

Market snapshot



Equities - India	Close	Chg. %	YTD. %
Sensex	28,334	0.0	6.4
Nifty-50	8,794	0.2	7.4
Nifty-M 100	16,228	-0.1	13.1
Equities-Global	Close	Chg. %	YTD. %
S&P 500	2,316	0.4	3.5
Nasdaq	9,666	0.8	4.5
FTSE 100	7,259	0.4	1.6
DAX	11,667	0.2	1.6
Hang Seng	10,125	0.5	7.8
Nikkei 225	19,379	2.5	1.4
Commodities	Close	Chg. %	YTD. %
Brent (US\$/Bbl)	56	1.4	1.1
Gold (\$/OZ)	1,234	0.4	7.1
Cu (US\$/MT)	6,083	4.7	10.1
Almn (US\$/MT)	1,866	1.7	9.5
Currency	Close	Chg. %	YTD. %
USD/INR	66.9	0.0	-1.5
USD/EUR	1.1	-0.1	1.2
USD/JPY	113.2	-0.1	-3.3
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.8	-0.1	0.3
10 Yrs AAA Corp	7.6	0.0	0.0
Flows (USD b)	10-Feb	MTD	YTD
FII	0.1	0.3	0.3
DII	0.0	0.3	1.0
Volumes (INRb)	10-Feb	MTD*	YTD*
Cash	253	294	243
F&O	2,829	4,807	4,190

Note: YTD is calendar year, \*Avg

Quote of the day

Markets can remain irrational longer than you can remain solvent.



Today's top research ideas

Fuel or Engines: Have public investments peaked out in India?

- ✓ The share of public sector in total investments has increased dramatically in the past few years. However, this is unlikely to continue in coming years. While the central government has budgeted a decent growth of ~11% in its capital spending in the 2017-18 Budget, investment of public enterprises is expected to decline ~5%, implying a fall in combined capital spending from 4.6% of GDP in FY17 to 4.1% in FY18.
- ✓ Further, a comparison of government spending in India vis-à-vis other major economies reveals that it may have reached its limits.
- ✓ Most importantly, the public sector deficit already consumes almost 75% of household net savings – up from ~67% in FY08, which raises doubts over the ability of the government to borrow more locally without pushing interest rates higher.



Research covered

Cos/Sector	Key Highlights
EcoScope	IIP back into negative territory in December
FoE (Economy)	Have public investments peaked out in India?
St Bk of India	Liability franchise shows its strength
Coal India	In-line; E-auction prices and share in mix inching up
Hind.Zinc	Best ever EBITDA on higher LME and volumes; Valuations rich
Power Grid Corp.	In-line; strong projects momentum driving upgrades
M & M	Below Est; Weak Automobile performance drags over all margins
Bosch	Below est.; One-off cost hurts profits; Expect muted CY17 CV growth
GAIL (India)	In line with estimates; petchem ramping up
Bank of Baroda	Balance-sheet consolidation continues; credit cost dents profitability
Aurobindo	Results impacted by one-offs; deleveraging continues
Sun TV Network	Operational performance sub-par
Alkem Lab	Another robust quarter; GM improvement – a positive surprise
CESC	Spencer turns EBITDA break-even
Ipca Labs.	Weak quarter; resolution of FDA issue key
Crompton Greaves	Standalone performance ahead of expectations
Radico Khaitan	Revenue decline greater than our expectation (discontinuing coverage)
Results Flash	Symphony   SRF
Results Expectation	AGLL   BRIT   CCRI   DYTC   SKB   HPCL   HNDL   MUTH   NACL   NMDC   PLNG   REPCO



Piping hot news

Government likely to divest upto 10 per cent in Coal India

- ✓ The government plans to divest up to 10 per cent in Coal India by August, a move that will help it earn about Rs 20,000 crore at today's prices and reduce its stake to 69 per cent.



Chart of the Day: FoE (Economy) - Structural constraints in increasing domestic borrowings

Exhibit 1: Total spending budgeted at 43-year low...

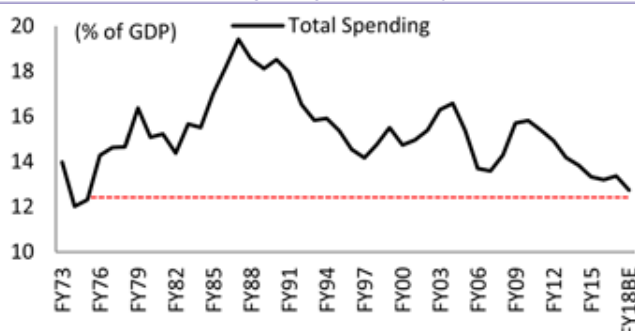
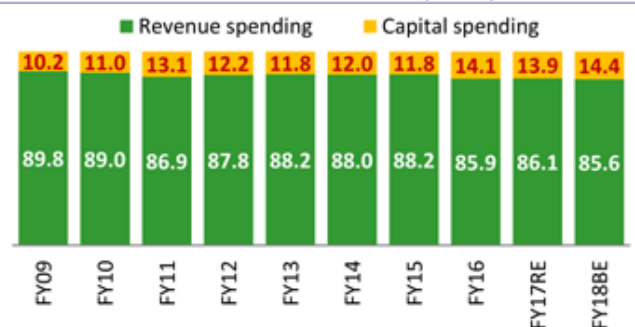


Exhibit 2: ...but share of capital spending rising



Source: Union Budgets (UB), Central Statistics Office (CSO), MoS

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

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



Kindly click on numbers for the detailed news link

1

**Banks' bad loan growth slowing but the last word can't be said as yet**

Bank results in the December quarter are significant as they have just come out of demonetisation and are just a quarter away from recognizing bad loans under RBI's AQR...

2

**PM Narendra Modi's note ban move takes big bite out of Apple's India plans, slashes revenue outlook to \$2 billion**

After a cracker of sales in October-November, which heralded strong growth for that quarter, purchases of iPhones dwindled mainly because of the lack of cash, which had fuelled buying before demonetisation. That's forced Apple to scale down its India revenue target to \$2 billion for its fiscal year (October 2016-September 2017) from \$3 billion.

3

**Sebi keeping close watch on Infosys developments**

As IT giant Infosys remains embroiled in differences between its founders and the top management, markets regulator Sebi is keeping a "close watch" on all the developments with a "special focus" to ensure that minority investors' interest is safeguarded. a senior official said...

4

**Equity MF inflow at Rs 4,900 crore in Jan; Rs 55,700-cr in FY17**

Equity mutual funds saw an inflow of close to Rs 4,900 crore in January, taking the total fund infusion to about Rs 55,700 crore by 'optimistic' investors in the first 10 months of 2016-17 fiscal. This also marks the 10th straight month of inflows into equity schemes. Prior to that, such funds had witnessed a pullout of ...

5

**Former DRDO chief cries foul at Indian Navy's rejection of LCA Light Combat Aircraft Tejas**

Addressing a press conference prior to Navy Day (December 4), Lanba had said that "the present LCA Navy does not meet the carrier capability, which is required by the Navy". The Indian Navy's rejection of the naval variant of the Light Combat Aircraft (LCA) Tejas provoked sharp reaction from former DRDO chief VK Saraswat on Sunday.

6

**Government plans merger of commodity boards**

The Commerce Ministry is planning merger of the commodity boards and set up an umbrella organisation in order to improve production and exports of plantation crops like tea, coffee and spices. Some of these boards were set up way back in 1940s and their merger could help in harmonising their activities and in turn, enhance the quality...

7

**Commerce ministry seeks details regarding MIP**

The commerce ministry has sought certain clarifications from its mines counterpart with regard to imposition of minimum import price on aluminium and a decision on such a protectionist measure will be taken in a fortnight, a top official said. The development follows a parliamentary panel stating that the Centre is considering more measures...

## IIP back into negative territory in December

### Demonetization seems to have hurt industrial activity

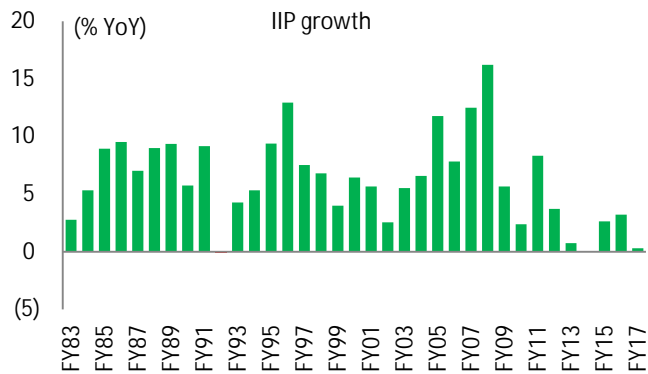
- n Index of Industrial Production (IIP) declined 0.4% YoY in December 2016, as against +5.7% in November and much lower than market consensus of +1.2% (our expectation: +3.8%). It implies that IIP grew only 0.3% YoY in 9MFY17, marking third-worst growth in the corresponding period over past 35 years.
- n IIP contraction was primarily driven by an unexpected broad-based fall (-2% YoY) in the manufacturing sector, despite a very favorable base. Mining & electricity production growth, however, was decent.
- n As per the use-based classification, capital goods moved back into negative territory (-3% YoY), while consumer goods fell (-6.9% YoY) at the fastest rate in last 26 months.
- n It appears that demonetization has hurt the industrial sector, as all labor-intensive industries, such as textiles, apparels, tobacco and leather products, witnessed a contraction. However, the situation is expected to improve from 2017. We thus expect IIP growth of ~1% YoY in FY17, as against 2.4% in FY16.

Almost all labor-intensive industries (such as textiles, apparels, tobacco and leather products) witnessed a contraction in December, implying that the unexpected fall in IIP could be attributed to demonetization

More than two thirds of the manufacturing sector shrank in December 2016, marking the most widespread decline since early 2009 (barring November 2015)

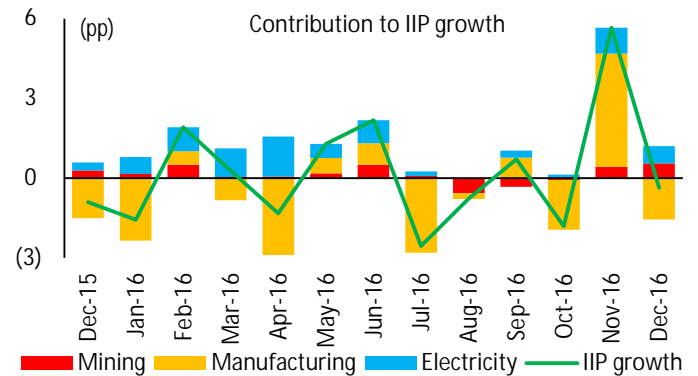
- n **Demonetization leads to unexpected decline in IIP:** Despite a favorable base (-0.9% YoY in December 2015) and contrary to expectations, IIP fell 0.4% YoY in December 2016, as against strong growth of 5.7% in the previous month. It implies that IIP grew only 0.3% YoY in 9MFY17, marking third-worst growth in the corresponding period over past 35 years (monthly data available from FY83; see *Exhibit 1*). Notably, almost all labor-intensive industries (such as textiles, apparels, tobacco and leather products) witnessed a contraction in December, implying that the unexpected fall in IIP could be attributed to demonetization.
- n **Manufacturing sector witnesses broad-based decline:** Manufacturing sector fell 2% YoY in December 2016, with 17 out of 22 sub-industries witnessing a contraction. As *Exhibit 3* shows, more than two thirds of the manufacturing sector shrank in December 2016, marking the most widespread decline since early 2009 (barring November 2015). Despite demonetization, mining activities (+5.2%) and power generation (6.3%) remained unaffected (*Exhibit 2*).
- n **Capital and consumer goods decline sharply:** As per the use-based classification, capital goods moved back into negative territory, while consumer goods declined at the fastest pace in more than two years. Although intermediate goods also declined in December 2016, basic goods grew at the highest pace in six months (*Exhibit 4*).
- n **Expect IIP to grow 1% in FY17 and recover modestly in FY18:** As the impact of demonetization subsides gradually, we expect industrial activities to stabilize. Accordingly, we believe that IIP could bounce to ~3% in January 2017 and end FY17 at ~1%, as against growth of 2.4% in FY16.

**Exhibit 1: FY17 IIP growth third worst in 35 years**



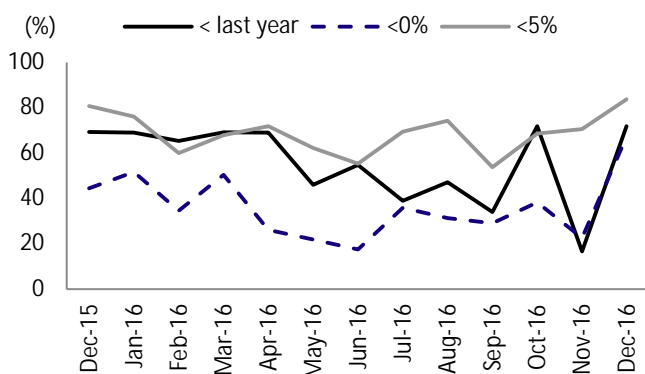
\*April-December period

**Exhibit 2: Abysmal manufacturing performance in December**



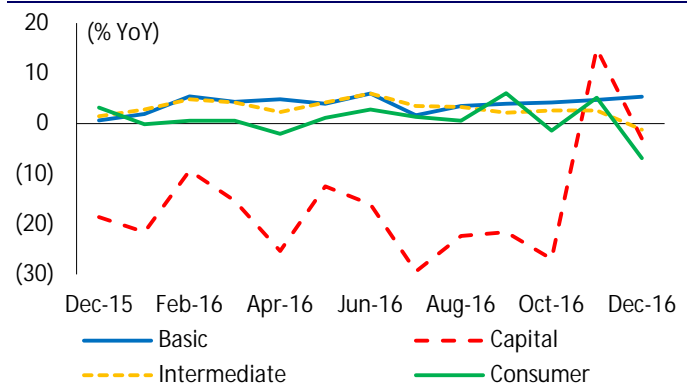
Source: Central Statistics Office (CSO), MOSL

**Exhibit 3: Manufacturing decline was broad-based**



Source: CSO, MOSL

**Exhibit 4: Capital/consumer goods declined unexpectedly**



Source: CSO, MOSL

**Exhibit 5: IIP and key components (% YoY)**

% Y-o-Y	Weight	FY15*	FY16*	FY17*	Dec-15	Oct-16	Nov-16	Dec-16
<b>Industry-based classification</b>								
Mining	14.2	1.9	2.2	0.9	2.8	(0.7)	3.7	5.2
Manufacturing	75.5	1.8	3.2	(0.5)	(1.9)	(2.4)	5.5	(2.0)
Electricity	10.3	10.1	4.5	5.2	3.2	1.1	8.9	6.3
<b>IIP</b>	<b>100.0</b>	<b>2.6</b>	<b>3.2</b>	<b>0.3</b>	<b>(0.9)</b>	<b>(1.8)</b>	<b>5.7</b>	<b>(0.4)</b>
<b>Use-based classification</b>								
Basic Goods	45.7	8.7	4.7	4.9	0.7	4.2	4.7	5.3
Capital Goods	8.8	13.6	2.0	(18.0)	(18.6)	(26.9)	15.0	(3.0)
Intermediate Goods	15.7	3.1	1.6	4.2	1.5	2.7	2.6	(1.2)
Consumer Goods	29.8	(3.2)	2.5	0.6	3.2	(1.4)	5.2	(6.9)
Durable Goods	8.5	(9.5)	3.7	7.8	16.6	0.6	9.4	(10.3)
Non-Durable Goods	21.3	1.4	1.7	(4.0)	(2.7)	(2.9)	2.5	(5.0)
<b>Other classification</b>								
IIP excl Food Products & Beverages	92.7	2.3	3.5	0.8	(0.7)	(1.9)	5.5	(0.1)
IIP excl Capital Goods	91.2	2.3	3.2	0.0	1.7	2.1	4.5	(0.0)

\* April-December period

Source: CSO, MOSL

## Have public investments peaked out in India?

### Structural constraints in increasing domestic borrowings

The share of public sector in total investments has increased dramatically in the past few years. However, we argue that such performance is unlikely to continue in coming years. In the Union Budget 2017-18, while the central government budgeted a decent growth of ~11% in its capital spending, investment of public enterprises is expected to decline ~5%, implying a fall in combined capital spending from 4.6% of GDP in FY17 to 4.1% in FY18. Further, a comparison of government spending in India vis-à-vis other major economies reveals that it may have reached its limits. Most importantly, the public sector deficit already consumes almost three-fourth of household net savings – up from one-third in FY08, which raises doubts over the ability of the government to borrow more domestically without pushing interest rates higher. The best way for the government to boost investment is by moving away from consumption (revenue spending). It has done this in the recently presented Union Budget, but needs to repeat this in coming years as well.

The most striking feature was that the government budgeted a 12-year low growth of 6.6% in total spending for FY18, bringing it down to a 43-year low of 12.7% of GDP

Last week, in its [Union Budget 2017-18](#), the Indian central government resisted calls for consumption stimulus and continued to focus on capital spending. The most striking feature was that the government budgeted a 12-year low growth of 6.6% in total spending for FY18, bringing it down to a 43-year low of 12.7% of GDP (*Exhibit 1*). Core revenue spending (excluding interest payments) is budgeted at 7.8% of GDP, the lowest in two decades. On the other hand, capital spending is budgeted to increase to 14.4% of total spending next year, marking the highest share in a decade (*Exhibit 2*). While lower spending growth poses risks to FY18 real GDP growth, resistance to a stimulus keeps inflationary pressures at bay.

Exhibit 1: Total spending budgeted at 43-year low...

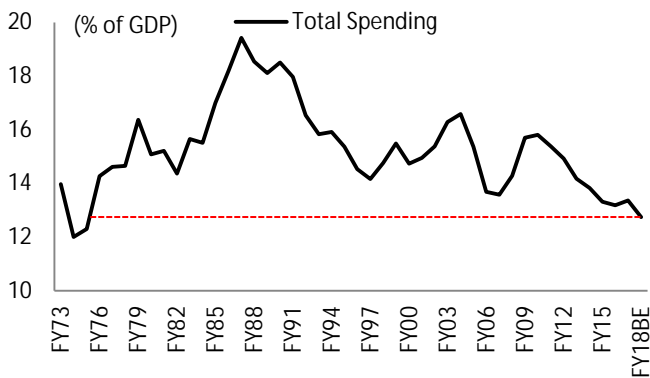
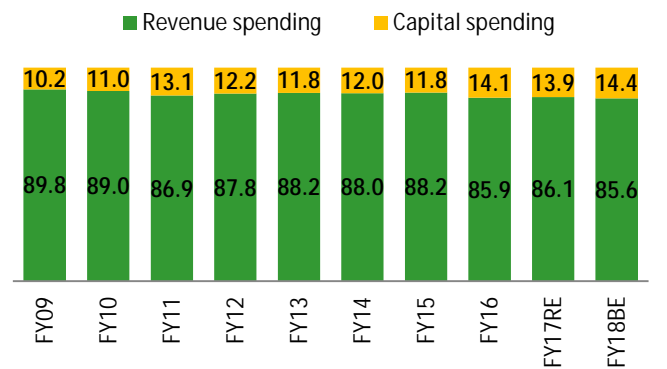


Exhibit 2: ...but share of capital spending rising



Source: Union Budgets (UB), Central Statistics Office (CSO), MoSL

After 30-35% growth in FY16 and FY17, capital spending by CPSEs is budgeted to fall 5%

**Decline in capex by PSEs to bring down combined investments:** While the union government maintained a decent growth of ~11% in capex for the second consecutive year, capital spending by the central public sector enterprises (CPSEs) is expected to decline next year. After 30-35% growth in FY16 and FY17, capital spending by CPSEs is budgeted to decline 5% (*Exhibit 3*). Consequently, while central government capex is kept broadly unchanged at 1.85% of GDP, CPSEs' capex is budgeted to fall from 2.7% in FY17 to 2.3% next year. The total investment of the center and CPSEs is budgeted to fall from 4.6% of GDP to 4.1% in FY18 (*Exhibit 4*).



# State Bank of India

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
28,330	8,778
<b>Bloomberg</b>	<b>SBIN IN</b>
Equity Shares (m)	7,974
M.Cap.(INRb)/(USD\$)	2,199.5 / 32.8
52-Week Range (INR)	289 / 148
1, 6, 12 Rel. Per (%)	6/13/55
Avg Val, INRm	5015
Free float (%)	38.8

**CMP: INR276**

**TP: INR350(+27%)**

**Buy**

## Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
NII	569	596.3	679.2
OP	433	475.0	503.7
NP	100	100.2	137.6
NIM (%)	3.0	2.8	2.8
EPS (INR)	15.7	8.6	21.6
EPS Gr. (%)	-30.8	-45.3	150.9
Cons. BV (INR)	222	229.0	246.6
Cons. ABV (INR)	159	143.4	169.3
RoE (%)	7.6	7.0	9.0
RoA (%)	0.5	0.4	0.5
Cons. P/E (x)	16.9	25.9	10.3
Cons. P/BV (x)	1.2	1.0	0.9

**Liability franchise shows its strength; Healthy performance in weak environment**

n PAT of INR26.1b was in line with our estimate, with strong PPOP growth of 31% YoY to INR125b (6% beat) led by better core income. Key positives in 3QFY17 were: a) GNPA's flat QoQ; slippages of INR10.4b largely from corporate portfolio, of which bulk (73%) were from the already identified watch-list. b) Impressive NIM despite demonetization (stable QoQ at 2.74%). c) CASA deposits grew 35% YoY, with robust SA deposit growth of 36%; daily average CASA ratio stood at 42.7%. d) Focus on granular retail loan growth (18% YoY), led by strong growth in housing (18%) and auto (20%).

n Watch-list declined to INR180b from INR259b/INR348b in 1HFY17/FY16. Net slippages declined 19% QoQ (2.4% net slippage ratio v/s 3.1% in 2Q). Pool of net stressed loans (NNPL+ OSRL) was INR960.6t (6.6% of loans v/s 6.7% in 2Q). SBIN utilized the RBI's dispensation of asset classification on ~INR20b of loans; even including this, non-corporate slippages were significantly low.

n Harmonization of accounting policies and asset classification status continued to mar earnings, leading to 9MFY17 loss of INR59b. We reduce earnings estimate for the parent by 6% and consolidated earnings by 12% for FY17 ([SBIN subsidiaries performance](#)).

n **Other highlights:** (a) S/A CET1 ratio stood at ~10%, -31bp QoQ. b) Provisions were elevated at INR89.4b. (b) Focus on high-quality corporates (79% of new loans rated A and above v/s 72/50% in 3QFY16/3QFY15) led to continued improvement in rating profile of the stock (65% rated A and above v/s 61/51% in 3QFY16/3QFY15). d) Healthy fee income growth of 14.3% YoY.

n **Valuation and view:** We like SBIN for its lowest NSL of 6.7%, PCR of 63%, healthy capitalization (CET1 of ~10%), strong liability franchise (CASA ratio: 46.5%) and focus on core operating profitability. Asset quality performance was largely in line. Although ABs surprised negatively, the worst is expected to be behind. Slippage ratio is expected to decline in ensuing years. SBIN is highly geared to economic upcycle and improvement in asset quality. Profitability is likely to be the highest among peers due to its policy of recognizing stress upfront and lumpy exposures. **Buy** with SOTP-based TP of INR350 (1.1x Dec 18 BV + INR52 for investments).

## Quarterly performance

Y/E March	FY16				FY17				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY16	FY17E
<b>Net Interest Income</b>	137,320	142,526	136,970	152,907	144,373	146,002	147,515	158,456	568,818	596,346
% Change (YoY)	3.6	7.4	-0.6	3.9	5.1	2.4	7.7	3.6	3.4	4.8
<b>Other Income</b>	50,880	61,973	60,870	106,956	72,101	82,614	96,619	102,908	281,584	354,243
<b>Net Income</b>	188,200	204,498	197,840	259,864	216,474	228,616	244,135	261,365	850,402	950,589
<b>Operating Expenses</b>	96,179	101,839	101,861	117,945	105,935	116,373	118,702	134,615	417,824	475,625
<b>Operating Profit</b>	92,021	102,659	95,979	141,919	110,539	112,243	125,433	126,749	432,578	474,964
% Change (YoY)	4.7	21.9	3.3	11.2	20.1	9.3	30.7	-10.7	9.4	9.8
<b>Other Provisions</b>	39,997	43,606	79,494	131,741	74,131	78,967	89,428	94,255	294,838	336,782
<b>Profit before Tax</b>	52,024	59,053	16,485	10,178	36,408	33,276	36,004	32,494	137,741	138,182
<b>Tax Provisions</b>	15,099	20,262	5,332	-2,460	11,198	7,893	9,904	9,005	38,234	38,000
<b>Net Profit</b>	36,924	38,791	11,153	12,638	25,210	25,383	26,100	23,489	99,507	100,182
% Change (YoY)	10.3	25.1	-61.7	-66.2	-31.7	-34.6	134.0	85.9	-24.0	0.7
<b>Operating Parameters</b>										
NIM (Reported, %)	3.0	3.0	2.8	3.1	2.8	2.8	2.8		3.0	
Deposit Growth (%)	13.7	10.9	10.7	9.8	10.5	13.8	22.1	17.0	9.8	17.0
Loan Growth (%)	6.8	10.5	12.9	12.6	10.7	7.2	4.1	5.0	12.6	5.0
CASA Ratio (%)	41.7	42.2	42.7	43.8	42.8	42.7	46.6		43.8	
<b>Asset Quality</b>										
OSRL (INR B)	560	535	486	391	366	366	346		391	
OSRL (%)	4.4	4.0	3.5	2.7	2.6	2.6	2.4		2.7	
Gross NPA (INR B)	564	568	728	982	1,015	1,058	1,082	1,097	982	1,097
Gross NPA (%)	4.3	4.2	5.1	6.5	6.9	7.1	7.2	6.9	6.5	6.9

E: MOSL Estimates



# Coal India

BSE SENSEX	S&P CNX
28,334	8,794
Bloomberg	COAL IN
Equity Shares (m)	6316.4
M.Cap.(INRb)/(USDb)	2,011.2 / 29.8
52-Week Range (INR)	350 / 272
1, 6, 12 Rel. Per (%)	3/-5/-16
Avg Val, INRm	1282.9
Free float (%)	20.4

**CMP: INR324 TP: INR315(-3%) Neutral**

## In-line; E-auction prices and share in mix inching up

### Wage hike and demand uncertainties remain; Maintain Neutral

Coal India's (COAL) 3QFY17 EBITDA (ex-OBR) declined 20% YoY to INR39.6b (inline) on higher operating cost, provisioning for employee wage hike and limited benefit of coal price hike done in May 2016. Other income declined 8% YoY/QoQ to INR18b. Adj. PAT was down 22% YoY to INR28.8b.

- On QoQ basis EBITDA (ex-OBR) was however up ~12x, as 2Q is seasonally weak, but also on (a) improvement in demand – sales up 23% QoQ to 142mt and (b) higher e-auction realization – up 16% QoQ to INR1,564/t.
- FSA realization was up 0.9% YoY to INR1,289/t, the first increase after four-quarters. The increase is partly influenced by better supply mix due to increase in dispatches from subsidiaries supplying higher grade coal.
- E-auction realizations are benefiting from higher international coal prices, with the benefit likely to continue in 4Q. E-auction's share of volume was ~18%, up 125bps/660bps QoQ/YoY, respectively.
- Provision for upcoming employee wage negotiation was INR7b, implying a wage hike of ~9-12%. We are building for a wage hike of ~17%. Cash cost (ex-OBR) was up 8% YoY (down 16% QoQ) to INR1,107/t.

### Uncertainties fueling volatility to earnings

- We have cut 4Q FSA realization but increased e-auction/washed coal realization on higher price trends in recent auctions. Resultantly, our 4QFY17 EBITDA (ex-OBR) is upgrade ~6%. FY18/FY19 estimates are unchanged.
- Higher global coal prices are fueling substitution demand and higher e-auction coal prices. Domestic demand is also stabilizing on power sector demand growth. However, uncertainties regarding deteriorating grade mix and quantum of wage hike pending negotiation are fueling volatility to earnings. Coking coal price hikes at BCCL/CCL will not accrue meaningfully in 4Q due to the terms of supply under MoU. We remain **Neutral**.

### Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	756.4	760.9	838.2
EBITDA	187.5	143.1	187.3
PAT	142.7	106.6	124.4
EPS (INR)	22.6	17.2	20.0
Gr. (%)	4.0	-24.0	16.7
BV/Sh (INR)	53.6	48.7	48.8
RoE (%)	42.2	35.2	41.0
RoCE (%)	40.0	35.7	44.0
P/E (x)	14.3	18.9	16.2
P/BV (x)	6.0	6.6	6.6

Estimate change



TP change



Rating change



### Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			FY17 3QE	Var. (%)
Sales	189,558	169,576	189,715	207,595	177,961	156,450	197,045	229,495	756,443	760,950	196,628	0
Change (%)	6.5	8.2	6.8	-0.1	-6.1	-7.7	3.9	10.5	5.0	0.6	3.6	
Cash EBITDA (OBR adj.)	50,911	25,171	49,337	62,100	38,621	3,176	39,571	61,737	187,519	143,104	40,004	(1)
As of % Sales	26.9	14.8	26.0	29.9	21.7	2.0	20.1	26.9	24.8	18.8	20.3	
Depreciation	5,575	5,864	6,279	6,946	6,672	6,921	7,011	6,978	24,664	27,580	6,956	1
OBR	7,091	410	7,419	13,195	2,331	1,425	8,124	15,017	28,114	26,896	7,419	10
Interest	40	15	30	121	890	970	1,107	574	207	3,540	876	26
Other Income	20,095	19,636	19,819	21,393	17,564	19,800	18,268	18,351	80,943	73,985	18,177	1
PBT	58,072	38,766	55,766	63,287	46,293	13,661	41,598	57,520	215,891	159,072	42,930	(3)
Tax	20,429	13,328	18,584	20,807	15,641	7,660	12,754	16,424	73,148	52,478	14,167	(10)
Effective Tax Rate (%)	35.0	34.6	33.5	32.9	33.8	56.1	30.7	28.6	33.9	33.0	33.0	
Reported PAT	37,643	25,438	37,182	42,479	30,653	6,001	28,845	41,096	142,743	106,594	28,763	0
Adjusted PAT	37,869	25,190	36,845	42,424	30,653	6,001	28,845	41,096	142,329	106,594	28,763	0
Change (%)	-5.7	15.2	12.4	0.4	-19.1	-76.2	-21.7	-3.1	3.7	-25.1	-21.9	



# Hindustan Zinc

BSE SENSEX	S&P CNX
28,334	8,794
Bloomberg	HZ IN
Equity Shares (m)	4,225.3
M.Cap. (INR b)/(USD)	1331.0/20.1
52-Week Range (INR)	333/135
1, 6, 12 Rel. Per (%)	11/43/75
Avg Val. (INR m)	457
Free float (%)	35.1

**CMP: INR 315 TP: INR 307 (-3%)**

**Neutral**

## Best ever EBITDA on higher LME and volumes

### Valuations rich; Maintain Neutral

Hindustan Zinc's (HZL) reported its best ever quarterly EBITDA of INR27.8b, an increase of 34% QoQ, on higher volumes and higher zinc and lead LME. EBITDA was however 10% below est. of INR30.8b on onetime impact of change in ore to waste ratio norm (USD50/t on CoP) and lower silver realization. Other income was down 24% QoQ to INR5.9b on lower MTM gains. PAT increased 22% QoQ / 28% YoY to INR23.2b (est. INR26.9b).

- n **Ramp-up at SK and Zawar to offset early closure of RAM open-cast:** Mine production was up 44% QoQ / 21% YoY to 276kt, as expected. Guidance of ~1.2mt mine metal production by FY19-20E was maintained despite the one-year early closure of RAM open-cast mine (now in FY18). RAM underground mine (exit run-rate of ~2mt well ahead of schedule), SK and Zawar mine expansion will offset the decline and drive production growth.
- n Rpt. Cost of production rose 6% QoQ to USD861/t
- n **Smelter debottlenecking and up gradation:** It accumulated mine metal inventory (of ~30kt) as debottlenecking of smelters was slower. Q4 could see further build-up, and thus some direct ore sales. HZL will be investing in smelters to increase capacity and improve metal recovery.
- n **Strong earnings growth but the valuations are rich; Maintain Neutral:** We have upgraded our zinc/lead LME estimate to USD3,000/2,300 per ton respectively on expected ore shortage and slower ramp-up guided by Glencore. Costs will increase on higher coal/diesel cost. Resultantly, EBITDA is upgraded by 11/17% to INR145b/147b for FY18/19, respectively. Our TP is revised to INR307/sh. Stock is trading at rich EV/EBITDA of 6.7x FY18E. Zinc prices need to increase further to justify stock price. **Maintain Neutral.**

### Financials & Valuations (INR b)

Y/E March	2016	2017E	2018E
Net Sales	142.3	175.7	238.9
EBITDA	67.8	98.7	145.5
NP	83.6	83.7	119.3
EPS (INR)	19.8	19.8	28.2
EPS Gr. (%)	2.1	0.0	42.6
BV/Sh. (INR)	20.7	20.9	25.2
RoE (%)	20.6	24.9	30.2
RoCE (%)	164.9	35.4	24.9
Payout (%)	142.3	175.7	238.9
Div. Yield	8.8	1.9	1.9

Estimate change



TP change



Rating change



### Quarterly Performance – INR million

Y/E March	FY16				FY17				FY16	FY17E	vs Est	3QE	%
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE					
<b>Production (integrated only)</b>													
Zn refined (000 tons)	187	211	206	154	102	149	205	250	758	706	205	0	
Pb refined (000 tons)	27	39	35	38	25	31	39	45	139	140	39	0	
Silver (tons)	86	110	116	127	95	111	127	144	439	477	125	2	
Zinc LME (USD/t)	2,190	1,898	1,616	1,680	1,918	2,252	2,518	2,700	1,846	2,347	2,511		
<b>Net Sales</b>	<b>36,302</b>	<b>40,333</b>	<b>34,306</b>	<b>31,324</b>	<b>25,306</b>	<b>35,257</b>	<b>49,799</b>	<b>65,322</b>	<b>142,264</b>	<b>175,685</b>	<b>52,104</b>	<b>-4</b>	
Change (YoY %)	20.7	34.1	-9.8	-18.7	-30.3	-12.6	45.2	108.5	-3.8	23.5	51.9		
<b>EBITDA</b>	<b>19,655</b>	<b>20,245</b>	<b>14,783</b>	<b>13,081</b>	<b>11,309</b>	<b>20,767</b>	<b>27,834</b>	<b>38,834</b>	<b>67,763</b>	<b>98,744</b>	<b>30,832</b>	<b>-10</b>	
As % of Net Sales	54.1	50.2	43.1	41.8	44.7	58.9	55.9	59.5	47.6	56.2	59.2		
Interest	16	12	51	90	712	712	451	90	169	1,965	90	401	
Depreciation	1,729	1,750	1,716	1,930	3,644	4,317	4,589	3,644	6,716	16,194	3,644	26	
Other Income	5,637	8,689	5,547	7,422	6,101	7,702	5,882	4,257	27,294	23,942	6,559	-10	
<b>PBT (after EO item)</b>	<b>21,785</b>	<b>27,171</b>	<b>18,562</b>	<b>18,487</b>	<b>13,059</b>	<b>23,440</b>	<b>28,676</b>	<b>39,357</b>	<b>86,416</b>	<b>104,526</b>	<b>33,657</b>	<b>-15</b>	
Total Tax	1,287	5,715	449	-3,013	2,680	4,421	5,477	8,265	4,438	20,842	6,731	-19	
% Tax	5.9	21.0	2.4	-16.3	20.5	18.9	19.1	21.0	5.1	19.9	20.0		
<b>Reported PAT</b>	<b>20,498</b>	<b>21,456</b>	<b>18,114</b>	<b>21,500</b>	<b>10,379</b>	<b>19,019</b>	<b>23,199</b>	<b>31,092</b>	<b>81,978</b>	<b>83,684</b>	<b>26,925</b>	<b>-14</b>	
<b>Adjusted PAT</b>	<b>22,155</b>	<b>21,456</b>	<b>18,114</b>	<b>21,495</b>	<b>10,375</b>	<b>19,019</b>	<b>23,199</b>	<b>31,092</b>	<b>83,644</b>	<b>83,684</b>	<b>26,925</b>	<b>-14</b>	
Change (YoY %)	37.0	32.6	-17.1	-9.7	-53.2	-11.4	28.1	44.7	2.1	0.0	48.6		





# Power Grid Corporation

BSE SENSEX	S&P CNX
28,334	8,794
Bloomberg	PWGR IN
Equity Shares (m)	5,232
M.Cap.(INRb)/(USDb)	1,045.5 / 15.7
52-Week Range (INR)	209 / 129
1, 6, 12 Rel. Per (%)	2/12/20
Avg Val, INRm	781.6
Free float (%)	42.1

**CMP: INR200 TP: INR238 (+19%) Buy**

## In-line; strong projects momentum driving upgrades

### Raising EPS and target price; Re-iterate Buy

Power Grid (PWGR) 3QFY17 standalone adj. PAT increased 20% YoY to INR19.3b. Spike in wage bill by INR576m QoQ, largely due to change in actuarial calculations, explains the deviation w.r.t estimates. Capitalization and capex during the quarter was in-line at INR69.2b (est. INR70b) and INR51.7b.

- The momentum of capitalization remains strong. Until 10<sup>th</sup> Feb, 2017, INR207b of projects have been capitalized. Champa-Krukshetra (HVDC) first pole is expected to be capitalized by Feb., which will add INR60b to Gross block. Therefore, INR280b capitalization in FY17E is on track.
- INR348b of new projects have been approved so far in FY17E, while INR219b of contracts have been awarded by Dec, 2016. Overall inventory of projects remains strong at INR1.39b. This will drive capex and earnings growth over next 5 years. INR930b of projects are to be executed in 3-4 years. A large HVDC line connecting Raipur to Puglur in South has been recently contracted to ABB, which has to be executed in tight timeline.
- With improved visibility of project pipeline, we are increasing pace of annual capex (INR220-240b v/s INR190b) and capitalization (INR280b v/s INR240b) over FY18-22E. Consequently, FY19E EPS is raised by 4% to INR20.
- DCF value is increased from INR227 to INR238, 19% upside. We are factoring a decline in regulated RoE from 15.5% to 14% in FY20E (periodical review by regulator). We remain bullish on investment in transmission sector due to (1) huge potential for energy demand growth in India (2) rising share of renewables (3) decades of underinvestment in T&D (4) integration of national grid has made low cost energy accessible to everyone (5) potential from SAARC countries. Yet, we are building conservatively 6.3% earnings growth over 10 years after FY22E in DCF value. PWGR has competitive advantage due to strong execution and balance sheet. We re-iterate **Buy**.

### Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	213.5	264.9	316.3
EBITDA	186.0	234.9	282.5
PAT	60.1	74.7	89.3
EPS (INR)	11.5	14.3	17.1
Gr. (%)	18.2	24.2	19.6
BV/Sh (INR)	83.8	95.1	108.4
RoE (%)	14.6	16.0	16.8
RoCE (%)	6.5	7.3	8.0
P/E (x)	11.9	14.0	11.7
P/BV (x)	1.6	2.1	1.8

Estimate change



TP change



Rating change



### Quarterly Performance (standalone)

Y/E March	FY16				FY17				FY16	FY17E	FY17 Vs Est 3QE (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Sales	47,170	49,046	53,596	57,536	60,691	62,296	65,010	68,990	207,348	256,628	66,159 -2
Change (%)	19.8	18.1	23.1	23.4	28.7	27.0	21.3	19.9	21.2	23.8	23.4
EBITDA	41,369	43,051	47,486	50,874	53,675	55,788	58,220	61,167	182,781	228,451	59,272 -2
Change (%)	22.8	21.1	27.0	26.6	29.7	29.6	22.6	20.2	24.5	25.0	24.8
As of % Sales	87.7	87.8	88.6	88.4	88.4	89.6	89.6	88.7	88.2	89.0	89.6
Depreciation	13,695	14,481	15,805	17,847	17,573	18,769	19,653	21,696	61,828	77,690	20,191 -3
Interest	11,091	11,490	12,875	14,773	15,178	15,876	16,426	15,907	50,230	63,387	16,447 0
Other Income	710	1,224	1,452	2,079	1,902	2,507	2,866	-1,269	5,464	6,098	2,538 13
PBT	17,293	18,304	20,259	20,332	22,827	23,650	25,006	22,295	76,188	93,472	25,173 -1
Tax	3,628	3,823	4,127	4,341	4,819	4,888	5,706	4,682	15,920	19,629	5,286
Effective Tax Rate (%)	21.0	20.9	20.4	21.4	21.1	20.7	22.8	21.0	20.9	21.0	21.0
Reported PAT	13,665	14,480	16,131	15,991	18,008	18,762	19,300	17,613	60,267	73,842	19,887 -3
Adjusted PAT	13,665	14,480	16,131	15,991	18,008	18,762	19,300	17,613	60,267	73,842	19,887 -3
Change (%)	14.7	19.7	28.8	13.2	31.8	29.6	19.6	10.1	19.0	22.5	23.3



# Mahindra & Mahindra

BSE SENSEX	S&P CNX
28,334	8,794
Bloomberg	MM IN
Equity Shares (m)	592.6
M.Cap.(INRb)/(USD b)	858.1 / 12.9
52-Week Range (INR)	1509 / 1092
1, 6, 12 Rel. Per (%)	0/-13/-11
Avg Val, (INRm)	1403
Free float (%)	74.7

## Financials & Valuations (INRb)

Y/E Mar	2016	2017E	2018E
Sales	408.8	426.4	486.9
EBITDA	45.9	47.6	53.7
NP (incl. MVML)	32.9	35.2	38.0
Adj. EPS (INR) *	55.0	58.8	63.5
EPS Gr. (%)	4.2	6.8	8.1
Cons. EPS (INR)	53.6	60.7	75.0
BV/Sh. (INR)	366.3	405.7	443.3
RoE (%)	15.4	14.3	13.6
RoCE (%)	12.6	11.9	11.5
Cons. P/E (x)	23.9	21.1	17.1

\* incl. MVML

Estimate change

TP change

Rating change

**CMP: INR1,278 TP: INR1,506 (+18%) Buy**

## Below Est; Weak Automobile performance drags over all margins

- 3QFY17 volumes increased ~2% YoY (+7% QoQ), driven by growth of 22% YoY (+24% QoQ) in Tractors but 8% YoY decline in automobile sales. Realizations declined 2.5% QoQ (-1% YoY) to ~INR536k (est. of ~INR530k). Net revenues grew ~16% YoY to INR101.7b (in-line).
- EBITDA margin declined by 70bp QoQ (-20bp YoY) to 13.7% (est. of 14.5%), impacted by higher RM costs (+150 bp QoQ) impact of which was diluted by lower other expenses (-70bp QoQ). Auto PBIT margin declined 260bp QoQ (-320bp YoY) to 7.1%, while FES PBIT margins declined 50bp QoQ (+200bp YoY) to 17.4%. Adj. PAT declined by 7% YoY (-37% QoQ) to ~INR7.9b, further impacted by lower other income and higher interest expenses.
- Takeaways from earnings call:** a) Tractor industry volume growth guidance revised to 8-10% in 4QFY17, translating in to 16-17% (v/s 20% earlier) industry growth for FY17. b) Price increase of 0.7% in both tractors and Autos from Jan-17. c) Commodity costs likely to go up further in 4QFY17 (on back of ~100bp increase in 3QFY17). d) Effective tax rate likely to rise by ~4pp going forward on account of lapse of tax benefit for R&D expenses. e) Upcoming launches: Autos – U321 (MPV launch in 12 months), S221 (compact SUV based on Tivoli, launch by 2HFY19); Tractors – variants of Yuvo & Nuvo, new platform on M&M and Swaraj mid CY17. f) Merging 2W business wef Oct-16; 2W business has accumulated losses of ~INR25b.
- Valuation and view:** We downgrade EPS estimates by 5-8% for FY17/18, to factor in for higher tax rate. The stock trades at 17.1x/14.3x FY18/FY19 consol EPS. Maintain **Buy** rating with a SOTP based TP of INR1,506 (FY19 SOTP based).

## Quarterly Performance (incl MVML)

Y/E March	FY16				FY17				FY16	FY17E	FY17E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Total Volumes (nos)	171,925	158,601	193,763	182,093	192,170	185,156	197,565	171,879	707,689	757,835	197,565	0.0
Growth YoY (%)	-8.1	-10.3	11.9	12.6	11.8	16.7	2.0	-5.6	1.3	7.1	2.0	
Net Realization	549,491	554,969	540,062	557,967	547,674	549,363	535,865	549,231	549,064	537,365	530,459	1.0
Growth YoY (%)	4.8	8.5	1.0	-1.1	-0.3	-1.0	-0.8	-1.6	3.8	-2.1	-1.8	
<b>Net Op. Income</b>	<b>94,471</b>	<b>88,019</b>	<b>104,644</b>	<b>101,602</b>	<b>105,247</b>	<b>101,718</b>	<b>105,868</b>	<b>94,402</b>	<b>388,566</b>	<b>407,234</b>	<b>104,800</b>	1.0
Growth YoY (%)	-3.8	-2.7	13.0	11.4	11.4	15.6	1.2	-7.1	5.1	4.8	0.1	
RM Cost (% of sales)	68.0	67.8	68.4	68.7	68.4	67.1	68.6	68.8	68.2	68.2	67.6	1.4
Staff (% of sales)	7.0	7.3	6.7	5.6	6.8	7.1	7.2	8.0	6.6	7.2	7.1	0bp
Oth. Exp. (% of Sales)	10.8	11.9	11.1	13.2	10.7	11.3	10.6	11.1	11.8	11.1	10.8	-20bp
<b>EBITDA</b>	<b>13,450</b>	<b>11,445</b>	<b>14,515</b>	<b>12,694</b>	<b>14,885</b>	<b>14,682</b>	<b>14,495</b>	<b>10,945</b>	<b>51,988</b>	<b>55,007</b>	<b>15,207</b>	-4.7
EBITDA Margins (%)	14.2	13.0	13.9	12.5	14.1	14.4	13.7	11.6	13.4	13.5	14.5	-80bp
Other income	1,109	4,867	911	1,022	1,296	6,879	921	1,250	7,910	10,345	1,150	-19.9
Interest	562	625	636	507	428	464	591	595	2,329	2,078	440	34.4
Depreciation	2,544	2,711	3,211	4,018	3,484	3,701	3,753	3,782	12,484	14,721	3,625	3.5
EO Income/(Exp)	0	0	0	60	910	0	165	0	60	1,075	0	
<b>PBT</b>	<b>11,454</b>	<b>12,975</b>	<b>11,580</b>	<b>9,252</b>	<b>13,179</b>	<b>17,397</b>	<b>11,236</b>	<b>7,817</b>	<b>45,144</b>	<b>49,629</b>	<b>12,292</b>	-8.6
Effective Tax Rate (%)	27.5	25.0	26.6	29.0	27.0	28.0	28.7	25.9	26.9	27.6	26.3	250bp
<b>Reported PAT</b>	<b>8,299</b>	<b>9,730</b>	<b>8,494</b>	<b>6,572</b>	<b>9,616</b>	<b>12,529</b>	<b>8,011</b>	<b>5,795</b>	<b>32,978</b>	<b>35,951</b>	<b>9,065</b>	-11.6
Change (%)	-7.4	-0.1	-12.1	12.1	15.9	28.8	-5.7	-11.8	-3.7	9.0	10.5	
<b>Adj PAT</b>	<b>8,299</b>	<b>9,730</b>	<b>8,494</b>	<b>6,529</b>	<b>8,952</b>	<b>12,529</b>	<b>7,893</b>	<b>5,795</b>	<b>32,935</b>	<b>35,172</b>	<b>9,065</b>	-12.9
Change (%)	-7.4	-0.1	19.2	16.9	7.9	28.8	-7.1	-11.2	4.2	6.8	10.5	

E: MOSL Estimates

BSE SENSEX	S&P CNX
28,334	8,794
Bloomberg	BOS IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	691.7 / 10.3
52-Week Range (INR)	25,650 / 15,753
1, 6, 12 Rel. Per (%)	2/-8/19
Avg Val, INRm	395.4
Free float (%)	29.5

### Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	96.6	107.1	127.8
EBITDA	18.2	18.2	24.8
PAT	15.2	14.9	19.5
EPS (INR)	483.3	489.0	639.6
Gr. (%)	11.8	1.2	30.8
BV/Sh (INR)	2,639.8	2,489.7	2,969.5
RoE (%)	19.4	18.8	23.4
RoCE (%)	26.5	26.3	32.5
P/E (x)	46.9	46.3	35.4
P/BV (x)	8.6	9.1	7.6

Estimate change



TP change



Rating change



**CMP: INR22,662 TP: INR22,049(-3%)**

**Neutral**

### Below est.; One-off cost hurts profits; Expect muted CY17 CV growth

- n **Non-Autos drives revenue growth; Exports continue to decline:** Revenues grew ~8% YoY to ~INR26.7b (est. of ~INR28.2b), driven by ~25% growth in Non-Autos and 3.6% YoY in Autos. Domestic revenue was up (+~8% YoY), while exports continued to decline (-1.2% YoY). Autos performance was driven by high-double-digit growth in petrol systems, while diesel and aftermarket were weak. Non-Autos growth was driven by Solar, Packaging and Power tools.
- n **EBITDA margin impacted by several one-offs:** EBITDA margin contracted 270bp YoY (-800bp QoQ) to ~10% (est. of ~12.8%). Margins would have been ~12.3%, excluding one-offs, i.e. higher staff cost (restructuring cost) and other expenses (higher professional expenses toward BS-VI and upfronting of CSR). Also, RM cost was higher due to provisioning for RM not suitable for future use (e.g. Rotary pumps). Higher depreciation and lower other income further impacted PAT (-23% YoY to ~INR2.15b v/s est. of ~INR3.08b).
- n **Earnings call highlights:** a) Expects moderate growth for CVs in CY17, with 1.5-2% growth for M&HCV. b) CV OEMs are expecting strong demand in 4QFY17 based on pre-buying, but target finalization would be done post clarity on timeline for sale/registration of BS-III vehicles. c) Management expects EFI opportunity for 2Ws to materialize from the implementation of BS-VI. d) RM cost was also impacted by adverse mix, higher share of traded goods and price reduction. e) Listed entity is not supplying AMT to PVs. f) Capex for FY17/18 to be in the range of INR4.6-6.8b. g) It is not yet clear whether the electric mobility solutions business would be routed through listed entity. h) Announced interim dividend of ~INR75/share.
- n **Valuation and view:** We revise our EPS downward for FY17/18 by 3-4% to factor in adverse mix and one-off costs for FY17, as well as lower other income and higher tax for FY18. Maintain **Neutral** with a revised TP of ~INR22,049 (~30x FY19 EPS – at 10% premium to 10-year average, but ~15% discount to 5-year average).

### Quarterly Performance (Standalone)

Y/E March	FY16				FY17				FY16	FY17E	Est 3QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
<b>Net Sales</b>	<b>23,012</b>	<b>23,814</b>	<b>24,800</b>	<b>24,672</b>	<b>25,196</b>	<b>26,115</b>	<b>26,720</b>	<b>29,115</b>	<b>96,558</b>	<b>107,145</b>	<b>28,228</b>	-5
YoY Change (%)	-3.2	-6.8	4.1	3.3	9.5	9.7	7.7	18.0	-0.6	11.0	3.0	
RM Cost (% of sales)	52.0	50.9	52.6	50.7	51.8	50.5	54.7	51.1	51.5		51.2	350bp
Staff Cost (% of sales)	12.4	14.2	13.0	13.8	12.9	13.3	14.5	13.8	13.5		13.5	100bp
Other Expenses (% of sales)	14.6	16.8	20.2	13.1	17.4	18.2	20.8	13.2	16.2		22.5	-170bp
<b>EBITDA</b>	<b>4,827</b>	<b>4,326</b>	<b>3,535</b>	<b>5,507</b>	<b>4,511</b>	<b>4,694</b>	<b>2,667</b>	<b>6,355</b>	<b>18,177</b>	<b>18,227</b>	<b>3,613</b>	-26
Margins (%)	21.0	18.2	14.3	22.3	17.9	18.0	10.0	21.8	18.8	17.0	12.8	-280bp
Depreciation	704	782	1,059	1,177	860	889	1,294	1,268	3,722	4,311	1,150	13
Interest	15	32	42	14	13	10	17	26	99	66	19	-11
Other Income	1,408	1,872	1,417	1,779	1,789	2,107	1,634	1,501	6,488	7,032	1,950	-16
<b>PBT after EO Expense</b>	<b>5,516</b>	<b>5,384</b>	<b>3,850</b>	<b>6,096</b>	<b>5,428</b>	<b>8,710</b>	<b>2,991</b>	<b>6,562</b>	<b>21,035</b>	<b>20,882</b>	<b>4,394</b>	-32
Tax Rate (%)	31.5	29.1	27.1	22.6	30.9	19.2	28.2	28.4	27.2	29.0	30.0	-180bp
<b>Adj PAT</b>	<b>3,777</b>	<b>3,817</b>	<b>2,808</b>	<b>4,720</b>	<b>3,749</b>	<b>4,768</b>	<b>2,148</b>	<b>4,701</b>	<b>15,176</b>	<b>14,826</b>	<b>3,076</b>	-30
YoY Change (%)	23.1	24.6	116.4	64.2	-0.7	24.9	-23.5	-0.4	11.8	-2.3	39.3	

E: MOSL Estimates



# GAIL India

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
28,330	8,778
<b>Bloomberg</b>	<b>GAIL IN</b>
Equity Shares (m)	1,268
M.Cap.(INRb)/(USDb)	622.1 / 9.3
52-Week Range (INR)	494 / 291
1, 6, 12 Rel. Per (%)	4/29/20
Avg Val, INRm	826
Free float (%)	43.9

**CMP: INR483 TP: INR446(-8%)**

**Neutral**

## In line with estimates; petchem ramping up

GAIL's reported 3QFY17 EBITDA at INR17b (in line; +55% YoY; +12% QoQ) led primarily by higher LPG & Liq HC earnings. Increase in EBITDA was suppressed by (a) higher interest at INR1.6b (est 1.3; +5% YoY, +34% QoQ) and (b) lower other income at INR3.0b (est 2.5; -3% YoY, -11% QoQ). PAT came in at INR9.8b (est 9.6, +45% YoY, +6% QoQ)

## Segmental Analysis: Gas transmission above est.; Petchem turnaround on track

GAIL's gas transmission EBIT at INR6.3b (+47% YoY, -2% QoQ), primarily due to higher volume at 103mmcmd (+6% YoY, +2% QoQ), higher implied tariff adjusted for one-offs (+17% YoY, +18% QoQ), but higher opex (+6% YoY, +11% QoQ).

- n PATA-2 had a shutdown of over a month in the quarter, production volume at 146KT (+74% YoY, +7% QoQ) with EBIT at INR1.3b (-14% QoQ). Realization stood at INR96/kg and EBITDA at INR17/kg. PATA-2 plant utilization is now at ~80%.
- n LPG and liq. HC EBIT stood at INR3.7b (+60% YoY, +154% QoQ), previous quarter impacted by INR640m VAT liability recognition.
- n Gas trading segment, as expected was again volatile with EBIT at INR3.0b (-38% YoY, -9% QoQ) due to high LNG prices in the quarter.

## Outlook mixed with multiple moving parts; US LNG contract an event risk

- n Petchem ramp-up benefit over the next quarter will be boosted by decrease in spot LNG prices (+ve for petchem) and increased realizations, while increase in oil price would benefit LPG & liq HC segment.
- n Headwinds to gas volume increase continue with competitive liquid fuels could containing volume uptick.
- n Potential liability led by price differential on its US LNG contracts is an event risk for the stock.

## Valuation and view

- n The stock trades at 11.7x FY19E EPS of INR41.3 and adjusted for investments of INR93/sh at 9.4x. Our SOTP-based target price stands at INR446/sh. **Maintain Neutral.**

## Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	515.9	499.6	548.6
EBITDA	39.5	63.8	81.5
PAT	22.8	35.5	48.3
EPS (INR)	18.0	28.0	38.1
Gr. (%)	-23.9	55.7	36.1
BV/Sh (INR)	241.1	262.6	286.7
RoE (%)	7.6	12.6	13.9
RoCE (%)	6.4	9.4	11.4
P/E (x)	26.9	17.3	12.7
P/BV (x)	2.0	1.8	1.7

Estimate change



TP change



Rating change



## Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var. vs est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Sales</b>	125,191	140,880	133,572	116,272	106,866	118,582	121,079	150,221	515,914	496,748	150,533	-20%
Change (%)	-6.4	-0.3	-10.8	-18.5	-14.6	-15.8	-9.4	29.2	-9.1	-3.7	26.9	
<b>EBITDA</b>	9,976	7,675	11,008	11,186	15,732	15,155	17,015	15,918	39,845	63,820	16,796	1%
% of Net Sales	8.0	5.4	8.2	9.6	14.7	12.8	14.1	10.6	7.7	12.8	11.2	
Depreciation	3,077	3,227	3,356	3,497	3,354	3,563	3,579	3,999	13,158	14,496	3,697	-3%
Interest	1,636	1,635	1,524	1,546	1,774	1,198	1,601	1,191	6,341	5,765	1,258	27%
Other Income	1,248	3,787	3,102	3,256	1,362	3,361	3,002	912	11,394	8,637	2,499	20%
Extraordinary item*	0	0	0	0	4,893	0	0	0	0	4,893	0	
<b>PBT</b>	6,511	6,599	9,230	9,399	16,858	13,755	14,836	11,640	31,740	57,089	14,340	3%
Tax	2,270	2,194	2,472	1,699	3,506	4,508	5,007	3,841	8,636	16,863	4,732	6%
Rate (%)	34.9	33.2	26.8	18.1	20.8	32.8	33.7	33.0	27.2	29.5	33.0	
<b>PAT</b>	4,241	4,405	6,758	7,700	13,352	9,247	9,829	7,799	23,105	40,226	9,608	2%
<b>Adj PAT</b>	4,241	4,405	6,758	7,700	8,459	9,247	9,829	7,799	23,105	35,333	9,608	2%
Change (%)	-31.7	-66.2	20.8	50.8	99.4	109.9	45.4	1.3	-22.8	52.9	3.9	



# Bank of Baroda

BSE SENSEX	S&P CNX
28,334	8,794
Bloomberg	BOB IN
Equity Shares (m)	2,304
M.Cap.(INRb)/(USD\$b)	433.3 / 6.5
52-Week Range (INR)	192 / 109
1, 6, 12 Rel. Per (%)	18/25/41
Avg Val, INRm	1612
Free float (%)	40.8

## Financials & Valuations (INR b)

Y/E March	2016	2017E	2018E
NII	127.4	134.6	155.1
OP	88.2	102.6	114.6
NP	-54.0	17.4	42.4
NIM (%)	2.0	2.1	2.3
EPS (INR)	-23.4	7.5	18.3
EPS Gr. (%)	NA	NA	143.8
BV/Sh. (INR)	146	152.2	166.3
RoE (%)	-15.3	5.0	11.5
RoA (%)	-0.8	0.3	0.6
P/E(X)	NA	25.0	10.3
P/BV (X)	1.3	1.2	1.1

**CMP: INR188 TP: INR221(+17%) Buy**

## Balance-sheet consolidation continues; credit cost dents profitability

- Bank of Baroda (BoB) reported PAT was 69% below our estimate at INR2.5b owing to elevated NPL provisions (annualized credit costs of 1.86%. PPOp was in-line (52% YoY) as higher than expected trading gains (INR8.4b vs. est. of INR7.5b) compensated for 4% miss on NII (INR31.3b vs. INR33b est.)
- NIM contracted by 23bp QoQ to 2%, led by interest income reversal of INR2.6b; adjusted for this NIM would have been lower by 6bp QoQ.
- Slippages increased QoQ to INR41.4b (annualized slippage ratio of 4.3%) vs. INR28.6b in 2Q. Recoveries and upgrades were flat and higher write-offs of INR18b led to flat GNPLs. PCR improved 150bp QoQ (11.8% YoY) to 64.5%, resultantly NNPLs declined 2% QoQ and 13% YoY.
- Outstanding stock of stress loans:** OSRL flat QoQ at INR140.6b (4% of loans), S4A: INR19.48b (standard), SDR: INR69.44b (of which INR49.13b standard), and 5:25: INR74.08b (standard).
- Other highlights:** a) Domestic CASA ratio improved 345bp QoQ to 37.1%, with domestic SA deposit growth at 31% YoY b) CET 1 ratio stood at 9.3% (-81bp QoQ) c) focus on balance-sheet consolidation continues with 9% YoY decline in loans (-1% QoQ) and d) SMA2 accounts declined from INR182.7b in FY16 and INR126.7b in 2QFY17 to INR79b in 3QFY17.

**Valuation and view:** Slippages increased QoQ, but in our view, management is focused on cleaning up the balance-sheet and laying foundation for healthy growth rates. We expect stress addition and credit costs to reduce sharply in FY18/19. Additional buffers like non-core financial investments amongst other options will lead to dilution free growth until FY18. We cut FY17 estimates by 39%, however, we have not built in one off stake sale gains in our estimates. Maintain Buy with TP of INR221 (1.2x December 18BV) – based on RI model.

## Quarterly Performance

	FY16				FY17				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY16	FY17E
Net Interest Income	34,596	32,445	27,053	33,304	33,711	34,261	31,344	35,293	127,398	134,608
% Change (YoY)	3.9	-4.6	-17.7	5.0	-2.6	5.6	15.9	6.0	-3.4	5.7
Other Income	9,672	11,440	11,129	17,747	14,444	15,614	17,750	14,542	49,989	62,350
Net Income	44,269	43,885	38,183	51,051	48,155	49,875	49,093	49,835	177,387	196,958
Operating Expenses	22,249	20,515	21,141	25,326	21,460	22,973	23,141	26,745	89,231	94,320
Operating Profit	22,020	23,370	17,041	25,725	26,695	26,902	25,952	23,089	88,156	102,638
% Change (YoY)	-11.2	-2.7	-27.1	-4.5	21.2	15.1	52.3	-10.2	-11.1	16.4
Other Provisions	5,997	18,917	61,646	68,577	20,041	17,958	20,795	16,037	155,137	74,831
Profit before Tax	16,022	4,453	-44,604	-42,852	6,654	8,944	5,157	7,053	-66,981	27,808
Tax Provisions	5,501	3,208	-11,184	-10,551	2,418	3,422	2,630	1,957	-13,025	10,428
Net Profit	10,522	1,245	-33,420	-32,301	4,236	5,521	2,527	5,096	-53,955	17,380
% Change (YoY)	-22.7	-88.7	NA	-639.8	-59.7	343.5	NA	-115.8	-258.8	-132.2
<b>Operating Parameters</b>										
NIM (Reported, %)	2.3	2.1	1.7	2.2	2.2	2.3	2.1	2.1	2.1	2.1
Deposit Growth (%)	7.5	8.0	4.4	-7.0	-5.2	-7.3	0.0	8.0	-7.0	8.0
Loan Growth (%)	7.0	7.6	-2.4	-10.3	-11.2	-14.6	-8.9	-5.0	-10.3	-5.0
CASA Ratio (%)	31.9	32.0	30.0	33.6	33.8	34.2	40.5	26.4	28.8	28.8
<b>Asset Quality</b>										
OSRL (INR B)	255	229	171	137	142	139	141	137	137	137
OSRL (%)	6.3	5.5	4.5	3.6	3.9	3.9	4.0	3.6	3.6	3.6
Gross NPA (INR B)	173	237	389	405	430	429	426	423	405	423
Gross NPA (%)	4.1	5.6	9.7	10.0	11.2	11.4	11.4	10.9	10.0	10.9

E: MOSL Estimates



# Aurobindo Pharma

BSE SENSEX	S&P CNX
28,330	8,778
Bloomberg	ARBP IN
Equity Shares (m)	585
M.Cap.(INRb)/(USDb)	413.4 / 6.2
52-Week Range (INR)	895 / 582
1, 6, 12 Rel. Per (%)	-8/-10/-21
Avg Val, INRm	1,731.9
Free float (%)	48.1

**CMP: INR706 TP: INR1,050(+49%)**

**Buy**

## Results impacted by one-offs; deleveraging continues

- One-offs impacted results:** Aurobindo reported consolidated revenue of INR39.1b (up ~12% YoY; ~1% above estimate). However, EBITDA of INR8.9b (up 8.7%) was ~5% below our estimate and adjusted PAT of INR5.6b (up 7.4% YoY) was 7.5% below our estimate. Miss in numbers can largely be attributed to 4% lower growth in the US due to one-time charge-backs / rebates and one-off item of ~USD4m in other expenses.
- Ramp-up in US key; key launches expected in coming quarters:** US sales grew ~12%YoY to ~USD260m, which was marginally below our estimate (by ~6%) due to one-time charge-backs (to the tune of 4%), deferment of key launches and pricing pressure (base business down ~13% YoY and 7% QoQ). The company received final approval for 19 ANDAs and was able to launch 11 products in the US in the quarter. We expect US sales momentum to pick in coming quarters on the back of key launches including Epzicom and Meropenem. ARBP also expects to launch Fortamet in FY18.
- EU business – healthy growth coupled with margin expansion bodes well:** EU business grew 9.2% YoY and delivered EBITDA margin of 6-8% v/s mid-single-digit loss three years ago.
- Key earnings call takeaways:** (1) Net debt reduced to USD410m at the end of 3QFY17 (down ~USD74m sequentially despite capex of USD55m in 3Q); (2) Price erosion in US was ~7% QoQ; (3) R&D expense as a percentage of sales expected to be 5-6% in FY18/19; (4) Transferred manufacturing of 42 products (to be sold in EU) to India till now; plans to transfer >60 by the end of 4Q; (5) Planning to increase Auro Life capacity in the US by 3x; (6) DTG sales to pick-up meaningfully from 2HFY18.
- Strong earnings growth trajectory, improving cash flows to drive valuations:** ARBP trades at 14x FY18E EPS, at >25% discount to peers. The valuation gap is expected to narrow on account of the company's increasing profitability, strong earnings growth trajectory (19% CAGR till FY19E), and improving free cash flow. ARBP remains one of our top picks in the sector, with a target price of INR1,050 (20x 1HFY19E EPS).

## Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	139.0	152.9	181.0
EBITDA	32.1	36.4	44.0
PAT	19.8	23.7	28.2
EPS (INR)	33.9	40.5	48.1
Gr. (%)	25.5	19.7	18.7
BV/Sh (INR)	120.6	158.6	204.2
RoE (%)	32.5	29.0	26.5
RoCE (%)	20.8	19.9	20.3
P/E (x)	20.9	17.4	14.7
P/BV (x)	5.9	4.5	3.5

Estimate change



TP change



Rating change



## Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17E	FY17	vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	32,989	33,651	34,955	37,468	37,666	37,755	39,062	38,463	138,961	152,944	38,595	1.2%
YoY Change (%)	13.3	16.8	10.4	18.5	14.2	12.2	11.7	2.7	14.6	10.1	10.4	
EBITDA	7,251	7,791	8,230	8,824	8,890	9,292	8,949	9,272	32,056	36,401	9,456	-5.4%
Margins (%)	22.0	23.2	23.5	23.5	23.6	24.6	22.9	24.1	23.1	23.8	24.5	
Depreciation	890	926	995	1,113	1,062	1,102	1,111	1,093	3,926	4,368	1,050	
Interest	208	241	227	251	206	175	143	291	927	815	200	
Other Income	294	122	69	206	159	83	79	229	3,137	3,496	150	
PBT before EO expense	6,446	6,746	7,077	7,666	7,780	8,098	7,774	8,117	30,339	34,713	8,356	
Extra-Ord expense	106	439	-129	-46	-70	-202	-158	0	660	-430	0	
PBT	6,340	6,306	7,206	7,711	7,850	8,300	7,932	8,117	29,680	35,143	8,356	
Tax	1,634	1,767	1,860	2,097	2,008	2,240	2,177	2,107	7,444	8,532	2,250	
Rate (%)	25.8	28.0	25.8	27.2	25.6	27.0	27.4	26.0	25.1	24.3	26.9	
Minority Interest	-19	4	-3	-14	-8	3	-31	-14	-39	-50	-15	
Reported PAT	4,725	4,536	5,350	5,629	5,850	6,057	5,786	6,024	22,275	26,661	6,121	-5.5%
Adj PAT	4,784	4,856	5,251	5,582	5,789	5,912	5,640	6,010	20,304	23,399	6,106	-7.6%
YoY Change (%)	15.8	20.9	32.3	38.7	21.0	21.8	7.4	7.7	36.6	15.2	16.3	
Margins (%)	14.5	14.4	15.0	14.9	15.4	15.7	14.4	15.6	14.6	15.3	15.8	



BSE SENSEX	S&P CNX
28,330	8,778
Bloomberg	SUNTV IN
Equity Shares (m)	394
M.Cap.(INRb)/(USDb)	291.0 / 4.3
52-Week Range (INR)	773 / 312
1, 6, 12 Rel. Per (%)	30/57/92
Avg Val, INRm	800
Free float (%)	25.0

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	24.0	26.1	30.2
EBITDA	17.1	18.2	21.3
PAT	8.3	9.9	11.7
EPS (INR)	21.1	25.1	29.7
Gr. (%)	13.0	18.8	18.4
BV/Sh (INR)	92.2	100.0	108.9
RoE (%)	23.4	25.1	27.3
RoCE (%)	24.1	26.0	28.3
P/E (x)	34.2	28.8	24.3
P/BV (x)	7.8	7.2	6.6

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR724 TP: INR735(+2%) Neutral**

Operational performance sub-par

Receding political and legal overhang improves earnings visibility

- 3QFY17 PAT up 11% YoY; revenue misses estimate led by ad de-growth: SUNTV's 3QFY17 PAT grew 11% YoY to INR2.4b (est. of INR2.44b) as EBITDA disappointment was cushioned by lower depreciation and higher-than-expected other income. Revenue of INR5.89b (+2.8% YoY/-6% QoQ) came in 6% below our estimate of INR6.25b, primarily on account of lower-than-expected ad revenue.
- Demonetization puts brakes on ad growth, subscription remains robust: Ad inventory consumption took a beating due to demonetization, as advertisers across categories cut back on ad budgets. Ad revenue declined ~7% YoY to INR2.78b (est. of INR3.16b). Subscription revenue grew 16% YoY to INR2.42b (in line with est. of INR2.4b). Cable/DTH segments grew ~10%/4% QoQ to INR0.75b/INR1.67b (in-line)
- Lower movie amortization and higher other income offset negative leverage impact: SUNTV reined in movie investments to ~INR0.97b in 3QFY17 (v/s INR1.16b in 3QFY16). It lowered guidance for movie investments to INR3.5-4b (earlier: INR4b). Contained depreciation and movie-related amortization, coupled with higher-than-expected other income, offset the impact of negative operating leverage and EBIT miss. EBIT margin expanded 300bp YoY to 55.8% (in-line).
- Focus on improving performance in fiction/non-fiction genres: While competition impacted GEC performance for SUNTV across the network in CY16, management has stepped up the focus on increasing its viewership share in fiction/non-fiction genres. With its recent in-house commissioned content, it is already seeing viewership improvement in its Telugu offering - Gemini TV.
- Earnings estimates largely maintained; resume coverage with Neutral: SUNTV promoters' recent acquittal from the Aircel-Maxis case ends the long-drawn overhang on earnings visibility. While SUNTV has improved viewership share in AP market and held on to ratings in flagship channel Sun TV, sustenance of the same is yet to be established. We model 16% EPS CAGR over FY16-19E. We largely maintain FY18E/FY19E EPS, and resume coverage with **Neutral** and TP of INR735, based on P/E of 22x Dec-18 EPS. SUNTV trades at 24.3x FY18E EPS and 21x FY19E EPS.

Quarterly Performance (Standalone) \*

Y/E March	FY16				FY17				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY16	FY17E
Revenue	6,911	5,681	5,741	5,707	7,608	6,255	5,894	6,348	24,040	26,106
YoY (%)	9.1	11.6	3.9	4.0	10.1	10.1	2.7	11.2	7.2	8.6
EBITDA	4,092	4,322	4,373	4,266	4,364	4,663	4,397	4,820	17,084	18,245
YoY (%)	11.3	9.2	2.2	0.8	6.7	7.9	0.6	13.0	5.8	6.8
As of % Sales	59.2	76.1	76.2	74.7	57.4	74.6	74.6	75.9	71.1	69.9
Depreciation and Amortization	1,302	1,176	1,348	1,007	1,008	1,030	1,107	1,289	4,835	4,434
Interest	8	1	5	8	1	2	7	11	21	21
Other Income	222	204	289	223	216	488	389	223	911	1,315
PBT	3,003	3,349	3,309	3,475	3,571	4,119	3,673	3,743	13,139	15,105
Tax	1,031	1,166	1,146	1,294	1,240	1,415	1,272	1,284	4,633	5,211
Effective Tax Rate (%)	34.3	34.8	34.6	37.2	34.7	34.4	34.6	34.3	35.3	34.5
Reported PAT	1,973	2,184	2,163	2,180	2,331	2,704	2,401	2,459	8,507	9,894
Extraordinary Item				180						
Adj PAT	1,973	2,184	2,163	2,360	2,331	2,704	2,401	2,459	8,680	6,707
YoY (%)	19.1	41.4	1.0	16.3	18.1	23.8	11.0	4.2	17.7	-22.7

# Alkem Laboratories

BSE SENSEX	S&P CNX
28,334	8,794
Bloomberg	ALKEM IN
Equity Shares (m)	120
M.Cap.(INRb)/(USDb)	218.5 / 3.3
52-Week Range (INR)	1853 / 1175
1, 6, 12 Rel. Per (%)	3/16/19
Avg Val, INRm	106
Free float (%)	33.0

**CMP: INR1,839 TP: INR1,850(+1%) Neutral**

## Another robust quarter; GM improvement – a positive surprise

Revenues grew 16% YoY to INR14.8b (+13% beat), led by strong growth in India (+13.5% YoY) and US (+30% YoY) businesses. Gross margin expanded >250bp QoQ to 63.5%, led by a favorable product mix. EBITDA rose 13% YoY to INR2.7b (+18% beat), with margin up ~18.1% YoY on robust growth in India and US businesses (despite higher R&D expense at ~5.7%). PAT increased ~25% YoY to INR2.3b, driven by a lower tax rate.

**Domestic business continues to outpace industry:** Domestic business grew impressively by 13.5% YoY to INR10.3b, despite demonetization, a decline in anti-infective market and NLEM-led price cuts. We expect ALKEM to deliver high-teens growth over medium term, led by steady growth in acute segment and salesforce productivity improvement in chronic segment.

**Strong US growth led by seasonality:** US sales increased ~12% QoQ (+~30% YoY) to INR3.4b, led by seasonality (Benzonatate sales goes up in winter).

**Key concall takeaways:** a) GM in 9MFY17 was 61.5%. b) R&D guidance of 5-6% maintained. c) 3Q employee expenses included high incentive cost (this could, however, come down going forward. d) Plans to launch high-single-digit ANDAs annually. e) Plans to rationalize geographical exposure to 8-10 countries from ~50 now. f) Tax rate will go up toward MAT rate by FY19 (in single-digit now). g) Capex at INR5.5-6b in FY17E (INR4.5b invested in 9M).

**Limited upside given recent stock run-up:** 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). Having said that, the recent run-up of stock provides limited room for upside. Our TP of INR1,850 is based on 20x 1HFY19E PER (v/s INR1,800 @ 20x 1HFY19E PER). **Neutral.**

## Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	49.9	60.0	69.1
EBITDA	8.5	11.0	12.7
PAT	7.7	9.5	10.3
EPS (INR)	64.7	79.3	85.7
Gr. (%)	67.4	22.5	8.1
BV/Sh (INR)	293.0	356.4	422.8
RoE (%)	23.8	24.4	22.0
RoCE (%)	17.6	22.5	20.4
P/E (x)	25.8	21.0	19.5
P/BV (x)	5.7	4.7	3.9

Estimate change



TP change



Rating change



## Quarterly performance (INR m)

Y/E March	FY16				FY17E				FY16	FY17E	3QE	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Revenues	12,075	13,820	12,747	11,426	14,808	16,383	14,819	14,035	49,915	60,046	14,404	2.9
YoY Change (%)			29.0	25.3	22.6	18.6	16.3	22.8	31.7	20.3	13.0	
EBITDA	2,062	2,556	2,354	1,580	2,711	3,105	2,681	2,492	8,482	10,988	2,548	5.2
Margins (%)	17.1	18.5	18.5	13.8	18.3	19.0	18.1	17.8	17.0	18.3	17.7	
Depreciation	206	259	244	260	230	255	264	255	1,006	1,003	260	
Net Other Income	251	502	161	319	181	219	137	362	975	899	205	
PBT before EO Exp	2,107	2,798	2,270	1,639	2,663	3,069	2,554	2,598	8,451	10,884	2,493	2.5
EO Exp/(Inc)									0	0		
PBT	2,107	2,798	2,270	1,639	2,663	3,069	2,554	2,598	8,451	10,884	2,493	
Tax	68	81	345	1,066	230	187	192	589	1,606	1,197	360	
Rate (%)	3.2	2.9	15.2	65.0	8.6	6.1	7.5	22.7	19.0	11.0	14.4	
PAT (pre Minority Interest)	2,039	2,717	1,925	573	2,433	2,882	2,363	2,010	6,845	9,687	2,133	
Minority Interest	28	47	35	6	45	53	29	73	114	200	50	
Reported PAT	2,011	2,670	1,889	567	2,388	2,828	2,334	1,936	6,731	9,487	2,083	12.1
YoY Change (%)			17	-56.3					0	0		
Adj Net Profit	2,011	2,670	1,872	1,577	2,388	2,828	2,334	1,936	6,731	9,487	2,083	12.1
YoY Change (%)			17.0	21.4	18.7	5.9	24.7	22.8	45.5	40.9		





<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
28,334	8,794
<b>Bloomberg</b>	<b>CESC IN</b>
Equity Shares (m)	133
M.Cap.(INRb)/(USDb)	111.5 / 1.7
52-Week Range (INR)	849 / 405
1, 6, 12 Rel. Per (%)	23/31/73
Avg Val, INRm	242.8
Free float (%)	50.1

**Financials & Valuations (INR b)**

Y/E Mar	2016	2017E	2018E
Net Sales	110.7	138.5	152.4
EBITDA	18.9	33.2	36.9
PAT	-0.9	-2.3	9.9
EPS (INR)	14.9	50.2	74.5
Gr. (%)	-61.9	80.7	48.4
BV/Sh (INR)	452.6	441.2	503.8
RoE (%)	3.4	11.0	15.8
RoCE (%)	6.3	10.2	11.4
P/E (x)	40.4	16.7	11.3
P/BV (x)	1.3	1.9	1.7

<b>Estimate change</b>	↔
<b>TP change</b>	↔
<b>Rating change</b>	↔

**CMP: INR841 TP: INR970 (+15%) Buy**

**Spencer turns EBITDA break-even**

**Standalone PAT grew 4.8% YoY in 3QFY17**

n CESC's 3QFY17 standalone PAT grew 4.8% YoY to INR1.5b (5% beat), as it continues to efficiently manage the impact of the negative bid for the captive coal block through regulated equity growth and operating efficiency.  
n **Spencer's:** 3QFY17 store EBITDA of INR121/sq.f.m (12% QoQ / 36% YoY) probably turns it EBITDA break-even (It does not report detailed quarterly financials). Focus is shifting from consolidation to expansion as FY17 will be the first in seven year with net store addition (7 stores). Addition is through larger format stores – share of mid/large format store area increasing from 85.5% in FY16 to 87.5% in FY17. Sales grew 5.6% YoY to INR1,714/sq.f.m in 3QFY17.

**Upgrade Spencer's value in SOTP; Re-iterate Buy**

An impressive turnaround at Spencer through strict control over operating cost and focused new store addition. CESC has been consistently driving operational improvement at Spencer, but the break-even in 3Q is well ahead of our expectation by FY20E. We have revised our estimates building in first full-year of EBITDA break-even now in FY18E. Store area/count is also increased by 8-11% for FY17-FY20E. The improved performance result in CESC's consolidated RoE increasing by 50-70bps to ~15% over FY18-20E. The equity support to Spencer will reduce from INR3b to INR1.3b over FY18-20E. The improved performance and gradually evolving organized retail market in India, the management is now open to listing of the business thus unlocking value. We resultantly upgrade our SOTP value for Spencer from 0.4x to 0.5x sales. Further surprises could drive upside risk. We have also incorporated INR7b of investment in wind assets in FY17. Our TP is revised to INR370/sh. We continue to like CESC for its healthy FCF generating Kolkata business and potential for doubling of earnings in FY18 with commissioning of Noida PPA. **Re-iterate Buy.**

**Quarterly Performance (Consolidated)**

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Sales</b>	17,040	17,720	15,380	14,790	20,120	20,160	16,200	14,428	64,340	69,352	16,028	1
Change (%)	-8.5	6.7	23.1	4.4	18.1	13.8	5.3	-2.4	4.9	7.8	4.2	
<b>EBITDA</b>	3,860	4,380	2,980	4,760	5,110	5,910	3,150	3,910	15,980	17,854	3,576	-12
Change (%)	2.1	3.5	-0.3	5.5	32.4	34.9	5.7	-17.9	3.2	11.7	20.0	
As of % Sales	22.7	24.7	19.4	32.2	25.4	29.3	19.4	27.1	24.8	25.7	22.3	
Depreciation	910	900	890	990	960	990	980	897	3,690	3,827	1,000	-2
Interest	1,200	1,160	1,050	1,120	1,150	1,160	1,080	1,364	4,530	4,754	1,183	-9
Other Income	250	250	430	300	260	320	300	416	1,230	1,296	443	-32
Regulatory (inc)/exp	0	0	0	0	620	600	-960	0	0	260	0	
<b>PBT</b>	2,000	2,570	1,470	2,950	2,640	3,480	2,350	2,065	8,990	10,309	1,835	28
Tax	480	620	350	470	900	1,060	830	-625	1,920	2,165	385	
Effective Tax Rate (%)	24.0	24.1	23.8	15.9	34.1	30.5	35.3	-30.3	21.4	21.0	21.0	
<b>Reported PAT</b>	1,520	1,950	1,120	2,480	1,740	2,420	1,520	2,690	7,070	8,144	1,450	5
<b>Adjusted PAT</b>	1,520	1,950	1,120	2,480	1,740	2,420	1,520	2,690	7,070	8,144	1,450	5
Change (%)	0.7	1.6	0.9	-12.6	14.5	24.1	35.7	8.5	-3.9	15.2	29.5	

# Ipca Laboratories

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
28,334	8,794
<b>Bloomberg</b>	<b>IPCA IN</b>
Equity Shares (m)	126
M.Cap.(INRb)/(USDb)	65.4 / 1.0
52-Week Range (INR)	659 / 402
1, 6, 12 Rel. Per (%)	-8/-3/-36
Avg Val, INRm	149
Free float (%)	53.9

## Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	28.9	32.5	37.9
EBITDA	3.4	4.8	6.3
PAT	1.3	2.0	3.5
EPS (INR)	10.5	15.8	27.9
Gr. (%)	-46.9	50.4	76.6
BV/Sh (INR)	181.0	194.4	218.2
RoE (%)	5.9	8.4	13.5
RoCE (%)	5.5	7.3	11.6
P/E (x)	52.3	34.8	19.7
P/BV (x)	3.0	2.8	2.5

## Estimate change

TP change

Rating change



**CMP: INR517**

**TP: INR540(+4%)**

**Neutral**

## Weak quarter; resolution of FDA issue key

- 3QFY17 revenue of INR7.4b (+8% YoY) came in 8% below our estimate, primarily due to lower-than-expected domestic formulations sales growth of ~9% YoY. Although gross margin expanded >400bp QoQ due to seasonality, EBITDA margin was flat QoQ due to higher other expenses (31% of sales) and employee cost (22%). Reported PAT of INR453m was impacted by a higher tax rate of ~32.9% (due to deferred tax of INR81m in 3Q).
- Demonetization impacted India; Generics delivered study growth:** India formulations sales grew ~9% YoY to ~INR3.3b. India business was impacted by demonetization. NLEM and FDC bans also impacted domestic revenue growth by ~3% and 2%, respectively. Management expects domestic business to grow ~12-14% YoY from 4QFY17, given subsiding demonetization impact. Export formulations reported muted growth of ~6% YoY, led by flat growth in branded sales. Generic business grew ~13% YoY, despite currency volatility in the UK and zero shipment to the US in 2QFY17. Institutional business declined 12.5% YoY to INR210m.
- Key earnings call takeaways:** a) Anti-malaria business in institutional segment is expected to start in FY18. b) Annual capex expected at ~INR2.2-2.5b. c) Current tax rate to be at MAT rate; additional deferred tax of ~INR70-80m/quarter. d) IPCA plans to invite USFDA in 4QFY17 to inspect its two formulations plants (Piparia and Pithampur). e) Ratlam-based API plant will be offered for re-inspection in 1HFY18; f) Expects remediation cost to decline significantly from 2QFY18. g) Plans to file 8-10 ANDAs in FY18. h) R&D as % of sales stands at 4%; likely to increase to 4.7% in FY18; i) HCQS production can restart in six months.
- Resolution of regulatory issues key:** At CMP, the stock trades at 34.1x FY17E and 18.7x FY18E EPS, which is at a discount to three-year average P/E. Despite the stock's attractive valuation, we believe regulatory overhang will keep multiples under check over near term. Reiterate **Neutral** with a TP of INR540 (16x 1HFY19E, marking discount of ~20% to peers).

## Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17E	Est. 3QE	% Chg
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
<b>Net Revenues (Core)</b>	<b>7,580</b>	<b>7,468</b>	<b>6,841</b>	<b>6,246</b>	<b>8,422</b>	<b>8,720</b>	<b>7,398</b>	<b>7,946</b>	<b>28,850</b>	<b>32,486</b>	<b>8,098</b>	<b>-8.6</b>
YoY Change (%)	-19.0	-4.3	-7.6	-0.5	11.1	16.8	8.1	27.2	-8.2	12.6	18.4	
<b>EBITDA</b>	<b>822</b>	<b>841</b>	<b>892</b>	<b>635</b>	<b>1,285</b>	<b>1,280</b>	<b>1,104</b>	<b>1,172</b>	<b>3,417</b>	<b>4,841</b>	<b>1,218</b>	<b>-9.4</b>
Margins (%)	10.8	11.3	13.0	10.2	15.3	14.7	14.9	14.7	11.8	14.9	15.0	
Depreciation	421	369	448	392	422	429	432	426	1,722	1,708	430	
Interest	55	73	91	81	65	68	57	105	316	294	76	
Other Income	41	56	50	87	49	62	59	80	169	250	60	
<b>PBT before EO Expense</b>	<b>388</b>	<b>455</b>	<b>403</b>	<b>249</b>	<b>847</b>	<b>845</b>	<b>675</b>	<b>721</b>	<b>1,548</b>	<b>3,089</b>	<b>772</b>	
Extra-Ord Expense	116	236	9	28	81	-78	39	0	116	236	0	
<b>PBT after EO Expense</b>	<b>271</b>	<b>218</b>	<b>394</b>	<b>221</b>	<b>766</b>	<b>923</b>	<b>636</b>	<b>721</b>	<b>1,432</b>	<b>2,852</b>	<b>772</b>	
Tax	82	95	162	-156	290	374	222	206	186	1,092	205	
Rate (%)	21.3	20.9	40.3	-62.7	34.2	44.2	32.9	28.6	12.0	35.4	26.5	
<b>Reported PAT</b>	<b>189</b>	<b>123</b>	<b>232</b>	<b>377</b>	<b>476</b>	<b>549</b>	<b>414</b>	<b>515</b>	<b>1,246</b>	<b>1,760</b>	<b>567</b>	<b>-27.1</b>
<b>Adj PAT</b>	<b>305</b>	<b>360</b>	<b>241</b>	<b>405</b>	<b>557</b>	<b>471</b>	<b>453</b>	<b>515</b>	<b>1,362</b>	<b>1,996</b>	<b>567</b>	<b>-20.1</b>
YoY Change (%)	-79.0	-41.3	-54.3	-375.5	82.5	31.1	88.4	27.1	-51.1	41.3	135.8	



# Crompton Greaves

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
28,330	8,778
<b>Bloomberg</b>	<b>CRG IN</b>
Equity Shares (m)	627
M.Cap.(INRb)/(USDb)	44.5 / 0.7
52-Week Range (INR)	89 / 39
1, 6, 12 Rel. Per (%)	10/-15/42
Avg Val, INRm	577
Free float (%)	65.6

**CMP: INR71 TP: INR45(-35%) Sell**

## Standalone performance ahead of expectations

Standalone business delivers above expectation performance. Standalone revenues rose 10% YoY to INR11.6b (estimate of INR10.4b), driven by 16.2% growth in the industrial segment. EBIDTA margin at 6.6% were in-line with our estimate of 6.6%. PAT of INR0.8b was ahead of our estimate of INR0.2b led by higher than estimated other income (INR585m vs. estimate of INR220m) and tax write back taken by the company (INR112m write back as against estimate of INR179m tax payment).

Consolidated performance reported ex automation: Crompton Greaves' (CRG) 3QFY17 consolidated revenues (ex-automation) registered 11% YoY to INR12.4b, driven by a pick-up in the power systems as well as the industrial segment. Power systems segment registered revenue growth of 10% YoY whereas industrial systems registered 12% YoY growth. EBIDTA stood at INR833m down 11% YoY. EBIDTA margin of 6.7% was down 160bps YoY. Adjusted PAT of INR402m was down 26% YoY.

ZIV divestment reaches final stages of discussion for sales: Crompton has accepted the sale offer of 120m Euro for its overseas automation business ZIV and expects the deal to conclude soon as the sale discussion has reached final stages.

New business structure in place for overseas T&D business Crompton had called off the sales of its overseas T&D business for which it had earlier signed a share purchase agreement with First reserve as regulatory clearances for the Hungary business had not been obtained. Crompton now has now restructured the business geographically and intends to sell its overseas T&D business individually based on geographical bifurcation.

Maintain Sell with target price of INR45: We cut our estimates for FY17/FY18 by 52%/10% to factor in the sale of ZIV and higher interest costs in Q317; we would revisit our numbers once we get more clarity on the sales/closure of the overseas T&D businesses. We roll over to FY19 but maintain our SELL rating with a target price of INR45 (20x its FY19E EPS, in line with five year average). Key upside risks to our rating are: a) Sale of Overseas T&D business; and b) a sharp fall in competitive intensity in domestic T&D segment.

Estimate change



TP change



Rating change



## Quarterly performance (Standalone)

	FY16				FY17				FY16	FY17		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2Q	vs Est
<b>Sales</b>	7,700	11,503	10,530	11,297	11,425	11,882	11,601	9,687	42,248	44,596	10,350	12%
Change (%)		-40.2	1.4	-2.7	48.4	3.3	10.2	-14.2	-46.1	5.6	4.7	
<b>EBITDA</b>	-123	930	551	898	616	869	766	1,124	2,250	2,881	687	12%
Change (%)		-44.3	-28.4	48.7	-602.0	-6.6	39.1	25.2	-74	-69	21.0	
As of % Sales (Adj)	-1.6	8.1	5.2	7.9	5.4	7.3	6.6	11.6	5.3	6.5	6.6	
Depreciation	275	271	250	246	242	227	235	218	986	923	252	
Interest	56	58	94	-240	253	357	471	26	398	1,107	250	
Other Income	659	394	500	264	359	686	585	-219	2,263	1,412	220	
Exceptional items (reported)	-11	-1	-926	-14,339	0	0	-34	0	-14,233	0	0	
<b>PBT</b>	205	996	707	1,156	480	971	645	661	3,064	2,263	405	59%
Tax	91	307	-47	34	97	82	-112	499	386	566	179	
Effec. Tax Rate (%)	44.4	30.8	-6.6	3.0	20.3	8.4	-17.4	75.4	12.6	25.0	44.2	
<b>Reported PAT</b>	103	688	-172	-13,217	383	889	723	163	-11,490	1,697	226	
<b>Adj PAT</b>	114	689	754	1,121	383	889	757	163	2,744	1,697	226	235%
Change (%)		-45.3	6.4	38.4	234.8	29.0	0.4	-85.5	-47.1	-38.1	-68.2	



# Radico Khaitan

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
25,689	7,866
Bloomberg	RDCK IN
Equity Shares (m)	132.6
M.Cap.(INRb)/(USDb)	16.9 / 0.3
52-Week Range (INR)	151 / 84
1, 6, 12 Rel. Per (%)	1/39/0
Avg Val, INRm/ Vol m	79
Free float (%)	59.5

**CMP: INR128**

**Not Rated**

## Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	16.4	16.7	18.9
EBITDA	2.1	2.1	2.1
PAT	0.9	0.9	0.9
EPS (INR)	6.9	6.4	6.6
Gr. (%)	3.9	-6.5	2.6
BV/Sh (INR)	69.5	75.2	80.7
RoE (%)	10.3	8.9	8.5
RoCE (%)	8.6	7.7	7.3
P/E (x)	18.5	19.8	19.3
P/BV (x)	1.8	1.7	1.6

## Revenue decline greater than our expectation (discontinuing coverage)

- Net sales fell 3.5% YoY** (est. flat) to INR4.2b, with underlying volumes down 6.7% YoY to 4.49m cases. EBITDA declined 10.6% YoY to INR514m, as operating margin contracted 100bp YoY to 12.4%. Adj. PAT fell 18.8% YoY to INR195m.
- Gross sales were up 8.1% YoY to INR12.3b**, while excise duty rose 15.1% YoY (excise duty as % of sales up 410bp YoY). Overall volumes fell 6.7% YoY to 4.49m cases due to demonetization. Premium brands volumes grew 0.3% YoY to 1.19m cases, forming 26.5% of portfolio volumes in 3QFY17 (+190bp YoY).
- Gross margin expanded 260bp YoY** to 49.7%. Higher selling & distribution cost (+120bp YoY), other expenses (+180bp YoY) and staff costs (+50bp YoY) led to EBITDA margin contraction of 100bp YoY to 12.4%.
- Valuation and view:** We marginally change our estimates for FY18 and FY19. However, premiumization as well as increased pricing power, which we had expected in our initiation report in October 2012, have not been playing out anywhere close to expectations. Despite sales nearly doubling during FY11-FY17E, EBITDA margin has actually contracted over this period, resulting in PAT ranging between INR700-900m (FY17E PAT is actually likely to be at the lower end of that range) over last six years. Consequently, return ratios have remained poor in low-double-digit/high-single-digit range, despite passage of adequate time since our initiation. With no pickup in sight and fair valuations of 19x FY18E (given the absence of earnings growth as well as abysmal return ratios), we are discontinuing our coverage on the stock.

## Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net sales	4,173	4,026	4,302	3,997	4,304	4,473	4,152	4,119	16,367	17,047	4,244	-2.2
YoY Change (%)					3.1	11.1	-3.5	3.1	10.0	4.2	0.0	
Total Expenses	3,710	3,536	3,727	3,661	3,733	3,905	3,638	3,882	14,275	15,157	3,773	
EBITDA	462	490	575	336	571	568	514	237	2,092	1,890	471	9.1
Margins (%)	11.1	12.2	13.4	8.4	13.3	12.7	12.4	5.8	12.8	11.1	11.1	
YoY Change (%)					23.5	15.8	-10.6	-29.3	15.7	-9.7	-15.3	
Depreciation	107	108	109	103	105	105	105	144	403	459	115	
Interest	213	208	197	230	214	206	195	165	847	780	187	
Other Income	98	81	85	148	39	44	60	168	371	310	68	
PBT	240	255	354	150	291	301	273	96	1,212	961	237	15.1
Tax	68	78	111	55	68	76	76	40	296	259	75	
Rate (%)	28.4	30.4	31.5	36.7	23.4	25.1	27.9	41.3	24.4	27.0	31.5	
Adjusted PAT	172	178	243	95	223	225	197	56	917	701	163	21.2
YoY Change (%)					29.6	26.8	-18.8	-40.6	25.5	-23.5	-27.7	

E: MOSL Estimates

# Symphony Ltd

BSE SENSEX 27836.51  
S&P CNX 8615.25

**CMP: INR1329**

**TP: INR1053(-21%)**

**Sell**

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

## Conference Call Details



Date: 13<sup>th</sup> Feb 2017

Time: 04:00pm IST

### Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Sales	4.5	7.9	9.9
EBITDA	1.4	2.5	3.2
NP	1.1	1.9	2.5
Adj EPS (INR)	15.6	27.0	35.1
EPS Gr. (%)	-5.6	72.8	30.0
BV/Sh (INR)	45.5	49.7	58.3
RoE (%)	35.0	56.8	65.0
RoCE (%)	35.1	56.9	65.1

### Valuations

P/E (x)	85.0	49.2	37.9
P/BV (x)	29.2	26.8	22.8
EV/EBITDA (x)	68.1	37.3	28.7

### Revenue/EBITDA in line, PAT beats estimates

- Revenue grew 10.8% YoY to INR1,801m (est. of INR1,787m) from INR1,625m.
- EBITDA margin stood at 37.3% (est. of 38.5%) in 3QFY17, largely flattish YoY. EBITDA grew 11% YoY.
- Other income grew to INR119m from INR70m in 3QFY16.
- Consequently, PAT stood at INR561m (est. of INR521m), marking YoY growth of 17.5%.

### Key questions for management

- The situation post demonetization and the impact of the same.
- Outlook for the upcoming summer season.
- Whether margins have topped, and if further increase is possible.
- Updates on new MKE and IMPCO, along with any new model launches.

**Valuation and view:** We will revisit our estimates post the earnings call. Based on our current estimates, at CMP of INR1,329, the stock trades at 18x/31x P/E on FY18E/FY19E EPS. We have a **Sell** rating with a target price of INR1,053.

### Quarterly Performance

Y/E June (Standalone)	(INR Million)										
	FY15	FY16			FY17				FY17E	FY17	Var
	4Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	3QE	(%)	
Net Sales	1,108	1,145	1,625	1,379	1,526	1,504	1,801	1,710	7,888	1,787	1
YoY Change (%)	-26.5	11.5	7.3	0.3	37.8	31.4	10.8	24.0	59.5	10.0	
Total Expenditure	906	805	1,021	800	1,136	992	1,129	1,009	5,403	1,099	
EBITDA	202	340	604	579	390	513	672	701	2,485	688	-2
Margins (%)	18.2	29.7	37.2	42.0	25.6	34.1	37.3	41.0	31.5	38.5	
Depreciation	7	7	7	7	8	9	10	13	49	12	
Interest	0	0	1	0	0	0	0	2	6	2	
Other Income	95	72	70	53	49	47	119	75	271	70	
PBT before EO expense	289	405	666	625	432	551	781	761	2,701	745	5
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	
PBT	289	405	666	625	432	551	781	761	2,701	745	5
Tax	66	117	188	160	120	158	220	228	810	223	
Rate (%)	23.0	28.9	28.3	25.5	27.9	28.7	28.2	30.0	30.0	30.0	
Minority Interest & Profit/l	0	0	0	0	0	0	0	0	0	0	
Reported PAT	223	288	477	465	311	393	561	533	1,891	521	8
Adj PAT	223	288	477	465	311	393	561	533	1,891	521	8
YoY Change (%)	-32.0	32.9	32.5	27.4	39.9	36.6	17.5	14.6	72.8	9.2	
Margins (%)	20.1	25.1	29.4	33.7	20.4	26.1	31.1	31.2	24.0	29.2	

E: MOSL Estimates

BSE SENSEX	S&P CNX
27836.51	8615.25

CMP: INR1752 TP: INR1915(+9%)

Buy

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

### Conference Call Details



Date: 13<sup>th</sup> Feb 2017

Time: 11:00am IST

Dial-in details:

+91-22-3938 1079

### Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Sales	46.0	48.0	57.3
EBITDA	9.6	9.9	12.1
NP	4.2	4.7	6.0
Adj EPS (INR)	73.7	81.0	105.0
EPS Gr. (%)	39.7	10.0	29.6
BV/Sh (INR)	456.8	523.0	607.6
RoE (%)	17.0	16.2	18.2
RoCE (%)	19.4	18.3	21.7

### Valuations

P/E (x)	23.5	21.4	16.5
P/BV (x)	3.8	3.3	2.8
EV/EBITDA (x)	11.9	11.5	9.5

### Revenue/EBITDA in line, Chemicals continues to underperform

- SRF reported overall revenue of INR11.3b (est. of INR11.5b) in 3QFY17, as against INR10.9b in 3QFY16. On a YoY basis, Chemicals declined 4.2%, Technical Textile grew 13.3% and Packaging remained flat.
- EBITDA margin contracted from 21.3% in 3QFY16 to 20.4% (est. of 19.7%) in 3QFY17. EBITDA stood at INR2,317m (est. of INR2,259m), as against INR2,337m in 3QFY16, remaining flattish YoY.
- PBIT margin was 12.9% at Technical Textile (v/s 4.9% in 3QFY16), 16% at Chemicals (v/s 26.4% YoY) and 14.2% at Packaging (v/s 12.8% YoY).
- Consequently, adj. PAT grew 6% from INR1,017m in 3QFY16 to INR1,083m (est. of INR978m) in 3QFY17.

### Key questions for management

- Break-up of growth within Chemicals, especially Specialty Chemicals.
- Any visible traction in the outlook for Specialty Chemicals.
- Impact of increase in caprolactam prices.
- Timeline for new Packaging capacity to come on stream. Margins outlook.

**Valuation and view:** We will revisit our estimates post the earnings call. Based on our current estimates, at CMP of INR1,752, the stock trades at 17x/14x P/E on FY18E/FY19E EPS. **Buy** with a target price of INR1,915.

### Consolidated - Quarterly Earning Model

Y/E March	(INR Million)											
	FY16				FY17				FY16	FY17E	FY17	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	%
Net Sales	12,214	11,628	10,956	11,150	12,192	11,438	11,330	12,901	45,948	48,004	11,468	-1
YoY Change (%)	5.7	-2	-2	3	0	-2	3.4	16	1.2	4.5	4.5	
Total Expenditure	9,547	9,144	8,619	8,918	9,352	9,112	9,014	10,385	36,228.1	38,081.6	9,208	
EBITDA	2,667	2,484	2,337	2,232	2,841	2,326	2,317	2,516	9,720	9,922	2,259	3
Margins (%)	21.8	21.4	21.3	20.0	23.3	20.3	20.4	19.5	21.2	20.7	19.7	
Depreciation	725	733	714	725	734	735	744	795	2,897	3,030	765	
Interest	344	334	312	315	282	242	270	220	1,304	965	220	
Other Income	45	68	48	106	55	70	61	71	268	259	65	
PBT before EO expense	1,644	1,485	1,358	1,299	1,880	1,419	1,363	1,572	5,786	6,186	1,339	2
Extra-Ord expense	-8	103	65	-57	-63	-72	45	0	103	-135	0	
PBT	1,652	1,382	1,293	1,356	1,943	1,491	1,319	1,572	5,683	6,321	1,339	-2
Tax	522	361	325	268	501	298	271	424	1,476	1,568	362	
Rate (%)	31.6	26.1	25.1	19.8	25.8	20.0	20.6	27.0	26.0	24.8	27.0	
Reported PAT	1,129	1,021	969	1,088	1,442	1,193	1,048	1,147	4,207	4,754	978	7
Adj PAT	1,124	1,097	1,017	1,042	1,395	1,135	1,083	1,147	4,284	4,652	978	11
YoY Change (%)	21.3	34	32	80	24	3	6.4	10	41.5	8.6	-7.4	
Margins (%)	9.2	9.4	9.3	9.3	11.4	9.9	9.6	8.9	9.3	9.7	8.5	

E: MOSL Estimates



# Allcargo

Bloomberg	AGLL IN
Equity Shares (m)	252.1
M. Cap. (INR b)/(USD b)	45 / 1
52-Week Range (INR)	222 / 135
1,6,12 Rel Perf. (%)	8 / 3 / -13

**CMP: INR179 TP: INR196 (+9%) Buy**

- n We expect AGLL to report EBITDA of INR1.3b (+11% YoY, +4% QoQ) and PAT of INR680m (+10% YoY, +6% QoQ), led by volume growth and higher margins.
- n We estimate MTO volumes at 125k TEU (-2% QoQ, +8% YoY) and CFS volumes at 73k TEU (+6% QoQ, +11% YoY); the rise in volumes would be led by recovery in macro trade.
- n We estimate EBITDA/PAT CAGR of 5%/10% over FY16-18, and expect return ratios to improve from ~13% to ~17%, driven by margin expansion and reduction in capex intensity in the business.
- n The stock trades at 14x FY18E EPS of INR12.8. Maintain Buy.

**Financial snapshot (INR b)**

Y/E March	2016	2017E	2018E	2019E
Sales	56.6	57.9	62.2	67.1
EBITDA	5.2	5.1	5.7	5.9
NP	2.7	2.6	3.2	3.6
EPS (INR)	10.8	10.5	12.8	14.3
EPS Growth (%)	17.2	(2.7)	22.1	11.7
BV/Share (INR)	87.5	71.0	81.2	92.5
RoE (%)	13.2	13.3	16.9	16.5
RoCE (%)	11.2	10.8	13.7	13.9
<b>Valuations</b>				
P/E (x)	16.6	17.0	14.0	12.5
P/BV (x)	2.0	2.5	2.2	1.9
EV/EBITDA (x)	9.4	8.5	7.1	6.1

**Key issues to watch for**

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

**Consolidated - Quarterly Earning Model**

(INR Million)

Y/E March	FY16				FY17				FY16	FY17
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	14,764	14,534	13,365	13,976	13,937	14,084	14,613	15,133	56,639	57,768
YoY Change (%)	11.8	-0.6	-6.7	-1.2	-5.6	-3.1	9.3	8.3	0.6	2.0
Total Expenditure	13,353	13,194	12,182	12,760	12,641	12,824	13,297	13,874	51,488	52,635
EBITDA	1,411	1,340	1,183	1,216	1,297	1,261	1,316	1,259	5,150	5,132
Margins (%)	9.6	9.2	8.9	8.7	9.3	9.0	9.0	8.3	9.1	8.9
Depreciation	362	556	386	359	436	434	445	436	1,663	1,750
Interest	106	102	115	95	75	75	76	77	419	303
Other Income	67	70	125	122	111	80	122	192	384	505
PBT before EO expense	1,009	752	807	884	897	832	917	939	3,453	3,584
Extra-Ord expense	49	15	39	6	17	10	0	0	109	26
PBT	960	737	769	878	880	822	917	939	3,344	3,558
Tax	190	131	162	169	256	178	238	244	652	917
Rate (%)	19.8	17.8	21.1	19.3	29.1	21.7	26.0	26.0	19.5	25.8
Reported PAT	770	606	606	709	624	643	679	695	2,691	2,641
Min. Interest & P& L of Asso. Cos.	-4	9	-18	-32	-14	1	1	1	-45	-12
Adj PAT	751	603	615	691	610	644	680	696	2,660	2,629
YoY Change (%)	45.7	-16.9	-22.4	22.5	-18.7	6.9	10.5	0.7	2.5	-1.1
Margins (%)	5.1	4.1	4.6	4.9	4.4	4.6	4.7	4.6	4.7	4.6

E: MOSL Estimates



# Britannia Industries

Bloomberg	BRIT IN
Equity Shares (m)	120.0
M. Cap. (INR b)/(USD b)	342 / 5
52-Week Range (INR)	3575 / 2507
1,6,12 Rel Perf. (%)	-8 / 3 / -8

**CMP: INR2,851 TP: INR3,380 (+19%) Buy**

- n We estimate Britannia's (BRIT) sales to decline 6% YoY to INR20.2b, with ~5% volumes decline.
- n Sales decline, coupled with higher wheat and sugar prices YoY, will affect margins. We expect 200bp contraction in operating margin YoY. We expect EBITDA and PAT to decline 19.1% and 19.5%, respectively.
- n The stock trades at 34.7x FY18E EPS of INR82.1; maintain Buy. Britannia is one of our top picks in the tier-II consumer space.

## Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	83.3	88.3	104.0	120.9
EBITDA	11.5	11.5	13.4	15.9
Adj. PAT	8.4	8.5	9.9	11.7
Adj. EPS. INR	70.1	70.6	82.1	97.8
EPS Gr. (%)	46.3	0.8	16.3	19.1
BV/Sh.(INR)	147.2	187.1	235.8	293.8
RoE (%)	55.9	42.2	38.8	36.9
RoCE (%)	46.0	34.4	32.1	30.9
Payout (%)	28.5	35.0	35.0	35.0

## Valuations

P/E (x)	40.7	40.4	34.7	29.1
P/BV (x)	19.4	15.2	12.1	9.7
EV/EBITDA (x)	29.0	28.9	24.4	20.2
Div. Yield (%)	0.7	0.9	1.0	1.2

## Key issues to watch for

- ⊗ Volume growth in biscuits.
- ⊗ Outlook for raw materials.
- ⊗ Performance of subsidiaries.

## Quarterly Performance (INR m)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Base business volume growth (%)	9.0	11.0	13.0	10.0	10.0	10.0	-5.0	8.0	10.8	5.7
Net Sales	19,411	21,277	21,444	21,121	21,063	23,612	20,158	23,431	83,254	88,263
YoY Change (%)					8.5	11.0	-6.0	10.9	7.1	6.0
COGS	11,587	12,717	12,807	12,878	12,879	14,902	12,321	14,086	49,989	54,188
Gross Profit	7,824	8,560	8,637	8,244	8,184	8,709	7,837	9,345	33,265	34,075
Margins (%)	40.3	40.2	40.3	39.0	38.9	36.9	38.9	39.9	40.0	38.6
Other Operating Exp	5,102	5,492	5,567	5,557	5,367	5,578	5,354	6,300	21,718	22,599
% of Sales	26.3	25.8	26.0	26.3	25.5	23.6	26.6	26.9	26.1	25.6
EBITDA	2,722	3,068	3,070	2,687	2,817	3,131	2,483	3,045	11,547	11,476
Margins (%)	14.0	14.4	14.3	12.7	13.4	13.3	12.3	13.0	13.9	13.0
YoY Growth (%)					3.5	2.0	-19.1	13.3	38.2	-6.3
Depreciation	274	272	281	308	279	289	337	470	1,134	1,375
Interest	7	15	12	15	15	15	9	9	49	49
Other Income	401	506	478	578	739	670	549	539	1,962	2,497
PBT	2,842	3,287	3,256	2,942	3,263	3,496	2,686	3,104	12,326	12,549
Tax	906	1,076	986	952	1,071	1,156	860	992	3,920	4,078
Rate (%)	31.9	32.7	30.3	32.4	32.8	33.1	32.0	32.0	31.8	32.5
Adjusted PAT	1,936	2,211	2,270	1,990	2,192	2,340	1,827	2,112	8,407	8,471
YoY Change (%)					13.2	5.8	-19.5	6.2	46.4	0.8

E: MOSL Estimates





# Concor

Bloomberg	CCRI IN
Equity Shares (m)	195.0
M. Cap. (INR b)/(USD b)	224 / 3
52-Week Range (INR)	1544 / 1051
1,6,12 Rel Perf. (%)	2 / -19 / -19

**CMP: INR1,151 TP: INR1,317(+14%) Neutral**

- n We expect CCRI to report net sales of INR13.4b (-5% YoY, -3% QoQ), led by (a) realization decline of 12% YoY (flat QoQ), and (b) volume growth of 8% YoY (decline of 2% QoQ).
- n We expect EXIM volumes to improve 7% YoY and expect domestic volumes to grow 15% YoY.
- n We estimate EBITDA at INR2.6b (-6% YoY, +15% QoQ) and PAT at INR1.8b (-12% YoY, +15% QoQ).
- n The stock trades at 15.4x/13.9x FY18E/FY19E EV/EBITDA. CCRI remains a direct play on the upcoming dedicated freight corridor (DFC) project, which will multiply its asset turnover and significantly improve profitability. Neutral.

**Financial snapshot (INR b)**

Y/E March	2016	2017E	2018E	2019E
Sales	63.1	59.8	65.0	73.0
EBITDA	11.6	10.5	13.0	14.3
NP	7.9	7.1	9.0	9.8
EPS (INR)	40.6	36.3	45.9	50.2
EPS Gr. (%)	-24.9	-10.7	26.6	9.3
BV/Sh (INR)	409.4	431.0	458.3	488.2
RoE (%)	10.2	8.6	10.3	10.6
RoCE (%)	9.8	8.3	10.0	10.3
Payout (%)	40.0	40.5	40.5	40.5
<b>Valuations</b>				
P/E (x)	28.3	31.7	25.1	22.9
P/BV (x)	2.8	2.7	2.5	2.4
EV/EBITDA (x)	17.1	19.2	15.4	13.9
Div. Yield (%)	1.2	1.1	1.3	1.5

**Key issues to watch for**

- ⊗ EXIM and domestic volumes, and realizations.
- ⊗ Progress on MMLPs and DFC projects.

**Container Corporation**

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4QE	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>14,209</b>	<b>15,019</b>	<b>14,046</b>	<b>14,152</b>	<b>13,392</b>	<b>13,786</b>	<b>13,391</b>	<b>13,861</b>	<b>57,426</b>	<b>54,430</b>
YoY Change (%)	11.9	10.9	-3.3	-6.2	-5.7	-8.2	-4.7	-2.1	15.2	-5.2
Terminal & Service Charges	8,963	9,456	8,848	9,180	8,493	8,497	8,253	8,543	68,844	33,786
<i>As a % of revenue</i>	<i>63.1</i>	<i>63.0</i>	<i>63.0</i>	<i>64.9</i>	<i>63.4</i>	<i>61.6</i>	<i>61.6</i>	<i>61.6</i>	<i>119.9</i>	<i>62.1</i>
Employee Expenses	373	369	396	401	380	405	393	437	3,118	1,615
Other Expenses	1,994	2,034	2,001	2,596	1,901	2,597	2,120	1,939	17,421	8,556
<b>Total Expenditure</b>	<b>11,330</b>	<b>11,859</b>	<b>11,246</b>	<b>12,177</b>	<b>10,773</b>	<b>11,498</b>	<b>10,766</b>	<b>10,919</b>	<b>46,612</b>	<b>43,957</b>
<b>EBITDA</b>	<b>2,878</b>	<b>3,161</b>	<b>2,800</b>	<b>1,975</b>	<b>2,619</b>	<b>2,288</b>	<b>2,625</b>	<b>2,942</b>	<b>10,813</b>	<b>10,473</b>
Margins (%)	20.3	21.0	19.9	14.0	19.6	16.6	19.6	21.2	18.8	19.2
YoY Change (%)	-3.6	1.1	-23.7	-40.1	-9.0	-27.6	-6.3	49.0		
Depreciation	907	876	876	988	841	873	870	956	4,027	3,540
Interest	0	0	0	0	0	3	0	0	0	0
Other Income	798	858	813	978	692	763	770	808	3,447	3,032
<b>PBT</b>	<b>2,770</b>	<b>3,137</b>	<b>2,737</b>	<b>1,965</b>	<b>2,470</b>	<b>2,175</b>	<b>2,525</b>	<b>2,794</b>	<b>10,232</b>	<b>9,960</b>
Tax	701	808	676	555	685	596	707	741	2,740	2,729
Rate (%)	25.3	25.8	24.7	28.3	27.7	27.4	28.0	26.5	26.8	27.4
<b>Adj PAT</b>	<b>2,069</b>	<b>2,335</b>	<b>2,061</b>	<b>1,409</b>	<b>1,785</b>	<b>1,578</b>	<b>1,818</b>	<b>2,053</b>	<b>7,492</b>	<b>7,235</b>
YoY Change (%)	-21.0	21.7	-31.5	-51.9	-13.7	-32.4	-11.8	45.7	-23.9	-3.4
Margins (%)	14.6	15.5	14.7	10.0	13.3	11.4	13.6	14.8	13.0	13.3

E: MOSL Estimates



# Dynamatic Tech

Bloomberg	DYTC IN
Equity Shares (m)	6.3
M. Cap. (INR b)/(USD b)	19 / 0
52-Week Range (INR)	3650 / 1482
1,6,12 Rel Perf. (%)	-1 / 21 / 21

**CMP: INR2,960 TP: INR3,388 (+14%) Buy**

- n We expect revenue to grow 5% YoY (flattish QoQ) to INR3.81b in 3QFY17, led by weak performance in the Indian Hydraulics division. YoY growth is likely to decline, led by demonetization.
- n EBITDA margin is likely to expand 300bp YoY to 11.3%. EBITDA is expected to grow 43% YoY to INR430m.
- n We estimate adjusted PAT at INR85m as against profit of INR25m in 3QFY16. **Buy.**

## Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	14.9	15.6	17.3	19.1
EBITDA	1.4	1.8	2.2	2.7
NP	0.1	0.4	0.7	1.1
EPS (INR)	19.4	67.6	112.9	166.7
EPS Gr. (%)	-30.6	249.1	67.0	47.6
BV/Sh(INR)	406.2	489.6	602.5	769.2
RoE (%)	4.7	15.1	20.7	24.3
RoCE (%)	6.8	10.3	12.3	22.4

## Valuations

P/E (x)	152.8	43.8	26.2	17.8
P/BV (x)	7.3	6.0	4.9	3.8
EV/EBITDA (x)	16.8	13.3	10.8	8.7
EV/Sales (x)	1.6	1.6	1.4	1.2

## Key issues to watch for

- ⊗ Execution outlook and ramp-up for the Aerospace division.
- ⊗ Impact of demonetization in Indian Automotive division.

## Consolidated - Quarterly Earning Model (INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	3,728	3,704	3,628	3,878	3,946	3,819	3,809	4,034	14,938	15,616
YoY Change (%)	-12.3	-14.2	-5.4	-0.2	5.9	3.1	5.0	4.0	-8.3	4.5
Total Expenditure	3,483	3,366	3,327	3,351	3,467	3,378	3,379	3,541	13,527	13,773
EBITDA	245	338	300	528	479	441	430	492	1,411	1,843
Margins (%)	6.6	9.1	8.3	13.6	12.1	11.6	11.3	12.2	9.4	11.8
Depreciation	129	130	127	138	128	131	130	132	524	527
Interest	193	182	175	177	181	188	186	184	727	740
Other Income	11	6	4	28	26	20	12	16	50	65
PBT before EO expense	-66	32	2	241	197	142	126	193	209	640
PBT	-66	32	2	241	197	142	126	193	209	640
Tax	31	29	-22	49	68	62	42	64	86	211
Rate (%)	-46.1	90.1	-973.8	20.3	34.7	43.4	33.0	33.0	41.2	33.0
Reported PAT	-97	3	25	192	128	80	85	129	123	429
Adj PAT	-97	3	25	192	128	80	85	129	123	429
YoY Change (%)	NM	-90.4	339.1	281.4	NM	2,452.5	244.5	-32.9	-30.5	248.8
Margins (%)	-2.6	0.1	0.7	5.0	3.3	2.1	2.2	3.2	0.8	2.7

E: MOSL Estimates



# GSK Pharma

Bloomberg	GLXO IN
Equity Shares (m)	84.7
M. Cap. (INR b)/(USD b)	233 / 3
52-Week Range (INR)	3850 / 2600
1,6,12 Rel Perf. (%)	-2 / -19 / -20

**CMP: INR2,747 TP: INR3,150 (+15%) Neutral**

- n In 3QFY17, we expect GlaxoSmithKline Pharmaceuticals (GLXO) to report 10% YoY increase in revenues to INR8b.
- n EBITDA is also likely to increase 48.3% YoY to INR1.5b, with the margin expanding 490bp YoY to 19%.
- n We expect adjusted PAT to increase 40.2% YoY to INR1.16b. Growth and profitability are expected to gradually improve with volume ramp-up in key NLEM products.
- n We believe GLXO has strong parent support, superior brand portfolio (competitive advantage), high payout ratio (~100%) and industry-leading return ratios (RoCE of 50%+).
- n However, the current valuation of 44.5x FY18E EPS adequately reflects the recovery in business over this period, in our view. Maintain Neutral.

## Financial Snapshot (INR Billion)

Y/E MARCH	2016	2017E	2018E	2019E
Sales	27.4	30.5	34.3	38.4
EBITDA	4.5	4.9	6.2	7.6
NP	3.7	4.3	5.2	6.1
EPS (INR)	44.2	50.4	61.8	71.6
EPS Gro. (%)	-29.2	14.1	22.6	16.0
BV/Sh. (INR)	200.2	170.1	151.4	142.5
RoE (%)	22.1	29.6	40.8	50.3
RoCE (%)	21.2	27.2	38.4	48.7

## Valuations

P/E (x)	62.2	54.5	44.5	38.4
P/BV (x)	13.7	16.1	18.1	19.3
EV/EBITDA (x)	48.5	45.7	36.4	29.9
Div. Yield (%)	2.4	2.5	2.5	2.5

## Key issues to watch out

- Ø New product introductions in FY17-18E.
- Ø Market performance of products impacted by DPCO 2013.

## Quarterly Performance

(INR Million)

Y/E March (Standalone)	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
<b>Net Sales</b>	<b>6,219</b>	<b>7,000</b>	<b>7,287</b>	<b>6,861</b>	<b>6,852</b>	<b>7,829</b>	<b>8,016</b>	<b>7,810</b>	<b>27,411</b>	<b>30,507</b>
YoY Change (%)	-5.1	-5.3	12.8	11.8	10.2	11.8	10.0	13.8	N/A	11.3
Total Expenditure	5,183	5,894	6,260	5,641	6,150	6,584	6,493	6,362	<b>22,895</b>	<b>25,588</b>
<b>EBITDA</b>	<b>1,036</b>	<b>1,105</b>	<b>1,027</b>	<b>1,220</b>	<b>702</b>	<b>1,245</b>	<b>1,523</b>	<b>1,448</b>	<b>4,516</b>	<b>4,918</b>
Margins (%)	16.7	15.8	14.1	17.8	10.2	15.9	19.0	18.5	16.5	16.1
Depreciation	49	53	78	67	54	66	42	98	248	259
Other Income	463	489	334	310	441	343	310	713	1,500	1,808
<b>PBT before EO Expense</b>	<b>1,450</b>	<b>1,541</b>	<b>1,282</b>	<b>1,463</b>	<b>1,090</b>	<b>1,522</b>	<b>1,791</b>	<b>2,064</b>	<b>5,769</b>	<b>6,468</b>
Tax	493	507	450	565	386	536	625	653	2,026	2,199
Rate (%)	34.0	32.9	35.1	38.6	35.4	35.2	34.9	31.6	35.1	34.0
<b>Adjusted PAT</b>	<b>957</b>	<b>1,034</b>	<b>832</b>	<b>898</b>	<b>705</b>	<b>987</b>	<b>1,166</b>	<b>1,411</b>	<b>3,742</b>	<b>4,269</b>
YoY Change (%)	-2.7	-19.6	-8.9	-17.3	-26.4	-4.5	40.2	57.0	-29.2	14.1
Margins (%)	15.4	14.8	11.4	13.1	10.3	12.6	14.6	18.1	13.7	14.0
Extra-Ord Expense	24	78	33		-18	-2	0	0	135	111
<b>Reported PAT</b>	<b>933</b>	<b>956</b>	<b>799</b>	<b>898</b>	<b>723</b>	<b>988</b>	<b>1,166</b>	<b>1,411</b>	<b>3,607</b>	<b>4,157</b>

E: MOSL Estimates



Bloomberg	HPCL IN
Equity Shares (m)	1017.0
M. Cap. (INR b)/(USD b)	469 / 7
52-Week Range (INR)	486 / 212
1,6,12 Rel Perf. (%)	6 / 36 / 58

Financial snapshot (INR b)

y/e march	2016	2017E	2018E	2019E
Sales	1,793	1,734	1,922	2,002
EBITDA	76.2	100.8	94.9	99.5
Adj. PAT	38.6	53.6	45.9	46.9
Adj. EPS (INR)	38.0	52.7	45.1	46.2
EPS Gr. (%)	41.3	38.8	(14.4)	2.3
BV/Sh.(INR)	182.1	214.7	243.9	273.9
RoE (%)	22.4	26.6	19.7	17.8
RoCE (%)	13.0	14.7	10.5	9.4
Payout (%)	36.4	35.1	35.1	35.1
<b>Valuations</b>				
P/E (x)	12.1	8.7	10.2	10.0
P/BV (x)	2.5	2.1	1.9	1.7
EV/EBITDA (x)	8.0	6.9	7.7	7.7
Div. Yield (%)	2.5	3.4	2.9	3.0

**CMP: INR461 TP: INR543 (+18%) Buy**

- n We expect OMCs' (IOCL, BPCL, HPCL) core earnings to improve, led by improvement in refining margins QoQ. Also, on a reported basis, earnings would increase due to inventory gains during 3QFY17.
- n We model nil subsidy-sharing for OMCs; the subsidy in 3QFY17 would entirely be borne by the government.
- n We peg refinery throughput at 4mmt for 3QFY17 (v/s 4.57mmt in 3QFY16 and 4.04mmt in 2QFY17).
- n We expect HPCL to report PAT of INR15.6b in 3QFY17 (+50% YoY; +123% QoQ).
- n HPCL trades at 10.2x FY18E standalone EPS and 1.9x FY18E BV. **Buy**.

Key issues to watch for

- Ø (a) GRM,
- Ø (b) impact of forex and inventory change, and
- Ø (c) Bhatinda refinery profits.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	517,204	420,036	434,311	421,260	447,793	420,306	432,589	430,004	1,792,811	1,730,692
YoY Change (%)	-12.6	-18.7	-14.9	-5.4	-13.4	0.1	-0.4	2.1	-13.1	-3.5
Total Expenditure	487,402	421,301	412,600	395,339	412,139	408,416	404,221	408,092	1,716,643	1,632,868
EBITDA	29,802	-1,265	21,711	25,921	35,653	11,890	28,369	21,913	76,168	97,825
Margins (%)	5.8	-0.3	5.0	6.2	8.0	2.8	6.6	5.1	4.2	5.7
Depreciation	7,508	5,428	6,978	6,754	6,108	6,160	6,817	6,817	26,668	25,902
Interest	1,227	1,650	1,610	1,913	1,395	1,164	1,407	1,407	6,401	5,373
Other Income	3,138	3,640	2,732	4,771	3,368	6,188	3,324	3,324	14,282	16,203
PBT	24,204	-4,704	15,855	22,025	31,518	10,755	23,468	17,012	57,381	82,753
Tax	8,324	-1,499	5,433	6,495	10,534	3,741	7,822	5,670	18,753	27,767
Rate (%)	34.4	31.9	34.3	29.5	33.4	34.8	33.3	33.3	32.7	33.6
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	15,880	-3,205	10,423	15,529	20,984	7,013	15,646	11,342	38,627	54,985
Adj PAT	15,880	-3,205	10,423	15,529	20,984	7,013	15,646	11,342	38,627	54,985
YoY Change (%)	3,349.3	-137.7	-420.3	-28.2	32.1	-318.8	50.1	-27.0	41.3	42.3
Margins (%)	3.1	-0.8	2.4	3.7	4.7	1.7	3.6	2.6	2.2	3.2
<b>Key Assumptions</b>										
Refining throughput (mmt)	3.8	4.2	4.6	4.7	4.5	4.0	4.0	4.0	17.2	16.5
GRM (USD/bbl)	8.6	2.7	7.9	7.5	6.8	3.2	8.3	5.0	6.7	5.8
Mkt sales volume incl exports (mmt)	8.6	7.8	8.7	9.1	8.9	8.0	8.9	8.9	34.1	34.6
Marketing GM per litre (INR/litre)	4.5	1.9	3.7	5.1	4.7	3.5	3.8	3.8	3.8	3.9



# Hindalco

Bloomberg	HNDL IN
Equity Shares (m)	2065.2
M. Cap. (INR b)/(USD b)	328 / 5
52-Week Range (INR)	185 / 59
1,6,12 Rel Perf. (%)	-10 / 29 / 93

### Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	1,000.5	1,010	1,089	1,106
EBITDA	106.1	132.1	141.0	146.0
NP	24.7	38.2	45.7	51.0
Adj. EPS (INR)	12.0	18.5	22.1	24.7
EPS Gr(%)	-11.5	54.6	19.6	11.5
BV/Sh. (INR)	101.8	112.3	132.8	155.9
RoE (%)	11.6	17.3	18.1	17.1
RoCE (%)	5.9	8.2	8.9	9.2
Payout (%)	13.7	8.9	7.4	6.6

### Valuations

P/E (x)	13.0	8.4	7.0	6.3
P/BV	1.5	1.4	1.2	1.0
EV/EBITDA (x)	8.3	6.4	5.6	5.0
Div. Yield (%)	0.9	0.9	0.9	0.9

**CMP:INR159**

**TP:INR234 (+47%)**

**Buy**

- n **Standalone:** We estimate standalone EBITDA to increase by 11% QoQ (91% YoY) to INR12.8b on higher aluminum realization. Aluminum segment EBITDA is estimated to increase by 16% QoQ to INR9b on higher realization. Aluminum sales volumes are estimated to be broadly flat QoQ at 318kt. LME aluminum averaged USD1,660/t (up 3% QoQ). While average cash LME is higher, we estimate the benefit to Hindalco will be lower due to hedges. Copper volumes are estimated to be down by 7% QoQ to 95kt.
- n **Novelis:** We estimate Novelis to report adjusted EBITDA of USD273m, up 1% QoQ. Adj. EBITDA/t is estimated at USD350 (v/s. USD349 in 2QFY17). Volumes are estimated to be flat YoY at 779kt.

### Key issues to watch for

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

### Quarterly Performance

(INR million)

Y/E March	FY16				FY17				FY16	FY17E
(Standalone)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Alumina (Production, kt)	660	628	704	703	708	726	715	710	2,298	2,859
Aluminium (sales, kt)	248	277	292	329	291	320	318	327	1,146	1,256
Copper (sales, kt)	96	104	87	97	62	102	95	95	384	354
Exchange USD/INR	63.7	65.0	65.9	67.6	67.0	67.0	68.0	68.0	65.5	67.5
Avg LME Aluminium (USD/T)	1,765	1,593	1,495	1,516	1,570	1,619	1,660	1,680	1,592	1,632
<b>Net Sales</b>	<b>85,753</b>	<b>89,246</b>	<b>81,503</b>	<b>86,675</b>	<b>75,973</b>	<b>90,123</b>	<b>93,333</b>	<b>96,814</b>	<b>343,177</b>	<b>356,243</b>
Change (YoY %)	7.2	4.3	-5.3	-7.5	-11.4	1.0	14.5	11.7	-0.6	3.8
<b>EBITDA</b>	<b>8,773</b>	<b>6,028</b>	<b>6,716</b>	<b>11,664</b>	<b>11,325</b>	<b>11,564</b>	<b>12,853</b>	<b>13,467</b>	<b>33,182</b>	<b>49,209</b>
Change (YoY %)	17.2	-32.8	-27.3	37.6	29.1	91.8	91.4	15.5	-2.9	48.3
As % of Net Sales	10.2	6.8	8.2	13.5	14.9	12.8	13.8	13.9		
<b>EBITDA - Aluminium</b>	<b>5,088</b>	<b>2,275</b>	<b>2,988</b>	<b>7,642</b>	<b>8,488</b>	<b>7,905</b>	<b>9,174</b>	<b>9,767</b>	<b>17,992</b>	<b>35,334</b>
<b>EBITDA-Copper</b>	<b>3,686</b>	<b>3,753</b>	<b>3,728</b>	<b>4,023</b>	<b>2,837</b>	<b>3,659</b>	<b>3,679</b>	<b>3,700</b>	<b>15,190</b>	<b>13,874</b>
Interest	6,017	6,160	5,824	5,747	5,996	5,943	5,986	5,976	23,748	23,900
Depreciation	3,320	2,958	3,080	3,412	3,382	3,516	3,498	3,481	12,770	13,877
Other Income	1,944	4,175	2,501	2,041	2,184	3,364	2,184	2,335	10,662	10,067
<b>PBT (after EO item)</b>	<b>1,381</b>	<b>1,086</b>	<b>313</b>	<b>4,547</b>	<b>4,129</b>	<b>6,326</b>	<b>5,553</b>	<b>6,345</b>	<b>7,326</b>	<b>22,353</b>
Total Tax	309	53	-92	983	1,189	1,929	1,506	1,448	1,254	6,071
% Tax	22.4	4.9	-29.3	21.6	28.8	35.3	27.1	22.8	17.1	27.2
<b>Reported PAT</b>	<b>1,072</b>	<b>1,033</b>	<b>405</b>	<b>3,563</b>	<b>2,941</b>	<b>4,397</b>	<b>4,047</b>	<b>4,897</b>	<b>6,073</b>	<b>16,282</b>
<b>Adjusted PAT</b>	<b>1,145</b>	<b>900</b>	<b>259</b>	<b>3,769</b>	<b>3,009</b>	<b>3,984</b>	<b>4,045</b>	<b>4,622</b>	<b>6,073</b>	<b>15,659</b>
<b>Consolidated Financials</b>										
Net Sales	250,505	247,542	233,588	246,016	226,771	245,276	254,247	260,712	1,000,538	1,010,323
EBITDA	22,977	22,004	23,034	31,025	29,916	30,289	32,029	32,856	106,053	132,129
Consolidated adj. PAT	3,471	5,801	4,367	10,272	7,582	9,293	10,044	10,771	24,717	38,222



# Muthoot Finance

Bloomberg	MUTH IN
Equity Shares (m)	398.0
M. Cap. (INR b)/(USD b)	114 / 2
52-Week Range (INR)	405 / 170
1,6,12 Rel Perf. (%)	-3 / 2 / 57

**CMP: INR288**

**TP: INR373 (+29%)**

**Buy**

## Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
NII	25.4	29.7	34.4	40.1
PPP	14.8	17.6	20.6	24.6
PAT	8.1	11.0	12.8	15.6
EPS (INR)	20.3	27.5	32.0	39.0
BV/Sh.(INR)	140.8	158.4	178.7	203.6
RoA on AUM (%)	3.4	4.2	4.2	4.2
RoE (%)	15.1	18.4	19.0	20.4
Div. Yld. (%)	2.1	2.9	3.3	4.1
<b>Valuations</b>				
P/E (x)	14.2	10.5	9.0	7.4
P/BV (x)	2.0	1.8	1.6	1.4

- n AUM is expected to grow 10% YoY, but remain largely stable on a sequential basis at INR275b.
- n Calculated margins are likely to improve YoY to ~11% led by better auction realization and increase in lending rates. Moreover, cost of funds is also declining.
- n As a result, NII is expected to grow 31% YoY to INR7.6b.
- n Asset quality is likely to remain stable with GNPL of ~2.2%.
- n We estimate provisions of INR200m, as against INR171m in 2QFY17 and INR74m in 1QFY17.
- n The stock trades at 1.8x FY17E and 1.6x FY18E BV. Maintain Buy.

### Key issues to watch for

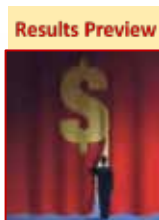
- Ø Management commentary on business growth and steps taken to sustain AUM growth in the wake of demonetization.
- Ø Movement in yields and margins, with declining cost of funds.
- Ø Progress in gold auctions.

## Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Income from operations	11,256	11,226	11,235	14,291	12,712	13,497	13,632	13,525	48,007	53,366
Other operating income	145	136	148	179	252	320	150	135	607	857
<b>Total Operating income</b>	<b>11,401</b>	<b>11,361</b>	<b>11,383</b>	<b>14,469</b>	<b>12,964</b>	<b>13,817</b>	<b>13,782</b>	<b>13,660</b>	<b>48,614</b>	<b>54,224</b>
YoY Growth (%)	4.8	7.4	6.6	31.5	13.7	21.6	21.1	-5.6	12.7	11.5
Other income	26	38	29	43	44	45	45	52	136	186
<b>Total Income</b>	<b>11,426</b>	<b>11,400</b>	<b>11,412</b>	<b>14,513</b>	<b>13,008</b>	<b>13,862</b>	<b>13,827</b>	<b>13,712</b>	<b>48,750</b>	<b>54,410</b>
YoY Growth (%)	4.6	7.4	6.7	31.7	13.8	21.6	21.2	-5.5	12.7	11.6
Interest Expenses	5,670	5,652	5,616	5,639	5,571	5,937	6,246	5,946	22,577	23,700
<b>Net Income</b>	<b>5,756</b>	<b>5,747</b>	<b>5,796</b>	<b>8,874</b>	<b>7,437</b>	<b>7,925</b>	<b>7,581</b>	<b>7,766</b>	<b>26,173</b>	<b>30,710</b>
Operating Expenses	2,816	2,918	2,823	2,824	3,025	3,130	3,380	3,547	11,381	13,081
<b>Operating Profit</b>	<b>2,940</b>	<b>2,830</b>	<b>2,972</b>	<b>6,049</b>	<b>4,413</b>	<b>4,795</b>	<b>4,201</b>	<b>4,220</b>	<b>14,792</b>	<b>17,628</b>
YoY Growth (%)	4.6	7.2	23.3	116.9	50.1	69.5	41.3	-30.2	38.9	19.2
Provisions	106	146	74	1,299	176	171	200	199	1,624	746
<b>Profit before Tax</b>	<b>2,835</b>	<b>2,684</b>	<b>2,898</b>	<b>4,750</b>	<b>4,237</b>	<b>4,624</b>	<b>4,001</b>	<b>4,021</b>	<b>13,169</b>	<b>16,884</b>
Tax Provisions	1,003	939	1,032	2,098	1,534	1,657	1,384	1,334	5,072	5,909
<b>Net Profit</b>	<b>1,832</b>	<b>1,745</b>	<b>1,867</b>	<b>2,652</b>	<b>2,703</b>	<b>2,967</b>	<b>2,617</b>	<b>2,687</b>	<b>8,097</b>	<b>10,975</b>
YoY Growth (%)	1.7	2.2	20.9	60.6	47.6	70.0	40.2	1.3	20.7	35.5

E: MOSL Estimates



# Nalco

Bloomberg	NACL IN
Equity Shares (m)	1932.9
M. Cap. (INR b)/(USD b)	127 / 2
52-Week Range (INR)	72 / 30
1,6,12 Rel Perf. (%)	15 / 55 / 65

**CMP: INR66 TP: INR75 (+17%) Buy**

### Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	68.2	73.3	80.0	80.0
EBITDA	9.4	11.9	16.8	16.9
NP	7.0	7.1	9.3	9.5
Adj. EPS (INR)	2.7	3.7	4.8	4.9
EPS Gr(%)	-43.4	36.9	29.7	2.4
BV/Sh. (INR)	50.1	53.7	56.4	59.2
RoE (%)	5.4	7.1	8.7	8.5
RoCE (%)	7.5	8.3	11.7	11.5
Payout (%)	74.0	56.8	43.8	42.8

### Valuations

P/E (x)	21.6	15.8	12.2	11.9
P/BV	1.2	1.1	1.0	1.0
EV/EBITDA (x)	9.9	7.0	4.6	4.3
Div. Yield (%)	3.0	3.0	3.0	3.0

- n We estimate Nalco's 3QFY17 EBITDA to more than double QoQ to INR3.5b on higher alumina volumes, aluminum and alumina realization.
- n Aluminum sales volume is estimated to decline marginally QoQ to 96kt.
- n Aluminum LME is up 6% QoQ to USD1,710/t. Realized premium is estimated at USD153/t, up from USD132/t in 2QFY17.
- n Alumina realization is estimated at USD290/t, up 9% QoQ.

### Key issues to watch for

- ⊗ Availability of coal for captive power plant.
- ⊗ LME price trend, utilization of smelter.

### Quarterly performance

(INR Million)

Y/E March (Consolidated)	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Aluminium Prod. ('000 tons)	86	94	96	96	94	94	96	104	372	388
Alumina Sales ('000 tons)	220	315	285	375	291	290	335	361	1,195	1,277
Avg LME Aluminium (USD/ton)	1,769	1,593	1,495	1,517	1,570	1,619	1,710	1,720	1,593	1,655
NSR premiums (USD/ton)	349	300	261	224	290	132	153	153	283	182
Alumina NSR (USD/ton)	306	308	263	239	257	266	290	301	299	263
<b>Net Sales</b>	<b>14,913</b>	<b>18,151</b>	<b>16,353</b>	<b>18,744</b>	<b>15,490</b>	<b>18,461</b>	<b>18,766</b>	<b>20,571</b>	<b>68,160</b>	<b>73,289</b>
Change (YoY %)	-11.2	-9.0	-14.2	4.1	3.9	1.7	14.8	9.8	-7.7	7.5
<b>EBITDA</b>	<b>2,237</b>	<b>3,393</b>	<b>1,363</b>	<b>2,387</b>	<b>1,946</b>	<b>1,723</b>	<b>3,581</b>	<b>4,609</b>	<b>9,380</b>	<b>11,859</b>
Change (YoY %)	-19.1	-28.5	-74.1	-44.2	-13.0	-49.2	162.6	93.1	-45.0	26.4
Other Income	1,308	1,260	1,240	1,558	1,336	1,369	632	689	5,366	4,025
<b>PBT (before EO Item)</b>	<b>2,543</b>	<b>3,581</b>	<b>1,558</b>	<b>2,812</b>	<b>2,089</b>	<b>1,733</b>	<b>2,853</b>	<b>3,931</b>	<b>10,493</b>	<b>10,606</b>
Extra-ordinary Income	0	0	535	0	0	0	0	0	535	
<b>PBT (after EO Item)</b>	<b>2,543</b>	<b>3,581</b>	<b>2,092</b>	<b>2,812</b>	<b>2,089</b>	<b>1,733</b>	<b>2,853</b>	<b>3,931</b>	<b>11,028</b>	<b>10,606</b>
Total Tax	908	1,319	757	733	739	521	931	1,283	3,718	3,474
% Tax	35.7	36.8	36.2	26.1	35.4	30.1	32.6	32.6	33.7	32.8
<b>Reported PAT</b>	<b>1,634</b>	<b>2,261</b>	<b>1,335</b>	<b>2,079</b>	<b>1,350</b>	<b>1,212</b>	<b>1,922</b>	<b>2,648</b>	<b>7,310</b>	<b>7,132</b>
<b>Adjusted PAT</b>	<b>1,634</b>	<b>2,261</b>	<b>994</b>	<b>2,079</b>	<b>1,350</b>	<b>1,212</b>	<b>1,922</b>	<b>2,648</b>	<b>6,956</b>	<b>7,132</b>

E: MOSL Esitmates



Bloomberg	NMDC IN
Equity Shares (m)	3163.9
M. Cap. (INR b)/(USD b)	425 / 6
52-Week Range (INR)	143 / 75
1,6,12 Rel Perf. (%)	8 / 44 / 45

**CMP: INR134 TP: INR162 (+21%) Buy**

- n NMDC's EBITDA is estimated to increase 79% QoQ to INR14.7b on higher realization and volumes.
- n Iron ore sales volumes are estimated to increase by 24% QoQ (38% YoY) to 10mt, aided by increase in domestic demand.
- n Domestic iron ore realization is up 14% QoQ to INR2,284/t on price hikes taken amid increase in international iron ore prices and strong domestic demand.
- n PAT is estimated to increase 37% QoQ to INR10.6b.

**Financial Snapshot (INR Billion)**

Y/E March	2016E	2017E	2018E	2019E
Sales	64.6	82.4	91.0	95.3
EBITDA	32.3	43.7	50.6	53.0
Adj. PAT	33.2	34.6	34.2	35.7
Adj. EPS (INR)	8.4	10.9	10.8	11.3
EPS Gr(%)	-49.7	30.7	-1.0	4.3
BV/Sh. (INR)	75.9	74.9	78.5	82.6
RoE (%)	15.9	12.8	14.2	13.7
RoCE (%)	15.6	11.9	13.3	12.9
Payout (%)	177.0	65.9	66.5	63.8

**Valuation**

P/E (x)	14.6	11.2	11.3	10.8
P/BV	1.6	1.6	1.6	1.5
EV/EBITDA (x)	10.9	7.8	7.2	6.9
Div. Yield (%)	9.0	4.9	4.9	4.9

**Key issues to watch for**

- Ø Increase in global iron ore prices.
- Ø Stronger-than-expected iron ore demand.

**Quarterly Performance**

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Production (m tons)	6.0	6.4	7.4	8.8	7.6	6.3	10.0	9.1	28.8	34.9
Sales (m tons)	6.7	6.4	7.2	8.5	7.8	8.1	10.0	9.1	28.8	34.9
Avg Dom. NSR (USD/t)	45	39	31	25	32	29	33	36	34	33
Avg Dom. NSR (INR/t)	2,786	2,409	2,054	1,658	2,162	2,005	2,284	2,432	2,201	2,230
Net Sales	18,557	15,528	15,172	15,299	17,207	17,392	24,300	23,466	64,556	82,365
EBITDA	11,027	9,395	6,441	5,398	8,164	8,258	14,744	12,557	32,260	43,724
Change (QoQ %)	-43.4	-14.8	-31.4	-16.2	-13.1	1.2	78.5	-14.8	-58.5	35.5
EBITDA per ton (USD)	27	24	14	9	16	15	22	20	17	18
EBITDA per ton (INR/t)	1,655	1,457	892	634	1,051	1,025	1,480	1,380	1,119	1,253
Interest	0	0	0	654	81	15	0	0		
Depreciation	401	506	523	647	560	544	558	572	2,078	2,234
Other Income	4,887	4,264	4,212	4,380	3,452	2,735	1,361	1,390	17,744	8,938
PBT (before EO Item)	15,513	13,153	10,130	8,476	10,975	10,434	15,547	13,375	47,927	50,428
Extra-ordinary item	0	-154	-23	-1,672	0	0	0	0	-1,848	
PBT (after EO Item)	15,513	12,999	10,107	6,804	10,975	10,434	15,547	13,375	46,079	50,428
Total Tax	5,412	4,525	3,557	1,275	3,862	2,727	4,975	4,280	14,769	15,843
% Tax	34.9	34.8	35.2	18.7	35.2	26.1	32.0	32.0	32.1	31.4
Reported PAT	10,101	8,474	6,550	5,529	7,113	7,708	10,572	9,095	31,309	34,584
Adjusted PAT	10,101	8,574	6,565	6,888	7,113	7,708	10,572	9,095	32,565	34,584

E: MOSL Estimates





# Petronet LNG

Bloomberg	PLNG IN
Equity Shares (m)	750.0
M. Cap. (INR b)/(USD b)	281 / 4
52-Week Range (INR)	411 / 230
1,6,12 Rel Perf. (%)	-1 / 29 / 46

**CMP: INR375 TP: INR411 (+11%) Buy**

n We expect PLNG to report PAT of INR3.3b (+87% YoY, -27% QoQ) and EBITDA of INR5.3b (+68% YoY, -27% QoQ) for 3QFY17.

n We model Dahej LNG volumes at 3.3mmt in 3QFY17.

n Dahej terminal utilization is above ~110% and long-term growth would depend on Dahej's ramp-up and Kochi terminal's pipeline connectivity.

n As against 15mmt capacity, PLNG has ~16mmt (RasGas: 8.5, new contracts: ~7.5) long-term take-or-pay contracts.

n The stock trades at 13.9x FY18E consolidated EPS of INR26.9. Maintain Buy.

## Financial snapshot (INR b)

y/e march	2016	2017E	2018E	2019E
Sales	271.3	263.8	281.0	375.4
EBITDA	15.9	23.6	30.4	40.7
Adj. PAT	8.4	14.9	20.2	27.3
Adj. EPS (INR)	11.2	19.8	26.9	36.3
EPS Gr. (%)	12.2	76.6	35.6	35.2
BV/Sh.(INR)	85.0	99.3	118.6	144.7
RoE (%)	14.0	21.5	24.7	27.6
RoCE (%)	11.0	16.1	20.7	25.9
Payout (%)	24.0	28.1	28.1	28.1
<b>Valuation</b>				
P/E (x)	33.4	18.9	13.9	10.3
P/BV (x)	4.4	3.8	3.2	2.6
EV/EBITDA (x)	1.1	1.1	0.9	0.6
Div. Yield (%)	0.7	1.3	1.7	2.3

## Key issues to watch for

- Ø (a) Ramp-up at Dahej terminal, (b) progress on Kochi-Mangalore pipeline, (c) spot volumes and marketing margin on spot volumes.
- Ø Petronet LNG's earnings are largely protected due to take-or-pay contracts with 'off-takers'.

## Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	83,772	75,450	51,460	60,653	53,373	66,144	81,218	63,068	271,334	263,803
YoY Change (%)	-17.6	-31.3	-54.0	-15.3	-36.3	-12.3	57.8	4.0	-31.3	-2.8
Total Expenditure	80,161	70,781	48,302	56,187	46,948	58,880	75,904	58,445	255,431	240,177
EBITDA	3,611	4,668	3,158	4,466	6,425	7,264	5,314	4,623	15,903	23,626
Margins (%)	4.3	6.2	6.1	7.4	12.0	11.0	6.5	7.3	5.9	9.0
Depreciation	801	808	807	800	806	860	882	882	3,216	3,429
Interest	612	612	588	576	556	554	399	399	2,387	1,909
Other Income	333	360	584	427	494	915	742	742	1,704	2,892
PBT	2,531	3,608	2,348	3,517	5,556	6,765	4,775	4,085	12,004	21,181
Tax	780	1,120	564	1,124	1,777	2,170	1,432	1,225	3,588	6,605
Rate (%)	30.8	31.0	24.0	32.0	32.0	32.1	30.0	30.0	29.9	31.2
Reported PAT	1,751	2,488	1,784	2,393	3,779	4,596	3,342	2,859	8,416	14,576
Adj PAT	1,751	2,488	1,784	2,393	3,779	4,596	3,342	2,859	8,416	14,576
YoY Change (%)	11.8	-5.3	9.9	42.1	115.8	84.7	87.4	19.5	12.2	73.2
Margins (%)	2.1	3.3	3.5	3.9	7.1	6.9	4.1	4.5	3.1	5.5
<b>Key Assumptions</b>										
Sales volume (tbtu)	92.6	84.5	63.0	127.0	118.1	124.7	131.6	109.9	367.1	484.3

E: MOSL Estimates



### 1. Bajaj Finserv: Slow growth in sme started before note ban; Sanjiv Bajaj, Managing Director

- n The SME sector continues to see the slow growth that was witnessed even before the note ban that was enforced last November.
- n Defaults on loans had gone up marginally before the third quarter; Bajaj Finserv had tightened its credit policy in the first quarter itself; which meant that the bottom 20-25% of applicants did not get loans. It would be important to see how SMEs adjust to demonetisation over the next two to three quarters, as the sector will have to turn more formal.
- n Sales were muted, life insurance earnings continues to remain weak. However, that consumer spending should come back to speed by March.
- n Talking about the rumours of a buyout of the Allianz Group's stakes in the insurance joint ventures, there is no change in the status quo and that the two companies continue to be partners in building two high-quality businesses.

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### 2. Talwalkars: See roce inching up; plan to open 10-15 gyms soon; Anant Gawande, CFO & Wholetime Director

- n The focus is on growing the return on capital employed. An 18-20% growth in earnings is as a reasonable growth but there is scope to grow more.
- n The company would have done better in the third quarter if it was not for demonetisation, around 3-4% growth was lost due to it.
- n The company opened 20 gyms with 2,800 members on the day demonetisation was announced and plans to add 10-15 more gyms in the coming quarters.
- n Demerger of the gym and lifestyle businesses and setting up of a leisure club in partnership with David Lloyd Leisure were on track.
- n The company is looking to list the lifestyle business separately. The gym business currently contributes 85-86% to revenues while lifestyle contributes 14-15%.

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### 3. Infosys: Infosys board a let-down; not a sikka vs founders duel; V Balakrishnan, Former CFO and founder

- n The faceoff between the Infosys board and founders is more on governance than any strategic matters. The board is a big let-down in engaging with shareholders.
- n The issue is not an issue between Vishal Sikka and the founders. Hiring a law firm to mediate between the board and founder is not the right way to handle such matters as it signals a breakdown of communication and highlights trust deficit.
- n The issues are specific to compensation and remuneration of certain employees. There have been many missing disclosures, which is against the governance principles Infosys has so far been hailed for. No issues have been raised over the use of cash on books. The management is keen to resolve differences with the founders and will take into account all suggestions.
- n Reorganisation or re-composition of the board would be a good way to put the matter to rest.
- n The Chairman of the board should step down, engage with founders and find out a suitable way to reorganise the board.

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### 1. Capital or revenue? by Mohan Lavi

n Whether a particular expenditure is capital or revenue in nature for the purposes of income tax has always engaged tribunals and courts in India. The reason for this is obvious — revenue expenditure would hit the expenditure account and would be eligible for a tax deduction whereas capital expenditure would mean that only depreciation can be claimed. The tax deduction in both the cases may not be the same. Various courts have laid down many tests to ascertain whether a particular expenditure is revenue or capital in nature. One of these tests is that of enduring benefit — if the entity estimates that it will receive an enduring benefit from the expenditure, it would be classified as capital.

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### 2. Welcome push to rural india's aspirations. by Harsh Kumar Bhanwala

n The Budget hides months of discussion, with stakeholders nursing a gamut of interests. This year was no exception and the Budget was an exercise in the accommodation of innumerable expectations; and it is bound to dissatisfy many. I would like to apply the old economic litmus test to judge its efficacy: Is it in sync with the overall long-term vision framework? Does it build on what was started? The 'Transform, Energise and Clean India' (TEC) agenda may seem like a new term but is, in fact, a continuation of various earlier initiatives of the Government. We see increased allocations for infrastructure and rural development.

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### 3. GST: Understandable arun jaitley did not want to take chance by lowering income tax rates. by The Financial Express

n Given the likelihood of a large compensation to states on account of GST, it is perhaps understandable that finance minister Arun Jaitley didn't want to take a chance on increased compliance by lowering income tax rates beyond what he did for the lowest income bracket—that was done as a sop for the problems this group faced due to demonetisation. What is not understandable, though, is how many economists argue that there is no point lowering rates since there is dramatic evidence of increased compliance.

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### 4. India in need of a two-speed economy. by Debashish Mukherjee

n The term "two-speed economy" has become infamous of late. It has often been used to describe economic models where one section of a country's economy is booming, while others are lagging behind. In recent years, this was the case in Australia, where the mining and commodities boom shielded the pain of sectors such as manufacturing and retail, and in China, where the export and manufacturing sectors overshadowed other issues. The key concern is that such an economic model is unbalanced and risks hurting growth in the long run. Most economists and observers agree on this.

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### 5. The problem with household debt. by Tulsi Jayakumar

n What should be the monetary policy stance in an economy which has suffered the demonetisation exercise? The Reserve Bank of India, in its sixth bi-monthly monetary policy, three months after demonetisation, kept the policy repo rate unchanged while announcing a change in its policy stance from accommodative to neutral. Traditional debate and analysis has centred around the efficacy of rate cuts in stimulating investment and growth. A deeper question, which has drawn scant attention however, is the issue of growing household debts and the consumption-led growth which such interest-rate cuts have the potential to facilitate.

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### 6. Demonetisation snailed it. by Abheek Barman

n In 1917, in a magazine called 'Sandesh' that he edited, Sukumar, father of Satyajit Ray, wrote a story called 'Hashir Golpo', or Laughable Story. It was a tale of a postmaster -a very exalted post at the time -and his penchant for telling tales that nobody, not even his bosom buddies, found funny. The story of the economy is turning out the same way. The government claims things are fine after the bizarre cash clampdown of November 8, 2016. Numbers, from business or factories and farms, tell a different story. If everything was fine, sales of stuff like biscuits, shampoo, hair oil, potato chips and bhujia, and so on, would be galloping, right?

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## International

### 7. Theresa may's policies make a mockery of her rhetoric. by Martin Wolf

n The promise from Theresa May, the prime minister, in her speech to the Conservative party conference last year was unambiguous: "Our economy should work for everyone, but if your pay has stagnated for several years in a row and fixed items of spending keep going up, it doesn't feel like it's working for you." She was right. When Mrs May spoke, the UK's living standards were in the midst of what Torsten Bell of the Resolution Foundation, a think-tank, calls a "mini-boom". Those happier times are at an end. The prospect now is the worst of both worlds — slow growth in living standards, as in the years since the crisis, plus sharp rises in inequality, as in the 1980s.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
<b>Automobiles</b>														
Amara Raja	Buy	873	1,087	25	28.7	29.2	37.7	29.9	23.1	5.9	4.9	25.8	21.6	23.1
Ashok Ley.	Buy	93	114	23	3.9	4.8	6.4	19.3	14.5	4.2	3.5	20.9	23.1	26.3
Bajaj Auto	Buy	2,796	3,432	23	131.8	136.2	160.6	20.5	17.4	5.8	5.1	33.2	30.0	31.0
Bharat Forge	Buy	1,011	1,110	10	28.1	25.7	37.5	39.4	27.0	6.0	5.2	18.7	15.9	20.6
Bosch	Neutral	22,662	22,049	-3	483.3	489.0	639.6	46.3	35.4	9.1	7.6	19.4	18.8	23.4
Eicher Mot.	Buy	23,983	29,172	22	492.9	625.6	870.8	38.3	27.5	13.6	9.8	35.8	41.2	41.3
Endurance Tech.	Buy	641	732	14	20.7	24.2	30.2	26.5	21.2	5.1	4.2	22.4	21.2	21.8
Escorts	Buy	390	469	20	11.1	21.8	32.8	17.9	11.9	2.0	1.7	6.1	11.4	15.6
Exide Ind	Buy	208	205	-1	7.4	8.2	9.7	25.2	21.5	3.6	3.2	14.1	14.2	14.9
Hero Moto	Neutral	3,266	3,190	-2	158.3	175.2	190.7	18.6	17.1	6.9	5.8	43.6	40.1	36.8
M&M	Buy	1,278	1,506	18	53.6	60.7	75.0	21.1	17.1	1.6	1.4	15.4	14.3	13.6
Mahindra CIE	Not Rated	199	-		4.2	6.2	9.7	32.1	20.5	2.2	2.0	4.5	7.7	10.3
Maruti Suzuki	Buy	6,111	6,808	11	177.6	247.5	307.5	24.7	19.9	5.6	4.6	19.9	22.8	23.2
Tata Motors	Buy	509	775	52	36.9	29.0	45.6	17.6	11.2	1.9	1.7	18.3	11.5	15.9
TVS Motor	Buy	411	462	12	9.1	11.9	15.4	34.6	26.7	8.3	6.7	24.1	26.4	27.9
<b>Aggregate</b>								<b>23.7</b>	<b>18.0</b>	<b>4.0</b>	<b>3.4</b>	<b>18.8</b>	<b>16.9</b>	<b>19.1</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	489	535	10	34.5	14.1	25.0	34.8	19.6	2.1	1.9	17.1	6.3	10.3
DCB Bank	Neutral	136	134	-2	6.8	7.1	8.6	19.2	15.8	2.0	1.8	11.8	10.9	11.8
Equitas Hold.	Buy	187	240	29	6.2	6.1	6.9	30.8	26.9	2.8	2.5	13.3	11.3	9.9
Federal Bank	Buy	84	105	24	2.8	4.6	5.5	18.4	15.4	1.7	1.5	6.0	9.4	10.4
HDFC Bank	Buy	1,305	1,510	16	48.6	56.9	68.3	22.9	19.1	4.0	3.4	18.3	18.6	19.3
ICICI Bank	Buy	282	345	23	16.7	17.2	17.9	16.4	15.7	1.3	1.2	11.3	10.4	9.9
IDFC Bank	Neutral	63	68	9		3.1	3.9	20.5	15.9	1.5	1.4		7.4	8.9
IndusInd	Buy	1,323	1,535	16	38.4	48.4	58.7	27.3	22.5	4.0	3.5	16.6	15.5	16.4
J&K Bank	Neutral	69	75	9	8.6	Loss	13.0	Loss	5.3	0.6	0.6	6.6	Loss	11.6
Kotak Mah. Bk	Buy	778	940	21	18.9	26.3	32.3	29.6	24.1	3.8	3.3	10.9	13.5	14.5
RBL Bank	Buy	389	450	16	9.0	12.4	17.5	31.3	22.2	3.4	3.0	11.2	12.6	14.4
South Indian	Neutral	23	21	-9	2.5	2.8	3.1	8.3	7.4	0.8	0.7	9.3	9.7	10.0
Yes Bank	Buy	1,411	1,575	12	60.4	79.3	97.0	17.8	14.5	3.6	3.0	19.9	22.1	22.6
<b>Aggregate</b>								<b>23.6</b>	<b>18.6</b>	<b>2.8</b>	<b>2.5</b>	<b>13.7</b>	<b>12.0</b>	<b>13.6</b>
<b>Banks - PSU</b>														
BOB	Buy	188	223	19	Loss	12.3	18.8	15.3	10.0	1.2	1.1	Loss	8.1	11.5
BOI	Neutral	134	123	-8	Loss	Loss	17.1	Loss	7.9	0.6	0.5	Loss	Loss	7.0
Canara	Neutral	311	300	-3	Loss	23.9	36.7	13.0	8.5	0.6	0.6	Loss	4.9	7.2
IDBI Bk	Neutral	82	49	-40	Loss	1.5	6.4	53.6	12.7	0.8	0.7	Loss	1.4	5.8
Indian Bk	Buy	303	330	9	14.8	30.4	32.2	10.0	9.4	1.0	0.9	5.5	10.4	10.2
OBC	Neutral	126	114	-9	4.9	6.6	19.6	19.1	6.4	0.3	0.3	1.2	1.7	4.8
PNB	Buy	145	185	27	Loss	6.7	12.7	21.6	11.4	0.8	0.8	Loss	3.9	6.8
SBI	Buy	276	350	27	15.7	8.6	21.6	32.1	12.8	1.2	1.1	7.6	7.0	9.0
Union Bk	Neutral	150	172	15	19.7	8.5	30.5	17.7	4.9	0.5	0.5	7.0	2.8	9.7
<b>Aggregate</b>								<b>20.6</b>	<b>12.0</b>	<b>0.9</b>	<b>0.8</b>	<b>-2.7</b>	<b>4.2</b>	<b>6.9</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,054	1,276	21	23.9	34.1	44.6	30.9	23.6	6.4	5.2	21.1	22.5	24.1
Bharat Fin.	Buy	817	883	8	23.8	45.2	43.2	18.1	18.9	4.1	3.3	24.9	30.0	19.4
Dewan Hsg.	Buy	303	405	34	25.0	30.7	35.6	9.9	8.5	1.5	1.3	15.1	16.6	16.6
GRUH Fin.	Neutral	366	348	-5	6.7	7.9	9.8	46.6	37.3	13.2	10.9	31.5	31.0	32.1
HDFC	Buy	1,388	1,580	14	32.6	36.1	38.4	38.5	36.2	5.5	5.0	20.9	19.6	19.6
Indiabulls Hsg	Buy	814	1,015	25	55.7	69.5	86.2	11.7	9.4	2.9	2.6	27.1	26.0	28.9
LIC Hsg Fin	Buy	553	693	25	32.9	37.6	44.7	14.7	12.4	2.6	2.2	19.6	19.1	19.5
Manappuram	Not Rated	99	-		3.5	3.8	4.3	25.9	23.0	2.9	2.7	10.8	11.4	12.2
M&M Fin.	Buy	297	323	9	11.9	8.4	11.1	35.3	26.9	2.7	2.5	11.4	7.7	9.7
Muthoot Fin	Buy	341	373	9	20.3	27.5	32.0	12.4	10.6	2.2	1.9	15.1	18.4	19.0
PFC	Neutral	135	117	-13	23.8	24.0	25.5	5.6	5.3	0.9	0.8	18.3	16.8	16.2



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Repco Home	Buy	726	842	16	24.0	25.7	37.7	28.2	19.3	4.1	3.5	17.0	15.7	19.6
REC	Neutral	146	134	-8	28.5	29.4	35.3	5.0	4.1	0.9	0.7	21.0	18.8	19.5
Shriram City Union	Buy	1,930	2,500	30	80.4	91.2	130.5	21.2	14.8	2.6	2.2	12.3	12.7	16.1
STF	Buy	964	1,225	27	53.3	58.1	77.9	16.6	12.4	1.9	1.7	12.2	12.3	14.7
<b>Aggregate</b>								<b>16.0</b>	<b>13.7</b>	<b>2.8</b>	<b>2.4</b>	<b>17.7</b>	<b>17.2</b>	<b>17.7</b>
<b>Capital Goods</b>														
ABB	Neutral	1,262	1,190	-6	15.8	18.4	26.1	68.5	48.4	8.1	7.0	11.1	11.9	14.4
Bharat Elec.	Buy	1,544	1,800	17	56.9	61.9	73.3	24.9	21.1	4.6	4.0	15.6	19.7	19.0
BHEL	Sell	158	115	-27	Loss	5.5	5.7	28.4	27.5	1.1	1.1	Loss	4.0	4.0
CG Cons. Elec.	Buy	196	205	5	1.9	4.6	5.5	42.9	35.9	32.5	22.1	52.1	94.3	73.3
Crompton Grv.	Sell	71	48	-33	2.1	0.6	1.9	127.4	38.3	1.0	1.0	3.0	4.2	6.0
Cummins	Neutral	895	990	11	27.2	26.6	30.5	33.6	29.4	7.2	6.5	24.9	22.6	23.2
GE T&D	Neutral	303	340	12	3.0	6.0	11.0	50.4	27.5	6.0	5.4	5.9	11.7	20.7
Havells	Buy	439	440	0	7.8	8.9	12.0	49.1	36.6	9.6	8.6	19.0	19.5	23.6
Inox Wind	Neutral	182	175	-4	20.7	19.4	16.5	9.4	11.0	1.8	1.6	27.9	21.2	15.3
K E C Intl	Buy	164	175	7	7.4	10.5	12.3	15.6	13.4	2.4	2.1	13.5	16.6	16.8
L&T	Buy	1,501	1,620	8	44.7	53.1	63.7	28.3	23.6	2.9	2.7	9.9	10.8	12.0
Pennar Eng.	Not Rated	134	-		8.8	10.5	12.4	12.8	10.8	1.8	1.6	14.2	14.5	14.6
Siemens	Neutral	1,208	1,340	11	16.9	17.0	25.7	71.1	47.0	6.5	5.6	11.8	9.2	11.9
Solar Ind	Neutral	727	690	-5	18.4	19.3	22.9	37.7	31.8	6.5	5.6	20.2	18.6	19.0
Suzlon Energy	Not Rated	17	-		Loss	Loss	0.6	Loss	30.6	Loss	Loss	Loss	Loss	Loss
Thermax	Sell	868	781	-10	23.5	24.4	27.9	35.5	31.2	4.1	3.8	12.5	12.1	12.6
Va Tech Wab.	Buy	490	620	26	16.3	25.2	32.6	19.4	15.0	2.4	2.2	9.7	13.2	15.4
Voltas	Neutral	346	370	7	11.7	11.8	14.0	29.3	24.6	4.3	3.8	15.3	15.4	16.4
<b>Aggregate</b>								<b>32.1</b>	<b>26.2</b>	<b>3.5</b>	<b>3.2</b>	<b>7.6</b>	<b>10.8</b>	<b>12.2</b>
<b>Cement</b>														
Ambuja Cem.	Buy	238	246	4	5.5	5.7	6.9	41.9	34.3	1.7	1.7	8.3	5.9	7.1
ACC	Neutral	1,485	1,339	-10	37.6	33.7	46.7	44.0	31.8	3.3	3.3	8.5	7.5	10.4
Birla Corp.	Buy	734	869	18	20.4	21.5	41.2	34.0	17.8	2.0	1.9	5.9	6.0	10.9
Dalmia Bharat	Buy	1,946	2,246	15	21.5	32.3	50.7	60.3	38.3	4.2	3.8	5.5	7.2	10.4
Grasim Inds.	Neutral	1,011	1,067	6	48.3	70.2	86.5	14.4	11.7	1.6	1.4	9.2	12.0	13.1
India Cem	Neutral	163	138	-16	4.4	7.3	10.7	22.3	15.3	1.3	1.2	3.9	5.8	7.6
J K Cements	Buy	834	938	12	14.5	32.6	37.2	25.6	22.4	3.2	2.9	6.3	13.3	13.6
JK Lakshmi Ce	Buy	388	455	17	0.4	5.9	12.2	65.5	31.7	3.4	3.3	0.3	5.2	10.5
Ramco Cem	Buy	689	815	18	23.4	29.0	31.9	23.8	21.6	4.4	3.8	19.5	20.3	18.9
Orient Cem	Buy	137	167	22	3.0	Loss	3.2	Loss	43.4	2.9	2.8	6.2	Loss	6.6
Prism Cem	Buy	100	102	2	0.1	0.9	3.5	111.7	28.4	4.9	4.3	0.7	4.5	16.0
Shree Cem	Buy	15,967	19,006	19	238.5	387.1	582.8	41.2	27.4	7.5	6.0	14.5	19.9	24.4
Ultratech	Buy	3,762	4,058	8	79.3	93.5	129.6	40.3	29.0	4.5	4.0	11.0	11.7	14.5
<b>Aggregate</b>								<b>32.4</b>	<b>23.9</b>	<b>3.6</b>	<b>3.1</b>	<b>9.6</b>	<b>11.2</b>	<b>12.8</b>
<b>Consumer</b>														
Asian Paints	Neutral	993	1,035	4	18.7	20.2	22.9	49.0	43.3	15.0	13.1	34.7	32.5	32.3
Britannia	Buy	3,236	3,380	4	70.1	70.6	82.1	45.8	39.4	17.3	13.7	55.9	42.2	38.8
Colgate	Buy	890	1,115	25	22.7	21.7	25.8	41.1	34.5	21.5	20.1	68.9	54.9	60.1
Dabur	Neutral	264	300	13	7.1	7.3	8.3	36.2	31.8	9.5	8.0	33.3	28.3	27.3
Emami	Buy	1,142	1,260	10	25.2	24.5	29.8	46.7	38.3	13.8	11.7	43.4	33.8	33.0
Godrej Cons.	Neutral	1,555	1,655	6	33.2	36.8	42.8	42.2	36.3	8.8	7.5	23.4	22.4	22.2
GSK Cons.	Neutral	5,125	5,465	7	167.1	157.7	178.8	32.5	28.7	7.6	6.6	30.8	25.1	24.7
HUL	Neutral	850	865	2	19.0	19.3	21.5	44.2	39.5	30.4	31.6	82.4	67.6	78.4
ITC	Buy	273	295	8	7.7	8.4	9.5	32.6	28.7	8.6	7.6	29.3	28.4	28.1
Jyothy Lab	Neutral	357	365	2	4.1	7.6	9.0	47.2	39.8	7.2	6.6	9.1	15.7	17.2
Marico	Buy	270	300	11	5.6	6.1	7.1	44.4	38.1	13.3	11.5	36.9	33.3	32.4
Nestle	Neutral	6,161	6,410	4	119.9	111.5	139.2	55.2	44.3	18.7	16.2	40.9	35.9	39.2
Page Inds	Buy	14,504	16,910	17	208.6	235.6	305.1	61.6	47.5	25.4	20.1	46.0	41.3	42.2



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Parag Milk	Neutral	285	285	0	6.7	7.0	9.7	40.6	29.5	3.3	2.9	19.5	10.8	10.5
Pidilite Ind.	Neutral	670	720	7	14.8	16.6	18.3	40.3	36.7	10.4	8.5	29.9	28.0	25.4
P&G Hygiene	Buy	7,032	8,250	17	129.9	145.7	167.7	48.3	41.9	13.0	11.3	30.8	29.0	28.8
Radico Khaitan	Not Rated	128	-		6.9	6.4	6.6	19.8	19.3	1.7	1.6	10.3	8.9	8.5
United Brew	Buy	794	1,044	31	11.3	10.7	15.4	74.4	51.7	8.9	7.7	15.1	12.6	16.0
United Spirits	Buy	2,354	2,885	23	16.7	28.6	47.0	82.2	50.1	15.5	12.0	19.8	20.8	24.0
<b>Aggregate</b>								<b>40.7</b>	<b>35.2</b>	<b>11.9</b>	<b>10.4</b>	<b>31.9</b>	<b>29.3</b>	<b>29.6</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	558	630	13	38.2	23.2	27.9	24.0	20.0	5.5	4.5	38.8	24.8	24.7
Alkem Lab	Neutral	1,828	1,850	1	64.7	79.3	85.7	23.0	21.3	5.1	4.3	23.8	24.4	22.0
Aurobindo	Buy	679	1,050	55	33.9	40.5	48.1	16.7	14.1	4.3	3.3	32.5	29.0	26.5
Biocon	Sell	1,089	750	-31	23.2	33.2	35.6	32.9	30.6	4.8	4.3	11.5	14.7	14.1
Cadila	Buy	364	425	17	15.4	12.0	16.9	30.3	21.5	6.1	5.0	32.8	21.4	25.5
Cipla	Neutral	579	550	-5	18.8	18.1	24.1	32.0	24.1	3.6	3.2	12.8	11.2	13.2
Divis Lab	Neutral	749	815	9	41.9	45.4	51.0	16.5	14.7	4.2	3.6	28.6	26.7	26.5
Dr Reddy's	Neutral	2,975	3,050	3	132.3	77.7	129.4	38.3	23.0	3.7	3.2	18.8	10.0	14.9
Fortis Health	Buy	195	240	23	Loss	Loss	3.5	Loss	55.1	2.3	1.9	Loss	Loss	3.8
Glenmark	Neutral	953	990	4	24.9	41.6	49.2	22.9	19.4	4.7	3.7	16.4	20.5	18.9
Granules	Buy	131	160	22	5.5	7.0	8.0	18.7	16.3	3.2	2.2	21.6	19.9	16.6
GSK Pharma	Neutral	2,741	3,150	15	44.2	50.4	61.8	54.4	44.4	16.1	18.1	22.1	29.6	40.8
IPCA Labs	Neutral	519	540	4	10.5	15.8	27.9	32.8	18.6	2.7	2.4	5.9	8.4	13.5
Lupin	Buy	1,465	1,850	26	50.4	61.8	79.0	23.7	18.5	4.9	4.0	22.9	22.9	23.9
Sanofi India	Buy	4,172	5,200	25	103.2	142.2	172.8	29.3	24.1	5.2	4.7	14.2	17.8	19.4
Sun Pharma	Buy	655	925	41	19.6	27.8	37.9	23.6	17.3	4.6	3.8	16.5	20.3	23.9
Syngene Intl	Not Rated	511	-		11.1	13.0	16.1	39.3	31.7	7.9	6.5	23.3	22.2	22.5
Torrent Pharma	Buy	1,252	1,700	36	59.7	56.8	76.3	22.1	16.4	5.3	4.4	34.4	26.0	29.2
<b>Aggregate</b>								<b>25.7</b>	<b>19.6</b>	<b>6.1</b>	<b>5.0</b>	<b>25.8</b>	<b>23.6</b>	<b>25.6</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	169	196	16	10.8	10.5	12.8	16.1	13.2	2.4	2.1	13.2	13.3	16.9
Blue Dart	Not Rated	4,243	-		84.4	102.5	129.9	41.4	32.7	18.3	14.0	55.5	50.5	48.6
Concor	Neutral	1,326	1,317	-1	40.6	36.3	45.9	36.6	28.9	3.1	2.9	10.2	8.6	10.3
Gateway Distriparks	Buy	274	314	15	11.4	8.8	15.7	31.3	17.5	2.3	2.2	10.1	7.6	12.9
Gati	Not Rated	124	-		3.2	9.3	17.6	13.3	7.0	2.0	1.8	5.1	12.4	19.4
Transport Corp.	Not Rated	191	-		13.5	16.9	21.0	11.2	9.1	1.8	1.5	15.4	16.7	17.8
<b>Aggregate</b>								<b>30.1</b>	<b>22.7</b>	<b>3.4</b>	<b>3.1</b>	<b>11.6</b>	<b>11.2</b>	<b>13.5</b>
<b>Media</b>														
Dish TV	Buy	88	115	31	6.5	1.7	3.2	52.0	27.8	Loss	10.4	NM	38.2	46.1
D B Corp	Buy	385	450	17	16.2	21.1	23.9	18.3	16.2	4.7	4.1	22.6	27.0	27.1
Den Net.	Neutral	87	75	-14	Loss	Loss	1.9	Loss	47.0	1.0	1.0	Loss	Loss	2.1
Hathway Cab.	Buy	36	47	29	Loss	Loss	-0.8	Loss	-46.6	2.8	3.0	Loss	Loss	-6.1
Hind. Media	Buy	277	355	28	24.6	26.5	29.4	10.5	9.4	1.8	1.5	21.9	19.3	17.8
HT Media	Neutral	83	85	3	7.3	8.0	8.2	10.3	10.2	0.8	0.7	7.7	7.7	7.1
Jagran Prak.	Buy	187	215	15	10.5	10.8	12.2	17.3	15.2	3.4	2.9	24.7	20.7	20.6
PVR	Buy	1,301	1,533	18	25.5	20.8	35.7	62.6	36.4	6.4	5.5	18.7	10.6	16.3
Siti Net.	Buy	39	45	15	Loss	Loss	2.7	Loss	14.4	4.1	2.8	0.1	Loss	23.5
Sun TV	Neutral	724	735	2	21.1	25.1	29.7	28.8	24.3	7.2	6.6	23.4	25.1	27.3
Zee Ent.	Buy	518	600	16	10.6	12.2	17.6	42.5	29.5	10.0	8.1	27.0	31.3	30.3
<b>Aggregate</b>								<b>34.1</b>	<b>24.6</b>	<b>5.9</b>	<b>5.1</b>	<b>18.2</b>	<b>17.3</b>	<b>20.6</b>
<b>Metals</b>														
Hindalco	Buy	182	230	26	12.0	17.7	21.8	10.3	8.3	1.6	1.4	11.6	16.5	17.9
Hind. Zinc	Neutral	315	282	-11	19.8	21.5	25.4	14.7	12.4	3.1	2.6	20.7	22.5	22.6
JSPL	Neutral	91	88	-3	Loss	Loss	Loss	Loss	Loss	0.5	0.6	Loss	Loss	Loss
JSW Steel	Buy	193	226	17	Loss	Loss	19.0	Loss	10.1	2.2	1.8	Loss	16.4	19.6
Nalco	Buy	65	73	12	2.7	3.7	4.8	17.6	13.6	1.2	1.2	5.4	7.1	8.7



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
NMDC	Buy	146	162	11	8.4	10.9	10.8	13.3	13.5	1.9	1.9	15.9	12.8	14.2
SAIL	Sell	62	28	-55	Loss	Loss	Loss	Loss	Loss	0.7	0.9	Loss	Loss	Loss
Vedanta	Neutral	248	250	1	10.8	21.4	27.3	11.6	9.1	1.3	1.2	7.9	13.0	14.8
Tata Steel	Sell	468	401	-14	7.7	17.4	43.8	26.9	10.7	3.8	3.0	4.6	12.6	31.3
<b>Aggregate</b>								<b>18.1</b>	<b>13.6</b>	<b>1.6</b>	<b>1.5</b>	<b>5.1</b>	<b>8.6</b>	<b>10.7</b>
<b>Oil &amp; Gas</b>														
BPCL	Buy	714	778	9	55.2	56.6	55.5	12.6	12.9	3.3	2.8	31.6	27.5	23.4
Cairn India	Neutral	273	-		11.4	14.0	12.5	19.5	21.9	1.0	1.0	4.0	5.3	4.6
GAIL	Neutral	483	429	-11	18.1	28.7	36.4	16.8	13.3	1.8	1.7	7.7	12.9	13.2
Gujarat St. Pet.	Neutral	163	163	0	7.9	8.8	11.0	18.5	14.8	2.1	1.9	11.7	12.0	13.5
HPCL	Buy	572	543	-5	38.0	52.7	45.1	10.8	12.7	2.7	2.3	22.4	26.6	19.7
IOC	Buy	380	458	21	20.3	43.5	39.9	8.7	9.5	2.1	1.9	13.6	25.9	20.7
IGL	Neutral	1,022	1,032	1	29.7	43.0	42.6	23.8	24.0	5.0	4.3	18.4	22.1	19.3
MRPL	Neutral	109	114	5	7.6	12.9	12.7	8.4	8.6	2.3	1.9	22.6	31.0	24.7
Oil India	Buy	346	382	10	28.7	27.5	39.0	12.6	8.9	1.2	1.1	10.4	9.5	12.7
ONGC	Neutral	193	204	5	13.6	12.6	21.1	15.4	9.2	1.3	1.2	9.6	8.6	13.8
PLNG	Buy	381	411	8	11.2	19.8	26.9	19.2	14.2	3.8	3.2	14.0	21.5	24.7
Reliance Ind.	Neutral	1,030	1,057	3	93.0	99.2	107.9	10.4	9.5	1.1	1.0	12.0	11.6	11.4
<b>Aggregate</b>								<b>11.3</b>	<b>9.9</b>	<b>1.5</b>	<b>1.3</b>	<b>11.4</b>	<b>12.8</b>	<b>13.4</b>
<b>Retail</b>														
Jubilant Food	Neutral	992	1,008	2	15.0	12.8	22.4	77.3	44.3	8.1	8.8	13.4	10.4	19.9
Shopper's Stop	Neutral	321	300	-6	5.8	4.1	8.0	78.4	40.0	3.1	2.9	6.3	4.2	7.7
Titan Co.	Neutral	431	420	-2	8.0	9.2	9.7	46.6	44.6	9.2	8.1	21.3	21.2	19.3
<b>Aggregate</b>								<b>50.5</b>	<b>44.2</b>	<b>8.2</b>	<b>7.4</b>	<b>16.8</b>	<b>16.2</b>	<b>16.8</b>
<b>Technology</b>														
Cyient	Buy	466	600	29	30.7	33.4	42.7	14.0	10.9	2.2	1.9	16.5	15.9	17.8
HCL Tech.	Buy	828	980	18	40.1	58.1	64.7	14.3	12.8	3.6	3.2	21.5	27.3	26.7
Hexaware	Neutral	205	220	8	12.9	13.7	15.3	15.0	13.4	3.6	3.1	28.9	26.5	25.0
Infosys	Buy	968	1,250	29	59.0	62.8	67.8	15.4	14.3	3.2	2.9	24.7	23.2	22.5
KPIT Tech	Neutral	135	150	11	14.1	11.7	13.8	11.5	9.7	1.7	1.4	21.0	14.0	15.9
L&T Infotech	Buy	691	800	16	52.4	54.2	57.5	12.7	12.0	4.8	4.0	45.3	41.8	36.2
Mindtree	Neutral	467	530	14	35.9	25.1	33.7	18.6	13.8	3.1	2.7	27.4	17.1	21.0
Mphasis	Neutral	560	550	-2	34.5	42.6	41.4	13.1	13.5	2.0	1.9	12.3	14.1	14.4
NIIT Tech	Neutral	426	470	10	45.7	38.2	49.3	11.1	8.6	1.5	1.3	19.0	14.2	16.5
Persistent Sys	Neutral	613	730	19	37.2	38.9	46.2	15.8	13.3	2.5	2.4	19.5	17.5	18.9
Tata Elxsi	Buy	1,490	1,780	19	49.7	59.3	72.1	25.1	20.7	9.6	7.7	46.3	42.5	41.3
TCS	Neutral	2,397	2,500	4	123.2	135.2	145.3	17.7	16.5	5.6	4.7	37.1	33.8	31.1
Tech Mah	Buy	500	550	10	35.1	32.5	36.6	15.4	13.6	2.9	2.5	23.4	20.1	20.0
Wipro	Neutral	468	560	20	36.1	33.4	37.2	14.0	12.6	2.3	2.0	20.3	17.0	17.0
Zensar Tech	Buy	917	1,250	36	68.2	68.6	85.0	13.4	10.8	2.5	2.1	24.0	20.0	21.1
<b>Aggregate</b>								<b>16.0</b>	<b>14.7</b>	<b>3.8</b>	<b>3.3</b>	<b>24.4</b>	<b>23.7</b>	<b>22.7</b>
<b>Telecom</b>														
Bharti Airtel	Buy	358	410	15	11.9	11.3	7.9	31.6	45.3	2.1	2.0	7.4	6.7	4.5
Bharti Infratel	Buy	316	435	38	11.8	15.6	16.7	20.3	18.9	3.3	2.9	12.7	15.7	15.9
Idea Cellular	Under Review	110	-		8.6	Loss	Loss	Loss	Loss	1.7	2.1	12.6	Loss	Loss
Tata Comm	Buy	752	811	8	1.6	8.5	31.4	88.4	23.9	-95.2	32.0	-91.6	-75.4	402.2
<b>Aggregate</b>								<b>49.1</b>	<b>105.7</b>	<b>2.4</b>	<b>2.4</b>	<b>9.3</b>	<b>4.9</b>	<b>2.2</b>
<b>Utilities</b>														
Coal India	Neutral	325	297	-9	22.6	16.8	20.0	19.3	16.2	6.7	6.7	42.2	34.5	41.0
CESC	Buy	841	940	12	27.8	48.4	70.7	17.4	11.9	1.9	1.7	3.1	4.7	6.3
JSW Energy	Buy	63	83	32	7.6	4.1	3.3	15.4	19.3	1.2	1.1	15.5	7.7	6.0
NTPC	Buy	170	199	17	12.3	12.0	14.3	14.2	11.9	1.5	1.4	11.9	10.8	11.9
Power Grid	Buy	200	209	5	11.5	14.2	16.8	14.1	11.9	2.1	1.8	14.7	16.1	16.6
<b>Aggregate</b>								<b>16.1</b>	<b>13.6</b>	<b>2.5</b>	<b>2.3</b>	<b>17.7</b>	<b>15.4</b>	<b>16.8</b>
<b>Others</b>														





Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Arvind	Buy	384	430	12	14.0	13.5	21.8	28.4	17.6	2.6	2.3	12.9	10.4	14.0
Bata India	Buy	500	483	-3	11.2	10.9	14.2	45.9	35.2	5.0	4.5	13.1	11.3	13.4
Castrol India	Buy	418	499	20	9.6	12.8	13.4	32.5	31.2	35.9	32.3	76.0	118.4	108.8
Century Ply.	Buy	222	211	-5	7.5	4.6	8.8	48.6	25.3	8.4	6.8	36.3	18.2	29.8
Coromandel Intl	Under Review	350	-		11.8	16.3	20.0	21.5	17.5	3.8	3.4	14.9	18.5	20.4
Dynamatic Tech	Buy	3,082	3,388	10	19.4	67.6	112.9	45.6	27.3	6.3	5.1	4.7	15.1	20.7
Eveready Inds.	Buy	252	287	14	9.2	12.4	13.9	20.3	18.2	6.8	5.4	16.2	37.8	33.1
Interglobe	Neutral	838	1,010	21	55.2	39.3	54.1	21.3	15.5	14.7	12.8	176.5	72.8	88.1
Indo Count	Buy	182	223	23	13.4	15.7	18.5	11.6	9.8	3.7	2.6	48.9	37.8	31.2
Info Edge	Buy	860	1,075	25	13.0	16.9	19.0	50.8	45.2	5.4	5.0	9.2	11.1	11.5
Inox Leisure	Sell	230	207	-10	8.4	2.5	8.2	92.1	28.2	3.6	3.2	14.9	3.8	11.5
Jain Irrigation	Under Review	97	-		2.2	5.5	7.6	17.5	12.8	1.5	1.4	4.0	8.6	11.7
Just Dial	Buy	430	443	3	20.4	17.2	18.5	25.0	23.3	3.9	3.4	21.1	16.5	15.5
Kaveri Seed	Buy	483	577	20	24.9	23.4	28.6	20.6	16.9	3.5	3.2	20.7	17.3	19.8
Kitex Garm.	Buy	431	551	28	23.6	26.0	31.0	16.6	13.9	4.5	3.6	35.5	29.9	28.7
Manpasand	Buy	703	843	20	10.1	14.9	23.1	47.1	30.4	3.4	3.2	11.4	8.6	9.6
MCX	Buy	1,089	1,400	29	23.4	28.3	40.8	38.5	26.7	4.2	3.9	3.5	11.4	15.2
Monsanto	Under Review	2,313	-		60.1	68.4	87.2	33.8	26.5	9.8	9.2	26.4	28.8	35.9
PI Inds.	Buy	887	959	8	22.1	31.3	38.4	28.3	23.1	7.9	6.2	29.2	31.7	30.1
SRF	Buy	1,752	1,915	9	73.7	81.0	105.0	21.6	16.7	3.3	2.9	17.0	16.2	18.2
S H Kelkar	Buy	320	338	6	5.5	7.5	10.1	42.8	31.6	5.5	5.0	12.6	13.5	16.6
Symphony	Sell	1,329	1,053	-21	15.6	27.0	35.1	49.2	37.9	26.8	22.8	35.0	56.8	65.0
TTK Prestige	Neutral	5,608	4,896	-13	100.7	107.8	139.9	52.0	40.1	52.0	40.1	17.2	16.6	19.7
V-Guard	Neutral	214	179	-16	3.7	4.5	5.8	47.4	37.2	11.3	9.3	26.3	26.1	27.4
Wonderla	Buy	377	392	4	10.6	7.0	11.9	53.9	31.6	4.9	4.4	15.8	9.5	14.8



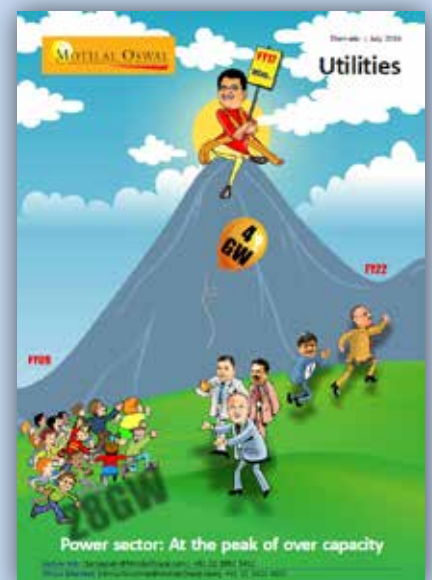
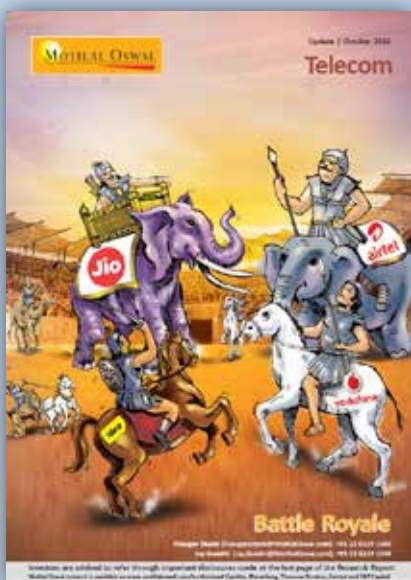
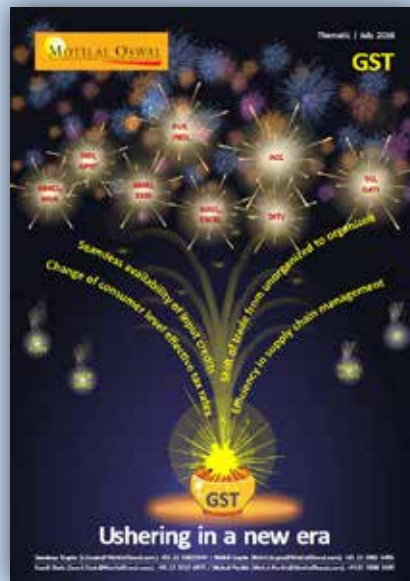
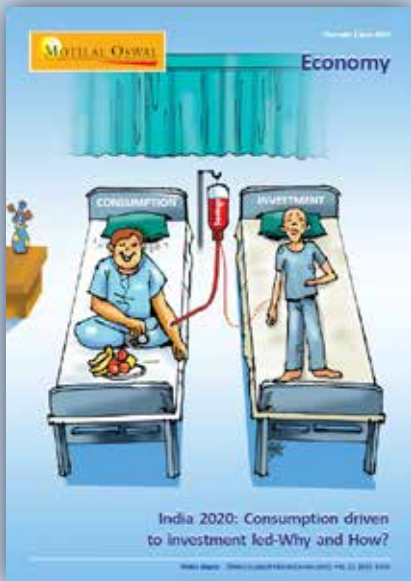
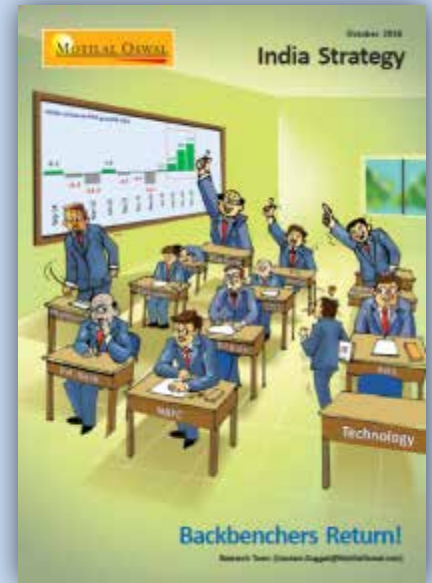
Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-0.9	-3.5	0.5
Ashok Ley.	-2.4	9.5	6.4
Bajaj Auto	0.4	2.0	17.9
Bharat Forge	-0.6	8.6	28.9
Bosch	-1.5	7.3	38.3
Eicher Mot.	0.5	4.3	34.0
Endurance Tech.	3.3	15.0	
Escorts	-1.0	15.4	206.3
Exide Ind	0.1	13.5	63.1
Hero Moto	0.1	6.6	28.2
M&M	-1.1	5.4	7.9
Mahindra CIE	2.0	4.2	-1.8
Maruti Suzuki	-0.7	7.7	65.9
Tata Motors	-0.7	-1.1	74.5
TVS Motor	0.8	7.3	43.5
<b>Banks - Private</b>			
Axis Bank	0.7	9.2	24.2
DCB Bank	-1.2	20.1	82.4
Equitas Hold.	0.6	25.1	
Federal Bank	0.7	20.9	86.5
HDFC Bank	0.4	7.6	28.7
ICICI Bank	-1.2	8.1	35.9
IDFC Bank	0.6	1.4	18.1
IndusInd	1.4	13.8	57.9
J&K Bank	0.7	15.3	-2.1
Kotak Mah. Bk	1.0	9.3	16.7
RBL Bank	-1.0	7.6	
South Indian	-0.2	9.8	27.4
Yes Bank	0.2	11.7	92.1
<b>Banks - PSU</b>			
BOB	2.0	23.1	60.1
BOI	-2.1	20.4	47.8
Canara	0.6	15.5	69.5
IDBI Bk	-0.5	11.8	52.8
Indian Bk	-0.2	28.9	256.0
OBC	0.2	13.1	31.4
PNB	0.3	21.7	81.6
SBI	0.1	11.5	73.8
Union Bk	-2.5	14.4	22.0
<b>NBFCs</b>			
Bajaj Fin.	1.2	17.1	62.7
Bharat Fin.	0.1	29.3	51.5
Dewan Hsg.	0.1	18.7	86.1
GRUH Fin.	1.8	9.9	47.5
HDFC	-0.8	14.1	24.3
Indiabulls Hsg	-0.9	18.4	30.1
LIC Hsg Fin	-0.8	6.1	28.9
Manappuram	0.5	38.6	230.1
M&M Fin.	-1.5	5.7	47.3
Muthoot Fin	0.1	18.1	83.8
PFC	-0.3	4.4	70.5
Repc Home	-0.3	19.5	19.1
REC	-0.3	13.4	69.3
STF	1.2	2.6	18.9
Shriram City Union	-1.3	5.6	35.2

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	3.0	7.3	19.0
Bharat Elec.	-1.3	2.0	30.0
BHEL	0.5	22.9	23.0
CG Cons. Elec.	-1.4	30.2	
Crompton Grv.	-1.5	14.9	60.8
Cummins	-1.3	8.0	-4.2
GE T&D	-0.7	-0.4	-28.4
Havells	-0.1	19.3	53.1
Inox Wind	0.2	-0.1	-29.0
K E C Intl	-1.4	13.8	53.4
L&T	0.8	8.3	33.7
Pennar Eng.	0.0	-7.7	-6.3
Siemens	-1.1	3.2	18.6
Solar Ind	0.8	4.4	16.8
Suzlon Energy	0.6	15.1	25.5
Thermax	0.9	8.7	10.6
Va Tech Wab.	0.3	1.8	-13.8
Voltas	0.8	0.5	28.4
<b>Cement</b>			
Ambuja Cem.	-0.4	13.1	21.8
ACC	-0.2	12.3	17.0
Birla Corp.	1.0	5.0	96.3
Dalmia Bharat	0.3	25.4	181.0
Grasim Inds.	4.0	19.1	47.6
India Cem	0.6	26.5	109.7
J K Cements	-0.6	18.0	86.4
JK Lakshmi Ce	1.8	9.3	44.0
Ramco Cem	1.6	13.8	83.4
Orient Cem	1.0	7.0	-2.0
Prism Cem	1.2	13.0	44.3
Shree Cem	-0.1	10.5	53.3
Ultratech	0.2	14.6	34.1
<b>Consumer</b>			
Asian Paints	-1.0	7.4	13.2
Britannia	0.2	12.4	18.8
Colgate	0.7	-0.3	5.6
Dabur	-0.3	-4.6	9.1
Emami	0.3	9.9	10.4
Godrej Cons.	-0.6	-0.3	28.0
GSK Cons.	-0.3	0.3	-11.9
HUL	0.1	2.4	3.1
ITC	-1.6	9.7	32.6
Jyothy Lab	0.6	8.5	27.5
Marico	0.8	3.3	17.9
Nestle	-0.2	4.9	16.4
Page Inds	2.0	3.9	25.2
Parag Milk	0.0	4.7	
Pidilite Ind.	1.1	6.2	14.1
P&G Hygiene	-0.2	3.6	19.4
Radico Khaitan	-1.1	6.8	19.4
United Brew	-1.2	-1.4	-2.0
United Spirits	4.3	23.3	-2.5
<b>Healthcare</b>			
Alembic Phar	-0.3	-7.5	-6.3
Alkem Lab	1.0	8.7	38.6
Aurobindo	-3.9	-3.0	-1.9

Company	1 Day (%)	1M (%)	12M (%)
Biocon	-0.1	9.2	138.2
Cadila	-0.5	2.3	11.6
Cipla	-1.3	0.6	7.5
Divis Lab	-0.8	1.5	-26.5
Dr Reddy's	-1.5	-2.4	3.1
Fortis Health	0.1	-3.0	18.4
Glenmark	-0.4	5.9	31.3
Granules	-0.2	24.9	12.8
GSK Pharma	0.3	0.4	-15.4
IPCA Labs	-1.5	-3.0	-16.4
Lupin	-2.1	-1.5	-21.4
Sanofi India	0.9	-1.3	-0.3
Sun Pharma	-0.3	2.6	-23.5
Syngene Intl	-0.4	-13.8	36.0
Torrent Pharma	-0.3	-7.7	-5.0
<b>Logistics</b>			
Allcargo Logistics	0.4	-2.7	-1.4
Blue Dart	-1.1	-4.8	-31.0
Concor	1.0	11.6	20.1
Gateway Distriparks	0.7	10.6	1.1
Gati	1.2	4.2	15.7
Transport Corp.	1.5	23.4	34.8
<b>Media</b>			
Dish TV	0.1	0.9	10.5
D B Corp	0.8	4.1	20.3
Den Net.	-0.9	22.3	24.4
Hathway Cab.	-0.8	-0.5	-2.2
Hind. Media	0.2	0.2	4.5
HT Media	-0.2	10.5	9.0
Jagran Prak.	-0.3	5.6	16.6
PVR	1.4	5.9	78.3
Siti Net.	-0.4	4.0	12.6
Sun TV	-2.0	35.4	111.7
Zee Ent.	-0.4	10.9	36.6
<b>Metals</b>			
Hindalco	-1.0	10.9	171.6
Hind. Zinc	-0.9	15.9	94.5
JSPL	-0.9	21.6	52.2
JSW Steel	-0.4	8.1	88.0
Nalco	-4.7	-4.4	92.4
NMDC	-1.1	5.7	73.7
SAIL	-6.0	17.2	63.7
Vedanta	-0.6	6.6	267.8
Tata Steel	1.7	8.6	98.5
<b>Oil &amp; Gas</b>			
BPCL	-1.5	8.5	70.7
Cairn India	-0.7	5.7	131.6
GAIL	-1.5	9.6	39.7
Gujarat St. Pet.	-1.1	19.6	23.1
HPCL	-0.6	19.6	137.2
IOC	-2.0	9.6	97.9
IGL	-0.4	9.5	88.9
MRPL	-1.5	-3.1	81.5
Oil India	0.2	-4.3	38.9
ONGC	0.2	-2.3	35.6
PLNG	1.0	5.1	51.6
Reliance Ind.	-0.2	-5.2	7.1

Company	1 Day (%)	1M (%)	12M (%)
<b>Retail</b>			
Jubilant Food	-0.9	18.9	-16.6
Shopper's Stop	-0.5	10.2	-14.5
Titan Co.	0.9	19.1	17.3
<b>Technology</b>			
Cyient	0.1	-4.9	17.8
HCL Tech.	1.1	-1.0	0.1
Hexaware	1.2	1.4	-15.7
Infosys	2.1	-0.3	-12.8
KPIT Tech	0.9	-2.8	4.1
L&T Infotech	0.5	2.1	
Mindtree	2.0	-4.3	-37.0
Mphasis	-0.9	4.9	30.9
NIIT Tech	0.2	-1.2	-15.9
Persistent Sys	-0.2	-2.9	-0.1
Tata Elxsi	-0.6	5.6	-25.3
TCS	3.1	3.5	5.6
Tech Mah	3.1	5.6	13.7
Wipro	0.7	-1.8	-12.1
Zensar Tech	1.3	-1.8	-2.9
<b>Telecom</b>			
Bharti Airtel	0.6	11.8	15.1
Bharti Infratel	-0.9	-10.6	-10.7
Idea Cellular	0.1	48.0	10.2
Tata Comm	-3.0	19.0	102.5
<b>Utilities</b>			
Coal India	0.8	8.1	3.4
CESC	1.7	27.9	92.2
JSW Energy	-0.2	-1.9	-7.6
NTPC	1.2	4.9	36.5
Power Grid	-1.1	7.1	39.1
<b>Others</b>			
Arvind	1.2	6.0	36.7
Bata India	-1.7	7.5	2.3
Castrol India	-0.1	7.2	2.9
Century Ply.	3.1	24.7	53.3
Coromandel Intl	2.2	3.1	111.6
Dynamatic Tech	0.4	3.8	68.7
Eveready Inds.	1.6	12.5	17.7
Interglobe	-0.9	-2.2	9.1
Indo Count	0.1	11.2	-18.0
Info Edge	3.7	0.9	12.0
Inox Leisure	0.1	0.7	19.8
Jain Irrigation	0.3	1.3	65.4
Just Dial	0.7	13.3	-16.6
Kaveri Seed	1.3	13.9	36.5
Kitex Garm.	0.0	0.6	3.7
Manpasand	0.9	30.1	54.1
MCX	-1.6	-12.4	36.1
Monsanto	0.0	2.4	12.4
PI Inds.	0.7	8.7	33.8
SRF	0.4	11.1	51.9
S H Kelkar	0.8	-0.4	38.9
Symphony	-1.6	13.4	22.0
TTK Prestige	-0.5	0.7	33.7
V-Guard	-0.7	29.3	143.7
Wonderla	-1.0	7.3	2.9

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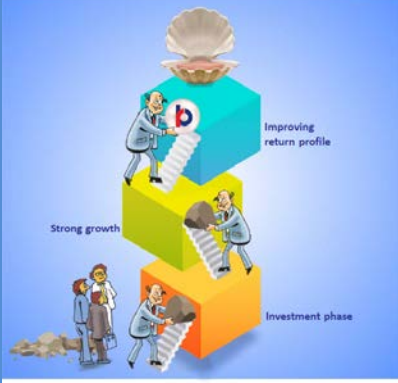
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