ASIAMONEY Brokers Poll 2020 (India)

Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	49,180	-1.7	3.0
Nifty-50	14,549	-1.8	4.1
Nifty-M 100	23,335	-2.0	12.0
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	3,889	-0.5	3.5
Nasdaq	12,962	-2.0	0.6
FTSE 100	6,713	0.2	3.9
DAX	14,610	-0.4	6.5
Hang Seng	10,848	-2.4	1.0
Nikkei 225	28,406	-2.0	3.5
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	63	6.2	24.0
Gold ($/OZ)	1,735	0.4	-8.6
Cu (US$/MT)	8,973	-0.1	15.8
Almn (US$/MT)	2,232	1.9	13.1
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	72.6	0.2	-0.7
USD/EUR	1.2	-0.3	-3.3
USD/JPY	108.7	0.1	5.3
YIELD (%)	**Close**	**1MChg**	**CYTD chg**
10 Yrs G-Sec	6.2	0.01	0.3
10 Yrs AAA Corp	7.2	0.01	0.6
Flows (USD b)	**24-Mar**	**MTD**	**CY21**
FIIs	-0.27	2.92	8.19
DIIs	0.08	-0.42	-4.38
Volumes (INRb)	**24-Mar**	**MTD***	**YTD***
Cash	619	728	801
F&O	44,426	44,242	40,903

Note: *Average

Today's top research idea

Divi's Lab: WIP in niche areas for sustained growth momentum

- Divi's Labs' (DIVI), enhanced generic API offering of sixteen new molecules are at various phases of development. Its strong chemistry skill set and experience in the complex Contrast Media segment have enabled it to bring the Iohexol API to the validation phase.
- It is well-placed to capitalize on the carotenoid opportunity too, with a 21% sales CAGR to INR8b expected over FY20–23, driven by healthy demand, integrated manufacturing, and doubled capacity.
- We value DIVI at 36x 12M forward earnings to arrive at TP of INR4,530. We reiterate Buy, and see multiple growth levers – a) new product additions, b) strong chemistry skillset, c) efficient manufacturing capabilities, d) scale advantage in legacy molecules, e) minimal financial leverage, and f) sufficient cash available for new projects.

Research covered

Cos/Sector	Key Highlights
Divi's Lab	WIP in niche areas for sustained growth momentum
NTPC	MoP enables DISCOMs to exit PPAs after 25 years
Cadila Healthcare	Revlimid settlement enhances business visibility
United Breweries	The Corner Office: Recovery on track; next few months pose acid test
EcoScope	1QCY21 – India's Quarterly Economic Outlook

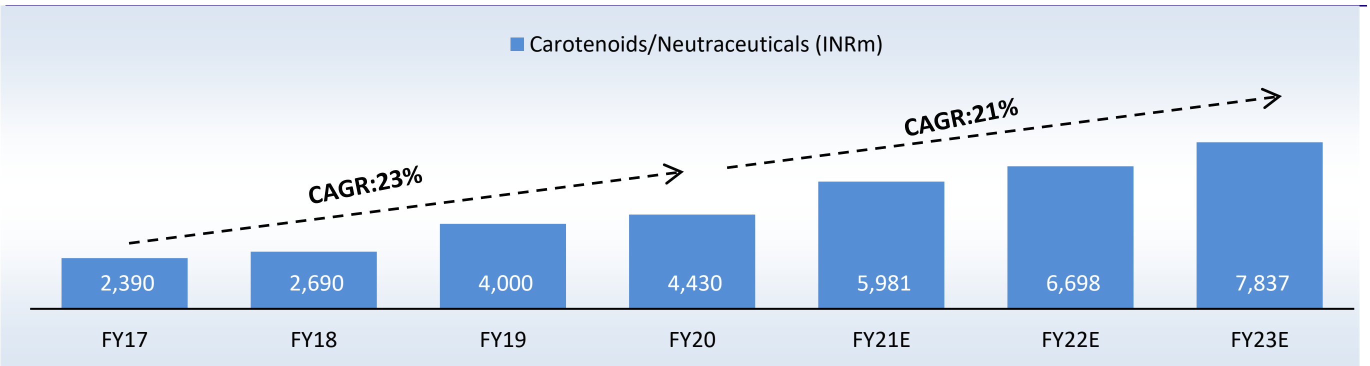
Piping hot news

Fitch upgrades India's FY22 GDP growth to 12.8%

Fitch Ratings on Wednesday upgraded India's growth projection for FY22 to 12.8% from 11% estimated earlier on a stronger carryover effect, a looser fiscal stance and better virus containment.

Chart of the Day: Divi's Lab (WIP in niche areas for sustained growth momentum)

We expect carotenoid sales CAGR of 21% for DIVI over FY20–23



Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

In the news today

Kindly click on textbox for the detailed news link

1

Fitch upgrades India's FY22 GDP growth to 12.8%

Fitch Ratings on Wednesday upgraded India's growth projection for FY22 to 12.8% from 11% estimated earlier on a stronger carryover effect, a looser fiscal stance and better virus containment. In its latest Global Economic Outlook (GEO), Fitch said the biggest revisions are for Turkey and India and that...

2

Jubilant set to bring Popeyes franchise to India, neighbours

Jubilant FoodWorks Ltd has entered into an exclusive master franchise and development agreement with PLK APAC Pte. Ltd to own and operate Popeyes quick-service restaurants in India, Sri Lanka, Bangladesh and Nepal, the food services major said in an exchange filing on Wednesday...

3

India likely to resume new bankruptcy filings after halt expires

India's government is considering resuming fresh bankruptcy filings after the current suspension expires on March 25, people with knowledge of the matter said. The lifting of the halt would come even as a resurgence in virus cases threatens the nascent economic recovery. It could spark a wave of new insolvencies, pent up from last year when businesses...

4

Tata builds small ECV, gears up for year-end launch

Tata Motors Ltd is developing a small electric commercial vehicle (ECV), based on its existing product Ace, for a possible year-end launch, two people aware of its plans said. The project is underway since 2018-19, and Tata Motors has consulted prospective customers, mostly e-commerce companies, for their requirements and desired vehicle dimensions,...

5

Ralf Speth, ex-CEO of JLR to be Chairman of TVS from January 2023

Ralf Speth, the former CEO of Jaguar Land Rover has been appointed onto the board of TVS Motor Company and will become the company's chairman from January 2023 as present chairman Venu Srinivasan takes on the role of chairman emeritus...

6

SAIL's Rourkela steel plant crosses 92 MT of crude steel production

Despite the adverse impact of the COVID-19 pandemic and economic slowdown, Rourkela Steel Plant (RSP) has set a record by producing 92 million tonnes of crude steel production on March 21, officials said. Since the very beginning, RSP under the Steel Authority of India...

7

Discom overdue increases 5.5-times in 5 states; disputes rising too

Power distribution companies (discoms) in 26 of India's 36 states and union territories (UT) have witnessed an increase in overdue since last year; with 30 territories having dues pending for more than two months. The power ministry, in a written reply to Rajya Sabha, said...

24 March 2021

Update | Sector: Healthcare

Divi's Lab

BSE SENSEX	S&P CNX
49,180	14,549

Stock Info

Bloomberg	DIVI IN
Equity Shares (m)	265
M.Cap.(INRb)/(USDb)	924.7 / 12.7
52-Week Range (INR)	3913 / 1823
1, 6, 12 Rel. Per (%)	3/-19/-3
12M Avg Val (INR M)	3578

Financials Snapshot (INR b)

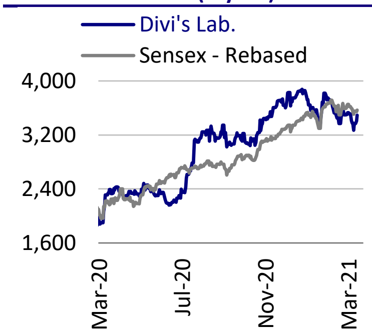
Y/E MARCH	2021E	2022E	2023E
Sales	70.5	88.0	110.7
EBITDA	29.6	37.7	48.0
Adj. PAT	20.3	26.4	34.3
EBIT Margin (%)	38.2	39.0	40.1
Cons. Adj. EPS (INR)	76.4	99.5	129.3
EPS Gr. (%)	56.2	30.2	29.9
BV/Sh. (INR)	335.4	414.5	517.3
Ratios			
Net D:E	0.0	0.0	-0.1
RoE (%)	25.0	26.5	27.7
RoCE (%)	25.0	26.5	27.7
Payout (%)	20.5	20.5	20.5
Valuations			
P/E (x)	45.6	35.0	26.9
EV/EBITDA (x)	31.1	24.4	19.0
Div. Yield (%)	0.4	0.3	0.4
FCF Yield (%)	0.6	1.0	1.4
EV/Sales (x)	13.1	10.4	8.3

Shareholding pattern (%)

As On	Dec-20	Sep-20	Dec-19
Promoter	62.8	62.8	62.8
DII	7.8	8.9	9.0
FII	12.8	11.5	12.1
Others	16.7	16.8	16.2

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR3,483 TP: INR4,530 (+30%) Buy

WIP in niche areas for sustained growth momentum

- **Divi's Labs (DIVI), in addition to having a robust base business, is enhancing its product offerings in the generic API space – at least sixteen molecules are under various phases of development and in the subsequent DMF filing stage.**
- **Particularly, we find DIVI's work interesting in the Contrast Media segment. While there is complexity associated with Iodine-based products, DIVI's strong chemistry skill set and experience in the Contrast Media space have enabled it to bring the Iohexol API to the validation phase.**
- **We believe DIVI is well-placed to capitalize on the carotenoid opportunity, with a 21% sales CAGR to INR8b expected over FY20–23. This would be driven by healthy demand, product offerings, integrated manufacturing, and the doubling of capacity.**
- **We continue to value DIVI at 36x 12M forward earnings to arrive at TP of INR4,530. We reiterate Buy, encouraged by promising demand prospects and multiple growth levers – a) new product additions, b) a strong chemistry skill set, c) efficient manufacturing capabilities, d) scale-led advantage in legacy molecules, e) minimal financial leverage, and f) sufficient cash available for new projects.**

Iohexol – niche opportunity in Contrast Media space

- Contrast media agents have a market size of ~USD5b and are growing at a CAGR of 5–6%. Lower genericization and limited competition, coupled with DIVI's specialized chemistry capabilities, provide a reasonable business opportunity.
- With estimated final product sales of USD500m for Iohexol (g-Omnipaque), we expect the Iohexal API US market size to be USD100–120m. The genericization of Omnipaque may provide a potential upside of USD40–50m for DIVI – post the successful validation and subsequent approval for its formulator customer. This is given the limited competition and DIVI's considerable experience in this space.

Carotenoids – another limited-competition prospect for DIVI

- DIVI has fully integrated the Nutraceutical facility (Unit II) for the API / finished form of carotenoids. In fact, it has doubled its capacity over the past year and is well-positioned to benefit from the growing demand for carotenoids.
- Various factors augur well for our expectation of a 21% sales CAGR to INR8b over FY20–23: a) the global market size for carotenoid products is USD1.5b and would increase at a CAGR of 4% over CY19–26; b) DIVI has an exhaustive list of product offerings; c) the company has a presence across the manufacturing value chain; and d) capacity enhancement is seen in this space.

Reiterate BUY

- DIVI has reported ~INR25b capex since FY18. This has been toward capacity additions as well as to increase backward integration.
- DIVI has also put up an additional investment of INR4b to fast-track the building of capacity in the CS segment.
- Considering enhanced product offerings and increased asset utilization, we expect a 27% sales CAGR over FY20–23. This, coupled with better operating leverage, would drive a 38% earnings CAGR over FY20–23E.
- We continue to value DIVI at 36x 12M forward earnings and arrive at TP of INR4,530. Maintain Buy.

MOTILAL OSWAL | MORNING INDIA

pdf

25 March 2021

Company Update | Sector: Utilities

NTPC

BSE SENSEX	S&P CNX
49,180	14,549

एनटीपीसी NTPC

Bloomberg	NTPC IN
Equity Shares (m)	9,895
M.Cap.(INRb)/(USDb)	1027.8 / 14.2
52-Week Range (INR)	115 / 75
1, 6, 12 Rel. Per (%)	6/-6/-48
12M Avg Val (INR M)	2753

Financials & Valuations (INR m)

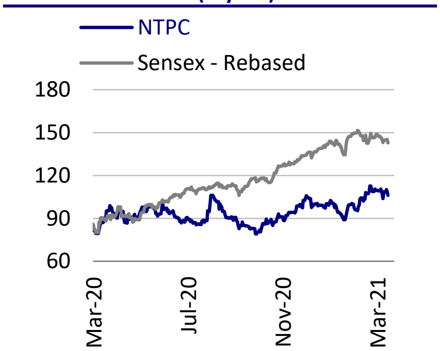
Y/E MARCH	2020	2021E	2022E
Sales	1,143	1,116	1,275
EBITDA	364.1	371.3	415.8
Adj. PAT	136.6	149.0	163.3
EBITDA Margin (%)	31.8	33.3	32.6
Adj. EPS (INR)	13.8	15.4	16.8
EPS Gr. (%)	19.2	11.3	9.6
BV/Sh. (INR)	120.1	126.8	135.5
Ratios			
Net D:E	1.7	1.6	1.5
RoE (%)	11.9	12.3	12.8
RoCE (%)	6.5	7.3	7.5
Payout (%)	22.8	39.0	41.6
Valuations			
P/E (x)	7.7	6.9	6.3
P/BV (x)	0.9	0.8	0.8
EV/EBITDA(x)	8.3	8.2	7.3
Div. Yield (%)	3.0	5.7	6.6
FCF Yield (%)	6.3	12.6	16.0

Shareholding pattern (%)

As On	Dec-20	Sep-20	Dec-19
Promoter	51.1	51.0	54.1
DII	33.6	35.0	30.6
FII	12.3	11.4	12.8
Others	3.0	2.6	2.5

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR106 TP: INR141 (+33%) Buy

MoP enables DISCOMs to exit PPAs after 25 years

- The Ministry of Power (MoP) has issued a guideline enabling DISCOMs to exit power purchase agreements (PPAs) on completion of 25 years (see here). Each state/DISCOM can take a call on relinquishment based on demand and supply. This in turn can pose a risk to some of NTPC's projects in the near term.
- NTPC's projects, which have currently completed 25 years, were signed in the form of a bulk power supply agreement (BPSA). Our interaction with the management suggests that DISCOMs cannot cherry-pick projects to let go and will have to relinquish other projects (with lower tariffs) covered under such an agreement.
- We await further clarity on the implementation of the above guideline. When implemented, this poses a risk to the company's earnings as it would threaten its regulated equity and related fixed cost (FC) recoveries. Post relinquishment, NTPC can choose to tie up a separate contract or sell in the merchant market. Given the high variable cost in some of these projects, viability is a concern.
- While individual DISCOMs would take their own call, Delhi DISCOMs could exercise this option given their significant tie up to NTPC's Dadri plant.

MoP enables exit of a PPA after 25 years

- The MoP's guideline has enabled DISCOMs to relinquish their share of power from central government stations (CGS) after 25 years/the specified PPA period. States that decide to relinquish this power will not be allowed to buy back the same under similar PPA conditions.
- As per the guideline, for a DISCOM to relinquish such a PPA, they will have to: a) secure approval of the state regulatory commission, b) provide six months advance notice for relinquishment, and c) clear any past dues associated with the same.
- Post relinquishment, the generator will be allowed to tie up with other DISCOMs or sell power on the exchanges.

Await clarity on the implementation

- NTPC's projects, which have recently completed 25 years, were signed in the form of a BPSA – combining a set of projects. As per our interaction with the management, DISCOMs cannot cherry-pick projects to relinquish and will have to let go of other projects (with lower tariffs) covered under such an agreement. We await clarity on the same.
- Despite the above clause, we see a risk to the relinquishment of some PPAs. NTPC's non-pit head coal- and gas-based plants are vulnerable (refer Exhibit 1) given their higher tariffs. Delhi DISCOMs could possibly exercise this option given their large tie up to NTPC's coal-based Dadri plant (refer Exhibit 2), with a lower share being allocated to cheaper plants. The same could impact our FY22E/FY23E EPS by 3-4%.
- Assessing the impact of the guideline at this stage is difficult as we await details on the above matter along with the possible measures NTPC can take to reduce FC under-recoveries in case of relinquishment. The guideline also lacks clarity in terms of: a) coal allocation post relinquishment of the PPA, and b) recovery of FGD-related capex incurred for relinquished plants. Nevertheless, the guideline poses a risk to NTPC and is a key monitorable.

Cadila Healthcare

BSE SENSEX	S&P CNX
49,180	14,549

Cadila Healthcare Ltd.

Bloomberg	CDH IN
Equity Shares (m)	1,024
M.Cap.(INRb)/(USDb)	441.6 / 6.1
52-Week Range (INR)	509 / 248
1, 6, 12 Rel. Per (%)	3/-20/-30
12M Avg Val (INR M)	1994

Financials & Valuations (INR b)

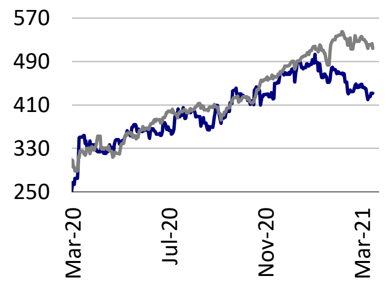
Y/E MARCH	2021	2022E	2023E
Sales	150.2	163.7	176.5
EBITDA	32.8	36.9	38.9
Adj. PAT	20.5	23.8	25.3
EBIT Margin (%)	17.0	18.0	17.7
Cons. Adj. EPS (INR)	20.0	23.3	24.7
EPS Gr. (%)	36.1	16.4	6.0
BV/Sh. (INR)	135.0	152.8	171.9
Ratios			
Net D:E	0.3	0.2	0.1
RoE (%)	16.1	16.2	15.2
RoCE (%)	11.7	12.8	13.2
Payout (%)	18.0	19.7	18.6
Valuations			
P/E (x)	21.3	18.3	17.3
EV/EBITDA (x)	14.2	12.3	11.3
Div. Yield (%)	0.8	1.1	1.1
FCF Yield (%)	3.0	4.5	4.5
EV/Sales (x)	3.1	2.8	2.5

Shareholding pattern (%)

As On	Dec-20	Sep-20	Dec-19
Promoter	74.9	74.9	74.9
DII	11.9	12.7	12.7
FII	5.2	4.4	4.6
Others	8.0	8.1	7.8

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR431 TP: INR550 (+27%) BUY

Revlimid settlement enhances business visibility

CDH – Fifth company to settle with innovator

- **Cadila (CDH) and Celgene (innovator) have reached an agreement to settle the litigation pertaining to g-Revlimid in the US.**
- **Assuming the terms of the settlement by the innovator are similar to that with other generic companies (limited volume sales over FY23–26E and unlimited quantities post Jan'26), there could be a potential NPV addition of INR25 per share from this opportunity. We await further clarity on the agreement.**
- **We remain positive on CDH on account of its strong ANDA pipeline (comprising injectables), NCE portfolio, and outperformance in DF. The vaccine opportunity may be a potential trigger over the medium term. We value CDH at 22x (in line with its three-year average) 12M forward earnings to arrive at TP of INR550. Maintain Buy**

Brief on settlement between CDH and Celgene

- CDH and Celgene (wholly owned subsidiary of BMS) reached an agreement pertaining to patents for Revlimid. Both parties would file consent judgements with the United States District Court for the District of New Jersey enjoining CDH from marketing g-Revlimid before the expiration of the patent-in-suit, except as provided for in the settlement.

Other settlements by innovator on g-Revlimid

- The innovator had settled cases with NTCPH, Alvogen, DRRD, and CIPLA on Revlimid previously. As per the settlement with NTCPH, it is allowed to sell mid- to single-digit volume share of Revlimid sold in the US in the first year of entry. The volume share allowed would gradually rise each year up to Mar'25 – from when it has permission to sell up to one-third of the total volume share of Revlimid sold in the US.
- Alvogen, DRRD, and Cipla have also reached an agreement with the innovator on g-Revlimid, whereby they would be licensed to sell limited volumes of g-Revlimid on a confidential date after Mar'22. They are licensed to sell without volume limitations from Jan'26. We believe the settlement with CDH is also on similar lines.
- SUNP, LPC, ARBP, Mylan, Apotex, and Hetero Drugs are other companies currently in patent challenges with the innovator on Revlimid.
- Revlimid is used to treat multiple myeloma in adults. The drug is available as orally administered capsules. Patents on Revlimid expire on 27th April, 2027. Revlimid's CY20 sales in the US were up 12% YoY to USD8.2b.

Valuation and view

- We expect a 19% earnings CAGR over FY20–23 on the back of a) a 5% sales CAGR in the US v/s almost flat US sales over FY18–20), b) an 11% sales CAGR in DF v/s modest growth over FY18–20, and c) a 20% sales CAGR in EM – supported by 230bp margin expansion and reduced financial leverage.
- We value CDH at 22x (in line with its three-year average) 12M forward earnings to arrive at TP of INR550. Maintain Buy.

Recovery on track; next few months pose acid test

United Breweries

Mr Rishi Pardal — CEO & Managing Director

Mr Rishi Pardal joined UBBL in Aug'20. Previously, he served as VP of Global Apparel Solutions for Retail Brand and Information Solutions of Avery Dennison and was also a Member of the Corporate Leadership Team. Prior to Avery Dennison Corporation, he served as MD of Marico Bangladesh, following a 14-year career in various management roles with HUVR. Mr Pardal has completed his Masters' Program in International Business from IIFT, New Delhi. He has also completed various leadership and management development programs from Northwestern-Kellogg's, IMD, and HBS (in progress).

We hosted United Breweries (UBBL)'s Mr Rishi Pardal – CEO & Managing Director and Mr Berend Odink – CFO for a discussion on the near- and long-term prospects of the business. Here are the key takeaways:

- **Global trends catching on faster in emerging markets:** Technology is accelerating global trends in the developing markets. The management believes global trends toward lower/no alcohol products could be at play in India as well.
- **Alleviating seasonality impact:** In an effort to reduce seasonal dependence on beer consumption (and the resulting company profitability), the company has rolled out the "beer at home" campaign; the next 8–12 quarters would have more initiatives on products and campaigns to address the challenge. The online channel could have been a game-changer, but state governments did not focus on this enough to overcome the obstacles. West Bengal is one state that successfully implemented an online alcobev sales channel, and the company hopes other states would follow suit in the long term.
- **UBBL does not believe Kingfisher (which we believe contributes around 80% to sales) is losing traction among new-age customers:** The management believes there is no room for complacency that could lead to share loss – either from the age group or geographical perspective. Notably, unlike some other parts of the world, India does not have an anti-large manufacturer trend. New-age customers want freshness and variety. With the largest brewery network of 21 owned and eight contract breweries, the company is well-placed to ensure freshness and could do even better on the variety front.
- **More understanding from government:** After a very sharp increase in excise last year, governments – due to loss of revenues, despite hikes – are awakening to the fact that steep increases are detrimental and heeding the opinions of alcobev players.
- **Local brewing/distilling capacity to remain important or gain further importance:** This is likely over the medium term, especially after GST refunds to states are halted by the center.
- **Spirits v/s beer:** While beer did lose share to spirits in the early part of the COVID disruption, the former is clawing its way back gradually as markets reopen. The acid test, the management admits, would come in the crucial months (for beer) of March, April, May, and June.
- **Technology to aid:** Technology is likely to be a key supporting factor in marketing to the next generation (especially digital marketing) – in improving analytics, processes, and systems and reducing inventory.

Detailed notes from the call are as follows:

Longer term opportunity attractive

- The Beer category in India is underpenetrated. Compared with other emerging markets as well, there is scope for growth.
- A marked preference is seen worldwide for low-alcohol or no-alcohol drinks – this trend is not only big already but also rising.
- The UBBL management believes global trends are catching on faster in emerging markets, with technology accelerating these trends. It believes global trends toward lower/no alcohol products could be at play in India as well.
- Taxation in India has a disproportionate price influence on alcobev as it is skewed in favor of spirits; this has consequently skewed demand in this direction as well. Although beer falls under the affordable segment globally, it remains an underpenetrated category in India due to high taxation.

1QCY21 – India's Quarterly Economic Outlook

Will RBI signal the end of 'accommodative stance'?

- **Mar'21 marks the one-year anniversary since the first COVID-19 lockdown. Exactly a year ago, the dreaded virus forced us to stay at home. While we were planning to clean the dust off our official attire, a second wave has hit us. Although Maharashtra, India's largest state, is witnessing a terrible rise in COVID-19 cases, the second wave is still limited to only a few states. The lack of universality of the second wave and the experience of economic costs due to strict lockdowns has made policymakers more patient and relaxed in their actions this time. Though the hope is that the situation doesn't go out-of-hand this time, it certainly imparts downside risks to economic projections at this stage.**
- **After being on track till Jan'21, the economic growth momentum has weakened in Feb'21. However, we have revised upward our FY22E real GDP growth forecasts to 11% now from 9.5% earlier, but retain our FY23E growth projection at ~4%. With the recent deceleration in retail inflation, we have revised down our headline CPI inflation forecast to 4.7%/5.4% from 5.5%/6% for FY22E/FY23E. We believe interest rates have bottomed out and that the Monetary Policy Committee (MPC) can soon shift to 'neutral' from its 'accommodative stance'.**
- **In the absence of any adverse global shock, India's external situation remains extremely comfortable. While the current account is expected to post a deficit in FY22E, India will continue to add foreign exchange (FX) reserves, which is expected to touch $650b by CY22E-end. It could lead to economic benefits only if RBI accepts higher-than-otherwise current account deficit (CAD), which can happen if the government expands its fiscal deficit. This appears elusive as of now. Considering the recent trends, it is very likely that the total receipts of the Government of India (GoI) will outpace their revised estimates by almost INR900b (or 0.5% of GDP). Assuming unchanged fiscal spending, GoI's fiscal deficit in FY21E could end up being closer to 9% of GDP, rather than the estimated 9.5%.**

Changes in economic forecasts since Dec'20

Real GDP: Due to downward revision in the base (3QFY20), India's real GDP grew 0.4% YoY in 3QFY21. Although better accounting is expected to lead to a decline in real GDP in 4QFY21, we have revised our forecasts upward/downward for FY22E/FY23E to 11.1%/4% (from 9.5%/4.2% earlier).

Interest rates have bottomed out and the MPC can soon shift to 'neutral' from its 'accommodative stance'

CPI inflation and interest rates: With inflation falling below 5% over the past three months (Dec'20-Feb'21), we have revised our headline CPI inflation forecasts downward to 4.7%/5.4% for FY22E/FY23E from 5.5%/6% earlier. As it remains above the 4% target, we believe that interest rates have bottomed out and MPC can soon shift to 'neutral' from its 'accommodative stance'.

Exchange rate: Although the accretion to FX reserves in FY21-23E is expected to be lower than previously estimated, India's reserves stock will touch $650b by CY22E-end. We, therefore, keep our currency forecasts unchanged.

Forecasts of key macroeconomic variables for the Indian economy

		Actual data		Mar'21 forecasts					
Macro indicators	**Unit**	**FY19**	**FY20**	**FY21F**	**FY22F**	**4QFY21F**	**1QFY22F**	**2QFY22F**	**3QFY22F**
Nominal GDP_{MP}	YoY (%)	11.0	7.8	(3.9)	15.1	4.9	35.1	14.4	7.6
Real GDP_{MP}	YoY (%)	6.1	4.0	(8.0)	11.1	(0.1)	29.9	9.4	4.9
Consumer price index (CPI)	YoY (%)	3.4	4.8	6.2	4.7	4.8	4.9	4.6	4.1
Policy repo rate (year-end)	pa (%)	6.25	5.15	4.00	4.00	4.00	4.00	4.00	4.00
USD:INR (average)	unit	69.9	70.9	74.2	73.4	72.9	73.0	73.0	73.5
Current account balance	% of GDP	(2.1)	(0.9)	0.7	(0.8)	(0.8)	(1.3)	(3.2)	(1.5)
Fiscal balance*	% of GDP	(3.4)	(4.6)	(9.0)	(6.7)	n/a			

*For the central government only

F = Forecasts

Source: Various national sources, MOFSL

DLF: Demand comeback is secular across geographies; Ashok Tyagi, Whole-time Director

- Have seen a consistent uptick in demand since August
- Demand comeback is secular across geographies and segments
- Selling at pace that we've not been at over last 2-3 years
- Things are looking better for select developers
- People are ¬cautious about buying from smaller developers
- Cities below NCR are seeing good demand
- Have hired consultants to proceed on the REIT; we will be REIT ready in the next 4 quarters

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JK Cement: Aim market of Rs. 1100-1200 crore in wood finishes segment; Niranjan Mishra, Business Head-White Cement

- Targeting a market of Rs. 1100-1200 crore in wood finishes segment
- 'JKC Wood Amore' is a range of premium Italian wood finishes
- Expect EBITDA margin of around 18-20% for wood finishes products
- Expect business of Rs. 500 crore from new wood finishes products
- Seeing synergies w.r.t wood finishes and the market is growing
- Capacity utilisation at 80-85% currently

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Shriram Transport: Have not seen any restriction w.r.t movement of vehicles; have seen increased demand in last 15 days; Umesh Revankar, MD

- Not seen restriction w.r.t movement of vehicles
- Have seen increased demand in last 15 days
- There is demand in certain geographies w.r.t heavy commercial vehicles
- Consumer spending in Q4 is as good as it was in Q3; Q4 growth will be better than Q3
- Net interest margin is likely to improve; Expect 6% AUM growth for FY21
- Resale prices in LCVs is up 30%
- Expect mid-to-high teens growth in FY22

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Cera Sanitaryware: No impact of COVID-19 resurgence on market yet; Ayush Bagla, ED

- Demand kicked in Q3 with the help of new demand and replacement market
- Demand is still greater than supply
- Have not seen any impact of resurgence in COVID on market
- 50-55% of our revenue from sanitary ware followed by 20-25% from faucet ware

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Barbeque Nation: Our EBITDA margin has stayed above 20% over the last 4 years; Rahul Agrawal, CEO

- Company has been operating healthy operating cash
- EBITDA margin has stayed above 20% over the last 4 years
- Net loss is due to higher depreciation
- Raised funds from Jubilant Food during extremely volatile times

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Ujjivan SFB: Collection efficiency improved across geographies; no impact of 2nd COVID wave; Nitin Chugh, MD & CEO

- Collection efficiencies have improved across geographies
- Retail deposit momentum will continue going ahead
- December 2020’s disbursal momentum has sustained in Q4FY21 as well
- Won’t need to make additional COVID-19 provision in Q4
- Capital adequacy ratio is at 27%, won’t look to raise capital as of now

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