

Escorts

Refer to important disclosures at the end of this report

Strong operational performance; maintain Buy

- Q3FY21 EBITDA margin expanded by 510bps to 18%, above the estimate of 14.9% mainly due to better gross margin and cost savings. OPM is expected to taper ahead, owing to commodity inflation and increase in marketing spends.
- FY21E revenue is expected to grow 12% to Rs64.8bn, led by robust growth in Tractors. Despite tapering of growth in Tractors, double-digit growth (11% CAGR) is likely to continue over FY21-23E, led by growth of 23%/15% in Construction Equipments /Railways
- We upgrade FY21-23E EPS by 4-9%, owing to higher volume and margin assumptions. Following this revision, we expect an 11% CAGR in EPS over FY21-23E with average ROCE of 22% and FCF of Rs4.4bn/year.
- We await details of new investments of Rs10bn in tie-up with Kubota, which should provide triggers for medium-term growth. Retain Buy rating with a TP of Rs1,500 (Rs1,442 earlier), based on 16x FY23E core EPS.

EBITDA margin above estimates: Revenue grew 24% yoy to Rs20.1bn (est.: Rs21.1bn), slightly below estimates due to lower-than-expected Tractor realization and Railway revenues. Agri segment revenue grew 28% to Rs16.5bn, led by volume growth of 26% and realization growth of 2%. CE revenue grew 13% to Rs2.4bn, led by volume growth of 20% and realization fall of 6%. In comparison, Railways revenue declined 6% to Rs1.2bn. EBITDA margin expanded by 510bps yoy to 18% (est.: 14.9%), above estimates, owing to higher gross margin and cost savings. EBIT margin for Agri/CE segments expanded by 560bps/270bps to 20.1%/7.5%. Railways segment margin contracted by 570bps to 12.7% due to higher share of import content (due to increased share of new products) and one-time GST provision impact. Overall, adjusted PAT grew 83% to Rs2.8bn (est.: Rs2.4bn), led by higher operating margin and other income (up 77% to Rs472mn).

Retain Buy: FY21E revenue is expected to grow 12% to Rs64.8bn, led by robust growth in tractors. Despite tapering growth in Tractors, we expect double-digit revenue growth (11% CAGR) to continue over FY21-23E, led by growth of 23%/15% in CE/Railways segments. Earnings growth should be similar at 11% CAGR during FY21-23E. In addition, we await details of new investments of Rs10bn in tie-up with Kubota, which could relate to new product development, component manufacturing and exports, among others, and should support growth over the medium term. Retain Buy rating with a TP of Rs1,500 (Rs1,442 earlier), based on 16x FY23E core EPS. Key downside risks include a deficient or weak spread of monsoon, delay in macro recovery, rise in competition, and adverse movement in currency/commodity prices.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Automobiles & Auto Ancillaries \(page 9\)](#)

Financial Snapshot (Standalone)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	61,964	57,610	64,754	73,676	79,158
EBITDA	7,333	6,758	10,102	11,420	12,111
EBITDA Margin (%)	11.8	11.7	15.6	15.5	15.3
APAT	4,728	4,924	7,845	8,953	9,601
EPS (Rs)	53.2	55.4	77.6	88.5	94.9
EPS (% chg)	34.5	4.2	40.0	14.1	7.2
ROE (%)	17.0	15.2	18.1	15.9	14.9
P/E (x)	25.1	24.1	17.2	15.1	14.1
EV/EBITDA (x)	15.7	16.1	11.2	9.5	8.4
P/BV (x)	3.9	3.4	2.6	2.2	2.0

Source: Company, Emkay Research

CMP Rs 1,334 as of (February 2, 2021)	Target Price Rs 1,500 (▲) 12 months
Rating BUY (■)	Upside 12.4 %

Change in Estimates

EPS Chg FY22E/FY23E (%)	8.4/4
Target Price change (%)	4.0
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY22E	FY23E
Emkay	88.5	94.9
Consensus	77.6	86.7
Mean Consensus TP (12M)	Rs 1,443	

Stock Details

Bloomberg Code	ESC IN
Face Value (Rs)	10
Shares outstanding (mn)	135
52 Week H/L	1,453 / 526
M Cap (Rs bn/USD bn)	180 / 2.47
Daily Avg Volume (nos.)	1,886,270
Daily Avg Turnover (US\$ mn)	34.1

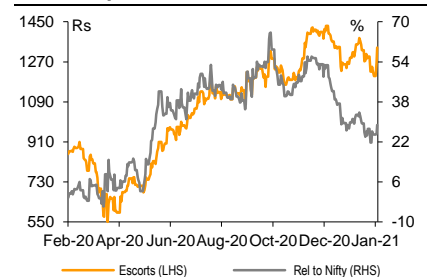
Shareholding Pattern Dec '20

Promoters	36.6%
FIIIs	23.8%
DIIIs	7.1%
Public and Others	32.5%

Price Performance

(%)	1M	3M	6M	12M
Absolute	4	9	18	72
Rel. to Nifty	(1)	(13)	(11)	37

Relative price chart



Source: Bloomberg

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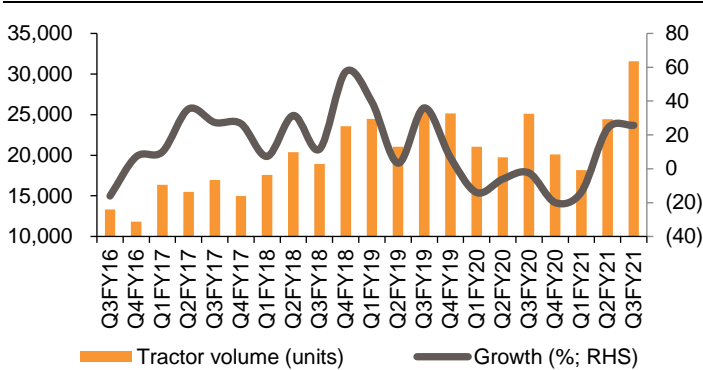
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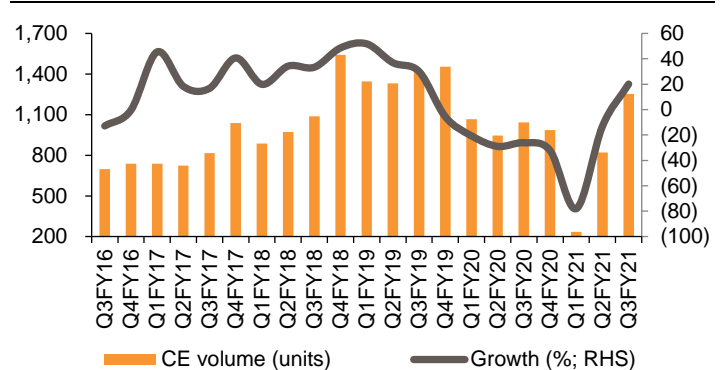
Story in Charts

Exhibit 1: Tractor volumes grew 26% yoy to 31,562 units



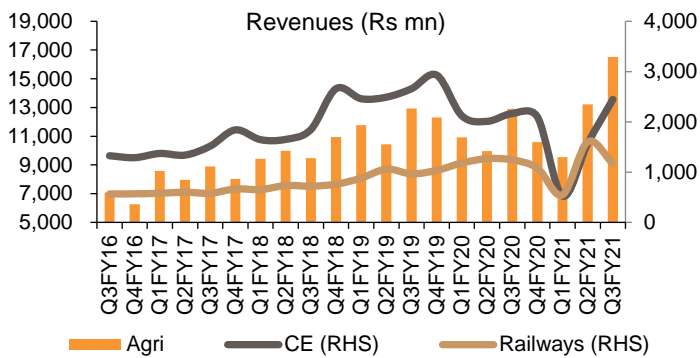
Source: Company, Emkay Research

Exhibit 2: Construction Equipment volumes grew 20% yoy to 1,254 units



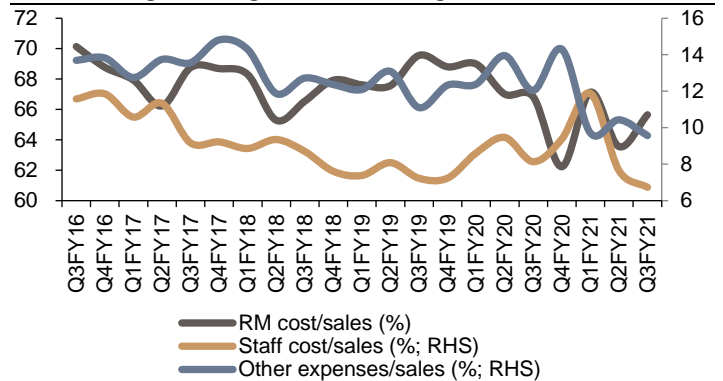
Source: Company, Emkay Research

Exhibit 3: Revenues grew 24% yoy led by growth of 28% in Agri segment and 13% in Construction Equipment segment



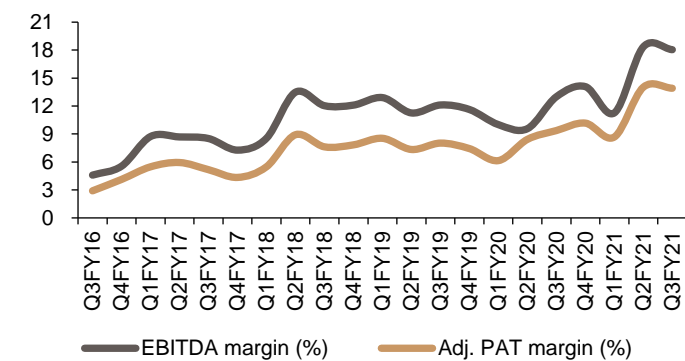
Source: Company, Emkay Research

Exhibit 4: Agri EBIT margin grew 560bps yoy to 20.1% led by higher scale, better gross margin and cost savings



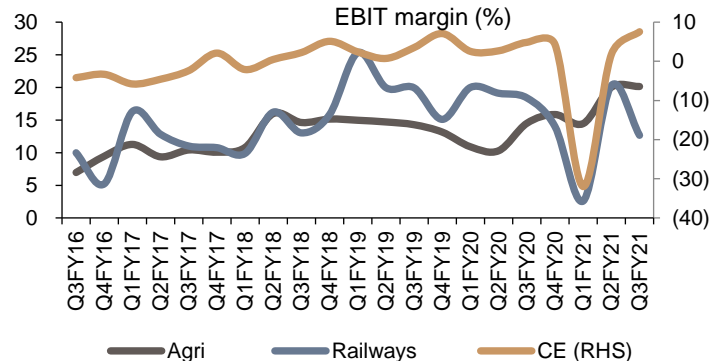
Source: Company, Emkay Research

Exhibit 5: Other exp/sales fell 250bps yoy, owing to cost control efforts



Source: Company, Emkay Research

Exhibit 6: EBITDA margins rose by 510bps yoy due to higher gross margin and cost control efforts



Source: Company, Emkay Research

Earnings call highlights

Agri Segment

- In Q3, Tractor industry grew 27% yoy, led by 13% growth in North & Central regions and 44% in South and West regions. In comparison, ESC grew 24% yoy. ESC market share has increased in 40-50HP segment, but declined in 30-40HP segment.
- In Q3, share of Farmtrac brand was at 39%, same as last year but lower than 43% in Q2FY21.
- Realization fell qoq in the quarter due to lower share of Farmtrac and lower share of above 40HP tractors – at 61% vs. 63% in Q2FY21.
- Margin expansion was supported by better scale and cost savings. Commodity inflation remains a risk, as input prices have increased by 4-5% (as % of revenues), and company has been able to pass on 2% in Nov'20. Thus, margin impact of 2-3% is expected in Q4FY21. Also, certain costs such as travelling and marketing expenses have been low, and likely to increase ahead in subsequent quarters.
- The supply side situation is normalizing and is no longer expected to be a bottleneck for meeting demand.
- ESC will share plans relating to investment of Rs10bn funds received from Kubota in Mar'21.
- Tractor sales to the non-agri segment stands at 25-35% in normal times. In 9MFY21 period, the share is half of these levels.
- ESC has been exporting Electric Tractor to Europe since 2019, and has now started exports to US. In India, the product launch is expected in 3-6 months.
- FY22 Outlook: Volume to see positive growth, but quantum of growth depends on whether monsoon is normal and well distributed. Growth could be limited by a high base.
- Over long term, South and West regions are expected to outpace the North region. ESC is working toward strengthening position in these regions, where it currently has lower share.
- Exports are expected to grow by 3-4x over 7-8 years due to increased penetration in overseas markets. In addition, the use of Kubota global network will also aid penetration.

Construction Equipment Segment

- In Q3, construction equipment volumes grew 20% vs. industry growth of 15%. ESC's growth was led by 23% growth in Pick & Carry cranes and 24% growth in Backhoe Loaders. In comparison, Compactors fell by 4%. Within industry growth, Pick & Carry cranes grew 28%, Backhoe Loaders grew 11% and Compactors grew 27%.
- Q3 revenue breakup: Cranes at 64%, Backhoe Loaders at 16%, Compactors at 8% and Traded/Spares at 12%.
- Q3 market share: Cranes at 38%, Compacter at 75 and Backhoe Loaders at 2%.
- Commodity inflation remains a risk, as input prices have increased notably, and company has been able to pass on only a part of this increase. Thus, margin impact is expected in Q4FY21.

Railways Segment

- In Q3, share of new products stands at 69.2% vs. 44.2% in Q3FY20 and 58.4% in Q2FY21. This led to higher import content and lower margins. Margin was also impacted by one-off provision toward GST rate differential in respect of orders executed post Sep'19.
- Pending order book at Rs3.3bn will be executed over 6-8 months. The company is witnessing a pick-up in order inflows and expect that tendering process to be at pre-Covid levels by end of Q4FY21.

Exhibit 7: Volume and Revenue assumptions

Volume (units)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Tractors	63,786	80,417	96,404	86,018	100,644	108,403	109,690
YoY %	24.0	26.1	19.9	(10.8)	17.0	7.7	1.2
Construction Equipment	3,315	4,486	5,544	4,042	3,476	4,345	4,997
YoY %	29.7	35.3	23.6	(27.1)	(14.0)	25.0	15.0

Revenue (Rs mn)	FY17	FY18	FY19	FY20	FY21E	FY22E	FY23E
Agri Machinery Products	33,460	39,579	47,440	44,376	53,335	59,591	62,653
Growth (%)	22.4	18.3	19.9	(6.5)	20.2	11.7	5.1
Auto Ancillary Products	513						
Growth (%)	(48.9)						
Railway Equipment	2,425	2,866	3,941	4,772	4,486	5,159	5,933
Growth (%)	6.5	18.2	37.5	21.1	(6.0)	15.0	15.0
Construction Equipment	6,068	7,803	10,541	8,398	6,933	8,926	10,573
Growth (%)	22.2	28.6	35.1	(20.3)	(17.4)	28.8	18.5
Less: Other items	1,534	297	(43)	(64)	0	0	0
Revenue	40,932	49,951	61,964	57,610	64,754	73,676	79,158
Growth (%)	19.2	22.0	24.0	(7.0)	12.4	13.8	7.4

Source: Company, Emkay Research

Exhibit 8: Changes in estimates

Rs mn	FY21E				FY22E				FY23E			
	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY	Earlier	Revised	% Change	% YoY
Volumes	95,776	100,644	5.1	17.0	103,433	108,403	4.8	7.7	109,885	109,690	(0.2)	1.2
Net Sales	62,513	64,754	3.6	12.4	70,335	73,676	4.7	13.8	77,298	79,158	2.4	7.4
EBITDA	9,439	10,102	7.0	49.5	10,691	11,420	6.8	13.0	11,749	12,111	3.1	6.1
Margin (%)	15.1	15.6	50 bps	387 bps	15.2	15.5	30 bps	(10) bps	15.2	15.3	10 bps	(20) bps
APAT	7,164	7,845	9.5	59.3	8,261	8,953	8.4	14.1	9,233	9,601	4.0	7.2
EPS	70.8	77.6	9.5	40.0	81.7	88.5	8.4	14.1	91.3	94.9	4.0	7.2

Source: Company, Emkay Research

Exhibit 9: Actual vs. Estimates (Q3FY21)

(Rs mn)	Actual	Estimates		% Variation		Comment
		Emkay	Consensus	Emkay	Consensus	
Total Revenue	20,174	21,112	20,586	(4.4)	(2.0)	Below estimates, owing to lower realization in Tractors and decline in Railways revenue
EBITDA	3,641	3,146	3,246	15.7	12.2	
EBITDA Margin (%)	18.0	14.9	15.8	315 bps	228 bps	Above estimates due to better gross margin, lower marketing/administration expenses and cost controls
Adjusted net profit	2,807	2,447	2,490	14.7	12.7	Above estimates due to higher operating profit and other income

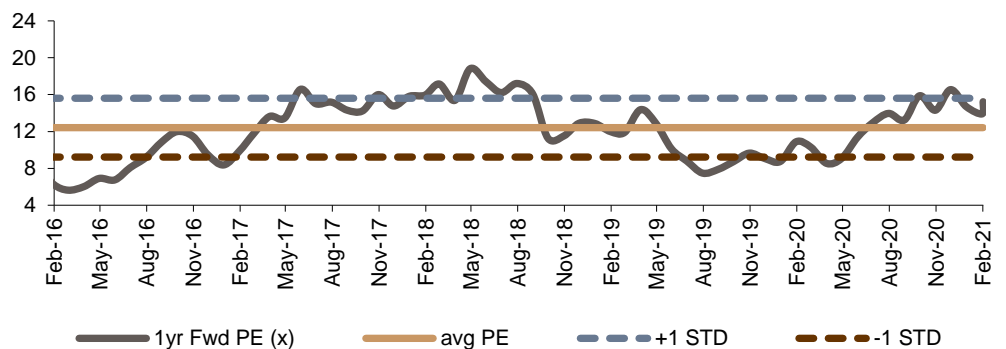
Source: Bloomberg, Company, Emkay Research

Exhibit 10: Quarterly financial summary

Rs mn	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	YoY (%)	QoQ (%)	FY21 YTD	FY20 YTD	YoY (%)
Revenue	16,334	13,807	10,616	16,397	20,174	23.5	23.0	47,188	43,803	7.7
Expenditure	14,212	11,862	9,420	13,389	16,534	16.3	23.5	39,342	38,989	0.9
as % of sales	87.0	85.9	88.7	81.7	82.0			83.4	89.0	
Consumption of RM	10,916	8,592	7,128	10,422	13,245	21.3	27.1	30,795	29,604	4.0
as % of sales	66.8	62.2	67.1	63.6	65.7			65.3	67.6	
Employee Cost	1,329	1,295	1,262	1,256	1,358	2.2	8.2	3,876	3,808	1.8
as % of sales	8.1	9.4	11.9	7.7	6.7			8.2	8.7	
Other expenditure	1,967	1,975	1,031	1,711	1,930	(1.8)	12.8	4,672	5,577	(16.2)
as % of sales	12.0	14.3	9.7	10.4	9.6			9.9	12.7	
EBITDA	2,123	1,944	1,196	3,009	3,641	71.5	21.0	7,845	4,814	63.0
Depreciation	267	278	264	274	315	18.0	15.0	853	768	11.0
EBIT	1,856	1,667	932	2,735	3,326	79.2	21.6	6,993	4,046	72.8
Other Income	267	278	298	376	472	76.7	25.7	1,146	645	77.8
Interest	29	28	19	32	33	12.4	1.9	84	126	(33.4)
PBT	2,094	1,916	1,211	3,078	3,765	79.8	22.3	8,055	4,565	76.5
Total Tax	564	512	289	779	959	70.1	23.0	2,028	1,044	94.2
Adjusted PAT	1,531	1,404	922	2,299	2,807	83.4	22.1	6,027	3,520	71.2
Extra ordinary items Loss/(Gain)	0	0	0	0	0			0	69	(100)
Reported PAT	1,531	1,404	922	2,299	2,807	83.4	22.1	6,027	3,451	74.6
Adjusted EPS	17.2	15.8	10.4	22.7	27.7	61.1	22.1	60.9	39.6	53.6

Margins (%)						(bps)	(bps)				(bps)
EBIDTA	13.0	14.1	11.3	18.3	18.0	505	(30)	16.6	11.0	564	
EBIT	11.4	12.1	8.8	16.7	16.5	512	(19)	14.8	9.2	558	
EBT	12.8	13.9	11.4	18.8	18.7	584	(11)	17.1	10.4	665	
PAT	9.4	10.2	8.7	14.0	13.9	454	(11)	12.8	8.0	474	
Effective Tax rate	26.9	26.7	23.9	25.3	25.5	(145)	15	25.2	22.9	230	

Source: Company, Emkay Research

Exhibit 11: One-year forward P/E

Source: Company, Emkay Research

Key Financials (Standalone)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	61,964	57,610	64,754	73,676	79,158
Expenditure	54,631	50,851	54,652	62,256	67,047
EBITDA	7,333	6,758	10,102	11,420	12,111
Depreciation	854	1,046	1,165	1,286	1,411
EBIT	6,479	5,713	8,937	10,134	10,700
Other Income	809	923	1,573	1,859	2,165
Interest expenses	185	155	120	135	149
PBT	7,103	6,481	10,390	11,858	12,716
Tax	2,375	1,556	2,546	2,905	3,115
Extraordinary Items	121	(69)	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	4,849	4,855	7,845	8,953	9,601
Adjusted PAT	4,728	4,924	7,845	8,953	9,601

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	1,226	1,226	1,348	1,226	1,226
Reserves & surplus	29,003	33,575	50,961	59,052	67,728
Net worth	30,229	34,801	52,309	60,278	68,954
Minority Interest	0	0	0	0	0
Loan Funds	2,769	67	74	84	91
Net deferred tax liability	529	303	355	414	478
Total Liabilities	33,526	35,170	52,738	60,776	69,523
Net block	16,074	16,318	17,000	19,042	20,131
Investment	8,797	11,892	24,711	30,211	36,711
Current Assets	24,195	23,527	26,153	29,855	32,473
Cash & bank balance	2,301	3,185	3,648	4,249	4,962
Other Current Assets	3,243	3,099	3,483	3,963	4,258
Current liabilities & Provision	16,443	17,951	18,163	20,542	22,003
Net current assets	7,751	5,576	7,990	9,314	10,471
Misc. exp	139	139	139	139	139
Total Assets	33,526	35,170	52,738	60,776	69,523

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	6,422	5,466	8,817	9,999	10,551
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(7,512)	3,436	(2,294)	(808)	(469)
Operating Cashflow	(3,215)	7,244	5,271	7,745	8,552
Capital expenditure	(1,391)	(1,898)	(3,500)	(2,500)	(2,500)
Free Cash Flow	(4,606)	5,345	1,771	5,245	6,052
Investments	909	(2,831)	(12,819)	(5,500)	(6,500)
Other Investing Cash Flow	346	431	0	0	0
Investing Cashflow	672	(3,375)	(14,746)	(6,141)	(6,835)
Equity Capital Raised	0	0	123	(123)	0
Loans Taken / (Repaid)	2,268	(2,735)	8	10	6
Dividend paid (incl tax)	(222)	(260)	(755)	(862)	(924)
Other Financing Cash Flow	(192)	98	10,683	107	62
Financing Cashflow	1,725	(2,984)	9,938	(1,002)	(1,004)
Net chg in cash	(818)	884	463	601	713
Opening cash position	3,119	2,301	3,185	3,648	4,249
Closing cash position	2,301	3,185	3,648	4,249	4,962

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	11.8	11.7	15.6	15.5	15.3
EBIT Margin	10.5	9.9	13.8	13.8	13.5
Effective Tax Rate	33.4	24.0	24.5	24.5	24.5
Net Margin	7.6	8.5	12.1	12.2	12.1
ROCE	24.5	19.4	24.0	21.2	19.8
ROE	17.0	15.2	18.1	15.9	14.9
RoIC	37.4	28.4	44.6	44.6	43.0

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	53.2	55.4	77.6	88.5	94.9
CEPS	62.8	67.2	89.1	101.2	108.9
BVPS	338.5	390.0	515.8	594.6	680.4
DPS	3.4	3.4	6.2	7.1	7.6

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	25.1	24.1	17.2	15.1	14.1
P/CEPS	21.2	19.9	15.0	13.2	12.3
P/BV	3.9	3.4	2.6	2.2	2.0
EV / Sales	1.9	1.9	1.8	1.5	1.3
EV / EBITDA	15.7	16.1	11.2	9.5	8.4
Dividend Yield (%)	0.3	0.3	0.5	0.5	0.6

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	(0.1)	(0.3)	(0.4)	(0.4)	(0.5)
Net Debt/EBIDTA	(0.5)	(1.4)	(2.1)	(2.4)	(2.8)
Working Cap Cycle (days)	32.1	15.2	24.5	25.1	25.4

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	24.0	(7.0)	12.4	13.8	7.4
EBITDA	31.6	(7.8)	49.5	13.0	6.1
EBIT	33.7	(11.8)	56.4	13.4	5.6
PAT	40.7	0.1	61.6	14.1	7.2

Quarterly (Rs mn)	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21
Revenue	16,334	13,807	10,616	16,397	20,174
EBITDA	2,123	1,944	1,196	3,009	3,641
EBITDA Margin (%)	13.0	14.1	11.3	18.3	18.0
PAT	1,531	1,404	922	2,299	2,807
EPS (Rs)	17.2	15.8	10.4	22.7	27.7

Source: Company, Emkay Research

Shareholding Pattern (%)	Mar-20	Jun-20	Jul-20	Sep-20	Dec-20
Promoters	40.3	40.3	36.6	36.6	36.6
FIs	19.3	20.4	18.6	21.6	23.8
DIs	10.0	10.0	9.1	8.5	7.1
Public and Others	30.5	29.4	35.8	33.3	32.5

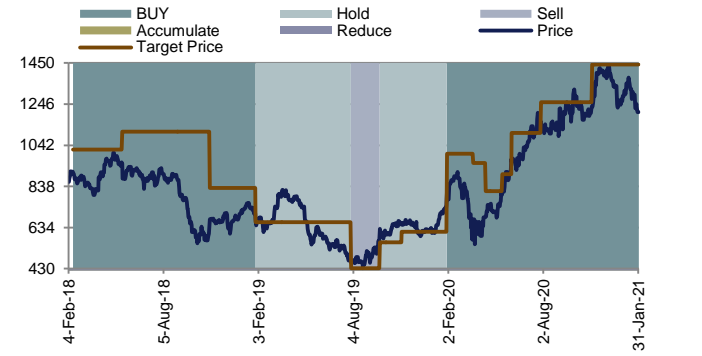
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
3-Nov-20	1,235	1,442	12m	Buy	Raghunandhan NL
11-Oct-20	1,222	1,256	12m	Buy	Raghunandhan NL
28-Aug-20	1,141	1,256	12m	Buy	Raghunandhan NL
28-Jul-20	1,158	1,256	12m	Buy	Raghunandhan NL
29-Jun-20	1,033	1,103	12m	Buy	Raghunandhan NL
2-Jun-20	960	1,103	12m	Buy	Raghunandhan NL
15-May-20	824	898	12m	Buy	Raghunandhan NL
4-May-20	683	815	12m	Buy	Raghunandhan NL
13-Apr-20	690	815	12m	Buy	Raghunandhan NL
20-Mar-20	675	954	12m	Buy	Raghunandhan NL
27-Feb-20	818	1,000	12m	Buy	Raghunandhan NL
30-Jan-20	818	1,000	12m	Buy	Raghunandhan NL
27-Dec-19	623	613	12m	Hold	Raghunandhan NL
27-Nov-19	648	613	12m	Hold	Raghunandhan NL
4-Nov-19	649	613	12m	Hold	Raghunandhan NL
1-Nov-19	658	560	12m	Hold	Raghunandhan NL
30-Oct-19	666	560	12m	Hold	Raghunandhan NL
1-Oct-19	610	560	12m	Hold	Raghunandhan NL
26-Sep-19	610	560	12m	Hold	Raghunandhan NL
23-Sep-19	627	560	12m	Hold	Raghunandhan NL
3-Sep-19	492	433	12m	Sell	Raghunandhan NL
28-Aug-19	493	433	12m	Sell	Raghunandhan NL
30-Jul-19	460	433	12m	Sell	Raghunandhan NL
1-Jul-19	570	660	12m	Hold	Raghunandhan NL
27-Jun-19	548	660	12m	Hold	Raghunandhan NL
3-Jun-19	606	660	12m	Hold	Raghunandhan NL
29-May-19	618	660	12m	Hold	Raghunandhan NL
8-May-19	628	660	12m	Hold	Raghunandhan NL
2-May-19	681	660	12m	Hold	Raghunandhan NL
4-Feb-19	679	660	12m	Hold	Raghunandhan NL
28-Jan-19	675	660	12m	Hold	Raghunandhan NL
1-Nov-18	674	830	12m	Buy	Raghunandhan NL
30-Jul-18	908	1,110	12m	Buy	Raghunandhan NL
17-May-18	952	1,110	12m	Buy	Raghunandhan NL
12-Feb-18	902	1,020	12m	Buy	Raghunandhan NL

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, 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	5.60	5.60	0%	0	100.00
Amara Raja Batteries	0.10	0.00	-100%	-10	0.00
Apollo Tyres	0.00	0.00	NA	0	0.00
Ashok Leyland	0.22	0.36	68%	15	6.50
Atul Auto	0.00	0.00	NA	0	0.00
Bajaj Auto	0.67	0.67	0%	0	12.04
Bharat Forge	0.19	0.25	31%	6	4.54
Eicher Motors	0.50	0.50	0%	0	8.91
Escorts	0.00	0.00	NA	0	0.00
Exide Industries	0.11	0.00	-100%	-11	0.00
Hero Motocorp	0.55	0.55	0%	0	9.76
Mahindra & Mahindra	0.96	0.96	0%	0	17.11
Maruti Suzuki India	1.24	1.29	4%	6	23.10
Motherson Sumi	0.23	0.00	-100%	-23	0.00
Tata Motors	0.62	0.74	19%	12	13.21
Tata Motors DVR*	0.07	0.13	86%	6	2.26
TVS Motor	0.15	0.14	-1%	0	2.58
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	3-Feb-20	3-Aug-20	2-Nov-20	1-Jan-21	1-Feb-21
EAP - Auto & Auto Ancillaries	100.0	92.9	81.9	89.2	107.7	121.1
BSE200 Neutral Weighted Portfolio (ETF)	100.0	94.2	84.7	91.3	110.1	121.4

*Performance measurement base date 1st April 2019

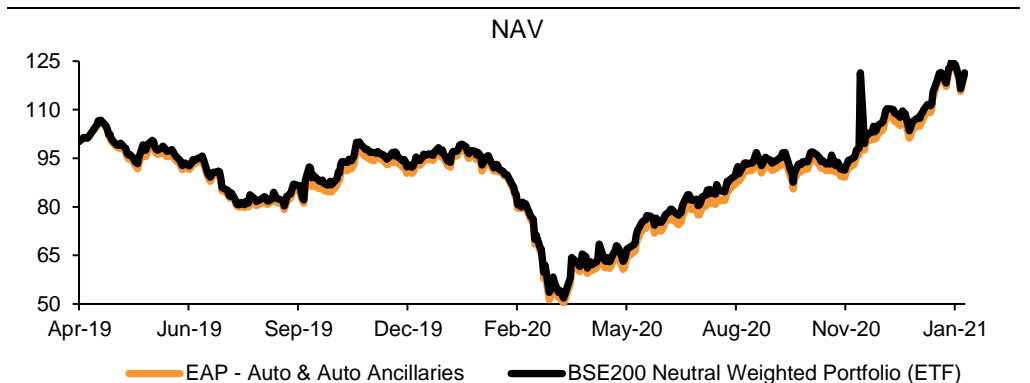
Source: Emkay Research

Price Performance (%)

	1m	3m	6m	12m
EAP - Auto & Auto Ancillaries	12.4%	35.8%	47.9%	30.4%
BSE200 Neutral Weighted Portfolio (ETF)	10.3%	33.0%	43.4%	28.9%

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”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 03 Feb 2021 02:55:37 (SGT)

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