

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	28,290	-0.2	6.2
Nifty-50	8,769	0.0	7.1
Nifty-M 100	16,175	0.5	12.7
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,295	0.1	2.5
Nasdaq	9,543	-0.1	3.1
FTSE 100	7,181	-0.1	0.5
DAX	11,568	0.2	0.8
Hang Seng	9,955	1.1	6.0
Nikkei 225	19,008	0.5	-0.6
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	55	1.3	-1.4
Gold (\$/OZ)	1,241	0.6	7.7
Cu (US\$/MT)	5,878	1.7	6.4
Almn (US\$/MT)	1,830	0.9	7.4
Currency	Close	Chg .%	YTD.%
USD/INR	67.2	-0.3	-1.1
USD/EUR	1.1	0.1	1.7
USD/JPY	111.9	-0.4	-4.3
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.7	0.3	0.2
10 Yrs AAA Corp	7.5	0.3	0.0
Flows (USD b)	8-Feb	MTD	YTD
FII	0.0	0.2	0.2
DII	0.0	0.4	1.1
Volumes (INRb)	8-Feb	MTD*	YTD*
Cash	283	305	242
F&O	4,342	4,459	4,067

Note: YTD is calendar year, *Avg

Quote of the day

If stock market experts were so expert, they would be buying stock, not selling advice.



Today's top research ideas

EcoScope: Don't expect more rate cuts

- ❖ As against the market consensus of a 25bp cut (and our expectation of a 25bp cut after the Union Budget 2017-18), the Monetary Policy Committee (MPC) has chosen to keep policy interest rates unchanged. More surprisingly, the MPC has shifted its stance from 'accommodative' to 'neutral'.
- ❖ The MPC believes that the sharp deceleration in headline inflation in recent months was on account of vegetable prices and core inflation has been sticky. In line with higher crude oil prices, volatile exchange rates, and fuller effects of the 7th Central Pay Commission (CPC), the MPC expects CPI of 4-4.5% in 1HFY18 and 4.5-5% in 2HFY18.



Research covered

Cos/Sector	Key Highlights
EcoScope	Don't expect more rate cuts
Tata Motors	JLR Jan-17 below est at 48,740 units (+7% YoY); LR declines ~10%, while Jaguar volumes jump ~80% driven by F-Pace and XF
Idea Cellular	Idea's Catch 22; Restrict investments or maintain equal promoter shareholding?
NTPC	Smooth shift to new GCV measurement method
Cipla	Core geographies deliver strong growth
Siemens	Operational performance above estimates
PNB	Provisions dent profitability; Stable headline asset quality
Bharat Forge	In-line; Recovery seen in majority of segments;
IGL	EBITDA in line; strong volume growth
Union Bank	Another weak quarter on asset quality; Provisions dent earnings
Birla Corp	Weak volumes and higher interest cost impact profits
Gateway Distr.	Operationally in-line; PAT boosted by lower interest cost and higher OI
Results Flash	Hero Moto Thermax Endurance Tech.
Results Expectation	ABB ARBP BPCL BOI BATA CAIR ESC LPC PAG PWGR SAIL



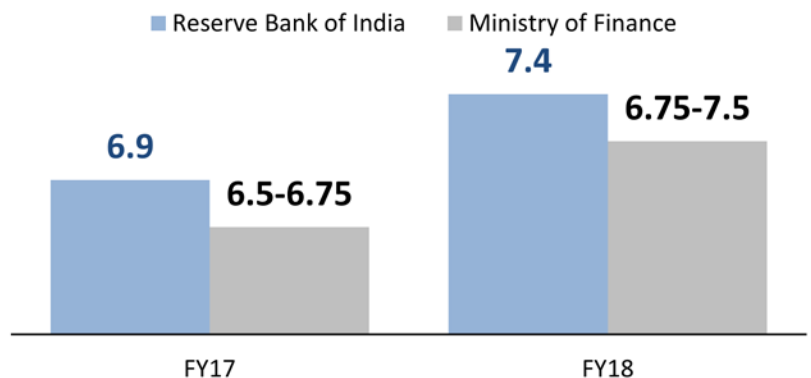
Piping hot news

RBI stuns all by keeping repo rate unchanged

- ❖ The Reserve Bank of India unexpectedly left its key policy rates unchanged and signalled the end of its rate-cut cycle as it moved to keep inflation under check. The RBI has been keeping a close watch on the increasing prices of global commodities, such as crude oil and base metals, and a strengthening dollar.

Chart of the Day: Who will prove to be correct on GVA/GDP growth?

Even with a downgrade, RBI expects FY17 and FY18 growth to be higher than as suggested by Economic Survey



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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on numbers for the detailed news link

1

Tesla plans to drive into India this summ

Silicon Valley-based electric carmaker Tesla is mulling to enter the Indian market this summer, a little over a year after it began taking orders for its new Model 3 sedan from customers in the country. "Hoping for summer this year," said Elon Musk, chief executive officer...

2

Cognizant to return \$3.4 bn to shareholders

Nasdaq-listed information technology (IT) services and solutions firm Cognizant Technology Solutions on Wednesday announced it would return \$3.4 billion to shareholders over the next two years, through share repurchases and dividends. At the end of this repurchase, it would have returned \$5 billion to shareholders. The share repurchase programme comes after hedge fund activist investor Elliott Management disclosed last year that it holds 4% stake in Cognizant. It urged the company to shake up its board, to reconsider a share-repurchase programme, including dividends, to improve the share price of the company.

3

Domestic air traffic to grow to 130 million in FY18, says CAPA

Domestic air traffic is expected to grow 25 per cent and cross 130 million in financial year 2017-18 but airlines will see bigger risks to profitability because of rising costs and yield pressures, aviation consultancy CAPA said in its India outlook on Wednesday...

4

Essar Projects bags GSPL's gas pipeline project

Essar Projects, a leading EPC company, on Wednesday said it has won a contract from GSPL India Gasnet Ltd (GIGL) for laying a 100-km pipeline from Jalandhar to Amritsar in Punjab, part of GIGL's 2,100-km Mehsana-Bhatinda-Jammu-Srinagar Pipeline (MBSPL) project.

5

How Accenture is stealing a march over TCS, Infosys, Wipro

Indian technology outsourcing companies' inability to find new customers even as US rival Accenture Plc is managing to do business with firms that dominate the consumer Internet, including Google, Facebook Inc. and Amazon.com Inc., again underlines the reason behind the dismal growth of home-grown companies. Google, Facebook, Amazon, Uber and Airbnb together accounted for at least \$1 billion of Accenture's \$32.9 billion in revenue for the year ended August 2016 (Accenture follows a September-August fiscal), said an executive familiar with the development who declined to be named.

6

MNC Pharma Lobby Pushes for Single Drug Authority Here

A lobby group of multinational pharmaceutical companies (MNCs) is pushing for replacing state-based multiple drug authorities with a single body for more effective protection of intellectual property (IP) and patents...

7

Tata Group to Rebuild Brand Taj

The Taj does not unite just hearts: India's iconic monument to love that lent its name to Mumbai's landmark waterfront hotel in 1903 is now all set to define the brand identity of Tata Group's hospitality business. The new brand architecture of the Indian Hotels that owns assets across global ...

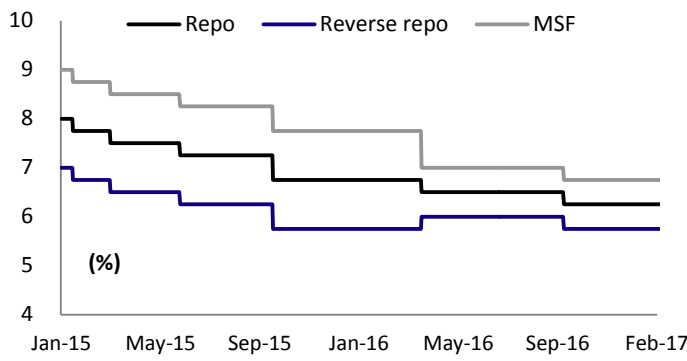
Don't expect more rate cuts

RBI shifts monetary policy stance from 'accommodative' to 'neutral'

- As against the market consensus of a 25bp cut (and our expectation of a 25bp cut after the Union Budget 2017-18), the Monetary Policy Committee (MPC) has chosen to keep policy interest rates unchanged. More surprisingly, the MPC has shifted its stance from 'accommodative' to 'neutral'.
- The MPC believes that the sharp deceleration in headline inflation in recent months was on account of vegetable prices and core inflation has been sticky. In line with higher crude oil prices, volatile exchange rates, and fuller effects of the 7th Central Pay Commission (CPC), the MPC expects CPI of 4-4.5% in 1HFY18 and 4.5-5% in 2HFY18.
- The Committee still believes that the adverse impact of demonetization on economic activity is transient. It has revised its FY17 GVA growth forecast from 7.1% to 6.9% and projects FY18 growth at 7.4%.
- Overall, with the RBI shifting its focus entirely to the 4% inflation target, we believe that rate cuts are behind us. In fact, if headline inflation moves towards 6% (we expect it to be 5.8% in 4QFY18), there could be a serious risk of a rate hike towards the beginning of 2018.

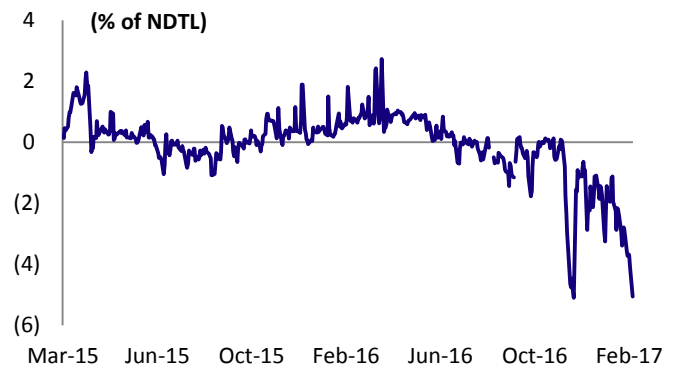
- **Policy rates kept unchanged...:** As against market consensus of a 25bp rate cut, the MPC has decided to keep key policy rates unchanged – repo rate at 6.25%, reverse repo rate at 5.75%, and MSF at 6.75%. (*Exhibit 1*). The cash reserve ratio (CRR) is kept unchanged at 4% of net demand and time liabilities (NDTL).
- **...driven by inflationary fears:** Interestingly, the Committee believes that the recent deceleration in headline inflation was primarily driven by lower vegetable prices, since core inflation (excluding food & fuel) has been broadly unchanged at 4.9%. Accordingly, though the Committee sees CPI inflation below 5% in 4QFY17, it expects it to pick up towards 4-4.5% in 1HFY18 and further to 4.5-5% in 2HFY18. The MPC notes three significant upside risks to inflation: (1) rising crude oil price, (2) exchange rate volatility, and (3) fuller effects of 7th CPC.
- **FY17 GVA growth also revised down:** Like inflation, GVA growth outlook for FY17 was revised down from 7.1% to 6.9%, with *risks evenly balanced*. Interestingly, the Committee maintains that the adverse impact of demonetization on economic activity will be transient. Accordingly, it projects FY18 GVA growth at 7.4% (*Exhibit 4*).
- **Monetary policy stance shifts from 'accommodative' to 'neutral'...:** The most surprising part of the monetary policy was the fact that the RBI shifted its stance from accommodative to neutral. This, it believes, is in line with the 4% medium-term target for inflation.
- **...implying rate cuts are behind us:** We believe that the RBI has hinted an end to the rate cuts. Though it expects inflation to move towards 5% by FY18-end due to adverse base effects, our fear is that an inflation rate of closer to 6% (we forecast 5.8% inflation in 4QFY18) could result in rate hikes in early 2018.

Exhibit 1: RBI keeps policy rates unchanged



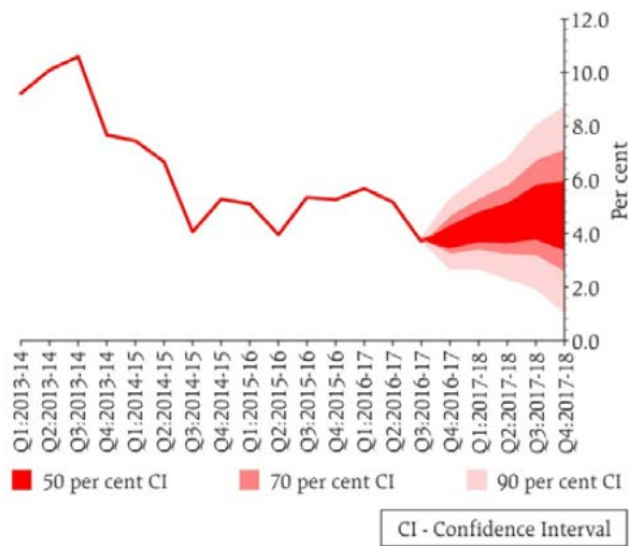
Source: RBI

Exhibit 2: Liquidity remains extremely comfortable



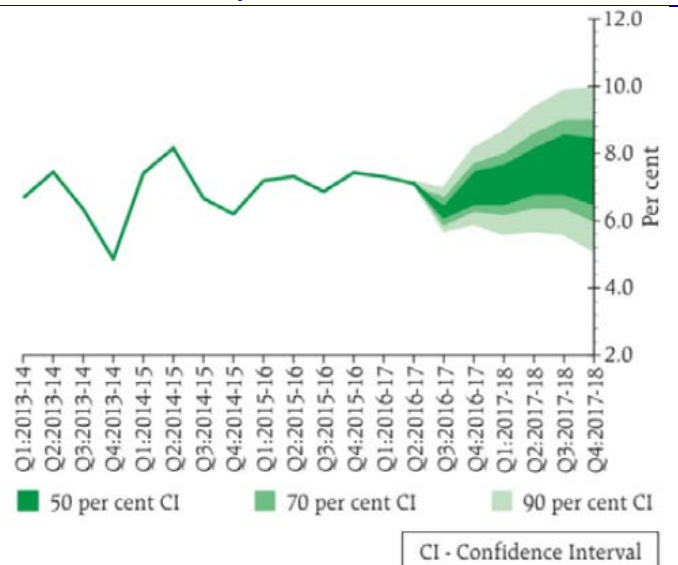
Source: RBI

Exhibit 3: RBI sees upward trajectory in inflation in FY18...



Source: RBI

Exhibit 4: ...and expects GVA growth to pick up from 6.9% in FY17 to 7.4% next year





Tata Motors

BSE SENSEX 28,290 S&P CNX 8,769

CMP: INR513 TP: INR775 (+51%)

Buy

TATA MOTORS

Stock Info

Bloomberg	TTMT IN
Equity Shares (m)	3,395.9
52-Week Range (INR)	599 / 266
1, 6, 12 Rel. Per (%)	-3/1/42
M.Cap. (INR b)	1742.1
M.Cap. (USD b)	25.9
Avg Val, INRm	4178
Free float (%)	65.3

Financials Snapshot (INR b)

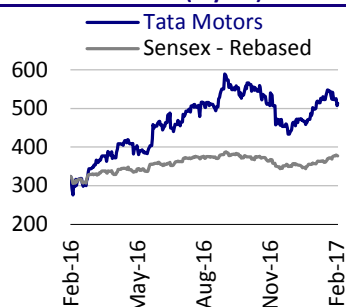
Y/E Mar	2016	2017E	2018E
Net Sales	2,756	2,883	3,366
EBITDA	402	356	467
NP	125	98	155
Adj. EPS (INR)	36.9	29.0	45.6
EPS Gr. (%)	(16)	(21.3)	57.3
BV/Sh. (INR)	238	266	308
RoE (%)	18.3	11.5	15.9
RoCE (%)	14.3	8.8	11.9
P/E (x)	13.9	17.7	11.2
P/BV (x)	2.2	1.9	1.7

Shareholding pattern (%)

As On	Dec-16	Sep-16	Dec-15
Promoter	34.7	33.0	33.0
DII	14.8	14.5	17.4
FII	24.2	26.1	23.6
Others	26.2	26.4	26.0

FII Includes depository receipts

Stock Performance (1-year)



JLR Jan-17 below est at 48,740 units (+7% YoY)

LR declines ~10%, while Jaguar volumes jump ~80% driven by F-Pace and XF

- JLR Jan-17 wholesale volumes grew ~7% YoY (-8% MoM) to 48,740 units (estimate: 56,000 units), driven by F-pace and XF long wheel base in China.
- Jaguar volumes grew ~80% YoY to 15,427 units (estimate: 17,500 units), driven F-Pace and XF (along with the long wheel base in China). However, volumes of other Jaguar models continue to moderate.
- Land Rover volumes declined by ~10% YoY to 33,313 units (estimate: 38,500 units), due to product fatigue and discontinuance of old Discovery on the back of its launch in 4QFY17.
- JLR Jan-17 retail volumes grew ~4% YoY (-14% MoM) to 47,693 units, driven by 76% growth in retail volumes of Jaguar while LR volumes continued its decline (-11% YoY).
- Jaguar retail volume growth was driven by recently launched F-Pace (at ~5.9k units) while growth for XF moderated to 9% YoY. Jaguar XE witnessed 8% decline YoY.
- Land Rover's retail volumes declined by 11% YoY, mainly due to discontinuance of Discovery and RR (-2%), RR Evoque (-7%), while Discovery Sport (+10%) and RR Sport (+12%) arrested further decline.
- In terms of regional retail sales performance, North America led the way with a 29% YoY growth primarily led by newly launched XE and high demand for F-Pace. Besides China supported with a 12% YoY growth. Europe declined by 8% YoY while UK marginally grew by 2% YoY.
- For JLR, we are factoring in for wholesale volume growth of 13% in FY17 to ~612k. This implies residual growth of ~18% or ~run-rate of ~69.2k units.
- The stock trades at 11.2x/6.1x FY18/FY19E consolidated EPS. Maintain Buy with a TP of INR775 (FY19 SOTP-based) for ordinary shares and INR541 for DVR (~30% discount to TP for ordinary shares).

TATA MOTORS: JLR [Wholesales]

Company Sales	YoY			MoM		YTD			Company Sales	Jan-17	Residual Growth (%) Jan-16	Residual Monthly Run rate YoY (%) chg	FY17 YTD Monthly Run rate Dec-16
	Jan-17	Jan-16	YoY (%) chg	Dec-16	MoM (%) chg	FY17-YTD	FY16-YTD	(%) chg					
JLR	48,740	45,535	7.0	53,063	-8.1	474,546	427,193	11.1	JLR	48,740	45,535	7.0	53,063
Jaguar	15,427	8,576	79.9	15,879	-2.8	142,088	78,489	81.0	Jaguar	15,427	8,576	79.9	15,879
Land rover	33,313	36,959	-9.9	37,184	-10.4	332,458	348,704	-4.7	Land rover	33,313	36,959	-9.9	37,184

TATA MOTORS : JLR [Retails]

Company Sales	YoY			MoM		YTD		
	Jan-17	Jan-16	YoY (%) chg	Dec-16	MoM (%) chg	FY17YTD	FY16YTD	(%) chg
JLR	47,693	46,016	3.6	55,375	-13.9	472,192	408,774	15.5
Jaguar	13,949	7,941	75.7	16,349	-14.7	132,825	72,536	83.1
Land rover	33,744	38,075	-11.4	39,026	-13.5	339,367	336,238	0.9

Region-wise Retail Sales

Region	Jan-17	Jan-16	YoY %	Dec-16	MoM %	FY17YTD	FY16YTD	YoY %
UK	8,131	7,936	2.5	7,394	10.0	90,258	79,863	13.0
US	9,908	7,670	29.2	13,757	-28.0	98,332	78,422	25.4
Europe	10,805	11,780	-8.3	12,069	-10.5	108,585	95,599	13.6
China	12,813	11,402	12.4	13,859	-7.5	104,430	80,350	30.0
RoW	6,036	7,228	-16.5	8,296	-27.2	70,587	74,540	-5.3
Total JLR	47,693	46,016	3.6	55,375	-13.9	472,192	408,774	15.5

Brand-wise Retail Sales

Brands	Jan-17	Jan-16	YoY %	Dec-16	MoM %	FY17YTD	FY16YTD	YoY %
XF	3,133	2,874	9.0	3,597	-12.9	28,727	26,106	10.0
XJ	891	610	46.1	1,258	-29.2	9,252	9,391	-1.5
F-Pace	5,893	0		6,604		51,854	0	
XK	0	1		0		1	227	-99.6
XE	3,364	3,673	-8.4	4,035	-16.6	34,626	27,292	26.9
Others (incl. F-type)	668	783	-14.7	855	-21.9	8,365	9,520	-12.1
Total Jaguar	13,949	7,941	75.7	16,349	-14.7	132,825	72,536	83.1
Defender	53	2,267	-97.7	17	211.8	1,245	19,255	-93.5
Discovery	1,589	4,761	-66.6	2,646	-39.9	35,248	40,064	-12.0
Freelander/Dis. Sport	10,454	9,486	10.2	11,485	-9.0	98,640	71,323	38.3
Range Rover (incl. new)	4,909	5,012	-2.1	5,798	-15.3	44,459	48,808	-8.9
RR Evoque	9,090	9,729	-6.6	9,899	-8.2	88,608	87,294	1.5
RR Sport (incl. new model)	7,649	6,820	12.2	9,180	-16.7	71,166	69,494	2.4
Total Land Rover	33,744	38,075	-11.4	39,025	-13.5	339,366	336,238	0.9



Idea Cellular

BSE SENSEX 28,335 S&P CNX 8,768



CMP: INR110

Under review

Stock Info

Bloomberg	IDEA IN
Equity Shares (m)	3,601
52-Week Range (INR)	128/66
1, 6, 12 Rel. Per (%)	45/13/-9
M.Cap. (INR b)	263.7
M.Cap. (USD b)	3.9
Avg Val, INRm	1123
Free float (%)	57.6

Financials Snapshot (INR b)

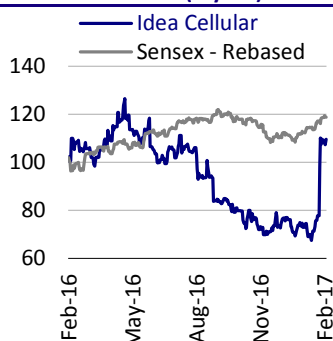
Y/E Mar	2016	2017E	2018E
Net Sales	359.8	355.5	358.9
EBITDA	130.3	101.5	96.4
NP	30.8	-22.6	-46.4
EPS (INR)	8.6	-6.3	-12.9
EPS Gr. (%)	56.5	-170.7	-250.7
BV/Sh. (INR)	71.6	65.3	52.4
RoE (%)	12.6	-9.2	-21.9
RoCE (%)	7.1	2.7	0.3
P/E (x)	8.6	-11.7	-5.7
P/BV (x)	1.0	1.1	1.4

Shareholding pattern (%)

As On	Dec-16	Sep-16	Dec-15
Promoter	42.5	42.2	42.2
DII	6.9	6.6	5.4
FII	24.3	25.1	24.1
Others	26.3	26.1	28.3

FII Includes depository receipts

Stock Performance (1-year)



Idea's Catch 22

Restrict investments or maintain equal promoter shareholding?

In our previous report on the Vodafone-Idea merger, we had assumed that post-merger both the companies could have equal shareholding rights at the firm level. However, we now see a possibility of Vodafone and Idea having equal rights at the promoter level. In this report, we lay out four possible scenarios that may unfold based on the current promoter shareholding patterns at Vodafone and Idea.

Promoter Vodafone UK holds 100% in Vodafone India, while promoter Aditya Birla Group (ABG) owns 42% of Idea Cellular. According to the SEBI regulation, the maximum percentage of promoter holding can be 75% of the total shareholding of the listed entity. This means if Vodafone and Idea decide to have equal shareholding at the promoter level, we could see rebalancing of stake to 37.5% each. Following are the four scenarios that could unfold as we mentioned earlier.

- ❖ **Scenario 1: Entity-wise equal stake (Vodafone – lower EV/EBITDA); rebalancing to 37.5% stake for the promoters:** Both promoters may have equal shareholding in the merged entity. However, given ABG's lower stake in Idea, it may have to infuse INR173b – of this, Vodafone may get ~INR55b and the rest will be infused in the merged entity.
- ❖ **Scenario 2: Entity-wise – Vodafone gets higher stake (equal EV/EBITDA); rebalancing to 37.5% stake for the promoters:** If Vodafone – a relatively large player than Idea – demands for a higher stake (equal EV/EBITDA), it should get a higher market cap of INR484b. Thus, to ensure equal promoter shareholding in the merged entity, ABG may have to shell out INR174b, of which Vodafone may get INR142b. This scenario, however, could defeat one of the key purposes of the merger – restricting cash outflow.
- ❖ **Scenario 3: Entity-wise equal stake (Vodafone – lower EV/EBITDA); no rebalancing – ABG thus gets a lower stake:** ABG may let Vodafone UK hold a higher stake in the merged entity by virtue of its 100% holding in Vodafone India v/s ABG' 43% stake in Idea. Thus, Vodafone may hold 50% in the merged entity (market value of INR396b), while ABG may hold 21% (similar to its current market value).
- ❖ **Scenario 4: Entity-wise – Vodafone gets a higher stake (equal EV/EBITDA); no rebalancing – ABG thus gets a lower stake:** If Vodafone demands a higher stake (equal EV/EBITDA), it will hold 55% in the merged entity (market value of INR484b). ABG, on the other hand, will hold 19% (similar to its current market value).

Merger beneficial only if it is concluded in about three quarters

Given the obstacles involved in this mega merger, it is difficult to predict how soon the regulatory overhang (e.g. revenue/spectrum caps and tax issue/penalties) will resolve. Previous instances of mergers of such scale suggest that the management focus usually shifts away from operations. Thus, in our view, if the Vodafone-Idea merger takes long to materialize, the current hyper-active competition in the telecom industry may provide peers room to eat into the subscriber share of both the companies. This too defeats the merger purpose of creating an entity that can take on the aggressive market players.

How could RJio react to consolidation?

There are two probable scenarios that may play out if the merger goes through. (1) It could force RJio to reconsider its competitive strategy, with the top two players likely to account for ~75% of industry revenues post consolidation. We believe the consolidation will allow the involved players (with healthy broadband coverage and FCF position) to match RJio's competitive intensity and thus protect churn. RJio subsequently may see limited market share gains due to high operating cost burn. (2) RJio could continue to aggressively compete in the market. However, it will be at the cost of earnings in the hope of eventual market share gain. We thus believe that competition may subside post the merger.

Note that we were expecting competition in the telecom market to remain intense for another 6-8 quarters. However, with 75% of the industry revenue share likely to be taken up by the top two players post consolidation, we now believe that competition may ease much sooner. We note that nearly 25% of the market is with smaller operators whose subscribers are most vulnerable to churn. Thus, existing large players may not need to employ low-price strategies to capture market share. Also, there are only 150m broadband users out of ~750m unique subscribers. This leaves a large pool of unserved broadband users, which could be tapped, thereby improving industry ARPU. Also, while prices could continue declining, the price elasticity and high data capacity could drive higher ARPUs in the market. This, in our view, can be a win-win for all players.



BSE SENSEX	S&P CNX
28,290	8,769
Bloomberg	NTPC IN
Equity Shares (m)	8,245
M.Cap.(INRb)/(USDb)	1,410.0 / 21.1
52-Week Range (INR)	178 / 117
1, 6, 12 Rel. Per (%)	-1/6/23
Avg Val, INRm	716
Free float (%)	30.3

CMP: INR172

TP: INR199(+15%)

Buy

Smooth shift to new GCV measurement method

Capacity addition to accelerate and drive earnings growth; Maintain Buy

NTPCsa's (NTPC standalone) 3QFY17 adj. PAT increased 8% YoY to INR22.4b (in-line), led by 8% YoY growth in regulated equity to INR424b. Core RoE is estimated at 18.8%. Other income increased 5% YoY to INR3.6b.

- **Smooth shift to new GCV measurement method:** The shift in measuring GCV of coal from 'after secondary crusher' to 'wagon top' w.e.f. October 1st, 2016 did not have any material impact on NTPC, as was feared. NTPC, however, has approached CERC to sort out certain operational issues.
- **11GW replacement on anvil:** NTPC plans to replace 11GW old depreciated plants over time subject to getting PPAs, such that there is no loss of RoE in the transition. Initially, one plant each of 1,320MW at Talcher and Singrauli are in discussion.
- **Project commissioning slow, but will pick up in FY18:** Although NTPCsa has so far commissioned only 800MW conventional capacity, it is targeting huge 3.7GW commissioning before 31st March. If successful, we can expect large addition to DC (declare capacity) and regulated equity in FY18E.

Expect some delay in execution, but earnings outlook remains robust

- Although there are some delays in project execution, the earnings growth outlook remains robust. We expect DC CAGR of 7.5% and regulated equity CAGR of 15% over FY16-21E.
- We expect consolidated EPS CAGR of 10% over FY16-21E. RoE is expected to improve from 12% in FY16 to ~13% in FY20E. We value the stock at INR199/share based on DCF. Maintain **Buy**.

Estimate change	↔
TP change	↔
Rating change	↔

Quarterly Performance (standalone) – INR m

Y/E March	FY16				FY17				FY16	FY17E	FY17 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Sales	170,187	177,229	173,175	179,901	187,354	192,415	192,875	167,115	700,492	739,758	176,559	9
Change (%)	-5.9	6.9	-7.6	-6.4	10.1	8.6	11.4	-7.1			2.0	
EBITDA	33,718	38,550	45,277	53,355	50,874	52,393	51,428	57,571	170,900	212,267	50,238	2
Other income	3,046	4,510	3,405	5,706	2,810	3,471	3,586	5,303	16,667	15,170	2,852	
PBT	17,076	21,686	26,113	35,712	30,761	32,580	30,819	32,219	100,587	126,379	27,287	13
Tax	-4,278	-7,297	1,184	8,548	7,066	7,621	6,131	6,508	-1,842	27,326	5,512	
PAT	21,354	28,983	24,929	27,164	23,695	24,960	24,687	25,711	102,429	99,053	21,775	13
Change (%)	-3.0	39.9	-18.9	-7.7	11.0	-13.9	-1.0	-5.4	-0.5	-3.3	-12.7	
Adj. PAT	21,330	22,165	20,691	25,603	24,047	23,410	22,448	25,711	89,789	95,615	21,775	3
Change (%)	9.6	24.2	-10.1	-6.3	12.7	5.6	8.5	0.4		6.5	5.2	
A. Generation	18,742	19,364	18,197	21,355	21,850	20,991	19,906	21,478	77,658	84,225	19,499	2
Core RoE (%)	20.3	20.4	18.6	21.1	21.0	19.9	18.8	19.7	19.8	19.6	18	
a. Base RoE - 15.5%	14,305	14,690	15,168	15,656	16,166	16,337	16,428	16,893	59,819	65,824	16,476	0
b. PLF incentive	780	890	-17	1,052	1,530	0	0	2,061	2,705	3,591	0	
c. Others	3,657	3,784	3,046	4,647	4,154	4,654	3,478	2,524	15,134	14,810	3,023	15
B. Other income	2,588	2,801	2,493	4,248	2,197	2,419	2,542	4,232	12,132	11,391	2,276	12
Key metrics												
Regulated Equity	369,160	389,020	393,853	414,204	420,146	423,072	424,822	447,085	414,204	447,085	427,302	-1
Commercial capacity (MW)	43,143	43,943	44,443	45,103	45,878	45,928	45,928	48,028	45,103	48,028	45,928	0
Coal-based PLF (%)	77.6	77.3	78.2	81.3	81.4	74.7	77.2	0.0	78.6		0	



BSE SENSEX	S&P CNX
28,290	8,769
Bloomberg	CIPLA IN
Equity Shares (m)	802.9
M.Cap.(INRb)/(USDb)	479.6 / 7.1
52-Week Range (INR)	622 / 458
1, 6, 12 Rel. Per (%)	-2/14/-10
Avg Val, INRm	994
Free float (%)	63.3

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	136.8	150.0	176.1
EBITDA	25.0	27.2	34.3
PAT	15.1	14.6	19.3
EPS (INR)	18.8	18.1	24.1
Gr. (%)	34.0	-3.7	32.8
BV/Sh (INR)	147.4	161.8	182.9
RoE (%)	12.8	11.2	13.2
RoCE (%)	10.6	9.0	10.5
P/E (x)	32.0	33.3	25.0
P/BV (x)	4.1	3.7	3.3

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR604 TP: INR550(-9%) Neutral

Core geographies deliver strong growth

- **3QFY17 revenue** grew 17.4% YoY to INR36.5b (~6.5% miss). EBITDA stood at INR6.8b (in-line), with margin of 18.6% exceeding estimate of 17.7% led by strong growth in India (+19% YoY)/the US (+21% YoY organic growth) and lower R&D cost (6.5% of sales v/s 8% in 2Q). Despite this, PAT of INR3.7b missed estimate by ~8% due to a high tax rate at 25% v/s normalized levels of ~20%.
- **US and domestic biz deliver robust growth; US launches key:** Domestic business grew a robust ~19% YoY (adj. for one-time change in distribution policy, growth was ~12% YoY), led by strong growth across key therapeutic categories (respiratory, gastro, neuro). US business grew 21% YoY organically (flat QoQ) to ~USD100m. Invagen contributed ~50% of US sales (total sales of USD54m, flat QoQ). In 3Q, Cipla filed its first MDI Inhaler ANDA in the US (Albuterol). South Africa biz outpaced industry (+0.8% market share in 9M), growing ~13% YoY CC (~18% in INR terms).
- **Earnings call takeaways:** a) R&D as % of sales at 6.2%. b) Capex at ~8% of sales. c) Net debt/equity at ~0.21x v/s 0.25x in 2Q. d) gAdvair launch in the UK in 3Q to fuel growth. e) Filed 21 ANDAs in 9M, including 9 Para IV and 2 FTFs (incl. limited-competition products like Nanopaclitaxel; mkt. size of ~USD700m). f) On track to file 25 ANDAs in FY17. g) Other income includes INR1.2b from sale of investment in Chase Pharma. h) Looking to acquire specialty businesses. i) Pending ANDAs at end-9MFY17 stood at ~65 (incl. partnered products).
- **Valuation view:** We see limited downside in the stock from current levels. Maintain **Neutral** with a TP of INR550 @ 20x 1HFY19E PER (v/s INR525 @ 18x 1H FY19E). We raise target multiple to 20x (in line with peers) due to normalization of margins at >18% and impressive ramp-up of own US business. Having said that, Invagen is yet to exhibit meaningful growth. We believe Cipla is well poised to deliver robust growth in the US due to a significant pick-up in filling quality/rate and a lower base.

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17E				FY16	FY17E	Est. 3QE	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Revenues	38,385	34,551	31,066	32,665	36,500	37,510	36,472	39,545	136,666	150,028	39,015	-6.5
YoY Change (%)	41.1	24.9	12.3	5.6	-4.9	8.6	17.4	21.1	20.5	9.8	25.6	
EBITDA	10,545	7,860	5,294	4,421	6,112	6,807	6,776	7,460	28,120	27,155	6,897	-1.8
Margins (%)	27.5	22.7	17.0	13.5	16.7	18.1	18.6	18.9	20.6	18.1	17.7	
Depreciation	1,494	1,584	1,375	1,414	2,038	2,292	2,577	2,323	5,867	9,230	1,650	
Interest	639	636	230	368	315	352	593	557	1,872	1,817	350	
Other Income	505	308	51	547	252	272	1,535	441	1,411	2,500	275	
PBT after EO expense	8,917	5,948	3,741	3,186	4,011	4,436	5,141	5,020	21,792	18,608	5,172	-0.6
Tax	2,418	401	120	-39	553	719	1,283	1,074	2,899	3,629	1,000	
Rate (%)	27.1	6.7	3.2	-1.2	13.8	16.2	25.0	21.4	13.3	19.5	19.3	
Minority Interest	7.4	117.0	174.2	185.4	67.6	173.6	109.8	69.0	484.0	420.0	95.0	
Reported PAT	6,492	5,430	3,447	3,040	3,391	3,543	3,748	3,877	18,409	14,559	4,077	-8.1
YoY Change (%)	120.4	81.8	5.1	17.1	-47.8	-34.7	8.7	27.5	55.9	-20.9	18.3	
Margins (%)	16.9	15.7	11.1	9.3	9.3	9.4	10.3	9.8	13.5	9.7	10.4	



Siemens

BSE SENSEX	S&P CNX
28,290	8,769
Bloomberg	SIEM IN
Equity Shares (m)	356
M.Cap.(INRb)/(USDb)	430.5 / 6.4
52-Week Range (INR)	1327 / 950
1, 6, 12 Rel. Per (%)	-1/-9/0
Avg Val, INRm	292
Free float (%)	25.0

CMP: INR1,220 TP: INR1,340(+10%) Neutral

Operational performance above estimates

- Operating performance above expectations:** Siemens' (SIEM) 1QFY17 operating performance was above our expectations. Revenues from continuing business (excl. MT and healthcare) were up 16% YoY to INR22.9b (marginally above our estimate of INR22.7b). EBITDA stood at INR2.3b (+24% YoY), with margin of 10.2% (+200bp YoY; est. of 8.6%). Net profit from continuing operations stood at INR1.6b (+60% YoY), above our estimate of INR1.3b.
- Gross margin of 35.6% at multi-year high:** Gross margin expanded 40bp YoY to 35.6% in 1QFY17. EBITDA margin of 10.2% was above our estimate of 8.6%, primarily driven by strong operational performance from the power and gas segment and discontinuation of the low-margin healthcare business. EBIT margin from continuing business stood at 7.1% (+270bp YoY), driven by the power and gas segment (18.8% v/s 4.1% in 1QFY16).
- Order inflow from continuing business up 5% YoY; book-to-bill at 1.0x:** Order intake (continuing business) increased 5% to INR32.2b from INR30.7b in 1QFY16, led by finalization of key orders of diesel locomotives (INR3.2b), O&M order from ONGC for overhauling of turbines (INR3.7b) and supply of propulsion units for freight locomotives (INR1.7b). The company's book-to-bill stood at 1.0x, with order book position of INR109.4b.
- Valuation and view:** We raise our FY18 estimates by 7% to factor in execution of the recently won HVDC line between Puglur and Trichur (INR30b order, with Siemens India's share of ~INR8-9b). At CMP, SIEM trades at 47.6/36.5/31.8x its FY17/18/FY19E EPS of INR25.7/33.5/38.3. Maintain **Neutral** with a revised TP of INR1,340 based on 35x March 2019E EPS.

Financials & Valuations (INR b)

Y/E Sep	2016	2017E	2018E
Net Sales	108.1	109.8	130.5
EBITDA	9.7	12.5	15.9
PAT	6.1	9.2	11.9
EPS (INR)	17.0	25.7	33.5
Gr. (%)	0.4	51.2	30.4
BV/Sh (INR)	184.9	215.4	236.8
RoE (%)	9.2	11.9	14.2
RoCE (%)	14.6	17.3	19.9
P/E (x)	71.1	47.0	36.1
P/BV (x)	6.5	5.6	5.1

Estimate change

TP change

Rating change

Quarterly Performance (Standalone)

(INR Million)

Y/E September	FY16				FY17				FY16	FY17	MOSLe 1Q	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Total Revenues	23,142	27,836	26,204	30,906	22,933	26,000	25,350	35,566	108,088	109,849	22,650	1.2%
Change (%)	-12.8	4.9	10.3	-6.3	-0.9	-6.6	-3.3	15.1	1.4	4.5	-2.1	
EBITDA	1,888	3,061	2,338	2,414	2,337	2,150	2,250	5,785	9,731	12,522	1,940	20.5%
As % of Revenues	8.2	11.0	8.9	7.8	10.2	8.3	8.9	16.3	9.0	11.4	8.6	
Depreciation	586	590	625	462	483	550	625	546	2,263	2,203	570	
interest	9	21	21	21	20	20	20	19	59	79	20	
Other Income	411	270	279	683	623	740	740	739	1,639	2,842	640	
Extra-ordinary Items	0	0	0	22,825	0	0	0	0	22,825	0	0	
PBT	1,705	2,720	1,971	25,439	2,456	2,320	2,345	5,960	31,991	13,239	1,990	23.4%
Tax	592	946	670	770	856	684	692	1,692	2,992	3,924	650	
Effective Tax Rate (%)	34.7	34.8	34.0	3.0	34.9	29.5	29.5	28.4	9.4	29.6	32.7	
Reported PAT	1,113	1,774	1,300	24,670	1,600	1,636	1,653	4,268	28,999	9,315	1,340	19.4%
Adjusted PAT	1,113	1,774	1,300	1,845	1,600	1,636	1,653	4,268	6,056	9,157	1,340	19.4%
Change (%)	4.9	14.9	-22.7	7.1	43.8	-7.8	27.1	131.3	33.5	51.7	17.5	



Punjab National Bank

BSE SENSEX	S&P CNX
28,290	8,769
Bloomberg	PNB IN
Equity Shares (m)	2,128
M.Cap.(INRb)/(USD\$b)	318.8 / 4.7
52-Week Range (INR)	164 / 69
1, 6, 12 Rel. Per (%)	20/27/42
Avg Val, INRm	1574
Free float (%)	35.0

CMP: INR150

TP: INR185(+23%)

Buy

Provisions dent profitability; Stable headline asset quality

- PNB reported PAT of INR2.1b (53% miss). While PPop performance (+8% YoY) was largely in line with estimate, ageing of NPLs and thus elevated credit costs (3.5%) led to the earnings miss. Net interest income declined 9% YoY (-4% QoQ; in-line) owing to muted loan growth (-2% QoQ) and NIM contraction of 18bp QoQ (-42bp YoY) to 2.3%.
- Headline asset quality was largely stable, with GNPL and NNPL flat QoQ at 13.7% and 9.1%, respectively. Slippages fell 9% QoQ, but remained elevated (5.8% annualized slippage ratio v/s 6.5% in 2Q). Net slippages increased 20% QoQ owing to lower recoveries and up-gradations; management guided for recoveries of ~INR50b in the next quarter, as against ~INR147b in 9MFY17. OSRL fell 5% QoQ to INR172.2b (4.5% of loans).
- **Other highlights:** (1) While overall loan growth was muted, retail portfolio grew 12% YoY, led by healthy growth in housing (+18%) and vehicle loans (+13%). (2) Deposits grew 12% YoY, led by growth in SA deposits (+37% YoY). Domestic CASA ratio expanded 500bp to 47.1%. On average daily basis, CASA ratio stood at 40.8% for 9MFY17. (3) CET1 ratio was at 8.3%.

Valuation and view: Significant stress is being recognized over last several quarters (GNPA% at 13.7% v/s 6.6% as of FY15), with OSRL at 4.5% v/s 8.9% a year ago. Concentration of Infra (incl. power) and Iron and Steel is very high (70% of OSRL). Any upgrade in these segments can lead to a better performance, in our view. Investments in ventures are adding significant value (INR37/share) for the bank. We roll forward our target price to December 2018 and arrive at a target price of INR185 (0.7x December 2018 BV) based on RI model. **Buy.**

Quarterly Performance

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	41,025	43,220	41,196	27,677	36,990	38,799	37,308	39,754	153,118	152,851
% Change (YoY)	-6.3	4.1	-2.7	-27.0	-9.8	-10.2	-9.4	43.6	-7.5	-0.2
Other Income	13,974	13,569	16,706	24,522	23,551	23,879	25,135	27,275	68,770	99,839
Net Income	54,998	56,789	57,902	52,199	60,541	62,678	62,443	67,029	221,888	252,690
Operating Expenses	23,677	27,404	28,724	19,920	27,794	29,557	30,897	32,078	99,725	120,326
Operating Profit	31,321	29,385	29,179	32,279	32,746	33,120	31,546	34,951	122,163	132,364
% Change (YoY)	0.2	2.2	6.1	0.8	4.6	12.7	8.1	8.3	2.2	8.3
Other Provisions	18,114	18,821	37,755	104,852	27,384	25,338	29,359	28,618	179,542	110,698
Profit before Tax	13,207	10,564	-8,577	-72,574	5,362	7,783	2,187	6,333	-57,379	21,666
Tax Provisions	6,000	4,354	-9,087	-18,902	2,299	2,289	116	2,663	-17,635	7,366
Net Profit	7,207	6,210	510	-53,671	3,064	5,494	2,072	3,670	-39,744	14,299
% Change (YoY)	-48.7	7.9	-93.4	NM	-57.5	-11.5	306.2	NM	NM	NM
Operating Parameters										
NIM (Rep, %)	2.9	3.0	2.8	1.8	2.5	2.5	2.3	2.6		
Deposit Growth (%)	16.4	14.0	13.3	10.3	7.0	6.5	11.6	12.5	10.3	12.5
Loan Growth (%)	9.6	6.7	8.4	8.4	2.8	3.4	-1.8	0.0	8.4	0.0
CD Ratio (%)	73.6	70.6	71.6	74.6	70.7	68.5	63.0	66.3	74.6	66.3
Dom. CASA Ratio (%)	38.9	40.2	40.4	41.6	41.4	42.1	47.1	41.6	41.6	
Tax Rate (%)	45.4	41.2	105.9	26.0	42.9	29.4	5.3	42.0	30.7	34.0
Asset Quality										
OSRL (INR B)	399.7	382.6	350.0	201.4	189.1	180.9	172.2	201.4		
OSRL (%)	10.5	10.0	8.9	4.9	4.8	4.6	4.5	4.9		
Gross NPA (INR B)	254	249	343	558	567	565	556	555	558	555
Gross NPA (%)	6.5	6.4	8.5	12.9	13.8	13.6	13.7	12.7	12.9	12.7

E: MOSL Estimates



Bharat Forge

BSE SENSEX	S&P CNX
28,290	8,769
Bloomberg	BHFC IN
Equity Shares (m)	233
M.Cap.(INRb)/(USDb)	225.2 / 3.3
52-Week Range (INR)	1009 / 687
1, 6, 12 Rel. Per (%)	0/18/9
Avg Val, INRm	785
Free float (%)	54.3

CMP: INR968 TP: INR1,110(+15%) Buy

In-line; Recovery seen in majority of segments

- Tonnage declined ~7% YoY (+2% QoQ) to ~47,068MT, while realizations improved 4% QoQ (-4% YoY) to ~INR200k/tonne, driven by mix improvement. Net revenues declined 11% YoY (+6% QoQ) to INR9.4b (est. of INR9.2b).
- Export revenues increased ~7% QoQ (-24% YoY), driven by a recovery in the Industrial segment due to a sharp revival in the Oil & Gas segment. Domestic revenues grew 7% YoY (+3% QoQ) as both Industrial (+30% YoY) and Auto (+15% YoY) segments contributed to growth. Non-auto revenues grew ~12% YoY.
- EBITDA margin contracted 20bp QoQ (-340bp YoY) to 27.6%, as other expenses were higher due to MTMT FX loss of ~INR120m. PAT declined 23% YoY (+1.4% QoQ) to ~INR1.3b (est. of INR1.4b).
- **Key highlights from the earnings call:** a) Expects recovery to continue, driven by pre-buying in India CV, recovery in oil & gas and US class 8 trucks, and execution/ramp-up of new orders in PVs, CVs and aerospace. b) Pass-through of steel prices to reflect in 4Q. c) Views BSVI as a big opportunity, for which it is expanding its product offerings. d) Based on orders on hand, investing in new press of 5000T and 2000T for PVs and machining plant for aerospace components.
- **Valuation view:** Strong cyclical recovery, coupled with structural improvement in business quality driven by a shift toward technology-intensive business (from capex intensive business), would drive strong ~35% EPS CAGR. Valuations at 25.8x/20.7x FY18E/FY19E consol. EPS do not factor in high-potential businesses seeded over last two years. Maintain **Buy** with a TP of ~INR1,110 (25x Mar'19E consol. EPS).

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	76.5	74.0	82.6
EBITDA	14.2	13.5	16.6
PAT	6.6	6.0	8.7
EPS (INR)	28.1	25.7	37.5
Gr. (%)	-10.9	-8.7	46.0
BV/Sh (INR)	153.6	169.6	195.1
RoE (%)	18.7	15.9	20.6
RoCE (%)	12.5	10.9	14.8
P/E (x)	34.4	37.7	25.8
P/BV (x)	6.3	5.7	5.0

Estimate change

TP change

Rating change

Quarterly Performance (Standalone)

	FY16				FY17				FY16	FY17E	FY17 3QE	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3Q	4QE				
Tonnage	51,984	54,559	50,741	52,413	49,098	46,203	47,068	52,649	209,697	195,018	47,358	-0.6
Change (%)	5.8	3.8	-4.8	-7.5	-5.6	-15.3	-7.2	0.5	-0.9	-7.0	-6.7	
Realization (INR '000/ton)	219.1	206.0	208.9	192.3	184.2	192.8	200.5	210.5	205.3	197.3	194.7	3.0
Change (%)	8.9	-4.9	-7.0	-10.9	-15.9	-6.4	-4.0	9.5	-4.4	-3.9	-6.1	
Net operating income	11,388	11,239	10,598	10,080	9,044	8,909	9,437	11,084	43,054	38,474	9,223	2.3
Change (%)	15.3	-1.3	-11.5	-17.6	-20.6	-20.7	-11.0	10.0		-10.6	-12.3	
RM/Sales (%)	34.1	36.0	32.9	35.9	34.4	34.4	32.6	34.5	35.5	34.0	34.5	-190bp
Staff Cost (% of Sales)	8.2	8.3	9.0	9.2	10.1	10.1	9.6	9.8	8.6	9.9	10.3	-70bp
Other Exp. (% of Sales)	26.4	27.2	27.1	25.3	28.5	27.6	30.2	27.3	26.1	28.4	27.0	320bp
EBITDA	3,566	3,204	3,283	2,982	2,444	2,477	2,606	3,136	12,830	10,663	2,601	0.2
EBITDA Margins (%)	31.3	28.5	31.0	29.6	27.0	27.8	27.6	28.3	29.8	27.7	28.2	-60bp
Non-Operating Income	299	282	251	225	256	309	208	302	999	1,075	330	-37.1
Interest	213	222	226	202	170	189	183	174	863	716	175	4.5
Depreciation	749	714	812	644	740	726	739	784	2,614	2,988	760	-2.8
PBT	2,904	2,550	2,454	2,361	1,791	1,870	1,892	2,481	10,310	8,034	1,996	-5.2
Effective Tax Rate (%)	32.5	32.4	33.2	30.3	31.8	32.2	32.0	32.0	32.0	32.0	31.0	100bp
Adj. PAT	1,960	1,723	1,666	1,645	1,221	1,269	1,286	1,687	7,039	5,463	1,377	-6.6
Change (%)	35.2	-2.9	-15.2	-18.9	-37.7	-26.3	-22.8	2.6	-117.6	-22.4	-18.5	

E: MOSL Estimates



Indraprastha Gas

BSE SENSEX	S&P CNX
28,335	8,768
Bloomberg	IGL IN
Equity Shares (m)	140
M.Cap.(INRb)/(USDb)	142.2 / 2.1
52-Week Range (INR)	1030 / 484
1, 6, 12 Rel. Per (%)	4/48/70
Avg Val, INRm	522
Free float (%)	55.0

CMP: INR1,016 TP: INR1,032(+2%) Neutral

EBITDA in line; strong volume growth

- IGL reported adj. EBITDA of INR2.4b (+31% YoY, -6% QoQ), marginally lower than our estimate of INR2.5b, led by higher other expense (INR1.6b v/s est. INR1.4b; +4% YoY, +6% QoQ) and staff cost (INR259m v/s est. INR280m; +6% YoY, +9% QoQ). PAT came in line at INR1.45b (est. of INR1.44b; +38% YoY, -10% QoQ), impacted by INR83.3m lease provisioning for sites taken on lease from DDA in 3QFY17.
- **Strong CNG/PNG volumes:** CNG volumes stood at 3.48mmscmd (+13% YoY, flat QoQ) and PNG volumes at 1.13mmscmd (+20% YoY, +2% QoQ). Total volumes were 4.61mmscmd (+15% YoY, +1% QoQ).
- Realizations in CNG stood at INR25.3/scm (-7% YoY, -4% QoQ) and in PNG at INR22.5/scm (-24% YoY, +2% QoQ).
- **Reported PAT in line:** Reported PAT stood at INR1.45b (est. of INR1.44b; +38% YoY, -10% QoQ), impacted by INR83m lease provisioning for sites taken on lease from DDA for the period October-December 2016 toward increased rentals.
- PAT for IGL's subsidiaries (CUGL and MNGL) stood flat at INR360m (IGL's share: ~50%, at INR180m in 3QFY17).

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	36.7	37.2	42.8
EBITDA	7.6	10.1	10.6
PAT	4.2	5.9	6.3
EPS (INR)	29.7	42.1	44.8
Gr. (%)	-4.9	41.7	6.4
BV/Sh (INR)	172.6	204.2	238.4
RoE (%)	18.4	21.7	20.2
RoCE (%)	17.1	21.0	19.2
P/E (x)	34.2	24.1	22.7
P/BV (x)	5.9	5.0	4.3

Estimate change

TP change

Rating change

Valuation and view

- We model FY17/18/19 volume growth at 11%/9%/8% and EBITDA per scm at INR6.0/5.9/5.8.
- Continued pollution issues in Delhi should keep volume growth strong for IGL, helping sustain current valuations, in our view. Our SOTP-based fair value stands at INR1,032 (@18.6x FY19E + JV earnings post 20% discount). Maintain **Neutral**.

Quarterly performance

Y/E MARCH	(INR Million)											
	FY16				FY17				FY16	FY17E	FY17	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	8,994	9,658	9,269	8,816	8,970	9,624	9,429	9,196	36,737	37,220	8,889	6.1%
Change (%)	3.7	1.8	-1.5	-3.4	-0.3	-0.3	1.7	4.3	0.1	1.3	-1.2	
EBITDA	1,938	1,880	1,850	1,929	2,570	2,575	2,432	2,492	7,597	10,069	2,461	-1.2%
EBITDA (Rs/scm)	5.6	5.0	5.0	5.2	6.5	6.1	5.7	5.9	5.2	5.1	6.1	-5.7%
% of Net Sales	21.5	19.5	20.0	21.9	28.7	26.8	25.8	27.1	20.7	27.1	27.7	
% Change	-6.3	-12.4	-1.9	12.2	32.7	37.0	31.4	29.2	-2.9	32.6	27.0	
Depreciation	386	395	399	398	466	483	479	478	1,577	1,905	478	0.1%
Interest	36	27	18	10	0	0	0	0	91	0	0	
Other Income	79.1	99.2	135.1	106.1	106.5	251.4	190.8	166.5	419.5	715.2	189.0	1.0%
PBT after EO	1,596	1,557	1,569	1,627	2,211	2,177	2,061	2,181	6,349	8,630	2,172	-5.1%
Tax	577	542	517	551	731	735	696	737	2,187	2,899	734	-5.1%
Rate (%)	36.2	34.8	33.0	33.9	33.1	33.8	33.8	33.8	34.4	33.6	33.8	
PAT	1,018	1,016	1,051	1,076	1,480	1,442	1,365	1,444	4,162	5,731	1,439	-5.1%
EPS (INR)	7.3	7.3	7.5	7.7	10.6	11.1	9.7	10.3	29.7	41.7	10.3	-5.1%



Union Bank of India

BSE SENSEX	S&P CNX
28,290	8,769
Bloomberg	UNBK IN
Equity Shares (m)	687
M.Cap.(INRb)/(USDb)	114.6 / 1.7
52-Week Range (INR)	173 / 104
1, 6, 12 Rel. Per (%)	23/33/7
Avg Val, INRm	743
Free float (%)	36.6

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
NII (Rs b)	83.1	88.6	99.6
OP (Rs b)	49.3	72.0	78.2
NP (Rs b)	6.4	5.8	21.0
EPS (Rs)	19.7	8.5	30.5
EPS Gr. (%)	-29.6	-57.0	261.3
BV/Share	293.9	301.3	328.3
P/E (x)	8.5	19.7	5.5
P/BV (x)	0.6	0.6	0.5
RoE (%)	7.0	2.8	9.7
RoA (%)	0.3	0.1	0.4

Estimate change



TP change



Rating change



CMP: INR167 TP: INR172(+3%) Downgrade to Neutral

Another weak quarter on asset quality; Provisions dent earnings

- Union Bank's (UNBK) 3QFY17 net income was in line at INR34.7b; however, a 13% beat on opex led to a PPop beat of ~12%. Sustained elevated stress addition, coupled with the lack of large-value account resolution, kept provisioning charge high (23% miss), leading to a 55% miss on earnings.
- Muted NII growth of 7% YoY (-6% QoQ) is attributed to subdued loan growth and 31bp NIM contraction to 2%. Interest income reversal on SDR/S4A under the new RBI guidelines impacted earnings by INR1.8b (NIM by ~17bp).
- GNPA % increased (+100bp QoQ) to 11.8%. Net slippages rose 8% QoQ to INR29.4b (4.5% annualized net slippage ratio v/s 4.3% in 2Q), driven by corporate slippages of ~INR30.4b (92% of overall slippage of INR33b) and muted recoveries of ~INR3.5b. Net stressed loans (NNPL + restructured loan + other stressed assets) increased to 12.3% from 11.4% in 2Q. SMA2 stood at INR153b (5.8% of loans).
- Other highlights:** (1) RAM portfolio grew 13% YoY, led by SME (+17% YoY). (2) CASA deposits grew 40% YoY, led by strong growth in SA deposits (+47%). Average daily CASA ratio improved 130bp to 30.7%. (3) Fee income remained muted (+8% YoY).

Valuation and view: We are negatively surprised with elevated stress addition. Ageing of the NPL portfolio and thus elevated credit costs will keep earnings under pressure. As a result, we expect RoA/RoE to remain at sub-optimal levels at 0.5/10%. We cut earnings by 46% for FY17E, but largely maintain estimates for FY18/19. CET1 ratio stands at 7.7%. While we revise target price upward to INR172 (0.5x December 2018 BV) from INR168, a steep run-up (25% in last three months) in the stock price limits the upside. **Downgrade to Neutral.**

Quarterly Performance

	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Interest Income	21,302	21,017	19,965	20,847	21,023	22,774	21,366	23,388	83,131	88,551
% Change (YoY)	0.6	0.8	-5.9	-1.7	-1.3	8.4	7.0	12.2	-1.5	6.5
Other Income	7,832	9,595	8,927	9,964	10,399	11,394	13,397	13,898	36,317	49,088
Net Income	29,134	30,612	28,892	30,811	31,421	34,169	34,763	37,286	119,448	137,639
Operating Expenses	14,252	16,505	15,551	16,715	15,171	15,972	16,250	18,223	63,022	65,616
Operating Profit	14,882	14,107	13,342	14,096	16,251	18,197	18,513	19,063	56,426	72,023
% Change (YoY)	8.5	5.8	-9.0	-14.7	9.2	29.0	38.8	35.2	-3.1	27.6
Other Provisions	6,424	4,325	12,377	15,647	13,530	16,203	16,701	17,167	38,772	63,601
Profit before Tax	8,458	9,782	965	-1,551	2,721	1,994	1,811	1,896	17,654	8,423
Tax Provisions	3,270	3,200	180	-2,512	1,058	227	771	554	4,138	2,611
Net Profit	5,188	6,582	785	961	1,663	1,767	1,040	1,342	13,516	5,812
% Change (YoY)	-21.9	77.3	-74.0	-78.3	-67.9	-73.2	32.4	39.6	-24.1	-57.0
Operating Parameters										
NIM (Reported,%)	2.4	2.3	2.2	2.3	2.3	2.3	2.0	2.3		
Deposit Growth (%)	10.0	10.2	4.6	8.2	3.5	9.3	16.0	10.0	8.2	10.0
Loan Growth (%)	6.0	3.3	5.0	4.6	3.5	7.7	3.5	4.0	4.6	4.0
CD Ratio (%)	75.8	74.5	77.5	78.0	75.8	73.4	69.2	73.8	78.0	73.8
CASA Ratio (%)	28.3				31.5	31.5	36.8	0.0		
Asset Quality										
OSRL (INR b)	141.3	139.1	136.2	85.7	72.5	56.4	55.2		85.7	0.0
OSRL (%)	5.5	5.5	5.2	3.1	2.7	2.0	2.0		3.1	0.0
Gross NPA (INR b)	141.4	155.4	185.0	241.7	272.8	298.6	324.0	347.0	241.7	347.0
Gross NPA (%)	5.5	6.1	7.1	8.7	10.2	10.7	11.7	11.8	8.7	11.8

E: MOSL Estimates



Birla Corporation

BSE SENSEX	S&P CNX
28,290	8,769
Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USD\$b)	57.4 / 0.9
52-Week Range (INR)	807 / 322
1, 6, 12 Rel. Per (%)	1/18/74
Avg Val, INRm	56
Free float (%)	37.1

CMP: INR745

TP: INR869(+17%)

Buy

Weak volumes and higher interest cost impact profits

- Volume and realizations decline:** BCORP's volumes fell 11% YoY (-1% QoQ) to 1.75mt (est. of 1.77mt) due to weaker sales in north and central markets on account of demonetization. Gross cement realizations declined 3% QoQ (+1% YoY) to INR 4,314/t (est. of INR4,336/t) due to weaker pricing in north and east. Net sales fell 8% YoY (-6% QoQ) to INR7.2b (est. of INR7.7b).
- Steady operating leverage:** Total cost/tonne rose 3% YoY (-1% QoQ) to INR3,894 (est. of INR4,104) due to lower energy costs and other expenses. Energy costs declined 11% YoY (-10% QoQ) to INR879/t led by higher petcoke usage in fuel mix. Other expenses fell 19% QoQ (+7% YoY) to INR394/t led by lower maintenance expenses. EBITDA margin stood at 5.7% (-4.3pp QoQ, -0.1pp YoY; est. of 3.9%), while EBITDA/tonne was INR410 (+24% YoY, -17% QoQ; est. of INR232). BCORP continues to focus its efforts on improving operations via initiatives like rail sliding and WHRS, which are expected to yield benefits in FY18.
- High interest expense:** Interest expense increased 153% YoY (+67% QoQ) to INR507m on account of higher borrowing in 2QFY17 due to the acquisition of Reliance Cement shares. The acquisition increased BCORP's total capacity to 15.5mt, and is expected to strengthen its presence in the high-growth central regions like MP, UP and eastern Maharashtra.
- Valuation and view:** Post the acquisition, BCORP has become one of the largest players in the consolidated Satna cluster with ~22% market share. In the longer term, BCORP could expand into various other markets, as Reliance Cement has mineral concession in multiple states. The stock trades at 7x FY19E EV/EBITDA and EV/tonne of USD68. We value BCORP at INR869 (FY19 EV/tonne of USD80; implied FY19 EV/EBITDA of 8.5x). Maintain **Buy**.

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	32.3	35.6	40.7
EBITDA	2.5	3.3	4.9
PAT	0.2	1.3	3.2
EPS (INR)	20.4	21.3	40.9
Gr. (%)	-10.3	4.4	91.9
BV/Sh (INR)	351.8	357.3	386.7
RoE (%)	5.9	6.0	11.0
RoCE (%)	5.4	6.5	9.3
P/E (x)	36.5	34.9	18.2
P/BV (x)	2.1	2.1	1.9

Estimate change



TP change



Rating change



Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Cement Sales (m ton)	1.96	1.96	1.97	2.21	2.17	1.76	1.75	2.25	8.09	7.92	1.77	-1
YoY Change (%)	-4.9	2.5	7.8	17.3	10.8	-10.2	-11.0	1.9	5.4	-2.0	-10.0	
Cement Realization	3,679	4,214	4,277	3,399	4,484	4,436	4,314	4,338	3,596	4,096	4,336	0
YoY Change (%)	-7.8	12.0	13.0	-8.7	21.9	5.3	0.9	27.6	-5.8	13.9	1.4	
QoQ Change (%)	-1.2	14.5	1.5	-20.5	31.9	-1.1	-2.7	0.6			-2.2	
Net Sales	7,663	7,947	7,867	8,561	8,936	7,692	7,220	11,725	32,252	35,573	7,668	-6
YoY Change (%)	-10.8	3.6	5.9	9.4	16.6	-3.2	-8.2	37.0	2.3	10.3	6.9	
EBITDA	458	528	454	972	1,303	766	410	840	2,355	3,319	332	23
Margins (%)	6.0	6.6	5.8	11.4	14.6	10.0	5.7	7.2	7.3	9.3	3.9	
Depreciation	368	372	377	380	379	374	364	364	1,490	1,482	390	
Interest	197	239	201	199	225	303	507	476	816	1,510	400	
Other Income	391	407	466	963	501	485	344	168	1,820	1,497	550	
Profit before Tax	284	324	342	1,356	1,200	574	-117	168	1,869	1,825	92	-226
Tax	34	92	109	199	257	-10	-138	73	295	183	14	
Rate (%)	12.1	28.3	31.9	14.7	21.4	-1.7	117.9	43.8	15.8	10.0	15.0	
PAT	250	232	169	1,157	943	584	21	94	1,574	1,643	78	-73
YoY Change (%)	-74.9	-28.5	13.0	197.9	278.1	151.7	-87.7	-91.8	-10.3	4.4	16.1	

E: MOSL Estimates

67%



Gateway Distriparks

BSE SENSEX	S&P CNX
28,290	8,769
Bloomberg	GDPL IN
Equity Shares (m)	109
M.Cap.(INRb)/(USDb)	28.2 / 0.4
52-Week Range (INR)	325 / 206
1, 6, 12 Rel. Per (%)	1/0/-20
Avg Val, INRm	41
Free float (%)	74.8

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	10.5	11.5	12.6
EBITDA	2.5	2.4	2.9
PAT	1.2	1.0	1.7
EPS (INR)	11.4	8.8	15.7
EPS (INR)*	8.7	7.0	11.7
EPS Gr. (%)*	(31.3)	(19.7)	68.2
RoE (%)	10.1	7.6	12.9
RoCE (%)	7.5	7.4	10.8
P/E (x)	23.3	30.3	16.9
P/E (x)*	30.6	38.1	22.6
EV/EBITDA(x)*	17.3	18.4	14.6

* Adjusted for Blackstone's stake

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR265 TP: INR314(+18%) Buy

Operationally in-line; PAT boosted by lower interest cost and higher OI
GDPL reported EBITDA (RAIL + CFS) of INR587m (est. of INR592m; +8% YoY, +1% QoQ). PAT (before associate/minority interests) of INR257m (-12% YoY, +2% QoQ) was above our estimate of INR243m due to lower interest cost at INR74m (est. of INR89m; +61% YoY, -16% QoQ) and higher other income at INR83m (est. of INR67m; +78% YoY, +4% QoQ).

Rail profitability impacted by weak macro and higher competitive intensity

- Rail reported EBITDA of INR341m (est. INR355m; -11% YoY, flat QoQ).
- Container volumes stood at 54,472TEU (est. 54,545TEU; +7% YoY, -1% QoQ).
- Rail realization stood at INR34,458/TEU (-7% YoY, +4% QoQ). EBITDA/TEU declined 14% YoY (+3% QoQ) to INR6,256 (est. INR6,500), led by higher discounts driven by increased competitive intensity and higher EXIM imbalance, partially offset by higher proportion of double stacking benefits.
- Viramgam terminal's construction has been completed and is expected to get commissioned by March 2017. The operational benefits of the terminal would be visible in 2HFY18. The terminal would help in improving service levels to Mundra, Pipavav and JNPT, and accordingly increase the lead distance for double stacking.

CFS volumes improve, led by ramp-up of Mumbai and Vizag CFS

- Consol. CFS EBITDA stood at INR246m (est. INR237m; flat YoY, +2% QoQ).
- Consol. volume stood at 98KTEU (in-line; +13% YoY, -3% QoQ), led by Vizag and Punjab Conware CFS.
- Realizations stood at INR10,189/TEU (+13% YoY and -1% QoQ), while EBITDA/TEU was INR2,509 (-12% YoY, +5% QoQ). CFS EBITDA improved marginally QoQ due to lower transportation charges led by better negotiations.

Valuation and view

Our FY16-19 volume CAGR assumptions for the rail/CFS divisions stand at ~11%/8%. We value GDPL based on SOTP-based fair value of INR314/share, valuing CFS business at 12x FY19E earnings, 40% stake in Snowman at 50% discount to market value, and rail segment at 15x FY19E EV/EBITDA (premium to CONCOR). The stock trades at 18.5x FY19E adjusted EPS of INR14.3 (adjusted for Blackstone's stake of 49% in rail). The company's dividend yield stands at 2-3%. Maintain **Buy**.

Quarterly Performance

Y/E March (Consolidated)	FY16				FY17				FY16	FY17E	FY17 3QE	Var. vs est
	1Q	2Q	3Q	4Q	1Q*	2Q*	3Q*	4QE				
Net Sales	2,628	2,595	2,671	2,575	2,782	2,857	2,876	2,978	10,470	11,494	2,938	-2%
YoY Change (%)	-6.1	-11.3	-2.4	-2.9	5.9	10.1	7.7	15.7	-5.8	9.8	10.0	
Total Expenditure	1,938	1,954	2,053	2,006	2,227	2,276	2,289	2,343	7,951	9,135	2,346	-2%
EBITDA	690	641	619	569	555	581	587	635	2,518	2,359	592	-1%
Margins (%)	26.3	24.7	23.2	22.1	19.9	20.3	20.4	21.3	24.1	20.5	20.1	
YoY Change (%)	-8	-25	-28	-28	-20	-9	-5	12	-23	-6	-4	
Depreciation	201	202	202	200	195	194	192	207	805	787	206	-7%
Interest	51	50	46	38	51	88	74	81	184	295	89	-16%
Other Income	57	48	47	13	40	80	83	65	165	267	67	23%
PBT	495	437	418	345	349	379	403	412	1,695	1,543	364	11%
Tax	296	141	126	108	124	127	146	155	671	552	121	21%
Rate (%)	59.8	32.2	30.1	31.4	35.6	33.6	36.2	37.6	39.6	35.8	33.2	
PAT before minority / profit of assoc.	199	297	292	237	225	252	257	257	1,024	991	243	6%
YoY Change (%)	-48.0	-38.0	-44.5	-46.0	13.0	-15.0	-11.9	8.8	-43.9	-3.2	-16.6	
Margins (%)	7.6	11.4	10.9	9.2	8.1	8.8	8.9	8.6	9.8	8.6	8.3	

E: MOSL Estimates, *1QFY17 and 2QFY17,3QFY17 is addition of Rail and CFS details as provided and not actual consolidated number

Hero MotoCorp

BSE SENSEX 27836.51
S&P CNX 8615.25

CMP: INR3224 TP: INR3120(-3%)

Neutral

We will revisit our estimates post earnings call/management interaction.

Conference Call Details



Date: 9th February 2017

Time: 11:30am IST

Dial-in details:

+91-22-3960 0703

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	577.5	677.8	809.1
EBITDA	89.8	98.3	118.3
NP	45.7	64.7	81.5
EPS (INR)	155.5	219.5	275.5
EPS Gr. (%)	23.4	41.1	25.5
BV/Sh. INR	894.0	1,054.2	1,252.0
RoE (%)	16.9	20.3	21.6
RoCE (%)	24.0	27.6	28.9
Payout (%)	28.8	20.4	16.3
Div. Yield	5.0	4.3	3.6

Above est.; EBITDA margin surprises positively on lower RM costs

- Net sales declined ~12% YoY to ~INR63.6b (est. of ~INR64.3b) as volumes fell 13% YoY (-19% QoQ), partly offset by 1% YoY/QoQ increase in realizations.
- EBITDA declined 5% YoY (-21% QoQ) to ~INR10.8b (est. of INR9.5b).
- EBITDA margin expanded ~130bp YoY (-60bp QoQ) to 17% (est. of 14.7%), driven by lower raw material costs as % of sales (-270bp YoY, -160 bp QoQ). However, as % of sales, employee expenses increased by 120bp YoY (+130 bp QoQ) and other expenses by 30bp YoY (+90bp QoQ).
- Further, lower depreciation was offset by a decline in other income.
- Adj. PAT declined 3% YoY (-23% QoQ).

Key questions for management

- Update on demand scenario.
- Price hikes during the quarter and till date.
- RM cost pressures in 3QFY17, and expectations for 4QFY17 and beyond.
- Sustainability of lower other expenses.
- Commencement of operations at Halol plant.

Valuation and view: We will revisit our estimates post the earnings call. Based on our current estimates, it trades at 16.8x/16.5x FY18E/19E EPS. Maintain **Neutral** with a target price of INR3,120 (~16x FY19 core EPS).

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17			FY16	FY17E	3Q	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
Total Volumes ('000 nos)	1,646	1,575	1,690	1,722	1,745	1,823	1,473	6,632	6,690	1,473	0.0
Growth YoY (%)	-4.1	-7.0	2.5	9.3	6.1	15.8	-12.8	0.0	0.9	-12.8	
Net Realization	41,960	43,237	42,738	43,595	42,391	42,755	43,202	42,886	43,009	43,659	-1.0
Growth YoY (%)	2.3	5.8	3.0	1.1	1.0	-1.1	1.1	3.1	0.3	1.2	
Net Op Revenues	69,048	68,093	72,235	75,052	73,989	77,963	63,646	284,427	287,739	64,319	-1.0
Change (%)	-1.9	-1.5	5.6	10.5	7.2	14.5	-11.9	3.1	1.2	-11.8	
RM Cost (% sales)	69.7	68.5	67.6	66.0	67.1	66.5	64.9	67.9	66.8	66.5	-160bp
Staff Cost (% sales)	4.5	4.5	4.7	4.7	4.5	4.6	5.9	4.6	5.1	5.8	10bp
Other Exp (% sales)	10.7	10.9	12.0	13.4	11.7	11.4	12.3	11.8	12.0	13.0	-70bp
EBITDA	10,420	10,956	11,308	11,919	12,301	13,689	10,797	44,603	46,511	9,482	13.9
EBITDA Margins (%)	15.1	16.1	15.7	15.9	16.6	17.6	17.0	15.7	16.2	14.7	220bp
Other Income	1,044	1,115	902	1,168	1,204	1,524	1,319	4,229	5,500	1,500	-12.0
Interest	12	12	12	12	15	16	15	49	55	8	90.0
Depreciation	1,030	1,091	1,139	1,155	1,152	1,193	1,249	4,414	5,044	1,350	-7.5
PBT	10,422	10,968	11,058	11,920	12,337	14,004	10,853	44,369	46,912	9,624	12.8
Effective Tax Rate (%)	28.3	28.3	28.3	30.0	28.4	28.3	28.9	28.7	27.8	28.3	60bp
Adj. PAT	7,475	7,861	7,932	8,347	8,831	10,042	7,720	31,615	33,848	6,900	11.9
Growth (%)	32.8	3.0	36.1	32.2	18.1	27.7	-2.7	24.4	7.1	-13.3	

E: MOSL Estimates

Thermax

BSE SENSEX 28,290
S&P CNX 8,769

CMP: INR877

TP: INR706(-20%)

Sell

We will revisit our estimates post earnings call/management interaction.

Conference Call Details



Date: 9th February 2017

Time: 11:30am IST

Dial-in details:

+91-22-39381079

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	52.6	46.0	47.9
EBITDA	4.1	4.1	4.7
NP	2.8	2.9	3.3
EPS (INR)	23.5	24.6	27.6
EPS Gr. (%)	8.2	4.6	12.3
BV/Sh. (INR)	197.7	212.4	229.1
RoE (%)	12.5	12.2	12.5
RoCE (%)	11.3	10.6	12.2
Payout (%)	32.9	34.4	33.7
Div. Yield	1.0	1.1	1.2

Results below estimates led by weak execution in Energy segment

- Revenue of INR8.1b (-21.4% YoY) missed our estimate of INR9.7b, led by weak revenue booking in the energy segment (-29% YoY to INR5.8b).
- Gross margin stood at 49.6% (+790bp YoY), driven by better product mix.
- EBIDTA was flat YoY at INR806m, below our estimate of INR902m.
- EBIDTA margin of 9.9% (+210bp YoY) was above our estimate of 9.3%.
- PAT at INR566m (-11.1% YoY) was below our estimate of INR614m.
- Order inflow grew robustly by 17%, led by orders from the overseas market. Orders from the domestic market, however, witnessed a decline.

Valuation and view: We will revisit our estimates post the earnings call. Outlook on growth and ordering pickup will be keenly sought. Based on current estimates, it trades at 28.2/24.4x FY18E/19E EPS of INR27.6/32. Maintain **Sell**.

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E	MOSL 3Q Est	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	10,173	10,829	10,354	12,932	8,145	8,708	8,136	13,596	44,589	39,138	9,664	-15.8%
Change (%)	21.2	-9.1	-9.7	-14.3	-19.9	-19.6	-21.4	5.1	-5.1	-12.2	(7.0)	
EBITDA	788	907	806	1,182	637	773	806	1,470	3,742	3,687	902	-10.6%
Change (%)	36.5	-25.8	-38.6	-27.3	-19.1	-14.7	0.0	24.4	-20.4	-1.5	-8.7	
As of % Sales	7.7	8.4	7.8	9.1	7.8	8.9	9.9	10.8	8.4	9.4	9.3	
Depreciation	158	157	160	135	168	166	157	212	609	704	187	
Interest	12	12	12	-1	7	7	6	27	46	46	10	
Other Income	210	195	248	478	211	289	206	172	1,140	877	185	
Extra-ordinary Items												
PBT	829	933	882	1,526	673	888	850	1,402	4,227	3,814	890	-4.5%
Tax	271	315	245	413	221	292	283	372	1,252	1,168	276	
Effective Tax Rate (%)	32.7	33.8	27.7	27.0	32.8	32.8	33.3	26.5	29.6	30.6	31.0	
Reported PAT	558	618	637	1,113	452	597	566	1,030	2,975	2,646	614	-7.8%
Change (%)	34.8	(28.2)	(16.4)	(15.9)	(19.0)	(3.5)	(11.1)	(7.4)	(11.4)	(11.1)	-9.5	
Adj PAT	558	618	637	1,113	452	597	566	1,030	2,975	2,646	614	-7.8%
Change (%)	34.8	(28.2)	(16.4)	(15.9)	(19.0)	(3.5)	(11.1)	(7.4)	(11.4)	(11.1)	(9.5)	

E: MOSL Estimates

Endurance Technologies

BSE SENSEX 27836.51
S&P CNX 8615.25

CMP: INR630 TP: INR693(+10%) Buy

We will revisit our estimates post earnings call/management interaction.

Conference Call Details



Date: 9th February 2017

Time: 10:00am IST

Dial-in details:

+91-22-3938 1075

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Sales	56.4	64.2	72.5
EBITDA	7.4	8.8	10.2
NP	3.2	4.0	4.9
EPS (Rs)	22.6	28.7	34.6
EPS Gr (%)	9.3	26.8	20.7
BV/Share (INR)	123.9	148.5	175.6
P/E (x)	27.8	22.0	18.2
EV/EBITDA (x)	12.7	10.5	8.9
RoE (%)	19.9	21.1	21.4
RoCE (%)	14.5	16.5	18.2

Above est.; strong growth in subs, lower other exp. drive performance
Standalone revenues stable, ~10% growth in subs

- Consol. net sales grew ~2.4% YoY to ~INR13.2b (est. of ~INR12.9b), driven by ~10% growth in subsidiaries. Standalone (S/A) revenues declined just ~1% YoY, despite ~4.4% decline in 2W industry volumes.
- Consol. EBITDA grew 5% YoY (-12% QoQ) to ~INR1.77b (est. of INR1.65b).
- EBITDA margin expanded ~30bp YoY (-50bp QoQ) to 13.4% (est. of 12.8%), driven by lower other expenses. S/A EBITDA margin contracted 10bp YoY (-90bp QoQ) to 11.7%, whereas subsidiaries EBITDA margin expanded ~90bp YoY (-50bp QoQ) to 17.1%.
- Adj. PAT grew ~13.6% YoY (-17% QoQ) to ~INR743m (est. of ~INR659m).

Key questions for management

- Feedback on demand recovery in India business.
- Driver of revenue growth in standalone between OEM, Exports and Aftermarket.
- Any one-offs in other expenses or is it sustainable?
- Update on collaboration for ABS.
- Key driver of growth in European business. Customer-wise growth split.
- Update on machining plant commissioning in Germany.

Valuation and view: We will revisit our estimates post the earnings call. Based on our current estimates, it trades at 22x/18.2x FY18E/19E EPS. Maintain **Buy** with a TP of INR693 (~20x Mar-19 EPS).

Quarterly Performance (Consolidated)

Y/E March	FY16			FY17			FY16	FY17E	FY17 3QE	Variance (%)
	1Q	2Q	3Q	1Q	2Q	3Q				
Net Sales	12,710	13,468	12,896	14,381	14,482	13,203	39,075	42,066	12,923	2
YoY Change (%)				13.1	7.5	2.4		7.7	0.2	
RM Cost (% of sales)	59.5	60.5	60.3	58.1	57.8	57.8	60.1	57.9	56.6	120bp
Staff Cost (% of sales)	9.7	8.5	9.2	9.8	8.9	10.5	9.1	9.7	10.4	0bp
Other Expenses (% of sales)	18.6	17.9	17.5	19.3	19.4	18.3	18.0	19.0	20.1	-190bp
EBITDA	1,543	1,772	1,683	1,844	2,008	1,769	4,998	5,621	1,653	7
Margins (%)	12.1	13.2	13.1	12.8	13.9	13.4	12.8	13.4	12.8	60bp
Depreciation	549	598	628	684	699	741	1,775	2,124	699	6
Interest	135	146	119	104	81	88	400	273	81	8
Other Income	115	78	33	110	54	73	227	236	54	36
PBT before EO expense	974	1,107	968	1,166	1,281	1,014	3,049	3,460	927	9
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	974	1,107	968	1,166	1,281	1,014	3,049	3,460	927	9
Tax	211	329	314	334	388	271	853	993	267	1
Rate (%)	21.6	29.7	32.4	28.7	30.3	26.7	28.0	28.7	28.8	-220bp
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	764	778	654	832	893	743	2,196	2,468	659	13
Adj PAT	764	778	654	832	893	743	2,196	2,468	659	13
YoY Change (%)				8.9	14.8	13.6		12.4		
Margins (%)	6.0	5.8	5.1	5.8	6.2	5.6	5.6	5.9	5.1	50bp

E: MOSL Estimates



Bloomberg	ABB IN
Equity Shares (m)	211.9
M. Cap. (INR b)/(USD b)	220 / 3
52-Week Range (INR)	1433/950
1,6,12 Rel Perf. (%)	-2 / -13 / -11

CMP: INR1,037 TP: INR1,125 (+8%) Neutral

- ABB has received an order to supply 1,600 traction transformers for 800 new electric freight locomotives in India. The transformers will be manufactured locally in ABB's Vadodara facility, supporting the government's 'Make in India' initiative.
- ABB continues to focus on increased localization and cost optimization, whereby its direct RM costs have declined to 65.4% of revenue, from a peak of 81% in 4QCY10. The company has set an internal target to reduce it to 65% over next few years. This has aided margins, despite negative operating leverage.
- We expect revenue to register 11% YoY growth, led by execution ramp-up in the project segment. Operating margins are expected to decline 90bp YoY to 10.2%, as contribution from projects increases (56% of sales as against 63% in 4QCY15). Net profit is likely to increase 5% YoY to INR1.4b. **Maintain Neutral.**

Financial Snapshot (INR b)

Y/E Dec	2015	2016E	2017E	2018E
Net Sales	81.4	88.3	99.6	111.3
EBITDA	7.5	7.5	11.1	12.9
Adj PAT	3.0	3.7	5.7	6.8
Adj EPS (INR)	15.8	18.2	26.9	32.2
EPS Gr (%)	22.8	15.6	48.0	19.3
BV/Sh (INR)	142.0	159.5	186.5	208.9
RoE (%)	11.1	11.4	14.5	15.4
RoCE (%)	17.5	16.3	21.8	22.9
Payout (%)	23.5	25.2	26.1	26.1
Valuations				
P/E (x)	65.8	57.0	38.5	32.3
P/BV (x)	7.3	6.5	5.6	5.0
EV/EBITDA (x)	29.8	22.9	17.5	13.3
Div. Yield (%)	0.4	0.4	0.7	0.8

Key issues to watch

- Management commentary suggests cautious optimism; continued focus on exports and services to be an important driver, with projection of strong double-digit revenue and profit growth.
- Continued preference for cash generation vis-à-vis profits.

Quarterly Performance (INR m)

Y/E December	CY15				CY16				CY15	CY16E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	18,146	19,316	19,690	24,251	20,003	21,015	20,550	26,779	80,152	87,158
Change (%)	(0.7)	6.0	6.7	8.3	10.2	8.8	4.4	10.4	5.0	8.7
EBITDA	1,436	1,610	1,557	2,697	1,571	1,701	1,516	2,721	7,465	7,509
Change (%)	5.0	15.2	15.3	41.2	9.4	5.6	-2.7	0.9	24.6	0.6
As % of Sales	7.9	8.3	7.9	11.1	7.9	8.1	7.4	10.2	9.3	8.6
Depreciation	422	375	359	442	359	357	406	477	1598	1598
Interest	208	246	250	207	206	180	178	221	912	786
Other Income	7	10	5	108	148	44	44	366	130	578
PBT	813	999	954	2,155	1,154	1,208	976	2,389	5,086	5,704
Tax	270	315	366	796	364	434	427	620	1,747	1,845
Effective Tax Rate (%)	33.2	31.5	38.4	36.9	31.5	35.9	43.8	26.0	34.4	32.4
Reported PAT	543	575	587	1,294	710	774	811	1,424	2,999	3,718
Adj. PAT	543	685	587	1,359	790	774	871	1,424	3,339	3,858
Change (%)	-13.4	12.8	4.9	42.8	45.5	13.1	48.2	4.8	22.8	15.6
Order Intake	18,560	18,950	22,920	20,580	18,300	20,400	29,670	26,340	81,000	94,710
Order Book	79,730	79,560	82,750	79,460	78,040	77,520	86,760	77,449	79,460	123,830
BTB (x)	1.0	1.0	1.0	1.0	0.9	0.9	1.0	0.9	1.0	1.4

E: MOSL Estimates, *: As reported by ABB



Aurobindo Pharma

Bloomberg	ARBP IN
Equity Shares (m)	585.2
M. Cap. (INR b)/(USD b)	390 / 6
52-Week Range (INR)	895 / 582
1,6,12 Rel Perf. (%)	-9 / -10 / -25

CMP: INR666 TP: 1050(+58%) Buy

- We expect Aurobindo (ARBP) to post 10% YoY sales growth to INR38.5b in 3QFY17, aided by sustained traction in the US.
- We expect US business (~58% of formulation sales) to grow 18% YoY in 3Q. Europe and RoW sales are expected to exhibit modest 3% YoY growth, while API sales are estimated to grow ~5% YoY in 3Q.
- EBITDA margin is likely to expand 100bp YoY to 24.5% (stable sequentially). Overall EBITDA is estimated to grow 15% YoY to INR9.45b. We expect reported PAT at INR6.1b, compared to INR5.3b in the corresponding quarter last year.
- The stock trades at 13.3x FY18E EPS, which is at ~15% discount to peers. We maintain Buy as we expect the valuation gap to narrow on account of the company's increasing profitability, strong earnings growth trajectory (25% CAGR) and improving free cash flow. Maintain Buy.

Financial Snapshot (INR Billion)

y/e march	2016	2017E	2018E	2019E
Sales	139.0	155.2	178.5	203.3
EBITDA	32.1	37.7	44.6	50.8
NP	19.8	24.6	29.2	33.3
EPS (INR)	33.9	42.0	49.9	56.9
EPS Gro. (%)	25.5	23.9	18.9	14.0
BV/Sh. (INR)	120.6	160.1	207.5	261.8
RoE (%)	32.5	29.9	27.2	24.2
RoCE (%)	20.8	20.6	20.7	19.8

Valuations

P/E (x)	19.7	15.9	13.3	11.7
P/BV (x)	5.5	4.2	3.2	2.5
EV/EBITDA (x)	13.2	11.2	9.2	7.7
EV/Sales (x)	3.0	2.7	2.3	1.9
Div. Yield (%)	0.2	0.3	0.3	0.4

Key issues to watch out

- Debt reduction during the quarter.
- Outlook on US business (~35-40 launches expected over next 12 months).
- Profitability of acquired Actavis business in Europe.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	32,989	33,651	34,955	37,468	37,666	37,755	38,595	41,199	138,961	155,214
YoY Change (%)	13.3	16.8	10.4	18.5	14.2	12.2	10.4	10.0	14.6	11.7
EBITDA	7,251	7,791	8,230	8,824	8,890	9,292	9,456	10,080	32,056	37,717
Margins (%)	22.0	23.2	23.5	23.5	23.6	24.6	24.5	24.5	23.1	24.3
Depreciation	890	926	995	1,113	1,062	1,102	1,050	1,154	3,926	4,368
Interest	208	241	227	251	206	175	200	233	927	815
Other Income	294	122	69	206	159	83	150	158	3,137	3,496
PBT before EO expense	6,446	6,746	7,077	7,666	7,780	8,098	8,356	8,851	30,339	36,029
Extra-Ord expense	106	439	-129	-46	-70	-202	0	2	660	-270
PBT	6,340	6,306	7,206	7,711	7,850	8,300	8,356	8,849	29,680	36,299
Tax	1,634	1,767	1,860	2,097	2,008	2,240	2,250	2,340	7,444	8,839
Rate (%)	25.8	28.0	25.8	27.2	25.6	27.0	26.9	26.4	25.1	24.3
Minority Interest	-19	4	-3	-14	-8	3	-15	-30	-39	-50
Reported PAT	4,725	4,536	5,350	5,629	5,850	6,057	6,121	6,538	22,275	27,511
Adj PAT	4,784	4,856	5,251	5,582	5,789	5,912	6,106	6,510	20,304	24,366
YoY Change (%)	15.8	20.9	32.3	38.7	21.0	21.8	16.3	16.6	36.6	20.0
Margins (%)	14.5	14.4	15.0	14.9	15.4	15.7	15.8	15.8	14.6	15.7

E: MOSL Estimates



BPCL

Bloomberg	BPCL IN
Equity Shares (m)	1446.2
M. Cap. (INR b)/(USD b)	948 / 14
52-Week Range (INR)	695 / 366
1,6,12 Rel Perf. (%)	7 / 21 / 44

Financial snapshot (INR b)

y/e March	2016	2017E	2018E	2019E
Sales	1,884	1,844	2,182	2,275
EBITDA	142	142	150	154
Adj. PAT	80	80	81	86
Adj. EPS (INR)	55.2	55.5	56.3	59.8
EPS Gr.%	104.1	67.0	2.1	7.7
BV/Sh.INR	193.8	230.2	267.3	306.6
RoE (%)	31.6	26.2	22.6	20.8
RoCE (%)	18.8	16.0	15.1	14.9
Payout*(%)	33.0	34.3	34.1	34.3
Valuation				
P/E (x)	11.8	11.8	11.6	10.9
P/BV (x)	3.4	2.8	2.4	2.1
EV/EBITDA (x)	8.2	8.3	7.7	7.3
Div. Yld (%)	2.4	2.5	2.5	2.7

CMP: INR656 TP: INR756 (+15%) Buy

- We expect OMCs' (IOCL, BPCL, HPCL) core earnings to improve, led by improvement in refining margins QoQ. Also, on a reported basis, earnings would increase due to inventory gains during 3QFY17.
- We model nil subsidy-sharing for OMCs; the subsidy in 3QFY17 would entirely be borne by the government.
- We peg BPCL's refinery throughput at 6.43mmt for 3QFY17 v/s 5.87mmt in 3QFY16 and 6.39mmt in 2QFY17.
- We expect BPCL to report PAT of INR22.5b in 3QFY17 (+73% QoQ, +52% YoY).
- BPCL trades at 11.6x FY18E EPS and 2.4x FY18E BV (adjusted for investments), with ~3% dividend yield. Buy.

Key issues to watch for

- (a) Inventory and forex change impact, (b) GRM, (c) Kochi refinery expansion, and (d) update on Mozambique/Brazil E&P blocks.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	519,167	464,227	466,131	441,455	468,902	446,464	458,795	480,527	1,890,981	1,854,688
YoY Change (%)	-22.2	-25.1	-19.5	-14.0	-9.7	-3.8	-1.6	8.9	-20.5	-1.9
Total Expenditure	481,481	451,415	442,500	407,075	430,195	433,114	424,811	454,961	1,782,471	1,743,080
EBITDA	37,686	12,813	23,631	34,380	38,707	13,351	33,984	25,567	108,510	111,608
Margins (%)	7.3	2.8	5.1	7.8	8.3	3.0	7.4	5.3	5.7	6.0
Depreciation	5,372	4,172	4,564	4,435	4,315	4,524	4,582	4,582	18,543	18,002
Interest	1,147	1,074	975	2,433	1,111	1,024	1,482	1,482	5,629	5,099
Other Income	3,794	7,373	3,545	7,461	4,134	10,687	5,953	5,953	22,174	26,726
PBT	34,962	14,940	21,637	34,973	37,415	18,489	33,873	25,455	106,512	115,232
Tax	11,200	4,760	6,751	9,482	11,210	5,437	11,290	8,484	32,193	36,421
Rate (%)	32.0	31.9	31.2	27.1	30.0	29.4	33.3	33.3	30.2	31.6
Reported PAT	23,762	10,180	14,886	25,491	26,205	13,052	22,583	16,971	74,319	78,811
Adj PAT	23,762	10,180	14,886	25,491	26,205	13,052	22,583	16,971	74,319	78,811
YoY Change (%)	95.4	119.3	170.1	-10.6	10.3	28.2	51.7	-33.4	46.2	6.0
Margins (%)	4.6	2.2	3.2	5.8	5.6	2.9	4.9	3.5	3.9	4.2
Key Assumptions										
Refining throughput (mmt)	6.1	6.0	5.9	6.2	6.2	6.4	6.4	6.4	21.5	24.5
GRM (USD/bbl)	8.6	3.9	7.7	6.3	6.1	3.1	8.3	5.6	6.6	5.8
Mkt. sales volume incl exports (mmt)	9.3	9.1	9.7	10.3	10.1	9.6	10.0	10.0	38.4	39.6
Marketing GM per litre (INR/litre)	4.4	3.0	3.2	4.9	4.5	3.1	3.3	3.3	4.4	3.3

E: MOSL Estimates



Bank of India

Bloomberg	BOI IN
Equity Shares (m)	1055.4
M. Cap. (INR b)/(USD b)	114 / 2
52-Week Range (INR)	129 / 79
1,6,12 Rel Perf. (%)	-9 / 1 / -10

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
NII	117.2	107.6	136.1	154.9
OP	60.4	80.1	94.7	100.8
NP	-60.9	-4.2	19.5	26.5
NIM (%)	2.1	1.9	2.2	2.2
EPS (INR)	-74.5	-4.0	18.5	25.1
EPS Gr. (%)	NM	NM	-562.6	35.7
ROE (%)	-24.5	-1.7	7.5	9.5
ROA (%)	-1.0	-0.1	0.3	0.3
BV/Sh. (INR)	283	239	254	273
ABV/Sh. (INR)	61	86	129	184
Div. Payout (%)	0.0	0.0	23.2	23.2
Valuations				
P/E(X)	-1.4	-27.0	5.8	4.3
P/BV (X)	0.38	0.45	0.42	0.39
P/ABV (X)	1.77	1.26	0.84	0.59
Div. Yield (%)	0.0	0.0	3.4	4.7

CMP: INR108 TP: INR125 (+14) Neutral

- Continued asset quality strain and capital conservation efforts would keep loan growth below the industry average – expect 4% decline on a YoY basis, although deposit growth will pick up marginally. We expect NIM to decline marginally QoQ to ~1.9%
- Non-interest income is likely to grow ~70% YoY, led by higher non-core income. Fee income is expected to remain muted.
- We expect operating profit to decline 26% QoQ (but grow 30% YoY) as a result of lower NII growth and one-off gains booked from stake sale in the previous quarter. Continued deterioration in asset quality would keep provisioning elevated.
- BOI trades at 0.4x FY18E BV and 5.8x FY18E EPS. Maintain Neutral.

Key issues to watch for

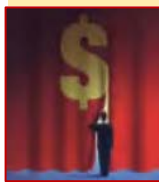
- Stress addition trends and outlook for FY17.
- Upgrade/recovery trends; management is targeting INR175b in FY17 v/s INR85.5b in FY16.
- Quantum of loans rescheduled under the 5:25 scheme.
- Outlook on balance sheet growth and further capital infusion.
- Update on asset monetization plan to increase Tier I ratio.

Quarterly Performance

(INR Million)

	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Interest Income	29,127	30,197	27,080	31,872	27,752	27,197	26,224	26,472	117,246	107,646
% Change (Y-o-Y)	8.4	-0.4	-2.6	12.0	-4.7	-9.9	-3.2	-16.9	3.0	-8.2
Other Income	8,406	7,781	10,473	8,836	12,384	20,106	19,174	19,723	36,525	71,388
Net Income	37,533	37,978	37,553	40,708	40,136	47,304	45,398	46,195	153,772	179,034
Operating Expenses	20,490	23,396	23,463	26,066	23,597	22,375	27,037	25,899	93,415	98,908
Operating Profit	17,042	14,583	14,090	14,642	16,539	24,928	18,361	20,297	60,356	80,125
% Change (Y-o-Y)	-17.3	-31.7	-24.5	2.6	-3.0	70.9	30.3	38.6	-19.4	32.8
Other Provisions	15,147	32,374	36,039	54,704	27,702	22,962	18,000	17,757	138,264	86,421
Profit before Tax	1,895	-17,791	-21,950	-40,062	-11,163	1,966	361	2,540	-77,908	-6,296
Tax Provisions	598	-6,529	-6,894	-4,191	-3,750	698	119	855	-17,016	-2,078
Net Profit	1,297	-11,262	-15,056	-35,871	-7,414	1,268	242	1,685	-60,892	-4,218
% Change (Y-o-Y)	-83.9	-243.3	-968.4	NM	NM	NM	NM	NM	NM	NM
Operating Parameters										
NIM (Reported, %)	2.1	2.3	2.0	2.1	2.2	2.2			2.1	
NIM (Cal, %)	2.1	2.2	1.9	2.3	2.0	2.0	1.9	1.9	2.1	2.0
Deposit Growth (%)	1.5	1.3	-0.3	-3.6	-2.0	-3.8	0.3	2.0	-3.6	2.0
Loan Growth (%)	3.5	-1.1	-3.2	-7.2	-1.9	-1.8	-4.3	5.2	-7.2	5.2
CD Ratio (%)	77.7	75.2	75.1	74.3	77.8	76.8	71.7	76.6	74.3	76.6
Asset Quality										
OSRL (INR b)	193.9	193.1	172.7	128.7	119.5	120.1			128.7	
OSRL (%)	4.9	4.9	4.3	3.4	3.1	3.1			3.4	
Gross NPA (INR b)	268.9	298.9	365.2	498.8	518.7	522.6	524.1	523.9	498.8	523.9
Gross NPA (%)	6.8	7.6	9.2	13.1	13.4	13.5	13.8	13.1	13.1	13.1

E: MOSL Estimates



Bata India

Bloomberg	BATA IN
Equity Shares (m)	128.5
M. Cap. (INR b)/(USD b)	59 / 1
52-Week Range (INR)	614 / 400
1,6,12 Rel Perf. (%)	12 / -15 / -13

CMP: INR463 TP: INR483 (+4%) Buy

- Bata's revenue has declined 10-15% in November – sales were severely affected in the first week of demonetization, but somewhat improved thereafter. Bata rolled out some company-level schemes in the second week of demonetization, the response to which has been in line with management expectations.
- We expect revenue to decline 8% YoY (and 2.7% QoQ) to INR5.68b in 3QFY17.
- EBITDA is likely to decline 32% YoY to INR540m, with margin decline of 340bp to 9.5%.
- On a high base, adjusted PAT is expected to decline 30% YoY to INR314m.

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	24.3	23.1	26.0	29.5
EBITDA	2.7	2.4	3.0	3.7
NP	1.4	1.4	1.8	2.3
EPS (INR)	11.2	10.9	14.2	17.7
EPS Gr. (%)	-31.2	-2.8	30.5	24.5
BV/Sh.(INR)	92.0	100.4	111.0	124.5
RoE (%)	13.1	11.3	13.4	15.0
RoCE (%)	13.2	11.4	13.5	15.1
Payout (%)	25.4	22.2	25.5	23.9

Valuations

P/E (x)	41.5	42.7	32.7	26.3
P/BV (x)	5.1	4.6	4.2	3.7
EV/EBITDA (x)	20.8	23.4	18.2	14.4
Dividend yield	0.8	0.4	0.6	0.8

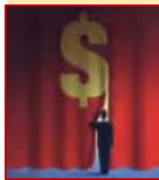
Key things to watch for

- SSS growth during the quarter.
- Share of accessories in total revenue.
- Impact on margins due to promotional campaigns.
- New store additions.

Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17E
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	6,849	5,747	6,176	5,447	6,746	5,837	5,682	5,012	24,220	23,145
YoY Change (%)	10.1	4.9	15.0	10.9	-1.5	1.6	-8.0	-8.0	NM	-4.4
Total Expenditure	6,015	5,267	5,378	4,894	5,926	5,302	5,142	4,560	21,554	20,784
EBITDA	834	480	798	553	820	535	540	451	2,666	2,361
Margins (%)	12.2	8.4	12.9	10.2	12.2	9.2	9.5	9.0	11.0	10.2
Depreciation	194	192	195	206	162	160	170	180	788	679
Interest	5	6	4	3	7	13	4	3	18	14
Other Income	78	97	71	104	110	141	110	100	350	450
PBT before EO expense	713	380	669	447	761	504	476	368	2,210	2,118
Extra-Ord expense	430	318	0	0	0	0	0	0	747	0
PBT	1,143	697	669	447	761	504	476	368	1,463	2,118
Tax	240	154	224	169	257	158	162	125	787	720
Rate (%)	33.7	40.6	33.5	37.7	33.8	31.3	34.0	34.0	35.7	34.0
Reported PAT	902	543	445	279	504	346	314	243	2,185	1,398
Adj PAT	473	226	445	279	504	346	314	243	1,439	1,398
YoY Change (%)	-22.3	-42.1	27.4	10.5	6.6	53.2	-29	-12.9	315.9	-3
Margins (%)	6.9	3.9	7.2	5.1	7.5	5.9	5.5	4.8	5.9	6.0

E: MOSL Estimates



Escorts

Bloomberg	ESC IN
Equity Shares (m)	119.3
M. Cap. (INR b)/(USD b)	38 / 1
52-Week Range (INR)	414 / 113
1,6,12 Rel Perf. (%)	-1 / 47 / 90

CMP: INR321 TP: INR410 (+30%) Buy

- We expect 21% YoY growth (+8% QoQ) in revenue (on a very low base) to INR10.74b led by strong performance in tractor division. Construction equipment division is currently facing headwinds while we expect some impact in this quarter due to divestment of its Auto equipment business (done in August 2016).
- EBITDA margin is likely to expand 395bp YoY to 7.8%, translating into EBITDA growth of 146% YoY to INR838m.
- We expect PAT to grow 137% YoY to INR483m.

Financial Snapshot (INR b)

INR million	2016	2017E	2018E	2019E
Sales	35.4	41.1	47.8	53.8
EBITDA	1.5	3.0	4.4	5.5
NP	0.9	1.7	2.8	3.8
EPS (INR)	11.1	20.7	34.2	46.2
EPS Gr. (%)	-16.6	86.2	65.0	35.2
BV/Sh. (INR)	184.3	196.3	223.4	260.9
RoE (%)	6.1	10.9	16.3	19.1
RoCE (%)	7.4	10.6	15.7	18.9
Valuations				
P/E (x)	29.3	15.7	9.5	7.1
P/BV (x)	1.8	1.7	1.5	1.2
EV/EBITDA (x)	31.4	14.8	9.7	7.1
EV/Sales (x)	1.3	1.1	0.9	0.7

Key issues to watch

- Progress on key initiatives on tractor volume growth strategy, raw material rationalizations and VRS of employees.
- Management commentary on volumes and outlook given expectations of normal monsoon.

Standalone Quarterly Performance

(INR Million)

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	9,614	8,180	8,881	8,047	10,514	9,953	10,746	9,174	34,723	40,387
YoY Change (%)	-14.8	-17.6	-15.1	-1.6	9.4	21.7	21.0	14.0	-12.9	16.3
Total Expenditure	9,039	7,920	8,540	7,659	9,636	9,329	9,908	8,513	33,157	37,386
EBITDA	576	260	341	388	878	625	838	661	1,566	3,001
Margins (%)	6.0	3.2	3.8	4.8	8.3	6.3	7.8	7.2	4.5	7.4
Depreciation	161	155	149	137	145	163	175	185	601	668
Interest	158	133	112	152	112	96	100	102	555	410
Other Income	118	138	131	187	104	71	90	95	574	361
PBT before expense	374	110	212	287	725	437	653	469	983	2,283
Extra-Ord expense	0	11	-1	131	63	39	410	70	142	582
PBT	374	99	212	155	662	398	243	399	841	1,702
Tax	22	1	7	-9	192	85	63	104	22	444
Rate (%)	6.0	1.5	3.4	-5.7	29.1	21.4	26.0	26.0	2.6	26.1
Reported PAT	352	98	205	164	470	313	180	295	819	1,257
Adj PAT	352	109	204	303	514	343	483	347	957	1,687
YoY Change (%)	3.1	-238.3	-42.8	137.7	46.2	215.9	136.6	14.4	28.1	76.3
Margins (%)	3.7	1.3	2.3	3.8	4.9	3.4	4.5	3.8	2.8	4.2

E: MOSL Estimates



Bloomberg	LPC IN
Equity Shares (m)	447.5
M. Cap. (INR b)/(USD b)	669 / 10
52-Week Range (INR)	1912 / 1294
1,6,12 Rel Perf. (%)	-4 / -2 / -21

CMP: INR1,494 TP: INR1,825 (+22%) Buy

- We expect Lupin's (LPC) 3QFY17 revenue to grow 19.4% YoY to INR42.4b, aided by buoyant performance in US generic segment (gGlumetza and gFortamet sales, consolidation of Gavis financials).
- India business is expected to exhibit 13% YoY growth to INR9.8b. Japan sales are expected to improve 20.3% YoY to INR4.5b in 3QFY17, aided by currency tailwinds.
- EBITDA is estimated to improve 19.7% YoY to INR10.5b, with EBITDA margin at 24.7%.
- Reported PAT is likely to grow 17.8% YoY to INR6.2b, slower than EBITDA growth, due to higher interest expenses.
- Key growth drivers for FY17/18 will be the strong product pipeline for the US, including higher contribution from oral contraceptives and launches in niche areas of ophthalmic and dermatology. The stock trades at 19.4x FY18E EPS. Maintain Buy.

Financial Snapshot (INR Billion)

Y/E MARCH	2016	2017E	2018E	2019E
Sales	142.1	174.6	205.6	232.1
EBITDA	37.5	45.2	55.1	63.8
NP	22.7	27.7	34.7	40.1
EPS (INR)	50.4	61.6	77.0	89.0
EPS Gro. (%)	-5.7	22.2	25.1	15.5
BV/Sh. (INR)	243.8	295.6	362.1	440.6
RoE (%)	22.9	22.8	23.4	22.2
RoCE (%)	16.8	15.3	16.4	16.4

Valuations

P/E (x)	29.6	24.3	19.4	16.8
P/BV (x)	6.1	5.1	4.1	3.4
EV/EBITDA (x)	19.5	15.6	12.5	10.4
Div. Yield (%)	0.5	0.6	0.6	0.6

Key issues to watch out

- Gavis sales ramp-up.
- Outlook on future ANDA launches and Gavis integration.
- Impact of new competition in Glumetza and Fortamet.
- Outlook on inorganic growth initiatives.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	31,561	33,297	35,558	41,707	44,677	42,905	42,453	44,538	142,085	174,574
YoY Change (%)	-5.5	4.9	11.9	35.5	41.6	28.9	19.4	6.8	11.3	22.9
EBITDA	8,248	6,626	8,772	13,050	13,080	10,281	10,499	11,354	37,534	45,215
Margins (%)	26.1	19.9	24.7	31.3	29.3	24.0	24.7	25.5	26.4	25.9
Depreciation	1,014	1,155	1,114	1,487	2,027	2,112	2,110	2,073	4,635	8,322
Interest	70	241	92	213	320	263	350	277	446	1,210
Other Income	757	578	653	349	826	271	600	603	1,877	2,300
PBT	7,921	5,809	8,219	11,699	11,560	8,177	8,639	9,606	34,330	37,982
Tax	2,258	1,591	2,909	4,188	2,734	1,589	2,300	2,672	11,536	9,496
Rate (%)	28.5	27.4	35.4	35.8	23.7	19.4	26.6	27.8	33.6	25.0
Minority Interest	-3	27	13	51	6	8	98	263	88	375
Recurring PAT	5,686	4,198	5,298	7,479	8,820	6,622	6,241	6,671	22,707	28,112
YoY Change (%)	-9.0	-33.4	-11.9	36.7	55.1	58.0	17.8	-10.8	-5.5	23.8
Margins (%)	18.0	12.6	14.9	17.9	19.7	15.4	14.7	15.0	16.0	16.1

E: MOSL estimates; Quarterly nos will not add up to full year nos due to restatement of past quarters



Page Industries

Bloomberg	PAG IN
Equity Shares (m)	11.2
M. Cap. (INR b)/(USD b)	154 / 2
52-Week Range (INR)	17351 / 9770
1,6,12 Rel Perf. (%)	2 / 1 / -2

CMP: INR13,782 TP: INR17,100 (+24%) Buy

- We expect Page to report net sales of INR4.8b, up 9% YoY, led by double-digit volume growth.
- We expect EBITDA margin to contract 50bp YoY to 20%, and PAT to post 13.3% YoY growth to INR650m.
- The stock trades at 44.1x FY18E EPS of INR312.7; maintain Buy.

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	17.8	21.1	26.1	32.1
EBITDA	3.8	4.2	5.5	6.8
Adj. PAT	2.3	2.8	3.5	4.5
Adj. EPS (INR)	208.6	247.4	312.7	402.4
EPS Gr. %	18.7	18.6	26.4	28.7
FCF to PAT	0.8	0.6	0.6	0.9
BV/Sh.INR	453.0	576.6	733.0	914.1
RoE (%)	46.0	42.9	42.7	44.0
RoCE (%)	42.6	40.2	41.1	45.3
Payout (%)	49.1	50.0	50.0	55.0

Valuations

P/E (x)	66.1	55.7	44.1	34.2
EV/EBITDA (x)	40.9	36.4	28.1	22.4

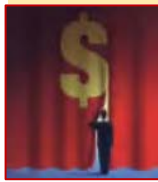
Key issues to watch for

- Volume trends and management commentary on demand environment.
- Update on foray into kidswear segment.
- GST impact.

Quarterly Performance (INR m)

Y/E MARCH	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	4,489	4,663	4,408	4,343	5,719	5,378	4,805	5,160	17,840	21,062
YoY Change (%)					27.4	15.3	9.0	18.8	15.6	18.1
COGS	1,783	1,808	1,653	1,630	2,570	2,156	1,802	1,868	6,913	8,395
Gross Profit	2,705	2,855	2,755	2,712	3,149	3,222	3,003	3,293	10,927	12,667
Gross margin (%)	60.3	61.2	62.5	62.5	55.1	59.9	62.5	63.8	61.2	60.1
Other Expenditure	1,701	1,844	1,852	1,811	2,057	2,147	2,042	2,182	7,150	8,428
% to sales	37.9	39.6	42.0	41.7	36.0	39.9	42.5	42.3	40.1	40.0
EBITDA	1,004	1,011	904	901	1,092	1,075	961	1,111	3,776	4,239
Margins (%)	22.4	21.7	20.5	20.7	19.1	20.0	20.0	21.5	21.2	20.1
YoY Change					8.8	6.3	6.3	23.3	18.5	12.2
Depreciation	56	58	57	69	59	60	51	50	238	221
Interest	50	37	34	36	39	40	40	50	153	170
Other Income	56	9	2	3	59	62	60	61	62	242
PBT	953	926	814	800	1,053	1,037	929	1,072	3,448	4,090
Tax	327	323	241	241	373	350	279	326	1,116	1,328
Rate (%)	34.3	34.9	29.5	30.2	35.5	33.8	30.0	30.5	32.4	32.5
PAT	626	602	574	558	679	687	650	745	2,332	2,762
YoY Change (%)					8.5	14.0	13.3	33.5	19.0	18.4

E: MOSL Estimates



Power Grid Corporation

Bloomberg	PWGR IN
Equity Shares (m)	5231.6
M. Cap. (INR b)/(USD b)	974 / 14
52-Week Range (INR)	196 / 129
1,6,12 Rel Perf. (%)	0 / 15 / 28

CMP: INR186

TP: INR209

Buy

- We expect PWGR's adjusted PAT to grow 23% YoY to INR19b on higher capitalization. We estimate capitalization at INR70b.
- We expect regulated equity base to increase to INR420b by 3QFY17 from INR369b in 2QFY16.
- We estimate core-RoE of 17.3% (v/s 17.2% in 2Q).

Financial Snapshot (INR Million)

y/e march	2016	2017E	2018E	2019E
Sales	213.5	263.9	311.6	350.8
EBITDA	186.0	234.3	278.8	314.5
NP	60.1	74.4	87.8	100.7
EPS (INR)	11.5	14.2	16.8	19.3
EPS Gr. (%)	18.2	23.6	18.1	14.7
BV/Sh. (INR)	82.6	94.5	108.2	119.5
RoE (%)	14.7	16.1	16.6	16.9
RoCE (%)	6.6	7.4	8.0	8.5
Payout (%)	20.8	17.1	18.1	42.0

VALUATION

P/E (x)	11.9	12.7	10.8	9.4
P/BV (x)	1.7	1.9	1.7	1.5
EV/EBITDA	9.5	9.1	7.8	7.0
Div. Yield (%)	1.5	1.1	1.4	3.7

Key issues to watch for

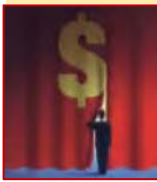
- Capitalization/capex guidance for FY18.
- Details on competitively bid projects.
- Development on green energy projects, state JVs, etc.

Quarterly Performance

INR million

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	47,170	49,046	53,596	57,536	60,691	62,254	66,159	66,075	207,348	255,598
Change (%)	19.8	18.1	23.1	23.4	28.7	26.9	23.4	14.8	21.2	23.3
EBITDA	41,369	43,051	47,486	50,874	53,688	55,746	59,272	59,027	182,781	227,903
Change (%)	22.8	21.1	27.0	26.6	29.8	29.5	24.8	16.0	24.5	24.7
As of % Sales	87.7	87.8	88.6	88.4	88.5	89.5	89.6	89.3	88.2	89.2
Depreciation	13,695	14,481	15,805	17,847	17,573	18,769	20,191	21,158	61,828	77,691
Interest	11,091	11,490	12,875	14,773	15,178	15,876	16,447	15,783	50,230	63,283
Other Income	710	1,224	1,452	2,079	1,902	2,507	2,538	-905	5,464	6,098
Extraordinary Inc / (Exp)	0	0	0	0	0	0	0	0	0	0
PBT	17,293	18,304	20,259	20,332	22,840	23,608	25,173	21,180	76,188	93,027
Tax	3,628	3,823	4,127	4,341	4,819	4,888	5,286	4,448	15,920	19,536
Effective Tax Rate (%)	21.0	20.9	20.4	21.4	21.1	20.7	21.0	21.0	20.9	21.0
Reported PAT	13,665	14,480	16,131	15,991	18,022	18,720	19,887	16,732	60,267	73,491
Adjusted (Pre Exceptional)	13,665	14,480	16,131	15,991	18,022	18,720	19,887	16,732	60,267	73,491
Change (%)	14.7	19.7	28.8	13.2	31.9	29.3	23.3	4.6	19.0	21.9

E: MOSL Estimates



Bloomberg	SAIL IN
Equity Shares (m)	4130.4
M. Cap. (INR b)/(USD b)	209 / 3
52-Week Range (INR)	56 / 34
1,6,12 Rel Perf. (%)	-2 / 10 / 2

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	395.0	450.5	574.5	673.4
EBITDA	-28.6	0.7	5.3	63.9
NP	-37.0	-43.0	-58.9	-5.7
Adj. EPS (INR)	-9.0	-10.4	-14.3	-1.4
EPS Gr(%)	-271.5	16.1	37.1	-90.4
BV/Sh. (INR)	95.5	84.7	70.4	69.1
RoE (%)	-8.8	-11.5	-18.4	-2.0
RoCE (%)	-6.0	-3.4	-3.7	3.4
Payout (%)	0.0	0.0	0.0	0.0

Valuation

P/E (x)	-5.5	-4.7	-3.4	-35.8
P/BV	0.5	0.6	0.7	0.7
EV/EBITDA (x)	-19.5	929.4	132.5	11.3
Div. Yield (%)	0.0	0.0	0.0	0.0

CMP: INR51

TP: 28 (-45%)

Sell

- We estimate SAIL to turn EBITDA negative in 3QFY17 at INR2.2b on increase in coking coal prices and impact of demonetization on volumes.
- Realization is estimated to increase 12% QoQ to INR34,816/t, coming off a weak base (monsoon in 2Q) and cost pressure-led price increase.
- EBITDA/t loss is estimated at ~INR730, as against profit of ~INR310/t in 2Q.
- PAT loss is estimated at INR14.9b, up from INR6b in 2Q.

Key issues to watch for

- Commissioning of ISP and Bhilai capacity expansion.

Quarterly Performance

(INR Million)

Y/E March (Standalone)	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Production (m tons)	3.1	2.7	3.0	3.6	3.4	3.5	3.4	3.7	12.4	14.0
Change (YoY %)	4.5	-18.3	-4.6	5.0	10.1	30.6	13.2	2.5	-3.4	13.1
Sales (m tons)	2.7	2.7	2.9	3.8	2.8	3.6	3.1	3.5	12.1	13.0
Change (YoY %)	-2.3	-6.7	1.4	19.3	4.1	31.4	6.9	-6.9	3.3	7.5
Realization (INR per ton)	35,313	33,797	30,825	30,163	32,993	31,182	34,816	38,080	32,290	34,299
Change (YoY %)	-14.2	-15.1	-20.6	-17.7	-6.6	-7.7	12.9	26.2	-17.3	6.2
Net Sales	95,028	92,569	89,391	113,716	92,381	112,256	107,930	133,661	390,704	446,227
Change (%)	-16.2	-20.7	-19.5	-1.8	-2.8	21.3	20.7	17.5	-14.5	14.2
EBITDA	-817	-7,685	-13,815	-11,235	2,338	1,114	-2,259	-5,448	-33,551	-4,256
Change (YoY %)	-107.2	-157.5	-214.4	-220.8	-386.2	-114.5	-83.6	-51.5	-172.9	-87.3
EBITDA per ton (INR)	-303	-2,806	-4,764	-2,980	835	310	-729	-1,552	-2,773	-327
EBITDA per ton (USD)	-5	-43	-72	-44	12	5	-11	-23	-42	-5
Interest	4,430	4,674	5,242	6,121	5,941	6,028	6,521	6,815	20,468	25,304
Depreciation	4,261	4,358	4,591	7,786	6,002	6,659	7,145	7,625	20,995	27,432
Other Income	1,743	1,306	1,046	1,735	893	682	560	557	5,830	2,691
PBT (after EO Inc.)	-7,765	-15,410	-22,603	-23,406	-9,254	-12,531	-15,367	-19,332	-69,184	-56,484
Total Tax	-4,549	-7,651	-7,315	-11,097	-3,899	-5,215	-461	-580	-30,612	-10,155
% Tax	58.6	49.6	32.4	47.4	42.1	41.6	3.0	3.0	44.2	18.0
Reported PAT	-3,216	-7,760	-15,287	-12,309	-5,355	-7,316	-14,906	-18,752	-38,572	-46,329
Adjusted PAT	-3,216	-7,760	-15,287	-12,309	-5,042	-6,358	-14,906	-18,752	-38,572	-44,539
Change (YoY %)	-160.7	-219.5	-465.4	-468.3	56.8	-18.1	-2.5	52.3	-301.4	15.5

E: MOSL Estimates



1. Titan: Barrage of product launches helped weather note ban storm; Bhaskar Bhat, Managing Director

- A "barrage" of product launches had helped the company weather the storm triggered by the note ban last November.
- Demonetisation was an "unparalleled and unexpected event"; the Q3FY17 results could have been much better had there been no demonetisation.
- The festive and wedding season had provided a fillip to the company's jewellery and watch businesses.
- Expect topline growth to continue; the note ban had prompted the migration of several unorganised players to the organised sector, which could change the dynamics of the retail sector.
- The situation post demonetisation is returning to normal and we do not expect growth to slow down. GST would also benefit organised players.

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2. Godrej: GST to boost economic growth in last 3 qtrs of fy18; Adi Godrej, Chairman

- The implementation of the Goods and Services Tax (GST) can add 1.5-2.0% to the country's GDP.
- Sectors lagging right now due to various reasons, including demonetisation, will pick up strongly, and the last 3 quarters of FY18 will be very good for the economy.
- With remonetisation taking place well, confident of good growth in the consumer products' business in the January-March quarter.
- Talking about the competition from Patanjali, we pay more attention to our consumers than competitors.

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1. Biggest economic reform. by TK Arun

- In the wake of the Union Budget, debates sprout on if the Budget did enough to stimulate growth. Such debates reinforce the notion that Budgets boost growth. Mistakenly. What hobbles India's growth is bad politics. Politics has to reform, if the economy is to gallop ahead. And political reform is something that goes beyond Budgets. Take the power sector. About 30% of the power that is generated is not paid for, and nearly half the installed generation capacity remains idle. That cripples the sector, makes investment made in power generation a mill around the necks of the brave souls who ventured into power, many of whom are quietly drowning in the debt they took on to finance their expensive projects.

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2. Not an open book. by The Businessline

- One of the key criticisms levelled against the Modi government in its ongoing war on black money was that it had done very little to tackle the prodigious use of unaccounted money in elections. Under extant laws, political parties were free to accept cash without limit as donations, subject to all contributions in excess of ₹20,000 being disclosed to the Election Commission (EC) by way of a report. But the finance minister has proposed changes in the 2017 budget to “cleanse the system of political funding”.

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3. Future project. by Rana Kapoor

- Budget FY18 has laid strong focus on transparency, governance, unleashing the power of youth. The robust framework presented by the Budget especially on digitalisation, tax reforms for MSMEs, and policy impetus for an entrepreneurial ecosystem can fiscally strengthen the economy and fuel the ‘Indian Dream’ of inclusive India. The Budget has tried to holistically strengthen the less-cash economy to tidy the system, catalyse transformational impact and accentuate private capital through low-cost credit in order to pass the benefits to the bottom of the pyramid.

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4. Uday discom revival plan: States not able to meet targets. by The Financial Express

- Though Tamil Nadu, the latest state to sign on to the UDAY discom revival package, is confident of being able to break even in FY18 without increasing tariffs, the performance of most signatory states is disappointing. According to an analysis by Motilal Oswal, based on data for 12 states in H1FY17 on the power ministry's UDAY website, ATC losses have widened for 10 of the 12 states—ATC losses, by and large, are the fulcrum of the UDAY package since, if these fall fast enough, even without a significant hike in electricity tariffs, state electricity boards (SEBs) can start breaking even; at an aggregate level, ATC losses were projected to fall over 3 percentage point every year to reach 15% by FY19 from the current level of 22%.

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5. Demonetisation: As cash comes back, digital payments in india retreat. by The Financial Express

- The government may have left no stone unturned to promote a less-cash, digital economy, but the latest data from RBI indicates that it would take much more than just new apps and m-wallets to change habits. While cashless transactions had become common during demonetisation, as people had little alternative, with RBI bringing back currency notes into the economy, digital transactions are climbing down. In fact, data for January released by the central bank shows that digital transactions fell 7% to R96,794 billion from R1,04,055 billion a month ago. The fall was much stark with volumes coming down 10% from 957.5 billion to 858.1 billion.

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6. The budget sidesteps geostrategic risks. by Rajrishi Singhal

- Both the budget document and the Economic Survey have painstakingly detailed risks that endanger the Indian economy and can disrupt growth and employment impulses. Yet, the budget seems to contain very little—by way of either allocations or strategic intent—to mitigate these risks. The focus seems to be on surmounting immediate electoral challenges and neutralizing near-term policy distortions like demonetization. Both Union finance minister Arun Jaitley and his chief economic adviser Arvind Subramanian see major risks emanating from the external sector.

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International

7. Five brexit challenges as britain leaps into the unknown . by Martin Wolf

- The UK government's proposed legislation on its planned exit from the EU contains an extraordinary statement: "Whilst Parliament has remained sovereign throughout our membership of the EU, it has not always felt like that." The government is correct, as I argued during the referendum campaign: the UK parliament has always been sovereign, as is being proved by its ability to trigger Brexit. What sane country would sever its ties to its most important trading partners and its strategic position in its continent's councils over a feeling that its own government agrees is erroneous?

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Automobiles														
Amara Raja	Buy	875	1,087	24	28.7	29.2	37.7	29.9	23.2	5.9	4.9	25.8	21.6	23.1
Ashok Ley.	Buy	95	114	20	3.9	4.8	6.4	19.8	14.9	4.3	3.6	20.9	23.1	26.3
Bajaj Auto	Buy	2,786	3,432	23	131.8	136.2	160.6	20.5	17.4	5.8	5.0	33.2	30.0	31.0
Bharat Forge	Buy	968	1,096	13	28.1	25.8	36.4	37.5	26.6	5.7	5.0	18.7	15.9	20.0
Bosch	Neutral	22,946	20,937	-9	483.3	507.6	657.7	45.2	34.9	9.4	7.8	19.4	19.7	24.5
Eicher Mot.	Buy	23,868	29,172	22	492.9	625.6	870.8	38.2	27.4	13.6	9.7	35.8	41.2	41.3
Endurance Tech.	Buy	630	715	13	20.7	22.6	28.7	27.8	22.0	5.1	4.2	22.4	19.9	21.1
Escorts	Buy	391	410	5	11.1	20.7	34.2	18.9	11.4	2.0	1.7	6.1	10.9	16.3
Exide Ind	Buy	209	205	-2	7.4	8.2	9.7	25.4	21.6	3.6	3.2	14.1	14.2	14.9
Hero Moto	Neutral	3,224	3,120	-3	158.3	169.5	192.2	19.0	16.8	6.8	5.8	43.6	39.0	37.5
M&M	Buy	1,278	1,499	17	53.6	66.0	83.7	19.4	15.3	1.6	1.4	15.4	14.5	14.5
Mahindra CIE	Not Rated	194	-		4.2	6.2	9.7	31.3	20.0	2.2	2.0	4.5	7.7	10.3
Maruti Suzuki	Buy	6,194	6,808	10	177.6	247.5	307.5	25.0	20.1	5.7	4.7	19.9	22.8	23.2
Tata Motors	Buy	513	775	51	36.9	29.0	45.6	17.7	11.2	1.9	1.7	18.3	11.5	15.9
TVS Motor	Buy	397	462	16	9.1	11.9	15.4	33.5	25.8	8.1	6.5	24.1	26.4	27.9
Aggregate								23.8	17.9	4.0	3.4	18.8	16.9	19.2
Banks - Private														
Axis Bank	Neutral	488	535	10	34.5	14.1	25.0	34.7	19.5	2.1	1.9	17.1	6.3	10.3
DCB Bank	Neutral	135	134	0	6.8	7.1	8.6	19.0	15.6	2.0	1.7	11.8	10.9	11.8
Equitas Hold.	Buy	186	240	29	6.2	6.1	6.9	30.7	26.8	2.8	2.5	13.3	11.3	9.9
Federal Bank	Buy	83	105	26	2.8	4.6	5.5	18.1	15.2	1.6	1.5	6.0	9.4	10.4
HDFC Bank	Buy	1,307	1,510	16	48.6	56.9	68.3	23.0	19.1	4.0	3.4	18.3	18.6	19.3
ICICI Bank	Buy	286	345	21	16.7	17.2	17.9	16.6	16.0	1.3	1.2	11.3	10.4	9.9
IDFC Bank	Neutral	63	68	8		3.1	3.9	20.7	16.0	1.5	1.4		7.4	8.9
IndusInd	Buy	1,320	1,535	16	38.4	48.4	58.7	27.3	22.5	4.0	3.4	16.6	15.5	16.4
J&K Bank	Neutral	71	75	5	8.6	Loss	13.0	Loss	5.5	0.7	0.6	6.6	Loss	11.6
Kotak Mah. Bk	Buy	768	940	22	18.9	26.3	32.3	29.2	23.8	3.7	3.2	10.9	13.5	14.5
RBL Bank	Buy	394	450	14	9.0	12.4	17.5	31.6	22.5	3.4	3.1	11.2	12.6	14.4
South Indian	Neutral	23	21	-10	2.5	2.8	3.1	8.4	7.5	0.8	0.7	9.3	9.7	10.0
Yes Bank	Buy	1,411	1,575	12	60.4	79.3	97.0	17.8	14.6	3.6	3.0	19.9	22.1	22.6
Aggregate								23.6	18.6	2.8	2.5	13.7	12.0	13.6
Banks - PSU														
BOB	Buy	187	223	19	Loss	12.3	18.8	15.2	9.9	1.2	1.1	Loss	8.1	11.5
BOI	Neutral	133	125	-6	Loss	Loss	18.5	Loss	7.2	0.6	0.5	Loss	Loss	7.5
Canara	Neutral	310	300	-3	Loss	23.9	36.7	12.9	8.4	0.6	0.6	Loss	4.9	7.2
IDBI Bk	Neutral	83	49	-40	Loss	1.5	6.4	53.9	12.8	0.8	0.7	Loss	1.4	5.8
Indian Bk	Buy	299	330	10	14.8	30.4	32.2	9.8	9.3	1.0	0.9	5.5	10.4	10.2
OBC	Neutral	128	114	-11	4.9	6.6	19.6	19.5	6.5	0.3	0.3	1.2	1.7	4.8
PNB	Buy	150	172	15	Loss	8.5	13.2	17.7	11.4	0.8	0.8	Loss	4.8	7.0
SBI	Buy	277	338	22	15.7	9.8	23.3	28.2	11.9	1.2	1.1	7.6	7.5	9.2
Union Bk	Buy	167	168	1	19.7	15.6	30.4	10.7	5.5	0.5	0.5	7.0	5.2	9.5
Aggregate								18.9	11.9	0.9	0.8	-2.7	4.6	7.0
NBFCs														
Bajaj Fin.	Buy	1,050	1,276	21	23.9	34.1	44.6	30.8	23.5	6.3	5.1	21.1	22.5	24.1
Bharat Fin.	Buy	816	883	8	23.8	45.2	43.2	18.0	18.9	4.1	3.3	24.9	30.0	19.4
Dewan Hsg.	Buy	296	405	37	25.0	30.7	35.6	9.6	8.3	1.5	1.3	15.1	16.6	16.6
GRUH Fin.	Neutral	359	348	-3	6.7	7.9	9.8	45.8	36.6	13.0	10.7	31.5	31.0	32.1
HDFC	Buy	1,400	1,580	13	32.6	36.1	38.4	38.8	36.5	5.6	5.1	20.9	19.6	19.6
Indiabulls Hsg	Buy	835	1,015	21	55.7	69.5	86.2	12.0	9.7	3.0	2.6	27.1	26.0	28.9
LIC Hsg Fin	Buy	555	693	25	32.9	37.6	44.7	14.8	12.4	2.6	2.2	19.6	19.1	19.5
Manappuram	Not Rated	93	-		3.5	3.8	4.3	24.3	21.7	2.7	2.6	10.8	11.4	12.2
M&M Fin.	Buy	300	323	8	11.9	8.4	11.1	35.5	27.1	2.7	2.5	11.4	7.7	9.7
Muthoot Fin	Buy	334	373	12	20.3	27.5	32.0	12.1	10.4	2.1	1.9	15.1	18.4	19.0
PFC	Neutral	135	117	-13	23.8	24.0	25.5	5.6	5.3	0.9	0.8	18.3	16.8	16.2



Company	Reco	CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Downside	FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Repco Home	Buy	740	842	14	24.0	25.7	37.7	28.8	19.6	4.2	3.5	17.0	15.7	19.6
REC	Neutral	143	134	-6	28.5	29.4	35.3	4.9	4.1	0.9	0.7	21.0	18.8	19.5
Shriram City Union	Buy	1,993	2,500	25	80.4	91.2	130.5	21.9	15.3	2.6	2.3	12.3	12.7	16.1
STF	Buy	957	1,225	28	53.3	58.1	77.9	16.5	12.3	1.9	1.7	12.2	12.3	14.7
Aggregate								16.1	13.8	2.8	2.4	17.7	17.2	17.7
Capital Goods														
ABB	Neutral	1,208	1,125	-7	15.8	18.2	26.9	66.4	44.8	7.6	6.5	11.1	11.4	14.5
Bharat Elec.	Buy	1,565	1,800	15	56.9	61.9	73.3	25.3	21.4	4.6	4.1	15.6	19.7	19.0
BHEL	Sell	156	115	-26	Loss	5.5	5.7	28.2	27.3	1.1	1.1	Loss	4.0	4.0
CG Cons. Elec.	Buy	192	205	7	1.9	4.6	5.5	42.1	35.2	31.9	21.7	52.1	94.3	73.3
Crompton Grv.	Sell	72	48	-33	2.1	0.6	1.9	128.5	38.6	1.0	1.0	3.0	4.2	6.0
Cummins	Neutral	906	990	9	27.2	26.6	30.5	34.0	29.7	7.2	6.6	24.9	22.6	23.2
GE T&D	Neutral	309	340	10	3.0	6.0	11.0	51.4	28.0	6.1	5.5	5.9	11.7	20.7
Havells	Buy	442	440	0	7.8	8.9	12.0	49.4	36.9	9.7	8.7	19.0	19.5	23.6
Inox Wind	Neutral	184	175	-5	20.7	19.4	16.5	9.5	11.2	1.8	1.6	27.9	21.2	15.3
K E C Intl	Buy	158	175	11	7.4	10.5	12.3	15.0	12.9	2.3	2.0	13.5	16.6	16.8
L&T	Buy	1,503	1,620	8	44.7	53.1	63.7	28.3	23.6	2.9	2.7	9.9	10.8	12.0
Pennar Eng.	Not Rated	134	-		8.8	10.5	12.4	12.7	10.8	1.8	1.6	14.2	14.5	14.6
Siemens	Neutral	1,220	1,260	3	16.9	17.0	25.3	71.8	48.2	6.6	6.1	11.8	9.2	12.6
Solar Ind	Neutral	722	690	-4	18.4	19.3	22.9	37.4	31.5	6.5	5.6	20.2	18.6	19.0
Suzlon Energy	Not Rated	17	-		Loss	Loss	0.6	Loss	29.5	Loss	Loss	Loss	Loss	Loss
Thermax	Sell	877	706	-20	23.5	24.8	27.6	35.4	31.8	4.1	3.8	12.5	12.2	12.5
Va Tech Wab.	Buy	490	620	27	16.3	25.2	32.6	19.4	15.0	2.4	2.2	9.7	13.2	15.4
Voltas	Neutral	334	370	11	11.7	11.8	14.0	28.3	23.8	4.1	3.7	15.3	15.4	16.4
Aggregate								32.1	26.2	3.5	3.2	7.6	10.8	12.2
Cement														
Ambuja Cem.	Buy	239	246	3	5.5	5.7	6.9	42.2	34.5	1.8	1.7	8.3	5.9	7.1
ACC	Neutral	1,493	1,339	-10	37.6	33.7	46.7	44.3	32.0	3.3	3.4	8.5	7.5	10.4
Birla Corp.	Buy	745	759	2	20.4	33.8	44.5	22.0	16.7	1.7	1.6	5.9	8.5	9.8
Dalmia Bharat	Buy	1,923	2,246	17	21.5	32.3	50.7	59.6	37.9	4.1	3.7	5.5	7.2	10.4
Grasim Inds.	Neutral	975	1,067	9	48.3	70.2	86.5	13.9	11.3	1.6	1.4	9.2	12.0	13.1
India Cem	Neutral	164	138	-16	4.4	7.3	10.7	22.4	15.4	1.3	1.2	3.9	5.8	7.6
J K Cements	Buy	837	938	12	14.5	32.6	37.2	25.7	22.5	3.2	2.9	6.3	13.3	13.6
JK Lakshmi Ce	Buy	388	455	17	0.4	5.9	12.2	65.6	31.7	3.4	3.3	0.3	5.2	10.5
Ramco Cem	Buy	676	815	21	23.4	29.0	31.9	23.3	21.2	4.3	3.7	19.5	20.3	18.9
Orient Cem	Buy	137	167	22	3.0	Loss	3.2	Loss	43.2	2.9	2.7	6.2	Loss	6.6
Prism Cem	Buy	102	102	0	0.1	0.9	3.5	114.1	29.0	5.0	4.3	0.7	4.5	16.0
Shree Cem	Buy	15,871	19,006	20	238.5	387.1	582.8	41.0	27.2	7.5	6.0	14.5	19.9	24.4
Ultratech	Buy	3,717	4,058	9	79.3	93.5	129.6	39.8	28.7	4.4	3.9	11.0	11.7	14.5
Aggregate								31.8	23.7	3.6	3.0	9.6	11.2	12.8
Consumer														
Asian Paints	Neutral	998	1,035	4	18.7	20.2	22.9	49.3	43.5	15.1	13.2	34.7	32.5	32.3
Britannia	Buy	3,227	3,380	5	70.1	70.6	82.1	45.7	39.3	17.2	13.7	55.9	42.2	38.8
Colgate	Buy	885	1,115	26	22.7	21.7	25.8	40.8	34.3	21.3	20.0	68.9	54.9	60.1
Dabur	Neutral	266	300	13	7.1	7.3	8.3	36.4	32.0	9.5	8.1	33.3	28.3	27.3
Emami	Buy	1,117	1,260	13	25.2	24.5	29.8	45.6	37.4	13.5	11.4	43.4	33.8	33.0
Godrej Cons.	Neutral	1,564	1,655	6	33.2	36.8	42.8	42.5	36.5	8.8	7.5	23.4	22.4	22.2
GSK Cons.	Neutral	5,061	5,465	8	167.1	157.7	178.8	32.1	28.3	7.5	6.5	30.8	25.1	24.7
HUL	Neutral	854	865	1	19.0	19.3	21.5	44.3	39.7	30.5	31.7	82.4	67.6	78.4
ITC	Buy	275	295	7	7.7	8.4	9.5	32.8	28.9	8.7	7.6	29.3	28.4	28.1
Jyothy Lab	Neutral	350	365	4	4.1	7.6	9.0	46.3	39.0	7.0	6.4	9.1	15.7	17.2
Marico	Buy	272	300	10	5.6	6.1	7.1	44.8	38.5	13.5	11.6	36.9	33.3	32.4
Nestle	Neutral	6,169	6,410	4	119.9	111.5	139.2	55.3	44.3	18.7	16.2	40.9	35.9	39.2
Page Inds	Buy	14,464	17,100	18	208.6	247.4	312.7	58.5	46.3	25.1	19.7	46.0	42.9	42.7



Company	Reco	CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Downside	FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Parag Milk	Neutral	281	285	1	6.7	7.0	9.7	40.0	29.1	3.2	2.9	19.5	10.8	10.5
Pidilite Ind.	Neutral	670	720	7	14.8	16.6	18.3	40.3	36.7	10.4	8.5	29.9	28.0	25.4
P&G Hygiene	Buy	7,006	8,250	18	129.9	145.7	167.7	48.1	41.8	13.0	11.2	30.8	29.0	28.8
Radico Khaitan	Neutral	131	120	-8	6.9	5.3	7.1	24.8	18.5	1.8	1.6	10.3	7.3	9.1
United Brew	Buy	801	1,065	33	11.1	12.3	16.4	64.9	49.0	8.9	7.7	14.8	14.5	16.9
United Spirits	Buy	2,262	2,885	28	16.7	28.6	47.0	79.0	48.1	14.9	11.5	19.8	20.8	24.0
Aggregate								40.7	35.2	11.9	10.4	31.9	29.3	29.6
Healthcare														
Alembic Phar	Neutral	551	630	14	38.2	23.2	27.9	23.7	19.7	5.4	4.4	38.8	24.8	24.7
Alkem Lab	Neutral	1,826	1,800	-1	64.7	77.3	84.4	23.6	21.6	5.1	4.3	23.8	23.9	21.8
Aurobindo	Buy	698	1,050	50	33.9	42.0	49.9	16.6	14.0	4.4	3.4	32.5	29.9	27.2
Biocon	Sell	1,091	750	-31	23.2	33.2	35.6	32.9	30.7	4.8	4.3	11.5	14.7	14.1
Cadila	Buy	372	425	14	15.4	12.0	16.9	31.0	22.0	6.2	5.1	32.8	21.4	25.5
Cipla	Neutral	603	525	-13	18.8	18.1	25.6	33.3	23.6	3.7	3.3	12.8	11.2	13.9
Divis Lab	Neutral	739	815	10	41.9	45.4	51.0	16.3	14.5	4.1	3.6	28.6	26.7	26.5
Dr Reddy's	Neutral	3,021	3,050	1	132.3	77.7	129.4	38.9	23.4	3.7	3.3	18.8	10.0	14.9
Fortis Health	Buy	188	240	28	Loss	Loss	3.5	Loss	53.2	2.2	1.9	Loss	Loss	3.8
Glenmark	Neutral	960	990	3	24.9	41.6	49.2	23.0	19.5	4.7	3.7	16.4	20.5	18.9
Granules	Buy	131	160	23	5.5	7.0	8.0	18.7	16.2	3.2	2.2	21.6	19.9	16.6
GSK Pharma	Neutral	2,728	3,150	15	44.2	50.4	61.8	54.1	44.2	16.0	18.0	22.1	29.6	40.8
IPCA Labs	Neutral	523	540	3	10.5	17.0	29.4	30.7	17.8	2.7	2.4	5.9	9.0	14.1
Lupin	Buy	1,488	1,825	23	50.4	61.6	77.0	24.2	19.3	5.0	4.1	22.9	22.8	23.4
Sanofi India	Buy	4,147	5,200	25	103.2	142.2	172.8	29.2	24.0	5.2	4.7	14.2	17.8	19.4
Sun Pharma	Buy	662	925	40	19.6	27.8	37.9	23.8	17.5	4.6	3.8	16.5	20.3	23.9
Syngene Intl	Not Rated	519	-		11.1	13.0	16.1	39.9	32.2	8.1	6.6	23.3	22.2	22.5
Torrent Pharma	Buy	1,268	1,700	34	59.7	56.8	76.3	22.3	16.6	5.4	4.4	34.4	26.0	29.2
Aggregate								26.0	19.7	6.1	5.1	25.8	23.7	25.7
Logistics														
Allcargo Logistics	Buy	173	196	13	10.8	10.5	12.8	16.5	13.5	2.4	2.1	13.2	13.3	16.9
Blue Dart	Not Rated	4,284	-		84.4	102.5	129.9	41.8	33.0	18.5	14.1	55.5	50.5	48.6
Concor	Neutral	1,287	1,317	2	40.6	36.3	45.9	35.5	28.0	3.0	2.8	10.2	8.6	10.3
Gateway Distriparks	Buy	265	313	18	11.4	9.6	15.6	27.7	17.0	2.3	2.1	10.1	8.3	12.8
Gati	Not Rated	122	-		3.2	9.3	17.6	13.2	7.0	2.0	1.8	5.1	12.4	19.4
Transport Corp.	Not Rated	189	-		13.5	16.9	21.0	11.1	9.0	1.7	1.5	15.4	16.7	17.8
Aggregate								29.4	22.4	3.3	3.0	11.6	11.3	13.5
Media														
Dish TV	Buy	88	115	30	6.5	1.7	3.2	52.4	28.0	Loss	10.5	NM	38.2	46.1
D B Corp	Buy	381	450	18	16.2	21.1	23.9	18.1	16.0	4.6	4.1	22.6	27.0	27.1
Den Net.	Neutral	85	75	-12	Loss	Loss	1.9	Loss	45.8	1.0	0.9	Loss	Loss	2.1
Hathway Cab.	Buy	36	47	30	Loss	Loss	-0.8	Loss	-46.3	2.7	3.0	Loss	Loss	-6.1
Hind. Media	Buy	276	355	29	24.6	26.5	29.4	10.4	9.4	1.8	1.5	21.9	19.3	17.8
HT Media	Neutral	83	85	2	7.3	8.0	8.2	10.3	10.2	0.8	0.7	7.7	7.7	7.1
Jagran Prak.	Buy	187	215	15	10.5	10.8	12.2	17.4	15.3	3.4	2.9	24.7	20.7	20.6
PVR	Buy	1,282	1,533	20	25.5	20.8	35.7	61.7	35.9	6.3	5.5	18.7	10.6	16.3
Siti Net.	Buy	39	45	14	Loss	Loss	2.7	Loss	14.4	4.1	2.8	0.1	Loss	23.5
Sun TV	Under Review	706	-		21.1	25.4	30.3	27.8	23.3	7.0	6.4	23.4	25.3	27.6
Zee Ent.	Buy	513	600	17	10.6	12.2	17.6	42.0	29.1	9.9	8.0	27.0	31.3	30.3
Aggregate								33.6	24.2	5.8	5.0	18.2	17.4	20.7
Metals														
Hindalco	Buy	189	230	22	12.0	17.7	21.8	10.7	8.7	1.7	1.4	11.6	16.5	17.9
Hind. Zinc	Neutral	318	282	-11	19.8	21.5	25.4	14.8	12.5	3.1	2.6	20.7	22.5	22.6
JSPL	Neutral	92	88	-4	Loss	Loss	Loss	Loss	Loss	0.5	0.6	Loss	Loss	Loss
JSW Steel	Buy	190	226	19	Loss	Loss	19.0	Loss	10.0	2.1	1.8	Loss	16.4	19.6
Nalco	Buy	72	73	2	2.7	3.7	4.8	19.4	14.9	1.3	1.3	5.4	7.1	8.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
NMDC	Buy	145	162	12	8.4	10.9	10.8	13.3	13.4	1.9	1.9	15.9	12.8	14.2
SAIL	Sell	67	28	-58	Loss	Loss	Loss	Loss	Loss	0.8	0.9	Loss	Loss	Loss
Vedanta	Neutral	252	250	-1	10.8	21.4	27.3	11.8	9.2	1.3	1.2	7.9	13.0	14.8
Tata Steel	Sell	471	401	-15	7.7	17.4	43.8	27.1	10.8	3.8	3.0	4.6	12.6	31.3
Aggregate								19.5	14.2	1.6	1.5	5.1	8.4	10.8
Oil & Gas														
BPCL	Buy	719	756	5	55.2	55.5	56.4	13.0	12.8	3.1	2.7	31.6	26.2	22.7
Cairn India	Neutral	276	-		11.4	14.0	12.5	19.7	22.1	1.0	1.0	4.0	5.3	4.6
GAIL	Neutral	485	429	-11	18.1	28.7	36.4	16.9	13.3	1.8	1.7	7.7	12.9	13.2
Gujarat St. Pet.	Neutral	166	163	-2	7.9	8.8	11.0	18.8	15.0	2.1	1.9	11.7	12.0	13.5
HPCL	Buy	572	543	-5	38.0	52.7	45.1	10.8	12.7	2.7	2.3	22.4	26.6	19.7
IOC	Buy	396	458	16	20.3	43.5	39.9	9.1	9.9	2.2	1.9	13.6	25.9	20.7
IGL	Neutral	1,016	898	-12	29.7	42.0	43.7	24.2	23.3	5.0	4.3	18.4	21.8	19.8
MRPL	Neutral	112	114	2	7.6	12.9	12.7	8.7	8.8	2.4	2.0	22.6	31.0	24.7
Oil India	Buy	337	382	13	28.7	27.5	39.0	12.3	8.6	1.1	1.1	10.4	9.5	12.7
ONGC	Neutral	194	204	5	13.6	12.6	21.1	15.5	9.2	1.3	1.2	9.6	8.6	13.8
PLNG	Buy	376	411	9	11.2	19.8	26.9	19.0	14.0	3.8	3.2	14.0	21.5	24.7
Reliance Ind.	Neutral	1,026	1,057	3	93.0	99.2	107.9	10.3	9.5	1.1	1.0	12.0	11.6	11.4
Aggregate								11.4	10.0	1.5	1.3	11.4	12.8	13.3
Retail														
Jubilant Food	Neutral	992	1,008	2	15.0	12.8	22.4	77.4	44.3	8.1	8.8	13.4	10.4	19.9
Shopper's Stop	Neutral	309	300	-3	5.8	4.1	8.0	75.6	38.6	3.0	2.8	6.3	4.2	7.7
Titan Co.	Neutral	425	420	-1	8.0	9.2	9.7	46.0	44.0	9.1	8.0	21.3	21.2	19.3
Aggregate								49.9	43.7	8.1	7.4	16.8	16.2	16.8
Technology														
Cyient	Buy	463	600	30	30.7	33.4	42.7	13.9	10.8	2.2	1.9	16.5	15.9	17.8
HCL Tech.	Buy	808	980	21	40.1	58.1	64.7	13.9	12.5	3.5	3.1	21.5	27.3	26.7
Hexaware	Neutral	198	220	11	12.9	13.7	15.3	14.5	12.9	3.5	3.0	28.9	26.5	25.0
Infosys	Buy	936	1,250	33	59.0	62.8	67.8	14.9	13.8	3.1	2.8	24.7	23.2	22.5
KPIT Tech	Neutral	133	150	13	14.1	11.7	13.8	11.4	9.6	1.7	1.4	21.0	14.0	15.9
L&T Infotech	Buy	688	800	16	52.4	54.2	57.5	12.7	12.0	4.8	4.0	45.3	41.8	36.2
Mindtree	Neutral	450	530	18	35.9	25.1	33.7	17.9	13.3	3.0	2.6	27.4	17.1	21.0
Mphasis	Neutral	565	550	-3	34.5	42.6	41.4	13.3	13.7	2.0	1.9	12.3	14.1	14.4
NIIT Tech	Neutral	428	470	10	45.7	38.2	49.3	11.2	8.7	1.5	1.4	19.0	14.2	16.5
Persistent Sys	Neutral	605	730	21	37.2	38.9	46.2	15.5	13.1	2.5	2.4	19.5	17.5	18.9
Tata Elxsi	Buy	1,495	1,780	19	49.7	59.3	72.1	25.2	20.7	9.7	7.7	46.3	42.5	41.3
TCS	Neutral	2,263	2,500	10	123.2	135.2	145.3	16.7	15.6	5.3	4.5	37.1	33.8	31.1
Tech Mah	Buy	474	550	16	35.1	32.5	36.6	14.6	12.9	2.7	2.4	23.4	20.1	20.0
Wipro	Neutral	460	560	22	36.1	33.4	37.2	13.8	12.4	2.2	2.0	20.3	17.0	17.0
Zensar Tech	Buy	914	1,250	37	68.2	68.6	85.0	13.3	10.7	2.5	2.1	24.0	20.0	21.1
Aggregate								15.4	14.1	3.7	3.2	24.4	23.7	22.7
Telecom														
Bharti Airtel	Buy	353	410	16	11.9	11.3	7.9	31.2	44.7	2.0	2.0	7.4	6.7	4.5
Bharti Infratel	Buy	310	435	40	11.8	15.6	16.7	19.9	18.6	3.2	2.9	12.7	15.7	15.9
Idea Cellular	Under Review	110	-		8.6	Loss	Loss	Loss	Loss	1.7	2.1	12.6	Loss	Loss
Tata Comm	Buy	760	811	7	1.6	8.5	31.4	89.4	24.2	-96.3	32.3	-91.6	-75.4	402.2
Aggregate								48.5	104.4	2.4	2.3	9.3	4.9	2.2
Utilities														
Coal India	Neutral	322	297	-8	22.6	16.8	20.0	19.1	16.1	6.6	6.6	42.2	34.5	41.0
CESC	Buy	807	940	17	27.8	48.4	70.7	16.7	11.4	1.8	1.6	3.1	4.7	6.3
JSW Energy	Buy	63	83	33	7.6	4.1	3.3	15.3	19.2	1.2	1.1	15.5	7.7	6.0
NTPC	Buy	172	199	16	12.3	11.9	14.3	14.5	12.0	1.5	1.4	11.9	10.6	11.9
Power Grid	Buy	201	209	4	11.5	14.2	16.8	14.1	12.0	2.1	1.9	14.7	16.1	16.6
Aggregate								16.1	13.6	2.5	2.3	17.7	15.3	16.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Others														
Arvind	Buy	379	430	14	14.0	13.5	21.8	28.0	17.4	2.6	2.3	12.9	10.4	14.0
Bata India	Buy	507	483	-5	11.2	10.9	14.2	46.6	35.7	5.1	4.6	13.1	11.3	13.4
Castrol India	Buy	420	499	19	9.6	12.8	13.4	32.7	31.4	36.1	32.5	76.0	118.4	108.8
Century Ply.	Buy	216	211	-2	7.5	4.6	8.8	47.2	24.6	8.2	6.6	36.3	18.2	29.8
Coromandel Intl	Under Review	340	-		11.8	16.3	20.0	20.9	17.0	3.7	3.3	14.9	18.5	20.4
Dynamatic Tech	Buy	3,070	3,388	10	19.4	67.6	112.9	45.4	27.2	6.3	5.1	4.7	15.1	20.7
Eveready Inds.	Buy	251	287	14	9.2	12.4	13.9	20.3	18.1	6.7	5.4	16.2	37.8	33.1
Interglobe	Neutral	850	1,010	19	55.2	39.3	54.1	21.6	15.7	14.9	13.0	176.5	72.8	88.1
Indo Count	Buy	182	223	22	13.4	15.7	18.5	11.6	9.8	3.7	2.6	48.9	37.8	31.2
Info Edge	Buy	839	1,075	28	13.0	16.9	19.0	49.5	44.1	5.3	4.9	9.2	11.1	11.5
Inox Leisure	Sell	226	207	-8	8.4	2.5	8.2	90.5	27.7	3.5	3.2	14.9	3.8	11.5
Jain Irrigation	Under Review	98	-		2.2	5.5	7.6	17.7	12.9	1.5	1.5	4.0	8.6	11.7
Just Dial	Buy	404	443	10	20.4	17.2	18.5	23.5	21.9	3.6	3.2	21.1	16.5	15.5
Kaveri Seed	Buy	468	577	23	24.9	23.4	28.6	20.0	16.4	3.4	3.1	20.7	17.3	19.8
Kitex Garm.	Buy	435	551	27	23.6	26.0	31.0	16.7	14.0	4.5	3.7	35.5	29.9	28.7
Manpasand	Buy	701	761	9	10.1	14.9	23.8	47.0	29.5	3.4	3.2	11.4	8.6	9.9
MCX	Buy	1,130	1,400	24	23.4	28.3	40.8	39.9	27.7	4.4	4.0	3.5	11.4	15.2
Monsanto	Under Review	2,298	-		60.1	68.4	87.2	33.6	26.3	9.8	9.2	26.4	28.8	35.9
PI Inds.	Buy	895	959	7	22.1	31.3	38.4	28.6	23.3	8.0	6.2	29.2	31.7	30.1
SRF	Buy	1,758	1,915	9	73.7	81.0	105.0	21.7	16.7	3.4	2.9	17.0	16.2	18.2
S H Kelkar	Buy	313	338	8	5.5	7.5	10.1	41.9	30.9	5.4	4.8	12.6	13.5	16.6
Symphony	Sell	1,356	1,053	-22	15.6	27.0	35.1	50.2	38.6	27.3	23.3	35.0	56.8	65.0
TTK Prestige	Neutral	5,686	4,896	-14	100.7	107.8	139.9	52.7	40.6	52.7	40.6	17.2	16.6	19.7
V-Guard	Neutral	215	179	-17	3.7	4.5	5.8	47.5	37.2	11.3	9.3	26.3	26.1	27.4
Wonderla	Buy	379	392	3	10.6	7.0	11.9	54.2	31.7	5.0	4.4	15.8	9.5	14.8



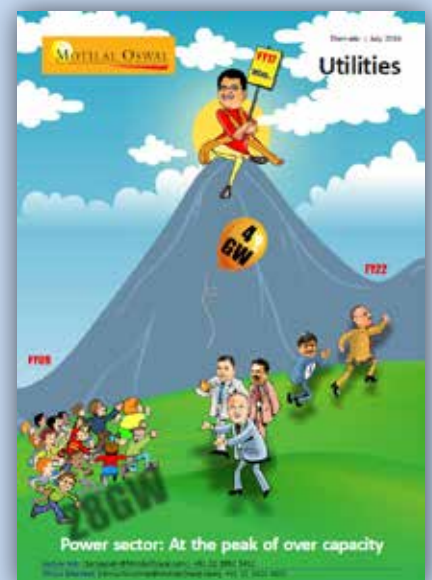
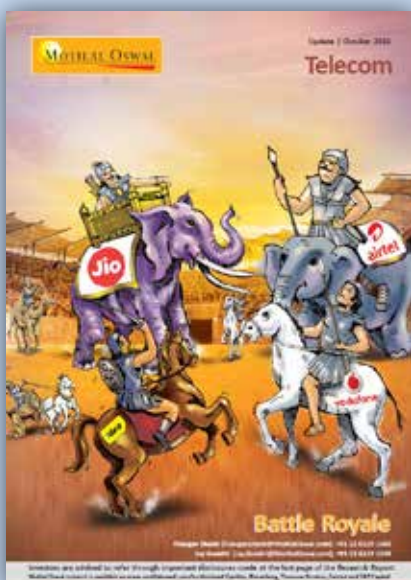
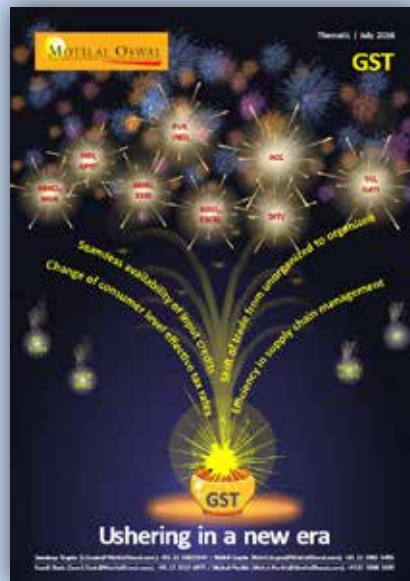
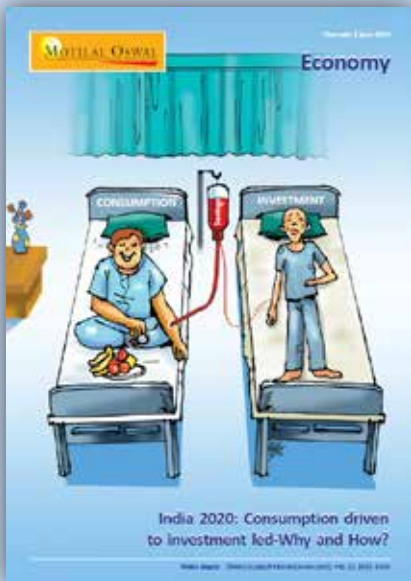
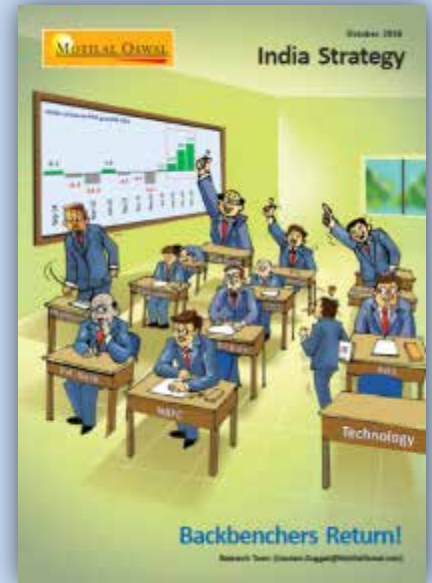
Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-1.4	-5.7	0.4
Ashok Ley.	1.4	12.0	6.8
Bajaj Auto	0.4	2.9	18.6
Bharat Forge	-1.3	6.1	25.7
Bosch	2.5	8.5	40.1
Eicher Mot.	0.6	5.1	29.9
Endurance Tech.	-0.8	12.2	
Escorts	-0.9	19.0	198.9
Exide Ind	0.7	12.2	65.0
Hero Moto	-1.1	5.1	25.5
M&M	1.6	4.8	6.8
Mahindra CIE	0.2	3.2	-10.8
Maruti Suzuki	-0.2	10.3	65.9
Tata Motors	1.2	3.1	58.4
TVS Motor	1.4	3.1	38.4
Banks - Private			
Axis Bank	-1.0	7.2	19.4
DCB Bank	-0.3	18.4	68.7
Equitas Hold.	3.6	25.6	
Federal Bank	0.5	23.7	80.7
HDFC Bank	0.0	9.5	26.0
ICICI Bank	-0.7	10.7	37.1
IDFC Bank	0.1	4.0	16.1
IndusInd	-0.4	15.4	49.2
J&K Bank	-1.3	18.3	-0.3
Kotak Mah. Bk	-0.8	7.3	14.0
RBL Bank	0.3	10.7	
South Indian	0.4	12.9	25.3
Yes Bank	1.0	13.1	83.8
Banks - PSU			
BOB	-0.2	22.1	43.0
BOI	-0.5	20.0	29.9
Canara	-0.6	14.4	56.9
IDBI Bk	1.0	16.2	45.2
Indian Bk	2.8	28.1	238.7
OBC	-1.2	16.2	19.3
PNB	-1.3	25.7	58.8
SBI	-0.1	12.7	61.2
Union Bk	-1.1	29.0	23.7
NBFCs			
Bajaj Fin.	-0.9	19.6	58.5
Bharat Fin.	-0.9	31.2	45.2
Dewan Hsg.	-0.3	19.3	69.9
GRUH Fin.	0.2	9.8	41.9
HDFC	-0.4	14.5	20.5
Indiabulls Hsg	0.9	27.0	24.3
LIC Hsg Fin	0.1	5.8	24.8
Manappuram	1.4	30.0	220.5
M&M Fin.	-0.2	8.7	45.8
Muthoot Fin	-2.3	12.9	81.3
PFC	2.1	4.1	49.3
Repco Home	-0.4	22.9	16.1
REC	1.3	11.7	48.6
STF	0.9	3.1	11.5
Shriram City Union	1.3	8.4	32.7

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	2.4	15.8	9.7
Bharat Elec.	0.2	11.0	27.2
BHEL	2.8	23.5	17.8
CG Cons. Elec.	-0.4	29.3	
Crompton Grv.	-0.1	16.1	63.0
Cummins	0.3	12.2	-4.9
GE T&D	0.1	3.2	-29.7
Havells	1.1	22.5	44.9
Inox Wind	0.1	0.3	-32.8
K E C Intl	2.5	9.3	36.9
L&T	0.2	8.0	33.0
Pennar Eng.	0.0	-7.6	-8.7
Siemens	-0.9	4.8	16.2
Solar Ind	-1.5	3.0	16.2
Suzlon Energy	4.7	12.8	5.4
Thermax	1.5	9.4	10.0
Va Tech Wab.	-0.3	1.8	-15.2
Voltas	0.9	-0.5	18.1
Cement			
Ambuja Cem.	1.8	12.4	21.4
ACC	2.6	11.8	16.6
Birla Corp.	-0.2	6.4	90.9
Dalmia Bharat	0.4	25.1	167.5
Grasim Inds.	2.8	14.1	42.5
India Cem	-0.2	30.9	98.7
J K Cements	6.2	17.1	80.0
JK Lakshmi Ce	-1.2	8.8	41.3
Ramco Cem	-0.7	16.7	77.4
Orient Cem	0.6	7.3	-2.1
Prism Cem	-4.8	20.8	43.2
Shree Cem	-0.2	11.0	53.3
Ultratech	0.4	11.6	31.8
Consumer			
Asian Paints	0.1	7.6	12.5
Britannia	0.1	11.7	12.9
Colgate	-1.0	-1.6	3.9
Dabur	-0.2	-3.8	6.0
Emami	0.5	8.1	6.2
Godrej Cons.	-0.8	2.7	25.5
GSK Cons.	-0.3	-1.1	-13.0
HUL	-0.1	2.6	2.9
ITC	-0.9	13.2	30.8
Jyothy Lab	0.8	5.2	24.1
Marico	0.9	4.6	16.7
Nestle	0.2	4.5	13.9
Page Inds	1.0	5.6	20.4
Parag Milk	2.8	6.9	
Pidilite Ind.	-0.3	9.0	11.6
P&G Hygiene	0.6	2.0	19.5
Radico Khaitan	1.6	8.1	20.9
United Brew	-2.1	0.2	-1.5
United Spirits	-0.8	18.0	-13.4
Healthcare			
Alembic Phar	-1.0	-9.1	-9.5
Alkem Lab	1.0	10.0	38.3
Aurobindo	-0.3	0.8	-6.5

Company	1 Day (%)	1M (%)	12M (%)
Biocon	-0.6	13.9	131.6
Cadila	1.3	-1.9	13.7
Cipla	0.9	3.6	6.3
Divis Lab	0.4	0.2	-30.7
Dr Reddy's	-1.4	-4.4	-1.6
Fortis Health	1.5	-2.2	11.2
Glenmark	0.0	7.2	28.0
Granules	3.8	16.3	8.0
GSK Pharma	-0.1	0.4	-17.1
IPCA Labs	-0.5	-4.3	-19.2
Lupin	1.3	-1.6	-18.2
Sanofi India	1.2	-1.8	-0.7
Sun Pharma	-1.1	3.3	-20.8
Syngene Intl	-1.3	-10.6	32.5
Torrent Pharma	-1.3	-7.8	-5.3
Logistics			
Allcargo Logistics	-1.3	0.8	-3.2
Blue Dart	-0.4	-3.3	-31.7
Concor	2.1	10.2	12.2
Gateway Distriparks	2.4	6.8	-3.2
Gati	-2.3	4.7	11.5
Transport Corp.	-1.3	23.8	29.0
Media			
Dish TV	1.0	2.9	8.3
D B Corp	0.3	2.5	19.0
Den Net.	1.2	17.0	10.3
Hathway Cab.	-1.0	1.8	-3.6
Hind. Media	-0.6	1.1	3.7
HT Media	1.1	10.0	8.8
Jagran Prak.	-0.7	6.5	16.5
PVR	1.1	8.5	71.1
Siti Net.	0.5	5.5	10.1
Sun TV	1.7	32.5	102.3
Zee Ent.	1.9	10.6	27.3
Metals			
Hindalco	1.7	17.5	171.2
Hind. Zinc	2.2	20.2	90.0
JSPL	1.9	25.0	49.3
JSW Steel	0.2	8.1	80.6
Nalco	-2.2	10.1	110.6
NMDC	-0.9	6.8	74.3
SAIL	0.6	28.5	64.1
Vedanta	1.4	9.4	251.4
Tata Steel	-0.5	12.2	100.8
Oil & Gas			
BPCL	0.8	8.4	74.3
Cairn India	1.2	7.8	120.7
GAIL	1.7	9.5	41.0
Gujarat St. Pet.	0.5	20.4	19.5
HPCL	2.6	22.4	131.1
IOC	1.2	14.3	103.2
IGL	-0.4	10.2	86.4
MRPL	0.0	3.0	77.2
Oil India	0.4	-5.7	33.8
ONGC	0.5	-4.0	35.8
PLNG	-1.2	0.6	48.0
Reliance Ind.	-0.5	-4.4	6.7

Company	1 Day (%)	1M (%)	12M (%)
Retail			
Jubilant Food	-0.7	18.1	-17.5
Shopper's Stop	4.8	5.4	-18.2
Titan Co.	8.1	19.8	14.5
Technology			
Cyient	-0.5	-5.0	17.0
HCL Tech.	-0.8	-0.7	-4.9
Hexaware	0.6	-1.7	-19.3
Infosys	-0.9	-3.6	-18.5
KPIT Tech	0.5	-1.3	-1.2
L&T Infotech	0.4	1.2	
Mindtree	-0.6	-10.1	-41.1
Mphasis	-1.0	7.1	27.5
NIIT Tech	1.7	1.2	-18.8
Persistent Sys	0.4	-4.5	-5.4
Tata Elxsi	3.0	7.4	-29.3
TCS	0.8	-0.9	-4.5
Tech Mah	0.7	1.0	0.8
Wipro	0.6	-2.1	-15.6
Zensar Tech	1.2	-2.6	-4.6
Telecom			
Bharti Airtel	0.2	10.3	13.4
Bharti Infratel	2.7	-12.4	-15.3
Idea Cellular	2.0	50.3	7.3
Tata Comm	1.9	20.1	98.4
Utilities			
Coal India	1.9	5.2	-0.5
CESC	0.1	26.1	80.5
JSW Energy	0.7	-4.3	-11.0
NTPC	-0.8	4.9	39.6
Power Grid	0.4	6.5	41.1
Others			
Arvind	2.4	4.9	31.1
Bata India	0.5	7.8	4.0
Castrol India	0.9	7.8	2.7
Century Ply.	0.3	22.4	48.7
Coromandel Intl	1.4	8.9	100.2
Dynamatic Tech	-0.3	4.9	64.6
Eveready Inds.	0.7	12.8	9.8
Interglobe	0.3	1.5	3.3
Indo Count	-1.1	12.8	-17.0
Info Edge	0.4	-4.0	7.5
Inox Leisure	-0.2	-0.6	11.2
Jain Irrigation	2.9	6.7	59.0
Just Dial	1.4	7.5	-25.9
Kaveri Seed	0.4	12.4	30.2
Kitex Garm.	-0.1	4.9	0.1
Manpasand	2.1	29.8	54.4
MCX	-1.6	-9.8	38.5
Monsanto	-0.3	1.5	9.9
PI Inds.	-2.4	6.5	32.3
SRF	0.5	12.3	55.1
S H Kelkar	0.6	-1.5	23.2
Symphony	3.7	13.7	23.1
TTK Prestige	0.1	0.4	35.7
V-Guard	-1.4	30.2	139.8
Wonderla	-0.6	9.7	-0.1

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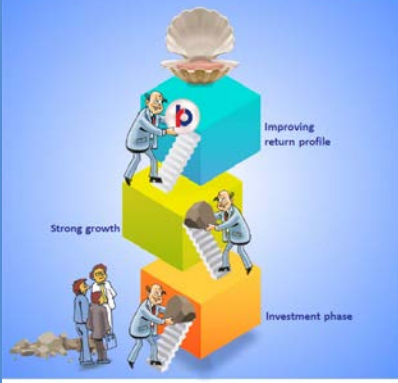
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United Breweries



Cheers to growth

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Fortis Healthcare



Fortifying growth

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Sector: Financials

Equitas Holdings



Fixing the missing link

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MOTILAL OSWAL

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Sector: Consumer

Page Industries



Getting into the big league

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SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudicate violation of SEBI Regulations: MOSL replied to the Show Cause Notice whereby SEBI granted us an opportunity of inspection of Documents. Since all the documents requested by us were not covered we have requested to SEBI vide our letter dated June 23, 2015 to provide pending list of documents for inspection.

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Companies where there is interest

No
No

A graph of daily closing prices of securities is available at www.nseindia.com and <http://economictimes.indiatimes.com/markets/stocks/stock-quotes>

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