Q3FY20
Earnings Preview

Research Team

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Automobile

Weak demand to impact overall performance

Summary

- **Q3FY20 Result Expectation:** We have seen muted demand leading to lower volumes and higher discounting. We expect OEM's like Ashok Leyland (AL) (-33%), TVS motors (TVSL) (-14%) and Hero MotCorp (HMCL) (-12%) to report decline in revenue on YoY whereas Maruti Suzuki (MSIL) (+11%), Bajaj Auto (BJAUT) (+9%) and Eicher Motors (EIM) (+4) to report growth on YoY. We expect highest YoY EBITDA de-growth for AL (52%), TVSL (24%) and HMCL (15%) YoY led by lower volumes and higher discounting.
- We believe slowdown in auto segment in Q3FY20 would certainly impact the overall performance of auto ancillary companies from our coverage universe. We expect Jamna Auto (JAI), MM Forging (MMFG) and Subros Ltd (Subros) revenue to decline 55%/34%/8% YoY respectively. And higher EBITDA de-growth for JAI (76%) and MMFG (37%) YoY.
- Key things to look out for in management commentaries – demand outlook for Q3FY20 and BSVI transition.
- **Outlook:** We believe general slowdown in economy, increase in vehicle prices, BSVI transition, liquidity conditions and low buying sentiments among customers would continue to impact 4W and 2W retail sales.

Exhibit: Valuation Snapshot

Companies	CMP (Rs)	TP (Rs)	Reco	Mkt Cap (Rs mn)	Revenue (Rs mn)		Ebitda (Rs mn)		EPS (Rs)		BVPS (Rs)		PER (x)		P/B (x)		EV/EBITDA (x)		RoE(%)	RoCE(%)
					FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY21E	FY21E
OEM's																				
ASHOK LEYLAND	84	70	**HOLD**	245,557	308,418	287,089	36,280	26,998	7.3	4.7	32	35	11.4	17.8	2.6	2.4	5.8	7.7	14.1	17.3
BAJAJ AUTO	3,071	3,000	**HOLD**	888,603	311,000	330,365	50,702	51,744	168.7	175.7	855	959	18.2	17.5	3.6	3.2	17.0	16.5	19.4	18.7
EICHER MOTORS	21,180	20,050	**REDUCE**	578,282	92,571	104,275	24,768	29,339	745.2	869.2	3861	4546	28.4	24.4	5.5	4.7	22.1	18.6	20.7	21.9
HERO MOTOCORP	2,434	2,700	**HOLD**	486,080	305,957	331,957	43,065	45,490	150.9	169.0	697	765	16.1	14.4	3.5	3.2	10.7	10.0	23.1	25.1
MARUTI SUZUKI INDIA	7,256	6,700	**REDUCE**	2,191,939	726,784	825,017	78,235	94,356	191.5	222.4	1673	1828	37.9	32.6	4.3	4.0	27.7	22.9	12.7	9.6
TVS Motor Co	453	330	**SELL**	215,119	177,128	191,891	15,372	16,020	14.6	16.4	83	95	31.1	27.6	5.5	4.8	14.7	13.9	18.4	21.1
Auto Anc.																				
GNA Axles	273	273	**HOLD**	5,850	9,594	9,288	1,382	1,328	30.2	27.2	215	240	9.0	10.0	1.3	1.1	4.7	4.3	12.0	16.0
Jamna Auto Industries	47	38	**REDUCE**	18,548	13,452	14,653	1,547	1,832	2.0	2.4	15	17	23.4	19.4	3.1	2.7	12.2	9.9	15.0	20.4
Lumax Auto Technologies	104	95	**HOLD**	7,058	12,057	12,463	1,435	1,221	11.5	8.6	80	84	9.0	12.1	1.3	1.2	4.5	5.0	10.5	11.7
MM Forgings	388	423	**ACCUMULATE**	9,367	8,549	9,008	1,496	1,612	21.8	28.2	197	220	17.8	13.8	2.0	1.8	8.0	7.3	13.5	11.9
Subros	283	290	**BUY**	18429	21269	22468	1914	2090	8.2	13.5	117	128	34.7	20.9	2.4	2.2	9.4	8.2	11.0	15.0

Source: IDBI Capital Research

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Exhibit: OEM Estimates (Rs mn)

Company		Dec 19	Sept 19	Dec 18	*QoQ (%)*	*YoY (%)*	Comments
Ashok Leyland (Standalone)	Volume	31,200	28,938	43,763	*7.8*	*(28.7)*	▪ We expect revenues to decline by 33% YoY/+8% QoQ to Rs42.4bn, led by decline of 29% YoY /+ 8% QoQ in volumes. EBITDA margin to stand at 7.4%. Overall, adjusted PAT to decline by 68% YoY to Rs1.2bn.
	Revenue	42,367	39,295	63,252	*7.8*	*(33.0)*	
	EBITDA	3,135	2,286	6,496	*37.2*	*(51.7)*	
	Net Profit	1,226	1,037	3,879	*18.3*	*(68.4)*	
	EBITDA Margin (%)	*7.4*	*5.8*	*10.3*	*160*	*290*	
	EPS	0.4	0.4	1.3	*18.3*	*(68.4)*	
Bajaj Auto (Standalone)	Volume	1,202,486	1,173,591	1,259,828	*2.5*	*(4.6)*	▪ We expect standalone revenues to increase by 5% YoY (9% QoQ) to Rs80.9 bn, led by decrease of 5% YoY/+3% QoQ in sales volumes. EBITDA margin to increased 100 bps YoY, to 16.6%. Overall, adjusted PAT increased 14% YoY/-10% QoQ to Rs12.6bn.
	Revenue	80,855	77,073	74,094	*4.9*	*9.1*	
	EBITDA	13,422	12,781	11,561	*5.0*	*16.1*	
	Net Profit	12,601	14,024	11,019	*(10.1)*	*14.4*	
	EBITDA Margin (%)	*16.6*	*16.6*	*15.6*	*NA*	*100*	
	EPS	43.5	48.5	38.1	*(10.1)*	*14.4*	
Eicher Motors (Consolidated)	Volume (RE)	195,182	177,959	211,446	*9.7*	*(7.7)*	▪ We expect consolidated revenues to increase by 4% YoY (11% QoQ) to Rs24.3bn, due to increase in realisation and higher export volumes. VECV volume decline by 27% YoY/+9% QoQ to 12,391 units. EBITDA margin to decline 330bps YoY and 100bps QoQ. Overall, Adj. PAT to increase by 4% YoY/-7% QoQ to Rs5.3bn.
	Revenue	24,276	21,925	23,411	*10.7*	*3.7*	
	EBITDA	6,282	5,414	6,795	*16.0*	*(7.6)*	
	Net Profit	5,330	5,727	5,118	*(6.9)*	*4.1*	
	EBITDA Margin (%)	*25.7*	*24.7*	*29.0*	*100*	*(330)*	
	EPS	195.3	209.9	187.6	*(6.9)*	*4.1*	
Hero MotoCorp (Standalone)	Volume	1,540,868	1,691,420	1,798,905	*(8.9)*	*(14.3)*	▪ We expect standalone revenues to decline by 12% YoY (8% QoQ) to Rs69.3bn, led by decrease of 14% YoY (9% QoQ) in sales volumes. EBITDA margin to decline 50bps YoY (100bps QoQ) due to higher operating expenses. Overall, adjusted PAT to decline 10% YoY (26% QoQ) to Rs6.9bn.
	Revenue	69,313	75,707	78,648	*(8.4)*	*(11.9)*	
	EBITDA	9,357	11,011	11,048	*(15.0)*	*(15.3)*	
	Net Profit	6,898	9,349	7,691	*(26.2)*	*(10.3)*	
	EBITDA Margin (%)	*13.5*	*14.5*	*14.0*	*(100)*	*(50)*	
	EPS	34.5	46.8	38.5	*(26.2)*	*(10.3)*	

Company		Dec 19	Sept 19	Dec 18	*QoQ (%)*	*YoY (%)*	Comments
Maruti Suzuki (Standalone)	Volume	437,361	338,317	428,633	*29.3*	*2.0*	■ We expect revenues to increase by 11% YoY/29% QoQ to Rs218.5bn. Volumes for the quarter increase by 2% YoY/29% QoQ to 437k units. EBITDA margin to stand at 11.2%. Adj. PAT to increase 24% YoY/36% QoQ to Rs18.4bn.
	Revenue	218,481	169,853	196,683	*28.6*	*11.1*	
	EBITDA	24,470	16,063	19,311	*52.3*	*26.7*	
	Net Profit	18,418	13,586	14,893	*35.6*	*23.7*	
	EBITDA Margin (%)	*11.2*	*9.5*	*9.8*	*170*	*140*	
	EPS	61.0	45.0	49.3	*35.6*	*23.7*	
TVS motors (Standalone)	Volume	929,735	885,832	989,787	*5.0*	*(6.1)*	■ We expect revenues to decline by 14% YoY/8% QoQ to Rs40bn. EBITDA margin to decline 100bps YoY to 7.1%. Overall, adjusted PAT is likely to decrease 37% YoY/43% QoQ to Rs1.2bn
	Revenue	40,120	43,478	46,640	*(7.7)*	*(14.0)*	
	EBITDA	2,849	3,820	3,757	*(25.4)*	*(24.2)*	
	Net Profit	1,124	1,980	1,784	*(43.2)*	*(37.0)*	
	EBITDA Margin (%)	*7.1*	*8.8*	*8.1*	*(170)*	*(100)*	
	EPS	2.4	3.8	3.8	*(37.2)*	*(37.0)*	

Source: IDBI Capital Research; Note: data for EBITDA Margin YoY and QoQ is in bps.

Exhibit: Auto Ancillary Estimates

(Rs mn)

Company		Dec 19	Sept 19	Dec 18	QoQ (%)	YoY (%)	Comments
GNA Axles (Standalone)	Revenue	2,400	2,560	2,463	(6.2)	(2.5)	■ We expect revenue to decline 3% YoY/6% QoQ to Rs2.4bn, led by slowdown in domestic tractor industry and NA class 8 market. Overall, adjusted PAT to increased 3% YoY to to Rs184mn.
	EBITDA	382	404	389	(5.6)	(1.9)	
	Net Profit	184	223	180	(17.3)	2.6	
	EBITDA Margin (%)	*15.9*	*15.8*	*15.8*	*10*	*10*	
	EPS	8.6	10.4	8.4	(17.3)	2.6	
Jamna Auto (Consolidated)	Revenue	2,181	2,424	4,873	(10.0)	(55.2)	■ We expect revenue to decline by 55% YoY to Rs2.2bn due to muted demand in M&HCV goods segment. We expect EBITDA margin to decrease by 620bps YoY to 7.0%. Overall, adjusted PAT to decrease 85% YoY/31% QoQ to Rs44mn.
	EBITDA	153	189	644	(19.2)	(76.3)	
	Net Profit	44	64	286	(31.1)	(84.6)	
	EBITDA Margin (%)	*7.0*	*7.8*	*13.2*	*(80)*	*(620)*	
	EPS	0.1	0.2	0.7	(31.1)	(84.6)	
Lumax Auto (Consolidated)	Revenue	2,878	2,936	2,917	(2.0)	(1.3)	■ We expect revenue to decline by 1% YoY/2% QoQ to Rs2.9bn due to lower volumes in 2W/PV industry. Overall, adjusted PAT to decrease 27% YoY/46% QoQ to Rs118mn.
	EBITDA	259	275	261	(5.7)	(0.6)	
	Net Profit	118	220	162	(46.4)	(27.3)	
	EBITDA Margin (%)	*9.0*	*9.4*	*8.9*	*(40)*	*10*	
	EPS	1.7	3.2	2.4	(46.4)	(27.3)	
MM Forgings (Standalone)	Revenue	1,608	1,792	2,446	(10.3)	(34.2)	■ We expect revenue to decline 34% YoY/10% QoQ to Rs1.6bn, mainly on account of slowdown in domestic CV industry and NA truck market. We expect EBITDA margin to decline 90bps YoY. Overall, adjusted PAT to decrease 68% YoY/36% QoQ to Rs78mn.
	EBITDA	290	326	463	(11.0)	(37.4)	
	Net Profit	78	121	240	(36.1)	(67.7)	
	EBITDA Margin (%)	*18.0*	*18.2*	*18.9*	*(20)*	*(90)*	
	EPS	3.2	5.0	9.9	(36.1)	(67.7)	
Subros (Standalone)	Revenue	4,717	4,965	5,107	(5.0)	(7.6)	■ We expect revenue to decline 8% YoY/5% QoQ to Rs4.7bn, mainly on account of lower volumes from PV market. We expect EBITDA margin to decline 260bps YoY. Overall, adjusted PAT to decrease 35% YoY to Rs113mn.
	EBITDA	401	441	568	(9.0)	(29.5)	
	Net Profit	113	132	172	(14.9)	(34.5)	
	EBITDA Margin (%)	*8.5*	*8.9*	*11.1*	*(40)*	*(260)*	
	EPS	1.7	2.0	2.6	(14.9)	(34.5)	

Source: IDBI Capital Research; Note: data for EBITDA Margin YoY and QoQ is in bps.

Exhibit: Volume snapshot

	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	% YoY	% QoQ
Ashok Leyland										
M&HCV	44,425	30,647	38,386	29,810	44,019	26,719	16,815	18,117	*(39.2)*	*7.7*
LCV	14,309	11,481	13,572	13,953	15,502	12,889	12,123	13,083	*(6.2)*	*7.9*
Total Sales	**58,734**	**42,128**	**51,958**	**43,763**	**59,521**	**39,608**	**28,938**	**31,200**	***(28.7)***	***7.8***
Atul Auto	**11,624**	**10,568**	**13,391**	**13,808**	**12,282**	**10,514**	**12,259**	**13,568**	***(1.7)***	***10.7***
Bajaj Auto										
Domestic	4,97,587	5,94,234	6,92,899	6,44,093	6,10,094	6,10,936	5,21,350	5,42,978	*(15.7)*	*4.1*
Export	3,58,802	4,35,730	4,33,643	4,34,291	3,91,889	4,71,691	4,62,890	4,84,183	*11.5*	*4.6*
Total Motorcycle	**8,56,389**	**10,29,964**	**11,26,542**	**10,78,384**	**10,01,983**	**10,82,627**	**9,84,240**	**10,27,161**	***(4.7)***	***4.4***
Domestic	1,22,229	94,431	1,11,746	91,018	1,02,258	86,217	1,07,730	96,736	*6.3*	*(10.2)*
Export	66,760	1,02,246	1,01,156	90,426	89,349	78,330	81,621	78,589	*(13.1)*	*(3.7)*
Total 3W	**1,88,989**	**1,96,677**	**2,12,902**	**1,81,444**	**1,91,607**	**1,64,547**	**1,89,351**	**1,75,325**	***(3.4)***	***(7.4)***
Domestic	6,19,816	6,88,665	8,04,645	7,35,111	7,12,352	6,97,153	6,29,080	6,39,714	*(13.0)*	*1.7*
Export	4,25,562	5,37,976	5,34,799	5,24,717	4,81,238	5,50,021	5,44,511	5,62,772	*7.3*	*3.4*
Total Bajaj Auto	**10,45,378**	**12,26,641**	**13,39,444**	**12,59,828**	**11,93,590**	**12,47,174**	**11,73,591**	**12,02,486**	***(4.6)***	***2.5***
Eicher Motor										
CVs	23,101	16,327	18,696	16,973	21,010	13,331	11,370	12,391	*(27.0)*	*9.0*
Royal Enfield	2,27,042	2,25,361	2,10,102	1,94,473	1,96,162	1,83,589	1,66,589	1,82,791	*(6.0)*	*9.7*
Total sales	**2,50,143**	**2,41,688**	**2,28,798**	**2,11,446**	**2,17,172**	**1,96,920**	**1,77,959**	**1,95,182**	***(7.7)***	***9.7***
Escorts										
Domestic	23,012	23,939	20,553	24,720	24,111	20,122	18,789	24,219	*(2.0)*	*28.9*
Exports	556	555	486	1,023	1,025	929	961	890	*(13.0)*	*(7.4)*
Total	**23,568**	**24,494**	**21,039**	**25,743**	**25,136**	**21,051**	**19,750**	**25,109**	*(2.5)*	*27.1*
Hero Motocorp	**20,01,571**	**21,04,949**	**21,34,047**	**17,98,905**	**17,81,250**	**18,42,920**	**16,91,420**	**15,40,868**	***(14.3)***	***(8.9)***

	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20	% YoY	% QoQ
M&M										
Total Auto Sales	1,65,251	1,40,100	1,50,545	1,43,272	1,74,679	1,31,689	1,19,570	1,32,361	*(7.6)*	*10.7*
Total Tractor Sales	71,200	1,00,784	78,045	90,729	60,878	86,350	71,820	1,04,658	*15.4*	*45.7*
Total Sales	**2,36,451**	**2,40,884**	**2,28,590**	**2,34,001**	**2,35,557**	**2,18,039**	**1,91,390**	**2,37,019**	***1.3***	***23.8***
Maruti										
Domestic	4,27,082	4,63,840	4,55,400	4,05,587	4,28,863	3,74,481	3,12,519	4,13,698	*2.0*	*32.4*
Export	34,691	26,639	29,448	23,046	29,616	28,113	25,798	23,663	*2.7*	*(8.3)*
Total Sales	**4,61,773**	**4,90,479**	**4,84,848**	**4,28,633**	**4,58,479**	**4,02,594**	**3,38,317**	**4,37,361**	*0.5*	*30.1*
TVS Motor										
Motorcycles	3,46,357	3,87,240	4,19,666	3,77,501	3,74,890	4,17,181	3,41,524	3,58,974	*(4.9)*	*5.1*
Scooters	2,80,066	2,87,887	3,88,234	3,54,283	2,70,711	2,94,532	3,33,158	3,49,396	*(1.4)*	*4.9*
Mopeds	2,33,287	2,17,627	2,40,728	2,18,374	2,20,188	1,71,957	1,67,757	1,76,551	*(19.2)*	*5.2*
2 Wheelers	**8,59,710**	**8,92,754**	**10,48,628**	**9,50,158**	**8,65,789**	**8,83,670**	**8,42,439**	**8,84,921**	***(6.9)***	***5.0***
3 Wheelers	29,431	35,520	39,746	39,629	41,539	39,525	43,393	44,814	*13.1*	*3.3*
Total volumes	**8,89,141**	**9,28,274**	**10,88,374**	**9,89,787**	**9,07,328**	**9,23,195**	**8,85,832**	**9,29,735**	***(6.1)***	***5.0***

Source: Company

Exhibit: Commodity and Currency

Commodity Check	Units	Q4FY18	Q1FY19	Q2FY19	Q3FY19	Q4FY19	Q1FY20	Q2FY20	Q3FY20
Aluminum (LME)	($/TN)	2,153	1,922	1,866	1,963	1,864	1,794	1,764	1,758
Rubber (RSS4 India)	(Rs/kg)	125	130	131	124	126	138	142	127
Lead (LME)	($/TN)	2,515	2,062	2,009	1,970	2,037	1,881	2,031	2,039
Copper (LME)	($/TN)	6,954	6,172	6,056	6,164	6,223	6,116	5,806	5,900
Brent Crude	($/bbl)	67	68	67	68	63	68	62	63
chg qoq (%)									
Aluminum (LME)		*2.1*	*(10.7)*	*(2.9)*	*5.2*	*(5.1)*	*(3.8)*	*(1.6)*	*(0.3)*
Rubber (RSS4 India)		*(3.1)*	*4.0*	*0.8*	*(5.8)*	*1.6*	*10.0*	*3.1*	*(10.8)*
Lead (LME)		*1.1*	*(18.0)*	*(2.6)*	*(1.9)*	*3.4*	*(7.7)*	*7.9*	*0.4*
Copper (LME)		*1.8*	*(11.2)*	*(1.9)*	*1.8*	*0.9*	*(1.7)*	*(5.1)*	*1.6*
Brent Crude		*9.0*	*0.9*	*(1.7)*	*1.5*	*(6.3)*	*8.2*	*(9.7)*	*1.5*
Currency Check									
USD/Yen		108.3	109.9	110.0	112.7	110.2	109.9	107.3	108.7
USD/INR		64.4	70.1	70.6	72.0	70.5	69.6	70.4	71.2
GBP/INR		89.6	90.7	90.6	92.7	91.7	89.4	86.7	91.7
EUR/INR		79.1	79.8	79.8	82.2	80.1	78.1	78.2	78.9
GBP/USD		1.4	1.3	1.3	1.3	1.3	1.3	1.2	1.3
GBP/EUR		1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2
chg qoq (%)									
USD/Yen		*(4.1)*	*1.5*	*0.1*	*2.5*	*(2.3)*	*(0.2)*	*(2.4)*	*1.3*
USD/INR		*(0.5)*	*8.9*	*0.7*	*2.0*	*(2.1)*	*(1.3)*	*1.1*	*1.2*
GBP/INR		*4.3*	*1.2*	*(0.1)*	*2.3*	*(1.0)*	*(2.6)*	*(3.0)*	*5.8*
EUR/INR		*3.8*	*0.9*	*(0.0)*	*3.0*	*(2.6)*	*(2.4)*	*0.1*	*0.9*
GBP/USD		*4.8*	*(7.0)*	*(0.8)*	*0.2*	*1.3*	*(1.3)*	*(4.1)*	*4.5*
GBP/EUR		*0.5*	*0.4*	*(0.1)*	*(0.7)*	*1.8*	*(0.3)*	*(3.0)*	*4.9*

Source: Company

Banking and Finance

Resolution of stress assets to boost recovery for banks

Summary

Banking Sector

- We expect moderation to continue in advances growth on a sequential basis in Q3FY20 with economic slowdown visible in retail sales (impacted by vehicle sales decline) as well as conservative lending towards corporate exposures. Data suggests that banks have cut deposit rates by 50-60bps while MCLR cut has been in the range of 25-30bps which should support the margins during the quarter. However, from 1st October, linkages with benchmark rates impact on NIMs will have to be seen during the quarter. Further, we forecast an increase in loan loss provisions due to the Revised Stressed Asset Framework.
- Corporate tax rate cut resulted in higher effective tax rate in Q2FY20 due to deferred tax liability while, effective tax rate in Q3FY20 expected to be 25.17%. This should boost bottom line in comparison to corresponding quarter. This should be largely positive for private banks as compared to state-owned peers since PSUs have not opted for new tax rate yet.
- Credit growth has further declined to 7% as against 14% YoY in the corresponding period last year. The drag is attributable to slowdown in credit to services segment growing at 5% as against 28% last year. Growth in corporate segment is moving northward with a growth of 2.5%. Retail segment is growing steadily at 16%. Credit cards and personal loans are growing at 24% and 21% respectively. Deposit growth is modest at 10%. Credit to deposit ratio stands at 75.8%.
- Treasury income continues to remain healthy as 10 year Gsec has eased by ~30bps during the quarter. As a result banks are expected to report higher treasury profits.
- Corporate banks to report lower slippages and the ongoing resolutions to provide comfort to the asset quality. However outlook on new stressed entities like Indiabulls, Altico, CG Power etc has to be keenly watched. Resolutions through the IBC framework have been slower than expected, but FY20 is expected to end with resolutions in a couple of cases like Essar Steel, Ruchi Soya, etc.

Housing Finance Sector

- We expect modest growth in disbursement for housing finance. Also with higher sell down to banks, AUM growth could be tad lower for smaller housing finance companies.
- Liquidity concerns among NBFCs are highest for housing finance and that is being reflected in availability and cost of funds. Decline in rates for market borrowing along with reduction in banks MCLR will keep their NIMs stable.
- On account of increasing competition from banks, pricing pressures are immense for salaried home loan segment. Whereas non-salaried home loan segment are relatively better placed in protecting in their margins.
- Asset quality for core housing finance is expected to continue to remain benign and credit cost will continue to remain low. Outlook on LAP and construction finance is cautious.

Gold Finance Sector

- During the quarter (Oct – Dec) gold prices have increased by around 5% which should support the gold loan portfolio growth (15-16%) for gold loan companies.
- We expect AUM growth to remain strong, driven by non–gold portfolio and lower base.
- Liquidity position is comfortable because ALM mismatch is minimal. Average loan maturity is ~6 months while liability maturity is ~1 year.
- NIMs are expected to stablize or decline with increase in composition of longer tenure funds (3 yr bonds at 10% vs avg. CoF at 9.5%).
- With most of the Demonetization impact behind, MFI business is expected to continue the revival journey during the quarter.

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Exhibit: Estimates (Rs Mn)

Company		Dec 19	Sept 19	Dec 18	QoQ (%)	YoY (%)	Comments
Banks							
Axis Bank	NII	62,987	61,018	56,036	*3.2*	*12.4*	Growth in PAT, NIMs to improve
	PPP	58,527	59,516	55,246	*(1.7)*	*5.9*	Asset quality to trend down
	PAT	19,431	(1,121)	16,808	*(1,833.0)*	*15.6*	In focus: earnings and growth outlook
DCB Bank	NII	3,242	3,133	2,936	*3.5*	*10.4*	Corporate credit to remain weak, CV book slippages to see similar trend
	PPP	1,927	1,845	1,738	*4.4*	*10.8*	Strong growth in PAT
	PAT	1,112	914	861	*21.7*	*29.1*	In focus: commentary on Credit growth and Asset quality
Federal Bank	NII	11,979	11,237	10,773	*6.6*	*11.2*	Flattish loan growth and deposit growth
	PPP	7,869	7,187	7,078	*9.5*	*11.2*	Stable NIMs on a sequential basis and slight improvement in CASA
	PAT	4,335	4,166	3,336	*4.0*	*29.9*	In focus: Commentary on overall growth outlook
HDFC Bank	NII	1,43,383	1,35,151	1,25,767	*6.1*	*14.0*	Improvement in NIMs
	PPP	1,19,626	1,16,981	1,07,784	*2.3*	*11.0*	Stable Credit growth with muted auto credit growth
	PAT	70,645	63,450	55,859	*11.3*	*26.5*	In focus: commentary on growth, vehicle finance credit growth etc
IndusInd Bank	NII	30,218	29,093	22,881	*3.9*	*32.1*	Stable CASA growth
	PPP	26,223	26,234	21,170	*(0.0)*	*23.9*	Stable loan growth on sequential basis
	PAT	14,848	14,010	9,850	*6.0*	*50.7*	In focus: Commentary on merger synergy and growth outlook
Yes Bank	NII	21,025	21,858	26,664	*(3.8)*	*(21.1)*	Loan growth and deposit growth to decline
	PPP	12,116	14,584	19,903	*(16.9)*	*(39.1)*	Weak Asset quality and decline in margins
	PAT	760	-6,002	10,018	*(112.7)*	*(92.4)*	In focus: CEO's concern on its asset quality and outlook on growth and capital raise
Housing Finance Companies							
HDFC	NII	31,225	30,212	28,803	*3.4*	*8.4*	Loan AUM growth to remain stable
	PPP	1,22,828	52,845	29,848	*132.4*	*311.5*	Higher PAT growth after factoring gain from sale of stake in Gruh
	PAT	75,302	39,616	21,138	*90.1*	*256.2*	In focus: Compression in spreads due to linkage with external benchmark
Repco Home Finance	NII	1,216	1,237	1,152	*(1.7)*	*5.6*	Moderate credit growth on sequential basis
	PPP	955	1,021	939	*(6.5)*	*1.7*	Weak AUM and disbursal remain to continue
	PAT	591	1,006	556	*(41.2)*	*6.4*	In focus: Asset quality issues and overall growth and strategy

Company		Dec 19	Sept 19	Dec 18	*QoQ (%)*	*YoY (%)*	Comments
Gold Finance Companies							
Manappuram Finance	NII	8,499	8,196	7,014	*3.7*	*21.2*	■ Strong loan growth to continue with higher gold prices
	PPP	5,247	5,438	3,965	*(3.5)*	*32.3*	■ NIM is expected to decline sequentially
	PAT	3,711	4,024	2,441	*(7.8)*	*52.1*	■ Pressures on asset quality from the non-gold portfolio
Muthoot Finance	NII	12,331	14,358	10,938	*(14.1)*	*12.7*	■ loan growth should improve sequentially
	PPP	8,477	10,738	7,842	*(21.1)*	*8.1*	■ NIMs expected to slightly decline
	PAT	5,356	8,579	4,852	*(37.6)*	*10.4*	■ In focus: Commentary on business in Kerala

Source: IDBI Capital Research; Note: PPP – Pre Provisioning Profit

Exhibit: Valuation snapshot

	CMP (Rs)	TP (Rs)	Reco	NII (Rs bn) FY20E	NII (Rs bn) FY21E	Op.Pft (Rs bn) FY20E	Op.Pft (Rs bn) FY21E	PAT (Rs bn) FY20E	PAT (Rs bn) FY21E	EPS (Rs) FY20E	EPS (Rs) FY21E	ABVPS (Rs) FY20E	ABVPS (Rs) FY21E	PER (x) FY20E	PER (x) FY21E	P/ABV (x) FY20E	P/ABV (x) FY21E	ROA (%) FY20E	ROA (%) FY21E	ROE (%) FY20E	ROE (%) FY21E
Axis Bank	743	835	**BUY**	261	311	228	273	82	156	28.9	55.4	299.8	347.9	13.4	11.1	2.1	1.8	1.0	1.6	10.3	15.8
DCB Bank	183	205	**ACCUMULATE**	13	15	7	9	4	5	13.4	16.5	107.8	124.2	13.7	11.1	1.7	1.5	1.1	1.2	12.5	13.7
Federal Bank	91	110	**BUY**	49	58	33	40	18	22	9.1	11.2	64.2	72.1	10.0	8.1	1.4	1.3	1.0	1.1	12.9	14.0
HDFC Bank	1268	1489	**BUY**	577	684	471	564	279	336	51.0	61.5	313.2	362.6	24.9	20.6	4.0	3.5	2.1	2.1	17.2	17.9
IndusInd Bank	1530	1575	**BUY**	116	143	96	120	49	73	71.4	105.6	471.2	572.4	21.4	14.5	3.2	2.7	1.6	2.0	16.0	19.1
Yes Bank	47	55	**SELL**	83	87	53	56	(17)	4	(6.8)	1.7	80.1	95.3	(7.0)	27.4	0.6	0.5	-0.5	0.1	(6.4)	1.6
HDFC	2454	2475	**ACCUMULATE**	123	143	174	163	113	111	65.4	64.2	494.5	531.5	37.5	38.2	5.0	4.6	2.3	2.0	13.9	12.5
Repco Home Fin	341	328	**ACCUMULATE**	5	5	4	4	3	3	43.7	49.5	255.5	298.2	7.8	6.9	1.3	1.1	2.3	2.3	16.5	16.1
Manappuram Fin	177	195	**BUY**	34	43	18	25	13	18	15.3	21.2	65.1	82.7	11.6	8.3	2.7	2.1	5.7	6.5	25.5	28.3
Muthoot Fin	770	775	**BUY**	51	57	35	40	26	29	65.5	72.4	280.4	339.7	11.8	10.6	2.7	2.3	6.4	6.3	24.3	22.4

Source: Company; IDBI Capital Research

Cement

Weak 3Q but all eyes on 4Q/FY21 commentary

Summary

We expect weak demand and decline in cement prices to weigh-in on the EBITDA/t of cement stocks in Q3FY20. Operating costs are expected to be benign as imported coal prices have further fallen by 5% QoQ in Q3FY20. But EBITDA/t of our coverage universe will come down by Rs50-200 QoQ due to weakness in volume and realization. We currently have a Neutral view on cement sector given delay in the recovery of demand. Latest release (Nov-19 at +4% YoY) of the core sector has shown growth in cement production but we would like to watch for improvement in Infra related sectors in core sector and IIP. On fiscal and monetary front, steps are being undertaken which will assist in improvement of cement demand in FY21E. Steps such as creation of National Infrastructure Pipeline, Rs 250 bn real estate stress fund and cut in repo by 135bps in the last 12 months. Cement companies have reported strong YoY EBITDA increase in H1FY20 on the back of price hike taken in Q1FY20. But if, weak demand scenario elongate then EBITDA/t to correct for our coverage companies. We prefer Ultratech, ACC Ltd but upside is capped due to valuation.

- For our coverage universe, we are modeling in cement volume decline of 1-2% YoY in Q3FY20. This is led by weak economic activity as reflected in core sector data. Industry volume growth has been flat so far in FY20E (Apr to Nov). In the result, we would watch commentary from the companies on cement demand for 4Q and FY21 as various initiatives are being taken on fiscal and monetary front to boost cement demand.
- All India average cement prices in Q3FY20 have declined by 3% QoQ. Price decline is sharp in East and West. However, Center and North region cement price is stable to 1% down QoQ. For our coverage companies, we are building in 2-5% QoQ decline in pricing. After a sharp uptick in cement prices in April/May-19, cement prices has seen weakness and exit prices of Dec-19 is at same level of March-19.
- **Outlook:** We currently have a Neutral view on cement players given delay in the recovery of demand. Cement companies has reported strong EBITDA increase in FY20E on the back of price hike. But cement prices are coming down. If, weak demand scenario elongate then EBITDA/t to correct for our coverage companies.

Exhibit: Valuation snapshot

Companies	CMP (Rs)	TP (Rs)	Reco	Mkt Cap (Rs mn)	Revenue (Rs mn) FY20E	Revenue (Rs mn) FY21E	Ebitda (Rs mn) FY20E	Ebitda (Rs mn) FY21E	EPS (Rs) FY20E	EPS (Rs) FY21E	BVPS (Rs) FY20E	BVPS (Rs) FY21E	PER (x) FY20E	PER (x) FY21E	P/B (x) FY20E	P/B (x) FY21E	EV/EBITDA (x) FY20E	EV/EBITDA (x) FY21E	RoE(%) FY21E	RoCE(%) FY21E
Ultratech Cement	4,218	4,510	ACCUMULATE	1,217,376	412,757	471,559	79,347	90,888	115.3	139.1	1071	1194	36.6	30.3	3.9	3.5	17.7	15.1	12.3	12.9
Shree Cement	21,143	21,794	HOLD	762,848	123,666	144,260	36,513	44,360	413.3	576.9	3084	3564	51.2	36.6	6.9	5.9	21.3	17.5	17.4	17.0
Ambuja Cement	203	205	HOLD	403,880	117,080	126,254	20,652	21,587	7.1	7.1	108	111	28.8	28.6	1.9	1.8	17.8	17.1	6.5	7.2
ACC Ltd	1,477	1,572	ACCUMULATE	277,324	157,345	168,820	24,816	26,053	76.5	83.6	566	616	19.3	17.7	2.6	2.4	9.8	9.2	14.1	17.0

*Source: IDBI Capital Research; Note:*Dec Y/E*

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Exhibit: Quarterly Financial Estimates (Rs mn)

Company		Dec 19	Sept 19	Dec 18	QoQ (%)	YoY (%)	Comments
Ultratech Cement	Volume (mt)	19.1	17.8	19.3	7.6	(1.0)	Modeled 1% YoY volume decline and 3% QoQ decrease in ASP. Led by weakness in fuel (coal) prices , expect opex to decline 1% QoQ to INR4,296/t. But led by weak volume and realization , we expect EBITDA / t to decline to INR958 vs INR1,077 QoQ.
	Realization (INR/t)	5,254	5,417	4,865	(3.0)	8.0	
	EBITDA (INR/t)	958	1,077	749	(11.0)	28.0	
	Revenue (INRm)	100,396	96,205	93,896	4.4	6.9	
	EBITDA (INRm)	18,313	19,124	14,449	(4.2)	26.7	
	Net Profit (INRm)	4,972	5,785	3,937	(14.1)	26.3	
	EBITDA Margin (%)	*18*	*20*	*15*	(8.2)	18.5	
	EPS (INR/sh)	18	21	14	(14.1)	26.3	
ACC	Volume (mt)	7.4	6.4	7.5	15.3	(1.0)	Owing to industry demand and price headwinds in Dec-19 quarter, we expect ACC volumes / realization to decline by 1% YoY / 3% QoQ. Fuel cost has remained benign and we expect Opex to be flat QoQ. EBITDA/t , led by muted volume and realization is expected to be lower at INR668 vs INR864 QoQ.
	Realization (INR/t)	4,869	5,020	4,776	(3.0)	2.0	
	EBITDA (INR/t)	668	864	649	(22.6)	2.9	
	Revenue (INRm)	39,256	35,276	38,954	11.3	0.8	
	EBITDA (INRm)	4,963	5,563	4,871	(10.8)	1.9	
	Net Profit (INRm)	2,867	3,000	7,305	(4.4)	(60.8)	
	EBITDA Margin (%)	*13*	*16*	*13*	(19.8)	1.1	
	EPS (INR/sh)	15	16	39	(4.4)	(60.8)	
Ambuja Cement	Volume (mt)	6.1	5.2	6.1	16.0	(1.0)	We expect ACEM's volumes to dip about 1% YoY owing to sluggish industry demand. Realization to decline by 2% QoQ and is lower than ACC due to ACEM presence in north and central markets. EBITDA/t is expected at 781 vs INR841 QoQ.
	Realization (INR/t)	4,921	5,021	4,671	(2.0)	5.3	
	EBITDA (INR/t)	781	841	659	(7.2)	18.5	
	Revenue (INRm)	29,863	26,261	28,633	13.7	4.3	
	EBITDA (INRm)	5,604	5,026	4,888	11.5	14.6	
	Net Profit (INRm)	2,728	2,346	5,374	16.3	(49.2)	
	EBITDA Margin (%)	*19*	*19*	*17*	(1.9)	9.9	
	EPS (INR/sh)	6	5	6	16.0	(1.0)	

Company		Dec 19	Sept 19	Dec 18	*QoQ (%)*	*YoY (%)*	Comments
Shree Cement	Volume (mt)	5.8	5.7	5.9	*1.6*	*(2.0)*	■ We expect realization to decline by 5% QoQ tracking the sharp decline in cement prices particulary South, East . This along with weak demand we expect volume to decline by 2% YoY. EBITDA margin is expected at 29% vs 30% QoQ and EBITDA/t at INR1,390 vs INR1,475 QoQ.
	Realization (INR/t)	4,420	4,653	4,316	*(5.0)*	*2.4*	
	EBITDA (INR/t)	1,390	1,475	1,197	*(5.8)*	*16.1*	
	Revenue (INRm)	27,678	28,017	27,806	*(1.2)*	*(0.5)*	
	EBITDA (INRm)	8,743	9,019	7,654	*(3.1)*	*14.2*	
	Net Profit (INRm)	2,839	3,091	3,013	*(8.1)*	*(5.8)*	
	EBITDA Margin (%)	*29*	*30*	*26*	*(3.1)*	*14.3*	
	EPS (INR/sh)	6	6	6	*1.6*	*(2.0)*	

Source: IDBI Capital Research; Note: data for EBITDA Margin YOY and QOQ is in bps.

Media

A pause to strong growth in box-office

Summary

Q3FY20 has seen a pause in the Box-office performance with movies like 'Panipat' and 'Dabangg 3' performed weak at the Box-office. Further, protests to CAA and NRC have impacted footfalls in key metro markets. During Q3FY20, 2 Movies saw NBOC of Rs2 bn+ with 1 movie almost touching Rs3 bn mark and 2 movies crossed Rs 1bn+.

For Q3FY20, we forecast INOL to lead as regards to NBOC growth (18.3% YoY vs. 10.5% in case of PVRL, ex-SPI Cinemas). However, we forecast PVRL to perform better as regards advertisement revenue (7.4% vs 2% in case of INOL). We forecast INOL to report an all-time high EBITDA margin (Adj. for Ind-AS), slightly above Q2FY20 EBITDA margin.

We remain structurally positive on the multiplexes space. The momentum of screen addition (all-time high in FY19) has been in-tact in FY20 especially for PVRL which has added 63 screens YTD. In our forecast, we have factored PVRL/INOL to add 73/65 for FY20 and 70 each for FY21. This and increasing share of non-ticketing revenue augurs well for good revenue/EBITDA growth.

- **Q3FY20 NBOC performance could have been better**
  Q3 saw 2 movies with NBOC of Rs2 bn+ i.e., 'War' (~Rs2.94 bn) and 'Housefull 4' (~Rs2.05 bn). Further, there has been good performance by movies like 'Bala' (~Rs1.1bn), 'GoodNewwz' (~Rs0.9bn, still running) and other movies. 'Dabangg 3' (~Rs1.29 bn) and 'Panipat (~Rs0.29 bn) performed weak at the Box-office. This and protests to CAA and NRC impacted footfalls in key metro markets.

  The slate for Q4FY20 appears good with movies including 1) Bollywood – 'Tanhaji', 'Sooryavanshi', 'Baaghi 3', 'Street Dancer 3', 'Chhapaak', 'Panga', 'Shikara', 'Shubh Mangal Zyada Saavdhan', 'Gunjan Saxena: The Kargil Girl', 2) Hollywood – 'DoLittle', 'Mulan', 'Sonic the Hedgehog' and 3) Regional – 'Darbar', 'Sarileru Neekevvaru', 'Ala Vaikunthapurramuloo' amongst others.

- **INOL – Q3FY20 preview**
  We forecast INOL to report a 10% YoY growth in footfalls which would have been higher but for the headwinds mentioned earlier. We expect ~7.6% YoY uptick in net ATP resulting in an 18.3% YoY growth in NBOC. We build-in F&B revenue growth of 21% factoring SPH growth of ~10% YoY. We expect another muted quarter for advertisement revenue with growth of 2% YoY. Despite muted advertisement revenue growth and lower growth in footfalls, we forecast EBITDA margin (Ex-IndAS) to improve by ~65bps YoY to 19.9%, slightly higher than the all-time high of 19.8% in Q2FY20.

- **PVRL – Q3FY20 preview**
  We forecast PVRL (ex-SPI Cinemas) to see footfalls growth of 3% YoY and ~7.3% growth in net ATP. We forecast this to drive ~10.5% YoY growth in NBOC. We forecast advertisement revenue growth of 7.4% YoY, much better than INOL. We build-in EBITDA margin (Ex-IndAS) of 17.2%, -60bps YoY. For SPI Cinemas, we forecast revenue of Rs1.2 bn, EBITDA (Ex-IndAS)of Rs247 mn and EBITDA margin of 20%. On consolidated basis, we expect PVRL to report EBITDA margin (Ex-IndAS) of 18.9%, -60bps YoY.

- **For PVRL and INOL we would watch for** 1) Update on FY20 screen addition YTD – PVRL has added 63 screens and INOL has added 38 screens (net) and commentary on screen addition for FY21 given the slow growth in organized retail; 2) Commentary on pick-up in advertisement revenue growth; 3) Outlook on SPH growth and gross margin; 4) PVRL – a) Update on synergies from SPI Cinemas; and 5) Commentary on M&A and capital deployment.

Exhibit: Valuation snapshot

	CMP	TP		Mkt Cap	Revenue (Rs mn)		EPS (Rs)		P/E (x)		EV/EBITDA (x)		RoE (%)	RoCE (%)
Companies	(Rs)	(Rs)	Recommendation	(Rs mn)	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY21E	FY21E
PVR Ltd	1,876	2,013	ACCUMULATE	96,297	37,742	42,787	48.0	60.8	39.1	30.9	14.9	12.9	16.2	18.8
INOX Leisure	376	422	BUY	38,633	20,575	23,452	16.7	20.6	22.4	18.2	10.2	8.8	17.5	22.5

Source: IDBI Capital Research

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Exhibit: Estimates (Rs mn)

Company		Dec 19	Dec 18	YoY %	Comments
PVRL	Revenue	9,143	8,431	*8.4*	**PVR standalone exhibition business** ■ **NBOC:** We forecast NBOC to grow by ~10.5% YoY driven by a ~3% growth footfalls. We forecast ATP to remain unchanged YoY due to lower GST, while ATP net of taxes is forecasted to grow by 7.3% YoY. ■ **F&B:** We forecast F&B revenue growth of ~14.5% factoring SPH growth of 10% YoY. We forecast gross margin to improve QoQ to 74% vs. 73.4% in Q2. ■ **Advertisement revenue:** We forecast advertisement revenue growth of 7.4% YoY. ■ **Profitability:** We forecast EBITDA margin of 17.2%. **SPI Cinemas** ■ We forecast revenue of Rs1.2 bn, EBITDA of Rs247 mn and EBITDA margin of 20%. **Would watch for:** 1) Update on FY20 screen addition target of 80 screens (63 screens added YTD); 2) Commentary on pickup in growth of advertisement revenue; 3) Outlook on SPH growth and gross margin; 4) Update on synergy benefits from SPI Cinemas; 5) Commentary M&A and Capital deployment.
	EBITDA	1,727	1,643	*5.1*	
	EBITDA margin (%)	*18.9*	*19.5*	*(60)*	
	Net profit	554	516	*7.4*	
	EPS (Rs)	10.8	11.0	*(2.1)*	
INOL	Revenue	5,084	4,331	*17.4*	■ **NBOC:** We forecast NBOC to grow by 18.3% YoY driven by a 10% growth in footfalls. We forecast ATP to decline by ~1% YoY dure to lower GST, while ATP net of taxes is forecasted to grow by 7.6% YoY. ■ **F&B:** We forecast F&B revenue growth of 21% factoring SPH growth of ~10% YoY. We forecast gross margin to remain steady QoQ at 75.5%. ■ **Advertisement revenue:** We forecast advertisement revenue growth to be muted at ~2% YoY. ■ **Profitability:** Despite muted advertisement growth and flattish occupancy we forecast EBITDA margin to improve by 65bps YoY to a new high of 19.9%. **Would watch for:** 1) Update on FY20 screen addition target of 70 screens (YTD addition of 38 screens on net basis and 41 on gross basis) ; 2) Commentary on pick-up in growth of advertisement revenue; 3) Outlook on SPH growth & gross margin; and 4) Commentary on M&A and capital deployment.
	EBITDA	1,013	835	*21.4*	
	EBITDA margin (%)	*19.9*	*19.3*	*65*	
	Net profit	484	364	*33.0*	
	EPS (Rs)	4.7	3.5	*32.9*	

Source: IDBI Capital Research; Note: data for EBITDA Margin YOY is in bps

Mid-Caps

Margins likely to expand

Summary

- We expect most of the companies under our coverage in mid-cap space to report higher net profit on a YoY basis due to fall in tax rate. Some companies including Amara Raja, Exide and Castrol are expected to post better margins YoY due to price hikes. APL Apollo's strong volume growth and improvement in steel prices in Q3FY20 is likely to result in sharp jump in EBITDA on a YoY basis. However, Phillips Carbon is likely to report weak profitability amidst weak demand.
- In Plastics space (Supreme, Astral Poly, Finolex, Nilkamal and Moldtek), sales growth will be driven by volume growth over Q3FY19 as we expect sales realization to be flattish. Raw material prices (PVC, EDC) have softened which will aid EBITDA margin expansion. We prefer Moldtek amongst the pack.
- Our dealer check and interaction with the management suggest that paper prices are still under pressure in Q3FY20. Also demand has not picked up, which otherwise is strong from November onwards. We expect decline in NSR by 3%-5%, while flattish to marginal decline in sales volume. EBITDA margin will squeeze owing to lower realizations. We seek management commentary on industry demand outlook for Q4FY20 as well as FY21.
- Q3 is a stronger quarter for hotel companies in terms of occupancy and we expect that to reflect in our numbers as well. However, we are not too optimistic on ARR growth. We have factored in 3%-5% RevPAR growth over Q2FY20 for IHCL and LTH. Higher F&B contribution on account of wedding season should lead to EBITDA margin expansion.
- For Amara Raja and Exide, we expect top-line to remain weak due to slowdown in auto and weakness in telecom segments. Nevertheless, we expect EBITDA margins to improve slightly on a YoY basis due to price hikes amidst flattish lead prices.
- APL Apollo's Q3FY20 sales volumes jumped 53% YoY to 480 kt. We expect its EBITDA and PAT to improve sharply on a YoY basis as Q3FY19 was impacted by inventory losses and hence, profitability was weak.
- Phillips Carbon Black is likely to report weak volumes due to a slowdown in auto sector (which impacts tyre companies' volumes). Further, our channel check suggests spot carbon black prices continue to remain under pressure. Hence, its Q3FY20 EBITDA and PAT are likely to fall sharply on a YoY basis.

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Exhibit: Valuation snapshot

	CMP	TP		Mkt Cap	Revenue (Rs mn)		EPS (Rs)		P/E (x)		EV/EBITDA (x)		RoE (%)	RoCE (%)
Companies	(Rs)	(Rs)	Recommendation	(Rs mn)	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY21E	FY21E
AMARA RAJA BATTERIES	721	775	**BUY**	123,079	74,123	79,389	40.2	43.0	17.9	16.7	10.2	9.1	18.1	21.7
APL Apollo Tubes	1,853	1,920	**BUY**	46,073	75,052	91,652	89.1	128.0	20.8	13.9	10.8	8.3	22.7	23.5
Astral Polytechnik	1,150	1,341	**BUY**	173,277	30,150	35,526	23.9	29.8	48.2	38.6	36.3	29.9	19.3	24.2
Castrol Limited	129	181	**BUY**	127,594	41,197	43,065	8.3	9.1	15.5	14.2	11.2	10.1	70.1	86.7
CCL Product (India) Ltd	199	284	**BUY**	26,446	12,160	14,108	14.1	15.0	14.1	13.3	10.3	8.2	19.1	22.6
Century Plyboards	167	181	**BUY**	37,047	24,699	27,457	9.0	10.7	18.4	15.6	10.9	9.4	19.7	22.6
Cera Sanitaryware Ltd	2,673	3,580	**BUY**	34,761	14,369	16,102	106.2	130.7	25.2	20.4	16.5	13.1	19.1	22.9
EXIDE INDUSTRIES	184	202	**BUY**	156,698	110,355	120,458	11.2	12.2	16.5	15.2	9.5	8.4	14.8	18.8
Finolex Industries Ltd	548	619	**ACCUMULATE**	68,023	34,413	38,001	37.0	41.3	14.8	13.3	9.5	8.2	17.3	20.3
Indian Hotels Company	146	190	**BUY**	173,513	48,188	51,971	3.7	4.8	39.1	30.1	18.4	15.3	11.8	10.0
JK Paper Ltd	130	184	**BUY**	23,127	32,637	34,704	25.8	26.7	5.0	4.9	3.6	3.5	18.8	17.9
Kajaria Ceramics Ltd	537	779	**BUY**	85,340	32,212	35,499	19.2	23.6	27.9	22.8	16.6	13.2	20.1	21.9
Lemon Tree Hotels Ltd	62	85	**BUY**	49,080	7,539	8,265	0.7	1.1	84.9	58.2	25.3	21.8	8.6	7.5
Molt-Tek Packaging	285	382	**BUY**	7,901	4,793	5,508	15.4	19.1	18.5	14.9	10.6	8.8	22.3	21.0
Nava Bharat Ventures Limited	78	100	**BUY**	13,745	32,603	32,889	18.4	22.3	4.2	3.5	3.1	2.5	9.3	11.0
Nilkamal Ltd	1,308	1,469	**ACCUMULATE**	19,512	26,484	29,620	99.9	113.1	13.1	11.6	7.3	6.6	14.7	19.3
Orient Paper & Industries	28	30	**BUY**	5,888	6,799	7,280	1.8	3.1	15.8	8.9	7.5	4.6	4.8	3.2
Phillips Carbon Black Ltd	129	123	**HOLD**	22,180	39,284	40,603	17.6	20.6	7.3	6.3	5.7	4.8	17.8	17.1
Somany Ceramics Ltd	227	318	**BUY**	13,941	17,038	18,389	11.0	15.9	20.7	14.2	12.0	9.6	9.6	8.9
Supreme Industries	1,149	1,025	**REDUCE**	145,986	62,279	70,837	39.2	45.9	29.3	25.0	17.5	14.8	21.9	24.0
Trident Ltd	6.7	7.0	**BUY**	34,296	52,785	54,614	1.0	1.1	6.4	5.9	6.1	6.7	62.2	40.4
VIP Industries	440	574	**BUY**	62,201	19,385	21,631	12.2	14.4	36.0	30.6	19.0	16.6	28.7	30.7

*Source: IDBI Capital Research; Note:*Dec Y/E*

Exhibit: Estimates **(Rs mn)**

Company		Dec 19	Sept 19	Dec 18	QoQ (%)	YoY (%)	Comments
Amara Raja	Revenue	16,137	16,953	16,947	*(4.8)*	*(4.8)*	■ We expect Amara Raja's sales to decrease 4.8% YoY mainly due to weakness in auto and telecom segments. Nevertheless, EBITDA margin is likely to expand by 204bps YoY on price hikes. Net profit is expected to increase 21.0% YoY due to lower tax rate. ■ **Would watch for**: 1) Outlook on volumes and 2) management view on market share gains.
	EBITDA	2,736	2,923	2,528	*(6.4)*	*8.2*	
	Net profit	1,583	2,189	1,309	*(27.7)*	*21.0*	
	EBITDA margin (%)	17.0	17.2	14.9	*(28.7)*	*203.8*	
	EPS	9.3	12.8	7.7	*(27.7)*	*21.0*	
APL Apollo Tubes	Revenue	22,010	16,473	16,912	*33.6*	*30.1*	■ APL Apollo has reported strong sales volume growth of 53% YoY for Q3FY20. We expect its EBITDA and PAT to improve sharply on a YoY basis as Q3FY19 was impacted by inventory losses and hence, profitability was weak. ■ Would watch for: 1) Margin guidance for FY20, and 2) Volume guidance for FY21.
	EBITDA	1,550	720	592	*115.4*	*161.7*	
	Net profit	818	598	129	*36.8*	*535.9*	
	EBITDA margin (%)	7.0	4.4	3.5	*267.3*	*354.1*	
	EPS	33.8	24.7	5.4	*36.8*	*522.3*	
Astral Polytechnik	Revenue	8,149	7,556	6,337	7.9	28.6	■ We expect Astral to report 28.6% YoY sales growth aided by strong sales volume. EBITDA to improve further on account of lower raw material prices. ■ **Would watch for:** 1) Demand outlook for FY20/21E.
	EBITDA	1,312	1,188	937	10.4	40.1	
	Net profit	791	709	465	11.6	70.3	
	EBITDA margin (%)	16.1	15.7	14.8	37.6	131.9	
	EPS (Rs)	6.6	5.9	3.9	11.6	70.3	
Castrol*	Revenue	8,492	8,492	10,334	*0.0*	*(17.8)*	■ We expect Castrol's top-line to fall 17.8% YoY due to weak volumes. Nevertheless, EBITDA margin is likely to improve 338bps YoY due to price hikes taken by the company. Despite fall in operating profit, its net profit is likely to remain flat YoY mainly due to lower tax. ■ **Would watch for:** 1) company's outlook on volume growth, 2) management updates on market share gains.
	EBITDA	2,896	2,445	3,174	*18.4*	*(8.8)*	
	Net profit	2,112	1,884	2,119	*12.1*	*(0.3)*	
	EBITDA margin (%)	34.1	28.8	30.7	*531*	*338*	
	EPS (Rs)	2.1	1.9	2.1	*12.1*	*(0.3)*	
CCL Products (India)	Revenue	3,196	2,987	2,341	*7.0*	*36.5*	■ We expect CCL's top-line to increase 36.5% YoY led by higher volumes. EBTIDA and net profit are likely to increase 21.4% and 19.2% on YoY basis, respectively. ■ **Would watch for:** 1) company's outlook on volume growth for FY20, 2) Vietnam plant utilization levels.
	EBITDA	660	691	543	*(4.5)*	*21.4*	
	Net profit	389	496	326	*(21.6)*	*19.2*	
	EBITDA margin (%)	20.6	23.1	23.2	*(248.9)*	*(256.3)*	
	EPS (Rs)	2.9	3.7	2.5	*(21.6)*	*19.2*	

Company		Dec 19	Sept 19	Dec 18	*QoQ (%)*	*YoY (%)*	Comments
Century Plyboards	Revenue	6,227	5,894	5,789	*5.7*	*7.6*	■ Century is expected to report top-line growth of 7.6% YoY led by higher sales from MDF. However, Plywood segment sales are likely to remain weak. EBITDA is likely to grow 20.2% YoY on higher margins in MDF segment. ■ **Would watch for:** 1) Realization and margins in MDF, and 2) Management commentary on growth in Plywood segment.
	EBITDA	913	928	759	*(1.6)*	*20.2*	
	Net profit	537	521	414	*2.9*	*29.6*	
	EBITDA margin (%)	14.7	15.7	13.1	*(107.7)*	*154.5*	
	EPS	2.4	2.3	1.9	*2.9*	*29.6*	
Cera Sanitaryware	Revenue	2,931	3,032	3,188	(3.3)	(8.1)	■ We expect Cera's Q3FY20 result to be muted, given demand revival is taking slower than anticipated and increased competitive intensity in sanitaryware and faucet segment. We expect sales to decline by 8.1% YoY led by lower sales volume. We expect EBITDA margin to decline by 51 bps over Q3FY18. ■ **Would watch for:** 1) Industry outlook for FY20E-21E and 2) Competitive intensity in sanitaryware segment
	EBITDA	407	416	460	(2.1)	(11.3)	
	Net profit	258	265	284	(2.7)	(9.1)	
	EBITDA margin (%)	13.9	13.7	14.4	17.7	(51.3)	
	EPS (Rs)	19.8	20.4	21.8	(2.7)	(9.1)	
Exide Industries	Revenue	24,719	26,109	24,968	*(5.3)*	*(1.0)*	■ We expect Exide's top-line to decrease 1.0% YoY as price increases are likely to offset by weak volumes. Nevertheless, EBITDA margin is likely to expand by 150bps YoY due to higher realization. ■ **Would watch for:** 1) Outlook on volumes and 2) updates on company's plans to enter into lithium ion batteries.
	EBITDA	3,466	3,672	3,125	*(5.6)*	*10.9*	
	Net profit	1,943	2,373	1,550	*(18.1)*	*25.3*	
	EBITDA margin (%)	14.0	14.1	12.5	*(4.4)*	*150.4*	
	EPS (Rs)	2.3	2.8	1.8	*(18.1)*	*25.3*	
Finolex Industries	Revenue	8,218	5,767	7,566	42.5	8.6	■ We expect 8.6% YoY sales growth, primarily driven by higher sales volume. PVC-EDC spread to improve further and will aid EBITDA margin expansion. ■ **Would watch for:** 1)Industry growth guidance 2) Capacity expansion updates
	EBITDA	1,266	820	1,250	54.3	1.3	
	Net profit	906	982	787	(7.8)	15.1	
	EBITDA margin (%)	15.4	14.2	16.5	118.0	(111.7)	
	EPS (Rs)	7.3	7.9	6.3	(7.8)	15.1	
Indian Hotels Co.	Revenue	10,765	10,074	13,235	6.9	(18.7)	■ We expect 6.9% QoQ sales growth, led by increased inventory and improved RevPAR. Higher contribution of F&B income to drive EBITDA margin expansion over Q2FY20.. ■ Would watch for: 1)Inventory addition in FY20E/FY21E 2)Occupancy and ARR guidance in key cities
	EBITDA	1,771	1,605	3,355	10.4	(47.2)	
	Net profit	640	804	1,186	(20.4)	(46.0)	
	EBITDA margin (%)	16.5	15.9	25.4	52.3	(890.3)	
	EPS (Rs)	0.5	0.7	1.0	(20.4)	(46.0)	

Company		Dec 19	Sept 19	Dec 18	QoQ (%)	YoY (%)	Comments
JK Paper	Revenue	7,898	7,903	8,695	(0.1)	(9.2)	■ We expect sales to decline by 9.2%YoY as NSR was under pressure during the quarter. Savings in raw material and logistics cost will support EBITDA margin expansion by 102bps YoY. ■ **Would watch for:** 1) Demand/pricing outlook for FY20E-FY21E 2) Sirpur paper operations 3)Capacity expansion
	EBITDA	2,330	2,387	2,476	(2.4)	(5.9)	
	Net profit	1,382	1,329	1,203	4.0	14.9	
	EBITDA margin (%)	*29.5*	*30.2*	*28.5*	*(70.9)*	*102.2*	
	EPS (Rs)	7.8	7.5	6.7	4.0	14.9	
Kajaria Ceramics	Revenue	7,369	7,147	7,586	3.1	(2.9)	■ We expect sales to decline by 2.9%YoY as demand outlook was under pressure in Q3FY20 as well. EBITDA margin to be lower by 67bps YoY on account of higher operating cost. ■ **Would watch for:** 1) Demand and pricing outlook for FY20E-FY21E
	EBITDA	1,124	1,052	1,208	6.8	(7.0)	
	Net Profit	649	931	659	(30.3)	(1.5)	
	EBITDA Margin%	*15.3*	*14.7*	*15.9*	*52.6*	*(67.9)*	
	EPS	4.1	5.9	4.1	(30.3)	(1.5)	
Lemon Tree Hotels	Revenue	1,634	1,528	1,434	7.0	14.0	■ LTH to report healthy 14% YoY sales growth led by higher inventory and improvement in RevPAR. Higher operating cost to weigh on EBITDA margin which will be lower by 169bps YoY. ■ **Would watch for:** 1) Inventory addition in FY20E-21E 2) ARR growth in key markets
	EBITDA	531	484	490	9.7	8.4	
	Net profit	531	-27	133	(2040.5)	298.3	
	EBITDA margin (%)	*32.5*	*31.7*	*34.2*	*79.4*	*(169.1)*	
	EPS (Rs)	0.7	-0.0	0.2	(2040.5)	298.3	
Mold-Tek Packaging	Revenue	1,187	1,144	987	3.8	20.2	■ We expect sales growth of 20.2% YoY, driven by mix of higher volume sales volume in IML segment. Lower raw material cost to support marginal EBITDA margin expansion by 51.8bps YoY to 17.6%. ■ **Would watch for:** 1) Outlook on FMCG segment growth 2) Capacity utilization in newly added plants
	EBITDA	209	203	169	2.7	23.9	
	Net profit	107	105	76	2.0	39.8	
	EBITDA margin (%)	*17.6*	*17.8*	*17.1*	*(18.9)*	*51.8*	
	Adj. EPS (Rs)	3.9	3.8	2.8	2.0	39.8	
Nava Bharat	Revenue	7,146	6,806	8,186	*5.0*	*(12.7)*	■ We expect net sales to decline by 12.7% YoY due to weakness in domestic power and ferro alloy businesses. Its EBITDA is likely to fall 26.2% YoY due to lower realization in ferro alloys and power segments. ■ **Would watch for:** 1) Update on recovery of receivables in Zambian power subsidiary, and 2) new domestic short-term PPA signed.
	EBITDA	2,761	2,588	3,743	*6.7*	*(26.2)*	
	Net profit	1,151	993	1,302	*15.9*	*(11.6)*	
	EBITDA margin (%)	*38.6*	*38.0*	*45.7*	*61.2*	*(709.8)*	
	Adj. EPS (Rs)	6.4	5.6	7.3	*15.9*	*(11.6)*	

Company		Dec 19	Sept 19	Dec 18	*QoQ (%)*	*YoY (%)*	Comments
Nilkamal	Revenue	5,662	5,416	5,639	4.6	0.4	■ We expect net sales to remain flattish over Q3FY18, while it may increase by 4.6% QoQ led by higher volume. Lower raw material cost to support healthy margin improvement by 475bps YoY at 13.7%. ■ Would watch for: 1)Management outlook on consumer division amid slowdown concerns
	EBITDA	773	715	502	8.1	54.1	
	Net profit	448	431	275	3.9	63.0	
	EBITDA margin (%)	*13.7*	*13.2*	*8.9*	*44.8*	*475.6*	
	EPS (Rs)	30.1	29.0	18.5	3.9	63.0	
Orient Paper & Industries	Revenue	1,573	1,587	1,897	(0.8)	(17.1)	■ We expect net sales to decline by 17.1% YoY on account of lower realization. Higher raw material cost will remain an overhang on EBITDA margin, which will be lower by 670bps YoY to 12.5%. ■ **Would watch for:** 1) Commentary on demand/pricing outlook
	EBITDA	197	187	364	5.2	(46.0)	
	Net profit	122	116	209	5.7	(41.5)	
	EBITDA margin (%)	*12.5*	*11.8*	*19.2*	*71.5*	*(670.5)*	
	EPS (Rs)	0.6	0.5	1.0	5.7	(41.5)	
Phillips Carbon Black	Revenue	7,993	8,630	9,459	*(7.4)*	*(15.5)*	■ Phillips Carbon Black is expected to post weak margins due to lower volumes and fall in realization in the spot (non-tyre) market. Its EBITDA and net profit are estimated to fall 38.4% and 48.7%, respectively, on a YoY basis. ■ **Would watch for:** 1) Mix between domestic and export sales, and 2) Volume growth in specialty products.
	EBITDA	1,086	1,367	1,763	*(20.6)*	*(38.4)*	
	Net profit	557	771	1,086	*(27.7)*	*(48.7)*	
	EBITDA margin (%)	*13.6*	*15.8*	*18.6*	*(225.9)*	*(505.8)*	
	EPS	3.2	4.5	6.3	*(27.7)*	*(48.7)*	
Somany Ceramics	Revenue	4,321	4,223	4,254	2.3	1.6	■ We expect sales to increase marginally by 1.6% YoY driven by higher volume. Improved contribution of PVT/GVT in total sales to aid EBITDA margin improvement by 261bps YoY to 10.9%. ■ **Would watch for:** 1) Commentary on business outlook
	EBITDA	469	448	350	4.7	33.8	
	Net profit	147	350	97	(58.0)	52.4	
	EBITDA margin (%)	*10.9*	*10.6*	*8.2*	*24.6*	*261.4*	
	EPS	3.5	8.3	2.3	(58.0)	52.4	
Supreme Industries	Revenue	13,544	12,709	14,104	6.6	(4.0)	■ We expect sales to decline by 4% YoY as retail demand is still under pressure. Lower raw material prices to aid 134bps YoY EBITDA margin improvement. ■ Would watch for :1) Outlook for FY20E-21E 2)Capacity expansion plans
	EBITDA	1,869	1,728	1,756	8.2	6.4	
	Net profit	945	1,396	810	(32.3)	16.6	
	EBITDA margin (%)	*13.8*	*13.6*	*12.5*	*20.3*	*134.7*	
	EPS (Rs)	7.4	11.0	6.4	(32.3)	16.6	

Company		Dec 19	Sept 19	Dec 18	QoQ (%)	YoY (%)	Comments
Trident	Revenue	13,876	13,407	12,914	*3.5*	*7.5*	■ We expect Trident's net sales to increase by 7.5% YoY due to higher volumes of bed and bath linen. However, its EBTIDA margin is likely to fall 66bps due to slight fall in Paper segment margins. ■ **Would watch for:** 1) Paper segment margins during the quarter and 2) Outlook on utilization levels in terry towel and bed linen segment for FY20.
	EBITDA	2,795	2,593	2,686	*7.8*	*4.0*	
	Net profit	1,276	1,410	1,114	*(9.5)*	*14.6*	
	EBITDA margin (%)	*20.1*	*19.3*	*20.8*	*80.5*	*(66.0)*	
	EPS (Rs)	2.6	2.8	2.2	*(9.5)*	*14.4*	
VIP Industries	Revenue	4,516	4,123	4,301	*9.5*	*5.0*	■ We expect VIP Industries' sales to increase only 5.0% YoY due to slowdown in discretionary spending. Nevertheless, its margins are likely to improve due to fall in prices of raw materials. ■ **Would watch for:** 1) Growth in backpack and handbag segments and 2) Outlook for FY21.
	EBITDA	649	663	377	*(2.1)*	*72.0*	
	Net profit	293	329	238	*(10.9)*	*23.1*	
	EBITDA margin (%)	*14.4*	*16.1*	*8.8*	*(170.4)*	*559.8*	
	EPS (Rs)	2.1	2.3	1.7	*(10.9)*	*23.1*	

Source: IDBI Capital Research; Note: data for EBITDA Margin YOY and QOQ is in bps.

Retail

To be marred by margin pressure

Summary

- In retail sector we expect gross margin pressure in DMART, JUBI and Trent. TCNS is likely to report subdued growth led by impact of channel rationalization and weak consumer sentiment. Low tax rate is likely to keep the bottom line in the sector to be buoyant.
- We have observed that discounting intensity in grocery retailing has peaked during the month of November and December 2019. Online retailers like Grofers and Big Basket have led the trend. Consequently, DMART also has to increase overall discount in their stores. Discount offered by DMART in 3Q has been highest since last eight months. Hence, we expect margin pressure in DMART during 3QFY20. We expect revenue, EBITDA and PAT to grow at 20%, 21% and 49% YoY respectively.
- In case of JUBI, raw material prices have shot-up significantly. Price of onion, tomato, maida and cheese is up by 2x, 14%, 10%, and 6% QoQ respectively. We believe, this should lead to margin contraction in 3QFY20 for JUBI. We expect revenue, EBITDA and PAT to grow at 12%, 11% and 15% YoY respectively.
- High share of value retailing under the brand Zudio is likely to keep margins of Trent under check. However, healthy retail expansion should aid topline growth. We expect revenue, EBITDA and PAT to grow at 27%, 25% and 70% YoY respectively.
- In TCNS, we expect revenue growth of 5%YoY. Channel rationalization; reduction in number of MBO stores, stock related concerns in few large format stores and overall weak consumer sentiment is likely to weigh on operating performance. EBITDA and PAT growth is likely to be flattish.

Exhibit: Valuation snapshot

	CMP	TP		Mkt Cap	Revenue (Rs mn)		EPS (Rs)		P/E (x)		EV/EBITDA (x)		RoE (%)	RoCE (%)
Companies	(Rs)	(Rs)	Recommendation	(Rs mn)	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY21E	FY21E
Avenue Supermarts Ltd	1,843	1,838	REDUCE	11,56,800	2,42,420	3,24,212	21.8	31.4	84.5	58.7	56.6	40.3	24.7	31.1
Jubilant Foodworks Ltd	1,685	1,836	BUY	2,22,308	39,353	46,024	30.1	37.4	56.1	45.0	30.8	25.7	25.8	33.5
Trent Ltd	536	532	HOLD	1,90,470	31,985	38,943	5.4	7.0	98.4	77.1	54.9	44.4	11.6	13.5
TCNS Clothing Co Ltd.	599	845	BUY	36,844	12,207	14,732	20.6	27.0	29.1	22.2	18.0	13.6	21.7	28.0

Source: IDBI Capital Research

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Exhibit: Estimates (Rs mn)

Company		Dec 19	Sept 19	Dec 18	QoQ (%)	YoY (%)	Comments
Avenue Supermarts	Revenue	65,453	59,490	54,509	*10.0*	*20.1*	▪ We expect gross margin to be under pressure due to higher discounting. As per our channel check we note that DMART offered highest discount during the month of Nov and Dec. However, healthy retail expansion and improvement in SSSG should help drive top and bottom lines. We expect Revenue, EBITDA and PAT to grow at 20%, 21% and 49% YoY respectively. ▪ **Would watch for:** store addition rate and gross margin trend
	EBITDA	5,478	5,154	4,533	*6.3*	*20.8*	
	Net profit	3,825	3,335	2,571	*14.7*	*48.8*	
	EBITDA margin (%)	*8.4*	*8.7*	*8.3*	*(29.5)*	*5.2*	
	EPS	6.1	5.3	4.1	*14.7*	*48.8*	
Jubilant FoodWorks	Revenue	10,429	9,882	9,291	*5.5*	*12.2*	▪ We expect 12% YoY increase in revenue primarily due to retail expansion. Rise in raw material prices should lead to margin contraction. ▪ **Would watch for**: Store addition rate of Dominos and Hong's Kitchen and SSSG rate
	EBITDA	1,888	2,350	1,706	*(19.7)*	*10.7*	
	Net profit	1,111	884	965	*25.6*	*15.1*	
	EBITDA margin (%)	*18.1*	*23.8*	*18.4*	*(567.9)*	*(26.0)*	
	EPS (Rs)	8.4	6.7	7.3	*25.6*	*15.1*	
TCNS Clothing Co.	Revenue	3,149	3,208	3,002	*(1.8)*	*4.9*	▪ We expect TCNS revenue to grow at 5%YoY impacted by channel rationalization and weak consumer sentiment. As per our channel check, there has been stock related concern in few LFS format due to warehouse related issues of the retail channel. This will impact topline growth. We expect gross and EBITDA margin to remain under pressure due to high discounting. EBITDA and PAT is likely to be flattish. ▪ **Would watch for:** SSSG growth in existing EBOS, pick up in airport store revenue, channel expansion in MBOs
	EBITDA	513	651	507	*(21.1)*	*1.3*	
	Net profit	357	177	371	*101.8*	*(3.7)*	
	EBITDA margin (%)	*16.3*	*20.3*	*16.9*	*(398.0)*	*(57.5)*	
	EPS (Rs)	5.8	2.9	5.8	*101.8*	*0.2*	
Trent	Revenue	8,316	8,180	6,565	*1.7*	*26.7*	▪ We expect Trent to report 27% YoY increase in revenue led by retail expansion (higher number of Zudio stores) and improvement in SSSG. Gross and EBITDA margins are likely to remain under pressure due to rise in revenue share of value fashion retail format Zudio. We expect PAT to grow at 42% due to the tax rate benefits. ▪ **Would watch for**: SSSG in Westside and number of store additions in Zudio.
	EBITDA	906	1,328	726	*(31.8)*	*24.9*	
	Net profit	683	383	403	*78.5*	*69.6*	
	EBITDA margin (%)	*10.9*	*16*	*11*	*(533.8)*	*(15.9)*	
	EPS (Rs)	1.9	1.1	1.2	*78.5*	*58.6*	

Source: IDBI Capital Research; Note: data for EBITDA Margin YOY and QOQ is in bps.

Notes

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Key to Ratings Stocks:

BUY: Absolute return of 15% and above; **ACCUMULATE:** 5% to 15%; **HOLD:** Upto ±5%; **REDUCE:** -5% to -15%; **SELL:** -15% and below.

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