November – December 2021 Diwali Edition / Volume : 13 / Issue : 13

MEHTA
REWARDING RELATIONSHIPS

MCONNECT
A MAGAZINE

"INDIAN MARKET @ ALL TIME HIGH"
WHAT NEXT ?

SHUBH DIWALI
"SAMVAT 2078"
Muhurat Investment & Trading Idea's 2021

Guest Fund Manager
Mr. Vinod Bhat
Portfolio Manager,
Aditya Birla Sun Life AMC

Guest Fund Outlook
Market Outlook
by
Nippon India AMC

Nov-Dec. 2021/Volume:13/Issue:13

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Greetings from Chairman

CA RAKESHH MEHTA
Chairman, Mehta Group

Seasons Greetings!

Let me begin by thanking you all for your continued support and faith in Mehta Group/ Mehta Equities Ltd .

Markets have witnessed massive euphoria and crossed historic numbers in the last one year. Positive investor sentiment backed by domestic economic growth has helped the markets get here! Several sectors have seen massive demand uptake and after a significantly long time India Inc is talking about Capex. However, any rapid rise always creates fear of correction, last week has shown us how rapidly stocks can correct in no time! Hence one must be extremely careful in selection of their stocks. Markets will continue to be volatile in the short to medium term and but I'm very optimistic for the long term. This will be one of the greatest bull markets of the century and we must all be a part of this and enjoy the wealth creation in due process! To navigate this situation, we at Mehta Group suggest our investors to Rebalance & Diversify their portfolios from time to time.

A Billion Dollar Question in every investor's mind: Will SENSEX HIT 100K market from 60K?

I certainly believe that the SENSEX will be around 100K mark; this number could come in the next three years or before! Historically, Sensex has grown at a CAGR of ~14% average over the past 20 years and if we assume the same trend, I can say the magical Sensex @100,000 mark would be any time between 2025-2026E but this time we may reach there even earlier!

Very importantly, last year through the crisis Indian start-ups managed to raise over $11.1mn and 12 new companies became unicorns and this year just till October, 34 new companies have entered the unicorn club with almost $22Bn or more of inflows! Imagine the kind of job creation, business activity and overall positive impact it will have on our economy! There maybe a lot of liquidity around the world and hence one can attribute these inflows to that but the fact that India and its young talent is able to attract this money should tell you, what lies ahead for the country and its economy!

Mehta, focuses on continuously building product based services to keep up with all types of investor needs and as required by the market conditions. In the last few months, our focus has been to advise our clients to de-risk their portfolios. To this effort we are introducing a variety of top quality products on our platform which will help our clients in long run. One has not only benefited by being investors in the equity markets with us but have also made excellent returns on our new age initiatives and alternate investing ideas!

Overall, we can expect consumption driven sectors, Banking and financial services and PSU theme to outperform in Samvat 2078. We will see some very interesting new IPOs that will come up immediately and give steam to the overall market mood!

As a long-standing tradition every year we give out a special list of ideas that we believe will help in portfolio building for investors and this year too we have identified potential trading and investment ideas which are expected to do well in Samvat 2078. I hope you all benefit from our efforts and we promise to keep working to ensure a rewarding relationship!

Happy Investing to you all!
Wishing everyone a Happy Diwali and a Prosperous Samvat 2078

PMS OUTLOOK

Wishing you a very Happy Diwali and Prosperous New Year!

Markets have shown a spectacular recovery led by our domestic retail investors after the COVID outbreak.

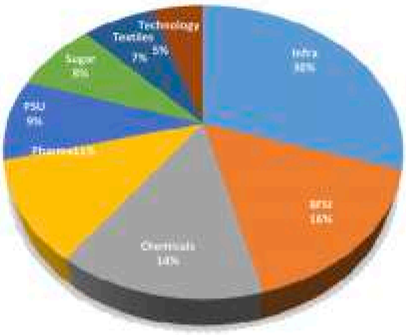
Even though Nifty is at the highs of 18000 levels from the lows of 7600 back in March 2020, we believe that this is greatest bull runs in the history of Indian markets and the next few years will create enormous wealth for investors who remain believers!

Markets might show volatility in short and medium term due to rising inflation, de-growth in Chinese economy and unstable external environments but in the longer run Indian equity markets will generate better than expected returns compared to all other asset classes. Few reasons why the aforementioned will happen are:

1. Stable domestic environment
2. Monetisation of non-core assets by Government of India
3. Positive mindset of Indian households
4. Boom in Investment Culture backed by high quality and user friendly technol ogy
5. Mindset change of corporate of India, where in they are de-leveraging their balance sheets, improving efficiency and moving towards rewarding minority shareholders.
6. Massive roll-out of infra projects from the Government.

In true sense India is getting RE-imagined and Re-aligned!

Industry Allocation



Keeping all this in mind, our PMS fund team at Mehta Multi-Focus Strategy (PMS-MMFS) have adopted the strategy to identify deep value assets which are catering to the domestic consumption where promoter holding is strong and favourable, government policy is visible and where building up of industry tail winds can be observed.

Performance snapshot of our PMS scheme (MMFS)

COMPARISON	MTD(%)	QTD(%)	YTD(%)	2 YEAR (%)	SINCE INCEPTION(%)
MMFS	**6.5%**	**13.3%**	**49.5%**	**22.2%**	**18.5%**
NIFTY	2.9%	12.1%	19.5%	16.5%	15.5%
BSESMALLCAP	4.5%	11.2%	35.5%	34.5%	16.5%
BSEMIDCAP	5.8%	12.1%	28.3%	23.5%	14.8%

*Inception date of MMF Sportfoliois 9th August 2018 Returns as on 30thSeptember,2021; Returns are net of all fees and expenses.

Mr. Samridh Poddar
-CIO

DON'T WORRY LET OUR EXPERTS DO THE WORK & MAKE YOUR INVESTMENT SIMPLER

Mr. Rajat Mehta
-COO

GUEST FUND MANAGER

Mr. VINOD BHAT
Portfolio Manager
ADITYA BIRLA SUN LIFE AMC LIMITED (ABSLAMC)

Mr. Vinod is a CFA (USA) and has done his MBA in Finance from The Wharton School, University of Pennsylvania (USA). He holds an M.S. in Industrial Engineering from Pennsylvania State University (USA) and B.Tech in Mechanical Engineering from IIT Bombay. Prior to joining ABSLAMC, he was the Vice President - Corporate Strategy and Business Development with Aditya Birla Management Corporation Pvt. Ltd. Previously he was an Investment Banker at Credit Suisse and Ocean Park Advisors in the USA.

GLOBAL MACRO & MARKETS

Owing to concerns around the US taper and ripple effect of the Evergrande crisis in China, global equities took a pause on its winning streak and declined 4.3% in September, sharpest monthly decline since March-2020. NIKKEI (+4.9%) outperformed S&P500 (-4.8%) and Euro-50 (-3.5%). Fall in Emerging Markets (-4.2%) was led by Hang Seng (-5%) and BOVESPA Brazil (-6.6%), while NIFTY India (+2.8%) and MOEX Russia (+4.1%) outperformed the index. Crude oil prices rallied 7.6%m/m owing to a decline in US crude inventory, lower supply concerns and higher global demand outlook by the (International Energy Agency) IEA and (Organization of the Petroleum Exporting Countries) OPEC. LME Metals index ended the month 3.1% lower in contrast to crude oil prices.

DOMESTIC MACRO AND MARKET

India was among the best performing marketsglobally,taking its year-to-date relative outperformance to 30 ppt compared to MSCI EM Index.BSE MidCap index (+5.9%) and BSE SmallCap index (+4.3%)resumed outperformance against SENSEX (+2.7%) after the first monthly underperformance of the year in August. Among sector indices, Energy (+12%), Discretionary (+6%) and Communication Services (+6%) gained the most while Materials (-2%),HealthCare (-1%) and Financials (0%) lost the most.Market breadth rose in September as 89% of BSE 100 stocks remained above their respective 200-day moving averages.FPIs bought US$1227 Mn of Indian equities while DIIs bought US$789Mn.

India's high frequency data update:

With current account in surplus, GST collections improving, manufacturing activity expanding and inflation moderating, macro data has been quite encouraging in recent period.

Manufacturing PMI : Manufacturing PMIrose to 53.7 in September compared to 52.3 in August. The factory activity rose on account of production growth boosted by stronger new order inflows, companies scaling up input buying and acceleration in input cost inflation.

GST Collection : Collections in September picked up to INR 1.17 Tn (+23% YoY) as compared to INR 1.12 Tn inAugust, crossing the crucial INR 1 Tn mark for third month in a row, indicating a fast recovery.

Power consumption : Power consumption in the month of September was 0.8% higher thanSeptember-20 and 5.5% higherthan the consumption in August 2019.

Core sector production : Core sector production rose 9.3% in Augustas against a YoY rise of 16.4% in July and fall of 6.9% in August last year.

Industrial Production : Manufacturing IIP rose by 10.5%YoY in July vs a fall of 11.4% in July of last year.

Credit growth : Credit growth remained sluggish at6.7%YoY as of 10-Septmber against YoY growth of 5.3% as observed on11-September 2020.Aggregate deposit growthfell to 9.3%YoY.

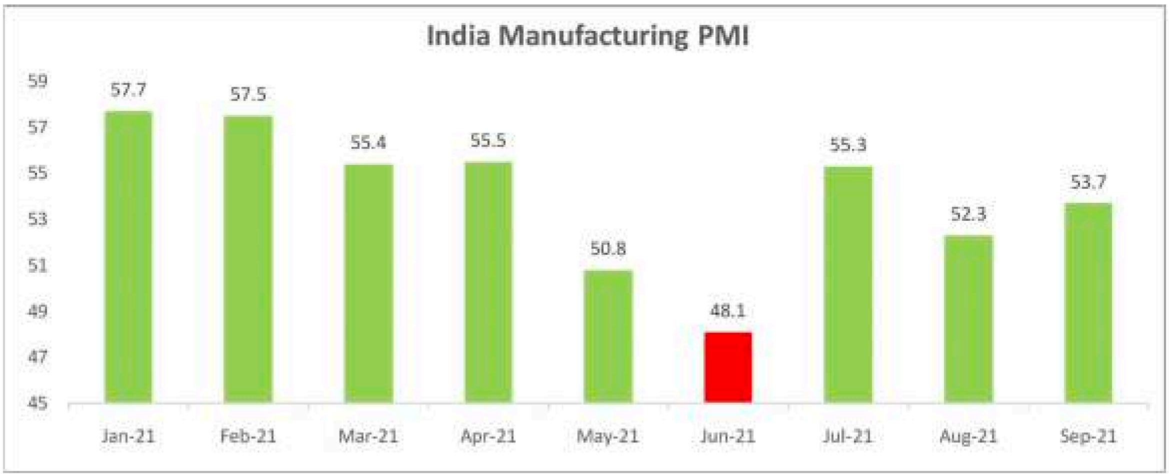
Inflation : CPI inflation in August moderated to 5.3% from 5.6% as observed in July led by lower-than-expected food inflation. WPI inflation came at11.4% in July increasing from 11.2% in June led by fuel and power inflation at 26.1% and inflation for basic metals at 27.5%.

Trade Deficit : August trade deficit further widened to US$13.9 bn as compared to US$11 bn in July.Non-oil exports increased 36.6% to US$28.6 bn over August 2020 while non-oil imports increased 43.9% YoY to US$35.4 bn.

Current Account Balance : The current account registered a surplus in 1QFY22, rising to $6.5 bn (0.9% of GDP) against a deficit of US$8.2 bn in 4QFY21 (-1% of GDP). The surplus was led by moderation in trade deficit to US$30.7 bn and an increase in net services receipts to US$25.8 bn.

Normal Monsoon : Though delayed and erratic, 32% excess rain in September helped offset the 24% and 6.8% deficiency in August and July rainfall respectively. With rainfall amounting to 99% of the long period average, it has been a good monsoon, making it third consecutive normal monsoon in India.

Chart of the month : In contrast to some near-term growth challenges in the rest of the World, Indian manufacturing has been resilient on the back of improvement in domestic demand.



MARKET VIEW

Indian equity market sentiment has remained resilient despite the record high valuations supported by higher liquidity, strong earnings possibility, relatively lower rates. In our view profit to GDP ratio in India may continue to rise in a foreseeable future as lot of segments which hitherto had not contributed meaningfully are witnessing a turnaround. The improving domestic macro data suggests that a reasonable economic recovery is underway. Capex revival, business normalization, improving global trade and domestic consumption are key contributors to this anticipated recovery.

Higher inflation may pose a potential challenge for prevailing easy liquidity & lower rates and any faster than expected normalization in the same may impact market sentiment. Geo-political developments and oil prices are other key areas to be tracked.

We believe all three market cap segments (Large, Mid and Small) offer similar risk reward, making a case for diversified strategies with investments across market caps. Conservative investors seeking equity exposure with lower volatility may consider asset allocation strategies like Multi Asset/Balanced Advantage etc.

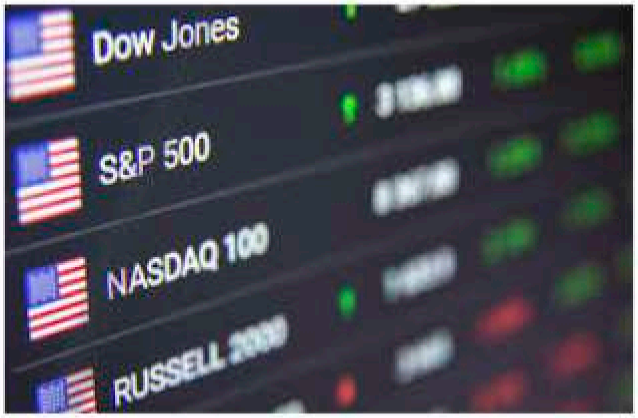
Common Source: IHS Markit, Nippon India Mutual Fund Research, Bloomberg

Note: The sectors mentioned are not a recommendation to buy/sell in the said sectors. The schemes may or may not have future position in the said sectors. For complete details on Holdings & Sectors of NIMF schemes, please visit website mf.nipponindiaim.com; **Past performance may or may not be sustained in future**

MARKET OUTLOOK

Nippon india Mutual Fund
Wealth sets you free

Nippon India AMC – Fund House view



Global Equity markets continue to enjoy a bull run. In the US, S&P500 and Nasdaq are at new all-time highs. Indian markets have also participated in the rally, with Nifty reaching a record high of 18,000+. Year-to-date, Nifty is up 30%+ and has outperformed global equity markets. Indeed, India is amongst the best performing markets YTD and has given higher returns than the S&P500 and Nasdaq in USD terms.

As impressive as the largecap Nifty performance is, mid-and-smallcap indices have outperformed Nifty by a significant margin YTD. Within sectors, cyclicals like Metals, Power, Real Estate, Consumer Durables, Cap Goods, etc. have outperformed defensives like FMCG, Healthcare, and IT.

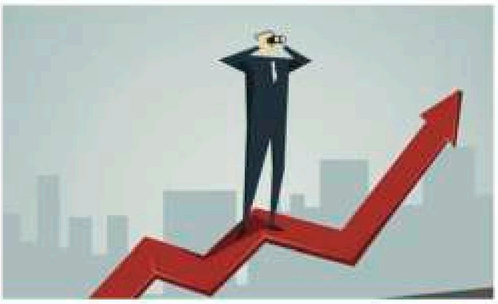
Positive news on the COVID front has given a boost to Indian equity markets. The Indian economy has recovered quickly from the second covid wave. There are no signs of a third wave thus far and even if there is a third wave, its impact is expected to be much lower than in the first two waves. Record low interest rates, government reform/relief measures, improved vaccine access, and subsequent pick-up in service sector activity have kept momentum strong.

Macro data-points are also showing an uptick. Service sector PMI rebounded to a 18-month high and India's August CPI printed slightly below expectations coming in at 5.3%yoy.GST collections grew 30% YoY in August to Rs 1.12tn. India's FX reserves are close to its all-time peak, standing at $640bn currently. 10-year yield has been stable around 6.3% while INR is around 75 to the USD.

On the global front, there are some concerns regarding a) rising inflation in the US led by supply chain disruptions, rising energy prices, and higher wages, and b) an uptick in global bond yields after the US Fed announced its tapering timeline to start in Nov and end by mid-2022.

Oil prices have risen above $85/barrel driven by growing fuel demand, a fall in U.S. crude inventories, and OPEC+ stance to not increase supply beyond what was agreed upon earlier. Rising oil prices remain a concern for the equity markets as it will impact India's Current Account Deficit. Recent developments in China have also heightened volatility in markets. However, newsflow points to a managed collapse of Evergrande and financial contagion looks contained. Recent power shortage in China has led to a production slowdown which has disrupted the demand-supply equation for commodities and led to volatility in commodity prices. In addition, frequent regulatory action by the Chinese policy makers on various sectors such as Internet, Edtech, Gaming, Cryptocurrency, etc. also lead to higher uncertainty.

View on the Market



Globally, markets are trying to climb a wall of worry on a number of fronts. US Fed and ECB have lowered projected growth rate for US and Eurozone respectively. Although growth will still be relatively strong, it has likely peaked out and growth rate will start slowing down in US and Eurozone. At the same time, China's growth rate is also expected to slow due to the govt proactively slowing down credit growth, regulatory action, slowdown in the property sector, and recent power shortage. In addition, inflation is rising due to supply chain disruptions and yields have started rising with the expected start of tapering by the Fed in Nov. Global Equity markets have resilient despite the above concerns as companies are showing strong earnings growth which is above expectations.

Coming to India, with no major earnings upgrades, India's relative valuations have become richer after the continuing rally in equity markets. However, we are still constructive on India's growth going forward. India has been late in the recovery process versus developed markets but has the potential now to catch up. Consequently, a recovery in earnings growth is also expected.

The key question for investors is whether the market has peaked or are things different this time.

In previous market peaks during 2000 and 2007, economy was in an expansionary phase before the market peaked, inflation was high and interest rates were also high. Currently we are at beginning of economic recovery, inflation is well under control, and interest rates are relatively low.

There are a number of drivers for India's economic growth going forward:

- Real Estate is at a beginning of a new cycle with low home loan rates, higher afford ability, stagnant prices for past 5 years, and industry consolidation.
- Private sector investment expected to pick up as demand is picking up post-covid, corporates have repaired their balance sheets, banks are willing to lend.
- Exports are strong. IT service companies have good tailwind and theChina + 1 strategy being adopted by Global MNCs is helping Textiles, Chemicals, etc.
- Capital flows into the country have been strong both in the form of FDI flows (expected to be record high of $70 Bn+ in FY22) and FII flows ($9 Bn in CY21 YTD). India is strong in technology and a large quantum of Private Equity money is coming into the country which should help the economy.
- Forex reserves are high which should provide stability on external front

Considering the above, corporate profits are also expected to see a turnaround. A virtuous cycle, supported by strong capex and productivity, is taking off in India.Strong rates of growth, coupled with benign macro stability risks, set a positive backdrop for the ratio of corporate profits to GDP to rise. Hence we can expect mean reversion with sufficient headroom for corporate profits to rise.

FIIs continue to be net buyers of Indian equities (+$1.4bn in Sep, following +$1.0bn in Aug). In addition, because of continuing uncertainty in China, India is also getting some benefit in terms of allocation from global fund managers. While China has underperformed in the past few months, India has done relatively better amongst Emerging Markets and this can be expected to continue.

Overall, market still has legs to continue rising although we may see intermittent corrections. Investors should use any correction to add to their equity exposure.

Key themes of interest for the medium to long term include the following:

1.Digital Transformation: Factors driving higher tech spend are a) Modernization of core IT infrastructure; b) Adoption of public and hybrid cloud model; and c) increased adoption of AI.

2.Rise of Domestic Manufacturing: Govt. announced Production Linked Incentives (PLI) favourable for domestic manufacturing, High budget outlay for infra.

3.Cyclical revival in Real Estate: Structural tailwinds such as low interest rates, stagnant prices, increased 'work-from-home', reduced stamp duty, industry consolidation, and unsold inventory.

4.Sustainability/ESG: Directionally the world is moving towards Responsible Investing. Sustainable Businesses are likely to witness sustainable growth and likely higher returns.

5.Corporate Banks/Fintech:Structural story of increasing market share based on high capitalization, better asset quality and healthy liability franchise. Fintechsare disrupting this space.

"SAMVAT 2078" Muhurat Investment & Trading Idea's 2021

(in Rs)

SECTOR	STOCK	CMP	Accmulation Range	Target	Upside
LARGE CAP	SBI	523	480-500	620	19%
	Bharti Airtel	707	630-650	830	17%
	HCL Tech	1174	1050-1100	1400	19%
	L&T	1804	1650-1700	2050	14%
	Godrej Consumer	1015	900-940	1200	18%
MID CAP	Muthoot Finance	1526	1400-1450	2000	31%
	Ajanta Pharma	2107	1900-1950	2800	33%
	Tata Power	227	180-200	300	32%
	Motherson Sumi	226	190-200	300	33%
	Hindustan Aeronautics	1323	1150-1200	1800	36%
SMALL CAP	Birla Corp	1410	1150-1200	1750	24%
	Intellect Design	669	580-600	900	35%
	MCX	1692	1480-1550	2200	30%
	Kalpataru Power	440	380-400	600	36%
	Shilpa Medicare	606	530-550	800	32%
MICRO CAP	Globus Spirits	1250	1050-1150	1850	48%
	Usha Martin	92	70-80	140	52%
	Amrutanjan Health	941	800-850	1200	28%
	JBM Auto	596	500-540	800	34%
	Kolte-Patil Dev	321	260-280	400	25%
PSU THEME	BPCL	431	400-420	650	51%
	BEL	207	170-180	300	45%
	SAIL	119	100-110	200	68%
	Concor	684	575-620	1000	46%
	SCI	132	110-120	200	52%

Holding Period assumption 6-12 Months

Prices recorded as on 27th Oct 2021

Further, the recipient of this material should take their own professional advice before investing.

*For more details contact : **Mehta Equities Ltd,** 903, Lodha Supremus, Dr. E Moses Road Worli Naka, Mumbai -400018. Board:+91-22-61507100, Tel.: +91-22-61507142, Fax.: +91-22-61507102, Web : http://www.mehtagroup.in Disclaimer applied*

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Nov-Dec. 2021/Volume:13/Issue:13

STATE BANK OF INDIA

TARGET RS 620

Buy/Accumulate

INDUSTRY : BANK L MARKET CAP (RS CR): 448863 I FACE VALUE RS 1 I CMP RS 523

INVESTMENT THESIS:

- India's largest bank operating 22,224 branches globally and has a vast network of 63,906 ATMs/CDMs. It provides a wide range of financial services, such as insurance, credit cards and asset management, through its subsidiaries.
- SBI is our preferred bet in the PSU banks on amidst is size and should benefit immensely from the pick-up in economic activity in the Indian economy, with a sturdy PCR, healthy capitalization, a strong liability franchise, and an improved asset quality outlook. Also, lower repo rates may help with quick recovery in credit growth.
- SBI gearing up for $1 billion IPO of its mutual fund venture: as per industry data SBI's mutual fund is currently valued at about $7 billion. SBI's plans to list the mutual fund arm is part of its strategy to extract more value from its units after divesting some of its stakes in its life insurance and cards businesses last year. SBI's mutual fund is the largest in India with 5.23 lakh crore as on Average AUM (Apr-Jun 2021)
- CASA ratio stood at 46.0% as on June 2021. CASA deposits remained stable compared to previous quarter. Capital Adequacy Ratio (CAR) too has improved 26bps YoY to 13.66% as on Jun 2021 (excluding Q1FY22 Profit).
- NII reached Rs. 27,638cr (3.7% YoY); domestic NIM margin of 3.15%. The bank is well capitalised with the level of the credit risk that it faces on backdrop of almost 75% of the loan portfolio comprising of secured loans (or loans covered by government guarantees).
- It's quite likely that stabilization in credit costs and improved growth outlook should lead to double-digit ROEs of 13-15% by FY22-23E.
- The biggest positive trigger in favor of SBI is no sharp deterioration in assets quality post COVID.

Key Risk:

- Any increase in delinquency (gross NPAs raising) impacting future profitability growth.
- Material change in interest rate in monitory policy could impact advance growth.

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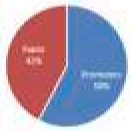
Ms. Rinkle Vira Research Associate (+91-22-61507142) – Email : rinkle.vira@mehtagroup.in

KEY STATISTICS	
Equity Capital Rs. Cr	892.46
Promoter Pledge in %	Nil
PBx	1.72
PEx	20.01
Dividend Yield %	0.80%
ROE %	8%
ROCE %	4.5
52 Week High /low Rs	508.70/186

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	269852	278115	319832	367807
EBITDA	96943	85294	102346	128732
EBITDA %	35.9%	30.7%	32.0%	35.0%
PAT	19768	22405	28785	34942
PAT %	7.3%	8.1%	9.0%	9.5%
EPS	22.15	25.10	32.25	39.15

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

BHARTI AIRTEL LTD (AIRTEL)

TARGET RS 830

Buy/Accumulate

INDUSTRY : TELECOM L MARKET CAP (RS CR): 408636 I FACE VALUE RS 5 I CMP RS 707

INVESTMENT THESIS:

- Leading player in the Indian mobile telephony space with operations in 18 countries across Asia and Africa. The company ranks amongst the top three mobile service providers globally in terms of subscribers. Airtel is a diversified telecom service provider offering wireless, mobile commerce, fixed line, home broadband, enterprise and DTH services. It expanded into Africa by acquiring Zain's Africa operations in 2010 and is present in 14 African markets. Bharti Airtel had over 470 million customers across its operations at the end of March 2021. It owns a 53.51% stake in Bharti Infratel, which in turn owns a 42% stake in Indus Towers.
- The key positive catalyst in favor of the firm is that telecom remains one of the few sectors still witnessing consumption and earnings growth as amidst lockdown and social distancing, the shift is towards higher dependency on digital tools, such as video conferencing and collaborative applications.
- Sunil Bharti Mittal, promoter & Chairman had recently outlined the company's aspirations as a) ARPU of Rs 200/month to be reached by the end of this fiscal and eventually to Rs 300 levels. b) The company's debt is at an 'extraordinary' level and there is an opportunity to accelerate growth, lowering of leverage (net debt to EBITDA to 2x vs. 3x currently) and c) healthy return ratios in teens vs. single digit, currently.
- Most importantly, Bharti's balance sheet remains healthy, on backdrop of strong execution track record. Revenue accretion from the 4G upgrade, minimum-ARPU plans (rolled out across India) and recent tariff hike helps the company to report improvement in ARPU. The management has also said that in terms of 5G connectivity status in India, Mittal feels 5G will become a reality in H2 next year for the majority of circles. The spectrum pricing auction will be made attractive. Further, the government's data localization policies with increasing penetration of smartphones are likely to boost strong demand for data over medium-to-long term.

Key Risk:

- Competitive intensity in the Indian telecommunications industry remained elevated leading to pressure on realisations.
- Exposure to regulatory changes and technological risks
- Larger than expected debt-funded capex or spectrum acquisition.

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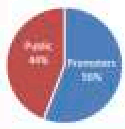
KEY STATISTICS	
Equity Capital Rs. Cr	2746
Promoter Pledge in %	Nil
PBx	5.11
PEx	-
Dividend Yield %	0.00%
ROE %	-22.2%
ROCE %	12.3
52 Week High /low Rs	739/419

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	84677	100616	115708	129593
EBITDA	-2009	41064	52069	62205
EBITDA %	-2.4%	40.8%	45.0%	48.0%
PAT	6086.71	-8149.6	9257	12959
PAT %	7.2%	-8.1%	8.0%	10.0%
EPS	11.16	-14.84	16.85	23.60

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

Nov-Dec. 2021/Volume:13/Issue:13

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HCL TECHNOLOGIES LTD.

TARGET RS 1400 — Buy/Accumulate

INDUSTRY : IT I MARKET CAP (RS CR): 324052 I FACE VALUE RS 2 I CMP RS 1174

INVESTMENT THESIS:

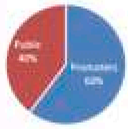
- HCL Technologies is a next-generation global technology company with a worldwide network of R&D, innovation labs and delivery centers, and 170,000+ 'Ideapreneurs' working in 49 countries, HCL serves leading enterprises across key industries, including 250 of the Fortune 500 and 650 of the Global 2000. The company focuses on emerging technologies like digital & analytics, cloud, IoT, Automation integrated portfolio of products, solutions, services, and IP through Mode 1-2-3 strategy and IP creation from traditional infrastructure management.
- As the demand for segment services are seen increasing, HCL Technologies is accelerating its evolution into a next-generation technology company, driven by a unique business model. Industries verticals they service includes Financial Services, Manufacturing, Aerospace and Defense, Telecom, Retail and CPG, Life Sciences and Healthcare, Media and Entertainment, Travel, Transportation and Logistics, Automotive, Government, Energy and Utilities. HCL Technologies is among India's top four largest software company.
- The positive takeaway for the stock price is that the firm indicated a surprising bold positive mid-quarter update where the FY22 guidance of double-digit growth in constant currency was retained on backdrop of operational efficiency and impressive pipeline conversion across digital business, engineering, life sciences, telecom, cloud services and BFSI.
- The management guidance has been strong in the past on organic revenue front as the firm expects large deal wins and strong pipeline build up. This gives the confidence of the strong momentum to continue going forward. Interestingly, HCL Tech has been growing better than its peers, especially INFY & TCS in last six years in terms of profit and revenue.

Key Risk:

- Regulatory changes in the regions in which it operates, resulting in weakening of business risk profile
- Cross currency movement to adversely impact future earnings

KEY STATISTICS	
Equity Capital Rs. Cr	543
Promoter Pledge in %	Nil
PBx	5.41
PEx	29.09
Dividend Yield %	0.84%
ROE %	19%
ROCE %	24.95
52 Week High /low Rs	1377/800.6

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	70676	75379	86686	99689
EBITDA	17905	20975	21671	25421
EBITDA %	25.3%	27.8%	25.0%	25.5%
PAT	10958	10994	13870	15950
PAT %	15.5%	14.6%	16.0%	16.0%
EPS	40.36	40.49	51.09	58.75

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

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LARSEN & TOUBRO LTD

TARGET RS 2050 — Buy/Accumulate

INDUSTRY : INFRA I MARKET CAP (RS CR): 2,50,513 I FACE VALUE RS 2 I CMP RS 1804

INVESTMENT THESIS:

- Larsen remains the best proxy for domestic capex and its improving business environments. Signs of pick-up in economic activity are visible amidst waning of the second wave of the pandemic and lockdown restrictions being eased. Also, with normal monsoon, agriculture sector is likely to remain buoyant and most importantly, the economy is likely to witness robust rebound on backdrop of fiscal stimulus packages by central banks across globe. The vaccination efforts gathering momentum also acts as positive catalyst.
- L&T remains at the forefront to reap benefits from the AtmaNirbhar Bharat Scheme with its diversified businesses across sectors such as defence, infrastructure, heavy engineering and IT. High liquidity, improved leverage, prospective pipeline with better utilization and production is expected to continue in the near-term.
- Q1FY22 revenue grew 38.0% YoY and net-profit jumped nearly four-fold to Rs 1,174 crores on backdrop of solid order book coupled with large project executions and robust E&C growth amidst pandemic.
- As on 30th June 2021, consolidated order book stood at Rs. 3.23tn primarily comprising of Infrastructure (76%) and Hydrocarbon (13%) orders. Infrastructure revenue grew 63.3% YoY to Rs. 10,453cr backed by solid execution. Additionally, Power (+101.2% YoY on large wins), Development Projects (+103.2% YoY on strong Thermal & Hydro demand), Defence Engineering (+44.8% YoY), Hydrocarbon (+36.9% YoY) and other businesses (+80.1% YoY) witnessed uptick.
- International orders were 20% of the total order book of Rs 323721 crore as on June 30, 2021. Order inflow at Rs. 266bn (+13% YoY), bagged orders worth Rs. 26,557cr in Q1FY22.

Key Risk:

- Due to slow realisation of receivables and high inventory levels, the working capital cycle of L&T's core construction operations would remain high.
- Significant investment/support to Group companies resulting deterioration of its credit profile.

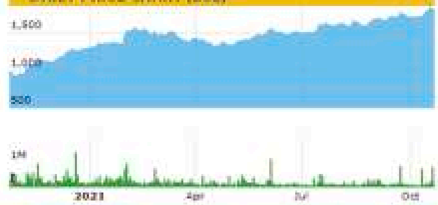
KEY STATISTICS	
Equity Capital Rs. Cr	102.25
Promoter Pledge in %	Nil
PBx	10.43
PEx	57.21
Dividend Yield %	0.00%
ROE %	18%
ROCE %	19.16
52 Week High /low Rs	1138.5/644

SHARE HOLDING PATTERN

FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	145,452	135,979	152,296	170,572
EBITDA	16329	15625	19,037	21,833
EBITDA %	11.2%	11.5%	12.5%	12.8%
PAT	8895	6902	9138	11258
PAT %	6.1%	5.1%	6.0%	6.6%
EPS	63.40	49.14	65.06	80.15

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)



Price chart source:www.bseindia.com

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GODREJ CONSUMER PRODUCT (GCPL) TARGET RS 1200

INDUSTRY :CONSUMER GOODS I MARKET CAP (RS CR): 96,444.73 I FACE VALUE RS 1 I CMP RS 1015

Buy/Accumulate

INVESTMENT THESIS:

- Godrej Consumer Products (GCPL) is a leading player in the FMCG sectors with powerful brands in its portfolio like, Godrej No.1 Sandal and Turmeric soap, Godrej hair colours, and Good Knight. GCPL operates internationally in countries like Indonesia, Africa, US, Middle East, amongst others. The company has a leadership position in home-grown household & personal care categories in the domestic and international.
- The key positive catalyst continues to be the robust demand witnessed across categories and most importantly, foray into new categories on backdrop of persistent innovation, cross pollination, better distribution reach.
- GCPL likely to deliver topline growth as the group enjoys the patronage of 1.15 billion consumers globally across businesses. India business continues to witness double-digit growth momentum as hair color, soaps gained market share. Consolidated revenue grew 24%YoY driven by 19%YoY (+5%YoY 1QFY21) growth in India business while international business grew 30% (-9% YoY 1QFY21). Faster turnaround in Indonesia and South Africa business quite likely in near term as economy reopens after lockdown.
- Company's balance sheet position has improved with net debt reduced to Rs. 591cr (vs. Rs. 696cr at the end of Q4FY21). Reduction in debt augurs well for the company as it strengthens the balance sheet. Despite having a positive outlook on topline growth and operational performance of the business, we expect could impact profitability in the near-term.
- The biggest positive trigger which can potentially transformation the fortunes of the company is appointment of Mr. Sudhir Sitapati's as MD and CEO of GCPL. Mr. Sudhir had a 22 years at Hindustan Unilever where he led teams across categories and in countries like India, Europe, South East Asia, and Africa.

Key Risk:

- Intense competition in the FMCG industry
- Rising prices of palm oil and crude oil (raw-material inflation) which could impact profitability.

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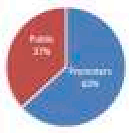
KEY STATISTICS	
Equity Capital Rs. Cr	102.25
Promoter Pledge in %	Nil
PBx	10.43
PEx	57.21
Dividend Yield %	0.00%
ROE %	18%
ROCE %	19.16
52 Week High /low Rs	1138.5/644

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	9911	11029	12352	13834
EBITDA	2186	2422	2841	3251
EBITDA %	22.1%	22.0%	23.0%	23.5%
PAT	1556.64	1745.3	1976	2283
PAT %	15.7%	15.8%	16.0%	16.5%
EPS	15.23	17.07	19.33	22.32

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

MUTHOOT FINANCE LTD TARGET RS 2000

INDUSTRY : NBFC FINANCE I MARKET CAP (RS CR): 62836 I FACE VALUE RS 10 I CMP RS1526

Buy/Accumulate

INVESTMENT THESIS:

- Muthoot Finance is a leading and largest gold financier in India with gold loan AUM of Rs 52613 crore as on June 2021. The firm boasts of robust 4,625 gold lending branch with 60% of network focused in South. The biggest positive catalyst with regards to Gold finance portfolio is that NPA may inch higher; but lender can auction the collateral gold assets easily and recover the credit much faster as compared to other asset class.
- Diversified presence in other lending segments via its subsidiaries like housing (Muthoot Homefin), microfinance (Belstar Micro-Finance) and vehicle finance (Muthoot Money Ltd.). The company is majority owned by the Muthoot family (73.4% stake) and commands a market cap of Rs. 62,849 crores.
- Pandemic related uncertainties are mostly behind us and Gold prices are still trading at higher consolidation zone amidst precious metals safe haven status —— that adds to the safety cushion margin and most importantly, are supportive of growth.
- Motivated leadership and strong brand recall continues to defy competition and most importantly, with its extensive pan-India footprint and expertise -- high share of repeat customers quite likely amidst strong brand visibility. Muthoot Finance commands roughly 18% market share in the organized gold lending market. Brand building by roping in Amitabh Bachchan as brand ambassador is seen give it a pan-India visibility. Large market opportunity to drive long term growth. India's gold loan market is expected to reach Rs 461,700cr by 2022 growing at a five-year CAGR (FY18 to FY22) of 13.4%, according to a report by KPMG.
- Robust business growth quite likely in long term backed by low gold penetration. Also, management target to achieve Rs. 1 lakh crore book by FY24-25. Asset quality remains healthier with GNPA at ~2% and a recovery rate of above 90%.
- Strong asset quality, low leverage, positive ALMs and with loyal customer base aids strong healthy financials with strong margin of 12-14% led by gold loan yielding ~21%

Key Risk:

Inherent risk of Gold portfolio and geographic concentration risk
Challenges associated with non-gold loan segments

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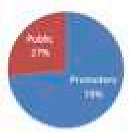
KEY STATISTICS	
Equity Capital Rs. Cr	401
Promoter Pledge in %	Nil
PBx	3.88
PEx	16.01
Dividend Yield %	1.32%
ROE %	24%
ROCE %	15.56
52 Week High /low Rs	1639/1090

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	9684	11531	13837	15912
EBITDA	7499	9308	11070	12730
EBITDA %	77.4%	80.7%	80.0%	80.0%
PAT	3139	3807	4705	5410
PAT %	32.4%	33.0%	34.0%	34.0%
EPS	78.28	94.89	117.26	134.85

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

AJANTA PHARMA (AJP)

TARGET RS 2800

INDUSTRY : PHARMA I MARKET CAP (RS CR): 18635 I FACE VALUE RS 2 I CMP RS 2107

Buy/Accumulate

INVESTMENT THESIS:

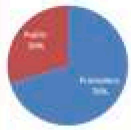
- Ajanta Pharma (AJP) is a specialty pharmaceutical company engaged in development, manufacturing and marketing of quality finished dosages. The company produces a comprehensive range of specialty products targeting different therapeutic segments. The business caters to branded generics in emerging markets of Asia and Africa, generics in the developed markets of USA. The branded generic markets lend long term earnings visibility, while its US business is scaling up fast, driving operating leverage benefits. Strong earnings visibility and classic return metrics are the key catalyst in favor of the stock.
- Ajanta's mostly excels on New Drug Delivery System (NDDS); new product launches and first-of-its-kind generics. On the segmental, there has been a stand out performance reported in Pain management, Cardiology and Derma as well. Ophthalmic would be the focus segment with the new bloc started as well as new product launches. Two of the five facilities in India have been successfully approved by USFDA.
- AJP ranks 28th with a market share of ~0.66% in the Indian pharmaceutical mark with business focuses on cardiology, ophthalmology, dermatology and pain therapies. The firm is also the second-largest player in ophthalmology and ranks 18th in cardiology. As of FY21, the exports: domestic formulations ratio was at 70:30. Asia accounts for ~35% of export formulations, Africa 33% & US 32%.
- AJP business model offers a diverse mix of uniformity, rapid growth and most importantly, backed by strong operating metrics (debt-free balance sheet, RoE >20%). The conclusion of a large capex (Rs 13bn over FY17-21, internally funded) should further drive growth.

Key Risk:

- Weakening of financial profile because of significant increase in debt-funded capex or acquisitions
- Intense competition from both MNCs and Indian companies

KEY STATISTICS	
Equity Capital Rs. Cr	17.39
Promoter Pledge in %	13.7%
PBx	6.29
PEx	28.80
Dividend Yield %	0.44
ROE %	22%
ROCE %	31.64
52 Week High /low Rs	2420/1486.95

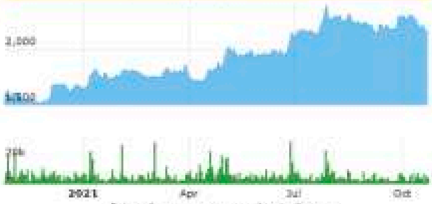
SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	2588	2890	3323	3822
EBITDA	772	1025	1196	1395
EBITDA %	29.8%	35.5%	36.0%	36.5%
PAT	471	655	764	917
PAT %	18.2%	22.7%	23.0%	24.0%
EPS	53.65	75.38	87.90	105.48

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)



Price chart source:www.bseindia.com

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TATA POWER

TARGET RS 300

INDUSTRY : POWER I MARKET CAP (RS CR): 68252 I FACE VALUE RS 1 I CMP RS 227

Buy/Accumulate

INVESTMENT THESIS:

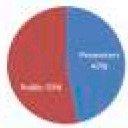
- Tata Power is India's largest integrated private power company with significant international presence and specializes in generating, transmission and distribution of electricity. Tata Power is present across the entire power value chain of conventional & renewable energy and next-generation customer solutions.
- Diversified Power play: Tata Power has an installed generation capacity of 12,808 MW in India and a presence in all the segments of power sector, viz. Fuel & Logistics, Generation (thermal, hydro, solar and wind), Transmission, Distribution and Trading. The tailwinds are in favour for the renewables and ancillary businesses and thereby could fetch higher valuations. We expect market to ascribe higher valuation to segregated portfolio of clean energy businesses on back of a) asset light b) higher growth expectations and c) ESG compliant portfolio.
- Clean energy - The next growth avenue: The macro environment has become favourable for clean and energy businesses which is expected to yield better valuations. The firm acquired four licenses for retail power distribution in Odisha, thereby expanding its total customer base to over 11.7mn. Tata Power, through its solar arm, has been providing 29 years of manufacturing of cells and modules by focusing on cutting-edge technology and world-class innovation. Tata Power's transition into the green segment is gaining strong momentum with nearly 40%/10% market share enjoyed by its EV charging/solar EPC segments. Its solar pump/solar rooftop business witnessed 8x/4x growth during Q1FY22 with the highestever order book of Rs 11bn across solar pumps. The solar EPC order backlog stood strong at Rs. 72.6bn. The firm has set targets of generating revenue of over Rs. 27,000cr in FY25, with capex spends of Rs. 15,000cr over the next 5 years.
- The future ride on EV opportunity: On the EV front, the company has tied up with OEM partners to provide home charging facilities to EV car buyers and most importantly, has set up close to 500 public charging points in nearly 100 cities and plans to expand to over 3,000 charging points in the next one year Vision target is to reach 10000.

Key Risk:

Any major debt-funded acquisition which weakens the company's financial risk profile
Any delay in the realisation of the proceeds from divestments
Rise in imported coal prices.

KEY STATISTICS	
Equity Capital Rs. Cr	319.53
Promoter Pledge in %	1.4
PBx	3.45
PEx	63.71
Dividend Yield %	0.69%
ROE %	5%
ROCE %	4.03
52 Week High /low Rs	270/52

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	29136	32468	37338	42939
EBITDA	5289	5881	6908	8073
EBITDA %	18.2%	18.1%	18.5%	18.8%
PAT	1017	1127	1454	1718
PAT %	3.5%	3.5%	3.9%	4.0%
EPS	3.76	3.53	4.55	5.37

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

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MCONNECT
A MAGAZINE
Nov-Dec. 2021/Volume:13/Issue:13

MOTHERSON SUMI SYSTEMS LTD TARGET RS 300

INDUSTRY : AUTO ANCILLARIES I MARKET CAP (RS CR): 70469 I FACE VALUE RS 1 I CMP RS 226

Buy/Accumulate

INVESTMENT THESIS:

- Motherson Sumi Systems Ltd (MSSL) is a joint venture between Samvardhana Motherson International (SMIL) and Sumitomo Wiring Systems, Japan (SWS) and is one of the world's largest manufacturers of components for the automotive and transport industries —— primarily catering global PV industry with key product lines like, wiring harnesses, vision systems (mirrors) & plastic body parts.
- MSSL has a diverse global customer base of nearly all leading automobile manufacturers globally with a presence in 36 countries across six continents. MSSL is currently the largest auto ancillary in India and among the Fab SO companies of India.
- The biggest positive catalyst continues to be healthy and growing EV order book continues to inflate businesses. MSSL continues to book new orders under EV segment and the constant rising quantum indicate strong revenue visibility. SMRP BV's healthy order book at Eur15.6b (with Eur4.5b new orders won in 2HFY21) will drive healthy revenues over FY22-24. Use of higher electronic content in EV auger well for MSSL. The business is likely to rebound sharply as industry-wide issues soften amidst gradual revival in OEM businesses would continue to deliver growth and drive performance for MSSL.
- MSSL's Board of Directors has approved a group reorganization at the start of July-21 which involves demerger of the domestic wiring harness (DWH) business from it into a new company Motherson Sumi Wiring India Ltd (MSWIL). The proposed DWH business demerger remains on track and aligns the interests of varied stakeholders and creates a roadmap for future growth.
- MSSL has history of successful turnarounds in acquisitions and inorganic-led growth and well placed to capitalise on global PV recovery.

Key Risk:

- Exposed to inherent cyclicality across global automotive markets as MSSL derives ~50% of its revenues from Europe and exhibits ~65-70% revenue dependence on the European OEMs.
- Any derail in aggressive expansion plans driven by inorganic growth strategy

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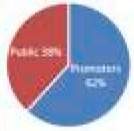
KEY STATISTICS	
Equity Capital Rs. Cr	315.79
Promoter Pledge in %	4.38
PBx	5.78
PEx	67.07
Dividend Yield %	0.65%
ROE %	8%
ROCE %	7.76
52 Week High /low Rs	273/103/85

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	60729	57370	68844	79170
EBITDA	5296	4938	6196	7284
EBITDA %	8.7%	8.6%	9.0%	9.2%
PAT	1168	1083	1721	2217
PAT %	1.9%	1.9%	2.5%	2.8%
EPS	3.70	3.43	5.45	7.02

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

HINDUSTAN AERONAUTICS LTD (HAL) TARGET RS 1800

INDUSTRY : AEROSPACE DEFENCE I MARKET CAP (RS CR): 44257 I FACE VALUE RS 10 I CMP RS 1323

Buy/Accumulate

INVESTMENT THESIS:

- Hindustan Aeronautics Limited (HAL) is the largest Defence Public Sector Undertakings ("DPSU") in terms of value of production. HAL is involved in Design, Development, Manufacture, Repair, Overhaul, Upgrade and Servicing of a wide range of products, including Aircrafts, Helicopters, Aero-Engines, Avionics, Accessories and Aerospace Structures.
- The 'Make in India' initiative by the Government is focusing its efforts on increasing indigenous defence manufacturing with the aim of becoming self-reliant. The opening up of the defence sector for private sector participation is helping foreign OEMs to enter into strategic partnerships with Indian companies and leverage opportunities in the domestic market as well as global markets.
- Strong design and development capabilities: The company has divided its operations into 5 complexes, namely Bangalore Complex, MiG Complex, Helicopter Complex, Accessories Complex and Design Complex, which together include 20 production divisions and 11 Research and Design centres ("R&D Centres") located across India. Other than the indigenous aircraft and helicopters, HAL has also manufactured aircraft under license including the MiG 21FL/M/BIS, MiG-27, Dornier 228, Su-30 Mkl, Hawk Mk 132 aircraft etc.
- Leadership position in the Indian aeronautical industry and strong GoI support. HAL plays a strategic role in India's defence programme being the only Indian company having specialisation in aircraft manufacturing and providing its maintenance, Repair and Overhauling services (ROH). HAL derives approximately 93 per cent of sales from Indian Defence Services and export its products and services, primarily spares to more than 21 countries.
- Strong financial track record. HAL has recorded revenue in excess of Rs. 22,700 crores (provisional and unaudited) for the financial year ended on March 31, 2021. The company has posted revenue growth of around 6% in FY 2020-21. The company does not have any long-term indebtedness. HAL has a record of continuous dividend distribution for over four decades, reflecting strong financial track record.

Key Risk:

- High Dependency on contract from Minister of defence (MoD) as 90%+ of revenue comes from Indian Defence Forces.
- Delay overruns costs in any orders executions and international vendor dependability

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KEY STATISTICS	
Equity Capital Rs. Cr	334.39
Promoter Pledge in %	4.38
PBx	2.99
PEx	14.22
Dividend Yield %	2.18%
ROE %	21%
ROCE %	16.66
52 Week High /low Rs	1568/660

SHARE HOLDING PATTERN

FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	21445	22755	25030	27533
EBITDA	5337	5722	6257	6883
EBITDA %	24.9%	25.1%	25.0%	25.0%
PAT	2799	3238	3504	3855
PAT %	13.1%	14.2%	14.0%	14.0%
EPS	83.70	96.83	104.79	115.27

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

BIRLA CORPORATION LTD (BCL) TARGET RS 1750

INDUSTRY : CEMENT I MARKET CAP (RS CR): 10219.61 I FACE VALUE RS 10 I CMP RS 1410

Buy/Accumulate

INVESTMENT THESIS:

- Birla Corporation Ltd (BCL) is the flagship Company of the M.P. Birla Group. It is primarily engaged in the manufacturing of cement as its core business activity. It has significant presence in the jute goods industry as well.
- Positive catalysts for future earnings include beneficial regional presence (Central India and North India), higher blending ratios, focus on cost rationalization and modernization and most importantly, focus on trade segment. Optimism comes from the fact that the company focuses on selling blended cement which forms 93.5% of company sale during the quarter.
- The positive takeaway is that the firm has managed to cut down its debt by Rs1.1bn despite spending Rs8bn in capex for its Mukutban (Maharashtra) plant. BCL is expanding its capacity by setting up a greenfield facility of 3.9 mntpa in Mukutban, Maharashtra which is expected to get operational in Q4FY22. The company aims to expand its total capacity to 25 mntpa from the current 15.6 mntpa by FY25. The management commentary is quite optimistic of sustainability in demand momentum as expects to achieve its target of 25mn mt of capacity by 2025. Well, this translates into whopping 62% growth in capacity over the next 4 years.
- Cement industry likely to do well on backdrop of rising demand in the rural housing segment and also amidst governments' thurst on spending on rural infrastructure.
- Extremely good set of numbers in last quarter as its revenue/Ebitda/APAT growth of 43%/48%/116% over Q1FY21 ahead of the streets' estimates. The upbeat performance was amidst lower operating costs and better volume and realisations.
- Capacity utilization for the firm stood robust - at 90% during the last quarter. The volume for the quarter stood at 3.4 mntpa, up 40% YoY. The blended realization during the quarter came in at Rs 4,953/tonne, up 1.5% QoQ and flat YoY. The company reported blended EBITDA per tonne of Rs 1,028 (Rs 971/tonne in Q1FY21) which was higher by 6% QoQ. The cost/tonne on QoQ remained stable at Rs 4,193

Key Risk:

- Volatility in input and finished goods prices
- Cyclicality of the cement industry

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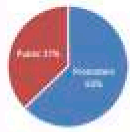
KEY STATISTICS	
Equity Capital Rs. Cr	77.01
Promoter Pledge in %	Nil
PBx	2.31
PEx	17.09
Dividend Yield %	0.72%
ROE %	11%
ROCE %	11.6
52 Week High /low Rs	1560/621

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	6916	6785	7464	8583
EBITDA	1347	1352	1493	1802
EBITDA %	19.5%	19.9%	20.0%	21.0%
PAT	505	630	746	858
PAT %	7.3%	9.3%	10.0%	10.0%
EPS	65.58	81.81	96.92	111.45

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

INTELLECT DESIGN ARENA LTD TARGET RS 900

INDUSTRY : IT SOFTWARE I MARKET CAP (RS CR): 8964.91 I FACE VALUE RS 5 I CMP RS 669

Buy/Accumulate

INVESTMENT THESIS:

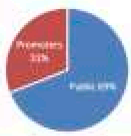
- Intellect Design Arena Limited (INDA) is a global leader in Financial Technology for Banking (1) retail banking, 2) corporate banking, and 3) treasury and capital markets), Insurance and other Financial Services.
- INDA had de-merged from Polaris Consulting Services in October 2014. INDA has four business units that are aligned with verticals such as Global Consumer Banking (iGCB), Global Transaction Banking (iGTB), Risk, Markets and Treasury (iRTM) and Insurance (iSEEC).
- INDA's products' are accepted across advanced markets as the firm has 25 customers in America, 23 in Europe, 53 in APAC, and 139 in IMEA. The company is serving 240 customers in 97 countries. This is aiding the IDA to grow at the faster rate as it has built the regulatory framework in these countries.
- INDA likely to be in limelight on backdrop of sustained favourable industry tailwinds, strong deal win momentum, and healthy deal pipeline.
- INDA remains optimistic and confident on delivering strong growth momentum over the next five years because of strong traction for its products across iGTB and iGCB segments, monetisation of products under Intellect SEEC and iRTM segments, cross-selling opportunities, consistent in digital-led wins, and strong deal pipeline (up 12% y-o-y)
- INDA's outlook remains positive as company witnessed demand recovery to Pre-Covid levels in many markets and increased acceptance for its offerings across segments. Most importantly, the outbreak of COVID-19 has pushed digital transformation into the new level. INDA is aspiring to double its revenue to $400 million over the next five years, implying almost 15% CAGR.
- The margin is expected to be 30% in the coming quarters because of change in revenue mix, higher subscription revenue, and lower R&D expenses

Key Risk:

- Intense competition in the BFSI vertical for IT products
- Low Promoter holding @ 30.96% as on Sep-21.

KEY STATISTICS	
Equity Capital Rs. Cr	66.49
Promoter Pledge in %	Nil
PBx	6.42
PEx	33.75
Dividend Yield %	0.00%
ROE %	19%
ROCE %	21.35
52 Week High /low Rs	892/229

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	1347	1497	1647	1894
EBITDA	75	360	412	473
EBITDA %	5.6%	24.0%	25.0%	25.0%
PAT	16	263	313	379
PAT %	1.2%	17.6%	19.0%	20.0%
EPS	1.21	19.92	23.35	28.26

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

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MCONNECT
A MAGAZINE
Nov-Dec. 2021/Volume:13/Issue:13

MULTI COMMODITY EXCHANGE OF INDIA LTD (MCX) TARGET RS 2200

INDUSTRY : EXCHANGE I MARKET CAP (RS CR): 8547.86 I FACE VALUE RS 10 I CMP RS 1692

Buy/Accumulate

INVESTMENT THESIS:

- MCX is the market leader —— around 94% market share in terms of commodity futures turnover in the Indian commodity exchange space. As reported in the latest yearly data by the World Federation of Exchanges, in the year FY21—— MCX was seventh among the global commodity bourses in terms of the number of futures contracts traded, MCX has 620 members, 4.2 million terminals and presence across 981 cities and towns of India, as on June 30, 2021.
- The Multi Commodity Exchange of India Limited (MCX), India's first listed exchange, is a state-of-the-art, commodity derivatives exchange that facilitates online trading of commodity derivatives transactions, thereby providing a platform for price discovery and risk management.
- MCX presence in several commodities offers healthy diversification. Development on other growth initiatives – such as bullion/metal index futures, gold spot exchange, and institutional participation – is also encouraging.
- The Supreme Court consented to allow the introduction of new market instruments for electricity trading. So, MCX can now introduce financial products like electricity futures, etc. which will enable the discoms and other large consumers to effectively hedge their risks of power procurement.
- Within Metals, MCX is increasing the number of delivery centers. MCX has designated warehouses in Thane, Raipur, and Chennai. ? Brokers are now consolidating their unique client codes through onboarding for all asset classes. As a result, the number of codes uploaded has increased despite traded numbers being the same.

KEY STATISTICS	
Equity Capital Rs. Cr	53
Promoter Pledge in %	Nil
PBx	6.76
PEx	42.55
Dividend Yield %	1.47%
ROE %	16%
ROCE %	11.56
52 Week High /low Rs	2153/1435

SHARE HOLDING PATTERN

FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	398	391	430	473
EBITDA	178	185	189	213
EBITDA %	44.7%	47.3%	44.0%	45.0%
PAT	236	225	237	277
PAT %	59.3%	57.5%	55.0%	58.5%
EPS	46.27	44.12	46.38	54.27

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

Key Risk:

- Increase in competition for MCX as BSE and NSE received approval from SEBI to launch trading in commodity derivatives
- Business subjected to volatility in trading volume
- Regulatory risk.

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KALPATARU POWER TRANSMISSION LTD (KPTL) TARGET RS 600

INDUSTRY : HEAVY ELECTRICAL I MARKET CAP (RS CR): 6303.33 I FACE VALUE RS 2 I CMP RS 440

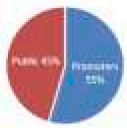
Buy/Accumulate

INVESTMENT THESIS:

- Kalpataru Power Transmission Limited (KPTL) is among the largest power transmission and infrastructure Engineering, Procurement, and Construction (EPC) companies in the world. The Group has proven capabilities in businesses like power transmission, railways, oil & gas pipeline, residential & commercial buildings, water supply, roads and highways, urban infrastructure and civil contracting. KPTL's diversification across various business streams. KPTL has established its footprints in 63 countries spread across five continents that provides the Group with a major competitive advantage.
- KPTL subsidiary, JMC Projects (India) Ltd. is among the leading companies offering EPC services for the design and construction of residential, commercial and institutional buildings, factories, and industrial EPC projects. We have capabilities to undertake MEP, HVAC, facade, finishing and interior projects on EPC basis. KPTL's established pan-India presence, with robust, performance driven customer relationship management helps the firm to bag repeat orders from most of our clients.
- Order book stands at Rs. 139.8 bn spread across segments, providing revenue visibility for next few years. Ordering pipeline remains healthy across verticals. The tender pipeline continues to remain healthy both from International and Domestic markets across segments Management guided for 10-15% revenue growth with double digit EBIDTA margins for FY22E. The company reduced its net debt by Rs. 1.9bn YoY to Rs. 7.8 bn and is on track for becoming net cash by 2QFY22E.
- KPTL has two ongoing road projects in Africa, and one water project in Sri Lanka. Indian credentials have helped it in bidding for 9-10 projects in Africa. Getting into the Nordic markets is a challenge but CIS, Africa, neighboring countries are not that much of a challenge. KPTL plans to enter these geographies in roads and water projects. It has also entered Oil & Gas, and the Middle East is a significant market, therefore. State Electricity Boards (SEBs) are not a significant exposure for the company. It can't completely exit the segment but it has limited its presence.

KEY STATISTICS	
Equity Capital Rs. Cr	29.78
Promoter Pledge in %	45.3
PBx	1.70
PEx	9.45
Dividend Yield %	2.35%
ROE %	18%
ROCE %	14.66
52 Week High /low Rs	496/228

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	12676	12949	14244	15668
EBITDA	1543	1574	1780	1959
EBITDA %	12.2%	12.2%	12.5%	12.5%
PAT	390	671	712	815
PAT %	3.1%	5.2%	5.0%	5.2%
EPS	25.16	44.73	47.48	54.32

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

Key Risk:

- High working capital-intensive operations.
- High exposure to group companies

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Nov-Dec. 2021/Volume:13/Issue:13

MCONNECT
A MAGAZINE

SHILPA MEDICARE LTD

TARGET RS 800

Buy/Accumulate

INDUSTRY : PHARMA I MARKET CAP (RS CR): 4688.20 I FACE VALUE RS 1 I CMP RS 606

INVESTMENT THESIS:

- Shilpa Medicare Ltd. (SML) is engaged in the manufacturing and exports of consistently high-quality Active Pharmaceutical Ingredients (API) Fine Chemicals, intermediates, herbal products and speciality chemical products using sophisticated technology, meticulously following international specifications.
- Today, Shilpa Medicare Limited is a major brand in the manufacture and supply of inexpensive APIs and Formulation in various regulated markets worldwide.
- SML supplies more than 30 oncology APIs including key products such as Capecitabine, Gemcitabine Hydrochloride, Axitinib, Erlotinib Hydrochloride, and Irinotecan Hydrochloride for various regulated markets, including US, Europe, and Japan. SML's product range includes over 44 oncology and non-oncology APIs. The company's formulation product range consists of 16 injectable dosage forms, 19 oral solid dosage forms under SML, and 13 formulations under SMLs wholly owned subsidiary Shilpa Therapeutics Private Limited.
- The API segment constitutes 55% of revenue, while the formulations segment accounts for around 27%.SML is currently one of the industry leaders in Oncology and delivers a full spectrum of products in this category ranging across APIs, both in terms of R&D and manufacturing capability.
- With respect to geographical mix, India accounts for 32.5% of sales. While the US, Europe, and RoW markets constitute 21.3%, 22.2%, and 24%, respectively. In the direction of empowering modern women with good health and a better quality of life, Shilpa Medicare Limited is launching its Women's Hygiene Brand – "SwatchShil"
- The positive catalysts are strong growth prospects, earnings visibility, and sturdy balance sheet on backdrop of lower debt, healthy return ratios, and reducing proportion of promoters' pledge are key positive catalysts and could support multiple re-rating of the stock.
- Double-digit revenue growth of 17% CAGR over FY2020-FY2022, coupled with margin expansion are positive triggers as management has hinted at inorganic expansion possibilities, a strong cash flow, and lower debt: equity ratio provide ample headroom to pursue in organic growth opportunities.

Key Risk:

- Increasing regulatory scrutiny and intense competition
- High working capital intensity

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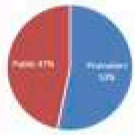
KEY STATISTICS	
Equity Capital Rs. Cr	8.15
Promoter Pledge in %	0.81
PBx	3.17
PEx	31.73
Dividend Yield %	0.19%
ROE %	10%
ROCE %	7.58
52 Week High /low Rs	671/317

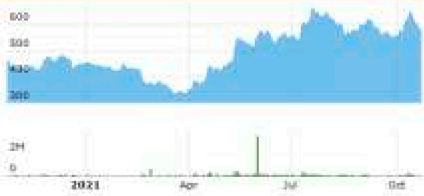
SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	908	901	1036	1192
EBITDA	219	180	187	238
EBITDA %	24.1%	20.0%	18.0%	20.0%
PAT	156	148	174	203
PAT %	17.2%	16.4%	16.8%	17.0%
EPS	19.50	18.50	21.76	25.32

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)



Price chart source:www.bseindia.com

GLOBUS SPIRITS LIMITED

TARGET RS 1850

Buy/Accumulate

INDUSTRY : BREWERIES & DISTILLIERS I MARKET CAP (RS CR): 3267.13 I FACE VALUE RS 10 I CMP RS 1250

INVESTMENT THESIS:

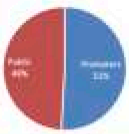
- Globus Spirits Limited (GBL) is a leading alcohol beverage player in India with strong presence in Indian Made Indian Liquor (IMIL), distillery, IMIL, IMFL category. GBL has an integrated business model complimenting its two segments:
    - Consumer business (43% of revenues) of marketing & selling IMFL (Indian Manufactured Foreign Liquor) and IMIL (Indian Manufactured Indian Liquor) brands in Rajasthan, Haryana and West Bengal. The Consumer segment is driving expansion of the group's overall margins
    - The bulk manufacturing business (that fetches 57% of revenues) of selling ethanol to oil market companies and franchisee bottling for top brands. The Manufacturing segment is the back bone of its operations, providing stable earnings profile and cash flows.
- GBL has total alcohol production capacity of 500 klpd (160 million litres per annum). GBL plans to add another 420 klpd over the next three years, which will take its total capacity to 920 klpd (~300 million litres p.a).
- GBL is one of the key beneficiaries of the government's Ethanol Blending Programme. GBL is expanding its grain-based distillery from 16cr ltrs per annum to 31crs ltrs over next two years –expected to add 14cr litres to its ENA/Ethanol capacity to achieve 30cr litres by FY24E. This move provides earnings visibility for the medium term as will help the company to exploit the opportunity in the government's plans to increase the ethanol blending to 20% by 2025.The expansion will happen in existing capacities at West Bengal, Rajasthan and Bihar along with entry into one more state of Jharkhand with a green field project
- Steady working capital, lower cash outlay for tax due to availability of MAT credit and a reduction in interest cost helped net cash from operations improve to Rs. 148.4 crore in FY2021 from Rs. 30.6 crore in FY2019.
- GBL has strengthened its balance sheet by reducing debt of Rs. 75 crore to 176 crore in FY2021. Its return profile improved significantly with RoE and RoCE standing at 24% and 27%, respectively in FY2021.Total promoter holding is now at 56% with no pledge outstanding.

Key Risk:

- Delay in project implementation coupled with any substantial increase in the overall project cost
- Any adverse regulatory changes which is Highly regulated.

KEY STATISTICS	
Equity Capital Rs. Cr	28.8
Promoter Pledge in %	Nil
PBx	5.74
PEx	23.86
Dividend Yield %	0.17%
ROE %	24%
ROCE %	31.28
52 Week High /low Rs	1509/275

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	1167	1224	1371	1508
EBITDA	125	255	302	347
EBITDA %	10.7%	20.8%	22.0%	23.0%
PAT	50	141	178	204
PAT %	4.3%	11.5%	13.0%	13.5%
EPS	17.24	48.62	61.45	70.20

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

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MCONNECT
A MAGAZINE
Nov-Dec. 2021/Volume:13/Issue:13

USHA MARTIN LTD

TARGET RS 140

INDUSTRY : IRON & STEEL I MARKET CAP (RS CR): 2674.11 I FACE VALUE RS 1 I CMP RS 92

Buy/Accumulate

INVESTMENT THESIS:

- Usha Martin Ltd (UML) is a multi-unit and multi-product and one of the world's leading manufacturer of wire rope with manufacturing plants located in Ranchi (187,920mtpa) and Hoshiarpur (48,000mtpa) in India, and in Thailand (30,000mtpa), Dubai (6,000mtpa) and the UK (12,000mtpa) overseas.
- Leading Player in the Wire and Wire Rope business with diversified Operations: UML is the market leader in the Indian wire and wire rope space and is among the top five leading manufacturers globally. The company caters to various non-correlated end-user industries – elevators, mining, container port cranes, fishing among others – with a considerable market share in each industry. UML has two manufacturing plants in India and three overseas through its foreign subsidiaries. UML's customer base is widespread with the top 10 customers accounting for around 35% of the total sales.
- Focus on Value-added Products: Post hiving-off of the steel division, UML only manufactures value-added wire and wire rope products. Wire ropes are not commodity products and are customised based on the consumers' requirements, thus commanding higher and more stable realisations than other commodity products. Considering UML's leading market position, product approvals and close association with the large end-user industry players, Ind-Ra believes the company will maintain its market share.
- UML demonstrated strong operational performance in FY20-21 with no supply glitches in FY20 despite no backward integration post the sale of its steel division. It now relies on the procurement of key raw material (wire rods) from the open market. However, as most of the production is order-based, UML has been able to pass on volatility in raw material prices, albeit with a lag, as reflected in its range-bound EBITDA per tonne.

Key Risk:

- Concern on promoter pledging they have pledged 52.66% as on Sep-21.
- Raw Material Price Volatility

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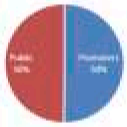
KEY STATISTICS	
Equity Capital Rs. Cr	30.54
Promoter Pledge in %	52.66
PBx	1.90
PEx	17.85
Dividend Yield %	0.00%
ROE %	11%
ROCE %	10.38
52 Week High /low Rs	96/19.8

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	2154	2097	2349	2701
EBITDA	232	275	329	405
EBITDA %	10.8%	13.1%	14.0%	15.0%
PAT	419	150	211	270
PAT %	19.5%	7.2%	9.0%	10.0%
EPS	13.52	4.84	6.82	8.71

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

AMRUTANJAN HEALTHCARE LTD (AHL)

TARGET RS 1200

INDUSTRY : PHARMA I MARKET CAP (RS CR): 2676.65 I FACE VALUE RS 1 I CMP RS 941

Buy/Accumulate

INVESTMENT THESIS:

- Amrutanjan Healthcare Ltd (AHL) is a pure play Ayurveda and primiraly known for over the counter (OTC) pain relief products. In FY11, re-branded the company as holistic healthcare / FMCG company from a pure play Ayurveda.
- Amrutanjan Pain Balm (Yellow Balm) is the flagship brand of the company apart from other range of pain management products (aromatic balms and roll-ons for headaches, creams and roll-ons for body aches, joint/ muscle sprays), for congestion relief (cold rubs, nasal inhalers, lozenzes and cough syrups). Company has also diversified into sanitary napkins (sold under the brand name Comfy) and into fruit-based beverages viz Fruitnik and Electro+. These products are available in more than 1.06 million outlets including chemists, supermarkets and kirana stores with direct distribution reach to 250,000 outlets and 4,510 towns. Company has a vision to appoint distributors/sub-distributors in West and Northern India. The Company has 3 manufacturing facilities, all in India and has its presence in 21 countries with major exports to the African market (accounting for 69.3% of total exports).
- At present, 92% of sales are contributed from OTC products (Pain Management, Congestion Management and Feminine Hygiene) while 7% is contributed from Beverages and 1% from others (Health and Hygiene). Within OTC, pain management accounts for 73% of sales and 15% from Feminine Hygiene and 4% from congestion products
- The biggest positive catalyst in favor of long term investors is that AHL is a virtually debt free, cash rich company generating around 20% ROCE. The company has been rewarding its shareholder with 20% dividend payout. The cash reserve as on 31st March 2020 stood at Rs1050mn.

Key Risk:

- Continues to face competition from large established brands, limiting its pricing flexibility

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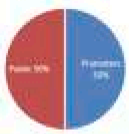
KEY STATISTICS	
Equity Capital Rs. Cr	2.92
Promoter Pledge in %	Nil
PBx	12.34
PEx	130.26
Dividend Yield %	0.46%
ROE %	19%
ROCE %	31.43
52 Week High /low Rs	988.5/403.8

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	261	333	383	440
EBITDA	31	75	84	99
EBITDA %	11.9%	22.5%	22.0%	22.5%
PAT	25	61	69	81
PAT %	9.6%	18.3%	18.0%	18.5%
EPS	8.33	20.33	22.98	27.16

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

Nov-Dec. 2021/Volume:13/Issue:13

JBM AUTO LTD

TARGET RS 800

Buy/Accumulate

INDUSTRY : AUTO PARTS I MARKET CAP (RS CR): 2709.99 I FACE VALUE RS 5 I CMP RS 596

INVESTMENT THESIS:

- JBM Auto is a manufacturer of various vehicles and their auto components having many business divisions that include manufacturing of auto components & systems, buses, electric vehicles, EV aggregates & EV charging infrastructure.
- With long standing relationships with Maruti Suzuki India Ltd, Ford India Pvt Ltd, Mahindra and Mahindra Limited as well as commercial vehicle (CV) players such as Daimler and Eicher Motors, JBM has a solid base of repeat business from these customers. The top five customers contribute about 60% to overall revenues. Tooling business also accounts for about 10% of overall revenue and is a higher margin business. JAL has also initiated proceedings to supply to two-wheeler manufacturers such as Honda and Eicher Motors, which is seen as a buffer to its major passenger vehicle clients like MSIL, Ford and others.
- India's largest independent company in setting up state-of-the-art manufacturing facility that includes development, simulation and testing of smart & advanced Lithium ion batteries solutions for HV- LV Battery operated vehicle, Energy Storage Systems & Solar.
- As per September 2021 media reports, the company said it has received orders for supply of 500 compressed natural gas (CNG) and electric buses from various state governments. The orders are for BSVI CNG buses from Delhi Integrated Multi-Modal Transit System Limited (DIMTS). Besides, they will be supplying electric buses for Bengaluru Metropolitan Transport Corporation (BMTC) as well. The company said it has also received orders to supply electric buses in Jhansi and Uttar Pradesh. Besides, several corporate clients have ordered electric buses, it added. As per regulatory filing, all these orders are expected to be executed during the current financial year FY21-22.

Key Risk:

- Working capital intensive operations
- Exposure to volatility in raw material cost and pricing pressures from OEMs

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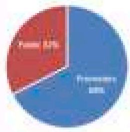
KEY STATISTICS	
Equity Capital Rs. Cr	23.65
Promoter Pledge in %	Nil
PBx	3.72
PEx	56.31
Dividend Yield %	0.26%
ROE %	7%
ROCE %	9.02
52 Week High /low Rs	666/225

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	1947	1982	2478	2973
EBITDA	230	198	273	357
EBITDA %	11.8%	10.0%	11.0%	12.0%
PAT	69	49	87	119
PAT %	3.5%	2.5%	3.5%	4.0%
EPS	14.38	10.21	18.07	24.78

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

KOLTE-PATIL DEVELOPERS

TARGET RS 400

Buy/Accumulate

INDUSTRY : REAL ESTATE I MARKET CAP (RS CR): 2322.69 I FACE VALUE RS 10 I CMP RS 321

INVESTMENT THESIS:

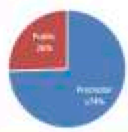
- Kolte-Patil Developers is a household name in Pune residential market. But not only in Pune, the company boasts of having completed construction of over 50 projects including residential complexes, commercial complexes and IT Parks covering a saleable area of approx. 20 million square feet across Pune, Mumbai and Bengaluru. The company has received many awards and accolades since its inception.
- Sales will be healthy over the medium term because of steady demand, mainly in the affordable and middle-income projects. The business risk profile is supported by healthy collection, backed by track record of execution and delivery.
- The Company's long-term bank debt and non-convertible debentures have been rated 'STABLE' by CRISIL, the highest rating accorded by CRISIL to any publicly listed residential real estate player in India.
- As per July 21 media reports, Kolte-Patil Developers Ltd said it has set up a joint platform with global proptech firm Planet Smart City to develop 15,000 housing units in Pune, Bengaluru and Mumbai. This residential platform follows the success of the first co-development between the two companies, Kolte-Patil said in a regulatory filing. They also add that, the projects will be developed over the next three years, without disclosing further details.

Key Risk:

- Continues to face competition from large established brands, limiting its pricing flexibility.

KEY STATISTICS	
Equity Capital Rs. Cr	76
Promoter Pledge in %	Nil
PBx	2.53
PEx	-409.05
Dividend Yield %	0.00%
ROE %	-1%
ROCE %	3.97
52 Week High /low Rs	360/165

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	1130	692	1038	1246
EBITDA	234	62	208	224
EBITDA %	20.7%	9.0%	20.0%	18.0%
PAT	72	-6	93	118
PAT %	6.4%	-0.9%	9.0%	9.5%
EPS	9.47	-0.79	12.29	15.57

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

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MCONNECT
A MAGAZINE
Nov-Dec. 2021/Volume:13/Issue:13

BHARAT PETROLEUM CORPORATION LTD (BPCL)

TARGET RS 650

INDUSTRY : REFINERIES I MARKET CAP (RS CR): 93776 I FACE VALUE RS 10 I CMP RS 431

Buy/Accumulate

INVESTMENT THESIS:

- India's leading player in the petroleum industry with operations in both refining and marketing segments. BPCL has presence across the Hydrocarbon Value Chain with marketing infrastructure involving of installations, retail outlets, depots and LPG distributors. It operates refineries located in Kochi, Mumbai, Bina and Numaligarh.
- The street is spying with one big eye on the 52.98% divestment of government stake from the company to private buyers to reduce state control and benefit end consumers
- FY22 capex for BPCL will be at Rs100bn. Total amount receivable from government for LPG/kerosene stands at Rs2.3bn
- It has commissioned its 6MMT expansion of its Bina refinery. Bina refinery is of higher complexity and will have higher refining margins. The refinery has stabilized and is positively contribution to BPCL's bottomline. Full stablization of Kochi Refinery by FY21 will further boost profitability.
- BPCL has achieved highest ever average ethanol blending of 8.95% during last quarter.
- Aiding sentiments are opening up of global economy, higher GRMs, sustainability of auto fuel gross margin over Rs 4.0/lit and most importantly, expectation of Indian economy to improve in FY22 which will in encourage speedy recovery in domestic demand for petroleum products. BPCL's refining margins have usually exhibited less volatility compared to the other oil marketing companies.
- On the international front, discoveries in Mozambique and Brazil provide good opportunity for company to enhance its footprint in the E&P space and lower the impact of under-recoveries in the long run.

Key Risk:

- Any Govt intervention and regulatory action can have adverse effect on future earnings.
- Exposure to volatility of crude prices and foreign exchange rates
- Execution of projects within the estimated cost parameters remains the key monitorable risk.

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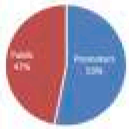
KEY STATISTICS	
Equity Capital Rs. Cr	2092.91
Promoter Pledge in %	Nil
PBx	1.78
PEx	5.72
Dividend Yield %	17.89%
ROE %	30%
ROCE %	17.62
52 Week High /low Rs	503/338

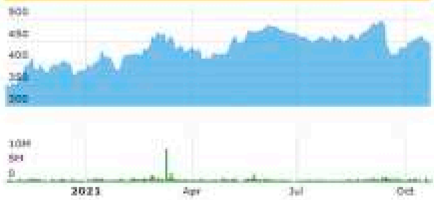
SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	284572	230163	294609	353530
EBITDA	8975	20993	23569	28282
EBITDA %	3.2%	9.1%	8.0%	8.0%
PAT	3055	16165	17940	21212
PAT %	1.1%	7.0%	6.1%	6.0%
EPS	15.53	77.23	84.26	99.63

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)



Price chart source:www.bseindia.com

BHARAT ELECTRONICS LTD (BEL)

TARGET RS 300

INDUSTRY : DEFENCE I MARKET CAP (RS CR): 49012.07 I FACE VALUE RS 1 I CMP RS 207

Buy/Accumulate

INVESTMENT THESIS:

- Bharat Electronics Limited (BEL) is a Navratna PSU manufacturer of radar & weapons systems, defence communication & electronic warfare for the Army, Navy and the Air Force. BEL has 37% market share in Indian Defense Electronics. BEL has also diversified into various areas like homeland security solutions, smart cities, e-governance solutions, space electronics including satellite integration, energy storage products including e-vehicle charging stations, solar, network & cyber security, railways & metro solutions, airport solutions, Electronic Voting Machines, telecom products, passive night vision devices, medical electronics, composites and software solutions.
- In line with the government's Make in India (Aatmanirbhar Bharat) initiative, BEL remains quite optimistic on upcoming opportunities in defense as well as non-defense space as government focus on indigenization, spending and initiative's such as PLI schemes.
- Focus on R&D: Well, to indigenous and focus on defence modernization, BEL has been spending heavily on R&D capex (Rs8.7bn in FY21). BEL is also looking to focus on R&D both in-house and collaborative mode for increased value addition and intellectual property creation.
- BEL has healthy execution capabilities for its order inflows which stands at Rs 53,752 crore in FY22 YTD. According to the management, order inflow run rates would be in the range of Rs. 15,000- 17,000 crore in FY22. Its order pipeline includes orders for Akash missile system, longrange surface-to-air missile systems, naval equipment and radar systems. The Company is also into project execution for the development of smart cities and manufacturing of electronic voting machines. Strong order book ensures healthy growth visibility of topline.
- BEL's management expects to maintain margin at 22%. The guidance is based on the existing product mix. The margin in the Civilian segment is at 20%
- Project pipeline in large missile systems: Large value contracts like QRSAM and MRSAM are likely to be tendered in a couple of years. The order potential in QRSAM stands at Rs 500b. However, it won't be tendered at once. Electronic Warfare: D-29 orders can come through in FY22/FY23 (an Rs 30b opportunity).

Key Risk:

- High dependence on defense sector for orders
- High working capital intensity
- Adverse fluctuations in foreign exchange

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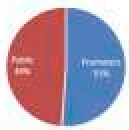
KEY STATISTICS	
Equity Capital Rs. Cr	243.66
Promoter Pledge in %	Nil
PBx	4.33
PEx	22.84
Dividend Yield %	2.03%
ROE %	19%
ROCE %	24.47
52 Week High /low Rs	222/86

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	6530	6427	7391	8721
EBITDA	1694	1047	1404	1744
EBITDA %	25.9%	16.3%	19.0%	20.0%
PAT	404	505	739	872
PAT %	6.2%	7.9%	10.0%	10.0%
EPS	6.63	8.29	12.13	14.31

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

STEEL AUTHORITY OF INDIA LTD (SAIL) TARGET RS 200

Buy/Accumulate

INDUSTRY : IRON & STEEL I MARKET CAP (RS CR): 47728 I FACE VALUE RS 10 I CMP RS 118

INVESTMENT THESIS:

- Steel Authority of India Ltd - A Maharatna and One of the largest steel producers in India and operates in Metals - Ferrous sector having an annual steelmaking capacity of about 21 million tonnes. SAIL produces iron and steel at five integrated plants and three special steel plants, located principally in the eastern and central regions of India and situated close to domestic sources of raw materials. SAIL manufactures and sells a broad range of steel products
- The key positive catalyst in favor of the stock is the firms' higher operating leverage due to high conversion cost, the strength in China HRC export price, tight demand supply scenario in the domestic market, backward integrated with captive iron ore, permission from government to sell 25% of Iron ore production of previous fiscal and iron ore fines accumulated as waste over past 5-6 decades, and also demand from Railways which should keep its average NSR higher.
- Steel prices are likely to stay firm on backdrop of China's efforts to maintain balance between reducing pollution (control on production, higher imports and reduced exports) and expansion in economic activity.

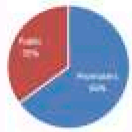
  SAIL is seen delivering across all front and strong margins in steel business are likely to drive momentum in stock price on the upside.
- Strategic divestment oppurtunity, SAIL is likely to feature on the initial list of firms for privatisation, as the government embarks on the path of privatising . The Centre's 65% stake in primary steelmaker SAIL is worth about Rs 29,600 crore at the current market prices. SAIL units likely to conclude by FY21 end
- Capex guidance: As per the government's directive, SAIL is required to spend Rs 80b on capex in FY22. However, the management expects capex spends to remain Rs 60b in FY22.

Key Risk:

- Working capital intensive operations
- Cyclicality inherent in the steel industry
- Any delay in divestment timeline .

KEY STATISTICS	
Equity Capital Rs. Cr	4130.53
Promoter Pledge in %	Nil
PBx	1.25
PEx	11.53
Dividend Yield %	2.42%
ROE %	9%
ROCE %	10.5
52 Week High /low Rs	151/33

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	61664	69114	89848	107817
EBITDA	10544	14126	23360	28572
EBITDA %	17.1%	20.4%	26.0%	26.5%
PAT	2648	4134	12579	15094
PAT %	4.3%	6.0%	14.0%	14.0%
EPS	6.41	10.01	30.45	36.54

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

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CONTAINER CORPORATION OF INDIA (CONCOR) TARGET RS 1000

Buy/Accumulate

INDUSTRY : TRANSPORT SERVICES I MARKET CAP (RS CR): 40664.30 I FACE VALUE RS 5 I CMP RS 684

INVESTMENT THESIS:

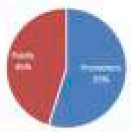
- Container Corporation of India (CONCOR) is a "Navratna" company with 54.80% GoI holding and engaged in the business of transportation through containerization. Over the years, CONCOR has diversified into several container logistics activities such as container port, Air cargo Complex, Air Freight Station, Warehousing, Logistics Park, Supply chain management etc. The company has carried 43.50 million tons of containerized cargo by rail representing 72.09% of total market size.
- CONCOR will be in limelight as disinvestment outlook improves.
- Today, CONCOR undoubtedly is the market leader that has the largest network of 61 ICDs/CFSs in India. Besides offering inland transport by rail for containers the company also provides services such as cover management of Ports, air cargo complexes and establishing cold-chain. For International and Domestic containerization and trade in India the company has built-up multimodal logistics support.
- CONCOR would benefit immensely from pickup in the economy that shall lead to growth on backdrop of resilient market share, leadership position, and strong balance sheet. CONCOR is India's structural growth story that will play an essential role in the changing Indian logistics landscape (DFC, cargo containerization).
- The company plans a capex of Rs5bn in FY22, of which Rs3bn would be utilized for additional of rakes (48 rakes additional in FY22) and equipment's while balance Rs2bn would be spend towards infrastructure and upgrading IT facilities.
- Amidst robust 1Q, management maintained its 12% revenue growth guidance and doubling bottom line for FY22. As per management, Land License Fees (LLF) stands at Rs3.7bn v/s Rs4.5bn earlier based on collection land rate from Indian railways for 24 terminals.

Key Risk:

- Rising competition from private players
- Changes in haulage rates which are periodically notified by the Railways and the charges paid by CONCOR forms nearly 74% of its total operating expenses
- Performance of the company remains vulnerable to domestic industry performance and global trade issues.

KEY STATISTICS	
Equity Capital Rs. Cr	309.18
Promoter Pledge in %	Nil
PBx	3.82
PEx	82.00
Dividend Yield %	0.75%
ROE %	5%
ROCE %	7.35
52 Week High /low Rs	754.1/364.7

SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	6530	6427	7391	8721
EBITDA	1694	1047	1404	1744
EBITDA %	25.9%	16.3%	19.0%	20.0%
PAT	404	505	739	872
PAT %	6.2%	7.9%	10.0%	10.0%
EPS	6.63	8.29	12.13	14.31

Source: Mehta Equities estimates, CapitaLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)

Price chart source:www.bseindia.com

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MCONNECT
A MAGAZINE
Nov-Dec. 2021/Volume:13/Issue:13

SHIPPING CORPORATION OF INDIA (SCI)

TARGET RS 200

INDUSTRY : SHIPPING I MARKET CAP (RS CR): 6041.43 I FACE VALUE RS 10 I CMP RS 132

Buy/Accumulate

INVESTMENT THESIS:

- Shipping Corporation of India Ltd (SCI) is a national carrier and largest shipping company in terms of capacity with a diversified fleet profile. The company is diversified in terms of its business segments, namely, crude oil/product tankers, dry bulk, offshore services, and container operations. The company also has a presence in passenger vessels, chemicals and gas transportation.
- With the modernization of the fleet, the average age of the fleet has reduced substantially. SCIL also manages close to 39 vessels on behalf of third parties, primarily Public-Sector Units (PSUs)/ Government Departments/Union Territories, on which it earns service income. SCIL also has a few joint ventures with leading international shipping companies
- SCI is the only shipping company operating with client list includes the likes of Shell, RIL, BP, Petronas, IOCL, ONGC, SAIL, BHEL, HPCL. BPCL etc.
- Government may go for a strategic sale in SCI: Government divestment will be a key event to focus in the near term. A strategic sale of about 26% stake in Shipping Corporation of India (SCI) quite likely. The government currently holds 63.75 % stake in SCI as of June 30, 2021, while FIIs held 1 per cent, DIIs 10.4 per cent and public & others 24.7 per cent.. With the sale of 26% stake, the government holding in the company will come down to 37.75 %.
- The expected stake sale is likely to shift control of the company to the strategic player, which is expected to make SCI healthier for the minority shareholders of the company.

Key Risk:

- Any delay in proposed strategic divestment by Govt.
- Vulnerability to fluctuations in forex risks
- Volatility in Charter Rates

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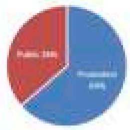
KEY STATISTICS	
Equity Capital Rs. Cr	465.8
Promoter Pledge in %	Nil
PBx	0.73
PEx	8.53
Dividend Yield %	0.20%
ROE %	9%
ROCE %	6.07
52 Week High /low Rs	145/49.8

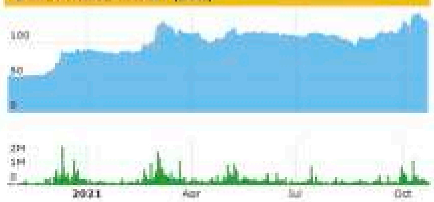
SHARE HOLDING PATTERN



FINANCIAL OVERVIEW (Rs Cr)	FY 2020	FY 2021	FY 2022E	FY 2023E
Total Income	4425	3703	4073	4684
EBITDA	1143	1159	1222	1405
EBITDA %	25.8%	31.3%	30.0%	30.0%
PAT	336	696	774	937
PAT %	7.6%	18.8%	19.0%	20.0%
EPS	7.21	14.94	16.62	20.11

Source: Mehta Equities estimates, CapitalLine, Prices are as on 27th Oct 2021

DAILY PRICE CHART (BSE)



Price chart source:www.bseindia.com

SAMVAT 2077 PERFORMANCE

Sr.No	Stock / Company	Sector	Samvat 2077	28th Oct.2021	Returs as on date %
1	LARSEN & TURBO LTD	INFRA	965	1840	91
2	HDFC LIFE LTD	LIFE INSURANCE	593	687	16
3	ICICI BANK LTD	BANK	463	814	76
4	LIC HOUSING LTD	HOUSING FINANCE	304	410	35
5	ITC LTD	FMCG	173	227	31
6	BHARTI AIRTEL LTD	TELECOM SERVICES	471	695	48
7	MOTHERSON SUMI LTD	AUTO PARTS & EQUIP	123	226	84
8	TATA MOTORS LTD	AUTO	141	490	248
9	RELIANCE INDUSTRIES LTD	OIL&GAS/RETAIL/TELECOM	2050	2600	27
10	GLENMARK PHARMA LTD	PHARMA	481	494	3
11	SUN PHARMA LTD	PHARMA	510	813	59
12	LTTS LTD	IT	1719	4743	176
13	HCL TECH LTD	IT	855	1164	36
14	ULTRATECH CEMENT LTD	CEMENT	4623	7480	62

Portfolio Return 70.72% **Nifty Samvat 2076 43.21%**

BEST PORTFOLIO MUTUAL FUNDS

Aditya Birla Sun Life Frontline Equity Fund - Regular Plan

Category : Equity-Large Cap | AUM: 22282 Cr| NAV: Rs 349 | Expense Ratio: 1.75% | Fund Manager: Mr Mahesh Patil

Past Performance					
Sch. Name	6M Abs Rtn(%)	1 Year XIRR(%)	3 Year XIRR(%)	5 Year XIRR(%)	SI XIRR(%)
Aditya Birla Sun Life	22.84	55.31	20.51	13.92	20.44
S&P BSE 200	28.69	74.84	12.53	14.52	9.84
S&P BSE Sensex	20.61	47.87	21.55	16.51	13.81

Top 10 Sector Exposure	
Sector	Holding%
Banks	24.44
IT Services	14.06
Oil, Gas and Consumables	8.01
Pharmaceuticals	4.73
Wireless Telecommunications	4.32
Insurance	4.02
Construction and Engineering	3.9
Consumer Finance	3.68
Automobiles	3.48
Thrifts and Mortgage	3.10

ASSET ALLOCATION

Top Equity Holding	
Equity	Holding%
Icici Bank Limited	8.71
Infosys Limited	7.76
Hdfc Bank Limited	7.41
Reliance Industries Limited	4.44
Bharti Airtel Limited	4.32
Larsen & Toubro Limited	3.75
Axis Bank Limited	3.49
Housing Development Finance	3.10
State Bank Of India	2.72
Tech Mahindra Limited	2.66
Total Stock Holding	**68**
Total Debt Holding	**6**
Assets in top 10 Holding	**48.41%**

Axis Growth Opportunities Fund- Regular Plan

Category : Equity-Large &Mid Cap | AUM: 4321 Cr| NAV: Rs 21.02 | Expense Ratio: 1.92% | Fund Manager: Mr Hitesh Da

Past Performance					
Sch. Name	6M Abs Rtn(%)	1 Year XIRR(%)	3 Year XIRR(%)	5 Year XIRR(%)	SI XIRR(%)
Axis Growth Opportunity	26.55	65.8	27.97	0	27.9
Nifty Large Midcap 25	47.84	14.96	-1.45	0	10.74
S&P 500 BSE Sensex	20.61	47.87	21.55	16.51	13.81

Top 10 Sector Exposure	
Sector	Holding%
Other	22.60
Chemicals	13.76
Consumer Finance	13.68
Software	13.14
Building Products	5.18
Electric Utilities	4.99
Internet Software and	3.74
Hotels, Restaurants	3.48
Household Durables	3.13
Auto Components	2.94

ASSET ALLOCATION

Top Equity Holding	
Equity	Holding%
Tata Elxsi Limited	7.53
PI Industries Limited	6.62
Bajaj Finance Limited	6.32
Coforge Limited	5.61
Astral Limited	5.18
Sundaram Finance Limited	5.16
Torrent Power Limited	4.90
Info Edge (India) Limited	3.74
Tt K Prestige Limited	2.79
Supreme Industries Lim	2.05
Total Stock Holding	**70**
Total Debt Holding	**2**
Assets in top 10 Holding	**0.50**

Mirae Asset Midcap Fund - Regular Plan

Category : Equity-Mid Cap | AUM: 6195 Cr| NAV: Rs 20.82 | Expense Ratio: 1.78% | Fund Manager: Ankit Jain

Past Performance					
Sch. Name	6M Abs Rtn(%)	1 Year XIRR(%)	3 Year XIRR(%)	5 Year XIRR(%)	SI XIRR(%)
Mirae Asset Midcap Fund	25.58	75.63	0	0	38.50
Nifty Midcap 100	53.51	15.68	-8.96	0	6.22
S&P BSE Sensex	20.61	47.87	21.55	16.51	13.81

Top 10 Sector Exposure	
Sector	Holding%
Banks	11.17
Pharmaceuticals	8.03
Textiles, Apparel and	7.18
Auto Components	6.64
IT Services	5.33
Metals and Mining	4.80
Machinery	4.14
Household Durables	4.01
Chemicals	3.60
Aerospace and Defense	3.47

ASSET ALLOCATION

Top Equity Holding	
Equity	Holding%
Axis Bank Limited	3.74
Federal Bank Limited	3.64
Jindal Steel & Power Limited	3.48
Bharat Electronics Limited	3.47
Voltas Limited	3.31
Mphasis Limited	3.26
State Bank Of India	3.25
Bharat Forge Limited	2.91
Max Financial Services	2.86
Gujarat State Petronet	2.86
Total Stock Holding	**49**
Total Debt Holding	**1**
Assets in top 10 Holding	**32.78%**

Motilal Oswal S&P 500 Index Fund - Regular Plan

Category : Equity-International | AUM: 2058 Cr| NAV: Rs 15.28 | Expense Ratio: 1.06% | Fund Manager: Ankush Soo

Past Performance					
Sch. Name	6M Abs Rtn(%)	1 Year XIRR(%)	3 Year XIRR(%)	5 Year XIRR(%)	SI XIRR(%)
Motilal Oswal S&P 500	9.11	34.77	0	0	32.63
S&P 500	21.93	-0.93	6.87	6.66	13.75
S&P BSE Sensex	20.61	47.87	21.55	16.51	13.81

Top 10 Sector Exposure	
Sector	Holding%
Other	100

T ALLOCATION

Top Equity Holding	
Equity	Holding%
Apple Inc	5.87
Microsoft Corporation	5.59
Amazon.com Inc	3.77
Vanguard S&p 500 Etf	2.26
Facebook Inc	2.12
Alphabet Inc - Class A	2.12
Alphabet Inc	1.99
Tesla Motors Inc	1.66
Berkshire Hathaway Inc	1.35
Nvidia Corporation	1.34
Total Stock Holding	**505**
Total Debt Holding	**1**
Assets in top 10 Holding	**28.07%**

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A MAGAZINE
Nov-Dec. 2021/Volume:13/Issue:13

INVESTMENT PRODUCT

LIQUILOANS | MEHTA

A UNIQUE ALTERNATE & SAFE HIGH YIELDING DEBT INVESTMENT OPPORTUNITY

PRUDENTLY OPTIMIZE YOUR DEBT INVESTMENTS

Key Takeaway Points:

- Lending to High Quality Borrowers viz. Senoir Salaried Individuals wanting Small Shirt Term Loans for varied needs like Healthcare, Education, etc.
- Direct Monthly Auto-Debit of EMIs for each borrower
- Optimal Underwriting Algorithm to select borrowers based on Credit Bureau Recorsd, Social Background & Banking Records
- Avg. Loan (re. 60k), which is Avg. 20% of Borrowers Annual Salary
  Avg. Loan tenure < 12 Months
- Diversified Retail Loan Debt Portfolio
- Superoir Tech-Enabled Risk Management process for minimising risks and frauds

Backed by Stong Investors

matrix PARTNERS

Seed Funded by Matrix Partners, a well Known vc with early investments in maruquee companies like Ola Cabs, Dailyhunt, Treebo Hotels, ItszCash Card, Cloudnine Etc.

The company also has a strong Pool of a Angle Investors with diversfied business background & Expertise

Ashutosh Taparia
Owner of the Renowned Brand Famy Care

Kunal Shah
Founder of FreeCharge one of the leading commerce websites in India

Jayesh Shah
Founder of Naman Group

About LiquiLoans

LIQUILOANS

- Company: NDX P2P Private Limited
- Founded: 2018
- Headquarters: Mumbai, India
- Category: Fintech, Lending

II. Business Offerings

- An online peer-to peer lending platform whereby we leverage new age technology to match credit worthy borrowers and lenders basis their risk appetite
- Lucrative Alternative Debt Investment Opportunity with Complete Aligment of Interest

III. Business Highlights

- New Asset Class: P2P acts like a new asset class for investors. It's a short term debt instrment with significanlty higher return than a liquid / debt fund
- Demand Sourcing Strategy: Company has done online and offline partnerships for sourcing loans on the platform. Focus Salaried Class, High Quality Prime Borrowers, with Low Aver age ticket Sizes
- RBI Regulated NBFC: P2P Platforms are regulated by the RBI with stringent quarterly reporting criteria's

RBI Regulated Platform with Transparency In Flow of Funds

LiquiLoans is an RBI Regu;ated Entity registered asa Peer to Peer (P2P) NBFC - which facilitates deployment of funds towards diversified prime retails borrowers.

All transactions executed on the platform will be mandated thriugn as escroe account which will be managed tu atrustee. Being an RBI regulated ring-fencedstructure, LiquiLons shall facilitate deployment of all the monies accumulated in the excrow account through the trustee to multiple diversified and selected prime retail borrowers.

This create a robust strcture safeguarding investor funds; thereby providing the lender confidence and trust.

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MEHTA

REWARDING RELATIONSHIPS

OUR SERVICES

BROKING

- **EQUITIES** - BSE, NSE & MSEI
- **DERIVATIVES** - NSE
- **COMMODITIES** - MCX & NCDEX
- **CURRENCY** - NSE

WEALTH MANAGEMENT

- **DEMAT SERVICES** - CDSL
- **PMS & AIF**
- **LOAN AGAINST SHARES**
- **RESEARCH ADVISORY**
- **DISTRIBUTION** - MUTUAL FUNDS/IPO/BONDS

EFFECTIVE FROM NOV-DEC. 2021/VOLUME:13

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Risk Management Desk: 022-61507135/136/137 **Mutual Fund Desk:** 022-61507144/145/147

Wealth Management Desk: 022-61507197 **IT Desk:** 022-61507157/158/137 **BackOffice Desk :** 022-61507169/170/172

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