Given a consolidation breakout with perfect bullish

LAST CLOSE > < 1,307 STOP LOSS > < 1,277

Higher top-higher bottom on daily scale with mo-

LAST CLOSE > < 1,285 STOP LOSS > < 1,255

Negated lower top-lower bottom on weekly with

Higher top-higher bottom, significant jump in OI

candle to enter into lifetime high territory

mentum to start the next leg of rally

CHANDAN TAPARIA, AVP- Technical & Derivatives, Motilal Oswal Financial

TARGET

1,370

TARGET

1,345

TARGET

₹570

TARGET

790

INTEREST INCOMES of 27 banks rise for second quarter in a row in Q2 on lower interest expenses; Covid provisioning falls Bank Stress to Fall with Collection Boost

ANALYSIS

Ranjit.Shinde@timesgroup.com

ET Intelligence Group: The domestic banking sector continued to show improvement in the net interest income (NII) in the September quarter helped by falling interest expenses, according to ETIG's analysis of the quarterly financials of a sample of 27 listed banks.

The sample's NII rose sequentially for the second consecutive quarter to ₹1.3 lakh crore compared with ₹1.2 lakh crore in the previous quarter. NII had fallen sequentially by 2% to *1 lakh crore in the March quarter following a nationwide lockdown in the last week of March to curtail the spread of the Covid-19 pandemic.

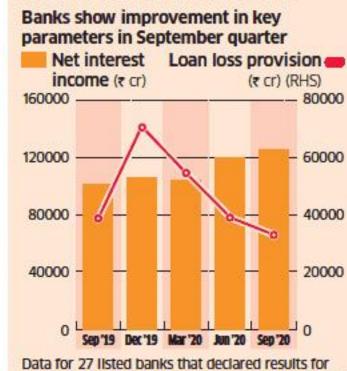
drop in the aggregate interest expenses during the September quarter even as the interest income remai-

ned more or less flat.

State-run banks including Punjab National Bank, Bank of Baroda, Bank of India, Indian Overseas Bank reported double-digit sequential growth in their respective NIIs for the September quarter. Among the top private sector banks, Axis Bank and Kotak Mahindra Bank reported over 5% growth in NII while HDFC Bank and ICICI Bank recorded under 1% growth.

The sector's bad loan provisioning continued to fall further amid the pandemic-related moratorium on interest payments. The sample banks reported aggregate loan loss provisioning of ₹33,075.7 crore compared with \$39,325.4 crore in the previous quarter. Provisioning for bad loans has significantly fallen from The improvement in NII was large- \$54,629 crore in the March quarter. ly on account of a 4.9% sequential While the gross nonperforming as-

In Better Health



each of the quarters; Loan loss provision in Dec '19

quarter was higher due to ₹22,328 crore provision

by Yes Bank; Source: Company data, ETIG

Kiran.Somvanshi@timesgroup.com

ET Intelligence Group: At ₹6,480

crore, Gland Pharma is slated to be

the biggest IPO in the Indian phar-

The Hyderabad-based company,

owned by Fosun Pharma, is the

first Chinese-owned pharma com-

pany seeking to list on the Indian

bourses. It is a B2B player in the

complex injectable space with a

profit-sharing model that protects

it from market volatility. It exports

to 60 countries with 58% of sales

coming from the US (where it is

among the fastest-growing generic

injectables-focused companies)

and 18% from India (where it is a

Gland has a strong track record of

warning letters received from USF-

DA for any of its seven facilities.

pressing need to raise funds except

for getting a profitable divestment

opportunity for its Chinese parent.

B2C player).

The company has a

strong balance sheet

and a cash pile of

₹1,500 crore to take ca-

re of its near term ca-

Covid-19 provisions (₹ cr) **Total Covid** provison ICICI Bank 8,772 5,012 Axis Bank **HDFC Bank** 4,850 SBI 3,247

Banks with the highest

2,155 Indusind Bank Bandhan Bank 2,096 1,918 Yes Bank 1,748 BoB 1,279 Kotak Bank 1,038 Canara Bank Total Covid-19 provisions at

the end of September quarter;

Source: Company data, ETIG

ALL POSITIVES fully priced in, which leaves little on the table; Chinese

Gland Has a Robust Business, and

Some Risks You Need to Factor In

Issue Details 💇

IPO DATE: November 9-11

FRESH ISSUE: ₹1,250 crore

SELLING SHAREHOLDERS:

Bio Chemical, Empower

Discretionary Trust and

Nilay Discretionary Trust

PRICE BAND: ₹1,490-1,500

PE OF ET PHARMA INDEX: 42.3

fit by 25% to ₹773 crore. The compa-

ny has a cash-efficient business mo-

have been built into the valuation.

Fosun acquired the company in

del with a 30% return

(Ebitda) margin of 41%

PE (BASED ON FY20): 30

OFFER FOR SALE: ₹5,230 crore

Fosun Pharma, Gland Celsus

IPO SIZE: ₹6,480 crore

ownership comes with growth opportunities and potential shocks

sets (GNPA) ratio is likely to increase in the second half of the current fiscal year, analysts expect the stress to be moderate given the rising collection efficiency. "The overall GNPA ratio for banks declined in Q2 due to the Supreme Court's stay on NPA tagging, while most lenders indicated healthy collection efficiency trends in Sep/Oct'20 and thus, potentially moderate stress formation than expected earlier," mentioned Emkay Global Financial Services in a sector report.

Provisioning to cover the potential Covid-19 impact reduced to ₹11.664.6 crore in the September quarter from ₹16,976 crore in the previous quarter. Majority of the state-owned banks did not allocate fresh provisions. For the September quarter, the combined bad loans and Covid provisioning fell by 20.5% sequentially to ₹44,740 crore. The sample banks have so far recorded <a>40,372 crore of Covid provisioning during the quarter.

billion — a rise of nearly three ti-

mes in three years. At a PE multi-

ple of 30 based on FY20 earnings,

the issue seems to have been fully

priced - riding on the hype aro-

und pharma stocks — with little

room for value creation for long-

Besides, Chinese ownership also

comes with its risks and rewards.

the company has plans to expand

into building fermentation capa-

bilities in India — an aspect that

should help local pharma compa-

nies to reduce their dependence on

Chinese imports. Thanks to its ow-

nership, Gland Pharma is also able

to foray into the China market, the

second-largest injectables market

The company sources 25-30% of

its raw materials from China. Any

India-China geopolitical tension

has the potential to hamper these

imports as well as exacerbate the

anti-China sentiment that could

term investors.

in the world.

on capital employed lend volatility to the Gland stock —

with operating profit an aspect loved by speculators and

Surging Dollar to Hit Rupee

STOP LOSS > 735

STOPLOSS ₹531

⇒ From ETMarkets Page 1

Tech Picks

HDFC BANK

ESCORTS

MCDOWELL

crossover of 50 DEMA

LAST CLOSE > ₹544

LAST CLOSE > 7753

VOLTAS

and Volumes

India's foreign currency re-\$560.71 billion, giving the central bank enough cushion to pre- for eign investments into India,"

"Last week, the rupee was also

serves are at a record high of helped by dollar sales by exporters and also large inflows from said SV Sastry, deputy manag-The Indian currency had fallen ing director, global markets, trade balance and also how the

The bond market is likely to

the ₹74 to ₹75 per dollar range in the short term.

vent a sharp fall in the rupee.

to a two month low of ₹74.91 per SBI. "In the months to come, the dollar last week as traders had dollar rupee will take cues from collected the US currency to the fundamentals like India's hedge for any uncertainties due to an unclear mandate from the new president shapes his ecoelection. However, the rupee nomic policy." had since strengthened to ₹73.97 per dollar to finally end at <74.20 trade in a narrow band as RBI's perdollar on Friday as it became liquidity measures through clear that Joe Biden had enough open market purchases will electoral college votes to occupy keep a lid on the yield rise. The the White House in January. 10-year bond is likely to move in

The rupee is likely to move in the tight 5.85% to 5.95% range.

'Markets Like Clarity'

►► From Page 1

cial adviser told ET: "Trump should start the transition. Markets like clarity. Holding on like this creates a level of unnecessary uncertainty." He added that there was "a global sigh of relief and optimism about Biden coming in."

Peter Dillener, a former Wall

Tom Donahue, the chief of ting every vote and resolving any disputes," he said, according to the Financial Times. It seemed like an indirect message that court cases were unlikely to turn the decision

Statements from various business and manufacturing associations — powerful groups that represent big money — were coming fast and thick.

'Capacity Utilisation not

Enough' A Washington DC-based finan-

Street investor, said, "Trump needs to accept that his role as America's CEO is over." He shouldmake a graceful exit "for the country to move towards the kind of economic greatness he has pounded the table on for ye-

▶▶ From Page 1

mer economy that had come to a standstill because people were more interested in conserving cash," said Khara. "Once there is certainty that life after Covid will be as normal as it was, I am sure the pent-up demand, supported by the regular demand, will probably pull the economy."

"India is a very strong consu-

"Certain sectors have taken a beating-like tourism, hospitality, aviation," said Khara. "Perhaps these sectors will take some time to repair but the major evolution of the ecommerce sector will lead to a new consumer behaviour

never seen before." But when it comes to corporate activity and investments, Khara said, this was not in sight yet. "The capacity utilisation in the economy is around 69-70%," Khara said. "When it comes to the fresh investment cycle that is seen when this inches beyond 80%. I think once it reaches that level, there will be a tendency among corporates to evaluate

The Reserve Bank of India

FMCG APART, COVID IMPACTS ALL SEGMENTS **Next Quarter may** be Better for ITC, **but Only in Parts**

Growth Headwinds

Segment-wise Sales and Financials	₹ crore	YoY % Change	
Gross Sales	11,891	1.2	
Cigarettes	5,121	-3.9	
FMCG	3,795	15.4	
Hotels	82	-80.8	
Paper & Paperboard	1,459	-6.8	
Agriculture	2,985	12.7	
Operating Profit	4,060	-11	
Operating Profit Margin (% of net sales)	34.1	-470 bps	
Tax Expenses	1,042	33	
Net Profit	3,231	-20	

Kiran.Somvanshi @timesgroup.com

ET Intelligence Group: The Covid pandemic has exposed the weakness of ITC's business model. While the at-home FMCG pro-

ducts and agribusiness did well, other segments - cigarettes, hotels and educational and stationery products —have borne the impact of local lockdowns in the formers in the FMCG sector. September quarter.

Consequently, despite a sequentially better performance, net sales at ITC rose 1.2% while net profit dropped 20% for the quarter the second consecutive decline in several three-month periods.

Cigarette sales dropped nearly 4% compared to the year-ago level, with 880 bps decline in margins. Cigarette volumes are estimated to have dropped by around 12%.

The FMCG business, the management's current focus area, has emerged as the best piece of ITC's performance. The segment posted the highest quarterly sales and 300 bps expansion in Ebitda to 9.7% being the only segment posting an could boost sales of personal improvement in margins.

The comparable revenue of the segment, excluding the education and stationery portfolio, was up over 18%. Antiseptic and disinfectant brand Savlon is slated to become a \$1,000 crore brand this fiscal.

In the case of the agriculture segment, while the revenues were up by \$337 crore over the yearago level, the margins dropped over 80 bps.

ITC's investors have been a disappointed lot this year, and they are likely to show their displeasure by selling the stock. The ITC stock is already down 27% year to date and is among the worst per-

The stock, already down trading at a price to 27% year to date, is likely to face more selloff by disappointed

Its peers in diffe-



panies.

coming GST council meetings

remains an overhang.

ITC stock is trading at a PE multiple of 15 – the lowest among FMCG companies



frey Phillips — have performed better. The ITC stock is earnings multiple of 15 - the lowest among FMCG com-With the overall

tannia and God-

investors performance adversely impacted, the success of the FMCG business may do little to brighten its allure. The current quarter is likely to be better given the onset of winter, which products. However, segments such as cigarettes and hotels may continue to remain affected in the near term. Besides, the possibility of an increase in taxation on cigarettes in the forth-

2017 at a valuation of \$1.1 billion. formance record, investors should In the past five fiscals, the company's net sales have grown at a CAGR The IPO values the company at \$3.2 take note of these aspects. Biden Rally may Continue,

Propel Nifty to 12,800

pex requirement, indicating no Indian pharma industry).

regulatory compliance with no of 18.2% to ₹2,633 crore and net pro-

► From ETMarkets Page 1

The Bank Nifty is also expected to hit a new record high and head to 28,000 and above levels, while mid- and small-caps are also likely to participate, they said.

As Wall Street gears up for Democrat Biden's presidency, there is a relief that Republicans are in control of the US Senate which will make it tougher for the new administration to push through bills such as higher taxes and tougher regulations. Though this scenario lowers the possibility of the bigger fiscal stimulus, investors are happy with the status quo.

Some market analysts like Sanjiv Bhasin of IIFL Securities do not expect the market to hit all-time highs this week.

"Some may choose to book profits after the US election uncertainty getting over but they are likely to hit record highs in November," said Bhasin.

"The index will find it challenging to scale record highs as the event is now discounted. But before the end of November, we will see new highs. I see the Nifty at 12,700 by end of the year and Bank Nifty is likely to be at 28,500-29,500 by the end of the year," said Bhasin.

Retail Ownership in NSE Cos Crosses ₹10 Lakh cr

and financial purposes.

▶ From ETMarkets Page 1 As on September 30, 2020. Since June 2009,

private promoter ownership has been steadily increasing from 33.61% on June 30, 2009. The percentage holding of the government 5.05% as on September 30, 2020, down from 22.46% as on June 30, 2009, due to the government's divestment programme, not enough new listings and lacklustre performance of many CPSEs relative to their private peers.

Ownership of foreign

investors (FPIs) increased to 21.52% as on September 30, on the back of net inflows of ₹46,860 crore during the quarter.

Holdings of insurance companies in value terms went up by 10.98% from the previhas hit all-time low of ous quarter to ₹7.80 lakh crore as on September 30, 2020. LIC's holding across 294 companies, where its holding is over 1%, stood at ₹5.90 lakh crore in the quarter ending September 30, an increase of 9.2% over the previous quarter.

traders. Notwithstanding the Indi-(among the best in the an founders and management being Indian, the company will be dee-However, all the positives seem to med to be Chinese for all regulatory Despite the company's high-per-

ars," he told ET. the US Chamber of Commerce which sits across the White House, pointed to the strong verdict. "Americans have voted in historic numbers and it is important to complete the election process by fully coun-

Trump's way.

The chief executive of the ITI a technology trade association, Jason Oxman said, "America's proud tradition of a peaceful transition of power must continue." It was essential for 'certainty and stability' for American workers and the global business community.

fresh investment plans."

has projected India's economy to contract as much as 9.5% this fiscal year after a record 23.9% slump in the June quarter. But activity has since gained momentum with acceleration in sale of cars, motorcycles, cement and steel raising hopes of a faster recovery even as some sections remain crippled.

Trump Refuses to Move on

▶▶ From Page 1

wed. She called America "a ned' and millions of mailcountry of possibilities" in ballots were sent to peowhile invoking her mother ple who never asked for Shyamala Gopalan.

ris, it's the American voters ged him to fight on behalf who should be congratula- of the more than 70 milted for overcoming fear of lions who voted for him. infection and standing in line for hours armed with med with rifles gathered in snacks and a phone to exer- at least four state capitals cise their democratic right. but police managed to keep In the end the electoral pro- the two sides separate. The cess and the postal system Trump campaign plans to fiworked for the most part de- le multiple lawsuits Monday. livering and counting mil-

lions of mail-in ballots. Celebrations from coast to coast as soon as Pennsylvania dropped in Biden's lap Saturday afternoon. The 'Black Lives Matter' Plaza opposite the White House was the site of son-in-law impromptu marches, jazz music, group dancing and is reportedly champagne. Many carried working on it the sign 'You Are Fired!' in a reference to a line made mained about an orderly famous by Trump on his transition of power. show, The Apprentice.

now although son-in-law ly working on the project.

In a series of tweets laden with warnings by Twitter, Cheers and honking follo- he said 'bad things happethem. Some family mem-Apart from Biden and Har- bers apparently have ur-

Some of his supporters arranging

erupted A concession speech by Trump didn't seem to be on the cards for now although Jared Kushner

from ballots being counted without signature verification and votes being cast by dead people. Questions re-

Political wonks were fond-But the man they 'fired' ly remembering Biden's frisaid the fight was not over. end, the late Republican Se-Trump has refused to move nator John McCain, who lost on even though the world to Barack Obama and the rehas with almost every ma- markable concession speech jor world leader, including he made congratulating the Prime Minister Narendra first black president. McCa-Modi, congratulating Bi- in supporters jeered but he den and Harris on Twitter. calmed them down and in a A traditional concession short span of four minutes speech by Trump didn't se- gave a quick history lesson em to be on the cards for on race and the indignities African Americans had suf-Jared Kushner is reported- fered. Soon the crowd was applauding.

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EXTRACT OF STANDALONE AND CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2020.

(₹ In Lakhs)

PARTICULARS		STANDALONE					CONSOLIDATED					
	Quarter Ended		Half Year Ended		Year Ended	Quarter Ended		Half Year Ended		Year Ended		
	1743 Chi 549 Chi C 035 (N. 645 Chi 174)		30.09.2019 (Unaudited)			31.03.2020 (Audited)	30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)		30.09.2019 (Unaudited)	31.03.2020 (Audited)
Total Income from Operations	18,572	4,561	49,191	23,133	82,437	1,73,218	18,599	4,588	49,200	23,187	82,463	1,73,311
Net Profit for the period before tax	(1,834)	(9,079)	2,999	(10,913)	4,522	8,760	(1,877)	(9,117)	2,915	(10,994)	4,396	8,516
Net Profit for the period after tax	(1,362)	(6,733)	3,015	(8,095)	4,013	7,169	(1,405)	(6,771)	2,931	(8,176)	3,887	6,925
Total Comprehensive Income	(1,350)	(6,763)	3,002	(8,113)	3,990	7,057	(1,396)	(6,805)	2,909	(8,201)	3,841	6,820
Paid up Equity Share Capital	937	937	937	937	937	937	937	937	937	937	937	937
(Face value of ₹2/- per share)				l .								
Earnings Per Share (of ₹ 2/- each)				l .								
Basic and Diluted (₹)	1											
(not annualised)	(2.91)	(14.37)	6.43	(17.27)	8.56	15.30	(3.00)	(14.45)	6.25	(17.44)	8.29	14.77

1. The above financial results were reviewed by the audit committee and taken on record by the Board of Directors at its meeting held on 07.11.2020. The Statutory Auditors have carried out a limited review of the

aforesaid results. 2. The above is an extract of the detailed format of Standalone and Consolidated Unaudited Financial Result for the Quarter and Half year ended 30th September, 2020 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of Quarterly Standalone and Consolidated Financial Results are available on the Stock Exchange websites,

> For SIYARAM SILK MILLS LTD. Sd/-

(Ramesh Poddar) Chairman & Managing Director DIN: 00090104



Place : Mumbai

Date :07/11/2020

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