

Automobiles

Refer to important disclosures at the end of this report

Mar'21 volume review: Driving forward

- Wholesales grew sequentially in Mar'21, with double-digit growth in CVs and Tractors and single-digit growth in 2Ws and PVs. As volume numbers are not comparable yoy due to the low base, we have weighed them against Mar'19 numbers – Tractors and PVs were higher, 2Ws were slightly lower and CVs were notably lower than Mar'19 levels.
- CV industry volumes were above estimates across OEMs, supported by a ramp-up in production levels. On a mom basis, domestic volume growth for MM stood at 86%, EIM at 25%, AL at 23% and TTMT at 18%. Sequential improvement in MM was led by a ramp-up in production for *Bolero* pickup model. Two-year volume CAGR for EIM stood at -9%, AL at -12%, TTMT at -15% and MM at -16%. In terms of market share, EIM and AL reported gains in FY21. At Mar'21-end, dealer inventory stood at 2-3 weeks as per our checks.
- PV industry volumes were also above estimates across OEMs, aided by a healthy order-book (several models have waiting periods ranging for 1-4 months) and better production. On a mom basis, domestic volume growth stood at 9% each for MM/ TTMT each and 1% for MSIL. Two-year volume CAGR was a mixed bag, with TTMT/ MSIL reporting 29%/2% growth and MM posting a 22% decline. TTMT has witnessed notable market share gains in FY21, driven by new models, network expansion and focused marketing efforts. Dealer inventory stands at 2-3 weeks.
- 2W industry volumes improved sequentially, helped by channel filling before the festive season. Domestic volume growth mom for BJAUT stood at 22%, HMCL at 12% and TVSL at 4%, while EIM-RE witnessed an 8% decline due to some delay in dispatches from plants. Two-year volume CAGR was a mixed bag, with EIM-RE reporting 1% growth, while HMCL/BJAUT/TVSL recording a decline of 1%/9%/10%. In terms of market share, HMCL and TVSL saw gains in FY21. Dealer inventory stands high at 5-7 weeks.
- Tractor industry volumes remained in an uptrend and came in above estimates. On a mom basis, domestic volume growth for MM and ESC stood at 10% each. Two-year volume CAGR stood at 27% for MM due to a low base and 1% for ESC. Both MM and ESC have lost market share in FY21 due to production constraints. Dealer inventory was at 3-4 weeks.
- Our positive view on the Automobile sector is underpinned by expectations of a strong cyclical upturn, which is expected to last at least three years. Our top picks among OEMs are TTMT (TP: Rs375), AL (TP: Rs155), MSIL (TP: Rs9,000) and EIM (TP: Rs3,300). In Ancillaries, we like BHFC (TP: Rs760) and APTY (TP: Rs306). Key downside risks to our calls and estimates: Delay in economic recovery, rising competitive intensity and adverse movement in currency/commodity prices.**

Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(Page 3\)](#)

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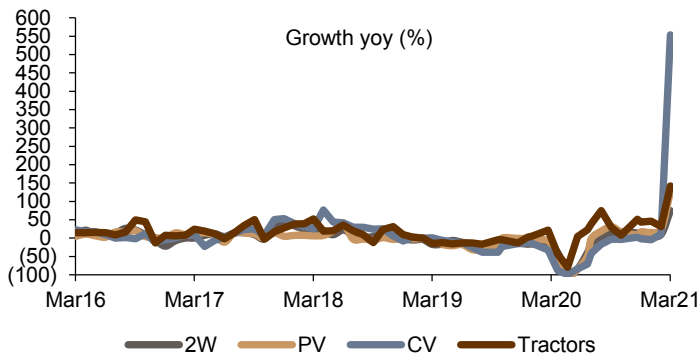
Company-wise volume snapshot

Companies	Mar21	CAGR % (Mar19-21)	YoY (%)	MoM (%)	FY21	FY20	YoY (%)
Maruti Suzuki (MSIL)	167,014	3	99	2	1,457,861	1,563,297	(7)
M&M Auto (MM)	40,403	(20)	446	40	352,281	476,043	(26)
M&M Farm	30,970	25	128	10	354,498	301,915	17
Tata Motors Domestic CV (TTMT)	36,955	(15)	593	18	242,490	310,855	(22)
Tata Motors Domestic PV	29,654	29	422	9	222,025	131,197	69
Ashok Leyland MHCV (AL)	9,901	(19)	561	39	46,056	71,418	(36)
Ashok Leyland Total	17,231	(11)	691	26	100,728	125,250	(20)
Eicher Motors CV (EIM-VECV)	7,037	(10)	369	29	41,265	48,721	(15)
Bajaj Auto (BJAUT)	369,448	(3)	52	(1)	3,972,914	4,615,162	(14)
Hero MotoCorp (HMCL)	576,957	(0)	72	14	5,791,696	6,409,719	(10)
Royal Enfield (EIM-RE)	66,058	4	84	(5)	612,060	695,839	(12)
TVS Motors (TVSL)	322,683	(0)	123	8	3,051,863	3,263,418	(6)
Escorts (ESC)	12,337	2	127	10	106,741	86,018	24
Atul Auto (ATA)	1,751	(38)	60	9	16,295	44,082	(63)

Source: Company, Emkay Research

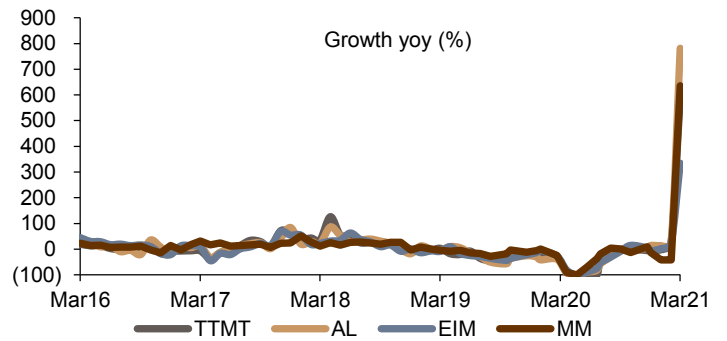
Story in Charts

Exhibit 1: Positive growth mom across segments; Volumes are not comparable yoy due to the low base on account of Covid-19 lockdown



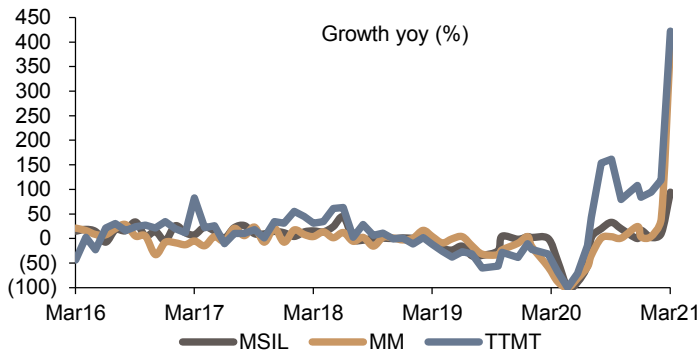
Source: Company, Emkay Research

Exhibit 2: Strong double-digit growth mom in CVs



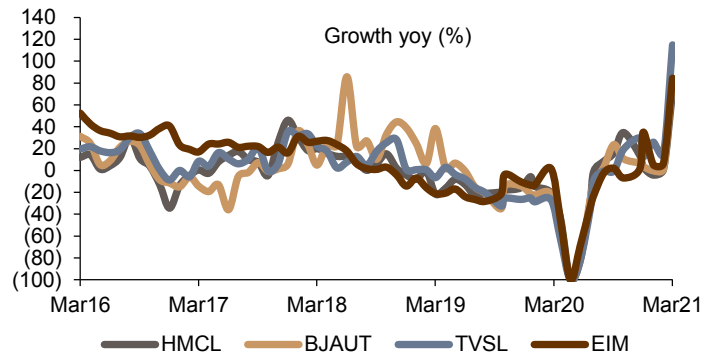
Source: Company, Emkay Research

Exhibit 3: Single-digit growth mom in PVs



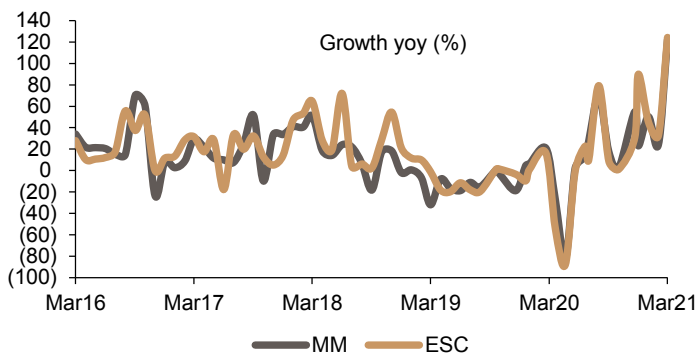
Source: Company, Emkay Research

Exhibit 4: Single-digit growth mom in 2Ws



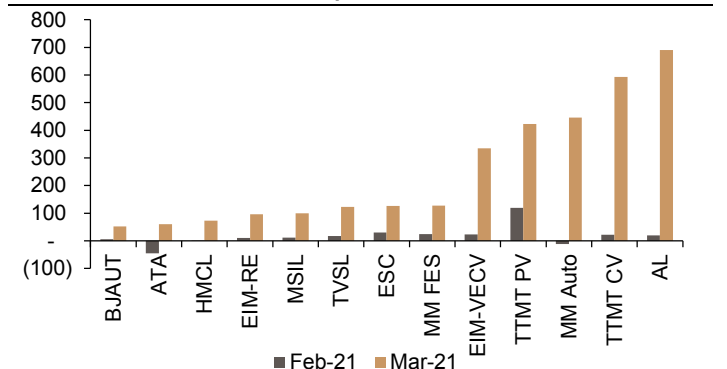
Source: Company, Emkay Research

Exhibit 5: Buoyant performance in Tractors



Source: Company, Emkay Research

Exhibit 6: OEM performance: yoy growth robust due to low base; Positive trend mom across companies



Source: Company, Emkay Research

Emkay Alpha Portfolio – Automobiles & Auto Ancillaries



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Sector

Automobiles and Ancillaries

Analyst bio

Raghu holds an MBA and comes with total 11 years of research experience. His team currently covers 14 stocks in the Indian Automobiles and Ancillaries space.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Auto & Auto Ancillaries	5.27	5.27	0%	0	100.00
Amara Raja Batteries	0.08	0.00	-100%	-8	0.00
Apollo Tyres	0.00	0.00	NA	0	0.00
Ashok Leyland	0.20	0.29	46%	9	5.49
Atul Auto	0.00	0.00	NA	0	0.00
Bajaj Auto	0.58	0.59	1%	1	11.12
Bharat Forge	0.18	0.19	1%	0	3.51
Eicher Motors	0.44	0.44	1%	0	8.36
Escorts	0.00	0.00	NA	0	0.00
Exide Industries	0.10	0.00	-100%	-10	0.00
Hero Motocorp	0.46	0.46	1%	0	8.76
Mahindra & Mahindra	0.92	0.93	1%	1	17.63
Maruti Suzuki India	1.10	1.11	1%	1	20.98
Motherson Sumi	0.30	0.30	1%	0	5.75
Tata Motors	0.69	0.70	1%	0	13.24
Tata Motors DVR*	0.08	0.13	73%	6	2.48
TVS Motor	0.14	0.14	1%	0	2.68
Cash	0.00	0.00	NA	0	0.00

Source: Emkay Research

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

Sector portfolio NAV

	Base					Latest
	1-Apr-19	1-Apr-20	1-Oct-20	30-Dec-20	2-Mar-21	1-Apr-21
EAP - Auto & Auto Ancillaries	100.0	51.5	91.6	106.2	128.4	119.5
BSE200 Neutral Weighted Portfolio (ETF)	100.0	53.4	93.9	108.7	128.9	120.0

*Performance measurement base date 1st April 2019

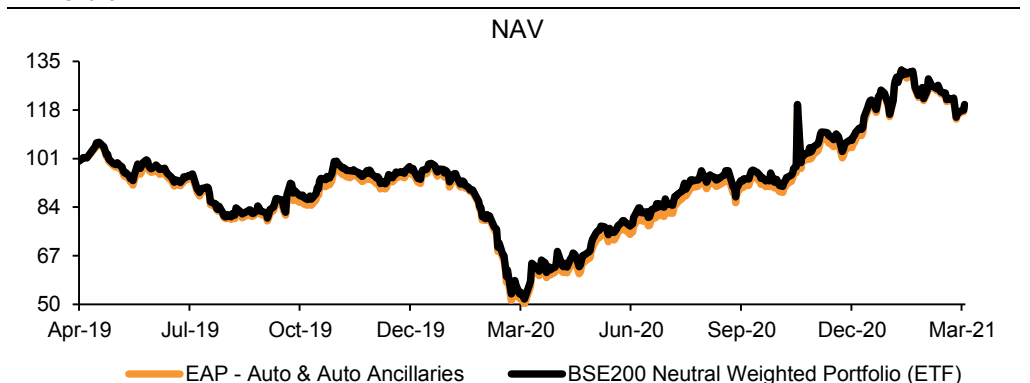
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	-7.0%	12.6%	30.4%	132.0%
BSE200 Neutral Weighted Portfolio (ETF)	-6.9%	10.4%	27.8%	124.7%

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”

Exhibit 7: Segment-wise volume snapshot (Domestic)

Company	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
2Ws (Domestic)								
Hero MotoCorp	544,340	316,685	71.9	484,433	12.4	5,599,930	6,231,458	(10.1)
Bajaj Auto	181,393	98,412	84.3	148,934	21.8	1,809,375	2,078,348	(12.9)
TVS Motor	202,155	94,103	114.8	195,145	3.6	2,164,228	2,410,666	(10.2)
Royal Enfield	60,173	32,630	84.4	65,114	(7.6)	573,438	656,651	(12.7)
PVs (Domestic)								
Maruti Suzuki	152,102	78,344	94.1	150,261	1.2	1,332,166	1,439,348	(7.4)
Mahindra & Mahindra	16,700	3,384	393.5	15,391	8.5	157,216	186,978	(15.9)
Tata Motors	29,654	5,676	422.4	27,225	8.9	222,025	131,197	69.2
CVs (Domestic)								
Tata Motors	36,955	5,336	592.6	31,248	18.3	242,490	310,855	(22.0)
Ashok Leyland	15,761	1,787	782.0	12,776	23.4	92,727	116,330	(20.3)
VECV	6,054	1,409	329.7	4,825	25.5	35,163	43,046	(18.3)
Mahindra & Mahindra	17,116	2,325	636.2	9,202	86.0	156,159	199,135	(21.6)
Tractors (Domestic)								
Mahindra & Mahindra	29,817	13,418	122.2	27,170	9.7	343,833	291,901	17.8
Escorts	11,730	5,228	124.4	10,690	9.7	101,848	82,252	23.8

Source: Company, Emkay Research

Company-wise highlights

Maruti Suzuki volume stood at 167,014 units (3% CAGR over 2 years – between Mar'19 to Mar'21; 2% mom; 99% yoy), broadly in line with the estimate of 166,000 units.

- Domestic PV volume (including sales to other OEMs) stood at 152,012 units (2% CAGR over 2 years; 1% mom). On a sequential basis, positive growth seen in Cars and sales to Toyota, while there was a marginal decline in UVs and Vans.
- Domestic LCVs stood at 3,315 units (13% CAGR over 2 years, 22% mom).
- Exports stood at 11,597 units (5% CAGR over 2 years, 1% mom).

FY21 total volume declined 7% to 1.46mn units. Within domestic PVs, the share of UVs has increased from 16% in FY20 to 17% in FY21. LCVs have grown strongly by 36% to 29,556 units in FY21, led by increasing acceptance of petrol/CNG vehicles. Export fall was limited to 6% in FY21, aided by a recovery in key markets in the past two quarters and growth in models such as S-presso, Brezza and Jimny. **Healthy waiting period in several models and low dealer inventory provide strong visibility for wholesales in coming months. We expect FY22 volume at 1.9mn units.**

Exhibit 8: Maruti Suzuki

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Domestic Cars	108,482	58,370	85.9	105,986	2.4	959,658	1,060,644	(9.5)
Domestic UVs	26,174	11,904	119.9	26,884	(2.6)	229,101	235,298	(2.6)
Domestic Vans	11,547	5,966	93.5	11,891	(2.9)	105,081	118,404	(11.3)
Sales to other OEM	5,899	2,104	180.4	5,500	7.3	38,326	25,002	53.3
Domestic PVs	152,102	78,344	94.1	150,261	1.2	1,332,166	1,439,348	(7.4)
Domestic LCVs	3,315	736	350.4	2,722	21.8	29,556	21,778	35.7
Exports	11,597	4,712	146.1	11,486	1.0	96,139	102,171	(5.9)
Total	167,014	83,792	99.3	164,469	1.5	1,457,861	1,563,297	(6.7)

Source: Company, Emkay Research

Mahindra & Mahindra volume stood at 71,373 units (-7% CAGR over 2 years; 25% mom; 240% yoy), above the estimate of 62,500 units, mainly due to a ramp-up in production of LCVs.

- Auto segment volume stood at 40,403 units (-20% CAGR over 2 years, 40% mom). Sequential growth was seen in CVs, 3Ws, PVs and Exports. The company has been able to ramp up LCV production notably on mom basis. Management expects supply issues to persist for 2-3 months and then ease gradually.
- Farm segment volume stood at 30,970 units (25% CAGR over 2 years, 10% mom). Sequential growth was aided by positive customer sentiment and channel filling.

FY21 total volume fell 9% to 706,779 units, affected by a 26% fall in the Auto segment. **FY22 volume growth should be robust (25%+), aided by a strong rebound in the Auto segment. In the Farm segment, we expect volume growth to taper to single digits on a high base.**

Exhibit 9: Mahindra & Mahindra

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Domestic PVs	16,700	3,384	393.5	15,391	8.5	157,216	186,978	(15.9)
Domestic CVs	17,116	2,325	636.2	9,202	86.0	156,159	199,135	(21.6)
Domestic 3Ws	4,461	421	959.6	2,357	89.3	20,525	62,187	(67.0)
Exports Auto	2,126	1,271	67.3	1,827	16.4	18,381	27,743	(33.7)
Total Auto	40,403	7,401	445.9	28,777	40.4	352,281	476,043	(26.0)
Domestic Tractors	29,817	13,418	122.2	27,170	9.7	343,833	291,901	17.8
Exports Tractors	1,153	195	491.3	976	18.1	10,665	10,014	6.5
Total Tractors	30,970	13,613	127.5	28,146	10.0	354,498	301,915	17.4
Total	71,373	21,014	239.6	56,923	25.4	706,779	777,958	(9.1)

Source: Company, Emkay Research

Escorts tractor volume stood at 12,337 units (2% CAGR over 2 years; 10% mom, 127% yoy), marginally above the estimate of 12,000 units.

- Domestic volume stood at 11,730 units (1% CAGR over 2 years; 10% mom). Positive customer sentiment and channel filling continue to aid volume.
- Exports stood at 607 units (13% CAGR over 2-years, 12% mom).

FY21 volume grew 24% to 106,741 units, led by 24%/30% growth in domestic/export segments. Escorts witnessed a marginal loss in market share, owing to production constraints. **After robust growth in FY21, volume growth is likely to taper to single digits in FY22.**

Exhibit 10: Escorts

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Domestic Tractors	11,730	5,228	124.4	10,690	9.7	101,848	82,252	23.8
Exports Tractors	607	216	181.0	540	12.4	4,893	3,766	29.9
Total Tractors	12,337	5,444	126.6	11,230	9.9	106,741	86,018	24.1

Source: Company, Emkay Research

Ashok Leyland volume stood at 17,231 units (-11% CAGR over 2 years; 26% mom; 691% yoy), above the estimate of 15,000 units.

- Domestic MHCVs stood at 9,901 units (-19% CAGR over 2 years; 39% mom). Improvement in volume in recent months has been supported by better freight availability and pickup in road construction activity. Channel checks indicate early signs of recovery in replacement demand.
- Domestic LCVs stood at 5,860 units (5% CAGR over 2 years; 3% mom). High volume was supported by new products (Bada Dost range).
- Exports stood at 1,470 units (20% CAGR over 2 years; 59% mom).

FY21 volume declined 20% to 100,728 units. **FY22 CV volume growth should be robust (60%+), supported by a recovery in replacement demand, government thrust on infra spending, new products in LCVs and a favorable base.**

Exhibit 11: Ashok Leyland

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Domestic MHCVs	9,901	1,498	560.9	7,114	39.2	46,056	71,418	(35.5)
Domestic LCVs	5,860	289	1,927.7	5,662	3.5	46,671	44,912	3.9
Exports	1,470	392	275.0	927	58.6	8,001	8,920	(10.3)
Total CVs	17,231	2,179	690.8	13,703	25.7	100,728	125,250	(19.6)

Source: Company, Emkay Research

Tata Motors volume stood at 70,396 units (-3% CAGR over 2 years; 15% mom; 445% yoy), above the estimate of 66,000 units, owing to better-than-expected volume in CVs and PVs.

- Domestic CVs stood at 36,955 units (-15% CAGR over 2 years; 18% mom). On a sequential basis, volume improved across categories – MHCVs, ILCVs and Buses.
- Domestic PVs stood at 29,654 units (29% CAGR over 2 years; 9% mom). Ramp-up in production has supported sequential volumes. The waiting period stands at 1-3 months for most models.
- Exports stood at 3,787 units (-20% CAGR over 2 years; 31% mom).

FY21 YTD volume grew 3% to 485,361 units, led by 69% growth in domestic PVs. **FY22 volumes growth should be robust (30%+), supported by robust growth in both CVs and PVs.**

Exhibit 12: Tata Motors

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Domestic CVs	36,955	5,336	592.6	31,248	18.3	242,490	310,855	(22.0)
Domestic PVs	29,654	5,676	422.4	27,225	8.9	222,025	131,197	69.2
Exports	3,787	1,912	98.1	2,892	30.9	20,846	31,326	(33.5)
Total	70,396	12,924	444.7	61,365	14.7	485,361	473,378	2.5

Source: Company, Emkay Research

Eicher Motors – Royal Enfield volume stood at 66,058 units (4% CAGR over 2 years; -5% mom; 84% yoy), below the estimate of 71,000 units.

- Production stood at 70,000+, which is higher than wholesales (billed vehicles) of 66,058 units. The unbilled vehicles are on-route from factories to warehouses, and billing of these vehicles to dealers is expected once they reach warehouses. In mid Mar'21, the company said there were some production issues, which resulted in delays in dispatches from the factory, causing a temporary mismatch between production and dispatches.
- Domestic volume stood at 60,173 units (1% CAGR over 2 years, -8% mom).
- Exports stood at 5,885 units (57% CAGR over 2-years, 29% mom).
- On a sequential basis, over 350cc motorcycles grew 43% to 7,587 units. In comparison, up to 350cc motorcycles declined 9%.

FY21 volume declined 12% to 612,060 units. **FY22 volume growth should be in double digits, supported by the pending order book, new products and network expansion.**

Eicher Motors – VECV volume stood at 7,037 units (-10% CAGR over 2 years; 29% mom; 369% yoy), above the estimate of 6,200 units.

- Domestic volume stood at 6,054 units (-9% CAGR over 2 years; 26% mom). On a sequential basis, volume improved due to growth in Cargo vehicles (both LMD and HD trucks).
- Exports stood at 816 units (-18% CAGR over 2-years; 60% mom).

FY21 total volume fell 15% to 41,265 units. The company gained market share due to strong presence in the ILCV segment. **FY22 CV volume growth should be robust, aided by a recovery in replacement demand, government thrust on infra spending and a favorable base.**

Exhibit 13: Eicher Motors

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Domestic 2Ws	60,173	32,630	84.4	65,114	(7.6)	573,438	656,651	(12.7)
Exports 2Ws	5,885	3,184	84.8	4,545	29.5	38,622	39,188	(1.4)
Total 2Ws	66,058	35,814	84.4	69,659	(5.2)	612,060	695,839	(12.0)
Domestic CVs	6,054	1,409	329.7	4,825	25.5	35,163	43,046	(18.3)
Volvo (Traded)	167	23	626.1	122	36.9	1,077	1,107	(2.7)
Exports CVs	816	67	1,117.9	510	60.0	5,025	4,568	10.0
Total CVs	7,037	1,499	369.4	5,457	29.0	41,265	48,721	(15.3)

Source: Company, Emkay Research

Hero MotoCorp volume stood at 576,957 units (0% CAGR over 2 years; 14% mom; 72% yoy), above the estimate of 525,000 units.

- Domestic 2Ws stood at 544,340 units (-1% CAGR over 2 years; 12% mom). Sequential improvement was supported by increased marketing efforts and channel filling before the festive season.
- Exports stood at 32,617 units (8% CAGR over 2-years; 55% mom).

FY21 volume was lower by 10% at 5.8mn units. **Led by improving macros and favorable base, we expect FY22 volume at 6.7mn units.**

Exhibit 14: Hero MotoCorp

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Domestic	544,340	316,685	71.9	484,433	12.4	5,599,930	6,231,458	(10.1)
Exports	32,617	17,962	81.6	21,034	55.1	191,608	178,261	7.5
Total 2Ws	576,957	334,647	72.4	505,467	14.1	5,791,696	6,409,719	(9.6)
Scoters	52,349	28,764	82.0	41,744	25.4	457,427	419,370	9.1
Motorcycles	524,608	305,883	71.5	463,723	13.1	5,334,111	5,990,349	(11.0)

Source: Company, Emkay Research

Bajaj Auto volume stood at 369,448 units (-3% CAGR over 2 years – between Mar'19 to Ma'r21; -1% mom; 52% yoy), below the estimate of 390,000 units.

- 2Ws stood at 330,133 units (1% CAGR over 2 years; -1% mom). Exports were below estimates, declining sequentially by 19%.
- 3Ws stood at 39,315 units (-25% CAGR over 2-years; -7% mom).

FY21 total volume was lower by 14% at 4mn units. **We expect FY22 volume at 4.8mn units, supported by double-digit growth in 2Ws and a strong rebound in domestic 3Ws.**

Exhibit 15: Bajaj Auto

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Domestic 2Ws	181,393	98,412	84.3	148,934	21.8	1,809,375	2,078,348	(12.9)
Exports 2Ws	148,740	112,564	32.1	183,629	(19.0)	1,796,518	1,869,220	(3.9)
Total 2Ws	330,133	210,976	56.5	332,563	(0.7)	3,605,893	3,947,568	(8.7)
Domestic 3Ws	17,158	18,129	(5.4)	15,877	8.1	109,292	365,759	(70.1)
Exports 3Ws	22,157	13,470	64.5	26,577	(16.6)	257,729	301,835	(14.6)
Total 3Ws	39,315	31,599	24.4	42,454	(7.4)	367,021	667,594	(45.0)
Total	369,448	242,575	52.3	375,017	(1.5)	3,972,914	4,615,162	(13.9)

Source: Company, Emkay Research

TVS Motors volume stood at 322,683 units (0% CAGR over 2 years; 8% mom; 123% yoy), slightly above the estimate of 312,900 units.

- 2Ws stood at 307,437 units (-1% CAGR over 2 years; 8% mom). Motorcycles and Scooters have performed well, while Mopeds are weak. Exports have done well, reaching a new high of 105,282 units.
- 3Ws stood at 15,246 units (3% CAGR over 2 years; 16% mom).

FY21 volume declined 6% to 3.05mn units. **We expect FY22 volume at 3.6mn units, supported by double-digit growth in 2Ws and 3Ws.**

Exhibit 16: TVS Motors

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Domestic 2Ws	202,155	94,103	114.8	195,145	3.6	2,164,228	2,410,666	(10.2)
Export 2Ws	105,282	39,885	164.0	89,436	17.7	764,039	678,891	12.5
Total 2Ws	307,437	133,988	129.5	284,581	8.0	2,928,267	3,089,557	(5.2)
Domestic 3Ws	1,106	439	151.9	813	36.0	8,266	11,934	(30.7)
Export 3Ws	14,140	10,312	37.1	12,353	14.5	115,330	161,927	(28.8)
Total 3Ws	15,246	10,751	41.8	13,166	15.8	123,596	173,861	(28.9)
Total	322,683	144,739	122.9	297,747	8.4	3,051,863	3,263,418	(6.5)

Source: Company, Emkay Research

Atul Auto volume stood at 1,751 units (-38% CAGR over 2 years; 9% mom; 61% yoy), slightly above the estimate of 1,700 units. FY21 volume declined 63% to 16,295 units. **We expect a strong rebound in FY22 in domestic/export segments on improving utilization for 3W operators and a favorable base.**

Exhibit 17: Atul Auto

Volume (units)	Mar21	Mar20	YoY (%)	Feb21	MoM (%)	FY21	FY20	YoY (%)
Total 3Ws	1,751	1,091	60.5	1,613	8.6	16,295	44,082	(63.0)

Source: Company, Emkay Research

Exhibit 18: Peer comparison

	CMP (Rs)	Target (Rs)	Mcap (Rs.bn)	Reco	EPS (Rs)			PE (x)			ROE (%)			ROCE (%)		
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E
Ashok Leyland	118	155	347	Buy	-0.9	3.8	6.7	-129.4	31.2	17.5	-3.8	15.3	24.1	-0.6	15.7	24.6
Atul Auto	180	275	4	Buy	0.0	16.3	27.5	7352.5	11.0	6.6	0.0	11.3	16.9	0.4	14.1	20.8
Bajaj Auto	3,747	4,370	1084	Buy	158.2	203.5	240.4	23.7	18.4	15.6	22.0	25.7	27.3	28.1	33.0	35.2
Eicher Motors	2,631	3,300	719	Buy	54.9	107.6	135.5	47.9	24.4	19.4	14.2	23.8	24.5	17.9	28.5	28.6
Escorts Ltd	1,274	1,500	172	Buy	77.6	88.5	94.9	16.4	14.4	13.4	18.1	15.9	14.9	24.0	21.2	19.8
Hero Motocorp	2,956	4,000	591	Buy	143.4	190.2	213.8	20.6	15.5	13.8	19.7	24.0	24.2	25.3	30.8	31.1
Mahindra & Mahindra	808	1,020	1004	Buy	34.1	45.8	50.7	23.7	17.6	15.9	12.2	15.3	15.1	14.9	18.6	18.5
Maruti Suzuki India	6,924	9,000	2092	Buy	155.3	289.6	368.1	44.6	23.9	18.8	9.4	16.2	18.5	12.1	20.6	23.6
Tata Motors	308	375	1089	Buy	-8.9	23.6	39.8	-34.6	13.0	7.7	-5.9	16.4	23.5	4.9	10.5	14.6
TVS Motor	589	570	280	Hold	10.5	18.5	24.8	56.2	31.9	23.7	13.2	20.8	24.2	13.8	21.2	25.9
Amara Raja Batteries	860	860	147	Hold	36.9	47.4	57.4	23.3	18.1	15.0	16.2	18.5	19.6	21.5	24.4	25.9
Apollo Tyres	236	306	150	Buy	13.6	14.9	19.1	17.3	15.8	12.4	8.1	8.0	9.6	8.1	9.0	10.7
Exide Industries	186	204	158	Hold	8.2	10.3	12.0	22.8	18.1	15.5	10.6	12.4	13.4	14.3	16.7	17.9
Motherson Sumi	210	240	665	Buy	3.4	9.9	12.0	62.5	21.3	17.5	9.3	24.4	25.0	6.3	15.4	17.9
Bharat Forge	613	760	286	Buy	6.6	18.3	27.5	92.8	33.5	22.3	5.7	14.6	19.4	5.5	13.7	18.7

Source: Company, Emkay Research

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HOLD	Between -5% to 15%
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