

HSIE Results Daily

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Results Reviews

- **Reliance Industries:** Our ADD rating on RIL with a price target of INR 1,992/sh is premised on (1) induction of Facebook, Google, Intel and Qualcomm as partners in Jio Platform, which should enable the company to 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) a clear path to a stronger balance sheet, (4) potential stake sale in Reliance Retail.
- **State Bank of India:** SBIN's 1Q was ahead of estimates across fronts, aided by margin improvement, high treasury gains, and lower provisions. Asset quality improvement was optical, and COVID-19 provisions seem inadequate. Our conservative earnings estimates, consequently, remained mostly unchanged. Asset quality trends and capital raising (given SBIN's weak capital base and RoAE profile) should be watched for. The term of SBIN's current chairman is set to end in Oct-20, which creates additional uncertainty. However, SBIN has one of the strongest deposit franchises, and this, along with inexpensive valuation, drives our BUY rating (SoTP value of Rs 286).
- **Cholamandalam Investment & Finance:** CIFIC's 1QFY21 performance was ahead of our estimates on account of lower provisions. The management believes that COVID-19 related provisions made in 4QFY20 are sufficient. While we have reduced our provision estimates, they remain conservative. CIFIC's 1QFY21 disbursal performance is creditable, given the challenging environment. The company remains our top NBFC pick, its ability to access funds, strong capital position, and diversified portfolio will enable the company to capture resurgent growth. Maintain BUY with a target price of Rs 249 (2.2x FY22E ABV).
- **Teamlease Services:** Teamlease delivered an in-line revenue and better margin performance in what is being termed as a tough quarter. The impact of the pandemic was felt on core staffing (-14.4% QoQ) and specialised staffing (-5.3% QoQ). The core staffing headcount fell by 14.5% QoQ but was better than expected. EBIT margin expanded 56bps QoQ to 1.4% (estimate of 1.3%), led by tight cost control, higher core employee productivity, and increasing mark-up. The cash generation (OCF/EBITDA at 80%) improved due to lower withholding tax. Teamlease has ~40% exposure to high impacted verticals like infra, manufacturing, ENU, auto, and retail. The exposure to less impacted verticals like BFSI, agri, chemicals, essential retail, pharma, hospitality, and telecom is at ~60%. Recovery is expected in 2H with a flat 2Q.
- **Karur Vysya Bank:** KVB's 1QFY20 earnings were ahead of estimates, buoyed by higher-than-expected treasury gains. Even though the bank has seen elevated stress over an elongated period, asset quality risks are likely to remain elevated in the near term, especially with the sticky moratorium portfolio. Elevated provisions will depress return ratios in the near term; consequently, we assign a target multiple of just 0.6x FY22E. The appointment of new the MD & CEO, removes concerns around the leadership void at the bank. We maintain REDUCE with a target price of Rs 35.

HSIE Research Team

hdfcsec-research@hdfcsec.com

Reliance Industries

Strengthened Balance Sheet

Our ADD rating on RIL with a price target of INR 1,992/sh is premised on (1) induction of Facebook, Google, Intel and Qualcomm as partners in Jio Platform, which should enable the company to 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) a clear path to a stronger balance sheet, (4) potential stake sale in Reliance Retail.

- RIL** reported standalone EBITDA/PAT of INR 71/98bn, -48/+18% YoY. During the quarter, (1) INR 44bn was received from British Petroleum (BP) as part consideration for the sale of 49% stake in RIL's Petro Retail Marketing business (disclosed as an exceptional item), (2) INR 16bn worth of tax credit was availed, which arose out of the planned restructuring of the Oil to Chemicals business. Ex-adjustments, PAT was INR 38bn (-55% YoY), which was 19% below estimates owing to 10/11% lower-than-anticipated petchem production and per ton EBITDA.
- Standalone refining segment:** Crude throughput declined 5/9% YoY/QoQ to 16.6mmt. GRM stood at USD 6.3/bbl, down from USD 8.9/bbl in 4Q. The sequential decline in refining margin was driven by lower cracks across products. RIL's GRMs outperformed Singapore GRM by USD 7.2/bbl (as against USD 7.7/bbl in 4Q).
- Standalone petrochemical segment:** Production during 1Q was 8.9mmt, +2/-10% YoY/QoQ. Petchem EBITDA was INR 43bn, down 50/30% YoY/QoQ given pricing pressure because of disruptions in the local and global markets. EBITDA/t stood at INR 4,860 (vs. INR 9,851/6,063 YoY/QoQ).
- Rjio:** Revenue grew by ~42/12% YoY/QoQ to INR 166bn. ARPU rose to INR 140 (+15/8% YoY/QoQ) while the gross/net subscriber addition was ~15/10mn. We expect ARPU to increase to INR 148/161 in FY21/22E owing to tariff hike in Dec-19.
- Reliance Retail (RR):** COVID-19 induced pain was palpable for RR's non-essentials categories. Both Consumer Electronics and Fashion & Lifestyle segments declined 70/71% YoY to INR 62/33bn as 52-65% of stores remained non-operational in 1Q. However, the grocery business grew 5% YoY to INR 100bn (estimate INR 60bn) and was relatively lesser impacted given its dominance in tier 2/3 cities vs. big city retailers, such as D-MART (-34% YoY). 1Q sales fell 17% YoY, and EBITDA margin contracted 214bps YoY to 3.8% (estimate 4%), given unfavourable operating leverage. We assign an SOTP-based fair value of INR 2.4tn (EV) implying 23x Jun-FY22E EV/EBITDA (INR 374/sh) (includes 2x Jun-22E EV/Sales for JioMart INR 133bn).

Financial Summary – Consolidated

YE Mar (INR bn)	1QFY21	4QFY20	QoQ(%)	1QFY20	YoY (%)	FY20	FY21E	FY22E	FY23E
Net Sales	883	1,365	(35.3)	1,580	(44.1)	5,967	4,579	5,662	6,491
EBITDA	169	220	(23.4)	216	(21.9)	882	698	947	1,075
PAT	129	66	96.6	101	27.8	427	333	546	646
Diluted EPS(INR)	14.2	16.8	(15.3)	17.1	(16.8)	67.4	51.7	80.7	95.5
P/E (x)						30.7	39.9	25.6	21.6
EV / EBITDA (x)						17.8	19.5	13.5	11.5
RoE (%)						10.2	7.0	10.1	10.5

Source: Company, HSIE Research

ADD

CMP (as on 31 July 2020)	INR 2,067
Target Price	INR 1,992
NIFTY	11,073

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,560	INR 1,992
EPS %	FY21E	FY22E
	-16.4	-5.5

KEY STOCK DATA

Bloomberg Code	RIL IN
No. of Shares (mn)	6,339
MCap (INR bn) / (\$ mn)	13,104/175,154
6m avg traded value (INR mn)	34,626
52 Week high / low	INR 2,199/867

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	42.3	47.8	78.9
Relative (%)	30.8	55.5	78.6

SHAREHOLDING PATTERN (%)

	Jun-20	Mar-20
Promoters	50.37	50.07
FIs & Local MFs	13.61	13.81
FPIs	24.72	24.05
Public & Others	11.30	12.07
Pledged Shares	0.0	0.0

Source : BSE

Harshad Katkar
 harshad.katkar@hdfcsec.com
 +91-22-6171-7319

Nilesh Ghuge
 Nilesh.ghuge@hdfcsec.com
 +91-22-6171-7342

Jay Gandhi
 jay.gandhi@hdfcsec.com
 +91-22-6171-7320

Divya Singhal
 divya.singhal@hdfcsec.com
 +91-22-6171-7348

Rutvi Chokshi
 rutvi.chokshi@hdfcsec.com
 +91-22-6171-7356

State Bank of India

Inexpensive valuations

SBIN's 1Q was ahead of estimates across fronts, aided by margin improvement, high treasury gains, and lower provisions. Asset quality improvement was optical, and COVID-19 provisions seem inadequate. Our conservative earnings estimates, consequently, remained mostly unchanged. Asset quality trends and capital raising (given SBIN's weak capital base and RoAE profile) should be watched for. The term of SBIN's current chairman is set to end in Oct-20, which creates additional uncertainty. However, SBIN has one of the strongest deposit franchises, and this, along with inexpensive valuation, drives our BUY rating (SoTP value of Rs 286).

- 1QFY21 highlights:** After a steep 18% QoQ fall in 4QFY20, NII grew 17% QoQ, 11.9% ahead of estimates. PPOP was 2.2% lower QoQ, but 11% ahead of estimates. PAT grew 81.2/17% and was ~19% ahead of our estimates.
- Deposit traction:** At 16/6.5% YoY/QoQ, deposit growth was strong (despite the rate reduction), aided by 15.4/5.4% TD growth and a 17/8% SA growth. Strong QoQ deposit growth is not common for SBIN in 1Q and is indicative of polarisation in the deposit market, from which SBIN stands to benefit.
- Asset quality and moratorium trends:** GNPA's dipped 23/13% to ~Rs 1.3tn (5.4%). However, this improvement is optical, as slippages (68bps) were depressed by the standstill classification benefit, and write-offs were elevated (+27.5/20.8%). The management expects corporate recoveries of the order of Rs 100-120bn in 2HFY20, where the bank has 100% coverage. As per the management, 9.5% (vs. 24% earlier) of the total book was under moratorium. Despite the sharp drop in the moratorium, we continue to factor elevated slippages of ~3.3% over FY21-22E.
- Non-tax provisions:** At Rs 125bn (+36.1/-7.4%), non-tax provisions were surprisingly low. SBIN made ~Rs 18.4bn of COVID-19 related provisions in 1Q, taking the total stock of such provisions to Rs 30bn (just 13bps of advances). We believe that these provisions are insufficient, especially given SBIN's asset quality track record. We expect non-tax provisions to average 1.96% of loans over FY21-22E.

Financial summary

YE Mar (Rs bn)	1Q		YoY (%)	4Q		FY19	FY20	FY21E	FY22E
	FY21	FY20		FY20	QoQ (%)				
NII	266.4	229.4	16.1%	227.7	17.0%	883.5	980.8	1,021.5	1,099.4
PPOP	180.6	132.5	36.3%	184.7	-2.2%	554.4	681.3	678.0	724.4
PAT	41.9	23.1	81.2%	35.8	17.0%	8.6	144.9	108.6	209.8
EPS (Rs)	4.7	2.6	81.2%	4.0	17.0%	1.0	16.2	12.2	23.5
ROAE (%)						0.4	6.4	4.6	8.3
ROAA (%)						0.02	0.38	0.27	0.48
ABVPS (Rs)						146.1	175.2	169.7	209.6
P/ABV (x)						0.56	0.43	0.44	0.35
P/E (x)						85.1	4.59	6.19	3.13

Change in estimates

Rs bn	FY21E			FY22E		
	Old	New	Change	Old	New	Change
Loans	24,483	24,483	0.0%	26,568	26,568	0.0%
NIM (%)	2.9	2.9	0 bps	2.9	2.8	-7 bps
NII	1,016.5	1,021.5	0.5%	1,110.4	1,099.4	-1.0%
PPOP	645.8	678.0	5.0%	714.4	724.4	1.4%
PAT	104.9	108.6	3.6%	206.2	209.8	1.7%
ABVPS (Rs)	166.5	169.7	1.9%	206.7	209.6	1.4%

Source: Bank, HSIE Research

BUY

CMP (as on 31 July 2020)	Rs 193
Target Price	Rs 286
NIFTY	11,073

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	Rs 277	Rs 286
	FY21E	FY22E
EPS %	3.6%	1.7%

KEY STOCK DATA

Bloomberg code	SBIN IN
No. of Shares (mn)	8,925
MCap (Rs bn) / (\$ mn)	1,709/22,838
6m avg traded value (Rs mn)	14,960
52 Week high / low	Rs 351/149

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	0.5	(39.9)	(42.4)
Relative (%)	(11.0)	(32.2)	(42.7)

SHAREHOLDING PATTERN (%)

	Mar-20	Jun-20
Promoters	57.6	57.6
FIs & Local MFs	24.6	24.5
FPIs	9.6	7.9
Public & Others	8.2	10.0
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Darpan Shah

darpan.shah@hdfcsec.com
+91-22-6171-7328

Aakash Dattani

aakash.dattani@hdfcsec.com
+91-22-6171-7337

Punit Bahlani

punit.bahlani@hdfcsec.com
+91-22-6171-7354

Cholamandalam Investment & Finance

A mostly good show

CIFC's 1QFY21 performance was ahead of our estimates on account of lower provisions. The management believes that COVID-19 related provisions made in 4QFY20 are sufficient. While we have reduced our provision estimates, they remain conservative. CIFC's 1QFY21 disbursement performance is creditable, given the challenging environment. The company remains our top NBFC pick, its ability to access funds, strong capital position, and diversified portfolio will enable the company to capture resurgent growth. Maintain BUY with a target price of Rs 249 (2.2x FY22E ABV).

- Funding and liquidity trends:** CIFC reported a 6.2/6.4% YoY/QoQ growth in borrowings to Rs 585bn. After declining significantly over the past two quarters, CPs outstanding saw a sharp QoQ growth (~2.5x) but were 25.7% lower YoY. Bank borrowings grew 43.2% - the fastest-growing borrowing sub-segment (YoY). Even though cash and cash equivalents rose 37.7/15.7% to Rs 80bn (available liquidity was ~Rs 110bn, including undrawn lines), the ALM position seems to have worsened QoQ, with shrinkage in cumulative quarterly surpluses across buckets. This may be on account of changes in anticipated inflows from advances. However, we do not find this worrisome as the company has been consistently well-placed on this front.
- Moratorium and asset quality trends:** The 7.7% QoQ fall in GS-III to ~Rs 20bn (3.3%) appears promising. However, this would have been assisted by the standstill classification. Further, ~74% of the portfolio remains under moratorium and ~50% of borrowers under moratorium paid at least one instalment. As sporadic local lockdowns occur across the country, flows from the moratorium portfolio will be watched.
- Provisions:** After the spike in 4QFY20, surprisingly, non-tax provisions registered a 48.7/89.9% fall to Rs 562mn. The management felt that it had adequately provided for COVID-19 related stress (in 4QFY20) and that coverage on GS-III (41.6%, -510/+12bps), more than adequately captured expected LGDs. However, given that ~50% of the moratorium borrowers have not paid a single instalment, and sporadic lockdowns across the country, we have conservatively factored in non-tax provisions of 1.4% of average assets over FY21-22E.
- Margin trends:** NIMs dipped 40/50bps to 6.1%, as the fall in yields (-80/-90bps) outpaced the fall in CoF (-40/30bps). CIFC maintained a higher proportion of liquid assets in the quarter, and these assets saw a significant decline in yields. This, along with certain write-offs in the VF portfolio was responsible for the dip in overall yields. We expect CIFC to earn NIMs of 6.4% over FY21-22E.

Financial Summary

(Rs mn)	1Q FY21	1Q FY20	YoY (%)	4Q FY20	QoQ (%)	FY19	FY20	FY21E	FY22E
Net Interest Inc.	9,403	8,240	14.1	9106.5	3.3	29,868	35,319	38,732	41,209
PPOP	6,371	5,925	7.5	6,140	3.8	21,344	24,831	26,198	27,180
PAT	4,309	3,142	37.1	427	910.1	11,862	10,524	12,336	14,039
EPS (Rs)	5.3	4.0	30.8	0.5	910.0	15.2	12.1	15.0	17.1
ROAE (%)						21.1	13.8	14.1	14.1
ROAA (%)						2.34	1.63	1.90	2.03
ABVPS (Rs)						68.1	84.2	93.0	114.1
P/ABV (x)						2.97	2.40	2.18	1.78
P/E (x)						13.3	16.7	13.4	11.8

Source: Company, HSIE Research

BUY

CMP (as on 31 July 2020)	Rs 203
Target Price	Rs 249
NIFTY	11,073

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	Rs 235	Rs 249
EPS %	FY21E 10.5%	FY22E 3.1%

KEY STOCK DATA

Bloomberg code	CIFC IN
No. of Shares (mn)	820
MCap (Rs bn) / (\$ mn)	166/2,218
6m avg traded value (Rs mn)	1,971
52 Week high / low	Rs 349/117

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	27.0	(38.2)	(22.0)
Relative (%)	15.5	(30.5)	(22.3)

SHAREHOLDING PATTERN (%)

	Mar-20	Jun-20
Promoters	51.7	51.7
FIs & Local MFs	25.8	25.8
FPIs	12.2	11.9
Public & Others	10.3	10.6

Pledged Shares

Source : BSE

Darpin Shah

darpin.shah@hdfcsec.com
+91-22-6171-7328

Aakash Dattani

aakash.dattani@hdfcsec.com
+91-22-6171-7337

Punit Bahlani

punit.bahlani@hdfcsec.com
+91-22-6171-7354

Teamlease Services

Recovery on the cards

Teamlease delivered an in-line revenue and better margin performance in what is being termed as a tough quarter. The impact of the pandemic was felt on core staffing (-14.4% QoQ) and specialised staffing (-5.3% QoQ). The core staffing headcount fell by 14.5% QoQ but was better than expected. EBIT margin expanded 56bps QoQ to 1.4% (estimate of 1.3%), led by tight cost control, higher core employee productivity, and increasing mark-up. The cash generation (OCF/EBITDA at 80%) improved due to lower withholding tax. Teamlease has ~40% exposure to high impacted verticals like infra, manufacturing, ENU, auto, and retail. The exposure to less impacted verticals like BFSI, agri, chemicals, essential retail, pharma, hospitality, and telecom is at ~60%. Recovery is expected in 2H with a flat 2Q.

We like the company's low-risk business model (non-outcome based) and diversified exposure across sectors. Factors such as (1) formalisation of jobs, (2) vendor consolidation, (3) focus on collect & pay, (4) cost-cutting by enterprises, and (5) client diversification will benefit market leaders like Teamlease. There is further scope for margin expansion through productivity benefits and a better business mix. Teamlease's ability to grow ~15-20% organically, focus on driving productivity through automation, lower funding exposure, domestic focus, and high management pedigree are the reasons it can command a premium valuation. The stock is trading at a PE of 40.2/28.6x FY21/22E. Our target price of Rs 2,120 is based on 30x June-22E EPS (5Y average P/E of ~35x). Maintain BUY.

- **1QFY21 highlights:** Revenue stood at Rs 11.36bn, down 14.6% QoQ, vs our estimate of Rs 11.53bn. Core/Specialised/HR services revenue was down 14.4/5.3/57.2% QoQ. The mark-up increased to Rs 761 (+1.7% QoQ), and the associate to core ratio increased to 283 (+7.2% QoQ). EBITDA margin for core/specialised stood at 2.0/8.6%, an expansion of -20/+252bps QoQ.
- Salary funding exposure at 14% is the lowest in the industry. The Teamlease PF trust has an exposure of Rs 1.73bn towards two bankrupt NBFCs, which is a risk. The company has not made any provisions regarding the same.

Quarterly Financial summary

YE March (Rs bn)	1Q FY21	1Q FY20	YoY (%)	4Q FY20	QoQ (%)	FY19	FY20	FY21E	FY22E	FY23E
Net Revenue	11.36	12.51	-9.2	13.3	-14.6	44.48	52.01	47.79	57.87	70.74
EBIT	0.16	0.17	-4.2	0.12	40.5	0.84	0.67	0.75	1.03	1.41
APAT	0.17	0.19	-11.3	0.20	-15.2	0.98	0.85	0.79	1.11	1.51
Diluted EPS (Rs)	10.0	11.3	-11.3	11.8	-15.2	57.3	49.5	46	64.8	88.3
P/E (x)						32.3	37.4	40.2	28.6	21.0
EV / EBITDA (x)						32.1	33.0	28.6	21.7	16.3
RoE (%)						20.0	15.2	12.8	15.6	17.9

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

Rs Bn	FY21E Old	FY21E Revised	Change %	FY22E Old	FY22E Revised	Change %
Revenue	48.59	47.79	-1.6	58.33	57.87	-0.8
EBIT	0.69	0.75	8.1	1.01	1.03	2.4
EBIT margin (%)	1.4	1.6	14bps	1.7	1.8	6bps
APAT	0.77	0.79	2.1	1.11	1.11	-0.6
EPS (Rs)	45.0	46.0	2.1	65.1	64.8	-0.6

Source: Company, HSIE Research

BUY

CMP (as on 31 Jul 2020) Rs 1,850

Target Price Rs 2,120

NIFTY 11,073

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	Rs 1,950	Rs 2,120
EPS %	FY21E	FY22E
	+2.1	-0.6

KEY STOCK DATA

Bloomberg code	TEAM IN
No. of Shares (mn)	17
MCap (Rs bn) / (\$ mn)	32/423
6m avg traded value (Rs mn)	51
52 Week high / low	Rs 3,200/1,415

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	15.6	(28.4)	(30.7)
Relative (%)	4.1	(20.8)	(31.0)

SHAREHOLDING PATTERN (%)

	Mar-20	Jun-20
Promoters	40.02	40.02
FIs & Local MFs	10.50	11.01
FPIs	40.78	39.89
Public & Others	8.70	9.08
Pledged Shares	0.49	0.49

Source : BSE

Pledged shares as % of total shares

Amit Chandra

amit.chandra@hdfcsec.com

+91-22-6171-7345

Apurva Prasad

apurva.prasad@hdfcsec.com

+91-22-6171-7327

Vinesh Vala

vinesh.vala@hdfcsec.com

+91-22-6171-7332

Karur Vysya Bank

Pain inevitable

KVB's 1QFY20 earnings were ahead of estimates, buoyed by higher-than-expected treasury gains. Even though the bank has seen elevated stress over an elongated period, asset quality risks are likely to remain elevated in the near term, especially with the sticky moratorium portfolio. Elevated provisions will depress return ratios in the near term; consequently, we assign a target multiple of just 0.6x FY22E. The appointment of new the MD & CEO, removes concerns around the leadership void at the bank. We maintain REDUCE with a target price of Rs 35.

- 1QFY21 highlights:** NII dipped 3.8/4.9% YoY/QoQ, in line with estimates. PPOP grew 6.5% YoY, but dipped 5.2% QoQ, and was 17.9% ahead of estimates, buoyed by treasury income (Rs 1.8bn, +30%QoQ).
- Funding trends:** After a sharp and inexplicable QoQ dip in 4QFY20, deposits grew just 1.7% QoQ (-2.7% YoY). A 7.4/1% dip in term deposits led this trend. SA grew 13.5/5.6% and CA grew 12.3% QoQ (-1% YoY). Performance on this front is disappointing, given that most banks have seen much better deposit growth this quarter. The bank's CRAR rose 215/97bps to 18.1% (Tier 1 at 16.1%) as a result of a fall in RWAs (-5.2% QoQ).
- Asset quality and moratorium:** GNPA's dipped 10.1/3.7% to Rs 40.6bn (8.3%); however, this improvement was optical, as slippages (just Rs 400mn, 35bps ann., vs. 3.7% QoQ) were depressed by the standstill classification. KVB's moratorium portfolio remained sticky, with ~41% of loans under moratorium (vs. 52% earlier). Of the Rs 86.3bn of term loans under the moratorium, borrowers representing ~34% of these loans made no payments. The sticky moratorium portfolio, given the bank's asset quality track record, is concerning. Asset quality risks will be heightened in the near term, and we expect slippages of 4.5% over FY21E.
- Non-tax provisions** dipped 21.4% QoQ to Rs 3.4bn, led by a 35.6% fall in LLPs. PCR improved 1238/385bps to 60.9%. KVB made COVID-19 related provisions of Rs 730mn, (total stock of such provisions to Rs 1.2bn, i.e. 26bps of advance). We expect provisions to remain elevated at 2.4% over FY21-22E.

Financial summary

YE Mar (Rs mn)	1Q FY21	1Q FY20	YoY (%)	4Q FY20	QoQ (%)	FY19	FY20	FY21E	FY22E
NII	5,618	5,840	-3.8%	5,905	-4.9%	23,628	23,479	24,559	26,470
PPOP	4,739	4,451	6.5%	4,998	-5.2%	17,108	17,609	17,563	17,726
PAT	1,055	729	44.7%	837	26.0%	2,109	2,350	3,231	4,582
EPS (Rs)	1.3	0.9	44.7%	1.0	26.0%	2.6	2.9	4.0	5.7
ROAE (%)						3.3	3.6	4.9	6.7
ROAA (%)						0.31	0.34	0.46	0.61
ABVPS (Rs)						50.1	59.9	51.1	62.8
P/ABV (x)						0.70	0.58	0.68	0.56
P/E (x)						13.2	11.9	8.6	6.1

Change in estimates

Rs mn	FY21E			FY22E		
	Old	New	Change	Old	New	Change
Loans	483,752	484,499	0.2%	531,922	532,982	0.2%
NIM (%)	3.7	3.8	1 bps	3.8	3.8	1 bps
NII	24,452	24,559	0.4%	26,318	26,470	0.6%
PPOP	16,683	17,563	5.3%	17,771	17,726	-0.3%
PAT	3,228	3,231	0.1%	4,582	4,582	0.0%
ABVPS (Rs)	51.1	51.1	-0.2%	61.9	62.8	1.5%

Source: Bank, HSIE Research

REDUCE

CMP (as on 31 July 2020)	Rs 35
Target Price	Rs 35
NIFTY	11,073

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	Rs 35	Rs 35
	FY21E	FY22E
EPS %	0.1%	0.0%

KEY STOCK DATA

Bloomberg code	KVB IN
No. of Shares (mn)	799
MCap (Rs bn) / (\$ mn)	28/369
6m avg traded value (Rs mn)	59
52 Week high / low	Rs 65/18

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	18.1	(27.9)	(45.1)
Relative (%)	6.6	(20.3)	(45.4)

SHAREHOLDING PATTERN (%)

	Mar-20	Jun-20
Promoters	2.1	2.1
FIs & Local MFs	22.8	22.1
FPIs	21.6	21.1
Public & Others	53.5	54.7

Pledged Shares

Source : BSE

Pledged shares as % of total shares

Darpin Shah

darpin.shah@hdfcsec.com
+91-22-6171-7328

Aakash Dattani

aakash.dattani@hdfcsec.com
+91-22-6171-7337

Punit Bahlani

punit.bahlani@hdfcsec.com
+91-22-6171-7354

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
Divya Singhal	Reliance Industries	CA	NO
Rutvi Chokshi	Reliance Industries	CA	NO
Darpin Shah	State Bank of India, Cholamandalam Investment & Finance, Karur Vysya Bank	MBA	NO
Aakash Dattani	State Bank of India, Cholamandalam Investment & Finance, Karur Vysya Bank	ACA	NO
Punit Bahlani	State Bank of India, Cholamandalam Investment & Finance, Karur Vysya Bank	ACA	NO
Amit Chandara	Teamlease Services	MBA	NO
Apurva Prasad	Teamlease Services	MBA	NO
Vinesh Vala	Teamlease Services	MBA	NO

Disclosure:

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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066 Compliance Officer: Binkle R. Oza Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

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HDFC securities**Institutional Equities**

Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,

Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Board: +91-22-6171-7330 www.hdfcsec.com