Indian Oil Corporation

BUY

Mixed bag

Despite an underwhelming performance in Q2, we maintain BUY on IOC with a TP of Rs 185. 2HFY20 looks rather gloomy as well given planned shutdowns wrt BS-VI upgradation. We cut our GRM and throughput est for FY20 to factor this in. However, change in IMO regulations will support GRM in FY21.

HIGHLIGHTS OF THE QUARTER

- **Refining:** It was a muted quarter for this business. Throughput was 17.5mmt (-1.6/+1.4% YoY/QoQ). Despite a planned shutdown in 1QFY20, throughput in 2QFY20 remained low owing to (1) Shutdown due to frequent power failure (Haldia) (2) Bottleneck at cracking units (Paradip) and diesel treatment plants (Koyali and Barauni) (3) High rain and water logging (Koyali) (4) Low crude receipt (Bongaigaon).
- Core GRM (excluding inventory losses of USD 1.7/bbl) was USD 2.9/bbl in 2Q vs USD 3.6/bbl in 1Q. (1) Lower refinery utilisation (100.5% vs 103.8% for FY19) and, (2) Higher fuel and losses (8.9% vs 8.5% for FY19) have resulted in lower core GRMs.
- All refineries except Barauni, Digboi and Panipat will be under planned shutdown during 2H for up gradation to enable production of BS-VI grade products. We cut FY20 throughput to 70mmt (from 71.5) and GRM to USD 4.6/bbl (from USD 5.3/bbl).
- The implementation of International Maritime Organisation (IMO) regulations from Jan-20 will support middle distillate (mainly, HSD) spreads. As IOC produces ~43% HSD, GRMs should improve from USD 2.97/bbl in 1HFY20 to USD4.8/bbl for FY21E.
- **Marketing:** Volumes were 21.4mmt, down 0.8% YoY, while India's petroleum product consumption was down 6.4% YoY. Hence, IOC gained market share in Q2. Blended gross margin stood at Rs 4.1/lit (11.9/6.3% YoY/QoQ). These margins seem sustainable.
- **Near term outlook**: Increase in middle distillate cracks owing to IMO implementation.

STANCE

Operationally, it was a mix quarter as refining throughput and margins were impacted owing to unplanned shutdowns but IOCL has showcased a strong marketing performance with increase in marketing margins and expansion in market share. We are structurally positive on IOC, owing to its diversified business model and healthy FCF (Rs 356bn) over FY21-22E. <u>Our SOTP based target price of Rs 185 (5x Jun 21E EV/e for standalone refining, pipeline, petchem and 5.5x Jun 21E EV/e marketing and Rs 28/sh from other investments)</u>.

Financial Summary (Standalone)

(Rs bn)	2QFY20	2QFY19	YoY (%)	1QFY20	QoQ (%)	FY19	FY20E	FY21E	FY22E
Revenues	1,116.90	1,308.80	*(14.7)*	1,308.86	*(14.7)*	5,276.93	5,194.05	6,086.24	6,332.32
EBITDA	35.73	68.74	*(48.0)*	77.24	*(53.7)*	350.65	312.13	355.90	385.01
APAT	5.63	33.22	*(83.0)*	31.76	*(82.3)*	168.94	151.80	186.66	212.10
AEPS (Rs)	0.61	3.62	*(83.0)*	3.46	*(82.3)*	18.40	16.5	20.3	23.1
P/E (x)						7.8	8.7	7.0	6.2
EV/EBITDA (x)						5.1	5.5	4.9	4.5
RoE (%)						15.4	13.5	15.4	16.1

Source: Company, HDFC sec Inst Research

INDUSTRY	**OIL & GAS**
CMP *(as on 01 Nov 19)*	**Rs 143**
Target Price	**Rs 185**
Nifty	11,891
Sensex	40,165
KEY STOCK DATA	
Bloomberg	IOCL IN
No. of Shares (mn)	9,414
MCap (Rs bn) / ($ mn)	1,343/18,951
6m avg traded value (Rs mn)	2,053
STOCK PERFORMANCE (%)	
52 Week high / low	**Rs 171/116**

	3M	6M	12M
Absolute (%)	4.2	(9.7)	0.6
Relative (%)	(4.3)	(12.6)	(16.1)

SHAREHOLDING PATTERN (%)

	Jun-19	Sep-19
Promoters	52.18	51.50
FIs & Local MFs	13.13	14.25
FPIs	7.66	7.23
Public & Others	27.03	27.02
Pledged Shares	0.00	0.00

Source : BSE

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Core EBITDA (excluding inventory gains/(losses), forex gains/(losses)) was Rs 58.86bn up 15.7% YoY and down 8.0% QoQ

Implied blended gross marketing margin comes to Rs 4.1/lit, +11.9/6.3% YoY/QoQ

1H Sales have been adjusted for Rs 6.27bn of provisions that have been written back (Rs 4.2bn net of tax)

The BS-VI quality fuel will be supplied 2-3 months prior to the planned implementation from Apr-20

Quarterly Financials Snapshot (Standalone)

(Rs bn)	2QFY20	2QFY19	*YoY (%)*	1QFY20	*QoQ (%)*	1HFY20	1HFY19	*YoY (%)*
Sales	**1,116.90**	**1,308.80**	***(14.7)***	**1,308.86**	***(14.7)***	**2,425.75**	**2,603.55**	***(6.8)***
Raw material and Traded Goods	961.62	1,099.70	*(12.6)*	1,125.26	*(14.5)*	2,086.88	2,145.24	*(2.7)*
Employee Expenses	22.34	24.40	*(8.4)*	23.88	*(6.5)*	46.22	48.08	*(3.9)*
Other Operating Expenses	97.21	115.96	*(16.2)*	82.48	*17.9*	179.69	215.72	*(16.7)*
EBITDA	**35.73**	**68.74**	***(48.0)***	**77.24**	***(53.7)***	**112.97**	**194.50**	***(41.9)***
Depreciation	20.98	18.10	*16.0*	20.94	*0.2*	41.92	35.98	*16.5*
EBIT	**14.75**	**50.64**	***(70.9)***	**56.30**	***(73.8)***	**71.05**	**158.52**	***(55.2)***
Other Income (Including EO Items)	6.48	9.29	*(30.3)*	12.58	*(48.5)*	19.06	15.15	*25.9*
Interest Cost	13.08	11.88	*10.1*	15.09	*(13.3)*	28.17	22.19	*27.0*
PBT	**8.14**	**48.06**	***(83.1)***	**53.79**	***(84.9)***	**61.94**	**151.48**	***(59.1)***
Tax	2.51	15.59	*(83.9)*	17.83	*(85.9)*	20.34	50.70	*(59.9)*
RPAT	**5.63**	**32.47**	***(82.6)***	**35.96**	***(84.3)***	**41.60**	**100.78**	***(58.7)***
EO (Loss) / Profit (Net Of Tax)	-	0.75	*NA*	(4.20)	*NA*	(4.20)	0.75	*NA*
APAT	**5.63**	**33.22**	***(83.0)***	**31.76**	***(82.3)***	**37.40**	**101.53**	***(63.2)***
AEPS	**0.6**	**3.6**	***(83.0)***	**3.5**	***(82.3)***	**4.1**	**11.1**	***(63.2)***

Margin Analysis

	2QFY20	2QFY19	*YoY (bps)*	1QFY20	*QoQ (bps)*	1HFY20	1HFY19	*YoY (bps)*
Raw material as % of Net Sales	86.1	84.0	*207*	86.0	*12*	86.0	82.4	*363*
Employee Expenses as % of Net Sales	2.0	1.9	*14*	1.8	*18*	1.9	1.8	*6*
Other Operating Expenses as % of Net Sales	8.7	8.9	*(16)*	6.3	*240*	7.4	8.3	*(88)*
EBITDA Margin (%)	3.2	5.3	*(205)*	5.9	*(270)*	4.7	7.5	*(281)*
Net Profit Margin (%)	0.5	2.5	*(203)*	2.4	*(192)*	1.5	3.9	*(236)*
Tax Rate (%)	30.8	32.4	*(161)*	33.2	*(233)*	32.8	33.5	*(62)*

Source: Company, HDFC sec Inst Research

Pipeline throughput was up 1.8% YoY to 21.7mmtpa despite lower refinery and marketing volumes

Total (refinery and marketing) inventory losses were Rs 11.78bn

IOCL has signed 3 sale agreements for their Ennore LNG Terminal. The utilisation is intended to be ~15% (0.75MTPA) by the end of FY20. This will go up to 25% by FY21E

Petchem EBITDA came to Rs 7.74bn (-50.4/+12.8% YoY/QoQ), owing to planned shutdown of the petchem plant at Panipat. Polypropylene unit at Paradip contributed Rs 150mn to profits in 2Q

We change our estimates on the back of lower crude throughput and GRM expectation in 2HFY20, on account of plant shutdowns in relation to BS-VI

Key Quarterly Data

	2QFY20	2QFY19	YoY (%)	1QFY20	QoQ (%)	1HFY20	1HFY19	YoY (%)
Refinery throughput (mnT)	17.5	17.8	*(1.6)*	17.3	*1.4*	34.8	35.5	*(1.9)*
Pipeline throughput (mnT)	21.7	21.4	*1.8*	21.9	*(0.5)*	43.6	44.3	*(1.5)*
Marketing volumes (mnT)	21.4	21.6	*(0.8)*	21.6	*(0.8)*	43.0	43.3	*(0.6)*
Core GRM (USD/bbl)	2.9	3.6	*(17.7)*	3.6	*(18.6)*	3.3	3.7	*(11.8)*
Inventory gain/(loss) (USD/bbl)	(1.7)	3.2	*(151.5)*	1.1	*(253.2)*	(0.3)	4.8	*(106.2)*
Reported GRM (USD/bbl)	1.3	6.8	*(81.1)*	4.7	*(72.7)*	3.0	8.5	*(65.0)*
Exchange gain/(loss) (Rs bn)	(11.4)	(26.2)	*(56.7)*	0.9	*(1,333.7)*	(10.4)	(44.3)	*(76.4)*
Adventitious gain/(loss) (Rs bn)	(11.8)	44.1	*(126.7)*	12.3	*(195.5)*	0.6	122.7	*(99.6)*
Debt (Rs bn)	803.8	594.1	*35.3*	722.3	*11.3*	803.8	594.1	*35.3*

Source: Company, HDFC sec Inst Research

Change In Estimates

(Rs bn)	FY20E Old	FY20E New	% Chg.	FY21E Old	FY21E New	% Chg.
Revenues	5,935.38	5,194.05	*(12.5)*	6,172.77	6,086.24	*(1.4)*
EBIDTA	345.84	312.13	*(9.7)*	393.66	355.90	*(9.6)*
APAT	178.74	151.80	*(15.1)*	193.32	186.66	*(3.4)*
AEPS*	19.47	16.53	*(15.1)*	21.05	20.33	*(3.4)*

Source: Company, HDFC sec Inst Research | *No. of shares have been adjusted for buyback

We are factoring in a growth of ~5% in marketing volumes over FY20-22E

Diesel and MS sales volume are expected to grow at 5% and 6% over FY20-22E

We expect diesel marketing margins to be Rs 2.8/ltr and Rs 2.9/ltr FY21-22E, while for MS to be Rs 2.9/3.0/lit for FY21/22E respectively

IOC plans to spend Rs 250bn in FY20, of this Rs 98bn has been spent in 1H. The break-up of planned capex is- Refining Rs 73bn (Rs 42bn exclusively for BS-VI up gradation), Marketing Rs 65bn, Pipeline Rs 56bn, Petchem Rs 15bn, E&P Rs 10bn and others Rs 31bn

Assumptions

	FY17	FY18	FY19	FY20E	FY21E	FY22E
Refining						
Throughput (mnT)	65.2	69.0	71.3	70.0	70.8	70.8
Core GRM (USD/bbl)	7.8	8.5	4.6	4.6	4.8	4.8
Marketing						
Volumes (mnT)	78.8	84.3	85.1	90.6	94.5	98.7
YoY Gr (%)	*3.5*	*7.0*	*0.9*	*6.4*	*4.4*	*4.4*
Diesel Volume (mn T)	*35.4*	*36.5*	*38.3*	*40.3*	*42.3*	*44.4*
Diesel Volume Gr (%)	*(1.2)*	*3.1*	*5.0*	*5.0*	*5.0*	*5.0*
Diesel's Gross Margin (Rs/l)	2.6	2.6	2.6	2.7	2.8	2.9
MS Volume (mn T)	*10.1*	*10.9*	*11.5*	*12.2*	*12.9*	*13.7*
MS Volume Gr (%)	*6.8*	*7.3*	*6.0*	*6.0*	*6.0*	*6.0*
MS Gross Margin (Rs/l)	2.7	2.7	2.8	2.8	2.9	3.0
Petchem Volumes (mn T)	*2.7*	*2.7*	*2.7*	*2.7*	*3.0*	*3.4*
Pipeline						
Volumes (mnT)	82.1	83.7	85.3	87.8	90.5	92.5
Revenues (Rs/kg/km)	67.0	68.8	72.2	73.5	74.7	76.2
Macro						
Crude Price (USD/bbl)	50.0	57.5	71.0	65.0	75.0	75.0
USD - INR	67.1	66.0	70.1	70.0	72.0	72.0

Source: Company, HDFC sec Inst Research

Valuation (Based On Sep FY21E)

Business	EBITDA (Rs bn)	Multiple	Value (Rs bn)	Value (Rs/sh)*	Valuation basis
Standalone					
Refining	63.7	5.0	318.5	35	EV/EBIDTA on Sep 21E
Marketing	175.7	5.5	966.3	105	EV/EBIDTA on Sep 21E
Pipeline	68.1	5.0	340.3	37	EV/EBIDTA on Sep 21E
Petchem	63.0	5.0	315.0	34	EV/EBIDTA on Sep 21E
Standalone net Debt			(496.3)	(54)	As on Sep 20E
Standalone Equity Value			**1,443.9**	**157**	
Investments					
Traded investments			159.6	17	30% disc. to CMP
Non traded investments			99.4	11	Investments at 30% disc. to BV
Investments Equity Value				**28**	
Value per share				**185**	

Source: Company, HDFC sec Inst Research, * Valuation is based on 9.479bn shares (net of treasury shares)

Peer Set Comparison

	MCap (Rs bn)	CMP (Rs)	RECO	TP (Rs)	Upside %	EPS (Rs/sh)				P/E (x)				P/BV (x)				ROE (%)			
						FY19	FY20E	FY21E	FY22E	FY19	FY20E	FY21E	FY22E	FY19	FY20E	FY21E	FY22E	FY19	FY20E	FY21E	FY22E
Reliance Industries	9,236	1,457	NEU	1,526	4.8	55.5	65.1	68.3	73.1	26.3	22.4	21.3	19.9	2.3	2.1	1.9	1.8	9.8	9.8	9.4	9.3
ONGC	1,812	144	BUY	207	43.6	21.2	23.0	23.5	24.1	6.8	6.27	6.1	6.0	0.9	0.8	0.8	0.7	13.5	13.8	13.2	12.7
Indian Oil Corp	**1,343**	**143**	**BUY**	**185**	**29.7**	**18.4**	**16.5**	**20.3**	**23.1**	**7.8**	**8.7**	**7.0**	**6.2**	**1.2**	**1.1**	**1.0**	**1.0**	**15.4**	**13.5**	**15.4**	**16.1**
BPCL	1,021	519	SELL	450	(13.3)	36.3	39.0	40.4	38.6	14.3	13.3	12.8	13.4	2.8	2.5	2.3	2.1	20.1	19.8	18.4	16.0
GAIL	609	135	BUY	197	45.9	13.8	13.8	15.6	16.8	9.7	9.8	8.6	8.0	1.4	1.3	1.2	1.1	14.8	13.5	14.0	13.8
HPCL	489	321	BUY	385	19.9	39.9	36.3	39.3	37.6	8.0	8.8	8.2	8.5	1.7	1.5	1.4	1.2	23.3	18.5	17.7	15.3
Petronet LNG	425	283	BUY	390	37.8	14.4	18.0	22.0	23.8	19.7	15.7	12.9	11.9	4.2	4.0	3.8	3.7	21.8	26.2	30.5	31.8
Indraprastha Gas	275	393	BUY	421	7.2	11.2	13.6	14.8	16.5	35.0	28.9	26.5	23.8	6.7	5.8	5.1	4.5	20.6	21.6	20.5	20.1
Oil India	183	169	BUY	225	33.3	33.4	30.9	31.8	32.8	5.1	5.5	5.3	5.2	0.7	0.6	0.5	0.5	13.0	11.4	10.5	9.8
Gujarat Gas	136	197	BUY	251	27.2	6.3	10.8	12.0	14.0	31.2	18.3	16.4	14.0	6.1	4.7	3.8	3.1	21.3	29.3	25.8	24.2
GSPL	120	213	BUY	245	14.9	14.1	17.6	18.5	22.1	15.1	12.1	11.5	9.6	2.1	1.9	1.7	1.5	14.7	16.2	15.2	16.2
Mahanagar Gas	100	1009	BUY	1,157	14.6	55.3	60.0	60.5	62.1	18.2	16.8	16.7	16.2	4.2	3.6	3.2	2.8	24.3	23.0	20.3	18.5

Source: Company, HDFC sec Inst Research | *Fair Value

Standalone Income Statement

(Rs bn)	FY18	FY19	FY20E	FY21E	FY22E
Revenues	**4,240.39**	**5,276.93**	**5,194.05**	**6,086.24**	**6,332.32**
Growth (%)	***17.8***	***24.4***	***(1.6)***	***17.2***	***4.0***
Material Expenses	3,432.25	4,457.24	4,398.10	5,220.73	5,410.52
Employee Expenses	100.79	111.02	115.73	121.76	128.10
Other Operating Expenses	305.42	358.02	368.09	387.85	408.68
EBIDTA	**401.92**	**350.65**	**312.13**	**355.90**	**385.01**
EBIDTA Margin (%)	***9.5***	***6.6***	***6.0***	***5.8***	***6.1***
EBITDA Growth (%)	***1.2***	***(12.8)***	***(11.0)***	***14.0***	***8.2***
Core EBITDA	***277.7***	***276.9***	***312.1***	***355.9***	***385.0***
Core EBITDA Margin (%)	***6.5***	***5.2***	***6.0***	***5.8***	***6.1***
Core EBITDA Growth (%)	***(19.7)***	***(0.3)***	***12.7***	***14.0***	***8.2***
Depreciation	70.75	75.18	81.46	83.48	85.90
EBIT	**331.17**	**275.47**	**230.67**	**272.42**	**299.11**
Other Income Incl EO	33.07	31.29	28.91	29.78	30.68
Interest	34.48	43.11	56.64	52.66	46.23
PBT	**329.75**	**263.65**	**202.94**	**249.55**	**283.56**
Tax	112.18	82.33	51.14	62.89	71.46
RPAT	**217.57**	**181.32**	**151.80**	**186.66**	**212.10**
EO (Loss) / Profit (Net Of Tax)	8.22	12.38	-	-	-
APAT	**209.35**	**168.94**	**151.80**	**186.66**	**212.10**
APAT Growth (%)	***9.6***	***(19.3)***	***(10.1)***	***23.0***	***13.6***
AEPS	**22.8**	**18.4**	**16.5**	**20.3**	**23.1**
AEPS Growth (%)	***9.6***	***(19.3)***	***(10.1)***	***23.0***	***13.6***

Source: Company, HDFC sec Inst Research| *No. of shares have been adjusted for buyback

Standalone Balance Sheet

(Rs bn)	FY18	FY19	FY20E	FY21E	FY22E
SOURCES OF FUNDS					
Share Capital	94.79	91.81	91.81	91.81	91.81
Reserves	1,006.92	994.76	1,074.85	1,173.33	1,285.23
Total Shareholders' Funds	**1,101.71**	**1,086.58**	**1,166.66**	**1,265.14**	**1,377.04**
Long-term Debt	187.18	346.66	352.40	253.93	204.69
Short-term Debt	368.08	485.94	485.94	455.94	445.94
Total Debt	**555.25**	**832.60**	**838.34**	**709.86**	**650.63**
Deferred Taxes	120.20	158.23	166.14	174.45	183.17
Long Term Provisions & Others	39.49	30.98	34.08	37.48	41.23
TOTAL SOURCES OF FUNDS	**1,816.65**	**2,108.38**	**2,205.21**	**2,186.93**	**2,252.07**
APPLICATION OF FUNDS					
Net Block	1,139.27	1,187.08	1,247.39	1,303.58	1,357.36
CWIP	143.48	235.99	286.18	324.94	355.94
Investments	474.88	497.55	497.55	497.55	497.55
LT Loans & Advances	20.31	22.81	22.81	22.81	22.81
Other Non-current Assets	82.89	53.37	53.37	53.37	53.37
Total Non-current Assets	**1,860.84**	**1,996.80**	**2,107.31**	**2,202.26**	**2,287.03**
Inventories	653.13	714.70	602.48	715.17	741.17
Debtors	101.17	154.48	142.30	166.75	173.49
Cash & Equivalents	0.81	0.91	82.68	14.30	30.15
Other Current Assets	191.45	290.18	292.31	194.95	147.05
Total Current Assets	**946.56**	**1,160.27**	**1,119.77**	**1,091.16**	**1,091.86**
Creditors	331.06	386.79	361.49	429.10	444.70
Other Current Liabilities	659.69	661.90	660.38	677.38	682.12
Total Current Liabilities	**990.75**	**1,048.69**	**1,021.87**	**1,106.49**	**1,126.82**
Net Current Assets	**(44.19)**	**111.58**	**97.90**	**(15.32)**	**(34.97)**
TOTAL APPLICATION OF FUNDS	**1,816.65**	**2,108.38**	**2,205.21**	**2,186.93**	**2,252.07**

Source: Company, HDFC sec Inst Research

Standalone Cash Flow

(Rs bn)	FY18	FY19	FY20E	FY21E	FY22E
Reported PBT	325.64	251.27	202.94	249.55	283.56
Non-operating & EO Items	(33.07)	(31.29)	(28.91)	(29.78)	(30.68)
Interest Expenses	34.48	43.11	56.64	52.66	46.23
Depreciation	70.75	75.18	81.46	83.48	85.90
Working Capital Change	(94.30)	(167.07)	96.33	45.82	36.56
Tax Paid	(59.58)	(44.29)	(43.23)	(54.58)	(62.73)
OPERATING CASH FLOW (a)	**243.93**	**126.91**	**365.22**	**347.14**	**358.84**
Capex	(167.33)	(215.49)	(191.96)	(178.43)	(170.68)
Free Cash Flow (FCF)	***76.60***	***(88.57)***	***173.26***	***168.71***	***188.17***
Investments	(25.72)	4.35	0.00	-	-
Non-operating Income	33.07	31.29	28.91	29.78	30.68
Others	-	-	-	-	-
INVESTING CASH FLOW (b)	**(159.99)**	**(179.85)**	**(163.05)**	**(148.64)**	**(140.00)**
Debt Issuance/(Repaid)	58.93	280.23	7.95	(126.04)	(56.56)
Interest Expenses	(34.48)	(43.11)	(56.64)	(52.66)	(46.23)
FCFE	***101.04***	***148.54***	***124.56***	***(9.98)***	***85.38***
Share Capital Issuance	47.39	(2.98)	-	-	-
Dividend	(124.71)	(100.31)	(71.71)	(88.18)	(100.20)
Others	(31.72)	(80.79)	-	(0.00)	-
FINANCING CASH FLOW (c)	**(84.60)**	**53.04**	**(120.41)**	**(266.88)**	**(202.99)**
NET CASH FLOW (a+b+c)	**(0.66)**	**0.10**	**81.77**	**(68.38)**	**15.85**

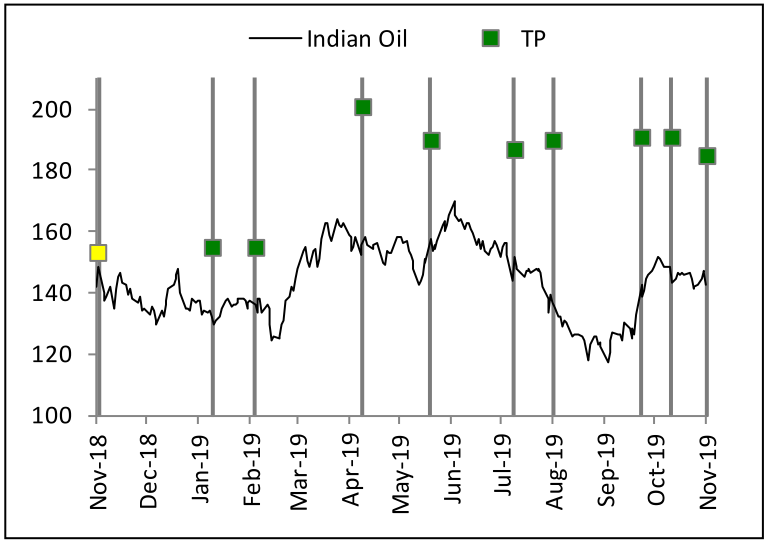
Source: Company, HDFC sec Inst Research

Standalone Key Ratios

	FY18	FY19	FY20E	FY21E	FY22E
PROFITABILITY %					
EBITDA Margin	9.5	6.6	6.0	5.8	6.1
EBIT Margin	8.6	5.8	5.0	5.0	5.2
APAT Margin	4.9	3.2	2.9	3.1	3.3
RoE	19.9	15.4	13.5	15.4	16.1
RoIC	27.0	20.6	18.9	22.1	24.0
RoCE	16.8	12.9	11.6	13.1	13.9
EFFICIENCY					
Tax Rate %	34.9	32.8	25.2	25.2	25.2
Asset turnover (x)	1.6	1.8	1.6	1.9	1.9
Inventory (days)	68	56	50	43	43
Debtor (days)	8	9	10	10	10
Other Current Assets (days)	16	20	21	12	8
Payables (days)	34	29	30	27	27
Other Curr Liab & Prov (days)	34	29	30	27	27
Cash conversion cycle (days)	25	26	21	10	7
Net Debt/EBITDA (x)	1.2	2.1	2.2	1.7	1.4
Net D/E	0.4	0.7	0.6	0.5	0.4
Interest Coverage	10.6	7.1	4.6	5.7	7.1
PER SHARE DATA					
EPS (Rs)	22.8	18.4	16.5	20.3	23.1
CEPS (Rs)	30.5	26.6	25.4	29.4	32.5
DPS (Rs)	11.5	9.3	6.6	8.1	9.2
BV (Rs)	120.0	118.3	127.1	137.8	150.0
VALUATION					
P/E (x)	6.3	7.8	8.7	7.0	6.2
P/Cash EPS (x)	4.7	5.4	5.6	4.9	4.4
P/BV (x)	1.2	1.2	1.1	1.0	1.0
EV/EBITDA (x)	4.0	5.1	5.5	4.9	4.5
EV/Revenue (x)	0.4	0.3	0.3	0.3	0.3
OCF/EV (%)	15.3	7.1	21.4	19.9	20.9
FCFE/EV (%)	4.8	(5.0)	10.2	9.7	10.9
FCFE/M CAP (%)	7.7	11.3	9.5	(0.8)	6.5
Dividend Yield (%)	8.0	6.5	4.6	5.7	6.5

Source: Company, HDFC sec Inst Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
3-Nov-18	148	NEU	153
9-Jan-19	134	BUY	155
4-Feb-19	136	BUY	155
9-Apr-19	155	BUY	201
21-May-19	157	BUY	190
9-Jul-19	152	BUY	187
1-Aug-19	137	BUY	190
22-Sep-19	126	BUY	191
11-Oct-19	148	BUY	191
2-Nov-19	143	BUY	185

Rating Definitions

BUY : Where the stock is expected to deliver more than 10% returns over the next 12 month period
NEUTRAL : Where the stock is expected to deliver (-)10% to 10% returns over the next 12 month period
SELL : Where the stock is expected to deliver less than (-)10% returns over the next 12 month period

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