Market snapshot

Equities - India	Close	Chg .%	CYTD.%
Sensex	30,673	-0.8	-25.6
Nifty-50	9,039	-0.7	-25.7
Nifty-M 100	12,668	-0.7	-25.9
Equities-Global	**Close**	**Chg .%**	**CYTD.%**
S&P 500	2,955	0.2	-8.5
Nasdaq	9,325	0.4	3.9
FTSE 100	5,993	-0.4	-20.5
DAX	11,074	0.1	-16.4
Hang Seng	9,427	-4.3	-15.6
Nikkei 225	20,388	-0.8	-13.8
Commodities	**Close**	**Chg .%**	**CYTD.%**
Brent (US$/Bbl)	35	-1.5	-48.0
Gold ($/OZ)	1,735	0.4	14.3
Cu (US$/MT)	5,260	-1.9	-14.5
Almn (US$/MT)	1,481	-0.9	-16.8
Currency	**Close**	**Chg .%**	**CYTD.%**
USD/INR	76.0	0.5	6.4
USD/EUR	1.1	-0.4	-2.8
USD/JPY	107.6	0.0	-0.9
YIELD (%)	**Close**	**1MChg**	**CYTDchg**
10 Yrs G-Sec	5.8	-0.02	-0.8
10 Yrs AAA Corp	7.2	-0.03	-0.4
Flows (USD b)	**22-May**	**MTD**	**CYTD**
FIIs	-0.18	0.68	-5.77
DIIs	-0.05	0.66	10.74
Volumes (INRb)	**22-May**	**MTD***	**CYTD***
Cash	512	538	471
F&O	8,334	12,309	14,150

Note: *Average

Today's top research Idea

Financials: RBI extends moratorium till Aug'20

- We believe that the extension of the moratorium is a step in the right direction as economic activity is still in a nascent stage of recovery and borrowers would need more time to recuperate from the COVID-19 crisis. However, banks need to work actively with borrowers and ensure that moratorium gets availed in deserving cases, and at the same time, prevent any moral hazard. The trend in collection efficiency should become an important barometer of banking health as book under moratorium may remain elevated over the next few months.
- Further, many banks had indicated that several borrowers are cautious and opting for moratorium to preserve liquidity. Thus, it would be interesting to watch how these customers react to Moratorium 2.0 as it would coincide with economic activity picking up. We prefer large private banks as they have strong coverage, contingent provisions and robust PPoP to provide for potential credit losses. Our top picks are HDFCB and ICICIBC.

Research covered

Cos/Sector	Key Highlights
Financials	RBI extends moratorium till Aug'20
EcoScope	RBI cuts repo rate by 40 bps to 4%
NBFC	Moratorium extension a mixed bag
Reliance Inds.	Jio Platforms – the deal magnet
ITC	ITC acquires 100% stake in Sunrise Foods
JSW Steel	Higher steel realization drives EBITDA
Colgate	Silver lining in market share gain, but needs sustaining
UPLL	Synergies drive operating performance
Other Notes	BOS | ESEL | EXPERT SPEAK (Media)

Chart of the Day: Financials (RBI extends moratorium till Aug'20)

Snapshot of moratorium availed by customers and COVID related provisions made by banks

		Moratorium availed			Provisions				
FY20 (INR b)	Advances	as a % of customers	as a % of loans	In value terms	COVID-19 related	Standard	Contingent	Floating	Total
AXSB	5,714.2	10%-12%	25%-28%	1,428.6	30.0	NA	29.8	NA	59.8
BANDHAN	666.3	NA	~71%	473.1	6.9	3.1	NA	NA	10.0
HDFCB	9,937.0	NA	NA	NA	15.5	28.6	30.0	14.5	88.6
ICICIBC	6,452.9	NA	~30%	1,935.9	27.3	52.2	NA	NA	79.4
IIB*	2,067.8	NA	~5%	57.7	2.8	NA	NA	NA	2.8
KMB	2,197.5	NA	~26%	571.3	6.5	NA	NA	NA	6.5
YES	1,714.4	15%-25%	35%-45%	685.8	2.4	NA	NA	NA	2.4
RBK	580.2	NA	~33%	191.5	1.2	NA	NA	NA	1.2
AUBANK	269.9	~29%	~25%	67.5	1.4	NA	NA	NA	1.4
Equitas	137.5	~98.3%	~93%	127.8	1.0	NA	NA	NA	1.0
UJJIVAN	140.4	NA	~90%	126.4	0.7	NA	NA	NA	0.7
SBI Cards	228.1	~20%	~17%	38.0	4.9	NA	NA	NA	4.9

Note: For IIB, the proportion of customers availing moratorium is as a proportion of vehicle financing, MFI and unsecured loans. The bank indicated that very few corporates have applied for the moratorium

Source: MOFSL, Company

Research Team (Gautam.Duggad@MotilalOswal.com)

Kindly click on textbox for the detailed news link

1

India ready for cautious take-off as Centre eases ban on air travel

Nearly 60% of flights operating on Monday are full, said Nishant Pitti, chief executive and co-founder of EaseMyTrip, indicating pent-up demand for travel, mostly from people who have been stranded in other cities following the surprise travel ban imposed on 25th Mar…

2

ITC set to acquire Sunrise Foods

ITC Ltd on Sunday said it is set to acquire Kolkata-based spice maker Sunrise Foods Pvt. Ltd (SFPL), in a move that will help the company cement its position in the country's fast-moving consumer goods (FMCG) market. ITC entered into a share purchase agreement on 23 May 2020 to acquire 100% of the equity share capital of SFPL, a company primarily engaged in the business of spices under the trademark 'Sunrise', ITC said in a press release on Sunday…

3

Reliance estimates USD 200-400 million liability in KG-D6 cost recovery dispute

Reliance Industries has estimated a maximum liability of USD 400 million (Rs 3,000 crore) in its nine-year old dispute with the government over alleged under-utilisation of capacity at the KG-D6 field due to failure to comply with an approved investment plan…

4

India's peak power demand slowly reaching pre-lockdown levels

India's power demand that had nosedived is slowly getting to its pre-lockdown levels, with the country registering a peak electricity demand of 160 gigawatts (GW) on Saturday. This assumes importance as energy consumption, especially electricity and refinery products, is usually linked to overall

5

Major automakers see demand for personal vehicles going up

Automakers like Maruti Suzuki, Honda, Toyota and Tata Motors expect demand for personal vehicles to go up in the country as social distancing and fear associated with COVID-19 veer people away from public transport…

6

Bank of Maharashtra sanctions Rs 2,789 crore loans over 3 months to MSMEs, others

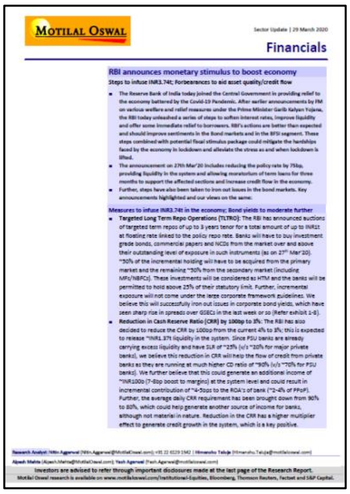
State-owned Bank of Maharashtra on Sunday said it has sanctioned loans worth Rs 2,789 crore to MSME, self-help group, agricultural and retail borrowers to help them meet their liquidity mismatches caused due to coronavirus crisis

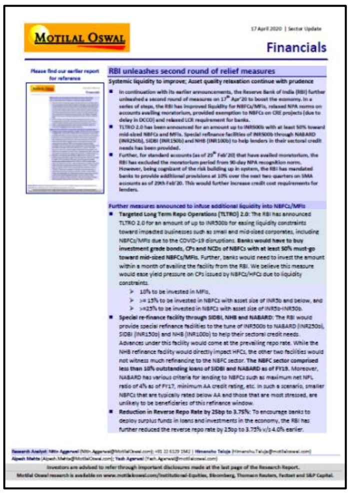
7

Beer sales plummet across states, brewers blame it on 'corona cess'

Tipplers forming long queues at Indian liquor stores failed to bring respite for the beer industry as volume sales fell sharply in several states in the first two weeks after reopening of outlets…

Please refer our earlier report





RBI extends moratorium till Aug'20

Provides adequate time to borrowers; lenders to walk tightrope to avoid unintended damage

- **The Reserve Bank of India (RBI) has announced further set of measures to enable the banking system to bear the impact of the COVID-19 led disruptions. The RBI, thus, has extended the moratorium/standstill benefit by a further three months (up to 31st Aug'20).**
- **The RBI has also reduced the policy rate by 40bp, resulting in repo/reverse repo rate of 4.0%/3.35%, thereby driving further reduction in the borrowing cost.**
- **Further, the RBI has asked all lenders to convert the accumulated interest of six months on working capital loans into a Funded Interest Term Loan to be repaid by Mar'21. This comes as a big relief to borrowers, who otherwise would have been required to make a balloon payment, thus, causing undue financial distress.**
- **The RBI also announced certain other measures such as (a) increasing the group exposure limit of banks from 25% to 30% of eligible capital base, and (b) further extension of SIDBI's Special Refinance Facility of INR150b at the RBI's policy repo rate for a period of 90 days.**
- **We believe that the extension of moratorium is a step in the right direction as economic activity is still in a nascent stage of recovery and borrowers would need more time to recuperate from the COVID-19 crisis. However, banks need to work actively with borrowers and ensure that moratorium gets availed in deserving cases, and at the same time, prevent any moral hazard. The trend in collection efficiency would become an important barometer of banking health as the book under moratorium might remain elevated for the next few months.**
- **We prefer large private banks as they have strong coverage, contingent provisions and robust PPoP to provide for any potential credit losses. Top picks – HDFCB and ICICIBC.**

Moratorium extended by another 3 months; Additional provisioning to get some respite as NPA recognition defers

In continuation with its earlier announcements, the Reserve Bank of India (RBI) has extended the moratorium of term loans by a further three months till 31st Aug'20 to ease financial stress. Consequently, the payment of interest on working capital facilities too gets extended by three months along with the extended period getting excluded from the 90-day NPA norm and not resulting in asset classification downgrade. In addition to this, timeline for the resolution of large accounts also gets extended by another three months, which would extend the period for making additional provisioning of 20% on such delayed accounts and offering some respite on provisioning to the underlying banks.

Moratorium book at ~25-35% for large banks and higher for smaller banks; remain watchful of collection efficiency in near term

We believe that this measure would give some breathing space to borrowers facing cash flow strain to revive and reorganize their business over the next few months. However, this could further result in an increase in customers availing the moratorium. **As on 30th Apr'20, many large banks indicated that the proportion of customers availing the moratorium has been in the range of 25-35% (in value terms)**

while for small finance banks, the moratorium has been much higher. For instance, moratorium for Equitas/ Ujjivan stood at 93%/90% and for BANDHAN ~70-75% of total portfolio. Although incidence of moratorium is expected to increase, the trend in collection efficiency as the economy starts to recovery would be an important metric to assess the health of the banking system in the near term.

Accumulated interest on WC to get converted into term loan – positive for borrowers

Further, in order to ease the difficulties faced by borrowers due to the disruption caused by COVID-19, the RBI has asked all lenders to convert the accumulated interest of six months on working capital loans into a Funded Interest Term Loan, which is to be fully repaid by Mar'21. This comes as a big relief to borrowers, who otherwise would have been required to make balloon payment, thus, causing financial distress.

RBI cuts repo rate by 40bp to 4%; monetary easing to further drive reduction in lending rates

In its first monetary policy meeting of FY21, the RBI cut the policy rate by 40bp to 4.0% to manage the current dismal economic situation. Accordingly, the reverse repo now stands at 3.35%, against the earlier rate of 3.75%. The continued monetary easing would drive further reduction in lending yields under the external benchmark and a decline in the 1-year MCLR rates (20-50bp reduction since Jan'20) while banks have also been sharply cutting the retail and bulk deposit rates over the last few months (large banks have reduced TD rates by up to 150bp) to offset margin pressure. Overall, we believe that large banks with strong/granular liability franchise would be able to tackle the margin pressure v/s their mid-sized peers.

Other measures

The RBI also announced certain other measures such as:

- Increasing the group exposure limit of banks from existing 25% to 30% of eligible capital base. This is likely to help borrowers that are unable to access capital markets in these uncertain times and would facilitate the flow of resources.
- Further, SIDBI's Special Refinance Facility of INR150b has been extended at the RBI's policy repo rate for a period of 90 days to provide greater flexibility in operations. However, this is not expected to result in much refinancing to NBFCs as **the sector comprised less than 10% of SIDBI's outstanding loans as at FY19.**

View

We believe that the extension of the moratorium is a step in the right direction as economic activity is still in a nascent stage of recovery and borrowers would need more time to recuperate from the COVID-19 crisis. However, banks need to work actively with borrowers and ensure that moratorium gets availed in deserving cases, and at the same time, prevent any moral hazard. The trend in collection efficiency should become an important barometer of banking health as book under moratorium may remain elevated over the next few months. Further, many banks had indicated that several borrowers are cautious and opting for moratorium to preserve liquidity. Thus, it would be interesting to watch how these customers react to **Moratorium 2.0** as it would coincide with economic activity picking up. We prefer large private banks as they have strong coverage, contingent provisions and robust PPoP to provide for potential credit losses. Our t**op picks are HDFCB and ICICIBC.**

RBI cuts repo rate by 40 bps to 4%; gives relief to states through Sinking Fund

Future rate cuts depend on evolving inflationary situation

- **In its first monetary policy meeting for FY21 today (22nd May'20), the Reserve Bank of India (RBI) cut the policy rate by 40 basis points to 4.0%. This is the second time the RBI has rescheduled its policy meeting ahead of the prescribed meeting schedule in light of emergencies arising due to the COVID-19 pandemic. Accordingly, the reverse repo now stands at 3.35%, against the earlier rate of 3.75% (the RBI had cut reverse repo by 25bps to 3.75% on 17th Apr'20) *(Exhibit 1)*.**
- **While the decision to cut the repo rate was unanimous, the quantum of the cut was voted in the ratio of 5:1 as Dr Chetan Ghate (a member of the Monetary Policy Committee) voted for a cut of only 25 bps. The decision to keep the monetary policy stance 'accommodative' was unanimous.**

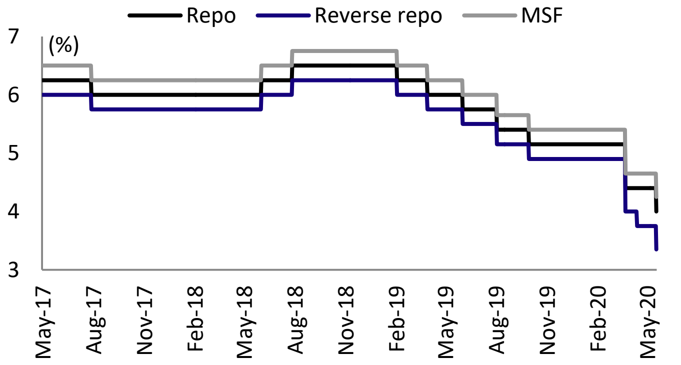
Inflation and growth outlook

- **The RBI expects the unusual spike in food inflation in Apr'20 to moderate as supply lines get restored in the coming few months *(Exhibit 2)*. Various factors such as subdued crude oil and metal prices and the forecast of a normal monsoon, along with the statistical effect of a higher base, are likely to keep inflation low. Based on these factors, the RBI expects headline inflation to fall below the medium-term target of 4% in 3QFY21 and 4QFY21. We do, however, expect headline inflation to retreat below 4% only starting Dec'20.**
- **On the growth front, the RBI forecasts decline in real GDP in FY21 due to loss of economic activity in both the Manufacturing and Services sectors. It expects growth to start picking up only from 3QFY21.**

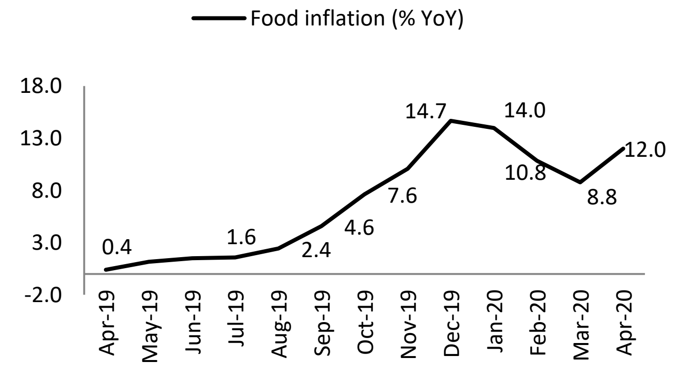
Regulatory developments

- **While a cut in the repo rate was almost a given, the changes in existing regulatory and additional measures announced today were more important. While the RBI extended the three-month moratorium period given to existing borrowers to 31st Aug'20, it also announced various support measures for importers and exporters.**
- **Importantly, after recognizing the tight financial conditions of the states, the RBI decided to relax the rules governing the CSF – Consolidated Sinking Fund (*Exhibit 3*), which would allow states to withdraw more than their permissible limits, leading to the additional release of INR133b. This accounts for 10% of the states' FY21 redemptions. Including the normally permissible withdrawal limit, this measure would enable the states to cover about 45% of their redemptions totaling ~INR1.4t in FY21 *(Exhibit 4)*.**
- **Overall, we believe the reduction in the reverse repo rate and additional assistance to states are steps in the right direction to better manage the current dismal economic situation.**

After two huge policy rate cuts, repo rate now stands at 4.0%



Food inflation in Apr'20 spiked due to supply chain disruptions



Excluding 'Meat and Fish' and 'Prepared Meals, snacks, sweets, etc.'

Source: RBI, CSO, MOFSL

Liquidity on balance sheet (%)

MUTH	15
CIFC	11
BAF	11
MMFSL	9
LTFH	9
HDFC	9
SHTF	8
MASFIN	7
SCUF	5
INDOSTAR	5
REPCO	4
LICHF	2

Moratorium extension a mixed bag

Liquidity management a priority; Focus to be on collections

- **The RBI has announced an extension of three months for the existing loan moratorium i.e. banks and NBFCs are now eligible to grant moratorium till 31st Aug'20. In our view, this is a mixed bag for NBFCs – while it provides relief to borrowers, it also further stretches the ALM mismatch for many NBFCs.**
- **While moratorium granted on loans varies from 20% to 100% across NBFCs, the moratorium provided to NBFCs from banks is negligible. This is likely to result in a cash flow mismatch for NBFCs. As a result, NBFCs would focus on conserving liquidity to honor payments. Banks that refrained from providing moratorium on the argument of cash-flow based requirement may now be compelled to extend it to NBFCs or expedite the process of extending new lines of credit.**
- **According to our analysis, most NBFCs have enough liquidity to sustain this ALM mismatch till Aug'20. In addition, the larger NBFCs are getting sanctions from banks, while some are even able to raise money from capital markets. However, problems for small NBFCs remain. Given the heightened risk aversion, banks are unwilling to lend to them (as witnessed in the first auction of TLTRO 2.0). The extension of the moratorium further accentuates the problem. We believe risk aversion to this segment would continue until demand improves materially.**
- **With the opening up of the economy in the Green and Orange zones, our discussions suggest improving collection efficiencies for vehicle financiers, which provides relief on debt repayments. However, we believe that post moratorium, collection efficiency would still be sub-par, and hence, ALM management remains an important event beyond Aug'20.**
- **Valuation and view: Given the tough economic environment and the risk aversion in the system, we expect problems for the NBFC sector to continue. In addition, post lifting of the lockdown, it is unlikely that demand in key categories (housing, vehicles, etc.) would return to normal soon. We believe that FY21 would be a year to focus on liquidity and asset quality, rather than on growth and profitability. We prefer large NBFCs with stable funding sources, good parentage and a higher share of formal, salaried customers. Our top pick is HDFC.**

Liquidity adequate with large NBFCs to tide over the crisis

In our previous Sector Report, after analyzing the adjusted ALM for all NBFCs, we concluded that most NBFCs would be able to manage their ALM for the next three months. **This was due to high levels of liquidity on the balance sheet (average of 8-9% of AUM).** We now analyze the ALM after considering extension of the moratorium. Once again, most companies would be able to meet their debt obligations over the next few months. Some important points to consider: (a) our interactions with managements suggest that some borrowers, despite availing a moratorium, are repaying part of their EMIs, (b) banks have started sanctioning loans to NBFCs on a case-by-case basis, and (c) recent government initiatives on the liquidity window and the PCG scheme could help NBFCs partially.

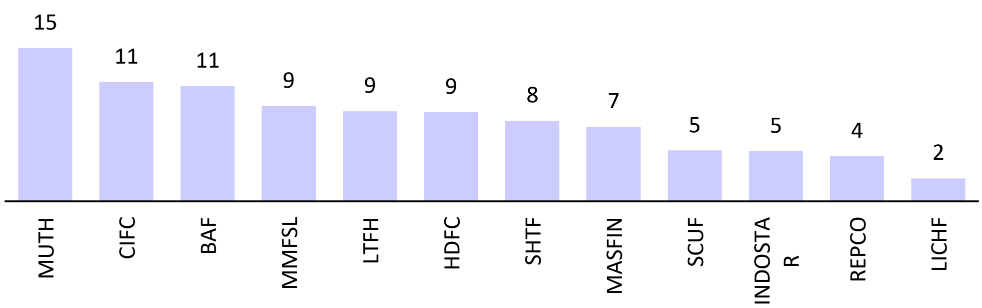
Moratorium rates and loan tenors to determine ALM mismatch

According to our interaction with companies, moratorium rate granted to borrowers varies from 20-25% in the case of mortgages to 75%+ in the case of vehicle financiers. BAF (non-paying customers) and LTFH are at the lower end at 30-35% while SCUF/PIEL are at the higher end at 70%/85%. **While the moratorium rate is an important factor in determining mismatch, an equally important one is the loan tenor – longer the loan tenor, more the chances of a mismatch.** To put it simply, between an affordable housing finance company (HFC) and a vehicle financier (with the moratorium rate), the chances of an ALM mismatch at the HFC are higher, ceteris paribus.

Valuation and view

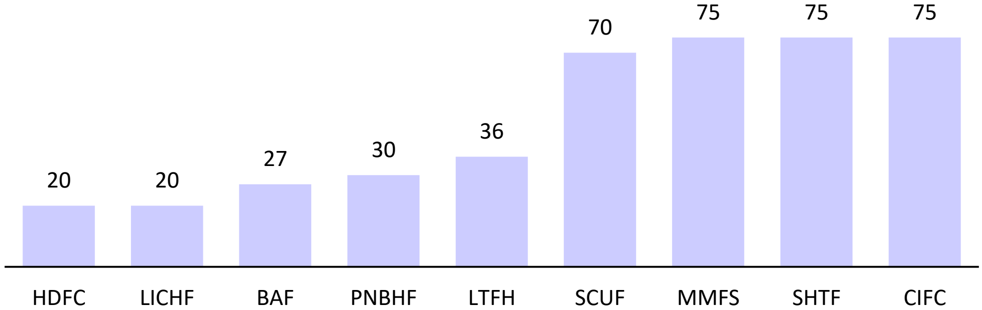
Post the IL&FS crisis, all NBFCs shored up liquidity on their balance sheet – average liquidity has increased from 4-5% of loans to 8-10% currently. In addition, the sector has migrated to longer-term borrowings and has cut down its CP exposure. These two actions are likely to help the sector survive the ongoing crisis. However, we do acknowledge that given the tough economic environment and the risk aversion in the system, problems for the sector would continue. Also, post lifting of the lockdown, it is unlikely that demand in key categories (housing, vehicles, etc.) would return to normal soon. In order to reduce negative carry on the balance sheet, good parentage companies can raise funds via CPs to keep adequate liquidity on the balance sheet. We believe FY21 would be a year of focusing on liquidity and asset quality rather than on growth and profitability. Over the past two months, we have cut FY21 estimates for our coverage companies by up to 70%. We prefer large NBFCs with stable funding sources, good parentage and a higher share of formal, salaried customers. **Our top pick is HDFC.**

Healthy liquidity on balance sheet (%)



Source: MOSL, Company; Note: Latest reported period

Moratorium rates granted to customers by various NBFCs (%)



Source: MOSL, Company; Note: Includes only retail portfolios for HFCs

22 May 2020

Update | Sector: Oil & Gas

Reliance Industries

BSE SENSEX	S&P CNX
30,673	9,039

Reliance Industries Limited

Stock Info

Bloomberg	RIL IN
Equity Shares (m)	6,339
M.Cap.(INRb)/(USDb)	9166.1 / 121.6
52-Week Range (INR)	1603 / 867
1, 6, 12 Rel. Per (%)	8/17/29
12M Avg Val (INR M)	17880
Free float (%)	51.1

Financials Snapshot (INR b)

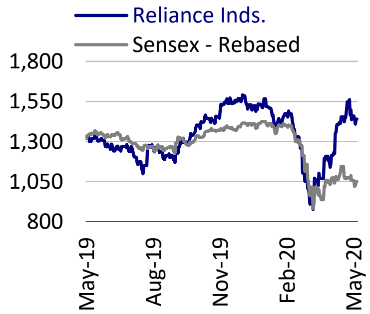
Y/E March	2020	2021E	2022E
Net Sales	5,957	5,358	6,873
EBITDA	879	902	1,197
Net Profit	432	421	622
Adj. EPS (INR)	68.1	66.4	98.1
EPS Gr. (%)	8.4	-2.5	47.8
BV/Sh. (INR)	715.1	776.7	867.2
Ratios			
Net D:E	0.6	0.5	0.3
RoE (%)	10.3	8.9	11.9
RoCE (%)	8.5	7.7	9.9
Payout (%)	11.6	7.3	7.8
Valuations			
P/E (x)	21.0	21.6	14.6
P/BV (x)	2.0	1.8	1.7
EV/EBITDA(x)	13.3	13.0	9.2
EV/Sales (x)	2.0	2.2	1.6
Div. Yield (%)	0.4	0.3	0.4

Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	48.9	48.9	46.2
DII	13.6	13.6	11.8
FII	25.9	26.3	26.2
Others	11.6	11.2	15.9

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR1,432 TP: INR1,713 (+20%) Buy

Jio Platforms – the deal magnet

Global investor KKR to buy 2.32% stake for INR113.67b

- In less than a month, Reliance Industries (RIL) has sealed its fifth stake sale deal in Jio Platforms. RIL announced on 22nd May'20 that global investor KKR would invest INR113.67b in Jio Platforms for 2.32% equity stake at post-money equity value of INR4.91t (in-line) and EV of INR5.2t.
- While the last three deals (Silver Lake, Vista and General Atlantic) and the KKR investment were done through fresh equity infusion into Jio Platforms, based on discussions with the company, we understand that it does not dilute the stake of earlier investors (Facebook, Silver Lake, Vista and General Atlantic) as it is done through conversion of OCPS.
- Further, we note that only 10% of the amount would be retained in Jio Platform while the rest would be used to deleverage RIL's standalone balance sheet. Subsequently, with the recent capital reorganization, creation of InvIT and five stake sale deals (including the KKR deal), Jio Platforms has reached net debt of INR228b from peak of INR2.17t.
- We value Jio Platforms by assigning an EV/EBITDA multiple of 13x on FY22E to arrive at a target price of INR855/share.

Contours of RIL-KKR deal

- RIL has announced that KKR would invest INR113.67b in Jio Platforms for 2.32% equity stake at post-money equity value of INR4.91t and at enterprise value of INR5.2t.
- Jio Platforms' valuation in this deal is in line with the previous three deals – Silver Lake (see report), Vista Equity Partners (see report) and General Atlantic (see report) at INR4.9t post-money equity.
- We spoke with the company to understand the structure of the fund raise. Despite the investment being done in the form of fresh equity infused into Jio Platforms, it has not diluted the stake of existing investors. This is because Jio Platforms has fixed its capital structure; also, this fresh equity as well as the last three investments (Silver Lake, Vista and General Atlantic) were done through conversion of OCPS (held by WOS of RIL), thus, keeping the total equity stake (including quasi equity OCPS) constant.
- Jio Platforms is expected to hold a part of the cash (10% and similar to previous investments), while it would shift the rest to its parent company, which could subsequently be used to deleverage RIL.
- This is the fifth high profile investment in RIL in less than four weeks, during which the company has raised INR785.6b for 17.1% equity stake.

RJio reduces debt significantly

Our understanding was that equity amount raised through the four deals (including KKR and excluding Facebook) was INR350b, which would be used to deleverage Jio Platforms. However, based on our discussion with the company, we understand that only 10% of the amount would be retained in Jio Platforms while the rest (through conversion of OCPS) would be transferred to deleverage RIL’s standalone balance sheet. Yet, Jio Platforms has reached significantly lower net debt of INR228b from net debt of INR1.4t in FY19 (net debt to EBITDA reduced from 9.7x in FY19 to virtually nil in FY21E) and peak net debt of INR2.17t before formation of the InvIT structure. Pre-KKR deal, RJio's net debt reduced to INR239b from capital reorganization, the InvIT structure and stake sales via the four deals (FB, Silver Lake, Vista and General Atlantic).

Valuation and view

We expect RJio to garner revenue/EBITDA CAGR of 22%/44% over FY20-22E along with healthy EBITDA margin expansion. Despite the price hike, the company witnessed lower-than-expected ARPU growth in 4QFY20, which was mainly due to longer validity recharge plans. Thus, we believe RJio would accrue full benefit of the price hike in FY21. Additionally, the favorable competitive landscape in the Indian telecom sector should offer healthy incremental EBITDA either through ARPU hikes or market share gains. We maintain our valuation for RJio at INR855/share assigning 13x EV/EBITDA on FY22E.

24 May 2020

Update | Sector: Consumer

ITC

BSE SENSEX	S&P CNX
30,673	9,039

Stock Info

Bloomberg	ITC IN
Equity Shares (m)	12,259
M.Cap.(INRb)/(USDb)	2290.8 / 30.6
52-Week Range (INR)	306 / 135
1, 6, 12 Rel. Per (%)	4/-1/-16
12M Avg Val (INR M)	4036

Financials Snapshot (INR b)

Y/E March	2020E	2021E	2022E
Sales	480.6	514.4	557.2
Sales Gr. (%)	6.8	7.0	8.3
EBITDA	188.3	198.2	212.3
Margins (%)	39.2	38.5	38.1
Adj. PAT	156.4	157.4	168.5
Adj. EPS (INR)	12.8	12.8	13.7
EPS Gr. (%)	25.5	0.6	7.1
BV/Sh.(INR)	50.5	53.7	57.1
Ratios			
RoE (%)	26.1	24.7	24.8
RoCE (%)	25.3	23.9	24.1
Payout (%)	82.0	82.0	82.0
Valuations			
P/E (x)	14.6	14.5	13.6
P/BV (x)	3.7	3.5	3.3
EV/EBITDA (x)	10.4	9.7	8.8
Div. Yield (%)	5.6	5.6	6.0

Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	0.0	0.0	0.0
DII	42.4	42.5	38.1
FII	14.8	15.3	17.2
Others	42.8	42.2	44.7

FII Includes depository receipts

CMP: INR186 TP: INR192 (+3%) Neutral

ITC acquires 100% stake in Sunrise Foods

- ITC announced on 24th May'20 that it has acquired 100% stake in Kolkata-based Sunrise Foods, a packaged spice maker with strong presence in East India.
- According to media reports, Sunrise had sales of INR10b in FY19. While ITC has not disclosed the deal amount, media reports indicate that Sunrise has been valued at INR20-25b, leading to an EV/sales multiple of 2-2.5x.

Our view

- The Sunrise acquisition has potential to add ~7% to ITC's FMCG business.
- ITC is expected to have ~INR330b cash and cash equivalents as of FY20E.
- ITC is already present in the branded spice category through its '*Aashirvaad*' brand. However, this acquisition would significantly scale up its spices' business. ITC would be able to generate synergies on sourcing and distribution due to its scale and pan-India presence through its FMCG-Others segment.
- ITC's pace of acquisitions has picked up in recent years and we expect it to continue in the future as well.
- We currently have a **Neutral** rating on ITC.

Key product categories of Sunrise Foods

Whole Spices

Basic Ground Spices

Blended Spices

Mustard Oil

Source: MOFSL, Comp

Few brands acquired by ITC in last 4-5 years

	FY15		FY18	FY19
B Natural	Savlon	Shower to Shower	CHARMIS	nimyle FLOOR CLEANER

Source: Company, MOFSL

JSW Steel

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	JSTL IN
Equity Shares (m)	2,417
M.Cap.(INRb)/(USDb)	402 / 5.4
52-Week Range (INR)	297 / 133
1, 6, 12 Rel. Per (%)	5/-10/-18
12M Avg Val (INR M)	1996

Financials & Valuations (INR b)

Y/E MARCH	2020E	2021E	2022E
Sales	726.1	672.4	869.7
EBITDA	111.6	99.6	174.4
Adj. PAT	21.7	5.8	58.0
EBITDA Margin(%)	15.4	14.8	20.0
Adj. EPS (INR)*	9.0	2.4	24.2
EPS Gr. (%)	-71.6	-73.1	894.6
BV/Sh. (INR)	152.5	152.8	174.9
Ratios			
Net D:E	1.6	1.7	1.6
RoE (%)	6.1	1.6	14.7
RoCE (%)	4.7	3.4	7.6
Payout (%)	55.1	82.3	8.3
Valuations			
P/E (x)	18.3	67.9	6.8
P/BV (x)	1.1	1.1	0.9
EV/EBITDA(x)	8.9	10.4	6.0
Div. Yield (%)	2.5	1.2	1.2
FCF Yield (%)	-9.5	-3.8	-0.3

*Cons.

Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	42.7	42.3	42.7
DII	4.9	4.6	3.4
FII	17.7	18.3	19.2
Others	34.7	34.8	34.7

FII Includes depository receipts

CMP: INR166 TP: INR199 (+20%) Buy

Higher steel realization drives EBITDA

Declining raw material prices to support margins; Dolvi expansion delayed

- JSW Steel (JSTL)'s fourth-quarter result reflects the benefit of higher domestic steel prices. Derived realization improved by 7% QoQ to INR41,289/t, leading to a 45% QoQ increase in EBITDA to INR8,703/t. Rev/EBITDA/Adj PAT declined 20%/33%/32% YoY to INR179b/INR30b/INR10.4b respectively.
- We expect lower coking coal and domestic iron ore prices to cushion the fall in margins due to lower steel prices in FY21E and expect margins to decline 10% YoY in FY21E. Our FY21E/FY22E estimates remain broadly unchanged. Maintain **Buy**.

In-line; Higher steel prices drive sequential EBITDA growth

JSTL's consol. EBITDA was down 33% YoY (+35% QoQ) to INR29.7b (our est.: INR30.3b) on lower margins and consol. PBT (before exceptional item) was down 60% YoY to INR9.5b (est.: INR9.6b) due to lower margins.

- Standalone (S/A) volumes declined 14% YoY (-8% QoQ) to 3.7mt due to COVID-19. Crude steel production declined 5% YoY (-1% QoQ) to 3.97mt. The share of exports declined to 13% v/s 24% in the previous quarter.
- Realization improved 7% QoQ (down 10% YoY) to INR41,289/t (est.: INR41,500/t) on strong domestic prices and lower exports.
- EBITDA/t improved 45% QoQ (down 14% YoY) to INR8,703/t, led by higher realization.
- EBITDA of subsidiaries came in at a loss of ~INR2.4b (v/s INR2.2b in 3QFY20), due to lower profit in domestic subsidiaries.
- FY20 consol rev / EBITDA / PAT declined 14%/41%/71% YoY to INR726b/INR112b/INR22b, respectively, on lower margins.
- Reported net debt stood at INR535b v/s INR460b at FY19 end; net debt to EBITDA was at 4.5x.

Highlights from management commentary

- Management highlighted that the current capacity utilization is 85% and it expects to exit Q1FY21 at normal levels.
- It guided for full-year sales volumes of 15.0mt (flattish YoY) despite weak domestic demand in H1FY20 on account of its ability to export higher volumes. It expects to export 25–30% of volumes in FY22 (FY20: 21%), with the share of exports being much higher in H1FY21.
- The commissioning of the Dolvi expansion has now been delayed to FY21 end due to labor shortage and the non-availability of foreign technical expertise.
- JSTL has rolled over March prices over Apr–May. However, it expects prices to fall to Anti-Dumping Duty reference price (US$489/t).
- JSTL has curtailed FY21 capex to INR90b (earlier guidance of INR164b).

Valuation and view – Strong project pipeline to drive growth

We expect JSTL to sail through these uncertain times due to COVID-19 given its ability to export higher volumes. We expect lower iron ore and coking coal prices in FY21 to partly offset decline in steel realizations. We have factored in YoY decline of 5%/10% in volumes/margins for FY21; however, we expect volumes and margins to improve significantly in FY22 on the commissioning of Dolvi and other cost-saving projects, and an improved market scenario. Although JSTL's net debt is expected to rise over FY20–22E, we expect net debt to peak in FY22 at INR654b (INR600b in FY20), with net debt to EBITDA of 3.7x. We value JSTL at a 6.5x FY21E EV/EBITDA to arrive at a TP of INR199/share. Maintain **Buy.**

Quarterly performance (consolidated) – INR m

Y/E March	FY19				FY20				FY19	FY20		vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Net Sales	**2,05,190**	**2,15,520**	**2,03,180**	**2,23,680**	**1,98,120**	**1,71,060**	**1,78,050**	**1,78,870**	**8,47,570**	**7,26,100**	**1,77,936**	1
Change (YoY %)	38.4	27.2	13.8	9.4	-3.4	-20.6	-12.4	-20.0	20.9	-14.3	-20.5	
EBITDA	**51,050**	**49,060**	**45,010**	**44,400**	**37,160**	**22,650**	**22,010**	**29,750**	**1,89,520**	**1,11,570**	**30,324**	-2
Change (YoY %)	85.9	55.0	16.9	-9.8	-27.2	-53.8	-51.1	-33.0	29.0	-41.1	-31.7	
EBITDA (INR per ton)	13,329	12,389	12,231	10,350	9,909	6,292	5,462	8,041	12,025	7,399	8,125	-1
EBITDA (USD per ton)	**199**	**177**	**170**	**147**	**142**	**89**	**77**	**111**	**172**	**104**	**112**	
Interest	8,870	9,630	10,210	10,460	10,420	11,270	10,600	10,360	39,170	42,650	11,035	-6
Depreciation	9,050	9,740	10,780	10,840	10,260	10,570	10,550	11,080	40,410	42,460	10,455	6
Other Income	580	560	370	530	1,410	1,560	1,270	1,220	2,040	5,460	1,130	8
PBT (before EO Item)	**33,710**	**30,250**	**24,390**	**23,630**	**17,890**	**2,370**	**2,130**	**9,530**	**1,11,980**	**31,920**	**9,964**	-4
EO Items						26,160	2,500	**-8,050**		20,610		
PBT (after EO Item)	**33,710**	**30,250**	**24,390**	**23,630**	**17,890**	**28,530**	**4,630**	**1,480**	**1,11,980**	**52,530**	**9,964**	-85
Total Tax	10,530	9,360	8,200	8,350	7,620	3,020	2,490	-690	36,440	12,440	3,189	-122
% Tax	31.2	30.9	33.6	35.3	42.6	10.6	53.8	-46.6	32.5	23.7	32.0	
Reported PAT	**23,180**	**20,890**	**16,190**	**15,280**	**10,270**	**25,510**	**2,140**	**2,170**	**75,540**	**40,090**	**6,775**	-68
MI (Profit)/Loss	270	390	210	280	200	240	240	430	1,150	1,110	240	
Share of P/(L) of Ass.	210	-20	-160	-330	-190	-150	-270	-290	-300	-900	-235	
Adjusted PAT	**23,660**	**21,260**	**16,240**	**15,230**	**10,280**	**809**	**234**	**10,360**	**76,390**	**21,683**	**6,780**	53
Change (YoY %)	229.4	127.8	-16.5	-30.7	-56.6	-96.2	-98.6	-32.0	31.8	-71.6	-55.5	

Colgate

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	CLGT IN
Equity Shares (m)	272
M.Cap.(INRb)/(USDb)	357.3 / 4.8
52-Week Range (INR)	1641 / 1065
1, 6, 12 Rel. Per (%)	-11/11/36
12M Avg Val (INR M)	959

Financials & Valuations (INR b)

Y/E March	2020E	2021E	2022E
Sales	45.3	46.0	51.5
Sales Gr. (%)	1.4	1.6	12.1
EBITDA	12.0	12.2	14.1
EBITDA Mrg. (%)	26.6	26.6	27.4
Adj. PAT	8.2	8.2	9.8
Adj. EPS (INR)	30.0	30.3	36.1
EPS Gr. (%)	8.1	1.0	19.2
BV/Sh.(INR)	58.6	53.8	45.1
Ratios			
RoE (%)	53.7	54.0	73.1
RoCE (%)	52.2	54.3	73.4
Payout (%)	93.2	93.5	100.0
Valuation			
P/E (x)	43.7	43.3	36.3
P/BV (x)	22.4	24.4	29.1
EV/EBITDA (x)	29.4	28.7	24.9
Div. Yield (%)	2.1	2.2	2.8

Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	51.0	51.0	51.0
DII	10.2	10.4	10.4
FII	16.2	16.5	15.4
Others	22.7	22.1	23.3

FII Includes depository receipts

CMP: INR1,314 TP: INR1,520 (+16%) Buy

Silver lining in market share gain, but needs sustaining

Brief view on results and stock

- Colgate's (CLGT) 4QFY20 results were disappointing relative to expectations, but understandable, given the COVID-19 related disruptions highlighted by peers that have already declared results.
- We maintain **'Buy'** rating on CLGT due to inexpensive valuations (below 10-year average P/E), relatively resilient portfolio (v/s peers) in an uncertain time, among the best of breed balance sheet metrics and incipient signs of market share gains.

Volumes decline 8% for the quarter; Miss on overall estimates

- **Revenue declined 7.1% YoY** to INR10.7b (v/s est. INR11.8b) in 4QFY20. EBITDA was down 15.3% YoY to INR2.6b (v/s est. INR3b). PBT declined 16.5% YoY to INR2.3b (v/s est. INR2.5b). Adj. PAT grew 2.1% YoY to INR2b (v/s est. INR1.8b) on account of low tax rate. Domestic sales decline was led by 8% YoY volume decline (v/s est. 1% growth).
- **FY20 revenue grew 1.4% YoY** (~0.6% toothpaste volume growth), while EBITDA/Adj. PAT grew -2.8%/8.1%. EBITDA margins contracted by 110bp YoY to 26.6%.
- **4QFY20 gross margin expanded by 10bp to 64.7%.** EBITDA margin contracted by 240bp YoY to 24.5%. Absolute ad spends were down 0.5% YoY.
- **Balance sheet performance:** Increase in inventory days (+3 days) on account of unsold stocks due to the COVID-19 crisis was offset by lower Debtor days (-3 days). Cash conversion cycle, thus, stood at negative 15 days, in line with its historical average. Operating cash flow declined 9.5% while PAT growth came in at 8.1%. FCF stood at INR8.3b (5.5% decline YoY) while RoCE came in at 52.2%.

Highlights from management commentary

- Market share in CY19 was slightly down but for each of the first 4 months in CY20 it was up YoY, including an 80bp market share gain in Mar'20, despite the COVID-19 disruption.
- Herbal market share expanded by 300bp in recent months.
- Re-launched *Colgate Dental Cream* with best clinically superior technology and a new formulation, for which the initial feedback is good.

Valuation and view

- Results were disappointing relative to expectations, but understandable given the COVID-19 related disruptions highlighted by peers that have already declared results. Market share gains in recent months is encouraging but needs to be sustained for making a stronger investment case.
- We **maintain Buy** on CLGT as from a one-year perspective, (a) the nature of the category (98% of sales from oral care) offers less uncertainty currently, (b) it has among the best of breed balance sheets, (c) valuations are inexpensive at 36.3x FY22E EPS, close to its 10-year average, and (d) there is spark of an incipient market share recovery under the new Managing Director. We arrive at a TP of INR1,520 (target multiple of 42x FY22E EPS, based on 5-year average).

Quarterly Performance (INR Million)

Y/E March	FY19				FY20				FY19	FY20	FY20	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
Toothpaste Volume Gr %	**4.0**	**7.0**	**7.0**	**5.0**	**4.0**	**4.0**	**2.3**	**-8.0**	**5.0**	**0.6**	**1.0**	
Net Sales (incldg. OOI)	**10,413**	**11,680**	**10,994**	**11,538**	**10,849**	**12,218**	**11,472**	**10,713**	**44,624**	**45,251**	**11,844**	-9.6%
YoY change (%)	6.5	7.7	6.4	5.7	4.2	4.6	4.3	-7.1	263.7	1.4	2.7	
Gross Profit	**6,863**	**7,565**	**7,161**	**7,449**	**7,145**	**7,910**	**7,541**	**6,926**	**29,038**	**29,522**	**7,721**	-10.3%
Gross margin (%)	65.9	64.8	65.1	64.6	65.9	64.7	65.7	64.7	65.1	65.2	65.2	
EBITDA	**2,815**	**3,296**	**3,145**	**3,104**	**2,998**	**3,230**	**3,161**	**2,629**	**12,360**	**12,017**	**2,950**	-10.9%
Margins (%)	27.0	28.2	28.6	26.9	27.6	26.4	27.6	24.5	27.7	26.6	24.9	
YoY growth (%)	26.7	9.5	11.2	0.9	6.5	-2.0	0.5	-15.3	308.0	-2.8	-5.0	
Depreciation	394	398	406	394	499	504	515	462	1,592	1,979	492	
Interest	0	0	0	25	23	24	29	20	25	96	4	
Financial other Income	92	86	79	120	152	86	58	196	377	492	39	
PBT	**2,513**	**2,984**	**2,818**	**2,805**	**2,628**	**2,788**	**2,674**	**2,344**	**11,120**	**10,434**	**2,493**	-6.0%
Tax	844	1,020	897	805	937	347	683	302	3,566	2,269	697	
Rate (%)	33.6	34.2	31.8	28.7	35.7	12.4	25.6	12.9	32.1	21.7	28.0	
Adj PAT	**1,669**	**1,964**	**1,921**	**2,000**	**1,691**	**2,441**	**1,991**	**2,042**	**7,554**	**8,165**	**1,796**	13.6%
YoY change (%)	22.4	10.6	12.6	1.7	1.3	24.3	3.6	2.1	256.3	8.1	-10.2	

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY19				FY20			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Realization Gr %	**2.5**	**0.7**	**-0.6**	**0.7**	**0.2**	**0.6**	**2.0**	**0.9**
2Y average growth %								
Volumes	-0.5	3.1	9.5	4.5	4.0	5.5	4.7	-1.5
Sales	1.5	5.2	12.3	5.5	5.3	6.1	5.4	-0.7
EBITDA	15.9	9.5	21.7	13.8	16.6	3.8	5.8	-7.2
PAT	15.4	4.3	23.0	19.8	11.9	17.4	8.1	1.9
% sales								
COGS	34.1	35.2	34.9	35.4	34.1	35.3	34.3	35.3
Staff cost	7.2	6.5	6.5	6.4	7.7	6.7	6.7	8.4
Advertising	13.8	11.9	11.5	13.5	13.9	14.4	12.5	14.5
Others	17.9	18.1	18.6	17.7	16.6	17.2	19.0	17.2
Depriciation	3.8	3.4	3.7	3.4	4.6	4.1	4.5	4.3
YoY change %								
COGS	-0.8	3.7	6.7	9.1	4.3	4.7	2.6	-7.4
Staff cost	3.0	-7.2	-5.3	-3.1	11.4	7.2	8.4	22.3
Advertising	0.1	16.5	4.4	8.9	5.4	26.5	13.8	-0.5
Others	2.5	13.9	4.7	7.9	-3.4	-0.6	6.4	-9.9
Other income	-23.7	0.3	-7.6	40.9	65.6	-0.1	-26.7	64.4
EBIT	30.9	10.7	12.5	1.5	3.2	-5.9	-3.4	-20.1

E: MOFSL Estimates

UPL

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	UPLL IN
Equity Shares (m)	765
M.Cap.(INRb)/(USDb)	283.5 / 3.7
52-Week Range (INR)	709 / 240
1, 6, 12 Rel. Per (%)	7/-6/-24
12M Avg Val (INR M)	2306

Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Sales	357.6	391.0	421.9
EBITDA	74.5	86.8	93.7
PAT	28.9	29.9	32.4
EBITDA (%)	20.8	22.2	22.2
EPS (INR)	37.7	39.1	42.4
EPS Gr. (%)	17.0	3.8	8.3
BV/Sh. (INR)	213	244	421
Ratios			
Net D/E	1.5	1.3	1.0
RoE (%)	18.6	17.1	16.2
RoCE (%)	9.5	10.2	10.6
Payout (%)	25.8	20.0	20.0
Valuations			
P/E (x)	9.8	9.5	8.8
EV/EBITDA (x)	1.7	1.5	0.9
Div Yield (%)	1.6	2.1	2.3
FCF Yield (%)	14.0	13.0	17.8

Shareholding pattern (%)

	Mar-20	Dec-19	Mar-19
Promoter	27.9	27.9	27.9
DII	12.6	11.5	9.5
FII	41.9	43.5	42.8
Others	17.6	17.2	19.9

Note: FII includes depository receipts

CMP: INR371 **TP: INR424 (+14%)** **Neutral**

Synergies drive operating performance

Robust growth across geographies, barring Europe

- In 4QFY20, strong revenue growth was witnessed across geographies, barring Europe. On like-to-like basis (i.e. including Arysta in 4QFY19) revenue/EBITDA grew 26%/25% YoY; however, excluding synergies benefits, EBITDA stood flat during the quarter.
- In our view, high debt remains a key concern on the stock. Maintain **Neutral**.

Revenue grows across regions, barring Europe

- UPLL (including Arysta) reported overall revenue of INR111b (v/s est. INR101b) in 4QFY20, up 31% YoY. Reported EBITDA stood at INR21.7b (v/s est. INR23.4b), up 17% YoY; EBITDA growth was restricted due to 300bp contraction in gross margins to 43.9%. However, adj. PAT declined 15% YoY to INR8.1b (v/s est. INR9.6b) due to higher depreciation/lower other income, offset by lower interest cost (due to forex gain of INR2b) and higher tax rate.
- On like-to-like basis (i.e. including Arysta in 4QFY19), revenue grew 26% YoY (volume growth: 29%, price: -2% and exchange impact: -2%). Like-to-like EBITDA increased 25% YoY.
- Note that EBITDA growth of 25% in 4QFY20 was driven by cost and revenue synergies; excluding the same, EBITDA remained flat (*refer exhibit 1*).
- For FY20, like-to-like revenue/EBITDA grew 13%/18%; revenue growth was driven by 16% volume growth, offset by 1% decline in prices and 2% forex impact.
- In 4QFY20, strong revenue growth was witnessed across regions (North America: +45%, India: +36%, LatAm: 27% and RoW: +33%), barring Europe (down 2% YoY).
- According to management, for 4QFY20/FY20, cost synergy realized from the Arysta acquisition stood at INR2.4b/INR7.7b and revenue synergies at INR9.5b/INR17b.

Highlights from management commentary

- Draft proposal on banning 27 pesticides in India would not impact the exports of these pesticides.
- **FY21 guidance**: Cost synergy of USD150m, revenue synergy of USD200m and capex of USD260-275m.
- UPLL is aiming to reduce Net Debt to EBITDA to 2x by FY21 from 2.9x as at FY20.

Valuation and view

- UPLL's FY20 revenue/EBITDA (like-to-like) grew 13%/18%, primarily driven by synergy benefits; excluding the same, base business' (UPLL and Arysta; ex-synergy) operating performance remained flat (*refer exhibit 2*).
- Additionally, net debt reduced by INR44b in FY20 (in line with guidance). However, the same was achieved by issuing perpetual bonds worth INR30b, which receives equity treatment as per accounting standards. If we treat perpetual bonds as debt, then net debt has reduced only by INR12b in FY20 to INR250b. Thus, high debt remains a key concern for the company owing to the Arysta acquisition; net debt (including perpetual bond) to EBITDA still stood at 3.4x in FY20 and is likely to reduce to 2.7x in FY21.
- Expect revenue/EBITDA/PAT CAGR of 9%/12%/6% over FY20-22E. We value the stock at 10x FY22E EPS and arrive at a target price of INR424; Maintain **Neutral**.

Cons.: Quarterly perf. (Incl-Arysta) (INR M)

Y/E March	FY19				FY20				FY19	FY20	FY20	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4Q E	%
Net Sales	**41,340**	**42,570**	**49,210**	**85,250**	**79,060**	**78,170**	**88,920**	**111,410**	**2,18,370**	**3,57,560**	**1,01,119**	**10%**
YoY Change (%)	11.0	12.9	17.3	49.8	91.2	83.6	80.7	30.7	25.7	63.7	18.6	
Total Expenditure	32,870	34,180	39,050	66,730	63,110	61,980	68,220	89,720	1,72,830	2,83,030	77,698	
EBITDA	**8,470**	**8,390**	**10,160**	**18,520**	**15,950**	**16,190**	**20,700**	**21,690**	**45,540**	**74,530**	**23,421**	**-7%**
Margins (%)	20.5	19.7	20.6	21.7	20.2	20.7	23.3	19.5	20.9	20.8	23.2	
Depreciation	1,750	1,810	1,820	3,420	5,770	4,760	4,950	5,950	8,800	21,430	5,300	
Interest	1,750	1,810	2,020	4,050	3,980	3,810	5,150	1,870	9,630	14,810	5,100	
Other Income	1,230	320	370	480	390	240	200	210	2,400	1,040	298	
Exch. difference on trade rec./payable	500	520	780	1,190	60	920	-320	2,650	2,990	3,310	0	
PBT before EO expense	**5,700**	**4,570**	**5,910**	**10,340**	**6,530**	**6,940**	**11,120**	**11,430**	**26,520**	**36,020**	**13,319**	**-14%**
Extra-Ord expense	40	570	910	7,410	4,210	3,050	750	1,710	8,930	9,720	700	
PBT	**5,660**	**4,000**	**5,000**	**2,930**	**2,320**	**3,890**	**10,370**	**9,720**	**17,590**	**26,300**	**12,619**	**-23%**
Tax	520	1,160	280	20	120	990	1,990	2,110	1,980	5,860	2,171	
Rate (%)	9.2	29.0	5.6	0.7	5.2	25.4	19.2	21.7	11.3	22.3	17.2	
MI & P/L of Asso. Cos.	40	140	110	410	420	440	1,370	1,440	700	3,670	1,342	
Reported PAT	**5,100**	**2,700**	**4,610**	**2,500**	**1,780**	**2,460**	**7,010**	**6,170**	**14,910**	**16,770**	**9,106**	**-32%**
Adj PAT	**5,580**	**3,438**	**6,113**	**9,528**	**7,318**	**5,208**	**8,233**	**8,103**	**24,658**	**28,860**	**9,631**	**-16%**
YoY Change (%)	12.4	6.0	-3.0	24.8	31.1	51.5	34.7	-15.0	11.4	17.0	6.1	
Margins (%)	13.5	8.1	12.4	11.2	9.3	6.7	9.3	7.3	11.3	8.1	9.5	

Note: Adjusted PAT = Reported PAT + forex adjustment + exceptional item; Sum of 4 quarters for FY20 would not add up to full year's number (below EBITDA) as numbers for 1QFY20 and 2QFY20 have been revised.

Key Performance Indicators

Y/E March	FY19				FY20				FY19	FY20
Consolidated	**1Q**	**2Q**	**3Q**	**4Q**	**1Q**	**2Q**	**3Q**	**4Q**		
Sales Growth Split										
Volume (%)	**8.0**	**8.0**	**6.0**	**7.0**	**5.0**	**15.0**	**10.0**	**29.0**	**7.0**	**16.0**
Price (%)	**1.0**	**4.0**	**7.0**	**5.0**	**1.0**	**-1.0**	**-1.0**	**-2.0**	**4.0**	**-1.0**
Exchange Impact (%)	**3.0**	**2.0**	**5.0**	**3.0**	**1.0**	**-3.0**	**-2.0**	**-2.0**	**3.0**	**-2.0**
Cost Break-up										
RM Cost (% of sales)	44.5	44.1	45.2	53.1	49.7	48.5	49.8	56.1	**47.9**	**51.4**
Staff Cost (% of sales)	11.0	11.0	10.2	7.9	10.9	10.6	8.2	8.7	**9.6**	**9.5**
Other Cost (% of sales)	24.0	25.3	23.9	17.3	19.3	20.1	18.7	15.8	**21.6**	**18.2**
Gross Margins (%)	55.5	55.9	54.8	46.9	50.3	51.5	50.2	43.9	**52.1**	**48.6**
EBITDA Margins (%)	20.5	19.7	20.6	21.7	20.2	20.7	23.3	19.5	**20.9**	**20.8**
EBIT Margins (%)	16.3	15.5	16.9	17.7	12.9	14.6	17.7	14.1	**16.8**	**17.9**

Bosch

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	BOS IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	281.2 / 3.6
52-Week Range (INR)	17845 / 7874
1, 6, 12 Rel. Per (%)	-6/-18/-22
12M Avg Val (INR M)	305

Financials & Valuations (INR b)

Y/E March	FY20	FY21E	FY22E
Sales	98.4	82.6	93.8
EBITDA Margin (%)	14.8	10.0	13.8
Adj. PAT	12.4	9.1	12.1
EPS (INR)	418.8	310.2	409.9
EPS Gr. (%)	-22.5	-25.9	32.1
BV/Sh. (INR)	3,143	3,376	3,683
Ratios			
RoE (%)	13.4	9.5	11.6
RoCE (%)	17.9	12.2	14.9
Payout (%)	63.7	25.0	25.0
Valuations			
P/E (x)	22.8	30.7	23.3
P/BV (x)	3.0	2.8	2.6
Div. Yield (%)	1.1	0.7	0.9
FCF Yield (%)	3.2	1.5	2.1

Shareholding pattern (%)

As On	Mar-20	Dec-19	Mar-19
Promoter	70.5	70.5	70.5
DII	13.1	13.3	13.0
FII	7.5	7.4	7.5
Others	8.8	8.7	8.9

FII Includes depository receipts

CMP: INR9,534 TP: INR10,250 (+8%) Neutral

Mixed bag; Guidance for very bleak industry outlook

Beginning to outperform underlying industry growth, led by content increase

- 4QFY20 saw the first quarter of BOS outperforming underlying industry growth; this was led by the initial benefit of a BS6 content increase and the 2Ws segment addition. We expect this trend to continue, barring substantial divergence in segmental trends. We believe stock price is largely reflecting for all the negatives, but a re-rating catalyst may emerge within two to three quarters.
- We downgrade our FY21/FY22 EPS by 10%/3% to reflect volume decline. We maintain **Neutral**, with TP of ~INR10,250 (~25x Mar'22 EPS).

Beat on revenue growth, miss in margins, and in-line adj. PBT

- Bosch (BOS)'s revenues/EBITDA/PAT declined 19%/34%/26% YoY in 4QFY20 and FY20 revenue/EBITDA/PAT declined 18.6%/31%/23% YoY.
- BOS' Auto sector revenue declined ~24%, impacted by ~30% decline in Powertrain Solutions, but diluted by growth in 2Ws.
- Operating deleverage impacted EBITDA margins (-90bp YoY) to ~15.3% (v/s est. 16.2%). However, tax write-backs restricted adj. PAT decline to ~26% YoY to ~INR3b (v/s est. ~INR2.8b).
- The company provided (INR3b/INR7.2b in 4Q/FY20) for restructuring expenses linked with structural changes in the business, which may continue in FY21, if required.

Highlights from management commentary

- **Bleak FY21 outlook for Auto industry:** BOS expects FY21 production to decline sharply across segments: 2Ws (-41%), PVs (-42%), 3Ws (-12%), LCVs (-47%), M&HCV (-15%), and Tractors (-40%). The industry is expected to take four to six years to recover to the previous peak of FY19, with BOS likely to make a faster comeback owing to good BS6 order wins, improving content, adjacencies, and new-age business areas.
- For BS6, it has won over 79 projects across segments; these projects are valued at ~INR240b across the life cycle (pre-COVID-19 estimates). This also includes hybrid vehicles. Acquisitions for RDE/CAFÉ 2 norms have just commenced. OEMs are looking at their engine roadmaps and bringing back diesel in their plans.
- BOS has formed a wholly-owned subsidiary for new-age and high-tech manufacturing. We believe this subsidiary was formed to avail concessional income tax of 15% and would house future businesses, such as EV components.
- **Status of operations**: BOS has resumed operations with 15–20% utilization on a single-shift basis and expects to operate at this level for May and June. However, ramp-up beyond the first shift would depend on ramp-up at tier-2 / tier-3 vendors, which may face a labor shortage if migrant labor takes time to return.

Valuation and view

- We downgrade FY21/FY22 EPS by 10%/3% due to lower volume estimates for the underlying industry, diluted by higher other income.
- Valuations at ~30.7x/23.3x FY21/FY22E EPS largely factor potential market share loss during the BS6 transition. Maintain **Neutral**.

Quarterly performance (S/A) (INR m)

Y/E March	FY19				FY20				FY19	FY20	FY20
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE
Net Sales	**32,122**	**31,647**	**30,078**	**27,492**	**27,554**	**23,127**	**25,366**	**22,369**	**120,850**	**98,416**	**20,347**
YoY Change (%)	21.3	12.5	-2.1	-12.9	-14.2	-26.9	-15.7	-18.6	3.4	-18.6	-26.0
RM Cost (% of sales)	54.4	56.7	55.2	54.3	54.4	55.4	52.1	53.9	55.2	53.9	53.0
Staff Cost (% of sales)	10.9	10.6	11.1	12.4	12.8	14.5	12.0	12.4	11.2	12.9	13.9
Other Expenses (% of sales)	15.1	13.9	20.0	14.5	15.2	15.5	23.2	18.5	15.8	18.1	17.0
EBITDA	**6,282**	**5,972**	**4,116**	**5,165**	**4,848**	**3,369**	**3,203**	**3,414**	**21,542**	**14,833**	**3,293**
Margins (%)	19.6	18.9	13.7	18.8	17.6	14.6	12.6	15.3	17.8	15.1	16.2
Depreciation	939	943	1,006	1,144	749	827	1,098	1,158	4,021	3,833	1,018
Interest	0	0	102	31	18	6	29	49	133	102	28
Other Income	1,147	1,395	1,786	1,625	988	1,675	1,399	1,404	5,953	5,466	1,371
PBT before EO expense	**6,489**	**6,424**	**4,795**	**5,615**	**5,068**	**4,211**	**3,475**	**3,611**	**23,341**	**16,364**	**3,619**
Extra-Ord expense	0	11	0	0	821	2,750	2,075	2,970	0	8,616	0
PBT after EO Expense	**6,489**	**6,413**	**4,795**	**5,615**	**4,247**	**1,461**	**1,400**	**641**	**23,341**	**7,749**	**3,619**
Tax Rate (%)	33.6	34.5	31.5	26.7	33.7	29.7	14.7	-26.6	31.7	24.5	23.5
Adj PAT	**4,310**	**4,207**	**3,285**	**4,117**	**3,435**	**3,103**	**2,760**	**3,053**	**15,935**	**12,350**	**2,767**
YoY Change (%)	42.4	19.1	16.9	-17.1	-20.3	-26.3	-16.0	-25.8	11.1	-22.5	-32.8

Key performance indicators

	FY19				FY20				FY19	FY20
Segmental mix (INR m)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Auto	27,266	27,478	25,371	22,952	23,596	19,543	21,430	18,784	103,067	83,352
Growth (%)	9.7	13.5	(0.1)	(16.2)	(13.5)	(28.9)	(15.5)	(18.2)	1.2	(19.1)
PBIT margin (%)	21	19.2	14.5	15.4	13.9	8.3	2.6	(2.9)	17.6	5.9
Contribution (%)	84.9	86.8	84.3	83.5	85.6	84.5	84.5	84.0	84.9	84.7
Non-Auto	4,884	4,265	5,083	4,554	4,010	3,645	4,083	3,606	18,786	15,343
Growth (%)	35.9	7.2	(10.6)	7.3	(17.9)	(14.6)	(19.7)	(20.8)	7.3	(18.3)
PBIT margin (%)	12	9.7	11.3	13.5	15.9	9.2	2.8	10.4	11.6	9.5
Contribution (%)	15.2	13.5	16.9	16.6	14.6	15.8	16.1	16.1	15.5	15.6

E:MOSL Estimates

Essel Propack

Estimate change	↓
TP change	↔
Rating change	↔

Bloomberg	ESEL IN
Equity Shares (m)	315
M.Cap.(INRb)/(USDb)	53.7 / 0.7
52-Week Range (INR)	204 / 79
1, 6, 12 Rel. Per (%)	-3/34/49
12M Avg Val (INR M)	48

Financials & Valuations (INR b)

Y/E Mar	2020	2021E	2022E
Sales	27.6	29.7	33.0
EBITDA	5.6	6.1	7.0
PAT	2.2	2.4	3.1
EBITDA (%)	20.2	20.6	21.4
EPS (INR)	6.9	7.7	10.0
EPS Gr. (%)	14.3	12.3	29.4
BV/Sh. (INR)	48.6	52.1	57.6
Ratios			
Net D/E	0.2	0.1	0.0
RoE (%)	14.8	15.3	18.2
RoCE (%)	12.5	13.1	15.6
Payout (%)	60.6	54.7	44.7
Valuations			
P/E (x)	24.8	22.1	17.1
EV/EBITDA (x)	10.2	9.2	7.8
Div Yield (%)	1.9	2.1	2.2
FCF Yield (%)	1.5	4.3	5.6

Shareholding pattern (%)

	Mar-20	Dec-19	Mar-19
Promoter	75.0	83.0	57.0
DII	2.3	2.4	2.3
FII	4.6	3.8	17.8
Others	18.1	10.8	22.9

Note: FII includes depository receipts

CMP: INR171 TP: INR200 (+17%) Buy

COVID-19 impacts overall performance

Earnings below estimate

- Revenue across EAP and AMESA region was impacted during 4QFY20 due to the lockdown in China and India (Mar'20). However, this was offset by robust growth in Europe and Americas region. Thus, overall consolidated revenue declined 1% YoY.
- We have cut our estimates for FY21/FY22E by 14%/5%, factoring in the slowdown in business across multiple geographies to arrive at a TP of INR200. Maintain **Buy**.

AMESA and EAP majorly affected by lockdowns

- Revenue declined marginally by 1% YoY to INR6.8b (v/s est. INR7.3b), primarily due to sluggish performance in EAP and AMESA (for certain portion of the quarter). EBITDA margins expanded by 110bp YoY to 20.1% (v/s est. 20.7%), largely due to improvement in the overall product mix and strong growth in the Europe region. However, this was offset by margin contraction in AMESA and Americas region. Adj. PAT declined 1% YoY to INR486m (v/s est. INR604m). For FY20, revenue/EBITDA/adj. PAT grew 2%/12%/14% YoY to INR27.6b/ INR5.5b/ INR2.1b.
- AMESA revenue declined 9% YoY to INR2.1b, with EBIT margins decreasing 120bp to 11%, due to tough macroeconomic conditions in India and outbreak of COVID-19 in 4QFY20.
- EAP revenue declined 12% YoY to INR1.3b, due to the lockdown in China, which impacted sales and operations in Feb-Mar'20. EBIT margin expanded by 70bp to 11% due to increase in the share of personal care.
- Americas revenue grew 4% YoY to INR1.7b on the back of customer wins across categories. EBIT margins contracted by 150bp to 17%.
- Europe revenue grew 16% YoY to INR1.9b with EBIT margins expanding by 70bp to 7%, due to new customer wins in personal and oral care, robust business development pipeline and improvement in the product mix.

Highlights from management commentary

- Share of personal care products in total revenue increased to 45% in FY20 (v/s 43% in FY19 and 34% five years back). EPL has been at the forefront in the industry, converting laminated tubes to newer sub-categories like shampoos, hair conditioners, etc. Other new categories in this segment include eye care and hand care tubes.
- Pro-forma adjusted revenue (adjusted for the COVID-19 impact – including orders in-hand, which could have been fulfilled in Feb-Mar'20) grew 7% while pro-forma EBITDA/EPS grew 21.7%/57.4% in 4QFY20.
- **New category:** Managed to launch new product category – **hand sanitizer tubes –** within just 15 days. The company has become a leading hand sanitizer tube supplier with robust order pipeline across the globe with the potential to scale up to 150m tubes. EPL has been able to increase wallet share in other categories as well.

Valuation and view

- In the medium term, COVID-19 is expected to have minimal impact on EPL's performance as its 20 plants located across four geographies are operational; however, performance should be slightly affected in 1QFY21 due to slower off-take in certain geographies.
- Europe region has largely aided quarterly and annual performance. The region is likely to continue growth trajectory with further margin improvement through better utilization levels and recent customer wins in the oral care segment, which should further diversify across categories.
- Introduction of 'hand sanitizer tube' has led to another source of revenue generation. In just a short span of time, EPL has become a leading supplier of hand sanitizer tubes with strong order pipeline from across the global. Further, the new category alone has potential to scale up the business by additional 150m tubes.
- We expect revenue/EBITDA/PAT CAGR of 9%/12%/21% over FY20-22E. We have cut our earnings estimates by 14%/5% for FY21/FY22E, factoring in the COVID-19 impact and consequently slower pick-up of volumes across geographies. We value the stock at 20x FY22E EPS of INR10, arriving at a target price of INR200. Maintain **Buy**.

Consolidated - Quarterly Earning Model (INR Million)

Y/E March	FY19				FY20				FY19	FY20	FY20	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	%
Gross Sales	**6,354**	**6,835**	**6,944**	**6,937**	**6,298**	**7,305**	**7,108**	**6,889**	**27,069**	**27,601**	**7,382**	**-7**
YoY Change (%)	8.9	6.8	16.7	10.4	-0.9	6.9	2.4	-0.7	10.6	2.0	6.4	
Total Expenditure	5,238	5,588	5,632	5,621	5,213	5,780	5,530	5,504	22,078	22,026	5,853	
EBITDA	**1,116**	**1,247**	**1,313**	**1,316**	**1,086**	**1,525**	**1,579**	**1,385**	**4,991**	**5,574**	**1,530**	**-9**
Margins (%)	17.6	18.2	18.9	19.0	17.2	20.9	22.2	20.1	18.4	20.2	20.7	
Depreciation	445	450	470	496	568	576	580	574	1,861	2,298	580	
Interest	136	160	161	156	137	156	134	130	613	557	135	
Other Income	175	57	39	93	66	19	42	8	364	134	95	
PBT before EO expense	**710**	**694**	**720**	**756**	**447**	**812**	**907**	**688**	**2,881**	**2,854**	**910**	
Extra-Ord expense	0	0	0	-31	-109	203	0	0	-31	94	0	
PBT	**710**	**694**	**720**	**786**	**556**	**609**	**907**	**688**	**2,911**	**2,760**	**910**	
Tax	218	205	256	253	153	-1	289	197	932	638	327	
Rate (%)	30.7	29.5	35.6	32.1	27.5	-0.2	31.8	28.6	32.0	23.1	36.0	
MI & P/L of Asso. Cos.	7	-44	9	9	-11	-17	-17	-5	-18	-50	22	
Reported PAT	**486**	**534**	**455**	**525**	**392**	**593**	**601**	**486**	**1,998**	**2,073**	**604**	
Adj PAT	**486**	**534**	**455**	**495**	**283**	**796**	**601**	**486**	**1,967**	**2,166**	**604**	**-20**
YoY Change (%)	26.6	-7.8	23.4	2.5	-41.7	49.1	32.3	-1.7	8.5	10.1	22.2	
Margins (%)	7.6	7.8	6.5	7.1	4.5	10.9	8.5	7.1	7.3	7.8	8.2	

Note: Sum of four quarters does not add up for FY19, as annual numbers have been restated.

Movie multiplex webinar takeaways

Amid the current COVID-19 crisis, we attended a webinar on "Media and Movie Multiplexes – Building Trust with Audiences" to discuss the potential measures that would be undertaken in the post-COVID-19 era to revive the Film industry. The webinar included: a) panelists from the top exhibitors – PVR and INOX, and b) film producers and studios from the Bollywood as well as regional industries. Here are the key takeaways:

- **Measures post reopening:** Cinemas would implement social distancing norms (such as maintaining the gap of a seat between different groups), along with safety and hygiene measures such as sanitization during and after the show.
- **Film production to commence from Jul'20:** Filmmakers expect to receive the green light to commence shooting from June-end or early July with smaller units and from July-end or early August with larger units.
- **New movie flow to be impacted:** 59 movies have been completed, and 20 are in the post-production phase. Post these movies, no new content would be available until Jun'21. Thus, producers, distributors, and film exhibitors need to spread the content for better adoption and profitability.
- **Big upcoming Hollywood movies:** Some big studious such as Universal Studios and DC Universe have kept their blockbuster release dates unchanged. These movies would be released worldwide and in various languages. This could restore the momentum in the Film industry and give strong cues to the domestic industry about the public's acceptance of big-screen films.

Detailed discussion

Measures post reopening

- **Social distancing:** Exhibitors plan to undertake a host of measures to combat the virus, such as having a gap of 3–5ft in queues for customers entering for the show, allocating seats in a way that ensures a gap of one seat between different groups (could reduce seating capacity by 20–25%), and adjusting movie timings so the entry and exit of two movies do not coincide.
- **Safety measures:** Paperless transactions would be encouraged for movie-ticket bookings and F&B purchases, mandatory temperature checks would be carried out, and stations of hand sanitizers would be placed within the premise. Also, small PPE kits would be available for customers to purchase.
- **F&B:** F&B would be packaged in a single-use disposable packaging. Different types of dustbins would be set up for waste disposal.
- **Cleaning measures:** Rigorous cleaning would be implemented during and after the show, along with deep cleaning carried out each night.
- **Learning from other sectors:** The Film Exhibition industry is likely to be the last industry to open; thus, it could implement the learning from other industries such as Retail, Hospitality, and Airlines.

Film Production industry

- **Manpower reduction:** The industry seeks to reduce manpower and become more efficient in lowering the risk.
- **Film shooting restart:** Filmmakers expect to receive the green light to commence shooting from June-end or early July with smaller units and from July-end or early August with larger units.
- **Telangana Film industry:** Filmmakers in Telangana expect an indication from the state government about the timeline of the shooting start date and that theatres could re-open in the next two to three weeks in the state.

Post-lockdown positives and negatives

- **Big upcoming Hollywood movies:** Some big studious such as Universal Studios and DC Universe have kept their blockbuster release dates unchanged. These movies would be released worldwide and in various languages. This could restore the momentum in the Film industry and give strong cues to the domestic industry about the public's acceptance of big-screen films.
- **Supply chain constraints:** Currently, 59 movies have been completed in eight or nine languages across the country, with 20 movies in post-production, taking the total count to ~80 movies. Of these, only eight or nine are mainstream movies such as from the Hindi, Tamil, and Telugu industries. Post these movies, no new content would be available until Jun'21. Thus, to ensure better adoption and profitability, producers would need to dub their content for wider distribution and spread their movie releases so they do not compete with each other. Overall, the industry needs to learn to share the exhibition space.
- **Bangla Film industry:** The Bangla Film industry is not likely to face supply constraints as the movie completion cycle is a mere 60/90 days. However, the state is facing the crisis of a cyclone, which could defer timelines.
- **Implication of experience of first lot:** The experiences of the first lot of watchers should be positive, which could help generate demand through word-of-mouth.
- **Spreading of crowd:** Unlike in the pre-COVID-19 era, when there was maximum traffic at cinemas on the weekends, visitor traffic is likely to be spread across the week due to the WFH policies of organizations. This could lower the impact of reduced seating capacities on the weekends.

Release of Suryavanshi and 83

- **Targeting both domestic and international markets:** In India, Gujarat and Maharashtra contribute a huge share to film revenue; thus, producers would ideally prefer to wait for these markets to come back on track. Additionally, producers would wait for at least four or five international markets to reopen before the film release.
- **Wait after lockdown:** Filmmakers would wait for at least two to three months after the lockdown has been lifted to assess the real situation to release the movies.
- **No OTT release:** Big-screen movies are made with a theatrical mindset; thus, producers would prefer to wait as long as possible to release their movies in theatres.

Single screen

- **Most affected:** Single-screen owners are the most affected in the Film industry value chain. Overall, 10–20 films perform well for single-screen theatres in a year.
- **Need for new content:** Single-screen owners expect content owners to also look for markets other than the top 10–20 cities in the post-COVID-19 era.
- **VPF charges:** VPF charges would act as a deterrent for single-screen theatres in terms of movie availability.
- **Opportunity to grab Hollywood releases:** Many owners expect this is the right time to push big Hollywood studios to release their content in single-screen cinemas.

MARUTI SUZUKI: TO RESUME PRODUCTION WITH 50% WORKFORCE AT MANESAR PLANT; RC Bhargava, Chairman

- Overall, the industry could end up with 20-25 percent less sales compared to last year.
- Will resume partial operations at Manesar plant in Haryana with a 50 percent workforce. Company is allowed to start operations with one shift now and it will focus on a limited number of models.
- The level of inquiries is quite respectable but at the moment there is a supply-side constraint. Some models cannot be produced because those components cannot be found. So we have to adjust the production volumes and the models also in accordance with the supply chain.
- Don't think company can produce much more than what it is doing because in each shift normally one works for 8 hours but because of these various restrictions, which are there, the working hours will effectively come down to around 6.5 hours in a shift. That itself reduces capacity.
- Many of the people who were temporary workers in our Manesar plant have gone back to their villages. I think they will come back but it is not certain when they will be able to come back. As the vendors step up production and get back to shift-working, many of them could have problems of labours.
- Company has given cash advance against supplies to many of its vendors.

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THE CHOICES WE MAKE WILL SHAPE THE POST-PANDEMIC WORLD

- The global economy will be shaped in the years ahead by three trends. The relationship between markets and the State will be rebalanced, in favour of the latter. This will be accompanied by a rebalancing between hyper-globalization and national autonomy, also in favour of the latter. And our ambitions for economic growth will need to be scaled down. There is nothing like a pandemic to highlight markets' inadequacy in the face of collective-action problems and the importance of state capacity to respond to crises. The covid-19 crisis has raised the volume on calls for universal health insurance, stronger labour-market protections, and protection of domestic supply chains for critical medical equipment. It has led countries to prioritize resilience and dependability in production over cost savings and efficiency through global outsourcing. And the economic costs of lockdowns will grow over time, as the massive supply shock caused by the disruption of domestic production and global value chains produces a downward shift in aggregate demand as well. But while covid-19 reinforces and entrenches these trends, it is not the primary force driving them. All three—greater government action, retreat from hyper-globalism, and lower growth rates—predate the pandemic. And while they could be viewed as posing significant dangers to human prosperity, it is also possible that they are harbingers of a more sustainable, more inclusive global economy. Consider the role of the State. The neoliberal market fundamentalist consensus has been in retreat for some time now. Designing a larger role for government in responding to inequality and economic insecurity has now become a core priority. While the progressive wing of the Democratic Party in the US fell short of clinching the party's presidential nomination, it has largely dictated the terms of the debate.

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Valuation snapshot

		CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
Company	**Reco**	**(INR)**	**(INR)**	**Downside**	**FY19**	**FY20E**	**FY21E**	**FY19**	**FY20E**	**FY21E**	**FY20E**	**FY21E**	**FY20E**	**FY21E**	**FY20E**	**FY21E**
Automobiles																
Amara Raja	Buy	592	630	6	28.3	37.7	34.6	2.6	33.3	-8.3	15.7	17.1	2.7	2.4	18.1	14.8
Ashok Ley.	Buy	44	70	61	6.9	1.1	0.9	16.4	-84.2	-18.0	40.0	48.8	1.5	1.5	3.8	3.1
Bajaj Auto	Neutral	2553	2643	4	165.4	187.4	161.1	9.3	13.3	-14.0	13.6	15.8	3.7	3.4	26.0	22.4
Bharat Forge	Buy	284	342	20	22.2	15.2	12.8	20.3	-31.6	-15.8	18.7	22.3	2.3	2.2	12.7	10.2
Bosch	Neutral	9534	10250	8	540.3	418.8	310.2	15.0	-22.5	-25.9	22.8	30.7	3.0	2.8	13.4	9.5
CEAT	Buy	749	903	21	66.9	47.6	51.9	4.6	-29.0	9.1	15.8	14.4	1.0	1.0	6.8	7.0
Eicher Mot.	Buy	13918	17200	24	813.9	703	680	1.8	-13.6	-3.3	19.8	20.5	3.6	3.2	19.8	16.6
Endurance Tech.	Buy	647	810	25	36.2	39.7	32.7	24.5	9.8	-17.8	16.3	19.8	3.1	2.8	20.3	14.7
Escorts	Neutral	910	768	-16	53.2	54.0	51.7	34.7	1.4	-4.3	16.9	17.6	2.6	2.0	16.6	13.5
Exide Ind	Buy	154	177	15	9.1	9.6	9.2	10.6	5.8	-3.9	16.0	16.7	2.0	1.9	12.6	11.3
Hero Moto	Neutral	2150	2072	-4	169.5	154.1	126.0	-8.5	-9.1	-18.2	14.0	17.1	3.1	3.1	23.2	18.2
M&M	Buy	427	513	20	42.7	33.2	33.8	4.1	-22.3	1.9	12.8	12.6	1.4	1.3	10.1	8.0
Mahindra CIE	Buy	86	116	35	14.1	9.4	3.2	44.7	-33.2	-66.0	9.1	26.8	0.7	0.7	8.0	2.6
Maruti Suzuki	Buy	5134	5850	14	253.3	188.0	137.7	-5.1	-25.8	-26.7	27.3	37.3	3.2	3.2	11.7	8.0
Motherson Sumi	Buy	79	84	6	5.1	3.7	3.1	-5.2	-27.1	-17.2	21.3	25.7	2.1	2.0	10.1	7.8
Tata Motors	Buy	83	90	9	-4.4	-14.9	-23.3	-119.0	Loss	Loss	NM	NM	0.5	0.6	-9.0	-15.4
TVS Motor	Neutral	314	297	-5	14.1	12.8	11.5	1.1	-9.2	-10.1	24.5	27.3	4.0	3.7	17.2	14.0
Aggregate								**-31.2**	**-31.9**	**122.5**	**36.2**	**16.3**	**2.1**	**2.0**	**5.8**	**12.1**
Banks - Private																
AU Small Finance	Buy	400	675	69	13.2	22.6	21.7	28.9	71	-4.3	17.7	18.5	2.8	2.4	18.0	14.2
Axis Bank	Buy	337	620	84	18.2	6.0	26.0	1,538.1	-67	331.5	55.9	12.9	1.1	1.0	2.1	8.3
Bandhan Bank	Buy	203	350	72	16.4	21.6	20.2	39.1	32	-6.4	9.4	10.1	2.2	1.8	22.9	19.2
DCB Bank	Neutral	60	70	16	10.5	10.9	7.6	32.0	3.6	-30.6	5.6	8.0	0.6	0.5	11.2	7.1
Equitas Hold.	Buy	42	65	56	6.2	7.1	4.7	3,754.5	15.5	-33.4	5.8	8.8	0.5	0.5	9.7	5.8
Federal Bank	Buy	37	75	101	6.3	8.2	7.1	32.2	31.0	-13.7	4.5	5.3	0.5	0.5	11.8	9.4
HDFC Bank	Buy	839	1200	43	39.6	48.0	55.2	16.9	21.2	14.9	17.5	15.2	2.7	2.3	16.4	16.5
ICICI Bank	Buy	291	475	63	5.2	12.3	18.9	-52.8	135.0	53.8	23.7	15.4	1.6	1.5	7.2	10.3
IndusInd	Buy	338	700	107	54.9	68.8	71.0	-8.8	25.3	3.2	4.9	4.8	0.7	0.6	14.7	13.3
Kotak Mah. Bk	Neutral	1160	1350	16	37.7	44.9	44.7	16.0	19.0	-0.5	25.8	25.9	3.3	3.0	13.1	11.4
RBL Bank	Buy	107	180	68	20.3	9.9	11.2	34.3	-51.1	12.2	10.8	9.6	0.5	0.5	5.6	5.2
Aggregate								**23.8**	**26.1**	**28.3**	**15.0**	**11.7**	**1.8**	**1.6**	**12.3**	**13.9**
Banks - PSU																
BOB	Buy	37	70	87	1.6	-3.3	6.6	-116.7	PL	LP	NM	5.7	0.3	0.3	-2.0	4.4
PNB	Neutral	27	35	31	-27.1	-5.8	3.4	-46.1	Loss	LP	NM	7.7	0.3	0.3	-6.4	4.0
SBI	Buy	151	300	99	2.6	18.7	22.2	-148.2	627	18.3	8.0	6.8	0.6	0.5	7.4	8.1
Aggregate								**LP**	**105**	**46**	**7**	**4.6**	**0.4**	**0.4**	**6.6**	**8.9**
NBFCs																
Aditya Birla Cap	Buy	42	125	197	4.0	4.3	5.1	25.7	8.3	20.2	9.8	8.2	0.9	0.8	10.2	10.8
Bajaj Fin.	Neutral	1896	2210	17	69.3	87.7	67.0	59.6	26.7	-23.6	21.6	28.3	3.5	3.2	20.2	11.8
Cholaman.Inv.&Fn	Buy	123	225	83	15.2	16.8	15.6	29.1	10.8	-7.1	7.3	7.9	1.2	1.1	18.9	14.1
HDFC	Buy	1517	2050	35	44.4	50.4	52.5	28.7	13.6	4.2	30.1	28.9	3.0	2.8	14.2	13.1
HDFC Life Insur.	Neutral	494	525	6	6.3	6.4	6.4	14.6	1.3	-0.4	77.0	77.3	4.8	4.0	12.9	21.4
ICICI Pru Life	Buy	345	430	25	8.0	7.4	7.9	-29.5	-6.3	6.4	46.3	43.6	2.2	1.9	6.5	14.3
IIFL Wealth Mgt	Buy	831	1525	83	44.2	32.2	42.8	-4.1	-27.3	33.0	25.8	19.4	2.3	2.3	9.3	11.9
L&T Fin Holdings	Buy	52	75	45	11.2	10.9	8.6	74.5	-2.7	-21.3	4.7	6.0	0.7	0.7	15.6	11.3
LIC Hsg Fin	Buy	241	350	45	48.1	49.7	45.6	21.4	3.2	-8.3	4.8	5.3	0.7	0.6	14.6	12.0
MAS Financial	Buy	560	690	23	27.8	29.9	30.8	47.1	7.6	2.8	18.7	18.2	3.2	2.8	18.1	16.2
M&M Fin.	Buy	128	200	57	25.3	14.7	8.0	53.9	-41.8	-46.0	8.7	16.0	0.7	0.7	8.3	4.2
Muthoot Fin	Neutral	805	765	-5	49.2	75.0	80.0	10.8	52.3	6.7	10.7	10.1	2.9	2.4	29.3	25.8
PNB Housing	Neutral	170	190	12	71.1	67.5	50.9	40.9	-5.1	-24.6	2.5	3.3	0.3	0.3	14.1	9.6
Repco Home	Buy	96	150	57	37.5	48.9	44.8	16.7	30.5	-8.5	2.0	2.1	0.3	0.3	18.3	14.4
Shriram City Union	Buy	652	950	46	149.8	168.6	134.0	48.7	12.5	-20.5	3.9	4.9	0.6	0.5	16.1	11.4

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR) FY19	EPS (INR) FY20E	EPS (INR) FY21E	EPS Gr. YoY (%) FY19	EPS Gr. YoY (%) FY20E	EPS Gr. YoY (%) FY21E	P/E (x) FY20E	P/E (x) FY21E	P/B (x) FY20E	P/B (x) FY21E	ROE (%) FY20E	ROE (%) FY21E
Shriram Trans.	Buy	541	975	80	113.0	128.9	75.0	4.2	14.1	-41.8	4.2	7.2	0.7	0.6	17.3	9.0
Aggregate								**12.3**	**-7.4**	**24.3**	**16.4**	**13.2**	**1.9**	**1.8**	**11.8**	**13.3**
Capital Goods																
ABB	Buy	730	980	34	12.0	16.6	6.2	12.7	38.1	-62.6	44.1	117.7	4.4	4.3	10.0	3.6
Bharat Elec.	Buy	63	86	36	7.9	6.5	7.2	37.7	-17.9	10.3	9.7	8.8	1.6	1.4	15.9	16.1
BHEL	Neutral	25	22	-10	3.5	1.9	1.9	58.9	-44.4	-1.1	12.6	12.8	0.3	0.3	2.1	2.1
Blue Star	Neutral	458	450	-2	19.5	15.3	6.5	34.7	-21.4	-57.2	30.0	70.0	5.6	5.5	18.8	7.8
CG Cons. Elec.	Buy	213	240	13	6.0	7.0	6.0	15.5	16.9	-13.6	30.5	35.4	9.1	7.9	29.8	22.4
Cummins	Neutral	330	360	9	26.1	22.9	17.3	10.8	-12.0	-24.4	14.4	19.0	2.1	2.0	14.5	10.5
Engineers India	Buy	61	100	63	5.9	6.7	7.6	-8.4	14.5	12.7	9.1	8.1	1.7	1.7	17.9	19.3
Havells	Neutral	459	515	12	12.6	11.7	7.7	12.3	-6.9	-34.3	39.2	59.7	6.7	6.2	17.0	10.4
K E C Intl	Buy	197	255	29	18.9	23.1	24.0	6.1	22.3	3.6	8.5	8.2	1.7	1.5	20.2	17.7
L&T	Buy	816	1200	47	63.5	70.5	61.6	22.8	11.0	-12.6	11.6	13.2	1.7	1.5	14.0	11.0
Siemens	Neutral	1015	1450	43	25.1	30.5	29.4	27.1	21.6	-3.6	33.2	34.5	4.0	3.7	12.0	10.7
Thermax	Neutral	705	865	23	27.2	24.9	29.1	32.4	-8.4	17.0	28.3	24.2	2.5	2.3	8.8	9.6
Voltas	Buy	450	620	38	15.7	15.4	14.8	-9.1	-1.8	-3.7	29.2	30.3	3.4	3.1	11.5	10.3
Aggregate								**3.4**	**-10.9**	**34.3**	**18.7**	**13.9**	**1.8**	**1.6**	**9.5**	**11.7**
Cement																
Ambuja Cem.	Neutral	187	190	2	6.1	7.7	5.1	-3.2	26.4	-33.2	24.3	36.4	1.7	1.6	7.1	4.5
ACC	Buy	1229	1430	16	53.5	72.3	40.6	9.9	35.1	-43.8	17.0	30.3	2.0	1.9	12.3	6.5
Birla Corp.	Buy	406	695	71	33.2	65.6	38.4	53.6	97.6	-41.5	6.2	10.6	0.7	0.6	10.9	6.0
Dalmia Bhar.	Buy	489	685	40	15.8	11.4	-15.3	4.3	-27.5	PL	42.7	NM	0.9	0.9	2.1	-2.8
Grasim Inds.	Neutral	532	575	8	66.1	35.8	46.6	39.7	-45.8	30.0	14.9	11.4	0.8	0.8	3.2	1.4
India Cem	Neutral	132	96	-27	2.3	3.6	2.1	-31.0	61.1	-41.9	36.4	62.6	0.8	0.8	2.1	1.2
J K Cements	Buy	1111	1355	22	34.1	59.0	35.9	-19.8	72.8	-39.1	18.8	31.0	2.8	2.7	15.9	8.9
JK Lakshmi Ce	Buy	209	310	48	6.8	22.6	13.1	-8.7	233.6	-42.1	9.3	16.0	1.4	1.3	16.4	8.6
Ramco Cem	Neutral	570	560	-2	21.9	23.8	15.1	-8.7	8.7	-36.4	24.0	37.7	2.7	2.6	11.9	7.0
Shree Cem	Neutral	19914	19500	-2	324.1	435.2	298.7	-18.2	34.3	-31.4	45.8	66.7	5.6	5.3	13.9	8.1
Ultratech	Buy	3638	4305	18	90.4	147.3	92.8	1.1	62.9	-37.0	24.7	39.2	2.6	2.4	11.7	6.7
Aggregate								**13.0**	**-28.3**	**60.0**	**31.9**	**19.9**	**1.8**	**1.7**	**5.8**	**8.7**
Consumer																
Asian Paints	Sell	1618	1380	-15	23.1	29.7	27.3	9.1	29.0	-8.2	54.4	59.2	14.6	13.6	28.3	23.8
Britannia	Neutral	3166	3010	-5	48.1	57.4	58.0	15.1	19.3	1.0	55.1	54.6	16.7	16.3	31.3	30.2
Colgate	Buy	1314	1520	16	27.8	30.0	30.3	10.3	8.1	1.0	43.8	43.3	22.4	24.4	53.7	54.0
Dabur	Neutral	432	450	4	8.5	9.0	9.5	9.5	5.6	6.2	48.1	45.3	12.0	11.1	26.4	25.4
Emami	Buy	210	270	29	12.2	12.5	12.4	0.2	3.1	-0.7	16.7	16.8	4.1	4.2	25.9	24.5
Godrej Cons.	Neutral	569	565	-1	14.6	14.2	14.7	3.6	-2.8	4.0	40.2	38.7	7.4	7.9	19.1	19.7
HUL	Buy	1988	2420	22	28.1	31.2	32.7	14.7	11.1	4.7	63.7	60.8	53.5	53.2	86.0	87.7
ITC	Neutral	186	192	3	10.2	12.8	12.8	14.8	25.5	0.6	14.6	14.5	3.7	3.5	26.1	24.7
Jyothy Lab	Neutral	101	122	21	5.4	4.7	4.8	10.5	-12.9	3.2	21.5	20.9	2.7	2.8	12.9	13.2
Marico	Buy	317	350	10	7.2	8.1	8.1	13.8	13.4	-0.7	38.9	39.2	13.5	10.5	34.9	30.1
Nestle	Neutral	16219	16355	1	178.6	206.8	220.4	27.5	15.8	6.6	78.4	73.6	80.9	78.0	71.2	108.0
Page Inds	Neutral	18097	17565	-3	353.2	334.5	326.8	13.5	-5.3	-2.3	54.1	55.4	23.2	21.4	42.9	38.7
Pidilite Ind.	Neutral	1399	1365	-2	18.6	25.3	23.1	-2.0	36.2	-8.5	55.4	60.5	14.0	12.3	27.8	21.6
P&G Hygiene	Neutral	9951	9995	0	126.3	137.9	158.1	7.3	9.1	14.6	72.2	63.0	30.9	26.8	45.9	45.7
Tata Consumer	Buy	363	431	19	4.8	8.0	9.2	-14.6	66.4	15.7	45.5	39.3	2.4	2.3	6.9	6.0
United Brew	Sell	913	700	-23	21.3	16.3	9.6	42.8	-23.4	-41.2	56.0	95.1	6.8	6.4	12.8	6.9
United Spirits	Neutral	589	515	-12	9.3	11.4	7.6	38.1	22.9	-33.5	51.4	77.3	11.3	9.8	21.9	12.7
Aggregate								**18.1**	**0.2**	**14.9**	**38.6**	**33.6**	**10.2**	**9.6**	**26.4**	**28.7**
Healthcare																
Alembic Phar	Neutral	898	705	-21	31.1	45.9	37.9	41.8	47.7	-17.4	19.6	23.7	5.3	4.6	30.1	21.4
Alkem Lab	Buy	2496	3135	26	63.8	92.3	109.9	8.4	44.6	19.1	27.1	22.7	4.7	4.1	18.8	19.3
Ajanta Pharma	Buy	1510	1700	13	44.4	51.1	56.9	-16.1	15.1	11.2	29.5	26.6	5.1	4.4	18.7	18.0
Aurobindo	Buy	731	745	2	43.2	46.3	51.0	1.1	7.3	10.0	15.8	14.3	2.6	2.2	17.9	16.7
Biocon	Neutral	350	305	-13	6.2	6.3	8.9	99.5	2.2	41.0	55.3	39.2	6.3	5.6	11.9	15.1

		CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
Company	Reco	(INR)	(INR)	Downside	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
Cadila	Buy	346	410	18	18.3	14.6	17.6	4.3	-20.2	20.3	23.7	19.7	3.2	2.8	11.4	15.1
Cipla	Neutral	639	550	-14	18.7	19.6	24.1	-3.1	4.8	22.7	32.6	26.5	3.1	2.8	9.4	10.5
Divis Lab	Neutral	2325	2215	-5	50.0	51.3	65.7	55.0	2.5	28.1	45.3	35.4	7.7	6.5	18.2	20.0
Dr Reddy's	Neutral	3894	3775	-3	105.2	121.3	153.9	62.6	15.4	26.8	32.1	25.3	4.1	3.6	13.6	15.3
Glenmark	Neutral	352	295	-16	25.9	23.6	26.4	-9.0	-9.0	12.2	14.9	13.3	1.6	1.4	11.3	11.4
GSK Pharma	Neutral	1376	1300	-6	24.6	25.7	32.9	25.2	4.3	28.1	53.6	41.9	12.8	11.7	23.9	28.0
IPCA Labs	Buy	1596	1855	16	36.3	54.5	70.7	91.3	50.2	29.6	29.3	22.6	5.4	4.5	20.1	21.8
Jubilant Life	Buy	456	510	12	56.9	58.0	57.4	26.7	1.9	-1.1	7.9	7.9	1.3	1.1	17.4	14.9
Laurus Labs	Buy	457	615	34	31.3	37.8	29.3	49.4	20.6	-22.3	12.1	15.6	2.1	2.3	19.3	15.8
Lupin	Buy	893	940	5	23.3	23.0	34.5	-27.1	-1.5	50.3	38.9	25.9	3.9	3.6	8.6	14.4
Strides Pharma	Buy	417	495	19	8.8	15.3	34.0	-21.6	73.3	122.0	27.2	12.3	1.5	1.4	5.3	11.9
Sun Pharma	Buy	469	535	14	15.1	17.6	21.2	12.2	16.6	20.4	26.7	22.1	2.5	2.3	9.8	10.8
Torrent Pharma	Neutral	2600	2215	-15	42.7	57.9	76.8	-7.1	35.6	32.7	44.9	33.8	8.2	7.1	19.4	22.5
Aggregate								**10.3**	**20.4**	**15.2**	**23.8**	**20.6**	**3.3**	**2.9**	**13.8**	**14.1**
Infrastructure																
Ashoka Buildcon	Buy	51	92	80	11.5	10.8	6.0	35.8	-5.7	-44.2	4.7	8.5	0.6	0.5	12.9	6.6
IRB Infra	Neutral	59	80	35	24.2	19.7	7.1	1.2	-18.5	-63.9	3.0	8.3	0.3	0.3	10.5	3.6
KNR Constructions	Buy	190	270	42	17.7	15.3	15.9	-8.2	-13.7	3.6	12.4	12.0	1.6	1.5	14.1	12.8
Aggregate											**9.6**	**7.8**	**0.5**	**0.5**	**5.6**	**6.5**
Media																
PVR	Buy	850	1605	89	37.9	21.9	10.2	41.9	-42.2	-53.5	38.9	83.5	2.6	2.6	7.6	3.1
Sun TV	Buy	394	436	11	35.4	36.6	34.9	27.6	3.5	-4.6	10.8	11.3	2.5	2.2	24.6	20.5
Zee Ent.	Neutral	163	165	1	16.4	16.9	19.4	12.7	2.9	14.7	9.7	8.4	1.5	1.3	18.1	17.0
Aggregate								**4.0**	**0.2**	**18.4**	**10.7**	**9.0**	**1.7**	**1.5**	**16.1**	**16.6**
Metals																
Hindalco	Buy	125	175	40	24.7	20.2	9.4	30.9	-18.4	-53.5	6.2	13.3	0.7	0.7	11.2	5.3
Hind. Zinc	Neutral	165	195	18	18.8	16.1	13.6	-10.8	-14.5	-15.3	10.3	12.1	1.7	1.8	18.4	14.5
JSPL	Buy	96	150	56	3.3	-6.5	8.3	-138.7	PL	LP	NM	11.6	0.3	0.3	-2.0	2.6
JSW Steel	Buy	166	199	20	31.8	7.2	1.9	32.4	-77.4	-73.1	23.1	85.9	1.4	1.4	5.4	1.6
Nalco	Buy	27	41	52	9.2	0.3	0.3	79.9	-96.8	-9.9	91.3	101.3	0.5	0.6	0.6	0.5
NMDC	Buy	72	123	70	15.6	15.6	10.0	19.2	-0.3	-35.7	4.7	7.2	0.8	0.7	17.5	10.5
SAIL	Neutral	27	29	6	6.3	-0.7	-4.4	2,344.1	PL	Loss	NM	NM	0.3	0.3	-0.7	-4.8
Vedanta	Neutral	89	85	-5	18.1	13.0	5.7	-11.0	-28.1	-56.7	6.8	15.8	0.5	0.6	7.7	3.6
Tata Steel	Neutral	274	322	17	88.6	33.6	-16.6	27.3	-62.0	PL	8.2	NM	0.5	0.5	6.0	-3.0
Aggregate								**-45.1**	**-58.6**	**213.7**	**23.3**	**7.4**	**0.7**	**0.7**	**2.9**	**9.1**
Oil & Gas																
Aegis Logistics	Buy	170	237	40	6.6	4.2	10.5	11.9	-36.6	149.6	40.4	16.2	3.9	3.3	10.0	22.1
BPCL	Neutral	315	491	56	43.4	17.0	33.6	-12.9	-60.8	98.1	18.6	9.4	1.5	1.4	8.4	15.4
Castrol India	Buy	111	200	80	7.2	8.4	9.6	2.4	16.8	14.6	13.3	11.6	8.1	7.2	65.3	65.7
GAIL	Buy	87	140	61	14.0	10.4	9.8	38.4	-25.6	-6.3	8.4	8.9	0.9	0.8	10.6	9.5
Gujarat Gas	Buy	248	370	49	6.2	17.1	12.3	46.9	173.4	-28.2	14.5	20.2	5.5	4.5	44.2	24.5
Gujarat St. Pet.	Buy	190	290	53	14.1	19.6	17.1	18.9	39.3	-13.0	9.7	11.1	1.6	1.4	17.7	13.5
HPCL	Buy	182	326	79	43.9	9.5	37.4	-7.3	-78.4	294.0	19.2	4.9	0.9	0.8	4.7	17.4
IOC	Buy	75	168	123	18.8	3.3	12.5	-23.7	-82.2	273.8	22.5	6.0	0.6	0.6	2.7	9.8
IGL	Neutral	451	530	18	11.2	17.2	16.4	19.1	53.3	-4.7	26.2	27.5	6.2	5.3	26.2	20.7
Mahanagar Gas	Buy	894	1100	23	55.3	82.4	64.3	14.3	49.0	-22.0	10.8	13.9	3.1	2.7	31.0	20.9
MRPL	Neutral	27	49	84	1.9	-13.3	5.5	-84.8	PL	LP	NM	4.9	0.6	0.5	-24.4	10.9
Oil India	Buy	84	127	50	32.0	17.5	10.4	35.6	-45.3	-40.6	4.8	8.1	0.3	0.3	7.0	4.0
ONGC	Buy	76	105	38	27.1	17.1	11.3	34.4	-37.0	-33.9	4.5	6.7	0.4	0.4	9.8	6.2
PLNG	Buy	231	333	44	14.4	21.0	19.1	3.7	45.8	-8.9	11.0	12.1	3.2	2.9	29.9	25.1
Reliance Ind.	Buy	1432	1713	20	62.8	68.1	66.4	10.4	8.4	-2.5	21.0	21.6	2.0	1.8	10.3	8.9
Aggregate								**-30.6**	**10.4**	**47.7**	**14.1**	**9.6**	**1.3**	**1.1**	**8.9**	**12.0**
Retail																
Avenue	Sell	2403	1750	-27	14.5	20.4	22.3	11.9	41.0	9.3	117.8	107.7	13.5	12.0	15.9	12.2

Company	Reco	CMP	TP	% Upside	EPS (INR)			EPS Gr. YoY (%)			P/E (x)		P/B (x)		ROE (%)	
		(INR)	(INR)	Downside	FY19	FY20E	FY21E	FY19	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E	FY20E	FY21E
Supermarts																
Aditya Birla Fashion	Buy	111	240	116	1.6	2.0	1.2	156.7	20.1	-38.7	56.2	91.7	5.9	5.6	10.6	6.3
Future Lifestyle	Under Review	136	-		8.6	5.5	-1.5	30.1	-35.6	PL	24.5	NM	1.2	1.2	5.2	-1.3
Future Retail	Under Review	70	-		14.6	10.7	3.7	19.1	-27.0	-65.2	6.6	18.9	0.5	0.5	10.4	2.9
Jubilant Food.	Neutral	1621	1405	-13	24.1	22.5	6.1	62.0	-6.5	-72.8	71.9	264.3	19.1	21.3	26.5	8.1
Shoppers Stop	Neutral	133	260	96	7.8	-1.8	0.6	-36.3	PL	LP	NM	218.2	1.2	1.2	-1.7	0.6
Titan Company	Neutral	849	1085	28	15.7	16.8	17.0	24.0	7.4	1.1	50.5	49.9	12.5	11.0	24.7	23.4
Trent	Buy	443	575	30	2.9	3.0	1.1	11.6	2.1	-63.9	148.5	411.1	6.2	6.1	5.3	1.6
V-Mart Retail	Buy	1577	2060	31	39.5	44.0	33.5	-8.0	11.4	-23.8	35.8	47.0	5.8	5.2	17.7	11.7
Aggregate								**5.3**	**-16.8**	**79.4**	**82.6**	**46.1**	**8.1**	**7.1**	**9.8**	**15.5**
Technology																
Cyient	Neutral	189	260	38	43.4	33.8	22.5	13.4	-22.2	-33.2	5.6	8.4	0.8	0.7	13.5	8.6
HCL Tech.	Buy	530	615	16	36.8	41.0	40.5	-41.1	11.3	-1.1	12.9	13.1	3.0	2.4	24.5	20.2
Hexaware	Neutral	237	306	29	19.3	21.8	18.4	17.6	12.6	-15.6	10.9	12.9	2.6	2.3	24.9	18.8
Infosys	Buy	692	775	12	37.1	39.0	36.8	3.9	5.3	-5.7	17.7	18.8	4.8	4.1	25.3	21.8
L & T Infotech	Buy	1783	2060	16	86.4	86.7	92.5	36.0	0.4	6.7	20.6	19.3	5.8	4.7	31.1	27.3
Mindtree	Buy	890	960	8	45.8	38.3	45.1	33.6	-16.4	17.8	23.2	19.7	4.6	4.0	20.0	20.4
Mphasis	Neutral	839	860	3	56.1	61.5	56.4	27.4	9.6	-8.2	13.6	14.9	2.7	2.4	21.4	17.6
NIIT Tech	Neutral	1506	1370	-9	66.2	73.5	71.0	45.3	11.0	-3.3	20.5	21.2	3.9	3.5	20.5	17.5
Persistent Sys	Buy	526	730	39	44.0	44.4	45.5	8.9	0.9	2.4	11.8	11.6	1.7	1.6	14.3	13.1
TCS	Neutral	2019	1900	-6	83.1	86.2	82.3	23.3	3.7	-4.5	23.4	24.5	8.8	7.6	36.4	33.1
Tech Mah	Neutral	530	590	11	48.8	45.9	34.4	14.2	-5.9	-25.1	11.5	15.4	2.2	2.0	18.5	12.7
Wipro	Neutral	189	188	0	15.3	16.6	15.4	21.6	8.5	-7.3	11.4	12.3	1.9	1.8	17.5	15.0
Zensar Tech	Neutral	87	100	16	14.4	11.8	13.1	40.4	-17.6	10.8	7.3	6.6	0.9	0.8	13.0	12.9
Aggregate								**3.2**	**-5.9**	**18.6**	**19.5**	**16.5**	**4.2**	**3.7**	**21.5**	**22.3**
Telecom																
Bharti Airtel	Buy	593	710	20	-8.7	-7.5	3.0	-350.3	Loss	LP	NM	199.6	4.2	4.1	-5.5	2.1
Bharti Infratel	Neutral	208	170	-18	13.6	17.0	15.6	-0.3	25.0	-8.4	12.2	13.3	2.7	2.7	21.7	20.2
Vodafone Idea		6			-18.5	-7.2	-5.2	93.3	Loss	Loss	NM	NM	0.9	5.3	-53.4	-143.0
Tata Comm	Neutral	500	375	-25	-2.2	11.9	25.5	-288.6	LP	114.8	42.1	19.6	96.6	16.3	-1,974	142.3
Aggregate								**Loss**	**Loss**	**Loss**	**-40**	**-58.0**	**4.1**	**4.5**	**-10.0**	**-7.8**
Utiltites																
Coal India	Buy	125	202	61	28.3	23.2	18.0	47.9	-18.1	-22.6	5.4	7.0	2.4	2.1	44.5	30.3
CESC	Buy	550	761	38	88.9	94.2	84.5	43.1	6.0	-10.3	5.8	6.5	0.7	0.7	13.3	10.9
JSW Energy	Buy	39	64	63	4.2	5.1	4.3	40.2	20.0	-15.5	7.7	9.1	0.6	0.5	7.1	6.0
NHPC	Neutral	20	23	16	2.6	3.0	2.9	5.9	17.0	-3.9	6.5	6.8	0.6	0.6	9.6	8.8
NTPC	Buy	91	148	63	11.6	13.2	14.5	30.3	13.7	10.3	6.9	6.3	0.8	0.7	11.4	11.8
Power Grid	Buy	156	225	44	19.2	20.4	22.1	16.0	6.5	7.9	7.6	7.1	1.3	1.2	17.3	17.0
Torrent Power	Buy	301	351	17	18.7	28.0	24.0	-4.6	49.7	-14.4	10.7	12.6	1.6	1.4	14.9	12.0
Tata Power	Neutral	34	38	13	2.1	3.8	3.7	-60.5	78.2	-2.6	9.0	9.2	0.5	0.5	5.9	5.4
Aggregate								**-0.7**	**-3.3**	**25.3**	**6.8**	**5.4**	**1.0**	**0.9**	**14.4**	**16.6**
Others																
Brigade Enterpr.	Buy	94	231	147	11.7	8.1	6.0	63.2	-31.2	-25.9	11.6	15.6	0.8	0.8	7.4	5.2
BSE	Buy	397	630	59	36.9	24.9	20.1	-15.0	-32.5	-19.1	15.9	19.7	0.8	0.9	5.0	4.3
Concor	Buy	348	518	49	19.9	16.4	14.4	14.9	-17.7	-12.5	21.2	24.2	2.0	1.9	9.6	8.1
Coromandel Intl	Buy	651	738	13	25.4	34.8	38.2	7.6	36.9	9.8	18.7	17.0	4.6	3.8	27.2	24.5
Essel Propack	Buy	171	200	17	6.0	6.9	7.7	7.3	14.3	12.3	24.8	22.1	3.5	3.3	14.8	15.3
Indian Hotels	Buy	69	106	53	2.4	2.6	-3.3	257.4	10.7	PL	26.5	NM	1.8	2.0	7.0	-9.1
Interglobe	Neutral	974	1300	33	4.1	-5.2	-75.1	-93.0	PL	Loss	NM	NM	5.5	8.1	-2.9	-50.7
Info Edge	Neutral	2421	2400	-1	23.0	20.3	25.9	54.2	-11.5	27.5	119.2	93.5	11.8	11.0	13.9	12.3
Godrej Agrovet	Buy	366	443	21	12.5	13.2	10.5	10.9	5.7	-20.4	27.6	34.7	3.8	3.7	14.6	10.8
Kaveri Seed	Buy	396	427	8	34.4	38.4	34.0	7.7	11.5	-11.4	10.3	11.7	2.7	2.6	24.3	22.5
Lemon Tree Hotel	Buy	16	23	45	0.7	0.0	-2.0	271.9	-98.8	PL	1,937.6	NM	1.0	1.1	0.1	-12.8

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR) FY19	EPS (INR) FY20E	EPS (INR) FY21E	EPS Gr. YoY (%) FY19	EPS Gr. YoY (%) FY20E	EPS Gr. YoY (%) FY21E	P/E (x) FY20E	P/E (x) FY21E	P/B (x) FY20E	P/B (x) FY21E	ROE (%) FY20E	ROE (%) FY21E
MCX	Buy	1130	1400	24	28.7	46.7	44.0	35.2	63.0	-5.7	24.2	25.6	4.2	3.9	18.2	15.7
Oberoi Realty	Buy	293	535	82	22.5	16.0	16.2	78.1	-29.0	1.3	18.4	18.2	1.2	1.2	7.0	6.7
Phoenix Mills	Buy	489	808	65	25.0	22.6	17.1	57.8	-9.3	-24.3	21.6	28.5	2.0	1.9	9.6	6.8
Quess Corp	BUY	192	280	46	17.5	17.8	15.7	-19.8	1.5	-11.6	10.8	12.2	0.7	0.7	9.1	7.4
PI Inds.	Buy	1516	1680	11	29.7	35.7	48.0	11.6	19.9	34.5	42.5	31.6	7.8	6.5	19.9	22.5
SRF	Buy	3377	4236	25	113.7	158.0	158.7	60.0	38.9	0.4	21.4	21.3	4.0	3.4	20.4	17.3
S H Kelkar	Buy	50	119	137	6.1	5.2	7.4	-13.4	-14.3	41.3	9.6	6.8	0.9	0.8	8.8	12.2
Tata Chemicals	Buy	295	318	8	33.8	31.7	28.4	-29.7	-6.4	-10.3	9.3	10.4	0.6	0.6	6.4	5.5
Team Lease Serv.	Buy	1518	2300	51	57.3	50.8	47.1	33.4	-11.4	-7.4	29.9	32.3	4.1	3.7	14.9	12.1
Trident	Buy	5	6	21	0.9	0.6	0.7	87.3	-26.9	3.1	7.1	6.8	0.7	0.7	10.7	10.4
UPL	Neutral	371	424	14	32.2	37.7	39.1	11.3	17.0	3.8	9.8	9.5	1.7	1.5	18.6	17.1

Index	1 Day (%)	1M (%)	12M (%)
Sensex	**-0.8**	**-2.3**	**-21.6**
Nifty-50	**-0.7**	**-1.6**	**-23.0**
Nifty Next 50	**-1.1**	**-1.2**	**-14.2**
Nifty 100	**-0.8**	**-1.6**	**-21.9**
Nifty 200	**-0.8**	**-1.5**	**-22.4**
Company	**1 Day (%)**	**1M (%)**	**12M (%)**
Automobiles	**0.3**	**6.3**	**-30.1**
Amara Raja Batt.	-0.6	6.2	-3.9
Ashok Leyland	-5.4	-3.0	-50.3
Bajaj Auto	-3.3	7.2	-16.3
Bharat Forge	-2.5	10.6	-39.1
Bosch	2.0	-8.2	-43.3
CEAT	1.0	-8.7	-24.6
Eicher Motors	-1.1	1.6	-34.4
Endurance Tech.	2.9	14.1	-43.9
Escorts	3.2	21.3	53.1
Exide Inds.	-0.7	4.5	-26.4
Hero Motocorp	1.4	13.8	-20.3
M & M	4.5	25.3	-33.5
Mahindra CIE	-0.4	6.0	-62.1
Maruti Suzuki	1.6	-0.9	-25.6
Motherson Sumi	-3.1	8.3	-33.3
Tata Motors	-1.5	9.0	-53.9
TVS Motor Co.	-0.7	3.8	-34.8
Banks-Private	**-2.8**	**-11.0**	**-44.6**
AU Small Fin. Bank	-5.0	-24.5	-41.8
Axis Bank	-5.7	-21.8	-56.7
Bandhan Bank	-3.5	2.2	-66.1
DCB Bank	-5.1	-31.4	-73.8
Equitas Holdings	-6.3	-11.5	-68.7
Federal Bank	-5.1	-15.3	-63.2
HDFC Bank	-2.4	-9.6	-30.2
ICICI Bank	-4.3	-13.4	-28.2
IndusInd Bank	-2.5	-18.6	-77.7
Kotak Mah. Bank	0.9	0.8	-22.4
RBL Bank	-4.2	2.0	-83.9
Banks-PSU	**-0.9**	**-17.2**	**-65.5**
BOB	-0.1	-22.5	-70.3
PNB	-1.3	-14.4	-68.5
SBI	-0.7	-20.0	-55.7
NBFCs	**-3.1**	**-9.6**	**-34.2**
Aditya Birla Cap	-2.8	-14.9	-55.8
Bajaj Fin.	-4.7	-11.7	-45.0
Cholaman.Inv.&Fn	-5.1	-18.2	-56.3
HDFC	-5.0	-8.8	-29.2
HDFC Life Insur.	0.0	-1.9	24.0
L&T Fin.Holdings	-2.8	-12.9	-58.0
LIC Hsg Fin	-2.6	-8.4	-54.4
M&M Fin.	-6.3	-15.4	-68.2
Muthoot Fin	-2.6	6.0	30.4
MAS Financial Serv.	2.4	-13.6	6.4
ICICI Pru Life	-4.7	-6.8	-0.9
ICICI Sec	0.5	16.8	86.9
IIFL Wealth Mgt	0.7	-5.3	
PNB Housing	-1.4	-18.2	-78.7
Company	**1 Day (%)**	**1M (%)**	**12M (%)**
Repco Home	-3.0	-17.0	-77.2
Shriram City Union	-1.1	-11.1	-55.2
Shriram Trans.	-5.8	-10.8	-49.1

Note: Sectoral performance are of NSE/BSE Indices

Index	1 Day (%)	1M (%)	12M (%)
Nifty 500	**-0.7**	**-1.6**	**-22.7**
Nifty Midcap 100	**-0.7**	**-1.1**	**-27.0**
Nifty Smallcap 100	**-0.6**	**-3.0**	**-39.7**
Nifty Midcap 150	**-0.5**	**-0.8**	**-21.9**
Nifty Smallcap 250	**-0.4**	**-3.4**	**-35.2**
Company	**1 Day (%)**	**1M (%)**	**12M (%)**
Capital Goods	**-0.6**	**-4.8**	**-40.8**
ABB	-2.7	-19.4	-44.2
Bharat Elec.	0.2	-17.5	-37.4
BHEL	-3.7	15.0	-62.4
Blue Star	-1.3	-18.4	-38.4
CG Cons. Elec.	0.6	-2.7	-2.9
Cummins	-2.2	-19.8	-54.9
Engineers India	-1.9	-7.5	-45.9
Havells	-1.4	-11.3	-39.3
K E C Intl	-0.3	7.9	-31.0
L&T	-0.5	-4.3	-44.1
Siemens	-0.7	-10.4	-13.2
Thermax	-0.2	0.4	-26.7
Voltas	-2.3	-10.6	-22.9
Cement	**0.1**	**3.1**	**-26.1**
Ambuja Cem.	3.3	5.9	-15.0
ACC	3.1	-0.2	-23.9
Birla Corp.	-1.4	-4.4	-30.7
Dalmia Bhar.	1.0	-7.2	-54.8
Grasim Inds.	1.0	4.4	-37.9
India Cem	4.5	28.0	31.0
J K Cements	0.6	-3.1	15.4
JK Lakshmi Ce	1.4	2.9	-43.8
Ramco Cem	1.6	1.8	-25.5
Shree Cem	3.4	3.2	-1.4
Ultratech	1.9	5.8	-21.7
Consumer	**-0.4**	**-4.8**	**-8.1**
Asian Paints	2.7	-10.7	18.4
Britannia	1.8	7.2	11.0
Colgate	-1.5	-12.8	14.0
Dabur	-1.8	-14.0	12.2
Emami	-0.2	2.8	-41.5
Godrej Cons.	-1.0	7.1	-13.7
HUL	0.9	-16.7	12.6
ITC	-1.3	2.2	-37.8
Jyothy Lab	-1.3	-13.7	-38.0
Marico	0.0	2.6	-12.8
Nestle	-0.4	-8.0	51.7
Page Inds	-1.4	3.6	-19.7
Pidilite Ind.	-1.5	-9.0	15.4
P&G Hygiene	-0.2	-7.3	-7.6
Tata Consumer	0.8	9.9	55.1
United Brew	-1.4	-1.3	-35.8
United Spirits	-3.5	8.8	8.6
Healthcare	**0.8**	**2.4**	**12.8**
Alembic Phar	0.0	40.8	71.1
Alkem Lab	1.0	-1.8	47.0
Ajanta Pharma	1.4	16.9	47.2
Aurobindo	0.8	13.6	10.0
Biocon	-1.5	-2.9	34.7
Cadila	0.6	4.5	38.0
Cipla	3.7	8.8	15.3

Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	-1.4	-2.5	38.5
Dr Reddy's	1.2	-4.0	46.5
Glenmark	0.6	10.6	-38.2
GSK Pharma	0.5	-4.2	7.7
IPCA Labs	-0.7	2.3	73.2
Jubilant Life	-3.3	23.9	-12.3
Laurus Labs	0.1	-2.5	21.8
Lupin	0.8	10.7	18.0
Strides Pharma	-1.1	24.6	0.5
Sun Pharma	0.6	-1.1	11.5
Torrent Pharma	-0.7	6.3	66.7
Infrastructure	**-0.2**	**3.5**	**-14.2**
Ashoka Buildcon	-1.5	-20.0	-57.2
IRB Infra.Devl.	-3.2	-23.1	-52.9
KNR Construct.	-0.9	-8.7	-23.1
Media	**1.2**	**-0.9**	**-47.3**
PVR	-3.3	-14.3	-51.6
Sun TV	2.0	4.9	-28.8
Zee Ent.	6.1	7.7	-52.4
Metals	**-1.9**	**2.2**	**-40.3**
Hindalco	-3.6	15.3	-36.9
Hind. Zinc	-2.3	-0.9	-34.2
JSPL	-1.6	13.4	-36.6
JSW Steel	-2.1	3.2	-39.9
Nalco	-3.8	-19.9	-46.2
NMDC	-2.4	-2.9	-23.6
SAIL	-2.7	3.8	-46.4
Vedanta	-1.2	17.1	-46.5
Tata Steel	-3.2	2.2	-42.1
Oil & Gas	**-0.2**	**-0.2**	**-26.9**
Aegis Logistics	-0.1	2.9	-17.0
BPCL	0.8	-11.5	-17.9
Castrol India	1.2	-5.1	-23.2
GAIL	-0.9	3.6	-48.4
Gujarat Gas	-0.9	-7.6	51.4
Gujarat St. Pet.	0.7	0.1	1.5
HPCL	0.8	-14.3	-36.9
IOC	1.3	-9.2	-51.5
IGL	0.0	0.9	47.5
Mahanagar Gas	-1.3	-3.9	5.1
MRPL	-1.8	-16.5	-57.0
Oil India	0.2	-1.9	-53.7
ONGC	-1.0	16.6	-56.8
PLNG	-1.6	4.0	-2.5
Reliance Ind.	-0.6	6.0	7.8
Aditya Bir. Fas.	-0.9	-8.9	-45.1
Retail			
Avenue Super.	-2.8	4.8	84.9
Future Lifestyle	-5.0	-4.0	-71.0
Future Retail	-0.1	-25.4	-84.0
Jubilant Food	3.2	7.3	25.9
Shoppers St.	0.0	-30.4	-71.6
Titan Co.	0.0	-10.8	-31.5
Trent	-1.9	-6.4	16.3
V-Mart Retail	-0.4	-5.8	-31.2
Technology	**1.4**	**10.1**	**-11.6**
Cyient	0.2	-12.0	-65.7

Company	1 Day (%)	1M (%)	12M (%)
HCL Tech.	-0.9	14.6	0.1
Hexaware	-1.2	-10.2	-33.6
Infosys	3.0	7.8	-2.4
L&T Infotech	-0.1	25.8	0.3
Mindtree	1.0	21.7	-9.5
Mphasis	0.0	24.7	-12.6
NIIT Tech	4.4	38.7	17.3
Persistent Sys	0.5	8.2	-13.4
TCS	1.4	14.0	-3.1
Tech Mah	1.9	2.1	-29.4
Wipro	-0.1	5.8	-33.3
Zensar Tech	-0.2	-3.8	-64.7
Telecom	**-0.1**	**18.9**	**33.9**
Bharti Airtel	-0.2	18.3	77.0
Bharti Infra.	0.8	23.9	-23.0
Idea Cellular	0.2	39.6	-54.5
Tata Comm	2.5	32.3	53.4
Utiltites	**-0.6**	**-4.7**	**-26.2**
Coal India	0.5	-11.0	-47.9
CESC	-3.2	-9.1	-23.7
JSW Energy	-2.2	-1.9	-41.4
NHPC Ltd	-1.0	-6.6	-13.8
NTPC	0.6	-6.9	-29.9
Power Grid	-1.9	-3.9	-14.4
Tata Power	2.6	3.8	-48.0
Torrent Power	-0.4	1.4	25.1
Others			
Brigade Enterpr.	1.5	-24.3	-41.1
BSE	-8.5	8.6	-34.4
Coromandel Intl	5.9	20.4	59.8
Concor	-3.4	-5.3	-28.4
Essel Propack	0.2	-1.4	28.9
Godrej Agrovet	-1.2	-3.3	-24.5
Indian Hotels	-0.8	-11.1	-53.2
Interglobe	-0.4	1.4	-35.5
Info Edge	-1.3	-3.0	26.2
Kaveri Seed	2.2	6.4	-17.1
Lemon Tree Hotel	5.0	-8.6	-78.6
MCX	0.0	14.1	35.1
Oberoi Realty	-2.6	-17.0	-47.2
Phoenix Mills	0.2	-10.1	-20.8
PI Inds.	1.6	2.9	34.7
Quess Corp	4.9	-7.5	-71.4
SRF	0.2	-2.0	15.3
S H Kelkar	-0.9	-33.9	-66.8
Tata Chemicals	4.2	18.1	7.9
Team Lease Serv.	0.4	-6.1	-45.8
Trident	-0.9	-8.3	-29.1
UPL	1.2	5.0	-45.2

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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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