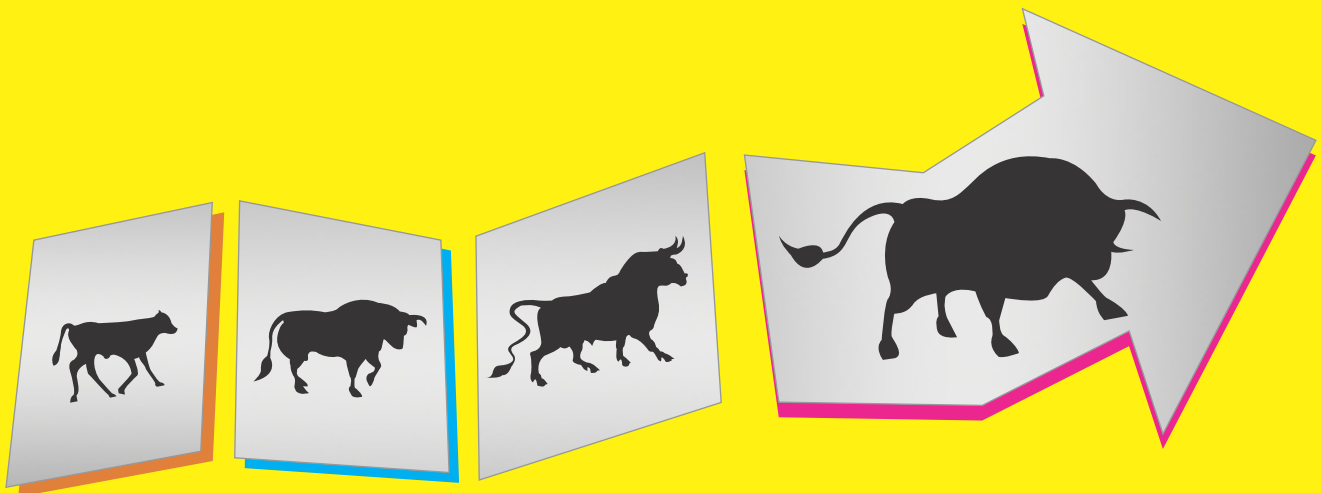


MONTHLY Communique

As on 31st January 2023



BUY RIGHT : SIT TIGHT

Buying quality companies and riding their growth cycle

THINK EQUITY
THINK MOTILAL OSWAL

MOTILAL OSWAL
ASSET MANAGEMENT

Value Strategy

Investment Objective

The Strategy aims to benefit from the long term compounding effect on investments done in good businesses, run by great business managers for superior wealth creation. Value is a large cap* oriented strategy where investments are made with long term perspective with industry leaders.

*The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

Portfolio Holdings

Particulars	% Allocation
ICICI Bank Ltd.	8.3
HDFC Bank Ltd.	8.0
MAX Financial Services Ltd.	7.0
Larsen & Toubro Ltd.	6.4
SBI CARDS AND PAYMENT SERVICES Ltd.	5.1
Infosys Technologies Ltd.	5.0
Maruti Suzuki India Ltd.	4.2
HCL Technologies Ltd.	4.2
Kotak Mahindra Bank Ltd.	3.6
Bajaj Finance Ltd.	3.6
Global Health Ltd.	3.2
HOME FIRST FINANCE COMPANY INDIA Ltd.	3.2
Thermax Ltd.	2.9
Tube Investment of India Ltd.	2.8
RELIGARE ENTERPRISES Ltd.	2.7
Hindustan Unilever Ltd.	2.7
Vip Industries Ltd.	2.7
SBI LIFE INSURANCE COMPANY Ltd.	2.5
Bharti Airtel Ltd.	2.3
LIC Housing Finance Ltd.	2.1
G R INFRAPROJECTS Ltd.	2.1
Axis Bank Ltd.	2.1
GO FASHION (INDIA) Ltd.	1.7
JUBILANT FOODWORKS Ltd.	1.4
Sun Pharmaceuticals Ltd.	1.2
BARBEQUE-NATION HOSPITALITY Ltd.	1.1
Godrej Consumer Products Ltd.	0.9

Data as on 31st January 2023

Details

Fund Manager	: Shrey Loonker
Strategy Type	: Open ended
Date of Inception	: 18 th February 2003
Benchmark	: Nifty 50 TRI
Investment Horizon	: 3 Years +

Sectors

Particulars	% Allocation
Banks	22.0
Finance	16.6
Insurance	9.5
IT - Software	9.1
Construction	8.5
Automobiles	4.2
Healthcare Services	3.2
Electrical Equipment	2.9
Auto Components	2.8
Diversified FMCG	2.7
Consumer Durables	2.7
Leisure Services	2.5
Telecom - Services	2.3
Retailing	1.7
Pharmaceuticals & Biotechnology	1.2
Personal Products	0.9
Cash & Cash Equivalent	7.4

Data as on 31st January 2023

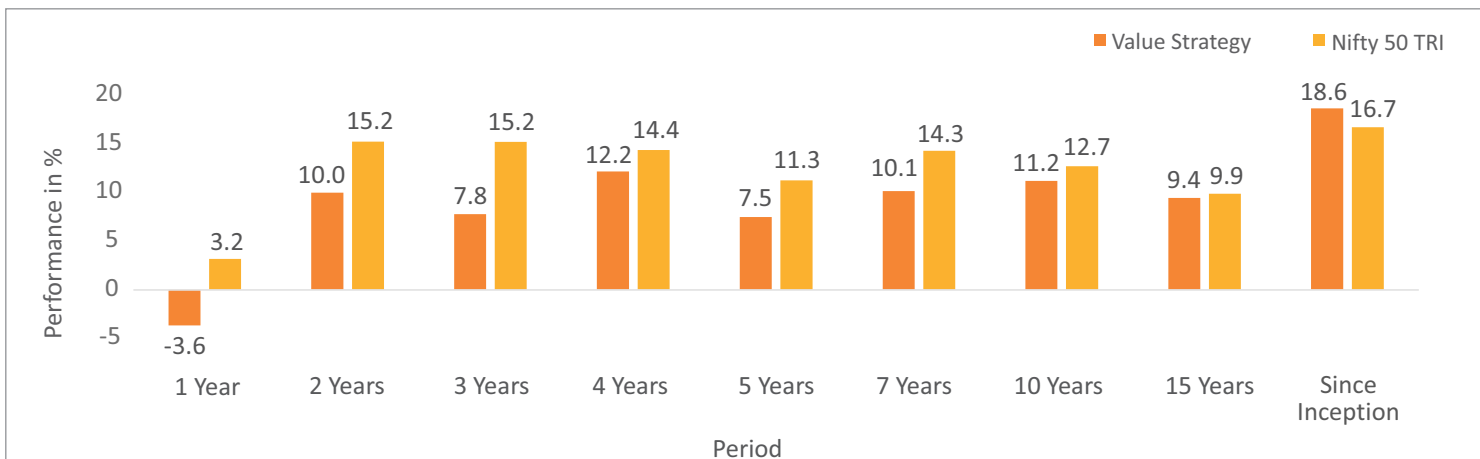
Market Capitalization

Market Capitalization	% Allocation
Large cap	60
Mid cap	16
Small cap	17
Cash & Cash Equivalents	7

Key Portfolio Analysis

Portfolio Quants (3 Years)	Strategy	Benchmark
Annualized Standard Deviation (%)	22.9%	22.4%
Beta	1.0	1.0

Data as on 31st January 2023



Value Strategy Inception Date: 18th Feb 2003; Data as on 31st January 2023; Data Source: MOAMC Internal Research; Please Note: Returns up to 1 year are absolute & over 1 year are Compounded Annualized. Returns calculated using Time Weighted Rate of Return (TWRR) at an aggregate strategy level. The performance related information is not verified by SEBI. All portfolio related holdings and sector data provided above is for model portfolio. Returns & Portfolio of client may vary vis-à-vis as compared to Investment Approach aggregate level returns due to various factors viz. timing of investment/additional investment, timing of withdrawals, specific client mandates, variation of expenses charged & dividend income. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Next Trillion Dollar Opportunity Strategy

Investment Objective

The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from the Next Trillion Dollar GDP growth. It aims to predominantly invest in Small and Mid Cap stocks* with a focus on identifying potential winners that would participate in successive phases of GDP growth. Focus is on businesses benefitting from growth in GDP.

*The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

Portfolio Holdings

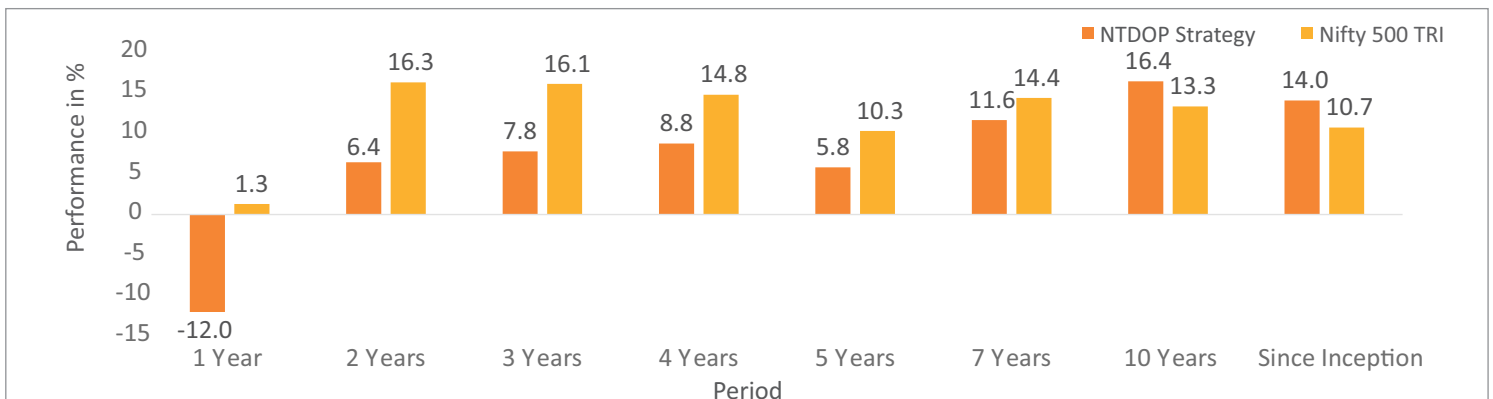
Particulars	% Allocation
Icici Bank Ltd.	8.6
Kotak Mahindra Bank Ltd.	8.2
Page Industries Ltd.	6.2
L&t Technology Services Ltd.	6.1
State Bank Of India	5.9
Max Financial Services Ltd.	5.8
Eicher Motors Ltd.	5.5
Itc Ltd.	4.9
Tech Mahindra Ltd.	3.9
Ipca Laboratories Ltd.	3.5
Aegis Logistics Ltd.	3.2
Gland Pharma Ltd.	3.1
Bosch Ltd.	3.0
Bharat Forge Ltd.	2.9
Container Corporation Of India Ltd.	2.7
Emami Ltd.	2.5
Housing Development Finance Corporation Ltd.	2.3
Ltimindtree Ltd.	2.1
Voltas Ltd.	2.0
Larsen & Toubro Ltd.	2.0
Clean Science And Technology Ltd.	2.0
Vedant Fashions Ltd.	2.0
Tata Consultancy Services Ltd.	1.8
Zomato Ltd.	1.7
Bayer Cropscience Ltd.	1.4
Alkem Laboratories Ltd.	1.3
Birla Corporation Ltd.	1.3
Cummins India Ltd.	0.6
Religare Enterprises Ltd.	0.5

Data as on 31st January 2023

Key Portfolio Analysis

Portfolio Quants (3 Years)	Strategy	Benchmark
Annualized Standard Deviation (%)	22.1%	22.7%
Beta	0.9	1.0

Data as on 31st January 2023



NTDOP Strategy Inception Date: 3rd Aug 2007; Data as on 31st January 2023; Data Source: MOAMC Internal Research; Please Note: Returns up to 1 year are absolute & over 1 year are Compounded Annualized. Returns calculated using Time Weighted Rate of Return (TWRR) at an aggregate strategy level. The performance related information is not verified by SEBI. All portfolio related holdings and sector data provided above is for model portfolio. Returns & Portfolio of client may vary vis-à-vis as compared to Investment Approach aggregate level returns due to various factors viz. timing of investment/additional investment, timing of withdrawals, specific client mandates, variation of expenses charged & dividend income. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Portfolio Management Services | Regn No. PMS INP 00000670

Details

Fund Manager	: Manish Sonthalia
Strategy Type	: Open ended
Date of Inception	: 03 rd August 2007
Benchmark	: Nifty 500 TRI
Investment Horizon	: 3 Years +

Sectors

Particulars	% Allocation
Banks	22.7
Pharmaceuticals & Biotechnology	7.9
IT - Software	7.9
Textiles & Apparels	6.2
IT - Services	6.1
Insurance	5.8
Automobiles	5.5
Diversified FMCG	4.9
Retailing	3.7
Industrial Products	3.5
Gas	3.2
Auto Components	3.0
Finance	2.8
Transport Services	2.7
Personal Products	2.5
Consumer Durables	2.0
Construction	2.0
Chemicals & Petrochemicals	2.0
Fertilizers & Agrochemicals	1.4
Cement & Cement Products	1.3
Cash & Cash Equivalent	3.0

Market Capitalization

Market Capitalization	% Allocation
Large cap	56
Mid cap	36
Small cap	5
Cash & Cash Equivalents	3

Data as on 31st January 2023

India Opportunity Portfolio Strategy

Investment Objective

The Strategy aims to generate long term capital appreciation by creating a focused portfolio of high growth stocks having the potential to grow more than the nominal GDP for next 5-7 years across market capitalization and which are available at reasonable market prices. The strategy is for investors who are keen to generate wealth by participating in India's growth story over a period of time.

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

Portfolio Holdings

Particulars	% Allocation
Idfc First Bank Ltd.	6.2
Tvs Motor Ltd.	5.0
Persistent Systems Ltd.	4.6
Vip Industries Ltd.	4.4
Central Depository Services (india) Ltd.	4.4
Apl Apollo Tubes Ltd.	4.4
Global Health Ltd.	4.4
Archean Chemical Industries	4.4
Birla Corporation Ltd.	4.4
Angel One Ltd.	4.3
Amber Enterprises India Ltd.	4.1
Kpit Technologies Ltd.	3.9
Garden Reach Shipbuilders & Engineers Ltd.	3.2
Globus Spirits Ltd.	2.9
Religare Enterprises Ltd.	2.9
Bank Of Baroda.	2.8
Dcx Systems Ltd.	2.6
Ltimindtree Ltd.	2.5
Kei Industries Ltd.	2.4
Blue Dart Express Ltd.	2.4
Indian Bank	2.4
Max Financial Services Ltd.	2.3
Route Mobile Ltd.	2.3
Trent Ltd.	2.2
Mastek Ltd.	2.0
Century Plyboards (india) Ltd.	1.8
Star Health & Allied Insurance Company Ltd.	1.8
Emudhra Ltd.	1.6
Sbi Life Insurance Company Ltd.	1.6
One 97 Communications Ltd.	1.5
Prince Pipes And Fittings Ltd.	1.2

Data as on 31st January 2023

Details

Fund Manager	: Mr. Manish Sonthalia
Strategy Type	: Open ended
Date of Inception	: 15 th Feb. 2010
Benchmark	: Nifty Smallcap 50 TRI
Investment Horizon	: 3 Years +

Sectors

Particulars	% Allocation
IT - Software	12.9
Banks	11.4
Consumer Durables	10.3
Capital Markets	8.7
Industrial Products	8.0
Aerospace & Defense	5.8
Insurance	5.6
Automobiles	5.0
Healthcare Services	4.4
Chemicals & Petrochemicals	4.4
Cement & Cement Products	4.4
Beverages	2.9
Finance	2.9
Transport Services	2.4
Telecom - Services	2.3
Retailing	2.2
IT - Services	1.6
Financial Technology (Fintech)	1.5
Cash & Cash Equivalent	3.3

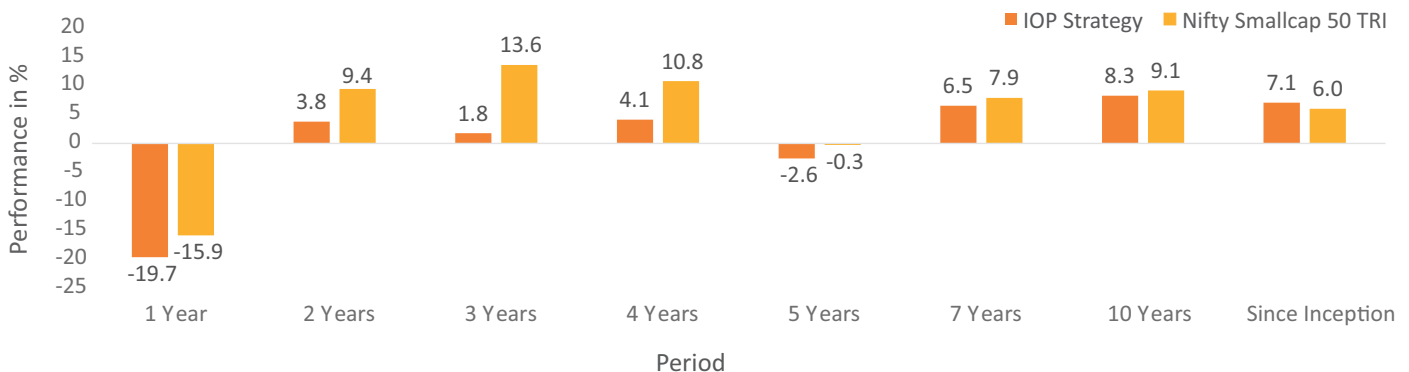
Market Capitalization

Market Capitalization	% Allocation
Large cap	9
Mid cap	34
Small cap	53
Cash & Cash Equivalents	3

Key Portfolio Analysis

Portfolio Quants (3 Years)	Strategy	Benchmark
Annualized Standard Deviation (%)	29.0%	32.6%
Beta	0.8	1.0

Data as on 31st January 2023



IOP Strategy Inception Date: 15th Feb 2010; Data as on 31st January 2023; Data Source: MOAMC Internal Research; Please Note: Returns up to 1 year are absolute & over 1 year are Compounded Annualized. Returns calculated using Time Weighted Rate of Return (TWRR) at an aggregate strategy level. The performance related information is not verified by SEBI. All portfolio related holdings and sector data provided above is for model portfolio. Returns & Portfolio of client may vary vis-à-vis as compared to Investment Approach aggregate level returns due to various factors viz. timing of investment/additional investment, timing of withdrawals, specific client mandates, variation of expenses charged & dividend income. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

India Opportunity Portfolio Strategy V2

Investment Objective

The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from India's emerging businesses. It aims to predominantly invest in Small and Midcap stocks* with a focus on identifying potential winners. Focus on Sectors and Companies which promise a higher than average growth.

*The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

Portfolio Holdings

Particulars	% Allocation
Idfc First Bank Ltd.	6.2
Tvs Motor Ltd.	5.1
Persistent Systems Ltd.	4.5
Vip Industries Ltd.	4.4
Central Depository Services (india) Ltd.	4.4
Global Health Ltd.	4.4
Apl Apollo Tubes Ltd.	4.4
Archean Chemical Industries	4.4
Angel One Ltd.	4.3
Birla Corporation Ltd.	4.2
Amber Enterprises India Ltd.	4.2
Kpit Technologies Ltd.	3.9
Garden Reach Shipbuilders & Engineers Ltd.	3.2
Globus Spirits Ltd.	3.0
Religare Enterprises Ltd.	2.9
Bank Of Baroda Ltd.	2.8
Dcx Systems Ltd.	2.6
Blue Dart Express Ltd.	2.5
Ltimindtree Ltd.	2.5
Kei Industries Ltd.	2.4
Indian Bank	2.4
Max Financial Services Ltd.	2.3
Route Mobile Ltd.	2.3
Trent Ltd.	2.2
Mastek Ltd.	2.0
Century Plyboards (india) Ltd.	1.8
Star Health & Allied Insurance Company Ltd.	1.8
Emudhra Ltd.	1.7
Sbi Life Insurance Company Ltd.	1.6
One 97 Communications Ltd.	1.5
Prince Pipes And Fittings Ltd.	1.2

Data as on 31st January 2023

Details

Fund Manager	: Mr. Manish Sonthalia
Strategy Type	: Open ended
Date of Inception	: 5 th Feb. 2018
Benchmark	: Nifty Smallcap 50 TRI
Investment Horizon	: 3 Years +

Sectors

Particulars	% Allocation
IT - Software	12.9
Banks	11.4
Consumer Durables	10.4
Capital Markets	8.7
Industrial Products	8.0
Aerospace & Defense	5.8
Insurance	5.6
Automobiles	5.1
Healthcare Services	4.4
Chemicals & Petrochemicals	4.4
Cement & Cement Products	4.2
Beverages	3.0
Finance	2.9
Transport Services	2.5
Telecom - Services	2.3
Retailing	2.2
IT - Services	1.7
Financial Technology (Fintech)	1.5
Cash & Cash Equivalent	3.1

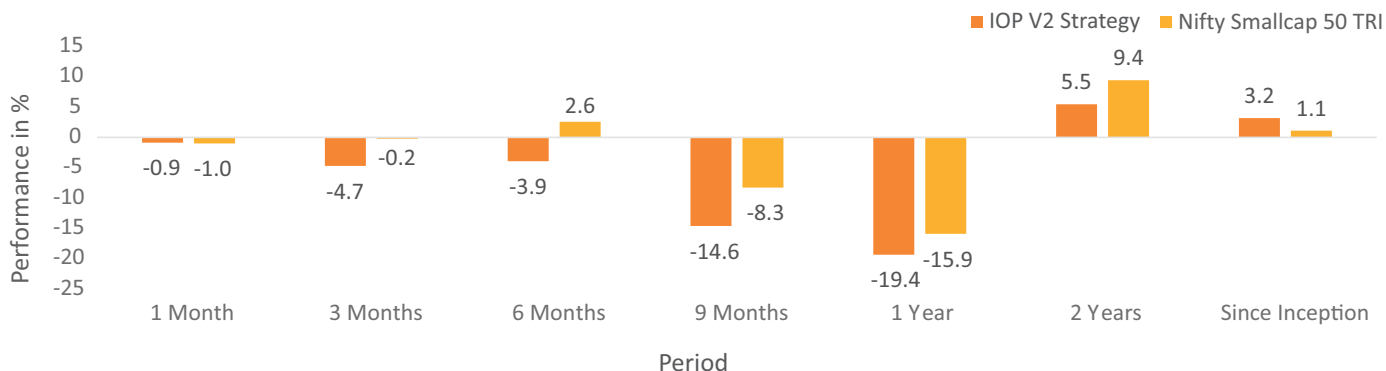
Market Capitalization

Market Capitalization	% Allocation
Large cap	9
Mid cap	35
Small cap	53
Cash & Cash Equivalents	3

Key Portfolio Analysis

Portfolio Quants (3 Years)	Strategy	Benchmark
Annualized Standard Deviation (%)	28.1%	32.6%
Beta	0.8	1.0

Data as on 31st January 2023



IOP V2 Strategy Inception Date: 5th Feb 2018; Data as on 31st January 2023; Data Source: MOAMC Internal Research; Please Note: Returns up to 1 year are absolute & over 1 year are Compounded Annualized. Returns calculated using Time Weighted Rate of Return (TWRR) at an aggregate strategy level. The performance related information is not verified by SEBI. All portfolio related holdings and sector data provided above is for model portfolio. Returns & Portfolio of client may vary vis-à-vis as compared to Investment Approach aggregate level returns due to various factors viz. timing of investment/ additional investment, timing of withdrawals, specific client mandates, variation of expenses charged & dividend income. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Business Opportunities Strategy

Investment Objective

The investment objective of the Strategy is to achieve long term capital appreciation by primarily investing in equity & equity related across market capitalization. It aims to predominantly invest in emerging themes with focus on themes like affordable housing, agricultural growth, GST and value migration from PSU banks to Private Sector Banks. The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

Details

Fund Manager : Mr. Manish Sonthalia
Associate Fund Manager : Mr. Atul Mehra
Strategy Type : Open ended
Date of Inception : 18th Dec. 2017
Benchmark : Nifty 500 TRI
Investment Horizon : 3 Years +

Portfolio Holdings

Particulars	% Allocation
MAX Financial Services Ltd.	10.6
HDFC Bank Ltd.	10.0
ICICI Bank Ltd.	9.2
Phoenix Mills Ltd.	7.4
Axis Bank Ltd.	6.8
LTIMINDTREE Ltd.	6.1
Infosys Technologies Ltd.	6.1
Eicher Motors Ltd.	5.8
Blue Star Ltd.	5.0
Maruti Suzuki India Ltd.	5.0
SAFARI INDUSTRIES (INDIA) Ltd.	4.6
State Bank Of India	4.0
Tata Consultancy Services Ltd.	3.7
GOKALDAS EXPORTS Ltd.	2.8
Development Credit Bank Ltd.	2.3
Larsen & Toubro Ltd.	2.1
NTPC Ltd.	2.0
GUJARAT GAS Ltd.	1.7
G R INFRAPROJECTS Ltd.	1.6
MINDA CORPORATION Ltd.	1.4
UltraTech Cement Ltd.	0.9
RELIGARE ENTERPRISES Ltd.	0.8
GLAND PHARMA Ltd.	0.5

Data as on 31st January 2023

Sectors

Particulars	% Allocation
Banks	32.2
IT - Software	15.8
Automobiles	10.8
Insurance	10.6
Consumer Durables	9.6
Realty	7.4
Construction	3.7
Textiles & Apparels	2.8
Power	2.0
Gas	1.7
Auto Components	1.4
Cement & Cement Products	0.9
Finance	0.8
Pharmaceuticals & Biotechnology	0.5
Cash & Cash Equivalent	-0.2

Market Capitalization

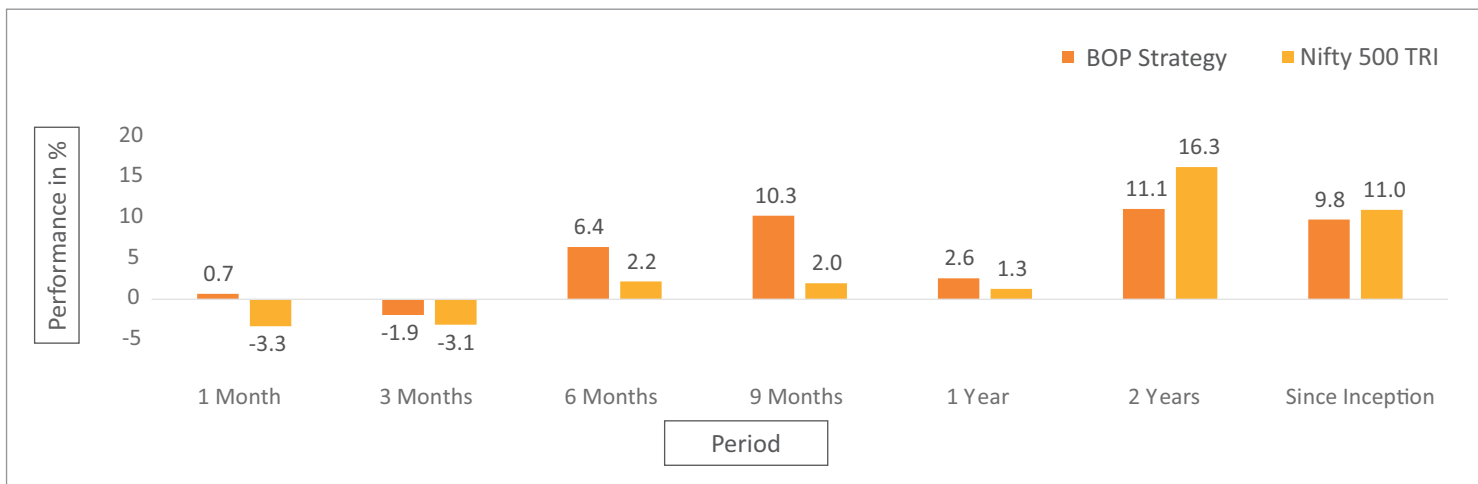
Market Capitalization	% Allocation
Large cap	61
Mid cap	20
Small cap	18
Cash & Cash Equivalents	0

Data as on 31st January 2023

Key Portfolio Analysis

Portfolio Quants (3 Years)	Strategy	Benchmark
Annualized Standard Deviation (%)	20.8%	22.7%
Beta	0.9	1.0

Data as on 31st January 2023



BOP Strategy Inception Date: 18th Dec 2017; Data as on 31st January 2023; Data Source: MOAMC Internal Research; Please Note: Returns up to 1 year are absolute & over 1 year are Compounded Annualized. Returns calculated using Time Weighted Rate of Return (TWRR) at an aggregate strategy level. The performance related information is not verified by SEBI. All portfolio related holdings and sector data provided above is for model portfolio. Returns & Portfolio of client may vary vis-à-vis as compared to Investment Approach aggregate level returns due to various factors viz. timing of investment/ additional investment, timing of withdrawals, specific client mandates, variation of expenses charged & dividend income. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Focused Midcap Strategy

Investment Objective

Majority of weights for investments to be drawn from stocks in 101st to 400th companies in terms of full market capitalization. Minority weights for investment might also be drawn from stocks beyond number 400 and from top 100 companies in terms of full market capitalization. As far as possible Companies should be drawn from a mix of sectors representing changing nature of society and economics in India.

The selection of the stocks will be based on the criteria of strategy at the time of initial ideation and investment made as per the model portfolio of the strategy

Portfolio Holdings

Particulars	% Allocation
Tvs Motor Ltd.	6.7
Idfc First Bank Ltd.	6.1
Angel One Ltd.	5.1
Tata Consumer Products Ltd.	4.8
Apl Apollo Tubes Ltd.	4.6
Polycab India Ltd.	4.4
Amber Enterprises India Ltd.	4.4
Persistent Systems Ltd.	4.0
Astec Lifesciences Ltd.	3.7
Global Health Ltd.	3.5
Star Health & Allied Insurance Company Ltd.	3.5
Garden Reach Shipbuilders & Engineers Ltd.	2.9
Kei Industries Ltd.	2.9
Religare Enterprises Ltd.	2.9
Bank Of Baroda Ltd.	2.8
Archean Chemical Industries	2.7
Dcx Systems Ltd.	2.6
Globus Spirits Ltd.	2.5
Ltimindtree Ltd.	2.5
Max Financial Services Ltd.	2.4
Prince Pipes And Fittings Ltd.	2.4
Indian Bank	2.4
Route Mobile Ltd.	2.0
Emudhra Ltd.	2.0
Sbi Life Insurance Company Ltd.	2.0
Trent Ltd.	1.9
One 97 Communications Ltd.	1.9
Mastek Ltd.	1.7

Data as on 31st January 2023

Details

Fund Manager	: Mr. Rakesh Tarway
Strategy Type	: Open ended
Date of Inception	: 24 th December 2019
Benchmark	: NIFTY MidSmall400 TRI
Investment Horizon	: 3 Years +

Sectors

Particulars	% Allocation
Industrial Products	14.3
Banks	11.2
IT - Software	8.1
Insurance	7.9
Automobiles	6.7
Aerospace & Defense	5.5
Capital Markets	5.1
Agricultural Food & other Products	4.8
Consumer Durables	4.4
Fertilizers & Agrochemicals	3.7
Healthcare Services	3.5
Finance	2.9
Chemicals & Petrochemicals	2.7
Beverages	2.5
Telecom - Services	2.0
IT - Services	2.0
Retailing	1.9
Financial Technology (Fintech)	1.9
Cash & Cash Equivalent	8.9

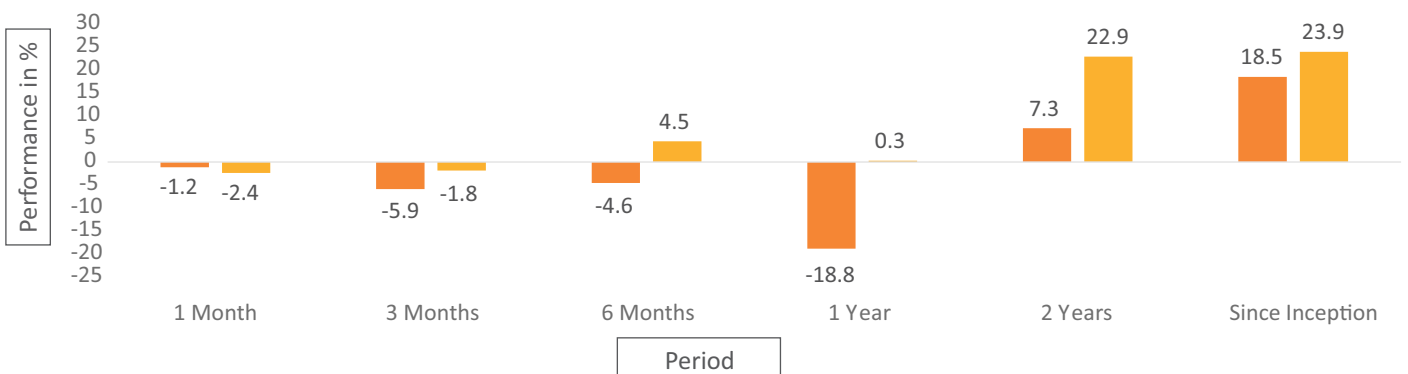
Data as on 31st January 2023

Market Capitalization

Market Capitalization	% Allocation
Large cap	14
Mid cap	36
Small cap	41
Cash & Cash Equivalent	9

Data as on 31st January 2023

■ Focused Midcap Strategy ■ NIFTY Mid Small 400 TRI



FMS Strategy Inception Date: 24th Dec 2019; Data as on 31st January 2023; Data Source: MOAMC Internal Research; Please Note: Returns up to 1 year are absolute & over 1 year are Compounded Annualized. Returns calculated using Time Weighted Rate of Return (TWRR) at an aggregate strategy level. The performance related information is not verified by SEBI. All portfolio related holdings and sector data provided above is for model portfolio. Returns & Portfolio of client may vary vis-à-vis as compared to Investment Approach aggregate level returns due to various factors viz. timing of investment/ additional investment, timing of withdrawals, specific client mandates, variation of expenses charged & dividend income. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Motilal Oswal Ethical Strategy

Investment Objective

The investment objective of the Scheme is to provide medium to long-term capital gains by investing in Ethical equity and equity related instruments across market capitalization which is Shariah compliant.

Details

Fund Manager : Mr. Vaibhav Agrawal
 Strategy Type : Open ended
 Date of Inception : 8th June 2021
 Benchmark : NIFTY 500 Shariah Index TRI
 Investment Horizon : 3 Years +

Portfolio Holdings

Particulars	% Allocation
CG POWER AND INDUSTRIAL SOLUTIONS Ltd.	6.9
KEI INDUSTRIES Ltd.	6.3
Tube Investment of India Ltd.	6.1
CERA SANITARYWARE Ltd.	5.9
H C L Technologies Ltd.	5.8
KRISHNA INSTITUTE OF MEDICAL SCIENCES Ltd.	5.6
UltraTech Cement Ltd.	5.6
BHARAT ELECTRONICS Ltd.	5.3
Siemens Ltd.	5.0
L&T Technology Services Ltd.	4.9
LTIMINDTREE Ltd.	4.9
Infosys Technologies Ltd.	4.8
Page Industries Ltd.	4.5
CENTURY PLYBOARDS (INDIA) Ltd.	4.5
Srf Ltd.	4.4
Global Health Ltd.	4.3
UNICHEM LABORATORIES Ltd.	4.2
MINDA CORPORATION Ltd.	4.2
JAMNA AUTO INDUSTRIES Ltd.	3.8
Finolex Cables Ltd.	3.1

Data as on 31st January 2023

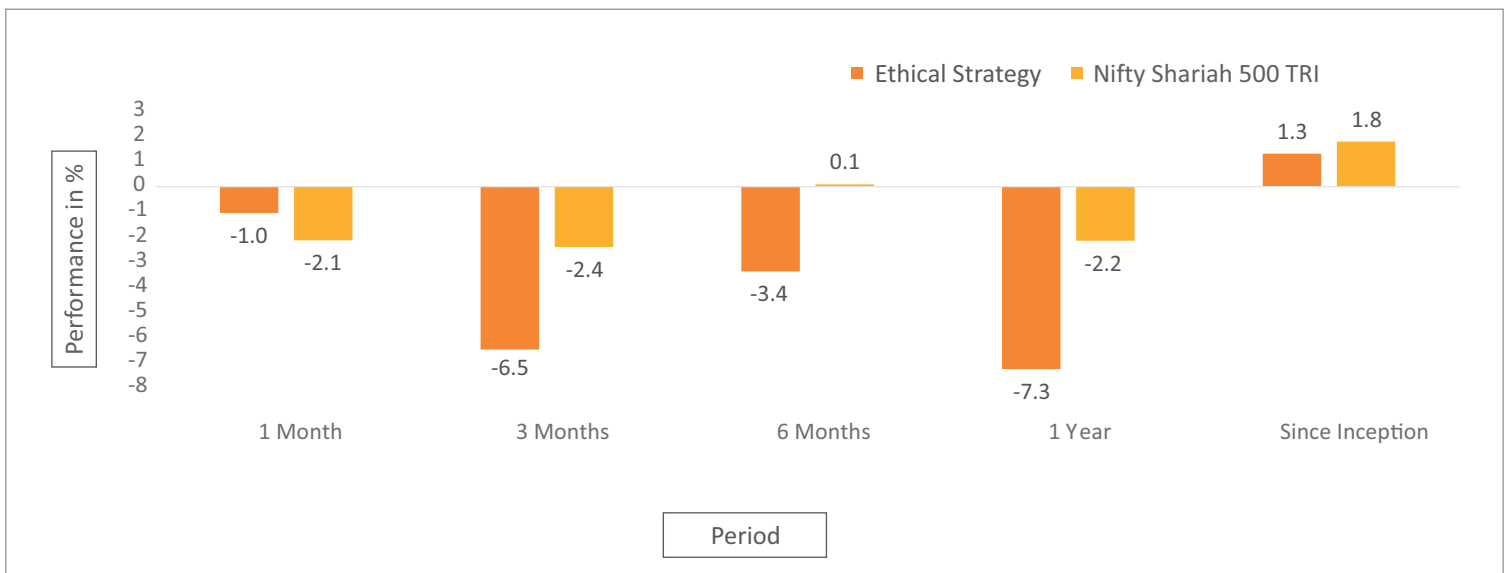
Sectors

Particulars	% Allocation
IT - Software	15.5
Auto Components	14.1
Electrical Equipment	12.0
Consumer Durables	10.4
Healthcare Services	10.0
Industrial Products	9.4
Cement & Cement Products	5.6
Aerospace & Defense	5.3
IT - Services	4.9
Textiles & Apparels	4.5
Chemicals & Petrochemicals	4.4
Pharmaceuticals & Biotechnology	4.2
Cash & Cash Equivalent	-0.2

Market Capitalization

Market Capitalization	% Allocation
Large cap	40
Mid cap	18
Small cap	42
Cash & Cash Equivalents	0

Data as on 31st January 2023



Ethical Strategy Inception Date: 8th June 2021; Data as on 31st January 2023; Data Source: MOAMC Internal Research; Please Note: Returns up to 1 year are absolute & over 1 year are Compounded Annualized. Returns calculated using Time Weighted Rate of Return (TWRR) at an aggregate strategy level. The performance related information is not verified by SEBI. All portfolio related holdings and sector data provided above is for model portfolio. Returns & Portfolio of client may vary vis-à-vis as compared to Investment Approach aggregate level returns due to various factors viz. timing of investment/ additional investment, timing of withdrawals, specific client mandates, variation of expenses charged & dividend income. Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Stock Rationale (quarter ending 31st December 2022)

■ BOP Strategy

Entry Rationale:

Minda Corp Ltd.

- The company has all leading OEMs in the electric space as its clients with prominent names being Ola Electric, Hero Electric, Ampere, Revolt, Ather.
- MCL remains committed to grow ahead of industry (~10-12%) and sustainably attain healthy double digit margins through operational efficiencies & increasing localisation content in the wiring harness division
- Robust order wins (~ 5,930 crore lifetime order win in FY22; replacement & new business combined; EV order win at ~952 crore) imparts healthy revenue visibility

Exit Rationale:

Kotak Mahindra Bank Ltd.

- Competitors of KMB have gained momentum on Digital & tech side. Upgradation of technical architecture and other payment platform will provide edge to competitors.
- Inefficient use of capital to generate profit – RoCE declining in the last 2 years.
- Customer acquisition (2.4mn in Q3), retail asset rollout, investment in technology and future growth added to cost pressures with opex rising 12% QoQ/ 30% YoY. 'Cost to assets' settled high at >3% and 'cost to income' at >50%

■ Focused Midcap Strategy

Entry Rationale:

Archean Chemicals Industries Ltd.

- Leading market position, expansion and growth in bromine and industrial salt – over 90% of revenue from operations. Archean is the largest Indian exporter of bromine and industrial salt with a wide customer base.
- High entry barriers in the speciality marine chemicals industry.
- Established infrastructure and integrated production with cost efficiencies

Bank of Baroda Ltd.

- Loan mix is largely variable with 28% linked to EBLR and 53% linked to MCLR – rest is T Bills and fixed rate
- Domestic corporate credit is reviving as growth touched an 8-yr high of +13% YoY and BoB would be a key beneficiary as corporate loan share is ~40% and market share in overall advances is sizeable at 6.6% post-merger
- BOB should continue to focus on loan growth, maintaining margins, controlling operating expenses and improving asset quality (Net NPA declined from 2.8% to 1.2% YoY in Q2FY23; PCR improved to 79.1 from 67.1 in the same period). Management expects RoA to cross 1% by FY25

DCX Systems Ltd.

- With defence public sector undertakings focusing on specialisation and integration and sub-component manufacture being outsourced to the private sector, there are significant opportunities for private sector companies like DCX Systems
- DCX is a preferred Indian offset partner for foreign OEMs for executing defence projects. It undertakes system integration & manufacture cable/wire harness assemblies for both domestic & international OEMs
- DCX has established a leadership position in the Indian aerospace and defence industry amongst other companies, in the segment of "system integration" business

Garden Reach Shipbuilders & Engineers Ltd.

- Increasing revenue every quarter for the past 4 quarters.
- Company's annual revenue growth of 44.39% outperformed its 3 year CAGR of 7.11%
- India is increasing its defence spending and hence Garden Reach Shipbuilders & Engineers stands to benefit from this increase in spending.

Stock Rationale (quarter ending 31st December 2022)

Global Health Ltd.

- Medanta has grown to have hospitals with 2,467 installed beds across five cities. It has consistently delivered high operational and financial performance through high patient volumes, cost efficiency and diversified revenue streams across medical specialities.
- Over the years of service to patients, Medanta's dedication has helped it in enhancing the "Medanta" brand and belief that the patients have placed a high degree of trust in them.
- Medanta aims to deliver advanced healthcare to all and expand beyond its flagship hospital in NCR focusing on under-served areas with dense population.
- Medanta is present in major markets which the Crisil Report notes as being under-served in terms of healthcare services i.e. NCR, Lucknow and Patna, which had 1.9, 3.3 and 4.3 beds per 1,000 people, respectively, which poses a significant opportunity in hospital/healthcare

Indian Bank Ltd.

- Indian Bank reported a 2QFY23 PAT of INR12.3b (up 12% YoY), supported by healthy NII growth and lower provisions. Net Interest Income grew 15% YoY to INR46.8b
- Headline asset quality ratios continue to improve, with an 83bp/62bp QoQ reduction in GNPA/NNPA to 7.3%/1.5%. Slippages moderated to INR24.6b (~2.7% annualized). This, coupled with healthy recoveries and upgrades and write-offs, aided asset quality.
- The bank is working hard on digitization, with consistent efforts to improve customer convenience.
- Capital adequacy remains strong, supported by strong profit generation.

Exit Rationale:

Fino Payments Ltd.

- Increasing competition could result in higher merchant pay-outs, which in turn could dent margins
- Faster adoption of UPI payments via feature-phones could impact remittance volumes.

Gland Pharma Ltd.

- We expect competition to grow intensely in the coming quarters; demand is also expected to moderate for generic injectables
- Increase in raw material prices may impact the company's growth and margin in the upcoming quarters.
- Company has been witnessing a declining trend in domestic and global business (ex-US)

L&T Technology Services Ltd.

- L&T Technology Services (LTTS) posted weak revenue performance, resulting in a guidance cut
- Revenue growth was flat sequentially, impacted by higher-than expected furloughs in the plant engineering vertical and weakness in the telecom & hi-tech vertical
- On the recent acquisition of SWC, the company expects the margin to decline to the tune of 180-200bp QoQ due to one-off integration charges in 1QFY24. The low-margin business of SWC would keep LTTS' margin at lower level for an extended period.

IOP/IOP V2 Strategy

Entry Rationale:

Archean Chemicals Industries Ltd.

- Leading market position, expansion and growth in bromine and industrial salt – over 90% of revenue from operations. Archean is the largest Indian exporter of bromine and industrial salt with a wide customer base.
- High entry barriers in the speciality marine chemicals industry.
- Established infrastructure and integrated production with cost efficiencies

Bank of Baroda Ltd.

- Loan mix is largely variable with 28% linked to EBLR and 53% linked to MCLR – rest is T Bills and fixed rate
- Domestic corporate credit is reviving as growth touched an 8-yr high of +13% YoY and BoB would be a key beneficiary as corporate loan share is ~40% and market share in overall advances is sizeable at 6.6% post-merger
- BOB should continue to focus on loan growth, maintaining margins, controlling operating expenses and improving asset quality (Net NPA declined from 2.8% to 1.2% YoY in Q2FY23; PCR improved to 79.1 from 67.1 in the same period). Management expects RoA to cross 1% by FY25

Stock Rationale (quarter ending 31st December 2022)

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- The bank is working hard on digitization, with consistent efforts to improve customer convenience.
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KPIT Tech Ltd.

- The company derive most of its revenue from innovative technology and the scalability in the industry is huge. Automotive manufacturers are prioritizing investment in new age technologies and KPIT is at the forefront on these.
- The company is well placed to take the advantage of mobility and the disruptive sectors (Telecom and Semiconductor). Its software integration capability, Middleware & new architectural solution and cloud base connected service through organic & inorganic route will bring long term value creation compared to its peers.

Trent Ltd.

- Trent Limited (TRENT) has been able to deliver consistent outperformance in overall business since last 5+years (18% revenue CAGR) driven by superior business performance in both Westside and Zudio formats
- Westside has been consistently outperforming competition since last 5+ years
- Zudio has more than doubled store count and revenue over last 3 years
- Its JV with Zara augurs well for the company and will drive future growth

Exit Rationale:

Birlasoft Ltd.

- Macro headwinds can adversely impact technology spends
- Volatile and unfavourable currency movements.

Stock Rationale (quarter ending 31st December 2022)

Blue Star Ltd.

- Major increase in Input prices and/or increase in competitive pressures will result in downside in the future.
- Slowdown in discretionary consumption will also lead to pressure in top-line growth.

Clean Science and Technology Ltd.

- Insufficient use of capital to generate profit resulting in the RoCE decline in last 2 years.
- Margin to be under pressure due to new launch of HALS (hindered amine light stabilisers) – Management has commented that margin optimisation would take time.

Gland Pharma Ltd.

- We expect competition to grow intensely in the coming quarters; demand is also expected to moderate for generic injectables
- Increase in raw material prices may impact the company's growth and margin in the upcoming quarters.
- Company has been witnessing a declining trend in domestic and global business (ex-US)

Greaves Cotton Ltd.

- Regulatory changes regarding battery usage to buy OEMs would put downward pressure in the coming quarters.

Kajaria Ceramics Ltd.

- Sales volume increased merely by 0.5% on a YoY basis during Q2FY23 mainly impacted by a subdued demand scenario and disruptions in natural gas supply followed by unprecedented increase in gas cost.
- Higher gas prices have impacted EBITDA margins in Q2FY23.
- Declining profits every quarter for the past 3 quarters

■ NTDOP Strategy

Entry Rationale:

Religare Enterprises Ltd.

- New management – has successfully been able to salvage the business and turnaround
- The real value driver in the business remains its Health Insurance business (ie Care Health) – number 2 in the space
- The Health Insurance business – is best in class – led by very respected management team (which have been running the business since the start and transgressed the bad branding phase of Religare and has emerged strong)
- The company is undergoing an OTS – after which the clarity on demerger of the Health Insurance business will emerge – which in our view should be positive for the minority shareholders
- The stock offers high margin of safety – so risk-reward is quiet favourable.

Exit Rationale:

Godrej Industries Ltd.

- Slowdown in growth of rural market is continuing to hurt the FMCG sector, which is hurting Godrej Industries Ltd more as compared to its peers.
- Poor cash generated from core business - Declining Cash Flow from Operations for last 2 years.

Hindustan Petroleum Corpn. Ltd.

- Hindustan Petroleum Corporation's (HPCL) Q2FY23 operating performance was weak, with a recurring EBITDA loss of Rs71.2bn and net loss of Rs77.9bn
- FY23E prospects appear muted despite the forecast of double-digit GRMs (Gross Refining Margins), given negligible marketing earnings to offset this advantage

Reliance Industries Ltd.

- Net debt soared to Rs 932bn from Rs 348bn at Q4FY22-end owing to higher working capital, the translation impact of forex liabilities and first 5G spectrum payment during the quarter.
- O2C EBITDA decreased 40% QoQ to Rs 120bn in Q2FY23, giving up most of the benefits from a surge in refining margin in Q1.

Stock Rationale (quarter ending 31st December 2022)

Value Strategy

Entry Rationale:

Axis Bank Ltd.

- Asset quality position looks healthy; restructuring book remains under control keeping credit costs in line with large private peer
- AXSB has progressed well over past few years and has strengthened its balance sheet by making it granular, increasing the mix of retail loans and improving its PCR. As a result, its key metrics such as loan growth, margins and profitability have improved.
- Loan growth is witnessing a healthy recovery with 14-18% growth over the past four quarters (vs 13% CAGR over FY19-22), driven by retail loans (18% CAGR). Small business banking (SBB)/rural loans posted a robust CAGR of 49%/23%. The rural and semi-urban market remains a key focus area, which should enable sustainable loan growth over the medium term

Global Health Ltd.

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Exit Rationale:

AU Small Finance Bank Ltd.

- Continued investments in franchise-building and new businesses are likely to drag the medium-term profitability vectors
- Exited for better opportunities

Dr. ReddyS Laboratories Ltd.

- With upsides from gRevlimid already in the price, a slowdown in meaningful launches in the US and subdued growth in other regions off a high base
- India business is witnessing a slowdown on a high Covid base

Gland Pharma Ltd.

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- Company has been witnessing a declining trend in domestic and global business (ex-US)

Grindwell Norton Ltd.

- Exited to reduce tail

Info Edge (India) Ltd.

- The stock currently offers a low margin of safety
- Recent trend shows declining RoCE and Net Cash Flow

KPIT Technologies Ltd.

- Reduction of innovation budgets by OEMs & Tier 1 auto companies due to economic slowdown.
- Appreciation of INR will impact negatively to company's business.

Trent Ltd.

- Exited for better opportunities

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