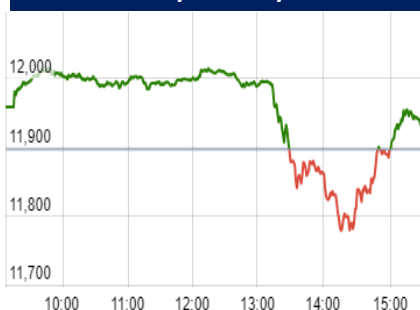


NIFTY KEY LEVELS

Support 1 : 11775
Support 2 : 11750
Resistance1:12050
Resistance2:12100

Nifty Intraday Chart



Market Outlook

Yesterday, Nifty opened positive at 11958.55 and made a high of 12018.65. From there it moved towards the low of 11775.75 and closed positive at 11937.65 levels. On sectoral indices front FIN SERVICE, PHARMA, PVT BANKS, PSU BANK, METAL and REALTY closed positive, while rest closed with negative bias. India VIX closed positive by 0.99% at 22.91

Albeit index witnessed a strong opening in response to positive global cues. After crossing 12k, it felt a sudden jerk and started slipping lower but soon Bulls regained upper hand and managed to push index above 11900 levels. It formed Hanging man type candlestick pattern on daily chart as decline has bought. As we are approaching towards US election, volatility is gradually shifting higher day by day so we have to follow cautious approach and avoid extensive trading. Index need a decisive close above 12050 for opening its next leg for buying, until then it has to bear the hiccups of selling pressure at higher levels. Resistance stands at 12050 followed by 12200 levels while support lies at 11775 followed by 11660 levels.

Indian Market

Index (Prev. Close)	Value	% Change
SENSEX	40,707.31	0.40%
NIFTY	11,937.65	0.34%
BANK NIFTY	24,635.00	1.33%

Global Market

Index (Prev. Close)	Value	% Change
DOW	28,210.82	-0.35%
NASDAQ	11,484.69	-0.28%
CAC	4,853.95	-1.53%
DAX	12,557.64	-1.41%
FTSE	5,776.50	-1.91%
EW ALL SHARE	20,019.85	0.03%

Morning Asian Market (8:30 am)

SGX NIFTY	11,888.50	-0.34%
NIKKIE	23,484.00	-0.66%
HANG SENG	24,581.00	-0.70%

Commodity Market

Commodity(Prev. Close)	Value	% Change
GOLD	51,300.00	0.77%
SILVER	63,565.00	0.70%
CRUDEOIL	41.52	-0.50%
NATURALGAS	223.50	4.29%

Currency Market

Currency (Prev. Close)	Value	% Change
RS./DOLLAR	73.58	0.17%
RS./EURO	87.25	0.83%
RS./POUND	96.02	0.97%

Bond Yield

Bond yield (Prev. Close)	Value	% Change
G-sec 10YR : IND	5.91	-0.32%

% Change in 1 day

Institutional Turnover

FII

Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
21-Oct-20	8448	6340	2108
Oct-20	86358	74819	11539
2020	1268668	1320750	(52082)

DII

Investor	Buy(Cr.)	Sale(Cr.)	Net(Cr.)
21-Oct-20	3951	5585	(1634)
Oct-20	45158	57394	(12236)
2020	915940	859040	56900

Events Today

Amalgamation

CIMMCO

Dividend

HCLTECH

Ex-Date: 22/10/20

Results

APLLTD
ASIANPAINT
BAJAJ-AUTO
BAJAJHLDNG
BIOCON
COFORGE
CROMPTON
HDFCAME
HEXAWARE
INDIANB
INFRATEL
L&TFH
MPHASIS
RPOWER
STRTECH
TIINDIA
UCOBANK
3IINFOTECH
ALLSEC
ASAHISONG
FOSECOIND
GOKEX
KKCL

Please refer to page pg 10 for Bulk deals, Dividends, Bonus, Spilts, Buyback.

Quote of the Day : "There is a risk in everything, so be prepared for the ups and downs"

GRANULES

ACCUMULATE

22-Oct-20

Granules reported highest ever quarterly performance with a revenue growth of 22.7% YoY. The increased contribution from PFI & FDs over the quarters & operational efficiencies has led to an impressive EBITDA margin expansion of 935 bps YoY at 29.9% in 2QFY21. Going forward, we expect to see continued growth from FDs segment as management guided to add 17 new products in FY21 which would increase to 23 new products by FY23, and also the shift of core business to non-US market will contribute to growth. The introduction of MUPS technology and increased capacity will add up to the growth. Product launches, increased operational efficiencies, enhancing product mix, capacity increase and utilization would help in margin expansion. Based on management guidance and expected PAT growth at CAGR of 30% over FY20-22. we change the rating from NEUTRAL to ACCUMULATE with target price of 460 at 18x FY22E EPS.

BAJFINANCE

ACCUMULATE

22-Oct-20

AUM growth continues to be lower for FY21 at least but now volume numbers are picking up and the management expects the growth to be 5-6% for FY21 but will go back to high growth in FY22. In the near term high credit cost will continue to eat up the profits. So far, the Company has taken a loan loss provision of Rs 3,386 Cr against its credit cost estimate of Rs 6,000-6,300 Cr for FY21. Based on current risk estimates, the Company has to residually take Rs 2,600 - 2,900 Cr in H2FY21. FY22 onwards, loan losses and provisions should revert to pre-COVID-19 levels of 160-180 bps of average assets. Lower OPEX will continue to add to the growth of the company. However on the account of better growth prospects in FY22 along with reduced OPEX we value the stock at 5.2x BVFY22E to arrive at target price of Rs 3549 and give ACCUMULATE rating.

HINDZINC

HOLD

22-Oct-20

Increased in mined metal as well as integrated metal production in 2QFY20 based on better mine planning and effective targeting with increased use of technology. However, poor metal grades and lesser ore treatment offset the revenue growth during the quarter. Margin expansion in 2QFY21 was on account of cost efficiencies and lower power and fuel cost. However, increase in coal prices will create pressure on margins going ahead. Mines across the world are facing operational challenges ramp up production while complying with social distancing norms. No new capacity enhancement is going through. Global mine supply continues to face threat COVID related suspension of operations along with prolonged delay in new projects. We value our stock at Rs. 250 valued at 8 times FY22E EV/EBITDA. HOLD.

HINDUNILVR

ACCUMULATE

22-Oct-20

In 2QFY21, HINDUNILVR posted strong revenue growth of 16.1% to Rs. 11442 cr. led by strong performance from health, hygiene and nutrition segment. The Company is witnessing higher demand in its food and refreshment, hygiene and nutrition categories led by increased in-home consumption, consumer divergence towards sanitization and increased focus towards nutrition intake. Going forward, demand from rural is expected to sustain led by better monsoon, higher MSPs and government aids while urban demand outlook remains uncertain. Various strategies like stepping up distribution and assortments, newer SKUs to cater to various section of consumers, increased focus on e-commerce channels and strong brand equity remains the positives for the company. On margin front, the company is witnessing input inflation in some of the key inputs like tea, palm oil while benign crude prices coupled with judicious price hike will provide some cushion to margins. Ad & P spends is expected to remain at a higher level on account of creating awareness for Fair & Glow and also on its other brands to attain competitive growth amidst pandemic. Thus, considering strong positive growth in 2QFY21 we have increased our sales and PAT estimates by 5%/7% for FY22e and have changed our rating from HOLD to ACCUMULATE with an increased target price of Rs. 2483 (Earlier 2361)

TATAMETALI

HOLD

21-Oct-20

Revenue growth in 2QFY21 primarily driven by increased volumes in Pig iron business and realization on account of increase in Iron Ore prices. Shutdown of blast furnace planned by management around a month impacted volumes for 2QFY21 and will impact for 3QFY21 as currently it's in repair. Margin expansion due to PCI and the oxygen project along with improvement in spread between the Pig iron and raw material prices. However, increase in the pace of coking coal prices along with iron ore prices will create pressure on margins going ahead. Delay in additional capacity expansion for DI pipes due to COVID uncertain demand outlook to 4QFY22. However, demand stimulus is expected to come up from government side probably by next 6 months, which will affect the projects being speeded up. As there are many projects lined up by government as per management. We value our stock at Rs. 615 valued at 4 times EV/EBITDA FY21E.

- ❑ US markets ends lower with cut of 0.3% amid uncertainty of stimulus
- ❑ SGX Nifty Fut trades at 11914 down 3 pts at 7.25am IST today
- ❑ Asian indices opens weak with cut of 0.8%
- ❑ European indices ended with loss of 1.5% yesterday
- ❑ Dollar Index trades lower at 92.74
- ❑ Bullions rises with Gold up 1%; Silver 2%
- ❑ Brent Crude trades at 41.51\$; WTI Nymex trades at 39.77\$/bbl
- ❑ IMF downgrades growth forecast for APAC to -2.2%
- ❑ Y'day in cash seg: FIIs bought 2108 crs; DIIs sold 1633 crs
- ❑ FIIs bought 5300 crs in last 3 trading sessions
- ❑ FIIs net long exposure stands at 65% in Index Futures
- ❑ FIIs net buy 151 crs in Index Futures y'day
- ❑ Index Options: Unwind 19650 short calls; add 15650 short puts
- ❑ Nifty recent highs: 12022 (Oct 12); 12025 (Oct 15); 12019 (Oct 21)
- ❑ Expiry Range expected: 11750 – 12050
- ❑ Nifty resistance at 12050 – 12200; Support 11775 – 11660
- ❑ Delivery vol: Infy 1500 crs; Hdfc 1000 crs; HdfcBk 1200 crs; IciciBk 575 crs
- ❑ Today earnings: Asian Paints, BajajAuto, Biocon
- ❑ BajajFinserv Sept qtr: Life Insu showed robust prem growth across seg
- ❑ KPITTech Sept qtr: Ebitda margins 14.3%; co expects further margin improvement
- ❑ Tejas Ntwrk: Profit after Tax at 4.5crs vs loss of 9.7crs
- ❑ JKTyre Result: Rev up 5.5% at 2275 crs
- ❑ Syngene Results; Ebitda up 12%(YoY) at 156.3 crs
- ❑ GMM Pfaudler: Ebitda margins to 21.1% vs 20% (YoY); positive commentary
- ❑ ZEE ENT integrates digital assets and content team
- ❑ Vedanta to consider interim dividend on Oct 24

- ❑ **RBI announces Rs 1 lakh crore 'on tap' TLTRO:** The Reserve Bank on October 21 announced an 'on tap' Targeted Long-Term Repo Operations (TLTRO) scheme of up to Rs 1 lakh crore to enable banks to provide liquidity support to a host of sectors, including agriculture, retail, drugs and pharmaceuticals and MSMEs. Investments made by banks under this facility will be classified as held to maturity (HTM) even in excess of 25 per cent of total investment permitted to be included in the HTM portfolio. All exposures under this facility will also be exempted from reckoning under the large exposure framework (LEF), the RBI said.
- ❑ **India at doorstep of economic revival: RBI Governor Shaktikanta Das:** Reserve Bank Governor Shaktikanta Das on October 21 said the country is at the doorstep of economic revival on the back of accommodative monetary and fiscal policies being pursued by the central bank and the government. We are almost at the doorstep of revival process and it's very important that the financial entities have adequate capital (to support growth)," he said. Many of them have already raised capital and others are planning, he said, adding they would certainly do so in the coming months.
- ❑ **Government working on next stimulus package: finance ministry official:** India's government is working on the next stimulus package to support the economy amid positive signs of a fall in COVID-19 cases, a senior finance ministry official said on Wednesday. The government has received suggestions from various ministries and sectors on needed measures, Tarun Bajaj, economic affairs secretary at the ministry of finance, told a virtual conference.
- ❑ **Tejas Networks Q2FY21** Revenue up 26% to Rs 110 crore Net profit of Rs 4.5 crore from net loss of Rs 4.4 crore Ebitda up 48% to Rs 9.2 crore Ebitda margin at 8.4% from 7.1% Continue to see good order inflow; order book now at Rs 599 crore International revenue up 64.2% during the first six months of FY21, led by growth in Africa and South-East Asia. Continue to remain a debt-free company Expect further improvement in financial performance in H2FY21.
- ❑ **Sagar Cements Q2FY21** Revenue up 23% to Rs 325.9 crore Net profit up over ten times to Rs 50.1 crore Ebitda up 148% to Rs 104.7 crore Ebitda margin at 32.1% from 15.9% Net Realisations up 21% to Rs 4,513 per tonne Ebitda per tonne up 143% to Rs 1,451 Sales volume up 2% to 7.2 lakh MT Plants operated at 48% during the quarter Material cost per tonne down to Rs 619 from Rs 720 last year Pet coke prices are softening from Q2FY20 onwards All numbers are consolidated and compared on a year-on-year basis
- ❑ **GMM Pfaudler Q2FY21** Revenue up 21.8% to Rs 186.3 crore Net profit up 29.3% to Rs 26.9 crore Ebitda up 29.1% to Rs 39.5 crore Ebitda margin at 21.2% from 20% Glass-line equipments revenue up 11% to Rs 936.3 crore Heavy Engineering revenue down 25% to Rs 151.3 crore Proprietary products revenue up 59% to Rs 775 crore Declares dividend of Re 1 per share All numbers are consolidated and compared on a YoY Basis.
- ❑ **Kirloskar Industries:** SEBI has imposed a penalty of Rs 31 crore on the company's promoters and others for indulging in insider trading and committing fraud with the public shareholders of Kirloskar Industries. These entities have also been barred from the capital markets between 3-6 months.
- ❑ **KPI Global Infra:** Signs new long term PPA with China Steel Corporation, Dahej for sale of 1.50 MW solar power for a period of 20 years under the Independent Power Producer business vertical.
- ❑ **Nestle India:** The company's parent Nestle SA in its post earnings release on Wednesday said that the India business saw strong mid single-digit growth during the quarter with good momentum seen in Maggi, Nescafe and Kitkat. The parent expects full-year organic sales growth of around 3%. It also expects underlying trading operating profit margin to improve.
- ❑ **Bajaj Finserv:** Revenue up 5.8% to Rs 15,052 crore. Net profit down 18.1% to Rs 986 crore. Net profit declines due to higher provisions at its lending arm, Bajaj Finance. Reported unrealised mark-to-market gains of Rs 306 crore from its insurance business. New Business Premium for life insurance business up 11% to Rs 1,372 crore.
- ❑ **JK Tyre:** Consolidated net profit went down 38.2 per cent at Rs 105 crore against Rs 170 crore (YoY). Consolidated revenue was up 5.6 percent at Rs 2,274.8 crore against Rs 2,155 crore (YoY). Consolidated EBITDA gained 19.8 percent at Rs 355.04 crore against Rs 296.4 crore (YoY). Consolidated EBITDA margin stood at 15.6 percent against 13.8 percent (YoY).

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

LTI 2QFY21 Concall Highlights:

Business Highlights

- ❑ Management expects large deal pipeline remains strong and see increased traction in digital, cloud and analytics space.
- ❑ In the past 6 months, organisations need to reimagine their operating model and embrace digital transformations to ensure that they remain relevant today.
- ❑ Banks need to onboard customers remotely, Insurance companies need remote sales and distribution, retailers need to have online to offline capabilities in order for customers to order online and pickup at curb site. Technology has been a redeemer in this difficult time.
- ❑ It is no longer the preserve of large companies and industry leaders but has been a necessity for all companies for all sizes.
- ❑ Management is seeing business accelerate the digitization of every aspect of their operations. From their core functions, to customer facing capabilities, and their work places.
- ❑ Go to market strategies around digitizing the core, operate to transform, data driven organization and experience transformation are finding even data resilience to clients and their journey to new operating markets.
- ❑ Two areas have emerged as huge opportunity areas faced on the conversion of market clients and their capabilities have been built. Firstly, the cloud business (AWS, AZURE and GCP) and the data product business (Mozaic and Learning).

Financial Highlights

- ❑ Revenue reported by LTI in 2QFY21 was USD \$ 404.5 million, increase of 3.6% QoQ and 11.2% YoY. In CC terms; revenue increase of 2.3% QoQ and 10.5% YoY.
- ❑ In rupee terms, revenue grew by 1.7% QoQ and 16.6% YoY to Rs. 2998 Cr..
- ❑ During COVID, management continues to receive positive feedback from clients on performance and commitment demonstrated by its employees. Safety of employee and fulfilling the requirement of clients remains top priority by management.
- ❑ During the quarter management launched Canvas PolarSled, an automated cloud migration and modernization framework to help enterprises accelerate their data move to Cloud with Snowflake.
- ❑ Management has very healthy deal pipeline, which is about 22% higher on YoY basis.
- ❑ Management see broad based demand across verticals. Win rooms continue to be busy and added 26 new logos across all the verticals in 2QFY21 and won a large data and analytics led transformational deal with net new TCV in excess of USD \$ 40 million.
- ❑ Large deal pipeline in 2QFY21 remains stronger as compare to 1QFY21. Large deals due to their complex nature is taking more than normal to close.
- ❑ Management also added a new global fortune 500 logo to list of clients taking the fortune 500 logos to 60

CCL 2QFY21 Concall Highlights:

- ❑ In India spray dried capacity utilisation stood at 75% (optimum will be in a range of 80-85%) in 2QFY21 and expects the same to reach at 80% YoY. freeze dried utilisation remained impacted due to shut down of factories for 2 months and is at 65% utilisation level in 2QFY21 and expect the same to be at 70% in FY21.
- ❑ Margin profile between spray and freeze dried will be in a range of 1:2 to 1:2.5 for FY21.
- ❑ Postponement of orders from Russian clients in 1QFY21 is expected to get executed in next 2 quarters.
- ❑ In total turnover front, Vietnam performed well and capacity utilisation stood at 100% in 2QFY21.
- ❑ For Vietnam, the major order was acquired from USA and expect the capacity utilisation to remain at 100% utilisation with volumes at 9000 MT.
- ❑ The supplies to European super markets will continue in next year also.
- ❑ Total branded sales (include retail as well as institutional sales) in domestic markets stood at Rs. 60 cr. in 1HFY21 with 70% growth in comparison to 1HFY20.
- ❑ The Management expects branded business to be at Rs. 100 cr. in FY21.
- ❑ The new packaging plant is expected to be fully operational by 1QFY22.
- ❑ The Company has already reached to peak capacity for small packs and are exploring 3rd party packaging for some of the product.
- ❑ Value added product contribution to business stood at less than 5% as of now but expect the same to improve going forward.
- ❑ Institutional business has now started picking up with opening up of offices.
- ❑ Volume growth for the quarter stood at 7% YoY in 2QFY21.
- ❑ Spill over sales in 2QFY21 stood in a range of Rs. 15-16 cr.
- ❑ The Company is witnessing better traction from spray dried in both domestic as well as international markets.
- ❑ The Company is witnessing demand from Indonesia and its mainly for spray dried.
- ❑ The Management expects volumes for FY22-23 to be at 15-20% post stabilisation of economic activities.
- ❑ Expected Tax rate for domestic business in FY21-34.9%
- ❑ The Company expect to reach to towns with population of more than 1000000 by the end of FY21.
- ❑ In 1HFY21 demand for Instant coffee went up on account of increased in-home consumption.

ULTRACEMCO 2QFY21 Concall Highlights:

Macro:

- ❑ The Cement industry witnessed positive demands in East, Central, Gujarat and North led by demand from rural housing demand and infrastructure segment while Maharashtra and Southern regions are at recovery stage and are witnessing revival in demand led by opening up of markets and positive demand from Infrastructure segment.
- ❑ The Management expects improvement in rural demand to sustain for a longer period led by pick-up in government spends on Infrastructure, affordable housing, higher MSPs while also expect demand revival from Urban.
- ❑ 2QFY21 Result Update:
- ❑ Diesel prices increased by 13% in 2QFY21. Diesel contributes to the extent of 2.5-3% to the total cost for the company.
- ❑ Century assets has been fully integrated and has achieved operating EBITDA/ tonne of over Rs. 700/tonne in 2QFY21. Brand transition has been slowed down because of pandemic and expect the same to complete before the end of FY21.
- ❑ Total revenue from RMC stood at Rs. 434 cr. in 2QFY21.
- ❑ The Company has performed well in white cement and putty and has also gained market share in 2QFY21.
- ❑ Non trade market has started picking up led by resumption of infrastructure projects. Trade and non-trade mix stood at 70:30 in 2QFY21 vs. 78:24 in 1QFY21.
- ❑ White cement volumes stood at 330000 Tonnes in 2QFY21.
- ❑ As per Management, realisation remained down 2-3% in 2QFY21.

Expansion Details:

- ❑ The Company is investing in 20MW of WHRS at Mayer and Manikgarh two of century units which will result in cost reduction and improvement in EBITDA/tonne and the same is expected to complete by Mar-22.
- ❑ The Company has completed some work on WHRS taking a total capacity to 125 MW and expect to commission additional 60 MW by FY22 taking total tally to 185 MW of WHRS. And will further add another 60 MW as a part of expansion plan to reach peak capacity taking the total capacity to 245MW by the end of mid of FY24.
- ❑ The Company expect to commission solar power of 350 MW out of which 115 MW is already completed and the remaining is expected to complete by the end of FY22 post which green power will constitute 30% of current energy consumption.
- ❑ The brownfield expansion in existing plant of Patliputra in Bihar (0.6MT) and Dhankoni in West Bengal (0.6 MT) are going on and will start in early of 2QFY22 while Cuttack unit (2.2 MT) expansion plan is expected to commercialise by 4QFY22.
- ❑ Bara capacity will get completed by Mar-20.
- ❑ The Company will start working for Pali expansion and is expected to get completed 3QFY22.

Management Guidance:

- ❑ The Management expect capacity addition at industry level to slow down in coming years.
- ❑ In 1HFY21 the company has reduced the overheads to the extent of Rs. 450 cr. and targets to achieve savings of Rs. 500 cr. on annual basis.
- ❑ The Management expect positive volume growth in remaining year of FY21.
- ❑ Ad spends have started happening from later part of Q2 and will remain regular in 2HFY21.
- ❑ As per Management, the company has geared up for 50 MT expansion till 2030.
- ❑ The Management expect ~10% inflation in power & fuel cost in 2HFY21.
- ❑ The Company credit period will remain at the same level.
- ❑ CAPEX spent in 1HFY21-Rs. 450 out of total expected CAPEX of Rs. 1300 cr. for FY21.

IEX 2QFY21 Concall Highlights

- ❑ The revenue from operation showed the increase of 4.9 % YoY on the account of increased volume and overall revenue showed decline of 0.8% YoY due to decrease in other income because of reduction in interest rates by RBI.
- ❑ PAT showed decrease by 4.3% YoY as onetime tax benefit of Rs 3.7 crs was included in same quarter of previous year.
- ❑ No trading of REC took place Due to stay order issued by Honourable APTEL.
- ❑ Reduction in average clearing price from Rs 3.15 per unit in 2QFY20 to Rs.2.53 per unit in 2QFY21 has led to 40% YoY increase in open access volume on exchange platform.
- ❑ Petition for the launch of long duration contract (LDC) has been filled with CERC, the CERC will approve it only after Supreme court settle the jurisdiction issue.
- ❑ The company trade an average of 1000 MW during peak hours every day and through GTM average volume traded is 8-10 MU per day.
- ❑ The per day participants in GTM has increased from 6 on day 1 to 40 till date.
- ❑ IGX - the gas segment will ramp up as investment and capacity building initiative taken by the company.
- ❑ Delayed in power market regulation was because of the members on leave and forum not available.
- ❑ As the GAS does not come under GST so the different state regulates it, which make difficult for the tender contract of gas because of which there is no such big volume is traded through exchange.
- ❑ The gas market has much higher opportunity than electricity market, that is 15-20% market.
- ❑ The introduction of RTM has led to reduction in TAM transaction as Discoms buy in RTM at competitive prices.
- ❑ With introduction of LDC (long term contract) there will be shift from bilateral market to LDC with an opportunity of 40 BU units.
- ❑ The introduction of LDC exchange would not only provide the platform for trade but also make sure the timely completion of physical and financial transactions.
- ❑ Employee cost has been increased due to addition of 2 new products that are RTM and GTM and also the increments.
- ❑ With introduction of LDC the company's market share may increase from 50% to 70-75%.
- ❑ REC trade 12-13% of IEX volume and the trade is likely to start by 28th October 2020, reduction in forbearance price will help increased purchases by captive industries and industrial consumers.
- ❑ GTAM fulfil both electricity requirement and RP obligations whereas REC fulfil only the RP obligation.
- ❑ The annual transaction fees for the quarter was 4.46 crs.
- ❑ Other expenses reduced mainly due to reduction in CSR expense and also the Covid restrictions has resulted in hold of certain activities.

Economy and Industry update

- ❑ Sharp recovery in industrial activity has led to increase in PMI from 46% in July to 66.8% in September
- ❑ Due to increased economic and commercial activity and demand returning to pre-Covid level has resulted in increased energy consumption by 46% YoY.
- ❑ Installed capacity stands at 373 GW as of this quarter with 3% YoY.

BAJFINANCE 2QFY21 Concall Highlights:

- ❑ Q2 was all about gradual unlocking of the economy. The company's focus was on restarting business, creating back to growth plans, continuous risk modelling to refine loss estimates, collections capacity augmentation and begin implementation of our business transformation keeping in mind a smaller aggregate economy over the next 12-18 months.
- ❑ The Company has restarted origination across all businesses except REMI and wallet loans which are on pause mode till January and March respectively.
- ❑ The company is currently witnessing MoM improvement in volumes across all businesses.
- ❑ The Company continued to maintain a conservative stance on volumes till August, given extended moratorium and absence of updated bureau data. From September, the Company has started to accelerate volumes across all businesses.
- ❑ In September, versus previous year, urban consumption businesses (B2B) were at 72%, rural consumption business (B2B) at 91%, Credit card origination at 73%, ecommerce at 75% and auto finance business at 54% of last year's volume.
- ❑ In September loan disbursements (B2C, SME, Rural B2C, and Mortgages) were at 62% of the last year's volume.
- ❑ The Company estimates AUM growth for FY21 at 6-7%. If the momentum by Q4 is stronger, there may be a potential upside.
- ❑ Outstanding flexi loans as at September 2020 stands at Rs 43k Cr. In Q2 FY21, the Company has converted Rs 1,750 Cr of term loans into flexi loans.
- ❑ The company's plan is to achieve Feb-20(Pre COVID-19) loan origination by March, April 2021.
- ❑ The carry cost of total liquidity in Q2 was Rs 220 Cr as against Rs 47 Cr in Q2 FY20.
- ❑ The Company will slowly dial down its liquidity buffer over the next 6 months and expects to revert closer to pre-COVID-19 liquidity buffer by March 21. It will also ensure that the cost of excess liquidity normalizes by Q4.
- ❑ OPEX to NII improved to 27.8% in Q2 FY21 as against 34.6% in Q2 FY20. OPEX to NII is likely to be 30%+ in FY21 and is likely to be much lower at 28-29% in FY22 once company goes back to growth.
- ❑ FY22 onwards, loan losses and provisions should revert to pre-COVID-19 levels of 160-180 bps of average assets. If recoveries are better in FY22 against provisions taken in FY21, may experience lower net loan loss to average assets.
- ❑ Against 15.7% of moratorium book in June 2020, stage 2 (1 and 2 installments overdue) book as of 30 September 2020 stood at 8.0% versus 2.3% in Q2 FY20.
- ❑ So far, the Company has taken a loan loss provision of Rs 3,386 Cr against its credit cost estimate of Rs 6,000-6,300 Cr for FY21. Based on current risk estimates, the Company has to residually take Rs 2,600 - 2,900 Cr in H2FY21.
- ❑ The Company has reversed capitalized interest amounting to Rs 142 Cr on loans under moratorium. Overall amount of interest income reversed in H1FY21 stood at Rs 361 Cr.
- ❑ In Q2, despite higher fees and commission cost to the tune of Rs 25 Cr, the overall opex is down by Rs 224 Cr. Of this Rs 120 Cr is transient in nature.
- ❑ BHFL is likely to go back to Pre-Covid-19 growth level by March 2021.
- ❑ 3-Wheeler and Mortgages are mostly likely to go for restructuring.

Management Interview**HDFCBANK Management Interview**

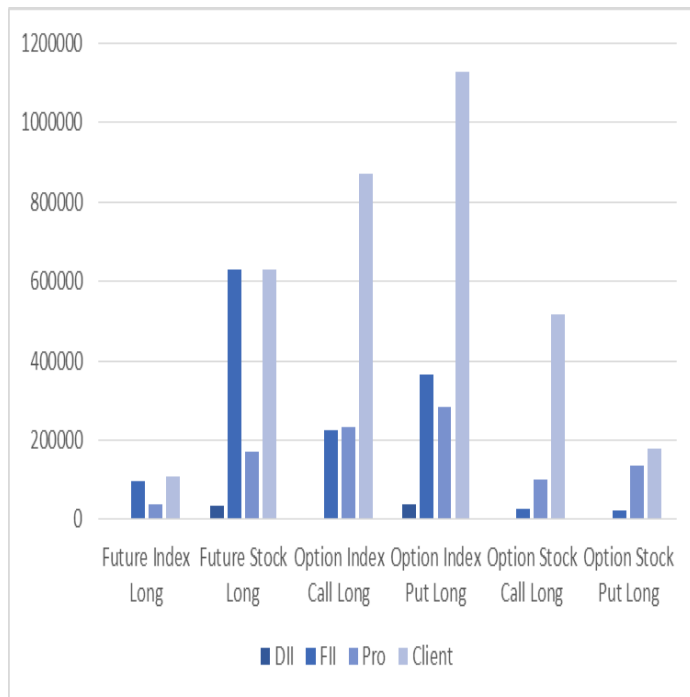
- ☐ Since the lifting of the Lockdown different sections of economy have seen recoveries at 75%, 85% and 90% levels. Only airlines, hotel industries and unorganized sectors are suffering.
- ☐ As per management "no economy and system can survive with having too many "Have nots"".
- ☐ Management said they released the Proforma NPA during the quarterly results as they did not want to give misleading picture of the NPA.
- ☐ Management believes that the 2.5 lakh Cr of loans that have been disbursed to the MSME by the banks will help in creating jobs and demand.
- ☐ On slowdown of Funding to NBFC by banks management said that banks are following the risk management approach rather than risk aversion by not lending to companies who have got into problems by mismanaging their ALM or increasing the NPA by chasing the growth.
- ☐ As per management we should have the bankruptcy law like chapter 11 in US. If a firm is going through difficulties, there should be a systematic look at what part of business is saleable.
- ☐ Growth had slowed down in India even before the pandemic hit as there was slowdown in the government expenditure. There is a need to have clear strategies on exports and focus should be on digitalization and developing the infrastructure.

BULK DEAL						
EXCHANGE	Date	SECURITY CODE	CLIENT NAME	DEAL TYPE	QUANTITY	PRICE
BSE	21-10-20	AFEL	BHARAT BHUSHAN	B	21,759	6.91
BSE	21-10-20	AFEL	PAWAN KANSAL	B	25,753	7.15
BSE	21-10-20	AFEL	BHARAT BHUSHAN	S	11,000	7.1
BSE	21-10-20	BEML	HDFC MUTUAL FUND	B	344,800	619.72
BSE	21-10-20	BEML	HDFC MUTUAL FUND	S	344,800	619.72
BSE	21-10-20	BPCAP	GIRIDHAR GUPTA SOMISETTY	S	17,290	2.15
BSE	21-10-20	GMPL	GREENVALLEY TIE UP PRIVATE LIMITED	B	15,200	195
BSE	21-10-20	GMPL	RAJESH SARDA	S	17,600	195
BSE	21-10-20	GREENPLY	PLUTUS WEALTH MANAGEMENT LLP	B	6,850,000	75
BSE	21-10-20	GREENPLY	HSBC BANK MAURITIUS AC JWALAMUKHI INVESTMENT HOLDINGS	S	7,524,522	75.02
BSE	21-10-20	KDLL	AKSHAY SHAH (HUF)	S	37,924	28.18
BSE	21-10-20	KDLL	ANJU AKSHAY SHAH	S	45,295	28.2
BSE	21-10-20	KDLL	RUSHIT BHUPENDRA PARIKH	B	35,000	28.2
BSE	21-10-20	KDLL	RAVI MANOHARLAL KHARWAD	B	43,000	28.2
BSE	21-10-20	KDLL	ANJALI RAVI KHARWAD	S	21,822	28.2
BSE	21-10-20	KDLL	RAVI MANOHARLAL KHARWAD	S	42,107	28.2
BSE	21-10-20	KIRLPNU	HDFC TRUSTEE CO. LTD. A/C HDFC CHILDRENS GIFT FUND	B	2,460,905	112
BSE	21-10-20	KIRLPNU	HDFC TRUSTEE CO LTD AC HDFC HOUSING OPPORTUNITIES FUND	S	2,460,905	112
BSE	21-10-20	MAYUKH	DIKSHIT KUMAR CHOUDHARY	S	32,694	10.82
BSE	21-10-20	RCL	GULAPHALIYABEGUM	B	67,500	14.8
BSE	21-10-20	RCL	MULTIFOLD PLASTIC MARKETING PVT LTD	S	67,409	14.8
BSE	21-10-20	RGRL	KIRAN VISHNUKUMAR SHARMA	B	32,000	12.5
BSE	21-10-20	RIBATEX	SITA RAM	B	53,391	30.79
BSE	21-10-20	RNAVAL	VALIANT MAURITIUS PARTNERS FDI LTD	S	5,176,072	1.76
BSE	21-10-20	SPICEISL	BABALBHAI MANILAL PATEL	S	38,000	4.51
BSE	21-10-20	SPICEISL	KAILASHBEN ASHOKKUMAR PATEL	B	38,000	4.51

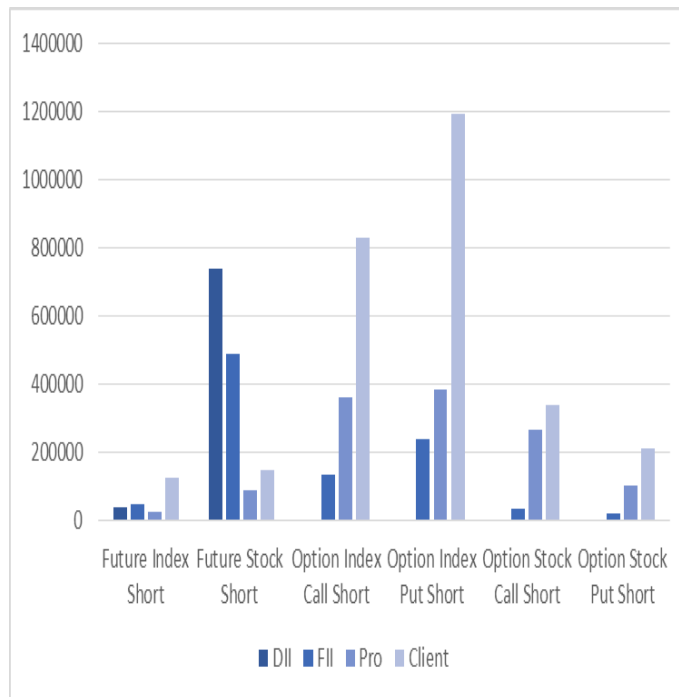
Corporate Action					
EXCHANGE	SECURITY CODE	SECURITY NAME	EX- DATE	PURPOSE	RECORD DATE
BSE	500209	INFY	23-10-20	Interim Dividend - Rs. - 12.0000	26-Oct-20

PARTICIPANT WISE OPEN INTEREST

Long Position

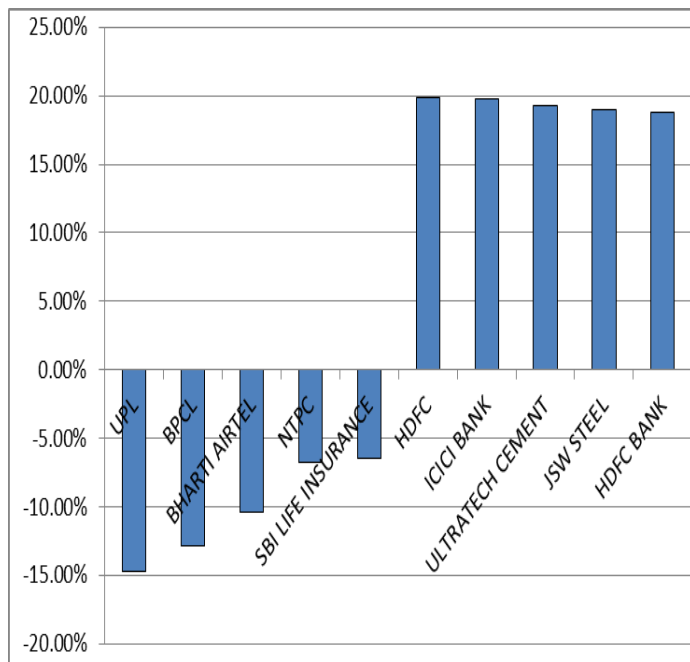


Short Position

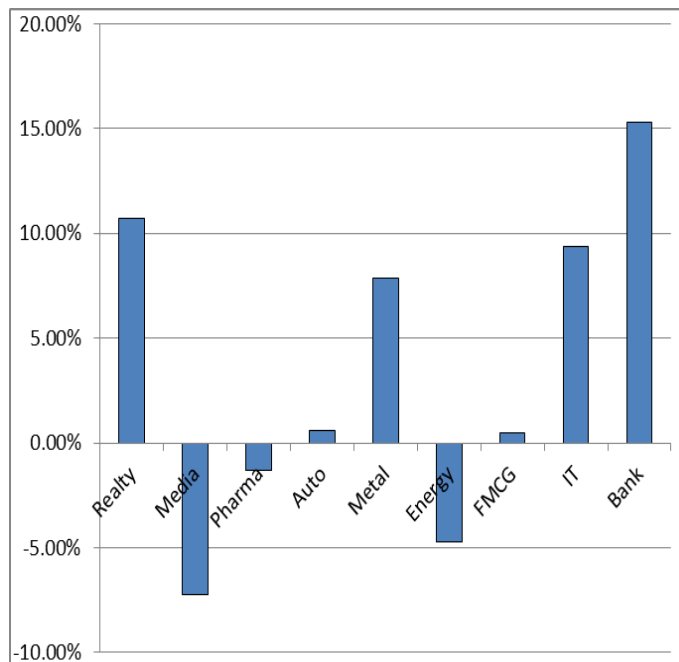


MARKET MOVERS (1 MONTH CHANGE)

Nifty Movers



NSE Sectoral Indices Performance



Result Calendar Q2FY21

BSE Code	Company Name	Result Date	BSE Code	Company Name	Result Date
500410	ACC	19-Oct-20	533573	APLLTD	22-Oct-20
500825	BRITANNIA	19-Oct-20	500820	ASIANPAINT	22-Oct-20
500040	CENTURYTEX	19-Oct-20	532977	BAJAJ-AUTO	22-Oct-20
531531	HATSUN	19-Oct-20	500490	BAJAJHLDNG	22-Oct-20
540777	HDFCLIFE	19-Oct-20	532523	BIOCON	22-Oct-20
540115	LTTS	19-Oct-20	532541	COFORGE	22-Oct-20
532525	MAHABANK	19-Oct-20	539876	CROMPTON	22-Oct-20
500355	RALLIS	19-Oct-20	541729	HDFCAMC	22-Oct-20
513434	TATAMETALI	19-Oct-20	532129	HEXAWARE	22-Oct-20
502219	BORORENEW	19-Oct-20	532814	INDIANB	22-Oct-20
542867	CSBBANK	19-Oct-20	534816	INFRATEL	22-Oct-20
538562	SKIPPER	19-Oct-20	533519	L&TFH	22-Oct-20
505400	TEXINFRA	19-Oct-20	526299	MPHASIS	22-Oct-20
533326	TEXRAIL	19-Oct-20	532939	RPOWER	22-Oct-20
500020	BOMDYEING	20-Oct-20	532374	STRTECH	22-Oct-20
519600	CCL	20-Oct-20	540762	TIINDIA	22-Oct-20
500092	CRISIL	20-Oct-20	532505	UCOBANK	22-Oct-20
523367	DCMSHRIRAM	20-Oct-20	532628	3IINFOTECH	22-Oct-20
532482	GRANULES	20-Oct-20	532633	ALLSEC	22-Oct-20
500696	HINDUNILVR	20-Oct-20	532853	ASAHISONG	22-Oct-20
500188	HINDZINC	20-Oct-20	500150	FOSECOIND	22-Oct-20
540750	IEX	20-Oct-20	532630	GOKEX	22-Oct-20
505726	IFBIND	20-Oct-20	532732	KKCL	22-Oct-20
500233	KAJARIACER	20-Oct-20	523828	MENONBE	22-Oct-20
540005	LTI	20-Oct-20	500314	ORIENTHOT	22-Oct-20
532756	MAHINDCIE	20-Oct-20	539785	PDMJEPAPER	22-Oct-20
500266	MAHSCOOTER	20-Oct-20	540293	PRICOLLTD	22-Oct-20
524226	GAEL	20-Oct-20	540366	RADIOCITY	22-Oct-20
513446	JSWISPL	20-Oct-20	543066	SBICARD	22-Oct-20
500078	OAL	20-Oct-20	517168	SUBROS	22-Oct-20
532527	RKFORGE*	20-Oct-20	538598	VISHAL	22-Oct-20
517498	WEBELSOLAR	20-Oct-20	505412	WENDT	22-Oct-20
532978	BAJAJFINSV	21-Oct-20	500027	ATUL	23-Oct-20
500034	BAJFINANCE	21-Oct-20	500292	HEIDELBERG	23-Oct-20
506197	BLISSGVS	21-Oct-20	540716	ICICIGI	23-Oct-20
500110	CHENNPETRO	21-Oct-20	500116	IDBI	23-Oct-20
500830	COLPAL	21-Oct-20	500228	JSWSTEEL	23-Oct-20
533151	DBCORP	21-Oct-20	500790	NESTLEIND	23-Oct-20
530007	JKTYRE	21-Oct-20	533179	PERSISTENT	23-Oct-20
542651	KPITTECH	21-Oct-20	506655	SUDARSCHEM	23-Oct-20
539268	SYNGENE	21-Oct-20	532755	TECHM	23-Oct-20
532538	ULTRACEMCO	21-Oct-20	533023	WABCOINDIA	23-Oct-20
509966	VSTIND	21-Oct-20	532648	YESBANK	23-Oct-20
506194	ASL	21-Oct-20	526397	ALPHAGEO	23-Oct-20
500215	ATFL	21-Oct-20	538566	APOLLOTRI	23-Oct-20
505255	GMM	21-Oct-20	530803	BHAGIL	23-Oct-20
521016	ICIL	21-Oct-20	522295	CONTROLPR	23-Oct-20
533676	INDOTHAI	21-Oct-20	530343	GENUSPOWER	23-Oct-20
500298	NATPEROX	21-Oct-20	523754	MAHEPC	23-Oct-20
540900	NEWGEN	21-Oct-20	526263	MOLDTEK	23-Oct-20
517522	RAJGLOWIR	21-Oct-20	517536	ONWARDTEC	23-Oct-20
532661	RML	21-Oct-20	509820	PAPERPROD	23-Oct-20
502090	SAGCEM	21-Oct-20	526247	PREMEXPLQ	23-Oct-20
532663	SASKEN	21-Oct-20	532988	RANEENGINE	23-Oct-20
534598	SEPOWER	21-Oct-20	500405	SUPPETRO	23-Oct-20
522034	SHANTIGEAR	21-Oct-20	542655	VIKASMCORP	23-Oct-20
540595	TEJASNET	21-Oct-20	542652	POLYCAB	24-Oct-20

Result Calendar Q2FY21

BSE Code	Company Name	Result Date	BSE Code	Company Name	Result Date
543213	ROSSARI	24-Oct-20	541269	CHEMFABALKA	29-Oct-20
500940	FINOLEXIND	26-Oct-20	533208	EMAMIPAP	29-Oct-20
500171	GHCL	26-Oct-20	500449	HOCL	29-Oct-20
500252	LAXMIMACH	26-Oct-20	533344	PFS	29-Oct-20
532720	M&MFIN	26-Oct-20	506401	DEEPAKNI	30-Oct-20
540719	SBILIFE	26-Oct-20	538835	INTELLECT	30-Oct-20
500420	TORNTPHARM	26-Oct-20	530965	IOC	30-Oct-20
543235	ANGELBRKG	26-Oct-20	532313	MAHLIFE	30-Oct-20
538961	GENUSPAPER	26-Oct-20	540768	MAHLOG	30-Oct-20
533217	HMVL	26-Oct-20	500339	RAIN	30-Oct-20
500250	LGBBROSLTD	26-Oct-20	530999	BALAMINES	30-Oct-20
500407	SWARAJENG	26-Oct-20	523708	EIMCOELECO	30-Oct-20
500008	AMARAJABAT	27-Oct-20	532737	EMKAY	30-Oct-20
532454	BHARTIARTL	27-Oct-20	542857	GREENPANEL	30-Oct-20
500870	CASTROLIND	27-Oct-20	520056	SUNCLAYLTD	30-Oct-20
500878	CEATLTD	27-Oct-20	532772	DCBBANK	31-Oct-20
540133	ICICIPRULI	27-Oct-20	532174	ICICIBANK	31-Oct-20
523405	JMFINANCIL	27-Oct-20	539437	IDFCFIRSTB	31-Oct-20
500674	SANOFI	27-Oct-20	506395	COROMANDEL	02-Nov-20
500472	SKFINDIA	27-Oct-20	500010	HDFC	02-Nov-20
500570	TATAMOTORS	27-Oct-20	500260	RAMCOCEM	02-Nov-20
532215	AXISBANK	28-Oct-20	540212	TCIEXP	02-Nov-20
513375	CARBORUNIV	28-Oct-20	533393	TCIDEVELOP	02-Nov-20
500480	CUMMINSIND	28-Oct-20	524129	VINYLINDIA	02-Nov-20
500124	DRREDDY	28-Oct-20	534804	CARERATING	03-Nov-20
532809	FSL	28-Oct-20	504973	CHOLAHLDNG	03-Nov-20
500660	GLAXO	28-Oct-20	500096	DABUR	03-Nov-20
519552	HERITGFOOD	28-Oct-20	533150	GODREJPROP	03-Nov-20
500182	HEROMOTOCO	28-Oct-20	500690	GSFC	03-Nov-20
500510	LT	28-Oct-20	500165	KANSAINER	03-Nov-20
531642	MARICO	28-Oct-20	500338	PRSMJOHNSN	03-Nov-20
532504	NAVINFLUOR	28-Oct-20	520111	RATNAMANI	03-Nov-20
523642	PIIND	28-Oct-20	500123	ELANTAS	03-Nov-20
540173	PNBHOUSING	28-Oct-20	508906	EVERESTIND	03-Nov-20
532497	RADICO	28-Oct-20	532369	RAMCOIND	03-Nov-20
540065	RBLBANK	28-Oct-20	532370	RAMCOSYS	03-Nov-20
505790	SCHAEFFLER	28-Oct-20	517059	SALZER	03-Nov-20
509930	SUPREMEIND	28-Oct-20	532349	TCI	03-Nov-20
532301	TATACOFFEE	28-Oct-20	500331	PIDILITIND	04-Nov-20
500114	TITAN	28-Oct-20	500112	SBIN	04-Nov-20
542772	IIFLWAM	28-Oct-20	500403	SUNDRMFAST	04-Nov-20
500245	KIRLFER	28-Oct-20	509220	PTL	04-Nov-20
523207	KOKUYOCMLN	28-Oct-20	531344	CONCOR	05-Nov-20
543223	MAXINDIA	28-Oct-20	532839	DISHTV	05-Nov-20
514211	SUMEETINDS	28-Oct-20	532424	GODREJCP	05-Nov-20
543238	UTIAMC	28-Oct-20	539336	GUJGAS	05-Nov-20
526612	BLUEDART	29-Oct-20	500251	TRENT	05-Nov-20
511243	CHOLAFIN	29-Oct-20	500133	ESABINDIA	05-Nov-20
523398	JCHAC	29-Oct-20	532835	ICRA	05-Nov-20
532500	MARUTI	29-Oct-20	500672	NOVARTIND	05-Nov-20
533088	MHRIL	29-Oct-20	500103	BHEL	06-Nov-20
540673	SIS	29-Oct-20	500530	BOSCHLTD	06-Nov-20
532343	TVSMOTOR	29-Oct-20	500087	CIPLA	06-Nov-20
532156	VAIBHAVGBL	29-Oct-20	500670	GNFC	06-Nov-20
504067	ZENSARTECH	29-Oct-20	532221	SONATSOFTW	06-Nov-20
502330	ANDHRAPAP	29-Oct-20	532515	TVTODAY	06-Nov-20
526849	BANARBEADS	29-Oct-20	500650	EXCELINDUS	06-Nov-20

Economic Calendar					
Country	Monday 19th Oct 2020	Tuesday 20th Oct 2020	Wednesday 21st Oct 2020	Thursday 22nd Oct 2020	Friday 24th Oct 2020
US	Fed Chair Powell Speaks	Building Permits, Housing Starts	API Weekly Crude Oil Stock, Crude Oil Inventories	Initial Jobless Claims, Existing Home Sales	Manufacturing PMI
UK/EUROPE	ECB President Lagarde Speaks		CPI, PPI	Retail Sales	Retail Sales, Manufacturing PMI
INDIA					Bank Loan Growth, Deposit Growth, FX Reserves, USD

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Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
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A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com.

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