

Crompton Greaves CE

Refer to important disclosures at the end of this report

Good show in tough times

CMP: Rs 247
as of (July 27, 2020)

TP: Rs 271 (▲)
12 months

Rating: BUY (■)

Upside: 10.0 %



We appreciate your support in the [Asiamoney Brokers Poll 2020](#)

- Better-than-expected recovery in June led to a 12% beat over consensus revenue estimates. June saw strong recovery in Fans, Pumps, Appliances and the Consumer Lighting segment. Crompton continued to gain market share in Fans and B2C lighting.
- Efficiency improvement and increased efforts in driving cost-optimization programs offset adverse operating leverage and restricted EBITDA margin decline. Gross margin improved 88bps qoq, while it remained stable yoy.
- Strict working capital control helped cash generation in Q1. As per management, demand in July'20 is trending well, showing improvement mom, although the B2B segment remains under pressure. Intermittent lockdowns pose a threat to sustained demand recovery.
- Market share gains and stable margins despite a sharp decline in revenue are key positives. The strong beat in Q1 numbers makes us raise FY21E EPS by 10.6%. Maintain Buy with a revised TP of Rs271 (32x Sept'22E EPS). We are OW on Crompton in EAP.

June recovery better than expected: Revenue declined 47% yoy to Rs7.1bn. ECD segment saw a 44% decline yoy, while the Lighting segment's revenue declined 57% yoy. The B2C portfolio, which includes Fans, Pumps, Appliances and Lighting, saw a revival in June, whereas the B2B lighting business remained under pressure due muted order wins and execution delays. EBITDA stood at Rs988mn (-49% yoy), while EBITDA margins stood at 13.9% (-13bps yoy). Cost-saving initiatives restricted negative operating leverage. Other opex and employee expenses declined 63% yoy and 12% yoy, respectively. PAT stood at Rs737mn – down 40% yoy – on lower ETR.

Outlook: July is tracking well with demand conditions on uptrend on mom basis. However, intermittent lockdowns across states are a demand dampener that also prevent from getting clarity on demand trend normalization. Cost optimization during the lockdown period should normalize with the improvement in sales, while savings from some cost-reduction measures are permanent in nature and would be ploughed back into the business to revive sales. The recovery in B2B continues to be hazy. Sustained improvement in LED bulb prices and a reduction in warranty period (as indicated in channel checks) should help margin improvement in the Lighting segment. We have revised our multiple to 32x from 30x as consistent market share gains and healthy margin delivery deserves better valuations. Strong cash position and tough demand scenario could attract inorganic opportunities for management to expand into new product categories. Key risks: demand slowdown, market share loss, slow execution of new product launches, Covid-19-led disruption in supply chain and commodity price inflation.

Please see our sector model portfolio (Emkay Alpha Portfolio): [Consumer Durables \(Page 11\)](#)

Financial Snapshot (Consolidated)

(Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	44,789	45,120	42,210	47,282	52,565
EBITDA	5,858	5,969	5,639	6,430	7,201
EBITDA Margin (%)	13.1	13.2	13.4	13.6	13.7
APAT	4,025	4,947	4,116	5,006	5,638
EPS (Rs)	6.4	7.9	6.6	8.0	9.0
EPS (% chg)	34.9	22.8	(16.8)	21.6	12.6
ROE (%)	42.6	38.6	25.8	26.6	25.5
P/E (x)	38.4	31.3	37.6	30.9	27.5
EV/EBITDA (x)	26.4	25.5	26.6	22.8	19.9
P/BV (x)	14.1	10.5	9.0	7.6	6.5

Source: Company, Emkay Research



Change in Estimates

EPS Chg FY21E/FY22E (%)	10.6/1.9
Target Price change (%)	15.5
Target Period (Months)	12
Previous Reco	BUY

Emkay vs Consensus

	EPS Estimates	
	FY21E	FY22E
Emkay	6.6	8.0
Consensus	6.0	7.8
Mean Consensus TP (12M)	Rs 256	

Stock Details

Bloomberg Code	CROMPTON IN
Face Value (Rs)	2
Shares outstanding (mn)	627
52 Week H/L	301 / 177
M Cap (Rs bn/USD bn)	155 / 2.07
Daily Avg Volume (nos.)	9,56,775
Daily Avg Turnover (US\$ mn)	2.9

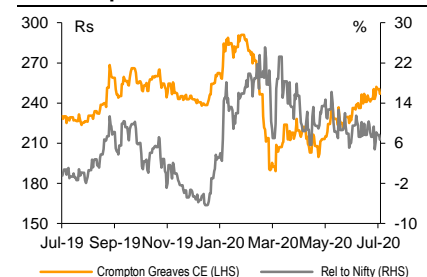
Shareholding Pattern Jun '20

Promoters	26.2%
FIIs	29.9%
DIIIs	25.7%
Public and Others	18.2%

Price Performance

(%)	1M	3M	6M	12M
Absolute	4	14	(6)	10
Rel. to Nifty	(3)	(5)	3	11

Relative price chart



Source: Bloomberg

This report is solely produced by Emkay Global. The following person(s) are responsible for the production of the recommendation:

Naval Seth

naval.seth@emkayglobal.com
+91 22 6624 2414

Aakash Fadia

aakash.fadia@emkayglobal.com
+91 22 6612 1241

Exhibit 1: Actual vs. Estimates (Q1FY21)

(Rs mn)	Actual	Estimate (Emkay)	Consensus estimate (Bloomberg)	% variation		Comment
				Emkay	Consensus	
Revenue	7,132	5,413	6,384	32%	12%	Strong recovery in June across the B2C portfolio led to revenue beat
EBITDA	988	379	437	161%	126%	Improved efficiency and aggressive cost-saving initiatives led to strong EBITDA beat
EBITDA Margin	13.9%	7.0%	6.8%	686 bps	701 bps	
PAT	737	223	306	231%	141%	Lower ETR and higher EBITDA led to PAT beat

Source: Company, Emkay Research

Exhibit 2: Quarterly financials

Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY (%)	QoQ (%)
Electrical consumer durables	10,729	7,881	7,870	7,411	5,965	(44.4)	(19.5)
Lighting products	2,739	2,877	2,843	2,770	1,166	(57.4)	(57.9)
Net Sales	13,468	10,758	10,713	10,181	7,132	(47.0)	(29.9)
Raw Material	9073	7327	7290	6961	4814	(46.9)	(30.8)
as % of sales	67.4	68.1	68.0	68.4	67.5		
Employee Cost	819.8	810.0	773.6	706.1	720.0	(12.2)	2.0
as % of sales	6.1	7.5	7.2	6.9	10.1		
Other operating expenses	1655	1326	1281	1129	610	(63.1)	(46.0)
as % of sales	12.3	12.3	12.0	11.1	8.6		
Total Expenditure	11548	9463	9344	8796	6144	(46.8)	(30.2)
EBITDA	1921	1295	1369	1385	988	(48.5)	(28.6)
Depreciation	57.8	63.9	64.2	82.0	79.9	38.2	(2.6)
EBIT	1863	1231	1304	1303	908	(51.2)	(30.3)
Other Income	173	122	174	119	188	8.3	57.4
Interest	149.9	87.1	87.2	82.5	107.8	(28.1)	30.7
PBT	1886	1267	1391	1339	988	(47.6)	(26.2)
Tax	660	154	-219	341	251	(62.0)	(26.4)
PAT before MI	1226	1113	1610	998	737	(39.9)	(26.2)
Minority interest	0.0	0.0	0.0	0.0	0.0		
PAT	1226	1113	1610	998	737	(39.9)	(26.2)
Margins (%)						(bps)	(bps)
Gross Margin	32.6	31.9	32.0	31.6	32.5	(13)	88
EBIDTA	14.3	12.0	12.8	13.6	13.9	(40)	26
EBIT	13.8	11.4	12.2	12.8	12.7	(109)	(6)
EBT	14.0	11.8	13.0	13.2	13.9	(15)	70
PAT	9.1	10.3	15.0	9.8	10.3	123	53
Effective Tax rate	35.0	12.1	(15.8)	25.5	25.4	(960)	(5)

Source: Company, Emkay Research.

Exhibit 3: Segment-wise quarterly financials

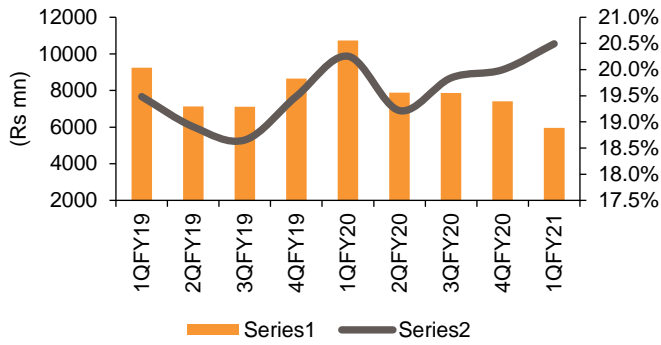
Rs mn	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	YoY (%)	QoQ (%)
Electrical consumer durables	10,729	7,881	7,870	7,411	5,965	(44.4)	(19.5)
Lighting products	2,739	2,877	2,843	2,770	1,166	(57.4)	(57.9)
Total Sales	13,468	10,758	10,713	10,181	7,132	(47.0)	(29.9)
PBIT							
Electrical consumer durables	2173.2	1514.4	1561.4	1482.0	1222.5	(43.7)	(17.5)
Lighting products	141.0	150.8	195.5	192.7	54.5	(61.3)	(71.7)
Total PBIT	2,314	1,665	1,757	1,675	1,277	(44.8)	(23.7)
Finance Costs							
Finance Costs	149.9	87.1	87.2	82.5	107.8	(28.1)	30.7
Unallocable expense	278	312	279	253	181	(34.9)	(28.5)
as % of sales	2.1	2.9	2.6	2.5	2.5		
Exceptional Items	0	0	0	0	0		
PBT	1886	1267	1391	1339	988	(47.6)	(26.2)
PBIT Margins (%)							
						(bps)	(bps)
Electrical consumer durables	20.3	19.2	19.8	20.0	20.5	24	50
Lighting products	5.1	5.2	6.9	7.0	4.7	(47)	(228)
Total PBIT	17.2	15.5	16.4	16.4	17.9	72	146

Source: Company, Emkay Research.

Other highlights

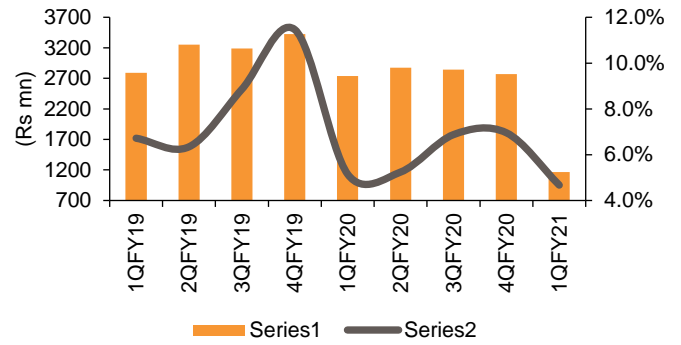
- In Q1FY21, ECD revenues saw a decline of 44.4% yoy as the Covid-19 lockdown had a significant adverse impact on ECD performance in April and May.
- June saw better-than-expected recovery in Fans, Domestic pumps and Appliances. In June, Fan sales scaled back to 85% of pre-Covid levels, Appliances saw 6% volume growth, Agro pumps achieved 25% value growth and Domestic pumps reached 100% of pre-Covid levels.
- EBIT margin of the ECD segment improved 24bps yoy to 20.5% in Q1FY21 despite the decline in revenue. The improvement in EBIT margins was largely due to savings in material costs and benefits accruing from cost-reduction measures.
- The Lighting segment registered a decline of 57% yoy, while the B2B business continued to remain under pressure due to weak execution and muted order inflows from institutions/government. EBIT margin in Lighting at 4.7% was down 47bps yoy and 228bps qoq.
- The company continued to gain market share in Fans and the B2C LED portfolio.
- Gross margins declined 13bps yoy, while they improved 88bps qoq.
- The e-commerce channel witnessed 400% growth in May and June.
- The company has net cash of Rs4,550mn as of Q1FY21 vs. Rs1,460mn as of Q1FY20 and Rs2,370mn as of Q4FY20.

Exhibit 4: ECD segment quarterly revenue and margin



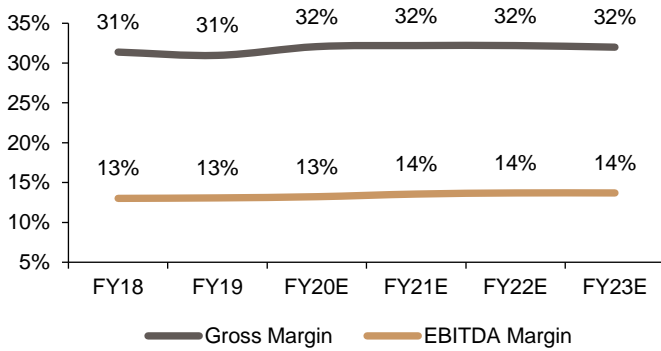
Source: Company, Emkay Research

Exhibit 5: Lighting segment quarterly revenue and margin



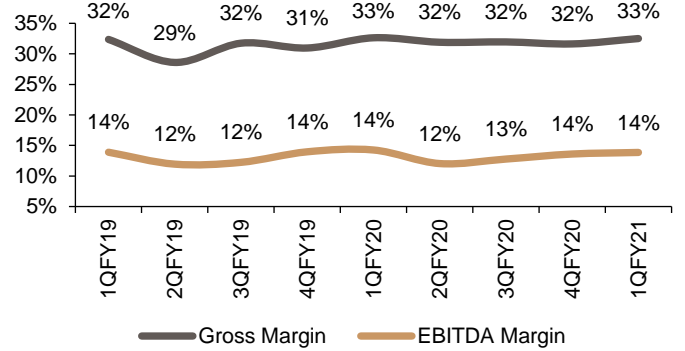
Source: Company, Emkay Research

Exhibit 6: Gross and EBITDA margins



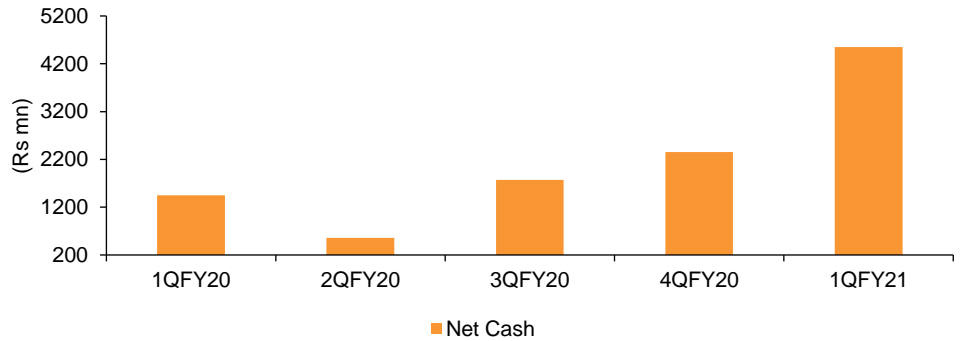
Source: Company, Emkay Research

Exhibit 7: Gross and EBITDA margins quarterly trend



Source: Company, Emkay Research

Exhibit 8: Net cash has seen significant increase in past 4 quarters



Source: Company, Emkay Research

Better-than-expected recovery post the lockdown in May and June has resulted in an increase in revenue estimates, while accelerated cost-optimization measures have resulted in an increase in EBITDA margin estimates.

Exhibit 9: Estimate changes

Particulars (Rs mn)	FY21E			FY22E			FY23E		
	Old	New	% Chg.	Old	New	% Chg.	Old	New	% Chg.
Electrical consumer durables	30022	31879	6.2%	34743	35711	2.8%	38206	39606	3.7%
Lighting	10106	10331	2.2%	11319	11571	2.2%	12677	12959	2.2%
Revenue	40,129	42,210	5.2%	46,062	47,282	2.6%	50,883	52,565	3.3%
EBITDA	5,285	5,639	6.7%	6,250	6,430	2.9%	6,971	7,201	3.3%
EBITDA Margin %	13.2	13.4	19 bps	13.6	13.6	3 bps	13.7	13.7	0 bps
PAT	3721	4116	10.6%	4914	5006	1.9%	5449	5638	3.5%
EPS	5.9	6.6	10.6%	7.8	8.0	1.9%	8.7	9.0	3.5%

Source: Company, Emkay Research

Exhibit 10: Key revenue assumptions

Revenue (Rs mn)	FY18	FY19	FY20	FY21E	FY22E	FY23E
Electrical consumer durables	28281	32136	33890	31879	35711	39606
% yoy growth	-2%	14%	5%	-6%	12%	11%
Lighting Products	12770	12653	11229	10331	11571	12959
% yoy growth	13%	-1%	-11%	-8%	12%	12%
Less: Excise	255	0	0	0	0	0
Total Revenue	40797	44789	45120	42210	47282	52565
% yoy growth	5%	10%	1%	-6%	12%	11%
PBIT (Rs mn)	FY18	FY19	FY20E	FY21E	FY22E	FY23E
Electrical consumer durables	5347	6162	6731	6320	7142	7882
% margin	19%	19%	19.9%	19.8%	20%	20%
Lighting Products	1473	1069	680	700	922	1037
% margin	12%	8%	6.1%	7%	8%	8%
Total PBIT	6820	7230	7411	7020	8065	8918
% margin	17%	16%	16%	17%	17%	17%

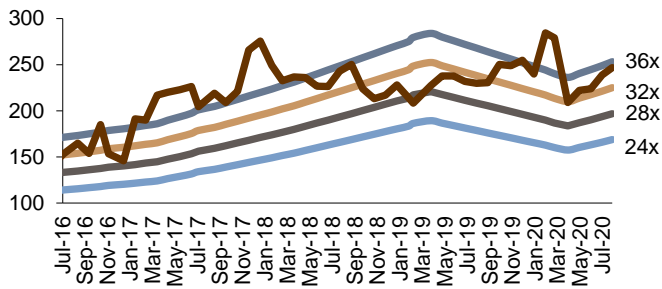
Source: Company, Emkay Research

Conference call highlights

- The company saw steady improvement in business, with May at 70% compared to May'19; June was 90% of last year June. Secondary sales are also showing improving trends. Demand recovery in west India is slow due to stringent lockdowns. The recovery in B2B continues to be a challenge both in terms of order wins and execution.
 - Agri pumps were flat yoy and Domestic pumps saw growth in June. There was strong demand for TWP fans, driven by make-shift hospitals and this demand has moderated now. However, there was not any down-trading in any product offering.
 - Supply chain continues to improve with capacity utilization of 90% compared to last June. Most of the suppliers have commenced operations and distribution is also running smoothly.
 - *Fans market share for April showed continued improvement, while the company gained 100bps share over the last 21 months. The market share in LED Bulbs and Battens also showed better traction.*
 - *Value growth in Fans was higher than volume with improving mix through premium fans.*
 - *Geyser volumes were up 40% yoy in June, while Mixer and Grinders saw 120% growth.*
 - The company continued to see improvement in counter reach in both Fans (50%) and Lighting (20%).
- **July'20: Recovery in July continues with better than June'20 trends. Underlying demand is intact, while operational challenges due to lockdowns are impacting sales. There is still a lack of clarity on normalized business traction due to the rising number of Covid-19 cases.**
 - There is market disturbance due to intermittent lockdowns. A few warehouses are in containment zones, and some markets remain closed. Management expects the situation to remain grim with intermittent lockdowns.
- **Customer preference changes:** 1) channel of purchase and 2) product of preference. E-commerce is currently small for the industry and that is the reason the company is stepping up investments to drive growth through this channel.
- The company has increased R&D spends. It has started manufacturing TPW fans in the Goa plant with the aim of increasing in-house manufacturing.
- **Management reiterated that it will enter a new product category where it can become No.2 player (Geysers, Air Coolers and not targeting Mixer Grinders). The company is actively pursuing inorganic route of expansion.**
- **Cost reduction:** There were three major factors which resulted in cost reduction: 1) decline in variable costs due to lower sales (like after-sales services, logistics, etc.); 2) discretionary spends; and 3) Covid-19-related spend cuts. The company will be restoring ad spends from Q2, while cost savings emanating from improved internal efficiencies will sustain.
 - 'Project Unnati' led cost savings were lower in Q1 due to Covid-19-related impact on sales.
- **Lighting margins:** Margin were supported by - initiatives under cost-reduction programs; favorable mix with lower ESSL LED bulbs and higher battens which have higher margins; and x`pricing stability in the B2C business. The company implemented a price increase of 3-4% from May'20 in B2C lighting (LED bulbs).
 - There is some possibility of price correction in battens and B2B lighting, while management expects margins to remain stable with continued cost reduction.
- **Dividend payout:** There is no change in the dividend policy.

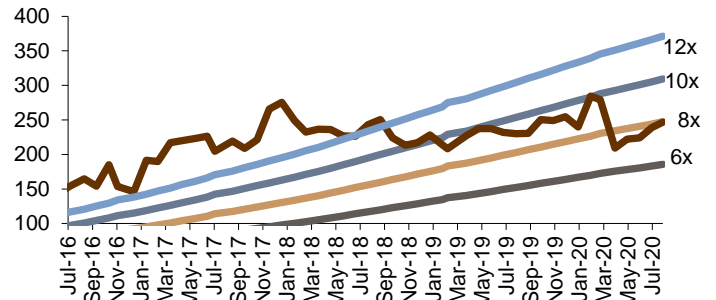
Valuation charts

Exhibit 11: P/E band



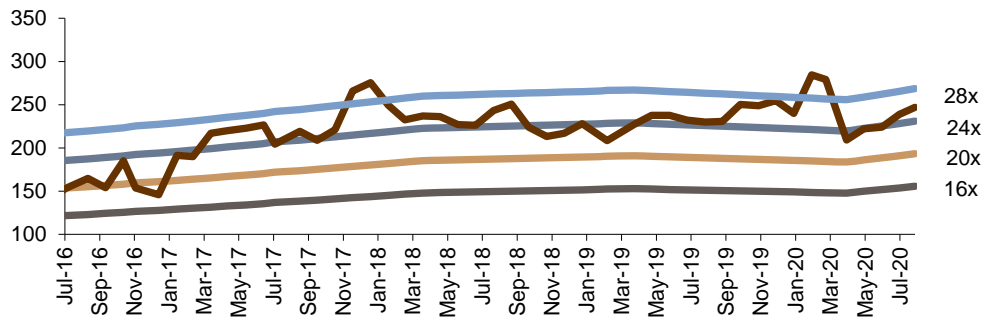
Source: Company, Emkay Research

Exhibit 12: P/B band



Source: Company, Emkay Research

Exhibit 13: EV/EBITDA band



Source: Company, Emkay Research

Key Financials (Consolidated)**Income Statement**

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	44,789	45,120	42,210	47,282	52,565
Expenditure	38,931	39,151	36,571	40,852	45,364
EBITDA	5,858	5,969	5,639	6,430	7,201
Depreciation	129	268	315	339	363
EBIT	5,729	5,701	5,325	6,091	6,838
Other Income	483	589	675	868	967
Interest expenses	596	407	500	270	270
PBT	5,616	5,883	5,500	6,690	7,535
Tax	1,590	936	1,384	1,684	1,897
Extraordinary Items	0	0	0	0	0
Minority Int./Income from Assoc.	0	0	0	0	0
Reported Net Income	4,025	4,947	4,116	5,006	5,638
Adjusted PAT	4,025	4,947	4,116	5,006	5,638

Balance Sheet

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
Equity share capital	1,254	1,255	1,255	1,255	1,255
Reserves & surplus	9,731	13,423	15,993	19,119	22,640
Net worth	10,985	14,678	17,248	20,374	23,895
Minority Interest	0	0	0	0	0
Loan Funds	6,493	3,497	4,997	2,997	2,997
Net deferred tax liability	(597)	(506)	(506)	(506)	(506)
Total Liabilities	16,881	17,669	21,739	22,865	26,386
Net block	8,632	9,090	8,925	8,735	8,522
Investment	5,442	5,538	7,038	7,038	7,038
Current Assets	12,018	12,108	13,928	16,242	21,018
Cash & bank balance	1,424	471	2,990	4,085	7,591
Other Current Assets	0	0	0	0	0
Current liabilities & Provision	9,221	9,265	8,350	9,350	10,391
Net current assets	2,798	2,843	5,578	6,893	10,627
Misc. exp	0	0	0	0	0
Total Assets	16,881	17,669	21,739	22,865	26,386

Cash Flow

Y/E Mar (Rs mn)	FY19	FY20	FY21E	FY22E	FY23E
PBT (Ex-Other income) (NI+Dep)	5,133	5,294	4,825	5,822	6,568
Other Non-Cash items	0	0	0	0	0
Chg in working cap	(1,661)	(908)	(215)	(220)	(229)
Operating Cashflow	3,014	4,211	4,040	4,526	5,076
Capital expenditure	(148)	(915)	(150)	(150)	(150)
Free Cash Flow	2,866	3,296	3,890	4,377	4,926
Investments	(1,766)	(96)	(1,500)	0	0
Other Investing Cash Flow	(283)	406	0	0	0
Investing Cashflow	(1,714)	(17)	(975)	718	817
Equity Capital Raised	0	1	0	0	0
Loans Taken / (Repaid)	7	(2,995)	1,500	(2,000)	0
Dividend paid (incl tax)	(1,512)	0	(1,546)	(1,880)	(2,118)
Other Financing Cash Flow	2,224	(322)	471	2,990	4,085
Financing Cashflow	124	(3,723)	(75)	(1,159)	1,698
Net chg in cash	1,424	471	2,990	4,085	7,591
Opening cash position	1,774	1,424	471	2,990	4,085
Closing cash position	1,424	471	2,990	4,085	7,591

Source: Company, Emkay Research

Key Ratios

Profitability (%)	FY19	FY20	FY21E	FY22E	FY23E
EBITDA Margin	13.1	13.2	13.4	13.6	13.7
EBIT Margin	12.8	12.6	12.6	12.9	13.0
Effective Tax Rate	28.3	15.9	25.2	25.2	25.2
Net Margin	9.0	11.0	9.8	10.6	10.7
ROCE	40.4	36.4	30.4	31.2	31.7
ROE	42.6	38.6	25.8	26.6	25.5
RoIC	62.1	53.1	46.4	52.8	59.2

Per Share Data (Rs)	FY19	FY20	FY21E	FY22E	FY23E
EPS	6.4	7.9	6.6	8.0	9.0
CEPS	6.6	8.3	7.1	8.5	9.6
BVPS	17.5	23.4	27.5	32.5	38.1
DPS	2.4	0.0	2.5	3.0	3.4

Valuations (x)	FY19	FY20	FY21E	FY22E	FY23E
PER	38.4	31.3	37.6	30.9	27.5
P/CEPS	37.2	29.6	34.9	28.9	25.7
P/BV	14.1	10.5	9.0	7.6	6.5
EV / Sales	3.4	3.4	3.6	3.1	2.7
EV / EBITDA	26.4	25.5	26.6	22.8	19.9
Dividend Yield (%)	1.0	0.0	1.0	1.2	1.4

Gearing Ratio (x)	FY19	FY20	FY21E	FY22E	FY23E
Net Debt/ Equity	0.0	(0.2)	(0.3)	(0.4)	(0.5)
Net Debt/EBIDTA	0.0	(0.4)	(0.9)	(1.2)	(1.6)
Working Cap Cycle (days)	11.2	19.2	22.4	21.7	21.1

Growth (%)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	9.8	0.7	(6.4)	12.0	11.2
EBITDA	15.9	1.9	(5.5)	14.0	12.0
EBIT	16.2	(0.5)	(6.6)	14.4	12.3
PAT	34.9	22.9	(16.8)	21.6	12.6

Quarterly (Rs mn)	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21
Revenue	13,468	10,758	10,713	10,181	7,132
EBITDA	1,921	1,295	1,369	1,385	988
EBITDA Margin (%)	14.3	12.0	12.8	13.6	13.9
PAT	1,226	1,113	1,610	998	737
EPS (Rs)	2.0	1.8	2.6	1.6	1.2

Source: Company, Emkay Research

Shareholding Pattern (%)	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20
Promoters	34.4	34.4	26.2	26.2	26.2
FII	28.3	28.1	30.9	30.5	29.9
DII	21.3	22.0	26.9	26.7	25.7
Public and Others	16.1	15.6	16.1	16.6	18.2

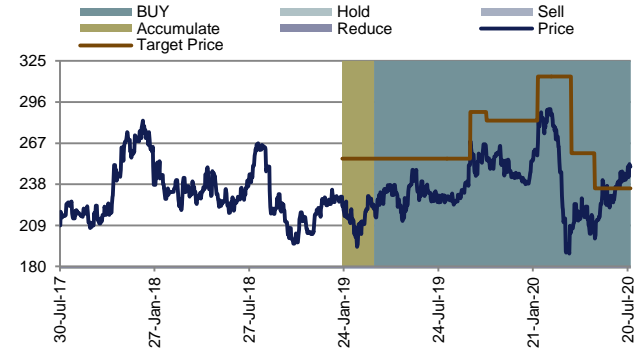
Source: Capitaline

RECOMMENDATION HISTORY TABLE

Date	Closing Price	TP	Period (months)	Rating	Analyst
18-May-20	200	235	12m	Buy	Naval Seth
07-Apr-20	210	260	12m	Buy	Naval Seth
03-Apr-20	207	260	12m	Buy	Naval Seth
16-Mar-20	230	314	12m	Buy	Naval Seth
30-Jan-20	267	314	12m	Buy	Naval Seth
19-Nov-19	265	283	12m	Buy	Naval Seth
24-Oct-19	255	283	12m	Buy	Naval Seth
23-Sep-19	268	289	12m	Buy	Naval Seth
11-Sep-19	232	256	12m	Buy	Naval Seth
25-Jul-19	225	256	12m	Buy	Naval Seth
13-Jun-19	234	256	12m	Buy	Naval Seth
22-May-19	219	256	12m	Buy	Naval Seth
20-May-19	228	256	12m	Buy	Naval Seth
08-Apr-19	227	256	12m	Buy	Naval Seth
23-Mar-19	221	256	12m	Buy	Naval Seth
14-Mar-19	227	256	12m	Accumulate	Naval Seth
30-Jan-19	216	256	12m	Accumulate	Naval Seth
21-Jan-19	223	256	12m	Accumulate	Naval Seth

Source: Company, Emkay Research

RECOMMENDATION HISTORY CHART



Source: Bloomberg, Company, Emkay Research

Emkay Alpha Portfolio – Consumer Durables



Analyst: Naval Seth

Contact Details

naval.seth@emkayglobal.com
+91 22 66242414

Sector

Consumer Durables, Media & Entertainment, SMID and Telecom

Analyst bio

Naval holds an MBA in Finance and has more than 11 years of experience in equity research. His team currently covers 18 stocks spread across three different sectors.

EAP sector portfolio

Company Name	BSE200 Weight	EAP Weight	OW/UW (%)	OW/UW (bps)	EAP Weight (Normalised)
Consumer Durables	0.77	0.77	0%	0	100.00
Amber Enterprises	0.00	0.01	NA	1	0.98
Blue Star	0.00	0.00	NA	0	0.00
Crompton Greaves CE	0.17	0.19	9%	2	24.57
Dixon Technologies	0.00	0.03	NA	3	3.93
Havells India	0.25	0.24	-7%	-2	30.7
V-Guard Industries	0.00	0.00	NA	0	0.00
Voltas	0.23	0.20	-13%	-3	25.64
Whirlpool Of India	0.12	0.11	-7%	-1	14.19
Cash	0.00	0.00	NA	0	0.0

Source: Emkay Research

* Not under coverage: Equal Weight

■ High Conviction/Strong Over Weight ■ High Conviction/Strong Under Weight

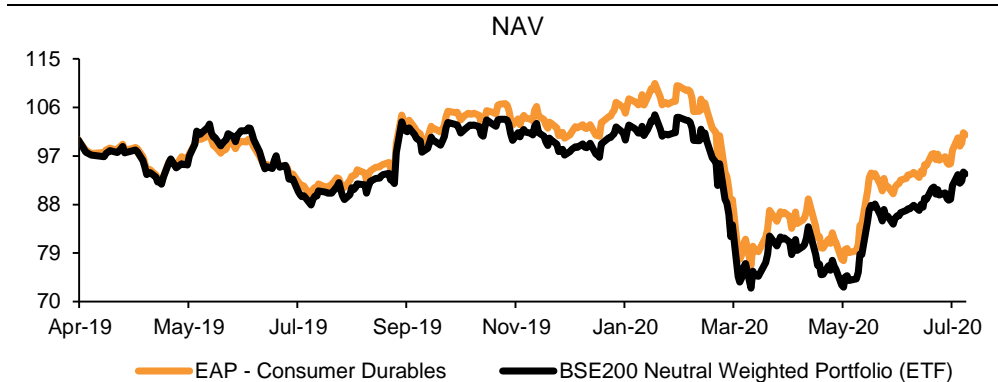
Sector portfolio NAV

	Base					Latest
	1-Apr-19	23-Oct-19	24-Jan-20	24-Apr-20	24-Jun-20	24-Jul-20
EAP - Consumer Durables	100.0	105.1	107.6	84.5	93.5	100.9
BSE200 Neutral Weighted Portfolio (ETF)	100.0	102.8	102.8	79.5	87.2	93.7

*Performance measurement base date 1st April 2019

Source: Emkay Research

NAV chart



Source: Emkay Research

Please see our model portfolio (Emkay Alpha Portfolio): [SMID](#)

Please see our model portfolio (Emkay Alpha Portfolio): [Nifty](#)

“Emkay Alpha Portfolio – SMID and Nifty are a supporting document to the Emkay Alpha Portfolios Report and is updated on regular intervals”

Emkay Rating Distribution

Ratings	Expected Return within the next 12-18 months.
BUY	Over 15%
HOLD	Between -5% to 15%
SELL	Below -5%

Completed Date: 28 Jul 2020 03:42:15 (SGT)

Dissemination Date: 28 Jul 2020 03:43:15 (SGT)

Sources for all charts and tables are Emkay Research unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Emkay Global Financial Services Limited (CIN-L67120MH1995PLC084899) and its affiliates are a full-service, brokerage, investment banking, investment management and financing group. Emkay Global Financial Services Limited (EGFSL) along with its affiliates are participants in virtually all securities trading markets in India. EGFSL was established in 1995 and is one of India's leading brokerage and distribution house. EGFSL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE), MCX Stock Exchange Limited (MCX-SX). EGFSL along with its subsidiaries offers the most comprehensive avenues for investments and is engaged in the businesses including stock broking (Institutional and retail), merchant banking, commodity broking, depository participant, portfolio management, insurance broking and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.emkayglobal.com

EGFSL is registered as Research Analyst with SEBI bearing registration Number INH000000354 as per SEBI (Research Analysts) Regulations, 2014. EGFSL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years, except that NSE had disabled EGFSL from trading on October 05, October 08 and October 09, 2012 for a manifest error resulting into a bonafide erroneous trade on October 05, 2012. However, SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on EGFSL for certain operational deviations in ordinary/routine course of business. EGFSL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

EGFSL offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report

EGFSL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject EGFSL or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to Emkay. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of EGFSL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of EGFSL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

- This publication has not been reviewed or authorized by any regulatory authority. There is no planned schedule or frequency for updating research publication relating to any issuer.
- Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets

Disclaimer for U.S. persons only: This research report is a product of Emkay Global Financial Services Limited (Emkay), which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of Financial Institutions Regulatory Authority (FINRA) or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. This report is intended for distribution to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors.

ANALYST CERTIFICATION BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL)

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible of the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer, director or employee of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant). The research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. EGFSL has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the EGFSL and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of EGFSL compensation to any specific investment banking function of the EGFSL.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interest that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at the arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES BY EMKAY GLOBAL FINANCIAL SERVICES LIMITED (EGFSL):

Disclosures by Emkay Global Financial Services Limited (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report:-

1. EGFSL, its subsidiaries and/or other affiliates do not have a proprietary position in the securities recommended in this report as of July 27, 2020
2. EGFSL, and/or Research Analyst does not market make in equity securities of the issuer(s) or company(ies) mentioned in this Research Report
- Disclosure of previous investment recommendation produced:**
3. EGFSL may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed in the first page of this report to view previous investment recommendations published by EGFSL in the preceding 12 months.
4. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have any material conflict of interest in the securities recommended in this report as of July 27, 2020.
5. EGFSL, its subsidiaries and/or other affiliates and Research Analyst or his/her relative's does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the July 27, 2020
6. EGFSL, its subsidiaries and/or other affiliates and Research Analyst have not received any compensation in whatever form including compensation for investment banking or merchant banking or brokerage services or for products or services other than investment banking or merchant banking or brokerage services from securities recommended in this report (subject company) in the past 12 months.
7. EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst have not received any compensation or other benefits from securities recommended in this report (subject company) or third party in connection with the research report.
8. Securities recommended in this report (Subject Company) has not been client of EGFSL, its subsidiaries and/or other affiliates and/or and Research Analyst during twelve months preceding the July 27, 2020

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	This report is not for distribution into Australia.
Hong Kong	This report is not for distribution into Hong Kong.
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is not for distribution into Malaysia.
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 16800306E) or DBSVS (Company Regn. No. 1860024G) both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an agreement under Regulation 32C of the financial Advisers Regulations. Singapore recipients should contact DBS Bank Ltd at 6327 2288 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.
United Kingdom	This report is disseminated in the United Kingdom by DBS Vickers Securities (UK) Ltd, ("DBSVUK"). DBSVUK is authorised and regulated by the Financial Conduct Authority in the United Kingdom. In respect of the United Kingdom, this report is solely intended for the clients of DBSVUK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBSVUK. This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This research report is being distributed by DBS Bank Ltd., (DIFC Branch) having its office at units 608-610, 6 th Floor, Gate Precinct Building 5, PO Box 506538, Dubai International Financial Centre (DIFC), Dubai, United Arab Emirates. DBS Bank Ltd., (DIFC Branch) is regulated by The Dubai Financial Services Authority. This research report is intended only for professional clients (as defined in the DFSA rulebook) and no other person may act upon it.
United Arab Emirates	This report is provided by DBS Bank Ltd (Company Regn. No. 196800306E) which is an Exempt Financial Adviser as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. This report is for information purposes only and should not be relied upon or acted on by the recipient or considered as a solicitation or inducement to buy or sell any financial product. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situation, or needs of individual clients. You should contact your relationship manager or investment adviser if you need advice on the merits of buying, selling or holding a particular investment. You should note that the information in this report may be out of date and it is not represented or warranted to be accurate, timely or complete. This report or any portion thereof may not be reprinted, sold or redistributed without our written consent.
United States	DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

Emkay Global Financial Services Ltd.

CIN - L67120MH1995PLC084899

7th Floor, The Ruby, Senapati Bapat Marg, Dadar - West, Mumbai - 400028. India

Tel: +91 22 66121212 Fax: +91 22 66121299 Web: www.emkayglobal.com