

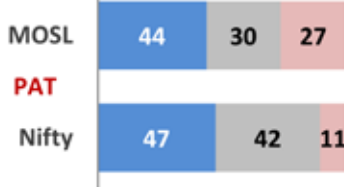
Corporate performance



4QFY17: Expectations v/s delivery

% of Companies that have Declared Results

Above Expectations In-line Below Expectations



(no of companies)	Growth (YoY, %)		
	MOSL (64)	Nifty (19)	Sensex (10)
Sales	11.7	12.9	13.1
EBIDTA	7.2	2.0	-0.5
PAT	18.9	6.9	5.1

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	29,933	0.0	12.4
Nifty-50	9,317	0.0	13.8
Nifty-M 100	18,256	0.5	27.2
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,397	-0.1	7.1
Nasdaq	6,121	0.3	13.7
FTSE 100	7,342	0.6	2.8
DAX	12,749	0.4	11.0
Hang Seng	10,129	1.5	7.8
Nikkei 225	19,843	0.3	3.8
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	48	-1.3	-13.1
Gold (\$/OZ)	1,226	-0.7	5.7
Cu (US\$/MT)	5,486	0.4	-0.7
Almn (US\$/MT)	1,865	-0.5	9.4
Currency	Close	Chg. %	YTD.%
USD/INR	64.7	0.6	-4.7
USD/EUR	1.1	-0.5	3.3
USD/JPY	113.7	0.9	-2.9
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.9	0.0	0.4
10 Yrs AAA Corp	8.2	0.0	0.6
Flows (USD b)	9-May	MTD	YTD
FII	0.1	-0.2	6.1
DII	0.0	0.4	2.0
Volumes (INRb)	9-May	MTD*	YTD*
Cash	275	297	283
F&O	3,306	4,201	4,605

Note: YTD is calendar year, *Avg

Quote of the day

Disabilities are not Liabilities but true test of abilities

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.



Today's top research idea

Larsen & Toubro: The Monitorable Troika

Orders | E&C Execution | Net Working Capital

- ✓ In our view, large domestic projects in Infrastructure, Defense and Hydrocarbons are likely to bunch up in FY18. We thus build in order growth of 17% for LT.
- ✓ Domestic execution, which has been lackluster over past four years, is likely to pick up from 2HFY18, driven by strong order flow in 4QFY17.
- ✓ NWC is on track to reach 18% of sales by FY21, from 21% in 3QFY17 (25% in 4QFY16).
- ✓ We maintain our **Buy** rating with a revised target price of INR1,970 (24x standalone EPS), to which we add INR420 for the subsidiaries.



Research covered

Cos/Sector	Key Highlights
Larsen & Toubro	The Monitorable Troika
Aurobindo Pharma	Unit 4 observations out: Risk of warning letter minimal
Bharti Airtel	Consol. EBITDA drops QoQ; India EBITDA decline steeper than estimated
Godrej Consumer	Domestic branded volumes grow 5% led by Hair color portfolio
Interglobe Aviation	Operationally above estimate; deviation in core strategy
Petronet LNG	PAT of INR4.7b ahead of our & street expectation
Blue Star	Operating performance below expectations
Manpasand Bev.	Growth continues to remain strong; Maintain Buy
Bharti Infratel	Healthy tenancy outlook to support growth
ABB	Below-estimate performance
NIIT Tech	Taking on the cultural shift
Power Monthly	April 2017 – Generation up 3.8% YoY
Results Expectation	Dalmia Bharat Hero Motocorp Zee Entertainment



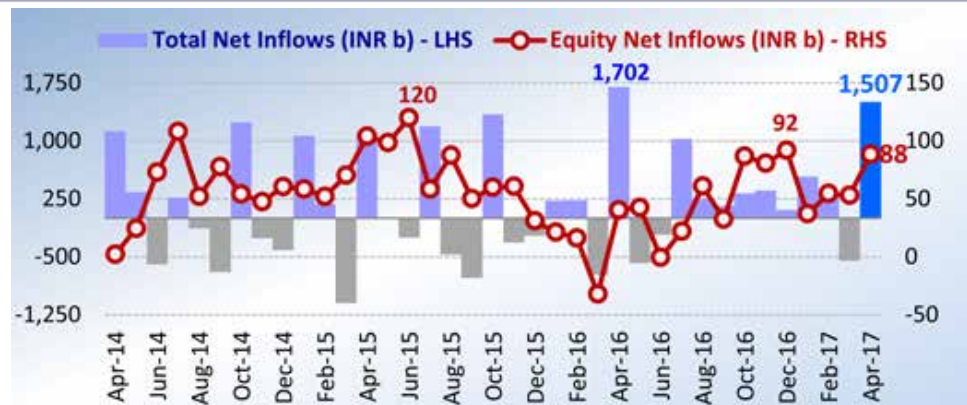
Piping hot news

El Nino fears recede as global agencies scale back threat

- ✓ In what should come as music to farmers' ears, some international weather models have reduced the likelihood of an El Nino phenomenon rolling out in the tropical Pacific this year.



Chart of the Day: Total net inflows for domestic MFs highest since Apr-16; equity flows second highest since Jun-15



Source: Company, MOSL



Kindly click on numbers for the detailed news link

1

IndiGo to enter regional aviation, fly smaller planes to hinterland

India's largest airline IndiGo has signed a non-binding term sheet for purchase of 50 ATR-72 aircraft for a foray into regional aviation. "We expect to have seven ATR-72s by March 2018 and induct up to 20 aircraft by December 2018," the airline said in a statement...

2

Hitachi plans to corner lion's share of smart city scheme, eyes all cities

Eyeing the lion's share of the government's Rs 98,000-crore smart city initiative, Japanese business conglomerate Hitachi has brought in smart city solutions in every space nad is hoping to bag projects in the 100-plus proposed smart cities. The company is in talks with multiple state governments and has bagged a number of projects in different cities directly or is working with some local partners on different solutions. "We are open to all opportunities that we can find in India," said Justin Bean, director of Smart City Solutions Marketing, Hitachi Insight Group...

3

Arun Jaitley hits at incentives for local manufacturing in defence

Defence Minister Arun Jaitley has hinted that incentives are being worked out to encourage domestic manufacturing in the defence sector so as to cut imports of combat planes, ships and submarines. In an interview to PTI, he said the government is working on a policy that will...

4

Foodgrain output set to hit all-time high of 273 MT on back of good monsoon rains

Thanks to normal monsoon rains last year after two consecutive years of 'deficient' rainfall, India's foodgrain production is estimated to touch an all-time high of 273.38 million tonne (MT) in the 2016-17 crop year (July-June), which is 8.7% more than the previous year.

5

Piramal Enterprises Plans to Raise Rs 4,000 cr

Piramal Enterprises is planning to raise up to 4,000 crore by selling shares to institutional investors as the diversified company looks to fuel growth in its financial services business, according to two people familiar with the matter...

6

State Insurers Not Ready to Cut Stake in Tobacco Firms

State-run insurers need not pare their investments in diversified tobacco companies like ITC, officials have said, arguing that their primary aim is to maximise returns on policyholders' money...

7

RBI Puts Curbs on IDBI Bank to Improve Fin Health

The Reserve Bank of India has initiated regulatory action on the struggling IDBI Bank, including freezing of hiring, lending out bigticket loans and opening of branches to prevent it from sliding further. The so called Prompt Corrective Action is aimed at reducing future losses, raise recovery of loans to improve the bank's capital position...



Larsen & Toubro

BSE SENSEX 29,933 S&P CNX 9,317

CMP: INR1,709 TP: INR1,970 (+15%) Buy



Stock Info

Bloomberg	LT IN
Equity Shares (m)	935.5
52-Week Range (INR)	1771 / 1224
1, 6, 12 Rel. Per (%)	1/14/17
M.Cap. (INR b)	1613.8
M.Cap. (USD b)	24.5
Avg Val, INRm	2572
Free float (%)	100.0

Financials Snapshot (INR b)

Y/E March	2017E	2018E	2019E
Sales	1,096	1,287	1,411
EBITDA	111.4	145.4	159.3
Adj PAT *	50.1	60.5	70.9
EPS (INR)*	53.6	64.7	75.8
EPS Gr. (%)	19.8	20.8	17.1
BV/Sh (INR)	510.1	557.2	613.8
RoE (%)	10.9	12.1	12.9
RoCE (%)	7.1	9.4	9.9
Payout (%)	22.1	23.9	22.2

Valuations

P/E (x)*	32.2	26.7	22.8
P/BV (x)	3.7	3.4	3.1
EV/EBITDA (x)	22.9	17.5	15.7
Div Yield (%)	0.7	0.9	1.0

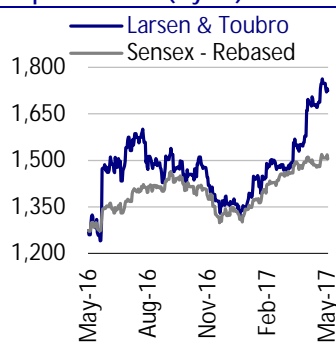
* Consolidated

Shareholding pattern (%)

As On	Mar-16	Dec-15	Mar-15
Promoter	0.0	0.0	0.0
DII	38.3	38.4	36.1
FII	18.3	18.6	19.1
Others	43.4	43.0	44.8

FII Includes depository receipts

Stock performance (1 year)



The Monitorable Troika

Order inflows | Domestic E&C execution | Net working capital

- FY18 would witness a bunching up of large domestic projects in Infrastructure, Defense and Hydrocarbons; we build in 17% growth in orders for LT.**
- Domestic execution should pick up in 2HFY18, driven by strong order flow in 4QFY17. NWC at 21% of sales in 3QFY17 is on track to reach 18% by FY21.**
- We maintain our Buy rating, with a revised target price of INR1,970 (24x FY19E standalone EPS + INR420/share for subsidiaries).**

Focus on orders, execution and working capital for FY18

- Orders:** We expect LT to meet its order inflow guidance of INR1.5t for FY17 (10% growth), given the strong inflows in 4QFY17. We estimate order intake for 4QFY17 at INR550b (up 27% YoY) – announced orders of INR334b, unannounced orders of INR120b-150b, and services orders of ~INR60b relating to IT&TS, Finance, E&A, etc. Order inflow in 4QFY17 has been supported by finalization of large orders (INR15b+) in the Hydrocarbons and Defense segments. In FY18, we expect strong growth of 17%, driven by bunching up of orders in the Infrastructure, Hydrocarbons and Defense segments.
- E&C execution:** E&C execution was weak in 9MFY17 (up 9% YoY), impacted by slowdown in the execution of domestic projects (up 5% YoY). Domestic projects were impacted by delays in customer approval and LT also faced payment deferrals from customers. We expect gradual improvement in execution and 6% YoY growth in 4QFY17. For FY18, we expect 15% revenue growth, led by pick-up in execution of large domestic orders that LT has bagged over the past two years.
- Working capital:** LT has reduced its net working capital (NWC) from 25% of sales at the end of FY16 to 21% in 3QFY17, and targets 18% by FY21. As the pickup in domestic execution gains traction in 2HFY18, we expect NWC as a percentage of sales to reduce.

Asset divestments to aid RoE improvement: LT is looking at asset monetization to improve return ratios and unlock shareholder value. It has sold its General Insurance business (INR1b loss in FY16) and intends to exit Kattupalli Port (INR2.5b loss in FY16) by 1HFY18. Besides, it is looking to divest its portfolio of operational road assets (INR6b loss in FY16). These ventures are incurring annual losses of INR10b and their sale would add ~2% to RoE. The company is also likely to divest Nabha Power in FY18/FY19.

Reiterate Buy; revising target price to INR1,970: We maintain Buy with a revised SOTP-based price target of INR1,970/share (E&C business at 24x FY19E EPS). The revision in our target price is driven by (a) an increase in our FY17 order inflow estimate to INR1.5t (10% growth v/s 6% growth earlier) to factor in the strong inflows in 4QFY17, primarily in Hydrocarbons and Defense, and (b) Valuation of core E&C at 24x FY19E EPS v/s 22x earlier. Valuation of core E&C at 24x FY19E EPS v/s 22x earlier on strong inflows in 4QFY17 and increased order inflow visibility for FY18.

Exhibit 1: LT SOTP valuation

	Method	Valuation multiple	Value (INR b)	Value (INR/sh)	Rationale
Construction Business					
L&T Standalone					Valued at last ten year average P/E multiple
L&T Hydrocarbons	FY19E PER (x)	24.0	1,328	1,419	
International Ventures (L&T FZE)	FY19E PER (x)	24.0	126	135	
Service Segments					
L&T Infotech	FY19E PER (x)	12.0	112	120	At par to mid-tier IT companies; excl. stake sold via OFS
L&T Technology Services	FY19E PER (x)	12.0	79	85	At par to mid-tier IT companies
Finance Services	FY19E PBV (x)	1.5	105	112	At discount to peer group given relatively lower ratios
Sapura Shipping	FY19E PBV (x)	1.5	1	2	
L&T Realty	FY19E PER (x)	15.0	43	45	
Asset Ownership / Project Developer					
Infrastructure Development Projects	FY19E PBV (x)	0.5	36	38	At 0.5x Book Value to capture the losses
Power Development Projects	FY19E PBV (x)	1.0	31	33	At Book Value, given Case 2 bid
Manufacturing Ventures					
Power Equipment	FY19E PER (x)	15	43	46	Expect industry project awards to sustain at 15-18GW pa
Shipbuilding / Container Port	FY19E PBV (x)	1.0	29	31	Increased possibility of Defense (Naval) orders
Special Steel and Heavy Forgings	FY19E PBV (x)	1.0	6	7	Possibility of Nuclear project awards to commence in FY17
Less: Holding Company Discount of 20%				-104	
Total				1,970	

Source: MOSL, Company

Exhibit 2: Change in estimate table

Description	New estimates			Old estimates			Change in estimates			
	FY16	FY17e	FY18e	FY19e	FY17	FY18	FY19e	FY17	FY18	FY19e
Sales	1,019,641	1,096,350	1,287,073	1,410,989	1,096,844	1,257,811	1374190	0%	2%	3%
EBITDA	103,494	111,437	145,394	159,312	111,400	143,836	157390	0%	1%	1%
Margin (%)	10.2%	10.2%	11.3%	11.3%	10.2%	11.3%	11.3%	0.0%	0.0%	0.0%
PAT	42,790	50,142	60,547	70,902	50,117	59,467	69568	0%	2%	2%
EPS	44.7	53.6	64.7	75.8	53.6	63.6	74.4	0%	2%	2%

Source: MOSL



Aurobindo Pharma

BSE SENSEX 29,933 S&P CNX 9,317



Stock Info

Bloomberg	ARBP IN
Equity Shares (m)	586
52-Week Range (INR)	895 / 582
1, 6, 12 Rel. Per (%)	-10/-31/-44
M.Cap. (INR b)	390.8
M.Cap. (USD b)	6.0
Avg Val, INRm	1605
Free float (%)	48.1

Financials Snapshot (INR b)

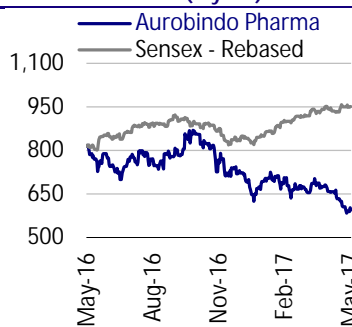
Y/E Mar	2017E	2018E	2019E
Net Sales	151.7	174.9	199.3
EBITDA	35.8	41.8	48.8
PAT	23.3	26.6	31.8
EPS (INR)	39.8	45.4	54.3
Gr. (%)	17.5	14.1	19.7
BV/Sh (INR)	157.9	200.8	252.6
RoE (%)	28.6	25.3	24.0
RoCE (%)	19.5	19.4	19.5
P/E (x)	15.0	13.1	11.0
P/BV (x)	3.8	3.0	2.4

Shareholding pattern (%)

As On	Mar-17	Dec-16	Mar-16
Promoter	51.9	51.9	53.8
DII	12.8	11.0	7.3
FII	21.0	24.1	27.4
Others	14.4	13.0	11.5

FII Includes depository receipts

Stock Performance (1-year)



CMP: INR596 TP: INR900 (+51%) Buy

Unit 4 observations out: Risk of warning letter minimal

- Approvals from Unit 4 may get delayed by six months:** Aurobindo's Unit 4 facility was inspected by the USFDA in April 2017. The observation letter is out – although there are no data integrity issues, remediation requires infra repair, change in equipment, training, etc. We do not see a risk of warning letter, but believe that approvals from this facility may get delayed by six months.
- Key injectables facility:** Injectables sales to the US are estimated at ~USD150m in FY17, of which this plant would account for ~USD100-110m (4.5% of sales). This plant accounts for about 35 of the 40 total pending injectables ANDAs.
- Impact of delay in approvals already priced in:** For FY18E, we had built in US sales of ~USD225m from injectables (v/s USD150m in FY17E). Assuming six months of delay in approvals from Unit 4, sales loss would be USD45m @ 35% EBITDA margins (v/s consol. margins of ~23.5%). In worst case, the impact of delayed approvals on FY18 PAT will be ~2.5%.
- Unit 3 facility out of woods:** On 5 May 2017, ARBP received ANDA approval for Lamivudine and Zidovudine oral tablets from the Unit-3 oral formulations facility (~USD200m sales; ~20% of US sales; 8.5% of total sales). This plant was inspected in April 2017 and received six 483 observations, all of which were procedural in nature ([click here to access our detailed report on this](#)). This puts to rest concerns about any negative outcome from this facility.
- Lower tax rate in US bodes well; risk mitigation strategy in place for border tax:** The US government has proposed to lower the corporate tax rate from 35% to 15%. The company's US subsidiaries generated PBT of INR5b in FY16 and paid tax @32% of PBT. If the tax rate in the US comes down to 15%, then ARBP will save >INR1b in FY17/18E (EPS of ~INR1.8-2). On the other hand, border tax adjustment is a key overhang to the generic suppliers. We believe ARBP can mitigate this risk partially by expanding its Auro Life facility (can go 3x by doing brownfield expansion).
- Pricing risk lowest among peers:** No single product for ARBP contributes more than 3% of sales (unlike SUNP, LPC and DRRD, where the top three products account for >20-25% of sales). Also, no single ANDA has any meaningful disproportionate contribution to margins, as ARBP has a matured product basket with all ~190 launched ANDAs facing competition from multiple players (typically 4-5 or more).
- R&D expense to remain range bound in near term:** We expect ARBP to file 35-40 ANDAs in FY18E (including 6-7 controlled substance, 10-15 oncology & hormones, etc.). Oncology & hormones-related R&D expense will be borne by the Eugia JV, and will not be part of R&D expense for ARBP. We expect R&D expense for the company to not inch up beyond 5.5% in FY18E and 7% in FY19E. Impact of this increase in expense will get offset by ~50% growth in the high-margin injectables business.
- Valuation gap to narrow:** At CMP, ARBP trades at ~15x FY17E, which is at >25% discount to peers. Valuation gap should narrow on account of the company's increasing profitability, strong earnings growth trajectory (17% CAGR until FY19E) and improving free cash flow. ARBP remains one of our top picks in the sector. Assuming the impact of delay in approvals, our FY18 EPS estimate will come down by ~2.5%. We maintain our TP of INR900@ 18x 1HFY19E PER.

Bharti Airtel

BSE SENSEX
29,933S&P CNX
9,314

CMP: INR346

TP: INR410

Buy

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

Conference Call Details

Date: 10th May 2017

Time: 02:30pm IST

Dial-in details:

+91-22-4444 9999

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	965.3	954.7	932.4
EBITDA	340.1	353.3	336.0
NP	47.5	44.4	40.9
EPS (INR)	11.9	11.1	10.2
EPS Gr. (%)	72.5	-20.4	-13.9
BV/Sh. (INR)	164.2	168.8	177.3
RoE (%)	7.4	6.7	5.9
RoCE (%)	5.9	5.5	6.6
P/E (x)	28.8	30.8	33.4
P/BV (x)	2.1	2.0	1.9

Consol. EBITDA drops QoQ; India EBITDA decline steeper than estimated

- Consol. revenue fell 6% QoQ (-12.1% YoY) to INR219.3b (1% below estimate).
- Consol. EBITDA declined 7.3% QoQ (-13.7 YoY) to INR78.6b (3% above estimate). Consol. EBITDA margin of 35.8% shrunk 50bp QoQ (-70bp YoY).
- India wireless revenue declined 6.2% QoQ (-11.5% YoY) to INR129.7b (in-line).
- India EBITDA fell 9.6% QoQ (-18% YoY) to INR47.9b (7% better than estimate). India EBITDA margin contracted 140bp QoQ (-310bp YoY) to 36.9% (220bp beat). Above-estimate EBITDA is largely due to a 7% QoQ drop in India network cost, despite steady addition of ~1,800 towers and 20,000 base stations.
- Africa revenues disappointed, declining 5.7% QoQ (-22% YoY) to INR50.5b (3% below estimates), partly due to currency movements. Africa EBITDA jumped 5.7% QoQ (-9% YoY) to INR13b (4.7% beat) due to a steep 21% drop in Africa SG&A. Africa EBITDA margin expanded 190bp QoQ (+340bp YoY) to 25.6%.
- PAT declined 30% QoQ (-69% YoY) to INR4.7b on lower EBITDA.

Key metrics

India

- ARPU declined 8%/19% QoQ/YoY to INR158 (in-line).
- Voice revenue fell 4.8% QoQ (-9.7% YoY) to INR92.5b (1% below estimate).
- Data revenue surprisingly saw much lower-than-anticipated decline of 11% QoQ (-18% YoY) to INR27.5b (est. of INR25.6b).
- Voice traffic grew 15% QoQ (+24% YoY) to 381b min (9% beat), possibly led by higher incoming traffic from RJio. However, India voice RPM fell steeply by 17% QoQ (-27% YoY) to INR0.243/min due to higher proportion of incoming traffic.
- Average data price of INR0.12/MB was down 32% QoQ (-47% YoY), offset by higher data traffic (+31% QoQ, +53% YoY to 225b MB).

Africa

- ARPU declined 5% QoQ (-4% YoY) to USD3.7 due to a 7% fall in MOU to 141.
- Voice RPM improved 1% QoQ (-1% YoY) to USD cents 1.8.

Valuation view: We expect competition to continue over next 2-3 quarters as RJio may extend freebies for next 6-9 months. Bharti's strong data spectrum/network portfolio should allow it to compete with RJio. Over next two years, Bharti has the potential to raise its market standing and reduce capex, generating healthy FCF.

Consolidated - Quarterly Earning Model

Y/E March	FY16				FY17				FY16	FY17
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Gross Revenue	236,709	238,357	240,659	249,596	255,465	246,515	233,357	219,346	965,321	954,683
YoY Change (%)	3.1	4.3	3.7	8.4	7.9	3.4	-3.0	-12.1	340.1	NA
Total Expenditure	154,466	156,014	156,522	158,474	159,985	152,113	148,542	140,746	625,259	601,386
EBITDA	82,243	82,343	84,137	91,122	95,480	94,402	84,815	78,600	340,062	353,297
Margins (%)	34.7	34.5	35.0	36.5	37.4	38.3	36.3	35.8	35.2	37.0
Depreciation	40,404	42,390	43,541	48,163	50,402	49,560	48,350	49,418	174,498	197,730
Interest	19,206	18,752	14,167	17,010	19,399	19,057	19,356	19,162	68,865	76,974
Other Income	2,419	1,929	3,037	3,129	2,787	1,568	3,487	2,494	9,501	10,336
PBT before EO expense	25,051	23,129	29,465	29,078	28,466	27,353	20,596	12,514	106,200	88,929
Extra-Ord expense	-21,384	-6,761	3,405	2,999	3,536	66	2,040	6,055	-14,505	11,697
PBT	46,435	29,890	26,060	26,079	24,930	27,287	18,556	6,459	120,705	77,232
Tax	21,827	13,394	13,523	10,789	10,089	11,136	11,841	1,753	59,368	34,819
Rate (%)	47.0	44.8	51.9	41.4	40.5	40.8	63.8	27.1	49.2	45.1
Minority Interest & Profit/Loss of Asso. Cos.	3,478	1,133	1,457	2,095	222	1,544	1,678	972	6,495	4,416
Reported PAT	21,130	15,363	11,080	13,195	14,619	14,607	5,037	3,734	54,842	37,997
Mobile ARPU (INR/month)	198.2	192.6	192.0	194.2	195.7	187.9	172.0	157.6	192.9	177.0
QoQ Growth (%)	-0.1	-2.8	-0.3	1.1	0.8	-4.0	-8.4	-8.4	-2.6	-8.2
Mobile MOU/sub/month	423.9	404.4	404.5	415.2	414.2	405.9	418.8	470.8	409.1	425.6
QoQ Growth (%)	20.8	-4.6	0.0	2.6	-0.2	-2.0	3.2	12.4	18.0	4.0
Mobile Traffic (B Min)	291	282	290	308	315	313	330	381	1,171	1,340
QoQ Growth (%)	-96.7	-3.0	2.9	6.0	2.2	-0.5	5.4	15.5	-96.7	14.4
Mobile RPM (INR)	0.47	0.48	0.47	0.47	0.47	0.46	0.41	0.33	0.47	0.42
QoQ Growth (%)	-17.3	1.8	-0.3	-1.5	1.0	-2.0	-11.3	-18.5	-17.5	-11.8



Godrej Consumer

BSE SENSEX	S&P CNX
29,933	9,317
Bloomberg	GCPL IN
Equity Shares (m)	340.6
M.Cap.(INRb)/(USDb)	656.8 / 9.9
52-Week Range (INR)	1956 / 1286
1, 6, 12 Rel. Per (%)	13/20/27
Avg Val, INRm/ Vol '000	354
Free float (%)	36.7

CMP: INR1,929 TP:INR1,950(+1%) Neutral

Domestic branded volumes grow 5% led by Hair color portfolio

- Godrej Consumer's (GCPL) 4QFY17 consol. net sales grew 11.8% YoY to INR23.8b (est. of INR24.5b). Consol. EBITDA growth of 19.5% YoY to INR5.4b (est. of INR5.04b) and adj. PAT growth of 21.4% YoY to INR3.83b (est. of INR3.4b) were both better than expectations. Organic consol. CC sales grew 6% YoY, while India business sales were up strongly by 10% YoY in 4QFY17.
- Gross margin expanded 260bp YoY to 56.6%. Ad spend to sales declined 70bp YoY to 6.5%, but the fall was not as steep as witnessed by peers for the quarter. EBITDA margin expanded 150bp YoY to 22.7% in 4QFY17. Consol. EBITDA grew 19.5% YoY to INR5.4b (est. of INR5.04b). Thus, despite consol. sales being 2.6% below expectations, EBITDA was 7.4% ahead of forecasts. Higher-than-expected other income and a lower-than-forecast tax rate led to PAT beat of 12.5%. Adj. PAT grew 21.4% YoY to INR3.83b (est. of INR3.4b).
- India branded business volume growth stood at 5% YoY. Household Insecticides business reported 4% YoY sales growth, Soaps grew 9% YoY, while Hair color sales were up 13% YoY (double-digit revenue growth in Hair colors after five quarters).
- International: CC sales grew 22% YoY (with 1% organic sales growth). On CC basis, Indonesia sales were flat, Africa/LatAM grew 61%/19%, while Europe sales declined 5%.
- FY17 performance: Consol. sales, EBITDA and adj. PAT growth stood at 9.7%, 16.2% and 12.3%, respectively.
- Valuation and view: At 38.6x March 2019E EPS, the stock appears fairly valued. While earnings growth has been more consistent than FMCG peers (FY17 reported eighth consecutive year of double-digit EBITDA and PAT growth), we believe that due to its exposure to various geographies, attendant currency risks and relatively low RoE (mid-20s), the stock does not warrant a higher multiple. Maintain **Neutral** with TP of INR1,950 (39x March-19E EPS, a 10% premium to 3-year average owing to higher earnings consistency relative to peers).

Financials & Valuation (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	92.4	107.3	122.4
EBITDA	18.9	22.1	24.9
PAT	12.9	14.8	17.0
EPS (INR)	37.8	43.6	50.0
Gr. (%)	12.4	15.4	14.6
BV/Sh (INR)	155.7	200.6	233.5
RoE (%)	24.6	24.5	23.0
RoCE (%)	16.8	16.6	16.5
P/E (x)	51.0	44.2	38.6
P/BV (x)	12.4	9.6	8.3

Estimate change	↔
TP change	↑
Rating change	↔

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17	FY17	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	19,854	21,166	21,971	21,283	21,202	23,563	23,916	23,805	84,274	92,486	24,452	-2.6%
YoY Change (%)					6.8	11.3	8.9	11.8		9.7	10.7	
EBITDA	3,132	4,072	4,520	4,529	3,775	4,631	5,063	5,414	16,252	18,883	5,040	7.4%
Margins (%)	15.8	19.2	20.6	21.3	17.8	19.7	21.2	22.7	19.3	20.4	20.6	
YoY Growth (%)					20.5	13.7	12.0	19.5		16.2	10.8	
Depreciation	230	235	257	284	327	358	363	369	1,006	1,416	339	
Interest	329	313	296	252	326	350	397	379	1,190	1,452	315	
Other Income	218	220	197	135	166	194	294	350	771	1,004	178	
PBT	2,806	3,750	4,268	4,175	3,298	4,118	4,474	4,972	14,826	17,019	4,564	8.9%
Tax	636	757	944	1,023	754	907	986	1,145	3,361	3,792	1,270	
Rate (%)	22.7	20.2	22.1	24.5	22.9	22.0	22.0	23.0	22.7	22.3	27.8	
Minority Int	5	0	0	0	6	0	0	0	5	6	6	
Adj PAT	2,166	2,993	3,324	3,152	2,538	3,212	3,489	3,827	11,635	13,065	3,401	12.5%
YoY Change (%)					17.2	7.3	5.0	21.4		12.3	6.3	

E: MOSL Estimates



Interglobe Aviation

BSE SENSEX	S&P CNX
29,933	9,317
Bloomberg	INDIGO.IN
Equity Shares (m)	361
M.Cap.(INRb)/(USDb)	411.2 / 6.2
52-Week Range (INR)	1170 / 790
1, 6, 12 Rel. Per (%)	9/11/-11
Avg Val, INRm	757.9
Free float (%)	14.1

CMP: INR1,141 TP: INR1,234(+8%) Neutral

Operationally above estimate; deviation in core strategy
IndiGo reported revenue of INR48.5b (est. of INR49.5b; +19% YoY, -3% QoQ) and EBITDAR of INR13.3b (est. of INR10.8b; -11% YoY, -8% QoQ). This was primarily led by higher-than-expected yield of INR3.99 (est. of INR3.88; -6% YoY, flat QoQ) in a seasonally lean 4Q. IndiGo has announced its foray into regional markets. Also, mgmt. has raised its fleet guidance for FY18 to 170 from 154.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	185.8	258.3	326.6
EBITDA	21.4	34.8	43.2
PAT	16.6	23.6	31.8
EPS (INR)	46.0	65.6	88.2
Gr. (%)	-16.6	42.4	34.5
BV/Sh (INR)	55.9	63.1	72.7
RoE (%)	86.2	110.2	129.8
RoCE (%)	38.9	52.9	83.7
P/E (x)	24.8	17.4	12.9
P/BV (x)	20.4	18.1	15.7
Adj. EV/EBITDAR	11.9	9.1	8.0

Estimate change

TP change

Rating change

- n **Operating performance above estimate:** Higher-than-expected yield in a seasonally lean 4Q and lower fuel cost resulted in a better operating performance during the quarter. EBITDAR margin stood at 27.5% in 4QFY17 v/s 36.8% in 4QFY16 and 28.9% in 3QFY17.
- n **PAT boosted by higher OI:** PAT increased to INR4.4b, mainly as other income grew to INR2.9b (est. of INR1.6b; +87% YoY, +71% QoQ) led by higher interest income and a reversal of forex gain of INR826m.
- n **Foraying into regional markets:** IndiGo has placed an order for 50 ATR 72-600 aircraft (plans ATR operation at end-2017). The company also expects to induct up to 7 ATR aircraft by March 2018 and 20 ATR aircraft by December 2018. We note that this is a deviation from its core strategy of having a single fleet of A320s. We are not building any ATRs in our model, and would like to wait for a few quarters before more clarity emerges.
- n **Raised fleet guidance for FY18:** Management has sharply increased its fleet guidance for FY18 to 170 from 154 (includes 47 A30neos), implying ASK growth of 25% YoY for FY18 (excl. planned ATR operation). We are modeling ~26%/24% YoY ASK additions for FY18/19.
- n **Dividend:** Management has recommended a dividend of INR34/share.
- n **Valuation and view:** The stock trades at 12.9x FY19E EPS of INR88.2 and at 8x FY19E adj. EV/EBITDAR. We value Indigo at **14x** FY19E EPS to arrive at a fair value of INR1,234 (8% upside). Maintain **Neutral**.

Quarterly performance

Y/E March	FY16				FY17				(INR Million)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY16	FY17E	FY17	Var.
Net Sales	42,115	35,399	42,978	40,907	45,789	41,669	49,865	48,482	161,399	185,805	49,477	-2%
YoY Change (%)	NA	NA	NA	7.0	8.7	17.7	16.0	18.5	15.9	15.1	20.9	
Fuel cost	13,477	12,421	11,659	10,236	13,674	15,524	16,712	17,734	47,793	63,644	19,967	-11%
Employee cost	3,825	4,472	4,670	4,932	4,789	5,080	5,273	5,339	17,899	20,482	5,430	-2%
Other expenses	9,072	9,809	9,989	10,689	12,046	11,388	13,471	12,087	39,560	48,992	13,245	-9%
Total Expenditure	26,374	26,703	26,318	25,858	30,509	31,992	35,457	35,160	105,252	133,118	38,642	-9%
EBITDAR	15,741	8,697	16,660	15,049	15,279	9,677	14,409	13,322	56,147	52,687	10,835	23%
Margins (%)	37	25	39	37	33	23	29	27	35	28	22	
Net Rentals	6,017	6,324	6,782	6,999	7,127	7,721	8,164	8,242	26,122	31,254	8,192	1%
EBITDA	9,724	2,373	9,878	8,050	8,152	1,956	6,245	5,080	30,025	21,433	2,642	92%
Margins (%)	23.1	6.7	23.0	19.7	17.8	4.7	12.5	10.5	18.6	11.5	5.3	96%
Depreciation	1,200	1,283	1,307	1,242	1,148	1,189	1,184	1,052	5,031	4,573	1,184	-11%
Interest	328	382	340	269	1,163	610	759	777	1,319	3,308	703	11%
Other Income	1,057	891	1,097	1,569	1,626	1,608	1,719	2,938	4,614	7,891	1,652	78%
PBT	9,253	1,599	9,329	8,108	7,467	1,765	6,022	6,190	28,290	21,443	2,408	157%
Tax	2,762	473	2,756	2,315	1,549	367	1,149	1,786	8,306	4,852	554	223%
Rate (%)	29.9	29.5	29.5	28.6	20.7	20.8	19.1	28.9	29.4	22.6	23.0	
Reported PAT	6,491	1,127	6,573	5,793	5,918	1,398	4,873	4,403	19,983	16,592	1,854	137%
EPS	18.0	3.1	18.2	16.1	16.4	3.9	13.5	12.2	55.5	46.0	5.1	137%
YoY Change (%)			23.7	0.3	-8.8	24.1	-25.9	-24.0	53.2	-17.0	-68.0	

Petronet LNG

BSE SENSEX 29,933 S&P CNX 9,317

CMP: INR429

Buy

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

Conference Call Details



Date: 10th May 2017

Time: 10:30 AM IST

Dial-in details:

+91-22-3960 0663

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	271.3	259.9	318.0
EBITDA	15.9	26.1	30.1
NP	8.4	16.7	19.9
EPS (INR)	11.2	22.2	26.5
EPS Gr. (%)	12.2	98.1	19.2
BV/Sh. (INR)	85.0	101.0	120.1
RoE (%)	14.0	23.9	24.0
RoCE (%)	11.0	17.9	20.2
Payout (%)	24.0	28.1	28.1
Div. Yield	0.7	1.3	1.6

PAT of INR4.7b ahead of our & street expectation

Petronet reported EBITDA marginally below expectation and PAT much ahead of expectation. Pls find below the details of the same:

Financial performance:

- Net sales at INR64b (+5% YoY & +1% QoQ) despite lower volumes due to higher LNG prices in the quarter
- EBITDA at INR6.2b was 3% lower than our estimate (+38% YoY, +2% QoQ)
- Other income at INR1.5b (+253% YoY, +174% QoQ) was much higher than our estimate of INR778m
- Effective tax rate at 24% in the quarter was also lower than our estimate of 30%
- Due to higher than estimated other income and lower effective tax rate, PAT came in at INR4.7b (+97% YoY, +18% QoQ, est INR4b)

Physical performance:

- Long term volume at Dahej stood at 107.1TBtu (-2% YoY, flat QoQ)
- Tolling volume at Dahej stood at 69.6TBtu (+162% YoY, -8% QoQ), YoY growth led by expansion and QoQ degrowth led by high LNG prices in the quarter
- Short term vol at Dahej stood at 0.4TBtu (-97% YoY, -92% QoQ)
- Kochi utilization stood at 4% during the quarter
- Blended margin stood at INR49.3/mmBtu vs 41.1/mmBtu in Q3FY17 and INR40.1/mmBtu in Q4FY16; higher blended margin driven mainly by Gorgon volumes (not provided separately) with Kochi tariff landing at Dahej

Valuation and view: We will revisit our estimates post the earnings call. We remain positive on the company led by (a) huge deficit of gas in the country, (b) firm utilization contracts at Dahej, (c) ramp up of Kochi LNG termina and (d) lack of any strong competition in the near term. Based on our current estimates, the stock trades at 16.2/11.8x FY18/19E EPS. Maintain **Buy**.

Standalone - Quarterly Earning Model

Y/E March	FY16				FY17				FY16	FY17	FY17	Var. vs est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	83,772	75,450	51,460	60,653	53,373	66,144	62,993	63,651	271,334	246,160	77,361	-18%
YoY Change (%)	-17.6	-31.3	-54.0	-15.3	-36.3	-12.3	22.4	4.9	-31.3	-9.3	27.5	
EBITDA	3,611	4,668	3,158	4,466	6,425	7,264	6,071	6,163	15,903	25,923	6,330	-3%
Margins (%)	4.3	6.2	6.1	7.4	12.0	11.0	9.6	9.7	5.9	10.5	8.2	
Depreciation	801	808	807	800	806	860	1,009	1,016	3,216	3,691	1,042	-2%
Interest	612	612	588	576	556	554	517	469	2,387	2,097	399	18%
Other Income	333	360	584	427	494	915	550	1,508	1,704	3,466	778	94%
PBT	2,531	3,608	2,348	3,517	5,556	6,765	5,095	6,186	12,004	23,602	5,667	9%
Tax	780	1,120	564	1,124	1,777	2,170	1,121	1,478	3,588	6,545	1,700	-13%
Rate (%)	31	31	24	32	32	32	22	24	30	28	30	
PAT	1,751	2,488	1,784	2,393	3,779	4,596	3,975	4,708	8,416	17,057	3,967	19%
YoY Change (%)	11.8	-5.3	9.9	42.1	115.8	84.7	122.8	96.8	12.2	102.7	65.8	
Margins (%)	2.1	3.3	3.5	3.9	7.1	6.9	6.3	7.4	3.1	6.9	5.1	
Key Assumptions												
Regas volume (tbtu)	35.3	72.1	79.5	26.5	50.1	60.7	75.3	71.1	213.4	257.1	75.3	-6%
Sales volume (tbtu)	92.6	84.5	63.0	127.0	118.1	128.2	116.1	108.9	367.1	471.2	116.8	-7%

E: MOSL Estimates

BSE SENSEX 29,933 S&P CNX 9,317

CMP: INR705 TP: INR680(-3.5%) Neutral

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

Conference Call Details



Date: 11th May 2017

Time: 04:00 IST

Dial-in details:

+91-22-3938 1003

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	43.9	52.0	60.4
EBITDA	2.2	3.1	4.2
NP	1.2	1.9	2.8
EPS (INR)	12.9	20.3	28.9
EPS Gr. (%)	-2.3	57.9	42.2
BV/Sh. (INR)	81.3	93.0	109.6
RoE (%)	17.8	23.3	28.5
RoCE (%)	15.3	20.7	27.1
Payout (%)	35.0	35.0	35.0
Div. Yield	0.6	1.0	1.4

Operating performance below expectations

- n Sales stood at INR13.8b (+18% YoY) v/s our estimate of INR14.5b. UCP segment sales were INR6.5b (+20% YoY v/s MOSLe of +35%), while Project segment sales stood at INR6.8b (+18% YoY). FY17 UCP sales grew 27% YoY.
- n Gross margin expanded 150bp YoY to 29%.
- n EBITDA stood at INR0.8b (+26% YoY), and margin at 5.5% (+30bp YoY) v/s our estimate of 6% (consensus: 6.5%)
- n EBIT margin for UCP segment stood at 10.5% (-20bp YoY), while that for EMP segment was 4.8% (+170bp YoY).
- n Tax rate was 26% in 4QFY17 v/s 8% in 4QFY16.
- n Recurring PAT stood at INR0.37b (-7% YoY) v/s our estimate of INR0.54b (consensus: INR0.45b)

n **Valuation and view:** We will revisit our estimates post the earnings call. Outlook on growth, especially in UCP, would be keenly watched. Based on our current estimates, the stock trades at 34.7/24.4x FY18/19E EPS. Maintain **Neutral**.

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var. Vs Est
	1Q	2Q	3QE	4Q	1Q	2Q	3QE	4Q				
Sales	10,203	8,391	7,875	11,674	12,168	8,890	9,178	13,756	37,980	43,877	14,537	-5
Change (%)	NA	NA	NA	NA	19.3	6.0	16.5	17.8	19.4	15.5	24.5	
EBITDA	753	442	352	602	765	405	351	756	2,149	2,224	863	-12
Change (%)	NA	NA	NA	NA	1.6	-8.4	-0.3	25.6	28.5	3.5	43.5	
As of % Sales	8.2	5.3	4.5	5.2	6.3	4.6	3.8	5.5	5.7	5.1	5.9	
Depreciation	115	173	156	177	135	150	155	166	571	606	151	
Interest	103	113	108	108	92	88	85	114	432	378	112	
Other Income	60	49	81	107	112	98	46	37	297	346	44	
Extra-ordinary Items	0	0	0	0	0	0	0	0	-119	0	0	
PBT	594	206	169	424	649	266	157	514	1,563	1,586	644	-20
Tax	222	10	11	34	145	73	15	133	277	367	97	
Effective Tax Rate (%)	37.4	5.0	6.4	7.9	22.3	27.6	9.7	25.9	17.7	23.1	15.0	
Reported PAT	372	196	159	390	504	193	142	381	1,066	1,231	547	-30
Change (%)	NA	NA	NA	NA	35.7	-1.3	-10.6	-2.5	23.9	3.8	40.3	
Adj PAT	372	210	156	398	514	200	146	372	1,185	1,231	547	
Change (%)	NA	NA	NA	NA	38.3	-4.6	-6.1	-6.5	23.9	3.8	40.3	



Manpasand Beverages

BSE SENSEX 29,933 S&P CNX 9,317

CMP: INR698 TP: INR841(+20%) Buy



Stock Info

Bloomberg	MANB IN
Equity Shares (m)	57.1
52-Week Range (INR)	776 / 493
1, 6, 12 Rel. Per (%)	-2/-9/16
M.Cap. (INR b)	39.9
M.Cap. (USD b)	0.6
Avg Val, INRm	73
Free float (%)	55.9

Financials Snapshot (INR b)

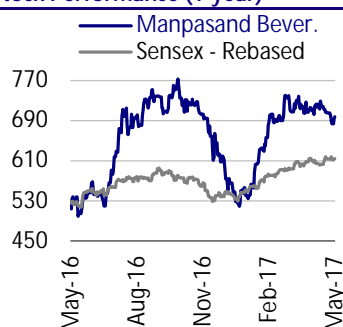
Y/E Mar	FY17E	FY18E	FY19E
Sales	7.6	11.4	16.9
EBITDA	1.5	2.3	3.4
NP	0.8	1.3	1.8
EPS (INR)	13.3	22.0	31.1
EPS Gr. (%)	31.7	65.3	41.6
BV/Sh. (INR)	203.4	219.8	241.6
RoE (%)	7.7	9.3	13.5
RoCE (%)	8.7	10.4	15.2
P/E (x)	52.5	31.7	22.4
P/BV (x)	3.4	3.2	2.9

Shareholding pattern (%)

As On	Mar-17	Dec-16	Mar-16
Promoter	44.1	44.1	50.4
DII	30.4	31.7	40.0
FII	21.2	20.1	6.1
Others	4.3	4.1	3.5

FII Includes depository receipts

Stock Performance (1-year)



Growth continues to remain strong; Maintain buy

Cutting estimates on delay in fourth plant

- Part of new capex to be delayed:** Post QIP of INR5b, Manpasand Beverages' (MANB) plan to double capacity from 177,500cpd to 377,500cpd is largely on track. The company has already finalized land for three work-in-progress plants at Vadodara, Varanasi and Sri City (South). Each of these plants is expected to contribute capacity of 50,000 cases per day (cpd). The Vadodara plant is expected to be commissioned in 4QFY18, while the Varanasi and Sri City plants are scheduled for commissioning in 1QFY19. The fourth plant planned to be set up in Jharkhand/Orissa to cater to the north-east region is expected to be delayed (by one year to 4QFY19/1QFY20) with land not yet finalized.
- Fruits Up on strong footing:** Our channel checks suggest that growth in Fruits Up remains strong, driven by the company's focus on advertisement/promotion and the launch of Fruits Up mini pack (160ml) in the carbonates category at an attractive price point of INR10/bottle. The company focuses on advertisement through print/television, and is also active on various social media platforms. Fruits Up contributed 23% of revenue in 3QFY17 (v/s 20% in the year-ago period), with the share expected to increase further to ~30% by FY19. Focusing on the health agenda, the company is planning to launch a drink based on a mix of vegetables and fruits in FY18.
- Summer season demand very strong, expecting stockouts:** Post adverse impact of demonetization in 3QFY17, MANB is expected to bounce back sharply, aided by the addition of new capacities at the Ambala facility (came on stream in August 2016). Our channel checks suggest that demand at the onset of summer is very encouraging, with most dealers facing stockouts. We observe that its key SKU of 250ml and below continues to be in good demand, especially in the Mango SIP category. In our view, MANB continues to operate at full utilization to cater to growing demand.
- Valuation and view:** We believe strong summer, along with the focus on advertisement, will drive superior performance at MANB. Demand continues to be strong in the fruit drinks category. However, on account of capacity delay of the fourth plant, we cut earnings estimates by 19% for FY19. The company's presence in low-ASP/SKU products, addition of new capacities and foray into newer geographies provide comfort. Also, the planned advertisement campaign for Fruits Up should complement its recent Fruits Up capacity addition at Ambala. Thus, we expect a robust revenue and PAT CAGR of 45% and 52%, respectively, over FY16-19E. We value the stock at a P/E of 27x FY19E EPS, with a target price of INR841 (20% upside). Reiterate **Buy**.



Bharti Infratel

BSE SENSEX	S&P CNX
29,933	9,317
Bloomberg	BHIN IN
Equity Shares (m)	1,850
M.Cap.(INRb)/(USDb)	653.3 / 9.6
52-Week Range (INR)	413 / 302
1, 6, 12 Rel. Per (%)	-1/-5/-15
Avg Val, INRm	777
Free float (%)	28.0

CMP: INR365

TP: INR435(+19%)

Buy

Healthy tenancy outlook to support growth

Consolidated EBITDA growth of 6% QoQ better than expected

n High tenancy adds, energy margin drive EBITDA: Bharti Infratel (BHIN) reported healthy and broadly in-line results. Consolidated revenue grew 11% YoY (+4% QoQ) to INR35.2b (in-line). Rental revenue remained steady at INR21.8b (+7% YoY, +3% QoQ). BHIN sustained a healthy tenancy addition run-rate after peaking at 6,139 in 3QFY17; 1HFY17 average was meager ~1,900. EBITDA rose 9% YoY (+6% QoQ) to INR15.7b, exceeding our estimate of INR15.2b by 3%, due to better EBITDA margin. Consolidated EBITDA margin expanded ~110bp QoQ to 44.7% (~120bp beat), led by a 325bp jump in energy margin to 10.7%. Rental margin at 65.7% was flat QoQ, but contracted 40bp YoY (in-line). PAT of INR6b fell 17% YoY (-4% QoQ), with fluctuations in mark-to-market investment value impacting finance income.

⊕ Expect healthy tenancy growth: Over next four quarters, we expect steady tenancy additions of ~4,300, led by 4G-led extensive data rollout post spectrum auction in 2QFY17. One of the key headwinds of tenancy renewals has been behind. However, the rental freeze provided to old tenants should keep the tenancy rate increase subdued at ~1% annually over FY18E/FY19E. We expect revenue/EBITDA CAGR of 10% over FY17-19, backed by ~7% tenancy growth. We expect EBITDA margin to marginally shrink by 30bp to 43.6% over FY17-19E, given moderate improvement in tenancy rates. This is owing to the rental freeze for partial tenancies.

⊕ Maintain Buy with TP of INR435: We maintain **Buy**, with an SOTP/DCF target price of INR435 (unchanged). With 10% EBITDA CAGR over FY17-19E, the stock trades at EV/EBITDA of 9x on FY19E. At FCFE yield of ~6-7%, the stock appears attractively priced. However, in the near term, the stock could languish due to the Vodafone-Idea merger-related tenancy impact.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	134.2	149.4	162.4
EBITDA	59.0	65.2	70.8
PAT	27.5	32.3	36.9
EPS (INR)	14.9	17.5	19.9
Gr. (%)	41.4	47.6	34.3
BV/Sh (INR)	81.6	94.2	109.1
RoE (%)	16.2	19.4	19.1
RoCE (%)	13.2	14.4	14.0
P/E (x)	24.6	20.9	18.3
P/BV (x)	4.5	3.9	3.3

Estimate change

TP change

Rating change

Quarterly Performance

(INR Million)

Y/E March (Consolidated)	FY16				FY17				FY16	FY17
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue from operations	30,031	30,410	31,056	31,817	32,106	32,919	34,007	35,204	123,314	134,237
YoY Change (%)	5.6	3.8	5.3	8.0	6.9	8.3	9.5	10.6	5.7	8.9
Total Expenditure	17,135	17,315	17,433	17,322	18,159	18,421	19,206	19,481	69,205	75,268
EBITDA	12,896	13,095	13,623	14,495	13,947	14,498	14,801	15,723	54,109	58,969
Margins (%)	42.9	43.1	43.9	45.6	43.4	44.0	43.5	44.7	43.9	43.9
Depreciation	5,450	5,562	5,526	5,697	5,648	5,629	5,664	5,684	22,235	22,626
Interest	566	-1,675	292	-1,029	-1,281	-2,472	-947	287	-1,847	-4,414
Other Income	564	564	487	433	352	333	357	414	2,048	1,455
PBT	7,444	9,772	8,292	10,260	9,932	11,674	10,441	10,166	35,769	42,212
Tax	3,020	3,855	3,342	3,076	2,369	3,936	4,237	4,200	13,293	14,742
Rate (%)	40.6	39.4	40.3	30.0	23.9	33.7	40.6	41.3	37.2	34.9
Reported PAT	4,424	5,917	4,950	7,184	7,563	7,738	6,204	5,966	22,476	27,470
Adj PAT	4,424	5,917	4,950	7,184	7,563	7,738	6,204	5,966	22,476	27,470
YoY Change (%)	-4.4	27.2	-2.3	28.9	71.0	30.8	25.3	-17.0	12.8	22.2
Margins (%)	14.7	19.5	15.9	22.6	23.6	23.5	18.2	16.9	18.2	20.5



BSE SENSEX	S&P CNX
29,933	9,317
Bloomberg	ABB IN
Equity Shares (m)	211.9
M.Cap.(INRb)/(USD\$b)	325.9 / 4.9
52-Week Range (INR)	1595 / 950
1, 6, 12 Rel. Per (%)	11/36/7
Avg Val, INRm	90
Free float (%)	25.0

Financials & Valuations (INR b)

Y/E Dec	2016	2017E	2018E
Net Sales	86.6	100.8	111.9
EBITDA	7.9	10.2	12.5
Adj PAT	3.7	5.3	6.8
Adj EPS (INR)	19.7	25.1	32.2
EPS Gr (%)	25.0	27.2	28.3
BV/Sh (INR)	154.9	180.0	203.7
RoE (%)	12.7	13.9	15.8
RoCE (%)	18.3	21.3	23.7
P/E (x)	78.1	61.4	47.8
P/BV (x)	9.9	8.5	7.5

Estimate change	
TP change	
Rating change	

CMP: INR1,538 TP: INR1,200 (-21%) Downgrade to Sell

Below-estimate performance; order inflow up 28% YoY off a low base

Operational performance below expectations: 1QCY17 revenue of INR21.7b (+8% YoY) was marginally below our estimate of INR22b, while EBITDA margin of 7.9% (-110bp YoY) was lower than our estimate of 9.7%. The miss on revenue was led by weak execution in Electrification Products (+3.5% YoY) and Process/Industrial Automation (+3.4% YoY). EBITDA of INR1.7b (-5% YoY) was below our estimate of INR2.1b, led by ECL provisioning done under Ind-AS accounting system and a weak sales mix. PAT of INR0.9b too was below our estimate of INR1.0b.

Gross margin at all-time high, but operating margin contracts 110bp YoY: Gross margin at 36.2% improved 30bp YoY to touch an all-time high level. Initiatives undertaken over past 3-4 years in terms of increased localization, rationalization of supply chain, improving efficiency, better project management capabilities and lower raw material prices have helped keep gross margin at all-time high. However, EBITDA margin shrunk 110bp YoY to 7.9%, led by higher provisioning on account of expected credit loss (ECL) under the Ind-AS accounting system.

1Q order inflow up 28% YoY; order backlog increases 54% YoY: Order inflow in 1QCY17 increased strongly by 28% YoY to INR23.4b, driven by a low base and finalization of a few large-sized orders. Order backlog of INR120b (+54% YoY) provides strong revenue visibility. Of the total order book, 50% of the backlog constitutes of long-cycle orders and the balance comes from short- and medium-cycle orders.

Valuation and view: Management is optimistic on the demand scenario, driven by government capex. It continues to remain focused on margin expansion via its efforts toward operational efficiency and localization. We marginally cut our estimates for CY17/18 by 4%/1% to factor in margin compression on account of ECL provisioning. We downgrade our rating to **Sell** given premium valuations while maintaining our TP of INR1,200 (35x March 2019E EPS of INR34).

Quarterly Performance

Y/E December	CY16				CY17				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	CY16	CY17E
Sales	20,035	21,015	20,550	24,915	21,689	23,833	23,342	28,871	85,318	99,401
Change (%)	10.4	8.8	4.4	2.7	8.3	13.4	13.6	15.9	6.4	16.5
EBITDA	1,808	1,701	1,516	2,819	1,715	1,736	992	3,203	7,901	10,164
Change (%)	25.9	5.6	-2.7	7.1	-5.2	2.1	-34.6	13.6	5.8	28.6
As % of Sales	9.0	8.1	7.4	11.3	7.9	7.3	4.3	11.1	9.3	10.2
Depreciation	359	357	406	389	376	393	393	410	1510	1573
Interest	223	180	178	285	212	285	292	380	919	1,169
Other Income	149	44	44	95	186	92	95	108	658	378
PBT	1,376	1,208	976	2,241	1,312	1,150	401	2,521	6,131	7,800
Tax	442	434	427	773	428	390	136	1,535	1,957	2,489
Effective Tax Rate (%)	32.1	35.9	43.8	34.5	32.6	33.9	33.9	60.9	31.9	31.9
Reputed PAT	854	774	811	1,468	884	760	265	986	3,687	5,311
Adj. PAT	934	774	871	1,468	884	760	265	986	4,175	5,311
Change (%)	72.0	13.1	48.2	13.4	-5.3	-1.8	-69.5	-32.8	25.0	27.2

E: MOSL Estimates, *: As reported by ABB

NIIT Technologies

Taking on the cultural shift

We attended the NIIT Technologies Analyst Meet. Appending below the key highlights:

Embarking on a cultural shift to tame Digital

Cracking Digital is about making the transition from Services approach to a Products mindset, and NITEC is aiming to undergo the significant cultural shift it necessitates. Superior experience is a significant aspect as an outcome of anything delivered under the Digital banner and the company is endeavoring to succeed towards the same by imbibing the following 5 philosophies in its employee approach: [1] Think Customer, [2] Challenge status quo, [3] Unleash ideas, [4] Improve continuously and [5] Take ownership.

The changes that will ensue in the business model

There will not be any change to NITEC's focus verticals, with FS, Insurance and Travel at the forefront. That said, there will be differentiated strategy in every vertical with pointed focus:

1. Commercial, airports and Operations are the core for the Travel vertical. Digital here will be all about special experience.
2. In Insurance, focus will be to lead the mid-market segment.
3. In FS too, the focus is on the mid-market segment – in sub-verticals of Capital markets and Asset management. Digital here will be focused on a Secure experience

Tron is the platform to drive Automation

NITEC exhibited a number of use cases around Tron – the platform it is using to Automate every aspect of business. The platform spans across all services of the company and is the basis for automated ticket resolving in Infrastructure projects as well as Robotic Process Automation in front end and back end operations of Business Process Services projects.

4-pronged approach to scale Digital

Digital contributed 21% to NITEC's revenues in FY17, growing 33% YoY. NITEC's efforts to scale are focused on four key pillars:

1. Digital Experience – pervasive in omni-channel commerce,
2. Analytics for Digital foresight and Business Intelligence,
3. Cloud, which includes both IaaS and SaaS and
4. Digital Orchestration – which involves legacy integration. The last pillar is facilitated by its acquisition of Incessant, which implements this via Pega and Appian. SI in these products is currently estimated to be ~USD2.5b opportunity, growing at a healthy rate and Incessant is among the leading players in the space.

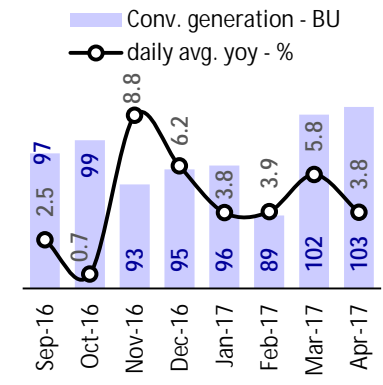
A brief take on the year gone by and prevailing environment

- n Growth in Rupee revenue in FY17 was soft at 4.2% to INR28b, but driven by BFS in the US. Insurance market in UK softened post Brexit affecting the NITL business, but overall the company exited 4Q with some momentum.
- n EBITDA margin dropped 21bp YoY to 17.2% v/s company's guidance for expansion at the beginning of the year, which was due to the non-linearity in NITL.
- n Another key highlight of the year was healthy cash generation led by reduction in DSO to 64 days from 80 days, thanks to reduced dependency in Government contracts.
- n Heading in FY18, transient uncertainties remain thanks to Geopolitical issues (protectionism and Brexit) as well as Economic issues (Some verticals such as Energy, Retail and Currency volatility). But the pervasive trends are that of Digital (declining traditional spend and smaller deal sizes) Automation (challenge to offshore as the sole cost model).

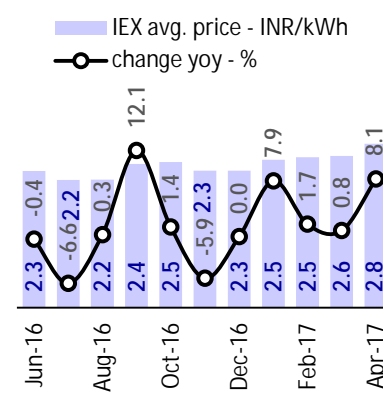


Power monthly

Conventional generation



IEX prices



April 2017: Generation up 3.8% YoY

Seasonal uptick in IEX prices

Conventional generation up 3.8% YoY in April

- Conventional electricity generation grew 3.8% YoY in April 2017, encouraging as it comes off a strong base of 14.7% YoY growth in April 2016.
- Coal-based generation grew at a slower pace of 2.4% YoY, as hydro generation grew 30.9% YoY. Hydro is typically cheaper and gets preference in merit order.
- Private coal-based plants gained share, as generation grew 5.1% YoY. Generation at central coal-based plants grew 2.1% YoY while for states declined 0.4% YoY. NTPC's standalone coal-based plants generation grew 2.3% YoY.

Strong growth in RE generation, led by solar

- RE generation grew 13.1% YoY in March 2017 (latest data). Solar led with a growth of 72.8% YoY.
- For FY17, RE generation grew 25% YoY, representing 6.7% share of all-India generation (up 102bps YoY). Solar grew 82.5% YoY while wind grew 39.3% YoY.
- Including RE all-India generation grew 5.8% YoY in FY17.

Capacity addition at five-year low

- There was 12.9GW of conventional generation capacity added in FY17, sharply lower than ~23GW added in FY16. Capacity addition was the lowest in five-years, and has peaked-out in our view.
- All-India conventional capacity PLF increased by 33bps YoY to 53%. Coal-based plants PLF declined by 46bps YoY to 62%.
- RE capacity stood at 57GW by end of FY17, up 14GW YoY.

Northern region drives demand in March 2017

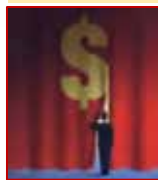
- Regionally, northern region drove electricity consumption in March 2017. Punjab (16.6% YoY), UP (16.5% YoY) and Haryana (10.5% YoY) were high growing states. Consumption was also strong in Telangana (22.7% YoY) and Karnataka (9.2% YoY)
- For FY17, UP (13.5% YoY) and Karnataka (9.7% YoY) saw the highest growth in consumption.

IEX: seasonal uptick in prices; South driving volumes

- IEX all-India prices increased 8.1% MoM to INR2.77/kWh in April 2017, a seasonal pattern. Prices are however down 4.7% YoY on supply. Prices in southern region remain at premium to rest of India due to grid constraints.
- IEX volumes grew 7% YoY in April. Southern region volumes were up 65% YoY.

Private plants: Dhariwal and Vijaynagar PLFs improve in April 2017

- CESC:** Dhariwal's PLF was at ~47% as the PPA capacity of 300MW operates at full capacity (remaining 300MW was unutilized).
- JSW Energy:** Vijaynagar's PLF improved to 81% from v/s. 60% avg. for FY17 on short-term contract with Karnataka.
- Rattan India:** Amravati operated at 52% PLF due to shutdown at some of state-owned plants and improved demand.



Dalmia Cement

Bloomberg	DBEL IN
Equity Shares (m)	88.8
M. Cap. (INR b)/(USD b)	183 / 3
52-Week Range (INR)	2099 / 786
1,6,12 Rel Perf. (%)	6 / 1 / 138

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	33.7	63.7	70.2	79.3
EBITDA	4.5	15.1	16.8	19.5
NP	0.1	1.9	2.7	4.2
Adj EPS(INR)	1.1	21.5	30.7	47.5
EPS Gr. (%)	-209	1,802.4	42.7	55.0
BV/Sh (INR)	378	434	463	508
RoE (%)	0.3	5.5	6.8	9.8
RoCE (%)	25.3	4.9	6.2	7.5
Payout (%)	NM	8.1	7.6	4.9

Valuation

P/E (x)	1,728.2	90.8	63.7	41.1
P/BV (x)	5.2	4.5	4.2	3.8
EV/EBITDA (x)	57.0	16.7	14.6	12.4
EV/Ton (USD)	152	166	163	158

CMP: INR2,062 TP: INR2,392 (+16%) Buy

- 4QFY17 cement volumes are estimated to increase 1% YoY to 3.93mt due to a high base. Realizations are estimated to decline 3% YoY/QoQ to INR4,717/ton.
- We estimate cement EBITDA/ton at INR994 (-INR147/ton QoQ) due to weak realizations. EBITDA margin is expected to contract 3.0pp QoQ to 21%.
- EBITDA is estimated to decline 13% YoY to INR3.9b, translating into PAT decline of 35% YoY to INR614mn.
- The stock trades at 41x FY18E EPS, 12x FY18E EV/EBITDA, and FY18E EV/ton of USD158. Maintain Buy.

Key issues to watch out for:

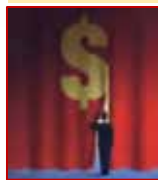
- Volume growth recovery and outlook.
- Cement pricing outlook and sustainability.
- Update on restructuring timelines

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales Dispatches (m ton)	3.1	2.85	2.96	3.88	3.76	3.42	3.56	3.93	12.80	14.67
YoY Change (%)	96.8	95.2	79.6	66.0	21.7	20.0	20.3	1.2	82.4	14.6
Realization (INR/ton)	5,176	4,979	4,998	4,847	4,695	4,897	4,845	4,717	4,974	4,784
YoY Change (%)	17.7	2.5	7.4	-11.8	-9.3	-1.6	-3.1	-2.7	3.7	-3.8
QoQ Change (%)	-5.8	-3.8	0.4	-3.0	-3.1	4.3	-1.1	-2.6		
Net Sales	15,995	14,190	14,793	18,805	17,654	16,747	17,247	18,518	63,672	70,166
YoY Change (%)	135.0	104.8	94.2	52.7	10.4	18.0	16.6	-1.5	89.2	10.2
EBITDA	3,858	3,116	3,395	4,491	4,963	3,902	4,065	3,904	15,079	16,833
Margins (%)	24.1	22.0	23.0	23.9	28.1	23.3	23.6	21.1	23.7	24.0
Depreciation	1,176	1,544	1,416	1,198	1,338	1,587	1,593	1,517	4,528	6,035
Interest	1,724	1,733	1,731	2,079	2,412	2,291	2,198	2,135	7,256	9,036
Other Income	542	925	581	1,296	887	1,102	858	904	2,349	3,750
PBT after EO Expense	1,500	769	829	2,511	2,100	1,125	1,131	1,156	5,644	5,511
Tax	772	614	385	1,106	911	662	624	445	2,991	2,641
Rate (%)	51.5	79.9	46.4	44.0	43.4	58.9	55.1	38.4	53.0	47.9
PAT Adj for EO items	527	124	299	949	940	311	357	614	1,908	2,561
YoY Change (%)	-292.7	-173.3		100.7	78.3	149.8	19.2	-35.3	6,155.0	34.3

E: MOSL Estimates; JPA Bokaro consolidated since 16/Nov/14, *OCL from March-2015



Hero MotoCorp

Bloomberg	HMCL IN
Equity Shares (m)	199.7
M. Cap. (INR b)/(USD b)	638 / 10
52-Week Range (INR)	3740 / 2829
1,6,12 Rel Perf. (%)	-6 / -15 / -12

CMP: INR3,201 TP:INR3,390 (+6%) Neutral

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	284.4	284.0	309.7	333.5
EBITDA	44.6	48.0	50.9	50.7
NP	31.6	34.4	37.0	37.6
Adj. EPS (INR)	158	172	185	188
EPS Gr. (%)	26.6	8.8	7.5	1.7
BV/Sh. (INR)	398	474	550	630
RoE (%)	43.6	39.5	36.2	31.9
RoCE (%)	42.9	38.6	35.4	31.3
Payout (%)	52.3	53.4	55.9	55.0

Valuations

P/E (x)	20.3	18.7	17.4	17.1
P/BV (x)	8.1	6.8	5.8	5.1
EV/EBITDA (x)	13.4	12.2	11.3	11.2
Div. Yield (%)	2.2	2.5	2.8	2.8

- n Sales volume declined ~6% YoY (+10% QoQ) to 1.62m units, led by gradual recovery post demonetization impact derailed November and December sales volumes. Also due to higher inventory at dealer level of BS-III vehicle post ban by apex court, the focus was to clear the inventory at dealer level. The retail sale for March 2017 was 15% higher than wholesale for the month.
- n Realization should decline by 3% YoY (-2% QoQ) to INR42,198/unit.
- n Net revenue is likely to decline 9% YoY (+8% QoQ) to INR68.4b.
- n EBITDA margin is expected to increase by 40bp YoY (-130bp QoQ) to 16.3% led by benefits of cost reduction initiatives.
- n EBITDA is likely to decline 6% YoY (+4% QoQ) to ~INR11.2b.
- n We expect PAT to decline 7% YoY (+1% QoQ) to INR7.8b.
- n We have reduced EPS estimate for FY18E/FY19E by 3%/5.5% and at the same time increased the multiple from 16x to 18x. The stock trades at 17.3x FY18E and 17x FY19E EPS; maintain **Neutral**.

Key issues to watch

- ⊗ Update on demand environment (especially rural areas) at the retail level, channel inventory to access the impact of demonetization.
- ⊗ Guidance on export plans and new launches along with timelines.
- ⊗ Update on cost saving initiatives.

Quarterly Performance

Y/E March	(INR Million)									
	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Total Volumes ('000 nos)	1,646	1,575	1,690	1,722	1,745	1,823	1,473	1,622	6,632	6,664
Growth YoY (%)	-4.1	-7.0	2.5	9.3	6.1	15.8	-12.8	-5.8	0.0	0.5
Net Realization	41,960	43,237	42,738	43,595	42,391	42,755	43,202	42,198	42,886	42,623
Growth YoY (%)	2.3	5.8	3.0	1.1	1.0	-1.1	1.1	-3.2	3.1	-0.6
Net Op Revenues	69,048	68,093	72,235	75,052	73,989	77,963	63,646	68,437	284,427	284,035
Change (%)	-1.9	-1.5	5.6	10.5	7.2	14.5	-11.9	-8.8	3.1	-0.1
RM Cost (% sales)	69.7	68.5	67.6	66.0	67.1	66.5	64.9	65.3	67.9	66.0
Staff Cost (% sales)	4.5	4.5	4.7	4.7	4.5	4.6	5.9	5.6	4.6	5.1
Other Exp (% sales)	10.7	10.9	12.0	13.4	11.7	11.4	12.3	12.8	11.8	12.0
EBITDA	10,420	10,956	11,308	11,919	12,301	13,689	10,797	11,182	44,603	47,969
EBITDA Margins (%)	15.1	16.1	15.7	15.9	16.6	17.6	17.0	16.3	15.7	16.9
Other Income	1,044	1,115	902	1,168	1,204	1,524	1,319	1,113	4,229	5,160
Interest	12	12	12	12	15	16	15	14	49	60
Depreciation	1,030	1,091	1,139	1,155	1,152	1,193	1,249	1,294	4,414	4,888
PBT	10,422	10,968	11,058	11,920	12,337	14,004	10,853	10,987	44,369	48,181
Effective Tax Rate (%)	28.3	28.3	28.3	30.0	28.4	28.3	28.9	29.1	28.7	28.6
Adj. PAT	7,475	7,861	7,932	8,347	8,831	10,042	7,720	7,788	31,615	34,382
Growth (%)	32.8	3.0	36.1	32.2	18.1	27.7	-2.7	-6.7	24.4	8.8

E: MOSL Estimates



Zee Entertainment

Bloomberg	Z IN
Equity Shares (m)	960.4
M. Cap. (INR b)/(USD b)	522 / 8
52-Week Range (INR)	589 / 382
1,6,12 Rel Perf. (%)	4 / -10 / 21

CMP: INR543

TP: INR610 (+12%)

Buy

Financial Snapshot (INR Billion)

Y/E MARCH	2016	2017E	2018E	2019E
Net Sales	58.3	64.4	74.0	85.5
EBITDA	15.0	19.2	22.8	27.2
Adj. NP	10.2	13.2	16.5	19.7
Adj. EPS (INR)	10.6	11.4	17.3	20.6
Adj. EPS Gr. (%)	3.9	7.5	52.0	19.2
EPS ex-&TV (INR)	11.8	12.1	18.4	21.0
RoE (%)	27.0	29.1	30.3	29.4
RoCE (%)	17.7	19.3	23.2	24.6
Div. Payout (%)	21.3	19.8	18.8	19.9

Valuations

P/E (x)	51.3	47.7	31.4	26.3
P/E ex-&TV (x)	46.0	45.0	29.4	25.8
EV/EBITDA (x)	35.0	25.7	21.4	17.2
Div. Yield (%)	0.4	0.4	0.6	0.8

- n We expect advertising revenue to grow 2% YoY to INR8.81b, which factors in the impact of only two months of sports business absence (sports business sold to Sony).
- n Zee introduced two new shows each on its flagship Zee TV and &TV, and consequently increased its original programming hours. This can be seen in the consistent increase in viewership of Zee TV over the last three months (~25% increase in impressions from January to March). The regional portfolio too, especially the Tamil offering, has held up its viewership share.
- n Subscription revenue is likely to decline 6% YoY to INR5.61b. (Domestic subscription expected to decline 3% YoY to INR4.54b). Only two months of sports-led subscription income would be booked in 4Q. Also, base quarter includes some catch up revenue.
- n Total revenue is expected to remain flat YoY (INR15.3b).
- n We expect EBITDA margin to be up 290bp YoY at 29.9%.
- n Adjusted PAT is expected to grow ~48% YoY to INR3.87b.
- n Our revised TP is INR610 (29x FY19E EPS (ex-&TV) plus INR19/share towards &TV DCF less INR19/share towards preference share liability). The stock trades at 31.4 FY18E and 26.3x FY18E EPS. **Buy**.

Key things to watch for

- Ø YoY ad growth (we expect 2%).
- Ø YoY domestic subscription (we expect 6% decline).

Quarterly Performance

Y/E March									(INR Million)	
	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Advertising Revenue	7,799	8,290	9,237	8,645	9,120	9,592	9,554	8,818	34,037	37,083
Subscription Revenue	4,625	4,791	5,218	5,944	5,282	5,833	5,935	5,614	20,578	22,664
Other Sales and Services	974	705	1,399	727	1,315	1,529	902	894	3,640	4,641
Net Sales	13,399	13,786	15,854	15,316	15,716	16,954	16,391	15,326	58,255	64,388
Change (%)	23.4	23.3	16.3	13.7	17.3	23.0	3.4	0.1	19.3	10.5
Prog, Transmission & Direct Exp	6,108	6,032	6,999	6,881	6,575	7,688	7,035	6,542	25,969	27,841
Staff Cost	1,380	1,197	1,253	1,297	1,499	1,533	1,419	1,332	5,209	5,784
Selling and Other Exp	2,799	2,971	3,308	3,002	3,110	2,841	2,780	2,863	12,084	11,594
EBITDA	3,112	3,586	4,295	4,136	4,532	4,892	5,158	4,589	14,992	19,169
Change (%)	0.7	11.9	21.5	52.7	45.6	36.4	20.1	10.9	22.5	27.9
EBITDA margin (%)	23.2	26.0	27.1	27.0	28.8	28.9	31.5	29.9	25.7	29.8
Depreciation	168	198	204	273	251	336	249	261	840	1,098
Finance cost	15	21	106	42	75	86	90	90	123	341
Other Income	680	589	295	458	734	432	525	525	2,016	2,216
Fair Value through P&L			-362		-1,132	-829	-714	300		-2,375
PBT	3,609	3,626	3,917	4,278	3,807	4,074	4,630	5,062	15,714	17,572
Tax	1,185	1,123	1,602	1,618	1,626	1,634	2,081	1,156	5,528	6,496
Effective Tax Rate (%)	32.8	31.0	40.9	37.8	42.7	40.1	44.9	22.8	35.2	37.0
PAT	2,423	2,504	2,316	2,658	2,181	2,440	2,549	3,907	10,186	11,076
Minority Interest/Associates	-15	-11	7	53	12	56	41	40	22	149
Adj PAT after Minority Interest	2,438	2,846	2,309	2,605	2,170	2,384	2,508	3,867	10,495	10,927
Change (%)	15.8	25.0	-25.2	12.9	-11.0	-16.2	8.6	48.4	7.4	4.1
Sports EBITDA	15	22	-150	-236	171	-168	77	0	-349	80
Non-Sports EBITDA	3,097	3,564	4,445	4,372	4,361	5,060	5,081	4,589	15,341	19,089



1. Havells: Lloyd's consumer durable biz acquisition to be eps accretive from 1st year; Anil Rai Gupta, CMD

- n Lloyd's strength has been in the consumer electronics channel and air conditioning channel, the acquisition would pave the way to foray into that segment.
- n Did not acquire any debt to finance the acquisition, it was a complete transfer of business. There is no debt associated with the business. The acquisition was financed by internal accruals and cash balance.
- n While Lloyd's will continue to focus on the consumer electronic space, Havells will continue to leverage that segment by adding more products categories. However, they will continue to remain as separate segments.
- n The acquisition of Lloyd's consumer business will reflect in the consolidated results of the first quarter of FY18.

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2. Hudco: Pradhan Mantri Awas Yojana will drive disbursements ahead; Ravi Kanth Medithi, CMD

- n With the actionable programmes of the GOI like Housing For All, Pradhan Mantri Awas Yojana and HUDCO being a very long experienced organisation, we are an integral part of all actionable, flagship programmes of GOI.
- n We are registered as a housing finance company and 31% of our book is housing finance and 69% is urban infrastructure. From 2013 we are only lending to the government and government agencies.
- n Most of the provisioning will get over by the end of FY18. Thereafter when the credit cost will come down from the present levels then automatically there will be growth in other areas.

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3. Dipam: No strict timeline for divestments; can expect more cpse ipos in future; Neeraj Kumar Gupta, DIPAM Secretary

- n The 10% stake sale in HUDCO is in line with Budget 2017 announcement to list big size profit making Central Public Sector Enterprises (CPSE).
- n Divestment is being done with a purpose to share the wealth of the company with the public.
- n The government may divest further stake in HUDCO going forward because they are allowed to divest upto 25% in listed companies in three years.
- n As per the Budget directive, the government will streamline listing of CPSEs in a time-bound manner and so one can look forward to many more PSU IPOs. However, there is no strict timeline for divestments.
- n The government is also looking at products like exchange traded funds (ETFs), to help investors and meet their appetite.

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1. We must approach NPAs differently. by R Viswanathan

n “We can choose status quo, but this would be insanity, ‘doing the same thing over and over again and expecting different results’ as Albert Einstein put it” — This is what the Reserve Bank of India’s deputy governor, Viral Acharya, reportedly said at a recent IBA awards function. He was referring to the intractable problems faced by Indian banks in resolving non-performing assets (NPA). The new ordinance giving vast powers to the RBI to direct banks in quickly resolving NPAs and to appoint committee(s) to solve the problem seems to pursue the well-trodden path.

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2. Why aren’t we prouder of India? by Rajkamal Rao

n ndians have a legacy of looking up to others but not tooting their own horn — a trait distinct from what prevails in the West. The habit is bred into us growing up and it’s a culture that is hard to shed. That’s not altogether bad because it motivates us to think about what is possible and get there, one step at a time. But occasionally, we should act like people in the West and at least pause to look at what we have achieved as a nation over the last 30 years, regardless of which government was in power. Because even an extremely critical mind would give India high marks, especially if our performance is measured against other peer countries in the class.

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3. FM Arun Jaitley hints at larger bank reforms plan even as NPA crisis resolution starts. by The Financial Express

n The powers given to the Reserve Bank of India (RBI) via the amendments to the Banking Regulation Act, 1949, to help it deal more effectively with stressed assets, may not appear as overarching as some might have expected. However, there is no doubt that empowering the regulator to direct banks to initiate insolvency proceedings in ‘specific’ cases, is going to be of immense help. There are those who might argue the regulator should not be telling banks which companies should be wound down. However, the fact is the non-performing asset (NPA) problem is weighing heavily on the banking system and on the economy—the sooner it is tackled, the better.

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4. India’s solar mission can cause new debt problems. by Sajal Ghosh & Rohit Prasad

n The recent decision of the Supreme Court not to allow a revision of the tariff charged by Tata Power Co. Ltd and Adani Power Ltd for their 4,000MW (megawatt) and 4,620MW Mundra ultra-mega power projects (UMPPs) based on Indonesian coal raises serious concerns about the viability of these projects. In both cases, a decision by the Indonesian government to link the price of coal exported from the country to a benchmark based on international prices of coal has toppled carefully laid plans. In 2006, it was decided to build UMPPs to take care of India’s crippling power woes.

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5. Don't be scared of numbers. by Ram Sewak Sharma

n There has been a concerted campaign in the last few weeks 'exposing' the Aadhaar 'data leak'. The impression given in many sections of the media is that something very serious has happened and personal and sensitive information of citizens has been hacked and leaked. This is sensationalisation that makes a mountain out of a molehill. What really has happened is that the information relating to beneficiaries of various programmes of state governments -already published on the websites of concerned departments -has been suddenly discovered by some activists and exposed as a massive data leak.

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6. Shake the moneymaker. by Vikas Kaushal & Paul Laudicina

n Big, bold promises during an election campaign are usually trumped by political realities once elections are over. But in India's case, three years into his government, PM Narendra Modi is already delivering on many of the big promises made during the campaign. One was to increase foreign direct investment (FDI) into India. A key to achieving this was making India an easier place for foreign companies to do business. This included big-ticket challenges such as tackling corruption and streamlining regulatory aspects like different tax regimes in different states.

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International

7. Why emmanuel macron matters to the whole world. by Gideon Rachman

n As Emmanuel Macron savours his victory in the French presidential election, he might consider the words of John Maynard Keynes in an open letter, written to Franklin Roosevelt in December 1933. The British economist told the US president: "You have made yourself the Trustee for those in every country who seek to mend the evils of our condition by reasoned experiment within the framework of the existing social system. If you fail, rational change will be gravely prejudiced throughout the world, leaving orthodoxy and revolution to fight it out."

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Automobiles														
Amara Raja	Buy	882	1,084	23	29.3	37.3	43.4	30.1	23.7	6.0	4.9	21.7	22.9	22.0
Ashok Ley.	Buy	83	98	18	4.2	5.2	6.6	19.6	16.0	3.8	3.4	20.6	22.3	24.9
Bajaj Auto	Buy	2,861	3,282	15	133.7	154.8	174.0	21.4	18.5	6.0	5.2	29.5	30.2	30.0
Bharat Forge	Buy	1,112	1,266	14	25.3	37.2	50.6	44.0	29.9	6.6	5.7	15.7	20.5	23.7
Bosch	Neutral	23,323	22,924	-2	472.3	667.8	764.1	49.4	34.9	9.4	7.8	18.2	24.5	23.4
CEAT	Buy	1,702	1,741	2	93.3	104.9	133.9	18.2	16.2	2.9	2.5	16.9	16.3	17.9
Eicher Mot.	Buy	27,113	30,402	12	613.8	892.0	1,135.1	44.2	30.4	15.3	10.9	40.3	41.9	38.5
Endurance Tech.	Buy	795	841	6	22.3	29.4	37.4	35.7	27.0	6.4	5.3	19.6	21.6	22.9
Escorts	Buy	600	608	1	23.2	34.1	43.4	25.8	17.6	3.0	2.6	12.1	15.9	17.5
Exide Ind	Buy	237	274	15	8.2	9.5	11.8	29.1	25.1	4.1	3.6	14.0	14.5	15.8
Hero Moto	Neutral	3,290	3,390	3	172.2	185.1	188.3	19.1	17.8	6.9	6.0	39.5	36.2	31.9
M&M	Buy	1,342	1,570	17	61.7	75.4	89.5	21.8	17.8	3.3	3.0	14.5	13.9	14.7
Mahindra CIE	Not Rated	245	-		5.4	9.9	11.8	45.8	24.9	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	6,630	7,319	10	248.6	300.0	370.9	26.7	22.1	5.5	4.8	20.3	21.2	22.3
Tata Motors	Buy	427	609	43	11.5	29.4	62.0	37.0	14.5	1.7	1.6	4.7	11.0	20.4
TVS Motor	Buy	499	581	16	11.7	16.7	26.7	42.5	29.9	9.8	7.8	25.6	29.2	35.9
Aggregate								28.8	20.5	4.1	3.6	14.3	17.6	21.2
Banks - Private														
Axis Bank	Neutral	517	525	1	15.4	23.4	41.2	33.7	22.1	2.3	2.1	6.9	9.9	15.7
DCB Bank	Neutral	192	170	-11	7.0	8.8	11.2	27.4	21.8	2.9	2.6	10.9	12.4	14.0
Equitas Hold.	Buy	165	210	28	4.7	4.8	7.5	34.9	34.0	2.5	2.3	8.9	7.1	10.1
Federal Bank	Buy	118	125	6	4.8	5.8	7.3	24.5	20.5	2.3	2.1	9.9	10.9	12.5
HDFC Bank	Buy	1,535	1,790	17	56.8	67.1	79.4	27.0	22.9	4.6	4.0	17.9	18.2	19.0
ICICI Bank	Buy	301	365	21	16.8	16.8	19.2	17.9	17.9	2.0	1.9	10.1	9.1	9.8
IDFC Bank	Neutral	65	62	-5	3.0	3.3	4.3	21.6	19.7	1.5	1.4	7.2	7.4	9.0
IndusInd	Buy	1,422	1,700	20	50.1	59.4	72.0	28.4	23.9	4.3	3.7	16.0	16.5	17.3
J&K Bank	Neutral	83	75	-10	-25.2	13.0	15.4	NM	6.4	0.8	0.7	-21.1	11.6	12.5
Kotak Mah. Bk	Buy	907	1,050	16	26.8	32.3	40.5	33.8	28.1	4.4	3.8	13.8	14.5	15.7
RBL Bank	Under Review	559	-		11.9	17.6	23.8	47.0	31.7	4.9	4.4	12.3	14.6	17.3
South Indian	Neutral	26	21	-20	2.8	3.1	3.8	9.5	8.5	0.9	0.8	9.7	10.0	11.3
Yes Bank	Buy	1,603	2,110	32	73.2	92.2	116.2	21.9	17.4	4.1	3.4	18.6	18.0	19.7
Aggregate								26.8	21.7	3.1	2.8	11.5	13.0	14.6
Banks - PSU														
BOB	Buy	187	224	20	7.5	19.0	26.1	24.8	9.9	1.2	1.1	5.0	11.9	14.8
BOI	Neutral	181	129	-29	-5.7	14.5	23.7	NM	12.5	0.8	0.7	-2.5	6.0	9.2
Canara	Neutral	374	380	1	18.8	33.0	48.9	19.9	11.4	0.8	0.8	4.2	6.8	9.4
IDBI Bk	Neutral	82	49	-40	1.5	6.4	8.6	53.5	12.7	0.8	0.7	1.4	5.8	7.3
Indian Bk	Buy	349	360	3	29.3	33.3	38.1	11.9	10.5	1.2	1.1	10.1	10.6	11.1
OBC	Neutral	173	138	-20	0.3	21.0	26.0	690.5	8.3	0.4	0.4	0.1	5.2	6.1
PNB	Buy	174	186	7	5.3	12.4	16.6	32.9	13.9	1.0	0.9	3.0	6.7	8.3
SBI	Buy	296	340	15	8.7	16.9	23.3	34.1	17.5	1.3	1.2	3.9	7.3	9.3
Union Bk	Neutral	179	174	-3	7.6	24.6	34.5	23.4	7.3	0.6	0.6	2.7	8.1	10.5
Aggregate								32.4	13.8	1.0	1.0	3.1	7.0	9.0
NBFCs														
Bajaj Fin.	Buy	1,285	1,448	13	34.4	47.5	64.0	37.4	27.1	7.7	6.2	22.7	25.5	27.3
Bharat Fin.	Neutral	760	769	1	21.0	32.4	45.3	36.2	23.5	4.3	3.6	15.1	16.7	19.5
Dewan Hsg.	Buy	438	559	28	29.6	38.6	45.5	14.8	11.3	1.7	1.6	14.4	14.5	15.2
GRUH Fin.	Neutral	412	421	2	8.1	10.3	12.5	50.6	40.1	13.5	11.2	30.4	30.6	30.9
HDFC	Buy	1,523	1,797	18	46.8	50.7	55.9	32.5	30.1	6.0	5.5	19.3	18.3	17.4
Indiabulls Hsg	Buy	1,085	1,227	13	69.0	82.2	101.6	15.7	13.2	3.8	3.4	25.5	27.0	29.6
LIC Hsg Fin	Neutral	683	723	6	38.2	44.6	51.2	17.9	15.3	3.2	2.7	19.4	19.3	19.0
Manappuram	Not Rated	95	-		8.2	11.1	14.0	11.7	8.6	2.7	2.3	23.9	29.0	32.2
M&M Fin.	Buy	324	400	23	7.1	12.9	16.4	45.8	25.1	2.8	2.7	6.4	10.9	12.9
Muthoot Fin	Buy	397	465	17	29.7	34.5	40.0	13.4	11.5	2.5	2.2	19.7	20.2	20.6

PFC	Neutral	166	117	-29	25.7	27.2	30.2	6.5	6.1	1.1	1.0	17.9	17.0	16.8
RepcO Home	Buy	747	831	11	28.6	34.0	40.2	26.1	22.0	4.2	3.6	17.3	17.5	17.6
REC	Neutral	221	134	-39	31.4	35.0	40.4	7.0	6.3	1.3	1.1	19.9	19.1	19.1
Shriram City Union	Buy	2,132	2,689	26	84.3	130.4	164.7	25.3	16.3	2.8	2.5	11.8	16.2	17.8
STF	Buy	1,004	1,269	26	55.6	77.4	98.6	18.1	13.0	2.0	1.8	11.7	14.5	16.3
Aggregate								18.3	15.7	3.2	2.8	17.3	17.8	17.9
Capital Goods														
ABB	Neutral	1,538	1,200	-22	20.1	27.2	33.8	76.7	56.5	9.9	8.4	12.9	15.0	16.3
Bharat Elec.	Buy	181	180	-1	6.5	7.3	8.5	28.0	24.8	5.3	4.7	20.4	18.8	19.1
BHEL	Sell	177	115	-35	5.5	5.7	5.8	31.9	30.9	1.3	1.2	4.0	4.0	4.0
Blue Star	Neutral	706	680	-4	14.1	20.3	29.5	50.0	34.8	9.5	8.2	20.2	25.3	31.2
CG Cons. Elec.	Buy	240	221	-8	4.6	5.5	6.7	52.7	44.0	39.9	27.1	94.3	73.3	66.1
CG Power & Indu.	Sell	84	45	-46	3.6	3.9	4.5	22.9	21.4	1.2	1.2	5.4	5.5	6.0
Cummins	Neutral	1,067	990	-7	26.6	30.5	36.5	40.1	35.0	8.5	7.8	22.6	23.2	25.3
GE T&D	Neutral	366	340	-7	6.0	11.0	11.4	60.9	33.2	7.3	6.5	11.7	20.7	19.2
Havells	Neutral	493	425	-14	8.9	12.1	14.1	55.2	40.9	11.2	10.1	20.3	24.6	25.1
Inox Wind	Neutral	201	175	-13	17.5	16.6	17.7	11.5	12.1	2.0	1.8	19.2	15.7	14.6
K E C Intl	Buy	221	175	-21	10.5	12.3	13.5	21.0	18.0	3.3	2.8	16.6	16.8	16.2
L&T	Buy	1,743	1,970	13	53.6	64.7	75.8	32.5	26.9	3.4	3.1	10.9	12.1	12.9
Pennar Eng.	Not Rated	150	-		5.8	7.5	10.0	25.8	20.0	2.2	2.0	8.6	10.0	11.8
Siemens	Neutral	1,446	1,340	-7	17.0	25.7	33.5	85.1	56.3	7.8	6.7	9.2	11.9	14.2
Solar Ind	Neutral	790	800	1	19.0	22.3	26.5	41.5	35.4	7.1	6.1	18.4	18.6	19.0
Suzlon Energy	Not Rated	21	-		0.6	0.9	1.0	32.6	23.5	-1.9	-2.1	NM	-8.8	-11.0
Thermax	Sell	1,014	781	-23	23.5	28.4	31.5	43.1	35.7	4.8	4.4	11.6	12.9	13.2
Va Tech Wab.	Buy	667	760	14	26.5	34.5	40.3	25.2	19.3	3.4	3.0	8.9	16.7	17.3
Voltas	Sell	428	370	-14	13.6	14.9	16.9	31.5	28.6	5.2	4.6	17.6	17.1	17.1
Aggregate								36.0	30.2	4.0	3.7	11.2	12.2	12.9
Cement														
Ambuja Cem.	Buy	258	283	10	4.9	6.6	7.2	52.7	38.8	2.6	2.6	5.0	6.7	7.1
ACC	Neutral	1,696	1,521	-10	33.7	49.2	63.6	50.2	34.5	3.8	3.8	7.5	11.0	14.2
Birla Corp.	Buy	770	869	13	21.5	41.2	54.4	35.7	18.7	2.1	2.0	6.0	10.9	13.2
Dalmia Bharat	Buy	2,410	2,392	-1	30.7	47.5	70.1	78.6	50.7	5.2	4.7	6.8	9.8	12.9
Grasim Inds.	Neutral	1,167	1,067	-9	68.7	86.6	111.1	17.0	13.5	1.9	1.7	11.7	13.2	14.8
India Cem	Neutral	209	152	-27	5.1	8.7	11.9	40.9	23.9	1.7	1.6	4.0	6.2	7.7
J K Cements	Buy	1,015	1,103	9	32.6	37.2	49.3	31.1	27.3	3.9	3.5	13.3	13.6	16.0
JK Lakshmi Ce	Buy	500	526	5	5.9	12.2	17.8	84.4	40.9	4.3	4.2	5.2	10.5	14.7
Ramco Cem	Buy	705	815	16	27.8	30.1	36.2	25.4	23.4	4.6	3.9	19.6	18.0	18.5
Orient Cem	Buy	166	185	11	-1.6	4.5	6.8	NM	36.8	3.4	3.2	-3.2	9.0	12.3
Prism Cem	Buy	122	118	-3	-0.6	2.6	4.8	NM	46.5	6.4	5.8	-3.1	13.1	20.8
Shree Cem	Buy	19,469	20,072	3	363.2	480.6	642.3	53.6	40.5	9.7	8.0	19.2	21.7	23.5
Ultratech	Buy	4,434	4,928	11	96.1	121.4	159.1	46.1	36.5	5.3	4.7	12.0	13.6	15.7
Aggregate								39.2	29.5	3.8	3.5	9.8	11.9	13.7
Consumer														
Asian Paints	Neutral	1,165	1,145	-2	20.5	22.6	26.7	56.8	51.6	17.5	15.4	32.8	31.8	32.4
Britannia	Buy	3,584	4,065	13	72.2	83.3	101.7	49.7	43.0	19.1	15.1	43.1	39.2	38.0
Colgate	Buy	1,006	1,200	19	21.7	25.8	31.6	46.4	39.0	24.3	22.7	54.9	60.1	68.5
Dabur	Neutral	273	295	8	7.2	7.7	9.1	37.7	35.4	9.9	8.5	28.4	26.0	26.3
Emami	Buy	1,077	1,250	16	26.5	29.2	34.7	40.6	36.8	13.9	11.2	35.8	33.8	32.2
Godrej Cons.	Neutral	1,929	1,740	-10	37.8	41.7	48.4	51.0	46.2	12.4	9.5	24.6	23.3	22.0
GSK Cons.	Neutral	5,175	5,410	5	153.9	173.1	190.8	33.6	29.9	7.7	6.7	24.6	24.0	23.1
HUL	Neutral	952	945	-1	19.3	21.5	24.8	49.4	44.3	34.0	35.4	67.6	78.4	92.5
ITC	Buy	272	320	18	8.4	9.3	11.0	32.4	29.1	8.6	7.5	28.4	27.6	28.7
Jyothy Lab	Neutral	371	380	2	8.0	9.0	10.5	46.6	41.3	7.4	6.8	16.4	17.1	18.1
Marico	Neutral	303	335	11	6.3	6.9	8.4	48.2	43.6	16.8	14.3	36.7	35.5	38.1
Nestle	Neutral	6,703	6,665	-1	118.0	139.2	163.3	56.8	48.2	21.4	18.6	39.0	41.4	41.9
Page Inds	Buy	14,419	17,480	21	235.6	305.1	388.4	61.2	47.3	25.3	19.9	41.3	42.2	43.2
Parag Milk	Neutral	256	250	-2	0.8	6.9	12.5	315.4	36.8	3.2	2.9	1.3	8.2	13.2

Pidilite Ind.	Neutral	743	740	0	16.6	18.3	20.5	44.8	40.7	11.5	9.4	27.9	25.4	23.4
P&G Hygiene	Buy	7,974	8,760	10	144.9	155.8	181.6	55.0	51.2	45.5	36.3	45.3	78.9	74.0
United Brew	Buy	793	1,030	30	10.7	14.3	18.4	74.3	55.4	8.9	7.8	12.6	15.0	16.8
United Spirits	Neutral	1,898	2,025	7	28.6	42.2	58.7	66.3	45.0	12.5	9.9	20.8	22.1	23.8
Aggregate								42.9	38.1	13.1	11.4	30.6	30.0	30.9
Healthcare														
Alembic Phar	Neutral	592	640	8	21.6	26.0	32.1	27.4	22.7	5.9	4.9	23.1	23.6	24.1
Alkem Lab	Neutral	1,903	1,850	-3	79.3	85.7	100.0	24.0	22.2	5.3	4.5	24.4	22.0	21.7
Ajanta Pharma	Buy	1,582	2,028	28	58.4	66.4	79.9	27.1	23.8	8.9	6.8	37.7	32.3	30.0
Aurobindo	Buy	596	900	51	39.8	45.4	54.3	15.0	13.1	3.8	3.0	28.6	25.3	24.0
Biocon	Sell	1,047	900	-14	30.6	33.1	44.9	34.2	31.7	4.7	4.2	13.6	13.3	16.1
Cadila	Buy	474	510	8	12.0	17.7	23.0	39.5	26.8	7.9	6.5	21.4	26.5	27.9
Cipla	Neutral	552	550	0	17.9	22.0	28.5	30.9	25.1	3.4	3.1	11.0	12.2	13.8
Divis Lab	Neutral	632	600	-5	43.0	32.9	38.6	14.7	19.2	3.6	3.2	25.4	17.7	18.8
Dr Reddy's	Neutral	2,585	2,625	2	76.1	110.9	145.5	34.0	23.3	3.2	2.9	9.8	12.9	15.0
Fortis Health	Buy	213	250	17	2.3	2.9	6.5	90.8	72.3	2.4	2.1	2.7	3.1	6.1
Glenmark	Neutral	860	990	15	40.6	49.2	60.5	21.2	17.5	4.3	3.3	20.1	19.0	19.1
Granules	Buy	140	160	14	6.8	7.7	11.3	20.6	18.2	3.3	2.4	18.8	15.8	18.3
GSK Pharma	Neutral	2,420	2,700	12	34.5	55.5	64.4	70.1	43.6	15.7	18.7	22.4	43.0	56.9
IPCA Labs	Neutral	546	540	-1	15.8	27.9	37.3	34.5	19.5	2.8	2.5	8.4	13.5	15.9
Lupin	Buy	1,251	1,850	48	61.4	78.6	88.8	20.4	15.9	4.2	3.4	22.8	23.8	22.1
Sanofi India	Buy	4,154	4,850	17	129.1	131.0	173.4	32.2	31.7	5.5	5.2	17.1	16.3	19.3
Sun Pharma	Buy	639	850	33	27.1	32.5	38.7	23.6	19.6	4.5	3.8	19.8	20.9	21.0
Syngene Intl	Not Rated	469	-		13.0	16.1	18.0	36.0	29.1	7.3	5.9	22.2	22.5	20.7
Torrent Pharma	Buy	1,311	1,700	30	56.6	76.3	93.4	23.2	17.2	5.5	4.6	25.9	29.3	29.6
Aggregate								25.3	20.7	4.5	3.8	17.6	18.2	18.9
Logistics														
Allcargo Logistics	Buy	183	203	11	9.0	10.9	12.3	20.3	16.8	2.6	2.3	11.5	14.8	14.8
Blue Dart	Not Rated	4,608	-		102.5	129.9	163.2	44.9	35.5	19.9	15.2	50.5	48.6	46.8
Concor	Neutral	1,196	1,042	-13	29.7	39.9	44.9	40.3	30.0	3.5	3.2	8.8	11.2	11.8
Gateway Distriparks	Buy	254	314	24	8.3	15.7	20.1	30.6	16.2	2.2	2.0	7.2	12.9	15.3
Gati	Not Rated	134	-		8.4	15.9	23.9	16.0	8.4	2.2	1.9	12.4	19.4	25.4
Transport Corp.	Not Rated	251	-		16.9	21.0	25.9	14.8	11.9	2.3	2.0	16.7	17.8	18.6
Aggregate								33.7	24.7	3.7	3.4	11.0	13.7	14.9
Media														
Dish TV	Buy	95	115	21	1.4	2.7	4.3	65.9	35.7	19.0	12.4	33.6	42.0	43.9
D B Corp	Buy	380	450	18	20.4	23.0	26.5	18.6	16.5	4.6	4.1	26.2	26.2	26.8
Den Net.	Neutral	98	90	-8	-3.6	2.2	8.5	NM	44.6	1.1	1.1	-4.1	2.5	8.8
Hind. Media	Buy	285	360	26	25.2	27.4	30.3	11.3	10.4	1.9	1.6	18.5	16.8	15.8
HT Media	Neutral	83	90	8	8.0	8.2	8.7	10.3	10.2	0.8	0.7	7.7	7.1	7.0
Jagran Prak.	Buy	195	225	15	10.8	12.2	13.9	18.2	16.0	3.5	3.1	20.7	20.6	20.4
PVR	Buy	1,549	1,667	8	20.8	35.7	56.8	74.6	43.4	7.6	6.6	10.6	16.3	22.0
Siti Net.	Neutral	32	40	25	-1.8	0.0	1.2	NM	NM	3.8	3.2	-21.7	0.0	11.1
Sun TV	Neutral	858	860	0	25.1	29.7	34.5	34.2	28.8	8.6	7.9	25.1	27.3	29.0
Zee Ent.	Buy	496	610	23	11.4	17.3	20.6	43.6	28.7	9.7	7.9	29.1	30.3	29.4
Aggregate								38.6	28.0	6.3	5.5	16.3	19.6	21.6
Metals														
Hindalco	Buy	186	235	26	16.9	22.6	25.4	11.0	8.2	1.6	1.3	15.4	17.5	16.8
Hind. Zinc	Sell	254	235	-7	19.7	21.5	23.7	12.9	11.8	3.5	3.0	24.4	27.2	25.4
JSPL	Buy	114	181	59	-22.3	-17.5	-2.2	NM	NM	0.3	0.3	-7.5	-4.5	-0.6
JSW Steel	Buy	193	222	15	13.6	18.3	20.5	14.2	10.5	2.1	1.8	16.2	18.7	17.9
Nalco	Buy	68	83	23	3.9	5.3	5.8	17.4	12.7	1.3	1.2	7.5	9.6	9.9
NMDC	Buy	126	178	42	12.1	12.3	13.0	10.4	10.2	1.7	1.5	13.4	15.5	15.1
SAIL	Sell	61	30	-51	-7.4	-12.6	0.4	NM	NM	0.7	0.8	-8.1	-15.4	0.5
Vedanta	Neutral	226	250	11	17.7	24.7	27.7	12.7	9.1	1.4	1.3	11.4	15.0	15.6
Tata Steel	Sell	433	440	2	18.9	39.4	45.7	23.0	11.0	3.5	2.8	13.6	28.2	26.5

Aggregate								17.2	13.5	1.4	1.3	7.9	9.6	12.0
Oil & Gas														
BPCL	Buy	721	763	6	55.9	53.7	58.4	12.9	13.4	3.3	2.8	27.1	22.7	21.4
GAIL	Neutral	421	349	-17	21.7	28.9	32.5	19.4	14.6	2.1	2.0	13.0	14.0	14.4
Gujarat Gas	Sell	787	735	-7	17.5	40.0	49.0	45.0	19.7	4.6	3.9	10.7	21.5	22.0
Gujarat St. Pet.	Neutral	172	162	-6	8.9	11.0	13.2	19.3	15.6	2.2	2.0	12.0	13.5	14.5
HPCL	Buy	527	604	15	53.5	44.9	45.8	9.8	11.7	2.6	2.3	27.8	20.7	18.6
IOC	Buy	441	441	0	43.7	39.4	41.0	10.1	11.2	2.5	2.2	26.0	20.4	18.8
IGL	Neutral	1,011	1,023	1	43.3	43.8	49.4	23.4	23.1	4.9	4.2	22.3	19.7	19.2
MRPL	Neutral	134	114	-15	12.2	11.4	12.8	10.9	11.7	2.9	2.4	29.6	22.7	21.4
Oil India	Buy	325	382	17	28.6	33.1	37.8	11.4	9.8	1.1	1.0	9.8	10.8	11.6
ONGC	Buy	186	233	25	15.3	20.0	22.9	12.2	9.3	1.2	1.2	10.4	13.0	14.1
PLNG	Buy	429	454	6	22.2	26.5	36.2	19.3	16.2	4.2	3.6	23.9	24.0	27.2
Reliance Ind.	Neutral	1,331	1,264	-5	106.6	121.7	127.8	12.5	10.9	1.4	1.2	11.9	11.8	11.2
Aggregate								12.6	11.5	1.7	1.6	13.8	13.8	13.6
Retail														
Jubilant Food	Neutral	992	1,110	12	12.3	21.7	29.1	80.5	45.6	8.1	8.9	10.1	19.5	24.9
Titan Co.	Neutral	468	485	4	9.4	10.4	11.8	49.7	44.9	10.0	8.7	21.5	20.6	20.3
Aggregate								54.1	46.4	10.0	9.0	18.4	19.3	19.7
Technology														
Cyient	Buy	532	620	17	30.6	38.3	44.2	17.4	13.9	2.8	2.5	16.2	17.8	17.9
HCL Tech.	Buy	846	1,000	18	57.2	64.3	70.3	14.8	13.2	3.7	3.6	27.0	27.8	28.1
Hexaware	Neutral	250	235	-6	13.7	15.4	16.7	18.2	16.2	4.4	3.9	26.5	25.3	23.5
Infosys	Buy	947	1,200	27	62.9	64.7	71.1	15.0	14.6	3.1	2.8	23.3	21.4	21.2
KPIT Tech	Neutral	129	150	17	11.9	13.4	15.2	10.8	9.6	1.6	1.4	14.3	15.6	15.2
L&T Infotech	Buy	748	850	14	55.5	59.7	65.0	13.5	12.5	4.7	3.7	40.4	32.8	28.3
Mindtree	Neutral	505	475	-6	24.9	30.5	36.5	20.3	16.6	3.3	3.0	16.8	18.9	20.5
Mphasis	Neutral	576	550	-4	42.7	43.0	44.9	13.5	13.4	2.1	1.9	14.1	14.9	14.7
NIIT Tech	Neutral	496	470	-5	42.8	42.5	46.1	11.6	11.7	1.8	1.7	16.1	14.8	14.7
Persistent Sys	Buy	578	700	21	37.7	43.9	51.4	15.3	13.2	2.4	2.3	17.0	18.1	20.3
Tata Elxsi	Buy	1,541	1,780	16	59.3	72.1	89.0	26.0	21.4	9.9	7.9	42.5	41.3	40.8
TCS	Neutral	2,353	2,400	2	133.4	139.7	149.6	17.6	16.8	5.5	5.7	33.5	32.4	32.3
Tech Mah	Buy	425	550	29	32.5	35.7	40.2	13.1	11.9	2.4	2.2	20.1	19.5	19.2
Wipro	Neutral	509	500	-2	33.8	34.6	38.2	15.0	14.7	2.4	2.2	16.9	15.5	15.7
Zensar Tech	Buy	892	1,020	14	54.9	67.6	78.4	16.2	13.2	2.5	2.2	16.3	17.7	17.8
Aggregate								16.0	15.4	3.8	3.5	23.5	23.0	22.3
Telecom														
Bharti Airtel	Buy	346	410	19	11.0	5.1	9.4	31.3	67.8	2.0	2.0	6.5	2.9	5.2
Bharti Infratel	Buy	365	435	19	14.9	25.6	29.4	24.6	14.3	4.5	3.6	16.2	27.2	25.1
Idea Cellular	Buy	87	120	38	-3.0	-15.4	-16.9	NM	NM	1.3	1.6	-4.2	-25.3	-37.1
Tata Comm	Buy	653	811	24	26.0	19.5	39.4	25.1	33.4	11.7	8.7	126.2	29.8	41.4
Aggregate								38.0	145.9	2.3	2.3	6.2	1.6	3.7
Utilities														
Coal India	Buy	278	335	20	15.9	18.7	20.9	17.5	14.9	6.9	6.9	39.5	46.3	51.8
CESC	Buy	971	970	0	50.4	74.7	82.2	19.3	13.0	2.2	1.9	11.1	15.8	15.2
JSW Energy	Buy	69	88	28	3.9	2.1	1.8	17.9	32.6	1.1	1.1	6.7	3.3	2.8
NTPC	Buy	161	199	24	11.9	14.3	17.3	13.6	11.3	1.4	1.3	10.6	11.9	13.3
Power Grid	Buy	208	243	17	15.3	17.7	20.7	13.6	11.7	2.2	1.9	17.3	17.5	17.7
Tata Power	Sell	83	69	-17	5.8	6.7	7.0	14.4	12.3	1.4	1.3	10.8	11.1	10.6
Aggregate								15.2	12.9	2.4	2.2	15.6	16.9	17.9
Others														
Arvind	Buy	420	430	3	13.5	21.8	28.6	31.0	19.3	2.8	2.5	10.4	14.0	16.3
Bata India	Under Review	579	-		10.9	14.2	17.7	53.2	40.8	5.8	5.2	11.3	13.4	15.0
Castrol India	Buy	441	532	21	13.6	14.9	15.2	32.3	29.6	34.0	30.6	110.9	108.6	100.4
Century Ply.	Buy	258	274	6	7.7	8.6	11.4	33.3	29.8	8.7	7.2	28.9	26.5	28.6
Coromandel Intl	Under Review	402	-		16.0	18.3	23.6	25.2	21.9	4.4	3.9	18.2	18.9	21.7
Delta Corp	Buy	161	229	42	3.3	6.9	7.6	49.5	23.5	4.3	3.2	9.0	15.7	17.0

Dynumatic Tech	Buy	2,685	3,334	24	67.6	112.9	166.7	39.7	23.8	5.5	4.5	15.1	20.7	24.3
Eveready Inds.	Buy	309	287	-7	11.4	13.9	16.9	27.1	22.3	8.3	6.6	34.7	33.0	32.4
Interglobe	Neutral	1,140	1,092	-4	39.0	64.7	78.0	29.3	17.6	20.0	17.0	72.2	104.1	106.3
Indo Count	Buy	202	232	15	13.7	17.5	21.1	14.8	11.5	4.2	3.1	33.8	30.8	27.3
Info Edge	Buy	843	1,000	19	16.9	17.9	21.0	49.9	47.0	5.3	5.0	11.1	10.9	11.9
Inox Leisure	Sell	283	240	-15	3.3	8.0	12.0	84.7	35.2	4.9	4.3	5.9	12.5	16.2
Jain Irrigation	Under Review	104	-		5.5	7.6	10.0	18.7	13.6	1.6	1.5	8.6	11.7	14.8
Just Dial	Under Review	503	-		17.2	18.5	22.1	29.3	27.3	4.5	4.0	16.5	15.5	16.2
Kaveri Seed	Buy	556	649	17	23.4	28.6	36.1	23.7	19.5	4.0	3.7	17.3	19.8	22.9
Kitex Garm.	Buy	403	551	37	26.0	31.0	36.7	15.5	13.0	4.2	3.4	29.9	28.7	27.7
Manpasand	Buy	698	843	21	14.9	23.1	38.3	46.8	30.2	3.4	3.1	8.6	9.6	16.3
MCX	Buy	1,131	1,325	17	24.8	30.5	42.9	45.6	37.0	4.2	4.0	9.9	11.1	14.6
Monsanto	Buy	2,597	2,841	9	72.9	89.3	109.3	35.6	29.1	10.8	10.1	30.4	35.9	39.6
Navneet Education	Buy	168	210	25	6.6	8.6	10.5	25.2	19.5	6.4	5.4	26.0	30.0	30.9
PI Inds.	Buy	840	1,046	25	30.4	34.8	43.6	27.7	24.1	7.6	6.1	30.9	27.9	27.8
Piramal Enterp.	Buy	2,490	2,200	-12	74.5	127.1	164.7	33.4	19.6	3.2	2.9	10.0	15.7	18.2
SRF	Buy	1,759	1,825	4	82.4	99.9	125.1	21.4	17.6	3.4	2.9	16.5	17.4	19.1
S H Kelkar	Buy	310	371	20	7.7	10.3	13.3	40.2	30.0	5.3	4.8	13.9	16.8	19.1
Symphony	Sell	1,457	1,288	-12	27.0	35.1	42.9	53.9	41.5	29.3	25.0	56.8	65.0	66.3
TTK Prestige	Neutral	6,458	5,281	-18	106.9	137.7	176.0	60.4	46.9	9.6	8.7	16.5	19.4	22.2
V-Guard	Neutral	211	140	-34	3.7	4.6	5.4	57.0	46.1	15.1	12.1	29.4	29.1	27.6
Wonderla	Buy	378	393	4	7.0	11.9	16.0	54.1	31.6	4.9	4.4	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	0.1	-0.9	-6.8
Ashok Ley.	-0.5	-0.8	-20.9
Bajaj Auto	0.2	1.0	13.2
Bharat Forge	1.0	4.2	40.5
Bosch	-0.5	2.5	16.7
CEAT	1.9	23.5	64.4
Eicher Mot.	0.8	5.2	32.4
Endurance Tech.	-0.2	-0.7	
Escorts	-0.4	15.3	251.4
Exide Ind	-0.9	5.5	61.5
Hero Moto	-3.1	2.3	11.6
M&M	0.7	5.2	-0.6
Mahindra CIE	-0.5	12.5	29.6
Maruti Suzuki	0.0	5.8	71.9
Tata Motors	0.8	-8.8	5.8
TVS Motor	-0.3	6.6	65.9
Banks - Private			
Axis Bank	1.2	2.7	8.4
DCB Bank	-1.2	14.5	109.9
Equitas Hold.	2.3	-0.5	15.3
Federal Bank	0.0	34.7	140.2
HDFC Bank	0.0	6.7	34.5
ICICI Bank	-0.7	8.8	33.7
IDFC Bank	-0.3	7.5	35.9
IndusInd	-0.2	0.7	34.8
J&K Bank	0.5	5.7	26.3
Kotak Mah. Bk	0.2	3.7	27.1
RBL Bank	0.6	0.5	
South Indian	2.3	21.5	61.0
Yes Bank	-0.8	3.2	69.4
Banks - PSU			
BOB	-1.1	10.7	20.4
BOI	-2.2	28.8	102.7
Canara	-5.4	23.0	98.5
IDBI Bk	3.6	8.8	18.3
Indian Bk	-1.4	28.8	276.8
OBC	-1.8	21.4	97.9
PNB	-1.4	16.6	109.9
SBI	-0.9	2.3	56.9
Union Bk	-4.7	18.1	46.8
NBFCs			
Bajaj Fin.	1.0	7.2	74.4
Bharat Fin.	-1.9	-3.8	27.1
Dewan Hsg.	-0.9	14.2	118.0
GRUH Fin.	-0.6	8.3	64.9
HDFC	-0.4	2.6	26.5
Indiabulls Hsg	-3.0	13.6	56.6
LIC Hsg Fin	-2.9	9.3	47.7
Manappuram	5.8	-0.9	133.5
M&M Fin.	-0.7	-3.3	6.7
Muthoot Fin	0.6	4.9	84.4
PFC	1.1	9.0	93.3
Repco Home	0.2	7.5	18.4
REC	2.1	20.1	160.0
STF	0.6	-7.8	-4.4
Shriram City Union	-1.9	-6.3	26.8

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	9.7	11.4	23.0
Bharat Elec.	0.0	8.1	57.2
BHEL	0.6	1.1	38.9
Blue Star	1.4	6.7	66.2
CG Cons. Elec.	2.3	11.5	
CG Power & Inds Sol.	9.1	5.9	39.9
Cummins	1.8	10.6	23.2
GE T&D	7.4	7.8	3.9
Havells	0.7	4.6	45.0
Inox Wind	-1.0	8.5	-19.5
K E C Intl	1.2	3.2	71.4
L&T	2.0	3.3	34.6
Pennar Eng.	-0.1	13.3	-4.9
Siemens	6.7	11.4	22.9
Solar Ind	0.8	-4.4	18.0
Suzlon Energy	0.7	9.5	41.4
Thermax	-0.9	4.1	35.2
Va Tech Wab.	-0.1	-1.7	15.7
Voltas	1.0	4.4	37.8
Cement			
Ambuja Cem.	-1.3	6.3	16.9
ACC	-1.1	15.6	18.0
Birla Corp.	0.7	2.7	97.3
Dalmia Bharat	2.8	11.6	187.6
Grasim Inds.	-1.6	10.6	41.1
India Cem	-0.7	28.2	129.9
JK Cements	1.6	9.5	79.3
JK Lakshmi Ce	2.2	10.8	48.6
Ramco Cem	2.8	5.2	40.9
Orient Cem	-0.3	16.5	12.8
Prism Cem	0.9	17.4	42.3
Shree Cem	0.3	10.0	52.0
Ultratech	0.5	8.6	40.1
Consumer			
Asian Paints	-0.1		28.6
Britannia	1.6	7.0	27.4
Colgate	1.9	-0.5	18.7
Dabur	0.1	-2.8	-4.9
Emami	-0.3	4.1	0.1
Godrej Cons.	9.7	13.6	43.1
GSK Cons.	0.0	-0.5	-11.8
HUL	-0.3	3.1	12.5
ITC	-0.5	-0.4	25.4
Jyothy Lab	-0.2	8.8	21.6
Marico	-0.1	1.2	22.2
Nestle	0.0	1.4	21.4
Page Inds	-0.2	0.5	10.4
Parag Milk	2.8	4.5	
Pidilite Ind.	-0.3	5.1	24.3
P&G Hygiene	2.1	8.8	26.2
United Brew	1.6	3.4	0.4
United Spirits	-0.3	-6.2	-26.6
Healthcare			
Alembic Phar	1.1	-4.7	0.5
Alkem Lab	-0.5	-13.6	52.5
Ajanta Pharma	0.1	-8.0	2.5
Aurobindo	-1.3	-9.6	-27.0

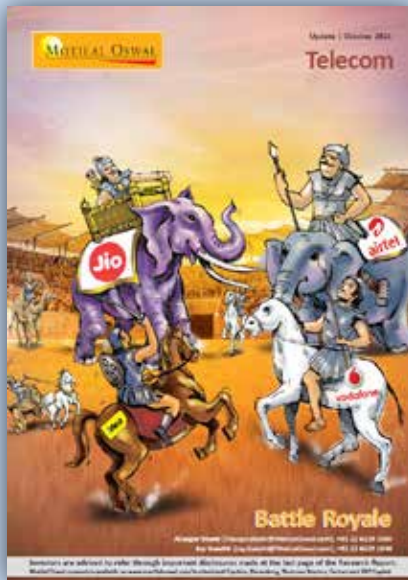
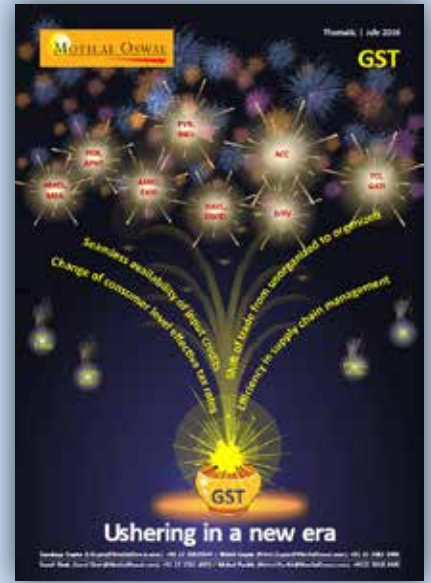
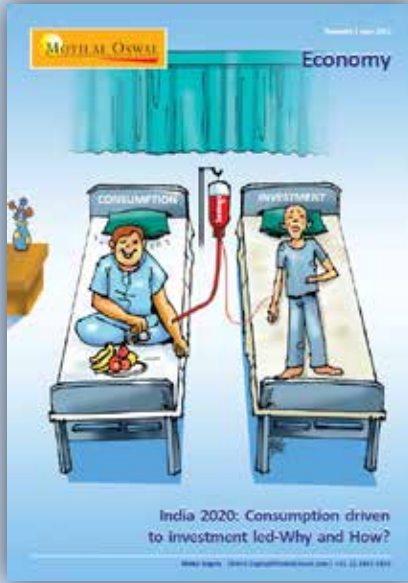
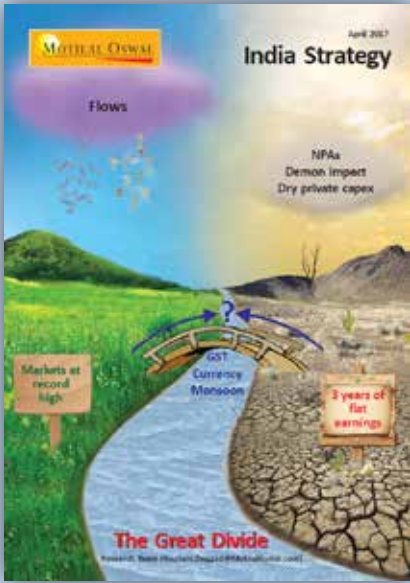


Company	1 Day (%)	1M (%)	12M (%)
Biocon	-0.7	-4.6	71.6
Cadila	1.6	4.2	47.7
Cipla	0.2	-6.3	2.8
Divis Lab	0.7	1.6	-39.8
Dr Reddy's	-0.6	-2.7	-9.0
Fortis Health	1.6	14.5	26.7
Glenmark	0.9	-0.3	3.2
Granules	-1.1	1.0	7.6
GSK Pharma	-0.8	-11.2	-32.3
IPCA Labs	0.7	-14.5	14.7
Lupin	-2.3	-11.3	-22.1
Sanofi India	-0.1	-10.3	-5.0
Sun Pharma	0.3	-4.0	-20.6
Syngene Intl	0.2	-13.8	26.3
Torrent Pharma	1.5	-9.9	-5.5
Logistics			
Allcargo Logistics	-0.4	5.1	21.4
Blue Dart	-1.5	-9.4	-13.4
Concor	1.0	6.8	12.8
Gateway Distriparks	2.0	-3.3	-9.8
Gati	2.0	-4.9	18.4
Transport Corp.	-0.6	9.1	57.5
Media			
Dish TV	-1.2	-4.5	4.1
D B Corp	-0.9	-2.5	15.7
Den Net.	-0.2	9.5	14.0
Hind. Media	-0.6	-1.1	6.0
HT Media	0.8	-2.6	-5.4
Jagran Prak.	0.8	4.6	15.7
PVR	-0.1	1.0	84.5
Siti Net.	0.0	-15.4	-10.8
Sun TV	0.2	10.9	135.3
Zee Ent.	-1.1	-9.3	17.9
Metals			
Hindalco	1.1	-3.7	103.3
Hind. Zinc	2.5	-10.5	49.8
JSPL	2.4	-11.9	75.0
JSW Steel	0.7	-3.5	45.1
Nalco	2.6	-8.3	57.9
NMDC	1.0	-7.1	33.4
SAIL	0.4	-8.6	41.5
Vedanta	1.6	-16.1	117.3
Tata Steel	0.3	-12.1	31.7
Oil & Gas			
BPCL	0.7	6.8	53.7
GAIL	0.7	9.0	45.6
Gujarat Gas	-1.0	1.9	52.2
Gujarat St. Pet.	-1.7	7.8	24.2
HPCL	-0.4	-1.4	89.9
IOC	3.0	11.1	110.8
IGL	-0.7	1.8	76.2
MRPL	-1.3	24.7	95.8
Oil India	0.3	-2.5	30.4
ONGC	-0.1	-0.2	31.9
PLNG	0.8		53.8
Reliance Ind.	0.7	-5.3	35.4
Retail			
Jubilant Food	-1.7	-4.5	-16.4

Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	-3.3	-3.7	28.0
Technology			
Cyient	-0.9	10.9	11.9
HCL Tech.	0.8	-0.4	17.0
Hexaware	-0.1	17.7	15.1
Infosys	0.1	-3.5	-21.1
KPIT Tech	-0.3	-1.3	-21.1
L&T Infotech	1.1	5.4	
Mindtree	0.4	12.9	-23.3
Mphasis	-1.6	3.6	20.7
NIIT Tech	1.5	12.9	2.7
Persistent Sys	-0.8	1.3	-19.7
Tata Elxsi	0.7	0.4	-17.2
TCS	0.5	-3.1	-6.5
Tech Mah	0.9	-4.2	-11.2
Wipro	1.2	-0.6	-5.6
Zensar Tech	1.2	-3.6	-8.6
Telecom			
Bharti Airtel	-1.6	0.3	-5.8
Bharti Infratel	0.4	5.1	-3.1
Idea Cellular	-0.7	-0.4	-23.6
Tata Comm	-0.1	-8.2	52.6
Utilities			
Coal India	-0.3	-2.1	-2.5
CESC	-0.9	15.2	80.4
JSW Energy	3.1	3.9	0.7
NTPC	0.2	-4.0	12.5
Power Grid	-0.9	6.6	45.1
Tata Power	0.2	-4.8	13.3
Others			
Arvind	1.1	6.1	46.2
Bata India	1.2	3.8	-2.9
Castrol India	-0.3	3.9	4.8
Century Ply.	1.0	-0.9	36.1
Coromandel Intl	-0.1	24.5	72.8
Delta Corp	0.0	-11.3	96.2
Dynamatic Tech	-0.3	-7.4	25.5
Eveready Inds.	0.8	9.7	27.1
Interglobe	1.8	10.1	6.0
Indo Count	-0.7	3.3	4.8
Info Edge	0.1		17.5
Inox Leisure	-0.1	-4.8	43.0
Jain Irrigation	-0.2	3.1	56.1
Just Dial	0.9	-3.2	-34.8
Kaveri Seed	-0.7	1.2	44.3
Kitex Garm.	-0.4	-7.8	-9.3
Manpasand	0.5	-1.7	32.4
MCX	1.7	-7.1	27.4
Monsanto	0.4	4.6	42.9
Navneet Educat.	-1.8	3.2	92.3
PI Inds.	0.0	1.3	34.6
Piramal Enterp.	-0.3	29.8	105.4
SRF	1.0	7.5	24.1
S H Kelkar	-1.0	0.8	36.5
Symphony	0.5	-3.1	20.1
TTK Prestige	-0.2	3.3	46.1
V-Guard	1.4	16.1	147.5
Wonderla	-0.8	-2.1	-1.2

NOTES

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

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MOTILAL OSWAL Initiating Coverage | 19 April 2017
Sector: Oil and Gas
Gujarat Gas

Long road ahead

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MOTILAL OSWAL Initiating Coverage | 29 March 2017
Sector: Publishing
Navneet Education

Steadfast; growth gaining momentum

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MOTILAL OSWAL Initiating Coverage | 23 March 2017
Sector: Entertainment
Delta Corp

Favorable odds

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MOTILAL OSWAL Initiating Coverage | 17 March 2017
Sector: Healthcare
Ajanta Pharma

Promising growth trajectory

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MOTILAL OSWAL Initiating Coverage | 17 February 2017
Sector: Financials - Pharmaceuticals
Piramal Enterprises

Winner's Edge

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MOTILAL OSWAL Initiating Coverage | 16 February 2017
Sector: Automobiles
CEAT

Well balanced

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MOTILAL OSWAL Initiating Coverage | 20 December 2016
Sector: Consumer Product
SH Kelkar

Adding flavor to fragrance

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MOTILAL OSWAL Initiating Coverage | 16 December 2016
Sector: Automobile
Endurance Technologies

Gaining ground

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MOTILAL OSWAL Initiating Coverage | 14 December 2016
Sector: Technology
L&T Infotech

Proficient miner

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

SUN PHARMACEUTICAL

ART ANNUAL REPORT THREADBARE
27 September 2018

The ART of annual report analysis

WHAT'S NEW IN FY18

- ▶ Tax rates remained low at 13.8%, contingent liabilities for tax dispute rise to INR23.5b.
- ▶ Cash flow of INR18.4b significantly higher than tax expense recognized in P&L of INR15.8b.
- ▶ OCF post interest increases to INR44.7b (FY17: INR32.7b) on decline in other assets to INR24.7b partially offset by INR18.1b increase in receivables.

Stock Info

Exchange	BSE/NSE
CAP (INR)	771
Face Value (INR)	2,000.0
52-Week Range (INR)	954/106
52-Week High (INR)	119.42
52-Week Low (INR)	1.000/17.8

Shareholding pattern (%)

As on	Jun-18	Mar-18	Jun-15
Promoter	33.0	33.0	34.7
MF	39.2	39.0	3.8
FI	24.0	24.4	23.0
Other	3.8	3.6	33.5

Auditor's name
Deloitte Haskins & Sells LLP

Key highlights:

- Operating performance muted: Revenue grew just 3.2% to INR235.8b. EBITDA margin expanded 70bp to 29.4%, led by gross margin expansion. Contingent liabilities on tax disputes increased to INR23.5b (FY17: INR15.8b); cash tax paid (at INR18.4b) was significantly higher than expense (at INR15.8b), operating cash flow post interest increased from INR15.2b to INR18.4b on decline in other assets to INR24.7b (partially representing USD100m receivables for financing Proteus liability); however, this was partially offset by INR13.1b increase in receivables. FY18 deteriorated to INR23.5b (FY17: INR15.8b) on higher capex and acquisition of brands, goodwill and intangibles rose to INR87.8b (24% of net worth), cash and investments stood at INR161.6b (54% of net worth), with 20% year-over-year FY18 financials (in FY18 annual report) received prior year financials incorporated.
- Operating performance muted: Revenue grew just 3.2% to INR235.8b. EBITDA margin expanded 70bp to 29.4%, led by gross margin expansion, partially compensated by higher (a) legal and consultancy cost at INR15b (8.1% of revenue, FY17: INR16.5b), (b) revenue R&D expenses at INR23b (7.9% of revenue, FY17: INR18b), and (c) miscellaneous expenses (after regrouping) at INR0.5b (FY17: INR0.4b), including INR1b additional liability towards USD100m debt.
- Tax rates remain less contingent liabilities on tax dispute rise: Tax rates remained low at 13.8%, primarily on account of low tax rates in certain subsidiaries (Sun Pharma Global P25-26) and Sun Pharmaceutical Laboratories (SPL). On a consolidated basis, contingent liabilities increased steeply from INR13.1b in FY17 to INR23.5b (13% of net worth). The increase in overall tax dispute liabilities was driven by tax dispute liabilities for the standalone entity increasing from INR1.1b in FY17 to INR1.8b.
- Cash tax significantly exceeds tax expense recognized: The cash tax paid (cash flow, at INR18.4b) continued to be higher than the tax expense recognized in the P&L (at INR15.8b) on account of deferred tax assets (DTA) recognized, tax paid under protest and advance income tax paid. The cumulative tax paid under protest as at the end of FY18 was INR13.1b. Details on such amount paid in FY18 or cumulative amount paid in FY18 are not available.
- High capex and rising receivables debt: FCY: P&L post interest declined 21% YoY to INR20.5b on rising capex and acquisition of brands. Operating cash flow were primarily supported by decline in other current assets by INR23.5b, which was partially offset by increase in receivables by INR23.1b.

ART will present a complete picture of annual reports - valuation, average size structure, we believe ART will create: more accurate and cutting-edge on exploring performance metrics to generate returns - will create point a career path for the stock investment workflow.

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MOTILAL OSWAL

CornerOffice

Interaction with the CEO

Demonetization: A mammoth task for India's largest bank

CASA to get strong push, SME NPA too early to take a call

We met with Mr. Anandhan Bhattacharya, Chairman of State Bank of India (SBI), to discuss on demonetization, and evaluate its impact on growth, asset quality and profitability of the bank. The bank's deposit base has declined marginally (less than 4% read) over last one month, and excess liquidity is parked in revenue repo and MSF operations (earning spread of ~1%). Operating expenses are likely to increase in the near term, which should be more than offset by trading gains. In our view, we largely maintain our optimistic and reiterate our preference for SBI among peers with its SCRR-based target price of INR335.

Excess liquidity: A profit drag or one-off gain?

- Since demonetization, SBI has collected deposits of ~INR4 and disbursed (via withdrawal) ~INR1, leading to net addition of ~INR3. The bank also aggressively cut its bank deposits (leading to higher repayment rates), which led to significantly lower net accretion over the past month.
- Of the net accretion, three-fourths were savings deposits, 15% were current account deposits and the rest were retail term deposits.
- Standard cost of these deposits is less than 4%, and excess liquidity is parked in reverse repo, MSF and bond markets (considering muted loan growth) at a yield of ~1%. Hence, on excess liquidity, the spread is 2% currently, as against blended spread of ~1.4% at 30/12/17.
- Significant liquidity addition in the system has led to a sharp fall in yield, which has helped banks to monetize the bond portfolio. We expect trading gains to be strong in 2017/17.

Digitalization efforts to yield noteworthy results over long term

- The Government of India (GoI) and the banking sector are working together to move toward a less-cash economy. The bank has all channels available (e.g. UPI, card, POS, wallet, internet banking and mobile banking) to push toward digitalization.
- Over the past month, cashless transactions increased significantly: (a) debit card spends are up 1x on MoM, (b) POS terminal activation has increased from 64k/month to 16k, 46k terminal orders in hand, (c) 7m new debit cards are activated and (d) SBI Buddy (wallet) transactions are up 1x on MoM.

Asset quality: Will demonetization lead to higher NPAs?

- Asset monitoring and recovery teams have performed their respective functions as usual (barring the first three days of demonetization). The bank clearly stated that there is no discussion of bandwidth for key departments due to demonetization.
- SBI has seen recoveries in small-value accounts and agri gold loans.
- SME portfolio performance will depend upon how soon the things will normalize. It is too early to take a call right now.

Ms. Bhattacharya is the first woman chairman of SBI, she joined the bank 18 years ago as a probationary officer. She has worked in various functions like finance, retail, treasury, HR and IT.

Ms. Bhattacharya was involved in launching various new business initiatives like general insurance, customer service and infrastructure fund.

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MOTILAL OSWAL

VOICES

30/12/17 | February 2018

India Inc on Call

VOICES, a quarterly product from Motilal Oswal Research, provides a ready reference for all the post results earnings calls attended by our research analysts during the quarter. Besides making available to readers our key takeaways from these interactions, it also provides links to relevant research updates and to the transcripts of the respective conference calls.

This quarterly report contains:

- ▶ Key takeaways from the post results management commentary for 123 companies, with links to the full earnings call transcripts
- ▶ Links to our Results Updates on each of the companies included

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EcoKnowledge

Diving into Trending Themes

Monthly data confirm 6.5% growth is for real in India

Creating monthly economic activity index (EAI) since 1998

- Based on monthly macroeconomic indicators, we create India's economic activity index (EAI), which shows that the economic growth averaged 6.4% YoY in the first nine months of 2018 as against ~3% growth over the previous five years (2011-2015). Motilal Oswal's leading indicators (MOI) suggest that consumption continues to grow strong, however, investment is witnessing one of the worst phases in the past two decades.
- We find, however, that the growth in economic activity eased towards 5% YoY in 2QFY17 as against 7.5% in the previous two quarters. A sharp contraction in investments, along with some deceleration in consumption, has contributed to a slowdown in our composite EAI in the recent quarter.
- It is important to note that while our composite EAI is a reliable indicator to gauge economic activity, it should not be compared with the official GDP statistics because the latter includes an estimate for the unorganized sector also. Our leading indicators are based on monthly data covering the formal sector of society.

"EcoKnowledge" is Motilal Oswal's new product in which we deep-dive into trending macro-economic themes. This new product complements our existing "Economic" product, which is renowned for regular updates on macro-economics.

Since the release of new GDP series (in 2013-12 base), its credibility has been in question. The key reason for the disagreement is a widely-held belief that GDP data is not in sync with high-frequency monthly indicators. Weakness in bank credit growth and IP (Index of industrial production) are often quoted to support this criticism. Further, very high contribution of 'discrepancies' has also shaken confidence in the official statistics. To bridge this gap, we introduce Motilal Oswal's leading indicators (MOI) for consumption, investment and external trade. Based on our econometric analysis, we have combined five monthly macroeconomic data series to create MOI for consumption, eight monthly data points to create MOI for investment, and five data points to create MOI for external trade (of goods & services).

Further, our leading indicators are available for almost two decades, providing a great source of information on Indian economic activity since late 1990s. We also find that MOI confirm consumption to be the key driver of economic growth, while investments lag markedly.

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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATION'S HANDBOOK

Highlights of March edition

- Nifty ends at record high - up 19% in FY17
- Metals, PSU Banks, Media, Oil and NBFCs top outperformers for FY17
- Technology and Telecom only sectors to deliver negative return
- Mid-caps outperform Nifty by 16% in FY17

BEST PERFORMERS MoM (%)

Indiabulls	11
Bliss Infra	11
Asian Paints	10
HDFC	10
Tata Power	10
Bank Mid-Cap	9
WIPAC	9
IL&T	7
Indraprastha	7
ITC	7

WORST PERFORMERS MoM (%)

Coal India	-1
Two Wheel	-1
in Mobility	-1
ONGC	-1
Bank Mid-Cap	-1
DRIL	-1
Axis Bank	-1
GAIL	-1
Infosys	-1
HARP	-1

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MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Equity AUM up 40% in FY17 and 25% in five years

Equity AUM (INR L) - Nifty Index

Year	Equity AUM (INR L)	Nifty Index
2012	1,304	5,236
2013	1,438	5,483
2014	1,636	6,764
2015	2,067	8,442
2016	2,442	9,174
2017	2,822	9,174

Acme rise by 40% against Nifty rise of 2.1% in last 5 years

Average AUM up 35% YoY (INR4.8t) in FY17

INR18.3t

INR603b Net inflows in FY17 down 11% YoY

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