

Market snapshot



Equities - India	Close	Chg. %	CYTD.%
Sensex	39,353	3.7	9.1
Nifty-50	11,828	3.7	8.9
Nifty-M 100	17,562	4.1	-1.8
Equities-Global	Close	Chg. %	CYTD.%
S&P 500	2,840	-0.7	13.3
Nasdaq	7,702	-1.5	16.1
FTSE 100	7,311	-0.5	8.7
DAX	12,041	-1.6	14.0
Hang Seng	10,633	-0.5	5.0
Nikkei 225	21,302	0.2	6.4
Commodities	Close	Chg. %	CYTD.%
Brent (US\$/Bbl)	73	-1.0	36.4
Gold (\$/OZ)	1,278	0.0	-0.4
Cu (US\$/MT)	6,004	-0.5	0.9
Almn (US\$/MT)	1,766	-2.3	-5.2
Currency	Close	Chg. %	CYTD.%
USD/INR	69.7	-0.7	0.0
USD/EUR	1.1	0.1	-2.6
USD/JPY	110.1	0.0	0.3
YIELD (%)	Close	1MChg	CYTDchg
10 Yrs G-Sec	7.3	-0.08	-0.1
10 Yrs AAA Corp	8.4	-0.08	-0.1
Flows (USD b)	20-May	MTD	CYTD
FII	0.25	-0.46	9.06
DII	-0.08	1.11	-1.21
Volumes (INRb)	20-May	MTD*	CYTD*
Cash	474	347	356
F&O	5,779	11,237	10,576

Note: \*Average

Today's top research idea



Tata Motors: Guides for recovery in both businesses in FY20

- ❖ TTMT reported big beat on consol adj. PAT (INR21.3b vs est INR12.1b), despite in-line EBITDA at JLR & big miss at S/A level. This was driven by lower depn (on impaired value of assets) at JLR & higher other income/lower interest cost.
- ❖ Also, consol net debt reduced by INR185b QoQ to INR284b led seasonal recovery at JLR.
- ❖ Expects FY20 volumes in US to decline slightly, UK/EU is uncertain due to BREXIT, though China should see recovery from Jul-19 due to very low base.
- ❖ It expects large part of cost savings to come in FY20 (GBP0.4b for VRS + GBP0.3b thru lower D&A). Despite this FCF is expected to be negative for FY20/21 (vs earlier guidance of positive FCF in FY21).
- ❖ Outlook for FY21 is looking weak for its high margin RR/RR Sport volumes (run-out ahead of model change) and high valuation S/A business (due to BS6).
- ❖ Further, noises around BREXIT, Trade wars & EVs add to uncertainties for JLR.

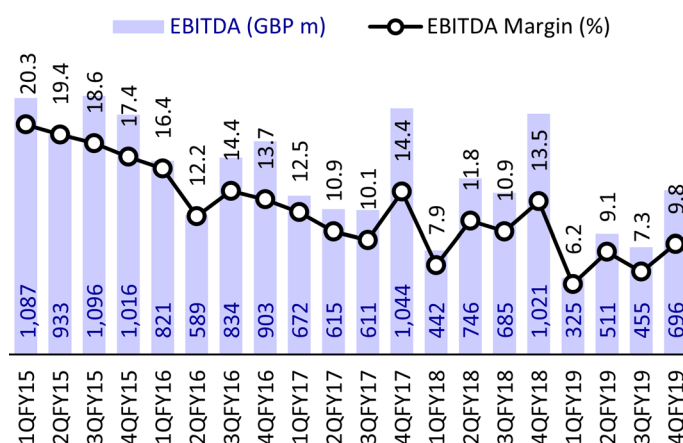
Research covered



Cos/Sector	Key Highlights
Tata Motors	Guides for recovery in both businesses in FY20
IOCL	Better-than-expected marketing margins result in a beat
BPCL	Impresses with higher refining throughput, all-time-high marketing margin
Shree Cement	Capacity expansion to drive growth
UPL	Arysta acquisition completed – earnings momentum intact
HPCL	Reinforced by enhanced marketing segment performance
United Breweries	Big EBITDA miss due to other expenses and lower GM
Other notes	GLXO   BHFC   PI   INDOSTAR   Metals Weekly
Result Expectation	BOS   CROMPTON   JSP   TECHM

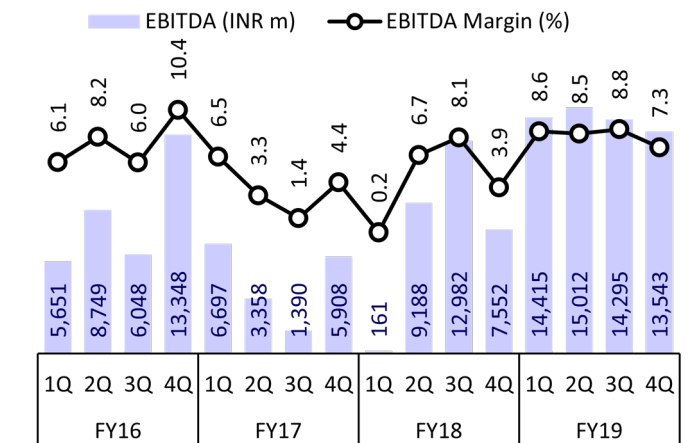
Chart of the Day: Tata Motors – JLR Margins in line; India business disappoints

Trend in JLR EBITDA and EBITDA margins



Source: Company, MOFSL

S/A EBITDA margin trend



Source: Company, MOFSL

Research Team (Gautam.Duggad@MotilalOswal.com)

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

**Rupee surges 48 paise against \$, logs biggest gain in 2 months**

The rupee Monday appreciated by 49 paise, the biggest single-day gain in two months, to close at 69.74 against the US dollar following sharp gains in equities and forex inflows after exit polls suggested another term for the ruling NDA government...

2

**Third party motor insurance premium to get pricier as IRDAI revises rate card**

A day after polling concluded, insurance regulator IRDAI proposed an increase in third party (TP) motor insurance premium rates for various categories of automobiles from cars, two-wheelers and school buses to trucks. The upward revision proposed for cars is in excess of 14% — for two-wheelers it is up to 21.11% and public goods carriers (trucks) over 11%. The increase recommended for school buses is 5.29% in basic rate and 5.34% per licensed passenger. However, there will be no change in the long-term premium rates for new cars and two-wheelers — such covers come for three years in the case of new cars and five years for new two-wheelers...

3

**Amul hikes milk prices by Rs 2/ltr in Delhi and other major markets from May 21**

Dairy major Amul said on Monday it will increase milk prices by ₹ 2 per litre in Delhi NCR, Maharashtra and other States from Tuesday due to an increase in production cost. Milk prices were last revised two years back in March 2017,...

4

**Ford says will slash 7,000 jobs comprising 10% of its global workforce**

Ford is planning to slash about 7,000 white-collar jobs, which would make up 10 per cent of its global workforce. The company has said it was undertaking a major restructuring, and it will have trimmed thousands of jobs by August...

5

**Zambia seeks new investor in Vedanta-controlled copper miner**

Zambia has started to look for a new investor in Vedanta-controlled Konkola Copper Mines (KCM), President Edgar Lungu said on Monday, in a move likely to stoke international miners' concerns about rising government intervention in the sector. Zambia, Africa's second-biggest copper producer, has also proposed tax changes that Lungu insists he will push through, despite opposition from international miners who say they will deter investment that Zambia desperately needs...

6

**ArcelorMittal to pay Rs 42,000 cr for Essar Steel takeover**

Global steel major ArcelorMittal Monday told the National Company Law Appellate Tribunal (NCLAT) that it would pay Rs 42,000 crore, including a minimum of guarantee of Rs 2,500 crore as working capital, for acquiring debt-laden Essar Steel under the insolvency process...

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...



# Tata Motors

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
39,353	11,828
Bloomberg	TTMT IN
Equity Shares (m)	3,397
M.Cap.(INRb)/(USD\$b)	594.2 / 8.5
52-Week Range (INR)	317 / 142
1, 6, 12 Rel. Per (%)	-20/-9/-51
12M Avg Val (INR M)	4199
Free float (%)	61.6

## Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	3,019	3,127	3,275
EBITDA	297.9	386.8	430.8
PAT	-14.8	48.2	52.4
EPS (INR)	-4.4	14.2	15.4
Gr. (%)	NA	LP	8.7
BV/Sh (INR)	177.2	191.1	206.2
RoE (%)	-1.9	7.7	7.8
RoCE (%)	5.2	7.7	7.6
P/E (x)	-43.6	13.4	12.3
P/BV (x)	1.1	1.0	0.9

Estimate change

TP change

Rating change

**CMP: INR190 TP: INR199 (+5%) Neutral**

## JLR in-line, S/A disappoints; guides for recovery in both businesses in FY20

- Consol. sales declined 4% YoY to INR864b (in-line) and adj. PAT was at INR21.4b (our estimate: INR12b). For FY19, revenue increased 4%, while EBITDA was down 16%.
- **JLR – lower D&A drives EBIT/PAT beat:** Net sales fell 6% YoY to GBP7.1b (in-line). EBITDA margin improved 240bp QoQ (-380bp YoY) to 9.8% (in-line). However, a decline in D&A led to an EBIT margin of 3% (above our estimate of 1.8%) and PAT of GBP255m (our estimate: ~GBP104m).
- **S/A – higher discounts impact margins:** Revenue declined 3.2% YoY to INR185.6b (in-line). EBITDA margin shrank 420bp YoY (-150bp QoQ) to 7.3% (our estimate: 9.2%) due to higher discounts. Higher other income and lower interest restricted the drop in adj. PAT to 68% YoY (INR1.8b v/s our estimate of INR4b).
- **Earnings call highlights:** (a) JLR – in China, the key operational KPIs are stabilizing, viz., achievement rate of retail targets, reduction in stock and improvement in dealer return on sales. (b) It has attained good success in cutting investments/WC (~GBP1.1b achieved in FY19 v/s target of GBP1.5b by FY20). (c) Cost-cutting initiatives have resulted in savings of GBP150m (of targeted GBP1b). Large part of cost savings are likely to fructify in FY20 through workforce reduction (GBP0.4b), D&A reduction (gross savings of ~GBP0.3b), lower marketing expenses, overheads, etc. (d) TTMT has tweaked its guidance for FY20-21 – EBIT margin of 3-4% (maintained) and negative FCF (earlier expectation of FY21 to be FCF positive). For FY22/23, it has guided for an EBIT margin of 4-6% (v/s 7-9% earlier for FY23). (f) Consol. net auto debt at INR284b (v/s ~INR469b as of Dec-18).
- **Valuation view:** We raise our consol. EPS estimate for FY20 by ~16% to factor in lower depreciation at JLR and higher other income in S/A. However, we note that the weakening outlook for the India business is fading the cost-cutting-led recovery at JLR. FY21 could be a tough year for India and JLR (run-out of most profitable RR/RR Sport). Further, the noise around EVs, Brexit and trade-war adds to the uncertainty. Hence, we maintain **Neutral** rating with a target price of INR199 (Mar'21 SOTP).

## Quarterly Performance [Consol]

Y/E March	FY18				FY19				FY18	FY19	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
<b>Net Op Income (INR b)</b>	<b>584.9</b>	<b>703.7</b>	<b>733.6</b>	<b>899.2</b>	<b>667.0</b>	<b>721.1</b>	<b>769.1</b>	<b>864.2</b>	<b>2,915.5</b>	<b>3,019.4</b>	<b>898.1</b>	<b>-3.8</b>
Growth (%)	-10.0	10.8	14.8	16.5	14.0	2.5	4.8	-3.9	8.1	3.6	-1.61	
<b>EBITDA</b>	<b>49,648</b>	<b>86,210</b>	<b>77,534</b>	<b>95,443</b>	<b>50,504</b>	<b>67,576</b>	<b>59,557</b>	<b>80,193</b>	<b>302,724</b>	<b>255,702</b>	<b>90,631</b>	<b>-11.5</b>
EBITDA Margins (%)	8.5	12.3	10.6	10.6	7.6	9.4	7.7	9.3	10.4	8.5	10.1	-80bp
JLR EBITDA Margins (%)	7.9	11.8	10.9	13.5	6.2	9.1	7.3	9.8	11.2	8.2	9.7	10bp
S/A EBITDA (%)	0.2	6.7	8.1	3.9	8.6	8.5	8.8	7.3	4.9	8.3	9.2	-190bp
<b>PBT before EO Exp</b>	<b>1,168</b>	<b>30,814</b>	<b>20,338</b>	<b>39,479</b>	<b>-25,842</b>	<b>-2,932</b>	<b>-12,144</b>	<b>23,722</b>	<b>91,799</b>	<b>-17,196</b>	<b>14,195</b>	<b>67.1</b>
EO Exp/(Inc)	-36,202	0	47	16,403	0	5,303	280,140	11,072	-19,751	296,516	18,649	
Tax rate (%)	32.3	35.4	52.6	42.3	16.1	-33.0	8.2	8.8	38.9	7.8	18.6	
Share in profit of Associate	6,704	5,101	2,532	8,446	3,060	859	-1,376	-448	22,783	2,095	-1,463	
<b>Reported PAT</b>	<b>31,823</b>	<b>24,828</b>	<b>11,986</b>	<b>21,252</b>	<b>-19,024</b>	<b>-10,488</b>	<b>-269,925</b>	<b>11,175</b>	<b>89,889</b>	<b>-288,262</b>	<b>-5,076</b>	<b>-320.2</b>
<b>Adj PAT</b>	<b>9,712</b>	<b>24,828</b>	<b>12,015</b>	<b>31,270</b>	<b>-19,024</b>	<b>-5,597</b>	<b>-11,551</b>	<b>21,387</b>	<b>77,826</b>	<b>-14,785</b>	<b>12,090</b>	<b>76.9</b>
Growth (%)	(49.3)	197.2	(422.8)	(28.1)	NA	NA	NA	(31.6)	15.7	-119.0	-61.3	



<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
39,353	11,828
Bloomberg	IOCL IN
Equity Shares (m)	9,181
M.Cap.(INRb)/(USD\$b)	1482.3 / 21.3
52-Week Range (INR)	177 / 106
1, 6, 12 Rel. Per (%)	0/-1/-17
12M Avg Val (INR M)	1961
Free float (%)	47.8

**CMP: INR158**

**TP: INR198 (+26%)**

**Buy**

**Better-than-expected marketing margins result in a beat**

4QFY19 EBITDA (adj. for inventory and one-offs) stood at INR74b (-10% YoY, -40% QoQ) due to lower-than-expected core GRM and refining throughput. EBITDA was ~45% above our estimate, primarily led by better marketing performance. PAT was 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 (our est. INR25b).
- Refining throughput** stood at 17.4mmt (v/s 17.2mmt in 4QFY18 and 19.0mmt in 3QFY19). **Core GRM** at USD1.4/bbl was below our estimate of USD3.5/bbl (USD6.1/bbl in 4QFY18 and USD9.2/bbl in 3QFY19).
- Record high marketing margins** (incl. of inventory) at INR6.7/lit beat our est. of INR3.7/lit (INR5.1/lit in 4QFY18 and INR3.5/lit 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 was at 71.8mmt v/s 69.0mmt in FY18 (+4% YoY). Core GRM was at USD4.4/bbl v/s USD6.4/bbl a year ago.

**Valuation and view**

- IOCL is commissioning polypropylene plant at Paradip; it has already commissioned 5mmtpa Ennore LNG terminal.
- With reduced future capex, our estimate suggests that free cash flow generation over FY20/FY21 would be at INR10.2 per share/INR11.5 per share, with dividend yield appearing attractive at ~5%.
- IOCL is trading at 8.4x consol. FY20E EPS of INR18.7 and 1.2x FY20E PBV. We value IOCL at 1.4x FY21 PBV. We reiterate **Buy** with a target price of **INR198**.

**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	171	181
Adj. EPS (INR)	18.8	18.7	19.7
EPS Gr. (%)	-24	-1	6
BV/Sh.(INR)	123	132	142
RoE (%)	15	15	14
RoCE (%)	10	9	9
Payout (%)	57.5	50.4	50.0

Valuations			
Y/E March	2019	2020E	2021E
P/E (x)	8.4	8.4	8.0
P/BV (x)	1.3	1.2	1.1
EV/EBITDA (x)	6.7	6.6	6.5
Div. Yield (%)	5.9	5.1	5.3

Estimate change ↔

TP change ↔

Rating change ↔

**Standalone - Quarterly Earning Model**

Y/E March	(INR Billion)											
	FY18				FY19				FY18	FY19	FY19	Var. vs
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY18	FY19	4QE	est.
Net Sales	1,054.3	905.7	1,106.7	1,173.7	1,294.8	1,320.3	1,399.7	1,262.1	4,240.4	5,276.9	1,275.3	-1%
EBITDA	51.9	76.4	132.7	117.0	143.8	93.8	15.3	100.4	377.9	353.3	76.1	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.	92.3	71.8	69.7	82.6	65.1	50.9	122.7	74.0	316.3	224.0	50.9	45%
Depreciation	17.2	17.0	17.2	19.3	17.9	18.1	18.6	20.6	70.7	75.1	19.3	7%
Forex loss	-6.1	2.6	-6.3	6.8	18.1	26.2	-20.8	-8.4	-3.0	15.0		
Interest	7.2	7.7	6.5	13.0	10.3	11.9	8.5	12.4	34.5	43.1	8.6	45%
Other Income	6.2	5.9	7.2	2.5	5.9	10.4	4.4	10.6	21.7	31.3	4.6	128%
PBT before EO expense	39.8	54.9	122.5	80.3	103.4	48.1	13.4	86.3	297.6	251.3	56.0	54%
PBT	67.9	54.9	122.5	80.3	103.4	48.1	13.4	86.3	325.6	251.3	56.0	54%
Tax	22.4	18.0	43.7	28.1	35.1	15.6	6.3	25.4	112.2	82.3	18.7	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	45.5	37.0	78.8	52.2	68.3	32.5	7.2	61.0	213.5	168.9	37.3	63%
Adj PAT	26.8	37.0	78.8	52.2	68.3	32.5	7.2	61.0	195.1	168.9	37.3	63%
Margins (%)	2.5	4.1	7.1	4.4	5.3	2.5	0.5	4.8	4.6	3.2	2.9	
<b>Key Assumptions</b>												
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 (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%



<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
39,353	11,828
Bloomberg	BPCL IN
Equity Shares (m)	1,967
M.Cap.(INRb)/(USD\$b)	851.5 / 12.2
52-Week Range (INR)	429 / 239
1, 6, 12 Rel. Per (%)	8/9/-11
12M Avg Val (INR M)	2089
Free float (%)	46.7

**Financials & Valuations (Cons.) (INR b)**

Y/E March	2019	2020E	2021E
Sales	2,982	3,207	3,337
EBITDA	158	162	166
Adj. PAT	85	94	101
EPS (INR)	43.4	47.7	51.6
EPS Gr. %	-12.9	9.9	8.2
BV/Sh. INR	197.1	222.4	250.9
RoE (%)	22.6	22.7	21.8
RoCE (%)	11.8	11.4	10.7
Payout*(%)	51.3	47.0	44.7

**Valuation**

P/E (x)	9.0	8.2	7.6
P/BV (x)	2.0	1.8	1.6
EV/EBITDA (x)	7.5	7.3	7.3

Estimate change

TP change

Rating change

**CMP: INR392 TP: INR452(+15%)**

**Buy**

**Impresses with higher refining throughput, all-time-high marketing margin**

- BPCL reported EBITDA of INR45.3b (+23% YoY; 23% beat) in 4QFY19. However, adjusted EBITDA (adj. for inventory and one-offs) stood at INR41.7b (+29% YoY, +22% QoQ), exceeding our estimate of INR20.1b, primarily due to an all-time-high marketing margin. The company reported a forex gain of INR2.8b, as against a gain of INR0.5b in 4QFY18 and INR1b in 3QFY19. PAT came in at INR31.2b (+17% YoY; 40% beat).
- **Core GRM stood at USD2.6/bbl** (our estimate: USD3.0; 4QFY18: USD5.6; 3QFY19: USD6.0). Core GRM was higher at Mumbai (USD3.03) and lower at Kochi (USD2.14) refineries. Refinery throughput of 8.2mmt (+5% YoY, +10% QoQ) was in line with our estimate.
- **Implied marketing margin**, inclusive of inventory gain, was at an all-time high of INR6.5/liter (v/s INR4.6 in 4QFY18 and INR2.9 in 3QFY19). Net of inventory gain, the marketing margin stood at INR6.3/liter. Domestic sales volumes were up ~6% YoY/QoQ at 11.4mmt in the quarter.
- **FY19 performance:** Adj. EBITDA stood at INR114b (+10% YoY) v/s INR103.5b in FY18. PAT of INR71.3b (-10% YoY) was lower than INR79.2b in the previous year due to higher interest and depreciation cost. Core GRM (throughput) stood at USD4.0/bbl (31.1mmt) v/s USD6.0/bbl (28.5mmt) in FY18.

**Valuation and view**

- BPCL Kochi refinery saw throughput of 4.4mmt (+11% YoY, +20% QoQ), in line with the expected stabilization. BPCL has a 10% stake in the prolific Offshore Area 1 in Mozambique. After almost a delay of 4-5 years, the final investment decision is likely to be concluded in 2019.
- BPCL is trading at 8.2x FY20E consol. EPS of INR47.7. We value BPCL at 1.8x FY21E PBV multiple. We reiterate **Buy** with a target price of INR452.

**Standalone - Quarterly Earning Model**

(INR Billion)

Y/E March	FY18				FY19				FY18	FY19	FY19	Var. vs
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>571.3</b>	<b>533.3</b>	<b>606.2</b>	<b>652.4</b>	<b>717.0</b>	<b>722.9</b>	<b>791.7</b>	<b>739.9</b>	<b>2,363.1</b>	<b>2,971.5</b>	<b>733.0</b>	<b>1%</b>
Total Expenditure	559.0	497.4	574.3	615.7	671.2	689.4	790.9	694.6	2,246.4	2,846.1	696.3	0%
<b>EBITDA</b>	<b>12.3</b>	<b>35.9</b>	<b>31.9</b>	<b>36.7</b>	<b>45.8</b>	<b>33.5</b>	<b>0.8</b>	<b>45.3</b>	<b>116.7</b>	<b>125.4</b>	<b>36.8</b>	<b>23%</b>
Margins (%)	2.1	6.7	5.3	5.6	6.4	4.6	0.1	6.1	4.9	4.2	5.0	
<b>EBITDA adj. for inventory and one-offs</b>	<b>26.3</b>	<b>29.0</b>	<b>15.9</b>	<b>32.2</b>	<b>19.0</b>	<b>19.1</b>	<b>34.1</b>	<b>41.7</b>	<b>103.5</b>	<b>114.0</b>	<b>20.1</b>	<b>107%</b>
Forex loss	-0.3	0.6	-0.8	-0.5	7.1	9.3	-6.6	-2.8	-1.0	7.0	-1.0	
Depreciation	5.9	6.4	6.8	7.4	7.4	7.6	7.8	9.1	26.5	31.9	8.0	14%
Interest	1.8	2.3	2.0	2.2	3.0	3.3	3.4	3.5	8.3	13.2	3.6	-1%
Other Income	6.3	8.0	6.4	8.3	5.5	5.4	9.7	10.6	29.0	31.1	7.2	47%
<b>PBT before EO expense</b>	<b>11.1</b>	<b>34.5</b>	<b>30.4</b>	<b>35.9</b>	<b>33.8</b>	<b>18.7</b>	<b>5.9</b>	<b>46.0</b>	<b>112.0</b>	<b>104.4</b>	<b>33.4</b>	<b>38%</b>
Tax	3.7	11.0	8.9	9.2	10.9	6.5	0.9	14.7	32.8	33.1	11.1	32%
Rate (%)	33.1	31.7	29.4	25.6	32.2	34.9	16.0	32.0	29.3	31.7	33.3	
<b>Reported PAT</b>	<b>7.4</b>	<b>23.6</b>	<b>21.4</b>	<b>26.7</b>	<b>22.9</b>	<b>12.2</b>	<b>5.0</b>	<b>31.2</b>	<b>79.2</b>	<b>71.3</b>	<b>22.3</b>	<b>40%</b>
<b>Adj PAT</b>	<b>7.4</b>	<b>23.6</b>	<b>21.4</b>	<b>26.7</b>	<b>22.9</b>	<b>12.2</b>	<b>5.0</b>	<b>31.2</b>	<b>79.2</b>	<b>71.3</b>	<b>22.3</b>	<b>40%</b>
Margins (%)	1.3	4.4	3.5	4.1	3.2	1.7	0.6	4.2	3.4	2.4	3.0	
<b>Key Assumptions</b>												
Refining throughput (mmt)	6.4	7.0	7.3	7.9	7.7	7.6	7.5	8.2	28.5	31.1	8.3	-1%
Reported GRM (USD/bbl)	4.9	8.0	7.9	6.5	7.5	5.6	2.8	2.7	6.9	7.5	4.5	-39%
Core GRM (USD/bbl)	6.9	6.5	4.9	5.6	4.2	3.3	6.0	2.6	6.0	4.0	3.0	-15%
Marketing GM incld inv (INR/litre)	3.1	4.3	3.8	4.6	4.9	4.9	2.9	6.5	3.9	4.8	4.4	46%



# Shree Cement

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
36,445	10,923
<b>Bloomberg</b>	<b>SRCM IN</b>
Equity Shares (m)	35
M.Cap.(INRb)/(USD\$)	708.3 / 10.2
52-Week Range (INR)	20625 / 13125
1, 6, 12 Rel. Per (%)	3/16/12
12M Avg Val (INR M)	435
Free float (%)	35.2

## Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	117	138.5	158.6
EBITDA	27.9	36.3	44
PAT	12.6	16.4	21.9
EPS (INR)	362	470.3	628.1
Gr. (%)	-6.1	29.8	33.6
BV/Sh (INR)	2,758	3,166	3,730
RoE (%)	13.6	15.9	18.2
RoCE (%)	11.7	14	16.1
P/E (x)	56.1	43.2	32.4
P/BV (x)	7.4	6.4	5.5
EV/EBITDA (x)	24.7	18.4	14.6
EV/Ton (USD)	247	211	193

Estimate change



TP change



Rating change



**CMP: INR20,333**

**TP: INR23,400 (+15%)**

**Buy**

## Capacity expansion to drive growth

### Margins improve on lower costs

- Healthy volume growth:** 4QFY19 volumes (including clinker) increased ~13.3% YoY to 7.3mt (our est. 7.04mt). Realizations increased ~1.6% YoY to INR4,225, while revenue grew 17% YoY to INR32.8b (our est. INR33.1b). Cement revenue grew 15% YoY to INR30.8b, while Power revenue was up 52% YoY to INR2.0b.
- Easing cost pressures drive margins:** Total cost/t declined 2% YoY. Power EBITDA at INR430m, resulted in cement EBITDA/t growing 15% YoY to INR1,103/t. Thus, EBITDA was up 35% at INR8.5b (in-line). Overall, margins were up 3.4pp YoY at 25.8%. Tax rate stood at 20% in 4QFY19 v/s 13% in 4QFY18, thus, reported PAT declined 20% YoY to INR3.2b (our est. INR3.5b).
- Key highlights:** (1) Company has announced a cement grinding unit of 3mt at a capex of INR5.2b in Pune; it should get commissioned by Sep'20. (2) 4QFY19 average fuel cost has decreased to INR8,670/t from INR8,900/t in 3QFY19. (3) With focus on healthy realization, the company has seen trade sales at 73% in FY19 v/s 67% in FY18. (4) Cement utilization for SRCM in North India is 76%, while it is 100% for East India. Its plant in the South is operating at a utilization of 30-35%.
- FY19 performance:** Volumes grew 15% YoY, resulting in sales growing 19% YoY to INR117b. EBITDA grew 15% YoY to INR28b, while PAT declined 6% YoY to INR12.6b due to higher depreciation and interest cost.
- Valuation and view:** We increase our PAT estimate by 2% for FY20 and by 4% for FY21, led by 2% increase in EBITDA estimate due to higher realization assumption and cost savings. We value SRCM at 15.5x June'21 EV/EBITDA and arrive at a Target Price of INR23,400. **Buy.**

## Quarterly Performance (S/A)

Y/E March	FY18				FY19				FY18	(INR Million)		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		FY19	FY19	Var. (%)
Sales Dispat. (m ton)	5.89	4.88	5.33	6.44	6.99	5.64	5.93	7.30	22.54	25.86	7.04	4
YoY Change (%)	14.8	6.8	8.5	8.7	18.7	15.6	11.4	13.3	9.7	14.8	9.3	
Realization (INR/Ton)	4,215	4,181	4,132	4,157	4,107	4,268	4,315	4,225	4,171	4,223	4,401	-4
YoY Change (%)	8.5	2.9	10.4	7.4	-2.6	2.1	4.4	1.6	6.8	1.2	5.9	
QoQ Change (%)	8.9	-0.8	-1.2	0.6	-1.2	3.9	1.1	-2.1			2.0	
<b>Net Sales</b>	<b>25,769</b>	<b>21,424</b>	<b>23,027</b>	<b>28,111</b>	<b>30,699</b>	<b>25,866</b>	<b>27,806</b>	<b>32,849</b>	<b>98,331</b>	<b>1,17,220</b>	<b>33,158</b>	-1
YoY Change (%)	17.2	4.4	23.5	15.3	19.1	20.7	20.8	16.9	14.4	19.2	18.0	
<b>EBITDA</b>	<b>7,133</b>	<b>5,605</b>	<b>5,293</b>	<b>6,294</b>	<b>6,452</b>	<b>6,037</b>	<b>6,901</b>	<b>8,478</b>	<b>24,325</b>	<b>27,868</b>	<b>8,628</b>	-2
Margins (%)	27.7	26.2	23.0	22.4	21.0	23.3	24.8	25.8	24.7	23.8	26.0	
Depreciation	2,312	2,253	2,100	2,330	3,055	3,295	3,361	4,206	8,994	13,917	3,381	
Interest	329	380	207	437	562	618	593	697	1,353	2,470	597	
Other Income	974	995	873	1,049	936	514	553	451	3,891	2,454	547	
<b>PBT before EO Exp</b>	<b>5,466</b>	<b>3,968</b>	<b>3,858</b>	<b>4,576</b>	<b>3,771</b>	<b>2,638</b>	<b>3,500</b>	<b>4,026</b>	<b>17,868</b>	<b>13,936</b>	<b>5,197</b>	-23
Extra-Ord Expense	0	3	-403	0	676	2,618	-200	0	-403	3,094	0	
<b>PBT</b>	<b>5,466</b>	<b>3,965</b>	<b>4,262</b>	<b>4,576</b>	<b>3,095</b>	<b>20</b>	<b>3,700</b>	<b>4,026</b>	<b>18,271</b>	<b>10,842</b>	<b>5,197</b>	-23
Tax	1,065	1,850	928	584	301	-473	687	817	4,427	1,331	1,648	
Rate (%)	19.5	46.7	21.8	12.8	9.7	-2,343.6	18.6	20.3	24.2	12.3	31.7	
<b>Reported PAT</b>	<b>4,401</b>	<b>2,115</b>	<b>3,333</b>	<b>3,992</b>	<b>2,795</b>	<b>494</b>	<b>3,013</b>	<b>3,210</b>	<b>13,844</b>	<b>9,511</b>	<b>3,549</b>	-10
<b>Adj PAT</b>	<b>4,401</b>	<b>2,118</b>	<b>2,930</b>	<b>3,992</b>	<b>3,471</b>	<b>3,112</b>	<b>2,813</b>	<b>3,210</b>	<b>13,441</b>	<b>12,605</b>	<b>3,549</b>	-10
YoY Change (%)	-13.3	-27.4	24.5	31.1	-21.1	46.9	-4.0	-19.6	0.4	-6.2	-11.1	



<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
39,953	11,828
<b>Bloomberg</b>	<b>UPLL IN</b>
Equity Shares (m)	505
M.Cap.(INRb)/(USD\$b)	494.1 / 7.0
52-Week Range (INR)	993 / 538
1, 6, 12 Rel. Per (%)	8/19/29
12M Avg Val (INR M)	1659
Free float (%)	72.1

**Financials & Valuations (INR b)**

Y/E Mar	2019	2020E	2021E
Net Sales	218.4	354.4	387.4
EBITDA	41.1	80.1	91.6
PAT	22.1	32.4	38.9
EPS (INR)	43.4	63.5	76.2
Gr. (%)	-0.8	46.3	20.0
BV/Sh (INR)	290.0	330.2	385.7
RoE (%)	18.6	20.7	21.5
RoCE (%)	10.3	10.8	12.2
P/E (x)	23.4	16.0	13.3
P/BV (x)	3.5	3.1	2.6

<b>Estimate change</b>	
<b>TP change</b>	
<b>Rating change</b>	

**CMP: INR1,017 TP: INR1,067 (+5%) Downgrade to Neutral**

**Arysta acquisition completed – earnings momentum intact**

**Valuations fair and leverage rises; Downgrade to Neutral**

- **In-line operational performance:** UPLL’s (ex-Arysta) revenue increased 15.2% YoY (7% by volume, 5% by price and 3% by FX) to INR65.6b (our estimate: INR65.6b) in 4QFY19. EBITDA grew 17.7% YoY to INR14.3b (our estimate: INR14.4b), with the margin expanding 50bp YoY to 21.9% (our estimate: 22%). Adj. PAT grew 39.5% YoY to INR10.7b in the quarter. Other income came in lower at INR590m (v/s INR1,180m in 4QFY18), but the impact was more than offset by a lower tax rate (2.8% v/s 17.7% in 4QFY18) and a decline in finance cost (INR2.6b v/s INR4.1b in 4QFY18).
- For FY19, revenue grew 14% to INR198.7b, with the margin expanding 60bp to 20.8%. Adj. PAT increased 17% to INR26.1b.
- **Key highlights of Arysta consolidation:** On incorporating Arysta’s financials (for two months, i.e. Feb-Mar’19), consol. revenue stands at INR85.3b for 4QFY19 (INR218.4b in FY19), with a margin of 16.5% (18.8% in FY19). PAT came in at INR2.1b (INR22.1b in FY19), impacted by multiple acquisition-related costs and the purchase price allocation impact. Management has guided for combined entity pro forma revenue of INR325b and EBITDA of INR69b in FY19, taking the full-year financials of Arysta into account. Revenue and EBITDA growth guidance for FY20 on this annualized base stands at 8-10% and 16-20%, respectively.
- **LATAM continues leading growth, Australia drags RoW:** LATAM delivered growth of 26% YoY in 4QFY19 – the third consecutive quarter of 25%+ YoY growth – driven by *Sperto* and *Unizeb*. Europe (+18% YoY) and North America (+14% YoY), too, performed well. Growth in India was moderate (+6.7% YoY), while continued drought in Australia impacted the RoW business (+2.1% YoY). The performance hereon is likely to be driven by LATAM (growth estimated at 15% YoY for FY20). India prospects also appear good, with growth expected to jump from 4% in FY19 to 11% in FY20.
- **Valuation view:** While the Arysta acquisition bodes well from the medium-term growth and synergy (cost synergy of USD200m+ and revenue synergy of USD350m+ over three years) perspective, it has resulted in a significant rise in net D/E from 0.4x in FY18 to 1.8x in FY19. As a result, RoCE dipped from 19.8% in FY18 to 10.3% in FY19, and we expect it to recover only up to 12.3% in FY21. We maintain our estimates of 9%/14%/20% revenue/EBITDA/PAT growth in FY21. Moreover, the stock has run up ~85% over the last one year, providing limited room for a further upside. We, thus, downgrade the stock to Neutral, valuing it at 14x FY21E EPS (~10% discount to its five-year average trading multiple, primarily due to its highly leveraged balance sheet). Our target price of INR1,067 implies a 5% upside.

Cons. Quarterly Perf. (Ex-Arysta)											(INR M)	
Y/E March	FY18				FY19				FY18	FY19	FY19E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE	%	
<b>Net Sales</b>	<b>37,230</b>	<b>37,700</b>	<b>41,940</b>	<b>56,910</b>	<b>41,340</b>	<b>42,570</b>	<b>49,210</b>	<b>65,560</b>	<b>173,780</b>	<b>198,680</b>	<b>65,609</b>	<b>0</b>
YoY Change (%)	6.1	6.5	7.0	6.5	11.0	12.9	17.3	15.2	6.5	14.3	15.3	
Total Expenditure	29,730	30,510	33,650	44,730	32,870	34,180	39,050	51,220	138,620	157,320	51,160	
<b>EBITDA</b>	<b>7,500</b>	<b>7,190</b>	<b>8,290</b>	<b>12,180</b>	<b>8,470</b>	<b>8,390</b>	<b>10,160</b>	<b>14,340</b>	<b>35,160</b>	<b>41,360</b>	<b>14,449</b>	<b>-1</b>
Margins (%)	20.1	19.1	19.8	21.4	20.5	19.7	20.6	21.9	20.2	20.8	22.0	
Depreciation	1,580	1,650	1,690	1,840	1,750	1,810	1,820	2,090	6,760	7,470	2,119	
Interest	800	1,820	1,110	4,100	1,750	1,810	2,020	2,590	7,830	8,170	2,884	
Other Income	1,010	760	1,190	1,180	1,230	320	370	590	4,140	2,510	380	
Exch. Diff. on trade rec./payable	590	420	1,130	-2,030	500	520	780	1,180	110	2,980	0	
<b>PBT before EO expense</b>	<b>5,540</b>	<b>4,060</b>	<b>5,550</b>	<b>9,450</b>	<b>5,700</b>	<b>4,570</b>	<b>5,910</b>	<b>9,070</b>	<b>24,600</b>	<b>25,250</b>	<b>9,826</b>	<b>-8</b>
Extra-Ord expense	190	310	70	60	40	570	910	460	630	1,980	0	
<b>PBT</b>	<b>5,350</b>	<b>3,750</b>	<b>5,480</b>	<b>9,390</b>	<b>5,660</b>	<b>4,000</b>	<b>5,000</b>	<b>8,610</b>	<b>23,970</b>	<b>23,270</b>	<b>9,826</b>	<b>-12</b>
Tax	480	750	-140	1,660	520	1,160	280	240	2,750	2,200	1,572	
Rate (%)	9.0	20.0	-2.6	17.7	9.2	29.0	5.6	2.8	11.5	9.5	16.0	
MI & P/L of Asso. Cos.	140	630	-120	370	40	140	110	-270	1,020	20	290	
<b>Reported PAT</b>	<b>4,730</b>	<b>2,370</b>	<b>5,740</b>	<b>7,360</b>	<b>5,100</b>	<b>2,700</b>	<b>4,610</b>	<b>8,640</b>	<b>20,200</b>	<b>21,050</b>	<b>7,964</b>	<b>8</b>
<b>Adj PAT</b>	<b>5,010</b>	<b>3,320</b>	<b>6,320</b>	<b>7,650</b>	<b>5,590</b>	<b>3,580</b>	<b>6,340</b>	<b>10,670</b>	<b>22,300</b>	<b>26,180</b>	<b>7,964</b>	<b>34</b>
YoY Change (%)	19.9	-7.4	28.6	-9.5	11.6	7.8	0.3	39.5	5.5	17.4	4.1	
Margins (%)	13.5	8.8	15.1	13.4	13.5	8.4	12.9	16.3	12.8	13.2	12.1	





BSE SENSEX	S&P CNX
39,353	11,828
Bloomberg	HPCL IN
Equity Shares (m)	1,524
M.Cap.(INRb)/(USD\$)	447.4 / 6.4
52-Week Range (INR)	325 / 163
1, 6, 12 Rel. Per (%)	10/7/-19
12M Avg Val (INR M)	1940
Free float (%)	100.0

Financials & Valuations (Cons.)(INR b)			
Y/E March	2019	2020E	2021E
Sales	2,755	3,014	3,127
EBITDA	115.7	116.7	117.8
Adj. PAT	66.9	78.2	78.6
Adj. EPS (INR)	43.9	51.3	51.6
EPS Gr. (%)	(7.3)	16.8	0.6
BV/Sh.(INR)	199.5	228.4	257.6
RoE (%)	23.9	24.0	21.2
RoCE (%)	12.9	11.4	10.0
Payout (%)	45.5	43.5	43.5
Valuations			
P/E (x)	6.7	5.7	5.7
P/BV (x)	1.5	1.3	1.1
EV/EBITDA (x)	6.1	5.3	6.1
Div. Yield (%)	5.4	6.3	6.4

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR294**

**TP: INR309(+5%)**

**Neutral**

**Reinforced by enhanced marketing segment performance**

- EBITDA increased 55% YoY to INR46.6b (75% above our estimate) in 4QFY19, supported by an inventory gain of INR9.2b (v/s a gain of INR1.6b in 4QFY18 and a loss of INR34.7b in 3QFY19). Core GRM shrank 68% YoY (-79% QoQ) to USD2.1/bbl (22% miss), resulting in core EBITDA of INR37.5b (+31% YoY, -2% QoQ). HPCL recorded a forex gain of INR5b v/s a loss of INR0.8b in 4QFY18 and a gain of INR0.9b in 3QFY19. PAT was up 70% YoY at INR29.7b in the quarter.
- Reported GRM was at USD4.5/bbl (v/s USD7.1 in 4QFY18 and USD3.7 in 3QFY19). Refining throughput was flat YoY/QoQ at 4.6mmt.
- Marketing sales volume grew 7% YoY** (4%QoQ) to 10.1mmt in 4QFY19. Implied gross marketing margin (incl. inventory) stood at INR5.9/lit (v/s INR4.4 in 4QFY18 and INR3.3 in 3QFY19).
- Adj. EBITDA was at INR107.1b (+9% YoY) in FY19 v/s INR98.5b in FY18. PAT fell ~5% YoY to INR60.3b in the year due to higher interest/depreciation cost.
- Throughput for the year stood at 18.4mmt v/s 18.3mmt in FY18, with core GRM lower at USD4.5/bbl v/s USD6.7/bbl in FY18. Marketing segment performed well, with sales volumes (incl. exports) up 3% YoY to 38.7mmt (v/s 36.9mmt in FY18) and margins expanding 39% YoY to INR4.4/lit (v/s INR3.6/lit in FY18).

**Valuation and view**

- Concerns around the ability of the OMCs to take price hikes amid elections are overdone and clarity over marketing margins would benefit HPCL the most.
- However, due to high capex (Vizag expansion and Rajasthan refinery-cum-petrochem complex), free cash flow is likely to remain negative in FY20, in our view.
- HPCL is trading at 5.7x consol. FY20E EPS of INR51.3 and 1.3x FY20E PBV. We value HPCL at 1.2x FY21 PBV. Reiterate **Neutral** with a TP of INR309.

**Standalone - Quarterly Earning Model**

Y/E March	FY18				FY19				FY18	FY19	(INR Billion)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY19	Var. vs est
<b>Net Sales</b>	<b>534.7</b>	<b>475.2</b>	<b>574.7</b>	<b>608.1</b>	<b>676.3</b>	<b>675.2</b>	<b>721.1</b>	<b>679.4</b>	<b>2,192.8</b>	<b>2,752.0</b>	<b>655.7</b>	<b>4%</b>
<b>EBITDA</b>	<b>16.3</b>	<b>29.1</b>	<b>31.6</b>	<b>30.1</b>	<b>37.3</b>	<b>30.1</b>	<b>3.7</b>	<b>46.6</b>	<b>107.0</b>	<b>117.6</b>	<b>26.7</b>	<b>75%</b>
Margins (%)	3.0	6.1	5.5	4.9	5.5	4.5	0.5	6.9	4.9	4.3	4.1	
<b>EBITDA adj.</b>	<b>32.0</b>	<b>21.1</b>	<b>16.8</b>	<b>28.5</b>	<b>14.0</b>	<b>17.3</b>	<b>38.3</b>	<b>37.5</b>	<b>98.5</b>	<b>107.1</b>	<b>19.0</b>	<b>97%</b>
Depreciation	6.7	6.8	6.8	7.3	7.1	7.4	7.4	8.3	27.5	30.1	7.8	6%
Forex loss	-1.1	-0.2	-2.7	0.8	5.4	8.9	-6.0	-5.0	-3.2	3.2	-0.9	
Interest	1.4	1.6	0.9	1.8	1.9	2.0	1.5	1.9	5.7	7.3	1.0	87%
Other Income	4.6	5.0	2.0	3.4	3.1	4.1	3.9	5.2	15.0	16.4	2.0	163%
<b>PBT</b>	<b>13.9</b>	<b>25.9</b>	<b>28.6</b>	<b>23.6</b>	<b>26.0</b>	<b>16.0</b>	<b>4.7</b>	<b>46.7</b>	<b>92.0</b>	<b>93.4</b>	<b>20.7</b>	<b>125%</b>
Tax	4.6	8.5	9.1	6.1	8.8	5.0	2.2	17.0	28.4	33.1	6.9	146%
Rate (%)	33.4	33.0	31.9	26.0	33.9	31.6	47.4	36.4	30.9	35.4	33.3	
<b>Reported PAT</b>	<b>9.2</b>	<b>17.3</b>	<b>19.5</b>	<b>17.5</b>	<b>17.2</b>	<b>10.9</b>	<b>2.5</b>	<b>29.7</b>	<b>63.6</b>	<b>60.3</b>	<b>13.8</b>	<b>115%</b>
<b>Adj PAT</b>	<b>9.2</b>	<b>17.3</b>	<b>19.5</b>	<b>17.5</b>	<b>17.2</b>	<b>10.9</b>	<b>2.5</b>	<b>29.7</b>	<b>63.6</b>	<b>60.3</b>	<b>13.8</b>	<b>115%</b>
Margins (%)	1.7	3.7	3.4	2.9	2.5	1.6	0.3	4.4	2.9	2.2	2.1	
Key Assumptions												
Refining throughput (mmt)	4.5	4.6	4.5	4.6	4.5	4.8	4.6	4.6	18.3	18.4	4.4	5%
Core GRM (USD/bbl)	8.8	5.5	6.1	6.6	3.2	2.7	10.0	2.1	6.7	4.5	2.7	-22%
Marketing GM incld inv (INR/litre)	3.2	3.8	3.1	4.4	4.6	3.9	3.3	5.9	3.6	4.4	4.2	39%

# United Breweries

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
39,353	11,828

**CMP: INR1,368 TP: INR1,535 (+12%) Neutral**

Y/E March	FY19	FY20E	FY21E
Net Sales	64.8	73.3	84.3
EBITDA	11.4	13.9	16.3
NP	5.6	7.1	8.5
EPS (INR)	21.3	26.8	32.0
EPS Growth (%)	42.8	16.6	19.5
BV/Sh. (INR)	120.6	145.0	172.9
RoE (%)	19.5	20.1	20.1
RoCE (%)	17.8	18.4	18.5
<b>Valuations</b>			
P/E (x)	64.2	52.4	43.8
P/BV (x)	11.3	9.7	8.1

## Big EBITDA miss due to other expenses and lower GM 4QFY19 performance

- **Standalone Net sales grew by 10.7% YoY** off a strong base to INR16.3b (est. INR16.5b). EBITDA declined 17.8% YoY to INR1.7b (est. INR2.5b). Adj PAT declined 25.3% YoY to INR679m (est INR1.1b) in 4QFY19. Volumes in 4QFY19 are likely to have grown in double digits with likely market share gains as well.
- **Standalone Gross margins declined 220bp YoY** to 50.5% in 4QFY18. Decline was higher than the 60 bp decline that we expected and is likely to have been due to higher barley costs. Employee costs were up 10bp YoY to 7.6% while other expenses were up 130bp to 32.4%. Consequently standalone EBITDA margins for 4QFY19 were down 360bp YoY to 10.5% (est. 15.0%).
- **FY19 consolidated performance:** Net Sales increased by 15.2% YoY, EBITDA by 26.2% YoY and PAT by 42.8% YoY. Gross margins improved by 40 bp YoY to 53.6% and EBITDA Margin by 150bp YoY to 17.6%. Strong FY19 PAT growth was on top of 71.6% PAT growth in full year FY18.
- **Balance sheet details:** Working Capital was managed well with Net Working Capital increasing by 9.4% vs 15.2% increase in sales for the full year. Net debt declined sharply by 85% YoY to INR353m at the end of FY19. The negative in the balance sheet was the sharp increase of ~40% in total other assets.

## Other key details for full year numbers

- Full year FY19 volume growth was 13% with growth ahead of market.
- Most markets witnessed strong growth barring West Bengal and Uttar Pradesh.
- In the South, the company saw double digit volume growth in all states barring Karnataka (Karnataka seems to have been an issue only in 4QFY19).

### Standalone - Quarterly Earning Model

Y/E March	FY18				FY19				FY18	FY19	FY19	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	16,780	12,796	11,994	14,718	18,659	15,260	14,512	16,294	56,190	64,754	16,476	-1.1%
YoY Change (%)	7.3	23.4	17.3	32.3	11.2	19.3	21.0	10.7	18.7	15.2	12.1	
<b>Gross Profit</b>	8,817	6,907	6,272	7,762	10,095	8,485	7,739	8,230	29,876	34,678	8,588	
Margin (%)	52.5	54.0	52.3	52.7	54.1	55.6	53.3	50.5	53.2	53.6	52.1	
<b>EBITDA</b>	3,184	2,219	1,526	2,082	4,004	3,182	2,479	1,712	9,020	11,384	2,471	-30.7%
YoY Change (%)	9.4	83.1	19.3	105.9	25.8	43.4	62.4	-17.8	41	26.2	19	
Margins (%)	19.0	17.3	12.7	14.1	21.5	20.9	17.1	10.5	16.1	17.6	15.0	
Depreciation	649	650	650	648	637	656	665	639	2,597	2,599	761	
Interest	142	127	93	114	92	40	62	118	477	312	69	
Other Income	63	12	8	48	153	37	21	106	131	320	40	
<b>PBT</b>	2,456	1,454	791	1,368	3,428	2,523	1,772	1,062	6,078	8,793	1,681	-36.8%
Tax	837	515	317	459	1,208	885	681	383	2,132	3,160	555	
Rate (%)	34.1	35.4	40.1	33.6	35.3	35.1	38.4	36.0	35	35.9	33	
MI & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	-4	-4	4.0	
<b>Adj PAT</b>	1,619	938	474	909	2,219	1,638	1,092	679	3,942	5,629	1,122	-39.5%
YoY Change (%)	10.1	246.9	-2.3	1,250.4	37.1	74.5	130.4	-25.3	71.7	42.8	23.5	
Margins (%)	9.6	7.3	4.0	6.2	11.9	10.7	7.5	4.2	7.0	8.7	6.8	

E: MOSL Estimates



# GSK Pharma

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
39,353	11,828
<b>Bloomberg</b>	<b>GLXO IN</b>
Equity Shares (m)	169
M.Cap.(INRb)/(USDb)	215.9 / 3.1
52-Week Range (INR)	1812 / 1166
1, 6, 12 Rel. Per (%)	-2/-17/-6
12M Avg Val (INR M)	45
Free float (%)	25.0

## Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	31.3	34.4	37.6
EBITDA	6.0	7.2	8.3
PAT	4.2	4.9	5.6
EPS (INR)	24.6	28.8	32.9
Gr. (%)	25.2	17.0	14.4
BV/Sh (INR)	126.3	132.1	142.0
RoE (%)	19.5	21.8	23.2
RoCE (%)	19.9	22.3	24.0
P/E (x)	51.8	44.3	38.7
P/BV (x)	10.1	9.6	9.0

<b>Estimate change</b>	↔
<b>TP change</b>	↑
<b>Rating change</b>	↔

**CMP: INR1,274 TP: INR1,350(+6%)**

**Neutral**

## Strategy reset working, but valuations largely capturing benefits

- Focus on product rationalization/operational efficiency reaping results:**  
 Sales came in flat YoY at INR7.5b (our estimate: INR7.9b). Gross margin (GM) expanded 120bp YoY (+580bp QoQ) to 59.4%, led by a superior product mix. EBITDA margin improved ~110bp YoY to 21.8% on account of a better GM and lower other expenses (-200bp YoY/ -380bp QoQ), partly offset by increased employee cost (+190bp YoY to 19.5%). Consequently, EBITDA grew ~5% YoY to INR1.6b (our estimate: INR1.4b). Other income includes liabilities written back to the tune of INR231m. Adjusting for the same, PAT stood at INR1.2b (our estimate: INR961m).
- FY19 performance:** Sales/EBITDA/PAT grew 8%/19%/25% YoY to INR31.2b/INR6b/INR4.1b.
- Top 25 brands drive growth:** GLXO's secondary sales grew 6.8% YoY in the quarter. Among the top brands, Augmentin/Betnovate C/Eltroxin/T-Bact delivered growth of 14%/31%/21%/36% YoY, while other brands witnessed marginally declining/stable sales. Among categories, Vaccines (+23%) injected vigor to growth, followed by Hormones/Derma (+11%/10% YoY). However, Anti-infectives/Pain categories delivered muted growth of 7%/3.8% YoY.
- Valuation view:** We maintain our estimates for FY20/21, factoring in moderate revenue growth on account of portfolio rationalization and the increased share of relatively high-margin products in the portfolio. We continue valuing GLXO at 43x 12M forward earnings to arrive at a target price of INR1,350 (prior: 1,309). While improved profitability may drive a 16% earnings CAGR over FY19-21, valuations provide limited upside from current levels. We, thus, maintain our **Neutral** rating on the stock.

## Quarterly Performance (Consolidated)

(INR Million)

Y/E March (Standalone)	FY18				FY19				FY18	FY19	Chg. (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QE			
<b>Net Sales</b>	<b>6,071</b>	<b>8,363</b>	<b>7,039</b>	<b>7,486</b>	<b>7,357</b>	<b>8,163</b>	<b>8,254</b>	<b>7,512</b>	<b>28,957</b>	<b>31,281</b>	<b>7,913</b>	<b>-5</b>
YoY Change (%)	-11.4	6.8	2.1	-1.9	21.2	-2.4	17.3	0.3	-1.1	8.0	5.7	
Total Expenditure	5,874	6,442	5,621	5,938	5,953	6,512	6,880	5,876	<b>23,898</b>	<b>25,273</b>	6,471	
<b>EBITDA</b>	<b>197</b>	<b>1,921</b>	<b>1,418</b>	<b>1,549</b>	<b>1,404</b>	<b>1,652</b>	<b>1,373</b>	<b>1,636</b>	<b>5,058</b>	<b>6,008</b>	<b>1,442</b>	<b>13</b>
Margins (%)	3.2	23.0	20.1	20.7	19.1	20.2	16.6	21.8	17.5	19.2	18.2	
Depreciation	75	77	134	94	114	115	120	137	380	486	152	
Interest	0	0	0	2	2	2	1	1	2	6	-3	
Other Income	137	96	120	183	178	148	164	525	545	1,023	210	
<b>PBT before EO Expense</b>	<b>258</b>	<b>1,940</b>	<b>1,404</b>	<b>1,636</b>	<b>1,466</b>	<b>1,683</b>	<b>1,417</b>	<b>2,023</b>	<b>5,222</b>	<b>6,540</b>	<b>1,502</b>	
Tax	120	688	507	581	497	557	468	761	2,043	1,928	541	
Rate (%)	46.6	35.5	36.1	35.5	33.9	33.1	33.0	37.6	36.2	36.3	36.0	
<b>Adjusted PAT</b>	<b>138</b>	<b>1,252</b>	<b>897</b>	<b>1,056</b>	<b>969</b>	<b>1,126</b>	<b>949</b>	<b>1,183</b>	<b>3,329</b>	<b>4,167</b>	<b>961</b>	<b>23</b>
YoY Change (%)	-80.4	26.8	155.7	21.5	603.0	-10.1	5.8	12.1	14.4	25.2	-8.9	
Margins (%)	2.3	15.0	12.7	14.1	13.2	13.8	11.5	15.7	11.5	13.3	12.1	
Extra-Ord Expense/(Income)	-126	-52	0	0	83	118	-181	32	-178	52	0	
<b>Reported PAT</b>	<b>264</b>	<b>1,303</b>	<b>897</b>	<b>1,056</b>	<b>886</b>	<b>1,008</b>	<b>1,130</b>	<b>1,230</b>	<b>3,507</b>	<b>4,454</b>	<b>961</b>	<b>28</b>

E: MOSL Estimates: Quarterly - Standalone; Full Year - Consolidated



# Bharat Forge

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
39,353	11,828
Bloomberg	BHFC IN
Equity Shares (m)	466
M.Cap.(INRb)/(USD\$)	225.8 / 3.2
52-Week Range (INR)	724 / 445
1, 6, 12 Rel. Per (%)	-4/-28/-46
12M Avg Val (INR M)	817
Free float (%)	54.2

**CMP: INR485**

**TP: INR595 (+23%)**

**Buy**

**In-line operating performance; Headwinds emerging in key businesses**

- S/A revenue grew 14% YoY to INR16.7b (our est. INR17.3b), as realization grew 24.7% YoY to INR266k/t, but tonnage declined ~4% YoY to 62.7k/t. EBITDA was in line at INR4.8b, up 22% YoY. EBITDA margin at 29.1% (our est. 28.3%) expanded 30bp QoQ (+200bp YoY). Higher other income, Fx gains and lower depreciation aided adj. PAT to grow 63% YoY to INR3b (our est. INR2.7b). FY19 Revenue/EBITDA/PAT grew 23%/19%/35%.
- **Key highlights from earnings call:** (a) In FY19, BHFC won new orders worth USD50m — of this, 60-70% was from the non-CV segment. (b) US Class 8 volumes expected at 330k in CY19 (+5% YoY). (c) Sees headwinds in CVs (domestic), PVs (global) and Oil & Gas (O&G) in 1QFY20, but expect recovery from 2QFY20. (d) Capex for FY20 at INR4-5b (FY19 at ~INR8.6b); expect capex intensity to decline significantly post FY20.
- **Valuation view:** We have lowered our FY20/21 consol. EPS by ~10%/2% to factor in headwinds in key businesses. BHFC has delivered strong operating performance over the last two years, led by strong recovery in all its key segments (CVs in the US and India, and Oil & Gas) and ramp-up in nascent businesses like PVs, aerospace, defense, etc. However, all three key businesses are staring at weakness in FY21, though BHFC would continue to outperform due to new products/customers. Also, noise surrounding the US-China trade war has resulted in the stock correcting over 30% from the recent highs (despite PAT growth of ~35% in FY19). Post correction, valuations are attractive at 19.8x/18x FY20/21 consol. EPS. Maintain **Buy** with TP of ~INR595 (~22x Mar-21 consol EPS).

**Financials & Valuations (INR b)**

Y/E Mar	2019	2020E	2021E
Net Sales	101.5	108.5	115.5
EBITDA	20.6	23.0	24.3
PAT	10.3	11.4	12.6
EPS (INR)	22.2	24.5	27.0
Gr. (%)	20.3	10.4	10.3
BV/Sh (INR)	114.8	131.8	151.2
RoE (%)	20.6	19.8	19.1
RoCE (%)	13.2	13.1	13.4
P/E (x)	21.9	19.8	18.0
P/BV (x)	4.2	3.7	3.2

Estimate change



TP change



Rating change



**S/A Quarterly**

	FY18				FY19				(INR M)		FY19 Variance	4QE	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY18	FY19			
<b>Tonnage</b>	<b>55,100</b>	<b>58,659</b>	<b>65,050</b>	<b>65,050</b>	<b>66,815</b>	<b>69,683</b>	<b>66,764</b>	<b>62,690</b>	<b>242,103</b>	<b>265,952</b>	<b>69,669</b>	<b>-10.0</b>	
Change (%)	12.2	27.0	38.2	17.9	21.3	18.8	2.6	-3.6	22.5	9.9	1.4		
<b>Realization (INR '000/ton)</b>	<b>217.9</b>	<b>214.5</b>	<b>213.8</b>	<b>225.5</b>	<b>221.5</b>	<b>241.0</b>	<b>253.5</b>	<b>266.2</b>	<b>219.6</b>	<b>245.2</b>	<b>248.8</b>	<b>7.0</b>	
Change (%)	18.3	11.2	6.7	10.5	1.6	12.4	18.6	18.1	12.3	11.7	16.5		
<b>Net operating income</b>	<b>12,008</b>	<b>12,580</b>	<b>13,906</b>	<b>14,666</b>	<b>14,797</b>	<b>16,792</b>	<b>16,925</b>	<b>16,686</b>	<b>53,160</b>	<b>65,200</b>	<b>17,333</b>	<b>-3.7</b>	
Change (%)	32.8	41.2	47.4	30.3	23.2	33.5	21.7	13.8	37.6	22.6	18.2		
RM/Sales (%)	35.0	35.0	35.6	36.1	36.1	39.1	36.8	37.3	35.5	37.4	37.0	20bp	
Staff Cost (% of Sales)	8.9	8.5	8.0	7.6	8.3	7.3	7.2	7.1	8.2	7.5	7.5	-30bp	
Other Exp. (% of Sales)	27.3	26.1	26.8	29.1	26.6	25.4	27.2	26.5	26.7	26.4	27.2	-60bp	
<b>EBITDA</b>	<b>3,457</b>	<b>3,814</b>	<b>4,115</b>	<b>3,979</b>	<b>4,288</b>	<b>4,754</b>	<b>4,869</b>	<b>4,849</b>	<b>15,762</b>	<b>18,761</b>	<b>4,905</b>	<b>-1.1</b>	
EBITDA Margins (%)	28.8	30.3	29.6	27.1	29.0	28.3	28.8	29.1	29.6	28.8	28.3	80bp	
Non-Operating Income	259	366	219	342	343	338	478	501	1,187	1,660	381	31.5	
Interest	185	217	143	303	253	321	136	315	848	1,024	295		
Depreciation	774	781	807	705	824	914	907	821	3,068	3,466	934		
Fx loss/(gain)	124	120	-48	-198	2	410	-389	-323	394	-300	0		
EO Exp / (Inc)	0	0	0	1,332	0	0	0	0	1,332	0	0		
<b>PBT after EO items</b>	<b>2,633</b>	<b>3,063</b>	<b>3,432</b>	<b>2,179</b>	<b>3,552</b>	<b>3,447</b>	<b>4,694</b>	<b>4,538</b>	<b>11,307</b>	<b>16,231</b>	<b>4,058</b>	<b>11.8</b>	
Eff. Tax Rate (%)	33.5	33.5	33.5	37.4	34.0	34.0	34.0	34.0	37.4	34.0	34.0		
<b>Rep. PAT</b>	<b>1,751</b>	<b>2,037</b>	<b>2,282</b>	<b>1,003</b>	<b>2,345</b>	<b>2,275</b>	<b>3,098</b>	<b>2,995</b>	<b>7,073</b>	<b>10,713</b>	<b>2,678</b>	<b>11.8</b>	
Change (%)	43.4	60.5	77.4	-51.6	33.9	11.7	35.8	198.5	20.9	51.5	166.9		
<b>Adj. PAT</b>	<b>1,751</b>	<b>2,037</b>	<b>2,282</b>	<b>1,837</b>	<b>2,345</b>	<b>2,275</b>	<b>3,098</b>	<b>2,995</b>	<b>7,906</b>	<b>10,713</b>	<b>2,678</b>	<b>11.8</b>	
Change (%)	43.4	60.5	77.4	1.4	33.9	11.7	35.8	63.1	41.5	35.5	45.8		



# PI Industries

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
39,353	11,828
Bloomberg	PI IN
Equity Shares (m)	138
M.Cap.(INRb)/(USD\$b)	152.6 / 2.2
52-Week Range (INR)	1142 / 692
1, 6, 12 Rel. Per (%)	7/21/16
12M Avg Val (INR M)	124
Free float (%)	48.6

**CMP: INR1,105 TP: INR1,266 (+15%) Buy**

## Demand revival in full swing

### Momentum in exports – the key growth driver

- **Revenue beat; EBITDA/PAT in line:** 4QFY19 revenue increased 29% YoY to INR8b (our est. INR7.5b) with EBITDA up 28% YoY to INR1.7b (in-line). EBITDA margins contracted 10bp YoY to 21.4% (our est. 22.8%), while Adj. PAT increased 18% YoY to INR1.2b (in-line). For FY19, revenue/EBITDA/adj. PAT grew 25%/17%/12% YoY to INR28.4b/INR5.7b/INR4.1b.
- **Additional export capacities/domestic launches to support growth:** 4QFY19 CSM business grew 39% YoY (+29% YoY in FY19) aided by increasing export momentum. Growth in the domestic business was muted at 4% YoY (+17% YoY in FY19) owing to subdued uptake post mild winter season. We expect growth in FY20 to be largely driven by the CSM business (+22% YoY) on the back of easing global inventories, new capacities (one plant commissioned in Feb'19, another expected by 1QFY20), and 3-4 new launches. Domestic business should grow 16% YoY in FY20 aided by ramp-up in recent launches and healthy new product launch pipeline (2-3 launches expected in FY20).
- **Concall takeaways:** (i) PI has guided for 20-22% revenue growth in FY20 with margin expansion of 50-100bp. (ii) It has raised capex guidance for FY20 to INR4-4.5b from earlier INR3-3.5b, considering strong order visibility. (iii) Order book stood at USD1.35b (USD1.3b in 3QFY19 and USD1.2b in 4QFY18).
- **Valuation and view:** PI outperformed in FY19 with revenue growth of 25% v/s guidance of ~20%. Going forward, it plans to focus on continuing current year's build-up, delivering revenue growth of 20-22% in FY20. Due to better-than-guided performance and comforting management commentary, we raise our revenue/PAT estimates by 3%/6% for FY20 and by 5%/8% for FY21. We value the stock at 27x FY21E EPS (in line with its 1-year forward multiple over the last three years) and expect revenue/PAT CAGR of 20%/26% over FY19-21E. Our TP of INR1,266 implies 15% upside. Maintain **Buy**.

### Financials & Valuations (INR b)

Y/E Mar	2019	2020E	2021E
Net Sales	28.4	34.0	40.6
EBITDA	5.8	7.2	8.9
PAT	4.1	5.2	6.5
EPS (INR)	29.7	38.0	46.9
Gr. (%)	11.6	27.8	23.4
BV/Sh (INR)	165.7	195.8	234.8
RoE (%)	19.5	21.0	21.8
RoCE (%)	19.2	21.0	21.8
P/E (x)	37.1	29.1	23.6
P/BV (x)	6.7	5.6	4.7

Estimate change



TP change



Rating change



### Standalone - Quarterly perf.

Y/E March	FY18				FY19				FY18	FY19	FY19 4QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Net Sales</b>	<b>5,532</b>	<b>5,611</b>	<b>5,377</b>	<b>6,251</b>	<b>6,056</b>	<b>7,230</b>	<b>7,075</b>	<b>8,048</b>	<b>22,771</b>	<b>28,409</b>	<b>7,458</b>	<b>8</b>
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	
<b>EBITDA</b>	<b>1,304</b>	<b>1,222</b>	<b>1,047</b>	<b>1,347</b>	<b>1,181</b>	<b>1,346</b>	<b>1,486</b>	<b>1,719</b>	<b>4,920</b>	<b>5,732</b>	<b>1,701</b>	<b>1</b>
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	
<b>PBT before EO expense</b>	<b>1,219</b>	<b>1,126</b>	<b>983</b>	<b>1,307</b>	<b>1,046</b>	<b>1,228</b>	<b>1,389</b>	<b>1,684</b>	<b>4,635</b>	<b>5,347</b>	<b>1,593</b>	<b>6</b>
<b>PBT</b>	<b>1,219</b>	<b>1,126</b>	<b>983</b>	<b>1,307</b>	<b>1,046</b>	<b>1,228</b>	<b>1,389</b>	<b>1,684</b>	<b>4,635</b>	<b>5,347</b>	<b>1,593</b>	<b>6</b>
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	
<b>Reported PAT</b>	<b>1,001</b>	<b>802</b>	<b>806</b>	<b>1,054</b>	<b>817</b>	<b>944</b>	<b>1,073</b>	<b>1,244</b>	<b>3,664</b>	<b>4,078</b>	<b>1,242</b>	<b>0</b>
<b>Adj PAT</b>	<b>1,001</b>	<b>802</b>	<b>806</b>	<b>1,054</b>	<b>817</b>	<b>944</b>	<b>1,073</b>	<b>1,244</b>	<b>3,664</b>	<b>4,078</b>	<b>1,242</b>	<b>0</b>
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	

# Indostar Capital Finance

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
39,353	11,828
<b>Bloomberg</b>	<b>INDOSTAR IN</b>
Equity Shares (m)	91
M.Cap.(INRb)/(USD\$)	33.7 / 0.5
52-Week Range (INR)	607 / 275
1, 6, 12 Rel. Per (%)	-11/-11/-49
12M Avg Val (INR M)	100
Free float (%)	39.5

## Financials & Valuations (INR b)

Y/E March	2019	2020E	2021E
NII	5.2	8.9	11.9
Total Income	6.4	10.8	13.7
PPoP	4.0	6.7	8.9
PAT	2.4	3.7	4.6
EPS (INR)	26.4	40.2	50.8
EPS Gr. (%)	4	52	26
BV (INR)	337	380	433
BVPS Gr. (%)	24	13	14
RoA (%)	2.3	2.3	2.3
RoE (%)	9.2	11.2	12.5
Payout (%)	0.0	0.0	0.0

## Valuations

P/E (x)	13.9	9.1	7.2
P/BV (x)	1.1	1.0	0.8

**CMP: INR366**

**Buy**

## Steady quarter; acquisition of IIFL's CV financing business complete

- PAT increased 83% YoY to INR741m in 4QFY19, driven by healthy NII growth, higher upfronting of assignment income and controlled opex.
- The company completed the INR35.2b (INR22.4b on-book) acquisition of IIFL's CV financing business on 31<sup>st</sup> Mar'19. Excluding the acquisition, the loan book (on-balance sheet) grew 6% QoQ to INR81.2b.
- NII declined 10% QoQ to INR1.27b, driven by a sharp 11% QoQ increase in interest expenses, while interest income remained largely stable. We await clarity from management on the same. However, the slowdown in interest income growth was offset by significantly higher fee income (up 2.5x) and other income (up 40%+) on a sequential basis.
- For FY19, PAT grew 20% YoY to INR2.4b, while RoE remained largely stable at 9.2%. Total liquidity on the balance sheet amounted to INR14b at the end of the quarter, largely similar to that in 3QFY19.

**Valuation and view:** INDOSTAR is at the beginning of its 'second innings' – the ongoing business diversification into retail lending will help drive growth, improve credit rating and enable it to enjoy higher leverage. While RoE is likely to be subdued at 9-11% in the near term, it is likely to improve to 13-15% over the medium term. With a capital adequacy ratio of 30%, it is well capitalized and will not require any further dilution over the medium term. The key risk to our thesis lies in continued liquidity tightness leading to lower-than-expected growth in the vehicle finance segment.

## INDOSTAR: Quarterly Performance

Y/E March	(INR M)									
	FY18				FY19				FY18	FY19
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	1,813	1,970	2,069	2,036	2,234	2,786	2,886	2,907	7,631	10,813
Interest Expenses	766	740	781	968	1,119	1,404	1,474	1,639	3,256	5,636
<b>Net Interest Income</b>	<b>1,047</b>	<b>1,230</b>	<b>1,288</b>	<b>1,068</b>	<b>1,115</b>	<b>1,382</b>	<b>1,411</b>	<b>1,268</b>	<b>4,376</b>	<b>5,177</b>
YoY Growth (%)					6.5	12.4	9.6	18.8		18.3
Other Income	22	25	-247	106	17	412	311	504	258	1,244
<b>Total Income</b>	<b>1,069</b>	<b>1,255</b>	<b>1,041</b>	<b>1,174</b>	<b>1,132</b>	<b>1,794</b>	<b>1,722</b>	<b>1,772</b>	<b>4,634</b>	<b>6,420</b>
YoY Growth (%)					5.9	43.0	65.5	51.0		38.6
Operating Expenses	298	306	438	506	541	692	580	654	1,547	2,466
<b>Operating Profit</b>	<b>771</b>	<b>949</b>	<b>603</b>	<b>668</b>	<b>591</b>	<b>1,102</b>	<b>1,142</b>	<b>1,118</b>	<b>3,086</b>	<b>3,954</b>
YoY Growth (%)					-23.4	16.2	89.5	67.4		28.1
Provisions & Loan Losses	-17	-119	23	-21	77	111	48	-73	-38	163
<b>Profit before Tax</b>	<b>788</b>	<b>1,068</b>	<b>580</b>	<b>689</b>	<b>514</b>	<b>992</b>	<b>1,094</b>	<b>1,192</b>	<b>3,124</b>	<b>3,792</b>
Tax Provisions	277	373	186	285	200	352	381	451	1,122	1,384
<b>Net Profit</b>	<b>511</b>	<b>695</b>	<b>394</b>	<b>404</b>	<b>315</b>	<b>640</b>	<b>713</b>	<b>741</b>	<b>2,003</b>	<b>2,408</b>
YoY Growth (%)					-38.3	-7.9	80.7	83.4		20.2
AUM Growth (%)					23.3	4.0	(0.2)	-	18.6	96.1
NIM (%)		10.5	10.9	7.7	6.6	7.3	7.3	-	7.7	5.6
Cost to Income Ratio (%)	27.8	24.4	42.1	43.1	47.8	38.6	33.7	36.9	33.4	38.4
Tax Rate (%)	35.2	35.0	32.0	41.4	38.8	35.5	34.9	37.8	35.9	36.5

\*Quarterly and annual numbers may not match due to different reporting formats



# Metals Weekly

## Steel prices continue declining

- Indian steel: Long product (TMT Mumbai), Sponge iron and scrap prices were lower ~1% WoW. Domestic HRC prices were also ~1% lower WoW. Iron ore prices remained unchanged WoW, while Pellet prices were flat WoW. Export and import price offers were slightly lower.
- Raw materials: Iron ore prices (China CFR) increased ~2% WoW, while Thermal coal prices were down ~1% WoW. Coking coal and China's pellet import prices were ~2% higher WoW. But, Chinese graphite electrode prices declined ~6%.
- Europe: CIS HRC export prices were ~1% lower WoW.
- China steel prices: Chinese HRC and rebar prices decreased ~1% WoW. Export prices for HRC were ~2% lower.
- Base metals: Aluminum (cash LME) was up ~2% WoW. Copper (cash LME) was down ~2% WoW. Zinc (cash LME) was largely unchanged WoW. Lead (cash LME) was down ~1% WoW. Brent crude prices were up ~2% WoW.

### Metal Prices

	CMP	change since						
		17-May	%	10-May	%	31-Mar	%	1-Jan
<b>STEEL</b>								
TMT- Mumbai (INR/ton)	35,600	-1	36,100	-4	37,000	-3	36,700	
HRC- Mumbai (INR/ton)	41,000	-1	41,500	-2	42,000	-5	43,000	
HRC (USD/ton) fob CIS	470	-1	473	-9	515	4	450	
<b>METALLICS</b>								
Sponge iron - Raipur (INR/ton)	19,500	-1	19,600	-2	19,800	-8	21,200	
Pig iron - Raipur (INR/ton)	28,300	0	28,300	3	27,500	-2	28,900	
Iron ore spot (USD/ton) cfr China	90	2	88	9	82	27	71	
Coking coal (USD/ton) fob Aus.	213	2	209	3	207	-3	219	
<b>ALUM.</b>								
LME Spot (USD/ton)	1,805	2	1,765	-5	1,900	-3	1,870	
Indian prices (INR '000/ton)	150	4	144	-1	151	15	130	
LME inventories ('000 ton)	1,240	-2	1,267	10	1,129	-2	1,271	
<b>ZINC</b>								
LME Spot (USD/ton)	2,755	0	2,751	-8	3,000	10	2,511	
Indian prices (INR '000/ton)	218	1	216	5	208	24	175	
LME inventories ('000 ton)	105	8	98	101	52	-19	129	
<b>COPPER</b>								
LME Spot (USD/ton)	6,025	-2	6,136	-7	6,485	1	5,965	
Indian prices (INR '000/ton)	426	0	427	-3	437	5	405	
LME inventories ('000 ton)	191	-10	211	13	169	44	132	
<b>OTHERS</b>								
Gold (INR/10gms)	31,911	0	31,961	1	31,601	1	31,531	
Sliver (INR/1kg)	36,383	-2	36,970	-3	37,326	-5	38,270	
Lead Spot LME (USD/ton)	1,809	-1	1,823	-11	2,022	-13	2,090	
Brent crude (USD/bbl)	72.2	2	70.6	6	68.4	34	53.8	
<b>MISC.</b>								
INR/USD	70.4	1	69.9	1	69.4	1	69.6	
BDI	1,040	1	1,026	51	689	-18	1,271	

### Valuations: Indian companies

Company	Price (INR)	EV/EBITDA (x)		P/B (x)
		FY19E	FY20E	
<b>Steel</b>				
Tata Steel	469	5.1	5.6	0.9
JSW Steel	276	6.6	7.8	2.1
JSPL	158	6.7	6.3	0.5
SAIL	48	7.1	6.1	0.5
<b>Non-Ferrous</b>				
Hindalco	195	5.3	5.7	1.1
Nalco	49	2.4	4.1	0.9
Vedanta	163	5.7	4.6	1.0
Rain Ind.*	97	4.9	6.7	0.7
<b>Mining</b>				
Coal India	233	3.9	3.9	7.0
HZL	255	8.5	7.1	3.2
NMDC	90	3.2	4.7	1.1

Note: Detailed table on pg 25 Source: MOSL

### Valuations: Global companies

	Price	EV/EBITDA (x)		
		CY18	CY19	CY18
<b>Mining</b>				
BHP-Billitc	AUD 38.46	6.0	5.8	na
FMG	AUD 8.95	4.7	4.4	na
Rio Tinto	USD 101.35	5.3	5.7	na
Vale	USD 47.72	4.5	4.8	1.4
Teck Resou	USD 20.42	3.8	4.2	0.7
Anglo Ame5Bp	1964.4	4.1	4.4	na
<b>STEEL</b>				
Arcelor Mi	EUR 14.622	3.8	3.6	0.4
Posco	KRW 234.5	4.2	4.0	0.5
US Steel	USD 14.59	3.9	3.8	0.6
Nucor	USD 53.29	5.8	6.0	1.6
JFE	JPY 1633	6.4	6.1	na
Gerdau	BRL 13.74	5.3	5.0	1.1
Angang	CNY 5.04	4.8	4.7	0.8
<b>Ali - Smelting</b>				
Alcoa	USD 24.5	3.5	3.3	0.9
Hydro	NOK 33.6	5.9	4.3	0.8
Rusal	HKD 3	8.1	6.7	0.9



# Bosch

Bloomberg	BOS IN
Equity Shares (m)	31.4
M. Cap. (INR b)/(USD b)	565 / 8
52-Week Range (INR)	22400 / 17170
1,6,12 Rel Perf. (%)	-12 / -16 / -21

### Financial Snapshot (INR b)

Y/E Mar	FY18	FY19E	FY20E	FY21E
Sales	116.9	125.5	141.9	170.8
EBITDA	20.9	22.5	26.5	32.2
NP	14.3	16.3	18.1	21.4
EPS (INR)	469.8	532.8	613.7	724.3
EPS Gr. (%)	-0.7	13.4	15.2	18.0
BV/Sh. (INR)	3,270	3,586	3,343	3,773
RoE (%)	15.3	15.5	17.4	20.4
RoCE (%)	22.8	23.4	26.1	30.5

### Valuations

P/E (x)	38.3	33.8	29.3	24.8
P/BV (x)	5.5	5.0	5.4	4.8
EV/EBITDA(x)	25.3	23.4	19.7	16.0
EV/Sales (x)	4.5	4.2	3.7	3.0

## CMP: INR17,985

Neutral

- Net revenue is expected to decline by 3.6% YoY (-2% QoQ) to INR30.5b, impacted by weakness in CV, tractors and PV segments.
- EBITDA margin is expected to contract 210bp YoY (+620bp QoQ) to 19.8% due to higher commodity costs YoY and higher contribution of imported traded goods.
- EBITDA is projected to decline by 13% YoY (+43% QoQ) to INR6b.
- Adjusted PAT is likely to decline 12% YoY to INR4.4b (+31% QoQ).
- The stock trades at 29.3x FY20E and 24.8x FY21E EPS; Maintain **Neutral**.

### Key issues to watch

- Outlook on impact of slowdown in auto segment.
- Update on demand environment in aftermarket business.
- Update on any developments in the BSVI opportunity

### Quarterly performance (S/A)

(INR m)

Y/E March	FY18				FY19E				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>26,484</b>	<b>28,119</b>	<b>30,719</b>	<b>31,580</b>	<b>32,122</b>	<b>32,011</b>	<b>30,955</b>	<b>30,458</b>	<b>116,902</b>	<b>125,546</b>
YoY Change (%)	4.2	6.8	14.1	22.7	21.3	13.8	0.8	-3.6	12.0	7.4
RM Cost (% of sales)	54.4	55.1	52.8	53.5	54.4	56.7	55.5	54.7	53.9	55.4
Staff Cost (% of sales)	12.9	12.2	11.1	10.4	10.9	10.6	10.9	11.2	11.6	10.9
Other Expenses (% of sales)	16.2	14.5	21.5	14.2	15.1	14.0	19.9	14.2	16.6	15.8
<b>EBITDA</b>	<b>4,390</b>	<b>5,080</b>	<b>4,476</b>	<b>6,914</b>	<b>6,282</b>	<b>5,962</b>	<b>4,226</b>	<b>6,037</b>	<b>20,933</b>	<b>22,508</b>
Margins (%)	16.6	18.1	14.6	21.9	19.6	18.6	13.7	19.8	17.9	17.9
Depreciation	1,062	1,108	1,243	1,259	939	950	1,012	1,087	4,672	3,988
Interest	5	0	27	1	0	0	102	0	33	102
Other Income	1,295	1,290	1,023	1,582	1,147	1,395	1,786	1,638	5,118	5,966
<b>PBT before EO expense</b>	<b>4,618</b>	<b>5,262</b>	<b>4,229</b>	<b>7,236</b>	<b>6,489</b>	<b>6,407</b>	<b>4,899</b>	<b>6,588</b>	<b>21,346</b>	<b>24,383</b>
Extra-Ord expense	0	0	0	939	0	0	0	0	939	0
<b>PBT after EO Expense</b>	<b>4,618</b>	<b>5,262</b>	<b>4,229</b>	<b>6,297</b>	<b>6,489</b>	<b>6,407</b>	<b>4,899</b>	<b>6,588</b>	<b>20,407</b>	<b>24,383</b>
Tax	1,592	1,728	1,419	1,959	2,179	2,207	1,545	2,188	6,699	8,120
Tax Rate (%)	34.5	32.8	33.6	31.1	33.6	34.4	31.5	33.2	32.8	33.3
<b>Reported PAT</b>	<b>3,026</b>	<b>3,533</b>	<b>2,810</b>	<b>4,338</b>	<b>4,310</b>	<b>4,200</b>	<b>3,354</b>	<b>4,400</b>	<b>13,708</b>	<b>16,263</b>
<b>Adj PAT</b>	<b>3,026</b>	<b>3,533</b>	<b>2,810</b>	<b>4,985</b>	<b>4,310</b>	<b>4,200</b>	<b>3,354</b>	<b>4,400</b>	<b>14,339</b>	<b>16,263</b>
YoY Change (%)	-19.3	-16.5	30.8	13.2	42.4	18.9	19.3	-11.7	4.7	13.4

E: MOFSL Estimates





# CG Consumer Elect.

Bloomberg	CROMPTON IN
Equity Shares (m)	626.8
M. Cap. (INR b)/(USD b)	139 / 2
52-Week Range (INR)	272 / 190
1,6,12 Rel Perf. (%)	-3 / -5 / -22

**Financial Snapshot (INR b)**

Y/E March	2018	2019E	2020E	2021E
Net Sales	40.8	45.0	51.7	59.4
EBITDA	5.3	6.0	7.3	8.6
Adj. PAT	3.2	3.8	4.8	5.8
EPS (INR)	5.2	6.0	7.7	9.3
EPS Gr. (%)	14.3	16.1	27.6	21.6
BV/Sh. (INR)	12.6	15.7	19.6	24.3
RoE (%)	48.7	42.4	43.4	42.4
RoCE (%)	27.9	27.1	31.9	37.8
Payout (%)	33.9	40.7	40.7	40.7

**Valuations**

P/E (x)	43.0	37.0	29.0	23.9
P/BV (x)	17.6	14.2	11.3	9.1
EV/EBITDA (x)	27.1	23.8	19.2	15.9
Div Yield (%)	0.8	1.1	1.4	1.7

\* Consolidated

**CMP: INR222**
**Buy**

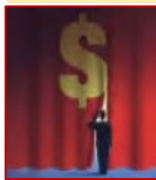
- We expect sales to grow 9% YoY, driven by 15% growth in the Electrical Consumer Durables' segment.
- We expect operating profit of INR1.8b in 4QFY19, an improvement of 8.5% YoY and a 10bp compression in EBITDA margin to 14.5%. Margin compression is expected on account of pricing pressure witnessed in the lighting segment given high competitive intensity.
- Net profit is expected at INR1.1b in 4QFY19 as against INR1.0b in 4QFY18, implying a YoY growth of 11.0%. Maintain **Buy**.

**Key issues to watch**

- Performance of the lighting segment as players have taken price hikes during the quarter
- Ad spends incurred by the company during the quarter, as Crompton intends to position itself as an Electrical Consumer Durables brand as against its current positioning of a 'fan' brand

**Quarterly Performance (INR m)**

Y/E March	FY18				FY19				FY18	FY19
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Sales</b>	<b>10,554</b>	<b>9,597</b>	<b>9,382</b>	<b>11,263</b>	<b>12,039</b>	<b>10,378</b>	<b>10,303</b>	<b>12,318</b>	<b>40,797</b>	<b>45,038</b>
Change (%)	-3.7	9.8	6.7	7.6	14.1	8.1	9.8	9.4	4.6	10.4
<b>EBITDA</b>	<b>1,294</b>	<b>1,207</b>	<b>1,165</b>	<b>1,645</b>	<b>1,673</b>	<b>1,239</b>	<b>1,261</b>	<b>1,785</b>	<b>5,310</b>	<b>5,958</b>
Change (%)	-17.8	19.3	19.8	27.5	29.3	2.7	8.3	8.5	9.6	12.2
As of % Sales	12.3	12.6	12.4	14.6	13.9	11.9	12.2	14.5	13.0	13.2
Depreciation	32	32	32	31	31	32	33	38	126	134
Interest	162	157	158	161	152	150	150	159	637	611
Other Income	97	35	66	109	88	98	124	128	308	439
<b>PBT</b>	<b>1,198</b>	<b>1,054</b>	<b>1,040</b>	<b>1,562</b>	<b>1,578</b>	<b>1,155</b>	<b>1,202</b>	<b>1,717</b>	<b>4,854</b>	<b>5,651</b>
Tax	395	346	345	530	535	386	405	567	1,617	1,893
Effective Tax Rate (%)	33.0	32.8	33.2	33.9	33.9	33.4	33.7	33.0	33.3	33.5
<b>Adjusted PAT</b>	<b>802</b>	<b>708</b>	<b>695</b>	<b>1,032</b>	<b>1,043</b>	<b>769</b>	<b>797</b>	<b>1,149</b>	<b>3,238</b>	<b>3,758</b>
Change (%)	(14.2)	22.3	27.9	29.0	30.0	8.6	14.7	11.3	14.3	16.1
<b>Reported PAT</b>	<b>802</b>	<b>708</b>	<b>695</b>	<b>1,032</b>	<b>1,043</b>	<b>769</b>	<b>797</b>	<b>1,149</b>	<b>3,238</b>	<b>3,758</b>
Change (%)	(14.2)	23.3	27.9	32.4	30.0	8.6	14.7	11.3	14.3	16.1



# Jindal Steel & Power

Bloomberg	JSP IN
Equity Shares (m)	967.9
M. Cap. (INR b)/(USD b)	179 / 3
52-Week Range (INR)	265 / 123
1,6,12 Rel Perf. (%)	6 / -12 / -35

## Financial Snapshot (INR Billion)

Y/E March	2018	2019	2020E	2021E
Sales	276.2	389.9	393.0	418.2
EBITDA	64.7	86.6	88.6	98.9
Adj. PAT	-8.2	2.2	3.6	24.0
Adj. EPS (INR)	-8.5	2.3	3.8	24.7
EPS Gr (%)	-59.4	-127.2	63.1	558.2
BV/Sh. (INR)	313.9	318.8	322.2	346.5
RoE (%)	-2.6	0.7	1.2	7.4
RoCE (%)	3.2	5.6	5.8	8.1
Payout (%)	0.0	0.0	0.0	0.0

## Valuations

P/E (x)	-21.5	79.1	48.5	7.4
P/BV	0.6	0.6	0.6	0.5
EV/EBITDA (x)	9.5	7.0	6.6	5.7
Div. Yield (%)	0.0	0.0	0.0	0.0

## CMP: INR185

Buy

- **Standalone:** We estimate standalone EBITDA to decline 4% QoQ (-6% YoY) to INR14.3b as lower steel prices are partly offset by higher volumes. EBITDA per ton should decline ~INR2,500/t to INR9,838/t. Volumes will increase 21% QoQ to ~1.45mt.
- **Jindal Power:** Jindal Power's EBITDA is expected to come in at INR4.1b on higher generation, which is pegged to increase 12% QoQ to 2.9BU.
- **Oman:** We expect an EBITDA of INR3.7b.
- Consolidated EBITDA is likely to increase 1% QoQ to INR21b. **Buy.**

## Key issues to watch for

- Ramp-up of Angul
- Power demand growth

## Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY18				FY19				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Net Sales</b>	<b>59,096</b>	<b>61,234</b>	<b>69,926</b>	<b>85,988</b>	<b>96,654</b>	<b>99,823</b>	<b>95,656</b>	<b>97,767</b>	<b>276,244</b>	<b>389,899</b>
Change (YoY %)	26.9	31.2	29.3	36.7	63.6	63.0	36.8	13.7	31.4	41.1
<b>EBITDA</b>	<b>13,527</b>	<b>13,734</b>	<b>16,065</b>	<b>21,365</b>	<b>22,766</b>	<b>22,074</b>	<b>20,769</b>	<b>21,030</b>	<b>64,691</b>	<b>86,638</b>
Change (YoY %)	37.5	61.9	25.8	37.7	68.3	60.7	29.3	-1.6	38.8	33.9
As % of Net Sales	22.9	22.4	23.0	24.8	23.6	22.1	21.7	21.5	23.4	22.2
Interest	9,006	9,268	9,670	10,714	9,729	10,858	10,424	10,478	38,657	41,489
Depreciation	9,622	9,977	9,632	9,599	10,399	10,314	10,357	10,738	38,830	41,809
Other Income	0	14	10	5	0	9	148	9	29	165
<b>PBT (before EO item)</b>	<b>-5,101</b>	<b>-5,496</b>	<b>-3,227</b>	<b>1,057</b>	<b>2,637</b>	<b>911</b>	<b>136</b>	<b>-178</b>	<b>-12,767</b>	<b>3,506</b>
Extra-ordinary Income	0	-1,497	0	-4,376	0	2,555	0	0	-5,874	2,555
<b>PBT (after EO item)</b>	<b>-5,101</b>	<b>-6,994</b>	<b>-3,227</b>	<b>-3,319</b>	<b>2,637</b>	<b>3,466</b>	<b>136</b>	<b>-178</b>	<b>-18,641</b>	<b>6,060</b>
Total Tax	-887	-1,999	-457	944	1,538	674	1,008	702	-2,398	3,922
% Tax	17.4	28.6	14.2	-28.4	58.3	19.4	741.5	-394.3	12.9	64.7
<b>Reported PAT</b>	<b>-4,214</b>	<b>-4,995</b>	<b>-2,770</b>	<b>-4,264</b>	<b>1,099</b>	<b>2,792</b>	<b>-872</b>	<b>-880</b>	<b>-16,243</b>	<b>2,138</b>
MI - Loss/(Profit)	-334	-497	-67	-1,166	-709	-645	-614	-654	-2,064	-2,622
Associate	10	19	43	17	0	0	0	26	87	26
<b>Adjusted PAT</b>	<b>-3,871</b>	<b>-2,982</b>	<b>-2,660</b>	<b>1,295</b>	<b>1,808</b>	<b>882</b>	<b>-258</b>	<b>-200</b>	<b>-8,218</b>	<b>2,232</b>
Change (YoY %)	-15.2	-60.0	-34.7	-142.8	-146.7	-129.6	-90.3	-115.4	-57.0	-127.2



# Tech Mahindra

Bloomberg	TECHM IN
Equity Shares (m)	984.7
M. Cap. (INR b)/(USD b)	780 / 11
52-Week Range (INR)	840 / 603
1,6,12 Rel Perf. (%)	-13 / -3 / 6

## Financial Snapshot (INR b)

y/e march	2018	2019E	2020E	2021E
Sales	307.7	349.3	375.5	413.9
EBITDA	47.2	64.3	68.6	75.6
Adj. PAT	38.0	44.3	47.8	53.6
Adj. EPS (INR)	42.7	48.9	54.1	60.7
EPS Gr. (%)	33.6	14.8	10.3	12.3
BV/Sh.(INR)	213.4	226.6	237.9	269.7
RoE (%)	21.5	22.7	23.5	24.3
RoCE (%)	17.8	18.9	19.7	20.7
Payout (%)	32.8	36.7	40.7	41.2

## Valuation

P/E (x)	18.5	16.1	14.6	13.0
P/BV (x)	3.7	3.5	3.3	2.9
EV/EBITDA (x)	14.5	10.7	9.6	8.4
Div. Yield (%)	1.8	2.3	2.8	3.2

## CMP: INR792

Buy

- We expect 1.5% QoQ, 6.2% YoY CC revenue growth at TECHM. With 70bp tailwind from cross currency movements, our dollar revenue estimate stands at USD1,288m, +2.2% QoQ.
- We expect Communications to grow 2% QoQ CC and Enterprise to grow 1% QoQ CC. Muted growth in Enterprise is on the back of a strong 3Q growth base in Manufacturing, Retail and Healthcare.
- Our EBIT margin estimate is 15.9%, -20bp QoQ mainly on account of changes in currencies.
- We expect net income of INR12.1b, in line with previous quarter despite lower ETR in 3Q (offset by lower other income in 3Q).

### Key issues to watch for

- Commentary on 5G and related impact on TECHM's communications vertical
- Outlook for BFSI and Healthcare in Enterprise
- Deal wins on the back of two quarters of above-average TCV

## Quarterly Performance

(INR m)

Y/E March	FY18				FY19E				FY18	FY19E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue (USD m)	1,138	1,179	1,209	1,244	1,224	1,218	1,261	1,288	4,771	4,991
QoQ (%)	0.6	3.6	2.5	2.9	-1.6	-0.5	3.5	2.2	9.6	4.6
Revenue (INR m)	73,361	76,064	77,760	80,545	82,763	86,298	89,437	90,810	3,07,730	3,49,308
YoY (%)	6.0	6.1	2.9	7.5	12.8	13.5	15.0	12.7	5.6	13.5
GPM (%)	28.0	29.3	30.8	31.9	30.7	34.0	33.1	33.0	30.0	32.7
SGA (%)	15.3	14.7	14.6	14.3	14.3	15.3	13.8	13.9	14.7	14.3
EBITDA	9,347	11,057	12,638	14,119	13,569	16,186	17,226	17,360	47,161	64,341
EBITDA Margin (%)	12.7	14.5	16.3	17.5	16.4	18.8	19.3	19.1	15.3	18.4
EBIT Margin (%)	9.4	11.0	12.7	13.8	13.0	15.3	16.1	15.9	11.8	15.1
Other income	4,106	3,222	2,250	4,513	1,114	1,751	806	2,139	14,091	5,810
Interest expense	370	386	341	527	305	388	358	344	1,624	1,395
ETR (%)	25.4	25.3	21.8	18.6	21.2	26.8	17.8	25.0	22.4	22.8
PAT excl. BT amort & EOI	7,985	8,362	9,422	12,221	8,979	10,642	12,029	12,092	37,990	44,257
QoQ (%)	35.8	4.7	12.7	29.7	-26.5	18.5	13.0	0.5		
YoY (%)	21.7	29.7	10.1	107.9	12.4	27.3	27.7	-1.1	38.3	16.5
EPS (INR)	9.0	9.4	10.6	13.7	10.1	11.9	13.5	13.5	42.6	48.9
Headcount	1,15,990	1,17,225	1,15,241	1,12,807	1,13,552	1,18,391	1,21,842	1,12,807	1,12,807	1,25,491
Util excl. trainees (%)	77.0	81.0	83.0	84.0	81.0	81.0	82.0	84.0	81.1	81.9
Attrition (%)	17.0	16.0	17.0	18.0	19.0	20.0				
Offshore rev. (%)	36.3	35.9	34.2	33.0	33.4	35.5	34.5	33.0	34.8	34.7

E: MOFSL Estimates



## 1. HINDALCO: NEXT PHASE OF GROWTH IS GOING TO BE IN DOWNSTREAM ; Satish Pai, MD

- In FY19, the biggest story was the big rise in input cost of coal, of the carbon products as well as furnace oil and caustic soda. All these had a big impact in FY19.
- Happy to say that in Q4, by February-March, saw prices easing. For example, Q3 to Q4, company's cost of production was flat but from March onwards, company is guiding that in Q1 the cost of production will be 3% lower.
- What benefits company when LME goes down is twofold; one, company has a diversified business model. 25% of the aluminium it sells as downstream value-added products benefits company in times of lower LME because it gets an additional EBITDA per ton from that. Company has a chemical business where it sells speciality alumina and hydrates. Third, 38% of company's metal was hedged.
- Company is done with the upstream expansion and that was where Aditya, Mahan and Utkal, which involved nearly \$5 billion (Rs 30,000 crore) of investment.
- Company is starting on a new growth phase which has got two legs to it; one is downstream and involves aluminium and copper. Company is today selling about 300 KT of the 1.295 million aluminium as value added. Want to double that to 600. Company is selling today 245 KT of the 400 KT of copper as value added, want to convert that to nearly 380, so nearly 90% is value added.
- The second is, now the alumina market is very attractive. Company did a brownfield expansion of Utkal which is going to be completed and may even expand further.
- (Doubling the downstream capacity of aluminium. When will that come on stream?) From FY18 to FY19, company already increased 5%. This is the downstream expansion which is going to be modular. Over the next three to five years, one will see company steadily increasing its downstream capacities as well as going into higher value-added products. Goal is to get an additional \$150 per ton of EBITDA 600 KT on top of the metal EBITDA that you get.

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## 2. BSE: WE ARE THE FASTEST STOCK EXCHANGE IN THE WORLD; Ashishkumar Chauhan, MD

- As the market was uncertain in 2018-19, there was a decline in transactions in the equity market. The stocks from where company gets larger revenues are the exclusive stocks listed only on BSE. They contribute nearly half of transaction charges. During last fiscal, daily volumes in those stocks declined from nearly Rs 200 crore to Rs 50 crore a day. That led to an overall dip in revenues.
- India International Exchange, the country's first global exchange based out of the Gift International Financial Centre in Gujarat, is doing exceedingly well. Since it has just commenced operations, have not started charging and hence there is an initial loss. Company has an expense of Rs 30-35 crore on balance sheet. The exchange has reached a turnover of \$2.93 billion daily.
- (Mutual fund biz) growing at 100% year-on-year. For the first time in 10 years, have started charging now and earned Rs 30 crore in revenues in 2018-19. If the

trend continues for 5-6 years, the MF business will surpass transaction income. Company closed March with 37 lakh transactions and in April, it clocked 43 lakh transactions.

- Exchange (BSE) is the fastest stock exchange in the world, with 6 micro seconds in response time. It is 10 times faster than the second fastest which has 60 micro seconds. In a competitive scenario, where you are the challenger, you have to keep evolving.
- Slowly reducing the money in the balance sheet by way of dividends and buybacks. That will improve the return on capital employed (ROCE).
- Have applied for a joint venture with the US-based Ebix, the largest insurance exchange in the world. They had recently taken over several companies such as ItzCash. This JV is for insurance distribution.
- Company has also applied to the Insurance Regulatory and Development Authority (Irdra) for a license. Have also tied up with ICICI Bank and Power Trading Corp (PTC) to set up an energy exchange for trading electricity on spot basis. Company will have a 25% stake in the venture.

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## 1. THE GEOGRAPHY OF INDUSTRIAL GROWTH IN A FEDERAL POLITY

- The new political alignments that emerge after 23 May will influence, among other things, the pattern of industrial growth across Indian states. Whoever wins, it is almost certain that regional parties will exercise much power. Rapid industrial growth in their states will no doubt be a priority for them, as also for state governments led by national parties. This is the context in which we need to think about the future geography of industrial growth in a federal polity. In a conference on Growth and Regional Development in India organised by the Institute of Human Development in New Delhi last week, K.V. Ramaswami presented an interesting paper entitled, 'Where have all the factories gone: growth and concentration of sub-national manufacturing activity in India'. The paper demonstrates that just six states, Tamil Nadu, Maharashtra, undivided Andhra Pradesh, Gujarat, Uttar Pradesh and Bengal, account for close to two-thirds of all factories in the organised sector (64.3%) and a similar share of workers in the sector (62.2%).

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## 2. RISING H1B REJECTION RATES CAN ALTER INDIAN IT SERVICES MODEL

- There are many weapons used in a trade war. The two that are most often used are complaints to the World Trade Organization or unilateral changes in tariffs against a trading partner as we have seen with the US and China. Non-tariff trade barriers are often more potent and can be used with relative stealth. One such non-tariff barrier, often used on people-centric industries, is the restriction of the free movement of labour. India still gets about 70% of the H1B's issued each year. US consulates in India have considerable latitude. They can act under a current administration's orders to tighten up the H1B regime without any drastic change in US immigration laws. Other similar "work permit" rules in countries such as Australia, Singapore and the UK also vary over time. I spoke recently with Viju George of JP Morgan, a veteran information technology (IT) sector analyst, whose insight I respect.

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### 3. THE GLOBAL CONSEQUENCES OF A SINO-AMERICAN COLD WAR

- A few years ago, as part of a Western delegation to China, I met President Xi Jinping in Beijing's Great Hall of the People. When addressing us, Xi argued that China's rise would be peaceful, and that other countries – namely, the United States – need not worry about the “Thucydides Trap,” so named for the Greek historian who chronicled how Sparta's fear of a rising Athens made war between the two inevitable. In his 2017 book *Destined for War: Can America and China Escape Thucydides's Trap?*, Harvard University's Graham Allison examines 16 earlier rivalries between an emerging and an established power, and finds that 12 of them led to war. No doubt, Xi wanted us to focus on the remaining four. Despite the mutual awareness of the Thucydides Trap – and the recognition that history is not deterministic – China and the US seem to be falling into it anyway. Though a hot war between the world's two major powers still seems far-fetched, a cold war is becoming more likely. The US blames China for the current tensions. Since joining the World Trade Organization in 2001, China has reaped the benefits of the global trading and investment system, while failing to meet its obligations and free riding on its rules. According to the US, China has gained an unfair advantage through intellectual-property theft, forced technology transfers, subsidies for domestic firms, and other instruments of state capitalism. At the same time, its government is becoming increasingly authoritarian, transforming China into an Orwellian surveillance state.

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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
<b>Automobiles</b>																
Amara Raja	Buy	642	761	19	28.3	33.3	38.0	2.6	17.6	14.2	19.3	16.9	2.9	2.6	16.1	16.4
Ashok Ley.	Buy	88	113	29	7.0	7.3	6.0	16.9	4.7	-18.0	12.0	14.7	2.7	2.5	24.1	17.7
Bajaj Auto	Neutral	3006	3050	1	165.4	174.3	190.1	9.3	5.4	9.0	17.2	15.8	3.6	3.2	21.9	21.5
Bharat Forge	Buy	485	595	23	22.2	24.5	27.0	20.5	10.4	10.2	19.8	18.0	3.7	3.2	19.8	19.1
Bosch	Neutral	17580	19556	11	532.8	613.7	724.3	13.4	15.2	18.0	28.6	24.3	5.3	4.7	17.4	20.4
CEAT	Buy	1008	1277	27	63.6	73.1	91.2	-0.5	14.9	24.7	13.8	11.1	1.4	1.2	10.3	11.7
Eicher Mot.	Buy	21302	23500	10	813.9	877	1,007	1.8	7.8	14.8	24.3	21.1	5.4	4.6	24.4	23.6
Endurance Tech.	Buy	1157	1350	17	36.2	42.9	49.4	24.5	18.4	15.4	27.0	23.4	5.5	4.7	21.7	21.5
Escorts	Neutral	587	724	23	53.2	57.9	60.4	34.7	8.8	4.3	10.1	9.7	1.7	1.4	17.7	15.8
Exide Ind	Buy	215	281	31	9.1	10.9	12.2	10.6	20.2	12.2	19.7	17.6	2.8	2.5	14.0	14.2
Hero Moto	Neutral	2710	2912	7	169.5	176.8	184.7	-8.5	4.3	4.5	15.3	14.7	3.8	3.5	26.1	24.8
M&M	Buy	654	793	21	40.6	44.1	44.4	-0.9	8.5	0.8	14.8	14.7	2.1	1.9	13.1	11.7
Mahindra CIE	Buy	228	290	27	14.1	17.1	19.4	44.7	21.3	13.0	13.3	11.8	1.7	1.5	14.0	13.8
Maruti Suzuki	Buy	7088	8047	14	247.7	277.3	334.4	-7.1	12.0	20.6	25.6	21.2	4.3	3.9	16.4	18.1
Motherson Sumi	Buy	127	186	46	5.3	6.9	7.8	-2.6	31.8	12.0	18.4	16.4	3.3	2.9	19.4	19.1
Tata Motors	Neutral	190	199	5	-4.4	14.2	15.4	PL	LP	8.5	13.4	12.3	1.0	0.9	7.7	7.8
TVS Motor	Neutral	494	480	-3	14.1	18.1	22.9	1.1	28.6	26.2	27.2	21.6	5.9	4.8	23.5	24.6
<b>Aggregate</b>								<b>-23.9</b>	<b>33.5</b>	<b>11.9</b>	<b>18.7</b>	<b>16.7</b>	<b>2.8</b>	<b>2.5</b>	<b>15.0</b>	<b>15.2</b>
<b>Banks - Private</b>																
AU Small Finance	Buy	694	720	4	13.2	18.2	24.8	28.9	38	36.2	38.2	28.0	5.0	4.3	14.8	16.4
Axis Bank	Buy	783	875	12	18.2	40.0	55.7	1,538.1	120	39.1	19.6	14.1	2.6	2.2	14.3	17.0
DCB Bank	Buy	232	250	8	10.5	14.0	18.6	32.0	33.2	33.1	16.6	12.4	2.1	1.8	14.1	16.2
Equitas Hold.	Buy	136	160	18	6.3	9.3	12.2	583.7	46.2	31.5	14.7	11.2	1.7	1.5	12.0	14.2
Federal Bank	Buy	104	120	16	6.3	8.0	10.0	32.2	26.7	25.3	13.0	10.4	1.4	1.3	11.4	12.9
HDFC Bank	Buy	2433	2650	9	79.3	94.4	115.6	16.9	19.1	22.4	25.8	21.1	3.9	3.4	16.1	17.2
ICICI Bank	Buy	408	470	15	5.2	21.2	28.5	-52.8	305.8	34.5	19.2	14.3	2.3	2.0	12.4	15.0
IndusInd	Buy	1493	2050	37	53.8	99.4	127.4	-10.6	84.8	28.2	15.0	11.7	2.8	2.3	20.6	21.4
Kotak Mah. Bk	Neutral	1502	1450	-3	37.7	44.1	53.6	16.0	16.8	21.5	34.1	28.0	4.3	3.8	13.2	14.3
RBL Bank	Buy	681	800	18	20.3	25.2	34.8	34.3	24.1	37.8	27.0	19.6	2.8	2.5	12.4	13.5
South Indian	Buy	14	18	28	1.4	2.2	3.1	-26.2	64.4	36.7	6.2	4.6	0.5	0.4	7.4	9.6
Yes Bank	Buy	144	280	95	7.5	14.1	19.8	-59.6	88.6	40.9	10.2	7.3	1.0	0.9	11.0	13.5
<b>Aggregate</b>								<b>9.3</b>	<b>62.9</b>	<b>29.5</b>	<b>21.4</b>	<b>16.5</b>	<b>2.9</b>	<b>2.6</b>	<b>13.7</b>	<b>15.5</b>
<b>Banks - PSU</b>																
BOB	Buy	123	160	30	7.8	14.8	23.9	LP	89.0	61.4	8.3	5.1	0.7	0.6	8.4	12.3
BOI	Neutral	90	90	0	-22.0	3.2	11.7	Loss	LP	270.9	28.5	7.7	0.7	0.7	2.4	8.7
Canara	Neutral	267	278	4	17.0	42.3	49.3	LP	148.5	16.6	6.3	5.4	0.6	0.5	8.2	8.9
Indian Bk	Buy	255	280	10	6.7	24.0	39.6	-74.4	258.3	64.9	10.6	6.4	0.6	0.6	6.7	10.2
PNB	Neutral	88	90	2	-14.6	5.8	11.6	Loss	LP	102	15	7.6	0.8	0.7	4.8	9.1
SBI	Buy	345	380	10	2.6	33.5	37.3	LP	1,199	11.6	10.3	9.2	1.2	1.1	13.4	13.2
Union Bk	Neutral	74	80	8	4.5	12.8	24.6	LP	185.7	92.1	5.8	3.0	0.3	0.3	5.5	9.9
<b>Aggregate</b>								<b>Loss</b>	<b>LP</b>	<b>32</b>	<b>9</b>	<b>7.0</b>	<b>0.8</b>	<b>0.8</b>	<b>9.0</b>	<b>10.7</b>
<b>NBFCs</b>																
Aditya Birla Cap	Buy	95	130	37	4.0	4.3	5.8	25.7	9.0	34.4	22.1	16.4	2.0	1.6	9.9	10.9
Bajaj Fin.	Neutral	3407	2900	-15	69.5	86.8	107.4	60.0	25.0	23.8	39.2	31.7	8.3	6.7	23.2	23.4
Cholaman.Inv.&F n	Under Review	1430	-		76.8	88.6	101.0	23.2	15.4	14.1	16.1	14.1	3.0	2.5	20.5	19.5
HDFC	Buy	2117	2330	10	43.1	49.2	56.3	29.6	14.2	14.3	43.0	37.6	4.4	3.9	13.8	14.3
HDFC Life Insur.	Buy	396	475	20	6.3	7.3	9.0	14.4	15.8	22.6	54.1	44.1	3.6	3.0	20.2	20.0
ICICI Pru Life	Buy	358	450	26	8.0	7.8	9.3	-29.5	-1.3	18.2	45.6	38.6	2.1	1.8	15.9	15.7
Indiabulls Hsg	Under Review	811	-		95.9	101.9	119.0	5.0	6.3	16.8	8.0	6.8	1.8	1.6	24.3	25.3
Indostar Capital	Buy	366	525	44	26.4	40.2	50.8	12.6	52.3	26.4	9.1	7.2	1.0	0.8	11.2	12.5
L&T Fin Holdings	Buy	126	170	35	11.2	13.1	15.4	64.8	17.3	17.7	9.6	8.2	1.6	1.3	17.7	17.8
LIC Hsg Fin	Buy	532	580	9	48.1	54.3	61.3	21.4	12.8	12.8	9.8	8.7	1.5	1.3	15.9	15.8







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
Marico	Buy	364	425	17	7.2	8.9	10.6	14.2	23.4	19.4	40.9	34.2	13.2	11.5	35.0	35.9
Nestle	Neutral	10781	10615	-2	178.6	196.0	227.2	27.5	9.8	15.9	55.0	47.4	28.0	29.9	51.2	61.0
Page Inds	Neutral	22539	27515	22	378.3	472.0	573.3	21.6	24.7	21.5	47.8	39.3	25.7	22.1	53.8	56.2
Parag Milk Foods	Buy	250	305	22	15.7	16.7	20.4	51.5	6.3	22.1	14.9	12.2	2.2	2.0	15.9	17.0
Pidilite Ind.	Neutral	1218	1135	-7	18.6	21.7	25.2	-2.0	17.2	15.8	56.0	48.4	12.8	11.0	24.6	24.4
P&G Hygiene	Neutral	10799	9860	-9	131.9	166.2	207.6	14.5	26.0	24.9	65.0	52.0	31.7	26.7	52.8	55.7
United Brew	Neutral	1368	1535	12	21.3	26.8	32.0	42.9	25.7	19.5	52.4	43.8	9.7	8.1	20.1	20.1
United Spirits	Buy	553	690	25	10.0	13.6	18.4	47.7	36.8	34.8	40.6	30.1	10.4	7.7	25.6	25.6
<b>Aggregate</b>								<b>16.0</b>	<b>11.4</b>	<b>16.3</b>	<b>40.4</b>	<b>34.7</b>	<b>11.3</b>	<b>10.4</b>	<b>28.1</b>	<b>30.0</b>
<b>Healthcare</b>																
Alembic Phar	Neutral	529	587	11	31.0	28.5	32.3	41.6	-8.2	13.5	18.6	16.4	3.2	2.7	18.0	17.7
Alkem Lab	Buy	1717	2170	26	70.9	91.7	109.4	20.3	29.4	19.2	18.7	15.7	3.2	2.8	18.4	19.0
Ajanta Pharma	Buy	1025	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	664	940	42	42.8	59.1	64.2	0.2	38.1	8.7	11.2	10.3	2.3	1.9	22.2	19.7
Biocon	Neutral	525	670	28	12.4	19.9	23.7	99.6	60.7	19.2	26.4	22.1	4.5	4.0	18.3	19.1
Cadila	Buy	251	420	68	17.5	17.7	18.8	-0.4	1.5	5.8	14.1	13.4	2.3	2.0	17.0	16.0
Cipla	Neutral	566	488	-14	17.6	21.2	25.3	-13.6	20.8	19.1	26.6	22.4	2.7	2.4	10.1	10.9
Divis Lab	Neutral	1660	1570	-5	56.0	61.3	70.4	69.5	9.4	14.8	27.1	23.6	5.3	4.5	21.1	20.5
Dr Reddy's	Neutral	2588	2700	4	105.2	131.6	134.8	62.6	25.1	2.5	19.7	19.2	2.7	2.4	14.6	13.3
Glenmark	Neutral	576	560	-3	28.2	34.7	38.3	-0.9	22.8	10.6	16.6	15.0	2.3	2.0	14.1	13.5
Granules	Buy	108	150	39	9.2	10.5	12.7	76.5	14.0	20.6	10.3	8.5	1.6	1.4	16.6	17.8
GSK Pharma	Neutral	1275	1350	6	24.6	28.8	32.9	25.2	17.1	14.2	44.3	38.7	9.6	9.0	21.8	23.2
IPCA Labs	Buy	930	1145	23	36.8	45.3	54.4	94.1	23.1	20.1	20.5	17.1	3.3	2.8	17.0	17.7
Jubilant Life	Buy	567	800	41	57.5	66.1	68.8	26.1	15.0	4.1	9.0	8.7	1.6	1.4	19.5	17.2
Laurus Labs	Buy	376	470	25	10.4	17.2	25.2	-34.5	65.6	46.7	21.9	14.9	2.3	2.0	11.0	14.3
Lupin	Buy	759	930	23	23.3	34.7	44.2	-27.1	49.0	27.3	21.8	17.2	2.3	2.1	11.0	12.8
Sanofi India	Buy	5495	6930	26	165.5	187.5	208.9	16.7	13.3	11.4	29.3	26.3	5.2	4.7	17.8	17.8
Shilpa Medicare	Buy	380	465	22	13.9	22.3	24.2	8.2	60.8	8.3	17.0	15.7	2.2	2.0	13.8	13.2
Strides Pharma	Buy	421	635	51	6.9	27.5	36.3	-39.2	300.7	32.2	15.3	11.6	1.3	1.2	9.0	11.0
Sun Pharma	Buy	414	546	32	16.2	20.4	23.8	20.7	25.7	16.4	20.3	17.4	2.3	2.1	11.7	12.3
Torrent Pharma	Neutral	1656	1535	-7	42.7	60.1	76.2	-20.5	40.7	26.8	27.6	21.6	4.9	4.3	18.7	21.1
<b>Aggregate</b>								<b>13.1</b>	<b>25.6</b>	<b>14.3</b>	<b>19.6</b>	<b>17.2</b>	<b>2.8</b>	<b>2.5</b>	<b>14.3</b>	<b>14.4</b>
<b>Infrastructure</b>																
Ashoka Buildcon	Buy	121	175	45	10.5	12.4	15.1	24.7	17.6	21.7	9.8	8.0	1.3	1.2	14.6	15.5
IRB Infra	Neutral	128	155	21	27.1	23.5	14.8	13.6	-13.4	-37.1	5.4	8.7	0.6	0.6	11.5	6.7
KNR Constructions	Buy	239	295	23	14.4	14.4	15.5	-25.4	-0.4	8.1	16.6	15.4	2.2	1.9	14.0	13.2
Sadbhav Engineering	Buy	243	285	17	13.5	13.4	14.0	5.2	-1.1	4.6	18.2	17.4	1.8	1.7	10.5	10.0
<b>Aggregate</b>											<b>9.0</b>	<b>10.3</b>	<b>1.0</b>	<b>0.9</b>	<b>11.5</b>	<b>9.2</b>
<b>Logistics</b>																
Allcargo Logistics	Buy	105	142	35	8.7	10.1	11.4	19.3	16.2	12.9	10.4	9.2	1.1	0.9	10.7	10.8
Concor	Buy	497	564	14	19.9	22.7	26.2	14.9	13.9	15.3	21.9	19.0	2.7	2.6	12.9	14.0
<b>Aggregate</b>								<b>15.6</b>	<b>14.3</b>	<b>14.9</b>	<b>19.4</b>	<b>16.9</b>	<b>2.3</b>	<b>2.2</b>	<b>12.1</b>	<b>12.9</b>
<b>Media</b>																
D B Corp	Buy	197	215	9	15.7	21.5	23.4	-11.1	37.0	9.0	9.2	8.4	1.7	1.5	19.0	17.9
Ent.Network	Buy	473	720	52	11.0	19.0	33.8	62.0	72.9	77.6	24.8	14.0	2.2	1.9	9.3	14.7
Jagran Prak.	Buy	112	140	25	9.1	13.8	15.5	-5.7	51.5	12.9	8.1	7.2	1.5	1.3	19.7	19.2
Music Broadcast	Buy	57	76	34	2.3	3.0	3.9	25.5	30.6	31.2	19.0	14.5	2.3	2.0	12.7	14.5
PVR	Buy	1795	1950	9	37.8	40.7	50.6	41.7	7.5	24.4	44.1	35.5	5.3	4.6	13.6	13.9
Sun TV	Buy	563	740	31	37.5	41.4	46.5	35.2	10.4	12.2	13.6	12.1	4.0	3.6	30.4	31.1
Zee Ent.	Neutral	363	450	24	16.3	18.9	22.7	35.2	15.8	20.5	19.3	16.0	3.4	2.9	19.1	19.6
<b>Aggregate</b>								<b>18.7</b>	<b>20.4</b>	<b>6.1</b>	<b>15.2</b>	<b>14.3</b>	<b>2.7</b>	<b>2.9</b>	<b>18.1</b>	<b>19.9</b>
<b>Metals</b>																
Hindalco	Buy	199	253	27	24.7	22.9	24.5	30.9	-7.3	6.8	8.7	8.1	1.0	0.9	12.3	11.8



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
Hind. Zinc	Neutral	261	239	-8	18.8	21.6	21.9	-10.8	14.6	1.7	12.1	11.9	2.8	2.5	25.1	22.3
JSPL	Buy	165	287	74	2.3	3.8	24.7	LP	63.1	558.2	43.9	6.7	0.5	0.5	1.2	7.4
JSW Steel	Buy	286	336	18	30.6	20.7	29.3	30.7	-32.2	41.3	13.8	9.8	2.0	1.7	15.1	18.7
Nalco	Buy	52	75	45	8.8	5.7	6.9	71.9	-34.9	20.6	9.0	7.5	1.0	1.0	10.8	13.3
NMDC	Buy	96	132	37	15.3	10.7	12.9	16.6	-29.7	20.1	9.0	7.5	1.1	1.0	12.5	14.2
SAIL	Neutral	51	52	1	6.3	6.1	9.7	2,330.1	-3	60.5	8.5	5.3	0.5	0.5	6.2	9.3
Rain Industries	Buy	109	123	13	20.4	11.7	17.3	-14.0	-42.7	48.0	9.3	6.3	0.8	0.7	8.5	11.9
Vedanta	Sell	167	144	-14	18.1	16.6	17.4	-11.0	-8.2	4.5	10.0	9.6	1.0	0.9	9.8	9.8
Tata Steel	Neutral	483	532	10	88.6	78.6	77.9	27.3	-11.2	-1.0	6.1	6.2	0.8	0.7	13.5	12.0
<b>Aggregate</b>								<b>20.4</b>	<b>-11.6</b>	<b>17.5</b>	<b>9.6</b>	<b>8.2</b>	<b>1.0</b>	<b>1.0</b>	<b>10.8</b>	<b>11.6</b>
<b>Oil &amp; Gas</b>																
Aegis Logistics	Buy	205	276	35	6.9	9.9	11.3	16.3	43.0	14.7	20.8	18.1	4.2	3.6	21.9	21.4
BPCL	Buy	393	452	15	43.4	47.7	51.6	-12.8	9.9	8.2	8.2	7.6	1.8	1.6	22.7	21.8
GAIL	Neutral	344	340	-1	29.5	28.4	30.0	44.6	-3.8	5.7	12.1	11.5	1.6	1.5	13.7	13.3
Gujarat Gas	Neutral	165	151	-8	6.3	6.7	7.5	47.4	6.5	13.0	24.8	21.9	4.4	3.8	19.3	18.8
Gujarat St. Pet.	Neutral	187	191	2	14.1	12.7	14.3	18.9	-10.2	12.9	14.8	13.1	1.7	1.5	11.8	12.1
HPCL	Neutral	294	309	5	43.9	51.3	51.6	-7.3	16.9	0.6	5.7	5.7	1.3	1.1	24.0	21.2
IOC	Buy	157	198	26	18.8	18.7	19.7	-23.7	-0.6	5.3	8.4	8.0	1.2	1.1	14.7	14.4
IGL	Buy	314	368	17	11.2	13.0	14.6	18.2	16.5	12.0	24.2	21.6	4.6	3.9	20.4	19.7
Mahanagar Gas	Neutral	875	1007	15	55.3	57.5	59.3	14.3	4.0	3.0	15.2	14.8	3.2	2.8	22.2	20.3
MRPL	Neutral	63	70	11	1.9	10.5	10.4	-84.8	442.7	-0.9	6.0	6.1	0.9	0.8	16.2	14.3
Oil India	Buy	183	237	30	33.5	29.8	30.6	41.9	-11.1	2.6	6.1	6.0	0.7	0.6	10.9	10.6
ONGC	Buy	176	196	11	26.7	29.3	28.9	32.1	10.0	-1.4	6.0	6.1	0.9	0.8	16.0	14.4
PLNG	Buy	236	300	27	14.4	18.5	21.7	3.7	28.5	17.6	12.8	10.9	3.2	3.0	26.4	28.6
Reliance Ind.	Neutral	1326	1431	8	67.2	70.7	80.3	10.4	5.2	13.6	18.7	16.5	1.8	1.7	10.3	10.7
<b>Aggregate</b>								<b>4.3</b>	<b>8.3</b>	<b>6.5</b>	<b>11.3</b>	<b>10.6</b>	<b>1.5</b>	<b>1.4</b>	<b>13.2</b>	<b>12.8</b>
<b>Retail</b>																
Avenue Supermarts	Sell	1315	1125	-14	14.5	18.8	24.9	11.9	30.1	32.3	69.9	52.8	12.1	9.9	19.0	20.6
Aditya Fashion	Birla Buy	201	240	19	1.6	3.7	5.4	156.7	126.3	46.2	54.1	37.0	9.0	7.3	18.3	21.9
Future Lifestyle	Buy	472	585	24	8.6	10.8	14.5	30.1	25.4	34.6	43.7	32.5	4.5	4.0	10.7	13.0
Future Retail	Buy	441	580	31	13.7	15.4	17.5	12.2	12.4	13.5	28.6	25.2	4.9	4.1	18.6	17.6
Jubilant Food.	Neutral	1309	1325	1	24.1	29.3	33.1	62.0	21.6	13.0	44.7	39.5	12.1	10.7	27.2	26.9
Shoppers Stop	Neutral	459	520	13	7.8	13.2	15.9	-36.3	70.0	19.9	34.7	28.9	3.7	3.3	11.4	12.1
Spencers Retail	Buy	125	175	41	0.1	0.7	0.8	LP	780.0	16.0	175.7	151.4	6.5	6.2	3.8	4.2
Titan Company	Buy	1231	1310	6	15.7	20.3	26.2	24.0	29.4	29.2	60.7	47.0	17.3	14.4	29.0	33.4
Trent	Buy	367	440	20	2.9	5.8	7.7	11.6	99.2	32.3	63.1	47.7	6.6	5.8	11.1	13.0
V-Mart Retail	Neutral	2305	2450	6	39.5	47.3	57.2	-8.0	19.8	21.0	48.7	40.3	8.4	7.0	18.9	18.9
<b>Aggregate</b>								<b>21.5</b>	<b>31.6</b>	<b>27.2</b>	<b>53.5</b>	<b>42.1</b>	<b>10.1</b>	<b>8.5</b>	<b>18.9</b>	<b>20.2</b>
<b>Technology</b>																
Cyient	Buy	556	730	31	43.4	48.7	52.4	13.4	12.3	7.6	11.4	10.6	2.2	2.0	18.9	18.4
HCL Tech.	Neutral	1071	1200	12	73.6	77.7	90.4	17.6	5.7	16.3	13.8	11.8	3.1	2.8	23.9	25.0
Hexaware	Neutral	357	360	1	19.3	21.2	24.1	16.5	9.7	13.7	16.8	14.8	4.0	3.5	25.1	25.3
Infosys	Buy	722	860	19	37.5	38.5	44.2	15.9	2.7	14.6	18.7	16.4	4.9	4.5	25.8	28.8
L & T Infotech	Neutral	1759	1910	9	86.6	94.0	106.2	30.6	8.6	13.0	18.7	16.6	5.0	4.1	29.8	27.1
Mindtree	Neutral	980	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	945	1050	11	56.9	60.8	70.4	29.3	6.7	15.8	15.5	13.4	4.4	3.6	31.0	30.9
NIIT Tech	Neutral	1272	1400	10	67.0	77.4	88.5	47.1	15.6	14.3	16.4	14.4	3.3	2.9	21.4	21.3
Persistent Sys	Buy	607	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	862	-		46.6	48.6	57.5	20.2	4.4	18.3	17.7	15.0	3.9	2.9	26.1	22.0
TCS	Neutral	2139	2010	-6	83.5	89.8	100.6	26.4	7.6	12.0	23.8	21.3	9.1	8.5	39.0	41.4
Tech Mah	Buy	779	940	21	49.1	54.1	60.7	14.8	10.3	12.3	14.4	12.8	3.3	2.9	23.5	24.3
Wipro	Neutral	290	280	-3	14.8	17.1	18.4	10.1	15.6	7.5	17.0	15.8	3.4	3.1	18.4	20.6



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
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
<b>Aggregate</b>								<b>13.7</b>	<b>6.3</b>	<b>12.7</b>	<b>20.2</b>	<b>17.9</b>	<b>5.6</b>	<b>5.1</b>	<b>27.7</b>	<b>28.5</b>
<b>Telecom</b>																
Bharti Airtel	Buy	340	410	21	-8.8	-5.0	-1.8	PL	Loss	Loss	NM	NM	1.9	1.9	-3.1	-1.0
Bharti Infratel	Neutral	269	290	8	13.6	13.1	12.6	-0.3	-3.4	-4.1	20.5	21.4	3.6	3.9	17.2	17.5
Vodafone Idea	Buy	13	20	59	-18.5	-5.1	-4.7	Loss	Loss	Loss	NM	NM	0.5	0.6	-22.7	-21.6
Tata Comm	Neutral	555	600	8	-2.2	12.7	22.0	PL	LP	73.7	43.8	25.2	88.0	19.6	-	127.2
<b>Aggregate</b>								<b>Loss</b>	<b>Loss</b>	<b>Loss</b>	<b>-14</b>	<b>-18.0</b>	<b>1.2</b>	<b>1.3</b>	<b>-8.2</b>	<b>-7.1</b>
<b>Utilities</b>																
Coal India	Buy	238	240	1	27.4	29.0	29.9	43.0	6.0	2.8	8.2	8.0	6.6	6.1	80.4	76.3
CESC	Buy	725	841	16	89.0	84.1	92.5	43.3	-5.6	10.1	8.6	7.8	1.0	0.9	11.9	12.1
JSW Energy	Neutral	68	77	13	4.2	5.0	5.9	40.2	17.4	18.1	13.7	11.6	0.9	0.9	6.8	7.7
NHPC	Neutral	23	25	8	2.3	2.4	2.4	-7.0	6.9	0.3	9.5	9.5	0.8	0.7	8.0	7.8
NTPC	Buy	129	158	22	10.9	13.1	15.0	22.9	19.7	14.5	9.9	8.6	1.1	1.0	11.4	12.2
Power Grid	Buy	188	232	23	18.3	20.8	22.6	10.4	13.9	8.8	9.0	8.3	1.5	1.3	17.1	16.8
Torrent Power	Buy	248	300	21	18.7	20.5	25.7	-4.6	9.6	25.4	12.1	9.6	1.2	1.1	10.6	12.2
Tata Power	Neutral	66	68	3	2.1	5.3	5.6	-60.5	150.1	5.6	12.5	11.8	1.0	0.9	8.2	8.2
<b>Aggregate</b>								<b>24.9</b>	<b>11.3</b>	<b>7.8</b>	<b>8.9</b>	<b>8.2</b>	<b>1.6</b>	<b>1.5</b>	<b>17.8</b>	<b>17.8</b>
<b>Others</b>																
Brigade Enterpr.	Buy	244	324	33	17.5	16.0	15.0	62.0	-8.5	-6.4	15.3	16.3	1.4	1.3	9.6	8.2
BSE	Buy	596	750	26	38.1	37.2	46.1	-12.4	-2.2	23.7	16.0	12.9	1.1	1.1	6.9	8.5
Castrol India	Buy	147	190	30	7.2	7.6	7.7	2.4	6.4	0.7	19.2	19.1	11.3	10.3	61.4	56.2
Coromandel Intl	Buy	410	542	32	25.2	28.1	31.9	6.5	11.5	13.5	14.6	12.9	3.0	2.6	22.5	21.8
Delta Corp	Buy	179	329	84	7.2	9.2	11.0	23.8	27.9	19.6	19.5	16.3	2.2	2.0	12.1	12.8
Indian Hotels	Buy	149	186	25	2.4	3.2	4.4	257.4	34.3	37.8	47.2	34.2	3.8	3.5	8.4	10.7
Interglobe	Neutral	1457	1444	-1	0.1	67.4	103.1	-99.7	-	53	22	14.1	7.5	6.9	35.5	50.6
Info Edge	Neutral	1834	1800	-2	24.9	33.9	41.9	67.2	36.4	23.5	54.0	43.8	8.5	7.3	16.9	18.1
Godrej Agrovet	Buy	475	609	28	12.5	15.6	19.1	10.9	24.6	22.2	30.4	24.9	4.9	4.4	17.2	18.7
Kaveri Seed	Buy	476	582	22	32.9	36.9	38.8	2.7	12.2	5.3	12.9	12.3	2.6	2.4	21.2	20.3
Lemon Tree Hotel	Buy	75	90	20	0.5	1.0	1.9	149.7	115.2	94.2	76.7	39.5	6.3	5.4	8.6	14.8
MCX	Buy	845	950	12	28.4	29.7	37.9	34.1	4.4	27.6	28.5	22.3	3.1	2.9	11.1	13.3
Navneet Education	Buy	109	135	24	6.7	8.2	9.7	22.5	22.2	18.5	13.4	11.3	2.7	2.3	21.6	21.6
Oberoi Realty	Buy	564	628	11	22.5	33.5	35.0	78.1	49.2	4.3	16.8	16.1	2.2	2.0	14.2	13.1
Phoenix Mills	Buy	600	785	31	25.0	25.6	28.7	57.8	2.5	12.3	23.5	20.9	2.4	2.2	10.8	11.0
Qess Corp	Neutral	714	730	2	15.9	31.7	41.8	-27.3	99.9	31.8	22.5	17.1	2.6	2.1	15.8	17.6
PI Inds.	Buy	1105	1266	15	29.7	38.0	46.9	11.4	27.9	23.4	29.1	23.6	5.6	4.7	21.0	21.8
Piramal Enterp.	Buy	2289	2974	30	73.7	124.6	151.3	-5.2	68.9	21.5	18.4	15.1	1.6	1.5	8.9	10.1
SRF	Buy	2916	2983	2	113.7	139.5	179.4	60.0	22.7	28.6	20.9	16.3	3.5	3.0	18.3	19.9
S H Kelkar	Buy	158	207	31	6.4	7.6	9.4	-10.3	19.5	24.1	20.7	16.7	2.3	2.1	11.4	13.0
Tata Chemicals	Buy	609	700	15	42.9	45.5	52.9	-10.8	6.1	16.1	13.4	11.5	1.2	1.1	9.1	9.9
Team Lease Serv.	Buy	2911	3500	20	59.1	86.1	122.6	37.4	45.6	42.4	33.8	23.7	7.1	5.5	23.4	26.0
Trident	Buy	64	81	27	8.4	9.3	10.1	71.2	11.7	8.0	6.8	6.3	1.0	0.9	15.0	15.0
UPL	Neutral	1017	1067	5	43.4	63.5	76.2	-0.8	46.3	20.0	16.0	13.3	3.1	2.6	20.7	21.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja Batt.	1.9	-7.5	-20.9
Ashok Leyland	3.9	-8.5	-34.8
Bajaj Auto	-1.2	-1.9	10.5
Bharat Forge	6.6	-3.0	-30.3
Bosch	2.0	-3.3	-0.3
CEAT	6.0	-9.0	-25.5
Eicher Motors	1.6	1.3	-27.7
Endurance Tech.	0.8	-0.3	-5.5
Escorts	5.1	-23.8	-33.4
Exide Inds.	3.8	-2.8	-12.9
Hero Motocorp	3.3	-1.1	-22.5
M & M	5.3	-4.3	-20.9
Mahindra CIE	3.1	1.5	-4.2
Maruti Suzuki	5.7	-4.7	-15.9
Motherson Sumi	8.3	-19.1	-41.1
Tata Motors	7.5	-19.5	-35.9
TVS Motor Co.	5.2	-4.7	-12.2
<b>Banks - Private</b>			
AU Small Fin. Bank	4.3	12.6	-1.6
Axis Bank	4.6	1.5	48.1
DCB Bank	4.9	14.5	28.4
Equitas Holdings	5.4	0.0	-15.2
Federal Bank	5.1	6.8	27.9
HDFC Bank	3.0	6.2	22.1
ICICI Bank	4.5	0.7	40.8
IndusInd Bank	8.6	-15.4	-22.3
Kotak Mah. Bank	2.8	9.1	17.9
RBL Bank	3.8	0.7	36.4
South Ind. Bank	5.2	-18.3	-42.9
Yes Bank	6.7	-43.8	-57.0
<b>Banks - PSU</b>			
BOB	9.6	-2.8	-5.3
BOI	10.3	-6.7	-8.2
Canara	8.5	-3.9	8.4
Indian Bk	8.0	-4.0	-17.1
PNB	6.9	-1.9	13.0
SBI	8.0	10.8	40.6
Union Bk	5.5	-18.1	-14.6
<b>NBFCs</b>			
Aditya Birla Cap	4.7	-4.7	-33.9
Bajaj Fin.	3.2	13.0	61.8
Cholaman. Inv. & Fn	5.8	-2.9	-7.2
HDFC	6.2	5.7	16.3
HDFC Life Insur.	3.6	-2.4	-19.0
Indiabulls Hsg	12.5	1.3	-26.8
Indostar Capital	6.6	-10.4	-37.5
L&T Fin. Holdings	7.6	-14.0	-24.5
LIC Hsg Fin	6.4	2.7	11.6
M&M Fin.	7.7	-2.1	-11.1
Muthoot Fin	6.6	0.5	54.8
MAS Financial Serv.	3.4	-9.3	-6.7
ICICI Pru Life	5.5	-2.0	-13.7
PNB Housing	5.5	-2.2	-38.5
Repco Home	7.5	1.9	-24.1
Shriram City Union	3.5	-17.2	-31.4
Shriram Trans.	5.8	-9.8	-22.3
<b>Capital Goods</b>			
ABB	2.9	0.0	19.1

Company	1 Day (%)	1M (%)	12M (%)
Bharat Elec.	8.6	7.7	-15.3
BHEL	6.5	-12.9	-12.1
Blue Star	0.5	9.8	3.3
CG Cons. Elec.	6.1	-4.1	-5.7
Cummins	7.2	3.4	3.5
Engineers India	6.7	-2.0	-17.3
GE T&D	15.8	1.9	-26.4
Havells	2.9	-0.1	44.4
K E C Intl	5.9	0.4	-19.8
L&T	6.5	6.6	10.4
Siemens	5.6	0.5	15.2
Solar Ind	4.1	4.9	1.4
Thermax	4.7	1.4	-13.4
Va Tech Wab.	8.7	0.0	-34.8
Voltas	2.5	-4.3	8.3
<b>Cement</b>			
Ambuja Cem.	2.5	-4.1	7.9
ACC	3.6	-2.0	23.7
Birla Corp.	7.6	13.4	-19.4
Dalmia Bhar.	5.5	0.2	
Grasim Inds.	7.3	2.9	-14.3
India Cem	7.5	-6.4	-20.6
J K Cements	7.2	2.0	-5.3
JK Lakshmi Ce	7.6	-1.6	-3.7
Ramco Cem	4.8	0.5	-3.8
Orient Cem	8.4	18.1	-7.5
Prism Johnson	6.5	-7.7	-9.4
Sanghi Inds.	6.9	-0.7	-35.8
Shree Cem	5.2	3.4	26.5
Ultratech	6.1	12.2	23.8
<b>Consumer</b>			
Asian Paints	4.1	-6.3	5.6
Britannia	1.0	-6.5	1.6
Colgate	2.3	-4.0	-3.2
Dabur	3.4	-5.4	2.8
Emami	0.1	-6.9	-27.9
Future Consumer	4.6	-7.7	-25.8
Godrej Cons.	1.3	1.2	-6.0
GSK Cons.	2.3	3.6	26.1
HUL	2.1	2.0	12.3
ITC	1.9	0.9	8.8
Jyothy Lab	3.9	-16.1	-29.4
Marico	1.1	-0.3	17.4
Nestle	3.1	-1.6	13.7
Page Inds	-1.0	-5.2	-1.8
Parag Milk	2.5	2.3	-24.2
Pidilite Ind.	4.7	-2.8	11.3
P&G Hygiene	2.9	0.7	17.3
United Brew	0.7	-3.3	19.8
United Spirits	4.2	0.2	-11.3
<b>Healthcare</b>			
Alembic Phar	0.6	-0.9	19.3
Alkem Lab	1.8	-0.2	-11.3
Ajanta Pharma	-0.1	0.1	3.9
Aurobindo	-0.9	-15.6	17.4
Biocon	0.7	-14.7	-16.4
Cadila	0.4	-25.6	-28.8
Cipla	4.0	0.6	8.8
Divis Lab	1.6	-3.8	46.2



Company	1 Day (%)	1M (%)	12M (%)
Dr Reddy's	-5.8	-7.6	36.6
Glenmark	-1.0	-10.0	14.9
Granules	2.1	-5.4	21.4
GSK Pharma	0.2	-1.8	7.7
IPCA Labs	1.0	-4.1	39.3
Jubilant Life	-4.9	-19.3	-27.4
Laurus Labs	0.8	-4.9	-16.2
Lupin	0.8	-9.1	3.1
Sanofi India	2.0	-4.8	11.2
Shilpa Medicare	0.7	-4.8	-7.5
Strides Pharma	1.9	-13.7	23.5
Sun Pharma	1.4	-10.4	-6.7
Torrent Pharma	0.5	-9.5	23.9
<b>Infrastructure</b>			
Ashoka Buildcon	5.8	-8.3	-25.8
IRB Infra.Devl.	7.7	-6.4	-43.2
KNR Construct.	4.0	-1.4	-15.0
Sadbhav Engg.	9.5	1.5	-32.3
<b>Logistics</b>			
Allcargo Logist.	3.7	-9.6	-16.0
Concor	3.8	-4.8	-10.4
<b>Media</b>			
D B Corp	5.0	2.9	-26.0
Ent.Network	0.9	-9.9	-25.8
Jagran Prak.	3.4	-4.9	-31.7
Music Broadcast	1.5	-0.7	-15.3
PVR	0.3	4.7	34.3
Sun TV	5.0	-4.3	-40.0
Zee Ent.	-2.4	-9.7	-34.5
<b>Metals</b>			
Hindalco	3.9	-3.8	-12.8
Hind. Zinc	3.0	-8.1	-10.1
JSPL	5.4	-10.0	-31.3
JSW Steel	3.4	-4.4	-7.6
Nalco	5.6	-5.1	-29.7
NMDC	6.2	-7.8	-15.1
Rain Industries	9.4	-13.4	-51.1
SAIL	7.9	-10.4	-28.4
Vedanta	3.6	-6.7	-37.4
Tata Steel	2.9	-11.0	-16.3
<b>Oil &amp; Gas</b>			
Aegis Logistics	2.1	-1.8	-20.1
BPCL	4.4	8.4	-0.4
GAIL	3.4	-2.1	5.9
Gujarat Gas	3.8	2.9	-3.0
Gujarat St. Pet.	3.6	-1.2	7.7
HPCL	6.8	10.1	-6.3
IOC	5.2	0.8	-4.7
IGL	3.1	-3.4	20.9
Mahanagar Gas	2.2	-14.0	4.0
MRPL	1.3	-10.2	-36.7
Oil India	3.5	2.0	-23.4
ONGC	5.3	9.9	-5.1
PLNG	-0.4	-1.5	12.0
Reliance Ind.	4.7	-4.2	42.2
<b>Retail</b>			
Aditya Bir. Fas.	2.1	-9.1	43.9
Avenue Super.	6.3	-3.5	-2.4
Future Lifestyle	2.8	-1.9	12.3
Future Retail	2.2	2.6	-16.5

Company	1 Day (%)	1M (%)	12M (%)
Jubilant Food	2.7	-2.7	3.6
Spencer's Retail	-6.2	-10.5	
Shoppers St.	0.6	1.5	-15.1
Titan Co.	3.4	9.3	34.3
Trent	-0.2	2.0	10.0
V-Mart Retail	2.9	-13.3	1.3
<b>Technology</b>			
Cyient	1.5	-5.4	-27.2
HCL Tech.	0.9	-2.7	19.5
Hexaware	0.8	5.8	-16.3
Infosys	-0.2	0.8	22.2
L&T Infotech	-1.7	6.6	15.4
Mindtree	-0.2	1.1	-4.6
Mphasis	0.4	-3.4	-12.6
NIIT Tech	0.9	-3.0	21.4
Persistent Sys	0.2	-3.4	-24.1
Tata Elxsi	-0.2	-9.9	-25.8
TCS	2.0	-0.3	20.3
Tech Mah	-1.0	-2.5	13.6
Wipro	1.2	1.8	46.0
Zensar Tech	0.1	3.4	1.0
<b>Telecom</b>			
Bharti Airtel	3.5	6.7	2.8
Bharti Infra.	0.4	-12.4	-15.8
Idea Cellular	5.9	-27.2	-60.6
Tata Comm	0.5	-3.0	-8.8
<b>Utilities</b>			
Coal India	0.8	-5.4	-11.7
CESC	9.6	-0.7	-7.6
JSW Energy	2.2	-5.7	-2.5
NHPC Ltd	4.5	-2.1	-11.1
NTPC	2.7	-4.6	-5.7
Power Grid	3.2	-3.2	-11.7
Tata Power	7.2	-6.7	-16.3
Torrent Power	4.9	-4.0	13.2
<b>Others</b>			
Brigade Enterpr.	5.5	-0.3	1.8
BSE	0.9	-4.4	-26.1
Castrol India	2.3	-10.2	-12.0
Coromandel Intl	1.8	-6.7	-7.7
Delta Corp	8.1	-28.1	-22.7
Godrej Agrovet	1.9	-9.1	-20.9
Indian Hotels	4.3	-2.9	6.9
Interglobe	-1.2	-6.3	28.6
Info Edge	0.9	-4.0	54.6
Kaveri Seed	5.2	-0.3	-1.8
Lemon Tree Hotel	2.6	-3.3	18.8
MCX	1.7	8.4	14.5
Navneet Educat.	1.3	-3.7	-20.2
Oberoi Realty	7.5	2.7	9.0
Phoenix Mills	0.1	-2.1	-15.7
PI Inds.	3.1	7.7	31.0
Piramal Enterp.	7.3	-13.8	-2.8
Quess Corp	7.2	-0.1	-35.5
SRF	4.1	19.1	55.3
S H Kelkar	6.9	2.9	-35.9
Tata Chemicals	-1.6	2.2	-17.1
Team Lease Serv.	2.3	-2.0	7.8
Trident	3.5	-4.2	16.9
UPL	4.8	8.9	49.2

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 Nitin Agarwal: Research Analyst: Nitin Agarwal@nitinagarwal.com | 91 22 3962 1400  
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 Nitin Agarwal: Research Analyst: Nitin Agarwal@nitinagarwal.com | 91 22 3962 1400  
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 Nitin Agarwal: Research Analyst: Nitin Agarwal@nitinagarwal.com | 91 22 3962 1400  
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**New Year, New Forces**

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 Nitin Agarwal: Research Analyst: Nitin Agarwal@nitinagarwal.com | 91 22 3962 1400  
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 Nitin Agarwal: Research Analyst: Nitin Agarwal@nitinagarwal.com | 91 22 3962 1400  
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**MOTILAL OSWAL** October 2018  
**India Strategy**

**Correction everywhere**

Research Report: Research Analyst: Nitin Agarwal@nitinagarwal.com | 91 22 3962 1400  
 Nitin Agarwal: Research Analyst: Nitin Agarwal@nitinagarwal.com | 91 22 3962 1400  
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Research Analyst (Covered Name)@motilal.com | 91 11 4228 4800  
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**Check-in now**

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**ICI Prudential Life Insurance**



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Research Analyst (Covered Name)@motilal.com | 91 11 4228 4800  
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Research Analyst (Covered Name)@motilal.com | 91 11 4228 4800  
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**Flight of rebirth**

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Research Analyst (Covered Name)@motilal.com | 91 11 4228 4800  
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# DIFFERENTIATED PRODUCT GALLERY

**MOTILAL OSWAL** 28 November 2013

## Annual Report Threadbare

**THE Q&A OF ANNUAL REPORT THREADBARE**

Q1: How is the company's performance in FY13? A: FY13 was a year of growth for the company. The revenue grew by 12% to ₹1,000 crore, while the net profit grew by 15% to ₹150 crore. The company's EBITDA margin improved from 18% to 20%.

Q2: What are the key drivers of growth? A: The key drivers of growth are the company's strong product portfolio, its focus on customer service, and its strategic investments in R&D.

Q3: How is the company's financial performance? A: The company's financial performance is strong. It has a healthy balance sheet, low debt, and a strong cash flow. The company's return on equity (ROE) is 15%.

Q4: What are the company's future plans? A: The company's future plans are to continue to invest in R&D, expand its product portfolio, and improve its customer service. The company is also looking to explore new markets and opportunities.

Q5: How is the company's management team? A: The company's management team is experienced and skilled. They have a proven track record of leading the company to success.

Q6: How is the company's relationship with its stakeholders? A: The company has a strong relationship with its stakeholders, including its customers, employees, and investors. The company is committed to transparency and accountability.

Q7: How is the company's environmental and social performance? A: The company is committed to environmental and social responsibility. It has implemented various initiatives to reduce its carbon footprint and improve its social performance.

Q8: How is the company's risk management? A: The company has a robust risk management framework in place. It identifies, assesses, and mitigates risks to ensure the company's long-term success.

Q9: How is the company's governance? A: The company has a strong governance structure. It has a clear set of policies and procedures, and its board of directors is independent and effective.

Q10: How is the company's overall performance? A: The company's overall performance is excellent. It has achieved its financial and operational goals, and it is well-positioned for future growth.

**MOTILAL OSWAL** 23 February 2013

## CornerOffice

Interview with Mr. S. S. Ramani, CEO

**A great time for large developers with legacy brands**

Mr. S. S. Ramani, the CEO of CornerOffice, shares his insights on the current market conditions and the challenges faced by large developers. He discusses the importance of legacy brands and the need for innovation in the industry.

**Key highlights:**

- Large developers with legacy brands are in a good position to navigate the current market conditions.
- Innovation is key to staying competitive in the industry.
- Legacy brands provide a competitive advantage in the market.
- Large developers should focus on customer service and innovation to drive growth.

**Market insights:**

The market is currently in a state of flux, with large developers facing challenges. However, those with strong legacy brands and a focus on innovation are better positioned to succeed.

**Future outlook:**

The future outlook is positive, with large developers expected to continue to lead the industry. Innovation and customer service will remain key drivers of growth.

**MOTILAL OSWAL** 12 February 2013

## VOICES

**India Inc on Call**

India Inc is on a call to improve its performance and competitiveness. The government and industry leaders are working together to address the challenges facing the economy.

**Key highlights:**

- The government is implementing various initiatives to improve the business environment.
- Industry leaders are focusing on innovation and customer service to drive growth.
- There is a need for better infrastructure and regulatory reforms.

**Future outlook:**

The future outlook is positive, with India Inc expected to continue to grow and improve its performance.

**MOTILAL OSWAL** 24 August 2013

## EcoKnowledge

Driving Into Trending Themes

**How sustainable is the leverage of Indian Financials?**

Indian Financials have a high level of leverage, which is a concern for investors. However, the industry is working to improve its sustainability and reduce its debt levels.

**Key highlights:**

- Indian Financials have a high level of leverage, which is a concern for investors.
- The industry is working to improve its sustainability and reduce its debt levels.
- There is a need for better regulatory oversight and transparency.

**Future outlook:**

The future outlook is positive, with Indian Financials expected to continue to improve their sustainability and reduce their debt levels.

**MOTILAL OSWAL**

## BULLS & BEARS

INDIA VALUATION'S HANDBOOK

**Highlights of Mar'13 edition**

- Nifty gains strength toward year-end – up 55% in FY13
- IT and Technology top outperformers of FY13
- Mid-cap significantly underperforms large cap in FY13
- FDI flows weakest in 3 years

**Best Performing Large Cap**

Company	Return (%)
ITC	100
WIPAC	80
WIPRO	70
INFOSYS	60
WIPAC	50
WIPRO	40
INFOSYS	30
WIPAC	20
WIPRO	10
INFOSYS	0

**Worst Performing Small Cap**

Company	Return (%)
WIPAC	-100
WIPRO	-80
INFOSYS	-60
WIPAC	-40
WIPRO	-20
INFOSYS	0

**MOTILAL OSWAL**

## FUND FOLIO

Indian Mutual Fund Tracker

**Key highlights:**

- Nifty gains strength toward year-end – up 55% in FY13
- IT and Technology top outperformers of FY13
- Mid-cap significantly underperforms large cap in FY13
- FDI flows weakest in 3 years

**Best Performing Large Cap**

Company	Return (%)
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**Worst Performing Small Cap**

Company	Return (%)
WIPAC	-100
WIPRO	-80
INFOSYS	-60
WIPAC	-40
WIPRO	-20
INFOSYS	0

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< -10%
NEUTRAL	> -10% to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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