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19 February 2016

Q3FY16 Earnings Review

Sales continue to decline, benign costs prop up profits

Aggregate non-finance sector sales fell 8% YoY in Q3FY16 as manufacturing sales declined 10.3%. Deflation, poor domestic offtake and falling exports hurt toplines. However, benign commodity (input) costs led to a 9.8% rise in EBITDA and boosted operating/net margins by 325bps/155bps YoY. Meanwhile, financial services sector earnings slumped in Q3 as new RBI norms led to a surge in provisioning. Aggregate Sensex ex-oil revenue grew 5.9% YoY, while revenue of the RCML universe rose by 3.8% YoY. EBITDA of both rose on lower costs, but high bank provisioning dented PAT.

- **Topline continues to decline:** Net sales of the non-finance sector (based on a sample set of 3,284 listed companies) fell for the fifth consecutive quarter, down 8% YoY in Q3FY16. This was due to a 10.3% fall in sales of the manufacturing sector (sample set: 1,895 companies) owing to deflation and weak demand.
- **Deflation, weak domestic demand hurt toplines:** Partial pass-through of falling commodity prices amidst a weak demand depressed sales growth. As per national income statistics, the manufacturing GVA deflator dipped 1.5% YoY in Q3. The sharp fall in oil prices hurt sales of the petroleum products sector (down 25% YoY). Ex-petroleum products, manufacturing sales were flat YoY in Q3. Among other industries, lower metal prices led to a 16.9% fall in sales of the metal & metal products industry. Domestic demand also remained weak – sales of the consumer goods industry were up just 3.8% YoY.
- **Dull exports also a drag on mfg. sales:** Global demand has been weak through 2015; as per the CPB trade monitor, imports of EMs declined by 0.7%/1.4% YoY during Jan-Sep'15/Oct-Nov'15. Persistently low demand has taken a toll on India's merchandise exports, which declined by 12.2%/14.6% YoY (in rupee terms) during H1FY16/Q3FY16. Manufacturing exports dropped 7.8% during Oct-Nov'15, hitting the sector's sales.
- **Lower input costs boost profitability:** Lower commodity prices led to a sharper fall in RM expenses vis-à-vis sales. Thus, EBITDA of the non-finance sector rose 9.8% YoY in Q3, the fastest pace in six quarters. Operating/net margins expanded 325/155bps YoY. Margin gains were led by the petroleum products, food products, construction materials, transport equipment, and transport & communication service sectors.
- **Dismal quarter for financial services:** Though profits before provisioning and tax expanded 12.4% YoY, a massive surge in provisioning led to a 59.6% drop in PAT (sample set: 876 companies). The banking sector was hit hard as the RBI required public sector banks to recognise weak assets as NPAs and create adequate provisions.
- **RCML universe revenue up by 3.8% in Q3:** Revenues of the RCML universe grew by 3.8% YoY in Q3FY16 (Sensex ex-oil: 5.9%, RCMLe: 5.6%). Ex-metals & mining and capital goods, all sector posted positive revenue growth, with realty, pharma, auto and IT posting double-digit growth. Sales of our metal & mining universe contracted by a sharp 14.6% YoY in Q3; excluding this, RCML universe revenues rose 8% YoY.
- **Metals weigh on margins:** All sectors barring metals, capital goods and IT clocked higher EBITDA margins YoY. Overall, the large 620bps drop in metal sector EBITDA margins kept RCML universe EBITDA margin flat YoY (+75bps ex-metals, Sensex ex-oil: +235bps). Aggregate operating profit rose only 3.9% (ex-metals: 10.9%) owing to a sharp drop in EBITDA of metals and capital goods players. Aggregate PAT declined by 13.1% on lower profitability of public sector banks and metals & mining companies.

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Aggregate performance of sectors in Q3FY16

YoY change	Revenue (%)	EBITDA (bps)	PAT (bps)
Non-financial	(8.0)	325	154
Manufacturing	(10.3)	338	227
of which			
Food & agro-based products	4.6	324	241
Petroleum products	(25.1)	727	512
Consumer goods	3.8	22	198
Construction materials	4.8	203	19
Metals & metal products	(16.9)	(659)	(973)
Transport equipment	7.8	181	117
Mining	(10.0)	(41)	(1196)
Electricity	3.3	376	(3)
Services (other than financial)	(1.5)	344	109
Hotels & tourism	8.1	135	871
Wholesale & retail trading	(17.7)	168	81
Transport services	5.2	740	741
Communication services	6.0	268	(515)
Information technology	9.9	(112)	(107)
Construction & real estate	(1.7)	(265)	(130)
Non-financial excl. petroleum products	(0.6)	109	11
Manufacturing excl. petroleum products	0.0	46	66

Source: CMIE, RCML Research. Sample size: 3,284 companies

Q3FY16 earnings snapshot

(%YoY)	Revenue	EBITDA	PAT
Sensex	1.1	10.0	(4.2)
Sensex ex-oil	5.9	10.9	(6.2)
Sensex ex-fin	(3.7)	(3.4)	4.4
Sensex ex-oil ex-fin	(3.5)	(3.5)	(2.1)
RCML Universe*	3.8	3.9	(13.1)
RCML ex-fin	3.4	0.0	(1.7)

Source: RCML Research | *Excludes oil &gas

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Sectoral earnings review

Fig 1 - RCML universe: Sector-wise Q3FY16 earnings review

Sector	Q3FY16 performance
AUTO	**Volume-led double-digit growth in auto sales:** Aggregate revenues of our auto coverage universe rose 14% YoY in Q3FY16 owing to healthy volume growth. PVs posted strong sales led by new launches. MHCV growth was also robust due to high replacement demand and the improving health of transport agencies given low fuel prices. The festive season helped two-wheelers (2W) clock mid-single-digit growth in Q3 backed by strong double-digit growth in scooter volumes, though the momentum is flagging post the festivities. We expect 2W volumes to show double-digit growth from H2FY17.
	MSIL only miss among 4W margins: The EBITDA margin of our auto universe improved to 12.7% in Q3FY16 from 10% in Q3FY15. Among the 4W pack, MSIL's Q3 EBITDA margin declined sequentially to 14.4% (RCMLe: 16%, -190bps QoQ/+120bps YoY), as higher year-end inventory liquidation led to RM cost/sales increasing by 170bps. MM+MVML's margins improved to 14.1% (RCMLe: 14.4%, +90bps QoQ/+230bps YoY) on higher auto segment volumes (+16% QoQ) during the festive season, while tractor margins were weak due to a 9% QoQ drop in realisation. A sequential decline in volumes led to lower margins for MHCVs. AL's EBITDA margin dropped to 10.5% (-150bps QoQ/+340bps YoY) as volumes were down 17% QoQ. For TTMT, standalone margins decreased to 5.7% (RCMLe: 6.7%, -110bps QoQ); however, JLR's margins improved to 14.4% (RCMLe 14.6%, +220bps QoQ/-420bps YoY) on the back of healthy 24% QoQ volume growth, while its PAT grew two-fold sequentially to £464mn (-22% YoY) aided by a lower tax rate and better operating performance. **Top picks: HMCL, EIM , AL**
BANKS & NBFCS	**A grim quarter for PSBs:** Q3FY16 was undoubtedly one of the worst quarters for public sector banks (PSB) which were hit hard by the RBI's asset quality review (AQR). Compelled to recognise weak assets as NPAs and create adequate provisions to cover them, all PSBs posted a sharp drop in net profit with BOB and BOI reporting huge losses. It's not the end of the tunnel yet as all PSBs (barring BOB) have extended the NPA recognition of RBI-identified weak accounts to Q4. While fresh restructuring was limited, fresh slippages spiked to an all-time high with nearly 50-70% arising out of the RBI's AQR. Banks also continued with 5:25 and SDR restructuring, which kept fresh impairments elevated.
	Retail banks largely unhurt: Retail-centric banks such as HDFCB, IIB and KMB managed to sail through the quarter without any sharp deterioration in asset quality. However, the RBI's AQR inflicted massive pain on corporate lenders AXSB and ICICIBC, who posted a sharp rise in slippages. While AXSB completely dealt with the AQR-led slippages in Q3, ICICIBC like most PSBs spread them over Q3 and Q4. AXSB also refinanced accounts worth Rs 16bn under 5:25, and ICICBC evoked SDR on accounts worth Rs 17bn, which kept fresh impairments high. Surprisingly, YES posted manageable slippages with no ARC sale or restructuring, showcasing the soundness of its asset quality.
	Loan growth weak; margins dip for most PSBs: Loan growth for our banking universe remained in line with the previous quarter at 12% YoY. Private banks clearly outstripped public banks, growing at 25% YoY. Driven by their strong retail focus, HDFCB, IIB and YES managed to grow ahead of their private peers. Most PSBs posted margin declines, reeling under the impact of high slippages, interest reversals and a reduction in base rate in early Q3. Barring AXSB, most private banks managed to improve or maintain their margins. **Top picks: YES, KMB**
	Mixed bag for NBFCs: With a sharp decline in PAT (MMFS) and muted earnings (RECL, POWF), NBFCs under our coverage reported a mere 4% YoY growth in earnings. However, loan growth improved for most players in the seasonally strong Q3. While loan books grew in mid-teens across the board, SKSM posted a staggering +90% YoY growth in its loan book. Barring SHTF and SCUF, margins declined for most NBFCs. Asset quality was a miss for MMFS, POWF and RECL. **Top picks: SCUF, SHTF, CIFC**
CEMENT	**Falling costs save the day:** A weak pricing environment led to sluggish 5% YoY topline growth for our cement universe in Q3FY16, but EBITDA grew by 16% aided by lower pet coke prices, pushing PAT up 5%. Aggregate EBITDA/t was largely stable at Rs 668/t (-Rs 20 QoQ) as power & fuel cost dropped 15% QoQ, offsetting weak pricing. Among large-caps, UTCEM showed the largest improvement of Rs 70/t QoQ in EBITDA/t. SRCEM reported flat EBITDA/t of Rs 791, ACC/ACEM saw declines of ~Rs 110/Rs 50 while ORCMNT/ICEM reported sharper drops of Rs 235/Rs 205. Inventory adjustment helped SNGI improve EBITDA/t by Rs 310.

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Sector	Q3FY16 performance
	6-7% volume growth amid weak prices: Our cement universe recorded higher 6-7% YoY volume growth in Q3FY16 after 3% growth in H1FY16. While south-based companies such as ICEM continue to see a sharp decline in volumes (-8% YoY in Q3 and -12% YoY in 9MFY16), players with new capacities such as SRCM, JKLC and JKCE did well. Among large-caps, SRCM posted 23% YoY volume growth followed by UTCEM and ACC at 4% YoY, while ACEM was tepid at 1.5%. In mid-caps, JKLC/JKCE's volumes grew 20%/16% YoY while ORCMT/SNGI were muted at 4%/1%.
	Realisations down 4% QoQ: Overall realisations for the industry were down 4% QoQ as cement prices dipped 5% in the western and eastern regions, while the north fell by 3% and south and central markets saw a 2% drop. YoY, realisations were down 4% with prices in the western region plunging 15% followed by the north at 9%. Only the south reported growth at 7% YoY.
	Weakness persists; demand revival is the key: While cement pricing remained soft in Q3FY16, all eyes are now on Q4 which is the busy construction season. We maintain estimates across our coverage, but lower FY17-FY18 EBITDA forecasts for JKLC and ORCMT by 6-8% to factor in lower realisations. **Top picks: UTCEM, ORCMNT**
CONSUMER	**Consumer demand still sluggish:** Consumer companies continued to be hit by sluggish demand, as the rural market remained in slowdown mode in Q3 while the urban market recovers at a very slow pace. Net sales grew by just 5.9% YoY (RCMLe 8%) for our consumer universe. Still, this was an improvement as compared to the first two quarters, led by the low base effect and a favourable shift in festive season.
	Margins improve: Aggregate EBITDA for our universe grew 9.9% YoY (RCMLe 13.3%) in Q3FY16, with the EBITDA margin improving by 78bps YoY to 21.2% (RCMLe 21.4%). This was driven largely by a 220bps expansion in gross margin, only partially offset by increased investment in A&P spends to spur consumer demand. Adj. PAT for our consumer universe witnessed tepid growth of 4.9% YoY, below our estimate of 9.3% YoY. A few companies such as APNT, MRCO, BATA and SYML bucked the trend to post PAT growth above estimates.
	Top picks: We remain optimistic on the sector on the back of an expected volume-led recovery in topline growth in FY17, led by a recovery in urban markets. **Top picks:** Our top picks among consumer companies are **HUVR** & **APNT** in large-caps and **MRCO** & **BRIT** in the mid-cap space.
METALS & MINING	**Coal India (CIL) the star, outlook for others improving:** Our metals & mining universe reported a 9.4% QoQ decline in EBITDA for Q3FY16. CIL's strong numbers were the highlight of Q3 whereas HNDL's beat at the standalone level excluded Utkal's performance and is unlikely to be sustained. With the MIP levied on steel imports w.e.f. 5 Feb 2016, we now expect domestic steel prices to get delinked from global movements. Note that one week post the MIP levy, both flats and longs product prices were up by Rs 1,500-2,000/t (vs. flattish globally). Prices of aluminum and zinc have remained stable since January.
	Positive news inflows over last month: Over the past month, the steel sector has been upbeat with positive news flows such as: (1) China announcing a 13% capacity cut over 2020, (2) MIP levy on India's steel imports, (3) Yuan appreciation, (4) China's finished steel exports for Dec'15-Jan'16 remaining flat versus successive increases, and (5) EU levy of an antidumping duty on CR steel from China and Russia. However, we think any rally in steel stocks would hinge upon a sharp demand recovery or extension of the MIP levy beyond a year. As imports reduce, domestic demand-supply should dictate pricing; that said, price increases are unlikely to be sharp/may not sustain amid higher supply lined up from SAIL, Tata and JSTL and headwinds faced by Bhushan Steel and Essar Steel.
	CIL, HZ to outperform: Among mining and non-ferrous stocks, we think upsides for CIL could be realised if it is consistent in its performance. While HZ has already done well, its performance was largely driven by non-fundamental reasons (stake sale deferral). Dividend paid by NMDC is unsustainable given the low spot iron ore prices and its steel capex plans. HNDL's scope to reduce net debt is low even if prices are higher than spot levels.

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Sector	Q3FY16 performance
	Revenue miss despite low expectations: Our IT universe reported weak rupee revenue growth of 2.1% QoQ and 11.5% YoY for Q3FY16. INFO and HCLT, along with other mid-cap IT companies such as KPIT, MTCL and INFOE, reported slightly better growth than estimates, while MPHL missed expectations by a wide 4.2% QoQ. TCS reported weak volumes with flattish growth in its BFSI vertical (~40% of revenues). In a positive surprise, INFO raised its CC revenue growth guidance band to 12.8- 13.2% for FY16 and we expect the company to deliver at the upper end of its guidance. Most companies predicted a slow recovery in the BFSI and energy segments.
INFORMATION TECHNOLOGY	**Mixed margin performance:** Q3FY16 EBIT margins for our IT universe averaged at 20.2%, slightly below our estimate of 20.4%. Most companies missed expectations despite a favourable INR, including INFO, MTCL and Oracle which reported misses of 100bps, 172bps and 120bps respectively. INFOE improved its margin to 22.2% from 19.2% in Q2 led by improved execution, largely driven by lower advertisement investments.
	INFO and HCLT preferred picks: Overall, Q3FY16 was a weak quarter on both the revenue and margin fronts. Growth should pick up moderately in Q4 for our IT universe on a low base of Q3; however we expect a weak client environment (BFSI and Energy) to keep the growth outlook muted. **Top picks:** We stay selective on the sector with **INFO** and **HCLT** as preferred picks.
	Slow revenue growth: The RCML telecom operator universe reported slow revenue growth of 5.9% YoY for Q3FY16. Voice ARPU was down 12.7%/9.1% YoY for Bharti/Idea led by lower voice ARPM. Despite favourable seasonality, MOUs declined 3% QoQ for Bharti and grew only 1.3% QoQ for Idea. Data usage growth was stable at ~70%; however, price deflation was higher at 9%/17% for Bharti/ Idea. We note that data performance for Idea was particularly weak and the company has lost incremental data market share.
TELECOM	**BHIN – steady quarter; spectrum auction an overhang:** BHIN posted in-line tower addition/tenancy growth of 4%/4% YoY. While the upcoming spectrum auctions remain an overhang, we think operators have limited balance-sheet capability to buy a large quantum of spectrum. We like BHIN for its stable earnings delivery and strong market position.
	Voice plays spoilsport for TCOM: TCOM's revenues grew 4% YoY led by a strong 17% growth in the data segment. While data margins spiraled up 250bps QoQ, voice margins collapsed to 4.3%, surprising negatively. The company maintained its goal of hiving off the capital-intensive data business and deleveraging its balance sheet.
	Q3 a disappointment overall: Overall, Q3FY16 was a disappointing quarter from telcos with weak operating metrics and increased capex requirements. We stay cautious on the sector given the continued decline in voice revenues, slowing data growth and rising capex. We maintain our preference for non-operator players. **Top picks: BHIN**, **TCOM**
	More ups than downs: Our pharma universe reported revenue/EBITDA/ PAT growth of 12%/14%/52% along with 60bps YoY EBITDA margin expansion. Within our coverage universe, earnings for SUNP (+258% YoY), TRP (+189%) and ARBP (+40%) were strong, while DIVI (+12%), GNP (-14%) and Cipla (+3%) missed estimates. Currency headwinds (GNP, DRRD) hurt earnings while strong US approvals (SUNP, LPC, TRP, ARBP) were the key drivers.
PHARMA	**US business stronger than expected:** US business growth was strong for LPC (g*Fortamet* price hikes, seasonally strong quarter for Cephalosporins), DRRD (market share gain in Sumatriptan autoinjector, strong injectables), SUNP (Taro-led), TRP (g*Abilify* contribution) and ARBP (recent launches, strong injectables). On the other hand, domestic growth was weak for SUNP, TRP (bonus discontinuation impact, GNP (channel filling in Q2FY16) and Cipla (distribution policy change).
	Key management commentary: (a) DRRD – FY17 may be relatively better for the US business with higher approvals (than FY16) and g*Diprivan* approval. (b) SUNP – Expects to invite the USFDA for re-inspection in Q1FY17, implying our Q4FY17 assumption of warning letter resolution is broadly valid and g*Gleevec* market share ramp-up may be lower than expected. (c) DIVI – Additional capex of Rs 2.5bn announced for Vizag. (d) Cipla – Q4 to be relatively better as the impact of the domestic distribution policy change is temporary. (e) NTCPH – Strong traction in Sofosbuvir franchise with the quarterly run-rate crossing Rs 1bn in Q3 (vs. Rs 630mn QoQ). (f) GNP – Halted Venezuela sales from Nov'15. **Top pick: ARBP**

Sector	Q3FY16 performance
	BHEL, CRG disappoint: BHEL's Q3 results came in sharply below estimates (sales/adj. PAT of Rs 53bn/- Rs 3.3bn; -14%/ -256% YoY) due to lower execution and margins. Gross margins plunged 1,100bps to 35.2% on a higher proportion of EPC and supercritical project execution. While order inflows may continue to occasionally surprise on the upside, we expect margins to remain stressed till FY18/FY19. CRG's Q3 results (sales/PAT loss: Rs 21bn/Rs 962mn) were below estimates on lower sales and margins in the power business, and continued losses in international subsidiaries. Operationally, the key disappointment came from an 11% YoY decline in standalone power sales to Rs 5.8bn. While management attributed this to delivery schedules, we think there is more to the decline than meets the eye; in our view, the drop in sales is reflective of weaker demand and falling copper prices.
CAPITAL GOODS/INFRA	**LT result below estimates:** LT's Q3 results (consol. sales/PAT: +8.3%/19.4% YoY to Rs 258bn/Rs 10bn) were below estimates due to lower operating margins, which were hit by an adverse job mix and weakness across the power, metallurgy and heavy engineering segments. We cut our FY16/FY17 estimates by 22%/25% to build in lower margins and slower execution in both years. LT's order inflows for the quarter increased 11% YoY to Rs 385bn, led by the transportation, power T&D and water segments. While the order inflow pipeline stands at Rs 2trn, we believe the company is unlikely to meet its order inflow guidance for FY16 (+0-5% YoY). We maintain our order inflow estimates of Rs 1.3trn for FY16, implying a 15% YoY decline.
	Infrastructure trots along: Our infrastructure universe reported revenue/EBITDA/PAT growth of 7.3%/28.8%/27.8% YoY in Q3FY16. While IRB, ASBL, MBL and AHLU posted 20%+ revenue growth, NCC and MEP disappointed. Aggregate EBITDA margin expanded by 348bps YoY for our universe on soft RM costs and improved project execution. **Top pick: KKC**

Source: RCML Research

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Q3FY16 performance: RCML universe

Fig 2 - Sensex and RCML universe Q3FY16 results summary

(%) YoY change	Revenue Growth (%)	EBITDA Growth (%)	PAT Growth (%)	EBITDAM change (bps)	PATM change (bps)
Sensex	1.1	10.0	(4.2)	383	(107)
Sensex ex-oil	5.9	10.9	(6.2)	235	(265)
Sensex ex-fin	(3.7)	(3.4)	4.4	6	80
Sensex ex-oil ex-fin	(3.5)	(3.5)	(2.1)	(147)	(56)
RCML Universe	3.8	3.9	(13.1)	2	(216)
RCML ex-fin	3.4	0.0	(1.7)	(61)	(51)

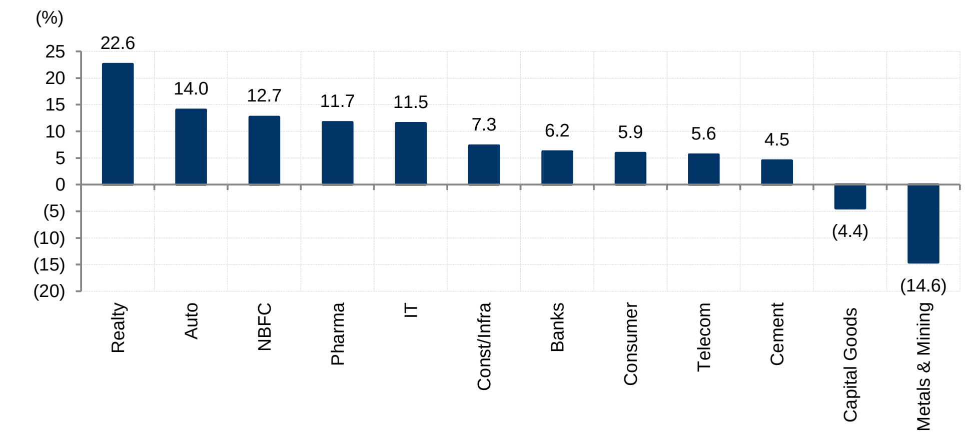
Source: RCML Research

Fig 3 - RCML universe Q3FY16 sector-wise growth – Actual vs. expected

Sector	Revenue (%)		EBITDA (%)		PAT (%)	
	Expected	Actual	Expected	Actual	Expected	Actual
Total	**3.8**	**5.6**	**6.6**	**3.9**	**6.0**	**(13.1)**
Auto	14.4	14.0	49.5	44.0	118.2	111.3
Cap Goods	6.0	(4.4)	(14.2)	(33.6)	(14.9)	(31.8)
Cement	3.0	4.5	7.4	16.0	(7.4)	5.1
Consumer	8.0	5.9	13.3	9.9	9.1	4.7
Const/Infra	4.0	7.3	29.2	28.8	2.9	27.8
IT	12.1	11.5	6.9	5.0	4.3	6.4
Metals and mining	(13.6)	(14.6)	(33.6)	(44.6)	(43.4)	(61.2)
Pharma	10.4	11.7	11.9	14.4	36.8	51.6
Realty	9.7	22.6	23.0	43.4	63.1	16.2
Telecom	6.4	5.6	8.8	8.3	7.8	(12.5)
Banks	10.7	6.2	11.0	9.7	9.6	(49.4)
NBFC	14.3	12.7	15.6	15.2	17.3	3.7
Others	11.8	16.0	44.0	65.8	70.2	104.0

Source: RCML Research. . * Others include FNXP, KJC, PIDI, RALI, MUNI, VMART, SOMC, MTLM, GRASIM

Fig 4 - RCML universe: Sector-wise revenue growth for Q3FY16 (YoY)



Source: RCML Research *Others include FNXP, KJC, PIDI, RALI, GRASIM

Excluding Metals & Mining and Capital Goods, all sectors reported positive revenue growth, with Realty, Autos, NBFCs, Pharma and IT leading the pack

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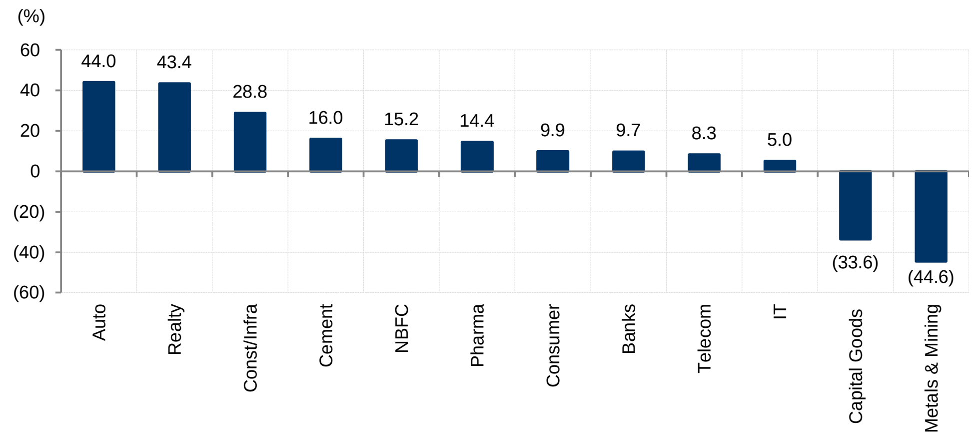
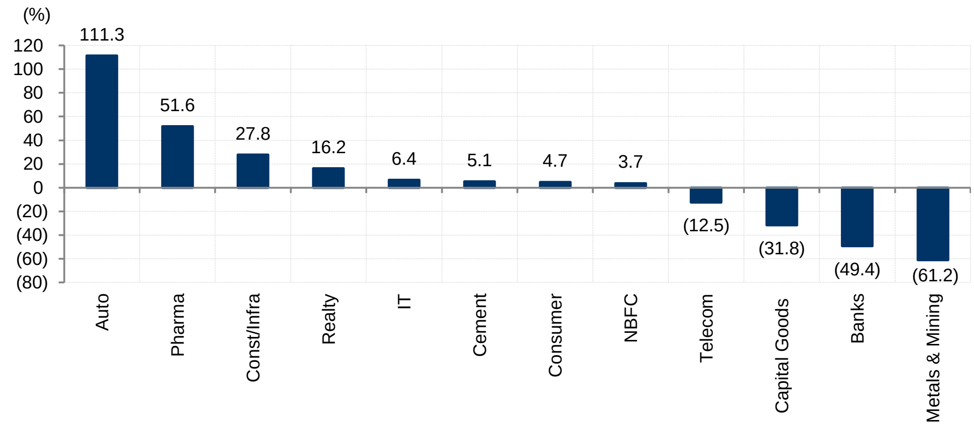
Fig 5 - RCML universe: Sector-wise EBITDA growth for Q3FY16 (YoY)



Source: RCML Research *Others include FNXP, KJC, PIDI, RALI, GRASIM

EBITDA of most Auto companies in our universe rose sharply in Q3

Fig 6 - RCML universe: Sector-wise net profit growth for Q3FY16 (YoY)



Source: RCML Research *Others include FNXP, KJC, PIDI, RALI, GRASIM

Auto and Pharma were the top performers on the profit front

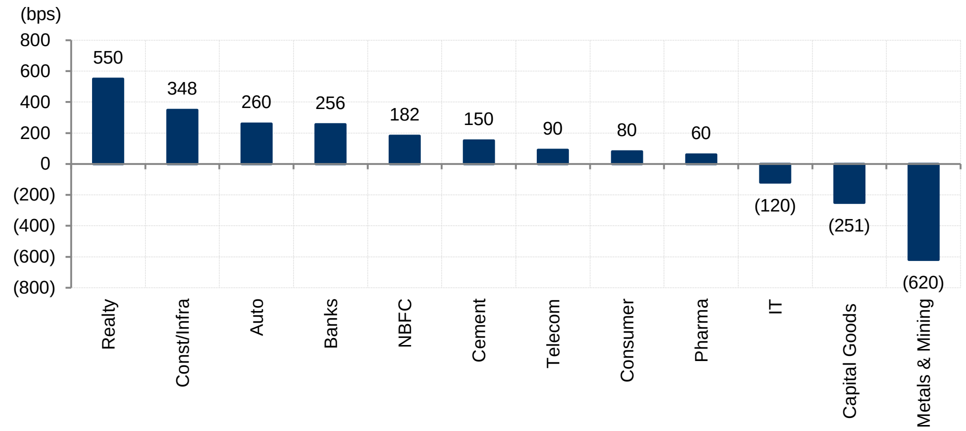
Laggards include Metals & Mining, Banks, Capital Goods and Telecom

Fig 7 - Q3FY16 sector-wise margin performance – Actual vs. expected

Sector	EBITDAM (%)		PATM (%)		EBITDAM chg. YoY (bps)		PATM chg. YoY (bps)	
	Expected	Actual	Expected	Actual	Expected	Actual	Expected	Actual
Auto	13.2	12.7	6.7	6.5	310	260	321	302
Cap Goods	6.8	5.8	4.2	3.7	(154)	(251)	(108)	(155)
Cement	14.4	15.3	5.9	5.9	60	150	60	60
Consumer	21.4	21.2	15.6	15.2	100	80	20	(20)
Const/Infra	21.4	20.7	4.4	5.3	420	348	0	90
IT	20.4	20.2	16.9	17.3	(100)	(120)	(125)	(83)
Metals and mining	13.7	11.6	6.6	4.5	(410)	(620)	(340)	(550)
Pharma	25.6	25.9	15.17	16.6	36	60	293	436
Realty	36.0	37.6	15.5	9.9	393	550	506	(54)
Telecom	33	33.1	7.3	6	80	90	10	(120)
Banks	77.1	79.4	31.0	14.8	32	256	(6)	(1,626)
NBFC	84.0	85.3	49.2	44.1	47	182	126	(382)
Others	15.8	17.6	8.9	10.3	354	528	305	444

Source: RCML Research

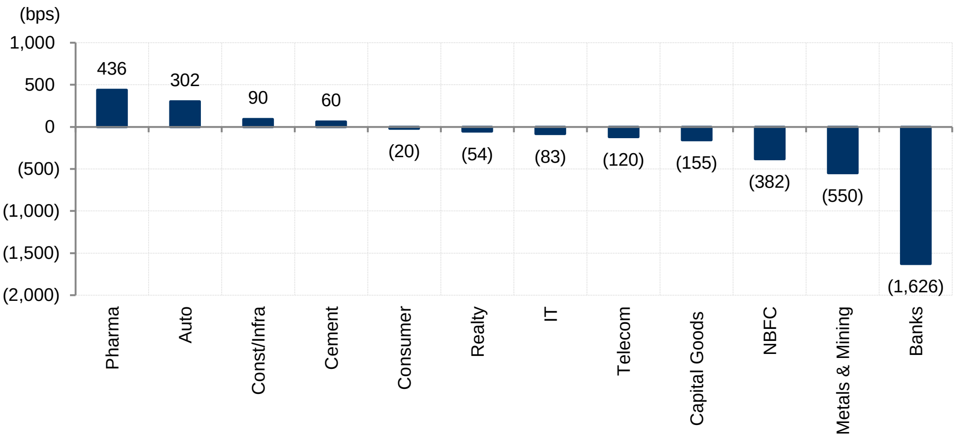
Fig 8 - RCML universe: Sector-wise change in EBITDA margins for Q3FY16 (YoY)



Source: RCML Research *Others include FNXP, KJC, PIDI, RALI, GRASIM

Excl. Metals & Mining, Capital Goods and IT, all sectors witnessed an expansion in EBITDA margins; Realty, Infra and Auto led the pack

Fig 9 - RCML universe: Sector-wise change in PAT margins for Q3FY16 (YoY)



Source: RCML Research *Others include FNXP, KJC, PIDI, RALI, GRASIM

Banking sector PAT margins plunged as the RBI mandated that public sector banks recognise weak assets as NPAs

Q3FY16 performance: Non-finance and financial services sector

Fig 10 - Non-finance sector: Income, Expenditure and Profits

YoY growth (%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Net sales	4.0	6.2	8.3	2.2	(0.7)	(9.7)	(7.1)	(8.2)	(8.0)
Operating expenses	3.9	7.1	6.1	1.6	(0.8)	(10.7)	(8.2)	(11.8)	(10.6)
Of which									
Raw materials, etc & purchase of finished goods	3.4	7.4	7.7	1.6	(5.4)	(17.6)	(14.1)	(18.6)	(16.8)
Raw materials, stores & spares	3.8	7.1	10.6	2.2	(6.6)	(20.9)	(16.1)	(21.9)	(20.3)
Purchase of finished goods	3.8	10.3	1.9	0.4	(3.1)	(10.0)	(9.7)	(9.3)	(8.1)
Salaries and wages	12.7	4.3	6.4	6.4	5.5	14.1	8.6	7.0	10.1
Power & fuel	13.2	14.1	15.4	2.8	0.4	(4.7)	(1.4)	(5.3)	(7.1)
Interest expenses	11.0	13.7	6.0	3.4	5.0	5.3	7.6	8.6	4.4
Depreciation	9.2	14.0	8.8	2.3	7.7	1.4	4.6	5.9	5.7
Total tax provisions	21.8	7.7	26.2	11.5	(2.1)	3.6	11.9	(5.2)	(0.8)
PBDIT (Operating profit)	0.3	7.9	27.7	7.1	(11.9)	(11.3)	6.0	3.6	9.8
PBT	(6.9)	4.4	48.9	10.9	(27.1)	(20.7)	6.0	0.6	15.3
Net profit (PAT)	(16.0)	3.2	60.4	10.7	(38.3)	(29.5)	3.7	3.1	25.8
Company Count	3,721	3,608	3,623	3,559	3,539	3,482	3,446	3,441	3,284

Source: CMIE, RCML Research | Data based on a rolling sample

Fig 11 - Non-finance sector: Expenses as % of Net Sales

(%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Operating expenses	88.7	88.3	87.8	89.7	88.6	87.1	86.8	86.1	85.8
Raw materials, etc & purchase of finished goods	65.0	63.9	63.4	64.1	61.9	58.1	58.6	56.8	55.4
Raw materials, stores & spares	46.5	45.5	44.4	46.5	43.7	39.8	40.2	39.8	38.0
Purchase of finished goods	18.3	17.9	18.7	17.3	17.9	17.7	18.1	16.8	17.0
Salaries and wages	6.3	5.8	6.4	6.7	6.7	7.3	7.5	7.8	8.1
Other expenses	17.4	18.6	18.0	18.9	19.9	21.7	20.7	21.6	22.4
Interest expenses	3.2	3.0	3.1	3.2	3.3	3.5	3.6	3.8	3.7
Depreciation	3.3	3.3	3.4	3.4	3.6	3.7	3.8	3.9	4.2
Provisions and contingencies	2.5	2.8	2.5	2.5	2.4	3.2	3.1	2.8	2.7
Company Count	3,721	3,608	3,623	3,559	3,539	3,482	3,446	3,441	3,284

Source: CMIE, RCML Research | Data based on a rolling sample

Fig 12 - Non-finance sector: Ratios

	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Profitability (%)									
Operating profit margin	10.8	12.2	11.9	11.4	10.4	12.7	14.6	13.1	13.6
Profit margin before tax	7.3	9.1	8.2	7.8	5.5	8.2	9.5	8.6	7.2
Net profit margin	5.0	6.7	5.9	5.4	3.2	5.4	6.7	6.2	4.8
Net profit margin net of P&E	4.7	5.8	5.7	5.2	3.3	5.5	6.6	5.8	5.5
Other ratios (%)									
PBIT net of P&E / Interest expenses (Interest cover)	3.2	3.9	3.7	3.5	2.7	3.5	3.7	3.3	3.2
Interest expenses as % of PBDIT	22.9	18.8	20.7	21.9	26.4	22.1	20.7	22.6	24.2
Depreciation as % of PBDIT	23.4	20.8	22.5	23.0	28.5	23.5	22.2	23.4	27.2
Tax as % of PBT (Tax incidence)	32.7	29.0	28.8	30.7	41.8	36.9	30.8	30.0	35.0
Company Count	3,721	3,608	3,623	3,559	3,539	3,482	3,446	3,441	3,284

Source: CMIE, RCML Research | Data based on a rolling sample

Fig 13 - Non-finance sector: Sales growth

YoY growth (%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Non-financial	**4.0**	**6.2**	**8.3**	**2.2**	**(0.7)**	**(9.7)**	**(7.1)**	**(8.2)**	**(8.0)**
Manufacturing	**3.5**	**5.2**	**10.2**	**1.6**	**(4.9)**	**(14.2)**	**(9.5)**	**(12.7)**	**(10.3)**
Food & agro-based products	(2.3)	2.8	7.0	4.8	(2.4)	3.6	(3.9)	(8.0)	4.6
Textiles	5.4	1.5	5.2	1.8	(1.4)	(3.0)	(2.1)	(7.2)	(4.1)
Chemicals & chemical products	5.3	9.0	13.3	(2.0)	(11.7)	(28.0)	(18.6)	(22.3)	(19.0)
of which									
Petroleum products	4.5	8.3	12.0	(3.9)	(14.1)	(34.0)	(23.2)	(28.7)	(25.1)
Consumer goods	(13.6)	(22.7)	(6.7)	5.2	12.1	22.0	7.8	3.8	3.8
Construction materials	(0.2)	8.5	10.8	13.5	8.9	2.2	2.9	3.3	4.8
Metals & metal products	18.7	18.6	19.6	7.4	3.6	(3.7)	(2.2)	(11.7)	(16.9)
Machinery	(3.3)	(7.4)	(1.7)	(3.4)	(5.7)	(3.9)	1.9	2.3	3.1
Transport equipment	(3.1)	(1.5)	6.6	13.6	11.9	8.9	8.8	8.4	7.7
Miscellaneous manufacturing	10.6	10.7	7.5	4.0	1.8	0.4	3.9	(2.1)	1.9
Diversified	(2.7)	(0.1)	(0.5)	(3.7)	(8.0)	(11.9)	(5.8)	(1.2)	2.6
Mining	**(16.3)**	**0.1**	**13.9**	**(8.4)**	**8.8**	**(5.5)**	**(5.7)**	**(7.0)**	**(10.1)**
Electricity	**11.2**	**18.2**	**15.5**	**7.9**	**9.3**	**(2.1)**	**1.2**	**9.6**	**3.3**
Services (other than financial)	**9.6**	**14.1**	**0.5**	**6.3**	**16.5**	**8.3**	**1.3**	**7.1**	**(1.5)**
Hotels & tourism	6.3	5.2	5.4	8.9	5.5	6.6	10.3	7.8	8.1
Wholesale & retail trading	0.4	10.5	(12.1)	2.4	27.9	13.2	(10.9)	1.6	(17.8)
Transport services	4.0	8.8	1.1	12.2	4.5	1.0	5.0	6.2	5.2
Communication services	9.1	7.0	8.9	9.8	10.3	10.5	7.6	7.3	6.0
Information technology	26.2	27.7	15.1	7.1	8.6	6.6	9.1	11.8	9.9
Miscellaneous services	8.0	4.5	3.5	12.8	17.0	(9.9)	12.6	16.1	10.2
Construction & real estate	**0.2**	**(3.7)**	**(4.6)**	**(0.1)**	**0.7**	**(3.2)**	**1.4**	**4.6**	**(1.7)**
Non-financial excl. petroleum products	**3.7**	**5.2**	**6.5**	**5.2**	**6.2**	**2.6**	**1.3**	**1.3**	**(0.6)**
Manufacturing excl. petroleum products	**2.8**	**2.8**	**8.8**	**6.0**	**2.7**	**2.1**	**1.7**	**(1.1)**	**0.0**

Source: CMIE, RCML Research | Data based on a rolling sample

Fig 14 - Non-finance sector: Operating profit margin

(%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Non-financial	**10.8**	**12.2**	**11.9**	**11.4**	**10.4**	**12.7**	**14.6**	**13.1**	**13.6**
Manufacturing	**7.1**	**10.4**	**8.8**	**7.9**	**6.8**	**10.4**	**11.6**	**9.5**	**10.1**
Food & agro-based products	7.8	12.5	13.0	10.2	9.7	5.1	11.1	13.8	13.0
Textiles	11.1	9.1	10.6	10.8	10.3	9.7	12.9	11.3	8.3
Chemicals & chemical products	3.4	9.1	5.8	4.4	2.5	10.6	11.3	7.1	10.2
of which									
Petroleum products	1.6	8.5	3.7	2.7	1.4	10.2	10.0	4.4	8.7
Consumer goods	10.1	9.1	10.7	9.6	9.9	9.2	11.0	9.5	10.1
Construction materials	12.7	15.2	15.5	13.7	12.9	16.1	14.9	14.4	14.9
Metals & metal products	15.3	14.7	16.1	15.6	14.7	12.0	11.8	10.6	8.1
Machinery	8.6	11.9	6.1	7.1	7.4	9.9	6.6	6.6	4.1
Transport equipment	10.2	9.6	11.0	11.1	9.7	10.9	13.7	13.9	11.5
Miscellaneous manufacturing	14.0	13.4	14.1	12.7	14.8	13.6	14.3	13.1	15.9
Diversified	11.6	9.8	12.3	10.6	8.9	8.2	10.5	9.5	9.3
Mining	**62.3**	**44.4**	**45.3**	**46.4**	**39.8**	**34.2**	**45.8**	**41.0**	**39.3**
Electricity	**31.4**	**30.7**	**31.6**	**33.8**	**33.8**	**35.5**	**35.8**	**36.9**	**37.5**
Services (other than financial)	**17.6**	**12.6**	**17.2**	**17.8**	**16.4**	**14.6**	**19.2**	**18.9**	**19.8**
Hotels & tourism	23.1	22.6	18.8	13.1	22.9	21.9	18.6	14.4	24.3
Wholesale & retail trading	6.4	(1.1)	4.3	6.3	3.6	1.5	5.3	4.5	5.3
Transport services	10.8	1.7	13.7	11.4	14.2	14.4	19.5	21.1	21.6
Communication services	25.5	24.5	28.0	26.1	27.5	32.3	30.7	30.0	30.2
Information technology	28.3	26.4	28.5	28.0	28.1	22.4	26.6	27.7	27.0
Miscellaneous services	21.9	20.4	15.0	23.9	24.3	23.2	18.9	20.2	21.1
Construction & real estate	**11.7**	**9.9**	**11.3**	**12.7**	**12.4**	**11.9**	**11.0**	**12.1**	**9.8**
Non-financial excl. petroleum products	**15.5**	**14.1**	**16.2**	**15.4**	**14.1**	**13.5**	**16.5**	**16.0**	**15.2**
Manufacturing excl. petroleum products	**11.6**	**12.0**	**13.1**	**11.7**	**10.5**	**10.5**	**12.6**	**12.1**	**10.9**

Source: CMIE, RCML Research. Data based on a rolling sample

Fig 15 - Non-finance sector: Net profit margin

(%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Non-financial	**5.0**	**6.7**	**5.9**	**5.4**	**3.2**	**5.4**	**6.7**	**6.2**	**4.8**
Manufacturing	**3.1**	**5.0**	**4.5**	**3.2**	**0.9**	**4.2**	**5.2**	**3.9**	**3.2**
Food & agro-based products	4.4	(5.1)	4.7	4.2	3.6	(4.9)	3.0	7.7	6.0
Textiles	0.4	0.5	0.2	0.5	(0.8)	(0.9)	2.0	1.3	(3.0)
Chemicals & chemical products	1.9	6.2	4.2	2.3	(0.1)	6.4	6.6	3.8	5.7
of which									
Petroleum products	0.4	6.0	2.6	1.4	0.1	6.9	6.2	2.2	5.2
Consumer goods	6.1	3.9	5.3	5.0	4.3	5.2	5.9	4.9	6.3
Construction materials	5.8	8.3	7.7	6.3	5.3	7.5	6.2	5.3	5.5
Metals & metal products	5.9	4.5	6.0	5.9	3.0	2.2	1.3	1.9	(6.7)
Machinery	1.9	8.4	1.0	2.3	(7.9)	5.4	2.9	3.0	1.2
Transport equipment	6.2	4.2	5.6	3.1	2.2	4.1	7.1	5.9	3.4
Miscellaneous manufacturing	2.4	3.5	3.1	2.5	3.2	2.4	3.4	2.7	3.6
Diversified	4.0	5.3	4.8	4.4	3.8	1.5	3.2	2.7	1.0
Mining	**38.6**	**26.6**	**24.7**	**24.6**	**19.9**	**15.0**	**24.1**	**22.1**	**7.9**
Electricity	**12.5**	**16.8**	**12.6**	**13.9**	**14.0**	**16.1**	**13.7**	**16.3**	**14.0**
Services (other than financial)	**8.8**	**9.7**	**9.2**	**11.3**	**8.4**	**6.8**	**10.1**	**11.1**	**9.5**
Hotels & tourism	(5.0)	(15.0)	(3.5)	(7.7)	2.3	(0.1)	4.0	(0.7)	11.0
Wholesale & retail trading	3.5	(3.1)	2.6	3.5	1.4	(0.7)	1.6	2.0	2.2
Transport services	(5.5)	(13.0)	4.2	4.9	5.2	(3.3)	11.4	12.3	12.6
Communication services	5.8	32.0	7.9	12.9	3.8	16.2	4.6	2.0	(1.4)
Information technology	21.2	19.1	22.1	21.9	21.4	15.2	21.0	24.7	20.3
Miscellaneous services	5.8	2.6	(8.2)	9.0	7.5	3.5	6.1	5.7	7.1
Construction & real estate	**1.0**	**4.1**	**0.9**	**4.0**	**2.2**	**3.5**	**0.8**	**3.4**	**0.8**
Non-financial excl. petroleum products	**7.3**	**7.0**	**7.5**	**7.2**	**4.5**	**4.9**	**6.9**	**7.5**	**4.6**
Manufacturing excl. petroleum products	**5.3**	**4.2**	**5.9**	**4.4**	**1.5**	**2.8**	**4.6**	**4.8**	**2.1**

Source: CMIE, RCML Research. Data based on a rolling sample

Fig 16 - Financial services sector: Income, Expenditure and Profits

(%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Total income	16.1	11.5	8.9	12.1	7.0	14.7	9.4	8.9	7.2
Income from operations	13.2	12.8	12.4	11.0	9.1	9.7	8.9	7.9	5.3
Other income	39.6	2.1	(16.7)	25.1	(7.7)	53.2	11.0	14.1	11.1
Total income net of P&E	15.8	11.5	8.8	12.3	7.1	14.6	9.1	8.5	5.9
Total expenses	15.9	13.1	10.6	10.8	10.6	13.1	11.1	10.4	13.8
Interest expenses	14.6	14.0	13.7	11.3	9.3	9.2	8.4	6.4	4.6
Salaries & wages	18.6	2.1	5.9	7.8	10.5	14.2	8.9	8.7	7.8
Other operating expenses	11.3	4.5	4.1	8.3	8.4	16.6	20.5	12.0	12.3
Provisions and contingencies	35.0	16.2	(5.5)	1.6	12.9	25.8	34.6	34.1	103.4
Tax provision	6.5	37.4	12.4	29.8	19.7	20.9	1.5	22.6	(19.7)
Profit before provision and taxes (PBPT)	20.7	11.3	(1.2)	16.0	(2.0)	26.2	8.0	13.9	12.4
PBT	14.4	8.2	0.8	26.2	(9.8)	26.5	(3.4)	2.7	(46.4)
PAT	17.3	(0.1)	(3.6)	24.7	(19.6)	28.6	(5.5)	(5.4)	(59.6)
PAT net of P&E	15.1	(1.4)	(4.2)	26.5	(18.2)	32.9	(8.2)	(8.3)	(75.7)
Company Count	1128	1048	1041	946	952	935	925	932	876

Source: CMIE, RCML Research. Data based on a rolling sample

Fig 17 - Financial services sector: Cost as % to operating income

(%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Cost as % to operating income									
Interest expenses	66.6	66.4	66.8	66.5	66.8	66.1	66.5	65.6	66.3
Salaries & wages	10.3	10.0	10.2	10.1	10.5	10.4	10.2	10.2	10.7
Other operating expenses	9.2	9.4	8.5	9.1	9.1	10.0	9.3	9.5	9.8
Provisions and contingencies	13.8	15.5	12.5	13.5	14.6	17.6	13.8	16.2	22.5
Depreciation	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Company Count	1,128	1,048	1,041	946	952	935	925	932	876

Source: CMIE, RCML Research. Data based on a rolling sample

Fig 18 - Financial services sector: Profitability ratios

	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Profitability (%)									
Operating profit margin	23.9	23.3	21.9	22.0	22.0	26.1	21.5	22.9	22.1
Profit margin before tax	15.8	14.1	15.4	14.1	13.3	15.7	13.6	13.4	6.7
Net profit margin	11.9	10.2	10.7	10.0	8.9	11.5	9.3	8.8	3.4
Net profit margin net of P&E	11.7	9.5	10.7	9.9	8.9	11.2	9.0	8.5	2.1
Company Count	1,128	1,048	1,041	946	952	935	925	932	876

Source: CMIE, RCML Research. Data based on a rolling sample

Fig 19 - Financial services sector: Growth in Income from operations

YoY growth (%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Financial services	13.2	12.8	12.4	11.0	9.1	9.7	8.9	7.9	5.3
Banking services	13.2	13.6	12.6	10.6	8.4	8.4	8.0	6.8	4.9
Asset financing services	17.9	12.4	13.4	14.2	13.8	16.7	14.6	14.4	7.2
Auto finance services	20.8	13.7	9.3	9.4	9.1	12.3	11.7	9.8	8.4
Housing finance services	22.6	12.2	18.7	15.5	16.3	17.2	15.2	18.1	13.6
Infrastructure finance services	19.5	16.3	14.3	17.9	16.1	15.9	15.3	12.8	(5.1)
Other asset financing services	3.9	3.5	5.4	7.4	8.6	21.1	14.3	14.4	22.7
Other fund based financial services	(31.0)	(33.3)	(21.3)	0.7	(8.3)	4.4	(14.4)	(7.6)	(3.0)
Fee based financial services	(2.9)	11.1	32.6	38.8	28.7	13.8	(8.0)	1.5	9.3
Other financial services	3.2	4.2	2.8	5.7	4.3	15.9	9.8	9.8	12.3

Source: CMIE, RCML Research. Data based on a rolling sample

Fig 20 - Financial services sector: Operating profit margin

(%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Financial services	4.2	2.5	6.6	4.6	3.4	0.1	4.3	3.0	(6.1)
Banking services	0.1	(1.7)	3.2	0.4	(0.9)	(5.0)	0.6	(0.9)	(12.5)
Asset financing services	26.4	25.4	24.7	24.6	25.2	24.8	24.2	20.0	25.3
Auto finance services	18.8	22.6	18.9	19.5	17.9	22.0	16.6	18.2	17.2
Housing finance services	24.4	26.3	24.1	23.7	24.3	26.9	24.0	25.4	25.2
Infrastructure finance services	34.8	30.6	31.6	32.4	32.0	27.6	30.8	16.7	30.9
Other asset financing services	18.3	13.5	15.4	11.7	18.2	16.4	16.3	18.1	21.7
Other fund based financial services	10.5	6.8	21.6	39.2	9.1	21.6	(35.8)	47.7	9.4
Fee based financial services	18.4	13.6	27.3	25.3	28.0	22.9	21.8	21.1	27.7
Other financial services	5.2	6.5	11.4	12.7	10.9	12.9	9.7	13.8	10.3

Source: CMIE, RCML Research. Data based on a rolling sample

Fig 21 - Financial services sector: Net profit margin

(%)	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15
Financial services	11.9	10.2	10.7	10.0	8.9	11.5	9.3	8.8	3.4
Banking services	6.7	8.4	8.8	7.4	6.9	7.2	7.5	6.8	0.3
Asset financing services	19.9	19.5	18.6	18.3	18.3	17.9	17.3	15.0	18.2
Auto finance services	13.2	15.6	13.5	14.0	12.4	15.5	11.5	13.2	11.7
Housing finance services	18.5	21.9	18.2	18.7	18.1	20.5	17.5	18.6	18.5
Infrastructure finance services	26.2	22.4	23.8	23.6	22.8	20.1	21.5	12.6	21.7
Other asset financing services	14.5	11.1	12.2	8.7	13.7	9.8	12.7	14.6	16.2
Other fund based financial services	84.4	36.8	55.9	66.9	46.2	85.3	38.1	69.2	52.6
Fee based financial services	17.4	14.9	26.7	18.0	21.8	18.6	21.4	21.4	27.1
Other financial services	11.2	8.6	10.6	16.2	6.1	9.8	12.5	11.6	9.9

Source: CMIE, RCML Research. Data based on a rolling sample

Fig 22 - Forecasts – Key macroeconomic indicators

	FY13	FY14	FY15	FY16E	FY17E
GVA at basic prices (% YoY; constant prices 2011-12)	4.9	6.6	7.2	7.3	7.8
Agriculture, forestry and fishing	1.2	3.7	0.2	1.8	2.3
Industry	2.4	4.5	6.1	7.3	7.7
Services	8.0	9.1	10.2	8.9	9.5
GDP (% YoY)	5.1	6.9	7.3	7.1	7.5
PFCE	5.5	6.2	6.3	7.2	8.0
GFCE	1.7	8.2	6.6	2.9	4.0
GCF	2.6	(4.0)	6.2	7.5	7.8
Exports of goods and services	6.7	7.3	(0.8)	(5.0)	1.0
Imports of goods and services	6.0	(8.4)	(2.1)	(4.3)	1.5
GDP (Rs. trillion) - Current Prices	13.1	13.6	10.5	7.6	10.5
GDP deflator (%)	7.6	6.3	3.0	0.5	2.8
IIP (% YoY)	1.1	(0.1)	2.8	4.3	5.0
Mining and quarrying	(2.3)	(0.6)	1.5	2.3	3.0
Manufacturing	1.3	(0.8)	2.3	4.4	5.0
Electricity	4.0	6.1	8.4	5.1	7.0
Fiscal Deficit (Centre) (% of GDP)	4.9	4.4	4.1	4.0	3.8
Fiscal Deficit (Centre+states) (% of GDP)	6.9	6.9	6.5	6.8	7.0
Inflation					
WPI (average; % YoY)	7.4	6.0	2.0	(2.2)	2.1
CPI (average; % YoY)	10.1	9.3	5.9	4.9	5.0
Credit					
Bank credit (% YoY)	14.1	13.9	9.0	9.9	11.5
Aggregate deposit (% YoY)	14.2	14.1	10.7	10.4	12.0
CRR (EOP) (%)	4.0	4.0	4.0	4.0	4.0
SLR (EOP) (%)	23.00	23.00	21.50	21.3	20.3
Repo Rate (EOP) (%)	7.50	8.00	7.50	6.75	6.75
Crude oil (US$/bbl) - Avg	110.1	107.6	85.5	49.0	40.0
(% YoY)	(4.0)	(2.3)	(20.5)	(42.7)	(18.4)
Exports (USD bn)	300.2	314.9	309.3	253.1	266.0
(% YoY)		4.9	(1.8)	(18.2)	5.1
POL (USD bn)	60.8	63.3	56.5	29.5	29.6
(% YoY)		4.3	(10.7)	(47.8)	0.3
Non-POL (USD bn)	239.4	251.5	252.8	223.5	236.4
(% YoY)		5.1	0.5	(11.6)	5.8
Imports (USD bn)	490.2	448.8	447.1	382.9	402.7
(% YoY)		(8.4)	(0.4)	(14.4)	5.2
POL (USD bn)	163.8	164.9	137.8	85.6	83.5
(% YoY)		0.7	(16.4)	(37.9)	(2.4)
Non-POL (USD bn)	326.4	283.9	309.3	297.3	319.2
(% YoY)		(13.0)	8.9	(3.9)	7.4
Trade balance: DGCI&S (USD bn)	(190.1)	(134.0)	(137.7)	(129.8)	(136.7)
Current account as % of GDP	(4.8)	(1.7)	(1.3)	(1.0)	(1.3)
Current account (USD bn)	(87.8)	(32.4)	(26.7)	(19.8)	(28.2)
Trade Balance (RBI) (USD bn)	(195.7)	(147.6)	(144.9)	(138.7)	(147.8)
Services (USD bn)	64.9	73.0	76.6	77.8	82.3
Primary Income (USD bn)	(21.5)	(23.0)	(24.1)	(24.0)	(27.7)
Secondary Income (USD bn)	64.4	65.3	65.8	65.1	65.1
Capital flows (USD bn)	89.1	48.7	89.2	52.3	59.3
Direct investments (USD bn)	19.8	21.6	31.3	32.4	35.3
Portfolio investments (USD bn)	26.7	4.8	40.9	(5.7)	10.1
Change in Reserve assets (USD bn)	3.8	15.5	(61.4)	(32.1)	(31.2)
Exchange rate (year-end) (vs. USD)	54.39	60.10	62.59	67.0	70.0
Appn/depn		(9.5)	(4.0)	(6.6)	(4.3)

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