L.G.Balakrishnan & Brothers Ltd.	
No. of shares (m)	31.4
Mkt cap (Rs crs/$m)	809/114.1
Current price (Rs/$)	258/3.6
Price target (Rs/$)	397/5.6
52 W H/L (Rs.)	489/205
Book Value (Rs/$)	208/2.9
Beta	0.5
Daily volume (avg. monthly)	4800
P/BV (FY20e/21e)	1.2/1.0
EV/EBITDA (FY20e/21e)	5.4/4.5
P/E (FY20e/21e)	10.5/7.8
EPS growth (FY19/20e/21e)	7.1/-15.9/35.1
OPM (FY19/20e/21e)	12.4/11.8/12.7
ROE (FY19/20e/21e)	15.4/11.5/14.0
ROCE(FY19/20e/21e)	12.6/10.1/12.7
D/E ratio (FY19/20e/21e)	0.3/0.2/0.1
BSE Code	500250
NSE Code	LGBBROSLTD
Bloomberg	LGBB IN
Reuters	LGB.NS

Shareholding pattern	%
Promoters	48.3
MFs / Banks / FIs	17.5
FPIs	0.5
Govt. Holding	0.0
Public & others	33.8
Total	**100.0**

As on Sep 30, 2019

Recommendation

BUY

Analyst

KISHAN GUPTA, CFA, FRM

Phone: + 91 (33) 4488 0043

E- mail: kishan.gupta@cdequi.com

Company Brief

L G Balakrishnan (LGB) manufactures roller chains and undertakes metal forming, including warm & cold forging, fine blanking and machined parts.

Quarterly Highlights

- Buffeted by near dreadful state of Indian automobile industry, LG Balakrishnan's revenues (standalone) slid for the first time in five quarters (down by 6.7%), more precariously by 11% from that in the just preceding quarter. Consolidated revenue plunge barely soothe nerves (down 6%). The fall was led by its flagship transmission business for its revenues fell by 7.6% yoy (11.2% q-o-q)., while revenues of its value enhancing metal forming business decreased by 3.3%.

- EBIT margins of its colossal transmission business nosedived some 370 bps to 6.5% from 10.2% in the same quarter a year ago, thus triggering over 40% drop in earnings to Rs 17.27 crs from Rs 29.40 crs in the year ago quarter; also margins improved not immodestly sequentially by some 60 bps. However, margin of its metal forming business improved by some 100 bps to 9.7%.

- Little helped by higher depreciation (+19.6%) and finance expenses (+76.3%), adjusted profit before tax plunged by 40.8% and post tax earnings by 41.1% to Rs 12.72 crs from Rs 21.59 crs in the same period a quarter ago. Given not so rosy outlook of Indian automobile industry, more so of the passenger vehicle industry, LGB's Chennai plant set up to strengthen OEM engagement has not yet started to operate in a big way.

- The stock currently trades at 10.5x FY20 e EPS of Rs 24.48 and 7.8x FY21e EPS of Rs 33.08. Gloominess over the state of consumer spending trends in India has cast shadow on demand recovery in several industries - textiles, consumer durables, automobiles, to name a few. Yet softening interest rates coupled with recently announced corporate tax cut is expected to revive the private investment cycle (though not sturdily) over the next few quarters. The automobile industry is also expected to turn the corner anytime soon helping the fortunes of auto component suppliers who have been ravaged by demand slowdown. LGB would be no exception for its volumes are estimated to rise by some 10% next fiscal on higher margins. Given modest valuation (compared to historic trends) we advise buy the stock at current levels with revised target of Rs 397 (previous target: Rs 544) based on 12x FY21e earnings.

Consolidated (Rs crs)	FY17	FY18	FY19	FY20e	FY21e
Income from operations	1258.58	1418.00	1688.00	1571.80	1734.15
Other Income	9.97	5.31	14.87	5.22	5.56
EBITDA (other income included)	171.90	200.86	223.41	190.11	225.92
Profit after MI & associate profit	69.94	85.28	91.33	76.85	103.85
EPS(Rs)	22.28	27.17	29.09	24.48	33.08
EPS growth (%)	10.4	21.9	7.1	-15.9	35.1

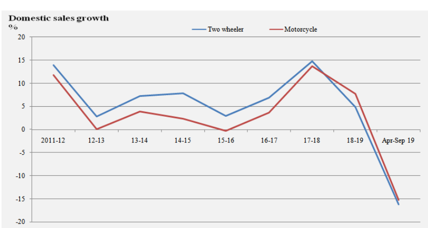
Outlook & Recommendation

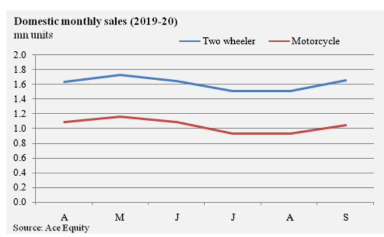
Automobile industry

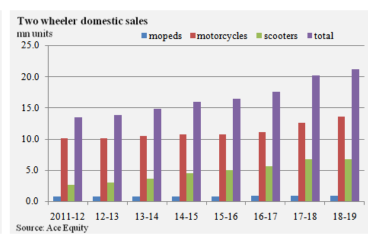
Relentless slowdown in Indian automobile sector, which started last fiscal and intensified in current fiscal, has impacted automobile industry's full year growth performance, reckons ICRA, an Indian credit rating agency. It expects Indian passenger vehicle industry to report 4-7% in sales, while the CV industry is estimated to report a flat growth in the current fiscal. Regarding two wheelers, the agency posits that the growth would be contingent upon introduction of BS VI across all models from April 1, 2020, which would lead to price increases across the country.

Part of the sluggishness in sales in PV and two wheeler industry can be attributed to rising cost of ownership owing to insurance costs. Yet, Crisil expects some recovery in the later half of the current fiscal, all thanks to advancement of sales due to upcoming emission norms, which would aid in production growth of ~3% for two wheeler industry in the fiscal. Weakening export demand and low advancement of sales ahead of the BS VI norms in FY21 would result in the PV segment reporting a tepid production growth of 1% - 3% in FY20.

Rating agency India Rating & Research recently revised its outlook on the auto sector to ‘stable-to-negative’ from ‘stable’ for the remaining half of the current fiscal. Weak urban and rural consumption coupled with limited credit availability and rising cost of ownership would lead to overall negative volume growth in the industry, with flat growth for PV and two wheeler volumes in H2FY20; PV and two wheeler domestic sales down by 23.56% (yoy) and 16.18% (yoy) respectively during April-September 2019. Ind-Ra expects the second half of the year to be better than first-half as inventory levels, to a large extent, would normalize by October.







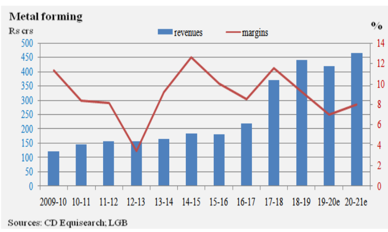
Commenting on the outlook, Subrata Ray, Senior Group Vice President, ICRA, said “In the short-term, much would depend on the meaningful demand recovery post monsoons, especially given the fact that many parts of the country have witnessed flooding. Agricultural output, revival in economic and industrial growth would be critical. It however remains to be seen how the auto demand recovers during the festive season and likely pre-buying in Q4 FY2020, in anticipation of post BS VI price hikes."

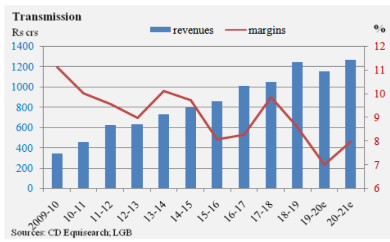
On the challenges the auto industry faces, Ray said “In the short-term, prevailing subdued rural and urban sentiments would matter besides the upcoming regulatory changes regarding emission (BS VI) norms. Whereas the long-term challenges pertain to high investment requirements for technological advancement, lack of policy consensus for EV adoption and increasing traffic congestion in urban areas which may lead to unforeseen regulatory changes.”

Financials & Valuation

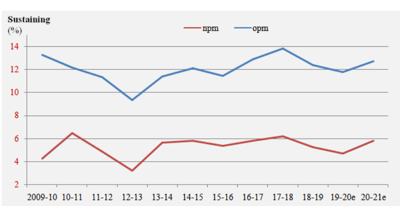
Indian automobile industry, which accounts for nearly one-half on India's manufacturing output, is reeling under one of its worst crisis in many years accentuated by no measly cut in discretionary consumer spending triggered by farm distress and growing joblessness, prompting several automakers to resort to declaring non-working days to trim production. Overall automobile industry, for instance, is down over 13% in the first half of the current fiscal when compared to the same period a year ago. Within the passenger vehicle segment, passenger cars and vans have been hit the most for they reported over 30% and 35% drop in sales respectively.

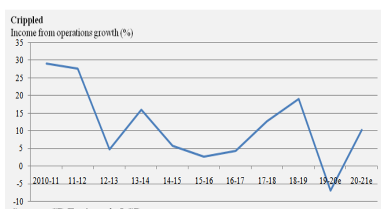
Ongoing stress in automobile industry would have further withered margins had it not been for the automation of its transmission business and efficiency improvements at Jalna. EBIT margins in its flagship transmission business had barely shown any resilience whatsoever for it reported average EBIT margins of 6.2% in last two quarters compared to an average of 9.5% in preceding three quarters. Yet pick up in volumes in the ongoing festive season has sparked vibes of a fragile turnaround. Revenues of both transmission and metal forming businesses are estimated to decidedly skid this fiscal before modestly improve next fiscal - low double digit revenue growth estimated. Margins would barely stay elevated without assistance of volume prop up.



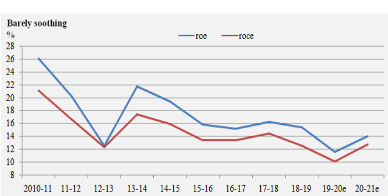


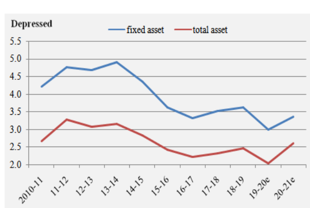
Yet business risks has of late shown little signs of diminishing be it the dreadful slowdown in Indian passenger and two-wheeler industry or pricing pressure from OEMs or fierce competition or marked slowdown in discretionary spending or Government of India's entrenched focus on mass adoption of electric vehicles. With recovery in volumes of automobile industry scarcely round the corner, auto component suppliers can little hope for a resurrection anytime soon.





The stock currently trades at 10.5x FY20 e EPS of Rs 24.48 and 7.8x FY21e EPS of Rs 33.08. Grave tepidity in automobile sales has triggered sharp cuts in current fiscal earnings (by some 37%) on lower revenues and margins, thus provoking surge in equity risk premiums. Capacity enhancement plans have been put on hold (capex confined to just maintenance) to help preserve the scantier capital. Yet chance of dreadful deterioration from here on looks low. Recovery in volumes is anticipated sometime in next couple of quarters, which would prop up revenues next fiscal - revenues estimated to surge 35% next fiscal on higher margins. Given modest valuation (compared to historic trends) we advise buy the stock at current levels with revised target of Rs 397 (previous target: Rs 544) based on 12x FY21e earnings. For more info refer to our February report.





Cross Sectional Analysis

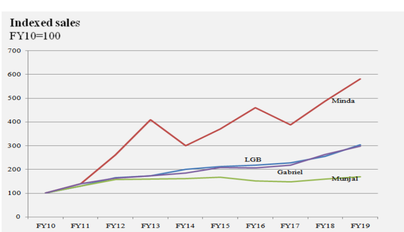
Company	Equity*	CMP	Mcap*	Sales	PAT*	OPM[a]	NPM[a]	Int Cov.	ROE[a]	Mcap / sales	P/BV	P/E
Gabriel India	14.4	111	1587	2079	90	8.2	4.3	47.1	16.0	0.8	2.7	17.6
LG Bala	31	258	809	1664	81	11.9	4.7	8.9	13.1	0.5	1.2	10.0
Minda Corp	45	84	1912	3022	141	9.5	3.8	4.3	16.0	0.6	1.7	13.5
Munjal Showa	8	134	536	1615	61	5.4	3.8	836.5	10.4	0.3	0.9	8.8

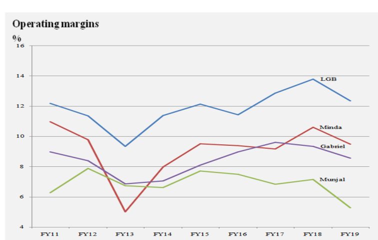
*figures in crores; a:calculations on ttm basis
Companies not truly comparable due to product dissimilarity

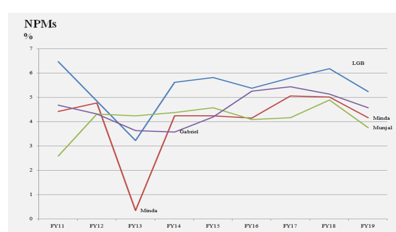
On 12.3% drop in sales in Q1FY20, Munjal Showa reported just 2.9% drop in operating profit to Rs 24.20 compared to Rs 24.92 crs in the same period a year ago. Lower raw material prices helped for raw material/ sales ratio declined to 74% as against 75.4% in the same quarter a year ago. Despite marginal drop in PBT, post tax earnings slid 9.4% to Rs 15.73 crs. Munjal Shows reckons that the survival of the Indian auto component manufacturers will be largely dependent on how quickly and effectively they would be able to transform their business models to growing threat of industry disruption brought about by gradual phasing out of conventional ICE platforms.

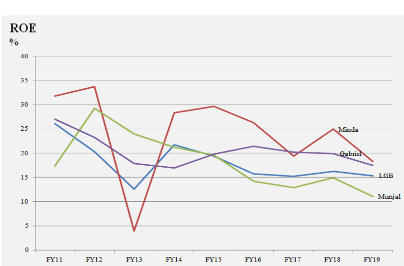
Despite no puny headwinds faced by the Indian automobile industry last fiscal, Minda Corporation posted high double digit growth in revenue last fiscal with expansion in margins. Propelled by revenue bump up in revenues in its mechatronics and information & connected systems businesses last fiscal, it expects to further strengthen these businesses in the current fiscal, while striving to stabilize its plastics & interiors by reducing its break-even level. Yet the current stress in automobile industry has prompted the management to review its capex plans for it would now focus on areas which are critical for future growth.

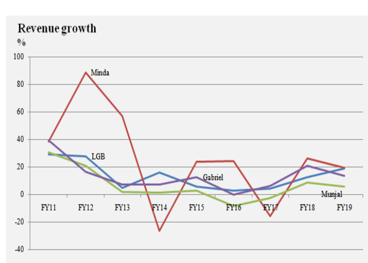
Notwithstanding current stress in Indian automobile industry, Gabriel India has made key acquisitions both in India and abroad. Some of the initiatives include bagging first global business order from DAF trucks, Netherlands; approval for all shock absorber categories to new-age Linke Hofmann Busch (LHB) Coaches of Indian Railways; working with Volkswagen India on their modular design platform called MQB. Gabriel's aftermarket business unit launched 145 new products across existing product lines and operationalised two new product lines last fiscal. It expanded capacities in Hosur and Ambad plants to cater to growing customer needs, while it also commenced capacity expansion at Sanand plant to cater to the growing demand for Honda Motorcycle and Scooter India (HMSI) front forks.











Financials

Quarterly Results -Consolidated

Figures in Rs crs

	Q1FY20	Q1FY19	% chg.	FY19	FY18	% chg.
Income from operations	**367.83**	**391.47**	**-6.0**	**1688.00**	**1418.00**	**19.0**
Other Income	3.12	0.92	240.4	14.87	5.31	180.0
Total Income	**370.95**	**392.38**	**-5.5**	**1702.87**	**1423.31**	**19.6**
Total Expenditure	327.84	341.21	-3.9	1479.46	1222.45	21.0
PBIDT (other income included)	**43.11**	**51.17**	**-15.8**	**223.41**	**200.86**	**11.2**
Interest	4.28	2.47	73.4	12.74	11.88	7.2
Depreciation	18.22	15.27	19.3	68.05	57.79	17.8
PBT	**20.61**	**33.43**	**-38.4**	**142.62**	**131.18**	**8.7**
Tax	7.09	10.88	-34.8	45.99	42.66	7.8
PAT	**13.52**	**22.56**	**-40.0**	**96.63**	**88.52**	**9.2**
Minority interest	-0.22	0.24	-194.2	-0.01	3.43	-100.2
Associate profit	0.60	0.35	70.9	2.93	0.97	203.6
Net profit after MI&AP	**14.35**	**22.67**	**-36.7**	**99.57**	**86.06**	**15.7**
Extraordinary Item	1.72	0.00	-	8.24	0.78	960.3
Adjusted Net Profit	**12.63**	**22.67**	**-44.3**	**91.33**	**85.28**	**7.1**
EPS (F.V. 10)	4.02	7.22	-44.3	29.09	27.17	7.1

Segment Results

Figures in Rs crs

	Q1FY20	Q1FY19	% chg.	FY19	FY18	% chg.
Segment Revenue						
Transmission	267.30	289.23	-7.6	1246.93	1052.59	18.5
Metal forming	100.54	102.24	-1.7	441.07	371.13	18.8
Others				0.00	30.31	-100.0
Total	**367.83**	**391.47**	**-6.0**	**1688.00**	**1454.03**	**16.1**
Segment EBIT						
Transmission	17.27	29.40	-41.2	107.31	103.98	3.2
Metal forming	6.37	7.51	-15.3	40.99	42.82	-4.3
Others	-	-	-	0.00	-0.06	-100.0
Total	**23.64**	**36.91**	**-36.0**	**148.30**	**146.74**	**1.1**
Interest	4.28	2.28	87.5	11.26	10.57	6.5
Unallocable exp	-1.25	1.19	-205.3	-5.58	4.99	-211.8
PBT	**20.61**	**33.43**	**-38.4**	**142.62**	**131.18**	**8.7**

Financials

Income Statement - Consolidated

Figures in Rs crs

	FY17	FY18	FY19	FY20e	FY21e
Income from operations	**1258.58**	**1418.00**	**1688.00**	**1571.80**	**1734.15**
Growth (%)	4.4	12.7	19.0	-6.9	10.3
Other Income	9.97	5.31	14.87	5.22	5.56
Total Income	**1268.56**	**1423.31**	**1702.87**	**1577.02**	**1739.70**
Total Expenditure	1096.65	1222.45	1479.46	1386.92	1513.78
EBITDA (other income included)	**171.90**	**200.86**	**223.41**	**190.11**	**225.92**
Interest	15.76	11.88	12.74	15.23	10.30
EBDT	**156.15**	**188.97**	**210.67**	**174.88**	**215.63**
Depreciation	52.82	57.79	68.05	73.89	81.19
Tax	29.18	42.66	45.99	25.42	33.84
Net profit	**74.15**	**88.52**	**96.63**	**75.57**	**100.60**
Minority interest	4.22	3.43	-0.01	-0.50	-0.50
Associate profit	1.05	0.97	2.93	2.50	2.75
Net profit after MI&AP	**70.98**	**86.06**	**99.57**	**78.57**	**103.85**
Extraordinary item	1.04	0.78	8.24	1.72	-
Adjusted Net Profit	**69.94**	**85.28**	**91.33**	**76.85**	**103.85**
EPS (Rs.)	22.28	27.17	29.09	24.48	33.08

Segment Results

Figures in Rs crs

	FY17	FY18	FY19	FY20e	FY21e
Segment Revenue					
Transmission	1012.91	1052.59	1246.93	1153.41	1268.75
Metal forming	219.23	371.13	441.07	418.39	465.39
Others	162.08	30.31	0.00	0.00	0.00
Net sales	**1394.22**	**1454.03**	**1688.00**	**1571.80**	**1734.15**
Segment EBIT					
Transmission	84.03	103.98	107.31	80.74	101.50
Metal forming	18.71	42.82	40.99	29.29	37.23
Others	17.94	-0.06	-	-	-
Sub Total	**120.68**	**146.74**	**148.30**	**110.03**	**138.73**
Unallocable exp (net of income)	2.86	4.99	-5.58	-4.78	-4.44
Interest	14.50	10.57	11.26	13.82	8.74
PBT	**103.33**	**131.18**	**142.62**	**100.99**	**134.44**

Consolidated Balance Sheet

Figures in Rs crs

	FY17	FY18	FY19	FY20e	FY21e
SOURCES OF FUNDS					
Share Capital	15.70	15.70	31.39	31.39	31.39
Reserves	505.11	569.71	634.59	696.62	785.35
Total Shareholders Funds	**520.80**	**585.41**	**665.98**	**728.02**	**816.74**
Minority Interest	16.92	14.78	14.85	14.35	13.85
Long term debt	91.58	48.78	99.19	78.48	57.78
Total Liabilities	**629.30**	**648.97**	**780.02**	**820.86**	**888.37**
APPLICATION OF FUNDS					
Gross Block	445.77	514.04	682.38	769.09	819.09
Less: Accumulated Depreciation	38.40	89.56	150.81	224.70	305.88
Net Block	**407.37**	**424.48**	**531.57**	**544.39**	**513.21**
Capital Work in Progress	13.95	26.97	36.71	5.00	5.00
Investments	59.89	54.25	55.47	60.36	63.11
Current Assets, Loans & Advances					
Inventory	230.56	253.33	306.72	297.51	327.27
Sundry Debtors	175.50	194.05	220.79	203.13	223.44
Cash and Bank	18.99	8.90	9.65	4.30	53.63
Other Assets	24.47	22.16	26.88	17.09	17.21
Total CA & LA	**449.52**	**478.44**	**564.04**	**522.03**	**621.55**
Current liabilities	292.47	338.48	409.77	300.09	305.99
Provisions	0.31	0.36	0.38	0.40	0.42
Total Current Liabilities	**292.78**	**338.85**	**410.15**	**300.49**	**306.41**
Net Current Assets	156.74	139.59	153.89	221.53	315.14
Net Deferred Tax (net of liability)	-15.88	-16.92	-20.17	-21.15	-20.48
Other Assets (Net of liabilities)	7.22	20.60	22.54	10.72	12.39
Total Assets	**629.30**	**648.97**	**780.02**	**820.86**	**888.37**

Key Financial Ratios

	FY17	FY18	FY19	FY20e	FY21e
Growth Ratios					
Revenue (%)	4.4	12.7	19.0	-6.9	10.3
EBIDTA (%)	20.5	17.2	5.8	-11.1	20.3
Net Profit (%)	10.4	21.9	7.1	-15.9	35.1
EPS (%)	10.4	21.9	7.1	-15.9	35.1
Margins					
Operating Profit Margin (%)	12.9	13.8	12.4	11.8	12.7
Gross Profit Margin (%)	12.3	13.2	11.8	11.0	12.4
Net Profit Margin (%)	5.8	6.2	5.2	4.7	5.8
Return					
ROCE (%)	13.4	14.5	12.6	10.1	12.7
ROE (%)	15.2	16.3	15.4	11.5	14.0
Valuations					
Market Cap / Sales	0.8	1.2	0.7	0.5	0.5
EV/EBIDTA	6.4	8.9	6.7	5.4	4.5
P/E	13.9	19.7	13.2	10.5	7.8
P/BV	2.0	3.0	1.9	1.2	1.0
Other Ratios					
Interest Coverage	7.5	11.9	11.2	7.5	0.0
Debt-Equity Ratio	0.3	0.2	0.3	0.2	0.1
Current Ratio	1.5	1.3	1.3	1.7	1.9
Turnover Ratios					
Fixed Asset Turnover	3.3	3.5	3.6	3.0	3.4
Total Asset Turnover	2.2	2.3	2.5	2.0	2.6
Debtors Turnover	7.7	7.7	8.1	7.4	8.1
Inventory Turnover	4.8	5.1	5.3	4.6	4.8
Creditors Turnover	5.5	5.2	5.7	5.5	6.1
WC Ratios					
Debtor Days	47.6	47.6	44.9	49.2	44.9
Inventory Days	75.8	72.2	69.1	79.5	75.3
Creditor Days	66.6	70.7	63.8	66.1	59.6
Cash Conversion Cycle	56.8	49.1	50.1	62.6	60.6

Cumulative Financial Data

Figures in Rs crs	FY13-15	FY16-18	FY19-21e
Income from operations	3238	3882	4994
Transmission revenues	2160	2925	3669
Metal forming revenues	508	771	1325
Transmission to total (%)	66.7	75.3	73.5
Transmission EBIT	209	257	290
Transmission EBIT margin (%)	9.7	8.8	7.9
Operating profit	358	495	614
EBIT	260	355	402
PBT	202	310	364
PAT	157	219	272
Dividends	31	42	53
OPM (%)	11.0	12.8	12.3
NPM (%)	5.0	5.8	5.3
Interest coverage	4.4	7.8	10.5
ROE (%)	16.9	15.6	13.5
ROCE (%)	14.7	13.9	12.4
Debt-equity ratio*	0.5	0.2	0.1
Fixed asset turnover	4.4	3.6	3.7
Total asset turnover	2.9	2.4	2.9
Debtors turnover	8.4	7.6	8.0
Inventory turnover	4.5	4.7	5.0
Creditors turnover	6.5	5.1	5.7
Debtors days	43.2	48.0	45.8
Inventory days	80.5	78.2	72.6
Creditor days	56.2	71.6	63.7
Cash conversion cycle	67.6	54.7	54.7
Dividend payout ratio (%)	18.8	19.1	19.3

FY13-15 implies two years ending fiscal 15; *as on terminal year;

All thanks to barely modest growth in two-wheelers, particularly motorcycles, transmission revenues grew no modestly last fiscal - grew in high double digits, helping cumulative transmission business to grow by 25.4% in FY19-21 period. Revenues of volumes driven metal forming business too jumped no less dramatically supported by higher volumes. Yet margins of both businesses barely stayed elevated partly due to adverse exchange rates (mainly for metal forming businesses).

Given ongoing demand sclerosis in Indian automobile industry, revenues would plunge this fiscal before modest recovering next fiscal. Helped by a strong revenue base last fiscal, cumulative revenues would grow by 29% in FY19-21e period, thus bettering previous three year growth of 20%. Stoked by dismal volumes, OPMs would scarcely stay elevated, precipitating some 50 bps erosion in OPMs during FY19-21e period. Increase in return on capital - ROE estimated to decline 13.5% during FY19-21e period compared to 15.6% in FY16-18 period - would be held hostage to modest capacity utilization and stress in earnings. Cash conversion cycle would barely show any improvement during the forecast period (see table).

Financial Summary – US dollar denominated

million $	FY17	FY18	FY19	FY20e	FY21e
Equity capital	2.4	2.4	4.5	4.4	4.4
Shareholders funds	76.1	85.3	91.6	98.6	110.6
Total debt	20.7	16.7	31.5	15.1	12.2
Net fixed assets (incl CWIP)	62.8	67.4	80.2	75.6	71.2
Investments	9.2	8.3	8.0	8.5	8.9
Net current assets	22.1	18.8	19.5	29.1	41.7
Total assets	92.8	95.1	108.1	111.7	76.2
Revenues	187.6	220.0	241.5	221.5	244.4
EBITDA	25.4	31.0	30.2	26.5	31.8
EBDT	23.1	29.1	28.4	24.3	30.4
PBT	15.2	20.2	18.7	13.9	18.9
Profit after MI & associate profit	10.4	13.2	13.1	10.8	14.6
EPS($)	0.33	0.42	0.42	0.34	0.47
Book value ($)	2.42	2.72	2.92	3.14	3.52

income statement figures translated at average rates; balance sheet and cash flow at year end rates; projections at current rates (Rs 70.96/$). All dollar denominated figures are adjusted for extraordinary items.

Disclosure& Disclaimer

CD Equisearch Private Limited (hereinafter referred to as **'CD Equi'**) is a Member registered with National Stock Exchange of India Limited, Bombay Stock Exchange Limited and Metropolitan Stock Exchange of India Limited (Formerly known as MCX Stock Exchange Limited). CD Equi is also registered as Depository Participant with CDSL and AMFI registered Mutual Fund Advisor. The associates of CD Equi are engaged in activities relating to NBFC-ND - Financing and Investment, Commodity Broking, Real Estate, etc.

CD Equi is registered under SEBI (Research Analysts) Regulations, 2014 with SEBI Registration no INH300002274. Further, CD Equi hereby declares that –

- No disciplinary action has been taken against CD Equi by any of the regulatory authorities.
- CD Equi/its associates/research analysts do not have any financial interest/beneficial interest of more than one percent/material conflict of interest in the subject company(s) **(*kindly disclose if otherwise*)**.
- CD Equi/its associates/research analysts have not received any compensation from the subject company(s) during the past twelve months.
- CD Equi/its research analysts has not served as an officer, director or employee of company covered by analysts and has not been engaged in market making activity of the company covered by analysts.

This document is solely for the personal information of the recipient and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved) and should consult their own advisors to determine the merits and risks of such an investment.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. CD Equi or any of its affiliates/group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. CD Equi has not independently verified all the information contained within this document. Accordingly, we cannot testify nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document.

While, CD Equi endeavors to update on a reasonable basis the information discussed in this material, there may be regulatory compliance or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly. Neither, CD Equi nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

CD Equisearch Private Limited (CIN: U67120WB1995PTC071521)
Registered Office: 37, Shakespeare Sarani, 3rd Floor, Kolkata – 700 017; Phone: +91(33) 4488 0000; Fax: +91(33) 2289 2557 Corporate Office: 10, Vasawani Mansion, 5th Floor, Dinshaw Wachha Road, Churchgate, Mumbai – 400 020. Phone: +91(22) 2283 0652/0653; Fax: +91(22) 2283, 2276
Website: www.cdequi.com; Email: research@cdequi.com

buy: >20%	accumulate: >10% to ≤20%	hold: ≥-10% to ≤10%	reduce: ≥-20% to <-10%	sell: <-20%

Exchange Rates Used- Indicative

Rs/$	FY14	FY15	FY16	FY17	FY18	FY19
Average	60.5	61.15	65.46	67.09	64.45	69.89
Year end	60.1	62.59	66.33	64.84	65.04	69.17

All $ values mentioned in the write-up translated at the average rate of the respective quarter/ year as applicable. Projections converted at current exchange rate. Cumulative dollar figure is the sum of respective yearly dollar value.