

Rationale:

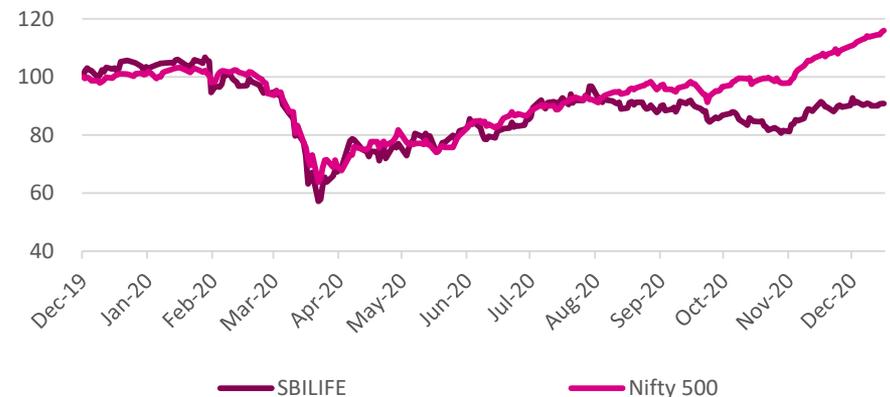
- SBI Life Insurance Company Ltd is one of the leading private life insurance company in India and has strengthened its leadership position in the last 20 years. It provides a comprehensive range of savings and protection products to individual and group customers across traditional and unit-linked plans.
- The company's bancassurance channel comprising the branch network of its parent, State Bank of India as well as other public and private banks is widely spread across the country and is one of the crucial growth levers. The Company has also adopted various mobile and web-based applications for both customers and sales representatives. It uses different digital marketing tools and data analytics to increase penetration and capture the market share. This has led to an increase of 56% in policies sold through online channel and web aggregators in FY20.
- The company has a market share of 7.2% in total new business premium (NBP) during H1FY21 V/s 6.2% in H1FY20 & 24.5% market share in private sector NBP during H1FY21 V/s 21.8% in H1FY20. The company's gross premium grew by 22% in H1 FY21 V/s H1 FY20 to ₹20,730 crores.
- The Company has a balanced product mix, with the increasing awareness for pure protection products, share of protection in new business premium has enlarged over the years, from 11.9% in FY19 to 12.5% in FY20 increase in share of non-par business from 34.2% in FY19 to 44.3% in FY20.
- The company has a healthy solvency ratio of 2.45 against regulatory mandate of 1.50, low surrender ratio of 2.7% in H1FY21 and improving persistency ratio of 85.9% in the 13th month.
- India is going to be one of the fastest growing economies in the world and life insurance industry will be at the forefront of this growth on the back of favourable macros. Increase in per capita income, favourable demographic profile and higher personal disposable income are some of the key factors that will lead the growth of the insurance sector in the coming years. The increasing awareness of life insurance among people will be a catalyst for growth in future, with a focus on protection segment
- We initiate our coverage on the company with a BUY rating and a target price of ₹1,030 per share.

52 Week Low / High	520 / 1019.65
Avg. Daily Volume (3M) ('000)	1712
No. of Shares O/S (Mn.) / Mkt. Cap (₹Mn.)	1000.04 / 850,034
Shareholding (Promoters/Institutional/Others)	60.7% / 32.8% / 6.5%

(In ₹ mn)	FY-19	FY-20	FY-21E	FY-22E
Net Premium Earned	3,28,904	4,03,240	4,74,210	5,60,991
Total Income	4,42,612	4,38,428	5,14,518	6,11,480
Total Expenses	4,29,058	4,15,714	4,88,792	5,80,906
PAT	13,268	14,222	15,436	18,406
PAT Margin	3.0%	3.2%	3.0%	3.0%
EPS (₹)	13.3	14.2	15.4	18.4
P/E (x)	64.1	59.8	55.1	46.2

Source: Company, Anand Rathi. Note: Prices are as on 17-Dec-20

Price Performance (Dec'19=100)



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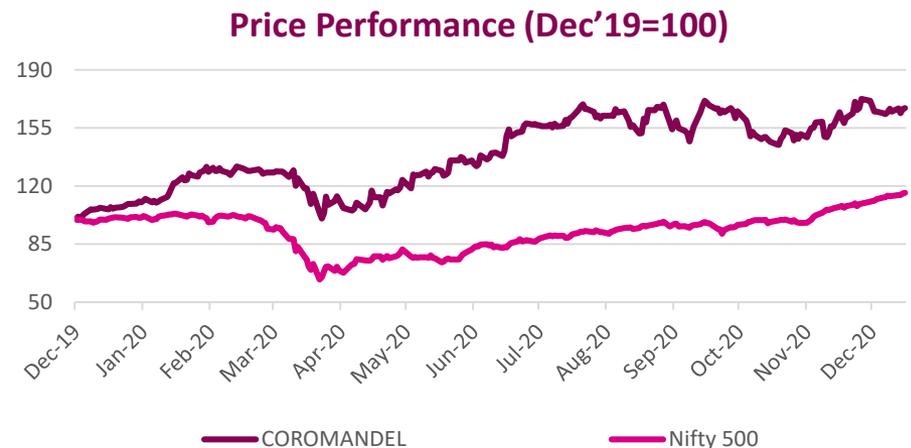
- ❑ Coromandel International Limited, India's second largest Phosphatic fertilizer player and is in the business segments of Fertilizers, Specialty Nutrients, Crop Protection and Retail. The Company has 16 manufacturing facilities.
- ❑ The Company's Crop Protection products are marketed in India as well as in international geographies, offering wide range of technical and formulation products. The Specialty Nutrients business of the Company focuses on water soluble fertiliser, sulphur & micronutrients. The Company is leading marketer of Organic fertiliser in India and has recently added bio pesticide solutions to its portfolio.
- ❑ It also operates a network of around 750 rural retail outlets across Andhra Pradesh, Telangana, Karnataka and Maharashtra. Through these Retail outlets, the Company offers farming services including crop advisory, soil testing and insurance.
- ❑ The Company has 16 manufacturing facilities, producing wide range of Nutrient and Crop Protection products, which are marketed through an extensive network of dealers, institutional customers its own retail centers.
- ❑ The Government recently passed three agriculture reform bills to liberalize the agriculture market. These reforms will lead to much improved price discovery, better storage infrastructure and improve ability for the farmers to sell their produce to corporates instead of going through the mundi systems.
- ❑ The crop protection business grew by 35% versus last year for the first half and 26% for the quarter, the company further strengthened its new product launches and strategic tie-up with the global players & co-marketing initiatives. It continues to invest in R&D, product development and regulatory filing and has a very rich product pipeline and tends to introduce new molecules in the coming quarters.
- ❑ The company reported The company generated operating cash flow of ₹2083 Crores in H1FY21. It plans to expand its Kakinada and Vizag plants from internal accruals and will incur a Capex of upto ₹500 Crores.
- ❑ We initiate our coverage on Coromandel International Ltd. with a BUY rating and a target price ₹1,012 per share.

Research Team

52 Week Low / High	444.2 / 838
Avg. Daily Volume (3M) ('000)	488
No. of Shares O/S (Mn.) / Mkt. Cap (₹Mn.)	293.2 / 234,859
Shareholding (Promoters/Institutional/Others)	59.5% / 25.5% / 15.0%

(In ₹ mn)	FY-19	FY-20	FY-21E	FY-22E
Net Sales	132,245	131,366	145,332	156,717
EBITDA	14,801	17,710	20,849	22,016
EBITDA Margin	11.1%	13.4%	14.3%	14.0%
PAT	7,196	10,642	13,693	14,548
PAT Margin	5.4%	8.1%	9.4%	9.2%
EPS (₹)	24.5	36.2	46.4	49.5
P/E (x)	32.7	22.1	17.3	16.2

Source: Company, Bloomberg Consensus Estimates. Note: Prices are as on 17-Dec-20



Rationale:

- Infosys is one of the leading players engaged in offering consulting, technology, outsourcing and next-generation digital services. With about four decades of experience in managing the systems and workings of global enterprises, the company helps clients in 46 countries navigating their digital transformation. The solutions offered by the company are primarily classified as Digital (39% of FY20 revenues) and Core (61%).
- The company benefits from its strong presence across varied industries and markets. Segment wise, Financial Services contributed 32% of FY20 revenues, retail 15%, communication 13%, Energy, Utilities, Resources & Services 13%, manufacturing 10%, Hi-tech 8% and Life Sciences & Healthcare 6% while others accounted for 3% of revenues. Region wise, North America comprised 61% of FY20 revenues, followed by Europe with 24%, India 3% while rest of the world contributed 12%.
- In Q2FY21, driven by strong growth in digital portfolio, revenues grew 3.2% y/y on reported basis and 2.2% on constant currency. The quarter added 96 clients and witnessed large deal wins, marking the highest ever at \$3.15 billion. Also, voluntary attrition for IT services reduced to 7.8% and was significantly lower than the company's comfort band of 14–15%. Management has revised revenue guidance upwards for FY21 from 0–2% to 2–3% y/y growth in constant currency. Also, operating margin guidance increased from 21–23% to 23–24% for FY21.
- In its latest analyst meet, management noted that identifying technology trends, over the last several years the company has involved itself in areas including cloud, open source, data and AI. COVID-19 pandemic has further accelerated this implementation as clients look to expedite digital transformation. Also, the company remains focused on cost control and aims to drive margins through improving onsite/offshore mix, sub-contracting, automation and employee pyramid management.
- We remain optimistic on Infosys given its strong digital portfolio, healthy deal pipeline, account expansion, cost discipline and upbeat management expectations. Also, the company is set to benefit from the rapid increase in demand for digitization across industries amid the pandemic. We initiate a BUY on Infosys with a target price of ₹1,385 per share.

52 Week Low / High	509/1,186
Avg. Daily Volume (3M) ('000)	11,930
No. of Shares O/S (Mn.) / Mkt. Cap (₹Mn.)	4,259/4,962,215
Shareholding (Promoters/Institutional/Others)	13.0%/56.3%/30.7%

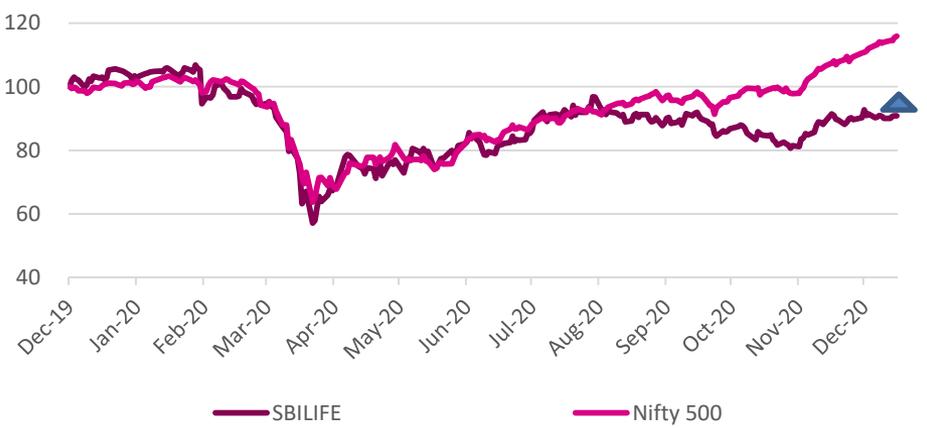
(In ₹ mn)	FY-19	FY-20	FY-21E	FY-22E
Net Sales	826,750	907,910	987,859	1,104,000
EBITDA	201,700	217,560	268,727	293,749
EBITDA Margin	24.40%	23.96%	27.20%	26.61%
PAT	154,040	165,940	188,407	210,446
PAT Margin	18.63%	18.28%	19.07%	19.06%
EPS (₹)	36.2	39.0	44.2	49.4
P/E (x)	32.2	29.9	26.3	23.6

Source: Company, Bloomberg Consensus Estimates. Note: Prices are as on 17-Dec-20

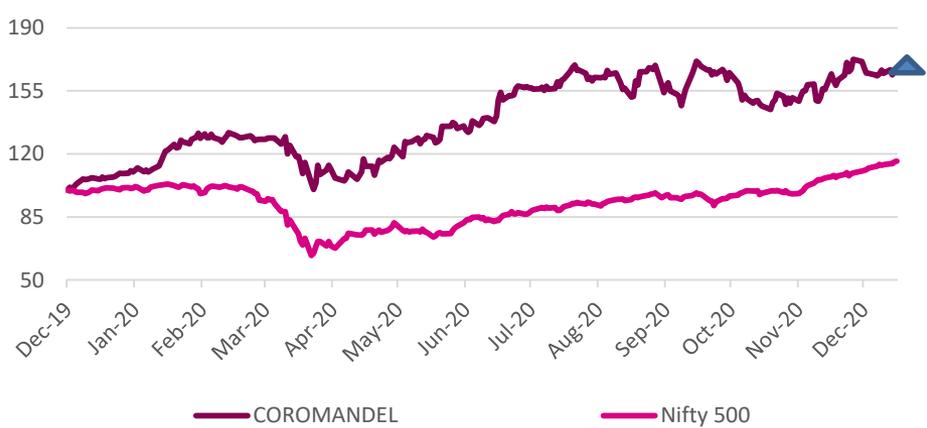
Price Performance (Dec'19=100)



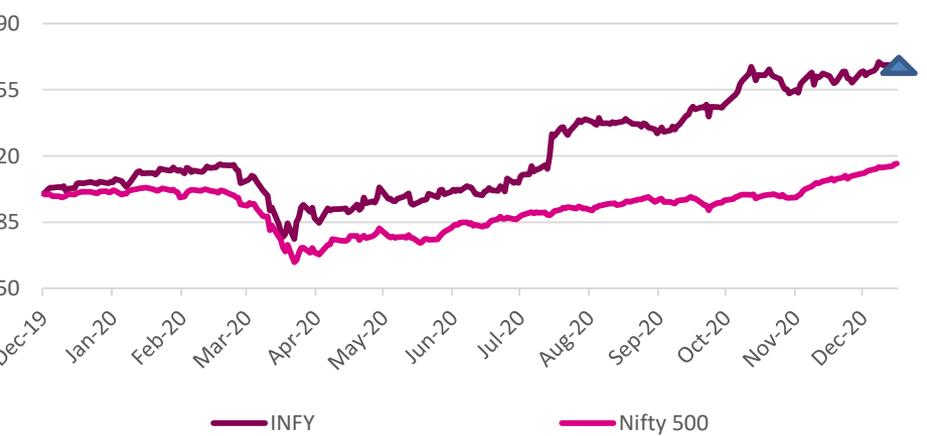
SBILIFE rating history & price chart



COROMANDEL rating history & price chart



INFY rating history & price chart



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