

Market snapshot



Equities - India	Close	Chg. %	YTD. %
Sensex	28,352	0.1	6.5
Nifty-50	8,805	0.1	7.6
Nifty-M 100	16,131	-0.6	12.4
Equities-Global	Close	Chg. %	YTD. %
S&P 500	2,328	0.5	4.0
Nasdaq	9,710	0.5	4.9
FTSE 100	7,279	0.3	1.9
DAX	11,774	0.9	2.6
Hang Seng	10,258	1.3	9.2
Nikkei 225	19,459	0.4	1.8
Commodities	Close	Chg. %	YTD. %
Brent (US\$/Bbl)	55	-1.7	-0.6
Gold (\$/OZ)	1,225	-0.7	6.3
Cu (US\$/MT)	6,104	0.3	10.5
Almn (US\$/MT)	1,868	0.1	9.6
Currency	Close	Chg. %	YTD. %
USD/INR	67.0	0.2	-1.3
USD/EUR	1.1	-0.4	0.8
USD/JPY	113.8	0.5	-2.7
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.8	0.0	0.3
10 Yrs AAA Corp	7.6	0.0	0.1
Flows (USD b)	13-Feb	MTD	YTD
FII	0.0	0.4	0.4
DII	0.0	0.3	1.0
Volumes (INRb)	13-Feb	MTD*	YTD*
Cash	234	287	243
F&O	3,613	4,674	4,170

Note: YTD is calendar year, *Avg

Quote of the day

When you have exhausted all possibilities, remember this. You haven't.



Today's top research ideas

EcoScope: Headline inflation softens to lowest level since Jan-2012

The RBI is unlikely to change its neutral stance

- ✓ Consumer Price Index (CPI) eased to a 60-month low of 3.17% in January 2017 from 3.41% in December 2016. This was much lower than our expectation of 3.8% (and consensus of 3.2%) and marks the lowest level since the series began in 2012.
- ✓ This, however, is unlikely to change the RBI's monetary policy stance since vegetables (deflation at 15.62%) and pulses (deflation of 6.62%) were the key drivers of lower inflation in January.
- ✓ Core inflation (all items excl. food & beverages and fuel & light) edged up to 5.1%, the highest level in 27 months.



Research covered

Cos/Sector	Key Highlights
EcoScope	Headline inflation softens to lowest level since Jan-2012
Infosys	The glass house perils
Oil & Gas	Petroleum consumption data
Capital Goods	(TRANSMISSION): 'Make in India' thrust evident in PWGR ordering
Metals Weekly	Domestic steel weakens; Base metals up
HPCL 3QFY17	Poor core GRM; inventory gains to the rescue
NMDC 3QFY17	Strong quarter used for cleaning balance sheet
Idea Cellular 3QFY17	EBITDA on a freefall
Hindalco 3QFY17	Miss is largely led by temporary demand volatility
Petronet LNG 3QFY17	Significant beat in 3QFY17 led by higher volumes
NALCO 3QFY17	Operating leverage driving down CoP; raising LME est.
Va Tech 3QFY17	Operating performance meaningfully above estimate
Results Flash	Britannia Concor GSK Consumer Muthoot Fin Repco Home Fin.
Results Expectation	JI PI PARAG SHKL SITINET SUNP TTMT VEDL VOLT



Piping hot news

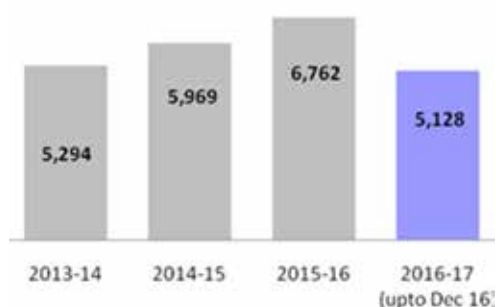
Retail inflation dips to 3.17% in Jan

- ✓ Retail inflation eased to 3.17 per cent in January with a sharp drop in consumer food prices, especially in urban areas. This is an indication of muted demand following demonetisation of high-value currency.

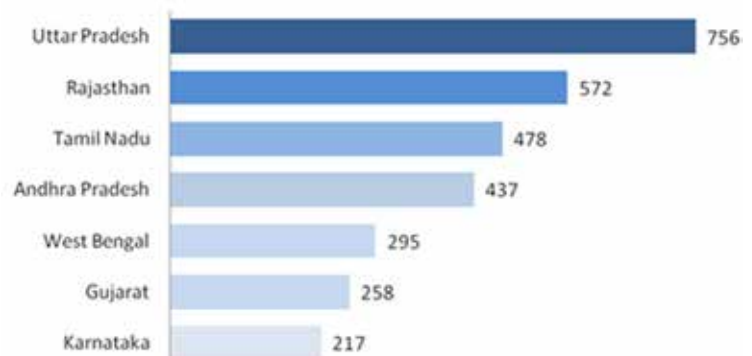


Chart of the Day: 7 States contribute ~59% of road toll collection

Annual Earnings from toll Plazas Collection (INR Cr)*



Revenue collection in top 7 States (1st April-16 Dec, 2016 INR Cr)



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

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



Kindly click on numbers for the detailed news link

1

GVK pips GMR to win Navi Mumbai airport bid

GVK-led Mumbai International Airport (MIAL) has won the bid for the Navi Mumbai international airport, edging out rival GMR Group. GVK, which runs the Mumbai and Bengaluru airports, offered 12.6 per cent in revenue share to the project implementing authority, the City and Industrial...

2

L&T in French JV for missile system

The government's military indigenisation plan has spawned another tie-up. Engineering and construction major Larsen & Toubro (L&T) announced a joint venture (JV) with France's MBDA, a global leader in missile systems. L&T said it was targeting Rs 10,000 crore in annual business from the defence segment by 2021. It will hold 51 per cent of the equity in L&T MBDA Missile System Ltd, a company to be incorporated later this year. The JV would focus on orders under the Buy Indigenously Designed, Developed and Manufactured (IDDM) category, Buy Indian and Buy & Make Indian categories of defence procurement.

3

Falling solar tariffs worry wind industry

The domestic wind power industry is feeling the pressure of low solar tariffs. In the recent auctions of Madhya Pradesh, solar prices fell to as low as Rs. 2.97 a kWhr for the first year, or Rs. 3.29 levelled over a 25-year agreement period. Will solar eject wind power out of the market? ...

4

SBI General Insurance eyes stronger growth in SME, home and health biz

SBI General Insurance, which is expected to swing into the black for the first time this fiscal, plans to give a bigger thrust to SME, health and home businesses in the near term as the three segments promise growth and profitability...

5

We are not ruling out India acquisitions: Boeing's Leanne Caret

US aircraft maker Boeing Co. last week launched Boeing Defence India, a local unit aimed to support the company's growth in the country. Pratyush Kumar, president of Boeing India, will lead the new unit. This is the fourth such global unit for Boeing, after Australia, the UK and Saudi Arabia. In an interview, Leanne Caret, president and chief executive officer of Boeing Defence, Space and Security says the new unit will expand the firm's footprint in India with a long-term bet on the country.

6

Idea Could Exit Tower Business for Cash Comfort

Idea Cellular is looking to raise funds by selling some or all of its stake in its tower business and has frozen hiring as part of a stringent cost-cutting drive to improve finances and better take on Reliance Jio Infocomm, whose entry led the No. 3 telco to post its first net loss since listing...

7

GIC Leads Race to Buy 40% in DLF Arm for Rs 12,000 cr

GIC of Singapore is set to enter into exclusive bilateral negotiations with KP Singh and his family, the promoters of India's largest real estate firm DLF Limited, to acquire their 40% stake in DLF Cyber City Developers Limited (DCCDL), the company that owns a portfolio of leased commercial assets, including the entire Cyber City ...



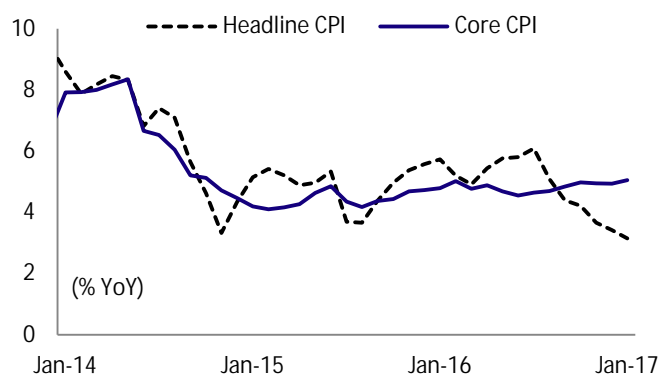
Headline inflation softens to lowest level since Jan-2012

The RBI is unlikely to change its neutral stance

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- n This, however, is unlikely to change the RBI's monetary policy stance since vegetables (deflation at 15.62%) and pulses (deflation of 6.62%) were the key drivers of lower inflation in January.
- n Core inflation (all items excl. food & beverages and fuel & light) edged up to 5.1%, the highest level in 27 months.

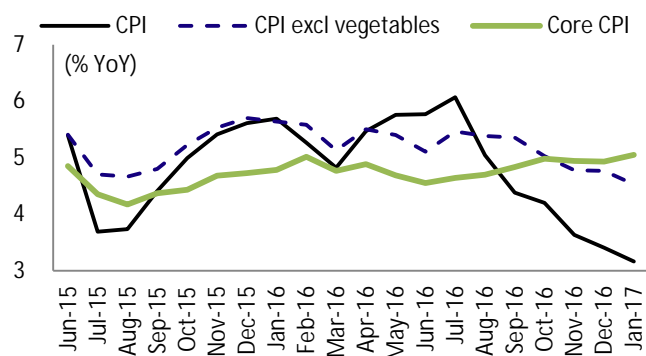
- n **Headline inflation at 60-month low...**: CPI-based inflation softened to 3.17% in January 2017 from 3.41% in December 2016, lower than market consensus of 3.2% and much lower than our estimate of 3.8% (*Exhibit 1*). CPI inflation averaged 4.85% in the first 10 months of FY17, higher than 4.79% in the corresponding period last year (*Exhibit 3*).
- n **...primarily driven by vegetables and pulses**: Inflation in vegetables, which accounts for ~6% of the CPI basket, was at negative 15.62% in January 2017. Consequently, CPI inflation excluding vegetables came in at 4.53%, as against ~4.8% in the previous two months (*Exhibit 2*). Prices of pulses also declined 6.62% YoY (~5% MoM) in January 2017.
- n **However, core inflation moved up**: Core inflation (all items excluding the food and fuel group) edged up to 5.05% in January – the highest level since October 2014 when it stood at 5.13%. Core inflation in December 2016 at 4.93% was lower than that in January.
- n **Inflation in miscellaneous items also moved up**: Outside the food basket, inflation in 'miscellaneous' items moved up to 5.02% in January from 4.77% in both November and December 2016. This was primarily due to higher inflation in the transport and communication segment (up to 5.40% from 4.04% in the previous month; *Exhibit 3*).
- n Even though headline inflation for the month was lower than the RBI's fiscal year-end target of 5%, **we believe that the rate cut cycle is now behind us**. The RBI is unlikely to change its stance since vegetables still remains the primary driver of lower headline inflation. Further, we believe that food inflation may move up starting this month since the cash crunch seems to have subsided. We thus expect headline inflation at 5.2% in FY18 and 4.7% in FY17.

Exhibit 1: Retail inflation falls to 3.17% in January 2017



* Excluding F&B and F&L
Source: Central Statistics Office (CSO), MOSL

Exhibit 2: Vegetables/pulses key drivers of lower inflation



Source: CSO, MOSL

Exhibit 3: CPI and key components (% YoY)

% YoY	FY15*	FY16*	FY17*	Jan-16	Nov-16	Dec-16	Jan-17
Overall CPI	6.1	4.8	4.8	5.7	3.6	3.4	3.2
Food & beverages	6.5	4.9	5.2	6.7	2.6	1.9	1.3
Cereal & products	6.0	1.7	3.9	2.2	4.8	5.3	5.2
Pulses & products	7.1	29.6	16.2	43.3	0.3	-1.6	-6.6
Meat & fish	6.9	5.9	6.5	8.2	5.8	4.7	3.0
Milk & products	10.8	5.7	4.0	3.9	4.5	4.4	4.23
Fruits & vegetables	5.2	1.4	1.4	4.3	-6.2	-8.9	-9.23
Pan, tobacco & intoxicants	7.8	9.5	7.0	9.0	6.3	6.4	6.36
Fuel & light	4.1	5.8	3.0	5.3	2.8	3.8	3.42
Housing	7.5	4.7	5.2	5.2	5.0	5.0	5.02
Clothing & footwear	7.7	5.9	5.2	5.7	5.0	5.0	4.71
Miscellaneous	5.1	3.6	4.3	4.0	4.8	4.8	5.02
Transport & communication	3.9	0.0	2.2	1.6	3.8	4.0	5.40
Core CPI*	6.1	4.5	4.8	4.8	4.9	4.9	5.05
Core CPI excl petrol, diesel etc		5.2	5.0	5.1	4.9	4.8	4.66

* April-Jan period

Excluding F&B and F&L; Source: CSO, MOSL



BSE SENSEX 28,352 S&P CNX 8,805

CMP: INR984 TP: INR1,250(+27%)

Buy



Stock Info

Bloomberg	INFO IN
Equity Shares (m)	2,297
52-Week Range (INR)	1278 / 900
1, 6, 12 Rel. Per (%)	-3/-7/-33
M.Cap. (INR b)	2,259.0
M.Cap. (USD b)	33.7
Avg Val, INRm	4144
Free float (%)	87.3

Financials Snapshot (INR b)

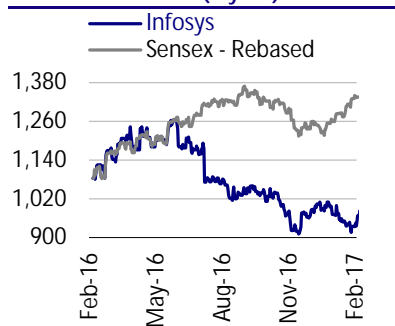
Y/E Mar	2016	2017E	2018E
Net Sales	624.4	689.9	776.8
EBITDA	170.8	187.5	208.8
PAT	134.9	143.6	154.9
EPS (INR)	59.0	62.8	67.8
Gr. (%)	9.4	6.4	7.9
BV/Sh (INR)	270.3	301.5	333.0
RoE (%)	24.7	23.2	22.5
RoCE (%)	23.2	22.0	21.4
P/E (x)	16.4	15.4	14.3
P/BV (x)	3.6	3.2	2.9

Shareholding pattern (%)

As On	Dec-16	Sep-16	Dec-15
Promoter	12.8	12.8	13.1
DII	18.9	18.0	17.6
FII	39.5	40.1	56.8
Others	28.9	29.2	12.5

FII Includes depository receipts

Stock Performance (1-year)



The glass house perils

Evident distraction from negative media and ex-promoters' dissonance

Infosys Technologies (INFO) has attracted a spate of negative media attention in recent days. It thus held a press conference to clarify its stance on matters old and new, including [1] appointment of Punita Kumar Sinha and D N Prahlad on the Board, [2] compensation of CEO Dr Vishal Sikka, [3] severances paid out to ex-CFO Rajiv Bansal and Chief Compliance Officer David Kennedy and [4] profligacy on the CEO's part.

While this may help restrain the media hype, we think it is the broader subject of the Board's independence that deserves more attention as an outcome of the saga.

The free hand debate: INFO's founders voluntarily left the company to give a free hand to the new leaders to craft and execute their own strategy. That said Mr Narayana Murthy raising concerns is understandable if issues pertain to governance. But what are at loggerheads with the freedom, in our opinion, are issues like: [1] displeasure on remuneration to the new CEO and [2] expression of surprise on discontinuation of monitoring a project concerning replacement of visa employees.

The control conundrum: In principle, INFO does should not have to worry about any intervention by non-executive founders, and any discordance with them on strategic choices and judgments need not be painstakingly resolved. Any developments on that front will naturally bring into question the locus of control. INFO has put right many issues over in the past 2.5 years around revenue growth and margins. , and it hence, will thus be better off keeping away from any steps that may trigger questions on the locus of control. The transition in the industry compounded by political developments in the US and UK are more -than -enough food -for -thought on the plate of any IT Services services company. Additional internal issues are the last thing a company needs.

The evident distraction: The undue media attention in recent days, thanks much to the comments by ex-promoters and employees, is an evident distraction for the company's senior management bandwidth. This is substantiated by the press conference itself, which witnessed the participation of the entire INFO Board.

Valuation and view: INFO's strategy 'renew and new' – renewing the way of delivering existing services and building new services of the future – resonated with the changing landscape of technology demand. Execution has reflected well in several metrics, including volume growth, deal wins and pick-up in new initiatives. Recent distraction from negative media around rift with founders is unwelcome, and compounded with other macro factors, limits near term triggers. For INFO, we expect revenue CAGR of 9.0% and EPS CAGR of 8.8% over FY17-19. We believe that the company is investing in all the right areas to regain and sustain its growth leadership, compounded by industry-leading margins. Our target price of INR1,250 implies a 28% upside. INFO remains our preferred play in the sector.

Oil & Gas

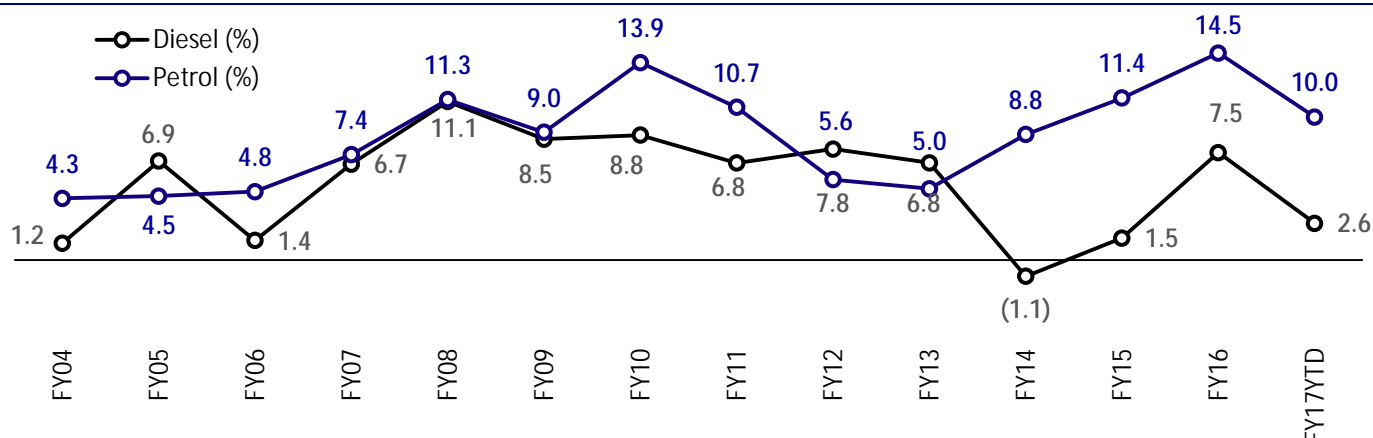
Latest petroleum consumption data suggests slowdown in petrol and diesel consumption growth

- Against strong growth of 14.5% in FY16, growth in petrol consumption appears to have slowed down to 10% in FY17 YTD. Diesel consumption growth also appears to have declined from 7.5% in FY16 to 2.6% in FY17YTD.
- Driven by government focus on increasing penetration of LPG, consumption growth of LPG at 12% in FY17YTD is higher than 8% witnessed in FY16. The government has been intentionally cutting down allocation of kerosene in Public Distribution System. As a result, kerosene consumption continues to decline, a strong 19% FY17YTD against decline of 3.7% in FY16. Overall petroleum consumption has grown at 5.9% FY17YTD led primarily by growth in petrol, LPG, petcoke, FO and ATF.

Exhibit 1: Consumption of petroleum products

Product (tmt)	Apr16	May16	Jun16	Jul16	Aug16	Sep16	Oct16	Nov16	Dec16	Jan17	YoY (%)	MoM (%)	YTD (%)
(A) Sensitive Products													
LPG	1,591	1,599	1,613	1,708	1,840	1,868	1,850	1,871	1,937	1,984	16.4	2.4	11.5
SKO	516	530	533	502	497	501	380	387	399	366	-34.6	-8.1	-19.1
Sub total	2,107	2,129	2,146	2,210	2,337	2,369	2,230	2,257	2,336	2,350	3.8	0.6	3.4
(B) Major Decontrolled Products													
MS	1,996	2,083	1,846	1,918	2,205	1,815	2,106	2,026	1,965	1,805	-0.6	-8.2	10.0
HSD	6,768	6,958	6,384	5,807	6,134	5,213	6,675	6,750	6,553	5,794	-7.8	-11.6	2.6
Naptha+NGL	1,107	1,084	1,140	1,206	1,146	1,108	1,163	1,061	1,017	1,097	-5.8	7.8	0.9
ATF	557	571	553	559	555	574	570	591	614	627	17.8	2.1	11.9
LDO	34	36	37	35	41	37	43	42	39	32	-0.6	-18.1	15.4
Lubricants & Greases	273	291	333	301	246	221	268	292	285	267	-14.4	-6.3	-1.9
FO & LSHS	656	609	634	596	582	666	610	580	590	561	-10.6	-4.9	15.0
Bitumen	680	684	510	227	211	267	457	530	551	490	-10.8	-11.0	2.1
Sub total	12,071	12,315	11,436	10,649	11,118	9,900	11,890	11,871	11,614	10,672	-5.7	-8.1	4.6
(C) Other Minor Decontrolled Products													
Petroleum coke	1,570	1,898	2,327	2,166	2,749	1,955	1,860	1,572	1,878	1,946	-9.9	3.6	30.4
Others	509	530	566	608	571	570	572	528	493	547	10.3	10.9	3.7
Sub total	2,079	2,428	2,893	2,774	3,320	2,525	2,432	2,100	2,371	2,493	-6.1	5.1	23.5
All Products total	16,258	16,873	16,476	15,633	16,775	14,794	16,553	16,229	16,320	15,515	-4.5	-4.9	7.0

Exhibit 2: Growth in consumption of petrol and diesel

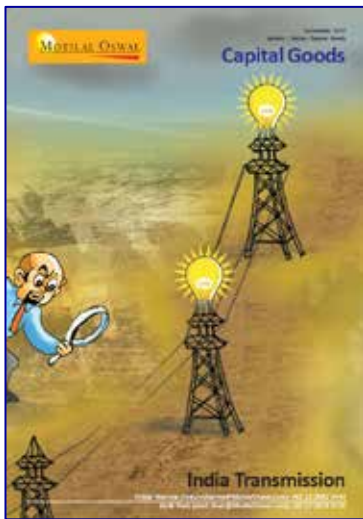


Source: PPAC, MOSL



Capital Goods

Refer to our report
on India Transmission, Dec-15



'Make in India' thrust evident in PWGR ordering

Reverse bidding to squeeze margins of T&D equipment suppliers

We met the management of Power Grid Corporation of India (PWGR) for an update on its T&D orders. Our key takeaways:

Raigarh-Pugular HVDC line – won by ABB consortium

- n The ABB consortium has been awarded the INR57b contract for the Raigarh-Pugular HVDC line; ABB India's share is INR36b. ABB had underbid by INR4b and the court has recently ruled against it – ABB will need to absorb this amount. This order constitutes ~30% of ABB India's order book and if it absorbs the entire under-recovery, it would make no money on this order.
- n Orders for the transmission line would be placed in 10 packages of 180km each at INR25m/km, translating into INR60b for the DC lines.
- n Land is already available for this and we expect completion in 32-34 months. The consortium's target of 2Q-3QFY19 appears aggressive.

Pugular-Trichur HVDC line – won by Siemens

- n Siemens is L1 for this project, with a bid value of INR35b, which is 9% below PWGR's estimate. Siemens was able to get the required cable from Sumitomo at a competitive price.
- n Clearances from NHAI and the state are already in place and work should start soon.

Champa-Kurukshetra Phase 1 and Phase 2 – won by Alstom; under execution

- n Alstom is executing this order and Phase 1 (3GW) should commission by the end of February. Phase 1 has two poles: Pole 1 (1.5GW; INR60b) is charged and Pole 2 (1.5GW; INR32b) would be charged by the end of February.
- n Phase 2 would commission in CY18, with Pole 3 and Pole 4 (3GW in total) yet to be charged. This would imply a total of 6GW being commissioned.

765kv GIS substation – Alstom prequalified to bid; ABB and Siemens not qualified

- n PWGR requires at least one bay to be made and supplied from an Indian factory – since ABB and Siemens do not manufacture in India, they are still not prequalified to supply 765kv GIS.
- n Alstom's factory in India is ready to supply to PWGR. Hyosung is the other player supplying from India. Chinese player, NSBS is also setting up a factory to supply to PWGR.

SVCs and static compensators

- n PWGR would be installing four SVCs and 14 static compensators totaling an order value of INR35b. It has already placed orders for most of this equipment.
- n Siemens, ABB, Ronxin and Hysoung have participated and won orders for dynamic compensation equipment. Alstom has not participated, as PWGR requires domestic manufacturing of at least one static compensator.

Reverse bidding – to squeeze margins for transmission equipment suppliers

- n PWGR has introduced reverse bidding in all packages, which has led to a meaningful reduction in prices across product categories.
- n L1, L2, L3 and L4 participate in the reverse bidding and the lowest bidder gets the order.
- n This would result in margins getting squeezed for transmission equipment suppliers.

Renewable energy integration

- n PWGR is setting up green corridors, dynamic compensation (14 units), storage and renewable energy management centers (REMCs; 11 units) to integrate renewables.
- n It has invited tenders for the REMCs and eight companies are participating.



Domestic steel weakens; Base metals up

- Indian steel: Long product (TMT Mumbai) prices were down 1.4% WoW. Sponge iron prices were down 1.6% WoW while domestic scrap prices were down 1.1% WoW. Domestic iron ore and pellet prices were unchanged. HRC prices were down 2.3% WoW on domestic demand weakness.
- Raw Materials: Iron ore prices (China cfr) was up 5% WoW on strong January import numbers by China. Thermal coal prices were unchanged while coking coal prices fell by 2% WoW. Pellet prices in China were unchanged.
- Europe: HRC prices were marginally higher. Rotterdam scrap prices were up ~12% WoW, recovering from the sharp correction in the past two weeks. CIS export HRC prices were down 4.6% WoW.
- China: local HRC steel prices were unchanged, while rebar prices rose ~2% WoW. Inventories in China rose sharply, partly a seasonal factor around the Chinese new year. Steel HRC export prices were down 0.5% WoW while rebar was down 1.1% WoW.
- Base metals: Aluminum (cash LME) was up 2% WoW. Spot premiums in US were up ~5% WoW. Alumina prices were up ~1% WoW. Zinc (cash LME) was up 4% WoW while lead was up 5% WoW. Copper was up 1% WoW. Crude oil (Brent) prices were down 1% WoW..

Metal Prices

	CMP	change since						
		10-Feb	%	3-Feb	%	1-Oct	%	1-Apr
STEEL								
TMT- Mumbai (INR/ton)	29,200	-1	29,600	8	27,000	6	27,600	
HRC- Mumbai (INR/ton)	38,222	-2	39,111	15	33,333	25	30,667	
HRC (USD/ton) fob CIS	463	-5	485	37	338	26	368	
METALLICS								
Sponge iron - Raipur (INR/ton)	15,400	-2	15,650	3	14,900	16	13,300	
Pig iron - Raipur (INR/ton)	23,600	-2	24,100	7	21,967	22	19,300	
Iron ore spot (USD/ton) cfr China	87	5	82	52	57	57	55	
Coking coal (USD/ton) fob Aus.	165	-2	168	-20	206	101	82	
Shred. scrap (USD/ton) Rotterdam	234	13	208	15	204	0	235	
ALUM.								
LME Spot (USD/ton)	1,849	2	1,809	13	1,638	21	1,524	
Indian prices (INR '000/ton)	124	2	122	14	109	23	101	
LME inventories ('000 ton)	2,231	-1	2,249	4	2,147	-20	2,783	
ZINC								
LME Spot (USD/ton)	2,906	4	2,783	28	2,272	58	1,842	
Indian prices (INR '000/ton)	195	4	188	29	151	-84	1,222	
LME inventories ('000 ton)	383	-2	389	-13	443	-12	435	
COPPER								
LME Spot (USD/ton)	5,872	1	5,836	22	4,815	20	4,880	
Indian prices (INR '000/ton)	392	-2	399	21	323	23	319	
LME inventories ('000 ton)	248	-2	254	-30	357	74	143	
OTHERS								
Gold (INR/10gms)	29,015	0	29,092	-7	31,316	0	29,080	
Sliver (INR/1kg)	41,837	0	41,965	-10	46,541	14	36,651	
Lead Spot LME (USD/ton)	2,406	5	2,294	26	1,912	40	1,720	
Brent crude (USD/bbl)	56.7	0	56.8	24	45.9	47	38.7	
MISC.								
INR/USD	66.9	-1	67.2	0	66.7	1	66.2	
BDI	702	-4	735	-25	941	56	450	

Valuations: Indian companies

Company	Price (INR)	EV/EBITDA (x) FY17E	P/B (x) FY18E	P/B (x) FY17E
Steel				
Tata Steel	468	9.1	7.6	3.8
JSW Steel	193	8.3	6.5	2.2
JSPL	91	12.2	11.3	0.5
SAIL	62	nm	nm	0.7
Non-Ferrous				
Hindalco	182	6.9	6.1	1.6
Nalco	65	8.1	5.4	1.2
Vedanta	248	6.7	5.5	1.3
Mining				
Coal India	325	10.0	7.3	6.7
HZL	315	9.9	7.6	3.1
NMDC	146	9.5	8.7	1.9

Note: Detailed table on pg 25 Source: MOSL

Valuations: Global companies

	Price	EV/EBITDA (x) CY16	P/B (x) CY17	P/B (x) CY17
Mining				
BHP	AUD 25.88	6.3	6.9	1.8
FMG	AUD 6.48	4.5	6.3	nm
Rio Tinto	AUD 65.95	6.1	7.1	2.2
Vale	USD 31.23	7.3	6.2	1.2
Teck Res.	USD 24.9	7.6	4.1	1.1
Steel				
A. Mittal	EUR 8.22	5.7	5.5	nm
Posco	KRW 275.5	5.9	5.7	0.6
US Steel	USD 37.6	6.4	6.3	2.8
Nucor	USD 60.99	8.1	7.5	2.4
JFE	JPY 2123.5	11.1	7.7	nm
Gerdau	BRL 12.89	8.6	7.2	1.1
Angang	CNY 6.07	9.5	8.8	0.8
Non Ferrous				
Alcoa	USD 38.3	5.7	5.3	0.8
Hydro	NOK 48.3	7.0	6.8	1.2
Rusal	HKD 4.15	11.4	11.2	nm

Note: Detailed on pg 25 Source: Bloomberg



BSE SENSEX	S&P CNX
28,334	8,794
Bloomberg	HPCL IN
Equity Shares (m)	1,016
M.Cap.(INRb)/(USDb)	580.6 / 8.7
52-Week Range (INR)	583 / 212
1, 6, 12 Rel. Per (%)	14/41/128
Avg Val, INRm	1590
Free float (%)	48.9

CMP: INR578 TP: INR620(+7%) Buy

Poor core GRM; inventory gains to the rescue

3QFY17 EBITDA stood at INR28.6b (in-line, +32% YoY, +141% QoQ), led by (a) GRM of USD6.4/bbl (includes inventory gain of USD2.5/bbl) and (b) product inventory gain of INR7b. Reported PAT increased 53% YoY (127% QoQ) to INR15.9b (est. of INR15.6b), as the impact of lower-than-expected other income of INR2.3b (est. of INR3.3b; -16% YoY, -63% QoQ) was offset by lower interest cost of INR530m (est. of INR1.4b; -68% YoY, -55% QoQ) and lower depreciation of INR6.3b (est. of INR6.8b; -9% YoY, +3% QoQ).

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	1,793	1,786	1,922
EBITDA	76.2	100.9	94.9
PAT	38.6	54.7	45.9
EPS (INR)	38.0	53.8	45.1
Gr. (%)	41.3	41.6	(16.1)
BV/Sh (INR)	182.1	202.8	232.1
RoE (%)	22.4	27.9	20.8
RoCE (%)	13.0	15.0	10.8
P/E (x)	15.2	10.7	12.8
P/BV (x)	3.2	2.9	2.5

Estimate change	↔
TP change	↔
Rating change	↔

- In-line EBITDA:** HPCL's core operating GRM of USD3.9/bbl was below our estimate, with reported GRM at USD6.4/bbl (est. of USD8.3/bbl; -19% YoY, +98% QoQ). The poor performance can also be partly attributed to the 10-day shutdown at the Vizag refinery. Product inventory gains stood at INR7b in 3QFY17 v/s loss of INR3.7b in 2QFY17 and INR4.2b in 3QFY16. Despite the poor core performance, EBITDA was in line led by much larger-than-estimated inventory gains. Forex loss stood at INR1.6b in 3QFY17 v/s loss of INR480m in 3QFY16 and gain of INR196m in 2QFY17.
- Nil subsidy sharing in 3QFY17:** As expected, subsidy sharing was nil in 3QFY17, and we model OMCs' subsidy sharing at nil in FY17/FY18/FY19.
- Marketing volumes including exports up 7.3% YoY:** While marketing sales were up 7.3% YoY to 9.3mmt, refinery throughput was at 4.7mmt (+2% YoY, +15% QoQ).
- Valuation and view:** While refining margins would continue to be cyclical, marketing profitability will be stable led by retail pricing power. We believe HPCL is a structural investment play, led by higher earnings predictability as well as increase in profitability and thus higher RoEs.
- We value HPCL's refining segment at 5x, marketing at 8x, pipeline at 7.5x and add investments to arrive at a target price of INR620. HPCL trades at 12.5x FY19E standalone EPS of INR46.2. Maintain **Buy**.

Standalone - Quarterly Earning Model

Y/E March	(INR Million)											
	FY16				FY17				FY16	FY17E	FY17E	Var. vs est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Net Sales	517,204	420,036	429,376	421,260	447,793	420,306	484,856	430,004	1,787,875	1,782,959	432,589	12%
YoY Change (%)	-12.6	-18.7	-15.9	-5.4	-13.4	0.1	12.9	2.1	-13.4	-0.3	-0.4	
EBITDA	29,802	-1,265	21,711	25,921	35,653	11,890	28,636	21,913	76,168	98,092	28,369	1%
Margins (%)	5.8	-0.3	5.1	6.2	8.0	2.8	5.9	5.1	4.3	5.5	6.6	
Depreciation	7,508	5,428	6,960	6,754	6,108	6,160	6,336	6,817	26,649	25,420	6,817	-7%
Interest	1,227	1,650	1,639	1,913	1,395	1,164	530	1,407	6,430	4,496	1,407	-62%
Other Income	3,138	3,640	2,725	4,771	3,368	6,188	2,276	3,324	14,274	15,155	3,324	-32%
PBT	24,204	-4,704	15,838	22,025	31,518	10,755	24,046	17,012	57,363	83,331	23,468	2%
Tax	8,324	-1,499	5,425	6,495	10,534	3,741	8,143	5,670	18,746	28,088	7,822	4%
Rate (%)	34	32	34	29	33	35	34	33	33	34	33	
Adj PAT	15,880	-3,205	10,413	15,529	20,984	7,013	15,903	11,342	38,617	55,242	15,646	2%
YoY Change (%)	3,349.3	-137.7	-420.0	-28.2	32.1	-318.8	52.7	-27.0	41.3	43.1	50.1	
Margins (%)	3.1	-0.8	2.4	3.7	4.7	1.7	3.3	2.6	2.2	3.1	3.6	
Key Assumptions												
Refining throughput (mmt)	3.8	4.2	4.6	4.7	4.5	4.0	4.7	4.0	17.2	17.2	4.0	17%
GRM (USD/bbl)	8.6	2.7	7.9	7.5	6.8	3.2	6.4	5.0	6.7	5.4	8.3	-23%
Marketing sales volume incl exports (mmt)	8.6	7.8	8.7	9.1	8.9	8.0	9.3	8.9	34.1	35.0	8.9	5%
Marketing GM per litre (INR/litre)	4.5	1.9	3.1	5.1	4.7	3.5	3.9	3.8	3.7	4.0	3.8	4%



BSE SENSEX	S&P CNX
28,352	8,805
Bloomberg	NMDC IN
Equity Shares (m)	3,164
M.Cap.(INRb)/(USDb)	459.6 / 6.9
52-Week Range (INR)	150 / 79
1, 6, 12 Rel. Per (%)	-3/44/61
Avg Val, INRm	406
Free float (%)	25.1

CMP: INR145 TP: INR179(+23%) Buy

Strong quarter used for cleaning balance sheet

Strong volumes and prices driving upgrades; Reiterate Buy

NMDC's 3Q results marked a significant improvement in its performance as EBITDA increased 72% QoQ/121% YoY to INR14.2b (in-line) led by higher volumes and realization. The EBITDA is adjusted for a few non-cash one-offs (Exhibit 1). Other income was down 43% QoQ to INR1.6b on lower cash balance post large buy-back. PAT, adjusted for the one-offs and exceptional charge, was up 45% QoQ/57% YoY to INR10.3b (in-line).

- n Sales were up 25% QoQ/39% YoY to 10.1mt, led by an increase in domestic steel production (+8.5% YTD December). Exports share was 7.8% (vol. of 0.78mt).
- n Production was up 54% QoQ/32% YoY to 9.7mt.
- n Domestic iron ore realization was up 15% QoQ to INR2,403/t. EBITDA/t rose INR384 to INR1,415.

Raising volumes, prices and target price; Reiterate Buy

- n NMDC's dispatches continue to grow strongly, driven by an increase in domestic steel production, particular at the key customers of NMDC. Favorable pellet economics is also fueling domestic iron ore demand. Volumes in January were up ~39% YoY and likely to exit the year with ~36mt.
- n Earnings growth will be fueled by recently announced price hikes of INR125-300/t on supportive international iron ore prices and strong demand.
- n We raise volumes by ~2% and realization by ~3% for FY18E/19E. TP is revised to INR179/share (from INR168/share) based on 6.5x FY18E EV/EBITDA.
- n The stock trades cheap at 4.7x FY18E EV/EBITDA adjusted for the CWIP for EBITDA CAGR of ~33% over FY16-18E. **Reiterate Buy.**

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	64.6	87.8	99.1
EBITDA	32.3	47.2	57.5
PAT	33.2	38.6	38.9
EPS (INR)	8.4	12.2	12.3
Gr. (%)	-49.7	45.9	0.8
BV/Sh (INR)	75.9	76.1	81.2
RoE (%)	15.9	13.5	15.6
RoCE (%)	15.6	12.5	14.6
P/E (x)	17.3	11.9	11.8
P/BV (x)	1.9	1.9	1.8

Estimate change



TP change



Rating change



Quarterly Performance – INR million

Y/E March	FY16				FY17				FY16	FY17E	vs Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
Production (m tons)	6.0	6.4	7.4	8.8	7.6	6.3	9.7	10.5	28.8	36.4	10.0	-3
Sales (m tons)	6.7	6.4	7.2	8.5	7.8	8.0	10.1	10.5	28.8	36.4	10.0	1
Avg Dom. NSR (USD/t)	45	39	31	25	32	31	35	38	34	34	33	5
Avg Dom. NSR (INR/t)	2,786	2,409	2,054	1,658	2,160	2,093	2,403	2,566	2,201	2,330	2,284	5
Net Sales	18,557	15,528	15,172	15,299	17,207	17,392	24,979	28,225	64,556	87,802	24,300	3
EBITDA	11,027	9,395	6,441	5,398	8,164	8,258	14,226	16,506	32,260	47,154	14,744	-4
EBITDA per ton (USD)	27	24	14	9	16	15	21	23	17	19	22	-4
EBITDA per ton (INR/t)	1,655	1,457	892	634	1,050	1,030	1,415	1,569	1,119	1,297	1,480	-4
Interest	0	0	0	654	81	15	53	0		149	0	
Depreciation	401	506	523	647	560	544	551	572	2,078	2,227	558	-1
Other Income	4,887	4,264	4,212	4,380	3,452	2,735	1,559	1,299	17,744	9,044	1,361	15
PBT (before EO Item)	15,513	13,153	10,130	8,476	10,975	10,434	15,180	17,232	47,927	53,822	15,547	-2
Extra-ordinary item	0	-154	-23	-1,672	0	0	-5,972	0	-1,848	-5,972	0	
PBT (after EO Item)	15,513	12,999	10,107	6,804	10,975	10,434	9,208	17,232	46,079	47,850	15,547	-41
Total Tax	5,412	4,525	3,557	1,275	3,862	2,727	3,257	5,514	14,769	15,359	4,975	-35
% Tax	34.9	34.8	35.2	18.7	35.2	26.1	35.4	32.0	32.1	32.1	32.0	11
Reported PAT	10,101	8,474	6,550	5,299	7,113	7,708	5,952	11,718	31,309	32,491	10,572	-44
Adjusted PAT	10,101	8,574	6,565	6,888	7,452	7,085	10,308	11,701	32,565	36,546	10,572	-3



Idea Cellular

BSE SENSEX	S&P CNX
28,352	8,805
Bloomberg	IDEA IN
Equity Shares (m)	3,601
M.Cap.(INRb)/(USD\$b)	397.4 / 5.9
52-Week Range (INR)	128 / 66
1, 6, 12 Rel. Per (%)	51/13/-26
Avg Val, INRm	1123
Free float (%)	57.6

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	359.8	354.6	351.5
EBITDA	130.3	98.9	94.2
PAT	30.8	-11.1	-44.8
EPS (INR)	8.6	-3.1	-12.5
Gr. (%)	56.5	-134.7	-245.6
BV/Sh (INR)	71.6	68.5	56.0
RoE (%)	12.6	-4.4	-20.0
RoCE (%)	7.1	2.5	0.2
P/E (x)	8.6	-23.8	-5.9
P/BV (x)	1.0	1.1	1.3
EV/EBITDA (x)	5.1	8.4	9.1

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR107

Under Review

EBITDA on a freefall; Stock to trace merger progress, RJio offering beyond March'16

- EBITDA disappoints again:** Idea's EBITDA declined 24% QoQ (third consecutive sequential decline; worse than Bharti India's wireless EBITDA decline of 16% QoQ; -31% YoY) to INR21.7b (6% below estimates) due to weak revenue growth and high network operating costs. This translated into EBITDA margin of 25% (-550bp QoQ). Notably, Idea reported a net loss (of INR3.8b) for the first time since its listing. Net loss, however, came in better than our estimate due to tax credit and lower depreciation/interest cost (led by capitalized cost of ~INR13b CWIP).
- Voice biz hurt by high incoming traffic:** Voice revenue fell 4% QoQ to INR61.7b, despite 3Q being seasonally strong for voice. Voice traffic rose 7.3% QoQ due to unfavorably high incoming traffic from Jio network (due to its free usage plans), which, in turn, led to voice RPM fall of 11% QoQ.
- Data revenue fell 14% QoQ to INR17.3b.** Data traffic was marginally up, while ARMB declined 15% QoQ to INR0.159/MB. Data subscriber base shrunk 10% QoQ, indicating subscribers shifted to free usage on second SIM. In data, ARPU was flat at INR111 and usage/sub improved 2% to 707MB.
- Expect 17% EBITDA decline in 4Q:** Given that RJio has announced free usage till March'17, the key metrics – voice/data traffic and pricing – will continue to weaken as subscribers shift to RJio (mostly as second SIM card). We expect voice/data segment to decline 5%/16% QoQ in 4QFY17, leading to a 17% drop in EBITDA. This leads to FY17E/FY18E EBITDA decline of 24%/5%. Idea's net debt to EBITDA stands at ~6.1x on FY18E.
- RJio offerings post March, merger progress are key:** Idea is valued at 9.1x EV/EBITDA on FY18E. If RJio continues to offer free/significantly lower ARPU plans post March, FY18 earnings revision may pull down the stock. The stock is looking for timeline/pricing of Idea-Vodafone merger, which can improve its weak competitive footing and FCF position. Until we gather more clarity on the merger, we maintain Under Review rating.

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Gross Revenue	87,915	86,891	90,097	94,839	94,866	93,002	86,627	80,138	359,809	354,634
YoY Change (%)	16.3	14.8	12.4	12.6	7.9	7.0	-3.9	-15.5	14.0	-1.4
Total Expenditure	58,122	56,320	58,812	58,678	64,124	64,601	64,973	62,073	229,510	255,771
EBITDA	29,793	30,570	31,285	36,160	30,742	28,401	21,655	18,066	130,300	98,864
Margins (%)	33.9	35.2	34.7	38.1	32.4	30.5	25.0	22.5	36.2	27.9
Depreciation	14,117	15,381	16,231	19,737	19,192	19,543	19,653	20,070	66,508	78,457
Share in Profits from Associates	927				1,035	1,057	1,143	1,166		4,402
Interest	3,240	2,726	3,349	7,678	9,224	8,753	9,232	9,528	16,545	36,737
PBT before EO expense	13,364	12,464	11,705	8,745	3,362	1,162	-6,087	-10,365	47,247	-11,928
PBT	13,364	12,464	11,705	8,745	3,362	1,162	-6,087	-10,365	47,247	-11,928
Tax	4,816	4,371	4,063	2,989	1,158	247	-2,248	0	16,447	-843
Rate (%)	36.0	35.1	34.7	34.2	34.4	21.3	36.9	0.0	34.8	7.1
Reported PAT	8,548	8,093	7,642	5,756	2,204	915	-3,839	-10,365	30,799	-11,085
Margins (%)	9.7	9.3	8.5	6.1	2.3	1.0	-4.4	-12.9	8.6	-3.1



BSE SENSEX	S&P CNX
28,352	8,805
Bloomberg	HNDL IN
Equity Shares (m)	2,066.1
M.Cap.(INRb)/(USD\$b)	382.2 / 5.7
52-Week Range (INR)	200 / 62
1, 6, 12 Rel. Per (%)	3/19/180
Avg Val, INRm	1751
Free float (%)	62.3

CMP: INR185 TP: INR240(+30%) Buy

Miss is largely led by temporary demand volatility

Focus on deleveraging & high IRR projects; Re-iterate Buy

Hindalco's (HNDL) standalone EBITDA of INR11.8b (+2% QoQ/+76% QoQ) was below our estimate of INR12.9b, largely due to temporary demand volatility and supply chain issues post demonetization. Interest cost has peaked. HNDL pre-paid INR10b debt in 9MFY17. Adj. PAT was down 19% QoQ to INR3.2b.

Aluminum: Inventory accumulation impacted sales; best-ever alumina prodn.

- Production was strong at 320kt, but sales were down 3% QoQ to 310kt as poor domestic demand led to inventory build-up.
- EBITDA (incl. Utkal) was up 4% QoQ to INR9.9b on higher LME. Utkal alumina achieved highest-ever quarterly production of 393kt (+5% QoQ).

Copper: By-product prices and demand impacted margins

- Sales were down 5% QoQ to 97kt. Sales of rods were impacted by demand. EBITDA declined 10% QoQ to INR3.3b on lower sulfuric acid, DAP realization and rod volumes. Sulfuric acid prices are already recovering.

Focus remains on short payback projects and deleveraging; Reiterate Buy

- HNDL will prepay additionally INR4b in 4QFY17 and INR10b in FY18.
- Dependence on E-auction coal is reducing with start of linkages and Kathautia captive mine, which will dilute the impact of E-auction prices.
- We are raising LME assumption to USD1,700/t from USD1,650/t and factoring slightly higher cost. EBITDA is raised by ~2% for FY18E/19E, and TP is revised to INR240/share (from INR230/share earlier).
- Focus on deleveraging, improving relative cost position (11th percentile of global cost curve) and focus on small high-IRR downstream projects augur well. **Reiterate Buy.**

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	1,000.5	1,002.1	1,096.3
EBITDA	106.1	129.6	143.3
PAT	24.7	35.5	47.3
EPS (INR)	12.0	17.2	22.9
Gr. (%)	-11.5	43.7	33.1
BV/Sh (INR)	101.8	111.3	132.6
RoE (%)	11.6	16.1	18.8
RoCE (%)	5.9	8.0	9.1
P/E (x)	15.5	10.8	8.1
P/BV (x)	1.8	1.7	1.4

Estimate change



TP change



Rating change



Quarterly Performance (standalone)

(INR million)

Y/E March	FY16				FY17				FY16	FY17E	3Q	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Alumina (Production, kt)	660	628	704	703	708	726	744	710	2,298	2,888	715	4
Aluminium (sales, kt)	248	277	292	329	291	320	310	327	1,146	1,248	318	-3
Copper (sales, kt)	96	104	87	97	62	102	97	95	384	356	95	2
Avg LME Aluminium (USD/T)	1,765	1,593	1,495	1,516	1,570	1,619	1,660	1,680	1,592	1,632	1,660	
Net Sales	85,753	89,246	81,503	86,675	75,973	90,123	93,136	96,814	343,177	356,046	93,333	0
EBITDA	8,773	6,028	6,716	11,664	11,325	11,564	11,852	13,182	33,182	47,923	12,853	-8
Change (YoY %)	17.2	-32.8	-27.3	37.6	29.1	91.8	76.5	13.0	-2.9	44.4	91.4	
EBITDA - Aluminium	5,088	2,275	2,988	7,642	8,488	7,905	8,557	9,767	17,992	34,717	9,174	-7
EBITDA-Copper	3,686	3,753	3,728	4,023	2,837	3,659	3,295	3,415	15,190	13,205	3,679	-10
Interest	6,017	6,160	5,824	5,747	5,996	5,943	5,879	5,976	23,748	23,793	5,986	-2
Depreciation	3,320	2,958	3,080	3,412	3,382	3,516	3,580	3,562	12,770	14,039	3,498	2
Other Income	1,944	4,175	2,501	2,041	2,184	3,364	2,200	2,312	10,662	10,060	2,184	1
PBT (after EO item)	1,381	1,086	313	4,547	4,129	6,326	4,593	5,957	7,326	21,005	5,553	-17
Total Tax	309	53	-92	983	1,189	1,929	1,390	1,388	1,254	5,895	1,506	
% Tax	22.4	4.9	-29.3	21.6	28.8	35.3	30.2	23.3	17.1	28.1	27.1	
Reported PAT	1,072	1,033	405	3,563	2,941	4,397	3,204	4,568	6,073	15,110	4,047	-21
Adjusted PAT	1,145	900	259	3,769	2,972	3,934	3,204	4,285	6,073	14,495	4,045	-21



Petronet LNG

BSE SENSEX	S&P CNX
28,334	8,794
Bloomberg	PLNG IN
Equity Shares (m)	750
M.Cap.(INRb)/(USDb)	285.8 / 4.3
52-Week Range (INR)	411 / 230
1, 6, 12 Rel. Per (%)	0/18/35
Avg Val, INRm	543
Free float (%)	50.0

CMP: INR382 TP: INR460 (+21%) Buy

Significant beat in 3QFY17 led by higher volumes

- EBITDA rose 92% YoY (-16% QoQ) to INR6.1b (est. of INR5.3b), mainly led by higher volumes. PAT rose 123% YoY (-14% QoQ) to INR4.0b (est. of INR3.3b).
- Throughput at Dahej was 188tbtu (est. of 160tbtu; +36% YoY, +1.7% QoQ), implying ~99% utilization on expanded capacity of 3.75mmt for the quarter. This includes (in tbtu) long-term – 108 (+4.4% QoQ), third-party – 75 (+24% QoQ) and pure short-term – 4.8 (-77% QoQ; on increase in other volumes).
- Kochi volumes were poor at 3.8tbtu v/s 4.5tbtu in 2QFY17 and 4.2tbtu in 3QFY16. We believe that as Kochi refinery of BPCL ramps up from FY18, volume offtake would rise to ~3mmscmd or 0.8mmt only from the refinery.
- We estimate that on spot cargoes at Dahej, PLNG would have lost INR85.5/mmBtu v/s INR31.2 gain in 2QFY17 and INR58.5 loss in 3QFY16.

Gas demand growth critical, but take-or-pay offers earnings certainty

- Incremental gas demand will be a function of liquid v/s gas economics; however, take-or-pay contracts offer earnings certainty for PLNG.
- As against 15mmt capacity, PLNG has ~16mmt (RasGas: 8.5, new contracts: ~7.5) long-term take-or-pay contracts. We do not see much of a problem in utilization of the Dahej facility.
- Out of four sections, GAIL has already awarded tenders for construction of one in the Kochi-Mangalore pipeline. Once completed, this will also help in ramp up of the Kochi LNG terminal.

Valuation and view

- With increased capacity at 15mmt and robust utilization level, we assume FY17/18/19 volumes at 13.2/16/19mmt and model nil marketing margins.
- The stock trades at 14x FY18E EPS of INR26.9. We value PLNG on DCF (WACC: 11%, TGR: 0%) to arrive at a fair value of INR460. Reiterate **Buy**.

Estimate change	↔
TP change	↔
Rating change	↔

Standalone - Quarterly Earning Model

Y/E March	(INR Million)											
	FY16				FY17				FY16	FY17E	FY17E	Var. vs
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		3QE		est
Net Sales	83,772	75,450	51,460	60,653	53,373	66,144	62,993	66,872	271,334	249,382	81,218	-22%
YoY Change (%)	-17.6	-31.3	-54.0	-15.3	-36.3	-12.3	22.4	10.3	-31.3	-8.1	57.8	
EBITDA	3,611	4,668	3,158	4,466	6,425	7,264	6,071	6,879	15,903	26,639	5,314	14%
Margins (%)	4.3	6.2	6.1	7.4	12.0	11.0	9.6	10.3	5.9	10.7	6.5	
Depreciation	801	808	807	800	806	860	1,009	1,042	3,216	3,717	882	14%
Interest	612	612	588	576	556	554	517	399	2,387	2,026	399	29%
Other Income	333	360	584	427	494	915	550	787	1,704	2,746	742	-26%
PBT	2,531	3,608	2,348	3,517	5,556	6,765	5,095	6,225	12,004	23,642	4,775	7%
Tax	780	1,120	564	1,124	1,777	2,170	1,121	1,868	3,588	6,935	1,432	-22%
Rate (%)	31	31	24	32	32	32	22	30	30	29	30	
PAT	1,751	2,488	1,784	2,393	3,779	4,596	3,975	4,358	8,416	16,707	3,342	19%
YoY Change (%)	11.8	-5.3	9.9	42.1	115.8	84.7	122.8	82.1	12.2	98.5	87.4	
Margins (%)	2.1	3.3	3.5	3.9	7.1	6.9	6.3	6.5	3.1	6.7	4.1	
Key Assumptions												
Regas volume (tbtu)	35.3	72.1	79.5	26.5	50.1	60.7	75.3	75.3	213.4	261.4	30.0	151%
Sales volume (tbtu)	92.6	84.5	63.0	127.0	118.1	128.2	116.1	63.8	367.1	426.2	131.6	-12%

E: MOSL Estimates



BSE SENSEX	S&P CNX
28,352	8,805
Bloomberg	NACL IN
Equity Shares (m)	1,933
M.Cap.(INRb)/(USDb)	128.3 / 1.9
52-Week Range (INR)	79 / 31
1, 6, 12 Rel. Per (%)	-11/39/88
Avg Val, INRm	96
Free float (%)	25.4

CMP: INR66 TP: INR83(+26%) Buy

Operating leverage driving down CoP; raising LME est.

Alumina exports led the miss in 3QFY17; Maintain Buy

Nalco's 3QFY17 EBITDA of INR2.8b (+8% QoQ/22% YoY) came in below our estimate due to lower-than-expected alumina exports and realization. Other income was down 45% QoQ to INR0.7b post buy-back. Adjusting for the exceptional charge of INR0.3b for entry tax on imports, PAT was up 40% QoQ/71% YoY to INR1.7b.

Alumina production – best ever, but exports disappointed

- Production was up 27% QoQ/9% YoY to best-ever 566kt. Sales growth was lower at 7% QoQ to 311kt (est. of 335kt).
- Realization was up 1% QoQ to USD269/t (est. of USD290/t) as benefit of recent alumina price increase is likely to flow with a lag (spot at USD340/t).
- Cost of production (CoP) declined USD10/t QoQ to USD211/t.

Aluminum: Production up 6% QoQ; operating leverage driving down CoP

- Production was up 6% QoQ to 99kt (est. of 96kt), which is ramping up ahead of expectation. Sales were flat QoQ at 99kt.
- CoP declined ~USD100/t QoQ on operating leverage.

Operating leverage and alumina prices driving earnings growth; Maintain Buy

- We expect metal production to increase from 372kt in FY16 to 448kt by FY18E on improved domestic coal supply. The operating leverage benefit will be meaningful because of high fixed cost (>USD600/t). Nalco is net long on alumina and will benefit from sharp increase in prices.
- We have upgraded LME assumption by USD50 to USD1,700/t for FY18/19E. Alumina CoP is slightly higher on caustic soda prices. EBITDA is raised by ~9% for FY18/19E. Revised TP is INR83/share (INR77/share earlier) based on 6.5x FY18E EV/EBITDA. Maintain Buy.

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	68.2	74.4	83.3
EBITDA	9.4	10.9	18.4
PAT	7.0	6.9	10.3
EPS (INR)	2.7	3.6	5.3
Gr. (%)	-43.4	32.6	49.4
BV/Sh (INR)	50.1	53.6	56.8
RoE (%)	5.4	6.9	9.7
RoCE (%)	7.5	7.9	13.0
P/E (x)	24.6	18.6	12.4
P/BV (x)	1.3	1.2	1.2

Estimate change



TP change



Rating change



Quarterly Performance – INR million

Y/E March (Consolidated)	FY16				FY17				FY16	FY17E	vs Est 3QE (%)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Aluminium Prod. ('000 tons)	86	94	96	96	94	94	99	104	372	391	96	3
Alumina Sales ('000 tons)	220	315	285	375	291	290	311	360	1,195	1,252	335	-7
Avg LME Aluminium (USD/ton)	1,769	1,593	1,495	1,517	1,570	1,619	1,710	1,720	1,593	1,655	1,710	0
NSR premiums (USD/ton)	349	300	261	224	290	132	139	153	283	179	153	-10
Alumina NSR (USD/ton)	306	308	263	239	257	266	269	301	299	258	290	-7
Net Sales	14,913	18,151	16,353	18,744	15,490	18,461	19,881	20,616	68,160	74,448	18,766	6
Change (YoY %)	-11.2	-9.0	-14.2	4.1	3.9	1.7	21.6	10.0	-7.7	9.2	15	
EBITDA	2,237	3,393	1,363	2,387	1,946	1,723	2,852	4,428	9,380	10,949	3,581	-20
Change (YoY %)	-19.1	-28.5	-74.1	-44.2	-13.0	-49.2	109.2	85.5	-45.0	16.7	163	
As % of Net Sales	15.0	18.7	8.3	12.7	12.6	9.3	14.3	21.5	13.8	14.7	19.1	
Interest	12	0	0	0	5	6	6	0	12	17	0	
Depreciation	990	1,073	1,046	1,132	1,188	1,353	1,177	1,366	4,241	5,084	1,360	-13
Other Income	1,308	1,260	1,240	1,558	1,336	1,369	759	689	5,366	4,152	632	20
PBT (before EO Item)	2,543	3,581	1,558	2,812	2,089	1,733	2,428	3,750	10,493	10,000	2,853	-15
Extra-ordinary Income	0	0	535	0	0	0	-371	0	535		0	
PBT (after EO Item)	2,543	3,581	2,092	2,812	2,089	1,733	2,057	3,750	11,028	10,000	2,853	-28
Total Tax	908	1,319	757	733	739	521	618	1,224	3,718	3,101	931	-34
% Tax	35.7	36.8	36.2	26.1	35.4	30.1	30.0	32.6	33.7	31.0	33	
Reported PAT	1,634	2,261	1,335	2,079	1,350	1,212	1,439	2,526	7,310	6,899	1,922	-25
Adjusted PAT	1,634	2,261	994	2,079	1,350	1,212	1,699	2,526	6,956	6,899	1,922	-12



Va Tech Wabag

BSE SENSEX	S&P CNX
28,352	8,805
Bloomberg	VATW IN
Equity Shares (m)	55
M.Cap.(INRb)/(USDb)	26.7 / 0.4
52-Week Range (INR)	644 / 409
1, 6, 12 Rel. Per (%)	-6/-15/-31
Avg Val, INRm	65
Free float (%)	71.2

CMP: INR490 TP: INR645(+32%) Buy

Operating performance meaningfully above estimate; PAT impacted by provision for Oman desalination plant

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	25.4	31.8	39.1
EBITDA	2.1	2.9	3.7
PAT	0.9	1.4	1.9
EPS (INR)	16.3	26.5	34.5
Gr. (%)	-20.7	62.0	30.5
BV/Sh (INR)	182.0	194.0	219.0
RoE (%)	9.7	8.9	16.7
RoCE (%)	9.5	12.8	14.7
P/E (x)	29.9	18.4	14.1
P/BV (x)	2.7	2.5	2.2

Estimate change



TP change



Rating change



3QFY17 results ahead of estimates at operating level. Sales of INR7.1b (+17% YoY) were below our estimate of INR8.3b. The revenue miss can be ascribed to the delayed commencement of Chennai TTP and Sri Lanka WTP project. Standalone sales rose 0.4% YoY to INR3.7b, while subsidiary sales grew 43% to INR3.4b. EBITDA stood at INR0.7b (+69% YoY). Margin of 10.4% (+320bp YoY) came in above our estimate of 6.8%, driven by engineering and procurement efficiencies in a few international projects. Reported loss of INR26m was attributed to provision for liquidated damages of INR627m related to the Oman desalination project. However, adjusting for the same, PAT of INR0.56b was above our estimate of INR0.3b.

Subsidiary performance exhibits execution pick-up: Sales rose 42.5% YoY to INR3.4b, led by a pick-up in execution of key overseas orders – note that subsidiary orders were up 76% YoY in FY16. EBITDA stood at INR94m, with margin contracting 20bp to 2.8% YoY. Net loss was INR86m, as against loss of INR10m in 3QFY16.

Order backlog at INR76b provides robust revenue visibility: In 3QFY17, consolidated order intake increased 240% YoY to INR12.1b. Key projects finalized were: integrated water supply project – Barmer, Rajasthan (INR5.9b), Desal and STP order (INR5.6b), and Long Phu 1 power plant – CPU (INR0.5b). Order backlog as of 3QFY17 was up 18% YoY to INR75.6b (excluding firm contract of INR8.7b).

Guidance on sales and orders maintained: Management maintained its FY17 guidance for revenues of INR30-32b and orders of INR40-42b. 9MFY17 sales were at INR20.7b (+25% YoY) and orders at INR27.3b (-19% YoY)

Valuation and view: We marginally raise FY17/18 estimates by 5/6%, factoring in better-than-expected margins in a few international projects. We maintain **Buy** with a target price of INR645 (16x FY19E EPS). We expect domestic order inflows to gain traction in FY18, led by state-driven municipal orders, and central government schemes like AMRUT, Swachh Bharat and Smart Cities.

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E	FY17 2Q	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	4,548	5,924	6,102	8,561	5,794	7,771	7,130	11,146	25,421	31,841	8,336	-14.5%
Change (%)	14.3	17.0	-1.3	-5.5	27.4	31.2	16.9	30.2	4.7	25.3	32.6	
EBITDA	277	465	440	1,162	266	575	741	1,306	2,148	2,889	569	30.3%
As of % Sales	6.1	7.9	7.2	13.6	4.6	7.4	10.4	11.7	8.4	9.1	6.8	
Depreciation	51	53	50	51	46	47	46	85	205	225	56	
Interest	68	101	100	142	110	94	124	168	472	496	137	
Other Income	7	9	5	28	8	6	53	112	115	179	60	
PBT	165	321	295	996	119	439	624	1,165	1,585	2,347	435	43.2%
Tax	97	151	115	328	109	186	45	535	689	876	145	
Effective Tax Rate (%)	58.8	46.9	38.9	33.0	91.6	42.4	7.2	46	43.5	37.3	33.3	
Minority Int	161.0	53.9	(27.6)	6.0	3.7	16.7	21.9	(13)	6.3	29.0	7.2	
Adj PAT	-93	116	208	661	6	236	557	643	890	1,442	283	96.7%
Change (%)	(258.9)	(16.2)	18.3	(11.3)	(106.8)	(344.2)	379.0	209.5	(20.4)	62.0	143.5	
Extra-ordinary Items	4.9	-25.3	15.1	-24.2	-45.6	-4.5	583.1	0.0	-33.3	533.0	0	
Reported PAT	-98	142	193	686	52	240	-26	643	923	909	283	-109.2%
Change (%)	-258.9	-16.2	18.3	-11.3	-106.7	102.1	167.2	-3.2	-16.1	-1.5	39.2	

Britannia Ind.

BSE SENSEX 28,352 S&P CNX 8,805

CMP: INR3,273 TP: INR3,380(+3%) Buy

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

Conference Call Details



Date: 14th Feb 2017

Time: 01:30pm IST

Dial-in details:

+91-22-3960 0715/

+91-22-39403977

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	83.3	88.3	104.0
EBITDA	11.5	11.5	13.4
NP	8.4	8.5	9.9
EPS (INR)	70.1	70.6	82.1
EPS Gr. (%)	46.3	0.8	16.3
BV/Sh. (INR)	147.2	187.1	235.8
RoE (%)	55.9	42.2	38.8
RoCE (%)	46.0	34.4	32.1
P/E	46.7	46.4	39.9
EV/EBITDA	33.4	33.4	28.2

Remarkable growth given high base and demonetization effect

Consolidated performance

- BRIT reported 5.6% consolidated sales growth (est. of -6%) in 3QFY17. Standalone sales rose 6.3% YoY, but subsidiaries marginally pulled down overall sales growth. We estimate base business volume growth at ~3-4% YoY (information on this not provided in the press release), as against our expectation of -5%. We believe this is a remarkable performance, given that volumes had increased 13% YoY in the base quarter (i.e. 3QFY16).
- Consolidated gross margin contracted 230bp YoY to 37.3%. However, with lower other expenses (-130bp YoY to 20.4%) and staff costs (-30bp), EBITDA margin contraction was restricted to 70bp YoY (13% v/s est. of 12.3%) in 3QFY17. Thus, EBITDA remained flat at INR3b (est. of -19.1%).
- Adj. PAT grew 4.6% YoY (est. of -19.5%) to INR2.2b.

Management commentary

- Lower dependence on wholesale channel helped keep check on the demonetization impact.
- December sales improved over November, but were still lower than expectations.
- No respite in raw material cost, with RM inflation over 10% YoY.
- The company rationalized ad spends as no amount of stimulus would have helped in the wake of demonetization.
- The company is evaluating partnerships for growth.
- View:** We currently have a **Buy** rating on the stock. We will review our numbers post the conference call tomorrow.

Consolidated

Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17E	FY17	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Base business volume growth (%)	9.0	11.0	13.0	10.0	10.0	10.0	3.0	8.0	10.8	5.7	-5	
Net Sales	19,411	21,277	21,444	21,121	21,063	23,612	22,648	20,941	83,254	88,263	20,158	12.4
YoY Change (%)					8.5	11.0	5.6	-0.9	7.1	6.0	-6.0	
COGS	11,587	12,717	12,945	12,878	12,879	14,902	14,190	12,217	49,989	54,188	12,321	
Gross Profit	7,824	8,560	8,499	8,244	8,184	8,709	8,458	8,724	33,265	34,075	7,837	7.9
Margins (%)	40.3	40.2	39.6	39.0	38.9	36.9	37.3	41.7	40.0	38.6	38.9	
Other Operating Exp	5,102	5,492	5,554	5,557	5,367	5,578	5,504	6,150	21,718	22,599	5,354	
% of Sales	26.3	25.8	25.9	26.3	25.5	23.6	24.3	29.4	26.1	25.6	26.6	
EBITDA	2,722	3,068	2,945	2,687	2,817	3,131	2,954	2,574	11,547	11,476	2,483	19.0
Margins (%)	14.0	14.4	13.7	12.7	13.4	13.3	13.0	12.3	13.9	13.0	12.3	
YoY Growth (%)					3.5	2.0	0.3	-4.2	38.2	-6.3	-19.1	
Depreciation	274	272	281	308	279	289	303	504	1,134	1,375	337	
Interest	7	15	12	15	15	15	11	7	49	49	9	
Other Income	401	506	481	578	739	670	561	527	1,962	2,497	549	
PBT	2,842	3,287	3,134	2,942	3,263	3,496	3,201	2,590	12,326	12,549	2,686	19.2
Tax	906	1,076	1,027	952	1,071	1,156	997	855	3,920	4,078	860	
Rate (%)	31.9	32.7	32.8	32.4	32.8	33.1	31.1	33.0	31.8	32.5	32.0	
Adjusted PAT	1,936	2,211	2,107	1,990	2,192	2,340	2,204	1,735	8,407	8,471	1,827	20.7
YoY Change (%)					13.2	5.8	4.6	-12.8	46.4	0.8	-19.5	

E: MOSL Estimates

BSE SENSEX 28,352
S&P CNX 8,805

CMP: INR1,305 TP: INR1,317(+1%)

Neutral

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

Conference Call Details



Date: 14th Feb 2017

Time: 10:00am IST

Dial-in details:

+91-22-3938 1074

+91-22-3940 3977

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Sales	238.4	232.5	264.0
EBITDA	43.5	47.2	61.6
NP	21.7	26.0	37.0
Adj EPS (INR)	79.3	94.6	134.8
EPS Gr. (%)	7.9	19.3	42.5
BV/Sh (INR)	755.8	838.8	956.2
RoE (%)	11.0	11.9	15.0
RoCE (%)	9.3	10.2	12.7
Payout (%)	13.9	12.3	12.9
Valuations			
P/E (x)	43.8	36.7	25.7
P/BV (x)	4.6	4.1	3.6
EV/EBITDA (x)	21.6	19.4	14.2
EV/Ton (USD)	211	206	197

Strong sequential improvement in operating performance

- Concor's 3QFY17 reported revenue declined 5% YoY (-3% QoQ) to INR13.3b (est. of INR13.4b) due to lower realizations.
- EBITDA margin at 19.6% (in line) expanded 3pp QoQ due to lower other expenses (likely reversal of land-related fees charged in 2QFY17). EBITDA stood at INR2.61b (est. of INR2.62b; -7% YoY, +14% QoQ).
- Reported PAT at INR1.86b (-10% YoY, +18%QoQ) was further impacted by higher depreciation and tax rate (26% v/s 25% in 3QFY16).
- Realizations sharply lower:** Overall realizations were INR16,988/teu (est. of INR17,415/teu; -14% YoY, -4% QoQ). EXIM and domestic realizations stood at INR15,883/teu and INR23,277/teu, respectively
- Overall segmental EBIT realizations declined to INR2,316/teu (est. of INR2,535/teu; -23% YoY, -1% QoQ), primarily driven by EXIM at INR2,718/teu (est. of INR2,900/teu; -22% YoY, +4% QoQ).
- Interim dividend:** Declared interim dividend of INR9.6 (96%) per equity share of FV INR10 each amounting to INR1.8b. The record date is 23rd February 2017.
- Bonus issue:** CONCOR board has recommended issue of bonus shares in proportion of 1 bonus share for every 4 shares. The approval of shareholders is being sought.

Key questions for management

- Volume guidance for 4QFY17/FY18 both for industry and CONCOR.
- Reasons for the sharp decline in domestic profitability.
- Impact of increased competitive intensity in focused market.
- Capex guidance for 4QFY17/FY18.

Valuation and view: We will revisit our estimates post the earnings call. Based on our current estimates, it trades at 15.4x/13.9x FY18/FY19E EBITDA. Maintain **Neutral** with a target price of INR1,317.

Container Corporation

Y/E March	FY16				FY17				FY16	FY17E	FY17 Variance	(INR Million)
	1Q	2Q	3Q	4QE	1Q	2Q	3Q	4QE				
Net Sales	14,209	15,019	14,046	14,152	13,392	13,786	13,304	13,617	57,426	54,100	13,391	-0.6%
YoY Change (%)	11.9	10.9	-3.3	-6.2	-5.7	-8.2	-5.3	-3.8	15.2	-5.8	-4.7	
Terminal & Service Charges	8,963	9,456	8,848	9,180	8,493	8,497	8,111	8,302	68,844	33,403	8,253	-1.7%
As a % of revenue	63.1	63.0	63.0	64.9	63.4	61.6	61.0	61.0	119.9	61.7	61.6	
Employee Expenses	373	369	396	401	380	405	414	406	3,118	1,605	393	5.3%
Other Expenses	1,994	2,034	2,001	2,596	1,901	2,597	2,167	2,024	17,421	8,688	2,120	2.2%
Total Expenditure	11,330	11,859	11,246	12,177	10,773	11,498	10,692	10,732	46,612	43,696	10,766	-0.7%
EBITDA	2,878	3,161	2,800	1,975	2,619	2,288	2,612	2,885	10,813	10,403	2,625	-0.5%
Margins (%)	20.3	21.0	19.9	14.0	19.6	16.6	19.6	21.2	18.8	19.2	19.6	
YoY Change (%)	-3.6	1.1	-23.7	-40.1	-9.0	-27.6	-6.7	46.1		-3.8	-6.3	
Depreciation	907	876	876	988	841	873	927	899	4,027	3,540	870	6.6%
Interest	0	0	0	0	0	3	1	0	0	0	0	
Other Income	798	858	813	978	692	763	845	808	3,447	3,032	770	9.8%
PBT	2,770	3,137	2,737	1,965	2,470	2,175	2,529	2,794	10,232	9,960	2,525	0.2%
Tax	701	808	676	555	685	596	669	741	2,740	2,729	707	-5.4%
Rate (%)	25.3	25.8	24.7	28.3	27.7	27.4	26.4	26.5	26.8	27.4	28.0	
Adj PAT	2,069	2,335	2,061	1,409	1,785	1,578	1,860	2,053	7,492	7,235	1,818	2.3%
YoY Change (%)	-21.0	21.7	-31.5	-51.9	-13.7	-32.4	-9.7	45.7	-23.9	-3.4	-11.8	
Margins (%)	14.6	15.5	14.7	10.0	13.3	11.4	14.0	14.8	13.0	13.3	13.6	

E: MOSL Estimates

GSK Consumer

BSE SENSEX 28,352 S&P CNX 8,805

CMP: INR5,118 TP: INR5,465(+7%) Neutral

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

Conference Call Details



Date: 14 Feb 2017

Time: 09:30am IST

Dial-in details:

+91-22-3960 0611

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	41.9	40.2	45.0
EBITDA	9.4	8.4	9.5
NP	7.0	6.6	7.5
EPS (INR)	167.1	157.7	178.8
EPS Gr. (%)	20.4	-5.6	13.4
BV/Sh. (INR)	581.5	673.6	774.4
RoE (%)	30.8	25.1	24.7
RoCE (%)	30.8	25.2	24.7
P/E	30.6	32.5	28.6
EV/EBITDA	20.4	25.5	22.1

Disappointing numbers yet again, EBITDA margin shored up by sharp cut in A&P spend

Key highlights

- n GSK Consumer (SKB) posted 11.5% YoY decline (est. of -3%) in net sales (including operating income) to INR8.6b. EBITDA was down 9.5% YoY (est. of -4.2%) to INR1.67b and adj. PAT by 8.3% YoY (est. of +1.8%) to INR1.36b. The company had not shared Ind-AS numbers for the base quarter, and these base quarter numbers were higher than our expectations on EBITDA and PAT.
- n **MFD volumes are likely to have declined ~7-8% YoY (est. of -2%), despite a favorable base (flat volume in 3QFY16).**
- n Gross margin contracted 90bp YoY to 67.8%. Ad spends were down by a sharp 210bp YoY (second successive quarter of steep A&P decline), partially offset by higher other expenses (+80bp YoY). Mainly due to a sharp decline in A&P, EBITDA margin expanded 40bp YoY (est. of -20bp) to 19.5%.
- n EBITDA declined 9.5% YoY (est. of -4.2%) to INR1.67b.
- n Other income was significantly below expectations.
- n Adj. PAT declined 8.3% YoY to INR1.36b.
- n **View:** We currently have a **Neutral** rating on the stock. We will review our numbers post the conference call tomorrow.

Quarterly Performance

(INR Million)

Y/E Mar	FY16				FY17				FY16	FY17E	FY17	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
MFD Volume Growth (%)	2.0	0.0	0.0	0.0	-6.0	-3.0	-7.0	-2.0	0.5	-3.8	-4.0	
Net Sales	9,955	10,918	9,717	10,565	9,439	10,803	8,604	11,366	41,887	40,212	9,517	-9.6%
YoY Change (%)					-5.2	-1.1	-11.5	7.6		-4.0	-3.0	
Total Exp	7,907	8,537	7,865	8,152	7,404	8,351	6,927	9,086	32,438	31,767	7,939	
EBITDA	2,048	2,381	1,853	2,413	2,035	2,452	1,677	2,281	9,450	8,445	1,577	6.3%
Margins (%)	20.6	21.8	19.1	22.8	21.6	22.7	19.5	20.1	22.6	21.0	16.6	
YoY Change (%)					-0.6	3.0	-9.5	-5.5		-10.6	-4.2	
Depreciation	192	136	138	182	147	148	171	253	718	718	199	
Interest	7	7	7	2	6	6	6	5	8	24	6	
Other Income	549	589	576	578	592	578	559	769	1,921	2,498	682	
PBT	2,398	2,827	2,283	2,807	2,474	2,876	2,059	2,791	10,645	10,200	2,055	0.2%
Tax	838	988	797	966	868	1,039	695	969	3,619	3,570	699	
Rate (%)	34.9	35.0	34.9	34.4	35.1	36.1	33.8	34.7	34.0	35.0	34.0	
Adj PAT	1,561	1,839	1,487	1,841	1,606	1,837	1,364	1,823	7,026	6,630	1,356	0.6%
YoY Change (%)					2.9	-0.1	-8.3	-1.0		-5.6	1.8	

E: MOSL Estimates

Muthoot Finance

BSE SENSEX 28,352 S&P CNX 8,805

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

Conference Call Details



Date: 14 Feb 2017

Time: 14:30pm IST

Dial-in details:

+91-22-3938 1028

Financials & Valuations (INR b)

Y/E March	2016	2017E	2018E
NII	25.4	29.7	34.4
PPP	14.8	17.6	20.6
PAT	8.1	11.0	12.8
EPS (INR)	20.3	27.5	32.0
BV/Sh.(INR)	140.8	158.4	178.7
RoA on AUM (%)	3.4	4.2	4.2
RoE (%)	15.1	18.4	19.0
Div. Yld. (%)	1.8	2.5	2.9
P/E (x)	16.2	12.0	10.3
P/BV (x)	2.3	2.1	1.8

CMP: INR328

Healthy operating performance drives PAT beat; GNPL ratio increases marginally

- 3QFY17 PAT grew 56% YoY (-2% QoQ) to INR2.91b (11% beat), largely led by lower-than-expected employee and provisioning expenses. Other items were largely in line with estimates.
- AUM grew 8% YoY and 11% over FY16 to INR269b. Hence, we believe it will be tough for the company to meet its AUM growth guidance of 18-20% in FY17. We await further clarity from management on the same.
- Calculated margin contracted 90bp QoQ to 11%. This was on account of ~100bp QoQ yield decline to 19.7% in the quarter. We attribute this to sluggish gold auctions during the quarter as buyers generally purchase in cash.
- Interestingly, employee expenses declined 9% QoQ, despite 1% QoQ growth in employee count. This helped reduce cost-to-AUM ratio 30bp QoQ to 4.4%.
- GNPL ratio increased 39bp YoY and 73bp QoQ to 2.92%. Again, we believe this is due to the subdued level of gold auction activity. Auctions will pick up with improved currency in circulation and stabilizing gold prices. Provisions made declined to INR39m, from INR74m in 3QFY16 and INR171m in 2QFY17.
- Valuation and view:** Given stable regulatory regime, benign competition and supportive gold prices, we expect growth to resume, with AUM CAGR of +15% over next 2-3 years, barring the temporary impact of demonetization. Given that significant portion of its operating costs is fixed, growth recovery will ensure optimum utilization of existing infrastructure, boosting return ratios. We look to revise our estimates and target price post the conference call on Tuesday.

Quarterly Performance

Y/E March	FY16				FY17			FY16
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Income from operations	11,256	11,226	11,235	14,291	12,712	13,497	13,225	48,007
Other operating income	145	136	148	179	252	320	184	607
Total Operating income	11,401	11,361	11,383	14,469	12,964	13,817	13,409	48,614
YoY Growth (%)	4.8	7.4	6.6	31.5	13.7	21.6	17.8	12.7
Other income	26	38	29	43	44	45	56	136
Total Income	11,426	11,400	11,412	14,513	13,008	13,862	13,464	48,750
YoY Growth (%)	4.6	7.4	6.7	31.7	13.8	21.6	18.0	12.7
Interest Expenses	5,670	5,652	5,616	5,639	5,571	5,937	5,970	22,577
Net Income	5,756	5,747	5,796	8,874	7,437	7,925	7,494	26,173
Operating Expenses	2,816	2,918	2,823	2,824	3,025	3,130	3,000	11,381
Operating Profit	2,940	2,830	2,972	6,049	4,413	4,795	4,495	14,792
YoY Growth (%)	4.6	7.2	23.3	116.9	50.1	69.5	51.2	38.9
Provisions	106	146	74	1,299	176	171	39	1,624
Profit before Tax	2,835	2,684	2,898	4,750	4,237	4,624	4,456	13,169
Tax Provisions	1,003	939	1,032	2,098	1,534	1,657	1,545	5,072
Net Profit	1,832	1,745	1,867	2,652	2,703	2,967	2,911	8,097
YoY Growth (%)	1.7	2.2	20.9	60.6	47.6	70.0	55.9	20.7

E: MOSL Estimates

Repc Home Finance

BSE SENSEX 28,352
S&P CNX 8,805

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

Conference Call Details



Date: 15 Feb 2017

Time: 15:00pm IST

Dial-in details:

1800 102 8730

Financials & Valuations (INR b)

Y/E March	2016	2017E	2018E
NII	3.0	3.6	4.2
PPP	2.7	3.3	3.8
PAT	1.5	1.8	2.1
EPS (INR)	24.0	29.0	34.0
BV/Sh. (INR)	152.7	178.3	208.3
RoAA (%)	2.2	2.2	2.2
RoE (%)	17.0	17.5	17.6
Payout (%)	9.0	11.6	11.6
P/E (x)	0.0	25.2	21.5
P/BV (x)	0.0	4.1	3.5

CMP: INR730

Pressure on growth due to demonetization; Asset quality deteriorates

- Repc reported 3QFY17 PAT of INR464m (13% above estimate). However, this was driven by lower-than-expected operating costs and provisions. NII grew 16% YoY to INR907m, largely in line with our estimate.
- While loan book grew at a healthy 21% YoY, it belied the sluggish performance in sanctions/disbursements (down 28%/16% YoY). In addition to the impact of demonetization, the High Court order mandating new construction approvals by the Chennai Municipal Corporation or the Directorate of Town and Country Planning instead of the Gram Panchayats will continue weighing on sanctions growth in the near term. Interestingly, the ratio of disbursements to sanctions was at an elevated 111% v/s average of 85-95%. This indicates increased disbursements from the existing sanctions pipeline.
- Repayment rate (on a four-quarter lag basis) declined from 21.2% in 3QFY16 to 17.6% in 3QFY17. This is reflected in the asset quality performance. GNPL ratio increased 36bp YoY to 2.65%, after availing the benefit of the RBI dispensation. Without the dispensation, GNPL ratio would have been 4.2%.
- All segments were significantly impacted on the asset quality front. GNPL ratio for home loans was 2.2% with the dispensation and 3.7% without it. In the salaried customer segment, it was 1.3% with the dispensation and 2.4% without it. Deterioration in the LAP and self-employed customer segments was slightly worse.
- Loan mix as well as customer mix remained largely stable. Share of self-employed/salaried customers remained 60%/40%, while the share of home loans/LAP remained 80%/20%.
- Valuation and view:** RHFL has recorded loan book CAGR of 33% over FY10-16, with equally impressive earnings growth of 24%. Presence in underserved markets, pricing power on asset side, declining cost of funds and expanding reach should support its earnings over medium term. We look to revise our estimates as well as TP post the conference call on Wednesday.

REPCO: Quarterly performance

Y/E March	FY16				FY17			FY16
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	
Interest Income	1,935	2,084	2,191	2,312	2,389	2,500	2,589	8,521
Interest Expenses	1,271	1,344	1,410	1,460	1,550	1,597	1,682	5,486
Net Interest Income	664	740	781	852	840	903	907	3,036
YoY Growth (%)	25.2	24.7	32.8	28.7	26.5	22.1	16.2	27.7
Other income	66	80	63	91	80	98	67	300
Total Income	730	820	843	943	920	1,000	974	3,336
YoY Growth (%)	24.7	28.4	32.4	26.2	26.0	22.0	15.5	27.7
Operating Expenses	154	175	160	153	149	163	163	643
YoY Growth (%)	37.0	36.8	13.0	-7.1	-3.5	-6.8	1.9	17.5
Operating Profits	576	644	683	790	771	837	811	2,693
YoY Growth (%)	21.8	26.3	37.9	35.7	33.9	29.9	18.7	30.4
Provisions	113	47	92	140	179	127	96	392
Profit before Tax	463	597	591	650	592	710	714	2,301
Tax Provisions	161	207	205	228	196	253	250	800
Profit after tax	302	391	386	422	395	457	464	1,501
YoY Growth (%)	21.8	21.2	25.5	21.3	30.8	17.0	20.4	21.9
Cost to Income Ratio (%)	21.1	21.4	19.0	16.2	16.2	16.3	16.8	19.3
Tax Rate (%)	34.7	34.6	34.7	35.0	33.2	35.7	35.0	34.8

E: MOSL Estimates



Jain Irrigation

Bloomberg	JI IN
Equity Shares (m)	443.1
M. Cap. (INR b)/(USD b)	41 / 1
52-Week Range (INR)	109 / 47
1,6,12 Rel Perf. (%)	5 / 27 / 21

CMP: INR93

Under Review

- n We expect revenue to grow 5% YoY to INR14.47b in 3QFY17.
- n EBITDA is likely to increase 14% YoY to INR1.74b. We expect EBITDA margin to expand 90bp YoY to 12%.
- n We expect adjusted PAT at INR49m as against a loss of INR265m in 3QFY16. **Buy.**

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	62.9	69.0	78.2	88.6
EBITDA	8.2	9.7	11.3	13.1
NP	1.0	2.6	3.8	5.4
EPS (INR)	2.2	5.5	7.6	10.0
EPS Gr. (%)	17.7	153.6	37.2	31.9
BV/Sh (INR)	60.5	65.1	66.9	71.1
RoE (%)	4.0	8.6	11.7	14.8
RoCE (%)	8.2	10.0	10.8	12.5

Valuations

P/E (x)	42.5	16.8	12.2	9.3
P/BV (x)	1.5	1.4	1.4	1.3
EV/EBITDA (x)	9.4	7.7	6.3	5.4
EV/Sales (x)	1.2	1.1	0.9	0.8

Key things to watch for

- Ø Receivable days in the MIS business.
- Ø Execution of solar pump orders and new tenders.
- Ø Debt reduction.

Quarterly performance (Consolidated, INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	15,950	13,178	13,785	20,100	16,558	14,406	14,474	23,517	63,014	68,979
YoY Change (%)	2.7	3.8	6.7	-1.6	3.8	9.3	5.0	17.0	2.4	9.5
Total Expenditure	13,950	11,635	12,258	17,224	14,223	12,494	12,738	19,754	55,068	59,255
EBITDA	2,000	1,544	1,527	2,876	2,335	1,912	1,737	3,763	7,946	9,723
Margins (%)	12.5	11.7	11.1	14.3	14.1	13.3	12.0	16.0	12.6	14.1
Depreciation	672	639	673	714	687	738	690	692	2,699	2,799
Interest	1,236	1,187	1,199	1,223	1,086	1,200	1,100	1,055	4,846	4,440
Other Income	60	148	56	179	131	145	129	103	443	517
PBT before EO expense	152	-135	-289	1,118	693	119	76	2,119	844	3,001
Extra-Ord expense	0	0	384	18	0	0	0	0	401	0
PBT	152	-135	94	1,135	693	119	76	2,119	1,246	3,001
Tax	15	-72	7	245	84	-174	15	424	194	360
Rate (%)	9.8	53.4	6.9	21.6	12.2	-146.6	20.0	20.0	NM	NM
MI& Profit/Loss of Asso. Cos.	-8	-9	-4	-7	24	13	12	12	-28	61
Reported PAT	144	-54	92	898	585	280	49	1,683	1,080	2,581
Adj PAT	144	-54	-265	884	585	280	49	1,683	1,042	2,641
YoY Change (%)	-29.0	NM	NM	-14.1	305.5	-	-	90.4	21.2	153.6
Margins (%)	0.9	-0.4	-1.9	4.4	3.5	1.9	0.3	7.2	1.7	3.8

E: MOSL Estimates



PI Industries

Bloomberg	PI IN
Equity Shares (m)	136.6
M. Cap. (INR b)/(USD b)	113 / 2
52-Week Range (INR)	922 / 495
1,6,12 Rel Perf. (%)	-2 / 17 / 21

CMP: INR825 TP: INR959 (+16%) Buy

- n We expect revenue to grow 10% YoY (decline 2% QoQ) to INR5.62b.
- n We estimate 230bp margin expansion to 22.8%, and expect EBITDA to grow 22% YoY to INR1.28b.
- n We estimate adjusted PAT at INR939m, as against INR704m in 3QFY16, growth of 33.5%. **Buy.**

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	21.0	24.9	30.1	36.1
EBITDA	4.3	5.6	7.2	8.9
NP	3.0	4.3	5.2	6.5
EPS (INR)	22.1	31.3	38.4	47.6
EPS Gr. (%)	22.8	41.6	22.6	24.0
BV/Sh. (INR)	85.8	111.6	143.3	182.9
RoE (%)	29.2	31.7	30.1	29.2
RoCE (%)	26.8	30.4	29.9	29.2

Valuations

P/E (x)	37.4	26.4	21.5	17.4
P/BV (x)	9.6	7.4	5.8	4.5
EV/EBITDA (x)	26.7	20.3	15.5	12.2
EV/Sales (x)	5.5	4.6	3.7	3.0

Key things to watch for

- Ø CSM growth and order book.
- Ø Agrochemical business updates for FY17.

Standalone - Quarterly Earning Model (INR m)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	5,921	4,768	5,110	5,848	6,834	5,719	5,621	6,725	21,647	24,899
YoY Change (%)	25.7	11.8	1.2	8.9	15.4	20.0	10.0	15.0	11.6	15.0
Total Expenditure	4,577	3,933	4,062	4,775	5,178	4,440	4,338	5,284	17,347	19,240
EBITDA	1,344	835	1,048	1,073	1,656	1,279	1,282	1,442	4,300	5,659
Margins (%)	22.7	17.5	20.5	18.3	24.2	22.4	22.8	21.4	19.9	22.7
Depreciation	115	117	137	170	178	181	185	195	538	739
Interest	27	15	27	26	16	13	14	12	95	55
Other Income	86	89	51	70	113	134	62	60	296	368
PBT before EO expense	1,288	792	935	947	1,575	1,219	1,145	1,295	3,963	5,233
Extra-Ord expense	0	0	-29	-20	0	0	0	0	-48	0
PBT	1,288	792	964	967	1,575	1,219	1,145	1,295	4,011	5,233
Tax	429	223	239	14	306	205	206	233	904	950
Rate (%)	33.3	28.1	24.7	1.4	19.4	16.8	18.0	18.0	22.5	18.2
Reported PAT	859	570	725	953	1,269	1,014	939	1,062	3,107	4,283
Adj PAT	859	570	704	934	1,269	1,014	939	1,062	3,070	4,283
YoY Change (%)	24.4	25.2	19.1	64.0	47.7	77.9	33.5	13.7	33.1	39.5
Margins (%)	14.5	12.0	13.8	16.0	18.6	17.7	16.7	15.8	14.2	17.2

E: MOSL Estimates



Parag Milk Foods

Bloomberg	PARAG IN
Equity Shares (m)	84.1
M. Cap. (INR b)/(USD b)	22 / 0
52-Week Range (INR)	357 / 202
1,6,12 Rel Perf. (%)	-/-/-

CMP: INR264 TP: INR285 (+8%) Neutral

- n We expect Parag to report net sales of INR4b, up 3% YoY, led by growth in value-added products.
- n We estimate EBITDA margin to contract 100bp YoY to 8.8%, and PAT to stay fattish at INR146m.
- n The stock trades at 27.3x FY18E EPS of INR9.7. We have a Neutral rating on the stock.

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	16.5	17.1	19.9	23.9
EBITDA	1.5	1.5	1.9	2.4
Adj. PAT	0.5	0.6	0.8	1.2
Adj. EPS (INR)	6.7	7.0	9.7	14.1
EPS Gr. %	-66.7	4.6	37.7	45.5
BV/Sh.INR	51.4	87.3	97.0	111.1
RoE (%)	19.5	10.8	10.5	13.5
RoCE (%)	12.4	8.8	9.4	11.9

Valuations

P/E (x)	39.2	37.5	27.3	18.7
P/BV (x)	5.1	3.0	2.7	2.4
EV/EBITDA (x)	15.1	16.0	12.8	9.7
EV/Sales (x)	1.4	1.4	1.2	1.0

Key issues to watch for

- Ø Milk prices and global SMP price movement.
- Ø Execution of value-added products distribution.
- Ø Competitive intensity.
- Ø Impact from higher sales tax.

Consolidated - Quarterly Earning Model (INR m)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	3,738	4,696	3,875	4,142	3,835	4,728	3,991	4,564	16,451	17,118
YoY Change (%)				19.6	2.6	0.7	3.0	10.2	13.9	4.1
Gross Profit	959	1,258	1,156	1,303	1,147	1,444	1,250	1,502	4,676	5,343
Margin (%)	25.7	26.8	29.8	31.4	29.9	30.5	31.3	32.9	28.4	31.2
Total Expenditure	674	844	777	904	817	1,067	900	1,093	3,200	3,877
EBITDA	285	414	378	399	330	377	350	409	1,476	1,465
YoY Change (%)				38.1	15.8	-8.9	-7.6	2.5	37.7	-0.7
Margins (%)	7.6	8.8	9.8	9.6	8.6	8.0	8.8	9.0	9.0	8.6
Depreciation	90	64	82	97	98	115	90	80	334	383
Interest	112	146	112	120	92	64	60	63	490	280
Other Income	5	-3	10	4	8	23	10	12	16	53
PBT before EO expense	87	201	194	186	147	222	210	278	668	857
PBT	87	201	194	186	147	222	210	278	668	857
Tax	17	105	49	25	39	78	64	84	195	266
Rate (%)	19.3	51.9	25.1	13.4	26.5	35.4	30.5	30.3	29.2	31.0
Adj PAT	70	97	145	161	108	143	146	194	473	591
YoY Change (%)				0.1	54.0	47.8	0.4	20.5	46.9	24.9
Margins (%)	1.9	2.1	3.7	3.9	2.8	3.0	3.6	4.2	2.9	3.5

E: MOSL Estimates



SH Kelkar

Bloomberg	SHKL IN
Equity Shares (m)	144.6
M. Cap. (INR b)/(USD b)	49 / 1
52-Week Range (INR)	362 / 201
1,6,12 Rel Perf. (%)	10 / 60 / 31

CMP: INR335 TP: INR338 (+1%) Buy

- n We expect revenue to grow 5% YoY (but decline 2% QoQ) to INR2.4b in 3QFY17, impacted by demonetization.
- n EBITDA margin is likely to decline 130bp YoY to 16.7%. EBITDA is expected to be flat YoY at INR403m.
- n We estimate PAT at INR242m as against INR234m in 3QFY16 – a growth of 4%. **Buy.**

Financial Snapshot (INR Billion)

Y/E March	2016	2017	2018E	2019E
Sales	9.3	10.4	12.3	14.3
EBITDA	1.5	1.8	2.3	2.9
NP	0.8	1.1	1.5	1.9
Adj EPS (INR)	5.5	7.5	10.1	13.0
EPS Gr. (%)	4.2	34.8	35.7	28.3
BV/Sh. (INR)	52.7	57.8	64.6	73.4
RoE (%)	12.6	13.5	16.6	18.9
RoCE (%)	16.9	19.5	24.4	28.3

Valuations

P/E (x)	60.4	44.8	33.0	25.7
P/BV (x)	6.4	5.8	5.2	4.6
EV/EBITDA (x)	31.3	27.0	20.5	16.2
EV/Sales (x)	5.2	4.7	3.9	3.3

Key issues to watch for

- Ø Impact on inventory due to demonetization.
- Ø Growth in acquired flavors entity, HTT.
- Ø Management commentary on new client acquisition and shift of production from Netherlands to Vapi facility.

Consolidated - Quarterly Earning Model

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4QE	1Q	2Q	3QE	4QE		
Net Sales	2,211	2,082	2,301	2,658	2,559	2,453	2,416	2,924	9,251	10,350
YoY Change (%)	-	-	17.5	12.8	15.7	17.8	5.0	10.0	114.4	11.9
Total Expenditure	1,807	1,827	1,887	2,210	2,085	2,036	2,012	2,409	7,730	8,543
EBITDA	404	255	414	448	473	416	403	515	1,521	1,807
Margins (%)	18.3	12.3	18.0	16.9	18.5	17.0	16.7	17.6	16.4	17.5
Depreciation	74	74	71	77	44	49	50	55	296	198
Interest	72	73	32	14	19	22	12	8	190	61
Other Income	19	23	24	50	32	29	26	25	115	112
PBT before EO expense	278	131	334	407	442	375	367	477	1,150	1,660
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	278	131	334	407	442	375	367	477	1,150	1,660
Tax	83	61	100	147	167	132	125	162	391	585
Rate (%)	29.8	46.4	29.9	36.2	37.7	35.1	34.0	34.0	34.0	35.2
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	195	70	234	260	275	243	242	315	759	1,075
Adj PAT	195	70	234	260	275	243	242	315	759	1,075
YoY Change (%)	-	-	413.4	24.0	41.3	246.0	3.6	21.2	197.6	41.7
Margins (%)	8.8	3.4	10.2	9.8	10.8	9.9	10.0	10.8	8.2	10.4

E: MOSL Estimates



SITI Cable

Bloomberg	SITINET IN
Equity Shares (m)	678.3
M. Cap. (INR b)/(USD b)	25 / 0
52-Week Range (INR)	42 / 31
1,6,12 Rel Perf. (%)	7 / -1 / -2

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Net Sales	11.9	12.5	17.4	21.0
EBITDA	3.0	3.0	6.5	8.5
EBITDA#	0.9	0.7	5.4	7.5
Adj. NP	0.0	-0.8	2.4	2.9
Adj. EPS (INR)	0.0	-0.9	2.7	3.2
Adj. EPS Gr. (%)	NM	NM	NM	NM
EV*/Sh (INR)	9.1	9.5	14.1	17.7
RoE (%)	0.1	-10.2	23.5	20.0
RoCE (%)	6.4	1.4	18.2	17.3

Valuation

	2016	2017E	2018E	2019E
P/E (x)	NM	NM	13.8	11.8
EV/EBITDA	13.7	14.2	6.3	4.7
EV*/EBITDA	47.8	63.2	7.5	5.3
EV*/Sub (INR)*	3,335	3,457	3,346	3,201

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

CMP: INR38

TP: INR45

Buy

- n We expect reported revenue to grow 16% QoQ to INR3.35b, primarily led by higher activation and broadband revenue.
- n Cable subscription revenue is expected to grow 6% QoQ to ~INR1.48b as digitization-led triggers for subscription remain elusive in 3Q and are expected to pick up in 4Q.
- n Activation revenue is expected to more than double QoQ to INR0.76b in 3QFY17, as seeding picks up post a subdued 1H. We have factored in set-top box seeding of ~0.8m for 3Q.
- n Carriage revenue expected to decline QoQ to INR0.72b in 3Q.
- n EBITDA is expected to nearly double QoQ to INR0.96b, primarily led by higher activation and broadband revenue. On an ex-activation basis, EBITDA is expected to improve to INR197m in 3Q from INR90m in 2QFY17.
- n We expect net profit of INR167m v/s net loss of ~INR469m in 2Q.
- n The stock trades at attributable EV/EBITDA (ex-activation) of 6.7x FY18E. Maintain Buy with a DCF-based target price of INR45.

Key things to watch for

- ⊗ Subscription revenue growth (6% QoQ).
- ⊗ Activation revenue (we expect INR0.76b).
- ⊗ EBITDA margin (we expect 28.6%).

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	2,297	2,339	3,699	3,567	2,820	2,890	3,347	3,449	11,890	12,506
YoY (%)	9.9	6.7	66.9	39.3	22.7	23.6	-9.5	-3.3		
Operating Expenses	1,953	1,943	2,449	2,614	2,395	2,416	2,390	2,340	8900	9,542
EBITDA	344	395	1,251	952	425	473	957	1,109	2,990	2,964
YoY (%)	0.5	-4.0	159.2	913.1	23.5	19.7	-23.5	16.4		
EBITDA margin (%)	15.0	16.9	33.8	26.7	15.1	16.4	28.6	32.1	25.1	23.7
Depreciation	358	367	391	515	547	572	566	566	1,632	2,251
Interest	344	348	346	351	297	280	276	298	1,378	1,336
Other Income	24	87	48	81	49	24	80	74	240	178
PBT	-334	-233	562	167	-370	-355	194	318	220	-446
Tax	5	35	2	89	65	22	42	41	131	170
Effective Tax Rate (%)	-1.6	-14.9	0.4	53.1	-17.7	-6.1	21.6	12.9	59.6	-38.2
Reported Net Profit	-367	-315	390	241	-536	-469	167	293	-16	-778



Sun Pharmaceuticals

Bloomberg	SUNP IN
Equity Shares (m)	2406.1
M. Cap. (INR b)/(USD b)	1534 / 23
52-Week Range (INR)	898 / 572
1,6,12 Rel Perf. (%)	-12 / -15 / -24

CMP: INR638 TP: INR925 (+45%) Buy

- ☐ Sun Pharmaceuticals (SUNP) is likely to register 13.5% YoY growth in revenues, primarily driven by Benicar AG launch.
- ☐ India business is expected to grow 9% YoY to INR20.6b, while the US business is likely to report 11.1% YoY jump in revenues.
- ☐ We expect margins to improve to 33.4% in 3QFY17 compared to 30.6% in 3QFY16. Overall EBITDA is expected to grow 23.7% YoY to INR26.8b over a low base.
- ☐ We expect total reported PAT at INR17.5b, compared to INR14.1b in 3QFY16 and INR22.3b in 2QFY17.
- ☐ We believe SUNP is an attractive Indian play on specialty business in the US. We maintain Buy rating in light of its multiple earnings triggers (MK-3222, RBXY integration benefits and specialty product pipeline), superior execution track record, high RoIC (30%) and cash-rich balance sheet (net cash of USD850m). The stock trades at 16.8x FY18E EPS.

Financial Snapshot (INR Billion)

Y/E MARCH	2016	2017E	2018E	2019E
Sales	277.4	309.3	334.0	373.5
EBITDA	79.6	97.6	115.1	132.7
NP	47.1	66.9	91.3	103.2
EPS (INR)	19.6	30.6	37.9	42.9
EPS Gro. (%)	-0.7	56.4	24.0	13.1
BV/Sh. (INR)	130.5	143.5	174.4	210.3
RoE (%)	16.5	20.3	23.9	22.3
RoCE (%)	18.7	22.3	24.8	23.9

Valuations

P/E (x)	32.6	23.0	16.8	14.9
P/BV (x)	4.9	4.4	3.7	3.0
EV/EBITDA (x)	18.4	14.0	11.1	9.0
Div. Yield (%)	0.0	0.9	0.9	0.9

Key issues to watch out

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

Quarterly performance

(INR million)

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Revenues	67,615	68,733	70,821	76,342	82,430	82,651	80,368	76,869	282,697	322,318
YoY Change (%)	6.6	-14.5	2.2	24.0	21.9	20.2	13.5	0.7	3.0	14.0
EBITDA	17,678	18,729	21,690	25,203	29,210	31,677	26,834	22,835	84,816	110,555
Margins (%)	26.1	27.2	30.6	33.0	35.4	38.3	33.4	29.7	30.0	34.3
Depreciation	2,402	2,584	2,508	2,643	3,160	3,038	3,100	3,102	10,135	12,400
Net Other Income	296	-429	1,022	-1,235	225	657	400	118	-177	1,400
PBT before EO Exp	15,573	15,716	20,205	21,325	26,275	29,295	24,134	19,851	74,505	99,555
EO Exp/(Inc)	6,852	0	0	0	0	0	0	0	0	0
PBT	8,721	15,716	20,205	21,325	26,275	29,295	24,134	19,851	74,505	99,555
Tax	1,128	2,946	2,020	1,706	3,527	4,417	3,850	3,140	9,349	14,933
Rate (%)	7.2	18.7	10.0	8.0	13.4	15.1	16.0	15.8	12.5	15.0
PAT (pre Minority Interest)	7,593	12,769	18,185	19,619	22,748	24,879	20,284	16,711	65,156	84,622
Minority Interest	2,034	2,481	4,019	2,482	2,411	2,528	2,750	3,312	11,145	11,000
Reported PAT	5,559	10,288	14,166	17,137	20,337	22,351	17,534	13,400	54,011	73,622
YoY Change (%)	-53.9	-49.8	258.3	93.0	265.8	117.3	23.8	-21.8	19.0	36.3



Tata Motors

Bloomberg	TTMT IN
Equity Shares (m)	3395.9
M. Cap. (INR b)/(USD b)	1652 / 24
52-Week Range (INR)	599 / 266
1,6,12 Rel Perf. (%)	10 / 6 / 25

CMP: INR487 TP:INR613 (+26%) Buy

- n We expect JLR's (including JV) volume to be flat YoY (+9% QoQ). Net realization should increase 15% YoY (flat QoQ) led by ramp-up of F-Pace and increase in share of China. EBITDA margin would contract 200bp YoY (and +200bp QoQ) to 12.4%. Adjusted PAT is likely to decline ~21% YoY (+33% QoQ) to GBP325m.
- n S/A volume grew 8.4% YoY (-2% QoQ) led by a 36% rise in PVs due to the launch of Tiago, while CVs declined by 1% due to the demonetization impact. Margin is likely to contract 240bp YoY (-30bp QoQ) to 3.3%, as the share of CVs decreases. Adjusted PAT is likely to be -INR3.6b (vis-à-vis -INR0.3m in 3QFY16).
- n Consolidated PAT would fall 16% YoY (+256% QoQ) to INR29.2b.
- n We are increasing our FY17 EPS estimates by 7% while downgrade our FY18 estimates by 17% to factor in for Fx hedge loss.
- n The stock trades at 8.9x FY18E and 6.4x FY19E EPS. **Buy**.

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Net Sales	2,756	2,866	3,289	3,815
EBITDA	402.4	353.7	503.4	619.3
NP	125.2	92.2	186.9	257.6
Adj. EPS (INR)	36.9	27.2	55.0	75.9
EPS Gr. (%)	-15.5	-26.3	102.7	37.8
BV/Sh. (INR)	237.9	264.1	315.9	388.5
RoE (%)	18.3	10.8	19.0	21.5
RoCE (%)	14.3	8.4	13.9	16.3
Payout (%)	0.7	13.3	8.8	6.4

Valuations

P/E (x)	13.2	17.9	8.9	6.4
P/BV (x)	2.0	1.8	1.5	1.3
EV/EBITDA (x)	4.4	5.3	3.5	2.4
Div. Yield (%)	0.0	0.6	0.8	0.8

Key issues to watch

- Ø Impact of Brexit on JLR business.
- Ø Current demand trends for JLR and outlook, particularly in China and the US.
- Ø Update on Chery JV operations and CV business outlook.

Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17E
(Consolidated)	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
JLR vols. (incl JV)	114,452	116,745	150,461	162,427	134,334	139,227	151,182	183,580	544,085	608,323
JLR Realizations (GBP/unit)	45,206	43,460	42,004	43,991	45,216	47,937	48,177	48,399	43,602	47,526
JLR EBITDA (%)	16.4	12.2	14.4	16.2	12.3	10.3	12.4	14.3	14.9	12.5
JLR PAT (GBP m)	492	52	414	560	265	245	325	558	1584	1392
S/A vol. (units)	117,160	117,439	122,377	146,766	126,839	134,869	132,657	168,608	532,724	562,973
S/A Realizations (INR/unit)	795,852	910,574	817,198	856,454	813,594	765,369	771,109	820,383	6	6
S/A EBITDA (%)	6.1	8.2	5.7	8.1	6.8	3.6	3.3	5.7	6.5	4.9
S/A PAT (INR m)	333	351	-395	5,014	996	-6,621	-3,558	-1,904	-1,297	-10,728
Net Op Income	604,009	615,240	722,564	806,844	658,950	659,004	708,422	839,462	2,755,611	2,865,838
Growth (%)	-6.6	1.5	3.3	19.4	9.1	7.1	-2.0	4.0	4.7	4.0
EBITDA	110,068	65,189	93,800	113,872	76,220	62,826	89,260	94,827	365,160	323,132
EBITDA Margins (%)	18.2	10.6	13.0	14.1	11.6	9.5	12.6	11.3	13.3	11.3
Interest Expenses	11,496	12,228	10,915	12,552	11,785	10,249	6,500	10,438	46,234	38,972
PBT before EO Exp	63,398	11,911	41,300	59,567	20,663	9,831	34,560	39,819	158,602	104,874
EO Exp/(Inc)	-6,338	33,411	-457	-6,044	-4,851	-162	0	0	18,794	-5,013
PAT	53,251	-17,209	35,244	52,065	18,314	5,747	25,001	29,720	111,083	78,781
Minority Interest	-232	-214	-204	-383	-240	-198	-175	-363	-1,059	-976
Share in profit of Associate	-708	-139	36	89	4,290	2,735	4,339	6,636	213	18,000
Adj PAT	47,470	9,180	34,690	46,975	18,882	8,191	29,165	35,993	125,170	92,211
Growth (%)	(10.9)	(72.0)	(10.2)	158.4	(60.2)	(10.8)	(15.9)	(23.4)	-11.3	-26.3

E: MOSL Estimates



Vedanta

Bloomberg	VEDL IN
Equity Shares (m)	3717.0
M. Cap. (INR b)/(USD b)	806 / 12
52-Week Range (INR)	249 / 58
1,6,12 Rel Perf. (%)	-5 / 59 / 140

Financial Snapshot (INR Billion)

Y/E March	2016E	2017E	2018E	2019E
Sales	644.3	749.4	857.4	897.1
EBITDA*	110.4	186.3	215.3	217.7
NP	31.9	79.4	101.5	103.7
Adj. EPS (INR)	10.8	21.4	27.3	27.9
EPS Gr(%)	-37.3	6.4	153.7	30.6
BV/Sh. (INR)	151.8	176.9	191.3	206.5
RoE (%)	7.9	13.0	14.8	14.0
RoCE (%)	7.4	12.5	13.9	13.3
Payout (%)	48.9	24.7	19.3	18.9

Valuation

P/E (x)	19.9	10.0	7.8	7.7
P/BV	1.3	1.1	1.0	1.0
EV/EBITDA (x)	9.2	6.0	4.9	4.5
Div. Yield (%)	2.1	2.1	2.1	2.1

Note: Sesa-Sterlite merged entity basis

* attrib.

CMP:INR217 TP:INR202 (+15%) Neutral

- n We estimate VEDL's EBITDA to increase 44% QoQ to INR67b on higher prices and volumes in zinc and aluminum. Other commodities are also supportive.
- n Ex-Cairn and HZL, we estimate EBITDA to increase by 41% QoQ to INR21.9b, driven by an increase in aluminum prices and volumes. Iron ore EBITDA is estimated to be up ~3x QoQ to INR3.6b on an increase in iron ore prices and a recovery in volumes post a lull 2Q (due to monsoon).
- n HZL EBITDA is estimated to increase by 63% QoQ to INR33.8b on higher zinc/lead prices and volumes.
- n Cairn India EBITDA is estimated to increase by 24% QoQ to INR12.8b on higher oil realization.

Key issues to watch for

- Ø Progress on ramp-up of 1.25mtpa smelter.
- Ø Movement in base metal prices.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	170,169	165,609	148,766	159,793	144,371	158,596	210,583	235,832	644,336	749,382
Change (YoY %)	-0.2	-15.3	-22.6	-10.3	-15.2	-4.2	41.6	47.6	-12.5	16.3
Total Expenditure	124,816	127,008	119,708	125,073	109,975	111,922	143,381	156,918	496,605	522,196
EBITDA	45,353	38,601	29,057	34,720	34,396	46,674	67,202	78,914	147,731	227,186
Change (YoY %)	-20.1	-39.0	-52.7	-13.7	-24.2	20.9	131.3	127.3	-33.4	53.8
As % of Net Sales	26.7	23.3	19.5	21.7	23.8	29.4	31.9	33.5	22.9	30.3
Interest	13,578	14,181	13,906	15,380	13,931	14,503	14,627	14,685	57,045	57,746
D & A	17,175	16,602	17,704	15,629	14,920	15,289	16,481	16,423	67,109	63,112
Other Income	11,480	12,152	7,154	13,757	10,935	12,521	12,611	10,736	44,543	46,803
PBT (before EO item)	26,080	19,969	4,602	17,468	16,480	29,403	48,705	58,542	68,119	153,130
Extra-ordinary Income	-4,143	0	2,000	-123,123	0	0	0	0	-125,266	0
PBT (after EO item)	21,937	19,969	6,602	-105,655	16,480	29,403	48,705	58,542	-57,147	153,130
Total Tax	3,525	2,040	1,606	-2,841	4,914	6,623	9,570	11,808	4,330	32,915
% Tax	16.1	10.2	24.3	2.7	29.8	22.5	19.6	20.2	-7.6	21.5
Reported PAT	18,412	17,929	4,996	-102,814	11,567	22,780	39,134	46,734	-61,477	120,215
Minority interest	8,459	9,587	4,819	9,004	5,417	10,259	10,509	11,659	31,869	37,843
Adjusted PAT	14,096	8,342	-1,823	11,305	6,150	12,521	28,625	35,076	31,920	82,372
Change (YoY %)	-29.6	-51.2	-111.5	54.7	-56.4	50.1	-1,670.5	210.3	-47.1	158.1

E: MOSL Estimates



Voltas

Bloomberg	VOLT IN
Equity Shares (m)	330.8
M. Cap. (INR b)/(USD b)	111 / 2
52-Week Range (INR)	406 / 211
1,6,12 Rel Perf. (%)	9 / 7 / 5

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Net Sales	58.6	58.9	65.6	73.9
EBITDA	4.4	4.7	5.3	6.8
Adj PAT	3.9	3.9	4.6	5.8
EPS(INR)	11.7	11.8	14.0	17.6
EPS Gr. (%)	14.0	1.2	19.1	25.3
BV/Sh. (INR)	72.4	80.8	90.8	103.4
RoE (%)	15.3	15.4	16.4	18.1
RoCE (%)	14.8	14.6	15.3	16.7
Payout (%)	28.6	28.6	28.6	28.6
Valuations				
P/E (x)	32.1	26.4	22.2	17.7
P/BV (x)	4.6	3.9	3.4	3.0
EV/EBITDA (x)	25.5	21.2	18.5	14.1
Div Yield (%)	0.8	0.9	1.1	1.4

CMP: INR335 TP: INR370 (+10%) BUY

- Unitary cooling division (UCP) is likely to report revenue decline of 5% YoY, with demonetization impacting demand for ACs. As 3Q is usually a lean quarter for AC sales, the impact would be limited.
- We expect revenue decline of 10% YoY in the MEP segment, led by high base effect (56% YoY growth in 3QFY16). However, the key monitorable would be margins in the segment. VOLT had booked a loss of INR86m in 3QFY16 on cost overrun getting booked for the UAE project, while the acceleration claim is yet to be booked.
- Sharp decline in crude prices has raised apprehensions over the pace of order awards and also execution in the Middle East. Even in the domestic market, new project awards remain constrained. Maintain Buy.

Key issues to watch

- Impact of demonetization scheme on the sales of UCP division and outlook for FY18.
- Progress on legacy projects and also capital employed in MEP business.

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales	15,585	10,401	13,077	18,888	18,500	9,672	11,688	18,853	58,574	58,907
Change (%)	-11.3	5.6	37.5	26.8	18.7	-7.0	-10.6	-0.2	13.0	0.6
EBITDA	1,313	645	583	1,853	1,995	687	575	1,475	4,369	4,732
Change (%)	-0.4	-17.0	1.6	29.5	52.0	6.4	-1.4	-20.4	6.6	8.3
As of % Sales	8.4	6.2	4.5	9.8	10.8	7.1	4.9	7.8	7.5	8.0
Depreciation	59	64	69	80	66	63	85	106	278	320
Interest	34	33	33	59	48	33	45	60	153	186
Other Income	248	477	183	478	357	658	300	254	1,176	1,569
Extra-ordinary Items	0	0	-22	-279	-9	0	0	0	106	0
PBT	1,468	1,025	687	2,471	2,248	1,249	745	1,562	5,220	5,795
Tax	452	378	126	664	651	505	220	437	1,599	1,813
Effective Tax Rate (%)	30.8	36.9	18.3	26.9	28.9	40.4	29.5	28.0	30.6	31.3
Reported PAT	1,025	647	542	1,764	1,576	721	505	1,110	3,620	3,903
Change (%)	-7.0	28.9	-49.5	47.9	53.7	11.5	-6.8	-37.1	-7.4	7.8
Adj PAT	1,025	647	520	1,485	1,567	721	505	1,110	3,515	3,903
Change (%)	-7.9	29.5	-17.3	27.1	52.8	11.5	-2.9	-25.3	3.9	11.0
Order Book	40,390	35,990	35,140	39,140	44,170	42,520	-	-	39,140	-
Order Intake	5,940	2,010	4,960	9,590	9,500	3,820	4,450	9,230	22,500	-
BTB - TTM basis (x)	1.8	1.3	1.3	1.0	1.4	1.3	1.6	-	1.4	-

E: MOSL Estimates



1. SBI: Few more quarters for npls to peak; slippage may stay at 2.59%; B Sriram, MD – Corp. Banking

- n Quite hopeful of being within the guidance of Rs 40,000 crore for corporate slippages given early in the year for the full year FY17.
- n Feel that the slippages will tend to go down as we venture into FY18 and FY19.
- n Going forward, we expect the mix between market borrowings and loans especially for higher rated corporate will continue.
- n The 11% growth target that for next year is quite realistic and achievable.
- n We have been working on NPLs for almost a year and the half now and have come to a slightly more advanced level in terms of trying to find resolutions on that.
- n However, we will have to wait for another couple of quarters in terms of trying to resolve a few large ones.

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2. Berger paints: Price hike in march will help us neutralise higher raw material prices; Abhijit Roy, MD

- n Expect a fairly good fourth quarter; have declared a 3% price rise effective March 1, which should help the company to increase the profitability.
- n The third quarter profits were impacted largely due to the base effect and rise in raw material prices since April-May onwards. So, the announced price hike in March will help neutralise the impact of rise in raw material prices.
- n Expect the margins to be at the base level of ~14%, which is expected to be achieved by taking the price rise in March.
- n Confident of recovering any increase in the raw material price by passing on the price hike to the end consumer.
- n The overall outlook looks positive, things have come back to normal now and with the impetus given in the Budget to the affordable housing, should see momentum ahead, which should improve things considerably.

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1. Elusive relief. by Aravind Srivatsan

n One of the key expectations of the corporate India from budget 2017 was across the board reduction in tax rates and rationalisation of levy of surcharge and cess. This was accentuated by the assurance of the finance minister in his previous Budget and was also perceived as timely, given the global war for investment and consequent tax sops being offered across most major economies. Taking a look at the receipts budget 2017-18 presented on February 1, the effective tax rate for corporate India has gone up to 28.24 per cent (if dividend distribution tax included since in most countries it is not creditable, the effective tax rate goes up to 31.33 per cent).

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2. Dark side of the shift to renewables. by Pratim Ranjan Bose

n Harnessing renewable energy and protecting the environment are welcome intentions. But, how far can we push the agenda, and how fast? The stress is showing in terms of low capacity utilisation in thermal power, made worse by the demand slump. Prime Minister Narendra Modi had fixed a lofty goal of reaching 175GW renewable energy (RE) capacity by 2022. This includes a five-fold rise in the National Solar Mission target to 100GW capacity in 2022. This is a policy U-turn from the coal-based capacity addition programme undertaken in 2005.

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3. Converting Air India debt to equity is an idea that can be worse than Vijay Mallya's Kingfisher airlines. by The Financial Express

n Given how large debt hobble companies, it is not surprising Air India's chief Ashwani Lohani has been quoted as saying the airline will beat everyone if its debt was removed. What the airline's chief does not talk of, though, is how his rivals would do if their debt was also removed. What is more relevant, though, is that after getting R24,000 crore of money free from the government by way of equity over the past five years—amazingly, the Competition Commission of India whose job is to ensure a level playing field didn't think this distorted it—the airline continues to chalk up huge, though reduced, losses; as compared to R5,859 crore in FY15, these were R3,587 crore in FY16.

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4. How bond gains can recapitalize banks. by Russell a. Green

n Indian banks are sitting on a gold mine. They hold ridiculous amounts of government bonds, and three years of falling interest rates have increased the value of these bonds by about 10%. However, most of the bonds are held under the statutory liquidity ratio (SLR) rules, so they are mostly held at book value; their rise in market value does not show on the banks' books. SLR reform holds out the tantalizing prospect of a bonanza that could help finance recapitalization. Rates have fallen about 2.5 percentage points since the beginning of 2014. Bond prices rise when rates fall, so bondholders have done well.

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5. Reboot the job machine. by Ajay Chhibber

n The Budget is not just a fiscal statement but sends signals on the direction of economic policy. Modi Sar kar's first real budget for 2015-16 (its budget for 2014-15 was just a handover from the UPA government) raised hopes on the policy front as it promised a growth-oriented inclusive set of policy measures titled "Sabka Saath Sabka Vikas". It signalled an intent to transform India as it focused on infrastructure spending, created the National Investment and Infrastructure Fund (NIIF) and introduced a new bankruptcy law.

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International

6. America's monetiser-in-chief. by Edward Luce

n Whoever said the personal is political did not have Donald Trump in mind. In the last week alone, the US president berated a chain store for dropping his daughter's branded product line; the White House counsellor, Kellyanne Conway, then urged television viewers to go out and buy Ivanka Trump's products. Meanwhile the first lady, Melania Trump, is suing a newspaper on the grounds its defamation ruined a "once in lifetime" chance for her to make money. No US president in history has triggered anything close to this many conflicts of interest — and this is just his family. Trump Inc is turning into America's newest fourth estate.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Automobiles														
Amara Raja	Buy	869	1,087	25	28.7	29.2	37.7	29.7	23.0	5.9	4.9	25.8	21.6	23.1
Ashok Ley.	Buy	92	114	24	3.9	4.8	6.4	19.1	14.4	4.1	3.5	20.9	23.1	26.3
Bajaj Auto	Buy	2,806	3,432	22	131.8	136.2	160.6	20.6	17.5	5.8	5.1	33.2	30.0	31.0
Bharat Forge	Buy	1,041	1,110	7	28.1	25.7	37.5	40.5	27.8	6.1	5.3	18.7	15.9	20.6
Bosch	Neutral	22,339	22,049	-1	483.3	489.0	639.6	45.7	34.9	9.0	7.5	19.4	18.8	23.4
Eicher Mot.	Buy	24,779	29,172	18	492.9	625.6	870.8	39.6	28.5	14.1	10.1	35.8	41.2	41.3
Endurance Tech.	Buy	654	732	12	20.7	24.2	30.2	27.0	21.7	5.2	4.3	22.4	21.2	21.8
Escorts	Buy	382	469	23	11.1	21.8	32.8	17.6	11.6	1.9	1.7	6.1	11.4	15.6
Exide Ind	Buy	216	205	-5	7.4	8.2	9.7	26.2	22.2	3.7	3.3	14.1	14.2	14.9
Hero Moto	Neutral	3,226	3,190	-1	158.3	175.2	190.7	18.4	16.9	6.8	5.8	43.6	40.1	36.8
M&M	Buy	1,297	1,506	16	53.6	60.7	75.0	21.4	17.3	1.6	1.5	15.4	14.3	13.6
Mahindra CIE	Not Rated	197	-		4.2	6.2	9.7	31.9	20.3	2.2	2.0	4.5	7.7	10.3
Maruti Suzuki	Buy	6,023	6,808	13	177.6	247.5	307.5	24.3	19.6	5.5	4.6	19.9	22.8	23.2
Tata Motors	Buy	505	775	53	36.9	29.0	45.6	17.4	11.1	1.9	1.6	18.3	11.5	15.9
TVS Motor	Buy	411	462	12	9.1	11.9	15.4	34.6	26.7	8.3	6.7	24.1	26.4	27.9
Aggregate								23.7	18.0	4.0	3.4	18.8	16.9	19.1
Banks - Private														
Axis Bank	Neutral	490	535	9	34.5	14.1	25.0	34.9	19.6	2.1	2.0	17.1	6.3	10.3
DCB Bank	Neutral	134	134	0	6.8	7.1	8.6	18.9	15.5	1.9	1.7	11.8	10.9	11.8
Equitas Hold.	Buy	184	240	31	6.2	6.1	6.9	30.3	26.4	2.7	2.5	13.3	11.3	9.9
Federal Bank	Buy	84	105	25	2.8	4.6	5.5	18.3	15.3	1.7	1.5	6.0	9.4	10.4
HDFC Bank	Buy	1,310	1,510	15	48.6	56.9	68.3	23.0	19.2	4.0	3.4	18.3	18.6	19.3
ICICI Bank	Buy	282	345	22	16.7	17.2	17.9	16.4	15.7	1.3	1.2	11.3	10.4	9.9
IDFC Bank	Neutral	63	68	7		3.1	3.9	20.8	16.1	1.5	1.4		7.4	8.9
IndusInd	Buy	1,338	1,535	15	38.4	48.4	58.7	27.7	22.8	4.0	3.5	16.6	15.5	16.4
J&K Bank	Neutral	68	75	10	8.6	Loss	13.0	Loss	5.3	0.6	0.6	6.6	Loss	11.6
Kotak Mah. Bk	Buy	791	940	19	18.9	26.3	32.3	30.1	24.5	3.8	3.3	10.9	13.5	14.5
RBL Bank	Buy	393	450	15	9.0	12.4	17.5	31.6	22.4	3.4	3.1	11.2	12.6	14.4
South Indian	Neutral	23	21	-8	2.5	2.8	3.1	8.2	7.4	0.8	0.7	9.3	9.7	10.0
Yes Bank	Buy	1,452	1,575	8	60.4	79.3	97.0	18.3	15.0	3.7	3.1	19.9	22.1	22.6
Aggregate								23.7	18.7	2.8	2.5	13.7	12.0	13.6
Banks - PSU														
BOB	Buy	169	221	31	Loss	7.5	18.3	22.4	9.2	1.1	1.0	Loss	5.0	11.5
BOI	Neutral	129	123	-4	Loss	Loss	17.1	Loss	7.5	0.5	0.5	Loss	Loss	7.0
Canara	Neutral	300	300	0	Loss	23.9	36.7	12.6	8.2	0.6	0.6	Loss	4.9	7.2
IDBI Bk	Neutral	82	49	-39	Loss	1.5	6.4	53.2	12.6	0.8	0.7	Loss	1.4	5.8
Indian Bk	Buy	287	330	15	14.8	30.4	32.2	9.4	8.9	0.9	0.9	5.5	10.4	10.2
OBC	Neutral	122	114	-6	4.9	6.6	19.6	18.5	6.2	0.3	0.3	1.2	1.7	4.8
PNB	Buy	142	185	30	Loss	6.7	12.7	21.2	11.2	0.8	0.7	Loss	3.9	6.8
SBI	Buy	271	350	29	15.7	8.6	21.6	31.5	12.6	1.2	1.1	7.6	7.0	9.0
Union Bk	Neutral	146	172	18	19.7	8.5	30.5	17.3	4.8	0.5	0.4	7.0	2.8	9.7
Aggregate								21.3	11.6	0.8	0.8	-2.7	4.0	6.9
NBFCs														
Bajaj Fin.	Buy	1,058	1,276	21	23.9	34.1	44.6	31.0	23.7	6.4	5.2	21.1	22.5	24.1
Bharat Fin.	Buy	829	883	7	23.8	45.2	43.2	18.3	19.2	4.1	3.4	24.9	30.0	19.4
Dewan Hsg.	Buy	307	405	32	25.0	30.7	35.6	10.0	8.6	1.5	1.3	15.1	16.6	16.6
GRUH Fin.	Neutral	368	348	-5	6.7	7.9	9.8	46.8	37.4	13.3	10.9	31.5	31.0	32.1
HDFC	Buy	1,394	1,580	13	32.6	36.1	38.4	38.6	36.4	5.6	5.0	20.9	19.6	19.6
Indiabulls Hsg	Buy	832	1,015	22	55.7	69.5	86.2	12.0	9.7	3.0	2.6	27.1	26.0	28.9
LIC Hsg Fin	Buy	554	693	25	32.9	37.6	44.7	14.8	12.4	2.6	2.2	19.6	19.1	19.5
Manappuram	Not Rated	98	-		3.5	3.8	4.3	25.5	22.8	2.9	2.7	10.8	11.4	12.2
M&M Fin.	Buy	296	323	9	11.9	8.4	11.1	35.1	26.7	2.6	2.5	11.4	7.7	9.7
Muthoot Fin	Buy	329	373	14	20.3	27.5	32.0	11.9	10.3	2.1	1.8	15.1	18.4	19.0
PFC	Neutral	134	117	-13	23.8	24.0	25.5	5.6	5.2	0.9	0.8	18.3	16.8	16.2



Company	Reco	CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Downside	FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Repco Home	Buy	728	842	16	24.0	25.7	37.7	28.3	19.3	4.1	3.5	17.0	15.7	19.6
REC	Neutral	145	134	-7	28.5	29.4	35.3	4.9	4.1	0.9	0.7	21.0	18.8	19.5
Shriram City Union	Buy	1,923	2,500	30	80.4	91.2	130.5	21.1	14.7	2.5	2.2	12.3	12.7	16.1
STF	Buy	966	1,225	27	53.3	58.1	77.9	16.6	12.4	2.0	1.7	12.2	12.3	14.7
Aggregate								16.1	13.8	2.8	2.4	17.7	17.2	17.7
Capital Goods														
ABB	Neutral	1,223	1,190	-3	15.8	18.4	26.1	66.4	46.9	7.9	6.8	11.1	11.9	14.4
Bharat Elec.	Buy	1,526	1,800	18	56.9	61.9	73.3	24.6	20.8	4.5	4.0	15.6	19.7	19.0
BHEL	Sell	155	115	-26	Loss	5.5	5.7	28.0	27.1	1.1	1.1	Loss	4.0	4.0
CG Cons. Elec.	Buy	188	205	9	1.9	4.6	5.5	41.3	34.5	31.3	21.3	52.1	94.3	73.3
Crompton Grv.	Sell	67	45	-33	2.1	0.3	1.7	247.2	40.0	0.9	1.0	3.1	3.9	5.9
Cummins	Neutral	875	990	13	27.2	26.6	30.5	32.9	28.7	7.0	6.4	24.9	22.6	23.2
GE T&D	Neutral	301	340	13	3.0	6.0	11.0	50.1	27.3	6.0	5.4	5.9	11.7	20.7
Havells	Buy	435	440	1	7.8	8.9	12.0	48.7	36.3	9.5	8.6	19.0	19.5	23.6
Inox Wind	Neutral	181	175	-4	20.7	19.4	16.5	9.4	11.0	1.8	1.6	27.9	21.2	15.3
K E C Intl	Buy	169	175	4	7.4	10.5	12.3	16.1	13.8	2.5	2.2	13.5	16.6	16.8
L&T	Buy	1,497	1,620	8	44.7	53.1	63.7	28.2	23.5	2.9	2.7	9.9	10.8	12.0
Pennar Eng.	Not Rated	134	-	-	8.8	10.5	12.4	12.7	10.8	1.8	1.6	14.2	14.5	14.6
Siemens	Neutral	1,196	1,340	12	16.9	17.0	25.7	70.3	46.5	6.5	5.6	11.8	9.2	11.9
Solar Ind	Neutral	716	690	-4	18.4	19.3	22.9	37.2	31.3	6.4	5.5	20.2	18.6	19.0
Suzlon Energy	Not Rated	18	-	-	Loss	Loss	0.6	Loss	32.1	Loss	Loss	Loss	Loss	Loss
Thermax	Sell	861	781	-9	23.5	24.4	27.9	35.2	30.9	4.1	3.8	12.5	12.1	12.6
Va Tech Wab.	Buy	490	620	27	16.3	25.2	32.6	19.4	15.0	2.4	2.2	9.7	13.2	15.4
Voltas	Neutral	340	370	9	11.7	11.8	14.0	28.8	24.2	4.2	3.7	15.3	15.4	16.4
Aggregate								31.8	26.0	3.4	3.2	7.6	10.8	12.2
Cement														
Ambuja Cem.	Buy	239	246	3	5.5	5.7	6.9	42.1	34.5	1.8	1.7	8.3	5.9	7.1
ACC	Neutral	1,485	1,339	-10	37.6	33.7	46.7	44.0	31.8	3.3	3.3	8.5	7.5	10.4
Birla Corp.	Buy	717	869	21	20.4	21.5	41.2	33.3	17.4	2.0	1.8	5.9	6.0	10.9
Dalmia Bharat	Buy	1,955	2,246	15	21.5	32.3	50.7	60.6	38.5	4.2	3.8	5.5	7.2	10.4
Grasim Inds.	Neutral	1,000	1,067	7	48.3	70.2	86.5	14.2	11.6	1.6	1.4	9.2	12.0	13.1
India Cem	Neutral	160	138	-14	4.4	7.3	10.7	21.8	15.0	1.3	1.2	3.9	5.8	7.6
J K Cements	Buy	847	938	11	14.5	32.6	37.2	26.0	22.7	3.3	2.9	6.3	13.3	13.6
JK Lakshmi Ce	Buy	387	455	18	0.4	5.9	12.2	65.3	31.6	3.4	3.3	0.3	5.2	10.5
Ramco Cem	Buy	681	815	20	23.4	29.0	31.9	23.5	21.3	4.4	3.7	19.5	20.3	18.9
Orient Cem	Buy	140	167	19	3.0	Loss	3.2	Loss	44.2	3.0	2.8	6.2	Loss	6.6
Prism Cem	Buy	98	102	4	0.1	0.9	3.5	109.3	27.8	4.8	4.2	0.7	4.5	16.0
Shree Cem	Buy	15,906	19,006	19	238.5	387.1	582.8	41.1	27.3	7.5	6.0	14.5	19.9	24.4
Ultratech	Buy	3,774	4,058	8	79.3	93.5	129.6	40.4	29.1	4.5	4.0	11.0	11.7	14.5
Aggregate								32.3	23.9	3.6	3.1	9.6	11.2	12.8
Consumer														
Asian Paints	Neutral	984	1,035	5	18.7	20.2	22.9	48.6	42.9	14.9	13.0	34.7	32.5	32.3
Britannia	Buy	3,273	3,380	3	70.1	70.6	82.1	46.4	39.9	17.5	13.9	55.9	42.2	38.8
Colgate	Buy	888	1,115	26	22.7	21.7	25.8	41.0	34.5	21.4	20.1	68.9	54.9	60.1
Dabur	Neutral	268	300	12	7.1	7.3	8.3	36.8	32.3	9.6	8.2	33.3	28.3	27.3
Emami	Buy	1,155	1,260	9	25.2	24.5	29.8	47.2	38.7	13.9	11.8	43.4	33.8	33.0
Godrej Cons.	Neutral	1,553	1,655	7	33.2	36.8	42.8	42.2	36.3	8.8	7.5	23.4	22.4	22.2
GSK Cons.	Neutral	5,118	5,465	7	167.1	157.7	178.8	32.5	28.6	7.6	6.6	30.8	25.1	24.7
HUL	Neutral	863	865	0	19.0	19.3	21.5	44.8	40.1	30.8	32.1	82.4	67.6	78.4
ITC	Buy	271	295	9	7.7	8.4	9.5	32.3	28.4	8.6	7.5	29.3	28.4	28.1
Jyothy Lab	Neutral	350	365	4	4.1	7.6	9.0	46.2	39.0	7.0	6.4	9.1	15.7	17.2
Marico	Buy	269	300	11	5.6	6.1	7.1	44.4	38.1	13.3	11.5	36.9	33.3	32.4
Nestle	Neutral	6,181	6,410	4	119.9	111.5	139.2	55.4	44.4	18.8	16.2	40.9	35.9	39.2
Page Inds	Buy	14,327	16,910	18	208.6	235.6	305.1	60.8	47.0	25.1	19.8	46.0	41.3	42.2

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Parag Milk	Neutral	270	285	6	6.7	7.0	9.7	38.4	27.9	3.1	2.8	19.5	10.8	10.5
Pirilite Ind.	Neutral	678	720	6	14.8	16.6	18.3	40.8	37.1	10.5	8.6	29.9	28.0	25.4
P&G Hygiene	Buy	7,007	8,250	18	129.9	145.7	167.7	48.1	41.8	13.0	11.2	30.8	29.0	28.8
Radico Khaitan	Not Rated	123	-		6.9	6.4	6.6	19.1	18.6	1.6	1.5	10.3	8.9	8.5
United Brew	Buy	785	1,044	33	11.3	10.7	15.4	73.5	51.1	8.8	7.6	15.1	12.6	16.0
United Spirits	Buy	2,338	2,885	23	16.7	28.6	47.0	81.7	49.8	15.4	11.9	19.8	20.8	24.0
Aggregate								40.7	35.2	11.9	10.4	31.9	29.3	29.6
Healthcare														
Alembic Phar	Neutral	556	630	13	38.2	23.2	27.9	24.0	19.9	5.4	4.5	38.8	24.8	24.7
Alkem Lab	Neutral	1,837	1,850	1	64.7	79.3	85.7	23.2	21.4	5.2	4.3	23.8	24.4	22.0
Aurobindo	Buy	664	1,050	58	33.9	40.5	48.1	16.4	13.8	4.2	3.2	32.5	29.0	26.5
Biocon	Sell	1,080	750	-31	23.2	33.2	35.6	32.6	30.4	4.8	4.3	11.5	14.7	14.1
Cadila	Buy	372	425	14	15.4	12.0	16.9	31.0	22.0	6.2	5.1	32.8	21.4	25.5
Cipla	Neutral	581	550	-5	18.8	18.1	24.1	32.1	24.1	3.6	3.2	12.8	11.2	13.2
Divis Lab	Neutral	740	815	10	41.9	45.4	51.0	16.3	14.5	4.1	3.6	28.6	26.7	26.5
Dr Reddy's	Neutral	2,965	3,050	3	132.3	77.7	129.4	38.1	22.9	3.7	3.2	18.8	10.0	14.9
Fortis Health	Buy	186	240	29	Loss	Loss	3.5	Loss	52.6	2.2	1.8	Loss	Loss	3.8
Glenmark	Neutral	942	990	5	24.9	41.6	49.2	22.6	19.1	4.6	3.6	16.4	20.5	18.9
Granules	Buy	127	160	26	5.5	7.0	8.0	18.2	15.8	3.1	2.2	21.6	19.9	16.6
GSK Pharma	Neutral	2,700	3,150	17	44.2	50.4	61.8	53.6	43.7	15.9	17.8	22.1	29.6	40.8
IPCA Labs	Neutral	522	540	4	10.5	15.8	27.9	33.0	18.7	2.7	2.4	5.9	8.4	13.5
Lupin	Buy	1,448	1,850	28	50.4	61.8	79.0	23.4	18.3	4.9	4.0	22.9	22.9	23.9
Sanofi India	Buy	4,172	5,200	25	103.2	142.2	172.8	29.3	24.1	5.2	4.7	14.2	17.8	19.4
Sun Pharma	Buy	655	925	41	19.6	27.8	37.9	23.6	17.3	4.6	3.8	16.5	20.3	23.9
Syngene Intl	Not Rated	502	-		11.1	13.0	16.1	38.6	31.1	7.8	6.4	23.3	22.2	22.5
Torrent Pharma	Buy	1,249	1,700	36	59.7	56.8	76.3	22.0	16.4	5.3	4.4	34.4	26.0	29.2
Aggregate								25.6	19.5	6.0	5.0	25.8	23.6	25.6
Logistics														
Allcargo Logistics	Buy	169	196	16	10.8	10.5	12.8	16.1	13.2	2.4	2.1	13.2	13.3	16.9
Blue Dart	Not Rated	4,196	-		84.4	102.5	129.9	40.9	32.3	18.1	13.8	55.5	50.5	48.6
Concor	Neutral	1,305	1,317	1	40.6	36.3	45.9	36.0	28.4	3.0	2.8	10.2	8.6	10.3
Gateway Distriparks	Buy	275	314	14	11.4	8.8	15.7	31.4	17.5	2.3	2.2	10.1	7.6	12.9
Gati	Not Rated	122	-		3.2	9.3	17.6	13.2	6.9	2.0	1.8	5.1	12.4	19.4
Transport Corp.	Not Rated	192	-		13.5	16.9	21.0	11.3	9.1	1.8	1.5	15.4	16.7	17.8
Aggregate								29.7	22.5	3.3	3.0	11.6	11.2	13.5
Media														
Dish TV	Buy	89	115	29	6.5	1.7	3.2	52.9	28.3	Loss	10.6	NM	38.2	46.1
D B Corp	Buy	379	450	19	16.2	21.1	23.9	18.0	15.9	4.6	4.1	22.6	27.0	27.1
Den Net.	Neutral	86	75	-13	Loss	Loss	1.9	Loss	46.6	1.0	1.0	Loss	Loss	2.1
Hathway Cab.	Buy	36	47	30	Loss	Loss	-0.8	Loss	-46.4	2.7	3.0	Loss	Loss	-6.1
Hind. Media	Buy	274	355	29	24.6	26.5	29.4	10.4	9.3	1.8	1.5	21.9	19.3	17.8
HT Media	Neutral	85	85	0	7.3	8.0	8.2	10.6	10.4	0.8	0.7	7.7	7.7	7.1
Jagran Prak.	Buy	187	215	15	10.5	10.8	12.2	17.4	15.3	3.4	2.9	24.7	20.7	20.6
PVR	Buy	1,303	1,533	18	25.5	20.8	35.7	62.8	36.5	6.4	5.6	18.7	10.6	16.3
Siti Net.	Buy	39	45	15	Loss	Loss	2.7	Loss	14.4	4.1	2.8	0.1	Loss	23.5
Sun TV	Neutral	714	735	3	21.1	25.1	29.7	28.4	24.0	7.1	6.6	23.4	25.1	27.3
Zee Ent.	Buy	523	600	15	10.6	12.2	17.6	42.8	29.7	10.1	8.2	27.0	31.3	30.3
Aggregate								34.1	24.6	5.9	5.1	18.2	17.3	20.6
Metals														
Hindalco	Buy	185	230	24	12.0	17.7	21.8	10.5	8.5	1.7	1.4	11.6	16.5	17.9
Hind. Zinc	Neutral	315	307	-3	19.8	19.8	28.2	15.9	11.2	3.1	2.6	20.7	20.9	25.2
JSPL	Neutral	89	88	0	Loss	Loss	Loss	Loss	Loss	0.5	0.5	Loss	Loss	Loss
JSW Steel	Buy	188	226	20	Loss	Loss	19.0	Loss	9.9	2.1	1.8	Loss	16.4	19.6
Nalco	Buy	66	73	10	2.7	3.7	4.8	18.0	13.9	1.2	1.2	5.4	7.1	8.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
NMDC	Buy	145	162	12	8.4	10.9	10.8	13.3	13.4	1.9	1.9	15.9	12.8	14.2
SAIL	Sell	62	28	-55	Loss	Loss	Loss	Loss	Loss	0.7	0.9	Loss	Loss	Loss
Vedanta	Neutral	256	250	-2	10.8	20.6	30.5	12.4	8.4	1.3	1.2	7.9	12.6	16.5
Tata Steel	Sell	473	401	-15	7.7	17.4	43.8	27.2	10.8	3.9	3.0	4.6	12.6	31.3
Aggregate								19.0	12.7	1.6	1.5	5.1	8.3	11.5
Oil & Gas														
BPCL	Buy	714	778	9	55.2	56.6	55.5	12.6	12.9	3.3	2.8	31.6	27.5	23.4
Cairn India	Neutral	281	-		11.4	14.0	12.5	20.1	22.5	1.1	1.0	4.0	5.3	4.6
GAIL	Neutral	481	446	-7	18.0	31.8	38.1	15.1	12.6	1.8	1.7	7.6	14.1	13.7
Gujarat St. Pet.	Neutral	163	163	0	7.9	8.8	11.0	18.4	14.8	2.1	1.9	11.7	12.0	13.5
HPCL	Buy	578	543	-6	38.0	52.7	45.1	11.0	12.8	2.7	2.4	22.4	26.6	19.7
IOC	Buy	380	458	21	20.3	43.5	39.9	8.7	9.5	2.1	1.9	13.6	25.9	20.7
IGL	Neutral	1,015	1,032	2	29.7	43.0	42.6	23.6	23.8	5.0	4.3	18.4	22.1	19.3
MRPL	Neutral	108	114	6	7.6	12.9	12.7	8.4	8.5	2.3	1.9	22.6	31.0	24.7
Oil India	Buy	333	382	15	28.7	27.5	39.0	12.1	8.5	1.1	1.0	10.4	9.5	12.7
ONGC	Neutral	192	204	6	13.6	12.6	21.1	15.3	9.1	1.3	1.2	9.6	8.6	13.8
PLNG	Buy	382	411	8	11.2	19.8	26.9	19.3	14.2	3.8	3.2	14.0	21.5	24.7
Reliance Ind.	Neutral	1,028	1,057	3	93.0	99.2	107.9	10.4	9.5	1.1	1.0	12.0	11.6	11.4
Aggregate								11.3	9.9	1.5	1.3	11.4	12.9	13.4
Retail														
Jubilant Food	Neutral	1,012	1,008	0	15.0	12.8	22.4	78.9	45.2	8.2	9.0	13.4	10.4	19.9
Shopper's Stop	Neutral	323	300	-7	5.8	4.1	8.0	78.9	40.3	3.2	2.9	6.3	4.2	7.7
Titan Co.	Neutral	428	420	-2	8.0	9.2	9.7	46.4	44.3	9.2	8.1	21.3	21.2	19.3
Aggregate								50.5	44.2	8.2	7.4	16.8	16.2	16.8
Technology														
Cyient	Buy	466	600	29	30.7	33.4	42.7	14.0	10.9	2.2	1.9	16.5	15.9	17.8
HCL Tech.	Buy	827	980	19	40.1	58.1	64.7	14.2	12.8	3.6	3.2	21.5	27.3	26.7
Hexaware	Neutral	206	220	7	12.9	13.7	15.3	15.1	13.5	3.7	3.1	28.9	26.5	25.0
Infosys	Buy	984	1,250	27	59.0	62.8	67.8	15.7	14.5	3.3	3.0	24.7	23.2	22.5
KPIT Tech	Neutral	134	150	12	14.1	11.7	13.8	11.4	9.7	1.7	1.4	21.0	14.0	15.9
L&T Infotech	Buy	686	800	17	52.4	54.2	57.5	12.7	11.9	4.8	4.0	45.3	41.8	36.2
Mindtree	Neutral	469	530	13	35.9	25.1	33.7	18.7	13.9	3.1	2.8	27.4	17.1	21.0
Mphasis	Neutral	565	550	-3	34.5	42.6	41.4	13.3	13.7	2.0	1.9	12.3	14.1	14.4
NIIT Tech	Neutral	428	470	10	45.7	38.2	49.3	11.2	8.7	1.5	1.4	19.0	14.2	16.5
Persistent Sys	Neutral	625	730	17	37.2	38.9	46.2	16.0	13.5	2.5	2.4	19.5	17.5	18.9
Tata Elxsi	Buy	1,494	1,780	19	49.7	59.3	72.1	25.2	20.7	9.6	7.7	46.3	42.5	41.3
TCS	Neutral	2,410	2,500	4	123.2	135.2	145.3	17.8	16.6	5.6	4.8	37.1	33.8	31.1
Tech Mah	Buy	499	550	10	35.1	32.5	36.6	15.4	13.6	2.9	2.5	23.4	20.1	20.0
Wipro	Neutral	475	560	18	36.1	33.4	37.2	14.2	12.8	2.3	2.1	20.3	17.0	17.0
Zensar Tech	Buy	926	1,250	35	68.2	68.6	85.0	13.5	10.9	2.5	2.1	24.0	20.0	21.1
Aggregate								16.2	14.8	3.8	3.4	24.4	23.7	22.7
Telecom														
Bharti Airtel	Buy	358	410	14	11.9	11.3	7.9	31.7	45.4	2.1	2.0	7.4	6.7	4.5
Bharti Infratel	Buy	320	435	36	11.8	15.6	16.7	20.6	19.2	3.3	2.9	12.7	15.7	15.9
Idea Cellular	Under Review	107	-		8.6	Loss	Loss	Loss	Loss	1.6	2.0	12.6	Loss	Loss
Tata Comm	Buy	743	811	9	1.6	8.5	31.4	87.3	23.7	-94.1	31.6	-91.6	-75.4	402.2
Aggregate								49.0	105.6	2.4	2.4	9.3	4.9	2.2
Utilities														
Coal India	Neutral	321	315	-2	22.6	17.2	20.0	18.7	16.0	6.6	6.6	42.2	35.2	41.0
CESC	Buy	865	970	12	27.8	50.2	74.5	17.2	11.6	2.0	1.7	3.1	4.8	6.5
JSW Energy	Buy	62	83	34	7.6	4.1	3.3	15.2	19.1	1.2	1.1	15.5	7.7	6.0
NTPC	Buy	172	199	15	12.3	12.0	14.3	14.3	12.0	1.5	1.4	11.9	10.8	11.9
Power Grid	Buy	203	238	17	11.5	14.3	17.1	14.2	11.9	2.1	1.9	14.6	16.0	16.8
Aggregate								16.0	13.5	2.5	2.3	17.6	15.5	16.9
Others														



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Arvind	Buy	379	430	13	14.0	13.5	21.8	28.0	17.4	2.6	2.3	12.9	10.4	14.0
Bata India	Buy	495	483	-2	11.2	10.9	14.2	45.5	34.9	4.9	4.5	13.1	11.3	13.4
Castrol India	Buy	415	499	20	9.6	12.8	13.4	32.3	31.1	35.7	32.1	76.0	118.4	108.8
Century Ply.	Buy	226	211	-7	7.5	4.6	8.8	49.6	25.8	8.6	7.0	36.3	18.2	29.8
Coromandel Intl	Under Review	354	-		11.8	16.3	20.0	21.7	17.7	3.8	3.4	14.9	18.5	20.4
Dynamatic Tech	Buy	3,143	3,388	8	19.4	67.6	112.9	46.5	27.8	6.4	5.2	4.7	15.1	20.7
Eveready Inds.	Buy	252	287	14	9.2	12.4	13.9	20.3	18.2	6.8	5.4	16.2	37.8	33.1
Interglobe	Neutral	828	1,010	22	55.2	39.3	54.1	21.1	15.3	14.5	12.6	176.5	72.8	88.1
Indo Count	Buy	169	223	32	13.4	15.7	18.5	10.8	9.1	3.4	2.4	48.9	37.8	31.2
Info Edge	Buy	847	1,075	27	13.0	16.9	19.0	50.0	44.6	5.3	5.0	9.2	11.1	11.5
Inox Leisure	Sell	232	207	-11	8.4	2.5	8.2	92.9	28.5	3.6	3.2	14.9	3.8	11.5
Jain Irrigation	Under Review	96	-		2.2	5.5	7.6	17.3	12.6	1.5	1.4	4.0	8.6	11.7
Just Dial	Buy	423	443	5	20.4	17.2	18.5	24.6	22.9	3.8	3.3	21.1	16.5	15.5
Kaveri Seed	Buy	477	577	21	24.9	23.4	28.6	20.4	16.7	3.4	3.2	20.7	17.3	19.8
Kitex Garm.	Buy	429	551	28	23.6	26.0	31.0	16.5	13.9	4.5	3.6	35.5	29.9	28.7
Manpasand	Buy	688	843	23	10.1	14.9	23.1	46.1	29.7	3.4	3.1	11.4	8.6	9.6
MCX	Buy	1,153	1,400	21	23.4	28.3	40.8	40.7	28.2	4.5	4.1	3.5	11.4	15.2
Monsanto	Under Review	2,313	-		60.1	68.4	87.2	33.8	26.5	9.8	9.2	26.4	28.8	35.9
PI Inds.	Buy	904	959	6	22.1	31.3	38.4	28.9	23.6	8.1	6.3	29.2	31.7	30.1
SRF	Buy	1,594	1,915	20	73.7	81.0	105.0	19.7	15.2	3.0	2.6	17.0	16.2	18.2
S H Kelkar	Buy	318	338	6	5.5	7.5	10.1	42.5	31.3	5.5	4.9	12.6	13.5	16.6
Symphony	Sell	1,293	1,053	-19	15.6	27.0	35.1	47.9	36.8	26.0	22.2	35.0	56.8	65.0
TTK Prestige	Neutral	5,631	4,896	-13	100.7	107.8	139.9	52.2	40.2	52.2	40.2	17.2	16.6	19.7
V-Guard	Neutral	211	179	-15	3.7	4.5	5.8	46.8	36.7	11.2	9.1	26.3	26.1	27.4
Wonderla	Buy	377	392	4	10.6	7.0	11.9	53.9	31.6	4.9	4.4	15.8	9.5	14.8



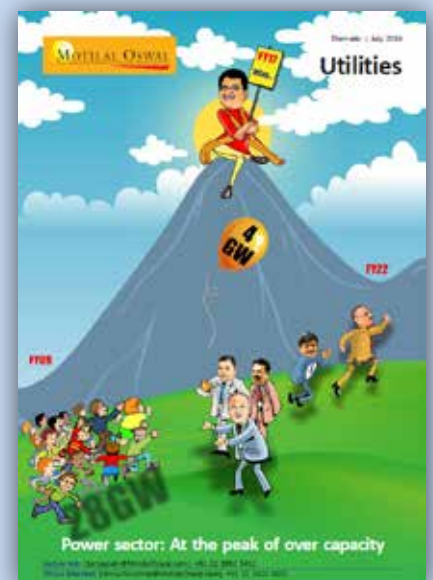
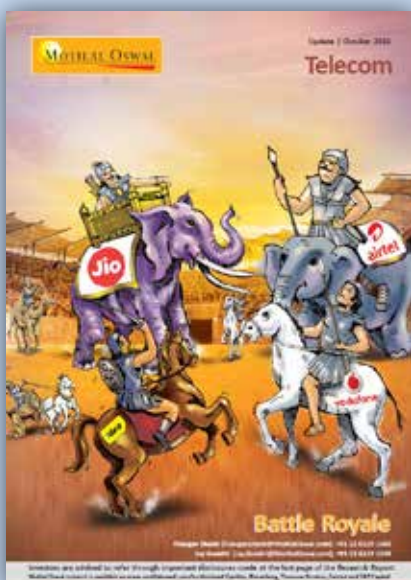
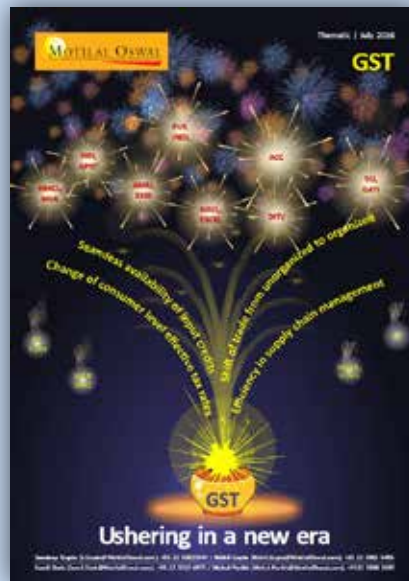
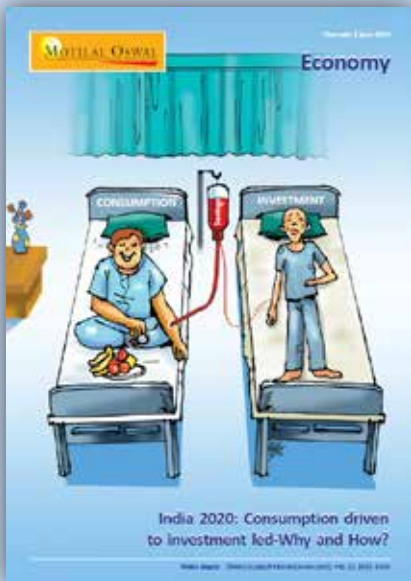
Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-0.4	-3.6	5.2
Ashok Ley.	-0.9	8.9	10.7
Bajaj Auto	0.4	3.6	21.9
Bharat Forge	3.0	10.2	39.4
Bosch	-1.4	5.0	40.2
Eicher Mot.	3.3	8.8	37.7
Endurance Tech.	2.0	11.3	
Escorts	-1.9	6.6	228.9
Exide Ind	3.7	18.3	68.6
Hero Moto	-1.2	6.0	29.8
M&M	1.5	6.6	11.0
Mahindra CIE	-0.8	-2.4	5.3
Maruti Suzuki	-1.4	5.6	69.7
Tata Motors	-0.8	-1.8	69.2
TVS Motor	0.1	7.3	49.0
Banks - Private			
Axis Bank	0.4	3.7	25.5
DCB Bank	-1.7	8.0	85.4
Equitas Hold.	-1.5	23.2	
Federal Bank	-0.6	15.6	94.7
HDFC Bank	0.5	6.3	34.6
ICICI Bank	0.1	5.3	45.1
IDFC Bank	1.2	0.2	26.0
IndusInd	1.1	10.1	64.8
J&K Bank	-0.4	10.2	2.0
Kotak Mah. Bk	1.7	8.8	27.1
RBL Bank	0.8	7.2	
South Indian	-0.9	6.8	29.2
Yes Bank	2.9	10.2	99.8
Banks - PSU			
BOB	-10.3	7.0	47.6
BOI	-3.9	12.9	51.8
Canara	-3.3	8.6	73.7
IDBI Bk	-0.7	10.7	56.5
Indian Bk	-5.5	16.2	244.6
OBC	-3.3	5.7	48.3
PNB	-1.9	13.8	92.4
SBI	-1.8	8.2	75.2
Union Bk	-2.5	5.1	32.5
NBFCs			
Bajaj Fin.	0.4	17.5	76.2
Bharat Fin.	1.5	26.8	66.3
Dewan Hsg.	1.2	13.3	100.5
GRUH Fin.	0.3	11.1	47.5
HDFC	0.4	12.1	28.7
Indiabulls Hsg	2.2	11.4	38.1
LIC Hsg Fin	0.2	4.5	35.7
Manappuram	-1.2	32.8	242.8
M&M Fin.	-0.6	3.2	52.8
Muthoot Fin	-3.6	10.3	84.3
PFC	-0.7	-1.9	83.3
Repco Home	0.3	12.3	29.0
REC	-0.7	3.4	78.3
STF	0.3	1.2	22.5
Shriram City Union	-0.5	4.5	33.7

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	-3.1	8.2	17.3
Bharat Elec.	-1.2	-0.1	35.3
BHEL	-1.5	20.5	48.4
CG Cons. Elec.	-3.8	19.7	
Crompton Grv.	-6.2	3.7	60.9
Cummins	-2.2	3.1	-1.2
GE T&D	-0.6	-3.3	-23.6
Havells	-0.8	17.0	59.3
Inox Wind	-0.1	-1.1	-26.0
K E C Intl	3.1	15.1	66.9
L&T	-0.3	4.1	42.1
Pennar Eng.	-0.3	-10.5	-5.5
Siemens	-1.0	1.7	20.4
Solar Ind	-1.5	2.5	17.3
Suzlon Energy	4.9	20.0	32.7
Thermax	-0.7	2.8	14.2
Va Tech Wab.	-0.1	-1.7	-7.9
Voltas	-1.7	-1.2	48.1
Cement			
Ambuja Cem.	0.6	11.9	22.8
ACC	0.0	11.6	21.7
Birla Corp.	-2.2	5.6	96.4
Dalmia Bharat	0.5	12.1	185.3
Grasim Inds.	-1.0	18.3	47.8
India Cem	-2.0	21.8	126.1
J K Cements	1.5	24.4	90.4
JK Lakshmi Ce	-0.2	6.3	47.8
Ramco Cem	-1.1	12.8	85.8
Orient Cem	2.0	9.0	4.7
Prism Cem	-2.1	8.4	62.2
Shree Cem	-0.4	6.6	52.5
Ultratech	0.3	13.7	36.3
Consumer			
Asian Paints	-0.8	5.5	15.0
Britannia	1.2	11.4	27.4
Colgate	-0.2	-1.2	6.1
Dabur	1.6	-4.6	8.6
Emami	1.2	8.1	9.2
Godrej Cons.	-0.1	-0.9	28.6
GSK Cons.	-0.1	1.7	-11.2
HUL	1.5	4.2	6.4
ITC	-0.9	8.4	35.1
Jyothy Lab	-2.1	3.1	32.5
Marico	-0.1	4.0	18.0
Nestle	0.3	4.6	22.2
Page Inds	-1.2	2.1	39.8
Parag Milk	-5.3	-0.8	
Pidilite Ind.	1.2	6.1	16.4
P&G Hygiene	-0.4	4.1	19.6
Radico Khaitan	-3.8	6.5	27.5
United Brew	-1.2	-4.7	-2.4
United Spirits	-0.7	22.2	0.5
Healthcare			
Alembic Phar	-0.3	-7.5	-5.7
Alkem Lab	0.5	9.4	39.3
Aurobindo	-2.2	-5.8	0.6

Company	1 Day (%)	1M (%)	12M (%)
Biocon	-0.9	8.6	143.2
Cadila	2.2	6.4	21.4
Cipla	0.3	-0.5	10.0
Divis Lab	-1.2	-0.6	-25.1
Dr Reddy's	-0.3	-0.6	4.2
Fortis Health	-4.6	-2.0	22.6
Glenmark	-1.1	5.4	36.4
Granules	-2.6	22.2	20.1
GSK Pharma	-1.5	-0.3	-15.7
IPCA Labs	0.6	-4.7	-10.8
Lupin	-1.2	-3.2	-17.3
Sanofi India	0.0	-1.1	0.4
Sun Pharma	0.0	0.6	-22.8
Syngene Intl	-1.8	-16.8	33.9
Torrent Pharma	-0.2	-6.5	1.4
Logistics			
Allcargo Logistics	0.1	-6.9	4.6
Blue Dart	-1.1	-5.7	-26.5
Concor	-1.6	8.3	20.5
Gateway Distriparks	0.2	18.1	11.8
Gati	-1.3	3.4	22.0
Transport Corp.	0.7	24.2	41.3
Media			
Dish TV	1.7	1.5	20.5
D B Corp	-1.6	0.7	23.1
Den Net.	-0.7	6.9	31.4
Hathway Cab.	-0.4	-2.8	2.0
Hind. Media	-1.0	-2.5	3.3
HT Media	2.8	8.3	12.1
Jagran Prak.	0.1	1.9	21.6
PVR	0.2	11.2	85.8
Siti Net.	0.1	4.7	15.6
Sun TV	-1.4	34.4	116.4
Zee Ent.	0.9	9.5	41.3
Metals			
Hindalco	1.6	7.4	203.3
Hind. Zinc	0.0	13.8	99.2
JSPL	-2.7	12.9	59.6
JSW Steel	-2.5	-0.6	86.8
Nalco	2.2	-7.3	111.5
NMDC	-0.4	0.9	84.6
SAIL	-0.4	7.1	78.3
Vedanta	3.3	7.5	304.5
Tata Steel	1.0	5.8	116.9
Oil & Gas			
BPCL	0.0	8.6	85.3
Cairn India	3.1	6.5	136.9
GAIL	-0.4	6.4	47.7
Gujarat St. Pet.	-0.1	18.6	21.0
HPCL	1.2	18.5	151.8
IOC	0.1	8.3	108.4
IGL	-0.7	9.6	94.3
MRPL	-1.0	0.4	89.5
Oil India	-3.6	-4.1	40.7
ONGC	-0.7	-4.4	48.9
PLNG	0.2	3.6	57.9
Reliance Ind.	-0.2	-5.7	13.5

Company	1 Day (%)	1M (%)	12M (%)
Retail			
Jubilant Food	2.0	19.9	4.5
Shopper's Stop	0.7	9.9	-7.5
Titan Co.	-0.5	19.9	20.3
Technology			
Cyient	0.1	-7.1	23.6
HCL Tech.	-0.1	-2.4	3.6
Hexaware	0.8	3.1	-7.2
Infosys	1.6	0.9	-9.2
KPIT Tech	-0.7	-5.8	17.4
L&T Infotech	-0.6	1.4	
Mindtree	0.5	-4.3	-34.1
Mphasis	1.1	7.5	30.5
NIIT Tech	0.5	0.6	-13.0
Persistent Sys	1.8	-1.6	5.9
Tata Elxsi	0.3	6.9	-16.4
TCS	0.6	7.0	8.3
Tech Mah	-0.1	2.2	16.1
Wipro	1.5	-2.0	-8.2
Zensar Tech	1.0	1.1	6.2
Telecom			
Bharti Airtel	0.1	11.9	10.1
Bharti Infratel	1.2	-9.5	-16.7
Idea Cellular	-2.7	55.5	-2.4
Tata Comm	-1.2	10.6	107.8
Utilities			
Coal India	-1.2	2.0	5.7
CESC	2.9	28.2	108.5
JSW Energy	-1.0	-4.6	-0.4
NTPC	1.1	0.7	38.9
Power Grid	1.6	3.0	46.9
Others			
Arvind	-1.4	2.8	38.7
Bata India	-0.9	3.9	7.4
Castrol India	-0.5	5.0	6.6
Century Ply.	2.0	27.3	61.3
Coromandel Intl	1.3	7.9	119.6
Dynamatic Tech	2.0	6.2	87.9
Eveready Inds.	0.0	7.2	18.9
Interglobe	-1.3	-5.7	6.5
Indo Count	-7.0	-2.4	-11.9
Info Edge	-1.5	-0.3	16.8
Inox Leisure	0.9	2.5	31.8
Jain Irrigation	-1.0	2.7	81.3
Just Dial	-1.6	14.1	1.3
Kaveri Seed	-1.2	4.1	40.1
Kitex Garm.	-0.6	0.6	7.2
Manpasand	-2.2	22.1	64.6
MCX	5.9	-3.1	53.4
Monsanto	0.0	2.6	17.0
PI Inds.	1.9	9.0	41.1
SRF	-9.0	-1.8	46.0
S H Kelkar	-0.7	0.2	47.0
Symphony	-2.7	10.4	24.8
TTK Prestige	0.4	0.2	34.5
V-Guard	-1.3	29.1	149.9
Wonderla	0.0	7.1	9.7

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SH Kelkar



Adding flavor to fragrance

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Endurance Technologies



Gaining ground

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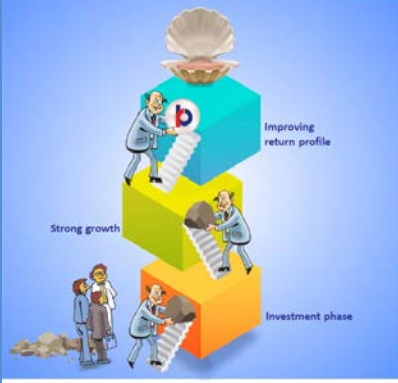
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Sector: Technology
L&T Infotech



Proficient miner

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Sector: Financials
RBL Bank



A unique model - on a fast lane

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Sector: Utilities
CESC



Best fully integrated power DISCOM

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United Breweries



Cheers to growth

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Sector: Healthcare
Fortis Healthcare



Fortifying growth

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Sector: Financials
Equitas Holdings



Fixing the missing link

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Sector: Consumer
Page Industries



Getting into the big league

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

SUN PHARMACEUTICAL

Our research team into annual report season highlights several performance highlights from Sun Pharma's 2016-17 annual report. Revenue grew just 2.2% to INR 2,450 crore, but gross margin expansion, favourable conditions on tax expenses (increased to 100% from 90.5%) and low cost of capital (WACC) was significantly higher than expected (see below). Operating with low net interest expense from 2016-17 to 2017-18 is an indication of a strong credit profile, primarily supporting initiatives necessary for long-term growth. However, this was partially offset by a rise in income tax expenditure, net of non-deductible R&D, which led to a higher cash and equivalent of assets. Overall, our analysis leads to a 'BUY' rating for Sun Pharma, with a target price of INR 2,450 (25% of net worth) and a 12-month horizon. We expect the company to continue to grow and improve its financial performance.

Key highlights:

- Operating performance metrics: Revenue grew just 2.2% to INR 2,450 crore, but gross margin expansion, favourable conditions on tax expenses (increased to 100% from 90.5%) and low cost of capital (WACC) was significantly higher than expected (see below).
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Annual Report
ART TREADBARE
 The ART of Threadbare is an award-winning design platform for the fashion industry.

Key Metrics:

Revenue	2017-18	2016-17
Operating Profit	17%	15%
Operating Margin	17%	15%
Operating Profit	17%	15%
Operating Profit	17%	15%

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MOTILAL OSWAL

CornerOffice

Subscriptions with the CEO

Democratization: A milestone task for India's largest bank

As we witness a remarkable transformation, the role of the bank is changing. It is no longer just a place to deposit money and borrow, but a platform for financial growth and innovation. The bank's role is to provide a wide range of services to its customers, from traditional banking to digital services. The bank's role is to provide a wide range of services to its customers, from traditional banking to digital services. The bank's role is to provide a wide range of services to its customers, from traditional banking to digital services.

Key highlights:

- Democratization: A milestone task for India's largest bank.
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Key Metrics:

Revenue	2017-18	2016-17
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MOTILAL OSWAL

VOICES

India Inc on Call

India Inc on Call is a weekly podcast from Motilal Oswal Research, providing a weekly overview for all the post results earnings calls attended by our research team. The podcast is available on all major podcasting platforms. The podcast is available on all major podcasting platforms. The podcast is available on all major podcasting platforms.

Key highlights:

- India Inc on Call is a weekly podcast from Motilal Oswal Research.
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Key Metrics:

Revenue	2017-18	2016-17
Operating Profit	17%	15%
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MOTILAL OSWAL

EcoKnowledge

Living into trading theory

Identify data confirm 6.5% growth is for real in India

Based on monthly macroeconomic indicators, we conclude that the economy is growing at 6.5% in real terms. This is a significant improvement over the previous period. The economy is growing at 6.5% in real terms. This is a significant improvement over the previous period. The economy is growing at 6.5% in real terms. This is a significant improvement over the previous period.

Key highlights:

- Identify data confirm 6.5% growth is for real in India.
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- Identify data confirm 6.5% growth is for real in India.

Key Metrics:

Revenue	2017-18	2016-17
Operating Profit	17%	15%
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MOTILAL OSWAL

BULLS & BEARS

INDIA WALLSTREET HANDBOOK

Highlights of November edition:

- Key highlights of November edition.
- Key highlights of November edition.
- Key highlights of November edition.

Key Metrics:

Revenue	2017-18	2016-17
Operating Profit	17%	15%
Operating Margin	17%	15%
Operating Profit	17%	15%
Operating Profit	17%	15%

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MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

A MONTH INTO DEMONETIZATION

Key highlights of November edition:

- Key highlights of November edition.
- Key highlights of November edition.
- Key highlights of November edition.

Key Metrics:

Revenue	2017-18	2016-17
Operating Profit	17%	15%
Operating Margin	17%	15%
Operating Profit	17%	15%
Operating Profit	17%	15%

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