

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	33,315	0.2	25.1
Nifty-50	10,322	0.1	26.1
Nifty-M 100	19,576	-0.1	36.4
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,582	-0.1	15.3
Nasdaq	6,751	0.0	25.4
FTSE 100	7,433	-0.7	4.1
DAX	13,127	-0.4	14.3
Hang Seng	11,746	0.0	25.0
Nikkei 225	22,681	-0.8	18.7
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	63	-0.3	14.6
Gold (\$/OZ)	1,285	0.0	10.8
Cu (US\$/MT)	6,754	-0.4	22.3
Almn (US\$/MT)	2,085	0.4	22.3
Currency	Close	Chg .%	YTD.%
USD/INR	65.1	0.3	-4.0
USD/EUR	1.2	0.3	10.5
USD/JPY	113.6	0.0	-3.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	7.0	0.0	0.4
10 Yrs AAA Corp	7.7	0.0	0.2
Flows (USD b)	10-Nov	MTD	YTD
FII's	-0.1	1.4	6.9
DII's	0.3	0.6	11.9
Volumes (INRb)	10-Nov	MTD*	YTD*
Cash	410	437	303
F&O	5,391	7,202	5,594

Note: YTD is calendar year, *Avg

Today's top research idea



State Bank of India: Asset quality staging a turnaround; Buy

- SBIN reported a strong quarter - fresh slippages declined to INR106.27b (INR300.6b in 1QFY18), while healthy provisions (enabled by SBI Life stake sale gains) helped improve PCR by 470bp QoQ. The watch-list declined 13% QoQ to INR213b, while net NPA and restructured assets declined 83bp QoQ to 7.29. PPOp grew 13% QoQ, led by a healthy pick-up in NII and controlled opex. Cost/core income ratio fell 153bp QoQ to 56%, led by a 7% YoY fall in employee expenses.
- We build in capital infusion of INR120b in FY19 from recapitalization, revise our estimates (7% FY18 PAT estimate cut to account for higher credit costs) as we build in credit cost of 2.6%/2.1%/1.8% over FY18-20E, and estimate SBI to report net profit of INR316b in FY20. We maintain SBIN as our top Buy in the PSU banking space, with an SOTP-based TP of INR415.

Research covered

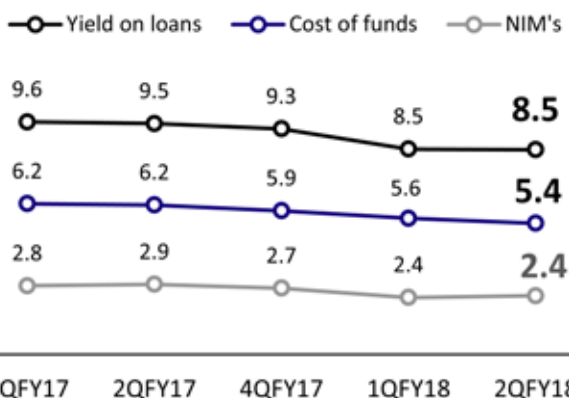


Cos/Sector	Key Highlights
GST	Rates slashed; Making GST more palatable
SBI	Asset quality staging a turnaround, reiterate Buy
Larsen & Toubro	FY18 order guidance cut (Flat to marginal growth versus +12-14% earlier)
BPLCL	EBITDA significantly below estimate
M & M	Above est.; Multi-year-high margins in both Autos and FES segments
Nestle India	Big beat on all fronts, margins surprise positively
Bosch	Below est; Sharp miss on topline
Britannia Inds.	Mid-single digit volume growth, margins improve but below expectation
Aurobindo Pharma	Continues to surprise positively; sustenance of growth key
Pidilite Inds.	Return to double-digit volume growth augurs well for future
Sun TV Network	Improving growth outlook
Oil India	EBITDA significantly above estimate led by lower opex
Bank of India	Asset quality pressures subside; margin performance drives PAT beat
Alkem Lab	Strong numbers; operating leverage impact visible
Voltas	Results exceeds expectation on strong UCP segment performance
Other Results	NALCO ENDU AMRJ SRF BCORP JKCE CGPOWER AGLL
Results Expectation	GUJS IDEA NMDC NTPC PG REPCO SLPA

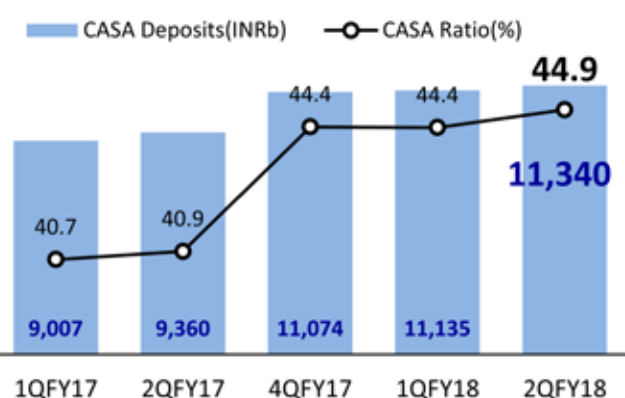


Chart of the Day: State Bank of India – Asset quality staging a turnaround

NIMs were flat during the quarter



CASA ratio stayed stable at healthy levels



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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 textbox for the detailed news link

1

Category 3 AIFs see record capital inflows at Rs8,521 crore

In the first nine months of 2017, Category 3 Alternative Investment Funds (AIFs) have raised Rs8,521 crore (approximately \$1.3 billion), which is more than double of what these funds managed to raise in the whole of 2016, according to data from markets regulator Securities and Exchange Board of India (Sebi)...

2

Government plans Rs 3.6k-crore subsidy to telcos for BharatNet

The government has proposed a subsidy of Rs 3,600 crore to private telcos such as Bharti Airtel, Vodafone India, Idea Cellular and Reliance Jio through viability gap funding, for setting up Wi-Fi in rural areas as part of the second phase of the BharatNet project, set for a launch Monday. With Phase 1 of BharatNet set to complete by the end of 2017 – which will give fibre connectivity to 1 lakh gram panchayats at an investment of Rs 11,200 crore – the government intends to double the fibre to 20 lakh km by March 2019 under phase 2 of the project, with an overall investment of Rs 34,000 crore...

3

DII's investments in Indian equities so far this year at record high

Amid steep valuations and disappointing earnings, domestic institutional investors (DIIs) ploughed a record amount of money into stocks in 2017 so far, more than double what they invested in all of last year. According to data from BSE, local insurers,...

4

Next step in GST recast: Lower end of tax slabs

The next rejig of goods and services tax will likely focus on the lower end of the rate slabs, as the country seeks to further streamline the structure by converging multiple rates into two or three. It will happen after the regime settles down and there is more clarity on revenue following the recast last week...

5

Not to pursue Islamic banking in India, says RBI

In a major move, the Reserve Bank of India (RBI) has decided not to pursue a proposal for introduction of Islamic banking in the country. Replying to an RTI query, the central bank said the decision was taken after considering "the wider and equal opportunities" available to all citizens to access banking and financial services. Islamic or Sharia banking is a finance system based on the principles of not charging interest, which is prohibited under Islam...

6

Govt will pump more capital into public sector banks: Jaitley

Finance Minister Arun Jaitley said on Sunday that the government has decided to inject more capital into state-owned banks to strengthen the banking system and spur economic growth. Last month,...

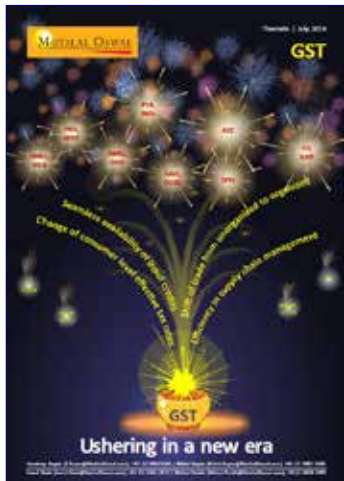
7

Fear of revenue loss abates as GST collections gain momentum

The initial revenue shock following the rollout of the goods and services tax (GST) seems to have abated, with states steadily improving collections aided by relaxations in deadline, waiver of late payment fee and steps to encourage compliance, showed data from the GST Council...



Refer our latest updates on GST



Rates slashed

Making GST more palatable

The GST Council, in its 23rd meeting, has made significant changes to the tax framework, pruning the tax rates and easing the compliance burden for SMEs. The reduction in taxes is estimated to have an impact on government revenue to the tune of ~INR200b. We believe the reduction in duties will benefit sectors like consumer, light electrical and home building. This, in our view, should benefit companies like HUL, GSK Consumer, Gillette, Nestle, Havells, Crompton Consumer, Finolex Cables, Kajaria Ceramics, Somany Ceramics, Century Ply, Vip Industries, Interglobe Aviation and Jet Airways among others.





Major overhaul in GST rates

- n With monthly tax collections in excess of INR900b during the initial months of GST rollout, the government believes that the macro revenue picture is not looking bad.
- n In the GST Council meeting held on 10th November 2018, the rates for various goods have been pruned, especially for those in the highest tax slab of 28%. These changes, however, will be applicable from 15th November 2017.
- n Of the 228 goods that are currently under the highest tax slab, 178 will see a reduction in taxation. These primarily include mass consumption products, leaving only 50 luxury and sin/demerit goods like air conditioners, automobiles paints, cement, washing machines and tobacco, among others, in the 28% slab.
- n Furthermore, taxation on selected items in few other tax slabs (18%, 12% and 5%) has been lowered. The GST rate on all restaurants (except in hotels with tariff exceeding INR7,500/night) has been lowered to 5%, with no input tax credit.
- n We believe that, over a period of time, the government might further consider pruning the list of items in the highest tax bracket.
- n The reduction in rates is estimated to have an impact of INR200b on government revenue. We believe that this shortfall will be partially offset by (i) shift of trade to the organized segment and (ii) volume growth due to price elasticity of demand.

Consumers, light electrical & home building emerge as major beneficiaries

- n Detergents, shampoo, hair color, chocolate & malt extract, instant coffee, deodorants, shaving cream, razor blades, luggage, watches, fans, switches, wires & cables, tiles, plywood, condensed milk, aircraft engines, aircraft tyres and aircraft seats amongst others have witnessed a significant reduction in duty.
- n We believe that this will benefit companies like HUL, GSK Consumer, Gillette, Nestle, Havells, Crompton Consumer, Finolex Cables, Kajaria Ceramics, Somany Ceramics, Century Ply, VIP Industries, Interglobe Aviation, and Jet Airways among others.

Beneficiaries of rate reduction from 28% to 18%

PRODUCTS	COMPANIES
Consumers	
	
Shampoo, Deodorants & other toiletries	✓ HUL, ITC
Detergents	✓ HUL, Jyoti labs
Hair Cream & Dyes	✓ Godrej consumers
Liquid or cream for skin washing	✓ Colgate
Instant Coffee	✓ Nestle, HUL
Chocolates, Chewing gums, Malt extract, food preparation of flour, groats	✓ GSK Consumer, ITC, HUL
Shaving & Razor blades	✓ Gillette, HUL
Watches, Goggles	✓ Titan
Luggage	✓ VIP Industries, Safari
Light Electricals	
	
Fans, Pumps, & Lamps	✓ Crompton Consumer, Havells, Orient Electric, Bajaj Elec.
Switches	✓ Havells
Cables & Wires	✓ Havells, Finolex Cables, V Guard
Primary cell & batteries	✓ Eveready Industries
Capital Goods	
	
Fork lifts, lifting and handling equipment, bull dozers, excavators, earth moving machineries, Escalators	✓ Larsen & Turbo, BEML
Home Building	
	
Marble and granite tiles & ceramic items	✓ Kajaria Ceramics, Somany Ceramics, Asian Granito
Wooden furniture – including plywood, veneered panels and laminated wood	✓ Century ply, Greenply
Mattress, Bedding articles and similar furnishing items	✓ Bombay Dyeing
Sanitary wares	✓ Cera Sanitaryware Limited
Other	
Rubber tubes and articles of rubber	✓ MRF, Ceat, Apollo tubes and tyres, JK tyres

Beneficiaries of reduction of tax rates in other slabs

Products	Companies
Consumer - 18% slab to 12% Slab	
Condensed milk	Nestle, Parag Milk Foods
Refined sugar and sugar cubes	EID Parry, Balrampur Chini, Shree Renuka
Pasta & Diabetic food	Nestle, ITC
Other - 18% slab to 12% Slab	
Spectacles frames	Titan
Miscellaneous - 28% slab to 5% Slab	
Aircraft engines, aircraft tyres & seats	InterGlobe Aviation, Jet airways, SpiceJet

Source: MOSL



State Bank of India

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	SBIN IN
Equity Shares (m)	7,974
M.Cap.(INRb)/(USDb)	2,199.5 / 32.8
52-Week Range (INR)	352 / 241
1, 6, 12 Rel. Per (%)	25/2/-3
Avg Val, INRm	4949
Free float (%)	42.9

Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	749.0	895.5	1,028.5
OP	592.1	686.5	794.3
NP	95.1	172.8	315.7
NIM (%)	2.7	2.7	2.8
EPS (INR)	14.6	26.8	35.8
EPS Gr. (%)	N.A.	83.8	33.3
Cons. BV (INR)	227.5	248.9	277.6
Cons. ABV (INR)	149.9	181.1	223.2
RoE (%)	5.3	8.0	13.1
RoA (%)	0.3	0.5	0.8
P/E (x)	20.2	11.8	6.6
P/BV (x)	0.9	0.9	0.8

CMP: INR333

TP: INR415 (+25%)

Buy

Asset quality staging a turnaround, reiterate Buy

- n SBIN reported a strong quarter - fresh slippages declined to INR106.27b (INR300.6b in 1QFY18), while healthy provisions (enabled by SBI Life stake sale gains) helped improve PCR by 470bp QoQ. The watch-list declined 13% QoQ to INR213b, while net NPA and restructured assets declined 83bp QoQ to 7.29%.
- n PPOP grew 13% QoQ, led by a healthy pick-up in NII and controlled opex. Cost/core income ratio fell 153bp QoQ to 56%, led by a 7% YoY fall in employee expenses, as SBIN continues to see a net reduction in its employee base. The bank significantly stepped up provisioning expenses (+114% QoQ), leading to modest PAT of INR15.82b (-21% QoQ).
- n Loan growth was muted due to continued moderation in large- and mid-corporates, even as retail advances grew 3%/13% QoQ/YoY. Margins improved 9bp QoQ to 2.59%, aided by a reduction in deposit cost after SBI took the lead in cutting SA rate to 3.5%. SA growth was healthy (+2.6% QoQ growth v/s +2% QoQ in 1QFY18).
- n While corporate slippages may remain volatile, the relatively low watch-list (1.2% of loans) and restructured assets (1.9% of loans) provide comfort on future slippage trajectory. The current quarter has addressed the concerns about management transition, and we look forward to speedy recovery in SBI's asset quality, particularly as the resolution of NCLT cases makes further progress, while recapitalization of PSU banks via recap bonds enable the bank to further cleanse its books.
- n **Other highlights:** a) Total pool of net stressed loans now stand at INR1.5t (8.4% of loans). b) Corporate slippages declined sharply to INR45.38b, of which 54% came in from the watch-list. c) Bank expects to recover part of its agriculture NPL, as it receives the proceeds from the state governments toward farm waiver. d) Management sounded positive on NCLT resolutions, and (i) expects healthy recoveries in metal assets, (ii) has indicated for limited haircut in power assets and (iii) is most cautious on EPC assets.
- n **Valuation view:** We see the NPL cycle turning for SBIN, and expect the bank to reduce its net NPA to 3.1% by FY19E. SBIN is well capitalized, with a Tier-1 of 11%, which will enable it to utilize the capital infusion from the government for cleansing its books and thus report a prompt recovery. We build in capital infusion of INR120b in FY19 from recapitalization, revise our estimates (7% FY18 PAT estimate cut to account for higher credit costs) as we build in credit cost of 2.6%/2.1%/1.8% over FY18-20E, and estimate SBI to report net profit of INR316b in FY20. We maintain SBIN as our top Buy in the PSU banking space, with an SOTP-based TP of INR415 (1.4x Sep-19E ABV for standalone bank).

Quarterly performance

Y/E March	(INRm)									
	FY17				FY18E				FY17	FY18
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	544,930	547,781	556,614	589,690	549,054	548,497	441,690	478,497	2,239,015	2,017,739
Interest Expense	362,480	366,834	379,151	379,030	372,994	362,640	255,901	277,226	1,487,495	1,268,760
Net Interest Income	182,450	180,947	177,463	210,660	176,060	185,857	185,789	201,272	751,520	748,978
% Change (YoY)	3.9	0.4	1.2	10.5	-3.5	2.7	4.7	-4.5		-0.3
Other Income	87,610	101,420	115,042	122,220	80,060	160,170	88,946	96,358	426,292	425,531
Net Income	270,060	282,367	292,505	332,880	256,120	346,027	274,736	297,630	1,177,812	1,174,510
Operating Expenses	132,450	142,531	148,486	159,780	137,376	146,028	143,522	155,482	585,150	582,408
Operating Profit	137,610	139,836	144,020	173,100	118,744	199,999	131,214	142,148	592,662	592,101
% Change (YoY)	17.7	9.3	19.5	1.0	-13.7	43.0	-8.9	-17.9		-0.1
Other Provisions	130,370	145,785	118,902	209,320	89,300	191,374	89,406	96,856	609,844	466,931
Profit before Tax	7,240	-5,949	25,118	-36,220	29,444	8,625	41,808	45,292	-17,182	125,170
Tax Provisions	3,510	-348	6,906	-1,810	9,390	-7,198	13,367	14,481	7,355	30,041
Net Profit	3,730	-5,600	18,212	-34,410	20,054	15,823	28,440	30,810	-24,537	95,129
% Change (YoY)	-91.8	-111.8	95.0	-359.6	437.6	-382.5	56.2	-189.5		-487.7
Asset Quality										
Gross NPA (INR B)	1,377	1,598	1,633	1,779	1,881	1,871	1,856	1,856	1,779	1,856
Gross NPA (%)	7.4	8.5	8.7	9.1	10.0	9.7	9.4	9.0	9.1	9.0

Larsen & Toubro

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	LT IN
Equity Shares (m)	1,399.4
M.Cap.(INRb)/(USDb)	1,768.9 / 27.2
52-Week Range (INR)	1274 / 868
1, 6, 12 Rel. Per (%)	6/-/1/13
Avg Val, INRm	2722
Free float (%)	100.0

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	1,100	1,189	1,302
EBITDA	110.7	133.8	154.7
Adj PAT *	59.2	68.6	80.5
EPS (INR)*	42.3	49.0	57.5
EPS Gr. (%)	43.0	15.9	17.3
BV/Sh (INR)	358.8	391.7	431.4
RoE (%)	12.5	13.1	14.0
RoCE (%)	8.0	8.3	9.6
P/E (x)*	26.8	23.1	19.7
P/BV (x)	3.6	3.2	2.9

*Consolidated

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1,264 TP: INR1450 (+15%) Buy

FY18 order guidance cut (Flat to marginal growth versus +12-14% earlier)

LT's 2QFY18 revenue increased 6.4% YoY to INR265b, in line with our estimate of INR268b. Reported EBITDA rose 28% YoY to INR29.6b, 11% ahead of our estimate of INR26.8b. However, adjusting for one-offs (INR2.5b for prior period sales of Nabha Power, INR1.5b of forex gain offset by higher credit costs in L&T Finance), EBIDTA of INR27.1b was in line with our estimate. Reported EBIDTA margin stood at 11.2% (adjusted margin at 10.2%, +90bps YoY) v/s our estimate of 10%. Core E&C business margin improved 130bp YoY to 8.3%. NWC stood stable at 20% of sales.

GST transition impacts execution with E&C growth at 5.4% YoY; margin improvement a positive. E&C sales growth was driven by Heavy Engineering (+53% YoY) and Infrastructure (+4% YoY). E&C EBIDTA margin expanded 130bp YoY, led by a margin improvement of 40bp in the infrastructure segment to 7.5%, 380bp in the hydrocarbon segment to 11% (closure of legacy jobs) and 240bp in the Power segment to 5.4%. Margin improvement can be ascribed to a better product mix, cost-optimization measures, and multiple projects reaching the revenue recognition.

Cuts order inflow guidance from '+12-14%' to 'flat to marginal growth', given a) delays in the finalization of orders in domestic market, and b) as the company lost on a few large orders in Power and Defence. Q218 orders were at INR288b (-8% YoY). The company maintained its FY18 guidance of sales growth of 10-12% and margin improvement of 25bp YoY (1HFY18: +130bp YoY)

Cutting our order growth estimate to factor in weak 1H orders (-9% YoY, E&C down 19%). To factor in weak orders in 1HY18, we cut our FY18 order growth estimate to 3% (earlier: 12%), which implies 2HFY18 growth of 11% YoY. Order book at INR2.6t (+2% YoY); slow moving orders of INR65b were removed.

Valuation and view: We tweak our estimates to factor in lower order inflow in FY18E largely offset by higher margin assumptions in Nabha Power and Hydrocarbons. We roll over our target to Sep'19; maintain Buy with an SOTP-based TP of INR1,450 (E&C business at 24x Sep'19E EPS, in line with 5 year average).

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18E				(INR m)			
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY17	FY18E	2QE	% Var
Sales	217,265	248,562	262,870	366,187	238,109	264,468	286,500	399,838	1,100,110	1,189,068	268,000	-1.3%
Change (%)	8.4	7.5	1.4	11.4	9.6	6.4	9.0	9.2	8%	8%	7.2	
EBITDA	18,890	23,150	25,227	43,351	20,567	29,604	31,550	52,067	110,747	133,788	26,800	10.5%
Change (%)	15.1	8.6	18.7	-3.6	8.9	27.9	25.1	20.1	5.8	20.8	16.6	
Margin (%)	8.7	9.3	9.6	11.8	8.6	11.2	11.0	13.0	10%	11%	10.0	
Depreciation	4,648	4,602	7,223	7,227	5,513	4,306	4,700	5,396	23,699	19,915	4,800	
Interest	3,248	3,396	3,788	2,966	3,651	3,929	3,400	2,889	13,398	13,868	3,400	
Other Income	3,058	4,518	2,568	3,995	3,849	4,013	3,200	3,424	14,010	14,485	3,800	
Extraordinary Inc/(Exp)	0	4,024	0	-2,810	0	1,367	0	0	1,214	0	0	
Reported PBT	14,052	19,670	16,785	37,152	15,253	25,382	26,650	47,206	88,874	114,491	22,400	13.3%
Tax	5,488	6,807	4,399	3,372	4,597	5,439	9,000	17,600	23,782	36,637	6,800	
Effective Tax Rate (%)	39.1	34.6	26.2	9.1	30.1	21.4	33.8	37.3	22.9	32.0	30.4	
Reported PAT	6,096	14,346	9,725	30,246	8,925	18,199	15,200	27,647	60,412	68,604	13,350	36.3%
Change (%)	45.5	84.3	38.9	29.5	46.4	26.9	56.3	-8.6	3.8	3.8	-6.9	
Adjusted PAT	6,096	10,321	9,725	33,056	8,925	16,831	15,200	27,647	59,198	68,604	13,350	26.1%
Change (%)	45.5	40.9	38.9	44.6	46.4	63.1	56.3	-16.4	7.9	7.9	29.3	

E: MOSL Estimates



BSE SENSEX	S&P CNX
33,315	10,332
Bloomberg	BPCL IN
Equity Shares (m)	655.6
M.Cap.(INRb)/(USD\$b)	1,027 / 15.8
52-Week Range (INR)	550 / 390
1, 6, 12 Rel. Per (%)	2/-5/-5
Avg Val, INRm	1892
Free float (%)	45.1

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Sales	2395.2	2651.6	2734.9
EBITDA	134.5	162.7	171.5
Adj. PAT	84.7	102.5	109.3
EPS (INR)	43.1	52.1	55.6
EPS Gr. %	4.7	7.8	29.0
BV/Sh. INR	184.6	218.6	256.8
RoE (%)	25.2	25.8	23.4
RoCE (%)	13.4	14.2	13.7
P/E (x)	11.9	9.8	9.2
P/BV (x)	2.8	2.3	2.0

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR513 TP: INR643(+25%) Buy

EBITDA significantly below estimate; core GRM at USD6.5/bbl

- n BPCL's reported EBITDA of INR35.3b (+158% YoY, +188% QoQ) was significantly lower than our estimate of INR55.8b, led by lower GRM and inventory gains during the quarter. EBITDA adjusted for inventory gains stood at INR28.4b (+64% YoY, +45% QoQ), below our estimate of INR35.8b, led by lower core GRM (USD6.5/bbl, significantly below benchmark SG GRM of USD8.3/bbl and our est. of USD8.5/bbl; USD6.9/bbl in 1QFY18, USD3.8/bbl in 2QFY17). The company reported total inventory gain of INR6.84b for the quarter – inventory gain in the refining segment stood at ~INR5b (~USD1.47/bbl) and in the marketing segment at INR1.85b. PAT stood at INR23.6b (est. of INR39b; +81% YoY, +217% QoQ), benefiting from higher other income of INR8b (est. of INR5.8b; -23% YoY, +22% QoQ).
- n **Core GRM of USD6.5/bbl** was significantly lower than our estimate of USD8.5/bbl. Sub-optimal GRM can be attributed to the ongoing integration of IREP. Core GRM from the Mumbai refinery stood at USD6.87/bbl and from the Kochi refinery at USD6.09/bbl. We expect GRM to improve post stabilization of the Kochi refinery.
- n **Domestic sales volume grew 10% YoY** (-2% QoQ) to 9.8mmt in 2QFY18. Throughput in 2QFY18 grew by 10% YoY (+9% QoQ) to 7mmt, led by Kochi expansion.

Valuation view

- n BPCL is expected to benefit from the stabilization of the Kochi refinery; capacity utilization is likely to reach +90% in 4QFY18, expanding GRM by USD2/bbl. We value BPCL based on an SOTP-based fair value of INR643/share (Spe-18 TP), which includes INR468/share for its core business and INR175/share for investments. The stock trades at 9.8x FY19E EPS of INR52.1 and 3.0x FY19E BV. Maintain **Buy**.

Standalone - Quarterly Earning Model

Y/E March	(INR Million)											
	FY17				FY18				FY17	FY18E	2QFY18	Var. vs
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		Est.	Est.	
Net Sales	469,387	446,927	535,427	570,365	571,258	533,252	625,929	624,243	2,022,106	2,354,682	606,020	-12%
YoY Change (%)	-9.9	-3.4	15.1	31.0	21.7	19.3	16.9	9.4	7.3	16.4	35.6	
Total Expenditure	428,532	433,257	500,775	548,242	559,008	497,976	591,199	591,556	1,910,807	2,239,739	550,236	-9%
EBITDA	40,855	13,670	34,652	22,123	12,250	35,276	34,730	32,687	111,299	114,944	55,783	-37%
Margins (%)	8.7	3.1	6.5	3.9	2.1	6.6	5.5	5.2	5.5	4.9	9.2	
EBITDA adj. for inventory and one-offs	28,025	17,300	28,002	23,001	19,565	28,436	34,730	32,687	96,328	115,418	35,783	-21%
Depreciation	4,315	4,524	4,836	5,238	5,892	6,404	5,367	5,367	18,913	23,029	5,900	9%
Interest	1,111	1,024	1,349	1,475	1,789	2,348	2,400	2,400	4,959	8,937	2,400	-2%
Other Income	1,986	10,367	4,024	6,624	6,566	8,004	5,833	5,833	23,001	26,235	5,762	39%
PBT	37,415	18,489	33,978	22,033	11,136	34,528	32,796	30,753	110,428	109,212	53,245	-35%
Tax	11,210	5,437	9,771	3,616	3,690	10,952	8,691	8,149	30,035	31,482	14,110	-22%
Rate (%)	30.0	29.4	28.8	16.4	33.1	31.7	26.5	26.5	27.2	28.8	26.5	
Reported PAT	26,205	13,052	22,719	18,417	7,446	23,576	24,105	22,603	80,393	77,730	39,135	-40%
Adj PAT	26,205	13,052	23,147	18,417	7,446	23,576	24,105	22,603	80,393	77,730	39,135	-40%
YoY Change (%)	11.0	26.2	49.8	-13.0	-71.6	80.6	4.1	22.7	13.9	-3.3	199.8	
Margins (%)	5.6	2.9	4.3	3.2	1.3	4.4	3.9	3.6	4.0	3.3	6.5	
Key Assumptions												
Refining throughput (mmt)	6.2	6.4	6.8	6.0	6.4	7.0	7.2	7.2	25.4	27.9	6.2	13%
Reported GRM (USD/bbl)	6.1	3.1	5.9	6.0	4.9	8.0	7.0	6.5	5.3	7.3	8.5	-6%
Marketing sales volume exclud exports (mmt)	9.7	8.9	9.8	9.3	10.0	9.8	10.2	9.6	37.7	39.6	9.3	5%
Marketing GM per litre (INR/litre)	4.8	3.3	4.4	4.2	3.1	4.3	3.8	3.8	3.7	3.9	5.7	-25%

E: MOSL Estimates

Mahindra & Mahindra

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	MM IN
Equity Shares (m)	592.6
M.Cap.(INRb)/(USD b)	807.2 / 12.5
52-Week Range (INR)	1509 / 1142
1, 6, 12 Rel. Per (%)	-2/-2/-14
Avg Val, (INRm)	1501
Free float (%)	74.7

Financials & Valuations (INRb)

Y/E Mar	2018	2019E	2020E
Sales	478.9	540.1	599.1
EBITDA	59.8	66.6	75.3
NP (incl. MVML)	41.1	46.3	53.0
Adj. EPS (INR) *	68.7	77.4	88.6
EPS Gr. (%)	9.8	12.7	14.5
Cons. EPS (INR)	75.0	85.7	94.6
BV/Sh. (INR)	478.3	531.8	596.1
RoE (%)	14.5	14.6	14.9
RoCE (%)	13.4	13.6	14.0
Cons. P/E (x)	18.6	16.3	14.7

* incl. MVML

Estimate change 

TP change 

Rating change 

CMP: INR1,393 TP: INR1,607 (+15%) Buy

Above est.; Multi-year-high margins in both Autos and FES segments

- 2QFY18 volumes grew 16% YoY (+8% QoQ) to 218.4k units, driven by growth of 31% in Tractors volumes and 11% in UV volumes. Net realizations grew 3% YoY (flat QoQ) to INR550.2k (est. of INR559.6k). Net revenue grew 19% YoY (+8% QoQ) to INR120.2b (est. of INR122.2k).
- EBITDA margin expanded 190bp YoY (+290bp QoQ) to 16% (est. of 14.4%), led by an improvement in the product mix and price hikes. EBITDA grew 35% YoY to INR19b (est. of INR17.5b). PBIT margin expanded by 110bp YoY (+380bp QoQ) to 10.8% in Auto business and by 130bp YoY (+400bp QoQ) to 21.3% in FES. As a result, PAT grew 22% YoY (+84% QoQ) to INR14.1b (est. of INR13.6b).
- Takeaways from earnings call:** a) FY18 industry growth guidance: Tractor –12-14% (v/s 10-12% earlier), PVs – 10%+, and M&HCV flat. b) New launches on track – UVs would have three refreshes and one new MPV launch in 2HFY18; Tractors – at least one new platform, several variants and one driverless tractor in 2HFY18. c) Rural market volumes for Auto segment grew 24% in 2QFY18. d) Festive season demand grew 8% for UVs and 14% for Tractors. e) RM cost pressure in 2QFY18 – 1% for Autos (~1.5% price hike) and 2.5% for Tractors (~1.7% price hike). Confident of passing through anticipated cost pressure in 2H. e) EVs – M&M would participate in full range from 3Ws to buses. It has finalized long-term sourcing of li-ion cells, and would invest in plants for battery, motor, power electronics and transmission with international partners.
- Valuation view:** We raise cons. EPS by 8% for FY18E and by 5% for FY19E. The stock trades at 18.6x FY19E and 16.3x FY20E consol. EPS. Maintain **Buy** with an SOTP-based TP of INR1,607 (Sep-19 SOTP-based).

Qty Performance (incl MVML)

Y/E March	FY17				FY18				FY17	FY18E	FY18E 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Total Volumes (nos)	196,125	187,837	197,356	188,301	201,501	218,437	215,861	212,941	769,617	851,321	218,437	0.0
Growth YoY (%)	14.1	18.4	1.9	3.4	2.7	16.3	9.4	13.1	8.8	10.6	16.3	
Net Realization	536,631	535,827	536,432	563,572	550,573	550,176	547,483	555,531	544,367	549,259	559,618	-1.7
Growth YoY (%)	-2.3	-3.4	-0.7	0.9	2.6	2.7	2.1	-1.4	-0.9	0.9	3.3	
Net Op. Income	105,247	100,648	105,868	106,121	110,941	120,179	118,180	118,295	418,954	467,595	122,241	-1.7
Growth YoY (%)	11.4	14.3	1.2	4.3	5.4	19.4	11.6	11.5	7.7	11.6	20.2	
RM Cost (% of sales)	68.4	66.6	68.6	68.4	68.5	65.9	66.8	67.5	68.1	67.2	68.1	-220bp
Staff (% of sales)	6.8	7.4	7.2	6.4	7.0	6.6	6.9	7.0	6.9	6.9	6.7	-20bp
Oth. Exp. (% of Sales)	10.6	11.9	10.6	13.5	11.4	11.6	11.0	12.1	11.6	11.6	10.8	80bp
EBITDA	14,971	14,234	14,495	12,368	14,539	19,233	17,987	15,398	56,556	67,156	17,543	9.6
EBITDA Margins (%)	14.2	14.1	13.7	11.7	13.1	16.0	15.2	13.0	13.5	14.4	14.4	170bp
Other income	1,294	6,881	921	2,940	1,282	5,549	950	3,413	12,035	11,193	6,125	-9.4
Interest	515	550	591	673	499	440	500	529	2,285	1,969	525	-16.2
Depreciation	3,484	4,602	3,753	3,782	3,783	3,992	4,250	4,771	14,721	16,795	4,000	-0.2
EO Income/(Exp)	910	0	165	937	0	0	0	0	2,012	0	0	
PBT	13,176	15,963	11,236	11,790	11,538	20,350	14,187	13,511	53,597	59,586	19,143	6.3
Effective Tax Rate (%)	27.0	27.5	28.7	25.9	33.4	30.7	30.5	30.0	27.4	31.0	29.0	170bp
Adj PAT	8,949	11,567	7,893	8,043	7,683	14,109	9,860	9,454	37,429	41,105	13,591	3.8
Change (%)	7.8	18.9	-7.1	17.0	-14.2	22.0	24.9	17.5	12.1	9.8	8.5	

E: MOSL Estimates



Nestle India

BSE SENSEX	S&P CNX
33,315	10,332
Bloomberg	NEST IN
Equity Shares (m)	96.4
M.Cap.(INRb)/(USD\$b)	751 / 11.5
52-Week Range (INR)	8000 / 5750
1, 6, 12 Rel. Per (%)	2/4/0
Avg Val, INRm/ Vol m	304
Free float (%)	37.2

Financials & Valuations (INR b)

Y/E Dec	2016	2017E	2018E
Net Sales	90.8	98.3	110.0
EBITDA	19.7	20.6	23.3
PAT	11.9	12.4	14.4
EPS (INR)	123.7	128.4	149.0
Gr. (%)	3.2	3.8	16.0
BV/Sh (INR)	312.6	345.2	384.0
RoE (%)	40.9	39.0	40.9
RoCE (%)	42.7	40.6	42.1
P/E (x)	62.8	60.5	52.1
EV/EBITDA (x)	24.9	22.5	20.2

Estimate change

TP change

Rating change

CMP: INR7,770 TP: INR7,750(0%)

Neutral

Big beat on all fronts, margins surprise positively

- Reported 3QCY17 net sales grew 7.9% YoY (9.1% YoY comparable growth due to GST accounting) to INR25b. Management stated that sales growth was volume-led across all product groups. EBITDA grew 19.2% YoY (est. of -5%) to INR5.8b. Adj. PAT increased 17.8% YoY (est. of -7.5% YoY) to INR3.5b.
- EBITDA margin expanded 220bp YoY: Gross margin contraction was lower than expected (-100bp to 56.6% v/s est. of -150bp). Staff costs rose 20bp YoY. However, the impact of higher material and staff costs was offset by a sharp decline of 340bp YoY in other expenses. EBITDA margin thus expanded 220bp YoY to 23.1% v/s our estimate of a 100bp contraction. There was expansion of 100bp in the EBITDA margin and 70bp in the net margin due to GST accounting.
- 9M CY17 highlights: Net sales were up 7.7% YoY to INR 73.6b. EBITDA margin shrunk 130bp YoY to 20.8%. EBITDA rose 1.5% YoY to INR15.3b. PAT was up 2.4% YoY at INR9.3b.
- Valuation view: Changes to the model have resulted in an 11-12% increase in EPS forecasts. The company seems to be recovering to the path of earnings growth, but the pace will be gradual. NEST continues to be an underperformer relative to peers in most of its categories. Valuations are fair at 43.1x CY19E EPS. Valuing the company at 43x CY19, at a 20% discount to historical average, we get a target price of INR7,750. We maintain **Neutral** rating on the stock.

Quarterly performance

Y/E December	CY16				CY17				CY16	CY17E	Estimate	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	22,770	22,332	23,252	22,410	24,757	23,865	25,007	24,679	90,764	98,308	23,194	7.8%
YoY Change (%)					8.7	6.9	7.5	10.1	11.7	8.3	-0.2	
COGS	9,872	9,495	9,860	9,601	10,939	10,791	10,847	10,899	38,828	43,475	10,183	
Gross Profit	12,898	12,837	13,392	12,808	13,818	13,075	14,160	13,780	51,936	54,833	13,011	0.5%
Margin (%)	56.6	57.5	57.6	57.2	55.8	54.8	56.6	55.8	57.2	55.8	56.1	
Operating Exp	7,375	8,119	8,548	8,242	8,708	8,645	8,388	8,465	32,284	34,206	8,411	
EBITDA	5,523	4,718	4,844	4,566	5,110	4,430	5,773	5,315	19,652	20,627	4,600	25.5%
Margins (%)	24.3	21.1	20.8	20.4	20.6	18.6	23.1	21.5	21.7	21.0	19.8	
YoY Growth (%)			69.5	30.8	-7.5	-6.1	19.2	16.4	23.2	5.0	-5.0	
Depreciation	891	889	883	873	867	854	864	829	3,537	3,414	838	
Interest	259	220	220	210	228	229	229	245	909	930	220	
Other income	421	524	547	668	578	569	564	488	2,159	2,199	629	
PBT	4,793	4,132	4,289	4,150	4,593	3,915	5,244	4,729	17,365	18,481	4,171	25.7%
Tax	1,722	1,288	1,321	1,332	1,468	1,408	1,746	1,477	5,440	6,099	1,376	
Rate (%)	35.9	31.2	30.8	32.1	32.0	36.0	33.3	31.2	31.3	33.0	33.0	
Adjusted PAT	3,071	2,844	2,968	2,818	3,126	2,507	3,498	3,252	11,924	12,383	2,795	25.2%
YoY Change (%)		22.5	80.0	35.1	1.8	-11.8	17.8	15.4	22.2	3.8	-7.5	

Note: Quarterly numbers are adjusted for Ind-AS changes

E: MOSL Estimates

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	BOS IN
Equity Shares (m)	31
M.Cap.(INRb)/(USD\$b)	691.7 / 9.9
52-Week Range (INR)	25245 / 18005
1, 6, 12 Rel. Per (%)	-8/-23/-23
Avg Val, INRm	365
Free float (%)	29.5

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	114.4	129.9	148.3
EBITDA	20.7	27.0	32.3
PAT	14.0	18.4	22.2
EPS (INR)	457.8	603.0	727.9
Gr. (%)	-3.2	31.7	20.7
BV/Sh (INR)	3,154	3,512	3,943
RoE (%)	15.2	18.1	19.5
RoCE (%)	22.9	26.9	28.6
P/E (x)	44.7	34.0	28.1
P/BV (x)	6.5	5.8	5.2

Estimate change

TP change

Rating change



CMP: INR20,458 TP: INR19,965(-3%)

Neutral

Below est; Sharp miss on topline; Benefit of BS-4 on revenues not visible

- n **Benefit of higher BS-4 ASPs not yet visible:** Revenues grew 6.8% YoY to INR28.1b (est. INR34.2b), as against ~6.6% growth in addressable auto industry growth. Auto segment revenues grew ~8.8%, driven by very strong double digit growth in diesel business and strong double digit growth in gasoline business, but impacted by decline in aftermarket. Non-Auto segment grew by 6.7% YoY due to double digit growth in security tech and solar. Domestic growth came in at 6.5% while exports grew healthy by 40% YoY led growth mainly from diesel segment exports to European and Brazil.
- n **Product mix, higher trading content impacts EBITDA margin:** EBITDA margin decreased 50bp YoY (+140bp QoQ) to 18.1% (est 18.5%) mainly led by lower gross margins (-500bp YoY). RM cost was higher due to unfavorable mix, higher trading content (due to import of BS4 systems) and also lower aftermarket sales. Other expenses down 14% YoY (-4.5% QoQ) to INR4b (est INR5.8b) on one time provision and relocation cost in 2QFY17. Lower other income further impacted PAT decline by 16.5% YoY to INR3.5b (est INR4.4b).
- n **Earnings call highlights:** a) The management has maintained cautiously optimistic outlook for 2HFY18. b) Car multimedia business stopped in 2QFY18 impacting revenues. c) Aftermarket marginal negative growth due to GST. d) Material cost to remain at this level till localization improves. e) Decline in other income was led by lower MTM gains. f) EV business would be placed within listed entity, with initial focus on 2W & 3W segment and later explore other segments.
- n **Valuation and view:** We are downgrading EPS by 15%/14% for FY18/FY19E to factor in for BS-4 ASPs and its impact on margins. The stock trades at 34x/28x FY19/20E EPS. Maintain **Neutral** with a revised TP of ~INR19,965 (~30x Sep-19 EPS – at 10% premium to 10-year average, but ~15% discount to 5-year average).

Quarterly Performance (Standalone)

Y/E March (INR Million)	FY17				FY18E				FY17	FY18E	Est 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	25,418	26,333	26,720	25,746	26,484	28,119	31,262	28,549	104,351	114,413	34,211	-17.8
YoY Change (%)	10.5	10.6	7.7	2.8	4.2	6.8	17.0	10.9	7.6	9.6	31.0	
RM Cost (% of sales)	51.3	50.1	54.7	47.6	54.4	55.1	54.5	48.0	51.3	50.1	53.0	210bp
Staff Cost (% of sales)	12.8	13.2	14.5	11.0	12.9	12.2	11.3	12.6	12.8	13.2	11.5	70bp
Other Expenses (% of sales)	17.3	18.1	20.8	14.1	16.2	14.5	22.0	11.8	17.3	18.1	17.0	-250bp
EBITDA	4,734	4,911	2,667	7,037	4,390	5,080	3,830	7,402	19,604	20,702	6,329	-19.7
Margins (%)	18.6	18.6	10.0	27.3	16.6	18.1	12.3	25.9	18.8	18.1	18.5	-40bp
Depreciation	860	889	1,294	1,492	1,062	1,108	1,350	1,538	4,562	5,059	1,150	-4
Interest	13	10	17	232	5	0	12	133	272	150	10	-97
Other Income	1,566	1,890	1,634	1,310	1,295	1,290	1,350	1,489	6,174	5,425	1,350	-4
PBT after EO Expense	5,428	5,902	2,991	6,624	4,618	5,262	3,818	7,221	20,944	20,918	6,519	-19.3
Tax	1,679	1,673	843	2,219	1,592	1,728	1,260	2,365	7,244	6,945	2,135	-19.1
Tax Rate (%)	30.9	28.3	28.2	33.5	34.5	32.8	33.0	32.8	34.6	33.2	32.8	10bp
Reported PAT	3,749	4,229	2,148	4,405	3,026	3,533	2,558	4,856	13,700	13,973	4,384	-19.4
Adj PAT	3,749	4,229	2,148	4,405	3,026	3,533	2,558	4,856	13,700	13,973	4,384	-19.4
YoY Change (%)	-0.7	10.8	-23.5	-6.8	-19.3	-16.5	19.1	10.2	-9.4	2.0	0.9	

E: MOSL Estimates

Britannia Ind.

BSE SENSEX 33,315 S&P CNX 10,322

CMP: INR4,873 TP: INR5,165(+6%)

Buy

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

Conference Call Details



Date: 15th Nov 2017

Time: 03:00pm IST

Dial-in details:

+91-22-3960 0715

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	89.6	95.8	116.8
EBITDA	11.9	14.2	17.5
NP	8.8	10.2	12.6
EPS (INR)	73.7	85.3	104.6
EPS Gr. (%)	7.3	15.8	22.6
BV/Sh. (INR)	224.7	272.4	334.4
RoE (%)	36.9	34.3	34.5
RoCE (%)	31.1	29.3	29.7
P/E	66.1	57.1	46.6
EV/EBITDA	48.9	40.4	32.5

Mid-single digit volume growth, margins improve but below expectation

Consolidated performance

- BRIT reported 7.4% consolidated sales growth in 2QFY18. We expect base business volume growth to be 4-5% (press release states mid-single digit volume growth, est. 6% growth). Base quarter had 10% volume growth.
- Consol. gross margins expanded by 70bp YoY (est. flat) to 37.6%. Management mentioned that prices of key raw materials have been stable in 2QFY18.
- EBITDA margin increased by 130 bp YoY to 14.5% (est. 15.3%). There was a decrease in other expenses (down 110bp YoY). Margin gains on materials and other expenses were partly offset by staff costs increase of 50 bp YoY. Cons. EBITDA thus grew a healthy 17.8% (est. 20.8% growth) to INR3.7b. PAT growth, stood at 11.5% (est. 19.1% YoY growth) to INR 2.6b.

Subsidiary performance for 2QFY18

- Sales, EBITDA and PAT posted 1.8% growth, 136% growth and 142% growth, respectively. Subs. EBITDA Margins improved dramatically from 7.3% in 2QFY17 to 17.0% in 2QFY18, possibly because of the dairy business.

Balance Sheet highlights

- Net Working capital has deteriorated slightly YoY because of 40% YoY increase in debtors. There has been some improvement however over March 2017 levels
- There has been an INR 1b increase (43% YoY increase) YoY in Non-Current Assets (mainly because of other non-current assets).
- Other current assets increased by INR 2.4b (28% YoY increase) YoY due to increase in loans and 'other current assets'
- Net Cash increased by 9.3% YoY to INR 8.3b.
- We will review our estimates post the conference call. We currently have a Buy rating on the stock.

Quarterly Performance

Y/E March	(INR Million)											
	FY17				FY18				FY17	FY18E	FY18 Variance	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE (%)	
Base business volume growth (%)	10.0	10.0	2.0	2.0	2.0	5.0	10.0	10.0	6.0	7.1	6.0	
Net Sales	21,063	23,612	22,648	22,444	22,248	25,365	24,686	23,538	89,623	95,837	24,792	2.3
YoY Change (%)	8.5	11.0	5.6	5.2	5.6	7.4	9.0	4.9	7.4	6.9	5.0	
COGS	12,879	14,902	14,190	13,915	13,873	15,840	15,344	14,662	55,887	59,719	15,648	
Gross Profit	8,184	8,709	8,458	8,528	8,375	9,525	9,342	8,875	33,736	36,118	9,145	4.2
Margins (%)	38.9	36.9	37.3	38.0	37.6	37.6	37.8	37.7	37.6	37.7	36.9	
Other Operating Exp	5,367	5,578	5,504	5,448	5,479	5,836	5,629	4,962	21,872	21,906	5,361	
% of Sales	25.5	23.6	24.3	24.3	24.6	23.0	22.8	21.1	24.4	22.9	21.6	
Total Exp	18,246	20,481	19,694	19,363	19,352	21,676	20,973	19,624	77,759	81,626		
EBITDA	2,817	3,131	2,954	3,081	2,896	3,689	3,713	3,913	11,864	14,212	3,783	(2.5)
Margins (%)	13.4	13.3	13.0	13.7	13.0	14.5	15.0	16.6	13.2	14.8	15.3	
YoY Growth (%)	3.5	2.0	0.3	6.1	2.8	17.8	25.7	27.0	-5.1	19.8	20.8	
Depreciation	279	289	303	322	332	336	363	367	1,193	1,399	347	
Interest	15	15	11	13	13	14	11	17	55	55	15	
Other Income	739	670	561	335	741	596	673	746	2,424	2,756	804	
PBT	3,263	3,496	3,201	3,081	3,293	3,934	4,012	4,276	13,040	15,514	4,224	(6.9)
Tax	1,071	1,156	997	973	1,133	1,326	1,364	1,452	4,197	5,275	1,436	
Rate (%)	32.8	33.1	31.1	31.6	34.4	33.7	34.0	34.0	32.2	34.0	34.0	
Adjusted PAT	2,192	2,340	2,204	2,108	2,160	2,609	2,648	2,823	8,843	10,239	2,788	(6.4)
YoY Change (%)	13.2	5.8	4.6	5.9	-1.5	11.5	20.1	33.9	7.3	15.8	19.1	

Aurobindo Pharma

BSE SENSEX	S&P CNX
33,192	10,294
Bloomberg	ARBP IN
Equity Shares (m)	586
M.Cap.(INRb)/(USD\$b)	445 / 6.9
52-Week Range (INR)	809 / 504
1, 6, 12 Rel. Per (%)	4/17/-18
Avg Val, INRm	1,893.2
Free float (%)	48.1

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	150.9	166.9	185.7
EBITDA	34.3	39.7	44.6
PAT	23.0	26.1	29.5
EPS (INR)	39.3	44.6	50.3
Gr. (%)	13.5	13.5	12.8
BV/Sh (INR)	160.0	202.1	249.9
RoE (%)	27.6	24.6	22.3
RoCE (%)	19.0	19.6	18.7
P/E (x)	19.3	17.0	15.1
P/BV (x)	4.7	3.8	3.0

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR759

TP: INR900 (+19%)

Buy

Continues to surprise positively; sustenance of growth key

- Net sales grew 17.5% YoY to INR44.4b (9% beat). Gross margin expanded 330bp YoY and 90bp QoQ to 60.1%. EBITDA increased by ~20% YoY to INR11.2b (~1% beat); EBITDA margin expanded 60bp YoY and 2.3pp QoQ to 25.2%. PAT grew 32% YoY to INR781m (10% beat). The significant beat is attributed to lower tax rate at 20.2% against 27% in 2QFY17.
- US business shines; EU surprises positively:** US business sales grew 25% YoY and 24% QoQ to USD327m. The strong sequential growth is attributed to Renvela ramp-up (USD50m-55m), growth in injectables business (up USD11m QoQ on the back of launches and benefits from shortage of few drugs), ramp-up of other key launches including Nexium OTC, Strattera, Meropenem, Mucinex, and Ebzicom. We expect gRenvela tablet sales to decline, as it has become a 5-player market. The lower gRenvela tablet sales will be partially offset by ramp-up in injectables business (quarterly run rate in 2H will increase to ~USD60m from ~USD40m in 1H) on launches like Fondaparinux. Vancomycin and Etanercept are other key launches we expect by 4QFY18/early FY19. EU business grew ~37% YoY. Adjusted for Generis acquisition, EU business grew >20% YoY.
- Key conference call takeaways:** (1) Net debt to fall to USD475m by the end of FY18 from USD616m at the end of 1HFY18; (2) 10-11% YoY and ~5% QoQ price erosion in US; (3) R&D expenditure to be ~4.5% of sales in FY18; (4) DTG- received Global Funds contract of USD80m for two years (starting April 2018).
- Valuations attractive; one of our top picks in the sector:** We continue to believe that ARBP is well poised to outperform its peers in the current circumstances because of strong US pipeline, diversified product mix (top-25 products account for ~35% of sales), and no pending regulatory issues. ARBP remains one of our top picks in the sector. Our target price is now INR900 (17x 1HFY20E EPS), up from INR850 (17x FY19E EPS).

Quarterly performance (Consolidated)

Y/E March	FY17				FY18E				FY17	FY18E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			FY18E	FY18E
Net Sales	37,666	37,755	39,062	36,417	36,788	44,359	42,646	43,110	150,897	166,868	43,201	2.7%
YoY Change (%)	14.2	12.2	11.7	-2.8	-2.3	17.5	9.2	18.4	8.1	10.6	14.4	
EBITDA	8,890	9,293	8,948	7,713	8,417	11,173	10,022	10,138	34,341	39,715	11,016	1.4%
Margins (%)	23.6	24.6	22.9	21.2	22.9	25.2	23.5	23.5	22.8	23.8	25.5	
Depreciation	1,062	1,102	1,111	1,001	1,312	1,321	1,315	1,299	4,276	5,246	1,315	
Interest	206	175	143	143	169	173	175	162	667	679	175	
Other Income	159	83	79	218	221	103	150	276	538	750	150	
PBT before EO expense	7,780	8,098	7,774	6,787	7,157	9,782	8,682	8,954	29,936	34,540	9,676	
Extra-Ord expense	-70	-202	-158	310	77	4	0	0	-621	0	0	
PBT	7,851	8,300	7,932	6,477	7,080	9,778	8,682	8,954	30,557	34,540	9,676	
Tax	2,008	2,240	2,177	1,172	1,910	1,980	2,301	2,272	7,596	8,462	2,564	
Rate (%)	25.6	27.0	27.4	18.1	27.0	20.2	26.5	25.4	24.9	24.5	26.5	
Minority Interest	-8	3	-31	-19	-15	-13	0	0	-55	-55	0	
Reported PAT	5,850	6,057	5,785	5,325	5,186	7,812	6,381	6,682	23,015	26,133	7,112	9.8%
Adj PAT	5,790	5,913	5,640	5,560	5,226	7,802	6,381	6,682	22,552	26,133	7,112	9.7%
YoY Change (%)	21.0	21.8	7.4	-0.4	-9.7	32.0	13.1	20.2	13.6	13.5	20.3	
Margins (%)	15.4	15.7	14.4	15.3	14.2	17.6	15.0	15.5	14.9	15.7	16.5	

E: MOSL Estimates



Pidilite Industries

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	PIDI IN
Equity Shares (m)	512.7
M.Cap.(INRb)/(USDb)	390.2 / 6.0
52-Week Range (INR)	867/569
1, 6, 12 Rel. Per (%)	-2/-1/2
Avg Val, INRm	351
Free float (%)	30.4

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	56.2	59.9	71.5
EBITDA	12.6	13.1	15.5
PAT	8.6	8.8	10.7
EPS (INR)	16.7	17.2	20.8
Gr. (%)	6.7	2.9	20.7
BV/Sh (INR)	64.5	78.2	95.5
RoE (%)	28.2	24.1	23.9
RoCE (%)	26.8	23.1	23.1
P/E (x)	48.9	47.6	39.4
EV/EBITDA (x)	32.6	30.9	25.8

Estimate change



TP change



Rating change



CMP: INR819 TP: INR975 (+19%) Upgrade to Buy

Return to double-digit volume growth augurs well for future

- n **PIDI's 2QFY18 results were better than expectations.** Net sales grew 7.9% YoY to INR15.3b, with 12% volume growth in the Consumer Bazaar segment. EBITDA was up 17.0% YoY (est. of +11%) to INR3.8b, while adj. PAT grew 9.6% YoY (est. of 4.6%) to INR2.5b.
- n **Gross margin contracted 50bp YoY to 53%.** Staff costs increased 100bp YoY to 12%, while lower other expenses (-340bp YoY to 16.4%) led to EBITDA margin expansion of 190bp YoY to 24.6%. A sharp decline in advertising expenses led to lower other expenses.
- n **Consolidated segmental:** Reported Consumer Bazaar segment revenues were up 1.4% YoY to INR13.1b. Segmental EBIT margin improved sharply by 530bp YoY to 29.2%. Consumer Bazaar EBIT grew 24% to INR3.8b. Industrial segment sales declined 6.1% to INR2.3b, with the margin contracting 460bp to 14.4%.
- n **Concall highlights:** 1) Early days on shift to organized players, but dealers are increasingly purchasing from companies that are fully compliant. It also appears that companies that comply and have a large distribution network are gaining at the cost of others. 2) VAM costs have increased to USD1,000 now, after remaining flat at USD920 between June and September 2017.
- n **Valuation view:** There is no material change to our EPS forecasts. PIDI offers a high-quality discretionary play, with a strong competitive positioning, proven in-market excellence and an impeccable track record of generating long-term shareholder value over multiple periods. A revival of volume growth and a strong potential shift from unorganized players over the next 2-3 years outweigh near-term margin worries, in our view. We thus upgrade our rating to **Buy**, with a revised target price of INR975 (INR865 earlier, 40x Dec-2019E EPS, at a 10% premium to three-year average due to improving category growth prospects).

Consolidated - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E	FY18 2QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	15,694	14,177	13,344	12,954	15,203	15,299	15,212	14,177	56,168	59,890	14,531	5.3
YoY Change (%)	6.8	7.5	-0.3	4.9	-3.1	7.9	14.0	9.4	4.8	6.6	2.5	
Total Expenditure	11,754	10,963	10,477	10,375	11,994	11,538	11,868	11,404	43,570	46,804	10,964	
EBITDA	3,939	3,214	2,866	2,579	3,210	3,761	3,343	2,772	12,598	13,086	3,568	5.4
Margins (%)	25.1	22.7	21.5	19.9	21.1	24.6	22.0	19.6	22.4	21.9	24.6	
Depreciation	258	303	295	296	313	296	325	331	1,151	1,264	318	
Interest	35	26	30	48	37	39	37	36	139	149	26	
Other Income	241	324	272	286	432	337	272	262	1,123	1,303	275	
PBT	3,887	3,209	2,814	2,520	3,292	3,763	3,254	2,667	12,430	12,976	3,499	7.5
Tax	1,174	912	793	971	1,033	1,245	1,025	850	3,851	4,152	1,085	
Rate (%)	30.2	28.4	28.2	38.5	31.4	33.1	31.5	31.9	31.0	32.0	31.0	
Adj PAT	2,713	2,297	2,020	1,549	2,260	2,518	2,229	1,817	8,579	8,824	2,414	4.3
YoY Change (%)	16.3	11.9	1.5	-7.5	-16.7	9.6	10.3	17.3	6.7	2.9	4.6	
Margins (%)	17.3	16.2	15.1	12.0	14.9	16.5	14.7	12.8	15.3	14.7	16.6	

E: MOSL Estimates



BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	SUNTV IN
Equity Shares (m)	394
M.Cap.(INRb)/(USD\$b)	343.7 / 5.3
52-Week Range (INR)	950 / 435
1, 6, 12 Rel. Per (%)	0/0/0
Avg Val, INRm	1,309.5
Free float (%)	25.0

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	25.6	28.4	33.5
EBITDA	17.4	19.3	23.3
PAT	9.8	11.1	14.1
EPS (INR)	24.9	28.1	35.7
Gr. (%)	14.1	13.0	27.0
BV/Sh (INR)	102.1	110.5	121.9
RoE (%)	26.0	26.4	30.7
RoCE (%)	26.0	26.4	30.7
P/E (x)	35.1	31.0	24.5
P/BV (x)	8.5	7.9	7.2

Estimate change	
TP change	
Rating change	

CMP: INR872 TP: INR1,005(+15%) Upgrade to Buy

Improving growth outlook

- Revenue, EBITDA in-line:** Standalone revenue increased 8% YoY to INR6.8b (in-line), led by healthy domestic subscription revenue growth. EBITDA rose 6% YoY to INR5b (4% beat), with the margin contracting 120bp YoY to 73.4% (est. of 71.4%) due to a 25% YoY rise in production cost. Decline in other income by 24% YoY to INR0.4b (2% beat) further restricted PAT (+5% YoY to INR2.8b; in-line).
- Domestic subscription growth steady; ad growth recovers:** Domestic subscription revenue grew 14% YoY to INR2.8b (6% beat), driven by ~14% YoY rise in both domestic digital cable and DTH revenue. Despite flattish revenue growth in July 2017, a rebound with double-digit growth in Aug-Sept'17 led to a 4% YoY increase in ad & broadcasting revenue (2% beat). International subscription revenue was flat YoY at INR0.4b, while films and others business grew 10% YoY to INR0.5b.
- Expect 19% EPS CAGR over FY17-20 on improving ad/subscription growth:** With a higher focus on content, SUNTV has seen a healthy improvement in Malayalam/Kannada channel ratings over the last few months; it expects a sharp improvement in Telugu as well in a few weeks. Management indicated doubling of subscription revenue growth by FY20, helped by improving pace of digitization and ARPU growth by DTH/cable operators. Thus, we expect healthy revenue/PAT CAGR of 14%/19% over FY17-20, keeping estimates broadly intact.
- Upgrade to Buy with revised TP of INR1,005:** Despite offering 77% returns YTD, SUNTV is trading at attractive valuation of 24x/21x on FY19/20E – over 25% discount to ZEE. SUNTV garnered a healthy 26% RoCE in FY17 (likely to improve further); EPS too is expected to grow at a steady 19% over FY17-20. Subsequently, we upgrade SUNTV from Neutral to **Buy**. We have rolled over our valuation to Sept'19E, valuing it at 26x, on Sept'19E EPS of INR39, arriving at a TP of INR1,005. Our 26x P/E still maintains at ~25% discount to Zee TV, providing further upside room as SUNTV delivers healthy earnings growth.

Quarterly Performance (Standalone) (INR m)

Y/E March	FY17				FY18				FY17	FY18E	2QFY18E	Est Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	7,608	6,255	5,894	5,825	7,863	6,759	6,826	6,943	25,583	28,392	6,686	1
YoY Change (%)	10.4	10.2	2.8	3.1	3.4	8.1	15.8	19.2	6.8	11.0	6.9	
Total Expenditure	3,244	1,592	1,497	1,889	3,380	1,798	1,708	2,173	8,221	9,059	1,915	-6
EBITDA	4,364	4,663	4,397	3,936	4,484	4,961	5,118	4,770	17,361	19,333	4,770	4
Margins (%)	57.4	74.6	74.6	67.6	57.0	73.4	75.0	68.7	67.9	68.1	71.4	204
Depreciation	1,008	1,030	1,107	767	1,035	1,027	1,043	1,059	3,911	4,163	833	23
Interest	1	2	7	2	1	1	3	6	13	10	3	-82
Other Income	216	488	389	374	371	372	438	504	1,466	1,686	365	2
PBT	3,571	4,119	3,673	3,541	3,819	4,306	4,510	4,210	14,904	16,845	4,299	0
Tax	1,240	1,415	1,272	1,182	1,302	1,459	1,547	1,467	5,109	5,775	1,474	
Rate (%)	34.7	34.4	34.6	33.4	34.1	33.9	34.3	34.8	34.3	34.3	34.3	
MI & P/L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	2,331	2,704	2,401	2,359	2,516	2,847	2,964	2,743	9,794	11,070	2,825	1
Adj PAT	2,331	2,704	2,401	2,359	2,516	2,847	2,964	2,743	9,794	11,070	2,825	1
YoY Change (%)	19.0	21.7	11.0	5.4	8.0	5.3	23.4	16.3	14.2	13.0	4.5	



Oil India

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	OINL IN
Equity Shares (m)	801.5
M.Cap.(INRb)/(USDb)	290.7/4.4
52-Week Range (INR)	383/258
1, 6, 12 Rel. Per (%)	-1/3/-3
Avg Val, INRm	221
Free float (%)	33.9

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Sales	102.0	114.9	118.0
EBITDA	37.1	45.3	46.6
Adj. PAT	23.9	32.5	34.0
Adj. EPS (INR)	29.8	40.5	42.4
EPS Gr. (%)	54.4	35.8	4.7
BV/Sh.(INR)	378.8	400.3	422.8
RoE (%)	8.0	10.4	10.3
RoCE (%)	6.3	7.8	7.7
P/E (x)	12.2	9.0	8.6
P/BV (x)	1.0	0.9	0.9
EV/EBITDA (x)	8.4	6.6	6.0
Div. Yield (%)	3.3	4.4	4.7

Estimate change

TP change

Rating change

CMP: INR363

TP: INR418 (+15%)

Buy

EBITDA significantly above estimate led by lower opex

- OINL's revenue of INR24.7b (+6% YoY, +6% QoQ) was ahead of our estimate of INR23.1b, led by a higher sales-to-production ratio. Reported EBITDA of INR10.1b (+21% YoY, +16% QoQ) was significantly above our estimate of INR7.6b, led by lower other expenditure at USD4.7/boe v/s USD6.8/boe in 2QFY17 and USD5.4/boe in 1QFY18. PAT came in at INR6.5b (est. of INR5.4b; +11% YoY, +43% QoQ) – the difference at the PAT level declined due to lower other income of INR3.3b (est. of INR4.6b; -15% YoY, +115% QoQ).
- Realization at USD50.1/bbl:** In 2QFY18, gross realization stood at USD50.1/bbl (est. of USD50.3; +12% YoY, +3% QoQ), led by rising crude oil prices. Production of crude oil stood at 0.85mmt (+5% YoY, +1% QoQ) and of gas at 0.76bcm (+3% YoY, +6% QoQ). Total production grew 4% YoY (+3% QoQ) to 1.62mmtoe. Sales of oil stood at 0.84mmt (+4% YoY, +3% QoQ) and of gas at 0.64bcm (+3% YoY, +7% QoQ). Total sales grew 4% YoY (+4% QoQ) to 1.48mmtoe.
- Raising estimates:** We raise our earnings estimate by ~20% for FY19/20, led by an increase in Brent crude price assumption to USD60/bbl (v/s USD55/bbl earlier). We believe rising crude oil prices are positive for OINL, and may result in further re-rating of the stock, posing an upside risk to our call.
- Valuation and view:** We model Brent of USD60/bbl and INR/USD at 66/67 in FY19/20, we expect EPS of INR40.5/42.4. Our SOTP-based fair value stands at INR418 (incl. investment value of INR142). We value the company at 8x FY19-20E adj. EPS of INR38.8, and add investments of INR142 in IOCL, NRL and BCPL. The stock trades at 9x FY19E EPS of INR40.5. Dividend yield is attractive at ~5%. **Maintain Buy.**

Quarterly Performance

(INR Billion)

Y/E March	FY17				FY18				FY17	FY18E	FY18 2QE	Var vs est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	22.2	23.3	23.8	24.4	23.3	24.7	25.9	27.4	93.6	101.4	23.1	7%
Change (%)	-19.2	-2.8	7.1	28.3	5.0	6.1	9.2	12.5	1.1	8.3	3.0	
EBITDA	8.6	8.4	6.6	5.9	8.7	10.1	8.9	8.7	29.6	36.5	7.6	33%
% of Net Sales	38.8	35.9	28.0	24.4	37.5	40.9	34.2	31.9	31.6	36.0	32.8	
Change (%)	-20.4	8.6	7.1	0.2	1.3	21.0	33.6	46.7	-3.6	23.3	1.5	
D,D&A	2.3	2.5	2.8	3.3	2.9	3.2	3.5	4.0	10.9	13.6	3.2	1%
Interest	1.0	1.0	1.0	1.0	1.0	1.1	1.0	0.9	4.0	3.9	1.0	11%
OI (incl. Oper. other inc)	2.4	3.9	3.2	8.7	1.5	3.3	5.6	5.6	18.3	16.0	4.6	-28%
PBT before exceptionals	7.7	8.8	6.1	10.4	6.4	9.1	10.0	9.5	33.0	35.0	8.0	14%
Exceptional item	0.0	0.0	0.0	11.5	0.0	0.0	0.0	0.0	11.5	0.0	0.0	
PBT after exceptionals	7.7	8.8	6.1	-1.1	6.4	9.1	10.0	9.5	21.5	35.0	8.0	14%
Tax	2.8	2.9	1.5	-1.3	1.9	2.7	3.3	3.1	6.0	11.0	2.7	1%
Rate (%)	36.2	33.7	25.1	-12.5	29.4	29.3	33.0	33.0	18.1	31.4	33.0	
PAT	4.9	5.8	4.5	0.2	4.5	6.5	6.7	6.4	15.5	24.0	5.4	20%
Change (%)	-36.2	-14.0	18.8	-95.9	-8.9	11.3	47.2	3,202.5	-32.8	55.2	-7.2	
Adj. EPS (INR)	6.2	7.2	5.7	14.6	5.6	8.1	8.4	8.0	33.7	30.0	6.7	20%



Bank of India

BSE SENSEX	S&P CNX
33,315	10,332
Bloomberg	BOI IN
Equity Shares (m)	1,055
M.Cap.(INRb)/(USDb)	211.0 / 3.2
52-Week Range (INR)	209 / 103
1, 6, 12 Rel. Per (%)	36/-1/37
Avg Val, INRm	742
Free float (%)	24.9

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	118.7	129.3	143.1
OP	87.3	90.7	99.8
NP	3.8	10.9	21.0
EPS (INR)	3.2	9.2	17.7
EPS Gr. (%)	NM	189.1	92.5
ROE (%)	1.5	4.3	7.9
ROA (%)	0.1	0.2	0.3
BV/Sh. (INR)	212	217	230
P/E(X)	61.7	21.3	11.1
P/BV (X)	0.92	0.90	0.85

CMP: INR196 TP: INR201(+3%)

Neutral

Asset quality pressures subside; margin performance drives PAT beat

- n BOI reported PAT of INR1.8b (higher than estimate), as NII picked up (+15% QoQ, 13% beat), and other income grew 6% sequentially, backed by treasury gains. Provisions were in line with estimate.
- n **Key highlights for the quarter:** a) Global NIM expanded 15bp QoQ to 2.15%, as 1Q was impacted by high NPA related interest income reversals. b) Stronger-than-expected trading gains of INR7.4b (33% of PPop) led to a 24% beat in other income. c) Loan growth remained muted at 0%/0% QoQ/YoY; however, retail loans grew 16.9% YoY.
- n Slippages declined sharply to INR21.4b (2.4% slippage ratio annualized) from INR40.4b in 1Q, while recoveries and up-gradations were muted at INR10.7b (v/ INR27.4b in the previous quarter), despite 1Q being the seasonally strongest quarter for recoveries. However, high write-offs of INR27.9b led to sequentially lower absolute GNPLs/NNPLs. OSRL book was almost flat at INR118.2b (stood at 2.9% of loans).
- n **Other highlights:** a) During the quarter, the bank raised INR15b from the Govt via preferential allotment, b) CASA deposits grew 21% YoY, led by robust growth in SA deposits (+23% YoY); reported CASA ratio declined marginally by 10bp QoQ to 39.0%.
- n **Valuation view:** Continued elevated net stress addition has kept asset quality under pressure. We expect high credit cost on account of ageing of the NPL portfolio. CET1 of 7.2% is also at the lower end of the peer range. We increase our FY18/19 PAT estimates to factor in better-than-expected NIM. Return ratios are expected to be sub-optimal, with RoA and RoE of 0.1-0.3% and 1.5-4.3% over FY18-20E, respectively. Maintain **Neutral**.

Quarterly Performance

	FY17				FY18E				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18E
Interest Income	94,259	94,585	98,248	1,05,817	94,957	98,941	99,303	1,00,317	3,92,909	3,93,517
Interest Expense	66,508	67,387	69,621	71,131	69,626	69,859	67,200	68,176	2,74,647	2,74,861
Net Interest Income	27,752	27,197	28,626	34,686	25,330	29,082	32,103	32,140	1,18,261	1,18,656
% Change (Y-o-Y)	-4.7	-9.9	5.7	8.8	-8.7	6.9	12.1	-7.3	0.9	0.3
Other Income	12,384	20,106	17,693	17,540	16,110	17,064	12,954	13,084	67,723	59,211
Net Income	40,136	47,304	46,319	52,226	41,440	46,146	45,058	45,224	1,85,984	1,77,868
Operating Expenses	23,597	22,375	21,734	20,951	17,646	23,816	24,924	24,188	88,658	90,573
Operating Profit	16,539	24,928	24,584	31,275	23,794	22,331	20,134	21,036	97,326	87,295
% Change (Y-o-Y)	-3.0	70.9	74.5	113.6	43.9	-10.4	-18.1	-32.7	61.3	-10.3
Other Provisions	27,702	22,962	23,026	47,362	22,453	19,533	19,500	20,056	1,21,052	81,542
Profit before Tax	-11,163	1,966	1,559	-16,087	1,342	2,798	634	980	-23,726	5,753
Tax Provisions	-3,750	698	542	-5,632	464	1,007	219	295	-8,142	1,985
Net Profit	-7,414	1,268	1,017	-10,455	877	1,791	415	685	-15,584	3,768
% Change (Y-o-Y)	NM	NM	NM	NM	NM	41.2	-59.2	NM	NM	NM
Operating Parameters										
NIM (Cal, %)	2.0	2.0	2.0	2.5	1.8	2.0	2.2	2.2	2.1	2.1
Deposit Growth (%)	-2.0	-3.8	2.6	5.3	9.2	7.6	1.2	5.0	5.3	5.0
Loan Growth (%)	-5.2	-4.8	-5.4	2.0	0.0	0.3	3.7	7.5	2.0	7.5
CD Ratio (%)	77.8	76.8	71.3	72.9	71.9	71.9	0.0	0.0	72.9	71.9
Asset Quality										
Gross NPA (INR b)	518.7	522.6	517.8	520.4	510.2	493.1	361.2	356.3	520.4	356.3
Gross NPA (%)	13.4	13.5	13.4	13.2	13.1	12.6	9.2	8.6	13.2	8.6

E: MOSL Estimates



Alkem Laboratories

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	ALKEM IN
Equity Shares (m)	120
M.Cap.(INRb)/(USDb)	231.5 / 3.6
52-Week Range (INR)	2238 / 1535
1, 6, 12 Rel. Per (%)	0/-8/-3
Avg Val, INRm	87
Free float (%)	33.0

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	58.5	63.7	74.6
EBITDA	10.0	10.9	13.5
PAT	8.9	8.2	10.8
EPS (INR)	74.6	68.8	90.7
Gr. (%)	6.0	-7.7	31.8
BV/Sh (INR)	373.7	427.1	497.4
RoE (%)	21.9	17.2	19.6
RoCE (%)	20.1	16.0	21.8
P/E (x)	26.0	28.1	21.3
P/BV (x)	5.2	4.5	3.9

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR1,937 TP: INR1,950(+1%)

Neutral

Strong numbers; operating leverage impact visible

- Revenue increased ~14% YoY to INR18.6b (8% beat; adjusted for GST, revenue growth stands at ~20%). EBITDA rose 48% YoY to INR4.6b (48% beat), with the margin at ~24.7% (+570bp YoY and 1740bp QoQ), as other expense declined ~500bp YoY (as % of sales). R&D expense stood at INR901m (4.8% of sales). PAT increased ~13% YoY to INR3.2b (29% beat).
- Strong domestic business growth; expect better growth in 2H:** Alkem's domestic business grew robustly by 15% YoY to INR14.1b, led by channel refilling post GST. The company is expanding its presence in the domestic business via new product launches and expanding into new therapies. Alkem maintained its guidance for mid-teens growth in FY18; with channel refilling post GST, it is confident to achieve this target. Inventory levels are at ~30 days post GST, up from 17 days in 1QFY18; the company expects this to improve, going forward.
- Key launches to drive US business:** US sales came in at USD47.5m. We expect ramp-up in the US business in the coming quarters, led by the expected launch of 8-10 products in FY18. Also, 2H is expected to improve on the back of seasonally strong quarter for Benzonatate and the launch of Nexium/Prasugrel.
- Key concall takeaways:** a) Price erosion is in single-digit for Alkem. b) Company is entering OTC business and expects to break-even in 2-3 years. c) Expects higher than market growth rate going ahead. d) Planning to file 12-15 ANDAs in FY18. e) Expects in-licensing opportunities in (i) acute segment in anti-infectives therapy and (ii) chronic in the diabetic segment.
- Maintain Neutral:** 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, at current valuations, the stock provides limited room for upside. Our target price of INR1,950 for Alkem is based on 20x 1HFY20E PER (v/s INR1,830 @ 20x FY19E PER).

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18E				FY17	FY18E		Var %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		2QE		
Net Revenues	14,808	16,383	14,819	12,514	12,952	18,649	16,462	16,046	58,525	63,681	17,265	8.0
YoY Change (%)	22.6	18.6	16.3	9.0	-12.5	13.8	11.1	28.2	15.9	8.8	5.4	
EBITDA	2,711	3,105	2,681	1,493	944	4,605	2,914	2,856	9,989	10,889	3,108	48.2
Margins (%)	18.3	19.0	18.1	11.9	7.3	24.7	17.7	17.8	17.1	17.1	18.0	
Depreciation	230	255	264	264	306	346	290	194	1,012	1,136	285	
Net Other Income	181	219	137	132	169	62	270	345	669	846	180	
PBT before EO Exp	2,663	3,069	2,554	1,361	807	4,321	2,894	3,007	9,646	10,599	3,003	43.9
EO Exp/(Inc)									0	0		
PBT	2,663	3,069	2,554	1,361	807	4,321	2,894	3,007	9,646	10,599	3,003	
Tax	230	187	192	-9	169	1,046	492	95	600	1,802	510	
Rate (%)	8.6	6.1	7.5	-0.7	20.9	24.2	17.0	3.2	6.2	17.0	17.0	
PAT (pre Minority Interest)	2,433	2,882	2,363	1,370	638	3,274	2,402	2,912	9,047	8,797	2,492	
Minority Interest	45	53	29	0	-78	68	0	0	126	143	0	
Reported PAT	2,388	2,828	2,334	1,370	716	3,207	2,402	2,912	8,920	8,655	2,492	28.7
YoY Change (%)									0	0		
Adj Net Profit	2,388	2,828	2,334	1,370	716	3,207	2,402	2,912	8,920	8,655	2,492	28.7
YoY Change (%)	18.7	5.9	24.7	-27.0	-70.0	13.4	2.9	112.6	20.4	-3.0	-11.9	



BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	VOLT IN
Equity Shares (m)	331
M.Cap.(INRb)/(USDb)	89.3 / 1.4
52-Week Range (INR)	591/287
1, 6, 12 Rel. Per (%)	4/21/42
Avg Val, INRm	696.0
Free float (%)	69.7

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	60.3	67.9	76.2
EBITDA	5.8	6.7	7.5
PAT	5.1	5.8	6.5
EPS (INR)	15.5	17.5	19.6
Gr. (%)	30.1	13.4	12.0
BV/Sh (INR)	100.0	112.9	127.4
RoE (%)	18.0	16.5	16.3
RoCE (%)	16.5	16.1	16.0
P/E (x)	37.4	32.9	29.4
P/BV (x)	5.8	5.1	4.5

Estimate change

TP change

Rating change

CMP: INR570 TP: INR550(-2%)

Upgrade to Neutral

Results exceeds expectation on strong UCP segment performance

- Results above expectations: Sales of INR10.4b (+7% YoY) were in line with our estimate of INR10.8b. EBITDA stood at INR857m (+25% YoY), with the margin of 8.3% (+120bp YoY) exceeding our estimate of 7%, led by higher sales contribution from UCP segment (40% in 2QFY18 v/s 36% in the year-ago period). PAT rose 22% YoY to INR954b (est. of INR714m).
- UCP sales rise 15% YoY to INR4.1b; margin at 12.4% (+90bp YoY). Room aircon growth of 15% was ahead of industry growth (flat YoY), driven by market share gain (23% in 2QFY18 v/s 22.2% in 1QFY18). Room aircon sales were driven by channel restocking, but secondary sales weakened on pre-buy in June and extended rainfall in the quarter. Margin improved 90bp YoY on a) operating leverage and b) lower cost inventory of RM being utilized during the quarter – thus no impact of commodity price rise.
- EMP segment revenue rose 3% YoY; margin at 5.4%. GST impacted domestic execution, as contracts were renegotiated; impact to remain in Q3 as well. Margin expanded 5,330bp YoY led by a focus on profitable orders.
- Upgrade to Neutral; revise TP to INR550. We raise estimates for FY18/19 by 4%/2% to factor in the beat in 2QFY18. We upgrade the stock to **Neutral**, with an SOTP-based target price of INR550 (roll to Mar'20). Despite intense competitive pressures in the room AC segment, VOLT has been able to take market share without sacrificing margins. We would watch out for the company's a) pricing/positioning on inverters with the ratings changes from Jan'18 – a successful transition by VOLT would make us turn positive on the stock, and b) launch of washing machines and refrigerators in 2HFY19. Moreover, the projects business has also stabilized with a) margins recovering to 5-6% and b) a revival in the domestic business.

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18				FY17		FY18		Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	2QE	2QE	2QE		
Sales	18,500	9,672	11,805	20,351	19,446	10,367	13,648	24,224	60,328	67,921	10,798	-4%	
Change (%)	18.7	-7.0	-6.7	9.7	5.1	7.2	15.6	19.0	5.5	12.6	11.6		
EBITDA	1,995	687	890	2,219	2,123	857	960	2,537	5,791	6,712	761	13%	
Change (%)	52.0	6.4	58.0	22.7	6.4	24.8	7.9	14.3	33.8	15.9	10.7		
As of % Sales	10.8	7.1	7.5	10.9	10.9	8.3	7.0	10.5	9.6	9.9	7.0		
Depreciation	66	63	60	56	61	61	65	63	245	250	65		
Interest	48	33	22	58	35	22	20	33	160	110	35		
Other Income	357	658	597	386	550	512	450	373	1,998	1,885	500		
Extra-ordinary Items	-9	0	0	-2	-20	0	0	0	11	0	-		
PBT	2,248	1,249	1,405	2,493	2,596	1,287	1,325	2,814	7,395	8,237		11%	
Tax	651	421	437	496	727	343	398	922	2,089	2,389	406		
Effective Tax Rate (%)	28.9	33.7	31.1	19.9	28.0	26.6	30.0	32.8	28.2	29.0	35.0		
Reported PAT	1,597	782	815	2,005	1,879	954	908	1,843	5,114	5,798	714	33%	
Change (%)	55.7	20.9	42.2	22.1	17.7	22.0	11.3	-8.1	38.8	13.4	2.5		
Adj PAT	1,587	782	815	2,003	1,859	954	908	1,843	5,103	5,798	714	33%	
Change (%)	54.8	20.9	47.9	45.7	17.1	22.0	11.3	-8.0	42.6	13.6	2.5		



BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	NACL IN
Equity Shares (m)	1,933
M.Cap.(INRb)/(USD\$b)	168.2 / 2.6
52-Week Range (INR)	98 / 48
1, 6, 12 Rel. Per (%)	4/21/43
Avg Val, INRm	286.2
Free float (%)	34.6

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	75.4	91.5	93.2
EBITDA	10.8	14.9	18.4
PAT	7.2	9.0	11.1
EPS (INR)	3.7	4.7	5.8
Gr. (%)	37.9	25.5	23.3
BV/Sh (INR)	52.8	55.3	59.0
RoE (%)	7.2	8.6	10.1
RoCE (%)	7.9	11.3	13.4
P/E (x)	23.4	18.6	15.1
P/BV (x)	1.6	1.6	1.5

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR87 TP: INR87(0%) Neutral

Inline; Aluminum ramping-up as expected

Maintain Neutral

NALCO's 2QFY18 EBITDA, as expected, increased by healthy 47% QoQ/95% YoY to INR3.3b driven by higher realization and volumes. Though there was an impressive beat on alumina volumes, it was offset by lower than expected realization and cost inflation. Exceptional income of INR1.6b included DMF reversal of INR1.9b, net of entry tax provision of INR0.3b. Adj. PAT increased 73% QoQ / 84% YoY to INR2.2b, ahead of est. of INR1.6b on higher other income and lower tax rate (at ~27% vs. est. 33%).

- Alumina production was down just 3% QoQ to 509kt (est. 444), despite being a seasonally weak quarter. Sales increased 47% QoQ to 380kt, aided by de-stocking. Realization increased 6% QoQ to USD334/t. Derived opt. cost (incl. dep.) per ton increased marginally QoQ, as operating leverage gains were offset by higher input prices.
- Aluminum production increased 5% QoQ (13% YoY) to 105kt (est. 109kt). Sales increased 28% QoQ to 113kt, aided by de-stocking. All-in aluminum realization was flat QoQ at USD2,250/t as premium was lower due to mix. Derived opt. cost (incl. dep.) per ton increased USD40/t QoQ due to increase in power and other raw material cost. The increase in power cost was due to domestic coal shortage and should normalize soon.

Cost pressure eroding captive cost advantage; Neutral

NALCO's smelter ramp-up is tracking expectations. We expect aluminum volumes to grow at ~6% CAGR to 460kt (full utilization) over FY17-20E. The outlook on aluminum and alumina prices is also improving on supply measures in China. NALCO's integrated operating structure (captive alumina and linkage coal) is an advantage. But operating costs are also rising on increase in wages and electricity duty on captive generation. PAT est. are upgraded by ~4% for FY18 for the 2Q beat. We value it at 6.5x FY19E EV/EBITDA at TP of INR87/sh. Maintain Neutral.

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18				FY17	FY18E	FY18	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	15,490	18,461	19,881	25,497	18,027	24,548	24,647	24,231	79,329	91,453	20,983	17
Change (YoY %)	3.9	1.7	21.6	36.0	16.4	33.0	24.0	-5.0	16.4	15.3	14	
Total Expenditure	13,544	16,738	17,029	21,222	15,752	21,193	19,894	19,707	68,533	76,546	17,767	19
EBITDA	1,946	1,723	2,852	4,275	2,275	3,355	4,753	4,525	10,796	14,908	3,216	4
Change (YoY %)	-13.0	-49.2	109.2	79.1	16.9	94.7	66.7	5.8	15.1	38.1	87	
As % of Net Sales	12.6	9.3	14.3	16.8	12.6	13.7	19.3	18.7	13.6	16.3	15.3	
Interest	5	6	6	10	4	4	0	0	17		0	
Depreciation	1,188	1,353	1,177	1,086	1,170	1,123	1,157	1,152	4,804	4,602	1,196	-6
Other Income	1,336	1,369	759	620	859	810	647	704	4,083	3,019	590	37
PBT (before EO Item)	2,089	1,733	2,428	3,798	1,960	3,037	4,243	4,076	10,058	13,324	2,609	16
Extra-ordinary Income	0	0	-371	-30	0	162	0	0			0	
PBT (after EO Item)	2,089	1,733	2,057	3,768	1,960	3,199	4,243	4,076	10,058	13,324	2,609	23
Total Tax	739	521	618	1,084	670	853	1,385	1,330	2,962	4,238	852	0
% Tax	35.4	30.1	30.0	28.8	34.2	26.7	32.6	32.6	29.4	31.8	33	
Reported PAT	1,350	1,212	1,439	2,684	1,289	2,346	2,858	2,746	7,097	9,086	1,758	33
Adjusted PAT	1,350	1,212	1,699	2,705	1,289	2,227	2,858	2,746	7,097	9,086	1,758	27



Endurance Technologies

BSE SENSEX	S&P CNX
33,251	10,309
Bloomberg	ENDU IN
Equity Shares (m)	141
M.Cap.(INRb)/(USD\$b)	162.1 / 2.5
52-Week Range (INR)	1,211 / 518
1, 6, 12 Rel. Per (%)	-1/30/59
Avg Val, INR m	99
Free float (%)	17.5

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	55.9	63.7	72.7
EBITDA	7.6	8.9	10.7
PAT	3.3	3.9	5.2
EPS (INR)	23.5	27.6	36.7
Gr. (%)	9.9	17.5	33.0
BV/Sh (INR)	122.9	146.5	175.3
RoE (%)	20.8	20.5	22.8
RoCE (%)	15.6	17.2	20.2
P/E (x)	49.1	41.8	31.4
P/BV (x)	9.4	7.9	6.6

Estimate change

TP change

Rating change

CMP: INR1,152 TP: INR1,334(+16%)

Buy

Operating performance in-line; higher tax restricts PAT growth

- Revenue growth in-line:** Consolidated net sales grew 11.9% YoY to INR16.2b (in-line), led by EU. EBITDA margin expanded 30bp YoY (40bp QoQ) to 14.1% (our estimate: 13.9%). However, higher tax rate restricted PAT growth – up 11.6% YoY to ~INR997m (our estimate: ~INR1.08b).
- India business: Ramp-up with HMSI, RE and Yamaha drives growth:** S/A revenue grew 10.4% YoY (v/s 12.5% growth in 2W production), led by strong growth with HMSI, HMLC, Royal Enfield and Yamaha. However, moderation in aftermarket sales due to GST restricted growth. EBITDA margin expanded 20bp YoY to 12.8% (our estimate: 13.1%), led by lower other expenses even as RM cost inflation led to gross margin contraction of ~80bp YoY. Higher tax restricted PAT growth – up 10.2% YoY to INR731m (our estimate: INR848m).
- EU business: Better mix drives margins:** EU revenue grew 15.9% in INR terms to INR4.4b (our estimate: INR4.2b), supported by tooling sales. Margins improved 20bp YoY (130bp QoQ) to 17.7% (our estimate: 16%), driven by better mix. PAT was INR266m against our estimate of INR234m.
- Key highlights from earnings call:** (a) Management has guided 8-10% revenue growth over the next 2-3 years. (b) ENDU is setting up an initial capacity of 0.5m per annum for ABS products under its tie-up with BWI Group for which it intends to send sample for testing by October 2018 and commence supplies from 1QFY20. (c) Received **direct export order from KTM** for mono shock absorbers, inverted front forks for 20k-25k bikes for which supply has already commenced. (d) It has won an order for EUR45m from Volkswagen for a casting product that is to be used across all VW brands. (e) It would start supplying clutch and CVT to HMCL in 1HFY19.
- Valuation and view:** We cut our EPS estimates by ~7% for FY18/FY19 to factor in higher tax rate. We upgrade our PE multiple to 27.5x March 2020E due to higher visibility on growth drivers beyond FY20. Maintain **Buy**, with a TP of IN1,334.

Consolidated - Quarterly

Y/E March	(INR Million)											
	FY17				FY18				FY17	FY18E	Var	
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE	(%)	
Net Sales	14,402	14,482	13,203	13,803	15,503	16,204	15,680	16,292	55,880	63,679	16,250	-0.3
YoY Change (%)	13.3	7.5	2.4	4.8	7.6	11.9	18.8	18.0	6.8	14.0	12.2	
RM Cost (% of sales)	58.4	57.8	57.8	57.4	59.0	59.3	58.9	59.3	57.7	59.1	59.9	-60bp
Staff Cost (% of sales)	9.8	8.9	10.5	9.9	9.5	8.6	9.6	9.7	9.8	9.3	9.0	-40bp
Other Expenses (% of sales)	18.9	19.4	18.3	18.9	17.6	18.0	17.8	16.9	19.0	17.6	17.3	70bp
Total Expenditure	12,537	12,474	11,434	11,905	13,367	13,912	13,533	13,993	48,325	54,805	13,993	
EBITDA	1,865	2,008	1,769	1,898	2,136	2,292	2,147	2,298	7,555	8,874	2,256	1.6
Margins (%)	13.0	13.9	13.4	13.8	13.8	14.1	13.7	14.1	13.5	13.9	13.9	30bp
Depreciation	684	699	741	781	742	768	785	841	2,905	3,137	760	
Interest	104	81	88	49	57	69	52	53	322	231	57	
Other Income	89	54	73	119	60	62	90	113	319	325	95	
PBT	1,166	1,281	1,014	1,186	1,397	1,517	1,400	1,517	4,646	5,831	1,534	-1.1
Eff. Tax Rate (%)	24.5	30.3	26.7	29.6	30.9	34.3	34.2	34.3	28.9	33.4	29.5	480bp
Adj. PAT	880	893	743	835	965	997	922	997	3,303	3,881	1,082	-7.9
YoY Change (%)	15.2	14.8	13.6	3.3	9.7	11.6	24.0	19.3	9.9	17.5	21.2	



Amara Raja Batteries

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	AMRJ IN
Equity Shares (m)	171
M.Cap.(INRb)/(USD\$b)	128.3/1.9
52-Week Range (INR)	1034/665
1, 6, 12 Rel. Per (%)	4/-29/-47
Avg Val, INRm	369.0
Free float (%)	47.9

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	59.9	71.1	83.4
EBITDA	9.1	11.0	13.1
PAT	4.8	5.8	7.2
EPS (INR)	28.3	34.2	41.9
Gr. (%)	0.9	20.8	22.7
BV/Sh (INR)	175	203	237
RoE (%)	17.3	18.1	19.1
RoCE (%)	16.5	17.2	18.1
P/E (x)	26.6	22.0	17.9
P/BV (x)	4.3	3.7	3.2

Estimate change

TP change

Rating change

CMP: INR751 TP: INR856 (+14%) Buy

Above est.; Favorable mix, price hikes, manufacturing efficiencies drive margins

- Revenue below est. led by decline in telecom segment:** Net sales grew 7.1% YoY (-4.7% QoQ) to INR14.3b (est. of INR15.4b), driven by growth in auto, inverters and solar, while industrial segment revenue declined. Auto performance was driven by double-digit growth in 2W/4Ws. However, a sharp decline in Telecom led to lower industrial segment revenue.
- EBITDA margin at 16.7% led by favorable mix, price hikes and efficiencies:** EBITDA margin expanded 380bp YoY (-50bp QoQ) to 16.7% (est. of 13%), led by a favorable product mix (higher share of autos, inverter, e-rickshaw, etc.), optimal utilization and price hikes in replacement market. Lower other income and higher tax restricted PAT (-6.7% YoY to INR1.3b v/s est. of INR1.1b).
- Takeaways from management interactions:** a) Undertaken price hike in automotive and industrial replacement segments; took 6-7 price hikes in last 12 months, adequately covering cost inflation. b) Intense competition in telecom led to a loss in market share to ~50% (v/s 65% earlier) and a contraction on margin. c) Lead cost for 2QFY18 was USD2,170 per ton (v/s USD2,270 in 1QFY18, USD1,750 in 2QFY17, spot rates of USD2,400-2,500). d) Capex of INR5b in FY18. AMRJ is adding 2W battery capacity of 4m (to 15m by Mar-18) and 4W battery capacity of 2.5m by FY19 (to 13m). e) ~80% of e-rickshaw battery replacement market is unorganized, with total e-rickshaw population of 0.8m-1m units. f) Lithium Ion technology is a priority area; it is evaluation option for technology, including Johnson Control. g) Expects lead acid battery industry CAGR of 8-10% over 2-3 years (steady state), with AMRJ growing at 13-15% CAGR. Industry EBITDA margin to sustain at 14-16%, with AMRJ enjoying margins closer to the upper end.
- Valuation view:** We upgrade EPS estimates by 11%/4% for FY18/FY19, as we factor in lower RM cost. We increase our depreciation and tax rate assumptions. The stock trades at 26.6x/22x FY18E/19E EPS. Maintain **Buy** with a TP of INR856 (23x Sep-19 EPS).

Quarterly Performance

Y/E March (INR m)	FY17				FY18				FY17	FY18E	FY18	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	13,081	13,331	13,280	13,445	14,975	14,275	15,405	15,239	53,172	59,893	15,474	-7.7
YoY Change (%)	15.0	15.8	9.5	17.4	14.5	7.1	16.0	13.3	15.1	12.6	15.0	
RM Cost (% of sales)	65.7	63.9	65.0	68.0	70.0	66.0	66.8	66.8	65.6	67.4	70.0	-400bp
Staff Cost (% of sales)	5.0	5.2	5.4	5.2	5.4	5.2	5.2	5.2	4.7	4.2	5.2	0bp
Other Exp (% of sales)	11.9	13.7	14.1	13.0	11.7	12.1	12.4	12.2	13.9	11.6	11.8	30bp
EBITDA	2,273	2,297	2,051	1,844	1,929	2,381	2,420	2,401	8,499	9,130	2,006	18.7
Margins (%)	17.4	17.2	15.4	13.7	12.9	16.7	15.7	15.8	16.0	15.2	13.0	370bp
Depreciation	441	457	480	499	544	584	600	664	1,912	2,392	550	6.1
Interest	14	15	14	15	14	13	12	13	58	51	14	-10.7
Other Income	90	120	133	151	137	122	150	166	492	575	175	-30.1
PBT	1,908	1,945	1,689	1,480	1,508	1,907	1,958	1,890	7,022	7,262	1,617	17.9
Rate (%)	31.5	29.9	33.5	33.0	33.7	33.3	33.5	33.5	31.9	33.5	31.5	
Adj PAT	1,307	1,363	1,123	992	999	1,272	1,302	1,256	4,785	4,829	1,108	14.8
YoY Change (%)	8.0	10.4	-17.9	-9.1	-23.6	-6.7	15.9	26.7	-2.7	0.9	-18.7	



BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	SRF IN
Equity Shares (m)	57
M.Cap.(INRb)/(USD\$b)	99.4 / 1.5
52-Week Range (INR)	1,860 / 1,352
1, 6, 12 Rel. Per (%)	-4/-12/-22
Avg Val, INRm	344.2
Free float (%)	47.6

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	48.2	52.4	61.4
EBITDA	9.7	9.2	12.0
PAT	4.9	4.4	6.1
EPS (INR)	85.9	76.7	104.9
Gr. (%)	12.8	-10.7	36.7
BV/Sh (INR)	544.6	601.4	683.1
RoE (%)	16.6	13.2	16.3
RoCE (%)	17.7	15.5	21.7
P/E (x)	20.2	22.6	16.5
P/BV (x)	3.2	2.9	2.5

Estimate change



TP change



Rating change



CMP: INR1,732 TP: INR1,992(+15%)

Buy

New refrigerants, healing agrochem to stabilize growth

- Results below estimates: SRF's revenue grew 5.8% YoY to INR12.86b (est. of INR14.03b) in 2QFY18. Chemicals segment grew by 3.8% YoY, packaging rose by 17.5% YoY, while Technical textile declined 1% YoY. EBITDA margin contracted 330bp YoY to 16.4% (est. of 18.1%) in 2QFY18 due to higher-than-expected raw material cost (54.9% of net sales v/s est. of 48.5%). EBITDA declined 12% YoY to INR2,110m (est. of INR2,541m), as the gross margin contracted 800bp YoY to 45.1%. Consequently, adj. PAT declined 16.3% YoY to INR1,028m (est. of INR1,147m). PBIT margin came in at 11.9% for Technical textile v/s 12.7% in 2QFY17; 13.1% for Chemical v/s 17.5% in 2QFY17; and 12.1% for Packaging v/s 15.1% in 2QFY17. The margin in technical textile business was impacted on account of volatile caprolactam prices. In the packaging business, the margin took a hit on account of higher supply of BOPET and BOPP in the overseas market.
- Expansion of refrigerants portfolio to bolster growth: SRF is set to establish an integrated facility to produce HFCs and AHF at a capex of INR3,560m, which includes the acquisition cost of HFC125 assets and technical know-how from a global HFC player, gaining the unique advantage of manufacturing all three major HFCs: HFC134a, 32 and 125. Capacity expansion would double its existing capacities, strengthening the company's position in the high-growth refrigerants market.
- Valuation and view: SRF has recently been troubled by a slowdown in the global agrochem industry, leading to inventory build-up. With a demand revival expected only by 4QFY18, we marginally cut our FY18 earnings estimates by 4%. We expect revenue CAGR of 13% and adj. PAT CAGR of 11% over FY17-19E. We value the stock at 19x FY19E EPS and maintain Buy with a target price of INR1,992.

Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	(INR Million)		Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		FY18E	FY18 2QE	
Net Sales	12,994	12,154	12,055	14,164	13,884	12,864	13,261	15,864	48,218	52,398	14,037	-8
YoY Change (%)	6	5	10.0	27.3	6.9	5.8	10.0	12.0	5.0	8.7	15.5	
Total Expenditure	10,032	9,756	9,742	12,007	11,793	10,754	10,900	13,199	38,524	43,176	11,497	
EBITDA	2,962	2,397	2,313	2,157	2,091	2,110	2,360	2,665	9,694	9,222	2,541	-17
Margins (%)	22.8	19.7	19.2	15.2	15.1	16.4	17.8	16.8	20.1	17.6	18.1	
Depreciation	696	700	709	730	758	768	782	733	2,834	3,065	814	
Interest	281	240	269	228	271	305	231	237	1,018	1,033	217	
Other Income	62	70	64	259	203	152	66	80	455	500	68	
PBT before EO expense	2,047	1,526	1,400	1,459	1,266	1,189	1,413	1,775	6,296	5,624	1,578	-25
Extra-Ord expense	0	0	45	-185	0	0	0	0	-276	0	0	
PBT	2,047	1,526	1,355	1,644	1,266	1,189	1,413	1,775	6,572	5,624	1,578	-25
Tax	501	298	271	352	228	162	383	422	1,422	1,220	431	
Rate (%)	24.5	19.5	20.0	21.4	18.0	13.6	27.1	23.8	21.6	21.7	27.3	
Reported PAT	1,546	1,228	1,084	1,292	1,038	1,028	1,030	1,353	5,150	4,404	1,147	-10
Adj PAT	1,546	1,228	1,120	1,147	1,038	1,028	1,030	1,353	4,934	4,404	1,147	-10
YoY Change (%)	37.5	12.0	10.1	7.0	-32.8	-16.3	-8.0	18.0	14.4	-10.7	1.0	
Margins (%)	11.9	10.1	9.3	8.1	7.5	8.0	7.8	8.5	10.2	8.4	8.2	

E: MOSL Estimates



Birla Corporation

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	BCORP IN
Equity Shares (m)	77
M.Cap.(INRb)/(USD\$b)	93.6/ 1.4
52-Week Range (INR)	807 / 391
1, 6, 12 Rel. Per (%)	-3/-2/73
Avg Val, INRm	67
Free float (%)	37.1

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	61.4	68.7	73.8
EBITDA	9.6	11.7	13.0
PAT	2.5	4.4	4.7
EPS (INR)	32.2	56.7	61.6
Gr. (%)	12.8	76.1	8.6
BV/Sh (INR)	450	495	545
RoE (%)	7.3	12.0	11.8
RoCE (%)	7.4	9.0	8.8
P/E (x)	37.8	21.5	19.7
P/BV (x)	2.7	2.5	2.2

Estimate change

TP change

Rating change

CMP: INR1216

TP: INR1435(+18%)

Buy

EBITDA performance in line; increase in interest cost dents profits

- Volumes impacted due to sand mining:** Bcorp's consolidated volumes increased 10% YoY to 2.65mt (vs est of 2.85mt) on like to like basis led by ramp up of Reliance volumes. However volumes declined 19% QoQ due to sand mining ban in U.P (35% of volumes) and in Bihar. Realization/t at INR 4662/t (+5%QoQ vs est of flat QoQ) due to change in commercial terms. Revenues declined 15% QoQ due to lower volumes. Margins declined 2.2pp QoQ due to cost push in form of higher P&F cost. Hence EBITDA at INR 1.76b(- 26% QoQ). Interest cost increased 12% QoQ due to increase in debt levels by ~INR3bn in 1HFY18. Hence PAT at INR15mn was below estimate of INR216mn.
- Margins impacted due to cost push:** Standalone margins declined 1.2pp QoQ due to 14% QoQ increase in power and fuel cost led by impact of increase in petcoke prices. Freight cost/t increased 6% QoQ due to change in commercial terms. Reported PAT at INR44mn (vs est of 138mn) due to higher interest cost on account of increase in debt levels.
- Reliance cement reports EBITDA/t of INR1071 for 2QFY18:** Acquired subsidiary Reliance cement has posted EBITDA of INR1071/t (vs est of INR1100/t) for 2QFY18 vs INR1200/t in 1QFY18. The subsidiary has operated at 67% utilization for 2QFY18 (vs 81% in 1QFY18) due to ongoing sand mining ban in focus markets of U.P.
- Valuation view:** BCORP's consol. operations with capacity of 15.5mt are among the largest in the Satna cluster, with ~22% market share. Blended EBITDA/t profile for consol. operations improved substantially due to significantly higher profitability of Reliance Cement. However, the key risk would be lower profitability from its Chanderia operations on a sustained basis. The stock trades at 10.8x/9.8x FY19/20E EV/EBITDA and EV/tonne of USD120 on FY20E capacity. We increase our valuation multiple given the strong performance reported by the acquired subsidiary and value BCORP at INR1435 at 11.5x FY20E EV/EBITDA. Maintain **Buy**.

Quarterly Performance (Consolidated)

Y/E March	(INR Million)											
	FY17				FY18				FY17	FY18E	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	
Cement Sales (m ton)	2.17	2.08	1.75	2.15	3.28	2.65	2.99	3.70	10.04	12.62	2.85	-7
YoY Change (%)	10.8	6.1	-11.0	-2.5	51.3	27.5	71.0		24.2	25.6	61.9	
Cement Realization	4,484	3,755	4,404	4,514	4,449	4,662	4,762	5,333	4,623	4,873	4,451	5
YoY Change (%)	21.9	-10.9	3.0	10.7	-0.8	24.2	8.1		8.8	5.4	0.3	
QoQ Change (%)	10.0		17.3	2.5		4.8	2.1	12.0			0.0	
Net Sales	8,936	9,445	7,390	14,374	14,588	12,355	14,425	20,044	43,477	61,412	12,686	-3
YoY Change (%)	16.6	18.8	-6.1	63.1	63.3	30.8	95.2	39.4	33.0	41.3	64.9	
EBITDA	1,303	1,294	580	2,349	2,404	1,768	2,340	3,123	6,229	9,635	1,721	3
Margins (%)	14.6	13.7	7.8	16.3	16.5	14.3	16.2	15.6	14.3	15.7	13.6	
Depreciation	379	569	364	797	832	831	831	765	2,555	3,259	830	
Interest	225	527	507	902	937	1,053	1,050	1,062	2,768	4,102	910	
Other Income	501	450	174	416	161	119	120	159	1,465	558	250	
Profit before Tax	1,200	648	-117	1,065	796	3	579	1,454	2,371	2,831	231	-99
Tax	257	-6	-138	-15	239	-12	93	158	108	353	15	
Rate (%)	21.4	-0.9	117.9	-1.4	30.0	-421.4	16.1	10.8	4.6	12.5	6.4	
Adj. PAT	943	654	21	1,080	557	15	485	1,296	2,263	2,478	216	-93
EO Income/(Expense)	0	0	0	68	125	0	0	0	0	0	0	
Reported PAT	943	654	21	1,011	470	15	485	1,296	2,263	2,478	216	-93
YoY Change (%)	278.1	181.9	-87.7	-2.1	-50.2	-97.8	2,222.9	28.2	13.8	9.5	-63.1	

E: MOSL Estimates , YoY Numbers not comparable

JK Cements

BSE SENSEX 29,926
S&P CNX 9,314

CMP: INR1037 TP: INR1196(+15%) Buy

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

Conference Call Details



Date: 14th November 2017
Time: 04:00pm IST
Dial-in details:
+91-22-3938 1073

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	46.3	52.2	57.0
EBITDA	8.8	10.3	11.8
NP	3.6	4.8	5.9
EPS (INR)	51.7	68.4	85.1
EPS Gr. (%)	53.5	32.1	24.5
BV/Sh. (INR)	298.9	361.2	439.2
RoE (%)	18.8	20.7	21.3
RoCE (%)	11.4	12.7	13.6
P/E (x)	20.0	15.2	12.2
P/BV (x)	3.5	2.9	2.4

Stellar quarter led by white cement division

- White Cement (incl. wall putty) volumes at 0.30mt, +8.5% (est 0.27 mt) led by ramp up of wall putty expansion as also restocking impact of GST.
- Grey Cement volumes at 1.93mt,+17%YoY (est 1.8mt) due to clinker exports of ~0.08mt and strong growth in North volumes led by market share gains.
- Revenue at INR11.077b, +20%YoY (est INR9.9b) led by higher grey cement volumes. Realizations were higher than estimated due to higher realisations in both grey cement and White cement.
- Grey cement realizations stood at INR 3943/ton (+8% YoY, -1% QoQ) due to better pricing in North markets. South realisations declined by 6% QoQ.
- EBITDA at INR2.07b, +32%YoY (est INR1.59b) | margins 18.7% (+1.65pp YoY, -0.3pp QoQ).
- Grey cement EBITDA/t at INR 547 (+37%YoY) led by higher realization partially offset by higher cost. Freight cost/t increased 10% QoQ due to change in classification of freight cost related to clinker transportation for grinding units. Other expenses declined 23% QoQ which further boosted margins.
- White cement realizations increased 1% QoQ, however white cement cost/t declined by 7% QoQ resulting in white cement EBITDA of INR1.01bn (+9% YoY; +47% QoQ). EBITDA increased 47%QoQ led by positive operating leverage.
- Reported PAT at INR931mn (+ 128% YoY vs est. INR 560mn) led by higher EBITDA. Adjusted PAT at INR896mn (+119%YoY) as reported PAT was higher by INR46mn due to DMF reversal of INR123.5mn in 2QFY18 and losses of INR77.6mn pertaining towards earlier years was accounted for in 2QFY18.
- Standalone net debt has reduced by INR1.76bn in 1HFY18.

Key questions for the management

- Volume guidance for FY18 and Pricing trend in its focus markets
- Impact of increase in input cost in profitability in coming quarters.

Valuation and view: We will revisit our estimates post earnings call. The stock trades at 7.9x FY20 EV/EBITDA which we believe is attractive given higher proportion of white cement profits as also strong earnings growth in grey cement.

Quarterly Performance (Standalone)

Y/E March	FY17				FY18				FY17	FY18E	FY18 Var (%)	2QE
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Sales Dispatches (m ton)	1.89	1.92	1.93	2.15	2.12	2.22	2.06	2.17	7.88	8.58	2.1	7
YoY Change (%)	4.1	5.1	-4.5	-1.2	12.7	15.8	6.6	0.9	0.6	8.8	7.7	
Realization (INR/ton)	4,747	4,800	4,601	4,787	4,902	4,981	5,131	5,044	4,697	5,024	4,762	5
YoY Change (%)	5.9	1.4	3.0	10.2	3.3	3.8	11.5	5.4	4.6	7.0	0.4	
QoQ Change (%)	9.3	1.1	-4.1	4.0	2.4	1.6	3.0	-1.7			-2.9	
Net Sales	8,951	9,221	8,878	10,297	10,415	11,077	10,647	10,953	37,036	43,091	9,990	11
YoY Change (%)	10.2	6.6	-1.6	8.9	16.4	20.1	19.9	6.4	5.2	16.4	9.7	
EBITDA	1,749	1,573	1,482	1,922	1,977	2,072	2,219	2,134	6,414	8,402	1,597	30
Margins (%)	19.5	17.1	16.7	18.7	19.0	18.7	20.8	19.5	17.3	19.5	16.0	
Depreciation	425	437	447	452	450	492	440	366	1,761	1,748	440	12
Interest	675	691	662	628	680	633	600	537	2,656	2,451	650	-3
Other Income	191	78	441	418	186	220	220	206	1,441	832	220	0
PBT before EO expense	840	522	815	1,260	1,033	1,167	1,399	1,437	3,437	5,035	727	60
Extra-Ord expense	111	0	-7	89	0	-46	0	0	193	0	0	
PBT	729	522	822	1,171	1,033	1,213	1,399	1,437	3,244	5,035	727	67
Tax	121	112	158	258	240	281	322	336	649	1,158	167	
Rate (%)	16.5	21.6	19.2	22.0	23.2	23.2	23.0	23.4	20.0	23.0	23.0	
Reported PAT	609	409	664	913	793	931	1,077	1,102	2,596	3,877	560	66
Adj PAT	702	409	659	983	793	896	1,077	1,102	2,750	3,877	560	60
YoY Change (%)	6,536.2	181.4	272.7	40.3	13.1	119.1	63.5	12.1	166.2	41.0	36.9	



CG Power and Industrial

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	CGPOWER IN
Equity Shares (m)	626.8
M.Cap.(INRb)/(USD\$b)	150.4/2.3
52-Week Range (INR)	97 / 56
1, 6, 12 Rel. Per (%)	0/-19/-19
Avg Val, INRm	282
Free float (%)	65.6

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	61.2	64.4	69.1
EBITDA	4.7	4.3	5.1
Adj PAT	-4.2	-3.9	2.2
EPS(INR)	2.9	-6.2	3.5
EPS Gr. (%)	-18.6	-313.6	-156.6
BV/Sh. (INR)	65.6	59.9	63.1
RoE (%)	4.2	5.3	7.0
RoCE (%)	6.8	7.2	7.5
P/E (x)	28.5	-13.3	23.5
P/BV (x)	1.3	1.4	1.3

Estimate change



TP change



Rating change



CMP: INR83

TP: INR90 (+7%)

Neutral

Marginally below-estimate op. performance

- Standalone performance marginally below expectation:** Sales rose 11% YoY to INR12.1b (est. of INR12.9b), driven by growth of 18% in Industrial segment and 6.7% YoY in Power segment. EBIDTA fell 8.8% YoY to INR0.8b (est. of INR0.81), with the margin of 6.4% in line with our estimate of 6.2%. Adj. PAT of INR0.6b was ahead of our estimate of INR0.3b due to lower tax (INR-2m v/s estimate of INR79m) and higher other income (INR615m v/s est. of INR294m).
- Consol. operational performance robust, higher provisioning impacts PAT:** Consol. revenue (incl. Indonesian subsidiary) grew strongly by 18% YoY to INR15.6b in 2QFY18, driven by a recovery of lost sales in Indonesia (USD20m) due to Ramadan in 1QFY18. Power Systems sales rose 29% YoY, while Industrial sales grew at a muted 3% YoY. EBIDTA grew 50% YoY to INR1.3b, with the margin expanding 180bp YoY to 8.5%. In 2QFY18, CG booked provisioning of INR4.3b (INR0.9b operational loss from Hungary sub, INR0.3b loss on Jalgaon distribution franchise and INR2.7b loss on account of write-down of goodwill). Adj. loss was INR0.1b v/s profit of INR0.2b in 2QFY17.
- Sale of power business in Hungary reaches final stages:** Sale of power business (EUR38m) in Hungary has now reached the final stages, and management expects the deal to conclude latest by March 2018.
- Valuation view: Neutral; revise TP to INR90:** We raise estimates for FY19 by 40% to factor in potential sale of power business in Hungary, leading to lower losses from overseas T&D businesses (INR0.5b in FY19E v/s INR6b in FY18E). We would revisit our numbers once we get more clarity on sale/closure of overseas T&D businesses. We maintain **Neutral** with a TP of INR90 (20x FY20E EPS, in line with five-year average multiple).

Quarterly performance (Standalone)

	INR Million											
	FY17				FY18				FY17	FY18	FY18	vs Est
	1Q	2Q	3Q	4Q	1QE	2Q	3QE	4QE				
Sales	11,286	10,848	11,601	12,845	12,607	12,085	12,680	14,246	47,614	51,618	12,915	-6%
Change (%)	46.6	-5.7	10.2	6.6	11.7	11.4	9.3	10.9	12.7	8.4	8.7	
EBITDA	623	846	766	814	653	771	683	1,115	3,120	2,387	805	-4%
Change (%)	-608.1	-9.1	39.1	3.8	4.8	-8.8	-10.9	37.0	-67	-67	-7.3	
As of % Sales (Adj)	5.5	7.8	6.6	6.3	5.2	6.4	5.4	7.8	6.6	4.6	6.2	
Depreciation	238	227	235	217	229	265	252	262	917	1,009	252	
Interest	252	357	471	558	525	541	350	280	1,638	1,697	450	
Other Income	359	710	585	350	428	615	250	106	2,004	1,575	294	
Exceptional items (reported)	-14	-46	-34	-579	125	-189	0	0	-998	0	0	
PBT	493	971	645	388	327	579	331	679	2,568	1,256	397	46%
Tax	108	89	-112	-101	142	-2	73	139	-7	352	79	
Effec. Tax Rate (%)	21.9	9.2	-17.4	-26.0	43.4	-0.3	22.0	20.5	-0.3	28.0	20.0	
Reported PAT	371	836	723	-90	310	392	258	540	1,245	904	317	
Adj PAT	385	881	757	489	185	581	258	540	2,575	904	317	83%
Change (%)	236.7	27.9	0.4	-52.6	-51.9	-34.1	-65.9	10.3	-3.8	-64.9	-64.3	

Allcargo Logistics

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	AGLL IN
Equity Shares (m)	245.7
M.Cap.(INRb)/(USDb)	41 / 0.6
52-Week Range (INR)	199/150
1, 6, 12 Rel. Per (%)	-5/-20/-31
Avg Val, INRm	89
Free float (%)	30.0

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	65.0	73.9	83.7
EBITDA	4.5	5.2	5.9
PAT	2.7	3.3	3.8
EPS (INR)	10.9	13.3	15.3
Gr. (%)	10.7	22.0	15.5
BV/Sh (INR)	81.1	90.7	101.6
RoE (%)	14.1	15.4	15.9
RoCE (%)	12.3	13.4	13.9
P/E (x)	15.4	12.6	10.9
P/BV (x)	2.1	1.8	1.6

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR167 TP: INR215 (+29%) Buy

Strong performance from MTO; Higher provision impacts P&E segment

- EBITDA miss due to higher provisioning in P&E segment:** 2QFY18 revenue increased 10% YoY to INR15.47b (est. of INR16b), led by 15% YoY growth in MTO revenues. EBITDA declined 17% YoY (+2% QoQ) to INR1.05b, driven by EBIT loss in the P&E segment due to higher provisioning for doubtful debt. PAT decline was restricted to 2% YoY at INR638m due to a lower tax rate of 1% (v/s 22% in 2QFY17) on account of MAT credit.
- MTO shows consistent improvement:** MTO volumes grew 12% YoY to 142,945 TEUs in 2QFY18, led by growth in global trade. EBIT margin remained stable at 4.1%, as the shipping freight rates have stabilized globally. Realization increased 2% YoY to INR97,093/TEU. Hence, revenue increased 15% YoY to INR13.9b.
- CFS profitability stable:** CFS volumes stood at 65,362 TEUs (-6% YoY), primarily due to a decline in JNPT and Chennai volumes. EBIT margin contracted ~5.3pp YoY due to lower dwell time, impact of direct port delivery (DPD) in JNPT, and higher lease rentals.
- P&E provisioning remains elevated:** P&E revenue declined 29% YoY due to lower asset utilization (wind power market impacted) and sale of unproductive assets. P&E reported EBIT loss of INR40m due to higher provision for doubtful debt in 2QFY18.
- Valuation view:** MTO segment is likely to do well in the medium term, led by firming of global container freight rates. Although the CFS segment is facing headwinds in terms of DPD, the Kolkata CFS should provide growth for the segment. P&E segment should see stabilization of profits. Valuations of 12.6x/10.9x FY19/FY20E earnings appear attractive, given AGLL's strong fundamentals, improving return ratios, and earnings CAGR of 16% over FY17-20E. We value AGLL at 14x FY20E P/E and arrive at a target price of INR215, implying 29% upside. We believe an additional value of 25-30% of present market capitalization could get created in the medium term from contract logistics, land monetization and entry into last mile delivery, which we are not factoring in our present target price. Maintain **Buy**.

Consolidated - Quarterly Earning Model

Y/E March	(INR Million)											
	FY17				FY18				FY17	FY18E	FY18	2QE Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	13,989	14,084	14,052	13,628	14,834	15,472	16,844	17,836	55,753	64,987	16,042	-3.5
YoY Change (%)	-5.2	-3.1	6.0	-1.6	6.0	9.9	19.9	30.9	-0.9	16.6	13.9	
EBITDA	1,332	1,261	993	1,056	1,030	1,047	1,149	1,231	4,641	4,457	1,091	-4.0
Margins (%)	9.5	9.0	7.1	7.7	6.9	6.8	6.8	6.9	8.3	6.9	6.8	
Depreciation	436	434	407	386	399	398	400	427	1,662	1,624	400	-0.5
Interest	75	75	78	96	83	71	90	98	324	342	80	-11.5
Other Income	59	80	246	149	159	51	100	140	534	450	100	-49.3
PBT before EO expense	880	832	754	724	707	629	759	846	3,189	2,941	711	-11.5
Extra-Ord expense	0	10	63	0	0	0	0	0	73	0	0	
PBT	880	822	691	724	707	629	759	846	3,117	2,941	711	-11.5
Tax	256	178	211	131	76	6	76	136	776	294	85	-92.6
Rate (%)	29.1	21.7	30.6	18.1	10.8	1.0	10.0	16.0	24.9	10.0	12.0	-91.7
Reported PAT	624	643	480	593	630	623	684	710	2,340	2,647	626	-0.5
Min. Interest & P& L of Asso. Cos.	-14	1	12	-20	-19	15	-5	-86	-22	-95	-5	
Adj PAT	610	652	535	572	611	638	684	710	2,414	2,553	626	1.9
YoY Change (%)	-24.6	5.4	-7.7	-10.6	0.2	-2.1	27.7	24.1	-3.7	5.7	-3.9	

E: MOSL Estimates

Ashoka Buildcon

BSE SENSEX 33,315
S&P CNX 10,322

CMP: INR218

TP: INR260

Buy

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

Conference Call Details



Date: 13th Nov 2017

Time: 11:00am IST

Dial-in details:

+91-22-3960 0695

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	29.8	33.7	38.7
EBITDA	8.9	9.7	10.8
NP	-0.1	0.3	1.3
EPS (INR)	-0.5	1.8	7.1
EPS Gr. (%)	NM	NM	289.9
BV/Sh. (INR)	89.3	96.5	101.2
RoE (%)	-0.6	1.9	7.1
RoCE (%)	9.5	9.8	10.2
P/E (x)	NM	118.7	30.5
P/BV (x)	2.4	2.2	2.1

Operating performance meaningfully below expectation; contract renegotiation and project-specific issues impact execution

- n Net sales stood at INR3.9b (-14% YoY), below estimate of INR4.9b, due to (i) contract renegotiation on account of GST implementation (INR500m) and (ii) execution of the eastern peripheral highway was impacted (INR800m) in July/Aug 2017 due to agitation by land owners for better compensation. Issues have been sorted out, and Ashoka expects the lost sales (INR1.3b) to be recovered in 3QFY18.
- n EBIDTA declined 22% YoY to INR614m (est. of INR618m), impacted by negative operating leverage. Operating margin shrunk 168bp YoY to 15.8% (est. of 12.6%).
- n PAT stood at INR327m (-28% YoY), 10% below our estimate of INR364m.
- n Tax rate for the quarter stood at 11.4%.

Valuation and view: We will revisit our estimates post the earnings call. The stock trades at 119/30.5x FY18E/19E EPS. Maintain **Buy** with a TP of INR260.

Consol. - Quarterly perform.

Y/E March	(INR M)											
	FY17				FY18				FY17E	FY18E	2Q Variance	
	1Q	2Q	3QE	4QE	1Q	2Q	3QE	4QE				
Net Sales	4,683	4,518	5,240	6,100	7,320	3,895	6,235	7,491	21,170	24,941	4,908	-21
YoY Change (%)	-1.4	-3.4	18.2	10.6	56.3	-13.8	19.0	22.8	9.2	17.8	10.9	
Total Expenditure	4,088	3,730	4,620	5,463	6,253	3,281	5,456	6,532	17,854	21,522	4,290	
EBITDA	596	788	620	636	1,067	614	779	958	3,316	3,419	618	-1
Margins (%)	12.7	17.4	11.8	10.4	14.6	15.8	12.5	12.8	15.7	13.7	12.6	
Depreciation	123	130	107	147	113	130	136	189	507	569	125	
Interest	76	80	90	181	129	116	124	193	474	562	124	
Other Income	82	0	115	432	0	0	0	0			150	
PBT before EO expense	478	578	538	740	824	368	519	576	2,334	2,288	520	-29
PBT	478	578	538	740	824	368	519	576	2,334	2,288	520	-29
Tax	170	124	111	87	205	41	182	236	492	664	156	
Rate (%)	35.5	21.4	20.7	11.7	24.9	11.2	35.0	40.9	21.1	29.0	30.0	
Reported PAT	308	454	427	654	619	327	338	341	1,842	1,625	364	-10
Adj PAT	308	454	427	654	619	327	338	341	1,842	1,625	364	-10
YoY Change (%)	-32.7	44.2	88.0	-343.7	101.0	-28.1	-20.9	-47.9	62.0	-11.8	-19.7	
Margins (%)	6.6	10.1	8.1	10.7	8.5	8.4	5.4	4.6	8.7	6.5	7.4	

E: MOSL Estimates

Eveready Industries

BSE SENSEX	S&P CNX
33,315	10,322
Bloomberg	EVRIN IN
Equity Shares (m)	73
M.Cap.(INRb)/(USD\$b)	25.5 / 0.4
52-Week Range (INR)	379 / 190
1, 6, 12 Rel. Per (%)	2/-1/20
Avg Val, INRm	41.6
Free float (%)	56.0

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	13.6	15.0	17.0
EBITDA	1.3	1.5	1.8
PAT	0.9	1.0	1.3
EPS (INR)	12.9	14.3	17.4
Gr. (%)	35.5	11.2	21.6
BV/Sh (INR)	39.8	49.5	61.0
RoE (%)	37.7	32.1	31.5
RoCE (%)	27.5	25.2	26.9
P/E (x)	27.3	24.5	20.2
P/BV (x)	8.8	7.1	5.8

Estimate change	↔
TP change	↑
Rating change	↔

CMP: INR351 TP: INR400 (+14%)

Buy

Segments recover from GST hiccup

- Revenue in-line, PAT beats estimates:** EVRIN's overall revenue increased 3.5% YoY to INR3,982m (est. INR4,155m) in 2QFY18. EBITDA margin expanded 70bp YoY to 11.8% (est. of 10.7%), while EBITDA grew 10.6% YoY to INR471m (est. of INR443) on account of a significant fall of 200bp in other expenses (15.1% of net sales v/s est. of 17.9%). Also, other income came in at INR128m, significantly higher than estimate of INR20m. Consequently, adjusted PAT grew 42% YoY to INR364m (est. of INR261m). Battery volumes grew 7% YoY, with turnover up 5% YoY. Flashlight volumes grew 8%, but turnover declined 4% YoY on account of an adverse impact of GST rates.
- High-margin luminaire segment to drive profitability:** Turnover grew robustly by 112% YoY to INR706m in LED products sold through trade channels. LED now contributes >80% of total lighting revenues, leading to a healthy EBITDA margin of 16% v/s EBITDA loss in 2QFY17. The segment is set to deliver a higher margin, with a greater focus on new launches in the luminaire segment. Additionally, lower-margin CFL products are expected to be phased out of the company's portfolio by 1QFY19.
- Valuation view:** EVRIN has witnessed a recovery in all its key segments, especially LED products. Appliances business too witnessed significant traction, with 1HFY18 revenue touching INR378m v/s INR104m in 1HFY17. With economies of scale, the segment is expected to turn EBITDA profitable. We thus maintain revenue/PAT CAGR of 12%/16% over FY17-19E. We value the stock at 23x FY19E EPS, and maintain **Buy** with a target price of INR400.

Quarterly Performance (Standalone)

Y/E March	FY17				FY18				(INR Million)		
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY17	FY18	Var
Net Sales	3,718	3,847	3,447	3,173	3,577	3,982	3,792	3,649	13,572	4,155	-4
YoY Change (%)	1.2	-0.5	0.7	6.6	-3.8	3.5	10.0	15.0	2.5	8.0	
Total Expenditure	3,341	3,421	3,095	2,997	3,298	3,511	3,416	3,449	12,235	3,712	
EBITDA	377	426	352	177	279	471	375	201	1,337	443	6
Margins (%)	10.1	11.1	10.2	5.6	7.8	11.8	9.9	5.5	9.9	10.7	
Depreciation	34	36	38	42	48	47	28	28	149	34	
Interest	60	59	51	62	66	71	50	60	238	58	
Other Income	19	20	22	36	15	128	19	18	96	20	
PBT before EO expense	301	351	286	109	179	481	316	131	1,046	371	30
Extra-Ord expense	0	0	-83	0	0	0	0	0	0	0	
PBT	301	351	369	109	179	481	316	131	1,046	371	30
Tax	78	95	17	5	43	118	63	34	111	109	
Rate (%)	25.8	27.0	4.6	4.3	24.2	24.5	20.0	26.0	10.6	29.5	
Reported PAT	224	256	352	105	136	364	253	97	935	261	
Adj PAT	224	256	272	105	136	364	253	97	935	261	39
YoY Change (%)	17.0	40.3	27.7	12.3	-39.4	41.9	-7.1	-7.5	35.5	2.0	
Margins (%)	6.0	6.7	7.9	3.3	3.8	9.1	6.7	2.7	6.9	6.3	

E: MOSL Estimates



Gujarat State Petronet

Bloomberg	GUJS IN
Equity Shares (m)	563.0
M. Cap. (INR b)/(USD b)	110 / 2
52-Week Range (INR)	211 / 119
1,6,12 Rel Perf. (%)	5 / 16 / 11

Financial snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Sales	10.3	13.5	14.4	15.7
EBITDA	8.9	12.0	12.8	13.9
Adj. PAT	5.0	6.8	7.5	8.6
Adj. EPS (INR)	8.8	12.1	13.3	15.2
EPS Gr. (%)	11.5	37.1	10.0	14.8
BV/Sh.(INR)	80	89.2	99.5	111.4
RoE (%)	11.6	14.3	14.1	14.5
RoCE (%)	9.9	12.1	11.9	12.3
Payout (%)	22.6	22.3	22.0	22.3

Valuations

P/E (x)	22.1	16.2	14.7	12.8
P/BV (x)	2.4	2.2	2.0	1.8
EV/EBITDA (x)	12.6	9.0	8.0	6.8
Div. Yield (%)	0.9	1.2	1.3	1.5

CMP: INR195 TP: INR180 (-7%) Neutral

- n We expect GUJS to report net sales of INR3.6b and PAT of INR1.8b (+38% QoQ, +18% YoY).
- n We model transmission volume at 31mmscmd (+26% YoY, +15% QoQ) led by increased gas demand from power sector and transmission tariff at INR1,200/mscm (+11% YoY, +4% QoQ).
- n GUJS had won the bids for three cross-country pipelines (Mehsana-Bhatinda, Bhatinda-Srinagar, Mallavaram-Bhilwara). We await clarity on the current status, timelines and other details regarding these pipelines.
- n We build in gas transmission volumes of 30mmscmd for FY18 and 32/35mmscmd for FY19/20, and model tariff at INR1,200/mscm for FY18/19/20. The stock trades at 14.7x FY19E EPS of INR13.3. Maintain **Neutral**.

Key issues to watch for

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

Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E			FY17	FY18E	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE			4QE
Net Sales	2,579	2,564	2,668	2,446	2,963	3,569	3,559	3,416	10,256	13,508
Change (%)	-0.5	-0.7	3.4	5.5	14.9	39.2	33.4	39.6	1.8	31.7
EBITDA	2,330	2,245	2,275	2,013	2,760	3,129	3,119	2,970	8,864	11,977
% of Net Sales	90.4	87.6	85.3	82.3	93.1	87.6	87.6	86.9	86.4	88.7
% Change	2.6	-3.8	0.6	-1.6	18.4	39.4	37.1	47.5	-0.5	35.1
Depreciation	430	436	465	460	430	507	507	586	1,791	2,030
Interest	167	148	165	116	106	145	130	148	596	529
Other Income	147	304	177	273	164	253	253	342	901	1,012
PBT	1,881	1,965	1,822	1,710	2,389	2,730	2,735	2,577	7,378	10,430
Tax	668	666	636	441	864	937	939	885	2,411	3,624
Rate (%)	35.5	33.9	34.9	25.8	36.2	34.3	34.3	34.3	32.7	34.7
PAT	1,213	1,298	1,186	1,270	1,525	1,793	1,796	1,693	4,966	6,807
Adj. PAT	1,213	1,298	1,186	1,270	1,525	1,793	1,796	1,693	4,966	6,807
Change (%)	8	7	-9	28	26	38	52	33	7	37
EPS (INR)	2.2	2.3	2.1	2.3	2.7	3.2	3.2	3.0	8.8	12.1
Transmission Vol. (mmscmd)	25.1	24.6	26.2	23.4	26.9	31.0	32.0	30.0	24.8	30.0
Implied adj. tariff (INR/mscm)	1,073	1,079	1,095	1,197	1,157	1,200	1,200	1,243	1,111	1,200

E: MOSL Estimates



Idea Cellular

Bloomberg	IDEA IN
Equity Shares (m)	3600.5
M. Cap. (INR b)/(USD b)	265 / 4
52-Week Range (INR)	124 / 66
1,6,12 Rel Perf. (%)	-12 / -21 / -20

Financial Snapshot (INR Million)

Y/E March	2017	2018E	2019E	2020E
Net Sales	355.8	309.2	330.7	372.9
EBITDA	102.8	67.5	82.1	105.3
Adj. NP	-4.0	-56.1	-53.6	-38.0
AdjEPS (INR)	-1.1	-15.5	-14.9	-10.6
Adj.EPSGr(%)	-116.2	1302.4	-4.4	-29.0
BV/Sh(INR)	68.6	53.1	38.2	28.8
RoE (%)	-1.6	-25.6	-32.6	-31.5
RoCE (%)	1.5	-2.2	-1.4	0.8
Payout (%)	0.0	0.0	0.0	0.0

Valuations

P/E (x)	-66.5	-4.7	-5.0	-7.0
P/BV (x)	1.1	1.4	1.9	2.6
EV/EBITDA(x)	7.3	11.9	10.0	7.7
Div. Yield (%)	0.0	0.0	0.0	0.0

CMP: INR74 TP: INR105 (+42%) Buy

- n We expect consolidated revenue to decline 6.9% QoQ (and 18.3% YoY) to INR76b.
- n Voice revenue is expected to decline 7.1% QoQ to INR56.6b, while data revenue is likely to fall 12% to INR12b.
- n EBITDA margin is expected to contract ~280bp QoQ/10.3pp YoY to 20.2% due to weak revenue and increased network cost.
- n We expect Idea's net loss to double QoQ to INR16.3b v/s INR 8.1b in 1QFY18.
- n Idea trades at an EV/EBITDA of 11.9x FY18E and 10x FY19E.

Key monitorables

- Ø Blended ARPU (we expect INR130.2, 8% QoQ fall).
- Ø Voice revenue performance (we expect 7.1 QoQ decline).
- Ø Data revenue performance (we expect 12% decline QoQ).
- Ø EBITDA margin (we expect 280bp contraction QoQ).

Exhibit 1: Consolidated - Quarterly Earning Model

Y/E March	(INR Million)								FY17	FY18E
	FY17				FY18					
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Gross Revenue	94,866	93,002	86,627	81,261	81,665	76,001	73,845	77,149	3,55,758	3,09,223
YoY Change (%)	7.9	7.0	-3.9	-14.3	-13.9	-18.3	-14.8	-5.1	12.7	-13.1
Total Expenditure	63,917	64,601	64,973	60,062	62,911	60,669	59,298	58,843	2,52,995	2,41,752
EBITDA	30,949	28,401	21,655	21,199	18,754	15,332	14,547	18,307	1,02,763	67,471
Margins (%)	32.6	30.5	25.0	26.1	23.0	20.2	19.7	23.7	28.9	21.8
Depreciation	19,192	19,543	19,653	19,885	20,679	21,348	21,889	22,545	78,272	86,461
Share in Profits from Associates	1,035	1,057	1,143	983	818	834	851	868	4,218	3,371
Net Finance Costs	9,431	8,753	9,232	9,366	11,539	11,131	11,131	11,131	37,342	44,932
PBT before EO expense	3,361	1,162	-6,087	-7,069	-12,646	-16,313	-17,622	-14,501	-8,633	-60,550
PBT	3,361	1,162	-6,087	-7,069	-12,646	-16,313	-17,622	-14,501	-8,633	-60,550
Tax	1,158	247	-2,248	-3,792	-4,497	0	0	0	-4,636	-4,497
Rate (%)	34.5	21.3	36.9	53.6	35.6	0.0	0.0	0.0	53.7	7.4
Reported PAT	2,203	915	-3,839	-3,277	-8,149	-16,313	-17,622	-14,501	-3,997	-56,053
Adj. PAT	2,203	915	-3,839	-3,277	-8,149	-16,313	-17,622	-14,501	-3,997	-56,053
YoY Change (%)	-74.2	-88.7	-150.2	-156.9	-469.9	-1,883.6	359.1	342.5	-117.3	1,302.4
Margins (%)	2.3	1.0	-4.4	-4.0	-10.0	-21.5	-23.9	-18.8	-1.1	-18.1

E: MOSL Estimates



NMDC

Bloomberg	NMDC IN
Equity Shares (m)	3163.9
M. Cap. (INR b)/(USD b)	377 / 6
52-Week Range (INR)	153 / 103
1,6,12 Rel Perf. (%)	-11 / -18 / -5

Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	88.3	108.6	108.4	113.7
EBITDA	44.9	60.1	60.3	63.5
PAT	31.5	41.3	40.8	42.9
EPS (INR)	10.0	13.1	12.9	13.6
EPS Gr(%)	11.7	31.1	-1.2	5.2
BV/Sh. (INR)	71.2	77.0	82.7	89.1
RoE (%)	12.8	15.5	16.2	15.4
RoCE (%)	12.2	15.1	15.9	15.1
Payout (%)	74.9	55.2	55.8	53.1

Valuation

P/E (x)	12.3	9.3	9.5	9.0
P/BV	1.7	1.6	1.5	1.4
EV/EBITDA (x)	7.4	5.8	5.7	5.4
Div. Yield (%)	4.2	4.9	4.9	4.9

CMP: INR119 TP: INR188 (54%) Buy

- n NMDC's EBITDA is estimated to decline 24% QoQ (49% YoY) to INR12.3b on lower realization, both exports and domestic.
- n Iron ore sales volumes are estimated to decline 5% QoQ (+9% YoY) to 8.7mt, being a seasonally weak quarter. Underlying demand remains strong.
- n Domestic iron ore realization is estimated to decline 8% QoQ to INR2,705/t on price cuts.
- n Adj. PAT is estimated to decline 26% QoQ (+34% YoY) to INR8.4b.

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	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Production (m tons)	7.6	6.3	9.7	10.4	8.5	8.7	10.6	10.3	35.6	38.7
Sales (m tons)	7.8	8.0	10.1	9.8	9.2	8.7	10.6	10.3	35.6	38.7
Avg Dom. NSR (USD/t)	32	31	35	43	46	41	39	39	36	41
Avg Dom. NSR (INR/t)	2,160	2,093	2,403	2,871	2,938	2,705	2,576	2,576	2,410	2,699
Lumps % (production)	36	36	36	36	36	36	36	36	36	36
Net Sales	17,207	17,392	24,979	28,717	28,415	24,442	28,236	27,499	88,294	108,592
EBITDA	8,164	8,258	14,226	14,295	16,206	12,314	17,182	14,386	44,944	60,087
EBITDA per ton (USD)	16	15	21	22	27	22	25	21	19	24
EBITDA per ton (INR/t)	1,050	1,030	1,415	1,463	1,765	1,416	1,627	1,402	1,262	1,553
Interest	81	15	53	59	82	0	0	0	208	
Depreciation	560	544	551	307	467	601	616	631	1,962	2,315
Other Income	3,452	2,735	1,559	1,343	1,286	812	805	858	9,088	3,761
PBT (before EO Item)	10,975	10,434	15,180	15,273	16,944	12,525	17,371	14,613	51,862	61,533
Extra-ordinary item	0	0	-5,972	-2,961	-1,258	0	0	0	-8,933	
PBT (after EO Item)	10,975	10,434	9,208	12,312	15,686	12,525	17,371	14,613	42,929	61,533
Total Tax	3,862	2,727	3,257	7,193	5,994	4,008	5,559	4,676	17,038	20,237
% Tax	35.2	26.1	35.4	58.4	38.2	32.0	32.0	32.0	39.7	32.9
Reported PAT	7,113	7,708	5,952	5,119	9,692	8,517	11,812	9,937	25,891	41,297
Adjusted PAT	6,619	6,293	9,156	9,211	11,371	8,406	11,658	9,807	31,279	41,297

E: MOSL Estimates



NTPC

Bloomberg	NTPC IN
Equity Shares (m)	8245.5
M. Cap. (INR b)/(USD b)	1408 / 22
52-Week Range (INR)	179 / 143
1,6,12 Rel Perf. (%)	2 / -3 / 0

Financial Snapshot (INR Million)

y/e march	2017	2018E	2019E	2020E
Net Sales	813.8	847.8	966.3	1,069.3
EBITDA	215.0	239.5	309.9	362.3
NP	98.6	109.7	129.2	146.4
Adj. EPS (INR)	12.0	13.3	15.7	17.8
EPS Gr. (%)	1.8	11.3	17.7	13.4
BV/Sh. (INR)	118.7	126.6	136.2	146.8
RoE (%)	10.5	10.9	11.9	12.6
RoCE (%)	6.4	6.6	7.7	8.6
Payout (%)	33.5	33.8	31.9	33.8

VALUATION

P/E (x)	14.7	13.2	11.2	9.9
P/BV (x)	1.5	1.4	1.3	1.2
EV/EBITDA (x)	11.9	11.3	8.9	7.5
Div. Yield (%)	2.6	2.8	3.4	3.7

CMP: INR175 TP: INR211 (+20%) Buy

- We expect adjusted PAT growth to be subdued at just ~4% YoY to INR24.4b on regulated equity growth, partly offset by the impact of change in GCV measurement.
- Installed capacity has increased by 2.37GW on commissioning of Kudgi 800MW, Mauda 660MW, Solapur 660MW, Unchahar 500MW and RE 250MW.
- Regulated equity is expected to increase by 16% YoY to INR491b; however, given that major capacity addition has happened at the end of the quarter, earnings benefit is likely to be realized only 3QFY18 onward.

Key issues to watch for

- PLF for coal-based projects and generation loss.
- Core RoE and incentives.
- Impact of shift in GCV determination.

Quarterly Performance (standalone)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	188,585	193,979	193,959	204,167	201,076	202,242	199,690	208,248	782,734	811,255
Change (%)	10.3	8.1	10.9	11.4	6.6	4.3	3.0	2.0		
EBITDA	52,139	53,914	52,260	58,248	52,684	57,397	60,678	69,340	216,200	240,098
Other income	1,579	1,906	2,502	4,702	6,626	2,544	3,823	2,864	10,689	15,857
PBT	30,761	32,580	30,819	30,080	34,654	32,048	35,769	39,278	123,879	141,749
Tax	7,066	7,621	6,131	9,286	8,472	7,692	8,585	9,272	30,026	34,020
PAT	23,695	24,960	24,687	20,794	26,182	24,356	27,184	30,007	93,853	107,729
Change (%)	4.1	-17.9	-7.5	-25.5	10.5	-2.4	10.1	44.3	-12.9	14.8
Adj. PAT	24,047	23,410	22,448	26,606	25,742	24,356	27,184	30,446	96,227	107,729
Change (%)	5.7	-0.7	0.0	0.5	7.0	4.0	21.1	14.4	1.0	12.0
A. Core PAT	22,827	22,138	20,536	23,121	20,757	22,423	24,279	28,219	88,298	95,678
Core RoE (%)	21.9	21.0	19.4	21.4	18.9	19.3	19.3	21.9	20.7	19.9
a. Base RoE - 15.5%	15,582	16,337	16,428	16,765	17,058	18,040	19,457	20,000	65,113	74,555
b. PLF incentive	1,530	0	0	1,500	549	604	664	602	3,030	2,419
c. Others	5,715	5,801	4,108	4,855	3,150	3,780	4,157	7,617	20,155	18,704
B. Other income	1,220	1,272	1,912	3,485	4,985	1,933	2,906	2,227	7,930	12,051
Key metrics										
Regulated Equity	420,146	423,072	424,822	440,489	439,927	491,157	513,073	519,196	440,489	519,196
Commercial cap.(MW)	39,552	39,602	39,602	40,522	40,522	43,392	44,442	44,442	40,522	44,442
Coal-based PLF (%)	81.4	74.7	77.2	81.2	79.1	0.0	0.0	0.0		

E: MOSL Estimates



P&G Hygiene

Bloomberg	PG IN
Equity Shares (m)	32.5
M. Cap. (INR b)/(USD b)	277 / 4
52-Week Range (INR)	8640 / 6428
1,6,12 Rel Perf. (%)	3 / 10 / 8

Financial Snapshot (INR b)

Y/E June	2016	2017	2018E	2019E
Sales	23.2	24.8	28.9	33.9
EBITDA	6.6	7.6	8.9	10.5
Adj. PAT	4.3	4.9	5.7	6.7
Adj. EPS (INR)	132.9	151.6	176.0	207.3
EPS Growth (%)	2.3	14.0	16.1	17.8
BV/Share (INR)	212.2	255.6	306.0	365.4
RoE (%)	39.3	64.9	62.8	61.8
RoCE (%)	40.2	66.0	63.7	61.7
Valuations				
P/E (x)	64.1	56.3	48.4	41.1
P/BV (x)	40.2	33.4	27.9	23.3

CMP: INR8,527 TP: INR9,200 (+8%) Neutral

- n We expect PGHH to report net sales of INR5.9b, down 2.4% YoY. We have factored in GST related accounting impact of 7% on sales and no impact on absolute EBITDA.
- n We expect EBITDA margin to expand 540bp YoY to 30.6%.
- n PAT would post 11.5% YoY growth to INR1.2b in 1QFY18 (June ending).
- n The stock trades at 41.1x FY19E EPS of INR207.3; maintain Neutral.

Key issues to watch for

- Ø Segmental growth numbers.
- Ø Margin performance.

Standalone - Quarterly Earning Model

Y/E June	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	6,004	6,432	5,739	5,029	5,863	6,951	6,351	5,612	23,208	24,777
YoY Change (%)	11.5	-2.4	5.5	-5.8	-2.4	8.1	10.7	11.6	2.0	6.8
EBITDA	1,512	2,286	1,538	1,311	1,797	2,130	1,946	1,720	6,648	7,590
Growth	55.9	5.7	15.3	-17.7	18.9	-6.8	26.6	31.2	9.8	14.2
Margins (%)	25.2	35.5	26.8	26.1	30.6	30.6	30.6	30.6	28.6	30.6
Depreciation	127	132	142	197	157	157	157	157	561	628
Interest	4	43	13	44	8	8	9	9	104	35
Other Income	225	208	232	108	120	120	120	120	726	480
PBT	1,605	2,320	1,614	1,179	1,752	2,085	1,900	1,674	6,709	7,407
Tax	561	814	618	398	587	699	637	561	2,388	2,481
Rate (%)	34.9	35.1	38.3	33.8	33.5	33.5	33.5	33.5	35.6	33.5
Reported PAT	1,044	1,506	996	780					4,320	4,925
Adj PAT	1,044	1,506	996	780	1,165	1,387	1,264	1,113	4,320	4,925
YoY Change (%)	50.1	2.8	2.6	-28.6	11.5	-7.9	26.8	42.6	55.8	14.0
Margins (%)	17.4	23.4	17.4	15.5	19.9	19.9	19.9	19.8	18.6	19.9

E: MOSL Estimates



Repco Home Finance

Bloomberg	REPCO IN
Equity Shares (m)	62.6
M. Cap. (INR b)/(USD b)	40 / 1
52-Week Range (INR)	923 / 500
1,6,12 Rel Perf. (%)	0 / -16 / -35

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	3.7	4.2	4.9	5.8
PPP	3.3	3.8	4.4	5.1
PAT	1.8	2.1	2.4	2.8
EPS (INR)	29.1	33.7	38.4	44.9
BV/Sh. (INR)	181.7	212.5	247.5	288.5
RoAA (%)	2.2	2.2	2.1	2.1
RoE (%)	17.4	17.1	16.7	16.8
Payout (%)	8.7	8.7	8.7	8.7
Valuation				
P/E (x)	22.1	19.0	16.7	14.3
P/BV (x)	3.5	3.0	2.6	2.2
Div. Yield (%)	0.3	0.4	0.4	0.5

CMP: INR642 TP: INR800 (+25%) Buy

- n Our interaction with management suggests that the issues related to property registration in Tamil Nadu still exist. Hence, we expect loan growth to moderate to 9% YoY. Growth will pick up in 2HFY18, led by a favorable base.
- n Calculated margins are likely to expand 20bp YoY to 4.6% on account of a decline in cost of funds. As a result, NII growth will be decent at 16% YoY.
- n C/I ratio is expected to remain largely stable at 16%.
- n GNPL is expected to improve seasonally. Hence, provisions are expected to be INR125m v/s INR167m in 1QFY18 and INR127m in 1QFY17.
- n The stock trades at 3.0x FY18E and 2.6x FY19E BV. Maintain Buy.

Key issues to watch for

- Ø Resolution of property registration issues in TN.
- Ø Competitive environment and prepayments by borrowers.
- Ø Business outlook, loan growth, and share of home loans and LAP.
- Ø Movement in borrowing costs and margins.
- Ø Asset quality trends in the LAP segment.

Quarterly performance

Y/E March	(INR m)									
	FY17				FY18					
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY17	FY18E
Interest Income	2,389	2,500	2,589	2,663	2,587	2,703	2,744	2,961	10,141	10,995
Interest Expenses	1,550	1,597	1,682	1,635	1,628	1,653	1,702	1,763	6,463	6,747
Net Interest Income	840	903	907	1,028	959	1,051	1,042	1,198	3,678	4,249
YoY Growth (%)	26.5	22.1	16.2	20.7	14.2	16.4	14.9	16.5	21.1	15.5
Other income	80	98	67	73	71	78	86	105	318	340
Total Income	920	1,000	974	1,102	1,030	1,129	1,128	1,302	3,996	4,589
YoY Growth (%)	26.0	22.0	15.5	16.8	12.0	12.9	15.8	18.2	19.8	14.8
Operating Expenses	149	163	163	200	171	182	191	209	676	754
YoY Growth (%)	-3.5	-6.8	1.9	30.7	14.9	11.6	17.1	4.6	5.1	11.6
Operating Profits	771	837	811	902	859	947	936	1,093	3,320	3,835
YoY Growth (%)	33.9	29.9	18.7	14.1	11.4	13.1	15.5	21.2	23.3	15.5
Provisions	179	127	96	116	167	125	119	180	519	591
Profit before Tax	592	710	714	786	692	822	818	912	2,802	3,244
Tax Provisions	196	253	250	280	241	288	286	319	979	1,134
Profit after tax	395	457	464	506	452	534	531	593	1,823	2,110
YoY Growth (%)	30.8	17.0	20.4	19.8	14.2	16.9	14.4	17.2	21.4	15.8
Borrowings growth (%)	25.3	22.6	21.1	15.6	11.7	9.7	11.8	13.7	15.6	0.0
Cost to Income Ratio (%)	16.2	16.3	16.8	18.2	16.6	16.1	17.0	16.1	16.9	16.4
Tax Rate (%)	33.2	35.7	35.0	35.6	34.8	35.0	35.0	35.0	35.0	35.0

E: MOSL Estimates



Shilpa Medicare

Bloomberg	SLPA IN
Equity Shares (m)	80.0
M. Cap. (INR b)/(USD b)	47 / 1
52-Week Range (INR)	787 / 525
1,6,12 Rel Perf. (%)	-3 / -20 / -15

Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	7.8	10.7	14.0	16.8
EBITDA	1.8	2.5	3.5	4.4
NP	1.1	1.7	2.4	3.0
EPS (INR)	14.0	21.1	30.4	38.1
EPS Gro. (%)	6.2	50.7	43.9	25.2
BV/Sh. (INR)	114.4	134.3	163.1	199.1
RoE (%)	14.4	17.0	20.4	21.0
RoCE (%)	11.5	12.9	16.4	18.0

Valuations

P/E (x)	41.7	27.7	19.2	15.3
P/BV (x)	5.1	4.3	3.6	2.9
EV/EBITDA (x)	27.7	19.8	14.0	11.0
EV/Sales (x)	6.2	4.6	3.5	2.9

CMP: INR584 TP: INR805 (+38%) Buy

- We expect an 8.6% YoY decline in net sales of Shilpa Medicare (SLPA), led by the shift in the CRAMS business toward JV.
- We expect US formulation sales from Jadcherla to show strong pick-up QoQ on the back of increased market share.
- EBITDA margin is expected to shrink 202bp YoY due to lower other operating income.
- We expect PAT at INR309m, down 25% YoY, on high base of the past year.
- The stock trades at 19.2x FY19E EPS. We maintain Buy with a target price of INR805 (25x 12M forward earnings).

Key issues to watch out

- ⊗ Outlook on new ANDA approvals.
- ⊗ Outlook on market share in approved products.

Quarterly Performance

(INR Million)

	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	1,672	2,113	1,836	2,237	1,685	1,930	2,233	2,365	7,858	8,213
YoY Change (%)	11.7	21.1	-8.2	13.1	0.8	-8.6	21.6	5.7	366.3	325.6
Total Expenditure	1,339	1,624	1,487	1,650	1,344	1,525	1,664	1,738	6,100	6,271
EBITDA	333	489	348	587	341	405	569	627	1,758	1,942
Margins (%)	19.9	23.2	19.0	26.2	20.2	21.0	25.5	26.5	22.4	23.6
Depreciation	70	75	78	78	84	82	83	82	300	331
Interest	7	6	7	7	5	5	5	5	27	20
Other Income	24	37	40	79	52	75	85	95	180	307
PBT before EO expense	280	446	304	581	303	393	566	635	1,610	1,898
Share of p/ (L) in Associate/ JV	-62	54	-37	-7	28	30	85	95	0	238
Extra-Ord expense	0	0	0	45	0	0	0	0	45	0
PBT	342	391	340	633	275	363	481	540	1,655	1,660
Tax	80	124	97	147	90	114	137	153	447	494
Rate (%)	36.5	24.7	36.1	27.8	27.2	27.0	21.0	21.0	28.5	23.2
Minority Interest & P/L of Asso. Cos.	-9	-6	-4	-8	0	0	0	0	-27	0
Reported PAT	147	382	175	390	241	309	515	576	1,145	1,641
Adj PAT	147	382	175	423	221	287	447	501	1,178	1,458
YoY Change (%)	-5.3	52.4	-37.1	7.7	50.2	-24.9	156.4	18.6	433.3	408.0
Margins (%)	8.8	18.1	9.5	18.9	13.1	14.9	20.0	21.2	15.0	17.8

E: MOSL Estimates



SH Kelkar

Equity Shares (m)	SHKL IN
M. Cap. (INR b)/(USD b)	144.6
52-Week Range (INR)	38 / 1
1,6,12 Rel Perf. (%)	362 / 237
Equity Shares (m)	3 / -16 / -25

Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	10.6	11.2	13.2	15.8
EBITDA	1.7	1.7	2.2	2.7
NP	1.0	1.1	1.4	1.8
Adj EPS (INR)	7.2	7.6	9.9	12.2
EPS Gr. (%)	43.5	4.9	30.5	22.5
BV/Sh. (INR)	56.1	61.5	68.6	77.2
RoE (%)	13.7	12.9	15.2	16.7
RoCE (%)	19.0	18.9	22.8	25.0

Valuations

P/E (x)	36.6	34.9	26.7	21.8
P/BV (x)	4.7	4.3	3.9	3.4
EV/EBITDA (x)	23.2	21.8	17.2	14.2
EV/Sales (x)	3.6	3.4	2.9	2.4

CMP: INR265 TP: INR298 (+12%) Buy

- n We expect revenue to grow 12% YoY to INR2.9b in 2QFY18, as the fragrance division is expected to witness a recovery in consumer demand post hiccups during GST transition phase.
- n EBITDA margin is likely to expand 190bp to 17.7% on account of increased efforts to optimize cost. EBITDA is expected to grow 26% YoY to INR523m.
- n We estimate PAT at INR333m, as against INR243m in 2QFY17, an increase of 37%. **Buy.**

Key issues to watch for

- Ø Revival in Fragrances business.
- Ø New launches in FMCG companies, and service income levels.

Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	2,768	2,636	2,319	2,698	2,529	2,953	2,620	3,102	10,421	11,204
YoY Change (%)	25.2	18.0	-5.3	-6.5	-8.6	12.0	13.0	15.0	6.6	7.5
Total Expenditure	2,294	2,220	2,101	2,328	2,102	2,430	2,309	2,625	8,766	8,623
EBITDA	474	416	218	370	427	523	312	478	1,655	2,582
Margins (%)	17.1	15.8	9.4	13.7	16.9	17.7	11.9	15.4	15.9	23.0
Depreciation	44	49	48	53	58	50	51	60	194	219
Interest	17	22	2	10	6	6	3	6	51	21
Other Income	32	29	19	40	38	33	25	44	119	140
PBT before EO expense	444	375	186	346	401	500	283	456	1,529	2,481
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	444	375	186	346	401	500	283	456	1,529	2,481
Tax	169	132	110	71	133	167	95	150	482	545
Rate (%)	38.1	35.1	59.0	20.7	33.1	33.4	33.6	33.0	31.5	22.0
Reported PAT	275	243	76	274	268	333	188	305	1,047	1,936
Adj PAT	275	243	76	274	268	333	188	305	1,047	1,936
YoY Change (%)	41.0	246.0	-65.0	12.5	-2.5	37.0	145.8	11.3	43.9	85.0
Margins (%)	9.9	9.2	3.3	10.2	10.6	11.3	7.2	9.8	10.0	17.3

E: MOSL Estimates



1. HPCL: Expect crude to remain in usd 55-65/bbl range; MK Surana, CMD

- n Crude prices have been volatile, went from USD 57 per bbl to USD 65 per bbl and came down to USD 63 per bbl. So one has to keep an eye on where crude prices are going.
- n Uptick in prices could be more a reaction to some geopolitical situations rather than some structural shift. Crude prices may remain between USD 55 per bbl and USD 65 per bbl.
- n If company is able to pass on the increase in prices and operate efficiently, the marketing and refining should do well when the GRMs are good. The only negative being a lot of volatility could lead to inventory losses.

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2. MAHANAGAR GAS: Expect much higher volume growth going ahead; Rajeev Mathur, MD

- n Achieved volume growth of 4 percent in Q2.
- n In the next quarter and in the next six months, volume growth should be much more than what company has been able to achieve in this quarter.
- n Indraprastha Gas (IGL) has regulatory support of the legislature as far as mandating people to use compressed natural gas (CNG) whereas in Mumbai it's on voluntary basis to use gas.
- n Considering the number of vehicles that get added, the urge of people, economic compulsion for people to use, growth rate is definitely lower than Delhi. But by industry standards or by the rate at which gross domestic product (GDP) is growing, company in consonance with that.

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3. ENDURANCE TECH: See penetration level with customers increasing in all segments; Ramesh Gehaney, ED

- n Industry performing well and the first half has seen some very good numbers. The volume growth etc comes from the industry itself.
- n Penetration level with customers is now increasing – customers that were not participating in all the segments are now showing interests. Moreover, orders that were procured years back have also reached maturity level.
- n Volumes are expected to be around 8-10 percent along with the industry growth. Penetration level of customers go on increasing in all segments, the volumes increase and therefore margins improve.
- n Continuing with 14 percent margins is an optimistic number but the company will strive to achieve that..

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4. MARUTI : See FY18 vol growth at 11-12%; Ciaz sales down due to higher tax; RC Bhargava, Chairman

- n Rate of growth in second half may not match that of first half because base is much higher. However, volume growth of 11-12 percent is manageable.

- n Regarding Gujarat plant, the second shift is now ramping up production and will steadily increase. So, sometime in 2018, the second shift will be working to full capacity and post that the unit will see production of 2.5 lakh cars.
- n At the moment, the Gujarat plant produces only Baleno model but gradually new Dezire will also be added.
- n Export growth for the company has been steady. Target for this year is similar to that of last year, which is 1,25,000 cars. Moreover, looking at the domestic demand for cars, may not be significant change in export volumes.
- n Regarding drop in sales of Ciaz, hybrid version is not selling because of the extra tax on hybrids.

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5. GRANULES INDIA : Do not require capex for next 3-4 years; Krishna Prasad Chigurupati, CMD

- n Were able to protect margins in Q2.
- n US sales have grown in Q2 year-on-year (YoY).
- n Do not require capex for next three-four years.

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1. THE RISK OF RISING CRUDE OIL PRICES

- n As a large importer of crude oil, India benefited significantly from lower prices. It helped contain inflation and had a favourable impact on both the fiscal and current account deficits. But a sharp reversal in prices can roll back some of those gains. Oil prices touched a two-year high earlier this week and have gone up by about 14% over the last one month. The expectation in the market is that prices could remain elevated owing to several reasons, such as drawdown in inventories, especially in the US, better compliance with the voluntary production cut by the Organization of the Petroleum Exporting Countries (Opec), slower pickup in US shale oil and continued geopolitical risk in West Asia. In October, according to Bloomberg data, Opec members reduced production more than they had initially agreed to. Further, the internal power struggle in Saudi Arabia has added to the uncertainty. According to the International Monetary Fund, Saudi Arabia will need oil prices to be at \$70 per barrel for fiscal break-even in 2018. Members of Opec will meet later this month and it is likely that they will work to push oil prices to around the \$70 per barrel mark in the coming year.

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2. WILL ROADS AND BANKS STIMULUS REVIVE THE INDIAN ECONOMY?

- n The slowdown in the economy has led to a fierce debate in the public domain. For some time, the government was in denial mode. However, amid mounting concerns, the Union ministry of finance seems to have recognized that there is a problem. At a press conference in late October, it announced a package of Rs9 trillion, made up of government investment in roads and recapitalisation of public sector banks—the largest so far, even if some of it is old wine in new bottles—to revive economic growth. The essential underlying factor, it should come as no surprise, is politics. There are assembly elections in Gujarat, Himachal Pradesh, Karnataka, Rajasthan, Madhya Pradesh and Chhattisgarh in a 12-month period, followed by the national election, due by April-May 2019. The performance of the Indian economy in the interim will be critical in shaping outcomes.

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3. UDAY KOTAK PANEL REPORT IS MORE DISRUPTOR THAN GAME-CHANGER? CORPORATE GOVERNANCE NORMS MAY BE OBEYED IN NAME ONLY

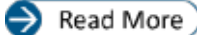
- n “Not again!”—could be the reaction of the corporate sector on seeing the new proposals for corporate governance, made by the Uday Kotak committee that was constituted by Sebi. This is not the first time that corporate governance norms are getting revised. In the past, substantial modifications have been proposed and implemented. There is no denying the fact that norms on corporate governance will always be an unfinished business as experience is gained on the ground. Sebi should be emboldened now to modify the existing norms since India has significantly improved its ranking (to fourth place) on protection of minority shareholders in the recently-released World Bank Ease of Doing Business index.

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International

4. IT'S FINALLY TIME TO MAKE THE PACIFIC A BIT BIGGER

n As President Donald Trump makes his way across Asia, ears in local capitals have picked up a subtle but unmistakable change in messaging from the US administration. The shift focuses on an apparently innocuous term: “the Indo-Pacific.” US national security adviser H.R. McMaster introduced the president’s itinerary to reporters as “a great opportunity to demonstrate America’s and the Trump administration’s commitment to the Indo-Pacific.” Trump himself has used the term and it’s all over the official press releases from the White House. This isn’t just semantics. The difference between the more commonly used “Asia-Pacific” and the new “Indo-Pacific” is actually quite deep. Those who prefer the latter want to stress that the great power conflicts in East, South and Southeast Asia are essentially maritime—over the control and openness of trade routes and over who gets to build and secure the infrastructure through which the vast majority of the world’s trade passes.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Automobiles														
Amara Raja	Buy	751	854	14	28.0	25.6	32.9	26.8	29.4	4.9	4.4	20.3	15.8	17.7
Ashok Ley.	Buy	112	134	20	4.6	4.5	6.2	24.6	25.0	5.3	4.9	23.1	20.4	25.2
Bajaj Auto	Buy	3,248	3,753	16	132.3	145.2	175.0	24.6	22.4	5.5	5.0	25.3	23.3	25.3
Bharat Forge	Buy	706	844	20	13.1	19.1	26.0	54.0	36.9	8.0	6.9	16.2	20.1	23.2
Bosch	Neutral	20,485	22,781	11	473.1	540.8	698.6	43.3	37.9	7.1	6.4	15.8	17.8	20.5
CEAT	Buy	1,739	2,029	17	93.3	94.2	126.8	18.6	18.4	2.9	2.6	16.9	14.8	17.3
Eicher Mot.	Buy	30,479	36,487	20	612.7	826.7	1,119.2	49.7	36.9	15.5	11.7	37.1	36.1	36.4
Endurance Tech.	Buy	1,133	1,229	8	23.5	29.6	39.3	48.2	38.2	9.2	7.6	20.8	21.8	24.0
Escorts	Sell	698	688	-1	20.0	35.8	45.9	35.0	19.5	3.5	3.0	10.6	16.8	18.4
Exide Ind	Buy	201	254	26	8.1	7.9	9.7	24.7	25.4	3.4	3.2	13.9	12.5	13.7
Hero Moto	Neutral	3,606	3,819	6	169.1	183.1	193.9	21.3	19.7	7.1	6.2	35.7	33.7	31.1
M&M	Buy	1,393	1,585	14	54.3	69.5	81.7	25.7	20.1	3.2	2.9	14.2	13.5	14.3
Mahindra CIE	Not Rated	244	-		5.4	9.9	11.8	45.6	24.8	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	8,165	9,466	16	248.6	288.1	381.0	32.8	28.3	6.8	5.9	20.3	20.5	23.0
Tata Motors	Buy	423	575	36	19.8	24.6	64.8	21.3	17.2	2.5	2.2	9.8	13.4	28.3
TVS Motor	Neutral	708	764	8	11.7	14.9	25.8	60.3	47.4	14.0	11.4	25.6	26.5	35.6
Aggregate								29.8	25.2	5.1	4.5	17.1	17.7	22.8
Banks - Private														
Axis Bank	Neutral	545	470	-14	15.4	18.1	29.9	35.4	30.1	2.4	2.2	6.9	7.6	11.6
DCB Bank	Neutral	187	197	5	7.0	8.5	10.5	26.7	22.0	2.7	2.2	10.8	11.5	11.8
Equitas Hold.	Buy	140	209	49	5.0	1.7	5.7	27.7	80.9	2.1	2.1	9.5	2.6	8.2
Federal Bank	Buy	112	146	30	4.8	5.5	6.6	23.3	20.3	2.2	1.8	9.9	9.6	10.0
HDFC Bank	Buy	1,819	2,150	18	56.8	68.7	84.7	32.0	26.5	5.4	4.8	18.3	18.8	20.4
ICICI Bank	Buy	319	355	11	15.3	13.6	17.0	20.8	23.4	2.4	2.5	10.9	8.8	10.5
IDFC Bank	Neutral	56	56	0	3.0	2.8	3.2	18.6	20.1	1.3	1.2	7.2	6.3	6.9
IndusInd	Buy	1,659	2,000	21	48.1	60.9	78.6	34.5	27.2	4.8	4.3	15.3	16.9	19.0
J&K Bank	Buy	77	100	29	-31.3	4.1	8.7	NM	18.7	0.7	0.7	-27.0	4.0	8.0
Kotak Mah. Bk	Buy	993	1,179	19	26.8	32.1	41.6	37.0	31.0	4.8	4.3	13.8	14.8	16.5
RBL Bank	Buy	510	665	31	11.9	16.4	23.0	42.9	31.2	4.5	3.2	12.3	12.4	13.7
South Indian	Buy	31	36	17	2.5	1.9	3.8	12.3	16.5	1.2	1.1	9.0	6.7	12.6
Yes Bank	Buy	304	382	26	14.6	17.8	23.3	20.8	17.1	3.2	2.8	18.9	17.3	19.5
Aggregate								30.2	25.6	3.5	3.1	11.5	12.1	14.1
Banks - PSU														
BOB	Buy	170	217	28	6.0	9.5	20.8	28.3	17.8	1.1	1.1	4.0	6.1	12.4
BOI	Neutral	196	141	-28	-14.8	-11.2	6.6	NM	NM	0.9	0.9	-6.7	-5.2	3.0
Canara	Neutral	389	386	-1	18.8	16.1	30.3	20.7	24.1	0.8	0.8	4.2	3.4	6.1
IDBI Bk	Neutral	64	49	-22	1.5	6.4	8.6	41.5	9.9	0.6	0.6	1.4	5.8	7.3
Indian Bk	Buy	406	438	8	29.3	36.7	44.0	13.9	11.1	1.3	1.2	10.1	11.6	12.7
OBC	Neutral	130	150	16	-31.6	17.1	21.4	NM	7.6	0.4	0.3	-8.4	4.6	5.4
PNB	Buy	190	250	32	6.2	8.5	13.5	30.5	22.3	1.1	1.0	3.6	4.7	7.1
SBI	Buy	333	341	2	0.3	14.6	26.8	1,120.2	22.8	1.6	1.5	-0.2	7.0	11.4
Union Bk	Neutral	167	175	5	8.1	-13.5	6.0	20.7	NM	0.5	0.6	2.7	-4.7	2.1
Aggregate								118.3	22.9	1.0	1.0	0.9	4.3	8.1
NBFCs														
Bajaj Fin.	Buy	1,748	2,300	32	32.0	45.7	63.7	54.6	38.2	10.4	6.1	21.6	20.2	20.4
Bharat Fin.	Under Review	985	-		21.0	30.3	47.2	46.9	32.5	5.6	4.5	15.1	15.3	19.3
Capital First	Buy	711	925	30	24.6	32.8	43.7	28.9	21.7	3.0	2.7	12.0	13.2	15.4
Cholaman.Inv.&Fn	Buy	1,270	1,500	18	46.0	59.2	70.4	27.6	21.5	4.6	3.9	18.0	19.6	19.6
Dewan Hsg.	Buy	638	690	8	29.6	37.6	46.0	21.6	17.0	2.5	2.3	14.4	14.1	15.3
GRUH Fin.	Neutral	503	500	-1	8.1	9.9	12.0	61.8	50.9	18.5	15.2	32.5	32.8	32.8
HDFC	Buy	1,708	2,000	17	46.8	51.6	57.1	36.5	33.1	6.8	6.1	18.9	19.3	18.6
Indiabulls Hsg	Buy	1,226	1,550	26	68.6	83.6	105.1	17.9	14.7	4.3	3.8	25.5	27.6	30.7
L&T Fin Holdings	Buy	187	240	28	5.2	6.9	10.4	35.8	27.0	4.2	3.7	12.4	14.9	18.9
LIC Hsg Fin	Neutral	587	680	16	38.2	41.0	46.5	15.4	14.3	2.7	2.3	19.1	17.4	17.2

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Manappuram	Not Rated	99	-		8.6	9.2	9.7	11.4	10.7	2.5	2.3	24.0	22.3	21.4
M&M Fin.	Buy	415	481	16	7.1	14.2	19.1	58.5	29.3	3.6	3.4	6.4	11.9	14.8
Muthoot Fin	Neutral	483	550	14	29.5	42.6	42.0	16.4	11.3	3.0	2.5	19.4	23.8	19.9
PNB Housing	Buy	1,388	1,750	26	31.6	52.5	66.5	43.9	26.4	4.2	3.7	13.8	15.0	16.7
Repco Home	Buy	588	800	36	29.1	33.7	38.4	20.2	17.4	3.2	2.8	17.4	17.1	16.7
Shriram City Union	Buy	2,108	2,650	26	84.3	115.6	145.3	25.0	18.2	2.8	2.5	11.7	14.3	15.9
STF	Buy	1,255	1,415	13	55.6	80.6	106.2	22.6	15.6	2.5	2.2	11.7	15.1	17.4
Aggregate								30.8	24.7	4.9	4.2	16.0	17.1	17.8
Capital Goods														
ABB	Sell	1,355	1,230	-9	19.7	20.2	28.7	68.8	66.9	8.7	7.7	12.7	11.6	14.6
Bharat Elec.	Buy	182	210	15	6.3	7.1	8.0	28.9	25.6	5.9	4.6	20.6	17.9	18.1
BHEL	Sell	92	78	-15	1.3	2.9	3.0	68.9	31.5	1.0	1.0	1.5	3.3	3.3
Blue Star	Neutral	696	685	-2	12.9	16.5	24.4	54.0	42.2	8.8	8.3	18.0	20.2	27.8
CG Cons. Elec.	Buy	250	260	4	4.7	5.2	6.5	53.5	48.2	29.1	21.3	76.4	51.0	49.6
CG Power & Indu.	Neutral	83	80	-4	4.1	1.4	2.1	20.3	57.7	1.2	1.2	6.2	2.1	3.1
Cummins	Buy	874	1,150	32	26.5	25.3	35.0	33.0	34.5	6.5	6.0	21.2	18.1	22.2
GE T&D	Neutral	393	440	12	5.7	9.4	11.2	68.6	41.7	9.7	8.5	12.4	21.8	22.6
Havells	Neutral	502	460	-8	9.6	11.5	14.3	52.5	43.5	9.6	8.5	18.2	19.5	21.2
K E C Intl	Neutral	304	350	15	11.9	14.3	17.6	25.7	21.3	4.9	4.2	19.2	19.5	20.2
L&T	Buy	1,264	1,400	11	42.3	46.5	56.6	29.9	27.2	3.5	3.2	12.5	12.4	13.8
Pennar Eng.	Not Rated	106	-		7.1	9.1	11.2	14.9	11.6	1.5	1.4	10.2	11.6	12.6
Siemens	Neutral	1,218	1,355	11	17.8	21.7	33.4	68.3	56.2	6.4	5.5	9.3	9.8	13.8
Solar Ind	Neutral	1,070	900	-16	20.6	24.2	30.0	51.9	44.2	9.5	8.1	19.8	19.8	20.9
Suzlon Energy	Not Rated	16	-		0.6	0.9	1.0	24.5	17.6	-1.4	-1.5	NM	-8.8	-11.0
Thermax	Neutral	993	930	-6	30.8	29.9	34.4	32.2	33.2	4.4	4.0	14.3	12.6	13.2
Va Tech Wab.	Buy	578	745	29	29.9	34.5	37.2	19.3	16.8	3.2	2.7	16.9	17.5	16.4
Voltas	Neutral	571	550	-2	15.5	17.5	19.5	36.9	32.6	5.7	5.1	18.0	16.5	16.3
Aggregate								36.2	31.6	4.1	3.7	11.2	11.7	13.0
Cement														
Ambuja Cem.	Neutral	269	314	17	4.9	6.9	8.4	55.1	38.8	2.8	2.6	5.1	7.0	8.0
ACC	Neutral	1,754	1,797	2	36.1	52.2	70.9	48.6	33.6	3.8	3.6	7.9	11.1	14.2
Birla Corp.	Buy	1,216	1,150	-5	28.5	40.9	58.9	42.6	29.7	2.8	2.7	7.1	9.2	12.2
Dalmia Bharat	Buy	2,909	3,517	21	38.8	60.8	83.7	75.0	47.8	5.2	4.7	7.2	10.3	12.7
Grasim Inds.	Neutral	1,246	1,276	2	67.8	70.6	101.2	18.4	17.7	1.9	1.7	10.8	10.0	12.9
India Cem	Neutral	171	188	10	5.6	5.8	10.5	30.4	29.2	1.0	1.0	3.4	3.5	6.0
J K Cements	Buy	1,037	1,196	15	33.7	39.7	54.4	30.8	26.1	4.1	3.6	14.4	14.8	17.5
JK Lakshmi Ce	Buy	443	505	14	7.0	9.7	16.4	63.6	45.5	3.8	3.5	6.1	8.0	12.3
Ramco Cem	Buy	698	853	22	27.3	27.1	35.1	25.6	25.7	4.4	3.9	19.0	16.0	17.9
Orient Cem	Buy	167	205	23	-1.6	6.3	9.1	NM	26.6	3.5	3.1	-3.2	12.3	15.6
Prism Cem	Buy	114	128	12	0.3	2.7	5.0	419.3	41.7	6.0	5.4	1.4	13.7	21.3
Shree Cem	Buy	18,015	21,852	21	384.4	486.2	499.3	46.9	37.1	8.2	6.8	18.4	20.0	17.4
Ultratech	Buy	4,446	4,906	10	96.1	102.2	147.1	46.3	43.5	5.1	4.6	11.6	11.1	14.2
Aggregate								38.8	32.5	3.6	3.3	9.4	10.3	12.4
Consumer														
Asian Paints	Neutral	1,176	1,280	9	21.0	21.6	25.8	56.0	54.5	14.8	14.5	28.5	26.9	29.4
Britannia	Buy	4,873	5,165	6	73.7	85.3	104.6	66.1	57.1	21.7	17.9	36.9	34.3	34.5
Colgate	Buy	1,039	1,328	28	21.2	23.4	28.6	48.9	44.4	22.2	21.1	50.4	48.7	56.2
Dabur	Buy	342	395	16	7.2	7.7	9.3	47.2	44.2	12.4	10.7	28.4	26.0	27.3
Emami	Buy	1,255	1,435	14	26.5	26.6	33.2	47.3	47.2	16.2	13.9	35.8	31.7	34.0
Godrej Cons.	Neutral	961	1,015	6	18.9	21.2	24.5	50.9	45.4	12.4	9.6	24.6	23.8	22.9
GSK Cons.	Neutral	6,049	5,400	-11	156.1	160.8	182.3	38.7	37.6	8.1	8.0	22.2	21.4	22.6
HUL	Buy	1,291	1,440	12	19.6	22.8	27.6	65.7	56.6	43.0	42.8	66.5	75.9	88.0
ITC	Neutral	261	280	7	8.4	9.1	10.0	31.1	28.7	7.0	7.0	23.5	24.4	25.6
Jyothy Lab	Neutral	344	365	6	11.2	9.2	10.9	30.6	37.5	5.7	5.8	21.1	15.5	18.3
Marico	Neutral	311	340	9	6.3	6.5	7.9	49.5	47.8	17.3	15.0	36.7	33.6	37.1

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Nestle	Neutral	7,770	6,160	-21	118.0	115.0	133.6	65.9	67.6	24.9	23.1	39.0	35.5	38.1
Page Inds	Buy	22,242	25,580	15	238.7	296.6	413.1	93.2	75.0	37.3	29.8	40.0	39.8	44.4
Parag Milk	Neutral	249	275	10	3.6	8.9	12.4	69.2	27.9	3.2	2.9	6.0	10.8	13.3
Pidilite Ind.	Buy	819	975	19	16.7	18.1	20.6	48.9	45.4	12.7	10.4	28.2	25.2	23.5
P&G Hygiene	Neutral	8,823	9,200	4	132.9	151.6	176.0	66.4	58.2	41.6	34.5	39.3	64.9	62.8
Prabhat Dairy	Not Rated	147	-		3.5	3.5	6.4	41.7	42.3	2.1	2.0	5.2	4.9	8.5
United Brew	Buy	1,113	1,320	19	8.7	14.7	18.0	128.2	75.9	12.6	11.0	10.2	15.5	16.5
United Spirits	Neutral	3,029	2,970	-2	26.7	34.9	53.7	113.3	86.7	22.7	15.8	21.3	18.2	20.9
Aggregate								48.3	44.0	13.3	12.4	27.5	28.2	29.3
Healthcare														
Alembic Phar	Neutral	511	540	6	21.6	21.6	24.9	23.7	23.6	5.1	4.4	23.0	19.9	19.8
Alkem Lab	Neutral	1,936	1,830	-5	75.7	72.5	93.3	25.6	26.7	5.5	4.7	23.4	19.0	20.9
Ajanta Pharma	Buy	1,207	1,606	33	57.3	52.7	64.1	21.1	22.9	6.8	5.4	36.7	26.4	25.7
Aurobindo	Buy	740	850	15	39.3	44.9	50.0	18.8	16.5	4.6	3.7	27.6	24.8	22.1
Biocon	Neutral	390	335	-14	10.2	6.1	10.5	38.3	64.0	4.8	4.6	12.3	7.2	11.4
Cadila	Buy	465	555	19	14.2	17.5	23.6	32.8	26.6	6.8	5.7	23.0	23.5	26.0
Cipla	Neutral	609	600	-1	15.9	21.1	27.0	38.3	28.9	3.9	3.5	10.2	12.1	13.6
Divis Lab	Neutral	1,015	1,100	8	39.9	32.4	43.7	25.4	31.3	5.0	5.2	22.0	16.3	21.2
Dr Reddy's	Neutral	2,346	2,575	10	72.6	60.6	115.2	32.3	38.7	3.2	3.1	9.7	8.2	14.1
Fortis Health	Buy	135	220	63	10.3	2.2	5.6	13.0	61.7	1.4	1.2	11.3	2.1	4.9
Glenmark	Neutral	585	650	11	39.3	37.9	42.8	14.9	15.4	3.7	3.0	24.7	19.6	18.4
Granules	Buy	127	200	58	7.2	8.0	11.0	17.5	15.9	3.2	2.2	21.1	17.7	18.8
GSK Pharma	Neutral	2,631	2,500	-5	34.4	44.2	54.9	76.6	59.6	11.1	13.1	14.5	22.0	31.4
IPCA Labs	Neutral	581	430	-26	16.1	16.6	26.8	36.2	35.0	3.0	2.8	8.6	8.2	12.2
Jubilant Life	Buy	623	861	38	36.9	44.2	55.0	16.9	14.1	2.8	2.4	18.0	18.4	19.2
Lupin	Buy	834	1,000	20	56.6	37.6	42.7	14.7	22.2	2.8	2.6	20.9	12.0	12.5
Sanofi India	Buy	4,468	5,000	12	129.1	139.0	156.2	34.6	32.1	5.9	5.5	17.1	17.1	17.6
Shilpa Medicare	Buy	669	805	20	14.0	21.1	30.4	47.7	31.7	5.8	5.0	14.4	17.0	20.4
Strides Shasun	Buy	799	1,201	50	32.3	41.7	68.3	24.8	19.2	2.6	2.3	10.8	12.9	18.0
Sun Pharma	Buy	527	515	-2	26.1	15.1	23.3	20.2	35.0	3.5	3.3	18.1	9.6	13.8
Syngene Intl	Not Rated	499	-		13.0	16.1	18.0	38.3	30.9	7.7	6.3	22.2	22.5	20.7
Torrent Pharma	Neutral	1,224	1,400	14	55.2	50.0	61.4	22.2	24.5	4.8	4.2	23.8	18.3	19.9
Aggregate								24.3	28.1	4.1	3.7	16.9	13.2	15.5
Infrastructure														
Ashoka Buildcon	Buy	218	260	19	-0.5	1.8	7.1	NM	120.7	2.4	2.3	-0.6	1.9	7.1
IRB Infra	Neutral	227	240	6	20.3	22.9	23.2	11.2	9.9	1.5	1.3	14.0	14.1	12.9
KNR Constructions	Buy	263	295	12	12.0	12.7	13.6	22.0	20.6	4.1	3.5	20.7	18.4	16.7
Sadbhav Engineering	Buy	316	385	22	11.0	14.3	14.5	28.9	22.1	3.3	2.9	12.0	13.8	12.5
Aggregate								20.2	17.0	2.2	2.0	11.0	11.7	11.7
Logistics														
Allcargo Logistics	Buy	167	213	28	9.8	10.3	12.9	17.0	16.2	2.3	2.1	13.7	13.4	15.1
Blue Dart	Not Rated	4,079	-		102.5	129.9	163.2	39.8	31.4	17.6	13.4	50.5	48.6	46.8
Concor	Neutral	1,348	1,496	11	38.0	42.7	55.2	35.5	31.6	3.7	3.5	10.8	11.5	14.1
Gateway Distriparks	Buy	257	282	10	6.8	8.8	11.6	37.8	29.3	2.7	2.6	7.3	9.2	11.7
Gati	Not Rated	121	-		8.4	15.9	23.9	14.5	7.7	2.0	1.8	12.4	19.4	25.4
Transport Corp.	Not Rated	278	-		16.9	21.0	25.9	16.4	13.2	2.6	2.2	16.7	17.8	18.6
Aggregate								30.8	25.9	3.8	3.5	12.3	13.5	16.0
Media														
Dish TV	Buy	77	106	37	1.0	1.0	2.4	75.2	76.0	16.8	13.7	25.1	19.9	35.2
D B Corp	Buy	367	430	17	20.0	21.7	25.4	18.3	16.9	4.2	3.5	24.6	22.8	22.2
Den Net.	Neutral	94	90	-4	-9.3	-2.9	0.1	NM	NM	2.0	2.1	-19.1	-6.4	0.2
Ent.Network	Neutral	807	910	13	11.4	11.6	20.1	70.6	69.8	4.5	4.2	6.7	6.3	10.1
Hind. Media	Buy	236	302	28	25.8	25.6	30.2	9.1	9.2	1.5	1.3	18.2	15.0	15.3

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
HT Media	Neutral	100	113	14	7.4	10.4	11.9	13.5	9.6	1.0	0.9	7.9	10.2	10.6
Jagran Prak.	Buy	172	225	31	10.7	12.2	13.7	16.1	14.1	2.6	2.6	18.5	18.6	19.4
Music Broadcast	Buy	374	469	25	6.4	9.0	14.2	58.2	41.5	3.9	3.6	11.2	9.0	12.6
PVR	Buy	1,392	1,640	18	20.5	27.1	43.0	67.8	51.4	6.7	6.0	10.4	12.4	17.0
Prime Focus	Buy	100	130	30	1.2	3.0	5.9	81.8	33.0	5.4	4.6	7.6	15.0	23.9
Siti Net.	Neutral	25	27	7	-1.9	-0.8	0.1	NM	NM	4.1	4.8	-29.4	-14.2	2.4
Sun TV	Buy	872	1005	15	24.9	28.1	35.7	35.1	30.3	8.5	7.8	26.0	27.0	31.6
Zee Ent.	Buy	542	630	16	12.1	10.5	16.0	44.7	51.9	6.1	5.6	17.0	12.8	16.8
Aggregate								41.7	35.2	5.2	4.8	12.6	13.7	17.4
Metals														
Hindalco	Buy	264	326	23	8.6	18.8	26.4	30.9	14.0	2.0	1.8	7.4	13.6	16.5
Hind. Zinc	Neutral	313	322	3	19.7	22.7	33.5	15.9	13.8	4.3	4.6	24.4	32.3	42.5
JSPL	Buy	166	209	26	-20.9	-15.1	0.5	NM	NM	0.5	0.5	-7.9	-4.7	0.1
JSW Steel	Buy	269	297	10	14.8	20.3	24.9	18.2	13.3	2.9	2.4	17.3	19.8	20.2
Nalco	Neutral	87	87	0	3.7	4.5	5.8	23.4	19.4	1.6	1.6	7.2	8.3	10.1
NMDC	Buy	126	188	49	10.0	13.1	12.9	12.7	9.7	1.8	1.6	12.8	15.5	16.2
SAIL	Sell	81	43	-47	-10.1	-6.4	-4.3	NM	NM	0.8	0.9	-9.9	-6.9	-4.9
Rain Industries	Buy	388	492	27	9.6	25.5	38.9	40.3	15.2	4.3	3.4	10.9	25.2	29.7
Vedanta	Buy	324	394	22	15.1	25.5	44.4	21.4	12.7	2.0	1.8	9.7	15.1	23.8
Tata Steel	Neutral	701	672	-4	37.9	59.4	65.2	18.5	11.8	2.1	1.9	15.7	17.1	16.6
Aggregate								26.4	15.7	1.9	1.8	7.0	11.4	15.3
Oil & Gas														
BPCL	Buy	513	644	26	48.3	49.2	52.0	10.6	10.4	3.3	2.7	32.4	28.5	25.2
GAIL	Sell	457	376	-18	22.6	26.8	31.4	20.3	17.0	2.0	1.9	9.6	11.5	12.5
Gujarat Gas	Sell	882	721	-18	16.1	29.7	44.1	54.9	29.7	7.4	6.1	14.0	22.6	27.3
Gujarat St. Pet.	Neutral	213	180	-16	8.8	12.1	13.3	24.2	17.6	2.7	2.4	11.6	14.3	14.1
HPCL	Buy	417	578	39	40.7	36.5	42.9	10.3	11.4	3.1	2.7	32.4	25.1	25.1
IOC	Buy	394	554	40	41.9	39.5	43.6	9.4	10.0	1.8	1.6	20.7	17.2	16.9
IGL	Neutral	322	301	-6	8.8	9.9	11.0	36.6	32.4	7.7	6.5	21.0	21.7	20.4
MRPL	Sell	126	112	-11	14.8	10.7	11.6	8.5	11.8	2.2	1.9	31.4	17.3	16.5
Oil India	Buy	363	340	-6	19.3	29.1	34.1	18.8	12.5	1.0	1.0	5.7	7.9	8.8
ONGC	Buy	191	231	21	16.4	19.0	22.8	11.6	10.1	1.1	1.1	10.1	10.8	12.5
PLNG	Buy	263	312	18	11.4	15.0	16.7	23.2	17.6	4.9	4.1	23.2	25.2	23.7
Reliance Ind.	Buy	884	1,005	14	48.3	55.5	64.0	18.3	15.9	1.9	1.7	11.6	11.9	12.3
Aggregate								14.1	13.1	1.8	1.7	13.1	12.9	13.5
Retail														
Jubilant Food	Sell	1,661	1,270	-24	10.0	21.4	27.4	166.0	77.5	13.6	12.8	8.2	16.5	20.9
Titan Co.	Buy	782	850	9	9.0	12.5	15.9	86.6	62.5	16.3	13.2	20.6	23.4	25.5
Aggregate								92.1	63.8	15.8	13.1	17.1	20.5	23.9
Technology														
Cyient	Buy	541	600	11	30.6	36.0	41.9	17.7	15.0	2.9	2.6	16.2	17.4	18.3
HCL Tech.	Neutral	868	970	12	59.8	63.2	68.2	14.5	13.7	3.6	3.5	27.5	25.9	25.6
Hexaware	Neutral	339	270	-20	13.7	16.3	17.0	24.8	20.8	6.0	5.2	26.5	26.4	23.4
Infosys	Buy	961	1,100	15	62.8	63.8	67.8	15.3	15.1	3.2	3.4	22.0	21.8	22.5
KPIT Tech	Neutral	161	160	0	11.9	11.9	14.1	13.5	13.5	2.0	1.8	14.3	14.1	14.5
L&T Infotech	Buy	945	950	1	55.5	61.6	66.0	17.0	15.3	6.2	4.8	41.6	35.2	29.6
Mindtree	Neutral	494	480	-3	24.9	28.5	33.6	19.9	17.3	3.2	3.2	16.8	17.3	20.4
Mphasis	Neutral	736	670	-9	38.9	42.0	46.0	18.9	17.5	2.5	2.9	13.2	14.6	17.3
NIIT Tech	Neutral	625	600	-4	38.0	43.7	50.3	16.4	14.3	2.2	2.1	13.7	15.1	16.4
Persistent Sys	Buy	647	780	21	37.7	43.3	52.4	17.2	14.9	2.6	2.5	17.0	17.9	20.8
Tata Elxsi	Buy	900	1,004	12	28.1	33.8	40.2	32.0	26.6	10.0	8.1	37.1	33.6	32.4
TCS	Neutral	2,703	2,450	-9	133.4	131.8	151.4	20.3	20.5	6.0	6.5	32.6	30.6	33.5
Tech Mah	Buy	490	560	14	30.9	35.8	37.7	15.9	13.7	2.6	2.5	18.4	18.9	18.2
Wipro	Neutral	302	280	-7	16.9	19.1	20.1	17.9	15.8	2.9	2.7	16.9	17.0	16.7
Zensar Tech	Buy	870	1,020	17	52.1	52.8	72.7	16.7	16.5	2.7	2.4	17.2	15.3	18.4

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Aggregate								18.0	17.7	4.1	4.3	22.9	24.4	23.2
Telecom														
Bharti Airtel	Buy	502	680	36	11.3	3.8	6.5	44.3	133.7	3.0	2.9	6.8	2.2	3.7
Bharti Infratel	Neutral	425	440	3	14.9	16.8	19.2	28.6	25.3	5.1	5.1	16.2	20.2	22.8
Idea Cellular	Buy	97	105	8	-1.1	-15.5	-14.9	NM	NM	1.4	1.8	-1.6	-25.6	-32.6
Tata Comm	Buy	701	780	11	10.0	5.4	18.2	70.3	129.1	12.6	13.6	48.4	10.1	30.0
Aggregate								47.1	-403.9	3.1	3.2	6.6	-0.8	1.3
Utilities														
Coal India	Buy	285	335	18	14.9	17.5	20.7	19.1	16.3	7.2	6.9	37.8	42.4	47.7
CESC	Buy	1,012	1,360	34	51.9	88.9	99.3	19.5	11.4	1.3	1.2	6.5	10.6	10.8
JSW Energy	Sell	84	51	-39	3.8	4.0	3.3	21.8	20.7	1.3	1.3	6.3	6.3	5.0
NTPC	Buy	177	211	19	12.0	13.5	15.7	14.8	13.1	1.5	1.4	10.5	11.0	11.9
Power Grid	Buy	211	261	24	14.0	17.4	20.4	15.1	12.1	2.2	1.9	15.6	17.0	17.4
Tata Power	Sell	83	72	-13	7.4	7.3	7.5	11.2	11.4	1.9	1.7	17.1	16.0	14.6
Aggregate								16.5	13.9	2.4	2.2	14.4	15.7	16.8
Others														
Arvind	Neutral	424	425	0	12.4	10.5	16.5	34.3	40.3	3.1	2.9	10.3	7.4	10.9
Avenue Supermarts	Sell	1,157	873	-25	7.7	12.0	17.5	150.8	96.5	18.8	16.5	17.9	18.2	22.9
Bata India	Under Review	799	-		13.5	15.7	19.4	59.1	50.9	7.8	6.9	13.9	14.4	15.8
BSE	Neutral	973	1,100	13	41.0	45.3	46.1	23.7	21.5	2.0	2.0	8.3	9.3	8.0
Castrol India	Buy	397	467	18	13.6	12.6	13.3	29.2	31.4	33.1	30.0	115.0	100.3	96.1
Century Ply.	Neutral	297	323	9	8.7	9.8	12.9	34.2	30.2	9.2	7.6	31.1	27.7	29.6
Coromandel Intl	Buy	511	523	2	16.6	24.1	29.0	30.8	21.2	5.2	4.5	17.5	22.5	23.4
Delta Corp	Buy	264	257	-3	3.1	5.7	8.0	86.4	46.6	6.6	4.5	8.1	12.1	12.9
Dynamatic Tech	Buy	2,076	3,334	61	67.6	112.9	166.7	30.7	18.4	4.2	3.4	15.1	20.7	24.3
Eveready Inds.	Buy	351	358	2	12.9	13.6	16.3	27.2	25.7	8.8	7.2	37.7	30.8	30.1
Interglobe	Neutral	1,180	1,291	9	43.2	63.2	75.4	27.3	18.7	12.0	6.9	51.0	46.8	43.0
Indo Count	Neutral	117	118	1	13.0	8.9	10.8	9.0	13.2	2.7	2.2	34.8	18.6	18.3
Info Edge	Buy	1,190	1,300	9	15.7	23.6	26.2	75.9	50.3	7.3	6.5	10.2	13.7	13.7
Inox Leisure	Sell	264	240	-9	3.3	8.0	12.0	79.1	32.8	4.6	4.0	5.9	12.5	16.2
Jain Irrigation	Under Review	96	-		5.5	7.6	10.0	17.3	12.6	1.5	1.4	8.6	11.7	14.8
Just Dial	Neutral	500	465	-7	17.5	18.5	21.1	28.7	27.1	3.8	3.4	14.8	13.4	13.7
Kaveri Seed	Buy	531	738	39	19.1	34.1	41.0	27.8	15.6	3.6	3.8	13.6	23.3	27.4
Kitex Garm.	Buy	302	394	30	18.6	22.1	26.2	16.3	13.7	4.4	3.5	29.8	28.6	27.6
Manpasand	Buy	434	534	23	6.3	9.7	15.3	68.4	44.6	4.3	4.0	7.3	8.2	13.4
MCX	Buy	966	1,300	35	24.8	26.5	43.4	38.9	36.5	3.6	3.7	10.2	10.0	15.9
Monsanto	Buy	2,536	3,295	30	86.2	105.0	126.6	29.4	24.1	8.3	7.5	31.5	32.5	34.5
Navneet Education	Buy	162	209	29	7.3	8.4	10.4	22.2	19.2	5.5	4.7	26.7	26.3	27.9
Qess Corp	Buy	827	1,040	26	10.0	27.7	29.1	82.7	29.8	11.2	4.6	19.0	21.9	15.0
PI Inds.	Buy	820	890	8	33.4	29.9	35.6	24.6	27.4	6.9	5.8	32.8	23.0	22.9
Piramal Enterp.	Buy	2,646	3,266	23	72.6	104.6	149.7	36.5	25.3	3.1	2.8	9.0	11.7	15.3
SRF	Buy	1,732	1,798	4	85.9	82.6	105.8	20.2	21.0	3.2	2.9	16.6	14.1	16.3
S H Kelkar	Buy	266	298	12	7.2	7.6	9.9	36.7	35.0	4.7	4.3	13.7	12.9	15.2
Symphony	Sell	1,586	1,288	-19	23.7	35.1	42.9	67.0	45.2	24.9	21.9	43.3	51.6	54.5
Team Lease Serv.	Buy	1,870	2,300	23	38.8	43.0	66.4	48.2	43.4	8.4	7.0	19.2	17.6	22.2
Trident	Buy	90	114	26	6.6	8.3	10.4	13.7	10.9	1.7	1.5	13.0	14.5	16.1
TTK Prestige	Neutral	6,566	5,281	-20	132.1	137.8	176.1	49.7	47.6	9.0	8.2	19.5	18.0	20.7
V-Guard	Neutral	225	167	-26	3.6	4.5	6.0	62.9	50.2	15.0	12.2	27.4	26.9	28.8
Wonderla	Buy	388	393	1	7.0	11.9	16.0	55.5	32.5	5.1	4.5	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	2.2	8.9	-25.7
Ashok Ley.	-3.0	-11.4	25.2
Bajaj Auto	1.5	3.6	18.8
Bharat Forge	-1.8	8.1	60.0
Bosch	-2.9	-3.7	-1.8
CEAT	1.4	-1.1	30.6
Eicher Mot.	-1.1	-3.6	32.1
Endurance Tech.	-1.7	3.7	79.8
Escorts	-2.0	0.1	97.6
Exide Ind	-0.7	-3.4	4.0
Hero Moto	0.1	-2.3	14.7
M&M	2.3	7.0	5.5
Mahindra CIE	-0.2	1.5	26.1
Maruti Suzuki	-0.5	3.4	53.3
Tata Motors	-4.0	-0.3	-20.9
TVS Motor	1.9	3.2	86.7
Banks - Private			
Axis Bank	0.7	5.9	7.5
DCB Bank	3.9	0.5	52.5
Equitas Hold.	0.6	-9.1	-16.4
Federal Bank	-1.9	-4.8	39.7
HDFC Bank	-0.4	0.9	42.5
ICICI Bank	2.2	18.3	19.8
IDFC Bank	-0.7	-5.2	-24.9
IndusInd	-0.7	-3.8	36.5
J&K Bank	-0.1	5.5	16.5
Kotak Mah. Bk	-1.3	-5.9	21.0
RBL Bank	-0.1	-1.5	33.6
South Indian	-0.2	2.0	41.7
Yes Bank	-0.2	-18.4	17.7
Banks - PSU			
BOB	2.6	19.7	2.9
BOI	-1.9	40.7	58.1
Canara	-0.1	23.6	24.8
IDBI Bk	2.3	19.6	-12.3
Indian Bk	1.4	46.5	51.0
OBC	0.9	7.8	2.6
PNB	-1.1	38.8	19.3
SBI	6.2	29.8	18.3
Union Bk	0.3	26.9	16.8
NBFCs			
Bajaj Fin.	-0.4	-10.5	88.0
Bharat Fin.	-0.5	0.4	33.1
Capital First	0.5	-7.0	10.7
Cholaman.Inv.&Fn	-0.2	13.2	28.5
Dewan Hsg.	0.9	15.8	132.3
GRUH Fin.	3.3	-4.8	58.7
HDFC	-1.1	-2.1	28.2
Indiabulls Hsg	-0.8	-4.4	75.0
L&T Fin.Holdings	-0.6	-7.6	86.5
LIC Hsg Fin	0.8	-11.3	6.4
Manappuram	0.0	-5.7	-3.5
M&M Fin.	-1.6	-1.9	30.8
Muthoot Fin	-1.5	-1.4	36.5

Company	1 Day (%)	1M (%)	12M (%)
Bharat Elec.	-1.2	10.0	46.6
BHEL	0.3	6.5	-1.6
Blue Star	3.2	-14.3	31.7
CG Cons. Elec.	4.4	17.9	53.2
CG Power & Inds Sol.	-4.1	4.7	1.6
Cummins	-0.1	-3.7	5.2
GE T&D	-1.8	3.0	18.6
Havells	-2.7	-6.0	32.5
K E C Intl	-2.2	-0.1	117.1
L&T	3.9	10.6	34.1
Pennar Eng.	1.2	6.3	-39.7
Siemens	0.0	-1.5	11.4
Solar Ind	0.5	5.8	54.5
Suzlon Energy	0.3	-4.3	3.5
Thermax	1.3	8.4	13.7
Va Tech Wab.	-1.0	0.1	10.6
Voltas	1.5	8.0	63.0
Cement			
Ambuja Cem.	-0.4	-3.1	16.8
ACC	-0.4	1.2	20.2
Birla Corp.	0.5	27.3	61.4
Dalmia Bharat	-0.6	5.6	43.0
Grasim Inds.	1.6	8.0	62.0
India Cem	-1.9	-7.0	19.8
J K Cements	0.9	6.3	18.3
JK Lakshmi Ce	-2.6	14.0	-1.0
Ramco Cem	-0.9	0.2	12.9
Orient Cem	-1.1	7.7	11.0
Prism Cem	-0.4	5.4	16.5
Shree Cem	-0.4	-3.9	14.1
Ultratech	1.8	12.2	15.7
Consumer			
Asian Paints	-1.6	1.2	16.0
Britannia	2.4	12.2	52.2
Colgate	0.0	-4.6	7.8
Dabur	-1.7	8.0	15.3
Emami	0.2	12.5	6.4
Godrej Cons.	-1.6	-3.1	27.8
GSK Cons.	1.9	21.2	8.5
HUL	3.0	6.8	57.1
ITC	0.5	-1.7	4.2
Jyothy Lab	-0.5	-12.6	-6.7
Marico	-0.8	-1.8	16.3
Nestle	-0.3	6.6	20.9
Page Inds	-0.3	18.8	48.5
Parag Milk	-1.9	-1.4	-18.0
Pidilite Ind.	0.7	2.1	22.7
P&G Hygiene	0.2	1.9	26.1
Prabhat Dairy	-0.4	8.7	26.2
United Brew	1.0	31.1	23.3
United Spirits	-2.6	27.9	49.6
Healthcare			
Alembic Phar	-0.6	2.2	-22.0
Alkem Lab	-0.3	4.7	18.2
Ajanta Pharma	-0.3	2.8	-37.4

Company	1 Day (%)	1M (%)	12M (%)
PNB Housing	-0.5	-7.3	48.9
PFC	-8.2	2.7	4.4
Repco Home	3.3	-10.3	-8.8
REC	-1.9	5.7	17.7
STF	-0.7	16.2	29.5
Shriram City Union	-1.2	2.9	-7.2
Capital Goods			
ABB	0.4	0.1	27.1

Company	1 Day (%)	1M (%)	12M (%)
Aurobindo	-6.2	0.7	-6.4
Biocon	-2.6	5.9	29.4
Cadila	-2.8	-5.7	16.0
Cipla	-0.8	3.4	7.9
Divis Lab	0.6	14.5	-19.0
Dr Reddy's	-0.9	-2.6	-28.3
Fortis Health	-3.1	-12.1	-18.4
Glenmark	-1.3	-4.2	-36.1



Company	1 Day (%)	1M (%)	12M (%)
Granules	-3.1	-0.2	11.5
GSK Pharma	0.2	9.1	0.6
IPCA Labs	6.3	12.0	-1.9
Jubilant Life	-3.2	-7.9	-2.6
Lupin	0.2	-21.4	-44.2
Sanofi India	1.4	10.1	4.8
Shilpa Medicare	2.8	3.8	14.4
Strides Shasun	1.1	-9.6	-27.2
Sun Pharma	-1.4	0.0	-20.9
Syngene Intl	-0.7	1.0	-13.6
Torrent Pharma	-1.0	-3.5	-9.6
Infrastructure			
Ashoka Buildcon	-2.6	15.4	34.7
IRB Infra.Devl.	-2.0	8.3	4.3
KNR Construct.	-0.4	25.8	82.2
Sadbhav Engg.	1.0	12.9	14.7
Logistics			
Allcargo Logistics	-4.3	-0.5	-10.2
Blue Dart	1.5	-2.5	-20.1
Concor	0.8	1.3	23.6
Gateway Distriparks	8.7	6.8	3.5
Gati	1.9	4.4	-7.7
Transport Corp.	-1.7	2.7	49.5
Media			
Dish TV	1.4	3.9	-16.5
D B Corp	-0.1	-3.9	-2.8
Den Net.	-1.6	6.3	23.8
Ent.Network	1.0	-0.2	9.4
Hind. Media	-0.5	-4.5	-19.9
HT Media	0.5	2.4	23.3
Jagran Prak.	-0.5	-2.6	-8.4
Music Broadcast	-0.5	-7.4	
PVR	1.7	1.4	15.1
Prime Focus	-1.4	9.2	31.7
Siti Net.	1.6	-0.6	-28.0
Sun TV	-1.0	6.8	63.6
Zee Ent.	0.6	3.8	7.1
Metals			
Hindalco	0.3	5.1	50.7
Hind. Zinc	-0.4	-0.4	21.0
JSPL	0.7	5.9	117.2
JSW Steel	2.0	3.6	53.0
Nalco	-2.2	7.9	64.3
NMDC	0.1	4.4	-3.6
Rain Industries	3.9	107.0	639.3
SAIL	3.8	42.4	53.7
Vedanta	-0.1	0.7	41.5
Tata Steel	-0.3	1.6	60.6
Oil & Gas			
BPCL	-1.7	6.3	15.7
GAIL	1.5	2.9	35.6
Gujarat Gas	-0.9	0.5	57.0
Gujarat St. Pet.	-1.1	6.8	38.0
HPCL	-3.2	-4.3	35.3
IOC	0.1	-4.0	23.3
IGL	3.7	8.2	81.7

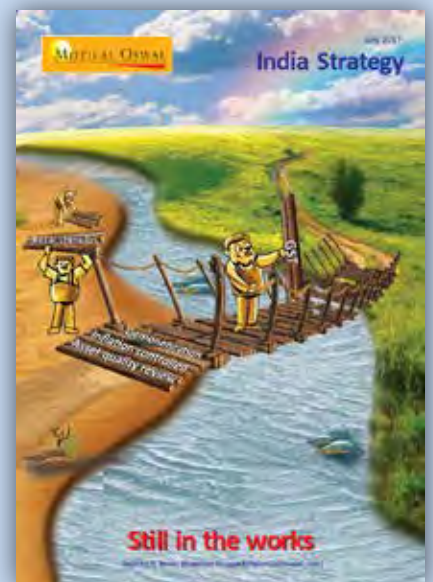
Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	0.6	27.1	124.1
Technology			
Cyient	0.4	4.3	17.7
HCL Tech.	-1.1	-3.4	10.1
Hexaware	-1.3	21.6	71.8
Infosys	0.6	2.7	2.3
KPIT Tech	1.0	22.3	20.8
L&T Infotech	1.3	17.5	49.5
Mindtree	0.0	0.7	12.7
Mphasis	1.2	18.8	45.5
NIIT Tech	-5.2	3.2	53.8
Persistent Sys	-1.6	-1.8	1.5
Tata Elxsi	-1.0	4.1	48.9
TCS	-1.1	9.9	25.3
Tech Mah	0.2	5.4	10.9
Wipro	-0.2	5.4	35.8
Zensar Tech	0.8	17.8	-9.3
Telecom			
Bharti Airtel	-0.4	30.7	62.8
Bharti Infratel	-0.6	6.3	9.8
Idea Cellular	0.4	33.0	32.9
Tata Comm	1.2	1.5	10.1
Utilities			
Coal India	0.5	-0.3	-14.6
CESC	-0.1	-4.2	70.2
JSW Energy	0.8	5.2	33.0
NTPC	-0.6	0.9	14.1
Power Grid	1.5	3.2	12.1
Tata Power	-1.0	1.6	10.3
Others			
Arvind	-2.5	8.3	9.2
Avenue Super.	3.3	-2.5	
Bata India	-0.7	2.7	73.1
BSE	-0.4	-2.2	
Castrol India	0.3	7.7	-8.2
Century Ply.	-0.8	21.0	35.0
Coromandel Intl	2.3	7.4	98.0
Delta Corp	-0.4	13.4	117.8
Dynamatic Tech	0.7	-3.5	-36.7
Eveready Inds.	2.8	6.2	40.7
Interglobe	-1.5	5.7	26.3
Indo Count	-0.4	5.7	-27.0
Info Edge	-2.2	13.4	29.4
Inox Leisure	1.8	14.8	4.7
Jain Irrigation	-7.8	-2.6	-3.4
Just Dial	9.0	21.2	26.1
Kaveri Seed	-0.9	-0.2	32.0
Kitex Garm.	-0.8	36.7	2.3
Manpasand	1.4	-6.5	24.6
MCX	-1.3	-12.7	-29.7
Monsanto	3.0	1.7	10.7
Navneet Educat.	-2.0	-4.7	57.5
PI Inds.	1.0	9.9	-5.9
Piramal Enterp.	0.3	-4.4	65.9
Quess Corp	0.8	0.2	39.9
SRF	5.7	0.8	-1.2

Company	1 Day (%)	1M (%)	12M (%)
MRPL	-1.5	-0.4	43.4
Oil India	-0.4	3.0	17.8
ONGC	0.7	12.1	3.7
PLNG	-1.9	7.0	35.6
Reliance Ind.	-2.0	4.8	75.0
Retail			
Jubilant Food	0.7	8.9	75.4

Company	1 Day (%)	1M (%)	12M (%)
S H Kelkar	-1.7	-6.8	-12.4
Symphony	-0.6	14.3	22.0
Team Lease Serv.	-1.9	17.2	89.8
Trident	-0.7	-11.9	58.0
TTK Prestige	0.6	8.4	13.5
V-Guard	-3.2	16.9	53.9
Wonderla	0.3	5.1	4.2

NOTES

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL Initiating Coverage | 11 December 2017
Sector: Metals

Rain Industries

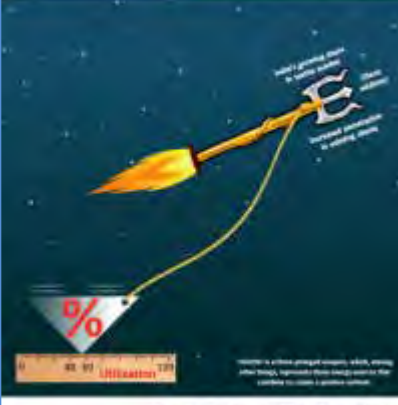


Enduring Tailwinds

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MOTILAL OSWAL Initiating Coverage | 22 August 2017
Sector: Metals

Trident



An attractive utilization play

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MOTILAL OSWAL Initiating Coverage | 7 August 2017
Sector: Healthcare

Strides Shasun



Making great strides

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MOTILAL OSWAL Initiating Coverage | 10 July 2017
Sector: Healthcare

Shilpa Medicare



Injecting Growth

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MOTILAL OSWAL Initiating Coverage | 18 July 2017
Sector: Insurance

Capital First



Capitalizing on multiple opportunities

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MOTILAL OSWAL Initiating Coverage | 15 July 2017
Sector: Finance

L&T Finance Holdings

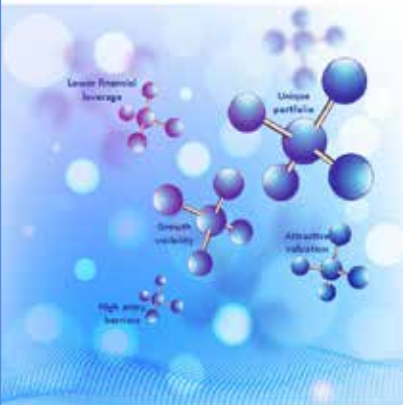


Focused approach

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MOTILAL OSWAL Initiating Coverage | 14 July 2017
Sector: Healthcare

Jubilant Life Sciences

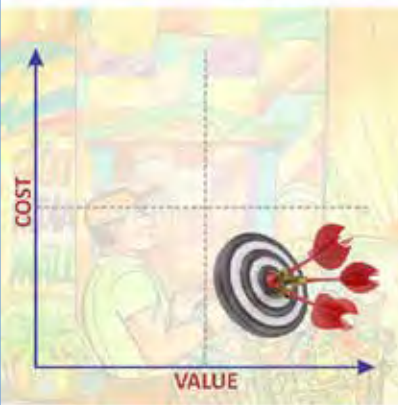


Promising formulation

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MOTILAL OSWAL Initiating Coverage | 21 June 2017
Sector: Retail

Avenue Supermarts



Delivering Value

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MOTILAL OSWAL Initiating Coverage | 21 June 2017
Sector: Finance

Cholamandam Finance



Prepared, Equipped and Armed

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL October 2017

Annual Report Threadbare

INTERGLOBE AVIATION FY17
 INTERGLOBE Aviation (IGA) has reported a record performance for FY17. Revenue increased by 14% over FY16 to ₹1,070.55 crore. Profit after tax (PAT) increased by 18% to ₹100.55 crore. IGA has also reported a record performance in terms of passenger load factor (PLF) of 82.5% and aircraft utilization of 11.5 hours per aircraft per day (APAD). IGA has also reported a record performance in terms of fleet expansion with 10 new aircraft delivered in FY17. IGA has also reported a record performance in terms of fleet expansion with 10 new aircraft delivered in FY17.

Key Highlights:

- Revenue increased by 14% over FY16 to ₹1,070.55 crore.
- Profit after tax (PAT) increased by 18% to ₹100.55 crore.
- Passenger load factor (PLF) improved to 82.5%.
- Aircraft utilization improved to 11.5 hours per aircraft per day (APAD).
- 10 new aircraft delivered in FY17.

Financials (₹ Crores):

Revenue	1070.55
Operating Profit	150.00
Profit After Tax (PAT)	100.55

Share Price Performance:

Share Price (₹):

FY15	120
FY16	140
FY17	160

Shareholding Pattern (%)

Public	85
Government	15

Key Metrics:

- Passenger Load Factor (PLF): 82.5%
- Aircraft Utilization (APAD): 11.5 hours
- Fleet Expansion: 10 new aircraft

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MOTILAL OSWAL 14 June 2017

The CornerOffice

Focused growth strategy leveraging on trends in 2Ws

Insights from the Industry

Key Highlights:

- Focus on growth through strong financial performance in the 2Ws.
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MOTILAL OSWAL 12th July 2017

VOICES

India Inc on Call

Key Highlights:

- India Inc on Call
- India Inc on Call
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- India Inc on Call
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- India Inc on Call

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MOTILAL OSWAL 14 June 2017

EcoKnowLedgE

India Inc on Call

Key Highlights:

- India Inc on Call
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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of October edition:

- Up 5% in October - Annual highest MoM rise in last 50 months
- All sectors closed in green, Telecom, PSU banks and Oil top outperformers
- 1st net buyer after 8 months of selling, DRs bought stocks worth ₹1037.26 in the last three months

Best Performing Sectors (FY17)

Telecom	14%
PSU Banks	12%
Oil	10%

Worst Performing Sectors (FY17)

IT	-2%
Auto	-3%
Pharma	-4%

Research & Query Team: Research@MotilalOswal.com | 91 22 6862 3400

MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Key Highlights:

- Equity
- Debt
- Hybrid
- Specialized
- International

Best Performing Funds (FY17):

Equity	15%
Debt	12%
Hybrid	10%

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