

# HSIE Results Daily

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### Results Reviews

- **Reliance Industries:** Our ADD rating on RIL with a price target of INR 2,285 /sh is premised on (1) induction of Facebook, Google, Intel and Qualcomm as partners in Jio Platforms, which should help the company accelerate the growth of digital connectivity and create value in the digital ecosystem through technology offerings; (2) recovery in refining and petchem businesses in FY22E; (3) the emergence of a clear path to a stronger balance sheet; and (4) stake sale in the retail business.
- **Kotak Mahindra Bank:** Kotak Mahindra Bank's (KMB) 4QFY21 P&L performance was better than our expectations, largely on the back of high other income (31% YoY), partially offset by lower-than-expected NII growth (8% YoY). The bank build on its uptick in credit growth in the last quarter with 4.5% sequential loan growth. Asset quality remains robust with FY21 slippages at 2.4%, along with a low restructured pool (0.19% of loans) and high provisioning buffer (PCR at 64%, other provisions at 2.1% of loans). However, current lofty valuations factor in the uptick in credit, cost of funds tailwinds, and normalising credit costs in FY22. Maintain REDUCE with revised SoTP of INR1747 (earlier 1707).
- **SBI Life Insurance:** VNBM (at ETR) at 23.2% (+250bps YoY vs. FY20) brought a colorful end to a bumpy year, largely led by positive business mix (higher share of NPAR and protection). The company's three growth levers continue to remain in place - (1) the mammoth distribution network of the parent SBI (24k+ branches); (2) the improving share of protection and NPAR; (3) the lowest opex ratio (FY21: 7.9%, -180bps YoY). We expect SBILIFE to deliver a healthy FY21-23E VNB CAGR of 15.8%. We retain our BUY rating on SBILIFE with an increased TP of INR 1,250 (Mar-22E EV + 22x Mar-23E VNB). The stock is currently trading at FY22/23E P/EV of 2.4/2.1x and P/VNB of 19.8/15.6x.
- **L&T Technology Services:** We maintain REDUCE on L&T Technology Services (LTTS), following a modest 4Q and valuation more than adequately factoring in the recovery. The guidance of 13 to 15% growth (USD terms) for FY22E, following a 6.3% decline in FY21, implies a modest 2.1-2.8% CQGR despite the Phase-2 ramp-up of the USD 100mn+ O&G deal. 4Q performance was led by Transportation and Plant Engineering verticals (early deal ramp-up). Deal wins suggest a skewed performance in the future (Transportation-led growth with protracted recovery in Telecom and Medical devices while Plant Engineering would see a soft 1Q). We acknowledge LTTS' prowess/diversity in digital ER&D and the addressability; yet the business cyclicality feeds into the volatile profile (particularly large accounts) over the medium term. Our Target Price of INR 2,320 is based on 24x Mar-23E EPS.
- **Supreme Industries:** Supreme Industries (SIL) reported a strong 4QFY21, led by strong realisations and inventory gains. Consolidated net sales/EBITDA/APAT grew 13/27/44% QoQ (46/86/284% YoY) to INR 20.8/5.1/4.5bn respectively and EBITDAM came in at an all-time high of 24.5%. We like SIL for its steady growth, market share gains, lean working capital, and sustained high return ratios. We retain our ADD rating with a revised target price of INR 2,245 (19x Mar'23E consolidated EBITDA and 30% holding in Supreme Petrochem at 30% disc to current MCap).

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# Reliance Industries

## Faring well!

Our ADD rating on RIL with a price target of INR 2,285 /sh is premised on (1) induction of Facebook, Google, Intel and Qualcomm as partners in Jio Platforms, which should help the company accelerate the growth of digital connectivity and create value in the digital ecosystem through technology offerings; (2) recovery in refining and petchem businesses in FY22E; (3) the emergence of a clear path to a stronger balance sheet; and (4) stake sale in the retail business.

- RIL reported standalone revenue/EBITDA of INR 807/102bn, +9/-10% YoY and +32/+17% QoQ (17/18% above than our estimates) in 4Q. Standalone APAT stood at INR 76bn, +195/-12% YoY/QoQ (HSIE est: INR 56bn).
- **Standalone Oil to Chemicals (O2C) segment:** Revenue grew 27% QoQ to INR 896bn, primarily on account of higher volumes and higher realisation across product portfolios. Higher realisation was led by strong average Brent crude price, mainly due to weather-related supply disruption and continued supply cuts by OPEC plus countries. EBITDA for 4Q improved by 23% QoQ to INR 112bn, primarily due to improved cracks for transportation fuels and higher deltas for polymers and integrated polyester chain. Crude throughput declined 7% YoY and grew 2% QoQ to 17.1mmt. In 4Q, high operating rate of plants were witnessed across manufacturing facilities with crackers operating at full throughput.
- **RJio:** Revenue declined by ~6% QoQ to INR 183bn due to transition from Interconnect Usage Charges (IUC) to Bill & Keep regime and lower number of working days during the quarter. ARPU was reported at INR 138 (+6/-8% YoY/QoQ), while the gross/net subscriber addition was ~31/15mn with improved traction across mobility and homes.
- **Reliance Retail (RR):** Core performance in-line: Reliance Retail's net revenue grew 20% YoY to INR 413bn (HSIE: 432bn). Core Retail performed largely in line with expectations (grew 47.6% YoY to INR 288.3bn; HSIE: INR 286.5bn). Grocery (incl. e-comm)/CE/F&L are estimated to have grown at 27/15/88/34% respectively. Adj. EBITDAM remained largely stable at 7.5% YoY (HSIE: 7.1%).
- **Valuation:** We use EV/EBITDA to value downstream at March-23E EV/e, Retail on peer benchmarked EV/e and E&P, Jio on DCF. The stock is currently trading at 9.6x March-23E EV/EBITDA and 19.1x March-23E EPS. Maintain ADD.

### Financial Summary – Consolidated

Year Ending	4Q	3Q	QoQ	4Q	YoY	FY19	FY20	FY21P	FY22E	FY23E
March (INR bn)	FY21	FY21	(%)	FY20	(%)					
Net Sales	1,496	1,179	26.9	1,365	9.6	5,692	5,967	4,669	5,844	6,818
EBITDA	234	216	8.3	220	6.0	842	882	807	1,169	1,320
PAT	150	148	1.1	66	127.8	396	427	437	598	706
Diluted EPS (INR)	19.4	20.5	(5.4)	16.5	17.6	66.8	67.4	67.7	88.4	104.4
P/E (x)						29.9	29.6	29.5	22.6	19.1
EV / EBITDA (x)						17.8	17.3	17.8	11.3	9.6
RoE (%)						11.6	10.2	7.6	8.0	8.5

Source: Company, HSIE Research

## ADD

CMP (as on 30 Apr 2021)	INR 1,996
Target Price	INR 2,285
NIFTY	14,631

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,330	INR 2,285
EPS %	FY22E	FY23E
	0.00%	0.00%

### KEY STOCK DATA

Bloomberg code	RIL IN
No. of Shares (mn)	6,339
MCap (INR bn) / (\$ mn)	12,644/169,910
6m avg traded value (INR mn)	26,789
52 Week high / low	INR 2,371/1,393

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.3	(2.9)	37.3
Relative (%)	2.9	(26.1)	(7.3)

### SHAREHOLDING PATTERN (%)

	Dec-20	Mar-21
Promoters	50.54	50.58
FIs & Local MFs	13.11	12.83
FPIs	25.16	25.66
Public & Others	11.19	10.93
Pledged Shares	0.0	0.0

Source : BSE

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# Kotak Mahindra Bank

## Uptick in credit growth, but positives priced in

Kotak Mahindra Bank's (KMB) 4QFY21 P&L performance was better than our expectations, largely on the back of high other income (31% YoY), partially offset by lower-than-expected NII growth (8% YoY). The bank build on its uptick in credit growth in the last quarter with 4.5% sequential loan growth. Asset quality remains robust with FY21 slippages at 2.4%, along with a low restructured pool (0.19% of loans) and high provisioning buffer (PCR at 64%, other provisions at 2.1% of loans). However, current lofty valuations factor in the uptick in credit, cost of funds tailwinds, and normalising credit costs in FY22. Maintain REDUCE with revised SoTP of INR1747 (earlier 1707).

- Uptick in credit driven by mortgages, agri finance:** KMB's uptick in loan growth (4.5% QoQ) was largely driven by mortgages (9.5% QoQ) and agri finance (7.7% QoQ). With industry-leading CASA ratio at 60.4% and cost of SA at 3.74%, KMB is working on its CoF tailwinds (~150bps down during FY21), to build its mortgage book, and seeking market share gains. However, the changing asset mix is likely to lead to put pressure on NIMs (-6bps by FY23E). Corporate portfolio witnessed de-growth (-7% YoY) due to low risk-adjusted returns opportunities, as per management. We continue to factor in 13.6% loan growth during FY22-FY23E.
- Robust asset quality with cautious stance on retail unsecured assets:** KMB continued its cautious stance on retail unsecured assets (5.8% of assets from 7.5% in Mar'20). Gross slippages were at INR44bn for H2FY21 (4% annualised), with disproportionate contribution from retail unsecured segment and adjusted credit costs at 84bps for FY21. With low restructured pool and high provisioning buffer, we factor in 0.9% LLPs during FY22-FY23E.
- Steady performance from subsidiaries, maintain REDUCE:** KMB's subsidiaries' contribution to consolidated PAT remained steady at ~31% in FY21. Non-lending subsidiaries continued their healthy growth with buoyancy in capital markets, while lending subsidiaries were focused on asset quality and capital preservation. We revise our FY22/FY23 earnings estimates by -3/+0.5% to factor in NIMs compression offset by increase in fee income.

### Financial summary

(INR bn)	4Q FY21	4Q FY20	YoY (%)	3Q FY21	QoQ (%)	FY20	FY21P	FY22E	FY23E
NII	38.4	35.6	8.0%	38.8	-0.8%	135.0	153.4	171.9	199.0
PPOP	34.1	27.3	25.0%	29.0	17.4%	100.2	122.1	129.5	154.0
PAT	16.8	12.7	32.8%	18.5	-9.2%	59.5	69.6	79.0	95.8
EPS (INR)	8.5	6.6	28.2%	9.4	-9.3%	31.1	35.1	39.9	48.3
ROAE (%)						13.9	12.8	12.0	12.9
ROAA (%)						1.77	1.87	1.97	2.15
ABVPS (INR)						232	303	335	381
P/ABV (x)						6.19	4.95	4.43	3.69
P/E (x)						46.2	42.6	37.2	29.1

### Change in estimates

INR bn	FY22E			FY23E		
	Old	New	Chg	Old	New	Chg
Loan	2,515	2,520	0.2%	2,882	2,887	0.2%
NIM (%)	4.5	4.4	-4 bps	4.5	4.5	-6 bps
NII	176.7	171.9	-2.7%	199.8	199.0	-0.4%
PPOP	133.6	129.5	-3.1%	148.6	154.0	3.6%
PAT	81.5	79.0	-3.0%	95.4	95.8	0.5%
ABVPS (INR)	336.5	334.8	-0.5%	382.8	380.8	-0.5%

Source: Company, HSIE Research

## REDUCE

CMP (as on 3 May 2021)	INR 1,724
Target Price	INR1,747
NIFTY	14,634

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,707	INR 1,747
	FY22E	FY23E
EPS %	-3.0%	0.5%

### KEY STOCK DATA

Bloomberg code	KMB IN
No. of Shares (mn)	1,982
MCap (INR bn) / (\$ mn)	3,417/45,921
6m avg traded value (INR mn)	9,980
52 Week high / low	INR 2,049/1,110

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(6.9)	8.2	27.0
Relative (%)	(3.8)	(12.8)	(17.4)

### SHAREHOLDING PATTERN (%)

	Dec-20	Mar-21
Promoters	26.0	26.0
FIs & Local MFs	13.2	13.6
FPIs	46.6	47.2
Public & Others	14.2	13.2

Pledged Shares - -

Source : BSE

Pledged shares as % of total shares

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# SBI Life Insurance

## Higher margins drive beat!

VNBM (at ETR) at 23.2% (+250bps YoY vs. FY20) brought a colorful end to a bumpy year, largely led by positive business mix (higher share of NPAR and protection). The company's three growth levers continue to remain in place - (1) the mammoth distribution network of the parent SBI (24k+ branches); (2) the improving share of protection and NPAR; (3) the lowest opex ratio (FY21: 7.9%, -180bps YoY). We expect SBILIFE to deliver a healthy FY21-23E VNB CAGR of 15.8%. We retain our BUY rating on SBILIFE with an increased TP of INR 1,250 (Mar-22E EV + 22x Mar-23E VNB). The stock is currently trading at FY22/23E P/EV of 2.4/2.1x and P/VNB of 19.8/15.6x.

- 4QFY21 highlights:** Total APE at INR 39.7bn (2y CAGR 13.2%/13.3% QoQ) was 8% ahead of estimates. Growth for retail protection continues to remain healthy at 14% QoQ (despite strong base at 16% QoQ in 3Q). ULIPs grew 15.6% QoQ, in line with expectations of recovery in this segment towards the fiscal end coupled with some stability in markets. Persistencies improved across cohorts in the range of 125-365bps except for the 61<sup>st</sup> month, with 13<sup>th</sup> month persistency hitting 88%. Total expense ratio was contained at 7.9% (-180/-49bps YoY/QoQ) as the company continues to keep a strong vigil on costs.
- Adj. VNB margin** (at ETR) at 27.7% improved 643/624bps YoY/QoQ. Reported margin improved 170bps YoY to 20.4%, mainly due to (1) mix change (+340bps, higher share of NPAR and protection), (2) change in operating assumptions (-90bps), and (3) change in economic assumptions (-100bps, mainly risk-free rate). EV at INR 318bn was positively impacted by economic variance (INR 23.2bn), operating experience (INR 7.1bn, mainly due to better persistencies), partially offset by change in operating assumptions.
- Outlook:** We expect APE growth to pick up in FY22E to 15% YoY (low base in FY21), driven by banca channel. However, curfew/partial lockdown might result in limited agency movement, posing some challenges in 1QFY22E.

### Financial Summary

(INR mn)	4Q FY21	4Q FY20	YoY (%)	3Q FY21	QoQ (%)	FY19	FY20	FY21P	FY22E	FY23E
NBP	61.8	38.0	62.6	54.4	13.6	137.9	165.9	206.2	237.0	279.5
APE	39.7	27.1	46.5	35.1	13.3	96.9	107.4	114.5	131.6	151.0
Adj. VNB	11.01	5.77	90.7	7.53	46.2	19.2	22.2	26.6	30.8	35.7
Adj. VNBM (%)	27.7	21.3	643bps	21.5	624bps	19.8	20.7	23.2	23.4	23.6
EV						236.6	276.4	350.6	405.2	466.9
MCap/EV (x)						4.1	3.5	2.7	2.4	2.1
P/VNB (x)						39.5	32.6	25.7	19.8	15.6
RoEV(%)						18.9	16.8	27.7	16.1	16.2

Source: Company, HSIE Research

### Change in estimates

(INR bn)	FY22E			FY23E		
	Revised	Old	Change % / bps	Revised	Old	Change % / bps
APE	131.6	129.4	1.8	151.0	149.8	0.8
VNB	30.8	28.1	9.9	35.7	33.1	7.8
VNBM (%)	23.4	21.7	173bps	23.6	22.1	153bps
EV	405.2	366.7	10.5	466.9	419.3	11.4

Source: Company, HSIE Research

## BUY

CMP (as on 3 May 2021) INR 959

Target Price INR 1,250

NIFTY 14,634

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,220	INR 1,250
VNB %	FY21E 9.9	FY22E 7.8

### KEY STOCK DATA

Bloomberg code	SBILIFE IN
No. of Shares (mn)	1,000
MCap (INR bn) / (\$ mn)	959/12,883
6m avg traded value (INR mn)	2,430
52 Week high / low	INR 984/676

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.7	21.5	31.9
Relative (%)	13.7	0.5	(12.6)

### SHAREHOLDING PATTERN (%)

	Dec-20	Mar-21
Promoters	60.7	55.7
FIs & Local MFs	5.9	7.0
FPIs	27.0	30.5
Public & Others	6.4	6.8
Pledged Shares	Nil	Nil

Source : BSE

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# L&T Technology Services

## Uninspiring

We maintain **REDUCE** on L&T Technology Services (LTTS), following a modest 4Q and valuation more than adequately factoring in the recovery. The guidance of 13 to 15% growth (USD terms) for FY22E, following a 6.3% decline in FY21, implies a modest 2.1-2.8% CQGR despite the Phase-2 ramp-up of the USD 100mn+ O&G deal. 4Q performance was led by Transportation and Plant Engineering verticals (early deal ramp-up). Deal wins suggest a skewed performance in the future (Transportation-led growth with protracted recovery in Telecom and Medical devices while Plant Engineering would see a soft 1Q). We acknowledge LTTS' prowess/diversity in digital ER&D and the addressability; yet the business cyclicality feeds into the volatile profile (particularly large accounts) over the medium term. Our Target Price of INR 2,320 is based on 24x Mar-23E EPS.

- 4QFY21 highlights:** (1) LTTS' revenue stood at USD 198mn (USD 200mn est.), +3.9/+1.1% QoQ/YoY (+3.8/-0.6% QoQ/YoY CC). (2) Growth was skewed, largely led by Transportation (+6.6% QoQ) and Process Industry (+9.5% QoQ). (3) Seven large deal wins in 4Q, of which six deals >USD 10mn TCv, which include two deals >USD 25mn TCv. (4) EBIT margin improved 138bps QoQ to 16.6% (higher than estimate 15.9%), supported by higher utilisation, better offshore-mix, operational efficiency, and lower amortisation (+70bps). (5) LTTS to roll out wage hike in 1QFY22 (junior staff) and 2QFY22 (senior staff), which will impact margin, but would be offset by levers like utilisation (scope till 80%), offshoring, and FX. (6) 300 freshers hired in 4Q and the company has planned >1,000 fresher additions in FY22E.
- Outlook:** We have factored in USD revenue growth of +14.8/+13.4% and EBIT margin at 16.4/17.1% over FY22/23E respectively. FY22/23 revenue growth implies 2.7% and 3.4% CQGR respectively, translating into FY21-23E EPS CAGR of 27%. LTTS is currently trading at 34/29x FY22/23E.

### Quarterly financial summary

YE Mar (INR Bn)	4Q FY21	4Q FY20	YoY (%)	3Q FY21	QoQ (%)	FY19	FY20	FY21	FY22E	FY23E
Revenue (USD mn)	198	195	1.1	190	3.9	723	786	737	845	958
Net Sales	14.41	14.47	-0.4	14.01	2.8	50.78	56.19	54.50	62.25	71.87
EBIT	2.39	2.20	8.8	2.13	12.1	8.11	9.28	7.89	10.20	12.29
APAT	1.95	1.87	3.9	1.79	8.7	6.87	7.51	6.27	8.64	10.09
Diluted EPS (INR)	18.64	17.94	3.9	17.14	8.7	65.8	72.0	60.1	82.8	96.7
P/E (x)						42.5	38.9	46.6	33.8	28.9
EV / EBITDA (x)						31.1	25.5	27.2	21.6	17.7
RoE (%)						31.1	28.6	20.1	22.9	22.9

Source: Company, HSIE Research, Consolidated Financials

### Change in Estimates

YE Mar (INR Bn)	FY21E Old	FY21 Actual	Change %	FY22E Old	FY22E Revised	Change %	FY23E Old	FY23E Revised	Change %
Revenue (USD mn)	739	737	(0.3)	866	845	(2.4)	986	958	(2.8)
Revenue	54.62	54.50	(0.2)	63.78	62.25	(2.4)	73.97	71.87	(2.8)
EBIT	7.82	7.89	1.0	10.18	10.20	0.2	12.60	12.29	(2.4)
EBIT margin (%)	14.3	14.5	17bps	16.0	16.4	43bps	17.0	17.1	7bps
APAT	6.18	6.27	1.4	8.64	8.64	(0.1)	10.32	10.09	(2.2)
EPS (INR)	59.2	60.1	1.4	82.8	82.8	(0.1)	98.9	96.7	(2.2)

Source: Company, HSIE Research

## REDUCE

CMP (as on 3 May 2021) INR 2,797

Target Price INR 2,320

NIFTY 14,634

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 2,370	INR 2,320
EPS %	FY22E -0.1	FY23E -2.2

### KEY STOCK DATA

Bloomberg code	LTTS IN
No. of Shares (mn)	105
MCap (INR bn) / (\$ mn)	294/3,949
6m avg traded value (INR mn)	813
52 Week high / low	INR 3,062/1,066

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	9.0	71.1	126.5
Relative (%)	12.1	50.1	82.0

### SHAREHOLDING PATTERN (%)

	Dec-20	Mar-21
Promoters	74.27	74.24
FIs & Local MFs	6.39	6.36
FPIs	8.87	9.06
Public & Others	10.47	10.34
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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# Supreme Industries

## Inventory gains bolsters margin!

Supreme Industries (SIL) reported a strong 4QFY21, led by strong realisations and inventory gains. Consolidated net sales/EBITDA/APAT grew 13/27/44% QoQ (46/86/284% YoY) to INR 20.8/5.1/4.5bn respectively and EBITDAM came in at an all-time high of 24.5%. We like SIL for its steady growth, market share gains, lean working capital, and sustained high return ratios. We retain our ADD rating with a revised target price of INR 2,245 (19x Mar'23E consolidated EBITDA and 30% holding in Supreme Petrochem at 30% disc to current MCap).

- 4QFY21 performance:** SIL's volume remained flat QoQ (+8% YoY) to 111.2KT as last 10days of 4Q's demand was hit by COVID 2.0. Volume for Piping segment fell 2% YoY as demand from agri -sector declined due to high product prices. Demand from other segments was robust (+45/40/12% YoY for Industrial/Packaging/Furniture divisions). PVC-resin prices kept soaring in 4Q, resulting in NSR uptick of 16/38% QoQ/YoY. Large inventory gains (~4% of net sales) burgeoned EBITDAM to 24.5% (+267/534bps QoQ/YoY).
- FY21 performance and outlook:** Sales volume declined by 1% YoY to 409.1KT as demand from Piping/Furniture segments declined 2/11% YoY. However, demand from Industrial/Packaging continued to grow (+7/7% YoY). NSR grew 15% YoY to INR 153/Kg. EBITDAM grew to 20.2% (+506bps YoY) on strong inventory gains of ~3% of sales (mainly in 2H). APAT grew 109% YoY on lower tax rate and increased profit share from associates. SIL expects to add ~40KT (Ex-Odisha and TN) in FY22E, incurring a Capex of INR 4bn (INR 2bn carried forward) to cater to increased demand. Cash Conversion Cycle has improved to 29days vs 43days YoY. Net cash stands at INR 7.4bn (vs net debt 2.1bn YoY). Capex stood at INR 2.2bn vs 2.4bn YoY. Factoring in better margins, we upgrade our EBITDA estimates by 6/5% for FY22/23E.

### Consolidated Quarterly/Annual Financial summary

YE Mar (INR mn)	4Q FY21	4Q FY20	YoY (%)	3Q FY21	QoQ (%)	FY19	FY20	FY21E	FY22E	FY23E
Sales (KT)	111.2	103.2	7.8	111.6	(0.3)	398.0	411.5	409.1	456.9	495.6
NSR (INR/Kg)	186	136	37.5	161	16.1	138	133	153	147	148
Opex (INR/Kg)	140	108	29.4	126	11.6	118	112	122	119	120
EBITDA (INR/Kg)	46	27	69.6	35	32.4	20	21	31	28	27
Net Sales	20,846	14,305	45.7	18,438	13.1	55,580	55,115	63,571	68,308	74,425
EBITDA	5,097	2,734	86.4	4,016	26.9	7,306	8,346	12,843	12,831	13,558
EBITDAM (%)	24.5	19.1	534bps	21.8	267bps	13.1	15.1	20.2	18.8	18.2
APAT	4,504	1,173	284.0	3,123	44.2	3,274	4,674	9,781	8,024	8,223
Diluted EPS (INR)	177.2	46.2	284.0	122.9	44.2	25.8	36.8	77.0	63.2	64.7
EV/EBITDA (x)						35.3	31.0	19.4	19.2	17.9
P/E (x)						78.4	54.9	26.2	32.0	31.2
RoE (%)						16.2	21.2	36.0	23.6	21.2

Source: Company, HSIE Research, Consolidated financials

### Estimates revision

INR Bn	FY22E Old	FY22E Revised	Change %	FY23E Old	FY23E Revised	Change %
Net Sales	67.9	68.3	0.6	74.6	74.4	(0.2)
EBITDA	12.1	12.8	6.3	12.9	13.6	4.8
APAT	7.5	8.0	6.9	7.8	8.2	4.9
AEPS (INR)	59.1	63.2	6.9	61.7	64.7	4.9

Source: Company, HSIE Research

## ADD

CMP (as on 3 May 2021) INR 2,109

Target Price INR 2,245

NIFTY 14,634

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,045	INR 2,245
EBITDA %	FY22E 6.3	FY23E 4.8

### KEY STOCK DATA

Bloomberg code	SI IN
No. of Shares (mn)	127
MCap (INR bn) / (\$ mn)	268/3,601
6m avg traded value (INR mn)	202
52 Week high / low	INR 2,175/873

### STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	10.1	43.7	92.7
Relative (%)	13.2	22.7	48.2

### SHAREHOLDING PATTERN (%)

	Dec-20	Mar-21
Promoters	48.85	48.85
FIs & Local MFs	24.71	24.78
FPIs	8.84	8.95
Public & Others	17.60	17.42

Pledged Shares - -

Source : BSE

Pledged shares as % of total shares

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## Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

REDUCE: -10% to +5% return potential

SELL: > 10% Downside return potential

## Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Harshad Katkar	Reliance Industries	MBA	NO
Nilesh Ghuge	Reliance Industries	MMS	NO
Jay Gandhi	Reliance Industries	MBA	NO
Rutvi Chokshi	Reliance Industries	CA	NO
Krishnan ASV	Kotak Mahindra Bank, SBI Life Insurance	PGDM	NO
Deepak Shinde	Kotak Mahindra Bank	PGDM	NO
Punit Bahlani	Kotak Mahindra Bank	ACA	NO
Sahej Mittal	SBI Life Insurance	ACA	NO
Apurva Prasad	L&T Technology Services	MBA	NO
Amit Chandra	L&T Technology Services	MBA	NO
Vinesh Vala	L&T Technology Services	MBA	NO
Rajesh Ravi	Supreme Industries	MBA	NO
Saurabh Dugar	Supreme Industries	MBA	NO

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