

CMP: ₹ 1,970

Target: ₹ 2,165 (10%)

Target Period: 12 months

HOLD

February 9, 2023

## Delayed margin recovery to outweigh structurally positive levers aimed for long term growth...

**About the stock:** The company is a prominent tractor maker domestically (10.3% FY22 market share). It also serves domestic construction equipment, railways space.

- FY22 sales mix – tractors 77%, construction equipment 14%, railways 9%
- Past five-year CAGR: 24.1%, 35.6% in EBITDA, PAT; cash positive b/s

**Q3FY23 Results:** The company posted a muted Q3FY23 performance.

- Total operating income was at ₹ 2,264 crore up 15.6% YoY
- EBITDA margins for the quarter came in at 8.4%, up 30 bps QoQ and were the real dampener with gross margins contracting 210 bps QoQ and management commentary suggesting limited gains on this front
- PAT declined 7.5% YoY to ₹ 186.4 crore

**What should investors do?** Escort's stock price has grown ~17% CAGR over last five years from ~₹ 910 in February 2018, vastly outperforming the Nifty Auto Index.

- We downgrade the stock from BUY to **HOLD** amid limited gross margin expansion underway at the company and await affirmative steps towards its medium-term targets (FY28E) before turning decisively positive on stock

**Target Price and Valuation:** Introducing FY25E, we now value Escorts Kubota at SOTP-based TP of ₹ 2,165 (25x P/E on average FY24-25E EPS; earlier TP of ₹ 2,365)

### Key triggers for future price performance:

- Leveraging Kubota channel for exports amid healthy rural sentiments and upbeat farm income domestically, we expect tractor volumes at the company to grow at ~11.3% CAGR over FY22-25E
- Construction equipment (CE) and railways (RED) segments to perform well over FY22-25E amid a pick-up in economic activity, strong order book & strong support from government in terms of robust budgetary allocation
- Key MTPB targets (i) grow revenues to >2.5x of FY22 levels (i.e. ~₹ 22,500+ crore in FY28E); (ii) increase share of exports to ~15-20% in FY28E; (iii) target EBITDA margins to mid-teens; (iv) RoCE at 25-30% and RoE > 18%
- We expect sales to grow at a CAGR of 15.1% over FY22-25E, with consequent operating margins expected at 10.5% by FY25E

**Alternate Stock Idea:** Leaving aside Escorts Kubota, we like M&M in auto space.

- Focused on prudent capital allocation, UV differentiation & EV proactiveness
- BUY with target price of ₹ 1,590



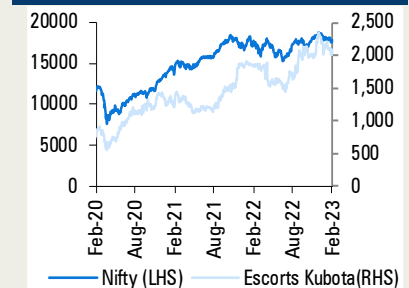
### Particulars

Particular	₹ crore
Market Capitalization	25,992
Total Debt (FY22)	0
Cash & Investments (FY22)	4,843
EV	21,149
52 week H/L (₹)	2,359 / 1,307
Equity capital (₹crore)	131.9
Face value	₹ 10

### Shareholding pattern

	Mar-22	Jun-22	Sep-22	Dec-22
Promoter	28.1	72.9	72.9	72.9
FII	3.6	4.2	4.7	4.0
DII	0.4	6.2	7.7	8.5
Other	67.9	16.7	14.7	14.7

### Price Chart



### Recent event & key risks

- Reported muted Q3FY23 results
- Key Risk:** (i) Delayed recovery in margins amid thrust to gain market share (ii) Higher than expected volume growth amid structurally positive levers

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### Key Financial Summary

Key Financials	FY19	FY20	FY21	FY22	5 year CAGR (FY17-22)	FY23E	FY24E	FY25E	3 year CAGR (FY22-25E)
Net Sales	6,196.4	5,761.0	6,929.3	7,152.6	11.8%	8,319.6	9,594.5	10,897.1	15.1%
EBITDA	733.3	675.8	1,129.2	951.4	24.1%	728.0	911.5	1,144.2	6.3%
EBITDA Margins (%)	11.8	11.7	16.3	13.3		8.8	9.5	10.5	
Net Profit	484.9	485.6	874.1	765.7	36.7%	594.7	800.5	955.0	7.6%
EPS (₹)	36.8	36.8	66.3	58.0		45.1	60.7	72.4	
P/E	53.6	53.5	29.7	33.9		43.7	32.5	27.2	
RoNW (%)	15.6	14.2	16.2	9.7		8.0	9.0	9.9	
RoIC (%)	24.1	23.3	42.1	27.2		19.5	23.6	26.5	

Source: Company, ICICI Direct Research

## Key takeaways of recent quarter & conference call highlights

### Q3FY23 Results: Muted numbers

- Among segments, gross revenue from agri equipment machinery (EAM) i.e. tractors was at ₹ 1,708 crore, up 13.4% YoY amid 10.7% YoY tractor volume jump to 28,025 units. ASPs came in at ₹ 6.09 lakh/unit (down 0.7% QoQ) amid adverse product mix
- Gross revenue from construction equipment grew 26.5% QoQ to ₹ 306 crore in Q3FY23 while railway equipment division was up 37% QoQ at ₹ 249 crore. Present railway order book was at ~>=₹ 1,000 crore as of December 2022 end vs. ~₹ 900 crore as of September 2022
- Margins were lower than our expectation. Gross margins contracted ~212 bps QoQ. EAM EBIT margins were flat sequentially to 8.4% while the same for the construction equipment and railways division was at 2.2% (up 485 bps) and 13.1% (down 155 bps), respectively
- Consequent PAT in Q3FY23 was down 7.5% YoY at ₹ 186.4 crore. PAT performance was due to lower-than-expected margins but rose sequentially due to onetime exceptional loss booked during Q2FY23

### Q3FY23 Earnings Conference Call highlights

- The management informed about exports being affected due to adverse conditions in its key markets of Nepal and Bangladesh
- Margins came in muted due to (i) inflationary scenario, (ii) unabsorbed input cost persisting in the system (~1-2% impact still unabsorbed); (iii) Price rationalisation; (iv) adverse product mix; (v) price hike taken in November 20 22, not fully accounted. However, the company guided about some margin recovery in Q1FY24E
- The company informed about steel comprising just ~17% of total input cost whereas other components like forged items & tyres cost (at ~50% of total cost) are still inflated, adding up to muted margins
- Escorts reported market share gain by ~90 bps QoQ with current market share at 10.6% vs. 9.7% in Q2FY23. The management expects Q4FY23E market share to be higher than Q3FY23E. Overall the company outperformed industry by growing at 12.3% vs. industry growth of 10.5%
- The management said farm sentiments have been positive due to: (i) high reservoir levels; (ii) easy financing; (iii) healthy Rabi season; (iv) healthy crop realisations. They expect positive momentum in tractor industry to continue resulting in attaining a new peak of 9 lakh+ units in FY23E
- The management expects the railway division to grow at a similar pace over FY23-24E riding on ~>=₹ 1000 crore order book. Also, during the quarter it won an order for HVAC panels, split disc brakes & damper
- Tractor industry grew 7.6% in northern & central region & 13.5% in southern & western region. The company now has ~1,200+ dealers across India. The management does not expect a price hike in Q4FY23E
- Channel inventory is at normal levels ~4-4.5 weeks

Escorts Kubota- ESG Disclosure Score*			
Score	FY20	FY21	FY22
Environmental	31.9	49.0	53.9
Social	30.8	29.0	29.3
Governance	84.9	84.9	84.9
<b>Overall ESG Score</b>	<b>49.2</b>	<b>54.3</b>	<b>56.1</b>

Source: Bloomberg, ICICI Direct Research, \*Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures

TERM IV norms (applicable to >50 hp tractors) is now in effect but company has not witnessed any demand pressure as still some stock is left. However, company expects shift from >50 Hp to <50Hp temporarily.

## Peer comparison

Exhibit 1: ICICI Direct coverage universe (tractors)

Company	CMP	TP	Rating	Mcap	Total lakh volumes			EBITDA margin (%)			RoCE (%)			P/E		
	₹	₹		₹ crore	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Escorts Kubota (ESCORT)	1,970	2,165	Hold	25,992	0.9	1.0	1.2	13.3	8.8	9.5	10.4	6.9	8.4	33.9	43.7	32.5
M&M (MAHMAH)	1,370	1,590	Buy	1,70,318	3.5	3.8	4.1	12.3	12.2	13.5	9.3	13.0	16.2	33.1	25.0	19.0

Source: Company, ICICI Direct Research

Note – Volume data above is specific to tractor divisions for both companies

**Exhibit 2: Variance Analysis**

Particulars	Q3FY23	Q3FY23E	Q3FY22	YoY (Chg %)	Q2FY23	QoQ (Chg %)	Comments
Total Operating Income	2,263.7	2,239.9	1,957.5	15.6	1,883.5	20.2	Topline came in broadly inline with our estimates with railway segment driving the sequential revenue growth and was up 37% QoQ
Raw Material Expenses	1,540.9	1,455.9	1,246.3	23.6	1,242.2	24.0	RM costs came in substantially higher by 210 bps QoQ at 74.5% of sales (gross margin contraction) vs. our estimates of 71.5% of sales
Purchase of Traded Goods	146.2	145.6	128.5	13.8	121.6	20.2	
Employee Expenses	152.7	151.2	132.2	15.5	148.9	2.6	Employee costs came in on expected lines
Other Expenditure	233.6	252.0	185.7	25.8	218.2	7.1	Savings were realised in other expenses and were down 126 bps QoQ at 10.3% of sales
EBITDA	190.3	235.2	264.7	-28.1	152.7	24.7	
EBITDA Margin (%)	8.4	10.5	13.5	-512 bps	8.1	30 bps	EBITDA margins came in much lower than anticipated due to disappointing gross margin profile at the company for Q3FY22
Interest	2.6	3.3	3.3	-18.8	2.3	15.8	
Depreciation	37.6	37.7	32.5	15.5	36.5	3.0	
Total Tax	55.0	68.9	67.3	-18.3	31.0	77.2	
PAT	186.4	204.4	201.6	-7.5	87.7	112.6	PAT stood lower than estimates tracking miss on margins
<b>Key Metrics (₹ crore)</b>							
Tractor Segment revenue	1,708	1,720	1,506	13.4	1,455	17.4	Tractor segment grew 13.4% YoY at 1708 crore with ASP's for the quarter coming in at ₹6.09 lakh/unit, down 1% QoQ
CE revenue	306	319	276	10.8	242	26.5	
RED revenue	249	201	174	43.4	182	37.0	Railway segment revenues were the real positive surprise for the quarter and were up 37% QoQ at ₹ 249 crore with present orderbook at >= ₹1,000 crore

Source: Company, ICICI Direct Research

**Exhibit 3: Change in estimates**

(₹ Crore)	FY23E			FY24E			FY25E	Comments
	Old	New	% Change	Old	New	% Change	Introduced	
Revenue	8,221.2	8,319.6	1.2	9,360.1	9,594.5	2.5	10,897.1	Broadly retained topline estimates for FY23-24E. Introduced FY25E. We expect topline at the company to grow at a CAGR of 15.1% over FY22-25E
EBITDA	807.5	728.0	-9.8	1,123.2	911.5	-18.9	1,144.2	
EBITDA Margin (%)	9.8	8.8	-107 bps	12.0	9.5	-250 bps	10.5	Lowered margin estimates for FY23-24E tracking muted management commentary on gross margin expansion.
PAT	630.8	594.7	-5.7	972.4	800.5	-17.7	955.0	
EPS (₹)	47.8	45.1	-5.7	73.7	60.7	-17.7	72.4	Earnings for FY23-24E witness a downgrade tracking lowering of margin estimates. Introduced FY25E. We expect PAT at the company to grow at a CAGR of 7.6% over FY22-25E

Source: ICICI Direct Research

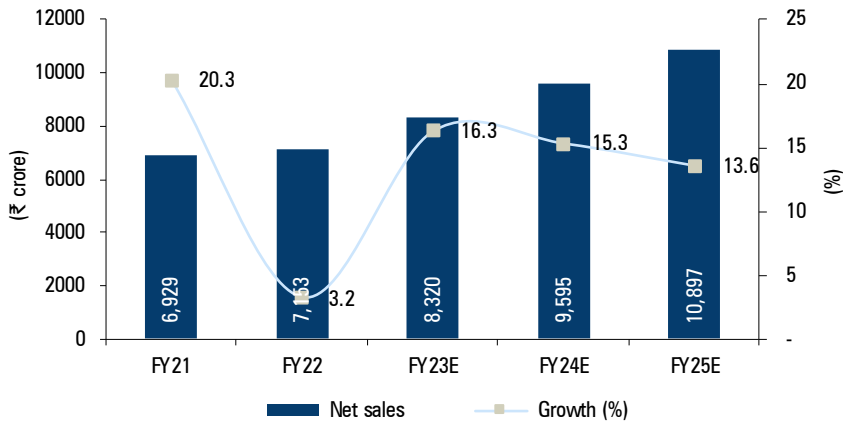
**Exhibit 4: Assumptions**

					Current			Earlier		Comments
	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E	FY23E	FY24E	
Tractor volumes (units)	96,412	86,018	1,06,741	94,228	1,03,617	1,16,051	1,29,977	1,01,780	1,11,958	Upgraded our volume estimates for the tractor segment given synergies expected to flow from Kubota collaboration both in domestic as well as export markets. We expect tractor volumes at the company to grow at a CAGR of 11% over FY22-25E aided by positive rural sentiments
Average ASP (₹)	4,92,053	5,15,890	5,30,937	5,85,919	6,08,311	6,20,210	6,26,428	6,10,412	6,24,594	Altered ASP estimates tracking 9MFY23 performance and limited price hikes in system

Source: ICICI Direct Research

## Financial story in charts

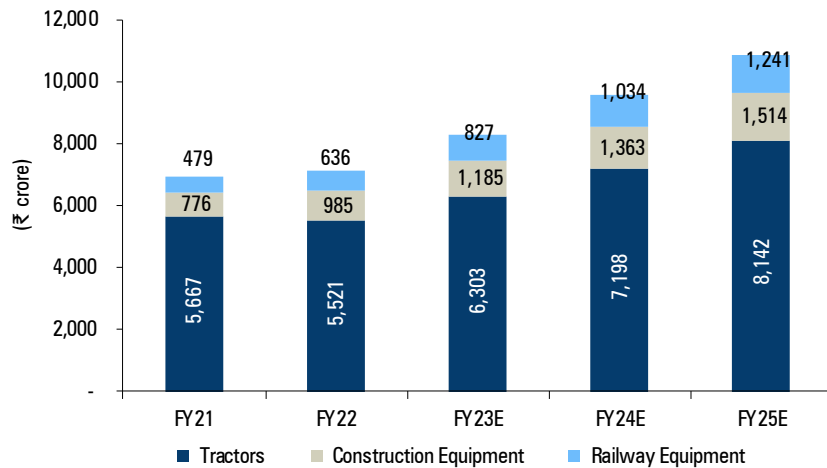
Exhibit 5: Trend in total operating income



We expect net sales to grow at 15.1% CAGR over FY22-25E

Source: Company, ICICI Direct Research

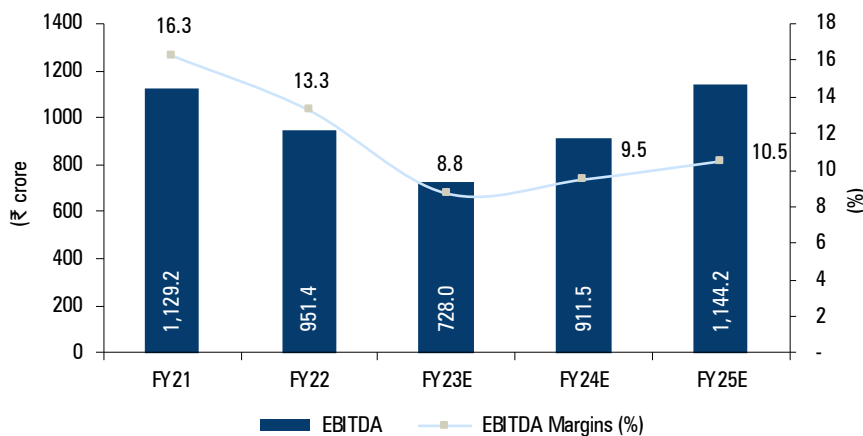
Exhibit 6: Trend in segment mix



Share of tractors within overall revenue mix is seen declining over the medium term amid steady 11.3% volume CAGR expectation over FY22-25E & strong order book at railway division.

Source: Company, ICICI Direct Research

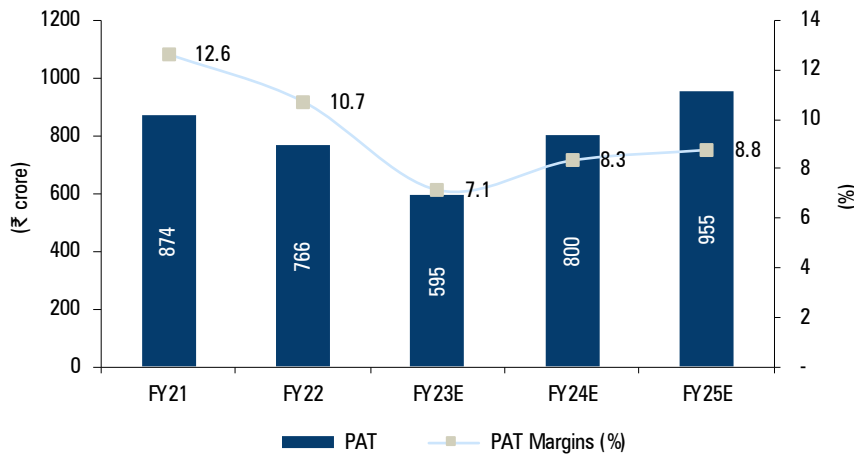
Exhibit 7: Trend in margins



Post a low in FY23E at 8.8%, margins are seen improving to 10.5% in FY25E amid operating leverage at play and limited gross margin expansion

Source: Company, ICICI Direct Research

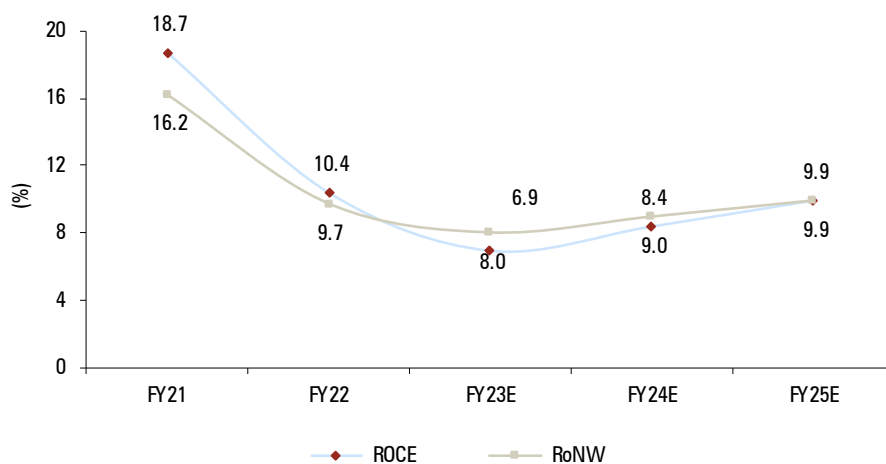
Exhibit 8: Trend in profitability



PAT is expected to grow at 7.6% CAGR over FY22-25E. PAT margins are seen at high single digit

Source: Company, ICICI Direct Research

Exhibit 9: Trend in return ratios



Return ratios (RoE, RoCE) are seen stabilising around ~10% mark by FY25E. Given high cash on b/s, RoICs are seen healthy at ~25% over FY24-25E

Source: Company, ICICI Direct Research

Exhibit 10: Valuation summary

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY18	4995	22.0	26.1	99.7	75.4	45.3	13.8	18.7
FY19	6196	24.0	36.8	40.6	53.6	35.0	15.6	19.3
FY20	5761	-7.0	36.8	0.1	53.5	37.1	14.2	16.2
FY21	6929	20.3	66.3	80.0	29.7	20.4	16.2	18.7
FY22	7153	3.2	58.0	-12.4	33.9	22.2	9.7	10.4
FY23E	8320	16.3	45.1	-22.3	43.7	28.4	8.0	6.9
FY24E	9595	15.3	60.7	34.6	32.5	22.5	9.0	8.4
FY25E	10897	13.6	72.4	19.3	27.2	17.5	9.9	9.9

Source: Company, ICICI Direct Research

Exhibit 11: SoTP based target price calculation

Particulars	Amount (₹ crore)
FY24-25E Avg. Standalone PAT (pre-merger, erstwhile Escorts Ltd)	877.7
FY24-25E Avg. PAT of Escorts Kubota India Pvt. Ltd (separate tractor Manufacturing Unit)	-0.4
FY24-25E Avg. PAT of Kubota Agriculture India Private Limited (sales & marketing arm of Ki)	91.6
<b>Total PAT (includes PAT of erstwhile Escorts + JV's PAT now 100% owned)</b>	<b>969</b>
No of Shares post merger and cancellation of treasury shares (crore)	11.2
EPS (₹/share)	86.6
PE Multiple (x)	25
<b>Target Price (₹/share)</b>	<b>2,165</b>
<b>Current Market Price (₹/share)</b>	<b>1,970</b>
<b>Potential Upside (%)</b>	<b>10%</b>

Source: Company, ICICI Direct Research

## Financial Summary

Exhibit 12: Profit and loss statement				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
Total operating Income	7,152.6	8,319.6	9,594.5	10,897.1
Growth (%)	3.2	16.3	15.3	13.6
Raw Material Expenses	4,424.1	5,568.2	6,428.3	7,246.6
Employee Expenses	528.2	589.5	647.6	708.3
Other expenses	740.3	900.0	983.4	1,089.7
Total Operating Expenditure	6,201.3	7,591.6	8,683.0	9,752.9
<b>EBITDA</b>	<b>951.4</b>	<b>728.0</b>	<b>911.5</b>	<b>1144.2</b>
Growth (%)	-15.7	-23.5	25.2	25.5
Depreciation	129.8	148.3	159.8	184.8
Interest	12.7	10.2	9.1	8.2
Other Income	213.0	292.9	327.6	325.6
PBT	1,021.9	862.5	1,070.2	1,276.7
Total Tax	256.3	195.0	269.7	321.7
Tax rate	25.1	22.6	25.2	25.2
<b>PAT</b>	<b>765.7</b>	<b>594.7</b>	<b>800.5</b>	<b>955.0</b>
Growth (%)	-12.4	-22.3	34.6	19.3
<b>EPS (₹)</b>	<b>58.0</b>	<b>45.1</b>	<b>60.7</b>	<b>72.4</b>

Source: Company, ICICI Direct Research

Exhibit 13: Cash flow statement				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
Profit after Tax	765.7	594.7	800.5	955.0
Add: Depreciation	129.8	148.3	159.8	184.8
(Inc)/dec in Current Assets	-320.0	-308.2	-389.3	-307.3
Inc/(dec) in CL and Provisions	-319.0	542.6	364.5	256.7
<b>CF from operating activities</b>	<b>256.5</b>	<b>977.4</b>	<b>935.5</b>	<b>1089.2</b>
(Inc)/dec in Investments	-2,933.0	-450.0	-50.0	-400.0
(Inc)/dec in Fixed Assets	-189.6	-263.6	-520.0	-270.0
Others	87.1	-99.0	-83.0	-96.7
<b>CF from investing activities</b>	<b>-3035.5</b>	<b>-812.6</b>	<b>-653.0</b>	<b>-766.7</b>
Issue/(Buy back) of Equity	-2.9	0.0	0.0	0.0
Inc/(dec) in loan funds	0.0	0.0	0.0	0.0
Dividend paid & dividend tax	-85.8	-131.9	-197.9	-263.9
Inc/(dec) in Sec. premium	1,863.4	0.0	0.0	0.0
Others	-53.9	0.0	0.0	0.0
<b>CF from financing activities</b>	<b>1720.8</b>	<b>-131.9</b>	<b>-197.9</b>	<b>-263.9</b>
Net Cash flow	-1,058.2	32.9	84.6	58.7
Opening Cash	1,316.6	258.4	291.3	375.9
<b>Closing Cash</b>	<b>258.4</b>	<b>291.3</b>	<b>375.9</b>	<b>434.6</b>

Source: Company, ICICI Direct Research

Exhibit 14: Balance Sheet				
	₹ crore			
(Year-end March)	FY22	FY23E	FY24E	FY25E
<b>Liabilities</b>				
Equity Capital	131.9	131.9	131.9	131.9
Reserve and Surplus	7,746.2	8,209.0	8,811.6	9,502.7
<b>Total Shareholders funds</b>	<b>7878.2</b>	<b>8340.9</b>	<b>8943.5</b>	<b>9634.6</b>
<b>Total Debt</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Other non-current Liabilities	114.5	112.9	111.3	113.3
Long-term Provisions	42.0	35.1	28.2	21.3
<b>Total Liabilities</b>	<b>8034.7</b>	<b>8488.9</b>	<b>9083.0</b>	<b>9769.2</b>
<b>Assets</b>				
Gross Block	2,942.3	3,192.3	3,442.3	3,892.3
Less: Acc Depreciation	1,215.4	1,340.5	1,473.2	1,626.8
Net Block	1,726.9	1,851.8	1,969.1	2,265.5
Capital WIP	56.3	81.3	331.3	131.3
<b>Total Fixed Assets</b>	<b>1783.2</b>	<b>1933.1</b>	<b>2300.5</b>	<b>2396.8</b>
Net Intangible Asset	54.1	19.5	12.4	1.2
Investments	5,150.0	5,650.0	5,750.0	6,200.0
Inventory	803.6	1,025.7	1,182.9	1,343.5
Debtors	827.6	911.7	1,051.5	1,194.2
Loans and Advances	25.5	42.3	35.9	52.9
Other Current Assets	281.1	266.2	365.0	351.8
<b>Cash</b>	<b>258.4</b>	<b>291.3</b>	<b>375.9</b>	<b>434.6</b>
Total Current Assets	2,196.1	2,537.2	3,011.2	3,377.1
Creditors	877.7	1,253.6	1,577.2	1,791.3
Provisions & Other Curr.Liab	459.4	626.0	667.0	709.6
Total Current Liabilities	1,337.0	1,879.7	2,244.2	2,500.9
<b>Net Current Assets</b>	<b>859.1</b>	<b>657.6</b>	<b>767.0</b>	<b>876.2</b>
Net Deferred Tax Asset	-37.9	-37.9	-37.9	-37.9
Other non-current assets	170.5	207.5	228.4	266.6
<b>Application of Funds</b>	<b>8034.7</b>	<b>8488.9</b>	<b>9083.0</b>	<b>9769.2</b>

Source: Company, ICICI Direct Research

Exhibit 15: Key ratios				
(Year-end March)	FY22	FY23E	FY24E	FY25E
<b>Per share data (₹)</b>				
EPS	58.0	45.1	60.7	72.4
Cash EPS	67.9	56.3	72.8	86.4
BV	597.1	632.2	677.8	730.2
DPS	7.0	10.0	15.0	20.0
Cash Per Share	367.1	403.7	413.9	448.6
<b>Operating Ratios</b>				
EBITDA Margin (%)	13.3	8.8	9.5	10.5
PAT Margin (%)	10.7	7.1	8.3	8.8
Inventory days	41.0	45.0	45.0	45.0
Debtor days	42.2	40.0	40.0	40.0
Creditor days	44.8	55.0	60.0	60.0
<b>Return Ratios (%)</b>				
RoE	9.7	8.0	9.0	9.9
RoCE	10.4	6.9	8.4	9.9
RoIC	27.2	19.5	23.6	26.5
<b>Valuation Ratios (x)</b>				
P/E	33.9	43.7	32.5	27.2
EV / EBITDA	22.2	28.4	22.5	17.5
EV / Net Sales	3.0	2.5	2.1	1.8
Market Cap / Sales	3.6	3.1	2.7	2.4
Price to Book Value	3.3	3.1	2.9	2.7
<b>Solvency Ratios</b>				
Debt/ EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	2.0	1.6	1.5	1.5
<b>Quick Ratio</b>	<b>1.2</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>

Source: Company, ICICI Direct Research

Exhibit 16: ICICI Direct coverage universe (Auto & Auto Ancillary)

Sector / Company	CMP	TP	Rating	M Cap	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	(₹)		(₹ Cr)	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E	FY22	FY23E	FY24E
Apollo Tyre (APOTYR)	330	390	Buy	20,956	10.1	15.9	25.2	32.8	20.7	13.1	9.9	7.6	5.9	6.3	10.0	13.8	5.4	8.1	11.8
Ashok Leyland (ASHLEY)	149	185	Buy	43,614	1.8	3.9	6.8	80.7	38.4	22.0	45.0	17.0	12.0	2.1	15.9	23.3	0.2	14.1	22.0
Bajaj Auto (BAAUTO)	3,876	4,100	Hold	1,12,160	173.4	197.5	240.9	22.3	19.6	16.1	17.3	14.5	11.6	18.4	24.2	29.0	17.6	22.3	26.1
Balkrishna Ind. (BALIND)	2,330	2,200	Buy	45,043	73.0	72.4	100.1	31.9	32.2	23.3	23.7	25.0	16.4	15.9	12.5	19.9	20.4	17.6	20.7
Bharat Forge (BHAFOR)	863	1,050	Buy	40,179	23.1	17.5	28.2	37.3	49.2	30.6	21.5	22.9	16.6	9.6	8.4	12.6	15.2	11.4	16.4
Eicher Motors (EICMOT)	3,236	4,310	Buy	88,440	61.3	101.4	124.6	52.8	31.9	26.0	36.8	22.2	17.9	13.3	20.5	21.6	13.3	19.2	20.4
<b>Escorts Kubota (ESCORT)</b>	<b>1,970</b>	<b>2,165</b>	<b>Hold</b>	<b>25,992</b>	<b>58.0</b>	<b>45.1</b>	<b>60.7</b>	<b>33.9</b>	<b>43.7</b>	<b>32.5</b>	<b>22.2</b>	<b>28.4</b>	<b>22.5</b>	<b>10.4</b>	<b>6.9</b>	<b>8.4</b>	<b>9.7</b>	<b>8.0</b>	<b>9.0</b>
Hero Moto (HERHON)	2,600	2,770	Hold	51,922	123.8	137.2	169.7	21.0	18.9	15.3	12.9	11.5	9.2	16.3	18.4	22.2	15.7	16.6	19.5
M&M (MAHMAH)	1,370	1,590	Buy	1,70,318	41.4	54.7	72.0	33.1	25.0	19.0	23.5	16.5	12.6	9.3	13.0	16.2	13.1	15.4	17.1
Maruti Suzuki (MARUTI)	8,835	11,200	Buy	2,66,888	124.7	261.9	369.0	70.9	33.7	23.9	39.5	20.6	14.7	5.1	12.9	16.9	7.0	13.3	16.7
Uno Minda (MININD)	510	630	Buy	29,159	6.2	11.5	15.6	82.0	44.4	32.6	33.6	23.1	18.4	10.2	15.2	18.0	10.3	16.3	18.4
Tata Motors (TATMOT)	437	530	Buy	1,67,327	-29.9	-3.1	24.3	-14.6	-142.7	18.0	7.2	6.4	4.3	4.8	7.9	15.1	-23.5	-2.5	16.3

Source: Company, ICICI Direct Research

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Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



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