FIRST LIGHT

07 August 2020

RESEARCH

PI Industries | Target: Rs 2,450 | +20% | BUY
Q1 beat; Growing CSM mix can drive rerating – raise to BUY

BOB Economics Research | Monetary Policy Review
RBI allows restructuring while holding rates

Gujarat State Petronet | Target: Rs 310 | +56% | BUY
Swiftly returning to normal

Cera Sanitaryware | Target: Rs 2,440 | +9% | ADD
Weak Q1 due to lockdown, but ahead of estimates

Banking
RBI allows restructuring yet again

NBFC
New RBI policies offer limited succour

Oil & Gas
Low spot prices make natural gas lucrative

SUMMARY

PI Industries

PI Industries (PI) reported a strong beat in Q1FY21 with sharp QoQ EBITDA recovery. Revenue/EBITDA grew 41%/51% YoY. Domestic sales/exports were up 76%/23%. Strong domestic sales were partly on account of deferred sales from Q4. EBITDA margin at 22% was stable on better cost control while gross margin was a miss on lower CSM and higher Isagro mix. Management retains its FY21 guidance of >20% sales growth and sustained margins. We raise FY21/FY22 EPS by 21-24% and roll to a Sep'21 TP of Rs 2,450 (vs. Rs 1,700). Upgrade to BUY.

Click here for the full report.

TOP PICKS

LARGE-CAP IDEAS

Company	Rating	Target
Bajaj Finance	Buy	4,000
Cipla	Buy	690
GAIL	Buy	150
Petronet LNG	Buy	305
Tech Mahindra	Buy	780

MID-CAP IDEAS

Company	Rating	Target
Alkem Labs	Buy	2,950
Chola Investment	Buy	280
Laurus Labs	Buy	1,200
Transport Corp	Buy	240
Mahanagar Gas	Sell	710

Source: BOBCAPS Research

DAILY MACRO INDICATORS

Indicator	Current	2D (%)	1M (%)	12M (%)
US 10Y yield (%)	0.55	4bps	(12bps)	(119bps)
India 10Y yield (%)	5.83	0bps	(2bps)	(54bps)
USD/INR	74.94	0.1	(0.4)	(5.7)
Brent Crude (US$/bbl)	45.17	1.7	5.5	(19.7)
Dow	27,202	1.4	5.3	4.6
Shanghai	3,378	0.2	7.1	22.0
Sensex	37,663	(0.1)	4.6	2.7
India FII (US$ mn)	**4 Aug**	**MTD**	**CYTD**	**FYTD**
FII-D	16.3	(11.4)	(14,539.1)	(4,779.6)
FII-E	116.6	1,120.1	(168.0)	6,434.9

Source: Bank of Baroda Economics Research

BOBCAPS Research
research@bobcaps.in

India Economics: Monetary Policy Review

MPC unanimously voted to keep policy rate unchanged and maintained accommodative stance. RBI would like to wait for inflation to fall before reducing rates any further. More importantly, RBI allowed one-time restructuring for corporates and households impacted by pandemic. This will provide much needed time to recover. A broad-based recovery will have to wait for a vaccine. More than RBI, revival will require higher government spending as seen in Q1 to revive demand. We expect GDP to fall by 5% in FY21.

Click here for the full report.

Gujarat State Petronet

Gujarat State Petronet's (GUJS) Q1FY20 EBITDA was in line at Rs 3.5bn (–14% YoY). Volumes came in below estimates at 33.2mmscmd on lower offtake from the CGD and fertiliser segments. Low LNG prices (especially spot) continue to drive speedy recovery in gas consumption (~40mmscmd in Jul'20) as lockdown restrictions are eased. We cut FY21/FY22 EPS estimates by 14%/10%; our Sep'21 DCF-based TP remains unchanged at Rs 310 despite rollover.

Click here for the full report.

Cera Sanitaryware

Cera Sanitaryware's (CRS) Q1FY21 consolidated revenue declined 46% YoY, bettering our estimate of a 62% drop. Operating margins shrank 10ppt YoY to 2.6%, triggering an 89% YoY downslide in EBITDA and a PBT loss of Rs 11.9mn. Management stated that demand has improved in July to ~95% of year-ago levels vs. ~85% in June. We increase FY21 earnings by 5% (FY22 unchanged) and roll over to a revised Sep'21 TP of Rs 2,440 (from Rs 2,315). Maintain ADD.

Click here for the full report.

Banking

The central bank has provided a resolution framework that allows all banks, NBFCs and HFCs to cope with Covid-related stress, wherein all loans including personal (retail) loans can be restructured. However, credit to entities such as financial institutions, central/state/local government bodies and MSMEs (with borrowing exposure up to Rs 250mn) are not covered under the framework. In our view, prudence exercised by banks in implementing the scheme remains crucial as restructuring will allow NPA recognition to be delayed by 18-24 months.

Click here for the full report.

NBFC

RBI today introduced development policies along with the monetary policy, laying out new guidelines on the restructuring of personal loans – this has historically been a source of slippages and, together with extension of the MSME restructuring scheme, makes for a ticking time bomb in our view. RBI's additional Rs 100bn refinance facility to NABARD and NHB may help NBFCs raise funds. An LTV increase for gold loans by banks gives them regulatory arbitrage, but may not materially affect market share of NBFCs.

Click here for the full report.

Oil & Gas

Natural gas consumption in June increased to 171.2mmscmd (+6% YoY, +9% MoM). Barring CGD (16.9mmscmd, –36% YoY) and petrochemicals (6.8mmscmd, –26% YoY), offtake surged across sectors, viz. fertiliser (52.5mmscmd, +24% YoY), refineries (32.4mmscmd, +48% YoY) and others (27.3mmscmd, +50% YoY). The power sector clocked 18% MoM growth to 35.4mmscmd as electricity demand rose to pre-Covid levels driven by rising industrial and economic activity. Ample power is available at affordable prices as spot LNG prices remain low – this will assist the economic revival and growth (we highlighted this trend in our recent **Midcap Model Portfolio** update).

Click here for the full report.

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 2,450 | ⮝ 20%

PI INDUSTRIES | Agrochemicals | 06 August 2020

Q1 beat; Growing CSM mix can drive rerating – raise to BUY

PI Industries (PI) reported a strong beat in Q1FY21 with sharp QoQ EBITDA recovery. Revenue/EBITDA grew 41%/51% YoY. Domestic sales/exports were up 76%/23%. Strong domestic sales were partly on account of deferred sales from Q4. EBITDA margin at 22% was stable on better cost control while gross margin was a miss on lower CSM and higher Isagro mix. Management retains its FY21 guidance of >20% sales growth and sustained margins. We raise FY21/FY22 EPS by 21-24% and roll to a Sep'21 TP of Rs 2,450 (vs. Rs 1,700). Upgrade to BUY.

Vivek Kumar
research@bobcaps.in

Solid growth across businesses; CSM outlook stays strong: Sales grew 41% YoY (27% ex-Isagro). Domestic sales were led by strong placement of Nominee Gold and traction in Osheen and Elite. PI expects two launches in Q2-Q3. It has launched digital platform 'PI Mitra' which should enhance virtual connect with farmers and channel partners, driving better reach. In exports, better capacity planning and higher momentum in shipments led to 23% YoY growth. CSM order book was steady at US$ 1.5bn; PI expects good volume scale-up for products launched in the last 1-2 years and for the four planned in FY21.

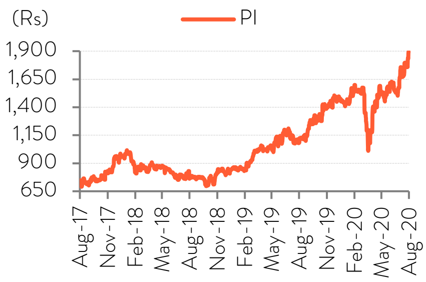
Upgrade to BUY; TP of Rs 2,450: PI delivered an all-round Q1 beat, fuelling our steep EPS upgrade. With CSM contributing >85% of FY23 EBITDA (from c. 78%) the stock looks poised for a rerating, in our view. M&A in high-chemistry capability in the specialty/pharma CSM space should gain momentum. We expect >35% EPS CAGR over the next two years and >30% ROIC. Our new TP is based on 38x implied P/E (earlier 35x) vs. a historical 16-40x band.

Earnings call takeaways: (1) QIP money to be deployed in 5-6 quarters across multiple avenues. (2) RM imports from China <10%. (3) FY21 domestic/export growth guidance at +20% each; capex Rs 6bn. (4) Isagro Q1 sales at Rs 990mn.

Ticker/Price	PI IN/Rs 2,036
Market cap	US$ 4.1bn
Shares o/s	152mn
3M ADV	US$ 5.3mn
52wk high/low	Rs 2,055/Rs 1,370
Promoter/FPI/DII	47%/12%/18%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20P	FY21E	FY22E	FY23E
Total revenue (Rs mn)	28,409	33,075	40,887	50,471	58,866
EBITDA (Rs mn)	5,764	7,150	9,548	12,009	14,315
Adj. net profit (Rs mn)	4,102	4,537	7,138	9,046	10,383
Adj. EPS (Rs)	27.1	29.9	47.1	59.7	68.5
Adj. EPS growth (%)	11.6	10.6	57.3	26.7	14.8
Adj. ROAE (%)	19.7	18.6	18.2	16.1	16.1
Adj. P/E (x)	75.2	68.0	43.2	34.1	29.7
EV/EBITDA (x)	53.1	42.8	32.1	24.7	20.0

Source: Company, BOBCAPS Research

MONETARY POLICY REVIEW

06 August 2020

RBI allows restructuring while holding rates

MPC unanimously voted to keep policy rate unchanged and maintained accommodative stance. RBI would like to wait for inflation to fall before reducing rates any further. More importantly, RBI allowed one-time restructuring for corporates and households impacted by pandemic. This will provide much needed time to recover. A broad-based recovery will have to wait for a vaccine. More than RBI, revival will require higher government spending as seen in Q1 to revive demand. We expect GDP to fall by 5% in FY21.

Sameer Narang
Dipanwita Mazumdar | Jahnavi
chief.economist@bankofbaroda.com

KEY HIGHLIGHTS

- Policy rate kept unchanged at 4%.
- Restructuring window provided to corporates and households.
- Policy space remains in H2, when inflation softens.

MPC holds rates: MPC members unanimously voted to keep key policy rates unchanged while maintaining accommodative stance. With inflation at 6.1% in Jun'20 and 6.5% in Q1FY21, RBI would like to wait for inflation to come down to 4% before reducing rates. However, RBI moved on to other fronts. First, a restructuring window has been provided to corporates and households. Second, additional liquidity of Rs 100bn has been provided for NABARD and NHB. Third, LTV ratio of gold loans increased to 90% from 75% earlier. *(Details in the Regulatory Announcements section).*

CPI to moderate in H2: With a large negative surprise in Q1FY21, CPI inflation in H1 is likely to remain above RBI's target of 4%. Food as well as domestic retail fuel prices are elevated. However, abundant sowing and gradual unlocking of economy will bring food inflation lower. Public policy by way of open market sales and PDS will also play a role. We expect CPI to average at 3.8% in H2FY21. However, there are upside risks by way of local lockdowns disrupting supply chains.

GDP to contract in FY21: MPC noted that real GDP would contract in H1FY21 as well as throughout FY21. It noted that deviations from normal monsoon as well as protracted spread of COVID-19 pose downside risk to growth in FY21. Agriculture sector remains a bright spot with progress in Kharif sowing. We expect GDP to contract by 5% in FY21.

More stimulus in H2: Unless a vaccine is available, economic activity is likely to settle below pre-COVID levels. RBI's consumer confidence survey is at the lowest level. This calls for an economic stimulus to revive spending. Centre has increased its spending by 13.1% in Q1 and is likely to maintain this momentum. RBI's role will be important to absorb a part of this debt and look for room for any further rate reduction depending upon inflation.

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 310 | ⮝ 56%

GUJARAT STATE PETRONET

| Oil & Gas | 06 August 2020

Swiftly returning to normal

Gujarat State Petronet's (GUJS) Q1FY20 EBITDA was in line at Rs 3.5bn (–14% YoY). Volumes came in below estimates at 33.2mmscmd on lower offtake from the CGD and fertiliser segments. Low LNG prices (especially spot) continue to drive speedy recovery in gas consumption (~40mmscmd in Jul'20) as lockdown restrictions are eased. We cut FY21/FY22 EPS estimates by 14%/10%; our Sep'21 DCF-based TP remains unchanged at Rs 310 despite rollover.

Rohit Ahuja | Harleen Manglani
research@bobcaps.in

Volumes muted despite robust macro trends: Q1 volumes fell 13% YoY to 33.3mmscmd as demand from the CGD (4.7mmscmd, –55% YoY) and fertiliser (2.7mmscmd, –30% YoY) segments crashed. CGD was the most affected by the lockdown. Offtake from the power sector surged (10.3mmscmd, +2x YoY). Management sees even higher demand potential as spot LNG prices remain low at <US$ 3/mmbtu. Refining segment offtake was robust (11.3mmscmd, +6% QoQ) due to a preference for gas over fuel oil as an input.

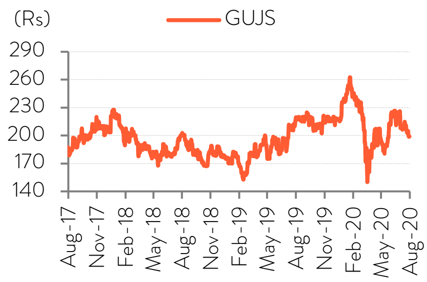
CGD, power volumes to offset lower RIL offtake: RIL continues to absorb ~9mmscmd (stable QoQ), mostly for its petchem units. While GUJS could see volume loss (of 4-6mmscmd) once RIL's petcoke gasification plant ramps up to ~100% utilisation, this could be made up by incremental power (in FY21) and CGD demand (from FY22).

Maintain BUY: GUJS has healthy volumes levers in place – planned connectivity to all the five LNG regasification terminals in Gujarat and an improving demand outlook from CGD and power. Commissioning of the Mundra LNG terminal has started to add volumes from Q1FY21. At 9.5x FY22E EPS, valuations look attractive considering stronger volume visibility. The macro climate remains conducive for a surge in gas consumption.

Ticker/Price	GUJS IN/Rs 199
Market cap	US$ 1.5bn
Shares o/s	564mn
3M ADV	US$ 2.4mn
52wk high/low	Rs 264/Rs 146
Promoter/FPI/DII	38%/16%/47%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20P	FY21E	FY22E	FY23E
Total revenue (Rs mn)	18,773	23,692	22,601	26,937	29,598
EBITDA (Rs mn)	15,426	15,749	15,991	18,902	20,303
Adj. net profit (Rs mn)	7,947	11,087	9,720	11,770	12,811
Adj. EPS (Rs)	14.1	19.7	17.2	20.9	22.7
Adj. EPS growth (%)	18.9	39.5	(12.3)	21.1	8.8
Adj. ROAE (%)	15.2	18.1	13.7	14.9	14.5
Adj. P/E (x)	14.1	10.1	11.5	9.5	8.8
EV/EBITDA (x)	8.1	8.8	8.3	6.8	6.2

Source: Company, BOBCAPS Research

ADD
TP: Rs 2,440 | ⮝ 9%

CERA SANITARYWARE | Construction Materials | 06 August 2020

Weak Q1 due to lockdown, but ahead of estimates

Cera Sanitaryware's (CRS) Q1FY21 consolidated revenue declined 46% YoY, bettering our estimate of a 62% drop. Operating margins shrank 10ppt YoY to 2.6%, triggering an 89% YoY downslide in EBITDA and a PBT loss of Rs 11.9mn. Management stated that demand has improved in July to ~95% of year-ago levels vs. ~85% in June. We increase FY21 earnings by 5% (FY22 unchanged) and roll over to a revised Sep'21 TP of Rs 2,440 (from Rs 2,315). Maintain ADD.

Arun Baid
research@bobcaps.in

Revenue declines due to lockdown: CRS reported a 46% YoY decline in Q1 consolidated revenue to Rs 1.5bn. The sanitaryware segment plunged 47% YoY and faucets/tiles dropped 38%/54% YoY. As per management, the nationwide lockdown eroded sales during the quarter. The company has seen improvement in July sales to ~95% of year-ago levels as compared to ~85% in June. Management highlighted the continued thrust on working capital discipline which has resulted in a reduction of ~3 days YoY. Cash on books has increased by Rs 0.4bn QoQ to Rs 2.7bn as of 30 June.

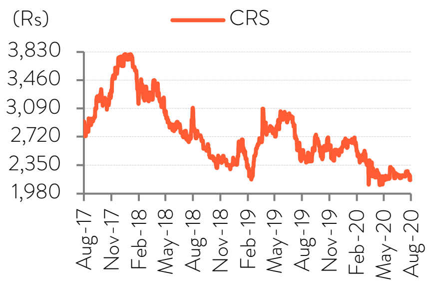
Consolidated EBITDA slump: Operating margins contracted 1,040bps YoY as gross margins slumped 1,015bps and employee cost increased 690bps YoY – this was partly offset by a 665bps YoY reduction in other expense. EBITDA declined 89% YoY and the company suffered a PBT loss of Rs 11.9mn. Management expects various cost-cutting measures, benign commodity prices and price increases of 3-5% in August in the sanitaryware segment to cushion margins in a challenging demand environment.

Maintain ADD: We increase our FY21 PAT estimate by 5% (FY22E unchanged) given the above-expected Q1 and roll over to a new Sep'21 TP of Rs 2,440 (from Rs 2,315), set at an unchanged 26x one-year forward P/E.

Ticker/Price	CRS IN/Rs 2,246
Market cap	US$ 389.8mn
Shares o/s	13mn
3M ADV	US$ 0.2mn
52wk high/low	Rs 2,900/Rs 1,986
Promoter/FPI/DII	54%/15%/30%

Source: NSE

STOCK PERFORMANCE



Source: NSE

KEY FINANCIALS

Y/E 31 Mar	FY19A	FY20P	FY21E	FY22E	FY23E
Total revenue (Rs mn)	13,444	12,237	10,508	12,409	13,742
EBITDA (Rs mn)	1,917	1,655	1,132	1,772	1,974
Adj. net profit (Rs mn)	1,010	1,133	627	1,157	1,287
Adj. EPS (Rs)	77.7	87.1	48.2	89.0	98.9
Adj. EPS growth (%)	4.1	12.1	(44.6)	84.4	11.2
Adj. ROAE (%)	15.5	15.4	7.9	13.4	13.5
Adj. P/E (x)	28.9	25.8	46.6	25.2	22.7
EV/EBITDA (x)	15.0	17.2	25.1	16.1	14.5

Source: Company, BOBCAPS Research

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BANKING

06 August 2020

RBI allows restructuring yet again

Vikesh Mehta
research@bobcaps.in

Restructuring window for Covid-linked stress: The central bank has provided a resolution framework that allows all banks, NBFCs and HFCs to cope with Covid-related stress, wherein all loans including personal (retail) loans can be restructured. However, credit to entities such as financial institutions, central/state/local government bodies and MSMEs (with borrowing exposure up to Rs 250mn) are not covered under the framework.

Resolution plan guidelines:

- Loan tenor cannot be extended beyond two years and the account should be standard up to 30 DPD (SMA-0) as of 1 Mar 2020 and remain standard on the date of invocation.
- Resolution plan should be invoked by 31 Dec 2020 and implemented within 180 days (90 days for individual loans).
- Lenders must provide an additional 10% provision on the post-resolution debt, which can rise to 20% if the ICA is not signed within 30 days of invocation. However, provisions as per RBI's prudential framework will apply if the resolution plan is not implemented in 180 days.
- Lenders can reverse 50% of the provision if the borrower pays 20% of the residual debt without turning NPA and the balance 50% upon repayment of an additional 10%.
- Lenders converting any portion of the debt into any other security under restructuring shall have that portion valued at Re 1.

Expert committee to vet proposals exceeding Rs 15bn: According to RBI, a committee headed by KV Kamath will make recommendations on the required financial parameters to be factored into each resolution plan and will vet proposals exceeding Rs 15bn, without interfering with the commercial judgments exercised by lenders.

Our view: Evidence suggests that a large part of restructured loans have slipped into NPAs in the past and that restructuring increases the opacity of the balance sheet, even as headline NPAs lose relevance as a lead indicator of a bank's health. Prudence exercised by banks in implementing the scheme remains crucial as restructuring will allow NPA recognition to be delayed by 18-24 months.

NBFC

06 August 2020

New RBI policies offer limited succour

Shubhranshu Mishra
research@bobcaps.in

RBI today introduced development policies along with the monetary policy, laying out new guidelines on the restructuring of personal loans – this has historically been a source of slippages and, together with extension of the MSME restructuring scheme, makes for a ticking time bomb in our view. RBI's additional Rs 100bn refinance facility to NABARD and NHB may help NBFCs raise funds. An LTV increase for gold loans by banks gives them regulatory arbitrage, but may not materially affect market share of NBFCs.

Additional refinance facility to help NBFCs garner funding: RBI has introduced an additional refinance facility of Rs 50bn each to NABARD and NHB, illustrating the regulator's intent to reach out to HFCs and MFIs. We believe this move coupled with a thawing of bond markets is a positive for lower rated NBFCs.

Restructuring of personal & MSME loans a ticking time bomb: Restructuring of personal loans under the new guidelines is likely to elongate the credit stress faced by lenders, albeit while maintaining their capital buffers at adequate levels. MSME loan restructuring has been extended till 31 Mar 2021.

LTV hike for bank gold loans unlikely to affect NBFC market share: The regulatory arbitrage given to banks by increasing the LTV for their gold loans from 75% to 90% is unlikely to materially change the market share of NBFCs as this hike is only till 31 Mar 2021. Also, originating gold loans at 90% LTV raises the probability of default, thereby negating the benefits. Over FY12-FY14, when RBI had given a similar regulatory arbitrage to banks, their market share went up by only 2-3% over an 18-20-month period.

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

OIL & GAS

06 August 2020

Low spot prices make natural gas lucrative

Rohit Ahuja | Harleen Manglani
research@bobcaps.in

Highest ever natural gas consumption in June: Natural gas consumption in June increased to 171.2mmscmd (+6% YoY, +9% MoM). Barring CGD (16.9mmscmd, –36% YoY) and petrochemicals (6.8mmscmd, –26% YoY), offtake surged across sectors, viz. fertiliser (52.5mmscmd, +24% YoY), refineries (32.4mmscmd, +48% YoY) and others (27.3mmscmd, +50% YoY). The power sector clocked 18% MoM growth to 35.4mmscmd as electricity demand rose to pre-Covid levels driven by rising industrial and economic activity.

Ample power is available at affordable prices as spot LNG prices remain low – this will assist the economic revival and growth (we highlighted this trend in our recent **Midcap Model Portfolio** update).

Fertiliser and refinery offtake surge: Fertiliser plants, the largest consumers of natural gas, continue to report high offtake – in keeping with our expectations. High agriculture output coupled with low spot LNG prices (gas being 75-80% of cost) would continue to fuel gas demand. In June, refinery consumption surged as natural gas was preferred over fuel oil due to low prices.

Domestic gas production declines: Gas production slipped 12% YoY to 75mmscmd in June, with the biggest decline of 29% YoY to 9.2mmscmd seen from private players. ONGC and Oil India also reduced output to 58.7mmscmd (–12% YoY) and 7.1mmscmd (–3% YoY) respectively. Despite recent optimistic management commentary from both companies on gas production in the next couple of years, we do not estimate any increase in domestic output due to unfavourable economics at current low gas prices.

KEY RECOMMENDATIONS

Ticker	Price	Target	Rating
PLNG IN	248	305	BUY
IGL IN	389	420	SELL
GUJGA IN	304	335	ADD
GUJS IN	199	310	BUY
MAHGL IN	985	710	SELL
GAIL IN	96	150	BUY

Price & Target in Rupees

GAS CONSUMPTION

(mmscmd)	Jun'20	Jun'19	YoY (%)
Fertiliser			
Domestic	23.3	16.6	40.1
R-LNG	29.2	25.6	13.8
Total	**52.5**	**42.3**	**24.1**
Power			
Domestic	23.6	21.4	10.6
R-LNG	11.7	22.9	(48.8)
Total	**35.4**	**44.3**	**(20.1)**
CGD			
Domestic	10.8	15.4	(30.2)
R-LNG	6.1	10.9	(43.9)
Total	**16.9**	**26.4**	**(35.9)**
Other Industrials			
Domestic	28.4	14.9	90.4
R-LNG	38.0	34.3	10.8
Total	**66.5**	**49.3**	**34.9**
Total Consumption	**171.2**	**162.2**	**5.6**
Total R-LNG	**85.1**	**93.8**	**(9.3)**
Total Domestic	**86.1**	**68.4**	**26.0**

Source: PPAC, BOBCAPS Research

FIG 1 – GAS CONSUMPTION TREND

(mmscmd)	June'20	June'19	YoY (%)	May'20	MoM (%)	Q1FY21	Q1FY20	YoY (%)
Fertiliser	52.5	42.3	24.1	50.7	3.5	48.7	40.2	21.1
Power	35.4	44.3	(20.1)	30.1	17.6	30.2	36.7	(17.7)
CGD	16.9	26.4	(35.9)	18.7	(9.5)	16.1	25.8	(37.6)
Other industrials:	66.5	49.3	34.9	57.6	15.3	57.8	48.6	18.9
Refineries	32.4	21.9	48.0	27.7	16.9	28.1	20.8	35.3
Petrochemicals	6.8	9.2	(25.7)	12.0	(43.1)	8.6	9.7	(11.2)
Miscellaneous	27.3	18.2	49.8	18.0	51.8	21.1	18.1	16.3
Total	**171.2**	**162.2**	**5.6**	**157.1**	**9.0**	**152.9**	**151.4**	**1.0**

Source: PPAC, BOBCAPS Research

Disclaimer

Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

ADD – Expected return from >+5% to +15%

REDUCE – Expected return from -5% to +5%

SELL – Expected return <-5%

Note: Recommendation structure changed with effect from 1 January 2018 (Hold rating discontinued and replaced by Add / Reduce)

Rating distribution

As of 31 July 2020, out of 96 rated stocks in the BOB Capital Markets Limited (BOBCAPS) coverage universe, 46 have BUY ratings, 20 have ADD ratings, 11 are rated REDUCE and 19 are rated SELL. None of these companies have been investment banking clients in the last 12 months.

Analyst certification

Each of the analysts mentioned in this research report certify, with respect to the sections of the report for which they are responsible, that (1) all of the views expressed in this report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOBCAPS.

Important disclosures

This product is a compilation of previously published research notes. To view the complete report along with the associated Analyst certifications and Company-specific disclosures, please click on the hyperlink accompanying each excerpt.

General disclaimers

BOBCAPS is engaged in the business of Institutional Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS has obtained registration as a Research Entity under SEBI (Research Analysts) Regulations, 2014, having registration No.: INH000000040 valid till 03 February 2020. BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities —that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may act as market makers or assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

In the US, this material is only for Qualified Institutional Buyers as defined under rule 144(a) of the Securities Act, 1933. No part of this document may be distributed in Canada or used by private customers in the United Kingdom.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Other disclosures

BOBCAPS does not have any financial interest in the subject company. BOBCAPS does not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS is not engaged in any market making activities for the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.