

New recommendations

Date	Scrip	I-Direct Code	Buying Range	Target	Stoploss	Upside (%)	Duration
2-Dec-21	Greaves Cotton	GREAVE	143-147	170.00	131.00	16.00	3 Months

Open recommendations

Date	Scrip	Avg Rec Price	Target	Stoploss	CMP	Return till date (%)	Duration
1-Dec-21	Asian Paints	3,180.00	3,570.00	2,989.00	3,173.00	0%	3 Months
1-Dec-21	DLF	381.00	440.00	352.00	381.00	0%	3 Months
30-Nov-21	Kotak Mahindra Bank	2,025.00	2,275.00	1,895.00	1,966.00	-3%	3 Months
21-Sep-21	Bajaj Finance	7,660.00	8,630.00	6,440.00	7,097.00	-7%	3 Months

All the recommendations are in Cash segment

December 2, 2021

Open Recommendations

Momentum Picks

Scrip	Time Frame
Birlasoft	14 Days

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Our Products

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Greaves Cotton (GREAVE): A healthy consolidation above the 52 weeks EMA offers fresh entry opportunity with favourable risk reward...

Rec. Price

143-147

Target

170.00

Stop loss

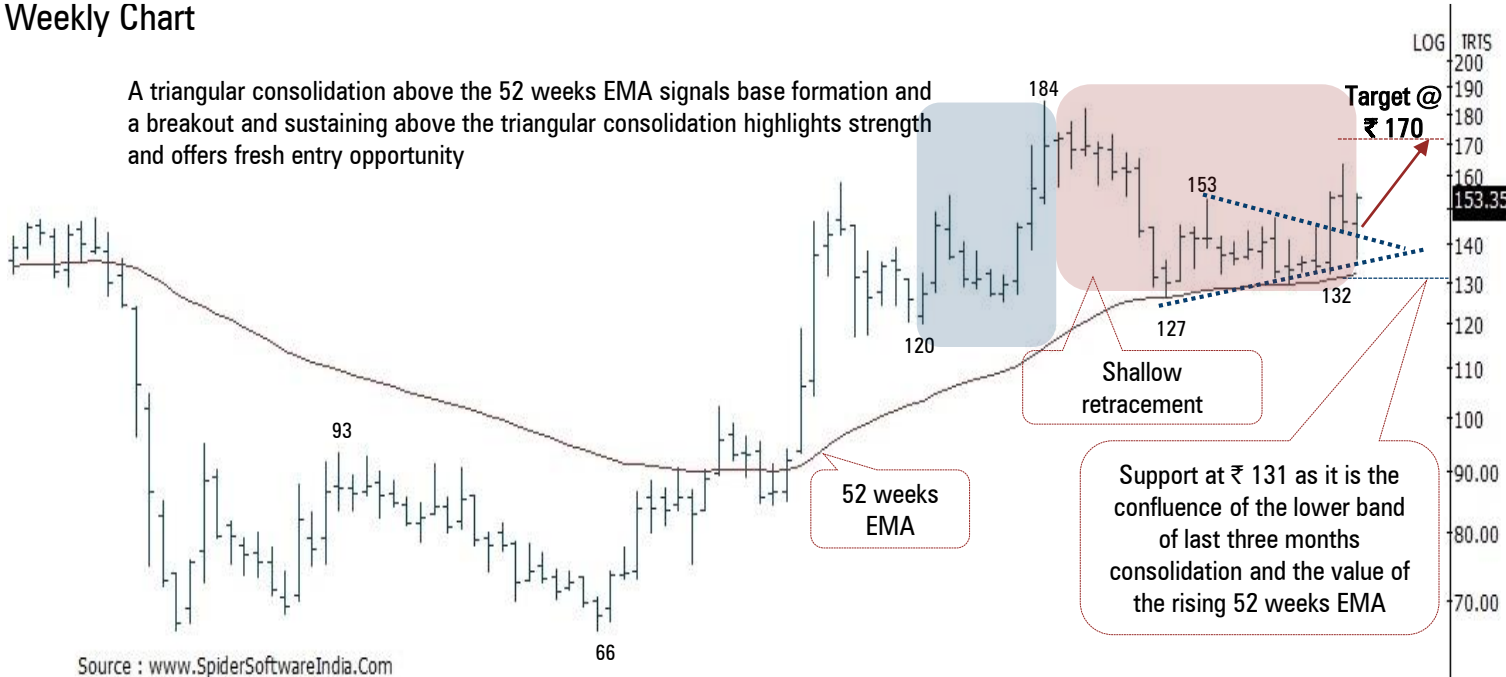
131.00

Upside

16%

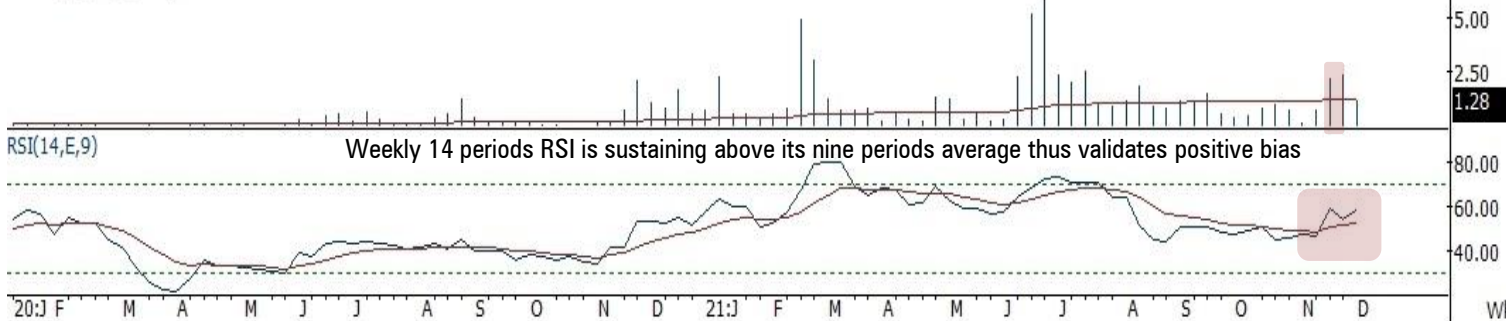
Weekly Chart

A triangular consolidation above the 52 weeks EMA signals base formation and a breakout and sustaining above the triangular consolidation highlights strength and offers fresh entry opportunity



Vol Avg(S,60,V,0.00)

Recent price rise is supported by rise in volume



Source: Spider Software, ICICI Direct Research

Recommended on I-click to gain on 02nd December 2021 at 09:45

December 2, 2021

ICICI Securities Ltd. | Retail Equity Research

- The BSE capital good index continue to gain from strength to strength while maintaining higher high-low in all time frame after registering a resolute breakout from 13 year's broader range in August 2021 exhibiting structural turnaround. One of the preferred pick within the midcap capital goods space is Greaves cotton as it is currently placed at major value area and has already seen a healthy base formation. Volumes has also started rising in last two weeks with last two weeks volume almost double of 50 weeks average volume of 1.2 cr per week highlighting larger participation
- The stock has seen a healthy triangular base formation in the last three months above the long term 52 weeks EMA (currently at ₹132). The stock has recently registered a breakout above the triangular consolidation and is seen sustaining above the same signalling strength and offers fresh entry opportunity with favourable risk reward set up
- We expect the stock to resume its up move and head towards ₹ 170 levels as it is the 80% retracement of the entire decline (₹184-127)

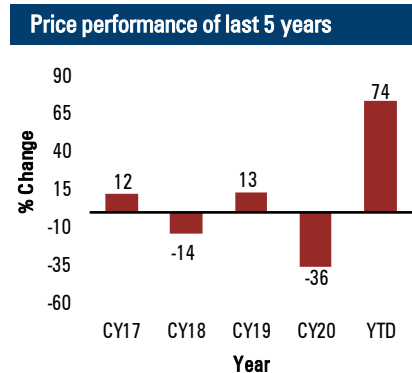
Fundamental View: Greaves Cotton (GREAVES)

- Greaves Cotton (Greaves) is a leading diversified engineering company with a presence in automotive, non-automotive, aftermarket, retail, electric mobility solution and finance. New business share increased to ~30% while auto engine reduced to ~37% from FY17 to FY21. Overall, B2C share increased to ~60% in FY21. E-mobility is expected to drive future growth (~12% of FY21 revenue).
- Greaves reported a subdued Q2FY22 amid supply disruptions. Standalone revenue came in at ₹ 284 crore, down 1.5% YoY despite very low base. Consolidated revenue grew 13.4% YoY to ₹ 373.5 crore, impacted by lockdowns despite very low base. The engine segment revenues came in at ₹ 253 crore, down 5% YoY. On the other hand, E-Mobility segment revenue more than doubled to ₹ 89.5 crore. Despite the revenue growth in EV segment, EBIT losses increased from ₹ 4.9 crore in Q2FY21 to ₹ 19 crore in Q2FY22 owing to higher contribution.
- It reported standalone EBITDA of ₹ 4.5 crore (vs. ₹ 17.5 crore in Q1FY21) impacted by restructuring, pandemic, higher commodity prices. On a consolidated basis, EBITDA loss came in at ₹ 10.2 crore (vs. EBITDA of ₹ 15.7 crore in Q2FY21). The company reported standalone adjusted PAT of ₹ 0.5 crore vs. ₹ 3.4 crore in Q2FY21. The company reported exceptional items worth ₹ 10.7 crore during the quarter toward profit on sale of immovable properties & PPE, factory relocation expenses
- Going forward, Transformation strategy to increase E-mobility and new-initiatives business share to drive long term growth and help transform and de-risk its business. Consolidation of manufacturing operations into Megasites to bring higher operational efficiencies and reduced fixed costs in the long run. We expect revenue, EBITDA to grow at CAGR of ~18.5%, 47.3%, respectively, in FY21-23E on a very low base amid pandemic impact

Particulars	
Particular	Amount
Market Capitalization	₹ 3409 Crore
Total Debt (FY21)	₹ 0 Crore
Cash and Inv. (FY21)	₹ 170.5 crore
EV	₹ 3239 Crore
52 week H/L	₹ 184 / ₹ 66
Equity capital	₹ 46.2 Crore
Face value	₹ 2

Financials				
Particulars (₹)	FY20	FY21	FY22E	FY23E
Net Sales	1,821.1	1,329.1	1,491.4	1,866.8
EBITDA	228.1	96.9	95.3	210.2
EBITDA Margin	12.5	7.3	6.4	11.3
Net Profit	147.5	10.4	56.5	124.6

Valuation				
Particulars (₹)	FY20	FY21	FY22E	FY23E
EPS (₹)	6.4	0.4	2.4	5.4
P/E (x)	23.1	329.1	60.3	27.4
RoNW (%)	16.2	3.3	5.1	13.6
RoCE (%)	22.0	6.5	7.2	18.6



Summary Performance - Recommendations till date

Total Recommendations	704	Open	4
Closed Recommendations	700	Yield on Positive recommendations	16.0%
Positive Recommendations	526	Yield on Negative recommendations	-8.0%
Closed at cost	21		
Strike Rate	77%		

Momentum Picks open recommendations

Date	Scrip Name	Strategy	Recommendations Price	Target	Stoploss	Time Frame
30-Nov-21	Birla soft	Buy	480-488	522.00	463.00	14 Days

All recommendations are in cash market

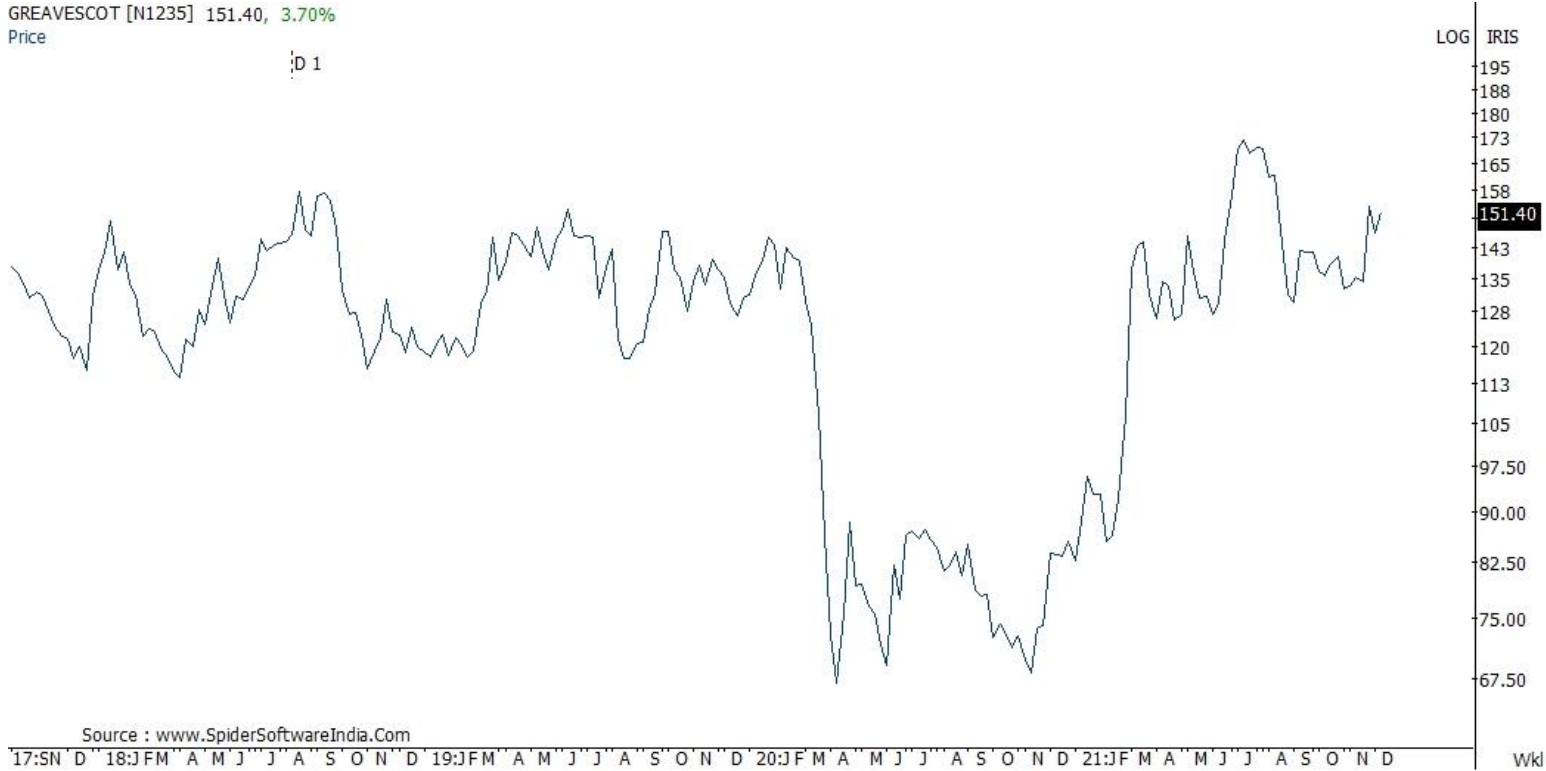
[Back to Top](#)

Price history of past three years

Greaves Cotton (GREAVES)

GREAVESCOT [N1235] 151.40, 3.70%
Price

:D 1



Source : www.SpiderSoftwareIndia.Com

- It is recommended to enter in a staggered manner within the prescribed range provided in the report
- Once the recommendation is executed, it is advisable to keep strict stop loss as provided in the report on closing basis
- The recommendations are valid for three to six months as specified on first page of report and in case we intend to carry forward the position, it will be communicated through separate mail

Trading portfolio allocation

- It is recommended to spread out the trading corpus in a proportionate manner between the various technical research products
- Please avoid allocating the entire trading corpus to a single stock or a single product segment
- Within each product segment it is advisable to allocate equal amount to each recommendation
- For example: The 'Momentum Picks' product carries 2 intraday recommendations. It is advisable to allocate equal amount to each recommendation

Recommended product wise trading portfolio allocation

Product	Allocations		Number of Calls	Return Objective	Duration
	Product wise allocation	Max allocation In 1 Stock			
Momentum Picks-Intraday	10%	30-50%	2 Stocks	1-2%	Intraday
Momentum Picks-Positional	25%	8-10%	8-10 Per Month	5-8%	14 Days
Gladiator Stocks	35%	10-13%	Opportunity Based	15-20%	3 Months
Yearly Technical	25%	12-15%	7-9 Per Year	20-30%	1 Year
Cash	5%				
	100%				



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