

ASIAMONEY Brokers Poll 2020 (India)

Best Local Brokerage

Market snapshot

Equities - India	Close	Chg. %	CYTD. %
Sensex	48,950	0.6	2.5
Nifty-50	14,725	0.7	5.3
Nifty-M 100	24,639	0.9	18.2
Equities-Global	Close	Chg. %	CYTD. %
S&P 500	4,202	0.8	11.9
Nasdaq	13,633	0.4	5.8
FTSE 100	7,076	0.5	9.5
DAX	15,197	0.2	10.8
Hang Seng	10,756	0.3	0.2
Nikkei 225	29,331	1.8	6.9
Commodities	Close	Chg. %	CYTD. %
Brent (US\$/Bbl)	68	-0.8	33.4
Gold (\$/OZ)	1,815	1.6	-4.4
Cu (US\$/MT)	10,096	1.5	30.3
Almn (US\$/MT)	2,490	1.6	26.1
Currency	Close	Chg. %	CYTD. %
USD/INR	73.8	-0.2	1.0
USD/EUR	1.2	0.5	-1.2
USD/JPY	109.1	-0.1	5.7
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.0	0.00	0.1
10 Yrs AAA Corp	6.8	0.00	0.2
Flows (USD b)	6-May	MTD	CY21
FII's	0.17	-1.32	5.31
DII's	-0.09	1.40	-1.51
Volumes (INRb)	6-May	MTD*	YTD*
Cash	776	781	781
F&O	79,715	48,031	42,737

Note: *Average



Today's top research idea

SRF: Robust performance continues

Valuations rich; Downgrade to Neutral

- ❖ SRF's 4QFY21 operating performance was robust on the back of margin expansion across segments (on a YoY basis).
- ❖ On a QoQ basis, EBIT margins have further moderated (-420bp QoQ) in the Packaging segment.
- ❖ SRF's performance over the last three years has been robust, with an earnings CAGR of 42% and stock price CAGR of ~43%.
- ❖ On the other hand, we expect the earnings momentum to slow to a 21% CAGR over FY21-23, primarily due to a) margin contraction in the Packaging segment and b) reduced growth momentum in Specialty Chemicals, weighed by a high base.
- ❖ On a one-year forward EV/EBITDA basis, SRF currently trades at 18.1x (on FY22), at a premium of ~50% to its avg. trading multiples for 3 and 5 years, respectively.
- ❖ This, in our view, is rich vis-à-vis earnings growth. Based on these factors, we downgrade the stock from Buy to **Neutral**.



Research covered

Cos/Sector	Key Highlights
SRF	Robust performance continues; Downgrade to Neutral
Tata Steel	Deleveraging to be strong despite capex
Tata Consumer	Operating performance below expectations
Hero Motocorp	Above est.; cost savings initiatives led to margin beat
Coforge	Strong 4Q and guidance; valuation leaves little room for upside
Blue Star	Weak operating performance as UCP margin disappoints
Other notes	CEAT Castrol (India) (RETAIL) Gold sector update Expert Speak (Automobiles)



Chart of the Day: Retail | Gold (Demand momentum for jewelry continued in 1QCY21)

Global gold demand declines in 1QCY21 led by outflows from gold ETFs

	1QCY20	1QCY21	YoY change (%)	CY19	CY20	YoY change (%)
Gold demand	1,059.9	815.7	▼ -23.0	4,382.5	3,803.0	▼ -13.2
Jewellery	313.2	477.4	▲ 52.4	2,123.2	1,400.8	▼ -34.0
Technology	72.9	81.2	▲ 11.4	326.0	302.2	▼ -7.3
Investment	549.6	161.6	▼ -70.6	1,264.9	1,773.8	▲ 40.2
Total bar and coin	250.5	339.5	▲ 35.5	866.6	896.7	▲ 3.5
ETFs and similar products	299.1	-177.9	▲ -	398.3	877.1	▲ 120.2
Central banks & other inst.	124.1	95.5	▼ -23.1	668.5	326.3	▼ -51.2

Source: WGC, MOFSL

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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

Revenue Deficit Grant of Rs 9,871 cr released to 17 states: Finance Ministry

The Department of Expenditure, Ministry of Finance on Thursday released the second monthly installment of Post Devolution Revenue Deficit (PDRD) Grant of Rs 9,871 crore for the year 2021-22 to 17 States. "With the release of second installment, a total amount of Rs 19,742 crore has ...

2

IMF to revisit growth forecast for India due to surge in Covid-19 cases

The International Monetary Fund said on Thursday the recent jump in COVID-19 cases in India posed downside risks to the Fund's April forecast for 12.5% growth in India's economic output in fiscal years 2021 and 2022. The IMF will revisit that forecast when it issued a fresh World Economic Outlook in July, IMF spokesman Gerry Rice told reporters at a regular briefing, but gave no further details....

3

Russia authorises single-dose Sputnik Light COVID vaccine for use -RDIF

Russia has authorised the one-shot Sputnik Light version of its COVID-19 vaccine for use, the Russian Direct Investment Fund (RDIF) said on Thursday, a move that could help vaccine supplies go further in countries with high infection rates. Developed by Moscow's Gamaleya Institute, the slimmed-down vaccine, which the RDIF said is 79.4% effective...

4

Restaurant body pushes for setting up of own delivery channels

Restaurant owners said they are planning to build their own in-house delivery capabilities and use various tools to develop own ordering channels, as a prolonged wave of covid casts uncertainty over the dine-in business for the food services industry. While the bulk of the industry's delivery relies on dominant food aggregators in ...

5

Steel giant ArcelorMittal posts 'strongest quarter in a decade'

Steel giant ArcelorMittal said Thursday it recorded its "strongest quarter in a decade" in the first three months of the year as industrial activity rebounded from the pandemic and commodity prices rose. The company's net profit nearly doubled to \$2.3 billion (1.9 billion euros) in the period from January to March compared to the last three months of 2020, according to an earnings statement....

6

Amid Covid surge, Railways cancels slew of premium trains from May 9

The Indian Railways on Thursday cancelled a slew of Rajdhani, Shatabdi and Duronto Express' trains from May 9, stating low patronisation and rising coronavirus cases as the reason behind the decision. According to Railway Ministry officials, the railways has decided to cancel...

7

Safesea, NRI-led group, Megha Engg shortlisted for Shipping Corp stake

US-based Safesea, Megha Engineering and Infrastructure and a consortium led by NRI businessman Ravi Mehrotra have been shortlisted as potential buyers for the government of India's stake in Shipping Corporation of India (SCI). The three bidders, who had ...

Estimate change	↔
TP change	↔
Rating change	↓

CMP: INR6,862 TP: INR6,336 (-8%) Downgrade to Neutral
Robust performance continues
Valuations rich; Downgrade to Neutral

- SRF's 4QFY21 operating performance was robust on the back of margin expansion across segments (on a YoY basis). On a QoQ basis, EBIT margins have further moderated (-420bp QoQ) in the Packaging segment.
- SRF's performance over the last three years has been robust, with an earnings CAGR of 42% and stock price CAGR of ~43%.
- On the other hand, we expect the earnings momentum to slow to a 21% CAGR over FY21–23, primarily due to a) margin contraction in the Packaging segment and b) reduced growth momentum in Specialty Chemicals, weighed by a high base.
- On a one-year forward EV/EBITDA basis, SRF currently trades at 18.1x (on FY22), at a premium of ~50% to its avg. trading multiples for 3 and 5 years, respectively. This, in our view, is rich vis-à-vis earnings growth.
- Based on these factors, we downgrade the stock from Buy to **Neutral**.

Margin expansion across segments

- SRF reported overall revenue growth of 40% YoY to INR26.1b (v/s est. INR23.2b) in 4QFY21. The EBITDA margin was up 340bp to 24.3% (v/s est. 25.3%), led by the Chemicals and Technical Textiles businesses. EBITDA rose 63% YoY to INR6.3b (v/s est. INR5.9b). Adjusted PAT grew 68% YoY to INR3.7b (v/s est. INR3.4b) on account of lower interest cost (-44% YoY) and higher other income (+2x YoY). However, the same was offset by the tax rate (25.9% v/s 10.3% in 4QFY20) and higher depreciation (+17% YoY).
- Revenue/EBITDA/PAT grew 17%/46%/29% in FY21. It generated CFO of INR17.7b, up 36% YoY.
- **Chemicals** revenue grew 31% YoY to INR11.5b, with EBIT margin expansion of 590bp YoY to 23.9% (EBIT up 73% YoY to INR2.8b). During the quarter, **Specialty Chemicals** performed exceptionally well owing to strong demand from the overseas markets and enhanced volumes of certain key products supplied to its major customers in Europe. **Fluorochemicals** saw higher sales volumes in the Refrigerants segment from both the domestic and export markets. Additionally, healthy contribution from the Chloromethane segment augmented overall results.
- **Packaging Film** revenue grew 63% YoY to INR9.8b, with margin expansion of 60bp YoY to 22.3% (EBIT up 67% YoY to INR2.2b). On a QoQ basis, revenue/EBIT grew 22%/3%, and EBIT margins contracted 420bp. New capacities in Hungary and Thailand and enhanced sales of value-added products have significantly contributed to overall performance.
- **Technical Textiles** revenue grew 26% YoY to INR4b, with a 640bp EBIT margin expansion to 18.2% (EBIT up 96% YoY to INR728m). Faster recovery in the Tyre industry and a healthy contribution from the Belting Fabrics segment is encouraging.

Bloomberg	SRF IN
Equity Shares (m)	60
M.Cap.(INRb)/(USDb)	406.5 / 5.5
52-Week Range (INR)	6986 / 3310
1, 6, 12 Rel. Per (%)	13/22/34
12M Avg Val (INR M)	1177

Financials & Valuations (INR b)

Y/E Mar	2021	2022E	2023E
Sales	84.0	104.8	124.5
EBITDA	21.3	24.4	29.2
PAT	11.9	13.8	17.5
EBITDA (%)	25.4	23.2	23.5
EPS (INR)	196.9	229.3	290.2
EPS Gr. (%)	29.0	16.5	26.5
BV/Sh. (INR)	1,138	1,343	1,609

Ratios

Net D/E	0.4	0.3	0.2
RoE (%)	20.1	18.5	19.7
RoCE (%)	13.4	13.8	15.6
Payout (%)	12.1	10.5	8.3

Valuations

P/E (x)	34.9	29.9	23.6
EV/EBITDA (x)	20.6	18.1	14.8
Div Yield (%)	0.3	0.3	0.3
FCF Yield (%)	5.8	0.5	2.7

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	50.8	50.8	52.3
DII	11.2	11.2	11.3
FII	18.4	19.4	18.3
Others	19.6	18.6	18.1

Note: FII includes depository receipts

Highlights from management commentary

- The BOD has approved the setting up of a fourth multi-purpose plant (MPP) in Dahej for INR3,750m – to capitalize on emerging business opportunities, to ensure a robust pipeline of new products.
- **Growth guidance in Specialty Chemicals:** In FY21, Specialty Chemicals revenue grew 42–45% (to INR23–23.5b), and the company has guided for revenue growth of 10–15% in FY22 owing to the high base of FY21.
- **Capex:** SRF plans to spend INR16–19b on capex activity in FY22. 60–70% of capex would be towards the Chemicals business (Specialty Chemicals, R22, and Chloromethane expansion plans.), across medium and small capex activities. A portion of the capex would also be utilized for Technical Textiles and expansion at the Thailand plant.

Valuation and view

- SRF plans to spend INR16–19b on capex in FY22, of which 60–70% would be utilized on the Specialty Chemicals business. Thus, the company is deploying the majority of the incremental capital in Specialty Chemicals – which is not only growing at a faster pace but also yielding higher margins. We believe the said move is a step in the right direction.
- SRF's performance for the last three years has been robust, with a revenue/EBITDA/PAT CAGR of 15%/33%/42%. Stock price over this period has posted a CAGR of ~43%.
- The earnings momentum is likely to slow, largely due to a) margin contraction in the Packaging segment (EBIT margin of 27.3% in FY21 v/s 21% for FY22 & FY23) and b) reduced growth momentum in Specialty Chemicals on a high base (three-year revenue CAGR of 60% v/s 24% over FY21–23). Going forward, we expect SRF to post a revenue/EBITDA/PAT CAGR of 22%/17%/21% over FY21–23E.
- On a one-year forward EV/EBITDA basis, SRF currently trades at 18.1x (on FY22), a premium of ~50% to its avg trading multiples for 3 and 5 years, respectively. This, in our view, is rich vis-à-vis earnings growth.
- Based on these factors, we downgrade the stock from Buy to **Neutral**. We value the stock on an SOTP basis to arrive at TP of INR6,336.

Consolidated - Quarterly Perf.

(INR M)

Y/E March	FY20				FY21				FY20	FY21	FY21	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%
Net Sales	17,633	17,378	18,505	18,578	15,452	21,008	21,464	26,077	72,094	84,000	23,249	12
YoY Change (%)	5.2	-1.0	2.3	-4.1	-12.4	20.9	16.0	40.4	0.5	16.5	25.1	
Total Expenditure	14,186	14,026	14,603	14,694	11,728	15,188	16,018	19,734	57,510	62,667	17,377	
EBITDA	3,447	3,352	3,902	3,884	3,723	5,821	5,446	6,343	14,584	21,333	5,873	8
Margins (%)	19.5	19.3	21.1	20.9	24.1	27.7	25.4	24.3	20.2	25.4	25.3	
Depreciation	925	929	1,019	1,014	1,040	1,140	1,166	1,185	3,886	4,531	1,220	
Interest	515	550	475	466	432	362	285	262	2,007	1,340	270	
Other Income	152	220	56	63	101	98	217	130	491	545	90	
PBT before EO expense	2,159	2,093	2,463	2,467	2,353	4,417	4,213	5,026	9,182	16,008	4,473	
Extra-Ord expense & DO	-289	-960	-103	355	89	101	-220	-85	-997	-116	0	
PBT	2,448	3,053	2,566	2,112	2,264	4,316	4,432	5,111	10,179	16,123	4,473	
Tax	556	41	-864	255	493	1,164	1,185	1,302	-12	4,144	1,073	
Rate (%)	25.8	2.0	-35.1	10.3	21.0	26.4	28.1	25.9	-0.1	25.9	24.0	
Reported PAT	1,892	3,011	3,430	1,858	1,771	3,152	3,247	3,809	10,191	11,979	3,399	
Adj PAT	1,603	2,051	3,327	2,212	1,860	3,253	3,028	3,724	9,194	11,864	3,399	10
YoY Change (%)	11.2	40.5	132.5	22.3	16.0	58.6	-9.0	68.3	49.7	29.0	53.7	
Margins (%)	9.1	11.8	18.0	11.9	12.0	15.5	14.1	14.3	12.8	14.1	14.6	

Tata Steel

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	TATA IN
Equity Shares (m)	1,198
M.Cap.(INRb)/(USD\$)	1319.6 / 17.9
52-Week Range (INR)	1129 / 263
1, 6, 12 Rel. Per (%)	28/141/242
12M Avg Val (INR M)	10598

Financials & Valuations (INR b)

Y/E MARCH	2021	2022E	2023E
Sales	1,563	2,060	1,870
EBITDA	305	560	398
Adj. PAT	82.6	304.7	191.1
EBITDA Margin (%)	19.5	27.2	21.3
Cons. Adj. EPS (INR)	69.0	254.5	159.5
EPS Gr. (%)	661.2	269.0	-37.3
BV/Sh. (INR)	577	760	859

Ratios

Net D:E	1.2	0.7	0.5
RoE (%)	11.8	38.1	19.7
RoCE (%)	11.8	26.2	16.7
Payout (%)	36.2	23.6	31.3

Valuations

P/E (x)	15.9	4.3	6.9
P/BV (x)	1.9	1.4	1.3
EV/EBITDA(x)	7.0	3.5	4.6
Div. Yield (%)	2.3	5.5	4.5
FCF Yield (%)	28.4	24.2	16.1

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	34.4	34.4	34.4
DII	25.4	26.1	29.9
FII	18.6	16.9	12.4
Others	21.6	22.6	23.3

FII Includes depository receipts

CMP: INR1,101 TP: INR1,205 (+9%) Neutral

Deleveraging to be strong despite capex

Near-term margin outlook is positive

- Tata Steel (TATA) has been a key beneficiary of rising steel prices. As expected, it reported a strong 4QFY21, with consolidated EBITDA rising 205% YoY to INR142b (its highest ever) on the back of higher prices. Net debt fell INR123b QoQ to INR826b (lowest since Mar'18).
- We expect steel prices and margin to stay strong on tightening demand-supply in Asia and raise our FY22E/FY23E EBITDA estimate by 77%/36% and our TP by 35% to INR1,205/share. Net debt is expected to decline by a further INR188b in FY22E to INR638b, despite the resumption of capex for the 5mtpa expansion of the Kalinganagar plant.
- TATA is trading at a FY22E EV/capacity of USD899/t, which is at a 30% premium to its five-year average. This is already discounting the expected deleveraging from the current upcycle. We therefore remain **Neutral**.

Best ever quarterly EBITDA

TATA's consolidated revenue/EBITDA/adjusted PAT rose 26%/50%/99% QoQ (est. +1%/-3%/0%) to INR499b/INR142b/INR76b.

- **Standalone:** EBITDA rose 37% QoQ to INR91.9b (est. INR86.8b) on the back of a 19% improvement in realization to INR64,153/t (up 5% v/s our estimate). Volumes were down 1% QoQ to 3.3mt (in line). EBITDA/t stood at INR27,800/t, up 39% QoQ (up 6% v/s our estimate). Adjusted PAT stood at INR56b, up 99% QoQ (up 6% v/s our estimate).
- **Tata Steel Europe (TSE)** posted an EBITDA of INR11.9b (est. INR31.3b) as against a loss of INR7.2b in 3QFY21. EBITDA/t stood at USD66/t (est. USD170/t). The miss on EBITDA was due to higher carbon credit provision of GBP69m (USD39/t) and a miss on realization as only one-fourth of the QoQ increase in EU steel prices was realized by TSE. This was due to contracts fixed earlier at lower prices.
- **Tata Steel BSL** had earlier reported an EBITDA of INR25.7b (est. INR20.5b), up 58% QoQ, on the back of higher realization (+20% QoQ) at INR61,367/t. EBITDA stood at INR21,510/t, up 52% QoQ.
- Consolidated net debt fell by INR123b QoQ to INR826b, led by strong FCF generation (INR88b) and receipt of final call on partly paid-up shares (INR32b). Net debt reduction was INR245b in FY21.
- Consolidated revenue/EBITDA/adjusted PAT rose 12%/75%/7x YoY to INR1,563b/INR305b/INR82.6b in FY21.
- OCF/FCF stood at INR379b/INR310b in FY21, up 88%/216% YoY due to higher EBITDA, working capital release of INR101b (adjusted for export advance), and a lower capex of INR70b (v/s INR104b in FY20).

KPO-II expansion back on track

- The company has restarted expansion work on the 5mtpa KPO-II, which would be commissioned in 2HFY24. This will involve a capex of INR230b, of which INR70-80b has already been spent. Pellet plant and CRM facility at KPO are expected to be commissioned earlier in 1HFY23.
- The management has guided at an increase in India EBITDA margin by INR4,000-5,000/t (INR6,000-7,000/t increase in realization offset by an INR2,000/t rise in cost) and Europe spreads by EUR70/t in the Netherlands and GBP40/t in the UK in 1QFY22.
- The management has guided at incremental volumes of 1mt each in India/Europe (17.3mt/8.8mt in FY21).
- Capex guidance for FY22 stands at INR110b, of which INR75b is for its India operations.

Valuation and view

- With captive iron ore availability, TATA's Indian operations are a play on steel prices. Given the prevailing higher prices, we expect margin to be strong. We estimate 1QFY22 EBITDA at INR175b (+23% QoQ), with standalone EBITDA/t of INR33,370/t (record high).
- While TSE's EBITDA should be strong in FY22E, sustenance would be key to meeting cash outflow requirements (capex, debt, and interest).
- Deleveraging should remain strong, despite the resumption of growth capex. We expect net debt to decline by a further INR188b in FY22E to INR638b.
- We arrive at our TP of INR1,205/share, based on FY23E EV/EBITDA of 5x/4x for its India/Europe operations. Our TP implies EV/capacity of USD906/t, a 30% premium to its past five-year average of USD696/t, which prices in deleveraging from the upcycle. We therefore remain **Neutral**.

Consolidated quarterly performance

Y/E March	FY20				FY21				(INR b)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY20	FY21	4Q FY21E	Variance (%)
Net Sales	359.5	345.8	355.2	337.7	242.9	371.5	419.0	499.8	1,398.2	1,562.9	496.4	1
Change (YoY %)	-5.0	-20.6	-13.8	-20.4	-32.4	7.4	18.0	48.0	-11.3	11.8	47.0	
EBITDA	53.8	38.2	36.2	46.5	5.1	61.1	95.7	141.8	174.6	305.0	146.6	-3
Change (YoY %)	-16.9	-57.2	-46.2	-38.2	-90.6	60.0	164.3	205.2	-40.6	74.7	215.5	-5
(% of Net Sales)	15.0	11.0	10.2	13.8	2.1	16.4	22.8	28.4	12.5	19.5	29.5	
EBITDA (USD/t)	122	83	70	100	14	111	181	248	93	156	279	-11
Interest	18.1	18.7	19.3	19.3	20.0	19.4	17.9	18.7	75.3	76.1	16.8	11
Depreciation	20.8	21.3	20.2	22.2	21.1	22.6	23.4	23.9	84.5	92.3	23.1	3
Other Income	2.5	1.8	0.9	13.2	1.9	2.2	2.2	2.7	18.4	9.0	2.3	20
PBT (before EO Inc.)	17.4	0.0	-2.4	18.1	-34.1	21.3	56.6	102.0	33.3	145.6	108.9	-6
EO Income (exp.)	0.2	-0.3	-3.3	-34.1	0.6	0.4	-1.5	-9.9	-37.5	-10.4		
PBT (after EO Inc.)	17.5	-0.3	-5.7	-15.9	-33.5	21.7	55.0	92.1	-4.3	135.2	108.9	-15
Total Tax	11.2	-40.5	6.2	-2.6	12.7	6.1	15.8	21.9	-25.7	56.6	31.1	
Tax (%)	64.6	-88,428	-263	-14.5	-37.3	28.8	28.0	21.5	-77.2	39	28.5	
Reported PAT	6.3	40.2	-11.9	-13.3	-46.2	15.6	39.2	70.1	21.4	78.5	77.9	-10
Minority Interests	-0.1	-1.0	-1.4	-1.4	-2.4	0.9	3.1	5.2	-3.8	7.0	2.0	159
Share of asso. PAT	0.5	0.2	0.2	0.9	0.2	0.7	0.9	1.5	1.9	3.3	0.8	86
Adj. PAT (after MI and asso.)	6.8	-0.5	-7.0	13.8	-44.3	15.0	38.5	76.4	10.4	82.6	76.7	0
Change (YoY %)	-70.5	NA	NA	NA	NA	NA	-649.7	453.2	-89.8	696.2	455.6	

*FY21 sum of 4Qs is not equal to FY21 full year due to non-availability of SEA financials for 1HFY21
FY20 sum of 4Qs adj PAT not equal to full year adj PAT due to dividend of hybrid securities

Tata Consumer Products

BSE SENSEX
48,950

S&P CNX
14,725

CMP: INR653
Buy

Conference Call Details


Date: 7th May 2021

Time: 6:30pm IST

Registration: [Link](#)

Operating performance below expectations

Consolidated

- Tata Consumer Products (TCP) reported revenue growth of 26% YoY to INR30.4b (est. INR28.6b). The EBITDA margin contracted 290bp YoY to 9.9% (est. 11.9%) on a 620bp gross margin contraction to 39.2%. EBITDA de-grew 3% YoY to INR3,002m (est. INR3,397m).
- India Branded Beverages/Foods revenue was up 60%/22% YoY to INR12b/INR6.4b. India Beverages EBIT de-grew 40% YoY to INR524m, while India Foods EBIT grew 52% YoY to INR868m. International Branded Beverages revenue remained flat YoY to INR8.8b, with EBIT de-growth of 14% YoY to INR1,101m.
- India Packaged Beverages recorded 53% value growth, with volume growth of 23%. India Foods revenue grew 22%, with 21% volume growth.
- Adj. PAT was down 36% YoY to INR1.1b (est. INR1.9b), largely due to higher tax rate and MI.
- **TCP standalone:** Standalone revenue grew 39% YoY to INR18.5b and EBITDA was down 11% YoY to INR1.4b.
- **TCP Overseas Tea:** Revenue grew 8% to INR6b, with EBITDA declining 10% YoY to INR637m.
- **Tata Coffee consol:** Revenue grew 14% YoY to INR5.9b, with EBITDA growth of 22% YoY to INR944m.
- **Tata Coffee standl:** Revenue grew 30% to INR2,177m and EBITDA was INR241m v/s INR7m last year.
- **Tata Coffee Overseas (Tata Coffee consol less Tata Coffee standl):** Revenue grew 7% YoY to INR3,736m, with EBITDA de-growth of 8% YoY to INR703m.

Consolidated - Quarterly Earnings Model

Y/E March	FY20				FY21				FY20	FY21	FY21	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Gross Sales	23,924	23,471	24,930	24,050	27,139	27,813	30,696	30,372	96,374	1,16,020	28,559	6
YoY Change (%)	32.7	33.3	30.3	35.5	13.4	18.5	23.1	26.3	32.9	20.4	18.7	
Total Expenditure	20,415	20,323	21,748	20,967	22,313	23,818	27,082	27,370	83,453	1,00,583	25,162	
EBITDA	3,509	3,148	3,181	3,084	4,827	3,996	3,613	3,002	12,922	15,438	3,397	-12
Margins (%)	14.7	13.4	12.8	12.8	17.8	14.4	11.8	9.9	13.4	13.3	11.9	
Depreciation	576	587	614	640	619	626	644	659	2,417	2,547	650	
Interest	186	204	201	187	173	179	181	155	779	687	178	
Other Income	331	280	285	219	327	262	195	430	1,116	1,214	220	
PBT before EO expense	3,078	2,637	2,651	2,476	4,362	3,454	2,983	2,618	10,842	13,417	2,789	
Extra-Ord expense	-81	-15	-8	-2,644	633	-239	-61	-639	-2,748	-307	0	
PBT	2,997	2,622	2,643	-168	4,995	3,215	2,922	1,979	8,094	13,111	2,789	
Tax	1,022	636	750	334	1,104	871	552	646	2,742	3,173	781	
Rate (%)	33.2	24.1	28.3	13.5	25.3	25.2	18.5	24.7	25.3	23.6	28.0	
Minority Interest	164	147	153	-460	180	161	192	205	4	738	-180.0	
Profit/Loss of Asso. Cos.	-74	92	-46	-723	-435	389	4	-590	-751	-633	-250	
Reported PAT	1,737	1,932	1,694	-765	3,276	2,571	2,182	539	4,598	8,567	1,938	
Adj PAT	1,798	1,943	1,700	1,776	2,643	2,712	2,228	1,133	7,216	8,716	1,938	-42
YoY Change (%)	33.7	10.1	71.1	466.0	47.0	39.6	31.1	-36.2	63.4	20.8	3.1	
Margins (%)	7.5	8.3	6.8	7.4	9.7	9.8	7.3	3.7	7.5	7.5	6.8	

Hero Motocorp

BSE SENSEX

48,950

S&P CNX

14,725

Conference Call Details

Date: 7th May 2021

Time: 12:30 PM

Concall registration-[\[Link\]](#)

Financials & valuations (INR b)

Y/E March	2021	2022E	2023E
Sales	308.0	374.3	407.4
EBITDA	40.2	49.8	56.9
Adj. PAT	29.6	36.5	42.0
Adj. EPS (INR)	148.1	182.5	209.7
EPS Gr. (%)	-3.2	23.2	14.9
BV/Sh. (INR)	749.2	806.7	876.4

Ratios

RoE (%)	20.3	23.5	24.9
RoCE (%)	19.9	23.0	24.4
Payout (%)	70.9	68.5	66.8

Valuations

P/E (x)	19.7	16.0	13.9
P/BV (x)	3.9	3.6	3.3
Div. Yield (%)	3.6	4.3	4.8
FCF Yield (%)	4.7	6.0	6.8

CMP: INR2,913

Buy

Above est.; cost savings initiatives led to margin beat

- Revenue/EBITDA/PAT grew 39%/83.5%/39.4% in 4QFY21.
- Realizations grew 18.5% YoY (+4.6% QoQ) to ~INR55.4k (est.: INR53.6k) in 4QFY21, driven by mix and price hikes.
- Net revenue grew 39% YoY to INR86.9b (est. INR84.1b).
- Gross margin declined 120bp QoQ (+10bp QoQ) to 29.6% (est. 28%).
- EBITDA margin expanded 340bp YoY (-50bp QoQ) to 13.9% (est. 12.3%), benefitting from the mix. Leap-II savings program to offset higher cost inflation.
- EBITDA grew 83.5% YoY to INR12.1b (est. INR10.4b).
- Lower other income restricted adjusted PAT growth (39.4% YoY) to INR8.65b (est. INR7.7b).
- Total dividend stood at INR105/share in FY21. It includes a special dividend of INR15/share. The proposed final dividend is INR25/share + INR10/share of special dividend.
- HMCL invested INR1.94b in Hero FinCorp during 4QFY21.
- **Valuation and view:** The stock trades at 16x/13.9x FY22E/FY23E EPS.

Excerpt from the statement by Dr. Pawan Munjal, Chairman and CEO, Hero MotoCorp:

"Going forward, we continue to remain cautiously optimistic on demand for personal mobility, despite the challenging circumstances. In line with our commitment to sustainability, Hero MotoCorp will continue to strengthen efforts towards driving in green mobility, which will see us launch our first electric vehicle this fiscal. Our EV journey has further been augmented with our recent partnership with Gogoro, the developer of the world's largest battery-swapping network."

Quarterly performance

(INR b)

Y/E March	FY20				FY21				FY20	FY21	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY21E
Total Volumes ('000 nos)	1,843	1,691	1,541	1,335	563	1,815	1,845	1,568	6,410	5,792	1,568
Growth YoY (%)	-12.4	-20.7	-14.4	-25.1	-69.4	7.3	19.8	17.5	-18.0	-9.6	17.5
Net Realization	43,574	44,759	45,408	46,747	52,741	51,620	52,977	55,390	44,988	53,182	53,640
Growth YoY (%)	4.1	5.1	4.0	5.6	21.0	15.3	16.7	18.5	4.6	18.2	14.7
Net Op. Revenue	80.3	75.7	70.0	62.4	29.7	93.7	97.8	86.9	288.4	308.0	84.1
Growth YoY (%)	-8.8	-16.7	-11.0	-20.9	-63.0	23.7	39.7	39.2	-14.3	6.8	34.8
RM Cost (% sales)	69.6	67.7	66.6	69.2	70.5	71.1	70.5	70.4	68.3	70.7	72.0
Staff Cost (% sales)	5.8	6.2	6.7	7.0	12.9	5.5	5.3	5.6	6.4	6.2	6.0
Other Exp. (% sales)	10.1	11.6	11.8	13.2	13.0	9.7	9.8	10.0	11.6	10.1	9.6
EBITDA	11.6	11.0	10.4	6.6	1.1	12.9	14.1	12.1	39.6	40.2	10.4
Growth YoY (%)	-15.9	-20.1	-6.0	-38.3	-90.7	16.8	36.1	83.5	-19.7	1.5	57.0
EBITDA Margin (%)	14.4	14.5	14.8	10.6	3.6	13.7	14.5	13.9	13.7	13.0	12.3
Other Income	1.7	2.1	1.8	1.7	1.5	1.4	2.0	0.9	7.3	5.8	1
Interest	0.0	0.1	0.1	0.0	0.1	0.0	0.0	0.1	0.2	0.2	0
Depreciation	2.4	2.0	2.0	1.7	1.7	1.7	1.7	1.6	8.2	6.8	2
PBT before EO Exp./(Inc.)	10.9	11.0	10.1	6.5	0.8	12.5	14.4	11.3	38.5	39.0	10.0
Effective Tax Rate (%)	32.9	15.7	13.0	4.6	22.9	23.7	24.8	23.4	20.6	24.0	22.5
Adj. PAT	6.3	9.2	8.8	6.2	0.6	9.5	10.8	8.6	30.6	29.6	7.7
Growth (%)	-30.5	-5.5	14.5	-15.0	-90.3	3.3	23.2	39.4	-9.7	-3.0	24.6

Estimate change	↑
TP change	↑
Rating change	↔

Bloomberg	COFORGE IN
Equity Shares (m)	61
M.Cap.(INRb)/(USDb)	205.9 / 2.8
52-Week Range (INR)	3448 / 1228
1, 6, 12 Rel. Per (%)	14/36/85
12M Avg Val (INR M)	1385

Financials & Valuations (INR b)

Y/E Mar	2021	2022E	2023E
Sales	46.6	60.2	72.7
EBIT Margin (%)	17.0	18.7	18.9
PAT	4.8	6.4	7.9
EPS (INR)	78.8	105.0	129.5
EPS Gr. (%)	4.4	33.2	23.4
BV/Sh. (INR)	406.6	480.1	570.7

Ratios

RoE (%)	21.1	19.7	23.7
RoCE (%)	18.6	18.0	21.5

Valuations

P/E (x)	43.0	32.3	26.2
P/BV (x)	8.3	7.1	5.9
EV/EBITDA (x)	24.9	17.8	14.2
Div Yield (%)	0.6	0.9	1.1

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	64.0	64.0	70.1
DII	11.9	12.2	6.8
FII	14.6	14.4	14.5
Others	9.5	9.4	8.6

FII Includes depository receipts

CMP: INR3,397 TP: INR3,240 (-5%) Neutral
Strong 4Q and guidance; valuation leaves little room for upside
Robust FY22 performance priced in

- Coforge Ltd (COFORGE) reported industry-leading revenue growth of 7.1% QoQ (USD) in 4QFY21, above our estimates. This was driven by deal ramp-ups in the EMEA region (+19% QoQ). The company reported yet another quarter of strong order intake of USD201m, implying 1.2x book-to-bill (consistent over the last four quarters).
- The EBITDA margin (pre-RSU and acquisition expense) remained stable at 18% despite selective wage hikes and one-time bonuses rendered to 85% of employees. Margins were aided by the highest ever utilization of 81% (+190bp QoQ) and an increase in offshoring (+100bp).
- The management's FY22 organic revenue growth guidance of ~17% YoY CC indicates the company's strong topline performance would continue. Guidance is aided by a strong deal pipeline and expected rebound in the Travel vertical – the company is seeing signs of recovery in the segment, with two large wins reported in 4Q.
- The recent acquisition of SLK Global is expected to grow faster than overall growth, adding c11% inorganic growth in FY22. We estimate Coforge to deliver consolidated growth of 30% in FY22, leading to an FY21–23 USD organic revenue CAGR of 20%.
- Coforge is confident of delivering an FY22 EBITDA margin (pre-RSU) of 19% – above the earlier long-term guidance of 18% – as favorable operating leverage would compensate for higher employee additions and wage increases on account of a supply-constrained environment.
- However, the impact of higher EBITDA would be offset by an increase in depreciation and the impairment of the SLK Global acquisition. We expect the FY22 EBIT margin to improve 50bp YoY, resulting in 33% YoY PAT growth.
- The stock currently trades at 26.2x FY23E EPS, a 60% premium to its five-year P/E of 16x. This fairly factors in strong growth delivery from Coforge.
- We upgrade our FY22–23E EPS estimates by 6–12%. Our TP of INR3,240/share implies 25x FY23E EPS. **Maintain Neutral** on fair valuations.

Operationally above estimates; growth led by EMEA

- Coforge reported revenue (USD) / adj. EBIT / adj. PAT of 11%/12%/9% YoY v/s our expectation of 9%/5%/1% YoY. For FY21, the company reported revenue (USD) / adj. EBIT / adj. PAT growth of 6%/6%/1% YoY.
- Coforge's revenues grew 7.1% QoQ to USD172.4m, above our estimate of USD169m. CC revenue growth for the quarter was 5.1%.
- Growth was led by EMEA (+19% QoQ), while other geographies were flat.
- Non-core verticals contributed to the majority of the growth in the quarter (+17.8% QoQ).
- The adj. EBITDA margin post RSU stood at 17.2%, in line with estimates.
- The EBITDA margin (excl. RSU and acquisition-related cost) was at 18%, in line with the company guidance.

- Consequently, adj. PAT was up 9% YoY and 13% QoQ to INR1,376m as a result of higher operational and other income.
- Utilization stood at 81% (+190bp QoQ) and the offshoring mix at 39% (+100bp QoQ).
- Attrition was flat QoQ at 10.5%.
- 4Q order intake was USD201m – USD520m would be executable over 12M.
- Cash and bank balances were up by INR3,026m over 4Q and stood at INR8391m. DSO stood at 70 days.
- The company reported OCF growth of 157% and OCF/EBITDA of 97%. FCF grew 205% in FY21 and FCF/PAT was 150%.

Key highlights from management commentary

- The company won two significant deals in the quarter, both in the Travel segment. Furthermore, an increase is seen in the deal size that the company is pursuing, with three deals in the pipeline being greater than USD50m. The management alluded to the rebuilding of and revival in the Travel segment. Clients in the segment have started migrating to the cloud, and Coforge believes in FY22, the Travel vertical would be the fastest growing business.
- The management has guided for ~17% (CC) organic growth for FY22. SLK is expected to see higher growth and margins v/s the organic business. The guidance has an upside bias, and the management expects 1HFY22 to be strong.
- The EBITDA margin in 4Q was impacted by one-time bonuses given to ~85% of the employees and selective wage hikes to niche skilled employees. Wage hikes for FY22 have already been rolled out w. e. f 1st April 2021. For FY22, the management has guided to expand its EBITDA margins in the organic business to 19%. This is attributable to the reversal of travel discounts, revenue growth, operational efficiencies, and increased offshoring.

Valuation and view – fairly priced

- Strong deal wins, a robust deal pipeline, and good consistency in large deal wins (2–3 large deals every quarter), despite the COVID-led disruption, are encouraging.
- The recent rally in the stock price indicates industry-leading growth and increasing margins, which have already been priced into current valuations. The execution of the guidance would be key to sustaining current multiples.
- The stock currently trades at 26x FY23E earnings. We value the company at 25x FY23E EPS. Maintain Neutral on fair valuations.

Quarterly Performance (Ind-AS)
(INR m)

Y/E March	FY20				FY21				FY20	FY21	Est.	Var.
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY21	(%/bp)
Rev. (USD m)	138	149	151	155	140	155	160	172	593	627	169	1.4
QoQ (%)	4.4	7.7	1.7	2.3	-9.4	10.2	3.8	7.1	14.3	5.8	5.6	145bp
Revenue (INR m)	9,597	10,385	10,734	11,093	10,570	11,537	11,906	12,615	41,809	46,628	12,362	2.0
YoY (%)	19.9	14.4	10.5	19.0	10.1	11.1	10.9	13.7	15.8	11.5	11.4	228bp
GPM (%)	33.9	34.6	34.1	34.3	31.5	32.6	32.0	32.0	34.2	32.0	33.1	-111bp
SGA (%)	16.8	16.3	16.1	16.4	14.4	13.8	14.0	14.0	16.4	14.0	15.0	-99bp
EBITDA (INR m)	1,641	1,898	1,940	1,971	1,686	2,048	2,009	2,168	7,450	7,911	2,114	2.6
EBITDA Margin (%)	17.1	18.3	18.1	17.8	16.0	17.8	16.9	17.2	17.8	17.0	17.1	0.5
EBIT (INR m)	1,240	1,451	1,491	1,538	1,221	1,588	1,547	1,719	5,720	6,075	1,619	6.1
EBIT Margin (%)	12.9	14.0	13.9	13.9	11.6	13.8	13.0	13.6	13.7	13.0	13.1	53bp
Other income	75	76	130	180	48	-63	19	109	461	113	49	120.4
ETR (%)	20.5	18.1	20.7	20.3	20.5	19.9	21.1	22.3	19.9	21.0	21.5	3.8
Minority Interest	-24.0	-56.0	-52.0	-106.0	-30.0	-15.0	-15.0	-44.0	-238.0	-104.0	-36.5	
Adj. PAT	1,022	1,195	1,233	1,264	979	1,207	1,220	1,376	4,714	4,782	1,274	8.0
QoQ (%)	-8.0	16.9	3.2	2.5	-22.5	23.3	1.1	12.8			4.4	839bp
YoY (%)	21.5	6.9	23.1	13.8	-4.2	1.0	-1.1	8.9	55.3	1.4	0.8	810bp
Adj. EPS (INR)	16.6	19.2	19.7	20.3	15.7	19.9	20.1	22.7	75.5	78.8	21.0	8.0

BSE SENSEX

48,950

S&P CNX

14,725

Conference Call Details


Date: 7th May 2021

Time: 11:00am IST

Dial-in details:

+91-22-6280 1102

Financials & valuations (INR b)

Y/E Mar	2021P	2022E	2023E
Sales	42.6	61.0	70.5
EBITDA	2.4	3.8	4.5
PAT	1.0	2.0	2.6
EBITDA (%)	5.6	6.2	6.3
EPS (INR)	10.4	20.3	26.8
EPS Gr. (%)	-31.9	95.2	32.0
BV/Sh. (INR)	91.9	93.3	104.0

Ratios

Net D/E	0.1	0.3	0.1
RoE (%)	11.3	21.8	25.8
RoCE (%)	10.8	16.7	19.4
Payout (%)	1.2	60.0	60.0

Valuations

P/E (x)	79.6	40.8	30.9
P/BV (x)	9.0	8.9	8.0
EV/EBITDA (x)	33.8	21.9	18.2
Div Yield (%)	0.0	1.5	1.9
FCF Yield (%)	4.6	1.1	3.3

CMP: INR829
Sell

Weak operating performance as UCP margin disappoints

4QFY21 earnings snapshot

- Revenue grew 24% YoY (two-year CAGR flat) to INR16.1b and was in line with our estimate.
- EBITDA stood at INR1.02b and was 11% below our expectation, indicating weak operating performance. EBITDA margin came in at 6.3% v/s our estimate of 7.2%. Other income jumped to INR398m.
- On account of higher other income, adjusted PAT came in at INR680m and was 10% above our expectation.
- Net D/E stood at 0.1x in FY21 (v/s 0.4x in 1HFY21 and 0.2x in FY20). CFO stood at INR3.5b in FY21, down 24% YoY.

FY21 earnings snapshot




- Revenue declined 21% YoY to INR42.6b.
- EBITDA fell 15% to INR2.4b.
- EBITDA margin stood at 5.6% (down 30bp YoY).
- Adjusted PAT declined 32% YoY to INR1b.

Segmental snapshot (4QFY21 and FY21)

- **EMP and CAS:** Revenue increased 18% YoY to INR7.8b, in line with our expectation. PBIT margin stood at 6.2% v/s our estimate of 4.8%. EMP revenue declined 22% YoY to INR22.2b in FY21. PBIT margin stood at 4.8% v/s 4.3% last year. Order book stood at INR29.5b (flat YoY).
- **UCP:** Revenue increased 32% YoY to INR7.8b and was 10% ahead of estimate. On account of the poor PBIT margin of just 7.9%, absolute PBT was 12% below our expectation. UCP revenue declined 19% YoY to INR18.7b in FY21. PBIT margin stood at 5.8% v/s 7.1% last year.

Quarterly performance

Y/E March	FY20				FY21				FY20	FY21	Variance	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY21E	
Sales	15,755	12,495	12,359	12,994	6,260	9,021	11,239	16,116	53,602	42,636	15,830	2%
Change (%)	4.5	21.0	12.5	-18.6	-60.3	-27.8	-9.1	24.0	2.4	-20.5	21.8	
EBITDA	1,149	736	570	373	14	551	816	1,018	2,828	2,398	1,145	-11%
Change (%)	-16.0	26.7	34.7	-65.9	-98.8	-25.1	43.0	172.7	-18.4	-15.2	206.7	
As a percentage of sales	7.3	5.9	4.6	2.9	0.2	6.1	7.3	6.3	5.3	5.6	7.2	
Depreciation	203	216	223	237	209	206	259	249	880	923	275	
Interest	82	68	76	69	185	179	149	134	295	647	137	
Other Income	217	106	61	64	86	59	81	398	447	624	74	
Extra-ordinary Items	0	-17	-16	-8	0	0	0	0	-40	0	0	
PBT	1,080	558	332	131	(295)	225	488	1,033	2,100	1,452	807	28%
Tax	325	169	120	40	-95	74	130	362	653	471	200	
Effective Tax Rate (%)	30.1	30.3	36.0	30.2	32.3	33.0	26.5	35.1	31.1	32.4	24.8	
MI/Share of profit from JV	14	8	(1)	5	3	3	9	9	26	23	12	
Reported PAT	768	379	196	89	(197)	153	367	680	1,433	1,004	619	10%
Change (%)	-16.1	94.1	NM	-88.9	-125.6	-59.6	87.5	663.7	-24.6	-30.0	595.6	
Adjusted PAT	768	397	212	96	(197)	153	367	680	1,473	1,004	619	10%
Change (%)	0.6	78.0	239.5	-88.3	-125.6	-61.4	73.6	604.4	-21.4	-31.9	541.5	

Estimate change	
TP change	
Rating change	

Bloomberg	CEAT IN
Equity Shares (m)	40
M.Cap.(INRb)/(USD\$)	53 / 0.7
52-Week Range (INR)	1352 / 602
1, 6, 12 Rel. Per (%)	12/16/10
12M Avg Val (INR M)	220

Financials & valuations (INR b)

Y/E March	FY21	FY22E	FY23E
Sales	76.1	88.1	101.9
EBITDA	9.8	9.5	12.9
EBITDA Margin (%)	12.9	10.8	12.7
Adj. PAT	4.6	3.3	5.3
EPS (INR)	114.3	81.9	132.0
EPS Gr. (%)	100.2	-28.3	61.2
BV/Sh. (INR)	820	890	1,010

Ratios

RoE (%)	14.9	9.6	13.9
RoCE (%)	12.2	8.6	11.4
Payout (%)	16.9	14.7	9.1

Valuations

P/E (x)	11.7	16.4	10.2
P/BV (x)	1.6	1.5	1.3
Div. Yield (%)	1.3	0.9	0.9
FCF Yield (%)	13.2	-4.0	4.6

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	46.8	46.8	46.7
DII	13.7	14.8	8.9
FII	27.0	24.5	28.2
Others	12.6	13.9	16.2

FII Includes depository receipts

CMP: INR1,341 TP: INR1,700 (+27%) Buy

Below est.; higher RM cost hurts margin; to expand TBR capacity

Cost inflation to keep margin under pressure over the next two quarters

- CEAT's 4QFY21 performance was impacted by RM cost inflation and weaker mix. While cost inflation will impact near-term performance, strength in demand will enable gradual pass through of cost.
- We cut our FY22E/FY23E EPS by ~31%/6% to factor in near term impact from the second COVID wave and RM cost inflation. Maintain **Buy**.

Volumes stable, smaller price increase fails to offset cost pressures

- Revenue/EBITDA/PAT grew 46%/30%/116% YoY in 4QFY21 to INR22.9b/INR2.6b/INR1.53b. Revenue/EBITDA/PAT grew 12%/36%/100% YoY to INR76.1b/INR9.8b/INR4.6b in FY21.
- Volumes grew 45% YoY in 4QFY21 YoY (stable QoQ). On a QoQ basis, exports and OEM volumes grew in mid to high single-digits, while Replacement volumes fell 5-6% (as TBR and 2W volumes declined QoQ).
- Gross margin contracted 370bp YoY (360bp QoQ) to 42% (est. 44.4%) as RM cost per kg rose 12pp QoQ, partially offset by price hikes of ~3% in Dec'20.
- EBITDA margin contracted 130bp YoY (340bp QoQ) to ~11.4% (est. 14%). EBITDA grew 30% YoY to ~INR2.6b (est. ~INR3.2b).
- Adjusted PAT grew 116% YoY to INR1.53b (est. ~INR1.15b), benefitting from lower tax as it adopted the new corporate tax scheme – necessitating it to reassess current tax for FY20 and revalue deferred tax liabilities based on the lower tax rate. This resulted in a current tax credit of INR125.4m in 4QFY21.
- Gross debt declined by ~INR5b YoY to INR14.2b in FY21, aided by a sharp improvement in FCF generation (INR7.2b in FY21 v/s -INR1.6b in FY20).
- It has proposed a dividend of INR18/share (v/s INR12/share in FY20).

Highlights from the management commentary

- PCR and TBR **demand** are expected to be good, while the same for 2Ws could be challenging. The management remains optimistic on TBR OEM growth. Near term demand has been impacted by the second COVID wave. Overall mix for FY22 should be similar to FY20.
- The management is expecting a further 8-10% **RM cost inflation** in 1QFY22, whereas it has taken a 1-2% price hike till the end of Mar'21.
- **Capex:** The board has approved additional capex of INR12b to enhance TBR capacity in Chennai by 190tpd in two phases over the next four years. As a result, it would be incurring a capex of ~INR11.5b each in FY22 and FY23 for ongoing capacity addition in PCR, 2W, and OTR as well as new TBR capex.

Valuation and view

- The near term outlook for CEAT is challenging, given the demand weakness due to COVID-19 and sharp RM cost inflation. The latter will be gradually passed on over the next 2-3 quarters once demand returns when the pandemic ends. However, a cyclical recovery in both OEMs and Replacement will enable faster absorption of new capacities and usher operating leverage benefits.

- Valuations at 10.2x FY23E consolidated EPS captures in a ramp-up of new capacities in an improving demand environment, leading to a recovery in margin. We maintain our Buy rating with a TP of ~INR1,700 per share (~13x Mar'23E consolidated EPS).

Consolidated quarterly earnings model

(INR m)

Y/E March	FY20				FY21						4QFY21E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY20	FY21	
Net operating revenue	17521	16916	17618	15734	11202	19785	22213	22897	67788	76096	23,108
Change (%)	2.7	-4.6	1.8	-10.6	-36.1	17.0	26.1	45.5	-294.5	1,225.6	46.9
EBITDA	1671	1704	1832	2004	1020	2925	3277	2608	7238	9830	3,233
EBITDA Margin (%)	9.5	10.1	10.4	12.7	9.1	14.8	14.8	11.4	10.7	12.9	14.0
Depreciation	644	671	705	745	785	839	873	899	2765	3396	886.4
EBIT	1027	1033	1127	1259	235	2086	2404	1710	4473	6433	2,346
EBIT Margin (%)	5.9	6.1	6.4	8.0	2.1	10.5	10.8	7.5	6.6	8.5	10.2
Interest	349	374	380	407	488	450	419	399	1,509	1,755	401
Non-operating income	120	43	36	35	28	38	41	32	205	138	54
PBT after EO items	1095	693	780	605	-443	1674	1903	1342	3174	4476	1,999
Effective Tax Rate (%)	30	44	39	19	13	-1	37	-8	33	12	35.5
PAT	826	440	528	519	-348	1819	1321	1528	2312	4320	1,156
Adjusted PAT	626	445	530	708	-155	1819	1430	1528	2309	4622	1,156
Change (%)	-14.7	-30.9	0.4	-11.6	-124.7	308.5	170.0	115.9	-14.7	100.2	63.3
Key Performance Indicators											
RM Cost (% of sales)	60.5	58.9	57.0	54.4	59.7	53.5	54.5	58.0	57.8	56.1	55.6
Staff Cost (% of sales)	7.7	7.2	8.2	9.0	13.5	8.1	8.1	8.0	8.0	8.9	7.9
Other Cost (% of sales)	22	24	24	24	18	24	23	23	24	22	22.5
Gross margin (%)	39.5	41.1	43.0	45.6	40.3	46.5	45.5	42.0	42.2	0.0	44.4
EBITDA Margin (%)	9.5	10.1	10.4	12.7	9.1	14.8	14.8	11.4	10.7	12.9	14.0
EBIT Margin (%)	5.9	6.1	6.4	8.0	2.1	10.5	10.8	7.5	10.7	12.9	10.2

E: MOFSL estimates

Castrol (India)

BSE SENSEX
48,950

S&P CNX
14,725

CMP: INR125
TP: INR170 (+36%)
Buy

Demand to revive as economy opens up

Castrol India (CSTRL)'s CY20 performance remained largely unhindered by declining IIP levels and muted customer off-take, with the company delivering a resilient performance for the year. Here are the key insights from CSTRL's CY20 Annual Report:

- CSTRL's gross profit declined 19% in CY20 (v/s CY19) due to lower volumes, weighed by disruptions caused by the pandemic and economic slowdown.
- Operating and other expenses fell by INR600m in CY20, driven by the company's judicious cost management and efficiency programs – which led to robust working capital management.
- In CY20, CSTRL reported PAT decline of ~30% YoY amid the pandemic (against PAT CAGR of ~8% over CY10-19). Building on its positive long-term outlook, the company continues to drive growth in the personal mobility segment on the back of its wide distribution reach and strong brand building. We reiterate buy and value the stock at 20x CY22E EPS to arrive at a TP of INR170/share.

Continued efforts to expand product portfolio in CY20

- The company continued to introduce BS VI ready products across categories in CY20. It also launched BS VI compliant products for new next-generation cars in the OEM space.
- The focus was on manufacturing Castrol GTX SUV and the POWER1 Ultimate range, among other products, that find use in various applications across India. It also introduced new products such as Ilocut 1945, Iloform BWN 320, Techniclean HP, and Rustilo DW 310 in the Industrial and HD spaces.
- The company pursued growth opportunities and launched new products in Cruiser Bikes (Castrol Activ Cruise) in CY20 as well as introduced a fully synthetic performance oil range (Castrol POWER1 Ultimate) in the Premium segment in 2Ws to expand its product portfolio.

Strong opportunity in Lubricants/Non-Lubricants

- In CY20, the company focused on the CI4+ segment within Trucks (improved portfolio and sustained brand-building efforts) as this is the fastest growing segment in the Commercial Vehicles category.
- CSTRL became the first company to have BS VI compliant products across categories of automotive lubricants – as it looks to take advantage of further enhanced technologies within this space.
- In the newly launched Jio-BP retail network, the company's lubricants were available across over 1,350 Jio-BP sites within just six months of the alliance (and at ~1,400 Jio-BP sites at the end of 1QCY21). The products saw good uptake, which has ensured a much wider reach.
- The company entered into a strategic collaboration with 3M Ltd in CY20 for a range of quality vehicle-care products for the automotive aftermarket – it seeks to diversify into categories outside of Lubricants for further growth opportunities.



Stock Info

Bloomberg	CSTRL IN
Equity Shares (m)	989
M.Cap.(INRb)/(USDb)	124 / 1.7
52-Week Range (INR)	140 / 104
1, 6, 12 Rel. Per (%)	2/-5/-49
12M Avg Val (INR M)	194
Free float (%)	49.0

Financials Snapshot (INR b)

Y/E Dec	2020	2021E	2021E
Sales	30.0	38.1	39.6
EBITDA	8.1	11.6	11.7
PAT	5.8	8.4	8.4
EPS (INR)	5.9	8.5	8.5
EPS Gr. (%)	-29.6	44.8	-0.2
BV/Sh.(INR)	14.3	16.0	17.7

Ratios

Net D:E	-0.9	-0.9	-0.9
RoE (%)	41.9	56.3	50.5
RoCE (%)	42.1	56.4	50.6
Payout (%)	93.3	80.0	80.0

Valuations

P/E (x)	21.4	14.8	14.8
P/BV (x)	8.8	7.9	7.1
EV/EBITDA (x)	13.7	9.5	9.3
Div. Yield (%)	4.4	5.4	5.4
FCF Yield (%)	6.8	6.4	6.4

Shareholding pattern (%)

As On	Mar-21	Dec-20	Mar-20
Promoter	51.0	51.0	51.0
DII	16.7	17.3	18.3
FII	11.6	12.0	11.8
Others	20.7	19.7	18.8

FII Includes depository receipts

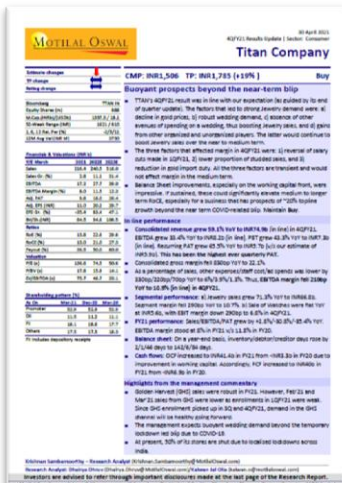


Gold sector update

World Gold Council's (WGC) report



Titan Company 4QFY21



Demand momentum for jewelry continued in 1QCY21, lockdowns temporarily dampen outlook

We analyzed the World Gold Council's (WGC) quarterly demand trends for 1QCY21. The key takeaways are:

Lower gold prices led to strong consumer demand, but impacts ETFs

- Despite a sharp jump in consumer demand, global gold demand was down 23% YoY and flat sequentially at 815.7t mainly due to outflows from gold Exchange Traded Funds (ETFs). Softening gold prices was the key reason for both trends.
- Global jewelry demand was up 52.4% YoY to 477.4t in 1QCY21, led by India (up 38.8% YoY) and China (up 211.8% YoY). These two countries together constitute 55-60% of global demand.
- Global demand for bars and coins also saw a significant jump YoY (up 33.8%), but was lower QoQ (down 23.2%).

Consumer demand in India sees robust growth in 1QCY21

- Total consumer demand for gold in India, which includes jewelry, bars, and coins, witnessed a 37.4% YoY growth in 1QCY21 to 140t. On a QoQ basis, demand was down 24.8%.
- Demand for jewelry remained robust in India, with volumes up 38.3% YoY to 102.5t in 1QCY21. Demand was boosted by: a) easing of lockdown restrictions, b) lower gold prices, magnified by lowering of customs duty, and c) wedding demand.
- Demand for gold bars and coins continued to witness a surge during 1QCY21. With the bottoming out of gold prices, consumers advanced purchases in the form of gold bars and coins. Demand for bars and coins rose 33.8% YoY to 37.5t in 1QCY21. TTAN, as part of its 4QFY21 result commentary, indicated that gold coin and bar sales were disproportionately higher in the quarter.

Bullion imports see a sharp surge

- Net bullion imports, which constitute 85-90% of India's gold supplies, saw a sharp (262%) surge in 1QCY21. Although growth is on a soft base of 1QCY20, it is at the highest level since 2QCY13. This indicates the extent of pent up demand.
- This sharp growth was due to robust consumer demand and stocking up ahead of upcoming festivals (including Akshaya Tritiya in May'21).
- The management of TTAN indicated in its post 4QFY21 result call last week that buying ahead of the wedding season continued up to mid-Apr'21 on the back of a correction in gold prices.
- Total gold supply grew 205.9% YoY to 316.9t in 1QCY21, after growing just 11.6% to 190.2t in 4QCY20.

Conclusion

- To summarize, three trends are increasingly discernible:
 - a) There was a sharp YoY increase in jewelry demand in India in 1QCY20, as well as the rest of the world, especially China, due to an improving economic scenario, fall in gold prices, and festivities.

b) There was a major drop in demand for gold as an investment, especially via ETFs, as a fall in gold prices and higher interest rates led to investors switching to other asset classes.

c) There was a sharp increase in net bullion imports in India due to robust consumer demand and stocking ahead of festivals.

View on TTAN and outlook

- With the ongoing second COVID wave and lockdowns, the prospects for India in 2QCY21 (1QFY22) are less certain. All players are being affected by the lockdowns in several Indian states.
- TTAN indicated in its 4QFY21 earnings call that 50% of its stores are closed due to the lockdown and even the remaining ones are expected to be impacted sooner or later.
- Jewelry players are better equipped in CY21 to deal with the disruption due to the lockdowns, with omnichannel strategies and higher usage of technology, which may offset the impact to some extent.
- Once stores reopen, demand will rebound sharply as seen earlier, especially given the low gold prices (15% lower from its Aug'20 peak of INR55,900/10gm) and pent-up wedding demand. In our recent interaction with the [India head of WGC](#), he indicated that higher gold prices were the key reason for lower demand in the past two years, and a respite (even after a small spurt in Apr'21) is likely to lead to strong demand once stores reopen.
- TTAN stands to gain market share from both unorganized as well as smaller organized players as consumers shift to trusted brands. The travails of smaller players during the pandemic would further accelerate this shift. With less than 10% market share in the Indian jewelry market, TTAN has a long runway ahead.
- Even when there was a 62% decline in net sales for TTAN in 1QFY21 due to a complete lockdown, it more than recouped those losses and ended FY21 with a 3% growth. The extent of impact on margin will not be as severe as last year, where it was affected by ineffective hedges, one-off bullion sales, a lower share of studded sales, and a higher proportion of gold coin sales.

Expert Speak

Battery swapping addresses two major customer concerns

Scale and partnerships key to making products accessible and affordable

We hosted Mr Kaushik Burman, Global Head – BD & Strategic Partnership, Gogoro, to understand the strategies to drive electrification in 2Ws in India. Battery swapping addresses the two biggest challenges of customers (by lowering the initial cost of ownership and reducing the turnaround time for 'refills'), while enabling efficient battery management. Its experience in Taiwan suggests a good network density and apt pricing have resulted in just 2% of customers using home charging. Here are the key highlights from our discussion.

Battery swapping addresses two major customer pain points – shorter charging turnaround times and lower initial cost of ownership

- The two major challenges related to the adoption of EVs are a) higher initial cost of ownership and b) longer lead times for charging. Battery swapping addresses both these problems.
- For ICE vehicles, there are ~70k fuel-retailing outlets in India. Hence, there is a gas station available at every 2–3kms on average, with a maximum turnaround time of 2–3 minutes – every fuel station is designed to reduce the queue length for refueling and minimize any operational bottlenecks. Also, in dense cities, access to real estate is prohibitively expensive; therefore, higher customer turns are needed for higher ROIs (due to the high real estate cost).
- In Taiwan, Gogoro has 2000+ battery swapping station, with an average distance of 2kms between swapping stations. It takes 6 seconds, on average, to swap a battery. Given the good network density in Taiwan, only 2% of its users charge at home.
- Population density, traffic flow, traffic density in CBD, etc. would determine the network requirement in a city. The thumb rule is to have a station at every 2–3kms (e.g., in Delhi, contingent upon the number of riders, one may expect to set up a battery swapping network comprising 120–150 stations).
- Complex and large markets such as India need a wide range of energy options for clean mobility, including natural gas (LNG for heavy-duty applications), hydrogen, biofuels, and EVs.

...enable efficient battery management for optimum performance

- All batteries degrade with time and use. Most EVs have a warranty for 8 years or 100,000km, whichever is earlier. An EV battery is considered to be at the end of its life if it no longer maintains 80% of the total usable capacity and has a more than 5% self-discharge rate over a 24-hour period.
- Accelerated battery degradation may be caused by the charging and discharging patterns, such as repeatedly using the entire capacity of a battery or repeated rapid charging. However, the battery management systems in vehicles are set to limit the level of power received to prevent accelerated degradation.
- Battery life is also dependent on the type or chemistry of the battery used in the EV, which could be Lithium Nickel Manganese Cobalt Oxide (NMC), Lithium Nickel Cobalt Aluminum Oxide (NCA), or Lithium Iron Phosphate (LFP).



Mr Kaushik Burman,
Global Head – BD & Strategic
Partnership, Gogoro

Mr Burman is Global Head – Business Development and Strategic Partnerships at Gogoro. Prior to this, he worked in Shell in commercial leadership roles in Europe and Asia. Kaushik holds an MBA from INSEAD, where he was the J&J Blue Ocean Strategy Scholar; He has attended Harvard Kennedy School on climate economics policy programs. Kaushik also holds an MBA from FMS -Delhi and is a Mechanical Engineering major with distinction. His passion lies in the future of transportation and mobility and the application of AI in making an impact on Sustainable Development Goals (SDGs). Kaushik is also a start-up evangelist and on the advisory boards of start-ups in the Ed-Tech and Logistics Tech domains.

Scale is important; collaborative partnerships drive synergies to make products accessible and affordable

- Battery swapping success enablers in India are – a) cost needs to be reduced at the system level, including the cost of cells, battery packs, and swapping stations; b) as a service provider, it is important to know your serviceable addressable market (metros and urban markets as priority frontiers); c) access to real estate vantage points; d) the value proposition to franchisees and end customers; and e) supportive regulations.
- Key cost levers for swap stations are a) hardware (incl. reserve batteries) and software development cost, b) real estate rental cost, c) manpower cost, and d) electricity cost.
- Any improvement in cell or battery tech or BMS would improve efficiency and reduce the requirement of swapping stations. As the battery swapping network operates on the AI platform, machine learning drives network optimization – implying the reserve battery ratio reduces over time, and overall capex also declines as a result.
- It would need to ensure proper execution and have more partners on the vehicle (OEMs) and network (franchisee) fronts. Scale is very important in this business. In Taiwan, it has forged partnerships with Yamaha, Aeon Motor, and CMC.

Other takeaways

- In dense urban cities, where getting access to real estate is a challenge, a) ensuring a faster turnaround time for the consumer and b) minimizing downtime should be the primary objectives. Battery swapping solves this problem with the "Battery as a subscription" model – wherein the service provider is responsible for ensuring the customer gets access to a fully charged battery at any time.
- Battery swapping and battery safety standards are driven by international guidelines, i.e., battery swapping guidelines are governed by IEC 618513, IEC 62840, while battery safety standards are governed by UN ECE. The harmonization of standards would take time – as more players join the battery swapping market.
- In Taiwan, Gogoro's rider base comprising 385k riders has completed over 180 million battery swaps without any safety hazards. Additionally, Gogoro and other industry players collaborate with several regulatory bodies – including those of Taiwan, South Korea, and Singapore – and provide technical inputs to develop national standards for battery swapping.

Our views on the role of battery swapping in driving electrification

- While battery swapping is yet to gain wider acceptance globally, battery swapping as a solution holds merit for a country such as India to bring down the initial cost of ownership and allay driving range / time-to-refill concerns, particularly in 2Ws and 3Ws.
- We believe swapping solutions are ideal for heavy usage (commercial usage) as this could lead to practically zero downtimes. Even for personal usage, it could bring down the cost substantially through economies of scale.
- Hence, it is imperative to forge more partnerships to drive economies of scale to offer affordable solutions to end users.
- Considering the size of the Indian market and the large addressable market, we believe multiple solutions would be needed to drive electrification in India.
- Currently, while very few players (largely start-ups) offer removable batteries / swapping options, we believe most of the large OEMs are in the formative stages of their EV strategy and may adopt multiple solutions based on market evolution.

**Ceat: Demand outlook for next quarter looks weak; Kumar Subbiah, CFO**

- Large part of Q4FY21 revenue growth of 45% is due to volume growth
- Current quarter looks weak, dealers not able to keep shops open
- OEMs are cutting down production
- Hoping for recovery in June but too early to say if June will be normal
- April volume decline was in early double digits
- FY21 debt reduction around Rs. 500 crore
- Large part of our previously announced Rs. 3500 crore is completed
- Capex announced is to set up 90,000 tyres in a month; plan to fund capex via 60% debt and 40% equity

[➔ Read More](#)**Kirloskar Ferrous: Expect 15% volume growth going ahead; surge in input price may impact margins; RV Gumaste, MD**

- Demand for casting and pig iron remains strong
- Expect volume increase in pig iron on new plant
- Casting run rate is 10,500 mt every month
- Expect 15% volume growth going ahead
- Company is receiving orders from auto players
- Supply chain isn't healthy; many areas are impacted due to restrictions
- One mine became operational last year itself with small window

[➔ Read More](#)**MTAR Tech: Expect order book to scale up from here; Srinivas Reddy, MD & Promoter**

- Exports contribute 50% to overall business
- Looking to add more clients in export market
- Expect order book to scale up from here
- Order book likely to hold 1.7x revenue
- Do not get impacted much by RM costs as we have a pass-through clause

[➔ Read More](#)

RBI's liquidity injection for healthcare

Fortis Healthcare (Ashutosh Raghuvanshi, MD & CEO)

- Would not link capex plans to any incentive
- Have reduced the debt a little bit vs last year
- Don't want to defer any capex commitments
- Started early discussions with banks for further lines of credit
- Diagnostic business not require too much capex
- Had planned for capacity expansion within given facilities; capacity expansion will add close to 300 beds this year
- Do not have enough vaccine suppliers from local producers

Apollo Hospitals (Suneeta Reddy, MD)

- Should use the opportunity from banks offering better terms
- Company has a healthy balance sheet
- Have to pay down the older debt which is at 7%, a little more expensive; will look at restructuring the debt
- Will examine new debt portfolio and look at the cost of the debt; arbitrage could be around 3%
- Need to invest in infra and upgrade technology
- Moving capex by an additional Rs. 25 crore for COVID-19
- Need for ICU beds is incredibly large





		CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
Company	Reco	(INR)	(INR)	Downside	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Automobiles																
Amara Raja	Neutral	781	945	21	37.1	42.0	47.3	-4.1	13.2	12.6	18.6	16.5	2.9	2.6	16.6	16.8
Ashok Ley.	Buy	114	160	41	-0.8	3.8	7.0	-172.3	LP	82.7	29.7	16.3	4.3	3.6	15.2	24.1
Bajaj Auto	Neutral	3944	4150	5	167.8	202.6	231.2	-6.8	20.7	14.1	19.5	17.1	4.5	4.3	23.1	25.8
Bharat Forge	Buy	643	721	12	4.2	16.0	25.8	-54.2	278.2	61.3	40.3	25.0	5.0	4.3	13.0	18.6
Bosch	Neutral	13610	15550	14	289.1	481.1	555.4	-31.0	66.4	15.4	28.3	24.5	3.8	3.4	14.1	14.6
CEAT	Buy	1341	1700	27	114.3	81.9	132.0	100.2	-28.3	61.2	16.4	10.2	1.5	1.3	9.6	13.9
Eicher Mot.	Buy	2441	3284	35	50.5	96.5	122.3	-24.6	91.3	26.6	25.3	20.0	5.0	4.1	21.7	22.7
Endurance Tech.	Buy	1349	1767	31	32.2	51.5	62.9	-15.5	60.3	22.0	26.2	21.5	5.0	4.3	20.3	21.4
Escorts	Neutral	1133	1509	33	86.6	92.8	100.6	60.5	7.1	8.4	12.2	11.3	2.0	1.7	17.3	16.1
Exide Ind	Buy	183	220	20	8.9	10.2	13.1	-10.0	14.3	28.6	17.9	13.9	2.1	1.9	11.6	13.4
Hero Moto	Buy	2913	-		148.1	182.5	209.7	-3.2	23.2	14.9	16.0	13.9	3.6	3.3	23.5	24.9
M&M	Buy	747	960	28	34.0	39.7	50.0	13.5	16.6	25.9	18.8	15.0	2.1	2.1	12.4	14.0
Mahindra CIE	Buy	181	234	30	2.8	15.4	16.3	-70.1	447.4	5.6	11.7	11.1	1.3	1.1	11.4	10.9
Maruti Suzuki	Buy	6666	8450	27	145.3	236.2	312.5	-22.7	62.5	32.3	28.2	21.3	3.5	3.2	12.3	14.7
Motherson Sumi	Buy	222	242	9	2.5	7.5	9.8	-32.0	197.5	30.4	29.6	22.7	5.2	4.5	18.7	21.3
Tata Motors	Buy	301	415	38	-1.0	28.6	38.5	-95.9	LP	34.7	10.5	7.8	1.9	1.5	19.7	21.6
TVS Motor	Neutral	626	636	2	12.9	22.2	30.4	-0.9	72.2	36.9	28.2	20.6	5.9	4.8	23.0	25.8
Aggregate								32.0	103.0	27.9	19.6	15.3	3.2	2.8	16.1	18.0
Banks - Private																
AU Small Finance	Buy	957	1175	23	38.0	31.9	43.3	67.9	-16	35.8	30.0	22.1	4.2	3.5	14.9	17.2
Axis Bank	Buy	716	925	29	22.4	51.5	67.3	271.0	130	30.7	13.9	10.6	1.9	1.6	14.5	16.4
Bandhan Bank	Neutral	295	370	26	15.8	24.8	36.5	-26.7	57	47.1	11.9	8.1	2.4	1.9	21.6	26.3
DCB Bank	Neutral	90	110	22	10.3	13.0	17.1	-5.5	26.1	31.7	7.0	5.3	0.7	0.6	10.9	12.8
Equitas Hold.	Buy	85	105	24	11.2	15.8	20.8	57.6	40.7	31.5	5.4	4.1	0.8	0.7	15.3	18.8
Federal Bank	Buy	79	110	40	7.8	11.3	14.4	1.0	43.8	28.2	7.0	5.4	0.9	0.8	13.2	15.0
HDFC Bank	Buy	1401	1800	28	56.6	67.6	82.6	17.8	19.4	22.2	20.7	17.0	3.3	2.8	17.0	17.8
ICICI Bank	Buy	609	750	23	24.2	30.9	38.8	97.0	27.9	25.4	19.7	15.7	2.5	2.2	13.9	15.2
IndusInd	Buy	925	1200	30	39.9	69.4	95.1	-41.4	73.7	37.1	13.3	9.7	1.5	1.3	11.8	14.4
Kotak Mah. Bk	Neutral	1787	1900	6	50.4	61.3	74.1	12.2	21.6	20.8	29.2	24.1	3.7	3.2	12.9	13.7
RBL Bank	Buy	185	250	35	8.5	16.2	22.4	-14.6	91.2	38.1	11.4	8.2	0.8	0.8	7.4	9.6
SBI Cards	Buy	975	1200	23	10.5	18.6	26.9	-25.3	77.9	44.2	52.3	36.3	11.6	9.0	24.7	28.0
Aggregate								31.7	38.4	26.6	19.8	15.6	2.9	2.5	14.4	15.7
Banks - PSU																
BOB	Neutral	71	75	6	6.1	9.5	16.2	412.7	57.3	69.7	7.4	4.4	0.4	0.4	5.8	9.3
SBI	Buy	356	500	41	30.9	45.2	54.7	39.3	47	20.9	7.9	6.5	1.1	0.9	13.8	14.6
Aggregate								49.3	48	26	8	6.2	1.0	0.9	12.3	13.7
NBFCs																
AAVAS Financiers	Neutral	2209	2400	9	36.9	48.0	58.4	15.9	30.1	21.6	46.0	37.8	6.2	5.4	14.5	15.2
Aditya Birla Cap	Buy	116	140	21	4.5	6.1	7.6	17.3	36.4	24.6	19.1	15.3	1.9	1.7	10.2	11.4
Bajaj Fin.	Buy	5529	5865	6	73.5	148.2	182.6	-16.3	101.7	23.2	37.3	30.3	7.5	6.1	22.1	22.2
Can Fin Homes	Buy	524	660	26	34.2	34.1	38.2	21.3	-0.3	11.8	15.4	13.7	2.3	2.0	16.1	15.5
Cholaman.Inv.&F n	Buy	580	650	12	22.1	28.7	32.6	71.8	30.3	13.4	20.2	17.8	4.0	3.3	21.7	20.3
H D F C	Buy	2431	3300	36	55.3	63.8	73.5	12.4	15.3	15.3	38.1	33.1	3.7	3.4	12.6	13.2
HDFC Life Insur.	Neutral	672	730	9	6.7	7.7	9.1	4.7	15.2	17.2	86.7	74.0	4.3	3.7	17.5	17.7
ICICI Pru Life	Buy	564	600	6	6.7	8.7	9.4	-10.1	30.2	7.8	64.8	60.1	2.4	2.1	14.7	14.6
IIFL Wealth Mgt	Buy	1165	1540	32	41.5	49.4	61.7	79.6	19.1	25.0	23.6	18.9	5.0	4.6	19.1	25.6
IndoStar	Neutral	302	355	18	9.5	12.4	17.6	-127.1	29.7	42.6	24.4	17.1	0.9	0.9	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	412	520	26	60.7	67.6	72.7	27.5	11.4	7.5	6.1	5.7	0.9	0.8	15.7	14.9
Manappuram Fin.	Buy	149	205	37	20.7	24.1	28.1	18.1	16.4	16.9	6.2	5.3	1.4	1.1	25.1	23.8
MAS Financial	Buy	815	1020	25	26.4	32.4	38.0	-20.3	22.5	17.4	25.2	21.5	3.6	3.2	15.2	15.8
Max Financial	Buy	932	1000	7	15.9	21.7	27.5	9.8	36.3	26.5	42.9	33.9	2.9	2.4	18.8	19.2
M&M Fin.	Buy	156	215	38	2.7	15.3	17.7	-81.5	460.8	15.9	10.2	8.8	1.2	1.1	12.2	12.8



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Muthoot Fin	Buy	1170	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	1700	2210	30	119.6	129.5	159.6	-587.6	8.3	23.3	13.1	10.7	1.1	1.0	8.6	9.7
PNB Housing	Neutral	364	400	10	55.3	83.0	89.2	43.8	50.1	7.6	4.4	4.1	0.6	0.5	14.7	14.1
Repco Home Fin	Buy	333	430	29	49.7	51.3	55.6	10.9	3.2	8.4	6.5	6.0	0.9	0.8	14.4	13.7
SBI Life Insurance	Buy	969	1150	19	14.6	16.7	20.3	2.4	14.9	21.3	58.0	47.8	2.3	2.0	16.3	16.9
Shriram City Union	Buy	1618	1900	17	153.1	179.6	232.9	1.0	17.2	29.7	9.0	6.9	1.2	1.0	13.8	15.7
Shriram Trans.	Buy	1311	1700	30	98.3	128.4	153.9	-10.9	30.7	19.9	10.2	8.5	1.4	1.2	14.3	15.3
Aggregate								21.5	34.4	18.0	20.8	17.6	2.8	2.5	13.7	14.3
Capital Goods																
ABB	Buy	1381	1565	13	11.9	20.1	27.0	-28.4	69.3	34.6	68.8	51.1	7.4	6.7	10.8	13.2
Bharat Elec.	Buy	142	150	5	6.9	8.5	9.4	-5.9	23.3	9.6	16.7	15.2	2.8	2.6	17.1	16.8
BHEL	Sell	58	26	-55	-2.5	1.3	1.9	-41.3	LP	43.5	44.0	30.7	0.7	0.7	1.6	2.3
Cummins	Sell	840	515	-39	19.0	22.5	25.8	-18.2	18.3	14.4	37.3	32.6	5.0	4.8	13.5	14.8
Engineers India	Buy	74	85	16	5.6	7.5	7.6	-17.0	32.6	1.2	9.8	9.7	2.0	2.0	19.3	19.1
K E C Intl.	Buy	380	450	19	22.0	26.3	30.0	0.0	19.5	14.2	14.4	12.6	2.5	2.1	17.5	16.9
Larsen & Toubro	Buy	1340	1685	26	81.4	66.1	77.8	19.7	-18.8	17.6	20.3	17.2	2.3	2.1	11.4	12.2
Siemens	Neutral	1862	1640	-12	21.3	35.0	36.9	-32.6	64.5	5.5	53.2	50.5	6.3	5.8	11.9	11.4
Thermax	Neutral	1517	1190	-22	22.4	33.2	39.6	18.7	48.3	19.1	45.7	38.4	5.0	4.6	11.0	12.0
Aggregate								-19.4	54.8	16.1	25.0	21.5	2.6	2.4	10.4	11.1
Consumer Durables																
Blue Star	Sell	829	-		10.5	20.3	26.8	-31.3	93.4	32.1	40.8	30.9	8.9	8.0	21.9	18.2
Crompton Gr. Con	Buy	379	485	28	8.4	10.6	12.1	19.9	27.1	13.7	35.7	31.4	10.9	9.0	30.5	28.7
Havells	Neutral	1007	1100	9	16.5	19.6	22.0	40.7	18.8	12.2	51.4	45.8	10.9	9.4	21.2	20.6
Orient Electric	Buy	276	365	32	5.3	6.5	8.1	42.8	23.1	25.0	42.4	33.9	12.0	10.1	28.2	29.8
Voltas	Neutral	984	1060	8	14.3	21.5	24.6	-14.6	50.3	14.5	45.8	40.0	6.4	5.7	13.9	14.3
Whirlpool India	Buy	2150	3020	40	27.3	45.5	54.9	-27.4	66.8	20.8	47.3	39.2	8.2	7.0	17.4	17.8
Aggregate								6.4	36.1	16.0	45.4	39.1	9.0	7.8	19.8	19.9
Cement																
Ambuja Cem.	Neutral	315	320	2	9.0	10.6	12.1	24.2	18.0	13.7	29.6	26.0	2.8	2.6	10.0	10.5
ACC	Buy	1895	2205	16	78.4	101.1	106.4	8.5	28.9	5.2	18.7	17.8	2.5	2.2	14.1	13.3
Birla Corp.	Buy	931	1305	40	73.0	82.2	101.0	11.3	12.6	22.9	11.3	9.2	1.2	1.1	11.4	12.6
Dalmia Bhar.	Buy	1566	1905	22	54.8	51.8	70.5	377.1	-5.5	36.2	30.2	22.2	2.1	1.9	7.2	9.0
Grasim Inds.	Neutral	1448	1510	4	83.9	99.0	113.0	-5.0	18.1	14.1	14.6	12.8	2.4	2.3	4.1	5.0
India Cem	Neutral	165	167	2	6.5	5.0	6.5	847.1	-23.8	31.9	33.1	25.1	0.9	0.9	2.7	3.5
J K Cements	Buy	2778	3360	21	86.2	105.0	123.4	37.7	21.8	17.6	26.5	22.5	5.1	4.2	20.9	20.4
JK Lakshmi Ce	Buy	407	550	35	25.7	27.6	36.4	14.1	7.1	32.2	14.8	11.2	2.1	1.8	15.0	17.0
Ramco Cem	Neutral	977	970	-1	33.4	34.9	41.4	30.8	4.4	18.7	28.0	23.6	3.6	3.2	13.8	14.5
Shree Cem	Neutral	27736	27500	-1	645.3	740.3	861.1	48.3	14.7	16.3	37.5	32.2	5.7	4.9	16.4	16.5
Ultratech	Buy	6406	8110	27	190.8	229.4	287.0	43.6	20.2	25.1	27.9	22.3	3.5	3.2	14.0	15.3
Aggregate								25.0	16.7	18.5	23.3	19.7	3.0	2.7	13.0	13.9
Consumer																
Asian Paints	Neutral	2549	2750	8	34.5	39.5	45.8	18.9	14.7	16.0	64.5	55.6	19.0	17.0	31.1	32.2
Britannia	Buy	3450	4450	29	76.8	77.2	88.9	31.0	0.5	15.1	44.7	38.8	17.3	15.9	44.5	42.7
Colgate	Buy	1504	1810	20	36.1	40.0	45.3	20.4	10.7	13.3	37.6	33.2	24.7	24.7	65.6	74.3
Dabur	Buy	545	665	22	9.8	11.3	13.3	13.4	16.0	17.0	48.1	41.1	12.0	10.7	26.2	27.6
Emami	Buy	485	580	20	17.2	17.0	18.7	38.8	-1.5	10.3	28.6	25.9	10.1	10.0	35.3	38.8
Godrej Cons.	Neutral	710	720	1	16.8	17.7	20.6	18.4	5.8	15.9	40.0	34.5	8.3	8.0	21.2	23.5
HUL	Buy	2389	2780	16	34.8	39.8	48.9	11.5	14.4	22.7	60.0	48.9	11.3	11.4	19.3	23.2
ITC	Neutral	203	220	9	10.3	13.1	14.8	-17.0	27.1	12.6	15.5	13.7	3.7	3.5	24.2	26.2
Jyothy Lab	Neutral	143	158	10	5.7	5.9	6.2	25.7	3.8	4.9	24.2	23.1	4.1	4.0	17.2	17.6
Marico	Buy	476	490	3	9.0	9.8	11.3	10.4	8.9	15.8	48.6	42.0	13.5	12.9	32.5	31.5
Nestle	Neutral	16727	18300	9	217.4	249.2	291.9	7.6	14.6	17.1	67.1	57.3	75.3	69.1	115.5	125.8
Page Inds	Neutral	29522	28800	-2	301.9	457.3	523.0	-1.9	51.5	14.4	64.6	56.4	36.4	35.3	56.4	62.5



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Pidilite Ind.	Neutral	1800	1675	-7	22.6	24.4	29.3	-2.4	8.3	20.1	73.7	61.3	14.2	12.2	20.5	21.4
P&G Hygiene	Buy	13426	15900	18	166.8	225.8	288.3	22.2	35.3	27.7	59.5	46.6	44.0	37.0	80.0	86.4
Tata Consumer	Buy	653	680	4	10.3	13.0	15.2	29.6	26.3	16.3	50.1	43.0	3.9	3.7	8.1	8.9
United Brew	Sell	1206	960	-20	4.6	12.3	19.2	-71.8	169.2	55.9	98.1	62.9	8.4	7.8	8.8	12.9
United Spirits	Buy	544	725	33	5.7	12.9	17.1	-47.6	126.8	32.5	42.0	31.7	7.8	6.2	18.5	19.7
Varun Beverages	Buy	993	1150	16	11.3	23.1	37.0	-30.7	105.3	59.9	42.9	26.9	7.0	5.6	17.5	23.2
Aggregate								1.5	19.5	16.9	41.5	35.5	9.7	9.2	23.3	25.9
Healthcare																
Alembic Phar	Neutral	941	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	2862	3400	19	126.6	135.6	151.3	32.7	7.1	11.6	21.1	18.9	4.0	3.4	20.4	19.5
Ajanta Pharma	Buy	1999	2150	8	73.9	80.6	95.3	44.6	9.1	18.2	24.8	21.0	5.0	4.2	21.9	21.9
Aurobindo	Buy	1009	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	380	390	3	5.5	7.7	11.2	-10.6	39.2	45.2	49.4	34.0	5.5	4.9	11.6	15.3
Cadila	Buy	602	670	11	20.0	24.8	26.0	36.1	23.9	4.9	24.3	23.1	3.9	3.4	17.1	15.8
Cipla	Neutral	884	900	2	33.7	36.7	41.9	71.6	9.0	14.2	24.1	21.1	3.4	3.0	14.0	14.0
Divis Lab	Buy	4063	4450	10	75.9	98.0	127.3	55.0	29.2	29.9	41.4	31.9	9.8	7.9	26.2	27.5
Dr Reddy's	Neutral	5166	5410	5	153.7	188.2	213.8	17.0	22.4	13.6	27.4	24.2	4.2	3.6	16.3	16.1
Gland Pharma	Buy	2633	2900	10	57.7	72.6	92.3	15.9	25.7	27.1	36.3	28.5	6.1	5.1	18.5	19.4
Glenmark	Neutral	570	525	-8	35.4	36.1	41.1	44.0	1.9	14.0	15.8	13.9	2.0	1.8	13.7	13.8
GSK Pharma	Neutral	1464	1480	1	29.0	35.3	40.1	2.9	21.8	13.5	41.4	36.5	11.8	10.3	28.4	28.3
Granules India	Buy	352	430	22	21.7	25.5	29.3	66.5	17.3	15.3	13.8	12.0	3.2	2.6	25.4	23.8
IPCA Labs	Buy	2097	2480	18	94.4	94.3	101.4	83.8	-0.1	7.6	22.2	20.7	4.7	3.9	23.1	20.7
Jubilant Pharmova	Buy	837	910	9	56.6	60.3	69.1	-5.3	6.5	14.6	13.9	12.1	2.8	2.3	21.7	20.6
Laurus Labs	Buy	482	550	14	18.3	23.8	29.1	285.4	30.1	21.8	20.2	16.6	7.0	5.1	40.7	35.8
Lupin	Buy	1197	1200	0	25.3	39.4	45.6	8.6	55.4	15.7	30.4	26.3	3.7	3.4	12.8	13.4
Strides Pharma	Buy	854	970	14	24.8	43.3	53.6	63.6	74.3	23.7	19.7	15.9	2.5	2.3	13.4	14.9
Sun Pharma	Buy	679	740	9	25.6	26.8	29.9	56.2	4.4	11.6	25.4	22.7	3.1	2.8	12.9	12.9
Torrent Pharma	Neutral	2609	2510	-4	73.0	88.0	99.8	30.1	20.6	13.4	29.7	26.2	6.7	5.8	24.5	23.8
Aggregate								36.8	15.3	15.2	25.8	22.4	4.0	3.5	15.6	15.6
Infrastructure																
Ashoka Buildcon	Buy	79	145	84	13.2	11.2	12.8	-4.6	-15.0	14.6	7.0	6.1	0.7	0.6	10.2	10.7
IRB Infra	Neutral	103	122	18	3.9	5.9	9.7	-79.2	51.2	64.0	17.4	10.6	0.5	0.5	3.1	4.9
KNR Constructions	Buy	199	265	33	9.1	12.8	16.5	26.0	40.4	28.4	15.5	12.1	2.5	2.1	17.8	19.1
Aggregate											12.9	9.8	0.9	0.9	7.2	8.8
Media																
PVR	Neutral	1139	1300	14	-92.2	17.1	36.7	-386.6	LP	113.8	66.4	31.1	3.3	2.9	5.0	10.0
Sun TV	Buy	490	565	15	38.6	40.0	40.0	10.9	3.6	0.1	12.3	12.2	2.8	2.7	24.0	22.5
Zee Ent.	Neutral	182	220	21	8.9	17.4	19.8	62.1	95.7	13.6	10.5	9.2	1.6	1.4	15.9	15.9
Aggregate								-16.1	60.7	10.4	13.1	11.9	2.2	2.0	16.7	16.6
Metals																
Hindalco	Buy	386	430	11	23.5	35.9	41.0	34.6	52.7	14.0	10.7	9.4	1.8	1.5	18.1	17.5
Hind. Zinc	Neutral	296	290	-2	18.9	25.8	27.4	17.3	36.3	6.3	11.5	10.8	3.6	3.4	32.5	32.3
JSPL	Buy	459	539	17	57.1	47.1	43.2	-835.5	-17.6	-8.2	9.8	10.6	1.3	1.2	14.4	11.6
JSW Steel	Buy	730	610	-16	31.7	62.2	59.4	251.0	96.1	-4.5	11.7	12.3	3.1	2.5	29.6	22.5
Nalco	Buy	69	71	4	4.1	6.9	6.6	450.3	68.5	-4.4	10.0	10.4	1.2	1.2	12.5	11.7
NMDC	Buy	170	170	0	21.9	24.6	20.0	42.8	12.5	-18.6	6.9	8.5	1.5	1.4	23.4	17.2
SAIL	Buy	134	106	-21	13.8	18.5	16.8	#####	35	-9.3	7.2	8.0	1.1	1.0	15.8	13.0
Tata Steel	Neutral	1101	1205	9	69.0	254.5	159.5	661.2	269	-37.3	4.3	6.9	1.4	1.3	28.1	19.7
Vedanta	Neutral	269	221	-18	26.7	29.9	29.1	204.4	12	-2.6	9.0	9.2	1.5	1.5	17.7	16.4
Aggregate								174.7	88.6	-22.4	7.0	9.0	1.6	1.4	23.2	16.1
Oil & Gas																
Aegis Logistics	Buy	326	350	8	7.1	10.7	13.3	139.6	49.3	25.1	30.5	24.4	5.3	4.7	18.5	20.4
BPCL	Buy	434	520	20	41.9	34.4	42.0	65.5	-18.0	22.1	12.6	10.3	1.9	1.8	16.0	17.8



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Castrol India	Buy	125	170	36	5.9	8.5	8.5	-29.6	44.8	-0.2	14.8	14.8	7.9	7.1	56.3	50.5
GAIL	Buy	151	170	12	10.2	15.8	16.7	-38.1	55.0	6.1	9.6	9.0	1.3	1.2	14.9	14.7
Gujarat Gas	Buy	535	560	5	17.0	20.0	23.3	-1.8	17.2	17.0	26.8	22.9	6.8	5.4	28.3	26.3
Gujarat St. Pet.	Buy	272	390	44	15.0	16.8	17.9	-23.5	11.9	6.3	16.1	15.2	1.8	1.7	12.1	11.6
HPCL	Neutral	246	277	13	56.3	40.3	42.0	135.5	-28.3	4.2	6.1	5.8	1.1	1.1	18.4	18.5
IOC	Buy	93	142	53	15.8	15.5	18.9	53.5	-1.8	22.1	6.0	4.9	0.8	0.8	13.7	15.8
IGL	Neutral	520	520	0	14.5	18.1	18.8	-10.6	24.6	4.1	28.7	27.6	5.3	4.6	19.9	17.9
Mahanagar Gas	Buy	1148	1290	12	63.4	78.4	80.6	-21.1	23.8	2.8	14.6	14.2	3.0	2.7	22.0	20.1
MRPL	Neutral	44	39	-12	-1.0	4.0	7.2	-93.7	LP	81.1	11.1	6.1	0.9	0.8	8.8	14.5
Oil India	Buy	121	155	28	17.9	19.7	22.0	-21.8	10.4	11.6	6.1	5.5	0.5	0.5	8.7	9.3
ONGC	Buy	110	125	14	10.7	21.8	23.8	-18.4	104.3	9.0	5.0	4.6	0.6	0.5	12.4	12.3
PLNG	Buy	244	325	33	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	1930	2195	14	67.7	92.7	111.4	1.9	36.8	20.3	20.8	17.3	1.6	1.5	8.2	9.1
Aggregate								10.4	30.7	16.2	13.5	11.6	1.4	1.3	10.2	10.9
Retail																
Avenue Supermarts	Neutral	2878	2900	1	16.9	28.8	37.8	-15.7	70.1	31.3	99.9	76.1	12.8	10.9	14.2	16.0
Aditya Birla Fashion	Buy	175	230	32	-2.4	0.0	0.4	1,208.1	LP	2,039.9	9,906.7	463.0	20.0	19.2	0.2	4.2
Jubilant Food.	Neutral	2825	2915	3	18.0	38.2	53.0	-19.9	111.9	38.5	73.9	53.3	23.7	18.8	32.1	35.2
Shoppers Stop	Neutral	194	220	14	-34.1	-13.9	-15.0	131.8	Loss	Loss	NM	NM	-116.8	-11.6	-262.6	163.8
Titan Company	Buy	1444	1785	24	11.0	20.2	29.7	-35.4	83.4	47.1	71.4	48.5	15.3	13.6	22.6	29.6
Trent	Neutral	778	710	-9	-5.1	-3.0	7.0	-270.1	Loss	LP	NM	111.8	11.7	10.5	-4.8	10.6
V-Mart Retail	Buy	2676	3500	31	-12.0	22.6	40.9	-144.1	LP	80.5	118.2	65.5	10.1	8.8	9.0	14.4
Westlife Develop	Neutral	433	455	5	-5.9	1.7	6.2	#####	LP	256.5	248.0	69.6	13.0	11.0	5.4	17.1
Aggregate								-67.9	297.7	54.6	98.7	63.9	13.2	11.5	13.4	18.0
Technology																
Cyient	Buy	758	810	7	33.8	42.6	50.6	0.1	26.1	18.7	17.8	15.0	2.9	2.6	16.0	18.2
HCL Tech.	Buy	916	1190	30	43.8	50.3	59.7	7.5	14.9	18.6	18.2	15.3	3.7	3.5	21.2	23.3
Infosys	Buy	1361	1600	18	45.6	53.2	63.5	17.1	16.8	19.4	25.6	21.4	6.9	6.3	28.3	30.9
L & T Infotech	Neutral	3815	3680	-4	107.0	118.6	141.4	23.6	10.9	19.1	32.2	27.0	7.8	6.6	26.3	26.7
L&T Technology	Buy	2549	3130	23	62.8	84.4	104.3	-19.0	34.4	23.5	30.2	24.4	6.6	5.6	23.7	25.0
Mindtree	Neutral	2248	2180	-3	67.4	77.7	90.6	75.7	15.3	16.7	28.9	24.8	7.4	6.3	27.4	27.5
Mphasis	Buy	1846	2020	9	64.4	75.7	91.4	2.0	17.5	20.8	24.4	20.2	4.8	4.3	21.0	22.8
Coforge	Neutral	3397	3240	-5	78.8	105.0	129.5	4.3	33.2	23.3	32.3	26.2	7.1	5.9	23.7	24.7
Persistent Sys	Buy	2203	2340	6	59.0	79.1	93.5	32.4	34.0	18.3	27.9	23.6	5.2	4.5	20.1	20.6
TCS	Neutral	3111	3250	4	86.7	109.0	124.9	0.6	25.7	14.6	28.6	24.9	12.5	11.8	45.4	49.1
Tech Mah	Neutral	978	1050	7	51.7	59.1	66.0	6.9	14.3	11.7	16.6	14.8	3.1	2.8	19.9	20.1
Wipro	Neutral	512	455	-11	18.8	20.0	23.9	14.3	6.5	19.9	25.7	21.4	5.1	5.1	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	17.7	16.9	25.8	22.1	7.2	6.7	27.8	30.3
Telecom																
Bharti Airtel	Buy	558	720	29	0.8	4.5	7.9	-111.3	435.8	73.8	123.4	71.0	4.6	4.4	3.8	6.3
Indus Towers	Neutral	259	260	0	18.5	21.6	21.5	-1.0	16.8	-0.5	12.0	12.1	4.0	3.7	35.0	32.0
Vodafone Idea		8			-8.5	-7.5	-6.8	12.9	Loss	Loss	NM	NM	-0.6	-0.4	73.2	39.1
Tata Comm	Neutral	1104	1045	-5	46.5	50.6	66.7	340.2	8.8	31.9	21.8	16.5	20.2	9.1	172	75.8
Aggregate								Loss	Loss	Loss	-35	-55.0	9.2	12.4	-26.2	-22.6
Utilities																
Coal India	Buy	135	178	32	18.3	24.5	30.9	-32.4	34.0	25.7	5.5	4.4	1.9	1.5	34.3	35.1
CESC	Buy	626	777	24	97.4	97.1	104.3	-0.4	-0.3	7.4	6.4	6.0	0.8	0.7	12.1	12.3
Indian Energy Exchange	Buy	395	355	-10	7.1	8.3	9.8	19.2	17.1	17.9	47.4	40.2	22.3	19.1	50.6	51.2
JSW Energy	Neutral	117	85	-27	4.8	5.9	6.9	-5.8	22.2	18.4	19.9	16.8	1.5	1.4	7.7	8.8
NHPC	Neutral	24	26	7	2.9	3.0	3.5	0.5	4.1	17.9	8.1	6.9	0.7	0.7	9.0	10.0
NTPC	Buy	103	141	37	15.5	16.8	18.1	12.0	9.0	7.7	6.1	5.7	0.8	0.7	12.8	13.1



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY21E	FY22E	FY23E	FY21E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Power Grid	Buy	215	255	18	23.8	25.8	27.1	12.7	8.4	5.0	8.3	7.9	1.5	1.4	18.7	18.2
Torrent Power	Buy	413	463	12	22.8	31.1	31.7	-18.5	36.4	1.9	13.3	13.0	1.8	1.6	14.1	13.0
Tata Power	Buy	103	120	17	3.8	5.4	5.5	1.5	40.7	3.2	19.1	18.6	1.5	1.4	7.9	7.7
Aggregate								-5.8	14.9	13.2	7.2	6.4	1.2	1.1	16.3	17.0
Others																
BSE	Buy	683	770	13	33.0	47.5	53.9	32.4	43.9	13.5	14.4	12.7	1.2	1.2	8.5	9.1
Concor	Buy	578	662	15	12.6	16.0	19.9	-24.1	27.2	24.0	36.0	29.1	3.3	3.1	9.2	11.0
Coromandel Intl	Buy	730	983	35	45.3	50.4	57.8	24.6	11.3	14.7	14.5	12.6	3.4	2.9	26.0	24.8
EPL	Buy	225	334	48	8.5	11.3	13.4	24.6	33.0	18.3	19.9	16.8	3.7	3.3	20.0	20.6
Indiamart Inter.	Buy	7683	9320	21	96.6	110.9	133.7	86.5	14.8	20.6	69.3	57.5	12.1	10.2	18.8	19.2
Indian Hotels	Buy	113	139	24	-7.1	-3.3	1.5	-359.5	Loss	LP	NM	72.8	4.2	4.0	-11.6	5.7
Interglobe	Neutral	1664	1530	-8	-143.5	45.1	95.6	2,123.6	LP	112	37	17.4	34.2	12.5	156.5	105.4
Info Edge	Neutral	4758	4600	-3	21.9	30.2	41.0	31.0	37.7	35.9	157.7	116.0	13.2	12.3	8.5	10.9
Godrej Agrovet	Buy	512	640	25	16.3	20.0	23.6	23.1	22.6	17.8	25.6	21.7	4.4	3.9	18.0	18.9
Kaveri Seed	Buy	610	633	4	52.2	53.2	57.6	21.1	2.1	8.1	11.5	10.6	3.1	2.8	27.9	27.4
Lemon Tree Hotel	Buy	36	49	37	-1.7	0.0	0.6	1,308.3	Loss	LP	NM	62.7	4.1	3.8	-0.4	6.3
MCX	Buy	1480	1970	33	44.7	45.3	61.7	-3.6	1.3	36.1	32.7	24.0	5.3	4.8	16.9	20.9
Quess Corp	Buy	634	745	18	12.4	33.3	43.0	-32.1	168.3	29.4	19.1	14.7	2.4	2.0	17.6	18.9
PI Inds.	Buy	2665	2612	-2	51.1	65.6	79.2	69.9	28.3	20.7	40.6	33.7	6.6	5.6	17.4	17.9
SIS	Buy	372	540	45	23.7	20.7	26.1	-1.7	-12.9	26.6	18.0	14.2	1.2	1.0	15.6	16.7
SRF	Neutral	6862	6336	-8	196.9	229.3	290.2	29.0	16.5	26.6	29.9	23.6	5.1	4.3	18.5	19.7
Tata Chemicals	Neutral	676	628	-7	10.1	26.1	41.8	-68.2	159.7	59.8	25.9	16.2	1.2	1.1	4.6	7.1
Team Lease Serv.	Buy	3352	3980	19	51.7	72.9	99.5	5.8	40.9	36.5	46.0	33.7	7.3	6.0	17.2	19.5
Trident	Buy	14	19	38	0.7	1.0	1.4	6.8	52.5	29.1	13.3	10.3	1.8	1.6	14.4	16.3
UPL	Neutral	633	583	-8	42.1	49.8	58.3	21.0	18.2	17.0	12.7	10.9	1.5	1.3	19.0	19.1



Index	1 Day (%)	1M (%)	12M (%)
Sensex	0.6	-0.5	54.5
Nifty-50	0.7	0.3	58.8
Nifty Next 50	0.6	2.8	55.1
Nifty 100	0.7	0.6	58.3
Nifty 200	0.7	0.9	61.8
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	1.8	0.3	76.8
Amara Raja Batt.	1.4	-7.7	38.8
Ashok Leyland	1.6	1.2	139.2
Bajaj Auto	2.6	9.1	59.5
Bharat Forge	0.6	4.2	125.7
Bosch	2.0	-3.7	37.9
CEAT	-2.6	-12.9	79.8
Eicher Motors	2.9	-1.9	76.0
Endurance Tech.	3.5	-1.7	121.6
Escorts	0.9	-7.3	58.3
Exide Inds.	0.1	-0.4	24.1
Hero Motocorp	4.5	0.8	43.7
M & M	0.0	-4.4	92.9
Mahindra CIE	4.6	10.3	65.4
Maruti Suzuki	1.1	-1.3	37.7
Motherson Sumi	1.0	7.5	189.5
Tata Motors	3.3	-2.1	262.4
TVS Motor Co.	3.7	9.8	93.5
Banks-Private	-0.1	0.8	62.5
AU Small Fin. Bank	1.6	-21.6	105.2
Axis Bank	-0.2	5.6	84.3
Bandhan Bank	-5.4	-12.7	18.4
DCB Bank	0.6	-9.1	31.8
Equitas Holdings	0.1	1.0	65.8
Federal Bank	-1.8	2.3	79.2
HDFC Bank	-0.1	-2.7	48.1
ICICI Bank	1.0	7.5	78.3
IndusInd Bank	-0.7	-0.2	117.3
Kotak Mah. Bank	0.9	1.0	43.5
RBL Bank	0.4	-12.8	40.0
SBI Cards	1.0	2.6	72.3
Banks-PSU	-1.2	-0.2	77.4
BOB	-2.4	-3.0	66.9
SBI	0.0	1.4	107.8
Company	1 Day (%)	1M (%)	12M (%)
NBFCs	0.6	1.7	60.9
Aditya Birla Cap	1.6	-2.6	161.8
Bajaj Fin.	0.2	10.8	162.5
Cholaman.Inv.&Fn	3.9	7.6	286.1
Can Fin Homes	-1.5	-7.5	77.1
HDFC	2.2	-1.7	40.3
HDFC Life Insur.	-0.4	-3.7	36.8
Indostar Capital	-0.6	-5.0	11.0
L&T Fin.Holdings	-0.5	-11.4	54.3
LIC Hsg Fin	-0.1	-1.8	57.0
M&M Fin.	1.2	-21.6	48.2
Muthoot Fin	1.7	-2.9	43.9
Manappuram Fin.	0.1	-3.0	21.0
MAS Financial Serv.	2.0	1.4	43.8
Max Financial	4.8	4.6	102.7
ICICI Pru Life	0.9	25.7	42.9
ICICI Sec	3.7	25.8	34.6

Note: Sectoral performance are of NSE/BSE Indices

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	0.7	1.2	65.0
Nifty Midcap 100	0.9	2.6	91.0
Nifty Smallcap 100	0.7	4.9	121.2
Nifty Midcap 150	0.7	2.4	87.7
Nifty Smallcap 250	0.8	5.2	113.7
Company	1 Day (%)	1M (%)	12M (%)
IIFL Wealth Mgt	-1.4	-10.7	30.9
PNB Housing	1.4	-5.1	110.3
Repco Home	-4.3	3.8	178.7
SBI Life Insuran	-0.3	8.1	32.5
Shriram City Union	-2.3	11.6	127.2
Shriram Trans.	1.9	-8.8	72.2
Capital Goods	0.7	-2.1	81.0
ABB	0.8	0.4	58.8
Bharat Elec.	3.3	9.0	123.5
BHEL	2.5	17.5	152.2
Cummins	-1.5	-4.4	127.3
Engineers India	-0.9	-3.3	15.8
K E C Intl	-1.6	-13.5	82.3
L&T	0.1	-4.4	60.0
Siemens	1.4	4.4	77.4
Thermax	1.0	19.0	112.4
Consumer Durables	0.6	-0.9	69.1
Blue Star	-0.9	-9.2	62.7
CG Cons. Elec.	1.0	-0.3	81.7
Havells	0.9	-4.3	98.1
Voltas	1.3	1.0	115.2
Whirlpool India	-1.2	-1.7	10.4
Orient Electric	1.2	-7.9	59.0
Cement	1.4	9.8	139.3
Ambuja Cem.	1.1	3.0	87.3
ACC	0.4	-0.7	60.1
Birla Corp.	-0.3	-4.2	145.2
Dalmia Bhar.	1.8	0.3	204.7
Grasim Inds.	2.0	1.1	200.1
India Cem	-0.7	-6.8	65.0
J K Cements	0.1	-2.5	153.4
JK Lakshmi Ce	-2.0	-2.9	106.6
Ramco Cem	0.3	-6.2	84.4
Shree Cem	-0.4	-8.0	48.0
Ultratech	0.5	-4.9	92.5
Consumer	0.4	-1.7	27.9
Asian Paints	-0.7	-2.4	58.3
Britannia	0.0	-7.5	15.5
Colgate	0.6	-4.0	12.4
Dabur	0.8	-0.3	19.7
Emami	-0.6	-4.3	168.8
Godrej Cons.	0.2	-2.5	39.9
HUL	-0.2	-0.8	18.9
ITC	0.6	-4.6	23.8
Jyothy Lab	0.8	0.6	33.4
Marico	4.5	18.1	56.6
Nestle	1.1	-2.1	-3.4
Page Inds	-0.4	0.0	72.8
Pidilite Ind.	-0.7	-3.9	25.8
P&G Hygiene	-1.0	6.4	32.4
Tata Consumer	0.6	-3.1	94.7
United Brew	-0.1	8.7	34.4



Company	1 Day (%)	1M (%)	12M (%)
United Spirits	0.3	0.5	10.1
Varun Beverages	-0.7	1.1	61.1
Healthcare	-0.2	9.6	49.0
Alembic Phar	-1.6	-3.3	20.8
Alkem Lab	-1.3	5.2	9.4
Ajanta Pharma	2.7	15.7	37.9
Aurobindo	-0.9	13.0	52.4
Biocon	-0.4	-8.4	7.5
Cadila	0.0	31.7	84.2
Cipla	-0.6	5.7	49.3
Divis Lab	0.7	10.1	77.2
Dr Reddy's	0.1	11.9	33.9
Gland Pharma	0.9	6.1	
Glenmark	-0.6	12.3	70.2
GSK Pharma	-0.2	2.8	0.0
Granules	-0.3	5.8	121.8
IPCA Labs	-0.6	8.1	35.3
Jubilant Pharmo	0.3	20.7	158.1
Laurus Labs	-2.0	21.4	375.9
Lupin	-0.3	14.9	44.7
Strides Pharma	0.2	3.1	107.0
Sun Pharma	-0.6	9.5	49.4
Torrent Pharma	-0.5	1.8	12.4
Infrastructure	0.5	-0.6	51.8
Ashoka Buildcon	-0.4	-18.2	32.7
IRB Infra.Devl.	0.2	-5.2	60.7
KNR Construct.	0.5	-5.7	103.3
Media	1.4	1.7	41.5
PVR	2.5	0.9	29.4
Sun TV	-2.1	2.6	30.1
Zee Ent.	-0.4	-8.8	19.2
Metals	2.5	18.8	200.1
Hindalco	5.1	10.1	225.5
Hind. Zinc	2.9	-1.7	75.1
JSPL	4.6	18.1	414.1
JSW Steel	1.7	35.8	340.3
Nalco	2.9	15.7	135.6
NMDC	1.7	22.4	132.8
SAIL	2.6	46.8	371.4
Tata Steel	3.0	27.5	296.4
Vedanta	1.5	15.2	238.5
Oil & Gas	1.0	3.3	31.8
Aegis Logistics	-0.4	15.4	92.8
BPCL	2.1	1.3	26.3
Castrol India	1.2	1.4	5.2
GAIL	4.2	12.3	59.7
Gujarat Gas	0.7	-0.5	127.7
Gujarat St. Pet.	0.1	2.0	39.1
HPCL	0.3	4.4	21.3
IOC	0.5	1.6	21.0
IGL	2.1	3.0	11.2
Mahanagar Gas	0.3	5.0	28.4
MRPL	1.1	12.4	42.5
Oil India	-0.7	-1.2	31.0
ONGC	-0.9	6.0	38.9
PLNG	0.4	6.7	4.3
Reliance Ind.	0.5	-2.7	33.3
Aditya Bir. Fas.	1.2	-7.9	60.7

Company	1 Day (%)	1M (%)	12M (%)
Retail			
Avenue Super.	0.1	1.2	32.6
Jubilant Food	1.0	1.0	81.4
Shoppers St.	-1.4	-4.3	26.1
Titan Co.	1.1	-5.4	64.6
Trent	-2.5	10.6	65.4
V-Mart Retail	-1.1	-3.5	62.3
Westlife Develop	0.4	2.6	47.9
Technology	1.8	-1.0	96.0
Cyient	-0.8	11.8	222.7
HCL Tech.	0.7	-11.0	76.2
Infosys	1.5	-3.5	104.3
L&T Infotech	-2.5	-10.4	148.9
L&T Technology	-0.8	-7.0	114.0
Mindtree	3.8	7.7	147.7
Mphasis	5.5	5.8	148.4
Coforge	17.5	13.3	139.2
Persistent Sys	-2.3	13.7	336.6
TCS	0.5	-4.7	63.4
Tech Mah	1.7	-1.4	92.8
Wipro	4.4	20.0	173.8
Zensar Tech	1.8	-1.5	226.1
Telecom	0.2	3.7	17.5
Bharti Airtel	-0.3	4.9	2.3
Indus Towers	2.2	3.3	61.1
Idea Cellular	-0.7	-14.0	94.2
Tata Comm	1.6	-0.8	159.8
Utilites	0.7	-0.2	72.2
Coal India	1.2	3.3	0.6
CESC	-1.1	4.5	-3.3
Indian Energy Ex	2.2	11.8	170.7
JSW Energy	-2.1	36.3	192.1
NHPC Ltd	-0.4	-0.6	19.7
NTPC	-0.8	-2.8	8.7
Power Grid	-1.2	2.9	30.2
Tata Power	0.9	-1.7	254.8
Torrent Power	0.5	-1.3	25.5
Others			
BSE	9.1	16.5	79.2
Coromandel Intl	-0.2	-0.4	20.7
Concor	1.6	0.2	64.5
EPL Ltd	-0.9	-1.0	28.9
Indiamart Inter.	2.9	-3.4	228.2
Godrej Agrovet	-1.1	1.4	28.7
Indian Hotels	0.7	3.2	57.3
Interglobe	0.8	5.5	77.8
Info Edge	-1.7	5.7	79.8
Kaveri Seed	0.1	15.4	64.1
Lemon Tree Hotel	0.1	1.9	120.7
MCX	-0.1	0.9	36.2
Piramal Enterp.	-1.2	-2.9	85.1
PI Inds.	-0.3	15.1	72.8
Quess Corp	1.9	-1.0	228.2
SIS	0.3	-7.7	-1.4
SRF	0.3	12.3	88.0
Tata Chemicals	-3.2	-16.4	132.8
Team Lease Serv.	-0.1	-9.5	114.7
Trident	0.1	0.5	190.4
UPL	-1.1	-4.2	67.1

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