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Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	31,531	-0.8	18.4
Nifty-50	9,820	-0.9	20.0
Nifty-M 100	17,463	-3.2	21.7
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,438	-1.4	8.9
Nasdaq	6,217	-2.1	15.5
FTSE 100	7,390	-1.4	3.5
DAX	12,014	-1.1	4.6
Hang Seng	10,782	-1.6	14.8
Nikkei 225	19,730	0.0	3.2
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	51	-1.8	-7.2
Gold (\$/OZ)	1,281	1.1	10.5
Cu (US\$/MT)	6,394	-0.5	15.8
Almn (US\$/MT)	2,032	0.6	19.2
Currency	Close	Chg. %	YTD.%
USD/INR	64.1	0.3	-5.6
USD/EUR	1.2	-0.1	11.2
USD/JPY	110.0	0.2	-6.1
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)	10-Aug	MTD	YTD
FII	-0.1	0.0	8.8
DII	0.1	0.7	4.8
Volumes (INRb)	10-Aug	MTD*	YTD*
Cash	363	311	289
F&O	11,574	6,703	5,128

Note: YTD is calendar year, \*Avg

Today's top research idea

Aurobindo Pharma: Ahead of peers; 2Q expected to be best-ever quarter

- Net sales fell ~2% YoY (+ ~1% QoQ) to ~INR36.8b, primarily due to a decline in the ARV (-19% YoY) and API (-15% YoY) segments.
- US business grew 3.2% YoY (+7% QoQ) to USD263m, despite pricing pressure. Europe and RoW businesses combined grew 8.4% YoY to INR11.1b, led by improved profitability in Actavis.
- EBITDA declined 5.3% YoY to INR8.4b. EBITDA margin contracted 170bp YoY, but expanded marginally by 70bp on QoQ basis to 22.9%. Notably, EBITDA in the Europe business crossed double-digit. Gross margin too improved ~400bp YoY to 59%, led by a change in portfolio mix.
- Net debt is expected to decline to USD475m by end-FY18.

Research covered

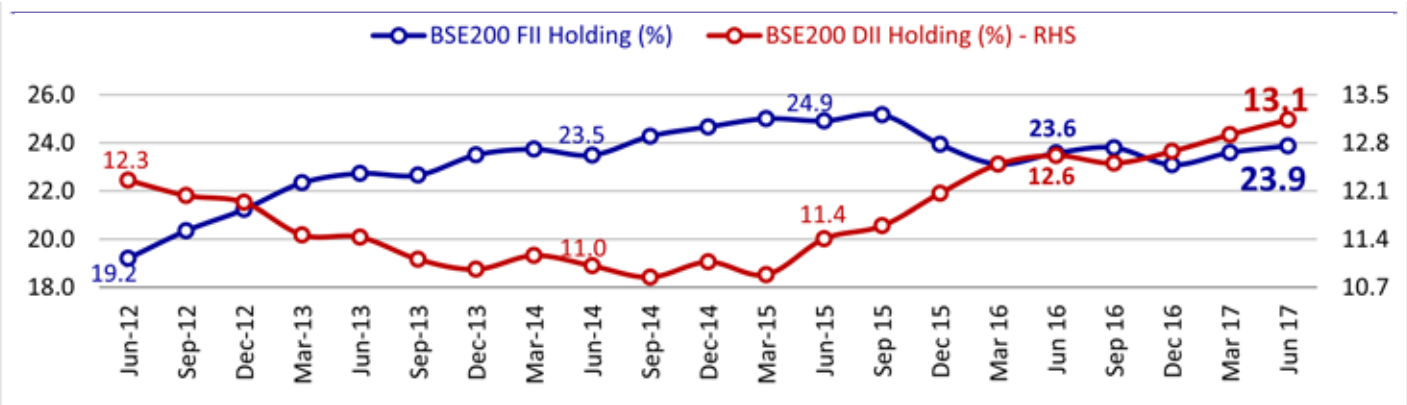
Cos/Sector	Key Highlights
Aurobindo Pharma	Ahead of peers; 2Q expected to be best-ever quarter
GAIL (India)	In-line EBITDA; Petchem impacted by plant shutdown
BHEL	Operating performance below expectations; maintain Sell
Petronet LNG	On the way to glory
Bharat Forge	In-line at operating level; Strong performance across segments
Page Industries	Strong volume growth continues; deserves premium valuations
Gujarat Gas	EBITDA above estimate led by lower gas cost; volume growth strong
Union Bank	High provisions offset PPop growth; net stressed loans increase QoQ
Shilpa Medicare	US formulation on track; Outlook positive
Va Tech Wabag	Operating performance above expectations
Results Flash	UBBL   MANB   AGLL   SHKL   ICNT
Results Expectation	ALKEM   BPCL   BOB   BLSTR   BOS   CDH   CESC   CGPOWER   CIPLA   GDPL   GUJS   HNDL   IGL   IPCA   JSW   OIINL   SAIL   SITINET   SBIN   SUNP   SUNTV   TVSL

Piping hot news

RBI's dividend to govt halves to Rs 30,659 crore

- The Reserve Bank of India (RBI) will transfer Rs 30,659 crore of its surplus to the government for the financial year 2016-17, less than half of the Rs 65,876 crore it transferred a year earlier.

Chart of the Day: DII holding in BSE-200 companies at all-time high of 13.1%; FII holding increased 30bp QoQ to 23.9%



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

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Kindly click on textbox for the detailed news link

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### Shell companies tag: SAT stays Sebi order against J Kumar, Prakash Industries

The Securities Appellate Tribunal (SAT) on Thursday stayed a 7 August Securities and Exchange Board of India (Sebi) directive against J. Kumar Infraprojects Ltd and Prakash Industries Ltd labelling them suspected shell companies...

2

### NPAs of state lenders PFC & REC rose to Rs 11,762 cr in past 3 years

Underlining the sick state of the power sector, the Comptroller & Auditor General (CAG) of India found out the non-performing assets (NPAs) of state owned lenders increased sharply in the past three years to Rs 11,762 crore...

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### Government's capex allocation may decline marginally next financial year

Despite an increase in the gross tax revenue-to-gross domestic product (GDP) ratio because of a widening tax base, the government's capital expenditure allocation is set to slow marginally in the next financial year...

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### Quess Corp. looks to raise Rs1,150 crore via institutional placement

Business services firm Quess Corp. Ltd, owned by Thomas Cook India, will raise as much as Rs1,150 crore from institutional investors through an institutional placement programme (IPP), it said in a filing to stock exchanges on Thursday...

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### Tata Motors, Volkswagen's Skoda Auto call off tie-up even before it could start

Tata Motors Ltd and Volkswagen group firm Skoda Auto's joint innings in India has ended even before it could begin. On Wednesday, the companies said that they have ceased discussions on a potential alliance but will be open to talks on future collaborations...

6

### Aster DM re-files IPO papers, cuts offer size

Hospital chain Aster DM Healthcare Ltd has re-filed the prospectus for its planned initial public offering (IPO) with a reduced offer size...

7

### SoftBank deal impact: Flipkart founders Sachin, Binny Bansal set to play more active roles

Flipkart co-founder and group CEO Binny Bansal will start playing a more active role in the company, along with executive chairman and co-founder Sachin Bansal, after Flipkart and its investors struck a \$2.6 billion deal with SoftBank Vision Fund, three people familiar with the matter said...



# Aurobindo Pharma

BSE SENSEX	S&P CNX
31,531	9,820
Bloomberg	ARBP IN
Equity Shares (m)	586
M.Cap.(INRb)/(USD\$b)	400.2 / 6.2
52-Week Range (INR)	895 / 504
1, 6, 12 Rel. Per (%)	-3/-11/-22
Avg Val, INRm	1920
Free float (%)	48.1

**CMP: INR683**

**TP: INR850(+24%)**

**Buy**

## Ahead of peers; 2Q expected to be best-ever quarter

- Net sales declined ~2% YoY (+~1% QoQ) to ~INR36.8b (est. of ~INR40.7b). US business grew 3.2% YoY (+7% QoQ) to USD263m. In INR terms, US sales remained largely flat YoY due to currency movement. Gross margin improved to 59% (+400bp YoY, flat QoQ). EBITDA declined 5% YoY to ~INR8.4b (est. of INR9.2b), with the margin at 22.9% (-70bp YoY, +~170bp QoQ). Adj. PAT declined 9.7% YoY (-6% QoQ) to INR5.2b, ~13% below our estimate.
- US business shines; strong growth expected in 2Q:** US sales increased 7% QoQ (+3% YoY) to USD263m, led by stable pricing sequentially and ramp-up of key launches, such as Strattera, Meropenem, Mucinex, Renvela Oral solutions and Ebzicom. gRenvela tablet launch in July-17 (market size: ~USD800m; currently ARBP is the only generic player) is expected to lead to strong growth sequentially. We expect gRenvela to remain a limited-competition product in the near term, contributing ~USD150m on annualized basis.
- Key earnings call takeaways:** 1) Net debt expected to come down to USD475m by end-FY18 (from USD516m now). 2) High-single-digit to low-double-digit price erosion expected in FY18. 3) R&D expense as % of sales expected to be ~5% in FY18 and 6% in FY19. 4) DTG combination drug approval expected in a few weeks (TAD for Aug-17). 5) Capex guidance of USD110m for FY18 (excluding Biosimilar and vaccines). 6) Tax rate guidance of ~27% in FY18 and lower in FY19. 7) Top-25 products' revenue contribution stood at 35% v/s 45% in 1QFY17. 8) EU business delivered EBITDA margin in double-digits.
- Attractive valuations; our top pick in the sector:** At CMP, ARBP trades at ~14x FY19E, at >15-20% discount to its peers. We continue believing that ARBP is well poised to outperform peers in the current circumstances, led by its strong US pipeline, diversified product mix (top-25 products account for ~35% of sales) and no pending regulatory issues. ARBP remains one of our top picks in the sector, with a target price of INR850 @ 17x FY19E PER.

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	150.9	166.8	185.9
EBITDA	34.3	40.9	44.6
PAT	23.0	26.3	29.3
EPS (INR)	39.3	44.9	50.0
Gr. (%)	13.5	14.3	11.3
BV/Sh (INR)	160.0	202.3	249.8
RoE (%)	27.6	24.8	22.1
RoCE (%)	19.0	19.7	18.5
P/E (x)	17.4	15.2	13.7
P/BV (x)	4.3	3.4	2.7

Estimate change



TP change



Rating change



### Quarterly performance (Consolidated)

Y/E March											(INR Million)	
	FY17				FY18E				FY17	FY18E	FY18E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	vs Est
Net Sales	37,666	37,755	39,062	36,417	36,788	43,836	43,513	42,737	150,897	166,846	40,718	-9.7%
YoY Change (%)	14.2	12.2	11.7	-2.8	-2.3	16.1	11.4	17.4	8.1	10.6	8.1	
EBITDA	8,890	9,293	8,948	7,713	8,417	11,178	10,878	10,432	34,341	40,877	9,162	-8.1%
Margins (%)	23.6	24.6	22.9	21.2	22.9	25.5	25.0	24.4	22.8	24.5	22.5	
Depreciation	1,062	1,102	1,111	1,001	1,312	1,315	1,315	1,304	4,276	5,246	1,050	
Interest	206	175	143	143	169	175	175	160	667	679	200	
Other Income	159	83	79	218	221	150	150	229	538	750	150	
PBT before EO expense	7,780	8,098	7,774	6,787	7,157	9,838	9,538	9,197	29,936	35,703	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	9,838	9,538	9,197	30,557	35,703	8,062	
Tax	2,008	2,240	2,177	1,172	1,910	2,607	2,528	2,417	7,596	9,461	2,056	
Rate (%)	25.6	27.0	27.4	18.1	27.0	26.5	26.5	26.3	24.9	26.5	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	7,231	7,011	6,780	23,015	26,296	6,006	-13.7%
Adj PAT	5,790	5,913	5,640	5,560	5,226	7,231	7,011	6,780	22,552	26,296	6,006	-13.0%
YoY Change (%)	21.0	21.8	7.4	-0.4	-9.7	22.3	24.3	21.9	13.6	14.3	3.7	
Margins (%)	15.4	15.7	14.4	15.3	14.2	16.5	16.1	15.9	14.9	15.8	14.7	

E: MOSL Estimates



BSE SENSEX	S&P CNX
31,531	9,820
Bloomberg	GAIL IN
Equity Shares (m)	1,691
M.Cap.(INRb)/(USDb)	661.6 / 9.8
52-Week Range (INR)	434 / 269
1, 6, 12 Rel. Per (%)	-6/8/20
Avg Val, INRm	1170
Free float (%)	45.6

**CMP: INR364 TP: INR346 (-5%) Sell**

## In-line EBITDA; Petchem impacted by plant shutdown

GAIL reported 1QFY18 EBITDA of INR18.9b (est. of INR18.6b; +21% YoY, +25% QoQ), as Petrochemical earnings declined due to planned maintenance shutdown. Reported PAT of INR10.3b (+21% YoY, -2% QoQ) was lower than our estimate of INR10.9b, led by lower other income of INR1.2b (est. of INR2.3b; -15% YoY, -77% QoQ). Profitability for the quarter benefited from the reversal of INR1.6b on account of provision toward gratuity & HRA.

## Segmental analysis: Transmission/Trading above est.; Petchem impacted by plant shutdown

- n Gas transmission volume stood at 100mmscmd (+4% YoY, -2% QoQ). Adjusting for one-offs, implied tariff stood at INR1,187/mscm. Unadjusted EBIT stood at INR6.4b (+15% YoY, +22% QoQ).
- n Petchem utilization stood at ~54% due to planned shutdown. Sales stood at 131k MT (+19% YoY, -30% QoQ). Realization was USD1,570/MT (-22% YoY, -13% QoQ). EBIT stood at INR419m (-55% YoY, -38% QoQ).
- n Due to higher availability of rich gas, LPG/liq. HC sales stood at 292K MT (+20% YoY, +6% QoQ). Realization was USD507/MT (+30% YoY, -1% QoQ). EBIT stood at INR5.3b (+148% YoY, +6% QoQ).
- n Gas trading EBIT declined 23% YoY (+21% QoQ) to INR3.2b due to partial conversion of short-term contracts to long-term contracts.

## US LNG contract remains a threat

- n Increase in oil prices would help the petchem and LPG/liq. HC segments.
- n Potential liability led by price differential on its US LNG contracts is an event risk for the stock.

## Valuation and view

The stock trades at 12x FY19E EPS of INR31.3. We value GAIL using SOTP at INR346/share, implying ~5% downside. The core business is valued at 9x FY19E EPS adjusted for other income. Maintain **Sell**.

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	480.7	532.0	620.2
EBITDA	63.2	76.9	87.9
PAT	38.2	44.9	52.9
EPS (INR)	22.6	26.5	31.3
Gr. (%)	71.4	17.6	17.8
BV/Sh (INR)	225.6	242.1	261.6
RoE (%)	9.6	11.3	12.4
RoCE (%)	8.7	9.7	10.6
P/E (x)	16.1	13.7	11.6
P/BV (x)	1.6	1.5	1.4
EV/EBITDA (x)	9.1	7.8	6.9

Estimate change	↔
TP change	↔
Rating change	↔

## Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var. vs est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	106,866	118,582	121,079	134,217	114,065	133,754	136,477	153,813	480,743	538,109	127,921	-11%
Change (%)	-14.6	-15.8	-9.5	15.4	6.7	12.8	12.7	14.6	-6.9	11.9	19.7	
EBITDA	15,732	15,155	17,015	15,250	18,994	19,179	19,331	22,350	63,152	79,854	18,628	2%
% of Net Sales	14.7	12.8	14.1	11.4	16.7	14.3	14.2	14.5	13.1	14.8	14.6	
Depreciation	3,354	3,563	3,579	3,471	3,451	3,580	3,580	3,666	13,968	14,277	3,580	-4%
Interest	1,774	1,198	1,601	220	1,014	860	860	703	4,794	3,437	860	18%
Other Income	1,362	3,361	3,002	4,981	1,158	2,350	2,350	2,990	12,705	8,848	2,350	-51%
Extraordinary item*	4,893	0	0	-7,880	0	0	0	0	-2,987	0	0	
PBT	16,858	13,755	14,836	8,659	15,687	17,089	17,241	20,970	54,108	70,988	16,538	-5%
Tax	3,506	4,508	5,007	6,058	5,431	5,810	5,862	7,130	19,079	24,233	5,623	-3%
Rate (%)	20.8	32.8	33.7	70.0	34.6	34.0	34.0	34.0	35.3	34.1	34.0	
PAT	13,352	9,247	9,829	2,602	10,256	11,279	11,379	13,841	35,029	46,755	10,915	-6%
Adj PAT	8,459	9,247	9,829	10,482	10,256	11,279	11,379	13,841	38,016	46,755	10,915	-6%
Change (%)	99.4	109.9	48.0	36.1	21.3	22.0	15.8	32.0	65.4	23.0	29.0	
EPS (INR)	5.0	5.5	5.8	6.2	6.1	6.7	6.7	8.2	22.5	27.6	6.5	-6%
<b>Key Assumptions</b>												
Gas Trans. volume (mmsmd)	96	101	103	102	100	108	109	116	100	108	105	-4%
Petchem sales ('000MT)	110	136	146	186	131	200	200	279	578	810	200	-35%

E: MOSL Estimates





BSE SENSEX	S&P CNX
31,531	9,820

Bloomberg	BHEL IN
Equity Shares (m)	2,447.6
M.Cap. (INRb)/(USDb)	313.3/4.9
52-Week Range (INR)	183 / 116
1, 6, 12 Rel. Per (%)	-7/-31/-21
Avg. Val, INRm	1063
Free float (%)	36.9

**Financials & Valuations(INR b)**

Y/E Mar	2017	2018E	2019E
Net Sales	282.2	284.0	314.5
EBITDA	11.0	17.4	19.6
PAT	5.3	11.2	11.9
EPS (INR)	2.1	4.6	4.9
Gr. (%)	-174.1	112.6	6.5
BV/Sh (INR)	131.9	135.5	139.2
RoE (%)	1.6	3.4	3.5
RoCE (%)	0.6	2.2	2.4
P/E (x)	59.6	28.0	26.3
P/BV (x)	1.0	0.9	3.5

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR126 TP: INR100 (-24%) Sell**

**Operating performance below expectations; maintain Sell**

- 1QFY18 operating performance disappoints:** Sales for the quarter stood muted at INR55.1b (-1.9% YoY), below our estimate of INR58.9b, led by weak execution in Industrial segment (-8% YoY) and flat YoY Power segment sales of INR43.4b. BHEL recorded operating loss of INR0.9b, as against profit of INR0.7b in 1QFY17 (est. of INR62m profit), as other expenses increased 60% YoY to INR8.9b (v/s INR5.6b in 1QFY17) on account of higher employee pay revision provisioning (INR2.5b). PAT improved 3.9% YoY to INR0.8b, led by higher other income (INR4.6b v/s INR2.5b in 1QFY17 and est. of INR0.6b loss).
- Gross margin expanded 330bp YoY to 40.1%,** led by a) expansion of vendor base, b) economic and bulk buying and c) use of in-house material leading to cost savings. According to management, margins would remain around the same levels for the next few quarters.
- L1 in 5GW of orders; slow-moving orders at INR390b.** BHEL is L1 in 5GW of orders, marking an improvement from 2.4GW in 4QFY17. Incrementally, BHEL is declared L1 in NTPC's Patratu project (2.4GW), for which environmental clearance is awaited. Order book stands at INR1014b, of which ~38% is slow-moving. Of the slow-moving orders, BHEL expects projects worth INR180b (Yedadri power project) to start moving over the coming months.
- Maintain Sell:** We maintain our estimates for FY18/19, as higher other income is likely to be offset by higher finance charges incurred on account of contractual obligation provision being provided. We maintain **Sell**, given a) likelihood of constrained execution, b) weak order pipeline for FY18/FY19 and c) continued pressure on margins due to execution of JDU projects and intense competition. We maintain TP of INR100 (P/E of 20x FY19E).

**Quarterly Performance**

Y/E March	FY17				FY18				FY17	FY18E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			Est 1QE	Var. Vs Est
Sales (Net)	56,118	66,645	63,254	96,882	55,056	68,659	62,201	98,079	282,222	283,995	58,963	-6.6%
Change (%)	28.7	12.2	18.7	-2.9	-1.9	3.0	-1.7	1.2	10.8	0.6	4.9	
EBITDA	710	1,551	2,239	6,509	-883	3,784	2,204	11,463	11,009	17,403	62	NA
Change (%)	-133.9	-135.4	-113.9	-24.9	-224.3	143.9	-1.5	76.1	-180.6	58.1	-91	
As a % Sales	1.3	2.3	3.5	6.7	-1.6	5.5	3.5	11.7	3.9	6.1	0.1	
Interest	57	50	263	3,136	657	300	350	2,699	3,506	4,006	55	
Depreciation	2,182	2,080	2,088	2,139	2,001	2,317	2,633	3,581	8,488	10,534	2,633	
Other Income	2,493	1,961	1,358	1,452	4,622	2,800	2,500	2,120	0	2,599	1,891	
PBT	965	1,382	1,245	2,686	1,080	3,967	1,721	44,496	6,579	14,905	-735	-247.0%
Tax	188	292	310	530	272	873	300	2,281	1,320	3,726	-147	
Effective Tax Rate (%)	19.4	21.1	24.9	19.7	25.2	22.0	17.4	5.1	20.1	25.0	20	
Reported PAT	778	1,090	935	2,156	808	3,094	1,421	5,021	5,259	11,178	-588	-237.4%
Change (%)	129.5	-160.3	-108.6	-57.4	3.9	183.9	51.9	132.9	-174.1	112.6	-176	
Adj. PAT	778	1,090	935	2,156	808	3,094	1,421	5,021	5,259	11,178	-588	-237.4%
Change (%)	129.5	-160.3	-108.6	-57.4	3.9	183.9	51.9	132.9	-174.1	112.6	-176	



# Petronet LNG

BSE SENSEX	S&P CNX
31,531	9,820

Bloomberg	PLNG IN
Equity Shares (m)	750
M.Cap.(INRb)/(USDb)	326.3 / 4.8
52-Week Range (INR)	229 / 154
1, 6, 12 Rel. Per (%)	-5/-3/20
Avg Val, INRm	1046
Free float (%)	50.0

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	246.2	270.8	338.1
EBITDA	25.9	31.0	39.3
Adj. PAT	17.1	21.0	26.9
Adj. EPS (INR)	11.4	14.0	17.9
EPS Gr. (%)	102.7	23.1	28.2
BV/Sh.(INR)	54.0	64.0	76.9
RoE (%)	23.2	23.7	25.5
RoCE (%)	20.2	21.0	24.0
P/E (x)	18.2	14.8	11.5
P/BV (x)	3.8	3.2	2.7
EV/EBITDA (x)	1.3	1.1	0.9
Div. Yield (%)	1.2	1.6	2.1

Estimate change



TP change



Rating change



**CMP: INR207**

**TP: INR274 (+32%)**

**Buy**

### On the way to glory

- EBITDA grew 16% YoY (+21% QoQ) to INR7.4b, higher than our estimate of INR6.9b. While utilization was in line with our estimate, lower opex resulted in the EBITDA beat. PAT increased 16% YoY (-7% QoQ) to INR4.4b, below our estimate of INR4.6b, due to lower other income of INR707m (est. of INR1b; +43% YoY, -53% QoQ) and a higher tax rate of 34% in 1QFY18 v/s 32% in 1QFY17 and 24% in 4QFY17.
- Throughput at Dahej grew 11% YoY (+4% QoQ) to 184TBtu, implying -97% utilization v/s 93% in 4QFY17. This includes 105TBtu long-term (flat YoY, -2% QoQ), 79TBtu third-party (+57% YoY, +13% QoQ) and 0.8TBtu pure short-term (+92% YoY, -92% QoQ) throughput.
- Kochi utilization increased to 12% in 1QFY18 from 4% in 4QFY17. This includes 4.8TBtu pure short-term (+66% YoY, +234% QoQ), 1.9TBtu third-party (+32% QoQ) and 0.8TBtu long-term throughput.

### Gas demand growth critical, but take-or-pay contracts provide earnings certainty

- Incremental gas demand will be a function of liquid v/s gas economics; however, take-or-pay contracts offer earnings certainty for PLNG.
- As against 15mmt capacity, PLNG has ~16mmt (RasGas: 8.5, new contracts: 7.5) long-term take-or-pay contracts. We do not see much of a problem in utilization of the Dahej facility.
- GAIL has awarded a tender for the construction of the last leg on the Kochi-Mangalore pipeline. Completion of the ~400km pipeline would give access to anchor consumers like MCF, OMPL and MRPL refinery, all of which are ready to consume gas. Once completed, it will also help in Kochi LNG terminal ramp-up.
- Valuation and view:** With increased capacity of 15mmt at Dahej and robust utilization levels, we assume FY18/19 total volumes at 16.3/19mmt. We assume terminal growth of 3% beyond FY22. The stock trades at 11.5x FY19E EPS of INR17.9. We value PLNG on DCF (WACC: 11%, TGR: 3%) to arrive at a fair value of INR274. Reiterate **Buy**.

### Standalone - Quarterly Earning Model

Y/E March	FY17				FY18E				FY17	FY18E	FY18 1QE	Var. vs est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	53,373	66,144	62,993	63,651	64,351	68,211	68,654	69,549	246,160	270,765	60,545	6%
YoY Change (%)	-36.3	-12.3	22.4	4.9	20.6	3.1	9.0	9.3	-9.3	10.0	13.4	
EBITDA	6,425	7,264	6,071	6,163	7,442	7,784	7,719	8,104	25,923	31,050	6,932	7%
Margins (%)	12.0	11.0	9.6	9.7	11.6	11.4	11.2	11.7	10.5	11.5	11.4	
Depreciation	806	860	1,009	1,016	1,027	1,078	1,078	1,078	3,691	4,259	1,078	-5%
Interest	556	554	517	469	465	267	267	267	2,097	1,265	267	74%
Other Income	494	915	550	1,508	707	1,125	1,125	1,125	3,466	4,081	1,014	-30%
PBT	5,556	6,765	5,095	6,186	6,658	7,565	7,500	7,885	23,602	29,607	6,601	1%
Tax	1,777	2,170	1,121	1,478	2,282	2,269	2,250	2,365	6,545	9,167	1,980	15%
Rate (%)	32	32	22	24	34	30	30	30	28	31	30	
PAT	3,779	4,596	3,975	4,708	4,376	5,295	5,250	5,519	17,057	20,440	4,621	-5%
YoY Change (%)	115.8	84.7	122.8	96.8	15.8	15.2	32.1	17.2	102.7	19.8	22.3	
Margins (%)	7.1	6.9	6.3	7.4	6.8	7.8	7.6	7.9	6.9	7.5	7.6	
<b>Key Assumptions</b>												
Regas volume (tbtu)	50.1	60.7	75.3	71.1	80.5	94.3	94.3	94.3	257.1	363.3	92.0	-12%
Sales volume (tbtu)	118.1	128.2	116.1	108.9	111.1	117.4	117.4	117.4	471.2	463.4	103.9	7%

E: MOSL Estimates



# Bharat Forge

BSE SENSEX	S&P CNX
31,531	9,820
Bloomberg	BHFC IN
Equity Shares (m)	233
M.Cap.(INRb)/(USDb)	252.5 / 3.9
52-Week Range (INR)	1175 / 687
1, 6, 12 Rel. Per (%)	-3/2/30
Avg. Val, INRm	861
Free float (%)	54.3

## Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	78.9	90.4	104.0
EBITDA	16.5	20.4	24.8
PAT	8.5	11.8	15.1
EPS (INR)	36.5	50.5	64.8
Gr. (%)	39.5	38.5	28.2
BV/Sh (INR)	203.0	241.0	290.7
RoE (%)	19.2	22.8	24.4
RoCE (%)	12.1	15.3	17.6
P/E (x)	31.3	22.6	17.6
P/BV (x)	5.6	4.7	3.9

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR1,142 TP: INR1,353(+18%) Buy**

## In-line at operating level; Strong performance across segments

- Tonnage grew 12% YoY to 55,100MT (est. of 53.5k), while realizations rose 18% YoY (+7% QoQ) to INR218k/ton (est. of INR208k). Net revenues rose 33% YoY (+7% QoQ) to INR12b (est. of INR11.1b).
- The company delivered strong performance across segments, particularly Non-auto (+80% YoY/+15% QoQ). The share of Non-auto is now at 45% v/s 42% in 4QFY17, mainly driven by US revenue growth of 101% YoY (+21% QoQ). Domestic revenues grew 5% YoY, led by Non-Auto (+12% YoY). Auto segment, however, declined 2% YoY.
- EBITDA margin contracted 60bp QoQ (+80bp YoY) to 27.8% (est. of 28.7%), led by RM cost inflation pass-through (though EBITDA/ton improved 4% QoQ). Adj. PAT grew 43.5% YoY (-3% QoQ) to INR1.75b, below our estimate of INR1.87b, led by a higher tax rate of 33.5% (est. of 27%).
- Key highlights from earnings call:** a) Outlook remains robust in Non-auto, both in domestic and export markets, led by new programs and presence in fast-growing shale oil. Also, auto exports outlook is positive, with US and EU CVs outlook improving and ramp-up in PV orders. b) Drive train products driving market share gain in domestic CVs. Exports of drive train products are at testing stage. c) Won maiden contract in defense of INR2b, which would be executed in FY19. d) Machining content is expected to increase from 47-48%, as all new order wins are for machined components.
- Valuation view:** Robust order book, coupled with structural improvement in business quality driven by a shift toward technology-intensive business, would drive strong ~39% EPS CAGR. Valuations at 31.3x/22.6x FY18E/FY19E consol. EPS do not fully factor in high-potential businesses seeded over the last two years. Maintain **Buy** with TP of ~INR1,353 (25x Jun'19E consol. EPS).

## Quarterly Performance (Standalone)

	FY17				FY18				FY17	FY18E	FY18	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Tonnage</b>	49,098	46,203	47,068	55,189	55,100	55,651	54,538	59,944	197,573	225,233	53,533	2.9
Change (%)	-5.6	-15.3	-7.2	5.3	12.2	20.4	15.9	8.6	-5.8	14.0	9.0	
<b>Realization (INR '000/ton)</b>	184.2	192.8	200.5	204.0	217.9	216.8	215.8	221.9	195.6	218.2	208.0	4.8
Change (%)	-15.9	-6.4	-4.0	5.7	18.3	12.5	7.6	8.8	-4.7	11.5	12.9	
<b>Net operating income</b>	9,044	8,909	9,437	11,257	12,008	12,068	11,767	13,301	38,647	49,143.6	11,137	7.8
Change (%)	-20.6	-20.7	-11.0	11.3	32.8	35.5	24.7	18.2	-10.2	27.2	23.1	
RM/Sales (%)	34.4	34.4	32.6	35.1	35.0	35.0	35.0	35.0	34.2	35.0	35.0	0bp
Staff Cost (% of Sales)	10.1	10.1	9.6	9.2	8.9	8.9	9.2	8.3	9.7	8.8	8.8	10bp
Other Exp. (% of Sales)	28.5	27.6	30.2	27.3	28.3	27.8	27.5	27.3	28.3	27.7	27.5	80bp
<b>EBITDA</b>	2,444	2,477	2,606	3,200	3,333	3,425	3,333	3,904	10,726	13,995	3,197	4.3
EBITDA Margins (%)	27.0	27.8	27.6	28.4	27.8	28.4	28.3	29.4	27.8	28.5	28.7	-90bp
Non-Operating Income	256	309	208	222	259	260	290	328	995	1,138	260	-0.3
Interest	170	189	183	185	185	165	150	111	728	611	150	23.6
Depreciation	740	726	739	744	774	800	810	828	2,949	3,212	750	3.2
EO Exp / (Inc)	0	0	0	-380	0	0	0	0	-380	0	0	
<b>PBT after EO items</b>	1,791	1,870	1,892	2,872	2,633	2,720	2,663	3,293	8,425	11,309	2,557	3.0
Eff. Tax Rate (%)	31.8	32.2	32.0	27.8	33.5	33.0	33.0	32.6	30.6	33.0	27.0	650bp
<b>Adj. PAT</b>	1,221	1,269	1,286	1,801	1,751	1,823	1,784	2,220	5,587	7,577	1,866	-6.2
Change (%)	-37.7	-26.3	-22.8	8.7	43.5	43.6	38.7	23.3	-16.9	35.6	52.9	

# United Breweries

BSE SENSEX 31,531 S&P CNX 9,820

CMP: INR824

TP: INR850

Neutral

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

## Conference Call Details



Date: 11<sup>th</sup> August 2017  
Time: 04:00pm IST  
Dial-in details:  
+91-22-3960 0894

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	47.3	48.7	56.5
EBITDA	6.4	6.1	8.1
NP	2.3	2.6	3.9
EPS (INR)	8.7	9.7	14.7
EPS Gr. (%)	23.0	11.6	51.9
BV/Sh. (INR)	87.1	94.9	107.3
RoE (%)	10.4	10.7	14.6
RoCE (%)	10.3	9.4	12.7
P/E (x)	94.8	84.9	55.9
P/BV (x)	9.5	8.7	7.7

### Commendable beat on all fronts

- Net sales rose 7% YoY (well above est. of -8%) to INR16.7b in 1QFY18. Considering management had guided that April sales declined 10-15% YoY in the conference call post 4QFY17 results, as well as prevalence of the highway ban, this is extremely commendable sales growth, in our view. Increase in revenue growth was aided by price increases in several open markets.
- Gross revenue actually grew 17% YoY, with higher excise (+~400bp YoY) resulting in 7% net sales growth. Volumes were flat YoY (est. of high-single-digit decline), with market share increasing 150bp YoY. Industry declined by 1% during the period. UB witnessed market share gain in north and south India.
- Gross margin shrunk 210bp YoY to 52.7%. Barley prices remain high, as was the case with sugar prices in 1QFY18.
- Yet, EBITDA margin showed 40bp improvement YoY to 19.0% in 1QFY18 (est. of -300bp to 15.6%) due to flat other expenses and a 2% decline in staff costs (which led to a decline in other expenses to sales by 210bp YoY and in staff costs by 40bp YoY). Staff costs were net of reversal of INR63m.
- EBITDA increased 9.4% YoY (est. of -23%) to INR3.18b.
- PAT was up 10.1% YoY to INR1.62b (est. of INR1.17b).

### Other details

- Both company/industry saw volume growth in all parts of the country, barring western India, where Maharashtra witnessed the impact of highway ban.
- Management stated that the extent of the highway ban impact will be determined over the next two quarters as more states, particularly the key southern ones, come under its purview.
- We review our number post the conference call. We currently have a **Neutral** rating on the stock.

### Standalone - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18 1QE	Variance
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	15,642	10,322	10,250	11,127	16,742	10,838	11,070	12,407	47,341	48,709	14,391	16.3%
YoY Change (%)	7.5	-3.7	-6.6	-8.4	7.0	5.0	8.0	11.5	-2.2	2.9	-8.0	
Total Expenditure	12,733	9,139	8,942	10,116	13,559	9,647	9,551	11,248	40,930	42,591	12,146	
EBITDA	2,909	1,183	1,308	1,011	3,184	1,192	1,519	1,159	6,412	6,118	2,245	41.8%
YoY Change (%)	17.1	-12.4	-27.3	-21.3	9.4	0.7	16.1	14.6	-7.3	-4.6	-23	
Margins (%)	18.6	11.5	12.8	9.1	19.0	11.0	13.7	9.3	13.5	12.6	15.6	
Depreciation	637	702	698	833	649	667	663	786	2,870	2,720	605	
Interest	148	141	153	144	142	34	34	34	587	135	34	
Other Income	136	8	330	43	63	8	330	79	516	553	136	
PBT before EO expense	2,260	348	787	76	2,456	499	1,152	418	3,472	3,816	1,742	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	2,260	348	787	76	2,456	499	1,152	418	3,472	3,816	1,742	40.9%
Tax	790	106	274	9	837	163	377	136	1,178	1,247	570	
Rate (%)	34.9	30.4	34.8	11.7	34.1	32.7	32.7	32.5	33.9	32.7	33	
Minority Interest & Profit/Loss of Asso.	0	0	0	0	0	0	0	0	0	4	1.0	
Adj PAT	1,471	242	513	67	1,619	336	775	282	2,293	2,565	1,172	38.2%
YoY Change (%)	20.4	-53.5	-28.0	-87.1	10.1	38.5	51.1	319.2	-23.0	11.8	-20.3	
Margins (%)	9.4	2.3	5.0	0.6	9.7	3.1	7.0	2.3	4.8	5.3	8.1	

E: MOSL Estimates





# Page Industries

BSE SENSEX	S&P CNX
31,531	9,820

Bloomberg	PAG IN
Equity Shares (m)	11.2
M.Cap.(INRb)/(USDb)	167.1 / 2.5
52-Week Range (INR)	18049 / 12360
1, 6, 12 Rel. Per (%)	-2/1/2
Avg Val, INRm/ Vol m	207
Free float (%)	51.0

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	21.5	26.2	32.3
EBITDA	4.3	5.2	6.9
PAT	2.7	3.3	4.4
EPS (INR)	238.7	294.7	398.4
Gr. (%)	15.0	23.4	35.2
BV/Sh (INR)	596.9	744.2	923.5
RoE (%)	40.0	39.6	43.1
RoCE (%)	40.4	40.4	44.7
P/E (x)	67.9	55.0	40.7
EV/EBITDA (x)	42.2	34.8	26.0

Estimate change

TP change

Rating change

**CMP: INR16,216 TP: INR19,600(+21%) Buy**

### Strong volume growth continues; deserves premium valuations

- Net sales grew 22.5% YoY to INR6.96b (our estimate: INR6.81b), with 13% volume growth. Men's innerwear grew 20% (11% volume growth), women's innerwear grew 24% (15% volume growth), and sportswear grew 26% (21% volume growth). Speedo sales grew 8% (14% volume decline).
- Gross margin contracted 60bp YoY to 54.2%, missing our estimate of 59.1%. Employee cost (as a percentage of sales) declined 40bp YoY and other expenses fell 60bp YoY, resulting in EBITDA margin expansion of 40bp YoY to 19.6%. EBITDA grew 25% YoY (our estimate: 37.7% YoY) to INR1.37b. Adjusted PAT grew 25.5% YoY to INR853m, lower than our estimate of INR986m.
- Management interaction takeaways: (1) July sales were impacted, as retailers were under pressure due to regulatory issues relating to GST, but sales have picked up in August. (2) Yarn costs have been stable. (3) Gross margin was affected by higher trade discounts – up from 1.8%-2% to 4% for FY18.
- Valuation and view: We believe PAG offers a compelling, capital-efficient long-term lifestyle play on the premiumizing innerwear category. A widening branded product portfolio coupled with distribution expansion will aid share expansion and drive multiple years of growth, in our view. Unlike retail peers, PAG has shown a remarkable ability to maintain strong double-digit volume growth as well as high RoE, making it deserving of high valuations. Despite healthy performance in a tough quarter, we have cut our EPS forecast for FY18 due to likely lower gross margin relative to earlier expectations on account of increase in trade discounts. Maintain **Buy** with a target price of INR19,600 (46x June 2019E EPS, 15% discount to 3-year average P/E).

### Quarterly Performance

Y/E MARCH	FY17				FY18				FY17	FY18E	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	5,686	5,378	5,283	4,989	6,962	6,453	6,498	6,315	21,335	26,229	6,805	2.3%
YoY Change (%)	26.7	15.3	19.2	12.8	22.5	20.0	23.0	26.6	18.5	22.9	19.0	
COGS	2,570	2,156	2,131	1,766	3,187	2,652	2,556	2,162	8,623	10,557	2,786	
Gross Profit	3,116	3,222	3,151	3,223	3,775	3,802	3,941	4,153	12,712	15,672	4,020	-6.1%
Gross margin (%)	54.8	59.9	59.7	64.6	54.2	58.9	60.7	65.8	59.6	59.8	59.1	
Other Expenditure % to sales	2,024	2,147	2,160	2,249	2,410	2,512	2,689	2,873	8,580	10,485	2,516	
	35.6	39.9	40.9	45.1	34.6	38.9	41.4	45.5	40.2	40.0	37.0	
EBITDA	1,092	1,075	991	974	1,365	1,290	1,252	1,280	4,132	5,187	1,504	-9.2%
Margins (%)	19.2	20.0	18.8	19.5	19.6	20.0	19.3	20.3	19.4	19.8	22.1	
YoY Change	8.8	6.3	19.6	5.3	25.0	20.0	26.3	31.5	9.7	25.5	37.7	
Depreciation	59	60	62	65	67	66	69	72	247	273	59	
Interest	39	40	45	56	45	40	45	39	180	169	20	
Other Income	59	62	20	103	40	40	20	31	243	131	38	
PBT	1,053	1,037	904	955	1,294	1,224	1,158	1,200	3,948	4,876	1,464	-11.6%
Tax	373	350	275	287	441	399	378	372	1,285	1,590	477	
Rate (%)	35.5	33.8	30.4	30.1	34.1	32.6	32.6	31.0	32.6	32.6	32.6	
PAT	679	687	629	668	853	825	781	828	2,663	3,287	986	-13.5%
YoY Change (%)	8.5	14.0	20.9	17.9	25.5	20.1	24.1	24.0	15.0	23.4	45.2	

E: MOSL Estimates



# Gujarat Gas

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

**CMP: INR749**

**TP: INR691 (-8%)**

**Sell**

Bloomberg GUJGA IN  
Equity Shares (m) 137.7  
M.Cap.(INRb)/(USDb) 103.3 / 1.6  
52-Week Range (INR) 880 / 487  
1, 6, 12 Rel. Per (%) -1/10/8  
Avg Val, INRm 67  
Free float (%) 39.1

### Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	50.9	67.0	78.3
EBITDA	7.5	11.7	13.2
PAT	2.8	5.1	6.3
EPS (INR)	20.4	37.2	46.1
EPS Gr. (%)	35.7	82.6	23.9
BV/Sh (INR)	119.5	149.7	187.2
RoE (%)	17.8	27.6	27.4
RoCE (%)	14.5	23.3	26.1
P/E (x)	36.8	20.1	16.3
P/BV (x)	6.3	5.0	4.0
EV/EBITDA (x)	16.8	10.6	9.0

Estimate change

TP change

Rating change

### EBITDA above estimate led by lower gas cost; volume growth strong

- n GUJGA reported EBITDA of INR2.7b (+24% YoY, +84% QoQ), ahead of our estimate of INR1.8b, led by lower RM cost of INR10.6b (-5% QoQ). Reported PAT came in at INR1b (+39% YoY, +215% QoQ), significantly ahead of our estimate of INR579m.
- n **EBITDA/scm stood at INR4.8:** EBITDA/scm rose sharply to INR4.8 (+3% YoY, +81% QoQ), ahead of our estimate of INR3.3, led by lower gas cost. We have modeled EBITDA/scm at INR5/5.1 for FY18/19.
- n **PNG volumes strong:** PNG industrial/commercial volumes stood at 4.4mmscmd (+25% YoY, +3% QoQ), and PNG household volumes at 0.4mmscmd (+14% YoY, -21% QoQ). We have modeled total PNG volumes at 5/5.6mmscmd for FY18/19
- n **CNG volumes up 11% YoY:** CNG volumes stood at 1.3mmscmd (+11% YoY, +2% QoQ). We model CNG volumes at 1.4/1.6mmscmd for FY18/19.

### Valuation and view

- n We expect volume growth to continue in FY18/19, primarily led by PNG industrial and commercial segment. For FY18/19, we model volumes of 6.4/7.2mmscmd and EBITDA/scm of INR5/5.1.
- n We understand that due to gas not being in GST, sales volume has been impacted adversely. However, we also understand that state government is mulling decreasing VAT which may result in the volumes being restored.
- n Global gas utility companies are trading at 17.0x CY18/FY19E EPS. Due to higher volatility, we value the company at 15x, ~10% discount to global peers. At 15x FY19E EPS of INR46.1, we value GUJGA at INR691, implying a downside of 8%. Maintain **Sell**.

### Standalone - Quarterly Earning Model

Y/E March	FY17				FY18				(INR Million)				
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY17	FY18E	FY18	1QE	Var (%)
Net Sales	12,247	12,371	12,309	14,002	14,780	16,911	17,281	18,016	50,929	66,988	15,438		-4.3
YoY Change (%)	-26.7	-21.3	-17.1	1.6	20.7	36.7	40.4	28.7	-16.6	31.5	26.0		
Total Expenditure	10,073	10,243	10,600	12,539	12,082	13,991	14,265	14,972	43,455	55,310	13,581		-11.0
EBITDA	2,173	2,129	1,709	1,463	2,698	2,920	3,015	3,045	7,474	11,678	1,857		45.3
Margins (%)	17.7	17.2	13.9	10.4	18.3	17.3	17.5	16.9	14.7	17.4	12.0		
Depreciation	632	645	653	643	666	725	725	725	2,672	2,840	710		-6.2
Interest	534	541	539	476	496	378	378	378	1,518	1,629	407		21.7
Other Income	62	53	75	71	78	137	137	137	372	489	125		-37.1
PBT	1,070	995	593	415	1,615	1,954	2,050	2,079	3,655	7,698	864		86.9
Tax	321	277	170	84	571	645	676	686	852	2,579	285		100.4
Rate (%)	30.0	27.8	28.6	20.2	35.4	33.0	33.0	33.0	23.3	33.5	33.0		
Reported PAT	748	718	423	331	1,044	1,309	1,373	1,393	2,803	5,119	579		80.2
YoY Change (%)	27.7	158.8	31.5	-63.9	39.4	82.3	224.7	320.3	35.7	82.6	-23.7		
Margins (%)	6.1	5.8	3.4	2.4	7.1	7.7	7.9	7.7	5.5	7.6	3.8		
Total volume (mmscmd)	5.1	5.2	5.3	6.1	6.1	6.3	6.5	6.7	5.4	6.4	6.2		-2.0
CNG	1.1	1.2	1.2	1.2	1.3	1.3	1.4	1.5	1.2	1.4	1.3		-2.6
PNG - Industrials/commercial	3.5	3.6	3.7	4.3	4.4	4.5	4.6	4.8	3.8	4.6	4.4		0.7
PNG - Households	0.4	0.4	0.5	0.6	0.4	0.4	0.5	0.5	0.5	0.5	0.6		-22.3
EBITDA (INR/scm)	4.7	4.5	3.5	2.7	4.8	5.0	5.0	5.1	3.8	5.0	3.3		48.3



# Union Bank of India

BSE SENSEX	S&P CNX
31,531	9,820

Bloomberg	UNBK IN
Equity Shares (m)	687
M.Cap. (INRb)/(USD\$b)	92.4 / 1.4
52-Week Range (INR)	205 / 116
1, 6, 12 Rel. Per (%)	-14/-22/-7
Avg Val, INRm	763
Free float (%)	36.6

### Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	95.1	103	119
OP	73.2	77.9	90.4
NP	6.6	13.9	23.6
EPS (INR)	2.2	2.2	2.2
EPS Gr. (%)	9.0	19.1	32.5
BV/Sh. (INR)	12.0	111.3	69.9
RoE (%)	3.0	6.1	9.7
RoA (%)	0.1	0.3	0.4
P/E(X)	14.9	7.0	4.1
P/BV (X)	0.44	0.42	0.39

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR134**

**TP: INR140(+4%)**

**Neutral**

### High provisions offset PPop growth; net stressed loans increase QoQ

- UNBK reported PAT of INR1.17b (+8%/-30% QoQ/YoY). PPop growth of -5%/+16% QoQ/YoY on the back of strong trading gains (46% of other income) was offset by elevated provisions of INR17b (+26% YoY). Provisions included INR294m of additional provisions toward standard accounts in the telecom sector; however, NPA provisions also remained elevated at INR18.76b, the highest in five quarters.
- NII growth was muted at -6%/7% QoQ/YoY, impacted by INR327m of interest reversals on SDR and S4A accounts. Domestic/global NIM contracted 20bp/21bp QoQ to 2.2%/2.06%. Trading gains of INR6.5b (46% of other income) helped prop up other income. Fee income grew -12%/5% QoQ/YoY.
- Gross and net slippages were the highest in five quarters. Gross slippages soared 51% QoQ to INR44.5b (6.9% slippage ratio), while recoveries and upgrades were subdued at INR5.4b, leading to net slippage ratio of 5.8% (five-quarter high). Overall pool of NSL (NNPL + OSRL + other stressed loans) was flat QoQ at INR33.3b, but increased to 12% of advances on a sluggish loan book. Agri slippages jumped to INR6.96b v/s INR2.74b in 4Q, while five large corporate accounts contributed INR20b.
- Other highlights:** (1) RAM portfolio grew 13% YoY, led by 19% growth in retail. (2) CASA deposits rose 25% YoY, led by 28% growth in SA deposits. Avg. daily CASA ratio declined marginally QoQ to 33.5%.
- Valuation and view:** Balance sheet recalibration is evident from the stronger focus on RAM portfolio. However, ageing of the NPL portfolio and continued elevated slippages and credit costs will pressurize earnings. Resultantly, we expect RoA/RoE to remain sub-optimal at 0.3/6%. We cut earnings by 63%/45% for FY18/19E to factor in pressure on NIMs and higher credit costs. Maintain **Neutral** with a TP of INR139 (0.4x June 19 BV v/s earlier TP of INR174 at 0.5x of FY19E BV in view of prolonged pressure on profitability).

### Quarterly Performance

	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	78,766	82,081	82,498	83,255	81,530	83,188	85,158	87,808	3,26,600	3,37,684
Interest Expense	57,744	59,307	61,132	59,384	59,104	59,991	60,891	62,599	2,37,566	2,42,585
Net Interest Income	21,023	22,774	21,366	23,870	22,426	23,197	24,267	25,209	89,033	95,099
% Change (YoY)	-1.3	8.4	7.0	14.5	6.7	1.9	13.6	5.6	7.1	6.8
Other Income	10,399	11,394	13,397	14,456	14,147	12,221	11,684	12,734	49,646	50,785
Net Income	31,421	34,169	34,763	38,326	36,573	35,417	35,951	37,943	1,38,679	1,45,884
Operating Expenses	15,171	15,972	16,250	16,986	16,007	17,821	18,911	19,927	64,378	72,665
Operating Profit	16,251	18,197	18,513	21,341	20,566	17,596	17,040	18,016	74,301	73,219
% Change (YoY)	9.2	29.0	38.8	51.4	26.6	-3.3	-8.0	-15.6	31.7	-1.5
Other Provisions	13,530	16,203	16,701	24,441	17,037	15,525	14,525	15,179	70,875	62,266
Profit before Tax	2,721	1,994	1,811	-3,101	3,529	2,071	2,515	2,837	3,426	10,953
Tax Provisions	1,058	227	771	-4,183	2,363	580	704	734	-2,126	4,381
Net Profit	1,663	1,767	1,040	1,082	1,166	1,491	1,811	2,103	5,552	6,572
% Change (YoY)	-67.9	-73.2	32.4	12.6	-29.9	-15.6	74.1	94.3	-58.9	18.4
<b>Operating Parameters</b>										
NIM (Reported,%)	2.3	2.3	2.0	2.3	2.1	0.0	0.0	0.0	2.2	0.5
Deposit Growth (%)	3.5	9.3	16.0	10.4	10.9	7.6	6.0	10.0	10.4	10.0
Loan Growth (%)	3.5	7.7	3.5	7.1	8.4	7.1	10.8	7.0	7.1	7.0
<b>Asset Quality</b>										
OSRL (INR b)	72.5	56.4	55.2	56.9	38.6	0.0	0.0	0.0	56.9	0.0
OSRL (%)	2.7	2.0	2.0	1.9	1.3	0.0	0.0	0.0	1.9	0.0
Gross NPA (INR b)	272.8	298.6	324.0	337.1	372.9	392.1	406.5	415.5	337.1	415.5
Gross NPA (%)	10.2	10.7	11.7	11.2	12.6	13.0	13.1	12.8	11.2	12.8

E: MOSL Estimates



# Shilpa Medicare

BSE SENSEX	S&P CNX
31,531	9,820

**CMP: INR551 TP: INR805 (+46%) Buy**

Bloomberg	SLPA IN
Equity Shares (m)	80
M.Cap.(INRb)/(USDb)	57.1 / 0.8
52-Week Range (INR)	787 / 517
1, 6, 12 Rel. Per (%)	-18/-35/-15
Avg Val, INRm	42
Free float (%)	45.3

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	7.8	10.7	14.0
EBITDA	1.8	2.5	3.5
PAT	1.1	1.7	2.4
EPS (INR)	14.0	21.1	30.4
Gr. (%)	6.2	50.7	43.9
BV/Sh (INR)	114.4	134.3	163.1
P/E(x)	39.1	26.0	18.0
P/B (x)	4.8	4.1	3.4
ROE (%)	26.0	18.7	13.1
RoCE (%)	5.8	4.3	3.3

## US formulation on track; Outlook positive

- SLPA's sales rose marginally by 0.8% YoY to INR1.7b due to the shift of part of the CRAMS business to the JV with ICE. This shift of operations started 3QFY17 onward. The company, however, has witnessed improved traction on the formulations front over the past year. EBITDA margin expanded 30bp YoY to 20.2%, which, along with higher other income and lower taxes, led to an increase in PAT to INR241m from INR147m in the year-ago period.
- Sales much higher adjusting for business shift to JV:** SLPA has begun shifting some of CRAMS' business to its JV with ICE. We note that the transferred part of the business recorded sales of ~INR550m, adjusting for which, YoY sales growth would have been ~33% (led by US formulation, CRAMS and Oncology API segments).
- Higher formulation sales drive gross margin:** Gross margin improved 690bp YoY due to superior product mix. However, EBITDA margin expanded by just 30bp YoY due to higher other expenses (led by increased R&D spend).
- Gradual build-up in formulation sales:** Formulation sales came in at INR200m for the quarter, compared to INR140m in 4QFY17, driven by two ANDA approvals for the US market. In addition, it has a good pipeline of 26 ANDAs pending for approval, largely in Oncology. On this basis, we expect SLPA to garner USD24m in FY18.
- Inspection update:** In July 2017, its formulations facility at Jadcherla, Telangana, was inspected by the USFDA, which issued only one minor observation. We thus believe SLPA faces minimal regulatory risk over the medium term.
- Valuation view:** We continue valuing SLPA on 25x FY19E earnings, given its healthy product pipeline, strong growth potential and minimal regulatory risk. Accordingly, we maintain our TP of INR805 and **Buy** rating.

## Quarterly Performance (Consolidated)

	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1,672	2,113	1,836	2,237	1,685	1,930	2,233	2,365	7,858	8,213
YoY Change (%)	11.7	21.1	-8.2	13.1	0.8	-8.6	21.6	5.7	366.3	325.6
Total Expenditure	1,339	1,624	1,487	1,650	1,344	1,496	1,664	1,738	6,100	6,242
EBITDA	333	489	348	587	341	434	569	627	1,758	1,971
Margins (%)	19.9	23.2	19.0	26.2	20.2	22.5	25.5	26.5	22.4	24.0
Depreciation	70	75	78	78	84	82	83	82	300	331
Interest	7	6	7	7	5	5	5	5	27	20
Other Income	24	37	40	79	52	75	85	95	180	307
PBT before EO expense	280	446	304	581	303	422	566	635	1,610	1,927
Share of profit/ (Loss) in Associate/ JV	-62	54	-37	-7	28	50	85	95	0	258
Extra-Ord expense	0	0	0	45	0	0	0	0	45	0
PBT	342	391	340	633	275	372	481	540	1,655	1,669
Tax	80	124	97	147	90	113	137	153	447	493
Rate (%)	36.5	24.7	36.1	27.8	27.2	24.0	21.0	21.0	28.5	22.6
Minority Interest & Profit/Loss of Asso. Cos.	-9	-6	-4	-8	0	0	0	0	-27	0
Reported PAT	147	382	175	390	241	359	515	576	1,145	1,691
Adj PAT	147	382	175	423	221	321	447	501	1,178	1,491
YoY Change (%)	-5.3	52.4	-37.1	7.7	50.2	-16.1	156.4	18.6	433.3	364.8
Margins (%)	8.8	18.1	9.5	18.9	13.1	16.6	20.0	21.2	15.0	18.2

E: MOSL Estimates



# Manpasand Beverages

BSE SENSEX 31,531 S&P CNX 9,820

**CMP: INR781 TP: INR927 (19%)**

**Buy**

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

## Revenue in-line, PAT beats estimates

- MANB's overall revenue increased 27% YoY to INR3,015m (est. of INR2,981m) in 1QFY18.
- EBITDA margin contracted 40bp YoY to 18.7% (est. of 19.8%) on account of an increase in raw material cost (+90bp) and employee expenses (+40bp). EBITDA rose 24% YoY to INR563m (est. of INR590m) in the quarter.
- Accordingly, adj. PAT rose 25.3% YoY to INR359m (est. of INR323m), led by higher-than-expected other income of INR98m (est. of INR24m).

### Financials & Valuations (INR b)

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

### Valuations

P/E (x)	61.5	38.6	25.3
P/BV (x)	3.9	3.6	3.3
EV/EBITDA (x)	30.4	20.9	14.2

### Key questions for management

- Nature of other income reported in the quarter and whether it is sustainable
- Capex plans and update on land acquisition in north-east
- Product launches in pipeline

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

Based on our current estimates, at CMP of INR781, the stock trades at 39x/25x P/E on FY18/FY19E EPS. Currently, we have a **Buy** rating on the stock.

### Standalone - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18 1QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	2,369	1,025	1,025	2,734	3,015	1,486	1,639	4,101	7,153	10,241	2,981	1
YoY Change (%)	63.1	34.6	11.6	28.6	27.2	45.0	60.0	50.0	32.3	43.2	30.0	
Total Expenditure	1,917	803	844	2,217	2,451	1,165	1,302	3,277	5,617	8,128	2,391	
EBITDA	453	222	181	518	563	321	338	824	1,536	2,113	590	-5
Margins (%)	19.1	21.7	17.6	18.9	18.7	21.6	20.6	20.1	21.5	20.6	19.8	
Depreciation	149	171	177	241	237	230	230	272	738	969	250	
Interest	1	8	2	1	4	2	1	1	12	8	1	
Other Income	17	17	60	85	98	21	68	102	179	289	24	
PBT	320	61	61	361	421	110	175	653	965	1,426	363	16
Tax	33	7	13	48	62	13	28	72	101	175	40	
Rate (%)	10.4	10.8	21.9	13.2	14.7	11.8	16.2	11.0	10.5	12.3	11.1	
Minority Interest & Profit/Loss of Asso.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	286	54	48	313	359	97	146	581	864	1,251	323	11
Adj PAT	286	54	48	313	359	97	146	581	864	1,251	323	11
YoY Change (%)	82.5	24.5	-1.4	22.5	25.3	79.3	205.4	85.5	23.1	44.7	12.7	
Margins (%)	12.1	5.3	4.7	11.5	11.9	6.5	8.9	14.2	12.1	12.2	10.8	

E: MOSL Estimates

## Allcargo Logistic

BSE SENSEX  
31,531S&P CNX  
9,820

CMP: INR163

TP: INR228 (+40%)

Buy

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

## Conference Call Details

Date: 11<sup>th</sup> August 2017

Time: 02:30pm IST

Dial-in details:

+91-22-3938 1006/

3940 3977

## Financials &amp; Valuations (INR b)

Y/E March	2017E	2018E	2019E
Sales	55.7	62.0	67.9
EBITDA	4.6	5.3	5.9
Adj. PAT	2.4	3.0	3.5
Adj. EPS (INR)	9.8	12.2	14.3
EPS Gr. (%)	-3.7	23.7	17.5
BV/Sh. (INR)	66.5	75.1	85.0
RoE (%)	12.6	17.2	17.8
RoCE (%)	10.2	12.9	13.9
<b>Valuation</b>			
P/E (x)	16.6	13.4	11.4
P/BV (x)	2.4	2.2	1.9
EV/EBITDA (x)	9.4	7.6	6.3

## Margins impacted due to higher provisions in P&amp;E segment; PAT in line due to lower tax outgo

- n AGLL's revenue grew 6% YoY (and 9% QoQ) to INR14.83b (v/s our estimate of INR14.2b), with MTO revenue growing 9% YoY, led by 14% YoY volume growth.
- n EBITDA declined 23% YoY (and 2% QoQ) to INR1.03b, below our estimate of INR1.1b, as higher provisioning for doubtful debts impacted P&E segment EBIT. EBITDA margin declined from 9.5% in 1QFY17 to 6.9% due to weak margin in P&E segment.
- n Other income grew 169% YoY to INR180m due to INR109m profit on sale of fixed assets and investments.
- n Adjusted PAT was flat YoY (up 7% QoQ) at INR611m (our estimate was INR642m) due to lower tax rate at 11% for 1QFY18.

## Segmental performance

- n MTO segment volumes increased 14% YoY to 1,38,479 TEU. Revenue increased 9% YoY to INR12.9b due to volume growth across key markets. EBIT margin declined 0.7pp YoY and 0.2pp QoQ to 4.1%.
- n CFS segment volumes were flat YoY at 78,732 TEU, led by growth in Mundra CFS. Revenue declined 1% YoY to INR1.09b, possibly due to lower dwell time. EBIT margin declined ~0.7pp YoY and 2.4pp QoQ due to lease rentals of Kolkata CFS and expenses related to new CFS at Mundra.
- n Project and Engineering (P&E) segment revenue declined 25% YoY to INR0.99b due to sale of low-yielding and non-strategic assets as also transfer of similar business to ACCI. P&E reported EBIT loss of INR1m on account of higher provision for doubtful debts and fewer ships operational in 1QFY18.

**Valuation and view:** We will revisit our estimates post the earnings call. At the CMP of INR163, the stock trades at 13.4x FY18E and 11.4x FY19E EPS.

## Consolidated - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18				
	1Q	2Q	3Q	4Q	1QE	1QAct	Var (%)	YoY (%)	QoQ (%)
Net Sales	13,989	14,084	14,052	13,628	14,186	14,834	5%	6%	9%
YoY Change (%)	-5.2	-3.1	6.0	-1.6	1.8	6.0			
Total Expenditure	12,657	12,824	13,059	12,572	13,041	13,805	6%	9%	10%
EBITDA	1,332	1,261	993	1,056	1,146	1,030	-10%	-23%	-2%
Margins (%)	9.5	9.0	7.1	7.7	8.1	6.9			
Depreciation	436	434	407	386	390	399	2%	-8%	4%
Interest	75	75	78	96	90	83	-7%	10%	-13%
Other Income	59	80	246	149	180	159	-11%	169%	7%
PBT before EO expense	880	832	754	724	846	707	-16%	-20%	-2%
Extra-Ord expense	0	10	63	0	0	0			
PBT	880	822	691	724	846	707	-16%	-20%	-2%
Tax	256	178	211	131	203	76	-62%	-70%	-42%
Rate (%)	29.1	21.7	30.6	18.1	24.0	10.8			
Reported PAT	624	643	480	593	643	630	-2%	1%	6%
Min. Interest & P&L of Asso. Cos.	-14	1	12	-20	21	-19	-191%	35%	-6%
Adj PAT	610	644	492	572	642	611	-5%	0%	7%
YoY Change (%)	-24.6	4.1	-15.2	-10.6	1.0	0.2			
Margins (%)	4.4	4.6	3.5	4.2	4.5	4.1			

E: MOSL Estimates

BSE SENSEX 31,531 S&P CNX 9,820

**CMP: INR252 TP: INR287 (14%)**

**Buy**

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

**Conference Call Details**



**Date:** 14<sup>th</sup> Aug 2017  
**Time:** 12.00pm IST  
**Dial-in details:**  
+91-22-3938 1071

**Financials & Valuations (INR b)**

Y/E Mar	2017	2018E	2019E
Sales	9.8	10.9	12.4
EBITDA	1.7	2.0	2.3
NP	1.0	1.2	1.5
Adj EPS (INR)	7.2	8.6	10.3
EPS Gr. (%)	43.5	18.5	19.4
BV/Sh (INR)	56.1	62.2	69.5
RoE (%)	13.7	14.5	15.6
RoCE (%)	19.0	21.2	23.2

**Valuations**

P/E (x)	34.8	29.3	24.6
P/BV (x)	4.5	4.0	3.6
EV/EBITDA (x)	22.0	18.4	15.3

**Revenue, EBITDA below estimates; PAT in-line**

- SHKL's overall revenue declined 8.6% YoY to INR2,529m (est. of INR2,629m) in 1QFY18, led by de-growth in the Fragrance (-8.6% YoY to INR2,187m) and Flavor (-8.4% YoY to INR332m) businesses.
- EBITDA margin contracted marginally by 20bp YoY to 16.9% (est. of 17.5%). EBITDA declined 10% YoY to INR427m (est. of INR460m). Gross margin improved by a healthy 290bp YoY to 51.7%, partly offset by higher other expenses (+190bp).
- PBIT margin for Fragrance stood at 16.7% (v/s 14.6% in 1QFY17) and for Flavors at 18.9% (v/s 28.7% in 1QFY17).
- Consequently, adj. PAT declined marginally by 2.5% to INR268m (est. of INR263m).

**Valuation view:** We will revisit our estimates/rating post the earnings call. Based on our current estimates, at CMP of INR252, the stock trades at 29x/25x P/E on FY18/FY19E EPS. Currently, we have a **Buy** rating on the stock.

**Consolidated - Quarterly Earning Model**

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	2,768	2,636	2,319	2,698	2,529	2,847	2,504	2,967	10,421	10,848	2,629	-4
YoY Change (%)	25.2	18.0	-5.3	-6.5	-8.6	8.0	8.0	10.0	6.6	4.1	2.8	
Total Expenditure	2,294	2,220	1,924	2,328	2,102	2,295	1,999	2,430	8,766	8,647	2,169	
EBITDA	474	416	395	370	427	552	506	537	1,655	2,201	460	-7
Margins (%)	17.1	15.8	17.1	13.7	16.9	19.4	20.2	18.1	15.9	20.3	17.5	
Depreciation	44	49	48	53	58	46	51	49	194	204	65	
Interest	17	22	2	10	6	6	3	6	51	21	11	
Other Income	32	29	19	40	38	33	25	44	119	140	37	
PBT before EO expense	444	375	364	346	401	533	477	526	1,529	2,116	421	-5
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	444	375	364	346	401	533	477	526	1,529	2,116	421	-5
Tax	169	132	110	71	133	178	160	148	482	619	158	
Rate (%)	38.1	35.1	30.2	20.7	33.1	33.4	33.6	28.2	31.5	29.3	37.6	
Minority Interest & Profit/Loss of Asso.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	275	243	254	274	268	355	317	378	1,047	1,497	263	2
Adj PAT	275	243	254	274	268	355	317	378	1,047	1,497	263	2
YoY Change (%)	41.0	246.0	16.5	12.5	-2.5	46.2	24.6	37.7	43.9	43.0	-4.6	
Margins (%)	9.9	9.2	11.0	10.2	10.6	12.5	12.6	12.7	10.0	13.8	10.0	

E: MOSL Estimates



# Va Tech Wabag

BSE SENSEX 31,531  
S&P CNX 9,820

**CMP: INR611**

**TP: INR800(+31%)**

**Buy**

Bloomberg Equity Shares (m) 55  
M.Cap.(INRb)/(USD\$b) 36.3 / 0.5  
52-Week Range (INR) 749 / 450  
1, 6, 12 Rel. Per (%) -8/13/-7  
Avg Val, INRm 95  
Free float (%) 75.3

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	32.1	38.7	41.4
EBITDA	3.0	3.7	4.2
PAT	1.6	1.9	2.2
EPS (INR)	29.8	34.6	39.8
Gr. (%)	82.9	16.1	15.0
BV/Sh (INR)	182.1	211.2	244.7
RoE (%)	16.8	17.6	17.4
RoCE (%)	15.9	16.4	16.3
P/E (x)	22.4	19.3	16.8
P/BV (x)	3.7	3.2	2.7

Estimate change



TP change



Rating change



## Operating performance above expectations

- Result above estimates at operating level:** Consol. sales grew 15% YoY to INR6.7b, in line with our estimate of INR6.6b, led by pick-up in execution of key orders like Petronas, Polgawela and AMAS (Bahrain). Standalone sales rose 36% YoY to INR3.5b, while subsidiary sales were muted at INR3.1b. Consol. EBITDA grew 52% YoY to INR0.4b, with the margin of 6.3% (+152bp YoY) above our estimate of 5.0%. Consol. profit of INR84m was 25% below our estimate of INR111m due to a higher tax rate (62% v/s est. of 38%).
- Order backlog of INR74b provides robust revenue visibility:** In 1QFY18, consol. order intake declined 13% YoY to INR7.0b, led by reduced order finalizations in the overseas territory. Overseas ordering declined 64% YoY to INR1.2b. Even in domestic market, barring one large order finalization of Bangalore STP (INR3.9b), ordering stood muted. Order backlog as of 1QFY18 fell 1% YoY to INR73.9b. Order inflow outlook in the domestic market stands robust, given the strong pipeline of orders from Namami Gange, Amrut and municipal STP orders, which are expected to be finalized in medium term.
- Maintains guidance on sales, orders:** Management maintained guidance for revenue of INR38b-40b (+25%) and order inflow of INR44b-45b (+25%) for FY18.
- Valuation view:** We maintain our estimates for FY18/19, as higher interest cost should be offset by an improving margins scenario with pick-up in standalone execution. We maintain **Buy** with a target price of INR800 (20x FY19E EPS). We believe that the company is in a sweet spot to take advantage of the pickup in domestic order inflows, led by state-driven municipal orders, and central government schemes like Namami Gange, AMRUT, Swachh Bharat and Smart Cities.

## Quarterly Performance (Consolidated)

Y/E March	FY17				FY18				FY17		FY18		Var. Vs Est
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY17	FY18E	FY18 1Q		
Sales	5,803	7,771	7,130	11,317	6,686	9,668	9,282	13,038	32,079	38,674	6,575	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		
EBITDA	275	575	741	1,317	418	870	989	1,452	2,966	3,715	329	27.2%	
Change (%)	-0.8	23.5	68.5	16.9	52.2	51.4	33.4	10.3	27.3	25.2	33.3		
As of % Sales	4.7	7.4	10.4	11.6	6.3	9.0	10.7	11.1	9.2	9.6	5.0		
Depreciation	46	47	46	52	45	52	52	59	191	208	52		
Interest	119	94	124	161	133	140	145	157	526	575	86		
Other Income	55	6	53	3	20	26	28	38	112	111	12		
PBT	165	439	624	1,108	259	704	820	1,274	2,362	3,043	202	28.3%	
Tax	109	186	45	326	160	267	312	407	667	1,146	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		
Adj PAT	52	236	557	757	84	434	506	878	1,625	1,886	111	-24.7%	
Change (%)	(155.7)	102.8	168.2	16.2	61.5	83.8	(9.2)	15.9	83.1	16.1	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		
Reported PAT	52	240	-48	757	84	434	506	878	1,024	1,886	111	-24.7%	
Change (%)	-155.5	102.1	167.2	15.8	61.5	83.8	-9.2	15.9	11.3	84.1	-46.6		

E: MOSL Estimates



## Indo Count Industries

BSE SENSEX 31,531 S&amp;P CNX 9,820

CMP: INR133

TP: INR200(+50%)

BUY

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

## Conference Call Details

Date: 11<sup>th</sup> Aug 2017

Time: 11:30am IST

Dial-in details:

022 3960 0711

## Financials &amp; Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	22.6	24.1	25.9
EBITDA	4.3	4.6	5.2
NP	2.6	2.6	3.0
Adj EPS (INR)	13.0	13.2	15.4
EPS Gr. (%)	-10.7	1.5	16.4
BV/Sh (INR)	42.9	57.0	73.7
RoE (%)	34.8	26.4	23.5
RoCE (%)	26.5	23.1	22.7

## Valuations

P/E (x)	10.2	10.1	8.7
P/BV (x)	3.1	2.3	1.8
EV/EBITDA (x)	6.8	6.0	5.0

## Results below estimates, EBITDA margin contracts 730bp YoY

- ICNT's revenue declined 12.4% YoY to INR4,318m (est. INR5,370m) in 1QFY18.
- EBITDA fell 41% YoY to INR653m (est. of INR1,187m), with the margin contracting 730bp YoY to 15.1% (est. of 22.1%).
- Despite gross margin improving by 160bp YoY to 49.9%, EBITDA margin contracted due to a 760bp increase in other expenses to 28.2%.
- Consequently, PAT declined 47% YoY to INR320m (est. of INR666m).

## Key questions for management

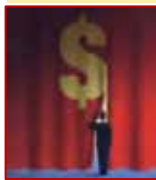
- Guidance on recovery post GST and currency impact
- Reason for significant improvement in gross margin, despite increase in other expenses

**Valuation and view:** We will revisit our estimates post the earnings call. Based on our current estimates, at CMP of INR133, the stock trades at 10x/9x P/E on FY18/FY19E EPS. Currently, we have **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	4,926	5,763	5,029	5,129	4,318	6,628	5,934	6,155	22,578	24,079	5,370	-20
YoY Change (%)	7.6	0.0	0.4	-0.1	-12.4	15.0	18.0	20.0	7.0	6.6	9.0	
Total Expenditure	3,824	4,599	4,009	4,228	3,665	5,296	4,765	5,096	18,294	19,432	4,183	
EBITDA	1,103	1,164	1,020	901	653	1,332	1,169	1,059	4,285	4,647	1,187	-45
Margins (%)	22.4	20.2	20.3	17.6	15.1	20.1	19.7	17.2	19.0	19.3	22.1	
Depreciation	80	73	79	79	75	102	98	96	331	395	99	
Interest	98	116	91	89	82	74	76	77	421	297	70	
Other Income	0	0	0	0	0	0	0	0	0	10	0	
PBT	924	975	849	733	496	1,156	995	886	3,532	3,965	1,018	-51
Tax	321	348	287	245	177	409	334	293	965	1,360	352	
Rate (%)	34.8	35.7	33.8	33.4	35.6	35.4	33.6	33.1	27.3	34.3	34.6	
Reported PAT	603	627	562	488	320	747	661	592	2,567	2,605	666	-52
Adj PAT	603	627	562	488	320	747	661	592	2,567	2,605	666	-52
YoY Change (%)	15.6	21.5	-27.3	-28.1	-47.0	19.1	17.6	21.4	-10.7	1.5	10.4	
Margins (%)	12.2	10.9	11.2	9.5	7.4	11.3	11.1	9.6	11.4	10.8	12.4	

E: MOSL Estimates



# Alkem Labs

Bloomberg	ALKEM IN
Equity Shares (m)	119.6
M. Cap. (INR b)/(USD b)	219 / 3
52-Week Range (INR)	2238 / 1342
1,6,12 Rel Perf. (%)	-7 / -8 / 20

**CMP: INR1,830 TP: INR1,900 (+4%) Neutral**

- n We expect muted revenue growth for Alkem due to the impact of GST in the domestic market and the lack of big approvals in the US. We expect domestic growth for Alkem to pick up from 2Q FY18 due to channel re-filling.
- n EBITDA margin is expected to shrink marginally by 30bp YoY and expand 610bp QoQ on the back of low base effect of 4QFY17 due to seasonality factor and GST impact, which led to de-stocking.
- n We expect adj. PAT to decline ~6% YoY, while tax rate is expected to inch up to ~17% from mid-single-digit in FY17.
- n Growth in ALKEM's India business is expected to slow down as the industry still unravels actual impact of GST on inventory de-stocking.
- n We continue believing that ALKEM is the best way to play the domestic growth story (>70% of revenue and >85% of EBITDA came from India in FY17). Our TP of INR1,900 is based on 20x FY19E PER. Neutral.

## Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	58.5	65.4	76.4	87.7
EBITDA	10.0	11.6	13.8	17.0
NP	9.0	9.5	11.4	13.3
EPS (INR)	75.7	79.7	95.0	111.6
EPS Gro. (%)	7.5	5.3	19.2	17.5
BV/Sh. (INR)	353.4	415.2	488.7	575.2
RoE (%)	23.4	20.7	21.0	21.0
RoCE (%)	21.3	19.0	23.1	25.1

## Valuations

P/E (x)	24.2	23.0	19.3	16.4
P/BV (x)	5.2	4.4	3.7	3.2
EV/EBITDA (x)	21.6	17.9	14.5	11.4

## Key issues to watch out

- Ø Impact of demonetization.
- Ø Update on visibility of approval post EIR at Ankleshwar facility.
- Ø Pick-up in chronic business.

## Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	14,808	16,383	14,819	12,514	15,749	17,335	16,699	15,656	58,525	65,439
YoY Change (%)	22.6	18.6	16.3	9.0	6.4	5.8	12.7	25.1	15.9	11.8
EBITDA	2,711	3,105	2,681	1,493	2,835	3,120	2,956	2,737	9,989	11,648
Margins (%)	18.3	19.0	18.1	11.9	18.0	18.0	17.7	17.5	17.1	17.8
Depreciation	230	255	264	264	270	285	290	294	1,012	1,139
Net Other Income	181	219	137	132	150	240	270	309	669	969
PBT before EO Exp	2,663	3,069	2,554	1,361	2,715	3,075	2,936	2,752	9,646	11,478
EO Exp/(Inc)									0	0
PBT	2,663	3,069	2,554	1,361	2,715	3,075	2,936	2,752	9,646	11,478
Tax	230	187	192	-9	462	523	499	468	600	1,951
Rate (%)	8.6	6.1	7.5	-0.7	17.0	17.0	17.0	17.0	6.2	17.0
PAT (pre Minority Interest)	2,433	2,882	2,363	1,370	2,253	2,553	2,437	2,284	9,047	9,526
Minority Interest	45	53	29	0	0	0	0	0	0	0
Reported PAT	2,388	2,828	2,334	1,370	2,253	2,553	2,437	2,284	9,047	9,526
YoY Change (%)									0	0
Adj. Net Profit	2,388	2,828	2,334	1,370	2,253	2,553	2,437	2,284	9,047	9,526
YoY Change (%)	18.7	5.9	24.7	-27.0	-5.6	-9.8	4.4	66.8	22.1	5.3



# BPCL

Bloomberg	BPCL IN
Equity Shares (m)	1311.3
M. Cap. (INR b)/(USD b)	862 / 13
52-Week Range (INR)	770 / 534
1,6,12 Rel Perf. (%)	-9 / -17 / 4

### Financial snapshot (INR b)

y/e March	2017	2018E	2019E	2020E
Sales	2012.5	2048.0	2275.1	2312.0
EBITDA	135.1	119.1	135.6	138.8
Adj. PAT	95.1	72.1	85.5	87.9
Adj. EPS (INR)	72.5	55.0	65.2	67.0
EPS Gr.%	97.8	-10.8	-10.1	21.9
BV/Sh.INR	235.0	271.5	314.4	721.4
RoE (%)	32.4	21.7	22.3	19.9
RoCE (%)	16.2	11.7	12.3	11.6
Payout (%)	52.4	33.7	34.2	30.9

### Valuation

P/E (x)	9.1	11.9	10.1	9.8
P/BV (x)	2.8	2.4	2.1	0.9
EV/EBITDA (x)	8.6	10.1	8.9	5.7
Div. Yld (%)	4.9	2.4	2.9	5.4

**CMP: INR657 TP: INR768 (+17%) Neutral**

- n We expect OMCs' (IOCL, BPCL and HPCL) core earnings to decline YoY/QoQ, led by inventory losses in 1QFY18.
- n We model nil subsidy sharing for OMCs; subsidy in 1QFY18 would be entirely borne by the government.
- n We peg BPCL's refinery throughput at 6.2mmt for 1QFY18 v/s 6.0mmt in 4QFY17 and 6.2mmt in 1QFY17.
- n We model GRM of USD5.5/bbl (including inventory loss) for BPCL in 1QFY18.
- n We expect BPCL to report EBITDA of INR18.9b (-15% QoQ, -54% YoY) in 1QFY18.
- n We estimate PAT at INR12.5b (-32% QoQ, -52% YoY) for 1QFY18.
- n BPCL trades at 10.1x FY19E EPS of INR65.2 and 2.1x FY19E BV (adjusted for investments), with -5% dividend yield. Maintain Neutral.

### Key issues to watch for

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

### Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>469,387</b>	<b>446,927</b>	<b>535,427</b>	<b>570,365</b>	<b>501,061</b>	<b>517,671</b>	<b>498,110</b>	<b>501,565</b>	<b>2,022,106</b>	<b>2,018,407</b>
YoY Change (%)	-9.9	-3.4	15.1	31.0	6.7	15.8	-7.0	-12.1	7.3	-0.2
Total Expenditure	428,532	433,257	500,775	548,242	482,167	491,454	469,772	473,118	1,910,807	1,916,511
<b>EBITDA</b>	<b>40,855</b>	<b>13,670</b>	<b>34,652</b>	<b>22,123</b>	<b>18,895</b>	<b>26,217</b>	<b>28,339</b>	<b>28,446</b>	<b>111,299</b>	<b>101,896</b>
Margins (%)	8.7	3.1	6.5	3.9	3.8	5.1	5.7	5.7	5.5	5.0
Depreciation	4,315	4,524	4,836	5,238	5,367	5,367	5,367	5,367	18,913	21,466
Interest	1,111	1,024	1,349	1,475	2,063	2,063	2,063	2,063	4,959	8,254
Other Income	1,986	10,367	4,024	6,624	5,542	5,542	5,542	5,542	23,001	22,169
<b>PBT</b>	<b>37,415</b>	<b>18,489</b>	<b>33,978</b>	<b>22,033</b>	<b>17,007</b>	<b>24,329</b>	<b>26,451</b>	<b>26,558</b>	<b>110,428</b>	<b>94,345</b>
Tax	11,210	5,437	9,771	3,616	4,507	6,447	7,009	7,038	30,035	25,001
Rate (%)	30.0	29.4	28.8	16.4	26.5	26.5	26.5	26.5	27.2	26.5
<b>Reported PAT</b>	<b>26,205</b>	<b>13,052</b>	<b>22,719</b>	<b>18,417</b>	<b>12,500</b>	<b>17,882</b>	<b>19,441</b>	<b>19,520</b>	<b>80,393</b>	<b>69,343</b>
<b>Adj. PAT</b>	<b>26,205</b>	<b>13,052</b>	<b>23,147</b>	<b>18,417</b>	<b>12,500</b>	<b>17,882</b>	<b>19,441</b>	<b>19,520</b>	<b>80,393</b>	<b>69,343</b>
YoY Change (%)	11.0	26.2	49.8	-13.0	-52.3	37.0	-16.0	6.0	13.9	-13.7
Margins (%)	5.6	2.9	4.3	3.2	2.5	3.5	3.9	3.9	4.0	3.4
<b>Key Assumptions</b>										
Refining throughput (mmt)	6.2	6.4	6.8	6.0	6.2	6.2	7.2	7.2	25.4	26.8
GRM (USD/bbl)	6.1	3.1	5.9	6.0	5.5	6.1	6.1	6.1	5.3	6.0
Marketing sales volume excl. exports (mmt)	9.7	8.9	9.8	9.3	9.9	9.9	9.9	9.9	37.7	39.5
Marketing GM per liter (INR/liter)	4.6	3.3	4.2	4.5	3.0	3.4	3.4	3.4	3.7	3.3

E: MOSL Estimates



# Bank of Baroda

Bloomberg	BOB IN
Equity Shares (m)	2310.5
M. Cap. (INR b)/(USD b)	368 / 6
52-Week Range (INR)	202 / 136
1,6,12 Rel Perf. (%)	-11 / -9 / -15

**CMP: INR159 TP: INR212 (+33%) Buy**

### Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	135.1	154.0	172.8	197.6
OP	109.8	117.5	123.8	137.6
NP	13.8	42.6	51.9	56.5
NIM (%)	2.2	2.3	2.4	2.4
EPS (INR)	6.0	18.4	22.5	24.4
EPS Gr. (%)	NA	207.7	22.0	8.7
BV/Sh. (INR)	147.8	161.9	179.1	197.9
ABV/Sh. (INR)	96.9	110.5	133.4	154.7
RoE (%)	4.1	11.9	13.2	13.0
RoA (%)	0.2	0.6	0.7	0.6
Div. Payout (%)	23.2	23.2	23.2	23.2

### Valuations

P/E(X)	26.6	8.7	7.1	6.5
P/BV (X)	1.1	1.0	0.9	0.8
P/ABV (X)	1.6	1.4	1.2	1.0
Div. Yield (%)	0.8	2.3	2.8	3.1

- After several quarters of decline in loan growth, 1QFY18 should register 6% YoY loan growth (flat QoQ). Balance sheet recalibration will continue, led by the focus on granular retail loans. We expect drill-down in the international book to continue. We expect BOB to show 7% YoY (flat QoQ) increase in deposits, given the low base.
- We expect margins to improve ~10bp QoQ (flat YoY) to 2.2% from very low levels, as previous quarters were impacted by interest income reversals.
- We expect slippages to remain elevated. However, higher recoveries are expected to provide some cushion to asset quality. We expect only a marginal increase in absolute GNPA's in 1QFY18.
- Muted fee income growth and significantly lower non-core income could see non-interest income (including INR320m from stake sale in CDSL) falling from the highs of 4Q. Overall, non-interest income growth should be flat YoY.
- PAT should increase ~90% YoY, led by lower provisions. Return ratios would still remain sub-optimal. The stock trades at 0.9x

**Key Issues to Watch for FY19 EPS. Buy.**

- Stress addition, mainly from the international book.
- Guidance on loan growth, margins and operating expenses.

### Quarterly Performance

	(INR Million)									
	FY17				FY18E				FY17	FY18
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Interest Income</b>	33,711	34,261	31,344	33,283	35,414	37,096	39,140	42,379	135,134	154,028
% Change (YoY)	-2.6	5.6	15.9	-0.1	5.1	8.3	24.9	27.3	6.1	14.0
Other Income	14,444	15,614	17,750	19,773	14,667	16,573	16,112	19,822	67,581	67,174
<b>Net Income</b>	48,155	49,875	49,093	53,056	50,081	53,669	55,252	62,201	202,715	221,203
Operating Expenses	21,460	22,973	23,141	25,390	23,923	25,894	25,928	27,968	92,964	103,713
<b>Operating Profit</b>	26,695	26,902	25,952	27,666	26,158	27,775	29,324	34,233	109,751	117,490
% Change (YoY)	21.2	15.1	52.3	7.5	-2.0	3.2	13.0	23.7	24.5	7.1
Other Provisions	20,041	17,958	20,795	26,230	15,000	14,000	14,000	15,372	85,024	58,372
<b>Profit before Tax</b>	6,654	8,944	5,157	1,436	11,158	13,775	15,324	18,861	24,727	59,117
Tax Provisions	2,418	3,422	2,630	2,425	3,124	3,857	4,291	5,281	10,896	16,553
<b>Net Profit</b>	4,236	5,521	2,527	-989	8,034	9,918	11,033	13,580	13,831	42,565
% Change (YoY)	-59.7	343.5	NA	NA	89.6	79.6	336.7	NA	NA	207.7
<b>Operating Parameters</b>										
NIM (Calculated, %)	2.2	2.2	2.0	2.1	2.2	2.3	2.4	2.5	1.9	2.3
Deposit Growth (%)	-5.2	-7.3	0.0	4.8	7.0	8.1	6.1	7.0	4.8	7.0
Loan Growth (%)	-11.2	-14.6	-8.9	-0.1	5.6	10.4	15.1	10.0	-0.1	10.0
Tax Rate (%)	36.3	38.3	51.0	168.8	28.0	28.0	28.0	28.0	44.1	28.0
<b>Asset Quality</b>										
Gross NPA (INR B)	430	429	426	427	432	436	438	435	427	435
Gross NPA (%)	11.2	11.4	11.4	10.5	11.3	11.2	10.9	10.3	10.5	10.3

E: MOSL Estimates





# Blue Star

Bloomberg	BLSTR IN
Equity Shares (m)	95.6
M. Cap. (INR b)/(USD b)	59 / 1
52-Week Range (INR)	724 / 418
1,6,12 Rel Perf. (%)	-3 / 8 / 27

### Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Net Sales	44.0	51.0	60.0	68.9
EBITDA	2.4	3.1	4.2	5.0
Adj. PAT	1.2	1.7	2.5	3.2
EPS(INR)	12.9	17.8	26.6	33.1
EPS Gr. (%)	-0.7	38.1	49.4	24.6
BV/Sh. (INR)	79.2	84.3	91.9	101.4
RoE (%)	18.0	21.7	30.1	34.3
RoCE (%)	15.5	19.4	27.8	32.7
Payout (%)	60.0	60.0	60.0	60.0

### Valuations

P/E (x)	47.9	34.7	23.2	18.6
P/BV (x)	7.8	7.3	6.7	6.1
EV/EBITDA (x)	25.5	19.3	14.2	11.6
Div Yield (%)	1.2	1.7	2.6	3.2

\*Consolidated

**CMP: INR617 TP: INR610 (-1%) Neutral**

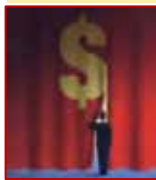
- Unitary cooling division (UCP) is likely to report revenue growth of 15% YoY, partially impacted by destocking done by the dealers given input credit issues faced by them due to implementation of GST. As against an initial estimate of 25% revenue growth in FY18, Blue Star now expects 15-18% growth in UCP segment.
- We expect revenue growth of 11% YoY in the MEP segment, driven by execution of orders in hand. EBIT margins are expected to improve by 390bp YoY to 5.1%. 1QFY17 margins were impacted by provisioning for delay in execution of orders.
- Operating margins are expected to improve by 90bp YoY to 7.2%, and operating profit is expected to register 30% growth YoY.
- Prevailing weak crude prices have raised apprehensions over the pace of order awards and also execution in the Middle East. Even in the domestic market, new project awards remain constrained. Maintain **Neutral**.

### Key issues to watch

- Impact of LG vacating the fixed-speed air conditioning segment on Blue Star's market share and sales.
- Impact of GST on 1QFY18 room AC segment sales.
- Sustainability of profitability and capital employed in MEP business.

### Quarterly performance (Consolidated)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3QE	4Q	1QE	2QE	3QE	4QE		
<b>Sales</b>	<b>12,168</b>	<b>8,890</b>	<b>9,178</b>	<b>13,756</b>	<b>13,910</b>	<b>10,280</b>	<b>10,660</b>	<b>16,470</b>	<b>44,008</b>	<b>51,019</b>
Change (%)	19.3	6.0	16.5	17.8	14.3	15.6	16.1	19.7	15.4	15.9
<b>EBITDA</b>	<b>765</b>	<b>405</b>	<b>351</b>	<b>756</b>	<b>995</b>	<b>580</b>	<b>550</b>	<b>1,248</b>	<b>2,355</b>	<b>3,073</b>
Change (%)	1.6	-8.4	-0.3	25.6	30.1	43.2	56.8	65.1	2.0	30.5
As of % Sales	6.3	4.6	3.8	5.5	7.2	5.6	5.2	7.6	5.4	6.0
Depreciation	135	150	155	166	145	160	170	227	606	702
Interest	92	88	85	114	70	60	60	51	378	241
Other Income	112	98	46	37	50	50	50	65	215	215
Extra-ordinary Items	0	0	0	0	0	0	0	0	0	0
<b>PBT</b>	<b>649</b>	<b>266</b>	<b>157</b>	<b>514</b>	<b>830</b>	<b>410</b>	<b>370</b>	<b>1,035</b>	<b>1,586</b>	<b>2,345</b>
Tax	145	73	15	133	250	110	100	197	367	657
Effective Tax Rate (%)	22.3	27.6	9.7	25.9	30.1	26.8	27.0	19.0	23.1	28.0
<b>Reported PAT</b>	<b>504</b>	<b>193</b>	<b>142</b>	<b>381</b>	<b>580</b>	<b>300</b>	<b>270</b>	<b>839</b>	<b>1,231</b>	<b>1,699</b>
Change (%)	35.7	-1.3	-10.6	-2.5	15.0	55.4	90.4	120.4	5.5	38.1
<b>Adj. PAT</b>	<b>514</b>	<b>200</b>	<b>146</b>	<b>372</b>	<b>590</b>	<b>307</b>	<b>275</b>	<b>830</b>	<b>1,231</b>	<b>1,699</b>
Change (%)	38.3	-4.6	-6.1	-6.5	14.7	53.5	87.6	123.2	5.5	38.1



# Bosch

Bloomberg	BOS IN
Equity Shares (m)	31.4
M. Cap. (INR b)/(USD b)	719 / 11
52-Week Range (INR)	25650 / 18005
1,6,12 Rel Perf. (%)	4 / -6 / -5

### Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	104.4	131.7	149.4	170.2
EBITDA	19.6	27.5	31.9	35.9
NP	14.4	19.8	23.4	26.4
EPS (INR)	473.1	649.9	766.2	866.5
EPS Gr. (%)	-1.8	37.4	17.9	13.1
BV/Sh. (INR)	2,883.1	3,268.3	3,722.5	4,236.2
RoE (%)	15.8	21.1	21.9	21.8
RoCE (%)	23.1	29.9	31.0	30.4

### Valuations

P/E (x)	49.7	36.1	30.7	27.1
P/BV (x)	8.1	7.2	6.3	5.5
EV/EBITDA(x)	35.7	24.1	20.5	18.0
EV/Sales (x)	6.7	5.0	4.4	3.8

**CMP: INR23,493 TP: INR23,738 (+1%) Neutral**

- n Net revenue is likely to grow ~20% YoY (and 17% QoQ) to INR30.2b, led by higher realization of BS-4 parts and higher PV sales.
- n We expect EBITDA margin to increase by 240bp YoY, led by higher revenue.
- n EBITDA is projected to grow 36% YoY to ~INR6.1b.
- n Adjusted PAT is likely to increase 19% YoY to INR4.4b on lower other income and higher depreciation.
- n We maintain our **Neutral** outlook.
- n The stock trades at 36.1x FY18E and 30.7x FY19E EPS.

### Key issues to watch

- Ø Rollout of BS-IV emission norms and implication on Bosch's revenue.
- Ø GST impact on demand.
- Ø Implementation of BS-VI norms for 2-wheelers and underlying opportunity for Bosch.
- Ø Advancement of BS-VI implementation and its impact on Bosch.
- Ø Capex plans for BS-VI norms.

### Quarterly performance (S/A)

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>25,196</b>	<b>26,115</b>	<b>26,720</b>	<b>25,746</b>	<b>30,235</b>	<b>32,644</b>	<b>34,201</b>	<b>34,661</b>	<b>104,351</b>	<b>131,741</b>
YoY Change (%)	9.5	9.7	7.7	2.8	20.0	25.0	28.0	34.6	7.6	26.2
RM Cost (% of sales)	51.8	50.5	54.7	47.6	52.0	50.7	52.5	45.4	51.8	50.5
Staff Cost (% of sales)	12.9	13.3	14.5	11.0	12.3	12.5	12.5	9.2	12.9	13.3
Other Expenses (% of sales)	17.4	18.2	20.8	14.1	15.5	17.0	20.0	12.6	17.4	18.2
<b>EBITDA</b>	<b>4,511</b>	<b>4,694</b>	<b>2,667</b>	<b>7,037</b>	<b>6,123</b>	<b>6,464</b>	<b>5,130</b>	<b>9,819</b>	<b>19,604</b>	<b>27,535</b>
Margins (%)	17.9	18.0	10.0	27.3	20.3	19.8	15.0	28.3	18.8	20.9
Depreciation	860	889	1,294	1,492	1,320	1,330	1,350	1,398	4,562	5,398
Interest	13	10	17	232	37	37	37	39	272	150
Other Income	1,789	2,107	1,634	1,310	1,500	1,650	1,450	1,350	6,174	5,950
<b>PBT after EO Expense</b>	<b>5,428</b>	<b>8,710</b>	<b>2,991</b>	<b>6,624</b>	<b>6,266</b>	<b>6,747</b>	<b>5,193</b>	<b>9,732</b>	<b>20,944</b>	<b>27,937</b>
Tax	1,679	1,673	843	2,219	1,817	1,957	1,506	2,822	7,244	8,102
Tax Rate (%)	30.9	19.2	28.2	33.5	29.0	29.0	29.0	29.0	34.6	29.0
<b>Reported PAT</b>	<b>3,749</b>	<b>7,037</b>	<b>2,148</b>	<b>4,405</b>	<b>4,449</b>	<b>4,790</b>	<b>3,687</b>	<b>6,910</b>	<b>13,700</b>	<b>19,835</b>
<b>Adj PAT</b>	<b>3,749</b>	<b>4,768</b>	<b>2,148</b>	<b>4,405</b>	<b>4,449</b>	<b>4,790</b>	<b>3,687</b>	<b>6,910</b>	<b>13,700</b>	<b>19,835</b>
YoY Change (%)	-0.7	24.9	-23.5	-6.8	18.7	0.5	71.7	56.9	-9.4	44.8

E: MOSL Estimates



# Cadila Healthcare

Bloomberg	CDH IN
Equity Shares (m)	1023.7
M. Cap. (INR b)/(USD b)	527 / 8
52-Week Range (INR)	558 / 325
1,6,12 Rel Perf. (%)	4 / 25 / 40

### Financial Snapshot (INR Billion)

y/e march	2017	2018E	2019E	2020E
Sales	94.3	116.2	141.6	162.3
EBITDA	19.0	27.9	35.4	40.6
NP	14.5	18.2	23.7	27.6
EPS (INR)	14.2	17.8	23.2	27.0
EPS Gro. (%)	-7.9	25.1	30.5	16.4
BV/Sh. (INR)	62.5	75.9	94.7	117.4
RoE (%)	24.8	25.7	27.2	25.4
RoCE (%)	16.9	17.8	20.1	20.1

### Valuations

P/E (x)	36.2	29.0	22.2	19.1
P/BV (x)	8.2	6.8	5.4	4.4
EV/EBITDA (x)	28.4	19.2	14.8	10.3

**CMP: INR515 TP:INR510 (-1%) Buy**

- ▢ Cadila Healthcare's (CDH) 1QFY18 revenue is likely to grow 15.8% YoY to INR26.5b, driven by strong growth in the US formulations business (+20% YoY to INR10.2b).
- ▢ Overall export formulations are expected to grow ~20% YoY to INR13.3b, while domestic formulation is likely to grow 11.8% YoY to INR11.2b.
- ▢ We expect EBITDA to post muted growth of 1% YoY to INR5.3b and the margin to contract 290bp. Adj. PAT is also likely to decline ~4.6% YoY to INR3.4b.
- ▢ We believe CDH has made investments in the right areas, and will start accruing benefits over the next 2-3 years. With the recent successful closure of its Moraiya unit and several approvals from the plant, we expect 40-50 ANDA approvals from this plant till FY19. We expect strong EPS growth from FY17-19E (28% CAGR) on the back of Moraiya resolution and strong launch pipeline in the US, with better return ratios over the next two years.
- ▢ We believe that Moraiya resolution is a significant positive for CDH as all the key oral, injectable and transdermal filings are from this facility. We maintain our Buy rating with a target price of INR510 @22x FY19E PER.

### Key issues to watch out

- ⊗ Outlook for recovery in domestic formulations.
- ⊗ Progress on improvement in balance sheet.

### Quarterly Performance

(INR Million)

Y/E March	FY17E				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	22,871	23,531	23,111	24,782	26,487	29,215	29,222	31,309	94,295	116,232
YoY Change (%)	-1.2	1.0	-4.8	1.2	15.8	24.2	26.4	26.3	-1.0	23.3
EBITDA	5,239	5,160	4,043	4,636	5,297	7,158	7,452	7,989	19,036	27,896
Margins (%)	22.9	21.9	17.5	18.7	20.0	24.5	25.5	25.5	20.2	24.0
Depreciation	843	864	898	1,145	1,100	1,000	1,000	1,039	3,750	4,139
Interest	140	187	66	99	100	405	405	709	450	1,619
Other Income	153	236	166	731	257	257	257	257	1,286	1,029
PBQ before EO Income	4,409	4,345	3,245	4,123	4,355	6,010	6,304	6,498	16,122	23,167
EO Exp/(Inc)	2	0	0	0	0	0	0	0	0	0
PBQ after EO Income	4,407	4,345	3,245	4,123	4,355	6,010	6,304	6,498	16,122	23,167
Tax	966	1,068	504	19	871	1,202	1,261	1,300	1,289	4,633
Rate (%)	21.9	24.6	15.5	0.5	20.0	20.0	20.0	20.0	8.0	20.0
Min. Int/Adj. on Consol.	-121	-99	-76	249	-84	-84	-84	-84	47	-335
Adj. PAT	3,564	3,376	2,817	3,855	3,400	4,725	4,960	5,115	14,880	18,199
YoY Change (%)	-13.0	-26.5	-27.8	-0.7	-4.6	39.9	76.1	32.7	3.7	22.3
Margins (%)	15.6	14.3	12.2	15.6	12.8	16.2	17.0	16.3	15.8	15.7

E: MOSL Estimates



# CESC

Bloomberg	CESC IN
Equity Shares (m)	133.2
M. Cap. (INR b)/(USD b)	116 / 2
52-Week Range (INR)	1002 / 539
1,6,12 Rel Perf. (%)	-5 / 18 / 27

**CMP: INR872 TP: INR1,140 (+19%) Buy**

- We expect CESC's standalone PAT to increase 6% YoY to INR1.8b, driven by regulated equity growth.
- Regulated equity is estimated to grow by 7.2% YoY / 1.8% QoQ to INR38b.
- Profitability of Dhariwal should improve on commissioning of PPA supplies and opportunistic short-term contracts.

### Financial Snapshot (INR Million)

y/e march	FY17	FY18E	FY19E	FY20E
Sales	139.0	152.2	161.0	170.0
EBITDA	31.6	37.6	38.8	40.1
NP	6.9	10.5	11.5	12.5
EPS (INR)	51.9	78.6	86.0	94.1
EPS Gr. (%)	86.6	51.6	9.4	9.4
BV/Sh. (INR)	513.2	579.8	653.8	735.9
RoE (%)	10.5	14.4	13.9	13.5
RoCE (%)	9.9	11.2	11.2	11.2
Payout (%)	19.3	12.7	11.6	10.6

### VALUATION

P/E (x)	16.9	11.1	10.2	9.3
P/BV (x)	1.7	1.5	1.3	1.2
EV/EBITDA (x)	8.1	6.6	6.2	5.7
Div. Yield (%)	1.1	1.1	1.1	1.1

### Key issues to watch for

- Performance of Spencer.
- Progress on demerger.

### Quarterly Performance – Standalone

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Sales</b>	<b>20,120</b>	<b>20,160</b>	<b>16,200</b>	<b>15,720</b>	<b>19,081</b>	<b>19,112</b>	<b>16,586</b>	<b>19,172</b>	<b>72,200</b>	<b>73,950</b>
Change (%)	18.1	13.8	5.3	6.3	-5.2	-5.2	2.4	22.0	12.2	2.4
<b>EBITDA</b>	<b>5,110</b>	<b>5,910</b>	<b>3,150</b>	<b>2,040</b>	<b>4,299</b>	<b>5,178</b>	<b>3,900</b>	<b>5,663</b>	<b>16,210</b>	<b>19,040</b>
Change (%)	32.4	34.9	5.7	-57.1	-15.9	-12.4	23.8	177.6	1.4	17.5
As of % Sales	25.4	29.3	19.4	13.0	22.5	27.1	23.5	29.5	22.5	25.7
Depreciation	960	990	980	1,160	950	980	970	1,148	4,090	4,049
Interest	1,150	1,160	1,080	1,090	1,258	1,269	1,181	1,192	4,480	4,900
Other Income	260	320	300	590	269	331	311	611	1,470	1,523
Regulatory (inc)/exp	620	600	-960	-3,410	0	0	0	0	-3,150	-3,770
<b>PBT</b>	<b>2,640</b>	<b>3,480</b>	<b>2,350</b>	<b>3,790</b>	<b>2,360</b>	<b>3,260</b>	<b>2,060</b>	<b>3,934</b>	<b>12,260</b>	<b>15,383</b>
Tax	900	1,060	830	840	519	717	453	865	2,380	2,555
Effective Tax Rate (%)	34.1	30.5	35.3	22.2	22.0	22.0	22.0	22.0	19.4	16.6
<b>Reported PAT</b>	<b>1,740</b>	<b>2,420</b>	<b>1,520</b>	<b>2,950</b>	<b>1,841</b>	<b>2,543</b>	<b>1,607</b>	<b>3,068</b>	<b>9,880</b>	<b>12,828</b>
<b>Adjusted PAT</b>	<b>1,740</b>	<b>2,420</b>	<b>1,520</b>	<b>2,950</b>	<b>1,841</b>	<b>2,543</b>	<b>1,607</b>	<b>3,068</b>	<b>8,630</b>	<b>9,058</b>
Change (%)	14.5	24.1	35.7	19.0	5.8	5.1	5.7	4.0	22.1	5.0

E: MOSL Estimates





# CG Power and Industrial

Bloomberg	CGPOWER IN
Equity Shares (m)	626.8
M. Cap. (INR b)/(USD b)	53.3 / 0.8
52-Week Range (INR)	97 / 56
1,6,12 Rel Perf. (%)	-1/17/-2

### Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Net Sales	61.2	61.5	68.1	73.3
EBITDA	4.7	4.7	5.1	5.4
Adj. PAT	-4.2	1.4	1.6	1.9
EPS(INR)	2.9	2.2	2.5	3.0
EPS Gr. (%)	-18.6	-25.4	15.6	19.5
BV/Sh. (INR)	65.6	67.6	69.9	72.6
RoE (%)	4.2	6.1	6.4	6.9
RoCE (%)	6.8	7.6	6.8	7.2
Payout (%)	-7.7	7.7	7.7	7.7

### Valuations

P/E (x)	28.5	38.2	33.0	27.6
P/BV (x)	1.3	1.2	1.2	1.1
EV/EBITDA (x)	12.0	11.9	10.8	9.9
Div Yield (%)	0.7	0.2	0.2	0.3

\* Consolidated

**CMP: INR82 TP: INR65 (-21%) Sell**

- n During the quarter, CG Power has accepted the acquisition offer for its power business in the US from a Brazil-based company, WEG SA, at an EV of USD37m.
- n Management intends to monetize ~INR10b of non-core assets, including additional land at Kanjurmarg, to lower standalone business debt.
- n We expect consolidated revenue to decline by a marginal 1% YoY to INR14.2b in 1QFY18.
- n Operating profit is expected to decline 12% YoY to INR1.1b, led by an increase in other expenses. EBITDA margin is expected to contract 100bp YoY to 7.5%.
- n We estimate net profit at INR301m, as against INR400m in 1QFY17.
- n Maintain **Sell**.

### Key issues to watch

- ⊗ Lowering of debt in demerged business through asset sales.

### Quarterly performance (Consolidated)

(INR Million)

	FY17				FY18				FY17	FY18
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Sales (Net)</b>	<b>14,238</b>	<b>13,233</b>	<b>12,441</b>	<b>17,101</b>	<b>14,138</b>	<b>13,523</b>	<b>15,367</b>	<b>18,440</b>	<b>61,198</b>	<b>61,468</b>
Change (%)	38.6	-7.4	10.6	-7.6	-0.7	2.2	23.5	7.8	9.4	0.4
<b>EBITDA</b>	<b>1,206</b>	<b>844</b>	<b>833</b>	<b>1,181</b>	<b>1,064</b>	<b>1,092</b>	<b>1,100</b>	<b>1,404</b>	<b>4,702</b>	<b>4,660</b>
Change (%)	-983.2	-34.8	-10.8	-23.7	-11.7	29.4	32.0	18.8	9.3	-0.9
As of % Sales (Adj.)	8.5	6.4	6.7	6.9	7.5	8.1	7.2	7.6		
Depreciation	604	356	341	438	338	338	338	338	1,500	1,352
Interest	306	439	509	625	267	304	328	316	1,880	1,214
Other Income	176	502	306	232	194	220	238	229	687	880
EO Income/(Exp)	0	-573	-717	-4,816	-264	-300	-324	-312		
<b>PBT</b>	<b>471</b>	<b>-22</b>	<b>-427</b>	<b>-4,465</b>	<b>389</b>	<b>370</b>	<b>348</b>	<b>667</b>	<b>2,009</b>	<b>2,973</b>
Tax	68	78	-117	-31	85	87	87	135	166	394
Effective Tax Rate (%)	14.3	-356.6	27.4	0.7	21.8	23.5	25.1	20.3	8.3	13.3
Minority interest	3.6	4.1	3.9	6.3	2.4	3.6	3.4	6.3	15.7	15.7
<b>Reported PAT</b>	<b>400</b>	<b>-104</b>	<b>-314</b>	<b>-4,440</b>	<b>301</b>	<b>280</b>	<b>257</b>	<b>525</b>	<b>1,827</b>	<b>2,563</b>
<b>Adjusted PAT</b>	<b>400</b>	<b>469</b>	<b>402</b>	<b>376</b>	<b>565</b>	<b>580</b>	<b>581</b>	<b>837</b>	<b>1,827</b>	<b>2,563</b>
Change (%)	(163.9)	(6.0)	(25.6)	(64.4)	41.4	23.7	44.4	122.8	(18.6)	40.3



# Cipla

Bloomberg	CIPLA IN
Equity Shares (m)	804.5
M. Cap. (INR b)/(USD b)	439 / 7
52-Week Range (INR)	622 / 479
1,6,12 Rel Perf. (%)	3 / -21 / -7

**CMP: INR546 TP: INR500 (-8%) Neutral**

- n We expect Cipla's revenues to grow 14% YoY to INR41.6b in 1QFY18.
- n Export formulations business is expected to grow at ~16.2% YoY on the back of recent launches. Domestic business is also expected to grow at 12% YoY, driven by traction in the respiratory business. Impact of GST will be the key to watch. Export API sales are expected to report 20% YoY growth to INR1.6b.
- n EBITDA is likely to grow 23% YoY to INR7.5b, with margin expansion of 130bp to 18%. We expect reported PAT to increase 14.2% YoY to INR3.9b.
- n Unlike other large cap peers, CIPLA is well poised to deliver robust growth in the US due to a low base and significant pick-up in filing quality and rate (filed 32 ANDAs in FY17 with plans for another 20-25 in FY18). We maintain Neutral with a TP of INR500 @ 20x FY19E PER.

### Financial Snapshot (INR Billion)

Y/E MARCH	2017	2018E	2019E	2020E
Sales	146.3	168.1	190.0	214.7
EBITDA	24.8	30.1	35.9	42.7
NP	12.8	16.0	20.1	25.4
EPS (INR)	15.9	20.0	25.0	31.7
EPS Gro. (%)	-15.5	25.5	25.3	26.7
BV/Sh. (INR)	156.0	172.9	194.9	223.5
RoE (%)	10.2	11.5	12.8	14.1
RoCE (%)	8.0	9.1	10.4	11.8

### Valuations

P/E (x)	34.3	27.4	21.8	17.2
P/BV (x)	3.5	3.2	2.8	2.4
EV/EBITDA (x)	19.3	15.7	12.8	11.5
Div. Yield (%)	0.5	0.5	0.5	0.5

### Key issues to watch out

- Ø Launch of combination inhaler in the UK market (USD450m market size).
- Ø Margin improvement in Medpro operations (acquired in July 2014).
- Ø Sustained strong growth in domestic formulations (38% of sales).

### Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	36,500	37,510	36,472	35,820	41,621	41,508	40,404	44,615	146,300	168,149
YoY Change (%)	-4.9	8.6	17.4	9.7	14.0	10.7	10.8	24.6	7.0	14.9
EBITDA	6,112	6,807	6,776	5,062	7,502	7,484	7,309	7,804	24,756	30,099
Margins (%)	16.7	18.1	18.6	14.1	18.0	18.0	18.1	17.5	16.9	17.9
Depreciation	2,038	2,292	2,577	2,322	2,350	2,400	2,425	2,428	9,229	9,603
Interest	315	352	593	334	335	324	324	314	1,594	1,298
Other Income	252	272	1,535	228	225	400	400	575	2,287	1,600
PBT after EO expense	4,011	4,436	5,141	2,634	5,042	5,160	4,959	5,637	16,220	20,798
Tax	553	719	1,283	593	1,059	1,073	1,031	1,162	3,094	4,326
Rate (%)	13.8	16.2	25.0	22.5	21.0	20.8	20.8	20.6	19.1	20.8
Minority Interest	67.6	173.6	109.8	9.3	112.5	112.5	112.5	112.5	360.2	450.0
Reported PAT	3,391	3,543	3,748	2,032	3,871	3,974	3,815	4,362	12,766	16,022
YoY Change (%)	-47.8	-34.7	8.7	-33.2	14.2	12.2	1.8	114.7	-30.7	25.5
Margins (%)	9.3	9.4	10.3	5.7	9.3	9.6	9.4	9.8	8.7	9.5



# Gateway Distriparks

Bloomberg	GDPL IN
Equity Shares (m)	108.6
M. Cap. (INR b)/(USD b)	29 / 0
52-Week Range (INR)	318 / 209
1,6,12 Rel Perf. (%)	11 / -11 / -28

## Financial snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	11.6	12.3	14.4	18.3
EBITDA	2.2	2.8	3.4	4.4
NP	0.7	1.2	1.5	2.0
EPS (INR)	6.8	10.7	13.6	18.2
EPS Gr. (%)	-40.2	57.7	26.8	34.0
BV/Sh (INR)	115.5	119.9	125.1	131.7
RoE (%)	5.9	9.1	11.1	14.2
RoCE (%)	7.1	10.0	12.5	16.2
Payout (%)	78.0	58.5	61.7	64.0

## Valuations

P/E (x)	39.8	25.2	19.9	14.9
P/BV (x)	2.3	2.3	2.2	2.1
EV/EBITDA (x)	14.1	11.5	9.2	7.1
Div. Yield (%)	1.7	2.0	2.6	3.6

**CMP: INR271 TP: INR313 (+16%) Buy**

- n We expect GDPL to report net sales of INR2.7b (flat YoY, -10% QoQ), led by lower volumes in Rail businesses.
- n We estimate EBITDA at INR531m (-4% YoY, +2% QoQ) and EBITDA margin at 19.3%. We estimate adjusted PAT at INR181m (-3% YoY, -6% QoQ).
- n The stock trades at ~20x FY19E EPS of INR13.6 and 9.2x FY19E EV/EBITDA.
- n GDPL remains a direct play on the upcoming dedicated freight corridor project, which will multiply its asset turnover and significantly improve profitability. Buy.

## Key issues to watch for

- ⊗ Volume growth, realization and per TEU profitability.

## Quarterly Performance

(INR Million)

Y/E March (Consolidated)	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>2,782</b>	<b>2,857</b>	<b>2,876</b>	<b>3,077</b>	<b>2,757</b>	<b>3,138</b>	<b>3,192</b>	<b>3,229</b>	<b>11,592</b>	<b>12,316</b>
YoY Change (%)	5.9	10.1	7.7	19.5	-0.9	9.8	11.0	4.9	10.7	6.2
Total Expenditure	2,227	2,276	2,289	2,554	2,226	2,407	2,459	2,473	9,346	9,564
<b>EBITDA</b>	<b>555</b>	<b>581</b>	<b>587</b>	<b>523</b>	<b>531</b>	<b>731</b>	<b>734</b>	<b>756</b>	<b>2,246</b>	<b>2,752</b>
Margins (%)	19.9	20.3	20.4	17.0	19.3	23.3	23.0	23.4	19.4	22.3
YoY Change (%)	-20	-9	-5	-8	-4	26	25	45	-11	23
Depreciation	195	194	192	189	192	212	212	223	770	839
Interest	51	88	50	61	71	71	70	70	251	282
Other Income	40	80	59	59	60	60	60	62	238	242
<b>PBT</b>	<b>349</b>	<b>379</b>	<b>403</b>	<b>332</b>	<b>328</b>	<b>508</b>	<b>512</b>	<b>525</b>	<b>1,463</b>	<b>1,873</b>
Tax	124	127	146	109	78	119	115	118	506	430
Rate (%)	35.6	33.6	36.2	32.8	23.8	23.4	22.5	22.4	34.6	22.9
<b>PAT before minority / profit of assoc.</b>	<b>225</b>	<b>252</b>	<b>257</b>	<b>223</b>	<b>250</b>	<b>389</b>	<b>397</b>	<b>408</b>	<b>957</b>	<b>1,443</b>
YoY Change (%)	13.0	-15.0	-11.9	-5.6	11.2	54.3	54.4	82.8	-6.5	50.8
Margins (%)	8.1	8.8	8.9	7.3	9.1	12.4	12.4	12.6	8.3	11.7
Less: Minority/Add: Profit of Asso.	39	79	54	31	69	69	69	69	203	277
<b>Reported PAT</b>	<b>186</b>	<b>173</b>	<b>203</b>	<b>192</b>	<b>181</b>	<b>319</b>	<b>327</b>	<b>339</b>	<b>754</b>	<b>1,166</b>
YoY Change (%)	-47.8	-43.5	-34.3	-27.5	-2.9	84.8	61.2	76.6	-31.2	54.7
Margins (%)	6.7	6.0	7.1	6.2	6.6	10.2	10.3	10.5	6.5	9.5



# Gujarat State Petronet

Bloomberg	GUJS IN
Equity Shares (m)	563.0
M. Cap. (INR b)/(USD b)	100 / 2
52-Week Range (INR)	204 / 119
1,6,12 Rel Perf. (%)	0 / 10 / 15

## Financial snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Sales	10.3	12.6	14.4	15.7
EBITDA	8.9	11.0	12.6	13.7
Adj. PAT	5.0	6.2	7.4	8.5
Adj. EPS (INR)	8.8	11.0	13.1	15.0
EPS Gr. (%)	11.5	25.4	18.3	14.8
BV/Sh.(INR)	80	88.4	98.5	110.2
RoE (%)	11.6	13.1	14.0	14.4
RoCE (%)	9.9	11.2	11.8	12.2
Payout (%)	22.6	22.2	22.4	21.8

## Valuations

P/E (x)	20.2	16.1	13.6	11.9
P/BV (x)	2.2	2.0	1.8	1.6
EV/EBITDA (x)	11.5	9.0	7.3	6.2
Div. Yield (%)	1.0	1.2	1.4	1.6

**CMP: INR178 TP: INR168 (-6%) Neutral**

- n We expect GUJS to report net sales of INR3.1b and PAT of INR1.5b (+19% QoQ, +25% YoY).
- n We model transmission volume at 27mmscmd (+7% YoY, +15% QoQ) and transmission tariff at INR1,200/mscm (+12% YoY, flat QoQ).
- n GUJS had won the bids for three cross-country pipelines (Mehsana-Bhatinda, Bhatinda-Srinagar, Mallavaram-Bhilwara). We await clarity on the current status, timelines and other details regarding these pipelines.
- n We build in gas transmission volumes of 28mmscmd for FY18 and 32/35mmscmd for FY19/20, and model tariff at INR1,200/mscm for FY18/19/20. The stock trades at 13.6x FY19E EPS of INR13.1. Maintain **Neutral**.

## Key issues to watch for

- Ø Transmission volumes and tariffs.
- Ø Progress on clearances of the three pipelines.

## Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>2,579</b>	<b>2,564</b>	<b>2,668</b>	<b>2,446</b>	<b>3,086</b>	<b>3,238</b>	<b>3,173</b>	<b>3,139</b>	<b>10,256</b>	<b>12,636</b>
Change (%)	-0.5	-0.7	3.4	5.5	19.7	26.3	18.9	28.3	1.8	23.2
<b>EBITDA</b>	<b>2,330</b>	<b>2,245</b>	<b>2,275</b>	<b>2,013</b>	<b>2,690</b>	<b>2,828</b>	<b>2,768</b>	<b>2,739</b>	<b>8,864</b>	<b>11,026</b>
% of Net Sales	90.4	87.6	85.3	82.3	87.2	87.3	87.3	87.3	86.4	87.3
% Change	2.6	-3.8	0.6	-1.6	15.4	26.0	21.7	36.1	-0.5	24.4
Depreciation	430	436	465	460	507	507	507	509	1,791	2,030
Interest	167	148	165	116	130	130	130	139	596	529
Other Income	147	304	177	273	253	253	253	253	901	1,012
<b>PBT</b>	<b>1,881</b>	<b>1,965</b>	<b>1,822</b>	<b>1,710</b>	<b>2,306</b>	<b>2,444</b>	<b>2,384</b>	<b>2,345</b>	<b>7,378</b>	<b>9,480</b>
Tax	668	666	636	441	792	839	818	805	2,411	3,254
Rate (%)	35.5	33.9	34.9	25.8	34.3	34.3	34.3	34.3	32.7	34.3
<b>PAT</b>	<b>1,213</b>	<b>1,298</b>	<b>1,186</b>	<b>1,270</b>	<b>1,515</b>	<b>1,605</b>	<b>1,566</b>	<b>1,540</b>	<b>4,966</b>	<b>6,226</b>
<b>Adj. PAT</b>	<b>1,213</b>	<b>1,298</b>	<b>1,186</b>	<b>1,270</b>	<b>1,515</b>	<b>1,605</b>	<b>1,566</b>	<b>1,540</b>	<b>4,966</b>	<b>6,226</b>
Change (%)	8	7	-9	28	25	24	32	21	7	25
<b>EPS (INR)</b>	<b>2.2</b>	<b>2.3</b>	<b>2.1</b>	<b>2.3</b>	<b>2.7</b>	<b>2.9</b>	<b>2.8</b>	<b>2.7</b>	<b>8.8</b>	<b>11.1</b>
Transmission Vol. (mmscmd)	25.1	24.6	26.2	23.4	27.0	28.0	28.5	28.5	24.8	28.0
Implied adj. tariff (INR/mscm)	1,073	1,079	1,095	1,197	1,200	1,200	1,200	1,200	1,111	1,200

E: MOSL Estimates





# Hindalco

Bloomberg	HNDL IN
Equity Shares (m)	2065.2
M. Cap. (INR b)/(USD b)	409 / 6
52-Week Range (INR)	202 / 84
1,6,12 Rel Perf. (%)	-4 / 20 / 113

### Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	1,001.8	1,039	1,073	1,107
EBITDA	140.8	142.4	149.8	157.1
NP	36.0	48.6	58.2	67.3
EPS (INR)	16.2	21.8	26.1	30.2
EPS Gr(%)	35.1	35.0	19.8	15.6
BV/Sh. (INR)	129.9	158.0	182.6	211.4
RoE (%)	14.0	15.2	15.4	15.3
RoCE (%)	8.8	8.6	8.9	9.3
Payout (%)	10.1	7.5	6.3	5.4

### Valuations

P/E (x)	12.3	9.1	7.6	6.6
P/BV	1.5	1.3	1.1	0.9
EV/EBITDA	6.4	5.9	5.1	4.3
Div. Yield (%)	0.7	0.7	0.7	0.7

**CMP:INR198**

**TP:INR308 (+19%)**

**Buy**

- Standalone:** We estimate standalone EBITDA to increase by 6% YoY to INR12b, led by higher copper volumes. Aluminum price increase is largely offset by a rise in alumina transfer price (at Utkal). Utkal EBITDA is estimated to increase 41% QoQ/~3x YoY to INR3.7b, driven by higher alumina transfer price. Aluminum segment EBITDA is estimated to increase by 2% YoY to INR8.7b, while copper segment EBITDA is estimated to increase 19% YoY to INR3.4b.
- Aluminum volumes** are estimated to increase by 6% YoY to 309kt, while copper volumes are estimated to rise 61% YoY to 100kt (impacted by shutdown in previous year quarter).
- Novelis:** We estimate Novelis to report adjusted EBITDA of USD271m, flat YoY. Adj. EBITDA/t is estimated at USD352 (v/s. USD370 in 4QFY17). Volumes are estimated to increase by 2% YoY to 770kt.

### Key issues to watch for:

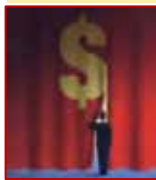
- Lower margins in aluminum.
- Foreign exchange rate impact at Novelis.

### Quarterly Performance (Standalone)

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Alumina (Production, kt)	708	726	744	709		0	0		2,887	2,761
Aluminium (sales, kt)	291	320	310	328	309	322	323	333	1,249	1,287
Copper (sales, kt)	62	102	97	114	100	95	95	95	375	385
Avg LME Aluminium (USD/T)	1,570	1,619	1,710	1,763	1,909	1,825	1,825	1,825	1,665	1,846
<b>Net Sales</b>	<b>75,973</b>	<b>90,123</b>	<b>93,136</b>	<b>110,261</b>	<b>96,237</b>	<b>94,879</b>	<b>95,705</b>	<b>97,843</b>	<b>369,493</b>	<b>384,664</b>
Change (YoY %)	-11.4	1.0	14.3	27.2	26.7	5.3	2.8	-11.3	7.7	4.1
<b>EBITDA</b>	<b>11,325</b>	<b>11,564</b>	<b>11,852</b>	<b>13,472</b>	<b>12,044</b>	<b>13,412</b>	<b>13,685</b>	<b>14,221</b>	<b>48,213</b>	<b>53,362</b>
Change (YoY %)	29.1	91.8	76.5	15.5	6.3	16.0	15.5	5.6	45.3	10.7
<b>EBITDA - Aluminium</b>	<b>8,488</b>	<b>7,905</b>	<b>8,557</b>	<b>8,505</b>	<b>8,660</b>	<b>10,016</b>	<b>10,285</b>	<b>10,818</b>	<b>33,455</b>	<b>39,779</b>
<b>EBITDA-Copper</b>	<b>2,837</b>	<b>3,659</b>	<b>3,295</b>	<b>4,967</b>	<b>3,384</b>	<b>3,396</b>	<b>3,400</b>	<b>3,403</b>	<b>14,758</b>	<b>13,582</b>
Interest	5,996	5,943	5,879	5,411	4,900	4,876	4,851	4,827	23,229	19,453
Depreciation	3,382	3,516	3,580	3,802	3,544	3,579	3,615	3,651	14,280	14,389
Other Income	2,184	3,364	2,200	2,226	2,079	2,218	2,394	2,571	9,974	9,262
<b>PBT (after EO item)</b>	<b>4,129</b>	<b>6,326</b>	<b>4,593</b>	<b>6,482</b>	<b>5,678</b>	<b>7,176</b>	<b>7,613</b>	<b>8,314</b>	<b>21,531</b>	<b>28,781</b>
Total Tax	1,189	1,929	1,390	1,457	1,132	1,221	1,671	1,597	5,964	5,620
% Tax	28.8	35.3	30.2	22.5	19.9	17.0	22.0	19.2	27.7	19.5
<b>Reported PAT</b>	<b>2,941</b>	<b>4,397</b>	<b>3,204</b>	<b>5,025</b>	<b>4,547</b>	<b>5,955</b>	<b>5,942</b>	<b>6,717</b>	<b>15,567</b>	<b>23,161</b>
<b>Adjusted PAT</b>	<b>2,987</b>	<b>3,954</b>	<b>3,204</b>	<b>4,689</b>	<b>4,569</b>	<b>5,774</b>	<b>6,126</b>	<b>6,691</b>	<b>14,951</b>	<b>23,161</b>
<b>Novelis Shipments (kt)</b>	<b>755</b>	<b>773</b>	<b>750</b>	<b>789</b>	<b>770</b>	<b>788</b>	<b>765</b>	<b>805</b>	<b>3,067</b>	<b>3,128</b>
<b>Novelis adj. EBITDA (USDm)</b>	<b>268</b>	<b>270</b>	<b>255</b>	<b>292</b>	<b>271</b>	<b>282</b>	<b>279</b>	<b>296</b>	<b>1,085</b>	<b>1,128</b>
<b>Utkal EBITDA</b>	<b>950</b>	<b>1,700</b>	<b>1,400</b>	<b>2,650</b>	<b>3,745</b>	<b>2,355</b>	<b>2,393</b>	<b>2,431</b>	<b>6,700</b>	<b>10,923</b>
<b>Consolidated Financials</b>										
<b>Net Sales</b>	<b>226,771</b>	<b>245,276</b>	<b>245,998</b>	<b>282,834</b>	<b>257,610</b>	<b>258,588</b>	<b>255,651</b>	<b>267,661</b>	<b>1,001,838</b>	<b>1,039,497</b>
<b>EBITDA</b>	<b>29,916</b>	<b>30,289</b>	<b>29,675</b>	<b>33,672</b>	<b>33,270</b>	<b>35,662</b>	<b>35,835</b>	<b>37,640</b>	<b>140,798</b>	<b>142,383</b>
<b>Consolidated adj. PAT</b>	<b>7,792</b>	<b>9,496</b>	<b>7,562</b>	<b>11,906</b>	<b>9,856</b>	<b>11,611</b>	<b>11,780</b>	<b>13,117</b>	<b>36,011</b>	<b>48,625</b>

E: MOSL Estimates



# Indraprastha Gas

Bloomberg	IGL IN
Equity Shares (m)	140.0
M. Cap. (INR b)/(USD b)	149 / 2
52-Week Range (INR)	1125 / 593
1,6,12 Rel Perf. (%)	-2 / -4 / 57

## Financial Snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Sales	38.1	44.6	49.5	54.0
EBITDA	9.6	10.6	11.6	12.6
Adj. PAT	6.0	6.5	7.3	8.1
Adj. EPS (INR)	42.5	46.8	51.9	58.0
EPS Gr. (%)	42.1	10.0	11.0	11.7
BV/Sh.(INR)	209.0	245.3	285.5	329.5
RoE (%)	21.0	20.6	19.6	18.9
RoCE (%)	19.8	19.5	18.7	18.1
Payout (%)	18.8	19.2	19.3	20.7

## Valuation

P/E (x)	25.0	22.7	20.5	18.3
P/BV (x)	5.1	4.3	3.7	3.2
EV/EBITDA (x)	14.8	13.3	11.7	10.3
Div. Yield (%)	0.8	0.8	0.9	1.1

**CMP: INR1,062 TP: INR1,070 (+1%) Neutral**

- n We expect IGL to report volumes of 4.85mmscmd, and assume EBITDA/scm at INR5.6 for 1QFY18.
- n We expect 1QFY18 CNG volumes at 3.71mmscmd (+12% YoY, +2% QoQ) and PNG volumes at 1.13mmscmd (+11% YoY, -5% QoQ).
- n We model total volumes of 5.09/5.57/6.03mmscmd in FY18/FY19/FY20.
- n We expect IGL to report EBITDA of INR2.5b (-3% YoY, +17% QoQ) for 1QFY18.
- n We expect IGL to report PAT of INR1.5b (+2% YoY, +13% QoQ)
- n The stock trades at 20.5x FY19E EPS of INR51.9. Maintain Neutral.

## Key issues to watch for

- Ø Increase in volumes.
- Ø EBITDA margin.

## Quarterly performance

(INR Million)

Y/E MARCH	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	8,970	9,624	9,467	10,019	10,577	11,201	11,278	11,519	38,081	44,574
Change (%)	-0.3	-0.3	2.1	13.1	17.9	16.4	19.1	15.0	3.5	17.1
EBITDA	2,570	2,575	2,554	2,122	2,481	2,678	2,681	2,809	9,821	10,649
EBITDA (INR/scm)	6.5	6.1	6.0	4.9	5.6	5.7	5.7	5.8	5.9	5.7
% of Net Sales	28.7	26.8	27.0	21.2	23.5	23.9	23.8	24.4	25.8	23.9
% Change	32.7	37.0	38.0	19.3	-3.5	4.0	5.0	32.4	31.9	8.4
Depreciation	466	483	479	244	463	463	463	463	1,671	1,853
Interest	0	0	0	12	0	0	0	0	12	0
Other Income	106.5	251.4	152.4	208.8	280.0	280.0	280.0	286.8	719.1	1,126.8
PBT before EO	2,211	2,344	2,227	2,075	2,298	2,495	2,498	2,633	8,857	9,923
EO	0	-167	-83	0	0	0	0	0	-250	0
PBT after EO	2,211	2,177	2,144	2,075	2,298	2,495	2,498	2,633	8,607	9,923
Tax	731	735	696	734	781	848	849	895	2,896	3,374
Rate (%)	33.1	33.8	32.5	35.4	34.0	34.0	34.0	34.0	33.7	34.0
PAT	1,480	1,442	1,448	1,341	1,517	1,647	1,648	1,738	5,711	6,549
EPS (INR)	10.6	11.1	10.3	9.6	10.8	11.8	11.8	12.4	41.6	46.8
Gas Volumes (mmscmd)										
CNG	3.31	3.47	3.48	3.65	3.71	3.85	3.86	4.02	3.48	3.86
PNG	1.02	1.11	1.13	1.19	1.13	1.23	1.25	1.32	1.11	1.24
Total	4.34	4.58	4.61	4.84	4.85	5.08	5.12	5.34	4.59	5.09
YoY Change (%)										
CNG	11.7	11.9	13.2	15.7	12.0	11.0	11.0	10.1	13.2	11.0
PNG	17.7	13.3	20.1	25.8	11.0	11.0	11.0	11.1	19.2	11.0
Total	13.0	12.3	14.8	18.1	11.8	11.0	11.0	10.3	14.6	11.0

E: MOSL Estimates



# Ipsca Laboratories

Bloomberg	IPCA IN
Equity Shares (m)	126.2
M. Cap. (INR b)/(USD b)	61 / 1
52-Week Range (INR)	656 / 437
1,6,12 Rel Perf. (%)	-4 / -29 / -15

## Financial Snapshot (INR Billion)

Y/E MARCH	2017	2018E	2019E	2020E
Sales	32.1	34.5	40.0	45.7
EBITDA	4.4	5.2	6.5	7.9
NP	2.0	2.7	3.6	4.6
EPS (INR)	16.1	21.3	28.5	36.2
EPS Gro. (%)	52.8	32.9	33.6	26.8
BV/Sh. (INR)	194.1	212.2	236.5	267.2
RoE (%)	8.6	10.5	12.7	14.4
RoCE (%)	7.4	9.1	11.0	12.4

## Valuations

P/E (x)	30.1	22.7	17.0	13.4
P/BV (x)	2.5	2.3	2.0	1.8
EV/EBITDA	11.9	11.9	0.0	0.0
Wt. Yield (%)	0.5	0.7	0.9	1.1

**CMP: INR484 TP:INR480 (-1%) Neutral**

- n We expect Ipsca Laboratories (IPCA) revenues to decline 9% YoY to INR7.7b, mainly due to a fall in International business by 9.5% to INR2.5b and flat domestic revenues.
- n International generic business is expected to decline ~23% YoY. API business is expected to decline 15% YoY to INR1.7b, mainly due to decrease in International API segment by 20.3% YoY.
- n EBITDA is likely to decline 7.7% YoY to INR1.2b, with marginal increase of 20bp in EBITDA margin. However, profitability is still lower due to negative operating leverage (US import alerts and weak traction in the institutional business).
- n We expect reported PAT to improve to INR582m (+4.5% YoY), primarily due to a decrease in tax rate to 23%, as against 34.2% in 1QFY17.
- n At CMP, the stock trades at 17x FY19E EPS, at a discount to three-year average P/E. We do not expect a revival in US business before 2HFY19E. Despite the stock's attractive valuation, we believe regulatory overhang will keep multiples under check in the near term. Reiterate Neutral on IPCA with a TP of INR480 @ 16x FY19E, discount of ~15-20% to its peers.

## Key issues to watch out

- Ø Update on resolution of USFDA regulatory issues.
- Ø Outlook for institutional tender business.
- Ø Impact of emerging market currency weakness.

## Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues (Core)	8,422	8,720	7,398	6,658	7,652	8,952	8,381	9,511	32,106	34,495
YoY Change (%)	11.1	16.8	8.1	6.6	-9.1	2.7	13.3	42.9	11.3	7.4
EBITDA	1,285	1,280	1,104	677	1,186	1,387	1,299	1,370	4,448	5,243
Margins (%)	15.3	14.7	14.9	10.2	15.5	15.5	15.5	14.4	13.9	15.2
Depreciation	422	429	432	428	459	459	459	459	1,730	1,836
Interest	65	68	57	44	71	71	71	71	241	285
Other Income	49	62	59	52	100	100	100	100	226	400
PBT before EO Expense	847	845	675	257	756	957	869	940	2,703	3,522
Extra-Ord Expense	81	-78	39	0	0	0	0	0	0	0
PBT after EO Expense	766	923	636	257	756	957	869	940	2,703	3,522
Tax	290	374	222	-187	174	225	204	225	675	828
Rate (%)	34.2	44.2	32.9	-72.7	23.0	23.5	23.5	23.9	25.0	23.5
Reported PAT	476	549	414	444	582	732	665	715	2,028	2,694
Adj. PAT	557	471	453	444	582	732	665	715	2,028	2,694
YoY Change (%)	82.5	31.1	88.4	9.6	4.5	55.3	46.6	61.2	62.8	32.9
Margins (%)	5.6	6.3	5.6	6.7	7.6	8.2	7.9	7.5	6.3	7.8

E: MOSL Estimates



# JSW Energy

Bloomberg	JSW IN
Equity Shares (m)	1640.1
M. Cap. (INR b)/(USD b)	108 / 2
52-Week Range (INR)	86 / 54
1,6,12 Rel Perf. (%)	4 / -9 / -36

## Financial Snapshot (INR Million)

y/e march	2017	2018E	2019E	2020E
Sales	826.3	877.6	1,032.0	1,113.4
EBITDA	33.2	30.7	33.4	34.3
NP	6.3	5.1	5.1	5.0
EPS (INR)	3.9	3.2	3.1	3.1
EPS Gr. (%)	-51.5	-18.5	-0.6	-2.1
BV/Sh. (INR)	63.7	64.6	65.4	66.2
RoE (%)	6.3	4.9	4.8	4.7
RoCE (%)	8.6	7.8	8.1	7.9
Payout (%)	51.8	63.5	63.9	65.2
<b>VALUATION</b>				
P/E (x)	17.5	21.5	21.6	22.1
P/BV (x)	1.1	1.0	1.0	1.0
EV/EBITDA (x)	7.8	7.9	8.1	7.6
Div. Yield (%)	3.0	3.0	3.0	3.0

**CMP: INR66 TP: INR85 (+29%) Buy**

- n We estimate JSW Energy's EBITDA to decline 18% YoY to INR9.3b on lower generation at Ratnagiri and Vijaynagar and higher fuel cost.
- n Ratnagiri PLF is estimated at 59%, down from 86% in previous year. Vijaynagar PLF is estimated at 67%, down from 74% in previous year.
- n Imported coal prices are up by USD25/ton YoY to USD75/ton.
- n PAT is likely to decline 22% YoY to INR2.4b.
- n

### Key issues to watch for

- ⊗ International coal prices.
- ⊗ Short-term power market prices.

## Consolidated performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	24,500	20,470	19,043	18,621	23,944	23,295	20,700	19,817	82,634	87,756
YoY Change (%)	16.3	-19.1	-28.1	-30.6	-2.3	13.8	8.7	6.4	-17.1	6.2
Total Expenditure	13,328	10,843	12,468	12,752	14,669	13,561	13,908	14,922	49,391	57,060
EBITDA	11,173	9,627	6,575	5,869	9,274	9,735	6,791	4,895	33,244	30,696
Margins (%)	45.6	47.0	34.5	31.5	38.7	41.8	32.8	24.7	40.2	35.0
Depreciation	2,398	2,471	2,444	2,379	2,400	2,473	2,446	2,381	9,692	9,700
Interest	4,293	4,356	4,229	3,970	3,817	3,873	3,760	3,530	16,848	14,980
Other Income	416	516	505	732	300	300	300	487	2,170	1,387
PBT before EO expense	4,899	3,316	407	253	3,358	3,688	885	-528	8,875	7,403
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	4,899	3,316	407	253	3,358	3,688	885	-528	8,875	7,403
Tax	1,248	1,167	249	22	907	996	239	-143	2,685	1,999
Rate (%)	25.5	35.2	61.2	8.6	27.0	27.0	27.0	27.0	30.3	27.0
MI and Associates	-14	-25	-56	-11	60	60	60	96	-106	276
Reported PAT	3,665	2,174	214	242	2,391	2,632	586	-481	6,295	5,128
Adj PAT	3,665	2,174	214	242	2,391	2,632	586	-481	6,295	5,128
YoY Change (%)	32.1	-42.3	-93.3	-92.1	-34.8	21.1	173.9	-298.7	-51.2	-18.5

E: MOSL Estimates





# Oil India

Bloomberg	OINL IN
Equity Shares (m)	801.5
M. Cap. (INR b)/(USD b)	212 / 3
52-Week Range (INR)	367 / 258
1,6,12 Rel Perf. (%)	-12 / -40 / -20

**CMP: INR264 TP: INR305 (+15%) Buy**

- n We expect OINL to report adjusted PAT of INR5.3b (v/s INR4.9b in 1QFY17 and INR0.2b in 4QFY17).
- n We estimate EBITDA at INR7.3b (+22% YoY and -6% QoQ). We estimate gross and net realization at USD49.1/bbl, with no subsidy sharing burden.
- n Our Brent price assumption is USD50/bbl for FY18 and USD55/bbl for FY19/20.
- n The stock trades at 8.8x FY19E EPS of INR30.1. We remain positive on OINL due to its attractive valuations and high dividend yield of ~5%. Maintain Buy.

### Financial snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Sales	91.9	93.5	104.8	107.9
EBITDA	27.8	30.0	36.2	36.9
Adj. PAT	27.0	22.4	24.2	22.7
EPS (INR)	19.3	27.9	30.1	28.3
EPS Gr. (%)	7.2	-17.2	8.1	-6.2
BV/Sh.(INR)	362.9	377.7	393.7	408.7
RoE (%)	5.7	7.5	7.8	7.0
RoCE (%)	6.4	5.9	6.0	5.4
Payout (%)	88.8	46.9	46.9	46.9

### Valuations

P/E (x)	13.7	9.5	8.8	9.3
P/BV (x)	0.7	0.7	0.7	0.6
EV/EBITDA	8.4	9.0	8.0	8.3
DIV. Yield (%)	5.3	4.2	4.5	4.2

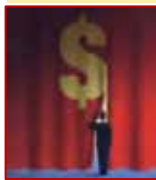
### Key issues to watch for

- Ø Subsidy sharing.
- Ø DD&A charges.
- Ø Oil & gas production volumes.

### Quarterly Performance

(INR Billion)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>21.3</b>	<b>22.4</b>	<b>23.8</b>	<b>24.4</b>	<b>23.2</b>	<b>22.9</b>	<b>22.6</b>	<b>24.6</b>	<b>91.9</b>	<b>93.3</b>
Change (%)	-22.4	-6.5	7.1	28.3	8.5	2.1	-4.8	1.1	-0.8	1.6
<b>EBITDA</b>	<b>7.8</b>	<b>7.5</b>	<b>6.6</b>	<b>5.9</b>	<b>7.3</b>	<b>7.1</b>	<b>6.7</b>	<b>8.6</b>	<b>27.8</b>	<b>29.7</b>
% of Net Sales	36.3	33.3	28.0	24.4	31.4	31.0	29.8	35.0	30.3	31.9
Change (%)	-28.5	-2.9	7.1	0.2	-6.1	-5.2	1.5	45.0	-9.3	6.9
D,D&A	2.3	2.5	2.8	3.3	3.0	3.0	3.0	2.8	10.9	11.8
Interest	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	4.0	3.9
OI (incl. Oper. other income)	3.3	4.8	3.2	8.7	4.6	4.6	5.0	4.9	20.0	19.1
<b>PBT before exceptionals</b>	<b>7.7</b>	<b>8.8</b>	<b>6.1</b>	<b>10.4</b>	<b>7.9</b>	<b>7.7</b>	<b>7.8</b>	<b>9.7</b>	<b>33.0</b>	<b>33.1</b>
Exceptional item	0.0	0.0	0.0	11.5	0.0	0.0	0.0	0.0	11.5	0.0
<b>PBT after exceptionals</b>	<b>7.7</b>	<b>8.8</b>	<b>6.1</b>	<b>-1.1</b>	<b>7.9</b>	<b>7.7</b>	<b>7.8</b>	<b>9.7</b>	<b>21.5</b>	<b>33.1</b>
Tax	2.8	2.9	1.5	-1.3	2.6	2.6	2.6	3.2	6.0	10.9
Rate (%)	36.2	33.7	25.1	-12.5	33.0	33.0	33.0	33.0	18.1	33.0
<b>PAT</b>	<b>4.9</b>	<b>5.8</b>	<b>4.5</b>	<b>0.2</b>	<b>5.3</b>	<b>5.2</b>	<b>5.2</b>	<b>6.5</b>	<b>15.5</b>	<b>22.2</b>
Change (%)	-36.2	-14.0	18.8	-95.9	7.5	-10.6	14.9	3,254.6	-32.8	43.4
<b>Adj. EPS (INR)</b>	<b>6.2</b>	<b>7.2</b>	<b>5.7</b>	<b>14.6</b>	<b>6.6</b>	<b>6.5</b>	<b>6.5</b>	<b>8.1</b>	<b>33.7</b>	<b>27.7</b>
<b>Key Assumptions (USD/bbl)</b>										
Exchange rate (INR/USD)	66.9	67.0	67.4	67.2	64.4	65.5	66.0	66.5	67.1	65.6
Gas Price (USD/bbl)	3.4	3.4	2.8	2.8	3.4	3.2	2.8	2.3	3.1	2.9
Gross Oil Realization	43.1	44.6	49.2	52.5	49.1	48.7	48.7	48.7	47.3	48.8
Subsidy	-	-	-	-	-	-	-	-	-	-
<b>Net Oil Realization</b>	<b>43.1</b>	<b>44.6</b>	<b>49.2</b>	<b>52.5</b>	<b>49.1</b>	<b>48.7</b>	<b>48.7</b>	<b>48.7</b>	<b>47.3</b>	<b>48.8</b>



# SAIL

Bloomberg	SAIL IN
Equity Shares (m)	4130.4
M. Cap. (INR b)/(USD b)	270 / 4
52-Week Range (INR)	68 / 38
1,6,12 Rel Perf. (%)	1 / 28 / 34

### Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	448.8	515.3	599.3	677.9
EBITDA	5.3	21.0	51.5	82.2
NP	-25.5	-43.7	-17.3	1.6
EPS (INR)	-6.2	-10.6	-4.2	0.4
EPS Gr(%)	-31.0	71.3	-60.3	-109.5
BV/Sh. (INR)	89.1	78.5	74.3	74.7
RoE (%)	-6.7	-12.6	-5.5	0.5
RoCE (%)	-2.3	-1.7	1.8	5.6
Payout (%)				

### Valuation

P/E (x)	-9.7	-5.7	-14.3	151.0
P/BV	0.7	0.8	0.8	0.8
EV/EBITDA (x)	130.6	34.8	14.6	9.2

**CMP: INR65**

**TP: 30 (-54%)**

**Sell**

- n We estimate SAIL EBITDA loss will increase from INR2.6b in 4QFY17 to INR5.6b in 1QFY18 on lower steel prices and limited relief of coking coal price decline.
- n Volumes are estimated to increase by 7% YoY to 3mt.
- n Realization is estimated to decline by 5% QoQ to INR35,134/t.
- n EBITDA per ton is estimated at INR1,881, increasing from INR767 QoQ.
- n PAT loss is estimated at INR19.6b.

### Key issues to watch for:

- ⊗ Commissioning of Bhilai capacity and steel prices.

### Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
(Standalone)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales (m tons)	2.8	3.6	3.3	3.4	3.0	4.1	3.8	4.0	13.1	14.9
Change (YoY %)	4.1	31.4	13.8	-8.6	7.1	13.9	15.2	16.4	8.6	13.4
Realization (INR per ton)	32,993	31,182	34,237	36,827	35,134	33,798	34,056	34,314	33,814	34,271
Change (YoY %)	-6.6	-7.7	11.1	22.1	6.5	8.4	-0.5	-6.8	4.7	1.4
<b>Net Sales</b>	<b>92,381</b>	<b>112,256</b>	<b>112,982</b>	<b>126,905</b>	<b>105,403</b>	<b>138,572</b>	<b>129,413</b>	<b>137,599</b>	<b>444,524</b>	<b>510,987</b>
Change (%)	-2.8	21.3	26.4	11.6	14.1	23.4	14.5	8.4	13.8	15.0
<b>EBITDA</b>	<b>2,338</b>	<b>1,114</b>	<b>-428</b>	<b>-2,644</b>	<b>-5,644</b>	<b>8,552</b>	<b>6,586</b>	<b>6,501</b>	<b>380</b>	<b>15,995</b>
Change (YoY %)	-386.2	-114.5	-96.9	-76.5	-341.4	667.5	-1,640.1	-345.9	-101.1	4,104.8
EBITDA per ton (INR)	835	310	-130	-767	-1,881	2,086	1,733	1,621	29	1,073
EBITDA per ton (USD)	12	5	-2	-11	-29	32	26	24	0	16
Interest	5,941	6,028	6,108	7,202	7,090	7,377	7,617	7,850	25,278	29,935
Depreciation	6,002	6,659	6,699	7,439	8,099	8,565	8,953	9,335	26,800	34,952
Other Income	893	682	688	3,094	554	551	549	546	5,356	2,199
<b>PBT (after EO Inc.)</b>	<b>-9,254</b>	<b>-12,531</b>	<b>-12,536</b>	<b>-14,188</b>	<b>-20,279</b>	<b>-6,839</b>	<b>-9,436</b>	<b>-10,138</b>	<b>-48,509</b>	<b>-46,692</b>
Total Tax	-3,899	-5,215	-4,587	-6,475	-608	-205	-283	-304	-20,176	-1,401
% Tax	42.1	41.6	36.6	45.6	3.0	3.0	3.0	3.0	41.6	3.0
<b>Reported PAT</b>	<b>-5,355</b>	<b>-7,316</b>	<b>-7,948</b>	<b>-7,713</b>	<b>-19,671</b>	<b>-6,633</b>	<b>-9,153</b>	<b>-9,834</b>	<b>-28,332</b>	<b>-45,291</b>
<b>Adjusted PAT</b>	<b>-5,042</b>	<b>-6,358</b>	<b>-7,956</b>	<b>-7,715</b>	<b>-19,671</b>	<b>-6,633</b>	<b>-9,153</b>	<b>-9,834</b>	<b>-27,066</b>	<b>-45,291</b>
Change (YoY %)	56.8	-18.1	-48.0	-37.3	290.2	4.3	15.1	27.5	-29.8	67.3

E: MOSL Estimates



# SITI Network

Bloomberg	SITINET IN
Equity Shares (m)	872.0
M. Cap. (INR b)/(USD b)	24 / 0
52-Week Range (INR)	41 / 24
1,6,12 Rel Perf. (%)	1 / -43 / -43

### Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Net Sales	11.9	15.2	18.2	21.0
EBITDA	2.0	3.8	5.1	6.2
EBITDA#	0.3	2.0	4.3	5.5
Adj. NP	-1.6	-0.3	0.4	0.9
Adj. EPS (INR)	-1.8	-0.3	0.4	1.0
Adj. EPS Gr. (%)	NM	NM	NM	NM
BV/Sh (INR)	7.2	6.9	7.4	8.6
RoE (%)	-23.5	-4.1	6.2	13.0
RoCE (%)	-4.1	2.4	5.3	9.0

### Valuation

	NM	NM	62.4	26.6
P/E (x)				
EV/EBITDA (x)*	18.9	10.9	8.1	6.5
EV/ EBITDA (x)*	117.3	20.3	9.7	7.3
EV/Sub (INR)*	2,906	3,134	3,141	3,060

\* Based on attributable EBITDA and subs post minority stake; # (ex-activation)

**CMP: INR28 TP: INR32 (+14%) Neutral**

- n We expect reported revenue to grow 11% QoQ to INR3.6b.
- n Cable subscription revenue is expected to grow 6% QoQ to ~INR1.69b, as monetization in phase-III gradually picks up.
- n Activation revenue is expected to pick up QoQ to INR0.7b in 1QFY18, as seeding picks up. We have factored in set-top box seeding of ~1.6m for 1Q.
- n Carriage revenue is expected to decline 3% QoQ to INR0.77b in 1Q, as the base included a few one-off carriage receivables.
- n EBITDA is expected to grow materially QoQ to INR0.92b, primarily led by higher activation revenue. On an ex-activation basis, EBITDA is expected to improve to INR227m in 1Q from INR96m in 4QFY17.
- n We expect net loss of INR86m v/s net loss of ~INR447m in 4Q.
- n The stock trades at attributable EV/EBITDA (ex-activation) of 9.7x FY19E. We maintain Neutral, with a revised DCF-based target price of INR32.

### Key things to watch for

- Ø Subscription revenue growth (6% QoQ).
- Ø Activation revenue (we expect INR0.77b).
- Ø EBITDA (ex-activation) margin (we expect 7.7%).

### Quarterly Performance (Consolidated)

Y/E March	FY17				FY18				(INR Million)	
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY17	FY18E
Sales	2,820	2,890	2,985	3,255	3,624	3,510	3,859	4,208	11,949	15,202
YoY (%)	22.7	23.6	-13.2	-4.0	28.5	21.5	29.3	29.3		
Operating Expenses	2,395	2,416	2,434	2,676	2,706	2,798	2,895	2,995	9,921	11,393
<b>EBITDA</b>	<b>425</b>	<b>473</b>	<b>550</b>	<b>580</b>	<b>919</b>	<b>712</b>	<b>965</b>	<b>1,213</b>	<b>2,028</b>	<b>3,809</b>
YoY (%)	23.5	19.7	-42.4	-29.1	116.2	50.4	75.3	109.3		
EBITDA margin (%)	15.1	16.4	18.4	17.8	25.3	20.3	25.0	28.8	17.0	25.1
Depreciation	547	572	625	667	674	687	701	714	2,412	2,777
Interest	297	280	360	338	330	322	317	311	1,274	1,280
Other Income	49	24	71	115	40	40	40	41	259	161
<b>PBT</b>	<b>-370</b>	<b>-355</b>	<b>-364</b>	<b>-310</b>	<b>-45</b>	<b>-258</b>	<b>-14</b>	<b>229</b>	<b>-1,399</b>	<b>-88</b>
Tax	65	22	-30	135	51	51	51	51	193	202
Effective Tax Rate (%)	-17.7	-6.1	8.1	-43.6	-111.1	-19.6	-371.1	22.0	-13.8	-231.2
<b>Reported Net Profit</b>	<b>-536</b>	<b>-469</b>	<b>-263</b>	<b>-649</b>	<b>-86</b>	<b>-298</b>	<b>-54</b>	<b>187</b>	<b>-1,792</b>	<b>-252</b>



# State Bank of India

Bloomberg	SBIN IN
Equity Shares (m)	8632.1
M. Cap. (INR b)/(USD b)	2357 / 36
52-Week Range (INR)	315 / 217
1,6,12 Rel Perf. (%)	-5 / -5 / 8

### Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	753.5	826.7	910.2	1,032.9
OP	597.0	608.7	680.5	798.1
NP	-20.2	147.7	192.9	250.0
NIM (%)	2.8	2.7	2.7	2.7
EPS (INR)	0.3	17.9	23.3	30.4
EPS Gr. (%)	-98.1	5,922.3	30.1	30.3
Cons. BV (INR)	211.3	230.3	249.1	273.7
Cons. ABV (INR)	109.8	150.0	182.4	220.7
ROE (%)	-1.2	8.0	9.4	11.2
RoA (%)	-0.1	0.4	0.5	0.6
Div. Payout (%)	-30.2	19.3	19.2	19.2

### Valuations

Cons. P/E (x)	739.6	12.3	9.4	7.2
Cons. P/BV (x)	1.0	1.0	0.9	0.8
Cons P/ABV (x)	2.0	1.5	1.2	1.0
Div. Yield (%)	0.0	1.1	1.4	1.8

**CMP: INR273 TP: INR362 (+33%) Buy**

- n We have done the line-by-line consolidation for the banking business with associate banks for comparison purpose. Hence, reported numbers will not be strictly comparable.
- n We expect loan growth to be muted as consolidation with subsidiaries is expected to result in an overall muted quarter.
- n NII is expected to decline 7% QoQ (+8% YoY) as 4QFY17 had a one-off component of ~INR20b. Decline in yields owing to MCLR cuts and lowering of base rate will be offset by strong CASA accretion.
- n Stress additions should continue to be high, but come down from 4QFY17 levels. Commentary on RBI resolution with respect to large accounts is a key monitorable.
- n Non-interest income could decline 26% YoY owing to one-off gains of INR17.6b in 4QFY17 from stake sale in SBI Life. Fee income growth is expected to decline and cost pressure would remain high (+9% YoY v/s 6% total income growth) owing to consolidation.
- n We expect credit cost to remain elevated, led by continued stress additions and focus on shoring up PCR. The stock trades at 0.9x FY19E consolidated BV and 9.4x FY19E consolidated EPS. Buy.

### Key issues to watch for

- Ø Performance and guidance on asset quality.
- Ø Outlook and update on non-core stake sales and ABs' merger.

### Quarterly performance

Y/E March	FY17				FY18E				FY17	FY18
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Interest Income	544,679	547,781	556,614	594,078	586,109	599,302	611,723	621,084	2,243,152	2,418,218
Interest Expense	362,466	366,834	379,151	381,219	388,843	396,620	402,569	403,480	1,489,669	1,591,511
<b>Net Interest Income</b>	<b>182,213</b>	<b>180,947</b>	<b>177,463</b>	<b>212,860</b>	<b>197,266</b>	<b>202,682</b>	<b>209,154</b>	<b>217,604</b>	<b>753,483</b>	<b>826,706</b>
% Change (YoY)	3.8	0.4	1.2	11.7	8.3	12.0	17.9	2.2		9.7
Other Income	88,890	101,420	115,042	123,275	91,040	105,158	101,785	122,987	428,627	420,971
<b>Net Income</b>	<b>271,103</b>	<b>282,367</b>	<b>292,505</b>	<b>336,135</b>	<b>288,306</b>	<b>307,840</b>	<b>310,939</b>	<b>340,592</b>	<b>1,182,110</b>	<b>1,247,677</b>
Operating Expenses	132,199	142,531	148,486	161,934	144,410	155,722	162,129	176,760	585,150	639,020
<b>Operating Profit</b>	<b>138,904</b>	<b>139,836</b>	<b>144,020</b>	<b>174,200</b>	<b>143,897</b>	<b>152,118</b>	<b>148,810</b>	<b>163,832</b>	<b>596,960</b>	<b>608,657</b>
% Change (YoY)	18.8	9.3	19.5	1.6	3.6	8.8	3.3	-6.0		2.0
Other Provisions	130,360	145,785	118,902	214,798	100,500	100,250	94,000	102,863	609,844	397,613
<b>Profit before Tax</b>	<b>8,544</b>	<b>-5,949</b>	<b>25,118</b>	<b>-40,597</b>	<b>43,397</b>	<b>51,868</b>	<b>54,810</b>	<b>60,969</b>	<b>-12,884</b>	<b>211,043</b>
Tax Provisions	3,515	-348	6,906	-2,717	13,019	15,560	16,443	18,291	7,355	63,313
<b>Net Profit</b>	<b>5,029</b>	<b>-5,600</b>	<b>18,212</b>	<b>-37,880</b>	<b>30,378</b>	<b>36,307</b>	<b>38,367</b>	<b>42,678</b>	<b>-20,239</b>	<b>147,730</b>
% Change (YoY)	-88.9	-111.8	95.0	-385.8	504.1	-748.3	110.7	-212.7		-829.9

E: MOSL Estimates

**Note:** We have done the line by line consolidation of standalone bank with associate bank earnings. For 4QFY17, since associate banks earnings were not reported it is our estimated numbers for based on FY17 reporting. Due to lack of information, intra-group transactions of parent with associate banks are not factored in.





# Sun Pharma

Bloomberg	SUNP IN
Equity Shares (m)	2399.3
M. Cap. (INR b)/(USD b)	1324 / 20
52-Week Range (INR)	855 / 493
1,6,12 Rel Perf. (%)	7 / -31 / -43

### Financial Snapshot (INR Billion)

Y/E MARCH	2017	2018E	2019E	2020E
Sales	302.6	296.3	338.3	381.9
EBITDA	87.8	76.7	93.0	111.5
NP	69.6	60.7	74.2	80.9
EPS (INR)	28.9	25.2	30.8	33.6
EPS Gro. (%)	48.0	-12.9	22.2	9.1
BV/Sh. (INR)	152.3	160.1	183.9	210.5
RoE (%)	18.5	16.1	17.9	17.0
RoCE (%)	19.4	16.4	18.8	18.5

### Valuations

P/E (x)	21.1	21.9	17.9	16.4
P/BV (x)	3.6	3.4	3.0	2.6
EV/EBITDA (x)	14.2	15.0	11.8	9.3
DYield (%)	1.1	1.1	1.1	1.1

**CMP: INR552 TP:INR650 (+18%) Buy**

- Sun Pharmaceuticals (SUNP) is likely to register a decline in revenues by 9.2% YoY to INR74.8b, primarily on the back of a decrease in the US business by 30% to INR28.3b.
- India business is expected to grow 7.4% YoY, while the Row and API businesses are expected to grow 7.5% and 15.3% YoY, respectively.
- We expect margin to contract ~820bp YoY to 27.2%, which will impact EBITDA. Overall EBITDA is expected to decline 30% YoY to INR20.4b.
- PAT is expected to decline 34% YoY to INR13.4b due to a contraction in EBITDA margin.
- Near-term earnings will be under pressure due to the weak business outlook in the US and the GST impact in India. However, this is more than factored in the recent stock price decline, in our view (valuations at ~30% below five-year average). We believe the strategic investments in the specialty business over last 2-3 years, coupled with stable growth in the domestic market and the enhanced focus on complex generics in the US, will help drive earnings growth in the medium term. We maintain our Buy rating on SUNP with a target price of INR650 @ 20x FY19E PER.

### Key issues to watch out

- Update on resolution of USFDA warning letter and 483 observations on Halol.
- Turnaround of Ranbaxy's business.
- Outlook on competitive landscape for Taro's products.

### Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues	82,430	82,651	79,127	71,370	74,839	75,737	80,455	79,791	302,642	296,323
YoY Change (%)	21.9	20.2	11.7	-6.5	-9.2	-8.4	1.7	11.8	7.1	-2.1
Total Expenditure	53,220	50,974	54,595	55,895	54,479	54,301	55,932	54,948	214,892	219,660
EBITDA	29,210	31,677	24,531	15,475	20,360	21,437	24,523	24,843	87,751	76,663
Margins (%)	35.4	38.3	31.0	21.7	27.2	28.3	30.5	31.1	29.0	25.9
Depreciation	3,160	3,038	3,068	3,382	3,350	3,350	3,400	3,400	12,648	13,500
Net Other Income	225	657	-443	1,795	1,675	1,375	1,375	1,075	15,376	20,000
PBT before EO Exp	26,275	29,295	21,020	13,888	18,685	19,462	22,498	22,518	90,479	83,163
EO Exp/(Inc)	0	0	0	0	0	0	0	0	0	0
PBT	26,275	29,295	21,020	13,888	18,685	19,462	22,498	22,518	90,479	83,163
Tax	3,527	4,417	3,729	443	2,803	2,919	3,375	3,378	12,116	12,474
Rate (%)	13.4	15.1	17.7	3.2	15.0	15.0	15.0	15.0	13.4	15.0
PAT (pre Minority Interest)	22,748	24,879	17,291	13,445	15,883	16,542	19,123	19,140	78,363	70,688
Minority Interest	2,411	2,528	2,573	1,208	2,500	2,500	2,500	2,500	8,719	10,000
Reported PAT	20,337	22,351	14,718	12,237	13,383	14,042	16,623	16,640	69,644	60,688
YoY Change (%)	265.8	117.3	3.9	-28.6	-34.2	-37.2	12.9	36.0	28.9	-12.9

# Sun TV

Bloomberg	SUNTV IN
Equity Shares (m)	394.1
M. Cap. (INR b)/(USD b)	321 / 5
52-Week Range (INR)	950 / 364
1,6,12 Rel Perf. (%)	-2 / 38 / 104

### Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Net Sales	25.6	28.5	33.6	37.4
EBITDA	17.4	19.3	23.8	26.4
Adj. Net Profit	9.8	11.2	14.1	15.9
Adj. EPS (INR)	24.9	28.5	35.9	40.3
Adj. EPS Gr. %	18.7	14.7	25.9	12.3
BV/Sh (INR)	99.5	108.4	118.9	131.5
RoE (%)	25.0	26.3	30.2	30.7
RoCE (%)	25.8	27.3	31.4	32.1
Div. Payout %	60.4	59.6	61.3	59.5

### Valuations

P/E (x)	32.8	28.6	22.7	20.2
P/BV (x)	8.2	7.5	6.9	6.2
EV/EBITDA (x)	17.6	15.5	12.6	11.4
Div. Yield (%)	1.8	2.1	2.7	2.9

**CMP: INR815 TP: INR860 (+6%) Neutral**

- n We expect Sun TV's revenue to grow by 4% YoY to INR7.93b.
- n Advertising and broadcasting revenue is expected to decline 2% YoY to INR3.32b, as primary sales in June across FMCG remained weak in the build-up to GST rollout.
- n We expect domestic subscription revenue to grow 5% QoQ to INR2.55b.
- n Sun TV's EBITDA/EBIT is estimated to grow ~3%/8% YoY to INR4.49b/INR3.82b.
- n PAT is expected to grow 8% YoY to INR2.51b.
- n The stock trades at 22.7x FY18E and 20.2x FY19E EPS. Neutral.

### Key things to watch for

- Ø YoY ad growth (we expect-2%).
- Ø QoQ domestic subscription growth (we expect 5%).

### Quarterly Performance (Standalone)

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Revenue</b>	<b>7,608</b>	<b>6,255</b>	<b>5,894</b>	<b>5,825</b>	<b>7,926</b>	<b>7,015</b>	<b>6,846</b>	<b>6,789</b>	<b>25,582</b>	<b>28,546</b>
YoY (%)	10.1	10.1	2.7	2.1	4.2	12.2	16.2	16.6	6.5	11.6
<b>EBITDA</b>	<b>4,364</b>	<b>4,663</b>	<b>4,397</b>	<b>3,936</b>	<b>4,490</b>	<b>5,070</b>	<b>4,928</b>	<b>4,865</b>	<b>17,361</b>	<b>19,322</b>
YoY (%)	6.7	7.9	0.6	-6.5	2.9	8.7	12.1	23.6	2.1	11.3
As of % Sales	57.4	74.6	74.6	67.6	56.6	72.3	72	71.7	67.9	67.7
Depreciation and Amortization	1,008	1,030	1,107	767	872	843	993	915	3,911	3,623
Interest	1	2	7	2	3	3	4	3	13	13
Other Income	216	488	389	374	205	464	370	371	1,466	1,409
<b>PBT</b>	<b>3,571</b>	<b>4,119</b>	<b>3,673</b>	<b>3,541</b>	<b>3,820</b>	<b>4,687</b>	<b>4,301</b>	<b>4,318</b>	<b>14,903</b>	<b>17,096</b>
Tax	1,240	1,415	1,272	1,182	1,309	1,607	1,475	1,481	5,109	5,861
Effective Tax Rate (%)	34.7	34.4	34.6	33.4	34.3	34.3	34.3	34.3	34.3	34.3
<b>Adj PAT</b>	<b>2,331</b>	<b>2,704</b>	<b>2,401</b>	<b>2,359</b>	<b>2,510</b>	<b>3,080</b>	<b>2,826</b>	<b>2,838</b>	<b>9,794</b>	<b>11,235</b>
YoY (%)	18.1	23.8	11	0.3	7.7	13.9	17.7	20.3	12.9	14.7



# TVS Motor Company

Bloomberg	TVSL IN
Equity Shares (m)	475.1
M. Cap. (INR b)/(USD b)	262 / 4
52-Week Range (INR)	565 / 286
1,6,12 Rel Perf. (%)	2 / 30 / 62

## Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	121.4	149.7	183.3	216.7
EBITDA	8.6	12.2	18.3	23.6
Adj. PAT	5.6	7.7	12.3	16.3
EPS (INR)	11.7	16.3	25.9	34.4
EPS Gr. (%)	14.1	38.6	59.0	32.9
BV/Sh (INR)	50.7	63.4	83.8	112.2
RoE (%)	25.6	28.6	35.2	35.1
RoCE (%)	22.8	28.1	37.6	41.0
Payout (%)	25.6	22.1	20.9	17.5

## Valuations

P/E (x)	46.9	33.8	21.3	16.0
P/BV (x)	10.9	8.7	6.6	4.9
EV/EBITDA (x)	31.9	22.4	14.6	10.9
Div. Yield (%)	0.5	0.5	0.8	0.9

**CMP: INR551 TP: INR606 (+10%) Buy**

- n Volume increased 12.2% YoY (and 19.1% QoQ) to 802.1k units, led by increase in motorcycle and scooter volumes, partially offset by decline in moped volumes.
- n Motorcycle and scooter volumes increased by 17% YoY and 31% YoY, respectively, while moped volumes declined 10% YoY.
- n Net realization is likely to increase ~6.9% YoY (and 2% QoQ) to INR43,075 per unit, as the share of motorcycles increased.
- n Net sales would grow by ~20% YoY to ~INR24.5b.
- n EBITDA margin should recover to 7.6%, up 60bp YoY and 189bp QoQ, driven by benefit of operating leverage and better product mix. (EBITDA margin was impacted by ~200bp in 4QFY17 due to BS-3 related discounts).
- n We expect PAT to increase ~29% YoY (and 23% QoQ) to INR1.56b.
- n The stock trades at 33.8x FY18E and 21.3x FY19E EPS; maintain **Buy**.

## Key issues to watch

- ⊗ Launch of product with BMW tie-up.
- ⊗ Dealer compensation cost for ITC loss due to GST.
- ⊗ Update on key trends in export markets.

## S/A Quarterly Performance

Y/E March (INR m)	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Volumes (units)</b>	<b>714,964</b>	<b>815,562</b>	<b>718,562</b>	<b>673,572</b>	<b>802,108</b>	<b>937,650</b>	<b>833,000</b>	<b>823,444</b>	<b>2,923,139</b>	<b>3,396,202</b>
Growth (%)	12.1	20.2	2.4	2.0	12.2	15.0	15.9	22.3	9.1	16.2
<b>Realization (INR/unit)</b>	<b>40,295</b>	<b>42,014</b>	<b>41,519</b>	<b>42,230</b>	<b>43,075</b>	<b>43,721</b>	<b>44,595</b>	<b>45,000</b>	<b>41,515</b>	<b>44,093</b>
Growth (%)	(0.1)	0.5	0.7	(0.3)	6.9	4.1	7.4	6.6	0.1	6.2
<b>Net Sales</b>	<b>28,809</b>	<b>34,265</b>	<b>29,834</b>	<b>28,445</b>	<b>34,551</b>	<b>40,995</b>	<b>37,148</b>	<b>37,055</b>	<b>121,353</b>	<b>149,748</b>
Growth (%)	11.9	20.8	3.0	1.7	19.9	19.6	24.5	30.3	9.3	23.4
RM (% of sales)	72.6	72.3	72.0	75.1	73.5	73.7	73.2	73.0	73.0	73.4
Emp cost (% of sales)	6.3	5.8	6.4	6.1	5.9	5.6	5.9	6.2	6.1	5.9
Other exp (% of sales)	14.2	13.8	14.2	13.1	13.0	12.3	12.5	12.7	13.8	12.6
<b>EBITDA</b>	<b>2,004</b>	<b>2,767</b>	<b>2,185</b>	<b>1,615</b>	<b>2,614</b>	<b>3,439</b>	<b>3,112</b>	<b>3,039</b>	<b>8,571</b>	<b>12,204</b>
EBITDA Margin(%)	7.0	8.1	7.3	5.7	7.6	8.4	8.4	8.2	7.1	8.2
Interest	98	94	115	132	125	135	130	119	440	509
Depreciation	660	724	720	775	785	825	850	862	2,878	3,322
Other Income	362	392	348	632	380	410	410	742	1,734	1,942
<b>PBT after EO Exp</b>	<b>1608</b>	<b>2340</b>	<b>1698</b>	<b>1340</b>	<b>2084</b>	<b>2889</b>	<b>2542</b>	<b>2800</b>	<b>6,987</b>	<b>10316</b>
Tax rate (%)	24.6	24.2	21.9	5.4	25.0	25.0	25.0	25.0	20.1	25.0
<b>Adjusted PAT</b>	<b>1,213</b>	<b>1,774</b>	<b>1,327</b>	<b>1,268</b>	<b>1,563</b>	<b>2,167</b>	<b>1,907</b>	<b>2,100</b>	<b>5,581</b>	<b>7,737</b>
Growth (%)	21.2	33.4	10.4	(6.8)	28.9	22.2	43.7	65.7	14.1	38.6

E: MOSL Estimates



### 1. Real results of festive season will be visible in Q3 of FY18:

#### Shankara Buildpro; Sukumar Srinivas, MD

- n Retail has been a key driver for the company – posted a fairly decent uptick around 28% and margins have also gone up.
- n Hope to sustain the margin level and positive on the way the business is moving forward.
- n Company has been consciously de-growing its channel business which has shown some decline. However, the same-store-sales-growth has been at 15% level. See fairly strong growth potential in the coming quarter.
- n Some uncertainties in the market in the month of June due to GST. Expect positive route from this quarter.
- n Real results of festive season will be visible in Q3 of FY18.

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### 2. Strong demand for lignite likely to sustain: GMDC; L Kulshrestha, CFO

- n Lignite sales volume is at 28.42 lakh metric tonne in Q1 of FY18.
- n Strong demand for lignite is likely to sustain. Expect growth target of over 20% in current FY.
- n 40% of lignite volume being sold to government body and remaining 60% to open market.
- n Lower rate of GST has aided lignite demand significantly.
- n Expect to achieve lignite sales volumes of 15 lakh metric tonne in Q2.
- n Current cash surplus of Rs. 1100 crore will be used for land acquisition, technology upgradation and investment in renewable energy projects.
- n Current capacity utilization is 61% in thermal power project and 30% in wind.

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### 3. Expect FY18 to be strong year for company: Bharat Forge; Amit Kalyani, Executive Director

- n Domestic commercial vehicle market was down 41% in terms of production sales because of GST.
- n In spite of the same, domestic CV sales are down 9% so have gained market share in Q1. See very strong remaining three quarters.
- n Expect FY18 to be very strong.
- n Expect CV and industrial to be very strong going ahead. Strongly positioned and have significant development in order pipeline. Will culminate in ramping up of business over the next coming quarter and years.
- n Company is working on many new programmes including new areas which will help to substantially increase its defence revenues.
- n Company has received first defence order in this quarter and will be executed next year.

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## 1. How to build agriculture infrastructure and make double-digit economic growth the new normal

- n There is much to commend in the Narendra Modi government's infrastructure push, such as the opening up of railways infrastructure to 100% foreign direct investment, rural electrification, driving the construction of new airports and sea ports across India, and divesting completed tollways through the toll-operate-transfer route to release capital for further investment. India needs over \$1.5 trillion in the next decade to build infrastructure, and has thus far been looking abroad. With some creative policy thinking, a part of the solution might be found at home, especially for areas like crop storage and irrigation where several regions still lag behind.

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## 2. Bargaining for better content

- n A decade and a half since its liberalization, it seems that consolidation in the telecom industry is now imminent. Reliance Jio Infocomm Ltd's emergence has created 100 million new broadband consumers and the consequent growth in internet penetration is without precedent. India has nearly 300 million broadband consumers, and consumption of online content has driven a large share of this growth. Illustratively, a Cisco report suggests that video traffic will contribute to around 65% of all internet traffic in India by the next year. Around 70 billion minutes of video content will be viewed across the country per month. The critical question, therefore, is whether India's content creators and owners—including empowered youth with easy access to high-quality imaging devices and broadcasters with access to a unified mode of distribution through broadband networks—will benefit from the disintermediation of legacy distribution networks.

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## 3. Why Bangladesh ignores Indian rice

- n Bangladesh is experiencing a severe scarcity of rice this year. The government of Bangladesh (GoB) initially arrived at an import demand of 1.2 million tonnes (mt) of rice, but this later escalated to 1.5 mt due to crop losses, caused by heavy flooding in the country—75% requirement of Bangladesh is of parboiled (PB) rice while the rest is of white rice (WR). After 2011, May 2017 was the first time that GoB sought rice supplies, from Vietnam, Thailand and Cambodia on a G2G (government-to-government) basis by dispatching official delegations and simultaneously issuing import tenders of 50,000 tonnes each. Five tenders have been opened so far.

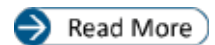
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## International

### 4. Debt ceiling worries are overblown

- n The debt limit panic being led by Paul Krugman and budget experts Stan Collender and Edward D. Kleinbard is probably all for nothing. Absolutely every incentive is for Republicans in Congress to bite the bullet and increase it by the fall deadline (by the end of September, or perhaps mid-October), and absolutely every incentive is for the president to sign on the dotted line. Nor are there any obvious insurmountable obstacles to getting it done. This is basically a very easy task that would take monumental stupidity or ineptness or both to get wrong. And the bad news? Have you seen this Congress and this president? If anyone could screw it up... but, really, they probably won't.

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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	799	986	23	28.0	28.2	37.9	28.5	28.3	5.3	4.6	20.3	17.3	19.9
Ashok Ley.	Buy	103	118	14	4.6	5.2	7.0	22.7	20.0	4.9	4.4	23.1	23.2	27.0
Bajaj Auto	Buy	2,795	3,281	17	132.3	137.2	163.6	21.1	20.4	4.7	4.3	25.3	22.2	24.0
Bharat Forge	Buy	1,142	1,330	16	26.2	37.7	49.7	43.7	30.3	6.5	5.6	16.2	19.8	22.3
Bosch	Neutral	23,607	23,738	1	473.1	649.9	766.2	49.9	36.3	8.2	7.2	15.8	21.1	21.9
CEAT	Buy	1,695	2,029	20	93.3	94.2	126.8	18.2	18.0	2.8	2.5	16.9	14.8	17.3
Eicher Mot.	Buy	30,193	35,854	19	612.7	852.9	1,092.8	49.3	35.4	15.4	11.4	37.1	37.0	35.4
Endurance Tech.	Buy	939	1,059	13	23.5	29.3	37.9	40.0	32.1	7.6	6.3	20.8	21.6	23.3
Escorts	Neutral	587	732	25	20.0	37.1	45.8	29.4	15.8	3.0	2.5	10.6	17.3	18.3
Exide Ind	Buy	200	269	35	8.1	9.2	11.0	24.6	21.7	3.4	3.1	13.9	14.1	15.0
Hero Moto	Neutral	3,887	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	1,389	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	235	-		5.4	9.9	11.8	43.9	23.8	2.7	2.4	6.4	10.8	11.5
Maruti Suzuki	Buy	7,580	8,863	17	248.6	281.0	375.3	30.5	27.0	6.3	5.5	20.3	20.1	22.8
Tata Motors	Buy	381	542	42	19.8	22.4	59.8	19.2	17.0	2.2	2.0	9.8	12.3	26.6
TVS Motor	Buy	578	606	5	11.7	16.3	25.9	49.2	35.5	11.4	9.1	25.6	28.6	35.2
<b>Aggregate</b>								<b>28.8</b>	<b>24.5</b>	<b>4.9</b>	<b>4.3</b>	<b>17.1</b>	<b>17.6</b>	<b>22.3</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	487	545	12	15.4	21.8	38.1	31.7	22.3	2.1	2.0	6.9	9.3	14.7
DCB Bank	Neutral	173	192	11	7.0	8.4	10.4	24.7	20.7	2.5	2.1	10.8	11.4	11.8
Equitas Hold.	Buy	154	201	31	5.0	1.7	6.1	30.5	88.8	2.3	2.3	9.5	2.6	8.7
Federal Bank	Buy	105	139	32	4.8	5.4	6.8	21.8	19.5	2.1	1.7	9.9	10.0	10.5
HDFC Bank	Buy	1,760	2,000	14	56.8	68.2	82.1	31.0	25.8	5.2	4.5	18.3	18.8	19.6
ICICI Bank	Buy	289	366	27	15.3	14.9	17.0	18.9	19.4	2.1	2.0	10.2	8.9	9.5
IDFC Bank	Neutral	54	62	14	2.3	2.8	3.2	23.2	19.5	1.3	1.2	5.6	6.3	6.9
IndusInd	Buy	1,631	1,800	10	47.9	61.9	76.8	34.0	26.4	4.9	4.3	15.4	17.3	18.5
J&K Bank	Neutral	75	91	21	-31.3	3.8	8.2	NM	19.7	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	994	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	491	-		11.9	18.0	23.7	41.3	27.3	4.3	3.1	12.3	13.6	13.9
South Indian	Buy	26	34	30	2.2	2.9	3.7	12.0	9.1	1.0	0.9	9.5	10.8	12.7
Yes Bank	Buy	1,730	2,133	23	73.0	92.3	114.5	23.7	18.7	3.7	3.2	18.9	18.3	19.5
<b>Aggregate</b>								<b>29.5</b>	<b>23.8</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	148	212	43	6.0	18.4	22.5	24.8	8.1	1.0	0.9	4.1	11.9	13.2
BOI	Neutral	148	149	1	-14.8	-11.2	6.6	NM	NM	0.7	0.7	-6.7	-5.2	3.0
Canara	Neutral	330	360	9	18.8	30.1	47.0	17.6	11.0	0.7	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	54	49	-8	1.5	6.4	8.6	35.1	8.3	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	273	382	40	29.3	34.4	38.3	9.3	7.9	0.9	0.8	10.1	10.9	11.2
OBC	Neutral	127	150	18	-31.6	17.1	21.4	NM	7.4	0.3	0.3	-8.4	4.6	5.4
PNB	Buy	143	184	28	6.2	5.8	11.0	23.0	24.6	0.8	0.8	3.6	3.2	5.9
SBI	Buy	297	362	22	0.3	17.9	23.3	997.0	16.6	1.4	1.3	-0.2	8.7	10.0
Union Bk	Neutral	134	162	20	7.6	24.6	34.5	17.6	5.5	0.5	0.4	2.7	8.1	10.5
<b>Aggregate</b>								<b>108.6</b>	<b>14.9</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>5.9</b>	<b>7.9</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,638	1,800	10	33.6	47.6	62.9	48.8	34.4	9.3	7.6	21.7	24.3	25.9
Bharat Fin.	Neutral	778	820	5	21.0	31.8	68.7	37.1	24.5	4.4	3.6	15.1	16.1	28.0
Capital First	Buy	704	925	31	24.6	33.3	44.3	28.6	21.2	3.0	2.7	12.0	13.3	15.6
Cholaman.Inv.&Fn	Buy	1,157	1,400	21	46.0	56.0	67.3	25.2	20.7	4.2	3.6	18.0	18.6	19.0
Dewan Hsg.	Buy	407	630	55	29.6	37.7	47.1	13.8	10.8	1.6	1.4	14.4	14.1	15.6
GRUH Fin.	Neutral	464	450	-3	8.1	9.9	12.1	57.0	46.6	17.1	14.0	32.5	33.0	32.8
HDFC	Buy	1,703	1,900	12	46.8	52.9	59.0	36.3	32.2	6.7	6.1	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,157	1,350	17	69.0	86.3	108.4	16.8	13.4	4.0	3.6	25.5	28.2	31.3
L&T Fin Holdings	Buy	165	200	21	5.2	7.3	10.6	31.5	22.5	3.7	3.2	12.4	15.6	19.1
LIC Hsg Fin	Neutral	657	708	8	38.2	41.6	48.9	17.2	15.8	3.1	2.7	19.4	18.2	18.5

Manappuram	Not Rated	93	-		8.6	10.8	12.5	10.8	8.7	2.4	2.1	24.0	25.9	26.9
M&M Fin.	Buy	408	459	13	7.1	13.9	17.8	57.6	29.4	3.6	3.4	6.5	12.0	14.2
Muthoot Fin	Buy	434	550	27	29.5	38.2	44.2	14.7	11.4	2.7	2.3	19.4	21.5	21.2
PFC	Neutral	124	117	-6	25.7	27.2	30.2	4.8	4.6	0.8	0.7	17.9	17.0	16.8
Repco Home	Buy	640	800	25	29.1	34.5	39.3	22.0	18.6	3.5	3.0	17.4	17.5	17.0
REC	Neutral	164	134	-18	31.4	35.0	40.4	5.2	4.7	1.0	0.8	19.9	19.1	19.1
Shriram City Union	Buy	2,118	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	936	1,330	42	55.6	80.0	102.4	16.8	11.7	1.9	1.7	11.7	15.0	16.9
<b>Aggregate</b>								<b>20.4</b>	<b>17.1</b>	<b>3.4</b>	<b>3.0</b>	<b>16.8</b>	<b>17.6</b>	<b>18.1</b>
<b>Capital Goods</b>														
ABB	Sell	1,342	1,200	-11	19.7	22.4	31.6	68.1	59.9	8.7	7.6	12.7	12.6	15.8
Bharat Elec.	Buy	171	210	23	6.9	7.4	8.3	24.7	23.0	5.1	3.9	20.6	17.0	16.9
BHEL	Sell	126	100	-21	2.1	3.6	4.7	58.9	35.5	1.0	0.9	1.6	2.7	3.4
Blue Star	Neutral	659	610	-7	12.9	17.8	26.6	51.1	37.0	8.3	7.8	18.0	21.7	30.1
CG Cons. Elec.	Buy	217	240	11	4.7	5.0	6.4	46.3	43.1	25.2	18.6	76.4	49.7	49.7
CG Power & Indu.	Sell	72	65	-9	4.1	2.3	4.5	17.5	31.4	1.1	1.0	6.2	3.4	4.2
Cummins	Buy	891	1,170	31	26.5	27.7	35.0	33.6	32.2	6.6	6.1	21.2	19.7	22.8
GE T&D	Neutral	373	395	6	5.7	9.3	11.3	65.1	40.2	9.2	8.1	12.4	21.5	22.7
Havells	Neutral	464	455	-2	9.6	10.9	13.8	48.6	42.4	8.9	7.9	18.2	18.6	20.7
K E C Intl	Neutral	289	295	2	11.9	13.1	16.4	24.4	22.1	4.7	4.0	21.2	19.5	20.9
L&T	Buy	1,160	1,345	16	42.3	44.8	51.7	27.4	25.9	3.2	3.0	12.2	12.1	12.9
Pennar Eng.	Not Rated	113	-		7.1	9.1	11.2	16.0	12.5	1.6	1.4	10.2	11.6	12.6
Siemens	Neutral	1,284	1,355	6	17.8	22.7	33.0	72.1	56.6	6.7	5.8	9.3	10.3	13.7
Solar Ind	Neutral	870	900	3	20.6	24.2	30.0	42.2	35.9	7.7	6.6	19.8	19.8	20.9
Suzlon Energy	Not Rated	15	-		0.6	0.9	1.0	24.3	17.5	-1.4	-1.5	NM	-8.8	-11.0
Thermax	Neutral	864	830	-4	30.8	30.0	33.2	28.0	28.8	3.8	3.5	14.3	12.7	12.8
Va Tech Wab.	Buy	611	800	31	29.8	33.0	37.9	20.5	18.5	3.4	2.9	16.8	16.8	16.8
Voltas	Sell	520	430	-17	15.5	16.8	19.1	33.6	31.0	5.2	4.6	18.0	15.8	16.0
<b>Aggregate</b>								<b>34.9</b>	<b>31.3</b>	<b>3.9</b>	<b>3.6</b>	<b>11.2</b>	<b>11.4</b>	<b>12.6</b>
<b>Cement</b>														
Ambuja Cem.	Buy	268	308	15	4.9	7.0	8.2	54.7	38.5	2.8	2.6	5.1	7.0	7.9
ACC	Neutral	1,776	1,622	-9	36.1	49.8	65.0	49.2	35.7	3.9	3.7	7.9	10.6	13.1
Birla Corp.	Buy	942	1,205	28	29.4	40.9	58.9	32.1	23.0	2.2	2.1	7.5	9.2	12.2
Dalmia Bharat	Buy	2,469	3,282	33	38.8	68.7	89.9	63.7	36.0	4.4	4.0	7.2	11.6	13.4
Grasim Inds.	Neutral	1,070	1,384	29	67.9	71.2	102.6	15.8	15.0	1.7	1.6	11.5	10.9	13.9
India Cem	Neutral	174	201	15	5.6	8.0	11.8	31.0	21.8	1.1	1.0	3.4	4.7	6.6
J K Cements	Buy	1,017	1,287	27	33.7	40.4	53.5	30.2	25.1	4.0	3.5	14.4	15.0	17.2
JK Lakshmi Ce	Buy	419	519	24	7.0	9.7	16.4	60.2	43.1	3.5	3.3	6.0	7.9	12.1
Ramco Cem	Buy	666	806	21	27.3	27.4	34.4	24.4	24.3	4.2	3.7	19.0	16.1	17.5
Orient Cem	Buy	152	185	21	-1.6	4.4	7.1	NM	34.5	3.2	2.9	-3.2	8.8	12.8
Prism Cem	Buy	114	140	23	0.3	3.5	5.6	416.1	32.6	6.0	5.2	1.4	17.0	22.9
Shree Cem	Buy	17,385	22,360	29	384.4	460.4	547.8	45.2	37.8	7.9	6.6	18.4	19.1	19.1
Ultratech	Buy	3,912	4,936	26	96.1	91.5	138.8	40.7	42.7	4.5	4.1	11.6	10.1	14.0
<b>Aggregate</b>								<b>36.7</b>	<b>31.4</b>	<b>3.5</b>	<b>3.2</b>	<b>9.6</b>	<b>10.3</b>	<b>12.7</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,152	1,200	4	21.0	22.2	26.5	54.8	51.9	14.5	13.2	28.5	26.7	28.1
Britannia	Buy	4,119	4,660	13	73.7	85.3	104.6	55.9	48.3	18.3	15.1	36.9	34.3	34.5
Colgate	Buy	1,051	1,285	22	21.2	24.4	29.8	49.5	43.0	22.4	21.3	50.4	50.8	58.2
Dabur	Neutral	306	315	3	7.2	7.7	9.1	42.2	39.6	11.1	9.5	28.4	26.0	26.3
Emami	Buy	1,090	1,310	20	26.5	26.9	33.1	41.1	40.5	14.1	12.0	35.8	32.0	33.9
Godrej Cons.	Neutral	901	995	10	18.9	21.5	24.7	47.7	41.8	11.6	9.0	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
HUL	Buy	1,171	1,285	10	19.6	22.9	27.3	59.7	51.1	38.0	36.7	65.6	73.1	82.8
ITC	Neutral	273	280	3	8.4	9.3	10.3	32.5	29.5	7.3	7.3	23.5	24.8	26.3
Jyothy Lab	Neutral	380	395	4	11.2	8.9	11.0	33.8	42.6	6.3	6.5	21.1	15.1	18.6
Marico	Neutral	321	355	11	6.3	6.8	8.2	51.0	47.0	17.8	15.3	36.7	34.9	37.7
Nestle	Sell	6,632	5,740	-13	118.0	115.1	133.6	56.2	57.6	21.2	19.7	39.0	35.5	38.1

Page Inds	Buy	16,216	20,195	25	238.7	317.0	400.0	67.9	51.1	27.2	21.5	40.0	42.0	42.8
Parag Milk	Neutral	225	240	7	3.6	7.4	12.2	62.5	30.3	2.9	2.6	6.0	9.1	13.4
Pidilite Ind.	Neutral	795	810	2	16.7	18.1	20.6	47.5	44.0	12.3	10.1	28.2	25.2	23.5
P&G Hygiene	Buy	8,004	9,082	13	144.9	155.8	181.6	55.2	51.4	45.7	36.4	45.3	78.9	74.0
Prabhat Dairy	Not Rated	132	-		3.5	3.5	6.4	37.4	37.9	1.9	1.8	5.2	4.9	8.5
United Brew	Neutral	824	850	3	8.7	9.7	14.7	94.8	84.9	9.5	8.7	10.4	10.7	14.6
United Spirits	Neutral	2,489	2,525	1	26.7	34.5	51.5	93.1	72.1	18.7	13.0	21.3	18.0	20.3
<b>Aggregate</b>								<b>46.0</b>	<b>41.5</b>	<b>12.7</b>	<b>11.7</b>	<b>27.6</b>	<b>28.2</b>	<b>29.3</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	524	510	-3	21.6	20.5	25.5	24.3	25.6	5.2	4.5	23.0	19.0	20.4
Alkem Lab	Neutral	1,719	1,900	11	75.7	79.7	95.0	22.7	21.6	4.9	4.1	23.4	20.7	21.0
Ajanta Pharma	Buy	1,215	1,606	32	58.4	52.8	64.2	20.8	23.0	6.9	5.5	37.7	26.5	25.9
Aurobindo	Buy	683	750	10	39.3	47.4	51.6	17.4	14.4	4.3	3.3	27.6	26.0	22.5
Biocon	Sell	332	330	0	10.2	9.7	14.2	32.5	34.1	4.1	3.8	12.3	11.1	14.5
Cadila	Buy	465	510	10	14.2	17.8	23.2	32.8	26.2	7.5	6.1	24.8	25.7	27.2
Cipla	Neutral	549	500	-9	15.9	20.0	25.0	34.5	27.5	3.5	3.2	10.2	11.5	12.8
Divis Lab	Neutral	625	680	9	39.7	33.6	40.0	15.7	18.6	3.5	3.2	23.5	18.1	19.4
Dr Reddy's	Neutral	1,949	2,500	28	72.6	85.1	125.2	26.8	22.9	2.6	2.5	9.6	11.3	14.8
Fortis Health	Buy	152	220	45	10.3	2.2	5.6	14.7	69.6	1.6	1.4	11.3	2.1	4.9
Glenmark	Neutral	612	775	27	39.3	42.9	51.7	15.6	14.3	3.8	3.1	24.7	21.6	20.9
Granules	Buy	107	200	86	7.2	8.2	11.5	14.8	13.1	2.7	1.9	21.1	17.7	18.8
GSK Pharma	Neutral	2,372	2,500	5	34.4	46.8	54.9	69.0	50.7	10.0	11.7	14.5	23.0	30.9
IPCA Labs	Neutral	421	480	14	16.1	21.3	28.5	26.2	19.7	2.2	2.0	8.6	10.5	12.7
Jubilant Life	Buy	643	905	41	37.0	47.1	56.7	17.4	13.7	2.9	2.4	18.1	19.5	19.6
Lupin	Buy	936	1,125	20	55.8	41.4	56.3	16.8	22.6	3.1	2.8	20.6	13.2	16.0
Sanofi India	Buy	4,160	4,820	16	129.1	133.6	160.6	32.2	31.1	5.5	5.2	17.1	16.6	18.1
Shilpa Medicare	Buy	551	805	46	14.0	21.1	30.4	39.3	26.1	4.8	4.1	14.4	17.0	20.4
Strides Shasun	Buy	946	1,300	37	32.3	47.4	74.8	29.3	19.9	3.1	2.8	10.7	14.7	20.1
Sun Pharma	Buy	460	650	41	26.1	25.2	30.8	17.6	18.2	3.0	2.9	18.5	16.1	17.9
Syngene Intl	Not Rated	440	-		13.0	16.1	18.0	33.8	27.3	6.8	5.6	22.2	22.5	20.7
Torrent Pharma	Neutral	1,226	1,350	10	55.2	53.4	67.3	22.2	23.0	4.8	4.2	23.8	19.5	21.5
<b>Aggregate</b>								<b>22.5</b>	<b>21.9</b>	<b>3.8</b>	<b>3.4</b>	<b>17.0</b>	<b>15.6</b>	<b>17.0</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	163	228	40	9.8	12.2	14.3	16.6	13.4	2.4	2.2	12.6	17.2	17.8
Blue Dart	Not Rated	3,872	-		102.5	129.9	163.2	37.8	29.8	16.7	12.8	50.5	48.6	46.8
Concor	Neutral	1,148	1,214	6	38.0	42.1	48.6	30.2	27.2	3.2	3.0	10.8	11.3	12.4
Gateway Distriparks	Buy	254	313	23	6.8	10.7	13.6	37.3	23.6	2.2	2.1	5.9	9.1	11.1
Gati	Not Rated	110	-		8.4	15.9	23.9	13.1	6.9	1.8	1.6	12.4	19.4	25.4
Transport Corp.	Not Rated	273	-		16.9	21.0	25.9	16.1	13.0	2.5	2.1	16.7	17.8	18.6
<b>Aggregate</b>								<b>28.3</b>	<b>23.2</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	72	105	47	1.0	1.4	4.0	72.5	50.3	15.5	11.9	24.1	26.8	327.5
D B Corp	Buy	370	450	22	20.4	23.7	27.6	18.2	15.6	4.3	3.8	25.5	25.8	26.6
Den Net.	Neutral	77	90	17	-8.6	-2.7	0.3	NM	NM	1.4	1.6	-12.0	-5.3	0.7
Ent.Network	Neutral	815	928	14	11.4	13.4	21.7	71.3	61.0	4.5	4.2	6.7	7.2	10.7
Hind. Media	Buy	264	350	32	25.9	28.3	33.6	10.2	9.3	1.8	1.5	19.0	17.3	17.3
HT Media	Neutral	83	90	8	7.4	7.9	8.1	11.2	10.5	0.8	0.7	7.1	6.9	6.4
Jagran Prak.	Buy	172	225	30	10.8	12.4	14.1	16.0	14.0	2.3	2.3	17.6	16.5	17.4
Music Broadcast	Buy	349	469	34	6.4	9.3	14.0	54.3	37.4	3.6	3.3	11.2	9.3	12.4
PVR	Buy	1,334	1,628	22	20.5	30.9	46.9	65.0	43.2	6.5	5.7	10.4	14.0	18.2
Siti Net.	Neutral	25	32	29	-1.8	-0.1	0.5	NM	NM	3.4	3.5	-23.5	-2.0	6.9
Sun TV	Neutral	680	860	26	24.9	28.5	35.9	27.4	23.8	6.8	6.3	25.0	26.3	30.2
Zee Ent.	Buy	522	630	21	23.1	14.7	18.9	22.6	35.4	8.6	7.4	24.7	22.6	24.5
<b>Aggregate</b>								<b>39.3</b>	<b>29.9</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	238	310	30	16.2	22.1	26.3	14.7	10.7	1.8	1.5	14.0	15.4	15.4

Hind. Zinc	Sell	280	246	-12	19.7	22.6	26.9	14.2	12.4	3.8	4.1	24.4	32.0	35.1
JSPL	Buy	123	194	57	-20.9	-15.8	2.0	NM	NM	0.4	0.4	-7.9	-4.9	0.6
JSW Steel	Buy	222	297	34	14.8	21.9	25.7	15.0	10.1	2.4	2.0	17.3	21.3	20.8
Nalco	Neutral	65	63	-3	3.7	3.5	4.2	17.6	18.7	1.2	1.2	7.2	6.5	7.7
NMDC	Buy	122	180	48	10.0	12.4	12.1	12.2	9.8	1.7	1.6	12.8	15.2	15.6
SAIL	Sell	59	37	-37	-6.2	-10.6	-4.2	NM	NM	0.7	0.8	-6.7	-12.6	-5.5
Vedanta	Buy	299	316	6	15.1	24.8	33.1	19.7	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	481	511	6	48.3	36.7	43.5	10.0	13.1	3.1	2.7	32.4	21.7	22.3
GAIL	Sell	364	340	-7	22.6	26.3	29.8	16.1	13.8	1.6	1.5	9.6	11.3	11.8
Gujarat Gas	Sell	749	697	-7	20.4	33.7	46.5	36.6	22.2	6.3	5.1	17.8	25.3	28.0
Gujarat St. Pet.	Neutral	178	168	-6	8.8	11.0	13.1	20.2	16.1	2.2	2.0	11.6	13.1	14.0
HPCL	Buy	413	510	23	40.7	34.1	36.3	10.2	12.1	3.1	2.7	32.4	23.6	21.7
IOC	Buy	411	458	12	43.0	36.7	40.4	9.5	11.2	1.9	1.7	21.2	16.0	15.8
IGL	Neutral	1,212	1,070	-12	42.5	46.8	51.9	28.5	25.9	5.8	4.9	21.0	20.6	19.6
MRPL	Sell	119	113	-5	14.8	9.4	11.7	8.0	12.6	2.1	1.8	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	164	195	19	16.4	16.5	19.7	10.0	9.9	0.9	0.9	10.1	9.4	10.9
PLNG	Buy	207	259	25	11.4	8.6	17.6	18.2	24.1	3.8	3.4	23.2	15.1	26.4
Reliance Ind.	Neutral	1,584	1,499	-5	96.7	115.5	128.1	16.4	13.7	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>1.5</b>	<b>13.3</b>	<b>12.1</b>	<b>12.7</b>
<b>Retail</b>														
Jubilant Food	Sell	1,312	850	-35	10.0	14.8	20.7	131.1	88.6	10.7	9.9	8.2	11.1	14.0
Titan Co.	Neutral	610	565	-7	9.0	10.6	12.6	67.5	57.4	12.8	11.7	20.6	21.3	22.2
<b>Aggregate</b>								<b>73.2</b>	<b>61.0</b>	<b>12.6</b>	<b>11.5</b>	<b>17.2</b>	<b>18.9</b>	<b>19.6</b>
<b>Technology</b>														
Cyient	Buy	509	600	18	30.6	35.4	41.9	16.6	14.4	2.7	2.4	16.2	16.6	17.3
HCL Tech.	Neutral	883	950	8	59.8	61.8	65.9	14.8	14.3	3.7	3.3	27.5	24.9	23.8
Hexaware	Neutral	254	250	-1	13.7	15.7	16.5	18.5	16.2	4.5	3.9	26.5	25.7	23.1
Infosys	Buy	983	1,200	22	62.9	63.7	69.5	15.6	15.4	3.3	2.9	22.0	20.0	19.8
KPIT Tech	Neutral	109	140	29	11.9	10.6	13.1	9.1	10.3	1.4	1.3	14.3	13.0	14.2
L&T Infotech	Buy	744	880	18	55.5	60.2	68.0	13.4	12.4	4.7	3.6	40.4	33.0	29.4
Mindtree	Sell	451	450	0	24.9	28.7	32.9	18.1	15.7	3.0	2.9	16.8	17.3	20.1
Mphasis	Neutral	573	610	6	38.9	40.3	43.0	14.7	14.2	2.0	2.1	13.2	14.5	16.2
NIIT Tech	Neutral	473	540	14	38.0	42.3	48.7	12.4	11.2	1.7	1.6	13.7	14.4	15.4
Persistent Sys	Buy	615	750	22	37.7	43.3	52.0	16.3	14.2	2.5	2.4	17.0	17.9	20.7
Tata Elxsi	Buy	1,625	1,848	14	56.3	68.0	80.4	28.9	23.9	9.1	7.3	37.1	33.7	32.3
TCS	Neutral	2,511	2,350	-6	133.4	133.6	147.7	18.8	18.8	5.6	6.0	32.6	31.1	33.5
Tech Mah	Buy	404	490	21	30.9	34.0	36.8	13.1	11.9	2.1	2.0	18.4	17.4	16.9
Wipro	Neutral	288	270	-6	16.9	18.1	19.1	17.0	15.9	2.7	2.6	16.9	16.1	16.1
Zensar Tech	Buy	806	950	18	52.1	51.9	70.0	15.5	15.5	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	416	490	18	11.1	4.3	6.6	37.5	95.9	2.5	2.4	6.7	2.5	3.8
Bharti Infratel	Buy	382	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	88	110	25	-1.1	-10.9	-11.3	NM	NM	1.3	1.5	-1.6	-17.3	-21.7
Tata Comm	Buy	590	775	31	27.2	8.7	26.1	21.7	67.7	10.6	9.1	132.2	14.5	33.6
<b>Aggregate</b>								<b>38.2</b>	<b>211.7</b>	<b>2.6</b>	<b>2.6</b>	<b>6.9</b>	<b>1.2</b>	<b>2.8</b>
<b>Utilities</b>														
Coal India	Buy	239	315	32	14.9	17.6	18.6	16.0	13.6	6.1	6.0	37.8	44.5	47.0
CESC	Buy	909	1,360	50	51.9	88.9	99.3	17.5	10.2	1.1	1.0	6.5	10.6	10.8
JSW Energy	Buy	65	85	31	3.9	3.2	3.1	16.8	20.6	1.0	1.0	6.3	4.9	4.8
NTPC	Buy	173	198	15	13.0	13.4	16.2	13.3	12.9	1.5	1.4	11.5	10.9	12.3
Power Grid	Buy	218	262	20	14.2	17.4	20.6	15.3	12.5	2.3	2.0	16.2	17.3	17.8
Tata Power	Sell	77	68	-12	5.2	6.4	6.7	14.9	12.1	1.8	1.6	11.2	13.9	12.1



Aggregate								15.1	13.2	2.3	2.1	14.9	15.8	16.6
Others														
Arvind	Neutral	368	375	2	12.4	12.9	18.6	29.7	28.4	2.7	2.5	10.3	9.1	12.0
Avenue Supermarts	Neutral	880	882	0	7.7	12.7	17.6	114.8	69.2	14.3	12.5	17.9	19.3	23.0
Bata India	Under Review	632	-		13.5	15.7	19.4	46.8	40.3	6.1	5.5	13.9	14.4	15.8
Castrol India	Buy	377	527	40	13.6	14.4	15.0	27.6	26.1	31.3	28.0	115.2	113.3	106.1
Century Ply.	Neutral	251	323	29	8.7	9.8	12.9	28.9	25.6	7.8	6.4	31.1	27.7	29.6
Coromandel Intl	Buy	404	523	29	16.6	24.1	29.0	24.3	16.8	4.1	3.5	17.5	22.5	23.4
Delta Corp	Buy	163	237	46	3.1	5.8	7.9	53.2	28.1	4.1	2.7	8.1	12.3	12.6
Dynamic Tech	Buy	2,215	3,334	50	67.6	112.9	166.7	32.8	19.6	4.5	3.7	15.1	20.7	24.3
Eveready Inds.	Buy	305	358	17	12.9	13.6	16.3	23.7	22.4	7.7	6.3	37.7	30.8	30.1
Interglobe	Neutral	1,275	1,312	3	46.0	63.9	93.7	27.7	19.9	22.8	20.3	86.2	107.5	137.7
Indo Count	Buy	133	200	50	13.0	13.2	15.4	10.2	10.1	3.1	2.3	34.8	26.4	23.5
Info Edge	Buy	989	1,130	14	15.7	21.8	24.7	63.1	45.4	6.1	5.5	10.2	12.7	13.1
Inox Leisure	Sell	233	240	3	3.3	8.0	12.0	70.0	29.1	4.1	3.6	5.9	12.5	16.2
Jain Irrigation	Under Review	92	-		5.5	7.6	10.0	16.6	12.1	1.4	1.4	8.6	11.7	14.8
Just Dial	Neutral	340	465	37	17.5	18.5	21.1	19.5	18.4	2.6	2.3	14.8	13.4	13.7
Kaveri Seed	Buy	532	738	39	19.1	34.0	41.0	27.9	15.6	3.6	3.8	13.6	23.3	27.4
Kitex Garm.	Buy	231	394	70	18.6	22.1	26.2	12.5	10.5	3.3	2.7	29.8	28.6	27.6
Manpasand	Buy	781	927	19	12.7	20.3	30.9	61.5	38.6	3.9	3.6	7.3	8.5	13.5
MCX	Buy	1,047	1,300	24	24.8	28.0	42.2	42.2	37.4	3.9	3.7	10.2	10.2	14.5
Monsanto	Buy	2,541	3,295	30	86.2	105.1	126.7	29.5	24.2	8.3	7.5	31.6	32.5	34.5
Navneet Education	Buy	154	226	46	7.8	9.4	11.3	19.9	16.4	5.0	4.2	26.8	27.8	28.2
PI Inds.	Buy	700	952	36	33.4	33.4	38.1	21.0	20.9	5.9	4.8	32.8	25.4	23.8
Piramal Enterp.	Buy	2,725	3,044	12	72.6	104.1	144.6	37.5	26.2	3.5	3.3	9.8	13.0	16.4
SRF	Buy	1,476	1,648	12	85.9	80.2	103.0	17.2	18.4	2.7	2.4	16.6	13.7	16.0
S H Kelkar	Buy	252	287	14	7.2	8.6	10.3	34.8	29.3	4.5	4.0	13.7	14.5	15.6
Symphony	Sell	1,202	1,288	7	23.7	35.1	42.9	50.8	34.2	18.8	16.6	43.3	51.6	54.5
TTK Prestige	Neutral	6,140	5,281	-14	132.1	137.8	176.1	46.5	44.5	8.4	7.6	19.5	18.0	20.7
V-Guard	Neutral	174	167	-4	3.6	4.5	6.0	48.7	38.8	11.6	9.5	27.4	26.9	28.8
Wonderla	Buy	341	393	15	7.0	11.9	16.0	48.7	28.5	4.5	4.0	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-0.4	-7.8	-11.9
Ashok Ley.	-5.6	-1.9	17.8
Bajaj Auto	-1.4	2.4	-1.9
Bharat Forge	-2.2	1.8	39.0
Bosch	-1.5	-1.0	-5.6
CEAT	0.6	-9.9	92.9
Eicher Mot.	-4.2	8.1	39.0
Endurance Tech.	-3.2	7.9	
Escorts	-7.5	-12.9	125.8
Exide Ind	-3.5	-12.8	13.7
Hero Moto	0.1	4.1	17.1
M&M	-0.1	1.6	-4.0
Mahindra CIE	-1.8	-0.2	36.9
Maruti Suzuki	-1.2	2.0	55.8
Tata Motors	-8.6	-14.7	-24.3
TVS Motor	-2.0	1.6	95.6
<b>Banks - Private</b>			
Axis Bank	-0.4	-4.5	-14.1
DCB Bank	-4.4	-11.3	59.8
Equitas Hold.	-6.2	-3.8	-11.6
Federal Bank	-3.2	-8.2	67.9
HDFC Bank	-0.3	5.0	43.1
ICICI Bank	-0.7	-1.0	32.7
IDFC Bank	-3.5	-16.8	4.6
IndusInd	-0.3	4.6	40.8
J&K Bank	-5.3	-13.9	9.7
Kotak Mah. Bk	0.1	2.7	30.6
RBL Bank	-1.3	-7.8	
South Indian	-5.6	-9.2	35.6
Yes Bank	-0.7	14.3	36.7
<b>Banks - PSU</b>			
BOB	-4.5	-11.0	-7.5
BOI	-6.5	-0.7	39.3
Canara	-4.2	-8.7	35.6
IDBI Bk	-4.1	-7.2	-19.4
Indian Bk	-7.4	-10.9	37.2
OBC	-6.8	-15.5	11.5
PNB	-3.2	-6.4	19.7
SBI	-1.9	3.9	28.1
Union Bk	-5.1	-14.2	6.6
<b>NBFCs</b>			
Bajaj Fin.	-3.7	16.4	63.8
Bharat Fin.	-2.3	1.7	-3.2
Capital First	-6.1	-1.9	0.9
Cholaman.Inv.&Fn	-0.5	2.4	2.6
Dewan Hsg.	-5.0	-6.8	60.9
GRUH Fin.	-3.3	-6.6	51.0
HDFC	-1.7	3.9	27.3
Indiabulls Hsg	-0.3	8.4	47.9
L&T Fin.Holdings	-4.1	10.5	86.6
LIC Hsg Fin	-3.1	-11.5	27.0
Manappuram	-5.5	-8.1	5.5
M&M Fin.	-3.8	11.4	24.1
Muthoot Fin	-5.2	-3.2	11.0
PFC	-7.4	-2.0	14.3
Repc Home	-4.7	-20.2	-21.9
REC	-6.7	-12.4	47.0
STF	-0.5	-11.2	-26.6
Shriram City Union	-1.6	-9.6	2.8

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	-3.3	-7.8	13.3
Bharat Elec.	-4.8	-1.0	38.8
BHEL	-5.0	-8.0	-7.2
Blue Star	-2.5	8.9	37.6
CG Cons. Elec.	0.5	-3.4	29.0
CG Power & Inds Sol.	-5.8	-13.6	-12.6
Cummins	-1.3	-2.3	-0.6
GE T&D	-1.2	11.1	11.8
Havells	-6.7	-2.2	14.9
K E C Intl	-3.6	6.5	111.0
L&T	0.3	0.4	17.3
Pennar Eng.	-5.3	-9.9	-39.2
Siemens	-3.0	-5.7	1.1
Solar Ind	-0.5	2.1	43.0
Suzlon Energy	-5.8	-18.3	-7.5
Thermax	-1.4	-6.1	-3.6
Va Tech Wab.	-2.8	-8.3	6.5
Voltas	-1.4	11.4	49.7
<b>Cement</b>			
Ambuja Cem.	-2.1	5.1	2.7
ACC	-2.0	9.1	9.4
Birla Corp.	-1.4	6.2	56.0
Dalmia Bharat	-3.3	-5.7	71.3
Grasim Inds.	-1.9	2.2	32.2
India Cem	-6.6	-15.0	45.9
J K Cements	-0.9	4.5	36.9
JK Lakshmi Ce	-2.8	-10.9	-5.1
Ramco Cem	-1.1	-6.1	21.6
Orient Cem	-2.3	-3.0	-5.2
Prism Cem	-3.4	-8.9	5.9
Shree Cem	-3.0	-4.9	5.8
Ultratech	-2.1	-5.6	4.9
<b>Consumer</b>			
Asian Paints	-0.3	1.9	2.1
Britannia	1.4	11.0	32.7
Colgate	-0.4	-3.8	9.2
Dabur	-1.4	0.6	6.9
Emami	-3.2	3.8	-3.1
Godrej Cons.	-2.3	-7.7	19.9
GSK Cons.	0.0	-1.3	-13.9
HUL	-1.0	6.8	26.7
ITC	0.1	-18.0	10.7
Jyothy Lab	1.2	3.9	32.7
Marico	-1.5	-0.9	11.2
Nestle	-1.4	-2.6	-2.6
Page Inds	-2.8	-2.8	15.8
Parag Milk	-6.8	-3.2	-31.9
Pidilite Ind.	-0.1	-3.3	12.4
P&G Hygiene	-1.5	-0.5	23.6
Prabhat Dairy	-2.7	0.2	50.8
United Brew	-1.2	2.2	-0.5
United Spirits	-1.9	-5.5	15.2
<b>Healthcare</b>			
Alembic Phar	0.2	1.6	-17.4
Alkem Lab	-3.6	-6.8	10.3
Ajanta Pharma	-0.1	-21.0	-33.9
Aurobindo	-0.2	-3.8	-8.6
Biocon	-2.3	3.2	18.6
Cadila	-3.8	-10.2	25.5
Cipla	-2.3	-0.1	5.1

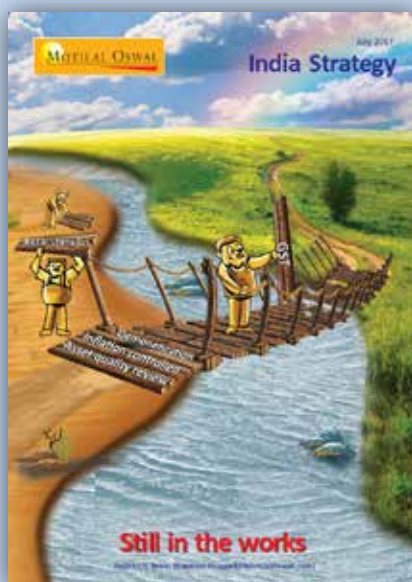


Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	-2.2	-14.9	-46.2
Dr Reddy's	-4.8	-28.7	-35.0
Fortis Health	-4.3	-6.6	-19.2
Glenmark	-5.2	-9.5	-27.9
Granules	-8.2	-24.7	-23.1
GSK Pharma	-0.4	-8.9	-22.9
IPCA Labs	-3.6	-11.2	-16.2
Jubilant Life	-3.9	-10.1	74.7
Lupin	-1.9	-18.6	-39.4
Sanofi India	0.2	-2.1	-5.7
Shilpa Medicare	-10.7	-18.5	-1.6
Strides Shasun	-3.3	-3.4	-16.8
Sun Pharma	-3.1	-18.3	-43.7
Syngene Intl	-3.0	-6.2	6.7
Torrent Pharma	-0.4	-5.4	-16.9
<b>Logistics</b>			
Allcargo Logistics	-0.5	-3.9	-12.8
Blue Dart	-2.1	-18.9	-31.4
Concor	-1.8	-4.3	-2.4
Gateway Distriparks	-3.8	-7.3	-1.3
Gati	-4.2	-15.0	-28.1
Transport Corp.	-2.5	-19.0	31.1
<b>Media</b>			
Dish TV	-3.7	-11.7	-20.6
D B Corp	-1.8	-2.7	-9.0
Den Net.	-6.2	-6.1	-12.0
Ent.Network	-2.9	-15.6	14.3
Hind. Media	-1.7	-4.3	-3.5
HT Media	-1.1	1.7	6.1
Jagran Prak.	-3.3	-2.8	-6.3
Music Broadcast	-0.3	-1.9	
PVR	-1.8	-6.4	12.7
Siti Net.	-2.0	-8.0	-34.5
Sun TV	-4.2	-18.0	47.7
Zee Ent.	-3.1	3.0	1.7
<b>Metals</b>			
Hindalco	-0.6	21.5	63.2
Hind. Zinc	-2.1	4.7	39.4
JSPL	-9.4	-8.4	53.5
JSW Steel	-3.1	1.8	30.2
Nalco	-7.9	-4.8	36.1
NMDC	-3.7	3.4	21.9
SAIL	-4.4	-6.5	28.3
Vedanta	-0.3	14.6	81.9
Tata Steel	-0.1	8.1	63.3
<b>Oil &amp; Gas</b>			
BPCL	-2.9	8.9	26.8
GAIL	-4.5	-0.9	29.3
Gujarat Gas	-5.1	-1.2	21.3
Gujarat St. Pet.	-4.6	4.1	29.9
HPCL	-3.9	21.0	51.7
IOC	-0.5	7.3	52.4
IGL	-1.6	12.9	81.0
MRPL	-11.4	-2.8	54.9
Oil India	-0.2	6.0	3.2
ONGC	-1.1	0.6	7.2
PLNG	-0.4	-5.9	33.4
Reliance Ind.	-0.9	6.1	58.0
<b>Retail</b>			
Jubilant Food	1.1	18.1	11.8
Titan Co.	-1.5	13.5	50.5

Company	1 Day (%)	1M (%)	12M (%)
<b>Technology</b>			
Cyient	-3.0	-2.5	1.1
HCL Tech.	0.6	3.9	8.0
Hexaware	-2.5	3.5	18.9
Infosys	1.3	2.4	-9.0
KPIT Tech	-6.6	-17.7	-14.1
L&T Infotech	-2.5	-5.5	7.8
Mindtree	-2.7	-14.8	-21.3
Mphasis	-1.2	-6.3	6.5
NIIT Tech	-2.0	-16.2	16.1
Persistent Sys	1.4	-7.8	-7.7
Tata Elxsi	-3.9	-4.8	-2.7
TCS	0.4	2.9	-6.1
Tech Mah	2.7	4.9	-18.7
Wipro	0.4	7.3	6.2
Zensar Tech	-0.3	0.0	-25.4
<b>Telecom</b>			
Bharti Airtel	-0.1	2.7	20.4
Bharti Infratel	0.3	-6.8	0.9
Idea Cellular	-3.5	0.5	-5.4
Tata Comm	-3.1	-11.9	22.5
<b>Utilities</b>			
Coal India	-1.4	-7.8	-29.3
CESC	-5.3	4.1	45.4
JSW Energy	-8.1	0.9	-20.3
NTPC	-0.4	7.9	9.6
Power Grid	-1.8	3.1	24.9
Tata Power	-0.9	-7.7	4.1
<b>Others</b>			
Arvind	-2.5	-0.9	20.4
Avenue Super.	-1.1	-5.7	
Bata India	-0.8	9.8	19.0
Castrol India	-2.9	-6.5	-6.5
Century Ply.	-5.0	-12.8	18.8
Coromandel Intl	-4.8	-2.5	53.1
Delta Corp	-3.8	-3.3	34.9
Dynamatic Tech	-2.4	-10.6	-10.4
Eveready Inds.	0.5	-12.1	17.3
Interglobe	-2.3	2.9	59.3
Indo Count	-0.3	-20.3	-22.5
Info Edge	-4.4	-5.0	14.3
Inox Leisure	-5.0	-15.0	-7.1
Jain Irrigation	-7.3	-13.0	23.4
Just Dial	-6.0	-9.7	-31.3
Kaveri Seed	-12.6	-16.3	41.7
Kitex Garm.	-5.1	-15.3	-30.9
Manpasand	1.8	1.6	13.6
MCX	-4.0	-3.6	7.3
Monsanto	-2.6	-8.5	4.9
Navneet Educat.	-3.0	-13.2	54.9
PI Inds.	-4.0	-13.0	-11.4
Piramal Enterp.	-4.5	-6.2	70.2
SRF	2.8	-4.5	-5.4
S H Kelkar	-2.4	-3.2	-2.6
Symphony	-9.8	-9.4	5.4
TTK Prestige	-0.8	-4.1	23.9
V-Guard	-2.7	-4.2	42.4
Wonderla	-1.6	-4.4	-15.3

## NOTES

# THEMATIC/STRATEGY RESEARCH GALLERY





# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

**MOTILAL OSWAL** Initiating Coverage | 7 August 2017  
Sector: Healthcare

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**MOTILAL OSWAL** Initiating Coverage | 31 May 2017  
Sector: Healthcare

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Sector: Insurance

**Capital First**

**Capitalizing on multiple opportunities**

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Sector: NBFC

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**MOTILAL OSWAL** Initiating Coverage | 14 May 2017  
Sector: Healthcare

**Jubilant Life Sciences**

**Promising formulation**

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**MOTILAL OSWAL** Initiating Coverage | 21 April 2017  
Sector: Retail

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**Delivering Value**

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**MOTILAL OSWAL** Initiating Coverage | 13 June 2017  
Sector: Finance

**Cholamandalam Finance**

**Prepared, Equipped and Armed**

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**MOTILAL OSWAL** Initiating Coverage | 20 April 2017  
Sector: Power

**Tata Power**

**Struggling for RoE**

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**MOTILAL OSWAL** Initiating Coverage | 20 April 2017  
Sector: Energy

**Gujarat Gas**

**Long road ahead**

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