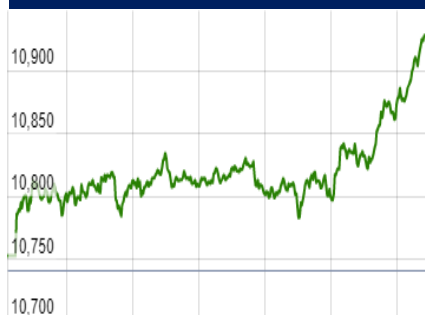


NIFTY KEY LEVELS

Support 1 : 10700
Support 2 : 10680
Resistance1:11000
Resistance2:11050

Nifty Intraday Chart



Market Outlook

On Friday, Nifty opened positive at 10752.00 and made a low of 10749.65. From there it moved towards the high of 10933.45 and closed positive at 10901.70 levels. Broader sector indices traded with positive bias, while only IT sector closed with negative bias. India VIX closed negative by 4.75% at 24.15

!! Nifty trading above 200 DMA !!

Benchmark Index has managed to close above 200 DMA almost after four months, signify dominating bulls in action. Meanwhile, traditional Kagi chart is showing higher top & higher bottom formation on daily & weekly timeframe and green lines are pointing upwards suggesting markets are in uptrend. However one needs to be cautious on a decisive move below 10580 which will be an early sign of trend reversal.

Indian Market

Index (Prev. Close)	Value	% Change
SENSEX	37,020.14	1.50%
NIFTY	10,901.70	1.51%
BANK NIFTY	21,966.80	1.71%

Global Market

Index (Prev. Close)	Value	% Change
DOW	26,671.95	-0.23%
NASDAQ	10,503.19	0.28%
CAC	5,069.42	-0.31%
DAX	12,919.61	0.35%
FTSE	6,290.30	0.63%
EW ALL SHARE	18,310.29	1.42%

Morning Asian Market (8:30 am)

SGX NIFTY	10,903.00	-0.26%
NIKKIE	22,601.00	-0.42%
HANG SENG	24,950.00	-0.55%

Commodity Market

Commodity(Prev. Close)	Value	% Change
GOLD	48,967.00	0.40%
SILVER	52,899.00	0.55%
CRUDEOIL	42.88	-0.60%
NATURALGAS	128.50	-0.70%

Currency Market

Currency (Prev. Close)	Value	% Change
RS./DOLLAR	75.02	-0.22%
RS./EURO	85.50	-0.31%
RS./POUND	94.80	-0.25%

Bond Yield

Bond yield (Prev. Close)	Value	% Change
G-sec 10YR : IND	5.80	-0.14%

% Change in 1 day

Institutional Turnover

FII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
17-Jul-20	5203	4506	697
Jul-20	55740	59731	(3990)
2020	865913	940353	(74441)
DII			
Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
17-Jul-20	4072	4282	(209)
Jul-20	49144	51383	(2239)
2020	661922	574081	87841

Events Today

Dividend

NEWGEN
ORIENTHOT
VSTIND
Ex-Date: 20/07/2020

Results

ACC
BIBCL
DEN
LPDC
MAHSCOOTER
MSPL
NRBBEARING
STCINDIA
SWARAJENG

Please refer to page pg 11 for Bulk deals, Dividends, Bonus, Splits, Buyback.

Quote of the Day : "In investing, what is comfortable is rarely profitable."

GRANULES**BUY****20-Jul-20**

Granules reported highest ever quarterly performance with a revenue growth of 23.6% YoY. The increased contribution from PFI & FDs over the quarters & operational efficiencies has led to an impressive EBITDA margin expansion of 503 bps YoY at 25% in 1QFY21. Going forward, we expect to see continued growth momentum based on the increased formulation contribution in the overall mix with 7-8 new launches each year in the high margin geographies of US & Europe. The recent recall of Metformin ER 750 mg will have least impact on the overall revenues growth. The continued investment in the backward integration process will bring about operational efficiency, which in turn will lead to margin expansion. The company has recently started the construction of a new block in the existing formulation plant in Gagillapur with the expectations of approval of 4-5 high volume & high value complex molecule in the next 3-4 yrs. The construction will be completed over the next 15-18 months with expected payback within 24-36 months from the date of commissioning. Based on strong management guidance, we expect revenues & PAT to grow at CAGR of 20% & 26% over FY20-22. Therefore, we increase our rating from NEUTRAL to BUY at target price of Rs.301 at 13.8x FY22E EPS.

HDFCBANK**BUY****20-Jul-20**

HDFCBANK had a positive quarter with healthy advance and deposit growth and controlled asset quality which is best amongst the peers. Retail book growth tapered off which affected the fee income growth and has to be a key trackable going forward. NII growth improved sequentially however The operating profit was hindered on account of lower fee income but the net profit growth was healthy led by banks efforts to control cost. Bank has healthy Provision coverage ratio which puts it in good position also the capital adequacy ratio is strong at 19%. Bank has clarified that person for the next role of MD has been with Mr Aditya Puri for long time and it is upto RBI to take the decision. We maintain BUY with target price of 1280 at 3.5XBVFY21E.

BAJAJCON**HOLD****20-Jul-20**

BAJAJCON has reported numbers better than our expectation despite the prevailing turbulence of COVID-19. As of now the company has started its operation and is working at full capacity. Going forward on demand front, rural demand is expected to remain higher than urban demand. The Company is focusing on increasing its rural reach as of now in order to ensure availability of ADHO. Sanitizers which the company had launched in 1QFY21 are also expected to show upwards trend amidst increasing rate of COVID cases. For the company. On trade channel front, with the opening up of lockdown in various states we expect positive movement from general trade channel while Modern trade channel is expected to remain muted and will stabilize with urban market stabilization. EBITDA margin is expected to remain impacted due to higher other expense on account of Ad & P expenditure (will decide A&P spends on fort night basis due to current prevailing situation) while benign input prices is expected to provide some cushion to margins. On PAT front, lower tax rate will ensure increased profitability. Thus, considering sluggish urban growth and current uncertain situation of lock down have kept our estimates unchanged and maintain our HOLD rating with a target price of Rs. 189.

BRITANNIA**HOLD****20-Jul-20**

Britannia's numbers for 1QFY21 remained at all-time high despite the obstacles which the company faced amidst lock down. The Company converted all challenges into opportunities in all areas i.e. procurement, manufacturing, distribution, sales and marketing. Amidst COVID-19, the company increased its rural as well as direct reach which ensured availability of its products across regions. Going forward, in top line front we expect the momentum to continue favoured by strong distribution while higher saliency of premium product in mix, deflation in input prices and cost saving measures in terms of reduced A&P will help in margin expansion. Considering above positives, we have changed our sales and PAT estimates by 7%/23% for FY21e and upgrade our rating from NEUTRAL to HOLD with increase in target price to Rs. 3968.

BANDHANBNK**NEUTRAL****16-Jul-20**

BANDHANBNK posted a healthy quarter considering the disruptions caused by COVID 19. NII growth was decent. NIM was steady at around 8.2%. The advance growth moderated however the deposit traction has been strong. The CASA growth of 47% YoY has been positive. Asset quality of the bank has remained healthy and improving. The collection efficiency of the bank has improved from 29% in March to 76% at the end of June. The profitability of the bank was impacted on account of higher provisions during the quarter. Bank has said that it would look to merge with holding company and is awaiting the clarity on RBI rule on it. Going forward the trend of collection efficiency and strategy behind promoter stake reduction will be key trackable. We maintain Neutral with target price of 350 at 3.1xBV FY21E.

- ❑ US Dow Jones closed 0.2% down on Friday
- ❑ S&P up 1.3% last week; 3rd straight weekly gain
- ❑ SGX Nifty Fut trading at 10864 down 64 points @ 7.25am IST today
- ❑ Asian markets trading lower except Shanghai market positive
- ❑ Crude trades mildly lower in morning: Brent at 42.82\$ while Nymex at 40.30\$ per bbl
- ❑ Rising Covid cases still point of concern for market around globe
- ❑ On Friday in Cash Seg: FII bought 697 crs while DIIs sold 209 crs
- ❑ In FNO Seg: FII net long exposure 53% vs 47% earlier
- ❑ Nifty July Futures at 3.35 points premium vs 26 points discount
- ❑ In Index Fut: FII added 4123 longs and reduced 5045 shorts
- ❑ In Index Options: FII added 27756 Calls contracts and 23979 Puts contract
- ❑ Nifty PCR stands at 1.75 vs 1.61
- ❑ Nifty key supports: 10750 – 10800
- ❑ BankNifty supports: 21350 – 21400
- ❑ This month: Nifty up 5.8%, Bank Nifty up 2.8%, IT up 14%
- ❑ Nifty crossed 200 DMA (10870) on Friday
- ❑ BankNifty crossed 20DMA and 100DMA last week
- ❑ Don't hold long positions without stoploss or hedge it with Puts
- ❑ Fresh buying only if trades with stoploss: Important stoploss will be 10600
- ❑ Profit booking may be seen once HDFC Bank results get discounted
- ❑ HDFCBANK: strong results and very positive management commentary
- ❑ M&MFIN: Rights issue in ratio of 1:1 for Rs 3089 crs
- ❑ Telecom: AGR case to be heard in SC today

Stock In News

- ❑ **India's forex reserves climb \$3.1 billion to record \$516.362 billion:** The country's foreign exchange reserves swelled by \$3.108 billion to a record high of \$516.362 billion in the week to July 10, RBI data showed. In the previous week ended July 3, the reserves had increased by \$6.416 billion to \$513.54 billion. In the week ended July 10, the forex kitty increased mainly due to a jump in foreign currency assets (FCA), which is a major component of the overall reserves. FCA was up by \$2.372 billion to \$475.635 billion in the reporting week, the Reserve Bank data showed.
- ❑ **Cadila Healthcare:** Zydus gets final approval from the U.S. FDA to market Butalbital, Acetaminophen and Caffeine tablets. The drug is used to treat symptom complex of tension headache. The drug will be manufactured at Neshor Pharma's manufacturing facility at St. Louis.
- ❑ **Vodafone Idea:** The company has paid a further sum of Rs 1,000 crore towards the AGR dues. The company had so far deposited Rs 6,854 crore in three tranches. TDSAT has also stayed TRAI's order which had asked the company to put on hold its premium offering RedX.
- ❑ **ICICI Lombard General Insurance Q1FY21** Gross premium down 5% at Rs 3,394 crore Net income up 28% to Rs 398 crore Solvency at 2.5 times from 2.17 times in the previous quarter Combined ratio at 99.7% from 100.4% Net earned premium from health insurance up 10% to Rs 588 crore Net earned premium from motor insurance down 2% to Rs 1,452 crore All numbers are standalone and compared on a year-on-year basis
- ❑ **M&M Financial Q1FY21** Total income up 8% to Rs 3,056.6 crore Net profit up more than four times to Rs 431.7 crore AUM up 14% to Rs 81,000 crore Exceptional gain of Rs 229 crore post dilution of 49% stake in JV agreement with Manulife Asset Management Gross Stage 3 assets at 9.19% from 8.17% last year Net stage 3 assets at 5.72% from 6.27% last year Provision Coverage Ratio at 40.1% from 24.9% Provisions for Covid-19 at Rs 664 crore Total value of assets financed during the quarter at Rs 3,489 crore 40% of moratorium availed customers repaying installments All numbers are consolidated and compared on a year-on-year basis
- ❑ **M&M Financial:** The board approves a rights issue for an amount not exceeding Rs 3,500 crore. The issue price for the same has been set at Rs 50 per share. Record date for the same has been fixed at July 23, 2020. The rights issue opens on July 28 and will close on August 11, 2020. The entitlement ratio for the rights issue has been set at one fully paid-up equity share for every one fully-paid up equity share held by the shareholder as on the record date. The board has also appointed Vivek Karve as the company's new CFO.

Red: Negative Impact **Green:** Positive Impact **Black :** Neutral.

HDFCBANK Concall Highlights

- ❑ Updates on Economy: Management said that economy has seen good recovery from the April levels to May and levels have sustained in June. Whole range of high frequency indicators ranging from oil, electricity consumption to Eway bill and toll collections and PMI index have seen marked improvement.
- ❑ Altico Case: Management said that they will return the money in Case of Altico Capital as directed by the RBI.
- ❑ Digital Enhancement: During the quarter bank had customer interactions on an average of 225000 per month. Very solid percentage of people were ready to pay. Bank acquired 1.2 million liability customers which is 80% of Pre-covid Levels. This was aided for enhanced digital activities. In phone banking and telesales 50% of the workforces are able to Work from home.
- ❑ Succession planning : Management said Mr Aditya Puri's Potential Successor whoever he will be has been with him for long time and now it is time for RBI to decide on the same. Bank has very robust succession planning and bank has efficient people who can take position of their next boss.
- ❑ Moratorium Book: Out of 9% moratorium for the Bank as of quarter end 90% have come from moratorium one. 97% of the customers of moratorium book is 0 DPD and out of them who ever are salaried customer 98% of those continued to get salary credit even in june. From the standstill portfolio of the first moratorium 70% have paid there overdues also 70% have paid there june instalments. Slippages of 1.2% for the quarter are not from the moratorium book.
- ❑ Corporate Governance: Bank has been getting messages suggesting the turmoil amongst employees in the auto loan business and bank has robust policy in place to deal with the allegations and take action and they have followed due process following high standard of corporate Governance
- ❑ Whistle blowing complaints: Bank has received the whistle blowing complaints and internal enquiry has not brought any conflict of interest issue nor there is any bearing on the portfolio but the enquiry bring out aspects related to personal misconduct exhibited by some employees and appropriate action has been taken.
- ❑ Management exits: Mr Munish Mittal(Ex CTO) had spoke to the bank about a year back where he told that he would want to pursue studies in oxford. Mr Abhay Aima had also expressed alternative interest and thus moved on.
- ❑ Payment and Merchant banking business : Payment business has bounced back to 70% of the January levels in June. Credit card origination fell by 87% and Spends by 48%. Merchant banking business is being aided by value added services. Retail origination during the quarter fell by 70% both because of the credit standards and pessimism in the borrowers
- ❑ Wholesale Book increasing Wholesale and Corporate book during the quarter management said they acquired AAA corporates and have improved there risk rating in balance sheet by 30 bps to 4.3. Bank has restricted the consumer loan but expect them to Pick-up by September. Bank participated in TLTRO 1. Corporate collections in April were 45% of April 2019 and in may they were higher by around 47% over April 2020 and in june they were higher by 38% over May 2020.
- ❑ SME Book: On the wholesale SME business bank continued business on the basis of granularity geographical spread and risk mitigation through self-funding and high collateral value. The Collateral cover for in excess of 100% was 89% v/s 77% YoY.
- ❑ Retail book: Bank said once the crisis hit it decided to look at the portfolio and did some filtering and it was banks changed credit policy resulted in lower growth.
- ❑ Unsecured Portfolio: Personal loan is entirely salaried individuals and bulk of that comes fom private enterprises that are very highly rated and also good concentration is of government employees. Cheque bounce rate in unsecured portfolio have shown improvement.
- ❑ Disbursement: Approximately 70% of the disbursement during the quarter including rollover were with less than 1 year maturity. Out of top 25 disbursements 46.5% of the disbursement were towards the Capex, 32% were towards working capital requirement, 9.5% were for supporting other banks and market participants and 7.5% comprised of others and balance was towards PSL purposes.
- ❑ 95% of the Banks branches are operational and approximately 13000 ATM are working with an uptime of 92%. Bank has not laid of any employees.
- ❑ Operating expense: The Operating expense reductions were primarily due reduction in sales volume and originations and may come back as and when it comes back but bank has focus to reduce the cost to income ratio over the period of 3- 5 years.
- ❑ Fee income: On the fee income front retail constitutes of 89% while the wholesale constitutes of 11%.
- ❑ Slippages: Annualised slippages during the quarter stood at 1.2% which is higher as the bank has been using new analytical models.
- ❑ Bank has added 13000 accounts per day during lockdown which is 80% of the Pre-Covid Level. Banks Average LCR during the quarter was 140%.
- ❑ Capital Level: Bank believes current level of capital is sufficient to manage the business in short term.
- ❑ Bank said it is not chasing growth and will not compromise on credit quality and risk standards

Management Concall

HCLTECH 1QFY21 Concall Highlights:

- ❑ Revenue dip by 7.2% sequentially in CC terms and an uptick of 1% YoY on CC basis.
- ❑ Dip in revenue is not completely due to COVID-19 but also by offshoring the large deals that was signed by the management last year.
- ❑ Q1 cover the full impact of facility constrains as compare to 7 days impact in the month of march.
- ❑ Overall team HCL executed exceptionally well almost all the dimensions during 1Q.
- ❑ EBIT performance was good 20.5% up by 350 bps YoY. Forex, significant cost management initiatives, right shoring, automation also the changing mix of our business particularly the increasing mix of remote 2 & 3 revenues all of these contributed to the increase in the EBIT.
- ❑ PAT increased by 31.1% YoY along with very strong cash conversion.
- ❑ COVID impact on the demand side stabilized after through some initial impact on ramp downs, some volume reduction and some discounts that some customers asked for.
- ❑ Supply factors are being well managed even it's continued to be little volatile with new lockdowns and unlock rules.
- ❑ Management believes that the worst is over from revenue decline prospective and confident with some growth trajectory from here on.
- ❑ IT and business services declined 5.6% YoY in the constant currency.
- ❑ Manufacturing, media, retail, energy, travel and hospitality are the major segment which saw decline while life centres and healthcare financial services telecom and CPG performed quite well during the quarter.
- ❑ Engineering and R&D services saw a revenue decline of 5.1% YoY in constant currency due to impact in aero, auto and office automation segment.
- ❑ IT and Engineering services and R&D services saw some impact of offshoring of large deals.
- ❑ Booking in IT, BS and ER&D segment remains healthy which gives confidence for the rest of the year.
- ❑ In Products and platform solid performance could be seen in June quarter.
- ❑ 17000 plus sales transaction across 1000 plus unique customers in more than 100 countries with 2500 onboarded business partners and resellers.

LTTS 1QFY21 Concall Highlights:

- ❑ India office resumed from first week of may as per the guidelines of state respective arbitration. 25% employees are working from office.
- ❑ Revenue decline by lower double digit in 1Q by 12.5% QoQ due to major impact of aerospace and oil and gas.
- ❑ In addition to auto, industrial and nuclear also impacted in a significant way.
- ❑ Operating margins were down by 300 bps again impacted majorly by lower utilization.
- ❑ FCF generation was robust. Management improved on collections and BS position is also strong with cash balance of Rs. 1000 Cr. plus.
- ❑ Large deals continue to perform well. Large deal booking is higher than what was booked in 4Q.
- ❑ Management booked 2 deals of 16 million each and one deal for 30 million plus.
- ❑ Transportation dip by 23% QoQ in 1Q. The large deals of 1 30 million and 1 15 million are in auto. Lower demand in auto over the last 4 months is the reason behind the fall.
- ❑ Aero space is going through tough time as airlines are taking time to travel. Management expects a decline in one more quarter in aerospace segment.
- ❑ Management could see good opportunities in defense side.
- ❑ Management is optimistic about the growth coming back in transportation side.
- ❑ Plant engineering dip by 24% QoQ led primarily by oil and gas. Indicated in the previous quarter fall in oil prices leads to an immediate cut in budget.
- ❑ Two large proposals are in the pipeline with management for oil and gas.
- ❑ In plant engineering a sequential growth was led by CTG and chemical.
- ❑ Industrial product shown a decline of 12% QoQ due to softer demand from the end customers.
- ❑ One deal of 15 million plus is for the machinery side.
- ❑ Growth is expected to pick up as customers are ready to spend in new product engineering.
- ❑ Hitech grew by 5% sequentially led by India intersegment and semiconductors.
- ❑ Medical grew by 9% QoQ on the back of deal ramp up and the increase in the no. of electrical surgery.
- ❑ P Ramkrishnan is resigning as CFO and going to parent company for some project. From April new CFO is Mr. Rajeev gupta.

Management Concall

1QFY21 BRITANNIA CONCALL HIGHLIGHTS:

1QFY21 Result Highlights:

- The Company witnessed volume growth of 21.5% YoY out of total growth of 26.5% YoY and remaining 5% is on account mix and price in 50:50 ratio.
- The Company's other expense contracted on account of lower A&P spends to the extent of 200 bps in 1QFY21.
- The Company witnessed double digit category growth in April-May and expect the same for next 2-3 quarters.
- For the Company rural contribution stood at ~37% of total revenue.
- As per Management, group ICD stood within the limits approved by the board and is in the same range of the total investments.
- The Company's shares is been growing in all channels. Traditional channel grew by 30% higher than the overall growth for the total company, Modern trade remained impacted due to shut down of malls, e-commerce grew by 300% while alternate channels has taken a big hit during the quarter.
- In1QFY21, the company launched 2 new products lassi and layer cake in few places and are taking them to PAN India after witnessing good response from the consumers.
- The Price of RPO is witnessing softness as of now. The Company witnessed 23% inflation in RPO in 1QFY21.
- As per Management, availability played a big part in this quarter.
- The Company new plant for Adjacency business will take another 18-20 months.
- As per Management, the home consumption of bread stood at 100% while rusk home consumption remained bit higher than biscuits.
- The Company's growth stood ahead of market and also gained market share.
- As of now, the company is not witnessing significant downtrend in terms of consumption.

ADJACENCY BUSINESS:

- The Company is confident that croissant and salty snacks will be well accepted by the consumers, the test marketing for the both the products has already been done. Thus management expects to launch both the product in next 6 months with right marketing mix after the prevailing pandemic situation gets over.
- For the Company wafers have been doing well after 2 months of slowdown in 1QFY21. The company will also invest in building new line in Ranjangaon plant for wafers.
- Overall the company is on right track with regard to adjacency business.

CAPEX:

- The Company will incur normal CAPEX along with an additional CAPEX of Rs. 700 cr. for bakery products. (in next 2-3 years)
- The Company is looking for 5 more new plant in Bihar, UP (UP is emerging as the second largest market), Orissa, Tamil Nadu and more line for Ranjangaon for bakery products.

Management Guidance:

- For the Company, the focus will remain on rural and traditional trade and will try to rebuild Modern trade channels while expects e-commerce (1% of total business) to continue growing aggressively.
- The Management expect gentle commodity inflation in coming quarter.
- The Company is focusing on building new IT system for distribution and targets to have strong IT at the end of the year.

CYIENT 1QFY21 Concall Highlights:

- Revenue decline by 7.6% QoQ meanwhile in USD terms it degrow by 12.5% QoQ basis and 11.6% in CC terms.
- Services revenue stood at \$11.2 million signifies a degrowth of 15.2% on QoQ BASIS AND 14.3% in CC terms.
- EBIT margin stood at 5.2% for the quarter lower by 328 bps on QoQ basis. Services EBIT however was it 6.7% for the quarter which is lower QoQ by 280bps primarily because of lower volumes.
- PLM revenue for the quarter stood at USD18.4 million up 5% on sequential basis. PLM EBIT stood at -4.6% for a quarter.
- PAT for the quarter is Rs.18 cr. grew by 8% on QoQ basis.
- FCF for the quarter stood at Rs. 216 cr. FCF/EBITDA conversion stood at 123.1% .
- Large deals signed by management out of which one is with HITACHI RAIL where management signed and agreement to deliver a series of engineering service project to support at actual rate evolution of signal and technology.
- Management will operate a centred delivery system for them in India and regional delivery system at US.
- Other two deals management has signed which are multi million dollar deals.
- Management has also signed a collaboration agreement with Microsoft. It also had IOTH gateway in 54000 it is a very unique solution in the sense that it combines hardware and software together.
- Management had also commissioned Hyderabad DLM factory with the most advanced electronics manufacturing facilities in India and it is under pin by latest technology in factory automation industry ford auto and supply chain management.
- Facility is being commissioned and management is now doing qualification runs and serial production will start from AUG 2020.
- 25 new customers was added during the quarter.

GRANULES 1QFY21 Concall Highlights

- ❑ The revenues grew by 24% YoY to Rs.736 crs due to a significant increase in production to cater to new product launches and increase in market share of existing products across the three verticals
- ❑ GPI (US business)- the revenues were lower than anticipated this quarter primarily due to stabilization in the stock levels compared to 4QFY20, also the full impact of new launches i.e., Colchicine tablets and Butalbital APAP caffeine tablets wasn't visible in the numbers.
- ❑ The company filed 3 ANDAs/Dossiers in North America and European markets and received 6 ANDAs approval (including 1 tentative approval) from the USFDA during the quarter. Going forward, the company expects to file 7-9 ANDAs & dossiers per year and will invest in backward integrating each product for sustainable growth ahead.
- ❑ The company expects to launch 7 or more products this year from GPI. 2 of which will be higher volume products & 2 OTC products.
- ❑ GPI contributes 11% to the topline today; in the next 3-4 yrs, the company expects revenue to grow 4 folds from GPI. US as a market are expected to contribute 68-70% of the total revenues in the next 3-4 yrs from 53% today.
- ❑ Guidance- the Company is confident of crossing 30% PAT growth in FY21 compared to previous year. Going forward, the strong revenue growth along with the higher utilization of capacity will lead to better EBITDA margins.
- ❑ The company expects R&D spend to increase in absolute terms going ahead, it will be more focussed on limited no. of medium – large volume integrated molecule along with few strategic differentiated products.
- ❑ During the quarter, the company voluntarily recalled Metformin Hydrochloride ER Tablets USP, 750 mg due to the Detection of NDMA Impurity. Metformin 750 mg contributed 0.3% to the total revenues in FY20. The company expects to re-launch the product soon.
- ❑ The company is working on reducing its dependence on china. 3 products were imported from china; the company has taken care of 2 products by having multiple sources. For 1 product, the company is trying to backward integrate in the next couple of years.
- ❑ The gross margin improved from 50.4% in 1QFY20 to 59.5% in 1QFY21 based on higher realization from the new launches, increased market share from the existing products & product rationalization in the PFI & FD segments based on profitability. Going forward, the Gross margin might see some impact on the back of increase in the RM cost from vendors due to Covid & geo-political challenges.
- ❑ Based on the much stronger & sustainable demand growth in the current high volume products portfolio & along with the expectations of approval of 4-5 high volume & high value complex molecule in the next 3-4 yrs, the company has started the construction of a new facility in the existing formulation plant in Gagillapur.
- ❑ The company expects to spend a capex of Rs. 250 crs over the next 15-18 months for the new facility at Gagillapur, the facility is expected to be ready by the Q3 of the next fiscal with the capacity of 4-5 bn tablets per yr. The capex will be funded from the internal accruals.
- ❑ The new facility at Gagillapur will be one of the largest & most integrated multi-particulate systems tableting facility in the world. This facility once fully constructed will also provide additional PFI capacity & additional compression capacity of 2.5 bn units per yr. The company expects the facility to payback within 24-36 months from the date of commissioning.
- ❑ The company expects capex of Rs 350-400 crs in FY21 & FY22 respectively.

1QFY21 BAJAJCON Concall Highlights:

Hair oil Industry

- ❑ The hair oil industry continued to see severe sequential slowdown (till march-20, the MAT growth stood at 2.8% which declined sharply in Apr-May (50% and 25% respectively) and the growth rate cumulatively for Apr-May declined by 38%/33% respectively in value and volume terms majorly reflecting consumers preference towards low cost hair oil considering market situation.
- ❑ The Management do not expect immediate recovery or immediate crash in Hair oil market.
- ❑ As of now, the economy hair oils are doing better than premium hair oil.

1QFY21 Result update:

- ❑ ADHO value and volume dropped by 23.5% YoY and overall hair oil portfolio has dropped by 25% YoY in value terms.
- ❑ As per the Management, rural market remained less impacted than urban market. During April and May the total hair oil off take decline in rural and urban markets stood at 30% and 44%.
- ❑ To ensure rural distribution reach the company has scaled up its van operations in May-June and reaches 50000 villages across 15 states.
- ❑ Gross Margin decline during the quarter was on account of adverse impact of product mix which included the launch of sanitizers.
- ❑ PAT remained higher on account of higher other income from treasury and reduction in Income tax rate.
- ❑ In 1QFY21, the company launched Sanitizers under its Nomarks brand in small as well as large packs to cater to the increasing demand amidst pandemic.
- ❑ Sanitizers contributed to the extent of high single digit as % of total sales.
- ❑ The Company has assured employee of no job losses amidst Covid-19.
- ❑ As per the Management, sales lost in the month of March-20 stood at Rs. 63 cr.
- ❑ Contribution of Sachets to the total sales stood at 14% (vs. 17%-18% earlier) since last few quarters.
- ❑ The Company has launched Amla sachet of Rs. 1 which will hit the market.
- ❑ The current yield after the fall in interest rate stood at 5-6%.
- ❑ The Company has applied for approvals for Worli office and will take next another 2-3 years.

Management Guidance

- ❑ The Company is currently focusing on availability of its products in both rural and urban market, specific channels and geographies and new opportunities amidst COVID-19.
- ❑ The Management expects July sales to be lower than June quarter on account of extension of lock down in various states.
- ❑ The Management expects Modern trade channel to stabilize with urban market stabilization.
- ❑ E-commerce will remain area of focus for the company.
- ❑ The Company did not witnessed significant development in International business.
- ❑ Management expects uncertainty to remain for few months with surge of lock down in various states which will impact top line and the company will continue to re-evaluate their strategy to cope up with the situation.
- ❑ As per the Management, the company's amla portfolio can be dialled up in coming months.
- ❑ The major focus of the company is to drive top line with absolute EBITDA growth as of now.
- ❑ The Company is exploring the merger and acquisition options.
- ❑ Ad spends will continue to remain at the Pre-COVID level going forward. Dialling down of Ad spends will happen only when markets gets closed down as the company had dialled down A& P for last 3 months in 1QFY21. The Company will operate fort night to fortnight with regard to A&P spends.
- ❑ A &P spends stood at 12.97% for 1QFY21 and includes ATL and BTL activities.
- ❑ The Management, do not expect dividend distribution policy will undergo substantial changes. The Company is currently focusing on conserving cash keeping in view the prevailing uncertain scenario.

Management Interview

HEROMOTOCO Management Interview

- The short-term business outlook remains uncertain due to the COVID-19 pandemic. However, the long-term story of India and that of the two-wheeler industry remains intact, strong and positive.
- According to management, the company is on the cusp of creating yet another world record, a historic milestone of 100 million motorcycles and scooters in cumulative sales in FY21.
- The financial strength of the company augurs well and will help it to successfully navigate itself into the future despite these trying times.
- The company expects the domestic two-wheeler segment to stabilize in the next 2-3 months.
- For FY21, it expect that the industry will witness greater two-wheeler demand due to the customer's need for personal mobility to maintain safety standards.
- The industry would stabilise by the festive season and the pent-up demand will provide the much-anticipated boost to the industry.
- According to management, whenever business picks up, it will be ready and have the right products to meet demand.
- The government initiatives like corporate tax rate cuts, cash transfers to farmers, rural developmental spends along with RBI measures should facilitate growth.
- The country's exports have slowed down, even as imports of Indian goods have also faced a moderate slump.
- Despite the sluggish economic activity around the world during the year (2019-20), the company continued to collaborate with partners to keep growing its global footprint.
- With the appointment of a new distributor in Peru, it has now expanded its global footprint to more than 40 countries in FY20.
- The company has been following a market-specific strategy to further enhance its presence in markets in specific geographies.
- In Bangladesh and Nepal, the company is deepening its financing network across markets and strengthening the momentum.

MARICO

- The board of the company in a meeting has accepted the resignation of Karve, who was associated with Marico from last 20 years.
- The Board accepted the resignation of Vivek Karve, Chief Financial Officer, to be effective from the close of business hours on September 10, 2020. Karve had joined Marico in 2000 and was appointed as the Chief Financial Officer of the Company on April 1, 2014.
- Karve in his 20 years had stellar career in Marico's Group Finance, Karve contributed significantly to the Company's growth and transformation journey.
- The board appointed Pawan Agrawal as the CFO of the Company with effect from September 10, 2020, in succession to Karve. Agrawal a Chartered Accountant, had joined Marico in 2004 as Regional Operations Manager for South Sales Division in Hyderabad.
- The board has also approved the scheme of amalgamation between Marico Consumer Care Ltd (MCCL), a wholly-owned subsidiary of the company, and Marico Ltd.
- The scheme is subject to the requisite statutory/regulatory approvals including the approval of jurisdictional National Company Law Tribunal and the respective shareholders and creditors of the company and Marico Consumer Care.
- MCCL owns various Intellectual Property Rights which are licensed to Marico.
- The amalgamation of MCCL and Marico would result in consolidation of business, elimination of a multi-layered structure, and reduction in administrative, compliance and other operational costs.
- There is no cash consideration involved. Since MCCL is a wholly-owned subsidiary of Marico, no shares of Marico shall be allotted under the Scheme in lieu or exchange of the shares of MCCL.

BULK DEAL

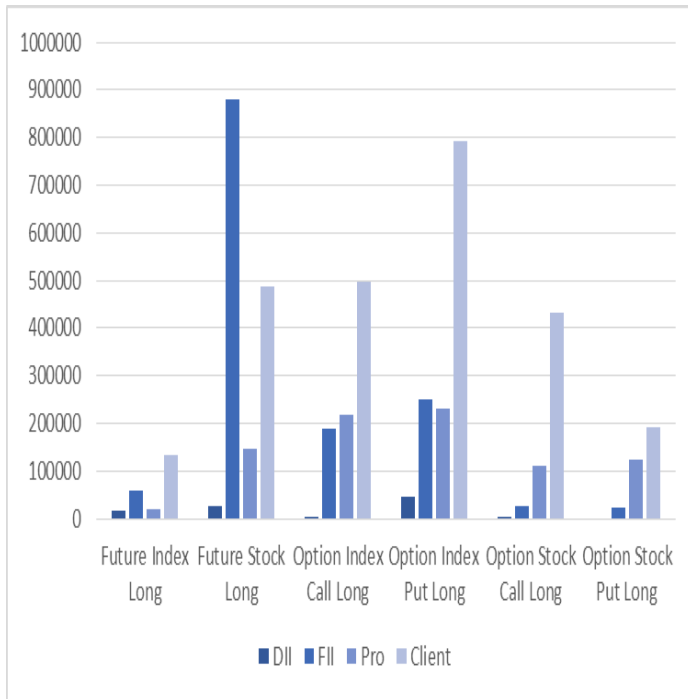
EXCHANGE	Date	SECURITY CODE	CLIENT NAME	DEAL TYPE	QUANTITY	PRICE
BSE	17-07-20	AMFL	NAVEEN GUPTA	B	63,888	5.17
BSE	17-07-20	AMFL	NAVEEN GUPTA	S	83,888	5.14
BSE	17-07-20	AMFL	CONSORTIUM CAPITAL PRIVATE LIMITED	B	73,097	5.07
BSE	17-07-20	AMFL	CONSORTIUM CAPITAL PRIVATE LIMITED	S	73,097	5.18
BSE	17-07-20	AMFL	AMAN GOUR	B	65,268	5.14
BSE	17-07-20	AMFL	AMAN GOUR	S	49,895	5.13
BSE	17-07-20	AMFL	DEVABHAI NAGJIBHAI DESAI	S	402,844	5.16
BSE	17-07-20	ASHARI	MANOJKUMAR GUNVANTRAI SOMANI	B	110,000	8.96
BSE	17-07-20	ASHARI	RAHUL MADHUKAR WARE	S	46,739	8.96
BSE	17-07-20	ASHARI	SABAH TAIYAB NOORANI	S	50,000	8.96
BSE	17-07-20	GLCL	HIREN M PARMAR	S	25,000	6.35
BSE	17-07-20	ICLORGANIC	PRASAD RAJNIKANT SHETH	S	48,000	21.8
BSE	17-07-20	ICLORGANIC	HITESH MOHANLAL PATEL	B	48,000	21.8
BSE	17-07-20	IISL	JAY BHAVSAR	S	50,000	12.08

Corporate Action

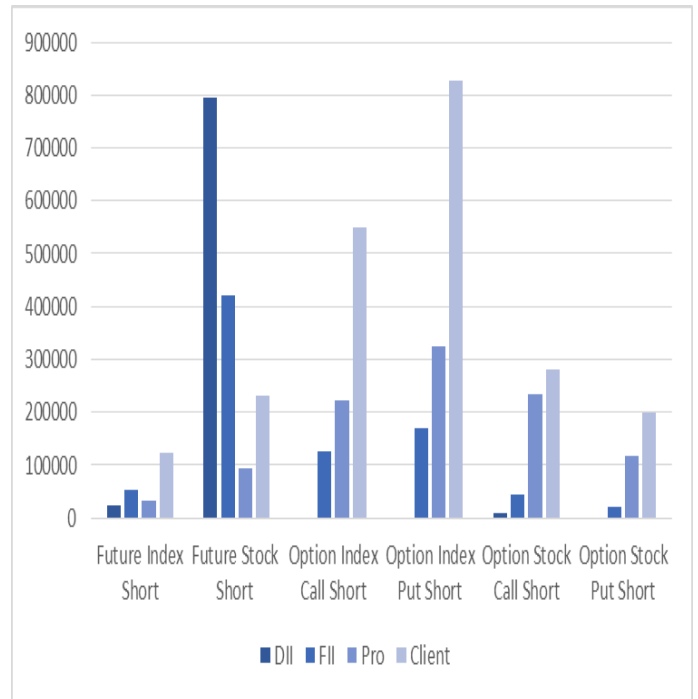
EXCHANGE	SECURITY CODE	SECURITY NAME	EX- DATE	PURPOSE	RECORD DATE
BSE	541269	CHEMFABALKA	21-07-20	Final Dividend - Rs. - 1.2500	-
BSE	509675	HIL	21-07-20	Final Dividend - Rs. - 10.0000	-
BSE	532156	VAIBHAVGBL	21-07-20	Final Dividend - Rs. - 7.0000	-

PARTICIPANT WISE OPEN INTEREST

Long Position

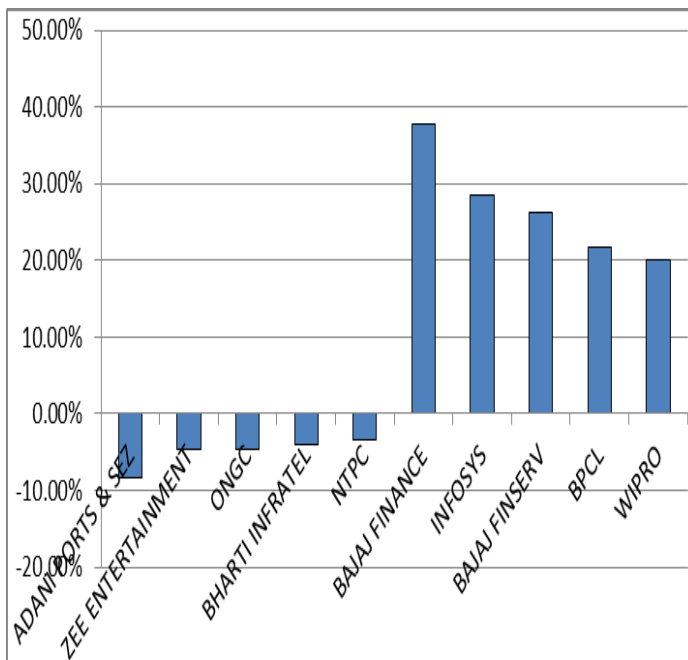


Short Position

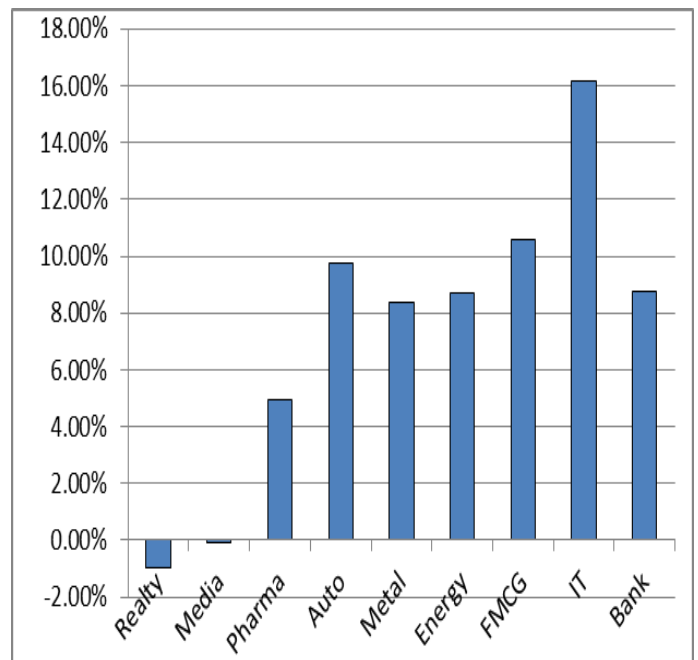


MARKET MOVERS (1 MONTH CHANGE)

Nifty Movers



NSE Sectoral Indices Performance



Result Calendar Q4FY20

BSE Code	Company Name	Result Date	BSE Code	Company Name	Result Date
500410	ACC	20-Jul-20	532839	DISHTV	23-Jul-20
524663	BIBCL	20-Jul-20	526299	MPHASIS	23-Jul-20
533137	DEN	20-Jul-20	540173	PNBHOUSING	23-Jul-20
533012	LPDC	20-Jul-20	532497	RADICO	23-Jul-20
500266	MAHSCOOTER	20-Jul-20	500472	SKFINDIA	23-Jul-20
532650	MSPL	20-Jul-20	532374	STRTECH*	23-Jul-20
530367	NRBBEARING	20-Jul-20	526662	ARENTERP	23-Jul-20
512531	STCINDIA	20-Jul-20	500215	ATFL	23-Jul-20
500407	SWARAJENG	20-Jul-20	500150	FOSECOIND	23-Jul-20
532215	AXISBANK	21-Jul-20	507488	GMBREW	23-Jul-20
532978	BAJAJFINSV	21-Jul-20	541729	HDFCAMC	23-Jul-20
500034	BAJFINANCE	21-Jul-20	533192	KCPSUGIND	23-Jul-20
500092	CRISIL	21-Jul-20	532416	NEXTMEDIA	23-Jul-20
523367	DCMSHRIRAM	21-Jul-20	538772	NIYOGIN	23-Jul-20
531531	HATSUN	21-Jul-20	531879	PIONDIST	23-Jul-20
540777	HDFCLIFE	21-Jul-20	500405	SUPPETRO*	23-Jul-20
513599	HINDCOPPER	21-Jul-20	540762	TIINDIA	23-Jul-20
500696	HINDUNILVR	21-Jul-20	504067	ZENSARTECH	23-Jul-20
500188	HINDZINC	21-Jul-20	500425	AMBUJACEM	24-Jul-20
500184	HSL	21-Jul-20	500820	ASIANPAINT	24-Jul-20
540133	ICICIPRULI	21-Jul-20	500027	ATUL	24-Jul-20
532636	IIFL	21-Jul-20	519600	CCL	24-Jul-20
532756	MAHINDCIE	21-Jul-20	500110	CHENNPETRO	24-Jul-20
540719	SBILIFE	21-Jul-20	506395	COROMANDEL	24-Jul-20
539268	SYNGENE	21-Jul-20	539876	CROMPTON	24-Jul-20
500408	TATAELXSI	21-Jul-20	500171	GHCL	24-Jul-20
532633	ALLSEC	21-Jul-20	500875	ITC	24-Jul-20
532853	ASAHISONG	21-Jul-20	500228	JSWSTEEL	24-Jul-20
533543	BROOKS	21-Jul-20	500252	LAXMIMACH	24-Jul-20
532761	HOVS	21-Jul-20	505790	SCHAEFFLER	24-Jul-20
522034	SHANTIGEAR	21-Jul-20	505537	ZEEL	24-Jul-20
532310	SHREERAMA	21-Jul-20	501295	IITL	24-Jul-20
520151	SHREYAS	21-Jul-20	526668	KAMATHOTEL	24-Jul-20
505192	SMLISUZU	21-Jul-20	506184	KANANIIND	24-Jul-20
533573	APLLTD	22-Jul-20	540212	TCIEXP	24-Jul-20
532977	BAJAJ-AUTO	22-Jul-20	533164	TEXMOPIPES	24-Jul-20
500490	BAJAJHLDNG	22-Jul-20	532845	TGBHOTELS	24-Jul-20
500292	HEIDELBERG	22-Jul-20	505412	WENDT	24-Jul-20
532286	JINDALSTEL	22-Jul-20	532174	ICICIBANK	25-Jul-20
500510	LT	22-Jul-20	534091	MCX	25-Jul-20
532798	NETWORK18	22-Jul-20	533179	PERSISTENT	25-Jul-20
500355	RALLIS	22-Jul-20	509930	SUPREMEIND	25-Jul-20
532800	TV18BRDCST	22-Jul-20	522295	CONTROLPR	25-Jul-20
533138	ASTEC	22-Jul-20	521014	EUROTEXIND	25-Jul-20
532382	BALAJITELE	22-Jul-20	524226	GAEL	25-Jul-20
533272	CEBSCO	22-Jul-20	532305	INDSWFTLAB	25-Jul-20
532339	COMPUSOFT	22-Jul-20	524330	JAYAGROGN	25-Jul-20
507717	DHANUKA	22-Jul-20	532660	VIVIMEDLAB	25-Jul-20
508906	EVERESTIND	22-Jul-20	500049	BEL	27-Jul-20
541179	ISEC	22-Jul-20	517354	HAVELLS	27-Jul-20
500108	MTNL	22-Jul-20	534816	INFRATEL	27-Jul-20
540900	NEWGEN	22-Jul-20	531642	MARICO	27-Jul-20
540366	RADIOCITY	22-Jul-20	500680	PFIZER	27-Jul-20
507747	TTKHEALTH	22-Jul-20	503310	SWANENERGY	27-Jul-20
500002	ABB	23-Jul-20	532755	TECHM	27-Jul-20
540611	AUBANK	23-Jul-20	513349	AJMERA	27-Jul-20
532523	BIOCON	23-Jul-20	533047	IMFA	27-Jul-20

Economic Calendar					
Country	Monday 20th July 2020	Tuesday 21st July 2020	Wednesday 22nd July 2020	Thursday 23rd July 2020	Friday 24th July 2020
US			API Weekly Crude Oil Stock, Crude Oil Inventories, Existing Home Sales	Initial Jobless Claims	Manufacturing PMI, New Home Sales, U.S. Baker Hughes Oil Rig Count
UK/EUROPE				CBI Industrial Trends Orders	
INDIA					

Narnolia Financial Advisors Ltd. is a SEBI registered Research Analyst having SEBI Registration No. INH300006500. The Company/Analyst (s) does/do not have any holding in the stocks discussed but these stocks may have been recommended to clients in the past. Clients of Narnolia Financial Advisors Ltd. may be holding aforesaid stocks.

The stocks recommended are based on our analysis which is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed.

Disclosures: Narnolia Financial Advisors Ltd. (NFAL) (Formerly Microsec Capital Ltd.) is a SEBI Registered Research Analyst having registration no. INH300006500. NFAL is engaged in the business of providing Stock Broking, Depository Participant, Merchant Banking, Portfolio Management & distribution of various financial products. Details of associate entities of NFAL is available on the website at www.narnolia.com

No penalties have been levied on NFAL by any Regulatory/Statutory authority. NFAL, its associates, Research Analyst or their relative may have financial interest in the subject company. NFAL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. NFAL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of NFAL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. NFAL and/or its associates may have received compensation from the subject company in the past 12 months. In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, NFAL or any of its associates may have: a) managed or co-managed public offering of securities from subject company of this research report, b) received compensation for investment banking or merchant banking or brokerage services from subject company of this research report, c) received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report. d) Subject Company may have been a client of NFAL or its associates during 12 months preceding the date of distribution of the research report. NFAL and its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. NFAL and / or its affiliates may do and seek to do business including Investment Banking with companies covered in the research reports. As a result, the recipients of this report should be aware that NFAL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific Merchant Banking, Investment Banking or Brokerage service transactions. Research Analyst's views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of NFAL or its associates maintains arm's length distance with Research Team as all the activities are segregated from NFAL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

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

Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
---	-----

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com.

Correspondence Office Address: Arch Waterfront, 5th Floor, Block GP, Saltlake, Sector 5, Kolkata 700 091; Tel No.: 033-40541700; www.narnolia.com.

Registered Office Address: Marble Arch, Office 201, 2nd Floor, 236B, AIC Bose Road, Kolkata 700 020; Tel No.: 033-4050 1500; www.narnolia.com

Compliance Officer: Manish Kr Agarwal, Email Id: mkagarwal@narnolia.com, Contact No.:033-40541700.

Registration details of Company: Narnolia Financial Advisors Ltd. (NFAL): SEBI Stock Broker Registration: INZ000166737 (NSE/BSE/MSEI); NSDL/CDSL: IN-DP-380-2018; Research Analyst: INH300006500, Merchant Banking: (Registration No.: INM000010791), PMS: (Registration No.: INP000002304), AMFI Registered Mutual Fund distributor: ARN 3087

Registration Details of Group entities: G. Raj & Company Consultants Ltd (G RAJ)-BSE Broker INZ260010731; NSDL DP: IN-DP-NSDL-371-2014 || Narnolia Commerce Limited (Formerly Microsec Commerce Ltd.)-MCX/NCDEX Commodities Broker: INZ000051636 || NarnoliaVeloX Advisory Ltd.- SEBI Registered PMS: INP000005109 || Eastwind Capital Advisors Pvt Ltd. (EASTWIND)-SEBI Registered Investment Adviser: INA300005439 || Narnolia Insurance Brokers Limited (Formerly Microsec Insurance Brokers Ltd.)-IRDA Licensed Direct Insurance Broker (Life & Non-Life) Certificate No. 134, License No. DB046/02 || Narnolia Securities Ltd. (NSL)-AMFI Registered Mutual Fund distributor: ARN 20558, PFRDA NPS POP: 27092018 || Narnolia Capital Advisors Pvt. Ltd. - RBI Registered NBFC:B.05.02568.

Disclaimer:

This report has been prepared by Narnolia Financial Advisors Ltd. (NFAL) and is meant for sole use by the recipient and not for public circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of NFAL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his/her/its own advisors to determine the merits and risks of such an investment. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. NFAL will not treat recipients as customers by virtue of their receiving this report. Neither the Company, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits or lost opportunities that may arise from or in connection with the use of the information/report. The person accessing this information specifically agrees to exempt NFAL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold NFAL or any of its affiliates or employees responsible for any such misuse and further agrees to hold NFAL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

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