

Market snapshot

Equities - India	Close	Chg. %	CYTD.%
Sensex	39,983	0.6	-3.1
Nifty-50	11,762	0.7	-3.3
Nifty-M 100	16,787	1.1	-1.8
Equities-Global	Close	Chg. %	CYTD.%
S&P 500	3,484	0.0	7.8
Nasdaq	11,672	-0.4	30.1
FTSE 100	5,920	1.5	-21.5
DAX	12,909	1.6	-2.6
Hang Seng	9,915	1.6	-11.2
Nikkei 225	23,411	-0.4	-1.0
Commodities	Close	Chg. %	CYTD.%
Brent (US\$/Bbl)	42	-0.5	-37.3
Gold (\$/OZ)	1,899	-0.5	25.2
Cu (US\$/MT)	6,724	-0.2	9.3
Almn (US\$/MT)	1,859	1.0	4.3
Currency	Close	Chg. %	CYTD.%
USD/INR	73.3	0.0	2.8
USD/EUR	1.2	0.1	4.5
USD/JPY	105.4	0.0	-3.0
YIELD (%)	Close	1MChg	CYTDchg
10 Yrs G-Sec	5.9	0.04	-0.6
10 Yrs AAA Corp	6.7	-0.09	-1.0
Flows (USD b)	16-Oct	MTD	CYTD
FII	-0.07	0.19	4.29
DII	-0.06	-0.02	9.09
Volumes (INRb)	16-Oct	MTD*	CYTD*
Cash	517	550	549
F&O	14,485	26,034	16,989

Note: *Average

Today's top research idea

HDFC Bank: Steady performance; business trends undergoing swift normalization

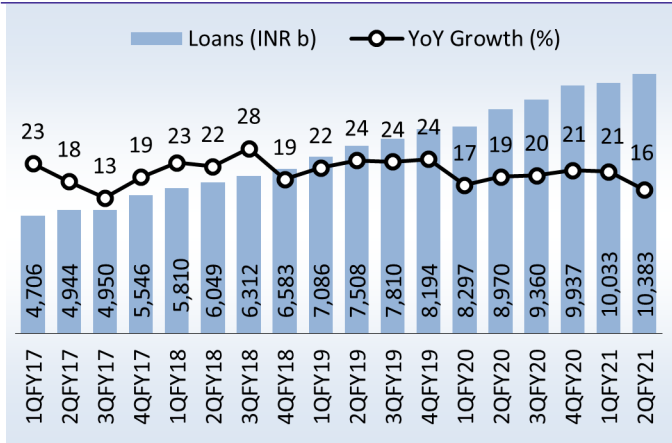
- ❖ HDFC Bank (HDFCB) reported a strong performance, with advances growth driven by corporate; select retail segments also showed signs of recovery, with credit card growing at 6% QoQ. Operating performance remained stable, led by steady business growth and cost control. However, margins moderated 20bp QoQ on account of higher liquidity and a change in the asset mix. The bank further shored up provisions as it provided for INR23b toward potential NPA (not declared due to the SC order) and other contingent provisions.
- ❖ On the asset quality front, the GNPA/NNPA ratio improved by 28bp/16bp QoQ to ~1.08%/~0.17%, primarily due to the Supreme Court (SC) order temporary halting NPL recognition. Furthermore, if the SC had not temporarily halted NPA recognition, GNPA/NNPA ratio would have been at 1.37%/0.35%.
- ❖ We overall estimate a 19% PAT CAGR over FY20–FY23E, with ROA/ROE at 2.0%/17.8% for FY23E. Maintain Buy, with revised TP of INR1,400 (3.1x Sep'22E ABV).

Research covered

Cos/Sector	Key Highlights
HDFC Bank	Steady performance; business trends undergoing swift normalization
HCLT Tech	Cloud demand to boost FY22 growth
Avenue Supermarts	Gradually on path to recovery
Tata Comm	Sharp data margin improvement drives EBITDA beat
Oberoi Realty	Residential rebounds; Margins surprise positively
Federal Bank	Strong operating performance
Trident	Near-term demand outlook for textiles remains robust
Shopper Stop	Operating loss at INR347m (v/s est. loss of INR596m)
Telecom	The 5G Saga!
Preview 2QFY21 Automobiles: Sharper-than-expected recovery in all segments	

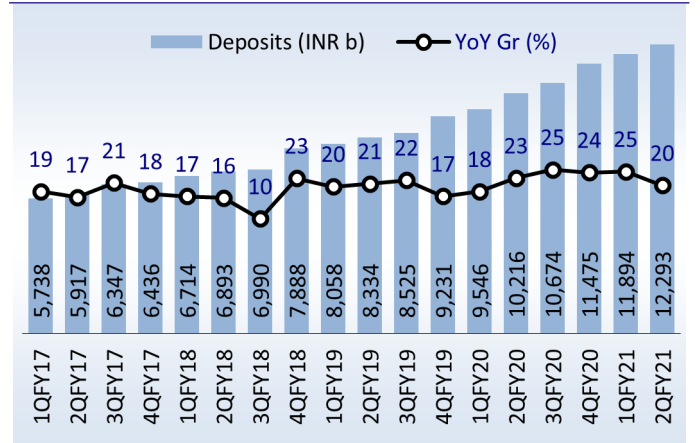
Chart of the Day: HDFC Bank (Steady performance; business trends undergoing swift normalization)

Loan growth strong at 16% YoY (+3% QoQ)



Source: MOFSL, Company

Deposits robust at 20% YoY (3.4% QoQ)



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

Power consumption grows 11.45% to 55.37 billion units in first half of October

India's power consumption grew 11.45 per cent to 55.37 billion units (BU) in the first half of October this year, mainly driven by buoyancy in industrial and commercial activities, as per government data...

2

Govt may not extend Rs 3 trn credit guarantee scheme for MSMEs beyond Oct

The government is unlikely to extend the Rs 3 trillion-Emergency Credit Line Guarantee Scheme (ECLGS) for MSME sector beyond October even though the sanctioned amount so far is only nearly 65 per cent of the target, sources said. The scheme is meant to provide financial support to businesses, primarily Micro, Small and Medium Enterprises (MSMEs), impacted by slowdown triggered by the coronavirus pandemic...

3

Adani Group, Piramal among 4 bidders for DHFL, lenders stare at over Rs 60,000 crore write-off

Adani Group and Piramal Enterprises are among the four entities that have placed bids for DHFL, the first financial services player undergoing insolvency process, according to sources...

4

DLF raises ₹2,400 cr from SBI to refinance debt, expand

India's largest real estate firm DLF Ltd's rental arm DLF Cyber City Developers Ltd (DCCDL) has raised ₹2,400 crore from State Bank of India (SBI) in one of the largest lease rental discounting (LRD) deals in recent times...

5

Gold discount shrinks sharply in local markets amid festive demand

Amid signs of rising festive and wedding demand for gold jewellery, the bullion discount to the landed price in the key cities of Mumbai and Ahmedabad plummeted to \$1 an ounce (31.1 gms appx) on Friday from a steep \$44 early last month, industry sources said...

6

India set to lose Farzad-B gas field; Iran to prefer domestic companies over foreign firms

India has all but lost the ONGC Videsh Ltd-discovered Farzad-B gas field in the Persian Gulf after Iran decided to prefer domestic companies over foreign firms for development of the field, sources said...

7

Prestige to sell rental assets to Blackstone for \$1.6 bn

Real estate developer Prestige Group on Friday signed an agreement with Blackstone Group Lp to sell rental income assets for around \$1.6 billion (₹11,800 crore), said a person familiar with the development...



HDFC Bank

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1,199 TP: INR1,400 (+17%) Buy

Steady performance; business trends undergoing swift normalization

Collection efficiency improves to 97%

- HDFC Bank (HDFCB) reported a strong performance, with advances growth driven by corporate; select retail segments also showed signs of recovery, with credit card growing at 6% QoQ. Operating performance remained stable, led by steady business growth and cost control. However, margins moderated 20bp QoQ on account of higher liquidity and a change in the asset mix. The bank further shored up provisions as it provided for INR23b toward potential NPA (not declared due to the SC order) and other contingent provisions.
- We maintain our earnings for FY21/FY22 and also introduce FY23 estimates. We expect an earnings CAGR of 19% over FY20–23E. Maintain **Buy**.

Strong performance; loan growth continues to be driven by corporate

- HDFCB reported a strong quarter with PAT growth of ~18% YoY (+13% QoQ; in-line), supported by NII growth of 17% YoY and controlled opex of ~9% YoY. However, margins declined 20bp QoQ, primarily on account of higher liquidity and a change in the asset mix.
- Fee income declined 3% YoY on account of continued softness in retail loan origination, lower card spends up to Aug'20, and certain fee waivers. However, treasury gains were higher at INR10.2b (+111% YoY), resulting in other income growth of 9% YoY. Opex grew at 9% YoY and the C/I ratio thus stood at 36.8% (v/s 35% in 1QFY21). PPop growth was robust at 18% YoY.
- Loans grew 16% YoY, led by corporate loans (+26% YoY), while retail loan growth moderated to 5% YoY (+2% QoQ). Credit card growth improved 6% QoQ and Gold loans grew at 8% QoQ, while Auto loans declined 2% QoQ.
- Deposits increased ~20% YoY (~3% QoQ increase), led by CASA growth of 27% YoY (+7% QoQ), and TD growth came in at 16% YoY. Overall, the CASA ratio improved to 41.6% (v/s 40.1% in 1QFY21).
- On the asset quality front, the GNPA/NNPA ratio improved by 28bp/16bp QoQ to ~1.08%/~0.17%, primarily due to the Supreme Court (SC) order temporarily halting NPL recognition. Furthermore, if the SC had not temporarily halted NPA recognition, slippages would have come in at ~2.0% annualized, and GNPA/NNPA ratio would have been at 1.37%/0.35%. PCR, thus, improved to 84.5%.
- Overall, provisions remained elevated at INR37b (+37% YoY) as the bank made additional provisions of INR23b toward slippages (not declared NPA due to SC order) and additional contingent provisions.

Highlights from management commentary

- Overall, business activity was near pre-COVID levels, with collection trends back at 97% levels (~99% in non-moratorium book).
- Stress in the SME portfolio declined to 3% (v/s 9% earlier) as the MSME credit guarantee scheme provided a much-needed boost to the sector.

Bloomberg	HDFCB IN
Equity Shares (m)	5,490
M.Cap.(INRb)/(USD\$)	6598.9 / 87.7
52-Week Range (INR)	1304 / 739
1, 6, 12 Rel. Per (%)	8/5/-5
12M Avg Val (INR M)	14246

Financials & Valuations (INR b)

Y/E MARCH	FY20	FY21E	FY22E	FY23E
NII	561.9	648.1	740.8	864.8
OP	487.5	565.5	663.8	778.5
NP	262.6	300.9	364.7	437.7
NIM (%)	4.2	4.1	4.1	4.2
EPS (INR)	48.0	54.9	66.5	79.8
EPS Gr. (%)	21.2	14.2	21.2	20.0
BV/Sh. (INR)	311.8	357.1	413.4	482.3
ABV/Sh. (INR)	300.3	342.3	394.1	460.5

Ratios

RoE (%)	16.4	16.4	17.3	17.8
RoA (%)	1.9	1.8	1.9	2.0

Valuations

P/E(X)	25.0	21.9	18.0	15.0
P/BV (X)	3.8	3.4	2.9	2.5
P/ABV (X)	4.0	3.5	3.0	2.6

Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	21.2	21.2	21.3
DII	18.6	18.0	17.3
FII	49.1	48.8	49.4
Others	11.1	12.0	12.1

FII Includes depository receipts

Valuations and view

- HDFCB has delivered strong growth amid a challenging macro environment, and business momentum is swiftly moving toward pre-COVID levels. Furthermore, the bank's operating performance remains steady, aided by healthy revenue growth and controlled opex. HDFCB continued to make healthy provisions to further strengthen the balance sheet and still reported stable in-line earnings. Overall, we expect marginal deterioration in asset quality / earnings growth (on a high base) in 2HFY21. Although, a healthy provision buffer would limit the damage and enable the bank to quickly recover to a normal growth run-rate. We maintain our earnings estimates for FY21/FY22 and also introduce FY23E. We estimate a 19% PAT CAGR over FY20–FY23E, with ROA/ROE at 2.0%/17.8% for FY23E. Maintain **Buy**, with revised TP of INR1,400 (3.1x Sep'22E ABV).

Quarterly performance

(InR b)

	FY20				FY21E				FY20	FY21E	FY21E V/s our	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Est
Net Interest Income	132.9	135.2	141.7	152.0	156.7	157.8	163.6	170.0	561.9	648.1	159	-1.0
% Change (Y-o-Y)	22.9	14.9	12.7	16.2	17.8	16.7	15.5	11.8	16.5	15.3	17.9	
Other Income	49.7	55.9	66.7	60.3	40.8	60.9	67.1	70.8	232.6	239.6	60	1.0
Total Income	182.6	191.0	208.4	212.4	197.4	218.7	230.7	240.8	794.5	887.7	220	-0.5
Operating Expenses	71.2	74.1	79.0	82.8	69.1	80.6	83.4	89.1	307.0	322.2	80	0.9
Operating Profit	111.5	117.0	129.5	129.6	128.3	138.1	147.3	151.8	487.5	565.5	140	-1.2
% Change (Y-o-Y)	28.9	23.4	20.1	19.5	15.1	18.1	13.8	17.1	22.6	16.0	19.6	
Provisions	26.1	27.0	30.4	37.8	38.9	37.0	44.1	43.4	121.4	163.5	40	-6.8
Profit before Tax	85.3	90.0	99.0	91.7	89.4	101.1	103.2	108.4	366.1	402.0	100	1.0
Tax	29.7	26.5	24.9	22.5	22.8	26.0	25.6	26.9	103.5	101.2	25	5.2
Net Profit	55.7	63.4	74.2	69.3	66.6	75.1	77.6	81.5	262.6	300.9	75	-0.4
% Change (Y-o-Y)	21.0	26.8	32.8	17.7	19.6	18.4	4.6	17.7	24.6	14.6	18.9	
Operating Parameters												
Deposit Growth (%)	18.5	22.6	25.2	24.3	24.6	20.3	18.1	16.5	24.3	16.5	20.3	0.0
Loan Growth (%)	17.1	19.5	19.9	21.3	20.9	15.8	13.8	12.0	21.3	12.0	15.6	0.2
Deposit	9,546	10,216	10,674	11,475	11,894	12,293	12,611	13,368	11,475	13,368	12,290	0.0
Loan	8,297	8,970	9,360	9,937	10,033	10,383	10,652	11,129	9,937	11,129	10,370	0.1
Asset Quality												
Gross NPA (%)	1.4	1.4	1.4	1.3	1.4	1.1	1.4	2.1	1.3	2.1	1.6	-0.5
Net NPA (%)	0.4	0.4	0.5	0.4	0.3	0.2	0.4	0.5	0.4	0.5	0.4	-0.2
PCR (%)	69.7	69.7	66.7	72.0	76.2	84.5	74.0	76.4	72.0	76.4	77.5	7.0

HCL Technologies

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR827 **TP: INR1050 (+27%)** **Buy**

Cloud demand to boost FY22 growth

Broad-based recovery; margin guidance raised for FY21

Bloomberg	HCLT IN
Equity Shares (m)	2,714
M.Cap.(INRb)/(USDb)	2244.5 / 31.8
52-Week Range (INR)	911 / 376
1, 6, 12 Rel. Per (%)	3/49/47
12M Avg Val (INR M)	3846

Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Sales	707	757	857
EBIT Margin (%)	19.6	20.8	21.2
PAT	111	126	146
EPS (INR)	40.7	46.1	53.6
EPS Gr. (%)	11.1	13.1	16.3
BV/Sh. (INR)	190	220	253

Ratios

RoE (%)	24.3	22.6	21.7
RoCE (%)	18.7	17.0	17.1
Payout (%)	19.6	30.4	33.6

Valuations

P/E (x)	20.4	18.0	15.5
P/BV (x)	4.4	3.8	3.3
EV/EBITDA (x)	12.9	10.7	8.5
Div Yield (%)	1.0	1.7	2.2

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	60.3	60.3	60.0
DII	10.1	9.2	8.0
FII	25.6	26.4	28.6
Others	4.0	4.1	3.4

FII Includes depository receipts

- HCL Technologies (HCLT) delivered strong revenue growth (4.5% QoQ CC) on the back of broad-based recovery across geographies, verticals, and services.
- EBIT margin expansion (+110bp QoQ), driven by operating leverage, was better than expected. HCLT also revised its FY21 margin guidance upward (by 50bp to 20–21%) despite a potential wage hike in 3Q/4Q. This indicates its ability to sustain some amount of margin improvement, which is a positive.
- Strong new deal wins (+35% QoQ), good renewals, and a robust deal pipeline (+20% QoQ, all-time high) give us comfort. This, coupled with broad-based sequential growth across segments in 2Q, indicated an improved outlook.
- HCLT reported 15 transformational wins, all from new clients, exhibiting its ability to capture a larger share of client wallets. In our view, the company would continue to benefit from demand for digital services – especially in cloud migration (digital foundation) work – which should help it deliver 11% revenue growth in FY22.
- We marginally upgrade our EPS estimate for FY22 by 2%, while keeping it unchanged for FY21. Maintain **Buy**, as we expect HCLT to emerge stronger on the back of an expected increase in enterprise demand for digital and cloud services. Our TP implies 19.5x FY22 EPS (~30% discount to TCS).

Performance marginally ahead of estimates

- HCL reported revenue (USD) / EBIT / PAT growth of 1%/15%/18% YoY v/s our estimate of 0%/11%/17% YoY. For 1H, the company reported revenue (USD) / EBIT / PAT growth of 0%/22%/24% YoY.
- Revenue increased 4.5% QoQ CC (v/s est. 3.7% QoQ CC). 2Q saw a broad-based performance with all growth engines firing.
- Across geographies, excl. Europe (2.2% QoQ CC), the Americas (4.9% QoQ CC) and RoW (9% QoQ CC) reported above company average growth.
- Except for Public Services (0.2% QoQ CC), which came in flat, other verticals reported modest/strong growth during the quarter. Strong growth in Retail & CPG (8.4% QoQ CC) indicates faster-than-expected recovery.
- Broad-based growth across service lines is also a key positive.
- The EBIT margin expanded 110bp QoQ to 21.6%, moderately ahead of our est. of 21.0%. Key factors included (a) operational efficiency (increased utilization/ offshoring /automation): +157bp, (b) headwind from INR appreciation: -24bp (c) investment in P&P SGA: -32bp, and (d) lower depreciation/amortization: +7bp.
- Attrition in IT Services (LTM basis) at 12.2% contracted by 470 bps YoY.
- The company maintains its guidance for revenue growth of 1.5–2.5% QoQ CC for the remaining quarters of FY21. On the other hand, EBIT margin guidance was raised to 20–21% for FY21 from 19.5–20.5% earlier.
- FCF/PAT continued to be healthy at 136% in the quarter.
- The board declared dividend of INR4/share, marking the 71st consecutive quarter of dividend payout.

Key highlights from management commentary

- The company saw sharper and broad-based recovery across segments during the quarter. Hence, the management had increased its revenue and margin guidance for the quarter a month ago.
- (a) Increasing intensity of technology spend, (b) client stickiness (existing clients giving new deals), (c) an early lead in the Digital Foundation Business (Cloud, Security, Digital Workplace, Networks), (d) operational efficiency measures (offshoring, automation), and (e) employees have helped the company achieve growth/improvement.
- Margin expansion in the quarter was driven by increased utilization, offshoring, and automation. Revenue growth and margin expansion in Mode 2 is aiding overall performance.
- The company would offer wage hikes (similar to last year, but with a lag of a quarter – the best in the industry) and variable payouts similar to last year.
- 2QFY21 is seasonally weak for Products, but it saw decent growth on a sequential basis as some bookings were pulled forward from 3Q.
- HCLT signed 15 transformational deals in 2QFY21 (v/s 11 in the last quarter) and gained wallet share in some consolidation opportunities.
- While renewals have been good in 2QFY21, net new deal wins have also grown (+35% QoQ). The deal pipeline is robust (+20% QoQ) and at an all-time high. A good mix of deals is in the pipeline from across geographies (the US and Europe).
- Digital Foundation Services is witnessing significant traction in transformation, cloud adoption, security, etc.
- Strong momentum is seen in Life Sciences and Healthcare, Technology, BFSI, and Telecom. Manufacturing demand has improved, but some impact has been seen from increased offshoring in a large deal. Hence, this vertical would grow slower than others.
- Recovery in ER&D was largely driven by improved demand (new product engineering and product sustenance), which is expected to grow in the near term.
- FCF/PAT conversion continues to be strong due to (a) improved DSO and (b) higher non-cash expenses (depreciation & amortization; some part of tax).
- High localization in the US (two-thirds) helps. H1B visa regulatory changes would still have some impact as HCL needs to provide wage hikes in some cases.

Valuation and view – subdued multiples offer safety margin

- HCLT's exposure to deeply troubled verticals (e.g., Energy, Travel, Transportation, Hospitality, and Retail) is lower v/s peers. Moreover, the company has higher exposure in Financial Services, Technology Services, and Life Sciences, wherein we anticipate a better outlook.
- Additionally, higher exposure in IMS (~37% of revenue), comprising a larger share of non-discretionary spend, offers better resilience to its portfolio in the current context – with increased demand for cloud, network, security, and digital workplace services.
- Broad-based sequential growth, coupled with healthy deal wins and a robust pipeline, indicates an improved outlook. The upgrade in margin guidance is another positive and indicates its ability to sustain some amount of margin improvement.

- However, the company's high exposure to ER&D (~16% of revenue) is a key monitorable. While decent sequential growth was seen in this segment in 2Q, the growth outlook in the near term is comforting.
- Given its deep capabilities in the IMS space and strategic partnerships, investments in cloud, and digital capabilities, we expect HCLT to emerge stronger on the back of an expected increase in enterprise demand for these services. The stock is currently trading at a modest ~15x on FY22E earnings and offers a safety margin. Our TP is based on ~19.5x FY22E EPS (a 30% discount to TCS). Maintain Buy.

Quarterly Performance

Y/E March	FY20				FY21E				FY20	FY21E	Est. Var. (% / 2QFY21)	(INR b)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue (USD m)	2,364	2,486	2,543	2,543	2,356	2,507	2,562	2,640	9,936	10,064	2,485	0.9
QoQ (%)	3.8	5.2	2.3	0.0	-7.4	6.4	2.2	3.0	15.1	1.3	5.5	91bp
Revenue (INR b)	164	175	181	186	178	186	193	199	707	757	185	0.2
YoY (%)	18.5	18.0	15.1	16.3	8.5	6.0	6.8	7.2	16.9	7.1	5.8	26bp
GPM (%)	33.5	36.9	38.4	40.1	39.9	41.2	39.7	40.3	37.3	40.3	40.1	112bp
SGA (%)	12.8	13.5	13.7	14.7	14.3	14.6	14.3	14.5	13.7	14.4	14.2	39bp
EBIT	28	35	37	39	37	40	39	41	138	157.7	39	3.3
EBIT Margin (%)	17.1	20.0	20.2	20.9	20.5	21.6	20.4	20.8	19.6	20.8	21.0	63bp
Other income	1	0	1	0	2	1	2	2	2	7	1	155.1
ETR (%)	24.0	23.9	18.4	18.2	24.0	24.0	24.0	24.0	20.9	24.0	21.0	302bp
Adjusted PAT	22	27	30	32	29	31	31	33	111	125	31	1.4
QoQ (%)	-13.1	19.3	14.5	3.8	-7.3	7.5	-0.3	5.2			6.1	145bp
YoY (%)	-7.4	5.1	16.7	23.3	31.5	18.5	3.2	4.6	9.5	13.2	16.9	160bp
EPS	8.2	9.8	11.2	11.6	10.8	11.6	11.5	12.2	40.7	46.1	11.4	1.4

E: MOSL Estimates

Key Performance Indicators

Y/E March	FY20				FY21				FY20	FY21
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (QoQ CC %)	4.2	6.0	2.1	0.8	-7.2	4.5			16.7	
Costs (% of revenue)										
COGS	66.5	63.1	61.6	59.9	60.1	58.8	60.3	59.7	62.7	59.7
SGA	12.8	13.5	13.7	14.7	14.3	14.6	14.3	14.5	13.7	14.4
Margins										
Gross Margin	33.5	36.9	38.4	40.1	39.9	41.2	39.7	40.3	37.3	40.3
EBIT Margin	17.1	20.0	20.2	20.9	20.5	21.6	20.4	20.8	19.6	20.8
Net Margin	13.5	15.1	16.8	17.0	16.4	16.9	16.2	16.5	15.6	16.5
Operating metrics										
Headcount (k)	144	147	149	150	150	153			150	
Attrition (%)	17.3	16.9	16.8	16.3	14.6	12.2			16.3	
Fixed Price	63.5	66.5	67.8	68.3	66.7	67.4			66.5	
Key Verticals (YoY CC %)										
BFSI	-1.9	15.4	15.5	14.1	11.7	-2.5			11.1	
Manufacturing	22.3	15.2	14.2	34.3	-8.3	-11.5			33.9	
Key Geographies (YoY CC %)										
North America	19.1	15.9	12.6	13.1	-5.8	-1.3			15.8	
Europe	6.1	24.6	19.6	11.9	11.4	-2.6			18.3	

Avenue Supermarts

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR1,984 TP: INR2,100 (+6%) Neutral

Gradually on path to recovery

- DMart has witnessed sequential revenue recovery (up 37% QoQ) with consistent MoM growth in 2QFY21. However, numbers are still weak YoY (down 11%) with -12.5% SSSG.
- Gross Margin has improved, but is still down 90bp YoY due to lower mix of the margin-accretive discretionary business.
- DMart added six stores in 2QFY21 despite the economic headwinds. We have marginally tweaked our numbers for FY21E/FY22E, factoring in 2%/41% revenue growth and EBITDA growth of -13%/59%, which reflects gradual recovery from 3QFY21.

Bloomberg	DMART IN
Equity Shares (m)	624
M.Cap.(INRb)/(USDb)	1284.9 / 17.5
52-Week Range (INR)	2559 / 1701
1, 6, 12 Rel. Per (%)	-9/-38/2
12M Avg Val (INR M)	1611

Financials & Valuations (INR b)

Y/E March	FY20	FY21E	FY22E
Sales	248.7	253.4	356.9
EBITDA	21.3	18.5	29.4
Adj. PAT	13.0	11.8	18.9
EBITDA Margin (%)	8.6	7.3	8.2
Adj. EPS (INR)	20.1	18.2	29.2
EPS Gr. (%)	38.9	-9.4	60.3
BV/Sh. (INR)	177.5	196.4	226.7

Ratios

Net D:E	-0.3	-0.3	-0.3
RoE (%)	15.6	10.1	14.3
RoCE (%)	15.5	10.1	14.2
Payout (%)	0	0	0

Valuations

P/E (x)	98.8	109.1	68.1
EV/EBITDA (x)	60.5	69.2	43.7
EV/Sales (X)	5.2	5.1	3.6
Div. Yield (%)	0	0	0
FCF Yield (%)	-0.3	0.7	0.1

Shareholding pattern (%)

As On	Sep-20	Jun-20	Sep-19
Promoter	75.0	75.0	80.2
DII	6.1	6.0	4.8
FII	10.3	10.4	6.0
Others	8.6	8.6	9.0

FII Includes depository receipts

Sales recovery continues; Discretionary business still down

- DMart's revenue declined 11% YoY (in-line) to INR53b with SSSG at -12.5%. However, its business is improving MoM with unlock in progress. While FMCG and staples have recovered, discretionary consumption is seeing encouraging trends, though down YoY
- Gross margin has recovered 30bp QoQ as sale of margin-accretive general merchandise and apparel categories are improving. However, it is still down 90bp YoY (50bp below expectation), which has dragged gross profit by 16% YoY to INR7.7b.
- EBITDA, thus, came in at INR3.3b falling 36% YoY (in-line) with margins recovering to 6.2% (+330bp QoQ, -240bp YoY). PAT came in at INR2b, dropping 39% YoY (15% beat), cushioned by other income.

Strong focus on store addition, capex continues

- Overall sales improved MoM during the quarter, as since Aug'20 most stores are operating at pre-COVID operating hours. In Sep'20, sales of FMCG and staples at all stores exceeded YoY. Sales of general merchandise and apparel (discretionary category) is still sluggish at 22.7% of revenue v/s usual contribution of 27.3%, but sales trend is encouraging.
- Stores older than two years recorded 12.5% drop in SSSG. Though footfalls are lower than pre-COVID levels and basket values are higher, both are moving toward pre-COVID levels.
- Capex during 1HFY21 was strong at INR6.5b despite the lockdown (v/s 1HFY20 capex of INR7.7b), which can be attributed to the opening of eight new stores. Of this, six stores were added in 2QFY21.
- Inventory remained stable at INR19b. However, inventory days jumped from 38 to 45 days due to the falling revenues. DMart remains debt free with cash of INR30b, including QIP of INR40b in the last fiscal.

Valuation and view

- We expect DMart to deliver FY20-22E revenue/EBITDA CAGR of 20%/18%. We have factored in -7%/15% SSSG and 15/40 store adds for FY21/22E. Unlike other retailers, grocery retailers catering to essentials have seen swift recovery from COVID-19. We believe the gradual unlocking of the nation would lead to positive sales from 3QFY21, supported by improving sales from the general merchandise and apparel category.

- The company's INR40b equity funding in 4QFY20 has strengthened its balance sheet. DMart had net cash position of INR30b in 2QFY21, which enhances its liquidity in such uncertain times.
- We value DMart at FY22E EV/EBITDA multiple of 45x (72x P/E), with a TP of INR2,100 (v/s INR2,000 earlier). The recent price correction, expectation of swift recovery post COVID-19 and its continued cost/price competitiveness should hold the company in good stead.
- However, growing scale of online retailers with strong sales in recent months and the prominence of players like Amazon and Reliance Retail with deep pockets poses risk of moderation in DMart's growth and return profile, which may in turn restrict re-rating. Thus, we value DMart at ~20% discount to its three-year average EV/EBITDA multiple of 54x, implying 6% upside. We retain our **Neutral** recommendation.

Consolidated - Quarterly Earning

Y/E March	(INR Million)											
	FY20				FY21				FY20	FY21E	FY21E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	Var (%)	
Revenue	58,146	59,908	68,089	62,559	38,832	53,062	78,282	83,181	248,702	253,357	54,175	-2.1
YoY Change (%)	27.1	22.4	24.4	23.6	-33.2	-11.4	15.0	33.0	24.3	1.9	-9.6	
Total Expenditure	52,178	54,733	62,122	58,386	37,714	49,767	71,370	75,980	227,419	234,831	50,936	-2.3
EBITDA	5,968	5,175	5,967	4,173	1,118	3,295	6,912	7,201	21,283	18,526	3,239	1.7
Change YoY (%)	41.0	-87.6	32.7	12.1	-81.3	-36.3	15.8	72.6	30.3	-13.0	-37.4	
Depreciation	827	919	952	1,046	948	1,007	1,040	1,112	3,744	4,107	999	0.8
Interest	182	190	176	144	88	93	95	98	691	374	75	23.9
Other Income	110	81	61	349	506	522	529	558	600	2,114	135	286.1
PBT	5,069	4,147	4,900	3,333	588	2,717	6,306	6,549	17,448	16,159	2,300	18.1
Tax	1,838	921	1,060	620	187	732	1,703	1,758	4,438	4,379	575	27.2
Rate (%)	36.3	22.2	21.6	18.6	31.8	26.9	27.0	26.8	25.4	27.1	25.0	
Reported PAT	3,230	3,226	3,840	2,713	401	1,985	4,604	4,791	13,009	11,780	1,725	15.1
Adj PAT	3,230	3,226	3,840	2,713	401	1,985	4,604	4,791	13,009	11,780	1,725	15.1
YoY Change (%)	32	185	55	42	-88	-38	20	77	44	-9	-46.5	

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY20				FY21				FY20	FY21E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Store Adds	8	5	7	18	2	4	3	6	38	15
Total Stores	184	189	196	214	216	220	223	229	214	229
Area Addition (m sq ft)	0.3	0.3	0.5	0.8	0.2	0.2	0.2	0.1	1.9	0.7
Gross Margins (%)	16.4	15.4	15.3	13.6	14.2	14.5	15.1	14.4	15.1	14.6
EBITDA Margins (%)	10.3	8.6	8.8	6.7	2.9	6.2	8.8	8.7	8.6	7.3
PAT Margins (%)	5.6	5.4	5.6	4.3	1.0	3.7	5.9	5.8	5.2	4.6

E:MOFSL Estimates

Tata Communications

BSE SENSEX
39,983S&P CNX
11,762

Conference Call Details

Date: 19th October 2020

Time: 02:30pm IST

INR million	FY20	FY21E	FY22E
Net Sales	170.7	178.3	191.5
EBITDA	32.9	44.8	49.5
Adj. PAT	3.0	13.2	17.3
EBITDA Margin (%)	19.3	25.1	25.8
Adj. EPS (INR)	10.6	46.3	60.8
EPS Gr. (%)	-582.2	337.9	31.4
BV/Sh. (INR)	-44.9	-0.9	59.9

Ratios

Net D:E	NM	NM	3.6
RoE (%)	NM	NM	NM
RoCE (%)	-5.7	14.7	17.8
Payout (%)	NM	10.6	7.6

Valuations

EV/EBITDA (x)	8.6	6.0	5.0
P/E (x)	55.8	12.8	9.7
P/BV (x)	NM	NM	9.8
Div. Yield (%)	0.7	0.7	0.7
FCF Yield (%)	3.9	8.0	11.0

CMP: INR878

Sharp data margin improvement drives EBITDA beat

- Consolidated revenues were flat QoQ at INR44b (in-line). Voice segment revenue stood at INR7.6b (5% down QoQ) while Data segment revenue was up a mere 1% QoQ to INR36.4b despite the narrative of COVID-19 driving data consumption.
- However, EBITDA grew 11% QoQ to INR11.6b (12% beat) due to sharp 14% growth in Data EBITDA QoQ, which can be attributed to cost initiatives and continuation of COVID related SG&A cost reduction. It also got one-time benefit as some of its cost has been pushed to 2HFY21. Out of total INR1.6b EBITDA increase, ~INR700m due to COVID and other one-time benefit should be reversed over the next couple of quarters. Thus, adjusting for the same, sustainable EBITDA growth is about 4%.
- Pre Ind-AS 116, EBITDA is estimated at ~INR10.9b (up 12% QoQ) with margins at 24.8%.
- TCOM reported exceptional items of INR118m toward interest for the unpaid provision of licensee fees (for which the company made provisions of INR3.4b toward the DoT demand in the AGR case in 4QFY20 and additional INR105m in 1QFY21) and INR1,095m toward staff optimization cost. Further, TCOM recorded INR674m from gains on sale of assets held for sale.
- Other income grew over 4x QoQ to INR761m in 2QFY21. This along with better EBITDA led to PAT growth of 49% QoQ to INR3.8b, whereas adjusted PAT (for exceptional items) stood at INR4.4b, up 63% QoQ (63% beat).
- Capex for 2QFY21 moderated to INR3.2b (v/s INR3.7b in 1QFY21). Net Debt reduced by INR3.8b QoQ to INR86b.

Segmental details

- Data revenue was flat QoQ to INR36b, while Data EBITDA jumped 14% QoQ to INR11b (contributing 96% of total EBITDA) with margin at 30.4%. Revenue was impacted by slower deal conversion due to COVID-19, forex and moderation in growth services, while EBITDA gained due to cost efficiencies (some of which were one-time). Adjusting for INR700m due to COVID and other one-time benefits (which should be reversed over the next couple of quarters), sustainable EBITDA growth in 2QFY21 stood at 6% QoQ.
- Traditional segment (contributing ~two-thirds of Data revenue) grew 2% QoQ to INR23b. EBITDA grew 8% to INR10.2b and EBITDA margin stood at 44.7%, expanding 250bp QoQ owing to cost efficiencies and lower cost due to the lockdown.
- Growth segment saw 2% revenue decline to INR9b due to moderation in enterprise voice traffic, while EBITDA surged 30% to INR1.5b with margin expansion of 420bp to 16.6%. Video connect business/Security services/hosting business grew 74%/45%/11% QoQ.
- Innovation segment's revenue grew 57% QoQ to INR360m and EBITDA loss fell to INR800m (v/s loss of INR1b in 1QFY21).

- Transformation segment saw flat QoQ revenue at INR3.3b, however, it turned EBITDA positive at INR40m (v/s EBITDA loss of INR30m in 1QFY21) due to termination of an onerous contract.
- Voice segment revenue declined 5% QoQ to INR7.6b along with 25% fall in EBITDA to INR500m.
- Payments solution segment revenue was up 12% QoQ to INR580m and EBITDA loss stood at INR40m (flat QoQ), affected by the lockdown as average transactions came down to 64 in 2QFY21 (v/s 84 in 2QFY20).

Cons. Quarterly Earning Model

(INR m)

Y/E March	FY20				FY21E				FY20	FY21E	2Q	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue	41,686	42,728	42,287	43,979	44,029	44,011	44,742	45,473	1,70,680	1,78,254	44,150	0
YoY Change (%)	5.7	5.0	-1.0	3.6	5.6	3.0	5.8	3.4	3.3	4.4	3.3	
Total Expenditure	33,430	34,391	34,679	35,291	33,612	32,436	33,508	33,920	1,37,790	1,33,475	33,782	-4
EBITDA	8,256	8,337	7,608	8,688	10,418	11,575	11,234	11,552	32,890	44,779	10,369	12
YoY Change (%)	40.7	32.3	-9.7	26.8	26.2	38.8	47.7	33.0	19.8	36.1	24.4	1448bps
Depreciation	5,522	5,583	5,605	6,867	5,899	5,719	5,956	6,249	23,577	23,824	5,818	-2
Interest	1,157	1,157	1,161	1,232	1,163	1,064	1,054	1,054	4,707	4,336	1,095	-3
Other Income	88	95	140	373	147	761	139	-500	697	547	135	463
PBT before EO expense	1,666	1,692	981	963	3,503	5,553	4,362	3,749	5,302	17,167	3,591	55
Exceptional (gain)/loss	65	59	0	3,781	105	540	0	0	3,905	644	0	
PBT	1,601	1,632	981	-2,818	3,398	5,013	4,362	3,749	1,397	16,522	3,591	40
Tax	852	1,107	406	-98	812	1,153	1,091	937	2,267	3,993	898	
Rate (%)	53.2	67.8	41.3	3.5	23.9	23.0	25.0	25.0	162.3	24.2	25.0	
MI & P/L of Asso. Cos.	-18	-14	-9	30	8	15	-3	-31	-11	-11	3	
Reported PAT	766	539	585	-2,750	2,578	3,845	3,274	2,843	-860	12,539	2,696	43
Adj PAT	796	598	585	1,031	2,683	4,384	3,274	2,843	3,011	13,184	2,696	63
YoY Change (%)	NM	NM	153.3	NM	236.9	632.8	459.3	175.8	-582.2	337.9	350.5	

E: MOFSL Estimates

Oberoi Realty

BSE SENSEX 39,983 S&P CNX 11,762

CMP: INR389

Buy

Conference Call Details



Date: 19th October 2020

Time: 4:00pm IST

Dial-in details:

+91 22 6280 1244

[Concall invite Link](#)

Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Sales	22.4	12.0	16.4
EBITDA	10.5	4.9	7.1
EBITDA Margin (%)	46.8	41.3	43.3
Adj PAT	6.9	3.7	6.1
EPS (INR)	19.0	10.3	16.7
EPS Growth (%)	-15.6	-45.8	62.9
BV/Share (Rs)	237	248	263
Ratios			
Net D:E	0.1	0.1	0.1
RoE (%)	8.3	4.2	6.6
RoCE (%)	8.0	3.4	4.6
Valuations			
P/E (x)	16.4	30.3	18.6
P/BV (x)	1.3	1.3	1.2
EV/EBITDA (x)	11.8	25.3	17.8
EV/Sales (x)	5.5	10.4	7.7

Residential rebounds; Margins surprise positively

Operational highlights for 2QFY21

- **Residential segment:** Pre-sales volumes declined 7% YoY to 0.13msf (+958% QoQ), largely driven by strong bookings in the Exquisite and Enigma projects. Other key projects such as Sky City, Eternia, Three Sixty West, and Esquire reported declines in sales volumes. Booking value was up 1% YoY to INR3,273m in 2QFY21. Collections during the quarter stood at INR1,808m v/s INR6,954m in 2QFY20 and INR858m in 1QFY21.
- **Leasing segment:** Revenue/EBITDA declined 9%/12% YoY to INR854m/INR791m, with EBITDA margin contraction of 320bp to 92.6%. Occupancy at Commerze II declined 260bp QoQ to 97.4%; occupancy at Commerze I remained muted at 34% (same as 1QFY21). In Oberoi Mall, lease rental income of INR146m for 1QFY21 was recognized in 2QFY21.
- **Hospitality segment:** Hospitality remained impacted due to extended lockdown and travel restrictions. Revenue declined by 79% YoY to INR66m, with EBITDA loss of INR6m.

Financial highlights for 2QFY21 results:

- OBER reported revenue decline of -36% YoY to INR3,161m (est. INR2,595m) in 2QFY21.
- EBITDA was down 12% to INR1,865m YoY (est. INR983m). EBITDA margins expanded 1,570bp to 59.0% (est. 37.9%) in 2QFY21.
- PBT was down 12% YoY to INR1,672m (est. 746m).
- Adj. PAT came in flat YoY at INR1,377m (est. INR696m) in 2QFY21.
- Net debt stood at INR9.8b, with net debt to equity at 0.11x.
- For 1HY21, revenue / EBITDA / adj. PAT declined 60%/45%/43% YoY.

Consolidated – Quarterly Earnings Model

Y/E March	(INR m)											
	FY20				FY21E				FY20	FY21E	FY21E	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		2QE		
Net Sales	6,033	4,915	5,274	6,155	1,180	3,161	3,692	4,493	22,376	12,525	2,595	22%
YoY Change (%)	-32.1	-17.0	-0.2	7.3	-80.4	-35.7	-30.0	-27.0	-13.4	-44.0	-47.2	
Total Expenditure	3,680	2,786	2,975	2,450	601	1,296	2,196	2,610	11,891	6,703	1,613	
EBITDA	2,352	2,129	2,299	3,705	579	1,865	1,496	1,883	10,485	5,823	983	90%
Margins (%)	39.0	43.3	43.6	60.2	49.1	59.0	40.5	41.9	46.9	46.5	37.9	2114BP
Depreciation	111	113	113	112	106	103	130	142	449	480	120	
Interest	239	246	199	201	179	182	230	234	885	825	210	
Other Income	149	136	91	102	88	92	95	97	478	373	93	
PBT before EO expense	2,151	1,906	2,078	3,494	383	1,672	1,231	1,604	9,630	4,890	746	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	2,151	1,906	2,078	3,494	383	1,672	1,231	1,604	9,630	4,890	746	
Tax	643	540	615	998	117	311	356	463	2,796	1,246	215	
Rate (%)	29.9	28.3	29.6	28.6	30.6	18.6	28.9	28.9	29.0	25.5	28.9	
Minority Interest & Profit/Loss of Asso. Cos.	-12	-15	-19	-14	-15	-16	-300	-445	-59	-776	-166	
Reported PAT	1,521	1,381	1,482	2,510	281	1,377	1,175	1,586	6,893	4,419	696	
Adj PAT	1,521	1,381	1,482	2,510	281	1,377	1,175	1,586	6,893	4,419	696	98%
YoY Change (%)	-50.9	-35.4	7.5	61.1	-81.5	-0.2	-20.7	-36.8	-15.6	-35.9	-49.6	
Margins (%)	25.2	28.1	28.1	40.8	23.8	43.6	31.8	35.3	30.8	35.3	26.8	

E: MOFSL Estimates



Federal Bank

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR52 TP: INR70 (+34%) Buy

Strong operating performance; Collection efficiency back to pre-COVID levels

Expect restructuring of up to 3% of total loans

- Federal Bank (FB) posted strong 2QFY21 operating performance on healthy NII growth aided by (a) margin expansion, (b) recovery in core fees, and (c) improvement in provisioning coverage. Higher provisions toward COVID-19 though affected PAT. Overall, the bank holds ~50bp provisions toward the COVID-19 impact. PCR has improved to 66% and FB expects restructuring of up to 3% of loans as collection efficiency improved to 95% for Sep'20.
- We have fine-tuned our estimates for FY21 and increased it for FY22E by ~10% owing to an increase in our margin and credit cost estimates. Maintain **Buy**.

Strong operating performance; COVID related provisions affected PAT

- FB reported 26% YoY decline in net profit to INR3.1b, mainly due to the higher provisions of INR5.9b, which includes additional provisions of ~INR4.0b toward COVID-19. Thus, total COVID-19 provisions now stand at ~INR5.9b (~0.5% of loans).
- NII grew 23% YoY (~INR13.8b) as margins increased 6bp QoQ to 3.13%. Core fee income stood broadly flat YoY due to muted loan growth trends while higher treasury income resulted in other income growth of ~21% YoY. Opex growth moderated to 7% YoY, and thus, C/I ratio improved to 46.7% (v/s 47.8% in 1QFY21). Therefore, PPop grew 40% YoY.
- Loan growth moderated to ~6% YoY (1.3% QoQ) to INR1.2t, led by sluggish trends in the wholesale portfolio while Retail/Agri loans grew ~13%/20% YoY. Also, FB's Business Banking portfolio grew 13% YoY. Within Retail, Gold loans grew 54% YoY (+24% QoQ) while Housing loans grew 10% YoY. Deposit base grew ~12% YoY, led by CASA growth of 20% YoY. CASA ratio, thus, improved by 166bp QoQ to ~33.7%.
- On the asset quality front, slippages were negligible, primarily due to the Supreme Court (SC) order on temporary halting of NPL recognition. Thus, GNPA/NNPA ratio improved by 12bp/23bp QoQ to ~2.8%/~1.0%. PCR improved significantly to 65.7% v/s 59.6% in 1QFY21. Management further indicated that if the SC hadn't temporarily halted NPA recognition, slippages would have stood at INR2.37b.

Highlights from management commentary

- Overall, expect total restructuring of INR30-35b (up to 3% of loans) with INR10b in the corporate portfolio and INR15b in the retail portfolio. SME/Business Banking portfolio would form the balance INR5-10b.
- Collection efficiency reached 95% of Feb'20 levels (pre-COVID levels) for Sep'20. In case of the non-moratorium pool, collection efficiency stood at ~99%, while for the business segments – Retail (91%) and Commercial Banking (93%).

Bloomberg	FB IN
Equity Shares (m)	1,995
M.Cap.(INRb)/(USDb)	104.2 / 1.4
52-Week Range (INR)	97 / 36
1, 6, 12 Rel. Per (%)	-4/-7/-40
12M Avg Val (INR M)	1498

Financials & Valuations (INR b)

Y/E Mar	FY20	FY21E	FY22E	FY23E
NII	46.5	55.2	63.1	73.6
OP	32.0	39.8	45.9	54.0
NP	15.4	15.3	21.4	27.9
NIM (%)	3.0	3.2	3.3	3.4
EPS (INR)	7.8	7.7	10.7	14.0
EPS Gr. (%)	23.4	-0.7	39.2	30.6
BV/Sh. (INR)	72.8	79.9	89.4	101.6
ABV/Sh. (INR)	64.9	71.1	79.2	89.9

Ratios

ROE (%)	11.1	10.1	12.7	14.6
ROA (%)	0.9	0.8	1.0	1.2

Valuations

P/E(X)	6.7	6.8	4.9	3.7
P/BV (X)	0.7	0.7	0.6	0.5
P/ABV (X)	0.8	0.7	0.7	0.6

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	0.0	0.0	0.0
DII	36.6	36.5	30.0
FII	32.1	34.4	38.5
Others	31.4	29.1	31.5

FII Includes depository receipts

Valuation and view

FB has delivered healthy loan growth in the retail asset portfolio, led by Gold loans. Its wholesale portfolio trend remained muted, reflecting the current weak economic trends. However, the bank's liability franchise remains strong with retail deposit mix at >90%, which is likely to keep margins steady. On the asset quality front, PCR has strengthened to ~66% and the bank expects restructuring of up to 3% of loans as collection efficiency has improved to 95% for Sep'20. Overall, we expect credit cost trends to remain elevated as slippages would increase during 2HFY21. We have fine-tuned our estimates for FY21 and increased it for FY22E by ~10% owing to an increase in our margin and credit cost estimates. We have also introduced our FY23E estimates. We, thus, estimate FB to report RoA/RoE of 1.0%/12.7% by FY22E. Maintain **Buy** with TP of INR70 (0.7x Sep-22E ABV).

Quarterly performance

(INRm)

	FY20				FY21E				FY20	FY21E	FY21E 2QE	V/s our Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Interest Income	11,542	11,238	11,549	12,160	12,964	13,799	14,013	14,394	46,489	55,170	12,812	7.7
% Change (YoY)	17.8	9.9	7.2	10.9	12.3	22.8	21.3	18.4	11.3	18.7	14.0	
Other Income	3,915	4,209	4,079	7,111	4,884	5,093	5,111	5,192	19,314	20,280	4,580	11.2
Total Income	15,457	15,447	15,628	19,271	17,848	18,892	19,124	19,586	65,803	75,450	17,391	8.6
Operating Expenses	7,629	8,259	8,190	9,678	8,524	8,827	9,015	9,331	33,756	35,697	8,615	2.4
Operating Profit	7,828	7,188	7,438	9,593	9,324	10,065	10,109	10,255	32,047	39,753	8,776	14.7
% Change (YoY)	29.8	3.0	5.1	27.1	19.1	40.0	35.9	6.9	16.0	24.0	22.1	
Provisions	1,920	2,518	1,609	5,675	3,946	5,921	5,247	4,319	11,722	19,432	3,390	74.6
Profit before Tax	5,907	4,670	5,830	3,918	5,378	4,145	4,862	5,936	20,325	20,321	5,385	-23.0
Tax	2,065	503	1,423	906	1,370	1,069	1,225	1,315	4,898	4,979	1,357	-21.3
Net Profit	3,842	4,167	4,406	3,012	4,008	3,076	3,637	4,622	15,428	15,342	4,028	-23.6
% Change (YoY)	46.2	56.6	32.1	-21.0	4.3	-26.2	-17.5	53.4	24.0	-0.6	-3.3	
Operating Parameters												
Deposit (INR b)	1,325	1,395	1,446	1,523	1,549	1,567	1,607	1,675	1,523	1,675	1,565	0.2
Loan (INR b)	1,120	1,159	1,192	1,223	1,213	1,229	1,267	1,320	1,223	1,320	1,229	0.0
Deposit Growth (%)	19.1	18.1	17.1	12.8	16.9	12.3	11.1	10.0	12.8	10.0	12.1	0.2
Loan Growth (%)	18.8	14.8	13.0	10.9	8.3	6.1	6.2	8.0	10.9	8.0	6.1	0.0
Asset Quality												
Gross NPA (%)	3.0	3.1	3.0	2.8	3.0	2.8	3.4	3.9	2.8	3.9	3.0	-0.2
Net NPA (%)	1.5	1.6	1.6	1.3	1.2	1.0	1.5	1.3	1.3	1.3	1.2	-0.2
PCR (%)	50.7	49.0	46.4	54.5	59.6	65.7	58.0	66.8	54.5	66.8	61.5	4.2

E:MOFSL Estimates



Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR8 TP: INR10 (+29%) Buy

Near-term demand outlook for textiles remains robust

Bloomberg	TRID IN
Equity Shares (m)	4,978
M.Cap.(INRb)/(USDb)	39.6 / 0.5
52-Week Range (INR)	9 / 3
1, 6, 12 Rel. Per (%)	11/6/35
12M Avg Val (INR M)	67

- Trident (TRID) witnessed robust demand revival in the Textiles segment during 2QFY21 due to high demand from big retailers (selling essentials). Big retailers saw their inventory pipeline running dry on account of huge demand build-up due to COVID-19. Thus, demand for TRID's Textiles segment should remain robust in the near term due to strong order book. However, recovery in the Paper segment is expected to be gradual depending on offices and educational institutions completely opening up.
- Factoring the beat to our earnings estimates and improved visibility for demand in the textiles segment, we have increased our PAT estimates for FY21/FY22E by 38%/15%. We value the company at 11x FY22E EPS and arrive at TP of INR10. Maintain Buy.

Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Sales	47.3	43.0	49.6
EBITDA	8.3	8.0	10.0
PAT	3.2	3.1	4.5
EBITDA (%)	10.5	10.8	13.3
EPS (INR)	0.6	0.6	0.9
EPS Gr. (%)	(26.9)	(2.1)	41.9
BV/Sh. (INR)	6.1	6.6	7.5

Ratios

Net D/E	0.5	0.3	0.2
RoE (%)	10.7	9.9	12.7
RoCE (%)	8.0	7.6	10.5
Payout (%)	6.4	7.2	7.2

Valuations

P/E (x)	12.1	12.3	8.7
EV/EBITDA (x)	1.3	1.2	1.0
Div Yield (%)	0.5	0.5	0.7
FCF Yield (%)	16.0	14.4	14.1

Shareholding pattern (%)

As On	Jun-20	Mar-20	Jun-19
Promoter	71.1	71.1	71.1
DII	1.0	1.0	1.1
FII	1.7	2.1	2.1
Others	26.3	25.9	25.7

Textiles segment saves the day

- TRID reported standalone revenue of INR11.7b, down 11% YoY. EBITDA margin expanded 10bp to 19.2% on gross margin expansion of 280bp to 56.5%, which was offset by 130/150bp expansion in employee/other expenses. EBITDA during the quarter, adjusted for forex loss, stood at INR2.2b, down 11% YoY.
- Adj. PAT declined 27% YoY to INR1b on account of lower other income, forex loss of INR9m (v/s gains of INR26m in the base quarter) and higher tax rate, which was offset by lower interest cost. On QoQ basis, while revenue is up 65%, EBITDA and PAT are up 1.9x and 9.9x, respectively.
- Textiles revenue declined 9% YoY to INR9.9b, with EBIT margins expanding 150bp to 11.7% (after adjusting for forex). Capacity utilization in Towel and Bed Linen stood at 61% (v/s 56% last year) and 90% (v/s 62% last year), respectively. Capacity utilization in Yarn stood at 94%. On QoQ basis, the segment's revenue/EBIT grew 69%/544%.
- Paper and Chemicals revenue declined 21% YoY to INR1.8b with EBIT margin contracting 9.5pp to 27%. Capacity utilization for the Paper segment stood at 80% during the quarter (v/s 56% in 1QFY21). On QoQ basis, the segment's revenue/EBIT grew 48%/45%.

Highlights from press release

- Net Debt has reduced significantly as at Sep'20 to reach INR9.5b on account of prepayment of loans amounting to INR3.7b, as against Net Debt of INR16.1b as at Mar'20. Net Debt to Equity ratio stood at 0.3x.
- On a full year basis, the company is aiming to achieve EBITDA margins of 18-20% on sustainable basis.
- TRID recorded highest-ever capacity utilization in the Home Textile segment. Revenue growth of 48% YoY was recorded in the Bed Linen Segment.

Valuation and view

- Operating performance was above our estimates aided by Textiles. The segment witnessed strong demand revival from big retailers whose inventory pipeline was running dry due to the huge demand build-up on account of COVID-19.
- Work from home (WFH) in majority of the big cities across the world has also contributed to the demand revival with people spending more on home improvement products as the same has become their primary workplace. The upcoming festival season in the US and Europe is also expected to see strong demand in the coming quarters.
- On the back of strong demand revival, order book of TRID is currently robust, which should drive growth in the near term. However, recovery in Paper segment should be gradual as offices and educational institutions open up.
- Factoring the beat to our earnings estimates and improved visibility on demand in Textiles, we have increased our PAT estimates for FY21/FY22E by 38%/15%.
- On one-year forward P/E basis, TRID has traded at an average P/E of ~11x over the last five years. We value the company at 11x FY22E EPS and arrive at TP of INR10. Maintain Buy.

Standalone - Quarterly Earning Model

Y/E March	(INR M)											
	FY20				FY21				FY20	FY21E	FY21	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2QE	2QE		
Net Sales	13,053	13,219	10,817	9,905	7,079	11,714	11,997	12,236	46,995	43,027	11,122	5
YoY Change (%)	15.4	-5.0	-16.2	-29.5	-45.8	-11.4	10.9	23.5	-10.0	-8.4	-15.9	
Total Expenditure	10,143	10,692	9,416	8,562	5,898	9,467	9,754	9,911	38,813	35,030	9,009	
EBITDA	2,911	2,527	1,401	1,343	1,181	2,247	2,243	2,325	8,182	7,997	2,113	6
Margins (%)	22.3	19.1	12.9	13.6	16.7	19.2	18.7	19.0	17.4	18.6	19.0	
Depreciation	846	849	822	815	824	831	840	845	3,333	3,340	810	
Interest	325	271	234	278	231	123	200	200	1,108	754	170	
Other Income	78	37	97	68	54	32	92	64	280	242	35	
PBT before EO expense	1,817	1,445	441	317	181	1,325	1,296	1,344	4,020	4,145	1,168	13
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
Forex (gain)/loss	-18	-26	-39	-109	49	9	0	0	-192	58	0	
PBT	1,835	1,470	480	427	132	1,316	1,296	1,344	4,212	4,087	1,168	13
Tax	603	99	61	31	31	313	326	338	794	1,009	294	
Rate (%)	32.8	6.8	12.8	7.3	23.5	23.8	25.2	25.2	18.9	24.7	25.2	
MI & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	1,232	1,371	419	396	101	1,002	969	1,006	3,418	3,079	874	
Adj PAT	1,232	1,371	419	396	101	1,002	969	1,006	3,418	3,079	874	15
YoY Change (%)	110.6	26.5	-62.4	-57.3	-91.8	-26.9	131.5	154.2	-7.9	-9.9	-36.2	
Margins (%)	9.4	10.4	3.9	4.0	1.4	8.6	8.1	8.2	7.3	7.2	7.9	

Key Performance Indicators

Y/E March	FY20				FY21				2020	FY21E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Segment Revenue Gr. (%)										
Textiles	15.5	-4.3	-17.7	-31.4	-44.6	-9.4	18.0	30.0	-10.5	-5.0
Paper	15.1	-8.2	-10.3	-21.9	-50.7	-20.6	-15.0	0.0	-7.5	-22.5
Cost Break-up										
RM Cost (% of sales)	43.9	46.3	47.8	44.3	44.7	43.5	44.0	44.0	45.6	44.0
Staff Cost (% of sales)	11.4	11.3	13.4	14.1	13.9	12.6	13.0	13.0	12.4	13.0
Other Cost (% of sales)	22.4	23.3	25.8	28.0	24.7	24.7	24.3	24.0	24.6	24.4
Gross Margins (%)	56.1	53.7	52.2	55.7	55.3	56.5	56.0	56.0	54.4	56.0
EBITDA Margins (%)	22.3	19.1	12.9	13.6	16.7	19.2	18.7	19.0	17.4	18.6
EBIT Margins (%)	15.8	12.7	5.3	5.3	5.0	12.1	11.7	12.1	10.3	10.8

Shoppers Stop

BSE SENSEX
39,983S&P CNX
11,762

CMP: INR173

Neutral

Conference Call Details

Date: 19th September 2020

Time: 12:00pm IST

Dial-in details:

+91 22 6280 1384

Financials & Valuations (INR b)

INRb	FY20	FY21E	FY22E
Sales	34.6	20.9	27.5
EBITDA	5.5	0.7	3.8
Adj. PAT	-1.2	-4.0	-1.8
EBITDA Margin (%)	15.9	3.4	13.8
Adj. EPS (INR)	-14.7	-48.2	-22.0
EPS Gr. (%)	-289.1	227.8	-54.3
BV/Sh. (INR)	8.0	NM	NM

Ratios

Net D:E	30.8	NM	NM
RoE (%)	-25.0	NM	NM
RoCE (%)	16.5	-9.8	-0.2
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	NM	NM	NM
EV/EBITDA (x)	3.1	20.8	4.0
EV/Sales (x)	0.5	0.7	0.6
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	10.9	11.5	6.0

Operating loss at INR347m (v/s est. loss of INR596m)

To raise INR3b by rights issue

- Shoppers Stop's (SHOP) standalone revenue fell 65% YoY to INR2.9b (8% beat), on account of hampered store operations during 2QFY21 as operational days were 20% lower YoY due to the lockdowns.
- EBITDA loss stood at INR347m (v/s est. loss of INR596m), cushioned by 34%/35% YoY drop in Employee/SG&A cost.
- Other income came in at INR631m (3.5x YoY), which includes INR525m adjusted for rent concessions as provided by MCA. Thus, actual other income stood at INR106m (drop of 42% YoY).
- Shoppers Stop recorded exceptional charges of INR100m toward impairment charges of Crossword Bookstores (INR200m impairment charges recorded in 4QFY20), which has recorded accumulated losses of INR588m as at Sep'20 against equity investment of INR350m.
- Thus, net adj. losses stood at INR1.1b (v/s est. loss of INR1.5b).
- SHOP has appointed Mr. Venugopal Nair as the new MD & CEO and additional director. Mr. Nair was the Chief Commercial officer at Trent and was recently the CEO of Westside.

Plans to raise INR3b by rights issue to boost liquidity

- SHOP has announced its intent to raise INR3b via rights issue.
- Assuming equity issuance at ~15% discount to current price, this will result in issuance of ~20.5m shares and equity dilution of 19% for existing shareholders.
- Cash and bank deposits as at Sep'20 stood at INR870m.
- Consolidated net debt stood at INR2.8b (INR1.1b in FY20).

Other Business Highlights

- The company opened one Shoppers Stop department store during the quarter, taking its total store count to 85.
- Private label share increased to 15.5% (+50bp QoQ).
- Sales from online channel grew 50% YoY, forming 7.8% of the total revenue.
- 'First Citizen' customers stand at 7.4m – an addition of 0.13m customers during the quarter.
- Conversion ratio improved by 16% YoY and average transaction value improved by 5% YoY.

Standalone - Quarterly Earning Model

(INR Million)

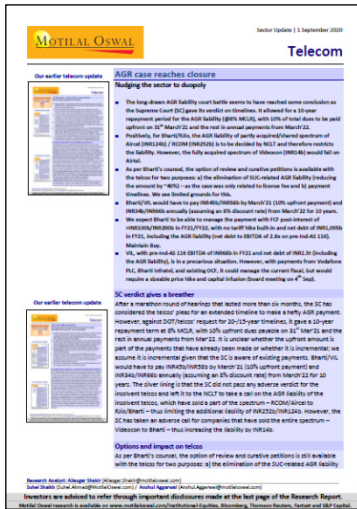
Y/E March	FY20				FY21				FY20	FY21	FY21E	Est. Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2Q		
Total Revenue from Operations	8,324	8,453	9,941	7,092	539	2,924	7,180	8,991	33,810	19,635	2,715	8
YoY Change (%)	NA	2.3	-0.5	-29.0	NA	-64.9	-15.1	-9.6	-2.9	-41.9	-67.4	
Total Expenditure	6,942	7,081	7,966	6,326	1,563	3,271	6,086	7,794	28,315	18,714	3,312	-1
EBITDA	1,382	1,372	1,975	766	-1,024	-347	1,095	1,197	5,495	920	-596	-42
EBITDA Margin (%)	16.6	16.2	19.9	10.8	-189.9	-11.9	15.2	13.3	16.3	4.7	-22.0	
Depreciation	884	878	934	1,696	997	941	1,014	1,043	4,392	3,995	1,001	-6
Interest	484	474	478	508	552	607	550	548	1,944	2,257	550	10
Other Income	24	181	66	64	1,040	631	300	300	335	2,271	300	110
PBT before EO expense	38	201	629	-1,375	-1,533	-1,265	-169	-94	-506	-3,061	-1,848	-32
PBT	38	201	629	-1,575	-1,533	-1,365	-169	-94	-706	-3,161	-1,848	-26
Tax	14	255	681	-247	-382	-342	-33	-18	703	-775	-362	
Rate (%)	35.8	126.7	108.3	15.7	24.9	25.1	19.6	19.6	-99.5	24.5	19.6	
Reported PAT	24	-54	-52	-1,328	-1,151	-1,023	-136	-76	-1,409	-2,386	-1,486	-31
Adj PAT	81	-54	-52	-734	-1,112	-1,123	-136	-76	-759	-2,446	-1,486	-24
YoY Change (%)	-17.4	-140.7	-111.1	-343.3	-1,476.6	NM	160.9	-89.7	-175.9	222.2	-1,939.9	

E: MOFSL Estimates

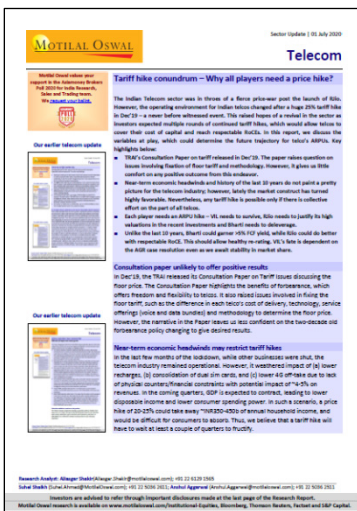
Telecom



Our earlier telecom update



Our earlier telecom update



The 5G Saga!

- The Indian telecom industry is seeing capex peak out (particularly for Bharti and RJio) and increased free cash flows (FCF). However, risks have started emerging due to the increased capex toward 5G technology upgrade and the upcoming spectrum renewal.
- In this report, we discuss the global progress of 5G, spectrum and network dilemma and the ecosystem development. We have also made an attempt to work out the potential investments and timelines of 5G and spectrum renewal.
- We believe that (a) investments in 5G is still some time away and may be spread over ~5 years cushioning the impact, (b) the one-time spectrum renewal is a bit delayed and could be managed through the existing FCF of Bharti and RJio, (c) the shrinking number of telcos in India may restrict risks of over-bidding.

5G progress: How far away is it for India?

- Historically, India has been about 10 years behind developed countries in terms of technology upgrades. However, the timeline for 4G was shorter as a new player forced the entire ecosystem to upgrade with its will and vigor.
- With no new players, nascent use cases, limited incremental revenue potential, spectrum woes along with an inherently low ARPU structure in India, we believe telcos may wait for the 5G technology to stabilize globally (more on this below) and see reduction in equipment cost, before deploying fresh technology, which could take 3-4 years.
- This brings us to the global progress on 5G. With commercial launches done in 26 countries by operators (as at Jan'20), clearly 5G is gaining fast traction. 5G subscribers though merely 10m in CY19, are estimated to increase to 2.8b by CY25. However, the recent COVID-19 crisis has dented its pace of progress.
- The US, South Korea and China are leading the 5G race. China is aggressively ramping up its 5G network and has a target of adding 600k sites by CY20 (by its top-3 operators). This could be the key trigger for global 5G acceptance over the next couple of years. However, reduction in device costs and rise in use cases are equally important trigger points to increase traction in global 5G progress.

The spectrum and network dilemma

- In a spectrum-starved country, most good quality sub-GHz and mid-band spectrum are already under existing 2G/4G technology use. In India and globally, there is an option to deploy 5G in the mid-band (3,300-3,600MHz) and the 700MHz band, until the spectrum in other sub-GHz band is eventually re-farmed.
- While both bands have sufficient quantity available for seamless 5G service, the pricing of 700MHz is exorbitant at INR328b for 5MHz spectrum. Therefore, the mid-band spectrum is best suited as it is priced lower at INR4.9b/MHz with healthy available quantity.
- However, given the coverage related difficulty of the mid-band spectrum, telcos may deploy 5G with a fallback dependency on 4G. This could initially restrict 5G investments significantly to only high data consumption locations.
- Also, the recent initiatives on O-RAN (an interoperable network equipment disintegrating hardware with software) and Reliance's (RIL) in-house 5G product development are steps that should help telcos create a fungible network with flexibility to switch vendors as per their requirements/pricing.

5G and renewal capex

- A pertinent question is what should 5G potentially cost? Investments in three key large components for a 5G network – Spectrum, Sites and Fiber on mid/low-band spectrum with pan-India coverage – would stand at INR2.3t/INR1.3t, which should reduce to INR1.3t/INR788b for coverage of only Metros and ‘A’ circles. With reduced coverage and INR1.5m cost/site, this could reduce to INR1.6t (mid-band) for pan-India coverage. **Even assuming rollout starting from FY23E, a staggered deployment over the next 4-5 years (in line with 4G investment trend) could insulate the impact to a large extent.**
- Undoubtedly, the quantum of investment is exorbitantly high given the stressed balance sheet of telcos and the low prevailing ARPUs. Therefore, we believe in the initial phase, telcos may selectively choose spectrum in a few circles and run 5G for select enterprise-driven Internet of Things (IoT) operations.
- That said, the expiry of spectrum for RJio’s 115MHz quantity in the 800MHz band acquired/shared from RCOM in 19 circles, Bharti’s 57Mhz quantity in the 1,800MHz band and VIL’s 37.8MHz/6.2Mhz quantity in the 1,800MHz/900MHz band are attractive good quality spectrum and would be up for renewal over the next 6-12 months. This would cost RJio/Bharti/VIL INR280b/INR129b/INR83b at reserve price.
- Aggressive bidding to capture additional spectrum could be limited as there are only three telcos and decent supply of spectrum. With an FCF of INR185b/INR198b, it would be manageable for RJio/Bharti in FY22. However, VIL should be in trouble with piling debt, low EBITDA and liquidity concerns.

5G rollout hinges on use cases and ecosystem development

- Even as 5G is progressing well globally, the gradual ecosystem development, limited revenue model & use case, and spectrum pricing woes, 5G development in India is still a bit far-fetched and India will continue to fully leverage 4G network capabilities.
- New vendors across markets are launching 5G devices. However, for widespread 5G deployment, device ecosystem development at affordable prices holds the key. Expectations of 5G handset prices declining to sub-USD150, particularly in China, which is aggressively rolling out 5G services, is a key growth driver.
- 5G use cases can be categorized as (a) Business to Consumer (B2C), which offers increased speed. This could take the longest period to launch as unlike other countries, India is yet to fully leverage 4G speeds with increase in network densification, (b) Fixed Wireless Access (FWA), could be selectively used to deliver high speed data for homes where FTTH deployment is difficult and not cost effective, (c) Business to Business customized offering for enterprise customers, providing Machine-to-Machine (M2M) and IoT connectivity in a closed network hub with limited investment and faster break-even.
- The other Ultra-Reliable Low-Latency Communication (URLLC) services like driver-less cars and outdoor VR are future prospects, dependent on development of the ecosystem.

Valuation and view

- **Bharti:** We have factored in spectrum renewal cost of INR129b for FY22E. We value Bharti on SOTP basis to arrive at a target price of INR650/share. We assign EV/EBITDA of 12x to the India business and 6x to the Africa business on FY22E basis. We expect Bharti to generate post interest FCF of INR198b in FY22E even without any tariff hike. After factoring in spectrum renewal, FCF could stand at INR57b, and subsequently, be used for deleveraging. Strong FCF, improving RoCE and the expectation of an incremental price hike should garner better valuation for Bharti. **Maintain Buy.**
- **RJio:** We have factored in spectrum renewal cost of INR280b at reserve price. We value RJio assigning EV/EBITDA multiple of 16x on Sep'22E EBITDA to arrive at TP of INR1,125. Our higher multiple captures the transformation of RJio from a telecom company to a digital player, which provides growth opportunities from additional revenue streams, potential price hikes and market share gains.
- **VIL:** We have factored in spectrum renewal cost of INR83b at reserve price. Despite the Supreme Court's (SC) verdict of giving a 10-year timeline to repay AGR dues, VIL's liquidity remains in a precarious position with EBITDA of INR69b in FY21 (pre Ind-AS 116) and current net debt of INR1.7t (including the AGR liability). This leaves limited upside for equity shareholders assuming EV/EBITDA multiple of 8x. We maintain **Under Review.**



Automobiles

Company name

Amara Raja Batteries

Ashok Leyland

Bajaj Auto

Bharat Forge

BOSCH

CEAT

Eicher Motors

Endurance technologies

Escorts

Exide Industries

Hero MotoCorp

Mahindra CIE

Mahindra & Mahindra

Maruti Suzuki

Motherson Sumi

Tata Motors

TVS Motor Company

Sharper-than-expected recovery in all segments

EBITDA margins to expand for the first time after eight quarters of decline

- Volume recovery in 2QFY21 was stronger than anticipated, with the continued benefit of demand recovery, improvement in supply chain, and inventory buildup for the festive season.
- While volumes for Tractors are growing on a YoY basis, 2W and PV volumes are at 90–110% of last year's levels. LCV has also recovered to 70–80% of last year's levels, whereas M&HCV stands 40–50% lower YoY. The EBITDA margin for our OEM (ex-JLR) universe is likely to expand 60bp YoY to 10.9% (v/s -4% in 1Q), led by good recovery in margins for mainstream 2W, Tractors, and MSIL.
- We have increased our FY22E EPS estimates for almost all of the companies under our coverage, with a prominent increase for AL, TVSL (+14%), CEAT (+19%), MACA (+15%), and MSIL (+11%). We continue toward good recovery in the festive season (starting Oct'20) for all the segments, and factor in sustained recovery in the post-festival period.

Volumes across segments recovering sharply, although M&HCV a bit slow

After a washed-out 1QFY21 due to strict lockdown, 2QFY21 witnessed good recovery across segments in varying proportions. While Tractors (+30% YoY) and PV (+18%) have seen strong growth on a YoY basis, 2W (+2%) volumes are marginally higher. On the other hand, commercial segments are weak, but recovering, with LCV (-18%) faring better than M&HCV (-47%) and 3W (-51%). With supply-side issues largely behind us, OEMs have embarked on inventory filling in anticipation of a strong festive season for 2W, PV, and Tractors.

EBITDA margins to expand for first time after eight quarters of decline

After eight straight quarters of YoY decline in EBITDA margins for our Auto universe, 2QFY21 could potentially mark the beginning of the margin recovery phase. EBITDA margins for our OEM (ex-JLR) universe are likely to expand 60bp YoY to 10.9% (v/s -4% in 1Q), led by good margin recovery in mainstream 2W, Tractors, and MSIL. On the other hand, we expect margins to decline for CV players, EIM, and TVSL.

Recovery strong, although sustenance beyond festive season is key

Contrary to our expectations, demand recovery post the lifting of the lockdown has been stronger than expected across segments (excl. M&HCV and 3W). This is attributable to pent-up demand, positive agri economics, and a moderate shift from public to private transport. Demand (bookings) has largely normalized for 2W and PV (MSIL) in 2QFY21; we expect a strong festive season and sustained recovery post the festive as well. Hence, we have raised our volume estimates for FY21/FY22 across segments.

Valuation and view

We have increased our FY22E EPS estimates for almost all of the companies under our coverage, with a prominent increase for AL, TVSL (+14%), CEAT (+19%), MACA (+15%), and MSIL (+11%). While the upcoming festive season is expected to be very good, sustenance in terms of demand post the festive season is a key monitorable

parameter. Valuations reflect recovery from 2HFY21, leaving limited margin for safety for any negative surprises. Hence, we prefer companies with: a) higher visibility in terms of demand recovery, b) a strong competitive positioning, c) margin drivers, and d) balance sheet strength. **MM** and **HMCL** are our top OEM picks. Among the auto component stocks, we prefer **MSS** and **ENDU**.

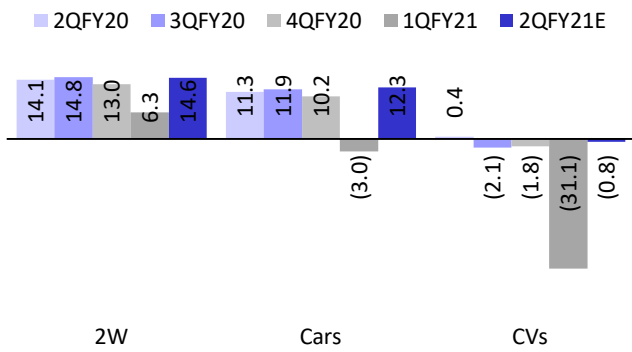
Summary of expected quarterly performance (INR m)

Sector	CMP (INR)	Reco	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Sep-20	YoY	QoQ	Sep-20	YoY	QoQ	Sep-20	YoY	QoQ
Automobiles											
Amara Raja Batt.	752	Neutral	19,157	13.0	66.4	3,228	10.4	111.8	1,913	-12.6	205.2
Ashok Leyland	75	Buy	28,515	-27.4	338.1	711	-68.9	LP	-1,061	PL	Loss
Bajaj Auto	2953	Neutral	72,467	-6.0	135.3	13,293	4.0	225.4	12,415	-11.5	135.1
Bharat Forge	466	Buy	9,058	-28.1	112.2	1,629	-45.8	LP	705	-71.2	LP
Bosch	13391	Neutral	24,514	6.0	147.2	3,857	14.5	LP	3,535	13.9	2,823.1
CEAT	1016	Buy	18,269	8.0	63.1	2,487	46.0	143.8	1,034	132.3	LP
Eicher Motors	2210	Buy	20,441	-6.8	152.6	4,079	-24.7	10,663	2,834	-50.5	LP
Endurance Tech.	1136	Buy	18,009	1.7	198.6	2,992	2.8	600.2	1,565	-7.5	LP
Escorts	1236	Neutral	15,369	16.1	44.8	2,153	69.9	80.0	1,636	44.2	77.5
Exide Inds.	166	Buy	28,981	11.0	87.3	4,337	18.1	192.1	2,624	10.6	497.0
Hero Motocorp	3129	Buy	94,750	25.2	218.9	14,017	27.3	1,197.3	10,423	13.0	1,600.0
Mahindra & Mahindra	607	Buy	110,079	0.7	96.9	16,132	4.7	181.5	11,672	-13.9	2,892.7
Mahindra CIE	137	Buy	17,444	-6.6	137.2	1,996	-4.6	LP	725	24.4	LP
Maruti Suzuki	6817	Buy	188,469	11.0	359.0	20,687	28.8	LP	15,937	17.3	LP
Motherson Sumi	116	Buy	149,977	-5.8	76.4	11,715	-11.2	LP	1,453	-62.2	LP
Tata Motors	134	Buy	471,537	-27.9	47.4	23,998	-66.5	277.6	-39,979	Loss	Loss
TVS Motor	473	Neutral	47,482	9.2	231.6	4,072	6.6	LP	1,913	-2.0	LP
Sector Aggregate			1,334,519	-10.8	99.9	131,381	-23.8	6,064.9	29,345	-60.4	LP

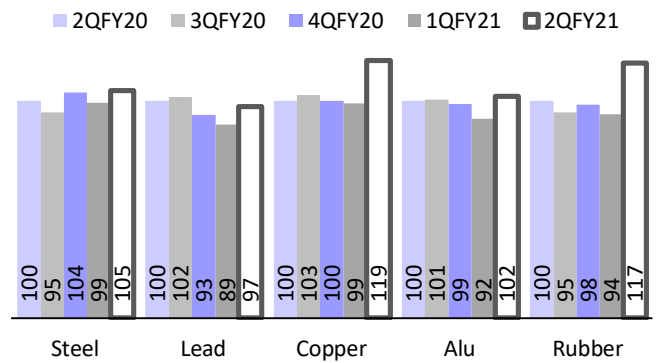
Volume snapshot for 4QFY20 ('000 units)

	2QFY21	2QFY20	YoY (%)	1QFY21	QoQ (%)	FY20	FY19	YoY (%)
Two-wheelers	5,698	5,578	2.2	1,629	249.7	20,878	24,389	-14.4
Three-wheelers	154	312	-50.7	63	145.0	1,138	1,268	-10.3
Passenger cars	631	517	22.0	102	519.8	2,184	2,736	-20.2
UV & MPV	323	293	10.0	73	343.8	1,249	1,316	-5.1
Total PVs	954	811	17.7	175	446.5	3,433	4,052	-15.3
M&HCV	29	55	-46.7	6	421.4	248	439	-43.4
LCV	103	125	-18.0	29	247.9	508	641	-20.8
Total CVs	132	180	-26.8	35	275.7	756	1,080	-30.0
Tractors	216	166	30.0	146	47.6	711	775	-8.3
Total (ex-Tractors)	6,938	6,881	0.8	1,902	264.8	26,206	30,790	-14.9

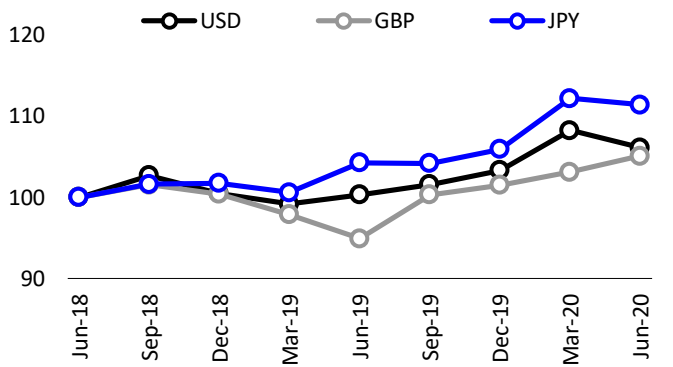
Trend in segment-wise EBITDA margins (%)



Commodity prices reasonably stable

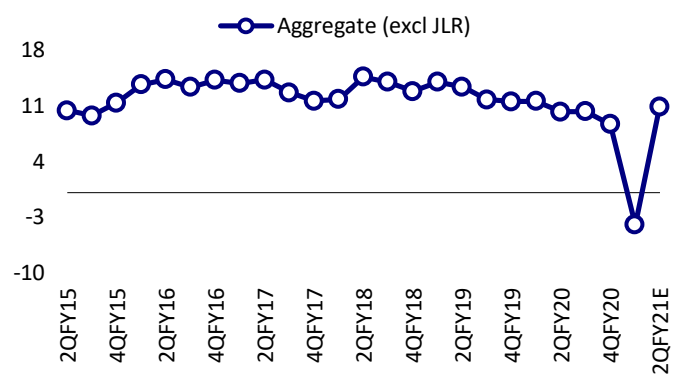


Trend in key currencies v/s INR (average, indexed)



Source: Bloomberg, MOFSL

Margins to contract YoY/QoQ



Source: Company, MOFSL

Revised estimates

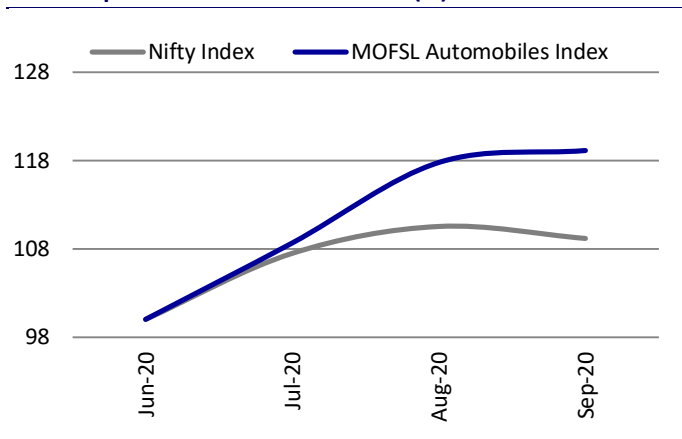
	FY21E			FY22E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Bajaj Auto	165.6	168.3	-1.6	192.7	183.2	5.2
Hero MotoCorp	159.2	155.9	2.1	204.1	203.5	0.3
TVS Motor	-38.2	-33.3	14.5	10.4	10.8	-4.6
Eicher Motors *	50.4	51.0	-1.3	79.3	82.2	-3.6
Maruti *	172.7	169.2	2.1	269.0	242.0	11.2
M&M (incl MVML)	30.0	28.2	6.1	36.5	35.3	3.3
Tata Motors *	-34.2	-33.3	2.5	10.3	10.8	-4.7
Ashok Leyland	0.2	-0.3	-158.2	3.6	2.3	55.5
Escorts	62.9	62.4	0.9	74.8	71.6	4.5
Amara Raja	33.9	33.8	0.3	39.4	39.1	0.7
Bharat Forge *	4.2	4.6	-10.3	15.3	15.1	1.3
BOSCH	374.3	371.1	0.9	463.1	459.1	0.9
CEAT	68.4	63.2	8.2	89.7	75.6	18.6
Endurance Tech*	35.0	34.5	1.3	48.5	46.1	5.2
Exide Industries	8.9	8.9	0.0	11.4	11.0	3.4
Mahindra CIE *	2.9	1.9	58.0	11.1	9.7	15.0
Motherson Sumi *	1.1	1.2	-3.4	5.5	5.6	-1.8

* Consolidated

Industry recovering from COVID-19 impact

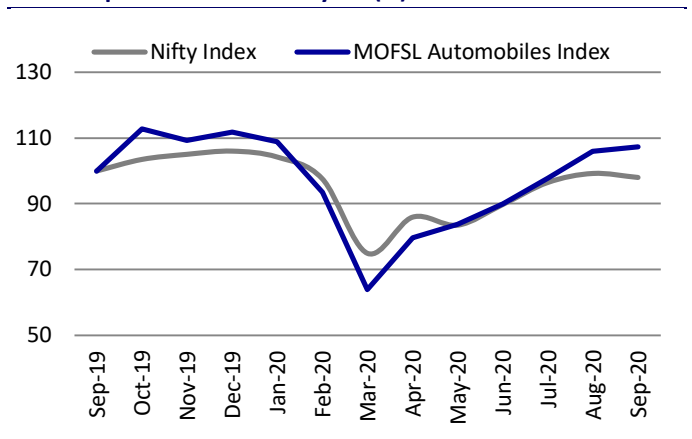
	Volumes ('000 units)			EBITDA margins (%)			Adj PAT (INR M)		
	2QFY21E	YoY (%)	QoQ (%)	2QFY21E	YoY (bp)	QoQ (bp)	2QFY21E	YoY (%)	QoQ (%)
BJAUT	1,053	-10.2	137.7	18.3	180	510	12,415	-11.5	135.1
HMCL	1,815	7.3	222.1	14.8	20	1,120	10,423	13.0	1,600.0
TVS Motor	868	-2.0	225.1	8.6	-20	1,200	1,913	-2.0	-237.6
MSIL	393	16.2	413.2	11.0	150	3,200	15,937	17.3	-739.0
MM	185	-3.2	94.4	14.7	60	440	11,672	-13.9	2,892.7
TTMT (S/A)	110	5.0	340.5	-1.8	-10	2,440	-14,945	10.3	-30.2
TTMT (JLR) *	91	-32.1	39.7	4.8	-900	130	-295	-365.6	-54.5
TTMT (Cons)				5.1	-590	310	-39,979	1,454.9	-53
Ashok Leyland	19	-32.8	409.8	2.5	-330	5,370	-1,061	NA	NA
Eicher (RE)	151	-9.6	162.8	20.3	-470	2,020	3,284	-42.4	2,569.7
Eicher (VECV)	8	-28.2	283.6	0.1	-510	1,140	-615	-510.1	-48.7
Eicher (Consol)				20.3	-470	2,020	2,834	-50.5	-613.6
Agg. (ex JLR)	4,603	0.2	200.1	10.9	60	1,490	39,188	-13.5	-267.2

Relative performance – three-month (%)



Source: Bloomberg, MOFSL

Relative performance – one-year (%)



Source: Bloomberg, MOFSL

Comparative valuation

Company Name	CMP (INR)	Reco	EPS (INR)			PE (x)			PB (x)			RoE (%)		
			FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY20	FY21E	FY22E
Automobiles						48.0	69.9	19.6	3.0	3.0	2.7	6.2	4.2	13.6
Amara Raja Batt.	752	Neutral	38.7	34.6	41.8	19.4	21.8	18.0	3.5	3.2	2.8	18.9	15.3	16.7
Ashok Leyland	75	Buy	1.2	0.2	3.6	64.4	372	21.0	3.0	3.0	2.8	4.4	0.8	13.7
Bajaj Auto	2,953	Neutral	187.4	165.6	192.7	15.8	17.8	15.3	4.3	3.9	3.5	26.0	22.9	24.1
Bharat Forge	466	Buy	9.2	4.2	15.3	50.5	111.9	30.4	4.2	4.0	3.6	8.1	3.6	12.6
Bosch	13,391	Neutral	418.8	374.3	463.1	32.0	35.8	28.9	4.3	3.9	3.6	13.4	11.5	13.0
CEAT	1,016	Buy	57.1	68.4	89.7	17.8	14.8	11.3	1.4	1.3	1.2	8.1	9.2	11.1
Endurance Tech.	1,136	Buy	38.0	35.0	48.5	29.9	32.5	23.4	5.3	4.8	4.2	19.2	15.5	19.0
Eicher Motors	2,210	Buy	66.9	50.4	79.3	33.0	43.9	27.9	6.0	5.5	4.8	19.3	13.1	18.3
Escorts	1,236	Neutral	54.0	62.9	74.8	22.9	19.6	16.5	3.5	2.6	2.3	16.6	16.2	14.8
Exide Inds.	166	Buy	9.9	8.5	11.4	16.7	19.5	14.5	2.2	2.1	1.9	13.4	10.8	13.2
Hero Motocorp	3,129	Buy	153.0	159.2	204.1	20.5	19.7	15.3	4.4	4.2	3.8	22.6	21.9	25.9
Mahindra & Mahindra	607	Buy	15.0	28.2	37.3	40.5	21.5	16.3	2.1	1.9	1.8	9.7	9.6	10.8
Mahindra CIE	137	Buy	9.4	2.9	11.1	14.5	46.6	12.3	1.1	1.1	1.0	8.0	2.4	8.5
Maruti Suzuki	6,817	Buy	188.0	172.7	269.0	36.3	39.5	25.3	4.3	4.0	3.6	11.7	10.1	14.0
Motherson Sumi	116	Buy	3.7	1.1	5.5	31.4	103.4	21.1	3.3	3.2	2.9	10.5	3.1	14.4
Tata Motors	134	Buy	-25.3	-34.2	10.3	-5.3	-3.9	13.0	0.8	0.9	0.9	-14.8	-21.6	7.3
TVS Motor	473	Neutral	13.0	10.8	20.0	36.4	43.7	23.6	6.2	5.7	4.8	17.7	13.6	22.2



Eicher Motors: Expect CV industry report sales of 1.50 lakh units in H2; Vinod Aggarwal, Director

- CV industry demand improving on MoM basis. Expect festive season to be better
- In FY18-19 industry size was 5.5 lakh units excluding small CVs, in FY19-20 it came down to 3.4 lakh, this year in H1 it is at 50,000
- Replacement cycle generally is every 4-6 years, but have not happened in last 2 years. Hence, expect replacement cycle to be very strong going ahead
- Expect CV industry report sales of 1.50 lakh units in H2, flat on a YoY basis
- Total sales in FY22 can be at 4 lakh units v/s 2 lakh units YoY
- Financing available only for borrowers with good credibility but not across board
- Capacity utilization is at 40% currently

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Ashok Leyland: Pick up in Cement, Steel & Construction sectors aiding demand; Anuj Kathuria, COO

- See MoM improvement in demand
- In Sept'20 saw an improvement in TIV of ~30-35%. H2 should see better demand on the back of festive season and improving sentiment
- See a lot of demand coming in from L&HCVs. Intermediate CVs & Tippers now contribute 2/3rd to overall sales
- BS VI vehicles delivering better cost of ownership hence it can be a factor to drive replacement demand
- Pick up in Cement, Steel & Construction sectors is aiding CV demand. ICV demand is driven by E-Commerce. Eastern geography showing a lot of promise
- Wholesale numbers will either remain similar or will be better
- Will see YoY growth in second half this year over last year

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Shriram Transport Finance: See an AUM growth of 5% in FY21; Umesh Revankar, MD & CEO

- Fresh demand is for vehicles of upto 3.5tons and for used vehicles demand is across all segments
- Demand for ICVs has gone up in last 15 days, driven by E-com & Agri. space
- For the HCVs not witnessing replacement or fresh demand, it may be postponed by 6months due to increase in costs and excess capacity created in the past due to axle norms
- Our disbursement in Sept'20 was at par to previous year. October to December disbursals will also be at par to last year. AUM will grow by 5% in FY21
- Govts. focus on infrastructure can also induce demand in Q4

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Berger Paints: FY21 revenue growth to be in low single digit; Abhijit Roy, MD & CEO

- Recovery has been strong; witnessing good demand for decorative paints.
Demand is coming back because of festive season
- Demand scenario is very strong, much better than August and September, so it's picking up
- Saw double digit growth in Sept'20. Hope to see positive growth by year end
- Auto paints to see double digit growth, though on a lower base
- Benign input costs and cost rationalization measures to further aid margins

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DELHI GOVT. WAIVING ROAD TAX FOR EVS IS A BIG BOOST

- The centre did its bit to encourage electric vehicles (EVs) when it offered tax exemption on electric cars. Earlier, in 2019, the GST Council accepted the proposal of a lower 5% GST on EVs. Now, the Delhi government has waived off road tax on EVs. Last month, it had announced that it would soon be rolling out the subsidies under its EV policy. The road tax waiver results in savings of Rs 1.5 lakh on a Rs 14-lakh car. With the subsidy scheme, the cost difference with a comparable ICE car can be recovered in just 1-3 years.
- While the plan is also to increase the charging infrastructure, the lack of information in the market, and the lack of choice for customers, may throw a spanner in the plans. If the Centre is intent on promoting EVs, it will need to relax its strict standards and allow more manufacturers to bring their cars to the Indian markets by reducing the duties on EV imports. Delhi also must ensure that its power consumption leans towards renewables. As per the Central Electricity Authority, thermal power accounts for 85% of Delhi's total power. A US government report shows that states in that country that rely excessively on coal show only a slight difference between EVs and ICE vehicles in terms of annual emissions per vehicle. So, if Delhi is to see real gains, it needs to relook its energy mix as well.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Automobiles																
Amara Raja	Neutral	723	794	10	38.7	34.6	41.8	36.7	-10.6	20.8	20.9	17.3	3.1	2.7	15.3	16.7
Ashok Ley.	Buy	75	94	25	1.2	0.2	3.6	-83.1	-82.7	1,667.7	371.4	21.0	3.0	2.7	0.8	13.7
Bajaj Auto	Neutral	3045	3214	6	187.4	165.6	192.7	13.3	-11.6	16.4	18.4	15.8	4.0	3.6	22.9	24.1
Bharat Forge	Buy	453	512	13	9.2	4.2	15.3	-58.4	-54.9	268.6	108.8	29.5	3.9	3.5	3.6	12.6
Bosch	Neutral	11972	14504	21	418.8	374.3	463.1	-22.5	-10.6	23.7	32.0	25.8	3.5	3.2	11.5	13.0
CEAT	Buy	994	1187	19	57.1	68.4	89.7	-14.7	19.9	31.0	14.5	11.1	1.3	1.2	9.2	11.1
Eicher Mot.	Buy	2270	2400	6	66.9	50.4	79.3	-17.8	-24.8	57.4	45.1	28.6	5.7	4.9	13.1	18.3
Endurance Tech.	Buy	1083	1317	22	38.0	35.0	48.5	3.2	-8.1	38.8	31.0	22.3	4.5	4.0	15.5	19.0
Escorts	Neutral	1166	1270	9	54.0	62.9	74.8	1.4	16.6	18.9	18.5	15.6	2.5	2.2	16.2	14.8
Exide Ind	Buy	160	204	28	9.9	8.5	11.4	9.4	-14.2	34.2	18.8	14.0	2.0	1.8	10.8	13.2
Hero Moto	Buy	3347	3900	17	153.0	159.2	204.1	-9.7	4.1	28.2	21.0	16.4	4.5	4.1	21.9	25.9
M&M	Buy	606	765	26	15.0	28.2	37.3	-64.9	88.5	32.0	21.5	16.3	1.9	1.8	9.6	10.8
Mahindra CIE	Buy	134	170	27	9.4	2.9	11.1	-33.2	-68.9	278.3	45.7	12.1	1.1	1.0	2.4	8.5
Maruti Suzuki	Buy	6897	7600	10	188.0	172.7	269.0	-25.8	-8.1	55.7	39.9	25.6	4.1	3.6	10.1	14.0
Motherson Sumi	Buy	106	141	33	3.7	1.1	5.5	-27.5	-69.6	389.8	94.3	19.3	2.9	2.6	3.1	14.4
Tata Motors	Buy	128	222	74	-25.3	-34.2	10.3	480.5	Loss	LP	NM	12.4	0.9	0.9	-21.6	7.3
TVS Motor	Neutral	463	443	-4	13.0	10.8	20.0	-7.8	-16.7	85.0	42.8	23.1	5.6	4.7	13.6	22.2
Aggregate								-50.8	-31.3	255.9	69.6	19.6	3.0	2.7	4.2	13.6
Banks - Private																
AU Small Finance	Buy	730	850	16	22.6	25.1	34.2	71.3	11	36.3	29.1	21.4	4.4	3.6	16.2	18.5
Axis Bank	Buy	472	600	27	6.0	18.2	31.5	-66.9	201	73.2	26.0	15.0	1.5	1.3	5.8	9.3
Bandhan Bank	Buy	313	425	36	21.6	22.0	28.3	31.9	2	28.8	14.2	11.0	2.8	2.3	21.3	23.1
DCB Bank	Neutral	77	90	17	10.9	9.1	11.7	3.6	-16.9	29.3	8.5	6.6	0.7	0.6	8.5	10.0
Equitas Hold.	Buy	50	65	30	7.1	6.5	10.2	15.5	-9.1	56.9	7.7	4.9	0.6	0.5	7.8	11.4
Federal Bank	Buy	52	70	34	7.8	7.7	10.7	23.4	-0.7	39.2	6.8	4.9	0.7	0.6	10.1	12.7
HDFC Bank	Buy	1199	1400	17	48.0	54.9	66.5	21.2	14.3	21.1	21.9	18.0	3.4	2.9	16.4	17.3
ICICI Bank	Buy	396	475	20	12.3	17.2	25.3	135.0	40.3	47.1	23.0	15.6	1.9	1.7	9.1	11.9
IndusInd	Buy	608	700	15	68.2	30.6	64.1	24.2	-55.1	109.2	19.8	9.5	1.2	1.1	6.0	11.7
Kotak Mah. Bk	Neutral	1337	1300	-3	44.9	41.5	51.1	19.0	-7.6	23.1	32.2	26.2	3.5	3.1	10.0	10.7
RBL Bank	Buy	172	230	34	9.9	11.6	18.1	-51.1	16.7	55.9	14.8	9.5	0.8	0.8	5.9	8.2
Aggregate								23.7	16.9	36.1	22.3	16.4	2.4	2.1	10.8	13.1
Banks - PSU																
BOB	Neutral	40	47	16	1.2	0.4	5.1	-27.8	-69.1	1,308.9	110.7	7.9	0.3	0.3	0.2	3.3
SBI	Buy	196	285	46	22.1	23.3	34.8	759.6	5	49.2	8.4	5.6	0.7	0.6	6.9	10.4
Aggregate								643.2	3	59	9	5.8	0.6	0.6	6.6	9.8
NBFCs																
Aditya Birla Cap	Buy	61	86	42	3.8	3.8	4.6	-3.5	-0.7	22.5	16.1	13.1	1.1	1.0	7.0	7.9
Bajaj Fin.	Neutral	3230	3250	1	87.7	67.8	115.3	26.7	-22.8	70.2	47.7	28.0	5.4	4.6	11.9	17.7
Cholaman.Inv.&Fn	Buy	237	300	27	12.8	15.1	21.0	-15.4	17.4	39.7	15.7	11.3	2.1	1.8	14.4	17.5
H D F C	Buy	1960	2215	13	49.2	54.7	61.1	10.8	11.1	11.8	35.9	32.1	3.1	2.9	12.5	11.9
HDFC Life Insur.	Neutral	561	600	7	6.4	7.3	8.6	1.3	12.9	18.4	77.4	65.4	4.5	3.9	21.3	17.2
ICICI Pru Life	Buy	415	510	23	7.4	7.9	8.3	-6.3	6.4	4.6	52.3	50.1	2.3	2.0	14.5	14.6
IIFL Wealth Mgt	Buy	939	1240	32	23.1	37.7	49.5	-47.8	63.5	31.2	24.9	19.0	2.6	2.5	10.8	13.7
L&T Fin Holdings	Buy	61	90	47	10.9	5.1	10.1	-2.7	-53.0	97.0	12.0	6.1	0.8	0.7	6.9	12.6
LIC Hsg Fin	Buy	285	375	31	47.6	55.1	52.8	-1.2	15.8	-4.1	5.2	5.4	0.7	0.6	14.7	12.6
Manappuram Fin.	Buy	163	205	26	17.5	18.5	22.5	55.7	5.6	21.3	8.8	7.2	1.9	1.6	24.4	24.1
MAS Financial	Buy	817	1000	22	33.2	30.8	36.9	19.2	-7.0	19.5	26.5	22.2	4.0	3.5	16.0	16.9
M&M Fin.	Buy	126	165	31	14.7	7.4	8.9	-41.8	-49.9	21.3	17.0	14.0	1.0	1.0	6.8	7.0
Muthoot Fin	Buy	1185	1450	22	75.3	85.1	99.8	52.9	13.1	17.2	13.9	11.9	3.3	2.7	26.4	25.2
Piramal Enterp.	Buy	1291	1600	24	-24.5	74.8	93.4	-135.4	LP	24.8	17.3	13.8	1.0	0.9	5.8	7.0
PNB Housing	Neutral	360	360	0	38.4	45.3	62.3	-46.0	17.8	37.6	8.0	5.8	0.7	0.6	9.2	11.6
SBI Life Insurance	Buy	799	1000	25	14.2	16.1	18.3	7.2	12.9	13.7	49.8	43.8	2.6	2.3	15.1	16.0
Shriram City Union	Buy	826	1125	36	151.6	113.9	143.4	1.2	-24.9	25.9	7.3	5.8	0.7	0.6	9.9	11.4



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Shriram Trans.	Buy	647	1000	55	110.3	71.2	113.9	-2.4	-35.5	60.0	9.1	5.7	0.8	0.7	9.2	12.9
Aggregate								0.7	8.3	27.3	21.8	17.1	2.4	2.1	10.9	12.5
Capital Goods																
ABB	Buy	864	1030	19	16.6	7.1	21.5	38.1	-56.9	200.4	120.9	40.2	5.0	4.5	4.1	11.3
Bharat Elec.	Buy	91	116	27	7.4	6.8	8.3	-6.9	-8.0	22.7	13.4	10.9	2.1	1.9	15.5	17.5
BHEL	Sell	27	22	-19	-4.2	-0.8	1.4	-221.9	Loss	LP	NM	18.8	0.3	0.3	-0.9	1.7
Blue Star	Neutral	638	560	-12	15.3	2.7	16.4	-21.4	-82.5	512.9	238.1	38.8	7.7	7.2	3.3	18.5
CG Cons. Elec.	Buy	281	335	19	7.0	6.7	8.8	16.9	-3.6	31.6	41.8	31.8	10.3	8.7	24.6	27.3
Cummins	Sell	462	336	-27	23.3	16.9	22.4	-10.8	-27.3	32.5	27.3	20.6	2.9	2.8	10.7	13.6
Engineers India	Buy	62	89	44	6.8	5.7	7.9	16.3	-16.3	38.2	10.9	7.9	1.7	1.7	15.1	20.3
Havells	Neutral	698	685	-2	11.7	10.0	14.1	-6.9	-14.3	40.8	69.5	49.4	9.3	8.3	13.3	16.8
K E C Intl	Buy	329	395	20	22.0	22.6	26.3	16.3	2.5	16.8	14.6	12.5	2.6	2.2	17.6	17.4
L&T	Buy	894	1110	24	68.0	123.1	66.1	7.1	81.0	-46.3	7.3	13.5	1.6	1.5	8.6	11.1
Siemens	Neutral	1265	1210	-4	30.5	18.6	30.8	21.6	-39.2	65.9	68.1	41.1	4.7	4.3	6.9	10.6
Thermax	Neutral	738	710	-4	18.9	19.2	32.2	-30.6	1.9	67.3	38.4	22.9	2.6	2.5	6.9	10.7
Voltas	Buy	701	710	1	16.7	11.9	18.5	6.5	-29.2	56.2	59.1	37.8	5.1	4.7	8.6	12.3
Aggregate								-10.6	-14.9	44.9	28.1	19.4	2.2	2.1	7.7	10.7
Cement																
Ambuja Cem.	Neutral	248	220	-11	7.7	8.4	8.5	26.4	9.4	1.2	29.5	29.1	2.1	2.0	7.3	7.0
ACC	Buy	1561	1630	4	72.3	68.0	76.1	35.1	-6.0	11.9	23.0	20.5	2.4	2.2	10.6	11.0
Birla Corp.	Buy	639	795	25	65.6	44.8	66.4	97.6	-31.8	48.4	14.3	9.6	1.0	0.9	7.0	9.7
Dalmia Bhar.	Buy	789	915	16	11.5	29.9	35.1	-27.3	160.2	17.3	26.4	22.5	1.4	1.3	5.4	6.0
Grasim Inds.	Neutral	772	725	-6	67.3	39.4	66.8	1.8	-41.5	69.5	19.6	11.6	1.3	1.3	1.2	2.5
India Cem	Neutral	118	117	-1	0.7	4.3	4.9	-69.5	527.2	13.4	27.4	24.2	0.7	0.6	2.4	2.7
J K Cements	Buy	1755	1810	3	62.6	57.3	91.2	83.4	-8.5	59.3	30.6	19.2	4.0	3.4	13.8	19.3
JK Lakshmi Ce	Buy	274	360	31	22.6	21.6	24.9	233.6	-4.4	15.5	12.7	11.0	1.7	1.4	13.8	14.0
Ramco Cem	Neutral	780	690	-11	25.5	28.4	33.3	18.1	11.3	17.3	27.5	23.4	3.3	3.0	12.8	13.4
Shree Cem	Neutral	21163	21900	3	435.2	450.9	602.2	34.3	3.6	33.6	46.9	35.1	5.3	4.7	11.9	14.2
Ultratech	Buy	4480	5015	12	132.9	160.3	206.5	47.0	20.6	28.8	27.9	21.7	2.8	2.5	11.2	12.9
Aggregate								27.1	-4.1	32.1	26.7	20.2	2.3	2.1	8.7	10.6
Consumer																
Asian Paints	Neutral	2062	1855	-10	29.0	27.2	34.0	25.5	-6.3	25.3	75.9	60.6	17.1	15.1	24.0	26.5
Britannia	Neutral	3748	3815	2	58.6	81.4	79.7	21.8	38.9	-2.2	46.0	47.0	21.5	20.8	45.5	44.9
Colgate	Buy	1440	1720	19	30.0	30.8	36.4	8.1	2.7	18.1	46.7	39.5	26.8	32.0	54.9	73.9
Dabur	Buy	512	600	17	8.6	9.0	10.6	1.4	4.4	17.6	56.8	48.3	12.9	11.9	23.4	25.6
Emami	Buy	348	395	14	12.4	12.3	13.2	2.0	-1.1	7.2	28.4	26.4	7.4	7.5	27.8	28.0
Godrej Cons.	Neutral	677	740	9	14.2	15.8	17.2	-2.9	11.6	8.8	42.8	39.4	8.8	8.9	20.5	22.4
HUL	Buy	2151	2670	24	31.2	34.3	44.2	11.1	10.0	28.6	62.6	48.7	10.3	10.2	28.3	21.1
ITC	Neutral	166	185	12	12.4	10.8	12.8	22.2	-12.8	18.3	15.3	12.9	2.9	2.7	20.0	21.7
Jyothy Lab	Neutral	141	145	3	4.5	5.1	5.2	-15.8	12.4	2.4	27.7	27.1	4.2	4.2	15.2	15.6
Marico	Buy	363	440	21	8.1	8.5	9.8	13.4	4.8	14.5	42.5	37.1	11.9	11.5	31.6	31.5
Nestle	Neutral	15434	17060	11	206.8	218.0	251.2	15.8	5.4	15.2	70.8	61.4	64.2	56.4	98.9	97.7
Page Inds	Neutral	20654	20230	-2	307.7	238.0	406.8	-12.9	-22.6	70.9	86.8	50.8	25.7	22.9	29.6	45.1
Pidilite Ind.	Neutral	1481	1365	-8	23.1	16.8	25.3	24.5	-27.5	50.8	88.4	58.6	14.0	12.1	17.3	22.2
P&G Hygiene	Neutral	10118	10445	3	136.5	167.0	199.0	8.0	22.4	19.1	60.6	50.9	25.9	23.5	44.8	48.6
Tata Consumer	Buy	477	558	17	8.0	10.3	12.4	66.4	29.5	19.7	46.2	38.6	3.0	2.9	6.7	7.6
United Brew	Sell	974	820	-16	16.2	0.1	11.0	-24.0	-99.1	7,674.6	6,918.1	89.0	7.3	7.0	0.1	8.0
United Spirits	Neutral	510	550	8	10.9	5.7	12.4	16.9	-47.2	115.9	88.8	41.1	8.9	7.3	10.1	17.8
Aggregate								16.0	-1.9	22.0	44.6	36.6	8.7	8.2	19.5	22.4
Healthcare																
Alembic Phar	Neutral	961	1100	14	45.9	51.7	53.1	47.7	12.8	2.7	18.6	18.1	4.6	3.8	27.8	23.8
Alkem Lab	Buy	2650	3665	38	95.4	131.5	146.1	49.5	37.8	11.1	20.2	18.1	4.3	3.6	23.2	21.6
Ajanta Pharma	Buy	1540	1850	20	51.1	64.0	71.7	15.1	25.2	12.0	24.0	21.5	4.5	3.9	20.0	19.3
Aurobindo	Buy	806	1030	28	49.2	56.5	63.7	13.9	15.0	12.8	14.3	12.6	2.4	2.0	18.0	17.2
Biocon	Neutral	448	450	0	6.2	8.6	12.0	-0.4	39.2	39.6	52.1	37.3	7.2	6.4	14.6	18.1



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Cadila	Buy	431	460	7	14.7	19.0	21.4	-20.0	29.4	12.5	22.6	20.1	3.5	3.1	16.9	16.2
Cipla	Neutral	782	790	1	19.6	28.6	32.6	4.8	45.7	13.9	27.4	24.0	3.5	3.1	12.8	12.9
Divis Lab	Buy	3220	3520	9	48.9	69.7	87.3	-2.3	42.4	25.3	46.2	36.9	9.2	7.7	22.2	22.6
Dr Reddy's	Neutral	5082	4600	-9	121.3	165.0	186.6	15.4	35.9	13.1	30.8	27.2	4.7	4.1	16.3	16.0
Glenmark	Neutral	491	495	1	24.6	31.5	33.6	-5.1	28.3	6.5	15.6	14.6	2.0	1.8	13.8	13.0
GSK Pharma	Neutral	1518	1355	-11	28.2	26.9	33.9	14.6	-4.5	26.0	56.4	44.7	13.4	12.2	23.8	27.3
Granules India	Buy	389	485	25	13.0	20.5	23.4	41.3	57.1	14.1	19.0	16.6	4.4	3.6	25.6	23.9
IPCA Labs	Buy	2117	2520	19	51.4	89.0	88.7	41.6	73.2	-0.3	23.8	23.9	5.8	4.8	27.3	22.1
Jubilant Life	Buy	691	975	41	59.8	48.7	64.8	5.0	-18.6	33.1	14.2	10.7	1.7	1.5	12.8	15.0
Laurus Labs	Buy	326	285	-13	4.8	13.5	14.6	132.6	181.8	8.8	24.2	22.3	7.3	5.7	34.7	28.9
Lupin	Buy	1040	1180	13	19.8	26.6	39.4	47.7	34.4	48.2	39.1	26.4	3.5	3.2	9.3	12.7
Strides Pharma	Buy	744	715	-4	15.2	35.3	48.2	72.1	132.5	36.4	21.1	15.4	2.4	2.1	11.8	14.5
Sun Pharma	Buy	487	650	34	16.4	19.8	24.2	8.7	20.8	22.1	24.6	20.1	2.6	2.3	10.5	12.1
Torrent Pharma	Neutral	2744	2505	-9	55.9	72.8	93.9	30.8	30.3	29.0	37.7	29.2	7.9	6.7	23.0	24.8
Aggregate								12.7	29.6	18.2	26.9	22.8	4.0	3.5	14.7	15.3
Infrastructure																
Ashoka Buildcon	Buy	62	110	77	13.8	9.2	10.8	20.2	-33.0	16.4	6.7	5.8	0.6	0.6	9.5	10.0
IRB Infra	Neutral	108	114	6	18.9	8.9	9.7	-21.9	-52.9	8.8	12.1	11.2	0.5	0.5	4.6	4.8
KNR Constructions	Buy	246	310	26	14.5	16.0	22.5	-18.3	10.3	40.4	15.4	10.9	1.9	1.6	13.0	15.9
Aggregate											11.3	9.4	0.8	0.7	6.9	7.7
Media																
PVR	Buy	1184	1470	24	32.2	-89.5	20.8	-15.1	PL	LP	NM	56.9	5.1	4.7	-35.7	8.5
Sun TV	Buy	435	520	20	34.8	31.8	41.7	-1.7	-8.5	31.1	13.7	10.4	3.0	2.7	22.1	27.4
Zee Ent.	Neutral	176	190	8	5.5	9.1	14.7	-66.6	65.6	62.1	19.3	11.9	1.7	1.5	9.1	13.6
Aggregate								-21.3	-34.3	94.3	24.2	12.5	2.3	2.1	9.7	17.1
Metals																
Hindalco	Buy	180	257	43	17.5	16.8	24.9	-29.2	-4.0	48.4	10.7	7.2	1.0	0.9	9.7	13.3
Hind. Zinc	Neutral	212	233	10	16.1	18.3	21.6	-14.5	13.5	18.4	11.6	9.8	2.2	2.1	19.0	21.9
JSPL	Buy	194	234	21	-3.6	11.8	14.9	-210.0	LP	25.7	16.4	13.0	0.7	0.7	4.1	5.5
JSW Steel	Buy	311	317	2	9.0	11.4	29.4	-71.6	26.7	157.0	27.2	10.6	1.9	1.6	7.3	16.7
Nalco	Buy	31	42	37	0.7	1.8	2.4	-92.2	149.9	36.0	17.2	12.6	0.6	0.6	3.5	4.8
NMDC	Buy	83	131	58	15.3	12.4	13.5	-1.9	-19.2	8.8	6.7	6.2	0.9	0.8	13.3	13.4
SAIL	Neutral	34	35	3	-0.5	1.8	5.0	-107.5	LP	182.4	19.0	6.7	0.3	0.3	1.8	4.8
Tata Steel	Neutral	394	381	-3	9.1	-6.1	49.1	-89.8	PL	LP	NM	8.0	0.7	0.6	-1.1	8.3
Aggregate								-55.4	7.8	81.5	16.1	8.9	1.0	0.9	6.1	10.4
Oil & Gas																
Aegis Logistics	Buy	212	250	18	3.0	7.0	11.8	-55.0	136.3	67.0	30.1	18.1	3.9	3.3	13.5	19.7
BPCL	Neutral	340	431	27	25.3	30.2	34.3	-41.6	19.0	13.7	11.3	9.9	1.7	1.5	15.5	16.0
Castrol India	Buy	107	160	49	8.4	5.3	6.7	16.8	-36.5	26.3	20.1	16.0	7.3	6.8	37.3	44.1
GAIL	Buy	84	156	86	16.5	10.8	15.5	17.3	-34.2	43.4	7.8	5.4	0.7	0.7	10.7	14.2
Gujarat Gas	Buy	292	425	46	17.3	11.2	16.5	177.8	-35.2	47.1	26.0	17.7	5.2	4.2	21.5	26.1
Gujarat St. Pet.	Buy	187	310	65	19.7	17.8	18.8	39.5	-9.3	5.6	10.5	9.9	1.4	1.2	14.1	13.2
HPCL	Buy	169	305	80	23.9	38.2	37.6	-45.6	59.7	-1.6	4.4	4.5	0.8	0.7	18.2	16.9
IOC	Buy	74	145	95	10.3	11.1	17.3	-45.4	8.4	55.3	6.7	4.3	0.7	0.6	10.5	15.3
IGL	Neutral	377	480	27	16.2	9.9	16.8	44.5	-39.2	70.2	38.2	22.4	4.7	4.0	13.0	19.4
Mahanagar Gas	Buy	821	1100	34	80.3	49.2	68.2	45.2	-38.8	38.7	16.7	12.0	2.5	2.3	15.8	20.1
MRPL	Neutral	26	37	45	-15.4	-2.4	4.6	-895.4	Loss	LP	NM	5.6	0.6	0.6	-5.5	10.4
Oil India	Buy	86	105	21	22.9	6.0	15.5	-28.6	-73.6	157.5	14.3	5.6	0.4	0.4	2.4	7.0
ONGC	Buy	67	90	34	13.1	8.7	17.5	-51.8	-33.7	101.1	7.7	3.8	0.4	0.4	5.3	10.0
PLNG	Buy	223	336	51	18.5	19.0	21.3	28.5	2.8	12.2	11.7	10.5	2.8	2.6	25.0	26.0
Reliance Ind.	Buy	2176	2210	2	67.9	60.4	101.8	8.1	-11.1	68.7	36.0	21.4	2.8	2.5	8.1	12.4
Aggregate								-24.6	-10.6	60.5	21.6	13.5	1.8	1.6	8.3	12.1
Retail																
Avenue Supermarts	Neutral	1984	2100	6	20.1	18.2	29.2	38.9	-9.4	60.4	109.1	68.1	10.1	8.8	10.1	14.2



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Aditya Birla Fashion	Buy	138	175	27	-0.2	-3.9	-2.0	-111.1	Loss	Loss	NM	NM	16.9	21.4	-51.1	-29.5
Jubilant Food.	Neutral	2319	2205	-5	22.5	14.1	34.8	-6.5	-37.5	147.5	164.7	66.5	26.4	21.6	16.0	32.5
Shoppers Stop	Neutral	173	-		-14.7	-48.2	-22.0	-289.1	Loss	Loss	NM	NM	NM	NM	NM	NM
Titan Company	Buy	1223	1400	14	17.1	10.2	22.2	8.9	-40.3	117.7	120.1	55.2	15.8	13.8	13.3	26.7
Trent	Neutral	663	610	-8	3.0	-4.6	5.8	2.1	PL	LP	NM	113.9	9.9	9.1	-7.1	8.9
V-Mart Retail	Buy	1938	2300	19	27.3	-31.6	9.8	-31.0	PL	LP	NM	197.6	8.7	8.4	NM	4.3
Aggregate								5.4	-68.5	293.5	304.9	77.5	12.7	11.3	4.1	14.5
Technology																
Cyient	Neutral	389	400	3	33.8	32.6	38.5	-22.2	-3.5	18.3	12.0	10.1	1.5	1.4	12.2	13.4
HCL Tech.	Buy	827	1050	27	40.7	46.1	53.6	11.1	13.1	16.3	18.0	15.4	3.8	3.3	22.6	21.7
Infosys	Buy	1128	1355	20	38.9	45.7	54.1	5.1	17.4	18.4	24.7	20.8	6.7	5.6	27.0	27.0
L & T Infotech	Buy	3074	3000	-2	86.7	96.0	115.3	0.4	10.7	20.1	32.0	26.7	8.2	6.7	28.3	28.0
Mindtree	Neutral	1331	1550	16	38.3	60.1	69.6	-16.4	56.8	15.9	22.1	19.1	5.6	4.7	25.2	24.5
Mphasis	Neutral	1343	1450	8	61.5	62.2	73.0	9.6	1.2	17.3	21.6	18.4	3.9	3.5	19.1	20.7
Coforge	Neutral	2576	2500	-3	73.5	71.2	95.3	11.0	-3.1	33.9	36.2	27.0	7.2	6.2	19.2	24.6
Persistent Sys	Buy	1299	1550	19	44.4	52.8	68.9	0.9	18.9	30.6	24.6	18.9	3.6	3.1	14.7	16.5
TCS	Neutral	2763	2900	5	86.2	86.5	106.9	3.7	0.3	23.6	31.9	25.8	11.1	10.8	36.2	42.4
Tech Mah	Neutral	823	900	9	45.9	42.5	51.9	-5.9	-7.5	22.2	19.4	15.9	3.0	2.7	15.6	16.9
Wipro	Neutral	340	385	13	16.6	17.6	19.1	8.5	5.9	8.6	19.3	17.7	3.4	3.2	17.8	18.4
Zensar Tech	Neutral	183	200	10	11.9	14.2	16.2	-17.2	19.8	14.1	12.8	11.2	1.8	1.6	14.4	14.7
Aggregate								2.9	6.6	19.1	26.0	21.8	6.5	5.9	25.2	27.1
Telecom																
Bharti Airtel	Buy	402	650	62	-7.5	0.9	4.4	-14.6	LP	370.8	425.3	90.3	3.5	3.4	0.7	3.8
Bharti Infratel	Neutral	183	202	11	17.8	16.7	17.7	31.1	-6.5	6.3	11.0	10.3	2.5	2.5	22.9	24.4
Vodafone Idea		8			-7.6	-8.0	-7.9	-59.1	Loss	Loss	NM	NM	-1.4	-0.6	417.2	80.4
Tata Comm	Neutral	878	-		10.6	46.3	60.8	-582.2	338.2	31.3	12.8	9.7	NM	9.8	NM	NM
Aggregate								Loss	Loss	Loss	-16	-19.1	5.2	7.7	-31.4	-40.1
Utilities																
Coal India	Buy	112	190	70	27.1	17.9	28.7	-4.4	-34.1	60.9	6.2	3.9	1.9	1.5	30.6	39.0
CESC	Buy	577	760	32	97.7	71.8	97.0	10.0	-26.5	35.0	8.0	5.9	0.7	0.7	9.6	12.0
Indian Energy Exchange	Buy	195	250	28	6.0	6.1	7.7	9.1	2.1	26.2	32.0	25.4	13.1	11.3	43.5	47.8
JSW Energy	Buy	64	65	2	5.1	4.2	5.3	20.0	-17.7	26.1	15.2	12.1	0.9	0.8	5.8	7.1
NHPC	Neutral	20	23	16	2.9	2.9	2.9	10.7	2.6	-1.5	6.8	6.9	0.6	0.6	9.1	8.5
NTPC	Buy	80	140	74	13.8	14.8	16.4	19.2	7.1	10.8	5.4	4.9	0.6	0.6	12.0	12.5
Power Grid	Buy	159	223	40	21.1	23.0	24.7	10.2	8.6	7.6	6.9	6.4	1.2	1.1	17.9	18.0
Torrent Power	Buy	303	392	29	28.0	22.4	29.6	49.7	-19.9	31.9	13.5	10.2	1.4	1.3	11.2	13.3
Tata Power	Buy	54	64	18	3.8	3.2	4.5	78.2	-16.2	42.3	17.2	12.1	0.8	0.8	4.7	6.5
Aggregate								6.9	-9.0	22.9	6.5	5.3	1.0	0.9	14.8	16.7
Others																
Brigade Enterpr.	Buy	159	192	21	7.1	-2.9	9.5	-39.1	PL	LP	NM	16.7	1.5	1.4	-2.7	8.5
BSE	Buy	525	690	31	24.9	26.4	30.3	-32.5	6.0	14.6	19.9	17.3	1.0	1.0	5.0	5.6
Concor	Buy	371	446	20	16.6	9.7	12.5	-16.7	-41.4	28.3	38.1	29.7	2.2	2.1	5.8	7.2
Coromandel Intl	Buy	704	917	30	36.3	43.4	48.3	42.8	19.3	11.4	16.2	14.6	4.1	3.5	27.0	25.6
Essel Propack	Buy	254	314	24	6.9	9.3	10.9	14.3	35.3	17.9	27.3	23.2	4.8	4.3	18.3	19.6
Indiamart Inter.	Buy	5018	5980	19	51.3	86.8	91.4	566.2	69.3	5.2	57.8	54.9	18.6	12.9	65.3	43.7
Indian Hotels	Buy	97	112	16	2.7	-5.2	0.8	14.8	PL	LP	NM	120.3	3.1	3.1	-15.4	2.6
Interglobe	Neutral	1332	1325	-1	-6.2	-156.8	43.0	-253.3	Loss	LP	NM	31.0	-306.8	39.8	-211.7	295.0
Info Edge	Neutral	3601	3620	1	16.7	26.5	31.8	-27.1	58.3	20.2	136.0	113.2	12.1	11.4	10.8	10.4
Godrej Agrovet	Buy	526	581	10	13.2	16.1	18.8	5.7	21.5	17.0	32.7	27.9	5.0	4.5	16.1	17.1
Kaveri Seed	Buy	549	656	19	43.1	50.6	50.4	19.5	17.5	-0.4	10.8	10.9	3.0	2.8	29.8	26.8
Lemon Tree Hotel	Buy	27	35	28	-0.1	-2.6	-0.1	-118.0	Loss	Loss	NM	NM	3.4	3.5	-27.6	-1.1
MCX	Buy	1742	2000	15	46.4	50.8	56.9	61.9	9.5	11.9	34.3	30.6	6.0	5.4	18.2	18.6
Oberoi Realty	Buy	389	-		19.0	10.3	16.7	-15.6	-45.8	62.9	30.3	18.6	1.3	1.2	4.2	6.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY20	FY21E	FY22E	FY20	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E	FY21E	FY22E
Phoenix Mills	Buy	564	742	32	21.5	4.8	24.0	-13.7	-77.5	396.0	116.4	23.5	1.8	1.7	1.7	7.4
Qess Corp	BUY	419	500	19	18.3	13.1	27.1	4.3	-28.1	106.3	31.9	15.5	1.9	1.7	7.9	14.6
PI Inds.	Buy	2081	2287	10	30.1	48.0	65.3	11.3	59.3	36.3	43.4	31.8	6.0	5.2	18.5	17.5
SRF	Buy	4452	5165	16	157.2	147.9	207.6	49.4	-5.9	40.3	30.1	21.4	4.5	3.8	16.0	19.3
S H Kelkar	Buy	87	102	17	4.2	5.5	7.3	-31.3	29.7	33.0	16.0	12.0	1.4	1.3	9.1	11.4
Tata Chemicals	Buy	320	370	16	31.7	18.4	33.2	-6.4	-41.7	79.9	17.3	9.6	0.6	0.6	3.6	6.4
Team Lease Serv.	Buy	2364	2700	14	48.9	56.6	86.7	-14.7	15.8	53.2	41.8	27.3	6.0	4.9	15.6	20.0
Trident	Buy	8	10	29	0.6	0.6	0.9	-26.9	-6.8	50.0	12.3	8.7	1.2	1.1	9.9	12.7
UPL	Neutral	467	534	14	35.8	37.7	44.5	11.2	5.3	18.0	12.4	10.5	1.9	1.1	16.6	17.1



Index	1 Day (%)	1M (%)	12M (%)
Sensex	0.6	1.7	3.6
Nifty-50	0.7	1.4	2.6
Nifty Next 50	0.9	-1.8	-0.3
Nifty 100	0.7	0.9	2.2
Nifty 200	0.8	0.4	2.8
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	0.3	-2.4	3.7
Amara Raja Batt.	0.5	-6.8	8.9
Ashok Leyland	3.7	-4.8	4.7
Bajaj Auto	0.6	0.2	0.8
Bharat Forge	1.9	-5.8	3.6
Bosch	0.9	-8.7	-15.2
CEAT	0.3	2.7	2.7
Eicher Motors	0.9	4.9	18.0
Endurance Tech.	-1.8	-3.4	10.1
Escorts	-2.5	-7.0	85.3
Exide Inds.	2.1	-3.7	-12.7
Hero Motocorp	1.1	9.5	28.6
M & M	-1.7	-5.2	3.8
Mahindra CIE	3.1	2.3	-6.3
Maruti Suzuki	0.2	-2.2	-1.1
Motherson Sumi	0.9	-13.2	6.9
Tata Motors	0.6	-15.8	1.5
TVS Motor Co.	1.3	0.3	12.6
Banks-Private	2.1	4.3	-18.3
AU Small Fin. Bank	0.7	2.5	12.8
Axis Bank	2.1	5.9	-31.9
Bandhan Bank	3.0	2.6	-46.4
DCB Bank	0.6	-17.4	-57.4
Equitas Holdings	-2.4	-8.6	-50.5
Federal Bank	1.0	-2.4	-36.4
HDFC Bank	2.6	9.6	-1.8
ICICI Bank	1.3	5.7	-9.0
IndusInd Bank	1.6	-2.3	-52.3
Kotak Mah. Bank	2.1	0.9	-16.8
RBL Bank	2.9	-7.4	-33.3
Banks-PSU	0.3	-11.0	-41.0
BOB	-0.1	-13.1	-53.8
SBI	1.5	-1.2	-23.5
Company	1 Day (%)	1M (%)	12M (%)
NBFCs	1.5	4.5	-11.3
Aditya Birla Cap	-0.5	-16.5	-22.5
Bajaj Fin.	0.5	-8.2	-19.6
Cholaman.Inv.&Fn	0.0	-0.7	-12.5
HDFC	0.7	10.9	-4.4
HDFC Life Insur.	0.0	-6.2	-8.1
L&T Fin.Holdings	0.7	-6.8	-26.4
LIC Hsg Fin	2.7	-7.8	-23.1
M&M Fin.	0.2	-8.5	-32.4
Muthoot Fin	2.8	3.5	84.1
Manappuram Fin.	2.0	1.3	19.5
MAS Financial Serv.	-0.3	-2.3	17.6
ICICI Pru Life	-1.0	-4.6	-11.0
ICICI Sec	-1.6	-8.7	60.5
IIFL Wealth Mgt	2.0	-3.5	-19.1
PNB Housing	-0.5	8.0	-5.2
SBI Life Insuran	-0.6	-7.9	-8.9

Note: Sectoral performance are of NSE/BSE Indices

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	0.8	-0.1	3.7
Nifty Midcap 100	1.1	-3.8	7.6
Nifty Smallcap 100	1.4	-3.5	7.6
Nifty Midcap 150	1.0	-4.3	10.4
Nifty Smallcap 250	1.3	-4.0	10.5
Company	1 Day (%)	1M (%)	12M (%)
Shriram City Union	0.5	-17.0	-38.2
Shriram Trans.	2.3	-1.7	-36.1
Capital Goods	0.9	-3.8	-24.7
ABB	0.7	-5.0	-36.9
Bharat Elec.	3.0	-12.0	-18.7
BHEL	0.2	-23.7	-35.0
Blue Star	4.0	-5.6	-21.0
CG Cons. Elec.	0.0	0.3	8.3
Cummins	4.2	-4.5	-19.7
Engineers India	-0.7	-10.5	-42.0
Havells	2.1	2.6	3.8
K E C Intl	-0.1	-4.9	19.2
L&T	0.6	-3.0	-37.2
Siemens	2.4	0.8	-21.5
Thermax	1.8	-4.1	-33.1
Voltas	4.2	2.5	4.5
Cement	1.8	-1.7	9.7
Ambuja Cem.	2.0	13.5	22.5
ACC	2.5	12.4	2.6
Birla Corp.	0.0	-11.3	20.7
Dalmia Bhar.	2.2	4.3	-2.4
Grasim Inds.	3.0	7.2	5.7
India Cem	2.9	-6.9	49.2
J K Cements	1.9	10.9	66.6
JK Lakshmi Ce	1.4	0.9	-3.0
Ramco Cem	2.8	1.5	6.9
Shree Cem	2.5	3.8	13.7
Ultratech	2.2	12.7	4.6
Consumer	0.1	-3.8	-4.0
Asian Paints	-1.3	2.3	16.8
Britannia	0.4	-2.5	17.9
Colgate	1.4	1.4	-5.6
Dabur	-1.0	0.5	12.3
Emami	2.7	-9.6	9.1
Godrej Cons.	-0.7	-4.3	-4.1
HUL	0.0	0.4	3.8
ITC	0.4	-8.2	-32.0
Jyothy Lab	0.8	-7.3	-11.3
Marico	0.1	-0.6	-4.7
Nestle	-1.0	-4.7	7.6
Page Inds	2.7	9.6	-0.7
Pidilite Ind.	0.5	-0.8	8.9
P&G Hygiene	0.5	0.9	-11.2
Tata Consumer	0.6	-12.1	73.0
United Brew	0.8	-5.5	-24.8
United Spirits	0.7	-6.9	-18.5
Healthcare	1.5	1.1	58.0
Alembic Phar	1.3	-0.3	83.8
Alkem Lab	-0.3	-6.2	38.7
Ajanta Pharma	-0.3	0.7	59.6
Aurobindo	1.8	-3.1	73.9



Company	1 Day (%)	1M (%)	12M (%)
Biocon	3.3	2.1	72.3
Cadila	3.6	10.8	83.6
Cipla	1.8	3.9	75.1
Divis Lab	3.6	-0.7	87.0
Dr Reddy's	0.5	9.7	88.2
Glenmark	3.5	-1.8	71.7
GSK Pharma	0.0	-14.3	6.1
Granules	2.3	5.8	300.0
IPCA Labs	1.8	-4.0	137.1
Jubilant Life	0.1	-13.1	44.0
Laurus Labs	3.2	21.1	420.9
Lupin	3.7	1.1	42.0
Strides Pharma	1.8	6.3	112.1
Sun Pharma	-0.7	-6.1	21.9
Torrent Pharma	0.9	-3.6	67.1
Infrastructure	1.0	-4.4	-4.9
Ashoka Buildcon	0.4	-12.2	-41.2
IRB Infra.Devl.	1.7	-10.4	68.6
KNR Construct.	0.3	-7.2	8.9
Media	-0.4	-10.9	-17.3
PVR	-1.9	-5.2	-33.8
Sun TV	0.8	-9.2	-10.0
Zee Ent.	-2.4	-18.7	-32.4
Metals	4.0	-2.8	-2.4
Hindalco	3.6	-2.1	-4.4
Hind. Zinc	2.3	-3.2	0.6
JSPL	5.8	-5.1	89.2
JSW Steel	6.7	7.8	41.2
Nalco	3.2	-11.2	-26.4
NMDC	2.8	-8.5	-19.2
SAIL	3.5	-10.8	3.5
Tata Steel	5.4	-2.6	13.4
Oil & Gas	1.3	-10.1	-21.0
Aegis Logistics	1.8	-17.8	29.6
BPCL	4.1	-17.7	-33.6
Castrol India	2.6	-9.1	-17.7
GAIL	2.1	-8.9	-33.7
Gujarat Gas	0.0	-4.1	66.6
Gujarat St. Pet.	1.6	-10.6	-11.6
HPCL	3.3	-13.4	-45.9
IOC	-0.6	-10.2	-49.0
IGL	0.6	-8.8	0.8
Mahanagar Gas	0.7	-9.7	-16.2
MRPL	0.6	-13.1	-50.4
Oil India	1.9	-8.0	-46.4
ONGC	1.8	-8.1	-52.5
PLNG	2.1	-6.3	-15.0
Reliance Ind.	-1.4	-6.4	60.0
Aditya Bir. Fas.	4.0	0.0	-29.5
Retail			
Avenue Super.	0.3	-7.1	6.0
Jubilant Food	1.0	-2.7	78.6
Shoppers St.	1.0	-0.7	-56.1
Titan Co.	0.8	3.4	-4.1
Trent	1.5	-12.3	31.0
V-Mart Retail	2.0	-8.3	-2.4

Company	1 Day (%)	1M (%)	12M (%)
Technology	-0.1	8.9	40.4
Cyient	6.2	-7.0	-14.1
HCL Tech.	-3.8	4.8	50.3
Infosys	1.8	12.6	46.2
L&T Infotech	-6.8	13.9	101.6
Mindtree	-6.7	5.5	79.1
Mphasis	-4.2	3.4	45.8
Coforge	2.8	18.2	82.8
Persistent Sys	0.6	11.3	116.5
TCS	0.9	10.4	35.0
Tech Mah	1.3	3.9	13.1
Wipro	-0.6	8.8	36.4
Zensar Tech	-1.1	-2.6	-14.2
Telecom	0.9	-15.6	0.0
Bharti Airtel	0.6	-16.6	4.2
Bharti Infra.	1.0	-8.7	-29.0
Idea Cellular	0.5	-30.3	22.4
Tata Comm	4.8	-1.7	143.3
Utilities	1.5	-5.7	-15.8
Coal India	0.9	-10.0	-42.7
CESC	0.6	-14.3	-26.2
Indian Energy Ex	0.7	-7.6	56.1
JSW Energy	2.9	8.8	-1.5
NHPC Ltd	0.3	-5.0	-15.2
NTPC	1.8	-10.4	-31.6
Power Grid	2.2	-7.5	-20.0
Tata Power	2.3	-4.7	-6.7
Torrent Power	2.7	-7.5	7.2
Others			
Brigade Enterpr.	0.1	-6.2	-16.3
BSE	0.7	-11.3	2.7
Coromandel Intl	-0.8	-14.4	72.2
Concor	3.7	-4.2	-38.7
Essel Propack	0.6	-10.3	122.4
Indiamart Inter.	0.6	-2.3	148.2
Godrej Agrovet	-0.3	-0.1	8.3
Indian Hotels	3.7	-4.8	-35.1
Interglobe	2.0	1.0	-22.8
Info Edge	0.0	1.7	59.4
Kaveri Seed	5.9	-5.0	17.3
Lemon Tree Hotel	0.7	-5.4	-51.2
MCX	1.1	3.3	69.7
Oberoi Realty	0.5	-6.5	-23.2
Piramal Enterp.	3.0	-5.1	-3.8
Phoenix Mills	0.4	-11.1	-19.1
PI Inds.	2.9	1.4	58.5
Quess Corp	2.0	-5.4	-9.8
SRF	2.4	2.4	69.1
S H Kelkar	1.8	2.5	-26.8
Tata Chemicals	1.1	5.9	22.0
Team Lease Serv.	3.1	-0.8	-24.3
Trident	1.4	13.1	38.8
UPL	-7.8	-11.5	-20.6

Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	> - 10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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