

GIC Reinsurance

Arduous Road Ahead

Higher losses in agriculture and aviation led to increased 4QFY20 claims ratio of 89.1%, +1,917/-1,788bps YoY/QoQ. This resulted in underwriting losses of Rs 7.2bn. Investment income was hit by higher provisions of Rs 3.8bn bringing yield down to 7.7%. 4QFY20 APAT was Rs 12.2bn (+37.5% YoY).

- **NEP:** Led by healthy growth in property/health i.e., 71.7/17.5% YoY, 4QFY20 NEP grew 43.6% YoY to Rs 76.6bn. For FY20 the company delivered an NEP of Rs 443.5bn (+16.0% YoY).
- **CORs:** 4QFY20 CORs (cal.) increased 1,676bps YoY to 107.5% as ICR increased 1,917bps YoY to 89.1%. FY20 CORs (cal.) increased 929bps YoY to 114.5% as ICR increased 848bps YoY to 97.3%. This was mainly due to high losses in crop and fire.
- Crop's share in 4Q/FY20 NWP was 7.5/29.9% but its share in underwriting losses was higher at 377.1/56.5% as 1) losses due to unseasonal rainfall mainly in MH and MP leading to post harvest losses, and 2) loss development on crop portfolio for FY19. Management stated that crop losses should reduce FY21 onwards as the company had reduced its capacity to ~Rs 80bn (-40% YoY) and implemented stricter loss corridors.
- Investment book declined materially to Rs 702bn (-10.9/-12.4% YoY/QoQ) due to MTM hit on account of equity losses. 4QFY20 realized inv. yields (net of provisions) was at 7.7% (annualized). Investment yield (incl. FV change) declined to -20.3% (vs. 8.2% in FY19). On FV basis equity accounts for 35% of exposure. Duration of the fixed income book is ~7-10 yrs.
- GICRE provided Rs 3.8bn for doubtful debts and investment assets. Management highlighted that it has provided for 100% for secured as well as unsecured portion of ILFS (Rs 7.9bn) and DHFL (Rs 2.1bn). Exposure to ADAG was secured/unsecured at Rs 2.95/1.64bn. Co has provided for 15% secured and 100% unsecured portion.
- Management stated that it will book investment gains to shore up solvency, which is now at just 153! Solvency (incl. investment gains) stands strong at ~300%. Adj. for FV change (net of tax), GICRE's annualized ROE for FY20 works out to -28.8%.
- **STANCE:** GICRE is India's largest reinsurer but continues to make high underwriting losses (FY20 COR: 113.8%). A calibrated approach to underwriting is expected to change this over FY21-23E. While we are not fully convinced about the pathway to underwriting profitability, inexpensive valuations- FY22E P/ABV of 0.6x result in our BUY recommendation with a TP of Rs 185. We estimate an FY22E adj. RoE at 7.4%, and value GICRE at 0.7x FY22E ABV less 10% discount. We continue to rate GICRE a BUY with a TP of Rs 185 (Mar-22E P/ABV of 0.6x).

Financial Summary

(Rs mn)	4QFY20	4QFY19	YoY(%)	3QFY20	QoQ(%)	FY21E	FY22E
Premium (NEP)	76,644	53,359	43.6	79,816	(4.0)	438,560	458,491
COR (%)	107.5	90.7	1676bps	129.2	-2176bps	103.2	102.1
APAT	12,218	8,889	37.5	(10,355)	NM	53,311	34,580
Growth (%)						NM	(35.1)
AEPS	7.0	5.1	37.5	(5.9)	NM	30.4	19.7
P/E (x)						5.1	7.9
P/ABV (x)						0.6	0.6
Adj. ROE (%)						23.1	11.2

Source: Company, HSIE Research

BUY

CMP (as on 26 June 2020)	Rs 155
Target Price	Rs 185
NIFTY	10,383

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	Rs 180	Rs 185
	FY21E	FY22E
EPS %	77.8%	-9.6%

KEY STOCK DATA

Bloomberg code	GICRE IN
No. of Shares (mn)	1,754
MCap (Rs bn) / (\$ mn)	272/3,596
6m avg traded value (Rs mn)	67
52 Week high / low	Rs 334/82

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	64.2	(31.7)	(25.7)
Relative (%)	46.7	(17.1)	(14.5)

SHAREHOLDING PATTERN (%)

	Dec-19	Mar-20
Promoters	85.8	85.8
FIs & Local MFs	12.0	11.9
FPIs	0.3	0.3
Public & Others	2.0	2.1
Pledged Shares	Nil	Nil

Source : BSE

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NEP growth at 43.6% YoY is largely ahead of our estimates (+27.4% vs estimates).

Claims ratio continue to remain elevated for third consecutive quarter. Claims were higher owing to high losses in agriculture portfolio.

GICRE provided for Rs 1.5bn on account of provision for doubtful debts.

The company has provided 100% for ILFS and DHFL book.

GNPA/NNPA ratio was at 4.4/0.6% (+3/-21bps QoQ).

GICRE won a case in ITAT resulting in tax writeback of ~Rs 8.8bn.

Profit & Loss A/c

Particulars (Rs mn)	4QFY20	4QFY19	YoY (%)	3QFY20	QoQ (%)
Net premium written (NWP)	84,400	59,078	42.9	98,091	(14.0)
Net premiums earned (NEP)	76,644	53,359	43.6	79,816	(4.0)
Claims Incurred (net)	68,319	37,333	83.0	85,416	(20.0)
Commission (net)	14,117	10,944	29.0	21,500	(34.3)
Operating expenses	1,497	1,315	13.8	462	223.9
Premium deficiency	(130)	4	(3,123.3)	(164)	NM
Underwriting profit/(loss)	(7,159)	3,762	(290.3)	(27,399)	NM
Investment Income	18,482	16,308	13.3	20,510	(9.9)
Provisions (Other than taxation)	2,336	1,687	38.5	82	2,759.6
Provisions (for doubtful debts)	1,498	2,613	(42.7)	3,121	(52.0)
Operating profits	7,490	15,771	(52.5)	(10,091)	NM
Other income	3,742	(570)	NM	586	538.9
PBT	11,232	15,200	(26.1)	(9,505)	NM
Tax	(490)	5,961	(108.2)	339	(244.8)
PAT	11,722	9,240	26.9	(9,844)	NM
Share of Profit in Associates Companies	496	(351)	NM	(512)	NM
APAT	12,218	8,889	37.5	(10,355)	NM
EO (Loss) / Profit (Net Of Tax)	878	-	NM	-	NM
RPAT	13,096	8,889	47.3	(10,355)	NM
Basic EPS	7.5	5.1	47.3	(5.9)	NM
Tax Rate (%)	(4.4)	39.2	-4358bps	(3.6)	-80bps
Ratios (%)	4QFY20	4QFY19	YoY (bps)	3QFY20	QoQ (bps)
Claims ratio	89.1	70.0	1917bps	107.0	-1788bps
Commission ratio	16.7	18.5	-180bps	21.9	-519bps
Expenses ratio	1.6	2.2	-61bps	0.3	132bps
Combined ratio	107.5	90.7	1676bps	129.2	-2176bps

Note: We include other expenses in operating expenses for calculation of opex ratio. Hence our opex and combined ratios will differ marginally from the company reported numbers.

Source: Company, HSIE Research

APAT declined 109.9% YoY in FY20

Particulars (Rs mn)	FY19	FY20	YoY (%)
Net premium written (NWP)	393,909	467,654	18.7
Net premiums earned (NEP)	382,501	443,510	16.0
Claims Incurred (net)	339,696	431,504	27.0
Commission (net)	61,164	75,619	23.6
Operating expenses related to insurance business	3,463	4,735	36.7
Premium deficiency	53	194	267.1
Underwriting profit/(loss)	-21,876	-68,541	NM
Investment Income	64,478	71,469	10.8
Provisions (Other than taxation)	7,813	12,590	61.1
Operating profits	34,789	19,018	70.1
Other income	3,755	6,005	59.9
PBT	38,543	-3,657	(109.5)
Tax	12,159	4	(100.0)
PAT	26,385	-3,661	(113.9)
Share of profit in associate companies	1,191	918	(22.9)
APAT	27,576	-2,743	(109.9)
EO (Loss) / Profit (Net Of Tax)	0	878	NM
RPAT	27,576	-1,865	(106.8)
EPS	15.7	(1.6)	(109.4)
Tax rate (%)	31.5	(0.1)	-3,166bps
Ratios (%)			
Claims ratio	88.8	97.3	848bps
Commission ratio	15.5	16.2	64bps
Expenses ratio	0.9	1.1	16bps
Combined ratio	105.2	114.5	929bps

Note: We include other expenses in operating expenses for calculation of opex ratio. Hence our opex and combined ratios will differ marginally from the company reported numbers.

Source: Company, HSIE Research

Management disclosed COR in domestic/foreign business at 112.7/118.5% for FY20. Management aims to bring down COR below 100%.

Fire business grew at a healthy pace (+21.5% YoY) whereas agri saw a steep decline of 179.6% YoY.

Product mix

NWP (Rs mn)	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (%)	QoQ (%)
Agriculture	(7,995)	102,651	11,557	19,235	6,361	(179.6)	(66.9)
Fire	20,617	27,029	27,033	23,704	25,053	21.5	5.7
Motor	20,836	23,818	26,566	23,073	21,247	2.0	(7.9)
Health	9,821	24,087	5,560	14,373	11,536	17.5	(19.7)
Others	15,799	19,404	17,458	17,707	20,203	27.9	14.1
Total	59,078	196,989	88,174	98,091	84,400	42.9	(14.0)

Source: Company, HSIE Research

Share of motor in NWP has decreased materially in 4QFY20.

Share (%)	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (bps)	QoQ (bps)
Agriculture	(13.5)	52.1	13.1	19.6	7.5	2107bps	-1207bps
Fire	34.9	13.7	30.7	24.2	29.7	-521bps	552bps
Motor	35.3	12.1	30.1	23.5	25.2	-1009bps	165bps
Health	16.6	12.2	6.3	14.7	13.7	-295bps	-98bps
Others	26.7	9.9	19.8	18.1	23.9	-281bps	589bps
Total	100.0	100.0	100.0	100.0	100.0		

Source: Company, HSIE Research

High underwriting losses for crop business was on account of 1) unseasonal rainfalls in FY20 and loss development of FY19.

Underwriting and operating profits

(Rs mn)	4QFY19	1QFY20	2QFY20	3QFY20	4QFY20	YoY (%)	QoQ (%)
Underwriting profits							
Agriculture	(854)	(3,360)	(3,079)	(13,986)	(15,426)	NM	NM
Fire	(4,802)	1,148	(13,642)	(11,644)	4,203	NM	NM
Motor	5,061	(4,295)	1,133	(3,727)	1,783	(64.8)	(147.8)
Health	94	677	(5,078)	(694)	892	848.5	(228.4)
Others	4,171	(2,632)	(3,307)	3,135	4,458	6.9	42.2
Total	3,671	(8,462)	(23,972)	(26,916)	(4,091)	(211.5)	(84.8)

Operating profits

Agriculture	160	(240)	321	(9,914)	(12,527)	(7,909.6)	NM
Fire	(1,424)	3,692	(9,807)	(7,449)	7,979	NM	NM
Motor	8,529	(1,837)	4,478	287	5,649	(33.8)	1,869.1
Health	778	1,331	(3,954)	472	1,827	134.8	287.1
Others	6,530	(658)	(247)	5,849	7,276	11.4	24.4
Total	14,574	2,288	(9,211)	(10,755)	10,204	(30.0)	NM

Note: Operating profits for 4QFY20 are post -premium deficiency.

Source: Company, HSIE Research

Lockdown resulted in lower claims and higher profits for Motor segment.

Annual review: Product mix

NWP (Rs mn)	FY19	FY20	YoY (%)
Agriculture	114,179	139,804	22.4
Fire	82,277	102,819	25.0
Motor	84,568	94,705	12.0
Health	51,196	55,556	8.5
Others	61,688	74,771	21.2
Total	393,908	467,654	18.7

Source: Company, HSIE Research

Fire /agri. business grew at a healthy pace (+25.0/22.4% YoY) while health growth was moderate at 8.5% YoY.

Share (%)	FY19	FY20	YoY (bps)
Agriculture	29.0	29.9	91bps
Fire	20.9	22.0	110bps
Motor	21.5	20.3	-122bps
Health	13.0	11.9	-112bps
Others	15.7	16.0	33bps
Total	100.0	100.0	

Source: Company, HSIE Research

Underwriting profits for motor/crop business declined ~12.4/11.9x YoY.

Particulars (Rs mn)	FY19	FY20	YoY (%)
Underwriting profits			
Agriculture	3,280	(35,851)	(1,193.1)
Fire	(21,659)	(19,936)	NM
Motor	448	(5,107)	(1,240.1)
Health	(2,791)	(4,203)	NM
Others	1,888	1,654	(12.4)
Total	(18,835)	(63,442)	NM

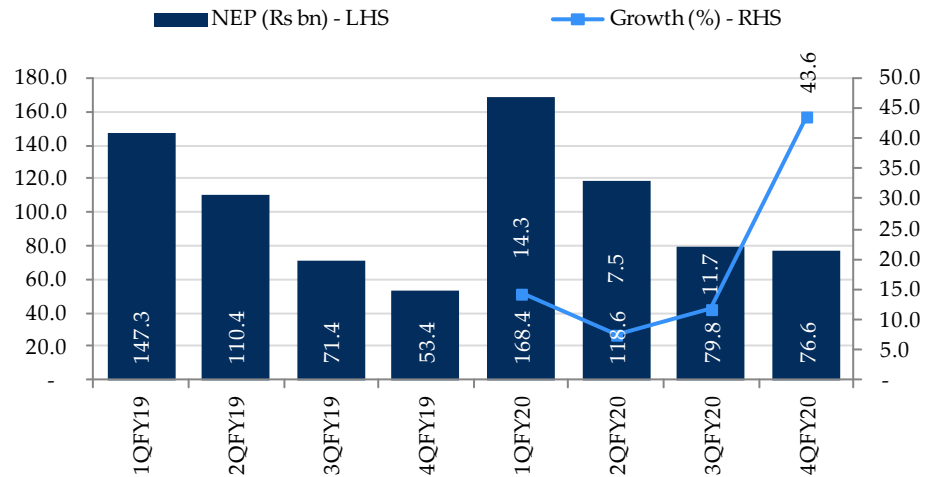
Particulars (Rs mn)	FY19	FY20	YoY (%)
Operating Profits			
Agriculture	13,452	(22,359)	(266.2)
Fire	(8,920)	(5,586)	NM
Motor	12,067	8,577	(28.9)
Health	237	(325)	(237.1)
Others	10,750	11,895	10.7
Total	27,586	(7,797)	(128.3)

Note: Operating profits for FY20 are post -premium deficiency.

Source: Company, HSIE Research

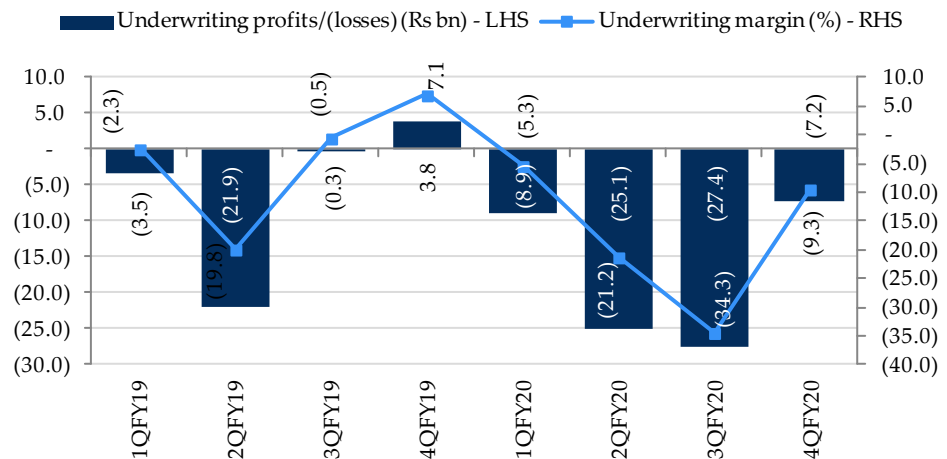
As the solvency is just above the statutory limit, we expect NEP to moderate in 1QFY21.

NEP growth robust at 43.6% YoY



Source: Company, HSIE Research

Underwriting losses increased in 4QFY20



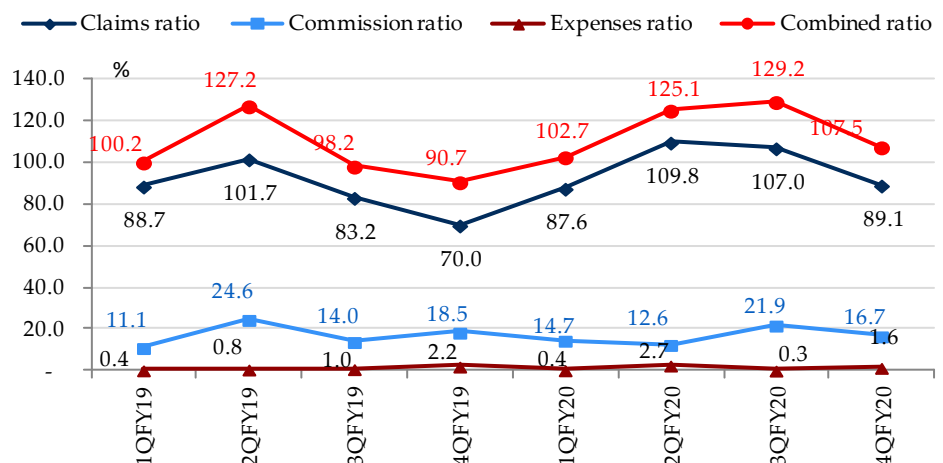
Source: Company, HSIE Research

We include other expenses (shareholders a/c) in calculation of underwriting profits.

Underwriting losses were at ~Rs 7.2bn led by significant crop losses at ~Rs 35.8bn.

Combined ratio increased +1,676bps YoY led by 1) increase in claims ratio (+1,917bps YoY), 2) decrease in commission / expense ratio (180/61bps YoY).

Combined ratios increased in 4QFY20

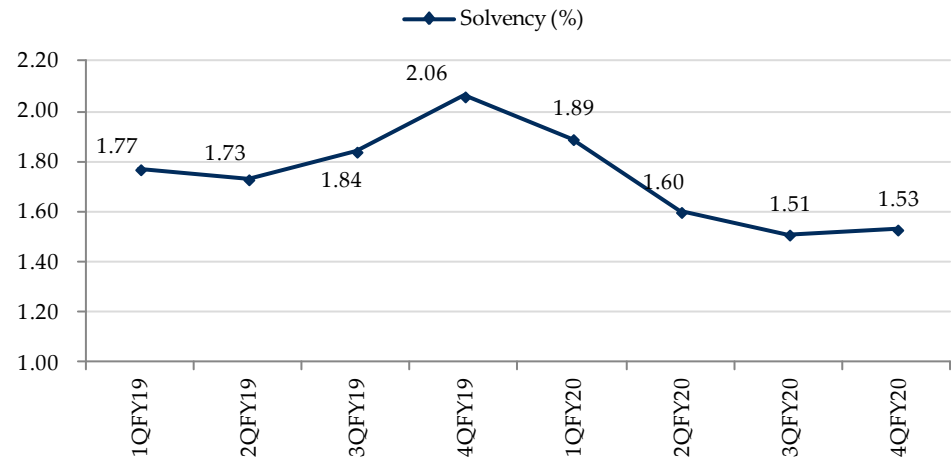


Source: Company, HSIE Research

We include other expenses for calculation of opex ratio.

Solvency ratio remained flattish sequentially at 153% and is marginally above the statutory requirement of 150%.

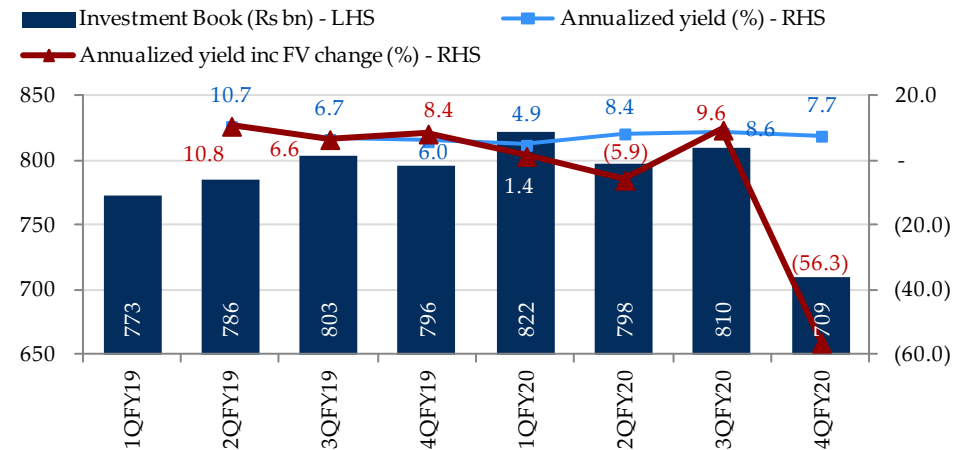
Solvency continues to remain weak



Source: Company, HSIE Research

Investment book declined 10.9/12.4% YoY/QoQ on account of MTM losses resulting from steep fall in equity markets.

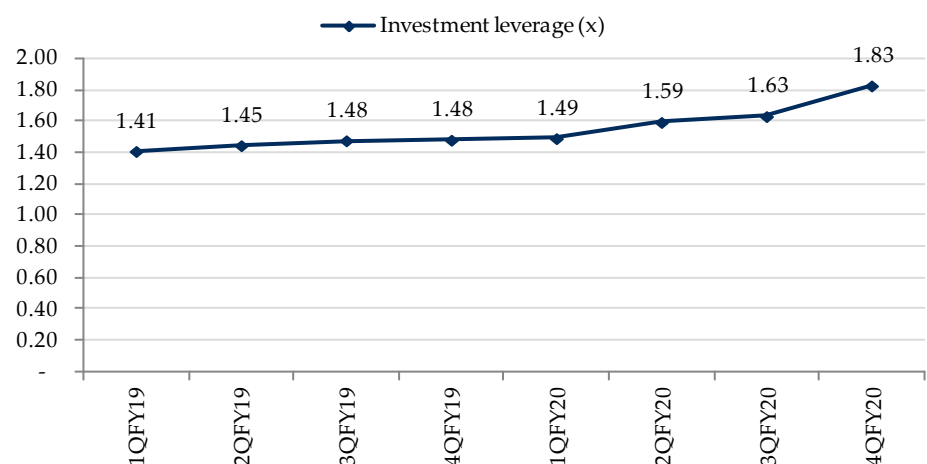
Investment book declines



Source: Company, HSIE Research

Investment leverage improved to ~1.83x (vs. 1.63x 3QFY20).

Investment leverage improved in 4QFY20



Source: Company, HSIE Research
We include FV reserve in net worth.

We have fine tuned our estimates to factor in higher premium growth and slightly lower COR's.

Change in estimates

Rs mn	FY21E			FY22E		
	Old	New	Change (%)	Old	New	Change (%)
Net written premium	442,785	459,225	3.7	460,496	477,595	3.7
Net earned premium	429,501	438,560	2.1	446,681	458,491	2.6
COR (%)	105.8	103.2	-260bps	104.2	102.1	-208bps
COR (%) IRDAI	105.8	103.2	-260bps	104.2	102.1	-208bps
Underwriting profits	(27,198)	(17,517)	NM	(21,126)	(12,950)	NM
PAT	29,986	53,311	77.8	38,261	34,580	(9.6)
Investment book	811,508	760,440	(6.3)	906,206	845,204	(6.7)
ROE (%)	8.2	23.1	1497bps	9.3	11.2	191bps

Source: Company, HSIE Research

Assumptions

(Rs mn)	FY19	FY20P	FY21E	FY22E	FY23E
Net earned premium	382,501	443,510	438,560	458,491	497,749
Premium growth (%)	0.1	16.0	(1.1)	4.5	8.6
Ratios (%)					
Claims	88.8	97.3	86.9	85.9	85.6
Commission	15.5	16.2	15.3	15.2	15.1
Expenses	0.8	0.3	1.0	1.0	1.0
Combined	105.1	113.8	103.2	102.1	101.8
Segment wise premium (Rs mn)					
Fire	83,726	97,510	115,062	124,267	130,480
Marine	12,336	16,884	18,234	19,693	20,875
Motor	84,244	89,816	93,408	107,420	120,310
Health	46,763	52,687	63,225	72,708	82,888
Agriculture	112,883	132,586	87,507	96,258	100,108
Life	4,860	8,548	9,574	10,531	11,373
Others	37,688	45,479	45,725	49,698	53,547
Total	382,501	443,510	432,735	480,574	519,581
Product mix (%)					
Fire	21.9	22.0	26.6	25.9	25.1
Marine	3.2	3.8	4.2	4.1	4.0
Motor	22.0	20.3	21.6	22.4	23.2
Health	12.2	11.9	14.6	15.1	16.0
Agriculture	29.5	29.9	20.2	20.0	19.3
Life	1.3	1.9	2.2	2.2	2.2
Others	9.9	10.3	10.6	10.3	10.3
Total	100	100	100	100	100
Premium growth (%)					
Fire	13.5	16.5	18.0	8.0	5.0
Marine	42.3	36.9	8.0	8.0	6.0
Motor	(2.7)	6.6	4.0	15.0	12.0
Health	(20.0)	12.7	20.0	15.0	14.0
Agriculture	(4.5)	17.5	(34.0)	10.0	4.0
Life	27.0	75.9	12.0	10.0	8.0
Others	16.0	20.7	6.0	8.0	7.0
Total	0.1	16.0	(2.4)	11.1	8.1
Claims ratio (%)					
Fire	100.2	92.0	85.0	82.0	80.0
Marine	66.7	77.0	75.0	72.0	71.0
Motor	85.0	90.0	83.0	85.0	86.0
Health	88.2	88.0	92.0	90.0	91.0
Agriculture	90.9	111.0	85.0	84.0	83.5
Life	122.2	102.0	101.0	100.0	99.0
Others	69.6	101.0	98.0	98.0	97.0
Total	88.8	97.3	86.9	85.9	85.6

Source: Company, HSIE Research

Financials

Profit and Loss Account

(Rs mn)	FY16	FY17	FY18	FY19	FY20P	FY21E	FY22E	FY23E
Net earned premiums	153,382	263,747	382,000	382,501	443,510	438,560	458,491	497,749
Growth (%)	12.8%	72.0%	44.8%	0.1%	16.0%	-1.1%	4.5%	8.6%
Claims incurred	129,683	215,293	330,582	339,696	431,504	381,097	393,939	426,196
Commission (net)	35,145	53,643	63,801	61,164	75,619	70,388	72,726	78,028
Operating expenses	1,827	5,300	3,948	4,534	4,929	4,592	4,776	5,158
Foreign exchange (gain)/loss	(1,524)	363	656	(2,305)	(4,290)	-	-	-
Underwriting profit/(loss)	(11,749)	(10,852)	(16,987)	(20,589)	(64,251)	(17,517)	(12,950)	(11,634)
Investment Income	41,479	45,871	54,031	64,477	71,469	83,648	59,164	71,742
Provisions (Other than taxation)	1,966	1,036	882	6,795	12,590	1,521	1,690	1,913
Operating profit	27,764	33,984	36,162	37,093	(5,372)	64,611	44,524	58,195
Operating profit margin (%)	18.1	12.9	9.5	9.7	(1.2)	14.7	9.7	11.7
Interest expense	-	-	-	-	-	-	-	-
Other income	2,426	181	134	1,450	1,715	858	429	214
PBT	30,191	34,165	36,296	38,543	(3,657)	65,468	44,953	58,409
Tax	3,318	4,123	4,349	12,159	4	13,094	11,328	14,719
APAT	28,211	31,406	31,456	27,576	(2,743)	53,311	34,580	44,665
APAT Growth (%)	-1.9%	11.3%	0.2%	-12.3%	-109.9%	NM	-35.1%	29.2%
RPAT	28,211	31,406	31,456	27,576	-1,865	53,311	34,580	44,665
RPAT Growth (%)	-1.9%	11.3%	0.2%	-12.3%	-106.8%	NM	-35.1%	29.2%
AEPS	16.4	18.3	17.9	15.7	(1.6)	30.4	19.7	25.5
EPS Growth (%)	-1.9%	11.3%	-1.8%	-12.3%	-109.9%	NM	-35.1%	29.2%

Source: Company, HSIE Research

Balance Sheet

(Rs mn)	FY16	FY17	FY18	FY19	FY20P	FY21E	FY22E	FY23E
SOURCES OF FUNDS								
Share Capital	4,300	4,300	4,386	8,772	8,772	8,772	8,772	8,772
Reserves	179,878	195,387	237,161	246,152	230,668	283,980	318,560	363,224
Total Shareholders Funds	184,178	199,687	241,547	254,924	239,440	292,752	327,332	371,996
Fair Value Change Account	234,567	300,372	298,343	304,240	148,721	200,157	224,242	251,268
Long-term Debt	-	-	-	-	-	-	-	-
Short-term Debt	-	-	-	-	-	-	-	-
Total Debt	-	-	-	-	-	-	-	-
Net Deferred Tax Liability	(107)	(161)	(175)	(26)	(211)	-	-	-
TOTAL SOURCES OF FUNDS	418,638	499,897	539,716	559,138	387,950	492,909	551,574	623,265
APPLICATION OF FUNDS								
Net Block	1,759	1,694	1,722	1,976	1,817	1,908	2,003	2,103
Investments	556,860	662,120	737,914	820,453	709,176	760,440	845,204	956,554
Loans	3,658	3,221	2,821	2,579	2,347	2,347	2,347	2,347
Total Non-current Assets	561,277	668,035	743,557	825,012	713,470	765,134	850,858	961,251
Cash & Equivalents	97,794	122,314	142,571	129,331	161,067	150,498	148,168	150,900
Advances and Other assets	100,851	181,284	239,639	267,722	331,194	347,273	354,005	374,094
Total Current Assets	198,644	303,598	382,211	397,053	492,261	497,772	502,173	524,994
Current Liabilities	250,721	338,092	460,542	521,114	643,313	581,994	593,133	637,294
Provisions	91,562	132,644	124,410	141,809	174,339	187,565	207,020	225,439
Total Current Liabilities	342,282	470,736	584,951	662,923	817,651	769,558	800,154	862,733
Net Current Assets	(143,638)	(167,138)	(202,740)	(265,870)	(325,390)	(271,786)	(297,981)	(337,740)
TOTAL APPLICATION OF FUNDS	418,638	499,897	539,716	559,138	387,950	492,909	551,574	623,265

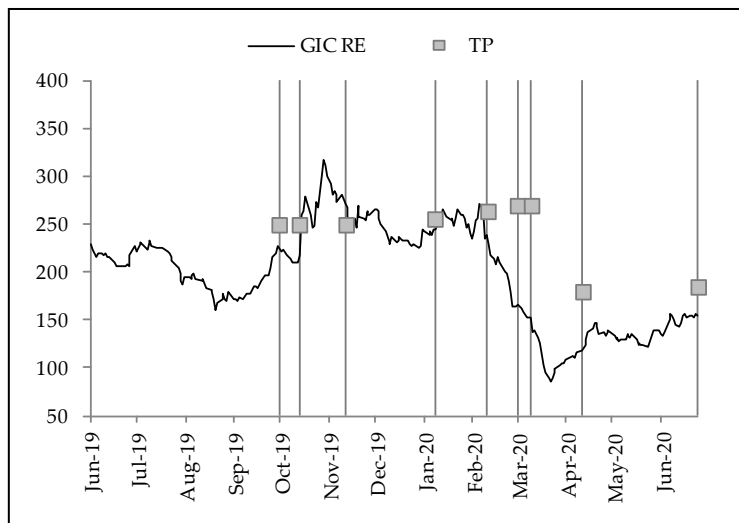
Source: Company, HSIE Research

Key Ratios

	FY16	FY17	FY18	FY19	FY20P	FY21E	FY22E	FY23E
PROFITABILITY (%)								
Claims ratio	84.5	81.6	86.5	88.8	97.3	86.9	85.9	85.6
Commission ratio	21.3	17.7	16.9	15.5	16.2	15.3	15.2	15.1
Expenses ratio	0.5	2.0	1.4	0.8	0.3	1.0	1.0	1.0
Combined ratio	106.4	101.4	104.9	105.1	113.8	103.2	102.1	101.8
Underwriting profit	(7.7)	(4.1)	(4.4)	(5.4)	(14.5)	(4.0)	(2.8)	(2.3)
Investment yield	(1.3)	18.2	7.3	8.2	(12.6)	17.8	9.8	10.3
Investment Income /NEP	25.8	17.0	13.9	15.1	13.3	18.7	12.5	14.0
EBIT	18.1	12.9	9.5	9.7	(1.2)	14.7	9.7	11.7
PAT	18.4	11.9	8.2	7.2	(0.6)	12.2	7.5	9.0
ROE	8.0	8.3	7.3	6.0	(0.7)	13.5	7.4	8.5
Adjusted ROE	(1.3)	20.4	7.0	6.9	(28.8)	23.1	11.2	12.3
Core RoCE	10.6	11.7	10.6	8.5	(1.0)	22.3	10.9	11.9
RoCE	8.0	8.3	7.3	6.0	(0.7)	13.5	7.4	8.5
EFFICIENCY								
Tax Rate (%)	11.0	12.1	12.0	31.5	(0.1)	20.0	25.2	25.2
Asset Turnover (x)	0.4	0.6	0.7	0.7	0.9	1.0	0.9	0.8
Claims os/NEP (x)	1.4	1.1	1.1	1.2	1.3	1.2	1.2	1.1
Technical reserves/NEP (x)	1.9	1.6	1.4	1.5	1.6	1.6	1.6	1.6
Investment leverage (x)	1.6	1.7	1.7	1.8	1.7	1.9	1.8	1.8
NWC (<i>ex-cash</i>) (days)	-575	-401	-330	-377	-401	-351	-355	-358
Debt/EBIT (x)	NA	NA	NA	NA	NA	NA	NA	NA
Net D/E	NA	NA	NA	NA	NA	NA	NA	NA
Interest Coverage	NA	NA	NA	NA	NA	NA	NA	NA
PER SHARE DATA								
AEPS (Rs/sh)	16.4	18.3	17.9	15.7	(1.6)	30.4	19.7	25.5
DPS (Rs/sh)	5.0	-	6.0	6.8	6.8	-	7.9	10.2
BV (Rs/sh)	202.5	238.3	256.7	266.7	199.2	251.3	281.2	318.0
VALUATION								
P/E	9.5	8.5	8.7	9.9	(99.4)	5.1	7.9	6.1
P/ABV	0.77	0.65	0.61	0.58	0.78	0.62	0.55	0.49
Dividend Yield (%)	3.2	0.0	3.9	4.3	4.3	0.0	5.1	6.6

Source: Company, HSIE Research

RECOMMENDATION HISTORY



Date	CMP	Reco	Target
1-Oct-19	228	BUY	250
14-Oct-19	211	BUY	250
13-Nov-19	271	BUY	250
9-Jan-20	245	NEU	256
12-Feb-20	238	NEU	264
2-Mar-20	164	BUY	270
12-Mar-20	152	BUY	270
11-Apr-20	117	BUY	180
29-Jun-20	155	BUY	185

From 2nd March 2020, we have moved to new rating system

Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

REDUCE: -10% to +5% return potential

SELL: > 10% Downside return potential

Disclosure:

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