

Market snapshot



Equities - India	Close	Chg .%	CYTD.%
Sensex	60,059	0.6	25.8
Nifty-50	17,895	0.6	28.0
Nifty-M 100	31,438	0.4	50.8
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	4,391	-0.2	16.9
Nasdaq	14,580	-0.5	13.1
FTSE 100	7,096	0.2	9.8
DAX	15,206	-0.3	10.8
Hang Seng	8,776	0.7	-18.3
Nikkei 225	28,049	1.3	2.2
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	83	0.2	62.1
Gold (\$/OZ)	1,757	0.1	-7.4
Cu (US\$/MT)	9,388	1.1	21.1
Almn (US\$/MT)	2,948	0.6	49.4
Currency	Close	Chg .%	CYTD.%
USD/INR	75.0	0.3	2.6
USD/EUR	1.2	0.1	-5.3
USD/JPY	112.2	0.5	8.7
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.3	0.05	0.5
10 Yrs AAA Corp	6.9	0.05	0.4
Flows (USD b)	8-Oct	MTD	CY21
FII's	-0.01	0.47	9.01
DII's	-0.02	0.36	4.14
Volumes (INRb)	8-Oct	MTD*	YTD*
Cash	805	789	761
F&O	37,559	57,543	49,219

Note: *Average

Today's top research idea



Star Health: Compelling business model in a beckoning industry

- ❖ STAR is the largest retail health insurer in India with a market share of 31%. In the overall health segment, it has a market share of 16%. In the past five years, it has witnessed a gross premium CAGR of 33% and we expect a CAGR of 26% over the next three years.
- ❖ The industry is highly underpenetrated with 3% of the population covered under retail health scheme. Furthermore, COVID 19 has created a pull for demand for health insurance products. We expect the momentum in demand to sustain over a longer period of time (18-20% CAGR).
- ❖ STAR deserves premium valuations on the back of relatively better profitability, with a combined ratio of 92–94% on a steady-state basis (ICICI Lombard: 100%, New India: 113%, GIC Re: 112%), a healthy product suite, a strong distribution network, and management pedigree.



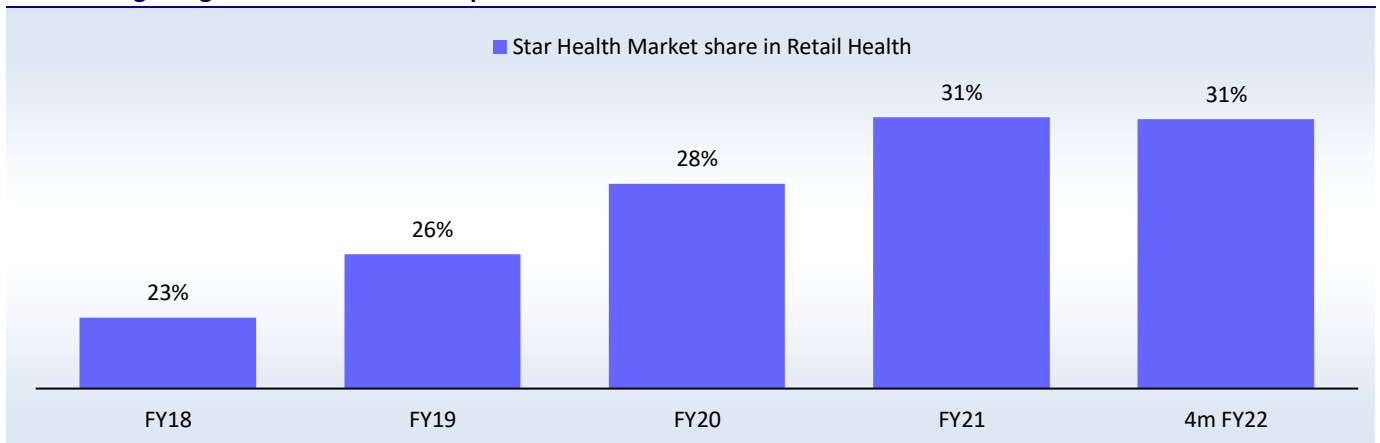
Research covered

Cos/Sector	Key Highlights
Star Health	Compelling business model in a beckoning industry
India Strategy	Privatization 2.0: Air India privatized
Aviation	New era for Indian Aviation
TCS	Growth optimism intact, but near term hiccups limit upside
Motherson Sumi	Enters Aerospace components via the CIM Tools acquisition
EcoScope	Monetary policy more dovish than expected
India Mutual Fund Industry	Net flows turn negative, weighed by liquid and debt schemes



Chart of the Day: Star Health (Compelling business model in a beckoning industry)

Star Health gaining share in Overall Health pie



Source: MOFSL, GIC

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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

Amazon, Flipkart, others see strong festive season sales despite Shradh start

As the first week of the flagship festive sales comes to a close, ecommerce players are said to have recorded higher sales than last year, but the numbers are likely to be relatively smaller than what they had expected in the run up to the sale events, according to industry executives, analysts ...

2

Aggressive marketing, timely roll out of FTAs to help exports touch \$500 billion in FY22, exporters say

Aggressive marketing of products, timely implementation of free trade agreements that are under negotiations and affordable credit to MSME players would help in taking the country's merchandise exports to USD 500 billion in the next financial year, according to exporters...

3

We don't want to rock the boat as we approach the shore: RBI governor Shaktikanta Das

Even as it left key policy rates and its accommodative stance unchanged, the Reserve Bank of India (RBI) on Friday signalled the start of policy normalisation, announcing measures to drain excess liquidity in calibrated fashion. Although there has been concerns about the large ...

4

Government prepares to make LLP ownership transparent this month

The regulatory framework for limited liability partnerships (LLPs) is all set for a makeover this month, with the government preparing to infuse a big dose of transparency over the ownership of these entities and introduce a simpler penalty regime....

5

FY22 credit growth turns positive first-time ever

Credit growth turned positive year-to-date (YTD) at 0.1 per cent in September for the first time in 2021-22 (FY22), reflecting gradual pick-up in demand. According to the Reserve Bank of India (RBI) data, bank lending rose Rs 7,283 crore till September 24, against a contraction of 1 per cent (or Rs 99,280 crore) on a YTD basis in the same period last fiscal year (2020-21). Outstanding bank credit stood at Rs 109.56 trillion as on September 24....

6

Borrowers hasten plans to raise bonds after RBI's steps to cut easy money

Companies are rushing to raise bond funds after the Reserve Bank of India took steps to cut easy money in its bi-monthly policy last week, resulting in an uptick in rates. Companies including Indian Railways Finance Corporation, State Bank of India, Punjab National Bank...

7

Daily coal supply to power plants improves

Daily despatch of coal to power plants has exceeded consumption, which will result in gradual improvement in stock position, power and renewable minister R K Singh said on Sunday. Coal minister Pralhad Joshi said any fear of disruption in power supply due to coal shortage is entirely misplaced...



Star Health

BSE SENSEX

60,060

S&P CNX

17,895



Financials Snapshot (INR b)

Y/E March	2019	2020	2021
GWP	54.2	68.9	93.5
Growth (%)	30.1	27.2	35.7
NEP	35.8	46.9	50.2
YoY growth (%)	30.7	31.1	7.0
Underwriting Profit	0.4	1.6	-13.3
YoY growth (%)	-28.5	357.6	NA
Operating Profit	1.6	3.6	-10.7
YoY growth (%)	19.1	118.9	NA
PAT	1.3	2.7	-8.3
YoY growth (%)	-24.6	112.0	NA

Current Shareholding Pattern (INR b)

Pre-IPO shareholding	Shares (In m)	Holding
Safecrop Investments/ WestBridge AIF I	249	45%
Rakesh Jhunjhunwala	77	14%
Rekha Jhunjhunwala	18	3%
Others	1	0%
Promoter & Group	345	63%
Non-Promoter	204	37%
Total Shareholding	549	100%

Compelling business model in a beckoning industry

- Star Health and Allied Insurance (STAR), incorporated in 2006, is the largest private health insurer in India with market share of 15.8% and gross written premium (GWP) of INR93.5b in FY21.
- In FY21, the retail health GWP for STAR was over 3x the retail health GWP of the next highest retail health insurance market participant. It has market share of 31% in the Retail Health segment.
- During FY18–21, STAR outperformed the industry in premium growth, with 31.4%/32.4%/35.3%/8.5% growth in Total Premium / Retail Health / Group Health / Personal Accident.
- Individual agents account for 78%+ of its premium collections, and at 0.43m agents, it boasts the highest count of agents among the standalone health insurers (SAHIs). It has a network of 737 branches (pan-India presence) and tie-ups with 90+ corporate agents.
- Its combined ratio has been among the best in the industry at 92–94%, except in FY21, which was impacted by several one-offs. Its expense ratio saw consistent decline to 19.6% in FY21 from 26.9% in FY18.

Retail Health Insurance – a large opportunity

The Health Insurance industry is poised to see a CAGR of 18%/23%/15%/11% in the Total/Retail/Group/Government segment over FY21–25E (CRISIL estimates). Stark under-penetration would be the primary driver of the same. Currently, only 3% of the population is covered under retail health insurance plans. With government and corporate schemes, the coverage increases to 37% of the population. Relative to other major economies, health insurance premium as a percentage of GDP (0.36%), density (USD5), and out-of-pocket health expenditure (63%), India is worse off. Furthermore, the COVID-19 pandemic created a pull for health insurance demand, reflected in 28%/25% growth in retail health insurance premiums in FY21/4MFY22. Growth was driven by 1) a surge in the number of individuals subscribing for health insurance, 2) an increase in the sum assured by existing customers, and 3) price hikes implemented by companies in the past fiscal.

SAHI market share of 46%+ in Retail Health; dominance to sustain

Currently, 21 private insurers, four PSUs, and six SAHIs offer retail health insurance products in India. However, with market share of 46% in FY21 and market share gains of 7% since FY18, SAHIs have dominated this space. The inherent advantage of focusing on a single product allows SAHIs to innovate in product launches, which are then followed by multi-line insurers. Distribution is another aspect where SAHIs, with their large agency networks, have made a difference. Also, corporate agents adopting open architecture are allowed tie-ups with three SAHIs, along with three multi-line general insurers. Hence, they prefer to sell the health insurance products of SAHIs and non-health products of multi-line insurers. While multi-line insurers are vying to emulate the agency network strategy, we see limited impact over the near term.

STAR – largest retail player with 31% market share

STAR is by far the largest Retail Health market player with 31% market share and the second largest player with 10% market share. Over the past four years, STAR has increased its market share in retail health by 8.3%, with the premium CAGR at 31% v/s the industry CAGR of 18%. Among the key drivers of these gains in market share has been its product suite – it has the highest number of retail health products empaneled with the IRDAI. Its distribution strength is unmatched with the highest number of agents among SAHIs (0.43m) and tie-ups with ~90 corporate agents. It has a pan-India presence with 737 health insurance branches spanning 26 states and four union territories. It has been steadily growing its hospital network tie-ups and now has 10,870 hospitals under its umbrella. The management pedigree at STAR is strong, with Mr Venkataswamy Jagannathan (erstwhile CMD of United India Insurance) at the helm. Other key management persons also have vast experience in the Insurance industry.

Strong profitability track record, combined ratio better v/s most peers

Empirically, STAR has reported a claims ratio of 60–66% and combined ratio of 92–94%, better v/s most peers. The outperformance has been possible on the back of 1) a higher share of retail health in its product mix v/s the industry, 2) a higher focus on SMEs in the Group Health segment, and 3) higher agent productivity vis-à-vis other SAHIs. FY21 was an exceptional year, which saw several one-offs denting performance; these consist of 1) the discontinuation of the Reinsurance Voluntary Quota Sharing Treaty (VQST), which led to an impact of INR9b on NEP – as an additional unexpired risk reserve was created as per IRDAI rules, 2) the shift to the 1/365 calculation of unexpired risk reserve v/s the 50% method earlier, and 3) high COVID claims. Adjusted for these one-offs, the incurred claims ratio stood at 67% v/s the reported incurred claims ratio of 87%. Its expense ratio saw steady decline to 19.6% in FY21 (from 27.8% in FY17), primarily on the back of scale benefits. This was further reflected in healthy average RoE of 18% during FY17–20.

Deserves premium valuations, led by high growth and healthy profitability

STAR Health would be the first SAHI to be listed in India. Among the general insurers, ICICI Lombard and New India Assurance are direct plays on the overall general insurance growth story, whereas GIC Re is an indirect play. However, STAR offers a unique proposition to play the fastest growing segment in the General Insurance space. Relatively better profitability, with a combined ratio of 92–94% on a steady-state basis (ICICI Lombard: 100%, New India: 113%, GIC Re: 112%), a healthy product suite, a strong distribution network, and management pedigree are moats that call for premium valuations. At INR400b (USD5.3b), the valuation would stand at 33x FY24E base case earnings.

Key risks

- While the COVID-19 pandemic did result in a pull for demand for health insurance, it also led to a higher claims ratio. Therefore, a third COVID wave may prove detrimental to earnings given the severity of COVID-19 claims is 2x non-COVID-19 claims.
- Increased competition from multi-line general insurers may pose a risk to growth for STAR.
- The extension of the coverage of government schemes, such as Ayushman Bharat, to those beyond the BPL category may slow the industry growth rate.



Privatization 2.0: Air India privatized

Booster dose for reforms; shot-in-the-arm for divestment agenda

- In a major boost to the ongoing reforms program, the Government of India has announced the first privatization after 19 years. Tata Sons won the bid for Air India for an EV of INR180b, bringing to a close a long-drawn process of privatizing the loss-making Air India.
- With this transaction, Privatization 2.0 is likely to get a big boost and would be followed up with the rest of the planned divestments, in our view. GoI has a clear and well-stated intent of disinvestment in non-strategic sectors and minimum presence in strategic sectors. This augurs fairly well for other big-ticket divestment items on the agenda, such as BPCL, SCI, Pawan Hans, as well as LIC IPO.
- The government has been in a major overdrive on reforms of late, with several big initiatives undertaken – Amendment of Retrospective Tax Laws, Bad Bank creation, Relief package for Telecom sector along (with further initiatives to reduce litigations), series of PLI packages, Farm Laws, etc. Privatization was the missing link in this, which has now been plugged. The announcement of this just a few months ahead of five major state elections in early CY22 further underscores the political will of the government. We believe this is a clear and big sentiment positive from the macro perspective for India, which has seen significant outperformance in CY21YTD.

Privatization 2.0: Begins with a bang!

- Tata Group subsidiary, Talace Pvt. Ltd., has won the bid for Air India for an Enterprise value of INR180b. The reserve price was set at INR129b. As a part of the deal, Tata Group would take over the debt of INR153b and would pay INR27b in cash. After the deal, the government would take on INR462b in debt and INR147b worth of assets, including real estate. All of this would be transferred to a special-purpose vehicle called Air India Asset Holdings Ltd. The Share Purchase Agreement allows Tata Group to enter into mergers among its airlines. The transaction is expected to be completed by December'21. Overall government support to the airline since 2009–10 in the form of equity and sovereign guarantee amounts to INR1.1t. Tata would have to retain the employees for a year post the successful completion of the bid and would be allowed to offer VRS for employees after a year.
- This marks the first privatization of a PSU entity in India after 2002–03. That a) the first asset privatized is a complex entity such as Air India – with accumulated loss of INR708b (as of Mar'21) and a leveraged balance sheet with debt of INR615b as of Aug'21 – and b) this has seen a protracted process since 2018 clearly signal the intent of the government to proceed with its ambitious privatization/divestment/monetization agenda.
- The NDA-1 government over 1999–2003 had privatized nine PSU firms (Modern Food Industries, Balco, Hindustan Teleprinters, CMC, Indo Burma Petroleum Company, VSNL, Pradeep Phospates, Hindustan Zinc, and IPCL). The government had also sold stakes in 19 properties of ITDC and three properties of Hotel Corporation of India.

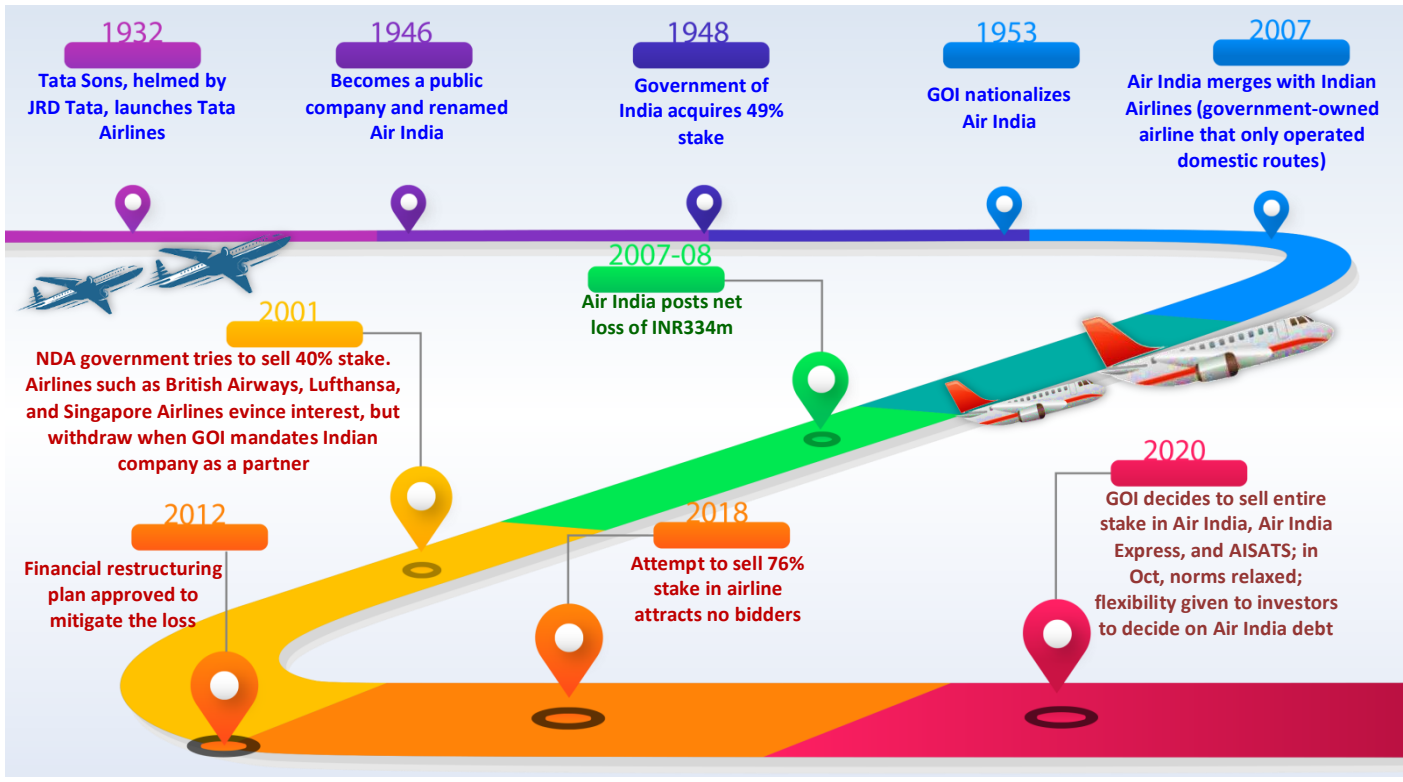
Brief timeline of Air India's journey over the decades

- Air India, founded in 1932 by Mr JRD Tata and nationalized in 1953 (Air Corporation Act), returns to the Tata Group after 68 years. Post the opening up of the Aviation sector to private players in the early 90s, Air India saw a continuous decline in market share, profitability, and leverage. This necessitated the regular infusion of capital in the balance sheet to fund losses.
- Over 2000–01, the then NDA Government attempted to sell 40% stake in Air India. However, it could not succeed due to the stiff opposition from employee unions and the subsequent worsening of sector macros post the 9/11 attacks in the US.
- In 2007, GOI announced the merger of Air India and Indian Airlines, post which it has posted losses every year as various government measures to revive the airline failed. In 2012, the UPA government tried to implement a Turnaround Plan (TAP) as well as Financial Restructuring Plan (FRP) to boost Air India's finances. However, none of the measures implemented by the various governments could stop the capital burn.
- In 2018, the current government failed to get a response when it looked to sell 76% of the stake in Air India. Concerns about the continued government presence (24% stake) prevented the successful execution of the divestment. Following this failure and after various consultations with the industry and stakeholders, the government went ahead with a 100% stake sale, including the option of allowing the winning bidder to decide on the amount of debt it was ready to take over. Essentially, it allowed bidding on the basis of Enterprise Value to mitigate concerns around the leveraged balance sheet of Air India.
- The successful completion of Air India's stake sale to Tata may introduce a template for further privatization in the sector.

Divestment agenda to acquire momentum; potential to re-rate PSU stocks

- GOI has already stated its intent to have a zero presence in non-strategic sectors and a minimum presence in identified strategic sectors. The four identified strategic sectors are: a) Atomic energy, Space, and Defence; b) Transport and Telecommunications; c) Power, Petroleum, Coal, and Other Minerals; and d) Banking, Insurance, and Financial Services.
- In its Mar'21 Budget, the government had indicated that it would look to privatize two public sector banks and one general insurance company in FY22. Additionally, it is planning the IPO of LIC.
- With BPCL, Pawan Hans, Central Electronic Limited, Salem Steel Plant, SCI, BEML, and Nilanchal Ispat Nigam Limited already in various stages of strategic divestment, there is likely to be further action on this front in this fiscal, in our view. It is also looking to come up with EOIs for IDBI Bank, RINL, Concor, HLL Lifecare, PDIL, and IMPCL for strategic disinvestment.
- Along with other big reforms undertaken in the past six months, this transaction clearly demonstrates the government's will to implement its long-pending agenda of divestment. We believe this is a positive macro event for India and has the potential to re-rate the PSU divestment candidates, which anyway trade at attractive valuations, given the backdrop of a strong rally in the market.

Business timeline for Air India



Source: Industry, Company, MOFSL



Aviation



New era for Indian Aviation

- M/S Talace, a wholly owned subsidiary of Tata Sons, won the bid to acquire GOI's stake in Air India, Air India Express, and AISATS (on-ground airport services and cargo handling). Tata Sons would have management control of these assets.
- The transaction does not include non-core assets (land and building) valued at INR147.2b – these would be transferred to Air India Assets Holding Limited (AIAHL).
- The government would receive INR27b in cash and the remaining INR153b would be debt. The Reserve Enterprise value set by the government was INR129.1b.
- The transaction is expected to be completed by end-Dec'21 (refer to Exhibit 1).

Financial bidding details and Air India's debt

- Air India's debt is attributable to continuous losses. Over 2009–10, GOI infused cash of INR645.8b, with INR556.9b as a GOI guarantee, resulting in the total infusion of INR1202.8b (largely through debt guaranteed by GOI).
- **Debt in Air India stood at INR347.8b as of 31st Mar'21 and consol. debt at INR462.4b (INR615.6b on 31st Aug'21).**
- GOI would get INR180b from the privatization of Air India; **thus, the assets and liabilities transferred to AIAHL are as follows:**
 - Debt of INR462.6b
 - Assets of INR147.2b (plus the aforementioned cash consideration of INR27b)
 - **Net debt with GOI would be INR288.5b**

Operational and controlling bid details

- **The Sales and Purchase Agreement (SPA) allows the bidder to consolidate/merge the assets, but they would have to maintain 51% ownership during the lock-in period of one year.** Strategic sales would be carried out through the Competition Commission of India (CCI) as and when this happens.
- **All of the employees would be retained for a period of one year** (current employee strength – 12,085 in Air India and 1,434 in Air India Express). VRS to be offered after a year (5,000 employees are expected to retire over next five years). Gratuity, PF, and medical facilities would be offered by the new owner.
- **The Air India logos would be transferred** to the new owner with a lock-in period of five years. **Post the lock-in period, the logos should be retained by the domestic entity only and would not be transferrable to a foreign entity.**
- The business continuity clause is for three years, and the new owner has total freedom with regard to operations.

Tata Sons – synergies from synchronization

- As Air India returns to its founding house, **Tata Sons would hold three airlines in India** – 100% stake in Air India (+ Air India Express), 84% stake in Air Asia India (with a call option on the remaining stake), and 51% stake in Vistara (JV with Singapore Airlines).
- **Considering these three airlines, Tata Sons enjoys cumulatively ~26% domestic market share in India (as of FY22YTD).** With Vistara (full-service carrier) / Air Asia (low-cost carrier) operating 47/28 aircraft, Tata Sons would have a large fleet of 228 aircraft (including 153 from the transaction) against INDIGO's total fleet of 277 aircraft (the end of 1QFY22).

Tata Sons Chairman N Chandrasekaran on Air India

“It’ll be our endeavour to build a world-class airline which makes every Indian proud.”

TCS CEO, Rajesh Gopinathan on Air India

“Airlines across the globe are using COVID as an opportunity to significantly change the customer experience and to streamline operations and invest in that new level of technology that could deliver that experience to the customers. It’s a very encouraging sign of how sometimes crises can trigger change, which is beneficial for decades.”

- **A leaf from an affiliate industry – Indian hotels (refer to Exhibits 17, 18):** After the appointment of N Chandrasekaran (in Jan’2017) as Chairman of Tata Sons, various initiatives were undertaken, which improved the bottom line, such as:
 - Re-structure: scale, simplify
 - Re-imagine: services, brandscape, portfolio
 - Re-engineer: margins, technology, people
- N Chandrasekaran is a digital technocrat (CEO and MD of TCS since 2009-17) on the path to imbibing digitization across Tata Group companies – helping improve the operational efficiencies of the company.
- **We anticipate Tata Sons would enable various initiatives in Air India as well** (such as route/slot optimization – Exhibit 4/10–11, employees’ cost rationalization – Exhibit 5/6, and operational cost minimization by retiring older aircraft and renegotiating leases – Exhibit 7) to aid and stabilize the bottom line.

Our take on the industry – strong growth ahead, but yields to be stressed

- India has a huge order book of over 500 planes over the next 3–4 years. With domestic air travel demand being extremely elastic to rail journeys, airlines will have to compete on fares to fill their seats.
- **This would result in huge pressure on yields** – The pressure would intensify if Tata Sons undertakes the consolidation of the airlines under its umbrella, with the further streamlining of costs, or adopts an LCC model across its airlines.
- **Indian flyers make decisions based on prices and flight routes** – With improvement in the overall experience with a newer Air India (under Tata Sons, whose mantra for Indian Hotels is based on customer quality and satisfaction), **the competitive landscape of Indian Aviation would intensify further.**



Estimate change	↓
TP change	↓
Rating change	↔

CMP: INR3,936 TP: INR3,770 (-4%) Neutral

Growth optimism intact, but near term hiccups limit upside

Soft 2Q performance to overshadow outlook

Bloomberg	TCS IN
Equity Shares (m)	3,752
M.Cap.(INRb)/(USD\$b)	14556.9 / 194.1
52-Week Range (INR)	3990 / 2600
1, 6, 12 Rel. Per (%)	1/-2/-10
12M Avg Val (INR M)	9862
Free float (%)	27.8

Financials & Valuations (INR b)

Y/E Mar	2021	2022E	2023E
Sales	1,642	1,895	2,159
EBIT Margin (%)	25.9	25.9	26.1
PAT	335	391	451
EPS (INR)	86.7	105.4	121.6
EPS Gr. (%)	0.6	21.6	15.4
BV/Sh. (INR)	231	247	261

Ratios

RoE (%)	38.0	43.9	47.9
RoCE (%)	33.2	36.7	39.7
Payout (%)	112.1	75.0	75.0

Valuations

P/E (x)	45.4	37.3	32.4
P/BV (x)	17.0	16.0	15.1
EV/EBITDA (x)	31.5	26.9	23.5
Div Yield (%)	2.5	2.0	2.3

Shareholding pattern (%)

As On	Jun-21	Mar-21	Jun-20
Promoter	72.2	72.2	72.1
DII	8.0	7.9	8.1
FII	15.4	15.6	15.9
Others	4.4	4.3	4.0

FII Includes depository receipts

- **In line CC growth, but miss on USD revenue and margin:** TCS reported an in line revenue growth of 4% QoQ CC in 2QFY22. However, USD revenue growth (2.9% QoQ) missed our estimate of 3.7% QoQ growth. EBIT margin expanded by 10bp QoQ to 25.6%, but was lower than our estimate of 26.2%, on supply side challenges. PAT stood at INR97b, up 6.9% QoQ, aided by higher other income and stable ETR. The company reported an OCF/PAT of 103% and a FCF/PAT of 97% on good working capital management, indicating the ability to generate strong cash flow. 1HFY22 USD Revenue/EBIT/PAT grew 19.1%/20.6%/28.4% YoY.
- **Deal wins stable:** Deal wins in 2QFY22 stood at USD7.6b (-6% QoQ), implying a book-to-bill ratio of 1.2x. TCS saw another quarter of a healthy mix of deals across sizes. Overall TCV was up 25% YoY after excluding one mega deal from the 2QFY21 base. Steadiness in deal wins, despite the absence of mega deals, is encouraging for the company as well as the sector.
- **Demand environment strong:** The management commentary on the overall demand environment continues to remain upbeat. It sees increased technology intensity from enterprise customers and expects demand momentum to continue in the medium term. Cloud adoption is at initial stages as only 20-30% workloads have moved to the Cloud.
- **Supply-side challenges:** LTM attrition for TCS rose 330bp QoQ to 11.9%, indicating a clear supply-side crunch in the industry. At the same time, it had a strong net addition of 19.7k employees QoQ (~43k freshers in 1HFY22). The management said supply-side challenges will continue to remain high for the next 2-3 quarters before normalizing. We see current supply-side challenges as transient and expect normalization in the medium term.
- **Margin to remain soft in the near term:** 2HFY22 is seasonally strong for margin, given the absorption of wage hikes and operating leverage. However, the management has indicated that margin in the near term can be soft, led by ongoing supply-side challenges.
- **Estimates and valuation:** We have reduced our EPS estimates by 2%/4% for FY22E/FY23E. We expect 14.3%/18.4% USD revenue/EPS CAGR over FY21-23E. Our TP of INR3,770 per share, implies 31x FY23E EPS. We maintain our **Neutral** rating.

Miss on revenue and margin

- Revenue in USD terms grew by 16.8% YoY (est. 17.6%). In INR terms, it grew by 16.8% YoY. EBIT/PAT grew by 14%/28.6% YoY (PAT est. 30.4%) in 2QFY22.
- CC revenue up 4% QoQ, in-line with our estimate of 4.2% QoQ CC. On a YoY basis, revenue grew by 15.5% YoY CC.
- In USD terms, revenue was up 2.9% QoQ v/s our estimate of 3.7% QoQ. On a YoY basis, revenue in USD terms was up 16.8 YoY.
- Growth was broad based across verticals, led by Technology and Services (+5.3% QoQ), Communications and Media (+4.5% QoQ), Retail and CPG (+4.3% QoQ), and Manufacturing (+4% QoQ). Core vertical BFSI grew 2.6% QoQ, while sequential growth in Life Sciences and Healthcare (+0.9% QoQ) slowed down after four quarters of high growth.

- Growth was dominated by North America (+4.8% QoQ). UK also posted a healthy growth (+1.6% QoQ), while Continental Europe witnessed a 2% QoQ decline. India business posted a strong (+14.1% QoQ) growth on a low base.
- EBIT margin stood at 25.6% (est. 26.2%), up 10bp QoQ, impacted by supply-side challenges and currency headwinds.
- PAT grew 29% YoY to INR97b, 1.4% miss to our estimate.
- For 1HFY22, USD Revenue/EBIT/PAT grew 19.1%/20.6%/28.4% YoY.
- Overall TCV stood at USD7.6b, down 6% QoQ.
- 2QFY22 saw a strong net addition of employees at 19.6K QoQ to 528,748, despite a higher base in the last few quarters.
- LTM attrition inched up to 11.9%, an increase of 330bp QoQ.
- Net cash from operations dipped by 6% YoY to INR99.45b (i.e. 103% of net income). Free cash flow fell 17% YoY to INR93.6b (i.e. 97% of net income).
- Total cash and investments at the end of 2QFY22 stood at INR605b.
- TCS announced a dividend of INR7/share.

Key highlights from the management commentary

- **Deal TCV:** Deal wins continue to remain strong, backed by deals of all sizes. On a YoY basis, deal wins grew 25% after excluding one large deal from the 1QFY21 base. Growth and transformation deals are smaller in size, but their duration is also lower. On an ACV basis, they are similar to other deals.
- **Europe business:** Continental Europe business was soft (-2% QoQ) and was impacted by: 1) closure of one large engagement, 2) impact from multiple industry verticals, and 3) offshoring. The management said that deal wins in Europe have accelerated and the outlook continues to remain strong.
- **Margins** in 2QFY22 were stable and were impacted by supply-side challenges and currency headwinds. The management expects continued headwinds from supply-side challenges in 2HFY22, which will have an impact on margin performance.
- **Growth outlook:** The management sees one of the strongest demand environments in recent times and expects strong growth to continue in the medium term.

Valuation and view – High valuations leave no room for disappointment

- IT Services has entered into a technology upcycle, with Cloud migration and Digital transformation-led deals coming to the market.
- Given TCS' size, capabilities, and portfolio stretch, it is rightly positioned to leverage expected industry growth.
- The company has consistently maintained its market leadership and shown best-in-class execution. This gives the company continued room to maintain its industry-leading margin and demonstrate industry-leading return ratios.
- We remain positive on the company, given its strong growth outlook. But high valuations leave limited room for disappointment. A miss on estimates in 2QFY22, coupled with a soft margin outlook, can result in near term pressure on the stock. Our TP of INR3,770 per share implies 31x FY23E EPS. We maintain our **Neutral** rating.

Quarterly performance (IFRS)

(INR b)

Y/E March	FY21				FY22				FY21	FY22E	FY22	VAS.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Revenue from IT Services (USD m)	5,059	5,424	5,702	5,989	6,154	6,333	6,443	6,651	22,174	25,581	6,380	-0.7
QoQ (%)	-7.1	7.2	5.1	5.0	2.8	2.9	1.7	3.2	0.6	15.4	3.7	-77bp
Overall Revenue (INR b)	383	401	420	437	454	469	477	496	1,642	1,895	473	-0.9
QoQ (%)	-4.1	4.7	4.7	4.0	3.9	3.2	1.7	3.9			4.1	-91bp
YoY (%)	0.4	3.0	5.4	9.4	18.5	16.8	13.5	13.4	4.6	15.4	17.8	-103bp
GPM (%)	39.4	40.9	41.6	41.2	40.4	40.4	40.7	41.2	40.8	40.7	40.8	-38bp
SGA (%)	15.8	14.7	15.0	14.4	14.8	14.8	14.7	14.8	15.0	14.8	14.6	22bp
EBITDA	100	115	122	128	127	130	134	142	465	533	134	-2.9
EBITDA Margin (%)	26.2	28.7	29.1	29.3	27.9	27.8	28.2	28.6	28.4	28.1	28.4	-58bp
EBIT	90	105	112	117	116	120	124	131	425	491	124	-3.1
EBIT Margin (%)	23.6	26.2	26.6	26.8	25.5	25.6	26.0	26.4	25.9	25.9	26.2	-60bp
Other income	5	7	5	8	6	10	9	9	25	33	7	46.4
PBT	95	113	117	125	122	130	133	140	450	524	130	-0.6
ETR (%)	25.8	24.8	25.4	25.9	25.8	25.6	25.0	25.0	25.5	25.3	25.0	57bp
Adj. PAT	70	85	87	93	90	97	99	105	335	391	98	-1.4
Exceptional items	0	-10	0	0	0	0	0	0	-10	0	0	
Reported PAT	70	75	87	93	90	97	99	105	326	391	98	-1.4
QoQ (%)	-12.9	6.5	16.3	6.4	-2.7	6.9	3.0	5.4			8.4	-148bp
YoY (%)	-13.5	-6.9	7.2	14.7	28.1	28.6	13.9	12.9	0.4	20.1	30.4	-178bp
EPS (INR)	18.7	19.9	23.2	25.0	24.4	26.0	26.8	28.2	86.7	105.4	26.4	-1.4

Key performance indicators

Y/E March	FY21				FY22				FY21	FY22E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (QoQ CC %)	-6.3	4.8	4.1	4.2	2.4	4.0			-0.8	
Costs (as a percentage of revenue)										
COGS	60.6	59.1	58.4	58.8	59.6	59.6	59.3	58.8	59.2	59.3
SGA	15.8	14.7	15.0	14.4	14.8	14.8	14.7	14.8	15.0	14.8
Margins										
Gross Margin	39.4	40.9	41.6	41.2	40.4	40.4	40.7	41.2	40.8	40.7
EBIT Margin	23.6	26.2	26.6	26.8	25.5	25.6	26.0	26.4	25.9	25.9
Net Margin	18.4	21.1	20.8	21.2	19.9	20.6	20.9	21.1	20.4	20.6
Operating metrics										
Headcount (k)	444	454	469	489	509	529			489	
Attrition (%)	11.1	8.9	7.6	7.2	8.6	11.9			7.2	
Deal Win TCV (USD b)	6.9	8.6	6.8	9.2	8.1	7.6			31.5	
Key Verticals (YoY CC %)										
BFSI	-4.9	-1.1	2.4	13.3	19.3	17.0			2.4	
Retail	-12.9	-5.7	-5.1	-0.9	21.7	18.4			-6.2	
Key Geographies (YoY CC %)										
North America	-6.1	-3.0	-0.2	5.9	15.8	17.4			-0.9	
UK	-8.5	-8.1	-1.6	1.0	16.3	15.6			-4.3	
Continental Europe	2.7	3.7	3.6	11.7	19.7	13.5			5.5	



Motherson Sumi

BSE SENSEX 60,059 S&P CNX 17,895

CMP: INR237 TP: INR270 (+14%) Buy



Stock Info

Bloomberg	MSS IN
Equity Shares (m)	3,158
M.Cap.(INRb)/(USD\$)	748.7 / 10
52-Week Range (INR)	273 / 104
1, 6, 12 Rel. Per (%)	9/-11/48
12M Avg Val (INR M)	3033

Financials Snapshot(INR b)

INR million	2021	2022E	2023E
Sales	601.9	719.1	866.0
EBITDA	49.7	70.0	105.0
Adj. PAT	10.7	17.3	34.9
EPS (Rs)	3.4	5.5	11.0
EPS Growth (%)	-8.2	61.2	101.4
BV/Share (Rs)	39.8	43.8	51.8

Ratios

Net D:E	0.4	0.1	-0.3
RoE (%)	9.0	13.1	23.1
RoCE (%)	7.9	11.0	18.8
Payout (%)	45.1	27.0	27.0

Valuations

P/E (x)	69.7	43.2	21.5
P/BV (x)	6.0	5.4	4.6
Div. Yield (%)	0.6	0.6	1.3
FCF Yield (%)	2.4	4.6	7.2

Enters Aerospace components via the CIM Tools acquisition

Also acquires a small Mirror business in China through a JV

MSS on 8th Oct'21 announced two smaller acquisitions: a) CIM Tools (Aerospace components), and b) Nanchang JMCG Mekra Lang Vehicle Mirror Company (a Mirror company in China). Acquisition of CIM Tools marks the entry of MSS in the Aerospace segment, which is one of the focus areas for driving non-Auto business revenue to USD9b by FY25. These acquisitions, however, won't materially change consolidated financials.

MSS acquires Aerospace component supplier CIM Tools (India)

- MSS has acquired 55% stake in Bengaluru-based CIM Tools (one of the top five machining companies in India). The balance stake will be retained by its three founders, who will continue to drive the business.
- This marks MSS' entry into the Aerospace segment, which is part of the non-Automotive sectors identified for diversification in its five-year plan. CIM Tools has more than 60 accreditations and qualifications in place, which act as high barrier to entry.
- The management said the deal valuation was at 7.5-8x EV/EBITDA, implying an EV of INR3.5-4b. The net debt stands at INR1.5-1.75b.
- CIM Tools will operate in the material and the aero structure, which is an over USD2t opportunity (out of a cumulative USD9t Aerospace industry by CY40). It will benefit from large packages from present customers and also decentralize supply chains from America and Europe.
- It is engaged in machining and sub-assembly of components for the Aerospace industry, with key products being detailed structural machined parts and sub-assemblies for aircraft doors, wings, tail, fuselage, and landing gears. This acquisition provides access to a pedigreed customer base across the Aerospace components supply-chain, along with specialized machining, treatment, and sub-assembly capabilities.
- CIM Tools will hold 83% stake in Aero Treatment (ATPL) and 49.99% stake in Lauak CIM Aerospace (LCA, a JV with Lauak International). ATPL is a vertically integrated unit, engaged in surface treatment of machined parts, and LCA is engaged in hard metal machining.
- The present capacity of CIM Tools is sufficient to deliver 1.5x revenue over the next two years. Additional expansion capex would be in the low double-digits.
- CIM Tools has a cumulative booked business potential of over INR15b currently, which span 4-8 years. These orders are from Boeing and Airbus as it is their Tier I supplier. It also acts as a Tier II supplier to other Tier I suppliers.
- It reported a pro forma consolidated turnover of INR2b/INR1.3b in FY20/FY21, and enjoys over 20% EBIDTA margin. It has four facilities in Karnataka and over 400 personnel.

A JV of SMR acquires 60% stake in a Chinese mirror company

- SMR NBHX (a 50:50 JV between SMR and Huaxiang) has acquired 60% stake in Nanchang JMCG Mekra Lang Vehicle Mirror Company. The balance stake will remain with the existing owner: JMCG.
- The acquisition is at a cash consideration of CNY33.6m (~EUR4.5m) for the 60% stake.
- This acquisition will expand SMR’s portfolio in the Chinese CV segment, as it is already supplying to PVs, Pickup Trucks, and LCVs (overlap of portfolios with the acquired company).
- At present, Huaxiang has JVs with OEMs like Isuzu and Ford. It has a 7% market share in the CV Mirror business.
- This acquisition will benefit from synergies from the five existing plants of SMR in China and will strengthen its presence in the Southeast China region.
- The acquired company had a revenue of EUR17m in CY20. It is a positive cash flow business and would benefit from SMR’s vendor base.

Our view: Acquisition of CIM Tools is a stepping stone for MSS in the non-Auto space as outlined in Vision CY25, which targets USD9b revenue from the non-Auto segment. MSS is looking to further expand in this space, through the organic and the inorganic route. The near term impact of the semiconductor shortage notwithstanding, our positive view on MSS remains intact (industry recovery + turnaround in greenfield plant + execution of a strong order book of SMRPBV). The stock trades at 43.2x/21.5x FY22E/FY23E consolidated. EPS. We maintain our **Buy** rating with a TP of ~INR270/share (Sep’23E SoTP).

CIM Tools acquisition is a stepping stone for MSS in the non-Auto (Aerospace) space

Aerospace remains a highly attractive industry



Strong cyclical tailwinds and sourcing rationale

US\$9 T market demand* expected in commercial aerospace over next 20 years

Passenger traffic recovering, hence production rates trending back towards pre-COVID levels



Strong demand for new airplanes fuelled by growing passenger traffic & aviation infrastructure, across emerging markets like India

COVID has created opportunity to realign supply chain and rationalize cost

Increased sourcing from Strategic Low-Cost countries like India

CIM Tools has strong credentials

- Partnership with a Leading Global supplier (Lauak International) to Aerospace OEMs
- Strong relationship with Large Tier 1 customer base within Aerospace industry

CIM Tools along with Motherson’s existing capabilities are well positioned to support the aerospace value chain globally

Source: Airbus GMF



Source: Company, MOFSL

Monetary policy more dovish than expected

Inflation forecasts in line with our expectations

- The MPC decided to keep policy rates unchanged – the repo rate at 4%, the reverse repo rate at 3.35%, and the MSF at 4.25% – as well as maintain its accommodative stance. Just like in the previous policy statement of Aug'21, the decision on rates was unanimous, but that of keeping the stance unchanged was decided based on a 5:1 majority, with Prof. Jayanth R. Varma being the only one expressing his reservations.
- Inflation projections were revised down to 5.3% in FY22, from 5.7% targeted earlier, in line with our [expectations](#). The growth forecast, on the other hand, was kept unchanged at 9.5% YoY for FY22 (higher than our expectation of 8.8%).
- The surplus liquidity in the banking system has widened off late. The RBI announced two measures to manage this surplus liquidity: a) to not undertake any further G-SAP operations unless warranted by evolving liquidity conditions and b) based on the huge participation, it has proposed to further undertake the 14-day Variable Rate Reverse Repo (VRRR) auctions on a fortnightly basis in the following manner: INR4t on 8th Oct'21, INR4.5t on 22nd Oct'21, INR5t on 3rd Nov'21, INR5.5t on 18th Nov'21, and INR6t on 3rd Dec'21. Importantly, the central bank assumes that even after all such operations to manage liquidity, only INR2-3t is likely to be absorbed, implying that a large portion of liquidity surplus will still remain in the banking system.
- As against the general market expectation of a hint in its communication towards normalization of monetary policy (including a hike in the reverse repo rate), the forecasts and announcements made on 8th Oct'21 seemed rather dovish. Overall, the commentary by the MPC on 8th Oct'21 points to only a gradual reversal of its expansionary monetary policy and not until the economy visibly gets back in shape.

- **Policy rates were kept unchanged:** The MPC decided to keep policy rates unchanged – the repo rate at 4%, the reverse repo rate at 3.35%, and the MSF at 4.25% – as well as maintain its accommodative stance. Just like in the previous policy statement of Aug'21, the decision on rates was unanimous, but that of keeping the stance unchanged was decided based on a 5:1 majority, with Prof. Jayanth R. Varma being the only one expressing his reservations (*Exhibit 1*).
- **The inflation target was revised down, while retaining the growth target:** Inflation projections were revised down to 5.3% YoY in FY22 (5.1%/4.5%/5.8% YoY for 2Q/3Q/4QFY22) from 5.7% forecast earlier. The growth forecast, on the other hand, was kept unchanged at 9.5% YoY for FY22 (7.9%/6.8%/6.1% YoY for 2Q/3Q/4QFY22). While inflation expectation of the RBI is broadly in line with our [expectations](#) (of 5.2% YoY in FY22), real GDP growth forecast of 9.5% is higher than our assumption of 8.8% YoY in FY22. Inflation risks are broadly balanced between: a) record Kharif production and supply-side measures by the government on the downside, and b) unseasonal rains leading to adverse weather events and higher input cost pressures arising out of elevated crude oil prices and recently witnessed shortages in industrial components on the upside. Since the output and aggregate demand are still below pre-pandemic levels and economic recovery [uneven](#), the MPC decided to retain the prevailing repo rate. It will continue with its accommodative stance, while being watchful of inflation, and is hopeful of a sustained economic recovery (*Exhibits 3 and 4*).
- **The RBI announced measures to manage liquidity in the banking system:** The surplus liquidity in the banking system has widened off late. In light of the sharp rise, the RBI announced two measures to manage liquidity:

- The RBI will not undertake any further G-SAP operations unless warranted by evolving liquidity conditions. The existing liquidity overhang, the absence of a need for additional borrowing for GST compensation (GST loan in lieu of compensation to states worth INR1.58t included within the government borrowing plan of INR5.03t in 2HFY22), and the expected expansion of liquidity in the system on account of higher government spending, prompted the RBI to take this decision.
- Given the huge participation from Banks, the RBI has proposed to further undertake 14-day VRRR auctions on a fortnightly basis in the following manner: INR4t on 8th Oct'21, INR4.5t on 22nd Oct'21, INR5t on 3rd Nov'21, INR5.5t on 18th Nov'21, and INR6t on 3rd Dec'21. Additionally, depending upon the evolving liquidity conditions (the quantum of capital flows, pace of government expenditure, and credit offtake), the RBI may also consider complementing the 14-day VRRR auctions with the 28-day VRRR auctions in a similar calibrated fashion. It may also tweak the amount of such auctions as and when required. Importantly, the central bank assumes that even after all such operations to manage liquidity, only INR2-3t is likely to be absorbed, implying that a large portion of liquidity surplus will still remain in the banking system.
- **Few regulatory changes/extensions were also announced:** Among the many announcements, few noteworthy announcements on the developmental and regulatory front are as follows:
 - **Extension of on-tap Special Long-Term Operations (SLTRO) for Small Finance Banks (SFBs):** A special three-year SLTRO of INR100b was introduced for SFBs in May'21 at the repo rate. This facility, which was available till 31st Oct'21, has been extended till 31st Dec'21 after recognizing the need for continued support to small business units, micro and small industries, and other unorganized sector entities.
 - **Enhanced ways and means advances (WMA) limits extended up to 31st Mar'22:** To help states/UTs to manage their cash flows amid continued uncertainties on account of the pandemic, the RBI has decided to continue with the interim enhanced WMA limits of INR516b for states/UTs for a further period of six months up to 31st Mar'22.

The RBI policy seemed more dovish than expected: As against the general market expectation of a hint in its communication towards normalization of monetary policy (which included a hike in the reverse repo rate), the forecasts and announcements made on 8th Oct'21 seemed rather dovish. Overall, the commentary by the MPC on 8th Oct'21 points to only a gradual reversal of its expansionary monetary policy and not until the economy visibly gets back in shape.



India Mutual Fund Industry

Mutual Fund Tracker

Net flows turn negative, weighed by liquid and debt schemes

- Overall net outflows came in at INR472b for Sep'21 (v/s positive flows of INR330b reported in Aug'21). This is one of the highest outflows since Sept 2020 (which saw outflows of INR521b).
- Industry flows stood at INR1.7t in FY22YTD (v/s INR2t in FY21YTD), driven by strong flows in equity and hybrid schemes.
- The number of folio additions reached all-time highs of 3.1m, driven by equity, hybrid, and other schemes. Debt and liquid funds saw a further reduction in the folio count.
- SIP flows reached new highs of INR103.5b, indicating growth of 33% YoY and 4% MoM. SIP accounts opened up during the month stood at ~2.7m.

Debt + liquid see net outflows in Sep'21

Debt flows remained negative for the second consecutive month with a much higher quantum of INR122b (v/s outflows of INR67b in Aug'21). The higher quantum of outflow was attributable to outflows in the Low Duration, Ultra Short Duration, Corporate Funds, and Banking & PSU Fund schemes. Liquid funds also saw outflows of INR568b (v/s positive flows of INR13b in Aug'21). Higher quarter-end redemptions are a normal phenomenon as corporates redeem to meet their liquidity requirements. Debt AUM remained flat MoM at INR10.5t, whereas liquid AUM saw marginal decline of 2%/1% on a YoY/MoM basis.

Equity + hybrid continues to see positive inflows

Net inflows in equity schemes continued to decline, with net inflows of INR65b (v/s INR81b in Aug'21). This was in spite of equity NFOs garnering INR66b during the month. Within the Equity categories, Multicap schemes saw the highest net inflows in Sep'21, whereas Small Cap, Dividend Yield, Value Fund, and ELSS saw net outflows. Hybrid flows stood at INR36b v/s INR187b in Aug 2021 (Aug inflows included NFOs of INR145b). Positive flows in the Hybrid category were largely led by Dynamic Asset Allocation / Balanced Advantage. Equity AUM grew 6% MoM to INR 12.8b, driven by both positive inflows and strong market performance (BSE-500 returns for the month stood at 3.3%). Hybrid AUM saw growth of 51% YoY / 7% MoM to INR4.6t.

Other schemes see net inflows, with traction in gold ETFs

Other schemes saw positive flows of INR116b (flat MoM). Index and other ETFs garnered funds via NFOs to the tune of INR12b during the month. After a weak performance in Aug'21, gold ETFs gained momentum with net inflows of INR4.5b v/s INR0.2b in Aug'21. FoF Overseas saw decline in net flows MoM to INR4.1b in Sep'21 v/s INR10.8b in Aug'21 (inflows for Aug included NFO mobilization of INR3.2b).

Flows and AUM

For Sept 2021	Net flows (INRm)	AUM (INRt)
Equity	64.6	12.8
Hybrid	35.9	4.6
Total Equity	100.4	17.4
Debt	-121.8	10.5
Liquid	-568.1	5.0
Solution Oriented	0.8	0.3
Others	116.2	4.3
Interval	-0.1	0.0
Total	-472.6	37.4

Source: AMFI, MOFSL



Lupin: Sees scope in healthcare as an adjacency; input costs likely to put pressure in Q3, Q4; Ramesh Swaminathan, ED & Global CFO

- Organised sector only 16% in diagnostics
- Would like to be seen as a healthcare organisation
- Will not get into hospitals; see huge scope in healthcare as an adjacency
- We will be very measured and calibrated in healthcare foray
- Capital allocated to healthcare will be marginal at this stage
- We are cautious on M&A given our past experience
- There will be margin pressure on the business due to China issues
- Concerns on supply issues from China and resultant margin pressure
- US business pricing is cyclical in some ways
- Outlook for US market is quite good
- Working on a number of platforms for drug launches
- Have quite a good pipeline of drugs lined up for US
- Believe that all remedial actions are achievable

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Macrotech Developers (Lodha): Sees uptick in mid-income housing segment; aims to reduce debt to Rs 6000 crore by FY23-end; Abhishek Lodha, MD & CEO

- Premium sector is doing well; mid-income segment is seeing the most pickup
- People willing to buy under construction projects under good brands
- Our ratings were upgraded to 'A-' in the last quarter, expect it to improve further
- Have added 5 new projects in H1 and a strong pipeline in H2
- Prices have started firming up, expect average realisations to improve 3-4% this fiscal
- Demand won't be impacted, if interest rates move up by 50-75 bps

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Suven Life Science: Increase in raw material prices will impact margins by 5-7%; Venkat Jasti, CMD

- Some early stage raw material prices have gone up 4 times
- Margin could be impacted by 5-7% due to high input costs
- Raw material availability is a concern which can delay and stop production
- By the time Indian capacities are put up, China will drop prices
- There is no income in our business, only investment; company will continue to be loss making
- Not going to make Molnupiravir unless there is a requirement for it

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Automobiles																
Amara Raja	Neutral	761	833	10	37.9	36.9	46.3	-2.1	-2.6	25.5	20.6	16.4	2.8	2.5	14.3	16.2
Apollo Tyres	Buy	235	290	24	11.5	18.0	23.1	38.1	56.8	28.3	13.0	10.1	1.1	1.0	8.7	10.4
Ashok Ley.	Buy	135	170	26	-1.0	1.6	6.4	-188.0	LP	306.5	86.3	21.2	5.5	4.7	6.5	24.0
Bajaj Auto	Neutral	3815	4250	11	167.8	191.8	226.8	-6.8	14.3	18.2	19.9	16.8	4.3	4.2	21.8	25.2
Balkrishna Inds	Neutral	2579	2530	-2	60.9	77.7	92.7	22.7	27.6	19.3	33.2	27.8	7.0	5.9	23.0	23.1
Bharat Forge	Buy	758	990	31	1.9	20.3	30.8	-78.5	976.0	51.6	37.3	24.6	5.8	4.9	16.4	21.4
Bosch	Neutral	17690	16650	-6	335.4	477.1	595.6	-20.6	42.2	24.8	37.1	29.7	4.8	4.3	13.6	15.2
CEAT	Buy	1365	1800	32	114.3	75.1	122.6	100.2	-34.3	63.3	18.2	11.1	1.5	1.4	8.8	13.1
Eicher Mot.	Buy	2820	3270	16	50.7	74.7	129.5	-24.3	47.5	73.3	37.7	21.8	6.0	4.9	16.7	24.6
Endurance Tech.	Buy	1627	1950	20	36.0	50.1	66.3	-5.4	39.1	32.4	32.5	24.5	5.6	4.9	18.5	21.3
Escorts	Neutral	1500	1377	-8	86.3	83.9	84.8	59.8	-2.7	1.0	17.9	17.7	2.6	2.3	15.7	13.8
Exide Ind	Buy	185	227	23	8.9	8.9	12.2	-10.0	-0.7	38.3	20.9	15.1	2.1	1.3	10.2	8.4
Hero Moto	Buy	2843	3235	14	148.4	160.7	204.7	-3.0	8.3	27.4	17.7	13.9	3.6	3.3	20.6	24.5
M&M	Buy	877	962	10	33.8	37.0	47.5	12.8	9.5	28.3	23.7	18.5	2.7	2.4	11.9	13.8
Mahindra CIE	Buy	247	292	18	2.8	14.6	17.7	-70.1	418.0	21.0	16.9	13.9	1.8	1.6	10.9	12.2
Maruti Suzuki	Buy	7426	8725	17	145.3	147.9	296.7	-22.7	1.8	100.6	50.2	25.0	4.1	3.7	8.0	14.7
MRF	Neutral	85793	83100	-3	#####	3,117.8	3,794.4	-10.2	3.5	21.7	27.5	22.6	2.5	2.2	9.4	10.4
Motherson Sumi	Buy	237	270	14	3.4	5.5	11.0	-8.2	61.2	101.4	43.2	21.5	5.4	4.6	13.1	23.1
Tata Motors	Buy	383	404	5	0.6	3.3	34.9	-102.2	477.0	973.9	117.7	11.0	2.6	2.1	2.2	21.2
TVS Motor	Neutral	560	591	6	12.9	23.1	31.1	-0.9	79.0	34.8	24.3	18.0	5.3	4.3	23.8	26.2
Aggregate								33.7	27.7	80.4	33.1	18.3	3.6	3.1	11.0	17.2
Banks - Private																
AU Small Finance	Buy	1217	1400	15	38.0	30.7	43.6	67.9	-19	42.0	39.6	27.9	5.3	4.5	14.4	17.4
Axis Bank	Buy	782	925	18	22.4	44.3	60.7	271.0	98	37.2	17.7	12.9	2.1	1.8	12.6	15.2
Bandhan Bank	Neutral	346	330	-5	13.7	15.8	31.7	-36.5	16	100.4	21.8	10.9	2.9	2.4	14.0	24.3
DCB Bank	Neutral	90	100	11	10.8	9.2	13.6	-0.7	-14.5	47.5	9.8	6.6	0.7	0.7	7.8	10.6
Equitas Hold.	Buy	122	160	31	11.2	6.5	14.4	57.6	-42.5	122.0	18.9	8.5	1.2	1.1	6.4	13.2
Federal Bank	Buy	86	110	29	8.0	8.6	11.2	2.8	7.4	30.4	10.0	7.7	1.0	0.9	10.4	12.6
HDFC Bank	Buy	1602	1850	15	56.6	66.6	80.8	17.8	17.7	21.4	24.1	19.8	3.8	3.2	16.8	17.6
ICICI Bank	Buy	703	835	19	24.2	30.6	38.8	97.0	26.4	27.1	23.0	18.1	2.9	2.6	13.7	15.2
IndusInd	Buy	1173	1280	9	38.7	59.9	90.8	-43.3	54.9	51.5	19.6	12.9	1.9	1.7	10.3	14.1
Kotak Mah. Bk	Neutral	1936	1900	-2	50.4	55.0	67.0	12.2	9.1	21.8	35.2	28.9	4.0	3.5	11.4	12.4
RBL Bank	Buy	194	235	21	8.5	0.7	21.8	-14.6	-91.6	2,950.4	270.6	8.9	0.9	0.8	0.3	9.9
SBI Cards	Buy	1140	1200	5	10.5	18.1	27.8	-25.3	72.9	53.5	62.9	41.0	13.7	10.5	24.1	29.0
Aggregate								31.0	27.8	31.2	24.6	18.7	3.3	2.9	13.4	15.3
Banks - PSU																
BOB	Buy	88	100	14	1.6	9.4	16.1	35.6	488.8	70.3	9.3	5.5	0.6	0.5	6.2	9.8
Indian Bank	Buy	141	175	24	26.6	34.9	48.0	92.3	31.2	37.5	4.1	2.9	0.4	0.4	11.7	14.6
Punjab Natl. Bank	Neutral	40	45	12	1.9	5.1	8.2	225.5	165.0	60.5	7.9	4.9	0.5	0.4	5.7	8.6
SBI	Buy	458	600	31	25.1	37.5	50.4	13.3	50	34.3	12.2	9.1	1.4	1.2	12.6	14.7
Union Bank (I)	Buy	38	55	46	4.5	8.4	12.1	-140.6	86	43.2	4.5	3.1	0.4	0.3	8.7	11.5
Aggregate								68.4	71	42	10	7.2	0.9	0.8	9.3	11.8
NBFCs																
AAVAS Financiers	Neutral	2707	2842	5	36.9	43.8	56.2	15.9	18.9	28.2	61.7	48.2	7.7	6.7	13.4	14.9
Aditya Birla Cap	Buy	111	140	26	4.7	6.1	7.4	22.8	30.1	22.1	18.4	15.0	1.8	1.6	10.1	11.1
Bajaj Fin.	Buy	7736	8750	13	73.5	120.2	174.0	-16.3	63.7	44.7	64.3	44.5	10.8	8.9	18.2	22.0
Can Fin Homes	Buy	683	825	21	34.2	35.1	39.7	21.3	2.6	12.9	19.4	17.2	3.0	2.6	16.5	16.0
Cholaman. Inv.&Fn	Buy	570	650	14	18.5	21.5	29.6	44.0	16.3	37.7	26.5	19.3	4.2	3.5	17.0	19.7
H D F C	Buy	2720	3277	20	54.5	60.8	68.4	10.8	11.6	12.5	44.7	39.7	4.2	3.9	12.2	12.5
HDFC Life Insur.	Neutral	722	750	4	6.7	7.2	8.5	4.8	6.5	18.8	100.8	84.8	4.7	4.0	15.4	17.8
ICICI Pru Life	Buy	660	780	18	6.7	4.4	7.0	-10.1	-34.9	60.7	151.6	94.3	2.8	2.4	15.2	16.4
IIFL Wealth Mgt	Buy	1577	1775	13	42.0	57.0	68.0	82.0	35.8	19.3	27.6	23.2	5.4	5.1	18.5	22.7



Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
IndoStar	Neutral	290	355	22	-17.3	14.2	19.3	-50.7	LP	36.4	20.5	15.0	0.9	0.9	4.6	6.0
L&T Fin Holdings	Buy	91	115	26	3.8	5.6	7.6	-54.7	46.0	36.1	16.2	11.9	1.1	1.0	7.1	9.1
LIC Hsg Fin	Buy	442	525	19	54.2	36.9	52.5	13.8	-31.9	42.4	12.0	8.4	1.0	0.9	9.2	11.5
Manappuram Fin.	Buy	193	220	14	20.4	22.7	28.2	16.3	11.1	24.4	8.5	6.9	1.8	1.5	23.6	23.9
MAS Financial	Buy	796	1030	29	26.3	31.7	37.9	-13.8	20.7	19.5	25.1	21.0	3.4	3.0	14.4	15.0
Max Financial	Buy	999	1250	25	11.0	14.1	18.0	-24.2	28.7	27.2	70.6	55.5	3.1	2.6	18.7	20.0
M&M Fin.	Buy	185	220	19	2.7	5.6	19.2	-81.5	106.4	241.1	32.9	9.6	1.5	1.3	4.6	14.7
Muthoot Fin	Buy	1520	1825	20	92.8	105.3	119.7	23.3	13.5	13.7	14.4	12.7	3.3	2.7	24.9	23.2
Piramal Enterp.	Buy	2736	3150	15	62.6	117.5	145.9	-355.3	87.6	24.1	23.3	18.8	1.8	1.7	8.2	9.4
PNB Housing	Neutral	651	700	8	54.0	58.7	70.8	53.8	8.7	20.5	11.1	9.2	1.1	1.0	10.6	11.7
Repco Home Fin	Buy	317	440	39	46.0	43.8	53.6	2.6	-4.6	22.3	7.2	5.9	0.9	0.8	12.5	13.6
SBI Life Insurance	Buy	1197	1400	17	14.6	15.2	17.6	2.4	4.4	15.4	78.7	68.2	2.8	2.4	16.7	16.9
Shriram City Union	Buy	2155	2540	18	153.2	169.0	202.3	1.1	10.3	19.7	12.7	10.7	1.6	1.4	13.0	13.9
Shriram Trans.	Buy	1330	1600	20	98.3	94.5	132.4	-10.9	-3.8	40.1	14.1	10.0	1.4	1.2	10.8	13.1
Aggregate								12.9	23.1	28.7	30.5	23.7	3.6	3.2	11.7	13.5
Capital Goods																
ABB	Buy	1842	2075	13	11.9	20.5	27.5	-28.4	72.6	34.5	89.9	66.9	9.9	8.9	11.0	13.4
Bharat Elec.	Buy	200	250	25	8.5	9.5	10.3	15.1	11.9	8.9	21.1	19.4	4.0	3.5	18.8	18.3
BHEL	Sell	65	45	-31	-7.8	-2.0	1.2	84.5	Loss	LP	NM	54.1	0.9	0.9	-2.7	1.6
Cummins	Sell	883	690	-22	21.4	25.2	27.7	-8.0	17.9	9.9	35.0	31.9	5.2	5.0	14.9	15.6
Engineers India	Buy	78	95	22	5.4	6.1	7.0	-20.1	12.0	14.6	12.8	11.2	3.0	2.9	22.0	24.5
K E C Intl.	Buy	463	500	8	21.5	23.4	31.1	-2.3	8.9	32.6	19.8	14.9	3.1	2.6	15.5	17.4
Larsen & Toubro	Buy	1727	2080	20	82.5	64.9	80.4	21.2	-21.3	24.0	26.6	21.5	3.0	2.7	11.4	12.8
Siemens	Neutral	2223	2070	-7	21.3	31.7	38.0	-32.6	49.0	19.9	70.1	58.5	7.6	6.9	10.9	11.9
Thermax	Neutral	1393	1385	-1	22.0	30.7	40.4	16.5	39.9	31.5	45.3	34.5	4.5	4.1	9.9	11.9
Aggregate								-28.3	59.2	30.1	34.1	26.3	3.3	3.1	9.8	11.7
Consumer Durables																
Blue Star	Neutral	885	810	-8	10.4	15.2	23.5	-31.9	45.8	54.4	58.2	37.7	8.9	8.0	15.3	21.1
CG Cons. Elec.	Buy	479	555	16	8.4	9.7	11.4	20.7	14.8	18.1	49.6	42.0	13.2	11.1	26.6	26.4
Havells	Neutral	1372	1290	-6	16.5	21.0	23.2	40.4	27.5	10.8	65.4	59.0	14.1	12.1	21.6	20.5
Orient Electric	Buy	327	475	45	5.6	6.5	8.7	52.3	15.2	34.4	50.3	37.4	12.6	10.2	25.0	27.2
Voltas	Neutral	1280	1130	-12	15.9	17.2	22.2	-5.1	8.5	29.0	74.4	57.7	7.8	7.1	10.5	12.3
Whirlpool India	Buy	2379	2930	23	27.8	32.5	47.5	-25.9	16.9	46.1	73.1	50.0	9.5	8.2	13.0	16.4
Aggregate								9.5	19.9	23.1	63.9	52.0	11.0	9.6	17.2	18.5
Chemicals																
Alkyl Amines	Neutral	4060	3665	-10	57.9	59.0	73.7	57.0	1.9	25.0	68.8	55.1	20.7	16.4	33.5	33.1
Atul	Neutral	10556	10000	-5	218.0	258.8	290.0	-2.3	18.7	12.1	40.8	36.4	7.0	6.0	18.4	17.7
Clean Science	Buy	2259	1700	-25	18.7	22.2	28.5	42.1	18.6	28.8	102.0	79.2	32.4	24.1	36.8	34.9
Deepak Nitrite	Buy	2880	2350	-18	56.9	69.4	78.2	27.0	21.9	12.7	41.5	36.8	12.5	9.7	34.4	29.6
Fine Organic	Neutral	3399	3440	1	37.5	40.9	78.1	-31.0	9.0	91.0	83.2	43.5	12.6	10.5	16.0	26.3
Galaxy Surfact.	Buy	3390	3620	7	85.2	91.2	103.9	31.1	7.0	13.9	37.2	32.6	7.8	6.6	22.7	21.9
Navin Fluor.Intl.	Neutral	3992	4040	1	51.2	57.5	95.8	-37.3	12.4	66.5	69.4	41.7	10.4	8.6	16.0	22.6
NOCIL	Buy	306	340	11	5.2	12.1	14.2	-34.0	133.4	17.1	25.2	21.5	3.6	3.3	15.1	16.1
Vinati Organics	Buy	2114	2220	5	26.2	33.6	44.7	-19.3	28.4	32.9	62.8	47.3	11.9	9.9	20.6	22.9
Aggregate								5.6	19.2	23.2	51.1	41.5	10.8	8.9	21.2	21.6
Cement																
Ambuja Cem.	Neutral	403	385	-4	9.0	12.4	13.2	24.2	37.1	7.1	32.6	30.4	3.6	3.3	25.6	22.8
ACC	Buy	2241	2480	11	78.4	110.2	115.3	8.5	40.5	4.6	20.3	19.4	2.9	2.6	15.4	14.3
Birla Corp.	Buy	1384	1740	26	73.0	61.4	59.7	11.3	-15.9	-2.8	22.5	23.2	1.8	1.7	8.3	7.6
Dalmia Bhar.	Buy	2098	2480	18	54.8	59.8	74.3	377.1	9.1	24.2	35.1	28.2	2.8	2.6	8.4	9.6
Grasim Inds.	Neutral	1598	1590	-1	67.9	107.5	123.6	-23.1	58.3	14.9	14.9	12.9	2.3	2.2	5.7	6.5
India Cem	Neutral	194	190	-2	7.2	5.7	7.4	947.7	-21.5	31.5	34.4	26.1	1.0	1.0	3.1	3.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)				
					FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E			
Constructions																			
Aggregate											20.2	14.8	1.5	1.4	7.4	9.3			
Media																			
PVR	Neutral	1695	1500	-11	-91.6	-81.9	28.6	-384.7	Loss	LP	NM	59.2	7.7	6.8	-31.4	12.2			
Sun TV	Buy	539	620	15	38.6	45.3	48.0	10.8	17.5	5.9	11.9	11.2	2.8	2.5	24.6	23.7			
Zee Ent.	Neutral	294	320	9	11.1	13.3	15.3	101.7	20.2	14.9	22.2	19.3	2.6	2.3	12.1	12.7			
Aggregate											-18.6	26.7	37.7	23.3	16.9	3.0	2.7	12.9	16.1
Metals																			
Hindalco	Buy	474	520	10	24.6	43.8	49.9	40.7	78.1	14.0	10.8	9.5	2.0	1.7	20.5	19.6			
Hind. Zinc	Neutral	316	300	-5	18.9	23.6	25.6	17.3	25.1	8.1	13.3	12.3	3.9	3.7	30.2	31.0			
JSPL	Buy	416	495	19	61.4	82.0	47.0	#####	33.4	-42.6	5.1	8.8	1.1	0.9	23.2	11.3			
JSW Steel	Buy	666	840	26	32.8	95.8	87.6	262.5	192.6	-8.6	7.0	7.6	2.4	1.9	40.6	28.1			
Nalco	Buy	96	107	11	5.4	9.4	11.2	629.4	73.5	19.0	10.3	8.6	1.5	1.4	15.5	17.0			
NMDC	Buy	146	220	51	22.5	38.1	28.5	47.0	69.1	-25.1	3.8	5.1	1.2	1.1	34.9	23.3			
SAIL	Buy	117	175	50	13.1	35.9	24.0	#####	174	-33.1	3.3	4.9	0.9	0.8	29.3	16.7			
Tata Steel	Neutral	1301	1565	20	69.0	318.5	191.0	661.9	361	-40.0	4.1	6.8	1.6	1.3	45.3	21.1			
Vedanta	Neutral	294	300	2	25.9	44.2	36.6	195.3	71	-17.2	6.7	8.0	1.6	1.5	25.3	19.5			
Aggregate											175.0	128.1	-21.6	6.1	7.8	1.7	1.5	27.3	18.8
Oil & Gas																			
Aegis Logistics	Under Review	230	-		6.7	10.1	13.3	124.3	51.1	31.3	22.7	17.3	3.5	3.1	16.4	19.0			
BPCL	Buy	449	620	38	63.2	35.0	40.7	165.6	-44.7	16.3	12.9	11.0	2.0	1.8	14.6	17.0			
Castrol India	Buy	143	170	19	5.9	7.0	8.2	-29.6	19.4	16.6	20.3	17.4	9.1	8.2	46.9	49.7			
GAIL	Buy	158	200	26	10.9	16.2	16.0	-34.0	48.9	-1.1	9.8	9.9	1.3	1.2	14.9	13.6			
Gujarat Gas	Buy	624	850	36	18.5	20.0	28.6	6.9	7.8	43.2	31.2	21.8	7.5	5.7	27.0	29.8			
Gujarat St. Pet.	Buy	321	450	40	16.4	16.9	20.1	-16.5	2.8	19.0	19.0	16.0	2.2	1.9	11.9	12.7			
HPCL	Neutral	318	296	-7	70.0	40.5	42.7	192.8	-42.1	5.4	7.9	7.4	1.2	1.1	15.7	15.4			
IOC	Buy	132	158	20	23.7	18.6	17.2	130.8	-21.6	-7.7	7.1	7.7	1.0	0.9	14.7	12.7			
IGL	Neutral	519	510	-2	14.4	15.1	18.2	-11.5	4.8	21.2	34.4	28.4	5.5	4.8	16.9	18.1			
Mahanagar Gas	Buy	1070	1320	23	62.7	84.3	80.3	-21.9	34.5	-4.7	12.7	13.3	2.8	2.5	23.9	20.0			
MRPL	Sell	51	42	-17	-1.4	0.5	7.5	-91.2	LP	1,539.3	109.8	6.7	1.2	1.0	1.1	16.3			
Oil India	Buy	240	310	29	19.4	30.4	34.7	-15.2	56.9	14.3	7.9	6.9	1.0	0.9	12.6	13.3			
ONGC	Buy	161	190	18	16.1	28.4	36.4	23.8	76.0	28.2	5.7	4.4	0.8	0.7	15.6	17.8			
PLNG	Buy	228	300	32	19.7	19.1	22.2	6.5	-2.8	16.1	11.9	10.3	2.7	2.4	23.4	24.7			
Reliance Ind.	Buy	2671	2485	-7	67.7	87.7	112.0	1.1	29.5	27.8	30.5	23.8	2.3	2.1	7.8	9.2			
Aggregate											34.2	14.4	20.7	17.1	14.1	1.8	1.7	10.6	11.7
Retail																			
Avenue Supermarts	Neutral	4408	3825	-13	17.0	22.9	38.5	-15.5	34.7	68.5	192.8	114.4	20.1	17.0	11.5	16.7			
Aditya Birla Fashion	Buy	257	270	5	-8.0	-1.2	2.2	1,727.9	Loss	LP	NM	116.5	10.7	9.8	-5.0	8.8			
Jubilant Food.	Buy	4011	4830	20	17.5	34.3	50.5	-22.5	96.4	47.1	116.9	79.5	28.4	23.1	24.3	29.1			
Shoppers Stop	Neutral	277	245	-12	-32.0	-15.0	1.1	117.4	Loss	LP	NM	247.0	-434.0	573.4	-218.7	#####			
Titan Company	Buy	2358	2460	4	11.0	19.2	30.0	-35.4	74.2	56.2	122.7	78.6	25.1	22.2	21.5	30.0			
Trent	Neutral	1102	925	-16	-5.1	1.8	9.5	-270.1	LP	419.6	599.9	115.5	15.4	13.5	2.8	13.3			
V-Mart Retail	Buy	3799	4240	12	-3.4	1.2	43.0	-112.6	LP	3,597.3	3,267.6	88.4	8.3	7.6	0.3	9.0			
Westlife Develop	Neutral	559	580	4	-6.7	-3.3	3.7	#####	Loss	LP	NM	149.4	20.2	17.8	-11.2	12.7			
Aggregate											-67.4	234.1	93.5	183.8	95.0	20.6	17.8	11.2	18.7
Technology																			
Cyient	Buy	1117	1260	13	33.8	45.8	54.7	0.1	35.4	19.5	24.4	20.4	4.2	3.8	17.0	19.4			
HCL Tech.	Buy	1325	1460	10	43.8	48.8	58.5	7.5	11.5	19.8	27.1	22.7	5.5	5.1	20.9	23.4			
Infosys	Buy	1724	1890	10	45.6	51.7	65.1	17.1	13.5	25.8	33.3	26.5	10.5	10.0	30.1	38.7			
L & T Infotech	Neutral	5981	5390	-10	107.0	123.0	149.8	23.6	14.9	21.9	48.6	39.9	12.2	10.3	27.2	28.0			
L&T Technology	Buy	4779	5200	9	62.8	88.5	115.5	-19.0	40.9	30.4	54.0	41.4	12.3	10.3	24.7	27.3			
Mindtree	Neutral	4456	4150	-7	67.4	88.9	109.0	75.7	32.0	22.6	50.1	40.9	14.3	12.0	31.0	32.0			



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E	FY22E	FY23E
Mphasis	Buy	3248	3530	9	64.2	74.2	97.9	1.7	15.5	32.0	43.8	33.2	8.6	7.8	20.7	24.9
Coforge	Neutral	5645	5410	-4	78.8	117.2	154.6	4.4	48.6	32.0	48.2	36.5	11.6	9.5	26.2	28.6
Persistent Sys	Neutral	4013	3550	-12	59.0	83.8	104.4	32.4	42.1	24.6	47.9	38.4	9.5	8.1	21.2	22.7
TCS	Neutral	3935	3770	-4	86.7	105.4	121.6	0.6	21.6	15.4	37.3	32.4	16.0	15.1	43.9	47.9
Tech Mah	Neutral	1440	1440	0	51.7	60.8	71.9	6.9	17.7	18.2	23.7	20.0	4.6	4.1	20.5	21.8
Wipro	Neutral	661	650	-2	18.8	20.8	24.9	14.3	10.8	19.9	31.8	26.6	6.5	6.6	20.9	24.7
Zensar Tech	Buy	508	575	13	15.3	16.6	23.0	31.0	8.7	38.4	30.5	22.1	4.3	3.9	15.1	18.7
Aggregate								7.5	16.1	19.6	35.3	29.5	10.1	9.5	28.7	32.3
Telecom																
Bharti Airtel	Buy	695	840	21	-1.3	5.2	9.9	-82.5	LP	89.6	133.4	70.4	6.2	5.7	4.7	8.4
Indus Towers	Neutral	305	285	-7	18.5	21.7	21.9	-1.0	17.7	1.0	14.0	13.9	4.7	4.3	35.2	32.5
Vodafone Idea		11			-8.4	-10.2	-11.2	11.7	Loss	Loss	NM	NM	-0.5	-0.3	55.6	38.4
Tata Comm	Neutral	1459	1380	-5	46.5	48.8	61.4	340.2	4.9	25.8	29.9	23.8	27.5	12.8	171	73.4
Aggregate								Loss	Loss	Loss	-27	-27.0	38.3	-51.3	-144.1	190.5
Utilities																
Coal India	Buy	188	185	-2	20.6	25.7	28.8	-23.9	24.5	12.1	7.3	6.5	2.8	2.4	37.6	36.1
NTPC	Buy	141	140	-1	15.7	16.0	17.6	13.6	1.9	10.0	8.8	8.0	1.0	1.0	12.0	12.4
Power Grid	Buy	188	205	9	17.9	18.9	19.8	16.0	5.6	5.0	9.9	9.5	1.7	1.6	18.0	17.5
Aggregate								-1.8	10.1	9.3	8.7	8.0	1.5	1.4	17.6	17.9
Others																
APL Apollo Tubes	Buy	854	1036	21	13.0	20.5	26.7	51.3	56.8	30.4	41.7	32.0	10.0	7.7	27.9	27.3
BSE	Buy	1338	1410	5	30.9	46.6	70.5	24.1	50.6	51.4	28.7	19.0	2.5	2.4	8.8	12.9
Concor	Buy	685	811	18	9.6	18.1	23.5	-42.0	88.0	29.9	37.8	29.1	3.9	3.7	10.6	13.1
Coromandel Intl	Buy	858	1042	22	45.3	50.9	57.3	24.6	12.4	12.6	16.8	15.0	4.0	3.4	26.2	24.6
EPL	Buy	238	319	34	8.0	9.9	12.4	17.8	23.9	24.8	23.9	19.2	3.9	3.5	17.4	19.2
Indiamart Inter.	Buy	8819	9540	8	96.6	118.6	128.7	86.5	22.8	8.5	74.4	68.5	13.9	11.8	20.3	18.6
Indian Hotels	Buy	203	212	5	-7.1	-3.4	2.0	-359.5	Loss	LP	NM	101.6	7.5	7.2	-12.0	7.2
Interglobe	Neutral	1962	1895	-3	-151.7	-173.8	55.5	2,249.3	Loss	LP	NM	35.4	-11.4	-16.8	204.3	-38.5
Info Edge	Neutral	6669	6000	-10	21.3	33.3	45.0	27.5	56.2	35.1	200.2	148.2	17.8	16.5	9.2	10.9
Godrej Agrovet	Buy	626	764	22	16.3	21.7	25.7	25.0	32.6	18.4	28.9	24.4	5.2	4.6	19.1	20.0
Kaveri Seed	Buy	558	710	27	51.6	37.0	54.7	19.7	-28.3	47.9	15.1	10.2	2.4	2.0	16.7	21.1
Lemon Tree Hotel	Buy	55	64	17	-1.6	-0.8	1.4	1,232.4	Loss	LP	NM	37.7	5.0	4.4	-7.4	12.5
MCX	Buy	1924	1900	-1	44.2	38.2	54.3	-4.8	-13.5	42.0	50.4	35.5	6.5	5.9	13.3	17.4
Qess Corp	Buy	927	1150	24	14.9	26.3	47.8	-18.6	76.6	82.3	35.3	19.4	3.9	3.1	14.8	22.4
PI Inds.	Buy	3280	3701	13	48.6	62.2	85.6	61.7	28.1	37.5	52.7	38.3	8.1	6.7	16.4	19.2
SIS	Buy	501	600	20	23.7	20.8	28.8	-1.7	-12.2	38.4	24.1	17.4	1.6	1.3	15.7	18.2
SRF	Neutral	11942	10134	-15	196.9	278.7	316.6	29.0	41.6	13.6	42.8	37.7	8.6	7.1	22.0	20.6
Tata Chemicals	Neutral	966	814	-16	10.1	37.5	45.8	-68.2	272.9	22.1	25.7	21.1	1.6	1.6	6.5	7.6
Team Lease Serv.	Buy	5010	5100	2	51.9	75.6	108.0	6.1	45.7	42.9	66.3	46.4	10.9	8.8	17.9	21.0
Trident	Buy	34	32	-7	0.7	1.7	1.8	3.2	156.2	4.0	20.0	19.2	4.1	3.5	22.8	19.6
UPL	Neutral	738	760	3	45.4	59.4	68.7	29.9	30.9	15.7	12.4	10.7	1.8	1.5	23.2	22.5



Index	1 Day (%)	1M (%)	12M (%)
Sensex	0.6	3.1	49.5
Nifty-50	0.6	3.1	51.2
Nifty Next 50	-0.2	1.6	57.4
Nifty 100	0.5	2.9	52.1
Nifty 200	0.5	3.5	55.6
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	0.4	9.7	35.4
Amara Raja Batt.	0.3	5.5	3.5
Apollo Tyres	2.8	9.1	71.5
Ashok Leyland	-0.6	10.9	76.9
Bajaj Auto	-0.4	2.4	24.0
Balkrishna Inds	1.2	4.2	78.8
Bharat Forge	2.3	-1.9	62.3
Bosch	1.0	23.9	37.8
CEAT	1.3	5.2	35.6
Eicher Motors	0.0	0.7	27.6
Endurance Tech.	1.3	1.8	50.9
Escorts	-0.9	8.5	20.7
Exide Inds.	0.3	0.9	11.3
Hero Motocorp	0.0	1.5	-13.3
M & M	-0.1	16.3	38.4
Mahindra CIE	0.5	12.1	77.0
Maruti Suzuki	-0.9	9.4	4.8
MRF	5.7	7.0	42.5
Motherson Sumi	0.4	12.3	97.3
Tata Motors	1.7	29.8	171.8
TVS Motor Co.	0.3	2.3	17.8
Banks-Private	0.3	3.9	53.5
AU Small Fin. Bank	0.9	3.0	66.9
Axis Bank	0.6	-1.6	73.0
Bandhan Bank	5.1	20.8	8.5
DCB Bank	-0.1	-4.5	14.7
Equitas Holdings	-0.1	-2.8	130.4
Federal Bank	0.1	3.1	64.0
HDFC Bank	-0.6	1.6	34.4
ICICI Bank	0.1	-2.5	81.4
IndusInd Bank	0.5	17.4	90.0
Kotak Mah. Bank	-0.9	6.5	46.5
RBL Bank	2.1	11.3	11.4
SBI Cards	0.0	2.8	34.6
Banks-PSU	1.6	8.8	97.2
BOB	4.9	11.0	106.6
Indian Bk	1.3	14.8	141.8
PNB	0.9	7.0	45.0
SBI	0.0	6.1	139.0
Union Bk	0.7	7.7	53.6
Company	1 Day (%)	1M (%)	12M (%)
NBFCs	-0.3	0.4	59.8
Aditya Birla Cap	1.2	-2.8	75.2
Bajaj Fin.	-0.2	3.7	132.6
Cholaman.Inv.&Fn	-2.4	-1.2	126.4
Can Fin Homes	-1.0	6.7	55.4
HDFC	-0.3	-3.8	39.6
HDFC Life Insur.	-0.4	-2.8	23.9
Indostar Capital	1.7	-3.0	0.1
L&T Fin.Holdings	0.8	7.4	57.6
LIC Hsg Fin	-0.3	5.7	54.2
M&M Fin.	1.2	9.9	42.3

Note: Sectoral performance are of NSE/BSE Indices

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	0.5	3.8	58.2
Nifty Midcap 100	0.4	7.5	83.3
Nifty Smallcap 100	1.2	6.5	91.9
Nifty Midcap 150	0.5	7.1	80.6
Nifty Smallcap 250	0.8	6.3	91.7
Muthoot Fin	-1.6	-1.7	32.3
Manappuram Fin.	-0.5	17.2	17.5
MAS Financial Serv.	-0.9	4.8	-3.7
Max Financial	-2.7	-8.3	64.9
ICICI Pru Life	-3.3	-7.9	52.3
ICICI Sec	-0.5	3.7	61.1
Company	1 Day (%)	1M (%)	12M (%)
IIFL Wealth Mgt	-1.2	-1.3	67.1
PNB Housing	1.1	0.9	83.6
Reeco Home	-0.7	2.3	59.6
SBI Life Insuran	-1.6	-1.9	45.7
Shriram City Union	-0.2	-8.5	140.8
Shriram Trans.	-0.9	-2.5	108.4
Capital Goods	0.2	3.2	93.2
ABB	-1.6	-1.7	112.8
Bharat Elec.	-1.5	1.5	113.9
BHEL	3.6	17.5	123.8
Cummins	-1.6	-15.1	97.8
Engineers India	0.6	8.3	24.0
K E C Intl	2.1	7.3	33.4
L&T	0.9	3.7	96.1
Siemens	-0.7	0.5	71.9
Thermax	3.2	-0.6	91.1
Consumer Durables	0.3	8.8	78.9
Blue Star	-0.4	5.7	39.0
CG Cons. Elec.	0.0	-1.3	75.4
Havells	-1.6	-4.2	99.7
Voltas	-0.2	6.2	84.9
Whirlpool India	0.1	3.7	13.0
Orient Electric	0.5	-5.0	77.5
Chemicals			
Alkyl Amines	-1.2	1.0	214.7
Atul	1.4	13.8	75.0
Clean Science	2.5	40.1	
Deepak Nitrite	0.4	22.0	279.2
Fine Organic	-1.8	9.5	33.8
Galaxy Surfact.	0.0	8.3	84.6
Navin Fluo.Intl.	0.5	-0.3	98.6
NOCIL	-1.5	10.1	104.4
Vinati Organics	-1.8	11.4	72.7
Cement	0.3	0.2	106.2
Ambuja Cem.	0.0	-7.6	69.3
ACC	-1.1	-8.4	47.7
Birla Corp.	1.3	6.0	123.5
Dalmia Bhar.	0.3	-8.7	174.5
Grasim Inds.	0.4	1.4	107.4
India Cem	-0.9	6.3	62.2
J K Cements	-0.7	-2.8	113.8
JK Lakshmi Ce	0.1	-10.8	146.8
Ramco Cem	-2.0	-4.8	29.2
Shree Cem	-1.0	-9.8	34.0
Ultratech	-0.3	-8.2	68.9



Company	1 Day (%)	1M (%)	12M (%)
Consumer	-0.6	-0.7	32.7
Asian Paints	0.6	-0.7	58.2
Britannia	-0.5	-4.3	2.4
Colgate	0.0	-1.1	16.3
Dabur	-1.3	-5.2	16.3
Emami	0.8	-5.1	56.3
Godrej Cons.	-1.0	-8.1	40.3
HUL	-1.2	-5.7	22.2
ITC	-0.6	9.7	38.5
Jyothy Lab	-0.9	-7.0	15.4
Marico	0.5	0.5	51.6
Nestle	-0.3	-4.4	16.5
Page Inds	-1.3	15.1	76.1
Pidilite Ind.	-0.7	5.6	64.5
P&G Hygiene	-0.3	0.1	38.2
Tata Consumer	-0.7	-6.9	67.6
United Brew	0.4	3.5	71.4
United Spirits	1.4	22.3	75.7
Varun Beverages	-0.4	-2.8	99.5
Healthcare	-0.3	1.2	18.9
Alembic Phar	-0.1	1.5	-18.9
Alkem Lab	1.0	5.2	44.4
Ajanta Pharma	-0.2	6.3	44.0
Aurobindo	-0.6	-3.8	-14.7
Biocon	-0.2	0.9	-23.5
Cadila	0.1	-1.0	26.2
Cipla	0.1	-3.7	13.0
Divis Lab	-0.6	-0.3	56.8
Dr Reddy's	-0.9	-1.2	-6.7
Gland Pharma	-0.8	-2.5	
Glenmark	1.8	1.3	5.4
GSK Pharma	0.3	-2.0	-4.6
Granules	-0.9	-0.7	-11.9
IPCA Labs	-1.5	-8.0	9.4
Jubilant Pharmo	-1.0	-1.2	-1.1
Laurus Labs	-0.3	-1.3	91.8
Lupin	-0.9	-3.5	-9.1
Solara Active	-1.8	-14.5	20.5
Strides Pharma	0.2	-1.5	-15.5
Sun Pharma	-0.2	5.7	56.7
Torrent Pharma	-0.1	-0.8	7.1
Infrastructure	0.7	6.0	64.8
Ashoka Buildcon	13.0	13.8	82.5
IRB Infra.Devl.	1.2	20.4	88.4
KNR Construct.	1.4	-8.7	125.5
Media	0.9	36.4	43.7
PVR	0.9	25.3	35.1
Sun TV	-0.7	11.8	15.6
Zee Ent.	0.5	65.9	43.1
Metals	0.4	-0.7	150.0
Hindalco	-0.8	3.9	172.0
Hind. Zinc	0.5	-4.3	53.9
JSPL	2.0	5.0	113.6
JSW Steel	-0.1	-3.0	127.3
Nalco	-0.4	-0.3	211.2
NMDC	0.8	-4.4	76.5
SAIL	1.0	-2.6	245.2

Company	1 Day (%)	1M (%)	12M (%)
Tata Steel	0.9	-9.0	248.3
Vedanta	1.0	-1.7	150.0
Oil & Gas	0.4	9.2	56.9
Aegis Logistics	-0.1	-11.4	2.4
BPCL	0.0	-8.2	32.1
Castrol India	-1.2	5.0	28.7
GAIL	-0.9	9.0	88.0
Gujarat Gas	-1.7	-9.4	103.8
Gujarat St. Pet.	-0.9	-7.8	64.8
HPCL	-0.4	17.8	86.0
IOC	-0.4	17.1	74.4
IGL	-0.1	-8.2	32.8
Mahanagar Gas	-0.7	-9.1	27.7
MRPL	-1.3	18.0	91.7
Oil India	-1.1	26.5	170.7
ONGC	0.3	35.3	135.0
PLNG	-1.1	-1.1	3.5
Reliance Ind.	3.8	9.9	19.3
Retail			
Aditya Bir. Fas.	-1.0	19.7	98.6
Avenue Super.	2.3	12.1	113.5
Jubilant Food	0.9	-1.0	72.2
Shoppers St.	-0.6	10.1	65.0
Titan Co.	-0.8	14.6	88.0
Trent	-0.7	6.4	59.7
V-Mart Retail	-0.1	7.0	93.0
Westlife Develop	1.2	6.5	43.4
Technology	2.0	5.0	67.8
Cyient	2.3	8.5	187.4
HCL Tech.	1.2	11.2	55.6
Infosys	1.9	1.8	57.5
L&T Infotech	3.6	10.5	109.1
L&T Technology	2.0	10.1	192.0
Mindtree	4.6	18.8	204.7
Mphasis	1.9	9.8	129.3
Coforge	3.6	9.9	129.0
Persistent Sys	5.3	15.8	204.6
TCS	1.1	4.3	39.3
Tech Mah	1.6	0.9	67.4
Wipro	2.9	-0.2	84.0
Zensar Tech	9.2	12.9	163.6
Telecom	0.2	9.5	69.7
Bharti Airtel	0.4	6.1	66.9
Indus Towers	-0.7	29.4	59.7
Idea Cellular	0.0	40.9	27.3
Tata Comm	-0.7	6.5	66.2
Utilites	-0.8	9.9	101.9
Coal India	-1.2	26.5	66.3
NTPC	-1.2	23.8	70.9
Power Grid	-0.4	8.5	58.0



Company	1 Day (%)	1M (%)	12M (%)
Others			
APL Apollo Tubes	-0.3	-7.4	196.6
BSE	6.9	12.6	155.9
Coromandel Intl	0.1	8.7	17.0
Concor	-1.5	-6.9	87.1
EPL Ltd	-0.8	0.1	-6.6
Indiamart Inter.	5.9	-1.9	78.3
Godrej Agrovet	-0.5	-5.3	18.1
Indian Hotels	3.3	38.1	107.2
Interglobe	0.6	0.7	47.5
Info Edge	1.0	-0.8	92.9
Kaveri Seed	-1.7	-7.1	6.1
Lemon Tree Hotel	6.9	40.8	99.6
MCX	5.6	18.1	12.7
Piramal Enterp.	-5.2	6.1	107.8
PI Inds.	1.2	-3.0	60.8
Qess Corp	0.5	7.6	124.1
SIS	2.6	3.9	38.1
SRF	3.1	17.5	180.2
Tata Chemicals	0.7	16.0	220.0
Team Lease Serv.	2.7	12.4	112.3
Trident	4.9	37.4	340.4
UPL	1.4	-3.1	45.0

NOTES

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