

Market snapshot



| Equities - India | Close | Chg. % | CYTD.% |
|------------------|--------|--------|---------|
| Sensex | 37,931 | 1.4 | 5.2 |
| Nifty-50 | 11,407 | 1.3 | 5.0 |
| Nifty-M 100 | 16,875 | 1.2 | -5.6 |
| Equities-Global | Close | Chg. % | CYTD.% |
| S&P 500 | 2,860 | -0.6 | 14.1 |
| Nasdaq | 7,816 | -1.0 | 17.8 |
| FTSE 100 | 7,349 | -0.1 | 9.2 |
| DAX | 12,239 | -0.6 | 15.9 |
| Hang Seng | 10,689 | -1.1 | 5.6 |
| Nikkei 225 | 21,250 | 0.9 | 6.2 |
| Commodities | Close | Chg. % | CYTD.% |
| Brent (US\$/Bbl) | 73 | -0.9 | 37.8 |
| Gold (\$/OZ) | 1,278 | -0.7 | -0.4 |
| Cu (US\$/MT) | 6,033 | -0.6 | 1.4 |
| Almn (US\$/MT) | 1,807 | -1.3 | -3.0 |
| Currency | Close | Chg. % | CYTD.% |
| USD/INR | 70.3 | 0.3 | 0.7 |
| USD/EUR | 1.1 | -0.1 | -2.7 |
| USD/JPY | 110.1 | 0.2 | 0.4 |
| YIELD (%) | Close | 1MChg | CYTDchg |
| 10 Yrs G-Sec | 7.4 | -0.01 | 0.0 |
| 10 Yrs AAA Corp | 8.5 | -0.02 | 0.0 |
| Flows (USD b) | 17-May | MTD | CYTD |
| FII | -0.15 | -0.70 | 9.22 |
| DII | 0.26 | 1.52 | -1.13 |
| Volumes (INRb) | 17-May | MTD* | CYTD* |
| Cash | 378 | 337 | 354 |
| F&O | 3,301 | 11,692 | 10,628 |

Note: *Average

Today's top research theme



India Politics: Exit polls predict majority for NDA

- Exit polls conducted by various media agencies have predicted clear majority to NDA, slightly better than the projections of opinion polls conducted prior to the elections.
- The Exit Polls accord an average of 304 seats to NDA and 118 seats to UPA with rest of the seats going to other parties outside of these two pre-poll alliances. BJP is predicted to win an average of 260 seats while Congress is expected to reach 67 seats in 2019.
- Key takeaways:** BJP is expanding its footprint nationally. Traditionally a party with dominance in North, West and Central India, it is gaining foothold in East in 2019. This will be the first instance in the history of Independent India when Congress would have failed to cross triple digit seats for two elections in a row in a National Election.
- Markets to react positively ; recent overhang of potential hung verdict to fade
- TOP IDEAS | Large-caps:** ICICI Bank, SBI, Maruti, Ultratech, L&T, Titan, Bharti Airtel, Coal India, Infosys, HDFC LIFE.
- Mid-caps:** Federal Bank, LIC Housing Finance, Indian Hotels, Siemens, ABFRL, Crompton Consumer, Ashoka Buildcon, JSPL, Godrej Agrovet.

Research covered

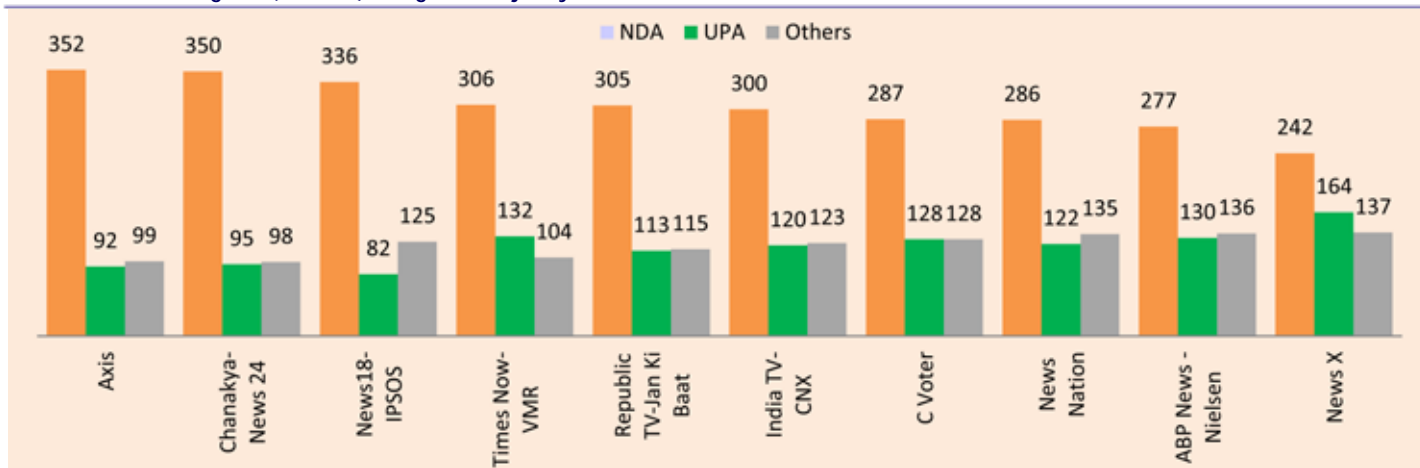


| Cos/Sector | Key Highlights |
|--------------------|---|
| India Politics | Exit polls predict majority for NDA |
| IOCL | EBIDTA/PAT above est. on better marketing performance |
| Bajaj Auto | In-line operating performance |
| Shree Cement | Lower-than-estimated realizations lead to margin miss |
| Dr Reddy's Labs | Price erosion/higher cost hurt earnings |
| P I Industries | Beat on revenue; EBITDA/PAT in line |
| Jubilant Life | One-off impacts earnings |
| CESC | Dhariwal turning around, DF operations improving |
| Other notes | ENGR JKCE NELI SPENCER |
| Result Expectation | BPCL BHFC GLXO HPCL TTMT TRP UBBL |



Chart of the Day: Exit polls predict majority for NDA

All Exit Polls barring one (News X) has given majority to NDA



Source: Media

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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

CBDT allows AMC's to directly manage offshore funds out of India

Asset management companies (AMCs) can now graduate from being mere 'advisors' to offshore funds to becoming a direct, "full fledged manager" of such funds out of India. This comes after the Central Board of Direct Taxes (CBDT) removed a taxation related constraint that...

2

Exit polls predict a landslide win for NDA

Results of most exit polls released on Sunday point to a landslide win for the ruling Bharatiya Janata Party (BJP), with the National Democratic Alliance (NDA) returning to power. If these results hold up on 23 May when counting of votes takes place, the BJP-NDA combine will become the first non-Congress government to return to power with a majority. This would be the first time that BJP would form a government twice in a row at the centre...

3

Japan's Orix to acquire wind assets of IL&FS

Japan-based Orix Corporation has expressed an intent to buy out IL&FS Wind Energy, IL&FS said on Sunday. Orix Corporation already owns 49% stake in each of the seven operating wind power plants of the IL&FS group. The Japanese company has now exercised its rights under its existing MoU (memorandum of understanding) with IL&FS group and sought to buy...

4

Reliance Capital protests downgrade, says will cut debt by 50%

Reliance Capital Ltd., Anil Ambani's financial services company, protested against a three-step downgrade by Care RatingsNSE -0.15 % that put its credit score two notches above junk. Care Ratings cut the firm's long-term debt program to BBB from A and kept it on credit watch with developing...

5

ONGC, GIP, Tripura govt look to buy IL&FS's 26% stake in OTPC

State-run Oil and Natural Gas Corp. Ltd (ONGC), Global Infrastructure Partners (GIP) and the Tripura government are seeking to buy Infrastructure Leasing & Financial Services Ltd's (IL&FS) 26% stake in the ₹3,804-crore ONGC Tripura Power Co. Ltd (OTPC), which runs the Palatana power project in Tripura. The stakeholders have evinced interest in acquiring the stake held by the beleaguered IL&FS by leveraging the share-holder pact, which states that IL&FS should offload its share to stakeholders under distress conditions at a 20% discount on the ₹10 share face value...

6

New vehicle for long-term infra finance on the anvil

India is proposing to create a new entity for financing infrastructure that will seek to bolster lower-rated bonds issued by companies in the sector. The National Housing Bank (NHB), National Bank for Agriculture and Rural Development (Nabard) and India Infrastructure Finance Company Ltd will be roped in as investors for the proposed entity National Infrastructure...

7

Nippon Life to buy 43% stake in Reliance MF for 70 billion yen: Nikkei

The Japan-headquartered Nippon Life will pay about ¥70 billion (Rs 4,484 crore) to acquire a majority of its joint venture (JV) partner Reliance Capital's (RCap) 43 per cent stake in Reliance Nippon Life Asset Management (RNAM), according to a Nikkei report...

India Politics

Exit polls predict majority for NDA

Prospects of third front diminish; expect positive reaction in markets

Exit polls predict return of NDA with clear majority: Exit polls conducted by various media agencies have predicted a clear majority to the NDA. This is slightly better than the projections of opinion polls conducted prior to the elections. The exit polls accord an average of 304 seats to the NDA and 118 seats to the UPA, with the rest of the seats going to other parties outside of these two pre-poll alliances. The BJP is predicted to win an average of 260 seats, while the Congress is expected to win 67 seats. BJP is predicted to gain foothold in West Bengal, North-East and Odisha while hold on to its 2014 tally by and large in Rajasthan, Gujarat, Bihar, Delhi and Haryana.

Exit Polls Summary

| AGENCY | NDA | UPA |
|-------------------------|-----|-----|
| Axis | 352 | 92 |
| Chanakya-News 24 | 350 | 95 |
| News18-IPSOS | 336 | 82 |
| Times Now-VMR | 306 | 132 |
| Republic TV-Jan Ki Baat | 305 | 113 |
| India TV-CNX | 300 | 120 |
| INDIA NEWS | 298 | 118 |
| C Voter | 287 | 128 |
| News Nation | 286 | 122 |
| ABP News - Nielsen | 277 | 130 |
| News X | 242 | 164 |
| Average | 304 | 118 |

Source: Media

Ten key takeaways from the Exit Polls'19

Following are the ten key takeaways, QUALITATIVE AS WELL AS QUANTITATIVE, from the exit polls (*underlying assumption being that the actual results on 23rd May mirror the EXIT POLL predictions*).

- n **India is entering into a political era dominated by a single-party rule.** After being governed by coalitions over 1984-2014, BJP won 2014 with full majority. If it wins 272+ seats again on 23rd May, as some exit polls are predicting, then it will be the first time after 1971 that an incumbent with clear majority is being voted back with majority. This, in a way, underscores the pro-incumbency undercurrent in the electorate.
- n **BJP is expanding its footprint nationally.** Traditionally a party with dominance in North, West and Central India, it is gaining foothold in East in 2019. West Bengal, Orissa and North East are the states where it is expected to gain seats v/s 2014 performance. It still remains weak in South, barring Karnataka.
- n This will be the first instance in the history of Independent India **when Congress would have failed to cross triple digit seats for two national elections in a row.**

- n Exit poll range for NDA is 242-352 seats, while for UPA it is 92-164. Out of the 11 exit polls we tracked, 7 are predicting a tally of ≥ 300 seats for NDA. Maximum seats given to NDA are 350 by *News 24 – Today's Chanakya*, while *Axis – India Today* has predicted almost a landslide 2/3rd majority with 339-365 seats to NDA (v/s 282 seats it garnered in 2014). *News 18 – Ipsos* has predicted 336 seats for NDA and 276 seats for BJP. Lowest seats given to BJP are 202 by *News X*. Rest of the agencies have predicted around 277-306 seats for NDA.
- n For UPA, the maximum 164 seats have been predicted by *News X*. *News 18 – IPSOS/Today's Chanakya/ Axis - India Today* have given less than 100 seats to UPA at 82/92/95, respectively. Rest of the agencies are predicting 113-132 seats for UPA. For Congress, the lowest seats at 46 are predicted by *News 18*.
- n UP, the largest state in India, which BJP swept in 2014 with 73/80 seats, is expected to see losses for BJP. Average of polls predicts 49 seats for NDA, while SP –BSP alliance (Mahagathbandhan) is predicted to win 29 seats. West Bengal, the other big state which has seen a fierce battle between BJP and TMC, and where BJP concentrated its energies (PM Modi addressed bulk of his rallies in UP and West Bengal), is expected to deliver 15 seats to BJP, massive gains vs. the modest 2 seats it managed to win in 2014. Odisha, another state where BJP focussed in 2019, is expected to fetch 12-13 seats for BJP vs. just one seat in 2014. So, as per exit polls, losses in UP have been offset, to an extent by gains in West Bengal and Odisha.
- n Contrary to popular perception and intuitive analysis, BJP is expected to retain bulk of its 2014 harvest in the Hindi Heartland in Central, Northern and Western states like Gujarat, Rajasthan, MP, Bihar, Haryana, Chattisgarh, Delhi & Maharashtra. BJP had won almost 100% of the seats in 2014 in MP, Rajasthan, Delhi and Gujarat. Post the 2018 state elections, which were won by Congress, in Rajasthan, MP and Chattisgarh, Congress was expected to do well in these states and wrest seats away from BJP. However, if exit polls predictions are correct, then it seems BJP has managed to retain its dominant position in these states.
- n The alliance amongst traditional opponents (SP + BSP) seems to have helped them, while in Karnataka, the alliance between Congress & JD (S) is not expected to impact BJP's 2014 tally.
- n BJP remains a marginal player in Southern India, barring Karnataka, a state where it has been strong traditionally (had won 19/28 seats even in 2009 elections). It is not expected to open its account in Andhra Pradesh, Telangana and Kerala, as per average of exit polls. On the contrary, UPA and Congress are expected to have made decent gains in Southern India, especially Tamil Nadu and Kerala. UPA is expected to improve its tally in Kerala from 12 seats in 2014 to 14 in 2019. In Tamilnadu, UPA is expected to make massive gains and win 27 seats vs. 0 in 2014 (bulk of it to be accrued to DMK). Tamil Nadu and Kerala are the only two states where UPA is expected to win double digit seats in 2019.
- n BJP's timely alliances in Maharashtra and Bihar, struck closer to the elections, seems to have helped with its tally projected to be at 36/48 in Maharashtra and 32/40 in Bihar.

Can the result on 23rd be different from the Exit Polls?

Exit polls have gone wrong in the past, with 2004 being the most recent example when exit polls were predicting victory for NDA but eventual result was at variance with exit polls. Subsequently, in 2009 and 2014, exit polls got the direction of the polls right even as it under-estimated the margin of the winner.

For 2019, any change in the tally of BJP in UP, West Bengal and Orissa vs. exit poll predictions today can have impact on the actual tally on 23rd May, the counting day.

Markets to react positively today; recent overhang of potential hung verdict to fade

We expect the markets to react positively to the exit polls. We also expect favourable reaction in the Bond and currency markets. Prediction of continuance of stable government with majority/near majority augurs well from reforms and policy agenda perspective, in our view. It removes a key overhang from the market narrative – potential of a hung verdict, formation of a third front government with no major national party at the helm etc. The recent correction in markets, led by concerns pertaining to potential trade war between US-China as indeed the uncertainty around political outcome of general elections, does provide a room for the markets to bounce back, in our view. Also, the chatter around NDA being halted at 220-250 had gained currency in the last two weeks. To that extent, the exit poll prediction of ~300 seats for NDA, removes that overhang and provides a relief. We however, do not see a room for significant re-rating for markets given the underlying fair valuations (19x FY20 Nifty EPS) and continued earnings downgrades. Assuming, no material change in actual results vs. the exit poll predictions, we expect the market’s focus to revert to fundamentals post the election and government formation. Progress of monsoon, trends in rural consumption and events in debt market will be key near-term monitorables, in our view.

MOSL TOP IDEAS

Large-caps: ICICI Bank, SBI, Maruti, Ultratech, L&T, Titan, Bharti Airtel, Coal India, Infosys, HDFC LIFE.

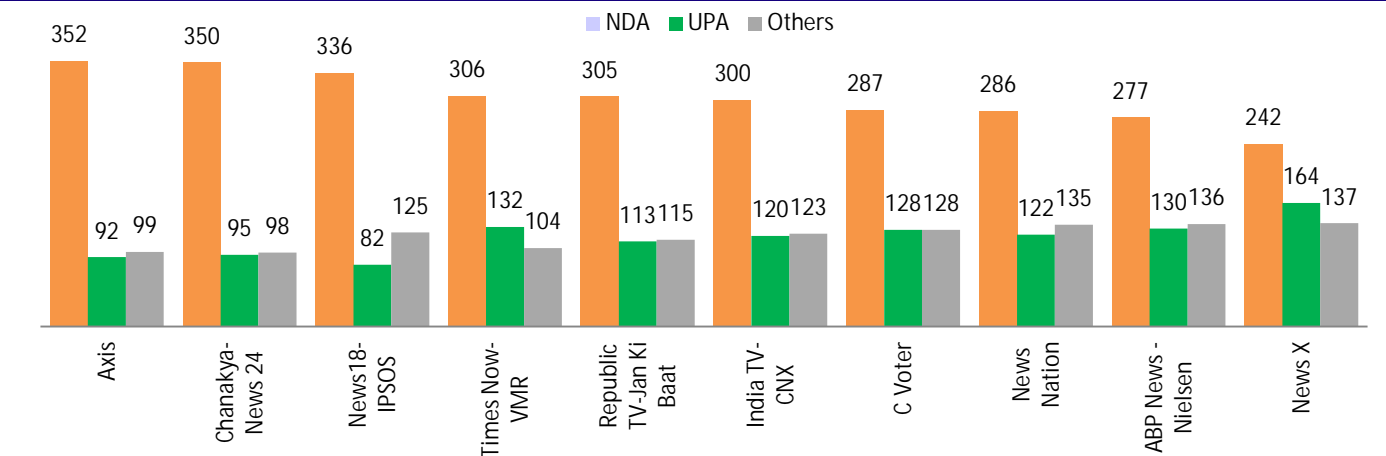
Mid-caps: Federal Bank, LIC Housing Finance, Indian Hotels, Siemens, ABFRL, Crompton Consumer, Ashoka Buildcon, JSPL, Godrej Agrovet.

Exhibit 1: Exit Polls show some improvement in NDA seat count over opinion polls

| Party/Front | Average of opinion polls | C Voter | India TV-CNX | Times Now-VMR | Average of exit polls | C Voter | India TV-CNX | Times Now-VMR |
|-------------|--------------------------|---------|--------------|---------------|-----------------------|---------|--------------|---------------|
| NDA | 273 | 264 | 276 | 279 | 300 | 287 | 300 | 306 |
| UPA | 139 | 141 | 126 | 149 | 124 | 128 | 120 | 132 |
| Others | 132 | 138 | 142 | 115 | 114 | 127 | 123 | 104 |
| Total | 543 | 543 | 543 | 543 | 543 | 543 | 543 | 543 |

Source: Media

Exhibit 2: All Exit Polls barring one(News X) has given majority to NDA



Source: Media

Exhibit 3: Exit Polls suggest strong performance for NDA in key states, with WB and Odisha likely to compensate for UP

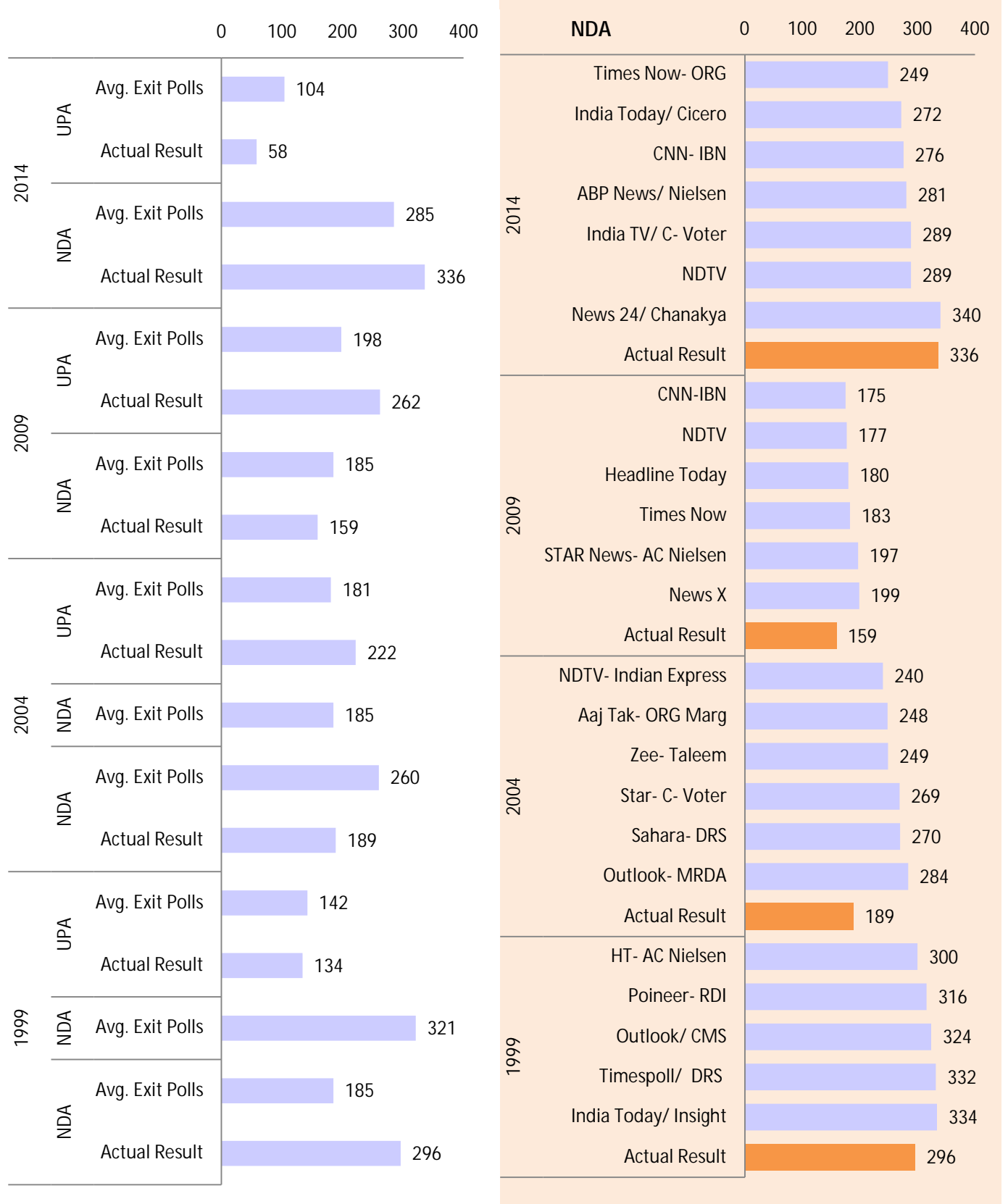
| State | Total Seats | 2014 Lok Sabha elections | | Poll of Exit Polls | |
|----------------|-------------|--------------------------|-----|--------------------|-----|
| | | NDA | UPA | NDA | UPA |
| Uttar Pradesh | 80 | 73 | 2 | 46 | 2 |
| Maharashtra | 48 | 42 | 6 | 38 | 10 |
| West Bengal | 42 | 2 | 4 | 15 | 2 |
| Bihar | 40 | 31 | 7 | 32 | 7 |
| Madhya Pradesh | 29 | 27 | 2 | 24 | 5 |
| Karnataka | 28 | 17 | 9 | 21 | 7 |
| Gujarat | 26 | 26 | 0 | 23 | 3 |
| Rajasthan | 25 | 25 | 0 | 22 | 3 |
| Odisha | 21 | 1 | 0 | 10 | 0 |
| Assam | 14 | 7 | 3 | 8 | 5 |
| Jharkhand | 14 | 12 | 2 | 8 | 5 |
| Punjab | 13 | 6 | 3 | 4 | 8 |
| Chhattisgarh | 11 | 10 | 1 | 7 | 4 |
| Haryana | 10 | 7 | 1 | 8 | 2 |
| Nct Of Delhi | 7 | 7 | 0 | 6 | 1 |

Source: Media

In the past opinion/exit polls disappointed; could this time be different?

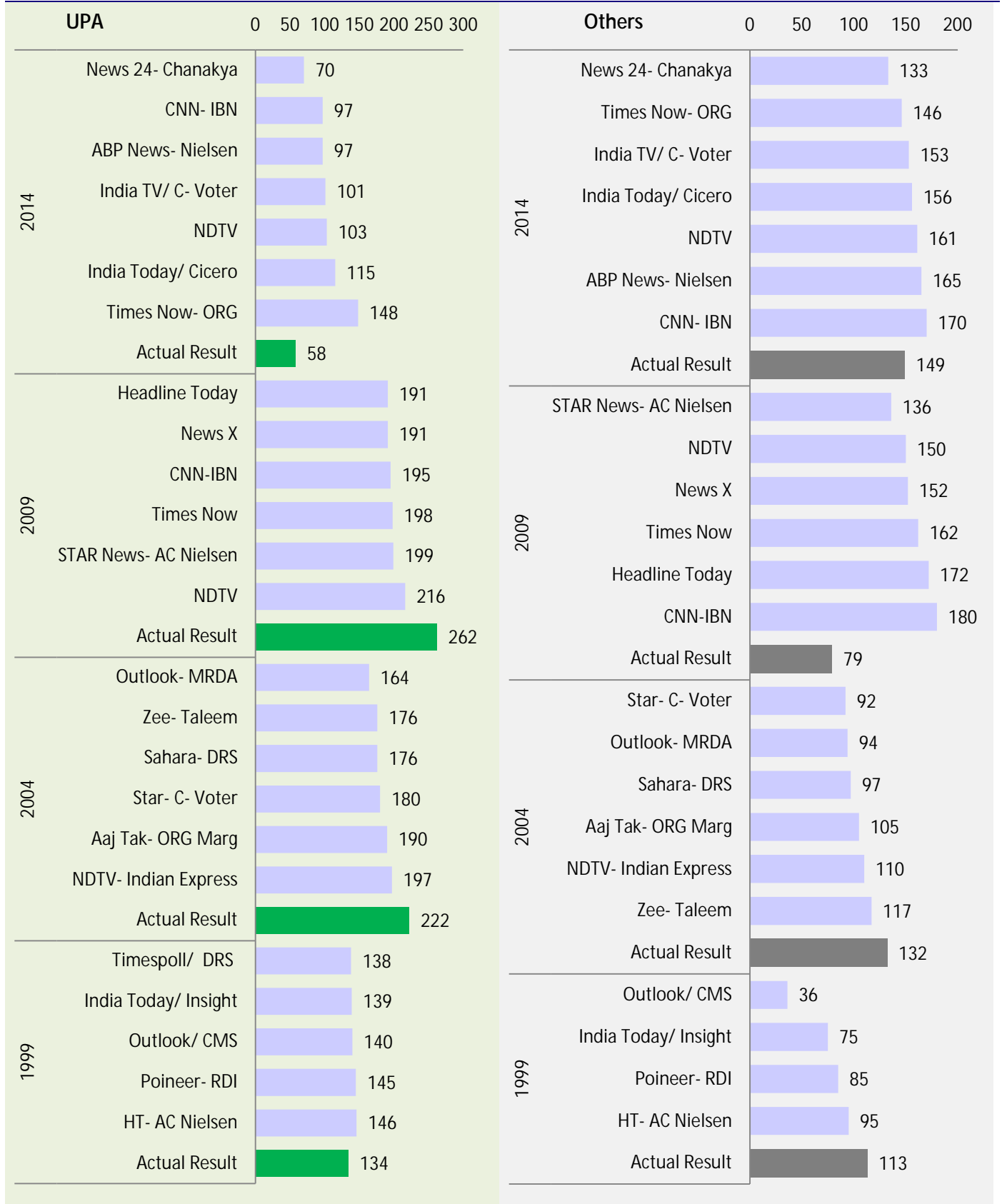
- n Past experience suggests that in the past exit polls have failed to predict the national mood accurately.
- n Thus during 1998 elections they accorded huge seats to Third front while in reality NDA and UPA performed better. During 1999, exactly the reverse mistake was committed. Thus opinion polls during that time were closer to extrapolating the past.
- n During the last two general elections the numbers of seats predicted for NDA were far higher than the UPA. Also the margin of error was embarrassingly large during these two occasions.

Exhibit 4: Exit and Opinion polls have failed to gauge the national mood accurately in the past



Source: Media

Exhibit 5: Exit and Opinion polls have failed to gauge the national mood accurately in the past



For 1999 only opinion poll has been taken, while for other years a combination of opinion and exit poll has been considered

Exit polls have fared better during recent Assembly elections

- n The exit polls however, have been a fairly accurate predictor during Assembly elections.
- n For most occasions during the last two years of state elections, exit polls have at least been directionally correct although they underestimated the magnitude of swing.
- n The clear victory of Congress in Chhattisgarh however was nearly unpredicted, so was the winner in MP elections but they were correct in predicting a close finish in state.

Exhibit 6: Rajasthan: Direction correct and quite accurate

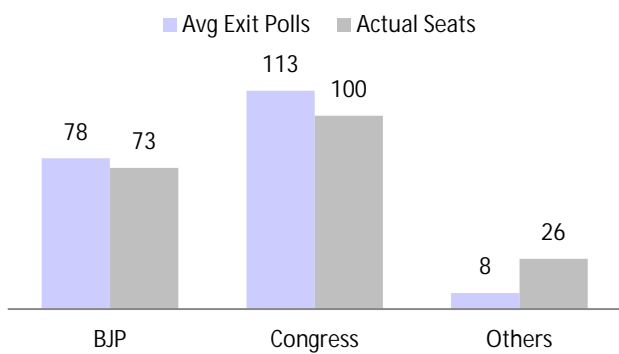


Exhibit 7: MP: Quite accurate on seat count but inaccurate on winner

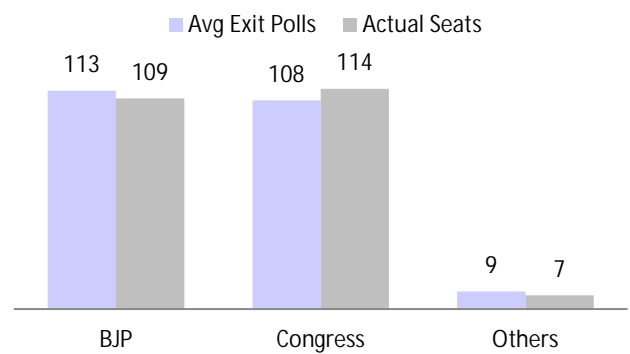


Exhibit 8: Chhattisgarh: Exit polls got it wrong

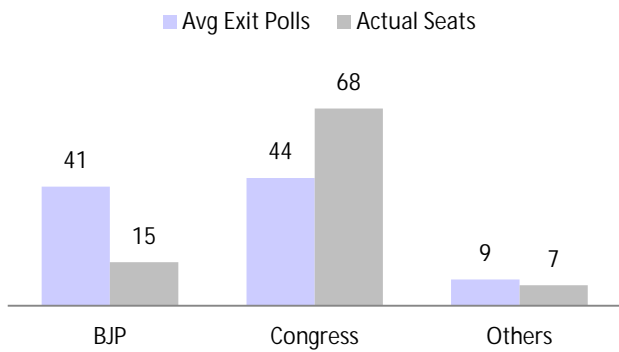
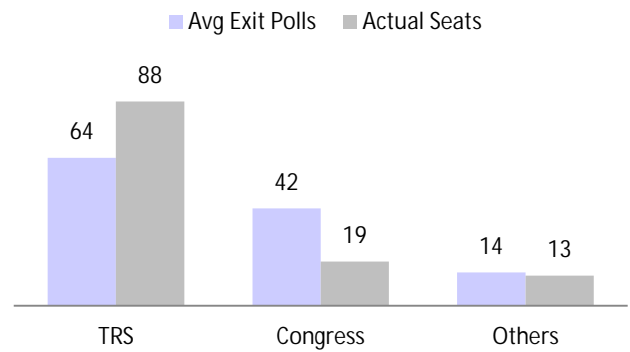


Exhibit 9: Telangana: Direction correct but underestimated the victory margin



Source: Media

BSE SENSEX 37,931 S&P CNX 11,407

CMP: INR150 TP: INR203 (+36%) Buy

Conference Call Details



Date: 20nd May 2019
Time: 03:00pm IST
Dial-in details:
1800-103-3881

Financials & Valuations (Cons.) (INR b)

| Y/E March | 2019 | 2020E | 2021E |
|-------------------|-------|-------|-------|
| Sales | 5,281 | 6,577 | 7,182 |
| EBITDA | 352 | 354 | 363 |
| Adj. PAT | 173 | 165 | 177 |
| Adj. EPS(INR) | 18.8 | 18.0 | 19.3 |
| EPS Gr. (%) | -24 | -5 | 7 |
| BV/Sh.(INR) | 123 | 131 | 140 |
| RoE (%) | 15 | 14 | 14 |
| RoCE (%) | 10 | 9 | 9 |
| Payout (%) | 57.5 | 53.3 | 52.7 |
| Valuations | | | |
| P/E (x) | 8.0 | 8.3 | 7.8 |
| P/BV (x) | 1.2 | 1.1 | 1.1 |
| EV/EBITDA(x) | 6.5 | 6.4 | 6.3 |
| Div. Yield (%) | 6.2 | 5.5 | 5.8 |

EBITDA/PAT above est. on better marketing performance

4QFY19 EBITDA (adj. for inventory and one-offs) stood at INR74b (-10% YoY, -40% QoQ), due to lower reported GRM and refining throughput. EBITDA came in ~45% above our estimate, primarily due to better marketing performance. PAT for the quarter came in 63% above our estimate at INR61b (+17% YoY), owing to higher other income and lower tax rate. Interest cost was higher at INR12.4b (-5% YoY, +47% QoQ).

- Forex gain was at INR8.4b (v/s loss of INR6.8b in 4QFY18 and gain of INR21b in 3QFY19). Total inventory gain stood at INR26b in 4QFY19 against our estimate of INR25b.
- Refining throughput stood at 17.4mmt (v/s 17.2mmt in 4QFY18 and 19.0mmt in 3QFY19).
- Core GRM was below our estimate of USD3.5/bbl at USD1.4/bbl (v/s USD6.1/bbl in 4QFY18 and USD9.2/bbl in 3QFY19). Reported GRM was at USD4.1/bbl (v/s USD9.1/bbl in 4QFY18 and USD1.2/bbl in 3QFY19).
- Marketing margins (incl. of inventory) stood at INR6.7/lit v/s our estimate of INR3.7/lit (v/s INR5.1/lit in 4QFY18 and INR3.5/lit in 3QFY19). Domestic sales were in line with our estimate at 20.5mmt (+4% YoY, +1% QoQ).
- Petchem EBITDA/mt stood at USD218/mt (v/s USD369/mt in 4QFY18 and USD218/mt in 3QFY19).

For FY19, adj. EBITDA stood at INR224b v/s INR316b in FY18 (-29% YoY); PAT came in at INR169b v/s INR213b in FY18 (-21% YoY). Total refining throughput in FY19 was at 71.8mmt v/s 69.0mmt in FY18 (+4% YoY). FY19 core GRM stood at USD4.4/bbl v/s USD6.4/bbl a year ago.

Standalone - Quarterly Earning Model

(INR M)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E | FY19 | Var. vs est. |
|--------------------------------------|----------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|--------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | | |
| Net Sales | 1054,342 | 905,667 | 1106,669 | 1173,685 | 1294,750 | 1320,348 | 1399,689 | 1262,141 | 4240,364 | 5276,927 | 1275,301 | -1% |
| YoY Change (%) | 23.1 | 13.1 | 18.9 | 17.0 | 22.8 | 45.8 | 26.5 | 7.5 | 18.1 | 24.4 | 8.7 | |
| EBITDA | 51,915 | 76,362 | 1,32,687 | 1,16,973 | 1,43,808 | 93,815 | 15,260 | 1,00,386 | 3,77,938 | 3,53,269 | 76,057 | 32% |
| Margins (%) | 4.9 | 8.4 | 12.0 | 10.0 | 11.1 | 7.1 | 1.1 | 8.0 | 8.9 | 6.7 | 6.0 | |
| EBITDA adj. | 92,335 | 71,802 | 69,657 | 82,553 | 65,148 | 50,850 | 1,22,700 | 73,966 | 3,16,348 | 2,24,013 | 50,878 | 45% |
| Depreciation | 17,213 | 16,970 | 17,151 | 19,336 | 17,879 | 18,091 | 18,606 | 20,567 | 70,670 | 75,143 | 19,304 | 7% |
| Forex loss | -6,120 | 2,630 | -6,310 | 6,760 | 18,050 | 26,196 | -20,841 | -8,373 | -3,040 | 15,032 | | |
| Interest | 7,180 | 7,726 | 6,549 | 13,029 | 10,311 | 11,878 | 8,479 | 12,442 | 34,484 | 43,110 | 8,560 | 45% |
| Other Income | 6,156 | 5,878 | 7,224 | 2,481 | 5,853 | 10,407 | 4,431 | 10,595 | 21,739 | 31,285 | 4,640 | 128% |
| PBT | 67,878 | 54,914 | 1,22,522 | 80,329 | 1,03,422 | 48,057 | 13,446 | 86,344 | 3,25,643 | 2,51,269 | 52,833 | 63% |
| Tax | 22,393 | 17,951 | 43,690 | 28,148 | 35,110 | 15,588 | 6,278 | 25,351 | 1,12,182 | 82,328 | 18,671 | 36% |
| Rate (%) | 33.0 | 32.7 | 35.7 | 35.0 | 33.9 | 32.4 | 46.7 | 29.4 | 34.4 | 32.8 | 35.3 | |
| Reported PAT | 45,485 | 36,963 | 78,832 | 52,181 | 68,311 | 32,469 | 7,168 | 60,993 | 2,13,461 | 1,68,942 | 34,162 | 79% |
| Adj PAT | 26,767 | 36,963 | 78,832 | 52,181 | 68,311 | 32,469 | 7,168 | 60,993 | 1,95,054 | 1,68,942 | 37,348 | 63% |
| YoY Change (%) | -67.6 | 18.4 | 97.3 | 40.2 | 155.2 | -12.2 | -90.9 | 16.9 | 8.4 | -13.4 | -28.4 | |
| Margins (%) | 2.5 | 4.1 | 7.1 | 4.4 | 5.3 | 2.5 | 0.5 | 4.8 | 4.6 | 3.2 | 2.9 | |
| Key Assumptions | | | | | | | | | | | | |
| Refining throughput(mmt) | 17.5 | 16.1 | 18.2 | 17.2 | 17.7 | 17.8 | 19.0 | 17.4 | 69.0 | 71.8 | 18.3 | -5% |
| Core GRM (USD/bbl) | 6.6 | 6.9 | 6.1 | 6.1 | 3.4 | 3.5 | 9.2 | 1.4 | 6.4 | 4.4 | 3.5 | -59% |
| Marketing GM incld. Inv. (INR/litre) | 4.5 | 4.1 | 4.0 | 5.1 | 5.2 | 5.7 | 3.5 | 6.7 | 4.4 | 5.3 | 3.7 | 78% |



Bajaj Auto

| | |
|-----------------------|--------------|
| BSE SENSEX | S&P CNX |
| 37,931 | 11,407 |
| Bloomberg | BJAUT IN |
| Equity Shares (m) | 289 |
| M.Cap.(INRb)/(USDb) | 880.2 / 12.5 |
| 52-Week Range (INR) | 3214 / 2425 |
| 1, 6, 12 Rel. Per (%) | 3/6/0 |
| 12M Avg Val (INR M) | 1677 |
| Free float (%) | 48.8 |

Financials & Valuations (INR b)

| Y/E Mar | 2019 | 2020E | 2021E |
|-------------|------|-------|-------|
| Net Sales | 302 | 327 | 361 |
| EBITDA | 49.8 | 54.6 | 59.3 |
| PAT | 47.9 | 50.4 | 55.0 |
| EPS (INR) | 165 | 174 | 190 |
| Gr. (%) | 9.3 | 5.4 | 9.0 |
| BV/Sh (INR) | 753 | 836 | 929 |
| RoE (%) | 23.4 | 21.9 | 21.5 |
| RoCE (%) | 21.1 | 19.7 | 19.3 |
| P/E (x) | 18.4 | 17.5 | 16.0 |
| P/BV (x) | 4.0 | 3.6 | 3.3 |

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↔ |
| Rating change | ↔ |

CMP: INR3,042

TP: INR3,050

Neutral

In-line operating performance; FY20 domestic 2W industry outlook cautious

- EBITDA margins flat QoQ despite better mix, favorable commodity prices:**
 Revenues grew 9% YoY to INR74b (our est. INR71.4b), with volume growth of 14% YoY. Realization improved 5.3% QoQ (down 4.6% YoY) to INR62k/unit (our est. INR59.8k/unit) due to favorable mix. EBITDA declined 12.6% YoY to INR11.6b (in-line), implying an EBITDA margin of 15.7% v/s our est. of 16% (-390bp YoY, +10bp QoQ). Higher other income boosted adj. PAT to ~INR10.7b v/s our est. of ~INR10b. FY19 volumes/revenue/EBITDA/PAT grew 25%/20%/3%/10% - largely reflecting for trade-off of margins for market share.
- Management commentary:** (a) Despite regional festivals in few states, motorcycle industry retail declined ~10% in Apr'19. (b) Demand environment in domestic market is fluid, especially considering multiple factors are at play. (c) Domestic 3W volumes to grow marginally, while exports will be muted due to issues in Egypt. (d) Company has planned for frequent product actions in existing domestic motorcycle brands in Entry segment (~100cc) and Middle segment (~125cc). (e) Expect EBITDA margins to be stable at 2HFY19 levels.
- Valuation view:** BJAUT's strategic shift of prioritizing market share over margins is reflecting in substantial market share gain in domestic motorcycles (~300bp in FY19), albeit at the expense of margins (~270bp decline in FY19). With down step in margins, clarity on build-up of cash war chest and increase in the promoters' stake behind us, we see limited re-rating triggers for the stock. Valuations at ~17.5x/16x FY20/21 consol. EPS is a fair reflection of the tepid earnings growth expectation (~7% CAGR over FY19-21E), especially considering the likely turbulence due to BS6 transition. Maintain **Neutral**.

Quarterly Performance

| | FY18 | | | | FY19 | | | | (INR Million) | | | |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | FY18 | FY19E | FY19 4QE | Var. (%) |
| Volumes ('000 units) | 888 | 1,072 | 1,001 | 1,045 | 1,227 | 1,339 | 1,260 | 1,194 | 4,007 | 5,020 | 1,194 | 0.0 |
| Growth YoY (%) | -10.7 | 3.8 | 17.6 | 32.7 | 38.1 | 25.0 | 25.8 | 14.2 | 9.3 | 25.3 | 14.2 | |
| Realization (INR/unit) | 61,258 | 61,408 | 63,783 | 64,938 | 60,485 | 59,815 | 58,812 | 61,958 | 62,806 | 60,265 | 59,854 | 3.5 |
| Growth YoY (%) | 6.0 | 4.7 | 7.2 | 4.4 | -1.3 | -2.6 | -7.8 | -4.6 | 5.7 | (4.0) | (7.4) | |
| Net Sales | 54,424 | 65,799 | 63,876 | 67,884 | 74,193 | 80,118 | 74,094 | 73,952 | 251,649 | 302,500 | 71,441 | 3.5 |
| Change (%) | -5.3 | 8.7 | 26.1 | 38.6 | 36.3 | 21.8 | 16.0 | 8.9 | 15.5 | 20.2 | 5.8 | |
| RM/Sales % | 70.0 | 69.1 | 68.2 | 69.2 | 71.4 | 72.2 | 72.8 | 72.3 | 69.4 | 72.1 | 72.2 | |
| Staff cost/Sales % | 5.0 | 4.0 | 4.2 | 3.9 | 4.2 | 3.9 | 4.3 | 4.2 | 4.2 | 4.2 | 4.5 | |
| Oth. Exp./Sales % | 7.8 | 7.2 | 8.2 | 7.4 | 7.1 | 6.9 | 7.4 | 7.9 | 7.7 | 7.3 | 7.6 | |
| EBITDA | 9,384 | 12,984 | 12,498 | 13,304 | 12,814 | 13,680 | 11,561 | 11,623 | 47,290 | 49,820 | 11,400 | 2.0 |
| EBITDA Margins (%) | 17.2 | 19.7 | 19.6 | 19.6 | 17.3 | 17.1 | 15.6 | 15.7 | 18.8 | 16.5 | 16.0 | -20bp |
| Other Income | 4,573 | 2,964 | 2,086 | 3,515 | 4,044 | 3,565 | 4,700 | 4,327 | 12,933 | 16,493 | 3,610 | 19.9 |
| Extraordinary Inc | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,420 | 0 | 3,420 | 0 | |
| Depreciation | 753 | 770 | 747 | 879 | 700 | 715 | 634 | 608 | 3,148 | 2,657 | 655 | |
| PBT | 12,881 | 15,174 | 13,833 | 15,937 | 16,156 | 16,527 | 15,591 | 18,759 | 56,742 | 67,032 | 14,345 | 30.8 |
| Effective Tax Rate (%) | 28.3 | 26.7 | 31.1 | 32.2 | 31.0 | 30.3 | 29.3 | 30.4 | 30.2 | 30.3 | 30.4 | |
| Adj. PAT | 9,464 | 11,119 | 9,524 | 10,799 | 11,152 | 11,525 | 11,019 | 10,671 | 40,365 | 44,366 | 9,980 | 6.9 |
| Change (%) | (3.3) | (1.0) | 3.0 | 34.7 | 17.8 | 3.7 | 15.7 | (1.2) | 5.0 | 9.9 | -6.0 | |

Shree Cement

BSE SENSEX 27836.51
S&P CNX 8615.25

CMP: INR19,332 TP: INR 22,232(+15%) BUY

Conference Call Details



Date: 20th May 2019
Time: 12:00pm IST
Dial-in details:
+91-7045671221

Financials & Valuations (INR b)

| Y/E March | 2019 | 2020E | 2021E |
|------------------|-------|-------|-------|
| Sales | 117.2 | 137.6 | 157.3 |
| EBITDA | 27.9 | 35.4 | 43.0 |
| NP | 12.6 | 16.0 | 20.9 |
| Adj EPS (INR) | 362.2 | 459.7 | 600.3 |
| EPS Gr. (%) | -6.1 | 23.7 | 30.6 |
| BV/Sh. (INR) | 2,758 | 3,172 | 3,708 |
| RoE (%) | 13.6 | 15.5 | 17.4 |
| RoCE (%) | 11.7 | 12.8 | 14.5 |
| Valuation | | | |
| P/E (x) | 52.0 | 42.1 | 32.2 |
| P/BV (x) | 7.0 | 6.1 | 5.2 |
| EV/EBITDA (x) | 22.8 | 17.6 | 13.9 |
| EV/Ton (USD) | 230 | 197 | 180 |

Lower-than-estimated realizations lead to margin miss

- 4QFY19 revenues grew 17% YoY to INR32.8b (our est. INR33.1b). Cement revenue increased 15% YoY to INR30.8b, while power revenues grew 52% YoY to INR2.0b.
- EBITDA was up 35% YoY at INR8.5b (our est. INR8.6b). Power EBITDA stood at INR430m, resulting in cement EBITDA/t of INR1,103 (our est. INR 1,168/t), up 15% YoY.
- 4QFY19 volumes increased ~13.3% YoY to 7.3mt (our est. 7.04mt). Power units increased 11% YoY to 382m units.
- Cement realizations increased 1.6% YoY to INR4,225/t (our est. INR 4,401/t).
- Tax rate stood at 20.3% in 4QFY19 v/s 13% in 4QFY18. Reported PAT declined 20% YoY to INR3.2b (our est. INR3.5b).

Key questions for the management

- Ø Sustainability of recent price hikes
- Ø Update on expansion plans

Valuation and view: The stock trades at 17.6x/13.9x FY20/21E EV/EBITDA. Maintain **Buy** with a target price of INR22,232.

Quarterly Performance

| Y/E March | FY18 | | | | FY19 | | | | (INR m) | |
|--------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | FY19 4QE | Var. (%) |
| Sales Dispat. (m ton) | 5.89 | 4.88 | 5.33 | 6.44 | 6.99 | 5.64 | 5.93 | 7.30 | 7.04 | 4 |
| YoY Change (%) | 14.8 | 6.8 | 8.5 | 8.7 | 18.7 | 15.6 | 11.4 | 13.3 | 9.3 | |
| Realization (INR/Ton) | 4,215 | 4,181 | 4,132 | 4,157 | 4,107 | 4,268 | 4,315 | 4,225 | 4,401 | -4 |
| YoY Change (%) | 8.5 | 2.9 | 10.4 | 7.4 | -2.6 | 2.1 | 4.4 | 1.6 | 5.9 | |
| QoQ Change (%) | 8.9 | -0.8 | -1.2 | 0.6 | -1.2 | 3.9 | 1.1 | -2.1 | 2.0 | |
| Net Sales | 25,769 | 21,424 | 23,027 | 28,111 | 30,699 | 25,866 | 27,806 | 32,849 | 33,158 | -1 |
| YoY Change (%) | 17.2 | 4.4 | 23.5 | 15.3 | 19.1 | 20.7 | 20.8 | 16.9 | 18.0 | |
| EBITDA | 7,133 | 5,605 | 5,293 | 6,294 | 6,452 | 6,037 | 6,901 | 8,478 | 8,628 | -2 |
| Margins (%) | 27.7 | 26.2 | 23.0 | 22.4 | 21.0 | 23.3 | 24.8 | 25.8 | 26.0 | |
| Depreciation | 2,312 | 2,253 | 2,100 | 2,330 | 3,055 | 3,295 | 3,361 | 4,206 | 3,381 | |
| Interest | 329 | 380 | 207 | 437 | 562 | 618 | 593 | 697 | 597 | |
| Other Income | 974 | 995 | 873 | 1,049 | 936 | 514 | 553 | 451 | 547 | |
| PBT before EO Exp | 5,466 | 3,968 | 3,858 | 4,576 | 3,771 | 2,638 | 3,500 | 4,026 | 5,197 | -23 |
| Extra-Ord Expense | 0 | 3 | -403 | 0 | 676 | 2,618 | -200 | 0 | 0 | |
| PBT | 5,466 | 3,965 | 4,262 | 4,576 | 3,095 | 20 | 3,700 | 4,026 | 5,197 | -23 |
| Tax | 1,065 | 1,850 | 928 | 584 | 301 | -473 | 687 | 817 | 1,648 | |
| Rate (%) | 19.5 | 46.7 | 21.8 | 12.8 | 9.7 | -2,343.6 | 18.6 | 20.3 | 31.7 | |
| Reported PAT | 4,401 | 2,115 | 3,333 | 3,992 | 2,795 | 494 | 3,013 | 3,210 | 3,549 | -10 |
| Adj PAT | 4,401 | 2,118 | 2,930 | 3,992 | 3,471 | 3,112 | 2,813 | 3,210 | 3,549 | -10 |
| YoY Change (%) | -13.3 | -27.4 | 24.5 | 31.1 | -21.1 | 46.9 | -4.0 | -19.6 | -11.1 | |

E:MOFSL Estimates



Dr Reddy's Labs

| | |
|-----------------------|-------------|
| BSE SENSEX | S&P CNX |
| 37,931 | 11,407 |
| Bloomberg | DRRD IN |
| Equity Shares (m) | 166 |
| M.Cap. (INRb)/(USDb) | 456.2 / 6.5 |
| 52-Week Range (INR) | 2965 / 1888 |
| 1, 6, 12 Rel. Per (%) | 1/4/31 |
| 12M Avg Val (INR M) | 2498 |
| Free float (%) | 73.2 |

CMP: INR2,748 TP: INR2,700 (-2%) Neutral

Financials & Valuations (INR b)

| Y/E Mar | 2019 | 2020E | 2021E |
|----------------|-------|-------|-------|
| Sales | 153.9 | 174.3 | 191.6 |
| EBITDA | 31.3 | 35.7 | 41.0 |
| Net Profit | 17.5 | 21.8 | 22.4 |
| Adj. EPS (INR) | 105.2 | 131.6 | 134.8 |
| EPS Gr. (%) | 62.6 | 25.1 | 2.5 |
| BV/Sh. (INR) | 845 | 960 | 1,071 |
| RoE (%) | 13.1 | 14.6 | 13.3 |
| RoCE (%) | 9.8 | 10.4 | 11.3 |
| P/E (x) | 26.1 | 20.9 | 20.4 |
| P/BV (x) | 3.3 | 2.9 | 2.6 |

Estimate change

TP change

Rating change



Price erosion/higher cost hurt earnings; Execution remains the key

EM/Europe drive revenue growth: Revenues at INR40.2b were up ~14% YoY (our est. INR38.7b), led by sharp increase in proprietary product revenues (INR3b), robust 27% YoY growth at INR7b in emerging markets (EM) and 12% YoY growth at INR1.9b in the Europe business. Proprietary product revenues include one-time sale of derma brands (INR1.8b); adjusting for the same, revenue is up 8.5% YoY to INR38.4b. The overall growth was dragged to some extent by 3% YoY growth in US sales (INR15b) and moderate 6%/8% YoY growth in domestic/PSAI sales to INR6.5b/INR6.8b

Inferior product mix and manufacturing overheads impact profitability:

Adjusting for the one-time sale of its derma brands, gross margin (GM) declined ~330bp YoY (-90bp QoQ) to 50.2%, primarily due to competition in key products, higher manufacturing overheads, impact of inventory management and adverse currency movement. Although GM contracted, EBITDA margin expanded ~110bp YoY to 16.7%, mainly due to lower R&D expenses. EBITDA grew ~16% YoY to INR6.4b (our est. INR7.7b), while Adj. PAT is at INR3b (our est. INR4.1b). For FY19, sales/EBITDA/Adj. PAT stood at INR152b/INR30b/INR17.5b, an increase of +7%/+29%/+63% YoY.

Key call takeaways: (1) Launch of g-Copaxone unlikely in FY20. (2) There are no specific queries related to g—Nuvaring. (3) DRRD is preparing to launch DFN02 (Tosymra) in 2QFY20. (4) R&D cost to range between ~USD250-350m in FY20. (5) Capex requirement to be lower in FY20 (FY19 INR7b).

Valuation view: We tweak our FY20/21 EPS estimate by (+2%)/(-5%) to factor in the one-time settlement income in FY20, delay in niche launches and increased costs. We continue to value DRRD at 20x 12M forward earnings and arrive at price target of INR2,700 (prior: INR2,775). While, DRRD is progressing towards resolving regulatory issues, potential launches are yet to kick in. Also, valuation provides limited upside at current levels. Maintain **Neutral**.

Quarterly Performance - IFRS

| Y/E March | (INR Million) | | | | | | | | | | | |
|-----------------------------------|---------------|--------|--------|--------|--------|--------|--------|--------|---------|---------|-----------|-------|
| | FY18 | | | | FY19E | | | | FY18 | FY19 | Estimates | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | 4QE | % Var |
| Sales | 33,159 | 35,460 | 38,060 | 35,349 | 37,207 | 37,978 | 38,500 | 38,366 | 142,028 | 153,851 | 38,986 | -1.6 |
| YoY Change (%) | 2.5 | -1.1 | 2.7 | -0.5 | 12.2 | 7.1 | 1.2 | 8.5 | 0.9 | 8.3 | | |
| Total Expenditure | 30,101 | 28,826 | 30,393 | 29,839 | 29,632 | 30,575 | 30,344 | 31,968 | 119,137 | 122,518 | | |
| EBITDA | 3,058 | 6,634 | 7,667 | 5,510 | 7,575 | 7,403 | 8,156 | 6,398 | 22,891 | 31,333 | 7,706 | -17.0 |
| Margins (%) | 9.2 | 18.7 | 20.1 | 15.6 | 20.4 | 19.5 | 21.2 | 16.7 | 16.1 | 20.4 | 19.8 | |
| Amortization | 2,799 | 2,940 | 2,971 | 3,030 | 3,110 | 2,998 | 3,108 | 3,183 | 11,762 | 12,400 | | |
| Other Income | 513 | 182 | 1,249 | 1,268 | 542 | 1,375 | 757 | 2,636 | 3,212 | 3,510 | | |
| Profit before Tax | 772 | 3,876 | 5,945 | 3,748 | 5,007 | 5,780 | 5,805 | 5,851 | 14,340 | 22,442 | 5,108 | 14.5 |
| Tax | 181 | 1,027 | 2,601 | 726 | 446 | 742 | 953 | 1,507 | 4,535 | 3,648 | | |
| Rate (%) | 23.4 | 26.5 | 43.8 | 19.4 | 8.9 | 12.8 | 16.4 | 25.8 | 31.6 | 16.3 | | |
| Reported PAT | 591 | 2,849 | 3,344 | 3,022 | 4,561 | 5,038 | 4,852 | 4,344 | 9,805 | 18,794 | 4,102 | |
| Minority Interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Net Profit | 591 | 2,849 | 3,344 | 3,022 | 4,561 | 5,038 | 4,852 | 4,344 | 9,805 | 18,794 | 4,102 | 5.9 |
| One-off/low-competition PAT in US | 0 | 0 | -930 | 0 | 0 | 0 | 0 | 0 | -930 | 0 | | |
| Adjusted PAT | 591 | 2,849 | 4,274 | 3,022 | 4,561 | 5,038 | 4,852 | 3,008 | 10,735 | 17,459 | 4,102 | -26.7 |
| YoY Change (%) | -53.2 | -12.2 | -9.1 | -3.3 | 671.7 | 76.8 | 13.5 | -0.5 | -13.0 | 62.6 | | |
| Margins (%) | 1.8 | 8.0 | 11.2 | 8.5 | 12.3 | 13.3 | 12.6 | 7.8 | 7.6 | 11.3 | | |

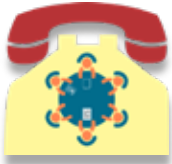
PI Industries

BSE SENSEX 37,931
S&P CNX 11,407

CMP: INR1053

Under Review

Conference Call Details



Date: 20th May 2019

Time: 4:00 pm IST

Dial-in details:

022 6280 1141

Financials & Valuations (INR b)

| Y/E Mar | 2019 | 2020E | 2021E |
|---------------|-------|-------|-------|
| Sales | 28.4 | 33.0 | 38.6 |
| EBITDA | 5.8 | 6.8 | 8.2 |
| NP | 4.1 | 5.0 | 6.0 |
| Adj EPS (INR) | 29.7 | 36.4 | 43.7 |
| EPS Gr. (%) | 11.6 | 22.3 | 20.2 |
| BV/Sh (INR) | 161.4 | 189.9 | 225.7 |
| RoE (%) | 19.8 | 20.7 | 21.1 |
| RoCE (%) | 19.6 | 20.7 | 21.1 |

Valuations

| | | | |
|---------------|------|------|------|
| P/E (x) | 35.4 | 28.9 | 24.1 |
| P/BV (x) | 6.5 | 5.5 | 4.7 |
| EV/EBITDA (x) | 24.8 | 21.1 | 17.4 |

Beat on revenue; EBITDA/PAT in line

- Revenue increased 29% YoY to INR8b (our estimate: INR7.5b) in 4QFY19, driven by the CSM business.
- CSM business grew 39% YoY to INR6.1b on account of commercialization of new products and ramp-up in demand for existing products. Domestic agri business grew by just 4% to INR1.9b due to subdued uptake post a muted winter season.
- EBITDA increased 28% YoY to INR1.7b (in-line), with the margin contracting 20bp YoY to 21.4% (our estimate: 22.8%), primarily on account of higher RM cost (+260bp to 54.3% of sales) and other expenses (+50bp to 16.4%), partly offset by lower employee cost (-290bp to 8%).
- Adj. PAT increased 18% YoY to INR1.24b (in-line), as the increase in depreciation (INR244m v/s INR212m in 4QFY18) and tax rate (26.1% v/s 19.3% in 4QFY18) was offset by higher other income (+16% YoY to INR222m).
- For FY19, revenue/EBITDA/adj. PAT grew 25%/17%/11% YoY to INR28.4b/INR5.7b/INR4.1b.
- The board has recommended a dividend of INR1.5/share.

Valuation and view: Based on our current estimates, at CMP of INR1,053, the stock trades at 28.9x/24.1x P/E on FY20E/21E EPS.

Standalone - Quarterly Perf.

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19 | FY19 | (INR M) | Var (%) |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|-------|---------|---------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | | |
| Net Sales | 5,532 | 5,611 | 5,377 | 6,251 | 6,056 | 7,230 | 7,075 | 8,048 | 22,771 | 28,409 | 7,458 | | 8 |
| YoY Change (%) | -13.4 | 3.1 | 10.2 | 3.2 | 9.5 | 28.9 | 31.6 | 28.7 | 0.0 | 24.8 | 19.3 | | |
| Total Expenditure | 4,227 | 4,389 | 4,330 | 4,904 | 4,875 | 5,884 | 5,589 | 6,329 | 17,851 | 22,677 | 5,758 | | |
| EBITDA | 1,304 | 1,222 | 1,047 | 1,347 | 1,181 | 1,346 | 1,486 | 1,719 | 4,920 | 5,732 | 1,701 | | 1 |
| Margins (%) | 23.6 | 21.8 | 19.5 | 21.5 | 19.5 | 18.6 | 21.0 | 21.4 | 21.6 | 20.2 | 22.8 | | |
| Depreciation | 197 | 205 | 211 | 212 | 220 | 228 | 234 | 244 | 825 | 926 | 240 | | |
| Interest | 14 | 13 | 14 | 18 | 17 | 14 | 15 | 13 | 59 | 59 | 18 | | |
| Other Income | 126 | 123 | 161 | 191 | 102 | 124 | 152 | 222 | 600 | 600 | 150 | | |
| PBT before EO expense | 1,219 | 1,126 | 983 | 1,307 | 1,046 | 1,228 | 1,389 | 1,684 | 4,635 | 5,347 | 1,593 | | 6 |
| PBT | 1,219 | 1,126 | 983 | 1,307 | 1,046 | 1,228 | 1,389 | 1,684 | 4,635 | 5,347 | 1,593 | | 6 |
| Tax | 218 | 324 | 177 | 253 | 229 | 284 | 316 | 440 | 972 | 1,269 | 350 | | |
| Rate (%) | 17.9 | 28.8 | 18.0 | 19.3 | 21.9 | 23.1 | 22.8 | 26.1 | 21.0 | 23.7 | 22.0 | | |
| Reported PAT | 1,001 | 802 | 806 | 1,054 | 817 | 944 | 1,073 | 1,244 | 3,664 | 4,078 | 1,242 | | 0 |
| Adj PAT | 1,001 | 802 | 806 | 1,054 | 817 | 944 | 1,073 | 1,244 | 3,664 | 4,078 | 1,242 | | 0 |
| YoY Change (%) | -21.1 | -20.9 | -14.1 | -22.0 | -18.4 | 17.7 | 33.1 | 18.0 | -20.3 | 11.3 | 17.8 | | |
| Margins (%) | 18.1 | 14.3 | 15.0 | 16.9 | 13.5 | 13.1 | 15.2 | 15.5 | 16.1 | 14.4 | 16.7 | | |



Jubilant Life Sciences

| | |
|-----------------------|-------------|
| BSE SENSEX | S&P CNX |
| 37,931 | 11,407 |
| Bloomberg | JUBILANT IN |
| Equity Shares (m) | 155 |
| M.Cap.(INRb)/(USD\$b) | 94.9 / 1.4 |
| 52-Week Range (INR) | 898 / 590 |
| 1, 6, 12 Rel. Per (%) | -10/-28/-34 |
| 12M Avg Val (INR M) | 337 |
| Free float (%) | 49.3 |

CMP: INR596 TP: INR800 (+34%) Buy

One-off impacts earnings; Margins to be range-bound in Pharma

- Pharma Segment drives revenue:** Sales at INR23.8b (in-line) was up 6% YoY. Pharmaceutical sales were up 13% YoY at INR13.9b, while Life Science Ingredients (LSI) declined 6% YoY to INR9.1b, dragging overall growth.
- Change in product mix drags margins:** Gross Margin (GM) stood at 59%, declining 120bp YoY/390bp QoQ, due to inferior product mix. A one-time charge of INR1b was recognized towards IPO expenses, penalties for non-supplies, litigation expenses and impact of higher cost inventory consumption in LSI. Adjusting for the same, EBITDA margin contracted ~100bp YoY to 19.3% (our est: 21.1%) due to higher raw material and employee cost as % of sales (21% vs 20% in 4QFY18).
- IFC loan repaid fully:** During the quarter, JUBILANT paid USD135m as one-time full stock settlement charge to IFC, and recognized INR2.4b as exceptional item. Adjusting for these, PAT stood at INR2.2b (our est. INR2.6b) and was stable YoY. For FY19, sales/EBITDA/PAT stood at INR91b/INR18.4b/INR8.9b and was up 21%/21%/26% YoY.
- Valuation view:** We reduce our EPS estimate by 5%/7% for FY20/21 to factor in remediation cost associated with compliance in the pharma segment, further penalties associated with non-supplies to customers, and reduced prices in LSI products. We also reduce EV/EBITDA multiple for pharma to 9x (prior: 10x) and for LSI to 5x (prior: 6x) to factor in (a) regulatory risk in the pharma segment, (b) gradual pick-up in radio-pharma, and (c) subdued outlook for the Life Science Chemical Segment. Accordingly, we roll our price target to INR800 on SOTP-based valuation. At CMP of INR595, JUBILANT trades at an attractive valuation of 6.3x FY20 EV/EBITDA and 5.7x FY21 EV/EBITDA. Maintain **Buy**.

Financials & Valuations (INRb)

| Y/E Mar | FY19 | FY20E | FY21E |
|-------------|-------|-------|-------|
| Net Sales | 91.1 | 97.1 | 104.8 |
| EBITDA | 18.4 | 20.7 | 21.2 |
| PAT | 9.0 | 10.3 | 10.7 |
| EPS (INR) | 57.5 | 66.1 | 68.8 |
| Gr. (%) | 26.1 | 15.0 | 4.1 |
| BV/Sh (INR) | 308.7 | 369.3 | 432.4 |
| RoE (%) | 20.1 | 19.5 | 17.2 |
| RoCE (%) | 11.4 | 12.0 | 11.4 |
| P/E (x) | 10.4 | 9.0 | 8.7 |
| P/BV (x) | 1.9 | 1.6 | 1.4 |

Estimate change

TP change

Rating change



Consol. - Quarterly Earning Model

(INR M)

| Y/E March | FY18 | | | | FY19E | | | | FY18 | FY19 | FY19 4QE | vs Est (%) |
|--------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Net Sales | 15,961 | 16,420 | 20,678 | 22,520 | 20,787 | 22,695 | 23,771 | 23,856 | 75,578 | 91,108 | 23,736 | 0.5 |
| YoY Change (%) | 9.8 | 15.7 | 38.6 | 37.2 | 30.2 | 38.2 | 15.0 | 5.9 | 25.8 | 20.5 | | |
| Total Expenditure | 12,584 | 13,359 | 16,509 | 17,941 | 16,411 | 18,193 | 18,838 | 19,246 | 60,394 | 72,688 | 18,722 | 2.8 |
| EBITDA | 3,376 | 3,061 | 4,168 | 4,579 | 4,376 | 4,502 | 4,933 | 4,610 | 15,188 | 18,420 | 5,014 | -8.1 |
| Margins (%) | 21.2 | 18.6 | 20.2 | 20.3 | 21.1 | 19.8 | 20.8 | 19.3 | 20.1 | 20.2 | | |
| Depreciation | 725 | 790 | 818 | 907 | 880 | 895 | 984 | 950 | 3,240 | 3,709 | 858 | 10.8 |
| Interest | 687 | 660 | 771 | 725 | 727 | 627 | 683 | 616 | 2,843 | 2,198 | 407 | 51.2 |
| Other Income | 68 | 71 | 32 | 229 | 95 | 38 | 290 | -66 | 400 | 357 | 65 | -201.0 |
| PBT before EO expense | 2,032 | 1,682 | 2,612 | 3,176 | 2,864 | 3,018 | 3,556 | 2,978 | 9,505 | 12,870 | 3,814 | -21.9 |
| Extra-Ord expense | 0 | 0 | 0 | 910 | 0 | 0 | 151 | 3,378 | 910 | 3,529 | | |
| PBT | 2,032 | 1,682 | 2,612 | 2,266 | 2,864 | 3,018 | 3,405 | -400 | 8,595 | 9,341 | 3,814 | -110.5 |
| Tax | 595 | 427 | 483 | 742 | 860 | 920 | 881 | 607 | 2,247 | 3,268 | 1,182 | -48.7 |
| Rate (%) | 29.3 | 25.4 | 18.5 | 32.7 | 30.0 | 30.5 | 25.9 | -151.8 | 26.1 | 35.0 | | |
| MI & Profit/Loss of Asso. Cos. | -34 | -27 | 3 | -25 | 0 | 0 | 0 | 0 | -83 | 0 | | |
| Reported PAT | 1,471 | 1,282 | 2,125 | 1,549 | 2,004 | 2,098 | 2,524 | -1,007 | 6,428 | 6,073 | 2,632 | -138.2 |
| Adj PAT | 1,471 | 1,282 | 2,125 | 2,221 | 2,004 | 2,098 | 2,636 | 2,218 | 7,100 | 8,955 | 2,632 | -15.7 |
| YoY Change (%) | -9.0 | -11.4 | 80.0 | 49.0 | 36.2 | 63.6 | 24.0 | -0.1 | 23.3 | 26.1 | | |
| Margins (%) | 9.2 | 7.8 | 10.3 | 9.9 | 9.6 | 9.2 | 11.1 | 9.3 | 9.4 | 9.8 | | |



| | |
|-----------------------|------------|
| BSE SENSEX | S&P CNX |
| 37,931 | 11,407 |
| Bloomberg | CESC IN |
| Equity Shares (m) | 133 |
| M.Cap.(INRb)/(USDb) | 87.7 / 1.2 |
| 52-Week Range (INR) | 820 / 622 |
| 1, 6, 12 Rel. Per (%) | -8/-10/-24 |
| 12M Avg Val (INR M) | 462 |
| Free float (%) | 50.1 |

Financials & Valuations (INR b)

| Y/E Mar | FY19 | FY20E | FY21E |
|--------------|-------|-------|-------|
| Sales | 106.6 | 100.9 | 103.8 |
| EBITDA | 33.9 | 31.9 | 32.6 |
| NP | 11.8 | 11.2 | 12.3 |
| EPS (INR) | 89.0 | 84.1 | 92.5 |
| EPS Gr. (%) | 43.3 | -5.6 | 10.1 |
| BV/Sh. (INR) | 674.7 | 734.8 | 799.8 |
| RoE (%) | 13.6 | 11.9 | 12.1 |
| RoCE (%) | 9.1 | 8.7 | 8.9 |
| P/E (x) | 7.4 | 7.9 | 7.1 |
| P/BV (x) | 1.0 | 0.9 | 0.8 |

Estimate change



TP change



Rating change



CMP: INR661 TP: INR841(+27%)

Buy

Dhariwal turning around, DF operations improving

FCF generation increasing rapidly; Re-iterate Buy

FY19 consol. adj. PAT grew 43% YoY to INR11.8b (consol. numbers are reported annually) v/s our est. of INR10.1b. The strong performance was driven by sharp reduction in losses at Dhariwal and lower losses in distribution franchisee (DF).

Standalone (S/A): PAT grew ~8% YoY to INR9.4b. T&D losses were lower ~70bp YoY to 9% (down ~260bp in the last three years). Sales were flat at 10.4BU due to weak demand and weather conditions. Capitalization is estimated at INR3.8b, implying regulated equity increase of ~3% YoY in FY19.

Haldia: PAT was broadly unchanged at INR3.2b as it continues to benefit from favorable efficiency norms. Haldia continues to earn >20% core RoE.

Dhariwal: PAT loss halved from ~INR2b in FY18 to ~INR0.9b in FY19 benefiting from short-term PPAs and tolling arrangements. PLF increased 16pp YoY to 61%.

DF: EBITDA loss reduced from INR1b in FY18 to INR0.2b in FY19 on lower T&D losses. PAT loss halved from INR1.2b in FY18 to INR0.6b in FY19. For 4QFY19, standalone PAT grew 9.2% YoY to INR3.1b.

For 4QFY19, S/A PAT grew 9% YoY to INR3.1b (6% beat). Sales were down 4% YoY to 2.3BU. Realization was down ~4% YoY to INR7.25/kWh.

FCF generation increasing; Re-iterate Buy

Dhariwal operations are turning around. The tolling arrangement with Maharashtra is being offered for one year (with 1-year extension provision) against nine months earlier. Dhariwal is well placed to secure this contract again. DF operations are turning around faster than expected as the company is gaining better understanding of circles and leveraging its experience in Kolkata. CESC's existing distribution business is high RoE and delivers steady growth. Generation assets are creating healthy FCF. Untied generation capacity and scale-up of DFs have the potential to boost earnings. Dividend payout has increased ~1.5x to INR17.5/share in FY19 on strong FCF generation. We have raised consol. PAT est. by 5%/2% for FY20/21E on lower losses at DFs. The stock trades attractively at ~8x/7x FY20/21E P/E even as visibility of earnings at Dhariwal and DFs improve. Our estimates are building in tightening of norms at Haldia and S/A. We value the stock at 10x FY20E P/E at INR841/share. Re-iterate **Buy**.

Quarterly Performance (Standalone)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19 | FY19 4QE | Var. (%) |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Sales | 21,840 | 20,880 | 17,060 | 18,010 | 21,650 | 22,200 | 17,070 | 16,620 | 77,858 | 77,540 | 19,026 | -13 |
| EBITDA | 6,070 | 5,050 | 3,140 | 2,090 | 4,960 | 5,110 | 2,010 | 1,500 | 16,463 | 13,580 | 5,010 | 6 |
| Change (%) | 18.8 | -14.6 | -0.3 | 2.5 | -18.3 | 1.2 | -36.0 | -28.2 | 1.6 | -17.5 | 89.0 | |
| Depreciation | 1,050 | 1,080 | 1,090 | 1,090 | 1,100 | 1,110 | 1,090 | 1,030 | 4,256 | 4,330 | 1,119 | -8 |
| Interest | 1,210 | 1,260 | 1,210 | 1,160 | 1,200 | 1,200 | 1,170 | 1,090 | 4,839 | 4,660 | 1,190 | -8 |
| Other Income | 400 | 350 | 430 | 510 | 200 | 280 | 450 | 720 | 1,679 | 1,650 | 545 | 32 |
| Regulatory (inc)/exp | 1,940 | -90 | -700 | -3,240 | 500 | -370 | -2,000 | -3,830 | -2,092 | -5,700 | 0 | |
| PBT | 2,270 | 3,150 | 1,970 | 3,590 | 2,360 | 3,450 | 2,200 | 3,930 | 11,139 | 11,940 | 3,246 | 21 |
| Tax | 490 | 680 | 430 | 760 | 520 | 740 | 480 | 840 | 2,377 | 2,570 | 338 | |
| Effective Tax Rate (%) | 21.6 | 21.6 | 21.8 | 21.2 | 22.0 | 21.4 | 21.8 | 21.4 | 21.3 | 21.5 | 10.4 | |
| Reported PAT | 1,780 | 2,470 | 1,540 | 2,830 | 1,840 | 2,710 | 1,720 | 3,090 | 8,762 | 9,370 | 2,907 | 6 |
| Change (%) | 2.3 | 2.1 | 1.3 | -4.1 | 3.4 | 9.7 | 11.7 | 9.2 | 1.9 | 6.6 | -0.4 | |



Engineers India

| | |
|-----------------------|--------------------|
| BSE SENSEX | S&P CNX |
| 37,931 | 11,407 |
| Bloomberg | ENGR IN |
| Equity Shares (m) | 674 |
| M.Cap.(INRb)/(USDb) | 68.4 / 1 |
| 52-Week Range (INR) | 149 / 100 |
| 1, 6, 12 Rel. Per (%) | -6/-13/-34 |
| 12M Avg Val (INR M) | 287 |
| Free float (%) | 48.0 |

CMP: INR108 TP: INR125 (+16%) Buy

Financials & Valuations (INR b)

| Y/E March | FY19E | FY20E | FY21E |
|--------------|-------|-------|-------|
| Net Sales | 24.4 | 28.1 | 32.3 |
| EBITDA | 3.7 | 4.1 | 5.2 |
| NP | 3.7 | 4.1 | 4.7 |
| EPS (INR) | 5.9 | 6.5 | 7.5 |
| EPS Gr. (%) | -8.4 | 10.4 | 16.1 |
| BV/Sh. (INR) | 33.8 | 37.0 | 40.8 |
| RoE (%) | 16.3 | 17.1 | 18.1 |
| RoCE (%) | 16.3 | 17.2 | 18.1 |
| P/E (x) | 18.4 | 16.7 | 14.5 |
| P/BV (x) | 3.2 | 2.9 | 2.6 |
| Payout (%) | 46.4 | 46.4 | 46.4 |
| Div. Yield | 2.2 | 2.4 | 2.8 |

Estimate change

TP change

Rating change



Turnkey faces execution challenges; order backlog though provides strong revenue visibility

- A bleak operating performance ...:** Sales increased 20% YoY to INR6.1b, below our estimate of INR7.1b, impacted by weak execution in Turnkey segment (sales at INR2.6b v/s our estimate of INR3.6b). EBITDA increased 12% YoY to INR933m (below our estimate of INR1.1b), with the margin of 15.2% in line with our estimate of 15.1%. EBIT margin improved 210bp YoY to 28.7% in Consulting, but shrank 75bp YoY to 6.3% in EPC. Adjusted PAT of INR950m was below our estimate of INR1.2b due to a higher tax rate (35% v/s our estimate of 25%). Despite healthy revenue growth (37%) in FY19, EBITDA/PAT were down 17%/8% on account of an adverse revenue mix (lower-margin Turnkey segment sales at 45% v/s 23% in FY18).
- ...led by Turnkey weakness:** EPC/Turnkey project sales grew 51% YoY to INR2.6b, but came in below our estimate of INR3.6b due to weaker-than-expected execution. Turnkey EBIT margin of 6.3% (-75bp YoY), too, was below our estimate of 7.0%. In Consulting, both sales of INR3.5b (albeit muted growth of 4% YoY) and EBIT of INR1.0b were in line with our estimate of INR3.6b and INR1.0b, respectively.
- Order book provides robust revenue visibility.** Order inflow increased by 31% YoY to INR1.0b, supported by order finalization in the Consulting. Order book of INR112b is healthy and provides revenue visibility of 4.6x its TTM revenue.
- Valuation and view:** We cut our earnings estimate by 13%/14% for FY19/20 to factor in (a) lower-than-expected execution of projects and (b) margins miss in Turnkey. We maintain our **Buy** rating with a target price of INR125 – INR81 to the core business (16x FY21E core EPS), to which we add INR44 for cash on book, given that ENGR is a market leader in the hydrocarbon segment, where it provides consultancy and turnkey solutions.

Standalone - Quarterly Earning Model

(INR Million)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19 | MOFSLe | 4QE | Variance |
|------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|-----|----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | | | |
| Net Sales | 3,754 | 4,291 | 4,734 | 5,097 | 5,733 | 6,814 | 5,770 | 6,126 | 17,876 | 24,443 | 7,120 | -14 | |
| YoY Change (%) | 9.8 | 26.6 | 45.7 | 15.1 | 52.7 | 58.8 | 21.9 | 20.2 | 23.4 | 36.7 | 39.7 | | |
| Total Expenditure | 2,936 | 2,901 | 3,386 | 4,262 | 4,870 | 5,899 | 4,821 | 5,193 | 13,486 | 20,783 | 6,047 | | |
| EBITDA | 818 | 1,390 | 1,349 | 835 | 864 | 915 | 949 | 933 | 4,390 | 3,660 | 1,073 | -13 | |
| Margins (%) | 21.8 | 32.4 | 28.5 | 16.4 | 15.1 | 13.4 | 16.4 | 15.2 | 24.6 | 15.0 | 15.1 | | |
| Depreciation | 60 | 62 | 59 | 58 | 55 | 57 | 53 | 58 | 238 | 224 | 59 | | |
| Interest | 0 | 1 | 1 | 4 | 2 | 4 | 3 | 4 | 6 | 12 | -2 | | |
| Other Income | 456 | 467 | 393 | 479 | 522 | 614 | 519 | 596 | 1,795 | 2,251 | 628 | | |
| PBT before EO expense | 1,214 | 1,794 | 1,682 | 1,253 | 1,328 | 1,468 | 1,411 | 1,467 | 5,941 | 5,675 | 1,645 | -11 | |
| Extraordinary expense/income | 0 | 0 | 0 | -260 | 0 | 0 | 0 | 0 | -260 | 0 | 0 | | |
| PBT | 1,214 | 1,794 | 1,682 | 993 | 1,328 | 1,468 | 1,411 | 1,467 | 5,681 | 5,675 | 1,645 | -11 | |
| Tax | 400 | 602 | 597 | 303 | 462 | 491 | 504 | 517 | 1,902 | 1,974 | 417 | | |
| Rate (%) | 32.9 | 33.6 | 35.5 | 30.6 | 34.8 | 33.4 | 35.7 | 35.2 | 33.5 | 34.8 | 25.3 | | |
| Reported PAT | 815 | 1,192 | 1,084 | 689 | 866 | 978 | 908 | 950 | 3,779 | 3,701 | 1,229 | -23 | |
| Adj PAT | 815 | 1,192 | 1,084 | 949 | 866 | 978 | 908 | 950 | 4,039 | 3,701 | 1,229 | -23 | |
| YoY Change (%) | 1.4 | 27.0 | 27.4 | -39.1 | 6.3 | -18.0 | -16.3 | 4.5 | -2.7 | -8.4 | 35.1 | | |
| Margins (%) | 21.7 | 27.8 | 22.9 | 18.6 | 15.1 | 14.3 | 15.7 | 15.5 | 22.6 | 15.1 | 17.3 | | |

BSE SENSEX 37,931 S&P CNX 11,407

CMP: INR846 TP: INR992(+17%) Buy

Conference Call Details



Date: 21st May 2019
Time: 4:00 PM IST
Dial-in details:
+91 7045671221

Financials & Valuations (INR b)

| Y/E Mar | 2019 | 2020E | 2021E |
|-------------------|-------|-------|-------|
| Sales | 53.0 | 58.5 | 65.9 |
| EBITDA | 8.6 | 10.0 | 11.7 |
| NP | 2.8 | 3.4 | 4.1 |
| Adj EPS (INR) | 35.8 | 43.4 | 52.7 |
| EPS Gr. (%) | -12.6 | 21.1 | 21.5 |
| BV/Sh (INR) | 283.9 | 318.8 | 363.1 |
| RoE (%) | 13.3 | 14.4 | 15.4 |
| RoCE (%) | 9.1 | 9.0 | 9.8 |
| Payout (%) | 23.6 | 19.5 | 16.0 |
| Valuations | | | |
| P/E (x) | 23.6 | 19.5 | 16.1 |
| P/BV (x) | 3.0 | 2.7 | 2.3 |
| EV/EBITDA (x) | 9.4 | 10.0 | 8.1 |
| EV/Ton (USD) | 99 | 91 | 86 |

In line results; margin improve on back of healthy realization

- n White Cement volumes increased 9% YoY to 0.35mt while Grey Cement volume (including clinker sales) increased 5%YoY to 2.53mt in 4QFY19. Thus combined volumes increased 6%YoY to 2.87mt (in line with est)
- n Combined realizations stood at INR 5182/ton (+7% YoY) (est. INR 5,142)
- n Revenue at INR14.9b, +13%YoY (est. INR 14.7bn).
- n Cost/t at INR4212/t increased 1% YoY and came in higher than our estimate of INR4147. Thus, EBITDA/t stood at INR 971(+45%YoY) vs est of INR 995/t.
- n EBITDA at INR2.8b, +54% YoY (est. INR 2.8bn) | margins 18.7% (+5pp YoY)
- n Tax rate for 4QFY19 was at 29% vs 21.6% in 4QFY18.
- n Hence PAT at INR 1.5bn (+43% YoY)(est. INR 1.46bn)

Key questions for the management

- n Demand trend in the focus markets
- n Pricing trend in focus markets
- n Update on expansion

Valuation and view: The stock trades at 10x/8.1x FY20/FY21E EV/EBITDA. Maintain **Buy** with a target price of INR 992 (9x FY'21 EV/EBITDA).

Quarterly Performance (Standalone)

| Y/E March | (INR Million) | | | | | | | | FY19 Var (%) | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------|
| | FY18 | | | | FY19 | | | | | |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 4QE | |
| Sales Dispatches (m ton) | 2.13 | 2.22 | 2.32 | 2.72 | 2.32 | 2.16 | 2.50 | 2.88 | 2.87 | 0 |
| YoY Change (%) | 12.7 | 15.8 | 21.0 | 26.4 | 8.9 | -2.9 | 7.5 | 5.8 | 5.4 | |
| Realization (INR/ton) | 4,900 | 4,981 | 4,847 | 4,839 | 4,819 | 5,096 | 5,098 | 5,182 | 5,142 | 1 |
| YoY Change (%) | 3.2 | 3.7 | 2.3 | 1.3 | -1.7 | 2.3 | 5.2 | 7.1 | 6.3 | |
| QoQ Change (%) | 2.6 | 1.6 | -2.7 | -0.2 | -0.4 | 5.8 | 0.0 | 1.7 | 0.9 | |
| Net Sales | 10,415 | 11,077 | 11,261 | 13,160 | 11,156 | 11,006 | 12,732 | 14,919 | 14,744 | 1 |
| YoY Change (%) | 16.4 | 20.1 | 23.7 | 28.0 | 7.1 | -0.6 | 13.1 | 13.4 | 12.0 | |
| Total Expenditure | 8,438 | 9,005 | 9,559 | 11,343 | 9,652 | 9,309 | 10,627 | 12,124 | 11,891 | 2 |
| EBITDA | 1,977 | 2,072 | 1,702 | 1,816 | 1,504 | 1,698 | 2,105 | 2,795 | 2,853 | -2 |
| Margins (%) | 19.0 | 18.7 | 15.1 | 13.8 | 13.5 | 15.4 | 16.5 | 18.7 | 19.4 | |
| Depreciation | 450 | 492 | 451 | 470 | 474 | 487 | 486 | 497 | 496 | 0 |
| Interest | 680 | 633 | 578 | 562 | 547 | 583 | 564 | 533 | 570 | -6 |
| Other Income | 186 | 220 | 249 | 533 | 158 | 180 | 118 | 349 | 174 | 101 |
| PBT before EO expense | 1,033 | 1,167 | 923 | 1,317 | 640 | 808 | 1,173 | 2,114 | 1,961 | 8 |
| Extra-Ord expense | 0 | -58 | 1 | 91 | 0 | 0 | 0 | 0 | 0 | |
| PBT | 1,033 | 1,225 | 922 | 1,227 | 640 | 808 | 1,173 | 2,114 | 1,961 | 8 |
| Tax | 240 | 293 | 193 | 265 | 147 | 161 | 564 | 614 | 502 | 22 |
| Rate (%) | 23.2 | 23.9 | 20.9 | 21.6 | 22.9 | 20.0 | 48.1 | 29.1 | 25.6 | |
| Reported PAT | 793 | 931 | 729 | 962 | 493 | 647 | 609 | 1,500 | 1,458 | 3 |
| Adj PAT | 793 | 873 | 731 | 1,052 | 493 | 647 | 609 | 1,500 | 1,458 | 3 |
| YoY Change (%) | 13.1 | 113.5 | 10.9 | 130.2 | -37.8 | -25.9 | -16.6 | 42.5 | 38.6 | |



Navneet Education

| | |
|-----------------------|--------------------|
| BSE SENSEX | S&P CNX |
| 37,931 | 11,407 |
| Bloomberg | NELI IN |
| Equity Shares (m) | 234 |
| M.Cap.(INRb)/(USD\$b) | 24.7 / 0.4 |
| 52-Week Range (INR) | 142 / 99 |
| 1, 6, 12 Rel. Per (%) | -2/-7/-31 |
| 12M Avg Val (INR M) | 14 |
| Free float (%) | 38.1 |

CMP: INR108 TP: INR135 (+25%) Buy

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 | 22.2 | 18.5 |
| BV/Sh. (INR) | 34.6 | 41.0 | 48.5 |
| RoE (%) | 19.8 | 21.6 | 21.6 |
| RoCE (%) | 14.9 | 15.1 | 15.5 |
| P/E (x) | 16.2 | 13.2 | 11.2 |
| P/BV (x) | 3.1 | 2.6 | 2.2 |

Estimate change

TP change

Rating change

Indiannica scale-up slower than expected; trim PAT est.

- 4QFY19 revenues (standalone) of INR2,455m (our est. INR2,303m) grew 15.5% YoY, while EBITDA margins expanded 30bp YoY to 11.5% (our est. 13%). EBITDA grew 18% YoY to INR282m (our est. INR299m); PAT stood at INR147m (our est. INR185m), a YoY decline of 2.8%.
- Full-year performance (consol. basis):** In FY19, revenues/EBITDA/PAT grew 20%/22%/20% to INR14.4b/ INR2.7b/INR1.5b. Overall, EBITDA margins expanded 20bp to 18.7%.
- Stationery business grew 16%, K-12 turns profitable:** Stationery revenue grew 16% to INR1,829m, driven mainly by exports, which were up 27% YoY to INR1,130m. Domestic stationery business declined 1% to INR700m. 4QFY19 being a seasonally slow quarter for the Publishing business, revenue was up 14% YoY to INR622m. K-12, NELI's associate company, turned profitable in FY19, contributing INR56m (NELI's share — 35%) to earnings. In FY20, K-12 is expected to do significantly well on increased occupancy — we expect PAT at INR180m/INR250m in FY20/FY21.
- Indiannica business misses estimates:** The CBSE business of NELI under Indiannica reported growth of 16% at INR650m (v/s our est. of INR950m) in FY19. It could not capitalize revenue potential from new regions and therefore, reported a loss of INR300m. Based on this, we expect scale-up in Indiannica to be slower than the earlier estimate. Therefore, we cut our PAT estimates to accommodate the sluggish recovery.
- Valuation view:** We have cut our PAT estimates for FY20/FY21 by 17%/15% on account of losses in Indiannica due to sluggish recovery. In FY20, change in Gujarat Board syllabus is expected to drive 13% growth in the publishing business. We expect NELI to deliver sales/PAT CAGR of 14%/20% over FY19-21E. We value the stock at 14x FY21E EPS with target price of INR135/share and maintain **Buy** rating.

Standalone - Quarterly Earning Model

(INR Million)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19 | FY19 | Var |
|------------------------------|--------------|------------|------------|------------|--------------|------------|------------|------------|--------------|--------------|------------|------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Net Sales | 5,652 | 1,834 | 1,744 | 2,126 | 6,700 | 2,635 | 1,816 | 2,455 | 11,356 | 13,605 | 2,303 | 7 |
| YoY Change (%) | 0.9 | 6.3 | 11.4 | 1.3 | 18.5 | 43.7 | 4.1 | 15.5 | -3.9 | 19.8 | 8.3 | |
| Total Expenditure | 4,028 | 1,553 | 1,540 | 1,888 | 4,726 | 2,171 | 1,659 | 2,173 | 9,008 | 10,729 | 2,003 | |
| EBITDA | 1,624 | 281 | 205 | 238 | 1,974 | 463 | 157 | 282 | 2,348 | 2,877 | 299 | -6 |
| Margins (%) | 28.7 | 15.3 | 11.7 | 11.2 | 29.5 | 17.6 | 8.6 | 11.5 | 20.7 | 21.1 | 13.0 | |
| Depreciation | 53 | 56 | 62 | 64 | 57 | 60 | 62 | 65 | 235 | 245 | 70 | |
| Interest | 26 | 16 | 1 | 17 | 42 | 23 | 11 | 42 | 60 | 119 | 28 | |
| Other Income | 123 | 47 | 44 | 79 | 71 | 72 | 30 | 22 | 292 | 194 | 45 | |
| PBT before EO expense | 1,668 | 256 | 186 | 236 | 1,946 | 451 | 113 | 196 | 2,345 | 2,707 | 246 | -20 |
| PBT | 1,668 | 256 | 186 | 236 | 1,946 | 451 | 113 | 196 | 2,345 | 2,707 | 246 | -20 |
| Tax | 572 | 89 | 67 | 84 | 683 | 162 | 38 | 49 | 812 | 932 | 62 | |
| Rate (%) | 34.3 | 34.9 | 36.1 | 35.8 | 35.1 | 35.9 | 33.5 | 25.1 | 34.6 | 34.4 | 25.0 | |
| Reported PAT | 1,097 | 166 | 119 | 151 | 1,263 | 289 | 75 | 147 | 1,533 | 1,775 | 185 | -20 |
| Adj PAT | 1,097 | 166 | 119 | 151 | 1,263 | 289 | 75 | 147 | 1,533 | 1,775 | 185 | -20 |
| YoY Change (%) | -3.4 | -10.5 | -6.1 | -10.3 | 15.2 | 73.9 | -36.5 | -2.8 | -15.4 | 15.8 | 22.1 | |
| Margins (%) | 19.4 | 9.1 | 6.8 | 7.1 | 18.9 | 11.0 | 4.2 | 6.0 | 13.5 | 13.0 | 8.0 | |

E: MOFSL Estimates; Note: the company reports quarterly numbers on standalone basis



Spencers Retail

| | |
|-----------------------|------------|
| BSE SENSEX | S&P CNX |
| 37,931 | 11,407 |
| Bloomberg | SPENCER IN |
| Equity Shares (m) | 79.5 |
| M.Cap.(INRb)/(USD\$b) | 10.6 / 0.2 |
| 52-Week Range (INR) | 230 / 120 |
| 1, 6, 12 Rel. Per (%) | 10/-/- |
| 12M Avg Val (INR M) | 105 |
| Free float (%) | 46.6 |

CMP: INR133 TP: INR175 (+32%) Buy

Balancing growth versus profitability

Turns profitable: Consol. revenue grew 4% YoY to INR5,235m (11% miss). Gross margin expanded 210bp YoY to 21%. EBITDA came in at INR17m (v/s a loss of INR47m in 4QFY18); margin at 0.3% v/s -0.9% in 4QFY18. This, coupled with a steep 137% YoY surge in other income, resulted in PAT of INR18m (v/s a loss of INR89m in 4QFY18). For FY19, revenue grew 6%, while EBITDA/PAT stood at INR89m/INR24m (v/s INR0/-INR290m in FY18).

Healthy pace of store adds to drive growth: The company added 10 stores in the quarter, but same-store sales (SSS) declined by 1% YoY (v/s 2.3% growth in 4QFY18). After rationalizing/shutting down stores over the past several years, Spencers accelerated the pace of store adds in FY19 (added 29 stores). This will likely provide the necessary thrust to steady revenue growth.

Natures Basket acquisition a good move, but should extend achievement of profit targets: Spencers announced the acquisition of Godrej's Natures Basket at INR3b (FY19 sales/stores of INR3.4b/36) – EV/sales of 0.9x. We note that it has store-level EBITDA margin of ~3% with over 2x productivity v/s Spencers, but at company level, it may continue to make EBITDA losses. Thus, cutting company-level losses may take about a year, which may extend the achievement of profit targets for Spencers. We have yet not factored in the acquisition in our model as we seek more clarity. Subsequently, we expect 14% revenue CAGR and 140bp EBITDA margin expansion over FY19-21, driven by healthy store adds, an improving mix of high-margin products, and inherent operating leverage.

Valuation view: We believe the recent turnaround in business and the measured growth targets with right store size bodes well for Spencers. Moreover, the acquisition of Natures Basket will likely improve reach and asset turns, but EBITDA losses at the company level could prolong the achievement of profit targets. We, thus, cut our target price to INR175 (prior: INR200), ascribing 0.4x to FY21E sales.

Financials & Valuations(INR b)

| Y/E March | 2019 | 2020E | 2021E |
|----------------|---------|-------|-------|
| Sales | 21.9 | 27.9 | 31.5 |
| EBITDA | 0.1 | 0.5 | 0.7 |
| NP | 0.0 | 0.2 | 0.2 |
| EPS (INR) | 0.1 | 0.7 | 0.8 |
| EPS Growth (%) | -108.2 | 780.0 | 16.0 |
| BV/Share (INR) | 18.5 | 19.2 | 20.0 |
| P/E (x) | 1,651.4 | 187.6 | 161.7 |
| P/BV (x) | 7.2 | 6.9 | 6.6 |
| EV/EBITDA (x) | 418.3 | 84.1 | 53.3 |
| EV/Sales (x) | 1.7 | 1.4 | 1.3 |
| RoE (%) | 0.4 | 3.8 | 4.2 |
| RoCE (%) | 1.2 | 4.0 | 4.6 |

Estimate change



TP change



Rating change



Consol. quarterly earning model

| Y/E March | FY18 | | FY19 | | | | FY18 | FY19 | FY19E | Est. Var (%) |
|-------------------|-------|-------|-------|-------|-------|-------|--------|--------|-------|--------------|
| | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | | | |
| Revenue | 5,379 | 5,049 | 5,240 | 5,663 | 5,735 | 5,235 | 20,730 | 21,872 | 5,886 | -11 |
| YoY Change (%) | NA | NA | NA | NA | 6.6 | 3.7 | NA | 5.5 | 16.6 | |
| Total Expenditure | 5,373 | 5,097 | 5,206 | 5,646 | 5,714 | 5,217 | 20,730 | 21,783 | 5,863 | -11 |
| EBITDA | 7 | -47 | 34 | 17 | 21 | 17 | 0 | 89 | 24 | -27 |
| Margins (%) | 0.1 | -0.9 | 0.6 | 0.3 | 0.4 | 0.3 | 0 | 0.4 | 0.4 | -7bp |
| Depreciation | 87 | 62 | 63 | 58 | 64 | 69 | 340 | 254 | 68 | |
| Interest | 25 | 13 | 20 | 21 | 18 | 15 | 130 | 75 | 17 | |
| Other Income | 57 | 33 | 67 | 67 | 69 | 79 | 180 | 282 | 69 | |
| PBT | -48 | -89 | 17 | 5 | 8 | 12 | -290 | 42 | 8 | 60 |
| Tax | 0 | 0 | 11 | 5 | 9 | -6 | 0 | 18 | 2 | |
| Rate (%) | 0 | 0 | 62.9 | 89.8 | 114.3 | -50 | 0 | 42.8 | 20.5 | |
| Reported PAT | -48 | -89 | 6 | 1 | -1 | 18 | -290 | 24 | 6 | 202 |
| Adj PAT | -48 | -89 | 6 | 1 | -1 | 18 | -290 | 24 | 6 | 202 |
| YoY Change (%) | NA | NA | NA | NA | NA | LP | NA | LP | NM | |
| Margins (%) | -0.9 | -1.8 | 0.1 | 0 | 0 | 0.3 | -1.4 | 0.1 | 0.1 | |



BPCL

| | |
|-------------------------|--------------|
| Bloomberg | BPCL IN |
| Equity Shares (m) | 1966.9 |
| M. Cap. (INR b)/(USD b) | 748 / 11 |
| 52-Week Range (INR) | 455 / 239 |
| 1,6,12 Rel Perf. (%) | 2 / -4 / -27 |

Financial conso snapshot (INR b)

| Y/E March | 2018 | 2019E | 2020E | 2021E |
|------------|-------|-------|-------|-------|
| Sales | 2,358 | 2,959 | 3,206 | 3,336 |
| EBITDA | 152 | 152 | 164 | 168 |
| Adj. PAT | 98 | 77 | 94 | 102 |
| EPS (INR) | 49.8 | 39.3 | 47.8 | 51.8 |
| EPS Gr. % | 3.0 | -21.0 | 21.4 | 8.5 |
| BV/Sh. INR | 186.2 | 207.0 | 232.5 | 261.3 |
| RoE (%) | 29.0 | 20.0 | 21.7 | 21.0 |
| RoCE (%) | 13.7 | 11.5 | 11.2 | 10.6 |
| Payout*(%) | 49.4 | 47.1 | 46.6 | 44.4 |

Valuation

| | | | | |
|---------------|-----|-----|-----|-----|
| P/E (x) | 7.6 | 9.7 | 8.0 | 7.3 |
| P/BV (x) | 2.0 | 1.8 | 1.6 | 1.5 |
| EV/EBITDA (x) | 7.3 | 7.6 | 7.1 | 6.9 |
| Div yield (%) | 5.5 | 4.2 | 5.0 | 5.2 |

CMP: INR381

Buy

- Inventory gains and higher marketing margins would aid BPCL's earnings in 4QFY19. We model nil subsidy-sharing for OMCs; subsidy in 4QFY19 would be borne entirely by the government.
- We estimate BPCL's refinery throughput at 8.3mmt for 4QFY19 v/s 7.9mmt in 4QFY18 and 7.5mmt in 3QFY19. We model core GRM of USD3.0/bbl and inventory gain of USD1.5/bbl for refining. Additional inventory gain of INR10.2b is expected in marketing.
- We expect BPCL to report adj. EBITDA of INR20.1b (-38% YoY; -41% QoQ) in 4QFY19. We estimate PAT at INR22.3b (-17% YoY) for 4QFY19.
- BPCL trades at 8.0x FY20E EPS of INR47.8 and 1.6x FY20E BV, with ~4.2% current dividend yield. EPS change is due to the normalization of marketing margins.
- We raise our PBV multiple from 1.6x to 1.7x as post-election we do not expect government intervention. Maintain Buy.

Key issues to watch for

- ☐ Kochi refinery stabilization
- ☐ Update on Mozambique/Brazil E&P blocks
- ☐ GRM and marketing margins
- ☐ Inventory and forex change impact

Standalone - Quarterly Earning Model

(INR Million)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E |
|---|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | |
| Net Sales | 5,71,258 | 5,33,252 | 6,06,164 | 6,52,393 | 7,16,967 | 7,22,918 | 7,91,688 | 7,33,025 | 23,63,067 | 29,64,599 |
| YoY Change (%) | 21.7 | 19.3 | 13.2 | 14.4 | 25.5 | 35.6 | 30.6 | 12.4 | 16.9 | 25.5 |
| EBITDA | 12,250 | 35,864 | 31,882 | 36,715 | 45,803 | 33,497 | 783 | 36,759 | 1,16,712 | 1,16,842 |
| Margins (%) | 2.1 | 6.7 | 5.3 | 5.6 | 6.4 | 4.6 | 0.1 | 5.0 | 4.9 | 3.9 |
| EBITDA adj. for inventory and one-offs | 26,345 | 29,024 | 15,922 | 32,235 | 19,013 | 19,147 | 34,113 | 20,139 | 1,03,526 | 77,181 |
| Forex loss | -292 | 588 | -840 | -500 | 7,050 | 9,302 | -6,590 | -1,007 | -1,045 | 16,353 |
| Depreciation | 5,892 | 6,406 | 6,774 | 7,413 | 7,392 | 7,571 | 7,781 | 7,997 | 26,485 | 30,741 |
| Interest | 1,789 | 2,348 | 2,002 | 2,194 | 3,018 | 3,276 | 3,369 | 3,570 | 8,333 | 13,234 |
| Other Income | 6,274 | 8,004 | 6,434 | 8,329 | 5,480 | 5,380 | 9,672 | 7,176 | 29,041 | 27,708 |
| PBT | 11,136 | 34,526 | 30,380 | 35,938 | 33,823 | 18,727 | 5,895 | 33,375 | 1,11,980 | 84,222 |
| Tax | 3,690 | 10,952 | 8,943 | 9,202 | 10,890 | 6,540 | 944 | 11,114 | 32,787 | 29,488 |
| Rate (%) | 33.1 | 31.7 | 29.4 | 25.6 | 32.2 | 34.9 | 16.0 | 33.3 | 29.3 | 35.0 |
| Reported PAT | 7,446 | 23,574 | 21,437 | 26,736 | 22,933 | 12,187 | 4,951 | 22,261 | 79,193 | 54,734 |
| Adj PAT | 7,446 | 23,574 | 21,437 | 26,736 | 22,933 | 12,187 | 4,951 | 22,261 | 79,193 | 54,734 |
| YoY Change (%) | -71.6 | 80.6 | -5.6 | 45.2 | 208.0 | -48.3 | -76.9 | -16.7 | -4.7 | -30.9 |
| Margins (%) | 1.3 | 4.4 | 3.5 | 4.1 | 3.2 | 1.7 | 0.6 | 3.0 | 3.4 | 1.8 |
| Key Assumptions | | | | | | | | | | |
| Refining throughput (mmt) | 6.4 | 7.0 | 7.3 | 7.9 | 7.7 | 7.6 | 7.5 | 8.3 | 28.5 | 31.2 |
| Core GRM (USD/bbl) | 6.9 | 6.5 | 4.9 | 5.6 | 4.2 | 3.3 | 6.0 | 3.0 | 6.0 | 4.1 |
| Mkting sales volume excld exports (mmt) | 10.0 | 9.8 | 10.7 | 10.7 | 11.0 | 10.1 | 10.7 | 10.9 | 41.2 | 42.7 |
| Marketing GM incld inv (INR/litre) | 3.1 | 4.3 | 3.8 | 4.6 | 4.9 | 4.9 | 2.9 | 4.4 | 3.9 | 4.1 |

E: MOFSL Estimates



Bharat Forge

| | |
|-------------------------|----------------|
| Bloomberg | BHFC IN |
| Equity Shares (m) | 465.7 |
| M. Cap. (INR b)/(USD b) | 239 / 3 |
| 52-Week Range (INR) | 784 / 452 |
| 1,6,12 Rel Perf. (%) | -9 / -25 / -46 |

Financial Snapshot (INR b)

| Y/E Mar | 2018 | 2019E | 2020E | 2021E |
|--------------|------|-------|-------|-------|
| Sales | 83.6 | 97.3 | 110.3 | 117.2 |
| EBITDA | 17.2 | 21.4 | 24.6 | 24.6 |
| EPS (INR) | 18.4 | 23.9 | 27.3 | 27.5 |
| EPS Gr. (%) | 40.7 | 29.7 | 14.1 | 0.7 |
| BV/Sh. (INR) | 99.9 | 117.5 | 137.2 | 157.2 |
| RoE (%) | 19.6 | 22.0 | 21.4 | 18.7 |
| RoCE (%) | 11.6 | 14.5 | 15.1 | 14.0 |

Valuations

| | | | | |
|--------------|------|------|------|------|
| P/E (x) | 27.9 | 21.5 | 18.9 | 18.7 |
| P/BV (x) | 5.1 | 4.4 | 3.7 | 3.3 |
| EV/EBITDA(x) | 15.6 | 12.6 | 10.9 | 10.7 |
| EV/Sales (x) | 3.2 | 2.8 | 2.4 | 2.2 |

Consolidated

CMP: INR514

Buy

- n BHFC's shipment tonnage is expected to increase by 1.4% YoY (+4.4% QoQ) to 69,669 tons, impacted by weakness in the domestic auto segment. Weakness in domestic autos segment would be off-set by robust growth in the CV exports segment as well as non-segment (both domestic and export).
- n Net realization is expected to increase 16.5% YoY (-2% QoQ) to ~INR248.8k/ton led by favorable mix and currency.
- n As a result, net revenue would increase 18% YoY (+2% QoQ) to ~INR17.3b.
- n EBITDA margin is likely to expand ~120bp YoY (-50bp QoQ) to 28.3%.
- n PAT is expected to increase by 46% YoY (-14% QoQ) to INR2.7b.
- n The stock trades at 18.9x FY20E and 18.7x FY21E EPS; Maintain Buy.

Key issues to watch

- Ø Update on FY20 outlook for Class 8 trucks & India CVs.
- Ø Update on capex plans.
- Ø New order wins and ramp-up of past order wins.
- Ø Update on defense business.

S/A Quarterly

| | FY18 | | | | FY19 | | | | (INR m) | |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | FY18 | FY19E |
| Tonnage | 55,100 | 58,659 | 65,050 | 68,706 | 66,815 | 69,683 | 66,764 | 69,669 | 247,515 | 272,931 |
| Change (%) | 12.2 | 27.0 | 38.2 | 24.5 | 21.3 | 18.8 | 2.6 | 1.4 | 25.3 | 10.3 |
| Realization (INR '000/ton) | 217.9 | 214.5 | 213.8 | 213.5 | 221.5 | 241.0 | 253.5 | 248.8 | 214.8 | 241.3 |
| Change (%) | 18.3 | 11.2 | 6.7 | 4.7 | 1.6 | 12.4 | 18.6 | 16.5 | 9.8 | 12.3 |
| Net operating income | 12,008 | 12,580 | 13,906 | 14,666 | 14,797 | 16,792 | 16,925 | 17,333 | 53,160 | 65,846 |
| Change (%) | 32.8 | 41.2 | 47.4 | 30.3 | 23.2 | 33.5 | 21.7 | 18.2 | 37.6 | 23.9 |
| RM/Sales (%) | 35.0 | 35.0 | 35.6 | 36.1 | 36.1 | 39.1 | 36.8 | 37.0 | 35.5 | 37.3 |
| Staff Cost (% of Sales) | 8.9 | 8.5 | 8.0 | 7.6 | 8.3 | 7.3 | 7.2 | 7.5 | 8.2 | 7.5 |
| Other Exp. (% of Sales) | 27.3 | 26.1 | 26.8 | 29.1 | 26.6 | 25.4 | 27.2 | 27.2 | 26.7 | 26.6 |
| EBITDA | 3,457 | 3,814 | 4,115 | 3,979 | 4,288 | 4,754 | 4,869 | 4,905 | 15,762 | 18,817 |
| EBITDA Margins (%) | 28.8 | 30.3 | 29.6 | 27.1 | 29.0 | 28.3 | 28.8 | 28.3 | 29.6 | 28.6 |
| Non-Operating Income | 259 | 366 | 219 | 342 | 343 | 338 | 478 | 381 | 1,187 | 1,540 |
| Interest | 185 | 217 | 143 | 303 | 253 | 321 | 136 | 295 | 848 | 1,004 |
| Depreciation | 774 | 781 | 807 | 705 | 824 | 914 | 907 | 934 | 3,068 | 3,578 |
| Fx loss/(gain) | 124 | 120 | -48 | -198 | 2 | 410 | -389 | 0 | 394 | 23 |
| EO Exp / (Inc) | 0 | 0 | 0 | 1,332 | 0 | 0 | 0 | 0 | 1,332 | 0 |
| PBT after EO items | 2,633 | 3,063 | 3,432 | 2,179 | 3,552 | 3,447 | 4,694 | 4,058 | 11,307 | 15,751 |
| Eff. Tax Rate (%) | 33.5 | 33.5 | 33.5 | 37.4 | 34.0 | 34.0 | 34.0 | 34.0 | 37.4 | 34.0 |
| Rep. PAT | 1,751 | 2,037 | 2,282 | 1,003 | 2,345 | 2,275 | 3,098 | 2,678 | 7,073 | 10,396 |
| Change (%) | 43.4 | 60.5 | 77.4 | -51.6 | 33.9 | 11.7 | 35.8 | 166.9 | 20.9 | 47.0 |
| Adj. PAT | 1,751 | 2,037 | 2,282 | 1,837 | 2,345 | 2,275 | 3,098 | 2,678 | 7,906 | 10,396 |
| Change (%) | 43.4 | 60.5 | 77.4 | 1.4 | 33.9 | 11.7 | 35.8 | 45.8 | 41.5 | 31.5 |

E: MOFSL Estimates



GSK Pharma

| | |
|-------------------------|---------------|
| Bloomberg | GLXO IN |
| Equity Shares (m) | 169.4 |
| M. Cap. (INR b)/(USD b) | 219 / 3 |
| 52-Week Range (INR) | 1812 / 1043 |
| 1,6,12 Rel Perf. (%) | -11 / -18 / 6 |

Financial Snapshot (INR Billion)

| Y/E March | 2018 | 2019E | 2020E | 2021E |
|--------------|-------|-------|-------|-------|
| Sales | 29.0 | 31.7 | 35.5 | 39.9 |
| EBITDA | 5.1 | 5.9 | 7.2 | 8.4 |
| NP | 3.3 | 4.0 | 4.9 | 5.6 |
| EPS (INR) | 19.7 | 23.6 | 28.7 | 33.3 |
| EPS Gro. (%) | 14.4 | 20.3 | 21.5 | 16.1 |
| BV/Sh. (INR) | 121.4 | 124.8 | 133.4 | 146.6 |
| RoE (%) | 16.2 | 18.9 | 21.5 | 22.7 |
| RoCE (%) | 16.4 | 19.2 | 22.2 | 23.8 |

Valuations

| | | | | |
|---------------|------|------|------|------|
| P/E (x) | 65.8 | 54.7 | 45.1 | 38.8 |
| P/BV (x) | 10.7 | 10.4 | 9.7 | 8.8 |
| EV/EBITDA (x) | 40.8 | 35.8 | 29.1 | 24.4 |
| EV/Sales (x) | 7.1 | 6.6 | 5.9 | 5.1 |

CMP: INR1,294

Neutral

- n In 4QFY19, we expect GlaxoSmithKline Pharmaceuticals (GLXO) to report muted growth of 5.7% YoY in revenues to INR7.9b.
- n We expect EBITDA margin to contract by 250bp YoY due to change in product mix. However, on sequential basis, EBITDA margin is expected to improve 160bp.
- n PAT is expected to be down 9% YoY on account of reduced margins.
- n We continue valuing GLXO on 43x 12M forward earnings, at a 35% discount to its 3-year average to factor in lower growth in its major brands. The ongoing product rationalization attempts by the company would pave way for some improvement in profitability. We maintain our Neutral rating due to limited upside from current levels.

Key issues to watch out for

- Ø New drug launches in FY20.
- Ø Impact on sales of products under which came under DPCO 2013.
- Ø Impact on sales due to product rationalization exercise.

Quarterly Performance (Consolidated)

(INR m)

| Y/E March (Standalone) | FY18 | | | | FY19E | | | | FY18 | FY19E |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | |
| Net Sales | 6,071 | 8,363 | 7,039 | 7,486 | 7,357 | 8,163 | 8,254 | 7,913 | 28,957 | 31,686 |
| YoY Change (%) | -11.4 | 6.8 | 2.1 | -1.9 | 21.2 | -2.4 | 17.3 | 5.7 | -1.1 | 9.4 |
| Total Expenditure | 5,874 | 6,442 | 5,621 | 5,938 | 5,953 | 6,512 | 6,880 | 6,471 | 23,898 | 25,816 |
| EBITDA | 197 | 1,921 | 1,418 | 1,549 | 1,404 | 1,652 | 1,373 | 1,442 | 5,058 | 5,870 |
| Margins (%) | 3.2 | 23.0 | 20.1 | 20.7 | 19.1 | 20.2 | 16.6 | 18.2 | 17.5 | 18.5 |
| Depreciation | 75 | 77 | 134 | 94 | 114 | 115 | 120 | 152 | 380 | 501 |
| Interest | 0 | 0 | 0 | 2 | 2 | 2 | 1 | -3 | 2 | 2 |
| Other Income | 137 | 96 | 120 | 183 | 178 | 148 | 164 | 210 | 545 | 700 |
| PBT before EO Expense | 258 | 1,940 | 1,404 | 1,636 | 1,466 | 1,683 | 1,417 | 1,502 | 5,222 | 6,067 |
| Tax | 120 | 688 | 507 | 581 | 497 | 557 | 468 | 541 | 2,043 | 2,063 |
| Rate (%) | 46.6 | 35.5 | 36.1 | 35.5 | 33.9 | 33.1 | 33.0 | 36.0 | 36.2 | 34.0 |
| Adjusted PAT | 138 | 1,252 | 897 | 1,056 | 969 | 1,126 | 949 | 961 | 3,329 | 4,004 |
| YoY Change (%) | -80.4 | 26.8 | 155.7 | 21.5 | 603.0 | -10.1 | 5.8 | -8.9 | 14.4 | 20.3 |
| Margins (%) | 2.3 | 15.0 | 12.7 | 14.1 | 13.2 | 13.8 | 11.5 | 12.1 | 11.5 | 12.6 |
| Extra-Ord Expense/(Income) | -126 | -52 | 0 | 0 | 83 | 118 | -181 | 0 | -178 | 20 |
| Reported PAT | 264 | 1,303 | 897 | 1,056 | 886 | 1,008 | 1,130 | 961 | 3,507 | 3,984 |



HPCL

| | |
|-------------------------|--------------|
| Bloomberg | HPCL IN |
| Equity Shares (m) | 1524.2 |
| M. Cap. (INR b)/(USD b) | 418 / 6 |
| 52-Week Range (INR) | 370 / 163 |
| 1,6,12 Rel Perf. (%) | 10 / 6 / -38 |

Financial snapshot (Conso.) (INR b)

| Y/E March | 2018 | 2019E | 2020E | 2021E |
|----------------|--------|--------|-------|-------|
| Sales | 2,195 | 2,730 | 3,012 | 3,126 |
| EBITDA | 107.1 | 98.1 | 116.4 | 117.5 |
| Adj. PAT | 72.2 | 57.3 | 77.4 | 78.3 |
| Adj. EPS (INR) | 47.4 | 37.6 | 50.8 | 51.4 |
| EPS Gr. (%) | (12.4) | (20.6) | 35.1 | 1.1 |
| BV/Sh.(INR) | 167.5 | 188.9 | 217.8 | 247.1 |
| RoE (%) | 31.0 | 21.1 | 25.0 | 22.1 |
| RoCE (%) | 15.8 | 11.1 | 12.3 | 10.3 |
| Payout (%) | 44.5 | 43.1 | 43.1 | 43.1 |

Valuations

| | | | | |
|----------------|-----|-----|-----|-----|
| P/E (x) | 5.8 | 7.3 | 5.4 | 5.3 |
| P/BV (x) | 1.6 | 1.5 | 1.3 | 1.1 |
| EV/EBITDA (x) | 5.7 | 6.0 | 5.4 | 6.1 |
| Div. Yield (%) | 6.2 | 4.9 | 6.6 | 6.7 |

CMP: INR274

Neutral

- HPCL is likely to post good quarterly numbers aided by inventory gains and improved marketing margins. We model nil subsidy-sharing for OMCs in 4QFY19.
- We peg HPCL's refinery throughput at 4.4mmt for 4QFY19 v/s 4.6mmt in 4QFY18 and 4.6mmt in 3QFY19.
- We model core GRM at USD2.7/bbl; while inventory gain is modeled at USD1.5/bbl in refining and additional INR4.3b in marketing.
- We expect HPCL to report adj. EBITDA of INR19b (-33% YoY; -50% QoQ) in 4QFY19.
- We estimate PAT at INR13.9b (-21% YoY) for 4QFY19.
- HPCL trades at 5.4x consolidated FY20E EPS of INR50.8 and 1.3x FY20E BV, with ~4.9% current dividend yield. EPS change is due to marketing margin normalization.
- We raise our PBV multiple from 1.0x to 1.1x as post-election we do not expect any government intervention. **Maintain Neutral.**

Key issues to watch for

- Ø GRM
- Ø Marketing margins
- Ø Impact of forex and inventory change

Standalone - Quarterly Earning Model

(INR Million)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | |
| Net Sales | 5,34,685 | 4,75,226 | 5,74,743 | 6,08,101 | 6,76,289 | 6,75,180 | 7,21,118 | 6,55,713 | 21,92,754 | 27,28,300 |
| YoY Change (%) | 19.2 | 12.9 | 18.4 | 18.0 | 26.5 | 42.1 | 25.5 | 7.8 | 17.2 | 24.4 |
| EBITDA | 16,280 | 29,056 | 31,585 | 30,069 | 37,284 | 30,086 | 3,659 | 26,668 | 1,06,990 | 97,696 |
| Margins (%) | 3.0 | 6.1 | 5.5 | 4.9 | 5.5 | 4.5 | 0.5 | 4.1 | 4.9 | 3.6 |
| EBITDA adj. for inventory and one-offs | 32,030 | 21,136 | 16,815 | 28,499 | 13,974 | 17,326 | 38,309 | 19,001 | 98,480 | 66,450 |
| Depreciation | 6,671 | 6,804 | 6,799 | 7,254 | 7,064 | 7,385 | 7,393 | 7,817 | 27,528 | 29,659 |
| Forex loss | -1,122 | -200 | -2,743 | 843 | 5,377 | 8,867 | -5,973 | -913 | -3,222 | 7,358 |
| Interest | 1,430 | 1,563 | 899 | 1,776 | 1,909 | 2,007 | 1,472 | 1,001 | 5,667 | 6,389 |
| Other Income | 4,582 | 4,994 | 2,000 | 3,427 | 3,056 | 4,134 | 3,937 | 1,985 | 15,002 | 13,112 |
| PBT | 13,883 | 25,882 | 28,631 | 23,624 | 25,990 | 15,962 | 4,704 | 20,747 | 92,019 | 67,403 |
| Tax | 4,636 | 8,535 | 9,134 | 6,145 | 8,798 | 5,042 | 2,228 | 6,915 | 28,449 | 22,983 |
| Rate (%) | 33.4 | 33.0 | 31.9 | 26.0 | 33.9 | 31.6 | 47.4 | 33.3 | 30.9 | 34.1 |
| Reported PAT | 9,247 | 17,347 | 19,497 | 17,479 | 17,192 | 10,920 | 2,476 | 13,832 | 63,571 | 44,420 |
| YoY Change (%) | -55.9 | 147.4 | 22.6 | -3.9 | 85.9 | -37.1 | -87.3 | -20.9 | 4.3 | -30.1 |
| Margins (%) | 1.7 | 3.7 | 3.4 | 2.9 | 2.5 | 1.6 | 0.3 | 2.1 | 2.9 | 1.6 |
| Key Assumptions | | | | | | | | | | |
| Refining throughput (mmt) | 4.5 | 4.6 | 4.5 | 4.6 | 4.5 | 4.8 | 4.6 | 4.4 | 18.3 | 18.2 |
| Core GRM (USD/bbl) | 8.8 | 5.5 | 6.1 | 6.6 | 3.2 | 2.7 | 10.0 | 2.7 | 6.7 | 4.6 |
| Marketing sales volume incl exports (mmt) | 9.3 | 8.8 | 9.4 | 9.5 | 9.7 | 9.1 | 9.7 | 9.8 | 36.9 | 38.4 |
| Marketing GM incl inv (INR/litre) | 3.2 | 3.8 | 3.1 | 4.4 | 4.6 | 3.9 | 3.3 | 4.2 | 3.6 | 4.0 |

E: MOFSL Estimates



Tata Motors

| | |
|-------------------------|---------------|
| Bloomberg | TTMT IN |
| Equity Shares (m) | 3396.6 |
| M. Cap. (INR b)/(USD b) | 689 / 10 |
| 52-Week Range (INR) | 372 / 142 |
| 1,6,12 Rel Perf. (%) | 4 / -18 / -58 |

Financial Snapshot (INR b)

| Y/E March | 2019E | 2020E | 2021E |
|----------------|---------|---------|---------|
| Sales | 3,056.0 | 3,298.0 | 3,473.0 |
| EBITDA | 309.4 | 397.2 | 445.6 |
| PAT | -24.7 | 41.3 | 53.2 |
| Adj. EPS (INR) | -7.3 | 12.2 | 15.7 |
| EPS Gr. (%) | -131.7 | -267.2 | 28.8 |
| BV/Sh. (INR) | 191 | 203 | 218 |
| RoE (%) | -3.1 | 6.2 | 7.4 |
| RoCE (%) | 4.9 | 6.2 | 6.7 |
| P/E (x) | NM | 14.8 | 11.5 |
| P/BV (x) | 0.9 | 0.9 | 0.8 |

CMP: INR203

Neutral

- n Consolidated revenues are estimated to decline 1.6% YoY (+16.6%) QoQ), with EBITDA margin contracting 180bp YoY to 10.1%.
- n We expect JLR's (including JV) volume to decline by 11.6% YoY (+14% QoQ), impacted by slow demand and deferment of purchase in China.
- n JLR's net realization is expected to increase by 3.2% YoY (+0.3% QoQ). JLR's EBITDA margin would contract 380bp YoY (+240 bp QoQ) to 9.7%.
- n S/A volume declined YoY by 5.7% (+12.2% QoQ) as CV volume declined 6% YoY, while PV volume fell 4.9% YoY. EBITDA margin is expected to expand to 9.2% (+230bp YoY and +40bp QoQ). We expect adjusted PAT to be at INR4.4b.
- n We cut FY20/21 consolidated PAT by 23%/19.5% as we cut S/A PAT by 8%/20%. For JLR, we cut PAT estimates by 34%/17%.
- n The stock trades at 16.7x/13x FY20/FY21 EPS. Maintain **Neutral**.

Key issues to watch

- Ø Current demand trends for JLR and outlook for key markets.
- Ø Update on cost cutting initiatives at JLR.
- Ø Demand trend in domestic markets and new product launch.
- Ø Impact of forex hedge loss.

Quarterly Performance (Consolidated)

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E |
|------------------------------|---------|---------|---------|---------|---------|---------|----------|---------|-----------|-----------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | |
| JLR vols. (incl JV) | 138,476 | 153,210 | 159,067 | 182,757 | 131,560 | 130,652 | 141,552 | 161,575 | 633,510 | 565,339 |
| JLR Realizations (GBP/unit) | 47,483 | 48,137 | 47,181 | 46,547 | 48,002 | 47,910 | 47,863 | 48,018 | 47,288 | 47,950 |
| JLR EBITDA (%) | 7.9 | 11.8 | 10.9 | 13.5 | 6.2 | 9.1 | 7.3 | 9.7 | 11.2 | 8.2 |
| S/A vol. (units) | 109,692 | 153,321 | 171,508 | 204,236 | 176,412 | 190,448 | 171,602 | 192,516 | 638,757 | 730,978 |
| S/A Realizations (INR/unit) | 828,485 | 899,947 | 930,708 | 968,454 | 945,230 | 932,469 | 944,492 | 959,293 | 921,030 | 945,436 |
| S/A EBITDA (%) | 0.2 | 6.7 | 8.1 | 6.9 | 8.6 | 8.5 | 8.8 | 9.2 | 6.5 | 8.8 |
| S/A PAT (INR m) | -5,059 | -2,728 | 2,667 | 5,335 | 12,885 | 2,143 | 4,815 | 4,373 | 216 | 24,216 |
| Net Op Income | 584,934 | 703,734 | 733,659 | 912,791 | 667,011 | 721,121 | 770,009 | 898,003 | 2,946,192 | 3,056,143 |
| Growth (%) | -10.0 | 10.8 | 14.8 | 18.2 | 14.0 | 2.5 | 5.0 | -1.6 | 9.2 | 3.7 |
| EBITDA | 49,648 | 86,210 | 77,534 | 108,944 | 50,504 | 67,576 | 60,406 | 90,594 | 333,411 | 269,080 |
| EBITDA Margins (%) | 8.5 | 12.3 | 10.6 | 11.9 | 7.6 | 9.4 | 7.8 | 10.1 | 11.3 | 8.8 |
| PBT before EO Exp | 1,168 | 30,814 | 20,338 | 39,480 | -25,842 | -2,932 | -12,144 | 14,158 | 91,799 | -26,760 |
| EO Exp/(Inc) | -36,202 | 0 | 47 | 16,403 | 0 | 5,303 | 280,140 | 18,649 | -19,751 | 304,092 |
| PBT after EO Exp | 37,370 | 30,814 | 20,290 | 23,077 | -25,842 | -8,234 | -292,284 | -4,491 | 111,550 | -330,852 |
| Tax rate (%) | 32.3 | 35.4 | 52.6 | 42.3 | 16.1 | -33.0 | 8.2 | 18.8 | 38.9 | 8.0 |
| PAT | 25,295 | 19,916 | 9,614 | 13,305 | -21,686 | -10,953 | -268,232 | -3,647 | 68,131 | -304,519 |
| Minority Interest | -177 | -189 | -160 | -499 | -398 | -393 | -317 | 12 | -1,025 | -1,096 |
| Share in profit of Associate | 6,704 | 5,101 | 2,532 | 8,446 | 3,060 | 859 | -1,376 | -1,425 | 22,783 | 1,118 |
| Reported PAT | 31,823 | 24,828 | 11,986 | 21,252 | -19,024 | -10,488 | -269,925 | -5,060 | 89,889 | -304,497 |
| Adj PAT | 9,712 | 24,828 | 12,015 | 31,271 | -19,024 | -5,607 | -12,082 | 12,104 | 77,826 | -24,608 |
| Growth (%) | (49.3) | 197.2 | (422.8) | (28.1) | (295.9) | (122.6) | (200.6) | (61.3) | 15.7 | -131.6 |

E: MOFSL Estimates



Torrent Pharmaceuticals

| | |
|-------------------------|-------------|
| Bloomberg | TRP IN |
| Equity Shares (m) | 169.2 |
| M. Cap. (INR b)/(USD b) | 320 / 5 |
| 52-Week Range (INR) | 1964 / 1245 |
| 1,6,12 Rel Perf. (%) | -2 / 8 / 32 |

Financial Snapshot (INR Billion)

| Y/E March | 2019E | 2020E | 2021E |
|----------------|-------|-------|-------|
| Sales | 78.7 | 90.0 | 102.3 |
| EBITDA | 20.5 | 24.0 | 27.5 |
| Net Profit | 8.2 | 11.6 | 14.1 |
| Adj. EPS (INR) | 48.7 | 68.5 | 83.4 |
| EPS Gr. (%) | -9.3 | 40.6 | 21.7 |
| BV/Sh. (INR) | 322.5 | 366.3 | 419.5 |
| P/E (x) | 34.1 | 24.2 | 19.9 |
| P/BV (x) | 5.1 | 4.5 | 4.0 |
| RoE (%) | 16.4 | 19.9 | 21.2 |
| RoCE (%) | 11.8 | 13.5 | 14.9 |

CMP: INR1,889

Neutral

- n We expect Torrent Pharmaceuticals (TRP) to post ~23% YoY growth in revenues to INR21b in 4QFY19.
- n The domestic formulations and Europe business are expected to grow 20% YoY to INR8.3b and INR2.9b respectively while US business is expected to witness 12% YoY decline to INR2.7b.
- n The EBITDA margin is expected to expand 580bp YoY to 26.9% on account of better product mix and lower employee cost and other expenses as % of sales.
- n Absolute EBITDA is expected to increase 57% YoY to INR5.7b, while PAT is expected to remain stable YoY at INR2.7b due to tax credit received by the company in 4QFY18.
- n We remain positive on TRP on the back of pick-up in the Unichem portfolio, sustained outperformance in DF and increased R&D spend for building a healthy pipeline for US business.

Key issues to watch out for

- Ø Performance in the acquired portfolio of Unichem.
- Ø Outlook on future ANDA launches in the US market.

Quarterly performance (Consolidated)

| Y/E March | FY18 | | | | FY19E | | | | FY18 | FY19E |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| INR m | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | |
| Net Revenues | 13,740 | 14,290 | 14,770 | 17,220 | 18,720 | 18,940 | 19,880 | 21,185 | 60,020 | 78,725 |
| YoY Change (%) | -8.8 | 1.6 | 4.5 | 24.7 | 36.2 | 32.5 | 34.6 | 23.0 | 2.5 | 31.2 |
| EBITDA | 2,970 | 3,290 | 3,590 | 3,640 | 4,770 | 4,730 | 5,260 | 5,709 | 13,490 | 20,469 |
| Margins (%) | 21.6 | 23.0 | 24.3 | 21.1 | 25.5 | 25.0 | 26.5 | 26.9 | 22.5 | 26.0 |
| Depreciation | 800 | 840 | 940 | 1,510 | 1,500 | 1,520 | 1,560 | 1,533 | 4,090 | 6,113 |
| Interest | 560 | 510 | 800 | 1,210 | 1,220 | 1,260 | 1,330 | 1,192 | 3,080 | 5,002 |
| Other Income | 1,050 | 780 | 740 | 420 | 270 | 100 | 30 | 300 | 2,990 | 700 |
| PBT before EO Expense | 2,660 | 2,720 | 2,590 | 1,340 | 2,320 | 2,050 | 2,400 | 3,284 | 9,310 | 10,054 |
| Extra-Ord Expense | 0 | 0 | -1,810 | -500 | 0 | 0 | -350 | 0 | -2,310 | 0 |
| PBT after EO Expense | 2,660 | 2,720 | 4,400 | 1,840 | 2,320 | 2,050 | 2,750 | 3,284 | 11,620 | 10,054 |
| Tax | 780 | 680 | 2,010 | -940 | 690 | 260 | 290 | 570 | 2,530 | 1,810 |
| Rate (%) | 29.3 | 25.0 | 77.6 | -70.1 | 29.7 | 12.7 | 12.1 | 17.3 | 27.2 | 18.0 |
| Reported PAT | 1,880 | 2,040 | 580 | 2,280 | 1,630 | 1,790 | 2,460 | 2,714 | 6,780 | 8,244 |
| Adj PAT | 1,880 | 2,040 | 2,390 | 2,780 | 1,630 | 1,790 | 2,152 | 2,714 | 9,090 | 8,244 |
| YoY Change (%) | -35.6 | -30.1 | 15.5 | 21.4 | -13.3 | -12.3 | -9.9 | -2.4 | -2.6 | -9.3 |
| Margins (%) | 13.7 | 14.3 | 16.2 | 16.1 | 8.7 | 9.5 | 10.8 | 12.8 | 15.1 | 10.5 |

E: MOFSL Estimates



United Breweries

| | |
|-------------------------|--------------|
| Bloomberg | UBBL IN |
| Equity Shares (m) | 264.4 |
| M. Cap. (INR b)/(USD b) | 371 / 5 |
| 52-Week Range (INR) | 1494 / 945 |
| 1,6,12 Rel Perf. (%) | -6 / -1 / 27 |

CMP: INR1,402

Neutral

- n We expect United Breweries' revenue to grow by 12.1% YoY to INR16.5b.
- n We build in EBITDA margin expansion of 80bp YoY to 15%, with EBITDA growth of 18.7% YoY to INR2.5b.
- n We estimate 23.5% adjusted PAT growth in 4QFY19 to INR1.1b.
- n The stock trades at 26.8x/22.9x FY20E/FY21E EV/EBITDA. Neutral.

Financial Snapshot (INR b)

| Y/E March | 2018 | 2019E | 2020E | 2021E |
|----------------|-------|-------|-------|-------|
| Net Sales | 56.2 | 64.9 | 73.3 | 84.3 |
| EBITDA | 9.0 | 12.1 | 13.9 | 16.3 |
| NP | 3.9 | 6.1 | 7.1 | 8.5 |
| EPS (INR) | 14.9 | 23.0 | 26.8 | 32.0 |
| EPS Growth (%) | 71.7 | 54.0 | 16.6 | 19.5 |
| BV/Sh. (INR) | 101.7 | 121.7 | 145.0 | 172.9 |
| RoE (%) | 15.7 | 20.6 | 20.1 | 20.1 |
| RoCE (%) | 14.3 | 18.9 | 18.4 | 18.5 |

Key issues to watch for

- Ø Trends in volume and market share.
- Ø Price trend and outlook for raw materials.
- Ø Traction on premium range of beers.

Valuations

| | | | | |
|---------------|------|------|------|------|
| P/E (x) | 94.1 | 61.1 | 52.4 | 43.8 |
| P/BV (x) | 13.8 | 11.5 | 9.7 | 8.1 |
| EV/EBITDA (x) | 41.4 | 30.8 | 26.8 | 22.9 |
| EV/Sales (x) | 6.6 | 5.8 | 5.1 | 4.4 |

Standalone - Quarterly Earning Model

| Y/E March | FY18 | | | | FY19 | | | | FY18 | FY19E |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | |
| Net Sales | 16,780 | 12,796 | 11,994 | 14,693 | 18,659 | 15,260 | 14,512 | 16,476 | 56,263 | 64,906 |
| YoY Change (%) | 7.3 | 23.4 | 17.3 | 32.0 | 11.2 | 19.3 | 21.0 | 12.1 | 18.8 | 15.4 |
| Gross Profit | 8,817 | 6,907 | 6,272 | 7,762 | 10,095 | 8,485 | 7,739 | 8,588 | 29,759 | 34,907 |
| Margin (%) | 52.5 | 54.0 | 52.3 | 52.8 | 54.1 | 55.6 | 53.3 | 52.1 | 52.9 | 53.8 |
| EBITDA | 3,184 | 2,219 | 1,526 | 2,082 | 4,004 | 3,182 | 2,479 | 2,471 | 9,011 | 12,137 |
| YoY Change (%) | 9.4 | 83.1 | 19.3 | 105.9 | 25.8 | 43.4 | 62.4 | 18.7 | 41 | 34.7 |
| Margins (%) | 19.0 | 17.3 | 12.7 | 14.2 | 21.5 | 20.9 | 17.1 | 15.0 | 16.0 | 18.7 |
| Depreciation | 649 | 650 | 650 | 648 | 637 | 656 | 665 | 761 | 2,596 | 2,720 |
| Interest | 142 | 127 | 93 | 114 | 92 | 40 | 62 | 69 | 477 | 263 |
| Other Income | 63 | 12 | 8 | 48 | 153 | 37 | 21 | 40 | 130 | 251 |
| PBT | 2,456 | 1,454 | 791 | 1,368 | 3,428 | 2,523 | 1,772 | 1,681 | 6,068 | 9,404 |
| Tax | 837 | 515 | 317 | 459 | 1,208 | 885 | 681 | 555 | 2,128 | 3,329 |
| Rate (%) | 34.1 | 35.4 | 40.1 | 33.6 | 35.3 | 35.1 | 38.4 | 33.0 | 35 | 35.4 |
| MI & P/L of Asso. Cos. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4 | 4.3 | 4 |
| Adj PAT | 1,619 | 938 | 474 | 909 | 2,219 | 1,638 | 1,092 | 1,122 | 3,936 | 6,071 |
| YoY Change (%) | 10.1 | 246.9 | -2.3 | 1,250.4 | 37.1 | 74.5 | 130.4 | 23.5 | 71.6 | 54.3 |
| Margins (%) | 9.6 | 7.3 | 4.0 | 6.2 | 11.9 | 10.7 | 7.5 | 6.8 | 7.0 | 9.4 |

E: MOFSL Estimates



1. BAJAJ FINSERV: EXPECT TO CONTINUE DOUBLE DIGIT GROWTH IN GENERAL INSURANCE BUSINESS; S Sreenivasan, CFO

- n The light business in the second half has been fairly muted for the industry as a whole particularly for those who are reliant on unit-linked business. Company had taken a call a couple of years ago to balance the product mix. So that has helped quite a bit.
- n Individual rate of premium for this quarter has grown 45 percent but what is more pleasing is that the light business has done extremely well in Q4.
- n Growth in the general insurance business is a bit uncertain in the market. Auto industry is not doing that well. It is a big driver for growth. Capital investments across the industry is also another big lever for growth. Both have been quite muted because of uncertainties in terms of the equity markets and election outcome.
- n Persistency ratio and margin improved in life insurance business.
- n However, this business even in a low growth scenario typically grows in double digits and company has been always growing above market for the last few years.

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2. JK TYRE : WILL REPAY 38% OF OUR TOTAL LOANS IN NEXT 3 YEARS; AK Bajoria, Director and President

- n Despite the industry growth of about 8-9 percent, have grown the topline at 24 percent. At the operating profit level, company has grown by 35 percent.
- n Q4 was bad for all mainly because the low liquidity, the economy was not doing well, raw material prices and the apprehension by the original equipment manufacturers (OEMs) as well as in the replacement sector, there was a slowdown essentially. Everyone was taking the production cuts. So Q4 is not the right way to look at it. Will have to look at the year as a whole.
- n This is the first year of 2018-2019 when company has crossed the Rs 10,000 crore sales mark.
- n Out of our total loans, company is going to repay 38 percent of its loans in the years 2019-2020, 2020-2021 and 2021-2022.
- n There is no major capex in the year 2019-2020 and 2020-2021 except the plans that company has already taken.

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3. MINDA INDUSTRIES: WE EXPECT H2 TO BE MUCH BETTER THAN H1; Sunil Bohra, ED & Group CFO

- n Last quarter was impacted by various issues. There was price increase in terms of insurance cost or various regulatory factors. The demand has been subdued since October but our Q4 was a little better than Q3, sequentially.
- n However, once company entered the new year, the volumes still remained subdued.
- n Expect H2 to be much better than H1.
- n Company is confident that it will be able to clock a double digit growth in the full year, north of 10%.

- n Over last year to this year, company has increased kit value in the range of 5% to 10%. The top-end model which company sells, the kit value is almost Rs 80,000 to Rs 90,000 per vehicle, starting from a base model of Rs 4,000 to 5,000.
- n Also believe that when we migrate from BS-IV to BS-VI, there definitely will be a significant price increase in the cost of owning a vehicle.
- n Aftermarket sales are growing in double digits for the last few years and expect that momentum to improve significantly in the coming quarter.

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4. ARVIND FASHIONS: WILL EXIT SOME NON-STRATEGIC BRANDS GOING AHEAD; Kulin Lalbhai, ED

- n The fourth quarter was a challenge in terms of demand because there was an earlier end-of-year season sale, a lot of demand got pulled in December quarter.
- n As soon as company realised that the market is weak, it decided to focus on margins and so company reported the highest gross margins in Q4. In a sense had to trade off growth for margins.
- n The markets are difficult but company is trying to optimise for cash efficiency bottom-line and Q2 onwards expect to go back to usual growth trajectories.
- n Going forward company would be exiting some brands that are non-strategic.
- n Company would also be slowing down on new store opening till it gets the throughput of the existing network up.

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1. APPRENTICESHIPS COULD ADDRESS INDIA INC'S HUMAN CAPITAL HURDLE

- n Employers can't manufacture their own employees because of three holes in the bucket: learning risks (employer pays for training but kid doesn't get hired), productivity risks (employer pays for training, kid gets hired, but is not productive), and attrition risks (employer pays for training, kid gets hired, is productive, but resigns before the employer recovers the investment). The inability of employers to manufacture their own employees is supported by the work of late Nobel laureate Gary Becker on human capital, but he hardly suggested giving up on training investments the way many employers are doing. We'd like to make the case that carefully designed apprentice programmes could provide a return on investment higher than the hurdle rates of 12-15% used by most employers to evaluate capital expenditure proposals.

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2. WHY TIMING OF UBER IPO IS A CAUTIONARY TALE FOR UNICORNS

- n Uber Technologies Inc.'s botched market debut has a lesson for other unicorns: Don't wait so long to go public. Companies have more access to private capital than ever before, and many are putting off the scrutiny of public markets for as long as possible. There are 349 unicorns, or private companies valued at \$1 billion or more, around the world, according to research firm CB Insights. By avoiding public markets, those unicorns are forgoing critical feedback about their progress — feedback that fawning private investors are unlikely to provide and that Uber could have used sooner. Changes are easier when a company is smaller and more nimble. Instead, Uber learned only in recent days that the market isn't as enamored with it as it believed. Morgan Stanley, the lead underwriter in Uber's initial public offering, suggested last year that the ride-hailing company could be worth as much as \$120 billion. By that yardstick, Uber must have viewed the \$75.5 billion valuation at its IPO as a fire sale, but it turns out the market thinks it's worth even less. The stock is down 8.4% since Friday's IPO through on Wednesday, bringing its market value to \$69 billion.

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3. WORLD TELECOM DAY: ROLE OF TECH STANDARDS, AND THE NEED FOR INTERDISCIPLINARY APPROACH

- n The anniversary of the signing of the first International Telegraph Convention and the creation of the International Telecommunication Union (ITU) is celebrated on May 17 as the World Telecommunication and Information Society Day. The theme this year is 'Bridging the Standardization Gap'. The Secretary General of the ITU, Houlin Zhao, has indicated in his message that the upcoming 5G standards, augmented by AI and autonomous systems, will support a new range of applications from self-driving cars to safer and smarter cities. Standards promote interoperability, and act as a platform for large-scale adoption of technologies. Standard bodies such as the ITU, Institute of Electrical and Electronics Engineers (IEEE), 3rd Generation Partnership Project (3GPP), American National Standards Institute (ANSI) and International Organization for Standardization (ISO) have been promoting standards for the development and adoption of technologies worldwide. Although some countries and companies developed country-specific standards—such as the Time Division-Synchronous Code Division Multiple Access (TD-SCDMA) by China and Betamax (video tape recording standard) developed by Sony—most failed to attract adoption. Oz Shy, the noted economist, in his book 'The Economics of Network Industries' illustrates how countries and firms benefit by mutually recognising standards compared to recognising their own standards in their product offering.

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| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | |
|------------------------|--------------|-----------|----------|----------------------|-----------|-------|-------|-----------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|
| | | | | | FY19E | FY20E | FY21E | FY19E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E |
| Automobiles | | | | | | | | | | | | | | | | |
| Amara Raja | Buy | 630 | 761 | 21 | 28.3 | 33.3 | 38.0 | 2.6 | 17.6 | 14.2 | 18.9 | 16.6 | 2.9 | 2.6 | 16.1 | 16.4 |
| Ashok Ley. | Buy | 84 | 113 | 34 | 7.0 | 7.3 | 6.0 | 16.9 | 4.7 | -18.0 | 11.6 | 14.1 | 2.6 | 2.4 | 24.1 | 17.7 |
| Bajaj Auto | Neutral | 3042 | 3050 | 0 | 165.4 | 174.3 | 190.1 | 9.3 | 5.4 | 9.1 | 17.4 | 16.0 | 3.6 | 3.3 | 21.9 | 21.5 |
| Bharat Forge | Buy | 455 | 604 | 33 | 23.9 | 27.3 | 27.5 | 29.7 | 14.1 | 0.7 | 16.7 | 16.6 | 3.3 | 2.9 | 21.4 | 18.7 |
| Bosch | Neutral | 17238 | 19556 | 13 | 532.8 | 613.7 | 724.3 | 13.4 | 15.2 | 18.0 | 28.1 | 23.8 | 5.2 | 4.6 | 17.4 | 20.4 |
| CEAT | Buy | 951 | 1277 | 34 | 63.6 | 73.1 | 91.2 | -0.5 | 14.9 | 24.7 | 13.0 | 10.4 | 1.3 | 1.2 | 10.3 | 11.7 |
| Eicher Mot. | Buy | 20960 | 23500 | 12 | 813.9 | 877 | 1,007 | 1.8 | 7.8 | 14.8 | 23.9 | 20.8 | 5.4 | 4.5 | 24.4 | 23.6 |
| Endurance Tech. | Buy | 1148 | 1350 | 18 | 36.2 | 42.9 | 49.4 | 24.5 | 18.4 | 15.4 | 26.8 | 23.2 | 5.4 | 4.7 | 21.7 | 21.5 |
| Escorts | Neutral | 559 | 724 | 30 | 53.2 | 57.9 | 60.4 | 34.7 | 8.8 | 4.3 | 9.7 | 9.3 | 1.6 | 1.4 | 17.7 | 15.8 |
| Exide Ind | Buy | 207 | 281 | 36 | 9.1 | 10.9 | 12.2 | 10.6 | 20.2 | 12.2 | 19.0 | 16.9 | 2.7 | 2.4 | 14.0 | 14.2 |
| Hero Moto | Neutral | 2624 | 2912 | 11 | 169.5 | 176.8 | 184.7 | -8.5 | 4.3 | 4.5 | 14.8 | 14.2 | 3.7 | 3.4 | 26.1 | 24.8 |
| M&M | Buy | 621 | 793 | 28 | 40.6 | 44.1 | 44.4 | -0.9 | 8.5 | 0.8 | 14.1 | 14.0 | 2.0 | 1.8 | 13.1 | 11.7 |
| Mahindra CIE | Buy | 222 | 290 | 31 | 14.1 | 17.1 | 19.4 | 44.7 | 21.3 | 13.0 | 12.9 | 11.4 | 1.7 | 1.5 | 14.0 | 13.8 |
| Maruti Suzuki | Buy | 6707 | 8047 | 20 | 247.7 | 277.3 | 334.4 | -7.1 | 12.0 | 20.6 | 24.2 | 20.1 | 4.1 | 3.7 | 16.4 | 18.1 |
| Motherson Sumi | Buy | 117 | 186 | 58 | 5.3 | 6.9 | 7.8 | -2.6 | 31.8 | 12.0 | 17.0 | 15.1 | 3.1 | 2.7 | 19.4 | 19.1 |
| Tata Motors | Neutral | 177 | 195 | 10 | -7.2 | 12.2 | 15.7 | PL | LP | 28.8 | 14.5 | 11.3 | 0.9 | 0.8 | 6.2 | 7.4 |
| TVS Motor | Neutral | 470 | 480 | 2 | 14.1 | 18.1 | 22.9 | 1.1 | 28.6 | 26.2 | 25.9 | 20.5 | 5.6 | 4.6 | 23.5 | 24.6 |
| Aggregate | | | | | | | | -24.1 | 34.3 | 11.9 | 18.2 | 16.3 | 2.7 | 2.5 | 15.0 | 15.2 |
| Banks - Private | | | | | | | | | | | | | | | | |
| AU Small Finance | Buy | 665 | 720 | 8 | 13.2 | 18.2 | 24.8 | 28.9 | 38 | 36.2 | 36.6 | 26.9 | 4.8 | 4.1 | 14.8 | 16.4 |
| Axis Bank | Buy | 748 | 875 | 17 | 18.2 | 40.0 | 55.7 | 1,538.1 | 120 | 39.1 | 18.7 | 13.4 | 2.5 | 2.1 | 14.3 | 17.0 |
| DCB Bank | Buy | 221 | 250 | 13 | 10.5 | 14.0 | 18.6 | 32.0 | 33.2 | 33.1 | 15.8 | 11.9 | 2.0 | 1.7 | 14.1 | 16.2 |
| Equitas Hold. | Buy | 129 | 160 | 24 | 6.3 | 9.3 | 12.2 | 583.7 | 46.2 | 31.5 | 13.9 | 10.6 | 1.6 | 1.4 | 12.0 | 14.2 |
| Federal Bank | Buy | 98 | 120 | 22 | 6.3 | 8.0 | 10.0 | 32.2 | 26.7 | 25.3 | 12.4 | 9.9 | 1.4 | 1.2 | 11.4 | 12.9 |
| HDFC Bank | Buy | 2362 | 2650 | 12 | 79.3 | 94.4 | 115.6 | 16.9 | 19.1 | 22.4 | 25.0 | 20.4 | 3.8 | 3.3 | 16.1 | 17.2 |
| ICICI Bank | Buy | 390 | 470 | 20 | 5.2 | 21.2 | 28.5 | -52.8 | 305.8 | 34.5 | 18.4 | 13.7 | 2.2 | 1.9 | 12.4 | 15.0 |
| IndusInd | Buy | 1374 | 2050 | 49 | 53.8 | 99.4 | 127.4 | -10.6 | 84.8 | 28.2 | 13.8 | 10.8 | 2.5 | 2.1 | 20.6 | 21.4 |
| Kotak Mah. Bk | Neutral | 1461 | 1450 | -1 | 37.7 | 44.1 | 53.6 | 16.0 | 16.8 | 21.5 | 33.1 | 27.3 | 4.2 | 3.7 | 13.2 | 14.3 |
| RBL Bank | Buy | 656 | 800 | 22 | 20.3 | 25.2 | 34.8 | 34.3 | 24.1 | 37.8 | 26.0 | 18.9 | 2.7 | 2.4 | 12.4 | 13.5 |
| South Indian | Buy | 13 | 18 | 35 | 1.4 | 2.2 | 3.1 | -26.2 | 64.4 | 36.7 | 5.9 | 4.3 | 0.4 | 0.4 | 7.4 | 9.6 |
| Yes Bank | Buy | 135 | 280 | 108 | 7.5 | 14.1 | 19.8 | -59.6 | 88.6 | 40.9 | 9.6 | 6.8 | 1.0 | 0.9 | 11.0 | 13.5 |
| Aggregate | | | | | | | | 9.3 | 62.9 | 29.5 | 20.9 | 16.1 | 2.9 | 2.5 | 13.7 | 15.5 |
| Banks - PSU | | | | | | | | | | | | | | | | |
| BOB | Buy | 112 | 160 | 43 | 7.8 | 14.8 | 23.9 | LP | 89.0 | 61.4 | 7.6 | 4.7 | 0.6 | 0.6 | 8.4 | 12.3 |
| BOI | Neutral | 82 | 90 | 10 | -22.0 | 3.2 | 11.7 | Loss | LP | 270.9 | 25.9 | 7.0 | 0.7 | 0.6 | 2.4 | 8.7 |
| Canara | Neutral | 246 | 278 | 13 | 17.0 | 42.3 | 49.3 | LP | 148.5 | 16.6 | 5.8 | 5.0 | 0.5 | 0.5 | 8.2 | 8.9 |
| Indian Bk | Buy | 236 | 280 | 19 | 6.7 | 24.0 | 39.6 | -74.4 | 258.3 | 64.9 | 9.8 | 6.0 | 0.6 | 0.5 | 6.7 | 10.2 |
| PNB | Neutral | 83 | 90 | 9 | -14.6 | 5.8 | 11.6 | Loss | LP | 102 | 14 | 7.1 | 0.7 | 0.6 | 4.8 | 9.1 |
| SBI | Buy | 319 | 380 | 19 | 2.6 | 33.5 | 37.3 | LP | 1,199 | 11.6 | 9.5 | 8.5 | 1.1 | 1.0 | 13.4 | 13.2 |
| Union Bk | Neutral | 70 | 80 | 14 | 4.5 | 12.8 | 24.6 | LP | 185.7 | 92.1 | 5.5 | 2.9 | 0.3 | 0.3 | 5.5 | 9.9 |
| Aggregate | | | | | | | | Loss | LP | 32 | 9 | 6.9 | 0.8 | 0.7 | 9.0 | 10.7 |
| NBFCs | | | | | | | | | | | | | | | | |
| Aditya Birla Cap | Buy | 91 | 130 | 43 | 4.0 | 4.3 | 5.8 | 25.7 | 9.0 | 34.4 | 21.1 | 15.7 | 1.9 | 1.6 | 9.9 | 10.9 |
| Bajaj Fin. | Neutral | 3301 | 2900 | -12 | 69.5 | 86.8 | 107.4 | 60.0 | 25.0 | 23.8 | 38.0 | 30.7 | 8.0 | 6.5 | 23.2 | 23.4 |
| Cholaman. Inv. & F n | Under Review | 1351 | - | | 76.8 | 88.6 | 101.0 | 23.2 | 15.4 | 14.1 | 15.2 | 13.4 | 2.9 | 2.4 | 20.5 | 19.5 |
| HDFC | Buy | 1994 | 2330 | 17 | 43.1 | 49.2 | 56.3 | 29.6 | 14.2 | 14.3 | 40.5 | 35.4 | 4.2 | 3.7 | 13.8 | 14.3 |
| HDFC Life Insur. | Buy | 383 | 475 | 24 | 6.3 | 7.3 | 9.0 | 14.4 | 15.8 | 22.6 | 52.2 | 42.6 | 3.5 | 2.9 | 20.2 | 20.0 |
| ICICI Pru Life | Buy | 339 | 450 | 33 | 8.0 | 7.8 | 9.3 | -29.5 | -1.3 | 18.2 | 43.3 | 36.6 | 1.9 | 1.7 | 15.9 | 15.7 |
| Indiabulls Hsg | Under Review | 721 | - | | 95.9 | 101.9 | 119.0 | 5.0 | 6.3 | 16.8 | 7.1 | 6.1 | 1.6 | 1.5 | 24.3 | 25.3 |
| Indostar Capital | Buy | 343 | 525 | 53 | 24.7 | 39.2 | 54.4 | 5.4 | 58.4 | 39.0 | 8.8 | 6.3 | 0.9 | 0.8 | 11.0 | 13.4 |
| L&T Fin Holdings | Buy | 117 | 170 | 45 | 11.2 | 13.1 | 15.4 | 64.8 | 17.3 | 17.7 | 8.9 | 7.6 | 1.5 | 1.3 | 17.7 | 17.8 |



| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | |
|----------------------|----------|--------------|-------------|----------------------|-----------|-------|-------|-----------------|-------------|-------------|-------------|-------------|------------|------------|-------------|-------------|
| | | | | | FY19E | FY20E | FY21E | FY19E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E |
| LIC Hsg Fin | Buy | 500 | 580 | 16 | 48.1 | 54.3 | 61.3 | 21.4 | 12.8 | 12.8 | 9.2 | 8.2 | 1.4 | 1.2 | 15.9 | 15.8 |
| MAS Financial | Buy | 523 | 700 | 34 | 28.1 | 33.0 | 39.9 | 52.5 | 17.4 | 21.1 | 15.9 | 13.1 | 2.7 | 2.3 | 18.4 | 19.0 |
| M&M Fin. | Buy | 380 | 540 | 42 | 25.3 | 29.5 | 34.0 | 44.7 | 16.3 | 15.6 | 12.9 | 11.2 | 2.0 | 1.8 | 16.3 | 16.8 |
| Muthoot Fin | Neutral | 579 | 560 | -3 | 49.2 | 55.3 | 64.2 | 10.8 | 12.4 | 15.9 | 10.5 | 9.0 | 2.2 | 1.8 | 22.2 | 22.1 |
| PNB Housing | Buy | 734 | 875 | 19 | 71.1 | 73.2 | 80.4 | 40.9 | 2.9 | 9.8 | 10.0 | 9.1 | 1.5 | 1.3 | 15.6 | 15.0 |
| Repco Home | Buy | 408 | 550 | 35 | 38.4 | 43.3 | 49.9 | 16.6 | 12.8 | 15.2 | 9.4 | 8.2 | 1.4 | 1.2 | 16.5 | 16.3 |
| Shriram Union | City Buy | 1435 | 2100 | 46 | 149.9 | 165.5 | 188.6 | 48.7 | 10.4 | 14.0 | 8.7 | 7.6 | 1.3 | 1.1 | 15.9 | 15.7 |
| Shriram Trans. | Buy | 1034 | 1325 | 28 | 113.1 | 129.7 | 149.7 | 4.3 | 14.6 | 15.4 | 8.0 | 6.9 | 1.3 | 1.1 | 17.2 | 17.0 |
| Aggregate | | | | | | | | 24.5 | 14.1 | 17.3 | 22.1 | 18.8 | 3.3 | 2.9 | 15.1 | 15.4 |
| Capital Goods | | | | | | | | | | | | | | | | |
| ABB | Sell | 1392 | 1190 | -15 | 12.0 | 18.3 | 22.6 | 12.7 | 52.9 | 23.4 | 75.9 | 61.5 | 6.8 | 6.2 | 9.0 | 10.1 |
| Bharat Elec. | Buy | 92 | 115 | 25 | 7.1 | 7.4 | 7.7 | 24.0 | 4.1 | 3.7 | 12.4 | 11.9 | 2.3 | 2.0 | 18.3 | 17.1 |
| BHEL | Sell | 62 | 60 | -3 | 3.2 | 3.8 | 4.5 | 45.5 | 18.6 | 17.9 | 16.4 | 13.9 | 0.7 | 0.7 | 4.2 | 4.9 |
| Blue Star | Neutral | 723 | 770 | 7 | 19.5 | 24.4 | 31.0 | 34.7 | 25.6 | 26.6 | 29.6 | 23.4 | 6.6 | 5.4 | 22.4 | 23.3 |
| CG Cons. Elec. | Buy | 214 | 270 | 26 | 6.0 | 7.7 | 9.3 | 16.1 | 27.6 | 21.6 | 27.9 | 23.0 | 10.9 | 8.8 | 43.4 | 42.4 |
| Cummins | Buy | 712 | 950 | 33 | 27.4 | 31.2 | 34.8 | 16.4 | 13.8 | 11.6 | 22.8 | 20.5 | 4.2 | 3.9 | 19.2 | 19.8 |
| Engineers India | Buy | 108 | 125 | 16 | 5.9 | 6.5 | 7.5 | -5.7 | 10.2 | 15.4 | 16.7 | 14.5 | 2.9 | 2.6 | 17.1 | 18.0 |
| GE T&D | Neutral | 232 | 300 | 29 | 9.9 | 11.1 | 11.8 | 31.9 | 12.1 | 6.7 | 20.9 | 19.6 | 3.9 | 3.5 | 19.8 | 18.7 |
| Havells | Buy | 735 | 871 | 19 | 13.8 | 16.7 | 20.3 | 23.0 | 21.2 | 21.1 | 43.9 | 36.3 | 9.3 | 8.0 | 21.1 | 21.9 |
| K E C Intl | Buy | 277 | 347 | 25 | 19.0 | 24.2 | 28.9 | 6.0 | 27.7 | 19.2 | 11.4 | 9.6 | 2.4 | 1.9 | 20.7 | 20.1 |
| L&T | Buy | 1362 | 1850 | 36 | 61.4 | 76.9 | 96.1 | 18.7 | 25.3 | 24.9 | 17.7 | 14.2 | 2.7 | 2.4 | 16.3 | 18.0 |
| Siemens | Buy | 1126 | 1290 | 15 | 25.1 | 32.5 | 34.0 | 27.1 | 29.5 | 4.6 | 34.6 | 33.1 | 4.4 | 4.0 | 13.3 | 12.7 |
| Solar Ind | Neutral | 1078 | 1230 | 14 | 28.9 | 35.0 | 43.9 | 18.6 | 21.0 | 25.6 | 30.8 | 24.5 | 6.5 | 5.4 | 23.2 | 24.1 |
| Thermax | Buy | 949 | 1290 | 36 | 25.4 | 36.3 | 43.0 | 24.0 | 42.8 | 18.2 | 26.1 | 22.1 | 3.3 | 3.0 | 13.3 | 14.1 |
| Va Tech Wab. | Neutral | 273 | 300 | 10 | 26.9 | 38.2 | 47.9 | 11.6 | 42.3 | 25.2 | 7.1 | 5.7 | 1.1 | 0.9 | 15.9 | 17.4 |
| Voltas | Neutral | 575 | 595 | 4 | 15.7 | 17.4 | 20.5 | -9.2 | 10.8 | 18.0 | 33.0 | 28.0 | 4.2 | 3.8 | 13.3 | 14.1 |
| Aggregate | | | | | | | | 19.1 | 22.3 | 19.8 | 21.3 | 17.8 | 2.9 | 2.6 | 13.5 | 14.6 |
| Cement | | | | | | | | | | | | | | | | |
| Ambuja Cem. | Neutral | 219 | 211 | -4 | 6.3 | 6.8 | 7.8 | 2.0 | 8.7 | 14.6 | 32.1 | 28.0 | 2.0 | 2.0 | 6.3 | 7.1 |
| ACC | Buy | 1606 | 1913 | 19 | 57.3 | 66.3 | 85.4 | 22.1 | 15.8 | 28.7 | 24.2 | 18.8 | 2.6 | 2.4 | 11.3 | 13.3 |
| Birla Corp. | Buy | 547 | 583 | 7 | 33.2 | 45.0 | 63.2 | 53.6 | 35.5 | 40.4 | 12.2 | 8.7 | 0.9 | 0.8 | 7.5 | 9.8 |
| Dalmia Bhar. | Buy | 1033 | 1319 | 28 | 15.6 | 18.8 | 31.4 | 13.3 | 20.4 | 66.7 | 54.8 | 32.9 | 1.8 | 1.8 | 3.4 | 5.5 |
| Grasim Inds. | Neutral | 830 | 836 | 1 | 66.2 | 85.0 | 98.3 | 39.8 | 28.5 | 15.7 | 9.8 | 8.4 | 1.1 | 1.1 | 6.1 | 6.0 |
| India Cem | Neutral | 96 | 103 | 8 | 2.8 | 5.4 | 7.8 | -14.1 | 91.5 | 44.7 | 17.8 | 12.3 | 0.5 | 0.5 | 3.1 | 4.4 |
| J K Cements | Buy | 846 | 992 | 17 | 35.8 | 43.4 | 52.7 | -12.7 | 21.2 | 21.4 | 19.5 | 16.1 | 2.7 | 2.3 | 14.4 | 15.4 |
| JK Lakshmi Ce | Buy | 340 | 407 | 20 | 6.1 | 12.0 | 20.2 | -17.5 | 96.3 | 68.3 | 28.3 | 16.8 | 2.4 | 2.1 | 9.0 | 13.6 |
| Ramco Cem | Buy | 747 | 853 | 14 | 21.4 | 28.5 | 36.8 | -10.6 | 33.1 | 29.0 | 26.2 | 20.3 | 3.5 | 3.0 | 14.1 | 15.9 |
| Orient Cem | Buy | 102 | 119 | 16 | 2.3 | 4.4 | 8.1 | 7.5 | 89.8 | 84 | 23.2 | 12.6 | 1.9 | 1.6 | 8.3 | 13.7 |
| Prism Johnson | Buy | 87 | 104 | 20 | 3.1 | 3.8 | 4.1 | 123.4 | 21.3 | 7.7 | 22.9 | 21.3 | 3.4 | 3.0 | 15.6 | 14.8 |
| Sanghi Inds. | Buy | 59 | 76 | 29 | 1.2 | 2.3 | 2.4 | -67.7 | 89.5 | 5.9 | 25.9 | 24.5 | 0.9 | 0.7 | 3.5 | 3.5 |
| Shree Cem | Buy | 19332 | 22232 | 15 | 362.2 | 459.7 | 600.3 | -6.1 | 26.9 | 30.6 | 42.1 | 32.2 | 6.1 | 5.2 | 15.5 | 17.4 |
| Ultratech | Buy | 4492 | 5190 | 16 | 89.4 | 113.0 | 153.6 | 4.3 | 26.4 | 35.9 | 39.7 | 29.3 | 3.6 | 3.2 | 10.1 | 11.5 |
| Aggregate | | | | | | | | 14.8 | 26.8 | 26.0 | 23.7 | 18.8 | 2.3 | 2.1 | 9.8 | 11.2 |
| Consumer | | | | | | | | | | | | | | | | |
| Asian Paints | Sell | 1318 | 1150 | -13 | 23.1 | 23.7 | 28.8 | 9.1 | 2.6 | 21.7 | 55.7 | 45.8 | 12.2 | 11.2 | 22.9 | 25.6 |
| Britannia | Buy | 2778 | 3350 | 21 | 48.1 | 59.2 | 69.8 | 15.1 | 23.1 | 17.8 | 46.9 | 39.8 | 14.8 | 14.4 | 32.5 | 36.7 |
| Colgate | Buy | 1142 | 1555 | 36 | 27.9 | 32.1 | 37.0 | 10.8 | 15.1 | 15.2 | 35.6 | 30.9 | 19.2 | 20.5 | 54.1 | 64.2 |
| Dabur | Neutral | 370 | 415 | 12 | 8.5 | 9.2 | 10.4 | 9.0 | 8.5 | 12.8 | 40.3 | 35.7 | 10.4 | 9.6 | 27.2 | 27.9 |
| Emami | Buy | 367 | 540 | 47 | 12.5 | 14.3 | 16.4 | 2.7 | 14.7 | 14.5 | 25.7 | 22.4 | 7.4 | 7.4 | 29.4 | 32.9 |
| Future Consumer | Buy | 39 | 58 | 49 | -0.1 | 0.7 | 1.6 | Loss | LP | 136.0 | 56.4 | 23.9 | 5.9 | 4.7 | 11.0 | 21.9 |
| Godrej Cons. | Neutral | 668 | 650 | -3 | 15.1 | 16.1 | 18.5 | 7.2 | 6.4 | 15.1 | 41.6 | 36.2 | 8.9 | 8.1 | 21.9 | 23.4 |
| GSK Cons. | Neutral | 7313 | 7470 | 2 | 216.1 | 229.6 | 256.8 | 29.8 | 6.3 | 11.8 | 31.8 | 28.5 | 6.7 | 6.1 | 22.3 | 22.4 |
| HUL | Buy | 1736 | 1950 | 12 | 28.9 | 33.1 | 39.0 | 18.2 | 14.3 | 17.7 | 52.5 | 44.6 | 45.6 | 42.9 | 90.1 | 99.2 |



| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | | |
|-----------------------|---------|-----------|----------|----------------------|-----------|-------|-------|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | FY19E | FY20E | FY21E | FY19E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E | |
| ITC | Neutral | 301 | 305 | 1 | 10.2 | 10.8 | 12.1 | 14.8 | 6.6 | 12.1 | 27.8 | 24.8 | 6.0 | 5.6 | 22.2 | 23.2 | |
| Jyothy Lab | Neutral | 149 | 175 | 18 | 5.4 | 6.0 | 7.4 | 10.5 | 11.2 | 23.1 | 24.9 | 20.2 | 3.9 | 3.7 | 16.1 | 18.8 | |
| Marico | Buy | 360 | 425 | 18 | 7.2 | 8.9 | 10.6 | 14.2 | 23.4 | 19.4 | 40.4 | 33.9 | 13.1 | 11.3 | 35.0 | 35.9 | |
| Nestle | Neutral | 10453 | 10615 | 2 | 178.6 | 196.0 | 227.2 | 27.5 | 9.8 | 15.9 | 53.3 | 46.0 | 27.1 | 29.0 | 51.2 | 61.0 | |
| Page Inds | Neutral | 22774 | 27515 | 21 | 378.3 | 472.0 | 573.3 | 21.6 | 24.7 | 21.5 | 48.3 | 39.7 | 26.0 | 22.3 | 53.8 | 56.2 | |
| Parag Milk Foods | Buy | 244 | 305 | 25 | 15.7 | 16.7 | 20.4 | 51.5 | 6.3 | 22.1 | 14.6 | 11.9 | 2.2 | 1.9 | 15.9 | 17.0 | |
| Pidilite Ind. | Neutral | 1163 | 1135 | -2 | 18.6 | 21.7 | 25.2 | -2.0 | 17.2 | 15.8 | 53.5 | 46.2 | 12.2 | 10.5 | 24.6 | 24.4 | |
| P&G Hygiene | Neutral | 10495 | 9860 | -6 | 131.9 | 166.2 | 207.6 | 14.5 | 26.0 | 24.9 | 63.2 | 50.6 | 30.8 | 25.9 | 52.8 | 55.7 | |
| United Brew | Neutral | 1359 | 1535 | 13 | 23.0 | 26.8 | 32.0 | 54.0 | 16.6 | 19.5 | 50.7 | 42.5 | 9.4 | 7.9 | 20.1 | 20.1 | |
| United Spirits | Buy | 531 | 690 | 30 | 10.0 | 13.6 | 18.4 | 47.7 | 36.8 | 34.8 | 39.0 | 28.9 | 10.0 | 7.4 | 25.6 | 25.6 | |
| Aggregate | | | | | | | | | 16.0 | 11.4 | 16.3 | 39.5 | 34.0 | 11.1 | 10.2 | 28.1 | 30.0 |
| Healthcare | | | | | | | | | | | | | | | | | |
| Alembic Phar | Neutral | 526 | 587 | 12 | 31.0 | 28.5 | 32.3 | 41.6 | -8.2 | 13.5 | 18.5 | 16.3 | 3.2 | 2.7 | 18.0 | 17.7 | |
| Alkem Lab | Buy | 1688 | 2170 | 29 | 70.9 | 91.7 | 109.4 | 20.3 | 29.4 | 19.2 | 18.4 | 15.4 | 3.2 | 2.7 | 18.4 | 19.0 | |
| Ajanta Pharma | Buy | 1026 | 1225 | 19 | 44.4 | 48.2 | 55.6 | -16.1 | 8.4 | 15.4 | 21.3 | 18.5 | 3.5 | 3.0 | 17.6 | 17.5 | |
| Aurobindo | Buy | 670 | 940 | 40 | 42.8 | 59.1 | 64.2 | 0.2 | 38.1 | 8.7 | 11.3 | 10.4 | 2.3 | 1.9 | 22.2 | 19.7 | |
| Biocon | Neutral | 521 | 670 | 29 | 12.4 | 19.9 | 23.7 | 99.6 | 60.7 | 19.2 | 26.2 | 22.0 | 4.5 | 3.9 | 18.3 | 19.1 | |
| Cadila | Buy | 250 | 420 | 68 | 17.5 | 17.7 | 18.8 | -0.4 | 1.5 | 5.8 | 14.1 | 13.3 | 2.3 | 2.0 | 17.0 | 16.0 | |
| Cipla | Neutral | 544 | 488 | -10 | 17.6 | 21.2 | 25.3 | -13.6 | 20.8 | 19.1 | 25.6 | 21.5 | 2.6 | 2.3 | 10.1 | 10.9 | |
| Divis Lab | Neutral | 1633 | 1570 | -4 | 56.0 | 61.3 | 70.4 | 69.5 | 9.4 | 14.8 | 26.7 | 23.2 | 5.2 | 4.4 | 21.1 | 20.5 | |
| Dr Reddy's | Neutral | 2748 | 2700 | -2 | 105.2 | 131.6 | 134.8 | 62.7 | 25.1 | 2.4 | 20.9 | 20.4 | 2.9 | 2.6 | 14.6 | 13.3 | |
| Glenmark | Neutral | 581 | 560 | -4 | 28.2 | 34.7 | 38.3 | -0.9 | 22.8 | 10.6 | 16.8 | 15.2 | 2.4 | 2.0 | 14.1 | 13.5 | |
| Granules | Buy | 106 | 150 | 42 | 9.2 | 10.5 | 12.7 | 76.5 | 14.0 | 20.6 | 10.1 | 8.3 | 1.6 | 1.4 | 16.6 | 17.8 | |
| GSK Pharma | Neutral | 1272 | 1309 | 3 | 23.6 | 28.7 | 33.3 | 20.3 | 21.5 | 16.1 | 44.3 | 38.1 | 9.5 | 8.7 | 21.5 | 22.7 | |
| IPCA Labs | Buy | 920 | 1145 | 24 | 36.8 | 45.3 | 54.4 | 94.1 | 23.1 | 20.1 | 20.3 | 16.9 | 3.2 | 2.8 | 17.0 | 17.7 | |
| Jubilant Life | Buy | 596 | 800 | 34 | 57.5 | 66.1 | 68.8 | 26.2 | 15.0 | 4.1 | 9.0 | 8.7 | 1.6 | 1.4 | 19.5 | 17.2 | |
| Laurus Labs | Buy | 373 | 470 | 26 | 10.4 | 17.2 | 25.2 | -34.5 | 65.6 | 46.7 | 21.7 | 14.8 | 2.3 | 2.0 | 11.0 | 14.3 | |
| Lupin | Buy | 753 | 930 | 24 | 23.3 | 34.7 | 44.2 | -27.1 | 49.0 | 27.3 | 21.7 | 17.0 | 2.3 | 2.1 | 11.0 | 12.8 | |
| Sanofi India | Buy | 5386 | 6930 | 29 | 165.5 | 187.5 | 208.9 | 16.7 | 13.3 | 11.4 | 28.7 | 25.8 | 5.1 | 4.6 | 17.8 | 17.8 | |
| Shilpa Medicare | Buy | 377 | 465 | 23 | 13.9 | 22.3 | 24.2 | 8.2 | 60.8 | 8.3 | 16.9 | 15.6 | 2.2 | 2.0 | 13.8 | 13.2 | |
| Strides Pharma | Buy | 414 | 635 | 54 | 6.9 | 27.5 | 36.3 | -39.2 | 300.7 | 32.2 | 15.1 | 11.4 | 1.3 | 1.2 | 9.0 | 11.0 | |
| Sun Pharma | Buy | 408 | 546 | 34 | 16.2 | 20.4 | 23.8 | 20.7 | 25.7 | 16.4 | 20.0 | 17.2 | 2.2 | 2.0 | 11.7 | 12.3 | |
| Torrent Pharma | Neutral | 1647 | 1660 | 1 | 48.7 | 68.5 | 83.4 | -9.3 | 40.6 | 21.7 | 24.0 | 19.8 | 4.5 | 3.9 | 19.9 | 21.2 | |
| Aggregate | | | | | | | | | 14.0 | 24.7 | 14.9 | 20.0 | 17.4 | 2.9 | 2.5 | 14.3 | 14.5 |
| Infrastructure | | | | | | | | | | | | | | | | | |
| Ashoka Buildcon | Buy | 114 | 175 | 53 | 10.5 | 12.4 | 15.1 | 24.7 | 17.6 | 21.7 | 9.2 | 7.6 | 1.3 | 1.1 | 14.6 | 15.5 | |
| IRB Infra | Neutral | 119 | 155 | 30 | 27.1 | 23.5 | 14.8 | 13.6 | -13.4 | -37.1 | 5.1 | 8.0 | 0.6 | 0.5 | 11.5 | 6.7 | |
| KNR Constructions | Buy | 230 | 295 | 28 | 14.4 | 14.4 | 15.5 | -25.4 | -0.4 | 8.1 | 16.0 | 14.8 | 2.1 | 1.8 | 14.0 | 13.2 | |
| Sadbhav Engineering | Buy | 222 | 285 | 28 | 13.5 | 13.4 | 14.0 | 5.2 | -1.1 | 4.6 | 16.6 | 15.9 | 1.7 | 1.5 | 10.5 | 10.0 | |
| Aggregate | | | | | | | | | | | 9.0 | 10.3 | 1.0 | 0.9 | 11.5 | 9.2 | |
| Logistics | | | | | | | | | | | | | | | | | |
| Allcargo Logistics | Buy | 101 | 142 | 40 | 8.7 | 10.1 | 11.4 | 19.3 | 16.2 | 12.9 | 10.1 | 8.9 | 1.0 | 0.9 | 10.7 | 10.8 | |
| Concor | Buy | 479 | 564 | 18 | 19.9 | 22.7 | 26.2 | 14.9 | 13.9 | 15.3 | 21.1 | 18.3 | 2.6 | 2.5 | 12.9 | 14.0 | |
| Aggregate | | | | | | | | | 15.6 | 14.3 | 14.9 | 19.1 | 16.6 | 2.3 | 2.1 | 12.1 | 12.9 |
| Media | | | | | | | | | | | | | | | | | |
| D B Corp | Buy | 187 | 215 | 15 | 15.7 | 21.5 | 23.4 | -11.1 | 37.0 | 9.0 | 8.7 | 8.0 | 1.6 | 1.4 | 19.0 | 17.9 | |
| Ent.Network | Buy | 469 | 720 | 54 | 11.0 | 19.0 | 33.8 | 62.0 | 72.9 | 77.6 | 24.6 | 13.9 | 2.2 | 1.9 | 9.3 | 14.7 | |
| Jagran Prak. | Buy | 108 | 140 | 30 | 9.1 | 13.8 | 15.5 | -5.7 | 51.5 | 12.9 | 7.9 | 7.0 | 1.4 | 1.2 | 19.7 | 19.2 | |
| Music Broadcast | Buy | 56 | 76 | 36 | 2.3 | 3.0 | 3.9 | 25.5 | 30.6 | 31.2 | 18.8 | 14.3 | 2.2 | 1.9 | 12.7 | 14.5 | |
| PVR | Buy | 1789 | 1950 | 9 | 37.8 | 40.7 | 50.6 | 41.7 | 7.5 | 24.4 | 44.0 | 35.4 | 5.3 | 4.6 | 13.6 | 13.9 | |
| Sun TV | Buy | 536 | 740 | 38 | 37.5 | 41.4 | 46.5 | 35.2 | 10.4 | 12.2 | 12.9 | 11.5 | 3.8 | 3.4 | 30.4 | 31.1 | |
| Zee Ent. | Neutral | 372 | 450 | 21 | 16.3 | 18.9 | 22.7 | 35.2 | 15.8 | 20.5 | 19.7 | 16.4 | 3.5 | 3.0 | 19.1 | 19.6 | |



| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | |
|----------------------|--------------|-----------|----------|----------------------|-----------|-------|-------|-----------------|--------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|
| | | | | | FY19E | FY20E | FY21E | FY19E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E |
| Aggregate | | | | | | | | 18.7 | 20.4 | 6.1 | 14.6 | 13.8 | 2.6 | 2.7 | 18.1 | 19.9 |
| Metals | | | | | | | | | | | | | | | | |
| Hindalco | Buy | 192 | 253 | 32 | 24.7 | 22.9 | 24.5 | 30.9 | -7.3 | 6.8 | 8.4 | 7.8 | 1.0 | 0.9 | 12.3 | 11.8 |
| Hind. Zinc | Neutral | 253 | 239 | -6 | 18.8 | 21.6 | 21.9 | -10.8 | 14.6 | 1.7 | 11.7 | 11.5 | 2.8 | 2.4 | 25.1 | 22.3 |
| JSPL | Buy | 157 | 287 | 83 | 2.3 | 3.8 | 24.7 | LP | 63.1 | 558.2 | 41.7 | 6.3 | 0.5 | 0.5 | 1.2 | 7.4 |
| JSW Steel | Buy | 276 | 336 | 22 | 30.6 | 20.7 | 29.3 | 30.7 | -32.2 | 41.3 | 13.3 | 9.4 | 1.9 | 1.6 | 15.1 | 18.7 |
| Nalco | Buy | 49 | 75 | 54 | 8.8 | 5.7 | 6.9 | 71.9 | -34.9 | 20.6 | 8.6 | 7.1 | 0.9 | 0.9 | 10.8 | 13.3 |
| NMDC | Buy | 91 | 132 | 46 | 15.3 | 10.7 | 12.9 | 16.6 | -29.7 | 20.1 | 8.4 | 7.0 | 1.0 | 1.0 | 12.5 | 14.2 |
| SAIL | Neutral | 48 | 52 | 9 | 6.3 | 6.1 | 9.7 | 2,330.1 | -3 | 60.5 | 7.9 | 4.9 | 0.5 | 0.4 | 6.2 | 9.3 |
| Rain Industries | Buy | 99 | 123 | 24 | 20.4 | 11.7 | 17.3 | -14.0 | -42.7 | 48.0 | 8.5 | 5.7 | 0.7 | 0.7 | 8.5 | 11.9 |
| Vedanta | Sell | 161 | 144 | -10 | 18.1 | 16.6 | 17.4 | -11.0 | -8.2 | 4.5 | 9.7 | 9.2 | 0.9 | 0.9 | 9.8 | 9.8 |
| Tata Steel | Neutral | 470 | 532 | 13 | 88.6 | 78.6 | 77.9 | 27.3 | -11.2 | -1.0 | 6.0 | 6.0 | 0.8 | 0.7 | 13.5 | 12.0 |
| Aggregate | | | | | | | | 20.4 | -11.6 | 17.5 | 9.7 | 8.2 | 1.0 | 1.0 | 10.8 | 11.6 |
| Oil & Gas | | | | | | | | | | | | | | | | |
| Aegis Logistics | Buy | 200 | 276 | 38 | 6.9 | 9.9 | 11.3 | 16.3 | 43.0 | 14.7 | 20.3 | 17.7 | 4.1 | 3.5 | 21.9 | 21.4 |
| BPCL | Buy | 376 | 444 | 18 | 39.3 | 47.8 | 51.8 | -21.0 | 21.4 | 8.5 | 7.9 | 7.3 | 1.6 | 1.4 | 21.7 | 21.0 |
| GAIL | Neutral | 333 | 340 | 2 | 29.5 | 28.4 | 30.0 | 44.6 | -3.8 | 5.7 | 11.7 | 11.1 | 1.5 | 1.4 | 13.7 | 13.3 |
| Gujarat Gas | Neutral | 159 | 151 | -5 | 6.3 | 6.7 | 7.5 | 47.4 | 6.5 | 13.0 | 23.8 | 21.1 | 4.3 | 3.7 | 19.3 | 18.8 |
| Gujarat St. Pet. | Neutral | 181 | 191 | 6 | 14.1 | 12.7 | 14.3 | 18.9 | -10.2 | 12.9 | 14.3 | 12.7 | 1.6 | 1.5 | 11.8 | 12.1 |
| HPCL | Neutral | 275 | 272 | -1 | 37.6 | 50.8 | 51.4 | -20.6 | 35.1 | 1.1 | 5.4 | 5.4 | 1.3 | 1.1 | 25.0 | 22.1 |
| IOC | Buy | 150 | 203 | 36 | 18.8 | 18.0 | 19.3 | -21.2 | -4.3 | 7.2 | 8.3 | 7.8 | 1.1 | 1.1 | 14.0 | 14.0 |
| IGL | Buy | 305 | 368 | 21 | 11.2 | 13.0 | 14.6 | 18.2 | 16.5 | 12.0 | 23.5 | 20.9 | 4.4 | 3.8 | 20.4 | 19.7 |
| Mahanagar Gas | Neutral | 856 | 1007 | 18 | 55.3 | 57.5 | 59.3 | 14.3 | 4.0 | 3.0 | 14.9 | 14.4 | 3.1 | 2.8 | 22.2 | 20.3 |
| MRPL | Neutral | 62 | 70 | 12 | 1.9 | 10.5 | 10.4 | -84.8 | 442.7 | -0.9 | 5.9 | 6.0 | 0.9 | 0.8 | 16.2 | 14.3 |
| Oil India | Buy | 177 | 237 | 34 | 33.5 | 29.8 | 30.6 | 41.9 | -11.1 | 2.6 | 5.9 | 5.8 | 0.6 | 0.6 | 10.9 | 10.6 |
| ONGC | Buy | 167 | 196 | 17 | 26.7 | 29.3 | 28.9 | 32.1 | 10.0 | -1.4 | 5.7 | 5.8 | 0.9 | 0.8 | 16.0 | 14.4 |
| PLNG | Buy | 237 | 300 | 27 | 14.4 | 18.5 | 21.7 | 3.7 | 28.5 | 17.6 | 12.8 | 10.9 | 3.3 | 3.0 | 26.4 | 28.6 |
| Reliance Ind. | Neutral | 1266 | 1431 | 13 | 67.2 | 70.7 | 80.3 | 10.4 | 5.2 | 13.6 | 17.9 | 15.8 | 1.8 | 1.6 | 10.3 | 10.7 |
| Aggregate | | | | | | | | 2.1 | 11.4 | 6.2 | 11.2 | 10.5 | 1.5 | 1.3 | 13.1 | 12.7 |
| Retail | | | | | | | | | | | | | | | | |
| Avenue Supermarts | Sell | 1237 | 1125 | -9 | 14.5 | 18.8 | 24.9 | 11.9 | 30.1 | 32.3 | 65.8 | 49.7 | 11.4 | 9.3 | 19.0 | 20.6 |
| Aditya Fashion | Birla Buy | 197 | 240 | 22 | 1.6 | 3.7 | 5.4 | 156.7 | 126.3 | 46.2 | 52.9 | 36.2 | 8.8 | 7.1 | 18.3 | 21.9 |
| Future Lifestyle | Buy | 460 | 585 | 27 | 8.6 | 10.8 | 14.5 | 30.1 | 25.4 | 34.6 | 42.6 | 31.6 | 4.4 | 3.9 | 10.7 | 13.0 |
| Future Retail | Buy | 432 | 580 | 34 | 13.7 | 15.4 | 17.5 | 12.2 | 12.4 | 13.5 | 28.0 | 24.6 | 4.8 | 4.0 | 18.6 | 17.6 |
| Jubilant Food. | Neutral | 1274 | 1325 | 4 | 24.1 | 29.3 | 33.1 | 62.0 | 21.6 | 13.0 | 43.5 | 38.5 | 11.8 | 10.4 | 27.2 | 26.9 |
| Shoppers Stop | Neutral | 456 | 520 | 14 | 7.8 | 13.2 | 15.9 | -36.3 | 70.0 | 19.9 | 34.4 | 28.7 | 3.7 | 3.3 | 11.4 | 12.1 |
| Spencers Retail | Buy | 133 | 175 | 32 | 0.1 | 0.4 | 0.7 | LP | 300.0 | 75.0 | 337.2 | 178.2 | 7.0 | 6.8 | 2.1 | 3.9 |
| Titan Company | Buy | 1190 | 1310 | 10 | 15.7 | 20.3 | 26.2 | 24.0 | 29.4 | 29.2 | 58.7 | 45.5 | 16.7 | 13.9 | 29.0 | 33.4 |
| Trent | Buy | 367 | 440 | 20 | 2.9 | 5.8 | 7.7 | 11.6 | 99.2 | 32.3 | 63.2 | 47.7 | 6.6 | 5.8 | 11.1 | 13.0 |
| V-Mart Retail | Neutral | 2240 | 2450 | 9 | 39.5 | 47.3 | 57.2 | -8.0 | 19.8 | 21.0 | 47.4 | 39.2 | 8.2 | 6.8 | 18.9 | 18.9 |
| Aggregate | | | | | | | | 21.4 | 31.4 | 27.5 | 53.4 | 41.9 | 10.1 | 8.5 | 18.8 | 20.2 |
| Technology | | | | | | | | | | | | | | | | |
| Cyient | Buy | 548 | 730 | 33 | 43.4 | 48.7 | 52.4 | 13.4 | 12.3 | 7.6 | 11.3 | 10.5 | 2.1 | 1.9 | 18.9 | 18.4 |
| HCL Tech. | Neutral | 1062 | 1200 | 13 | 73.6 | 77.7 | 90.4 | 17.6 | 5.7 | 16.3 | 13.7 | 11.7 | 3.1 | 2.8 | 23.9 | 25.0 |
| Hexaware | Neutral | 354 | 360 | 2 | 19.3 | 21.2 | 24.1 | 16.5 | 9.7 | 13.7 | 16.7 | 14.7 | 3.9 | 3.5 | 25.1 | 25.3 |
| Infosys | Buy | 724 | 860 | 19 | 37.5 | 38.5 | 44.2 | 15.9 | 2.7 | 14.6 | 18.8 | 16.4 | 4.9 | 4.5 | 25.8 | 28.8 |
| L & T Infotech | Neutral | 1790 | 1910 | 7 | 86.6 | 94.0 | 106.2 | 30.6 | 8.6 | 13.0 | 19.0 | 16.8 | 5.1 | 4.1 | 29.8 | 27.1 |
| Mindtree | Neutral | 982 | 1000 | 2 | 44.8 | 52.7 | 62.8 | 53.1 | 17.6 | 19.0 | 18.6 | 15.6 | 4.2 | 3.6 | 24.3 | 25.0 |
| Mphasis | Neutral | 941 | 1050 | 12 | 56.9 | 60.8 | 70.4 | 29.3 | 6.7 | 15.8 | 15.5 | 13.4 | 4.3 | 3.5 | 31.0 | 30.9 |
| NIIT Tech | Neutral | 1261 | 1400 | 11 | 67.0 | 77.4 | 88.5 | 47.1 | 15.6 | 14.3 | 16.3 | 14.2 | 3.3 | 2.8 | 21.4 | 21.3 |
| Persistent Sys | Buy | 606 | 800 | 32 | 44.0 | 53.3 | 60.2 | 8.9 | 21.2 | 13.0 | 11.4 | 10.1 | 1.9 | 1.7 | 16.9 | 17.6 |
| Tata Elxsi | Under Review | 864 | - | | 46.6 | 48.6 | 57.5 | 20.2 | 4.4 | 18.3 | 17.8 | 15.0 | 3.9 | 2.9 | 26.1 | 22.0 |



| Company | Reco | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) | | | EPS Gr. YoY (%) | | | P/E (x) | | P/B (x) | | ROE (%) | | |
|-------------------|--------------|--------------|-------------|----------------------|-----------|-------|-------|-----------------|-------------|-------------|-------------|--------------|-------------|------------|-------------|-------------|-------------|
| | | | | | FY19E | FY20E | FY21E | FY19E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E | FY20E | FY21E | |
| TCS | Neutral | 2096 | 2010 | -4 | 83.5 | 89.8 | 100.6 | 26.4 | 7.6 | 12.0 | 23.3 | 20.8 | 8.9 | 8.4 | 39.0 | 41.4 | |
| Tech Mah | Buy | 787 | 940 | 19 | 49.1 | 54.1 | 60.7 | 14.8 | 10.3 | 12.3 | 14.6 | 13.0 | 3.3 | 2.9 | 23.5 | 24.3 | |
| Wipro | Neutral | 287 | 280 | -2 | 14.8 | 17.1 | 18.4 | 10.1 | 15.6 | 7.5 | 16.8 | 15.6 | 3.3 | 3.1 | 18.4 | 20.6 | |
| Zensar Tech | Buy | 246 | 285 | 16 | 13.8 | 16.2 | 19.0 | 29.2 | 17.2 | 17.5 | 15.2 | 12.9 | 2.5 | 2.2 | 17.6 | 18.0 | |
| Aggregate | | | | | | | | | 13.7 | 6.3 | 12.7 | 20.3 | 18.0 | 5.6 | 5.1 | 27.7 | 28.5 |
| Telecom | | | | | | | | | | | | | | | | | |
| Bharti Airtel | Buy | 328 | 410 | 25 | -8.8 | -5.0 | -1.8 | PL | Loss | Loss | NM | NM | 1.8 | 1.8 | -3.1 | -1.0 | |
| Bharti Infratel | Neutral | 268 | 290 | 8 | 13.6 | 13.1 | 12.6 | -0.3 | -3.4 | -4.1 | 20.4 | 21.3 | 3.6 | 3.9 | 17.2 | 17.5 | |
| Vodafone Idea | Buy | 12 | 20 | 69 | -18.5 | -5.1 | -4.7 | Loss | Loss | Loss | NM | NM | 0.5 | 0.6 | -22.7 | -21.6 | |
| Tata Comm | Neutral | 553 | 600 | 9 | -2.2 | 12.7 | 22.0 | PL | LP | 73.7 | 43.6 | 25.1 | 87.6 | 19.5 | - | 127.2 | |
| Aggregate | | | | | | | | Loss | Loss | Loss | -14 | -17.9 | 1.2 | 1.3 | -8.2 | -7.1 | |
| Utilities | | | | | | | | | | | | | | | | | |
| Coal India | Buy | 236 | 240 | 2 | 27.4 | 29.0 | 29.9 | 43.0 | 6.0 | 2.8 | 8.1 | 7.9 | 6.5 | 6.0 | 80.4 | 76.3 | |
| CESC | Buy | 661 | 841 | 27 | 89.0 | 84.1 | 92.5 | 43.3 | -5.5 | 10.0 | 7.9 | 7.1 | 0.9 | 0.8 | 11.9 | 12.1 | |
| JSW Energy | Neutral | 67 | 77 | 15 | 4.2 | 5.0 | 5.9 | 40.2 | 17.4 | 18.1 | 13.4 | 11.4 | 0.9 | 0.9 | 6.8 | 7.7 | |
| NHPC | Neutral | 22 | 25 | 13 | 2.3 | 2.4 | 2.4 | -7.0 | 6.9 | 0.3 | 9.1 | 9.1 | 0.7 | 0.7 | 8.0 | 7.8 | |
| NTPC | Buy | 126 | 158 | 26 | 10.9 | 13.1 | 15.0 | 22.9 | 19.7 | 14.5 | 9.6 | 8.4 | 1.1 | 1.0 | 11.4 | 12.2 | |
| Power Grid | Buy | 182 | 232 | 27 | 18.3 | 20.8 | 22.6 | 10.4 | 13.9 | 8.8 | 8.8 | 8.0 | 1.4 | 1.3 | 17.1 | 16.8 | |
| Torrent Power | Buy | 236 | 300 | 27 | 18.7 | 20.5 | 25.7 | -4.6 | 9.6 | 25.4 | 11.5 | 9.2 | 1.2 | 1.1 | 10.6 | 12.2 | |
| Tata Power | Neutral | 61 | 68 | 11 | 2.1 | 5.3 | 5.6 | -60.5 | 150.1 | 5.6 | 11.6 | 11.0 | 0.9 | 0.9 | 8.2 | 8.2 | |
| Aggregate | | | | | | | | 24.3 | 11.6 | 7.9 | 8.8 | 8.2 | 1.6 | 1.5 | 17.8 | 17.8 | |
| Others | | | | | | | | | | | | | | | | | |
| Brigade Enterpr. | Buy | 232 | 324 | 40 | 17.5 | 16.0 | 15.0 | 62.0 | -8.5 | -6.4 | 14.5 | 15.4 | 1.3 | 1.2 | 9.6 | 8.2 | |
| BSE | Buy | 591 | 750 | 27 | 38.1 | 37.2 | 46.1 | -12.4 | -2.2 | 23.7 | 15.9 | 12.8 | 1.1 | 1.1 | 6.9 | 8.5 | |
| Castrol India | Buy | 143 | 190 | 33 | 7.2 | 7.6 | 7.7 | 2.4 | 6.4 | 0.7 | 18.8 | 18.7 | 11.0 | 10.0 | 61.4 | 56.2 | |
| Coromandel Intl | Buy | 403 | 542 | 35 | 25.2 | 28.1 | 31.9 | 6.5 | 11.5 | 13.5 | 14.3 | 12.6 | 3.0 | 2.5 | 22.5 | 21.8 | |
| Delta Corp | Buy | 166 | 329 | 99 | 7.2 | 9.2 | 11.0 | 23.8 | 27.9 | 19.6 | 18.1 | 15.1 | 2.1 | 1.8 | 12.1 | 12.8 | |
| Indian Hotels | Buy | 143 | 186 | 30 | 2.4 | 3.2 | 4.4 | 257.4 | 34.3 | 37.8 | 45.2 | 32.8 | 3.7 | 3.4 | 8.4 | 10.7 | |
| Interglobe | Neutral | 1474 | 1444 | -2 | 0.1 | 67.4 | 103.1 | -99.7 | - | 53 | 22 | 14.3 | 7.5 | 6.9 | 35.5 | 50.6 | |
| Info Edge | Neutral | 1818 | 1800 | -1 | 24.9 | 33.9 | 41.9 | 67.2 | 36.4 | 23.5 | 53.6 | 43.4 | 8.4 | 7.2 | 16.9 | 18.1 | |
| Godrej Agrovet | Buy | 466 | 609 | 31 | 12.5 | 15.6 | 19.1 | 10.9 | 24.6 | 22.2 | 29.8 | 24.4 | 4.9 | 4.3 | 17.2 | 18.7 | |
| Kaveri Seed | Buy | 453 | 582 | 29 | 32.9 | 36.9 | 38.8 | 2.7 | 12.2 | 5.3 | 12.3 | 11.7 | 2.5 | 2.3 | 21.2 | 20.3 | |
| Lemon Tree Hotel | Buy | 73 | 90 | 23 | 0.5 | 1.0 | 1.9 | 149.7 | 115.2 | 94.2 | 74.8 | 38.5 | 6.2 | 5.3 | 8.6 | 14.8 | |
| MCX | Buy | 831 | 950 | 14 | 28.4 | 29.7 | 37.9 | 34.1 | 4.4 | 27.6 | 28.0 | 21.9 | 3.0 | 2.8 | 11.1 | 13.3 | |
| Navneet Education | Buy | 108 | 135 | 25 | 6.7 | 8.2 | 9.7 | 22.9 | 22.4 | 18.3 | 13.2 | 11.2 | 2.6 | 2.2 | 21.6 | 21.6 | |
| Oberoi Realty | Buy | 524 | 628 | 20 | 22.5 | 33.5 | 35.0 | 78.1 | 49.2 | 4.3 | 15.6 | 15.0 | 2.1 | 1.8 | 14.2 | 13.1 | |
| Phoenix Mills | Buy | 600 | 785 | 31 | 25.0 | 25.6 | 28.7 | 57.8 | 2.5 | 12.3 | 23.4 | 20.9 | 2.4 | 2.2 | 10.8 | 11.0 | |
| Qess Corp | Neutral | 666 | 730 | 10 | 15.9 | 31.7 | 41.8 | -27.3 | 99.9 | 31.8 | 21.0 | 15.9 | 2.4 | 2.0 | 15.8 | 17.6 | |
| PI Inds. | Under Review | 1072 | - | | 29.7 | 36.4 | 43.7 | 11.4 | 22.6 | 20.1 | 28.9 | 24.1 | 5.5 | 4.7 | 20.7 | 21.1 | |
| Piramal Enterp. | Buy | 2133 | 2974 | 39 | 73.7 | 124.6 | 151.3 | -5.2 | 68.9 | 21.5 | 17.1 | 14.1 | 1.5 | 1.4 | 8.9 | 10.1 | |
| SRF | Buy | 2800 | 2983 | 7 | 113.7 | 139.5 | 179.4 | 60.0 | 22.7 | 28.6 | 20.1 | 15.6 | 3.4 | 2.9 | 18.3 | 19.9 | |
| S H Kelkar | Buy | 147 | 207 | 40 | 6.4 | 7.6 | 9.4 | -10.3 | 19.5 | 24.1 | 19.4 | 15.6 | 2.1 | 1.9 | 11.4 | 13.0 | |
| Tata Chemicals | Buy | 619 | 700 | 13 | 42.9 | 45.5 | 52.9 | -10.8 | 6.1 | 16.1 | 13.6 | 11.7 | 1.2 | 1.1 | 9.1 | 9.9 | |
| Team Lease Serv. | Buy | 2845 | 3500 | 23 | 59.1 | 86.1 | 122.6 | 37.4 | 45.6 | 42.4 | 33.1 | 23.2 | 6.9 | 5.3 | 23.4 | 26.0 | |
| Trident | Buy | 62 | 81 | 32 | 8.4 | 9.3 | 10.1 | 71.2 | 11.7 | 8.0 | 6.6 | 6.1 | 1.0 | 0.9 | 15.0 | 15.0 | |



| Company | 1 Day (%) | 1M (%) | 12M (%) |
|------------------------|-----------|--------|---------|
| Automobiles | | | |
| Amara Raja Batt. | 0.8 | -10.6 | -27.6 |
| Ashok Leyland | 1.8 | -12.5 | -45.4 |
| Bajaj Auto | 3.3 | -0.9 | 7.9 |
| Bharat Forge | 1.5 | -10.7 | -37.4 |
| Bosch | 1.5 | -5.5 | -3.9 |
| CEAT | 0.6 | -15.6 | -31.8 |
| Eicher Motors | 3.3 | -1.5 | -31.3 |
| Endurance Tech. | -2.2 | -2.3 | -4.6 |
| Escorts | -0.6 | -29.2 | -41.2 |
| Exide Inds. | 0.8 | -8.8 | -19.9 |
| Hero Motocorp | 4.3 | -4.0 | -26.2 |
| M & M | 2.4 | -9.6 | -26.9 |
| Mahindra CIE | 0.5 | -3.5 | -7.4 |
| Maruti Suzuki | 3.5 | -10.1 | -23.0 |
| Motherson Sumi | -1.0 | -25.6 | -46.8 |
| Tata Motors | 0.7 | -23.4 | -43.9 |
| TVS Motor Co. | 1.2 | -9.1 | -20.5 |
| Banks - Private | | | |
| AU Small Fin. Bank | 3.8 | 10.2 | -4.0 |
| Axis Bank | 2.2 | -2.9 | 38.7 |
| DCB Bank | 0.8 | 9.4 | 16.9 |
| Equitas Holdings | 0.6 | -4.6 | -24.4 |
| Federal Bank | 0.6 | 0.4 | 19.0 |
| HDFC Bank | 2.1 | 2.5 | 16.5 |
| ICICI Bank | 2.2 | -4.1 | 31.9 |
| IndusInd Bank | 1.1 | -24.3 | -28.2 |
| Kotak Mah. Bank | 3.3 | 5.4 | 15.1 |
| RBL Bank | 3.5 | -3.7 | 27.8 |
| South Ind. Bank | -0.4 | -23.9 | -49.2 |
| Yes Bank | -2.4 | -49.5 | -61.0 |
| Banks - PSU | | | |
| BOB | 2.2 | -14.2 | -14.0 |
| BOI | 0.0 | -17.4 | -14.5 |
| Canara | 1.2 | -12.3 | 2.5 |
| Indian Bk | 1.8 | -12.3 | -21.9 |
| PNB | 1.8 | -10.9 | 8.1 |
| SBI | 1.2 | 1.0 | 31.1 |
| Union Bk | 0.0 | -23.8 | -17.3 |
| NBFCs | | | |
| Aditya Birla Cap | -0.9 | -10.2 | -38.4 |
| Bajaj Fin. | 6.1 | 8.9 | 59.7 |
| Cholaman. Inv. & Fn | 4.1 | -9.4 | -15.9 |
| HDFC | 2.8 | -1.7 | 6.3 |
| HDFC Life Insur. | 0.8 | -6.2 | -22.7 |
| Indiabulls Hsg | 2.0 | -13.3 | -39.0 |
| Indostar Capital | 1.8 | -17.5 | |
| L&T Fin. Holdings | 0.9 | -21.6 | -34.1 |
| LIC Hsg Fin | 2.2 | -4.5 | 1.1 |
| M&M Fin. | 2.1 | -10.0 | -19.2 |
| Muthoot Fin | 0.3 | -5.5 | 40.0 |
| MAS Financial Serv. | -0.7 | -12.5 | -13.0 |
| ICICI Pru Life | 1.5 | -7.0 | -21.0 |
| PNB Housing | -3.2 | -8.2 | -42.2 |
| Repcos Home | 0.0 | -7.0 | -30.9 |
| Shriram City Union | 0.0 | -18.9 | -34.7 |
| Shriram Trans. | 3.1 | -15.9 | -28.5 |
| Capital Goods | | | |
| ABB | 0.3 | -1.2 | 13.3 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|-------------------|-----------|--------|---------|
| Bharat Elec. | 2.8 | -2.6 | -26.8 |
| BHEL | 0.0 | -19.0 | -21.9 |
| Blue Star | -0.1 | 7.3 | -4.7 |
| CG Cons. Elec. | 0.9 | -7.9 | -13.4 |
| Cummins | 2.1 | -2.9 | -4.6 |
| Engineers India | 1.2 | -9.3 | -26.0 |
| GE T&D | -0.7 | -14.7 | -38.7 |
| Havells | 1.4 | -3.0 | 36.2 |
| K E C Intl | -0.8 | -8.3 | -28.8 |
| L&T | 1.9 | -1.5 | -0.2 |
| Siemens | -0.3 | -5.2 | 7.5 |
| Solar Ind | -2.7 | -0.6 | -3.4 |
| Thermax | -1.1 | -3.8 | -19.9 |
| Va Tech Wab. | 2.0 | -10.5 | -40.1 |
| Voltas | 3.1 | -7.8 | -1.5 |
| Cement | | | |
| Ambuja Cem. | 1.7 | -5.5 | 0.9 |
| ACC | 1.3 | -5.5 | 14.7 |
| Birla Corp. | -2.2 | 5.4 | -24.8 |
| Dalmia Bhar. | -1.4 | -7.2 | |
| Grasim Inds. | 0.9 | -6.0 | -23.5 |
| India Cem | 0.5 | -15.4 | -28.5 |
| JK Cements | 0.2 | -4.6 | -12.9 |
| JK Lakshmi Ce | -0.2 | -9.2 | -9.7 |
| Ramco Cem | 1.3 | -4.9 | -10.8 |
| Orient Cem | 0.8 | 8.7 | -17.4 |
| Prism Johnson | 0.1 | -14.1 | -18.8 |
| Sanghi Inds. | 0.8 | -9.4 | -42.0 |
| Shree Cem | -0.4 | -1.3 | 18.0 |
| Ultratech | -0.2 | 5.6 | 13.6 |
| Consumer | | | |
| Asian Paints | 0.9 | -9.5 | 0.6 |
| Britannia | 2.3 | -8.1 | 1.6 |
| Colgate | 1.7 | -6.6 | -2.8 |
| Dabur | 2.3 | -9.6 | -0.3 |
| Emami | -1.6 | -7.4 | -29.3 |
| Future Consumer | -0.5 | -13.3 | -33.0 |
| Godrej Cons. | 4.9 | -0.3 | -7.4 |
| GSK Cons. | 3.3 | 1.3 | 23.1 |
| HUL | 2.9 | -0.2 | 10.6 |
| ITC | 2.3 | -1.8 | 8.0 |
| Jyothy Lab | 1.6 | -20.2 | -36.7 |
| Marico | 2.1 | -1.0 | 12.0 |
| Nestle | 1.6 | -6.1 | 7.8 |
| Page Inds | 4.7 | -4.8 | -3.1 |
| Parag Milk | 1.2 | -2.0 | -34.5 |
| Pidilite Ind. | 0.7 | -10.1 | 8.4 |
| P&G Hygiene | -0.6 | -1.9 | 13.5 |
| United Brew | 0.8 | -5.8 | 21.2 |
| United Spirits | 1.4 | -4.2 | -17.2 |
| Healthcare | | | |
| Alembic Phar | -0.5 | -1.4 | 10.6 |
| Alkem Lab | 0.3 | -2.0 | -15.9 |
| Ajanta Pharma | -0.9 | -0.6 | -2.6 |
| Aurobindo | -7.5 | -14.5 | 12.6 |
| Biocon | -1.3 | -16.4 | -18.6 |
| Cadila | -3.3 | -26.2 | -35.5 |
| Cipla | -1.2 | -2.7 | -1.6 |
| Divis Lab | -0.6 | -5.0 | 39.9 |



| Company | 1 Day (%) | 1M (%) | 12M (%) |
|-----------------------|-----------|--------|---------|
| Dr Reddy's | -2.0 | -2.7 | 38.8 |
| Glenmark | 0.4 | -9.7 | 10.9 |
| Granules | -1.8 | -7.2 | 2.5 |
| GSK Pharma | -0.6 | -2.2 | 5.9 |
| IPCA Labs | 1.0 | -2.2 | 31.4 |
| Jubilant Life | -4.1 | -13.8 | -26.4 |
| Laurus Labs | -0.6 | -6.9 | -19.4 |
| Lupin | -3.7 | -9.5 | -1.4 |
| Sanofi India | -0.4 | -7.5 | 9.3 |
| Shilpa Medicare | 0.9 | 0.2 | -13.6 |
| Strides Pharma | -0.7 | -16.5 | -17.8 |
| Sun Pharma | -0.7 | -11.7 | -15.0 |
| Torrent Pharma | -0.9 | -10.3 | 20.5 |
| Infrastructure | | | |
| Ashoka Buildcon | 1.9 | -13.1 | -35.8 |
| IRB Infra.Devl. | 2.3 | -16.2 | -52.7 |
| KNR Construct. | -0.9 | -4.1 | -24.2 |
| Sadbhav Engg. | -2.0 | -8.2 | -41.8 |
| Logistics | | | |
| Allcargo Logist. | -0.3 | -13.1 | -24.1 |
| Concor | 1.8 | -6.7 | -13.7 |
| Media | | | |
| D B Corp | 2.1 | -2.9 | -27.0 |
| Ent.Network | 1.8 | -10.8 | -31.4 |
| Jagran Prak. | 2.9 | -7.9 | -34.7 |
| Music Broadcast | -3.2 | -3.0 | -21.7 |
| PVR | 2.8 | 3.9 | 27.0 |
| Sun TV | 0.0 | -10.3 | -45.0 |
| Zee Ent. | 7.7 | -10.5 | -34.8 |
| Metals | | | |
| Hindalco | -1.4 | -10.5 | -17.7 |
| Hind. Zinc | -0.7 | -10.5 | -15.5 |
| JSPL | -0.9 | -17.2 | -39.0 |
| JSW Steel | 0.1 | -5.3 | -16.9 |
| Nalco | 0.1 | -12.5 | -34.9 |
| NMDC | 0.4 | -12.9 | -21.2 |
| Rain Industries | 2.8 | -25.1 | -60.2 |
| SAIL | -0.4 | -18.7 | -37.5 |
| Vedanta | -1.4 | -13.2 | -42.0 |
| Tata Steel | 0.1 | -15.0 | -23.0 |
| Oil & Gas | | | |
| Aegis Logistics | 0.0 | -4.7 | -25.5 |
| BPCL | 0.4 | 5.2 | -4.0 |
| GAIL | 1.0 | -5.4 | 0.7 |
| Gujarat Gas | 1.4 | -1.3 | -9.0 |
| Gujarat St. Pet. | 0.6 | -4.0 | -0.7 |
| HPCL | -1.9 | 4.0 | -13.3 |
| IOC | -0.8 | -3.9 | -9.1 |
| IGL | 2.2 | -5.5 | 11.6 |
| Mahanagar Gas | 1.2 | -16.1 | -1.7 |
| MRPL | 0.0 | -12.5 | -40.0 |
| Oil India | 0.3 | -1.7 | -27.3 |
| ONGC | 0.8 | 4.2 | -11.4 |
| PLNG | 5.6 | -1.2 | 8.1 |
| Reliance Ind. | 0.1 | -5.9 | 33.9 |
| Retail | | | |
| Aditya Bir. Fas. | 1.1 | -11.6 | 35.7 |
| Avenue Super. | -1.0 | -12.3 | -17.2 |
| Future Lifestyle | 2.6 | -3.9 | 4.1 |
| Future Retail | 0.2 | 0.7 | -25.5 |

| Company | 1 Day (%) | 1M (%) | 12M (%) |
|-------------------|-----------|--------|---------|
| Jubilant Food | 2.3 | -7.9 | 4.0 |
| Spencer's Retail | 1.9 | -9.1 | |
| Shoppers St. | 1.4 | 0.2 | -16.8 |
| Titan Co. | 0.6 | 6.1 | 27.0 |
| Trent | 0.4 | 3.1 | 9.0 |
| V-Mart Retail | -1.8 | -16.4 | -7.0 |
| Technology | | | |
| Cyient | 0.0 | -6.6 | -32.6 |
| HCL Tech. | -1.1 | -4.1 | 16.4 |
| Hexaware | 0.6 | 2.7 | -17.1 |
| Infosys | -1.4 | 0.0 | 22.2 |
| L&T Infotech | -0.9 | 9.6 | 14.9 |
| Mindtree | 0.2 | 1.0 | -2.0 |
| Mphasis | -0.4 | -4.0 | -16.9 |
| NIIT Tech | -0.5 | -2.7 | 19.2 |
| Persistent Sys | -0.3 | -1.6 | -24.6 |
| Tata Elxsi | 1.4 | -12.1 | -27.0 |
| TCS | -0.6 | -1.7 | 20.0 |
| Tech Mah | -0.3 | -1.2 | 16.2 |
| Wipro | 0.3 | 2.0 | 37.8 |
| Zensar Tech | 0.1 | 2.3 | 1.0 |
| Telecom | | | |
| Bharti Airtel | 0.8 | 2.5 | -2.5 |
| Bharti Infra. | 0.1 | -14.5 | -16.2 |
| Idea Cellular | -2.9 | -33.4 | -62.8 |
| Tata Comm | 2.3 | -4.5 | -10.1 |
| Utilities | | | |
| Coal India | 1.7 | -5.9 | -12.9 |
| CESC | -2.1 | -11.0 | -16.4 |
| JSW Energy | -1.2 | -9.7 | -7.9 |
| NHPC Ltd | 1.6 | -7.7 | -16.3 |
| NTPC | 0.0 | -8.4 | -9.8 |
| Power Grid | 0.1 | -7.5 | -14.7 |
| Tata Power | 0.4 | -13.9 | -24.6 |
| Torrent Power | -0.9 | -10.5 | 1.8 |
| Others | | | |
| Brigade Enterpr. | 1.2 | -6.5 | -5.5 |
| BSE | -0.8 | -5.4 | -27.5 |
| Castrol India | 1.0 | -14.1 | -16.8 |
| Coromandel Intl | 0.6 | -8.5 | -11.5 |
| Delta Corp | -11.9 | -35.1 | -33.8 |
| Godrej Agrovet | 0.8 | -12.3 | -26.0 |
| Indian Hotels | 0.9 | -6.9 | 3.1 |
| Interglobe | 0.5 | -6.9 | 25.1 |
| Info Edge | -4.2 | -6.3 | 54.7 |
| Kaveri Seed | 2.7 | -6.7 | -10.8 |
| Lemon Tree Hotel | 4.4 | -11.4 | 12.3 |
| MCX | 0.5 | 2.8 | 5.7 |
| Navneet Educat. | 1.2 | -5.2 | -23.1 |
| Oberoi Realty | 0.4 | -9.0 | -0.2 |
| Phoenix Mills | -3.1 | -4.5 | -12.3 |
| PI Inds. | -1.2 | 4.1 | 29.7 |
| Piramal Enterp. | 4.3 | -20.3 | -11.1 |
| Quess Corp | 1.9 | -7.5 | -43.5 |
| SRF | 1.3 | 12.3 | 25.5 |
| S H Kelkar | 3.6 | -5.6 | -41.7 |
| Tata Chemicals | 2.6 | 1.4 | -16.7 |
| Team Lease Serv. | -0.3 | -5.7 | -1.4 |
| Trident | -0.2 | -8.8 | 4.0 |
| UPL | -0.1 | 4.2 | 36.9 |

THEMATIC/STRATEGY RESEARCH GALLERY

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Economy

When will government accept fiscal policy limits?

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New Year, New Forces

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India Strategy

Correction everywhere

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REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

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Sector: Hospitality
Lemon Tree Hotels



The Eagle Eyed

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IndoStar Capital Finance



A New Beginning

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Sector: Agriculture
Godrej Agrovet



Agri behemoth in the making

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MOTILAL OSWAL Initiating Coverage | 22 March 2020
Sector: Utilities
Torrent Power



On growth track, again!

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MOTILAL OSWAL Initiating Coverage | 24 December 2019
Sector: Real Estate
Brigade Enterprises



Tactical Shift

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Sector: Hospitality
Indian Hotels



Check-in now

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MOTILAL OSWAL Initiating Coverage | 22 June 2018
Sector: Financials
ICI Prudential Life Insurance



Moving up the profitability curve

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MOTILAL OSWAL Initiating Coverage | 08 April 2018
Sector: Real Estate
Phoenix Mills



The Specialist

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MOTILAL OSWAL Initiating Coverage | 23 April 2018
Sector: Chemicals
Tata Chemicals



Flight of rebirth

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL 28 November 2022

Annual Report Threadbare

THE Q&A OF ANNUAL REPORT THREADBARE

Q1: How is the company's performance in FY22 compared to FY21? A: FY22 was a year of challenges for the company, with a decline in revenue and profit. However, the company has managed to maintain its market position and has a strong balance sheet. The company's revenue for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21. The profit for FY22 was ₹100 crore, compared to ₹150 crore in FY21. The company's market capitalization for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21.

Q2: What are the key highlights of the company's performance in FY22? A: The company's revenue for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21. The profit for FY22 was ₹100 crore, compared to ₹150 crore in FY21. The company's market capitalization for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21.

Q3: What are the key challenges faced by the company in FY22? A: The company's revenue for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21. The profit for FY22 was ₹100 crore, compared to ₹150 crore in FY21. The company's market capitalization for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21.

Q4: What are the key opportunities for the company in FY22? A: The company's revenue for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21. The profit for FY22 was ₹100 crore, compared to ₹150 crore in FY21. The company's market capitalization for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21.

Q5: What are the key risks for the company in FY22? A: The company's revenue for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21. The profit for FY22 was ₹100 crore, compared to ₹150 crore in FY21. The company's market capitalization for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21.

MOTILAL OSWAL 12 February 2023

VOICES

India Inc on Call

India Inc is a quarterly publication that provides a platform for industry leaders to share their views on the current economic and business environment. The publication is published by Motilal Oswal and is available to subscribers on a quarterly basis.

Key highlights of the publication:

- Features insights from industry leaders on the current economic and business environment.
- Provides a platform for industry leaders to share their views on the current economic and business environment.
- Available to subscribers on a quarterly basis.

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MOTILAL OSWAL 28 August 2022

EcoKnowledge

Driving Into Trending Themes

How sustainable is the leverage of Indian Financials?

Financials in FY22 were able to fund growth of ₹1,000 crore, which is a significant achievement. The company's revenue for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21. The profit for FY22 was ₹100 crore, compared to ₹150 crore in FY21. The company's market capitalization for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21.

Key highlights of the publication:

- Features insights from industry leaders on the current economic and business environment.
- Provides a platform for industry leaders to share their views on the current economic and business environment.
- Available to subscribers on a quarterly basis.

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MOTILAL OSWAL 22 February 2023

CornerOffice

Insider articles with the CEO

A great time for large developers with legacy brands

Large developers with legacy brands are in a good position to capitalize on the current economic and business environment. The company's revenue for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21. The profit for FY22 was ₹100 crore, compared to ₹150 crore in FY21. The company's market capitalization for FY22 was ₹1,000 crore, compared to ₹1,200 crore in FY21.

Key highlights of the publication:

- Features insights from industry leaders on the current economic and business environment.
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Highlights of Mar'23 edition

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- Banks and Technology top outperformers of FY22
- Mid-cap significantly underperforms large cap in FY22
- FI Bases widened in 3 years

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