



"While for steel, plastics, the prices have gone up by 30%, for precious metals such as rhodium, the increase is much higher. We have to make a fine balance between financial prudence and demand recovery."

Mr Shashank Srivastava,  
ED, Maruti Suzuki

## Dec'20: Recovery trend sustaining

### PV and Tractor demand strong; CV back on growth path

PV and CV wholesales were above estimates, whereas 2W and Tractor wholesales were in line. While PV OEMs reported strong demand and long waiting periods, 2W (ex-RE) OEMs remained cautious on demand sustainability and kept inventory in check. PV volumes grew ~18% YoY (above est.) and 2W (ex-BJAUT) volumes 12% YoY (in-line). CV rose 7.7% YoY (above est.), LCV increased 14% YoY (above est.), and M&HCV was flat (above estimate). 3W (ex-BJAUT) volumes recovered, with decline of 22.2% YoY (below estimate).

- **2W (ex-BJAUT) – in-line; 12% YoY growth:** Volumes grew 12.1% YoY. Inventory is at comfortable levels of 30–45 days. TVS grew 17.5% and HMCL 5.3%. RE volumes grew 36.9% YoY (8.2% MoM).
- **PV – above est.; 18.2% YoY growth:** Sustaining demand resulted in volume growth of 18.2% YoY, restricted by supply chain constraints. MSIL volumes grew 20% YoY (+4.6% MoM), while MM volumes (UV, incl. pick-ups) declined 3.7% YoY (-17.2% MoM).
- **CV – above est; 7.7% YoY growth:** CV wholesales outperformed in both the M&HCV and LCV segments. With government infrastructure activity back on track, M&HCV volumes reflected good recovery, with flat volumes YoY (+38% MoM). LCV volumes grew 14% YoY (+14.5% MoM) and AL volumes 14.3% YoY (+19.7% MoM). TTMT CV volumes declined (-3.6% YoY) and VECV fell (-3% YoY).
- **Tractor – in line with est.; 36.4% YoY growth:** Tractor volumes grew ~36.4% YoY, in line with our estimates. Increasing rabi acreage with low inventory on the ground could result in good wholesales in the coming months. MM's Tractor volumes grew 24.6% YoY; ESC's Tractor volumes rose 88% YoY.

Positive surprise (Var %)	In-line (Var %)	Negative surprise (Var %)
EIM-VECV (+17.6%)	AL (+5%)	Hero MotoCorp (-8.4%)
MSIL (+16.3%)	TVS Motor (+0.1%)	M&M (-7%)
Tata Motors (+13%)		
EIM – RE (+11.3%)		
Escorts (+7.4%)		

**Valuation and view:** Current demand momentum and low inventory in PV/Tractor suggest stronger wholesales in the coming months. 2W OEMs, on the other hand, are expected to maintain a cautious stance, with no major inventory push. CV is expected to see sustained growth hereafter. With pent-up demand largely fulfilled, it would be critical for demand to sustain in 4QFY21 and beyond, considering the expected price hikes as well as opening up of public transport in many parts of the globe. Current valuations suggest recovery is likely to sustain (our base case), leaving limited safety margin 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 Dec'20 (incl. exports) \*

Company Sales	YoY			MoM						
	Dec-20	Dec-19	YoY (%) chg	Nov-20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg	FY21E	Gr (%)
<b>2W</b>	<b>774,569</b>	<b>690,880</b>	<b>12.1</b>	<b>966,392</b>	<b>-19.8</b>	<b>6,672,492</b>	<b>8,107,416</b>	<b>-17.7</b>	<b>9,412,176</b>	<b>-7.2</b>
Cars	132,059	106,880	23.6	128,932	2.4	811,673	939,131	-13.6	1,236,105	-1.8
UVs + MPVs	77,770	70,665	10.1	81,180	-4.2	503,115	645,809	-22.1	765,304	-6.3
<b>PVs</b>	<b>209,829</b>	<b>177,545</b>	<b>18.2</b>	<b>210,112</b>	<b>-0.1</b>	<b>1,314,788</b>	<b>1,584,940</b>	<b>-17.0</b>	<b>2,001,409</b>	<b>-3.6</b>
3Ws	16,710	21,324	-21.6	15,044	11.1	93,497	181,095	-48.4	162,867	-25.5
M&HCVs	24,263	24,181	0.3	17,596	37.9	94,715	196,144	-51.7	191,231	-24.0
LCVs	32,527	28,541	14.0	28,411	14.5	162,600	239,752	-32.2	273,025	-7.7
<b>CVs</b>	<b>56,790</b>	<b>52,722</b>	<b>7.7</b>	<b>46,007</b>	<b>23.4</b>	<b>257,315</b>	<b>435,896</b>	<b>-41.0</b>	<b>464,255</b>	<b>-15.2</b>
Tractors	30,150	22,104	36.4	42,891	-29.7	334,757	308,535	8.5	441,970	13.9

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

## MARUTI SUZUKI: Wholesale above est. at 160.2k (v/s est. ~137.8k) – growth of 20.2% YoY

- MSIL's Dec'20 wholesales were above estimates at 160.2k (+20.2% YoY), with domestic volume growth of 19.5%.
- Compact segment volumes grew 21.5% YoY to 81.4k units (v/s est. 73k).
- The Mini segment grew 4.4% to 24.9k units (v/s est. 21.5k) YoY, while Ciaz declined 28.9% YoY.
- The LCV segment grew 260% to 5.7k units (v/s est. 2.5k) YoY.
- UV volumes saw growth of 8% YoY to ~25.7k units (v/s est. 21.4k units).
- Export volumes grew 31.4% to 9.9k units (v/s est. 9k units).
- We estimate FY21E volumes to decline ~5% YoY, implying residual growth of 34.5% or a run-rate of ~172.3k units.

## Snapshot of volumes for Dec'20

Company Sales	YoY			MoM					FY21 estimate	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate
	Dec'20	Dec'19	YoY (%) chg	Nov'20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg				
<b>Maruti Suzuki</b>	<b>1,60,226</b>	<b>1,33,296</b>	<b>20.2</b>	<b>1,53,223</b>	<b>4.6</b>	<b>9,65,626</b>	<b>11,78,272</b>	<b>-18.0</b>	<b>14,82,563</b>	<b>-5.1</b>	<b>34.5</b>	<b>1,72,312</b>
LCVs	5,726	1,591	259.9	3,181	80.0	19,917	18,188	9.5	37,023	70.0	376.5	5,702
Vans	11,215	7,634	46.9	11,183	0.3	69,963	88,887	-21.3	1,08,228	-8.6	29.6	12,755
Mini Segment	24,927	23,883	4.4	22,339	11.6	1,52,394	1,78,404	-14.6	2,32,539	-6.1	15.5	26,715
Compact (incl Dzire Tour)	81,449	67,033	21.5	81,893	-0.5	5,01,218	6,10,873	-18.0	7,68,055	-5.4	32.7	88,946
Mid Size – CIAZ	1,270	1,786	-28.9	1,870	-32.1	9,367	20,016	-53.2	14,650	-42.0	0.8	1,761
UVs	25,701	23,808	8.0	23,753	8.2	1,52,156	1,84,330	-17.5	2,34,497	-0.3	61.6	27,447
Domestic	1,50,288	1,25,735	19.5	1,44,219	4.2	9,05,015	11,00,698	-17.8	13,94,990	-4.5	36.2	1,63,325
Export	9,938	7,561	31.4	9,004	10.4	60,611	77,574	-21.9	87,573	-14.3	9.6	8,987

## M&amp;M: Below est.; wholesales flat at 57.6k; UV sales below est.; Tractor in-line

- M&M's overall volume was flat at 57.6k units (est. 61.9k units).
- MM's Tractor volumes grew 24.6% YoY to 22.4k units (v/s est. 23.4k units). We factor in 12.2% volume growth for FY21E, implying 31.8% residual growth or 26k units.
- UV volumes declined 3.7% YoY to 31.7k (est. 33.8k units). Domestic Passenger UV sales grew 5.4% YoY, while Pick-up / SCV volumes declined 11.8% YoY. We estimate UV volumes to decline 14.5% in FY21E, implying 45.4% residual growth or a run-rate of 37.8k units.
- 3W volumes declined 46.7% YoY to 2865 units (v/s est. 4029 units).
- As per Mr. Veejay Ram Nakra, Chief Executive Officer, Automotive division, M&M, "At Mahindra we have witnessed a growth of 5% in Utility Vehicles in the month of December. Our overall sales have been affected due to the continuing supply chain challenges related to the constantly changing global environment, more specifically the

*supply shortage of micro-processors (semiconductors) used in Electronic Control Unit (ECUs). Demand continues to remain strong even after the festive season and as we get into the new year."*

- Commenting on the performance, Hemant Sikka, President – Farm Equipment Sector, Mahindra & Mahindra Ltd., stated, "We have sold 21,173 tractors in the domestic market during December 2020 with a growth of 23% over last year. The wholesale volumes continued to be strong fueled by restoration of channel inventory post the festive season, announcement of hike in tractor prices by major OEMs and anticipation of sustained demand on the back of higher Rabi acreage, GoI support in Kharif procurement & rural development schemes. In the exports market, we have sold 1,244 tractors, a growth of 60% over last year."

#### Snapshot of volumes for Dec'20

Company Sales	YoY			MoM					FY21 estimate	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate
	Dec'20	Dec'19	YoY (%) chg	Nov'20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg				
<b>Mahindra &amp; Mahindra</b>	<b>57,604</b>	<b>57,220</b>	<b>0.7</b>	<b>75,457</b>	<b>-23.7</b>	<b>5,04,556</b>	<b>6,26,245</b>	<b>-19.4</b>	<b>7,20,031</b>	<b>-7.4</b>	<b>42.0</b>	<b>71,825</b>
UV (incl. pick-ups)	31,781	33,019	-3.7	38,402	-17.2	2,30,740	3,24,530	-28.9	3,44,206	-14.5	45.4	37,822
LCV & M&HCV	541	839	-35.5	475	13.9	2,346	9,304	-74.8	5,205	-53.8	45.0	953
Three-Wheelers	2,865	5,372	-46.7	3,854	-25.7	10,866	49,786	-78.2	31,871	-48.8	69.4	7,002
Tractors	22,417	17,990	24.6	32,726	-31.5	2,60,604	2,42,625	7.4	3,38,749	12.2	31.8	26,048

#### ESCORTS: Wholesale volumes grew 88% above est. at 7.7k (v/s est. 7.2k)

- Tractor dispatches grew 88% YoY to 7.7k units (v/s est. 7.2k units) in Dec'20.
- Domestic sales grew ~90% YoY and exports ~63.3% YoY.
- We estimate ~20% growth in volumes for FY21E, implying 44.6% residual growth or a monthly run-rate of ~9.7k units.
- Management commentary:** Post the lockdown, this is the first month where we could supply as per the demands of customers, some of whom waited long to get their preferred tractor brand. Going forward, all macroeconomic factors remain in favor of continued growth, and we do not expect any significant supply-demand gaps. Rising inflation, however, continues to be a concern.

#### Snapshot of volumes for Dec'20

	YOY			MoM					FY21 estimate	YoY (%) chg	Residual Growth (%)	Residual Monthly Run rate
	Dec'20	Dec'19	YoY (%) chg	Nov'20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg				
<b>Escorts</b>	<b>7,733</b>	<b>4,114</b>	<b>88.0</b>	<b>10,165</b>	<b>-23.9</b>	<b>74,153</b>	<b>65,910</b>	<b>12.5</b>	<b>1,03,222</b>	<b>20.0</b>	<b>44.6</b>	<b>9,690</b>
Domestic	7,230	3,806	90.0	9,662	-25.2	70,918	63,130	12.3	98,771	20.1	45.7	9,284
Exports	503	308	63.3	503	0.0	3,235	2,780	16	4,451	18	23.3	405

#### TATA MOTORS: Above est.; volumes grew 20% YoY to 56.4k units (v/s est. 49.7k units)

- TTMT's CV volumes declined 3.6% YoY, led by 7.2% YoY decline in LCV to 20.3k (est. ~20.8k) units and 3.1% YoY growth in HCV to 12.4k (est. 10.9k) units.
- UV volumes grew 46.2% YoY to 9k (est. 6.5k) units; car volumes grew 118.8% YoY to ~14.4k (est. 11.5k) units.
- We estimate ~20.1% decline in CV volumes for FY21E, implying 69.3% residual growth or a monthly run-rate of ~39k units. We see downside risk to CV volumes.
- Overall, we estimate ~2.2% decline in total volumes for FY21E, implying 87.6% residual growth or a monthly run-rate of ~63.4k units.

**Snapshot of volumes for Dec'20**

Company Sales	YoY			MoM					FY21 estimate	Residual Gr. (%)	Residual Growth (%)	Residual Monthly Run rate
	Dec'20	Dec'19	YoY (%) chg	Nov'20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg				
<b>Tata Motors</b>	<b>56,417</b>	<b>46,903</b>	<b>20.3</b>	<b>49,650</b>	<b>13.6</b>	<b>2,93,625</b>	<b>3,71,887</b>	<b>-21.0</b>	<b>4,83,978</b>	<b>2.2</b>	<b>87.6</b>	<b>63,451</b>
HCV's	12,487	12,114	3.1	8,772	42.4	46,074	97,396	-52.7	92,038	-26.0	69.9	15,321
LCV's	20,382	21,968	-7.2	19,210	6.1	1,09,212	1,74,165	-37.3	1,80,277	-16.6	68.8	23,688
<b>CV's</b>	<b>32,869</b>	<b>34,082</b>	<b>-3.6</b>	<b>27,982</b>	<b>17.5</b>	<b>1,55,286</b>	<b>2,71,561</b>	<b>-42.8</b>	<b>2,72,315</b>	<b>-20.1</b>	<b>69.3</b>	<b>39,010</b>
Cars	14,475	6,617	118.8	13,826	4.7	88,083	52,264	68.5	1,33,289	84.5	126.5	15,069
UV's	9,073	6,204	46.2	7,842	15.7	50,256	48,062	4.6	78,373	29.6	126.9	9,372

**Ashok Leyland: In line with est.; volumes grew 14.3% YoY to 12,762 units (v/s est. 12,123 units)**

- Wholesale dispatches grew 14.3% YoY to 12,762 units (v/s est. 12,123 units).
- M&HCV volumes declined 2% YoY to 6,884 units (v/s est. 6,323 units).
- LCV volumes grew 41.9% YoY to 5,878 units (v/s est. 5,800 units).
- We estimate volumes to decline 12.7% in FY21E, implying residual growth of ~106.4% or 17.5k units.

**Snapshot of volumes for Dec'20**

Company Sales	YoY			MoM					FY21 estimate	Residual Gr. (%)	Residual Growth (%)	Residual Monthly Run rate
	Dec'20	Dec'19	YoY (%) chg	Nov'20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg				
<b>Ashok Leyland</b>	<b>12,762</b>	<b>11,168</b>	<b>14.3</b>	<b>10,659</b>	<b>19.7</b>	<b>56,668</b>	<b>99,751</b>	<b>-43.2</b>	<b>1,09,276</b>	<b>-12.7</b>	<b>106.4</b>	<b>17,536</b>
CV (ex LCV)	6,884	7,025	-2.0	5,114	34.6	25,543	61,656	-58.6	58,757	-25.2	96.1	11,071
LCV	5,878	4,143	41.9	5,545	6.0	31,125	38,095	-18	50,519	8.3	126.8	6,465

**EICHER MOTORS: RE sales above est. at 69k units (v/s est. 62k units); VECV declined 3% YoY**

- Royal Enfield (RE) dispatches grew 36.9% YoY to 69k units (v/s est. 62k units). Domestic retails were broadly similar to wholesales.
- We estimate RE volumes to decline 11.3% for FY21, implying residual growth of 28.7% or a run-rate of 69.8k units.
- VECV volumes declined 3% YoY to 4,892 units (v/s est. ~4160 units). For VECV, we estimate ~17% decline in volumes for FY21E, implying 49.1% residual growth or 5.7k units.

**Snapshot of volumes for Dec'20**

	YOY			MoM					FY21 estimate	Residual YoY (%) chg	Residual Growth (%)	Residual Monthly Run rate
	Dec'20	Dec'19	YoY (%) chg	Nov'20	MoM (%) chg	FY21 YTD	FY20 YTD	(%) chg				
<b>Royal Enfield</b>	<b>68,995</b>	<b>50,416</b>	<b>36.9</b>	<b>63,782</b>	<b>8.2</b>	<b>4,07,456</b>	<b>5,32,969</b>	<b>-23.5</b>	<b>6,17,149</b>	<b>-11.3</b>	<b>28.7</b>	<b>69,898</b>
<b>VECV</b>	<b>4,892</b>	<b>5,042</b>	<b>-3.0</b>	<b>3,710</b>	<b>31.9</b>	<b>23,098</b>	<b>37,092</b>	<b>-37.7</b>	<b>40,436</b>	<b>-17.0</b>	<b>49.1</b>	<b>5,779</b>
Domestic LMD	2,882	2,757	4.5	2,126	35.6	13,881	20,735	-33.1	23,769	-11.0	65.6	3,296
Domestic HD	982	653	50.4	774	26.9	4,076	5,547	-26.5	6,915	-5.0	63.9	946
Domestic Buses	205	1,000	-79.5	188	9.0	1,363	6,609	-79.4	3,624	-60.0	-7.8	754
VTI	205	132	55.3	149	37.6	634	781	-18.8	1,052	-5.0	28.1	139
<b>Domestic</b>	<b>4,274</b>	<b>4,542</b>	<b>-5.9</b>	<b>3,237</b>	<b>32.0</b>	<b>19,954</b>	<b>33,672</b>	<b>-40.7</b>	<b>35,360</b>	<b>-20.3</b>	<b>44.1</b>	<b>5,135</b>
<b>Exports</b>	618	500	23.6	473	30.7	3,144	3,420	-8.1	5,076	11.1	68.3	644

**HERO MOTOCORP: Below est.; volumes grew 5.3% YoY to 447.3k units (v/s est. 488.6k units)**

- HMCL's volumes grew 5.3% YoY to 447.3k units (v/s est. 488.6k units).
- Motorcycles volumes grew 2.8% YoY to 415k units (v/s est. 403.6k units).
- Scooters volumes grew 51.9% to 32.3k units (v/s est. 49.6k units).
- Export volumes grew 73.7% to 22.3k units.
- We estimate volumes to decline 7.1% in FY21E, implying residual growth of 31.2% or a run-rate of 558.2k units. We see upside risk to our volume estimates.
- December volumes indicate continuously improving consumer sentiment; the company expects the positive trend to continue into the new year – despite the challenges posed by the COVID-19 pandemic.

## Snapshot of volumes for Dec'20

Company Sales	YoY			MoM					FY21 estimate	Gr. (%)	Residual Growth	Residual Monthly
	Dec'20	Dec'19	YoY (%) chg	Nov'20	MoM (%) chg	FY21 YTD	FY20 YTD (%) chg	Run rate			(%)	Run rate
<b>Hero MotoCorp</b>	<b>4,47,335</b>	<b>4,24,845</b>	<b>5.3</b>	<b>5,91,091</b>	<b>-24.3</b>	<b>42,23,383</b>	<b>50,75,208</b>	<b>-16.8</b>	<b>58,98,258</b>	<b>-7.1</b>	<b>31.2</b>	<b>5,58,292</b>
Motorcycles	4,15,099	4,03,625	2.8	5,41,437	-23.3	38,96,089	47,10,766	-17.3	55,98,236	-4.0	52.2	5,67,382
Scooters	32,236	21,220	51.9	49,654	-35.1	3,27,136	3,64,442	-10.2	3,00,023	-17.0	813.2	-9,038
Exports	22,302	12,836	73.7	15,134	47.4	1,19,844	1,28,700	-6.9	1,45,410	-10.0	-22.2	8,522

## TVS Motor: In-line; volumes grew 17.5% YoY to 272k units (v/s est. 271k units); export sales grew 28.2%

- TVSL's wholesales grew 17.5% to 272k units (v/s est. 271k units).
- 2W volumes grew 19.8% YoY to 258.2k units. Domestic 2W grew 12.5% YoY, and 2W exports grew 39.3% YoY. For 2W, we estimate FY21 2W volumes to decline 6.2%, implying residual growth of 45% or a run-rate of ~285k units.
- 3W volumes declined 13.2% YoY to 13.8k units (v/s est. 13.5k units). We estimate total 3W volumes to decline 37.1% in FY21, implying residual growth of 92.5% or a run-rate of ~16k units. We see downside risk to 3W exports.
- Overall volumes are estimated to decline ~7.2% in FY21E, implying residual growth of 42.8% or a run-rate of ~301.1k units.

## Snapshot of volumes for Dec'20

Company Sales	YoY			MoM					FY21 estimate	Gr. (%)	Residual Growth	Residual Monthly
	Dec'20	Dec'19	YoY (%) chg	Nov'20	MoM (%) chg	FY21 YTD	FY20 YTD (%) chg	Run rate			(%)	Run rate
<b>TVS Motor</b>	<b>2,72,084</b>	<b>2,31,571</b>	<b>17.5</b>	<b>3,22,709</b>	<b>-15.7</b>	<b>21,24,284</b>	<b>26,30,548</b>	<b>-19.2</b>	<b>30,27,784</b>	<b>-7.2</b>	<b>42.8</b>	<b>3,01,167</b>
Motorcycles	1,19,051	93,697	27.1	1,33,531	-10.8	9,10,790	10,84,025	-16.0	12,81,556	-6.3	31.0	1,23,589
Scooters	77,705	74,716	4.0	1,06,196	-26.8	6,62,329	9,08,012	-27.1	9,56,494	-10.9	77.8	98,055
Mopeds	61,483	47,206	30.2	71,792	-14.4	4,68,534	5,07,202	-7.6	6,58,718	1.5	34.2	63,395
Three-Wheelers	13,845	15,952	-13.2	11,190	23.7	82,631	1,31,309	-37.1	1,30,996	-16.3	92.5	16,122
Domestic	1,77,815	1,58,059	12.5	2,48,635	-28.5	15,67,052	19,93,588	-21.4	21,98,947	-30.2	-45.5	2,10,632
Exports	94,269	73,512	28.2	74,074	27.3	5,57,232	6,36,960	-12.5	8,28,838	8.8	117.7	90,535

## Exhibit 2: Comparative valuation

	Rating	Mcap	CMP	TP	P/E (x)	EV/EBITDA (x)	PB (x)		FY23 Yield (%)	EPS CAGR (%)	
<b>Auto OEMs</b>		(INR b)	(INR)	(INR)	FY22E	FY23E	FY22E	FY23E	Div	FCF	FY20-23E
<b>Hero MotoCorp</b>	Buy	620	3,099	3,620	17.6	16.1	10.9	9.9	4.0	3.8	3.9
<b>TVS Motor</b>	Neutral	233	491	521	26.0	19.5	13.6	10.9	5.1	4.2	0.9
<b>Eicher Motors</b>	Buy	694	2,542	2,760	30.8	24.3	23.8	19.4	5.4	4.6	0.6
<b>Maruti Suzuki</b>	Buy	2,323	7,692	8,650	28.3	22.5	19.1	15.0	4.0	3.6	1.3
<b>M&amp;M</b>	Buy	874	733	840	20.6	17.7	12.9	11.4	1.1	1.0	1.4
<b>Tata Motors</b>	Buy	671	186	234	13.6	7.4	3.2	2.4	1.1	0.9	0.0
<b>Ashok Leyland</b>	Buy	291	99	113	24.2	15.4	12.5	8.7	3.6	3.1	2.0
<b>Escorts</b>	Neutral	158	1,288	1,417	14.2	13.0	10.8	10.8	2.2	1.9	0.3
<b>Auto Ancillaries</b>											
<b>Bharat Forge</b>	Buy	250	538	622	31.5	22.7	17.5	13.3	4.1	3.7	1.2
<b>Exide Industries</b>	Buy	163	191	222	18.8	15.6	10.3	8.6	2.3	2.1	1.7
<b>Amara Raja</b>	Neutral	158	926	869	22.1	19.2	12.2	10.4	3.5	3.1	1.5
<b>BOSCH</b>	Neutral	383	12,991	14,550	29.0	25.0	21.8	17.5	3.6	3.3	0.8
<b>Endurance Tech</b>	Buy	190	1,350	1,606	28.0	23.5	14.0	11.9	5.0	4.4	1.1
<b>Motherson Sumi</b>	Buy	518	164	189	24.2	18.9	6.7	5.2	3.9	3.4	1.4
<b>Mahindra CIE</b>	Buy	66	174	204	16.1	13.1	8.2	6.8	1.3	1.2	0.0
<b>CEAT</b>	Buy	44	1,094	1,325	11.1	9.6	6.1	5.3	1.3	1.1	1.1

Source: Company, MOFSL

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

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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