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Market Update

Bulls Continue to Hold Sway

The Indian stock markets have witnessed a roller-coaster ride in the last four trading sessions. Just like the rains in Mumbai region were unstoppable, the bears on D-Street also seem to be unstoppable, sending the bulls into their bunkers amid spread of the Delta variant infection in the US and its potential impact on the global economy. Domestically as well, concerns related to earnings of the financial and banking sectors sent shivers down the spine of market participants as HDFC Bank showed the bumps of the pandemic's second wave as asset quality worsened in the quarter ended June 2021. As a result, the stock recorded its worst single day fall in over two months.

However, like in the recent past we have seen that after a meaningful correction the bulls have bounced back with renewed enthusiasm and this time was no different as Nifty retraced nearly 61.8 per cent within no time. And the India VIX, which was moving at a brisk pace, cooled off substantially, indicating that the atmosphere of fear is subsidizing. Thus, it is apparent that we are in a bull market and the thumb rule of 'buy on dips' continues to apply. Meanwhile, every news headline and TV interviews have had experts mentioning the FIIs' selling figures. On a month-to-date basis (MTD), FIIs have been net seller to the tune of Rs 11,957.28 crore and with this many are sharing a piece of narrative that the FIIs have started to lose faith in the Indian stock market.

We believe this is a routine profit booking phase by FIIs as they had invested heavily during last year and with the markets rewarding them handsomely, they are ploughing back their profits and there is nothing wrong in that. Meanwhile, the DIIs have been on a buying spree as since July 9 in all the trading sessions they have been net buyers and on a MTD basis they have been net buyer to the tune of Rs 7,057.25 crore. Moving from crux of the matter of the secondary market to the primary market, the share allocation in Zomato's mega IPO has been finalised. There is a lot of buzz in the air related to the listing of this food-tech start-up. Why so?

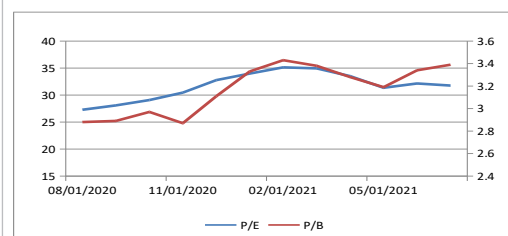
Firstly, as per sources, the stock is quoting at a hefty premium in the grey market, which is indicating a robust debut. Secondly, this is for the first time a unicorn start-up is going to be listed on the bourses. The listing of Zomato is surely being viewed as a turning point for India's start-ups which promises to take India closer to its 5 trillion-dollar economy goal. In the next couple of years, a myriad of new economy stocks might get listed on the exchanges. This may result into dethroning of many of the old economy stocks from the benchmark indices as it will pave the way for these new economy stocks being included in the benchmark indices.

And during this phase, the valuations parameters which are often used by market participants to gauge the valuation of the markets could also see a major shift. As seen lately, the price to earnings (PE) ratio, which is a standardized method of valuing the market, has become obsolete. Coming back to Nifty, recently it has marked a fresh all-time high of 15,962.25 and thereafter it witnessed a meaningful correction, which has resulted into a cooling off of the exuberance in the markets. Lately, we have seen that every time the Nifty has moved near to the lower end of the range, there is some good news which leads to buying, while on other hand, as and when Nifty moves near to the upper end of the range, some concerns start to appear and selling emerges.

It has now been over a month since the time the Nifty has been seen playing this range game from 15,450-15,950 and going ahead, breakout on either side of the range would result into a directional move. Interestingly, the index heavyweight Reliance Industries along with ICICI Bank are scheduled to announce their quarterly earnings on July 23, 2021 and any positive surprise in the earning from the big boys would result into a breakout of the range on the higher side, which could result into a swift move of 150-200 points in the index.

July - Sept., 2021

Valuation Matrix Performance of Sensex



International Markets

Exchange	22-July-21	1 year change	52-week Low/High
Bovespa	126,147.00	20.96%	93,387/131,190
CAC 40	6,481.59	28.68%	4,512.57/6,687.29
DAX	15,514.54	18.39%	11,450.08/15,810.68
Dow Jones	34,823.35	28.95%	25,992.28/35,091.56
FTSE 100	6,968.30	12.26%	5,525.52/7,217.54
Hang Seng	27,700.62	10.55%	23,124.25/31,183.36
Nasdaq	14,684.60	37.16%	10,217.30/14,803.70
Nikkei 225	27,548.00	21.08%	21,710.00/30,714.52

Top Gainers

Company	22 July 21	22 June 21	% Change
Happiest Minds Tech. Ltd.	1466.25	917.30	59.84
Gujarat Fluoro. Ltd.	1612.25	1124.95	43.32
Indiabulls Real Estate Ltd.	163.40	114.40	42.83
Jindal Stainless Ltd.	145.40	105.20	38.21
Welspun India Ltd.	127.90	93.45	36.86

Top Losers

Company	22 July 21	22 June 21	% Change
Adani Total Gas Ltd.	853.15	1387.05	-38.49
Adani Transmission Ltd.	963.15	1362.50	-29.31
Adani Power Ltd.	101.95	126.60	-19.47
Vakrangee Ltd.	38.35	46.30	-17.17
Adani Green Energy Ltd.	981.40	1171.15	-16.20

Performance Of Other Indices

Index	Price	1 Year change (%)
S&P BSE SMALLCAP	26397.78	104.36
S&P BSE 500	21753.51	51.52
S&P BSE Auto	22876.25	40.29
S&P BSE BANKEX	39361.94	51.89
S&P BSE CAP GOODS	20049.49	86.59
S&P BSE FMCG	13556.66	17.95
S&P BSE HEALTHCARE	26313.56	55.81
S&P BSE IT	30483.07	76.67
S&P BSE Metal	19327.53	152.10
S&P BSE Oil & Gas	15715.93	15.72
S&P BSE REALTY	3143.24	100.20
S&P BSE POWER	2698.46	72.59



MUKAND LTD.

Mukand Limited is a multi-division, multi-product conglomerate involved in the manufacture of speciality steel long products and industrial machinery. Its manufacturing facilities are located in Thane (Maharashtra) for stainless steel and in Hospet/Hosapete (Karnataka) for alloy steel. The company is engaged in the manufacturing of special alloy steel & stainless-steel billets, bars, rods, wire rods, and bright bars. It is also in the business of designing, manufacturing, assembly, and commissioning industrial machinery, heavy-duty cranes, bulk material handling equipment as well as process plant equipment for ferrous & non-ferrous industries. It has a combined installed capacity for manufacturing of 5 lakh MTPA of alloy steel and stainless steel, which is currently almost 92 per cent utilised.

Strong client base & exports

Over the years, the company has been able to build a healthy portfolio of reputed automobile manufacturers including Maruti Suzuki, Hyundai, Toyota, Nissan, Bajaj Auto, Hero MotoCorp, Honda Motorcycle & Scooter India Pvt Ltd. The company has also established its presence in the international markets by way of exports to the US, Germany, Italy, Netherlands, Switzerland, United Arab Emirates, Japan, Hong Kong, Taiwan, and Vietnam, amongst others. The promoter's established presence in the steel business has helped the company to form a joint venture with Sumitomo Corporation, Japan (SC).

Debt reduction

The company had announced the monetisation of its land parcels worth Rs 800 crore coupled with disinvestment of 51 per cent in the joint venture named, Mukand Sumi Special Steel Ltd (MSSSL) for a consideration of approximately Rs 1,200 crore to its promoter group companies. As of March 31, 2021, the company received total consideration of Rs 801 crore from the sale of its 55 acres land at Thane. As of December 31, 2020, the company had also successfully completed the first tranche of planned disinvestment in the JV to its promoter group company, Jamnalal Sons Private Limited, and received a consideration of Rs 713.60 crore. The second and final tranche of the sale of shares is expected to be completed in H1FY22, for a consideration of Rs 500 crore. All the considerations were utilised to bring down the outstanding debt levels of the company. The company's debt, which stood at Rs 2,755 crore, as of March 31, 2020, was majorly reduced during FY21 to Rs 1,815.40 crore as on March 31, 2021. Further, as on June 30, 2021, the debt stood at Rs 1,548.45 crore. The company has another surplus land bank of 45 acres at Thane while the monetisation of the same is expected to be completed by H1FY22. The considerations expected out of the future transactions will also be utilised to repay the further outstanding debt.

Future plans

The company plans to expand product mix to cater to needs arising from wind-mills, oil & gas sector, engineering sector. It will have a greater focus on the development of bearing steel, steel for transmission parts, engine parts, suspension springs, etc. and plans to enhance stainless steel production. Globally, companies have started exploring alternate sources to China, which can result in good business opportunities for Indian companies such as Mukand Ltd that can leverage the association with Sumitomo Corporation.

Supporting macro factors

The domestic sales of 2-wheelers and passenger vehicles in October 2020 have recorded double-digit growth of 16.6 per cent and 19.8 per cent, respectively on a YoY basis. Major auto OEMs like Maruti, Hyundai, Bajaj Auto, and Hero Moto-



BSE Code : 500460

CMP : ₹136.20

Target Price : ₹191

Company Details

Industry	Steel & Iron Products
Chairman	Niraj Bajaj
Managing Director	Niraj Bajaj
Company Secretary	K J Mallya
ISIN Code	INE304A01026
Bloomberg Code	MUK IN
Reuters Code	MUKA.BO

Key Market Ratio

Latest Date	23-Jul-21
Latest Price (Rs)	137.5
Previous Close (Rs)	142.20
1 Day Price Var %	-3.78
1 Year Price Var %	574.02
52 Week High (Rs)	148
52 Week Low (Rs)	18.6
Beta	0.73
Face Value (Rs)	10
Industry PE	16.6
TTM Period	202103
TTM EPS (Rs)	-14.41
TTM CEPS(Rs)	-5.79
Price/TTM CEPS(x)	-23.76
TTM PE (x)	0
Price/BV(x)	4.2
EV/TTM EBITDA(x)	15.42
EV/TTM Sales(x)	1.7
Dividend Yield%	0
MCap/TTM Sales(x)	0.71
Latest Book Value (Rs)	32.71
Market Cap (Rs in Crores)	1944
EV (Rs)	4621
Latest no. of sharesCrores	14

Share Holding Pattern as on 202103

Promoter No of shares (Rs in Crores)	20-Jul-21
Promoter %	0.73
FII No of Shares (Rs in Crores)	10
FII %	16.6
Total No of Shares (Rs in Crores)	202103
Free Float %	-14.41



Corp have announced a near-record production plan for July 2021, which is a strong indicator on the demand front. Going ahead, easy finances and normal monsoon resulting in good crop would help in increasing the demand for personal transport, especially from rural segment. Implementation of Vehicle Scrapage Policy will also have a positive impact on the demand in the latter part of FY22. Also, the Government of India has identified the production of bearing steel and transmission parts as a part of the production-linked incentive scheme (PLI).

Financial performance

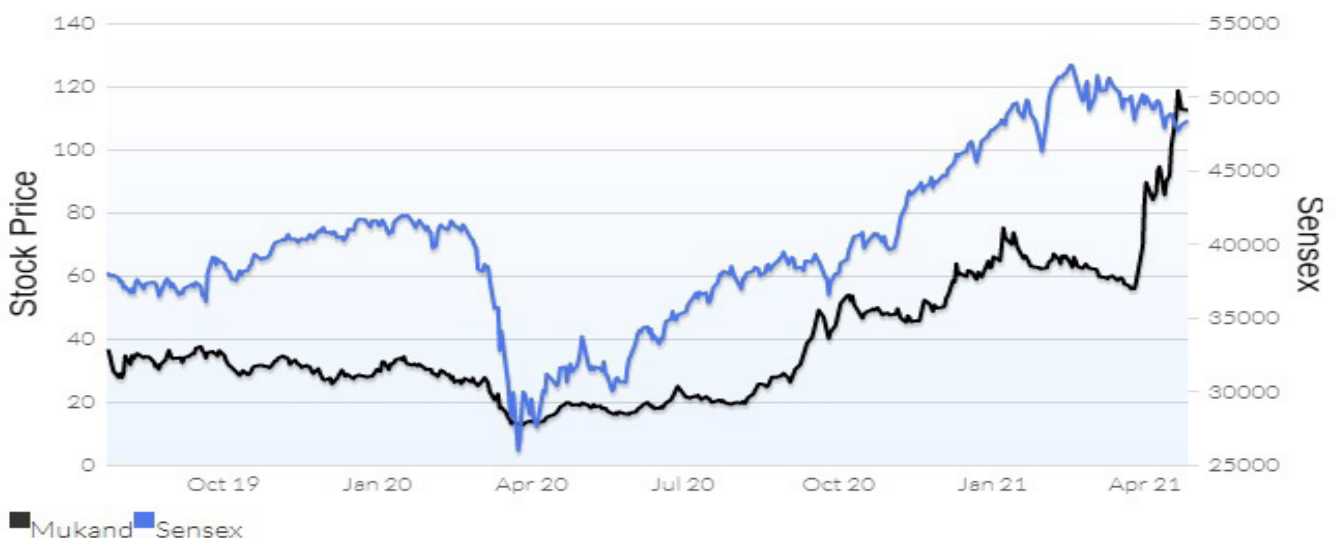
Mukand's standalone revenue for the quarter Q4FY21 came in at Rs 923.6 crore as against Rs 765.67 crore in the corresponding quarter last year, registering a 20.6 per cent YoY increase. The company generated operating loss for the quarter of Rs 449.89 crore as against operating profit of Rs 17.1 crore in the corresponding quarter last year, with a corresponding margin contraction of 5,094 bps. It incurred a net loss for the quarter of Rs 61.38 crore against Rs 83.43 crore in the corresponding quarter last year.

Looking at the full-year numbers i.e. for FY21, the revenue slid by 7 per cent YoY to Rs 2,725.99 crore while it generated an operating loss of Rs 448.77 crore. Further, the company reported a net loss of Rs 203.78 crore. After almost 10 years, the company has announced a dividend of Re 1 per share with a face value of Rs 10 each for FY21.

Outlook

The company has a strong clientele base while its presence in export markets is strengthening over the years. Its monetisation transactions will strengthen the overall capital structure along with the liquidity position. It will also help in improving its profitability, going forward. The second phase of monetisation will further reduce its debt in FY22. Its plans to develop new products and expand its product portfolio will be further beneficial in the upcoming years. The various initiatives taken by the government are expected to further boost demand for the company's products. Considering all these factors, an upside of 40 per cent can be expected with a target price of Rs 191 for a period of two years.

Stock Vs Index



RECENT NEWS

Jun 25, 2021 : Mukand has executed a Memorandum of Understanding (MoU) for the sale of Freehold land of the Company admeasuring approximately 47 acres situated at Kalwe and Dighe, in Thane district for a consideration of Rs. 752.11 crore and have received an initial advance of Rs 10 crore. The aforesaid MoU is subject to fulfilment of certain conditions precedent stipulated therein for completion of the sale/assignment of the aforesaid land.

Apr 30, 2021 : Mukand Ltd. further reduces its debt by INR 499.38 crore on completion of divestment of its 51% equity stake in Mukand Sumi Special Steel Limited.

Mar 18, 2021 : Mukand has received an approval for the proposal of divestment of 100% equity stake/investment, comprising of 1,19,76,756 equity shares of Vidya vihar Containers (VCL) to Sidya Investments, a Promoter group entity for an aggregate consideration of Rs 1.20 crore. Post the Proposed Transaction, VCL will cease to be a subsidiary of the Company. The Board of Directors of the company at its meeting held on March 17, 2021, has considered and approved the same.



Profit and Loss - Consolidated

(Rs in Crore)

Particulars	Mar 2021	Mar 2020	Mar 2019	Mar 2018	Mar 2017
INCOME					
Net Sales	2725.99	2922.69	3689.46	3527.95	3024.55
Total Income	3474.40	2990.93	3749.59	3572.90	3072.84
Other operating income					
Net Sales & Other Operating Income	2725.99	2922.69	3689.46	3527.95	3024.55
EXPENDITURE					
Total Expenditure	3174.76	2798.23	3541.93	3316.10	2679.62
(Increase) / Decrease In Stocks	249.20	-26.03	-17.96	-71.44	-104.83
Raw Material Cost	1580.71	1520.58	1916.87	1816.96	1141.47
Purchase of Finished goods	35.30	119.01	119.18	85.81	38.46
Excise Duty	0.00	0.00	0.00	92.19	328.56
Manufacturing Expenses	1120.50	998.92	1315.97	1208.75	1102.98
Employees Cost	190.31	189.92	209.68	190.78	175.70
Misc Expenses	-1.26	-4.17	-1.81	-6.95	-2.72
PBIDT (Excl OI)	-448.77	124.46	147.53	211.85	344.93
Other Income	748.41	68.24	60.13	44.95	48.29
Interest Income	27.35	44.17	54.84	25.42	11.86
Other Income	721.06	24.07	5.29	19.53	36.43
Operating Profit	299.64	192.70	207.66	256.80	393.22
Interest	332.41	363.97	326.51	472.56	293.59
Exceptional Items	0.00	0.00	0.00	1283.40	0.00
PBDT	-32.77	-171.27	-118.85	1067.64	99.63
Depreciation	68.52	75.41	58.30	158.32	71.82
Profit / Loss from ordinary activities before tax	-101.29	-246.68	-177.15	909.32	27.81
Tax	49.07	-56.57	-42.80	99.06	53.17
Current Tax	0.00	0.29	0.07	7.41	0.13
Deferred Tax	38.50	-80.35	-42.87	97.61	37.51
Prior Period / Year Tax	10.57	23.49	0.00	-0.44	0.00
Mat Credit	0.00	0.00	0.00	-5.52	15.53
PAT	-150.36	-190.11	-134.35	810.26	-25.36
Shares of Associates	-53.42	-49.77	18.87	10.77	14.01
Consolidated Net Profit	-203.78	-239.88	-115.48	821.03	-11.35
Equity Capital					
Equity Capital	141.42	141.42	141.42	141.42	141.42
Face Value (IN RS)	10.00	10.00	10.00	10.00	10.00
Reserves	321.13	529.25	773.54		



Two Buzzing Stocks

HCL TECHNOLOGIES LTD.

BSE Code : 532281

52 Week High / Low : ₹1,073.55/₹639

Face Value : ₹2

HCL Technologies Ltd is a leading global IT services company, which is ranked amongst the top five Indian IT services companies in terms of revenue. It mainly focusses on three segments namely, IT & business services (ITBS-72 per cent of revenue), engineering and R&D services (ERS-17 per cent) & products & platforms (P&P-12 per cent). In terms of geography, the revenue mix includes America – 58 per cent, Europe – 27 per cent along with India and rest of the world (RoW) – 15 per cent.

In Q4FY21, the company recorded net new bookings of USD 3.1 billion and registered total net new bookings of USD 7.3 billion in FY21. As per the management, this is a record high & broad-based pipeline, which is a good indicator for healthy growth in the near term. On January 5, 2021, HCL had acquired a 100

per cent stake in DWS Limited, a leading Australian IT, business & management consulting group for USD 120.5 million with an aim to enhance its presence in Australia and New Zealand regions. Mode 2 services have grown at a strong pace of 6 per cent QoQ USD in Q4FY21 and 20.4 per cent YoY in FY21. In FY21, Mode 3 services revenue too grew in double digits while the demand for the same is expected to grow, going forward.

The company plans to focus on geographies like Australia, Canada, France, Germany, and Japan, which are large IT spend markets with growing demand for outsourcing services. Also, there are emerging markets like Brazil, Mexico, South Korea, and Spain, which are looking for partners to address IT demand thereby, placing ample opportunities for HCL Technologies. The company plans to tap USD 300 billion cloud market opportunity by 2023 by launching 'Cloud Smart'.

From its 52-week low level of Rs 639 in July 2020, the stock of HCL Technologies has recovered by 68 per cent.



IDFC First Bank

BSE Code : 539437

52 Week High / Low : ₹69.30/₹26

Face Value : ₹10

In January 2018, erstwhile IDFC Bank and erstwhile Capital First announced a merger. The shareholders of erstwhile Capital First were to be issued 13.9 shares of the merged entity for every one share of erstwhile Capital First. Thus, IDFC FIRST Bank was founded as a new entity by the merger of the two afore-mentioned banks on December 18, 2018.

For the full year, the total net interest income (NII) increased by 21 per cent to Rs 7,380 crore in FY21 from Rs 6,076 crore in FY20. The net interest margin (NIM) for FY21 was at 4.98 per cent as compared to 3.91 per cent in FY20. The total provisions stood at Rs 2,638 crore in FY21 as compared to Rs 4,754 crore in FY20. The net profit for FY21 was Rs 452 crore as compared to the loss of Rs 2,864 crore in FY20. Bank's gross NPA marginally improved

by 3 bps to 4.15 per cent as of March 31, 2021, as compared to 4.18 per cent as of December 31, 2020. Also, its net NPA improved by 18 bps to 1.86 per cent as of March 31, 2021, from 2.04 per cent as of December 31, 2020. Bank's gross & net NPA were 2.60 per cent and 0.94 per cent, respectively as of March 31, 2020, which increased in FY21 due to COVID-19 impact.

The total customer deposits increased 43 per cent to Rs 82,725 crore as of March 31, 2021, as compared to Rs 57,719 crore as of March 31, 2020. CASA ratio improved to 51.75 per cent as of March 31, 2021, as compared to 31.87 per cent as of March 31, 2020, and 48.31 per cent as of December 31, 2020. The total funded loan assets stood at Rs 1,17,127 crore as on March 31, 2021, compared to Rs 1,07,004 crore and Rs 1,10,469 crore as of March 31 & December 31, 2020, respectively. Retail loan book increased to Rs 73,673 crore as of March 31, 2021, compared to Rs 57,310 crore as on March 31, 2020.

From its 52-week low level of Rs 26 in July 2020, the stock of IDFC First Bank had recovered by 167 per cent by making a 52-week high of Rs 69.30 in March 2021.





Market Statistics

DIVIDEND BECOME EX-DATED IN FORTHCOMING DAYS

Company Name	Dividend (%)	Ex Div Date	Company Name	Dividend (%)	Ex Div Date
CRISIL	800	03-Aug-2021	MishtannFood	0.1	29-July-2021
LT Infotech	1000	30-July-2021	HCLTechnolog	300	27-July-2021
GoldnLaminat	50	29-July-2021	Angel Brokin	51.5	23-July-2021

NET INVESTMENT IN EQUITY MARKETS (₹/CR)

Days	FII's	DII's
22-July-2021	-2782.38	NA
20-July-2021	-2278.56	NA
19-July-2021	-423.65	NA
16-July-2021	383.16	NA
15-July-2021	-1224.53	439.41
14-July-2021	69.91	1335.91
13-July-2021	-490.70	344.19
12-July-2021	-1003.51	447.42
09-July-2021	-640.81	106.55
08-July-2021	661.10	-949.18
07-July-2021	1035.81	-231.80
06-July-2021	438.89	521.30
05-July-2021	-2509.57	645.59
02-July-2021	-114.41	930.39
01-July-2021	-1120.02	880.60

EX-BONUS

Company Name	Ex-Bonus Date	Current Holding	Ratio Offered
Redington (India)	18-July-2021	1	1
Dhunseri Tea & Industries	05-Aug-2021	2	1
Maan Aluminium	02-Aug-2021	1	1
Globe Textiles (India)	29-July-2021	1	2
Power Grid Corporation of India	29-July-2021	3	1
Tide Water Oil Company India	26-July-2021	1	1

SPLIT DECLARED IN LAST FEW DAYS

Company Name	Date Of Announcement	Old Face Value	New Face Value
Kotak Gold ETF	22-July-2021	10	1
Moksh Ornaments	14-July-2021	10	2
Motilal Oswal NASDAQ 100 ETF	17-June-2021	10	1

CONTINUOUSLY MOVING UP

Company Name	July-22	July-20	July-19	July-16	July-15
CAMBRID.SOLU	134.20	118.60	114.90	96.35	91.15
DATAMAT.TECH	317.00	313.35	300.90	250.75	219.10
ADD SHOP PRO	116.50	105.95	88.30	85.90	84.95
ALMONDZ CAP	48.10	46.60	41.95	38.45	37.40
BLUECHIP TEX	128.65	108.75	108.05	104.90	101.80

RECENT ANNOUNCEMENTS

BSE : Bombay Stock Exchange (BSE) has launched trading in delivery based futures contract in steel billets, which will provide a risk hedging instrument to stakeholders. The futures contract was designed jointly with Steel Users Federation of India (SUF) keeping in mind the industry participants needs and participation.

Tata Consumer Products : It has set up tea packaging unit at Gopalpur in Ganjam district in the southern part of Odisha. The plant was commissioned in a span of 18 months with an investment of Rs 100 crore. It will provide employment opportunities to more than 900 persons and it will be developed as the largest tea packaging plant in the country. It has a production capacity of 15 million kg of tea, which will be further enhanced to 50 million kg. The unit will cater to the needs of Odisha, Andhra Pradesh, Karnataka, Tamil Nadu, Telangana, besides the states in central India.

Glenmark Pharmaceuticals : Its arm named Glenmark Life Sciences is on track to more than double its capacity over the next four years at a cumulative investment of over Rs 600 crore. The capacity expansion is on the back of company's plan to enter more regulated growth markets like Brazil, Mexico, Russia, Korea, Taiwan and Saudi Arabia. The move is also part of company's bid to cash in on from many global formulation makers (tablets, capsules, injectables, syrups etc.) bid to de-risk their procurement strategies by creating a new raw material source other than China (China plus one), which has led to a major spike in demand for active pharmaceutical ingredients (APIs) from the country.

V-Mart Retail : V-Mart has signed definitive agreements to acquire all of existing running stores of 'Unlimited' from Arvind Lifestyle Brands (ALBL), a wholly owned subsidiary of Arvind Fashions (AFL) for cash consideration. The company will acquire the assets of all stores, warehouse, inventory as well as the store brand 'Unlimited' at their book value, with an estimated outlay of about Rs 150 crore at closing, and certain contingent payments based on certain milestones achieved in these stores over next few years, post the acquisition.

Sangam India : It has received approval from board of directors for installation of 32832 spindles for manufacture of cotton yarn at Spinning Unit-II, Village Sareri Bhillwara (Raj). The total cost of the project will be Rs 137.25 crore which proposed to be funded partly by Term Loans of Rs 102 crore and balance by internal accruals.

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