

At compelling valuations

Post an in line performance in Q2, we maintain **BUY** on ONGC. Adjusting for its investments (OVL+ other) the stock is trading at 5.8x Sep-21E standalone EPS. We believe that such pessimism is unwarranted.

HIGHLIGHTS OF THE QUARTER

- Q2 sales were down 12.5% YoY to Rs 244.93bn owing to 1.2% fall in crude oil sales volume to 5.4mmt and 17.1% decreased in oil realisation to Rs 4,242/bbl (USD 60.3). EBITDA was down 15.8% YoY to Rs 132.90bn while APAT was down 24.2% to Rs 62.63bn. The latter is attributable to higher depreciation and exploration cost (31.9/21.3% YoY jump) and lower tax rate (31% in Q2FY20 vs 35% in Q2FY19).
- The company revised its production target down a tad to 25bcm (from 26.3) for gas for FY20. Gas production is expected to increase at CAGR of 7.7% (excluding JV) over FY19-22E to 30.8bcm. However we expect gas production to increase at CAGR of 5.3% to 28.84bcm.
- Natural Gas sales volume was down 2.6/1.6% YoY/QoQ to 4.9bcm while NG realisation up 25/0.3% YoY/QoQ to USD 3.87/mmbtu. Oil price realisation was Rs 4,242/bbl (USD 60.3/bbl vs our est. of USD61), down 17.1% YoY

and 8.0% QoQ. Crude oil sales volume was at 5.4mmt, down 1.2% YoY but up 2.2% QoQ

- We expect crude oil production volumes (excluding JV) to increase at CAGR of 1.4% over FY19-22E to 21.94mmt as against company's target of 23.59mmt. The surge in oil supply from US coupled with fall in global oil demand owing to trade war between US-China will result in subdued oil prices in the near term. Thus, we expect oil realisation to fall from USD 63.3/bbl in 1HFY20 to <USD 60bbl in 2HFY20.
- Key monitorable:** Crude oil price movement.

STANCE

ONGC generates OCF yield of almost 28% and divided yield of 7.4% over FY20/21E. Despite realising market price for oil in the absence of any subsidy sharing, upstream companies have remained unfavourable. Stake sale from government to achieve its disinvestment targets remains a key overhang on the stock (in last 2 years Gol's shareholding shrunk from 68.02% to 62.98%). We maintain BUY with a TP of Rs 187/sh (8x Jun-21E standalone core EPS (adj. for dividend income) + OVL EPS and Rs 34 from other investments).

Financial Summary (Standalone)

(Rs bn)	2QFY20	2QFY19	YoY (%)	1QFY20	QoQ (%)	FY19	FY20E	FY21E	FY22E
Revenues	244.93	279.89	(12.5)	265.55	(7.8)	1,096.55	1,035.23	1,117.87	1,143.68
EBITDA	132.90	157.88	(15.8)	151.12	(12.1)	594.63	546.96	589.05	586.44
APAT	62.63	82.64	(24.2)	59.04	6.1	267.16	234.74	265.28	264.64
AEPS (Rs)	5.0	6.6	(24.2)	4.7	6.1	21.2	18.7	21.1	21.0
P/E (x)						6.4	7.3	6.4	6.5
EV/EBITDA (x)						2.8	3.1	2.8	2.8
RoE (%)						13.5	11.3	12.2	11.5

Source: Company, HDFC sec Inst Research

INDUSTRY	OIL & GAS
CMP (as on 15 Nov 19)	Rs 136
Target Price	Rs 187
Nifty	11,895
Sensex	40,357

KEY STOCK DATA

Bloomberg	ONGC IN
No. of Shares (mn)	12,580
MCap (Rs bn) / (\$ mn)	1,705/23,738
6m avg traded value (Rs mn)	1,712

STOCK PERFORMANCE (%)

52 Week high / low	Rs 179/116		
	3M	6M	12M
Absolute (%)	6.9	(16.7)	(14.7)
Relative (%)	(1.3)	(25.4)	(29.1)

SHAREHOLDING PATTERN (%)

	Jun-19	Sep-19
Promoters	64.25	62.98
FIs & Local MFs	14.37	16.00
FPIs	7.85	8.24
Public & Others	13.53	12.78
Pledged Shares	0.00	0.00

Source : BSE

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Q2 sales were down 12.5% YoY to Rs 244.93bn owing to 1.2% fall in crude oil sales volume to 5.4mmt and 17.1% decreased in oil realisation to Rs 4,242/bbl (USD 60.3)

Oil price realisation was Rs 4,242/bbl (USD 60.3/bbl vs our est. of USD61), down 17.1% YoY and 8.0% QoQ. Crude oil sales volume was at 5.4mmt, down 1.2% YoY/ but up 2.2% QoQ. Natural Gas sales volume was down 2.6/1.6% YoY/QoQ to 4.9bcm while NG realisation up 25/0.3% YoY/QoQ to USD 3.87/mmbtu

Quarterly Financial Snapshot

(Rs bn)	2QFY20	2QFY19	YoY (%)	1QFY20	QoQ (%)	1HFY20	1HFY19	YoY (%)
Net Sales	244.93	279.89	(12.5)	265.55	(7.8)	510.47	552.02	(7.5)
Statutory Levy	58.61	66.07	(11.3)	62.36	(6.0)	120.97	133.40	(9.3)
Employee Expenses	6.33	6.10	3.9	6.08	4.1	12.41	12.46	(0.4)
Other Operating Expenses	47.09	49.84	(5.5)	45.98	2.4	93.07	100.96	(7.8)
EBIDTA	132.90	157.88	(15.8)	151.12	(12.1)	284.02	305.20	(6.9)
Exploration write off	15.98	13.18	21.3	23.30	(31.4)	39.28	24.57	59.8
Depreciation, depletion	46.58	35.31	31.9	38.27	21.7	84.85	74.18	14.4
EBIT	70.34	109.39	(35.7)	89.55	(21.5)	159.89	206.45	(22.6)
Interest Cost	6.82	6.29	8.4	6.46	5.5	13.28	13.78	(3.6)
Other Income (Incl EO Items)	26.85	23.94	12.2	7.48	259.2	34.33	30.44	12.8
PBT	90.38	127.05	(28.9)	90.57	(0.2)	180.94	223.11	(18.9)
Tax	27.75	44.40	(37.5)	31.53	(12.0)	59.28	79.03	(25.0)
RPAT	62.63	82.64	(24.2)	59.04	6.1	121.66	144.08	(15.6)
EO (Loss) / Profit (Net Of Tax)	-	-	-	-	-	-	-	-
APAT	62.63	82.64	(24.2)	59.04	6.1	121.66	144.08	(15.6)
AEPS	5.0	6.6	(24.2)	4.7	6.1	9.7	11.5	(15.6)

Margin Analysis

	2QFY20	2QFY19	YoY (bps)	1QFY20	QoQ (bps)	1HFY20	1HFY19	YoY (bps)
Statutory levy as % of Net Sales	23.9	23.6	32	23.5	44	23.7	24.2	(47)
Employee Expenses as % of Net Sales	2.6	2.2	41	2.3	29	2.4	2.3	18
Other Operating Expenses as % of Net Sales	19.2	17.8	142	17.3	191	18.2	18.3	(6)
EBIDTA Margin (%)	54.3	56.4	(215)	56.9	(265)	55.6	55.3	35
Net Profit Margin (%)	25.6	29.5	(396)	22.2	334	23.8	26.1	(227)
Tax Rate (%)	30.7	35.0	(425)	34.8	(411)	32.8	35.4	(266)

Source: Company, HDFC sec Inst Research

We expect gas production to increase at CAGR of 5.3% to 28.84bcm over FY19-22E

Physical Performance

	2QFY20	2QFY19	YoY (%)	1QFY20	QoQ (%)	1HFY20	1HFY19	YoY (%)
Oil sales volumes from nominated blocks (mmt)	4.5	4.6	(2.0)	4.4	2.7	8.9	9.4	(5.0)
Oil sales volumes from JV (mmt)	0.9	0.9	3.0	0.9	(0.2)	1.8	1.9	(6.1)
Total Oil (mnT)	5.4	5.5	(1.2)	5.3	2.2	10.7	11.3	(5.2)
Gas sales volumes from nominated blocks (bcm)	4.7	4.9	(4.0)	4.8	(2.2)	4.7	4.8	(1.0)
Gas sales volumes from JV (bcm)	0.3	0.2	33.9	0.2	12.9	0.2	0.2	15.5
Total Gas (BCM)	4.9	5.0	(2.6)	5.0	(1.6)	5.0	5.0	(0.3)
Gross oil realisation (USD/bbl)	60.3	73.1	(17.4)	66.3	(9.0)	63.3	72.3	(12.4)
Net oil realisation (USD/bbl)	60.3	73.1	(17.4)	66.3	(9.0)	63.3	72.3	(12.4)
Net oil realisation (Rs/bbl)	4,242	5,117	(17.1)	4,612	(8.0)	4,427	4,955	(10.6)
Natural gas realisation (USD/mmbtu)	3.9	3.1	25.2	3.9	0.3	3.9	3.1	25.1
Natural gas realisation (Rs/scm)	10.7	8.6	23.9	10.6	1.3	10.6	8.5	25.5

Source: Company, HDFC sec Inst Research

Key variables for ONGC:

- 1) Net oil realisations
- 2) Exchange rate

FY20E EPS (Standalone) Sensitivity With Crude Prices, INR-USD

		INR-USD				
		66	68	70	72	74
Brent (\$/bbl)	51	10.8	12.2	13.6	14.9	16.3
	56	13.2	14.7	16.1	17.6	19.0
	61	15.6	17.1	18.7	20.2	21.7
	66	18.0	19.6	21.2	22.8	24.4
	71	20.4	22.1	23.8	25.4	27.1

FY21E EPS (Standalone) Sensitivity With Crude Prices, INR-USD

		INR-US\$				
		66	68	70	72	74
Brent(\$/bbl)	55	12.2	13.5	14.7	16.0	17.2
	60	15.2	16.6	17.9	19.2	20.6
	65	18.2	19.7	21.1	22.5	23.9
	70	21.2	22.8	24.3	25.8	27.3
	75	24.2	25.9	27.5	29.1	30.7

OVL-FY20E EPS Sensitivity To Crude Oil Prices, INR-USD

		INR-USD				
		66	68	70	72	74
Brent(\$/bbl)	51	0.7	0.8	0.8	0.8	0.9
	56	1.0	1.0	1.0	1.1	1.1
	61	1.2	1.2	1.3	1.3	1.4
	66	1.4	1.5	1.5	1.6	1.6
	71	1.6	1.7	1.8	1.8	1.9

OVL-FY21E EPS Sensitivity To Crude Oil Prices, INR-USD

		INR-USD				
		66	68	70	72	74
Brent(\$/bbl)	55	0.9	1.0	1.0	1.1	1.1
	60	1.2	1.2	1.3	1.3	1.4
	65	1.4	1.5	1.5	1.6	1.6
	70	1.6	1.7	1.8	1.8	1.9
	75	1.9	1.9	2.0	2.1	2.1

FY20E EPS (Standalone + OVL) Sensitivity To Crude Prices, INR-USD

		INR-USD				
		66	68	70	72	74
Brent(\$/bbl)	51	11.5	13.0	14.4	15.8	17.2
	56	14.2	15.7	17.1	18.6	20.1
	61	16.8	18.4	19.9	21.5	23.1
	66	19.4	21.1	22.7	24.4	26.0
	71	22.1	23.8	25.5	27.2	29.0

FY21E EPS (Standalone + OVL) Sensitivity To Crude Prices, INR-USD

		INR-USD				
		66	68	70	72	74
Brent(\$/bbl)	55	13.2	14.5	15.7	17.0	18.3
	60	16.4	17.8	19.2	20.6	21.9
	65	19.6	21.1	22.6	24.1	25.6
	70	22.9	24.5	26.0	27.6	29.2
	75	26.1	27.8	29.5	31.2	32.8

Base case assumptions for FY20/21E: (1) Net oil price realisation at USD 61/65bbl, (2) INR-USD at 70 for FY20/21.

At base case, our target price for ONGC is Rs 187/sh (8x 12 months rolling forward standalone + OVL EPS and Rs 31/sh from investments).

Oil production expected to increase from JVs and its WO-16 field

Share of gas with higher realisation is expected to increase from the current 4% to ~14-15% in FY21E in volume terms

We revise our estimates downwards to account for a higher tax rate of 33.6% in FY20-22E, contrary to our expectation of 25.2%. Besides, a lower realisation for crude oil in 1HFY20 compelled us to revise the FY20 top line down

Assumptions

	FY17	FY18	FY19	FY20E	FY21E	FY22E
ONGC Standalone						
Sales Volumes						
Crude - nominated (mnT)	19.8	19.7	18.5	18.49	18.9	19.1
Crude - JV (mnT)	4.0	3.9	4.0	4.83	4.8	4.8
Gas - nominated (BCM)	17.0	18.6	19.6	20.21	21.2	22.5
Gas - JV (BCM)	0.9	0.9	0.9	0.83	0.8	0.8
Value added product (mnT)	3.2	3.3	3.6	3.83	4.1	4.3
Net oil realisation (US\$/bbl)	50	55	68	61	65	65
Net oil realisation (Rs/bbl)	3,373	3,557	4,766	4,270	4,550	4,550
Cess on crude (Rs/t)	4,020	4,565	6,116	5,480	5,839	5,839
Gas realisation (US\$/mmbtu)	3.2	3.0	3.6	3.5	3.5	3.5

Source: Company, HDFC sec Inst Research

Change In Estimates

Rs bn	FY20E Old	FY20E New	Ch%	FY21E Old	FY21E New	Ch%	FY212 Old	FY22E New	Ch%
Net Revenues	1,091.00	1,035.23	(5.1)	1,117.87	1,117.87	-	1,143.68	1,143.68	-
EBITDA	575.64	546.96	(5.0)	572.52	589.05	2.9	576.68	586.44	1.7
APAT	288.87	234.74	(18.7)	295.42	265.28	(10.2)	303.60	264.64	(12.8)
AEPS	23.0	18.7	(18.7)	23.5	21.1	(10.2)	24.1	21.0	(12.8)

Source: HDFC sec Inst Research

FY20E capex is expected to be Rs. 320bn and ~Rs 350bn for FY21E. Current standalone debt stands at Rs.103.96bn

Valuation (Based On Mar-21E)

Business	EPS (Rs/sh)	Target P/E	Value (Rs/sh)	Basis
ONGC standalone EPS (Rs/sh)	17.7	8.0	141	x Sep 21E EPS
Less: EPS From Other Income Valued Separately	1.5	8.0	12	x Sep 21E EPS
Total			154	

Traded Investments	Shares (Mn)	CMP	Value (Rs mn)	Value (Rs/sh)	Basis
Value of traded Investments					
MRPL	1,254.4	48.0	48,170	3.8	20% Discount to CMP
IOCL	1,337.2	137.0	1,46,557	11.6	20% Discount to CMP
GAIL	217.8	122.0	21,258	1.7	20% Discount to CMP
Petronet LNG	187.5	176.0	26,400	2.1	20% Discount to CMP
HPCL	778.8	289.0	1,80,069	14.3	20% Discount to CMP
Value of traded investments			4,22,455	34	
Value Per Share				187	

Source: HDFC sec Inst Research

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	9,230	1,456	NEU	1,527	4.9	55.5	61.2	60.6	65.4	26.2	23.8	24.0	22.3	2.3	2.1	2.0	1.8	9.8	9.2	8.4	8.5
ONGC	1,705	136	BUY	187	37.7	21.2	18.7	21.1	21.0	6.4	7.29	6.4	6.5	0.8	0.8	0.8	0.7	13.5	11.3	12.2	11.5
Indian Oil Corp	1,258	137	BUY	185	35.4	18.4	16.5	20.3	23.1	7.4	8.3	6.7	5.9	1.2	1.1	1.0	0.9	15.4	13.5	15.4	16.1
BPCL	1,007	512	SELL	451	(12.0)	36.3	37.5	39.5	39.0	14.1	13.6	13.0	13.1	2.7	2.5	2.2	2.0	20.1	19.0	18.1	16.3
GAIL	550	122	BUY	197	61.5	13.8	12.0	14.3	15.4	8.8	10.2	8.6	7.9	1.2	1.2	1.1	1.0	14.8	11.8	13.0	12.9
HPCL	440	289	BUY	362	25.3	39.9	29.1	33.5	35.9	7.2	9.9	8.6	8.1	1.6	1.4	1.3	1.2	23.3	15.0	15.6	15.1
Petronet LNG	414	276	BUY	390	41.3	14.4	18.0	22.0	23.8	19.2	15.4	12.5	11.6	4.1	3.9	3.7	3.6	21.8	26.2	30.5	31.8
Indraprastha Gas	298	425	BUY	483	13.7	11.2	15.5	16.7	18.7	37.8	27.5	25.4	22.7	7.2	6.1	5.3	4.6	20.6	24.1	22.4	21.7
Oil India	174	160	BUY	229	43.0	33.4	30.8	31.7	32.7	4.8	5.2	5.0	4.9	0.6	0.6	0.5	0.5	13.0	11.4	10.5	9.8
Gujarat Gas	136	197	BUY	261	32.7	6.3	12.5	12.2	13.9	31.2	15.7	16.1	14.1	6.1	4.3	3.5	2.9	21.3	32.1	23.7	22.2
GSPL	122	217	BUY	251	15.7	14.1	16.6	20.2	21.4	15.4	13.0	10.8	10.1	2.1	1.9	1.7	1.5	14.7	15.3	16.4	15.5
Mahanagar Gas	102	1030	BUY	1,355	31.5	55.3	71.3	69.2	73.4	18.6	14.4	14.9	14.0	4.2	3.5	3.0	2.6	24.3	26.5	21.7	20.0

Source: HDFC sec Inst Research

Standalone Income Statement

Rs bn	FY18	FY19	FY20E	FY21E	FY22E
Net Revenues	850.04	1,096.55	1,035.23	1,117.87	1,143.68
Growth %	9.1	29.0	(5.6)	8.0	2.3
Statutory Levies	200.98	265.00	245.80	270.59	281.54
Employee Cost	25.03	27.06	27.60	28.15	28.72
Other Operating Expenses	183.83	209.85	214.86	230.08	246.99
EBITDA	440.19	594.63	546.96	589.05	586.44
EBITDA Margin %	51.8	54.2	52.8	52.7	51.3
EBITDA Growth %	21.8	35.1	(8.0)	7.7	(0.4)
Depreciation	215.02	245.35	238.30	239.79	241.30
EBIT	225.17	349.27	308.66	349.26	345.13
Other Income Incl EO	78.84	75.19	69.29	72.24	73.21
Interest	15.08	24.92	24.42	21.98	19.78
PBT	288.925	399.54	353.53	399.52	398.56
Tax	89.47	132.38	118.79	134.24	133.92
RPAT	199.45	267.16	234.74	265.28	264.64
APAT	199.45	267.16	234.74	265.28	264.64
APAT Growth (%)	11.4	33.9	(12.1)	13.0	(0.2)
AEPS	15.9	21.2	18.7	21.1	21.0
EPS Growth %	11.4	33.9	(12.1)	13.0	(0.2)

Source: Company, HDFC sec Inst Research

Standalone Balance Sheet

Rs bn	FY18	FY19	FY20E	FY21E	FY22E
SOURCES OF FUNDS					
Share Capital	64.17	62.90	62.90	62.90	62.90
Reserves	1,869.68	1,967.02	2,054.58	2,172.66	2,290.12
Total Shareholders' Funds	1,933.85	2,029.93	2,117.48	2,235.57	2,353.02
Long-term Debt	-	-	-	-	-
Short-term Debt	255.92	215.94	135.94	85.94	35.94
Total Debt	255.92	215.94	135.94	85.94	35.94
Net Deferred Taxes	262.59	280.70	280.70	280.70	280.70
Long Term Provisions & Others	222.22	244.55	244.55	244.55	244.55
TOTAL SOURCES OF FUNDS	2,674.59	2,771.12	2,778.67	2,846.76	2,914.21
APPLICATION OF FUNDS					
Net Fixed Assets And Producing Assets	1,195.16	1,242.45	1,284.26	1,425.52	1,566.20
Capital WIP/Development Well In Progress	353.84	350.50	315.50	285.50	255.50
Long-term Loans And Advances	21.33	10.46	10.46	10.46	10.46
Other Non-current Assets	269.48	286.22	276.22	266.72	257.22
Investments	857.31	848.82	848.82	848.82	848.82
Inventory	66.89	77.49	73.16	79.00	80.82
Debtors	77.73	84.40	79.68	86.04	88.03
Cash & Equivalents	10.13	5.04	67.05	45.06	26.15
Loans And Advances	14.02	6.34	6.97	7.67	8.44
Other Current Assets	46.40	110.63	99.57	89.61	80.65
Total current assets	215.17	283.90	326.43	307.38	284.09
Creditors	73.35	88.25	83.32	89.97	92.04
Other Current Liabilities	164.35	162.98	199.71	207.67	216.03
Total Current Liabilities	237.70	251.23	283.03	297.64	308.07
Net Current Assets	(22.53)	32.67	43.41	9.74	(23.98)
TOTAL APPLICATION OF FUNDS	2,674.59	2,771.12	2,778.67	2,846.76	2,914.21

Source: Company, HDFC sec Inst Research

Standalone Cash Flow

Rs bn	FY18	FY19	FY20E	FY21E	FY22E
Reported PBT	288.92	399.54	353.53	399.52	398.56
Non-operating & EO Items	(78.84)	(75.19)	(69.29)	(72.24)	(73.21)
Interest Expenses	15.08	24.92	24.42	21.98	19.78
Depreciation	215.02	245.35	238.30	239.79	241.30
Working Capital Change	7.94	(60.29)	61.28	21.17	24.32
Tax Paid	(48.51)	(114.27)	(118.79)	(134.24)	(133.92)
OPERATING CASH FLOW (a)	399.63	420.07	489.45	475.98	476.84
Capex	(367.27)	(289.31)	(245.12)	(351.04)	(351.98)
Free Cash Flow (FCF)	32.36	130.76	244.34	124.93	124.85
Investments	(315.81)	8.49	-	-	-
Non-operating Income	78.84	75.19	69.29	72.24	73.21
Others	(19.30)	(5.86)	-	-	-
INVESTING CASH FLOW (b)	(623.54)	(211.49)	(175.83)	(278.80)	(278.77)
Debt Issuance/(Repaid)	255.92	(39.99)	(80.00)	(50.00)	(50.00)
Interest Expenses	(15.08)	(24.92)	24.42	21.98	19.78
FCFE	273.20	65.85	188.76	96.91	94.64
Share Capital Issuance	-	(1.26)	-	-	-
Dividend	(104.74)	(112.80)	(147.19)	(147.19)	(147.19)
Others	15.58	(39.02)	(48.85)	(43.96)	(39.57)
FINANCING CASH FLOW (c)	151.67	(217.99)	(251.61)	(219.17)	(216.97)
NET CASH FLOW (a+b+c)	(72.23)	(9.42)	62.01	(22.00)	(18.91)

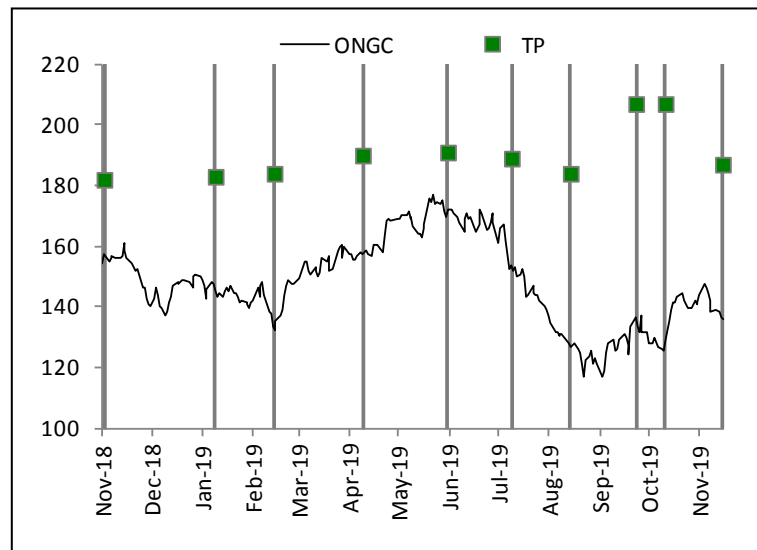
Source: Company, HDFC sec Inst Research

Standalone Key Ratios

Ratio	FY18	FY19	FY20E	FY21E	FY22E
PROFITABILITY %					
EBITDA Margin	51.8	54.2	52.8	52.7	51.3
EBIT Margin	26.5	31.9	29.8	31.2	30.2
APAT Margin	23.5	24.4	22.7	23.7	23.1
RoE	10.5	13.5	11.3	12.2	11.5
RoCE	8.5	10.4	9.0	10.0	9.6
RoIC	9.1	12.6	10.9	12.2	11.5
EFFICIENCY					
Tax Rate %	31.0	33.1	33.6	33.6	33.6
Fixed Asset Turnover (x)	0.5	0.6	0.5	0.5	0.5
Inventory (days)	28.7	25.8	25.8	25.8	25.8
Debtor (days)	33.4	28.1	28.1	28.1	28.1
Other Current Assets (days)	25.9	38.9	37.6	31.8	28.4
Payables (days)	31.5	29.4	29.4	29.4	29.4
Other Curr Liab & Prov (days)	70.6	54.3	70.4	67.8	68.9
Cash Conversion Cycle (days)	(14.0)	9.2	(8.3)	(11.5)	(16.0)
Net Debt/EBITDA (x)	0.6	0.4	0.1	0.1	0.0
Net D/E	0.1	0.1	0.0	0.0	0.0
Interest Coverage	20.2	17.0	15.5	19.2	21.1
PER SHARE DATA (Rs)					
EPS	15.9	21.2	18.7	21.1	21.0
CEPS	32.9	40.7	37.6	40.1	40.2
Book Value	153.7	161.4	168.3	177.7	187.0
Dividend	7.1	7.6	10.0	10.0	10.0
VALUATION					
P/E (x)	8.6	6.4	7.3	6.4	6.5
P/Cash EPS (x)	4.1	3.3	3.6	3.4	3.4
P/BV (x)	0.9	0.8	0.8	0.8	0.7
EV/EBITDA (x)	3.8	2.8	3.1	2.8	2.8
EV/Revenue (x)	2.3	1.8	1.7	1.6	1.5
OCF/EV (%)	21.2	23.8	27.5	27.2	27.7
FCF/EV (%)	2.4	9.1	13.7	7.1	7.3
FCFE/M Cap (%)	(13.1)	11.1	17.5	8.9	9.1
Dividend Yield	5.2	5.6	7.4	7.4	7.4

Source: Company, HDFC sec Inst Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
5-Nov-18	154	BUY	182
9-Jan-19	147	BUY	183
15-Feb-19	132	BUY	184
9-Apr-19	158	BUY	190
1-Jun-19	172	BUY	191
9-Jul-19	153	BUY	189
16-Aug-19	128	BUY	184
22-Sep-19	128	BUY	207
11-Oct-19	125	BUY	207
15-Nov-19	136	BUY	187

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

Disclosure:

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