

## Automobiles - Monthly update

BSE Sensex: 19,724

S&P CNX: 5,866

1 November 2007

COMPANY NAME	RECOS	Snapshot of monthly sales for October 2007
Maruti	(Buy, Rs1,004)	⚡ Maruti has reported volume growth of 15.4% in October 2007, with strong growth in A2 and A3 segments.
M&M	(Buy, Rs765)	⚡ M&M displayed robust UV growth at 40% YoY; three-wheelers increased by 5.8%, while tractor sales have declined by 16.4%.
Tata Motors	(Buy, Rs744)	⚡ Tata Motors; displayed strong domestic growth in LCVs at 29% YoY, overall volume growth was 12.8%.
Bajaj Auto	(Buy, Rs2,422)	⚡ Bajaj Auto volumes were marginally negative; along with a significant 19.6% improvement in volumes MoM.
Hero Honda	(Buy, Rs687)	⚡ Hero Honda sales increased marginally by 0.4% YoY to 365,022 units; but these are the highest monthly sales ever for the company.
TVS Motor	(Neutral, Rs57)	⚡ TVS Motors has seen the drop in motorcycle sales continue, while mopeds and scooter sales continue to post robust growth.

### SNAPSHOT OF OCTOBER VOLUMES

COMPANY SALES	YOY			MOM		YTD			RESIDUAL		
	OCT-07	OCT-06	YOY (%) CHG	SEP-07	MOM (%) CHG	2008	2007	YTD (%) CHG	FY08 ESTIMATE	YOY (%) CHG	GR. (%)
<b>Maruti Suzuki</b>	<b>69,415</b>	<b>60,163</b>	<b>15.4</b>	<b>67,448</b>	<b>2.9</b>	<b>430,409</b>	<b>362,794</b>	<b>18.6</b>	<b>788,875</b>	<b>16.9</b>	<b>14.8</b>
A1	4,477	6,354	-29.5	5,221	-14.3	39,142	46,799	-16.4			
C	8,110	7,753	4.6	6,350	27.7	50,194	45,085	11.3			
A2	47,077	38,940	20.9	46,216	1.9	280,179	230,137	21.7			
A3	4,177	2,700	54.7	4,885	-14.5	29,351	18,660	57.3			
MUV	417	147	183.7	414	0.7	2,150	1,835	17.2			
Export	5,157	4,269	20.8	4,362	18.2	29,393	20,278	45.0			
<b>Mahindra &amp; Mahindra</b>	<b>35,865</b>	<b>30,493</b>	<b>17.6</b>	<b>28,539</b>	<b>25.7</b>	<b>191,477</b>	<b>159,559</b>	<b>20.0</b>	<b>307,854</b>	<b>9.7</b>	<b>8.2%</b>
UV's	17,812	12,725	40.0	13,548	31.5	89,486	71,479	25.2	158,297	16.5	6.9
LCV	817	758	7.8	930	-12.2	6,290	4,679	34.4	9,950	15.0	-7.9
PV - Logan	2,214	0	NA	2,185	1.3	14,708	0	NA	-	-	NA
Three-Wheelers	3,836	3,626	5.8	3,208	19.6	20,289	19,095	6.3	37,070	10.0	14.9
Tractors	11,186	13,384	-16.4	8,668	29.0	60,704	64,306	-5.6	102,537	0.0	9.4
<b>Tata Motors</b>	<b>49,354</b>	<b>43,743</b>	<b>12.8</b>	<b>48,347</b>	<b>2.1</b>	<b>312,304</b>	<b>309,599</b>	<b>0.9</b>	<b>609,948</b>	<b>5.3</b>	<b>10.1</b>
Dom. HCV's	13,980	13,184	6.0	14,129	-1.1	82,756	90,578	-8.6	175,115	0.9	
Dom. LCV's	13,123	10,170	29.0	12,907	1.7	77,218	67,148	15.0	139,629	12.1	
Dom. Cars	14,011	12,720	10.1	13,704	2.2	96,791	97,091	-0.3	186,161	4.0	
Dom. UV's	4,010	4,006	0.1	3,302	21.4	23,707	23,929	-0.9	50,767	6.5	
Exports	4,230	3,663	15.5	4,305	-1.7	31,832	30,853	3.2	58,276	9.3	
<b>Bajaj Auto</b>	<b>278,176</b>	<b>279,578</b>	<b>-0.5</b>	<b>232,496</b>	<b>19.6</b>	<b>1,463,859</b>	<b>1,634,789</b>	<b>-10.5</b>	<b>2,774,498</b>	<b>2.0</b>	<b>20.9</b>
Motorcycles	248,307	251,022	-1.1	204,152	21.6	1,273,865	1,442,271	-11.7	2,424,048	2.0	23.1
Total Two-Wheelers	250,175	251,071	-0.4	206,208	21.3	1,289,641	1,454,732	-11.3	2,452,720	2.3	23.4
Three-Wheelers	28,001	28,507	-1.8	26,288	6.5	174,218	180,057	-3.2	321,778	0.0	4.1
<b>Hero Honda</b>	<b>365,022</b>	<b>363,480</b>	<b>0.4</b>	<b>314,567</b>	<b>16.0</b>	<b>1,924,508</b>	<b>1,948,139</b>	<b>-1.2</b>	<b>3,378,491</b>	<b>1.3</b>	<b>4.7</b>
<b>TVS Motor</b>	<b>129,614</b>	<b>142,325</b>	<b>-8.9</b>	<b>115,091</b>	<b>12.6</b>	<b>772,771</b>	<b>937,016</b>	<b>-17.5</b>	<b>1,463,497</b>	<b>-4.2</b>	<b>16.8</b>
Motorcycles	67,752	92,328	-26.6	53,991	25.5	362,705	583,845	-37.9	761,422	-17.6	17.0

Source: Company/Motilal Oswal Securities

## Maruti: Buy

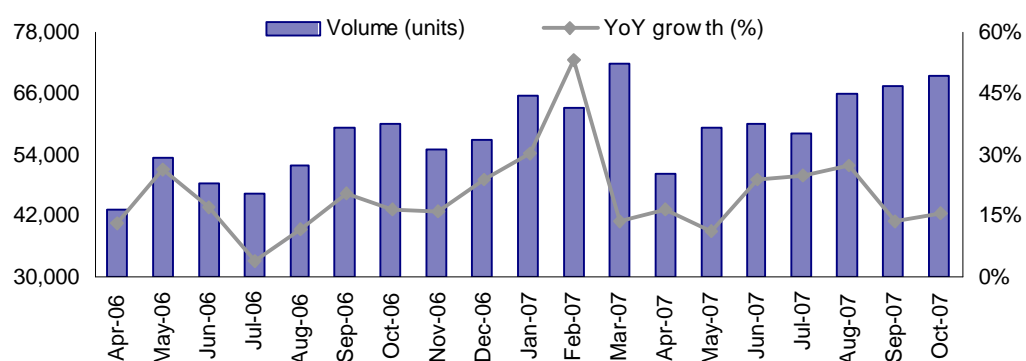
YEAR	TOTAL INC.	PAT	ADJ. EPS	EPS	P/E	P/BV	ROE	ROCE	EV/	EV/
END	(RS M)	(RS M)	(RS)	GROWTH (%)	(X)	(X)	(%)	(%)	SALES	EBITDA
3/07A	149,663	15,574	53.9	28.5	18.6	4.2	22.8	30.2	1.7	10.8
3/08E	187,258	19,689	68.1	26.4	14.7	3.3	22.7	30.9	1.3	8.1
3/09E	221,880	23,001	79.6	16.8	12.6	2.7	21.3	29.2	1.0	6.7

**Maruti Suzuki- 15% YoY domestic growth and 20.8% export growth**

Maruti reported growth of 15.4% in October 2007 sales to 69,415 units; domestic sales up 15% YoY to 64,258 units, while exports have increased by 20.8% to 5,157 units.

Although the A3 segment reported strong volume growth of 54.7% YoY (SX4 sales were robust at ~3,000 units), *Esteem* production did not take place for a large part of the month (similar to what was seen for *Omni* in September) leading to 14.5% MoM decline in A3 sales. Production is expected to be normalised in the first half of November. C segment volumes increased 4.6% YoY; the growth rate is lower due to the high base of the previous year. *M-800* sales were also lower by 29.5% on account of dealer inventory rationalisation carried out during the month. We remain positive on Maruti. The stock trades at 14.7x FY08E EPS of Rs68.1 and 12.6x FY09E EPS of Rs79.6. Maintain **Buy**.

## VOLUME GROWTH TREND



Source: Company/Motilal Oswal Securities

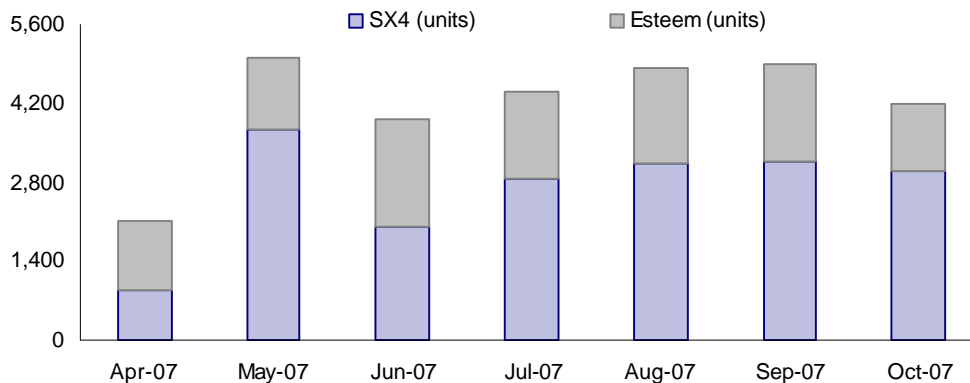
## MARUTI: SNAPSHOT OF OCTOBER VOLUMES

COMPANY SALES	YOY		MOM		YTD		RESIDUAL				
	OCT-07	OCT-06	YOY (%) CHG	SEP-07	MOM (%) CHG	2008	2007	YTD (%) CHG	FY08 ESTIMATE	YOY (%) CHG	GR. (%)
<b>Maruti Suzuki</b>	<b>69,415</b>	<b>60,163</b>	<b>15.4</b>	<b>67,448</b>	<b>2.9</b>	<b>430,409</b>	<b>362,794</b>	<b>18.6</b>	<b>788,875</b>	<b>16.9</b>	<b>14.8</b>
A1	4,477	6,354	-29.5	5,221	-14.3	39,142	46,799	-16.4			
C	8,110	7,753	4.6	6,350	27.7	50,194	45,085	11.3			
A2	47,077	38,940	20.9	46,216	1.9	280,179	230,137	21.7			
A3	4,177	2,700	54.7	4,885	-14.5	29,351	18,660	57.3			
MUV	417	147	183.7	414	0.7	2,150	1,835	17.2			
Export	5,157	4,269	20.8	4,362	18.2	29,393	20,278	45.0			

Source: Company/Motilal Oswal Securities

A3 SEGMENT: MIX BETWEEN ESTEEM AND SX4

*The momentum in SX4 has been maintained, and growth in A3 segment would have been higher if not for production constraints for Esteem.*



Source: Company/Motilal Oswal Securities

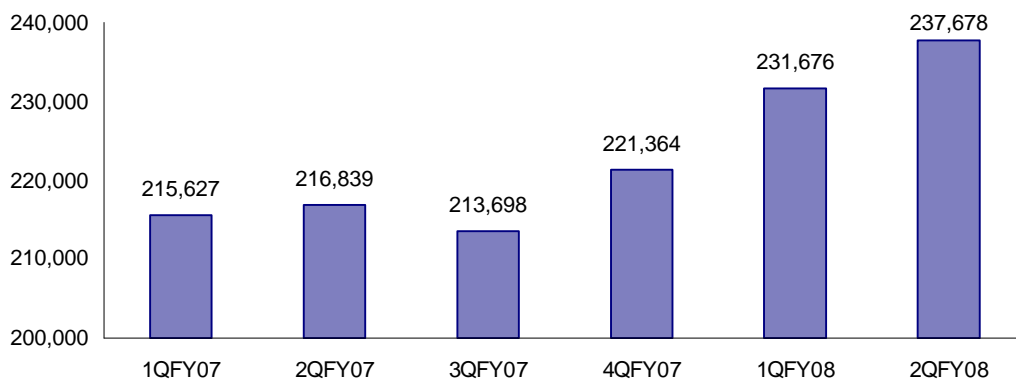
TREND IN PRODUCT MIX (%)

	FY07				FY08	
	1Q	2Q	3Q	4Q	1Q	2Q
A1	14.0	12.8	11.4	9.6	10.6	8.7
MPV	11.6	13.0	12.4	12.2	12.2	11.2
A2	63.1	63.3	66.5	67.3	65.1	64.1
A3	5.2	5.3	4.0	3.4	6.5	7.4
UV	0.7	0.5	0.4	0.5	0.3	0.6
Exports	5.4	5.2	5.3	7.1	5.3	7.9

Source: Company/Motilal Oswal Securities

TREND IN REALIZATION

*Shift towards A3 models and deluxe versions between the models is fuelling an improvement in realizations.*



Source: Company/Motilal Oswal Securities

## Mahindra & Mahindra: Buy

YEAR	NET SALES	S/A PAT	ADJ.EPS	CONS.	P/E	CONS,	ROE	ROCE	EV/	EV/
END	(RS M)	(RS M)	(RS)	EPS (RS)	(X)	P/E (X)	(%)	(%)	SALES	EBITDA
3/07A	99,874	9,198	35.9	55.1	21.3	13.9	25.9	22.3	1.6	13.6
3/08E	113,340	9,369	36.6	63.7	20.9	12.0	22.0	21.0	1.3	11.7
3/09E	126,194	10,124	39.6	75.5	19.3	10.1	20.6	20.8	1.2	10.1

### M&M: Strong growth in UVs, but tractor sales dip

M&M reported sales growth of 10.4% YoY in October 2007 to 33,651 units (excluding Logan). Inclusive of Logan sales, volumes in October have increased 17.6% YoY and 25.7% MoM.

Strong growth was registered in UVs, with overall volumes increasing 40% YoY; Scorpio volume growth was also robust at 37% YoY. Logan sales increased by 1.3% MoM to 2,214 units; its sales during Apr - Oct 2007 have been 14,708 units. However, tractor sales have disappointed, declining by 16.4% YoY to 11,186 units (+29% MoM). Industry tractor sales in YTD FY08 have been negatively impacted by higher interest rates, stringent financing norms, lower demand from sugar producing states, etc. Despite tractor industry sales declining in 1HFY08, M&M's market share has increased from 29.8% to 32% (including Punjab Tractors, its market share has increased from 39% to 39.5%).

#### TRACTORS: REGION-WISE MARKET SHARE

STATE	% OF INDUSTRY		M&M	COMMENT
	SALES	MKT SHARE		
Karnataka	7.0	32.0		Last 2 years have seen volume degrowth
Tamil Nadu	7.0	39.3		-
Uttar Pradesh	16.0	24.2		Part of the sugar belt
Gujarat	9.0	26.2		Banks have stopped funding
Rajasthan	11.0	23.6		-
Andhra Pradesh	11.0	43.0		Part of the paddy belt, which is a growing market

Source: Company

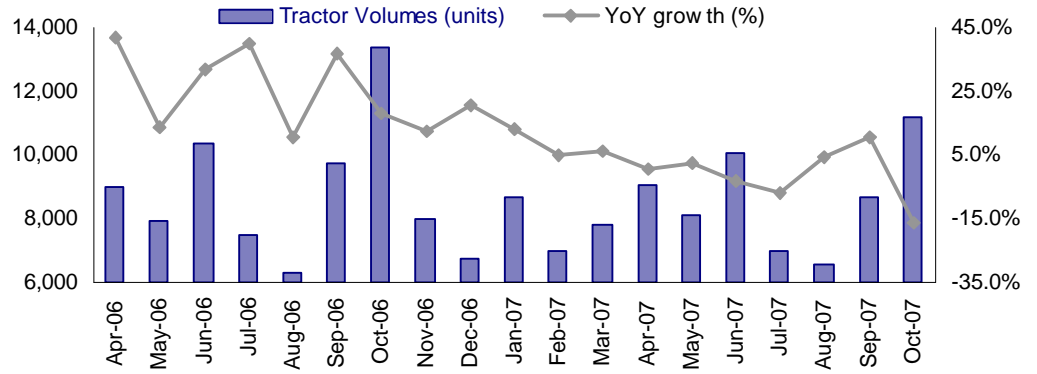
With several growth drivers for the company over the next few years coupled with attractive valuations, we remain positive on M&M. The stock trades at 12x FY08E EPS of 63.7 and 10.1x FY09E EPS of Rs75.5. Maintain **Buy**.

#### MAHINDRA & MAHINDRA: SNAPSHOT OF OCTOBER VOLUMES

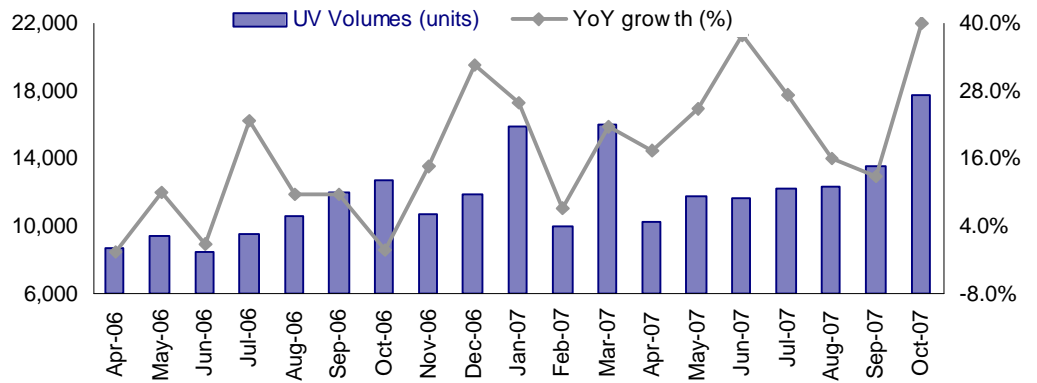
COMPANY SALES	YOY			MOM		YTD			RESIDUAL		
	OCT-07	OCT-06	YOY (%) CHG	SEP-07	MOM (%) CHG	2008	2007	YTD (%) CHG	FY08 ESTIMATE	YOY (%) CHG	GR. (%)
<b>Mahindra &amp; Mahindra</b>	<b>35,865</b>	<b>30,493</b>	<b>17.6</b>	<b>28,539</b>	<b>25.7</b>	<b>191,477</b>	<b>159,559</b>	<b>20.0</b>	<b>307,854</b>	<b>9.7</b>	<b>8.2</b>
UV's	17,812	12,725	40.0	13,548	31.5	89,486	71,479	25.2	158,297	16.5	6.9
LCV	817	758	7.8	930	-12.2	6,290	4,679	34.4	9,950	15.0	-7.9
PV - Logan	2,214	0	NA	2,185	1.3	14,708	0	NA	-	-	NA
Three-Wheelers	3,836	3,626	5.8	3,208	19.6	20,289	19,095	6.3	37,070	10.0	14.9
Tractors	11,186	13,384	-16.4	8,668	29.0	60,704	64,306	-5.6	102,537	0.0	9.4

Source: Company/Motilal Oswal Securities

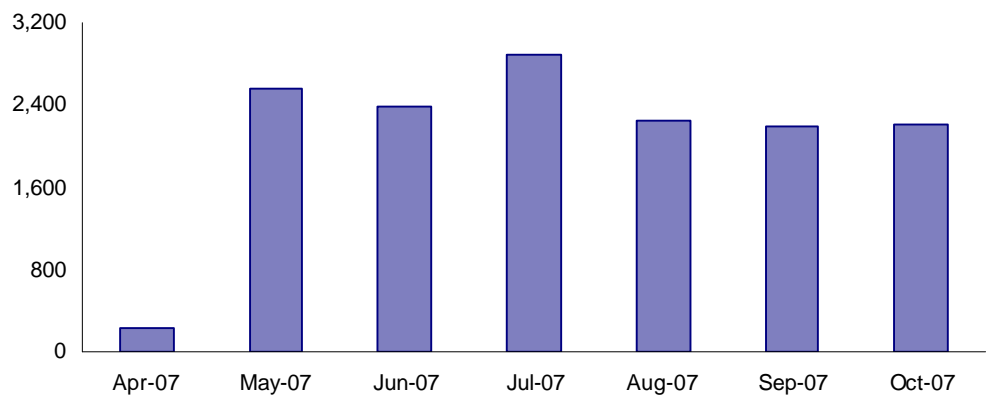
TREND IN TRACTOR SALES



TREND IN UV SALES



TREND IN LOGAN SALES (VOLUME UNIT)



Source: Company/Motilal Oswal Securities

## Tata Motors: Buy

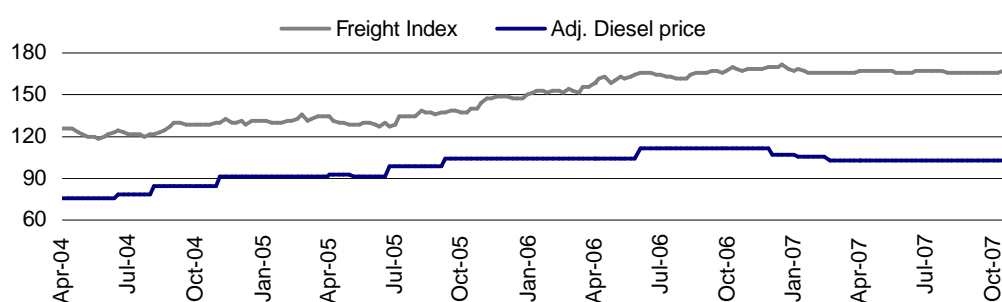
YEAR	SALES	S/A PAT	ADJ EPS	CONS.	P/E	CONS.	ROE	ROCE	EV/	EV/
END	(RS M)	(RS M)	(RS)	EPS (RS)	RATIO	P/E (X)	(%)	(%)	SALES	EBITDA
3/07A	274,048	18,963	46.6	52.9	16.0	14.1	27.6	27.1	1.1	8.9
3/08E	294,348	16,380	40.2	51.4	18.5	14.5	20.9	21.4	1.0	10.1
3/09E	329,779	18,440	45.3	58.8	16.4	12.7	20.7	21.7	0.9	9.1

**Tata Motors: 12.8% volume growth**

Tata Motors reported 12.8% YoY increase in October 2007 volumes to 49,354 units. Growth was primarily driven by strong domestic LCV sales (+29% YoY). The company has stated that growth could have been better but for an acute shortage of tyres. Domestic M&HCV sales increased 6% YoY, while domestic car sales increased 10.1% YoY, while UV sales were flat. Exports too registered robust 15.5% YoY growth. The company has reiterated that high interest rates continue to affect retails.

We believe that pursuant to softening in CV interest rates in the recent past, the CV demand is likely to pick up again. Tata Motors and Ashok Leyland have raised CV prices with effect from October by ~2%, which will help the company combat cost pressures. The company trades at 14.5x FY08E consolidated EPS of Rs51.4, and 12.7x FY09E consolidated earnings of Rs58.8. Maintain **Buy**.

## WEEKLY FREIGHT INDEX



Source: TCIL/Motilal Oswal Securities

The freight rate index has remained flat in the wake of steady diesel prices and competition from the Railways.

## TATA MOTORS: SNAPSHOT OF OCTOBER VOLUMES

COMPANY SALES	YOY			MOM		YTD			RESIDUAL		
	OCT-07	OCT-06	YOY (%) CHG	SEP-07	MOM (%) CHG	2008	2007	YTD (%) CHG	FY08 ESTIMATE	YOY (%) CHG	GR. (%)
<b>Tata Motors</b>	<b>49,354</b>	<b>43,743</b>	<b>12.8</b>	<b>48,347</b>	<b>2.1</b>	<b>312,304</b>	<b>309,599</b>	<b>0.9</b>	<b>609,948</b>	<b>5.3</b>	<b>10.1</b>
Dom. HCV's	13,980	13,184	6.0	14,129	-1.1	82,756	90,578	-8.6	175,115	0.9	
Dom. LCV's	13,123	10,170	29.0	12,907	1.7	77,218	67,148	15.0	139,629	12.1	
Dom. Cars	14,011	12,720	10.1	13,704	2.2	96,791	97,091	-0.3	186,161	4.0	
Dom. UV's	4,010	4,006	0.1	3,302	21.4	23,707	23,929	-0.9	50,767	6.5	
Exports	4,230	3,663	15.5	4,305	-1.7	31,832	30,853	3.2	58,276	9.3	

Source: Company/Motilal Oswal Securities

## Bajaj Auto: Buy

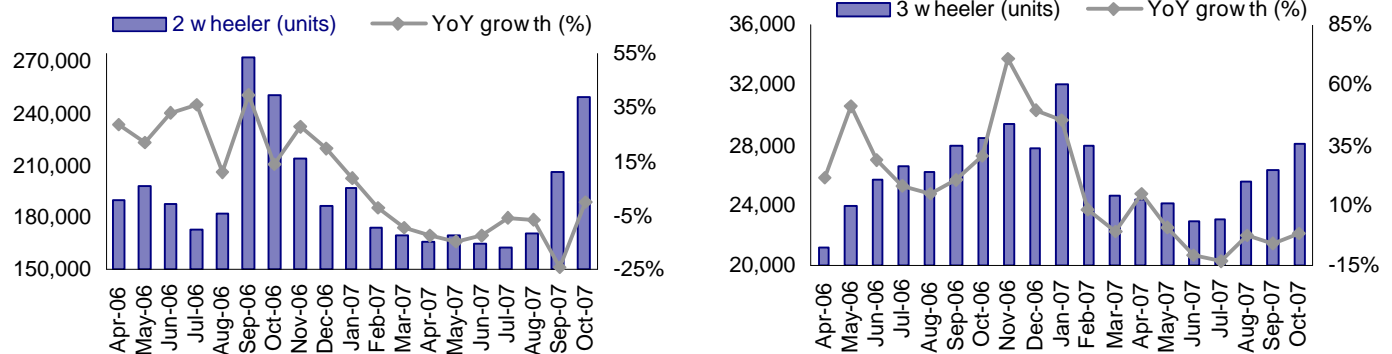
CMP: Rs2,422	MKT CAP: USD6.2B	BLOOMBERG: BJA IN	REUTERS CODE: BJAT.BO							
YEAR END	NET SALES (RS M)	PAT (RS M)	EPS (RS)	EPS GROWTH (%)	P/E (X)	P/BV (X)	ROE (%)	ROCE (%)	EV/ SALES	EV/ EBITDA
3/07A	95,204	12,869	127.2	14.6	19.0	4.4	23.3	24.6	2.1	13.8
3/08E	104,247	14,042	138.8	9.1	17.5	3.8	21.6	23.9	1.9	12.1
3/09E	117,295	16,081	158.9	14.5	15.2	3.2	21.0	23.6	1.5	9.8

### Bajaj Auto: Marginally negative

Bajaj Auto reported marginal volume decline of 0.5% YoY in October 2007 to 278,176 units. Motorcycle volumes declined by 1.1% YoY to 248,307 units (+21.6% MoM), while three wheelers sales were also marginally lower by 1.8% YoY to 28,001 units (+6.5% MoM). Exports growth momentum has continued to be robust, increasing by 38.4% in October and by 45.3% in Apr-Oct 2007. Higher exports have helped BAL to combat the slowdown in domestic volumes and take advantage of the increase in the DEPB benefit.

The management has mentioned that XCD has sold 63,000 units since its launch, while sales in October were 45,000 units. The company has expanded the manufacturing capacity of this bike to 75,000 units / month w.e.f November 2007. XCD will be launched in the international markets in January 2008. The company expects its motorcycle sales to exhibit positive growth in 2HFY08 resulting in market share gains and anticipates that 100cc motorcycles to represent less than 50% of the motorcycle industry ahead. The stock trades at 17.5x FY08E EPS of Rs138.8 and 15.2x FY09E EPS of Rs158.9. Maintain **Buy**.

VOLUME GROWTH TREND



Source: Company/Motilal Oswal Securities

BAJAJ AUTO: SNAPSHOT OF OCTOBER VOLUMES

COMPANY SALES	YOY			MOM		YTD			RESIDUAL		
	OCT-07	OCT-06	YOY (%) CHG	SEP-07	MOM (%) CHG	2008	2007	YTD (%) CHG	FY08 ESTIMATE	YOY (%) CHG	GR (%)
<b>Bajaj Auto</b>	<b>278,176</b>	<b>279,578</b>	<b>-0.5</b>	<b>232,496</b>	<b>19.6</b>	<b>1,463,859</b>	<b>1,634,789</b>	<b>-10.5</b>	<b>2,774,498</b>	<b>2.0</b>	<b>20.9</b>
Motorcycles	248,307	251,022	-1.1	204,152	21.6	1,273,865	1,442,271	-11.7	2,424,048	2.0	23.1
Total Two-Wheelers	250,175	251,071	-0.4	206,208	21.3	1,289,641	1,454,732	-11.3	2,452,720	2.3	23.4
Three-Wheelers	28,001	28,507	-1.8	26,288	6.5	174,218	180,057	-3.2	321,778	0.0	4.1

Source: Company/Motilal Oswal Securities

## Hero Honda: Buy

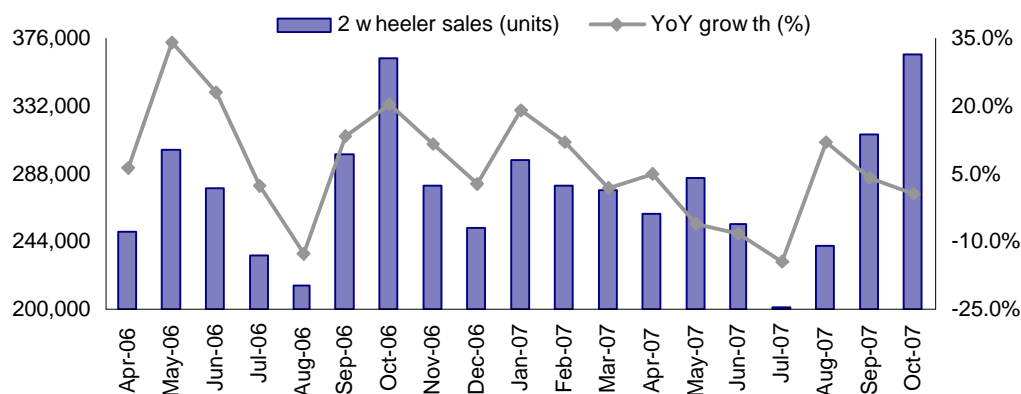
YEAR	NET SALES (RS M)	PAT (RS M)	EPS (RS)	EPS GROWTH (%)	P/E (X)	P/BV (X)	ROE (%)	ROCE (%)	EV/ SALES	EV/ EBITDA
3/07A	99,000	8,659	43.4	-10.9	15.8	5.6	38.3	48.5	1.2	10.1
3/08E	105,008	8,767	43.9	1.2	15.6	4.7	32.4	40.9	1.1	9.6
3/09E	117,979	10,273	51.4	17.2	13.4	3.9	31.7	39.5	0.9	7.8

### Hero Honda: Flat volumes

Hero Honda has reported a marginal 0.4% YoY increase in its sales for October 2007 to 365,022 units (+16% MoM). These are the highest monthly sales ever in a single month for the company. Sales in Apr - Oct 2007 have declined by 1.2% YoY. At our current estimates, we expect residual growth of 4.7% in FY08.

The company is attempting to refresh the complete product range - four new products / variants have been introduced in 1HFY08 - Splendor NXG, refreshed Pleasure, New Super Splendor and New Passion Plus. These were followed by the 150cc Hunk 150cc and refreshed Splendor+, along with a Special Edition. The stock trades at 15.6x FY08E EPS of Rs43.9 and 13.4x FY09E EPS of Rs51.4. We maintain **Buy**.

#### VOLUME GROWTH TREND



Source: Company/Motilal Oswal Securities

#### HERO HONDA: SNAPSHOT OF OCTOBER VOLUMES

COMPANY SALES	YOY		MOM		YTD			RESIDUAL			
	OCT-07	OCT-06	YOY (%) CHG	SEP-07	MOM (%) CHG	2008	2007	YTD (%) CHG	FY08 ESTIMATE	YOY (%) CHG	GR. (%)
<b>Hero Honda</b>	<b>365,022</b>	<b>363,480</b>	<b>0.4</b>	<b>314,567</b>	<b>16.0</b>	<b>1,924,508</b>	<b>1,948,139</b>	<b>-1.2</b>	<b>3,378,491</b>	<b>1.3</b>	<b>4.7</b>

Source: Company/Motilal Oswal Securities



## TVS Motor: Neutral

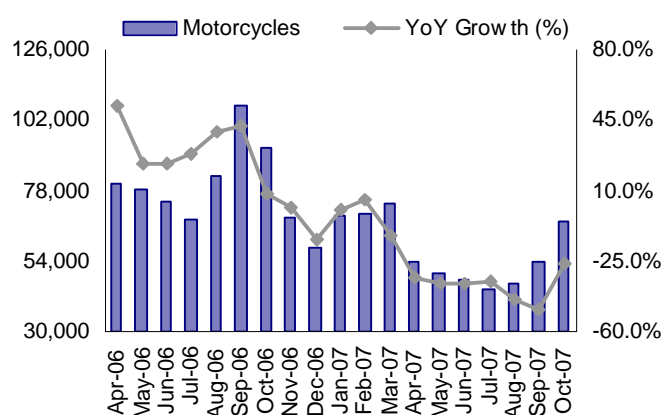
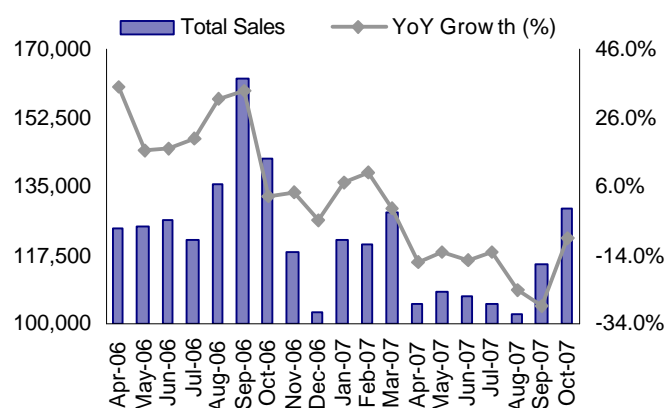
CMP: Rs57 MKT CAP: USD0.3B BLOOMBERG: TVSL IN REUTERS CODE: TVSM.00

YEAR END	NET SALES (RS M)	PAT (RS M)	EPS (RS)	EPS GROWTH (%)	P/E (X)	P/BV (X)	ROE (%)	ROCE (%)	EV/ SALES	EV/ EBITDA
3/07A	38,550	666	2.8	-37.9	20.3	1.7	8.2	7.7	0.4	11.3
3/08E	37,456	456	1.9	-31.6	29.7	1.6	5.4	5.9	0.4	13.4
3/09E	40,542	673	2.8	47.8	20.1	1.5	7.6	7.6	0.4	9.7

## TVS Motor: Scooters, mopeds to the rescue again

TVS Motors reported 8.9% YoY decline in its October 2007 sales, with motorcycle sales continuing the downward trend, declining by 26.6% YoY to 67,752 units (+25.5% MoM). However, scooter sales and moped sales have continued to display good growth rates increasing by 23.1% YoY and 24.2% YoY respectively. Launch of new motorcycle Flame, entry into three-wheelers and launch of Apache and Star City variants will help volumes to post a recovery in subsequent months. The stock trades at 29.7x FY08E EPS of Rs1.9 and 20.1x FY09E EPS of Rs2.8. Maintain **Neutral**.

## VOLUME GROWTH TREND



Source: Company/Motilal Oswal Securities

## TVS MOTORS: SNAPSHOT OF OCTOBER VOLUMES

COMPANY SALES	YOY			MOM		YTD			RESIDUAL		
	OCT-07	OCT-06	YOY (%) CHG	SEP-07	MOM (%) CHG	2008	2007	YTD (%) CHG	FY08 ESTIMATE	YOY (%) CHG	GR. (%)
<b>TVS Motor</b>	<b>129,614</b>	<b>142,325</b>	<b>-8.9</b>	<b>115,091</b>	<b>12.6</b>	<b>772,771</b>	<b>937,016</b>	<b>-17.5</b>	<b>1,463,497</b>	<b>-4.2</b>	<b>16.8</b>
Motorcycles	67,752	92,328	-26.6	53,991	25.5	362,705	583,845	-37.9	761,422	-17.6	17.0

Source: Company/Motilal Oswal Securities



For more copies or other information, contact

**Institutional:** Navin Agarwal. **Retail:** Manish Shah

Phone: (91-22) 39825500 Fax: (91-22) 22885038. E-mail: inquire@motilaloswal.com

**Motilal Oswal Securities Ltd, 3rd Floor, Hoechst House, Nariman Point, Mumbai 400 021**

This report is for the personal information of the authorized recipient and does not constitute to be any investment, legal or taxation advice to you. Motilal Oswal Securities Limited (*hereinafter referred as MOST*) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your information and should not be reproduced or redistributed to any other person in any form.

The report is based upon information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied upon such. MOST or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOST or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

MOST and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. To enhance transparency, MOST has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

#### Disclosure of Interest Statement

The MOST group and its Directors own shares in the following companies covered in this report: Tata Motors and Hero Honda.

MOST does not have a broking relationship with any of the companies covered in this report.

MOST is engaged in providing investment-banking services in the following companies covered in this report: Nil

This information is subject to change without any prior notice. MOST reserves the right to make modifications and alternations to this statement as may be required from time to time. Nevertheless, MOST is committed to providing independent and transparent recommendations to its clients, and would be happy to provide information in response to specific client queries.