3rd November 2017

CMP: Rs 3,709 Target Price: Rs 3,800 Recommendation: Netural

Stock Info			
BSE Group	А		
BSE Code	500182		
NSE Symbol	HEROMOTOCO		
Bloomberg	HMCL IN		
Reuters	HROM.BO		
BSE Sensex	33,573		
NSE Nifty	10,423		

Market Info				
Market Capital	Rs 74,330 cr			
Equity Capital	Rs 39.9 cr			
6M Avg Trading Volume	3,82,940			
52 Wk High / low Rs 4,091/2,849				
Face Value	Rs 2			

Share holding pattern as on June 17		
Promotors	34.6	
DII's	11.6	
FII's	42.1	
Others	11.7	
Face Value	Rs 2	





Hero Motocorp Ltd. revenue increased by 9% to Rs 8,362 cr from Rs 7,670 cr in the corresponding quarter of previous year. During quarter, company has registered sales of 20.22 lakh units, increase of 11% on YoY basis and by 9% on Q-o-Q basis. Hero Motocorp's strong point is the executive segment in the motorcycle market, but this is also the category that is increasingly being cannibalized by scooters, owing to similar price points. Company has continued to maintain leadership in Motorcycle segment.

Operating EBITDA margins decreased by 20 bps to 17.4% on YoY and EBITDA for the quarter stood at Rs 1456 cr, Q2 PAT increased marginally by 0.6% to Rs.1010 cr on YoY basis.

Concall highlights:

Subdued Margins

- Revenues representation has changed due to GST related adjustments.
- Taxes/Duties such as service tax, NCCD and excise duty have been excluded from revenues and expenses (RM cost, other expenses).
- Haridwar plant duty benefits have been partially accrued in revenues.
- Company has accounted for 58% of the GST incentive in Haridwar plant pertaining to Central Government share of CGST/IGST in accordance with the "Scheme of Budgetary Support under GST" issued by Ministry of Commerce and Industry on October 05, 2017 and await state notification on the balance 42%.

Demand:

- Festive season was strong, with double-digit growth in volumes.
- Urban demand has been strong since Q1FY18, while rural demand picked up in Q2FY18.
- New products such as premium motorcycle and scooters will be launched in H2FY18.
- Glamor model sales were impacted due to supply constraints in H1FY18. It is expected to pick up in H2FY18.
- Hero Fincorp financed 180,000 units in Q2FY18, implying 9% of sales. This number is expected to increase going ahead.
- Spare parts revenue was flat yoy, though higher by 18% qoq.
- The effective tax rate was higher on account of phasing out of investment allowance and reduction in allowable deduction of R&D expenditure.
- Dealer inventory post festive season stands at 4-6 weeks.
- Dealer network stands at over 6,000. Focus has been on refreshing dealer portfolio.
- Expiry of Haridwar plant tax benefits by Mar'18 would impact margins by 100bps. This negative impact would be partially offset by tax benefits from new plants. Cumulative capex for FY18-19 is expected at Rs2500 cr

> Valuation: The stock is currently trading at Rs 3,733 at 19.2 x our estimated FY19E EPS of Rs 200 per share. We assign a price target of Rs 3800 at 19x FY19 EPS, and have "Neutral" rating on the stock.

Sector -Auto

Y/E March, (in Rs crore)	FY17	FY18E	FY19E
Net Sales	28,475	31,292	34,806
уоу%	1.1%	9.9%	11.2%
Operating EBIDTA	4,635	5,007	5,708
Operating EBITDA %	16.3%	15.7%	16.1%
РАТ	3,377	3,514	3,995
уоу%	7.8%	4.0%	13.7%
EPS	168	176	200
P/E (x)	22.1	21.2	18.7

Quarterly P&L in Rs cr	Q2FY18	Q1FY18	Q2FY17	ΥοΥ%	QoQ%
Volumes (in numbers)	20,22,805	18,53,647	18,23,498	11%	9%
Net Realization per unit	41,339	43,005	42,059	-2%	-4%
NetSales	8,362	7,972	7,670	9%	5%
Other Operating Income	0	0	127		
Income from Operations	8,362	7,972	7,796	7%	5%
	0				
Materials Consumed	5,698	5,394	5,183	10%	6%
Employees Cost	384	374	357	7%	3%
Other Expenditure	825	908	887	-7%	-9%
Total Expenditure	6,906	6,676	6,427	7%	3%
Operating EBITDA	1,456	1,296	1,369	6%	12%
margin	17.4%	16.26%	17.6%	-1%	7%
Core EBITDA	1,456	1,296	1,242	17%	12%
margin	0	16.3%	16.2%	7%	7%
Depreciation and Amortization	136	133	119	14%	2%
	0				
Operating EBIT before Other Income & Excp Items	1,320	1,163	1,250	6%	13%
Other Income	118	132	152	-23%	-11%
Interest	2	1.58	1.55	1%	-1%
PBT before Exceptional Items	1,436	1,293	1,400	3%	11%
Exceptional item	0	0	0		
РВТ	1,436	1,293	1,400	3%	11%
Tax Expense	425	379	396	7%	12%
Effective Tax Rate	30%	29.3%	28.3%	5%	1%
Net Profit after Tax	1,010	914	1,004	0.6%	11%
EPS	50.6	45.8	50.3	0.6%	11%

Profit and Loss Account, Year Ending March			
Particulars, in Rs crore	FY17	FY18E	FY19E
Net Sales	28,475	31,292	34,806
ΥσΥ%	1.1	9.9	11.2
Other Operating Income	-	626	696
Income from Operations	28,475	31,918	35,502
Materials Consumed	19,012	21,279	23,668
Total Expenditure	23,840	26,911	29,794
Operating EBITDA	4,635	5,007	5,708
Operating EBITDA margin %	16.3	16.0	16.4
Depreciation	493	601	683
Operating EBIT	4,142	4,406	5,025
Other Income	522	516	574
Interest	6	8	11
Exceptional Item	-	-	-
РВТ	4,658	4,914	5,588
Tax Expense	1,281	1,401	1,593
Reported Net Profit	3,377	3,514	3,995
ΥοΥ%	7.8	4.0	13.7
Effective Tax Rate	27.5	28.5	28.5
Reported EPS	168	176	200

Cash Flow Statement, Year Ending March			
Particulars, in Rs crore	FY17	FY18E	F Y19 E
Operating Activities			
РВТ	4,658	4,914	5,588
Add Depr + non op exp	493	601	683
Others	173	(351)	(466)
Total	5,325	5,164	5,806
Cash Taxes	1,281	1,401	1,593
Changes in Working Cap	(153)	574	917
Cash Flow from Operations	4,028	4,338	5,130
Investing Activities			
Change in investments	3,095	4,065	6,000
Capex	1,151	1,816	2,865
Cash Flow from Investing	(1,943.9)	(2,249.1)	(3,135.0)
Financing Activities			
Dividends + Taxes paid	2,091	2,044	1,959
Change in Non Curr Liab	6.1	8.1	11.3
Cash Flow from Financing	(2,096)	(2,052)	(1,970)
Opening Cash	27	15	52
Changes during year	(12)	37	25
Adj due to			
amalgamation/unpaid div			
Closing Cash	15	52	77

Liabilities + Equity(a) Share capital4040(b) Reserves and surplus10,07110,346(b) Reserves and surplus10,07110,346Shareholders' funds10,01110,386Current liab & Prov490137Current liabilities4,0935,132Total - Equity and liabilities14,69415,655Total - Equity and liabilities14,69415,655Non-current assets4,5816,690Fixed assets4,5816,690Non-current assets1,3491,619Loans + Adv + Others1,3491,619Non-current assets6,6929,341Loans + Adv + Others1,6327,703Current assets7,6597,054Current assets7,6597,054Current Assets7,6597,054Sub-total - Current assets7,7296,314Core E Larrent Assets7,72916,314Core E BITDA%16,6316,04Core EBITDA%11,1911,12Core EBITDA%11,1911,10Core EBITDA%11,1911,10Core EBITDA%11,1911,10Sales / Avg Total Assets2,11,1Core EAsi1,11,1Sales / Avg Total Assets2,11,1Core EBITDA%11,11,1Core EBITDA%11,11,1Core EBITDA%11,11,1Core EBITDA%1,11,1Sales / Avg Total Assets2,		40		FY19E
(a) Share capital4040(b) Reserves and surplus10,07110,34612,233Shareholders' funds10,11110,38612,273Non-current liab & Prov490137154Current liabilities4,0935,1325,760Total - Equity and liabilities14,69415,65518,186Assets14,69415,65518,186Non-current assets4,5816,6907,290Long Term Inv1,3491,6191,943Loans + Adv + Others1,0311,0322,168Non-current assets6,9629,34111,400Current assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Core EBITDA%16.316.016.4PAT%11.911.211.5ROAE%37.434.335.3Curent RASets / Avg Equity15.51.61.8ROAE21.91.51.61.8ROAE21.91.51.61.8ROAE%37.434.335.335.3Current RASets / Avg Equity0.50.010.01Current Ratios1.91.51.61.8ROAE21.91.51.6 <td< th=""><th>(a) Share capital</th><th></th><th>40</th><th></th></td<>	(a) Share capital		40	
(b) Reserves and surplus10,07110,34612,233Shareholders' funds10,11110,34612,233Shareholders' funds10,11110,34612,273Non-current liab & Prov490137154Current liabilities4,0935,1325,760Total - Equity and liabilities14,69415,65518,186Assets4,69415,65518,186Non-current assets4,5816,6907,290Long Term Inv1,3491,6191,943Loans + Adv + Others1,0311,0322,168Non-current assets6,9629,34111,400Current assets6,9629,34111,400Current assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets7,7326,3146,786Total - Assets7,7326,3146,786Profitability914.211.5Operating EBITDA%16.316.016.4Core EBITDA%15.316.016.4Operating EBITDA%15.316.011.3Sales / Avg Total Assets2.11917.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Du Pont ROAE breakup10.011.335.3Current Ratio1.91.734.335.3Out Pont ROAE breakup1.51.61.8ROE37.434.3 <th></th> <th></th> <th>40</th> <th></th>			40	
Shareholders' funds10,11110,38612,273Non-current liab & Prov490137154Current liabilities4,0935,1325,760Total - Equity and liabilities14,69415,65518,186Assets14,69415,65518,186Non-current assets4,5816,6907,290Long Term Inv1,3491,6191,943Loans + Adv + Others1,0311,0322,168Non-current assets6,9629,34111,400Current assets6,9629,34111,400Current assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets7,7326,3146,786Total - Assets14,69415,65518,186ProfitabilityOperating EBITDA%16.316.4Core EBITDA%15.316.016.4Core EBITDA%15.316.016.4PAT%11.911.211.5ROAE%37.434.3Ou Pont ROAE breakupPottal Assets / Avg Total Assets2.11.9Aug Total Assets / Avg Eqty1.51.61.8ROE37.434.335.335.3Out Pont ROAE breakupCurrent Ratio1.91.1.3Sales / Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.3<	(b) Record and surely	10,071		40
Non-current liab & Prov490137154Current liabilities4,0935,1325,760Total - Equity and liabilities14,69415,65518,186Assets115,65518,186Non-current assets4,5816,6907,290Long Term Inv1,3491,6191,943Loans + Adv + Others1,0311,0322,168Non-current assets6,9629,34111,400Current assets6,9629,34111,400Current assets7,6597,0547,109Current assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Core EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Current RoAE breakup15.61.6PAT / Sales11.911.011.3Sales / Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Current Ratio1.91.61.8ROE37.434.335.3Current Ratio1.91.01.1.3Sales / Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.33.5Current Ratio1.91.61.83.5Current Ratio1.91.4 <t< td=""><td>(b) Reserves and surplus</td><td></td><td>10,346</td><td>12,233</td></t<>	(b) Reserves and surplus		10,346	12,233
Current liabilities4,0935,1325,760Total - Equity and liabilities14,69415,65518,186AssetsIntermed to the second	Shareholders' funds	10,111	10,386	12,273
Total - Equity and liabilities14,69415,65518,186AssetsIntegrationIntegrationIntegrationAssetsAssets4,5816,6907,290Long Term Inv1,3491,6191,943Loans + Adv + Others1,0311,0322,168Non-current assets6,9629,34111,400Current assets6,9629,34111,400Current assets7,6597,0547,109Sub-total - Current assets7,6597,0547,109Sub-total - Current assets7,7226,3146,786Total - Assets14,69415,55518,186Etito AnalysisPorfitabilityOperating EBITDA%16.316.0IntegrationPAT / Sales11.911.2IntegrationDu Pont ROAE breakupPAT / Sales11.911.0Integration11.9IntegrationIntegrationCurrent Ratio1.9Integration1.0IntegrationIntegrationIntegrationIntegrationIntegrationIntegrationIntegrationIntegrationIntegrationIntegrationIntegrationIntegrati	Non-current liab & Prov	490	137	154
AssetsImage: Constraint of the sector of the se	Current liabilities	4,093	5,132	5,760
Non-current assetsIdentifyIdentifyFixed assets4,5816,6907,290Long Term Inv1,3491,6191,943Loans + Adv + Others1,0311,0322,168Non-current assets6,9629,34111,400Current assets6,9629,34111,400Current assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Total - Assets14,69416,316,4Core EBITDA%16,314.014,4PAT%11.911.111,5RAE%37.4314.011,3Sales / Avg Total Assets2.11.9PAT / Sales11.911.011,3Sales / Avg Total Assets2.11.6ROE37.434.335.3ROE37.434.335.3ROE37.434.335.3Current Ratio1.91.1Long Term Debt / Equity0.050.01Long Term Debt / Equity0.050.01DPS80.088.088.0	Total - Equity and liabilities	14,694	15,655	18,186
Non-current assetsIdentifyIdentifyFixed assets4,5816,6907,290Long Term Inv1,3491,6191,943Loans + Adv + Others1,0311,0322,168Non-current assets6,9629,34111,400Current assets6,9629,34111,400Current assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Total - Assets14,69416,316,4Core EBITDA%16,314.014,4PAT%11.911.111,5RAE%37.4314.011,3Sales / Avg Total Assets2.11.9PAT / Sales11.911.011,3Sales / Avg Total Assets2.11.6ROE37.434.335.3ROE37.434.335.3ROE37.434.335.3Current Ratio1.91.1Long Term Debt / Equity0.050.01Long Term Debt / Equity0.050.01DPS80.088.088.0				
Fixed assets4,5816,6907,290Long Term Inv1,3491,6191,943Loans + Adv + Others1,0311,0322,168Non-current assets6,9629,34111,400Current assets6,9629,34111,400Current assets7,6597,0547,109Coher Current Assets7,7226,3146,786Total - Assets7,7326,3146,786Total - Assets14,69415,65518,186Total - Assets7,8727,818FY17FY18EFY19EProfitabilityFY17FY18EFY19EOperating EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Current Ratio1.91.11.1Current Ratio1.91.01.1EPS168.4176.02.00.1DPS80.088.088.0	Assets			
Long Term Inv1,3491,6191,943Loans + Adv + Others1,0311,0322,168Non-current assets6,9629,34111,400Current assets6,9629,34111,400Current assets7,6597,0547,109Gash1552777Other Current Assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186ProfitabilityFY17FY18EFY19EProfitability16.316.416.4Core EBITDA%16.316.314.4PAT%11.911.211.5ROAE%37.434.335.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Current Ratio1.91.1.31.5Current Ratio1.91.1.41.12Long Term Debt / Equity0.050.010.01EPS168.4176.0200.1DPS80.088.088.0	Non-current assets			
Loans + Adv + Others 1,031 1,032 2,168 Non-current assets 6,962 9,341 11,400 Current assets 7 7 Gash 15 52 77 Other Current Assets 7,659 7,054 7,109 Sub-total - Current assets 7,732 6,314 6,786 Total - Assets 14,694 15,655 18,186 Etito Analysis FY17 FY18E FY19E Profitability 16.3 16.0 16.4 Core EBITDA% 16.3 14.0 14.4 PAT% 11.9 11.2 11.5 ROAE% 37.4 34.3 35.3 Du Pont ROAE breakup 11.9 11.0 11.3 Sales / Avg Total Assets 2.1 1.9 1.7 Avg Total Assets / Avg Eqty 1.5 1.6 1.8 ROE 37.4 34.3 35.3 Current Ratio 1.9 1.7 1.7	Fixed assets	4,581	6,690	7,290
Non-current assets6,9629,34111,400Current assets7,6597,0547,109Other Current Assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186ProfitabilityFY17FY18EFY19EProfitability16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Du Pont ROAE breakup11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Cother Ratios1.91.1.41.2Current Ratio1.91.1.41.2DPS80.088.088.0	Long Term Inv	1,349	1,619	1,943
Current assetsCash155277Cash7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186ProfitabilityOperating EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Du Pont ROAE breakup11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Current Ratio1.91.41.2Long Term Debt / Equity0.050.010.01DPS80.088.088.088.0	Loans + Adv + Others	1,031	1,032	2,168
Cash155277Other Current Assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186ProfitabilityFY17FY18EFY19EOperating EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Du Pont ROAE breakup11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Current Ratio1.91.21.5Current Ratio1.90.010.01EPS168.4176.0200.1DPS80.088.088.0	Non-current assets	6,962	9,341	11,400
Other Current Assets7,6597,0547,109Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Frito AnalysisFrito AnalysisFrito AnalysisProfitabilityOperating EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Du Pont ROAE breakupPAT / Sales11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Current Ratio1.91.41.2Long Term Debt / Equity0.050.010.01DIPS80.088.088.0	Current assets			
Sub-total - Current assets7,7326,3146,786Total - Assets14,69415,65518,186Total - Assets14,69415,65518,186Retrot AnalysisProfitabilityOperating EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Du Pont ROAE breakupPAT / Sales11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Other Ratios1.91.61.8Current Ratio1.91.41.2Long Term Debt / Equity0.050.010.01DPS80.088.088.0	Cash	15	52	77
Total - Assets14,69415,65518,186Itakio AnalysisFile AnalysisFY17FY18EFY19EProfitabilityOperating EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Du Pont ROAE breakup000PAT / Sales11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Other Ratios1.91.61.8Long Term Debt / Equity0.050.010.01DPS80.088.088.0	Other Current Assets	7,659	7,054	7,109
Ratio AnalysisFY17FY18EFY19EProfitabilityFY17FY18EFY19EOperating EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Du Pont ROAE breakup11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Other Ratios37.434.335.3Current Ratio1.91.1.21.7Long Term Debt / Equity0.050.010.01DPS80.088.088.0	Sub-total - Current assets	7,732	6,314	6,786
FY17FY18EFY19EProfitabilityOperating EBITDA%16.316.314.0Core EBITDA%16.316.314.0PAT%11.9PAT%37.4ROAE%37.4ACM37.4ACM37.4Sales / Avg Total Assets2.1PAT / Sales11.911.911.0Sales / Avg Total Assets2.1Avg Total Assets / Avg Eqty1.5Action37.4Cother Ratios37.4Current Ratio1.9Long Term Debt / Equity0.05Other S0.01DPS80.088.088.0	Total - Assets	14,694	15,655	18,186
FY17FY18EFY19EProfitabilityOperating EBITDA%16.3Core EBITDA%16.316.314.0PAT%11.9PAT%11.9ROAE%37.4A34.335.3Du Pont ROAE breakupPAT / Sales11.9PAT / Sales11.9Sales / Avg Total Assets2.1Avg Total Assets / Avg Eqty1.5Are Total Assets / Avg Eqty1.5Cother Ratios1.9Other Ratios1.9EPS168.4DPS80.080.088.0	D	atia Analusia		
ProfitabilityOperating EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Du Pont ROAE breakup10.011.0PAT / Sales11.911.0Sales / Avg Total Assets2.11.9Avg Total Assets / Avg Eqty1.51.6ROE37.434.3Other Ratios11.91.7Current Ratio1.91.4Long Term Debt / Equity0.050.01DPS80.088.088.0	. Ki		EVADE	EVIOE
Operating EBITDA%16.316.016.4Core EBITDA%16.314.014.4PAT%11.911.211.5ROAE%37.434.335.3Du Pont ROAE breakup11.911.011.3PAT / Sales11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Other Ratios1.91.7Current Ratio1.91.41.2Long Term Debt / Equity0.050.010.01DPS80.088.088.0	Profitability	F117	FILOC	F 119C
Core EBITDA% 16.3 14.0 14.4 PAT% 11.9 11.2 11.5 ROAE% 37.4 34.3 35.3 Du Pont ROAE breakup 11.9 11.0 11.3 PAT / Sales 11.9 11.0 11.3 Sales / Avg Total Assets 2.1 1.9 1.7 Avg Total Assets / Avg Eqty 1.5 1.6 1.8 ROE 37.4 34.3 35.3 Other Ratios 1.5 1.6 1.8 Current Ratio 1.9 1.7 1.6 1.8 Dug Term Debt / Equity 0.05 0.01 0.01 EPS 168.4 176.0 200.1 DPS 80.0 88.0 88.0		16.3	16.0	16.4
PAT%11.911.211.5ROAE%37.434.335.3ROAE%37.434.335.3Du Pont ROAE breakupPAT / Sales11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Other Ratios1.91.41.2Long Term Debt / Equity0.050.010.01EPS38.088.088.0		16.3	14.0	14.4
ROAE%37.434.335.3Du Pont ROAE breakupPAT / Sales11.911.011.3Sales / Avg Total Assets2.11.91.7Avg Total Assets / Avg Eqty1.51.61.8ROE37.434.335.3Other Ratios1.91.7Current Ratio1.91.41.2Long Term Debt / Equity0.050.010.01DPS80.088.088.0				
PAT / Sales 11.9 11.0 11.3 Sales / Avg Total Assets 2.1 1.9 1.7 Avg Total Assets / Avg Eqty 1.5 1.6 1.8 ROE 37.4 34.3 35.3 Other Ratios	ROAE%			
PAT / Sales 11.9 11.0 11.3 Sales / Avg Total Assets 2.1 1.9 1.7 Avg Total Assets / Avg Eqty 1.5 1.6 1.8 ROE 37.4 34.3 35.3 Other Ratios				
Sales / Avg Total Assets 2.1 1.9 1.7 Avg Total Assets / Avg Eqty 1.5 1.6 1.8 ROE 37.4 34.3 35.3 Other Ratios 1.9 1.7 Current Ratio 1.9 1.4 1.2 Long Term Debt / Equity 0.05 0.01 0.01 EPS 168.4 176.0 200.1 DPS 80.0 88.0 88.0	Du Pont ROAE breakup			
Avg Total Assets / Avg Eqty 1.5 1.6 1.8 ROE 37.4 34.3 35.3 Other Ratios 100 100 100 Other Ratios 1.9 1.4 1.2 Long Term Debt / Equity 0.05 0.01 0.01 EPS 168.4 176.0 200.1 DPS 80.0 88.0 88.0	PAT / Sales	11.9	11.0	11.3
Control 37.4 34.3 35.3 Other Ratios 100 100 100 Current Ratio 1.9 1.4 1.2 Long Term Debt / Equity 0.05 0.01 0.01 EPS 168.4 176.0 200.1 DPS 80.0 88.0 88.0	Sales / Avg Total Assets	2.1	1.9	1.7
Other Ratios 1.0 1.2 Current Ratio 1.9 1.4 1.2 Long Term Debt / Equity 0.05 0.01 0.01 EPS 168.4 176.0 200.1 DPS 80.0 88.0 88.0	Avg Total Assets / Avg Eqty	1.5	1.6	1.8
Current Ratio 1.9 1.4 1.2 Long Term Debt / Equity 0.05 0.01 0.01 EPS 168.4 176.0 200.1 DPS 80.0 88.0 88.0	ROE	37.4	34.3	35.3
Current Ratio 1.9 1.4 1.2 Long Term Debt / Equity 0.05 0.01 0.01 EPS 168.4 176.0 200.1 DPS 80.0 88.0 88.0				
Long Term Debt / Equity 0.05 0.01 0.01 EPS 168.4 176.0 200.1 DPS 80.0 88.0 88.0	Other Ratios			
EPS 168.4 176.0 200.1 DPS 80.0 88.0 88.0	Current Ratio	1.9	1.4	1.2
DPS 80.0 88.0 88.0	Long Term Debt / Equity	0.05	0.01	0.01
	EPS	168.4	176.0	200.1
Dividend Payout ratio A7 5 50.0 44.0	DPS	80.0	88.0	88.0
omucia rayout iauo 97.3 30.0 44.0	Dividend Payout ratio	47.5	50.0	44.0
P/E 22.1 21.2 18.7	P/E	22.1	21.2	18.7
BVPS 506.4 520.1 614.6	BVPS	506.4	520.1	614.6
P/BV 7.3 7.1 6.0	P/BV	7.3	7.1	6.0

Sector -Auto



Arihant Research Desk

E. research@arihantcapital.com T. 022-42254800

Head Office

#1011, Solitaire Corporate park, Building No. 10, 1st Floor, Andheri Ghatkopar Link Road, Chakala, Andheri (E). Mumbai - 400093 Tel: (91-22) 42254800 Fax: (91-22) 42254880

Stock Rating

	Absolute Return
Buy	> 20%
Accumulate	12% to 20%
Hold	5% to 12%
Neutral	-5% to 5%
Reduce	< -5%

Research Analyst Registration No.

INH000002764

SMS: 'Arihant' to 56677

Contact

www.arihantcapital.com

Website

research@arihantcapital.com

Email Id

Disclaimer: Arihant Capital Markets Limited is not soliciting any action based upon it. This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. However we do not represent that it is accurate or complete and it should not be relied upon such. Whilst meticulous care has been taken to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any employee of Arihant is in any way responsible for its contents. The firm or its employees may trade in investments, which are the subject of this document or in related investments and may have acted upon or used the information contained in this document or the research or the analysis on which it is based. Before its publication the firm, its owners or its employees may have a position or be otherwise interested in the investment referred to in this document. This is just a suggestion and the firm or its employees will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. No matter contained in this document may be reproduced or copied without the consent of the firm.

Arihant Capital Markets Ltd.

1011, Solitaire Corporate park, Building No. 10, 1st Floor, Andheri Ghatkopar Link Road Chakala, Andheri (E) Tel. 022-42254800 Fax. 022 4225488 www.arihantcapital.com

Sector - Auto

Registered Office

Arihant House E-5 Ratlam Kothi Indore - 452003, (M.P.) Tel: (91-731) 3016100 Fax: (91-731) 3016199