

Master Pick

Equities



Subros Ltd.

- Subros is largest manufacturer of Auto air conditioning systems in India. Subros started its operations with a capacity of 15,000 AC units and has grown multi-fold since then and has taken its capacity to 1.5 million AC kits annually. It has six manufacturing plants across Noida, Manesar, Pune, Chennai and Sanand. Subros has a technical collaboration with global leader Denso in automotive airconditioning.
- In Q2FY21, the company reported healthy set of numbers wherein revenue de-growth was restricted to 8% YoY, however, its net profit grew by 34% YoY.
- Subros growth prospects are highly dependent on PV industry as it gets ~90% of its revenue from this segment. The overall Passenger Vehicle (PV) industry has witnessed a sharp slowdown in the last one year due to muted consumer sentiments, increase in cost of vehicles, liquidity issues amongst NBFCs and lastly the COVID-19. However, with easing restrictions in the last few months, the demand for PVs have improved and the growth trajectory is likely to continue on the back of festive season, resilient demand in rural areas and increased preference towards personal mobility.

Technical Outlook

- Subros had an exceptional rally for nearly four years (during 2014-2018) after the breakout from a prolonged consolidation phase. The stock prices rose from roughly 40 mark to a record high of 414.94 levels during that phase.
- After the failed attempt to surpass the record high in September 2018, it gradually slipped lower initially and the trend finally changed to negative in the middle of 2019.
- It has been witnessing recovery for the last seven months and reached closer to the resistance zone of the declining trend line on the weekly chart. Also, it's currently hovering in a narrow range of 230-270 zone and likely to see a breakout from the same shortly, which in turn would reverse the intermediate negative trend too. We thus advise buying at the current level (256.80) and adding more on dips around 245 with the close below stop loss of 220 for the target of 310.

BSE Code	517168
NSE Code	SUBROS
Sector	Auto Ancillaries

Technical Recommendation

CMP (₹)	256.80
Accumulation Range(₹)	245-256.80
Stop Loss- Closing (₹)	220
Target (₹)	310
Time Horizon	2-3 Months

Data Matrix

Equity (₹Cr)	13.1
EPS (₹)	6.6
Book Value (₹)	115
Face Value (₹)	2
P/ BV (x)	2.2
Dividend Yield (%)	0.3
Beta	1.5
52 Week High / Low	299/118
ROE%	6.0

Source : Capitaline, Moneycontrol

Technical Chart (Weekly)



Running Recommendations

Scrip Name	Rec. Date	Rec. Price	CMP (23rd Oct,2020)	Closing S/L	Target
CEATLTD	16-Oct-2020	992	1121.90	1010*	1180
GUJGASLTD	01-Oct-2020	310.85	290	284	360
INDIACEM	07-Aug-2020	116.85	121.80	107	155
GODREJCP	31-Jul-2020	691.85	681.50	670	810
HEIDELBERG	19-Jun-2020	167.80	190.20	179*	214
* Closing S/L Trailed					

Performance of Closed Recommendations

Rec. Date	Scrip Name	Rec. Price	Exited On	Return %	Remarks
28-Aug-2020	DCB BANK	94.55	24-Sep-2020	-12.21	Booked loss as SL triggered at 83
21-Aug-2020	POWERGRID	185**	17-Sep-2020	-8.10	Booked loss as SL triggered at 170
10-Jul-2020	EQUITAS	59.60	29-Aug-2020	-17.78	Booked loss as SL triggered at 49
17-Apr-2020	RADICO	327.95	29-Jul-2020	14.65	Booked profit as trailed SL triggered at 376
12-Jun-2020	RALLIS	234.75	23-Jul-2020	32.05	Booked profit at 310 as Target Met
30-Apr-2020	BIOCON	353.95	13-Jul-2020	24.30	Booked profit at 440 as Target Met
22-May-2020	GRANULES	165.75	12-Jun-2020	26.70	Booked profit at 210 as Target Met
29-May-2020	RELAXO	676.45	04-Jun-2020	15.30	Booked profit at 780 as Target Met
06-Sep-2019	POWERGRID	203.70	12-Mar-2020	-14.09	Booked loss as trailed SL triggered at 175
20-Feb-2020	VOLTAS	725	09-Mar-2020	-8.96	Booked loss as trailed SL triggered at 660
29-Nov-2019	FEDERALBNK	88.90	06-Mar-2020	-7.76	Booked loss as trailed SL triggered at 82
07-Feb-2020	CHOLAFIN	339.95	28-Feb-2020	-12.63	Booked loss as trailed SL triggered at 297
03-Jan-2020	PETRONET	269.20	28-Feb-2020	-5.66	Booked loss as trailed SL triggered at 254
24-Jan-2020	RADICO	356.50	13-Feb-2020	20.89	Booked profit at 431
13-Dec-2019	GSPL	218.25	24-Jan-2020	17.04	Booked profit at 255.45
15-Nov-2019	GRANULES	123.5	24-Jan-2020	25.79	Booked profit at 155.35
11-Oct-2019	VGUARD	230.90	10-Dec-2019	-6.90	Booked loss as trailed SL triggered at 215
01-Nov-2019	KAJARIACER	565.85	22-Nov-2019	-8.10	Booked loss as trailed SL triggered at 520
18-Oct-2019	PETRONET	267.30	22-Nov-2019	1.01	Booked profit as trailed SL triggered at 270
20-Sep-2019	IGL	339.15	01-Nov-2019	15.00	Booked profit at 390 as Target Met

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[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) below, are given separately]

S. No.	Statement	Answer	
		Yes	No
		Tick appropriate	
		Yes	No
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		No
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		No
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		No
	I/we have received any compensation from the subject company in the past twelve months?		No
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		No
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		No
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		No
	I/we have served as an officer, director or employee of the subject company?		No
	I/we have been engaged in market making activity for the subject company?		No

Nature of Interest (if answer to F (a) above is Yes :

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above, are given below]

SS.No.	Name (s) of RA.	Signatures of RA	Serial Question of question which the signing RA needs to make a separate declaration / answer	Yes	No.

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