Research Report

MMM — YYYY

Invest

	COMPANY	STOPLOSS PRICE
	KEI Industries	1,350
	Axis Bank	800
	IDFC First Bank	50
	City Union Bank	160
	Sun Pharma.Inds	900
	WIPRO	340
laces consider colling if the stock price falls below the s		

Invest

KEI Industries Ltd (KEI)

KEI has a comprehensive product portfolio ranging from housing wires to Extra High Voltage (EHV) cables. It is also forward integrated into Engineering, Procurement and Construction (EPC) services for power and transmission projects. PvM: 0.5-1 **KEI Industries Ltd** A-3A Data as on 28-Oct-22 Stk Perf Stk v Ind scr Wrt Ind M | P Cons Prc NW/Mcap P/B Co | Ind CshAdj P/E Pmtr Hldg Cash + Inv D/EBDITA Cables - Power - Large **Pldg Shrs** CMP = 1,596.7 0.78 6.31 | 5.89 38.0 2.4% 0.59 Upside 0.59 EV/EBIDT Sales/WC **PBIDTM** Div Yld % APATM ROCE **RONW** 1 yr Ind 3 yr mtly Beta = 1.54 Mcap D/E SD 11/20 5 yr

Curr Company 2.93 0.2 14,785 35.83 0.18 10.54 23.74 P/E 20.63 31.73 Industry 3.76 0.48 75,365 0.24 11.07 6.47 19.19 14.76 EV/EBIDTA 0.76 D/PBDIT s Piotroski F score A BSD Scr **EVA Scr** D/E scr G score 0.57 Moat Scr 0.58 0.86 QoQ scr Z score Sale Gr Scr 0.40 OPM Scr FF Scr 0.38 E Gr Scr 0.53 E M'tm Scr Return Scr 0.78 PO Rto Sci Int Cover CROIC Scr 0.79 **BMT ABS** CF/NI 0.54 Δ NW 0.85 Div Yld 0.55 Div g #13 | 09/22 Depth Scorecard (period perf vs NIFTY) card of 3M 6M 12M 18M 3 YR 5YR 10 YR 15 YR 2022 2021 2020 2019 2018 2016-17 2012-15 2000-11 75.89 220.5% 62.39 154.79 185.89 2960.2 4185.69 -4.6 100.39 615.8% 58.59 9.0% -0.8 9.8% 186.79 336.69 60.69 9.8% 104.59 168.59 73.99 20.81 23.30 5.84 3.42 30.56 23.26 23.14 19.44 16.82 31.96 14.66 28.45 15.84 19.43 19.46 5.31 868.59 64.3% 140.19 92.79 192.19 2999.29 101.5% -8.59 140.19 0.3% 463.29 389.2% -8.9 6.4% 20.49 50.8% 143.69 186.6% 3152.7% 4630.2% 59.8%

IW Score ABS Score Magic formula rank Industry Company Avg P/E Ind Avg P/E Abs MMTM DS RTN **US RTN Positives:** Very good return parameters with RoCE of 23.7 and RoNW of 19.24

Has been growing its revenues and profits at a very good clip.

- **Negatives:** Operating profit margins are a bit thin and is a risk.
- Need regular infusion of capital, this is a drag on cash flows.

500.0

company.

ATM's.

5554

Data as on 28-Oct-22

CMP = 903.05

3 yr mtly Beta = 1.6

Company

- **KEI Industries** 400.0 300.0
- 8,000 8.000 6,000 2,000 2,000 (100.0) (2,000)(2,000)(4,000)(200.0)Discussion Strong demand from infrastructure and power transmission & distribution sectors provides considerable growth potential for HT &

LT cables. KEI operates in a very competitive industry - pricing power and margins are key risk. The outlook of the industry is good and we are looking to continue to deploy capital. This investment is a bet on the industry as well as KEI continuing to be a well run

16.000

14,000

10,000

16,000

14,000

12,000

10,000

KEI Industries: Curr P/E:35.83; PE multiplier:29.13

Banks

3 yr

0.59

2018

D/PBDIT so

2016-17

2015

2016

Linear (PAT * P/E)

0.31 PO Rto Scr

Ind

2012-15

2%

#1 | 03/22

Axis Bank Ltd Axis Bank is the third largest private sector bank in India. The Bank offers the entire spectrum of financial services to customer segments covering Large and Mid-Corporates, MSME, Agriculture and Retail Businesses. It has 4,050 domestic branches with 11,801

Axis Bank Ltd

PBIDTM

10 YR

Pldg Shrs

0.47

0.60

2022

APATM

EVA Scr

E Gr Scr

Cash + Inv

0.0%

RONW

QoQ scr

Div Yld

2021

E M'tm Scr

12.77

D/EBDITA

12.82 EV/EBIDTA

2020

2012

MCAP

4.7%

-23.89

-8.7%

2.0%

IDFC First Bank: Curr P/E:28.51; PE multiplier:56.61

2015 201

----- Linear (PAT * P/E)

MCAP

-23.1

-12.4%

-0.3%

2019

Upside

5 yr

PO Rto Sci

Div g

2016-17

#N/A D/PBDIT se

card (period perf vs NIFTY)

2018

3.0%

Ind

12%

0.51

2012-15

Curr

Z score

#N/A

#1 | 08/22

2000-11

252.4%

162.3%

2017

4.9%

0.0%

0.57 Return Scr

CROIC Scr

2019

Depth Scorecard (period perf vs NIFTY)

NW/Mcap P/B Co | Ind CshAdj P/E Pmtr Hldg

2.26 | 2.77

D/E

Moat Scr

FF Scr

CF/NI

5YR

EV/EBIDT

3 YR

0.44

Piotroski F score G score IW Score 0.52 Sale Gr Scr ABS Score BMT ABS Magic formula rank **6M**

PvM: 1-1.5

Sales/WC

Stk Perf Stk v Ind scr Wrt Ind M | P Cons Prc

Mcap

0.81 33,77,297

corecard of

12M

2,81,204

P/E

A BSD Scr

OPM Scr

0.60

Div Yld %

0.9% 9.3% 2.3% 6.2% 264.6% Industry 4.29 0.6% 3.0% Company Avg P/E 20.53 11.58 12.26 Ind Avg P/E 1.4% 0.6% 3.0% -20.6% 7.4% 4.6% Abs MMTM 81.0% 608.1% 284.1%

Positives: Consistent long term perfromer with decent margins. Fairly large franchise with many of the challenges behind it. **Negatives:** Has not been as aggressive in pursuing growth as the other large private players. Overall macros and how NPA's pan out may have a significant bearing in short to medium run. Axis Bank: Curr P/E:17.42; PE multiplier:49.16 18,000.0 3,00,000 9,00,000 **Axis Bank** 16,000.0

1,50,0

1,00,00

(50.000)

6,00,000

4,00,000

3,00,000 2,00,000

1,00,000

(1,00,000)

12,000.0 10,000.0 8,000.0

14,000.0

IDFC First Bank Ltd (IFBL)

27.4

38.89

Net interest Margins are 5.98% which is decent

CASA ratio has improved to 51.28%

8.1%

5.9%

- 6,000.0 50,000
- 2,000.0
- **Discussion** The outlook for banking sector is improving and Axis has a potential to benefit from the changed out look. This investment in Axis is a bet on the banking sector as well as on Axis doing better than the sector.

2012 610 610 610

2016

IDFC FIRST Bank is founded by the merger of Erstwhile IDFC Bank and Erstwhile Capital First on December 18, 2018. Mr Vaidyanathan who had built ICICI Bank's Retail Banking business from 2000-2009 and was the MD and CEO of ICICI Prudential Life Insurance Company in 2009-10, and ran Capital First is the CEO. A-3A NW/Mcap P/B Co|Ind CshAdj P/E Pmtr Hldg Pldg Shrs Data as on 28-Oct-22 Stk v Ind scr Wrt Ind M P Cons Prc Cash + Inv D/EBDITA Banks - Private Sector Stk Perf 0.77 1.60 | 2.77 CMP = 55.80.75 36.5 0.0% Upside **EV/EBIDT** Curr 3 vr mtlv Beta = 1.35 Sales/WC **PBIDTM** ISD 08/2 1 yr 3 yr Ind Div Yld % P/E D/E **APATM** RONW 5 yr 35,312 P/E Company 0.0 28.51 12.82 **EV/EBIDTA** Industry 0.81 33,77,297 **EVA Scr** 0.40 D/PBDIT so G score A BSD Scr QoQ scr 0.45 Z score Piotroski F score 0.38 Moat Scr 0.50 D/E scr 0.44 Sale Gr Scr **IW Score** 0.73 OPM Scr 0.42 FF Scr E Gr Scr E M'tm Scr Return Scr PO Rto Sci CROIC Scr 0.59 #1 | 09/22 ABS Score 5 BMT ABS Int Cover CF/NI 0.56 Δ NW 0.81 Div Yld Div g Magic formula rank corecard of isted prices onthly SII perf vs NIF Depth Scorecard (period perf vs NIFTY) 2018 2012-15 3M 6M 12M 18M 3 YR 5YR 10 YR 15 YR 2022 2021 2020 2019 2016-17 2000-11 -6.49 -21.49 -20.4 Industry 4.2% 6.5% 7.1% 6.2% 4.29 0.1% 0.6% -5.0 5.4% 3.0% NA 12-15 Company Avg P/E 143.84 144.72 121.28 104.89 56.61 LT10 YR LT15 YR 132.33 59.54 4.17 16.72 35.48 NA 02-11 Ind Avg P/E

T10 YR

40,000

35.000

30,000 25,000 20,000

15,000 10,000

5,000

(5,000)

1.00.000

50,000

(50,000)

(1,00,000)

(1,50,000)

Bank level - GNP is 3.18% and NNP is 1.09% both have improved by 100 bps from pervious year

LT15 YR

Negatives: It has a large infro loan book of over 40,000 crore is a key risk.

1,500.0

1,000.0

₹ (500.0)

(1,000.0)

(3,000.0)

Positives:

Abs MMTM

DS RTN

US RTN

(1,500.0)(2,000.0)(2,500.0)

City Union Bank Ltd (CUB)

A-3A Stk Perf Stk v Ind scr Wrt Ind M | P Cons Prc

Div Yld %

G score

Sale Gr Scr

BMT ABS

6M

6.5%

0.50

0.5

0.81

13,963

33,77,297

12M

7.1%

Focus on SME & MSME business can improve the overall returns.

run bank, It has been consistency delivering decent growth for a long time.

neric formulations. Its products are available in over 100 countries.

Stk v Ind scr Wrt Ind M P Cons Prc

1.01 11,50,111

Mcap

2,42,717

0.50

54.65

9.9%

Decent return parameters with RoCE 17.97 of and RoNW of 14.5

Need regular infusion of capital that could be a drag on profits.

Sun Pharma.Inds.

Scorecard of adjusted prices

0.78

Div Yld %

G score

Sale Gr Scr

BMT ABS

6M

4.6%

1.3%

4.0%

5.8%

This investment is a bet on banking sector as well as CUB continuing to be a well run franchise.

Last couple of years has been a challenge for CUB

PvM: 0-0.5

Sales/WC

#N/A

#N/A

3M

6.9%

4.2%

Has been a well run franchise.

Relatively small size.

0.53

(3,500.0)- MCAP ····· Linear (PAT)

bank, with less than 2% NPA and over 4% NIM. It has 650 branches and 1400 ATM's.

P/E

#DIV/0!

OPM Scr

Int Cover

18M

6.2%

A BSD Scr

IDFC First Bank

Discussion Last one year has witnessed a strengthing of the underlying business and also banking sector overall has had a turn around. IFBL is relatively small player and this investment is a bet on the CEO, Mr Vaidyanathan to build IDC into a large retail bank of running an NBFC lending model on a bank platform. This could be an interesting opportunity for value creation using a slightly off beat approacn.

The main focus of CUB is lending to MSME, Retail / Wholesale Trade with granular asset profile including providing short term and long term loans to agricultural sector. Its deposits are about 39k crores and advances are 32K crores. It is a conservatively run

City Union Bank Ltd

PBIDTM

#N/A

#N/A

10 YR

7.9%

0.1%

0.00

APATM

#N/A

EVA Scr

E Gr Scr

ΔNW

15 YR

204.39

Pldg Shrs

#N/A

ROCE

2022

Cash + Inv

0.0%

RONW

#N/A

QoQ scr

M'tm Scr

Div Yld

2021

0.6%

12.82

D/EBDITA

P/E

EV/EBIDTA

2020

D/E scr

0.54 CROIC Scr

Return Scr

2019

6.9%

5.4%

City Union Bank: Curr P/E:17.19; PE multiplier:20.23

Pharmaceuticals

3 yr

2018

-3.99

58.28

-19.1

Pharmaceuticals - Indian - Bulk Drugs & FormIn Lrg

Upside

5 yr

Div g

2016-17

28.80

10.9%

0.82 D/PBDIT s

0.35 PO Rto Scr

Ind

0.82

0.77

2012-15

78.29

93.99

33.48

88.0%

60.5%

0.61

Curr

Z score

#1 | 06/22

2000-11

124.8%

101.7%

21.11

150.0%

186.3%

Cash + Inv D/EBDITA

0.19

3.9%

EV/EBIDTA

1 yr

D/E scr

Depth Scorecard (period perf vs NIFTY)

Sun Pharma.Inds.: Curr P/E:31.61; PE multiplier:46.77

2015 2016

Linear (PAT * P/E)

2014

2018

Upside

5 yr

Div g

2016-17

15.93

9.0%

0.55 D/PBDIT so

0.53 PO Rto Scr

erf vs NIFTY)

2018 -0.5

17.27

23.79

Ind

23%

189

0.41

0.61

20.62

52.2%

2012-15

Curr

2000-11

87.49

42.34

-6.5%

0.63 Z score

2017

2020

2019

0.65 Return Scr

0.86 CROIC Scr

6.6%

RONW

QoQ scr

Div Yld

2021

0.2%

5.3%

0.53 E M'tm Scr

14.50

13.00

Pldg Shrs

ROCE

0.48

0.8%

2022

APATM

EVA Scr

E Gr Scr

 Δ NW

15 YR

57.1

39.87

50.3%

119.69

13.31

NW/Mcap P/B Co|Ind CshAdj P/E Pmtr Hldg

2.12 | 2.77

D/E

#N/A

Moat Scr

FF Scr

CF/NI

5YR

EV/EBIDT

#N/A

3 YR

4.2%

7015 Data as on 28-Oct-22 CMP = 187.75 3 yr mtly Beta = 1.21

Piotroski F score

Magic formula rank

Positives:

Negatives:

Company

IW Score

ABS Score

Industry

Company Avg P/E 22.95 17.22 15.64 15.69 17.16 20.05 20.92 17.50 14.57 15.33 20.63 22.62 21.79 15.77 8.13 2.45 Ind Avg P/E 12.26 Abs MMTM 8.4% 5.9% 66.69 426.0% DS RTN 3.7% 22.3% -7.2% -30.39 8.5% 237.0% 9.9% -5.2% -15.39 -0.3% 0.6% 2.1% 117.5% 134.8% US RTN 8.5% 8.5% 7.4% 7.2% 178.1%

City Union Bank 14,000 16.000 800.0 14,000 12,000 700.0 12,000 10,000 10,000 PAT 8,000 8,000 500.0 6,000 6,000 400.0 4,000 4,000 300.0 2,000 2,000 (2,000)100.0 (2,000)(4,000)(4.000)..... Linear (PAT * P/E) MCAP **Discussion**

CUB's business model is targeted towards SME's and MSME's and is predominantly a retail franchise. They are a conservatively

Sun Pharmaceuticals Industries Ltd

PBIDTM

17.47

28.07

0.25

0.41

0.53

46.16

10 YR

NW/Mcap P/B Co|Ind CshAdj P/E Pmtr Hldg

9.87 | 6.50

Moat Scr

FF Scr

CF/NI

perf vs NIF

0.05

0.16

EV/EBIDT

33.44

53.41

33.79

P/E

A BSD Scr

OPM Scr

Int Cover

63.11

12.3%

16,000

18,000

Sun Pharmaceuticals Industries Ltd (SPIL) SPIL is a specialty generic pharma company engaged in the business of manufacturing, developing and marketing a range of ge-

Data as on 28-Oct-22

CMP = 990.

3 vr mtlv Beta = 0.75

Piotroski F score

Magic formula rank

Company Avg P/E

Positives:

9.000.0

8,000.0

46,000.0

4,000.0

3,000.0

2,000.0 1,000.0

Data as on 28-Oct-22

CMP = 383.25

3 yr mtly Beta = 0.53

Piotroski F score

Magic formula rank

Company Avg P/E

Positives:

Negatives:

14,000.0

12,000.0

10,000.0

Company

IW Score

ABS Score

Industry

Ind Avg P/E

Abs MMTM

DS RTN

US RTN

Stk Perf

Sales/WC Div Yld %

G score Sale Gr Scr

BMT ABS

6M

18.82

34.47

-21.19

-10.5

4.48

0.48

3M

17.79

34.01

-10.5%

Stk v Ind scr Wrt Ind M P Cons Prc

Мсар

29,55,621

12M

24.82

-<mark>28.9</mark>%

Decent retrun parameters with RoCE of 20.45 and RoNW of 20.35.

Has been struggling to match the industry expectations of growth and return.

Represents a large part of the Indian IT services industry.

Wipro

would improve our odds of making a decent retrun.

tions made in this report.

out notice.

1.86

2,09,881

63 of 119

Company

IW Score

ABS Score

Industry

DS RTN

US RTN

Ind Avg P/E Abs MMTM PvM: 0.5-1

Stk Perf

Sales/WC

3M

4.0%

0.2%

0.3%

5.8%

0.78

2.79

2.11

D/E of 0.05 is less than the industry average of 0.16 **Negatives:** Very competitive industry and is dependent on exports.

3,00,000

2.50.000

2,00,000

1,00,000

4,00,000

3,50,000

3.00.000 2,50,000

2.00,000 1,50,000

1,00,000

50,000

2009 2008

2010

2011

2012 2013



Wipro Ltd

PBIDTM

30.85

0.46

0.62

19.96

-31.3%

Significant Ownership with one family (Direct and also via foundation) and hance small investor voice may not be heard.

3,50,000

3,00,000

2,50,000

2,00,0

1,50,00

1,00,000

Wipro is a very large firm - that has well diversified business. The company needs a bit of a turn around but CEO's direction can be circumscribed by the ownership structure that is skewed towards one family. The market capitalization has dropped significantly

This investment is a bet on rerating of the company and if the management is able to enhance the business fundamentals then it

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Represents 10% of the industry profits but only 7% of the market cap - this makes the valuation attractive.

3,50,000

3,00,000

2,50,000

2,00,000

1,50,000

1,00,000

10 YR

Pldg Shrs

20.45

43.28

0.60

22.41

-17.19

2022

73.0

21.47

APATM

EVA Scr

E Gr Scr

ΔNW

15 YR

131.1%

20.42

-2.3%

Cash + Inv

21.7%

QoQ scr

Div Yld

2021

30.92

50.4%

0.53 E M'tm Scr

35.87

D/EBDITA

EV/EBIDTA

2020

18.02

41.39

Wipro: Curr P/E:18.17; PE multiplier:23.55

2016

2017

2015

..... Linear (PAT * P/E)

201

2018 2019

2012

MCAP

2013

2011

0.63 D/E scr

0.88 CROIC Scr

Depth Scorecard (period

Return Scr

2019

20.59

-4.3%

NW/Mcap P/B Co|Ind CshAdj P/E Pmtr Hldg

3.59 | 10.54

D/E

Moat Scr

FF Scr

CF/NI

5YR

7.2%

21.67

-17.0%

0.07

EV/EBIDT

0.48

0.38

0.43

nthly SI

23.55

-1.0

-21.3%

-22.79

3 YR

P/E

A BSD Scr

OPM Scr

Int Cover

18M

27.42

18.17

32.40

48,000.0 6,000.0 4,000.0 2,000.0

Discussion

(Wipro fell 60% vs Industry when rest of the IT sector fell 25% vs Index).

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