

Materials (Oil & Gas, Chemicals)

1QFY19E Results Preview

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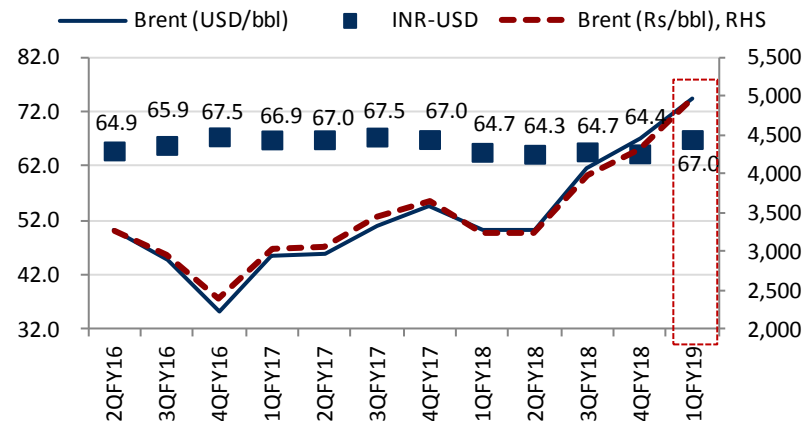
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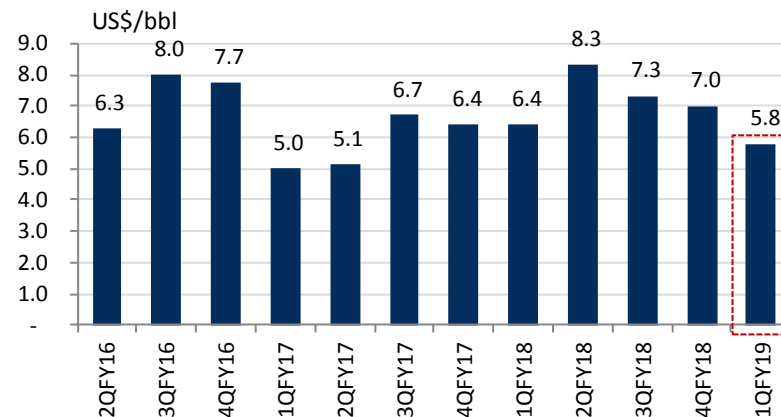
Oil & Gas: Crude oil up, GRMs down

- **Crude prices:** Brent has jumped 11% QoQ and 48% YoY to USD 74.5/bbl in 1QFY19. We expect inventory gains of ~USD 1.1 to 4/bbls) to downstream companies.
- **GRM:** Singapore complex GRM was USD 5.8/bbl (-17% QoQ, -9.4% YoY) in 1QFY19. Weakness in margins of Gasoline, Naphtha and LPG will be offset by steady margins for middle distillates. Higher utilisation of complex refineries (Paradeep, Kochi, RIL) during the quarter will arrest the sharp fall in GRMs for IOC, BPCL, and RIL.
- **Downstream:** OMCs did not pass on the full impact of rising oil prices in 1QFY19 to auto fuel consumers (likely on account of state elections), compressing marketing margins by ~19% QoQ. However, inventory gains due to higher crude oil prices could offset the negative impact of lower marketing margins and lower GRMs.
- **Upstream players:** We expect ONGC and OIL to report 41% and 47% YoY increase in EBITDA driven by, increase in crude oil price, weaker rupee and increase in domestic gas price. We have not factored in subsidy sharing by upstream companies.
- **RIL:** We expect GRM of USD 10.8/bbl during the quarter from USD 11/bbl in 4QFY18. Standalone PAT to increase by 6.1% YoY to Rs 86.96bn. Impact from lower GRM will be mitigated by higher petchem volumes and weaker rupee.
- **Gas players:**
 - **IGL:** 10.4% YoY volume growth led by 12% growth from PNG segment. We expect margin contraction due to delay in price revision to compensate for depreciation of rupee during the quarter. EBITDA margin of Rs 5.8/scm (-50bps YoY and -20bps QoQ).
 - **MGL:** 8.5% YoY volume growth led by 10.7% volume growth from Domestic PNG segment. We expect EBITDA margin of Rs 7.4/scm.
 - **Petronet LNG:** We expect 15.3% YoY increase in volumes to 221tbtu. Dahej and Kochi regasification charges are Rs 47/mmbtu and Rs 79.2/mmbtu respectively.
 - **GAIL:** We expect 34% QoQ jump in EBITDA owing to higher contribution from petchem, marketing and transmission segment.

Crude And Currency Movement



Singapore Complex GRM



1QFY19E: Good upstream, bad downstream

COMPANY	1QFY19E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Reliance Industries	AVERAGE	<ul style="list-style-type: none"> GRM should be at ~USD 10.8/bbl (vs 11in 4QFY18). Higher petchem earnings owing to ramp in production from ROGC and Px plants. 	<ul style="list-style-type: none"> Update on R- cluster development .
ONGC	VERY GOOD	<ul style="list-style-type: none"> Crude prices were up 16.3% QoQ and 52% YoY. Domestic oil production was down 3.8% YoY and flat QoQ in 1QFY19. Gas production was up 3.3% YoY and 2% QoQ. No subsidy sharing by the company. 	<ul style="list-style-type: none"> Commentary on gas volume ramp-up from Western offshore fields, C-series. Current status of KG-DWN-98/2 development.
Indian Oil Corporation	GOOD	<ul style="list-style-type: none"> Core GRM should be USD 6.0/bbl and crude inventory gain should be USD 4.4/bbl. Refinery crude throughput likely to be 17.7 mmt v/s 17mmt in 4QFY18, owing to increase in Paradeep utilisation. Marketing volumes are likely to go up by 2% QoQ to 21.9mmt. Blended marketing margin should go down by 19.5% QoQ to Rs3.2/litre. 	<ul style="list-style-type: none"> Guidance on future capex. Status of Ennore LNG terminal project and clarity on LNG tie up with suppliers and customers. Progress of PP project at Paradeep.

1QFY19E : Good upstream, bad downstream

COMPANY	1QFY19E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
BPCL	AVERAGE	<ul style="list-style-type: none"> Core GRM should be USD 5.8bbl and crude inventory gain should be USD 1.1/bbl. Refinery crude throughput likely to be 8mmt v/s 7.8mmt in 4QFY18 owing to increase in crude throughput at Kochi refinery post capacity addition. Marketing volumes are likely to go up by 5% QoQ to 11.26mmt and marketing margin is likely to go down by 23% QoQ to Rs 3.3/litre. 	<ul style="list-style-type: none"> Stabilisation of Kochi refinery. Guidance on future capex. Clarity on Mozambique upstream development.
HPCL	AVERAGE	<ul style="list-style-type: none"> Core GRM should be USD 6/bbl and crude inventory gain should be USD 1.1/bbl. Refinery crude throughput likely to be 4.5mmt v/s 4.6mmt in 4QFY18. Marketing volumes were down 4% QoQ to 9.84mmt. Blended marketing margin was down 20% QoQ to Rs 3.4/litre. 	<ul style="list-style-type: none"> Current status of Visakh refinery expansion project. Guidance on future capex.
GAIL	VERY GOOD	<ul style="list-style-type: none"> Transmission volumes at 108mmscmd up from 104mmscmd in 4Q. Petchem production up 8% QoQ and 56% YoY to 189TMT. 	<ul style="list-style-type: none"> Ramp in utilisation of Petchem plant Execution of new pipelines

1QFY19E : Good upstream, bad downstream

COMPANY	1QFY19E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Petronet LNG	AVERAGE	<ul style="list-style-type: none"> Total volumes should be at 221 tbtu (+15.3% YoY, +3.8% QoQ). Marketing margins are expected to be at Rs 600mn on traded volumes. 	<ul style="list-style-type: none"> Clarity on Kochi-Mangalore pipeline completion. Status of 2.5 mmtpa Dahej expansion project.
Oil India	VERY GOOD	<ul style="list-style-type: none"> Crude oil realisation was up 16.3% QoQ and 55.7% YoY to Rs 4,857/bbl. Oil production was down 1.1% YoY and up 0.8% QoQ. Gas production was down 2.3% QoQ and 6.8% YoY. 	<ul style="list-style-type: none"> Update on development of block Area 1 Rovuma, Mozambique and LNG project. Guidance on future capex. Subsidy sharing with OMCs if any.
Indraprastha Gas	AVERAGE	<ul style="list-style-type: none"> Volumes expected to be ~5.41mmscmd (10.4% YoY), led by likely volume growth in PNG segment (12% YoY). EBITDA margin is Rs 5.8/scm (-50 bps YoY). 	<ul style="list-style-type: none"> Volumes from new area Rewari. Timeline for rollout of network in Karnal. Addition of new buses by DTC and by private operators.
Mahanagar Gas	AVERAGE	<ul style="list-style-type: none"> Volumes expected to be ~2.8mmscmd (8.5/-0.4% YoY/QoQ), led by likely volume growth in Domestic PNG segment. EBITDA margin at Rs 7/scm 	<ul style="list-style-type: none"> Incremental volumes from Raigad area.
Asian Oilfield Services	GOOD	<ul style="list-style-type: none"> Pick up in execution of domestic seismic survey business. 	<ul style="list-style-type: none"> The outlook for orders from ONGC and OIL under National Seismic Programme (NSP). New O&M contract

1QFY19E: Financial Summary

COMPANY	NET SALES (Rs bn)			EBITDA (Rs bn)			EBITDA Margin (%)			APAT (Rs bn)			Adj. EPS		
	1Q FY19E	QoQ (%)	YoY (%)	1Q FY19E	QoQ (%)	YoY (%)	1Q FY19E	QoQ (bps)	YoY (bps)	1Q FY19E	QoQ (%)	YoY (%)	1Q FY19E	4Q FY18	1Q FY18
Reliance Industries	890.65	6.0	38.7	138.38	3.1	19.4	15.5	(43.8)	(250.9)	86.96	(0.0)	6.1	13.4	13.4	12.6
ONGC	275.03	14.7	44.2	139.31	22.4	41.0	50.7	316.8	(115.0)	70.35	18.9	80.9	5.5	4.6	3.0
Indian Oil Corp	1,391.87	18.6	35.6	121.02	9.8	133.4	8.7	(69.6)	364.1	65.80	26.1	147.1	6.9	5.5	2.8
BPCL	792.24	21.4	38.7	31.82	(14.5)	159.8	4.0	(168.8)	187.2	20.51	(23.3)	175.5	10.3	13.4	3.7
HPCL	732.15	20.4	36.9	24.87	(14.9)	52.8	3.4	(140.9)	35.2	13.56	(22.4)	46.6	8.9	11.5	6.1
Petronet LNG	96.73	12.0	50.3	8.53	3.8	14.7	8.8	(69.8)	(274.4)	3.58	2.8	22.8	3.6	3.5	2.9
GAIL	156.01	1.1	36.8	22.69	33.8	19.4	14.5	355.5	(210.9)	5.69	28.1	25.2	5.7	4.4	4.5
Oil India	33.47	11.6	43.5	12.89	61.0	47.4	38.5	1,180.4	101.5	8.65	(0.2)	92.1	7.6	7.6	4.0
Indraprastha Gas	12.74	3.3	21.4	2.86	(1.7)	3.3	22.5	(115.3)	(395.1)	1.70	(2.9)	5.2	2.4	2.5	2.3
Mahanagar Gas	5.94	1.2	11.9	1.87	6.2	(7.9)	31.5	150.8	(676.9)	1.12	7.0	(9.9)	11.4	10.6	12.6
Asian Oil Field Services	0.92	10.8	80.4	0.30	79.7	139.7	32.7	1,253.5	809.4	0.19	73.0	125.3	4.9	2.8	2.2
Aggregate Oil & Gas	4,387.76	15.3	37.8	504.55	9.0	50.5	11.5	(66.6)	96.9	278.10	6.1	55.3			

Source : Company, HDFC sec Inst Research

Peer Set Comparison

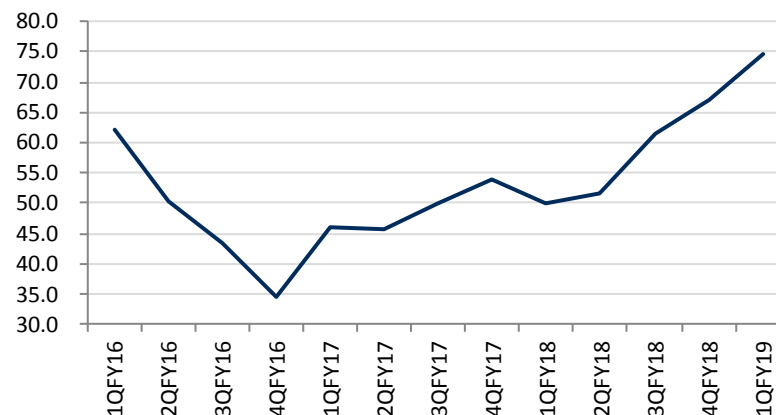
	MCap (Rs bn)	CMP (Rs)	RECO	TP (Rs)	EPS (Rs/sh)				P/E (x)				P/BV (x)				ROE (%)			
					FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E	FY18	FY19E	FY20E	FY21E
Reliance Industries	6,196	978	BUY	1,200	55.9	73.1	80.2	86.2	17.5	13.4	12.2	11.4	2.0	1.8	1.6	1.4	11.8	13.9	13.5	13.0
ONGC	2,002	156	BUY	275	15.5	21.1	22.5	22.8	10.0	7.4	6.9	6.9	1.0	1.0	0.9	0.9	10.5	13.6	13.5	12.9
Indian Oil Corp	1,498	158	BUY	228	22.5	23.0	24.5	26.9	7.0	6.9	6.5	5.9	1.4	1.2	1.1	1.0	20.3	18.7	17.9	17.6
BPCL	755	378	BUY	581	39.7	43.2	45.9	49.8	9.5	8.8	8.2	7.6	2.2	1.9	1.7	1.4	24.8	23.3	21.5	20.3
HPCL	413	271	BUY	463	41.7	31.9	30.7	33.3	6.5	8.5	8.8	8.1	1.7	1.5	1.4	1.2	28.7	19.0	16.4	15.9
Petronet LNG	329	219	BUY	316	13.9	13.5	16.8	19.9	15.8	16.3	13.0	11.0	3.4	3.0	2.6	2.2	23.3	19.6	21.4	21.7
GAIL	776	344	BUY	360	20.4	23.2	24.6	27.0	16.9	14.8	14.0	12.8	1.9	1.8	1.6	1.5	11.7	12.5	12.2	12.4
Oil India	235	207	BUY	338	23.5	30.6	32.5	33.3	8.8	6.8	6.4	6.2	0.8	0.7	0.7	0.6	9.4	11.7	11.1	10.2
Indraprastha Gas	180	257	BUY	427	9.6	11.3	13.1	13.4	26.8	22.8	19.6	19.1	5.1	4.5	3.9	3.4	20.9	20.9	21.2	19.1
Mahanagar Gas	80	814	BUY	1,215	48.4	45.4	45.0	45.1	16.8	17.9	18.1	18.1	3.8	3.5	3.2	2.9	24.3	20.3	18.3	16.8
Asian Oil Field *	4	113	NA	168	5.4	13.9	16.8	16.7	20.8	8.1	6.7	6.8	3.3	2.4	1.8	1.4	23.7	31.7	28.3	22.0

Source : Company, HDFC sec Inst Research, *Fair value

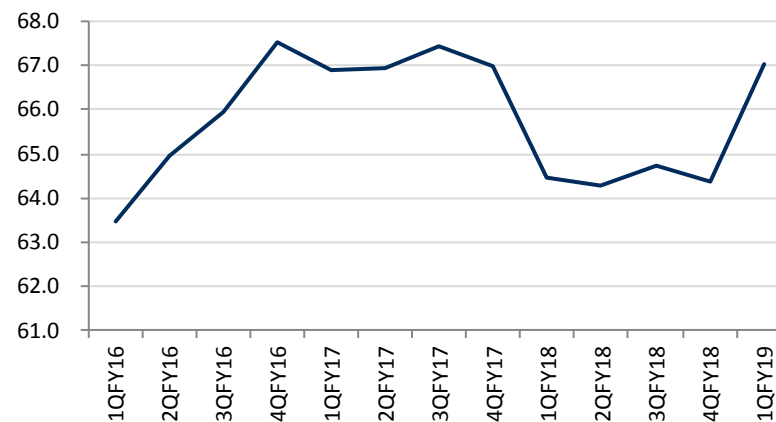
1QFY19E: Chemicals: Margin pressure imminent

- As the Chinese environmental authorities continue to clamp down non-compliant chemical facilities, Indian chemical manufacturers get an unabating support of the prevailing global dynamics. While the 'China to India' play for Chemical companies has sustained till now, commodity prices (Caustic soda, Phthalic Anhydride, TDI, Phenol, Acetone etc) have started to cool off with an improvement in the global supply situation.
- As realizations for key chemical building blocks are wearing off, a higher crude oil price too is likely to add to the pressure as rising prices hydrocarbon feedstocks (key RM for chemical manufacturers) could potentially dent gross margins. **1Q'19 average Crude Oil prices are up 48.7% YoY and 11.2% QoQ to 74.6 USD/bl.**
- On a brighter side, a **depreciating rupee bodes well for export focused companies** and is likely to benefit Navin Fluorine (~45% exports) and Vinati Organics (~75% exports). **The average 1Q'19 rupee against the dollar has depreciated by 3.9% YoY and 4.1% QoQ.**
- We believe, Vinati Organics and Alkyl Amines are likely to be the best performers under our chemicals coverage.** Lubrizol's complete exit from the ATBS market is a key positive for Vinati Organics (expected to increase market share from 45% to 65% in ATBS). Alkyl Amines is expected to benefit from the commencement of commercial sales from its recently commissioned Methyl Amine plant in Dahej.
- Balaji Amines has aggressive capex plans of ~Rs 3.0 bn for its Mega project in Solapur whose benefits could be visible from FY21. Navin Fluorine's cGMP CRAMS facility in Dewas is likely to be commissioned by the end of 1HFY19 and are expected to add Rs 2.3 bn at peak utilisation.

Average quarterly Crude Oil/ bl (USD/bl) Price movement



Average quarterly USD/INR movement



Source: Bloomberg, HDFC Sec Inst Research

1QFY19E: Vinati and Alkyl likely to outperform

COMPANY	1QFY19E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Alkyl Amines	GOOD	<ul style="list-style-type: none"> AACL may not be able to sustain a 23.2% EBITDA margin (which was recorded in 4QFY18), however we believe AACL will be able to post a 20.1% EBITDA margin owing to an efficient pass through model. We expect a faster than expected ramp up of Methyl Amines facility. 	<ul style="list-style-type: none"> Ramping up of Methyl Amine plant in Dahej. Entry into niche derivatives and value added products.
Balaji Amines	AVERAGE	<ul style="list-style-type: none"> Balaji Amines is expected to grow Sales/EBITDA/PAT by 20.0/21.2/28.0% respectively in 1Q'19 owing to higher sales coming from DMAC,DMF and DMA-HCL. We expect EBITDA margins to be flattish at 20.5%. 	<ul style="list-style-type: none"> Prices of Methanol, Ammonia and Ethanol. Anti Dumping duty on Dimethylformamide(DMF) and ramp up in DMF utilization. Execution of Mega status project which is expected to come on stream by FY21E.
Navin Fluorine International	AVERAGE	<ul style="list-style-type: none"> NFIL's 1QFY19 results may not be comparable on a YoY basis as the revenues from the Dahej unit (now transferred to JV) are present in the base (which will look inflated). We expect CRAMS BU to generate Rs 610mn, while Refrigerants sales are likely to perform well owing to seasonality. 	<ul style="list-style-type: none"> Commissioning of new cGMP CRAMS facility in Dewas. Fluorspar prices.
Vinati Organics	GOOD	<ul style="list-style-type: none"> Vinati Organics is expected to post a Sales/EBITDA/PAT growth of 24.7/34.3/43.2% YoY in 1Q'19 on the back of higher sales from ATBS. Vinati Organics is expected to de-bottleneck its ATBS capacity by Sept'19. 	<ul style="list-style-type: none"> Start up date of Para Amino Phenol (PAP). BASF's Ibuprofen plant status, which is currently being shut down due to technical difficulties. Start up date of Butylated Phenols project.

1QFY19E: Financial Summary

COMPANY	NET SALES (Rs bn)			EBITDA (Rs bn)			EBITDA Margin (%)			APAT (Rs bn)			Adj. EPS (Rs/sh)		
	1Q FY19E	QoQ (%)	YoY (%)	1Q FY19E	QoQ (%)	YoY (%)	1Q FY19E	QoQ (bps)	YoY (bps)	1Q FY19E	QoQ (%)	YoY (%)	1Q FY19E	4Q FY18	1Q FY18
Alkyl Amines	1.7	(0.8)	17.0	0.3	(14.1)	49.2	20.1	(309.9)	434.3	0.2	(22.3)	43.6	8.9	11.4	6.2
Balaji Amines	2.4	(6.5)	20.0	0.5	4.9	21.2	20.5	222.8	19.5	0.3	(12.3)	28.0	9.0	10.2	7.0
Navin Fluorine International Ltd	2.2	7.5	(0.6)	0.5	9.0	(15.5)	22.4	31.4	(395.0)	0.4	9.9	(12.1)	8.8	8.0	10.0
Vinati Organics	2.3	8.2	24.7	0.7	3.8	34.3	29.3	(125.1)	208.7	0.4	(14.2)	43.2	8.6	10.1	6.0
Aggregate	8.7	4.3	14.4	2.0	1.6	16.2	23.2	(61.4)	34.6	1.3	(8.6)	16.8			

Source : Company, HDFC sec Inst Research

Peer Set Comparison

COMPANY	Mcap (Rs bn)	CMP (Rs)	RECO	TP (Rs)	EPS (Rs/sh)			P/E (x)			P/BV (x)			RoE (%)		
					FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E
Chemicals																
Alkyl Amines	12.9	633	BUY	900	31.5	36.7	41.2	20.1	17.3	15.4	4.3	3.7	3.1	23.7	23.0	21.8
Balaji Amines	17.2	531	BUY	725	34.7	38.6	43.2	15.3	13.8	12.3	3.5	2.7	2.2	23.2	19.5	18.2
Navin Fluorine International Ltd	31.5	639	BUY	890	26.3	33.4	40.4	24.3	19.1	15.8	3.2	2.9	2.5	14.3	15.8	17.0
Vinati Organics	50.3	978	BUY	1,185	28.0	33.9	41.6	34.9	28.9	23.5	6.3	5.2	4.3	19.5	19.8	20.1

Source : Company, HDFC sec Inst Research

1QFY19E: Agrochemicals: Stable results expected

- **Agrochemicals:** FY19 started on a good note, on account of early arrival of monsoons and increase in Minimum Support Price (MSP). We expect our coverage universe to post revenue growth of 8.5% YoY, while the bottom line is likely to be flat YoY. UPL is expected to post a revenue growth of (+9.7% YoY), Rallis (+7.0% YoY) and Dhanuka (+7.0% YoY). Higher raw material prices are a concern for the industry. We expect our coverage universe to post an EBITDA margin of 18.1% (-35bps YoY) for the quarter.
- The government has announced a slew of reforms, one of which is an increase in MSPs for crops on the A2+FL cost basis. In order to achieve its target of doubling farm income by 2022, the government is enhancing farm credit, increasing crop insurance and ensuring faster subsidy disbursement on certain farm equipments. These measures should boost demand for agrochemicals.
- **MSP:** The government has approved increase in MSPs by 4-53% for Kharif crops in 2018. The crops such as Ragi, Jowar, Bajra, Sunflower seeds, Cotton and Moong saw the highest increase (25-53%).
- **Sowing:** As on 29th June 2018, Kharif sowing is down by 21.6% YoY, which covers ~16% of total arable land under Kharif season (~106mn ha). Owing to majority of sowing taking place during July, we believe sowing pattern is a key monitorable. We have to wait and watch for monsoons distribution and pick up in sowing.
- **Promising outlook:** In the long term, better farm income, improved irrigation facilities, new product launches, lower penetration of agricultural inputs and greater outsourcing will drive growth. Exports and CSM business is likely to pick up as channel inventory is expected to moderate due to an expected better monsoon. **Our top picks are Rallis India (upside ~50%), Insecticides India (upside ~37%) and UPL (upside ~35%).**

Crop Sowing Area (In Mn Hectare As of June 29, 2018)

Crop	Rabi-18	Rabi-17	% change
Rice	2.7	3.0	-10.4
Pulses	1.1	1.8	-41.0
Coarse Cereals	2.4	3.4	-29.8
Oilseeds	1.5	2.6	-44.0
Sugarcane	5.0	4.9	1.1
Jute & Mesta	0.7	0.7	-0.1
Cotton	3.2	4.6	-30.2
Total Kharif Crop	16.5	21.1	-21.6

Minimum Support Price (MSP) for Kharif crop 2018

Particulars	MSP-18	MSP-17	% change
Paddy	1,750	1,550	12.9
Jowar	2,430	1,700	42.9
Bajra	1,950	1,425	36.8
Maize	1,700	1,425	19.3
Moong	6,975	5,575	25.1
Cotton	5,150	4,020	28.1

Source: Ministry of Agriculture, HDFC sec Inst Research

* MSP Rs per Quintal

1QFY19E: UPL to deliver decent growth

COMPANY	1QFY19E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
UPL	GOOD	<ul style="list-style-type: none"> Expect revenue growth of ~10% YoY, mainly led by India, Latin America, North America and RoW EBITDA margin expected to be remain unchanged at 18.5%, APAT to report flat growth at Rs 4.71bn 	<ul style="list-style-type: none"> Outlook on global agri environment Commentary on cross-currency impact Outlook on new product launches
PI Industries	AVERAGE	<ul style="list-style-type: none"> Expect revenue growth of 7.0/5.0% YoY in domestic/CSM segment for the quarter EBITDA margin to decline by 273bps YoY to 20.9% (due to higher raw material cost), APAT to de-grow by 6.7% YoY to Rs 0.93bn 	<ul style="list-style-type: none"> Guidance for the custom synthesis business Outlook on new product launches Likely impact on Nominee Gold revenues in FY19
Rallis India	GOOD	<ul style="list-style-type: none"> Expect revenue growth of 7.0% YoY owing to better growth in seed business (Metahelix) EBITDA margin to decline by 76bps YoY to 15.0% (due to lower gross margin), APAT expected to grow by 3.0% YoY to Rs 0.46bn 	<ul style="list-style-type: none"> Outlook on new product launches Outlook on export revenue Progress on the CSM business
Dhanuka Agritech	GOOD	<ul style="list-style-type: none"> Expect revenue growth of 7.0% YoY owing to better product mix EBITDA margin likely to enhance by 20bps YoY to 12.0% (owing to control on other expenditure), APAT to grow by 14.9% YoY to Rs 0.18bn 	<ul style="list-style-type: none"> Outlook on new product launches Progress related to discovery of new technical's
Insecticides India	AVERAGE	<ul style="list-style-type: none"> Expect a flat revenue growth of 2.0% YoY, owing to decline in volumes from Green label EBITDA margin expected to improve by 54bps YoY to 16.7% (due to improved gross margin) and APAT expected to grow by 7.9% YoY to Rs 0.32bn 	<ul style="list-style-type: none"> Outlook on new product launches Progress related to discovery of new technical's Progress on export business

1QFY19E: Financial Summary

COMPANY	NET SALES (Rs bn)			EBITDA (Rs bn)			EBITDA Margin (%)			APAT (Rs bn)			Adj. EPS (Rs/sh)		
	1Q FY19E	QoQ (%)	YoY (%)	1Q FY19E	QoQ (%)	YoY (%)	1Q FY19E	QoQ (bps)	YoY (bps)	1Q FY19E	QoQ (%)	YoY (%)	1Q FY19E	4Q FY18	1Q FY18
UPL	40.8	(28.3)	9.7	7.6	(46.9)	9.3	18.5	(646.9)	(6.0)	4.7	-36.0	-0.8	9.2	14.4	9.3
PI Industries	5.9	(6.3)	5.9	1.2	(9.3)	-6.3	20.9	(69.7)	(272.9)	0.9	-11.3	-6.7	6.8	7.6	7.3
Rallis India	4.7	27.4	7.0	0.7	110.2	1.8	15.0	588.7	(76.0)	0.5	136.1	3.0	2.4	1.0	2.3
Dhanuka Agritech	2.2	20.2	7.0	0.3	(15.1)	8.9	12.0	(499.0)	20.4	0.2	-35.3	14.9	3.8	5.8	3.3
Insecticides India	3.2	88.3	2.0	0.5	185.3	5.4	16.7	569.3	53.6	0.3	328.3	7.9	15.9	3.7	14.8
Aggregate	56.8	(19.3)	8.5	10.3	(37.3)	6.4	18.1	(519.0)	(34.7)	6.6	-26.2	-0.7			

Source : Company, HDFC sec Inst Research

Peer Set Comparison

COMPANY	Mcap (Rs bn)	CMP (Rs)	RECO	TP (Rs)	EPS (Rs/sh)			P/E (x)			P/BV (x)			RoE (%)		
					FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E
Agrochemicals																
UPL	316.9	621	BUY	838	39.6	44.8	52.4	15.7	13.9	11.9	3.5	2.9	2.4	24.4	22.7	22.2
PI Industries	109.7	795	BUY	874	26.7	30.1	34.9	29.8	26.4	22.8	5.7	4.8	4.1	20.7	19.8	19.4
Rallis India	35.7	184	BUY	275	8.6	9.9	12.0	21.3	18.6	15.4	3.0	2.8	2.6	14.6	15.8	17.6
Dhanuka Agritech	26.9	547	BUY	676	25.7	28.0	30.7	21.3	19.5	17.8	4.2	3.6	3.1	21.8	20.1	18.9
Insecticides India	13.8	669	BUY	914	40.6	45.1	53.8	16.5	14.8	12.4	2.5	2.2	1.9	16.6	15.8	16.1

Source : Company, HDFC sec Inst Research

INSTITUTIONAL RESEARCH

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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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