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Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	31,798	-0.7	19.4
Nifty-50	9,908	-0.7	21.0
Nifty-M 100	18,040	-1.7	25.7
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,474	0.0	10.5
Nasdaq	6,352	-0.3	18.0
FTSE 100	7,498	-0.6	5.0
DAX	12,154	-1.1	5.9
Hang Seng	10,963	-1.1	16.7
Nikkei 225	19,739	-1.3	3.3
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	52	1.6	-5.5
Gold (\$/OZ)	1,267	0.2	9.3
Cu (US\$/MT)	6,427	-0.4	16.4
Almn (US\$/MT)	2,019	0.1	18.5
Currency	Close	Chg. %	YTD.%
USD/INR	63.9	0.3	-5.9
USD/EUR	1.2	-0.7	11.3
USD/JPY	109.7	-0.8	-6.3
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.5	0.0	0.0
10 Yrs AAA Corp	7.5	0.0	-0.1
Flows (USD b)	9-Aug	MTD	YTD
FII's	-0.1	0.0	8.8
DII's	0.1	0.6	4.7
Volumes (INRb)	9-Aug	MTD*	YTD*
Cash	293	303	288
F&O	7,332	6,008	5,086

Note: YTD is calendar year, \*Avg



Today's top research idea

Tata Motors: Below est.; Higher RM/marketing cost and op. leverage hurt JLR

- ❖ **Consol** EBITDA declined 45% YoY to INR49.65b (v/s est INR66.6b), translating into Adj PAT decline of 90% YoY to INR3b (v/s est INR10.1b).
- ❖ **JLR's** EBITDA margins declined 460bp YoY to 7.9%, impacted by higher RM cost, marketing cost & operating leverage. EBITDA declined by 34% YoY to GBP442m (v/s est GBP711m). Adj. PAT declined 53% to GBP125m (v/s est GBP239m).
- ❖ Guides for EBITDA margins in FY18 to remain stable over FY17 of ~12%. FX hedge losses to reduce gradually with significant reduction from 4QFY18 onwards. We downgrade our consol. EPS by 27%/7% for FY18/19. **Buy**.



Research covered

Cos/Sector	Key Highlights
EcoKnowledge	Public investment to take a hit in FY18; Farm loan waivers not fiscal expansionary
Tata Motors (AR)	Targeting zero tailpipe emissions via mix of powertrains
Tata Motors	Below est.; Higher RM/marketing cost and op. leverage hurt JLR
Eicher Motors	In-line; RE margins stable; VECV significant positive surprise
Britannia Inds.	Best-of-breed earnings growth visibility commands premium multiples
NMDC	Strong operating performance; pricing power improving
Muthoot Finance	Strong quarter; operating leverage benefits playing out
Bank of India	Operating performance disappoints on all fronts
NALCO	Volumes suffer ahead of GST rollout
Endurance Tech.	Consolidated performance in-line
Ajanta Pharma	Higher operating expenses hurt margins
Thermax	Demand recovery under way
SRF	Order book deferred; Recovery pushed to 2HFY18
Kaveri Seed Co.	Cotton leadership and product diversification to provide holistic growth
Results Flash	ARBP   NELI   VATW   PARAG
Results Expectation	AGLL   BHEL   BHFC   GAIL   GUJGA   MANB   PAG   PLNG   UNBK   UBBL



Piping hot news

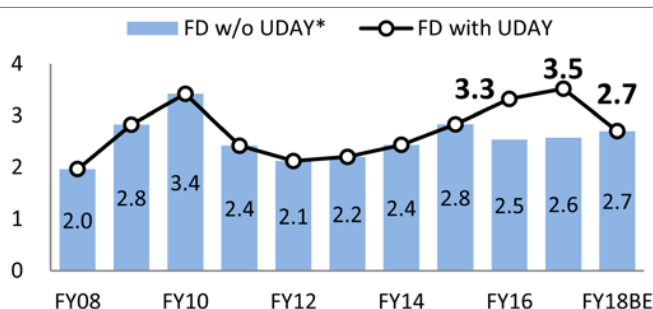
Net direct tax receipts rise 19.1% to Rs1.9 trillion in April-July

- ❖ The government's net receipts from corporate and personal income tax rose 19.1% in the April-July period to Rs1.9 trillion, faster than the growth rate estimated in February for the entire financial year, the Central Board of Direct Taxes (CBDT) said on Wednesday.



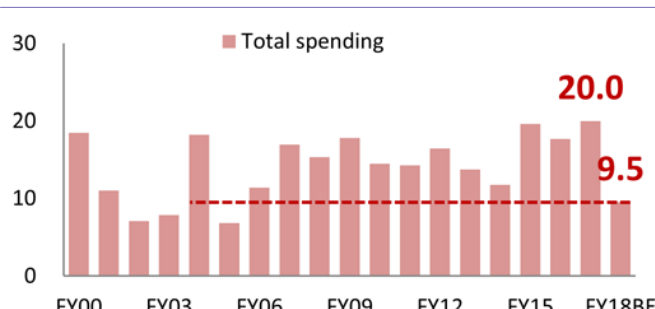
Chart of the Day: EcoKnowLedge - Public investment to take a hit in FY18

States' aggregate fiscal deficit budgeted at 2.7% of GSDP in FY18 (% of GDP) ...



\* Adjusted by the issuances of UDAY bonds

...due to states' total spending being budgeted to grow at the slowest pace in 13 years (% of GDP)...



Source: States' budget documents, MOSL

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

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



Kindly click on textbox for the detailed news link

1

**Sebi gives suspected shell companies a chance to be heard**

Two days after asking stock exchanges to act against 331 listed entities suspected to be shell companies, the Securities and Exchange Board of India (Sebi) seemingly softened its stance on Wednesday, giving the firms an opportunity to be heard...

2

**Tata group hiring bankers to help sell, merge its smaller companies**

Nearly six months after his turbulent elevation to run India's biggest conglomerate, Tata Sons Ltd chairman Natarajan Chandrasekaran is assembling a team of dealmakers to refocus some of the group's biggest businesses, expand its financial services and consumer businesses and sell or merge dozens of smaller units, according to interviews with senior executives. As many as one-third of the group's 100-plus units could go as Chandrasekaran and his team try to balance the need to prune unprofitable businesses at the 149-year-old group with the Tata family legacy of social responsibility, according to officials who asked not to be named because the negotiations are private...

3

**GST makes June quarter a bumper one for retailers**

Sales at India's listed brick-and-mortar retailers expanded between 18% and 40% during the June quarter as the introduction of the single producer levy caused the end of season sale to be advanced, leading to purchases during a period that normally witnesses muted buying...

4

**NCLT admits IDBI Bank's insolvency plea against Jaypee Infratech**

The Allahabad bench of the National Company Law Tribunal (NCLT) on Wednesday admitted insolvency proceedings against Jaypee Infratech Ltd, one of the 12 companies referred to the tribunal following the Reserve Bank of India's (RBI) 13 June directive to banks, according to...

5

**New India Assurance set to raise Rs 6,000 cr via IPO**

The government-owned general insurer, New India Assurance Company Ltd, has filed the draft red herring prospectus with the Securities and Exchange Board of India to list its business through an initial public offering (IPO)...

6

**Petronas eyes bigger slice of India energy pie**

Malaysian government-owned Petroliam Nasional Berhad, better known as Petronas, is looking to expand its operations in India by entering into more long-term contracts for supply of liquified natural gas (LNG) and scaling up its lubricants business...

7

**5% GST likely on packaged food awaiting trademark**

Packaged food products sold under names that are yet to receive trademark confirmation could attract a goods and services tax (GST) rate of 5 per cent, ending the exemption they enjoy now...



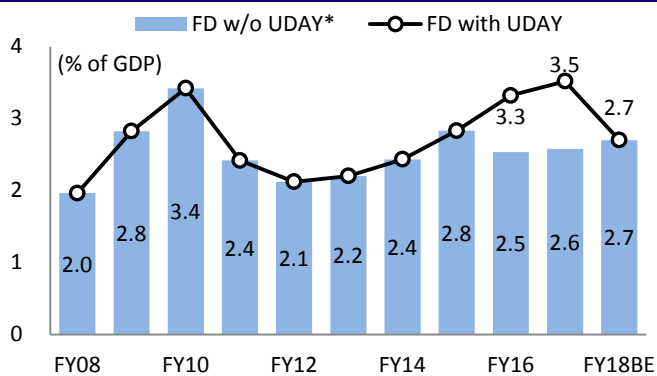
## Public investment to take a hit in FY18

### Farm loan waivers not fiscal expansionary

In our study of 2017-18 budgets of 17 states, we had found that states' capex is budgeted to grow 17% and revenue spending at 12-year low of 9.6% in FY18. After including Punjab (PB), Uttar Pradesh (UP), and Uttarakhand (UK), we make four key conclusions.

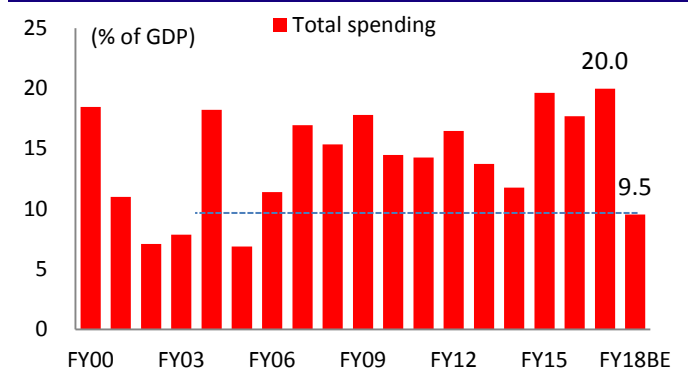
- Farm loan waivers don't imply fiscal expansion. Total spending by 20 states is budgeted to grow at 9.5% in FY18, the slowest pace in 13 years. Further, aggregate fiscal deficit of 20 states is budgeted at 2.7% of GSDP this year, similar to 2.6% of GSDP in FY17 (3.5% of GSDP including UDAY).
- Public investment is likely to take a serious hit in FY18. States' capex (including loans & advances) is budgeted to decline (~1%) for the first time in two decades, while revenue spending is budgeted to grow ~12%. Accordingly, while the share of rural sector in total spending is budgeted at the highest in two decades, spending on transport sector is budgeted to grow at 13-year low of 7.5%.
- Amid weak private investments, declining states' capex will restrict the revival in investment cycle, as the central government alone is unlikely to make a difference.
- With total spending of the general government (center + states) budgeted to grow ~8% in FY18 - less than half the growth seen in FY17 - we continue to believe that real GDP growth would ease from 7.1% in FY17 to ~6.8% in FY18 with downside risks, much lower than the market consensus of 7.4%.

**Exhibit 1: States' aggregate fiscal deficit budgeted at 2.7% of GSDP in FY18...**



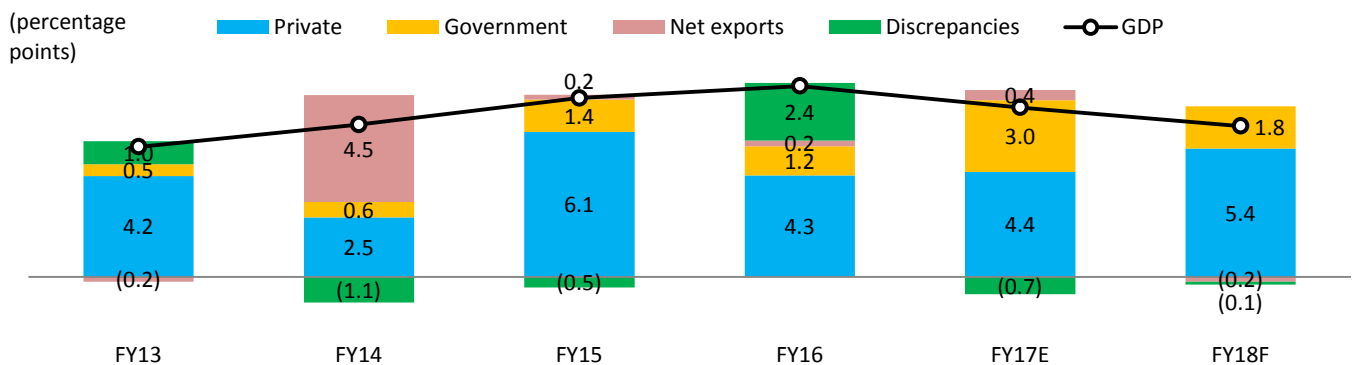
\* Adjusted by the issuances of UDAY bonds

**Exhibit 2: ...due to states' total spending being budgeted to grow at the slowest pace in 13 years...**



Source: States' budget documents, MOSL

**Exhibit 3: Major contributors to India's real GDP growth**



Source: CSO, RBI, CEIC, MOSL



# Tata Motors

BSE SENSEX 32,014 S&P CNX 9,979

## TATA MOTORS

### Stock Info

Bloomberg	TTMT IN
Equity Shares (m)	3,396.6
52-Week Range (INR)	599 / 417
1, 6, 12 Rel. Per (%)	-4/-29/-30
M.Cap. (INR b)	1461.9
M.Cap. (USD b)	23.0
Avg Val, INRm	3726
Free float (%)	65.3

### Financials Snapshot (INR b)

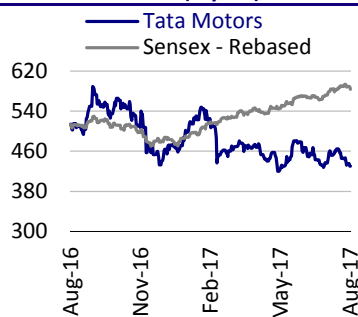
Y/E Mar	2018E	2019E	2020E
Net Sales	2,995	3,703	4,350
EBITDA	409.6	587.2	643.7
PAT	105.1	218.5	229.9
EPS (INR)	30.9	64.3	67.7
Gr. (%)	56.2	107.9	5.2
BV/Sh (INR)	203.2	268.8	337.7
RoE (%)	16.5	27.3	22.3
RoCE (%)	10.5	17.0	15.7
P/E (x)	13.9	6.7	6.4
P/BV (x)	2.1	1.6	1.3

### Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	34.7	34.7	33.0
DII	16.1	15.5	16.8
FII	23.5	23.2	25.0
Others	25.7	26.6	25.2

FII Includes depository receipts

### Stock Performance (1-year)



**CMP: INR430**

**TP: INR666 (+55%)**

**Buy**

## Targeting zero tailpipe emissions via mix of powertrains

### Improving disclosures on Chery JV and Fx hedges

JLRs FY17 annual report gives an update on initiative taken by the management to address changes in the external environment (like connected cars, electric vehicles, forex volatility etc). It is targeting to be zero tailpipe emission company, and would have over 50% of its portfolio with alternative power option by 2020. It is also working on realigning its global sourcing with its sales profile with objective to reduce forex volatility. It is aiming for 8-10% EBIT margin over five-year period, supported by the continued launch of new products and technologies to drive growth with greater operating leverage. Key highlights from JLR's FY17 annual report:

- Volume outlook positive, with EBIT margin target of 8-10%:** Solid economic growth in key markets of China, US, EU and UK, coupled with robust pipeline of new products would drive strong volume growth for JLR in FY18 and beyond. Despite near term headwinds of higher incentives, JLR is targeting EBIT margins of 8-10% driven by new products led operating leverage.
- Targeting zero tailpipe emissions:** Through a combination of low-emission technologies and electrification, JLR is targeting to reduce European fleet average tailpipe CO2 emissions by a further 25% by 2020. By 2020, ~50% of its product portfolio would have an alternative power option.
- Chery JV EBITDA margins at 24%:** Chery JV ramp-up continues with 96% revenue growth and EBITDA margins of ~24% in FY17. Overall China revenues (including JV) grew ~15% to GBP6.85b.
- Forex hedge book disclosure indicates under 60% hedging for FY18 US revenues:** Fx hedge for USD estimated be only 52% of FY18 SU revenues: For the first time JLR disclosed hedge book position. For FY18, our estimates indicate that only 52% of FY18 US revenues are hedged, implying benefit of favorable spot rate accruing 2HFY18 onward. Based on hedge rate of 0.667 for FY18 hedges (as on Mar-17), we estimate FY18 average rate for USD at 0.71 (v/s est. of 0.68 in FY17).
- Rolling out corporate identity program to almost 900 retailers:** JLR is rolling out its corporate identity program to ~900 retailers in the next 12 months. Besides presenting consistent image and premium customer experience in the existing stores, it will also be opening Jaguar Land Rover boutiques.
- Senior managements variable pay in sync with shareholders interest:** JLR's senior management gets variable pay in form of bonus and long term incentive plan (LTIP). Bonus component is measured on a) PBT (30% weight), b) cash flow (20%), c) costs (15%), d) quality (25%), & e) volume (10%). LTIP performance is measured on a) EBIT growth (40%), b) volume growth (30%), c) environmental innovation (10%), d) quality (10%) & e) customer satisfaction (10%).
- Valuations & view:** JLR is poised for sharp recovery, driven by (a) promising product pipeline, (b) beneficial Fx movement, (c) conducive mix, (d) favorable operating leverage, and (e) improved FCF conversion. The stock trades at 13.9x/6.7x FY18E/FY19E consolidated EPS. Maintain Buy with TP of INR666.





# Tata Motors

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908

Bloomberg	TTMT IN
Equity Shares (m)	2,887
M.Cap.(INRb)/(USDdb)	1,326.5 / 20.8
52-Week Range (INR)	599 / 381
1, 6, 12 Rel. Per (%)	-1/-21/-3
Avg Val, INRm	4081
Free float (%)	65.3

### Financials & Valuations (INR b)

Y/E Mar	2018	2019E	2020E
Net Sales	3,009	3,817	4,238
EBITDA	363.8	562.9	612.2
PAT	76.2	203.1	217.9
EPS (INR)	22.4	59.8	64.2
Gr. (%)	13.3	166.5	7.3
BV/Sh (INR)	194.7	255.7	321.1
RoE (%)	12.3	26.6	22.2
RoCE (%)	7.3	16.3	15.1
P/E (x)	18.6	7.0	6.5
P/BV (x)	2.1	1.6	1.3

Estimate change



TP change



Rating change



**CMP: INR417 TP: INR542(+30%)**

**Buy**

### Below est.; Higher RM/marketing cost and op. deleverage hurt JLR

- Consol. EBITDA declined 45% YoY (-54% QoQ) to INR49.65b (est. of INR66.6b), translating into EBITDA margin contraction of 310bp YoY (-550bp QoQ) to 8.5% (est. of 11.3%). Adj. PAT fell 90% YoY to INR3b (est. of INR10.1b). PAT was also hurt by a stronger INR (impact of INR7.9b).
- **JLR – higher RM/marketing cost and op. deleverage hurt profitability:** Net realization increased 4% QoQ (+7% YoY). EBITDA margin shrunk 460bp YoY (-660bp QoQ) to 7.9%, impacted by higher RM/marketing costs and operating deleverage. EBITDA declined 34% YoY to GBP442m (est. of GBP711m). Adj. PAT fell 53% YoY to GBP125m (est. of GBP239m). Share of China JV was at GBP77m (incl. GBP31m of local market incentive).
- **S/A – weaker operating performance, but lower interest/depreciation drives PAT:** Realization grew 2% YoY (-9% QoQ) to INR829k (est. of ~INR823k). Net sales declined 12% YoY (-33% QoQ) to ~INR90.9b (est. of ~INR90.3b). EBITDA margin came in at 0% (est. of 1.9%), down 650bp YoY, impacted by op. deleverage. Lower interest and depreciation restricted net loss to ~INR4.7b (est. of ~INR5b), as against PAT of ~INR1b in 1QFY17.
- **Earnings call highlights:** JLR a) Guides for EBITDA margin in FY18 to remain stable compared to FY17 at ~12%, with 1Q being the worst quarter. b) Variable marketing spend to remain at higher levels in FY18. c) Expects FX hedge losses to reduce gradually over next two quarters, with significant reduction 4QFY18 onward. d) Initial response to Velar is positive, with three months of waiting period; new Discovery has two-month waiting. e) FY18 investment guidance of GBP4-4.35b (v/s earlier guidance of GBP4b).
- **Valuation view:** We have downgraded consol. EPS by 27%/7% for FY18/19E, factoring in cost pressures in JLR and a stronger INR, but upgraded S/A EPS (lower interest and depreciation). We are lowering our EV/EBITDA multiple for JLR to 3x (v/s 3.5x) to factor in high volatility in performance. The stock trades at 18.6x/7x FY18E/FY19E consol. EPS. Maintain **Buy** with a TP of INR542 (June 2019 SOTP-based).

### Quarterly Performance [Consol]

Y/E March (Consolidated)	FY17				FY18E				FY17	FY18E		
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		1QE	2QE	Var (%)
JLR vols. (incl JV)	134,334	139,227	152,245	175,000	138,476	164,824	175,721	206,516	600,806	685,537	138,476	
JLR Realizations (GBP/unit)	44,338	45,642	46,200	45,746	47,483	47,602	48,078	48,630	45,515	48,018	45,975	3.3
JLR EBITDA (%)	12.5	10.9	10.1	14.5	7.9	10.7	13.1	15.8	12.1	12.4	12.8	-490bp
JLR PAT (GBP m)	265	245	111	544	125	230	379	699	1153	1428	239	
S/A vol. (units)	126,839	134,397	132,553	148,533	109,692	154,949	155,790	180,761	542,322	601,192	109,692	0.0
S/A Realizations (INR/unit)	811,243	768,057	769,912	914,725	829,080	887,115	842,759	915,480	2	11	823,253	0.7
S/A EBITDA (%)	6.5	3.6	1.4	4.1	0.0	4.9	4.8	6.0	3.8	4.4	1.9	-190bp
S/A PAT (INR m)	258	-6,621	-10,452	-5,369	-4,671	-3,852	-4,801	-1,863	-22,546	-15,187	-5,011	
Net Op Income	650,047	659,004	639,330	772,172	584,934	734,612	770,576	919,339	2,696,925	3,009,461	587,902	-0.5
Growth (%)	7.6	7.1	-9.4	-2.9	-10.0	11.5	20.5	19.1	-1.2	11.6	-10.78	
EBITDA	90,275	62,826	62,403	108,012	49,648	77,372	94,899	111,064	295,887	332,983	66,647	-25.5
EBITDA Margins (%)	13.9	9.5	9.8	14.0	8.5	10.5	12.3	12.1	11.0	11.1	11.3	-280bp
PBT before EO Exp	34,718	9,831	13,071	52,011	-5,145	17,872	31,449	52,790	82,002	96,966	9,597	-153.6
EO Exp/(Inc)	9,204	-162	7,085	356	-42,515	0	0	0	16,483	0	0	
PBT after EO Exp	25,514	9,993	5,986	51,655	37,370	17,872	31,449	52,790	65,519	96,966	9,597	289.4
Tax rate (%)	28.2	42.5	144.8	24.0	32.3	32.0	32.0	21.7	49.6	40.6	30.0	
Adj PAT	28,970	8,191	-2,239	43,229	3,045	15,648	25,895	45,369	55,219	76,220	10,126	-69.9



# Eicher Motors

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908
Bloomberg	EIM IN
Equity Shares (m)	27.2
M.Cap.(INRb)/(USDb)	857.7 / 13.4
52-Week Range (INR)	32465 / 19571
1, 6, 12 Rel. Per (%)	12/20/30
Avg Val, INRm	1317
Free float (%)	49.4

### Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	90.8	109.6	130.5
EBITDA	29.5	35.9	43.5
PAT	23.2	29.7	37.5
EPS (INR)	852.9	1,092.8	1,378.9
Gr. (%)	39.2	28.1	26.2
BV/Sh (INR)	2,641	3,531	4,679
RoE (%)	37.0	35.4	33.6
RoCE (%)	33.4	32.5	31.6
P/E (x)	37.0	28.8	22.9
P/BV (x)	11.9	8.9	6.7

Estimate change

TP change

Rating change

**CMP: INR31,520 TP: INR35,854(+14%) Buy**

### In-line; RE margins stable; VECV significant positive surprise

EIM reported in-line 1QFY18 results. Consol. PAT rose 22% YoY to ~INR4.6b (est. of INR4.6b), led by healthy Royal Enfield (RE) performance and positive EBITDA margin at VECV.

- **RE EBITDA margin at 31.4%:** Net realization rose 2.9% YoY (+2.8% QoQ) to ~INR108.7k (est. of INR108.9). EBITDA margin expanded 60bp YoY (flat QoQ) to 31.4% (est. of 32%), led by higher RM costs. Higher other income at INR1.3b (est. INR1.1b) boosted adj. PAT by 46.6% YoY to INR4.9b (INR4.9b).
- **VECV margin contracts 80bp YoY on higher discounts:** Realizations grew 17% YoY to INR1.6m (est. of INR1.5m) due to BS-IV-led price hikes. EBITDA margin contracted 80bp YoY (+10bp QoQ) to 8.3% (est. of 6.8%) on account of better realization growth. Adj. PAT was at INR0.65b (est. of INR541m).
- **Earnings call highlights:** a) Waiting period stable at ~2 months for Classic 350, b) Producible capacity at ~825k for FY18 and ~960k for FY19; can further expand at the third plant; c) No price increase post BS-IV-led hikes; d) MDEP volumes at 7,264 units – growth of ~57.2% YoY (+0.96% QoQ).
- **Valuation view:** We maintain FY18/19E EPS, but upgrade RE multiple to 30x (earlier 27.5x, 15% premium to five-year trading band) and VECV multiple to 10x EV/EBITDA on a better CV outlook post GST. EIM trades at 37x/28.8x FY18E/19E EPS. Maintain **Buy** with a TP of INR35,854 (Sep-19 SOTP-based).

### Quarterly Performance (Consolidated)

Y/E March	FY17				FY18				FY17	FY18E	FY18E	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Net Operating income</b>	15,557	17,549	18,348	18,881	20,006	21,383	23,235	26,144	70,334	90,769	20,038	-0.2
Growth (%)	42.0	35.0	42.9	23.2	28.6	21.9	26.6	38.5	42.4	61.3	28.8	
<b>EBITDA</b>	4,700	5,422	5,770	5,848	6,207	6,872	7,479	8,973	21,740	29,531	6,404	-3.1
EBITDA Margins (%)	30.2	30.9	31.4	31.0	31.0	32.1	32.2	34.3	60.9	32.5	32.0	-90bp
<b>Recurring PAT</b>	3,763	4,132	4,182	4,594	4,596	5,328	5,796	7,487	16,671	23,208	4,615	-0.4
Growth (%)	58.6	45.2	50.0	33.9	22.1	29.0	38.6	63.0	55.7	74.0	22.6	
<b>Standalone (RE)</b>												
<b>Royal Enfield (units)</b>	147,483	166,941	173,838	178,228	183,998	196,459	212,500	235,773	666,490	828,730	183,998	0.0
Growth (%)	38.3	30.8	38.2	20.3	24.8	17.7	22.2	32.3	38.8	55.4	24.8	
<b>Net Realn (INR/unit)</b>	105,603	105,576	105,477	105,731	108,691	108,841	109,341	110,919	105,598	109,527	108,903	-0.2
Change - YoY (%)	2.7	3.7	3.3	1.5	2.9	3.1	3.7	4.9	2.4	3.7	3.1	
<b>EBITDA</b>	4,796	5,524	5,828	5,910	6,278	6,872	7,479	8,902	22,058	29,531	6,404	-9.0
EBITDA Margins (%)	30.8	31.3	31.8	31.4	31.4	32.1	32.2	34.0	31.3	32.5	32.0	-60bp
<b>Recurring PAT</b>	3,371	3,962	4,152	4,116	4,943	5,004	5,429	6,188	15,600	21,564	4,970	-0.5
Growth (%)	69.6	54.2	64.5	8.5	46.6	26.3	30.8	50.4	48.9	72.8	47.4	
<b>VECV</b>												
<b>Total CV Volumes</b>	16,071	13,408	11,784	17,230	11,583	14,524	15,275	20,959	58,493	62,341	11,583	0.0
Growth (%)	32.5	15.0	-7.1	10.8	-27.9	8.3	29.6	21.6	16.0	33.2	-27.9	
<b>Net Realn (INR '000/unit)</b>	1,331.3	1,470.5	1,599.6	1,482.3	1,556.6	1,572.2	1,587.9	1,822.1	1,461.5	1,657.2	1,630.5	-4.5
Change - YoY (%)	-9.6	-3.8	1.9	11.2	16.9	6.9	-0.7	22.9	-4.3	13.4	22.5	
EBITDA Margins (%)	9.1	7.2	6.9	8.2	8.3	7.5	7.7	9.4	7.9	8.1	6.8	140bp
<b>Recurring PAT</b>	1,082	698	570	1,184	650	835	914	2,524	3,589	4,622	541	20.2
Growth (%)	40.9	3.1	-36.0	1,859.8	-39.9	19.6	60.3	113.2	17.5	61.0	-50.0	



# Britannia Industries

BSE SENSEX	S&P CNX
31,798	9,908

Bloomberg	BRIT IN
Equity Shares (m)	120.0
M.Cap.(INRb)/(USDb)	487.1 / 7.6
52-Week Range (INR)	4215 / 2776
1, 6, 12 Rel. Per (%)	9/13/17
Avg Val, INRm/ Vol m	568
Free float (%)	49.3

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	89.6	101.5	119.0
EBITDA	11.9	14.2	17.5
PAT	8.8	10.2	12.6
EPS (INR)	73.7	85.3	104.6
Gr. (%)	7.3	15.8	22.6
BV/Sh (INR)	224.7	272.4	334.4
RoE (%)	36.9	34.3	34.5
RoCE (%)	31.1	29.3	29.7
P/E (x)	55.1	47.6	38.8
EV/EBITDA (x)	40.7	33.5	27.0

Estimate change	↔
TP change	↑
Rating change	↔

**CMP: INR4,061 TP: INR4,660(+15%)**

**Buy**

### Best-of-breed earnings growth visibility commands premium multiples

- **BRIT's consolidated sales grew 6% YoY** (est. of +4%) in 1QFY18. Standalone (S/A) sales increased 6.6% YoY, but subsidiary sales were down 5.9% YoY. We expect base business volume growth to have come in at ~2%, as against our estimate of flat volumes. This is on a base of 10% volume growth in 1QFY17.
- **Consol. gross margin contracted 120bp YoY** (est. of -100bp) to 37.6% due to commodity cost inflation (at 6% in 1QFY18). EBITDA margin shrunk 40bp YoY to 13% (est. of 12.4%) in 1QFY18. EBITDA grew 2.8% YoY (est. of -3.8%) to INR2.9b. Higher tax rate at 34.4% (est. 32%) led to adj. PAT decline of 1.5% YoY (est. of - 2.4%) to INR2.2b.
- **Concall highlights: (1)** Cost-efficiency program target is 60% higher than FY17 levels (earlier target: 40%) – 1QFY18 performance was in line toward achieving this target. Savings were INR1.5m in FY17; INR2.5b of savings in FY18E would be 2.4% of consol. sales for the year. **(2)** BRIT gained market share in a difficult quarter from national players and small players. Due to stringent compliance under GST regime, it expects more market share gain from small players. **(3)** Direct reach is likely to see addition of 0.2-0.25m every year (stood at 1.56m at end-FY17), which is impressive, especially when compared to peers.
- **Valuation and view:** We are enthused with the consistent healthy performance in a difficult operating environment. Rapidly expanding distribution, continuing R&D investment and significant expansion of its own manufacturing indicate management's immense confidence on the growth prospects. Opportunity beyond biscuits is also substantially high. Continuing premiumization, significant incremental cost savings and favorable commodity cost outlook mean that 15% EBITDA margins should be achievable. We maintain **Buy** with a TP of INR4,660 (42x June 2019E EPS, 15% premium to three-year average due to improving visibility on volume recovery and margin growth).

### Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	FY18 Variance 1QE (%)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Base business volume growth (%)	10.0	10.0	2.0	2.0	2.0	6.0	10.0	10.0	6.0	7.1	0.0	
Net Sales	21,063	23,612	22,648	22,444	22,248	26,563	26,385	26,327	89,623	101,522	21,906	1.6
YoY Change (%)	8.5	11.0	5.6	5.2	5.6	12.5	16.5	17.3	7.4	13.3	4.0	
COGS	12,879	14,902	14,190	13,915	13,873	16,500	16,136	16,054	55,887	62,562	13,613	
Gross Profit	8,184	8,709	8,458	8,528	8,375	10,063	10,249	10,273	33,736	38,960	8,293	1.0
Margins (%)	38.9	36.9	37.3	38.0	37.6	37.9	38.8	39.0	37.6	38.4	37.9	
Other Operating Exp	5,367	5,578	5,504	5,448	5,479	6,276	6,544	6,450	21,872	24,749	5,582	
% of Sales	25.5	23.6	24.3	24.3	24.6	23.6	24.8	24.5	24.4	24.4	25.5	
EBITDA	2,817	3,131	2,954	3,081	2,896	3,788	3,705	3,823	11,864	14,212	2,711	6.8
Margins (%)	13.4	13.3	13.0	13.7	13.0	14.3	14.0	14.5	13.2	14.0	12.4	
YoY Growth (%)	3.5	2.0	0.3	6.1	2.8	21.0	25.4	24.1	-5.1	19.8	-3.8	
Depreciation	279	289	303	322	332	347	363	356	1,193	1,399	362	
Interest	15	15	11	13	13	15	11	16	55	55	15	
Other Income	739	670	561	335	741	804	673	538	2,424	2,756	813	
PBT	3,263	3,496	3,201	3,081	3,293	4,229	4,003	3,989	13,040	15,514	3,147	4.6
Tax	1,071	1,156	997	973	1,133	1,438	1,361	1,343	4,197	5,275	1,007	
Rate (%)	32.8	33.1	31.1	31.6	34.4	34.0	34.0	33.7	32.2	34.0	32.0	
Adjusted PAT	2,192	2,340	2,204	2,108	2,160	2,791	2,642	2,646	8,843	10,239	2,140	0.9
YoY Change (%)	13.2	5.8	4.6	5.9	-1.5	19.3	19.9	25.6	7.3	15.8	-2.4	

E: MOSL Estimates

# Aurobindo Pharma

BSE SENSEX 31,798  
S&P CNX 9,908

**CMP: INR684**

**TP: INR750(+10%)**

**Buy**

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

## Conference Call Details



**Date:** 10th Aug 2017  
**Time:** 08:30am IST  
**Dial-in details:**  
+91-22-3960 0689

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	150.9	169.1	186.3
EBITDA	34.3	39.6	44.9
NP	23.0	25.8	29.4
EPS (INR)	39.3	44.1	50.2
EPS Gr. (%)	13.6	12.2	13.8
BV/Sh. (INR)	157.4	199.0	246.8
RoE (%)	28.3	24.8	22.5
RoCE (%)	19.1	18.9	18.3
P/E (x)	17.4	15.5	13.6
P/BV (x)	4.3	3.4	2.8

### Core business performance on track

- Net sales declined ~2% YoY (+1% QoQ) to ~INR36.8b (est. of ~INR40.7b).
- US business saw an increase of 3.2% YoY and 7% QoQ to USD263m. In INR terms, US sales were largely flat YoY due to currency movement.
- Europe and RoW revenue increased 8.4% YoY to INR11.1b.
- Decline in revenues was primarily led by ARV (-19.3% YoY to INR2.4b) and API (-15% YoY to INR6.3b) segments.
- Gross margins improved to 59% (+400bp YoY, flat QoQ).
- EBITDA declined 5% YoY to ~INR8.4b (est. of INR9.2b).
- EBITDA margin saw improvement of ~170bp QoQ (-70bp YoY) to 22.9%.
- Adj. PAT came in at INR5.2b (-9.7% YoY, -6% QoQ), ~13% below our estimate.

### Key questions for management

- Injectable business growth outlook in FY18.
- Uptake of key launches, including Renvela.
- Update on key launches in the US (Meropenem, Vancomycin).
- Update on M&A strategy.
- Debt-reduction plan for FY18E.
- Commentary on margin improvement expectation in EU.

**Valuation and view:** We will revisit our estimates post the earnings call. At its CMP, ARBP trades at ~14x FY17E, at a significant discount to its peers. We have a TP of INR750 @ 15x FY19E PER

### Quarterly performance (Consolidated)

Y/E March	FY17				FY18E				FY17	FY18E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			FY18E	1QE
Net Sales	37,666	37,755	39,062	36,417	36,788	41,451	42,783	50,198	150,897	171,193	40,718	-9.7%
YoY Change (%)	14.2	12.2	11.7	-2.8	-2.3	9.8	9.5	37.8	8.1	13.5	8.1	
EBITDA	8,890	9,293	8,948	7,713	8,417	9,741	10,054	12,731	34,341	40,915	9,162	-8.1%
Margins (%)	23.6	24.6	22.9	21.2	22.9	23.5	23.5	25.4	22.8	23.9	22.5	
Depreciation	1,062	1,102	1,111	1,001	1,312	1,150	1,225	-258	4,276	3,429	1,050	
Interest	206	175	143	143	169	230	230	142	667	771	200	
Other Income	159	83	79	218	221	150	150	-21	538	500	150	
PBT before EO expense	7,780	8,098	7,774	6,787	7,157	8,511	8,749	12,825	29,936	37,215	8,062	
Extra-Ord expense	-70	-202	-158	310	77	0	0	0	-621	0	0	
PBT	7,851	8,300	7,932	6,477	7,080	8,511	8,749	12,825	30,557	37,215	8,062	
Tax	2,008	2,240	2,177	1,172	1,910	2,170	2,231	3,179	7,596	9,490	2,056	
Rate (%)	25.6	27.0	27.4	18.1	27.0	25.5	25.5	24.8	24.9	25.5	25.5	
Minority Interest	-8	3	-31	-19	-15	0	0	0	-55	-55	0	
Reported PAT	5,850	6,057	5,785	5,325	5,186	6,341	6,518	9,647	23,015	27,780	6,006	-13.7%
Adj PAT	5,790	5,913	5,640	5,560	5,226	6,341	6,518	9,647	22,552	27,780	6,006	-13.0%
YoY Change (%)	21.0	21.8	7.4	-0.4	-9.7	7.2	15.6	73.5	13.6	20.7	3.7	
Margins (%)	15.4	15.7	14.4	15.3	14.2	15.3	15.2	19.2	14.9	16.2	14.7	

E: MOSL Estimates





<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908

Bloomberg	NMDC IN
Equity Shares (m)	3,164
M.Cap.(INRb)/(USD\$b)	399.4 / 6.3
52-Week Range (INR)	153 / 99
1, 6, 12 Rel. Per (%)	8/-27/12
Avg Val, INRm	473
Free float (%)	25.1

**Financials & Valuations (INR b)**

Y/E Mar	2017	2018E	2019E
Net Sales	88.3	104.4	104.3
EBITDA	44.9	57.3	57.0
PAT	31.5	39.3	38.4
EPS (INR)	10.0	12.4	12.1
Gr. (%)	11.7	24.9	-2.4
BV/Sh (INR)	71.2	76.4	81.3
RoE (%)	12.8	15.2	15.6
RoCE (%)	12.2	14.7	15.2
P/E (x)	12.8	10.3	10.5
P/BV (x)	1.8	1.7	1.6

Estimate change

TP change

Rating change

**CMP: INR126**

**TP: INR180(+43%)**

**Buy**

**Strong operating performance; pricing power improving**

**Valuations are compelling; Reiterating Buy**

**1QFY18 adj. EBITDA grew 98% YoY (+13% QoQ) to INR16.2b, exceeding estimate by 7%, due to higher regional and mix premiums. EBITDA is adjusted for (a) rail line doubling payment of INR411m and (b) expected credit loss of INR815m, which are non-recurring. Adj. PAT grew 72% YoY (+23% QoQ) to INR11.4b.**

- Sales increased 18% YoY to 9.2mt, while production grew 12% YoY to 8.5mt. Share in exports increased 110bp QoQ to 8%.
- Domestic sales realization increased INR67/t QoQ to INR2,938/t, surprising positively (est. of INR2,726), due to higher share of Karnataka volumes at 37% (+348bp QoQ) and higher product and regional premiums. Exports NSR increased 32% QoQ to USD76/t (est. of USD60).
- EBITDA per ton rose INR302 QoQ to INR1,765/t on higher realization and normalization of employee cost.

**Pricing power improving; valuations compelling; Reiterate Buy**

- NMDC's iron ore has now become very competitive after a price cut in July. Preliminary data suggest volumes growth has picked up in July. Improving iron ore prices in seaborne trade have bettered pricing power. NMDC can supply 20% more volumes without additional capex. We expect 6% volume CAGR over FY17-20E.
- At CMP, adjusting for CWIP, the valuations at 3.5x FY19E EV/EBITDA are compelling. NMDC has appointed bankers for the sale of its steel plant. We thus believe that CWIP deserves at least book value. We value the stock at INR180/share (59% upside), based on 6.5x EV/EBITDA FY19E and book value for CWIP. Reiterate **Buy**.

**Quarterly Performance (Consolidated)**

Y/E March	FY17				FY18				FY17	FY18E	FY18	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Production (m tons)	7.6	6.3	9.7	10.4	8.5	8.4	10.6	10.3	35.6	38.4	8.5	0
Sales (m tons)	7.8	8.0	10.1	9.8	9.2	8.4	10.6	10.3	35.6	38.4	9.2	0
Avg Dom. NSR (INR/t)	2,160	2,093	2,403	2,871	2,938	2,486	2,486	2,486	2,410	2,599	2,726	8
<b>Net Sales</b>	<b>17,207</b>	<b>17,392</b>	<b>24,979</b>	<b>28,717</b>	<b>28,415</b>	<b>22,004</b>	<b>27,353</b>	<b>26,643</b>	<b>88,294</b>	<b>104,415</b>	<b>25,962</b>	<b>9</b>
<b>EBITDA</b>	<b>8,164</b>	<b>8,258</b>	<b>14,226</b>	<b>14,295</b>	<b>16,206</b>	<b>10,872</b>	<b>16,475</b>	<b>13,701</b>	<b>44,944</b>	<b>57,254</b>	<b>15,172</b>	<b>7</b>
Change (QoQ %)	-18.7	1.2	72.3	0.5	98.5	-32.9	51.5	-16.8	28.4	27.4	85.8	
<b>EBITDA per ton (USD)</b>	<b>16</b>	<b>15</b>	<b>21</b>	<b>22</b>	<b>27</b>	<b>20</b>	<b>24</b>	<b>20</b>	<b>19</b>	<b>23</b>	<b>26</b>	<b>7</b>
<b>EBITDA per ton (INR/t)</b>	<b>1,050</b>	<b>1,030</b>	<b>1,415</b>	<b>1,463</b>	<b>1,765</b>	<b>1,292</b>	<b>1,560</b>	<b>1,335</b>	<b>1,262</b>	<b>1,490</b>	<b>1,647</b>	<b>7</b>
Interest	81	15	53	59	82	0	0	0	208		0	
Depreciation	560	544	551	307	467	601	616	631	1,962	2,315	586	-20
Other Income	3,452	2,735	1,559	1,343	1,286	812	786	829	9,088	3,712	828	55
<b>PBT (before EO Item)</b>	<b>10,975</b>	<b>10,434</b>	<b>15,180</b>	<b>15,273</b>	<b>16,944</b>	<b>11,083</b>	<b>16,644</b>	<b>13,898</b>	<b>51,862</b>	<b>58,651</b>	<b>15,414</b>	<b>10</b>
Extra-ordinary item	0	0	-5,972	-2,961	-1,258	0	0	0	-8,933		0	
<b>PBT (after EO Item)</b>	<b>10,975</b>	<b>10,434</b>	<b>9,208</b>	<b>12,312</b>	<b>15,686</b>	<b>11,083</b>	<b>16,644</b>	<b>13,898</b>	<b>42,929</b>	<b>58,651</b>	<b>15,414</b>	<b>2</b>
Total Tax	3,862	2,727	3,257	7,193	5,994	3,547	5,326	4,447	17,038	19,314	4,933	22
% Tax	35.2	26.1	35.4	58.4	38.2	32.0	32.0	32.0	39.7	32.9	32.0	19
<b>Reported PAT</b>	<b>7,113</b>	<b>7,708</b>	<b>5,952</b>	<b>5,119</b>	<b>9,692</b>	<b>7,537</b>	<b>11,318</b>	<b>9,451</b>	<b>25,891</b>	<b>39,337</b>	<b>10,482</b>	<b>-8</b>
<b>Adjusted PAT</b>	<b>6,619</b>	<b>6,293</b>	<b>9,156</b>	<b>9,211</b>	<b>11,364</b>	<b>7,433</b>	<b>11,163</b>	<b>9,322</b>	<b>31,279</b>	<b>39,337</b>	<b>10,482</b>	<b>8</b>



# Muthoot Finance

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908

Bloomberg	MUTH IN
Equity Shares (m)	399.5
M.Cap. (INR b) / (USD)	183/2.8
52-Week Range (INR)	405 / 170
1, 6, 12 Rel. Per (%)	1/22/8
12M Avg Val (INR m)	224
Free float (%)	25.5

### Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	33.6	36.7	41.8
PPP	22.0	24.5	28.2
PAT	11.8	15.2	17.7
EPS (INR)	29.5	38.2	44.2
BV/Sh.(INR)	163.1	192.1	225.6
RoA on AUM %	4.6	5.3	5.4
RoE (%)	19.4	21.5	21.2
Div. Yld. (%)	1.3	1.7	1.9
P/E (x)	15.5	12.0	10.4
P/BV (x)	2.8	2.4	2.0

**CMP: INR458**

**TP: INR550 (+20%)**

**Buy**

### Strong quarter; operating leverage benefits playing out

- Muthoot Finance's (MUTH) 1QFY18 PAT grew 30% YoY (and 9% QoQ) to INR3.51b (in-line). Though there was a 5% revenue miss, it was offset by lower-than-expected provisioning.
- AUM growth remained anemic at 8% YoY (2% QoQ) to INR278b. The management has guided ~10% AUM growth in gold loans for the year, with potential upside, given the improvement in overall environment. However, the management targets 10% share of AUM from the non-gold loan book by end-FY18 and 15% share by FY19.
- Calculated margin expanded 80bp YoY to 12.6%, driven by declining cost of funds (-170bp YoY to 9.9% in 1QFY18). In fact, 140bp decline in CoF has accrued in just the past two quarters. The share of NCDs increased from 31% in 4QFY17 to 36% in 1QFY18.
- Better branch productivity and lower employee count resulted in a 50bp YoY decline in expense ratio to 4.4%. Average gold loan per branch has been trending upward since FY15 – now at INR65m (v/s INR60m in 1QFY17), close to the peak achieved in FY12.
- Asset quality remained stable, with GNPL ratio increasing marginally by 9bp YoY and 19bp QoQ to 2.25%. Provisions made in 1QFY18 were lower than expected at INR66m in comparison to INR176m in 1QFY17.
- **Valuation and view:** Given stable regulatory regime, benign competition and supportive gold prices, we expect a favorable outlook for gold financiers. Given that significant portion of its operating costs is fixed, growth recovery will ensure optimum utilization of existing infrastructure, boosting return ratios. Asset quality too remains stable and write-offs are minimal. However, given that it is the largest gold finance player by far, it would be difficult for MUTH to achieve strong growth. We downgrade our FY18/19 EPS estimates by 6-7% to factor in lower growth. BUY with a TP of INR550 (2.4x FY19E BV).

### Quarterly Performance

Y/E March	FY17				FY18				FY17E	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Income from operations	12,712	13,497	13,225	16,962	13,758	14,240	14,809	15,767	56,395	58,574
Other operating income	252	320	184	135	165	200	200	260	891	825
<b>Total Operating income</b>	<b>12,964</b>	<b>13,817</b>	<b>13,409</b>	<b>17,096</b>	<b>13,923</b>	<b>14,440</b>	<b>15,009</b>	<b>16,027</b>	<b>57,286</b>	<b>59,399</b>
YoY Growth (%)	13.7	21.6	17.8	18.2	7.4	4.5	11.9	-6.3	17.8	3.7
Other income	44	45	56	36	63	60	60	78	181	261
<b>Total Income</b>	<b>13,008</b>	<b>13,862</b>	<b>13,464</b>	<b>17,132</b>	<b>13,986</b>	<b>14,500</b>	<b>15,069</b>	<b>16,105</b>	<b>57,467</b>	<b>59,659</b>
YoY Growth (%)	13.8	21.6	18.0	18.0	7.5	4.6	11.9	-6.0	17.9	3.8
Interest Expenses	5,571	5,937	5,970	5,460	5,326	5,459	5,596	5,533	22,938	21,913
<b>Net Income</b>	<b>7,437</b>	<b>7,925</b>	<b>7,494</b>	<b>11,672</b>	<b>8,660</b>	<b>9,040</b>	<b>9,474</b>	<b>10,572</b>	<b>34,529</b>	<b>37,746</b>
Operating Expenses	3,025	3,130	3,000	3,349	3,075	3,229	3,358	3,556	12,503	13,219
<b>Operating Profit</b>	<b>4,413</b>	<b>4,795</b>	<b>4,495</b>	<b>8,323</b>	<b>5,585</b>	<b>5,811</b>	<b>6,115</b>	<b>7,016</b>	<b>22,026</b>	<b>24,527</b>
YoY Growth (%)	50.1	69.5	51.2	37.6	26.6	21.2	36.1	-15.7	48.9	11.4
Provisions	176	171	39	2,430	66	100	500	402	2,816	1,069
<b>Profit before Tax</b>	<b>4,237</b>	<b>4,624</b>	<b>4,456</b>	<b>5,893</b>	<b>5,518</b>	<b>5,711</b>	<b>5,615</b>	<b>6,613</b>	<b>19,211</b>	<b>23,459</b>
Tax Provisions	1,534	1,657	1,545	2,675	2,007	1,999	1,965	2,239	7,411	8,210
<b>Net Profit</b>	<b>2,703</b>	<b>2,967</b>	<b>2,911</b>	<b>3,218</b>	<b>3,511</b>	<b>3,712</b>	<b>3,650</b>	<b>4,375</b>	<b>11,799</b>	<b>15,249</b>
YoY Growth (%)	47.6	70.0	55.9	21.3	29.9	25.1	25.4	36.0	45.7	29.2

E: MOSL Estimates



# Bank of India

BSE SENSEX 31,798 S&P CNX 9,908

**CMP: INR158**

**TP: INR149(-6%)**

**Neutral**

Bloomberg	BOI IN
Equity Shares (m)	1,055
M.Cap.(INRb)/(USD\$)	158.6 / 2.5
52-Week Range (INR)	197 / 100
1, 6, 12 Rel. Per (%)	11/4/30
Avg Val, INRm	732
Free float (%)	27.5

### Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	101.4	113.7	129.0
OP	62.9	70.5	80.8
NP	-12.2	7.2	17.4
EPS (INR)	-11.2	6.6	16.1
EPS Gr. (%)	NM	NM	143.4
ROE (%)	-5.2	3.0	7.2
ROA (%)	-0.2	0.1	0.2
BV/Sh. (INR)	216	218	229
P/E(X)	-14.1	24.0	9.9
P/BV (X)	0.73	0.73	0.69

Estimate change



TP change



Rating change



## Operating performance disappoints on all fronts

- BOI's reported PAT of INR877m was 71% below estimate, even as PPOp exceeded estimate by 12% (helped by **strong treasury gains** and **one-off opex benefits**), as provisions at INR22.45b were 36% above estimates. Provisions included INR132.3m toward stressed sectors. The bank has to provide additional INR9.15b toward IBC-related accounts over the next three quarters.
- Key highlights for the quarter:** a) NIM (multi-quarter low of 1.99%) was impacted by INR1.97b of interest reversals on SDR/S4A accounts, and bulk of the loan book shifting to MCLR-based pricing. b) Treasury gains of INR6.5b (27% of PPOp) led to 23% beat in other income. c) Loan growth remained muted at -1%/0% QoQ/YoY; however, retail loans grew 13% YoY.
- Slippages declined sharply to INR40.4b (4.4% slippage ratio annualized) from INR69.2b in 4Q, while recoveries and upgrades were stable at INR27.4b (v/s INR26.7b in 4Q). Slippages from the restructured book were at INR300m. Write-off of INR23.2b was the second highest (after 4QFY17) in nine quarters. Absolute GNPLs/NNPLs declined 2%/4% sequentially, but in % terms, GNPA/NNPA stood at 13.05%/6.7%. OSRL book increased 8bp QoQ to INR116.8b (2.99% of advances).
- CET1 increased marginally to 7.28% from 7.17% in 4Q, helped by INR2.22b capital infusion by LIC during the quarter, partly offset by INR1.4b debited to revenue reserve for payment of interest on AT1 bonds.
- Other highlights:** a) Operating expense had a one-time benefit of INR2b from revaluation of pension assets under AS-13 and b) CASA deposits grew 25% YoY, led by robust growth in SA deposits (+27% YoY); reported CASA ratio declined marginally QoQ to 39.1%.

**Valuation view:** Continued elevated net stress addition and ageing of NPL portfolio will keep credit costs high, while stagnant loan book and weak margin will mean sustained pressure on PAT. CET1 of 7.28% is at the lower end of the peer range. We sharply reduce earnings estimates for FY18/19 to factor in lower operating profits and higher credit costs. Return ratios are expected to be sub-optimal, with FY18E PAT to be negative and FY19E RoA/RoE at 0.1%/2.6%. Maintain **Neutral**.

### Quarterly Performance

	FY17				FY18E				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18E
Interest Income	94,259	94,585	98,248	1,05,817	94,957	95,642	96,554	98,349	3,92,909	3,85,501
Interest Expense	66,508	67,387	69,621	71,131	69,626	70,658	70,975	72,825	2,74,647	2,84,084
Net Interest Income	27,752	27,197	28,626	34,686	25,330	24,984	25,579	25,524	1,18,261	1,01,417
% Change (Y-o-Y)	-4.7	-9.9	5.7	8.8	-8.7	-8.1	-10.6	-26.4	0.9	-14.2
Other Income	12,384	20,106	17,693	17,540	16,110	13,779	12,954	12,366	67,723	55,210
Net Income	40,136	47,304	46,319	52,226	41,440	38,763	38,533	37,890	1,85,984	1,56,626
Operating Expenses	23,597	22,375	21,734	20,951	17,646	23,701	23,615	28,734	88,658	93,695
Operating Profit	16,539	24,928	24,584	31,275	23,794	15,062	14,919	9,157	97,326	62,931
% Change (Y-o-Y)	-3.0	70.9	74.5	113.6	43.9	-39.6	-39.3	-70.7	61.3	-35.3
Other Provisions	27,702	22,962	23,026	47,362	22,453	20,000	20,000	19,089	1,21,052	81,542
Profit before Tax	-11,163	1,966	1,559	-16,087	1,342	-4,938	-5,081	-9,933	-23,726	-18,611
Tax Provisions	-3,750	698	542	-5,632	464	-1,704	-1,753	-3,428	-8,142	-6,421
Net Profit	-7,414	1,268	1,017	-10,455	877	-3,235	-3,328	-6,504	-15,584	-12,190
% Change (Y-o-Y)	NM	NM	NM	NM	NM	-355.0	-427.2	NM	NM	NM
<b>Operating Parameters</b>										
NIM (Cal, %)	2.0	2.0	2.0	2.5	1.8	1.7	1.7	1.7	2.1	2.1
Deposit Growth (%)	-2.0	-3.8	2.6	5.3	9.2	8.7	2.2	5.0	5.3	5.0
Loan Growth (%)	-5.2	-4.8	-5.4	2.0	0.0	1.7	5.1	7.5	2.0	7.5
CD Ratio (%)	77.8	76.8	71.3	72.9	71.9	0.0	0.0	0.0	72.9	71.9
<b>Asset Quality</b>										
Gross NPA (INR b)	518.7	522.6	517.8	520.4	510.2	499.8	489.7	478.0	520.4	478.0
Gross NPA (%)	13.4	13.5	13.4	13.2	13.1	12.6	12.1	11.4	13.2	11.4



<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908
<b>Bloomberg</b>	<b>NACL IN</b>
Equity Shares (m)	1,933
M.Cap.(INRb)/(USD\$b)	136.0 / 2.1
52-Week Range (INR)	80 / 43
1, 6, 12 Rel. Per (%)	3/-9/30
Avg Val, INRm	173
Free float (%)	34.6

**Financials & Valuations (INR b)**

Y/E Mar	2017	2018E	2019E
Net Sales	79.3	81.1	85.7
EBITDA	10.8	12.5	15.0
PAT	7.1	6.7	8.2
EPS (INR)	3.7	3.5	4.2
Gr. (%)	36.4	-5.8	22.5
BV/Sh (INR)	52.8	54.2	56.3
RoE (%)	7.2	6.5	7.7
RoCE (%)	7.9	8.6	10.2
P/E (x)	18.3	19.5	15.9
P/BV (x)	1.3	1.2	1.2

**Estimate change**

**TP change**

**Rating change**



**CMP: INR70**

**TP: INR63(-10%)**

**Neutral**

**Volumes suffer ahead of GST rollout**

**Higher wages, electricity duty eroding raw material cost advantage**

Nalco's 1QFY18 performance disappointed, with EBITDA of INR2.3b (+17% YoY/-47% QoQ) coming in below estimate of INR3.6b due to lower sales volume on inventory build-up ahead of GST rollout and weaker alumina realization. PAT declined 4% YoY/52% QoQ to INR1.3b (est. of INR1.8b) on lower other income.

- Aluminum production increased 1% QoQ to 101kt, but sales declined 15% QoQ to 89kt. Alumina production was unchanged QoQ at 526kt, but sales declined 31% QoQ to 259kt.
- Aluminum realization increased USD27 QoQ to USD2,233/t on higher LME. However, EBIT declined INR4,653 QoQ to INR6,521/t (USD101) on currency appreciation.
- Alumina realization declined USD32 QoQ to USD324/t. EBIT declined INR2,852 to INR4,061/t (USD63/t) on realization and currency.
- Power cost rose 15% YoY to INR3.88/kWh due to an increase in electricity duty on captive power generation by Odisha. Employee cost rose 24% on provision for wage negotiation.

**Cost pressure eroding captive cost advantage; Neutral**

- While the ramp-up of smelter would drive ~8% volume CAGR to 449kt (capacity 460kt) by FY19E, the increase in wages and electricity duty on captive generation is eroding Nalco's raw material cost advantage.
- EBITDA estimate is cut by ~9% to INR12.5b for FY18 due to the miss in 1Q. The stock is trading fair at 6.4x FY19E EV/EBITDA. We value the stock at 6.5x FY19E EV/EBITDA at INR71/sh. Maintain **Neutral**.

**Quarterly Performance – INR million**

Y/E March	FY17				FY18				FY17	FY18E	FY18	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Aluminium Sales ('000 tons)	82	99	99	105	89	109	112	112	385	422	105	-15
Alumina Sales ('000 tons)	291	290	311	377	259	237	353	353	1,269	1,202	291	-11
Avg LME Aluminium (USD/ton)	1,570	1,619	1,710	1,851	1,909	1,825	1,825	1,825	1,687	1,846	1,909	0
NSR premiums (USD/ton)	290	132	196	356	324	153	153	153	244	196	153	112
Alumina NSR (USD/ton)	257	266	277	345	314	318	312	312	260	314	326	-4
<b>Net Sales</b>	<b>15,490</b>	<b>18,461</b>	<b>19,881</b>	<b>25,497</b>	<b>18,027</b>	<b>19,063</b>	<b>21,914</b>	<b>22,080</b>	<b>79,329</b>	<b>81,084</b>	<b>20,072</b>	<b>-10</b>
Change (YoY %)	3.9	1.7	21.6	36.0	16.4	3.3	10.2	-13.4	16.4	2.2	30	
Total Expenditure	13,544	16,738	17,029	21,222	15,752	16,157	18,350	18,302	68,533	68,561	16,494	-4
<b>EBITDA</b>	<b>1,946</b>	<b>1,723</b>	<b>2,852</b>	<b>4,275</b>	<b>2,275</b>	<b>2,905</b>	<b>3,564</b>	<b>3,778</b>	<b>10,796</b>	<b>12,523</b>	<b>3,578</b>	<b>-36</b>
Change (YoY %)	-13.0	-49.2	109.2	79.1	16.9	68.6	25.0	-11.6	15.1	16.0	84	
Depreciation	1,188	1,353	1,177	1,086	1,170	1,380	1,387	1,394	4,804	5,331	1,373	-15
Other Income	1,336	1,369	759	620	859	590	647	704	4,083	2,798	537	60
<b>PBT (after EO Item)</b>	<b>2,089</b>	<b>1,733</b>	<b>2,057</b>	<b>3,768</b>	<b>1,960</b>	<b>2,115</b>	<b>2,824</b>	<b>3,088</b>	<b>10,058</b>	<b>9,990</b>	<b>2,742</b>	<b>-29</b>
Total Tax	739	521	618	1,084	670	690	922	1,008	2,962	3,290	895	-25
% Tax	35.4	30.1	30.0	28.8	34.2	32.6	32.6	32.6	29.4	32.9	33	
<b>Reported PAT</b>	<b>1,350</b>	<b>1,212</b>	<b>1,439</b>	<b>2,684</b>	<b>1,289</b>	<b>1,424</b>	<b>1,902</b>	<b>2,080</b>	<b>7,097</b>	<b>6,700</b>	<b>1,847</b>	<b>-30</b>
<b>Adjusted PAT</b>	<b>1,350</b>	<b>1,212</b>	<b>1,699</b>	<b>2,705</b>	<b>1,289</b>	<b>1,424</b>	<b>1,902</b>	<b>2,080</b>	<b>7,097</b>	<b>6,700</b>	<b>1,847</b>	<b>-30</b>





# Endurance Technologies

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908

<b>Bloomberg</b>	<b>ENDU IN</b>
Equity Shares (m)	141
M.Cap.(INRb)/(USDb)	136.4 / 2.1
52-Week Range (INR)	999 / 518
1, 6, 12 Rel. Per (%)	11/44/-
Avg Val, INR m	291
Free float (%)	17.5

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	55.9	63.7	72.7
EBITDA	7.6	8.9	10.5
PAT	3.3	4.1	5.3
EPS (INR)	23.5	29.3	37.9
Gr. (%)	9.9	24.7	29.5
BV/Sh (INR)	122.9	148.0	177.7
RoE (%)	20.8	21.6	23.3
RoCE (%)	15.6	18.1	20.7
P/E (x)	39.3	31.5	24.3
P/BV (x)	7.5	6.2	5.2

Estimate change



TP change



Rating change



**CMP: INR923**

**TP: INR1,059(+15%)**

**Buy**

### Consolidated performance in-line

- **India business drives consolidated performance:** Consolidated net sales grew 7.6% YoY to INR15.5b (our estimate: INR15.8b), led by India business. Consolidated EBITDA margin expanded 80bp YoY (flat QoQ) to 13.8% (our estimate: 13.7%), led by internal cost control initiatives and ramp-up in supplies to domestic customers.
- **Ramp-up with HMSI, RE and Yamaha drives India business:** Standalone revenue grew 11.8% YoY (v/s 7.8% increase in domestic 2W industry volumes), led by strong growth with HMSI, Royal Enfield (RE) and Yamaha. However, moderation in aftermarket sales due to GST restricted growth. EBITDA margin expanded 30bp YoY to 12.6% (our estimate: 11.8%), supported by lower other expenses. Higher tax restricted PAT growth to 22% YoY to INR679m (our estimate: INR602m).
- **EU business – better mix drives margins:** EU revenue declined 0.7% in INR terms to INR4.7b (our estimate: INR5.2b). In EUR terms, growth was 5.6% (v/s 1% PV industry growth). Margin improved 110bp YoY (declined 180bp QoQ) to 16.4% (our estimate: 17.4%), driven by better mix. EBITDA was INR766m v/s our estimate of INR910m. Lower other income dented PAT (INR286m v/s our estimate of INR409m).
- **Earnings call highlights:** (a) ENDU expects its ABS product to be ready by January 2019 (in tie-up with BWI Group); (b) Aftermarket sales impacted due to GST, expect recovery in coming quarters; (c) Expects to penetrate products like CVT, brakes, and clutches with new customers like HMSI and HMCL over the next two years; (d) Won contract to supply components for EV application from Porsche; (e) Die casting business to benefit from EV, as product platform has 20-year lifecycle v/s IC engines' 7-8 years.
- **Valuation and view:** We cut our EPS estimates by 4.5% for FY18 and 2.7% for FY19, as we cut EU business earnings and factor in increase in RM costs. We believe ENDU offers strong growth potential, driven by newer products and technology. We retain P/E multiple at 25x Sep-19E due to higher visibility on growth drivers beyond FY19. Maintain **Buy** with TP of INR1,055.

### Consol - Quarterly

Y/E March (INR Million)	FY17				FY18				FY17	FY18E	FY18 1QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Net Sales</b>	<b>14,402</b>	<b>14,482</b>	<b>13,203</b>	<b>13,803</b>	<b>15,503</b>	<b>16,250</b>	<b>15,680</b>	<b>16,246</b>	<b>55,880</b>	<b>63,679</b>	<b>15,819</b>	<b>-2.0</b>
YoY Change (%)	13.3	7.5	2.4	4.8	7.6	12.2	18.8	17.7	6.8	14.0	10.0	
RM Cost (% of sales)	58.4	57.8	57.8	57.4	59.0	60.0	58.5	58.2	57.7	58.9	57.4	170bp
Staff Cost (% of sales)	9.8	8.9	10.5	9.9	9.5	9.0	9.6	9.5	9.8	9.4	9.8	-30bp
Other Expenses (% of sales)	18.9	19.4	18.3	18.9	17.6	18.7	18.4	18.1	19.0	17.7	19.0	-140bp
<b>EBITDA</b>	<b>1,865</b>	<b>2,008</b>	<b>1,769</b>	<b>1,898</b>	<b>2,136</b>	<b>2,235</b>	<b>2,175</b>	<b>2,307</b>	<b>7,555</b>	<b>8,852</b>	<b>2,159</b>	<b>-1.1</b>
Margins (%)	13.0	13.9	13.4	13.8	13.8	13.8	13.9	14.2	13.5	13.9	13.7	10bp
Depreciation	684	699	741	781	742	760	790	825	2,905	3,117	775	
Interest	104	81	88	49	57	57	57	56	322	226	55	
Other Income	89	54	73	119	60	95	110	120	319	385	100	
<b>PBT</b>	<b>1,166</b>	<b>1,281</b>	<b>1,014</b>	<b>1,186</b>	<b>1,397</b>	<b>1,513</b>	<b>1,438</b>	<b>1,546</b>	<b>4,646</b>	<b>5,894</b>	<b>1,429</b>	<b>-2.2</b>
Eff. Tax Rate (%)	24.5	30.3	26.7	29.6	30.9	29.4	30.1	30.1	28.9	30.1	29.3	160bp
<b>Adj. PAT</b>	<b>880</b>	<b>893</b>	<b>743</b>	<b>835</b>	<b>965</b>	<b>1,068</b>	<b>1,005</b>	<b>1,081</b>	<b>3,303</b>	<b>4,120</b>	<b>1,011</b>	<b>-4.5</b>
YoY Change (%)	15.2	14.8	13.6	3.3	9.7	19.6	35.2	29.4	9.9	24.7	21.6	



# Ajanta Pharma

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908

<b>Bloomberg</b>	<b>AJP IN</b>
Equity Shares (m)	88.5
M.Cap.(INRb)/(USD\$b)	106.5 / 1.7
52-Week Range (INR)	2150 / 1162
1, 6, 12 Rel. Per (%)	-23/-45/-48
Avg. Val, INRm	300
Free float (%)	29.3

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	20.0	20.9	24.8
EBITDA	7.0	6.2	7.6
PAT	5.2	4.7	5.7
EPS (INR)	58.4	52.8	64.2
Gr. (%)	24.0	-9.7	21.8
BV/Sh (INR)	177.2	221.3	275.2
P/E(x)	20.6	22.8	18.7
P/B (x)	6.8	5.4	4.4
ROE (%)	37.7	26.5	25.9
RoCE (%)	36.4	26.1	25.6

Estimate change



TP change



Rating change



**CMP: INR1204**

**TP: INR1,606(+33%)**

**Buy**

## Higher operating expenses hurt margins

Ajanta Pharma (AJP) delivered sales of INR4.7b in 1QFY18, better than our estimate of INR4.2b. EBITDA margin, adjusted for forex loss on account for mark-to-market, stood at 27.6%, significantly lower than our estimate of 33.7%, due to GST-led impact on domestic business and incremental overhead expenses associated with commissioning of facilities. As a result, adjusted PAT declined 18.5% YoY to INR948m (est. of INR985m).

- **Domestic formulation and Africa disappoint...:** Sales were flat YoY at INR4.7b in 1QFY18, affected by a decline in domestic formulation (DF) and Africa sales. The decline in revenue was offset by strong growth in the US and moderate growth in Asia.
- **...led by geography-specific issues:** DF sales declined 14% YoY to INR1.4b, led by loss of one month of business due to GST rollout. Africa sales continued to decline, albeit at a lower rate, to INR1.7b due to a reduction in institutional business.
- **Better US sales from already approved products:** US sales (at INR540m in 1QFY18) continued to exhibit strong growth from the 13 commercialized products. US sales share is now 11.6% v/s 2.2% in 1QFY17. AJP maintained its guidance of 12-15 ANDA filings for FY18.
- **Change in estimates:** We have lowered our FY18/19/20 sales and PAT estimates by 7%/10%/11% and 20.2%/19.2%/19.5%, respectively, to factor in reduced DF and Africa institutional sales. We have also incorporated incremental expense associated with the commissioning of Guwahati and Dahej facilities, resulting in higher reduction in PAT estimate compared to sales estimate.
- **Valuation view:** We continue valuing AJP on 25x FY19E earnings, as it remains on track in terms of ANDA filing and outperformance in DF. With the change in estimates, we revise our TP to INR1,606 (from INR2,028). Maintain **Buy**.

### Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18E				(INR Million)			
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY17	FY18E	FY18	vs Est (%)
Net Sales	4,759	5,158	5,331	4,768	4,731	4,998	5,262	5,718	20,016	20,709	4,144	14
YoY Change (%)	21.6	16.8	11.8	12.0	-0.6	-3.1	-1.3	19.9	15.3	3.5		
Total Expenditure	3,093	3,426	3,551	3,054	3,424	3,523	3,604	3,945	13,125	14,500	2,747	25
EBITDA	1,666	1,732	1,780	1,714	1,307	1,474	1,658	1,773	6,892	6,209	1,396	-6
Margins (%)	35.0	33.6	33.4	35.9	27.6	29.5	31.5	31.0	34.4	30.0	33.7	
Depreciation	130	140	153	189	134	140	148	150	612	572	158	-15
Interest	10	8	8	9	1	5	5	5	35	16	10	-93
Other Income	55	67	192	24	48	60	120	65	337	293	30	59
PBT before EO expense	1,580	1,651	1,811	1,540	1,219	1,389	1,625	1,683	6,582	5,914	1,258	-3
Extra-Ord expense	0	0	0	160	32	0	0	0	160	32	0	
PBT	1,580	1,651	1,811	1,380	1,187	1,389	1,625	1,683	6,422	5,882	1,258	-6
Tax	385	345	385	300	239	303	349	348	1,413	1,239	273	-12
Rate (%)	24.3	20.9	21.2	21.7	20.1	21.8	21.5	20.7	22.0	21.1	21.7	
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	1,196	1,307	1,426	1,080	948	1,086	1,275	1,334	5,008	4,641	985	-4
Adj PAT	1,196	1,307	1,426	1,205	980	1,086	1,275	1,334	5,133	4,673	985	-1
YoY Change (%)	39.0	26.3	25.2	10.5	-18.0	-16.8	-10.6	10.7	24.5	-9.0		
Margins (%)	25.1	25.3	26.7	25.3	20.7	21.7	24.2	23.3	25.6	22.6	23.8	

E: MOSL Estimates



# Thermax

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908

<b>Bloomberg</b>	<b>TMX IN</b>
Equity Shares (m)	119.2
M.Cap.(INRb)/(USD\$)	104.5 / 1.6
52-Week Range (INR)	1071 / 738
1, 6, 12 Rel. Per (%)	-6/-10/-16
Avg Val, INRm	53
Free float (%)	38.0

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	44.8	48.0	51.5
EBITDA	4.7	4.8	5.3
PAT	3.5	3.4	3.7
EPS (INR)	30.8	30.0	33.2
Gr. (%)	23.0	-2.7	10.6
BV/Sh (INR)	225.4	247.6	272.3
RoE (%)	14.3	12.7	12.8
RoCE (%)	12.9	12.9	12.9
P/E (x)	28.5	29.3	26.5
P/BV (x)	3.9	3.5	3.2

Estimate change

TP change

Rating change

**CMP: INR877      TP: INR830(-5%)      Upgrade to Neutral**

### Demand recovery under way

- Operational results impacted by GST-related dispatch issues:** Thermax's (TMX) operating performance in 1QFY18 at standalone level was below expectations. Sales declined 10% YoY to INR7.1b (est. of INR8.8b), impacted by a weak opening order book (INR36.2b in 4QFY17), GST-led dispatch issues (INR800m), and exports (INR300m) getting impacted by malware attack at the JNPT port. Gross margin shrunk 230bp YoY to 48.3%. EBITDA declined 32% YoY to INR0.4b (est. of INR0.9b), impacted by weak execution and adverse revenue mix. Operating margin shrunk 210bp YoY to 6.0% (est. of 10.0%). Adj. net profit declined 28% YoY to INR0.3b (est. of INR0.6b).
- Subsidiaries report robust performance:** Subsidiaries' performance improved strongly, despite decline in revenues. In 1QFY18, subsidiary revenue stood at INR1.6b (-16% YoY), EBIDTA at INR292m (+75% YoY), operating margin at 18.4% (+956bp YoY) and adj. PAT at INR82m (+119% YoY). At consolidated level, TMX's revenue stood at INR8.8b (-11% YoY), impacted by sluggish domestic and overseas market conditions. EBIDTA stood at INR721m (-10.3% YoY), with the margin at 8.3% (flat YoY). Adj. PAT declined 17% YoY to INR406m.
- Valuation and view:** We cut our EPS estimate for FY18 by 7% to factor in margin pressure on account of intensifying competition. However, we upgrade our rating to **Neutral** with a revised TP of INR830 (25x FY19E EPS of INR33, based on last 10-year average P/E multiple), given improving end-market outlook, and stock price correction of 18% since April 2017.

### Quarterly Performance (Standalone)

Y/E March	FY17				FY18				FY17	FY18E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			MOSL 1Q Est	Var. Vs Est
<b>Sales</b>	<b>7,914</b>	<b>8,708</b>	<b>8,136</b>	<b>13,428</b>	<b>7,134</b>	<b>9,259</b>	<b>9,079</b>	<b>16,096</b>	<b>37,637</b>	<b>42,068</b>	<b>8,834</b>	<b>-19.2%</b>
Change (%)	-22.2	-19.6	-21.4	3.9	-9.9	6.3	11.6	19.9	-15.6	11.8	8.5	
<b>EBITDA</b>	<b>637</b>	<b>773</b>	<b>806</b>	<b>1,521</b>	<b>429</b>	<b>814</b>	<b>962</b>	<b>1,940</b>	<b>3,738</b>	<b>4,145</b>	<b>884</b>	<b>-51.5%</b>
Change (%)	-19.1	-14.7	0.0	22.6	-32.6	5.3	19.2	27.6	-24.5	10.9	38.8	
As of % Sales	8.1	8.9	9.9	11.3	6.0	8.8	10.6	12.1	9.9	9.9	10.0	
Depreciation	168	166	157	163	150	179	179	208	654	715	177	
Interest	7	7	6	17	5	9	10	12	36	36	8	
Other Income	211	289	206	321	222	290	180	76	1,027	768	210	
<b>PBT</b>	<b>673</b>	<b>888</b>	<b>850</b>	<b>335</b>	<b>497</b>	<b>916</b>	<b>953</b>	<b>1,796</b>	<b>4,074</b>	<b>4,162</b>	<b>909</b>	<b>-45.3%</b>
Tax	221	292	283	502	173	293	305	555	1,298	1,326	291	
Effective Tax Rate (%)	32.8	32.8	33.3	150.0	34.8	32.0	32.0	30.9	31.8	31.8	32.0	
<b>Reported PAT</b>	<b>452</b>	<b>597</b>	<b>566</b>	<b>-167</b>	<b>324</b>	<b>623</b>	<b>648</b>	<b>1,241</b>	<b>1,448</b>	<b>2,837</b>	<b>618</b>	<b>-47.5%</b>
Change (%)	(19.0)	(3.5)	(11.1)	(114.4)	(28.3)	4.4	14.4	(843.0)	(65.4)	95.9	36.7	
<b>Adj PAT</b>	<b>452</b>	<b>597</b>	<b>566</b>	<b>1,161</b>	<b>324</b>	<b>623</b>	<b>648</b>	<b>1,241</b>	<b>2,777</b>	<b>2,837</b>	<b>618</b>	<b>-47.5%</b>
Change (%)	(19.0)	(3.3)	(8.3)	0.0	(28.3)	4.4	14.4	6.9	(33.6)	2.2	36.7	

E: MOSL Estimates



<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908
<b>Bloomberg</b>	<b>SRF IN</b>
Equity Shares (m)	57
M.Cap.(INRb)/(USDb)	88.7 / 1.4
52-Week Range	1970 / 1352
1, 6, 12 Rel. Per (%)	-8/-30/-22
Avg Val, INRm	384
Free float (%)	47.6

**Financials & Valuations (INR b)**

Y/E Mar	2017	2018E	2019E
Net Sales	48.2	55.3	64.1
EBITDA	9.7	10.1	12.4
PAT	4.9	4.6	6.0
EPS (INR)	85.9	80.2	103.0
Gr. (%)	12.8	-6.6	28.3
BV/Sh (INR)	544.6	604.9	684.7
RoE (%)	16.6	13.7	16.0
RoCE (%)	17.7	17.6	22.1
P/E (x)	16.7	17.9	14.0
P/BV (x)	2.6	2.4	2.1

Estimate change

TP change

Rating change

**CMP: INR1,437 TP: INR1,648(+15%) Buy**

**Order book deferred; Recovery pushed to 2HFY18**

- **Revenue exceeds estimate; PAT in-line:** SRF reported overall revenue of INR13.88b (est. of INR11.46b) in 1QFY18 v/s INR12.9b in 1QFY17. On a YoY basis, Chemicals segment declined 8%, while Technical textiles/Packaging grew by 11.3%/19.4%. EBITDA margin contracted from 22.8% in 1QFY17 to 15.1% (est. of 21.3%) in 1QFY18. EBITDA during the quarter stood at INR2,091m (est. of INR2,441m), as against INR2,962m in 1QFY17 – down 29% as gross margin contracted 610bp YoY to 48.3%. Consequently, adj. PAT declined 33% from INR1,546m in 1QFY17 to INR1,038m (est. of INR1,063m) in 1QFY18.
- **SpChem continues facing headwinds:** SpChem witnessed another subdued quarter due to unfavorable global agrochem environment. Overall, SRF faced pressure from higher effective tax rate, channel destocking on account of GST, and unfavorable currency movement. However, the company continues to develop products and commit capex on demand revival expectations. Management expects the operating macroeconomic situation to ease in 2HFY18, enabling execution of the deferred order book.
- **Ref gas grows despite domestic turbulence:** On the domestic front, Ref gas witnessed a loss of sale of ~200 tonnes due to GST transitional phase in peak season. However, exports (~60% of total ref gas) remained strong, with 1QFY18 witnessing highest production and sales of refrigerants and blends due to higher HFC32 usage. The segment is likely to continue increasing market share.
- **Valuation and view:** SRF continues to invest in R&D/capacity expansion, keeping itself ready for demand revival. However, with no visibility of recovery in global agrochem before 4QFY18, we cut our FY18/FY19E earnings by 8%/6%. We expect CAGR of 15% in revenue and 10% in adj. PAT over FY17-19E. We value the stock at 16x FY19E EPS and maintain **Buy** with a TP of INR1,648.

**Quarterly Performance (Consolidated)**

**Consolidated - Quarterly Earning Model**

Y/E March	FY17				FY18				(INR Million)			
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY17E	FY18E	FY18 1QE	Var %
Net Sales	12,994	12,154	12,055	14,164	13,884	14,037	14,104	16,997	48,218	55,309	11,461	21
YoY Change (%)	6	5	10.0	27.3	7	16	17.0	20.0	5.0	14.7	-6.0	
Total Expenditure	10,032	9,827	9,742	12,007	11,793	11,497	11,453	14,142	38,524	45,187	9,019	
EBITDA	2,962	2,326	2,313	2,157	2,091	2,541	2,652	2,856	9,694	10,122	2,441	-14
Margins (%)	22.8	19.1	19.2	15.2	15.1	18.1	18.8	16.8	20.1	18.3	21.3	
Depreciation	696	735	709	730	758	814	782	733	2,834	3,146	817	
Interest	281	242	269	228	271	217	231	237	1,018	939	254	
Other Income	62	70	64	259	203	68	66	80	455	275	61	
PBT before EO expense	2,047	1,419	1,400	1,459	1,266	1,578	1,705	1,966	6,296	6,312	1,431	-12
Extra-Ord expense	0	-72	45	-185	0	0	0	0	-276	0	0	
PBT	2,047	1,491	1,355	1,644	1,266	1,578	1,705	1,966	6,572	6,312	1,431	-12
Tax	501	298	271	352	228	431	462	468	1,422	1,704	368	
Rate (%)	24.5	20.0	20.0	21.4	18.0	27.3	27.1	23.8	21.6	27.0	25.7	
Reported PAT	1,546	1,193	1,084	1,292	1,038	1,147	1,243	1,498	5,150	4,608	1,063	-2
Adj PAT	1,546	1,135	1,120	1,147	1,038	1,147	1,243	1,498	4,934	4,608	1,063	-2
YoY Change (%)	37.5	3.5	10.1	7.0	-32.8	1.0	11.0	30.6	14.4	-6.6	-23.8	
Margins (%)	11.9	9.3	9.3	8.1	7.5	8.2	8.8	8.8	10.2	8.3	9.3	

E: MOSL Estimates





# Kaveri Seed Co.

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
31,798	9,908

Bloomberg	KSCL IN
Equity Shares (m)	69
M.Cap.(INRb)/(USD\$)	42.0 / 0.7
52-Week Range (INR)	708 / 325
1, 6, 12 Rel. Per (%)	-5/15/54
Avg Val, INRm	396
Free float (%)	45.6

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	7.0	8.1	9.3
EBITDA	1.4	2.3	2.7
PAT	0.8	2.2	2.7
EPS (INR)	19.1	34.0	41.0
Gr. (%)	-21.4	78.6	20.4
BV/Sh (INR)	146.8	139.2	159.8
RoE (%)	13.6	23.3	27.4
RoCE (%)	16.0	25.1	29.6
P/E (x)	31.9	17.9	14.8
P/BV (x)	4.1	4.4	3.8

Estimate change

TP change

Rating change

**CMP: INR608**

**TP: INR738(+21%)**

**Buy**

### Cotton leadership and product diversification to provide holistic growth

- Revenue in-line; EBITDA and PAT beat estimates:** KSCL reported overall revenue of INR5,906m (est. of INR5,829m) in 1QFY18, as against INR4,940m in 1QFY17, marking growth of 19.6%. EBITDA stood at INR2,069m (est. of INR1,918m), as against INR1,583m in 1QFY17. Margins came in at 35% (est. of 32.9%) v/s 32% in 1QFY17 on account of a significant decline of 360bp in raw material cost (52% of net sales). Consequently, adj. PAT stood at INR2,024m (est. of INR1,864), as against INR1,544 in 1QFY17.
- Growth reinforced by improved cotton acreage:** 1QFY18 witnessed a sharp increase of 27% in cotton volumes for KSCL, with cotton seeds gaining market share in Gujarat and Maharashtra. New product contribution too increased from 7% to 11% in 1QFY18, with the company launching two new cotton hybrids and two others under demonstration. Although 1QFY18 witnessed INR192m of inventory write-off primarily driven by cotton inventory, the write-offs are expected to be lower for FY18 v/s FY17.
- Focus on diverse product portfolio:** While the cotton business posted significant growth, the company's strategy would be to expand the non-cotton business as well, which is evident from the rise of more than 40% in selection rice volumes in 1QFY18 and new product contribution in Bajra increasing from 6% to 17% (in volume terms). The company is also expected to focus on the north region to strengthen its distribution network.
- Valuation and view:** KSCL benefited from better cotton acreages, leading to a significant rise in cotton seed volumes. Going forward, we believe product diversification and geographical expansion would lead to reduced dependency on selective crops and regions, bolstering growth. Therefore, we raise our earnings estimates for FY18/FY19 by 7%/8%. We value the stock at 18x FY19E EPS, and maintain **Buy** with a TP of INR738.

### Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	4,940	678	679	403	5,906	813	814	484	7,050	8,052	5,829	1
YoY Change (%)	-8.4	2.2	-2.7	-1.9	19.6	20.0	20.0	20.0	-1.6	14.2	18.0	
Total Expenditure	3,357	644	644	675	3,837	694	661	554	5,654	5,781	3,911	
EBITDA	1,583	34	34	-272	2,069	119	153	-71	1,395	2,271	1,918	8
Margins (%)	32.0	5.0	5.0	-67.4	35.0	14.6	18.8	-14.6	19.8	28.2	32.9	
Depreciation	78	72	69	66	63	89	76	80	302	284	82	
Interest	0	0	0	0	2	2	2	0	2	5	0	
Other Income	54	170	101	18	43	182	117	48	344	361	49	
PBT before EO expense	1,559	132	66	-320	2,046	210	192	-103	1,435	2,344	1,885	9
PBT	1,559	132	-527	-912	2,046	210	192	-103	843	2,344	1,885	9
Tax	15	54	30	-40	22	44	38	-4	70	94	21	
Rate (%)	1.0	41.1	-5.7	4.4	1.1	21.0	20.0	4.2	8.3	4.0	1	
Minority Interest & Profit/l	0	0	0	0	0	0	0	0			0	
Reported PAT	1,544	77	-557	-872	2,024	166	153	-99	773	2,250	1,864	9
Adj PAT	1,544	77	69	-306	2,024	166	153	-99	1,316	2,250	1,864	9
YoY Change (%)	-29.6	NM	-40.9	NM	31.1	113.7	120.9	-67.7	-55.1	70.9	21	
Margins (%)	31.3	11.4	10.2	-75.9	34.3	20.4	18.8	-20.4	18.7	27.9	32.0	

E: MOSL Estimates

# Navneet Education

BSE SENSEX 31,798  
S&P CNX 9,908

**CMP: INR159 TP: INR226(+42%) Buy**

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

## Results below estimates on weak stationery business

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	11.8	14.0	16.4
EBITDA	2.8	3.4	4.0
NP	1.8	2.2	2.6
Adj EPS (INR)	7.8	9.4	11.3
EPS Gr. (%)	53.7	21.6	20.0
BV/Sh (INR)	31.1	36.8	43.6
RoE (%)	26.8	27.8	28.2
RoCE (%)	23.1	23.7	25.1

### Valuations

P/E (x)	20.5	16.9	14.0
P/BV (x)	5.1	4.3	3.6
EV/EBITDA (x)	13.7	11.1	9.1

- NELI reported overall revenue of INR5,652m (est. of INR6,614m) in 1QFY18, as against INR5,602m in 1QFY17, marking marginal growth of 1%, as the stationery business declined 12% YoY to INR1,919m. The impact, however, was partly offset by 10% YoY growth in the publications business.
- EBITDA margin shrunk from 31.2% in 1QFY17 to 28.7% (est. of 32.2%) in 1QFY18. EBITDA stood at INR1,624m (est. of INR2,130m) v/s INR1,749m in 1QFY17, implying a decline of 7% YoY, due to higher-than-expected overall expenses.
- The contraction in margins was led higher raw material cost (+130bp to 52.2% v/s est. of 50.9%) and other expenses (+80bp YoY to 13.6% v/s est. of 11.7%).
- Consequently, adj. PAT declined from INR1,136m in 1QFY17 to INR1,097m (est. INR1,371m) in 1QFY18, marking a decline of 3.4%.

### Key questions for management

- Exports visibility in the stationery business and new client addition
- Synergies between Britannica and Navneet, and margin guidance on Britannica
- Details on syllabus change in Gujarat and Maharashtra

**Valuation and view:** We will revisit our estimates/rating post the earnings call.

Based on our current estimates, at CMP of INR159, the stock trades at 17x/14x P/E on FY18E/FY19E EPS. We currently have a **Buy** rating on the stock.

### Standalone - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE	%	
Net Sales	5,602	1,714	1,566	2,098	5,652	2,365	2,161	2,833	11,813	13,981	6,614	-15
YoY Change (%)	8.5	46.0	38.6	11.9	0.9	38.0	38.0	35.0	24.0	18.4	18.0	
Total Expenditure	3,853	1,416	1,363	1,819	4,028	1,892	1,858	2,362	9,001	10,598	4,485	
EBITDA	1,749	298	203	279	1,624	473	302	470	2,813	3,383	2,130	-24
Margins (%)	31.2	17.4	13.0	13.3	28.7	20.0	14.0	16.6	23.8	24.2	32.2	
Depreciation	60	62	65	64	53	69	77	82	284	293	65	
Interest	23	0	1	11	26	3	2	12	43	36	19	
Other Income	76	45	55	40	123	41	33	48	152	154	32	
PBT before EO expense	1,743	281	193	244	1,668	442	256	424	2,638	3,208	2,078	-20
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,743	281	193	244	1,668	442	256	424	2,638	3,208	2,078	-20
Tax	607	95	66	75	572	133	77	93	827	1,006	706	
Rate (%)	34.8	33.9	34.3	30.8	34.3	30.0	30.0	22.0	31.3	31.3	34.0	
Minority Interest & Profit/Loss of Asso.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	1,136	186	126	169	1,097	309	180	331	1,811	2,203	1,371	-20
Adj PAT	1,136	186	126	169	1,097	309	180	331	1,811	2,203	1,371	-20
YoY Change (%)	15.5	69.8	68.3	80.1	-3.4	66.5	42.0	96.3	50.7	21.6	20.8	
Margins (%)	20.3	10.8	8.1	8.0	19.4	13.1	8.3	11.7	15.3	15.8	20.7	

E: MOSL Estimates

# VA tech Wabag

BSE SENSEX 31,798  
S&P CNX 9,908

**CMP: INR628**

**TP: INR800**

**Buy**

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

## Conference Call Details



**Date:** 10<sup>th</sup> August 2017

**Time:** 4:00am IST

**Dial-in details:**

+91-22-3960 0659

### Beats estimates at operating level; orders down 13% YoY

- Sales of INR6.9b (+15% YoY) were in line with our estimate of INR6.6b.
- EBITDA stood at INR0.42b (+52% YoY), and margin of 6.3% (+160bp YoY) was ahead of our estimate of 5%.
- Interest costs increased to INR133m v/s our estimate of INR86m.
- PAT of INR84m (+62% YoY) was lower than our estimate of INR111m due to a higher tax rate (62% v/s estimate of 38%).
- Order intake of INR7b (-13% YoY) and order book of INR74b (flat YoY).

**Valuation and view:** We will revisit our estimates post the earnings call. Maintain **Buy** rating with a TP of INR800 @20x FY19E EPS.

### Financials & Valuations (INR b)

Y/E Mar	2017E	2018E	2019E
Net Sales	32.1	38.7	41.4
EBITDA	3.0	3.6	4.0
NP	1.6	1.8	2.1
EPS (INR)	29.8	33.0	37.9
EPS Gr. (%)	82.9	10.7	14.9
BV/Sh. (INR)	182.1	209.9	241.8
RoE (%)	16.8	16.8	16.8
RoCE (%)	15.9	15.8	15.7
P/E (x)	22.4	20.3	17.6
P/BV (x)	3.7	3.2	2.8

### Quarterly Performance (Consolidated)

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var. Vs Est
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE				
<b>Sales</b>	<b>5,803</b>	<b>7,771</b>	<b>7,130</b>	<b>11,317</b>	<b>6,686</b>	<b>9,668</b>	<b>9,282</b>	<b>13,038</b>	<b>32,079</b>	<b>38,674</b>	<b>6,575</b>	1.7%
Change (%)	27.6	31.2	16.9	33.3	15.2	24.4	30.2	15.2	27.9	20.6	13.5	
<b>EBITDA</b>	<b>275</b>	<b>575</b>	<b>741</b>	<b>1,317</b>	<b>418</b>	<b>870</b>	<b>882</b>	<b>1,453</b>	<b>2,966</b>	<b>3,608</b>	<b>329</b>	27.2%
Change (%)	-0.8	23.5	68.5	16.9	52.2	51.4	18.9	10.3	27.3	21.6	33.3	
As of % Sales	4.7	7.4	10.4	11.6	6.3	9.0	9.5	11.1	9.2	9.3	5.0	
Depreciation	46	47	46	52	45	52	52	59	191	208	52	
Interest	119	94	124	161	133	132	138	172	526	575	86	
Other Income	55	6	53	3	20	18	20	22	112	79	12	
<b>PBT</b>	<b>165</b>	<b>439</b>	<b>624</b>	<b>1,108</b>	<b>259</b>	<b>704</b>	<b>711</b>	<b>1,243</b>	<b>2,362</b>	<b>2,904</b>	<b>202</b>	28.3%
Tax	109	186	45	326	160	268	270	397	667	1,094	77	
Effective Tax Rate (%)	66.3	42.4	7.2	29.5	61.7	38.0	38.0	31.9	28.2	37.7	38.0	
Minority Int	3.7	16.7	21.9	24.1	15.6	2.7	2.7	(10.2)	70.5	10.9	14.1	
<b>Adj PAT</b>	<b>52</b>	<b>236</b>	<b>557</b>	<b>757</b>	<b>84</b>	<b>434</b>	<b>438</b>	<b>857</b>	<b>1,625</b>	<b>1,799</b>	<b>111</b>	-24.7%
Change (%)	(155.7)	102.8	168.2	16.2	61.5	83.9	(21.3)	13.2	83.1	10.7	1,666.2	
Extra-ordinary Items	0.0	-4.5	604.6	0.0	0.0	0.0	0.0	0.0	600.1	0.0	0.0	
<b>Reported PAT</b>	<b>52</b>	<b>240</b>	<b>-48</b>	<b>757</b>	<b>84</b>	<b>434</b>	<b>438</b>	<b>857</b>	<b>1,024</b>	<b>1,799</b>	<b>111</b>	-24.7%
Change (%)	-155.5	102.1	167.2	15.8	61.5	83.9	-21.3	13.2	11.3	75.6	-46.6	

E: MOSL Estimates

# Parag Milk Foods

BSE SENSEX 31,798 S&P CNX 9,908

**CMP: INR242 TP: INR240(-1%)**

**Neutral**

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

## Conference Call Details



**Date:** 11<sup>th</sup> August 2017  
**Time:** 04:30pm IST  
**Dial-in details:**  
+91-22-3938 0170

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	17.3	19.8	23.1
EBITDA	1.1	1.6	2.1
NP	0.3	0.6	1.0
EPS (INR)	3.6	7.4	12.2
EPS Gr. (%)	-46.4	106.3	64.7
BV/Sh. (INR)	78.2	85.6	97.8
RoE (%)	6.0	9.1	13.4
RoCE (%)	6.9	8.6	12.0
P/E	67.1	32.5	19.8
EV/EBITDA	20.2	13.6	10.3

### Sales in-line; Margin better than estimated at 7.1%

#### Consol. quarterly performance

- PARAG's net sales grew 7.7% YoY (est. of +6%) to INR4.1b in 1QFY18.
- Gross margin expanded 50bp YoY to 29%.
- Higher other expenses (+160bp YoY to 17.3%) and employee costs (+10bp YoY to 4.6%) led to EBITDA margin contraction of 120bp YoY to 7.1%. EBITDA thus declined 7.7% YoY to INR294m (est. of -18.7%).
- Lower tax rate at 8.1% led to adj. PAT growth of 3% YoY to INR105m (est. of INR82m).

#### Standalone quarterly performance

- PARAG reported net sales growth of 7.3% to INR4.1b in 1QFY18.
- Gross margin expanded 40bp YoY to 28.1%.
- Higher other expenses (+220bp YoY to 16.5%) led to EBITDA margin contraction of 180bp YoY to 7%. EBITDA thus declined 14.4% YoY to INR285m.
- Adj. PAT declined 20.3% YoY to INR94m.

#### Imputed subsidiary performance

- Sales grew by 33% YoY. EBITDA and adj. PAT stood at INR9m and INR12m v/s loss of INR15m and INR15m, respectively, in the year-ago period.

**View:** We will review our numbers post the conference call.

### Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	3,835	4,728	4,461	4,283	4,129	5,911	4,907	4,889	17,307	19,835	4,065	1.6
YoY Change (%)	2.6	0.7	15.1	3.4	7.7	25.0	10.0	14.2	5.2	14.6	6.0	
Gross Profit	1,095	1,444	987	1,390	1,199	1,687	1,282	1,400	4,916	5,568	1,093	9.7
Margin (%)	28.6	30.5	22.1	32.4	29.0	28.5	26.1	28.6	28.4	28.1	26.9	
Total Expenditure	777	1,067	1,131	871	905	1,186	950	965	3,846	18,274	825	
EBITDA	318	377	-145	519	294	501	332	434	1,070	1,561	268	9.6
YoY Change (%)	11.8	-8.9	-137.8	29.6	-7.7	32.8	LP	-16.2	-27.8	45.9	-18.7	
Margins (%)	8.3	8.0	-3.2	12.1	7.1	8.5	6.8	8.9	6.2	7.9	6.6	
Depreciation	98	115	109	168	116	103	98	139	490	456	88	
Interest	96	64	89	88	79	51	71	55	336	256	74	
Other Income	16	23	20	59	15	11	11	6	118	44	11	
PBT	140	222	-322	322	115	358	174	247	362	893	117	-2.1
Tax	38	78	-54	3	9	107	52	99	65	268	35	
Rate (%)	27.2	35.4	16.8	0.9	8.1	30.0	30.0	40.1	18.0	30.0	30.0	
Adj PAT	102	143	-268	319	105	250	122	148	297	625	82	28.6
YoY Change (%)	45.5	47.8	-284.5	98.4	3.0	74.8	-145.5	-53.6	-37.2	110.5	-24.3	
Margins (%)	2.7	3.0	-6.0	7.5	2.5	4.2	2.5	3.0	1.7	3.2	2.0	

E: MOSL Estimates





# Allcargo

Bloomberg	AGLL IN
Equity Shares (m)	245.7
M. Cap. (INR b)/(USD b)	42 / 1
52-Week Range (INR)	222 / 150
1,6,12 Rel Perf. (%)	-1 / -21 / -17

### Financial snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	55.7	62.0	67.9	76.2
EBITDA	4.6	5.3	5.9	6.6
NP	2.4	3.0	3.5	4.1
EPS (INR)	9.8	12.2	14.3	16.6
EPS Growth (%)	-3.7	23.7	17.5	16.0
BV/Share (INR)	66.5	75.1	85.0	97.2
RoE (%)	12.6	17.2	17.8	18.2
RoCE (%)	10.2	12.9	13.9	15.3
Payout (%)	23.2	22.3	22.3	22.5

### Valuations

P/E (x)	17.6	14.2	12.1	10.4
P/BV (x)	2.6	2.3	2.0	1.8
EV/EBITDA (x)	9.9	8.0	6.7	5.4
Div. Yield (%)	1.1	1.4	1.6	1.9

**CMP: INR173 TP: INR228 (+32%) Buy**

- We expect AGLL to report EBITDA of INR1.14b (-12% YoY, +7% QoQ) led by improvement in MTO segment. We expect PAT of INR643m (+3% YoY, +8% QoQ) in 1QFY18.
- We estimate MTO volumes at 129k TEU (+2% QoQ, +7% YoY) and CFS volumes at 83k TEU (-1% QoQ, +8% YoY).
- We estimate ~8% EBITDA CAGR and ~15% PAT CAGR over FY17-20, and expect return ratios to improve from ~13% to ~16%, driven by margin expansion and reduction in capex intensity in the business.
- The stock trades at 12.1x FY19E EPS of INR14.3. Maintain Buy.

### Key issues to watch for

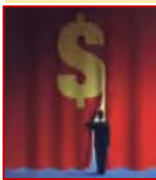
- (a) Volume data, and (b) set up of logistics park in Jhajjar.

### Consolidated - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>13,937</b>	<b>14,084</b>	<b>14,052</b>	<b>13,608</b>	<b>14,186</b>	<b>15,558</b>	<b>16,307</b>	<b>15,954</b>	<b>55,681</b>	<b>62,005</b>
YoY Change (%)	-5.6	-3.1	6.0	-1.8	1.8	10.5	16.1	17.2	-1.1	11.4
Total Expenditure	12,641	12,824	13,059	12,533	13,041	14,221	14,908	14,508	51,056	56,679
<b>EBITDA</b>	<b>1,297</b>	<b>1,261</b>	<b>993</b>	<b>1,075</b>	<b>1,146</b>	<b>1,337</b>	<b>1,399</b>	<b>1,445</b>	<b>4,625</b>	<b>5,327</b>
Margins (%)	9.3	9.0	7.1	7.9	8.1	8.6	8.6	9.1	8.3	8.6
Depreciation	436	434	407	386	390	400	400	423	1,662	1,613
Interest	75	75	78	96	90	90	90	93	324	363
Other Income	111	80	246	169	180	102	98	80	606	460
<b>PBT before EO expense</b>	<b>897</b>	<b>832</b>	<b>754</b>	<b>763</b>	<b>846</b>	<b>949</b>	<b>1,007</b>	<b>1,010</b>	<b>3,245</b>	<b>3,811</b>
Extra-Ord expense	17	10	63	39	0	0	0	0	128	0
<b>PBT</b>	<b>880</b>	<b>822</b>	<b>691</b>	<b>724</b>	<b>846</b>	<b>949</b>	<b>1,007</b>	<b>1,010</b>	<b>3,117</b>	<b>3,811</b>
Tax	256	178	211	131	203	247	262	241	776	953
Rate (%)	29.1	21.7	30.6	18.1	24.0	26.0	26.0	23.9	24.9	25.0
<b>Reported PAT</b>	<b>624</b>	<b>643</b>	<b>480</b>	<b>593</b>	<b>643</b>	<b>702</b>	<b>745</b>	<b>769</b>	<b>2,340</b>	<b>2,858</b>
Min. Interest & P&L of Asso. Cos.	-14	1	12	-20	21	21	21	21	-22	84
<b>Adj PAT</b>	<b>636</b>	<b>651</b>	<b>523</b>	<b>625</b>	<b>643</b>	<b>702</b>	<b>745</b>	<b>769</b>	<b>2,414</b>	<b>2,942</b>
YoY Change (%)	-21.4	5.2	-9.8	-2.4	1.0	7.8	42.4	23.0	-3.7	21.9
Margins (%)	4.6	4.6	3.7	4.6	4.5	4.5	4.6	4.8	4.3	4.7

E: MOSL Estimates



Bloomberg	BHEL IN
Equity Shares (m)	2447.6
M. Cap. (INR b)/(USD b)	328 / 5
52-Week Range (INR)	183 / 116
1,6,12 Rel Perf. (%)	-4 / -12 / -17

**Financial Snapshot (INR b)**

Y/E March	2017	2018E	2019E	2020E
Net Sales	282.2	284.0	316.9	355.7
EBITDA	11.0	16.9	19.8	24.6
PAT	5.3	8.7	11.4	11.7
EPS (INR)	2.1	3.6	4.7	4.8
EPS Gr. (%)	-174.1	65.7	30.7	30.7
BV/Sh. INR	131.9	134.7	138.3	142.0
RoE (%)	1.6	2.7	3.4	3.4
RoCE (%)	0.6	1.5	1.9	2.6
Payout (%)	20.0	20.0	20.0	20.0

**Valuations**

P/E (x)	62.8	37.9	29.0	31.5
P/BV (x)	1.0	1.0	3.4	1.1
EV/EBITDA (x)	20.6	12.2	12.3	10.2
Div Yield (%)	0.3	0.5	0.7	0.6

\* Consolidated

**CMP: INR134 TP: INR100 (-25%) Sell**

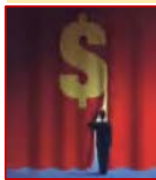
- We expect revenue to grow 4% YoY. We estimate operating profit at INR62m v/s INR710m in 1QFY17. Growth would be driven by better operating leverage and lower other expenses. We estimate net loss at INR588m, as against profit of INR788m in 1QFY17.
- During the quarter, BHEL bagged an order worth INR2.33b for setting up the package at RFCL's fertilizer plant at Ramagundam in Telangana. BHEL's scope of work includes design, engineering, manufacture, supply, erection, testing and commissioning of 32.5mw gas turbine, 125 TPH heat recovery steam generator, 85 TPH utility boiler and BoP package along with associated auxiliaries on LTKS basis.
- BHEL also secured an EPC order for the installation of solar photovoltaic rooftop systems totaling 15MW from Gujarat Alkalies and Chemicals Limited.
- BHEL is L1 in 2.6GW of orders, which it expects to be finalized in FY18.

**Key issues to watch**

- Continued constraint on execution due to operational issues.
- Trends in provisions, particularly for liquidated damages on project completion.

**Quarterly Performance**

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Sales (Net)</b>	<b>56,225</b>	<b>66,645</b>	<b>63,254</b>	<b>96,882</b>	<b>58,963</b>	<b>68,659</b>	<b>62,201</b>	<b>94,172</b>	<b>282,222</b>	<b>283,995</b>
Change (%)	28.9	12.2	18.7	-2.9	4.9	3.0	-1.7	-2.8	10.8	0.6
<b>EBITDA</b>	<b>710</b>	<b>1,551</b>	<b>2,239</b>	<b>6,509</b>	<b>62</b>	<b>2,803</b>	<b>1,582</b>	<b>12,416</b>	<b>11,009</b>	<b>16,864</b>
Change (%)	-133.9	-135.4	-113.9	-24.9	-91.2	80.7	-29.3	90.8	-180.6	53.2
As a % Sales	1.3	2.3	3.5	6.7	0.1	4.1	2.5	13.2	3.9	5.9
Interest	57	50	263	3,136	55	50	60	3,341	3,506	3,506
Depreciation	2,182	2,080	2,088	2,139	2,633	2,317	2,633	2,949	8,488	10,534
Other Income	2,493	1,961	1,358	1,452	1,891	2,198	2,198	2,505	0	399
<b>PBT</b>	<b>965</b>	<b>1,382</b>	<b>1,245</b>	<b>2,686</b>	<b>-735</b>	<b>2,634</b>	<b>1,087</b>	<b>44,496</b>	<b>6,579</b>	<b>11,616</b>
Tax	188	292	310	530	-147	527	300	2,224	1,320	2,904
Effective Tax Rate (%)	19.4	21.1	24.9	19.7	20.0	20.0	27.6	5.0	20.1	25.0
<b>Reported PAT</b>	<b>778</b>	<b>1,090</b>	<b>935</b>	<b>2,156</b>	<b>-588</b>	<b>2,107</b>	<b>787</b>	<b>6,406</b>	<b>5,259</b>	<b>8,712</b>
Change (%)	129.5	-160.3	-108.6	-57.4	-175.6	93.3	-15.9	197.2	-174.1	65.7
<b>Adj. PAT</b>	<b>778</b>	<b>1,090</b>	<b>935</b>	<b>2,156</b>	<b>-588</b>	<b>2,107</b>	<b>787</b>	<b>6,406</b>	<b>5,259</b>	<b>8,712</b>
Change (%)	129.5	-160.3	-108.6	-57.4	-175.6	93.3	-15.9	197.2	-174.1	65.7



# Bharat Forge

Bloomberg	BHFC IN
Equity Shares (m)	232.8
M. Cap. (INR b)/(USD b)	250 / 4
52-Week Range (INR)	1094 / 687
1,6,12 Rel Perf. (%)	-1 / 10 / 9

## Financial Snapshot (INR b)

Y/E Mar	2017	2018E	2019E	2020E
Sales	64.0	76.3	87.7	101.6
EBITDA	12.5	15.9	19.4	24.0
EPS (INR)	26.2	37.7	49.7	63.7
EPS Gr. (%)	-7.2	44.0	31.9	28.2
BV/Sh. (INR)	176.8	204.2	241.3	290.0
RoE (%)	16.2	19.8	22.3	24.0
RoCE (%)	9.5	12.4	15.0	17.3

## Valuations

P/E (x)	42.0	29.2	22.1	17.2
P/BV (x)	6.2	5.4	4.6	3.8
EV/EBITDA (x)	22.8	17.3	13.9	10.9
EV/Sales (x)	4.5	3.6	3.1	2.6

Consolidated

**CMP: INR1,099 TP: INR1,330 (+21%) Buy**

- We expect BHFC's shipment tonnage to grow 9% YoY to 53,533 tons, as build data for class 8 trucks was strong, along with strong Oil & Gas and revival in Industrial segments. Net realization is likely to increase ~13% YoY to ~INR208k/ton.
- Net revenue would grow 23% YoY (decline 1.1% QoQ) to INR11.1b.
- EBITDA margin is likely to increase 170bp YoY (and 30bp QoQ) to 28.7%.
- PAT is likely to increase by ~53% YoY (and 3.7% QoQ) to INR1.87b.
- The stock trades at 29.5x FY18E and 22.4x FY19E EPS; maintain **Buy**.

### Key issues to watch

- Outlook for US Class 8 Trucks for CY17.
- Outlook for Oil & Gas and Mining segments, primarily with regard to price recovery.
- Update on ramp-up of new orders under CVs, PVs, Aerospace and Rail.

## Quarterly performance (S/A)

(INR Million)

	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Tonnage</b>	<b>49,098</b>	<b>46,203</b>	<b>47,068</b>	<b>55,189</b>	<b>53,533</b>	<b>52,463</b>	<b>51,413</b>	<b>61,897</b>	<b>197,573</b>	<b>219,306</b>
Change (%)	-5.6	-15.3	-7.2	5.3	9.0	13.5	9.2	12.2	-5.8	11.0
<b>Realization (INR '000/ton)</b>	<b>184.2</b>	<b>192.8</b>	<b>200.5</b>	<b>204.0</b>	<b>208.0</b>	<b>209.1</b>	<b>210.1</b>	<b>211.4</b>	<b>195.6</b>	<b>209.7</b>
Change (%)	-15.9	-6.4	-4.0	5.7	12.9	8.4	4.8	3.7	-4.7	7.2
<b>Net operating income</b>	<b>9,044</b>	<b>8,909</b>	<b>9,437</b>	<b>11,257</b>	<b>11,137</b>	<b>10,969</b>	<b>10,804</b>	<b>13,087</b>	<b>38,647</b>	<b>45,997.2</b>
Change (%)	-20.6	-20.7	-11.0	11.3	23.1	23.1	14.5	16.3	-10.2	19.0
RM/Sales (%)	34.4	34.4	32.6	35.1	35.0	34.5	34.5	34.1	34.2	34.5
Staff Cost (% of Sales)	10.1	10.1	9.6	9.2	8.8	9.3	9.7	8.9	9.7	9.2
Other Exp. (% of Sales)	28.5	27.6	30.2	27.3	27.5	27.5	27.8	27.9	28.3	27.7
<b>EBITDA</b>	<b>2,444</b>	<b>2,477</b>	<b>2,606</b>	<b>3,200</b>	<b>3,197</b>	<b>3,148</b>	<b>3,028</b>	<b>3,813</b>	<b>10,726</b>	<b>13,186</b>
EBITDA Margins (%)	27.0	27.8	27.6	28.4	28.7	28.7	28.0	29.1	27.8	28.7
Non-Operating Income	256	309	208	222	260	260	290	328	995	1,138
Interest	170	189	183	185	150	150	150	144	728	594
Depreciation	740	726	739	744	750	800	800	818	2949	3,168
EO Exp / (Inc)	0	0	0	-380	0	0	0	0	-380	0
<b>PBT after EO items</b>	<b>1,791</b>	<b>1,870</b>	<b>1,892</b>	<b>2,872</b>	<b>2,557</b>	<b>2,458</b>	<b>2,368</b>	<b>3,178</b>	<b>8,425</b>	<b>10,561</b>
Eff. Tax Rate (%)	31.8	32.2	32.0	27.8	27.0	27.0	27.0	27.0	30.6	27.0
<b>Adj. PAT</b>	<b>1,221</b>	<b>1,269</b>	<b>1,286</b>	<b>1,801</b>	<b>1,866</b>	<b>1,795</b>	<b>1,729</b>	<b>2,320</b>	<b>5,587</b>	<b>7,710</b>
Change (%)	-37.7	-26.3	-22.8	8.7	52.9	41.4	34.4	28.8	-16.9	38.0

E: MOSL Estimates



Bloomberg	GAIL IN
Equity Shares (m)	1691.3
M. Cap. (INR b)/(USD b)	616 / 10
52-Week Range (INR)	434 / 269
1,6,12 Rel Perf. (%)	-9 / -7 / 8

**Financial snapshot (INR b)**

y/e march	2017	2018E	2019E	2020E
Sales	480.7	534.0	616.4	663.7
EBITDA	63.2	76.4	84.1	89.3
Adj. PAT	38.2	44.5	50.3	53.7
Adj. EPS (INR)	22.6	26.3	29.8	31.8
EPS Gr. (%)	71.4	16.7	13.0	6.7
BV/Sh.(INR)	225.6	242.0	260.5	280.3
RoE (%)	9.6	11.3	11.8	11.7
RoCE (%)	8.7	9.7	10.2	10.1
Payout (%)	41.1	37.7	37.7	37.7

**Valuations**

P/E (x)	16.1	13.8	12.2	11.5
P/BV (x)	1.6	1.5	1.4	1.3
EV/EBITDA (x)	9.1	7.8	7.2	6.8
Div. Yield (%)	1.9	2.3	2.6	2.7

**CMP: INR364**

**TP: INR340 (-7%)**

**Sell**

- We expect GAIL to report adj. PAT of INR10.9b (+29% YoY and +4% QoQ). We model nil subsidy sharing for GAIL in 1QFY18 (v/s nil in 1QFY17 and 4QFY17).
- We estimate EBITDA at INR18.6b in 1QFY18 v/s INR15.7b in 1QFY17 and INR15.3b in 4QFY17.
- We model Brent crude price of USD50/bbl for FY18 and USD55/bbl for FY19/20.
- Segmental EBIT (pre-subsidy) is expected to be INR15b (+22% YoY), led by a turnaround in petchem division profitability and likely higher gas transmission profitability.
- GAIL trades at 11.8x FY19E EPS of INR29.8. Maintain Sell.

**Key issues to watch for**

- (a) Petchem profitability, (b) profitability in the gas trading business, (c) progress of pipeline projects, (d) pending tariff revisions for key pipelines and (e) visibility on placement of US contracts.

**Quarterly Performance**

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>106,866</b>	<b>118,582</b>	<b>121,079</b>	<b>134,217</b>	<b>127,921</b>	<b>133,754</b>	<b>136,477</b>	<b>137,254</b>	<b>480,743</b>	<b>535,406</b>
Change (%)	-14.6	-15.8	-9.5	15.4	19.7	12.8	12.7	2.3	-6.9	11.4
<b>EBITDA</b>	<b>15,732</b>	<b>15,155</b>	<b>17,015</b>	<b>15,250</b>	<b>18,628</b>	<b>19,179</b>	<b>19,331</b>	<b>19,232</b>	<b>63,152</b>	<b>76,371</b>
% of Net Sales	14.7	12.8	14.1	11.4	14.6	14.3	14.2	14.0	13.1	14.3
Depreciation	3,354	3,563	3,579	3,471	3,580	3,580	3,580	3,537	13,968	14,277
Interest	1,774	1,198	1,601	220	860	860	860	857	4,794	3,437
Other Income	1,362	3,361	3,002	4,981	2,350	2,350	2,350	1,762	12,705	8,812
Extraordinary item	4,893	0	0	-7,880	0	0	0	0	-2,987	0
<b>PBT</b>	<b>16,858</b>	<b>13,755</b>	<b>14,836</b>	<b>8,659</b>	<b>16,538</b>	<b>17,089</b>	<b>17,241</b>	<b>16,601</b>	<b>54,108</b>	<b>67,469</b>
Tax	3,506	4,508	5,007	6,058	5,623	5,810	5,862	5,644	19,079	22,940
Rate (%)	20.8	32.8	33.7	70.0	34.0	34.0	34.0	34.0	35.3	34.0
<b>PAT</b>	<b>13,352</b>	<b>9,247</b>	<b>9,829</b>	<b>2,602</b>	<b>10,915</b>	<b>11,279</b>	<b>11,379</b>	<b>10,956</b>	<b>35,029</b>	<b>44,530</b>
<b>Adj. PAT</b>	<b>8,459</b>	<b>9,247</b>	<b>9,829</b>	<b>10,482</b>	<b>10,915</b>	<b>11,279</b>	<b>11,379</b>	<b>10,956</b>	<b>38,016</b>	<b>44,530</b>
Change (%)	99.4	109.9	48.0	36.1	29.0	22.0	15.8	4.5	65.4	17.1
<b>EPS (INR)</b>	<b>5.0</b>	<b>5.5</b>	<b>5.8</b>	<b>6.2</b>	<b>6.5</b>	<b>6.7</b>	<b>6.7</b>	<b>6.5</b>	<b>22.5</b>	<b>26.3</b>
<b>Key Assumptions</b>										
Gas Trans. volume (mmsmd)	96	101	103	102	105	108	109	111	100	108
Petchem sales ('000MT)	110	136	146	186	200	200	200	210	578	810

E: MOSL Estimates





# Gujarat Gas

Bloomberg	GUJGA IN
Equity Shares (m)	137.7
M. Cap. (INR b)/(USD b)	104 / 2
52-Week Range (INR)	880 / 487
1,6,12 Rel Perf. (%)	0 / 23 / 23

### Financial snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Sales	50.9	68.4	79.3	87.8
EBITDA	7.5	10.9	13.3	14.3
PAT	2.8	4.6	6.4	7.1
EPS (INR)	20.4	33.7	46.5	51.8
EPS Gr. (%)	36.3	64.7	38.0	11.5
BV/Sh.(INR)	119.5	146.9	184.6	226.8
RoE (%)	17.8	25.3	28.0	25.2
RoCE (%)	14.5	21.5	26.5	27.0
Payout (%)	18.7	18.7	18.7	18.7

### Valuations

P/E (x)	36.8	22.3	16.2	14.5
P/BV (x)	6.3	5.1	4.1	3.3
EV/EBITDA (x)	16.8	11.4	9.0	8.1
Div. Yield (%)	0.4	0.7	1.0	1.1

**CMP: INR752**

**TP: INR697 (-7%)**

**Sell**

- We expect GUJGA to report volumes of 6.2mmscmd, and assume EBITDA/scm at INR3.3 for 1QFY18.
- We expect 1QFY18 PNG industrial/commercial volumes at 4.4mmscmd (+24% YoY, +2% QoQ) and PNG household volumes at 0.6mmscmd (+47% YoY, +2% QoQ). We expect CNG volumes at 1.3mmscmd (+14% YoY, +5% QoQ).
- We model total volumes of 6.5/7.3/8.1mmscmd in FY18/FY19/FY20.
- We expect GUJGA to report EBITDA of INR1.8b (-15% YoY, +27% QoQ) for 1QFY18.
- We expect GUJGA to report PAT of INR579m (-24% YoY, +75% QoQ).
- The stock trades at 16.2x FY19E EPS of INR46.5. Maintain Sell.

### Key issues to watch for

- PNG and CNG volumes.
- EBITDA/scm.
- Gas cost.

### Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>12,248</b>	<b>12,371</b>	<b>12,309</b>	<b>14,002</b>	<b>15,438</b>	<b>17,155</b>	<b>17,523</b>	<b>18,236</b>	<b>50,930</b>	<b>68,352</b>
YoY Change (%)	-26.7	-21.3	-17.1	1.6	26.0	38.7	42.4	30.2	-16.6	34.2
Total Expenditure	10,058	10,243	10,600	12,539	13,581	14,217	14,490	15,175	43,439	57,463
<b>EBITDA</b>	<b>2,190</b>	<b>2,129</b>	<b>1,709</b>	<b>1,463</b>	<b>1,857</b>	<b>2,938</b>	<b>3,033</b>	<b>3,061</b>	<b>7,491</b>	<b>10,889</b>
Margins (%)	17.9	17.2	13.9	10.4	12.0	17.1	17.3	16.8	14.7	15.9
Depreciation	632	645	653	643	710	710	710	710	2,672	2,840
Interest	534	541	539	476	407	407	407	407	1,518	1,629
Other Income	62	53	75	71	125	125	125	125	372	499
<b>PBT before EO expense</b>	<b>1,086</b>	<b>995</b>	<b>593</b>	<b>415</b>	<b>864</b>	<b>1,945</b>	<b>2,040</b>	<b>2,069</b>	<b>3,672</b>	<b>6,919</b>
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>1,086</b>	<b>995</b>	<b>593</b>	<b>415</b>	<b>864</b>	<b>1,945</b>	<b>2,040</b>	<b>2,069</b>	<b>3,672</b>	<b>6,919</b>
Tax	327	277	170	84	285	642	673	683	858	2,283
Rate (%)	30.1	27.8	28.6	20.2	33.0	33.0	33.0	33.0	23.4	33.0
<b>Reported PAT</b>	<b>759</b>	<b>718</b>	<b>423</b>	<b>331</b>	<b>579</b>	<b>1,303</b>	<b>1,367</b>	<b>1,386</b>	<b>2,814</b>	<b>4,635</b>
<b>Adj. PAT</b>	<b>759</b>	<b>718</b>	<b>423</b>	<b>331</b>	<b>579</b>	<b>1,303</b>	<b>1,367</b>	<b>1,386</b>	<b>2,814</b>	<b>4,635</b>
YoY Change (%)	29.5	158.8	31.5	-63.9	-23.7	81.4	223.3	318.3	36.3	64.7
Margins (%)	6.2	5.8	3.4	2.4	3.8	7.6	7.8	7.6	5.5	6.8
<b>Total volume (mmscmd)</b>	<b>5.1</b>	<b>5.2</b>	<b>5.3</b>	<b>6.1</b>	<b>6.2</b>	<b>6.4</b>	<b>6.6</b>	<b>6.8</b>	<b>5.4</b>	<b>6.5</b>
CNG	1.1	1.2	1.2	1.2	1.3	1.4	1.4	1.5	1.2	1.4
PNG - Industrials/commercial	3.5	3.6	3.7	4.3	4.4	4.5	4.6	4.7	3.8	4.6
PNG - Households	0.4	0.4	0.5	0.6	0.6	0.6	0.6	0.6	0.5	0.6
<b>EBITDA (INR/scm)</b>	<b>4.8</b>	<b>4.5</b>	<b>3.5</b>	<b>2.7</b>	<b>3.3</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>3.9</b>	<b>4.6</b>

E: MOSL Estimates



# Manpasand Beverages

Equity Shares (m)	MANB IN
M. Cap. (INR b)/(USD b)	57.2
52-Week Range (INR)	44 / 1
1,6,12 Rel Perf. (%)	886 / 507
Equity Shares (m)	0 / 23 / 17

## Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	7.0	10.2	15.0	19.6
EBITDA	1.4	2.1	3.0	3.9
NP	0.7	1.2	1.8	2.4
Adj EPS (INR)	12.7	20.3	30.9	41.3
EPS Gr. (%)	25.8	59.5	52.5	33.8
BV/Sh. (INR)	201.6	216.9	240.2	271.3
RoE (%)	7.3	8.5	13.5	16.2
RoCE (%)	8.4	9.7	15.4	18.4

## Valuations

P/E (x)	61.3	38.4	25.2	18.8
P/BV (x)	3.9	3.6	3.2	2.9
EV/EBITDA (x)	30.2	20.8	14.1	10.4
EV/Sales (x)	6.0	4.2	2.8	2.1

**CMP: INR778 TP: INR927 (+19%) Buy**

- We expect revenue to grow 30% YoY to INR2,981m in 1QFY18, with healthy growth in *Mango Sip* and increased traction in *Fruits Up*.
- EBITDA margin is likely to remain flattish at 19.8%, and EBITDA is expected to grow 30% YoY to INR590m.
- The tie-up with Parle Products is giving Manpasand access to Parle's 4.5m outlets pan India, and should boost its distribution network.
- We estimate PAT at INR366m, as against INR286m in 1QFY17, a growth of 28%. **Buy.**

### Key issues to watch for

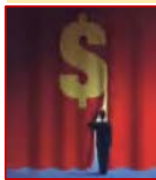
- Update on expected tie-ups with large companies.
- Update on advertisement campaigns and plans ahead.
- Update on commissioning of Vadodara plant.

## Standalone Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>2,293</b>	<b>1,025</b>	<b>1,025</b>	<b>2,672</b>	<b>2,981</b>	<b>1,486</b>	<b>1,678</b>	<b>4,101</b>	<b>7,015</b>	<b>10,247</b>
YoY Change (%)	57.9	34.6	11.6	28.6	30.0	45.0	63.8	53.5	30.9	46.1
Total Expenditure	1,841	803	819	2,154	2,391	1,165	1,333	3,277	5,617	8,165
<b>EBITDA</b>	<b>453</b>	<b>222</b>	<b>205</b>	<b>518</b>	<b>590</b>	<b>321</b>	<b>346</b>	<b>824</b>	<b>1,398</b>	<b>2,081</b>
Margins (%)	19.7	21.7	20.0	19.4	19.8	21.6	20.6	20.1	19.9	20.3
Depreciation	149	171	177	241	201	210	283	272	738	966
Interest	1	8	2	1	1	2	1	1	12	5
Other Income	17	17	60	85	24	21	68	102	179	215
<b>PBT</b>	<b>320</b>	<b>61</b>	<b>86</b>	<b>361</b>	<b>412</b>	<b>130</b>	<b>130</b>	<b>653</b>	<b>827</b>	<b>1,325</b>
Tax	33	7	13	48	46	15	21	72	101	154
Rate (%)	10.4	10.8	15.6	13.2	11.1	11.8	16.2	11.0	12.2	11.6
Minority Interest & P&L of Asso. Cos	0	0	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>286</b>	<b>54</b>	<b>72</b>	<b>313</b>	<b>366</b>	<b>115</b>	<b>109</b>	<b>581</b>	<b>726</b>	<b>1,171</b>
<b>Adj PAT</b>	<b>286</b>	<b>54</b>	<b>72</b>	<b>313</b>	<b>366</b>	<b>115</b>	<b>109</b>	<b>581</b>	<b>726</b>	<b>1,171</b>
YoY Change (%)	82.5	24.5	49.0	22.5	27.9	111.9	50.2	85.5	11.0	61.3
Margins (%)	12.5	5.3	7.1	11.7	12.3	7.7	6.5	14.2	10.4	11.4

E: MOSL Estimates



# Page Industries

Bloomberg	PAG IN
Equity Shares (m)	11.2
M. Cap. (INR b)/(USD b)	195 / 3
52-Week Range (INR)	17965 / 12360
1,6,12 Rel Perf. (%)	22 / 9 / 10

### Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	21.5	26.1	32.2	39.7
EBITDA	4.3	5.5	6.9	10.1
Adj. PAT	2.7	3.5	4.5	6.6
Adj. EPS (INR)	238.7	317.0	400.0	595.0
EPS Gr. %	15.0	32.8	26.2	48.7
FCF to PAT	0.8	0.7	0.7	0.8
BV/Sh.INR	596.9	755.4	935.4	1173.4
RoE (%)	40.0	42.0	42.8	50.7
RoCE (%)	40.4	42.5	43.8	53.9
Payout (%)	43.7	50.0	55.0	60.0
<b>Valuations</b>				
P/E (x)	73.1	55.0	43.6	29.3
EV/EBITDA (x)	45.4	35.4	28.1	19.0

**CMP: INR17,447 TP: INR20,195 (+16%)**

**Buy**

- We expect Page to report net sales of INR6.8b, up 19% YoY, led by ~15% volume growth.
- We expect EBITDA margin to expand YoY by 300bp to 22.1% (mainly due to favorable base) and PAT to post 45.2% YoY growth to INR986m.
- The stock trades at 43.6x FY19E EPS of INR400; maintain Buy.

### Key issues to watch for:

- Volume trends and management commentary on demand environment.
- Update on EBO growth prospects.

### Quarterly Performance

(INR Million)

Y/E MARCH	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>5,719</b>	<b>5,378</b>	<b>5,283</b>	<b>5,077</b>	<b>6,805</b>	<b>6,722</b>	<b>6,339</b>	<b>6,259</b>	<b>21,456</b>	<b>26,126</b>
YoY Change (%)	27.4	15.3	19.2	14.8	19.0	25.0	20.0	23.3	19.2	21.8
COGS	2,570	2,156	2,131	1,766	2,786	2,695	2,494	2,214	8,623	10,189
<b>Gross Profit</b>	<b>3,149</b>	<b>3,222</b>	<b>3,151</b>	<b>3,311</b>	<b>4,020</b>	<b>4,027</b>	<b>3,845</b>	<b>4,045</b>	<b>12,833</b>	<b>15,937</b>
Gross margin (%)	55.1	59.9	59.7	65.2	59.1	59.9	60.7	64.6	59.8	61.0
Other Expenditure	2,057	2,147	2,160	2,249	2,516	2,617	2,656	2,666	8,613	10,453
% to sales	36.0	39.9	40.9	44.3	37.0	38.9	41.9	42.6	40.1	40.0
<b>EBITDA</b>	<b>1,092</b>	<b>1,075</b>	<b>991</b>	<b>1,061</b>	<b>1,504</b>	<b>1,411</b>	<b>1,190</b>	<b>1,379</b>	<b>4,220</b>	<b>5,484</b>
Margins (%)	19.1	20.0	18.8	20.9	22.1	21.0	18.8	22.0	19.7	21.0
YoY Change	8.8	6.3	19.6	14.7	37.7	31.3	20.0	30.0	12.0	30.0
Depreciation	59	60	62	66	59	60	62	66	247	248
Interest	39	40	45	56	20	20	22	32	180	94
Other Income	59	62	20	15	38	40	13	13	156	105
<b>PBT</b>	<b>1,053</b>	<b>1,037</b>	<b>904</b>	<b>955</b>	<b>1,464</b>	<b>1,371</b>	<b>1,118</b>	<b>1,295</b>	<b>3,948</b>	<b>5,247</b>
Tax	373	350	275	287	477	447	364	422	1,285	1,710
Rate (%)	35.5	33.8	30.4	30.1	32.6	32.6	32.6	32.6	32.6	32.6
<b>PAT</b>	<b>679</b>	<b>687</b>	<b>629</b>	<b>668</b>	<b>986</b>	<b>924</b>	<b>753</b>	<b>873</b>	<b>2,663</b>	<b>3,536</b>
YoY Change (%)	8.5	14.0	20.9	17.8	45.2	34.5	19.8	30.7	15.0	32.8

E: MOSL Estimates



# Petronet LNG

Bloomberg	PLNG IN
Equity Shares (m)	1500.0
M. Cap. (INR b)/(USD b)	321 / 5
52-Week Range (INR)	229 / 141
1,6,12 Rel Perf. (%)	-4 / -3 / 30

**CMP: INR214 TP: INR259 (+21%) Buy**

- We expect PLNG to report PAT of INR4.6b (+22% YoY, -2% QoQ) and EBITDA of INR6.9b (+8% YoY, +12% QoQ) for 1QFY18.
- We model Dahej LNG volumes at 3.75mmt, with 100% utilization in 1QFY18.
- PLNG's long-term growth would depend on Dahej's ramp-up and Kochi terminal's pipeline connectivity.
- As against 15mmt capacity, PLNG has ~16mmt long-term take-or-pay contracts.
- The stock trades at 11.9x FY19E EPS of INR17.9. Maintain Buy.

### Financial snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Sales	246.2	267.0	338.1	343.5
EBITDA	25.9	30.5	39.3	40.2
Adj. PAT	17.1	20.8	26.9	27.3
Adj. EPS (INR)	11.4	13.8	17.9	18.2
EPS Gr. (%)	102.7	21.7	29.6	1.5
BV/Sh.(INR)	54.0	63.9	76.8	89.9
RoE (%)	23.2	23.5	25.5	21.8
RoCE (%)	20.2	20.7	24.0	21.8
Payout (%)	25.7	28.1	28.1	28.1

### Valuation

P/E (x)	18.8	15.5	11.9	11.7
P/BV (x)	4.0	3.3	2.8	2.4
EV/EBITDA (x)	1.3	1.2	0.9	0.3
Div. Yield (%)	1.2	1.6	2.0	4.1

### Key issues to watch for

- Utilization at Dahej terminal.
- Progress on Kochi-Mangalore pipeline.
- Spot volumes and marketing margin on spot volumes.

### Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>53,373</b>	<b>66,144</b>	<b>62,993</b>	<b>63,651</b>	<b>60,545</b>	<b>68,211</b>	<b>68,654</b>	<b>69,549</b>	<b>246,160</b>	<b>266,959</b>
YoY Change (%)	-36.3	-12.3	22.4	4.9	13.4	3.1	9.0	9.3	-9.3	8.4
<b>EBITDA</b>	<b>6,425</b>	<b>7,264</b>	<b>6,071</b>	<b>6,163</b>	<b>6,932</b>	<b>7,784</b>	<b>7,719</b>	<b>8,104</b>	<b>25,923</b>	<b>30,539</b>
Margins (%)	12.0	11.0	9.6	9.7	11.4	11.4	11.2	11.7	10.5	11.4
Depreciation	806	860	1,009	1,016	1,078	1,078	1,078	1,078	3,691	4,310
Interest	556	554	517	469	267	267	267	267	2,097	1,068
Other Income	494	915	550	1,508	1,014	1,014	1,014	1,014	3,466	4,056
<b>PBT</b>	<b>5,556</b>	<b>6,765</b>	<b>5,095</b>	<b>6,186</b>	<b>6,601</b>	<b>7,454</b>	<b>7,389</b>	<b>7,773</b>	<b>23,602</b>	<b>29,217</b>
Tax	1,777	2,170	1,121	1,478	1,980	2,236	2,217	2,332	6,545	8,765
Rate (%)	32	32	22	24	30	30	30	30	28	30
<b>PAT</b>	<b>3,779</b>	<b>4,596</b>	<b>3,975</b>	<b>4,708</b>	<b>4,621</b>	<b>5,218</b>	<b>5,172</b>	<b>5,441</b>	<b>17,057</b>	<b>20,452</b>
YoY Change (%)	115.8	84.7	122.8	96.8	22.3	13.5	30.1	15.6	102.7	19.9
Margins (%)	7.1	6.9	6.3	7.4	7.6	7.6	7.5	7.8	6.9	7.7

### Key Assumptions

Regas volume (tbtu)	50.1	60.7	75.3	71.1	92.0	94.3	94.3	94.3	257.1	374.8
Sales volume (tbtu)	118.1	128.2	116.1	108.9	103.9	117.4	117.4	117.4	471.2	456.2

E: MOSL Estimates





# Union Bank of India

Bloomberg	UNBK IN
Equity Shares (m)	687.4
M. Cap. (INR b)/(USD b)	101 / 2
52-Week Range (INR)	205 / 116
1,6,12 Rel Perf. (%)	-9 / -1 / -6

## Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	89.0	100.4	114	130
OP	74.3	77.0	87.6	100.1
NP	5.6	17.9	25.1	33.6
NIM (%)	2.3	2.3	2.3	2.3
EPS (INR)	7.6	24.6	34.5	46.2
EPS Gr. (%)	-61.1	221.6	40.5	33.8
BV/Sh. (INR)	293.2	314.9	345	386
ABV/Sh. (INR)	111.7	122.2	165	219
RoE (%)	2.7	8.1	10.5	12.6
RoA (%)	0.1	0.4	0.5	0.6
Div. Payout (%)	0.0	11.6	11.6	11.6

Valuations				
P/E(X)	19.1	5.9	4.2	3.2
P/BV (X)	0.50	0.46	0.42	0.38
P/ABV (X)	1.3	1.2	0.89	0.67
Div. Yield (%)	0.0	1.7	2.4	3.2

**CMP: INR146 TP: INR162 (+11%) Neutral**

- Muted growth environment, capital constraints and low risk appetite would lead to +2%/14% QoQ/YoY growth in advances(annual growth driven by a low base). Deposit growth is expected to be healthy at ~15% YoY.
- NIM is expected to stay flat QoQ. NII growth is expected to be healthy at ~15% YoY.
- Other income is likely to grow ~3% YoY, although trading gains would be lower than in 4QFY17. Opex growth of 9% would trail total income growth of 11%, driving strong PPOp growth of 13%.
- Slippages are expected to moderate, but remain at elevated levels at 3%. Healthy recoveries should keep net slippages under control at ~1.9%. As a result, total credit costs are expected to moderate to 1.6% (similar to previous quarter).
- Overall, we expect PAT growth to be high QoQ/YoY on a low base. The stock trades at 0.4x FY19E BV and 4.2x FY19E EPS. Maintain Neutral.

### Key issues to watch for

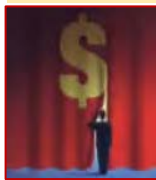
- Performance on asset quality—slippage from restructured loans, going forward.
- Trends and efforts to improve CASA ratio and NIM.
- Update and trends on balance sheet growth.

## Quarterly Performance

(INR Million)

	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Interest Income</b>	<b>21,023</b>	<b>22,774</b>	<b>21,366</b>	<b>23,870</b>	<b>24,120</b>	<b>24,688</b>	<b>25,441</b>	<b>26,190</b>	<b>89,034</b>	<b>100,439</b>
% Change (YoY)	-1.3	8.4	7.0	14.5	14.7	8.4	19.1	9.7	7.1	12.8
Other Income	10,399	11,394	13,397	14,456	10,679	11,590	11,710	14,179	49,646	48,158
<b>Net Income</b>	<b>31,421</b>	<b>34,169</b>	<b>34,763</b>	<b>38,326</b>	<b>34,799</b>	<b>36,278</b>	<b>37,151</b>	<b>40,369</b>	<b>138,680</b>	<b>148,597</b>
Operating Expenses	15,171	15,972	16,250	16,986	16,481	17,542	17,888	19,639	64,378	71,551
<b>Operating Profit</b>	<b>16,251</b>	<b>18,197</b>	<b>18,513</b>	<b>21,341</b>	<b>18,317</b>	<b>18,736</b>	<b>19,263</b>	<b>20,730</b>	<b>74,301</b>	<b>77,046</b>
% Change (YoY)	9.2	29.0	38.8	51.4	12.7	3.0	4.1	-2.9	31.7	3.7
Other Provisions	13,530	16,203	16,701	24,441	11,500	12,000	12,500	13,991	70,875	49,991
<b>Profit before Tax</b>	<b>2,721</b>	<b>1,994</b>	<b>1,811</b>	<b>-3,101</b>	<b>6,817</b>	<b>6,736</b>	<b>6,763</b>	<b>6,739</b>	<b>3,426</b>	<b>27,055</b>
Tax Provisions	1,058	227	771	-4,183	2,318	2,290	2,300	2,291	-2,126	9,199
<b>Net Profit</b>	<b>1,663</b>	<b>1,767</b>	<b>1,040</b>	<b>1,082</b>	<b>4,499</b>	<b>4,446</b>	<b>4,464</b>	<b>4,447</b>	<b>5,552</b>	<b>17,856</b>
% Change (YoY)	-67.9	-73.2	32.4	12.6	170.5	151.6	329.2	310.9	-58.9	221.6
<b>Operating Parameters</b>										
NIM (Cal, %)	2.3	2.4	2.1	2.3	2.3	2.3	2.3	2.3	2.3	2.3
Deposit Growth (%)	3.5	9.3	16.0	10.4	15.1	11.1	8.9	12.0	10.4	12.0
Loan Growth (%)	3.5	7.7	3.5	7.1	13.8	12.4	15.7	10.0	7.1	10.0
Tax Rate (%)	38.9	11.4	42.6	134.9	34.0	34.0	34.0	34.0	-62.1	34.0
<b>Asset Quality</b>										
Gross NPA (INR b)	272.8	298.6	324.0	337.1	344.6	354.7	367.3	372.9	337.1	372.9
Gross NPA (%)	10.2	10.7	11.7	11.2	11.2	11.3	11.5	11.2	11.2	11.2

E: MOSL Estimates



# United Breweries

Bloomberg	UBBL IN
Equity Shares (m)	264.4
M. Cap. (INR b)/(USD b)	212 / 3
52-Week Range (INR)	976 / 716
1,6,12 Rel Perf. (%)	0 / -16 / -11

### Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	47.3	48.7	56.5	67.1
EBITDA	6.4	6.1	8.1	10.3
PAT	2.3	2.6	3.9	4.9
EPS (INR)	8.7	9.7	14.7	18.6
EPS Gr. (%)	-23.0	11.6	51.9	26.5
BV/Sh.(INR)	87.1	94.9	107.3	123.4
RoE (%)	10.4	10.7	14.6	16.2
RoCE (%)	10.3	9.4	12.7	14.1

### Valuations

P/E (x)	92.4	82.8	54.5	43.1
P/BV (x)	9.2	8.5	7.5	6.5
EV/EBITDA (x)	33.7	34.5	26.4	20.3
EV/Sales (x)	4.6	4.3	3.8	3.1

**CMP: INR803 TP: INR850 (+6%) Neutral**

- We expect United Breweries' revenue to decline by 8% YoY to INR14.4b.
- We build in EBITDA margin contraction of 300bp YoY to 15.6%, and 22.8% EBITDA decline YoY to INR2.2b.
- We estimate 20.3% PAT decline in 1QFY18.
- The stock trades at 54.5x FY19E EPS of INR14.7. Maintain Neutral.

### Key issues to watch for:

- Trends in volume growth and margins.
- Price trend and outlook for raw materials.
- Comment on highway ban impact on stores with 500m proximity.

### Quarterly Performance (Standalone)

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>15,642</b>	<b>10,322</b>	<b>10,250</b>	<b>11,127</b>	<b>14,391</b>	<b>10,838</b>	<b>11,070</b>	<b>12,410</b>	<b>47,341</b>	<b>48,709</b>
YoY Change (%)	7.5	-3.7	-6.6	-8.4	-8.0	5.0	8.0	11.5	-2.2	2.9
Total Expenditure	12,733	9,139	8,942	10,116	12,146	9,650	9,547	11,248	40,930	42,591
<b>EBITDA</b>	<b>2,909</b>	<b>1,183</b>	<b>1,308</b>	<b>1,011</b>	<b>2,245</b>	<b>1,188</b>	<b>1,523</b>	<b>1,161</b>	<b>6,412</b>	<b>6,118</b>
YoY Change (%)	17.1	-12.4	-27.3	-21.3	-22.8	0.4	16.5	14.9	-7.3	-4.6
Margins (%)	18.6	11.5	12.8	9.1	15.6	11.0	13.8	9.4	13.5	12.6
Depreciation	637	702	698	833	605	667	663	786	2,870	2,720
Interest	148	141	153	144	34	34	34	34	587	135
Other Income	136	8	330	43	136	8	330	79	516	553
<b>PBT</b>	<b>2,260</b>	<b>348</b>	<b>787</b>	<b>76</b>	<b>1,742</b>	<b>496</b>	<b>1,156</b>	<b>422</b>	<b>3,472</b>	<b>3,816</b>
Tax	790	106	274	9	570	162	378	137	1,178	1,247
Rate (%)	34.9	30.4	34.8	11.7	32.7	32.7	32.7	32.5	33.9	32.7
Minority Interest & P&L of Asso. Cos.	0	0	0	0	1	1	1	1	0	4
<b>Reported PAT</b>	<b>1,471</b>	<b>242</b>	<b>513</b>	<b>67</b>	<b>1,172</b>	<b>333</b>	<b>777</b>	<b>283</b>	<b>2,293</b>	<b>2,565</b>
<b>Adj PAT</b>	<b>1,471</b>	<b>242</b>	<b>513</b>	<b>67</b>	<b>1,172</b>	<b>333</b>	<b>777</b>	<b>283</b>	<b>2,293</b>	<b>2,565</b>
YoY Change (%)	20.4	-53.5	-28.0	-87.1	-20.3	37.3	51.5	321.2	-23.0	11.8
Margins (%)	9.4	2.3	5.0	0.6	8.1	3.1	7.0	2.3	4.8	5.3

E: MOSL Estimates



### 1. Good enough cash reserve to meet capacity plans: Endurance Technologies; Ramesh Gehaney, ED & COO

- Participation levels in scooters and motorcycles increasing with other customers and hope to outperform the industry levels.
- Internal cash reservation is good enough to meet capacity and capex plans. So no major borrowing seen unless some major expansion takes place.
- Regarding GST and demonetization, company is ready for all kinds of changes and dynamics of the industry.

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### 2. Looking to produce 8,000 tonne/day in next 2-3 months at Angul capacity: JSPL; Ravi Uppal, MD & CEO

- Looking to reclaim Rs. 10,000/tonne in terms of EBITDA.
- Newly commissioned plant in Angul producing 5,000 tonne per day. Will try to take it 8,000 tonne a day in next two-three months. By early Q4, should try to touch its full capacity of about 10,000 tonnes.
- All plants are ready to deliver to its capacity as and when demand comes.
- On Supreme Court verdict on Odisha mining case, company has mined strictly according to permissions granted by the government. Absolutely no penalty payable in Odisha mining case.
- Sarda Mines (SMPL) is company's supplier. For last three years, SMPL has suspended supplies so company has been buying from local market. No longer dependent on SMPL.
- Total iron ore fully-paid inventory is around 12 million tonne (mt) and iron ore inventory at Sarda is fully paid for including all duties.
- Technically, iron ore inventory at Sarda mines belong to company. Waiting for SC to reconfirm decision taken by the Odisha High Court – given to understand this will be done in next 10 weeks.
- Has a plan in place to pare debt and is process of restructuring domestic and foreign debt.
- Current focus is on increasing operational profit.

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### 3. Expect non-gold biz to grow to 9-10% of book: Muthoot Finance; George Alexander Muthoot, MD

- Cost of borrowings reduced to 9.33% vs 10.85% YoY. However, lending rates have remained stable at 20%.
- 95% of book consists of gold loans.
- Housing finance business is at Rs. 600 crore currently. Expect to reach Rs. 1,500 crore in the next on year and Rs. 3,000 crore in the year after that.
- Expect non-gold book to grow to 9-10% of the book versus current 5%.

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### 1. Success of insolvency and bankruptcy code can make the country an attractive choice of jurisdiction for resolving insolvency

- The enactment of the Insolvency and Bankruptcy Code (IBC), 2016, is an important reform for India and its implementation has to be meticulously done. India does not have a great track record on the implementation of laws. IBC presents an opportunity to alter that image and exhibit that India can deliver prompt and effective implementation. While the government has chartered the course of its implementation with great zeal, the onus to make IBC successful now rests with other key stakeholders—the judiciary, adjudicating authority, insolvency professionals, lenders and borrowers. Each stakeholder must play an enthusiastic and constructive role in potent implementation of IBC and ensure that IBC matures commensurately with economic developments in the country.

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### 2. We need to ‘galvanise’ the economy

- Consumption of zinc has grown in India over time, helping sectors such as infrastructure, cosmetics, medicines, paints, rubber, surgical tools, plastics, textiles, soaps and batteries expand and grow. But corrosion losses impact India’s GDP considerably every year. This can be checked if we promote galvanisation (cover metals with zinc) in construction. Western countries mandate the use of galvanising for steel structures used in building bridges, highways, airports, metro stations, railway stations, etc. Zinc is the fourth most widely consumed metal in the world — after iron, aluminium and copper. Almost 50 per cent of the zinc mined across the world is used for galvanising, 17 per cent for zinc alloying, 17 per cent for brass and bronze making, 6 per cent in zinc semi-manufactures, 6 per cent in chemicals, and 4 per cent for other miscellaneous purposes.

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### 3. JSW Steel-Bhushan steel deal? revival of like-by-like a decent prospect

- JSW Steel, which has big brownfield expansion plans, is reportedly making a bid for Bhushan Steel, in tie-up with Piramal Enterprises’ stressed assets fund with Bain Capital. With its solid presence in high-end steel, JSW Steel is a beneficial suitor for Bhushan Steel, which is heavily into auto-grade steel, and so, likely to offer a better acquisition price as well. Acquisition by another steel company would be preferable to acquisition by a financial investor. A quick turnaround of stressed assets like Bhushan Steel is desirable, so that valuable assets are quickly deployed productively.


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## International

### 4. A dim outlook for trumponomics

- Now that US President Donald Trump has been in office for six months, we can more confidently assess the prospects for the US economy and economic policymaking under his administration. And, like Trump's presidency more generally, paradoxes abound. The main puzzle is the disconnect between the performance of financial markets and the real. While stock markets continue to reach new highs, the US economy grew at an average rate of just 2% in the first half of 2017—slower growth than under President Barack Obama—and is not expected to perform much better for the rest of the year.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
<b>Automobiles</b>														
Amara Raja	Buy	802	986	23	28.0	28.2	37.9	28.6	28.4	5.3	4.6	20.3	17.3	19.9
Ashok Ley.	Buy	109	118	8	4.6	5.2	7.0	24.0	21.1	5.2	4.6	23.1	23.2	27.0
Bajaj Auto	Buy	2,833	3,281	16	132.3	137.2	163.6	21.4	20.7	4.8	4.4	25.3	22.2	24.0
Bharat Forge	Buy	1,168	1,330	14	26.2	37.7	49.7	44.6	31.0	6.6	5.7	16.2	19.8	22.3
Bosch	Neutral	23,955	23,738	-1	473.1	649.9	766.2	50.6	36.9	8.3	7.3	15.8	21.1	21.9
CEAT	Buy	1,688	2,029	20	93.3	94.2	126.8	18.1	17.9	2.8	2.5	16.9	14.8	17.3
Eicher Mot.	Buy	31,521	31,326	-1	613.8	861.2	1,102.9	51.4	36.6	17.8	12.8	40.3	40.8	38.0
Endurance Tech.	Buy	971	1,025	6	23.5	30.5	38.8	41.3	31.8	7.9	6.5	20.8	22.4	23.6
Escorts	Neutral	635	732	15	20.0	37.1	45.8	31.8	17.1	3.2	2.8	10.6	17.3	18.3
Exide Ind	Buy	207	269	30	8.1	9.2	11.0	25.5	22.5	3.5	3.2	13.9	14.1	15.0
Hero Moto	Neutral	3,884	3,818	-2	169.1	189.3	199.1	23.0	20.5	7.7	6.6	35.7	34.6	31.5
M&M	Buy	1,391	1,618	16	54.3	68.5	82.4	25.6	20.3	3.2	2.9	14.2	13.9	14.9
Mahindra CIE	Not Rated	239	-		5.4	9.9	11.8	44.7	24.3	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	7,669	8,863	16	248.6	281.0	375.3	30.8	27.3	6.4	5.6	20.3	20.1	22.8
Tata Motors	Buy	417	666	60	19.8	30.9	64.3	21.0	13.5	2.4	2.1	9.8	16.5	27.3
TVS Motor	Buy	590	606	3	11.7	16.3	25.9	50.2	36.2	11.6	9.3	25.6	28.6	35.2
<b>Aggregate</b>								<b>29.2</b>	<b>23.1</b>	<b>5.0</b>	<b>4.3</b>	<b>17.1</b>	<b>18.7</b>	<b>22.6</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	489	545	12	15.4	21.8	38.1	31.8	22.4	2.2	2.0	6.9	9.3	14.7
DCB Bank	Neutral	181	192	6	7.0	8.4	10.4	25.8	21.6	2.7	2.2	10.8	11.4	11.8
Equitas Hold.	Buy	164	201	23	5.0	1.7	6.1	32.5	94.7	2.5	2.4	9.5	2.6	8.7
Federal Bank	Buy	109	139	28	4.8	5.4	6.8	22.5	20.2	2.1	1.7	9.9	10.0	10.5
HDFC Bank	Buy	1,765	2,000	13	56.8	68.2	82.1	31.1	25.9	5.3	4.5	18.3	18.8	19.6
ICICI Bank	Buy	291	366	26	15.3	14.9	17.0	19.0	19.5	2.1	2.0	10.2	8.9	9.5
IDFC Bank	Neutral	56	62	10	2.3	2.8	3.2	24.1	20.2	1.3	1.2	5.6	6.3	6.9
IndusInd	Buy	1,636	1,800	10	47.9	61.9	76.8	34.1	26.4	4.9	4.3	15.4	17.3	18.5
J&K Bank	Neutral	80	91	14	-31.3	3.8	8.2	NM	20.8	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	993	1,153	16	26.8	32.4	41.0	37.0	30.6	4.8	4.3	13.8	15.0	16.3
RBL Bank	Under Review	497	-		11.9	18.0	23.7	41.8	27.6	4.4	3.1	12.3	13.6	13.9
South Indian	Buy	28	34	23	2.2	2.9	3.7	12.7	9.7	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,741	2,133	22	73.0	92.3	114.5	23.9	18.9	3.7	3.2	18.9	18.3	19.5
<b>Aggregate</b>								<b>29.7</b>	<b>24.0</b>	<b>3.4</b>	<b>3.0</b>	<b>11.5</b>	<b>12.5</b>	<b>14.2</b>
<b>Banks - PSU</b>														
BOB	Buy	155	212	36	6.0	18.4	22.5	26.0	8.4	1.1	1.0	4.1	11.9	13.2
BOI	Neutral	158	147	-7	-14.8	13.7	22.0	NM	11.6	0.7	0.7	-6.7	6.1	9.0
Canara	Neutral	344	360	5	18.8	30.1	47.0	18.3	11.4	0.7	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	56	49	-12	1.5	6.4	8.6	36.6	8.7	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	295	382	29	29.3	34.4	38.3	10.1	8.6	1.0	0.9	10.1	10.9	11.2
OBC	Neutral	136	150	10	-31.6	17.1	21.4	NM	8.0	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	148	184	24	6.2	5.8	11.0	23.8	25.4	0.8	0.8	3.6	3.2	5.9
SBI	Buy	302	362	20	0.3	17.9	23.3	1,016.0	16.9	1.4	1.3	-0.2	8.7	10.0
Union Bk	Neutral	142	162	14	7.6	24.6	34.5	18.5	5.8	0.5	0.5	2.7	8.1	10.5
<b>Aggregate</b>								<b>109.0</b>	<b>13.6</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>6.5</b>	<b>8.1</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,701	1,800	6	33.6	47.6	62.9	50.6	35.7	9.7	7.9	21.7	24.3	25.9
Bharat Fin.	Neutral	796	820	3	21.0	31.8	68.7	37.9	25.0	4.5	3.6	15.1	16.1	28.0
Capital First	Buy	750	925	23	24.6	33.3	44.3	30.4	22.5	3.2	2.8	12.0	13.3	15.6
Cholaman.Inv.&Fn	Buy	1,162	1,400	20	46.0	56.0	67.3	25.3	20.8	4.2	3.6	18.0	18.6	19.0
Dewan Hsg.	Buy	429	630	47	29.6	37.7	47.1	14.5	11.4	1.7	1.5	14.4	14.1	15.6
GRUH Fin.	Neutral	479	450	-6	8.1	9.9	12.1	58.9	48.2	17.6	14.5	32.5	33.0	32.8
HDFC	Buy	1,731	1,900	10	46.8	52.9	59.0	37.0	32.7	6.8	6.2	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,160	1,350	16	69.0	86.3	108.4	16.8	13.4	4.0	3.6	25.5	28.2	31.3

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
L&T Fin Holdings	Buy	172	200	16	5.2	7.3	10.6	32.8	23.5	3.9	3.4	12.4	15.6	19.1
LIC Hsg Fin	Neutral	678	708	4	38.2	41.6	48.9	17.7	16.3	3.2	2.8	19.4	18.2	18.5
Manappuram	Not Rated	99	-		8.6	10.8	12.5	11.4	9.2	2.5	2.3	24.0	25.9	26.9
M&M Fin.	Buy	424	459	8	7.1	13.9	17.8	59.8	30.5	3.8	3.5	6.5	12.0	14.2
Muthoot Fin	Buy	458	550	20	29.5	41.0	47.1	15.5	11.2	2.8	2.4	19.4	23.2	23.0
PFC	Neutral	134	117	-13	25.7	27.2	30.2	5.2	4.9	0.9	0.8	17.9	17.0	16.8
Repco Home	Buy	672	800	19	29.1	34.5	39.3	23.1	19.5	3.7	3.2	17.4	17.5	17.0
REC	Neutral	176	134	-24	31.4	35.0	40.4	5.6	5.0	1.0	0.9	19.9	19.1	19.1
Shriram City Union	Buy	2,120	2,800	32	84.3	121.7	164.1	25.1	17.4	2.8	2.5	11.7	15.0	17.6
STF	Buy	941	1,330	41	55.6	80.0	102.4	16.9	11.8	1.9	1.7	11.7	15.0	16.9
<b>Aggregate</b>								<b>20.7</b>	<b>17.3</b>	<b>3.5</b>	<b>3.1</b>	<b>16.8</b>	<b>17.7</b>	<b>18.2</b>
<b>Capital Goods</b>														
ABB	Sell	1,388	1,200	-14	19.7	22.4	31.6	70.5	61.9	9.0	7.8	12.7	12.6	15.8
Bharat Elec.	Buy	180	210	17	6.9	7.4	8.3	25.9	24.2	5.3	4.1	20.6	17.0	16.9
BHEL	Sell	133	100	-25	2.1	3.6	4.7	62.0	37.4	1.0	1.0	1.6	2.7	3.4
Blue Star	Neutral	675	610	-10	12.9	17.8	26.6	52.4	38.0	8.5	8.0	18.0	21.7	30.1
CG Cons. Elec.	Buy	216	240	11	4.7	5.0	6.4	46.1	42.8	25.1	18.5	76.4	49.7	49.7
CG Power & Indu.	Sell	76	65	-15	4.1	2.3	4.5	18.5	33.3	1.1	1.1	6.2	3.4	4.2
Cummins	Buy	903	1,170	30	26.5	27.7	35.0	34.1	32.7	6.7	6.2	21.2	19.7	22.8
GE T&D	Neutral	378	395	5	5.7	9.3	11.3	65.9	40.6	9.4	8.2	12.4	21.5	22.7
Havells	Neutral	498	455	-9	9.6	10.9	13.8	52.1	45.5	9.5	8.5	18.2	18.6	20.7
K E C Intl	Neutral	300	295	-2	11.9	13.1	16.4	25.3	23.0	4.9	4.2	21.2	19.5	20.9
L&T	Buy	1,156	1,345	16	42.3	44.8	51.7	27.3	25.8	3.2	3.0	12.2	12.1	12.9
Pennar Eng.	Not Rated	119	-		7.1	9.1	11.2	16.9	13.2	1.7	1.5	10.2	11.6	12.6
Siemens	Neutral	1,324	1,355	2	17.8	22.7	33.0	74.3	58.3	6.9	6.0	9.3	10.3	13.7
Solar Ind	Neutral	875	900	3	20.6	24.2	30.0	42.4	36.1	7.8	6.6	19.8	19.8	20.9
Suzlon Energy	Not Rated	16	-		0.6	0.9	1.0	25.8	18.5	-1.5	-1.6	NM	-8.8	-11.0
Thermax	Sell	877	870	-1	30.8	33.3	34.8	28.4	26.3	3.9	3.5	14.3	14.0	13.2
Va Tech Wab.	Buy	628	800	27	28.9	34.9	39.8	21.7	18.0	3.5	3.0	16.3	17.7	17.5
Voltas	Sell	528	430	-18	15.5	16.8	19.1	34.1	31.4	5.3	4.7	18.0	15.8	16.0
<b>Aggregate</b>								<b>35.2</b>	<b>31.6</b>	<b>4.0</b>	<b>3.6</b>	<b>11.2</b>	<b>11.5</b>	<b>12.6</b>
<b>Cement</b>														
Ambuja Cem.	Buy	273	308	13	4.9	7.0	8.2	55.9	39.3	2.8	2.7	5.1	7.0	7.9
ACC	Neutral	1,813	1,622	-11	36.1	49.8	65.0	50.2	36.4	3.9	3.8	7.9	10.6	13.1
Birla Corp.	Buy	955	1,205	26	29.4	40.9	58.9	32.5	23.3	2.2	2.1	7.5	9.2	12.2
Dalmia Bharat	Buy	2,553	3,282	29	38.8	68.7	89.9	65.9	37.2	4.6	4.1	7.2	11.6	13.4
Grasim Inds.	Neutral	1,090	1,384	27	67.9	71.2	102.6	16.1	15.3	1.8	1.6	11.5	10.9	13.9
India Cem	Neutral	187	201	8	5.6	8.0	11.8	33.2	23.3	1.1	1.1	3.4	4.7	6.6
J K Cements	Buy	1,026	1,287	25	33.7	40.4	53.5	30.4	25.4	4.1	3.6	14.4	15.0	17.2
JK Lakshmi Ce	Buy	431	519	20	7.0	9.7	16.4	61.9	44.3	3.6	3.4	6.0	7.9	12.1
Ramco Cem	Buy	674	806	20	27.3	27.4	34.4	24.7	24.6	4.3	3.7	19.0	16.1	17.5
Orient Cem	Buy	156	185	19	-1.6	4.4	7.1	NM	35.3	3.2	3.0	-3.2	8.8	12.8
Prism Cem	Buy	118	140	19	0.3	3.5	5.6	430.8	33.8	6.2	5.4	1.4	17.0	22.9
Shree Cem	Buy	17,927	22,360	25	384.4	460.4	547.8	46.6	38.9	8.1	6.8	18.4	19.1	19.1
Ultratech	Buy	3,997	4,936	23	96.1	91.5	138.8	41.6	43.7	4.6	4.2	11.6	10.1	14.0
<b>Aggregate</b>								<b>37.0</b>	<b>31.7</b>	<b>3.6</b>	<b>3.3</b>	<b>9.6</b>	<b>10.3</b>	<b>12.7</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,155	1,200	4	21.0	22.2	26.5	55.0	52.1	14.6	13.3	28.5	26.7	28.1
Britannia	Buy	4,061	4,450	10	73.7	85.4	105.5	55.1	47.5	18.1	14.9	36.9	34.4	34.7
Colgate	Buy	1,056	1,285	22	21.2	24.4	29.8	49.7	43.2	22.5	21.4	50.4	50.8	58.2
Dabur	Neutral	310	315	1	7.2	7.7	9.1	42.8	40.1	11.3	9.7	28.4	26.0	26.3
Emami	Buy	1,125	1,310	16	26.5	26.9	33.1	42.4	41.8	14.6	12.4	35.8	32.0	33.9
Godrej Cons.	Neutral	922	995	8	18.9	21.5	24.7	48.8	42.8	11.9	9.2	24.6	24.2	22.8
GSK Cons.	Sell	5,400	4,500	-17	156.1	166.3	181.9	34.6	32.5	7.3	7.1	22.2	22.1	22.4

Company	Reco	CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Downside	FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
HUL	Buy	1,184	1,285	9	19.6	22.9	27.3	60.3	51.6	38.4	37.1	65.6	73.1	82.8
ITC	Neutral	273	280	3	8.4	9.3	10.3	32.5	29.4	7.3	7.3	23.5	24.8	26.3
Jyothy Lab	Neutral	375	395	5	11.2	8.9	11.0	33.4	42.1	6.3	6.4	21.1	15.1	18.6
Marico	Neutral	326	355	9	6.3	6.8	8.2	51.8	47.7	18.1	15.5	36.7	34.9	37.7
Nestle	Sell	6,730	5,740	-15	118.0	115.1	133.6	57.0	58.5	21.5	20.0	39.0	35.5	38.1
Page Inds	Buy	16,679	20,195	21	238.7	317.0	400.0	69.9	52.6	27.9	22.1	40.0	42.0	42.8
Parag Milk	Neutral	242	240	-1	3.6	7.4	12.3	67.1	32.5	3.1	2.8	5.9	9.1	13.4
Pidilite Ind.	Neutral	796	810	2	16.7	18.1	20.6	47.5	44.1	12.3	10.1	28.2	25.2	23.5
P&G Hygiene	Buy	8,124	9,082	12	144.9	155.8	181.6	56.1	52.1	46.3	36.9	45.3	78.9	74.0
Prabhat Dairy	Not Rated	135	-		3.5	3.5	6.4	38.4	39.0	1.9	1.9	5.2	4.9	8.5
United Brew	Neutral	834	850	2	8.7	9.7	14.7	95.9	86.0	9.6	8.8	10.4	10.7	14.6
United Spirits	Neutral	2,538	2,525	-1	26.7	34.5	51.5	94.9	73.6	19.0	13.3	21.3	18.0	20.3
<b>Aggregate</b>								<b>46.2</b>	<b>41.7</b>	<b>12.7</b>	<b>11.8</b>	<b>27.6</b>	<b>28.2</b>	<b>29.3</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	523	510	-2	21.6	20.5	25.5	24.2	25.6	5.2	4.5	23.0	19.0	20.4
Alkem Lab	Neutral	1,784	1,900	6	75.7	79.7	95.0	23.6	22.4	5.0	4.3	23.4	20.7	21.0
Ajanta Pharma	Buy	1,216	2,028	67	58.4	66.1	79.6	20.8	18.4	6.9	5.2	37.7	32.2	29.9
Aurobindo	Buy	684	850	24	39.3	45.7	50.0	17.4	15.0	4.3	3.4	28.3	25.5	22.3
Biocon	Sell	339	330	-3	10.2	9.7	14.2	33.3	34.9	4.2	3.9	12.3	11.1	14.5
Cadila	Buy	484	510	5	14.2	17.8	23.2	34.1	27.2	7.7	6.4	24.8	25.7	27.2
Cipla	Neutral	562	500	-11	15.9	20.0	25.0	35.3	28.2	3.6	3.2	10.2	11.5	12.8
Divis Lab	Neutral	639	680	6	39.7	33.6	40.0	16.1	19.0	3.6	3.3	23.5	18.1	19.4
Dr Reddy's	Neutral	2,047	2,500	22	72.6	85.1	125.2	28.2	24.0	2.8	2.6	9.6	11.3	14.8
Fortis Health	Buy	159	220	39	10.3	2.2	5.6	15.3	72.7	1.6	1.4	11.3	2.1	4.9
Glenmark	Neutral	646	775	20	39.3	42.9	51.7	16.4	15.0	4.1	3.3	24.7	21.6	20.9
Granules	Buy	117	200	71	7.2	8.2	11.5	16.2	14.3	3.0	2.1	21.1	17.7	18.8
GSK Pharma	Neutral	2,382	2,500	5	34.4	46.8	54.9	69.3	50.9	10.1	11.7	14.5	23.0	30.9
IPCA Labs	Neutral	437	480	10	16.1	21.3	28.5	27.2	20.5	2.3	2.1	8.6	10.5	12.7
Jubilant Life	Buy	669	905	35	37.0	47.1	56.7	18.1	14.2	3.0	2.5	18.1	19.5	19.6
Lupin	Buy	953	1,125	18	55.8	41.4	56.3	17.1	23.0	3.2	2.9	20.6	13.2	16.0
Sanofi India	Buy	4,150	4,820	16	129.1	133.6	160.6	32.1	31.1	5.5	5.1	17.1	16.6	18.1
Shilpa Medicare	Buy	617	805	30	14.0	21.1	30.4	44.1	29.2	5.4	4.6	14.4	17.0	20.4
Strides Shasun	Buy	978	1,300	33	32.3	47.4	74.8	30.3	20.6	3.2	2.9	10.7	14.7	20.1
Sun Pharma	Buy	475	650	37	26.1	25.2	30.8	18.2	18.8	3.1	3.0	18.5	16.1	17.9
Syngene Intl	Not Rated	453	-		13.0	16.1	18.0	34.8	28.1	7.0	5.7	22.2	22.5	20.7
Torrent Pharma	Neutral	1,231	1,350	10	55.2	53.4	67.3	22.3	23.0	4.8	4.2	23.8	19.5	21.5
<b>Aggregate</b>								<b>23.5</b>	<b>22.8</b>	<b>4.0</b>	<b>3.6</b>	<b>17.0</b>	<b>15.6</b>	<b>17.0</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	164	228	39	9.8	12.2	14.3	16.7	13.5	2.5	2.2	12.6	17.2	17.8
Blue Dart	Not Rated	3,956	-		102.5	129.9	163.2	38.6	30.4	17.1	13.0	50.5	48.6	46.8
Concor	Neutral	1,168	1,214	4	38.0	42.1	48.6	30.8	27.7	3.2	3.1	10.8	11.3	12.4
Gateway Distriparks	Buy	264	313	19	6.8	10.7	13.6	38.8	24.6	2.3	2.2	5.9	9.1	11.1
Gati	Not Rated	114	-		8.4	15.9	23.9	13.7	7.2	1.9	1.7	12.4	19.4	25.4
Transport Corp.	Not Rated	280	-		16.9	21.0	25.9	16.5	13.3	2.6	2.2	16.7	17.8	18.6
<b>Aggregate</b>								<b>28.6</b>	<b>23.5</b>	<b>3.5</b>	<b>3.2</b>	<b>12.2</b>	<b>13.8</b>	<b>15.3</b>
<b>Media</b>														
Dish TV	Buy	74	105	41	1.0	1.4	4.0	75.3	52.3	16.1	12.3	24.1	26.8	327.5
D B Corp	Buy	377	450	19	20.4	23.7	27.6	18.5	15.9	4.3	3.9	25.5	25.8	26.6
Den Net.	Neutral	82	90	10	-8.6	-2.7	0.3	NM	NM	1.5	1.7	-12.0	-5.3	0.7
Ent.Network	Neutral	841	928	10	11.4	13.4	21.7	73.6	62.9	4.7	4.4	6.7	7.2	10.7
Hind. Media	Buy	269	350	30	25.9	28.3	33.6	10.4	9.5	1.8	1.5	19.0	17.3	17.3
HT Media	Neutral	84	90	7	7.4	7.9	8.1	11.3	10.6	0.8	0.7	7.1	6.9	6.4
Jagran Prak.	Buy	178	225	26	10.8	12.3	14.0	16.6	14.5	2.4	2.4	17.6	16.4	17.2
Music Broadcast	Buy	347	469	35	6.4	9.3	14.0	54.0	37.3	3.6	3.3	11.2	9.3	12.4



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
PVR	Buy	1,357	1,628	20	20.5	30.9	46.9	66.1	43.9	6.6	5.8	10.4	14.0	18.2
Siti Net.	Neutral	25	32	26	-1.8	-0.1	0.5	NM	NM	3.5	3.6	-23.5	-2.0	6.9
Sun TV	Neutral	710	860	21	24.9	28.5	35.9	28.6	24.9	7.1	6.5	25.0	26.3	30.2
Zee Ent.	Buy	539	630	17	23.1	14.7	18.9	23.3	36.5	8.9	7.7	24.7	22.6	24.5
<b>Aggregate</b>								<b>39.7</b>	<b>30.2</b>	<b>5.6</b>	<b>5.1</b>	<b>14.2</b>	<b>17.0</b>	<b>22.2</b>
<b>Metals</b>														
Hindalco	Buy	239	310	30	16.2	22.1	26.3	14.8	10.8	1.8	1.5	14.0	15.4	15.4
Hind. Zinc	Sell	286	246	-14	19.7	22.6	26.9	14.6	12.7	3.9	4.2	24.4	32.0	35.1
JSPL	Buy	136	194	43	-20.9	-15.8	2.0	NM	NM	0.4	0.4	-7.9	-4.9	0.6
JSW Steel	Buy	230	297	29	14.8	21.9	25.7	15.5	10.5	2.4	2.0	17.3	21.3	20.8
Nalco	Neutral	70	70	0	3.7	3.8	4.2	19.1	18.7	1.3	1.3	7.2	7.0	7.5
NMDC	Buy	126	180	43	10.0	12.1	12.2	12.7	10.4	1.8	1.7	12.4	15.0	15.5
SAIL	Sell	62	37	-40	-6.2	-10.6	-4.2	NM	NM	0.7	0.8	-6.7	-12.6	-5.5
Vedanta	Buy	300	316	5	15.1	24.8	33.1	19.8	12.1	1.8	1.7	9.7	14.8	18.4
Tata Steel	Neutral	605	591	-2	37.9	65.1	64.3	15.9	9.3	1.8	1.6	15.7	18.6	16.2
<b>Aggregate</b>								<b>20.3</b>	<b>14.4</b>	<b>1.7</b>	<b>1.6</b>	<b>8.2</b>	<b>11.1</b>	<b>13.4</b>
<b>Oil &amp; Gas</b>														
BPCL	Neutral	496	511	3	48.3	36.7	43.5	10.3	13.5	3.2	2.7	32.4	21.7	22.3
GAIL	Sell	381	340	-11	22.6	26.3	29.8	16.9	14.5	1.7	1.6	9.6	11.3	11.8
Gujarat Gas	Sell	789	697	-12	20.4	33.7	46.5	38.6	23.4	6.6	5.4	17.8	25.3	28.0
Gujarat St. Pet.	Neutral	187	168	-10	8.8	11.0	13.1	21.2	16.9	2.3	2.1	11.6	13.1	14.0
HPCL	Buy	430	510	19	40.7	34.1	36.3	10.6	12.6	3.2	2.8	32.4	23.6	21.7
IOC	Buy	413	458	11	43.0	36.7	40.4	9.6	11.2	1.9	1.7	21.2	16.0	15.8
IGL	Neutral	1,232	1,070	-13	42.5	46.8	51.9	29.0	26.3	5.9	5.0	21.0	20.6	19.6
MRPL	Sell	134	113	-16	14.8	9.4	11.7	9.1	14.2	2.3	2.1	31.4	15.5	17.0
Oil India	Buy	282	305	8	19.3	27.9	30.1	14.6	10.1	0.8	0.7	5.7	7.5	7.8
ONGC	Buy	166	195	18	16.4	16.5	19.7	10.1	10.1	1.0	0.9	10.1	9.4	10.9
PLNG	Buy	208	259	25	11.4	8.6	17.6	18.3	24.2	3.8	3.5	23.2	15.1	26.4
Reliance Ind.	Neutral	1,599	1,499	-6	96.7	115.5	128.1	16.5	13.8	1.6	1.5	11.6	12.3	12.3
<b>Aggregate</b>								<b>12.7</b>	<b>12.8</b>	<b>1.7</b>	<b>1.6</b>	<b>13.3</b>	<b>12.1</b>	<b>12.7</b>
<b>Retail</b>														
Jubilant Food	Sell	1,297	850	-34	10.0	14.8	20.7	129.7	87.6	10.6	9.8	8.2	11.1	14.0
Titan Co.	Neutral	619	565	-9	9.0	10.6	12.6	68.5	58.3	13.0	11.8	20.6	21.3	22.2
<b>Aggregate</b>								<b>72.5</b>	<b>60.4</b>	<b>12.5</b>	<b>11.4</b>	<b>17.2</b>	<b>18.9</b>	<b>19.6</b>
<b>Technology</b>														
Cyient	Buy	525	600	14	30.6	35.4	41.9	17.1	14.8	2.8	2.5	16.2	16.6	17.3
HCL Tech.	Neutral	878	950	8	59.8	61.8	65.9	14.7	14.2	3.7	3.3	27.5	24.9	23.8
Hexaware	Neutral	260	250	-4	13.7	15.7	16.5	19.0	16.6	4.6	4.0	26.5	25.7	23.1
Infosys	Buy	969	1,200	24	62.9	63.7	69.5	15.4	15.2	3.2	2.9	22.0	20.0	19.8
KPIT Tech	Neutral	117	140	20	11.9	10.6	13.1	9.8	11.0	1.5	1.4	14.3	13.0	14.2
L&T Infotech	Buy	763	880	15	55.5	60.2	68.0	13.7	12.7	4.8	3.7	40.4	33.0	29.4
Mindtree	Sell	464	450	-3	24.9	28.7	32.9	18.6	16.2	3.0	3.0	16.8	17.3	20.1
Mphasis	Neutral	580	610	5	38.9	40.3	43.0	14.9	14.4	2.0	2.1	13.2	14.5	16.2
NIIT Tech	Neutral	483	540	12	38.0	42.3	48.7	12.7	11.4	1.7	1.6	13.7	14.4	15.4
Persistent Sys	Buy	606	750	24	37.7	43.3	52.0	16.1	14.0	2.5	2.4	17.0	17.9	20.7
Tata Elxsi	Buy	1,691	1,848	9	56.3	68.0	80.4	30.0	24.9	9.4	7.6	37.1	33.7	32.3
TCS	Neutral	2,502	2,350	-6	133.4	133.6	147.7	18.8	18.7	5.6	6.0	32.6	31.1	33.5
Tech Mah	Buy	393	490	25	30.9	34.0	36.8	12.7	11.6	2.1	1.9	18.4	17.4	16.9
Wipro	Neutral	287	270	-6	16.9	18.1	19.1	17.0	15.8	2.7	2.6	16.9	16.1	16.1
Zensar Tech	Buy	808	950	18	52.1	51.9	70.0	15.5	15.6	2.5	2.2	17.2	15.0	17.9
<b>Aggregate</b>								<b>16.8</b>	<b>16.6</b>	<b>3.9</b>	<b>3.8</b>	<b>22.9</b>	<b>22.8</b>	<b>22.1</b>
<b>Telecom</b>														
Bharti Airtel	Buy	417	490	18	11.1	4.3	6.6	37.5	96.0	2.5	2.4	6.7	2.5	3.8
Bharti Infratel	Buy	381	480	26	14.9	17.9	20.4	25.7	21.3	4.6	3.9	16.2	19.8	19.4
Idea Cellular	Buy	91	110	21	-1.1	-10.9	-11.3	NM	NM	1.3	1.6	-1.6	-17.3	-21.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Tata Comm	Buy	608	775	27	27.2	8.7	26.1	22.3	69.9	10.9	9.4	132.2	14.5	33.6
<b>Aggregate</b>								<b>38.4</b>	<b>212.8</b>	<b>2.7</b>	<b>2.7</b>	<b>6.9</b>	<b>1.2</b>	<b>2.8</b>
<b>Utilities</b>														
Coal India	Buy	243	315	30	14.9	17.6	18.6	16.2	13.8	6.1	6.1	37.8	44.5	47.0
CESC	Buy	960	1,360	42	51.9	88.9	99.3	18.5	10.8	1.2	1.1	6.5	10.6	10.8
JSW Energy	Buy	71	85	20	3.9	3.2	3.1	18.3	22.4	1.1	1.1	6.3	4.9	4.8
NTPC	Buy	174	198	14	13.0	13.4	16.2	13.4	13.0	1.5	1.4	11.5	10.9	12.3
Power Grid	Buy	222	262	18	14.2	17.4	20.6	15.6	12.8	2.4	2.1	16.2	17.3	17.8
Tata Power	Sell	78	68	-13	5.2	6.4	6.7	15.1	12.2	1.8	1.6	11.2	13.9	12.1
<b>Aggregate</b>								<b>15.1</b>	<b>13.2</b>	<b>2.3</b>	<b>2.1</b>	<b>14.9</b>	<b>15.8</b>	<b>16.6</b>
<b>Others</b>														
Arvind	Neutral	377	375	-1	12.4	12.9	18.6	30.4	29.2	2.7	2.6	10.3	9.1	12.0
Avenue Supermarts	Neutral	890	882	-1	7.7	12.7	17.6	116.0	70.0	14.5	12.6	17.9	19.3	23.0
Bata India	Under Review	637	-		13.5	15.7	19.4	47.2	40.6	6.2	5.5	13.9	14.4	15.8
Castrol India	Buy	388	527	36	13.6	14.4	15.0	28.4	26.9	32.2	28.8	115.2	113.3	106.1
Century Ply.	Neutral	264	323	22	8.7	9.8	12.9	30.4	26.9	8.2	6.8	31.1	27.7	29.6
Coromandel Intl	Buy	425	523	23	16.6	24.1	29.0	25.6	17.6	4.3	3.7	17.5	22.5	23.4
Delta Corp	Buy	169	237	40	3.1	5.8	7.9	55.3	29.2	4.3	2.8	8.1	12.3	12.6
Dynomatic Tech	Buy	2,270	3,334	47	67.6	112.9	166.7	33.6	20.1	4.6	3.8	15.1	20.7	24.3
Eveready Inds.	Buy	304	358	18	12.9	13.6	16.3	23.6	22.3	7.6	6.2	37.7	30.8	30.1
Interglobe	Neutral	1,305	1,312	1	46.0	63.9	93.7	28.3	20.4	23.3	20.7	86.2	107.5	137.7
Indo Count	Buy	133	200	50	13.0	13.2	15.4	10.3	10.1	3.1	2.3	34.8	26.4	23.5
Info Edge	Buy	1,034	1,130	9	15.7	21.8	24.7	66.0	47.5	6.4	5.8	10.2	12.7	13.1
Inox Leisure	Sell	246	240	-2	3.3	8.0	12.0	73.7	30.6	4.3	3.8	5.9	12.5	16.2
Jain Irrigation	Under Review	99	-		5.5	7.6	10.0	17.9	13.0	1.5	1.5	8.6	11.7	14.8
Just Dial	Neutral	361	465	29	17.5	18.5	21.1	20.7	19.6	2.8	2.5	14.8	13.4	13.7
Kaveri Seed	Buy	608	755	24	19.1	31.3	37.7	31.9	19.4	4.1	4.5	13.6	21.6	26.0
Kitex Garm.	Buy	244	394	62	18.6	22.1	26.2	13.1	11.0	3.5	2.9	29.8	28.6	27.6
Manpasand	Buy	767	927	21	12.7	20.3	30.9	60.4	37.9	3.8	3.5	7.3	8.5	13.5
MCX	Buy	1,091	1,300	19	24.8	28.0	42.2	44.0	38.9	4.1	3.9	10.2	10.2	14.5
Monsanto	Buy	2,609	3,295	26	86.2	105.1	126.7	30.3	24.8	8.5	7.7	31.6	32.5	34.5
Navneet Education	Buy	159	226	42	7.8	9.4	11.3	20.5	16.9	5.1	4.3	26.8	27.8	28.2
PI Inds.	Buy	729	952	31	33.4	33.4	38.1	21.8	21.8	6.2	5.0	32.8	25.4	23.8
Piramal Enterp.	Buy	2,853	3,044	7	72.6	104.1	144.6	39.3	27.4	3.7	3.4	9.8	13.0	16.4
SRF	Buy	1,437	1,816	26	85.9	86.3	109.2	16.7	16.6	2.6	2.4	16.6	14.7	16.7
S H Kelkar	Buy	258	287	11	7.2	8.6	10.3	35.6	30.0	4.6	4.1	13.7	14.5	15.6
Symphony	Sell	1,332	1,288	-3	23.7	35.1	42.9	56.3	37.9	20.9	18.4	43.3	51.6	54.5
TTK Prestige	Neutral	6,190	5,281	-15	132.1	137.8	176.1	46.9	44.9	8.5	7.7	19.5	18.0	20.7
V-Guard	Neutral	179	167	-7	3.6	4.5	6.0	50.0	39.9	11.9	9.7	27.4	26.9	28.8
Wonderla	Buy	346	393	14	7.0	11.9	16.0	49.5	29.0	4.5	4.1	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	0.2	-6.6	-12.7
Ashok Ley.	-2.4	4.9	22.4
Bajaj Auto	-2.8	4.6	-1.1
Bharat Forge	-1.6	4.4	41.9
Bosch	-0.9	1.3	-5.4
CEAT	-4.3	-11.2	86.1
Eicher Mot.	-1.9	13.2	42.9
Endurance Tech.	5.2	12.6	
Escorts	-2.5	-5.6	142.8
Exide Ind	-3.3	-9.9	15.9
Hero Moto	-0.7	5.5	14.0
M&M	-0.3	1.2	-6.0
Mahindra CIE	-1.0	0.8	36.5
Maruti Suzuki	-1.1	3.2	54.4
Tata Motors	-3.2	-4.6	-18.9
TVS Motor	-0.9	3.1	97.4
<b>Banks - Private</b>			
Axis Bank	-2.1	-2.9	-14.6
DCB Bank	-2.5	-6.7	59.9
Equitas Hold.	-0.8	3.1	-9.0
Federal Bank	-3.5	-6.1	69.9
HDFC Bank	-0.9	6.0	41.5
ICICI Bank	-1.4	0.4	30.4
IDFC Bank	-0.9	-13.2	7.5
IndusInd	0.0	7.4	38.2
J&K Bank	-0.8	-7.3	8.2
Kotak Mah. Bk	0.5	3.0	29.8
RBL Bank	-2.9	-5.7	
South Indian	-2.8	-1.6	41.0
Yes Bank	-1.2	15.8	38.3
<b>Banks - PSU</b>			
BOB	-0.8	-3.3	-1.9
BOI	3.8	12.1	43.5
Canara	-0.6	-0.4	35.5
IDBI Bk	0.5	-0.4	-17.8
Indian Bk	-1.7	-1.4	45.6
OBC	-0.1	-4.4	14.2
PNB	-0.5	2.7	19.3
SBI	-0.5	7.9	28.8
Union Bk	-0.5	-6.1	9.4
<b>NBFCs</b>			
Bajaj Fin.	-4.4	22.1	67.2
Bharat Fin.	-2.4	7.8	-4.3
Capital First	-3.7	5.6	4.7
Cholaman.Inv.&Fn	-3.0	2.3	2.0
Dewan Hsg.	-4.5	-1.5	70.6
GRUH Fin.	-3.5	-1.2	57.5
HDFC	0.6	6.3	29.0
Indiabulls Hsg	-2.9	8.9	44.0
L&T Fin.Holdings	-1.9	16.2	92.6
LIC Hsg Fin	-0.3	-8.5	30.2
Manappuram	-5.2	-2.9	13.1
M&M Fin.	-0.8	17.7	26.6
Muthoot Fin	-4.4	2.2	21.0
PFC	-0.8	6.8	20.0
Repco Home	-2.7	-16.8	-18.9
REC	-1.9	-2.7	53.8
STF	-3.1	-13.8	-27.0
Shriram City Union	0.9	-13.8	7.9

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	-0.1	-4.4	15.8
Bharat Elec.	-1.3	5.7	44.7
BHEL	-1.2	-1.6	-4.7
Blue Star	-1.2	12.0	40.0
CG Cons. Elec.	0.1	-4.3	25.4
CG Power & Inds Sol.	-1.9	-8.0	-8.6
Cummins	-3.2	-0.6	0.8
GE T&D	-0.4	13.1	11.0
Havells	2.8	6.3	20.6
K E C Intl	1.3	12.4	118.6
L&T	-1.3	1.7	15.8
Pennar Eng.	2.5	-4.1	-37.3
Siemens	-1.5	-2.0	-0.1
Solar Ind	-1.4	3.3	39.3
Suzlon Energy	-2.1	-12.1	-2.4
Thermax	-2.7	-4.8	-3.2
Va Tech Wab.	-2.3	-6.1	7.6
Voltas	-1.6	13.0	52.0
<b>Cement</b>			
Ambuja Cem.	-0.6	8.3	1.0
ACC	0.3	12.6	7.6
Birla Corp.	-1.3	9.0	58.3
Dalmia Bharat	-3.2	-0.9	77.9
Grasim Inds.	-1.4	4.5	26.5
India Cem	-3.6	-8.4	48.9
J K Cements	-0.7	5.7	37.5
JK Lakshmi Ce	-2.0	-8.8	-2.5
Ramco Cem	-2.0	-4.2	20.3
Orient Cem	0.5	0.9	-4.7
Prism Cem	-2.2	-3.8	7.0
Shree Cem	1.2	-2.3	4.7
Ultratech	-1.3	-2.4	5.1
<b>Consumer</b>			
Asian Paints	0.8	3.4	0.8
Britannia	-0.2	10.0	30.2
Colgate	-1.0	-2.8	8.7
Dabur	-1.4	2.8	7.5
Emami	-2.0	7.0	-0.9
Godrej Cons.	-2.5	-5.1	20.7
GSK Cons.	-1.9	-1.9	-13.5
HUL	-0.2	7.8	26.9
ITC	-0.5	-18.4	9.4
Jyothy Lab	-1.6	2.7	31.3
Marico	-2.4	1.4	10.6
Nestle	0.7	-2.0	-2.0
Page Inds	2.8	-1.3	18.6
Parag Milk	-2.9	3.9	-28.2
Pidilite Ind.	-1.7	-2.3	9.9
P&G Hygiene	0.6	1.0	19.2
Prabhat Dairy	-0.9	2.2	52.0
United Brew	1.4	3.5	-0.6
United Spirits	-0.4	-3.2	15.3
<b>Healthcare</b>			
Alembic Phar	-1.5	1.5	-18.0
Alkem Lab	-3.3	-1.7	12.3
Ajanta Pharma	-6.2	-21.5	-34.8
Aurobindo	-5.8	-1.8	-10.5
Biocon	-3.1	0.7	20.9
Cadila	-8.8	-6.3	27.7
Cipla	-2.8	2.9	5.5

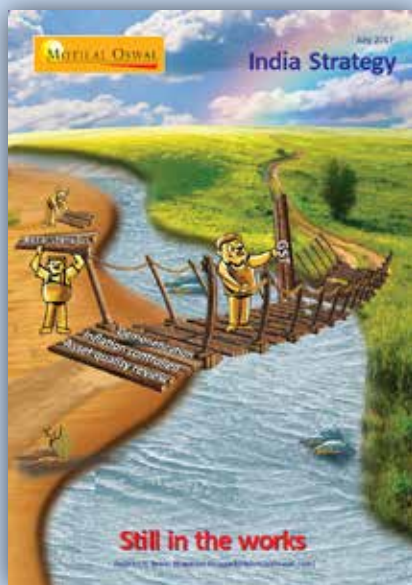


Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	-5.1	-6.1	-46.0
Dr Reddy's	-2.6	-24.3	-32.6
Fortis Health	-0.8	0.2	-17.0
Glenmark	-3.4	-3.0	-25.5
Granules	-7.9	-17.2	-17.0
GSK Pharma	0.0	-7.5	-23.3
IPCA Labs	-4.2	-6.6	-14.1
Jubilant Life	-2.7	-6.3	95.5
Lupin	-2.2	-14.6	-40.7
Sanofi India	-1.8	-1.1	-6.7
Shilpa Medicare	-2.4	-6.6	8.7
Strides Shasun	-5.5	0.5	-13.1
Sun Pharma	-5.1	-13.6	-42.7
Syngene Intl	-2.1	-4.5	8.3
Torrent Pharma	-2.9	-5.2	-18.3
<b>Logistics</b>			
Allcargo Logistics	-3.3	-3.7	-12.6
Blue Dart	-3.2	-18.2	-30.1
Concor	0.0	-1.2	0.1
Gateway Distriparks	-1.3	-7.2	-0.3
Gati	-3.0	-10.5	-28.8
Transport Corp.	-3.5	-17.5	30.9
<b>Media</b>			
Dish TV	-2.9	-6.3	-22.5
D B Corp	0.7	-1.7	-7.4
Den Net.	2.0	-0.1	-8.3
Ent.Network	0.0	-12.2	16.3
Hind. Media	-0.2	-3.9	-2.3
HT Media	-2.9	2.7	7.5
Jagran Prak.	-0.4	-0.4	-1.8
Music Broadcast	-2.4	-3.7	
PVR	-3.6	-4.3	10.5
Siti Net.	1.0	-4.7	-33.3
Sun TV	-2.3	-14.5	53.9
Zee Ent.	0.1	6.3	5.2
<b>Metals</b>			
Hindalco	1.8	22.8	63.5
Hind. Zinc	0.6	7.3	30.1
JSPL	-2.7	3.0	65.4
JSW Steel	-0.6	6.1	34.5
Nalco	0.7	4.2	43.7
NMDC	-0.9	9.0	25.0
SAIL	-2.1	-0.1	30.8
Vedanta	0.6	16.4	81.5
Tata Steel	-1.7	9.2	61.1
<b>Oil &amp; Gas</b>			
BPCL	-1.7	12.0	24.9
GAIL	-1.5	6.2	34.0
Gujarat Gas	2.1	4.5	26.8
Gujarat St. Pet.	0.9	8.2	37.7
HPCL	-1.5	28.8	51.8
IOC	0.1	8.1	46.0
IGL	0.7	15.1	80.4
MRPL	-3.4	10.1	75.3
Oil India	0.3	7.0	1.3
ONGC	1.0	3.7	8.4
PLNG	-1.7	-4.4	34.0
Reliance Ind.	-0.3	7.2	55.3
<b>Retail</b>			
Jubilant Food	-2.7	18.6	9.1
Titan Co.	1.6	16.1	47.5

Company	1 Day (%)	1M (%)	12M (%)
<b>Technology</b>			
Cyient	-0.6	1.1	2.5
HCL Tech.	-0.4	5.7	7.5
Hexaware	-0.2	9.3	19.7
Infosys	0.5	3.6	-10.4
KPIT Tech	-3.3	-12.1	-10.2
L&T Infotech	-1.4	-4.0	9.3
Mindtree	-2.2	-14.0	-22.5
Mphasis	-0.6	-2.7	5.1
NIIT Tech	-1.2	-13.3	16.5
Persistent Sys	-1.8	-9.0	-9.7
Tata Elxsi	-1.5	-0.2	-0.8
TCS	0.2	7.3	-5.6
Tech Mah	-1.3	3.5	-21.6
Wipro	-0.2	11.7	4.2
Zensar Tech	-1.2	0.2	-25.2
<b>Telecom</b>			
Bharti Airtel	-0.3	8.3	19.4
Bharti Infratel	-0.2	-5.6	-0.9
Idea Cellular	-0.9	9.2	-6.3
Tata Comm	-3.3	-8.9	33.2
<b>Utilities</b>			
Coal India	-0.8	-3.4	-28.0
CESC	0.1	10.1	53.2
JSW Energy	-0.4	10.1	-15.0
NTPC	1.3	9.1	8.6
Power Grid	-0.1	6.0	26.1
Tata Power	-0.6	-4.7	3.5
<b>Others</b>			
Arvind	-1.1	1.7	20.5
Avenue Super.	-1.4	-0.7	
Bata India	0.5	11.2	16.4
Castrol India	-1.3	-3.1	-7.3
Century Ply.	2.3	-8.2	21.6
Coromandel Intl	-3.0	3.7	64.5
Delta Corp	0.5	0.7	33.3
Dynamatic Tech	-2.8	-6.3	-9.2
Eveready Inds.	-1.0	-13.9	15.1
Interglobe	0.6	4.8	60.9
Indo Count	-6.4	-18.9	-24.0
Info Edge	-0.3	-1.1	18.8
Inox Leisure	-1.0	-10.7	-3.6
Jain Irrigation	-3.7	-5.7	28.2
Just Dial	-1.0	-0.7	-27.4
Kaveri Seed	-7.8	-3.7	67.5
Kitex Garm.	-1.8	-10.7	-27.2
Manpasand	-1.1	-1.1	9.3
MCX	-2.3	0.2	8.7
Monsanto	-2.3	-7.3	13.5
Navneet Educat.	-1.6	-10.0	54.1
PI Inds.	-2.3	-9.2	-6.5
Piramal Enterp.	-2.0	-3.1	75.1
SRF	-7.0	-6.5	-9.1
S H Kelkar	-0.7	-1.3	-1.0
Symphony	-1.9	-0.9	15.4
TTK Prestige	-2.1	-2.6	26.9
V-Guard	-1.5	-0.3	45.0
Wonderla	0.6	-3.9	-13.5



# THEMATIC/STRATEGY RESEARCH GALLERY





# REPORT GALLERY

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Sector: Healthcare

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**Making great strides**

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### Avenue Supermarts

**Delivering Value**

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### Cholamandalam Finance

**Prepared, Equipped and Armed**

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### Tata Power

**Struggling for RoE**

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# DIFFERENTIATED PRODUCT GALLERY

## MOTILAL OSWAL Annual Report Threadbare

31st Mar 2017

**28X ENTERTAINMENT FY17**

The FY17 Annual Report highlights our strategy to cash flow conversion of TVR with increase in cash conversion ratio (CAGR) of 20% over 2016-17. This is primarily due to increase in broadcast (primarily news rights), which increased from 49% to 53% to 58% to 62% to 66% and to higher efficiency of 100%. 25% of total works FY17, 2016-17, our aggressive marketing and operational models continued, we believe aggressive broadcast to create rights acquisition will result in higher cash conversion of rights. Historical cash conversion ratio is 50% of total works, ending return of 6.4%, which dropped back to 36.7% despite high rate of 40.2%.

- Revenue growth drove margin rise. Revenue grew 12% in FY17, due to better broadcast and subscription revenue, rising 17% (FY16 margin increased 100% to 78.7%, but FY17 margin) (adjusted for given up Sports broadcast revenue) of 15.7% due to full utilization was an increase of 15% to 92.2%.
- Year-over-year margin high, adjusted for profit on the sale of sports broadcast, the effective rate increased to 40.2% (FY16: 35.2%). This is primarily due to increase in full utilization of sports broadcast, which is a more profitable business. The better year's low rate was margin higher than the margin for the year-end. These performance gains are not sustained.
- Higher amount value per unit for sports broadcast. The average unit volume (AUV) of sports broadcast, which is a more profitable business, was higher in FY17. This is primarily due to higher utilization of sports broadcast, which is a more profitable business. The average unit volume (AUV) of sports broadcast, which is a more profitable business, was higher in FY17. This is primarily due to higher utilization of sports broadcast, which is a more profitable business.

**Key Performance Indicators**

Particulars	2017	2016
Revenue	100	90
Operating Profit	40	35
Operating Profit Margin (%)	40	39
EBITDA	45	40
EBITDA Margin (%)	45	44

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## MOTILAL OSWAL VOICES

31st Mar 2017

**India Inc on Call**

India's quarterly growth has been steady, providing a clear window of opportunity for the post-2015 growth cycle. However, it is also possible that a period of low growth, followed by a sharp recovery, could be the order of the day.

**Key Takeaways from the post-2015 growth cycle:**

- India's growth has been steady, providing a clear window of opportunity for the post-2015 growth cycle.
- However, it is also possible that a period of low growth, followed by a sharp recovery, could be the order of the day.

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## MOTILAL OSWAL EcoKnowledge

31st Mar 2017

**Only two states implement 17th Pay Commission in FY18**

The 17th Pay Commission (PC) is being implemented in only two states, Jharkhand and West Bengal, in FY18. This is a significant delay as the government had promised to implement it in all states by FY17. The delay is primarily due to the government's focus on other priorities, such as infrastructure development and social welfare schemes.

**Key Performance Indicators**

Particulars	2017	2016
Revenue	100	90
Operating Profit	40	35
Operating Profit Margin (%)	40	39
EBITDA	45	40
EBITDA Margin (%)	45	44

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## MOTILAL OSWAL The CornerOffice

31st Mar 2017

**Fossil on double-digit volume growth**

Fossil's revenue has grown by 20% in FY17, driven by strong performance in its core categories. The company has also seen a significant increase in its operating profit, reflecting its focus on operational efficiency and cost optimization. This growth is primarily due to the company's strong marketing strategy and its focus on high-quality products.

**Key Performance Indicators**

Particulars	2017	2016
Revenue	100	80
Operating Profit	40	30
Operating Profit Margin (%)	40	37
EBITDA	45	35
EBITDA Margin (%)	45	44

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## MOTILAL OSWAL BULLS & BEARS

31st Mar 2017

**INDIA VALUATIONS HANDBOOK**

**Highlights of July edition**

- Nifty up 5.8% in July - Highest MoM rise in 36 months.
- PSU Banks, Telecom, Metals, and Cement top performers.
- Consumer only sector to deliver negative returns in July.
- Mid-caps underperform large caps by 3.4% in July.

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## MOTILAL OSWAL FUND FOLIO

31st Mar 2017

**Indian Mutual Fund Tracker**

**News follows up by 2.7% in last five years**

**Key Performance Indicators**

Particulars	2017	2016
Revenue	100	90
Operating Profit	40	35
Operating Profit Margin (%)	40	39
EBITDA	45	40
EBITDA Margin (%)	45	44

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