

## JM FINANCIAL RESEARCH

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Top Gainers/Losers*		Turnover spurt over 5 days avg.			BSE Sectoral & Broad Indices			
Gainers	%Chg	Company	Val-rn	%Chg	Sector	Close	%Chg	%YTD
L&T Infotech L	6.7	Reliance Inds	85.43	14.3	Auto	16,490	-0.5	-12.0
Jindal Steel &	5.5	Icici Bank Ltd	28.07	4.7	Bankex	24,599	-3.6	-32.5
Future Retail	5.0	Bajaj Finance	23.59	3.9	FMCG	11,445	-0.7	0.0
Muthoot Financ	4.6	Hdfc Bank Ltd	21.37	3.6	Cap.Goods	12,735	-0.7	-24.9
Icici Prudenti	4.0	Infosys Ltd	16.32	2.7	IT	18,251	2.4	15.0
Asian Paints L	3.9	Asian Paints L	11.79	2.0	Metal	7,826	0.4	-27.1
Supreme Inds L	3.4	Kotak Mahindra	10.51	1.8	Oil & Gas	13,174	0.1	-7.1
<b>Losers</b>	<b>%Chg</b>	<b>5 Day Movement</b>	<b>Price</b>	<b>%Chg</b>	Power	1,539	-0.9	-20.0
Icici Bank Ltd	-6.1	Edelweiss Fin	78	15.1	Realty	1,576	-1.7	-32.6
Rec Ltd	-5.3	Au Small Finan	774	12.7	Healthcare	18,285	-1.5	25.3
Interglobe Avi	-4.8	Reliance Inds	2,156	12.3	PSU	4,919	-1.2	-28.1
Trent Ltd	-4.7	Mphasis Ltd	1,129	12.1	BSE100	11,159	-0.6	-8.8
Motilal Oswal	-4.7	Muthoot Financ	1,362	10.8	BSE200	4,653	-0.6	-8.5
Edelweiss Fin	-4.4	Power Grid Cor	181	10.6	BSE500	14,346	-0.7	-8.6

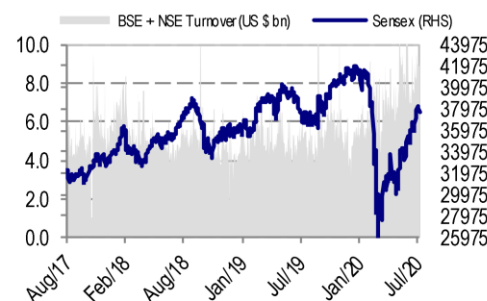
Note: \*From BSE200

JM Financial Institutional Securities Limited

#### World Indices

	Close	% Change	
		Daily	YTD
BSE Sensex	37,607	-0.5	-8.0
NSE 50 Nifty	11,073	-0.6	-8.5
CNX Midcap	15,471	-1.3	-10.4
S & P	3,216	-0.6	-0.5
FTSE 100	6,111	-0.2	-19.0
Nasdaq	10,457	0.9	16.5
Hang Seng	24,603	-0.4	-12.7
Shanghai Comp	3,205	0.3	5.1

#### Sensex and Total Turnover (US\$ bn)



#### Net Institutional Flows (US\$ bn)

Cash		FI		MF	
24-07-20	517.3	23-07-20	-76.1		
MTD	1094.9	MTD	-1028.9		
YTD	-1346.6	YTD	3257.9		
Derivatives					
FI		Index		Stocks	
24-07-20	-159.9				-161.7
MTD	283.2				-802.1

#### Turn over (US\$ bn)

	BSE	%Chg	NSE	%Chg
Cash	0.5	-9.9	7.5	-11.0
F&O	NA	NA	176.6	14.4

JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

[India Strategy | 1QFY21: Continued focus on cost reduction](#)**Strategy Update**

For the 81 companies under our coverage that have reported earnings, PAT declined 26% YoY in-line with our expectations, with only few sectors namely, chemicals, financials (banks), pharma and IT (barring TCS) still managing to record an increase in PAT during the quarter. Among sectors, cement, chemicals, metals, pharma, mid-caps incl. building materials surprised positively on PAT performance as compared to our expectations, while financials (due to Covid-19 led provisioning), infrastructure, industrials reported PAT lower than expectations. Impacted by lower economic activity on account of Covid-19 led lock-down, overall sales declined by 30% YoY in-line with our muted expectations and sales de-growth was reported across sectors barring pharma, IT and financials. Airlines, real-estate, auto, energy, industrials reported sharpest YoY sales declines among sectors. As we have been highlighting in our earlier notes, cost containment and deferral of spending has been the broad theme in 1QFY21 and as a result, EBITDA de-growth was limited to 11% YoY, and was better than JMFe of -14% YoY. Cement, chemicals, IT, oil & gas and pharma in particular reported expansion of EBITDA margins during the quarter. The beats-to-missed (BTM) ratio has improved sequentially and at 1.03x in 1QFY21 was up from 0.75x of the past two quarters and 0.9x over the past six quarters. The focus of the quarter was clearly on cost and cash preservation and is likely to be a key theme for the rest of FY21 as well. Of the 81 companies, we find 1/3rd of the companies have reduced salaries/deferred bonus and 1/6th have reduced manower (Exhibit 9). Lack of demand visibility is driving 1/3rd of companies to reduce/defer their capex and almost 1/5th of companies have re-negotiated their rental leases. Barring staples & chemicals which have seen near normalisation of operations, most of the companies across sectors are focused on aggressive cost reduction initiatives over the next few quarters (Exhibit 10). Our estimates build in FY21/FY22 NIFTY EPS of INR439/619 (-7%/+41% YoY). The risk-reward is not favorable at 20.4x NTM PE given the uncertainty on post Covid-19 recovery and we would remain cautious and would recommend trim at every rise.

[India Economics | The Centre cannot compensate for states' countercyclical role](#)**Economics Update**

The Centre's fiscal deficit touched 83% of the budget estimate (BE) in 1QFY21 vs. 61% during the same time last year. This was driven by the 47% YoY contraction in receipts against +13% YoY growth in expenditure. Notwithstanding the halving of realisation rate in receipts: 7% of BE in 1QFY21 vs. 14% of BE last year, the Centre maintained expenditure rate at par with last year, i.e. at 27% of BE. (1) Capex growth stood at a robust 40%YoY and almost c.21% of the budgeted capex has been spent mainly towards roads, railways and food distribution. (2) Rural spending (16% share in total) expanded 110% YoY. The Centre has also been mindful of states' cash crunch and has transferred c.50% of the gross tax collections to states in 1QFY21 vs. the budgeted devolution ratio of 32% (although still contracting 10%YoY). However, our estimates suggest that GST compensation to states for FY21 has not begun yet because by Jul'20 end, the GST cess kitty was depleted on account of- i) pending dues for FY20, and ii) widening gap between collections and assured compensation according to the GST Act. GST collections in Jul'20 continued to exhibit weakness and stood at INR 874bn, declining- i) 14% YoY, and ii) 4% MoM. Nevertheless, we note a sequential improvement in the YoY growth of import GST which possibly hints at import recovery in Jul'20. Overall, we estimate the combined Centre+ states fiscal deficit-to-GDP ratio at 12.1% in FY21. But this could be lower – i) if no solution is arrived at for compensating states for GST losses (c.40% of their own tax revenues), and ii) conditions on states' additional borrowing (up to 5% of GSDP) are not relaxed. This is because states which are unable to manage receipts shortfall are likely to engage in significant expenditure cuts, threatening the countercyclical role of states that engage in 60% of total govt. spending.

[State Bank of India | Moratorium reduces sharply](#)**Result Update**

BUY

INR 230

SBIN reported a PAT of INR 41.9bn (12% above JMFe) aided by INR 15.4bn gain on stake sale in SBI Life. Provisions were elevated at 2.3% of loans (annualised) due to a) provision of INR 52.3bn on HFC account classified as fraud in 4Q (now 100% provided) and b) additional covid provision of INR 18.4bn. SBIN's moratorium levels declined to 9.5% of term loans (representing loans

**Key Statistics**

	% Change		
	Close	Daily	YTD
US\$/Inr*	75	0.0	-4.6
US\$/Euro	1	0.7	4.7
US\$/Yen	105	0.7	3.1
10 yr G-Sec(%)	6	0.0	-12.7
Call rate (%)	4	-5.4	-33.3
Brent-spot (US\$/bbi)	43	-1.0	-36.0
Gold (US\$)	1,938	1.9	27.7
Aluminum(LME,US\$/t)	1,663	-0.1	-6.6
Copper(LME,US\$/t)	6,430	-2.1	4.6
Zinc(LME,US\$/t)	2,214	-1.0	-2.9
Steel(US\$/t)	3,920	-1.0	0.0

\*+/- chg reflects \$appreciation/depreciation

**Top Sensex Movers**

Company	c.85% of Sensex wt.			
	Price	Cont	Daily	YTD
Reliance Inds	2,156	39.0	0.5	43.8
Hdfc Bank Ltd	1,080	-174.8	-3.5	-15.1
Infosys Ltd	948	98.8	2.8	29.7
Housing Dev Fin	1,851	20.9	0.5	-23.3
Hindustan Unilev	2,222	16.3	0.6	15.5
Tata Consultancy	2,207	53.3	2.3	2.1
Icici Bank Ltd	359	-131.8	-6.1	-33.5
Kotak Mahindra	1,323	-34.7	-2.0	-21.5
Itc Ltd	196	-22.6	-1.7	-17.4
Bharti Airtel	559	2.0	0.0	22.7
Asian Paints Ltd	1,778	46.8	3.9	-0.4
Axis Bank Ltd	432	-33.4	-3.2	-42.8
Larsen & Toubro	904	0.8	-0.1	-30.4
Maruti Suzuki In	6,043	7.8	0.7	-18.0
Hcl Tech Ltd	701	25.7	3.1	23.4

**Top Turnover (NSE+BSE)**

Company	% of total turnover	
	INR Bn	%
Reliance Inds	85.4	14.3
Icici Bank Ltd	28.1	4.7
Bajaj Finance Lt	23.6	3.9
Hdfc Bank Ltd	21.4	3.6
Infosys Ltd	16.3	2.7
Asian Paints Ltd	11.8	2.0
Kotak Mahindra	10.5	1.8
State Bank Ind	10.0	1.7
Axis Bank Ltd	9.8	1.6
Tata Consultancy	9.6	1.6
Bharat Petrol	9.5	1.6
Hcl Tech Ltd	8.2	1.4
Tech Mahindra Lt	8.0	1.3
Housing Dev Fin	7.0	1.2
Indusind Bank	6.5	1.1

**Future OI gainers**

Company	% of total turnover	
	Vol (mn)	%Chg
<b>Future OI gainers</b>		
Vodafone Idea Ltd	209.9	70.0
Cholamandalam Investment And	7.6	64.5
Godrej Properties Ltd	0.4	46.9
Torrent Pharmaceuticals Ltd	2.2	26.9
<b>Future OI losers</b>		
Rbl Bank Ltd	14.8	-2.5
Acc Ltd	2.4	-2.0
Ramco Cements Ltd/The	1.4	-1.6
Havells India Ltd	5.7	-1.3
<b>MW Position</b>		
Vodafone Idea Ltd	232.1	26.4
Tata Motors Ltd	66.3	45.5
Ntpc Ltd	55.4	5.9
Vedanta Ltd	49.9	59.4

#Contribution to Change in Sensex, MWPL – Market wide position limit, \*\* One day prior data

where less than 2 EMIs are repaid) as of Jun-20 vs. 23% as of May-20 in line with peer large private banks. GNPLs/NNPLs (aided by lower slippages of 0.7% during the quarter) improved to 5.44%/1.86% (-72bps/-37bps QoQ) with PCR at 67.1% (+186bps QoQ). SBI's liability franchise remains unparalleled (CASA ratio of 45.3%) and recent deposit rate cuts cushioned NIMs (3.0%, +4bps QoQ) against downward pressures due to excess liquidity. While the stock has rallied 27% from recent lows, SBI's core-bank valuations (at 0.4x FY22E adj. BVPS) are still close to their lowest ever levels and provide an attractive entry point for long term investors. Maintain BUY with a revised TP of INR 230 valuing the core banking business at undemanding 0.5x FY22E BVPS.

### Sun Pharma | Yet another chance to own a high-quality franchise

**Result Update**                      **BUY**                      **INR 640**

Sun Pharma reported a strong margin performance in 1QFY21 with the reported EBITDA margin being the highest in 6 quarters. Revenue/EBITDA of INR 75853 mn/ 18435 mn were -9%/-8% YoY and were +16%/+95% vs our estimates. Sun reported a loss of INR 16556 mn on account of exceptional items (INR 36333 mn) including settlement charges for the generic drug price-fixing litigation involving Taro and provision for the on going civil anti-trust lawsuit. EBITDA margin improved by 47 bps YoY to 24.3% (JMFe: 14.5%) primarily on the back of a sharp expansion in Gross Margin (74%, +338 bps YoY) and lower promotional spend. Domestic revenue grew by 3% YoY (15% beat) aided by steady double-digit growth in key chronic therapies. US revenue (-28% YoY) was broadly in line despite a weak Taro print. Global specialty revenue (USD 78 mn) declined by 38% sequentially (-17% YoY) owing to the impact of Covid-related disruptions on prescription generation in Levulan and Ilumya. EM (30% beat), RoW (18% beat) and API (60% beat) segments outperformed significantly. Sun's robust operating performance, which comes in the wake of strong results reported by peers, reinforces multiple sectoral tailwinds including larger players in IPM being relatively shielded from the current disruption and growing faster than the market, increasing traction in RoW markets and strong API growth momentum. The balance sheet continues to strengthen with debt reduction of c. USD 200 mn during the quarter. Structural overhangs including the generic drug price-fixing lawsuit and the SEBI probe now seem to be getting behind the company. We see multiple drivers of near-term earnings momentum including an uptick in specialty sales post normalization of the Covid situation, strong domestic cash flows and a bottoming out of the core US generics business. With Sun having underperformed the Nifty Pharma Index by c.15% YTD, we believe that the leader cannot be left behind in a sectoral rally. All the above factors call for a perfect bottom in place for the stock price in absolute terms as well as with respect to the trading multiple. The peak multiple (c.28x in FY15) has now compressed to c.18x FY22E EPS. With the earnings momentum changing direction decisively, there is no case for Sun Pharma to trade below peers. While the sectoral trading ranges have moved to 1SD above the 10-year mean, we believe that there is a big catch up waiting to happen for Sun Pharma. We revise our FY21/22E EPS by +22%/+15%. Maintain BUY with a revised Mar'21 TP of INR 640.

### Tata Motors | Beat on margins; cost reduction efforts lead the charge

**Result Update**                      **BUY**                      **INR 125**

In 1QFY21, Tata Motors reported a consol. EBITDAM of 5.4% (-75bps YoY, -45bps QoQ), 600bps above JMFe. Consol. EBITDAM was supported by strong performance at JLR. EBITDA margin of JLR stood at 3.5% (-70bps YoY, -125bps QoQ) driven by higher realisation, favourable mix (New Defender, Lower UK share) and lower variable marketing expense (discounts) and employee expense (furlough benefit). Response to JLR's new Defender was strong and its share of overall JLR wholesales stood at c.12%. Inventory at JLR retailers has started to correct from high levels (de-stocking by Sep'20) and the management anticipates positive growth during 2HFY21. While ASP might moderate going ahead as share of other models and UK increases, Charge+ savings target of GBP1.3bn in remaining part of FY21 should support margins. In the domestic market, due to BS6 transition and simultaneous impact from COVID-19, TTMT standalone margin declined from negative 4.4% in 4QFY20 to negative 26.2%. Recovery in standalone business stays contingent upon economic recovery as COVID-19 situation normalises, ability to plough back PV market share and scrappage policy. We estimate revenue CAGR and margin expansion of 8%/260bps over FY20-22. Maintain BUY with revised Mar'21 TP of INR125 (standalone/JLR business valued at 8x / 2x EV/EBIDTA).

### UPL Ltd | 1QFY21 : Lower Raw Material Costs drive PAT beat

**Result Update**                      **BUY**                      **INR 525**

UPL reported strong 1QFY21 EBITDA (+17% / +37% vs. JMFe / YoY) of INR 17.04 bn despite revenue being in-line (+1% vs. JMFe). This was primarily due to lower than estimated raw material cost resulting into reported Gross margins of c. 55% - one of the highest in the last few quarters. The higher than estimated gross margin in-turn resulted into higher than estimated

EBITDA (c.17% higher than JMFe) and PAT (c. 56% higher than JMFe). Regionally, the performance was led by extremely positive growth in India (+27% YoY) while most other regions underperformed. During the conference call, management said that they have not repaid debt but they are sitting on higher than normalised levels of cash as a cushion against current uncertainty. We continue to like the relatively derisked global business model and maintain BUY with a revised TP of INR 525 (INR 550/- previously).

### [Cholamandalam Investment and Finance | Moratorium book remains elevated](#)

**Result Update**                      **BUY**                      **INR 230**

Cholamandalam Investment and Finance (CIFC) reported 1QFY21 net profit of INR 4.3bn (up, 37% YoY) driven by lower credit costs, operating expenses and tax outgo. PBT came in at INR 5.8bn (up 20% YoY). PPOP increased 8% YoY/ 4% QoQ due to lower opex (down 1% YoY /14% QoQ). Other key highlights: i) disbursements were subdued (-58% YoY/ 37% QoQ), impacted by lockdown ii) AUM growth was soft at 10% YoY/ 5% QoQ, led by muted growth in vehicle finance (9% YoY) and home equity (8% YoY), but supported by lower repayments, iii) reported margins declined to 6.1% (down, 40bps YoY/ 50bps QoQ) due to negative carry to maintain liquidity (INR 70bn), iv) costs to income ratio declined YoY (35% vs. 37% in 1QFY20) v) Asset quality improved, helped by DPD freeze – on absolute basis, Gross Stage 3 (GS3) assets were down 8% sequentially and GS3 ratio (reported) improved to 3.3% (down c.50bps QoQ). Coverage ratio broadly remained flat QoQ at c.42%, since mgmt. believes adequate Covid-19 and macro-provisions (90bps of AUM) were made in 4QFY20 to cover further delinquencies. Moratorium book remains elevated at 76% with c.50% of morat customers started repaying partial or full instalments. CIFC did not avail moratorium from its lenders, given sufficient liquidity with positive cumulative gap across all buckets. Given the current environment, leverage is on the higher side at 7.9x. We forecast earnings CAGR of 18% over FY20-22E with RoA/ RoE of 2.1%/ 15% by FY22E. We value CIFC at 1.8x (vs. 1.4x earlier) FY22E BV, implying a TP of INR 230.

### [JSW Energy | Weak merchant sales cushioned by cost savings /write-backs](#)

**Result Update**                      **BUY**                      **INR 55**

JSW Energy (JSWEL) reported net profit of INR 2.1bn (-13% YoY) which adjusted for provision write back fell 22% YoY. This is led by 25% fall in revenues (merchant volumes down -83% YoY) and lower realisation (- INR 0.46/kWh). Lower revenue was offset by a) fuel costs falling by INR 0.63kWh YoY on the back of depressed imported coal prices which fires 65% of its thermal capacity, b) halving of O&M costs on cost savings and c) higher other income (+58% YoY) supported the earnings. JSWEL's PPA sales were not majorly impacted due to Covid-19, being an essential service. However, with overall power demand falling 16% YoY in 1Q FY21, JSWEL's merchant sales plummeted coupled with weak realisations. Company had strong collections in 1Q FY21 with receivables down 22% QoQ, with improvements expected as Discoms receive disbursements under the INR 90bn stimulus package. JSWEL has terminated its acquisition of GMR Kamalanga (1,050MW) (factored in our earlier report) which has elapsed its long stop date. The acquisition of Ind-Bharat is still pending NCLT approval which is likely to get delayed to 4Q FY21 given COVID19 related delays in public hearings. Focus on future capex has shifted to renewable energy (RE) with upcoming round-the-clock supply tenders for Solar-Thermal hybrid projects. JSWEL is hopeful of winning sizable quality in these bids where its existing merchant capacity can be bundled with fresh solar projects. Company remains cash rich with net D/E at only 0.7x while 83% of capacity is tied up through PPAs. However the open 17% merchant capacity is likely to see stress in FY21 given the COVID led demand destruction. Although near-term growth remains hazy, JSWEL has a healthy balance sheet with stable earnings while the stock trades at 0.5x FY22 BV. We remain long -term positive on the stock and our TP remains unchanged at INR55. We have a BUY rating on the stock

### [Essel Propack | Strong progression amidst weak environment](#)

**Result Update**                      **BUY**                      **INR 260**

Essel Propack delivered blow-out numbers in 1QFY21 clocking revenue and EBITDA growth of 17.7% and 35% which was way above our expectations. Intrinsically, though, we believe there would be some spill over of revenue from 4QFY20 on account of lockdowns globally and if we were to look at growth over the past 6 months combined, it has clocked c.8% which we believe is more reflective of the underlying performance. Nevertheless, this is also quite commendable given the underlying growth in its end-categories was much lower in the face of the pandemic and clearly implies the delivery was backed by customer wins across geographies and further gain in customer wallet share through expansion of laminated tubes to newer sub-categories. Interestingly, it has also delivered double-digit growth in Oral Care segment which is also quite credible given the circumstances. The results imply that all the levers for driving performance (accelerated personal care growth, leadership in oral care, innovation and prudent cost

management) are now working quite well and should help improve growth trajectory in future. We maintain our positive stance with a revised DCF based TP of INR260.

### [TeamLease Services | Holding strong amidst tough market conditions](#)

**Result Update** BUY INR 2,120

TEAM reported strong EBITDA margin improvement of 66bps/31bps QoQ/YoY to 2.16% in 1QFY21, a beat on JMFe/Cons. by 33bps/64bps driven by significant reduction in core employees base (-24%/-15% QoQ/YoY) and huge savings in overhead expenses (-57%/-39% QoQ/YoY) - management estimates 20-25% of total operating cost savings to be sustainable. Moreover, general staffing associate decline of 10% QoQ was significantly lower than company's guidance of 18-20%. However, consol. revenue was down 14.6% QoQ (versus JMFe of -2%), as general/specialised/other HR services segments de-grew by 14%/5%/57% due to weak realisations/exits from low margin projects/ramp-down in skill development and permanent hiring businesses, respectively. Other income (net of finance expense) of INR 15mn was ahead of our estimate of a net expense of INR 10mn. Overall, PAT was down 9.0% YoY to INR 171mn broadly in line our estimates but 15% above cons. In 1Q, cash conversion ratio improved to 80% (management expects it to sustain between 70-80% in FY21), due to movement to new tax regime and favourable resolution of higher withholding taxes issue – we believe this should further strengthen the company's balance sheet. Further, we expect the general staffing associate strength to gradually improve here-on due to partial opening up of the economy and factor-in a significant improvement in the company's margin profile due to continued productivity gains in general staffing, focus on high margin clients in specialised staffing and further ramp-down of margin dilutive businesses in other HR services. Accordingly, we increase our EPS FY21/FY22 estimates by 10%/6%. We continue to remain positive on TEAM as we believe it will remain resilient to the near term challenges while benefitting from the likely formalisation of the staffing industry over the long run. We maintain BUY with a revised TP of INR 2,120/share (versus INR 1,970/share earlier).

### [Gateway Distriparks | Deleveraging holds the key](#)

**Result Update** BUY INR 170

Gateway Distriparks (GDL: CFS + Rail) surprised positively in 1QFY21, despite a 22%/40% fall in Rail/CFS volumes, primarily on an increase in dwell times (CFS and Rail businesses) and haulage charge waiver (Rail) as EBITDA/TEU rose 28%/112%. Consequently, PAT grew 102% YoY to INR 125mn (adjusted for SEIS income in 1QFY20). GDL intends to deleverage its balance sheet with an INR 1.16bn rights issue (already prepaid INR 1.35bn in CY20). On the operational front, management guides for improvement in 2Q (75-80% of 2QFY20 vs. 65-70% for 1QFY21) and normalcy in 2HFY21. The Dedicated Freight Corridor (DFC) is likely to have been pushed to Dec'21 (Palanpur-Rewari), but the Ajmer-Rewari leg is expected to be operational by 1QCY21. However, the benefit is expected to flow only when connected fully with Gujarat and JNPT ports. We maintain BUY with a Sep'21 TP of INR 170 Key risks: a) lower-than-expected cargo growth/profitability and b) adverse outcome in litigations.

### [Indian Oil | Core margins robust; surprise inventory loss drag earnings](#)

**Result Update** HOLD INR 95

Indian Oil Corporation (IOC)'s 1QFY21 EBITDA and PAT significantly missed our and street estimates due to a surprise inventory loss. This could be due to conservative accounting, which led to shifting of inventory gains to the next quarter. However both core refining and marketing margins were above our estimates. IOC's valuations are supportive as it is trading at a significant discount to historical valuations. At the CMP, it is trading at 0.8x FY22 P/B (vs. 3-year avg of ~1.3x and 10-year avg P/B of ~1.2x). However, we maintain HOLD with an unchanged TP of INR 95 on a challenging GRM outlook, given the expectation of global oil demand falling ~8% in CY20 and its unlikely recovery to pre-Covid levels until at least CY22.

### [India Economics | Economics Weekly - 31 July 2020](#)

**Economics Update**

Notwithstanding the guidelines for Unlock 3.0 issued by the Ministry of Home Affairs, few states -i) extended lockdowns, and ii) most released their own version of guidelines. While on one hand the Centre stated that it was in talks with the RBI to extend the moratorium on loan repayments or restructure the borrowings, the RBI estimated NPAs to rise to a 20-year high of 12.5% of total advances by Mar'21. Amid the suggestions for another set of fiscal measures to revive the economy, i) Centre's fiscal deficit to touch 83% of the budget target by Jun'20 vs. 61% during the same time last year, and ii) the Centre expressed inability to pay GST compensation dues to states in the near future after releasing funds worth INR 138bn for Mar'20 dues. Other data

releases revealed- i) sequential improvement in output growth of eight core industries, although still contracting in 2-digits, and ii) 70% YoY decline in gold demand in 1QFY21 to its 11-year low of 64 tonnes. Other highlights of the week included- i) introduction of the new National Education policy in India, ii) arrival of the first batch of Rafale fighter jets in India, and iii) the Commerce Ministry identifying 371 imported goods including Chinese products to frame quality standards. On the external front, i) the govt. is reportedly not in favour of extending the Merchandise Exports of India Scheme (MEIS) beyond Dec20, and ii) the Fed left interest rates unchanged. Meanwhile, i) INR closed at INR 74.82/USD vs. INR 74.83/USD last week, ii) Brent Crude fell to USD 42.6/bbl vs. USD 42.9/bbl last week, and iii) Forex reserves stood at USD 522.6bn on 24Jul'20 vs. USD 517.6bn on 17Jul'20. In the coming week we keenly look forward to the RBI's monetary policy where the RBI is widely expected to keep the rates unchanged.

### [India Economics | The COVID-19 Files: Unlock 3.0 begins](#)

#### **Economics Update**

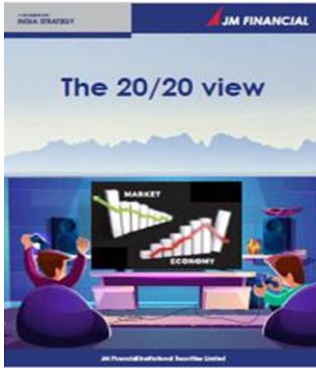
The COVID-19 tracker: An update on weekly developments of new cases, recovery and death rates, and testing ratios. This not just compares India's situation vis-a-vis rest of world but also describes the domestic situation in red zones. With introductions of new relaxations amid lockdown, we also track some interesting economic indicators to assess the pace of recovery.

## Earnings Calendar – July/Aug 2020

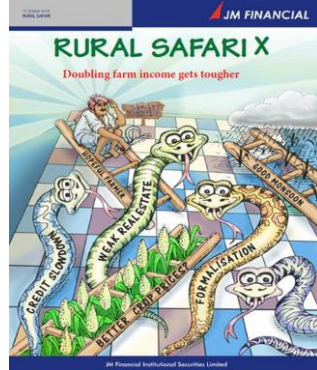
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
Kansai Nerolac VST industries	Godrej Consumer Gujarat Gas Ltd Jindal Saw Ltd PI Industries Tata Consumer Varun Beverages	Apollo Tyres Ltd Cadila Healthcare Ltd Canara Bank Cera Sanitaryware Ltd DLF Ltd Godrej Propert. Jyothy Lab EID Parry JK Lakshmi Cement Inox Leisure Strides Shasun Ltd	Adani Power Ltd Blue Star Ltd Gujarat Pipavav Port Gujarat State Petronet HPCL JK Tyre & Industries Lupin Ltd Pidilite Torrent Power	Aditya Birla Capital Ltd Balrampur Chini Mills Bata India Ltd Cipla Ltd Concor Cipla Emami Kajaria Ceramics Ltd Mahindra & Mahindra Sobha Ltd T.V. Today Netw.	DCB Bank Ltd Divis Laboratories Ltd Magma Fincorp Ltd
Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>
Ipca Laboratories Ltd Munoth Financial Serv Titan Company Ltd TTK Prestige Ltd Ujjivan Financial Serv V-Mart Retail Ltd	AIA Engineering Ltd Motherson Sumi Sys Prataap Snacks	Ashok Leyland Ltd Bharat Forge Ltd Century Plyboards (I) Tata Power Company	Eicher Motors Ltd Hero MotoCorp Ltd	The Ramco Cements	

Source: BSE, NSE, Capitaline database

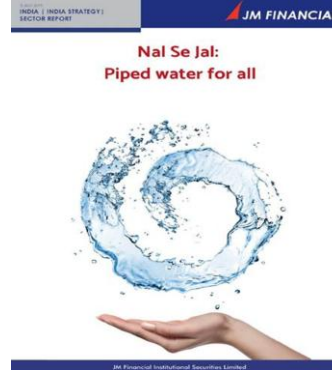
Our most recent and popular reports (Please click on heading to read the report.)



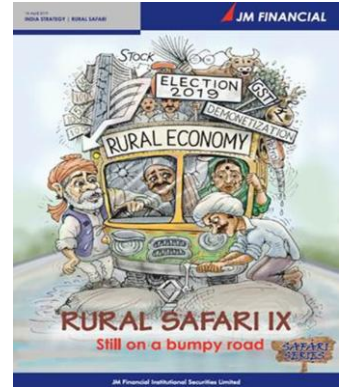
[The 20/20 view](#)



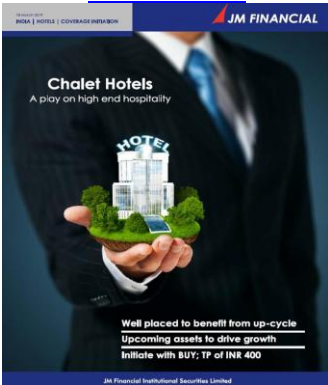
[Rural Safari X](#)



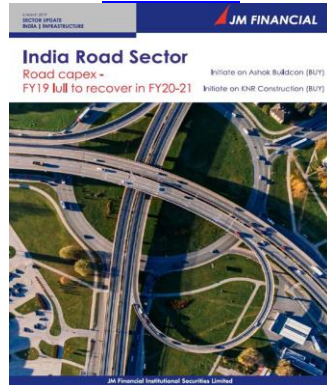
[Nal Se Jal](#)



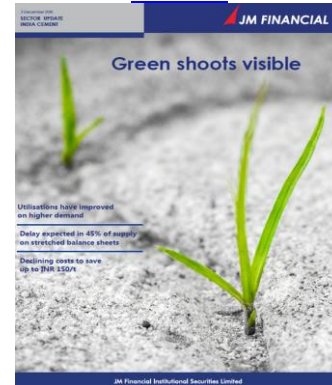
[Rural Safari IX](#)



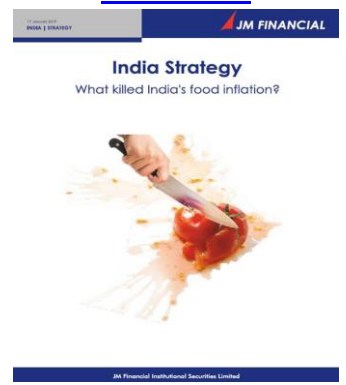
[Chalet Hotels Limited](#)



[India Road Sector](#)



[Cement Sector: Outlook 2019](#)



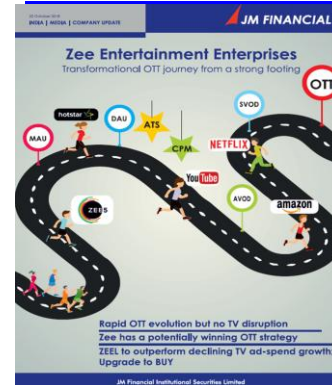
[What killed India's food inflation?](#)



[Power Series Part II](#)



[India Industrials: Outlook 2019](#)



[Zee Entertainment: Upgrade](#)



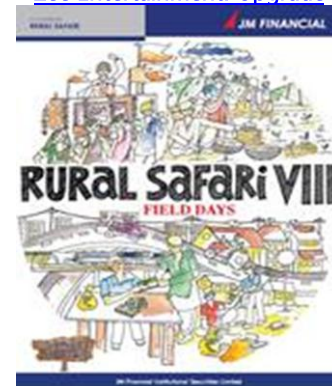
[Real Estate Sector Update](#)



[India Specialty Chemicals](#)



[Sugar Sector Update](#)



[Rural Safari VIII: Field days](#)



[Textile Sector Update](#)



## Valuation Table

Coverage Universe	31-Jul-20	Price			P/E based valuation																
Company	Rating	Mkt Cap (Rs bn)	CMP (Rs)	12M TP (Rs)	(%) upside	EPS (Rs)				EPS Gr (%) 20-22	PE (x)			PEG (x)	EV/EBITDA (x)			ROE (%)			
						FY19A	FY20E/A	FY21E	FY22E		FY20E/A	FY21E	FY22E		FY20E/A	FY21E	FY22E	FY19A	FY20E/A	FY21E	FY22E
<b>Airlines</b> <i>(Ashutosh Somani, ashutosh.somani@jmfl.com, +91-22-66303083)</i>																					
Indigo	SELL	377	980	700	-28.6	4.1	3.2	-152.2	11.3	86.7	NA	0.0	80.6	0.9	11.9	0.0	8.6	2.2	1.9	NA	NA
<b>Automobiles</b> <i>(Vivek Kumar, vivek.kumar@jmfl.com, +91-22-66303019)</i>																					
Ashok Leyland*	BUY	143	49	70	43.9	7.0	1.3	1.1	4.3	79.3	36.5	42.8	11.3	0.1	13.4	15.2	6.8	26.2	5.1	4.9	19.1
Bajaj Auto*	BUY	870	3,005	2,975	-1.0	149.7	176.2	155.6	198.3	6.1	16.9	19.1	15.0	2.5	13.5	15.1	10.9	21.2	24.5	21.5	24.3
Eicher Motors*	SELL	564	20,639	12,650	-38.7	759.5	697.4	545.0	765.6	4.8	26.5	33.9	24.1	5.1	19.6	22.9	16.2	33.2	24.7	16.9	20.5
Hero MotoCorp*	BUY	535	2,677	2,450	-8.5	169.5	155.3	126.6	176.2	6.5	16.4	20.1	14.4	2.2	10.7	12.9	9.2	27.5	23.0	17.7	23.2
Mahindra & Mahindra*	BUY	754	606	550	-9.3	40.5	28.0	23.2	32.6	7.9	17.9	21.6	15.3	1.9	9.7	12.2	9.0	15.0	9.7	7.7	10.1
Maruti Suzuki*	BUY	1,892	6,263	6,300	0.6	248.4	187.1	134.5	286.5	23.7	33.1	46.0	21.6	0.9	20.8	24.8	13.3	17.1	11.9	8.3	16.6
Tata Motors	BUY	342	105	125	19.4	2.4	-25.6	-19.6	8.0	NA	0.0	0.0	13.2	NA	4.1	5.6	2.5	1.1	NA	NA	5.1
TVS Motor*	HOLD	184	388	395	1.9	14.1	12.5	10.5	19.7	25.7	32.7	39.0	20.7	0.8	15.6	19.0	11.9	21.5	17.0	13.3	22.1
<b>Auto Ancillaries</b> <i>(Vivek Kumar, vivek.kumar@jmfl.com, +91-22-66303019)</i>																					
Apollo Tyres	BUY	62	108	110	1.6	15.4	8.3	3.8	10.2	10.5	13.3	29.4	10.9	1.0	6.4	6.5	5.0	8.9	4.8	2.3	5.7
Bharat Forge	BUY	178	382	345	-9.7	22.2	9.2	5.8	17.3	36.9	40.8	65.0	21.7	0.6	17.3	23.0	11.3	20.6	8.1	5.1	15.1
Ceat Ltd	BUY	35	869	950	9.3	73.4	64.5	46.6	79.2	10.8	13.2	18.3	10.8	1.0	7.5	9.0	6.9	11.1	9.2	6.4	10.2
Motherson Sumi Systems	BUY	300	95	118	24.3	5.1	3.7	3.0	6.5	32.8	27.5	34.2	15.6	0.5	8.4	9.3	6.6	15.5	10.5	8.2	16.8
Suprajit Engineering	BUY	21	153	190	24.5	9.6	9.4	5.0	9.6	1.1	16.6	31.3	16.2	15.2	10.3	14.2	8.8	18.7	16.1	7.9	14.0
<b>Building Materials</b> <i>(Achal Lohade, achal.lohade@jmfl.com, +91-22-66303081)</i>																					
Century Plyboards*	BUY	29	128	140	9.0	7.6	9.0	4.8	7.7	-7.4	13.1	24.7	15.3	NA	8.1	12.3	8.8	18.7	19.7	9.6	14.3
Cera Sanitaryware*	HOLD	29	2,229	2,020	-9.4	88.5	89.1	55.9	91.6	1.4	24.4	39.0	23.8	17.5	17.6	23.2	15.3	17.6	15.7	9.1	13.6
Greenply Industries*	HOLD	11	86	95	10.7	6.5	7.4	3.8	6.3	-7.6	11.3	22.0	13.3	NA	8.3	10.6	7.6	13.1	25.6	11.6	16.6
Greenlam Industries	BUY	17	706	840	19.1	31.9	35.9	8.6	38.3	3.2	21.9	91.4	20.6	6.3	12.1	20.9	11.0	19.7	18.7	4.1	17.0
Greenpanel Industries	HOLD	5	38	41	7.9	3.2	3.3	0.3	2.8	-8.9	11.9	NA	14.3	NA	7.2	9.5	6.3	6.0	5.9	0.5	4.8
Kajaria Ceramics	BUY	64	405	460	13.5	14.6	16.1	9.3	17.1	3.2	24.8	42.7	23.3	7.4	15.3	19.4	12.3	15.8	15.5	8.4	14.1
Prince Pipes and Fittings	BUY	12	113	180	59.6	9.1	10.2	7.0	10.1	-0.9	11.3	16.5	11.5	NA	5.6	6.9	5.3	23.0	18.2	8.9	11.7
Somany Ceramics	BUY	8	129	150	16.2	13.0	8.2	-2.5	9.7	9.1	15.1	0.0	12.7	1.4	8.3	13.7	6.2	NA	NA	NA	0.0
<b>Business Services</b> <i>(Prince Poddar, prince.poddar@jmfl.com, (91 22) 62241879)</i>																					
TeamLease Services	BUY	32	1,850	2,120	14.6	57.3	51.1	51.1	65.5	13.2	34.9	35.0	27.3	2.1	31.9	26.2	21.6	20.0	15.7	14.2	15.6
<b>Cement</b> <i>(Roshan Paunikar, roshan.paunikar@jmfl.com, Tel: (91 22) 66303563)</i>																					
ACC	HOLD	268	1,425	1,400	-1.8	80.9	73.3	50.6	60.5	-9.1	17.9	26.0	21.7	NA	9.1	12.3	10.0	15.3	12.5	8.0	9.0
Ambuja Cement*	BUY	437	220	235	6.8	7.3	10.6	10.0	11.2	3.0	18.5	19.6	17.5	5.8	7.7	8.8	7.6	6.8	9.0	8.1	8.7
JK Cements*	BUY	116	1,500	1,350	-10.0	42.0	74.9	63.5	87.5	8.1	19.4	22.9	16.6	2.0	11.2	12.1	9.0	12.9	19.2	14.7	17.8
JK Lakshmi Cement*	BUY	35	294	300	1.9	6.8	22.6	10.5	22.9	0.7	12.6	27.1	12.4	17.3	7.1	9.9	6.8	5.3	16.4	7.0	14.1
The Ramco Cements	SELL	163	692	520	-24.9	21.7	25.6	18.1	23.3	-4.6	25.6	36.2	28.1	NA	16.0	18.3	14.2	11.8	12.7	8.3	9.9
Dalmia Bharat	BUY	142	761	830	9.1	16.0	11.6	3.2	11.0	-2.8	61.8	NA	65.5	NA	9.2	10.4	8.2	2.9	2.1	0.6	2.0
Shree Cement*	BUY	783	21,711	23,500	8.2	350.0	434.6	446.2	662.4	23.4	51.6	50.3	33.9	1.4	20.4	20.3	14.5	13.2	13.9	11.7	15.0
UltraTech Cement*	BUY	1,188	4,117	4,400	6.9	92.0	189.0	137.9	181.5	-2.0	20.4	28.0	21.3	NA	15.0	14.9	12.3	8.5	15.2	9.9	11.8
<b>Chemicals</b> <i>(Mehul Thanawala, mehul.thanawala@jmfl.com, +91-22-66303063)</i>																					
Fine Organic Industries	HOLD	64	2,103	1,663	-20.9	42.1	54.3	61.9	87.5	26.9	34.9	30.6	21.7	0.8	24.1	20.2	14.4	28.1	29.2	26.9	30.3
Galaxy Surfactants	BUY	57	1,621	1,650	1.8	53.9	65.0	49.2	82.5	12.7	22.0	29.1	17.4	1.4	14.5	16.4	11.7	23.9	23.7	15.1	21.1
Navin Fluorine	BUY	87	1,761	996	-43.5	30.2	41.3	42.0	46.4	6.0	40.7	38.1	34.4	5.7	30.1	27.4	24.2	14.5	32.9	16.0	15.7
PI Industries*	HOLD	267	1,761	1,586	-9.9	29.5	32.0	38.7	60.0	36.9	48.4	40.1	25.8	0.7	30.2	26.8	17.6	19.5	18.0	18.7	24.3
SRF Limited	BUY	218	3,793	3,100	-18.3	102.9	159.3	154.2	195.2	10.7	22.6	23.4	18.4	1.7	16.1	13.0	10.7	15.4	20.2	16.7	18.2
UPL Ltd.	BUY	365	478	525	9.8	24.8	14.8	29.3	37.5	59.1	32.3	16.3	12.7	0.2	14.8	10.9	8.8	15.9	14.7	24.8	25.9



Company	Rating	Mkt Cap (Rs bn)	CMP (Rs)	12M TP (Rs)	(% upside)	EPS (Rs)				EPS Gr (%) 20-22	PE (x)			PEG (x)	EV/EBITDA (x)			ROE (%)			
						FY19A	FY20E/A	FY21E	FY22E		FY20E/A	FY21E	FY22E		FY20E/A	FY21E	FY22E	FY19A	FY20E/A	FY21E	FY22E
<b>Internet</b>																					
<i>(Prince Poddar, prince.poddar@jmfl.com, +91-22-62241879)</i>																					
Info Edge India*	BUY	391	3,194	2,600	-18.6	22.8	20.5	32.4	38.4	36.8	NA	85.1	71.7	1.9	80.2	70.4	58.1	12.7	10.6	15.3	16.2
IndiaMART InterMESH	BUY	82	2,828	2,930	3.6	29.6	55.1	79.2	79.7	20.3	40.9	28.5	28.3	1.4	32.4	23.3	22.9	0.0	74.3	61.7	40.1
Just Dial	BUY	24	367	430	17.2	31.8	41.8	32.3	38.2	-4.4	9.4	12.2	10.3	NA	3.5	3.4	1.7	20.9	23.8	15.1	15.4
<b>Metals &amp; Mining</b>																					
<i>(Ashutosh Somani, ashutosh.somani@jmfl.com, +91-22-66303083)</i>																					
Hindalco Industries	BUY	366	163	192	17.7	24.7	20.9	5.3	20.1	-2.0	7.2	28.2	7.5	NA	5.2	7.9	5.4	9.8	8.0	2.0	7.2
Hindustan Zinc	BUY	888	210	200	-4.8	18.8	15.2	9.0	17.7	7.8	12.0	20.3	10.3	1.3	7.2	10.0	5.3	22.9	19.7	11.6	21.0
Jindal Steel & Power	HOLD	189	185	155	-16.1	2.8	-5.7	-12.5	6.2	NA	0.0	0.0	28.0	NA	6.7	8.3	6.0	0.9	NA	NA	2.0
JSW Steel	HOLD	532	220	176	-20.1	31.6	7.5	-7.3	15.9	45.8	28.1	0.0	13.2	0.3	9.4	13.7	6.5	24.3	5.1	NA	10.5
NMDC	BUY	257	84	110	31.3	15.2	14.7	8.7	13.2	-5.2	5.7	9.6	6.4	NA	4.0	6.1	3.8	18.5	16.8	9.5	13.5
SAIL	SELL	140	34	19	-45.0	6.6	-8.9	-6.7	4.7	NA	0.0	0.0	7.8	NA	18.4	24.1	6.8	7.1	NA	NA	4.9
Tata Steel	BUY	416	366	400	9.2	85.6	7.7	-41.3	55.6	168.5	42.4	0.0	5.9	0.0	8.6	13.1	5.8	16.7	1.4	NA	9.9
<b>Oil &amp; Gas</b>																					
<i>(Dayanand Mittal, Dayanand.Mittal@jmfl.com, +91-9619388870)</i>																					
Bharat Petroleum	HOLD	898	414	385	-7.0	39.7	22.2	28.6	41.4	36.5	17.8	13.8	9.5	0.3	13.5	9.7	7.6	20.7	11.6	14.8	19.5
GAIL	BUY	436	97	125	29.6	13.2	14.5	6.8	9.2	-20.5	7.2	15.3	11.3	NA	5.3	8.3	6.7	14.1	14.8	6.8	8.7
Gujarat Gas*	BUY	199	289	330	14.2	6.1	17.4	11.0	14.8	-7.9	17.6	27.8	20.8	NA	13.6	15.2	12.2	20.6	43.4	21.7	25.7
Gujarat State Petro.*	BUY	116	205	290	41.7	14.1	19.7	13.9	15.4	-11.5	11.0	15.5	14.0	NA	5.1	6.1	5.2	14.7	17.8	11.1	11.2
Hindustan Petro.	HOLD	328	215	231	7.2	43.9	23.9	23.3	36.2	23.1	9.7	9.9	6.4	0.3	10.6	7.8	6.2	23.9	11.9	11.0	15.7
Indraprastha Gas*	BUY	283	404	566	40.1	11.2	16.2	13.3	18.3	6.1	27.2	33.3	24.2	3.9	19.8	21.7	15.7	20.6	24.7	17.1	20.3
Indian Oil	HOLD	833	88	95	7.5	18.9	-1.0	6.6	12.5	NA	0.0	13.5	7.1	NA	10.4	7.9	5.3	15.4	NA	6.2	11.3
ONGC	HOLD	985	78	85	8.7	25.5	15.8	4.6	11.8	-13.8	5.1	17.6	6.8	NA	3.7	5.4	4.1	15.3	9.4	2.8	6.9
Oil India	HOLD	105	97	105	8.6	39.3	35.2	7.5	18.7	-27.1	2.7	12.6	5.0	NA	-1.9	-3.1	-1.9	14.7	13.2	2.8	6.7
Petronet LNG*	BUY	372	248	320	29.1	14.4	18.5	16.4	20.0	4.2	14.0	15.7	12.9	3.1	8.5	7.9	6.5	21.8	26.4	21.8	24.8
Reliance Industries	BUY	13,602	2,067	2,500	20.9	67.2	69.9	59.1	89.9	13.4	30.2	35.7	23.5	1.8	18.4	16.2	11.4	11.7	10.5	7.7	10.5
<b>Pharmaceuticals</b>																					
<i>(Anmol Ganjoo, anmol.ganjoo@jmfl.com, +91-22-66303056)</i>																					
Aster DM Healthcare	BUY	66	132	200	51.3	6.7	5.9	5.0	9.0	23.8	21.5	25.1	14.0	0.6	7.2	6.8	5.3	11.1	9.1	7.4	12.0
Cipla	BUY	581	720	660	-8.4	20.9	19.2	21.9	27.5	19.6	33.2	29.1	23.2	1.2	16.4	15.0	12.3	11.5	10.1	10.7	12.2
Cadila Healthcare	BUY	398	388	380	-2.2	18.1	14.1	15.4	18.9	16.0	25.2	23.0	18.7	1.2	15.8	14.7	12.5	19.3	13.9	14.4	15.9
Dr Reddy's Labs	HOLD	752	4,521	4,425	-2.1	113.3	162.9	154.8	184.4	6.4	26.4	27.8	23.3	3.7	29.2	15.5	13.0	14.1	18.3	15.5	16.2
Dr Lal Pathlabs	BUY	158	1,892	1,660	-12.2	23.9	27.1	28.3	40.6	22.5	69.7	66.6	46.5	2.1	43.7	41.2	28.9	23.0	22.8	21.4	26.3
Ipca Laboratories*	HOLD	237	1,875	1,505	-19.7	36.0	51.6	62.8	75.3	20.8	32.0	26.3	21.9	1.1	22.8	18.9	15.7	15.6	19.2	19.9	20.3
Jubilant Life Sciences	BUY	127	795	705	-11.3	47.6	57.9	62.0	70.7	10.5	11.9	11.1	9.7	0.9	7.2	6.2	5.2	16.8	17.7	16.4	16.3
Lupin	SELL	420	927	760	-18.0	20.9	7.8	26.0	34.4	110.5	NA	33.0	24.9	0.2	16.4	13.7	10.9	6.9	2.7	9.1	11.2
Metropolis Healthcare	BUY	80	1,574	1,745	10.9	23.9	30.3	30.1	43.6	20.0	46.5	46.6	32.2	1.6	29.3	27.6	19.7	28.8	32.2	26.5	31.5
Natco Pharma	HOLD	142	783	570	-27.2	35.0	25.3	30.0	37.2	21.2	26.3	22.2	17.9	0.8	19.7	16.2	12.7	19.6	12.7	13.7	15.2
Sun Pharma	BUY	1,276	532	640	20.4	16.2	16.8	23.2	29.1	31.8	31.7	22.9	18.3	0.6	18.3	14.9	11.8	9.7	9.3	12.0	13.8
Strides Pharma	BUY	39	436	630	44.4	36.3	26.1	34.9	46.1	32.7	16.3	12.2	9.3	0.3	10.1	7.0	5.5	12.7	9.0	12.0	14.4
Thyrocare Technologies	BUY	37	702	600	-14.5	15.8	17.7	21.0	27.7	25.1	28.5	24.1	18.2	0.7	15.4	14.4	11.3	19.2	23.6	28.3	33.5
Torrent Pharma	SELL	451	2,664	2,045	-23.2	42.5	60.6	69.5	88.8	21.1	40.3	35.1	27.4	1.3	20.7	17.3	14.6	15.4	21.5	22.7	24.5

Company	Rating	Mkt Cap (Rs bn)	CMP (Rs)	12M TP (Rs)	(% upside)	EPS (Rs)				EPS Gr (%) 20-22	PE (x)			PEG (x)	EV/EBITDA (x)			ROE (%)			
						FY19A	FY20E/A	FY21E	FY22E		FY20E/A	FY21E	FY22E		FY20E/A	FY21E	FY22E	FY19A	FY20E/A	FY21E	FY22E
<b>Ports &amp; Logistics</b>																					
<i>(Achal Lohade, achal.lohade@jmfl.com, +91-22-66303081)</i>																					
Container Corporation*	HOLD	275	451	500	10.8	15.6	16.7	10.7	16.4	-0.9	26.0	40.6	26.5	NA	14.4	20.8	14.2	9.7	9.9	6.3	9.2
Gujarat Pipavav*	HOLD	36	75	85	13.4	4.4	4.7	3.3	4.7	0.5	16.9	24.2	16.8	36.7	7.2	9.3	7.5	10.4	11.0	7.6	10.9
<b>Real Estate</b>																					
<i>(Manish Agrawal, manish.agrawal@jmfl.com, Tel: (91 22) 66303068)</i>																					
Godrej Properties	HOLD	234	927	855	-7.7	11.1	10.7	9.0	10.3	-2.1	80.8	68.1	59.5	NA	42.1	43.7	55.9	13.8	7.4	4.6	5.0
Oberoi Realty	BUY	127	350	429	22.5	22.5	15.7	23.7	26.1	29.0	22.3	15.8	14.4	0.5	17.3	16.4	10.9	11.6	6.9	9.6	9.7
Phoenix Mills	BUY	95	617	739	19.8	24.4	21.4	7.2	27.0	12.4	25.4	75.5	20.1	1.6	13.9	19.0	11.4	11.8	9.1	2.9	10.4
Prestige Estates Projects	BUY	79	197	240	21.9	7.9	10.9	3.8	6.5	-22.7	20.5	59.6	34.4	NA	7.8	9.8	8.7	6.6	9.1	2.9	4.9
Sobha Ltd	BUY	21	219	270	23.3	31.3	30.8	22.9	40.6	14.9	7.4	9.9	5.6	0.4	6.7	7.3	5.1	11.9	12.5	8.6	13.9
<b>Sugar</b>																					
<i>(Achal Lohade, achal.lohade@jmfl.com, +91-22-66303081)</i>																					
Balrampur Chini*	HOLD	28	126	160	27.5	22.6	20.8	22.2	26.7	13.4	6.3	5.9	4.9	0.4	6.4	5.2	4.0	28.1	20.6	18.8	20.2
EID Parry	BUY	51	291	370	27.4	0.0	0.1	7.5	8.5	805.5	NA	36.0	32.1	0.0	62.0	59.7	35.2	0.0	0.1	7.0	7.0
<b>Utilities</b>																					
<i>(Subhadip Mitra, subhadip.mitra@jmfl.com, +91-22-66303128)</i>																					
Coal India	BUY	797	129	200	54.7	28.7	27.3	18.8	32.2	8.6	4.9	7.1	4.1	0.5	2.6	2.9	1.5	75.8	57.3	32.6	44.6
JSW Energy	BUY	75	46	55	19.8	4.2	5.8	4.3	6.1	2.9	7.9	10.6	7.5	2.6	5.3	4.9	4.0	6.0	8.1	5.9	7.9
NTPC*	BUY	861	87	160	83.9	10.7	12.3	12.8	15.8	13.3	7.5	7.2	5.9	0.4	9.2	8.3	7.1	10.1	11.0	10.8	12.4
Power Grid Corp.*	BUY	933	178	205	15.0	19.0	20.7	19.4	25.3	10.7	8.4	8.9	6.8	0.6	7.3	6.9	5.9	15.5	15.0	13.0	15.8
Torrent Power	BUY	156	325	355	9.1	18.7	29.4	22.9	28.9	-0.8	11.4	14.7	11.6	NA	6.7	7.0	5.8	10.8	15.6	11.5	13.2
<b>Others</b>																					
<i>(Ashutosh Somani, ashutosh.somani@jmfl.com, +91-22-66303083)</i>																					
Central Depository Services	HOLD	36	349	353	1.1	10.9	11.5	13.5	13.1	6.4	31.2	26.6	27.5	4.3	29.3	21.9	22.6	17.9	17.3	18.7	16.8
Trident Limited	BUY	34	7	8	19.4	0.7	0.6	0.2	0.7	2.5	10.1	27.6	9.6	3.8	5.7	7.8	5.3	13.0	10.4	3.7	10.1

Company	Rating	Mkt Cap (Rs bn)	CMP (Rs)	12M TP (Rs)	(% upside)	EPS (Rs)				EPS Gr (%) 20-22	PE (x)			PEG (x)	P/BV (x)			ROE (%)			
						FY19A	FY20E/A	FY21E	FY22E		FY20E/A	FY21E	FY22E		FY20E/A	FY21E	FY22E	FY19A	FY20E/A	FY21E	FY22E
<b>Banking &amp; Financial Services*</b>																					
<b>NBFC</b> <i>(Karan Singh, CFA, FRM, karan.uberoi@jmfl.com, +91-22-66303082)</i>																					
Bajaj Finance	BUY	1,959	3,251	4,000	23.0	69.3	87.7	80.0	134.3	23.7	37.1	40.7	24.2	1.0	9.5	6.0	5.3	22.5	20.2	13.9	19.9
Cholamandalam Invest. & Fin	BUY	166	203	230	13.6	15.2	12.8	14.1	17.9	18.1	15.8	14.3	11.3	0.6	2.6	2.0	1.8	21.0	14.7	13.3	14.7
HDFC	BUY	3,091	1,782	1,800	1.0	56.0	102.6	42.4	53.7	-27.6	17.4	42.1	33.2	NA	4.0	3.6	3.5	13.5	21.7	8.4	10.3
Indostar Capital Finance	BUY	31	256	325	27.1	26.1	13.7	15.8	24.4	33.6	18.7	16.2	10.5	0.3	0.8	0.8	0.8	9.5	4.1	5.5	6.9
LIC Housing Finance	BUY	132	263	330	25.7	48.1	47.6	41.4	45.4	-2.3	5.5	6.4	5.8	NA	0.8	0.7	0.7	15.9	13.9	10.9	10.9
L&T Finance Holdings	BUY	120	60	72	20.0	11.2	8.5	7.2	9.6	6.1	7.1	8.3	6.3	1.0	0.9	0.8	0.7	18.0	12.1	9.4	11.3
M&M Financial	BUY	125	130	200	53.6	25.3	14.7	8.1	16.9	7.2	8.8	16.0	7.7	1.1	0.7	0.7	1.0	15.2	8.2	7.5	12.7
PNB Housing Finance	HOLD	35	209	500	139.0	71.1	63.5	42.1	49.3	-11.9	3.3	5.0	4.2	NA	0.5	0.5	0.4	16.9	13.3	8.5	9.3
Shriram Transport	BUY	157	691	810	17.2	113.5	110.3	105.9	128.9	8.1	6.3	6.5	5.4	0.7	1.0	0.9	0.8	17.5	14.8	12.6	13.5
Spandana Spoority Financial	BUY	40	623	650	4.3	51.8	52.4	39.2	62.1	8.9	11.9	15.9	10.0	1.1	2.0	1.5	1.4	18.8	15.0	9.3	13.4
<b>Private Sector Banks</b> <i>(Sameer Bhise, Sameer.bhise@jmfl.com, +91-22-66303489)</i>																					
AXIS Bank	HOLD	1,218	432	460	6.6	18.2	5.8	22.7	39.0	160.1	74.9	19.0	11.1	0.1	1.7	1.4	1.4	7.2	2.1	7.3	11.7
Bandhan Bank	BUY	556	345	440	27.5	16.4	18.8	11.1	21.4	6.7	18.4	31.0	16.1	2.4	3.7	3.7	3.4	19.0	21.4	11.3	19.2
City Union Bank	SELL	89	121	115	-5.1	9.3	6.5	7.8	7.7	8.9	18.7	15.4	15.8	1.8	1.8	1.7	1.5	15.2	9.4	10.4	9.3
DCB Bank	SELL	24	77	65	-16.0	10.5	10.9	6.8	6.6	-22.0	7.1	11.4	11.6	NA	0.8	0.8	0.7	12.0	11.2	6.4	6.0
Federal Bank	SELL	107	54	37	-31.4	6.3	7.7	3.3	3.6	-32.0	7.0	16.2	15.1	NA	0.8	0.7	0.7	9.8	11.1	4.5	4.7
HDFC Bank	BUY	5,670	1,033	1,240	20.1	38.7	47.9	51.9	61.0	12.9	21.6	19.9	16.9	1.3	3.8	3.3	2.9	16.5	16.4	15.7	16.5
ICICI Bank	BUY	2,246	347	435	25.4	5.2	12.3	22.6	30.4	57.6	28.3	15.4	11.4	0.2	2.1	2.0	1.8	3.2	7.3	12.3	14.9
IndusInd Bank	HOLD	363	524	535	2.1	59.0	63.7	53.0	61.0	-2.1	8.2	9.9	8.6	NA	1.2	1.1	1.0	15.2	13.7	10.6	10.7
Kotak Mahindra Bank	HOLD	2,703	1,366	1,460	6.9	25.5	31.1	34.1	38.5	11.2	43.9	40.0	35.5	3.2	6.1	5.4	4.3	12.2	13.1	12.2	11.5
<b>SOE BANKS</b>																					
Bank of Baroda	HOLD	216	47	55	17.5	-18.5	1.2	3.3	5.0	105.0	39.8	14.3	9.5	0.1	0.3	0.3	0.3	NA	0.9	2.3	3.4
Canara Bank	SELL	148	102	90	-11.6	4.6	-1.0	-15.9	-2.8	NA	NA	NA	NA	NA	0.3	0.3	0.3	1.2	NA	NA	NA
Punjab National Bank	SELL	301	32	30	-6.1	-21.7	-5.8	-1.0	0.8	NA	NA	NA	38.1	NA	0.4	0.4	0.4	NA	NA	NA	1.1
State Bank of India*	BUY	1,709	191	230	20.1	1.0	16.2	10.0	10.5	-19.7	11.8	19.0	18.3	NA	0.9	0.8	0.8	0.4	7.2	4.2	4.3
<b>Insurance</b> <i>(Karan Singh, CFA, FRM, karan.uberoi@jmfl.com, +91-22-66303082)</i>																					
ICICI Prudential	BUY	649	452	400	-11.6	216.2	230.3	267.5	310.8	16.2	2.8	2.4	2.1	NA	NA	NA	NA	17.6	16.4	15.5	15.5
SBI Life	BUY	913	913	860	-5.8	224.0	262.7	309.9	363.4	17.6	3.5	2.9	2.5	NA	NA	NA	NA	18.0	19.8	17.2	17.4
HDFC Standard Life	BUY	1,266	627	540	-13.9	183.0	206.6	247.3	291.3	18.8	6.1	5.1	4.3	NA	NA	NA	NA	20.1	18.5	18.7	18.2
ICICI Lombard	BUY	592	1,304	1,370	5.1	56.0	57.1	69.2	81.8	19.7	NA	NA	NA	NA	10.4	8.6	7.2	18.1	19.2	19.7	19.3
<b>Asset Management</b> <i>(Sameer Bhise, Sameer.bhise@jmfl.com, +91-22-66303489)</i>																					
Nippon Life India AMC#	HOLD	163	266	225	(15)	8.0	6.8	6.9	7.9	33.4	38.3	33.6	6.3	6.3	5.7	0.2%	0.3%	0.3%	10.0%	9.5%	8.1%
HDFC AMC	SELL	516	2,420	1,980	(18)	43.8	59.3	58.6	66.3	55.3	41.3	36.5	16.8	12.8	10.1	0.4%	0.4%	0.4%	16.1%	15.8%	13.9%

\* - Standalone Numbers, # - Consol Numbers, NP - Not Published, \$ - Operating RoEV for Life Ins., @ - Book value for ICICI Lombard,

## APPENDIX I

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Corporate Identity Number: U67100MH2017PLC296081

Member of BSE Ltd., National Stock Exchange of India Ltd. and Metropolitan Stock Exchange of India Ltd.

SEBI Registration Nos.: Stock Broker - INZ000163434, Research Analyst – INH000000610

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Rating	Meaning
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Hold	Price expected to move in the range of 10% downside to 15% upside from the current market price.
Sell	Price expected to move downwards by more than 10%

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