

ASIAMONEY Brokers Poll 2020 (India)

Best Local Brokerage

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	48,733	0.1	2.1
Nifty-50	14,678	-0.1	5.0
Nifty-M 100	24,364	-1.6	16.9
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	4,174	1.5	11.1
Nasdaq	13,430	2.3	4.2
FTSE 100	7,044	1.2	9.0
DAX	15,417	1.4	12.4
Hang Seng	10,405	0.6	-3.1
Nikkei 225	28,084	2.3	2.3
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	69	-0.3	34.4
Gold (\$/OZ)	1,843	1.5	-2.9
Cu (US\$/MT)	10,215	-2.1	31.8
Almn (US\$/MT)	2,438	-1.0	23.5
Currency	Close	Chg .%	CYTD.%
USD/INR	73.3	-0.2	0.3
USD/EUR	1.2	0.6	-0.6
USD/JPY	109.4	-0.3	5.9
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.0	-0.02	0.1
10 Yrs AAA Corp	6.8	-0.02	0.2
Flows (USD b)	14-May	MTD	CY21
FII	-0.36	-1.84	5.39
DII	0.08	1.57	-1.65
Volumes (INRb)	14-May	MTD*	YTD*
Cash	914	839	787
F&O	25,402	42,953	42,521

Note: *Average



Today's top research idea

Larsen & Toubro: Strong operating performance, Balance Sheet strengthens

- ❖ **Balance Sheet improvement is a key highlight of FY21:** Contrary to the expectations of a hit due to the nature of its business, L&T managed to end FY21 with the strongest Balance Sheet after more than a decade. Working capital cycle improved to 22.3% of sales (23.7% in FY20). Consolidated net D/E improved to 1x in FY21 (1.5x in FY20), with core business being net cash.
- ❖ **Order book strong at INR3.3t, with bid pipeline better than last year:** Order book grew 8% YoY to INR3.3t, with order book/revenue ratio of 3.5x being the highest in many years. Order pipeline prospects currently stood at INR9.6t (+13% YoY).
- ❖ **Company fundamentals are quite strong, awaits macro tailwinds:** The impact of the 2nd COVID wave is expected to be lower than last time as construction activity has been less impacted relatively. Our consolidated revenue/EBITDA/adjusted PAT CAGR estimate stands at 14%/17%/28% over FY21-23E, helped by lower losses in the Hyderabad Metro.
- ❖ **Maintain Buy:** Our TP stands at INR1,700 per share. Adjusted for valuation of subsidiaries (INR605/share contribution), L&T trades at FY22E/FY23E P/E of 17x/14.8x, providing ample valuation comfort.



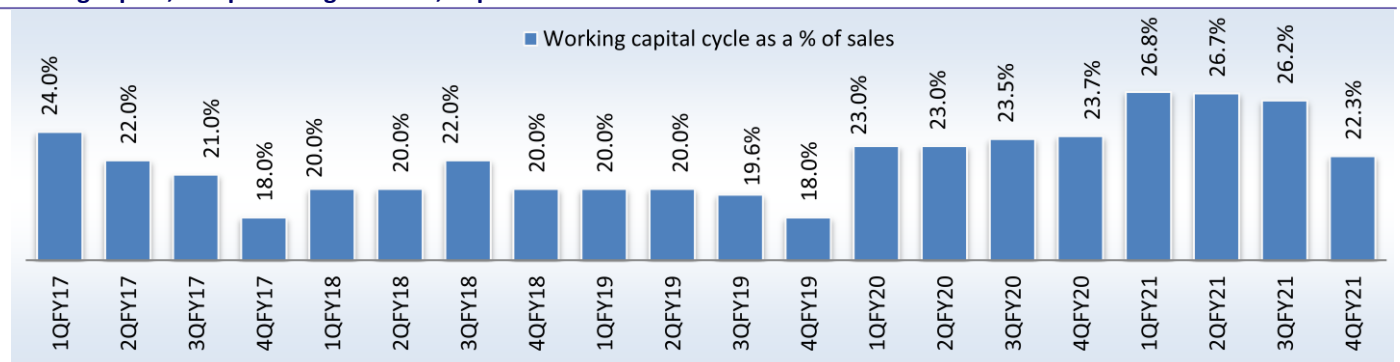
Research covered

Cos/Sector	Key Highlights
Larsen & Toubro	Strong operating performance, Balance Sheet strengthens
Dr Reddy's Labs	Niche launches, COVID vaccine to drive earnings growth
Cipla	Weak India performance; cut estimates by 11-12%
Mphasis	Direct business to drive performance
Voltas	Ongoing lockdowns overshadow the strong operating performance
Escorts	Cost inflation impacts performance
IEX	Rise in electricity volumes drives profits
Zensar	M3bi acquisition to help add scale to ZENT's BFSI practice



Chart of the Day: Larsen & Toubro (Strong operating performance, Balance Sheet strengthens)

Working capital, as a percentage of sales, improves to 22.3% in FY21



Source: MOFSL, Company

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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

Adani arm looks to buy SoftBank's stake in SB Energy after CPPIB deal called off

Gautam Adani-led Adani Green Energy Ltd (AGEL) is looking to buy Japan's SoftBank Group Corp.'s controlling stake in solar power producer SB Energy, after SoftBank's earlier proposed deal with Canada Pension Plan Investment Board (CPPIB) was called off, said two people ...

2

Sales of AC, other cooling products again hit by pandemic in peak season

For the second consecutive year, sales of air conditioners (ACs) and refrigerators have been hit during the peak season of April and May due to the localised lockdowns and restrictions on account of surging Covid cases in the country. The pandemic situation has forced companies to recalibrate their target and go for pre-Covid (2019) sales number without being too aspirational.

3

Petrol, diesel price hiked again; petrol price nears Rs 99 in Mumbai

Petrol price on Sunday was increased by 24 paise per litre and diesel by 27 paise, pushing rates across the country to record highs and that of petrol in Mumbai to near Rs 99 a litre. The increase led to rates in Delhi climbing to Rs 92.58 per litre and diesel to Rs 83.22, according to a price notification of state-owned fuel retailers....

4

Airtel counters Jio, rolls out offers for low-income users

Bharti Airtel has rolled out recharge and talk time offerings for 55 million "low income" customers impacted by the ongoing pandemic. The second largest telco's offers come within days of market leader Reliance Jio Infocomm's (Jio) initiatives towards its own feature phone subscribers, with the rivals targeting rural and prepaid ...

5

RBI raises concerns over dual microfinance regulation in Assam

The Reserve Bank of India has expressed strong reservations about Assam's bid to regulate microfinance activities by way of a legislation, because the Act, promulgated on January 27, leads to dual regulation of a key component of the credit market..

6

Adani Transmission to raise up to \$1.15 billion to fund projects

Adani Transmission is raising up to \$1.15 billion through offshore loans to fund at least four projects in Gujarat and Maharashtra, three people familiar with the matter said, in what could be the first such large project financing deal amid an economy wracked by the Covid-19 pandemic.

7

Hester in talks with Bharat Biotech to produce Covaxin via tech transfer

Hester Biosciences on Sunday said it has tied up with the Gujarat government to explore production of COVID-19 vaccine through technology transfer from Bharat Biotech. The Ahmedabad-based firm said it has already initiated the discussions with Bharat Biotech...



Larsen & Toubro

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,416 **TP: INR1,700 (+20%)** **Buy**

Strong operating performance, Balance Sheet strengthens Core E&C order inflow declines 18% YoY on likely deferment to FY22

Bloomberg	LT IN
Equity Shares (m)	1,402
M.Cap.(INRb)/(USDb)	1988.1 / 27.1
52-Week Range (INR)	1593 / 777
1, 6, 12 Rel. Per (%)	3/22/6
12M Avg Val (INR M)	5716

Financials & Valuations (INR b)

Y/E Mar	2021P	2022E	2023E
Sales	1,360	1,568	1,774
EBITDA	156	183	214
PAT	69	91	113
EBITDA (%)	11.5	11.7	12.1
EPS (INR)	49.1	64.9	80.4
EPS Gr. (%)	-22.4	32.0	24.0
BV/Sh. (INR)	540	569	630

Ratios

Net D/E	1.5	1.5	1.4
RoE (%)	9.1	11.4	12.8
RoCE (%)	5.0	5.7	6.2
Payout (%)	43.7	30.0	30.0

Valuations

P/E (x)	28.8	21.8	17.6
P/BV (x)	2.6	2.5	2.2
EV/EBITDA (x)	19.2	16.7	14.5
Div Yield (%)	2.8	1.5	1.9
FCF Yield (%)	10.6	-1.0	-0.1

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	0.0	0.0	0.0
DII	33.2	33.3	37.9
FII	23.1	22.3	17.9
Others	43.7	44.4	44.2

FII Includes depository receipts

- L&T's consolidated adjusted PAT grew 12% YoY to INR34.2b, 9% above our estimate. PAT in the Core E&C segment grew 19% YoY to INR28.7b (12% ahead of our estimate). Margin surprise drove earnings beat.
- Balance Sheet improvement was a huge positive as net D/E (*including minorities and adjusted for current investments*) improved to 1x from 1.5x in FY20. This was driven by: **a**) completion of the sale of the E&A business, **b**) working capital cycle improvement to 22.3% of sales from 23.7%. FY21 brought out the core strengths of the L&T's re-aligned business model as a pure EPC player, even though P&L was impacted.
- Core E&C order inflows disappointed in 4QFY21 with an 18% YoY decline. Domestic E&C orders fell ~25% YoY on likely deferment of orders. Bid pipeline is up 13% YoY, providing comfort. While the current order book stands strong at INR3.3t (+8% YoY), with order book/revenue ratio of 3.5x being the highest in many years, the ordering momentum becomes a key monitorable going forward.
- L&T has rightly prioritized its Balance Sheet strength over growth during the second COVID wave. While COVID 2.0 has brought on similar challenges as last year, Construction activity has been ongoing unlike last year and hence, the impact should be lower than last time. We broadly maintain our consolidated earnings estimate. We maintain our Buy rating with a TP of INR1,700/share. Utilization of cash balance towards special dividend can be a positive catalyst.

Margin surprise led to earnings beat, working capital cycle improves

- **Strong operational performance:** Consolidated revenue grew 9% YoY to INR481b (in line). EBITDA rose 25% to INR64b (16% ahead of our estimate). The beat is largely attributable to better than expected margin in Core E&C and Financial Services. Other income jumped 56% to INR10.3b on higher cash balance and strong treasury operations. On account of the higher tax rate, adjusted PAT grew 12% to INR34.2b (9% ahead of our expectation).
- **Core E&C PAT up 19% YoY, beats our expectation:** Core E&C revenue grew 10% YoY to INR368b (in line). Margin surprised positively at 10.5% (up ~80bp YoY) v/s our expectation of 9.4%. Core EBITDA grew 19% YoY to INR38.9b (9% ahead of our estimate). Adjusted Core E&C PAT grew 19% YoY to INR28.7b (12% ahead of our expectation).
- **FY21 performance commendable in light of the COVID-19 impact:** Consolidated revenue fell 6.5% YoY to INR1.4t in FY21. EBITDA decline was limited to 4% at INR156b. Adjusted PAT fell 22% YoY to INR69b as the Hyderabad Metro project was fully operational at the end of FY20 and interest cost hit P&L. **Core E&C** revenue fell 11% to INR935b, while EBITDA declined 4% to INR80.7b. EBITDA margin expanded 60bp YoY to 8.6%. Adjusted PAT declined 6% to INR56.6b.

- **Balance Sheet improvement is a key highlight of FY21:** Contrary to expectations of a hit due to the nature of its business, L&T managed to end FY21 with the strongest Balance Sheet after more than a decade. Working capital cycle improved to 22.3% of sales from 23.7% in FY20. It concluded the sale of its E&A business during FY21. Consolidated net D/E (*including minorities and adjusted for current investments*) improved to 1x from 1.5x in FY20. Cash balance and current investments stood at INR473b v/s a gross debt (excluding development project and NBFC debts) of INR255b, thus making the core business net cash. In fact, it ended up being a big beneficiary of lower interest rates by raising low-cost debt, while strong treasury operations led to a 45% jump in other income to INR34.3b. We expect the excess cash balance to be used towards repayment of its core debt as well as a special dividend.

Update on order book and inflows

- **Order book strong at INR3.3t:** Order book grew 8% YoY to INR3.3t, with order book/revenue ratio of 3.5x being the highest in many years. International business forms 21% of the order book. While the international order book fell 8% YoY to INR688b on weaker order inflows, the domestic book grew 13% to INR2.6t, due to the bulky High Speed Rail (HSR) order. In terms of clientele, central/state government forms 9%/31%, PSUs (42%), and private sector (18%).
- **Order inflow momentum weakened in 4QFY21:** While order inflow fell 12% to INR507b in 4QFY21, Core E&C order inflow declined 18% to INR395b. Domestic E&C orders fell 25% YoY – a slight cause for concern. We note that order inflows can be bulky and there may be deferment of orders in FY22E. While overall order inflows were down 6% YoY, Core E&C order inflows fell 9% in FY21. The bulky HSR order worth INR320b supported order inflows.
- **Bid pipeline better than last year:** The pipeline prospects stand at INR9.6t, 13% higher compared to the beginning of last year. International/domestic market forms 26%/74% of prospects. The Infrastructure/Hydrocarbon sector forms 77%/16% of overall prospects. Stable oil prices auger well for prospects in the Hydrocarbon segment as well as improves overall prospects in the Middle East.

Valuation and view

- **Company fundamentals are quite strong, awaits macro tailwinds:** L&T has rightly prioritized its Balance Sheet strength over growth during the second COVID wave. While COVID 2.0 has brought on similar challenges as last year, Construction activity has been ongoing unlike last year and hence, the impact should be lower than last time. We broadly maintain our consolidated earnings estimate. We expect L&T to witness Core E&C revenue/EBITDA/adjusted PAT CAGR of 12%/11%/17% over FY21-23E. Our estimates largely account for commodity price inflation risk. Our consolidated revenue/EBITDA/adjusted PAT CAGR estimate stands at 14%/17%/28% over FY21-23E, helped by lower losses in the Hyderabad Metro.
- **Maintain Buy with TP of INR1,700/share:** Our TP stands at INR1,700 per share on account of: **a)** unchanged Core business target P/E multiple of 20x v/s long-term average of 22x, and **b)** contribution from four listed subsidiaries, after applying a 20% holding company discount. Adjusted for valuation of subsidiaries (INR605/share contribution), L&T trades at FY22E/FY23E P/E of 17x/14.8x, providing ample valuation comfort.

Quarterly performance

(INR b)

Y/E March	FY20				FY21				FY20	FY21	MOSL 4QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	296	353	362	442	213	310	356	481	1,455	1,360	490	-1.9%
Change (%)	9.7	15.2	5.9	2.2	-28.3	-12.2	-1.8	8.7	7.6	-6.5	10.8	
EBITDA	30.7	40.2	41.2	51.2	16.2	33.3	42.8	63.9	163.3	156.2	55.0	16.1%
Change (%)	11.3	13.6	9.8	-3.0	-47.2	-17.1	3.9	24.8	6.5	-4.3	7.4	
Margin (%)	10.4	11.4	11.4	11.6	7.6	10.7	12.0	13.3	11.2	11.5	11.2	
Depreciation	4.6	6.3	6.6	7.1	6.7	7.1	7.0	8.2	24.6	29.0	7.0	16.2%
Interest	5.9	6.9	7.0	8.2	10.6	10.4	9.6	8.5	28.0	39.1	9.0	-5.6%
Other Income	6.3	6.0	4.7	6.6	7.8	5.6	10.6	10.3	23.6	34.3	6.5	58.5%
PBT	26.6	33.0	32.2	42.5	6.7	21.4	36.8	57.5	134.3	122.4	45.4	26.5%
Tax	7.9	7.9	7.1	9.7	2.1	6.8	10.4	20.9	32.6	40.1	11.8	76.3%
Effective Tax Rate (%)	29.9	24.0	22.1	22.7	31.0	31.6	28.3	36.3	24.3	32.8	26.0	
Adjusted PAT (before MI and AI)	18.6	25.1	25.1	32.8	4.6	14.6	26.4	36.6	101.7	82.3	33.6	9.0%
Reported PAT	14.7	25.3	23.5	32.0	3.0	55.2	24.7	32.9	95.5	115.8	31.4	4.9%
Change (%)	21.2	13.3	15.2	-6.5	-79.4	118.4	4.9	3.0	7.2	21.3	-1.8	
Extraordinary Inc./ (Exp.) - incl. discontinued operations	1.1	2.2	1.9	1.3	1.8	44.1	2.1	-1.2	6.5	46.8	0.0	
Adjusted PAT	13.6	23.1	21.6	30.6	1.2	11.1	22.6	34.2	88.9	69.0	31.4	8.9%
Change (%)	20.5	28.4	13.8	-4.7	-91.2	-52.1	4.5	11.5	10.6	-22.4	2.4	
Order Intake (INR b)	387	483	416	578	236	280	732	507	1,864	1,755	640	-20.8%
Order book (INR b)	2,940	3,032	3,063	3,039	3,051	2,989	3,311	3,274				



Dr Reddy's Labs

Estimate change	↑
TP change	↑
Rating change	↔

CMP: INR5,196 TP: INR5,670 (+9%) Neutral

Niche launches, COVID vaccine to drive earnings growth

Moving ahead on enhancing COVID portfolio

- Dr Reddy's Labs (DRRD) delivered a marginally lower-than-expected performance in 4QFY21, led by (a) weak US sales, (b) moderation in YoY growth in the India business, and (c) currency headwinds in Russia. DRRD is progressing well with building a preventive/curative COVID portfolio and gearing up for niche launches over the near-to-medium term.
- We raise our EPS estimate by 5%/6% for FY22/FY23E and continue to value DRRD at a P/E multiple of 25x, factoring in (a) improved visibility on the commercialization of limited-competition products in North America (NAM), (b) superior execution in the Domestic Formulation (DF) segment, comprising the COVID and non-COVID portfolios, and (c) the extended benefit of lower operating costs due to travel restrictions on account of lockdown in India. Accordingly, we arrive at Target Price of INR5,670 on a 12M forward earnings basis. We believe the current valuation provides a limited upside and, hence, we maintain Neutral.

Lower operating leverage limit margin expansion

- DRRD's 4QFY21 revenue grew 6.7% YoY to INR47.3b (our est. INR50b).
- DF sales were up 24% YoY to INR8.4b (18% of sales). Europe sales were up 15% YoY to INR4b (8% of sales). The Pharmaceutical Services and Active Ingredients (PSAI) segment revenue was up 10% YoY to INR7.9b (17% of sales). The ROW segment grew 24% YoY to INR2.9b (6% of sales). The Russia segment edged up 3% YoY to INR4b (8% of sales), while NAM sales declined 3% YoY to INR17.5b (USD239m; 37% of sales), affecting overall sales growth.
- The gross margin (GM) expanded 220bp YoY to 53.7% owing to a change in the product mix. However, the EBITDA margin expanded at a lower rate of 30bp YoY to 21.5% on account of higher opex (up 270bp YoY as a percentage of sales). This was partially offset by lower R&D spend (down 80bp YoY as a percentage of sales).
- EBITDA was up ~8% YoY to INR11.3b (our est. INR12.5b).
- The tax rate was higher at 31.7% YoY for 4QFY21 due to the non-recognition of a deferred tax asset of INR627m on loss from impairment. Adjusted for the same, PAT grew 5% YoY to INR6b (our est. INR6.4b).
- FY21 sales / EBITDA / adj. PAT grew 12.8%/24.2%/15.5% YoY to INR189b/INR43.9b/INR25b.

Highlights from management commentary

- With API supply issues resolved, DRRD indicated the launch of g-Vascepa within the next couple of months. It further hinted at the g-Kuvan launch in NAM in 2HFY22.
- DRRD continues to work on the complete response letter (CRL) for g-Copaxone, received in Jan'21, and awaits feedback on g-Nuvaring from the USFDA. These are unlikely to be launched in FY22.
- While API revenues are expected to be lumpy, DRRD projects continued growth in this segment.

Bloomberg	DRRD IN
Equity Shares (m)	166
M.Cap.(INRb)/(USDb)	864 / 11.8
52-Week Range (INR)	5515 / 3613
1, 6, 12 Rel. Per (%)	8/-5/-17
12M Avg Val (INR M)	7622

Financials & Valuations (INR b)

Y/E MARCH	2021	2022E	2023E
Sales	188.8	236.8	261.9
EBITDA	43.9	55.4	63.1
Adj. PAT	25.2	32.9	37.6
EBITDA Margin (%)	23.2	23.4	24.1
Cons. Adj. EPS (INR)	151.8	198.4	226.5
EPS Gr. (%)	15.5	30.7	14.2
BV/Sh. (INR)	1,063	1,226	1,429

Ratios

Net D:E	-0.2	-0.2	-0.3
RoE (%)	13.9	17.3	17.1
RoCE (%)	11.7	14.8	15.1
Payout (%)	25.3	12.1	10.6

Valuations

P/E (x)	34.3	26.2	23.0
EV/EBITDA (x)	19.3	15.2	13.0
Div. Yield (%)	0.5	0.4	0.4
FCF Yield (%)	1.0	0.6	3.1
EV/Sales (x)	4.5	3.6	3.1

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	26.7	26.7	26.8
DII	14.9	14.7	14.4
FII	29.4	29.4	30.4
Others	29.0	29.2	28.5

FII Includes depository receipts

Valuation and view

- We raise our EPS estimates for FY22/FY23E by 5%/6%, factoring in (a) the resolution of API supply issues for niche launches in the US, (b) better operating leverage in DF, and (c) an enhanced COVID portfolio.
- We expect a 22% earnings CAGR over FY21–23E, led by a sales CAGR of 12% in NAM, 27% in DF, and 19% in PSAI – supported by 90bp margin expansion.
- We value DRRD at 25x 12M forward earnings to arrive at TP of INR5,670. We maintain Neutral as the current valuation adequately factors in a potential upside in earnings over the next two years.

Quarterly Performance - IFRS

Y/E March	(INR m)											
	FY20				FY21				FY20	FY21	Estimates	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	% Var
Sales	38,435	40,809	43,838	44,318	44,175	48,967	48,408	47,284	167,400	188,834	48,987	-3.5
YoY Change (%)	3.3	7.5	13.9	15.5	14.9	20.0	10.4	6.7	10.1	12.8	10.5	
Total Expenditure	31,168	32,328	33,650	34,912	33,046	36,752	38,036	37,113	132,058	144,947	38,308	
EBITDA	7,267	8,481	10,188	9,406	11,129	12,215	10,372	10,171	35,342	43,887	10,679	-4.8
YoY Change (%)	-4.1	14.6	24.9	47.0	53.1	44.0	1.8	8.1	21.4	24.2	13.5	
Margins (%)	18.9	20.8	23.2	21.2	25.2	24.9	21.4	21.5	21.1	23.2	21.8	
Amortization	3,082	3,339	3,085	2,965	3,140	3,272	3,217	3,169	12,472	12,798	3,328	
EBIT	4,185	5,142	7,103	6,441	7,989	8,943	7,155	7,002	22,870	31,089	7,352	
YoY Change (%)	-6.3	16.7	40.7	100.3	90.9	73.9	0.7	8.7	33.5	35.9	14.1	
Other Income	865	483	823	708	800	459	772	1,084	2,879	3,115	791	
PBT before EO expenses	5,050	5,625	7,926	7,149	8,789	9,402	7,927	8,086	25,749	34,204	8,142	-0.7
One-off income/(expense)	3,450	2,039	-13,200			-781	-5,084	-15	-7,718	-5,880		
Profit before Tax	8,500	7,663	-5,276	7,146	8,789	8,620	2,841	8,071	18,033	28,321	8,139	-0.8
Tax	1,872	-3,261	423	-500	2,996	998	2,645	2,536	-1,466	9,175	1,755	
Rate (%)	22.0	-42.6	-8.0	-7.0	34.1	11.6	93.1	31.4	-8.1	32.4	21.6	
Reported Profit	6,628	10,924	-5,699	7,646	5,793	7,623	198	5,535	19,499	19,149	6,388	-13.3
Adjusted PAT	4,444	5,705	5,945	5,714	5,793	7,392	5,945	6,065	21,807	25,195	6,388	-13.2
YoY Change (%)	-2.6	13.2	22.5	90.0	30.4	29.6	0.0	6.1	24.9	15.5	11.8	
Margins (%)	11.6	14.0	13.6	12.9	13.1	15.1	12.3	11.7	13.0	13.1	13.0	



Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR904 TP: INR840 (-7%) Neutral

Weak India performance; cut estimates by 11-12%

Lower operating leverage further affects profitability

Bloomberg	CIPLA IN
Equity Shares (m)	805
M.Cap.(INRb)/(USDb)	729.1 / 9.9
52-Week Range (INR)	966 / 566
1, 6, 12 Rel. Per (%)	2/9/2
12M Avg Val (INR M)	5805

- CIPLA delivered a weaker-than-expected performance in 4QFY21, weighed by moderate YoY growth in India Domestic Formulation (DF) / South Africa and YoY decline in API sales for the quarter. CIPLA's FY22 goals include a) ramping up the COVID portfolio, b) outperforming in the Generics franchise in India / South Africa, c) prioritizing potential Complex Generics launches in the US, d) scaling up the business in Europe / other emerging markets, and e) accelerating digital transformation across markets.
- We cut our EPS estimate by 12%/11% for FY22/FY23E, factoring in a) lower operating leverage, b) increased price erosion in the US base business, and c) inferior execution in the API segment. We value Cipla on 22x 12M forward earnings to arrive at Target Price of INR840. While Cipla is building a complex product portfolio – comprising Respiratory/Injectables and strong traction from COVID drugs – we believe current valuations adequately factor in an upside in earnings. Hence, we maintain Neutral.

Financials & Valuations (INR b)

Y/E MARCH	2021	2022E	2023E
Sales	191.6	223.0	241.6
EBITDA	42.5	43.9	50.3
Adj. PAT	24.1	25.9	29.9
EBIT Margin (%)	16.6	14.4	15.5
Cons. Adj. EPS (INR)	30.0	32.2	37.2
EPS Gr. (%)	52.7	7.6	15.4
BV/Sh. (INR)	224.3	253.2	286.7

Ratios

Net D:E	0.0	-0.1	-0.1
RoE (%)	13.3	12.7	12.9
RoCE (%)	12.9	12.8	13.3
Payout (%)	10.0	11.2	9.7

Valuations

P/E (x)	30.2	28.0	24.3
EV/EBITDA (x)	17.1	16.3	14.0
Div. Yield (%)	0.3	0.3	0.3
FCF Yield (%)	4.3	2.3	2.0
EV/Sales (x)	3.8	3.2	2.9

Operationally below estimates

- Cipla's 4QFY21 revenues grew 5% YoY to INR46b (our est. INR52.2b).
- North America sales grew 14% YoY to INR10b (USD138m; up 17% in CC terms; 22% of sales). EU sales grew 14% YoY to INR2.5b (5% of sales). The Emerging Markets business grew 10% YoY to INR4.3b (10% of sales), partly on the low base of last year. DF sales grew 3% YoY to INR18b (40% of sales). SAGA revenue grew 2% YoY to INR8.5b (18% of sales). API sales declined 15% YoY to INR2.2b (5% of sales).
- The gross margin (GM) contracted ~100bp YoY to 60.4% due to a change in the product mix. However, the EBITDA margin expanded ~280bp YoY to 17.3% on lower other expenses / R&D spend (down 290bp/110bpYoY as a percentage of sales).
- EBITDA increased ~26% YoY to INR8b (our est. INR12.5b).
- PAT grew 50% YoY to INR4.1b (our est. INR7.2b) on better profitability, lower depreciation, and interest expense.
- FY21 sales/EBITDA/PAT grew 11.8%/22.2%/52.7% to INR192b/INR43b/INR24b.

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	36.7	36.6	36.7
DII	17.1	17.9	22.6
FII	23.4	22.2	18.0
Others	22.8	23.2	22.7

FII Includes depository receipts

Highlights from management commentary

- Cipla indicated products such as Nano-paclitaxel, Lanthanum Carbonate, g-Advair, and other niche products could potentially have a meaningful impact on the overall financial performance of FY23.
- Cipla has 87% g-Proventil market share, ~13.2% Rx share in the overall Albuterol market, and 16.5% Albuterol generic market share. Cipla sees further scope for market expansion.
- The clinical trial for a partnered inhaler asset is complete, with the partner in the process of filing an ANDA. Assuming a 15- to 18-month review cycle, this could prove another interesting launch for FY23.
- US business profitability is now closer to company-level profitability.
- COVID drug sales were ~4% of sales for FY21.

Valuation and view

- We lower our EPS estimate by 12%/11% for FY22/FY23E, factoring in higher price erosion in the US base business and the underperforming API segment.
- We expect an 11% earnings CAGR, led by a 16%/11%/12% sales CAGR in US Generics / DF/ SAGA over FY21–23E.
- We continue to value CIPLA at 22x 12M forward earnings to arrive at TP of INR840 on a 12M forward earnings basis. We maintain **Neutral** on a limited upside from current levels.

Quarterly Performance (Consolidated)

(INR m)

Y/E March	FY20				FY21				FY20	FY21	Est. 4QE	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Revenues	39,890	43,958	43,710	43,762	43,462	50,383	51,687	46,065	171,320	191,596	52,178	-11.7
YoY Change (%)	1.3	9.6	9.1	-0.6	9.0	14.6	18.2	5.3	4.7	11.8	19.2	
Total Expenditure	30,844	34,863	36,127	37,427	32,973	38,617	39,378	38,102	139,260	149,071	39,686	
EBITDA	9,046	9,095	7,583	6,335	10,488	11,766	12,309	7,962	32,060	42,525	12,492	-36.3
YoY Change (%)	24.5	29.5	7.2	-34.1	15.9	29.4	62.3	25.7	3.5	32.6	97.2	
Margins (%)	22.7	20.7	17.3	14.5	24.1	23.4	23.8	17.3	18.7	22.2	23.9	
Depreciation	2,680	2,830	2,779	3,134	2,690	2,651	2,484	2,852	11,423	10,677	2,886	
EBIT	6,366	6,265	4,804	3,201	7,799	9,115	9,825	5,110	20,637	31,849	9,606	
YoY Change (%)	31.2	49.1	15.9	-51.6	22.5	45.5	104.5	59.7	4.2	54.3	200.1	
Interest	521	461	462	530	460	393	479	275	1,974	1,607	431	
Other Income	784	1,005	721	932	655	535	869	601	3,442	2,660	441	
Profit before Tax	6,629	6,810	5,064	3,603	7,993	9,257	10,215	5,437	22,105	32,901	9,615	
One-time (expense)/income	0	0	-	-324	0	0	-	0	-324	0	0	
PBT after EO expense	6,629	6,810	5,064	3,279	7,993	9,257	10,215	5,437	21,782	32,901	9,615	-43.5
Tax	1,922	2,006	1,528	856	2,278	2,638	2,690	1,282	6,312	8,888	2,592	
Rate (%)	29.0	29.4	30.2	23.8	28.5	28.5	26.3	23.6	28.6	27.0	27.0	
Minority Interest	-75.4	90.9	25.5	-36.4	-64.8	-35.8	43.6	21.3	4.6	-36.0	-93.0	
Reported PAT	4,782	4,714	3,510	2,460	5,780	6,654	7,481	4,134	15,465	24,050	7,117	-41.9
Adj PAT	4,782	4,714	3,510	2,747	5,780	6,654	7,481	4,134	15,752	24,050	7,117	-41.9
YoY Change (%)	31.4	59.8	5.7	-46.4	20.9	41.2	113.1	50.5	4.8	52.7	159.1	



Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,789 TP: INR2,030 (+13%) Buy

Direct business to drive performance

DXC to remain a drag, but diminish over time

Bloomberg	MPHL IN
Equity Shares (m)	193
M.Cap.(INRb)/(USD\$b)	334.7 / 4.6
52-Week Range (INR)	1883 / 791
1, 6, 12 Rel. Per (%)	6/23/66
12M Avg Val (INR M)	652

Financials & Valuations (INR b)

Y/E Mar	2021	2022E	2023E
Sales	97.2	106.7	122.2
EBIT Margin	16.1	16.7	18.0
PAT	12.2	14.2	17.4
EPS (INR)	64.2	74.9	91.7
EPS Gr. (%)	1.7	16.6	22.5
BV/Sh. (INR)	349.3	379.7	416.9

Ratios

RoE (%)	19.7	20.8	23.3
RoCE (%)	16.8	17.7	20.1
Payout (%)	101.2	60.8	60.8

Valuations

P/E (x)	28.0	24.0	19.6
P/BV (x)	5.2	4.7	4.3
EV/EBITDA (x)	17.5	15.2	12.2
Div Yield (%)	3.6	2.5	3.1

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	56.0	56.1	56.2
DII	17.2	16.0	14.2
FII	21.8	22.8	23.9
Others	5.0	5.1	5.8

FII Includes depository receipts

- MPHL's 4QFY21 revenue growth was led by 3.5% CC QoQ growth in the Direct business, while DXC vertical (12% of revenue, -7.7% QoQ CC) remains a drag. EBIT margin dip of 30bp QoQ was due to higher sales investments. It won USD245m of new deals in 4QFY21, and announced its largest ever single deal of USD250m (BFSI, 10-year duration), which will count in 1QFY22 TCv.

- MPHL's Direct business continues to deliver standout growth (FY19-21 USD CAGR of 19%) among stocks in our coverage universe. Given the acceleration in deal wins – TCv rose 51% YoY to USD1.1b in FY21 – and management commentary of industry-leading growth, we expect this to continue in FY22E (+18.7% YoY). We see the large deal momentum at MPHL as a key positive, as it should lead to better medium-term growth visibility in the business.

- This growth, despite the expected moderation in its mortgage business (DR), implies performance in line with midcap IT Services peers like LTI, COFORGE and MTCL, which are trading at a 20-30% premium valuation to MPHL.

- We expect DXC business to run significantly below the remaining commitment over the next few months in our base case, and view any fallback provision or near term pick up as an upside. Our analysis suggests that MPHL's DXC business would decline by 30% CAGR over FY21-23E, and settle at mid-single digit contribution by FY23E.

- Reduced exposure to DXC should help lower growth concerns in the overall business and help its comparable Direct business (FY21-23E CAGR of 17%) to gain strength. This should lower the valuation discount v/s peers, despite comparable growth in the Direct business.

- We expect margin to improve in FY22 (+60bp YoY) and see MPHL performing near the upper end of its guidance of 15.5-17%, helped by operating leverage and lower exposure to DXC. This should help it deliver PAT growth of ~20% over FY21-23E.

- We have kept our estimates unchanged. Despite the DXC overhang, with strong Digital capabilities and client relationships, MPHL is well-positioned to be a key beneficiary in the current context. Our TP implies 22x FY23E EPS.

Maintain Buy.

Topline above our estimates led by lower-than-expected DXC decline

- USD revenue grew 7% YoY to USD342m (est. USD 339m), EBIT grew 6% to INR4,054m (est. 5% growth), and PAT declined 10% to INR3,169m (in line) in 4QFY21. Revenue (USD)/EBIT/PAT grew 6%/10%/3% YoY in FY21.

- Revenue grew 2.5% QoQ to USD342m, above our estimate. In CC terms, revenue growth stood at 2% QoQ and 4.9% YoY.

- EBIT margin fell 30bp QoQ to 16.1%, in line with our estimate of 16.2%.

- PAT declined 2.6% QoQ to INR3,169m, in line with our estimate.

- The stellar growth seen in Direct (+3.5% QoQ CC; +19.9% YoY CC) is encouraging. The strong momentum was partially offset by a 7.7% sequential decline (down 46.2% YoY) in the DXC business. DXC now contributes only 12% to overall revenue (v/s 23% a year ago).
- Vertical-wise, Banking declined (-3.6% QoQ); Insurance continued its growth momentum at 6.4% QoQ; IT, Communications and Entertainment grew 15.9% QoQ; Logistics and Transportation was up 8.7% QoQ; and other emerging technologies grew 5.8% QoQ.
- Among services, growth was driven by Application (9.3% QoQ), while BPO (-8.3%) and Infrastructure services (-1.9% QoQ) declined.
- Among geographies, EMEA/India/RoW reported a sequential growth of 14.9%/9.5%/18.4%, while America came in largely flat.
- MPHL won USD245m worth of deal wins in the Direct channel, of which 69% was in new-gen services. This does not include renewals. This takes FY21 TCW to USD1.1b (+51% YoY).
- It announced a landmark deal win of USD250m in 1QFY22, the highest ever single deal for the company.
- OCF grew 10% YoY and OCF/EBITDA stood at 81% for FY21. FCF grew 11% and FCF/PAT stood at 109%.

Key highlights from the management commentary

- The management guided at industry-leading growth in FY22 in its Direct business. In the case of DXC, revenue will continue to decline and growth should settle in the mid-single digit range in the medium term.
- MPHL announced a landmark deal of USD250m won in 1QFY22. The initial agreement is for 10 years and ramp up would start in FY22. This deal sourced out of a UK based client is in the BFSI space. While the initial commitment is for 10 years, it can increase going forward. The deal involves transformation-related work in the middle and back office of the client.
- The management guided at margin to be in the 15.5-17% band. This is on the back of its intention to reinvest in the business. It is confident of managing investments despite rising cost pressures due to margin levers.

Valuation and view

- Impressive deal wins over the last three quarters and a healthy deal pipeline would likely drive growth in the near term. While the DXC business (~12% of revenue) related overhang persists, strong traction in Direct International should continue to drive overall performance. The management's guidance on its ability to defend margin is a key positive.
- The ability to win multiple large Digital transformation deals proactively and under vendor consolidation scenarios indicates strength in its sales and delivery capabilities.
- Higher exposure to largely stable verticals (BFSI – ~60% of revenue) should help mitigate risks to some extent.
- The stock is currently trading ~19.5x FY23E EPS. We value the stock ~22x FY23E EPS. **Maintain Buy.**

Quarterly Performance

(INR M)

Y/E March	FY20				FY21				FY20	FY21	Est. 4QFY21	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	297	305	318	320	305	327	334	342	1,240	1,309	339	1.0
QoQ (%)	1.8	2.6	4.4	0.6	-4.5	7.2	2.0	2.5	10.8	5.6	1.5	97bp
Revenue (INR m)	20,626	21,581	22,767	23,462	22,882	24,354	24,743	25,243	88,239	97,222	24,713	2.1
YoY (%)	13.2	10.8	13.7	14.6	10.9	12.8	8.7	7.6	12.8	10.2	5.3	232bp
GPM (%)	30.2	30.4	30.4	31.3	28.9	30.3	31.0	31.0	30.6	30.3	30.3	71bp
SGA (%)	12.0	11.6	11.6	12.4	10.7	11.7	12.2	12.5	11.9	11.8	11.7	81bp
EBITDA	3,747	4,057	4,286	4,434	4,178	4,524	4,654	4,671	16,524	18,027	4,623	1.0
EBITDA Margin (%)	18.2	18.8	18.8	18.9	18.3	18.6	18.8	18.5	18.7	18.5	18.6	-10bp
EBIT	3,197	3,475	3,711	3,824	3,583	3,924	4,048	4,054	14,207	15,609	4,014	1.0
EBIT Margin (%)	15.5	16.1	16.3	16.3	15.7	16.1	16.4	16.1	16.1	16.1	16.2	-9bp
Other income	342	134	172	319	182	114	218	182	967	696	219	-16.9
ETR (%)	25.1	24.1	23.9	14.9	27.0	25.9	23.7	25.2	21.8	25.4	25.0	19bp
PAT	2,651	2,738	2,954	3,525	2,750	2,992	3,255	3,169	11,868	12,166	3,175	-0.2
QoQ (%)	-0.4	3.3	7.9	19.3	-22.0	8.8	8.8	-2.6				-2.5
YoY (%)	2.6	1.1	6.3	32.4	3.7	9.3	10.2	-10.1	10.6	2.5	-9.9	
EPS (INR)	14.1	14.6	15.7	18.8	14.6	15.9	17.2	16.7	63.1	64.2	16.8	-0.4

E: MOFSL Estimates



Estimate change	↓
TP change	↔
Rating change	↔

CMP: INR1,000 TP: INR1,060 (+6%) Neutral

Ongoing lockdowns overshadow the strong operating performance

Strong cash flow generation despite a washout season commendable

Bloomberg	VOLT IN
Equity Shares (m)	331
M.Cap.(INRb)/(USD\$)	330.8 / 4.5
52-Week Range (INR)	1131 / 432
1, 6, 12 Rel. Per (%)	4/20/62
12M Avg Val (INR M)	1800

- VOLT's 4QFY21 earnings were 28% better than our expectation, led by better than expected margins in EMP and UCP segment. Voltas continues to be No.1 player in Room Air Conditioners (RAC), with a market share of 25.6%. Favorable product mix aided UCP margin as the share of Inverter ACs now constitutes 77% of Split AC sales (64% in 4QFY20).
- Current valuations adequately factors in franchise strength of the UCP business. We note that a large part of the margin surprise is due to cut in ad spends and low-cost inventory that was procured last year (~200bp advantage). We marginally lower our FY22E/FY23E EPS estimate by 5%/4% on account of lower order book in the EMPS segment and maintain our Neutral rating with a TP of INR1,060/share. We prefer Consumer Electrical plays over White Goods, with Orient Electric (OEL) and Crompton Greaves Consumer Electricals (CROMPTON) as our top picks.

Financials & Valuations (INR b)

Y/E Mar	2021	2022E	2023E
Sales	75.6	84.7	103.0
EBITDA	6.4	7.7	9.3
PAT	5.3	6.2	7.6
EBITDA (%)	8.5	9.1	9.0
EPS (INR)	15.9	18.8	22.9
EPS Gr. (%)	(5.1)	18.4	21.7
BV/Sh. (INR)	150.9	165.0	182.2

Ratios

Net D/E	(0.0)	(0.1)	(0.1)
RoE (%)	10.5	11.4	12.6
RoCE (%)	11.6	12.4	13.3
Payout (%)	25.9	25.0	25.0

Valuations

P/E (x)	63.0	53.2	43.7
P/BV (x)	6.6	6.1	5.5
EV/EBITDA (x)	51.2	42.2	34.9
Div Yield (%)	0.4	0.5	0.6
FCF Yield (%)	1.8	1.5	1.4

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	30.3	30.3	30.3
DII	37.5	37.6	40.0
FII	14.4	14.6	9.9
Others	17.9	17.5	19.8

FII Includes depository receipts

EMP margin surprise led earnings beat

- **4QFY21 snapshot:** Consolidated revenue grew 27% YoY and was in line with our expectation. EBITDA grew 72% and was 25% ahead of our estimate. EBITDA margin came in at 12.5% v/s our expectation of 9.9%. Adjusted PAT grew 48% YoY to INR2.4b and was 28% ahead of our estimate.
- **FY21 snapshot:** Consolidated revenue stood flat YoY at INR75.6b. EBITDA fell 7% YoY to INR6.4b, with EBITDA margin declining 50bp to 8.5%. Adjusted PAT stood at INR5.2b (-5% YoY). CFO stood at INR6b in FY21 (v/s INR5.2b in FY20), up 16% YoY, aided by efficient working capital management.
- **Segmental highlights: a) EMP | 4QFY21:** Revenue grew 37% YoY to INR11b and was in line with our estimate. PBIT margin surprised positively at 8.4% v/s our expectation of 3.7%. **FY21:** Revenue grew 10% YoY to INR35.7b, with PBIT margin at 3% (v/s 5.2% in FY20). **b) UCP | 4QFY21:** Revenue grew 20% YoY to INR14.4b and was in line with our estimate. PBIT margin stood at 15.6% v/s our expectation of 14.9%. VOLT continues to be the market leader and is numero uno in ACs with a market share of 25.6% in Feb'21 YTD. **FY21:** Revenue declined by 13% YoY to INR35.6b, with PBIT margin at 14.1% (v/s 12.6% in FY20).

Key takeaways from the management commentary

- **UCP:** For the full year FY21, Voltas registered 15% decline in RAC business vs. industry de-growth of 29%. However, 4QFY21 margin is not sustainable. ~200bp positive impact was on account of low-cost inventory and moderate ad spends.
- **EMPS:** Over the long term, the management aims to have 6-7% margin in this business. It has undertaken a conscious strategy to bid for government contracts for long-term projects as receivables are protected and the commodity escalation costs are also built in.

- **Voltbek:** More than 0.3m units of Direct Cool Refrigerators were sold in FY21, despite the lockdown and limited selling window. Voltas Beko Dishwasher tops the category in India, with a market share of 30%, despite being a late entrant. Its Refrigerator market share stood at 3%, while that of Washing Machines stood at 2.5%.

Valuation and view

- The on-going lockdown in the peak summer season presents downside risk to air conditioner industry sales. We expect Voltas's 1QFY22 UCP segment revenue at ~70% of 1QFY20 level. Prolonged lockdown into June presents further downside to our estimates.
- We marginally lower our FY22E/FY23E EPS estimate by 5%/4% on account of lower order book in the EMPS segment and maintain our Neutral rating with a TP of INR1,060/share. At the CMP, the UCP business is trading at a FY22E/FY23E P/E of 57x/47x. Current valuations adequately factors in franchise strength of the UCP business. We prefer Consumer Electrical plays over Consumer Durables, with OEL and CROMPTON as our top picks.

Quarterly performance

	FY20				FY21				FY20	FY21	4QFY21E	(INR m)	Var.
Y/E March	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Sales	26,540	14,219	14,925	20,896	12,969	16,125	19,946	26,517	76,581	75,558	26,759		-1%
Change (%)	23.6	0.0	0.0	1.3	-51.1	13.4	33.6	26.9	7.5	-1.3	28.1		
EBITDA	2,912	1,059	976	1,920	668	980	1,459	3,307	6,867	6,414	2,640		25%
Change (%)	19.7	-2.5	-15.7	33.1	-77.1	-7.5	49.6	72.2	12.3	-6.6	37.5		
As a percentage of Sales	11.0	7.4	6.5	9.2	5.1	6.1	7.3	12.5	9.0	8.5	9.9		
Depreciation	77	80	80	82	82	84	84	89	320	339	83		
Interest	44	49	57	61	67	58	32	104	211	262	43		
Other Income	433	726	543	605	674	383	516	316	2,306	1,889	527		
Extra-ordinary Items	-301	-43	0	-20	0	0	0	0	-364	0	0		
PBT	2,923	1,612	1,381	2,362	1,192	1,221	1,859	3,430	8,278	7,702	3,042		13%
Tax	1,046	448	314	572	258	353	372	821	2,380	1,804	858		
Effective Tax Rate (%)	32.4	27.1	22.7	24.0	21.6	28.9	20.0	23.9	27.5	23.4	28.2		
Share of profit of associates/JVs	(225)	(100)	(198)	(203)	(123)	(84)	(208)	(232)	(726)	(646)	(329)		
Reported PAT	1,652	1,064	869	1,587	812	784	1,279	2,377	5,172	5,251	1,855		28%
Change (%)	-10.2	2.9	7.4	13.6	-50.9	-26.4	47.2	49.8	1.8	1.5	16.9		
Adj. PAT	1,953	1,107	869	1,607	812	784	1,279	2,377	5,536	5,251	1,855		28%
Change (%)	6.2	7.0	-6.2	15.1	-58.4	-29.2	47.2	48.0	6.5	-5.1	15.4		



Estimate changes

TP change

Rating change



CMP: INR1,165 TP: INR 1,300 (+12%) Neutral

Bloomberg	ESC IN
Equity Shares (m)	123
M.Cap.(INRb)/(USD\$)	157 / 2.1
52-Week Range (INR)	1468 / 779
1, 6, 12 Rel. Per (%)	-6/-28/-10
12M Avg Val (INR M)	2545

Financials & Valuations (INR b)

Y/E March	2021	2022E	2023E
Sales	70.1	76.3	82.2
EBITDA	11.3	11.1	12.4
EBITDA Margin (%)	14.4	12.9	13.4
Adj. PAT	8.7	8.5	9.4
EPS (INR)	86.3	84.1	93.4
EPS Gr. (%)	59.8	-2.4	10.9
BV/Sh. (INR)	497.0	575.1	661.5

Ratios

RoE (%)	21.4	15.7	15.1
RoCE (%)	28.6	21.2	20.3
Payout (%)	8.7	7.1	7.5

Valuations

P/E (x)	13.5	13.8	12.5
P/BV (x)	2.3	2.0	1.8
EV/EBITDA (x)	9.3	9.2	7.7
Div. Yield (%)	0.6	0.5	0.6
FCF yield (%)	6.5	2.1	4.8

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	36.6	36.6	40.3
DII	5.6	7.1	10.0
FII	28.1	26.0	21.8
Others	29.7	30.3	28.0

FII Includes depository receipts

Cost inflation impacts performance

Management expects mid-single digit growth for Tractors in FY22

- ESC's 4QFY21 operating performance was impacted by commodity cost inflation, but was partially offset by operating leverage benefits in other businesses. While its near term demand outlook looks weak due to sporadic lockdowns, the management expects a strong recovery post lifting of lockdown restrictions, leading to mid-single digit growth guidance for the Tractor industry in FY22.
- We cut our FY22E/FY23E EPS by 9%/7% to factor in weaker volumes and higher RM cost. We lower our target P/E multiple to 14x (from 15x earlier and at a premium to its five-year average of 12.4x) to factor in near peak cyclical earnings in FY23E. Maintain Neutral with a TP of INR1,300/share (~14x Mar'23E consolidated EPS).

Better mix, lower marketing, and other expenses support margin

- Revenue/EBITDA/PAT grew 60%/77%/93% YoY in 4QFY21 to ~INR22.1b/INR3.45b/INR2.7b. The same in FY21 grew 20%/67%/77% YoY to INR69.3b/INR11.3b/INR8.7b.
- Tractor volumes grew ~62% YoY. Net realizations improved 1.4% YoY (~2% QoQ) to INR533.6k (est. INR527.4k) due to price hike (~2% in Nov'20) and favorable mix (contribution of over 40HP Tractors at 60%). Revenues for Tractors/Railways/Construction Equipment grew 64%/36%/53% YoY.
- EBITDA margin declined ~245bp QoQ (+150bp YoY) to 15.6% (est. 16.9%), impacted by higher RM costs, but was partially offset by better product mix, cost optimization initiatives, and operating leverage.
- PBIT margin for Tractors fell 310bp QoQ (+120bp YoY) to 17%. The same for the Railways/CE business grew to 19%/7% (+510bp/+300bp YoY).

Highlights from the management commentary

- **Outlook:** While all macro/farm economic indicators and availability finance positive, impact of the COVID-19 pandemic in rural India can act as a dampener. Currently, two-third of dealers are either closed or open for limited hours. Hence, the management expects FY22 industry growth at mid-single digits.
- Markets are expected to open up by the end of May'21 or early Jun'21. Even if markets open up in late Jun'21, demand will bounce back due to strong underlying demand drivers.
- Tractor business to post steady state PBIT margin of 17-18%. However, considering higher cost inflation, margin in FY22 may be 100-150bp lower than the new range.
- Tractor demand from the non-Agri segment (30-35% of total volume) to pick-up in FY22, which would be the key contributor to its growth guidance. It expects no material support from government subsidy for Tractor sales.

- Exports of e-Kubota branded Tractors through Kubota's global network began from 4QFY21 in four markets. It would add more markets and expects volumes to really pick-up from FY23.
- Management will unveil plans for use of its cash in the next one month.

Valuation and view

- Valuations at 13.8x/12.5x consolidated EPS largely reflect strong growth and its partnership with Kubota. The stock is trading at a premium to its 10-year average of 10x. We lower our target P/E multiple to 14x (from 15x earlier and at a premium to its five-year average of 12.4x) to factor in near peak cyclical earnings in FY23E. We maintain our Neutral stance with a TP of INR1,300/share (14x Mar'23E consolidated EPS).

Standalone quarterly performance

Y/E March	(INR m)										
	FY20				FY21				FY20	FY21	4Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY21E
Net Sales	14,230	13,239	16,334	13,807	10,616	16,397	20,174	22,105	57,610	69,293	21,444
YoY Change (%)	-5.8	-5.3	-1.3	-15.4	-25.4	23.9	23.5	60.1	-7.0	20.3	55.3
Total Expenditure	12,805	11,972	14,212	11,862	9,420	13,389	16,534	18,658	50,851	58,001	17,827
EBITDA	1,424	1,267	2,123	1,944	1,196	3,009	3,641	3,447	6,759	11,292	3,616
Margin (%)	10.0	9.6	13.0	14.1	11.3	18.3	18.0	15.6	11.7	16.3	16.9
Depreciation	241	260	267	278	264	274	315	304	1,046	1,157	315
Interest	59	39	29	28	19	32	33	26	155	110	21
Other Income	167	211	267	278	298	376	472	399	923	1,546	374
PBT	1,292	1,087	2,094	1,916	1,211	3,078	3,765	3,516	6,389	11,571	3,654
Rate (%)	32.2	3.8	26.9	26.7	23.9	25.3	25.5	22.8	24.0	24.5	25.2
Adj. PAT	875	1,116	1,531	1,404	922	2,299	2,807	2,713	4,926	8,741	2,734
YoY Change (%)	-26.8	8.7	15.3	15.7	5.3	106.0	83.4	93.3	3.4	77.4	94.7

Key performance indicators

	FY20				FY21				FY20	FY21	4Q
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY21E
Volumes ('000 units)	21,051	19,750	25,109	20,108	18,150	24,441	31,562	32,588	86,018	1,06,741	32,588
Change (%)	-14.1	-6.1	-2.5	-20.0	-13.8	23.8	25.7	62.1	-10.8	24.1	62.1
Net Realization (INR'000/unit)	518.8	504.1	514.4	526.4	525.4	541.0	523.6	533.6	515.9	530.9	527.4
Change (%)	7.9	1.7	2.4	7.5	1.3	7.3	1.8	1.4	4.8446	2.9	0.2
Cost Break-up											
RM Cost (% of sales)	69.0	67.0	66.8	62.2	67.1	63.6	65.7	68.5	66.3	66.3	66.8
Staff Cost (% of sales)	8.6	9.5	8.1	9.4	11.9	7.7	6.7	6.6	8.9	7.7	6.4
Other Cost (% of sales)	12.4	14.0	12.0	14.3	9.7	10.4	9.6	9.3	13.1	9.7	9.9
Gross Margin (%)	31.0	33.0	33.2	37.8	32.9	36.4	34.3	31.5	40.1	41.9	33.2
EBITDA Margin (%)	10.0	9.6	13.0	14.1	11.3	18.3	18.0	15.6	11.7	16.3	16.9
EBIT Margin (%)	8.3	7.6	11.4	12.1	8.8	16.7	16.5	14.2	9.9	14.6	15.4
Revenue mix (%)											
Agricultural Machinery	76.7	75.2	79.1	76.7	89.8	80.6	81.9	78.7	77.0	81.8	80.1
Railway Equipment	8.3	9.6	7.6	7.8	5.2	9.8	5.8	6.6	8.3	6.9	6.7
Construction Equipment	14.9	15.2	13.3	15.2	4.9	9.6	12.1	14.6	14.6	11.2	12.2
Segmental PBIT Margin (%)											
Agricultural Machinery	10.9	10.3	14.5	15.8	14.5	20.0	20.1	17.0	13.0	18.2	
Railway Equipment	20.0	19.1	18.4	14.0	2.6	20.3	12.7	19.1	18.0	16.0	
Construction Equipment	2.5	2.7	4.8	4.3	-32.0	1.7	7.5	7.3	3.6	3.6	

E: MOFSL estimates



Estimate change	↑
TP change	↑
Rating change	↓

Bloomberg	IEX IN
Equity Shares (m)	298
M.Cap.(INRb)/(USDb)	111.8 / 1.5
52-Week Range (INR)	414 / 153
1, 6, 12 Rel. Per (%)	10/69/83
12M Avg Val (INR M)	480

Financials & Valuations (INR m)

Y/E MARCH	2021	2022E	2023E
Sales	3,171	3,883	4,485
EBITDA	2,594	3,254	3,762
Adj. PAT	2,135	2,667	3,071
EBITDA Margin (%)	81.8	83.8	83.9
Adj. EPS (INR)	7.2	8.9	10.3
EPS Gr. (%)	20.0	24.9	15.2
BV/Sh. (INR)	17.8	20.5	23.6

Ratios

RoE (%)	46.3	46.7	46.7
RoCE (%)	44.3	44.6	44.9
Payout (%)	35.0	70.0	70.0

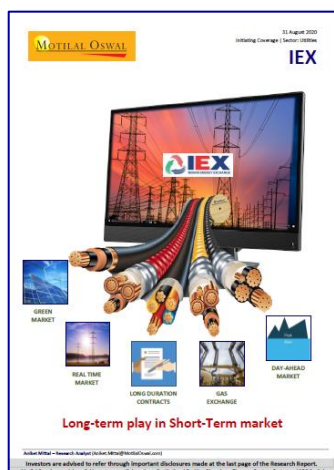
Valuations

P/E (x)	46.5	41.8	36.3
P/BV (x)	18.7	18.2	15.8
EV/EBITDA(x)	35.9	32.0	27.4
Div. Yield (%)	0.8	1.7	1.9
FCF Yield (%)	2.9	1.9	2.4

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	0.0	0.0	0.0
DII	27.9	36.6	31.3
FII	37.2	30.0	32.4
Others	34.9	33.4	36.3

FII Includes depository receipts



CMP: INR373 TP: INR375 Downgrade to Neutral

Rise in electricity volumes drives profits

Current valuations build in growth; Downgrade to Neutral

- IEX's result highlights the benefit of strong growth in electricity volumes, which led to a 49% YoY rise in S/A EBITDA (in-line) in 4QFY21. S/A PAT jumped 35% YoY to INR638m.
- The launch of the Real-Time Market (RTM) has shaped up well, with the product adding 3.8BUs in 4Q and accounting for 17% of the total electricity volumes. With an oversupplied market, new product launches, and a strong competitive positioning, we expect market share gains to continue for the company within the Short-Term (ST) Market. However, with the recent run-up in stock price, IEX now trades at 36x FY23 EPS and prices in this growth. Accordingly, we **Downgrade to Neutral**, with revised TP of **INR375/sh**.

Strong volumes drive growth in operational profit

- IEX's 4QFY21 S/A EBITDA was up 49% YoY to INR808m (in line with our est), led by robust electricity volumes.
- Electricity volumes (DAM+ TAM+ RTM) rose 61% YoY to 22.4BU. However, the lack of REC trading held back similar growth in revenue. S/A revenue was up 37% YoY to INR950m (in-line).
- S/A PAT rose 35% YoY at INR638m (in-line). At the consol. level (incl. gas exchange), EBITDA was up 48% YoY and PAT 35% YoY (to INR615m). For FY21, S/A PAT was up 25% YoY to INR2.7b, led by 37% YoY growth in electricity volumes.

Management commentary –REC resumption and LDC launch awaited

- Due to the COVID disruption, the case hearing on REC in APTEL has been postponed, with the next hearing scheduled in July. The co. is hopeful of resuming REC trading in 2QFY22. Furthermore, the SC hearing on the launch of its Longer Duration Contracts (LDCs) is still pending. The company noted it is well-prepared in terms of technology to launch the product and expects the launch within 2–3 months post a successful SC hearing.
- IEX is also keen to launch the Green Day Ahead Market (G-DAM). The co. has filed an application with CERC and expects operations to commence from 2QFY22.

Current price factors in market share gains; Downgrade to Neutral

- Since our initiation ([see here](#)), the stock is up 95% on the back of strong volumes, led by the RTM, along with a sharp re-rating in the stock. We expect market share gains to continue for IEX on the back of an oversupplied market, the recent RTM launch, and a strong competitive positioning. The resumption of RECs and launch of LDCs could provide a fillip.

- However, even as we build in 9.5m of REC trading and 4–5BUs of LDC volumes for FY23, IEX trades at 36x FY23 EPS and bakes in the structural story at play. Reverse DCF at current price implies a 17–18% volume CAGR over the next decade (3x annual power demand growth of 5–6%, in line with IEX’s volume CAGR over the past five years). Furthermore, as volumes catapult, the regulatory risk could arise over transaction fee cuts – transaction fees for Europe’s largest exchange, European Energy Exchange (EEX), are one-fifth that for IEX. Accordingly, we downgrade the stock to Neutral, with revised TP of INR375/sh (earlier: INR355) on 36x FY23 EPS. *Strong off-take in volumes for gas exchange and LDCs could pose upside risks.*

Quarterly performance (standalone) – INR m

Y/E March	FY20				FY21				FY20	FY21	FY21	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	606	675	597	693	663	708	850	950	2,570	3,171	952	0
YoY Change (%)	-9.6	0.9	-6.5	22.8	9.5	4.9	42.4	37.0	1.2	23.4	37.2	
Total Expenditure	112	142	120	152	174	132	129	142	526	577	164	-14
EBITDA	494	533	477	542	489	575	721	808	2,045	2,594	787	3
Margins (%)	81.6	79.0	79.9	78.1	73.8	81.3	84.8	85.1	79.6	81.8	82.7	
Depreciation	33	33	41	45	44	41	40	34	152	159	42	-19
Interest	5	5	0	5	5	5	5	5	16	21	0	
Other Income	91	113	97	100	142	86	107	68	401	403	84	-19
PBT before EO expense	547	607	533	591	582	616	783	837	2,278	2,818	829	1
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	547	607	533	591	582	616	783	837	2,278	2,818	829	1
Tax	151	118	110	119	153	149	182	199	499	683	204	
Rate (%)	27.6	19.5	20.6	20.2	26.3	24.1	23.3	23.8	21.9	24.2	24.7	
Reported PAT	396	488	423	472	429	467	601	638	1,779	2,135	625	2
Adj PAT	396	488	423	472	429	467	601	638	1,779	2,135	625	2
YoY Change (%)	-5.5	14.4	-0.7	24.7	8.3	-4.4	42.0	35.2	7.8	20.0	32.3	

Source: MOFSL, Company

ZenSar

BSE SENSEX 48,733 S&P CNX 14,678

CMP: INR270 TP: INR320 (+19%) Buy



Stock Info

Bloomberg	ZENT IN
Equity Shares (m)	226
M.Cap.(INRb)/(USDb)	60.6 / 0.8
52-Week Range (INR)	347 / 81
1, 6, 12 Rel. Per (%)	-2/27/167
12M Avg Val (INR M)	89

Financials Snapshot (INR b)

Y/E Mar	2021	2022E	2023E
Sales	36.7	37.8	44.1
EBIT Margin (%)	13.9	13.4	14.4
PAT	3.5	3.6	4.6
EPS (INR)	15.3	15.7	19.9
EPS Gr. (%)	31.0	2.8	26.6
BV/Sh. (INR)	105.7	114.2	127.3

Ratios

RoE (%)	15.5	14.5	16.6
RoCE (%)	5.7	5.5	6.5
Payout (%)	41.8	30.2	30.2

Valuations

P/E (x)	17.7	17.2	13.6
P/BV (x)	2.6	2.4	2.1
EV/EBITDA (x)	7.3	7.1	5.3
Div Yield (%)	2.4	1.8	2.2

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	49.2	49.2	49.2
DII	24.6	24.6	24.7
FII	16.0	16.2	17.7
Others	10.2	10.0	8.5

FII Includes depository receipts

M3bi acquisition to help add scale to ZENT's BFSI practice

ZENT's announced the acquisition of M3bi, a US and India-based Data Engineering, Big Data and Advanced Analytics, and Digital Engineering firm, for USD33m on 15th May'21.

M3bi to add to ZENT's capabilities

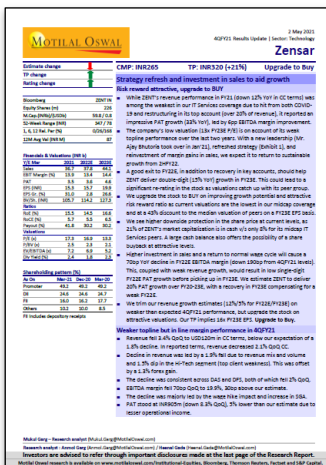
- M3bi (founded in CY10) provides Data Engineering, Big Data, and Advanced Analytics and Digital Engineering Services. It works with some of the leading global brands targeting CIOs, CMOs, and CDOs.
- The company works with marquee clients, including Fortune 500 Banks, and should help scale ZENT's BFSI capabilities and client portfolio. With ZENT's increased focus on the Banking vertical (currently sub-scale with only 10% of 4QFY21 revenue), we see the acquisition as a good fit.
- M3bi also works with clients in other verticals like Industrial, Healthcare, and Education, allowing ZENT to drive a wider set of offerings to global firms.
- This acquisition is expected to augment ZENT's Digital Engineering and Data Analytics capabilities, both of which are key focus areas in its new strategy.
- M3bi has 445 employees across the US and India, which ZENT will onboard.

ZENT to pay 1.2x revenue for the acquisition

- ZENT would acquire 100% of M3bi for USD33m. Of this, USD24m would be upfront payment and the balance would be performance-based deferred payment over 36 months.
- This implies a trailing 1.2x EV/Sales valuation, which we view as reasonable. Given the higher share of on-site revenue (85%), M3bi has room for margin improvement from greater synergies with ZENT.
- We expect the acquisition to be EPS Neutral in FY22E. The acquisition would be funded through internal accruals (ZENT has USD166m in net cash).
- The acquisition is expected to be completed on or before 31st Aug'21. We have not factored in the acquisition in our current estimates.

Valuation and view

- ZENT's current valuation at 14x FY23E EPS is the lowest in our midcap coverage and is at a 43% discount to the median valuations of peers.
- We expect revenue growth to rebound from 2HFY22E as the new leadership (Mr. Ajay Bhutoria took over in Jan'21), refreshed strategy, and reinvestment of margin gains in sales start paying off. With a likely return to double-digit growth in FY23E (we estimate 15% YoY) on a good FY22E exit and recovery in key accounts, we see potential for a significant stock re-rating as valuations catch up with its peer group.
- We see higher downside protection in the share price at current levels as 21% of ZENT's m-cap is in cash v/s only 8% for its midcap IT Services peers.
- We maintain our Buy on the stock in the likelihood of a recovery in growth and attractive valuation. Our TP implies 16x FY23E EPS.



**ASIAN PAINTS: MAY looks tough due to lockdowns; Amit Syngle, MD & CEO**

- Grew 20% in January & February; March was aided by a low base. April has been normal so far, May has seen some disruption
- Growth during Q4 excluding base effect, is at 30-32%. May is looking tough due to lockdowns
- Plants are running, able to supply to some geographies
- Hoping for the market to open up in next 2-3 weeks
- Last year tier 3 & 4 cities were doing well, this time they're affected more. Metros will recover will faster than rural areas this time
- Have taken a 2.8% price increase in May. Will be able to pass on some more costs as things open up
- Q4 and Q1 are good for water-proofing, but seasonality won't be a big factor
- Paint demand doesn't evaporate; maintenance cycle is deferred not cancelled

[→ Read More](#)**JSPL: Targeting substantial debt reduction in FY22; VR Sharma, MD**

- Steel prices have trended higher in Q1FY22 vs Q4FY21
- Indian steel prices are still at a sharp discount to international steel prices. They are at \$250/t discount to various international prices
- Input costs have gone up substantially. Export steel market demand and prices are very strong
- Sarda full paid iron ore inventory will be exhausted in next 2 months
- Target to sell more than 8 mt of steel in FY22. Looking at increasing steel capacity by 6 mt to approx. 15 mt
- Net debt is Rs. 19200 crore, target to reduce it substantially in FY22

[→ Read More](#)**Lupin: Albuterol production being ramped up**

- Currently at 8% share in Albuterol generic and still ramping up; hope to get 20% share in Albuterol by next fiscal
- Have some great growth driver in place especially in the inhalation pipeline
- Company has deep programs running despite COVID-19
- Fostair generic launch in EU likely to be next launch
- Spiriva generic is going to be an FY23 launch; working with US FDA on the application for Spiriva Generic
- Feel good about ongoing litigation when it comes to Spiriva generic
- Working on several initiatives on cost savings
- Looking at productivity measures and rationalisation of sales force; Estimate FY22 margin at 19-20%
- Compulsorily licensing is an extremely hot topic; interested in voluntary licensing
- Compulsorily licensing looks great in short term but there are deeper challenges
- Committed to business which is a family legacy; excited with prospects of the business

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UPL: Higher commodity prices will help in higher revenues this year; Jai Shroff, CEO

- Will be launching new products in FY22
- Higher commodity prices will help in higher revenues this year
- Did not take any price hikes in FY21, will be taking some in FY22
- Differentiated and sustainable solutions segment to see a 20% growth rate going ahead
- Have an annual expenditure of over Rs. 2000 crore in R&D
- Do not see a revenue impact on India business due to the second wave

[→ Read More](#)**Zydus Cadila: On track for May-end submission to regulators; Sharvil Patel, MD**

- Animal health business sale is on a slump sale basis
- Will have a tax outgo of Rs. 200 crore on proceeds from sale of animal health business
- Plan to build speciality business in US, proceeds will be used towards this
- Seen good traction in demand for COVID drug. Hope to be able to supply 8-10k doses in June
- Expectations of overnight partnerships and vaccine manufacturing are unreasonable
- Looking for partners for our vaccine. By next week expect to zero in on 1-2 partners for tech transfer of vaccine
- Have invested in a facility to be commissioned by June for vaccines
- By year-end we should be able to supply 5 crore doses of our vaccine
- Focus is on making the drugs available, can't comment on price revision

[→ Read More](#)**Pidilite: Demand outlook remains uncertain due to COVID second wave; Bharat Puri, MD**

- Second wave of COVID-19 is impacting demand substantially
- Gross margins continue to be impacted due to significant inflation in input costs
- In short term, Huntsman business is facing pressure from rising costs
- Unprecedented increase in input costs are due to supply constraint rather than great demand conditions
- Have made supply chain more agile

[→ Read More](#)**Mphasis: Bets on growth in direct international business in FY22; Nitin Rakesh, CEO & ED**

- Could see industry leading growth in direct international business in FY22. Can see high teens in direct international business in FY22
- DXC contribution to come down to single digits (Q4 was 12%). FY22 EBIT margin guidance at 15.5-17%
- Focussed on accelerating growth in FY21 while keeping margin in a tight band

- Margin has an upward bias in FY22. Upping the upper end of our margin guidance to 15.5-17% (from 15.5-16.5%)
- Had 4 quarters of million dollar wins
- Trajectory of the margins over the medium term is upwards. Average size of large deal wins at \$79 m as of Q4

[→ Read More](#)

Happiest Minds: Expects 22-24% margin over the medium term; Venkatraman Narayanan (MD & CFO), Joseph Anantharaju (Executive VC & CEO)

- Seeing demand across all geographies we operate in
- Had a couple of large deal wins in west Asia
- Comfortable with margin 22-24% over medium term
- Saw some softness in margin as company took a Rs. 9 crore impact due to wage hikes
- Company's margin towards the top end of the industry

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HSIL: Home improvement business will see some impact in Q1; Sandip Somany, VC & MD

- Demand for glass is intact in the pharma and food industries. Demand for glass packaging from alcohol impacted due to 2nd wave
- Have increased contribution from value added products. Will look at catering to making vials for vaccines
- Believe demand for vaccines is here to stay
- Speciality glass to be commissioned in March 2022
- Will be catering to perfumes and cosmetics industry
- Have seen a big surge in demand for kitchen solutions and fittings
- Home improvement business will see some impact in Q1
- Will spend Rs. 400 crore in capex this year. Margin will continue to improve

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Prince Pipes: Have seen a slowdown in sales due to the lockdowns; Nihar Chheda, Assoc VP-Strategy

- Pricing power and favourable product mix led to better margin
- Have seen a slowdown in sales due to the lockdowns
- Manufacturing plants have been up and running last 45 days
- Saw a slight softening of PVC prices last week. PVC prices have been cut by Rs. 4/kg
- Have been able to pass on significant part of raw material price hikes to customers

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Vinati Organics: Expect FY22 revenue to be up by 40-45%. Expect 25% EBITDA growth in FY22; Vinati Saraf Mutreja, MD

- ATBS demand picked up in January. Will be doing double the ATBS tonnage this year vs last year
- Plants are not impacted by lockdowns as we are essential services
- Expect FY22 revenue to be up by 40-45%. Expect 25% EBITDA growth in FY22
- FY22 margin to be around 35%

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Eris Lifesciences: Not present in antivirals as therapy; V Krishnakumar, ED & COO

- Have outperformed the Indian pharma market third time in a row
- FY21 has been a game changer for us multiple ways
- We are not present in antivirals as a therapy

[➔ Read More](#)



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Automobiles																
Amara Raja	Neutral	771	945	23	37.1	42.0	47.3	-4.1	13.2	12.6	18.4	16.3	2.9	2.6	16.6	16.8
Ashok Ley.	Buy	112	160	43	-0.8	3.8	7.0	-172.3	LP	82.7	29.2	16.0	4.2	3.6	15.2	24.1
Bajaj Auto	Neutral	3848	4150	8	167.8	202.6	231.2	-6.8	20.7	14.1	19.0	16.6	4.3	4.2	23.1	25.8
Bharat Forge	Buy	648	721	11	4.2	16.0	25.8	-54.2	278.2	61.3	40.6	25.2	5.0	4.4	13.0	18.6
Bosch	Neutral	13748	15550	13	289.1	481.1	555.4	-31.0	66.4	15.4	28.6	24.8	3.8	3.4	14.1	14.6
CEAT	Buy	1287	1700	32	114.3	81.9	132.0	100.2	-28.3	61.2	15.7	9.7	1.4	1.3	9.6	13.9
Eicher Mot.	Buy	2415	3284	36	50.5	96.5	122.3	-24.6	91.3	26.6	25.0	19.8	5.0	4.1	21.7	22.7
Endurance Tech.	Buy	1301	1767	36	32.2	51.5	62.9	-15.5	60.3	22.0	25.2	20.7	4.8	4.1	20.3	21.4
Escorts	Neutral	1165	1300	12	86.3	84.1	93.4	59.9	-2.5	11.1	13.8	12.5	2.0	1.8	15.7	15.1
Exide Ind	Buy	181	220	21	8.9	10.2	13.1	-10.0	14.3	28.6	17.8	13.8	2.1	1.9	11.6	13.4
Hero Moto	Buy	2811	3500	25	149.4	179.0	209.3	-2.3	19.8	16.9	15.7	13.4	3.4	3.1	22.7	24.5
M&M	Buy	742	960	29	34.0	39.7	50.0	13.5	16.6	25.9	18.7	14.8	2.1	2.0	12.4	14.0
Mahindra CIE	Buy	175	234	34	2.8	15.4	16.3	-70.1	447.4	5.6	11.3	10.7	1.2	1.1	11.4	10.9
Maruti Suzuki	Buy	6738	8450	25	145.3	236.2	312.5	-22.7	62.5	32.3	28.5	21.6	3.6	3.2	12.3	14.7
Motherson Sumi	Buy	229	242	6	2.5	7.5	9.8	-32.0	197.5	30.4	30.5	23.4	5.4	4.6	18.7	21.3
Tata Motors	Buy	312	415	33	-1.0	28.6	38.5	-95.9	LP	34.7	10.9	8.1	2.0	1.6	19.7	21.6
TVS Motor	Neutral	603	636	5	12.9	22.2	30.4	-0.9	72.2	36.9	27.2	19.9	5.7	4.6	23.0	25.8
Aggregate								32.7	101.0	28.4	20.5	16.0	3.3	2.9	16.0	18.0
Banks - Private																
AU Small Finance	Buy	947	1175	24	38.0	31.9	43.3	67.9	-16	35.8	29.7	21.9	4.1	3.5	14.9	17.2
Axis Bank	Buy	685	925	35	22.4	51.5	67.3	271.0	130	30.7	13.3	10.2	1.8	1.5	14.5	16.4
Bandhan Bank	Neutral	281	335	19	13.7	22.2	34.3	-36.5	62	54.9	12.7	8.2	2.3	1.9	19.1	24.9
DCB Bank	Neutral	96	100	4	10.8	11.7	15.9	-0.7	8.1	36.4	8.2	6.0	0.8	0.7	9.8	12.0
Equitas Hold.	Buy	87	105	21	11.2	15.8	20.8	57.6	40.7	31.5	5.5	4.2	0.8	0.8	15.3	18.8
Federal Bank	Buy	80	110	38	7.8	11.3	14.4	1.0	43.8	28.2	7.1	5.5	0.9	0.8	13.2	15.0
HDFC Bank	Buy	1387	1800	30	56.6	67.6	82.6	17.8	19.4	22.2	20.5	16.8	3.2	2.8	17.0	17.8
ICICI Bank	Buy	597	750	26	24.2	30.9	38.8	97.0	27.9	25.4	19.3	15.4	2.5	2.2	13.9	15.2
IndusInd	Buy	891	1200	35	39.9	69.4	95.1	-41.4	73.7	37.1	12.8	9.4	1.4	1.3	11.8	14.4
Kotak Mah. Bk	Neutral	1707	1900	11	50.4	61.3	74.1	12.2	21.6	20.8	27.9	23.1	3.5	3.1	12.9	13.7
RBL Bank	Buy	188	250	33	8.5	16.2	22.4	-14.6	91.2	38.1	11.6	8.4	0.8	0.8	7.4	9.6
SBI Cards	Buy	969	1200	24	10.5	18.6	26.9	-25.3	77.9	44.2	52.0	36.1	11.6	8.9	24.7	28.0
Aggregate								31.1	38.4	26.8	19.6	15.5	2.8	2.4	14.3	15.7
Banks - PSU																
BOB	Neutral	74	75	1	6.1	9.5	16.2	412.7	57.3	69.7	7.8	4.6	0.5	0.4	5.8	9.3
SBI	Buy	361	500	39	30.9	45.2	54.7	39.3	47	20.9	8.0	6.6	1.1	0.9	13.8	14.6
Aggregate								49.3	48	26	8	6.5	1.0	0.9	12.3	13.7
NBFCs																
AAVAS Financiers	Neutral	2296	2400	5	36.9	48.0	58.4	15.9	30.1	21.6	47.8	39.3	6.5	5.6	14.5	15.2
Aditya Birla Cap	Buy	121	140	15	4.5	6.1	7.6	17.3	36.4	24.6	20.0	16.0	1.9	1.7	10.2	11.4
Bajaj Fin.	Buy	5328	5865	10	73.5	148.2	182.6	-16.3	101.7	23.2	35.9	29.2	7.2	5.9	22.1	22.2
Can Fin Homes	Buy	510	660	30	34.2	34.1	38.2	21.3	-0.3	11.8	14.9	13.3	2.2	1.9	16.1	15.5
Cholaman. Inv.&Fn	Buy	527	650	23	18.5	23.4	30.4	44.0	26.7	30.0	22.5	17.3	3.8	3.2	18.4	20.0
H D F C	Buy	2422	3275	35	54.5	63.1	72.7	10.8	15.8	15.3	38.4	33.3	3.7	3.4	12.7	13.3
HDFC Life Insur.	Neutral	671	730	9	6.7	7.7	9.1	4.7	15.2	17.2	86.6	73.9	4.3	3.7	17.5	17.7
ICICI Pru Life	Buy	560	600	7	6.7	8.7	9.4	-10.1	30.2	7.8	64.3	59.6	2.4	2.1	14.7	14.6
IIFL Wealth Mgt	Buy	1186	1540	30	41.5	49.4	61.7	79.6	19.1	25.0	24.0	19.2	5.1	4.7	19.1	25.6
IndoStar	Neutral	300	355	18	9.5	12.4	17.6	-127.1	29.7	42.6	24.2	17.0	0.9	0.8	3.7	5.1
L&T Fin Holdings	Buy	85	115	35	3.8	10.2	13.1	-54.7	165.9	27.8	8.3	6.5	1.0	0.9	12.7	14.4
LIC Hsg Fin	Buy	430	520	21	60.7	67.6	72.7	27.5	11.4	7.5	6.4	5.9	0.9	0.8	15.7	14.9
Manappuram Fin.	Buy	151	205	36	20.7	24.1	28.1	18.1	16.4	16.9	6.3	5.3	1.4	1.2	25.1	23.8
MAS Financial	Buy	869	1020	17	26.4	32.4	38.0	-20.3	22.5	17.4	26.8	22.9	3.8	3.4	15.2	15.8
Max Financial	Buy	881	1000	14	15.9	21.7	27.5	9.8	36.3	26.5	40.6	32.1	2.7	2.3	18.8	19.2
M&M Fin.	Buy	151	215	42	2.7	15.3	17.7	-81.5	460.8	15.9	9.9	8.5	1.2	1.0	12.2	12.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Muthoot Fin	Buy	1168	1500	28	92.9	106.3	124.1	23.4	14.4	16.7	11.0	9.4	2.6	2.1	26.3	25.0
Piramal Enterp.	Buy	1633	2150	32	62.6	119.7	136.0	-355.3	91.0	13.6	13.6	12.0	1.1	1.0	8.4	8.8
PNB Housing	Neutral	383	400	4	55.3	83.0	89.2	43.8	50.1	7.6	4.6	4.3	0.6	0.6	14.7	14.1
Repco Home Fin	Buy	336	430	28	49.7	51.3	55.6	10.9	3.2	8.4	6.6	6.0	0.9	0.8	14.4	13.7
SBI Life Insurance	Buy	977	1150	18	14.6	16.7	20.3	2.4	14.9	21.3	58.4	48.2	2.3	2.0	16.3	16.9
Shriram City Union	Buy	1575	1900	21	153.1	179.6	232.9	1.0	17.2	29.7	8.8	6.8	1.1	1.0	13.8	15.7
Shriram Trans.	Buy	1327	1700	28	98.3	128.4	153.9	-10.9	30.7	19.9	10.3	8.6	1.4	1.2	14.3	15.3
Aggregate								16.3	38.7	18.1	21.1	17.9	2.9	2.6	13.6	14.3
Capital Goods																
ABB	Buy	1395	1565	12	11.9	20.1	27.0	-28.4	69.3	34.6	69.4	51.6	7.5	6.8	10.8	13.2
Bharat Elec.	Buy	143	150	5	6.9	8.5	9.4	-5.9	23.3	9.6	16.8	15.3	2.9	2.6	17.1	16.8
BHEL	Sell	68	26	-62	-2.5	1.3	1.9	-41.3	LP	43.5	51.6	35.9	0.8	0.8	1.6	2.3
Cummins	Sell	817	515	-37	19.0	22.5	25.8	-18.2	18.3	14.4	36.3	31.7	4.9	4.7	13.5	14.8
Engineers India	Buy	79	85	8	5.6	7.5	7.6	-17.0	32.6	1.2	10.5	10.4	2.2	2.1	19.3	19.1
K E C Intl.	Buy	388	450	16	21.5	25.5	30.0	-2.3	18.5	17.9	15.2	12.9	2.5	2.2	16.7	16.7
Larsen & Toubro	Buy	1416	1700	20	82.5	64.9	80.4	21.3	-21.3	23.9	21.8	17.6	2.5	2.2	11.4	12.8
Siemens	Neutral	1994	1700	-15	21.3	31.8	36.4	-32.6	49.3	14.6	62.8	54.8	6.8	6.2	10.9	11.4
Thermax	Neutral	1397	1190	-15	22.4	33.2	39.6	18.7	48.3	19.1	42.1	35.3	4.6	4.2	11.0	12.0
Aggregate								-19.5	53.6	17.0	26.4	22.6	2.7	2.5	10.3	11.1
Consumer Durables																
Blue Star	Sell	808	700	-13	10.4	16.9	25.2	-31.9	62.4	48.6	47.8	32.1	8.1	7.2	16.9	22.3
CG Cons. Elec.	Buy	363	485	34	8.4	10.6	12.1	19.9	27.1	13.7	34.2	30.1	10.4	8.6	30.5	28.7
Havells	Neutral	996	1100	10	16.5	19.6	22.0	40.7	18.8	12.2	50.9	45.4	10.8	9.3	21.2	20.6
Orient Electric	Buy	280	365	30	5.6	6.5	8.2	52.3	14.8	25.8	43.3	34.4	10.8	8.8	24.9	25.7
Voltas	Neutral	1000	1060	6	15.9	18.8	22.9	-5.1	18.4	21.8	53.2	43.7	6.1	5.5	11.4	12.6
Whirlpool India	Buy	2097	3020	44	27.3	45.5	54.9	-27.4	66.8	20.8	46.1	38.2	8.0	6.8	17.4	17.8
Aggregate								9.1	28.7	17.7	46.5	39.5	8.7	7.5	18.6	19.1
Cement																
Ambuja Cem.	Neutral	307	320	4	9.0	10.6	12.1	24.2	18.0	13.7	28.9	25.4	2.8	2.5	10.0	10.5
ACC	Buy	1877	2205	17	78.4	101.1	106.4	8.5	28.9	5.2	18.6	17.6	2.5	2.2	14.1	13.3
Birla Corp.	Buy	1049	1330	27	73.0	79.2	100.2	11.3	8.5	26.6	13.3	10.5	1.3	1.2	10.6	12.2
Dalmia Bhar.	Buy	1727	1905	10	54.8	51.8	70.5	377.1	-5.5	36.2	33.3	24.5	2.3	2.1	7.2	9.0
Grasim Inds.	Neutral	1366	1510	11	83.9	99.0	113.0	-5.0	18.1	14.1	13.8	12.1	2.3	2.2	4.1	5.0
India Cem	Neutral	172	167	-3	6.5	5.0	6.5	847.1	-23.8	31.9	34.7	26.3	0.9	0.9	2.7	3.5
J K Cements	Buy	2760	3360	22	86.2	105.0	123.4	37.7	21.8	17.6	26.3	22.4	5.1	4.2	20.9	20.4
JK Lakshmi Ce	Buy	405	550	36	25.7	27.6	36.4	14.1	7.1	32.2	14.7	11.1	2.1	1.8	15.0	17.0
Ramco Cem	Neutral	932	970	4	33.4	34.9	41.4	30.8	4.4	18.7	26.7	22.5	3.5	3.1	13.8	14.5
Shree Cem	Neutral	26721	27500	3	645.3	740.3	861.1	48.3	14.7	16.3	36.1	31.0	5.5	4.8	16.4	16.5
Ultratech	Buy	6368	8050	26	190.4	219.7	274.4	31.0	15.4	24.9	29.0	23.2	3.5	3.3	13.5	15.0
Aggregate								22.3	15.3	18.4	23.6	19.9	3.0	2.8	12.9	13.8
Consumer																
Asian Paints	Neutral	2774	2620	-6	33.4	36.6	43.6	15.4	9.5	19.1	75.8	63.6	19.1	17.5	26.3	28.7
Britannia	Buy	3500	4450	27	76.8	77.2	88.9	31.0	0.5	15.1	45.3	39.4	17.5	16.1	44.5	42.7
Colgate	Buy	1567	1810	15	36.1	40.0	45.3	20.4	10.7	13.3	39.2	34.6	25.7	25.7	65.6	74.3
Dabur	Buy	535	620	16	9.6	10.3	12.4	11.0	7.2	20.4	52.0	43.2	11.6	10.5	23.0	25.5
Emami	Buy	501	580	16	17.2	17.0	18.7	38.8	-1.5	10.3	29.5	26.8	10.4	10.4	35.3	38.8
Godrej Cons.	Buy	852	870	2	17.3	18.7	21.7	21.9	8.2	15.9	45.6	39.3	8.8	8.4	19.8	21.9
HUL	Buy	2377	2780	17	34.8	39.8	48.9	11.5	14.4	22.7	59.7	48.7	11.3	11.3	19.3	23.2
ITC	Neutral	212	220	4	10.3	13.1	14.8	-17.0	27.1	12.6	16.2	14.4	3.8	3.7	24.2	26.2
Jyothy Lab	Neutral	148	158	7	5.7	5.9	6.2	25.7	3.8	4.9	25.0	23.9	4.3	4.1	17.2	17.6
Marico	Buy	474	490	3	9.0	9.8	11.3	10.4	8.9	15.8	48.5	41.8	13.5	12.9	32.5	31.5
Nestle	Neutral	17218	18300	6	217.4	249.2	291.9	7.6	14.6	17.1	69.1	59.0	77.5	71.1	115.5	125.8
Page Inds	Neutral	28053	28800	3	301.9	457.3	523.0	-1.9	51.5	14.4	61.3	53.6	34.6	33.5	56.4	62.5
Pidilite Ind.	Neutral	1889	1700	-10	22.2	23.3	28.5	-7.3	5.2	22.2	81.1	66.3	14.9	13.0	19.7	20.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
P&G Hygiene	Buy	13511	15900	18	166.8	225.8	288.3	22.2	35.3	27.7	59.8	46.9	44.3	37.3	80.0	86.4
Tata Consumer	Buy	645	725	12	9.5	12.2	15.2	20.8	28.5	25.4	53.1	42.3	3.9	3.7	7.5	8.9
United Brew	Sell	1210	960	-21	4.6	12.3	19.2	-71.8	169.2	55.9	98.5	63.1	8.5	7.9	8.8	12.9
United Spirits	Buy	565	725	28	5.7	12.9	17.1	-47.6	126.8	32.5	43.7	33.0	8.1	6.5	18.5	19.7
Varun Beverages	Buy	976	1150	18	11.3	23.1	37.0	-30.7	105.3	59.9	42.2	26.4	6.8	5.5	17.5	23.2
Aggregate								0.9	18.7	17.6	42.2	35.8	9.6	9.1	22.8	25.5
Healthcare																
Alembic Phar	Neutral	939	1070	14	59.9	52.8	56.2	36.3	-11.8	6.4	17.8	16.7	3.1	2.7	19.3	17.9
Alkem Lab	Buy	2995	3400	14	126.6	135.6	151.3	32.7	7.1	11.6	22.1	19.8	4.2	3.6	20.4	19.5
Ajanta Pharma	Buy	1960	2150	10	73.9	80.6	95.3	44.6	9.1	18.2	24.3	20.6	4.9	4.2	21.9	21.9
Aurobindo	Buy	1007	1100	9	53.0	60.7	68.1	7.9	14.4	12.3	16.6	14.8	2.3	2.0	15.1	14.7
Biocon	Neutral	389	390	0	5.5	7.7	11.2	-10.6	39.2	45.2	50.6	34.9	5.6	5.1	11.6	15.3
Cadila	Buy	617	750	22	20.0	24.8	26.0	36.1	23.9	4.9	24.9	23.7	4.0	3.5	17.1	15.8
Cipla	Neutral	904	840	-7	30.0	32.2	37.2	52.9	7.3	15.5	28.0	24.3	3.6	3.2	12.7	12.9
Divis Lab	Buy	4022	4450	11	75.9	98.0	127.3	55.0	29.2	29.9	41.0	31.6	9.7	7.8	26.2	27.5
Dr Reddy's	Neutral	5196	5670	9	139.3	198.4	226.5	6.0	42.4	14.2	26.2	23.0	4.2	3.6	20.8	21.2
Gland Pharma	Buy	2882	2900	1	57.7	72.6	92.3	15.9	25.7	27.1	39.7	31.2	6.7	5.5	18.5	19.4
Glenmark	Neutral	608	525	-14	35.4	36.1	41.1	44.0	1.9	14.0	16.9	14.8	2.2	1.9	13.7	13.8
GSK Pharma	Neutral	1504	1480	-2	29.0	35.3	40.1	2.9	21.8	13.5	42.6	37.5	12.1	10.6	28.4	28.3
Granules India	Buy	322	420	31	22.3	23.1	27.2	71.2	3.7	17.4	13.9	11.8	2.9	2.4	23.4	22.1
IPCA Labs	Buy	2148	2480	15	94.4	94.3	101.4	83.8	-0.1	7.6	22.8	21.2	4.8	4.0	23.1	20.7
Jubilant Pharmova	Buy	823	910	11	56.6	60.3	69.1	-5.3	6.5	14.6	13.6	11.9	2.7	2.2	21.7	20.6
Laurus Labs	Buy	468	550	17	18.3	23.8	29.1	-65.6	30.1	21.8	19.6	16.1	6.8	5.0	40.7	35.8
Lupin	Neutral	1179	1400	19	26.2	40.2	49.5	12.2	53.7	22.9	29.3	23.8	3.5	3.2	12.6	14.0
Solara Active Pharma	Buy	1721	2000	16	45.0	78.4	96.3	93.2	74.3	22.8	22.0	17.9	3.3	2.7	22.1	22.7
Strides Pharma	Buy	808	970	20	24.8	43.3	53.6	63.6	74.3	23.7	18.7	15.1	2.4	2.1	13.4	14.9
Sun Pharma	Buy	691	740	7	25.6	26.8	29.9	56.2	4.4	11.6	25.8	23.1	3.2	2.8	12.9	12.9
Torrent Pharma	Neutral	2723	2510	-8	73.0	88.0	99.8	30.1	20.6	13.4	30.9	27.3	7.0	6.0	24.5	23.8
Aggregate								36.4	15.4	15.6	26.3	22.8	4.1	3.6	15.6	15.7
Infrastructure																
Ashoka Buildcon	Buy	86	145	69	13.2	11.2	12.8	-4.6	-15.0	14.6	7.7	6.7	0.7	0.7	10.2	10.7
IRB Infra	Neutral	106	122	15	3.9	5.9	9.7	-79.2	51.2	64.0	17.9	10.9	0.5	0.5	3.1	4.9
KNR Constructions	Buy	208	265	28	9.1	12.8	16.5	26.0	40.4	28.4	16.2	12.6	2.7	2.2	17.8	19.1
Aggregate											13.8	10.5	1.0	0.9	7.2	8.8
Media																
PVR	Neutral	1161	1300	12	-92.2	17.1	36.7	-386.6	LP	113.8	67.7	31.7	3.3	3.0	5.0	10.0
Sun TV	Buy	521	565	8	38.6	40.0	40.0	10.9	3.6	0.1	13.0	13.0	3.0	2.8	24.0	22.5
Zee Ent.	Neutral	192	220	15	8.9	17.4	19.8	62.1	95.7	13.6	11.0	9.7	1.6	1.4	15.9	15.9
Aggregate								-16.1	60.7	10.4	13.9	12.6	2.3	2.1	16.7	16.6
Metals																
Hindalco	Buy	383	480	25	23.6	45.3	46.0	34.9	91.9	1.7	8.5	8.3	1.7	1.4	22.4	18.9
Hind. Zinc	Neutral	311	290	-7	18.9	25.8	27.4	17.3	36.3	6.3	12.1	11.4	3.8	3.6	32.5	32.3
JSPL	Buy	417	550	32	61.4	66.9	56.7	#####	8.9	-15.3	6.2	7.4	1.1	1.0	19.4	13.9
JSW Steel	Buy	707	610	-14	31.7	62.2	59.4	251.0	96.1	-4.5	11.4	11.9	3.0	2.4	29.6	22.5
Nalco	Buy	71	71	0	4.1	6.9	6.6	450.3	68.5	-4.4	10.4	10.9	1.3	1.3	12.5	11.7
NMDC	Buy	186	170	-8	21.9	24.6	20.0	42.8	12.5	-18.6	7.5	9.3	1.7	1.5	23.4	17.2
SAIL	Buy	127	106	-17	13.8	18.5	16.8	#####	35	-9.3	6.9	7.6	1.0	0.9	15.8	13.0
Tata Steel	Neutral	1132	1205	6	69.0	254.5	159.5	661.2	269	-37.3	4.4	7.1	1.5	1.3	38.1	19.7
Vedanta	Neutral	272	300	10	25.9	39.9	34.6	195.3	54	-13.3	6.8	7.9	1.5	1.4	23.0	18.8
Aggregate								172.3	80.1	-15.7	7.8	9.3	1.8	1.6	22.7	17.2
Oil & Gas																
Aegis Logistics	Buy	324	350	8	7.1	10.7	13.3	139.6	49.3	25.1	30.4	24.3	5.3	4.6	18.5	20.4



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
BPCL	Buy	442	520	18	41.9	34.4	42.0	65.5	-18.0	22.1	12.9	10.5	2.0	1.8	16.0	17.8
Castrol India	Buy	130	170	30	5.9	8.5	8.5	-29.6	44.8	-0.2	15.3	15.3	8.1	7.4	56.3	50.5
GAIL	Buy	153	170	11	10.2	15.8	16.7	-38.1	55.0	6.1	9.7	9.1	1.3	1.2	14.9	14.7
Gujarat Gas	Buy	515	560	9	17.0	20.0	23.3	-1.8	17.2	17.0	25.8	22.1	6.5	5.2	28.3	26.3
Gujarat St. Pet.	Buy	268	390	46	15.0	16.8	17.9	-23.5	11.9	6.3	15.9	14.9	1.8	1.6	12.1	11.6
HPCL	Neutral	254	277	9	56.3	40.3	42.0	135.5	-28.3	4.2	6.3	6.0	1.1	1.1	18.4	18.5
IOC	Buy	101	142	41	15.8	15.5	18.9	53.5	-1.8	22.1	6.5	5.3	0.9	0.8	13.7	15.8
IGL	Neutral	512	520	2	14.5	18.1	18.8	-10.6	24.6	4.1	28.3	27.2	5.2	4.5	19.9	17.9
Mahanagar Gas	Buy	1093	1290	18	63.4	78.4	80.6	-21.1	23.8	2.8	13.9	13.6	2.9	2.6	22.0	20.1
MRPL	Neutral	48	39	-18	-1.0	4.0	7.2	-93.7	LP	81.1	11.9	6.6	1.0	0.9	8.8	14.5
Oil India	Buy	130	165	26	17.9	19.7	22.0	-21.8	10.4	11.6	6.6	5.9	0.6	0.5	8.7	9.3
ONGC	Buy	113	150	33	10.7	21.8	23.8	-18.4	104.3	9.0	5.2	4.7	0.6	0.6	12.4	12.3
PLNG	Buy	242	325	34	18.0	22.1	23.9	-2.6	22.9	8.0	11.0	10.2	2.9	2.6	27.1	26.9
Reliance Ind.	Buy	1937	2195	13	67.7	92.7	111.4	1.9	36.8	20.3	20.9	17.4	1.7	1.5	8.2	9.1
Aggregate								10.4	30.7	16.2	13.7	11.8	1.4	1.3	10.2	10.9
Retail																
Avenue Supermarts	Neutral	2843	2850	0	17.0	22.8	37.4	-15.5	34.5	63.8	124.5	76.0	13.0	11.0	11.4	16.3
Aditya Birla Fashion	Buy	182	230	26	-2.4	0.0	0.4	1,208.1	LP	2,039.9	#####	482.4	20.8	20.0	0.2	4.2
Jubilant Food.	Neutral	2805	2915	4	18.0	38.2	53.0	-19.9	111.9	38.5	73.4	53.0	23.6	18.7	32.1	35.2
Shoppers Stop	Neutral	199	220	11	-34.1	-13.9	-15.0	131.8	Loss	Loss	NM	NM	-120.0	-11.9	-262.6	163.8
Titan Company	Buy	1456	1785	23	11.0	20.2	29.7	-35.4	83.4	47.1	72.0	48.9	15.4	13.7	22.6	29.6
Trent	Neutral	773	710	-8	-5.1	-3.0	7.0	-270.1	Loss	LP	NM	111.0	11.6	10.5	-4.8	10.6
V-Mart Retail	Buy	2591	3500	35	-12.0	22.6	40.9	-144.1	LP	80.5	114.5	63.4	9.8	8.5	9.0	14.4
Westlife Develop	Neutral	427	400	-6	-6.7	-1.8	4.2	#####	Loss	LP	NM	102.6	14.7	12.8	-6.0	13.3
Aggregate								-68.2	257.2	72.0	111.3	64.7	13.4	11.7	12.1	18.1
Technology																
Cyient	Buy	774	810	5	33.8	42.6	50.6	0.1	26.1	18.7	18.2	15.3	2.9	2.7	16.0	18.2
HCL Tech.	Buy	910	1190	31	43.8	50.3	59.7	7.5	14.9	18.6	18.1	15.3	3.7	3.4	21.2	23.3
Infosys	Buy	1317	1600	22	45.6	53.2	63.5	17.1	16.8	19.4	24.7	20.7	6.7	6.1	28.3	30.9
L & T Infotech	Neutral	3605	3680	2	107.0	118.6	141.4	23.6	10.9	19.1	30.4	25.5	7.4	6.3	26.3	26.7
L&T Technology	Buy	2541	3130	23	62.8	84.4	104.3	-19.0	34.4	23.5	30.1	24.4	6.6	5.6	23.7	25.0
Mindtree	Neutral	2107	2180	3	67.4	77.7	90.6	75.7	15.3	16.7	27.1	23.2	6.9	5.9	27.4	27.5
Mphasis	Buy	1789	2030	13	64.2	74.9	91.7	1.7	16.6	22.4	24.0	19.6	4.7	4.3	20.8	23.3
Coforge	Neutral	3349	3240	-3	78.8	105.0	129.5	4.4	33.2	23.4	31.9	25.9	7.0	5.9	23.7	24.7
Persistent Sys	Buy	2273	2340	3	59.0	79.1	93.5	32.4	34.0	18.3	28.8	24.3	5.4	4.7	20.1	20.6
TCS	Neutral	3051	3250	7	86.7	109.0	124.9	0.6	25.7	14.6	28.0	24.4	12.2	11.5	45.4	49.1
Tech Mah	Neutral	952	1050	10	51.7	59.1	66.0	6.9	14.3	11.7	16.1	14.4	3.0	2.7	19.9	20.1
Wipro	Neutral	498	455	-9	18.8	20.0	23.9	14.3	6.5	19.9	24.9	20.8	5.0	5.0	20.2	24.0
Zensar Tech	Buy	269	320	19	15.3	15.7	19.9	31.0	2.8	26.6	17.1	13.5	2.4	2.1	14.5	16.6
Aggregate								7.5	17.8	16.9	25.8	22.1	7.2	6.7	27.9	30.5
Telecom																
Bharti Airtel	Buy	561	720	28	0.8	4.5	7.9	-111.3	435.8	73.8	123.9	71.3	4.7	4.4	3.8	6.3
Indus Towers	Neutral	244	260	6	18.5	21.6	21.5	-1.0	16.8	-0.5	11.3	11.4	3.8	3.5	35.0	32.0
Vodafone Idea		9			-8.5	-7.5	-6.8	12.9	Loss	Loss	NM	NM	-0.6	-0.4	73.2	39.1
Tata Comm	Neutral	1084	1045	-4	46.5	50.6	66.7	340.2	8.8	31.9	21.4	16.2	19.8	8.9	172	75.8
Aggregate								Loss	Loss	Loss	-35	-55.2	9.2	12.5	-26.2	-22.6
Utilities																
Coal India	Buy	147	178	21	18.3	24.5	30.9	-32.4	34.0	25.7	6.0	4.8	2.0	1.7	34.3	35.1
CESC	Buy	674	777	15	97.4	97.1	104.3	-0.4	-0.3	7.4	6.9	6.5	0.8	0.8	12.1	12.3
Indian Energy Exchange	Neutral	373	375	0	7.2	8.9	10.3	20.7	23.6	15.7	41.8	36.3	18.2	15.8	46.7	46.7
JSW Energy	Neutral	114	85	-26	4.8	5.9	6.9	-5.8	22.2	18.4	19.5	16.5	1.5	1.4	7.7	8.8
NHPC	Neutral	26	26	1	2.9	3.0	3.5	0.5	4.1	17.9	8.6	7.3	0.8	0.7	9.0	10.0



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
NTPC	Buy	111	141	27	15.5	16.8	18.1	12.0	9.0	7.7	6.6	6.1	0.8	0.8	12.8	13.1
Power Grid	Buy	229	255	11	23.8	25.8	27.1	12.7	8.4	5.0	8.9	8.4	1.6	1.5	18.7	18.2
Torrent Power	Buy	428	463	8	22.8	31.1	31.7	-18.5	36.4	1.9	13.8	13.5	1.8	1.7	14.1	13.0
Tata Power	Buy	101	123	21	3.9	5.4	5.6	4.3	36.5	4.2	18.9	18.2	1.5	1.4	8.0	7.9
Aggregate								-5.8	15.0	13.2	7.8	6.9	1.3	1.2	16.3	17.0
Others																
BSE	Buy	752	970	29	30.9	51.3	63.6	24.1	65.9	23.9	14.7	11.8	1.4	1.4	9.4	11.4
Concor	Buy	573	662	16	12.6	16.0	19.9	-24.1	27.2	24.0	35.7	28.8	3.2	3.1	9.2	11.0
Coromandel Intl	Buy	769	983	28	45.3	50.4	57.8	24.6	11.3	14.7	15.2	13.3	3.6	3.0	26.0	24.8
EPL	Buy	233	334	44	8.5	11.3	13.4	24.6	33.0	18.3	20.6	17.4	3.8	3.4	20.0	20.6
Indiamart Inter.	Buy	6810	9320	37	96.6	110.9	133.7	86.5	14.8	20.6	61.4	50.9	10.7	9.0	18.8	19.2
Indian Hotels	Buy	113	139	23	-7.1	-3.3	1.5	-359.5	Loss	LP	NM	73.0	4.2	4.1	-11.6	5.7
Interglobe	Neutral	1695	1530	-10	-143.5	45.1	95.6	2,123.6	LP	112	38	17.7	34.9	12.8	156.5	105.4
Info Edge	Neutral	4295	4600	7	21.9	30.2	41.0	31.0	37.7	35.9	142.3	104.7	11.9	11.1	8.5	10.9
Godrej Agrovet	Buy	529	615	16	16.3	19.3	22.4	25.0	18.0	15.9	27.4	23.7	4.5	4.0	17.2	18.0
Kaveri Seed	Buy	733	633	-14	52.2	53.2	57.6	21.1	2.1	8.1	13.8	12.7	3.7	3.3	27.9	27.4
Lemon Tree Hotel	Buy	38	49	28	-1.7	0.0	0.6	1,308.3	Loss	LP	NM	67.1	4.3	4.1	-0.4	6.3
MCX	Buy	1519	1970	30	44.7	45.3	61.7	-3.6	1.3	36.1	33.5	24.6	5.4	4.9	16.9	20.9
Qess Corp	Buy	627	745	19	12.4	33.3	43.0	-32.1	168.3	29.4	18.9	14.6	2.4	2.0	17.6	18.9
PI Inds.	Buy	2698	2612	-3	51.1	65.6	79.2	69.9	28.3	20.7	41.1	34.1	6.6	5.6	17.4	17.9
SIS	Buy	398	540	36	23.7	20.7	26.1	-1.7	-12.9	26.6	19.3	15.2	1.3	1.1	15.6	16.7
SRF	Neutral	6263	6336	1	196.9	229.3	290.2	29.0	16.5	26.5	27.3	21.6	4.7	3.9	18.5	19.7
Tata Chemicals	Neutral	703	628	-11	10.1	26.1	41.8	-68.2	159.7	59.8	26.9	16.8	1.2	1.2	4.6	7.1
Team Lease Serv.	Buy	3159	3980	26	51.7	72.9	99.5	5.8	40.9	36.5	43.3	31.7	6.9	5.7	17.2	19.5
Trident	Buy	17	19	13	0.7	1.0	1.4	6.8	52.5	29.1	16.2	12.5	2.2	1.9	14.4	16.3
UPL	Neutral	744	750	1	45.0	58.5	68.2	28.9	29.9	16.6	12.7	10.9	1.7	1.5	22.7	22.1



Index	1 Day (%)	1M (%)	12M (%)
Sensex	0.1	0.4	56.6
Nifty-50	-0.1	1.2	60.5
Nifty Next 50	-1.4	5.1	53.6
Nifty 100	-0.3	1.7	59.6
Nifty 200	-0.5	2.0	62.6
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	-2.0	-0.1	69.0
Amara Raja Batt.	-4.0	-4.3	39.7
Ashok Leyland	-1.2	-2.8	127.6
Bajaj Auto	-0.8	6.9	42.6
Bharat Forge	-2.4	9.8	134.4
Bosch	-3.9	-1.1	44.5
CEAT	-0.2	-11.0	75.3
Eicher Motors	-1.7	-3.2	72.1
Endurance Tech.	-0.8	0.0	102.4
Escorts	-0.4	-5.6	46.6
Exide Inds.	-2.6	1.2	20.5
Hero Motocorp	-1.1	-1.9	25.4
M & M	-2.5	-8.6	85.3
Mahindra CIE	-2.4	9.2	92.5
Maruti Suzuki	-1.2	-1.2	31.9
Motherson Sumi	-3.2	8.0	185.6
Tata Motors	-4.1	3.2	272.7
TVS Motor Co.	-1.8	10.1	76.1
Banks-Private	-0.9	0.3	63.5
AU Small Fin. Bank	-1.0	-12.4	126.1
Axis Bank	-0.9	3.6	70.5
Bandhan Bank	-2.5	-15.4	11.3
DCB Bank	-4.0	2.3	38.2
Equitas Holdings	6.2	5.9	68.0
Federal Bank	-2.4	3.5	75.6
HDFC Bank	-0.9	-0.9	55.2
ICICI Bank	0.4	6.6	82.4
IndusInd Bank	-2.8	1.2	108.1
Kotak Mah. Bank	-0.7	-3.9	45.5
RBL Bank	0.3	-3.0	51.1
SBI Cards	-0.5	7.9	79.9
Banks-PSU	-2.0	5.6	82.0
BOB	-4.4	7.5	71.6
SBI	-2.0	5.7	114.6
Company	1 Day (%)	1M (%)	12M (%)
NBFCs	-0.6	1.3	64.7
Aditya Birla Cap	1.7	4.5	172.4
Bajaj Fin.	-0.5	12.7	152.5
Cholaman.Inv.&Fn	0.5	-1.1	255.0
Can Fin Homes	0.4	-1.1	67.5
HDFC	-0.7	-3.6	48.3
HDFC Life Insur.	0.3	-5.0	35.5
Indostar Capital	-0.5	-3.9	8.2
L&T Fin.Holdings	-2.2	-10.2	57.1
LIC Hsg Fin	0.3	9.1	64.8
M&M Fin.	-0.8	-14.5	47.2
Muthoot Fin	-0.1	-0.4	42.8
Manappuram Fin.	-1.5	1.4	22.4
MAS Financial Serv.	3.9	6.8	52.3
Max Financial	-1.2	0.8	96.7
ICICI Pru Life	0.8	22.0	45.7
ICICI Sec	0.0	25.6	36.8

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	-0.5	2.3	66.0
Nifty Midcap 100	-1.6	3.6	87.2
Nifty Smallcap 100	-1.5	7.0	122.5
Nifty Midcap 150	-1.5	3.4	85.2
Nifty Smallcap 250	-1.0	7.7	117.5
Company	1 Day (%)	1M (%)	12M (%)
IIFL Wealth Mgt	3.1	0.0	41.1
PNB Housing	-1.4	2.8	110.5
Repco Home	-2.1	18.0	190.7
SBI Life Insuran	0.5	8.2	30.9
Shriram City Union	-3.4	9.7	124.2
Shriram Trans.	-1.4	-4.0	110.0
Capital Goods	0.6	4.0	82.2
ABB	-0.6	5.5	66.8
Bharat Elec.	-2.3	14.1	125.2
BHEL	-4.7	46.1	148.2
Cummins	-2.0	-2.7	134.3
Engineers India	-0.3	9.3	23.7
K E C Intl	1.7	-4.3	99.9
L&T	2.2	3.1	62.4
Siemens	-0.5	12.7	90.4
Thermax	-0.8	4.6	99.5
Consumer Durables	0.2	-1.1	72.2
Blue Star	-1.6	-6.6	72.0
CG Cons. Elec.	-0.4	-1.2	74.3
Havells	-1.2	-2.7	98.9
Voltas	3.0	4.2	118.8
Whirlpool India	0.1	-3.9	7.8
Orient Electric	-0.1	-4.9	65.9
Cement	-1.6	10.0	134.4
Ambuja Cem.	-0.6	1.6	68.2
ACC	-0.3	-0.2	57.9
Birla Corp.	0.5	11.6	163.2
Dalmia Bhar.	1.6	11.7	245.4
Grasim Inds.	-3.3	-1.9	167.3
India Cem	-0.1	-0.3	70.7
J K Cements	-0.5	-2.9	153.1
JK Lakshmi Ce	-2.3	-1.8	109.6
Ramco Cem	-0.6	-11.8	70.0
Shree Cem	-0.5	-12.0	38.2
Ultratech	-0.4	-3.6	76.3
Consumer	2.1	0.2	29.1
Asian Paints	8.5	7.9	82.2
Britannia	1.8	-6.5	12.3
Colgate	2.5	1.8	16.1
Dabur	1.0	-4.6	16.5
Emami	2.5	-3.0	172.5
Godrej Cons.	-2.7	17.8	50.9
HUL	2.1	-3.2	18.5
ITC	4.5	1.7	29.5
Jyothy Lab	0.6	3.1	44.7
Marico	1.1	12.4	48.9
Nestle	3.0	0.3	6.0
Page Inds	-0.7	-4.1	59.4
Pidilite Ind.	0.5	5.0	38.7
P&G Hygiene	-0.9	-0.2	33.3
Tata Consumer	0.8	-2.8	77.8
United Brew	0.2	9.8	28.8

Note: Sectoral performance are of NSE/BSE Indices



Company	1 Day (%)	1M (%)	12M (%)
United Spirits	1.0	8.0	4.7
Varun Beverages	-0.5	-2.9	52.0
Healthcare	-1.3	8.4	51.4
Alembic Phar	-1.3	-4.0	11.0
Alkem Lab	0.0	8.7	18.4
Ajanta Pharma	-2.2	13.6	31.0
Aurobindo	-0.9	10.6	51.1
Biocon	0.9	-4.4	16.0
Cadila	-4.6	26.3	83.1
Cipla	0.6	2.1	58.7
Divis Lab	-1.0	8.1	70.0
Dr Reddy's	-2.0	8.7	39.2
Gland Pharma	0.8	13.8	
Glenmark	-2.6	18.7	75.5
GSK Pharma	1.6	3.3	6.1
Granules	-4.4	1.2	105.5
IPCA Labs	0.6	-0.3	34.6
Jubilant Pharmo	-3.2	11.1	105.9
Laurus Labs	-3.3	6.5	433.9
Lupin	-2.6	13.7	36.6
Solara Active	-1.2	16.4	270.1
Strides Pharma	-0.2	-7.8	91.2
Sun Pharma	-1.6	10.2	51.6
Torrent Pharma	-0.1	6.1	13.0
Infrastructure	-0.5	2.5	52.4
Ashoka Buildcon	-1.9	-5.4	47.0
IRB Infra.Devl.	-0.9	-0.3	66.2
KNR Construct.	-2.6	1.8	111.4
Media	-1.6	10.1	38.5
PVR	-1.8	7.0	33.2
Sun TV	-1.0	12.1	35.2
Zee Ent.	-0.8	1.9	13.1
Metals	-3.8	17.4	196.9
Hindalco	-3.9	9.8	226.7
Hind. Zinc	-1.8	6.6	66.7
JSPL	-8.7	1.9	345.9
JSW Steel	-0.1	12.2	303.6
Nalco	-4.9	27.5	149.7
NMDC	-8.5	34.5	156.8
SAIL	-3.8	40.2	351.9
Tata Steel	-3.9	28.8	321.5
Vedanta	-3.5	24.8	205.8
Oil & Gas	-1.7	6.9	39.8
Aegis Logistics	-3.2	13.4	89.1
BPCL	-1.6	8.0	42.8
Castrol India	-0.2	6.4	8.2
GAIL	-5.2	10.0	78.7
Gujarat Gas	-0.5	-2.0	113.5
Gujarat St. Pet.	-2.6	4.6	46.3
HPCL	-3.1	9.8	33.6
IOC	-1.8	13.6	34.3
IGL	-1.1	-2.0	10.8
Mahanagar Gas	-3.5	-0.1	21.3
MRPL	-0.7	32.6	67.7
Oil India	0.3	13.0	55.6
ONGC	-1.8	10.7	48.4
PLNG	-2.2	8.0	4.6
Reliance Ind.	1.2	0.3	34.9

Company	1 Day (%)	1M (%)	12M (%)
Retail			
Aditya Bir. Fas.	-1.8	3.8	79.4
Avenue Super.	-0.5	0.3	22.4
Jubilant Food	-0.6	1.5	65.9
Shoppers St.	-1.1	3.4	31.4
Titan Co.	0.1	-4.9	72.0
Trent	0.5	5.8	71.6
V-Mart Retail	-3.4	-6.5	63.0
Westlife Develop	1.2	5.5	43.5
Technology	-1.0	-1.0	92.5
Cyient	1.4	12.1	278.1
HCL Tech.	0.4	-7.3	76.2
Infosys	-0.8	-5.8	100.1
L&T Infotech	-1.5	-12.5	119.0
L&T Technology	0.1	-5.5	127.9
Mindtree	-2.6	2.9	152.1
Mphasis	-0.5	6.3	122.6
Coforge	-1.4	15.9	148.5
Persistent Sys	2.2	16.9	333.3
TCS	-1.2	-1.7	60.5
Tech Mah	-1.1	-4.9	84.5
Wipro	-1.9	19.0	167.9
Zensar Tech	-1.4	-1.7	223.1
Telecom	-0.6	3.7	14.2
Bharti Airtel	-0.2	4.6	3.9
Indus Towers	-2.9	-0.2	16.7
Idea Cellular	-1.7	-3.5	81.5
Tata Comm	-0.1	-1.5	144.8
Utilities	-0.9	10.2	84.1
Coal India	-4.5	14.8	13.9
CESC	0.7	14.1	13.7
Indian Energy Ex	-6.1	10.8	139.9
JSW Energy	-2.8	18.3	184.2
NHPC Ltd	-2.8	8.8	28.9
NTPC	-1.7	10.8	24.6
Power Grid	1.3	9.5	42.2
Tata Power	-4.8	5.9	227.8
Torrent Power	-1.5	7.8	41.2
Others			
BSE	2.2	31.5	80.4
Coromandel Intl	-0.3	3.6	24.7
Concor	-4.2	-0.2	51.5
EPL Ltd	-2.7	8.8	36.2
Indiamart Inter.	1.9	-14.3	207.8
Godrej Agrovet	-0.3	4.4	40.1
Indian Hotels	-2.8	7.6	71.6
Interglobe	0.8	5.5	74.4
Info Edge	-1.4	-5.8	59.4
Kaveri Seed	-2.5	35.5	97.9
Lemon Tree Hotel	0.3	19.0	126.4
MCX	-2.3	3.1	36.7
Piramal Enterp.	-3.6	-4.8	86.9
PI Inds.	0.7	10.4	76.2
Quess Corp	-2.6	5.7	260.5
SIS	2.9	7.3	5.3
SRF	-0.3	3.6	71.5
Tata Chemicals	-2.7	-7.4	139.9
Team Lease Serv.	-1.1	-6.1	114.4
Trident	-3.4	23.9	256.6
UPL	7.5	23.0	89.5

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