

# Power Bull

Our Minds, Your Profit

**Automotive Axles Limited**

BSE: 505010 | NSE: AUTOAXLES  
18 Dec 2011

www.powerbullstocks.com

**BUY**

**CMP** Rs.337.95

**Investment Period** 12 Months

## Valuation Summary

	FY12
Market Cap	Rs.637.72Cr
Net Sales	Rs.1044 Cr
Target Price	Rs.422

**Sector:** Auto Ancillaries

**Price as of 16 Dec:** Rs.337.95

**% Change:** (-1.54%)

**Shares Outstanding:** 323590144

**Market Cap:** Rs.511 Cr

**Average Volume:** 451.0

## Stock Dashboard

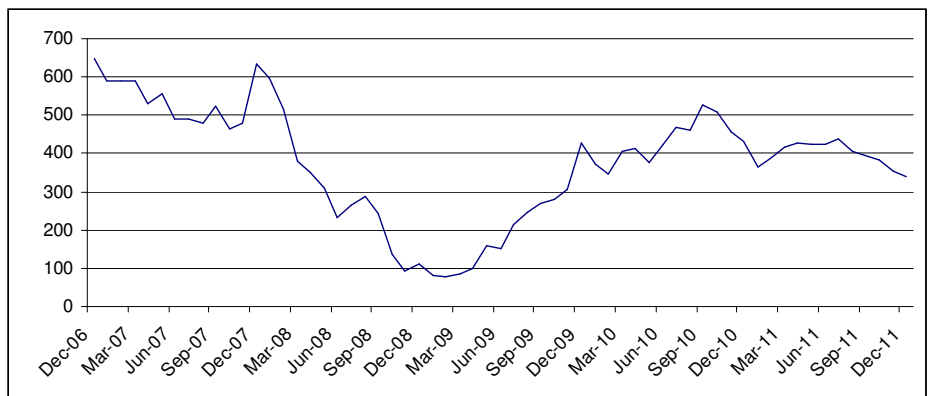
<b>52 Week Range</b>	Rs.330.55/ Rs.471
<b>Debt (Sep'10)</b>	Rs.70.66 Cr
<b>Cash (Sep'10)</b>	Rs.8.97 Cr
<b>Net Profit Margin</b>	6.58%
<b>Face Value</b>	Rs.10
<b>Div. Yield (%)</b>	2.52
<b>Total Income</b>	Rs.670.1 Cr
<b>PAT</b>	Rs.44.1 Cr
<b>Debt Equity Ratio</b>	0.35
<b>Current Ratio</b>	2.33

## Share Holding Pattern

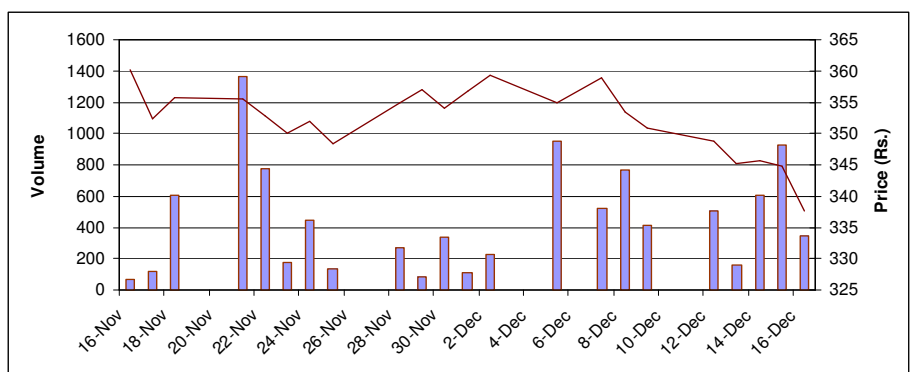
<b>Promoters</b>	71.0
<b>MF / Banks / Indian FIs</b>	19.6
<b>FII / NRIs / OCBs</b>	0.5
<b>Indian public / Others</b>	8.9

**AAL** is amongst the few independent manufacturers of rear drive axle assemblies in India. It has expanded capacities at a cost of Rs 51 million. AAL has a domestic OEM clientele which includes Ashok Leyland, Telco, Daewoo Motors, Mahindra & Mahindra, Volvo and Bharat Earth Movers. Ashok Leyland alone contributes close to 56% of its sales. The company is also single source for drive axle assemblies for certain military applications. AAL is focusing on increasing penetration in export markets. Currently, 6% of its total revenues come from exports.

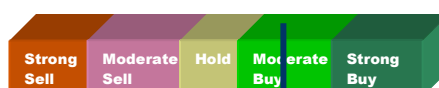
## 5 - Year Price Movement



## 1 - Month Price-Volume Dynamics



## Fundamentals Rank



## Technicals Rank



**TECHNICAL ANALYSIS**



**COMPETITOR ANALYSIS**

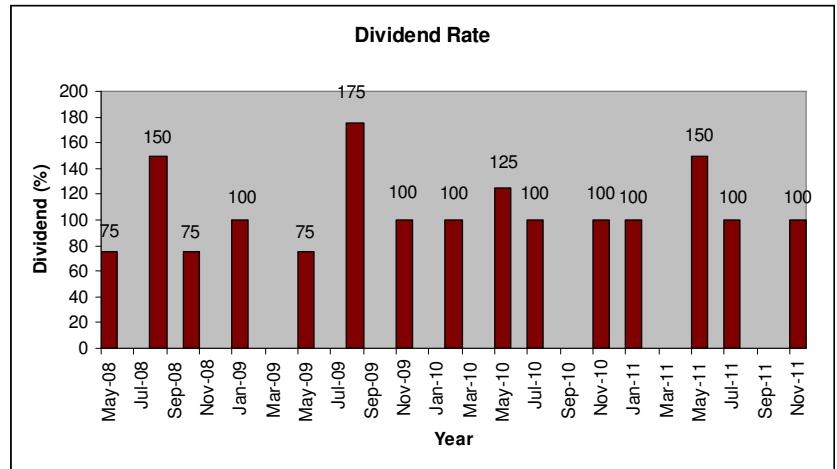
Company Name	Last Traded Price	Market Cap (Rs. Cr.)	Sales Turnover	Net Profit	Total Assets
Bosch	6,597.10	20,714.17	6,899.40	858.90	4,374.44
Exide Industrie	115.05	9,779.25	4,577.50	666.36	2,744.60
Motherson Sumi	145.60	5,642.64	2,855.08	287.49	1,802.83
Amtek India	93.30	2,582.32	1,382.60	118.83	3,630.93
WABCO India	1,176.15	2,230.87	895.00	127.43	387.31
Amtek Auto	93.40	2,177.84	1,799.60	81.82	6,576.10
Amara Raja Batt	196.65	1,679.51	1,761.12	148.10	740.99
<b>Automotive Axle</b>	<b>337.60</b>	<b>510.18</b>	<b>1,012.49</b>	<b>57.56</b>	<b>274.53</b>
Banco Products	62.20	444.85	460.85	58.83	377.68

**DIVIDEND ANALYSIS**

Effective Date	Dividend Type	Dividend (%)
01/11/2011	Interim	100%
29/07/2011	Interim	100%
09/05/2011	Interim	150%
28/01/2011	Interim	100%
08/11/2010	Interim	100%
30/07/2010	Interim	100%
03/05/2010	Interim	125%
01/02/2010	Interim	100%
13/11/2009	Interim	100%
03/08/2009	Final	175%
11/05/2009	Interim	75%
29/01/2009	Interim	100%
31/10/2008	Interim	75%
01/08/2008	Final	150%
05/05/2008	Interim	75%

Automotive Axles Ltd. announced that the Board of Directors of the Company at its meeting held on November 29, 2011, inter alia, has recommended a final dividend of INR10 per share of INR10 each for the year 2010-11, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

The company has a good dividend track report and has consistently declared dividends for the last 5 years.



**PRICE MOVEMENT OF AUTOMOTIVE AXLES**

Period	One Week	Two Week	One Month	Three Month	Six Month	One Year
Period Old Price	350.9	359.4	360.2	408.9	419.15	443.75
Price Gain	-13.30	-21.80	-22.60	-71.30	-81.55	-106.15
Gain in %	-3.79	-6.07	-6.27	-17.44	-19.46	-23.92

**PERFORMANCE ANALYSIS**

The Gross Sales and other income for the financial year under review was Rs.732.36 Cr as against Rs.2,90.79 Cr for the previous financial year registering a growth of 152%. The Profit Before Tax of Rs.65.87 Cr and the Profit After Tax of Rs.44.07 Cr for the financial year under review as against Rs.12.69 Cr and Rs.9.66 Cr respectively for the financial year, improved by 420% and 356% respectively.

**FINANCIALS ANALYSIS**

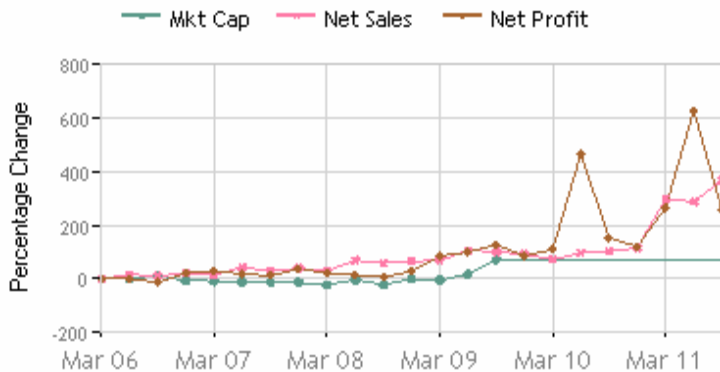
**ANNUAL RESULTS**

	<b>FY10</b>	<b>FY09</b>	<b>FY08</b>	<b>FY07</b>	<b>FY06</b>
<b>Net Sales</b>	669.68	268.23	751.02	611.68	461.45
<b>Reported PAT</b>	44.07	9.66	55.79	53.63	43.35
<b>EPS</b>	29.17	6.39	36.91	35.49	28.69
<b>EBITDA</b>	88.84	34.30	116.97	101.79	85.77
<b>EBITDA %</b>	13.27	12.79	15.57	16.64	18.59
<b>Total Assets</b>	274.53	220.14	241.96	227.51	149.78
<b>Total Debt</b>	70.66	45.42	72.07	101.91	54.64
<b>Net Profit Margin (%)</b>	6.58	3.60	7.43	8.77	9.39
<b>Return on Assets</b>	16.05	4.39	23.06	23.57	28.97
<b>Return on Equity</b>	21.62	5.53	32.84	42.70	45.56
<b>Current Ratio</b>	2.33	1.87	1.35	1.39	1.20

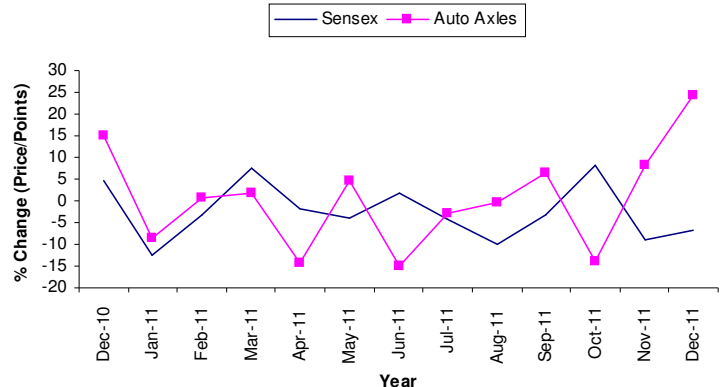
**QUARTERLY RESULTS**

	<b>Sep '11</b>	<b>Jun '11</b>	<b>Mar '11</b>	<b>Dec '10</b>	<b>Sep '10</b>
<b>Net Sales Turnover</b>	280.98	273.91	278.14	179.46	166.97
<b>Reported PAT</b>	11.65	17.74	18.40	9.76	9.48
<b>EPS</b>	7.71	11.74	12.17	6.46	6.27
<b>EBITDA</b>	25.50	34.37	34.92	22.31	19.87
<b>EBITDA %</b>	9.08	12.55	12.55	12.43	11.90

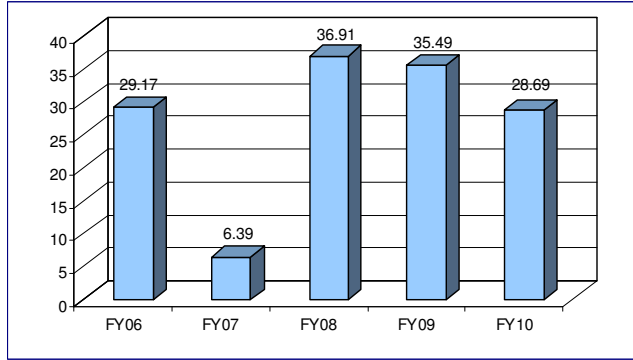
**PERFORMANCE CHART**



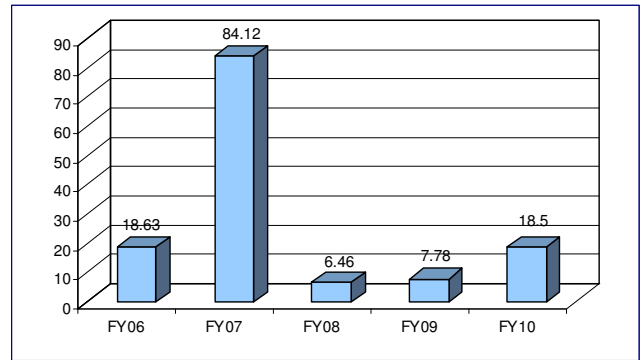
**INDEX COMPARISON**



## EPS ANALYSIS



## P/E ANALYSIS



## COMPANY ANNOUNCEMENTS: RECENT HEADLINES AND SNIPPETS

Nov 29, 2011: Automotive Axles Ltd. Recommends Final Dividend

Automotive Axles Ltd. announced that the Board of Directors of the Company at its meeting held on November 29, 2011, inter alia, has recommended a final dividend of INR10 per share of INR10 each for the year 2010-11, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

Oct 31, 2011: Automotive Axles Ltd. Announces Establishment Of Contract Manufacturing Facility For Producing The Trailer Axles

Automotive Axles Ltd. announced that the Company have established Contract Manufacturing Facility for producing the Trailer Axles in No.19, Udyog Vihar, Distt. Gautam Budh Nagar, Greater Noida, Uttar Pradesh with the plant and inventories purchased from ANG Industries Ltd.

## DISCLOSURES:

© 2011 Power Bull. All Rights Reserved. While this document is based on information sources which are considered reliable, it has been prepared without consideration of your specific investment objectives, financial situation or needs. The information contained herein is not represented or warranted to be accurate, correct, complete, or timely. This report is for information purposes only, and should not be considered a solicitation to buy or sell any security. Redistribution is prohibited without written permission.