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SMART INVESTING
FII's Raise Bullish Bets, Signal More Highs for Indices

Monetary Policy Committee Meet Central bank likely to retain its accommodative stance, pare growth estimate RBI Expected to Keep Rates Unchanged

Saikhat Das & Gayatri Nayak

Mumbai: The Reserve Bank of India's upcoming monetary policy review could be the one with least action in more than a year as it weighs the economic fallout of the second wave of Covid infections, stagflation and price pressures — all pulling in different directions.

The Monetary Policy Committee (MPC) is likely to lower the FY22 economic growth forecast as the 10.2% it had estimated earlier may be achievable now with more than half of rural India and many urban centres under different stages of lockdown.

An ET poll of 17 economists and investors shows that the MPC may leave interest rates unchanged and retain its accommodative stance while sounding a warning over price pressures that are building up with soaring commodity prices and supply-side disruptions.

ET POLL

The MPC meeting will start on June 2 and the result of its deliberations announced on June 4. The key repo rate, at which RBI lends to banks, is at 4%. The reverse repo rate, the interest the RBI pays banks for keeping surplus funds with it, is at 3.35%.

"The RBI may want to sit tight in view of the still high pandemic cases," said Pranali Bhandari, economist at CARE Ratings. "We think the one change it might make is a mark-down in the GDP growth forecast."

While the central bank has kept its liquidity spigot open since March 2020, when the government imposed a lockdown, the

"No tinkering with rates or stance is plausible now amid a spreading crisis," said Madan Sabnis, chief economist at CARE Ratings. "The central bank is likely to focus more on growth revival. Even a partial moratorium on loan repayment cannot be ruled out although the MPC may not be fully in favour of that."

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STREET VIEW RBI likely to focus more on growth revival. Even a partial moratorium on loan repayment cannot be ruled out

economic recovery has been uneven. States have imposed varying degrees of curbs in order to stem the pandemic. Supply disruptions and the demand for commodities have led to sharp price increases that may weigh on the MPC, which is targeted to keep consumer price inflation at 4%, with a tolerance limit of 2 percentage points on either side.

"An emerging question for the RBI

will likely be the sequential momentum of inflation," said Rahul Bajaria, economist at Barclays. "While RBI might draw some comfort from the limited pass-through, the elevated wholesale price inflation is now too high to ignore."

While the Consumer Price Index rose 4.2% in April, the wholesale price index WPI soared 10.4% as commodity prices such as those of steel, aluminium, chemicals and

services rose. While a part of that is due to the low-base effect, there is a possibility of prices becoming sticky when manufacturers begin to pass them on.

While it juggles between inflation and growth, another factor that looms large over the RBI is government borrowings. The bond market has been sceptical about yields staying low because of high, expected bond sales by the government.

"RBI is likely to extend continued focus on yield management especially after the additional borrowing of ₹1.50 lakh crore due to GST cess shortfall," said Upesha Bhartiwal, senior economist at Kotak Mahindra Bank. "Without RBI's continuous support, the bond supply dynamics remain significantly skewed and could increase the borrowing costs sharply."

Last Friday, the RBI devolved benchmark paper worth ₹7,436 crore in its weekly auction, the first such event in this financial year, which is reportedly aimed at arresting yield rises.

ONE97 PLANS PUBLIC ISSUE OF AROUND \$3 BILLION Paytm Promoter's Unlisted Shares Soar 70% in a Week

HIGH IN DEMAND Only buyers, hardly any sellers after IPO news, say traders

Rajesh Mascarenhas
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Mumbai: The unlisted shares of One97 Communications, promoter of Paytm, spiralled nearly 70% last week after the company decided to go ahead with an initial public offer (IPO) — the largest ever by an Indian company. The country's largest mobile payment firm, backed by China's Alibaba and Softbank, is planning a public issue of around \$3 billion (₹21,700 crore), which would value the company at \$25 billion to \$30 billion (₹191-217 lakh crore), according to news reports.

One97 Communications shares, which are traded in the unofficial grey market, shot up from ₹1,000 to ₹1,800 per share in a week. The stock had hit ₹1,000 early in 2020 before the Covid-19 crisis. It plunged to ₹550 in May last year.

"There are only buyers and hardly any sellers after the IPO news," said Narottam Dharwal, founder of Mumbai-based Dharwal Securities. "While buyers are offering ₹108-109 per share, sellers are demanding above ₹200."

At the current share price in the unlisted market, One97 is valued at around \$1.5 billion (₹11 lakh crore), lower than the valuation at which it raised funds in November 2019.

The firm's value in the unofficial market has roared past the market capitalization of listed financial firms such as SBI Cards & Payment Services, SBI Life Insurance, ICICI Prudential Life Insurance, or banks such as IndusInd, Bandhan, and Punjab National Bank.

"There is a mad rush to buy for One97 Communications shares in the last few days especially after the

Listing and Gains

₹15.5 billion (₹1.11 lakh crore) Valuation of One97 at current share price in unlisted market

Go ahead of m-caps of listed finance firms such as SBI Cards, SBI Life Insurance, ICICI Prudential Life or banks such as IndusInd, Bandhan and PNB

MAJOR SHAREHOLDERS

Vijay Shekhar Sharma (Founder)	14.8%
Alibaba and Ant Financial	27.0%
Softbank	20.0%
Others	19.0%

IPO news," said Sambhav Aggarwal of Delhi-based Arms Securities, which deals in unlisted shares. "Shares which were traded at around ₹1,000 till early last week are currently traded above ₹1,800."

Anil Goel, a Delhi based trader in unlisted shares, said shares of One97 are currently trading above ₹1,800 per share.

Founder Vijay Shekhar Sharma currently owns a 14.8% stake in the company. Alibaba and Ant Financial together hold 27%, while Softbank owns 20% and SAIF Partners owns 19%.

For the financial year ended March 31, 2020, the total operating revenue of Paytm's parent company One97 Communications grew by a little over 1% to ₹3,280 crore, while it cut its losses by 30% to ₹2,942 crore, according to its annual report.

The company raised \$1 billion in Series C round in November 2019 at a valuation of \$1.6 billion by issuing shares to several investors including SVF Panther, Alipay Singapore, T Rowe Price, Discovery Capital Ventures Capital among others. Shares were issued at \$24.58 (about ₹19,000) per share.

TECHNICAL VIEWS

Nifty and Bank Index Poised to Touch New Highs



DHARMESH SHAH

HEAD-TECHNICALS, ICICI SEC

Where is Nifty headed after reclaiming its record high?

Nifty made fresh highs by retracing 10-week corrective phase in just five weeks. We expect Nifty to head towards 16,400 by September 2021, backed by a structural chart improvement and broad-based sectoral participation. Similar breakout is expected on Bank Nifty, with a target of 38,600 by September

What should be investors' strategy at this juncture?

Nifty's journey to 16,400 is expected to be non-linear. At current juncture, a dip below 15,000 mark is expected to attract strong buying demand and would offer an incremental buying opportunity in quality large-caps and mid-caps. We believe BFSI, auto, capital goods, and consumption towards favourable risk-reward perspective from current juncture.

The Nifty is likely to scale new all-time highs soon as technical indicators point to stability in the market. The index could advance by 1-2% to 15,600-15,700 this week, said technical analysts. The Nifty hit a fresh high of 14,469.65 on Friday before settling at 15,435.65. The Bank Nifty is also likely to reclaim record highs in June, said analysts.

SIDDARTH BHAMRE

DIRECTOR-ALTERNATIVE INVESTMENTS AND RESEARCH AT INCES-SEC

Where is Nifty headed after reclaiming its record high?

Nifty has given breakout on weekly charts with the last two weeks market making green candles and closing near the highest point. This breakout has been backed by good volumes as well. Though 15,500 may be immediate resistance but momentum indicators indicate that the selling may be absorbed and resistance may get breached. Roll-overs of long positions were visible in Bank Nifty and with the supply zone around 36,500, there

Is decent room on the upside. We should look at the all-time high in Bank Nifty only above 36,500.

What should be investors' strategy at this juncture?

Short-term traders should follow the trend instead of predicting top and should prefer buying at the money options. First day of the new series has seen significant formation of long positions in the NBFC space, so watch out for it. The Nifty infrastructure index is on the verge of making a new high since April 2008. This index mainly consists of Reliance and L&T. Both have shown strength on the charts. Apart from Bank Nifty, even Nifty Auto index has shown decent upward momentum.

SRIRAM VELAYUDHAN

VICE PRESIDENT ALTERNATIVE RESEARCH, IIFL SECURITIES

Where is Nifty headed after reclaiming its record high?

Re-emergence of bullish momentum on back of oscillators triggering buy signals and Nifty breaking out of three-months trading range, we expect the index to head towards 15,600-15,700 in the ensuing sessions. Key supports will be 15,300 and 15,200. Positive momentum in the benchmark heavyweight Reliance Industries augurs well in short term. The

Stock has closed above its 200-day moving average as well. With large-cap banks displaying strength, we assign a good possibility of Bank Nifty moving towards its previous highs in June.

What should be investors' strategy at this juncture?

Investors with some appetite for risk can look to buy Bank Nifty weekly call option (3-July-21) of 35,500 strike to play the upside in the banking index. Banks, IT, auto and capital goods are the sectors which are looking attractive because they are displaying relative strength in the near term.

Reliance Industries Limited

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 Corporate Identity Number: L17110MH1973PLC019786

FOR THE ATTENTION OF REGISTERED MEMBERS OF PARTLY PAID-UP EQUITY SHARES

PAYMENT OF FIRST CALL (LAST DATE* TODAY)

- The Company has sent First Call Notice on May 13, 2021 to all the holders of partly paid-up equity shares whose names appeared on the Register of Members as on May 12, 2021 (being the "Call Record Date"). "LAST DATE FOR MAKING PAYMENT (WITHOUT INTEREST) OF FIRST CALL OF RS. 314.25 PER PARTLY PAID-UP EQUITY SHARE IS TODAY, THAT IS, **MAY 31, 2021**. First Call Notice can be downloaded from <https://rights.kfintech.com/callmoney>
- The First Call payment can be made by choosing any one of following modes namely (a) Online ASBA, (b) Physical ASBA, (c) 3-in-1 type account, (d) R-WAP portal (<https://rights.kfintech.com/callmoney>) and (e) Deposit of cheques / demand drafts with the 'Collection Centers' of the Escrow Collection Banks along with a Payment Slip. Shareholders can visit <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intMid=35> to refer to the list of existing Self-Certified Syndicate Banks ("SCSBs") for (a) and (b) above). Details of Collection Centers of Escrow Collection Banks are available at <https://www.ril.com/investorRelations/FirstCall.aspx>
- Shareholders may note the consequences of failure to pay First Call, given below:
 - Interest @ 8.00% (Eight per cent only) p.a. will be payable for delay beyond May 31, 2021 till actual date of payment;
 - The Company shall be entitled to deduct from any dividend payable, all sums of money outstanding on account of calls and interest due thereon in relation to the partly paid-up equity shares; and
 - The partly paid-up equity shares, including the amount already paid thereon is liable to be forfeited in accordance with the Articles of Association of the Company and the Letter of Offer dated May 15, 2020.
- For any query related to the First Call:
 - Refer FAQs on <http://www.ril.com/investorRelations/FirstCall.aspx>;
 - Call toll-free number 1800 892 9999 (9 AM to 9 PM);
 - WhatsApp by typing "HI" to +91 79771 11111; or
 - E-mail at ril.callmoney@kfintech.com
- This notice is for information of shareholders holding partly paid-up equity shares of the Company for payment of the First Call and is not for publication, distribution, directly or indirectly outside India and this does not constitute an offer or invitation or inducement to purchase or sell or to subscribe for, any new securities of the Company.

For RELIANCE INDUSTRIES LIMITED

Sd/-
K. Sethuraman

Group Company Secretary and
Chief Compliance Officer

Place : Mumbai
Date : May 31, 2021

For RELIANCE INDUSTRIES LIMITED

Sd/-
Savitri Parekh

Joint Company Secretary and
Compliance Officer

Predictable Distribution + Consistent Growth

EBITDA (INR Mn)
CAGR 51%

FY	Value (INR Mn)
FY18	4,155
FY19	6,036
FY20	11,504
FY21	14,473

© FY18 represents 10 months of operation

Consistent Growth in Distribution Per Unit
4% YoY Growth

FY	Value
FY18	9.57
FY19	12.00
FY20	12.00
FY21	12.20
FY22*	12.75

***Fy22 DPU Guidance Raised to INR 12.75**

INDIA GRID TRUST

For full financial results please visit www.indigrd.co.in

INDIA GRID TRUST (IndiGrid)
An Infrastructure Investment Trust registered under Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, vide registration number IN/InvIT/16-17/0005 at New Delhi