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Happy Diwali

Diwali represents the foremost auspicious time of the year in which all the pious work is organized.
To confirm that this aspiration will become actual reality, Indian stock markets celebrate a time worthy tradition – The Muhurat Trading.

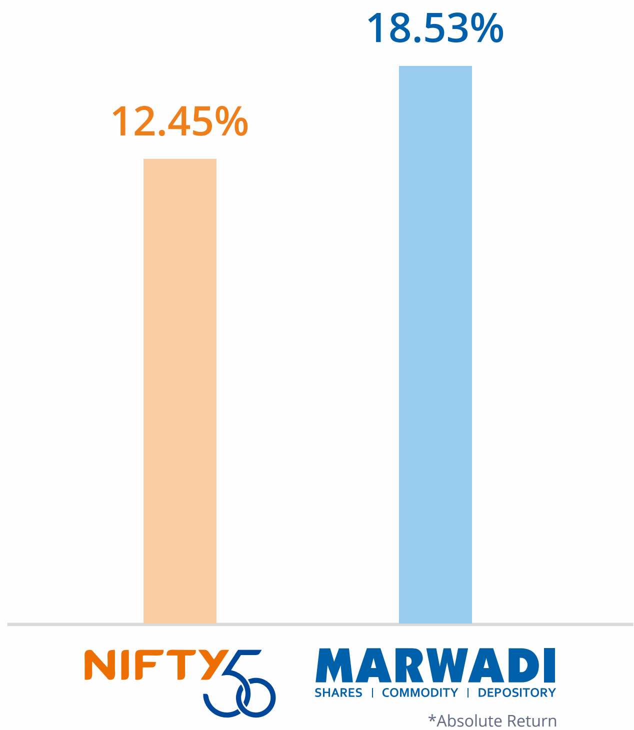
MGL	M&M
ITC	Larsen & Toubro
Motherson Sumi	Engineers India
Amber Ent	Ultratech Cement
ICICI Bank	HDFC Ltd.

/msflindia /msflindia /company/msflIndia

Diwali Samvat 2075
Performance

Company	Inv. Price	Latest Value
Aurobindo Pharma	770/-	473/-
HDFC Bank	1912/-	2,461/-
HDFC Life	369/-	608/-
HUL	1,593/-	2,112/-
Infosys	659/-	766/-
ITC	279/-	246/-
JK Paper	168/-	124/-
Larsen	1,271/-	1,455/-
Motherson Sumi	162/-	109/-
Reliance	1,057/-	1,413/-
Portfolio Value	**8,240/-**	**9,767/-**

Returns Comparison



*Absolute Return

*Split Adj HDFC Bank | **Returns As on October 18, 2019 | ***Equal Unit Invested in every stock

Diwali Picks
Samvat
2076

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Stock Recommendation
Diwali Samvat 2076

Mahanagar Gas
Target
Rs. 1,097/-

CMP
Rs. 966/-

13.6%

M&M
Target
Rs. 715/-

CMP
Rs. 593/-

20.6%

ITC
Target
Rs. 286/-

CMP
Rs. 247/-

16.2%

Larsen & Toubro
Target
Rs. 1,707/-

CMP
Rs. 1,448/-

17.9%

Motherson Sumi
Target
Rs. 126/-

CMP
Rs. 107/-

18.1%

Engineers India
Target
Rs. 136/-

CMP
Rs. 109/-

24.7%

Amber Ent
Target
Rs. 1,114/-

CMP
Rs. 938/-

18.8%

Ultratech Cement
Target
Rs. 5,120/-

CMP
Rs. 4,295/-

19.2%

ICICI Bank
Target
Rs. 518/-

CMP
Rs. 437/-

18.5%

HDFC Ltd.
Target
Rs. 2,420/-

CMP
Rs. 2,094/-

15.6%

Prices are As on October 18, 2019

Diwali Picks Samvat 2076

Markets after
Diwali Samvat 2075

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- In the last year, from tariffs to trade wars to inflation to a flattening yield curve to a global and Indian economic slowdown, the headlines continue to cast doubt on the sustainability of this economic cycle and bull market. Major indices have shown ups and downs because of macroeconomic parameters have deteriorated due to a depreciating rupee and boiling crude oil prices.

- The rupee, which has strengthened a bit lately owing to US-China talks add Sparkle to Indian Market. The initial weakness was a trigger for many foreign funds to make an exit due to Surcharge tax imposed on FPIs in budget. But in the month of August after seeing depressed capital and facing economic slowdown FM announced a slew of measures, including a rollback of the surcharge on foreign and domestic portfolio investors, to perk up consumer demand and investments. Government has taken many steps to revive and giving boost to the economy.

- In the last year Baby steps towards improving the Economy:
    1. Liquidity Easing
    2. PSB Re-Capitalization
    3. PSU Bank Mergers
    4. Corporate Tax Easing

Last Year was mix of baggage due to appreciation in currency, Trade war and volatility in Crude led market volatile and **made investors confuse about where to invest?** Here, in above table we can see that IT was the only sector who took benefit out of it.

Change in Markets after Last Diwali

Sector	YTD
Cement and Construction	-18.19%
Auto & Ancillaries	-34.80%
Consumer Durables	-1.24%
Chemicals	4.81%
BFSI	-4.19%
Oil and Gas	12.50%
FMCG	22.20%
Pharma & Healthcare	-14.02%
IT	29.57%

Index	YTD
NASDAQ	22.17%
FTSE	6.40%
Nikkei	14.98%
SSE	19.22%
NSE	12.45%
Crude	-24.03%
Currency	3.07%

Data As on October 18, 2019.

Diwali Picks Samvat 2076

MGL

Target	CMP	% Upside
Rs. 1,097	Rs. 966	13.6%
15.3x-21E EPS		

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Investment Rationale

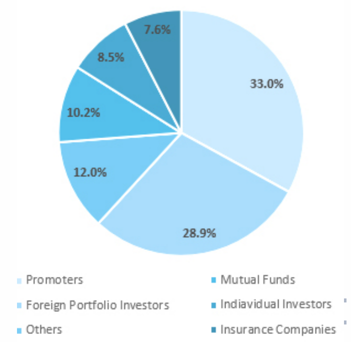
- India is rapidly migrating to an alternative fuel environment. Yet until relatively recently, despite being a critical clean fuel, natural gas was not given its due prominence as there was a clear lack of policy initiative. MGL has presence in Mumbai & adjacent area, where CGD network is massively underpenetrated.
- MGL has the distinction of pioneering Natural Gas distribution network in Mumbai and its adjoining areas. Over 1 million domestic customers are connected through our wide network of over 5032 kms. which comprises of carbon steel (CS) and polyethylene (PE) pipeline. Domestic PNG is used for various purposes like cooking and water heating. It is also widely used by Hospitals, Nursing Homes, Hotels, Flight kitchens, Restaurants, places of Worship etc. PNG satisfies most of the requirements for fuel across all segments, being efficient, non-polluting and relatively economical.
- Mahanagar Gas Ltd has a monopolistic business model. We believe volume growth is expected to rise on the back of addition of new areas and increase spread in PNG connections going ahead. Growing cleaner fuel demand and stabilizing crude prices would increase profitability margin. Increasing household connections, we believe the company is well placed in the center of gas business.

Market Cap (INR Cr.)	9,375
Outstanding Shares (Cr.)	10.0
Face Value (INR)	10
Dividend Yield (%)	2.1
Debt/Equity	-
Beta vs. Sensex	0.7
52 weeks High/Low	1,067/754
EV/TTM EBITDA	10.4
TTM PE	15.9

Key Financials

(in cr.)	2015	2016	2017	2018	2019	2020E	2021E
Revenue	2,095	2,078	2,034	2,233	2,791	3,265	3,657
EBITDA	490	509	644	780	885	1,045	1,167
EBITDAM	23.4%	24.5%	31.7%	34.9%	31.7%	32.0%	31.9%
PAT	301	311	393	478	546	640	717
PATM	14.4%	15.0%	19.3%	21.4%	19.6%	19.6%	19.6%
Adj. EPS(Rs)	30.1	31.1	39.3	47.8	54.6	64.0	71.7

Ownership Pattern



Diwali Picks Samvat 2076

ITC

Target	CMP	% Upside
Rs. 286	Rs. 247	16.2%
22.5x-21E EPS		

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Investment Rationale

- ITC Ltd (ITC) was incorporated on August 24, 1910, under the name Imperial Tobacco Company of India Ltd. ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products. While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel, Personal Care and Stationery. As one of India's most valuable and respected corporations, ITC is widely perceived to be dedicatedly nation-oriented.

- The company's leadership position in the cigarettes market and additionally new innovative product launches (especially in FMCG - others and Agri business) should drive the value in FY20-21.

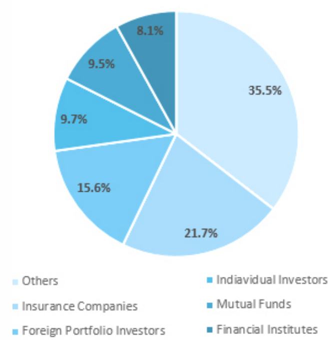
- In the recent quarter company reported robust revenue growth of 6.0% YoY, driven by strong growth in Agri business (14.6% YoY) followed by FMCG which rose 6.2% YoY, cigarettes business revenue increased 6.0% YoY. The FMCG others business saw a steady performance across branded packaged foods, personal care products and, education and stationery products businesses mainly on the back of innovative product launches.

Market Cap (INR Cr.)	3,02,247
Outstanding Shares (Cr.)	1225.9
Face Value (INR)	1
Dividend Yield (%)	2.3
Debt/Equity	0.0
Beta vs. Sensex	0.7
52 weeks High/Low	310/234
EV/TTM EBITDA	17.5
TTM PE	23.7

Key Financials

(in cr.)	2015	2016	2017	2018	2019	2020E	2021E
Revenue	38,835	39,192	42,777	43,449	48,353	52,704	57,816
EBITDA	14,201	14,451	15,436	16,483	18,406	20,344	22,490
EBITDAM	36.6%	36.9%	36.1%	37.9%	38.1%	38.6%	38.9%
PAT	9,663	9,344	10,289	11,271	12,592	13,861	15,610
PATM	24.9%	23.8%	24.1%	25.9%	26.0%	27.8%	27.9%
Adj. EPS(Rs)	7.9	7.6	8.4	9.2	10.3	11.3	12.7

Ownership Pattern



Data as on October 18, 2019 | Source: MarketSmith | Shareholding Pattern as on June-19

Diwali Picks Samvat 2076

M&M

Target	CMP	% Upside
Rs. 715	Rs. 593	20.6%
SOTP		

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Investment Rationale

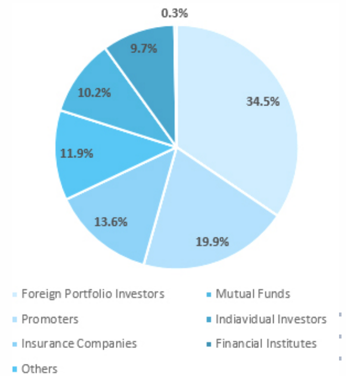
- M&M is involved in the business activities of Manufacture of commercial vehicles such as vans, lorries, over-the-road tractors for semi-trailers etc.
- Being global player in passenger vehicles is a dream for every Automobile company, earlier this month M&M decided to give its ambitious wings by stitching up a deal with a foreign partner Ford. Both companies expect to achieve cost synergies, pare product development time and cost and leverage each other's distribution reach to boost exports.
- A recent launch in UV segment is expected to outgrow PV industry over the next 3-5 years. However, growth in UVs is expected to be driven by increasing acceptance of compact SUVs by car buyers, while traditional UVs (M&M's forte) could show a cyclical recovery in volumes. Demand indicates MM's new compact UV – XUV3OO has been well accepted.
- M&M to continue gaining market shares in LCVs and tractors on the back of strong product portfolio, though it would face challenges in UV space. Success of XUV300 would drive M&M's UV volume and profitability. The company plans to focus on new technology and EV platform.

Market Cap (INR Cr.)	70,641
Outstanding Shares (Cr.)	119.2
Face Value (INR)	5
Dividend Yield (%)	1.4
Debt/Equity	1.1
Beta vs. Sensex	1.5
52 weeks High/Low	814/502
EV/TTM EBITDA	7.8
TTM PE	15.2

Key Financials

(in cr.)	2015	2016	2017	2018	2019	2020E	2021E
Revenue	38,945	40,875	44,054	48,686	53,614	55,380	62,870
EBITDA	4,173	4,620	4,515	6,224	6,640	6,966	6,883
EBITDAM	10.7%	11.3%	10.2%	12.8%	12.4%	12.6%	12.9%
PAT	3,321	3,205	3,643	4,356	4,796	5,095	5,595
PATM	8.5%	7.8%	8.3%	8.9%	8.9%	9.2%	8.9%
Adj. EPS(Rs)	27.9	26.9	30.6	36.6	40.3	42.8	47.0

Ownership Pattern



Data as on October 18, 2019 | Source: MarketSmith | Shareholding Pattern as on June-19

Larsen & Toubro

Diwali Picks Samvat 2076

Target	CMP	% Upside
Rs. 1,707	Rs. 1,448	17.9%
19x-21E EPS		

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Investment Rationale

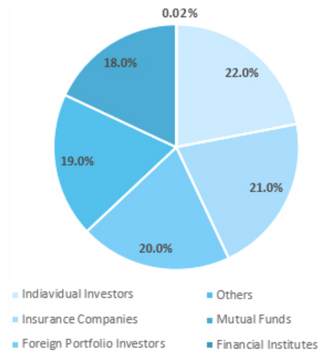
- Larsen & Toubro (L&T) is a technology, engineering, construction and manufacturing company. It is one of the largest and most respected companies in India's private sector.
- L&T's recent acquisition of Mindtree is likely to grow the revenue and profit of the Asset Light Services business portfolio of L&T and also the consolidated group performance, thereby increasing the consolidated Return on Equity (RoE) and further diversify the consolidated group revenue and profits into the information technology and services areas. The acquisition is expected to be value accreting for the L&T's shareholders as well as Mindtree's shareholders in the medium to long term.
- L&T is expected to report strong order inflow in next couple of years led by multiple high value orders including Bharatmala Pariyojana, SagarMala, bullet train and Metro rail. We believe L&T is well-placed to benefit from several big-ticket projects, as it satisfies all basic requirements.

Market Cap (INR Cr.)	2,03,150
Outstanding Shares (Cr.)	140.3
Face Value (INR)	2
Dividend Yield (%)	1.3
Debt/Equity	2.0
Beta vs. Sensex	1.3
52 weeks High/Low	1,607/1,182
EV/TTM EBITDA	17.3
TTM PE	23.0

Key Financials

(in cr.)	2015	2016	2017	2018	2019	2020E	2021E
Revenue	92,005	1,01,124	1,09,312	1,19,683	1,41,007	1,57,927	1,80,037
EBITDA	11,336	10,463	11,130	13,571	16,325	18,477	21,424
EBITDAM	12.3%	10.3%	10.2%	11.3%	11.6%	11.7%	11.9%
PAT	4,765	4,233	6,041	7,370	8,905	10,155	12,603
PATM	5.2%	4.2%	5.5%	6.2%	6.3%	6.4%	7.0%
Adj. EPS(Rs)	34.0	30.2	43.1	52.5	63.5	72.4	89.8

Ownership Pattern



Diwali Picks Samvat 2076

Engineers India

Target	CMP	% Upside
Rs. 136	Rs. 109	24.7%
16x-21E EPS		

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Investment Rationale

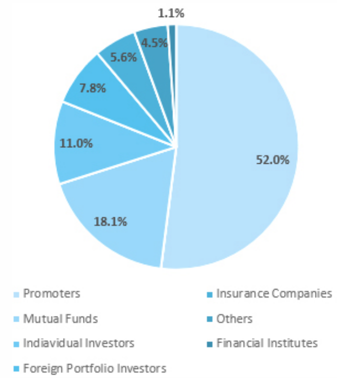
- Engineers India is engaged in the business of providing engineering and related technical services for petroleum refineries and other industrial projects. The company has broadened its activities in other areas such as pipelines, petrochemicals, oil and gas processing, offshore structures and platforms, fertilizers, metallurgy and power.
- When we talk about Engineers India Ltd (EIL) recent posted earnings, Company has reported good set of numbers for 1QFY20, led by higher contribution coming from Consultancy Segment. Revenue/PAT up 28%/43% YoY, mainly led by strong revenue performance in Consultancy segment which grew by 38% YoY. Management has maintained the guidance of 15% revenue growth in FY20 and maintained current margins.
- Current order book stands at Rs114bn, (4.7x of FY19 revenue) up 58% YoY. Notably, the order pipeline remains strong with several domestic projects led by Greenfield and Brownfield expansion of refineries and revival of fertiliser plants.

Market Cap (INR Cr.)	6,872
Outstanding Shares (Cr.)	63.2
Face Value (INR)	5
Dividend Yield (%)	3.7
Debt/Equity	-
Beta vs. Sensex	1.3
52 weeks High/Low	129/92.50
ROCE (%)	25.2
TTM PE	16.6

Key Financials

(in cr.)	2015	2016	2017	2018	2019	2020E	2021E
Revenue	1,713	1,496	1,449	1,788	2,444	2,811	3,176
EBITDA	222	160	302	413	366	470	556
EBITDAM	13.0%	10.7%	20.9%	23.1%	15.0%	16.7%	17.5%
PAT	308	258	325	378	370	424	534
PATM	18.0%	17.3%	22.4%	21.1%	15.1%	15.1%	16.8%
Adj. EPS(Rs)	4.9	4.1	5.2	6.0	5.9	6.7	8.5

Ownership Pattern



Data as on October 18, 2019 | Source: MarketSmith | Shareholding Pattern as on June-19

Diwali Picks Samvat 2076

Motherson Sumi

Target	CMP	% Upside
Rs. 126	Rs. 107	17.8%
15.8x-21E EPS		

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Investment Rationale

- Motherson Sumi Systems Limited (MSSL) is one of the world's leading, specialized automotive component manufacturing companies for OEMs. MSSL was established in 1986 as a joint venture with Sumitomo wiring Systems. MSSL is a focused, dynamic and progressive company providing customers with innovative and value-added products, services and solutions. With a diverse global customer base of nearly all leading automobile manufacturers globally, the company has a presence in 36 countries across six continents. MSSL is currently the largest auto ancillary in India.

- Globally, there was a downtick in auto sales volume tracking muted economic prospects amid uncertainty surrounding the tariff barriers as well as Brexit. A recent Brexit announcement that could pave the way for Britain to finally break union this month may help companies having exposure to the United Kingdom and Brexit was one of the reasons that impacted their earnings for many quarters now.

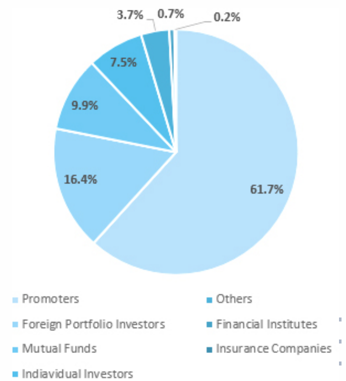
- Motherson Sumi Systems Ltd (MSSL) is a JV between Samvardhana Motherson International (SMIL) and Sumitomo Wiring Systems, Japan (SWS). MSSL is a diversified auto parts maker with presence in automotive mirrors, wiring harness and molded plastic parts. In Q1FY20 Company's revenue rose 13.7% and EBITDA decreased by 11.1% 40 Rs. 1,255 Cr impacted largely by cost ramp-ups and overall tough market conditions. However, the plants are said to be improving steadily.

Market Cap (INR Cr.)	33,947
Outstanding Shares (Cr.)	315.8
Face Value (INR)	1
Dividend Yield (%)	1.5
Debt/Equity	1.0
Beta vs. Sensex	1.7
52 weeks High/Low	179/91
EV/TTM EBITDA	10.4
TTM PE	20.3

Key Financials

(in cr.)	2015	2016	2017	2018	2019	2020E	2021E
Revenue	34,585	37,216	42,376	56,293	63,523	67,585	73,690
EBITDA	2,756	3,548	4,167	5,123	5,348	5,790	6,460
EBITDAM	8.0%	9.5%	9.8%	9.1%	8.4%	8.6%	8.8%
PAT	863	1,292	1,554	1,597	1,613	2,095	2,528
PATM	2.5%	3.5%	3.7%	2.8%	2.5%	3.1%	3.4%
Adj. EPS(Rs)	2.7	4.1	4.9	5.1	5.1	6.6	8.0

Ownership Pattern



Data as on October 18, 2019 | Source: MarketSmith | Shareholding Pattern as on June-19

Diwali Picks Samvat 2076

Amber Enterprise

Target	CMP	% Upside
Rs. 1,114	Rs. 938	18.8%
20x-21E EPS		

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Investment Rationale

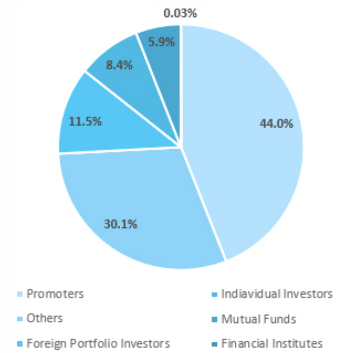
- Amber Enterprises India is engaged in the business of manufacturing a versatile range of products i.e. Air conditioners, microwave ovens, washing machines, refrigerators, heat exchangers, sheet metal components etc. Currently, the Company has nine manufacturing facilities in India out of which two manufacturing facilities are operating in tax exemption zone.
- We expect revenues to increase at 26% CAGR over FY19-21E; earnings to grow at 37% CAGR to be driven by Increasing penetration levels of RAC's aided by higher disposable income, Reducing replacement cycle of RAC's due to energy efficient products.
- The increasing trend of warmer summers has necessitated higher cooling requirement in peak summer from March to May onwards, higher demand for cooling products including RAC's, And Higher contribution from AC components & non AC components from recent acquisitions EVER Electronics & ILJIN Electronics.
- Amber is one of the few contract manufacturers of air-conditioners in India who would be benefiting from the robust demand as the country is set to remain the market in the world during 2016-2030. With major OEMs as customers, Amber is set to benefit from a quantum leap as the AC sector is expected to register higher growth in upcoming years.

Market Cap (INR Cr.)	2,861
Outstanding Shares (Cr.)	3.1
Face Value (INR)	10
Dividend Yield (%)	0.0
Debt/Equity	0.2
Beta vs. Sensex	0.8
52 weeks High/Low	1,012/621
EV/TTM EBITDA	13.6
TTM PE	25.5

Key Financials

(in cr.)	2015	2016	2017	2018	2019	2020E	2021E
Revenue	1,230	1,089	1,652	2,128	2,752	3,440	4,369
EBITDA	103	114	131	184	213	268	328
EBITDAM	8.3%	10.4%	7.9%	8.6%	7.7%	7.8%	7.5%
PAT	29	24	22	62	94	126	175
PATM	2.3%	2.2%	1.3%	2.9%	3.4%	3.7%	4.0%
Adj. EPS(Rs)	9.2	7.7	7.1	19.8	29.8	40.0	55.7

Ownership Pattern



Data as on October 18, 2019 | Source: MarketSmith | Shareholding Pattern as on June-19

Diwali Picks Samvat 2076

ICICI Bank

Target	CMP	% Upside
Rs. 518	Rs. 437	18.5%
9x-21E Adj. P/BV		

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Investment Rationale

- ICICI Bank is amongst the largest private sector banks in India with business operations spread across retail, Corporates, Insurance, etc. It is supported by a strong liability franchise and retail/Corporate loan mix 61/24 percent. Its subsidiaries ICICI Venture funds, Pru ICICI AMC, ICICI Securities, ICICI Prudential, and ICICI Lombard are amongst the leading companies in their respective segments.

- After distressed accounts and increasing NPAs, From 2016 ICICI bank became conservative in providing Capital that entails (1) Lending to high-rated corporates, with about 80-85% of incremental lending to corporates rated A- or above (2) Reduction of concentration risk (3) Limiting exposure to greenfield project financing (4) Limiting lending with shares (unlisted) as collateral (5) Limiting asset-backed lending where cash flows are not adequately visible. As a result, the exposure of ICICI in the systemically large stressed cases that have emerged in recent times has been low.

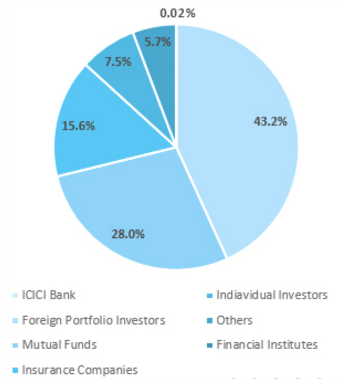
- In quarters gone by largely provisioning has been done. PPoP is expected to shoot up as bank is adequately capitalized and recent NBFC and HFC crisis has given ample opportunities to banks like ICICI to grow their loan book of good quality. Bank's digital initiative 'InstaBIZ' may support the growth of MSMEs and self-employed customers. Further, its iMobile app could help the company cross-sell products.

Market Cap (INR Cr.)	2,84,628
Outstanding Shares (Cr.)	644.6
Face Value (INR)	2
Dividend Yield (%)	0.2
Cost to Income (%)	49.0
Beta vs. Sensex	1.3
52 weeks High/Low	458/310
Interest Income to TA (%)	6.6
Price to Book Value	2.4

Key Financials

(in cr.)	2015	2016	2017	2018	2019	2020E	2021E
Interest Income	49,091	52,739	54,156	54,966	63,401	74,780	88,090
Interest Expense	30,052	31,515	32,419	31,940	36,386	43,502	51,501
Net Interest Income	19,040	21,224	21,737	23,026	27,015	31,278	36,589
Provisions	3,900	11,668	15,208	17,307	19,661	8,593	9,114
PAT	11,175	9,726	9,801	6,777	3,363	14,479	17,056
Adj. EPS(Rs)	79.7	69.3	69.9	48.3	24.0	103.2	121.6

Ownership Pattern



Diwali Picks Samvat 2076

Ultratech Cement

Target	CMP	% Upside
Rs. 5,120	Rs. 4,295	19.2%

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Investment Rationale

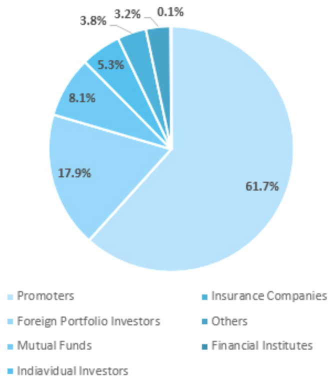
- Ultatech cement a part of Aditya Birla group, is the country's largest exporter of cement clinker. UltraTech Cement Limited has an annual capacity of 52 million tonnes. It manufactures and markets Ordinary Portland Cement, Portland Blast Furnace Slag Cement and Portland Pozzalana Cement. It also manufactures ready mix concrete (RMC).
- Ramp-up of the acquired cement plants of Nathdwara and Century, and upcoming plants in UP 2HFY20 onwards should boost UTCEM's consol volume FY19-21E. Further, recovery in cement prices, falling fuel/diesel prices and UTCEM's rising cost efficiencies should boost UTCEM's consol EBITDA/PAT by 28/40% CAGRs in the same period.
- The company has reported Higher profitability on better realization as cement prices increased across regions despite low demand off-take in Q1. Cement volumes improved 2% YoY to 17.9 mn including newly-acquired Nathdwara plant. The recovery in demand post monsoon and expected government spending will augur well for the company.

Market Cap (INR Cr.)	1,16,928
Outstanding Shares (Cr.)	27.5
Face Value (INR)	10
Dividend Yield (%)	0.3
Debt/Equity	0.6
Beta vs. Sensex	1.5
52 weeks High/Low	4,904/3,260
EV/TTM EBITDA	18.1
TTM PE	39.1

Key Financials

(in cr.)	2015	2016	2017	2018	2019	2020E	2021E
Revenue	22,936	23,709	23,891	29,790	35,704	41,450	48,100
EBITDA	4,195	4,627	4,969	5,883	6,520	8,912	10,582
EBITDAM	18.3%	19.5%	20.8%	19.7%	18.3%	21.5%	22.0%
PAT	2,015	2,370	2,628	2,231	2,456	3,938	4,473
PATM	8.8%	10.0%	11.0%	7.5%	6.9%	9.5%	9.3%
Adj. EPS(Rs)	73.4	86.3	95.7	81.3	89.4	143.4	162.9

Ownership Pattern



Data as on October 18, 2019 | Source: MarketSmith | Shareholding Pattern as on June-19

Diwali Picks Samvat 2076

HDFC Ltd.

Target	CMP	% Upside
Rs. 2,420	Rs. 2,094	15.6%

MARWADI
SHARES | COMMODITY | DEPOSITORY

Investment Rationale

- Housing Development Finance Corporation Limited (HDFC Ltd.) was established in 1977 with the primary objective of meeting a social need of encouraging home ownership by providing long-term finance to households. Over the last three decades, HDFC has turned the concept of housing finance for the growing middle class in India into a world-class enterprise with excellent reputation for professionalism, integrity and impeccable service.

- Lower interest rates and government push for affordable housing along with soft property prices will boost buyers' sentiments. Customer satisfaction is the hallmark of all HDFC offerings. The first touch of HDFC's personalized service begins as soon as a customer approaches HDFC, and over time it progresses into a long and meaningful relationship.

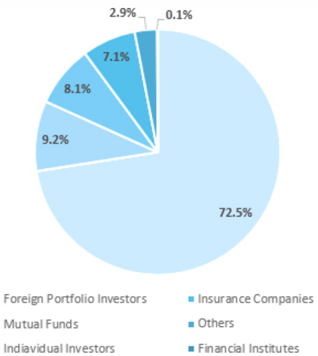
- HDFC which holds significant part in HDFC bank (34%) and in HDFC AMC (9%) along with many of its subsidiaries looks cheap at these valuations. Stock is hovering near to its historically low valuation (-1sd price to book value). Recent run-up in its subsidiaries give a downside protection and players like Players like HDFC will gain market share as other players are struggling due to liquidity crunch.

Market Cap (INR Cr.)	3,60,835
Outstanding Shares (Cr.)	172.1
Face Value (INR)	2
Dividend Yield (%)	1.0
Debt/Equity	3.5
Beta vs. Sensex	1.1
52 weeks High/Low	2,357/1,644
ROCE(%)	10.6
P/BV	4.7

Key Financials

(in cr.)	2017	2018	2019	2020E	2021E
Advances	2,95,692	3,57,381	4,00,760	4,55,700	5,12,610
NII	31,704	33,827	40,838	46,456	54,512
PPoP	11,427	15,304	14,054	14,991	15,012
PAT	7,875	10,959	9,633	10,096	10,342
RoE	18.80%	16.60%	12.30%	12.10%	12.90%
NIM	3.30%	2.80%	2.70%	2.90%	2.90%

Ownership Pattern



Data as on October 18, 2019 | Source: MarketSmith | Shareholding Pattern as on June-19

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The ratings below have been prescribed on a potential returns basis with a timeline of up to 12 months. At times, the same may fall out of the price range due to market price movements and/or volatility in the short term. The same shall be reviewed from time to time by MSFL. The addressee(s) decision to buy or sell a security should be based upon his/her personal investment objectives and should be made only after evaluating the stocks' expected performance and associated risks.

Key ratings

Rating	Expected Return
Buy	> 15%
Accumulate	5 to 15%
Hold	-5 to 5%
Sell	< -5%
Not Rated	-

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