2        | 1,55,403        | 1,32,688        | 17.1         | 9,13,212         | 1.2         | -1.6                | 75,781                    | 77,702                    |
| Mid-Size - CIAZ                | 992             | 586             | 69.3         | 1,017           | -2.5        | 2,009           | 1,165           | 72.4         | 10,208           | -25.0       | -34.1               | 820                       | 1,005                     |
| UVs                            | 46,243          | 31,179          | 48.3         | 36,754          | 25.8        | 82,997          | 68,644          | 20.9         | 5,76,330         | 48.4        | 54.3                | 49,333                    | 41,499                    |
| Domestic                       | 1,51,606        | 1,34,222        | 13.0         | 1,43,558        | 5.6         | 2,95,164        | 2,66,470        | 10.8         | 19,03,081        | 20.7        | 22.7                | 1,60,792                  | 1,47,582                  |
| Export                         | 26,477          | 27,191          | -2.6         | 16,971          | 56.0        | 43,448          | 45,604          | -4.7         | 2,70,250         | 4.2         | 6.1                 | 22,680                    | 21,724                    |
| <b>Mahindra &amp; Mahindra</b> | <b>95,541</b>   | <b>89,448</b>   | <b>6.8</b>   | <b>98,699</b>   | <b>-3.2</b> | <b>1,94,240</b> | <b>1,76,027</b> | <b>10.3</b>  | <b>12,50,593</b> | <b>13.1</b> | <b>13.6</b>         | <b>1,05,635</b>           | <b>97,120</b>             |
| UV (incl. pick-ups)            | 54,555          | 49,449          | 10.3         | 55,592          | -1.9        | 1,10,147        | 91,375          | 20.5         | 7,43,282         | 18.0        | 17.6                | 63,314                    | 55,074                    |
| LCV & M&HCV                    | 1,009           | 632             | 59.7         | 1,150           | -12.3       | 2,159           | 1,337           | 61.5         | 10,314           | 2.8         | -6.3                | 815                       | 1,080                     |
| Three-Wheelers                 | 5,851           | 3,645           | 60.5         | 5,552           | 5.4         | 11,403          | 6,654           | 71.4         | 73,150           | 25.0        | 19.1                | 6,175                     | 5,702                     |
| Tractors                       | 34,126          | 35,722          | -4.5         | 36,405          | -6.3        | 70,531          | 76,661          | -8.0         | 4,23,847         | 4.0         | 6.8                 | 35,332                    | 35,266                    |
| <b>Tata Motors</b>             | <b>74,973</b>   | <b>76,210</b>   | <b>-1.6</b>  | <b>69,599</b>   | <b>7.7</b>  | <b>1,44,572</b> | <b>1,48,678</b> | <b>-2.8</b>  | <b>9,54,626</b>  | <b>9.3</b>  | <b>11.7</b>         | <b>81,005</b>             | <b>72,286</b>             |
| HCV's                          | 11,958          | 12,810          | -6.7         | 9,364           | 27.7        | 21,322          | 25,334          | -15.8        | 2,02,339         | 11.9        | 16.4                | 18,102                    | 10,661                    |
| LCV's                          | 17,031          | 20,008          | -14.9        | 13,128          | 29.7        | 30,159          | 38,322          | -21.3        | 2,47,121         | 6.2         | 11.6                | 21,696                    | 15,080                    |
| <b>CV's</b>                    | <b>28,989</b>   | <b>32,818</b>   | <b>-11.7</b> | <b>22,492</b>   | <b>28.9</b> | <b>51,481</b>   | <b>63,656</b>   | <b>-19.1</b> | <b>4,49,460</b>  | <b>8.7</b>  | <b>13.7</b>         | <b>39,798</b>             | <b>25,741</b>             |
| Cars                           | 14,338          | 13,526          | 6.0          | 13,743          | 4.3         | 28,081          | 27,133          | 3.5          | 1,86,048         | 5.0         | 5.3                 | 15,797                    | 14,040                    |
| UV's                           | 31,646          | 29,866          | 6.0          | 33,364          | -5.1        | 65,010          | 57,889          | 12.3         | 4,07,554         | 12.0        | 11.9                | 34,254                    | 32,505                    |
| <b>Hero MotoCorp</b>           | <b>5,19,474</b> | <b>4,86,704</b> | <b>6.7</b>   | <b>3,96,107</b> | <b>31.1</b> | <b>9,15,581</b> | <b>9,05,326</b> | <b>1.1</b>   | <b>57,04,122</b> | <b>7.0</b>  | <b>8.3</b>          | <b>4,78,854</b>           | <b>4,57,791</b>           |
| <b>Bajaj Auto</b>              | <b>3,55,148</b> | <b>2,75,868</b> | <b>28.7</b>  | <b>3,31,278</b> | <b>7.2</b>  | <b>6,86,426</b> | <b>5,86,642</b> | <b>17.0</b>  | <b>41,89,451</b> | <b>6.7</b>  | <b>4.8</b>          | <b>3,50,303</b>           | <b>3,43,213</b>           |
| Motorcycles                    | 3,07,696        | 2,49,499        | 23.3         | 2,87,985        | 6.8         | 5,95,681        | 5,31,210        | 12.1         | 36,23,427        | 5.2         | 4.0                 | 3,02,775                  | 2,97,841                  |
| Two-Wheelers                   | 3,07,696        | 2,49,499        | 23.3         | 2,87,985        | 6.8         | 5,95,681        | 5,31,210        | 12.1         | 36,23,427        | 5.2         | 4.0                 | 3,02,775                  | 2,97,841                  |
| Three-Wheelers                 | 47,452          | 26,369          | 80.0         | 43,293          | 9.6         | 90,745          | 55,432          | 63.7         | 5,66,024         | 16.7        | 10.6                | 47,528                    | 45,373                    |
| Domestic                       | 2,28,401        | 1,12,308        | 103.4        | 2,13,172        | 7.1         | 4,41,573        | 2,14,485        | 105.9        | 23,77,426        | 12.9        | 2.3                 | 1,93,585                  | 2,20,787                  |
| Exports                        | 1,26,747        | 1,63,560        | -22.5        | 1,18,106        | 7.3         | 2,44,853        | 3,72,157        | -34.2        | 18,12,026        | -0.5        | 8.1                 | 1,56,717                  | 1,22,427                  |
| <b>Ashok Leyland</b>           | <b>13,134</b>   | <b>13,273</b>   | <b>-1.0</b>  | <b>12,974</b>   | <b>1.2</b>  | <b>26,108</b>   | <b>25,120</b>   | <b>3.9</b>   | <b>2,11,150</b>  | <b>9.9</b>  | <b>10.7</b>         | <b>18,504</b>             | <b>13,054</b>             |
| M&HCV                          | 8,270           | 7,945           | 4.1          | 7,933           | 4.2         | 16,203          | 15,633          | 3.6          | 1,38,880         | 11.9        | 13.1                | 12,268                    | 8,102                     |
| LCV                            | 4,864           | 5,328           | -8.7         | 5,041           | -3.5        | 9,905           | 9,487           | 4            | 72,271           | 6.1         | 6.4                 | 6,237                     | 4,953                     |
| <b>TVS Motor</b>               | <b>3,30,609</b> | <b>3,02,982</b> | <b>9.1</b>   | <b>3,06,224</b> | <b>8.0</b>  | <b>6,36,833</b> | <b>5,98,290</b> | <b>6.4</b>   | <b>41,66,658</b> | <b>12.6</b> | <b>13.8</b>         | <b>3,52,983</b>           | <b>3,18,417</b>           |
| Motorcycles                    | 1,62,248        | 1,48,560        | 9.2          | 1,52,365        | 6.5         | 3,14,613        | 2,87,587        | 9.4          | 19,81,157        | 12.9        | 13.6                | 1,66,654                  | 1,57,307                  |
| Scooters                       | 1,03,203        | 1,00,655        | 2.5          | 1,07,496        | -4.0        | 2,10,699        | 2,02,864        | 3.9          | 15,18,928        | 13.9        | 15.7                | 1,30,823                  | 1,05,350                  |
| Mopeds                         | 53,844          | 37,843          | 42.3         | 34,925          | 54.2        | 88,769          | 76,629          | 15.8         | 4,76,383         | 6.9         | 5.0                 | 38,761                    | 44,385                    |
| Three-Wheelers                 | 11,314          | 15,924          | -29.0        | 11,438          | -1.1        | 22,752          | 31,210          | -27.1        | 1,90,190         | 13.7        | 23.1                | 16,744                    | 11,376                    |
| Domestic                       | 2,54,002        | 1,92,737        | 31.8         | 2,34,561        | 8.3         | 4,88,563        | 3,74,618        | 30.4         | 29,70,865        | 12.8        | 9.8                 | 2,48,230                  | 2,44,282                  |
| Exports                        | 76,607          | 1,10,245        | -30.5        | 71,663          | 6.9         | 1,48,270        | 2,23,672        | -33.7        | 11,95,793        | 12.1        | 24.3                | 1,04,752                  | 74,135                    |
| <b>Royal Enfield</b>           | <b>77,461</b>   | <b>63,643</b>   | <b>21.7</b>  | <b>73,136</b>   | <b>5.9</b>  | <b>1,50,597</b> | <b>1,25,798</b> | <b>19.7</b>  | <b>9,58,095</b>  | <b>14.8</b> | <b>13.9</b>         | <b>80,750</b>             | <b>75,299</b>             |
| <b>VECV</b>                    | <b>6,289</b>    | <b>5,637</b>    | <b>11.6</b>  | <b>6,567</b>    | <b>-4.2</b> | <b>12,856</b>   | <b>11,162</b>   | <b>15.2</b>  | <b>92,464</b>    | <b>16.1</b> | <b>16.3</b>         | <b>7,961</b>              | <b>6,428</b>              |
| Domestic LMD                   | 2,713           | 2,386           | 13.7         | 3,011           | -9.9        | 5,724           | 4,936           | 16.0         | 44,388           | 14.0        | 13.7                | 3,866                     | 2,862                     |
| Domestic HD                    | 1,408           | 1,048           | 34.4         | 1,590           | -11.4       | 2,998           | 2,294           | 30.7         | 21,810           | 15.0        | 12.8                | 1,881                     | 1,499                     |
| Domestic Buses                 | 1,705           | 1,599           | 6.6          | 1,541           | 10.6        | 3,246           | 2,569           | 26.4         | 18,656           | 25.0        | 24.7                | 1,541                     | 1,623                     |
| VTI                            | 213             | 133             | 60.2         | 168             | 26.8        | 381             | 242             | 57.4         | 2,049            | 10.0        | 2.9                 | 167                       | 191                       |
| <b>Domestic</b>                | <b>6,039</b>    | <b>5,166</b>    | <b>16.9</b>  | <b>6,310</b>    | <b>-4.3</b> | <b>12,349</b>   | <b>10,041</b>   | <b>23.0</b>  | <b>86,903</b>    | <b>16.4</b> | <b>15.3</b>         | <b>7,455</b>              | <b>6,175</b>              |
| <b>Exports</b>                 | <b>250</b>      | <b>471</b>      | <b>-46.9</b> | <b>257</b>      | <b>-2.7</b> | <b>507</b>      | <b>1,121</b>    | <b>-54.8</b> | <b>5,560</b>     | <b>12.7</b> | <b>32.6</b>         | <b>505</b>                | <b>254</b>                |
| <b>Escorts Kubota</b>          | <b>9,167</b>    | <b>8,421</b>    | <b>8.9</b>   | <b>7,565</b>    | <b>21.2</b> | <b>16,732</b>   | <b>16,746</b>   | <b>-0.1</b>  | <b>1,07,422</b>  | <b>4.0</b>  | <b>4.8</b>          | <b>9,069</b>              | <b>8,366</b>              |
| Domestic                       | 8,704           | 7,667           | 13.5         | 7,252           | 20.0        | 15,956          | 15,343          | 4.0          | 1,00,025         | 5.0         | 5.2                 | 8,407                     | 7,978                     |
| Exports                        | 463             | 754             | -38.6        | 313             | 47.9        | 776             | 1,403           | -45          | 7,397            | -8          | 0.0                 | 662                       | 388                       |
| Construction Equipment         | 425             | 305             | 39.3         | 457             | -7.0        | 882             | 645             | 37           | 5,174            | 12          | 8.0                 | 429                       | 441                       |

## Comparative valuations

|                  | Rating  | Mcap    | CMP    | TP     | P/E (x) |       |       | EV/EBITDA (x) |       |       | PB (x) |       |       | FY25 Yield (%) |      | EPS CAGR (%) |
|------------------|---------|---------|--------|--------|---------|-------|-------|---------------|-------|-------|--------|-------|-------|----------------|------|--------------|
|                  |         |         |        |        | FY23E   | FY24E | FY25E | FY23E         | FY24E | FY25E | FY23E  | FY24E | FY25E | Div            | FCF  |              |
| Auto OEM's       |         | (INR b) | (INR)  | (INR)  |         |       |       |               |       |       |        |       |       |                |      | FY23-25E     |
| Bajaj Auto       | Neutral | 1,313   | 4,641  | 4,400  | 21.7    | 19.0  | 17.0  | 16.5          | 14.1  | 12.5  | 5.2    | 5.0   | 4.9   | 4.7            | 4.5  | 12.9         |
| Hero MotoCorp    | Buy     | 561     | 2,801  | 2,965  | 19.2    | 15.8  | 14.5  | 11.2          | 8.8   | 7.8   | 3.4    | 3.1   | 2.8   | 3.9            | 7.6  | 15.3         |
| TVS Motor        | Neutral | 604     | 1,272  | 1,060  | 41.8    | 29.8  | 25.6  | 23.3          | 17.1  | 14.6  | 10.0   | 7.8   | 6.1   | 0.5            | 4.2  | 27.8         |
| Eicher Motors    | Neutral | 1,016   | 3,715  | 3,650  | 34.9    | 26.7  | 21.0  | 29.3          | 23.5  | 19.0  | 6.8    | 5.8   | 4.8   | 1.3            | 4.7  | 28.9         |
| Maruti Suzuki    | Buy     | 2,818   | 9,328  | 10,100 | 35.0    | 27.0  | 23.5  | 21.4          | 16.2  | 13.9  | 4.7    | 4.1   | 3.7   | 1.6            | 2.5  | 21.7         |
| M&M              | Buy     | 1,580   | 1,319  | 1,500  | 20.3    | 17.0  | 15.1  | 15.2          | 11.7  | 10.0  | 1.8    | 1.6   | 1.3   | 1.3            | 6.2  | 16.1         |
| Tata Motors      | Buy     | 2,050   | 535    | 590    | 248.9   | 18.1  | 15.7  | 8.4           | 4.6   | 4.0   | 4.5    | 3.7   | 3.1   | 0.8            | 6.9  | 298.2        |
| Ashok Leyland    | Buy     | 432     | 147    | 180    | 32.6    | 19.5  | 16.2  | 15.1          | 10.5  | 9.0   | 5.9    | 5.1   | 4.3   | 1.4            | 6.5  | 41.8         |
| Escorts          | Neutral | 270     | 2,199  | 1,900  | 42.8    | 29.2  | 23.4  | 30.8          | 20.7  | 14.5  | 3.5    | 3.0   | 2.7   | 0.5            | 3.7  | 35.4         |
| Auto Ancillaries |         |         |        |        |         |       |       |               |       |       |        |       |       |                |      |              |
| Bharat Forge     | Buy     | 371     | 797    | 985    | 68.6    | 25.7  | 20.3  | 24.2          | 14.8  | 12.3  | 5.5    | 4.7   | 3.9   | 0.8            | 5.8  | 84.0         |
| Exide Industries | Buy     | 180     | 211    | 225    | 19.9    | 15.9  | 13.1  | 11.4          | 9.3   | 7.9   | 1.6    | 1.5   | 1.4   | 1.5            | 8.6  | 23.1         |
| Amara Raja       | Neutral | 106     | 621    | 690    | 14.6    | 11.9  | 10.8  | 7.8           | 6.1   | 5.5   | 2.0    | 1.8   | 1.6   | 2.4            | 7.3  | 16.1         |
| BOSCH            | Neutral | 549     | 18,616 | 17,850 | 38.5    | 29.4  | 26.1  | 29.2          | 21.9  | 18.9  | 5.0    | 4.6   | 4.2   | 1.8            | 2.3  | 21.5         |
| Endurance Tech   | Buy     | 206     | 1,461  | 1,650  | 42.2    | 28.1  | 24.2  | 20.0          | 14.5  | 12.4  | 4.7    | 4.1   | 3.6   | 0.6            | 3.2  | 32.1         |
| SAMIL            | Buy     | 534     | 79     | 100    | 34.1    | 20.0  | 16.2  | 9.8           | 7.6   | 6.4   | 2.4    | 2.2   | 2.0   | 1.9            | 6.5  | 45.3         |
| Mahindra CIE     | Buy     | 175     | 461    | 550    | 25.6    | 18.5  | 15.9  | 15.2          | 11.2  | 9.5   | 3.4    | 3.0   | 2.6   | 1.0            | 4.8  | 26.6         |
| CEAT             | Buy     | 78      | 1,928  | 2,000  | 37.2    | 14.8  | 12.7  | 10.1          | 6.0   | 5.1   | 2.3    | 2.0   | 1.7   | 0.6            | 10.7 | 71.4         |
| Balkrishna Ind   | Neutral | 442     | 2,287  | 2,100  | 43.9    | 28.1  | 24.9  | 23.1          | 17.5  | 15.5  | 5.8    | 5.2   | 4.6   | 1.5            | 2.9  | 32.8         |
| MRF              | Sell    | 414     | 97,572 | 75,400 | 53.8    | 27.3  | 23.3  | 16.9          | 11.4  | 10.1  | 2.8    | 2.6   | 2.3   | 0.2            | 3.1  | 52.1         |
| Apollo Tyres     | Buy     | 249     | 391    | 430    | 22.9    | 14.5  | 11.8  | 8.8           | 6.2   | 5.2   | 1.5    | 1.4   | 1.2   | 1.4            | 11.5 | 39.0         |
| Sona BLW         | Neutral | 311     | 531    | 465    | 78.1    | 58.2  | 46.1  | 43.8          | 32.7  | 26.4  | 13.6   | 11.7  | 9.9   | 0.7            | 1.3  | 30.1         |
| Tube Investments | Buy     | 541     | 2,885  | 3,300  | 48.3    | 36.7  | 29.9  | 27.2          | 21.7  | 17.7  | 14.1   | 11.3  | 9.1   | 0.4            | 3.5  | 27.2         |
| MSUMI            | Buy     | 257     | 58     | 70     | 52.7    | 34.7  | 29.0  | 31.7          | 21.4  | 18.1  | 19.3   | 14.4  | 11.6  | 2.1            | 3.0  | 34.8         |
| CRAFTSMAN        | Buy     | 78      | 3,695  | 3,950  | 31.4    | 21.3  | 16.8  | 12.6          | 9.0   | 7.6   | 5.5    | 4.4   | 3.5   | 0.5            | 6.0  | 36.6         |

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| Explanation of Investment Rating |  |
|----------------------------------|--|
| Investment Rating                | Expected return (over 12-month)  |
| BUY                              | >=15%  |
| SELL                             | < - 10%  |
| NEUTRAL                          | < - 10 % to 15%  |
| UNDER REVIEW                     | Rating may undergo a change  |
| NOT RATED                        | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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