

Trend in festive season sales (Sep-Nov)

000 units	Gr (%)
MSIL	16%
MM-UV	1%
MM-Tractor	19%
TTMT-PV	107%
HMCL	22%
BJAUT - Dom 2W	12%
TVS - Dom 2W	15%
EIM-RE	-1%
ESC	12%

Nov'20: Post-festive cautiousness visible in wholesales...

...no positive surprises; Tractor, CV, and HMCL disappoint

2W and PV wholesales were in line with estimates, whereas 3W, CV, and Tractor wholesales were below estimates. OEMs remained cautious on demand sustainability post the festive season and kept inventory in check. PV volumes grew ~9% YoY (in-line) and 2W volumes ~15.5% YoY (in-line). CV declined -3% YoY (below est.) as LCV volumes grew 2% YoY (below est.) and M&HCV (in-line) declined 9.6% YoY. 3W disappointed with decline of 37.5% YoY.

- **2W – in-line; 15.5% YoY growth:** Volumes grew ~15.5% YoY owing to the festive season; however, OEMs avoided inventory building for the ongoing wedding season. Inventory is at comfortable levels of 30–45 days. BJAUT 2W volumes grew ~12% YoY, TVS ~21%, and HMCL ~14.4%. RE volumes grew 5.6% YoY (-4.6% MoM).
- **PVs – in-line; ~9% YoY growth:** Sustained demand resulted in volume growth of 9% YoY, restricted by production constraints. MSIL volumes grew ~2% YoY (-16% MoM) and MM (UVs incl. Pick-up) volumes were grew 13% YoY (-5.7% MoM).
- **CVs – below est.; -3% YoY decline:** CV wholesales missed estimates due to lower LCV volumes. On the other hand, M&HCV volumes reflected good recovery, with volume decline restricted to 9.6% YoY (+3% MoM), LCV volumes grew just 2% YoY (-3% MoM). TTMT CV volumes declined (-8.5% YoY) and AL (+5% YoY) was below estimates. On the contrary, VECV (+3% YoY) was in line with estimates.
- **Tractors – below est.; 50% YoY growth:** Tractor volumes grew ~50% YoY, but came in below our estimates. Inventory at the ground is still very low, which would support good wholesales in the coming months. MM Tractor volumes grew 56% YoY and ESC 33%.
- **Entire festive wholesales (Sep–Nov) strong:** Wholesales over the entire festive season (pre-festive inventory filling to festive – Sep to Nov) were strong across players, barring exceptions such as the RE and MM-UV businesses (both impacted by supply-side constraints). Mainstream 2W players' wholesales grew 12–22% and MSIL grew 16%. TTMT-PV is growing at 107%. Tractor wholesales grew 12–19%.

In-line (Var %)	Negative surprise (Var %)
TVS Motor (+3.8%)	TTMT (-6%)
BJAUT (-3.5%)	AL (-6.8%)
EIM – RE (-4%)	Hero MotoCorp (-8.5%)
MSIL (-4.1%)	Escorts (-11.3%)
EIM-VECV (-4.6%)	M&M (-11.8%)

Valuation & view: Festive season sales were reasonable, with no major negative surprise. Current demand and low inventory sentiment in PV and Tractor suggests higher wholesales in the coming months. On the flip side, 2W and CV OEMs are expected to maintain a cautious stance, with no major inventory push. Valuations reflect for recovery to sustain in the coming quarters, leaving limited margin for safety for any negative surprises. Hence, we prefer companies with: a) higher visibility in terms of demand recovery, b) a strong competitive positioning, c) margin drivers, and d) balance sheet strength. **MM** and **HMCL** are our top OEM picks. Among the auto component stocks, we prefer **ENDU** and **MSS**.

Exhibit 1: Snapshot of volumes for Sep'20 (incl. exports) *

Company Sales	YoY			MoM						
	Nov-20	Nov-19	YoY (%) chg	Oct-20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg	FY21E	Gr (%)
2W	13,51,385	11,69,982	15.5	17,26,150	-21.7	81,17,600	1,02,25,762	-20.6	1,29,97,996	-7.7
Cars	1,28,932	1,21,044	6.5	1,55,333	-17.0	6,79,614	8,32,251	-18.3	11,89,118	-5.6
UV + MPV	81,180	71,813	13.0	88,309	-8.1	4,25,345	5,75,144	-26.0	7,37,675	-9.7
PV	2,10,112	1,92,857	8.9	2,43,642	-13.8	11,04,959	14,07,395	-21.5	19,26,793	-7.2
3W	52,291	83,602	-37.5	57,469	-9.0	287,828	637,741	-54.9	637,791	-28.0
M&HCV	17,596	19,473	-9.6	17,061	3.1	70,452	1,71,963	-59.0	1,91,882	-23.8
LCV	28,411	27,835	2.1	29,307	-3.1	1,30,073	2,11,211	-38.4	2,61,321	-11.7
CV	46,007	47,308	-2.8	46,368	-0.8	2,00,525	3,83,174	-47.7	4,53,203	-17.3
Tractor	42,891	28,674	49.6	60,222	-28.8	3,04,607	2,86,431	6.3	4,40,295	13.5

* **2W:** BJAUT, HMCL, TVSL, EIM; **PV:** MSIL, MM & TTMT; **3W:** BJAUT, TVSL & MM; **CV:** TTMT, AL, MM, EIM; **Tractor:** MM, ESC; Source: MOFSL

Exhibit 2: Wholesales for entire festive season have been good

000 units	Sep-Nov'20	Sep-Nov'19	Gr (%)
MSIL	496.1	426.7	16%
MM-UV	114.1	112.8	1%
MM-Tractor	122.7	103.5	19%
TTMT PV	66.6	32.2	107%
Hero MotoCorp	2113.7	1728.2	22%
Bajaj Auto - Dom 2W	666.4	592.9	12%
TVS - Dom 2W	790.9	687.1	15%
Eicher Motors RE	190.7	191.9	-1%
Escorts	35.7	31.9	12%

Source: Company, MOFSL

MARUTI SUZUKI: Wholesales in line with est. at 153.2k (v/s est. ~159.7k) – growth of ~1.7% YoY

- MSIL's Nov'20 wholesales were in line with estimates at 153.2k (+1.7% YoY).
- Domestic volumes were flat at 144.2k units (v/s est. 151.4k units).
- Compact segment volumes grew 2% YoY to 81.8k units (v/s est. 85.9k).
- The Mini segment declined 15% YoY to 22.3k units (v/s est. 26.9k), while Ciaz grew 29% YoY.
- UV volumes posted growth of 2.4% YoY to ~23.7k units (v/s est. 23.2k units).
- The LCV segment grew 40.3% YoY to 3.1k units (v/s est. 2.7k units).
- Export volumes grew 29.7% to 9k units (v/s est. 8.3k units).
- Our estimates factor in 9.6% decline in volumes for FY21, implying residual growth of 17.3% or a run-rate of ~151.7k units.

Snapshot of volumes for Nov'20

Company Sales	YoY			MoM							Residual Growth (%)	Residual Monthly Run rate	FY21 YTD Monthly Run rate
	Nov'20	Nov'19	YoY (%) chg	Oct'20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg	FY21 estimate	Gr. (%)			
Maruti Suzuki	1,53,223	1,50,630	1.7	1,82,448	-16.0	8,05,400	10,44,976	-22.9	14,12,401	-9.6	17.3	1,51,750	1,00,675
LCVs	3,181	2,267	40.3	3,169	0.4	14,191	16,597	-14.5	23,520	8.0	80.1	2,332	1,774
Vans	11,183	10,162	10.0	13,309	-16.0	58,748	81,253	-27.7	99,687	-15.8	10.2	10,235	7,344
Mini Segment	22,339	26,306	-15.1	28,462	-21.5	1,27,467	1,54,521	-17.5	2,40,539	-2.9	21.3	28,268	15,933
Compact (incl. Dzire Tour)	81,893	80,299	2.0	1,01,104	-19.0	4,19,769	5,43,840	-22.8	7,33,284	-9.7	16.9	78,379	52,471
Mid-sized – CIAZ	1,870	1,448	29.1	1,422	31.5	8,097	18,230	-55.6	15,281	-39.5	2.2	1,796	1,012
UVs	23,753	23,204	2.4	25,396	-6.5	1,26,455	1,60,522	-21.2	2,19,002	-6.9	23.8	23,137	15,807
Total Domestic	1,44,219	1,43,686	0.4	1,72,862	-16.6	7,54,727	9,74,963	-22.6	13,31,314	-8.8	18.8	1,44,147	94,341
Export	9,004	6,944	29.7	9,586	-6.1	50,673	70,013	-27.6	81,088	-20.6	-5.4	7,604	6,334

M&M: Below est.; wholesales at ~75.4k; UV sales up 13% YoY (in-line); Tractor sales up ~55.6% YoY

- M&M's overall volumes grew 21.2% YoY at 75.4k units (est. 85.5k units).
- Tractor volumes grew 55.6% YoY to 32.7k units (v/s est. 42k units). We have factored in 12.5% volume growth for FY21E, implying 31.3% residual growth or 25.3k units. We see marginal downside risk to Tractor volume estimates.
- UV volumes grew ~13% YoY to 38.4k (est. 39k units). Domestic Passenger UV sales grew 27% YoY, and Pick-up/SCV volumes grew ~11.1% YoY. We estimate UV volumes to decline 12% in FY21E, implying 39.8% residual growth or a run-rate of 38.8k units.
- 3W volumes declined 41.5% YoY to 3,854 units (v/s est. 3,956 units).
- As per Mr Veejay Ram Nakra, Chief Executive Officer – Automotive division, M&M, *"At Mahindra we are happy to achieve strong double digit growth in SUVs during the month of November, aided by a robust festive demand for all our products. Given strong rural growth and signs of improvement in economic activities, we are hopeful to see this positive momentum continue post the festive season."*
- Elaborating further on Pick-Up and CV performances, Mr Nakra stated, *"We have witnessed double digit growth in Pick-ups. Our Small Commercial Vehicle brands Bolero Pik Up, Supro and Jeeto continue to see strong demand in both rural and urban markets."*
- Commenting on the performance, Hemant Sikka, President – Farm Equipment Sector, Mahindra & Mahindra Ltd., stated, *"We have sold 31,619 tractors in the domestic market during November 2020, a growth of 55% over last year. Demand continues to be robust fueled by an excellent festive season with retails being strong during Dhanteras and Diwali. Rural sentiments remain positive on account of higher Kharif output and Rabi sowing. Procurement operations for kharif are on full swing which would keep the rural cash flows healthy. Government's focus on rural growth continues and outlay under Atmanirbhar Bharat 3.0 will provide further fillip to the industry."*

Snapshot of volumes for Nov'20

Company Sales	YoY			MoM							Residual Residual FY21 YTD		
	Nov'20	Nov'19	YoY (%) chg	Oct'20	MoM (%) chg	FY21 YTD	FY20 YTD (%) chg	FY21 estimate	Gr. (%)		Growth (%)	Monthly Run rate	Monthly Run rate
Mahindra & Mahindra	75,457	62,267	21.2	90,917	-17.0	4,46,952	5,69,025 -21.5	7,37,246	-5.2		38.9	72,573	55,869
UV (incl. Pick-up)	38,402	33,958	13.1	40,703	-5.7	1,98,959	2,91,511 -31.7	3,54,270	-12.0		39.8	38,828	24,870
LCV & M&HCV	475	684	-30.6	538	-11.7	1,805	8,465 -78.7	6,009	-46.7		49.5	1,051	226
Three-Wheeler	3,854	6,593	-41.5	3,118	23.6	8,001	44,414 -82.0	37,312	-40.0		64.9	7,328	1,000
Tractor	32,726	21,032	55.6	46,558	-29.7	2,38,187	2,24,635 6.0	3,39,654	12.5		31.3	25,367	29,773

ESCORTS: Wholesale volumes below est. at 10.1k (v/s est. 11.4k)

- Escorts' dispatches grew 33% YoY to 10.1k units (v/s est. 11.5k units) in Nov'20.
- Domestic sales grew ~31% YoY to 9.6k (v/s est. 11k units) and exports grew ~91.3% YoY.
- We estimate ~17% growth in volumes for FY21E, implying 41.3% residual growth or a monthly run-rate of ~8.5k units.
- **Management commentary:** Dealer and depot stocks continue to be low. Stock correction in the coming months would continue to drive the industry, supported by healthy water reservoir levels and a good harvest. The supply chain remains volatile, but should improve going forward. We have taken a price increase this month to pass on the inflation in commodity prices.

Snapshot of volumes for Nov'20

	YOY			MoM							Residual Residual FY21 YTD		
	Nov'20	Nov'19	YoY (%) chg	Oct'20	MoM (%) chg	FY21 YTD	FY20 YTD (%) chg	FY21 estimate	YoY (%) chg		Growth (%)	Monthly Run rate	Monthly Run rate
Escorts	10,165	7,642	33.0	13,664	-25.6	66,420	61,796 7.5	1,00,641	17.0		41.3	8,555	8,303
Domestic	9,662	7,379	30.9	13,180	-26.7	63,688	59,324 7.4	99,942	21.5		58.1	9,063	7,961
Exports	503	263	91.3	484	3.9	2,732	2,472 11	699	-81		-257.1	-508	342

TATA MOTORS: Below est.; volumes up~20.7% YoY to 49.7k units (v/s est. 52.8k units)

- TTMT's CV volumes declined 8.5% YoY, weighed by 11.5% YoY decline in M&HCV to 8.7k (est. ~9.4k units) and 7.1% YoY decline in LCV to 19.2k (est. 22.2k).
- UV volumes grew 74.7% YoY to 7.8k (est. 7.6k) and car volumes grew 128.6% YoY to ~13.8k units (est. 13.5k units).
- We estimate ~19.8% decline in CV volumes for FY21E, implying 46.2% residual growth or a monthly run-rate of ~37.7k units. We see downside risk to CV volumes.
- Overall, we estimate ~3.5% decline in total volumes for FY21E, implying 48.1% residual growth or a monthly run-rate of ~54.9k units.

Snapshot of volumes for Nov'20

Company Sales	Nov'20	Nov'19	YoY (%) chg	Oct'20	MoM (%) chg	FY21 YTD	FY20 YTD (%) chg	FY21 estimate	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate	FY21 YTD Monthly Run rate
Tata Motors	49,650	41,124	20.7	52,132	-4.8	2,37,208	3,24,984 -27.0	4,56,953	-3.5	48.1	54,936	29,651
HCV	8,772	9,913	-11.5	8,273	6.0	33,587	85,282 -60.6	92,038	-26.0	49.2	14,613	4,198
LCV	19,210	20,675	-7.1	20,199	-4.9	88,830	1,52,197 -41.6	1,81,273	-16.2	44.3	23,111	11,104
CV	27,982	30,588	-8.5	28,472	-1.7	1,22,417	2,37,479 -48.5	2,73,311	-19.8	46.2	37,723	15,302
Cars	13,826	6,047	128.6	14,759	-6.3	73,608	45,647 61.3	1,18,926	64.7	70.5	11,329	9,201
UV	7,842	4,489	74.7	8,901	-11.9	41,183	41,858 -1.6	64,716	7.1	26.6	5,883	5,148

Ashok Leyland: Below est.; volumes up 4.8% YoY at 10,659 units (v/s est. 11,564 units)

- Wholesale dispatches stood at 10,659 units (v/s est. 11,564 units), up 4.8% YoY.
- M&HCV volumes declined ~14.3% YoY to 5,114 units (v/s est. 5,250 units).
- LCV volumes grew 31.7% YoY to 5,545 units (v/s est. 6,314 units).
- We estimate volumes to decline 12.3% in FY21E, implying residual growth of ~79.8% or 16.4k units. LCV volumes would benefit from the launch of Bada Dost.

Snapshot of volumes for Nov'20

Company Sales	YoY			MoM		FY21			FY21		Residual	
	Nov'20	Nov'19	YoY (%) chg	Oct'20	MoM (%) chg	YTD	FY20 YTD (%) chg	estimate	Gr. (%)	Growth (%)	Monthly Run rate	Monthly Run rate
Ashok Leyland	10,659	10,175	4.8	9,989	6.7	43,906	88,583 -50.4	1,09,809	-12.3	79.8	16,476	5,488
CV (ex-LCV)	5,114	5,966	-14.3	4,588	11.5	18,659	54,631 -65.8	59,290	-24.6	69.6	10,158	2,332
LCV	5,545	4,209	31.7	5,401	2.7	25,247	33,952 -26	50,519	8.3	99.1	6,318	3,156

EICHER MOTORS: RE sales in line with est. at 63.7k units (v/s est. 66.4k units); VECV up 3.2% YoY

- Royal Enfield (RE) dispatches grew 5.6% YoY to 63.7k units (in line with estimate).
- Wholesales were restricted due to production loss of two days due to the cyclone and three days of Diwali holidays. Domestic retails were broadly similar to wholesales.
- We estimate RE volumes to decline 9.2% in FY21E, implying residual growth of 37.7% or a run-rate of 73.4k units. We are hopeful of a step-up in volumes with the launch of the new Meteor.
- VECV volumes grew 3.2% YoY to 3,710 units (v/s est. ~3,890 units). For VECV, we estimate ~16.8% decline in volumes for FY21E, implying ~34.1% residual growth or 5.5k units.

Snapshot of volumes for Nov'20

	Nov'20	Nov'19	YoY (%) chg	Oct'20	MoM (%) chg	FY21 YTD	FY20 YTD (%) chg	FY21 estimate	YoY (%) chg	Residual Growth (%)	Residual Monthly Run rate	FY21 YTD Monthly Run rate
Royal Enfield	63,782	60,411	5.6	66,891	-4.6	3,38,461	4,82,553 -29.9	6,32,252	-9.2	37.7	73,448	42,308
VECV	3,710	3,594	3.2	4,200	-11.7	18,206	32,050 -43.2	40,554	-16.8	34.1	5,587	2,276
Domestic LMD	2,126	1,930	10.2	2,889	-26.4	10,999	17,978 -38.8	23,636	-11.5	44.8	3,159	1,375
Domestic HD	774	554	39.7	738	4.9	3,094	4,894 -36.8	6,478	-11.0	41.9	846	387
Domestic Buses	188	464	-59.5	188	0.0	1,158	5,609 -79.4	4,349	-52.0	-7.5	798	145
VTI	149	144	3.5	70	112.9	429	649 -33.9	1,052	-5.0	35.9	156	54
Total Domestic	3,237	3,092	4.7	3,885	-16.7	15,680	29,130 -46.2	35,514	-19.9	30.2	4,959	1,960
Exports	473	502	-5.8	315	50.2	2,526	2,920 -13.5	5,040	10.3	52.5	628	316

Bajaj Auto: In line with est. at 422.2k (v/s est. 437.7k) – growth of 4.7% YoY

- BJAUT's wholesales grew 4.7% YoY to ~422.2k units (v/s est. 437.7k).
- Domestic volumes declined 4.3%YoY at 198.9k units (v/s est. 206.8k), while exports grew 14.3% YoY to 223.3k units (v/s est. 230.8k).
- Motorcycle volumes grew 12.1% YoY to 384.9k units. Domestic motorcycle dispatches grew 6.7% YoY to 188.1k units, and exports grew 17.8% YoY to 196.7k units. We estimate motorcycle volumes to decline ~9.3% in FY21, implying residual growth of ~19.7% or a run-rate of 340.5k units/month.
- 3W volumes decreased 37.7% YoY to ~37.2k units, with domestic volumes down 65.8% to ~10.7k units and exports down 6.5% to 26.5k units. We estimate 3W volumes to decline ~31% in FY21, implying residual growth of ~30% or a run-rate of 61.8k/month. We see downside risk to our domestic 3W volumes.

Snapshot of volumes for Nov'20

Company Sales	Nov'20	Nov'19	YoY (%) chg	Oct'20	MoM (%) chg	FY21 YTD	FY20 YTD (%) chg	FY21 estimate	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate	FY21 YTD Monthly Run rate
Bajaj Auto	422,240	403,223	4.7	512,038	-17.5	2,430,718	3,287,196 -26.1	4,040,245	-12.5	21.2	402,382	303,840
Motorcycle	384,993	343,446	12.1	470,290	-18.1	2,219,677	2,809,226 -21.0	3,581,895	-9.3	19.7	340,555	277,460
Total Two-Wheeler	384,993	343,446	12.1	470,290	-18.1	2,219,677	2,809,226 -21.0	3,581,895	-9.3	19.7	340,555	277,460
Three-Wheeler	37,247	59,777	-37.7	41,748	-10.8	211,041	477,970 -55.8	458,350	-31.3	30.4	61,827	26,380
Domestic	198,933	207,775	-4.3	281,160	-29.2	1,244,942	1,812,784 -31.3	2,063,784	-15.6	29.7	204,711	155,618
Exports	223,307	195,448	14.3	230,878	-3.3	1,185,776	1,474,412 -19.6	1,976,460	-9.0	13.5	197,671	148,222

HERO MOTOCORP: Below est.; volumes up ~14.4% YoY to 591k units (v/s est. 645.9k units)

- HMCL's volumes grew ~14.4% YoY to 591k units (v/s est. 645.9k units). Wholesales reflect a cautious stance in terms of demand sustainability.
- We estimate volumes to decline 5.9% in FY21E, implying residual growth of 29.3% or a run-rate of 549.8k units. We see upside risk to our volume estimates.
- The company has been consistently ramping up supply and production across manufacturing units to cater to increasing demand.

Snapshot of volumes for Nov'20

Company Sales	Nov'20	Nov'19	YoY (%) chg	Oct'20	MoM (%) chg	FY21 YTD	FY20 YTD (%) chg	FY21 estimate	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate	FY21 YTD Monthly Run rate
Hero MotoCorp	5,91,091	5,16,775	14.4	8,06,848	-26.7	37,76,048	46,50,363 -18.8	59,75,433	-5.9	29.3	5,49,846	4,72,006

TVS Motor: In line with est.; volumes up 21.1% YoY to 322.7k units (v/s est. 310.9k units); domestic sales up 29%

- TVSL's wholesales grew 21.1% to 322.7k units (v/s est. 310.9k units).
- 2W volumes grew 25% YoY to 311.5k units. Domestic 2Ws grew 29.6% YoY, and 2W exports grew 9.6% YoY. For 2W, we estimate FY21 2W volumes to decline 9%, implying residual growth of 27% or a run-rate of ~256.2k units.
- 3W volumes declined 35.1% YoY to 11.1k units (v/s est. 14.6k units). We estimate total 3W volumes to decline 9% in FY21, implying residual growth of 78.6% or a run-rate of ~18.3k units. We see downside risk to 3W exports.
- Overall volumes are estimated to decline ~9.6% in FY21E, implying residual growth of 27.1% or a run-rate of 274.5k units.

Snapshot of volumes for Nov'20

Company Sales	Nov'20	Nov'19	YoY (%) chg	Oct'20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg	FY21 estimate	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate	FY21 YTD Monthly Run rate
TVS Motor	3,22,709	2,66,582	21.1	3,94,724	-18.2	18,52,200	23,98,977	-22.8	29,50,566	-9.6	27.1	2,74,591	2,31,525
Motorcycles	1,33,531	1,05,963	26.0	1,73,263	-22.9	7,91,739	9,90,328	-20.1	12,15,200	-11.1	12.4	1,05,865	98,967
Scooters	1,06,196	84,169	26.2	1,27,138	-16.5	5,84,624	8,33,296	-29.8	9,61,489	-10.4	56.9	94,216	73,078
Mopeds	71,792	59,218	21.2	81,720	-12.1	4,07,051	4,59,996	-11.5	6,31,727	-2.7	18.9	56,169	50,881
Three-Wheelers	11,190	17,232	-35.1	12,603	-11.2	68,786	1,15,357	-40.4	1,42,130	-9.1	78.6	18,336	8,598
Total Domestic	2,48,635	1,92,522	29.1	3,02,204	-17.7	13,89,237	18,35,529	-24.3	21,46,310	-31.9	-42.5	1,89,268	1,73,655
Total Exports	74,074	74,060	0.0	92,520	-19.9	4,62,963	5,63,448	-17.8	8,04,256	5.6	72.1	85,323	57,870

Exhibit 3: Comparative valuation

	Rating	Mcap	CMP	TP	P/E (x)		EV/EBITDA (x)		PB (x)		FY22 Yield (%)		EPS CAGR (%)
Auto OEM's		(INR b)	(INR)	(INR)	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	Div	FCF	FY20-22E
Bajaj Auto	Neutral	939	3,245	3,300	16.4	15.2	11.2	10.0	3.9	3.4	2.6	6.3	4.5
Hero MotoCorp	Buy	623	3,112	3,700	16.3	15.0	10.0	9.0	3.9	3.6	3.9	6.4	10.8
TVS Motor	Neutral	238	500	445	25.1	19.9	13.3	10.9	5.2	4.3	0.9	5.0	24.6
Eicher Motors	Buy	692	2,533	2,670	29.6	23.9	23.0	19.2	5.3	4.5	0.6	3.9	16.5
Maruti Suzuki	Buy	2,144	7,099	7,850	26.3	22.0	17.1	14.1	3.7	3.4	1.4	3.1	20.1
M&M	Buy	877	735	838	18.9	16.5	12.5	11.2	1.1	1.0	1.4	6.7	14.1
Tata Motors	Buy	647	180	230	15.4	6.9	3.0	2.1	1.1	0.9	0.0	24.4	LTP
Ashok Leyland	Buy	272	93	101	25.1	17.4	12.5	9.4	3.4	3.0	2.2	8.3	65.7
Escorts	Neutral	168	1,374	1,350	16.1	16.1	12.5	12.5	2.4	2.1	0.3	4.5	33.8
Auto Ancillaries													
Bharat Forge	Buy	237	509	565	33.2	23.6	18.0	13.6	4.0	3.6	1.2	4.8	32.8
Exide Industries	Buy	156	184	193	17.4	15.2	9.5	8.2	2.2	2.0	1.7	5.6	6.8
Amara Raja	Neutral	158	922	800	21.8	19.7	12.0	10.6	3.5	3.1	1.4	3.1	6.5
BOSCH	Neutral	391	13,255	13,000	30.9	26.6	23.4	18.8	3.7	3.3	0.8	2.4	6.0
Endurance Tech	Buy	160	1,140	1,330	23.4	19.7	11.4	9.5	4.2	3.7	1.3	4.1	15.0
Motherson Sumi	Buy	497	157	160	26.6	20.8	7.0	5.5	3.8	3.4	1.3	7.5	26.8
Mahindra CIE	Buy	60	159	165	14.8	11.9	7.6	6.2	1.2	1.1	0.0	6.8	19.0
CEAT	Buy	47	1,172	1,317	12.1	10.3	6.5	5.6	1.3	1.2	1.0	8.2	41.2

Source: Company, MOFSL

NOTES

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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