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Atul Auto Ltd.

2QFY18 Results: Estimate (↓), TP (↔), Rating (↔)

Regular Coverage

Absolute: ADD
Relative: Benchmark
13% ATR in 13 Months

Margins surprise in 2Q, but unlikely to sustain - maintain ADD

Auto OEM

Rating Information	
Price (Rs)	426
Target Price (Rs)	481
Target Date	31st Dec'18
Target Set On	4th Dec'17
Implied yrs of growth (DCF)	15
Fair Value (DCF)	403
Fair Value (DDM)	126
Ind Benchmark	BSEAUTO
Model Portfolio Position	NA

Atul Auto's (ATA) 2QFY18 results surprised positively driven by gross margin expansion (+213bps qoq) and lower other expenses (-14% qoq). However, we don't expect margins to sustain given that prices of steel, a key raw material, are on an uptrend; moreover, operating leverage benefits in 2Q would see a reversal ahead. As highlighted in our last note, a ramp-up in electric 3Ws is crucial for ATA's volume growth as the market shifts towards this segment; however, progress on this front has been rather slow. As of now ATA sells electric 3Ws in Gujarat and Bihar only, but plans to roll out the product in more states. We pare FY18/FY19E volumes by 2%/3%, leading to a 4% cut in our FY19E EPS, even as our FY18 EPS stands upgraded by 5% on the 2Q beat. We roll over to a Dec'18 TP of Rs 481 (from a Sep'18 TP of Rs 482). Maintain ADD.

Stock Information			
Market Cap (Rs Mn)			9,348
Free Float (%)			47.30 %
52 Wk H/L (Rs)			512/389.3
Avg Daily Volume (1yr)			49,768
Avg Daily Value (Rs Mn)			22
Equity Cap (Rs Mn)			110
Face Value (Rs)			5
Bloomberg Code			ATA IN
Ownership	Recent	3M	12M
Promoters	52.7 %	0.0 %	0.0 %
DII	12.6 %	1.0 %	2.2 %
FII	4.3 %	-0.8 %	-0.6 %
Public	30.4 %	-0.2 %	-1.6 %
Price %	1M	3M	12M
Absolute	-3.5 %	-7.3 %	-0.4 %
Vs Industry	-2.1 %	-11.2 %	-27.1 %
Bajaj Auto	-0.6 %	9.7 %	18.4 %
TVS Motors	4.8 %	18.5 %	103.2 %
Standalone Quarterly EPS forecast			
Rs/Share	1Q	2Q	3Q
EPS (17A)	2.2	6.2	5.5
EPS (18E)	3.5	7.6	5.9

E-rickshaw to be rolled out across more states (from two currently): ATA is currently selling e-rickshaws in Gujarat and Bihar only, but plans to roll it out in more states going ahead. While the market for e-rickshaws is large in northern India, our channel interactions suggest that the market should open up in southern India where the vehicle is fast gaining approval (recently approved by Karnataka and Telangana). However, there are a large number of players in the market and most of them are sourcing motors and controllers from China, leading to limited product differentiation and therefore lower pricing power. We believe offering warranty on the vehicle could enable ATA in differentiating itself from competition.

Margins unlikely to sustain amid rising steel prices: Gross margins expanded 213bps qoq despite only a 1% qoq increase in ASPs, likely on lower RM prices and a favorable product mix. However, given the uptrend in steel prices, we expect gross margins to contract in 3Q and more so in 4QFY18. 2Q also benefited from operating leverage due to high volumes, which would reverse from 3Q.

Exports a large opportunity but meaningful presence 2-3 years away: ATA currently exports to 11-12 countries in Africa, Latin America and SE Asia, with a monthly run-rate of 250-300, which is marginal compared to large 3W exports from India. ATA's exports to Bangladesh (a 100-150 monthly run-rate earlier) have declined post a 3W ban on the country's highways. Management intends to make exports meaningful in the next 2-3 years.

Rs Mn	Current		Change from previous (%)	
	FY18E	FY19E	FY18E	FY19E
Sales	5,648	6,293	-0.9%	-4.6%
EBITDA	810	890	5.7%	-3.9%
PAT	515	562	4.7%	-4.2%
EPS	22.9	25.1	4.7%	-4.2%

Rs. Mn YE Mar	Consolidated Financials			
	FY17A	FY18E	FY19E	FY20E
Sales	4,753	5,648	6,293	7,174
EBITDA	594	810	890	1,044
Depreciation	53	57	65	95
Interest Expense	6	2	0	0
Other Income	27	19	19	33
Reported PAT	373	515	562	653
Recurring PAT	371	512	562	653
Total Equity	1,791	2,147	2,538	2,992
Gross Debt	0	0	0	0
Cash	555	238	330	644
Rs. Mn YE Mar	Rs. Mn YE Mar			
	FY17A	FY18E	FY19E	FY20E
Earnings	16.6	22.9	25.1	29.1
Book Value	80	96	113	134
Dividends	4.8	5.9	6.4	7.3
FCFF	24.4	-7.3	11.8	22.8
P/E (x)	25.7	18.6	17.0	14.6
P/B (x)	5.3	4.4	3.8	3.2
EV/EBITDA (x)	14.9	11.3	10.2	8.4
ROE (%)	22 %	26 %	24 %	24 %
Core ROIC (%)	24 %	30 %	25 %	26 %
EBITDA Margin (%)	13 %	14 %	14 %	15 %
Net Margin (%)	8 %	9 %	9 %	9 %



Earnings call takeaways

Industry overview

- The auto industry grew at 9.57% in 1HFY18 on yoy basis, with 9.40% domestic growth and 10.71% exports growth.
- While 3W volumes remained flat for 1HFY18, 2H should see better volumes as the impact of demonetization and GST wane. Domestic 3W industry volumes have declined by 10% during 2HFY18 whereas exports volumes have increased by 19%.
- 3W industry volumes grew by 8.12% qoq in 2QFY18, with domestic volume growth at 4.06% and exports growth at 15.3% qoq. During the quarter, overall sales grew by 34.47% qoq, with domestic growth at 47% and exports growth at 18.13%.

ATA performance

- During 2QFY18, ATA sold 12,224 units as against 8,924 units in 1QFY18 and 11,761 units in 2QFY17.
- Export volumes stood at 1,594 units for 1HFY18 (vs. 844 for 1HFY17).
- Gross margins have improved sequentially due to (a) better realizations, and (b) economization and negotiation with vendors. No significant contribution was seen from changes in the exports mix.
- Other expenses included Rs 3.4mn on account of CST in 2QFY17.
- ATA has declared an interim dividend of Rs 2.75/share.
- 3W market share of ATA across its focus segments is as follows: diesel 3W >15%, cargo 3Ws 17%, overall domestic market 7% (vs. well below 5% two years back).
- The company's pricing is at par with the market leader and there is no price distinction between eastern and western states.

Outlook

- The current monthly volume rate is >3,400 units; by year-end, the company should be able to clock double-digit growth off a low base of last year from November onwards.
- In FY19, the export volume run-rate should be >500 units. The company would see significant contribution from export sales next fiscal, with the proportion likely at >10% of overall sales in the next two years.
- ATA is keen on participating in the Maharashtra market; however, it is already selling diesel cargo in the Mumbai market, and should obtain all necessary approvals by this fiscal-end. For Maharashtra, the sale of diesel passenger vehicles has been banned.
- Capex for the rest of FY18 would be maintenance capex only; management will decide on the greenfield expansion once capacity utilization touches 75-80%.
- Currently, ATA sources diesel engines from Greaves Cotton, and should be ready with BS-VI engines before the deadline. Petrol engines are manufactured by the company itself.
- Management believes that the current level of EBITDA margins should be sustainable, and in fact improve on qoq basis going ahead.
- As of now, ATA is present in 11 countries of the total 33 countries in the world that consume 3Ws. In the next 5 years, it intends to be present in all these 33 countries.
- ATA has ~200 primary dealers and ~120 secondary dealers; by FY18-end, the number of primary dealers would increase to ~220. Major network expansion would happen in FY19.

EV opportunity

- While EVs have huge potential in India, certain commercial issues have to be resolved first, such as higher charging time and smaller lifecycle of lead acid batteries.
- ATA has launched EVs in Gujarat and Bihar, and also sold few vehicles in Maharashtra and Karnataka; it is looking to introduce EVs across its network in 2-3 months.
- Eastern states are emerging markets for EV 3Ws, and should contribute significantly to the sales pie going ahead.
- Realization for EVs is significantly lower than diesel vehicles; however, the margin profile is largely similar.



Quarterly performance, standalone

Rs Mn	2QFY18	2QFY18E	1QFY18	2QFY17	% Change			Comments
					2QFY18E	1QFY18	2QFY17	
Net Sales	1,599	1,592	1,165	1,435	0%	37%	11%	
Raw material	1,149	1,175	863	1,028	-2%	33%	12%	
Employee Cost	108	108	98	101	0%	10%	6%	
Other Expenses	72	92	84	86	-22%	-14%	-16%	
Total Expenditures	1,329	1,375	1,044	1,215	-3%	27%	9%	
EBITDA	269	216	121	220	24%	123%	22%	
Depreciation	13	16	13	13	-16%	2%	2%	
EBIT	256	201	108	207	28%	137%	24%	
Interest	1	0	1	4	NA	-30%	-81%	
Other Income	6	8	5	10	-28%	6%	-43%	
PBT	261	209	112	213	25%	133%	22%	
Tax	91	70	34	75	30%	167%	21%	
Recurring PAT	170	139	78	138	23%	118%	23%	
Extraordinaries	0	0	-2	0				
Reported PAT	170	139	80	138	23%	111%	23%	
EPS (Rs)	7.6	6.2	3.5	6.2	23%	118%	23%	
EBITDA Margin	16.8%	13.6%	10.4%	15.3%	325 bps	647 bps	151 bps	
EBIT Margin	16.0%	12.6%	9.3%	14.4%	340 bps	676 bps	159 bps	
PBT Margin	16.3%	13.1%	9.6%	14.9%	323 bps	670 bps	146 bps	
PAT Margin	10.6%	8.7%	6.9%	9.6%	192 bps	373 bps	101 bps	
Tax Rate	34.9%	33.5%	30.4%	35.3%	137 bps	447 bps	-39 bps	
3W Sales	12,224	12,224	8,974	11,761	0%	36%	4%	
ASP (Rs/unit)	1,30,767	1,30,198	1,29,853	1,22,005	0%	1%	7%	
EBITDA/unit (Rs)	22,030	17,707	13,472	18,706	24%	64%	18%	
Cost as % of Sales								
RM	71.9%	73.8%	74.0%	71.6%	-191 bps	-213 bps	28 bps	
Employee Cost	6.7%	6.8%	8.4%	7.1%	-6 bps	-167 bps	-32 bps	
Other Expenses	4.5%	5.8%	7.2%	6.0%	-128 bps	-267 bps	-148 bps	



Company Snapshot

How we differ from Consensus

	Equirus	Consensus	% Diff	Comment
EPS	FY18E	22.9	22.2	3 %
	FY19E	25.1	27.4	-8 %
Sales	FY18E	5,648	5,676	0 %
	FY19E	6,293	6,598	-5 %
PAT	FY18E	515	489	5 %
	FY19E	562	606	-7 %

Key Investment arguments:

- Network expansion and better value proposition to drive 9% sales CAGR over FY16-FY19E
- Exports offer a big opportunity with demand from Africa, but stabilization of its petrol/CNG vehicles may take more time.

Key Estimates:

Particulars	FY17	FY18E	FY19E	FY20E
Domestic 3W Sales	36,507	40,223	43,609	47,970
yoY Change (%)	-14%	10%	8%	10%
Domestic ASP (Rs/unit)	1,22,826	1,31,545	1,34,284	1,38,343
yoY Change (%)	2%	7%	2%	3%
Export 3W Sales	2,288	3,002	3,723	4,467
yoY Change (%)	49%	31%	24%	20%
Export ASP (Rs/unit)	1,11,941	1,14,483	1,17,366	1,20,314
yoY Change (%)	-9.6%	2.3%	2.5%	2.5%
EBITDA Margin (%)	12.5%	14.3%	14.1%	14.5%

Comparable valuation	Mkt Cap	Price	Target	EPS			P/E		BPS		P/B		RoE		Div Yield			
				Company	Reco.	CMP	Rs. Mn.	Target Date	FY17A	FY18E	FY19E	FY17A	FY18E	FY19E	FY17A	FY18E	FY19E	
Atul Auto	ADD	426	9,348	481	31st Dec'18	16.6	22.9	25.1	25.7	18.6	17.0	80.0	4.4	22 %	26 %	24 %	1.1 %	1.4 %
Bajaj Auto	REDUCE	3,199	9,25,598	2,974	Dec'18	141.0	144.9	160.1	22.7	22.1	20.0	617.1	4.7	26 %	22 %	22 %	1.7 %	1.9 %
TVS	NR	728	3,45,863	NR	NR	11.4	15.5	20.9	63.9	47.0	34.8	17.6	43.9	26 %	17 %	17 %	0.3 %	0.2 %

Key Triggers

- Launch of petrol/CNG variants in 3W domestic and export markets.

Sensitivity to Key Variables	% Change	% Impact on EPS
EBITDA Margin	1 %	7 %
-	-	-
-	-	-

DCF Valuations & Assumptions

Rf	Beta	Ke	Term. Growth	Debt/IC in Term. Yr
6.8 %	1.1	13.4 %	2.5 %	0.0 %

	FY18E	FY19E	FY20-22E	FY23-27E	FY28-32E
Sales Growth	19 %	11 %	13 %	12 %	9 %
NOPAT Margin	9 %	9 %	9 %	10 %	10 %
IC Turnover	2.79	2.69	3.56	4.30	4.30
RoIC	29.7 %	25.2 %	33.5 %	45.1 %	44.8 %

Years of strong growth	1	2	5	10	15
Valuation as on date (Rs)	170	172	256	318	353
Valuation as of Dec'18	195	196	293	364	403

Based on DCF, assuming 15 years of 13% CAGR sales growth and 41% average RoIC, we derive our fair value of Rs 403 for 31st Dec'18.

Company Description:

Headquartered at Rajkot, Atul Auto is the leading manufacturer of 3-Wheeler Commercial Vehicles in the state of Gujarat, presently engaged in the manufacture of Three Wheelers like 6-seater Auto Rickshaws, Pick-Up Vans and Chassis of Passenger Vehicles. These vehicles are marketed under the brand name of KHUSHBU, which is well established and very popular. Atul Auto pioneered motorized rural transport in Gujarat, with multipurpose vehicle called the Chhakada.



Standalone Quarterly Earnings Forecast and Key Drivers

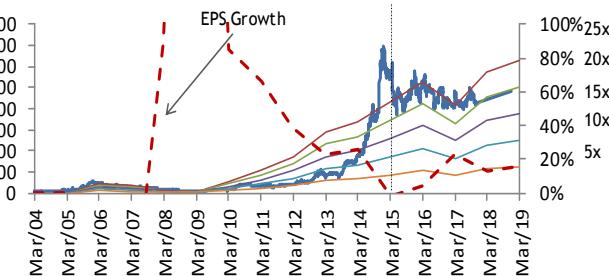
Rs in Mn	1Q17A	2Q17A	3Q17A	4Q17A	1Q18A	2Q18A	3Q18E	4Q18E	1Q19E	2Q19E	3Q19E	4Q19E	FY17A	FY18E	FY19E	FY20E
Revenue	930	1,435	1,348	1,041	1,165	1,599	1,440	1,444	1,293	1,756	1,608	1,636	4,753	5,648	6,293	7,174
Raw material	676	1,045	1,009	735	838	1,139	1,058	1,062	950	1,291	1,182	1,202	3,465	4,097	4,625	5,273
Change in Inventory & FG	-2	-18	-41	52	25	10	0	0	0	0	0	0	-9	35	0	0
Employee Cost	106	101	100	85	98	108	95	97	106	115	103	106	393	398	430	476
Other Expenses	67	86	90	67	84	72	76	77	75	102	88	82	309	309	347	381
User Defined Common Expense 5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
EBITDA	83	220	189	103	121	269	210	209	162	249	235	245	594	810	890	1,044
Depreciation	13	13	13	14	13	13	15	15	15	16	16	16	53	57	65	95
EBIT	70	207	175	89	108	256	195	194	146	232	218	229	541	753	826	949
Interest	1	4	1	1	1	1	0	0	0	0	0	0	6	2	0	0
Other Income	3	10	13	1	5	6	4	5	5	6	3	5	27	19	19	33
PBT	73	213	188	89	112	261	199	199	152	238	221	234	562	771	845	982
Tax	24	75	65	27	34	91	67	67	51	80	74	78	191	258	283	329
Recurring PAT	48	138	123	62	78	170	132	132	101	158	147	156	371	512	562	653
Extraordinary	-2	0	0	0	-2	0	0	0	0	0	0	0	-2	-2	0	0
Reported PAT	50	138	123	62	80	170	132	132	101	158	147	156	373	515	562	653
EPS (Rs)	2.16	6.17	5.49	2.77	3.49	7.59	5.90	5.90	4.50	7.08	6.57	6.94	16.58	22.88	25.09	29.14
Key Drivers																
3W Sales	7,606	11,761	11,043	8,385	8,974	12,224	11,000	11,027	9,911	13,166	12,110	12,144	38,795	43,225	47,332	52,437
ASP (Rs/unit)	1,22,272	1,22,00	1,22,03	1,24,10	1,29,85	1,30,76	1,30,90	1,30,992	1,30,461	1,33,366	1,32,797	1,34,696	1,22,51	1,30,669	1,32,954	1,36,807
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sequential Growth (%)																
Revenue	-28 %	54 %	-6 %	-23 %	12 %	37 %	-10 %	0 %	-10 %	36 %	-8 %	2 %	-	-	-	-
Raw material	-29 %	55 %	-3 %	-27 %	14 %	36 %	-7 %	0 %	-10 %	36 %	-8 %	2 %	-	-	-	-
EBITDA	-52 %	166 %	-14 %	-45 %	17 %	123 %	-22 %	0 %	-23 %	54 %	-6 %	4 %	-	-	-	-
EBIT	-56 %	196 %	-15 %	-49 %	22 %	137 %	-24 %	0 %	-25 %	59 %	-6 %	5 %	-	-	-	-
Recurring PAT	-55 %	186 %	-11 %	-50 %	26 %	118 %	-22 %	0 %	-24 %	57 %	-7 %	6 %	-	-	-	-
EPS	-55 %	186 %	-11 %	-50 %	26 %	118 %	-22 %	0 %	-24 %	57 %	-7 %	6 %	-	-	-	-
Yearly Growth (%)																
Revenue	-13 %	0 %	-11 %	-20 %	25 %	11 %	7 %	39 %	11 %	10 %	12 %	13 %	-10 %	19 %	11 %	14 %
EBITDA	-30 %	0 %	-25 %	-41 %	46 %	22 %	11 %	104 %	34 %	-8 %	12 %	17 %	-22 %	36 %	10 %	17 %
EBIT	-34 %	1 %	-26 %	-45 %	54 %	24 %	11 %	119 %	35 %	-9 %	12 %	18 %	-24 %	39 %	10 %	15 %
Recurring PAT	-32 %	3 %	-23 %	-43 %	62 %	23 %	8 %	113 %	29 %	-7 %	11 %	18 %	-22 %	38 %	10 %	16 %
EPS	-32 %	3 %	-23 %	-43 %	62 %	23 %	8 %	113 %	29 %	-7 %	11 %	18 %	-22 %	38 %	10 %	16 %
Margin (%)																
EBITDA	9 %	15 %	14 %	10 %	10 %	17 %	15 %	15 %	12 %	14 %	15 %	15 %	13 %	14 %	14 %	15 %
EBIT	8 %	14 %	13 %	9 %	9 %	16 %	14 %	13 %	11 %	13 %	14 %	14 %	11 %	13 %	13 %	13 %
PBT	8 %	15 %	14 %	9 %	10 %	16 %	14 %	14 %	12 %	14 %	14 %	14 %	12 %	14 %	13 %	14 %
PAT	5 %	10 %	9 %	6 %	7 %	11 %	9 %	9 %	8 %	9 %	9 %	10 %	8 %	9 %	9 %	9 %



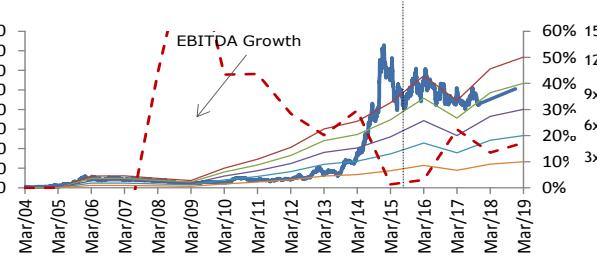
Consolidated Financials

P&L (Rs Mn)	FY17A	FY18E	FY19E	FY20E
Revenue	4,753	5,648	6,293	7,174
Op. Expenditure	4,159	4,838	5,403	6,130
EBITDA	594	810	890	1,044
Depreciation	53	57	65	95
EBIT	541	753	826	949
Interest Expense	6	2	0	0
Other Income	27	19	19	33
PBT	562	771	845	982
Tax	191	258	283	329
PAT bef. MI & Assoc.	371	512	562	653
Minority Interest	0	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	371	512	562	653
Extraordinaires	-2	-2	0	0
Reported PAT	373	515	562	653
FDEPS (Rs)	16.6	22.9	25.1	29.1
DPS (Rs)	4.8	5.9	6.4	7.3
CEPS (Rs)	18.9	25.4	28.0	33.4
FCFPS (Rs)	24.4	-7.3	11.8	22.8
BVPS (Rs)	80.0	95.9	113.3	133.6
EBITDA (%)	13 %	14 %	14 %	15 %
PATM (%)	8 %	9 %	9 %	9 %
Tax Rate (%)	34 %	34 %	34 %	34 %
Sales Growth (%)	-10 %	19 %	11 %	14 %
FDEPS Growth (%)	-22 %	38 %	10 %	16 %

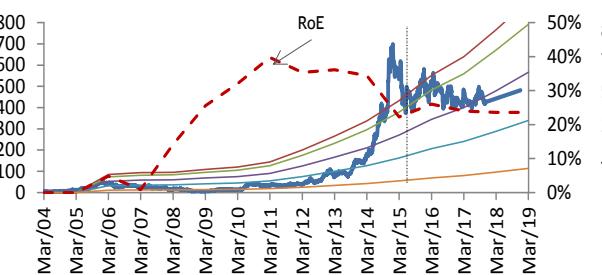
TTM P/E vs. 2 yr forward EPS growth



TTM EV/EBITDA vs. 2 yr forward EBITDA growth



TTM P/B vs. 2 yr forward RoE





Historical Consolidated Financials

P&L (Rs Mn)	FY14A	FY15A	FY16A	FY17A
Revenue	4,301	4,928	5,310	4,753
Op. Expenditure	3,848	4,349	4,548	4,159
EBITDA	454	579	763	594
Depreciation	52	56	53	53
EBIT	402	523	710	541
Interest Expense	4	6	8	6
Other Income	29	59	13	27
PBT	428	576	715	562
Tax	130	187	241	191
PAT bef. MI & Assoc.	298	389	474	371
Minority Interest	0	0	0	0
Profit from Assoc.	0	0	0	0
Recurring PAT	298	389	474	371
Extraordinaires	0	-16	0	-2
Reported PAT	298	406	474	373
EPS (Rs)	13.3	17.4	21.2	16.6
DPS (Rs)	3.8	5.0	5.3	4.8
CEPS (Rs)	16.0	20.3	23.9	18.9
FCFPS (Rs)	9.3	-0.1	0.6	24.4
BVPS (Rs)	42.2	54.0	69.0	80.0
EBITDA (%)	11 %	12 %	14 %	13 %
PATM (%)	7 %	8 %	9 %	8 %
Tax Rate (%)	30 %	32 %	34 %	34 %
Sales growth (%)	18 %	15 %	8 %	-10 %
FDEPS growth (%)	15 %	31 %	22 %	-22 %

Balance Sheet (Rs Mn)	FY14A	FY15A	FY16A	FY17A	Cash Flow (Rs Mn)	FY14A	FY15A	FY16A	FY17A
Equity Capital	110	110	112	112	PBT	428	576	715	562
Reserve	835	1,101	1,434	1,679	Depreciation	52	56	53	53
Networth	945	1,211	1,546	1,791	Others	-265	-311	-507	2
Long Term Debt	0	0	0	0	Taxes Paid	-134	-165	-254	191
Def Tax Liability	64	57	55	66	Change in WC	-41	-128	-406	260
Minority Interest	0	0	0	0	Operating C/F	307	358	109	686
Account Payables	272	267	360	360	Capex	-106	-363	-100	-74
Other Curr Liabi	166	239	254	223	Change in Invest	0	0	0	-68
Total Liabilities & Equity	1,446	1,774	2,215	2,439	Others	0	0	0	0
Net Fixed Assets	527	795	846	903	Investing C/F	-106	-363	-100	-143
Capital WIP	6	5	29	0	Change in Debt	0	0	0	0
Others	62	100	57	118	Change in Equity	0	0	0	0
Inventory	234	260	347	362	Others	-131	-111	-139	-117
Account Receivables	131	322	763	478	Financing C/F	-131	-111	-139	-117
Other Current Assets	35	35	44	23	Net change in cash	71	-116	-130	427
Cash	452	258	128	555	RoE (%)	35 %	36 %	34 %	22 %
Total Assets	1,446	1,774	2,215	2,439	RoIC (%)	33 %	35 %	33 %	22 %
Non-cash Working Capital	-38	111	541	281	Core RoIC (%)	48 %	40 %	35 %	24 %
Cash Conv Cycle	-3.2	8.2	37.2	21.6	Div Payout (%)	33 %	24 %	21 %	34 %
WC Turnover	-112.3	44.6	9.8	16.9	P/E	32.0	24.5	20.1	0.0
FA Turnover	8.1	6.2	6.1	5.3	P/B	10.1	7.9	6.2	0.0
Net D/E	-0.5	-0.2	-0.1	-0.3	P/FCFF	45.8	-7,242.5	680.0	17.4
Revenue/Capital Employed	4.7	4.3	3.7	2.7	EV/EBITDA	19.9	15.9	12.2	14.9
Capital Employed/Equity	1.1	1.1	1.0	1.0	EV/Sales	2.1	1.9	1.8	1.9
					Dividend Yield (%)	0.9 %	1.2 %	1.2 %	1.1 %

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<ul style="list-style-type: none"> LONG : Over the investment horizon, ATR >= Ke for companies with Free Float market cap >Rs 5 billion and ATR >= 20% for rest of the companies ADD: ATR >= 5% but less than Ke over investment horizon REDUCE: ATR >= negative 10% but <5% over investment horizon SHORT: ATR < negative 10% over investment horizon 			Tel. No: +91 - (0)22 - 4332 0600 Fax No:+91-(0)22 - 4332 0601				
Relative Rating			Corporate Office:				
<ul style="list-style-type: none"> OVERWEIGHT: Likely to outperform the benchmark by at least 5% over investment horizon BENCHMARK: likely to perform in line with the benchmark UNDERWEIGHT: likely to under-perform the benchmark by at least 5% over investment horizon 			3rd floor, House No. 9, Magnet Corporate Park. Near Zvdus Hospital, B/H Intas Sola Bridge, S.G. Highway Ahmedabad-380054 Gujarat Tel. No: +91 (0)79 - 6190 9550 Fax No:+91 (0)79 - 6190 9560				
Investment Horizon							
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