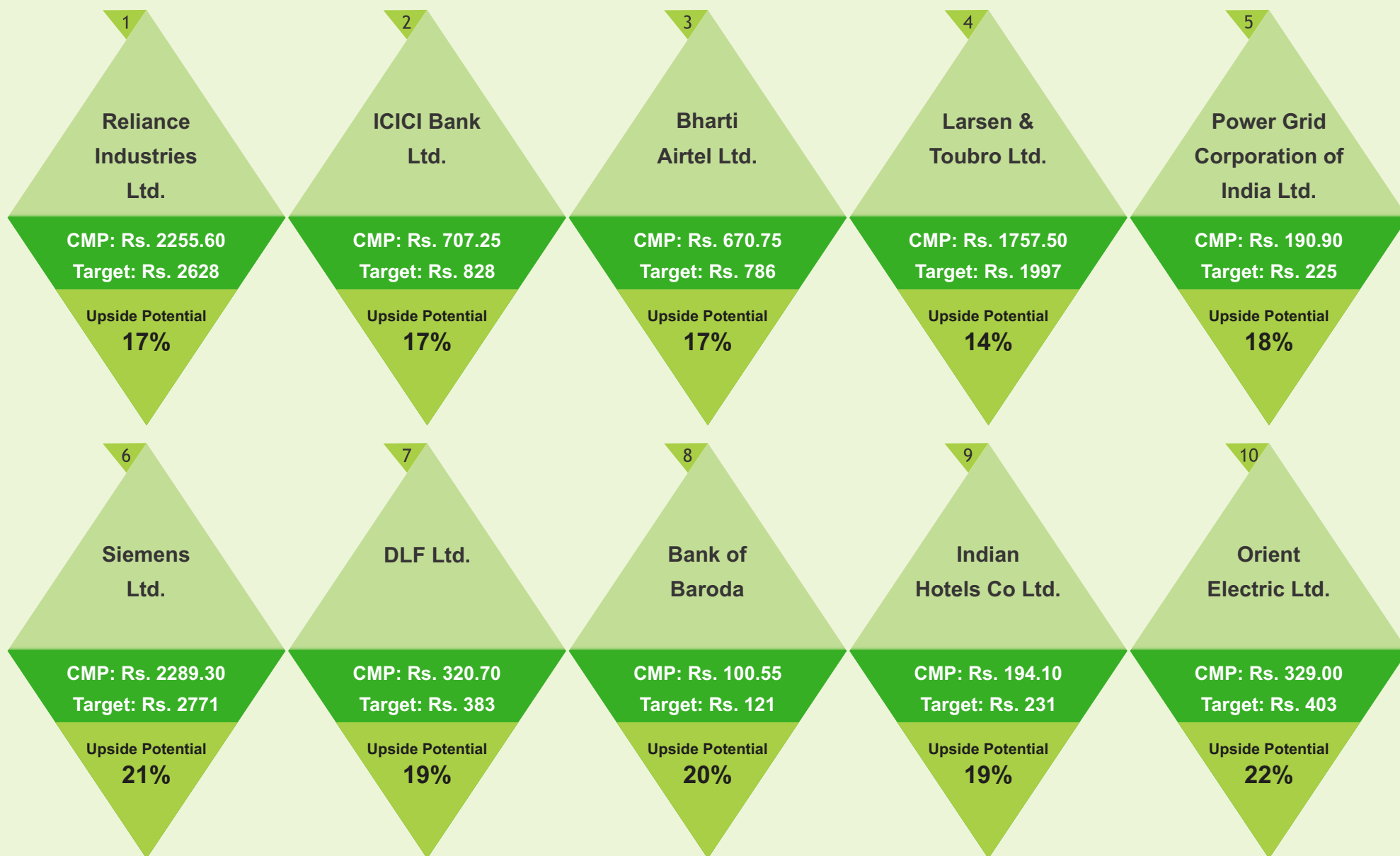




**“Be Fearful When Others Are Greedy and  
Greedy When Others Are Fearful”  
- Warren Buffett**



**Note:** All calls are recommended with a time horizon of 8 to 10 months

# Reliance Industries Ltd.

CMP  
Rs. 2255.60

Target  
Rs. 2628

Upside Potential  
17%

The company has achieved outstanding operational and financial performance as compared to previous quarter with recovery in petrochemicals and retail segment, and sustained growth in Digital Services business. Retail business activity has normalized with strong growth in key consumption baskets as lockdowns has eased across the country. The company continues to pursue growth initiatives in each of businesses with a focus on the India opportunity. During the December quarter FY2022, it has posted best-ever quarterly performance with strong contribution from all its businesses. Its consumer businesses, Retail and Digital services has recorded highest ever revenues and EBITDA. During this quarter, it has continued to focus on strategic investments and partnerships across its businesses to drive future growth. Its digital services business has delivered broad based and profitable growth through improved customer engagement and subscriber mix. The company plans to invest Rs 5 trillion to set up 100 GW renewable represent future growth visibilities.

The recovery in global oil and energy markets supported strong fuel margins and helped O2C business deliver robust earnings. The company is focusing on high margin digital business and fast growing retail business. On the retail front, it is expanding store foot print and setting up robust omni channel presence. In 3QFY2022, it added 837 stores taking the total to 14412 and 73 new supply chain locations. Store footfall also improved to 95% of pre-covid levels, up 30% over last year. On the digital business front, the company witnessed healthy gross subscriber addition of 34.6 Mn offset by SIM consolidation. It reported significant increase in ARPU to ₹ 151.6 with improving subscriber mix and tariff hike. Per capita data and voice consumption increases to 18.4 GB and 901 minutes per month. Thus, it is expected that the stock will see a price target of Rs.2628 in 8 to 10 months time frame on a target P/BVx of 23x and FY23 BVPS of Rs.114.28.

# ICICI Bank Ltd.

CMP  
Rs. 707.25

Target  
Rs. 828

Upside Potential  
17%

The business of the bank increased at strong pace of 16% yoy to Rs 1831458 crore at end December 2021, supported by robust loans growth of 16% at Rs 813992 crore. Meanwhile, the deposits growth was also robust at 16% at Rs 1017467 crore at end December 2021. Domestic advance book grew at strong pace of 18% yoy to Rs 773615 crore, while the overseas advance book declined 6% at Rs 40677 crore at end December 2021. With the healthy corporate loan growth, the share of retail book in the overall advance book eased to 62% at end December 2021 from 65.63% at end December 2020. NIM of the bank was nearly stable on sequential basis at 3.96% in Q3FY2022, while improved from 3.67% in the corresponding quarter last year. Bank has posted healthy 23% increase in NII at Rs 12236.04 crore for the quarter ended December 2021. Interest income increased 12% to Rs 22082.60 crore, while interest expenses were flat at Rs 9846.56 crore. Provisions and contingencies declined 27% to Rs 2007.30 crore in Q3FY2022 from Rs 2741.72 crore in Q3FY2021. Bank has exhibited healthy improvement asset quality with decline in fresh slippages of advances in Q3FY2022. Fresh slippages declined to Rs 4018 crore in Q3FY2022 from Rs 5578 crore a quarter ago. Fresh slippages ratio eased to 1.97% (annualized percentage of advance) against 2.92% a quarter ago. Net NPAs declined by 10.0% qoq to Rs 7344 crore end December 2021 from Rs 8161 crore end September 2021. The net NPA ratio declined to 0.85% end December 2021 from 0.99% end September 2021.

The bank is focusing on growing the core operating profit in a risk calibrated manner instead of loan growth. The bank aims to improve share of profitable market opportunities by making delivery to the customer more seamless and frictionless through digitization and process improvements. Business performance of the bank such as domestic loan growth, overall corporate advances, retail loan growth, CASA ratio are continuously improving. Thus, it is expected that the stock will see a price target of Rs.828 in 8 to 10 months' time frame on a one year average P/BVx of 3.01x and FY23 BVPS of Rs.275.02.

# Bharti Airtel Ltd.

CMP  
Rs. 670.75

Target  
Rs. 786

Upside Potential  
17%

It has delivered another quarter of sustained performance across all of its business segments. Overall sequential revenue growth was at 5.4% and EBITDA margins came in at 49.9%. The recent tariff revision for mobile services has gone well and the management of the company continues to believe that the mobile industry ARPUs (Average Revenue Per User) are not sustainable and should improve to Rs 200 in the near term, and Rs 300 in the longer term. The telecom company said it continues to garner strong share of the 4G customers in the market. 4G data customers increased by 18.1% YoY to 195.5 million. The company added 29.9 million 4G customers to its network over last year. Meanwhile, total customer base in India stood at 356 million at the end of Q3 FY22. The full impact of the revised mobile tariffs, however, will be visible in the fourth quarter. Its Enterprise, Homes and Africa business continue to deliver strongly, with steady increase in contribution to the overall mix of the portfolio. Its balance sheet is robust and the company is now generating healthy free cash flows. This has enabled it to recently prepay some of its spectrum liabilities to the Government thereby reducing the interest burden.

Google's recent investment is a strong validation of Airtel's role in being a leading pioneer of India's digital revolution. As part of the partnership, Google is committed to equity investment as well as a corpus for potential commercial agreements, to be identified and agreed on mutually agreeable terms over the course of the next five years. Moreover, its emerging digital services portfolio across Airtel IQ, AdTech, digital market place, Nxtra and digital banking positions the company well to improve the financial growth of the company in future. The Net Debt-EBITDA ratio (annualized), including the impact of leases as on 31 December 2021 stood at 2.67 times as compared to 3.03 times as on 31 December 2020. Thus, it is expected that the stock will see a price target of Rs.786 in 8 to 10 months' time frame on a two year average P/BVx of 4.82x and FY23 BVPS of Rs.163.10.

# Larsen & Toubro Ltd.

CMP  
Rs. 1757.50

Target  
Rs. 1997

Upside Potential  
14%

The company will maintain leadership in the E&C segment in India and is positioned to benefit from the large infrastructure spending in India, over the medium term. Moreover, the company is likely to maintain its healthy cash accrual despite the challenging market conditions for the E&C segment. The management of the company expects the company will continue to aggressively pursue opportunities for growth, both in domestic and international markets. The focus would be on large project wins, efficient execution of its large order book, productive utilization of its monetary resources, all targeted to ensure a sustainable business model. Government focus on key sectors of Water, Power T&D, Metro/RRTS, Railways, Roads and Expressways augurs well even though private sector falls short. Large part of the orders in the water and power T&D are from states but that in metro, roads, expressways are largely from central sector. According to the management, the company continues to see its order inflow traction majorly from Water, Heavy Engineering, and Power T&D & Transportation infra through market share gain in difficult times by leveraging its strong balance sheet. Hence, there is a potential for L&T to surprise on the upside on order inflows.

The consolidated order book of the group was at Rs 340,365 crore as of 31 December 2021, at record levels, with international orders having a share of 24%. Recently, the L&T Hydrocarbon arm wins a 'significant' contract and the company classified it as a 'significant' contract, meaning that the order value is between Rs 1,000 crore and Rs 2,500 crore. The scope of work comprises Engineering, Procurement, Construction, Installation, and Commissioning for the expansion of a marine terminal and replacement of electrical switchgear and protection equipment at existing facilities. L&T said it is executing several domestic and international offshore projects. Thus, it is expected that the stock will see a price target of Rs.1997 in 8 to 10 months' time frame on target P/BVx of 3.10x and FY23 BVPS of Rs.644.28.

# Power Grid Corporation of India Ltd.

CMP  
Rs. 190.90

Target  
Rs. 225

Upside Potential  
18%

The company plans to invest Rs. 10,000-Rs. 12,000 crore each in smart meters and distribution infrastructure in the next 3-4 years. The country targets installation of 25 crore smart meters at an investment of Rs 22500 crore. The outlay for distribution infra augmentation is about Rs 1.5 lakh crore. It has floated a separate telecom subsidiary wherein it will foray into the data center business by leveraging on the land bank available at various substations. It has completed the Raigarh-Pugalur-Trichur HVDC scheme with power transfer capacity of 6,000 MW in the quarter. The recently won 5GW Leh-Kaithal transmission project (Rs.29,000 crores) under RTM route and other upcoming opportunities worth Rs.25,750 crores under TBCB (tariff based, competitive bidding) provide revenue visibility. PGCIL also plans to tap opportunities in the Smart Metering space. Out of the annual capex target of Rs.7,500 crores, more than 95% (Rs.7,188 crores) has been expended during 9M FY22. The management of the company plans capex of Rs.7,500-8500 crores in FY23. PGCIL added 18 new customers last quarter in the Telecom business and its consultancy business won 2 new International and 3 new Domestic assignments.

**Looking at the substantial growth opportunities in the Indian power transmission sector, PGCIL is geared up to garner a substantial portion of the business potential in the sector, the company should maintain a robust financial performance, despite the planned debt-funded capex, backed by strong operating efficiency and the regulated tariff regime. The company should also continue to benefit from its strategic importance to India's power sector, given its role in developing and operating the national power transmission network. Thus, it is expected that the stock will see a price target of Rs.225 in 8 to 10 months' time frame on a target P/BVx of 2x and FY23 BVPS of Rs.112.72.**

# Siemens Ltd.

CMP  
Rs. 2289.30

Target  
Rs. 2771

Upside Potential  
21%

During the quarter ended December 2021, new Orders from continuing operations stood at Rs. 5,300 crore, a 65.3% increase over the same period last year. The Company's Order Backlog stood at a healthy Rs. 15,575 crore. All its businesses demonstrated very strong growth. New Orders booked in the quarter included approximately Rs. 900 crore booked for the electrical and mechanical system works of the Pune Metro Rail Line 3 corridor from Hinjewadi to Shivajinagar. The Company is executing this order as part of a consortium, together with Siemens AG, Siemens Mobility GmbH and Alstom Transport India Limited. While Revenues were marginally impacted due to delays in offtake by customers on account of COVID-19 and supply chain challenges resulting from global shortage of semiconductors, profit was impacted due to continuing increases in commodity prices and lower Forex gains than in the previous year. However, the company continues to be cautiously optimistic about the increase in demand across all the businesses.

The company's strong market position is supported by access to the latest technology and brand equity of its parent, diverse product portfolio, wide geographical reach and established track record of timely execution of projects. According to the management of the company, as Government investment in infrastructure continues and capacity utilization levels increase, the company believes tendering for private sector capex will pick up in the months ahead. This will provide further impetus to its continued strategy of profitable growth. Thus, it is expected that the stock will see a price target of Rs.2771 in 8 to 10 month time frame on a target P/BV of 8.70x and FY22E BVPS of Rs.318.55.

# DLF Ltd.

CMP  
Rs. 320.70

Target  
Rs. 383

Upside Potential  
19%

DLF has developed 153 real estate projects and developed an area of approximately 330 million square feet. DLF Group has 215 msf (approx.) of development potential across residential and commercial segment. The group has an annuity portfolio of over 35 msf (approx.). The housing segment continues to exhibit sustained momentum leading to strong business performance in the residential segment. During Q3FY22, it has clocked record New Sales in the quarter amounting to Rs 2,018 crore, reflecting a Y-o-Y growth of 97%. Cumulative sales bookings for nine-month period stood at Rs 4,544 crore, demonstrating a strong rebound in this segment. Strong housing demand and a gradual recovery across the rental business will drive growth. The company continues to be enthused by these developments and tread towards scaling up both its businesses across the residential and rental segments. Its quality offerings, strategic land bank backed by a strong balance sheet allows a competitive advantage to leverage this growth cycle and scale up business.

The strong business growth and aggressive hiring plans by IT/ITeS will continue to aid in the recovery and growth of this segment. The management believes that the long-term fundamentals for the business and attractiveness of India as a service market remain intact. The retail business continues to exhibit fast recovery. All its malls are now operational, however, with certain restrictions. It is witnessing a steady increase in the footfalls and expects growth in consumption across all the segments. Thus, it is expected that the stock will see a price target of Rs.383 in 8 to 10 months' time frame on a one-year average P/BVx of 2.41x and FY23 BVPS of Rs.158.95.

# Bank of Baroda

CMP  
Rs. 100.55

Target  
Rs. 121

Upside Potential  
20%

Net Interest Income (NII) increased to Rs 8,552 crore in Q3FY22 as against Rs 7,477 crore in Q3FY21, registering a growth 14.38% YoY. Global NIM increased to 3.13% in Q3FY22 from 2.77% in Q3FY21. The bank's provisions and contingencies (excluding tax provisions) fell 27.33% to Rs 2,507.04 crore in Q3 December 2021 over Q3 December 2020. The bank's gross non-performing assets (NPAs) stood at Rs 55,996.77 crore as on 31 December 2021 as against Rs 59,503.82 crore as on 30 September 2021 and Rs 63,181.55 crore as on 31 December 2020. The ratio of gross NPAs to gross advances stood at 7.25% as on 31 December 2021 as against 8.11% as on 30 September 2021 and 8.48% as on 31 December 2020. The ratio of net NPAs to net advances stood at 2.25% as on 31 December 2021 as against 2.83% as on 30 September 2021 and 2.39% as on 31 December 2020. The Provision Coverage Ratio of the Bank stood at 85.95%. During the quarter, domestic deposits grew 5% to Rs 8,76,555 crore while domestic advances rose 3.36% to Rs 6,54,315 crore. Domestic CASA up by 12.86% YoY and domestic CASA ratio improved by 308 bps YoY. Retail loan portfolio of the bank grew by 11.13% led by growth in Personal loan portfolio by 46.39%, Auto loan by 20.54% and Education loan by 13.86% on a YoY basis. Agriculture loan portfolio reached to Rs 1,05,694 crore, marked a YoY growth of 9.58%. MSME portfolio increased to Rs 92,668 crore grew by 2.39% on a YoY basis.

According to the management, retail loan growth will continue to be ahead of corporate loan growth. Its sizable deposits from the overseas branch and total deposits across the geography have grown. Moreover, Bank of Baroda is one of the largest PSU banks with a strong domestic presence spanning 8,192 branches and 11,637 ATMs and Cash Recyclers supported by self-service channels. Thus, it is expected that the stock will see a price target of Rs.121 in 8 to 10 months' time frame on a target P/BVx of 0.70x and FY23 BVPS of Rs.172.5.

# Indian Hotels Co Ltd.

CMP  
Rs. 194.10

Target  
Rs. 231

Upside Potential  
19%

Indian Hotels Company and its subsidiaries bring together a group of brands and businesses that offer a fusion of warm Indian hospitality and world-class service. These include Taj – the iconic brand for the most discerning travelers and the World's Strongest Hotel Brand as per Brand Finance 2021, SeleQtions, a named collection of hotels, Vivanta, sophisticated upscale hotels, and Ginger, which is revolutionizing the lean luxe segment. Recently, it has announced the addition of its second hotel in Rishikesh with the signing of a new SeleQtions resort. Moreover, Resort chain Leisure Hotels Group, which has a portfolio of 29 properties spanning North India, has partnered with IHCL-backed Ginger hotels to launch a new hotel in Greater Noida. Ginger will operate the 72-room hotel while Leisure Hotels Group will continue to manage the outdoor banquet halls and lawns for bespoke events. It has also expanded the presence of Qmin “youngest brand” – its food delivery platform — to 19 cities delivering favorites from across 37 hotels and over 78 IHCL restaurants across India. Qmin app is also available across nine countries globally, giving people overseas the opportunity to gift meals to loved ones in India.

The company is offering an “asset right” model for its hotels and resorts, wherein it continues to build on the existing synergistic relationship with IHCL to monetize its assets to realize its full potential. Thus, it is expected that the stock will see a price target of Rs.231 in 8 to 10 months’ time frame on a target P/BVx of 5.6x and FY23 BVPS of Rs.41.20.

# Orient Electric Ltd.

CMP  
Rs. 329.00

Target  
Rs. 403

Upside Potential  
22%

The company holds the second position in the Indian Fan market and ~20% share of the organized market, and is the largest exporter of fans from India (as maintained by the Company). Recently, it has launched Falcon 425, fastest fan in the 1200 mm sweep size in the country with an astounding 425 RPM thus ensuring exceptional air delivery and air throw. Building on positive momentum witnessed on the demand front in Q3 FY22, the Company expects channel stocking to resume in Q4 FY22, due to the traditional stock rotation cycle across multiple SKUs carried out by channel partners in preparation of the peak summer season. The construction of OEL’s Greenfield manufacturing plant at Hyderabad is expected to break ground. Besides, it is also implementing a multi-pronged strategy around distribution, product portfolio strengthening, channel expansion, digitization and cost optimization that will harness quality growth, where the gains in top line will be accompanied by improved bottom line margins.

The government’s focus on infrastructure spending and expected resurgence in institutional demand imply the B2B business will do well in future. Also, with the increasing inclination towards aspirational lifestyle, consumers today are looking for best-in-class branded products that offer them the pride of ownership. Thus, it is expected that the stock will see a price target of Rs.403 in 8 to 10 months time frame on a three year average P/BVx of 13.53x and FY23 BVPS of Rs.29.77.

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