

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	26,727	-0.1	0.4
Nifty-50	8,236	-0.1	0.6
Nifty-M 100	14,873	0.1	3.6
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,269	0.4	1.7
Nasdaq	9,342	-0.3	1.0
FTSE 100	7,238	0.4	1.3
DAX	11,547	-0.4	0.6
Hang Seng	9,602	-0.1	2.2
Nikkei 225	19,454	-0.3	1.8
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	56	-1.1	0.6
Gold (\$/OZ)	1,178	0.5	2.3
Cu (US\$/MT)	5,569	0.2	0.8
Almn (US\$/MT)	1,721	0.7	1.0
Currency	Close	Chg .%	YTD.%
USD/INR	68.2	0.4	0.4
USD/EUR	1.1	-0.1	0.1
USD/JPY	116.0	-0.8	-0.8
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.4	0.0	-0.1
10 Yrs AAA Corp	7.6	0.0	0.1
Flows (USD b)	9-Jan	MTD	CY16
FII	0.0	-0.3	2.9
DII	0.0	0.3	5.3
Volumes (INRb)	9-Jan	MTD*	CY16*
Cash	173	193	220
F&O	1,884	3,105	3,447

Note: YTD is calendar year, *Avg

Quote of the day

Wide diversification is only required when investors do not understand what they are doing.



Today's top research ideas

Larsen & Toubro: Revisiting orders and execution estimates

❖ L&T's order inflow guidance for FY17 (+15% YoY) is at risk given the lack of large sized orders (>INR15b) in Power Generation, Defense and Infrastructure. Our earlier estimates were building inflows of INR1.61trn (+18% YoY) on the premise of a revival of large domestic orders. However, we now expect these orders to remain flat YoY at INR260b as: a) no new power plant orders are likely to be finalized in 2HFY17 and b) defense and infra orders are seeing delays. Revival in domestic execution looks challenging given the impact of demonetization and continued execution challenges. We cut estimates for FY17/18 by 7%/8% to factor in lower order inflows and execution in FY17. Maintain Buy with a revised SOTP-based TP of INR1, 600 (E&C business at 18x FY19E)



Research covered

Cos/Sector	Key Highlights	Est Chg
Larsen & Toubro	Revisiting orders and execution estimates	↔
IndusInd Bank	First bank to report earnings post demonetization	↔
Technology	Visa bill seeking to raise H1-B wages reintroduced...	↔
Automobiles	Demonetization derails 3QFY17 auto volumes	↔
Consumer	Demonetization dents monsoon recovery narrative	↔



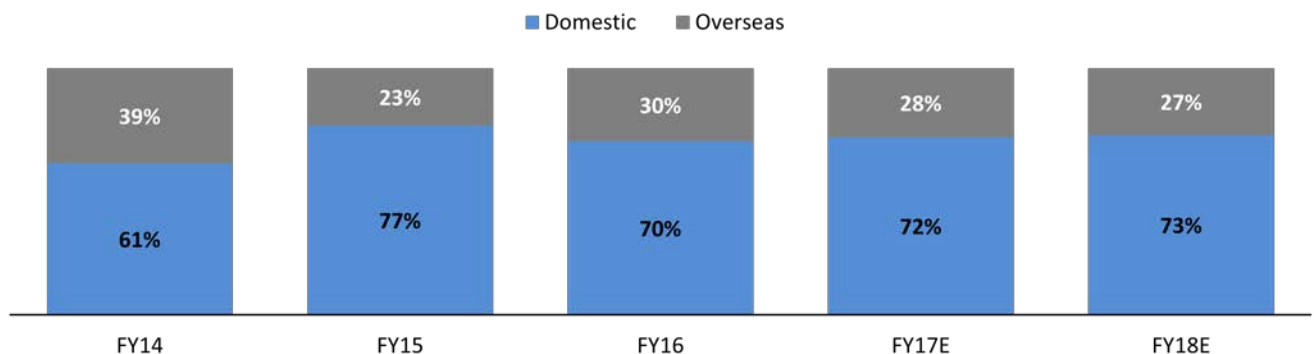
Piping hot news

Indirect tax mop-up rate slows after note ban

❖ Demonetisation slightly hit tax mop-up in December, with indirect tax collections growing 14.2%, down from 23.1% in November and 30.5% in October, showed data released by the finance ministry on Monday. October figures may be higher due to festival season as well. Only personal income tax collections bucked the trend partly due to change in the time schedule of payment of advance tax and partly due to better compliance after demonetisation. However, the government is on track to exceed Budget Estimates (BE), due to higher growth in pre-demonetisation months.



Chart of the Day: Larsen & Toubro | E&C - Order inflow breakup-domestic v/s overseas



Research Team (Gautam.Duggad@MotilalOswal.com)

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

No additional charges on digital transactions, assures Pradhan

Petroleum minister Dharmendra Pradhan today assured that neither the customers nor dealers will bear additional charges on digital transactions at fuel outlets. However, there is more drama in store on the issue as the decision by banks to levy 1% charge for...

2

GIFT City will be price-setter in 10 years: Narendra Modi

Sounding the inaugural bell of BSE's first international exchange 'India International Exchange (INX)' at the country's first International Financial Services Centre (IFSC) at the Gujarat International Finance-Tec (GIFT) City in Gandhinagar, Prime Minister Narendra Modi said that in next 10 years the IFSC will be a price setter for various instruments. "My vision for GIFT City is larger. In next 10 years from now, I see GIFT City become a price setter for at least a few of the largest traded instruments in the world, whether in commodities, currencies, equities, interest rates derivatives or any other financial instruments. Over the next 10 years I expect this city to generate several lakhs of jobs," said Modi.

3

RBI halts destruction of withdrawn notes

The Reserve Bank of India has halted the destruction of withdrawn Rs. 500 and Rs. 1,000 currency notes. "All RBI regional offices have been directed to stop destruction of the demonetised notes. Consequently, the process was stopped at the end of last week," said a source in the RBI.

4

ONGC Gets Price Guarantee From GSPC in KG Deal

Gujarat State Petroleum Corp (GSPC) will buy entire output at a predetermined price from the KG Basin gas field that it has agreed to sell to Oil and Natural Gas Corp (ONGC) for \$1billion, a key provision that addressed gas pricing concerns of India's largest crude producer and helped seal the deal, senior executives at the two firms said...

5

Asset deterioration a challenge for banks: Moody's

The prospects for Indian banks are subdued, with asset deterioration being a key challenge over the medium term, according to Moody's Investors Service and its Indian affiliate ICRA. "Asset quality will remain a negative driver of the credit profiles of most rated Indian banks and the stock of impaired loans. Non-performing loans (NPLs) and standard restructured loans will still rise during the horizon of our outlook," said Alka Anbarasu, a Moody's Vice-President and Senior Analyst.

6

Bain Capital joins KKR, TPG in race for Fortis Healthcare stake

Global private equity (PE) fund Bain Capital has started talks to buy a significant minority stake in Fortis Healthcare Ltd (FHL), three people aware of the development said, making it a four-horse race for equity in the hospital chain owned by brothers Malvinder Singh and Shivinder Singh.

7

New York Life Insurance arm to invest Rs. 121 cr in Max Ventures

New York Life International Holdings (NYLIH), a subsidiary of US-headquartered New York Life Insurance, will pick a 22.5 per cent stake in Max Ventures and Industries (MVIL) for a consideration of Rs. 121 crore. The board of MVIL on Monday gave its nod for making a preferential allotment of 1.55...



Larsen & Toubro

BSE SENSEX 26,727 S&P CNX 8,236

CMP: INR1,381 TP: INR1,600 (+15%) Buy



Stock Info

Bloomberg	LT IN
Equity Shares (m)	935.5
52-Week Range (INR)	1615 / 1017
1, 6, 12 Rel. Per (%)	1/-8/10
M.Cap. (INR b)	1,301.3
M.Cap. (USD b)	19.1
Avg. Val, INR m	2845.0
Free float (%)	100.0

Financials Snapshot (INR b)

Y/E March	2016	2017E	2018E
Sales	1,020	1,092	1,250
EBITDA	103.5	113.1	141.7
Adj PAT *	41.8	50.2	58.2
EPS (INR)*	44.7	53.6	62.2
EPS Gr. (%)	-5.3	19.9	15.9
BV/Sh (INR)	470.2	510.3	555.5
RoE (%)	9.9	10.9	11.7
RoCE (%)	6.3	7.5	9.2
Payout (%)	28.7	21.8	24.0

Valuations

P/E (x)*	31.1	25.9	22.4
P/BV (x)	3.2	3.0	2.7
EV/EBITDA (x)	21.8	19.8	15.7
Div Yield (%)	0.9	0.8	1.1

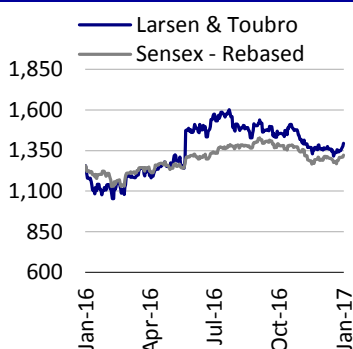
* Consolidated

Shareholding pattern (%)

As On	Sep-16	Jun-16	Sep-15
Promoter	0.0	0.0	0.0
DII	38.6	38.7	37.1
FII	19.3	18.7	20.5
Others	42.2	42.6	42.4

FII Includes depository receipts

Stock Performance (1-year)



Revisiting orders and execution estimates

Slowdown seen in 2HFY17; revival in FY18

- Domestic Engineering & Construction (E&C) is likely to witness a slowdown in execution in 2HFY17 (+12% in 1HFY17) on account of demonetization and continued execution challenges. The impact may linger longer for the 'Elite housing' segment (6% of order book).
- We cut our FY17 order inflow estimates (+9% v/s +18% earlier) to factor in weak defense, infrastructure and power generation orders. We, however, expect a revival in FY18, led by higher government spending on infrastructure and defense.
- Maintain our Buy rating with a revised target price of INR1,600 (18x FY19E standalone EPS), adding INR490 for the subsidiaries.

Domestic E&C execution to slow in 2H due to demonetization and execution challenges.

1HFY17 E&C execution was up 12% YoY, driven by strong 20% YoY growth in overseas E&C and 8% YoY in domestic E&C. However, domestic infrastructure growth was subdued at 3% YoY due to extended monsoon, lack of clearances and payment delays. A revival in 2HFY17 appears challenging given the impact of demonetization, particularly on B&F (elite housing) segment. Execution challenges seen in the Infrastructure segment (70% of E&C sales) during 2QFY17 are likely to persist in 2HFY17.

Elite housing projects (6% of order book) to slow; 4Q could be worse.

Feedback from industry players indicates that November saw strong housing sales. This will not sustain in December, adversely affecting cash flows for the developer and in turn payments to EPC contractors, who would reduce the pace of execution. Our dipstick survey on housing projects under construction by LT in Mumbai indicates that projects which are in advanced stages of construction or being built by reputed builders have seen minimal disruption. This, however, is not the case for newly launched projects or developers going through financial stress. Our sensitivity analysis reveals that a delay in 50% of the projects would lead to a 4% earnings cut over FY17/FY18.

Order inflow guidance at risk; FY18 to see revival. LT's FY17 order inflow growth guidance stands at INR1.55t (+15% YoY, 1HFY17: 12%). Our earlier estimates were building inflows of INR1.61t (+18% YoY) on the premise that large domestic orders (>INR15b) would see a sharp revival led by Defense, Power generation and Infrastructure. However, we now expect these orders to remain flat YoY at INR260b as: a) no new power plant orders are likely to be finalized in 2HFY17 and b) defense and infra orders are seeing delays. We thus cut our order inflow growth estimate to 9% YoY (+6% in E&C segment).

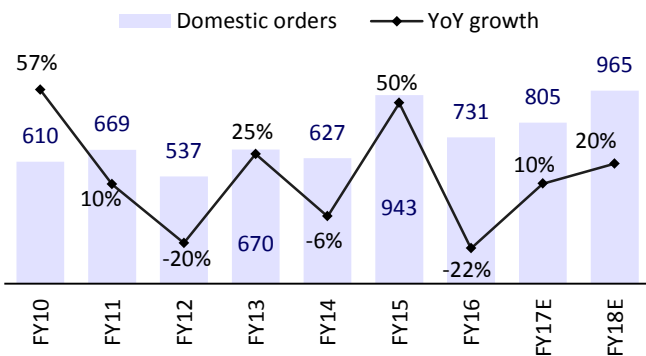
Maintaining Buy, revising target price to INR1,600 (earlier INR1,670): We cut estimates for FY17/18 by 7%/8% to factor in lower order inflows and execution in FY17. Maintain **Buy** with a revised SOTP-based TP of **INR1,600** (E&C business at 18x FY19E). We believe that LT – one of our top picks in the sector is the best play on a revival in domestic infrastructure spending.

Domestic E&C execution to slow down in 2HFY17

Impact likely to linger longer for B&F segment

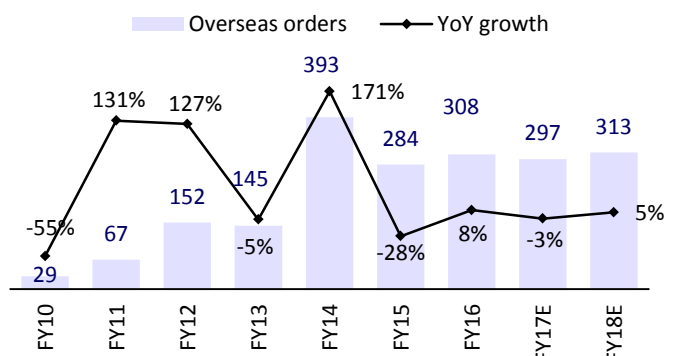
- 1HFY17 E&C execution was up 12% YoY, driven by strong 20% YoY growth in overseas E&C and 8% YoY in domestic E&C. The growth was driven by power (+29% YoY), hydrocarbon (+14% YoY) and heavy engineering (+35% YoY, off a weak base). However, infrastructure growth remained subdued at 3% YoY as the company was unable to book sales worth INR8-9b in Q217 due to a) extended monsoon, b) the lack of customer willingness with regard to clearances and c) payment delays given the adverse business environment.
- While we were expecting a revival in 2HFY17, near-term execution would be challenging given the impact of demonetization, particularly on the B&F segment, where cash shortages would deter order book execution. Execution challenges seen in the Infrastructure segment (70% of E&C sales) during 2QFY17 likely to persist in 2HFY17.

Consolidated E&C - Domestic order wins decline in FY16 due to delay in finalization of orders in core sector



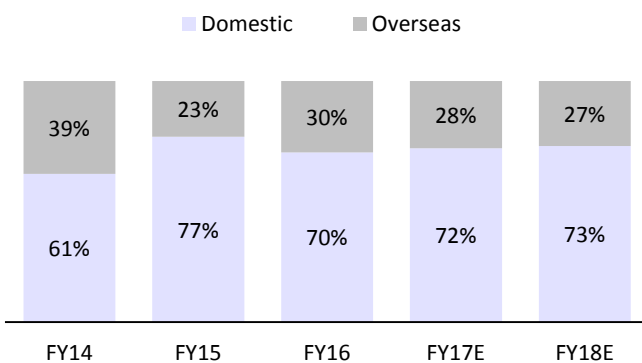
Source: MOSL, Company

Consolidated E&C: Overseas orders pick up marginally led by lower base effect of FY15



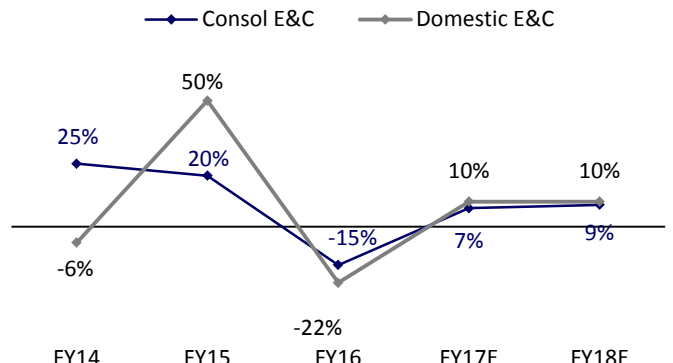
Source: MOSL, Company

Consolidated E&C: Order inflow mix in FY16/FY17 in favor of overseas orders



Source: MOSL, Company

Consolidated growth in E&C orders v/s domestic E&C orders

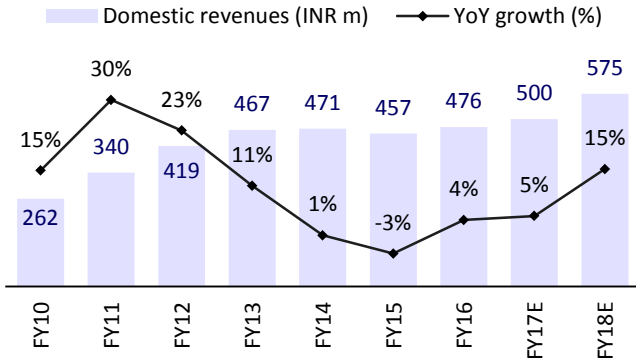


Source: MOSL, Company

- LT witnessed a 50% increase in domestic E&C order inflow to INR943b in FY15, driven by the finalization of large project orders in the power, rail, metros, roads, MMH and T&D segments. These orders have started contributing meaningfully from 4QFY16 (+22% YoY growth in domestic infrastructure). We

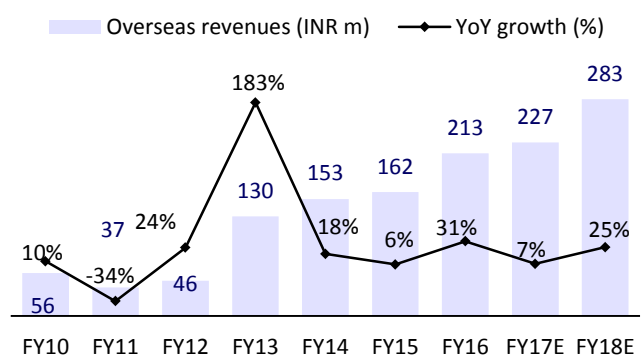
expect this trend to continue into FY17, driving domestic E&C growth (+5% YoY in FY17 v/s 4% in FY16).

Domestic E&C execution growth impacted by constrained macros and flat orders over FY10-14



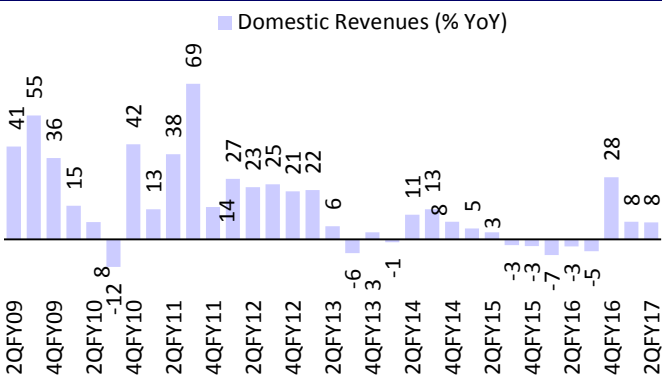
Source: MOSL, Company

Overseas E&C revenue registered robust growth led by timely execution of overseas infra orders



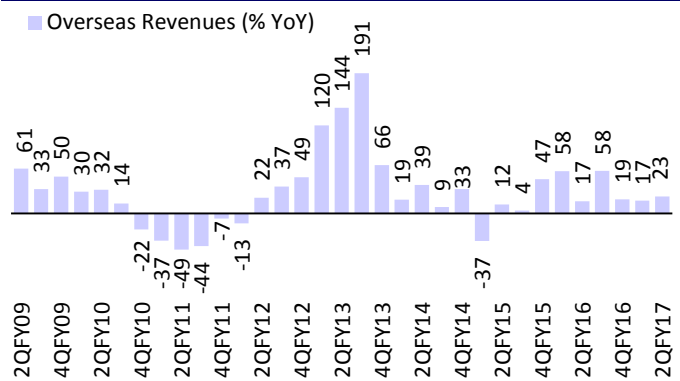
Source: MOSL, Company

Domestic E&C execution driven by power and hydrocarbon in 1HFY17; Infra weak at +3%



Source: MOSL, Company

Overseas E&C revenue growth supported by timely execution of orders in hand; +20% in 1H17



Source: MOSL, Company

For FY17, management is guiding for 12-15% growth in sales. However, we have modeled in revenue growth of 7% for FY17

- For FY17, management is guiding for 12-15% sales growth. However, we have modeled in revenue growth at 7% for FY17. We expect 6% growth in the E&C segment, with domestic E&C estimated to grow at 5% YoY and overseas at 7% YoY.
- Large domestic projects won over past 2-3 years are expected to contribute meaningfully in FY17. These include: (a) Western DFC order (INR67b; FY14), (b) RRVUNL Chabra (INR57b; FY14), (c) MP Genco Shri Singajee Stage II (1,320MW, INR50b; FY15), (d) NTPC Tanda boiler (1,320MW, INR19b), (e) NTPC Khargone (1,320MW, INR56b), (f) Statue of Unity (INR30b), (g) Lucknow-Unnao Expressway (INR16b), (h) NHAI road order Rewa-Jabalpur (INR26.5b), (i) ONGC well platforms (INR27.1b) and (j) 22km bridge over Ganga in Patna (INR31b). However, we note that there is slowdown in execution in the B&F segment, given the demonetization impact over 3Q-4QFY17. However, the commercial space has started to witness a pick-up in offtake over the past year.



3QFY17 RESULTS

What to expect

IndusInd Bank

BSE SENSEX

26,759

S&P CNX

8,244

CMP: INR1144 TP: INR1,400 (+22%)

Buy



Stock Info

Bloomberg	IIB IN
Equity Shares (m)	595.8
52-Week Range (INR)	1255/799
1, 6, 12 Rel. Per (%)	4/3/16
M.Cap. (INR b)	681
M.Cap. (USD b)	10.1
Avg Val, INRm	1375
Free float (%)	85.1

Financials Snapshot (INR b)

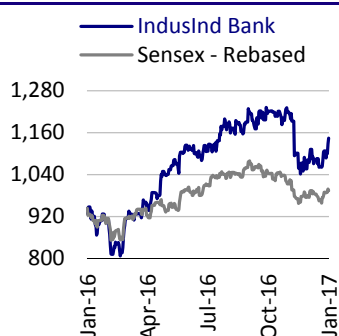
Y/E Mar	2016	2017E	2018E
NII	45.2	59.2	72.7
OP	41.4	51.8	64.1
NP	22.9	28.3	35.5
NIM (%)	4.0	4.3	4.3
EPS (INR)	38.4	47.6	59.6
EPS Gr. (%)	13.4	23.9	25.2
BV/Sh. (INR)	291	332	383
ABV/Sh. (INR)	288	328	379
P/E (X)	29.8	24.0	19.2
P/BV (X)	3.9	3.4	3.0

Shareholding pattern (%)

As On	Sep-16	Jun-16	Sep-15
Promoter	14.9	14.9	15.0
DII	11.6	11.8	11.0
FII	54.7	54.3	53.7
Others	18.9	19.0	20.3

FII Includes depository receipts

Stock Performance (1-year)



First bank to report earnings post demonetization

What to expect from 3QFY17 results?

We expect IIB to report 23% YoY increase in PPOP/PAT, driven by strong loan growth (+25%), stable margins and healthy trading gains, partially offset by higher operating expenses (+32% YoY owing to manpower and currency management costs post demonetization). Asset quality is expected to remain stable. We would be keenly watching comments related to Vehicle finance, LAP, diamond portfolio and CRE exposure. The stock trades at 3x BV and 19.2x EPS FY18E. Maintain Buy.

Will cost of funds help negate margin pressure?

At the system level 3QFY17, NII is headwinded by multiple factors such as a) sharp moderation in loan growth b) significant pressure on loan and investment yields and c) continued stress loan recognition and d) negative carry due to demonetization. However, IIB is expected to be outlier. NII is expected to grow 4% QoQ and 29% YoY led by a) continued healthy loan growth of ~25% YoY b) benefit of excess liquidity (sharp fall 13bp in bulk deposits rates) and c) expected CASA ratio improvement by 500bp+ leading to sharp fall in incremental COF during the quarter. While we have factored in 6-8bp QoQ drop in NIMs, positive surprise is likely.

Look for movement in vehicle finance portfolio

Unlike the industry, we expect IIB loan growth to be strong at 25% YoY. Moderation in growth, if any, in few retail products like vehicle finance, LAP, MFI, etc is likely to be compensated by strong traction in corporate loans (59% of total loans). Our industry interactions suggest that banks managed to get market share from NBFCs in most retail products. We expect disbursement growth to remain healthy in vehicle finance portfolio supporting the overall growth however, MFIs and LAP is likely to show moderation.

Fees to moderate but profit on sale of investment to support

Widening of fee income stream with asset-light model has enabled IIB to sustain faster fee income growth than balance sheet growth (fee-income-to-assets of 2.2%). Investment banking and processing fees could have slowed down post demonetization, but growth in third-party product distribution will compensate. Thus, we build in a fee income growth of 15% YoY in 3QFY17. Overall non-core income is expected to grow 25% YoY led by trading gains.

Will IIB use RBI dispensation for small value accounts?

Banks were allowed to collect old denomination for repayments. Further our industry interactions suggest that higher recoveries in small value accounts during the quarter. We expect any incremental stress (led by demonetization) would be compensated by higher recoveries. We don't expect higher delinquencies during the quarter. Important thing to watch out for a) collection rate in the MFI (3% of portfolio) segment b) comments on LAP (6% of loans, 50% LTV) and diamond financing (6% of loans; 95% is export credit) portfolios. We don't expect IIB to use RBI 90dpd window. We have factored in 0.7% credit cost (stable QoQ). We conservatively factor in slippage ratio of 1.55% (v/s 1.33% in 2QFY17).

Exhibit 1: Loans expected to grow 25% YoY

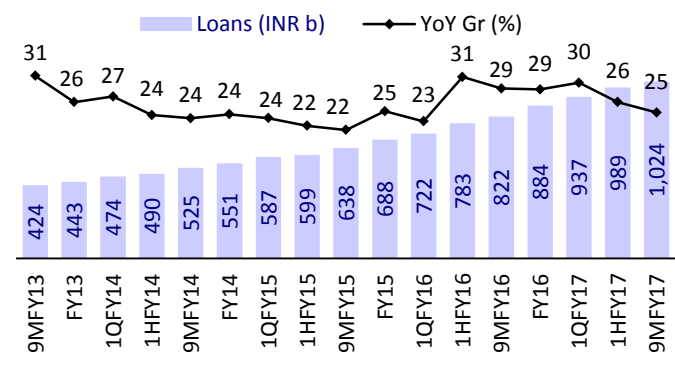


Exhibit 2: Strong deposit growth led by low cost CASA (%)

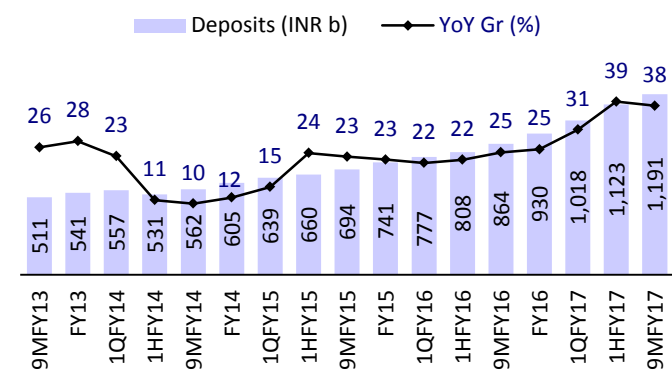


Exhibit 3: GNPA's expected to remain ~1%

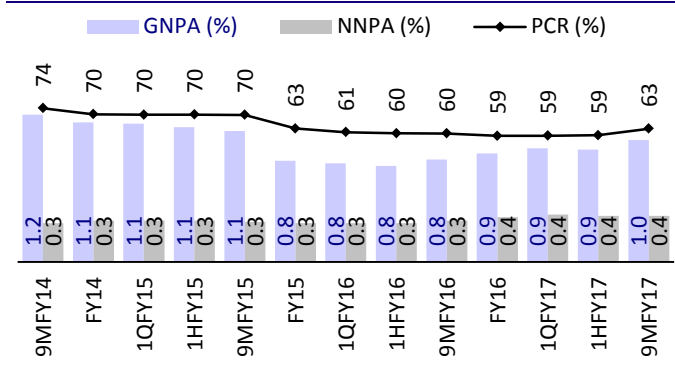
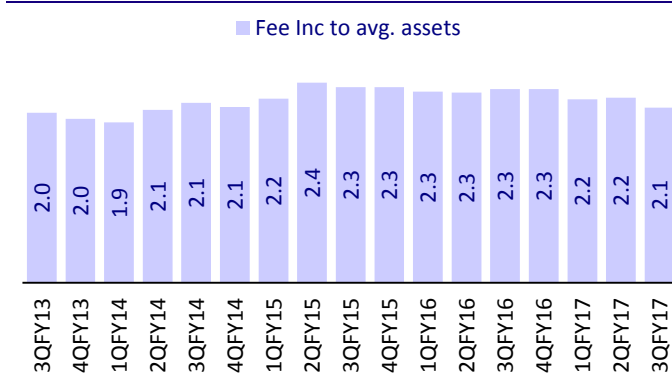


Exhibit 4: Fee inc. to average assets to remain high (%)



Source: MOSL, Company

Source: MOSL, Company

Quarterly Performance (INR M)

	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	9,807	10,943	11,734	12,682	13,564	14,603	15,140	15,882	45,166	59,190
% Change (YoY)	22.5	31.3	36.2	37.1	38.3	33.4	29.0	25.2	32.1	31.1
Other Income	7,616	7,835	8,390	9,128	9,730	9,704	10,525	11,318	32,970	41,277
Net Income	17,423	18,778	20,124	21,810	23,294	24,307	25,665	27,200	78,135	100,467
Operating Expenses	8,196	8,713	9,514	10,298	10,956	11,491	12,599	13,662	36,721	48,708
Operating Profit	9,227	10,065	10,610	11,512	12,338	12,817	13,066	13,538	41,414	51,759
% Change (YoY)	23.2	38.9	37.1	35.4	33.7	27.3	23.2	17.6	33.7	25.0
Other Provisions	1,233	1,581	1,771	2,137	2,305	2,139	2,250	2,078	6,722	8,771
Profit before Tax	7,994	8,484	8,839	9,375	10,033	10,678	10,816	11,461	34,693	42,988
Tax Provisions	2,744	2,884	3,029	3,172	3,419	3,635	3,688	3,916	11,828	14,659
Net Profit	5,250	5,600	5,810	6,204	6,614	7,043	7,128	7,545	22,865	28,329
% Change (YoY)	24.7	30.2	29.9	25.3	26.0	25.8	22.7	21.6	27.5	23.9
Operating Parameters										
NIM (Reported,%)	3.7	3.9	3.9	3.9	4.0	4.0			3.9	
NIM (Cal, %)	3.5	3.7	3.7	3.8	3.8	3.9	3.8	3.8	3.7	3.8
Deposit Growth (%)	21.6	22.5	24.6	25.4	31.0	38.9	37.8	32.0	25.4	32.0
Loan Growth (%)	23.1	30.6	28.7	28.5	29.7	26.4	24.6	24.0	28.5	24.0
Asset Quality										
OSRL (INR b)	4.6	4.9	4.8	4.7	4.6	4.4			4.7	
OSRL (%)	0.6	0.6	0.6	0.5	0.5	0.4			0.5	
Gross NPA (INR b)	5.7	6.0	6.8	7.8	8.6	9.0	10.1	11.5	7.8	11.5
Gross NPA (%)	0.8	0.8	0.8	0.9	0.9	0.9	1.0	1.0	0.9	1.0

E: MOSL Estimates; Quarterly calculated margins based on total assets, yearly on interest earning assets



Visa bill seeking to raise H1-B wages reintroduced...

...Potential headwinds to margins

- Last week, US representatives Darrell Issa and Scott Peters reintroduced a bi-partisan bill seeking changes in the US H1-B work visa program. The bill would require firms to pay a salary of USD100,000 annually to H1-B visa holders.
- The existing law, set in 1998, has a similar requirement, but with salary threshold at USD60,000 per annum; it does not apply to workers with a master's degree. The new bill would also do away with this exception.
- The bill was first introduced in July 2016, when the US House Judiciary Committee's vote on the bill was pulled from the schedule.

H-1B Visas: U.S. Lawmaker Re-Introduces Bill to Tighten Rules:

<http://blogs.wsj.com/indiarealtime/2017/01/06/h-1b-visas-u-s-lawmaker-re-introduces-bill-to-tighten-rules/>

100-400bp EBITDA margin impact for top-tier firms

According to our analysis, H1-B visa employees' salaries account for 6-12% of revenues for the top-5 Indian IT firms. Our assessment – if the base minimum salaries are increased to USD100,000 per annum (33% increase in wage bill of employees on H1-B visas, based on average of the Tier-I pay onsite) – indicates a hit of 100-400bp on the margins front for the top-5 Indian IT firms.

Exhibit 1: Margin impact if base salary is increased to USD100k per annum

	Revenue from the US (% of total)	Onsite composition (%)	H1B visa dependency (%)	Median salary	EBITDA margin impact*
TCS	53	49	65	69,648	320
INFO	64	50	62	79,203	320
WPRO	53	54	45	70,306	290
HCLT	60	53	35	81,000	100
TECHM	48	57	46	60,000	400

*if base salary is increased to USD100k per annum

Impact least on HCLT and maximum on TECHM

- HCLT will be least impacted due to a combination of [1] relatively high median wage and [2] local employees constituting 65% of the employee base.
- At TECHM, although the dependency on the US is lower, the impact is comparable to other companies because of higher onsite and lower median wages.

Some defense mechanisms available

There are already multiple measures being contemplated and thought out, which may see active implementation if the potential cost escalations materialize. These include:

- Moving employees operating from vendor offices to lower-cost states.
- Accelerating the hiring programs of locals at onsite.
- Acquiring Digital assets in the US, which as a side-effect may also feed into a higher percentage of locals.
- Shifting a greater proportion of volumes offshore.
- Replacing the visa-based onsite coordinators who operate at client offices with locals.



Results Preview



Demonetization derails 3QFY17 auto volumes

2Ws/3Ws/CVs likely to see a decline; PVs relatively well placed

- We expect the automobile industry's performance in 3QFY17 to be subdued due to the impact of demonetization. We believe 2Ws and 3Ws are likely to be worst hit as the cash component in transactions in this space is relatively high compared to other segments like PVs and CVs. We estimate 2W and 3W volumes to decline 4% and 20% YoY, respectively. Volumes in PVs are expected to grow by 5% YoY, while those in CVs should decline 4% YoY.
- EBITDA margin for our auto OEM (ex-JLR) coverage universe is likely to remain constant YoY (-140bp QoQ) at 13%. The 2W pack along with MSIL and ALL are expected to see a QoQ margin decline.
- We lower our FY18E EPS for TTMT (-17%), HMCL (-8%), BJAUT (-5%), BOS (-6%), but increase for BHFC (+6.5%).
- Our top picks are MSIL and TTMT among large caps, and AL and Amara Raja among midcaps.

2W/CV volumes to decline, PVs relatively well placed

2W sales are expected to decline 4% YoY in 3QFY17, which is relatively steep compared to other segments, as the cash component in 2W transactions is relatively high due to lower ticket size of vehicles and higher exposure to rural areas. Besides, currency-related issues are likely to pull down 2W exports. Growth in passenger car volumes is expected to moderate to be flat YoY, while UV volumes are expected to increase robustly by 16% driven by new launches. PVs were less impacted, primarily due to waiting periods in many models of OEMs and lower cash component. CV volumes are expected to decline 4% YoY in 3QFY17, with volumes declining by 9% in LCVs offset by 4% growth in MHCV volumes. Many fleet operators have postponed their purchases due to the cash crunch post demonetization.

EBITDA margin to contract as negative operating leverage kicks in

EBITDA margin for our auto OEM (ex-JLR) universe is likely to contract 140bp QoQ (stable YoY), given pressure from negative operating leverage due to lower volumes. Among 2Ws, we expect margin contraction in BJAUT (-170bp YoY), HMCL (-100bp), TTMT S/A (-240bp), and expansion in M&M (+100bp) and EIM (+290bp).

Demonetization impact likely to moderate

While November and especially December saw a decline in volumes on account of demonetization, the situation on the ground has started showing some signs of recovery. Retail sales volumes have started to gradually pick up, albeit are still below normal levels.

Valuation and view

We lower our FY18E EPS for TTMT (-17%), HMCL (-8%), BJAUT (-5%), BOS (-6%), but increase for BHFC (+6.5%). In our view, demand and competition would be the key determinants of stock performance. Our top picks are MSIL, TTMT among large caps, and AL and Amara Raja among midcaps.

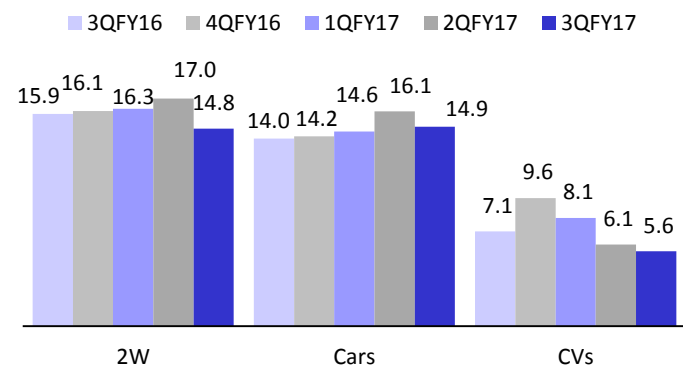
Exhibit 1: Summary of expected quarterly performance (INR m)

Sector	CMP (INR)	RECO	Sales (INR M)			EBDITA (INR M)			Net Profit (INR m)		
			Dec-16	Var % YoY	Var % QoQ	Dec-16	Var % YoY	Var % QoQ	Dec-16	Var % YoY	Var % QoQ
Automobiles											
Amara Raja Batt.	899	Buy	12,558	2.5	-6.7	2,066	-9.6	-10.1	1,198	-12.0	-12.1
Ashok Leyland	84	Buy	46,272	13.3	0.1	5,021	16.9	-6.4	2,808	38.1	-4.6
Bajaj Auto	2,689	Buy	50,471	-9.3	-16.6	9,788	-16.4	-24.5	8,498	-5.7	-24.3
Bharat Forge	913	Buy	9,223	-12.3	3.5	2,601	-18.0	5.0	1,377	-18.5	8.5
Bosch	20,450	Neutral	28,228	3.0	8.1	3,613	4.0	-23.0	3,076	39.3	-27.3
Eicher Motors	22,178	Buy	18,440	-44.4	5.1	5,809	12.3	7.1	4,225	56.0	2.3
Escorts	321	Buy	10,746	21.0	8.0	838	145.6	34.2	483	136.6	40.8
Exide Inds.	182	Buy	15,515	2.0	-19.3	2,167	-7.5	-25.3	1,283	-4.3	-28.2
Hero Motocorp	3,014	Neutral	64,319	-11.8	-17.5	10,273	-16.5	-30.7	6,900	-13.3	-31.3
Mahindra & Mahindra	1,221	Buy	103,467	-1.1	1.7	15,006	6.1	2.2	8,917	8.7	-28.8
Maruti Suzuki	5,510	Buy	165,942	10.0	-7.0	25,229	16.3	-16.9	19,433	39.4	-19.0
Tata Motors	487	Buy	708,422	-2.0	7.5	89,260	-4.8	42.1	29,165	-15.9	256.1
TVS Motor	374	Buy	30,341	3.2	-11.5	2,169	10.4	-21.6	1,306	21.2	-26.4
Auto Sector Aggregate			1,263,943	-1.6	0.8	173,841	-1.6	7.2	88,668	2.6	5.8

Exhibit 2: Volume snapshot for 3QFY17 ('000 units)

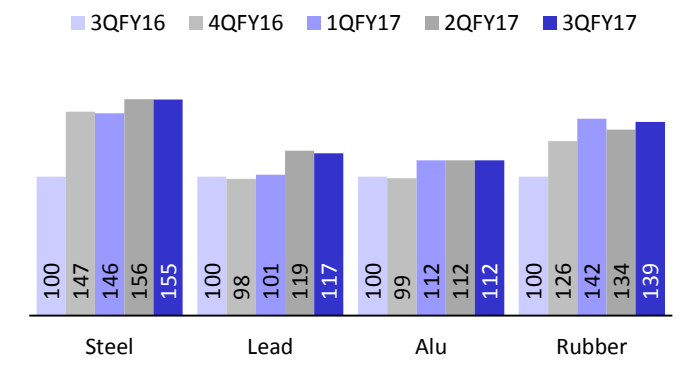
	3QFY17	3QFY16	YoY (%)	2QFY17	QoQ (%)	FY16	FY15	YoY (%)
Two wheelers	4,567	4,738	-3.6	5,119	-10.8	19,005	18,434	3.1
Three wheelers	183	230	-20.3	205	-10.7	943	939	0.3
Passenger cars	682	678	0.6	600	13.6	2,555	2,424	5.4
UVs & MPVs	269	232	16.3	252	7.0	901	806	11.9
Total PVs	951	909	4.6	852	11.6	3,457	3,229	7.0
M&HCV	77	74	3.8	80	-4.2	336	263	27.9
LCV	104	115	-9.1	112	-7.3	442	431	2.6
Total CVs	181	189	-4.1	193	-6.0	778	693	12.2
Total	5,883	6,066	-3.0	6,369	-7.6	24,182	23,296	3.8

Exhibit 3: Trend in segment-wise EBITDA margin (%)



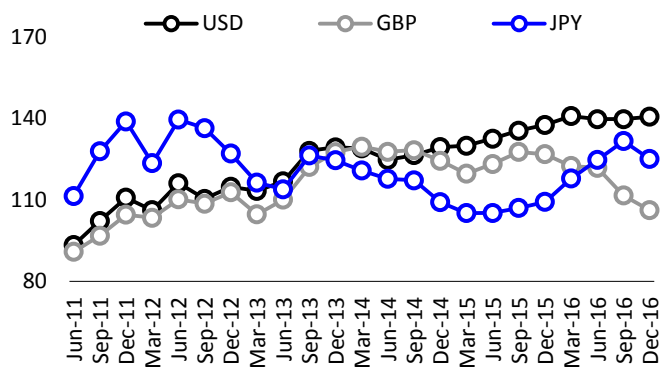
Source: Company, MOSL

Exhibit 4: Commodity prices recover from lows (index)



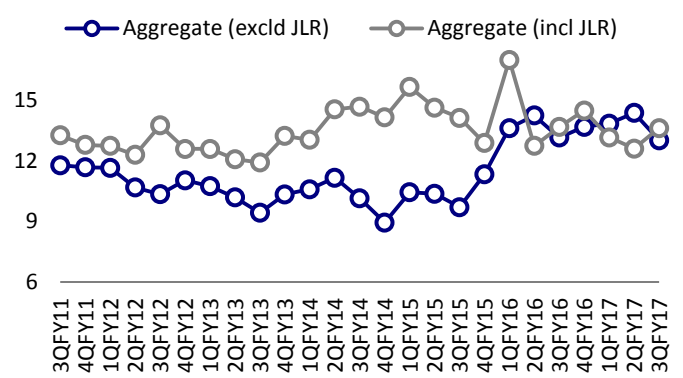
Source: Company, MOSL

Exhibit 5: Trend in key currencies v/s INR



Source: Bloomberg, MOSL

Exhibit 6: Continued improvement in EBITDA margins (%)



Source: Company, MOSL

Exhibit 7: Revised estimates

EPS (INR)	FY17E			FY18E		
	Rev	Old	Chg (%)	Rev	Old	Chg (%)
Bajaj Auto	133.0	140.3	-5.2	158.9	167.3	-5.0
Hero MotoCorp	169.5	182.7	-7.2	192.2	208.7	-7.9
TVS Motor	11.9	12.5	-4.8	16.5	17.1	-3.8
Maruti *	257.4	265.7	-3.1	312.5	322.3	-3.0
M&M *	66.0	67.7	-2.6	83.7	85.7	-2.4
Tata Motors * #	29.0	27.1	7.0	45.6	55.0	-17
Ashok Leyland	4.9	4.8	2.0	6.6	6.5	1.6
Eicher Motors *	608.7	601.6	1.2	869.5	867.5	0.2
Amara Raja	29.7	30.9	-3.9	38.8	40.1	-3.4
Bharat Forge	25.8	25.0	2.9	36.4	34.2	6.5
Exide Industries	7.8	8.0	-2.2	9.4	9.7	-2.2
BOSCH	507.6	539.7	-5.9	657.7	700.9	-6.2

* Consolidated

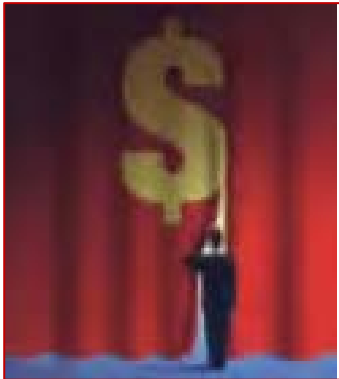
Source: Company, MOSL

Exhibit 8: 3QFY17 estimates

	Volumes ('000 units)			EBITDA margins (%)			Adj PAT (INR m)		
	3QFY17	YoY (%)	QoQ (%)	3QFY17	YoY (bp)	QoQ (bp)	3QFY17	YoY (%)	QoQ (%)
BJAUT	852	-10	-17	19.4	-170	-200	8,498	-6	-24
HMCL	1473	-13	-19	14.7	-90	-280	6,900	-13	-31
TVS Motor	719	2	-12	7.2	50	-90	1,306	21	-26
MSIL	387	3	-7	15.2	80	-180	19,433	39	-19
MM	195	1	5	14.5	100	10	8,917	9	-29
TTMT (S/A)	133	8	-2	3.3	-240	-40	-3,558	-800	46
TTMT (JLR)	151	0	9	12.4	-200	210	325	21	33
TTMT (Cons)				12.6	-40	310	29,165	-16	256
Ashok Leyland	33	6	-2	10.9	30	-80	2,808	38	-5
Eicher (RE)	174	38	4	31.5	290	20	4,205	72	6
Eicher (VECV)	12	-7	-12	5.5	-190	-180	266	-59	-59
Eicher (Consol)				32	290	20	4,225	56	2
Agg. (ex JLR)	3,977	-5.4	-14.0	13.0	-10	-120	48,529	8.9	-19.1



Results Preview



Demonetization dents monsoon recovery narrative

Sales likely to decline, resulting in adverse margin effect

Discretionary demand likely to suffer

We expect our consumer universe's revenues to remain flat YoY in 3QFY17, with a PAT decline of 1.2%. Demonetization is likely to affect all companies, particularly those selling products with discretionary demand and having higher proportion of wholesale trade vis-à-vis direct distribution. Hopes of rural demand recovery after good monsoon this year were dashed due to demonetization-led cash crunch. MOSL consumer universe EBITDA is likely to decline 4.5% YoY, with 110bp margin contraction. Barring Nestle (likely flat margins YoY), we expect a YoY margin decline for all FMCG companies under our coverage due to weak sales growth/sales decline and increasing cost for a few commodities. Adspends, which could have acted as a buffer to margins, are unlikely to decline steeply enough to protect margin. We expect ITC's sales to decline 4% YoY (led by a 7% decline in cigarette volumes) and PAT to fall 3% YoY. HUVR's sales growth is estimated at 1.5% YoY (volume decline of 1%), with 100bp EBITDA margin contraction. Barring PAGE, for which we expect 13% PAT growth YoY, none of the other companies are expected to report any material growth in PAT (11 out of the 18 companies under our coverage expected to report YoY decline in PAT).

RM costs, promotions and new launches

PFAD and palm oil prices increased steeply by 70% and 37% YoY, respectively, while TiO2 and mentha prices saw moderate increases of 4% YoY and 3% YoY, respectively. Mentha prices over past 20 days are up by 10% YoY, however. LLP and HDPE prices still remain benign, with low-single-digit growth YoY. Some companies have started taking selective price hikes/grammage reduction/reduction of offers following increase in raw material costs. However, promotion intensity remains high in other categories owing to the weak operating environment. Thus, majority of new launches are likely to be postponed to 1QFY18.

Preference for quality and longevity of growth

The consumer sector is characterized by rich near-term valuations, given the market's continued preference for quality with healthy growth. Our framework for earnings visibility, longevity of growth and quality management drives our choices in the sector universe. We continue preferring Britannia, Colgate, Emami and P&G Hygiene, notwithstanding the near-term challenges. We recently upgraded Marico to Buy, as correction in the share price provided a reasonable entry point in an admirable business franchise with remarkable track record of earnings growth, top-notch management quality and impressive disclosure levels. In the discretionary pack, we like Pidilite, Page Industries and United Breweries, despite the near-term challenges.

Exhibit 1: Summary of expected quarterly performance

Sector	CMP (INR)	RECO	Sales (INR M)			EBDITA (INR M)			PAT (INR M)		
			Dec-16	Var % YoY	Var % QoQ	Dec-16	Var % YoY	Var % QoQ	Dec-16	Var % YoY	Var % QoQ
Consumer											
Asian Paints	906	Neutral	40,343	5.0	7.2	7,632	-2.7	7.0	5,025	-3.6	5.6
Britannia	2,851	Buy	20,158	-6.0	-14.6	2,483	-19.1	-20.7	1,827	-19.5	-22.0
Colgate	895	Buy	9,953	7.5	-5.1	2,440	3.9	-11.2	1,417	3.5	-21.8
Dabur	277	Neutral	19,943	2.0	0.9	3,505	-6.0	-13.0	3,007	-5.1	-14.4
Emami	1,031	Buy	7,608	5.0	30.2	2,543	1.9	45.1	1,820	-6.8	36.2
Godrej Consumer	1,532	Neutral	25,145	10.0	6.7	4,617	1.7	-0.3	3,270	-1.2	1.8
GSK Consumer	5,058	Neutral	9,517	-3.0	-11.9	1,577	-4.2	-35.7	1,356	1.8	-26.2
Hind. Unilever	821	Neutral	78,804	1.5	0.5	13,728	-4.0	-2.3	9,898	1.9	-8.5
ITC	245	Buy	88,097	-4.0	-8.8	33,729	-6.4	-7.1	25,824	-2.7	3.3
Jyothy Labs	335	Neutral	3,763	1.0	-8.6	468	-10.0	-26.6	218	42.1	-31.9
Marico	258	Buy	14,526	-5.0	0.9	2,654	-7.5	6.5	1,858	-8.0	2.9
Nestle	5,893	Neutral	19,376	-0.5	-17.4	3,474	-0.5	-22.6	1,972	-5.5	-31.5
P&G Hygiene	6,891	Buy	7,505	10.0	25.0	1,855	-14.3	22.7	1,255	-14.4	20.2
Page Industries	13,782	Buy	4,805	9.0	-10.6	961	6.3	-10.6	650	13.3	-5.3
Parag Milk Foods	264	Neutral	3,991	3.0	-15.6	350	-7.6	-7.3	146	0.4	1.7
Pidilite Inds.	608	Buy	13,525	1.0	-4.6	2,847	-3.6	-11.7	1,815	-2.7	-21.4
Radico Khaitan	117	Neutral	4,244	0.0	-5.1	471	-15.3	-17.0	163	-27.7	-27.8
United Breweries	796	Buy	10,676	-2.9	2.8	1,356	-22.5	11.9	747	4.8	176.1
United Spirits	1,952	Buy	22,894	-5.0	12.4	2,447	41.2	8.7	1,128	2145.7	15.3
Consumer Sector Aggregate			404,872	0.1	-2.3	89,135	-4.5	-5.2	63,395	-1.2	-2.9

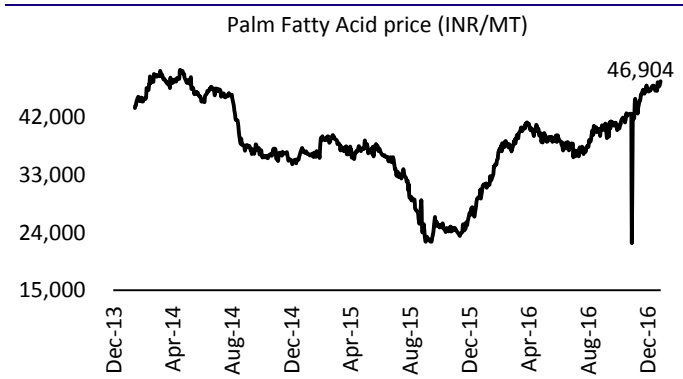
Source: Company, MOSL

Exhibit 2: 3QFY17 volume growth expectations (%)

Quarter Ending	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16E	1Q17	2Q17	3Q17E
Asian Paints	7.0	12.0	11.0	10.0	3.0	4.0	12.0	5.0	15.0	13.0	11.0	12.0	6.0
Britannia (Biscuits)	3.0	3.0	10.0	6.0	8.0	8.0	10.0	12.0	11.0	10.0	8.0	10.0	-5.0
Colgate (Toothpaste)	11.0	7.0	5.0	7.0	5.0	5.0	2.0	3.0	1.0	1.5	5.0	4.0	2.0
Dabur	9.0	9.2	8.3	8.7	7.4	8.1	8.1	5.5	-2.5	6.0	4.1	4.5	5.0
Emami	1.5	-10.0	12.5	11.5	11.0	12.0	15.0	13.5	9.3	13.0	18.0	11.0	1.0
Godrej Consumer													
Soaps	6.0	-4.0	MSD	LSD	LSD	5.0	DD	MSD	MSD	MSD	LDD	-MSD	-MSD
GSK Consumer	11.0	8.0	3.0	2.0	5.0	2.0	2.0	2.0	0.0	2.0	-6.0	-3.0	-4.0
Hindustan Unilever	4.0	3.0	5.0	5.0	3.0	6.0	6.0	7.0	6.0	6.0	4.0	-1.0	-1.0
ITC (cigarette)	-2.0	-3.0	-2.5	-4.0	-13.0	-12.0	-17.0	-15.0	-5.0	-3.0	3.0	4.0	-7.0
Marico													
Parachute	2.0	10.0	6.0	7.0	8.0	5.0	8.0	11.0	4.0	7.0	7.0	-6.0	0.0
Hair Oil	8.0	5.0	11.0	13.0	10.0	5.0	14.0	8.0	21.0	15.0	9.0	11.0	-5.0
Saffola	9.0	11.0	10.0	9.0	3.0	-1.0	4.0	4.0	17.0	10.0	11.0	8.0	-1.0
Pidilite	11.0	12.0	13.0	10.0	7.0	5.5	5.0	3.0	11.0	12.0	9.0	7.8	1.0
Radico Khaitan	7.6	3.5	-3.5	-3.9	2.0	-4.2	-10.3	-7.2	-3.8	2.0	3.6	4.5	-5.0

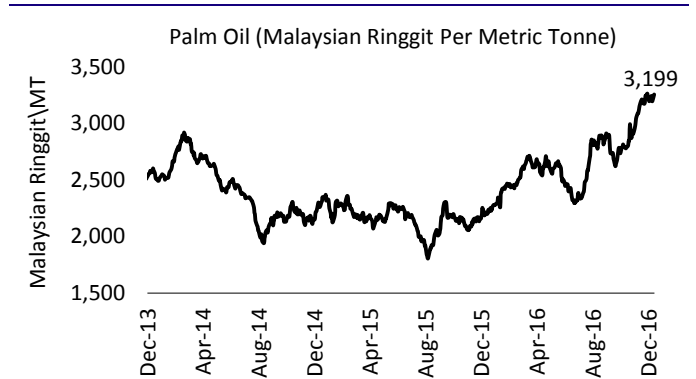
Source: Company, MOSL

Exhibit 3: PFAD prices up 70.5% YoY and 12.6% QoQ



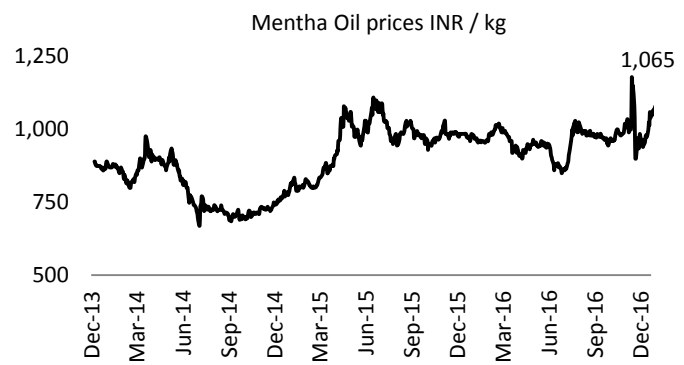
Source: Bloomberg, MOSL

Exhibit 4: Palm oil prices rise 36.7% YoY and 12.3% QoQ



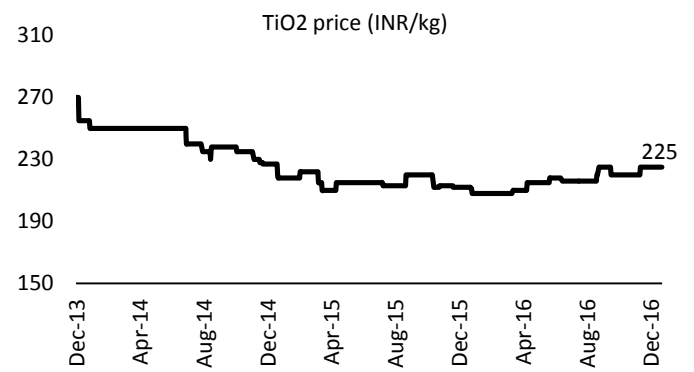
Source: Bloomberg, MOSL

Exhibit 5: Mentha prices up 2% YoY and 3% QoQ



Source: Bloomberg, MOSL

Exhibit 6: TiO2 prices up 3.7% YoY and 1.6% QoQ



Source: Bloomberg, MOSL

Exhibit 7: Comparative valuation

Sector / Companies	CMP (INR)	RECO	EPS (INR)			PE (x)			EV/EBIDTA (x)			ROE (%)		
			FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E	FY17E	FY18E	FY19E
Consumer														
Asian Paints	906	Neutral	20.2	22.6	26.4	44.9	40.0	34.3	28.6	25.7	22.1	32.4	32.0	32.3
Britannia	2,851	Buy	70.6	82.1	97.8	40.4	34.7	29.1	29.0	24.5	20.3	42.2	38.8	36.9
Colgate	895	Buy	22.3	27.2	32.9	40.2	32.9	27.2	24.1	19.8	16.5	56.3	63.2	70.5
Dabur	277	Neutral	7.2	8.5	10.0	38.6	32.6	27.8	31.1	26.1	22.1	27.8	27.9	27.8
Emami	1,031	Buy	24.7	30.6	37.1	41.7	33.7	27.8	31.0	26.4	22.0	34.1	33.6	33.8
Godrej Consumer	1,532	Neutral	36.8	43.8	50.4	41.7	35.0	30.4	30.5	25.9	22.7	22.3	22.7	22.1
GSK Consumer	5,058	Neutral	157.7	178.8	201.2	32.1	28.3	25.1	22.0	19.1	16.3	25.1	24.7	24.2
Hind. Unilever	821	Neutral	19.7	22.4	25.8	41.6	36.6	31.8	29.1	25.7	22.3	68.7	79.1	89.8
ITC	245	Buy	8.4	9.6	11.0	29.2	25.6	22.3	19.8	17.1	14.6	28.4	28.3	28.5
Jyothy Labs	335	Neutral	7.2	8.5	10.1	46.5	39.5	33.4	25.9	22.1	19.4	15.0	16.5	17.9
Marico	258	Buy	6.0	7.2	8.5	43.2	35.6	30.3	29.7	24.6	21.1	32.8	33.1	34.8
Nestle	5,893	Neutral	111.5	139.2	168.7	52.8	42.3	34.9	31.4	25.0	20.6	35.9	39.2	40.1
P&G Hygiene	6,891	Buy	138.5	168.9	201.7	49.8	40.8	34.2	32.3	25.7	21.2	27.7	29.4	30.3
Page Industries	13,782	Buy	247.4	312.7	402.4	55.7	44.1	34.2	36.4	28.1	22.4	42.9	42.7	44.0
Parag Milk Foods	264	Neutral	7.0	9.7	14.1	37.5	27.3	18.7	16.0	12.8	9.7	10.8	10.5	13.5
Pidilite Inds.	608	Buy	16.4	18.4	20.6	37.1	33.1	29.5	24.2	21.4	18.6	27.6	25.6	23.5
Radico Khaitan	117	Neutral	5.3	7.1	8.2	22.2	16.6	14.2	12.5	11.3	10.2	7.3	9.1	9.9
United Breweries	796	Buy	12.3	16.4	19.7	64.5	48.7	40.4	30.8	24.7	20.2	14.5	16.9	17.5
United Spirits	1,952	Buy	27.8	45.7	61.7	70.3	42.8	31.6	34.4	25.1	19.7	20.3	23.6	24.5
Consumer Sector Aggregate						37.9	32.4	27.8	25.5	21.8	18.6	29.3	29.9	30.3

Source: MOSL



1. ESSAR Steel: Looking to hike prices by rs 3,000/tn in January Dilip Oommen, MD & CEO

- Considering a rise of Rs 3,000/tonne in steel prices, after a similar increase in December 2016.
- Expecting EBITDA per tonne of Rs 6,000-6,500 in the second half of FY17; the EBITDA in the first half of FY17 was Rs 4,500/tonne.
- Auto and retail sales is under pressure, sales have shifted to OEMs and exports due to pressure in retail.
- Have no plans to sell any capacity; the current debt stands at Rs 31,000 crore and working capital is Rs 9,000 crore. The management is looking to restructure some part of the debt.

[→ Read More](#)

2. Mahindra CIE: Between 2015 and 2020 we expect to double revenue and triple profits; Hemant Luthra, Chairman

- 2017 to be a different year as compared to the previous couple of years. See a few upsides.
- Do not see any serious impact of demonetisation as 60% of the revenues come from Europe. Only 1/3rd of the remaining 40% is exposed to two wheeler industry, which is the only industry to be impacted by demonetisation.
- Well positioned due to a diversified portfolio, both geographically and technologically.
- See huge advantage from the association with Bill Forge, with synergies kicking in right away and from cross selling.
- January – March should see an uptick in the two wheeler sales from the lows in December.

[→ Read More](#)



1. Developing a long-term bond market. by TB Kapali

- In his recent address at the National Institute of Securities Markets, the Prime Minister underlined the importance of bond markets for infrastructure financing in India. He pointed out that currently all infrastructure financing is done either by the Government or World Bank loans or public sector banks. The Prime Minister also noted that bond markets should enable long-term borrowing to provide viable long-term infrastructure financing. In his closing remarks, he said that the absence of long-term bond markets is a problem that India's financial community can solve, if they put their minds to it.

[→ Read More](#)

2. Import Duties: With Uttar Pradesh elections in offing, sensible policies have to wait. by The Financial Express

- Though commerce minister Nirmala Sitharaman has said the government has no plans as of now to cut import duties on sugar, it is not clear what the official strategy is. After back-to-back droughts hit production in Maharashtra, where several mills have stopped crushing due to a shortage of cane, there is considerable uncertainty over what this year's output will be. While the official estimate is around 22.5 million tonnes, the Indian Sugar Mills Association believes it will be in the region of 23.4 million tonnes—a clearer picture will emerge by the end of the month. Either way, a production of this level will leave India with a lower closing stock.

[→ Read More](#)

3. Social cost of Demonetisation: Challenge is to check a new black economy. by Madan Sabnavis

- With demonetisation coming to an end formally last month, it is compelling to evaluate the costs which, though speculative in nature, would broadly indicate the value of benefits required to recover them. If the perceived benefits are higher, then there is a net gain. The approach must be different given it was an economic measure with high moral undertones. Conjecturing the cost of this exercise is tricky as a large part of the perceived effects is not transparent enough, given the discreetness required. The attempt here is more to lay a framework to be used by the reader to plug in numbers and evaluate the same.

[→ Read More](#)

4. The RBI's bounty and its independence. by Gita Gopinath

- Post demonetisation on 8 November, it has been furiously argued, including by some prominent economists, that in the event that some fraction of the demonetised notes are extinguished and never exchanged or deposited, the liabilities of the Reserve Bank of India (RBI) would reduce, and generate space for the central bank to print and transfer an equivalent monetary value to the government. That is, supposing Rs1 trillion does not make it back into the banking system, then RBI can print Rs1 trillion and transfer it to the government to be used for fiscal expenditure.

[→ Read More](#)

5. We are like this only. by Indrajit Hazra

- One thing you've got to agree with, even if you don't find it agreeable, is that finding women to be easy targets for random or planned acts of abuse and violence is a subcontinental trait. Honed over centuries and adapting to changing conditions, the Indian male, in particular, has unknowingly been a role model for misogyny the world over. It is an accepted fact that much before the ancient Texans and the modern Wahhabis, it was the Indian who discovered the zero, invented the flying machine (and subsequently forgot how to make it, strangely), built the first nuclear weapons, and ensured that women would be treated inferior to men as a gender and goose.

[→ Read More](#)

International

6. US tax reform is vital but Donald Trump's plan is flawed. by Lawrence Summers

- Corporate tax reform has rightly been identified by both the President-elect and Congress as an immediate priority. There is no doubt that the status quo — where America has the highest statutory rate among major countries and companies hoard cash overseas — can be improved on. Unfortunately, the reforms identified by Paul Ryan, speaker of the House of Representatives, and Donald Trump appear set to damage the tax base and the US and global economies. The central concept put forward by Mr Ryan, which appears to have the support of Mr Trump, is to turn corporate income tax from a tax on the return to capital into a tax only on extraordinary profits.

[→ Read More](#)



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	903	1,192	32	28.7	30.9	40.1	29.3	22.5	6.1	5.0	25.8	22.7	24.2
Ashok Ley.	Buy	85	89	5	3.9	4.9	6.6	17.2	12.9	3.7	3.2	20.9	23.5	26.5
Bajaj Auto	Buy	2,721	3,215	18	131.8	133.0	158.9	20.5	17.1	5.7	5.0	33.2	29.4	30.9
Bharat Forge	Buy	907	1,017	12	28.1	25.0	34.2	36.2	26.5	5.4	4.7	18.7	15.5	19.0
Bosch	Neutral	20,924	24,532	17	545.9	507.6	657.7	41.2	31.8	8.6	7.1	21.9	19.7	24.5
Eicher Mot.	Buy	22,979	28,755	25	492.9	608.7	869.5	37.8	26.4	13.2	9.4	35.8	40.3	41.6
Endurance Tech.	Buy	564	715	27	20.7	23.5	29.7	24.0	19.0	4.5	3.8	22.4	20.6	21.6
Escorts	Buy	324	441	36	11.1	20.7	34.2	15.7	9.5	1.7	1.4	6.1	10.9	16.2
Exide Ind	Buy	186	249	34	7.3	8.6	10.4	21.5	17.8	3.2	2.8	14.0	14.8	15.7
Hero Moto	Neutral	3,036	3,634	20	158.3	169.5	192.2	17.9	15.8	6.4	5.5	43.6	39.0	37.5
M&M	Buy	1,203	1,534	27	53.6	66.0	83.7	18.2	14.4	1.5	1.3	15.4	14.5	14.5
Mahindra CIE	Not Rated	190	-		4.2	6.2	9.7	30.7	19.6	2.1	1.9	4.5	7.7	10.3
Maruti Suzuki	Buy	5,648	6,093	8	177.6	252.2	306.9	22.4	18.4	5.2	4.3	19.9	23.1	23.1
Tata Motors	Buy	500	677	35	36.9	27.2	55.0	18.4	9.1	1.9	1.6	18.3	10.8	19.0
TVS Motor	Buy	384	415	8	9.1	11.9	16.5	32.2	23.3	7.8	6.2	24.1	26.5	29.5
Aggregate								22.8	15.8	3.8	3.2	18.9	16.7	20.3
Banks - Private														
Axis Bank	Neutral	453	519	15	34.5	13.0	23.2	34.9	19.5	2.0	1.8	17.1	5.8	9.7
DCB Bank	Neutral	113	128	13	6.8	7.2	8.5	15.8	13.3	1.6	1.5	11.8	11.0	11.7
Equitas Hold.	Buy	150	240	60	6.2	6.0	6.8	25.1	22.0	2.2	2.0	13.3	11.2	9.7
Federal Bank	Buy	68	106	55	2.8	4.5	5.5	15.1	12.5	1.4	1.2	6.0	9.3	10.4
HDFC Bank	Buy	1,195	1,510	26	48.6	57.9	69.8	20.6	17.1	3.6	3.1	18.3	18.7	19.5
ICICI Bank	Buy	258	332	29	16.7	17.2	18.0	15.0	14.3	1.2	1.1	11.3	10.4	10.0
IDFC Bank	Under Review	62	-		0.0	3.1	4.2	19.9	14.7	1.5	1.4	0.0	7.5	9.5
IndusInd	Buy	1,160	1,405	21	38.4	47.6	59.6	24.4	19.5	3.5	3.0	16.6	15.3	16.7
J&K Bank	Neutral	60	68	14	8.6	Loss	14.5	Loss	4.1	0.5	0.5	6.6	Loss	12.4
Kotak Mah. Bk	Buy	710	932	31	18.9	26.6	32.4	26.7	21.9	3.4	3.0	10.9	13.6	14.5
RBL Bank	Buy	355	450	27	9.0	12.2	14.8	29.2	23.9	3.1	2.8	11.2	12.4	12.3
South Indian	Buy	21	30	43	2.5	3.0	3.6	7.1	5.8	0.7	0.6	9.3	10.3	11.7
Yes Bank	Buy	1,254	1,500	20	60.4	74.5	95.8	16.8	13.1	3.2	2.7	19.9	20.9	22.6
Aggregate								21.5	16.8	2.6	2.3	13.7	11.9	13.6
Banks - PSU														
BOB	Buy	153	223	46	Loss	12.3	18.8	12.4	8.1	1.0	0.9	Loss	8.1	11.5
BOI	Neutral	111	125	13	Loss	Loss	18.5	Loss	6.0	0.5	0.4	Loss	Loss	7.5
Canara	Under Review	270	-		Loss	27.2	37.9	9.9	7.1	0.5	0.5	Loss	5.6	7.4
IDBI Bk	Neutral	74	49	-33	Loss	1.5	6.4	48.4	11.5	0.7	0.7	Loss	1.4	5.8
Indian Bk	Buy	234	314	34	14.8	30.4	31.9	7.7	7.3	0.8	0.7	5.5	10.4	10.1
OBC	Neutral	111	108	-3	4.9	19.3	21.3	5.8	5.2	0.3	0.3	1.2	4.8	5.1
PNB	Buy	120	172	44	Loss	8.5	13.2	14.1	9.1	0.7	0.6	Loss	4.8	7.0
SBI	Buy	247	338	37	15.7	9.8	23.3	25.2	10.6	1.1	1.0	7.6	7.5	9.2
Union Bk	Buy	127	168	32	19.7	15.6	30.4	8.1	4.2	0.4	0.4	7.0	5.2	9.5
Aggregate								15.8	10.2	0.7	0.7	-2.7	4.7	7.0
NBFCs														
Bajaj Fin.	Buy	877	1,053	20	23.9	31.8	41.3	27.6	21.2	5.4	4.4	21.1	21.1	22.8
Bharat Fin.	Buy	620	893	44	23.8	42.7	38.5	14.5	16.1	3.1	2.6	24.9	28.6	17.7
Dewan Hsg.	Buy	255	413	62	25.0	31.4	38.8	8.1	6.6	1.3	1.1	15.1	17.0	17.9
GRUH Fin.	Neutral	326	339	4	6.7	8.0	10.1	40.8	32.3	11.6	9.4	31.5	31.3	32.1
HDFC	Buy	1,222	1,553	27	30.6	34.5	37.8	35.4	32.3	5.0	4.5	21.5	19.4	19.0
Indiabulls Hsg	Buy	674	1,015	51	55.7	69.5	87.7	9.7	7.7	2.4	2.1	27.1	26.0	29.3
LIC Hsg Fin	Buy	525	719	37	32.9	39.4	48.1	13.3	10.9	2.5	2.1	19.6	20.0	20.7
Manappuram	Not Rated	71	-		3.5	3.8	4.3	18.5	16.5	2.1	2.0	10.8	11.4	12.2
M&M Fin.	Buy	275	360	31	11.9	14.3	17.4	19.3	15.8	2.3	2.1	11.4	12.6	14.0
Muthoot Fin	Buy	291	373	28	20.3	27.5	32.0	10.6	9.1	1.8	1.6	15.1	18.4	19.0
PFC	Neutral	131	89	-32	23.8	24.0	25.5	5.5	5.1	0.9	0.8	18.3	16.8	16.2



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
Repco Home	Buy	600	824	37	24.0	25.7	37.7	23.3	15.9	3.4	2.9	17.0	15.7	19.6
REC	Neutral	130	92	-29	28.5	29.4	33.4	4.4	3.9	0.8	0.7	21.0	18.8	18.5
STF	Buy	931	1,302	40	53.3	66.9	90.2	13.9	10.3	1.9	1.6	12.2	14.1	16.7
Aggregate								13.7	11.8	2.4	2.1	18.0	17.8	18.2
Capital Goods														
ABB	Neutral	1,042	1,125	8	15.8	18.2	26.9	57.2	38.7	6.5	5.6	11.1	11.4	14.5
Bharat Elec.	Buy	1,454	1,480	2	56.9	60.0	69.9	24.2	20.8	4.3	3.8	15.6	19.2	18.3
BHEL	Sell	128	110	-14	Loss	3.9	5.5	32.4	23.2	0.9	0.9	Loss	2.9	3.9
CG Cons. Elec.	Buy	150	180	20	1.9	3.7	5.1	40.1	29.1	26.8	18.1	52.1	80.9	74.2
Crompton Grv.	Sell	62	50	-19	2.1	0.6	1.9	110.1	33.1	0.8	0.8	3.0	4.2	6.0
Cummins	Neutral	807	836	4	27.2	26.6	31.0	30.3	26.1	6.5	5.9	24.9	22.6	23.6
GE T&D	Neutral	297	320	8	3.0	5.6	10.7	52.6	27.8	5.9	5.3	5.9	-6.8	20.1
Havells	Buy	363	390	7	7.8	7.5	11.3	48.5	32.1	8.2	7.5	19.0	16.9	23.3
Inox Wind	Neutral	183	200	9	20.7	17.5	20.0	10.4	9.1	1.9	1.6	27.9	19.3	18.6
K E C Intl	Buy	142	160	13	7.4	10.1	12.1	14.0	11.7	2.1	1.8	13.5	16.0	16.7
L&T	Buy	1,381	1,600	16	44.7	53.6	62.2	25.7	22.2	2.7	2.5	9.9	10.9	11.7
Pennar Eng.	Not Rated	145	-	-	7.9	9.4	11.7	15.4	12.5	2.0	1.7	12.6	13.0	13.8
Siemens	Neutral	1,151	1,260	9	16.9	17.0	25.4	67.7	45.3	6.2	5.7	11.8	9.2	12.6
Solar Ind	Neutral	701	690	-2	18.4	19.3	22.9	36.4	30.6	6.3	5.4	20.2	18.6	19.0
Suzlon Energy	Not Rated	15	-	-	Loss	Loss	0.3	Loss	49.5	Loss	Loss	Loss	Loss	Loss
Thermax	Sell	803	706	-12	23.5	25.2	28.3	31.9	28.4	3.8	3.5	12.5	12.4	12.7
Va Tech Wab.	Buy	482	620	29	16.3	25.2	32.6	19.1	14.8	2.4	2.2	9.7	13.2	15.4
Voltas	Buy	337	350	4	11.7	11.8	14.0	28.6	24.0	4.2	3.7	15.3	15.4	16.4
Aggregate								30.8	24.3	3.2	2.9	7.6	10.2	11.9
Cement														
Ambuja Cem.	Buy	211	234	11	5.5	6.1	7.8	34.4	27.0	1.5	1.5	8.3	6.3	7.9
ACC	Neutral	1,326	1,321	0	32.0	38.1	66.1	34.8	20.1	2.9	2.8	7.2	8.4	14.3
Birla Corp.	Buy	694	759	9	20.4	39.9	51.2	17.4	13.6	1.5	1.5	5.9	10.0	11.1
Dalmia Bharat	Buy	1,545	1,736	12	21.5	37.9	63.5	40.7	24.3	3.3	2.9	5.5	8.4	12.7
Grasim Inds.	Under Review	858	-	-	48.3	75.4	90.4	11.4	9.5	1.4	1.2	9.2	12.8	13.6
India Cem	Neutral	127	118	-7	4.4	5.4	7.6	23.3	16.6	1.0	1.0	3.9	4.2	5.4
J K Cements	Buy	720	767	7	14.5	26.4	42.6	27.2	16.9	2.8	2.5	6.3	10.9	15.8
JK Lakshmi Ce	Buy	358	440	23	0.4	8.7	30.3	41.2	11.8	3.0	2.6	0.3	7.5	23.6
Ramco Cem	Buy	576	698	21	23.4	26.8	28.9	21.5	20.0	3.8	3.2	19.5	18.9	17.5
Orient Cem	Buy	128	175	37	3.0	Loss	4.5	Loss	28.8	2.7	2.5	6.2	Loss	9.0
Prism Cem	Buy	85	102	20	0.1	0.9	3.9	95.1	21.6	4.1	3.6	0.7	4.5	17.7
Shree Cem	Buy	14,360	17,096	19	201.1	540.6	739.6	26.6	19.4	6.3	4.8	12.2	26.7	28.2
Ultratech	Buy	3,297	4,069	23	79.3	108.9	171.9	30.3	19.2	3.9	3.3	11.0	13.5	18.5
Aggregate								24.9	17.5	3.1	2.6	9.3	12.6	14.9
Consumer														
Asian Paints	Neutral	910	1,135	25	18.7	21.7	25.8	41.9	35.3	13.4	11.4	34.7	34.4	34.9
Britannia	Buy	2,891	3,725	29	70.1	68.8	89.0	42.0	32.5	15.5	12.1	55.9	41.3	41.9
Colgate	Buy	894	1,240	39	22.3	22.3	29.2	40.2	30.6	21.5	19.9	67.9	56.3	67.5
Dabur	Neutral	274	300	9	7.1	7.6	9.0	36.1	30.5	9.7	8.2	33.3	29.3	29.2
Emami	Buy	1,040	1,350	30	25.2	26.1	33.2	39.8	31.4	12.3	10.1	43.4	35.7	35.4
Godrej Cons.	Neutral	1,538	1,610	5	33.2	36.8	48.2	41.8	31.9	8.7	7.2	23.4	22.3	24.7
GSK Cons.	Neutral	5,140	5,685	11	167.1	157.7	178.8	32.6	28.8	7.6	6.7	30.8	25.1	24.8
HUL	Neutral	831	890	7	19.0	20.4	23.0	40.8	36.2	28.6	28.2	82.4	70.1	78.4
ITC	Buy	246	285	16	7.7	9.0	10.5	27.3	23.4	7.7	6.7	29.3	30.4	30.7
Jyothy Lab	Neutral	330	390	18	4.1	8.3	9.6	39.8	34.2	6.5	5.9	9.1	17.1	18.1
Marico	Buy	258	314	22	5.6	6.1	7.6	42.2	34.0	12.7	10.7	36.9	33.5	34.3
Nestle	Neutral	5,888	7,410	26	119.9	109.8	137.9	53.6	42.7	18.0	15.6	40.9	35.4	39.1
Page Inds	Buy	13,718	17,515	28	208.6	247.4	325.3	55.5	42.2	23.8	18.6	46.0	42.9	44.0
Parag Milk	Neutral	271	303	12	6.7	7.0	9.7	38.5	28.0	3.1	2.8	19.5	10.8	10.5
Pidilite Ind.	Buy	614	800	30	14.8	16.6	19.4	37.0	31.6	9.5	7.6	29.9	28.0	26.8



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
P&G Hygiene	Buy	6,806	8,340	23	129.9	138.5	168.9	49.1	40.3	12.7	11.0	30.8	27.7	29.4
Radico Khaitan	Neutral	119	140	18	6.9	5.3	7.1	22.6	16.9	1.6	1.5	10.3	7.3	9.1
United Brew	Buy	803	1,088	36	11.1	12.3	16.4	65.1	49.1	8.9	7.7	14.8	14.5	16.9
United Spirits	Buy	1,912	2,800	46	16.7	34.4	51.9	55.6	36.8	11.7	8.7	19.8	24.0	23.6
Aggregate								36.3	30.4	11.1	9.5	31.8	30.4	31.3
Healthcare														
Alembic Phar	Neutral	605	640	6	38.2	24.7	31.9	24.5	18.9	5.8	4.7	38.8	26.2	27.4
Alkem Lab	Neutral	1,679	1,800	7	64.7	76.7	84.5	21.9	19.9	4.7	4.0	23.8	23.7	21.8
Aurobindo	Buy	695	1,050	51	33.9	42.0	49.9	16.5	13.9	4.3	3.3	32.5	29.9	27.2
Biocon	Sell	1,013	750	-26	23.2	27.1	34.3	37.4	29.6	4.6	4.1	11.5	12.2	13.9
Cadila	Buy	361	450	25	15.4	14.2	19.1	25.4	18.9	5.8	4.7	32.8	24.9	27.4
Cipla	Neutral	577	525	-9	18.8	18.1	25.6	31.8	22.5	3.6	3.1	12.8	11.2	13.9
Divis Lab	Neutral	734	975	33	41.9	45.6	51.6	16.1	14.2	4.1	3.5	28.6	26.8	26.8
Dr Reddy's	Neutral	3,066	3,000	-2	132.3	89.5	141.8	34.2	21.6	3.7	3.2	18.8	11.4	16.0
Fortis Health	Buy	199	240	21	Loss	Loss	3.5	Loss	56.3	2.3	2.0	Loss	Loss	3.8
Glenmark	Neutral	895	990	11	24.9	41.2	48.9	21.7	18.3	4.4	3.4	16.4	20.3	18.8
Granules	Buy	101	160	58	5.5	7.1	10.0	14.3	10.1	2.5	2.1	21.6	20.5	22.7
GSK Pharma	Neutral	2,709	3,000	11	44.2	50.4	61.8	53.8	43.9	15.9	17.9	22.1	29.6	40.8
IPCA Labs	Neutral	538	540	0	10.5	15.9	29.0	33.9	18.6	2.8	2.5	5.9	8.5	14.0
Lupin	Buy	1,491	1,825	22	50.4	61.6	77.0	24.2	19.4	5.0	4.1	22.9	22.8	23.4
Sanofi India	Buy	4,210	5,200	24	103.2	143.6	172.9	29.3	24.4	5.3	4.7	14.2	18.0	19.4
Sun Pharma	Buy	633	925	46	19.6	28.8	39.4	21.9	16.1	4.4	3.6	16.5	21.0	24.5
Syngene Intl	Not Rated	595	-		11.1	13.0	16.1	45.7	36.9	9.2	7.5	23.3	22.2	22.5
Torrent Pharma	Buy	1,340	1,750	31	59.7	57.7	78.4	23.2	17.1	5.7	4.7	34.4	26.4	29.9
Aggregate								24.8	18.8	6.0	5.0	25.8	24.3	26.5
Logistics														
Allcargo Logistics	Buy	172	196	14	10.8	10.6	12.8	16.3	13.4	2.4	2.1	13.2	13.3	16.8
Blue Dart	Not Rated	4,429	-		78.4	96.7	112.2	45.8	39.5	9.6	7.9	22.5	23.1	22.1
Concor	Neutral	1,186	1,367	15	40.6	36.6	46.8	32.4	25.3	2.8	2.6	10.2	8.7	10.5
Gateway Distriparks	Buy	248	313	26	11.4	9.9	15.6	25.1	15.9	2.1	2.0	10.1	8.5	12.8
Gati	Not Rated	118	-		3.2	9.3	17.6	12.7	6.7	1.9	1.7	5.1	12.4	19.4
Transport Corp.	Not Rated	154	-		13.5	16.9	21.0	9.1	7.3	1.4	1.2	15.4	16.7	17.8
Aggregate								28.1	21.6	3.0	2.8	11.1	10.8	12.8
Media														
Dish TV	Buy	86	115	34	6.5	2.0	3.3	43.8	25.8	Loss	9.7	NM	43.2	46.3
D B Corp	Buy	369	465	26	16.2	21.7	25.8	17.0	14.3	4.4	3.9	22.6	27.8	29.0
Den Net.	Neutral	72	75	4	Loss	Loss	1.9	Loss	38.9	0.8	0.8	Loss	Loss	2.1
Hathway Cab.	Buy	36	50	39	Loss	Loss	2.4	Loss	15.1	2.4	2.0	Loss	Loss	14.3
Hind. Media	Buy	276	360	30	24.6	27.9	29.9	9.9	9.2	1.8	1.5	21.9	20.3	17.9
HT Media	Neutral	75	90	20	7.3	5.9	7.5	12.7	10.1	0.7	0.6	7.7	5.8	6.7
Jagran Prak.	Buy	180	215	19	10.5	10.8	12.6	16.6	14.2	3.2	2.8	24.7	20.8	21.2
PVR	Buy	1,183	1,318	11	25.5	20.4	35.8	58.1	33.0	5.8	5.0	18.7	10.4	16.4
Siti Net.	Buy	37	43	17	Loss	Loss	3.7	Loss	10.1	3.7	2.4	0.1	Loss	23.5
Sun TV	Under Review	540	-		21.1	26.1	30.6	20.7	17.6	5.4	4.9	23.4	26.2	27.9
Zee Ent.	Buy	464	590	27	10.6	11.9	17.7	39.1	26.3	9.0	7.3	27.0	29.1	30.6
Aggregate								28.9	19.7	5.1	4.4	18.2	17.8	22.0
Metals														
Hindalco	Buy	158	234	48	12.0	17.7	21.9	8.9	7.2	1.4	1.2	11.6	16.6	18.0
Hind. Zinc	Neutral	269	237	-12	19.4	19.8	21.5	13.6	12.5	3.0	2.6	20.3	20.7	22.5
JSPL	Neutral	74	88	19	Loss	Loss	Loss	Loss	Loss	0.4	0.4	Loss	Loss	Loss
JSW Steel	Buy	176	190	8	Loss	Loss	12.3	Loss	14.4	2.3	2.0	Loss	0.0	14.9
Nalco	Buy	65	74	13	2.7	3.4	5.2	19.2	12.5	1.2	1.2	5.4	6.6	9.5
NMDC	Buy	136	156	15	8.4	10.8	10.3	12.6	13.3	1.8	1.8	15.9	12.7	13.8
SAIL	Sell	52	30	-43	Loss	Loss	Loss	Loss	Loss	0.6	0.7	Loss	Loss	Loss



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
Vedanta	Neutral	233	209	-10	20.1	10.8	21.3	21.6	10.9	1.4	1.2	17.0	7.9	13.0
Tata Steel	Sell	422	421	0	2.9	7.7	7.7	55.0	55.0	2.8	3.7	1.3	4.6	5.8
Aggregate								27.1	15.9	1.5	1.4	6.0	5.6	8.7
Oil & Gas														
BPCL	Buy	653	756	16	55.2	55.5	56.4	11.8	11.6	2.8	2.4	31.6	26.2	22.7
Cairn India	Neutral	256	-		11.4	14.0	12.5	18.3	20.5	1.0	0.9	4.0	5.3	4.6
GAIL	Neutral	435	429	-1	18.1	28.7	36.4	15.2	12.0	1.7	1.5	7.7	12.9	13.2
Gujarat St. Pet.	Neutral	138	168	22	7.9	8.8	11.0	15.7	12.5	1.8	1.6	11.7	11.9	13.5
HPCL	Buy	463	543	17	38.0	52.7	45.1	8.8	10.3	2.2	1.9	22.4	26.6	19.7
IOC	Buy	343	464	35	20.3	49.3	40.1	6.9	8.6	1.9	1.7	13.6	29.3	20.8
IGL	Neutral	923	898	-3	29.7	42.0	43.7	22.0	21.2	4.5	3.9	18.4	21.8	19.8
MRPL	Buy	108	115	7	7.4	17.0	15.8	6.3	6.8	2.2	1.7	22.1	39.4	28.4
Oil India	Buy	478	508	6	38.8	44.7	54.1	10.7	8.8	1.2	1.1	10.5	11.5	13.0
ONGC	Neutral	198	223	13	13.6	14.8	20.0	13.4	9.9	1.3	1.3	9.5	10.1	13.1
PLNG	Buy	374	411	10	11.2	19.8	26.9	18.8	13.9	3.8	3.1	14.0	21.5	24.7
Reliance Ind.	Neutral	1,077	1,002	-7	93.0	100.9	109.0	10.7	9.9	1.2	1.1	12.0	11.8	11.5
Aggregate								11.0	10.5	1.5	1.4	11.4	13.8	13.3
Retail														
Jubilant Food	Neutral	824	1,090	32	15.0	14.8	24.7	55.9	33.4	6.6	6.3	13.4	11.8	18.8
Shopper's Stop	Neutral	299	350	17	5.8	7.5	9.2	39.6	32.3	2.8	2.6	6.3	7.6	8.5
Titan Co.	Neutral	354	380	7	8.0	8.4	9.8	41.9	36.3	7.5	6.5	21.3	19.3	19.1
Aggregate								43.7	35.6	6.7	5.9	16.8	15.3	16.5
Technology														
Cyient	Buy	485	600	24	30.7	34.6	44.2	14.0	11.0	2.3	2.0	16.5	16.4	18.3
HCL Tech.	Buy	840	960	14	40.1	56.7	63.2	14.8	13.3	3.6	3.1	21.5	26.6	25.5
Hexaware	Neutral	204	230	13	12.9	13.6	15.5	14.9	13.1	4.0	3.3	28.9	27.7	27.5
Infosys	Buy	971	1,250	29	59.0	61.7	68.7	15.7	14.1	3.2	2.9	24.7	22.8	22.8
KPIT Tech	Neutral	137	170	24	14.1	12.6	15.6	10.9	8.8	1.7	1.4	21.0	16.9	17.6
L&T Infotech	Buy	678	800	18	52.4	54.9	58.6	12.3	11.6	4.7	3.9	45.3	42.3	36.8
Mindtree	Neutral	496	520	5	35.9	26.6	36.2	18.6	13.7	3.2	2.8	27.4	18.0	22.0
Mphasis	Neutral	533	560	5	34.5	42.2	54.0	12.6	9.9	1.7	1.5	12.3	13.7	16.3
NIIT Tech	Neutral	430	450	5	45.7	38.6	50.2	11.1	8.6	1.5	1.3	19.0	14.2	16.6
Persistent Sys	Neutral	634	700	10	37.2	36.2	45.0	17.5	14.1	2.7	2.6	19.5	16.7	19.2
Tata Elxsi	Buy	1,384	1,619	17	49.7	60.2	73.6	23.0	18.8	8.8	7.1	46.3	42.8	41.7
TCS	Neutral	2,304	2,500	9	123.2	131.0	144.9	17.6	15.9	5.4	4.6	37.1	33.0	31.3
Tech Mah	Buy	473	550	16	35.1	30.9	36.0	15.3	13.1	2.7	2.3	23.4	19.1	19.3
Wipro	Neutral	473	560	18	36.1	34.3	39.5	13.8	12.0	2.4	2.1	20.3	17.7	18.5
Zensar Tech	Buy	930	1,250	34	68.2	69.5	92.5	13.4	10.1	2.5	2.1	24.0	20.3	22.8
Aggregate								16.0	14.3	3.7	3.3	24.4	23.4	22.9
Telecom														
Bharti Airtel	Buy	319	410	29	11.9	14.0	11.9	22.8	26.7	1.8	1.7	7.4	8.2	6.6
Bharti Infratel	Buy	350	435	24	11.8	17.2	17.8	20.3	19.6	3.6	3.1	12.7	17.2	16.6
Idea Cellular	Sell	74	70	-5	8.6	Loss	Loss	Loss	Loss	1.0	1.1	12.6	Loss	Loss
Aggregate								26.2	31.5	1.9	1.8	9.2	7.4	5.8
Utilites														
Coal India	Neutral	300	326	9	22.6	16.8	21.1	17.8	14.2	6.0	5.7	42.2	33.4	40.3
CESC	Buy	649	940	45	27.8	40.9	64.7	15.9	10.0	1.5	1.3	6.0	9.1	14.1
JSW Energy	Buy	64	85	32	7.6	5.4	3.3	11.8	19.7	1.2	1.1	15.5	10.1	5.8
NTPC	Buy	163	191	17	12.3	11.9	14.3	13.7	11.4	1.4	1.3	11.9	10.6	11.9
Power Grid	Buy	186	227	22	11.5	14.2	16.8	13.1	11.1	2.0	1.7	14.7	16.1	16.6
Aggregate								15.0	12.5	2.3	2.1	17.7	15.3	16.9
Others														
Arvind	Buy	359	415	15	14.0	16.3	22.9	22.1	15.7	2.4	2.1	12.9	12.4	14.4
Bata India	Buy	464	483	4	11.2	10.9	14.2	42.6	32.7	4.6	4.2	13.1	11.3	13.4
Castrol India	Buy	389	529	36	9.6	12.8	13.8	30.3	28.3	33.4	30.0	76.0	118.4	111.7



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
Century Ply.	Buy	178	211	19	7.5	8.1	11.0	21.9	16.2	5.9	4.6	36.3	30.1	32.0
Coromandel Intl	Buy	329	284	-14	11.8	14.7	20.3	22.4	16.3	3.6	3.2	14.9	16.9	21.0
Dynamatic Tech	Buy	2,921	3,388	16	19.4	67.6	112.9	43.2	25.9	6.0	4.8	4.7	15.1	20.7
Eveready Inds.	Buy	222	266	20	9.2	9.2	12.9	24.1	17.3	6.5	5.2	16.2	29.5	33.7
Interglobe	Neutral	852	1,018	19	55.2	56.0	72.6	15.2	11.7	14.3	12.0	176.5	101.3	110.9
Indo Count	Buy	164	234	43	13.4	15.7	18.5	10.4	8.8	3.3	2.4	48.9	37.8	31.2
Info Edge	Buy	862	1,050	22	12.0	17.4	21.9	49.6	39.3	5.6	5.1	8.6	11.7	13.6
Inox Leisure	Sell	230	179	-22	8.4	4.8	8.5	48.2	27.0	3.5	3.1	14.9	7.2	11.6
Jain Irrigation	Buy	94	99	6	2.2	5.4	8.2	17.4	11.4	1.4	1.4	4.0	8.4	12.6
Just Dial	Buy	388	497	28	20.4	16.2	19.1	24.0	20.3	3.5	3.1	21.1	15.6	16.1
Kaveri Seed	Buy	414	489	18	24.9	23.1	28.8	17.9	14.3	3.0	2.8	20.7	17.1	20.0
Kitex Garm.	Buy	431	660	53	23.6	30.0	36.7	14.4	11.7	4.3	3.3	35.5	33.7	32.0
Manpasand	Buy	534	761	42	10.1	15.3	23.8	34.9	22.5	2.6	2.4	11.4	8.8	9.9
MCX	Buy	1,249	1,450	16	23.4	30.4	47.5	41.1	26.3	4.8	4.4	3.5	12.2	17.4
Monsanto	Buy	2,262	2,706	20	60.4	67.2	90.2	33.7	25.1	9.6	9.0	26.5	28.3	37.0
PI Inds.	Buy	828	968	17	22.1	31.6	38.7	26.2	21.4	7.4	5.8	29.2	32.0	30.3
SRF	Buy	1,572	1,942	24	73.7	85.4	108.1	18.4	14.5	3.0	2.6	17.0	17.1	18.6
S H Kelkar	Buy	323	338	5	5.5	7.5	10.1	43.3	31.9	5.6	5.0	12.6	13.5	16.6
Symphony	Sell	1,161	1,054	-9	15.6	27.0	35.1	42.9	33.0	23.3	18.7	33.8	56.8	62.9
TTK Prestige	Neutral	5,700	5,114	-10	100.7	127.0	156.6	44.9	36.4	44.9	36.4	17.2	19.3	21.0
V-Guard	Neutral	163	179	10	3.7	4.5	5.8	36.1	28.3	8.6	7.1	26.3	26.1	27.4
Wonderla	Buy	355	393	11	10.6	7.0	12.0	50.6	29.6	4.6	4.2	15.8	9.5	14.8



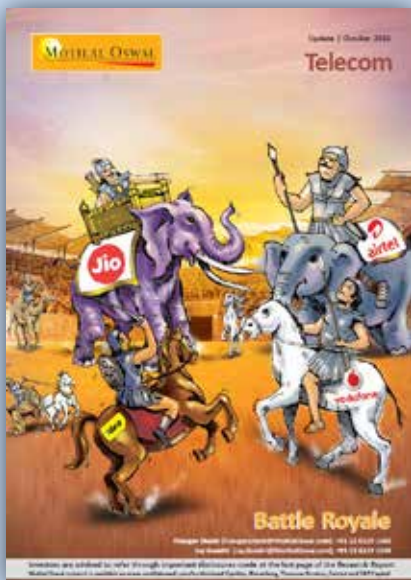
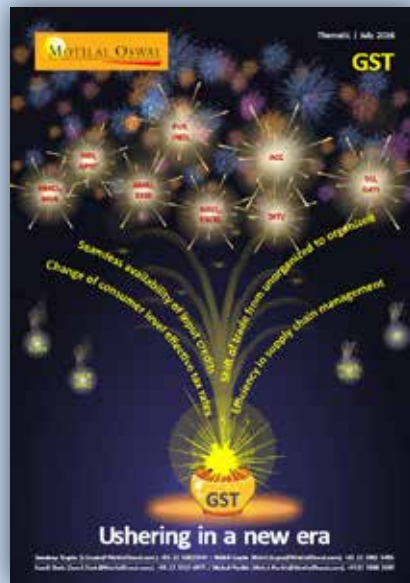
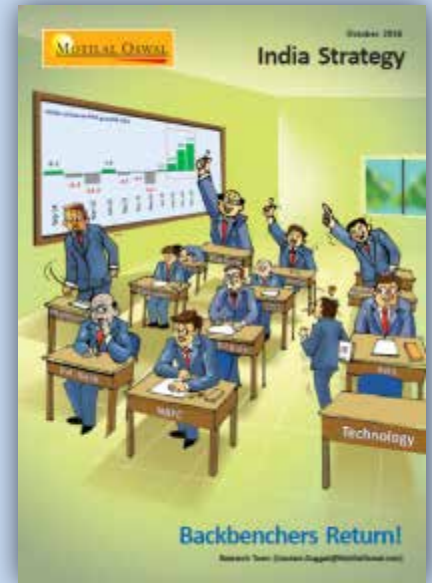
Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-2.7	-2.6	7.0
Ashok Ley.	-0.4	6.9	-6.5
Bajaj Auto	0.5	0.1	14.5
Bharat Forge	-0.5	-5.5	8.9
Bosch	-1.0	0.7	14.8
Eicher Mot.	1.2	0.6	33.4
Endurance Tech.	0.3	-2.9	
Escorts	-1.2	-0.7	99.4
Exide Ind	-0.4	3.6	30.7
Hero Moto	-1.1	-7.5	22.0
M&M	-1.4	1.2	0.6
Mahindra CIE	1.1	1.9	-22.3
Maruti Suzuki	0.6	7.9	34.0
Tata Motors	0.5	7.8	41.6
TVS Motor	-0.3	5.9	35.0
Banks - Private			
Axis Bank	-0.5	-0.8	9.4
DCB Bank	-0.4	5.7	46.6
Equitas Hold.	1.3	-6.2	
Federal Bank	1.3	-4.0	29.8
HDFC Bank	0.1	-0.3	12.5
ICICI Bank	-0.1	-3.9	5.3
IDFC Bank	2.4	-8.6	12.7
IndusInd	1.4	4.3	22.4
J&K Bank	-0.7	-3.2	-28.5
Kotak Mah. Bk	-0.8	-4.7	2.2
RBL Bank	-0.2	1.0	
South Indian	2.2	-2.8	7.9
Yes Bank	0.5	2.9	80.8
Banks - PSU			
BOB	-0.3	-5.8	8.7
BOI	0.5	-5.0	0.8
Canara	-0.4	-14.6	22.5
IDBI Bk	4.2	3.1	-5.1
Indian Bk	0.4	-4.3	118.0
OBC	0.9	-9.9	-12.8
PNB	0.5	-11.5	13.8
SBI	0.4	-7.1	18.2
Union Bk	-1.5	-11.8	-7.1
NBFCs			
Bajaj Fin.	-0.2	-2.1	38.9
Bharat Fin.	-0.3	-13.2	16.6
Dewan Hsg.	2.8	0.1	14.2
GRUH Fin.	-0.6	4.0	23.9
HDFC	0.0	-3.5	4.0
Indiabulls Hsg	2.4	-4.6	-8.5
LIC Hsg Fin	0.1	-7.6	4.0
Manappuram	-1.1	-4.1	133.3
M&M Fin.	-0.1	-3.9	16.9
Muthoot Fin	-1.5	-3.9	57.3
PFC	0.9	-3.2	37.1
Repco Home	-0.4	6.4	-7.7
REC	1.1	-4.0	20.6
STF	0.3	4.7	10.6
Capital Goods			
ABB	-0.2	-1.3	-1.1

Company	1 Day (%)	1M (%)	12M (%)
Bharat Elec.	3.1	-4.0	12.1
BHEL	1.0	-1.1	-16.9
CG Cons. Elec.	0.8	0.6	
Crompton Grv.	-0.6	-2.5	-7.7
Cummins	-0.1	1.4	-19.7
GE T&D	-1.1	-7.0	-33.8
Havells	0.8	4.2	20.1
Inox Wind	-0.4	-8.1	-48.2
K E C Intl	-1.7	-0.1	-0.2
L&T	-0.8	1.4	17.0
Pennar Eng.	0.2	-9.3	-7.8
Siemens	-1.1	1.7	0.8
Solar Ind	0.1	6.0	-1.9
Suzlon Energy	1.9	1.4	-30.8
Thermax	0.2	-2.5	-8.9
Va Tech Wab.	0.2	-1.9	-29.2
Voltas	0.4	3.4	13.6
Cement			
Ambuja Cem.	-0.9	-2.5	6.6
ACC	-0.7	-4.0	2.4
Birla Corp.	-0.8	8.5	55.3
Dalmia Bharat	0.6	-4.7	95.6
Grasim Inds.	0.4	-2.3	20.1
India Cem	0.9	8.0	26.7
J K Cements	0.7	-3.0	27.7
JK Lakshmi Ce	0.2	-5.6	11.2
Ramco Cem	-0.4	2.5	48.2
Orient Cem	0.4	-4.8	-14.5
Prism Cem	0.7	-2.8	8.5
Shree Cem	0.4	-5.6	29.4
Ultratech	-1.0	-7.8	22.0
Consumer			
Asian Paints	-1.9	-3.3	4.0
Britannia	0.1	-4.8	-0.2
Colgate	-0.7	-3.0	-3.6
Dabur	-0.9	-2.2	1.9
Emami	0.8	0.3	6.9
Godrej Cons.	1.0	4.3	23.1
GSK Cons.	0.4	1.6	-21.2
HUL	-0.2	-1.7	2.3
ITC	1.3	4.2	17.7
Jyothy Lab	-0.9	-10.6	8.4
Marico	-0.9	1.8	13.0
Nestle	-0.3	-7.6	4.6
Page Inds	0.1	0.4	2.3
Parag Milk	2.8	1.1	
Pidilite Ind.	0.0	-4.0	10.3
P&G Hygiene	-0.9	0.8	19.8
Radico Khaitan	-1.7	0.0	1.8
United Brew	0.5	-4.6	-12.1
United Spirits	-0.3	-0.2	-31.9
Healthcare			
Alembic Phar	-0.3	-5.3	-9.5
Alkem Lab	1.2	0.2	13.8
Aurobindo	0.3	-3.9	-17.9
Biocon	5.7	7.4	95.5
Cadila	-4.8	-7.7	16.5

Company	1 Day (%)	1M (%)	12M (%)
Cipla	-0.9	-0.4	-7.3
Divis Lab	-0.5	-36.8	-35.0
Dr Reddy's	-3.0	-3.8	1.8
Fortis Health	3.4	15.3	12.8
Glenmark	0.0	-1.0	4.3
Granules	-9.8	-9.9	-27.4
GSK Pharma	-0.2	-1.4	-17.5
IPCA Labs	-1.6	-1.2	-21.0
Lupin	-1.4	-1.7	-13.0
Sanofi India	-0.4	-3.5	-0.4
Sun Pharma	-1.3	-6.0	-20.2
Syngene Intl	2.4	-5.4	46.3
Torrent Pharma	-2.6	-0.1	-6.9
Logistics			
Allcargo Logistics	-0.1	2.7	-8.3
Blue Dart	0.0	-3.7	-33.3
Concor	1.5	6.1	-6.9
Gateway Distriparks	-0.3	5.7	-22.6
Gati	1.1	-2.4	-25.8
Transport Corp.	1.1	-9.4	-15.6
Media			
Dish TV	0.3	-3.6	-13.3
D B Corp	-0.8	3.7	13.1
Den Net.	-0.6	12.1	-30.7
Hathway Cab.	1.7	5.6	-15.1
Hind. Media	1.4	6.0	-6.0
HT Media	-0.1	2.7	-13.2
Jagran Prak.	2.6	4.2	6.9
PVR	0.1	6.8	48.6
Siti Net.	-0.1	1.8	3.1
Sun TV	1.3	4.3	27.9
Zee Ent.	0.2	0.8	12.5
Metals			
Hindalco	-1.8	-13.0	105.4
Hind. Zinc	1.8	-4.3	91.8
JSPL	1.2	-0.1	-12.1
JSW Steel	0.5	7.0	69.3
Nalco	0.4	0.4	74.8
NMDC	0.1	7.6	52.9
SAIL	1.0	-5.0	10.7
Vedanta	1.0	-5.0	186.9
Tata Steel	0.6	-1.9	66.4
Oil & Gas			
BPCL	-1.6	2.8	44.5
Cairn India	0.2	-3.0	98.0
GAIL	-1.6	1.5	16.7
Gujarat St. Pet.	-0.2	-7.7	-6.0
HPCL	-0.9	2.2	56.6
IOC	-1.1	13.2	53.5
IGL	0.2	6.3	63.5
MRPL	-0.6	12.2	61.9
Oil India	0.3	7.9	21.4
ONGC	-2.2	-3.2	29.6
PLNG	0.0	-3.3	41.6
Reliance Ind.	0.4	4.9	5.2

Company	1 Day (%)	1M (%)	12M (%)
Retail			
Jubilant Food	-1.9	-4.6	-39.7
Shopper's Stop	1.8	2.4	-24.6
Titan Co.	-0.2	8.4	1.7
Technology			
Cyient	-0.3	-3.6	-5.8
HCL Tech.	3.2	4.9	1.5
Hexaware	1.1	-2.0	-15.3
Infosys	-0.1	-1.7	-8.7
KPIT Tech	1.9	2.7	-13.9
L&T Infotech	-0.3	3.7	
Mindtree	-1.0	5.4	-29.7
Mphasis	0.9	3.0	13.8
NIIT Tech	1.5	-1.9	-19.9
Persistent Sys	0.1	5.4	0.5
Tata Elxsi	-0.6	-2.9	-32.5
TCS	0.9	5.0	-3.9
Tech Mah	0.6	0.1	-9.5
Wipro	0.6	3.0	-15.0
Zensar Tech	-0.9	-7.9	-13.6
Telecom			
Bharti Airtel	-0.3	-3.6	-1.5
Bharti Infratel	-1.1	-2.2	-12.3
Idea Cellular	1.5	-3.6	-44.5
Utilities			
Coal India	-1.9	-2.3	-6.5
CESC	1.4	4.0	31.1
JSW Energy	-1.9	8.7	-22.6
NTPC	-0.5	-0.7	16.8
Power Grid	-1.3	0.9	31.5
Others			
Arvind	-0.5	1.9	4.3
Bata India	-1.4	8.9	-5.2
Castrol India	-0.1	-3.2	-10.9
Century Ply.	1.1	2.7	6.4
Coromandel Intl	5.3	16.0	81.3
Dynamatic Tech	-0.2	0.7	29.4
Eveready Inds.	-0.4	1.0	-27.5
Interglobe	1.8	0.8	-33.0
Indo Count	1.5	-0.4	-24.9
Info Edge	-1.3	0.7	2.6
Inox Leisure	1.2	5.5	-1.5
Jain Irrigation	2.0	4.5	29.1
Just Dial	3.2	1.5	-53.4
Kaveri Seed	-0.6	-2.5	10.5
Kitex Garm.	4.0	7.0	-36.3
Manpasand	-1.1	-6.9	9.0
MCX	-0.3	-6.0	39.1
Monsanto	-0.1	-0.1	-8.7
PI Inds.	-1.4	0.3	18.6
SRF	0.5	2.4	19.4
S H Kelkar	1.7	7.7	25.1
Symphony	-2.7	-1.8	0.2
TTK Prestige	0.7	5.2	30.5
V-Guard	-1.0	-6.6	76.9
Wonderla	2.9	6.1	-9.4

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL

Initiating Coverage | 10 December 2016
Sector: Consumer Product

SH Kelkar



Adding flavor to fragrance

Chetan Modi (chetan.modi@motilaloswal.com) +91 22 3962 5422
Vishal Shah (vishal.shah@motilaloswal.com) +91 22 3962 5426
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/InstitutionalEquities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

MOTILAL OSWAL

Initiating Coverage | 16 December 2016
Sector: Automobile

Endurance Technologies



Gaining ground

Vishal Shah (vishal.shah@motilaloswal.com) +91 22 6129 1534
Rishabh Gadhikar (rishabh.gadhikar@motilaloswal.com) +91 22 6129 1537
Aditya Vora (aditya.vora@motilaloswal.com)
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/InstitutionalEquities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

MOTILAL OSWAL

Initiating Coverage | 14 December 2016
Sector: Technology

L&T Infotech



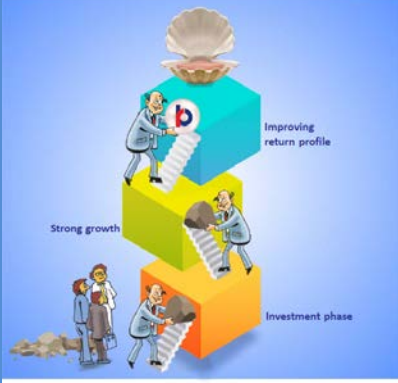
Proficient miner

Sagar Lohar (sagar.lohar@motilaloswal.com) +91 22 3962 5585
Rishabh Chavhan (rishabh.chavhan@motilaloswal.com) +91 22 3962 5424
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/InstitutionalEquities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

MOTILAL OSWAL

Initiating Coverage | 10 November 2016
Sector: Financials

RBL Bank



A unique model - on a fast lane

Sohail Hakeel (sohail.hakeel@motilaloswal.com) +91 22 3962 5505
Ajayesh Mehta (ajayesh.mehta@motilaloswal.com) +91 22 3962 5415
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/InstitutionalEquities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

MOTILAL OSWAL

Initiating Coverage | 10 November 2016
Sector: Utilities

CESC



Best fully integrated power DISCOM

Dhruv Mumbhal (dhruv.mumbhal@motilaloswal.com) +91 22 6129 1549
Sanjay Jain (sanjay.jain@motilaloswal.com) +91 22 6129 1533
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/InstitutionalEquities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

MOTILAL OSWAL

Initiating Coverage | 3 October 2016
Sector: Consumer

United Breweries



Cheers to growth

Rishabh Sambamurti (rishabh.sambamurti@motilaloswal.com) +91 22 3962 5428
Vishal Pawar (vishal.pawar@motilaloswal.com) +91 22 3962 4265
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/InstitutionalEquities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

MOTILAL OSWAL

Initiating Coverage | 14 October 2016
Sector: Healthcare

Fortis Healthcare



Fortifying growth

Rohini Sawhney (rohini.sawhney@motilaloswal.com) +91 22 6129 1518
Gaurav Tripathi (gaurav.tripathi@motilaloswal.com) +91 22 6129 1532
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/InstitutionalEquities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

MOTILAL OSWAL

Initiating Coverage | 28 July 2016
Sector: Financials

Equitas Holdings



Fixing the missing link

Rishabh Mehta (rishabh.mehta@motilaloswal.com) +91 22 6129 1520
Rishabh Chavhan (rishabh.chavhan@motilaloswal.com) +91 22 6129 1536
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/InstitutionalEquities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

MOTILAL OSWAL

Initiating Coverage | 18 November 2015
Sector: Consumer

Page Industries



Getting into the big league

Manish Puri (manish.puri@motilaloswal.com) +91 22 3027 8029
Gautam Duggad (gautam.duggad@motilaloswal.com) +91 22 3962 5404
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/InstitutionalEquities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

Disclosures

This document has been prepared by Motilal Oswal Securities Limited (hereinafter referred to as Most) to provide information about the company (ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies). This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and Motilal Oswal Securities Limited (hereinafter referred to as MOSI) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

MOSI and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We and our affiliates have investment banking and other business relationships with a some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that MOST and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on twin parameters of performance & profitability of MOSI.

MOSI generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, MOSI generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. MOSI and its affiliated company(ies), their directors and employees and their relatives may: (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the affiliates of MOSI even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition MOST has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt MOST or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOST or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOST or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent MOSI's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, MOSI and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent MOSI and/or its affiliates from doing so. MOSI or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOSI or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

Most and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Most and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of Most or its associates during twelve months preceding the date of distribution of the research report.

MOSI and/or its affiliates and/or employees may have interests/positions, financial or otherwise of over 1% at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, MOSI has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Motilal Oswal Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014. SEBI Reg. No. INH000000412

Pending Regulatory inspections against Motilal Oswal Securities Limited:

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.

List of associate companies of Motilal Oswal Securities Limited - [Click here to access detailed report](#)

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of MOST research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement	Companies where there is interest
▪ Analyst ownership of the stock	No
▪ Served as an officer, director or employee	No

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

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSI & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong: This report is distributed in Hong Kong by Motilal Oswal Capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal Capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S

Motilal Oswal Securities Limited (MOSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOSL, including the products and services described herein are not available to or intended for U.S. persons.

This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered/qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

Motilal Oswal Capital Markets Singapore Pte Limited is acting as an exempt financial advisor under section 23(1)(f) of the Financial Advisers Act (FAA) read with regulation 17(1)(d) of the Financial Advisers Regulations and is a subsidiary of Motilal Oswal Securities Limited in India. This research is distributed in Singapore by Motilal Oswal Capital Markets Singapore Pte Limited and it is only directed in Singapore to accredited investors, as defined in the Financial Advisers Regulations and the Securities and Futures Act (Chapter 289), as amended from time to time.

In respect of any matter arising from or in connection with the research you could contact the following representatives of Motilal Oswal Capital Markets Singapore Pte Limited:

Varun Kumar

Varun.kumar@motilalosal.com

Contact : (+65) 68189232

Office Address: 21 (Suite 31), 16 Collyer Quay, Singapore 04931



Motilal Oswal Securities Ltd

Motilal Oswal Tower, Level 9, Sayani Road, Prabhadevi, Mumbai 400 025

Phone: +91 22 3982 5500 E-mail: reports@motilalosal.com