

Market snapshot



Today's top research idea

Reliance Industries: A new beginning! Upgrading to Buy

- ❖ We had downgraded the stock to Neutral in Apr'19 (Report link), citing (a) upcoming weakness in the refining and petrochem margins and (b) the build-up in the telecom and retail segments was already factored in our valuations.
- ❖ Moreover, we were concerned about the rising debt amidst high capex intensity. Since then, the stock has declined by ~20%. The AGM went a long way in allaying those concerns. Our estimates suggest consol. interest cost of INR268b in FY21, ~24% of EBITDA. A decrease in net debt of INR100b would result in an EPS increase of ~1.2% in FY21. The core segment is expected to remain under pressure. However, the decline of ~20% in the stock price since our last report, combined with the possibility of a decrease in net debt, makes us upgrade RIL to Buy reiterating our TP of INR1400.



Research covered

Cos/Sector	Key Highlights
Reliance Industries	A new beginning! Upgrading to Buy
Shree Cement	Capacity overhang in key operating regions to pressurize prices
Nestle India	Strengthening building blocks for long-term growth
Eco Scope	IIP growth slows down to four-month low
NTPC	DSM regulations, low GCV coal loss impacts profitability
B P C L	EBITDA a miss; Reported GRM at USD2.8/bbl
Britannia Inds.	Industry slowdown leads to earnings cut
GAIL (India)	Concerns over petchem worsens; Gas trading one-off relief
Divi's Lab.	Adverse macro situation for raw materials impacts profitability
Hindalco Inds.	Lower LME, copper shutdown impacts performance
Other Updates	MSS MUTH CDH NHPC ALKEM BHEL MPHL SUNTV OINL SAIL TMX MAHGL NELI AGLL

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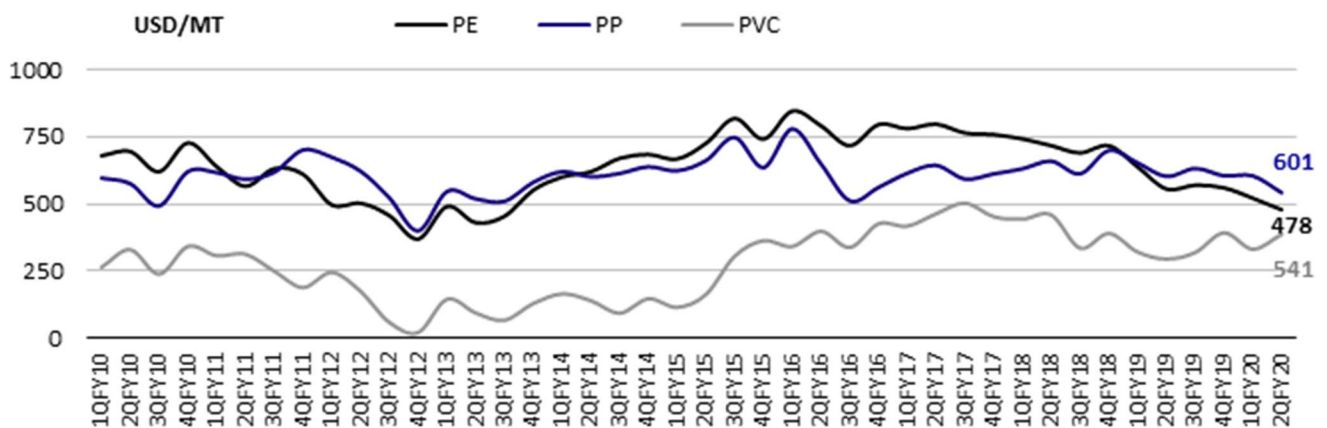
Equities - India	Close	Chg .%	CYTD.%
Sensex	37,582	0.7	4.2
Nifty-50	11,110	0.7	2.3
Nifty-M 100	15,947	1.0	-10.8
Equities-Global	Close	Chg .%	CYTD.%
S&P 500	2,883	-1.2	15.0
Nasdaq	7,863	-1.2	18.5
FTSE 100	7,227	-0.4	7.4
DAX	11,680	-0.1	10.6
Hang Seng	9,998	0.0	-1.3
Nikkei 225	20,685	0.0	3.3
Commodities	Close	Chg .%	CYTD.%
Brent (US\$/Bbl)	58	0.9	9.1
Gold (\$/OZ)	1,492	-0.6	16.4
Cu (US\$/MT)	5,732	-0.8	-3.6
Almn (US\$/MT)	1,742	-0.4	-6.5
Currency	Close	Chg .%	CYTD.%
USD/INR	70.8	0.1	1.5
USD/EUR	1.1	0.2	-2.3
USD/JPY	105.7	-0.4	-3.6
YIELD (%)	Close	1MChg	CYTDchg
10 Yrs G-Sec	6.5	0.09	-0.9
10 Yrs AAA Corp	7.8	0.10	-0.7
Flows (USD b)	9-Aug	MTD	CYTD
FII	0.03	-1.35	8.02
DII	0.09	1.36	3.12
Volumes (INRb)	9-Aug	MTD*	CYTD*
Cash	386	374	359
F&O	8,682	15,772	11,507

Note: *Average



Chart of the Day: Reliance Industries (A new beginning! Upgrading to Buy)

Petchem margins under pressure (PE, PP, PVC spread over naphtha)



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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

RIL to sell 20% in oil-to-chemicals unit to Aramco at \$75-B enterprise value

Reliance Industries on Monday signalled a tectonic shift in its decades-long, successful business model of going it alone by proposing to offload stake in its oil-to-chemicals business to Saudi Arabian giant Aramco for an enterprise value of \$75 billion (around Rs 5.3 lakh crore)...

2

Gold prices today hit new all-time high but silver rates plunge

Gold prices today surged to fresh all-time high in India, tracking firm global rates. Gold advanced by ₹50 to all-time high mark of ₹38,470 per 10 gram in the national capital, Press Trust of India reported, citing All India Sarafa Association. Silver prices however plunged today, falling by ₹1,150 to ₹43,000 per kg. In the national capital, gold of 99.9% and 99.5% purity gained ₹50 to ₹38,470 and ₹38,300 per 10 gram, respectively...

3

DHFL seeks Rs 15,000-crore lifeline

Troubled mortgage lender Dewan Housing Finance has sought Rs 15,000-crore immediate funding from banks for on-lending to retail customers as well as to project developers, say sources. Last week, the nearly crippled company had submitted a draft resolution plan to lenders which are yet to be approved by them...

4

Tata Steel to go slow on capex

Tata Steel will 'recalibrate' its capital expenditure this fiscal by postponing some of its planned expenditure in Europe and splitting expenses in India in phases. T.V. Narendran, MD and CEO, Tata Steel Ltd. (TSL), said that about ₹4,000-crore capital expenditure of the ₹12,000 crore proposed for this fiscal would be 'recalibrated'...

5

Not interested in Jet bid, says Anil Agarwal

In the second major setback to the lenders bid to revive the grounded Jet Airways by selling it out, billionaire businessman Anil Agarwal, a day after announcing interest in the airline, said on Monday he was no longer interested to pursue the deal...

6

Green Mega Power Projects On The Anvil

The government is planning large renewable energy projects like the coal-based ultra-mega power projects (UMPPs) through the public-private-partnership route. The renewable power projects may include any renewable source of generation or a combination of them...

7

HDFC Bank mulls doubling credit card user base to 25 million this fiscal

India's most valuable lender HDFC Bank is planning to double its credit card base and triple the merchant acquiring business this fiscal year, even as most banks raise concerns over rising stress in their unsecured loan book...



Reliance Industries

BSE SENSEX	S&P CNX
37,582	11,110

Stock Info

Bloomberg	RIL IN
Equity Shares (m)	6,339
M.Cap.(INRb)/(USD\$)	7366 / 104.1
52-Week Range (INR)	1417 / 1017
1, 6, 12 Rel. Per (%)	-7/-12/-3
12M Avg Val (INR M)	11968
Free float (%)	53.8

Financials Snapshot (INR b)

Y/E March	FY19	FY20E	FY21E
Net Sales	5,671	6,332	7,043
EBITDA	839	954	1,108
Net Profit	398	446	494
EPS (INR)	67.2	75.3	83.4
EPS Gr. (%)	10.4	12.1	10.7
BV/Sh. (INR)	653	721	796
RoE (%)	11.7	11.0	11.0
RoCE (%)	9.1	8.5	9.3
Payout (%)	10.3	10.3	10.3

Valuations

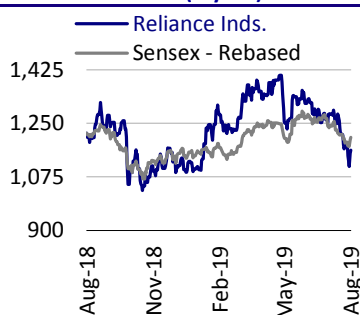
P/E (x)	17.3	15.4	13.9
P/BV (x)	1.8	1.6	1.5
EV/EBITDA (x)	11.4	9.8	8.1
EV/Sales (x)	1.7	1.5	1.3

Shareholding pattern (%)

As On	Jun-19	Mar-19	Jun-18
Promoter	46.2	46.2	46.2
DII	11.6	11.8	11.3
FII	26.2	26.2	26.4
Others	16.0	15.9	16.1

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR1,162 TP: INR1,400 (+20%) Upgrade to Buy

A new beginning!

Upgrading to Buy

In its AGM on 12th Aug'19, Reliance Industries (RIL) made the following major announcements:

- RIL and Saudi Aramco have agreed to a non-binding letter of intent (LOI), wherein the latter may acquire a 20% stake in the 'oil-to-chemicals' division at an enterprise value of USD75b.
- Consumer business is expected to contribute 50% of RIL's consolidated EBITDA soon (v/s 32% in FY19).
- Fiber business will be rolled out commercially pan-India starting Sep'19.
- The target is to become a 'zero net-debt' company in the next 18 months.
- It expects consolidated EBITDA growth of 15% for the next five years.
- Jio and Retail may be listed within the next five years.

Concerns on core remain, but debt reduction may boost earnings

- In Apr'19, we had downgraded RIL due to concerns about its core refining and petrochem segments. The stock has declined by ~20% since then. While we maintain our thesis that refining and petrochem would continue facing headwinds, the reduction in debt would certainly act as a rerating trigger.
- [Media reports today](#) suggest that 'oil-to-chemicals,' could include refining, petrochemical and auto fuel retailing. We anyway value RIL's standalone business at an enterprise value of USD74b. Hence, we do not see much of an upside in valuation.
- However, a decrease in debt would certainly bring some respite to the INR288b of interest cost projected in FY21. We estimate that ceteris paribus, a decrease of INR100b in debt would result in an EPS increase of ~1.2% in FY21. The actual decrease in debt/interest cost would remain subservient to the capex intensity of the company.

RJio: Commercially launches JioFiber; targets 500m wireless subs but no new JioPhone launch

- The company launched JioFiber Home and Enterprise services with 500k/15m of beta/registered subscribers. It also targets to reach 500m wireless subscribers.
- It launched home broadband solutions starting at INR700/month, including connectivity, UHD entertainment, video conferencing, gaming and home solutions/security, among others.
- Unlike wireless launch, we do not see RJio's lowest price plan at INR700 as a disruptor. We expect FTTH subscription growth to be gradual due to (a) high enrolment and device cost, (b) the need for household-level connectivity and (c) high incremental network cost.
- RJio plans to offer solutions to 2.4m SMEs and large enterprises with reliable connectivity and cloud applications.
- We maintain our revenue/EBITDA CAGR estimate of 32%/46% over FY19-21, with a DCF-based target price of INR230/share.

Valuation and view

- We had downgraded the stock to Neutral in Apr'19 ([Report link](#)), citing (a) upcoming weakness in the refining and petrochem margins and (b) the build-up in the telecom and retail segments was already factored in our valuations. Moreover, we were concerned about the rising debt amidst high capex intensity. Since then, the stock has declined by ~20%. The AGM went a long way in allaying those concerns.
- Although the announced Saudi Aramco-RIL deal is non-binding, it does highlight management's intention to lower debt. Our estimates suggest consol. interest cost of INR268b in FY21, ~24% of EBITDA. A decrease in net debt of INR100b would result in an EPS increase of ~1.2% in FY21.
- The core segment is expected to remain under pressure. However, the decline of ~20% in the stock price since our last report, combined with the possibility of a decrease in net debt, makes us upgrade RIL to **Buy**. We reiterate our TP of INR1,400, which includes valuation of core segments at 7.5x FY21 EV/EBITDA, Jio at INR230/share and Retail at INR414/share.

Detailed breakdown of RIL's consol. debt

Debt	Consol.
Long term debt	2,175
Short term debt	644
Spectrum, debt in InvITs	1,270
Others (includes creditors etc.)	871
Cash & current investments	
Cash	75
Current investments	709
Net debt (INR b)	4,176

Source: Bloomberg, MOFSL

Sensitivity to decrease in debt/interest cost on EPS

Decrease in debt of INR100b	FY20	FY21
Interest cost change (%)	-4.6	-3.4
EPS change (%)	1.3	1.2

Source: Bloomberg, MOFSL



Shree Cement

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	SRCM IN
Equity Shares (m)	35
M.Cap.(INRb)/(USD\$b)	705.4 / 10
52-Week Range (INR)	22200 / 13125
1, 6, 12 Rel. Per (%)	-2/23/18
12M Avg Val (INR M)	489
Free float (%)	35.2

Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	117.2	130.5	151.2
EBITDA	27.9	35.5	42.6
PAT	12.6	14.2	20.2
EPS (INR)	362.2	406.7	581.4
Gr. (%)	-8.8	12.3	43.0
BV/Sh (INR)	2,758	3,102	3,619
RoE (%)	13.6	13.9	17.3
RoCE (%)	11.7	12.5	15.3
P/E (x)	55.9	49.8	34.8
P/BV (x)	7.3	6.5	5.6
EV/EBITDA (x)	24.6	18.7	15.0
EV/Ton (USD)	255	218	200

Estimate change



TP change



Rating change

**CMP: INR20,248 TP: INR21,000 (+4%) Downgrade to Neutral**

Capacity overhang in key operating regions to pressurize prices, Downgrade to Neutral

- **Reprises industry trend of lower volumes, higher realizations:** Volumes including clinker declined ~13.3% YoY to 6.1mt (our estimate: 6.0mt). Realizations were up ~14.5% YoY to INR4,703, while revenues declined 1% YoY to INR30.3b (our estimate: INR29b). Cement revenue stood at INR28b (-1% YoY) and Power revenue at INR1.9b (-6% YoY).
- Total cost/t increased 1% YoY in the quarter. With power EBITDA at INR280m, cement EBITDA/t stood at INR1,443 (+67% YoY). As a result, EBITDA increased 40% YoY to INR9b (our estimate: INR7.5b), with the margin at 29.7% (+9pp YoY). Tax rate stood at 25% v/s 10% in the year-ago period. Adj. PAT was up 5% YoY to INR3.6b (our estimate: INR2.5b).

What is changing?

Mid-term risk to prices in North India on account of capacity addition

- We see risk to North India cement prices in the medium term on account of significant clinker-backed capacity expansions (from Wonder, JKCE, Ambuja), in the backdrop of weak demand environment. The North has been the best performing cement market in terms of prices in the past six months (up ~INR40/bag or ~12%), which may now get challenged given capacity expansion of ~6% in six months and ~10% in 12 months. We expect this to adversely impact Shree Cement (the company has 60% volumes coming in from the North, giving it a ~24% market share in the region). However, we remain structurally positive on the North cement market from a longer-term perspective and expect clinker utilization to cross 85% again by end-FY21 after dipping over the next one year.

Exposure to eastern markets should yield low realizations

- Shree Cement is adding 5.5mt of grinding capacity in the East, 2.5mt of which has already been commissioned, thus increasing the region's capacity by 7%. The East will witness maximum capacity addition (~26mt or ~30% over the next two years) amongst any region, though we note that most of these are only grinding units and are not necessarily backed by clinker. Thus, the region is expected to witness maximum pricing pressure. After witnessing an increase of ~INR40-50/bag in April-May 2019, prices in the East have corrected by ~INR20-25/bag since then.

Downgrade to Neutral

- After a sharp 27% appreciation in the past six months, SRCM trades at 15x FY21 EV/EBITDA and EV/tonne of USD200/t, which are at a premium to large cap peers, including UltraTech (25% premium). We believe the stock is currently pricing in the sharp cement price hikes seen this year, limiting upside in the medium term. Therefore, we downgrade it to **Neutral** with INR21,000/share target price.

Quarterly Performance (S/A)

(INR Million)

Y/E March	FY19				FY20				FY19	FY20E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Dispat. (m ton)	6.99	5.64	5.93	7.30	6.06	5.92	6.64	8.27	25.86	26.89
YoY Change (%)	18.7	15.6	11.4	13.3	-13.3	5.0	12.0	13.3	14.8	4.0
Realization (INR/Ton)	4,107	4,268	4,315	4,225	4,703	4,503	4,453	4,526	4,223	4,115
YoY Change (%)	-2.6	2.1	4.4	1.6	14.5	5.5	3.2	7.1	1.2	-2.6
QoQ Change (%)	-1.2	3.9	1.1	-2.1	11.3	-4.3	-1.1	1.6		
Net Sales	30,699	25,866	27,806	32,849	30,364	28,560	31,842	39,699	117,220	130,465
YoY Change (%)	19.1	20.7	20.8	16.9	-1.1	10.4	14.5	20.9	19.2	11.3
EBITDA	6,452	6,037	6,901	8,478	9,022	7,298	8,059	11,124	27,868	35,503
Margins (%)	21.0	23.3	24.8	25.8	29.7	25.6	25.3	28.0	23.8	27.2
Depreciation	3,055	3,295	3,361	4,206	4,027	4,127	4,227	4,378	13,917	16,758
Interest	562	618	593	697	680	650	650	658	2,470	2,638
Other Income	936	514	553	451	511	540	540	563	2,454	2,154
PBT before EO Exp	3,771	2,638	3,500	4,026	4,826	3,062	3,723	6,652	13,936	18,262
Extra-Ord Expense	676	2,618	-200	0	0	0	0	0	3,094	0
PBT	3,095	20	3,700	4,026	4,826	3,062	3,723	6,652	10,842	18,262
Tax	301	-473	687	817	1,196	704	856	1,353	1,331	4,109
Rate (%)	9.7	-2,343.6	18.6	20.3	24.8	23.0	23.0	20.3	12.3	22.5
Reported PAT	2,795	494	3,013	3,210	3,630	2,357	2,866	5,299	9,511	14,153
Adj PAT	3,471	3,112	2,813	3,210	3,630	2,357	2,866	5,299	12,605	14,153
YoY Change (%)	-21.1	46.9	-4.0	-19.6	4.6	-24.2	1.9	65.1	-9.0	12.3

E:MOSL Estimates



Nestle India

BSE SENSEX 37,582 S&P CNX 11,110

CMP: INR11,982 TP: INR11,510 (-4%) Neutral



Stock Info

Bloomberg	NEST IN
Equity Shares (m)	96
M.Cap.(INRb)/(USDb)	1155.2 / 16.3
52-Week Range (INR)	12266 / 9080
1, 6, 12 Rel. Per (%)	6/3/11
12M Avg Val (INR M)	865
Free float (%)	37.2

Financials Snapshot (INR b)

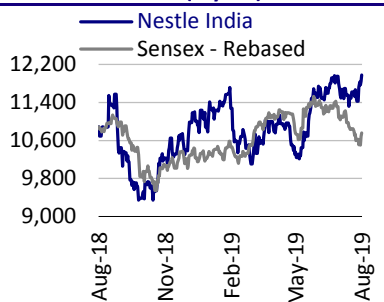
Y/E Dec	2018	2019E	2020E
Net Sales	112.9	124.4	140.4
EBITDA (INR b)	27.3	29.8	34.0
Net Profit	17.2	18.8	21.5
EPS	178.6	195.4	223.2
EPS Gr. (%)	27.5	9.4	14.2
BV/Share (INR)	381.0	204.5	205.7
RoE (%)	48.5	66.7	108.8
RoCE (%)	50.2	68.8	111.4
P/E (x)	67.1	61.3	53.7
P/BV (x)	31.4	58.6	58.2

Shareholding pattern (%)

As On	Jun-19	Mar-19	Jun-18
Promoter	62.8	62.8	62.8
DII	7.6	7.8	8.1
FII	13.0	12.6	12.2
Others	16.7	16.9	16.9

FII Includes depository receipts

Stock Performance (1-year)



Strengthening building blocks for long-term growth

Nestle India (NEST) hosted its analyst meet on 9th Aug'19 to share a holistic view on its business. We thoroughly analyzed the details revealed by management and were particularly impressed with its best-in-industry growth strategy. Key takeaways:

- After many years of lull (and an actual sharp decline in CY15 due to the Maggi crisis), NEST's distribution reach is now targeted to be increased to 5.5m-6m outlets from the current 4.6m outlets.
- The company has launched 61 products over the past three years with a remarkable success rate of 70% (v/s industry's success rate of 10%-15% for new launches). These products now contribute ~3.7% of sales. Notably, the timeline for new product innovation has come down from 18-24 months earlier to 3-9 months.
- Ad-spend growth of 18% YoY for 1HCY19 was very impressive at a time when most consumer peers curtailed spending in Jun'19. This especially comes after an even more impressive 40% plus ad-spend growth in CY18.
- Most segments reported strong top-line growth in 1HCY19. Revenue for Milk and Nutrition was up 8.5% YoY (volumes: +8.1% YoY), while that for Prepared Dishes (Maggi) increased 15.0% YoY (volumes: +12.9% YoY). Chocolates – aided by category revival and higher market share in Kit Kat – grew by an impressive 22.5% YoY in value terms and 22.8% YoY in volume terms. Beverage was the only underperforming category, with muted value and volume growth of 4.2% and 3.4% YoY, respectively.
- Cluster-based approach (15 zones) is helping the company to challenge anecdotal and historical thinking, and in turn, fuel growth.
- Also interesting was management's emphasis that strong brand franchises with a high market share should not and need not give in to any adverse terms of trade sought by modern trade – a strategy that NEST has deliberately adopted in recent years without impacting its top-line growth.
- Attrition has consistently come down from 15% in CY15 to 3.5% annualized YTD in 1HCY19.
- Management, however, also reiterated that, despite its own good performance so far, the consumer demand slowdown in recent months and the rising material costs present a risk to earnings growth. Rising material costs have already meant that EBITDA and PAT growth were 8% YoY in 1HCY19 compared to volume-led double-digit revenue growth. Valuations are expensive at 53.7x CY20E and 46.7x CY21E EPS. As a result, despite its strengthening structural story, we would wait before turning constructive on the stock. Maintain Neutral.

IIP growth slows down to four-month low

Expect GDP growth to moderate in 1QFY20

- Index of Industrial Production (IIP) grew 2% YoY in Jun'19. Although growth was slowest in four months, it was better than consensus of 1.4% and our estimate of 1.1%. In fact, IIP reading for May'19 has been revised upward from 3.1% to 4.6%. Thus, IIP growth stands at 3.6% YoY for 1QFY20, much better than 1.5% in 4QFY19.
- Slowdown in IIP growth can largely be attributed to weakness in both manufacturing and mining. While manufacturing growth was at 1.2% in Jun'19 (v/s 4.5% a month ago), mining sector growth came in at 1.6% (v/s 2.4% in May'19). Power sector growth, however, accelerated to an eight-month high of 8.2% from 7.4% in May'19.
- As per use-based classification, capital goods production declined (by 6.5%) for the second straight month in Jun'19, largely off a high base (+9.7% in Jun'18). Production of consumer goods also decelerated to 1.6% due to a decline in consumer durables. Even infrastructure and construction sector production declined by 1.8% in the month.
- Overall, although IIP growth was higher than expected in 1QFY20, the second consecutive monthly decline in the capital goods sector and the first decline in two years in the construction sector are concerning. In our view, weak investments activity will continue impacting economic activity. Accordingly, we continue [expecting](#) a moderation in real GDP growth toward ~5.6% in 1QFY20.

IIP grew 2% YoY in Jun'19, marking slowest growth in four months but better than market consensus of 1.4% (and our expectation of 1.1%).

- **IIP growth – albeit better than expected – slows down to four-month low...** IIP growth of 2% YoY for Jun'19 was better than our estimate of 1.1% and market consensus of 1.4%. However, it marked a slowdown from 4.6% growth in May'19 (*Exhibit 1*). For 1QFY20, IIP growth stands at 3.6% YoY, up from only 1.5% in the previous quarter (*Exhibit 2*).
- **...driven by weakness in manufacturing sector:** The slowdown in IIP growth can largely be ascribed to weakness in both manufacturing (IIP weight 77.6%) and mining (IIP weight 14.4%) sectors. While manufacturing growth was at 1.2% in Jun'19 versus 4.5% a month ago, mining sector growth came in at 1.6% versus 2.4% in May'19. Power sector (IIP weight 7.9%) growth, however, accelerated to an eight-month high of 8.2% from 7.4% in May'19. Notably, basic metals, the highest weight item (12.8%) within manufacturing, delivered higher growth during the month, which was offset by a decline in production of petroleum products (11.8%). Other sub-industries like chemicals (7.9%), non-metallic mineral products (4.1%), textiles (3.9%), electrical equipment (2.9%) and machinery (4.8%) posted a decline during the month.
- **Capital goods posts second consecutive decline:** According to use-based classification, capital goods production declined (by 6.5%) for the second consecutive month in Jun'19, largely due to a high base (+9.7% in Jun'18). Production of consumer goods also decelerated to 1.6%, driven by a decline in consumer durables. Even infrastructure and construction sector production declined by 1.8% in the month.
- **Expect GDP growth to moderate to ~5.6% in 1QFY20:** Overall, although IIP growth was higher than expected in 1QFY20, the second consecutive monthly decline in the capital goods sector and the first decline in two years in the construction sector are concerning. In our view, weak investments activity will continue impacting economic activity. Accordingly, we continue expecting a moderation in real GDP growth toward ~5.6% in 1QFY20.

According to use-based classification, capital goods production posted second consecutive decline.



BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	NTPC IN
Equity Shares (m)	9,895
M.Cap.(INRb)/(USD\$b)	1224.9 / 17.3
52-Week Range (INR)	146 / 107
1, 6, 12 Rel. Per (%)	-2/10/-6
12M Avg Val (INR M)	1617
Free float (%)	43.6

CMP: INR124 TP: INR165 (+33%)

Buy

DSM regulations, low GCV coal loss impacts profitability

Expect capitalization to pick up pace

Standalone (S/A) 1QFY20 adj. PAT decreased ~9% YoY to INR27b (14% miss on our est.). PAT has been adjusted for est. INR1.1b under-recovery (u/r) of fixed charge (FC) for this quarter. The miss is due to an impact of DSM regulations (~INR1.5b), carpet coal loss (~INR1.5b) and tax leakage on change in deferred tax recognition. Reported PAT, though, was up ~1% YoY to INR26b on lower FC under-recovery and higher other income, which jumped 2.4x YoY to INR3.3b on accrual accounting of late payment surcharge, in our view.

- New regulations for DSM (deviation settlement mechanism), which had tightened operating norms (since Jan'19), impacted the company's profitability (~INR1.5b). These norms, though, have largely been reversed (since May-end), and subsequently, such an impact is unlikely to continue.
- Lower inventory levels at some of the company's plants also resulted in the usage of older coal inventory, resulting in a loss of ~INR1.5b.
- The re-adjustment of DTA as income under regulatory balances (v/s being offset from DTL, earlier) resulted in a tax leak of ~INR0.8b, in our view.
- We believe that FC u/r declined to an est. INR1.1b v/s INR4.9b on restart of Unchahar and better coal availability at Mauda.
- Share of the JV PAT rose 16% YoY to INR1.5b. Performance of subs also improved with profit of INR0.9b (v/s loss of INR0.2b during the same period last year).

Capitalization to pick up pace, under-recoveries to decline; Re-iterate Buy

We believe factors (DSM, carpet loss) impacting NTPC's 1QFY20 performance (~INR3b) are transient/one-off in nature; adjusting for which the benefit of FY20-24 tariff regulations is broadly reflected. We note that NTPC's plant availability has started improving (PAF for its coal plants is up ~520bp YoY in 1QFY20). Besides, ~5GW of capitalization for FY20 appears to be on track. We expect capitalization to pick up pace, thus, driving regulated equity CAGR of 16% over FY19-21E; it should also outpace capex and boost RoE. Our DCF-based TP is INR165/share. Maintain Buy.

Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	906.4	1,001.7	1,103.0
EBITDA	199.1	312.2	366.5
PAT	114.6	133.6	153.2
EPS (INR)	11.6	13.5	15.5
Gr. (%)	30.3	16.6	14.7
BV/Sh (INR)	111.2	119.0	128.2
RoE (%)	10.7	11.7	12.5
RoCE (%)	6.7	6.9	7.7
P/E (x)	10.7	9.2	8.0
P/BV (x)	1.1	1.0	1.0

Estimate change	↔
TP change	↔
Rating change	↔

Quarterly Performance (standalone) – INR m

Y/E March	FY19				FY20				FY19	FY20E	FY20 var. 1QE (%)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sales	228,637	226,310	238,104	224,616	247,032	232,982	238,883	223,396	940,812	942,410	230,301	7
Change (%)	13.7	14.0	14.9	-4.0	8.0	2.9	0.3	-0.5				0.7
EBITDA	61,149	59,623	62,699	58,836	69,630	75,398	74,223	74,482	265,453	293,849	71,778	-3
Other income	1,364	2,249	1,877	13,232	3,262	3,262	3,262	6,937	18,721	16,723	4,181	
PBT	31,712	30,046	31,795	47,763	36,730	42,129	39,929	43,687	164,463	162,591	40,645	-10
Tax	5,831	5,786	7,941	4,260	10,702	12,153	11,444	4,723	46,964	39,022	9,923	
PAT	25,881	24,260	23,854	43,503	26,028	29,976	28,485	38,964	117,499	123,569	30,722	-15
Change (%)	-1.1	-0.5	1.0	48.7	0.6	23.6	19.4	-10.4	13.6	5.2	18.7	
Adj. PAT (excl. FC u/r)	29,598	27,885	25,526	31,735	27,013	30,676	28,885	38,595	114,743	125,169	31,422	-14
Change (%)	16.6	3.2	-2.9	13.3	-8.7	10.0	13.2	21.6	6.0	9.1	6.2	
Key metrics												
Regulated Equity	509,207	519,934	521,059	539,890	531,189	550,299	550,299	610,486	539,890	610,486	559,189	-5
Commercial cap.(MW)	44,500	45,300	44,815	45,725	46,525	47,325	47,325	49,445	45,725	49,445	46,525	0
Coal-based PLF (%)	78.0	72.6	77.7	77.6	73.9	0.0	0.0	0.0			0	

BSE SENSEX 37,582 S&P CNX 11,110

Conference Call Details



Date: 13th Aug 2019
Time: 11:00pm IST
Dial-in details:
022 6280 1271

Financials & Valuations (Cons.) (INR b)

Y/E March	2019	2020E	2021E
Sales	2,982	3,122	3,270
EBITDA	158	147	176
Adj. PAT	85	79	107
Adj. EPS(INR)	43.4	40.2	54.2
EPS Gr. (%)	-12.9	-7.3	34.8
BV/Sh.(INR)	197.1	218.3	247.7
RoE (%)	22.6	19.4	23.3
RoCE (%)	11.8	10.1	11.4
Payout (%)	51.3	47.3	45.7
Valuations			
P/E (x)	8.0	8.6	6.4
P/BV (x)	1.8	1.6	1.4
EV/EBITDA(x)	7.0	7.6	6.5
Div. Yield (%)	5.5	4.7	6.1

CMP: INR347

EBITDA a miss; Reported GRM at USD2.8/bbl

- BPCL has reported 1QFY20 earnings adopting IndAS-116.
- EBITDA stood at INR21.5b (-53% YoY and QoQ), despite decrease in other expenses of INR1.6b. Adj. EBITDA stood at INR26.0b (+37% YoY; -38% QoQ), with refining inventory loss at INR1.3b and marketing inventory loss at INR3.3b. Forex gain for the quarter was INR0.3b (v/s loss of INR7.1b in 1QFY19 and gain of INR2.8b in 4QFY19). Depreciation expense increased 24% YoY and interest cost by 50% YoY. PBT came in at INR13.5b; adjusting it for IndAS impact of INR0.5b, it stood at INR14.0b. Reported PAT was at INR10.8b (-53% YoY, -66% QoQ).
- **Refining:** Refining throughput for the quarter stood at 7.5mmt (-4% YoY, -9% QoQ). Reported GRM is at USD2.8/bbl v/s est. of USD3/bbl (USD7.5/bbl in 1QFY19 and USD2.7/bbl in 4QFY19). Core GRM in 1QFY20 stood at USD3.7/bbl (v/s USD4.2/bbl in 1QFY19 and USD2.6/bbl in 4QFY19).
- **Marketing:** Marketing volumes (excl. exports) stood in line with our est. at 11.1mmt (+1% YoY; -2% QoQ). Marketing GRM including inventory stood at INR4.4/liter (v/s INR4.9/liter in 1QFY19 and INR6.5/liter in 4QFY19).

Standalone - Quarterly Earning Model

(INR Billion)

Y/E March	FY19				FY20				FY19	FY20E	FY20	Var. vs Est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	717.0	722.9	791.7	739.9	763.2	780.6	788.0	796.6	2,971.5	3,128.4	817.3	-7%
YoY Change (%)	25.5	35.6	30.6	13.4	6.4	8.0	-0.5	7.7	25.7	5.3	14.0	
Total Expenditure	671.2	689.4	790.9	694.6	741.7	750.8	757.0	764.9	2,846.1	3,014.4	789.7	-6%
EBITDA	45.8	33.5	0.8	45.3	21.5	29.9	31.0	31.7	125.4	114.0	27.6	-22%
Margins (%)	6.4	4.6	0.1	6.1	2.8	3.8	3.9	4.0	4.2	3.6	3.4	
Depreciation	7.4	7.6	7.8	9.1	9.1	7.7	7.7	7.7	31.9	32.3	9.3	-1%
Interest	3.0	3.3	3.4	3.5	4.5	3.7	3.7	3.7	13.2	15.7	3.7	21%
Other Income	5.5	5.4	9.7	10.6	5.4	7.2	7.2	7.2	31.1	26.9	7.4	-27%
PBT before EO expense	33.8	18.7	5.9	46.0	13.5	25.6	26.7	27.4	104.4	93.2	24.7	-45%
Extra-Ord expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
PBT	33.8	18.7	5.9	46.0	13.5	25.6	26.7	27.4	104.4	93.2	24.7	-45%
Tax	10.9	6.5	0.9	14.7	2.8	8.5	8.9	9.1	33.1	29.3	8.2	-66%
Rate (%)	32.2	34.9	16.0	32.0	20.5	33.3	33.3	33.3	31.7	31.4	33.3	
Minority Interest & Profit/Loss of Asso. Cos.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Reported PAT	22.9	12.2	5.0	31.2	10.8	17.1	17.8	18.3	71.3	63.9	16.5	-35%
Adj PAT	22.9	12.2	5.0	31.2	10.8	17.1	17.8	18.3	71.3	63.9	16.5	-35%
YoY Change (%)	208.0	-48.3	-76.9	16.9	-53.1	40.0	259.7	-41.5	-9.9	-10.4	-28.0	
Margins (%)	3.2	1.7	0.6	4.2	1.4	2.2	2.3	2.3	2.4	2.0	2.0	
Key Assumptions												
Refining throughput (mmt)	7.7	7.6	7.5	8.2	7.5	7.2	7.2	7.2	31.1	29.1	8.7	-14%
Reported GRM (USD/bbl)	7.5	5.6	2.8	2.7	2.8	5.2	5.2	5.2	7.5	2.8	3.0	-6%
Core GRM (USD/bbl)	4.2	3.3	6.0	2.6	3.7	5.2	5.2	5.2	4.0	4.8	3.0	23%
Marketing sales volume excld exports (mmt)	11.0	10.1	10.7	11.4	11.1	10.5	11.1	11.8	43.1	44.5	11.0	1%
Marketing GM incld inv (INR/litre)	4.9	4.9	2.9	6.5	4.4	3.9	3.8	3.8	4.8	4.0	4.0	11%

E: MOFSL Estimates



Britannia Industries

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	BRIT IN
Equity Shares (m)	240
M.Cap.(INRb)/(USD\$b)	621.8 / 8.8
52-Week Range (INR)	3472 / 2524
1, 6, 12 Rel. Per (%)	-4/-20/-17
12M Avg Val (INR M)	1142
Free float (%)	49.3

CMP: INR2,587 TP: INR3,030 (+17%)

Buy

Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	110.5	121.5	139.8
EBITDA	17.3	18.9	22.6
PAT	11.6	12.5	14.7
EPS (INR)	48.1	51.9	61.3
Gr. (%)	15.1	7.8	18.2
BV/Sh (INR)	177.0	185.7	190.0
RoE (%)	30.2	28.6	32.7
RoCE (%)	25.5	24.7	28.5
P/E (x)	53.8	49.9	42.2
EV/EBITDA (x)	35.0	31.9	26.7

Estimate change



TP change



Rating change

Industry slowdown leads to earnings cut; ICD reduction a significant positive

- Consolidated sales increased 6.2% YoY to INR27b (v/s est. of INR28b).**
 Standalone sales grew 7.2% YoY to INR25.8b with 3% volume growth in base business (v/s est. of +6%). Consol. EBITDA grew 1.4% YoY to INR3.9b (v/s est. of INR4.3b), while consol. PAT grew 2.4% YoY to INR2.6b (v/s est. of INR2.9b).
- Consol. gross margin expanded 40bp YoY to 40.4%.** Higher other expenses as % of sales (up 90bp YoY to 21.3%) and increase in staff costs as % of sales (up 20bp YoY to 4.5%), meant that EBITDA margin contracted 70bp YoY to 14.6% (down 100bp QoQ) v/s est. of 15.5%. Adspends (not disclosed separately in financials) were reportedly high due to campaign during the Cricket World Cup.
- Conference call highlights: (1)** Market is growing at a very slow pace but BRIT is significantly outpacing the market, **(2)** ICDs are reduced to under INR5b as of 1QFY20 (INR7b in March) and are expected to decline by another INR1.5b.
- Valuation & View:** Britannia has been continually reporting impressive market share growth, which is seen increasing at a higher pace in recent quarters, compared to the past. However, the slowdown in the Biscuits category (which contributes over 80% to sales for Britannia) in 1QFY20, is expected to impact Britannia's growth (recovery appears unlikely soon). This factor has resulted in a higher cut to our EPS forecasts (~10% each in FY20/FY21), than warranted by the 1QFY20 results (PAT miss of 8%). Additionally, the impact of rising milk prices will be felt in the Dairy business. Traction in new categories is good news for medium term sales growth and is also gross margin accretive, and eventually EBITDA margin accretive as well. The reduction as well as sharing of further plans for reduction in ICDs, partly alleviates a significant concern that had cropped up after the 4QFY19 results. While valuations are not cheap at 42x FY21 EPS, the structural opportunity makes a strong case for best-of-breed multiples. We maintain **Buy** on the stock with TP of INR3,030, 17% upside (48x Jun'21 EPS).

Consol. Quarterly Performance

Y/E March	FY19				FY20				FY19	FY20E	FY20	Variance
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Base business vol. gwth (%)	11.0	11.0	7.0	7.0	3.0	4.0	7.0	8.0	9.0	5.5	6.0	
Net Sales	25,438	28,696	28,424	27,990	27,004	30,992	31,835	31,627	1,10,547	1,21,457	27,982	(3.5)
YoY change (%)	12.4	12.7	10.7	10.3	6.2	8.0	12.0	13.0	11.5	9.9	10.0	
Gross Profit	10,175	11,491	11,737	11,531	10,912	12,406	12,727	12,709	44,932	48,753	11,473	
Margins (%)	40.0	40.0	41.3	41.2	40.4	40.0	40.0	40.2	40.6	40.1	41.0	
EBITDA	3,894	4,544	4,518	4,366	3,947	4,844	5,040	5,064	17,334	18,894	4,347	(9.2)
Margins (%)	15.3	15.8	15.9	15.6	14.6	15.6	15.8	16.0	15.7	15.6	15.5	
YoY growth (%)	18.5	20.3	13.4	9.9	1.4	6.6	11.6	16.0	15.4	9.0	11.6	
Depreciation	356	369	424	469	448	469	539	599	1,619	2,054	453	
Interest	24	24	30	13	101	104	107	36	91	349	20	
Other Income	420	440	600	618	675	506	600	624	2,065	2,404	471	
PBT	3,933	4,590	4,664	4,502	4,072	4,776	4,994	5,052	17,689	18,894	4,345	(6.3)
Tax	1,352	1,559	1,658	1,557	1,430	1,600	1,698	1,696	6,125	6,424	1,477	
Rate (%)	34.4	34.0	35.5	34.6	35.1	33.5	34.0	33.6	34.6	34.0	34.0	
Adjusted PAT	2,581	3,031	3,007	2,946	2,642	3,176	3,296	3,356	11,564	12,470	2,868	(7.9)
YoY change (%)	19.5	16.2	14.1	11.7	2.4	4.8	9.6	13.9	15.2	7.8	11.1	

E: MOFSL Estimates



GAIL India

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	GAIL IN
Equity Shares (m)	4,510
M.Cap.(INRb)/(USD\$)	557.9 / 7.9
52-Week Range (INR)	199 / 120
1, 6, 12 Rel. Per (%)	-12/-29/-33
12M Avg Val (INR M)	1736
Free float (%)	47.8

Financials & Valuations (INR b)

Y/E Mar (INR b)	2019	2020E	2021E
Sales	751.3	768.3	841.8
EBITDA	95.3	107.9	111.6
Adj. PAT	63.3	65.6	66.7
Adj. EPS (INR)	14.0	14.5	14.8
EPS Gr. (%)	38.4	3.6	1.7
BV/Sh.(INR)	99.2	108.3	117.6
RoE (%)	14.3	14.2	13.3
RoCE (%)	12.9	12.1	11.1
Payout (%)	39.1	37.3	37.3
Valuations			
P/E (x)	8.8	8.5	8.4
P/BV (x)	1.2	1.1	1.1
EV/EBITDA (x)	3.0	2.9	3.0
Div. Yield (%)	3.5	3.6	3.7

Estimate change	
TP change	
Rating change	

CMP: INR124 TP: INR154 (+24%) Upgrade to Buy

Concerns over petchem worsens; Gas trading one-off relief

1QFY20 EBITDA was flat YoY at INR22.6b (in-line), led by better marketing segment performance, while petchem continued its poor performance. Depreciation was higher by 7% YoY, which was offset by lower interest cost (-46% YoY) and higher other income (+26% YoY). PAT stood in line with est. at INR12.9b (+2% YoY, -11% QoQ).

Gas transmission EBIT stood at INR8.6b (+22% YoY). Volumes were 2% lower YoY at 105mmscmd (v/s our est. at 108mmscmd), due to lower demand owing to the shutdown at several fertilizer plants.

- Kochi-Mangalore pipeline is expected to be completed by Oct'19. Other pipelines in East India are expected to get completed by FY22.
- **Gas trading** EBIT stood at INR8.5b (+54% YoY), owing to higher realizations.
- Company sold 97mmscmd of volumes during the quarter; comprising ~84.5mmscmd in the domestic market and ~12.5mmscmd internationally.
- Company has hedged sufficient US cargoes for FY20/FY21, though it remains to be seen how these US contracts work in an environment of increasing LNG supply glut.

Petchem continued to perform badly with EBIT loss of INR2.3b (v/s gain of INR2.1b in 1QFY19 and loss of INR200m in 4QFY19).

- Petchem sales were 18% lower YoY at 136mmt (v/s est. of 179mmt), due to the planned shutdown. This also resulted in higher depreciation at INR8/kg (v/s INR6/kg in 1QFY19), along with an increase in opex at INR90/kg (v/s INR78/kg in 1QFY19).
- Even realization was lower at INR82/kg (v/s INR97/kg in 1QFY19), resulting in EBITDA loss of INR1.2b (v/s gain of INR3.1b in 1QFY19).

LPG and Liquid HC business also performed badly with EBIT of INR5.1b (-4% YoY), despite higher realization at INR38.5/mmt (+11%). Volumes during the quarter were down 4% YoY to 298mmt, due to lower offtake from customers.

Valuation and view

- The stock price for GAIL has corrected by ~35% in the last one year, and is currently trading at a discount of ~40% to its 10 year long term average.
- We revise our valuation multiple down from 9x to 8x due to concerns on restructuring of the company. However, we upgrade the stock to buy as we believe that it would be a key beneficiary of increasing domestic gas as well as LNG in the country. The tightening norms on industrial pollution would also help transmission segment in the longer run.
- The fertilizer plants on the Jagdishpur-Haldia pipeline are expected to commence operations from 2021, which management believes would further decrease concerns on the sale of US LNG.
- Valuing the stock at 8x FY21 adj. EPS of INR14.1, and adding contribution from the investment, we arrive at target price of INR154 (implying upside of ~24%).

Quarterly Performance

(INR M)

Y/E March	FY19				FY20				FY19	FY20E	FY20 1QE	Var. vs est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	1,72,986	1,92,753	1,97,890	1,87,639	1,83,115	1,99,444	1,94,456	1,91,277	7,51,268	7,68,292	1,88,050	-3%
Change (%)	51.7	55.3	37.3	21.6	5.9	3.5	-1.7	1.9	40.0	2.3	8.7	
EBITDA	22,436	29,276	26,735	16,841	22,590	28,120	27,316	29,867	95,287	1,07,892	22,148	2%
% of Net Sales	13.0	15.2	13.5	9.0	12.3	14.1	14.0	15.6	12.7	14.0	11.8	
Depreciation	3,789	3,506	3,634	4,574	4,057	4,187	4,326	4,324	15,502	16,895	3,885	4%
Interest	441	455	227	263	239	396	432	442	1,385	1,508	290	-17%
Other Income	1,196	3,656	2,201	8,659	1,512	2,387	2,745	3,124	15,712	9,767	1,732	-13%
Extraordinary item*	0	0	0	-3,263	0	0	0	0	-3,263	0	0	
PBT	19,403	28,972	25,075	20,663	19,805	25,923	25,303	28,225	90,848	99,256	19,705	1%
Tax	6,810	9,342	8,262	6,177	6,930	8,536	8,332	9,904	30,593	33,703	6,681	4%
Rate (%)	35.1	32.2	33.0	29.9	35.0	32.9	32.9	35.1	33.7	34.0	33.9	
PAT	12,593	19,630	16,812	14,486	12,875	17,387	16,971	18,321	60,256	65,554	13,025	-1%
Change (%)	22.8	49.9	33.2	41.9	2.2	-11.4	0.9	26.5	30.5	8.8	3.4	
Extraord.: Tax Prov. Write Back	0	0	317	-61	0	0	0	0	256	0	0	
Adj PAT	12,593	19,630	16,496	14,546	12,875	17,387	16,971	18,321	63,264	65,554	13,025	-1%
Change (%)	22.8	49.9	30.7	44.6	2.2	-11.4	2.9	26.0	37.4	3.6	3.4	
EPS (INR)	2.8	4.4	3.7	3.2	2.9	3.9	3.8	4.1	14.0	14.5	5.8	-51%
Key Assumptions												
Gas Trans. volume (mmsmd)	107	106	108	109	105	109	109	113	107	109	108	-2%
Petchem sales ('000MT)	166	183	173	213	136	179	178	227	735	720	179	-24%



Divi's Laboratories

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	DIVI IN
Equity Shares (m)	265
M.Cap.(INRb)/(USD\$b)	442.1 / 6.2
52-Week Range (INR)	1769 / 1080
1, 6, 12 Rel. Per (%)	5/-4/50
12M Avg Val (INR M)	1319
Free float (%)	48.0

CMP: INR1,666 TP:INR1,590 (-5%) Neutral

Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	49.5	53.8	63.0
EBITDA	18.7	20.3	24.1
PAT	13.3	15.0	17.9
EPS (INR)	50.0	56.6	67.3
Gr. (%)	55.0	13.1	18.9
BV/Sh (INR)	262.0	300.0	353.5
RoE (%)	20.6	20.1	20.6
RoCE (%)	20.4	19.9	20.4
P/E (x)	33.3	29.4	24.7
P/BV (x)	6.4	5.6	4.7

Estimate change



TP change



Rating change



Adverse macro situation for raw materials impacts profitability

- Earnings growth moderates on higher raw material costs:** 1QFY20 sales grew 17% YoY to INR11.6b (our est. INR13b). The company had healthy growth in the key segments of generics and custom synthesis (CS), driving the overall growth for the quarter. Nutraceutical sales came in at INR1b, growing at a moderate rate of 13% YoY for the quarter. Gross margin contracted 370bp YoY to 61% due to higher share of generics (~59% v/s ~57%) in total sales. Also, the supply disruption, largely due to environmental concerns in China, has elevated cost of raw materials, further impacting gross margin of the company. Other expenses had one-offs due to forex loss of INR61m. Adjusting for the same, EBITDA margin contracted at similar rate of 350bp YoY to 33.8% (our est. 36%). EBITDA at INR4b (our est. INR4.6b) grew 6% YoY. Adj. PAT grew at a moderate rate of 4% YoY to INR2.7b (our est. INR3.4b) due to higher depreciation and tax rate for the quarter.
- Key highlights:** (1) Divi's Labs is working on backward integration to ensure key starting material availability, the benefit of which would accrue from 2HFY20. (2) In the interim, inventory has been increased from INR16b to INR18b to secure raw material requirement. (3) There has been an increase in customers qualifying the company's Nutraceutical products. Accordingly, the traction in this segment is expected to improve over the medium term. (3) Divi's Labs has incurred capex of INR1b in 1QFY20, has Capital Work-In-Progress (CWIP) of INR6.5b and capital advances of INR2b. The company is on track with its estimated total capex of ~INR17b over the next 12-15 months.
- Valuation and view:** We lower our earnings estimate by 3% for FY20/FY21 to factor in higher raw material costs over the medium term. We roll to 23x (unchanged) 12M forward earnings and arrive at price target of INR1,590 (unchanged). Divi's Labs is well placed to benefit from the CRAMS (contract research and manufacturing services) opportunity. With compliance issues now behind, it further provides certainty for earnings growth in the future. However, we maintain **Neutral** stance, as current valuation adequately factors in the upside in earnings growth over the next 2-3 years.

Quarterly Performance

Y/E March	FY19				FY20E				FY19		FY20		Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY19	FY20E	FY20	1QE	
Net Op Revenue	9,953	12,850	13,429	12,671	11,628	13,493	13,832	14,801	49,463	53,754	12,939	-10.1	
YoY Change (%)	21.2	44.3	29.4	16.5	16.8	5.0	3.0	16.8	26.4	8.7	30.0		
EBITDA	3,711	5,141	5,645	4,575	3,932	4,749	5,325	6,258	18,718	20,265	4,697	-16.3	
Margins (%)	37.3	40.0	42.0	36.1	33.8	35.2	38.5	42.3	37.8	37.7	36.3		
Depreciation	416	424	425	424	438	470	480	491	1,689	1,880	430		
Interest	6	2	25	1	3	7	12	19	35	41	10		
Other Income	221	273	346	408	303	330	390	402	1,248	1,425	350		
PBT before EO Income	3,510	4,988	5,540	4,559	3,794	4,602	5,223	6,150	18,242	19,770	4,607		
Forex gain/(Loss)	267	528	-411	-411	-61	0	0	0	234	-61	0		
PBT	3,776	5,516	5,129	4,148	3,733	4,602	5,223	6,150	18,477	19,709	4,607	-19.0	
Tax	911	1,539	1,334	1,228	1,009	1,105	1,201	1,415	5,023	4,730	1,198		
Deferred Tax	0	0	0	0	0	0	0	0	0	0	0		
Rate (%)	24.1	27.9	26.0	29.6	27.0	24.0	23.0	23.0	26.8	24.1	26.0		
PAT	2,866	3,977	3,795	2,920	2,724	3,498	4,022	4,737	13,453	14,979	3,409	-20.1	
Adj. PAT	2,663	3,596	4,099	3,209	2,768	3,498	4,022	4,737	13,283	15,025	3,409		
YoY Change (%)	55.4	69.7	73.4	30.2	4.0	-2.7	-1.9	47.6	55.0	13.1	38.4		
Margins (%)	24.8	28.0	30.5	24.6	23.8	25.9	29.1	32.0	26.9	28.0	26.3		

Note: 2QFY19, 3QFY19, 4QFY19 are standalone financials, FY19/FY20 are consolidated financials



BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	HNDL IN
Equity Shares (m)	2,229
M.Cap.(INRb)/(USD\$b)	395.5 / 5.6
52-Week Range (INR)	260 / 172
1, 6, 12 Rel. Per (%)	-7/-17/-21
12M Avg Val (INR M)	1856
Free float (%)	65.3

Financials & Valuations (INR b)*

Y/E Mar	2019	2020E	2021E
Net Sales	1,305	1,292	1,433
EBITDA	155.1	153.1	165.6
PAT	55.0	44.3	48.3
EPS (INR)	24.7	19.9	21.7
Gr. (%)	30.9	-19.4	9.1
BV/Sh (INR)	175.0	193.0	212.7
RoE (%)	14.5	10.8	10.7
RoCE (%)	10.6	9.0	9.1
P/E (x)	7.1	8.8	8.1
P/BV (x)	1.0	0.9	0.8

*Note: Figures are consolidated

Estimate change

TP change

Rating change

CMP: INR176 TP: INR239 (+36%)

Buy

Lower LME, copper shutdown impacts performance

Valuations attractive; Maintain Buy

1QFY20 (Standalone + Utkal) EBITDA at INR11.4b (v/s est. of INR10.9b) was down 16% QoQ on lower LME prices and plant shutdown in the copper business. Finance cost rose 8% QoQ (6% YoY) to INR4.9b. Other income decreased 65% QoQ (+43% YoY) on a high base (which includes MTM gains). Adj. PAT was down 63% QoQ (-74% YoY) to INR1.9b (v/s est. INR1.8b).

- Aluminum EBITDA/t decreased 12% QoQ to USD400 (est. USD365) on lower realization (LME was lower ~USD70), partly offset by lower costs. Aluminum production and sales remained largely stable QoQ at 326kt (+2%) and 320kt (-2%), respectively. Aluminum EBITDA was down 15% QoQ to INR8.9b.
- Aluminum CoP was lower USD49 QoQ on the back of lower coal and carbon costs. CoP is expected to reduce further as lower caustic and oil prices seep in.
- Copper production/sales were down 15%/18% QoQ to 76kt/82kt on the back of planned maintenance shutdown. This, along with lower LME and by-product volumes, led to 20% QoQ decline in Copper EBITDA to INR2.5b.

Robust business with attractive valuations; Maintain Buy

- With slowing global demand and continuing tariff wars, aluminum LME continues to be on a downward trend. However, at current LME prices, more than 10% of global aluminum smelters would be in losses. We believe this is unsustainable. Given its low-cost integrated production, HNDL is well placed to benefit as LME recovers. Net debt to EBITDA is comfortable at below ~3x.
- Novelis should drive growth through investment in high margin auto-rolled products. Aleris acquisition is strategic and value accretive, in our view, and should be FCF positive at margin. The stock trades attractively at 5.4x EV/EBITDA and 8.1x PE on FY21E. Our TP is INR239/share. Maintain **Buy**.

Quarterly performance (Standalone + Utkal) – INR million

Y/E March	FY19				FY20				FY19	FY20E	1QE vs Est (%)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Aluminium (sales, kt)	300	326	323	325	320	326	323	325	1,274	1,294	320	0
Copper (sales, kt)	82	79	99	100	82	95	95	95	360	367	85	-4
Net Sales	106,700	108,330	119,380	124,550	100,550	111,893	111,827	113,523	457,592	437,888	106,278	-5
EBITDA	18,590	17,370	17,170	13,580	11,420	12,487	13,527	14,550	66,710	51,983	10,910	5
Aluminium	15,240	13,490	12,860	10,430	8,890	9,076	10,116	11,139	52,020	39,222	8,122	9
USD/t	758	589	551	456	400	400	450	493	584	436	365	10
Copper	3,350	3,880	4,310	3,150	2,530	3,410	3,410	3,410	14,690	12,761	2,788	-9
Interest	4,640	4,790	4,770	4,580	4,930	4,864	4,839	4,815	18,780	19,448	4,584	8
Depreciation	4,800	4,750	5,050	5,350	4,940	5,113	5,134	5,063	19,950	20,250	5,050	-2
Other Income	920	1,850	2,090	3,750	1,320	2,374	2,397	2,421	8,610	8,512	1,200	10
PBT (before EO item)	10,070	9,680	9,440	7,400	2,870	4,883	5,950	7,093	36,590	20,797	2,476	16
EO item					-220					-220		
PBT (after EO item)	10,070	9,680	9,440	7,400	2,650	4,883	5,950	7,093	36,590	20,577	2,476	7
Total Tax	2,730	2,430	2,310	2,340	980	1,416	1,726	2,057	9,810	6,179	718	36
% Tax	27.1	25.1	24.5	31.6	37.0	29.0	29.0	29.0	26.8	30.0	29.0	28
Reported PAT	7,340	7,250	7,130	5,060	1,670	3,467	4,225	5,036	26,780	14,398	1,758	-5
Adjusted PAT	7,340	7,250	7,130	5,060	1,890	3,467	4,225	5,036	26,780	14,618	1,758	8

Motherson Sumi

BSE SENSEX 37,582 S&P CNX 11,110

CMP: INR107

Conference Call Details



Date: 13th Aug 2019
Time: 10.00 AM IST
Dial-in details:
6280 1262/ 7115 8163

Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	635.2	708.9	789.4
EBITDA	53.5	60.2	78.3
NP	16.1	17.4	23.1
EPS (INR)	5.1	5.5	7.3
EPS Gr. (%)	-5.2	7.6	32.8
BV/Sh. (INR)	35.7	36.6	41.6
RoE (%)	15.7	15.2	18.7
RoCE (%)	9.8	10.0	13.5
P/E (x)	20.9	19.4	14.6
P/BV (x)	3.0	2.9	2.6

EBITDA in line; Higher depreciation and interest impact PAT

- Consol. revenue grew ~14% YoY to ~INR167.9b (v/s est. INR168.6b), led by Reydel consolidation and better-than-estimated performance at India and SMP. EBITDA declined 11% YoY to ~INR12.6b (in-line). Higher depreciation and interest cost (partly due to AS116 impact and Fx loss) led to ~25% decline in adj. PAT of INR3.3b (v/s est. INR4.2b).
- SMP revenue grew 35% YoY to EUR1.07b (v/s est. EUR990m), driven by Reydel consolidation as well as contribution from green-field plants (excl. both, revenues declined ~7% YoY). While reported EBITDA margins declined 360bbp YoY (+70bp QoQ) to 2.6% (v/s est. ~2.5%), like-to-like EBITDA margins declined 110bp YoY to 8.6%.
- SMR revenue declined 0.2% YoY to EUR402m (in-line); EBITDA margins declined ~30bp YoY to 10.9% (in-line).
- PKC revenue grew 10.5% YoY to EUR327m (v/s est. ~EUR34m), whereas EBITDA margins improved 60bp YoY to ~10.1% (v/s est. 9.8%).
- S/A revenues declined 8% YoY to INR18.4b (v/s est. of INR17b), despite ~12% decline in PV production and ~7% decline in copper prices (pass-through impact). S/A EBITDA margins were stable YoY at 17% (v/s est. 15%), led by lower RM cost. S/A PAT declined 8.5% YoY/-18.4% QoQ to INR1.7b (v/s est. INR1.4b).
- Consol. net debt increased to ~INR84b in 1QFY20 from INR80b in 4QFY19.

Key questions for management

- Update on SMP's green-field plant, especially on issues at Alabama plant.
- Update on integration of Reydel.
- Outlook for SMP, SMR, PKC and India business.

Valuation view: The stock trades at 19.4x/14.6x FY19/FY20E EPS. Maintain **Buy**.

Quarterly performance (Consol.)

Y/E March	FY19				FY20E		(INR Milli Qn)		Var. (%)
	1Q	2Q	3Q	4Q	1Q	FY19	FY20E		
Net Sales	1,47,755	1,51,050	1,64,730	1,71,695	1,67,925	6,35,229	1,68,596	-0.4	
YoY Change (%)	13.0	12.6	14.5	11.4	13.7	12.8	14.1		
RM Cost (% of sales)	57.6	57.9	57.7	58.1	57.5	57.8	57.0	50bp	
Staff Cost (% of sales)	21.9	21.7	22.5	23.0	23.3	22.3	25.0	-170bp	
Other Exp (% of sales)	11.0	11.8	11.3	11.6	11.7	11.4	10.7	90bp	
EBITDA	14,121	13,001	13,934	12,428	12,550	53,484	12,241	2.5	
Margins (%)	9.6	8.6	8.5	7.2	7.5	8.4	7.3	20bp	
Depreciation	4,471	4,879	5,714	5,518	6,365	20,582	5,750		
Interest	1,005	1,315	882	1,030	1,559	4,232	1,070		
Other income	447	463	610	682	547	2,202	400		
PBT before EO expense	9,093	7,269	7,948	6,562	5,173	30,872	5,821	-11.1	
Tax Rate (%)	36.0	35.4	33.9	37.8	34.3	35.7	34.0	30bp	
Min. Int & Share of profit	1,389	982	1,365	-17	84	3,719	-350		
Adj PAT	4,431	3,711	3,891	4,100	3,315	16,132	4,192	-20.9	
YoY Change (%)	21.8	-15.6	6.3	-23.1	-25.2	-5.2	-5.4		

E: MOSL Estimates

Muthoot Finance

BSE SENSEX	S&P CNX
37,582	11,110

CMP: INR648

Neutral

Financials & Valuations (INR b)

Y/E March	2019	2020E	2021E
NII	45.2	51.1	58.1
PPP	31.0	35.2	40.1
PAT	19.7	22.4	25.4
EPS (INR)	49.2	55.9	63.4
BV/Sh.(INR)	230	269	313
RoA on AUM (%)	6.1	6.0	6.0
RoE (%)	23.2	22.4	21.8
Valuations			
Div. Yld. (%)	1.9	2.2	2.4
P/E (x)	13.2	11.6	10.2
P/BV (x)	2.8	2.4	2.1

Stable operating performance

- 1QFY20 PAT grew 8% YoY to INR5.3b (in-line). The quarter was characterized by stable loan growth, decline in margins and modest sequential increase in GNPLs.
- **Standalone AUM increased 5% QoQ/16% YoY to INR358b, in line with the trend witnessed over the past few quarters.** Consol. AUM grew faster at 18% YoY to INR402b, driven by stronger growth in subsidiaries.
- **Calc. yields declined 130bp QoQ/ 50bp YoY to 21.2%** – the QoQ comparison may not be strictly comparable as 4Q tends to have higher income from penal interest, collection charges, etc.
- Cost of funds increased 30bp YoY (largely stable QoQ) to 9.3%. As a result, NIM declined 120bp YoY. The borrowing mix was largely stable with banks/NCDs comprising 49%/31% of total borrowings.
- Operating expenses grew only 6% QoQ, leading to a 50bp reduction in the expense ratio (calc.) to 4.5%.
- **Gross stage 3 loans increased by 50bp QoQ to 3.2%; however, this is not likely to impact eventual losses for the company. Total provisions on the balance sheet have remained unchanged for the past five quarters at INR8.1b.** Tier I capital ratio was robust at 24%.
- We look to revise our estimates and TP post the analyst concall on 13th August.

Quarterly Performance

(INR Million)

Y/E March	FY19				FY20	
	1Q	2Q	3Q	4Q	1Q	FY19
Income from operations	16,108	16,316	16,827	18,319	18,274	67,570
Other operating income	215	181	338	478	294	1,212
Total Operating income	16,323	16,496	17,165	18,797	18,568	68,782
YoY Growth (%)	18.5	-0.7	8.6	14.1	13.8	9.8
Other income	6	5	6	7	19	24
Total Income	16,330	16,501	17,171	18,804	18,587	68,806
YoY Growth (%)	18.6	-0.7	7.9	10.4	13.8	8.6
Interest Expenses	5,016	5,354	5,889	6,111	6,416	22,368
Net Income	11,314	11,148	11,282	12,694	12,171	46,438
Operating Expenses	3,738	3,669	3,440	4,547	3,972	15,394
Operating Profit	7,577	7,478	7,842	8,147	8,199	31,044
YoY Growth (%)	36.5	-12.7	-1.2	-7.3	8.2	0.6
Provisions	27	25	19	205	33	275
Profit before Tax	7,550	7,453	7,823	7,942	8,166	30,769
Tax Provisions	2,634	2,615	2,971	2,827	2,866	11,047
Net Profit	4,916	4,838	4,852	5,115	5,300	19,722
YoY Growth (%)	42.5	8.6	1.4	0.6	7.8	10.9



Cadila Health

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	CDH IN
Equity Shares (m)	1,024
M.Cap.(INRb)/(USD\$b)	235.6 / 3.3
52-Week Range (INR)	432 / 216
1, 6, 12 Rel. Per (%)	3/-31/-38
12M Avg Val (INR M)	648
Free float (%)	25.2

CMP: INR230 TP: INR275 (+19%) Buy

Financials & Valuations (INR b)

Y/E Mar	FY19	FY20E	FY21E
Net Sales	131.7	144.0	152.0
EBITDA	30.0	30.0	32.8
PAT	18.7	16.7	18.4
EPS (INR)	18.3	16.4	18.0
Gr. (%)	4.3	-10.6	9.9
BV/Sh (INR)	101.5	112.8	126.4
RoE (%)	19.3	14.8	15.0
RoCE (%)	12.7	10.6	10.9
P/E (x)	12.6	14.1	12.8
P/BV (x)	2.3	2.0	1.8

Estimate change



TP change



Rating change

US sales moderate; Branded formulation growth revives

- Addition in Consumer Wellness segment (Heinz portfolio) leads revenue growth:** 1QFY20 sales at INR35b (v/s est. of INR36.6b) were up 20.8% YoY, largely led by the Consumer Wellness business (sales at INR6b YoY v/s INR1.4b last year). US sales at INR13.7b (40% of sales) were up 11.2% YoY. India formulations grew 6.2% YoY to INR9.5b (28% of sales). EM formulation sales grew 12.3% YoY to INR2.2b. Growth was mainly dragged by Europe formulations (INR474m, -23.4% YoY), API business (INR692m, -36.8% YoY) and Animal Health business (INR1.2b, -3.6% YoY).
- Inferior product mix affects profitability:** Gross margin stood at 64% and contracted 190bp YoY on the high base of the past year. There was a one-time expense of INR700m related to stamp duty, consultancy fees and donation this quarter. Adjusting for it, EBITDA margin came in at 20.1% (in-line), down 220bp YoY, affected by GM contracting and higher R&D/other expenses (+80bp YoY as % of sales). Adj.EBITDA at INR7b (v/s est. of INR7.4b) was up 8.8% YoY. Adj. PAT at INR3.6b (v/s est. of INR4.3b) declined 22% YoY due to higher depreciation and lower other income.
- Key Con-call highlights:** (1) The USD55m QoQ decline in US sales is largely due to (a) sharp reduction in Authorised generics (AG) sales of g-Androgel, and (b) seasonality related to g-Tamiflu sales, and (c) regulatory issues at Moraiya. (2) Adjusting for AG and specialty sales, CDH's US sales were ~USD800m for FY19. (3) CDH has guided for single-digit growth in US generics for FY20. (4) Company would be completing work related to cross contamination issue by 2QFY20. (5) Net debt remains at elevated level of INR63b at the end of 1QFY20.
- Valuation & view:** We cut our EPS estimate by 7%/6% for FY20/FY21 to factor in the impact of regulatory issues at Moraiya and increased competition in select products for the US market. We continue to value CDH at 15x 12M forward earnings to arrive at PT of INR275 (prior: INR290). The course correction in the India business has already started to show benefits. Additionally, CDH's ANDA pipeline too remains strong for the US market. While, the high base of the past year and regulatory issues are expected to lead to an earnings decline in FY20, we maintain **Buy** as CDH has seen substantial PE de-rating from 30x (2 years back) to 14x FY20/13x FY21, thus available at attractive valuation.

BSE SENSEX
37,582S&P CNX
11,110

CMP: INR 22

Conference Call Details

Date: 14th Aug 2019

Time: 11.00 AM

Dial-in details: 022 6280
1146

Financials & Valuations (INR b)

Y/E March	2019	2020E	2021E
Net Sales	85.7	97.5	101.6
EBITDA	45.9	54.7	57.3
NP	21.9	25.2	25.8
EPS (INR)	2.2	2.5	2.6
EPS Gr. (%)	-10.8	15.1	2.5
BV/Sh. (INR)	30.7	31.7	32.9
RoE (%)	7.2	8.0	7.9
RoCE (%)	4.5	6.2	6.5
Payout (%)	54.6	57.5	56.1
Div. Yield	4.5	5.4	5.4

Growth led by higher generation

Restarts recognition of Lower Subansiri

NHPC's 1QFY20 standalone PAT increased ~19% YoY to INR8.8b (v/s est. INR8.9b) on the back of higher generation. Besides, the company has resumed income recognition for its Subansiri project. Revenue rose 14% YoY to INR24.2b, while EBITDA rose 17% YoY to INR15b.

- Generation for NHPC's standalone plants increased ~22% YoY to 8.4BU in 1QFY20 (based on CEA data).
- Post the MoEF's recommendation to restart the Lower Subansiri project and a subsequent NGT order, the company has resumed recognition of income related to the project under regulatory balances (~INR970m). NHPC, in its earlier assessment, had stopped recognizing such income from 2QFY19.
- We have a **Neutral** rating with DCF-based TP of INR27/share.

Quarterly Performance (Standalone) – INR m

Y/E March	FY19				FY20				FY19	FY20E	FY20 1Q	var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	21,290	24,950	15,714	14,617	24,213	27,624	17,397	16,589	77,517	85,823	24,750	-2
YoY Change (%)	-8.5	26.5	4.9	28.6	13.7	10.7	10.7	13.5	11.8	10.7	16.3	
EBITDA	12,904	15,966	5,958	4,945	15,040	18,452	7,438	7,327	40,720	48,257	16,189	-7
Depreciation	3,726	4,044	4,016	4,115	3,866	4,050	4,050	4,287	15,900	16,253	4,050	-5
Interest	2,212	2,283	2,226	2,228	2,366	2,342	2,319	1,548	8,949	8,574	2,206	7
Other Income	1,129	4,716	1,199	2,359	872	4,245	1,079	2,129	9,248	8,324	1,016	-14
Rate regulated activity	1,431	575	1,775	917	1,989	494	494	-1,001	4,698	1,976	494	
PBT before EO expense	9,527	14,930	2,690	1,878	11,668	16,799	2,642	2,621	29,817	33,730	11,444	2
Extra-Ord expense	0	0	0	4,887	0	0	0	0	4,095	0	0	
PBT	9,527	14,930	2,690	6,765	11,668	16,799	2,642	2,621	33,912	33,730	11,444	2
Tax	2,151	2,745	868	1,842	2,857	3,768	496	217	7,606	7,339	2,531	
Rate (%)	23	18	32	27	24	22	19	8	22.4	21.8	22.1	
Reported PAT	7,376	12,185	1,822	4,923	8,811	13,031	2,146	2,404	26,306	26,391	8,913	-1
Adj PAT	7,376	12,185	1,822	36	8,811	13,031	2,146	2,404	22,210	26,391	8,913	
YoY Change (%)	-14.5	19.6	-73.5	-98.1	19.5	6.9	17.8	6,531	-19.5	18.8	20.8	

Note: The quarterly numbers do not add up to the full year due to adj. in prior quarter numbers

BSE SENSEX 37,582 S&P CNX 11,110

CMP: INR1764

Buy

Conference Call Details



Date: 13th Aug 2019
Time: 11:00am IST
Dial-in details:
+91-22-6280 1149

Financials & Valuations (INR b)

Y/E Mar	FY19	FY20E	FY21E
Net Sales	73.6	81.7	94.5
EBITDA	11.2	13.5	17.0
NP	7.6	9.1	12.5
EPS (INR)	63.8	76.3	104.7
EPS Gr. (%)	8.4	19.6	37.2
BV/Sh. (INR)	455.0	514.1	595.2
RoE (%)	14.8	15.7	18.9
RoCE (%)	16.7	17.5	20.7
Div. Yield	0.7	0.8	1.1

Earnings a tad below estimates

- 1QFY20 revenues were up ~11% YoY to INR18.5b (v/s est. INR18.6b), majorly supported by (a) the US business, which grew 13.7% YoY to INR4.8b (26% of sales), (b) Domestic business, which grew ~12% YoY to INR12.2b (66% of sales), on strong performance in the established therapies of Anti-Infective, Gastro-Intestinal and Vitamins/Minerals/Nutrients, and (c) the International business, which grew ~8% YoY to INR5.9b.
- Gross margin improved ~140bp YoY / 330bp QoQ to 61.5%, primarily due to change in product.
- EBITDA margin improved ~150bp YoY/ QoQ to 14.3%, mainly due to (a) improved gross margin, and (b) 50bp YoY decline in other expenses (as % of sales) that was slightly offset by higher employee cost by ~80bp YoY (as % of sales). EBITDA improved ~23.5% YoY to INR2.6b (v/s est. of INR2.9b).
- PAT increased ~35% YoY to INR1.8b (v/s est. of INR1.9b), due improved EBITDA margin and lower tax rate.
- **Other Key Highlights:**
- R&D expenses at INR1.03b constitute 5.6% of sales.
- This quarter, the formulation manufacturing plant at Baddi (India), which was inspected in May'19 received EIR approval.
- Five approved ANDAs (Two have tentative approval). Filed two ANDAs in 1QFY20. The company has total of 126 ANDAs filed and 1 NDA with USFDA; it has received approval for 72 ANDAs (including 11 tentative approvals) and 1 NDA till date.
- **Key factors to look for:**
- Outlook on India business.
- Outlook on US product pipeline.

Quarterly Perf. (Consolidated)

Y/E March	FY19				FY20E				FY19	FY20E	(INR m)	
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE			1QE	%
Net Revenues	16,695	19,189	19,250	18,542	18,495	20,472	23,339	19,430	73,572	81,736	18,581	-0.5
YoY Change (%)	28.9	2.9	10.6	24.3	10.8	6.7	21.2	4.8	14.4	27.1	11.3	
EBITDA	2,142	3,642	3,118	2,373	2,645	3,398	3,874	3,569	11,171	13,486	2,917	-9.3
Magins (%)	12.8	19.0	16.2	12.8	14.3	16.6	16.6	18.4	15.2	16.5	15.7	
Depreciation	425	458	477	573	558	580	585	604	1,932	2,328	575	
Net Other Income	0	76	-60	211	14	8	1	-12	331	10	25	
PBT before EO Exp	1,718	3,260	2,581	2,011	2,100	2,826	3,290	2,952	9,570	11,169	2,367	-11.3
EO Exp/(Inc)									23	0		
PBT	1,718	3,260	2,581	2,011	2,100	2,826	3,290	2,952	9,547	11,169	2,367	
Tax	345	656	526	283	227	466	576	629	1,810	1,899	379	
Rate (%)	20.1	20.1	20.4	14.1	10.8	16.5	17.5	21.3	18.9	17.0	16.0	
PAT (pre Minority Interest)	1,373	2,604	2,055	1,728	1,873	2,360	2,715	2,323	7,737	9,270	1,988	
Minority Interest	11	60	29	31	31	37	37	43	131	148	37	
Reported PAT	1,362	2,545	2,025	1,673	1,842	2,323	2,677	2,280	7,606	9,122	1,951	-5.6
Adj Net Profit	1,362	2,545	2,025	1,696	1,842	2,323	2,677	2,280	7,629	9,122	1,951	-5.6
YoY Change (%)	90.3	-20.6	-6.4	77.9	35.3	-8.7	32.2	34.4	8.4	19.6	43.3	



BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	BHEL IN
Equity Shares (m)	3,482
M.Cap.(INRb)/(USD\$b)	198.1 / 2.8
52-Week Range (INR)	83 / 55
1, 6, 12 Rel. Per (%)	-12/-11/-22
12M Avg Val (INR M)	915
Free float (%)	36.8

Financials & Valuations(INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	303.5	310.7	337.5
EBITDA	21.4	20.8	24.9
PAT	12.2	11.9	14.4
EPS (INR)	3.5	3.4	4.1
EPS Gr. (%)	58.9	-2.2	21.0
BV/Sh. INR	90.2	91.3	92.6
RoE (%)	3.8	3.8	4.5
RoCE (%)	4.2	3.1	3.7
P/E (x)	16.3	16.7	13.8
P/BV (x)	0.6	0.6	0.6

Estimate change

TP change

Rating change



CMP: INR57 TP: INR62 (+9%)

Neutral

Weak Power sector execution impacts performance

- **Weak execution leads to loss at EBITDA level:** 1QFY20 sales declined 24% YoY to INR45b (v/s est. of INR63.7b), led by (a) land availability constraints, (b) delay in receiving customer clearances, and (c) delay in receiving imported equipment from vendors. Operating loss stood at INR2.7b (v/s est. of INR3b profit), which was caused by operating leverage. Depreciation was down 35% at INR1.1b (v/s INR1.7b in 1QFY19) as company has revised useful life of assets. Net loss stood at INR2.2b (v/s est. of INR1.6b profit).
- **Power segment slips into losses:** Power sales (79% of sales) declined 25% YoY to INR35b, while Industrial sales (21% of sales) declined 20% YoY to INR9.2b. EBIT margins declined 12pp/1.3pp YoY to -1.6%/4% in Power/Industrial. Losses in the Power segment were due to weak execution.
- **Order backlog at INR1.1t, inflow down 11% YoY to INR39b:** Order book stood at INR1.1t (-8.0% YoY). Order inflow stood at INR39b (-11% YoY) in 1QFY20. We build in order inflow of INR336b for FY20.
- **Maintain Neutral:** In order to factor in potential slip in execution due to the prevailing issues, such as (a) land availability constraints, (b) delay in receiving customer clearances, and (c) delay in receiving imported equipment from vendors and its impact on margins, we cut our earnings estimate by 12%/6% for FY20/FY21E. Ordering activity and outlook continues to remain muted, however, we do not foresee sharp deterioration in the operational performance as (a) the company has taken corrective actions and has been able to improve its gross margin to 42% in FY19 (v/s low of 37% in FY16), (b) executable order book now stands at > 85% (v/s 50% in FY17), and (c) wage revision post 7th Pay Commission implementation has now been in the base (impact of INR6b in FY18 and INR10b in FY19 numbers) and is likely to settle down. We maintain **Neutral** rating on the stock with TP of INR62 (15x FY21E EPS, in line with 10-year average P/E).

Quarterly Performance

Y/E March									(INR m)			
	FY19				FY20E				FY19	FY20E	Est	Var.
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Vs Est
Sales (Net)	59,355	67,799	73,364	1,02,972	45,317	71,290	77,592	1,16,517	3,03,490	3,10,716	63,662	-28.8%
Change (%)	6.3	7.7	10.1	1.5	-23.7	5.1	5.8	13.2	4.9	2.4	7.3	
EBITDA	2,872	2,408	2,187	13,952	-2,667	2,495	4,268	16,668	21,420	20,764	2,992	NA
Change (%)	41.6	NA	-17.5	13.3	NA	3.6	95.1	19.5	10.8	-3.1	4.2	
As a % Sales	4.8	3.6	3.0	13.5	-5.9	3.5	5.5	14.3	7.1	6.7	4.7	
Interest	639	689	577	964	1,080	700	700	520	2,869	3,000	660	
Depreciation	1,761	521	1,124	1,342	1,148	1,300	1,400	1,658	4,748	5,506	1,324	
Other Income	1,786	1,517	2,265	1,209	1,455	1,400	1,400	1,497	6,776	5,752	1,380	
PBT	2,259	2,715	2,751	12,854	-3,440	1,895	3,568	15,987	20,579	18,010	2,389	NA
Tax	703	863	831	6,027	-1,277	644	1,213	5,543	8,425	6,123	812	
Effective Tax Rate (%)	31.1	31.8	30.2	46.9	37.1	34.0	34.0	34.7	40.9	34.0	34.0	
Reported PAT	1,556	1,852	1,920	6,827	-2,162	1,251	2,355	10,444	12,154	11,887	1,577	NA
Change (%)	92.5	60.4	25.3	49.3	NA	-32.5	22.7	53.0	50.7	-2.2	1.3	
Adj. PAT	1,556	1,852	1,920	6,827	-2,162	1,251	2,355	10,444	12,154	11,887	1,577	NA
Change (%)	92.5	60.4	25.3	49.3	NA	-32.5	22.7	53.0	50.7	-2.2	1.3	



Mphasis

BSE SENSEX 37,582 S&P CNX 11,110

CMP: INR960 TP: INR1120 (+17%)

Buy

Stock Info

Bloomberg	MPHL IN
Equity Shares (m)	193
M.Cap.(INRb)/(USDb)	178.7 / 2.5
52-Week Range (INR)	1278 / 855
1, 6, 12 Rel. Per (%)	4/-9/-16
12M Avg Val (INR M)	353
Free float (%)	47.8

Financials Snapshot (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	77.3	87.6	100.1
EBITDA	13.2	16.7	19.2
PAT	10.7	12.4	13.9
EPS (INR)	56.1	64.2	72.1
Gr. (%)	27.4	14.5	12.2
BV/Sh (INR)	281.9	310.0	364.9
RoE (%)	20.0	22.5	22.6
RoCE (%)	18.4	19.9	19.8
P/E (x)	16.6	14.5	13.0
P/BV (x)	3.3	3.0	2.6

Shareholding pattern (%)

As On	Jun-19	Mar-19	Jun-18
Promoter	52.2	52.3	52.4
DII	8.0	8.0	9.1
FII	29.9	29.7	29.2
Others	9.8	10.0	9.4

FII Includes depository receipts

Direct Core flourishing in Digital; Macro remains supportive

We attended Mphasis' (MPHL) analyst day, where management shared the outlook on industry and highlighted its strategy that is turning around growth for the company. Key takeaways:

- MHPL has transformed itself into a provider of new-gen digital services – an evolution in sync with the shift in technology consumption by customers.
- According to ISG, the Digital segment in the Global IT Services market is expected to deliver a healthy CAGR of 16.4% over FY18-22. Everest expects BFSI (MPHL's largest vertical) growth to accelerate with a CAGR of 3-4% over FY19-22, with the drivers being return of ERP wave, payment infra modernization, product innovation by insurers, and FinTech mindset.
- MPHL's next-gen services have been driving Direct Core revenue growth. The key drivers are [1] new client wins in Blackstone portfolio and outside and [2] partnerships with next-gen technology players like AWS and Azure.
- Blackstone's portfolio companies contributed 5% of Direct Core revenue in FY19 and will continue expanding its contribution to revenues.
- MHPL's relationship with DXC has transformed over the years from that of being an IMS supplier in the Americas in FY16 to becoming a reliable service transformation and solution partner in FY19. It is now expanded from the Americas to Europe and APAC as well.

Valuation and view

MHPL has been among the few mid-tier IT companies over the last few quarters where: [1] growth visibility has remained intact with continued revenue growth of low-to-mid teens and [2] margin estimates have not been revised downward (in part thanks to the already low base). It has amongst the best cash generation and RoE in excess of 20%. Our FY19-21 CC revenue CAGR is 12.5% and EPS CAGR is 13%. Our price target of INR1,120 discounts forward earnings by 15x, implying an upside of 17%. Maintain **Buy**. Any impact to business from DXC amidst the latter's struggles in its current business portfolio could pose a risk to our thesis.



Sun TV Network

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	SUNTV IN
Equity Shares (m)	394
M.Cap.(INRb)/(USD\$b)	176.7 / 2.5
52-Week Range (INR)	840 / 438
1, 6, 12 Rel. Per (%)	0/-17/-45
12M Avg Val (INR M)	1279
Free float (%)	25.0

Financials & Valuations(INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	36.6	39.3	44.2
EBITDA	25.6	25.8	29.1
PAT	13.9	14.7	17.2
EPS (INR)	35.4	37.3	43.6
Gr. (%)	27.6	5.5	16.7
BV/Sh (INR)	138.1	161.0	190.1
RoE (%)	27.7	25.0	24.8
RoCE (%)	27.7	25.0	24.8
P/E (x)	12.7	12.0	10.3
P/BV (x)	3.2	2.8	2.4
EV/EBITDA (x)	5.8	5.4	4.4

Estimate change



TP change



Rating change



CMP: INR448

TP: INR600(+34%)

Buy

Subscription growth strong; content investment intensity high

- Strong subscription overshadowed by weak ad growth:** Revenue declined 2% YoY (7% miss) in 1QFY20, as strong subscription revenue growth (+28% YoY to INR4.0b) was overshadowed by flattish ad revenue (+2% YoY) amidst a weak ad market. The impact was accentuated by early accrual of partial IPL revenue in 4QFY19, leading to lower contribution in 1QFY20. EBITDA too was down by 7% YoY (9% miss), as content cost (accounted in operating cost) doubled YoY owing to the new Bangla channel launch and the recent high-cost fiction program launch. Subsequently, PAT was down 7% YoY to INR3.8b (13% miss).
- Concall highlights:** (1) Subscription revenue is expected to grow by over 20% in FY20, as 35% of the market is still analog. (2) Ad spends will be muted for the year; expect mid-single-digit growth in ad revenue. (3) SUNTV plans to invest ~INR1,500m toward OTT content over the next 18 months, but it targets to be cash neutral – a large deal is likely to be signed soon with a leading telecom player and an OTT player. (4) The company aims to achieve a 50% market share in south and gradually expand the pie thereafter.
- In a high content investment mode:** SUNTV continues delivering steady growth in subscription in the NTO regime; however, a weak market scenario raises concerns about overall revenue growth (estimated at just 7% in FY20). Further, high intensity of content investment toward new programs, Bangla channel launch and OTT will likely keep opex at elevated levels. We, thus, cut our EBITDA/PAT estimates by 7%, building an 11% PAT CAGR over FY19-21.
- Valuation view:** We lower our TP to INR600 (prior: INR690) to factor in the cut in our estimates, valuing it at 14x P/E on FY21E EPS of INR44. The stock is attractively priced at 10x on FY21E; however, efforts to turn around business earnings (PAT growth estimated at only 6% in FY20) will have to be more extensive and multifaceted amidst overall market weakness. Maintain **Buy**.

Standalone - Quarterly Earnings Model

(INR Million)

Y/E March	FY19				FY20				FY19	FY20	1Q FY20E	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Revenue	11,204	7,496	9,045	8,889	11,014	8,638	9,988	9,650	36,633	39,289	11,809	-7
YoY Change (%)	42.5	10.9	32.4	24.0	-1.7	15.2	10.4	8.6	28.0	7.3	5.4	
Total Expenditure	3,857	1,956	2,373	2,805	4,185	2,717	2,934	3,614	10,990	13,449	4,279	-2
EBITDA	7,347	5,540	6,672	6,084	6,829	5,921	7,054	6,037	25,643	25,841	7,529	-9
Margins (%)	65.6	73.9	73.8	68.4	62.0	68.5	70.6	62.6	70.0	65.8	63.8	-175
Depreciation	1,468	819	1,761	2,419	1,585	1,309	1,309	1,032	6,467	5,234	1,309	21
Interest	3	6	7	1	21	4	4	4	17	33	4	404
Other Income	390	621	516	673	567	451	451	335	2,200	1,805	447	27
PBT	6,267	5,336	5,420	4,336	5,791	5,059	6,193	5,336	21,359	22,378	6,664	-13
Tax	2,175	1,823	1,907	1,506	1,972	1,735	2,123	1,829	7,411	7,659	2,285	
Rate (%)	34.7	34.2	35.2	34.7	34.1	34.3	34.3	34.3	34.7	34.2	34.3	
Reported PAT	4,091	3,513	3,513	2,831	3,819	3,325	4,070	3,506	13,949	14,719	4,379	-13
YoY Change (%)	62.6	23.4	31.6	-2.3	-6.7	-5.4	15.8	23.9	27.6	5.5	7.0	
Margins (%)	36.5	46.9	38.8	31.8	34.7	38.5	40.7	36.3	38.1	37.5	37.1	-241



Oil India

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	OINL IN
Equity Shares (m)	1,130
M.Cap.(INRb)/(USD\$b)	163 / 2.3
52-Week Range (INR)	227 / 149
1, 6, 12 Rel. Per (%)	-12/-15/-29
12M Avg Val (INR M)	272
Free float (%)	38.4

Financials & Valuations (INR b)

Y/E March	2019	2020E	2021E
Sales	137.3	139.3	144.2
EBITDA	54.8	56.1	57.6
Adj. PAT	36.2	33.0	34.0
Adj. EPS (INR)	32.0	29.2	30.0
EPS Gr. (%)	35.6	-8.8	3.0
BV/Sh.(INR)	245.5	261.6	278.2
RoE (%)	9.3	11.5	11.1
RoCE (%)	6.8	6.7	6.6
Payout (%)	53.8	53.8	53.8

Valuations

P/E (x)	4.7	5.1	5.0
P/BV (x)	0.6	0.6	0.5
EV/EBITDA (x)	3.3	3.1	3.0
Div. Yield (%)	6.8	8.7	8.9

Estimate change



TP change



Rating change



CMP: INR150

TP: INR215 (+43%)

Buy

Lower other expenditure; total sales remain flat

- 1QFY20 revenue was flat YoY at INR33.7b (in line with est.). EBITDA was 6% higher than est. at INR13.5b (-4% YoY), due to lower total expenditure at USD7.1/boe (v/s USD8.8/boe in 1QFY19 and USD8.9/boe in 4QFY19). PAT was 11% lower YoY at INR6.2b (v/s gain of INR7.0b in 1QFY19 and loss of INR2.0b in 4QFY19, due to one-off exceptional item).
- Depreciation cost came in at USD4.9/boe (v/s USD4.4/boe in 1QFY19 and USD5.5/boe in 4QFY19).
- Production** of crude oil was 4% lower YoY at 0.81mmt, while that of gas was 6% higher at 0.71bcm. Total production was at 1.53mmtoe (v/s 1.51mmtoe in 1QFY19).
- Sales** of oil was 2% lower YoY at 0.8mmt, while that of gas was 3% higher YoY at 0.61bcm. Total sales were flat YoY at 1.41mmtoe.
- Net realization** for the quarter stood at USD66.3/bbl (v/s USD72/bbl in 1QFY19), with no subsidy burden during the quarter. This was majorly due to volatile crude prices during 1QFY20.

Valuation and view

- We model Brent price per barrel at ~USD69.7/USD70 and INR/USD at 70.6/71.8 for FY20/FY21. We believe USD60-70/bbl should not be a concern for return of the subsidy regime.
- OINL trades at ~45% discount to its 10-year long-term average, with 0.6x FY20 PBV of INR262 and at 5.1x FY20E EPS of INR29.2. Dividend yield is attractive at 8.7%/8.9% in FY20/FY21.
- We value OINL using SOTP-based fair value at 8x FY21E adj. EPS of INR26.7, and add investments of INR49 to arrive at a price target of INR215. Maintain **Buy**.

Quarterly Performance

Y/E March	FY19				FY20				FY19	FY20E	FY20	Var vs 1QE est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	33,905	37,436	35,140	30,869	33,734	35,812	35,126	34,596	1,37,350	1,39,268	32,996	2%
Change (%)	45.4	51.3	23.2	2.9	-0.5	-4.3	0.0	12.1	28.9	1.4	-2.7	
EBITDA	14,084	14,746	15,215	10,793	13,532	14,710	16,311	11,499	54,838	56,052	12,776	6%
% of Net Sales	41.5	39.4	43.3	35.0	40.1	41.1	46.4	33.2	39.9	40.2	38.7	
Change (%)	61.1	45.7	24.3	34.8	-3.9	-0.2	7.2	6.5	40.2	2.2	-9.3	
D,D&A	3,372	3,656	3,694	4,241	3,994	4,027	4,069	4,394	14,963	16,484	4,368	-9%
Interest	1,124	1,257	1,216	1,198	1,235	1,225	1,185	1,028	4,795	4,673	1,113	11%
OI (incl. Oper. other inc)	1,268	2,878	6,012	4,192	1,227	3,304	4,201	5,592	14,350	14,325	3,354	-63%
PBT before exceptionals	10,855	12,712	16,317	9,546	9,530	12,762	15,257	11,669	49,430	49,219	10,648	-10%
Exceptional item	0.0	0.0	0.0	10,267.9	0.0	0.0	0.0	0.0	10,268	0.0	0.0	
PBT after exceptionals	10,855	12,712	16,317	-722	9,530	12,762	15,257	11,669	39,162	49,219	10,648	-10%
Tax	3,823	4,092	3,983	1,363	3,282	4,211	5,035	3,714	13,261	16,242	3,514	-7%
Rate (%)	35.2	32.2	24.4	14.3	34.4	33.0	33.0	31.8	26.8	33.0	33.0	
PAT	7,032	8,620	12,335	-2,085	6,248	8,550	10,223	7,956	25,901	32,977	7,134	-12%
Change (%)	56.2	33.4	74.9	-124.1	-11.2	-0.8	-17.1	-481.5	-2.9	27.3	1.4	
Adj. PAT	7,032	8,620	12,335	8,183	6,248	8,550	10,223	7,956	36,169	32,977	7,134	-12%
Key Assumptions (USD/bbl)												
Exchange rate (INR/USD)	67.0	70.2	72.3	70.6	70.5	70.5	71.0	71.5	70.0	70.9	69.6	1%
Oil sales (mmt)	0.81	0.83	0.81	0.78	0.80	0.86	0.84	0.83	3.23	3.32	0.82	-2%
Gas sales (bcm)	0.60	0.65	0.65	0.62	0.61	0.62	0.63	0.62	2.51	2.48	0.59	4%
Net Oil Realization	72.0	73.4	66.7	61.8	66.3	68.8	68.8	68.8	68.5	68.2	67.7	-2%

BSE SENSEX 37,582 S&P CNX 11,110

CMP: INR 39

Conference Call Details



Date: 13th Aug 2019
Time: 11:00 IST
Dial-in details:
++91 (22) 6280 1384

Financials & Valuations (INR b)

Y/E March	2019	2020E	2021E
Net Sales	669.7	730.4	756.1
EBITDA	97.6	97.2	101.6
NP	26.0	20.4	22.5
EPS (INR)	6.3	4.9	5.5
EPS Gr. (%)	2,344.1	-21.4	10.3
BV/Sh. (INR)	96.0	100.5	105.4
RoE (%)	6.8	5.0	5.3
RoCE (%)	8.6	7.5	7.7
P/E (x)	8.2	10.5	9.5
EV/EBITDA (x)	0.5	0.5	0.5

Operational miss on lower volumes

Maintain Neutral

- SAIL's 1QFY20 S/A revenues decreased 20% QoQ to INR148b (est. INR170b).
- Volumes decreased 21% QoQ to 3.2mt (est. 3.9mt).
- Realization increased 2% QoQ to INR45,614/t (est. 43,602/t).
- Product spreads rose 12% QoQ to INR24,841 (est. INR21,769).
- EBITDA declined 29% QoQ to INR15.8b (est. INR17b).
- Adj. PAT decreased 86% QoQ to INR0.7b (est. 0.5b).

We maintain Neutral rating with TP of INR49/share.

Quarterly Performance (Standalone) – INR m

Y/E March	FY19				FY20				FY19	FY20E	FY20E vs Est	1QE (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sales (m tons)	3.3	3.5	3.2	4.1	3.2	4.0	4.2	4.5	14.1	16.6	3.90	-17
Change (YoY %)	8.0	-1.8	-14.1	10.4	-0.7	15.1	29.7	7.9	0.2	17.3	19.2	
Realization (INR per ton)	48,631	48,109	48,921	44,788	45,614	42,852	44,852	44,852	47,444	44,074	43,602	5
Change (YoY %)	27.2	25.1	20.4	-1.6	-6.2	-10.9	-8.3	0.1	16.1	-7.1	-10.3	
Net Sales	159,072	167,180	158,358	185,063	148,200	171,406	188,377	200,038	669,673	729,867	170,046	-13
Change (%)	37.4	22.8	3.3	8.6	-6.8	2.5	19.0	8.1	16.3	9.0	6.9	
NSR to RM Spread(INR/t)	28,993	26,401	29,602	22,151	24,841	21,573	23,863	24,141	26,492	22,892	21,769	14
EBITDA	25,764	23,650	25,782	22,145	15,819	13,794	25,413	27,865	97,341	96,921	16,987	-7
EBITDA per ton (INR)	7,877	6,806	7,965	5,359	4,869	3,448	6,051	6,248	6,896	5,853	4,356	12
Interest	7,554	7,711	8,251	8,034	7,884	8,041	8,238	8,233	31,549	32,753	8,034	-2
Depreciation	8,136	8,261	8,547	8,903	8,725	9,072	9,417	9,757	33,847	39,036	9,249	-6
Other Income	978	1,143	747	2,461	1,828	1,050	1,051	1,050	5,328	4,202	1,051	74
PBT (after EO Inc.)	8,278	8,480	9,498	7,123	1,039	-2,270	8,809	10,925	33,379	29,334	756	38
Total Tax	2,874	2,943	3,334	2,439	351		2,907	3,605	11,591	9,680	249	
% Tax	34.7	34.7	35.1	34.2	33.8		33.0	33.0	34.7	33.0	33.0	
Reported PAT	5,404	5,537	6,163	4,684	688	-2,270	5,902	7,320	21,789	19,654	506	36
Adjusted PAT	7,215	5,760	6,314	5,043	688	-2,270	5,902	7,320	24,330	19,654	506	36
Change (YoY %)	na	na	322.4	-25.1	-90.5	-139.4	-6.5	45.2	na	-19.2	-93.0	



Thermax

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	TMX IN
Equity Shares (m)	113
M.Cap.(INRb)/(USD\$b)	130.3 / 1.8
52-Week Range (INR)	1174 / 878
1, 6, 12 Rel. Per (%)	8/-2/-1
12M Avg Val (INR M)	98
Free float (%)	38.0

Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	59.7	64.2	70.7
EBITDA	4.6	5.1	6.2
PAT	3.1	3.5	4.3
EPS (INR)	27.2	30.8	38.1
Gr. (%)	32.4	13.5	23.5
BV/Sh (INR)	267.7	290.0	318.8
RoE (%)	10.7	11.1	12.5
RoCE (%)	10.8	11.4	12.8
P/E (x)	40.3	35.5	28.7
P/BV (x)	4.1	3.8	3.4

Estimate change



TP change



Rating change



CMP: INR1,094 TP: INR1,145 (+5%) Downgrade to Neutral

Weak ordering outlook to slowdown execution momentum

- Operating performance ahead of expectations:** 1QFY20 sales grew 35% YoY to INR13.9b. EBITDA increased 43% YoY to INR991m, as margin improved 40bp YoY to 7.1%. Adj. PAT grew 28% YoY to INR628m, ahead of our estimate of INR535m.
- Energy segment performance supports margin improvement:** Operating margin improved 40bp to 7.1%, supported by margin improvement in the energy segment. Margins in the Energy segment improved 90bp YoY to 6.0%. However, margins in the Environment and Chemical segment were under pressure. Environment margins slipped 100bp YoY to 2.1% and Chemical margins declined 50bp YoY to 11.7%.
- Order inflow declines sharply, but outlook for standard business stable:** Order inflow declined 26% YoY to INR12.2b due to absence of large-ticket order finalization. Order book is down 18% YoY to INR52.5b. TMX expects order inflow in FY20 to be supported by base orders, given the rising demand for standard products from industries like cement, food processing, light engineering and auto, as well as FGD ordering from the power sector. With ordering activity yet to show meaningful sign of pick-up, we expect revenue growth momentum to slow down over next few quarters.
- Downgrade to Neutral:** Over past 5 quarters, Thermax has demonstrated its strong execution capability with robust revenue growth. However, the margins continue to elude which reflects the competitive intensity amidst weak ordering environment, in our view. Going forward, ordering environment may continue to remain weak and depleting order book may lead to slowdown in revenue growth momentum. The stock trades at FY21E PE of 29x, adequately pricing in its execution capability, in our view. We downgrade the stock to Neutral with TP of INR1,145 (30x FY21E EPS).

Thermax Consolidated

(INR Million)

Y/E March	FY19				FY20				FY19	FY20	MOSL 1Q Est	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sales	10,353	14,276	14,366	20,737	13,925	15,493	14,440	20,390	59,732	64,248	11,266	23.6%
Change (%)	18.7	38.2	28.6	43.7	34.5	8.5	0.5	-1.7	33.8	7.6	8.8	
EBITDA	693	1,100	1,073	1,708	991	1,226	1,111	1,741	4,574	5,069	823	20.3%
Change (%)	-3.9	15.6	12.4	23.6	42.9	11.5	3.5	1.9	14.1	10.8	18.8	
As of % Sales	6.7	7.7	7.5	8.2	7.1	7.9	7.7	8.5	7.7	7.9	7.3	
Depreciation	210	235	230	247	262	265	270	292	920	1,089	225	
Interest	33	39	36	35	44	45	45	31	143	165	35	
Other Income	310	356	313	520	216	300	305	602	1,499	1,423	250	
Extra-ordinary Items	6	64	99	26	0	0	0	0	195	0	0	
PBT	761	1,183	1,121	1,946	901	1,216	1,101	2,020	5,010	5,238	813	10.7%
Tax	274	498	463	699	273	414	374	694	1,940	1,755	277	
Effective Tax Rate (%)	36.0	42.1	41.3	35.9	30.3	34.0	34.0	34.4	38.7	33.5	34.0	
Share of Profit /Loss from JV/Minority	3	-3	-7	-4	0	-3	-3	-5	(11)	(11)	(2.0)	
Reported PAT	496	745	751	1,269	628	800	724	1,321	3,254	3,472	535	17.3%
Change (%)	22.1	31.1	28.1	67.7	26.6	7.3	(3.6)	4.1	40.8	6.7	9.2	
Adj PAT	490	682	652	1,243	628	800	724	1,321	3,059	3,472	535	17.3%
Change (%)	20.6	19.9	11.2	64.2	28.2	17.4	11.1	6.3	32.4	13.5	10.6	



Mahanagar Gas

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	MAHGL IN
Equity Shares (m)	99
M.Cap.(INRb)/(USDb)	77.6 / 1.1
52-Week Range (INR)	1057 / 755
1, 6, 12 Rel. Per (%)	2/-18/-16
12M Avg Val (INR M)	461
Free float (%)	57.5

Financials & Valuations (INR b)

Y/E March	2019	2020E	2021E
Sales	27.9	30.9	33.1
EBITDA	8.9	9.8	9.5
Adj. PAT	5.5	6.0	5.8
Adj. EPS (INR)	55.3	61.1	58.7
EPS Gr. (%)	14.3	10.5	-4.0
BV/Sh.(INR)	242.8	277.5	310.8
RoE (%)	24.3	23.5	20.0
RoCE (%)	24.3	23.3	19.6
Payout (%)	43.5	43.3	43.3
Valuation			
P/E (x)	14.2	12.8	13.4
P/BV (x)	3.2	2.8	2.5
EV/EBITDA (x)	8.4	7.5	7.6
Div. Yield (%)	2.5	2.8	2.7

Estimate change



TP change



Rating change



CMP: INR785

TP: INR881 (+12%)

Neutral

Highest ever EBITDA/scm; not sustainable

- Mahanagar Gas has reported 1QFY20 earnings with adoption of IndAS-116.
- EBITDA came in at INR2.8b (+25% est.; +31% YoY), with highest ever EBITDA/scm of INR10.3 (v/s INR8.1 in 1QFY19 and INR7.9 in 4QFY19).
- MAHGL sources its gas for ind/comm on spot basis. Sharp decline in spot LNG prices compared with lack of commensurate correction in competing liquid fuels resulted in highest ever EBITDA/scm.
- Depreciation increased +26% YoY to INR0.4b.
- Reported PAT was at INR1.7b (+33% YoY, +28% QoQ).

Total volumes stood at 2.97mmscmd v/s our est. of 3.05mmscmd

- CNG volumes were up 2% YoY at 2.16mmscmd. However, CNG volume growth declined for the fourth consecutive quarter, due to ~12% decline in CNG consumption by State Transport Corporation.
- Total PNG volumes were up ~7% YoY at 0.8mmscmd.
- PNG domestic volumes were 11% higher YoY to 0.4mmscmd.
- PNG industrial/commercial were 3% higher YoY at 0.4mmscmd
- Company currently has ~1.17m household customers, ~3,866 industrial customers, 240 CNG stations (of this, 170 are tie-ups with OMCs). The company plans to add ~46 new stations in FY20.

Valuation and view

- MAHGL has not won any Geographical Areas (GA) in the recently concluded 9th and 10th rounds of CGD bidding. Company's volume growth guidance at ~6-7% over the near-to-medium term is lowest among the pack.
- The Petroleum and Natural Gas Regulatory Board (PNGRB) has introduced a concept paper in order to facilitate competition in GAs where marketing exclusivity has already expired.
- We revise our FY20 EBITDA/scm from INR8.0 to INR8.5 (EPS change ~6% for FY20), factoring in the surprise during the current quarter.
- We assume a volume growth of 6.7%/6.1% and value MAHGL at 15x FY21E EPS of INR61.1. We reiterate our Neutral rating with a target price of INR881, implying ~12% upside to the current market price.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY19				FY20				FY19	FY20E	FY20	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		1QE	vs Est.	
Net Sales	6,193	6,965	7,527	7,225	7,575	7,825	7,833	7,611	27,911	30,876	7,405	2%
YoY Change (%)	16.7	30.5	29.5	23.1	22.3	12.4	4.1	5.3	25.0	10.6	19.6	
Total Expenditure	4,084	4,750	5,136	5,086	4,807	5,507	5,541	5,275	19,056	21,122	5,191	-7%
EBITDA	2,109	2,215	2,391	2,140	2,768	2,319	2,292	2,336	8,855	9,754	2,213	25%
EBITDA/SCM	8.1	8.1	8.8	7.9	10.3	8.0	7.9	7.9	8.2	8.5	8.0	28%
Margins (%)	34.1	31.8	31.8	29.6	36.5	29.6	29.3	30.7	31.7	31.6	29.9	
Depreciation	295	308	328	329	372	350	340	329	1,259	1,391	339	10%
Interest	1	1	1	1	14	10	8	6	3	37	0	
Other Income	153	182	204	238	203	200	200	199	777	802	245	-17%
PBT	1,967	2,087	2,266	2,049	2,586	2,159	2,144	2,200	8,369	9,128	2,120	22%
Tax	684	724	783	714	884	732	727	746	2,905	3,088	719	23%
Rate (%)	34.8	34.7	34.6	34.9	34.2	33.9	33.9	33.9	34.7	33.8	33.9	
Reported PAT	1,283	1,363	1,483	1,335	1,702	1,427	1,417	1,454	5,464	6,040	1,401	21%
Adj PAT	1,283	1,363	1,483	1,335	1,702	1,427	1,417	1,454	5,464	6,040	1,401	21%
YoY Change (%)	3.2	9.2	19.6	27.4	32.7	4.7	-4.5	9.0	14.3	10.5	9.2	
Margins (%)	20.7	19.6	19.7	18.5	22.5	18.2	18.1	19.1	19.6	19.6	18.9	
Sales Volumes (mmscmd)												
CNG	2.1	2.2	2.2	2.2	2.2	2.3	2.3	2.4	2.2	2.3	2.2	-4%
PNG - Domestic	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0%
PNG - Industry/ Commercial	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.4	0.4	0.4	1%
PNG - Total	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.8	1%
Total Volumes	2.9	3.0	3.0	3.0	3.0	3.2	3.2	3.3	2.9	3.1	3.0	-3%

E: MOFSL Estimates



Navneet Education

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	NELI IN
Equity Shares (m)	234
M.Cap.(INRb)/(USD\$b)	24.2 / 0.3
52-Week Range (INR)	139 / 96
1, 6, 12 Rel. Per (%)	1/-2/-11
12M Avg Val (INR M)	12
Free float (%)	38.2

Financials & Valuations (INR b)

Y/E March	2019	2020E	2021E
Net Sales	14.5	16.5	18.8
EBITDA	2.7	3.1	3.6
NP	1.5	1.9	2.2
EPS (INR)	6.7	8.2	9.7
EPS Gr. (%)	22.5	22.3	18.5
BV/Sh. (INR)	34.6	41.0	48.6
RoE (%)	19.8	21.6	21.6
RoCE (%)	14.9	15.1	15.5
P/E (x)	15.7	12.9	10.9
P/BV (x)	3.0	2.6	2.2

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR106 TP: INR135 (+29%)

Buy

In-line performance led by stationary/publication sales

- Healthy overall performance; PAT grows 17%:** 1QFY20 revenue grew 19% YoY to INR7,950m (v/s est. INR7,705m), primarily driven by 18%/19% YoY growth in stationary/publication revenues. EBITDA rose 17% YoY to INR2,314m (v/s est. INR2,250m), with margin contraction of 30bp YoY to 29% (in-line). Adj. PAT grew 17% YoY to INR1,474m (v/s est. INR1,454m).
- Publication revenues up healthy 18%; exports drive stationery growth:** Publication revenues grew 18% YoY to INR4,322m, while EBIT margins contracted 400bp YoY to 38% in 1QFY20. Stationery revenues grew a robust 19% YoY to INR3,625m, primarily driven by exports, which were up 27% YoY. Domestic stationery sales grew 6% YoY. Stationery EBIT margins expanded 400bp YoY to 22% in 1QFY20.
- Indiannica improves, K-12 PAT accretive, E-Sense finding its feet:** Indiannica reported revenues of INR72.9m (v/s INR70.5m in 1QFY19) and loss of INR78m (down from INR88m in 1QFY19). K-12 contributed INR55m to 1QFY20 PAT. E-Sense reported revenues of INR90.7m (v/s INR96.4m in 1QFY19) and PAT of INR108m (v/s INR413m in 1QFY19).
- Valuation view:** We maintain our estimates for FY20/FY21 and expect NELI to deliver sales/PAT CAGR of 14%/20% over FY19-21E. About 50% of our projected FY20 revenue estimate of INR16b has been achieved in 1QFY20 driven by (publication business) change in the Gujarat Board syllabus. We continue to value the stock at 14x FY21E EPS with target price of INR135/share and maintain **Buy** rating.

Standalone - Quarterly Earning Model

Y/E March	FY19				FY20E				FY20	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		FY20	Var
Net Sales	6,700	2,635	1,816	2,455	7,950	3,030	2,125	2,897	16,002	7,705	3
YoY Change (%)	18.5	43.7	4.1	15.5	18.7	15.0	17.0	18.0		15.0	
Total Expenditure	4,726	2,171	1,659	2,173	5,636	2,536	1,991	2,584	12,747	5,455	
EBITDA	1,974	463	157	282	2,314	494	134	313	3,255	2,250	3
Margins (%)	29.5	17.6	8.6	11.5	29.1	16.3	6.3	10.8	20.3	29.2	
Depreciation	57	60	62	65	80	68	70	72	290	62	
Interest	42	23	11	42	70	25	15	40	150	50	
Other Income	71	72	30	22	98	35	40	55	228	30	
PBT before EO expense	1,946	451	113	196	2,262	436	89	256	3,043	2,168	4
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	
PBT	1,946	451	113	196	2,262	436	89	256	3,043	2,168	4
Tax	683	162	38	49	788	153	29	90	1,059	759	
Rate (%)	35.1	35.9	33.5	25.1	34.8	35.0	33.0	35.0	34.8	35.0	
Reported PAT	1,263	289	75	147	1,474	328	105	211	2,118	1,454	1
Adj PAT	1,263	289	75	147	1,474	328	105	211	2,118	1,454	1
YoY Change (%)	15.2	73.9	-36.5	-2.8	16.7	13.5	38.6	43.7	19.4	15.1	
Margins (%)	18.9	11.0	4.2	6.0	18.5	10.8	4.9	7.3	13.2	18.9	

E: MOFSL Estimates



Allcargo Logistics

BSE SENSEX	S&P CNX
37,582	11,110
Bloomberg	AGLL IN
Equity Shares (m)	246
M.Cap.(INRb)/(USDb)	23.8 / 0.3
52-Week Range (INR)	126 / 89
1, 6, 12 Rel. Per (%)	2/-7/-19
12M Avg Val (INR M)	22
Free float (%)	30.0

Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	68.9	73.9	84.0
EBITDA	4.5	5.6	6.8
PAT	2.4	2.7	3.3
EPS (INR)	9.8	10.9	13.4
Gr. (%)	35.8	10.6	23.1
BV/Sh (INR)	81.4	92.2	105.7
RoE (%)	12.2	12.6	13.6
RoCE (%)	10.9	11.4	12.3
P/E (x)	10.1	9.1	7.4
P/BV (x)	1.2	1.1	0.9

Estimate change

TP change

Rating change

CMP: INR97 TP: INR130 (+34%) Buy

PAT miss led by higher tax rate

- 1QFY20 revenues at INR18.15b (est. INR 18.3b; +12%YoY, 5% QoQ) were led by growth in the MTO and CFS business. EBITDA came in at INR1.4b (est. INR1.24b; +38% YoY, +31% QoQ). EBITDA margin was at 7.7% (v/s 6.3% in 1QFY19). PBT stood at INR805m (+35%YoY). The adoption of IND AS-116 has resulted in a decrease in PAT by INR8m. PAT came in at INR630m (est. INR709m; +19% YoY, -21%QoQ) as tax rate stood at 22% in 1QFY20 (est. 14%).
- **MTO volumes up 6%; CFS up 3%: (a)** 1QFY20 MTO segment volumes increased 6% YoY to 1,84,342TEUs. Revenue increased 10% YoY to INR16b. EBIT margins were lower by -0.2pp YoY to 3.8%. **(b)** CFS segment volumes increased 3% YoY to 85,004TEUs. Revenues increased 8% YoY to INR1.19b. EBIT margins increased ~2.8pp YoY to 30.8%. **(c)** Project and Engineering (P&E) segment revenues increased 62% YoY to INR1.2b. P&E reported EBIT of INR84m as against loss of INR59m in 1QFY19. Total revenue from Logistics parks was INR18m for 1QFY20 as against INR8m for the corresponding period last year.
- **Management commentary:** (1) Volume growth in CFS was driven by Mundra, Kolkata & Chennai operations. (2) Current executable order book in Project Logistics is around INR1.30b. (3) Project Logistics secured its first project in Africa and is in discussion for multiple projects in East African countries. (4) Investment in logistics parks for 1QFY20 was INR1.15b. (5) Provisions written back in P&E division were INR30m in 1QFY20.
- **Valuation view:** MTO is likely to perform well over the medium term, led by healthy volume growth. In case of CFS, volume growth should be driven by the Kolkata operations. Valuations of 9x/7.4x FY20/FY21E earnings appear attractive, given earnings CAGR of 17% over FY19-21. We value AGLL at 10x FY21 EPS to arrive at a target price of INR130. Maintain **Buy**.

Consolidated - Quarterly Earning Model

(INR Million)

Y/E March	FY19				FY20				FY19	FY20E	FY20	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	16,250	17,373	18,037	17,273	18,153	18,529	18,832	18,386	68,933	73,901	18,272	-0.7
YoY Change (%)	9.5	12.3	21.9	12.4	11.7	6.7	4.4	6.4	14.0	7.2	12.4	
EBITDA	1,021	1,249	1,128	1,072	1,406	1,412	1,398	1,383	4,470	5,599	1,242	13.2
Margins (%)	6.3	7.2	6.3	6.2	7.7	7.6	7.4	7.5	6.5	7.6	6.8	
Depreciation	397	403	398	361	547	550	550	550	1,559	2,197	440	24.2
Interest	79	85	65	67	117	120	120	120	295	477	80	46.5
Other Income	51	54	141	108	63	80	80	80	353	303	80	-21.5
PBT before EO expense	596	815	805	752	805	822	808	793	2,968	3,228	802	0.3
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	596	815	805	752	805	822	808	793	2,968	3,228	802	0.3
Tax	86	199	306	-48	175	148	145	112	542	581	112	56.0
Rate (%)	14.4	24.4	38.0	-6.4	21.8	18.0	18.0	14.2	18.3	18.0	14.0	55.6
Reported PAT	510	616	500	800	630	674	663	680	2,426	2,647	690	-8.8
Min. Interest & P&L of Asso. Cos.	21	2	-23	-6	1	19	19	-8	-7	30	19	
Adj PAT	531	618	477	793	630	692	681	673	2,419	2,677	709	-11.1
YoY Change (%)	-13.2	-3.1	37.1	328.5	18.7	12.0	42.9	-15.2	35.7	10.6	33.5	
Margins (%)	3.3	3.6	2.6	4.6	3.5	3.7	3.6	3.7	3.5	3.6	3.9	

E: MOFSL Estimates



1. GODREJ CONSUMER : EXPECT VOLUME GROWTH FOR THE INDUSTRY TO IMPROVE GOING AHEAD; Vivek Gambhir, MD and CEO

- Expect volume growth for the industry to improve going forward due to efforts being taken to improve liquidity in the market.
- June was definitely much stronger than April and May. Definitely feel that things have bottomed down and going forward given the actions that company is planning along with new innovations focus, things should be much better in the quarters ahead as far as India is concerned.
- Internationally company delivered a constant currency growth of 9 percent. Indonesia has been steady, though slightly below expectations. Africa had some challenges, but the team is taking lots of corrective actions to get growth back into double digits.
- For insecticides, have already taken some price cuts in certain parts of India. Will keep on evaluating it. On the soap segment, have already taken enough pricing cuts. On the hair colour side, do not expect too many pricing actions. However, in insecticides, certainly, will evaluate and see how the demand environment pans out.

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2. VINATI ORGANICS : Q1 NUMBERS ARE IN LINE WITH Q4 OF FY19; Vinati Mutreja, CEO

- See a growth because one of the largest customers for IBB had restarted their plant last year after closing it down for a year. So, in IBB, there is a jump year on year. In ATBS also, there is a jump because last year company was still ramping up ATBS. As of today, company is running at close to 100% capacity for ATBS.
- There is going to be a slight slowdown in ibuprofen demand in the second half mostly owing to slow down in China. Company actually exports IBB to China, where a few large manufacturers of ibuprofen are located and their plants have been closed because of environmental crackdown. They are expected to start towards the Q3.
- The ATBS capacity expansion is a bit delayed. Company expects to start the plant by October. Will add about 14,000 tonnes extra capacity of ATBS and expect to achieve about 25% of that in FY20, then 50% in FY21 and 75-80% by FY22. The overall revenue expectation from that plant is about Rs 250-300 crore at maximum capacity utilisation.
- For company to keep growing, need to add new products. In fact, company is setting up a plant to make four different types of butylphenol. Will be the only manufacturer of these products in India.
- Butylphenol is relatively lower margin product compared to existing products because company compete with imports there. Also with ATBS expansion going on stream, will target customers with slightly lower price realisations whom company is not servicing right now. The blended margin will come down to that is what company have been seeing. Last year, did about 40% EBITDA margins. Going forward, 30% to 35% is sustainable.

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1. THE SLUMP THAT THREATENS TO HOLD THE ECONOMY TO RANSOM

- Early development economists made three important arguments about the trajectory of developing countries. First, economic growth is held back by low domestic savings in these countries. Second, the inability to export means that there is not enough foreign exchange to fund the import of capital goods needed for rapid industrialization. Third, countries facing these two structural constraints will need to absorb foreign savings to keep their economic engines running. There is a faint whiff of these themes in some of our recent economic debates about the decline in the domestic savings rate, new-age export pessimism and the quest to float a sovereign bond in the international market to fund the fiscal deficit. The Indian savings rate has declined by nearly seven percentage points since the North Atlantic financial crisis of 2008. The decline has been particularly sharp in recent years. The financial savings of households has also fallen as a percentage of gross domestic product, and the combined borrowing of the Union government, state governments and public sector entities such as the Food Corporation of India is already absorbing almost the entire flow of household financial savings. Given the domestic savings constraint, the proposed sovereign bond is a risky gambit to fund the fiscal deficit from foreign savings

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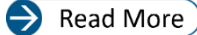
2. MAKING THE \$5-TRILLION TARGET POSSIBLE

- After a decisive mandate, India's new government has settled down to work quickly to address several intricate problems being faced by the economy. As a precursor to the Budget, the Prime Minister has set a medium-term target of making India a five-trillion dollar economy in the next five years, starting a debate on whether it is feasible. According to the pessimists, the target looks ambitious.
- However, the optimists feel that the target is achievable, provided suitable measures are taken well in time. Let us understand the challenges before the policymakers to reach the target in five years.
- India's nominal GDP at current market prices was ₹190.1 trillion in 2018-19. This works out to about \$2.7 trillion at the exchange rate of ₹69.17 per US dollar prevailing on March 29, 2019. To become five-trillion dollar economy in five years, India's nominal GDP must grow at least at 12.7 per cent compounded annually, with an underlying assumption of the rupee-dollar rate remaining stable around the same level. The expected growth numbers for the current and the next two years are taken from the Budget documents. For 2022-23 and 2023-24, the numbers are assumed optimistically. And so, India's GDP in 2023-24 is tantalisingly close to five-trillion dollar at the current exchange rate.

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3. POPULISM TAKES ASIA

- The rise of populism across the West in recent years has been the subject of countless discussions, and for good reason: populists' misguided policies often have severely adverse political and economic consequences. Now, those risks are coming to Asia. There is no straightforward definition of populism. It may be ideological, economic, social, or cultural. It may reflect left-wing or right-wing views. And it is often interpreted in a country-specific context. But populism's various iterations tend to share common features. Populist parties are typically led by a charismatic individual, who pits "the corrupt elite" and "outsiders" against "the people," whose true will the populist purports to represent. This approach is most effective at times when the public is deeply frustrated with established leaders or political parties, owing to deepening economic and social disparities, rising insecurity, or overt corruption. Once in power, however, populists end up making matters much worse. For starters, they frequently undermine the fundamental institutions of representative democracy, including the systems of checks and balances that restrain institutional excesses and prevent abuses of power. They claim that these institutions impede their ability to serve "the people."

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
Automobiles																
Amara Raja	Buy	628	715	14	28.3	30.6	34.5	2.6	8.2	12.7	20.5	18.2	2.9	2.6	14.9	15.1
Ashok Ley.	Buy	64	95	48	6.9	4.5	4.4	16.4	-35.1	-2.1	14.4	14.7	2.1	2.0	15.3	14.2
Bajaj Auto	Neutral	2707	2900	7	165.4	165.1	180.5	9.3	-0.2	9.3	16.4	15.0	3.3	3.0	20.9	20.7
Bharat Forge	Buy	427	556	30	22.2	23.2	25.6	20.3	4.8	10.1	18.4	16.7	3.3	2.9	18.9	18.3
Bosch	Neutral	14294	17214	20	541.9	523.6	636.5	15.3	-3.4	21.6	27.3	22.5	5.3	4.7	18.2	22.2
CEAT	Buy	868	989	14	66.9	52.6	66.5	4.6	-21.4	26.3	16.5	13.1	1.2	1.1	7.5	8.8
Eicher Mot.	Buy	17579	19000	8	813.9	732	861	1.8	-10.1	17.6	24.0	20.4	4.7	4.1	20.8	21.3
Endurance Tech.	Buy	849	1100	30	36.2	37.4	44.5	24.5	3.5	18.7	22.7	19.1	4.1	3.5	19.2	19.8
Escorts	Neutral	488	520	7	53.2	48.0	47.3	34.7	-9.8	-1.4	10.2	10.3	1.4	1.3	14.9	13.0
Exide Ind	Buy	180	228	27	9.1	10.0	11.1	10.6	10.4	10.7	18.0	16.3	2.4	2.1	13.1	13.2
Hero Moto	Neutral	2621	2525	-4	169.5	156.3	170.4	-8.5	-7.8	9.0	16.8	15.4	3.8	3.5	23.5	23.7
M&M	Buy	546	650	19	42.7	40.2	41.6	4.1	-5.9	3.4	13.6	13.1	1.7	1.6	12.6	10.6
Mahindra CIE	Buy	171	262	53	14.5	15.2	17.5	48.6	4.8	15.4	11.3	9.8	1.3	1.2	12.6	12.8
Maruti Suzuki	Buy	6101	6950	14	247.7	227.2	287.8	-7.1	-8.3	26.7	26.9	21.2	3.8	3.6	13.8	16.4
Motherson Sumi	Buy	107	150	40	5.1	5.5	7.3	-5.2	7.6	32.8	19.4	14.6	2.9	2.6	15.2	18.7
Tata Motors	Neutral	122	146	20	-4.4	10.1	15.3	PL	LP	51.5	12.1	8.0	0.7	0.6	5.6	7.9
TVS Motor	Neutral	389	425	9	14.1	16.5	20.2	1.1	16.8	22.5	23.6	19.3	4.7	4.0	21.6	22.4
Aggregate								-21.1	9.8	18.5	19.1	16.1	2.5	2.3	13.3	14.4
Banks - Private																
AU Small Finance	Buy	690	760	10	13.2	18.6	25.8	28.9	41	38.4	37.0	26.8	5.2	4.3	15.9	17.7
Axis Bank	Buy	661	825	25	18.2	33.1	48.7	1,538.1	82	47.2	20.0	13.6	2.2	1.9	12.0	15.4
DCB Bank	Neutral	198	225	14	10.5	12.1	15.5	32.0	15.3	27.8	16.3	12.8	1.8	1.6	12.3	13.9
Equitas Hold.	Buy	109	140	29	5.2	9.1	12.0	1,186.6	75.6	32.4	12.0	9.0	1.3	1.2	11.9	14.0
Federal Bank	Buy	88	125	42	6.3	8.0	10.2	32.2	27.8	27.1	10.9	8.6	1.2	1.1	11.5	13.3
HDFC Bank	Buy	2282	2750	21	79.3	92.8	112.1	16.9	17.0	20.8	24.6	20.4	3.7	3.2	15.9	16.9
ICICI Bank	Buy	420	520	24	5.2	20.5	27.1	-52.8	292.8	32.0	20.5	15.5	2.3	2.1	12.0	14.4
IndusInd	Buy	1414	1830	29	54.9	91.7	120.2	-8.8	67.1	31.1	15.4	11.8	2.6	2.2	18.6	20.1
Kotak Mah. Bk	Neutral	1534	1400	-9	37.7	44.2	53.8	16.0	17.1	21.7	34.7	28.5	4.4	3.8	13.2	14.3
RBL Bank	Buy	384	640	67	20.3	24.3	31.3	34.3	19.8	28.4	15.8	12.3	1.9	1.5	13.0	14.3
South Indian	Buy	12	18	53	1.4	2.0	2.6	-26.2	49.4	26.3	5.7	4.6	0.4	0.4	6.8	8.1
Aggregate								16.7	53.4	29.5	23.0	17.7	3.1	2.7	13.4	15.2
Banks - PSU																
BOB	Buy	100	145	45	1.6	11.6	22.0	LP	606.9	90.8	8.6	4.5	0.6	0.5	6.4	12.0
BOI	Neutral	68	90	32	-24.6	-0.8	8.1	Loss	Loss	LP	NM	8.4	0.4	0.4	-0.5	4.7
Canara	Neutral	228	278	22	4.7	28.9	30.7	LP	519.5	6.0	7.9	7.4	0.5	0.5	5.9	6.0
Indian Bk	Buy	196	250	27	6.7	21.0	41.5	-74.4	212.8	98.1	9.4	4.7	0.5	0.5	6.0	11.0
PNB	Neutral	67	75	13	-27.1	6.6	9.3	Loss	LP	42	10	7.1	0.7	0.6	6.6	8.6
SBI	Buy	291	380	30	2.6	29.1	33.5	LP	1,028	15.3	10.0	8.7	1.1	1.0	11.7	12.0
Union Bk	Neutral	65	80	24	-20.1	-2.9	1.9	Loss	Loss	LP	NM	34.2	0.5	0.5	-2.1	1.4
Aggregate								Loss	LP	41	11	7.7	0.8	0.7	7.2	9.3
NBFCs																
Aditya Birla Cap	Buy	89	110	23	4.0	4.5	5.6	25.7	13.8	23.6	19.8	16.0	2.0	1.8	10.9	11.8
Bajaj Fin.	Neutral	3418	3550	4	69.3	88.3	109.0	59.6	27.5	23.5	38.7	31.4	8.2	6.6	23.2	23.3
Cholaman. Inv.&Fn	Buy	272	315	16	15.2	18.3	20.0	21.7	20.8	9.4	14.8	13.6	2.8	2.4	21.0	19.2
HDFC	Buy	2212	2600	18	41.9	45.9	52.0	38.7	9.5	13.2	48.2	42.6	4.5	4.0	13.3	13.5
HDFC Life Insur.	Buy	527	535	2	6.3	7.3	8.8	14.6	15.2	20.1	72.1	60.1	4.7	4.0	21.9	19.8
ICICI Pru Life	Buy	395	475	20	8.0	8.5	9.4	-29.5	7.3	9.9	46.3	42.2	2.2	1.9	17.3	17.6
Indiabulls Hsg	Under Review	506	-		95.9	80.7	86.4	5.0	-15.9	7.1	6.3	5.8	1.2	1.1	19.9	19.5
Indostar Capital	Buy	287	525	83	26.1	35.5	50.3	2.5	35.9	41.9	8.1	5.7	0.8	0.7	10.3	12.9
L&T Fin Holdings	Buy	104	140	35	11.2	12.7	14.8	64.8	13.6	16.7	8.2	7.0	1.3	1.1	17.1	17.2
LIC Hsg Fin	Buy	500	580	16	48.1	53.1	61.4	21.4	10.3	15.8	9.4	8.1	1.4	1.2	15.5	15.9
MAS Financial	Buy	606	745	23	27.8	31.7	36.7	47.1	13.8	15.9	19.1	16.5	3.2	2.8	19.0	19.0



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
M&M Fin.	Buy	319	400	25	25.3	25.3	27.9	53.9	0.0	10.0	12.6	11.4	1.7	1.5	14.1	13.9
Muthoot Fin	Neutral	648	600	-7	49.2	55.9	63.4	10.8	13.5	13.4	11.6	10.2	2.4	2.1	22.4	21.8
PNB Housing	Buy	721	850	18	71.1	73.0	81.2	40.9	2.5	11.3	9.9	8.9	1.4	1.3	15.5	15.1
Repco Home	Buy	310	500	61	38.4	43.3	43.1	16.6	12.8	-0.5	7.2	7.2	1.1	0.9	16.5	16.3
Shriram City Union	Buy	1419	1900	34	149.9	160.6	182.6	48.7	7.2	13.7	8.8	7.8	1.3	1.1	15.4	15.3
Shriram Trans.	Buy	1043	1300	25	113.0	116.5	129.8	4.2	3.1	11.4	8.9	8.0	1.3	1.1	15.7	15.3
Aggregate								28.7	8.8	14.7	22.8	19.8	3.2	2.8	14.3	14.3
Capital Goods																
ABB	Sell	1398	1240	-11	12.0	18.3	22.5	12.7	52.9	22.5	76.2	62.2	6.5	5.8	8.6	9.3
Bharat Elec.	Buy	98	130	33	7.9	7.5	8.2	37.7	-5.1	9.6	13.0	11.9	2.4	2.1	18.3	17.9
BHEL	Neutral	57	62	9	3.5	3.4	4.1	58.9	-2.2	21.0	16.7	13.8	0.6	0.6	3.8	4.5
Blue Star	Neutral	725	770	6	19.5	24.4	31.0	34.7	25.6	26.6	29.6	23.4	6.6	5.5	22.4	23.3
CG Cons. Elec.	Buy	229	270	18	6.0	7.4	9.0	15.5	24.0	21.9	30.9	25.3	10.5	8.5	37.6	36.9
Cummins	Buy	600	695	16	26.1	24.8	28.9	10.8	-4.9	16.4	24.2	20.8	3.8	3.5	16.1	17.5
Engineers India	Buy	101	145	44	5.9	6.5	7.5	-8.4	10.4	15.3	15.6	13.5	2.7	2.5	17.1	18.0
GE T&D	Neutral	161	180	12	8.3	5.6	7.1	10.8	-32.4	26.7	28.6	22.6	2.7	2.5	9.8	11.6
Havells	Neutral	657	700	7	12.7	14.2	17.5	12.9	12.2	23.2	46.3	37.6	8.5	7.5	18.5	19.8
K E C Intl	Buy	293	430	47	18.9	23.7	28.6	5.7	25.2	21.0	12.4	10.2	2.5	2.1	20.6	20.4
L&T	Buy	1365	1790	31	61.4	74.3	93.2	18.7	21.0	25.5	18.4	14.6	2.7	2.4	15.8	17.6
Siemens	Buy	1167	1290	11	25.1	32.6	34.1	27.1	30.0	4.4	35.7	34.3	4.6	4.1	13.3	12.7
Solar Ind	Neutral	1096	1190	9	28.9	33.6	42.5	18.6	16.1	26.6	32.6	25.8	6.7	5.5	22.3	23.5
Thermax	Neutral	1094	1145	5	27.2	30.8	38.1	32.4	13.4	23.7	35.5	28.7	3.8	3.4	11.1	12.5
Va Tech Wab.	Neutral	281	331	18	23.1	25.4	33.1	-9.5	10.0	30.4	11.0	8.5	1.3	1.2	12.4	14.4
Voltas	Buy	605	700	16	15.7	18.7	22.8	-9.2	19.0	21.9	32.4	26.6	4.4	3.9	14.3	15.6
Aggregate								19.7	14.9	21.6	22.6	18.6	2.9	2.6	12.9	14.1
Cement																
Ambuja Cem.	Neutral	213	225	6	6.3	7.4	8.2	2.0	17.7	10.5	28.9	26.1	2.0	1.9	6.9	7.4
ACC	Buy	1575	2040	30	57.3	74.4	91.0	22.1	29.9	22.3	21.2	17.3	2.6	2.3	12.6	14.0
Birla Corp.	Buy	594	780	31	33.2	51.1	67.4	53.6	53.9	31.8	11.6	8.8	1.0	0.9	8.5	10.3
Dalmia Bhar.	Buy	1024	1270	24	15.6	23.2	31.8	13.3	48.4	37.0	44.1	32.2	1.8	1.7	4.2	5.5
Grasim Inds.	Neutral	747	836	12	71.3	83.8	97.1	50.6	17.6	15.9	8.9	7.7	1.1	1.1	5.6	5.9
India Cem	Neutral	84	90	7	2.3	6.2	7.3	-31.0	176.4	17.6	13.5	11.5	0.5	0.5	3.6	4.1
J K Cements	Buy	991	1160	17	34.1	50.0	51.1	-19.8	46.6	2.2	19.8	19.4	2.5	2.3	13.5	12.4
JK Lakshmi Ce	Buy	332	410	23	6.8	14.2	18.9	-8.7	110.7	33.0	23.3	17.5	2.4	2.1	10.6	12.7
Ramco Cem	Neutral	754	740	-2	21.9	27.2	30.7	-8.7	24.4	12.8	27.7	24.6	3.5	3.1	13.5	13.5
Orient Cem	Buy	91	125	37	2.3	7.2	8.1	7.5	211.1	12	12.7	11.3	1.6	1.4	13.2	13.2
Prism Johnson	Buy	83	110	33	3.1	3.7	4.0	123.4	19.6	8.0	22.1	20.5	3.2	2.8	15.4	14.6
Sanghi Inds.	Buy	57	75	31	2.0	3.3	3.1	-44.9	58.7	-4.5	17.6	18.4	0.8	0.7	4.8	4.4
Shree Cem	Neutral	20248	21000	4	362.2	406.7	581.4	-6.1	12.3	43.0	49.8	34.8	6.5	5.6	13.9	17.3
Ultratech	Buy	4277	5010	17	88.7	127.2	163.2	-11.5	43.5	28.3	33.6	26.2	3.1	2.8	11.1	11.8
Aggregate								13.2	27.9	21.5	22.5	18.5	2.2	2.1	9.9	11.2
Consumer																
Asian Paints	Sell	1575	1230	-22	23.1	25.3	29.9	9.1	9.5	18.3	62.4	52.7	14.6	13.3	24.4	26.4
Britannia	Buy	2587	3030	17	48.1	51.9	61.3	15.1	7.8	18.2	49.9	42.2	13.9	13.6	28.6	32.7
Colgate	Buy	1229	1400	14	27.4	29.6	34.1	8.8	8.0	15.3	41.5	36.0	24.2	26.2	56.9	69.8
Dabur	Neutral	439	425	-3	8.5	9.1	10.3	9.0	7.9	12.2	48.0	42.8	12.3	11.3	27.1	27.6
Emami	Buy	311	390	25	12.2	13.2	15.3	0.2	8.4	15.8	23.6	20.4	6.0	5.8	27.1	28.9
Future Consumer	Buy	32	58	82	-0.1	0.5	1.4	Loss	LP	187.6	65.2	22.7	4.9	4.0	7.8	19.6
Godrej Cons.	Neutral	653	620	-5	15.1	15.8	18.6	7.2	5.0	17.6	41.2	35.0	8.7	8.4	21.7	24.3
GSK Cons.	Neutral	7875	7670	-3	216.1	250.0	275.2	29.8	15.7	10.1	31.5	28.6	7.2	6.4	24.1	23.7
HUL	Buy	1840	1970	7	28.9	33.1	39.1	18.2	14.5	18.0	55.5	47.1	50.1	49.2	91.9	105.5
ITC	Neutral	254	290	14	10.2	10.7	11.9	14.8	5.2	10.9	23.8	21.4	5.0	4.7	21.8	22.5
Jyothy Lab	Neutral	158	170	7	5.4	6.0	7.4	10.5	11.3	23.5	26.4	21.4	4.2	3.9	16.1	18.9
Marico	Buy	392	430	10	7.2	8.7	10.4	14.3	20.4	19.7	45.1	37.7	13.6	12.0	33.4	33.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
Nestle	Neutral	11982	11510	-4	178.6	195.4	223.2	27.5	9.4	14.2	61.3	53.7	58.6	58.2	66.7	108.8
Page Inds	Neutral	17678	19110	8	353.2	373.2	449.0	13.5	5.7	20.3	47.4	39.4	22.4	20.1	47.3	51.1
Parag Milk Foods	Buy	181	255	41	15.7	16.5	20.2	51.5	4.7	22.4	11.0	9.0	1.6	1.4	15.6	16.8
Pidilite Ind.	Neutral	1351	1220	-10	18.6	22.6	25.7	-2.0	21.5	13.9	59.9	52.6	13.9	11.9	25.2	24.3
P&G Hygiene	Neutral	10322	10380	1	131.9	166.2	207.6	14.5	26.0	24.9	62.1	49.7	30.3	25.5	52.8	55.7
United Brew	Neutral	1380	1520	10	21.3	23.9	29.3	42.8	12.1	22.6	57.8	47.1	9.8	8.3	18.3	19.1
United Spirits	Buy	606	700	16	9.3	12.3	16.6	38.1	31.9	34.9	49.3	36.6	11.8	8.9	23.9	24.3
Aggregate								15.4	10.2	15.6	41.7	36.0	11.7	10.8	28.0	29.9
Healthcare																
Alembic Phar	Neutral	545	575	5	31.0	30.6	31.9	41.6	-1.4	4.2	17.8	17.1	3.3	2.8	19.3	17.4
Alkem Lab	Buy	1764	2100	19	63.8	76.3	104.7	8.4	19.6	37.2	23.1	16.9	3.4	3.0	15.7	18.9
Ajanta Pharma	Buy	953	1120	18	44.4	48.6	56.0	-16.1	9.5	15.0	19.6	17.0	3.2	2.8	17.7	17.5
Aurobindo	Buy	598	720	20	43.2	49.4	62.1	1.1	14.4	25.8	12.1	9.6	2.1	1.7	19.0	19.8
Biocon	Neutral	229	255	11	6.2	8.5	10.2	99.6	37.1	19.6	26.9	22.5	4.0	3.6	15.8	16.8
Cadila	Buy	230	275	19	18.3	16.4	18.0	4.3	-10.6	9.9	14.1	12.8	2.0	1.8	14.8	15.0
Cipla	Neutral	485	500	3	18.7	21.5	25.1	-3.1	14.8	16.9	22.6	19.3	2.3	2.1	10.2	10.8
Divis Lab	Neutral	1666	1590	-5	50.0	56.6	67.3	55.0	13.1	18.9	29.4	24.7	5.6	4.7	20.1	20.6
Dr Reddy's	Neutral	2570	2620	2	105.2	120.1	130.5	62.6	14.2	8.6	21.4	19.7	2.5	2.3	13.0	12.3
Glenmark	Neutral	426	525	23	25.9	28.9	34.6	-9.0	11.5	19.7	14.7	12.3	1.9	1.7	13.7	14.5
Granules	Buy	96	140	45	9.2	11.0	12.8	76.5	19.4	16.3	8.8	7.5	1.4	1.3	17.3	17.9
GSK Pharma	Neutral	1207	1290	7	24.6	28.1	31.4	25.2	14.3	11.8	43.0	38.4	9.2	8.6	21.3	22.4
IPCA Labs	Buy	963	1145	19	37.1	45.4	54.5	95.7	22.2	20.0	21.2	17.7	3.4	2.9	17.0	17.6
Jubilant Life	Buy	434	610	41	57.5	58.0	65.8	26.1	0.9	13.5	7.5	6.6	1.2	1.0	17.3	16.8
Laurus Labs	Buy	340	365	7	10.4	13.0	21.9	-34.5	25.6	67.7	26.1	15.5	2.1	1.9	8.5	12.8
Lupin	Buy	759	885	17	23.3	29.4	41.1	-27.1	26.2	39.8	25.8	18.5	2.4	2.1	9.4	12.1
Sanofi India	Buy	6165	6930	12	165.5	176.9	200.9	16.8	6.9	13.6	34.9	30.7	5.9	5.3	16.9	17.4
Shilpa Medicare	Buy	349	410	18	11.8	16.7	20.4	-8.2	41.6	22.2	20.9	17.1	2.1	1.9	10.6	11.7
Strides Pharma	Buy	422	480	14	6.9	24.5	36.3	-39.2	257.9	48.1	17.2	11.6	1.3	1.2	8.0	11.1
Sun Pharma	Buy	422	465	10	15.1	17.7	20.8	12.2	17.6	17.4	23.8	20.3	2.3	2.1	9.9	10.7
Torrent Pharma	Neutral	1674	1480	-12	42.7	51.7	70.8	-7.1	21.0	37.0	32.4	23.6	5.3	4.7	17.4	21.1
Aggregate								11.9	14.5	20.1	21.3	17.7	2.7	2.4	12.8	13.7
Infrastructure																
Ashoka Buildcon	Buy	120	175	46	11.9	13.0	15.4	40.6	9.1	19.1	9.2	7.8	1.3	1.2	15.3	15.9
IRB Infra	Neutral	96	106	11	24.2	21.0	13.0	1.2	-13.0	-38.3	4.5	7.4	0.5	0.5	11.1	6.4
KNR Constructions	Buy	255	335	31	18.9	16.2	19.2	-2.4	-14.2	18.7	15.7	13.2	2.2	1.9	15.0	15.3
Sadbhav Engineering	Buy	133	195	47	10.8	11.0	13.1	-15.7	1.3	19.3	12.1	10.1	1.0	0.9	8.9	9.7
Aggregate											8.3	9.1	0.9	0.9	11.4	9.5
Logistics																
Allcargo Logistics	Buy	97	130	34	9.8	10.9	13.4	33.6	11.2	22.9	9.1	7.4	1.1	0.9	12.6	13.6
Concor	Buy	486	625	29	19.9	16.6	19.6	14.9	-16.6	18.1	29.2	24.7	2.7	2.6	9.6	10.7
Aggregate								14.9	-15.3	19.2	24.5	20.5	2.3	2.1	9.3	10.4
Media																
D B Corp	Buy	157	210	34	15.7	17.6	20.9	-11.1	12.3	18.7	8.9	7.5	1.5	1.4	16.4	18.2
Ent.Network	Buy	384	500	30	10.9	12.8	18.7	60.2	17.7	46.3	30.0	20.5	1.9	1.7	6.4	8.7
Jagran Prak.	Buy	64	105	65	8.8	8.8	13.0	-8.7	0.5	46.7	7.2	4.9	0.9	0.8	13.5	17.9
Music Broadcast	Buy	41	65	60	2.2	2.2	3.2	22.9	-1.0	44.7	18.5	12.8	1.7	1.5	9.6	12.5
PVR	Buy	1466	2050	40	37.9	18.7	36.3	41.9	-50.5	93.5	78.3	40.4	4.6	4.2	6.5	10.8
Sun TV	Buy	448	600	34	35.4	37.3	43.6	27.6	5.5	16.7	12.0	10.3	2.8	2.4	25.0	24.8
Zee Ent.	Neutral	328	390	19	16.4	18.8	22.1	12.7	14.4	17.8	17.5	14.8	3.0	2.6	18.0	18.9
Aggregate								1.5	11.4	15.1	15.1	13.2	2.3	2.4	15.3	18.0
Metals																
Hindalco	Buy	176	239	36	24.7	19.9	21.7	30.9	-19.5	9.0	8.8	8.1	0.9	0.8	10.8	10.7
Hind. Zinc	Neutral	212	216	2	18.8	18.9	20.1	-10.8	0.3	6.2	11.2	10.6	2.3	2.1	22.2	20.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
JSPL	Buy	100	227	128	11.5	-7.8	0.6	LP	PL	LP	NM	159.5	0.3	0.3	-2.4	0.2
JSW Steel	Buy	220	298	35	31.8	18.4	30.4	32.4	-42.3	65.3	12.0	7.3	1.4	1.2	12.1	17.6
Nalco	Buy	44	63	44	9.2	5.1	5.3	79.9	-44.7	4.5	8.6	8.3	0.8	0.7	9.2	9.2
NMDC	Buy	102	138	36	15.6	12.6	13.4	19.2	-19.6	7.0	8.1	7.6	1.1	1.1	14.4	14.6
SAIL	Neutral	39	49	26	6.3	4.9	5.5	2,344.1	-21	10.3	10.5	9.5	0.4	0.4	5.0	5.3
Vedanta	Neutral	142	150	6	18.1	13.5	15.1	-11.0	-25.3	11.4	10.4	9.4	0.8	0.8	7.9	8.4
Tata Steel	Neutral	362	422	16	88.6	44.9	67.0	27.3	-49.3	49.1	8.1	5.4	0.6	0.6	8.0	11.1
Aggregate								24.1	-30.9	24.7	10.3	8.2	0.9	0.8	8.7	10.0
Oil & Gas																
Aegis Logistics	Buy	199	255	28	6.6	9.9	11.8	11.9	49.7	19.1	20.1	16.8	4.2	3.5	22.4	22.6
BPCL	Buy	347	477	38	43.4	40.2	54.2	-12.9	-7.3	34.8	8.6	6.4	1.6	1.4	19.4	23.3
Castrol India	Buy	119	153	29	7.2	7.6	7.7	2.4	6.4	0.7	15.6	15.5	9.1	8.3	61.4	56.2
GAIL	Buy	124	154	24	14.0	14.5	14.8	38.4	3.4	2.1	8.5	8.4	1.1	1.1	14.2	13.3
Gujarat Gas	Neutral	187	175	-6	6.3	11.2	8.7	47.4	79.0	-22.4	16.7	21.5	4.6	3.9	30.8	19.7
Gujarat St. Pet.	Neutral	217	210	-3	14.1	15.6	15.2	18.9	10.6	-2.4	13.9	14.3	1.9	1.7	14.4	12.5
HPCL	Buy	247	295	19	43.9	36.8	47.0	-7.3	-16.3	27.9	6.7	5.3	1.1	1.0	17.5	20.2
IOC	Buy	131	195	49	18.8	14.1	19.6	-23.7	-25.1	39.1	9.3	6.7	1.0	0.9	11.2	14.6
IGL	Neutral	311	328	5	11.2	13.0	14.6	19.1	16.0	12.3	23.9	21.2	4.5	3.9	20.4	19.8
Mahanagar Gas	Neutral	785	881	12	55.3	61.1	58.7	14.3	10.5	-3.9	12.8	13.4	2.8	2.5	23.5	20.0
MRPL	Neutral	52	63	21	1.9	3.5	9.1	-84.8	77.7	164.3	15.1	5.7	0.8	0.7	5.5	13.5
Oil India	Buy	150	215	43	32.0	29.2	30.0	35.6	-8.8	3.0	5.2	5.0	0.6	0.5	11.5	11.1
ONGC	Buy	131	197	51	27.1	27.8	28.8	34.4	2.3	3.8	4.7	4.5	0.7	0.6	15.6	14.8
PLNG	Buy	239	305	28	14.4	16.0	19.3	3.7	11.4	20.8	14.9	12.3	3.3	3.1	23.0	25.9
Reliance Ind.	Buy	1162	1400	20	67.2	75.3	83.4	10.4	12.1	10.7	15.4	13.9	1.6	1.5	11.0	11.0
Aggregate								6.0	1.4	13.5	10.5	9.3	1.3	1.2	12.7	13.1
Retail																
Avenue Supermarts	Sell	1453	1215	-16	14.5	18.8	24.7	11.9	29.8	31.5	77.4	58.9	13.4	10.9	19.0	20.5
Aditya Birla Fashion	Buy	205	240	17	1.6	3.0	4.6	156.7	82.3	54.7	68.3	44.2	9.5	7.8	15.0	19.5
Future Lifestyle	Buy	450	575	28	8.6	10.1	14.0	30.1	17.8	38.1	44.3	32.1	4.3	3.9	10.1	12.7
Future Retail	Buy	405	550	36	14.6	15.6	16.6	19.1	7.0	6.2	25.9	24.4	4.4	3.7	18.5	16.5
Jubilant Food.	Neutral	1182	1250	6	24.1	26.9	30.6	62.0	11.7	13.7	43.9	38.6	13.6	11.9	30.9	30.7
Shoppers Stop	Neutral	389	418	8	7.8	12.7	15.8	-36.3	63.2	24.1	30.6	24.6	3.2	2.8	11.0	12.1
Spencers Retail	Buy	68	175	157	0.1	0.4	0.7	LP	388.7	89.2	173.3	91.6	3.6	3.5	2.1	3.9
Titan Company	Buy	1068	1210	13	15.7	18.6	24.2	24.0	18.5	30.1	57.5	44.2	15.4	13.0	27.0	31.9
Trent	Buy	446	470	5	2.9	4.0	5.8	11.6	35.7	47.5	112.6	76.3	5.4	5.1	6.0	6.9
V-Mart Retail	Neutral	1852	2000	8	39.5	35.1	44.7	-8.0	-11.2	27.3	52.8	41.5	7.1	6.1	14.4	15.8
Aggregate								22.8	21.3	27.2	57.3	45.1	9.9	8.5	17.3	18.8
Technology																
Cyient	Buy	437	650	49	43.4	44.4	49.7	13.4	2.5	11.8	9.8	8.8	1.7	1.6	17.4	17.7
HCL Tech.	Neutral	1087	1150	6	73.6	74.3	86.4	17.6	0.9	16.4	14.6	12.6	3.1	2.8	22.6	23.7
Hexaware	Neutral	362	370	2	19.3	20.9	24.7	16.5	8.4	17.7	17.3	14.7	4.0	3.4	24.8	25.0
Infosys	Buy	790	840	6	35.4	37.6	44.0	9.3	6.1	17.0	21.0	18.0	5.6	5.1	25.6	29.6
L & T Infotech	Neutral	1635	1700	4	86.6	86.2	100.4	30.6	-0.5	16.5	19.0	16.3	4.7	3.9	27.6	26.2
Mindtree	Neutral	752	750	0	44.8	40.0	50.3	53.1	-10.6	25.5	18.8	15.0	3.5	3.1	20.2	21.9
Mphasis	Buy	959	1120	17	56.1	64.2	72.1	27.4	14.5	12.2	14.9	13.3	3.1	2.6	22.5	22.6
NIIT Tech	Neutral	1301	1420	9	66.2	76.6	88.7	45.3	15.7	15.8	17.0	14.7	3.4	3.0	21.3	21.6
Persistent Sys	Buy	538	750	39	44.0	45.4	56.4	8.9	3.1	24.4	11.9	9.5	1.8	1.6	14.9	17.4
TCS	Neutral	2246	2100	-6	83.5	88.5	100.2	26.4	6.1	13.2	25.4	22.4	9.4	8.9	36.7	40.9
Tech Mah	Buy	664	770	16	48.2	47.1	55.1	12.8	-2.2	17.0	14.1	12.0	2.6	2.4	19.6	20.9
Wipro	Neutral	264	270	2	14.8	16.6	18.1	10.1	12.0	9.1	15.9	14.6	3.1	2.9	17.7	20.4
Zensar Tech	Buy	217	285	31	14.4	15.8	19.1	40.4	10.0	21.0	13.7	11.3	2.2	1.9	17.2	18.2
Aggregate								14.7	2.0	14.5	21.6	18.9	5.8	5.3	26.6	28.0
Telecom																



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
					FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
Bharti Airtel	Buy	371	420	13	-8.8	-7.2	-1.9	PL	Loss	Loss	NM	NM	2.1	2.1	-4.6	-1.1
Bharti Infratel	Neutral	252	290	15	13.6	17.0	16.8	-0.3	24.7	-0.7	14.9	15.0	3.2	3.2	21.7	21.6
Vodafone Idea	Buy	5	12	124	-18.5	-5.5	-5.1	Loss	Loss	Loss	NM	NM	0.2	0.3	-24.6	-23.9
Tata Comm	Neutral	463	525	13	-2.2	7.0	20.7	PL	LP	193.7	65.7	22.4	699.4	21.7	-246	188.0
Aggregate								Loss	Loss	Loss	-16	-22.3	1.5	1.7	-9.3	-7.5
Utilities																
Coal India	Buy	208	310	49	28.3	28.4	30.1	47.9	0.0	6.1	7.3	6.9	4.2	3.7	57.7	53.9
CESC	Buy	754	911	21	88.9	91.1	98.9	43.1	2.5	8.5	8.3	7.6	1.0	0.9	12.9	12.7
JSW Energy	Neutral	70	75	8	4.2	4.8	5.7	40.2	12.6	18.4	14.6	12.3	0.9	0.9	6.5	7.4
NHPC	Neutral	22	27	22	2.2	2.5	2.6	-10.8	15.1	2.5	8.8	8.6	0.7	0.7	8.0	7.9
NTPC	Buy	124	165	33	11.6	13.5	15.5	33.3	16.4	14.8	9.2	8.0	1.0	1.0	11.7	12.5
Power Grid	Buy	202	242	20	19.2	20.6	22.6	16.0	7.3	10.0	9.8	8.9	1.6	1.4	17.3	17.1
Torrent Power	Buy	289	351	21	18.7	21.7	28.3	-4.6	16.3	30.2	13.3	10.2	1.4	1.3	11.2	13.3
Tata Power	Neutral	58	64	11	2.1	4.1	4.8	-60.5	92.3	19.2	14.2	11.9	0.9	0.8	6.4	7.3
Aggregate								30.5	6.9	9.0	8.7	7.9	1.5	1.4	17.2	17.2
Others																
Brigade Enterpr.	Buy	267	316	18	17.5	14.4	13.7	62.0	-17.7	-5.0	18.6	19.5	1.5	1.4	8.6	7.6
BSE	Buy	464	650	40	38.1	35.2	43.9	-12.4	-7.4	24.7	13.2	10.6	0.9	0.9	6.5	8.2
Coromandel Intl	Buy	355	475	34	25.2	26.4	29.8	6.5	5.0	12.7	13.4	11.9	2.7	2.3	21.3	20.7
Delta Corp	Buy	160	304	90	7.2	8.7	10.1	23.8	21.4	16.6	18.4	15.8	2.0	1.8	11.5	12.0
Indian Hotels	Buy	140	178	27	2.4	3.0	4.1	257.4	25.9	38.8	47.2	34.0	3.6	3.3	7.9	10.2
Interglobe	Neutral	1532	1410	-8	4.1	88.0	100.7	-93.0	2,070	14	17	15.2	7.8	7.2	46.8	49.4
Info Edge	Neutral	2208	2000	-9	23.0	31.9	39.0	54.2	38.8	22.3	69.3	56.7	10.2	8.9	15.8	17.0
Gateway Distr.	Buy	100	151	51	12.9	7.2	9.5	-7.2	-44.5	31.7	14.0	10.6	0.8	0.8	5.8	7.3
Godrej Agrovet	Buy	462	522	13	12.5	12.5	17.3	10.9	-0.2	38.0	36.9	26.8	5.0	4.5	14.0	17.6
Kaveri Seed	Buy	456	629	38	34.4	38.7	41.9	7.7	12.3	8.4	11.8	10.9	2.6	2.3	22.9	22.2
Lemon Tree Hotel	Buy	53	75	41	0.7	0.8	1.9	271.9	15.8	140.6	67.7	28.1	3.1	2.8	5.5	10.3
MCX	Buy	845	990	17	28.7	32.0	39.5	35.2	11.5	23.7	26.5	21.4	3.1	2.8	11.9	13.8
Navneet Education	Buy	106	135	28	6.7	8.2	9.7	22.5	22.3	18.8	12.9	10.9	2.6	2.2	21.6	21.6
Oberoi Realty	Buy	548	650	19	22.5	29.2	32.2	78.1	29.9	10.3	18.8	17.0	2.2	2.0	12.5	12.3
Phoenix Mills	Buy	644	750	17	25.0	27.0	31.1	57.8	8.3	15.1	23.8	20.7	2.6	2.3	11.3	11.8
Qess Corp	Neutral	466	500	7	17.5	22.1	32.7	-19.8	26.5	47.9	21.0	14.2	1.7	1.5	11.2	14.6
PI Inds.	Buy	1126	1265	12	29.7	36.8	46.8	11.6	23.8	27.0	30.6	24.1	5.8	4.8	20.4	21.9
Piramal Enterp.	Buy	1771	2400	36	73.7	102.9	127.3	-5.2	39.5	23.7	17.2	13.9	1.3	1.2	7.9	9.2
SRF	Buy	2897	3500	21	113.7	150.9	195.9	60.0	32.7	29.8	19.2	14.8	3.5	2.9	19.6	21.2
S H Kelkar	Buy	118	169	43	6.1	7.5	9.4	-13.7	22.7	25.1	15.8	12.6	1.9	1.7	12.2	14.3
Tata Chemicals	Buy	567	703	24	42.9	44.2	52.3	-10.8	3.1	18.3	12.8	10.8	1.1	1.0	8.9	9.8
Team Lease Serv.	Buy	2691	3350	24	57.2	71.8	108.5	32.9	25.5	51.2	37.5	24.8	7.0	5.4	20.4	24.6
Trident	Buy	56	69	22	8.4	9.5	9.9	71.2	13.6	4.3	5.9	5.7	0.9	0.8	15.3	14.7
UPL	Neutral	533	630	18	28.8	39.8	45.2	-1.3	38.4	13.4	13.4	11.8	2.5	2.2	19.7	19.6



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja Batt.	-2.7	-2.7	-23.6
Ashok Leyland	1.3	-23.1	-50.2
Bajaj Auto	0.1	-2.8	1.7
Bharat Forge	2.2	-6.0	-32.3
Bosch	-0.7	-10.5	-25.2
CEAT	2.0	-4.1	-37.9
Eicher Motors	4.6	-7.7	-36.0
Endurance Tech.	14.2	-15.3	-43.6
Escorts	1.1	-9.2	-44.5
Exide Inds.	-0.1	-9.8	-36.3
Hero Motocorp	1.3	7.4	-20.0
M & M	1.1	-13.7	-41.5
Mahindra CIE	-2.0	-22.1	-33.9
Maruti Suzuki	3.4	2.6	-33.4
Motherson Sumi	8.6	-9.6	-47.3
Tata Motors	-1.5	-21.6	-52.6
TVS Motor Co.	2.2	-8.9	-27.6
Banks - Private			
AU Small Fin. Bank	3.1	3.9	7.1
Axis Bank	0.1	-16.0	6.7
DCB Bank	2.0	-13.5	16.2
Equitas Holdings	2.7	-7.2	-25.7
Federal Bank	0.6	-17.6	-1.9
HDFC Bank	2.1	-4.1	7.7
ICICI Bank	1.4	-1.9	26.3
IndusInd Bank	-0.1	-5.3	-28.8
Kotak Mah. Bank	2.0	4.8	20.0
RBL Bank	4.6	-38.7	-32.3
South Ind. Bank	0.9	-8.3	-36.0
Banks - PSU			
BOB	-0.2	-20.6	-35.3
BOI	-1.2	-20.5	-30.6
Canara	0.2	-17.1	-22.9
Indian Bk	0.8	-19.2	-45.2
PNB	0.0	-10.5	-20.2
SBI	-1.0	-18.9	-7.9
Union Bk	0.6	-17.2	-27.4
NBFCs			
Aditya Birla Cap	1.4	-0.9	-40.5
Bajaj Fin.	2.5	-5.1	20.8
Cholaman. Inv. & Fn	0.3	-4.0	-5.8
HDFC	1.4	-0.9	11.9
HDFC Life Insur.	0.8	15.5	13.0
Indiabulls Hsg	13.8	-26.3	-62.5
Indostar Capital	-4.6	-20.5	-42.5
L&T Fin. Holdings	4.5	-14.6	-42.4
LIC Hsg Fin	2.3	-12.6	-10.2
M&M Fin.	6.0	-18.1	-35.5
Muthoot Fin	1.9	5.6	52.2
MAS Financial Serv.	1.7	6.6	6.5
ICICI Pru Life	0.7	3.7	-4.5
PNB Housing	1.7	-7.2	-44.7
Repco Home	2.3	-18.0	-48.5
Shriram City Union	0.1	-4.9	-29.6
Shriram Trans.	4.0	-0.9	-26.4
Capital Goods			
ABB	0.1	-8.8	16.0
Bharat Elec.	0.6	-9.0	-19.4

Company	1 Day (%)	1M (%)	12M (%)
BHEL	-2.1	-15.3	-23.6
Blue Star	-2.2	-1.3	2.9
CG Cons. Elec.	0.5	0.3	-11.9
Cummins	-0.4	-19.7	-8.0
Engineers India	3.1	-8.2	-20.9
GE T&D	6.0	-31.1	-43.3
Havells	0.0	-11.1	-4.2
K E C Intl	1.1	-8.1	-5.2
L&T	0.3	-10.6	6.1
Siemens	1.5	-7.4	16.2
Solar Ind	-1.5	-5.3	-13.6
Thermax	0.1	4.6	-2.6
Va Tech Wab.	0.3	-11.0	-26.0
Voltas	1.2	1.4	2.0
Cement			
Ambuja Cem.	3.2	0.9	-8.4
ACC	1.7	1.2	0.2
Birla Corp.	-0.7	-3.8	-23.5
Dalmia Bhar.	1.5	3.0	
Grasim Inds.	1.3	-18.0	-25.2
India Cem	-2.7	-11.9	-29.5
J K Cements	2.0	2.0	26.3
JK Lakshmi Ce	0.6	-2.9	1.7
Ramco Cem	2.7	-3.1	14.1
Orient Cem	-0.8	-11.3	-24.9
Prism Johnson	0.2	-9.3	-20.7
Sanghi Inds.	1.4	-13.9	-34.3
Shree Cem	0.6	-4.6	17.2
Ultratech	1.1	-4.9	-0.6
Consumer			
Asian Paints	0.6	19.3	11.3
Britannia	0.3	-6.4	-18.3
Colgate	1.5	5.4	8.2
Dabur	0.7	8.0	-1.3
Emami	-0.3	3.5	-46.1
Future Consumer	13.5	-20.8	-33.2
Godrej Cons.	1.7	0.9	-24.5
GSK Cons.	1.8	2.9	17.8
HUL	2.0	5.8	4.9
ITC	-1.4	-6.9	-15.8
Jyothy Lab	0.1	-3.5	-28.0
Marico	2.3	5.8	7.8
Nestle	1.2	2.5	10.1
Page Inds	-4.3	-11.1	-45.4
Parag Milk	3.1	-29.1	-43.1
Pidilite Ind.	1.7	14.7	20.1
P&G Hygiene	0.3	-5.8	-2.2
United Brew	1.0	2.2	15.2
United Spirits	1.4	6.6	-0.7
Healthcare			
Alembic Phar	2.9	2.8	-8.7
Alkem Lab	2.7	-0.3	-16.3
Ajanta Pharma	-0.3	4.0	-17.6
Aurobindo	0.1	-0.9	-0.4
Biocon	-1.0	-6.6	-19.8
Cadila	-1.9	-0.2	-39.1
Cipla	-3.6	-11.5	-21.6
Divis Lab	0.9	3.9	49.3
Dr Reddy's	-0.1	-1.0	15.0



Company	1 Day (%)	1M (%)	12M (%)
Glenmark	0.1	-5.1	-28.4
Granules	-0.9	-0.5	-9.9
GSK Pharma	-0.1	3.4	-26.7
IPCA Labs	2.3	1.2	27.7
Jubilant Life	-0.4	-10.6	-40.1
Laurus Labs	3.5	-1.5	-23.0
Lupin	-0.3	1.1	-7.5
Sanofi India	2.1	6.6	-1.1
Shilpa Medicare	-1.2	2.0	-11.3
Strides Pharma	-0.4	11.2	-0.5
Sun Pharma	-1.0	9.2	-26.1
Torrent Pharma	-2.2	8.2	-1.5
Infrastructure			
Ashoka Buildcon	-3.5	-11.4	-17.4
IRB Infra.Devl.	0.6	3.1	-52.1
KNR Construct.	-0.8	-7.1	10.9
Sadbhav Engg.	2.4	-31.1	-52.2
Logistics			
Allcargo Logist.	1.1	-0.6	-20.5
Concor	0.7	-11.4	-5.7
Gateway Distr.	-2.7	-11.9	-29.5
Media			
D B Corp	-0.1	-16.8	-36.4
Ent.Network	0.1	-7.3	-48.3
Jagran Prak.	-8.1	-38.6	-45.1
Music Broadcast	1.2	-28.6	-37.3
PVR	-2.2	-11.7	14.3
Sun TV	-0.9	-4.4	-46.0
Zee Ent.	-1.2	-1.0	-37.1
Metals			
Hindalco	-2.7	-11.1	-22.6
Hind. Zinc	0.0	-8.0	-26.2
JSPL	-0.6	-26.7	-54.1
JSW Steel	-0.6	-16.0	-35.7
Nalco	0.1	-8.3	-39.4
NMDC	-0.1	-6.8	-4.5
SAIL	-0.1	-17.3	-51.7
Vedanta	2.2	-12.4	-38.6
Tata Steel	-1.4	-22.6	-38.1
Oil & Gas			
Aegis Logistics	3.3	-7.0	-14.5
BPCL	1.0	-3.8	-11.0
Castrol India	0.9	-5.9	-24.2
GAIL	1.5	-16.0	-34.1
Gujarat Gas	1.1	14.0	20.8
Gujarat St. Pet.	-1.1	17.5	8.3
HPCL	-1.3	-14.2	-11.8
IOC	-0.2	-14.0	-21.1
IGL	-0.2	2.4	2.5
Mahanagar Gas	-4.4	-0.2	-17.2
MRPL	-0.8	-11.1	-37.8
Oil India	-0.3	-15.2	-30.0
ONGC	-0.3	-14.9	-22.7
PLNG	-0.3	-1.3	3.9
Reliance Ind.	0.9	-9.2	-4.6
Retail			
Aditya Bir. Fas.	-0.8	0.7	12.7
Avenue Super.	1.6	5.7	-10.0
Future Lifestyle	4.7	-4.6	2.6

Company	1 Day (%)	1M (%)	12M (%)
Future Retail	-3.0	-15.0	-21.7
Jubilant Food	2.4	-3.3	-21.1
Spencer's Retail	5.2	-23.7	
Shoppers St.	0.7	-18.0	-29.6
Titan Co.	2.2	-2.9	16.7
Trent	2.9	1.0	22.5
V-Mart Retail	0.5	-11.5	-33.2
Technology			
Cyient	-1.4	-18.9	-33.1
HCL Tech.	-0.1	6.5	13.5
Hexaware	-1.5	1.7	-22.0
Infosys	0.1	10.4	14.5
L&T Infotech	0.6	2.2	-4.0
Mindtree	0.7	-2.7	-20.6
Mphasis	-0.3	1.8	-16.9
NIIT Tech	2.1	-1.1	2.7
Persistent Sys	0.3	-12.5	-36.0
TCS	-0.6	5.4	13.7
Tech Mah	-2.5	-1.8	2.7
Wipro	-0.8	-0.7	26.1
Zensar Tech	0.3	-13.1	-9.3
Telecom			
Bharti Airtel	-0.3	2.5	10.2
Bharti Infra.	0.7	-3.4	-14.1
Idea Cellular	-4.8	-52.9	-84.2
Tata Comm	-1.5	3.0	-21.5
Utilities			
Coal India	-2.0	-9.5	-25.9
CESC	0.0	-4.0	6.2
JSW Energy	-0.8	-2.5	2.2
NHPC Ltd	-2.0	-8.3	-9.8
NTPC	-0.7	-4.6	-7.4
Power Grid	-0.4	-1.2	4.8
Tata Power	-0.4	-15.9	-17.8
Torrent Power	-1.3	-3.4	25.0
Others			
Brigade Enterpr.	-1.7	-2.5	40.7
BSE	-1.3	-21.7	-41.7
Coromandel Intl	-2.3	-11.7	-18.8
Delta Corp	1.5	-3.8	-41.6
Godrej Agrovet	5.1	-7.0	-28.3
Indian Hotels	-0.6	-5.3	9.6
Interglobe	0.8	-2.2	44.5
Info Edge	1.5	-0.5	49.2
Kaveri Seed	2.4	-0.4	-26.7
Lemon Tree Hotel	0.2	-18.8	-35.1
MCX	3.5	2.2	-3.8
Navneet Educat.	2.4	0.4	-12.0
Oberoi Realty	-0.6	-7.5	15.2
Phoenix Mills	-0.2	2.5	-0.2
PI Inds.	1.6	-3.1	44.3
Piramal Enterp.	2.4	-11.0	-38.3
Quess Corp	0.8	8.7	-54.6
SRF	-0.2	3.6	53.1
S H Kelkar	4.4	-8.5	-41.4
Tata Chemicals	0.4	-4.5	-16.1
Team Lease Serv.	0.6	-10.5	5.4
Trident	-0.6	-5.2	-10.7
UPL	0.1	-16.7	25.7

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Economy

When will government accept fiscal policy limits?

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Fiscal policy has reached limits

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1QFY20 ↑
2QFY20 Beyond ↓

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New Year, New Forces

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Sector: Real Estate
Brigade Enterprises



Tactical Shift

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Check-in now

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Sector: Financials
ICI Prudential Life Insurance



Moving up the profitability curve

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Sector: Real Estate
Phoenix Mills



The Specialist

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