

Market snapshot



Equities - India	Close	Chg. %	CYTD.%
Sensex	59,035	-1.0	1.3
Nifty-50	17,640	-0.9	1.6
Nifty-M 100	30,911	-1.0	1.5
Equities-Global	Close	Chg. %	CYTD.%
S&P 500	4,500	0.4	-5.6
Nasdaq	13,897	0.1	-11.2
FTSE 100	7,552	-0.5	2.3
DAX	14,078	-0.5	-11.4
Hang Seng	7,496	-1.5	-9.0
Nikkei 225	26,889	-1.7	-6.6
Commodities	Close	Chg. %	CYTD.%
Brent (US\$/Bbl)	101	-0.9	30.4
Gold (\$/OZ)	1,932	0.3	5.6
Cu (US\$/MT)	10,315	0.3	5.9
Almn (US\$/MT)	3,361	-1.6	19.8
Currency	Close	Chg. %	CYTD.%
USD/INR	76.0	0.3	2.2
USD/EUR	1.1	-0.2	-4.3
USD/JPY	124.0	0.1	7.7
YIELD (%)	Close	1MChg	CYTD chg
10 Yrs G-Sec	6.9	0.00	0.5
10 Yrs AAA Corp	7.2	0.00	0.2
Flows (USD b)	7-Apr	MTD	CY21
FII	-0.66	-0.19	-13.06
DII	0.23	0.53	11.83
Volumes (INRb)	7-Apr	MTD*	YTD*
Cash	888	815	690
F&O	2,09,493	1,04,992	95,903

Note: *Average

Today's top research idea



Oil & Gas (4QFY22 Preview): Strong volume play; margins mixed

- ❖ Brent crude prices continued to record an uptick owing to geopolitical tensions with SG GRM also touching a 4-year high in 4QFY22. Petchem margins were however impacted during the quarter.
- ❖ We expect RIL consolidated EBITDA to be INR345b (+16% QoQ), led by growth in the O2C and Retail segments.
- ❖ Retail Auto fuel margins are expected to decline with OMCs expected to report a loss on the marketing margins and HPCL taking the biggest hit.
- ❖ We expect the macros to support GAIL in the near term and we reiterate it as our top pick among large caps. Margin for CGDs are expected to be better on the back of higher spot LNG prices.
- ❖ Net realization is expected to grow to USD102/bbl for ONGC, led by an increase in crude oil prices, with lower oil sales in the quarter.



Research covered

Cos/Sector	Key Highlights
Oil & Gas (4QFY22 Preview)	Strong volume play; margins mixed
Godrej Properties	Momentum in business development picks up
Cholamandalam Inv. & Finance	Strong disbursement volumes and healthy collection efficiency
EPL	Unpacking sustainable growth despite interim hiccups
Financials	CRISIL Ratings: Credit quality outlook 'Positive'



Piping hot news

Maruti reports lowest market share in 8 years, Tata Motors at 13 years high
It was an arduous treadmill year for the heavyweights in India. The bulkiest among the lot, Maruti Suzuki India (MSIL) slimmed its market share to eight year low ...

Chart of the Day: Oil & Gas (Strong volume play; margins mixed)

Oil and gas product prices, cracks, and margins (USD/bbl)

(USD/bbl)	3QFY21	4QFY21	1QFY22	2QFY22	4QFY22	YoY (%)	QoQ (%)
Oil							
WTI	42.6	57.8	66.1	70.6	94.5	122	34
Brent	44.3	60.8	68.8	73.4	100.4	127	37
Dubai	44.6	60.0	66.9	71.7	95.6	114	33
Arab Light-Heavy	(0.2)	0.5	1.1	1.5	1.5	nm	(4)
Gas							
Henry Hub (USD/mmBtu)	2.5	3.4	2.9	4.3	4.6	88	7
Oil to Gas	18.0	19.4	23.7	17.3	21.6	20	25
Exchange Rate (INR/USD)							
	73.8	72.9	73.8	74.1	75.2	2	2
Product Cracks (v/s Dubai)							
LPG	(2.0)	(10.3)	(18.2)	(9.3)	(21.5)	(966)	(130)
Gasoline	2.9	5.6	8.0	9.7	15.4	426	59
Diesel	3.1	4.4	4.9	5.1	18.0	479	253
Jet/Kero	2.4	3.3	4.5	5.4	16.4	574	206
Naphtha	(1.2)	0.6	(1.0)	1.9	1.5	nm	(20)
Fuel Oil	(0.3)	(3.2)	(5.5)	(3.0)	(7.9)	(2,326)	(160)
SGRM	1.2	1.8	2.0	3.8	7.8	538	105

Research Team (Gautam.Duggad@MotilalOswal.com)

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

Maruti reports lowest market share in 8 years, Tata Motors at 13 years high

It was an arduous treadmill year for the heavyweights in India. The bulkiest among the lot, Maruti Suzuki India (MSIL) slimmed its market share to eight year low at 43% in the financial year ending March 31, 2022, an exceptional loss of over 8 percentage points in just three years. Maruti Suzuki ...

2

India's sugar sales to race to record high as summer demand peaks

After two years of lull, India's sugar consumption is set to hit record highs in the current summer season as demand from bulk consumers such as cold drink and ice cream-makers rises after the lifting of COVID-19 restrictions, industry officials said. India's sugar consumption in the 2021/22 marketing year that ends on Sept. 30 is set to rise by nearly 3% from a year ago to an all-time high of 27.2 million tonnes, according to the Indian Sugar Mills Association (ISMA).

3

Bounce Infinity begins rollout of its first e-scooter, to begin E1 deliveries on April 18

Bounce Infinity on Thursday announced the commencement of production of the E1 electric scooter from its manufacturing facility in Bhiwadi, Rajasthan. The company said in a statement that it will start deliveries on April 18. With the roll-out of the E1s from the plant, Bounce Infinity is on track to fulfil its commitment ...

4

RBI issues guidelines for banks to set up 24X7 digital banking units

The Reserve Bank of India on Thursday said existing banks can open digital banking units to offer products and services in both self-served and assisted mode round-the-clock. In the Union Budget, the government announced the setting up of at least 75 such units in 75 districts to commemorate 75 years of the country's independence ...

5

Indian export prices of rice ease as supplies rise; Vietnam, Thai rates steady

Export prices of rice in India dipped this week as supplies increased following the extension of a government scheme to provide subsidised grains, while rates in Vietnam and Thailand were mostly flat amid softer demand and rising output. Top exporter India's 5% broken parboiled variety was quoted at \$365-\$369 per tonne this week, down from last week's \$367-\$370.

6

Cost rises for micro borrowers as RBI deregulates lending rates

Borrowing costs for bottom-of-the-pyramid customers have begun to climb as the regulator removed the margin cap on NBFC-MFIs. Certain lenders have revised their lending rates upward by as much as 400 basis points as they apply risk-based pricing to arrest the asset quality degradation and the loss they...

7

Commodity prices won't soften anytime soon: Vedanta CEO Sunil Duggal

The rally in commodity prices will continue for the foreseeable future as various reasons from geopolitics to climate change pressures have curtailed manufacturing capacities worldwide, creating a demand-supply imbalance, said Sunil Duggal, group chief executive...



Result Preview



Company name

Aegis Logistics
BPCL
Castrol India
GAIL
Gujarat Gas
Gujarat State Petronet
HPCL
Indraprastha Gas
IOCL
Mahanagar Gas
MRPL
Oil India
ONGC
Petronet LNG
Reliance Industries

Strong volume play; margins mixed

Refining margins rise, while CGD margins are expected to stay flattish

- Brent crude prices continue to record an uptick owing to geopolitical tensions, led by the war between Russia and Ukraine. Conversely, SG GRM trended higher, driven by a 66%/59% improvement in diesel/ATF cracks. PE, PP, and PVC margins were impacted in 4QFY22. CGD margins are likely to remain flat, impacted by the sustaining of higher spot LNG prices in 4QFY22, despite price hikes by companies.
- We expect our coverage universe to report a 65% YoY and 25% QoQ growth in sales (up 62% YoY and 23% QoQ excluding OMC), a 32% YoY and 16% QoQ growth in EBITDA (up 65% YoY and 19% QoQ excluding OMC), and a 19% YoY and 13% QoQ growth in PAT (up 67% YoY and 15% QoQ excluding OMC) due to higher margins and volumes for OMCs. We expect flat EBITDA/scm margins for CGDs on a YoY basis.
- **RIL – O2C and Retail to drive strong growth in 4QFY22:** We expect a consolidated EBITDA of INR345b (+47% YoY/+16% QoQ), led by growth in the O2C and Retail segments. We expect an EBITDA of INR168b (+65% YoY/+21% QoQ) for the O2C segment, INR107b (+29% YoY/+13% QoQ) for RJio, and INR45b (+25% YoY/+18% QoQ) for the Retail segment.
- **OMCs:** SG GRM improved to USD7.8/bbl (from +USD1.7/bbl QoQ), led by an improvement in diesel and ATF cracks (+66%/+59% QoQ). Because of the spike in crude oil prices, Retail Auto fuel margins are expected to decline to -INR0.5-1.1/liter in 4QFY22. We maintain our Buy rating on IOCL (the biggest beneficiary of an increase in refining margin) and our Neutral rating on BPCL and HPCL.
- **GAIL (reiterate as our top pick among large caps):** We expect gas trading to be better in the current high spot LNG price environment, with the petchem business benefitting from better cracks. GAIL has enjoyed the alignment of operational macros since the start of CY21, and we expect the macros to support the company over the next couple of quarters as well.

Exhibit 1: Expected quarterly performance summary

Sector	CMP (INR)	RECO	SALES (INR M)			EBDITA (INR M)			NET PROFIT (INR M)		
			Mar-22	Var	Var	Mar-22	Var	Var	Mar-22	Var	Var
Aegis Logistics	218	Neutral	15,248	50.8	25.6	1,826	82.3	22.6	1,276	95.1	25.4
BPCL	380	Neutral	12,32,154	60.3	21.9	33,061	-34.6	-22.9	18,903	-63.1	-23.2
Castrol India	104	Buy	13,694	20.3	25.6	2,765	-18.7	4.0	2,021	-17.0	7.2
GAIL	162	Buy	3,22,076	107.1	25.0	38,555	50.3	-8.8	28,840	47.6	-12.3
Gujarat Gas	512	Buy	44,415	29.5	-13.7	2,352	-57.6	-0.9	1,017	-70.9	-16.6
Gujarat State Petronet	274	Buy	3,692	-6.3	-7.5	3,094	-10.1	-8.0	1,947	-6.1	-8.7
HPCL	280	Neutral	11,72,211	56.6	21.3	2,419	-94.8	-87.1	-5,045	PL	PL
Indraprastha Gas	393	Neutral	22,844	47.3	3.1	4,201	-14.6	-10.5	2,717	-17.9	-11.9
IOC	122	Buy	22,15,488	79.1	32.8	1,35,244	0.2	37.1	81,838	-6.8	39.6
Mahanagar Gas	825	Buy	11,118	54.9	8.2	2,938	-7.1	185.0	1,908	-10.3	235.9
MRPL	44	Neutral	2,71,319	99.9	31.6	31,346	267.4	71.2	20,996	539.5	116.7
Oil India	237	Buy	47,678	84.8	27.6	24,731	482.3	95.2	19,424	111.7	56.0
ONGC	168	Buy	3,53,033	66.6	24.0	2,01,240	98.8	26.0	1,22,649	157.5	40.0
Petronet LNG	198	Buy	1,10,246	45.5	-12.5	10,327	-5.4	-40.4	6,470	3.8	-43.4
Reliance Inds.	2663	Buy	23,18,499	55.0	25.3	3,44,656	47.6	16.0	1,65,648	32.5	2.0
Oil & Gas			81,53,715	65.1	25.1	8,38,755	31.5	16.0	4,70,609	19.4	12.5
Oil Ex OMCs			35,33,862	61.9	23.0	6,68,032	64.7	18.7	3,74,912	66.7	14.9

Brent crude prices climb further amid a tense geopolitical environment

- Brent crude prices averaged USD100.4/bbl in 4QFY22, climbing 26% QoQ and 65% YoY, due to a spike (of USD20/bbl MoM) in Mar'22 on the back of Russia's invasion of Ukraine. Prices cooled off towards the end of Mar'22 as peace talks between Russia and Ukraine resumed, with supply fears subsiding after it touched a record high of USD139/bbl – a level last seen seven years ago.
- We expect Brent crude prices to normalize hereafter as the current tense geopolitical environment stabilizes, while OPEC+ continues to decrease production cuts as per the scheduled plan (of 0.5mnbopd every month up to mid-CY22).
- The premium enjoyed by Brent crude over WTI expanded to USD5.9/bbl in 4Q (from USD2.2/bbl in 3QFY22), while Arab L-H premium remained flat at USD1.5/bbl.

SG GRM at USD7.8/bbl – the highest in four years

- Singapore GRM improved further QoQ in 4QFY22, led by improved diesel/ATF cracks (+66%/+59%).
- Improvement in diesel/ATF (up USD7.2/USD6.1 per bbl QoQ to USD18.0/USD16.4 per bbl in 4QFY22) has been gradual and consistent over the quarter. The improvement in diesel and ATF was aided by opening up of the economies gradually and increased air travel in the western nations, respectively. Indian refineries will reap huge benefits as their product baskets are inclined towards middle distillates.
- Gasoline cracks rose USD2.4/bbl QoQ to USD15.4/bbl – with a MoM uptick observed in the same. Cracks for LPG/FO declined to -USD21.5/-USD7.9 per bbl from -USD11.3/-USD6.5 per bbl in 3QFY22.
- Demand for petroleum products in India was impacted due to the lockdown in Jan'22. MS/HSD demand declined by 1%/4% YoY and 7%/2% QoQ.
- Refineries also saw improved refining throughput at HPCL's Mumbai refinery and BPCL's Kochi refinery (as companies complete their expansion). MRPL's refining throughput was flattish in 4QFY22.

Expect petchem margins to soften in 4QFY22

- Naphtha prices increased to USD95.9/bbl (from USD81.6/bbl in 3QFY22), with cracks declining to USD1.5/bbl (from USD3.4/bbl in 3QFY22).
- Petchem prices for PE/PVC increased YoY, but did not aid deltas for PE/PP/PVC as they fell 23%/41%/31% YoY and 16%/21%/39% QoQ.

Domestic Oil and Gas production continue to suffer

- Total domestic oil production declined by ~2% YoY in Feb'22, with domestic gas production up 13% YoY owing to a spurt in production from the KG Basin by RIL.
- LNG imports decreased by 21% YoY and 11% QoQ over Jan-Feb'22. Total gas consumption rose 12% YoY, but fell 8% QoQ (owing to a decrease in demand from the Power sector due to a spike in spot LNG prices).

Exhibit 2: Oil and gas product prices, cracks, and margins (USD/bbl)

(USD/bbl)	3QFY21	4QFY21	1QFY22	2QFY22	4QFY22	YoY (%)	QoQ (%)
Oil							
WTI	42.6	57.8	66.1	70.6	94.5	122	34
Brent	44.3	60.8	68.8	73.4	100.4	127	37
Dubai	44.6	60.0	66.9	71.7	95.6	114	33
Arab Light-Heavy	(0.2)	0.5	1.1	1.5	1.5	nm	(4)
Gas							
Henry Hub (USD/mmBtu)	2.5	3.4	2.9	4.3	4.6	88	7
Oil to Gas	18.0	19.4	23.7	17.3	21.6	20	25
Exchange Rate (INR/USD)	73.8	72.9	73.8	74.1	75.2	2	2
Product Cracks (v/s Dubai)							
LPG	(2.0)	(10.3)	(18.2)	(9.3)	(21.5)	(966)	(130)
Gasoline	2.9	5.6	8.0	9.7	15.4	426	59
Diesel	3.1	4.4	4.9	5.1	18.0	479	253
Jet/Kero	2.4	3.3	4.5	5.4	16.4	574	206
Naphtha	(1.2)	0.6	(1.0)	1.9	1.5	nm	(20)
Fuel Oil	(0.3)	(3.2)	(5.5)	(3.0)	(7.9)	(2,326)	(160)
SGRM	1.2	1.8	2.0	3.8	7.8	538	105

Source: MOFSL, Company

Valuation and view (excluding OMCs and RIL)

- **GAIL – reiterate Buy in the large cap space:** GAIL expects gas transmission volumes to grow by 7-8% YoY over the next three-to-four years, with a further upside post-completion of the national gas grid. Increased demand will primarily accrue from the commissioning of fertilizer plants, ongoing refinery and petchem expansions, and the development of CGDs (the IX-X round). The management expects total trading volumes of ~10mmscmd to be sold locally in FY23 (it is already supplying ~5mmscmd of gas to various fertilizer plants), with the commissioning and ramp-up at various fertilizer plants.
- **PLNG:** The current spot LNG price environment has resulted in lower spot cargo orders being placed over the last few months. The company expects spot LNG prices to normalize over the next five-to-six months. PLNG has tied-up 16.75mmtpa in contracts (i.e., 95% of the nameplate capacity of 17.5mmtpa in Dahej), which is cushioning its utilization rate. It is on the cusp of business diversification, although threshold IRR for new projects stands over 16%.
- **CGDs – margin expected to be better:** We expect EBITDA margin/scm for GUJGA/IGL/MAHGL to remain at INR2.6/INR6.2/INR10.1 in 4Q (from INR2.3/INR6.7/INR3.4 in 3QFY22) on the back of an increase in spot LNG prices as well as Brent crude prices. We expect total volumes of 10.0/7.5/3.2mmscmd for GUJGA/IGL/MAHGL v/s 11.4/7.7/3.3mmscmd in 3QFY22
- **ONGC – delay in KG-DWN-98/2 continues:** Production delays at the KG-DWN-98/2 field continue, amid restrictions on international movement due to the COVID-19 pandemic. OPAL's performance remains steady and ONGC is improving process efficiencies to keep its profits positive.



Godrej Properties

BSE SENSEX 59,035
S&P CNX 17,640

CMP: INR1,669 **TP: INR1,800 (+8%)** **Neutral**



Bloomberg	GPL IN
Equity Shares (m)	278
M.Cap.(INRb)/(USD\$b)	462.8 / 6.1
52-Week Range (INR)	2598 / 1200
1, 6, 12 Rel. Per (%)	9/-32/3
12M Avg Val (INR M)	2437

Financials & Valuations (INR b)

Y/E MARCH	2022E	2023E	2024E
Sales	6.3	13.0	27.1
EBITDA	-1.5	0.0	8.8
EBITDA Margin (%)	44.6	47.1	47.1
Adj PAT	0.1	4.4	10.7
Cons. EPS (Rs)	0.5	15.8	38.7
EPS Growth (%)	-94.7	70.6	7,432.5
BV/Share (Rs)	299.8	315.6	354.3

Ratios

Net D:E	0.3	0.4	0.5
RoE (%)	0.2	5.1	11.5
RoCE (%)	3.2	1.9	5.4
Payout (%)	0.0	0.0	0.0

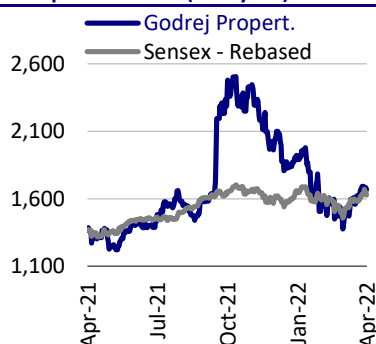
Valuations

P/E (x)	3,277.5	106.7	43.5
EV/EBITDA (x)	NM	NM	58.2
Div. Yield (%)	0.0	0.0	0.0
P/BV (x)	5.6	5.3	4.7
EV/Sales (x)	79.6	38.9	18.9

Shareholding pattern (%)

As On	Dec-21	Mar-21
Promoter	58.4	58.4
DII	4.1	5.2
FII	29.9	27.9
Others	7.6	8.5

Stock performance (one-year)



Momentum in business development picks up...

...But much of it is already factored in

- Momentum in business development (BD), which remained muted for 21 months during the COVID-19 pandemic, seems to have finally gathered pace as GPL signed four new projects, with a development potential of ~7msf, over the last three weeks.
- With a war chest of INR175b over four years via INR40b of existing cash, INR54b of additional leverage potential, and INR81b of expected operating surplus, the momentum in BD is likely to continue.
- The company is expected to deliver record pre-sales in 4QFY22 and FY23, led by an upcoming project pipeline of ~95msf. Overall, we expect the company to report 16% CAGR in pre-sales over FY22-24.
- We remain confident on GPL's ability to deliver robust pre-sales growth and continue its BD momentum. However, At 3.3x P/NAV for its existing project pipeline, much of the growth is already factored in. We maintain our Neutral rating on stock with our unchanged SoTP-based TP of INR1,800, implying a limited (8%) upside potential.

Adds ~7msf across four projects over the last three weeks, momentum in BD to continue

- Over the last three weeks, GPL has seen a pick-up in BD activity as it signed four new projects with a saleable area of 7msf and revenue potential of INR44b, which was almost equal to cumulative project additions of INR48b in 2Q and 3QFY22.
- On account of the late surge, project additions in FY22 rose to 9msf v/s 6msf in FY21. However, it still continues to be lower than average annual run-rate of ~23msf over FY17-20.
- With INR40b of cash as of Dec'21, INR54b of additional room for leverage, and INR81b of operating cash flow generation over the next four years, GPL will have a war chest of INR174b to be deployed on BD activities, thus ensuring the continuation in deal momentum.

Higher share of outright land deals; focus on Bengaluru and the MMR

- Prior to FY19, 90% of project additions were under joint venture (JV, 44%) and the development management (DM, 46%) model, which over FY19-20 were largely tilted towards JVs (83%).
- After the outbreak of the COVID-19 pandemic, GPL is focusing more on outright land deals, which constitute 95% of the total project area added since FY21 till date.
- In line with the management's strategy to strengthen its project pipeline in the MMR and Bengaluru, it added 13msf of projects in Bengaluru (9msf, 56% of total) and the MMR (4msf, 26% of total) over the last two years.

Expect a record quarter of pre-sales on the back of strong launches

- As per our channel checks, GPL launched seven-to-eight projects/phases, with a saleable area of ~5msf in 4QFY22. Although the latter was lower than the 9msf planned for 4QFY22, it was higher than the 3msf/2msf launched in 2Q/3QFY22.
- On the back of strong launches, we expect the company to report INR32b of pre-sales in 4QFY22, which will be its highest ever, breaching the previous record of INR26b reported in 4QFY21.
- Launches in 4QFY22 include the launch of a phase in GPL's successful project in Mahalunge, Pune (Hillside) and Noida (Woods). As per a release to the exchanges, these launches individually contributed ~INR3.5b to pre-sales. Overall, we expect INR20b of pre-sales from launches and the balance from 7.8msf of ongoing inventory.

Launch of key projects in Delhi and the MMR and a project pipeline of ~95msf to drive record pre-sales in FY23

- With a project pipeline of ~95msf, we expect the strong launch momentum to continue. We expect launches to increase to 14msf in FY23 from 10msf in FY22.
- As indicated in its concall after announcing its 3QFY22 result, the management is confident of launching some of its key projects – Ashok Vihar, Delhi; Wadala, MMR; and Worli, MMR – in FY23, which will drive growth in pre-sales. We expect pre-sales to grow by 23% to INR96b in FY23.

Valuation and view

- We are confident of: 1) GPL delivering 16% pre-sales CAGR over next the two-to-three years, given its project pipeline of ~95msf, and 2) strong BD, aided by its existing cash balance and potential to generate surplus operating cash flow. However, at 3.3x P/NAV for its current pipeline, a large part of the growth is already factored in.
- Concerns over the GPL's ability to strengthen its MMR portfolio and generate profit from its historical JVs still loom large. **We reiterate our Neutral rating on the stock with an unchanged TP of INR1,800 per share, implying a potential upside of 8%.**

Cholamandalam Inv. & Finance

BSE SENSEX	S&P CNX
59,035	17,640
Bloomberg	CIFC IN
Equity Shares (m)	820
M.Cap.(INRb)/(USD\$b)	564 / 7.4
52-Week Range (INR)	740 / 470
1, 6, 12 Rel. Per (%)	2/19/0
12M Avg Val (INR M)	1977
Free float (%)	48.5

Financials Snapshot (INR b)

Y/E March	2022E	2023E	2024E
Total Income	58.0	65.4	76.9
PPP	38.2	43.1	51.8
PAT	20.7	26.0	30.3
EPS (INR)	25.2	31.7	37.0
EPS Gr. (%)	36.6	25.5	16.8
BV (INR)	139	168	202

Valuations

NIM (%)	7.3	7.3	7.3
C/I ratio (%)	34.2	34.1	32.7
RoAA (%)	2.7	3.0	2.9
RoE (%)	19.7	20.6	20.0
Payout (%)	9.5	8.8	8.7
P/E (x)	27.3	21.7	18.6
P/BV (x)	4.9	4.1	3.4
Div. Yield (%)	0.3	0.4	0.5

CMP:INR688

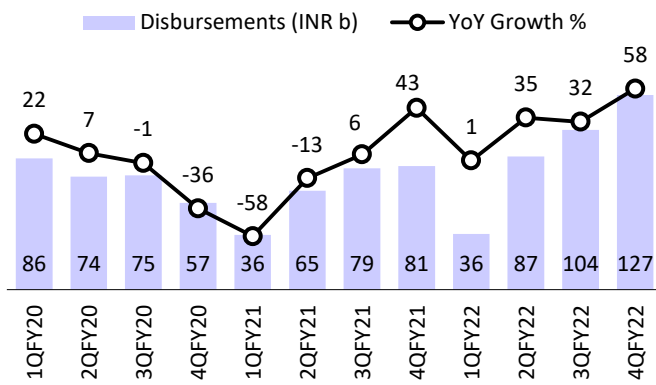
Buy

Strong disbursement volumes and healthy collection efficiency

Momentum in new product lines ahead of the management's guidance

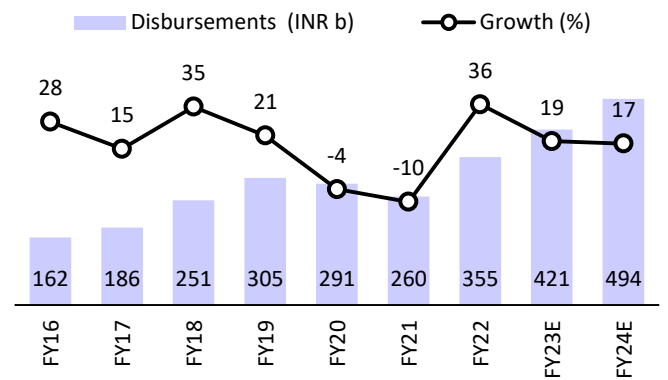
- Disbursements rose 58% YoY and 22% QoQ to INR127.2b in 4QFY22 (est. INR120b). CIFC reported a healthy (15% QoQ) growth in Vehicle Finance and strong disbursements (INR15.1b) in the new product lines (est. INR13b).
- Disbursements rose 36% YoY in FY22, led by 26%/53%/23% YoY growth in Vehicle/LAP/Home loans. It reported INR26.2b in disbursements in new product lines in FY22.
- Collection efficiency improved 18pps YoY to 138% in 4QFY22 (v/s 120% in 4QFY21). The management commentary suggests that this should lead to strengthening of asset quality. We believe the management has been conservative in provisioning and is well provided for. We estimate benign credit costs (~INR1.75b) in 4QFY22.
- Liquidity position normalized in 4QFY22, with INR55.8b of cash equivalents, INR18.2b of undrawn sanctioned lines, and total liquidity position of INR74b at the end of Mar'22. This normalization in its liquidity position suggests that the negative carry from excess liquidity will further reduce and translate in a further improvement (albeit minor) in spreads/margin.
- We have always felt very strongly about CIFC as a franchise, owing to its ability to play different credit cycles better than its peers. Time and again, we have reiterated the strength of this franchise. Strong disbursements in 4QFY22 and healthy collection efficiencies vindicate our stance that CIFC is among those few NBFCs which are best positioned to demonstrate high loan growth as well as pristine asset quality (COVID stress notwithstanding).
- CIFC is well-diversified across product segments as well as geographies. It has delivered the best asset quality among peers across credit cycles as well as in times when the external environment has been tough. We expect credit costs to moderate to 100-110bp (of average AUM), with 19% loan CAGR over the next two years.
- It can deliver 3% RoA and 20% RoE from FY23E onwards. The stock trades at 4.1x FY23E P/BV and 22x P/E. We maintain our **Buy** rating with a TP of INR850/share (for a potential upside of 24%).

Quarterly disbursements



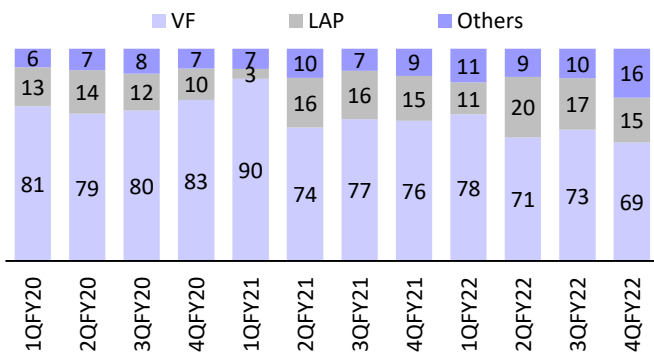
Source: MOFSL, Company

Yearly disbursements



Source: MOFSL, Company

Disbursement mix



Source: MOFSL, Company

Disbursement mix (quarterly, INR m)

Disbursements	4QFY21	3QFY22	4QFY22	YoY (%)	QoQ (%)
Vehicle Finance	61,530	76,470	87,850	43	15
LAP	11,910	17,630	18,700	57	6
Home loans	5,380	4,370	5,490	2	26
New business			15,140		
Others	1,890	5,830			
Total	80,710	1,04,300	1,27,180	58	22

Source: MOFSL, Company

Disbursement mix (yearly, INR m)

Disbursements (INR m)	FY22	FY21	YoY (%)
Vehicle Finance	2,54,390	2,02,490	26
LAP	55,360	36,270	53
Home loans	18,960	15,430	23
New business	26,180		
Others		6,240	
Total	3,54,890	2,60,430	36

Source: MOFSL, Company

Collection efficiency

Particulars	4QFY21	4QFY22	YoY (%)
Collection efficiency (%)	120%	138%	18pps

Source: MOFSL, Company

Liquidity position

Liquidity	3QFY22	4QFY22	QoQ (%)
Cash and cash equivalents (INR m)	63,175	55,750	-11.8
Undrawn sanctioned lines (INR m)	43,535	18,250	-58.1
Total liquidity position (INR m)	1,06,710	74,000	-30.7

Source: MOFSL, Company



BSE SENSEX 59,035 S&P CNX 17,640



Stock Info

Bloomberg	EPLL IN
Equity Shares (m)	316
M.Cap.(INRb)/(USDb)	57.8 / 0.8
52-Week Range (INR)	294 / 149
1, 6, 12 Rel. Per (%)	10/-23/-38
12M Avg Val (INR M)	95
Free float (%)	48.1

Financials Snapshot (INR b)

Y/E MARCH	2022E	2023E	2024E
Sales	34.8	38.4	41.6
EBITDA	5.8	7.1	8.3
Adj. PAT	2.1	3.0	3.8
EBITDA margin (%)	16.6	18.6	20.0
Cons. Adj. EPS (INR)	6.7	9.4	11.8
EPS Gr. (%)	-17.0	41.0	25.9
BV/Sh. (INR)	57.5	61.9	68.2

Ratios

Net D:E	0.1	0.1	-0.1
RoE (%)	12.0	15.7	18.2
RoCE (%)	11.4	15.0	18.0
Payout (%)	67.5	53.2	46.5

Valuations

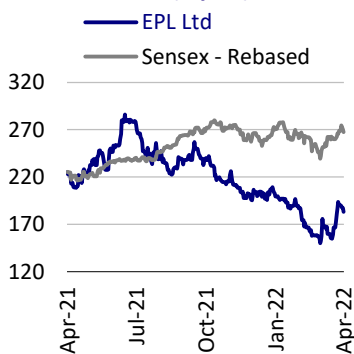
P/E (x)	27.5	19.5	15.5
EV/EBITDA (x)	10.5	8.3	6.9
Div. Yield (%)	2.5	2.7	3.0
FCF Yield (%)	3.6	5.0	7.1

Shareholding pattern (%)

As On	Dec-21	Sep-21	Dec-20
Promoter	51.9	51.9	52.0
DII	14.1	14.8	15.6
FII	15.0	14.7	13.8
Others	19.1	18.6	18.7

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR183 TP: INR250 (+37%) Buy

Unpacking sustainable growth despite interim hiccups

Price hikes and better demand to combat margin pressure

- We believe EPL with its new management under Blackstone is destined for long-term growth, driven by: a) growing revenue contribution from Personal Care products, b) a gradual shift to laminated tubes from plastic/aluminum tubes, c) a recovery in travel tube, with the lifting of travel restrictions across the globe, d) higher revenue sustainability owing to long-term contracts in the Oral Care segment, and e) customer additions across geographies as well as greater cross-selling opportunities.
- However, EPL has been witnessing margin pressures since the last five quarters, which is likely to continue in the next couple of quarters too due to volatility in raw material prices.
- We believe EPL deserves to trade at higher multiples than its peers owing to its better global presence, strong management and leadership position in the Oral Care segment. We value the stock at 21x FY24E EPS to arrive at our TP of INR250. We maintain our BUY rating on the stock.
- Key risks to our call: a) fluctuation in the key raw material price of polymer, a derivative of crude, which could pressurize margins; b) higher concentration risk as the top 10 clients contribute predominantly to its revenue; and c) slower growth in oral care could impact earnings adversely as the Oral Care segment dominates its revenue mix.

Near-term challenges likely on higher raw material costs

- EPL has been witnessing margin pressures since the previous five quarters mainly led by rising polymer prices, freight costs (3.0%/3.4% of FY20/FY21 sales) and power costs (2.6%/2.4% of FY20/FY21 sales). Freight costs increased 24% YoY to INR1,039m in FY21 due to shortage of shipping containers caused by the pandemic. Volatile raw material prices amid the geopolitical conflict and supply-side disruption led to a surge in LLDPE/HDPE prices by 69%/71% in the current quarter v/s the same quarter in the previous year. The raw material price volatility is likely to put EPL's margins under pressure in the near term.
- Polymer prices softened during Nov'21-Dec'21; however, prices surged ~25% over Dec'21-Mar'22 due to the third Covid wave. According to the management communication in the recent analyst meet, EPL has already taken two rounds of price hikes in recent quarters and is planning to take further hikes depending upon the directional shift in raw material prices.
- Although EPL enters into long-term contracts (of three to five years) with majority of its clients in the Oral Care segment (54% of its total sales in FY21 and ~80% of its oral care revenue originate from these long-term contracts), the company has been unable to pass on the extreme fluctuations in raw material prices and power costs to its clients. Of the overall revenue, EPL generates more than 50% sales through the long-term contracts.

Entry into the Brazilian market is likely to augment growth

- The global tubes market is dominated by the Personal Care tube segment with an estimated volume share of 62-64% (26-28b tubes) at present. Out of the 42b tube industry, Oral Care currently contributes ~16b to the total volume, followed by Beauty and Cosmetics at 14b, Pharmaceuticals at 10b and Food & others at 2b. EPL enjoys volume market share of 7-8% in the global Personal Care segment.
- The global tube market was valued at USD9.91b in 2020, which is projected to report a 6.2% CAGR to reach USD13b in 2026, according to a Grandview Research report. The laminated tube market constituted 44.8% of the global tube packaging market in 2020 (valued at ~USD4.4b).
- EPL currently commands a ~36% global market share in Oral Care and a 7-8% market share in Personal Care segments. EPL was able to maintain its leadership position and dominate about half of the Indian market in FY21. EPL single-handedly accounted for two-thirds of the overall domestic volumes in FY21.
- EPL is likely to add new clients from increasing conversion of plastic bottle/ aluminum tube to laminated tubes. In the past, EPL was able to convert a leading anti-fungal ointment brand to laminated tubes in the AMESA region.
- In line with its global vision, EPL has entered into the Brazilian market (market size of ~3.5b tubes – more than 8% of global laminated tube market) under the Oral Care segment with support from its anchor customers. EPL aims to win over the customers, which have shifted to local manufacturing companies, post-exit of Albea from the Brazilian market. Albea is the single largest unlisted global competitor to EPL, which was bought out by a PE firm in 2018. The company aims to expand in new geographies and capture share from the unorganized regional players.
- EPL also aims to expand through the inorganic route, wherein synergy benefits would lead to the addition of new customers, product categories, geographies, and/or technologies. In line with its objective, EPL completed the acquisition of Creative Stylo Packs Ltd in India in FY21.

New product launches and novel initiatives promise long-term growth

- EPL's Platina laminate portfolio is expanding fast, with new extensions such as Platina Pro, Platina Clear, Platina Shine, Platina Me, Platina PCR Max, and Platina Bio Max. Some of these laminates are now in advanced storage trials with global customers and are awaiting commercialization. EPL has received strong global recognition for these efforts and the portfolio has been qualified by the Association of Plastic Recyclers (APR) as the world's first 100% recyclable tubes, including shoulder and caps.
- EPL applied for several patents and it was granted 66 patents in FY21. EPL, in line with its objective to migrate to eco-friendly and 100% recyclable packaging, was successfully able to convince its leading brand partners – such as Vicco, Colgate-Palmolive, Unilever, GSK Consumer Health and Hela Gewürzwerk Hermann Laue GmbH – to use recyclable Platina Tubes in India for multiple segments such as Oral Care, Health & Beauty, and FMCG in FY21.
- During the pandemic, EPL introduced its line of 'hand sanitizer tubes' that fueled Personal Care product growth. Within a short span of time, EPL has become a leading global supplier of hand sanitizer tubes with large quantum of orders.

Earnings momentum to sustain; deserves to trade at premium multiples

- We expect EPL's earnings momentum to sustain, driven by: a) growing revenue contribution from Personal Care products, b) a gradual shift to laminated tubes from plastic/aluminum tubes, c) a recovery in travel tube, with the lifting of travel restrictions across the globe, d) higher revenue sustainability owing to long-term contracts in the Oral Care segment, and e) customer additions across geographies as well as greater cross-selling opportunities.
- EPL generated an FCF of INR7.7b over FY17-21. We forecast the company to generate an FCF of ~INR9.2b over FY22-24E, backed by increased profitability and prudent capital allocation.
- We expect a revenue/EBITDA/PAT CAGR of 10%/11%/14% over FY21-24, respectively. We believe EPL deserves to trade at higher multiples than its peers owing to its better global presence, strong management and leadership position in the Oral Care segment. We value the stock at 21x FY24E EPS to arrive at our TP of INR250. We retain our **BUY rating** on the stock.

Financials

CRISIL Ratings: Credit quality outlook 'Positive'

Banking loans to grow 11-12% YoY, GNPA's to moderate to 5.0-5.5% by FY23E

CRISIL Ratings hosted a webinar to discuss the credit quality trends for 2HFY22 and the outlook ahead. The discussion revolved around a range of topics including: a) credit quality trends across sectors, b) credit growth outlook for Banks/NBFCs, c) asset quality impact on Banks/NBFCs, and, d) headwinds due to the Russia-Ukraine crisis. Here are the key takeaways:

Credit quality trends improving; to witness some moderation over FY23E

- Credit ratio (i.e. number of upgrades to downgrades) improved to ~5.04x in 2HFY22 from ~2.96x in 1HFY22. The total number of upgrades to downgrades stood at 569:113 in 2HFY22. This was led by a sustained demand environment, resurgence in exports, push from Govt. on infrastructure spending and proactive policies to tide over the crisis.
- Further, upgrade rate increased to 15.4% in 2HFY22 from 12.5% in 1HFY22. However, the downgrade rate has moderated significantly to 3.1% (almost half of the past 10 half-year period average of 6.5%) from 4.2% in 1HFY22.
- According to CRISIL analysis, 36 of the 40 sectors (comprising 70% of CRISIL-rated debt) saw an overall improvement in credit outlook with 15 of them witnessing an improvement in both operating cash flows and balance sheet strength while 25 saw an improvement in either of them. None of the sectors experienced unfavorable trends in both operating cash flows and balance sheet strength.
- GDP is likely to grow at 8.9% for FY22E and 7.8% for FY23E. Inflation to remain high at 5.4% for FY23E due to slowing economies worldwide and headwinds from the Russia-Ukraine conflict that could result in further increase in commodity prices thus impacting the profitability and margins of various corporates going ahead.
- The credit quality outlook for corporates remains positive fueled by sustained improvement in demand and significant balance sheet deleveraging. Upgrades are likely to outnumber the downgrades in FY23E too. However, the credit ratio is likely to see moderation on higher inflation, headwinds from Russia-Ukraine war and reduction in cost savings from return to office and travel rebound.

Bank loans to grow in FY23E; GNPA's to moderate by FY23E

- CRISIL expects the banking loans to pick up and grow at 11-12% YoY in FY23 v/s 9-10% for FY22. This will be driven by a sharp turnaround in corporate credit growth due to incremental working capital requirement and pick-up in capex. Retail growth is likely to remain healthy in mid-teens. About 90% of the corporates have witnessed demand rebounding/surpassing the Pre-Covid levels.
- GNPA's are likely to moderate to 5.0-5.5% by FY23E from 7.3% in Mar'21, which will be aided by a fall in corporate NPAs and sale to NARCL (estimated to be INR900b in FY23). However, concerns remain on the MSME segment that can see a rise of 250bp in its GNPA level, particularly from the restructuring book.
- Among sectors, Corporate GNPA is likely to moderate to 3.2-3.4% by FY23E while Retail would moderate to ~2.3%. Agri GNPA's are likely to remain stable at

9.6-9.8% while MSME to see an increase to 13-14%. Further, restructured book for the system was at 2.5%, with Corporate at 1%, Retail at 3% and MSME at 6%.

- Overall, banks have become far more resilient due to improvement in asset quality, higher capital buffer and increase in profitability. FY22 profitability is likely to improve with an RoA of 0.9% - the highest in the past nine years, driven by a turnaround in public sector banks.

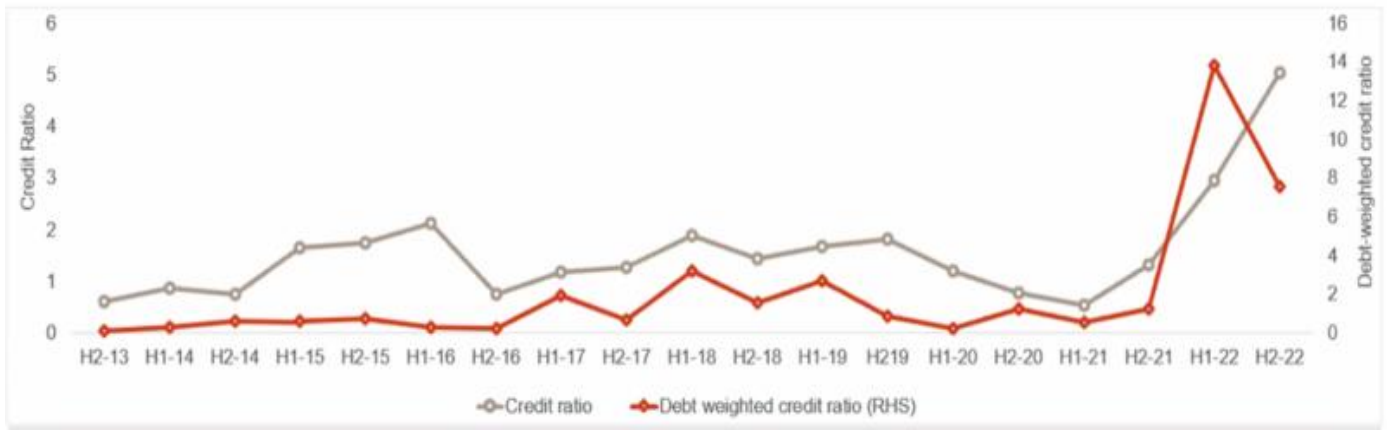
Loan growth of NBFCs to witness a gradual recovery in FY23E

- Growth in NBFC segment is likely to return as CRISIL expects loans from NBFCs to grow at 8-10% in FY23 v/s 2% in FY21 and 6-8% in FY22. This would be driven by home, vehicle and gold loan segments while growth in LAP and wholesale is likely to remain subdued. The share of top 5 NBFCs stood at 46% in FY21. Excluding the top 5, AUM would have witnessed a decline in FY21.
- Credit profiles for NBFCs have become much more resilient due to improvement in liquidity cover, higher capital raise and increased provisioning. Overall, only 3% of the NBFCs have liquidity cover of less than 1x v/s 23% in Apr'20.
- GNPA's witnessed a deterioration of ~150bp in Dec'21 largely due to the revised RBI circular. However, the same has been deferred that could result in a recovery. We expect GNPA to drop by ~150-200bp in the near term as 90+ day delinquency moderated to 5.3% (-30bp QoQ) in Dec'21.
- **Collection Efficiency within NBFCs across segments** in Mar'22 – Gold and Home Loan to be at ~100%, Vehicle at ~99% and MFI to be at ~98%.

Other highlights

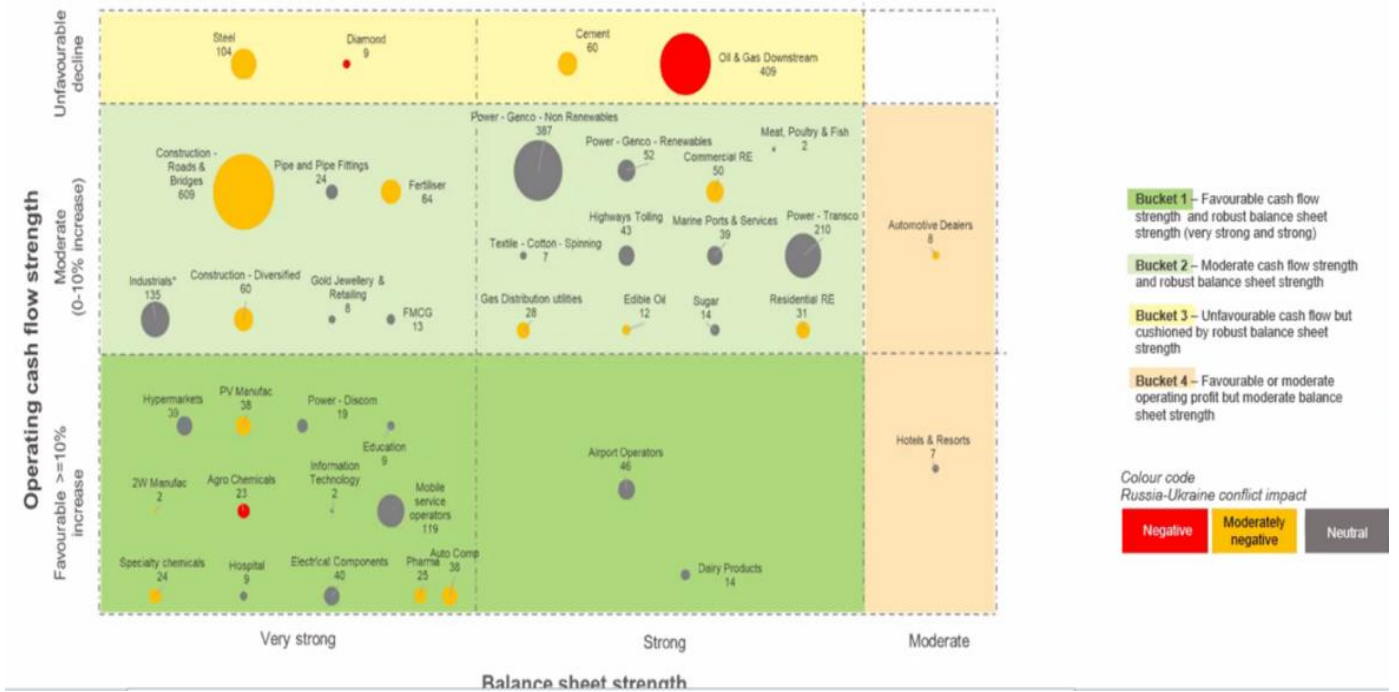
- Overall, corporates are likely to see operating profits growth of 15% over FY20-22. Upgraded companies to see a higher growth of 41% during similar period.
- Exports are at an all-time high due to a sharp rise in consumption across key trading partners.
- Gross fixed capital formation too increased to 15% despite muted private capex.
- Median gearing ratio to decline to 0.55x by FY22 from 1.0x about 4-5 years back. Interest coverage ratio too improved to 4.14 in FY22.
- Strong equity issuances were observed which strengthened the balance sheet across corporates.
- Oil & Gas, Diamond and Agro chemicals to see the highest negative impact due to the Russia-Ukraine war, while Pharma to see a moderately negative impact.

Credit ratio scales up to 5.04x in 2HFY22



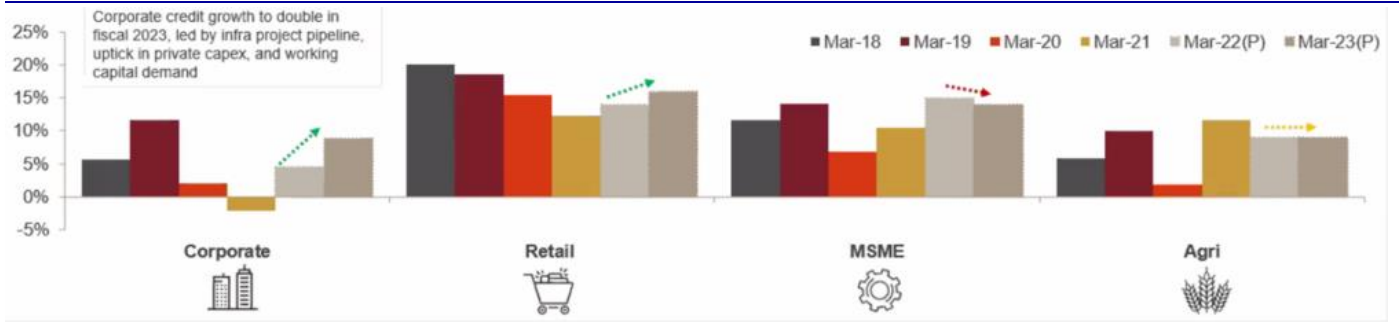
Note: Debt weighted credit ratio is defined as the ratio of debt in the books of firms that were upgraded to debt in the books of firms that were downgraded Source: CRISIL

Stressed assets to increase to ~10-11% of loans



Note: Size of the bubble indicates rated debt quantum (figures INR'000cr) Source: RBI, CRISIL estimates

Trends in segment wise loan growth



Source: CRISIL

Segmental trends in GNPA



Source: CRISIL



Fortis Healthcare: Medical tourism to surpass pre-COVID levels soon; focusing on diagnostic business; Ashutosh Raghuvanshi, MD & CEO

- Hospital charges on consumables and medicines have been on MRP
- Investigation by CCI was initiated in 2015. Not received any communication from the CCI post 2019
- Q4 numbers were impacted in January due to Omicron. Saw normalisation in operations in March
- Government payables remains a challenge from time to time. Have seen better release of payments from Government bodies in last 1-2 months
- Focusing on optimising lab network when it comes to the diagnostic business
- SRL is a pan India player, looking at opportunities in different geographies
- Up to SC to come up with a verdict on the open offer. Not received any notice with regard to the US fund's lawsuit

[➔ Read More](#)

Sharda Cropchem: EBITDA margin to be in the range of 20% or more; RV Bubna, Chairman & MD

- Expect volume growth of 15-20% in the next couple of years
- EBITDA margin to be in the range of 20% or more
- Most of the raw materials come from China
- Have gained market share

[➔ Read More](#)



Index	1 Day (%)	1M (%)	12M (%)
Sensex	-1.0	11.7	18.9
Nifty-50	-0.9	11.2	19.0
Nifty Next 50	-0.3	12.5	22.0
Nifty 100	-0.9	11.4	19.7
Nifty 200	-0.9	11.9	20.6
Company	1 Day (%)	1M (%)	12M (%)
Automobiles	-0.8	14.1	8.9
Amara Raja Batt.	-0.6	4.2	-31.7
Apollo Tyres	-0.2	13.6	-12.7
Ashok Leyland	1.1	27.0	7.9
Bajaj Auto	0.0	17.7	3.2
Balkrishna Inds	-1.3	13.2	22.5
Bharat Forge	0.2	19.0	19.1
Bosch	-0.1	5.8	2.8
CEAT	-2.6	-0.9	-35.9
Eicher Motors	0.2	10.9	0.0
Endurance Tech.	1.3	3.4	-14.7
Escorts	-9.3	-4.7	38.2
Exide Inds.	0.8	13.2	-13.6
Hero Motocorp	0.2	6.8	-20.1
M & M	0.8	21.1	4.8
Mahindra CIE	0.7	7.9	17.4
Maruti Suzuki	-1.4	12.8	11.3
MRF	-0.6	1.6	-19.7
Sona BLW Precis.	-2.7	13.2	
Motherson Sumi	-1.8	10.4	-22.4
Tata Motors	-1.5	14.0	46.0
TVS Motor Co.	-1.6	20.4	11.9
Banks-Private	-0.2	14.0	7.4
AU Small Fin. Bank	1.9	27.9	10.5
Axis Bank	2.4	18.7	15.1
Bandhan Bank	0.2	24.3	-9.8
DCB Bank	13.5	28.2	-11.4
Equitas Holdings	-1.6	12.4	38.1
Federal Bank	-1.0	12.5	24.6
HDFC Bank	-2.2	14.6	4.8
ICICI Bank	1.1	14.8	29.7
IndusInd Bank	0.5	16.6	2.9
Kotak Mah. Bank	-0.7	3.1	-1.4
RBL Bank	-1.9	12.7	-36.6
SBI Cards	0.3	17.3	-12.3
Banks-PSU	-0.4	18.7	35.0
BOB	-0.5	28.6	60.9
Canara Bank	-0.5	22.9	64.9
Indian Bank	0.9	27.9	47.0
Punjab Natl.Bank	-0.5	9.7	-0.4
St Bk of India	0.2	17.0	43.7
Union Bank (I)	-1.5	13.2	17.0
Company	1 Day (%)	1M (%)	12M (%)
NBFCs	-0.7	14.2	12.8
Angel Broking	0.4	33.6	467.3
Aditya Birla Capital Ltd	-0.8	14.2	-11.8
Bajaj Fin.	-0.6	19.1	43.6
Cholaman.Inv.&Fn	-2.3	13.3	18.9
Can Fin Homes	2.4	23.5	18.2
H D F C	-2.9	16.1	-0.8
Indostar Capital	-5.0	6.8	-29.2
L&T Fin.Holdings	-2.0	43.8	-13.1

Note: Sectoral performance are of NSE/BSE Indices

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	-0.8	12.1	21.8
Nifty Midcap 100	-1.0	15.1	27.0
Nifty Smallcap 100	-0.3	13.6	29.0
Nifty Midcap 150	-0.9	14.2	26.0
Nifty Smallcap 250	-0.4	14.7	37.9
LIC Housing Fin.	1.6	19.0	-6.1
M & M Fin. Serv.	0.6	29.9	-14.2
Muthoot Finance	-0.4	0.7	12.8
Manappuram Fin.	0.6	7.9	-21.2
MAS Financial Serv.	-4.2	8.1	-26.4
ICICI Sec	-1.8	6.1	60.1
IIFL Wealth Mgt	1.2	19.0	39.0
PNB Housing	1.5	-2.8	7.9
Repc Home Fin	0.7	9.3	-40.1
Shri.City Union.	-0.2	17.0	16.8
Shriram Trans.	0.4	14.8	-21.1
Insurance			
HDFC Life Insur.	0.5	11.0	-20.2
ICICI Pru Life	1.0	16.6	14.4
Max Financial	0.5	0.3	-12.2
SBI Life Insuran	0.2	7.8	20.8
Star Health Insu	-1.2	19.9	
Capital Goods	-0.4	11.3	35.4
A B B	-0.9	4.1	59.2
Bharat Electron	6.5	9.2	78.4
B H E L	-0.4	16.0	13.0
Cummins India	-0.6	17.6	25.3
Engineers India	0.0	7.1	-9.8
K E C Intl.	-1.7	-4.5	-7.9
L&T	-1.4	11.7	30.1
Siemens	0.4	11.2	37.9
Thermax	-2.9	11.4	40.2
Consumer Durables	-2.0	6.5	32.5
Blue Star	1.0	14.7	27.6
CG Cons. Elec.	-1.5	0.0	-3.2
Havells	-0.1	16.6	18.1
Voltas	-1.6	13.4	30.2
Whirlpool India	0.7	3.0	-24.2
Orient Electric	-1.0	8.7	14.7
Chemicals			
Alkyl Amines	-1.4	17.8	34.4
Atul	0.6	16.2	26.7
Clean Science	-0.6	5.4	
Deepak Nitrite	-0.1	27.0	37.0
Fine Organic	0.1	7.7	74.8
Galaxy Surfact.	1.0	12.8	21.2
Navin Fluo.Intl.	-1.7	14.7	35.8
NOCIL	-1.1	21.6	30.2
Vinati Organics	-1.0	5.2	23.8
Cement	-0.9	12.3	31.0
Ambuja Cem.	1.5	15.7	5.5
ACC	-0.3	9.6	11.6
Birla Corp.	-0.1	8.9	17.1
Dalmia Bhar.	-0.4	19.3	2.6
Grasim Inds.	-1.0	16.4	17.0
India Cem	-0.4	19.7	28.9
J K Cements	1.3	17.6	-5.8
JK Lakshmi Ce	-1.5	13.0	6.6



Company	1 Day (%)	1M (%)	12M (%)
Ramco Cem	0.6	16.0	-22.2
Shree Cem	0.1	12.6	-18.2
Ultratech	0.0	18.2	-0.3
Consumer	-0.1	11.6	7.8
Asian Paints	0.0	16.5	20.1
Britannia	0.3	4.4	-13.5
Colgate-Palm.	-0.3	13.2	2.2
Dabur	1.8	8.9	-0.4
Emami	0.6	0.5	-9.9
Godrej Cons.	3.8	17.6	5.7
HUL	1.1	11.4	-9.9
ITC	-1.1	14.1	20.0
Indigo Paints	0.4	6.2	-32.8
Jyothy Lab	0.9	8.5	6.1
Marico	-1.8	6.2	25.5
Nestle	-0.2	4.8	4.3
Page Inds	-0.7	10.6	47.9
Pidilite Ind.	-1.5	15.1	31.9
P&G Hygiene	0.2	2.8	12.4
Tata Consumer	-0.6	22.0	21.0
United Brew	1.1	20.4	38.8
United Spirits	-2.6	16.0	66.2
Varun Beverages	-1.4	6.4	43.1
Healthcare	0.4	10.1	9.5
Alembic Phar	1.9	9.0	-20.4
Alkem Lab	0.4	7.1	28.4
Apollo Hospitals	0.6	-2.7	46.6
Ajanta Pharma	-0.5	1.7	0.9
Aurobindo	-0.7	14.8	-22.8
Biocon	0.7	6.9	-14.9
Zydus Lifesci.	-0.1	8.0	-19.9
Cipla	0.8	10.2	23.4
Divis Lab	1.3	9.1	20.2
Dr Reddy's	1.0	14.5	-8.0
ERIS Lifescience	-2.6	8.8	23.0
Gland Pharma	-1.5	2.9	31.2
Glenmark	0.2	9.3	-5.5
GSK Pharma	-0.4	7.5	13.6
Granules	-1.5	9.3	-5.6
IPCA Labs	-2.0	2.9	-1.2
Jubilant Pharmo	-2.4	14.5	-34.2
Laurus Labs	-0.9	13.6	42.8
Lupin	1.5	12.0	-24.2
Solara Active	7.7	17.5	-40.1
Strides Pharma	-0.1	18.6	-54.5
Sun Pharma	0.3	13.1	49.9
Torrent Pharma	0.6	2.3	6.7
Infrastructure	-1.3	12.5	24.4
Ashoka Buildcon	-1.2	7.6	-3.6
G R Infraproject	0.7	24.7	
IRB Infra.Devl.	-3.0	19.7	129.8
KNR Construct.	-0.4	-0.2	32.7
Logistics			
Blue Dart Exp.	-2.8	16.2	19.7
Container Corpn.			
TCl Express	2.8	9.3	117.9
Mahindra Logis.	-1.4	27.1	-3.2
Transport Corp.	3.8	24.9	157.9
VRL Logistics	1.8	14.9	116.1

Company	1 Day (%)	1M (%)	12M (%)
Media	-1.3	20.6	55.7
PVR	-0.5	26.3	65.9
Sun TV	-0.2	13.6	4.2
Zee Ent.	-2.1	19.8	42.0
Metals	-1.7	7.9	53.0
Hindalco	-1.1	-7.3	63.2
Hind. Zinc	1.2	5.5	9.6
JSPL	-2.0	24.1	41.5
JSW Steel	-1.3	14.2	29.5
Nalco	-4.2	-2.0	110.7
NMDC	-1.0	11.5	22.2
SAIL	-1.3	11.2	21.4
Tata Steel	-1.6	4.5	54.3
Vedanta	-1.7	9.9	79.6
Oil & Gas	-2.6	8.8	29.9
Aegis Logistics	3.3	17.1	-21.7
BPCL	-1.3	12.6	-11.1
Castrol India	0.9	-1.6	-14.5
GAIL	-0.9	-0.6	15.9
Gujarat Gas	-1.3	4.2	-4.0
Gujarat St. Pet.	1.2	8.4	4.4
HPCL	-1.7	3.5	21.1
IOC	-2.0	9.9	33.2
IGL	0.4	13.5	-24.0
Mahanagar Gas	-0.1	14.8	-27.0
MRPL	-0.4	20.3	28.6
Oil India	0.3	-4.6	92.1
ONGC	-2.3	-9.8	61.3
PLNG	0.0	-8.2	-13.3
Reliance Ind.	-1.8	14.8	28.4
Real Estate	0.0	20.4	43.0
DLF	0.8	27.8	41.7
Godrej Propert.	-1.0	21.1	21.6
Macrotech Devel.	0.0	17.3	
Oberoi Realty Ltd	-0.8	23.2	70.7
Retail			
Aditya Bir. Fas.	-1.4	19.0	62.2
Avenue Super.	1.3	4.2	43.9
Barbeque-Nation	0.8	0.1	101.6
Devyani Intl.	-2.3	13.2	
Jubilant Food	-0.8	7.6	-4.2
Restaurant Brand	-2.8	8.4	-15.3
Shoppers St.	-3.0	34.6	127.7
Titan Co.	-3.2	2.9	62.4
Trent	-1.6	22.8	81.1
V-Mart Retail	-1.5	4.6	29.4
Westlife Develop	-0.3	8.6	14.9
Technology	-1.2	3.8	32.0
Cyient	-1.8	-0.7	32.3
HCL Tech.	0.2	1.7	13.1
Infosys	-0.9	4.1	26.7
L&T Infotech	-1.9	0.0	44.6
L&T Technology	-3.1	8.1	75.0
Mindtree	-1.6	10.7	96.6
Mphasis	-1.0	1.3	83.0
Coforge	-1.7	-7.0	41.4
Persistent Sys	-3.3	13.9	140.4
TCS	-1.9	5.7	12.7
Tech Mah	0.6	3.1	46.4



Company	1 Day (%)	1M (%)	12M (%)
Wipro	-2.1	1.6	32.6
Zensar Tech	0.0	14.0	40.4
Telecom	-0.4	18.5	42.5
Bharti Airtel	-1.6	12.9	43.5
Indus Towers	0.7	9.8	-13.3
Idea Cellular	0.9	13.9	11.7
Tata Comm	4.6	17.3	18.7
Utilities	-1.5	16.9	75.4
Coal India	-1.6	1.1	45.3
NTPC	0.3	18.1	45.6
Power Grid Corpn	-2.2	8.6	46.4
Others			
APL Apollo Tubes	-3.7	17.5	56.8
BSE	-1.8	29.9	340.6
Coromandel Intl	-1.3	7.9	10.1
Concor	-3.7	19.5	17.6
EPL Ltd	-2.2	22.0	-18.6
Indiamart Inter.	-2.9	20.4	-39.6
Godrej Agrovet	-1.6	10.8	3.0
Indian Hotels	-0.3	32.3	132.2
Interglobe	0.0	22.4	23.8
Info Edge	1.9	12.4	2.6
Kaveri Seed	-2.1	18.9	9.9
Lemon Tree Hotel	-0.8	23.5	84.8
MCX	-0.5	16.5	-1.5
Piramal Enterp.	3.8	24.8	32.0
PI Inds.	-1.2	18.9	18.0
Qess Corp	2.4	25.5	5.9
SIS	-1.3	16.8	26.1
SRF	0.0	24.5	117.0
Tata Chemicals	-2.0	15.5	20.8
Team Lease Serv.	-2.9	-1.7	6.9
Trident	-1.2	14.4	300.9
UPL	-0.3	9.5	22.6

NOTES

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOFSL is a subsidiary company of Passionate Investment Management Pvt. Ltd., (PIMPL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRIL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

MOFSL, its associates, Research Analyst or their relative may have any financial interest in the subject company. MOFSL and/or its associates and/or Research Analyst may have actual/beneficial ownership of 1% or more securities in the subject company in the past 12 months. MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the past 12 months. MOFSL and/or its associates may have received any compensation from the subject company in the past 12 months.

In the past 12 months ,MOFSL or any of its associates may have:

- a) managed or co-managed public offering of securities from subject company of this research report,
- b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
- d) Subject Company may have been a client of MOFSL or its associates in the past 12 months.

MOFSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. To enhance transparency, MOFSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, it does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures. Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, it does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement	Companies where there is interest
Analyst ownership of the stock	No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal Capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Financial Services Limited(SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.:

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered/qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore:

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co.Reg. No. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore, as per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisors Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Disclaimer: The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 71934200/ 022-71934263; Website www.motilaloswal.com.
CIN No.: L67190MH2005PLC153397. Correspondence Office Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad(West), Mumbai- 400 064. Tel No: 022 7188 1000.

Registration Nos.: Motilal Oswal Financial Services Limited (MOFSL)’: INZ000158836(BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN - 146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579 ;PMS:INP000006712. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670); PMS and Mutual Funds are offered through MOAMC which is group company of MOFSL. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) is offered through MOWML, which is a group company of MOFSL. Motilal Oswal Financial Services Limited is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance Products and IPOs. Real Estate is offered through Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. which is a group company of MOFSL. Private Equity is offered through Motilal Oswal Private Equity Investment Advisors Pvt. Ltd which is a group company of MOFSL. Research & Advisory services is backed by proper research. Please read the Risk Disclosure Document prescribed by the Stock Exchanges carefully before investing. There is no assurance or guarantee of the returns. Investment in securities market is subject to market risk, read all the related documents carefully before investing. Details of Compliance Officer: Name: Neeraj Agarwal, Email ID: na@motilaloswal.com, Contact No.:022-71881085.

* MOSL has been amalgamated with Motilal Oswal Financial Services Limited (MOFSL) w.e.f August 21, 2018 pursuant to order dated July 30, 2018 issued by Hon'ble National Company Law Tribunal, Mumbai Bench.