

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	32,186	0.1	20.9
Nifty-50	10,079	-0.1	23.1
Nifty-M 100	18,822	-0.6	31.1
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,498	0.1	11.6
Nasdaq	6,460	0.1	20.0
FTSE 100	7,380	-0.3	3.3
DAX	12,554	0.2	9.3
Hang Seng	11,187	-0.5	19.1
Nikkei 225	19,866	0.5	3.9
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	55	1.5	-0.9
Gold (\$/OZ)	1,335	0.8	15.1
Cu (US\$/MT)	6,511	-1.8	17.9
Almn (US\$/MT)	2,078	-1.2	22.0
Currency	Close	Chg. %	YTD.%
USD/INR	64.0	0.0	-5.7
USD/EUR	1.2	0.4	13.6
USD/JPY	110.1	0.3	-6.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.6	0.0	0.1
10 Yrs AAA Corp	7.5	0.0	0.0
Flows (USD b)	13-Sep	MTD	YTD
FII	-0.1	-0.9	6.0
DII	0.1	0.9	7.5
Volumes (INRb)	13-Sep	MTD*	YTD*
Cash	328	302	290
F&O	6,586	5,033	5,279

Note: YTD is calendar year, *Avg



Today's top research idea

Shree Cement: Slowing capacity addition to drive utilization improvement

We hosted Mr H M Bangur, MD and CEO of Shree Cement, as part of 'CEO Track' at our conference. Key takeaways:

- ✓ Capacity addition is likely to slow down from 5% over FY12-17 to sub-2% in next five years. This, coupled with stable demand, should drive utilization improvement.
- ✓ Per capita cement consumption in India is among the lowest in the world, the improvement in which would drive growth in India's cement industry.
- ✓ Limestone reserves in India can support demand only for next 6-7 years.
- ✓ Import of cement does not pose a major threat for India due to relatively cheap price of delivered cement.
- ✓ SRCM should (i) deliver much higher growth than industry (led by higher capacity addition v/s industry) and (ii) continue enjoying cost efficiency (ability to put up cement plants at lower cost v/s industry).
- ✓ Relatively healthy balance sheet should help it reward investors with dividend payout.



Research covered

Cos/Sector	Key Highlights
Shree Cement	Slowing capacity addition to drive utilization improvement
NTPC	FY17 annual report analysis – core PAT flattish
Telecom	Freebies to taper off in near future
Capital Goods	Private sector capex declines for sixth year in a row



Piping hot news

BPCL eyes GAIL, Oil India for merger

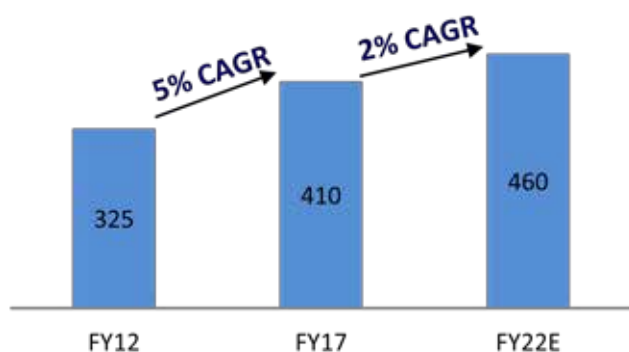
- ✓ Bharat Petroleum Corporation Limited (BPCL), India's second largest state-owned oil marketer is mulling a merger with GAIL (India), India's largest gas distributor, and Oil India, the country's second largest explorer, to create an integrated energy giant after the Centre approved the merger ...



Chart of the Day: Shree Cement (Slowing capacity addition to drive utilization improvement)

Supply grew at a CAGR of 5% from FY12-17, while it is expected to grow at only 2% CAGR from FY17-22E

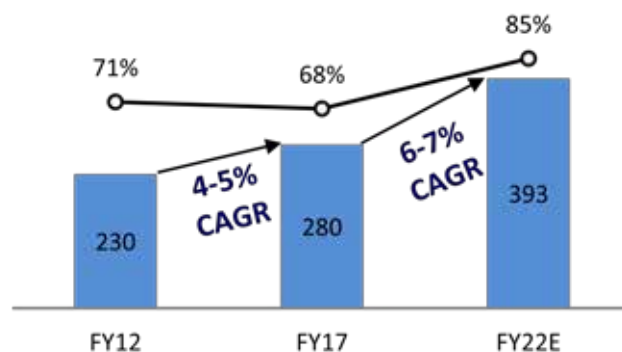
■ Supply (in mt)



Source: MOSL, Company

Demand CAGR was 4-5% over FY12-17, while it is expected to be 6-7% over FY17-22E, leading to utilization improvement

■ Demand (in mt) ○ Utilization (%)



Source: MOSL, DIPP

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

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



Kindly click on textbox for the detailed news link

1

11 buyers line up for Jaiprakash Power

Even at a time when the power generation sector is under stress, lenders of Jaiprakash Power Ventures have managed to get as many as 11 suitors for the beleaguered company...

2

Bharti Airtel to build advanced network with Korea's SK Telecom

Bharti Airtel and SK Telecom of Korea have announced a strategic partnership under which Airtel will leverage the latter's expertise to build advanced telecom network in India. SK Telecom is South Korea's largest telecommunications company with more than 29 million mobile subscribers, which accounts for around 50 per cent of the total market...

3

India's exports to Japan halve to \$3.85 billion in four years

Amid growing bonhomie between Japan and India —Asia's second and third largest economy, respectively—lies the dark reality that in just four years, Indian exports to Japan have almost halved to \$3.85 billion in 2016-17, from \$6.81 billion in 2013-14...

4

Air India plans to take Rs3,250 crore loans for 'urgent' capital needs

National carrier Air India plans to take short-term loans of up to Rs3,250 crore to meet "urgent working capital requirements", according to a document. The disinvestment-bound airline, which is staying afloat on taxpayers' funds, expects to get the central government's ...

5

RCom to challenge Ericsson's insolvency petition

Reliance Communications today said it will challenge equipment maker Ericsson's petition against it under the insolvency and bankruptcy code for recovery of about Rs 1,155 crore...

6

The numbers behind Reliance Jio and Airtel's IUC spat

In Reliance Jio Infocomm Ltd's books, Bharti Airtel Ltd has made an excess recovery of Rs46,958 crore because the telecom regulator didn't do away with interconnect usage charges (IUC), as it had suggested earlier...

7

REI Agro goes in for liquidation

REI Agro, a firm that claims to have 22 per cent share in the world's basmati rice market, has gone in for liquidation after the National Company Law Tribunal (NCLT) ordered it to do so...



Shree Cement

BSE Sensex
32,159

S&P CNX
10,093

CMP: INR18,800 TP: INR22,360 (+19%)

Buy



Mr H M Bangur
MD and CEO
Shree Cements



Financials Snapshot (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	84.3	98.9	123.0
EBITDA	23.7	25.0	31.9
Net Profit	13.4	16.0	19.1
EPS (INR)	384.4	460.4	547.8
EPS Gr. (%)	5.4	19.8	19.0
BV/Sh. (INR)	2,210	2,622	3,121
RoE (%)	18.4	19.1	19.1
RoCE (%)	17.5	17.7	18.0
P/E (x)	48.9	40.8	34.3
P/BV (x)	8.5	7.2	6.0
EV/EBITDA(x)	26.5	24.4	18.7
EV/Ton(USD)	314	257	224

Slowing capacity addition to drive utilization improvement

Takeaways from CEO track; limestone resources – a constraint

We hosted Mr H M Bangur, MD and CEO of Shree Cement (SRCM), as part of 'CEO Track' at our annual conference. Key takeaways:

- n Capacity addition will likely slow down from 5% over FY12-17 to sub-2% in the next five years. This, coupled with stable demand, should drive utilization improvement in the next 3-4 years.
- n Per capita cement consumption in India continues to be among the lowest in the world, the improvement in which could drive structural growth in India's cement industry.
- n Limestone reserves in India are scarce and can support demand only for the next 6-7 years before getting fully utilized.
- n Import of cement does not pose a major threat for India due to the relatively cheap price of delivered cement.
- n The company is likely to report growth at 1.5-2x that of industry average, led by capacity addition ahead of industry.
- n SRCM will continue enjoying cost efficiency due to its capability to put up cement plants at 30-40% lower cost than industry. Hence, it will not bid for any expensive acquisition.
- n Given its relatively healthy balance sheet, the company is likely to reward investors with a dividend payout.

Pace of capacity addition slowing down

Management expects capacity addition of ~50mt over the next five years, lesser than +85-90mt over FY12-17. This translates into a capacity addition rate of 2% over FY17-22, as against 5% over FY12-17. Demand growth over FY12-17 was sub-5% due to weak demand from the housing and rural segments. This, coupled with higher supply addition, led to flat utilization during that period.

With slowing supply addition and increasing demand, we expect industry utilization to increase meaningfully over the next 3-4 years.

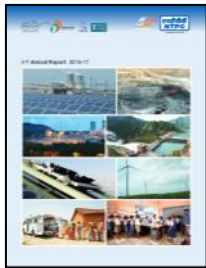


BSE SENSEX
32,159

S&P CNX
10,093

CMP: INR170 TP: INR211 (+24%)

Buy



FY17 annual report analysis – core PAT flattish

Regulated RoE and WC interest the drivers; Maintain Buy

Stock Info

Bloomberg	NTPC IN
Equity Shares (m)	8,245
52-Week Range (INR)	179 / 143
1, 6, 12 Rel. Per (%)	-3/-2/-2
M.Cap. (INR b)	1,400.9
M.Cap. (USD b)	21.9
Avg Val, INRm	871
Free float (%)	30.3

Financials Snapshot (INR b)

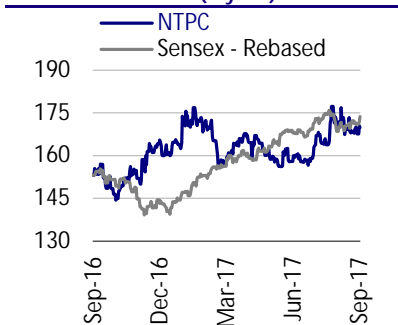
Y/E Mar	2017	2018E	2019E
Net Sales	813.8	847.8	966.3
EBITDA	215.0	239.5	309.9
PAT	98.6	109.7	129.2
EPS (INR)	12.0	13.3	15.7
Gr. (%)	1.8	11.3	17.7
BV/Sh (INR)	118.7	126.6	136.2
RoE (%)	10.5	10.9	11.9
RoCE (%)	5.9	6.1	7.0
P/E (x)	13.5	12.8	10.8
P/BV (x)	1.4	1.3	1.2

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	69.7	69.7	70.0
DII	17.0	17.0	16.9
FII	10.2	10.4	11.0
Others	3.0	2.8	2.2

FII Includes depository receipts

Stock Performance (1-year)



We went through NTPC's FY17 annual report. Our key takeaways:

- n NTPC's standalone (NTPCsa) reported PAT (excluding impairment of INR7.8b investment in the Ratnagiri JV) declined 5.6% to INR102b in FY17 (Exhibit 1). Reported PAT for base year FY16 was revised upwards by 5.1% to INR108b on migration to Ind-AS (capitalization of major spares, recognition of operating and finance leases). Adjusted PAT was flat at INR96.4b.
- n **NTPCsa core PAT grew 1.1%** to INR88.2b in FY17, as per our calculations (Exhibit 2). Regulated RoE (15.5%) and interest on normative working capital were the key drivers. They contributed 75% and 27%, respectively to core PAT. Incentives from higher PLF, and efficiencies in oil consumption contributed just 2-3% to core PAT; this was more than offset by under-recoveries in fuel/O&M cost post change in location of GCV measurements to wagon-top.
- n **Underlying RoE declined 70bp to 15.3%:** If we were to calculate core RoE on average regulated equity during the year, the core RoE would have been 20.6%. But, this doesn't portray the right picture, because actual equity investment is higher, as 100% working capital and 30% of CWIP is funded by equity. On making the relevant adjustments for them, we arrive at underlying RoE of 15.3% in FY17 (Exhibit 3), a decline of 70bp from 16% in FY16.
- n **Average fuel cost increased 4% to INR1.92/kwh.** Decline in gas prices and reduction in specific consumption of coal was partially offset by 10% increase in average cost of coal.
- n **Turnaround at JVs:** The contribution of subsidiaries (subs) and joint ventures (JVs) to consolidated PAT increased from INR233m in FY16 to INR2.2b in FY17 due to turnaround of JVs. Dividends from JVs increased 25% to INR1.63b. PAT from JVs increased from INR1.4b in FY16 to INR6.2b in FY17. NTPC-Tamil Nadu turned around, while NTPC-SAIL showed 57% growth in PAT. Investment in Ratnagiri Gas & Power is now fully impaired. Hence, its losses have stopped dragging consolidated accounts.

Earnings growth to accelerate; valuations attractive – maintain Buy

- n NTPC has a strong pipeline of CoDs. There is good visibility of 3.7GW of organic and 1GW of inorganic growth at NTPCsa. This will add INR81b or 18.4% to regulated equity in FY18. In addition, 445MW will be added to commercial capacity of JVs in FY18. (Exhibit 12).
- n We expect regulated equity to grow at ~20% CAGR and consolidated PAT to grow at 14% CAGR over FY17-20. Capitalization would start to outpace capex, boosting RoE and driving stock re-rating. The stock trades at 1.2x FY19E BV. We value the stock at INR211/share, which factors in 150bp regulatory risk to RoE from FY20 in our DCF model. **Maintain Buy.**



Telecom

Kindly refer our earlier report published in June 2017



Freebies to taper off in near future

Low-priced VoLTE smartphones in focus; capex shifting toward backhaul

We conducted a series of channel checks with telecom channel partners and network vendors. Key takeaways:

- n Incumbents are witnessing an increase in distributor/dealer churn (due to a fall in their revenues) post the service launch by RJio. Low commission is another reason – As we understand, the new operator is offering almost double commissions compared to the incumbents and is also aggressively ramping up front-end resources.
- n The distribution network expects the freebies offered currently to taper off over the next 2-3 quarters, with commissions directly linked to recharge amounts.
- n Supply of VoLTE feature phones is short, impacting offtake.
- n Bigger handset players are less keen on producing VoLTE feature phones, given (a) the weak value proposition (low 4G data managing capability and user interface) and (b) the limited pricing price arbitrage compared to VoLTE smartphones. The focus is on reducing the VoLTE smartphone price to promote wider acceptance.
- n To optimize their existing data network and increase traffic management capability, telcos are shifting their capex from cell sites to backhaul and network-optimizing products. This could significantly reduce capacity bottlenecks and increase capacity at a non-linear rate. Among incumbents, we understand that Bharti and Vodafone are investing aggressively.

Key points from our discussion with telecom channel partners

- n **New operator offering nearly double distribution margin...:** RJio is paying ~6.5% retailer/dealer margin and ~2.5% distributor margin. This is much higher than the retailer margin of ~3.5% and the distributor margin of 1.75-2% offered by the incumbents.
- n **...and aggressively ramping up marketing/sales functions:** We note that the new operator is aggressively increasing its in-house marketing team, with ~4-5x more company centers than incumbents to cater to distributors.
- n **Incumbents' distributor churn rising:** Incumbents' distributor/dealer churn is increasing due to a 25-30% drop in distributor/retailer revenues since RJio's service launch.
- n **Distribution network expects freebies to taper in 2-3 quarters:** The new operator's distributor/retailer recharge values are low currently due to the freebies (recharges with validity of 2-3 months). However, channel partners indicate that, over the next two quarters, freebies will be reduced, increasing distributor/retailer turnover.
- n **TV viewing could increase on RJio:** Dealers are witnessing healthy inquires for INR309/509 plans, which will allow 3-4 hours/6-7 hours of TV viewing via RJio connectivity.
- n **VoLTE feature phone supply shortage:** VoLTE feature phone supply visibility is weak due to no update on delivery dates or new orders. Also, there is lack of clarity on delivery logistics – whether handset delivery and partial payment recovery will be done via company or retailer.

Key points from our discussion with a leading device manufacturer

- n **Device manufacturers not keen on VoLTE feature phones:** VoLTE feature phones are priced at INR800-1,000 and VoLTE smartphones at INR5,000. Thus, according to the device manufacturer, instead of investing effort in producing VoLTE feature phones, the industry is working on reducing VoLTE smartphone prices to bridge the pricing gap.
- n **Low-priced VoLTE smartphones in focus:** VoLTE smartphones priced in the INR5,000-7,000 bracket have the highest offtake in terms of shipment.
- n **Low-ticket Lyf phones out of focus:** RJio's VoLTE smartphone (low-configuration) priced at ~INR3,000 were shipped far before the actual service launch, turning obsolete in a high configuration requirement. They have now been largely discontinued.
- n **VoLTE feature phone a temporary make-shift arrangement:** VoLTE feature phones should witness limited offtake after the initial euphoria due to their weak configuration and limited data managing capability (processor and RAM, small-screen size).
- n Increasing smartphone penetration had forced manufacturers to reduce device prices during 2010-11. A similar trend of price cuts is playing out now with rising demand for VoLTE smartphones.

Key points from our discussion with a network vendor

- n **Investment shifting from front-end site addition to backhaul/network optimization platforms:** Investment is shifting from cell sites to optic fiber at the backhaul (transport level and expanding packet core, and self-organizing network or SON). SON optimizes network capacity based on data traffic and specific quality requirements. Telcos are aggressively investing in such products to optimize the existing data network capability and increase the traffic management capability.
- n **Among incumbents, Bharti and Vodafone are taking the lead:** Bharti is aggressively investing in SON to improve traffic management (data) and also backhaul capacity with Cisco. Vodafone is also preparing actively – it remains the most agile and focused in terms of capacity expansion on the access and transport side.
- n **VoLTE – a stable long-term technology:** VoLTE feature phones also have 2G RAN capability. Thus, it allows 2G voice and data usage. VoLTE calling is significantly superior, though. As VoLTE network service improves, it will start seeing consumer preference toward VoLTE calling.
- n **Quick VoLTE launch is critical for growth:** For incumbents, the time period required to launch the VoLTE feature phone is critical, as it would also take some time to smoothen and streamline the network. The new operator's capacity investment is ahead of incumbents. Thus, aggressive investment here is critical.
- n Vodafone and Idea have not accelerated cell site investment, despite the CCI and SEBI approvals. However, there are indications that they will soon start doing so.



Capital Goods

Please refer our report dated Sep 2016



Private sector capex declines for sixth year in a row

Revival from FY18 as project sanctions by banks surge 92% YoY

Private sector capex at INR1.55t in FY17, down 11% – sixth year of decline: Private sector capex has been declining since FY12, when it peaked at INR3.7t. It has declined to a six-year low of INR1.55t, down 11% in FY17 (Exhibit 1). Interestingly, capex based on projects sanctioned by banks/FIs (excluding ECBs/equity issuances) grew 2% to INR1.25t. Key reasons for low private capex include (a) weak end-market demand, resulting in capacity underutilization, (b) high leverage with companies in sectors like steel, power, and infrastructure, which constrains new borrowings and resultant capex, and (c) delays in land acquisition and clearances.

Projects sanctioned (including bank loans, ECBs, and equity issuances) up 53% to INR2.1t in FY17; sanctions by banks/FIs up 92%:

A total of 922 companies obtained project sanctions worth INR2.1t (+53% YoY) versus 700 companies with projects worth INR1.4t in FY16. Interestingly, the projects sanctioned by banks/FIs have risen 92% to INR1.83t in FY17, off a low base in FY16, but the highest since FY13. Project sanctions from banks/FI peaked at INR4.3t in FY10, leading to a fall in capex thereafter (Exhibit 2). With a sharp revival seen in sanctions in FY17, we expect private capex to also start improving from FY18.

Share of Power sector in projects sanctioned dips to 45% in FY17 (57% in FY16); share of Construction surges to 12% (2% in FY16):

The share of Power sector fell to 45% (primarily renewables, in our view) on a lower share of coal-fired plants. Construction (12% share v/s 2% in FY16), Roads (7% share; flat YoY), Airports/Ports (6% share v/s 2.4% in FY16), Water (4% share; flat YoY), Metals (5% share v/s 1% in FY16), Transport Equipment (4% share v/s 2.5% in FY16) and Textiles (4% share; flat YoY) together contributed another 41% of projects sanctioned.

Share of greenfield projects surges (79% of sanctions), driven by large-ticket projects (>INR10b):

The share of sanctions of greenfield projects rose to 79%, the highest in six years – a higher share of greenfield projects reflects renewed confidence in companies as regards future demand/utilization. Moreover, we note that large-sized projects (>INR10b) constitute ~60% of the projects sanctioned (45% share in FY16 and peak of 80% in FY10). This indicates that big-ticket greenfield/brownfield expansions are starting to revive.

Valuation and view: We reiterate our view that private sector capex is bottoming out and is likely to revive over the next 12-18 months. This is corroborated by the increase being witnessed in project sanctions data released by the RBI for FY17. Our top picks in the Industrials sector are L&T (BUY, TP: INR1380), Cummins (BUY, TP: INR1,180) and Bharat Electronics (BUY, TP: 215).



1. Merchant power prices to stay high; steel sector outlook positive: JSPL; Ravi Uppal, MD & CEO

- n Higher demand for power led to merchant power prices moving up. Expected to stay at higher levels for at least next few months.
- n Power demand more than supply available with producers. Supply impacted due to shortage of coal. Production of coal 4% less in first four months than same period last year. Could improve in next few months.
- n Power realization of company has gone up by almost Rs. 5 per unit in the last few days.
- n Company now sells considerable portion of total power output in power market to National Power Exchange. Higher merchant power prices to have positive impact.
- n Company producing power about 1600MW at gross level. Have PPAs for 1000 MW, sell in bilateral about 150-200 MW and sell about 350 - 400 MW to National Exchange.
- n Plant load factor levels for last quarter stood at 43%. May have moved up in range of 45-50%. Demand generally lower in monsoon months. Going forward, aim to take the plant load factor to 60%.
- n On steel, outlook looks promising. Opportunities in exports on account of China's export declining. Chinese exports have fallen from 11 million tonnes to 6 million tonnes.
- n India a net exporter of steel right now. Domestic demand up by 4.5%. Exports have grown by 66% and imports have fallen by 6%.

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2. Expect to clock net profit of Rs 10,000 crore in FY18: BPCL; D Rajkumar, CMD

- n Q1 soft because of inventory loss and Kochi refinery expansion. Expect to do very well going forward given Integrated Refinery Expansion Project being commissioned.
- n Expect Q2 GRMs in range of USD 6.5-7 per barrel. Working to achieve PAT around Rs. 10,000 crore.
- n Completed Kochi project at cost of Rs. 16,000 crore. Expansion will take refining capacity to 15.5 metric tonne from 9 metric tonne.
- n Once IREP fully commissioned and stabilized, looking at anywhere between USD 1.5-2 improvement per barrel in GRMs.

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3. Expect double-digit loan growth in FY18: Muhtoot Finance; George Alexander Muthoot, MD

- n Demonetization difficulties behind and collection with regards to old dues on track.
- n Cost of borrowings have declined by 1-1.2% YoY.
- n Have maintained NIM around 10%.
- n Expect double-digit loan growth in FY18.
- n Festive season should see pickup in demand and aid in loan growth.

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1. Indian economy: that 2002 feeling

- n It is usually better to drive with an eye on the road ahead—but an occasional look into the rear view mirror can prove to be useful. So it is with the state of the Indian economy right now.
- n The economic situation now has striking parallels with that in 2002. There is macroeconomic stability, weakening economic momentum, balance sheet stress. A more detailed look at how the stars seemed aligned 15 years ago can offer many important clues about the current situation. First, economic growth was coming down over many sequential quarters. There were calls for fiscal expansion to boost domestic demand even as the government seemed committed to keeping its deficit under control. Second, inflation had come off its recent highs. There was a vibrant debate about whether India was flirting with deflation. The Reserve Bank of India was under pressure to cut interest rates.

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2. Growth rate in India: time for reality check on Achhe Din

- n Economists, of late, have had a tough time predicting India's GDP growth trajectory. Just when the market was expecting growth to recover post-demonetisation, GDP growth print for Q1FY18 slid below market expectations to 5.7%. This is the lowest quarterly growth in the last three years. Along with this low growth print, two other things warrant attention. In H1-2017, nominal merchandise imports growing by 28%, and the rupee appreciating by over 4% against the US dollar. First, the GDP numbers. The Q1FY18 growth number of 5.7% definitely reflects a considerable slowdown in economic activity. Industrial growth is at a five-year low, investment activity has failed to pick up, and export growth remains tepid. Services, however, have been buoyant, registering a strong growth of 8.7%, primarily led by trade, hotels, transportation and communication services. Slowdown has been attributed to de-stocking of inventory in the run up to GST and aftermath of demonetisation. IIP and PMI numbers, too, have remained weak. Growth for the first two quarters of 2017 stands at 5.9%.

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3. Politics, not funds, curbs infrastructure

- n On Tuesday, this newspaper reported that Morgan Stanley, a merchant banker, was close to mopping up \$1 billion for a fund to build infrastructure in India. Two other funds, led by IDFC and ICICI, have also raised funds for similar purposes. We wish them the best as they negotiate a vast and varied area of development that is essential to boost growth. But the overriding constraint on infrastructure investment has never been finance. The National Investment and Infrastructure Fund is yet to invest any funds. Infrastructure development in India has moved in fits and starts. Infrastructure accounts for the bulk of bad loans that stymie India's banking. Timorous politics that shrinks from asking people to pay for the power they consume has crippled the power sector. More money cannot fix it.

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4. How can RBI manage surplus liquidity?

n The Reserve Bank of India faces a policy dilemma, requiring a balancing act between managing liquidity, keeping the currency stable and sticking with its inflation-targeting mandate. Domestic liquidity has been in surplus since demonetisation in November 2016, in contrast to the central bank's preference for a neutral balance. At the same time, India is experiencing the strongest portfolio inflows in two years. FDI rose to a record high last year and is likely to climb further this year. Here's the dilemma. Dollar flows have strengthened at a time when the economy's absorptive capacity has fallen thanks to a narrower current account deficit and easing external debt. Absent forex market intervention, these inflows would further aggravate rupee strength, which is already up 6.2 per cent against the dollar year-to-date. Intervention, however — holding the rupee down — would fuel already flush liquidity conditions, putting the central bank's inflation mandate at risk.

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International

5. Deciphering china's trade deceptions

n China acceded to the World Trade Organization (WTO) in December 2001 after lengthy negotiations. The accession was aggressively pursued by China against the backdrop of the introduction of market reforms in 1978, opening up of the Shanghai Stock Exchange in 1990 and the government's agenda to drive global manufacturing expansion. The entry into the WTO certainly seems to have helped China in pursuing its ambitions: its share in global manufacturing increased from 2% in 1991 to 7.5% in 2001 to more than 23% in 2013. However, the accession came with a clause that China could be treated as a non-market economy in anti-dumping investigations if Chinese firms failed to establish that they operated under market economy conditions for a period of 15 years ending 11 December 2016 (Section 15(a) of China's accession agreement). In case of failure by the Chinese firms to prove that they were operating in market economy conditions, the importing country could use alternative methodologies to compute the normal value and dumping margin of the imported goods

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Automobiles														
Amara Raja	Buy	781	986	26	28.0	28.2	37.9	27.9	27.7	5.1	4.5	20.3	17.3	19.9
Ashok Ley.	Buy	118	118	0	4.6	5.2	7.0	25.8	22.7	5.6	5.0	23.1	23.2	27.0
Bajaj Auto	Buy	2,931	3,281	12	132.3	137.2	163.6	22.2	21.4	5.0	4.5	25.3	22.2	24.0
Bharat Forge	Buy	1,226	1,353	10	26.2	36.5	50.5	46.9	33.6	6.9	6.0	16.2	19.2	22.8
Bosch	Neutral	22,009	21,994	0	473.1	547.2	705.7	46.5	40.2	7.6	6.9	15.8	18.0	20.7
CEAT	Buy	1,761	2,029	15	93.3	94.2	126.8	18.9	18.7	2.9	2.6	16.9	14.8	17.3
Eicher Mot.	Buy	32,211	35,854	11	612.7	852.9	1,092.8	52.6	37.8	16.4	12.2	37.1	37.0	35.4
Endurance Tech.	Buy	1,017	1,059	4	23.5	29.3	37.9	43.3	34.7	8.3	6.9	20.8	21.6	23.3
Escorts	Neutral	667	732	10	20.0	37.1	45.8	33.4	18.0	3.4	2.9	10.6	17.3	18.3
Exide Ind	Buy	218	269	23	8.1	9.2	11.0	26.8	23.7	3.7	3.4	13.9	14.1	15.0
Hero Moto	Neutral	3,896	3,818	-2	169.1	189.3	199.1	23.0	20.6	7.7	6.6	35.7	34.6	31.5
M&M	Buy	1,304	1,625	25	54.3	68.5	82.4	24.0	19.0	3.0	2.7	14.2	13.9	14.9
Mahindra CIE	Not Rated	245	-		5.4	9.9	11.8	45.7	24.8	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	8,121	8,819	9	248.6	281.7	374.5	32.7	28.8	6.8	5.9	20.3	20.1	22.8
Tata Motors	Buy	390	542	39	19.8	22.4	59.8	19.7	17.4	2.3	2.0	9.8	12.3	26.6
TVS Motor	Buy	638	612	-4	11.7	14.4	23.7	54.3	44.3	12.6	10.4	25.6	25.7	33.6
Aggregate								29.1	25.0	5.0	4.4	17.1	17.4	22.3
Banks - Private														
Axis Bank	Neutral	499	545	9	15.4	21.8	38.1	32.5	22.8	2.2	2.1	6.9	9.3	14.7
DCB Bank	Neutral	188	192	2	7.0	8.4	10.4	26.8	22.4	2.7	2.3	10.8	11.4	11.8
Equitas Hold.	Buy	167	201	21	5.0	1.7	6.1	33.0	96.2	2.5	2.5	9.5	2.6	8.7
Federal Bank	Buy	113	139	23	4.8	5.4	6.8	23.5	21.0	2.2	1.8	9.9	10.0	10.5
HDFC Bank	Buy	1,843	2,000	9	56.8	68.2	82.1	32.5	27.0	5.5	4.7	18.3	18.8	19.6
ICICI Bank	Buy	292	366	25	15.3	14.9	17.0	19.1	19.6	2.2	2.0	10.2	8.9	9.5
IDFC Bank	Neutral	59	62	6	2.3	2.8	3.2	25.1	21.1	1.4	1.3	5.6	6.3	6.9
IndusInd	Under Review	1,742	-		47.9	61.9	76.8	36.3	28.2	5.2	4.5	15.4	17.3	18.5
J&K Bank	Neutral	80	91	13	-31.3	3.8	8.2	NM	21.0	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	1,020	1,153	13	26.8	32.4	41.0	38.0	31.4	4.9	4.4	13.8	15.0	16.3
RBL Bank	Under Review	534	-		11.9	18.0	23.7	44.9	29.7	4.7	3.3	12.3	13.6	13.9
South Indian	Buy	29	34	18	2.2	2.9	3.7	13.2	10.1	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,841	2,133	16	73.0	92.3	114.5	25.2	20.0	3.9	3.4	18.9	18.3	19.5
Aggregate								30.5	24.6	3.5	3.1	11.5	12.5	14.2
Banks - PSU														
BOB	Buy	144	198	38	6.0	9.5	20.8	24.0	15.1	0.9	0.9	4.0	6.1	12.4
BOI	Neutral	149	149	0	-14.8	-11.2	6.6	NM	NM	0.7	0.7	-6.7	-5.2	3.0
Canara	Neutral	340	360	6	18.8	30.1	47.0	18.1	11.3	0.7	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	56	49	-11	1.5	6.4	8.6	36.4	8.6	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	283	382	35	29.3	34.4	38.3	9.7	8.2	0.9	0.9	10.1	10.9	11.2
OBC	Neutral	131	150	15	-31.6	17.1	21.4	NM	7.7	0.4	0.3	-8.4	4.6	5.4
PNB	Buy	143	184	29	6.2	5.8	11.0	22.9	24.5	0.8	0.8	3.6	3.2	5.9
SBI	Buy	273	341	25	0.3	14.6	26.8	919.0	18.7	1.3	1.2	-0.2	7.0	11.4
Union Bk	Neutral	136	140	3	8.1	9.0	19.1	16.9	15.1	0.4	0.4	2.7	3.0	6.1
Aggregate								99.8	17.7	0.9	0.8	0.9	4.6	8.3
NBFCs														
Bajaj Fin.	Buy	1,906	1,800	-6	33.6	47.6	62.9	56.7	40.0	10.9	8.8	21.7	24.3	25.9
Bharat Fin.	Neutral	953	820	-14	21.0	31.8	68.7	45.4	30.0	5.4	4.4	15.1	16.1	28.0
Capital First	Buy	800	925	16	24.6	33.3	44.3	32.5	24.1	3.4	3.0	12.0	13.3	15.6
Cholaman.Inv.&Fn	Buy	1,172	1,400	19	46.0	56.0	67.3	25.5	20.9	4.2	3.6	18.0	18.6	19.0
Dewan Hsg.	Buy	553	630	14	29.6	37.7	47.1	18.7	14.7	2.2	2.0	14.4	14.1	15.6
GRUH Fin.	Neutral	523	450	-14	8.1	9.9	12.1	64.2	52.6	19.2	15.8	32.5	33.0	32.8
HDFC	Buy	1,777	1,900	7	46.8	52.9	59.0	37.9	33.6	7.0	6.3	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,270	1,350	6	69.0	86.3	108.4	18.4	14.7	4.4	3.9	25.5	28.2	31.3
L&T Fin Holdings	Buy	202	200	-1	5.2	7.3	10.6	38.6	27.6	4.6	4.0	12.4	15.6	19.1
LIC Hsg Fin	Neutral	660	708	7	38.2	41.6	48.9	17.3	15.9	3.1	2.7	19.4	18.2	18.5

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Manappuram	Not Rated	108	-		8.6	10.8	12.5	12.5	10.1	2.7	2.5	24.0	25.9	26.9
M&M Fin.	Buy	440	459	4	7.1	13.9	17.8	62.2	31.7	3.9	3.7	6.5	12.0	14.2
Muthoot Fin	Buy	508	550	8	29.5	38.2	44.2	17.2	13.3	3.1	2.6	19.4	21.5	21.2
PFC	Neutral	129	117	-9	25.7	27.2	30.2	5.0	4.7	0.9	0.8	17.9	17.0	16.8
Repco Home	Buy	663	800	21	29.1	34.5	39.3	22.8	19.2	3.7	3.1	17.4	17.5	17.0
REC	Neutral	171	134	-22	31.4	35.0	40.4	5.5	4.9	1.0	0.9	19.9	19.1	19.1
Shriram City Union	Buy	2,080	2,800	35	84.3	121.7	164.1	24.7	17.1	2.7	2.4	11.7	15.0	17.6
STF	Buy	1,065	1,330	25	55.6	80.0	102.4	19.1	13.3	2.2	1.9	11.7	15.0	16.9
Aggregate								21.7	18.2	3.6	3.2	16.8	17.6	18.1
Capital Goods														
ABB	Sell	1,385	1,200	-13	19.7	22.4	31.6	70.3	61.8	8.9	7.8	12.7	12.6	15.8
Bharat Elec.	Buy	195	215	10	6.9	7.4	8.2	28.2	26.4	5.8	4.5	20.6	17.0	16.9
BHEL	Sell	133	100	-25	2.1	4.6	4.9	61.7	29.0	1.0	1.0	1.6	3.4	3.5
Blue Star	Neutral	795	650	-18	12.9	17.5	26.1	61.8	45.4	10.0	9.4	18.0	21.4	29.6
CG Cons. Elec.	Buy	221	250	13	4.7	5.0	6.4	47.3	44.0	25.7	19.0	76.4	49.7	49.7
CG Power & Indu.	Neutral	85	80	-6	4.1	2.0	2.5	20.8	42.0	1.3	1.2	6.2	3.0	3.7
Cummins	Buy	930	1,180	27	26.5	27.7	35.0	35.1	33.6	6.9	6.4	21.2	19.7	22.8
GE T&D	Neutral	406	395	-3	5.7	9.3	11.3	70.8	43.7	10.1	8.8	12.4	21.5	22.7
Havells	Neutral	501	455	-9	9.6	10.9	13.8	52.4	45.8	9.6	8.5	18.2	18.6	20.7
K E C Intl	Neutral	323	295	-9	11.9	13.1	16.4	27.2	24.7	5.2	4.5	21.2	19.5	20.9
L&T	Buy	1,223	1,380	13	42.3	46.5	56.2	28.9	26.3	3.4	3.1	12.5	12.4	13.8
Pennar Eng.	Not Rated	112	-		7.1	9.1	11.2	15.9	12.4	1.6	1.4	10.2	11.6	12.6
Siemens	Neutral	1,337	1,355	1	17.8	22.7	33.0	75.0	58.9	7.0	6.1	9.3	10.3	13.7
Solar Ind	Neutral	901	900	0	20.6	24.2	30.0	43.7	37.2	8.0	6.8	19.8	19.8	20.9
Suzlon Energy	Not Rated	17	-		0.6	0.9	1.0	27.0	19.4	-1.6	-1.7	NM	-8.8	-11.0
Thermax	Neutral	899	830	-8	30.8	30.0	33.2	29.1	30.0	4.0	3.6	14.3	12.7	12.8
Va Tech Wab.	Buy	634	800	26	29.8	34.6	39.8	21.3	18.3	3.5	3.0	16.8	17.6	17.4
Voltas	Sell	549	430	-22	15.5	16.8	19.1	35.5	32.7	5.5	4.9	18.0	15.8	16.0
Aggregate								36.4	31.8	4.1	3.7	11.2	11.7	12.9
Cement														
Ambuja Cem.	Buy	286	308	8	4.9	7.0	8.2	58.5	41.1	3.0	2.8	5.1	7.0	7.9
ACC	Neutral	1,840	1,622	-12	36.1	49.8	65.0	51.0	37.0	4.0	3.8	7.9	10.6	13.1
Birla Corp.	Buy	953	1,150	21	29.4	40.9	58.9	32.4	23.3	2.2	2.1	7.3	9.2	12.2
Dalmia Bharat	Buy	2,780	3,282	18	38.8	68.7	89.9	71.7	40.5	5.0	4.5	7.2	11.6	13.4
Grasim Inds.	Neutral	1,230	1,276	4	67.9	71.3	102.7	18.1	17.2	2.0	1.8	11.5	10.9	13.9
India Cem	Neutral	189	201	6	5.6	8.0	11.8	33.6	23.6	1.1	1.1	3.4	4.7	6.6
J K Cements	Buy	1,053	1,277	21	33.7	39.7	54.4	31.2	26.5	4.2	3.7	14.4	14.8	17.5
JK Lakshmi Ce	Buy	425	519	22	7.0	9.7	16.4	61.1	43.7	3.6	3.3	6.0	7.9	12.1
Ramco Cem	Buy	746	806	8	27.3	27.4	34.4	27.4	27.3	4.7	4.1	19.0	16.1	17.5
Orient Cem	Buy	163	185	13	-1.6	4.4	7.1	NM	37.0	3.4	3.1	-3.2	8.8	12.8
Prism Cem	Buy	109	140	28	0.3	3.5	5.6	400.0	31.3	5.8	5.0	1.4	17.0	22.9
Shree Cem	Buy	18,813	22,360	19	384.4	460.4	547.8	48.9	40.9	8.5	7.2	18.4	19.1	19.1
Ultratech	Buy	4,173	4,936	18	96.1	91.5	138.8	43.4	45.6	4.8	4.4	11.6	10.1	14.0
Aggregate								39.0	33.4	3.8	3.4	9.6	10.3	12.7
Consumer														
Asian Paints	Neutral	1,252	1,200	-4	21.0	22.2	26.5	59.6	56.4	15.8	14.4	28.5	26.7	28.1
Britannia	Buy	4,325	4,660	8	73.7	85.3	104.6	58.7	50.7	19.2	15.9	36.9	34.3	34.5
Colgate	Buy	1,144	1,285	12	21.2	24.4	29.8	53.9	46.8	24.4	23.2	50.4	50.8	58.2
Dabur	Neutral	308	315	2	7.2	7.7	9.1	42.5	39.8	11.2	9.6	28.4	26.0	26.3
Emami	Buy	1,149	1,310	14	26.5	26.9	33.1	43.3	42.7	14.9	12.7	35.8	32.0	33.9
Godrej Cons.	Neutral	939	995	6	18.9	21.5	24.7	49.7	43.6	12.1	9.4	24.6	24.2	22.8
GSK Cons.	Sell	5,092	4,500	-12	156.1	158.1	182.1	32.6	32.2	6.9	6.7	22.2	21.1	22.6
HUL	Buy	1,251	1,360	9	19.6	22.9	27.3	63.7	54.5	40.6	39.2	65.6	73.1	82.8
ITC	Neutral	272	280	3	8.4	9.3	10.3	32.3	29.3	7.3	7.2	23.5	24.8	26.3
Jyothy Lab	Neutral	410	395	-4	11.2	9.8	11.1	36.5	41.7	6.8	6.9	21.1	16.5	18.4

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Marico	Neutral	338	355	5	6.3	6.8	8.2	53.8	49.5	18.7	16.1	36.7	34.9	37.7
Nestle	Neutral	7,253	6,160	-15	118.0	115.1	133.6	61.5	63.0	23.2	21.6	39.0	35.5	38.1
Page Inds	Buy	18,575	19,600	6	238.7	294.7	398.4	77.8	63.0	31.1	25.0	40.0	39.6	43.1
Parag Milk	Neutral	248	245	-1	3.6	9.1	12.5	68.9	27.3	3.2	2.8	6.0	11.0	13.3
Pidilite Ind.	Neutral	832	810	-3	16.7	18.1	20.6	49.7	46.1	12.9	10.5	28.2	25.2	23.5
P&G Hygiene	Neutral	8,312	8,800	6	132.9	151.6	176.0	62.5	54.8	39.2	32.5	39.3	64.9	62.8
Prabhat Dairy	Not Rated	133	-		3.5	3.5	6.4	37.8	38.3	1.9	1.8	5.2	4.9	8.5
United Brew	Neutral	780	875	12	8.7	10.1	15.0	89.8	77.5	9.0	8.2	10.4	11.0	14.7
United Spirits	Neutral	2,656	2,525	-5	26.7	34.5	51.5	99.3	77.0	19.9	13.9	21.3	18.0	20.3
Aggregate								47.9	43.2	13.2	12.2	27.5	28.2	29.3
Healthcare														
Alembic Phar	Neutral	511	510	0	21.6	20.5	25.5	23.7	25.0	5.1	4.4	23.0	19.0	20.4
Alkem Lab	Neutral	1,796	1,830	2	75.7	73.5	91.6	23.7	24.4	5.1	4.4	23.4	19.2	20.5
Ajanta Pharma	Buy	1,200	1,606	34	58.4	52.8	64.2	20.5	22.7	6.8	5.4	37.7	26.5	25.9
Aurobindo	Buy	759	850	12	39.3	44.9	50.0	19.3	16.9	4.7	3.8	27.6	24.8	22.1
Biocon	Sell	339	330	-3	10.2	9.7	14.2	33.2	34.9	4.2	3.9	12.3	11.1	14.5
Cadila	Buy	481	555	15	14.2	17.9	24.1	33.9	26.9	7.1	5.9	23.0	23.9	26.3
Cipla	Neutral	554	520	-6	15.9	21.1	26.0	34.9	26.3	3.6	3.2	10.2	12.1	13.2
Divis Lab	Neutral	829	680	-18	39.7	33.6	40.0	20.9	24.7	4.7	4.3	23.5	18.1	19.4
Dr Reddy's	Neutral	2,210	2,400	9	72.6	79.6	120.1	30.4	27.8	3.0	2.8	9.7	10.6	14.3
Fortis Health	Buy	151	220	46	10.3	2.2	5.6	14.6	69.2	1.6	1.4	11.3	2.1	4.9
Glenmark	Neutral	595	775	30	39.3	42.9	51.7	15.1	13.9	3.7	3.0	24.7	21.6	20.9
Granules	Buy	125	200	59	7.2	8.2	11.5	17.3	15.3	3.2	2.2	21.1	17.7	18.8
GSK Pharma	Neutral	2,415	2,500	4	34.4	46.8	54.9	70.3	51.6	10.2	11.9	14.5	23.0	30.9
IPCA Labs	Neutral	478	430	-10	16.1	16.6	26.8	29.7	28.8	2.5	2.3	8.6	8.2	12.2
Jubilant Life	Buy	706	905	28	37.0	47.1	56.7	19.1	15.0	3.2	2.7	18.1	19.5	19.6
Lupin	Buy	992	1,125	13	55.8	41.4	56.3	17.8	24.0	3.3	3.0	20.6	13.2	16.0
Sanofi India	Buy	4,060	4,820	19	129.1	133.6	160.6	31.4	30.4	5.4	5.0	17.1	16.6	18.1
Shilpa Medicare	Buy	589	805	37	14.0	21.1	30.4	42.0	27.9	5.1	4.4	14.4	17.0	20.4
Strides Shasun	Buy	956	1,300	36	32.3	47.4	74.8	29.6	20.2	3.1	2.8	10.7	14.7	20.2
Sun Pharma	Buy	503	515	2	26.1	15.1	23.3	19.2	33.4	3.3	3.4	18.5	10.0	14.7
Syngene Intl	Not Rated	466	-		13.0	16.1	18.0	35.8	28.9	7.2	5.9	22.2	22.5	20.7
Torrent Pharma	Neutral	1,212	1,350	11	55.2	53.4	67.3	22.0	22.7	4.7	4.2	23.8	19.5	21.5
Aggregate								23.1	25.3	3.9	3.5	16.9	14.0	16.3
Logistics														
Allcargo Logistics	Buy	172	212	23	9.8	11.2	13.3	17.5	15.3	2.6	2.3	12.6	16.0	16.8
Blue Dart	Not Rated	4,194	-		102.5	129.9	163.2	40.9	32.3	18.1	13.8	50.5	48.6	46.8
Concor	Neutral	1,370	1,214	-11	38.0	42.1	48.6	36.1	32.5	3.8	3.6	10.8	11.3	12.4
Gateway Distriparks	Buy	234	272	16	6.8	9.0	12.4	34.5	26.1	2.5	2.4	7.3	9.4	12.4
Gati	Not Rated	116	-		8.4	15.9	23.9	13.9	7.3	1.9	1.7	12.4	19.4	25.4
Transport Corp.	Not Rated	291	-		16.9	21.0	25.9	17.2	13.8	2.7	2.3	16.7	17.8	18.6
Aggregate								32.0	26.8	4.0	3.7	12.4	13.8	15.4
Media														
Dish TV	Buy	79	106	34	1.0	1.3	4.3	80.1	60.5	17.2	13.4	24.1	24.9	99.2
D B Corp	Buy	365	450	23	20.4	23.7	27.6	17.9	15.4	4.2	3.7	25.5	25.8	26.6
Den Net.	Neutral	90	90	0	-8.6	-2.7	0.3	NM	NM	1.7	1.8	-12.0	-5.3	0.7
Ent.Network	Neutral	846	928	10	11.4	13.4	21.7	74.0	63.3	4.7	4.4	6.7	7.2	10.7
Hind. Media	Buy	259	350	35	25.9	28.3	33.6	10.0	9.2	1.7	1.5	19.0	17.3	17.3
HT Media	Neutral	97	90	-7	7.4	7.9	8.1	13.0	12.2	0.9	0.8	7.1	6.9	6.4
Jagran Prak.	Buy	179	225	26	10.8	12.4	14.1	16.6	14.5	2.4	2.4	17.6	16.5	17.4
Music Broadcast	Buy	401	469	17	6.4	9.3	14.0	62.5	43.1	4.2	3.8	11.2	9.3	12.4
PVR	Buy	1,324	1,628	23	20.5	30.9	46.9	64.5	42.9	6.4	5.6	10.4	14.0	18.2
Siti Net.	Neutral	26	32	25	-1.8	-0.3	0.4	NM	NM	3.6	3.7	-23.5	-4.1	6.2
Sun TV	Neutral	813	860	6	24.9	28.5	35.9	32.7	28.5	7.7	7.1	23.6	25.0	28.8

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Zee Ent.	Buy	532	630	18	23.1	14.7	18.9	23.0	36.1	8.8	7.6	24.7	22.6	24.5
Aggregate								40.9	31.4	5.7	5.2	14.0	16.7	21.3
Metals														
Hindalco	Buy	248	309	25	16.2	22.0	26.3	15.3	11.3	1.9	1.6	14.0	15.3	15.4
Hind. Zinc	Neutral	307	301	-2	19.7	22.2	29.3	15.6	13.9	4.2	4.5	24.4	31.5	38.0
JSPL	Buy	142	194	37	-20.9	-15.8	2.0	NM	NM	0.4	0.5	-7.9	-4.9	0.6
JSW Steel	Buy	264	297	13	14.8	21.9	25.7	17.8	12.0	2.8	2.4	17.3	21.3	20.8
Nalco	Neutral	82	63	-23	3.7	3.5	4.2	22.3	23.7	1.6	1.5	7.2	6.5	7.7
NMDC	Buy	133	180	35	10.0	12.4	12.1	13.4	10.7	1.9	1.7	12.8	15.2	15.6
SAIL	Sell	62	30	-51	-6.2	-7.7	-4.2	NM	NM	0.7	0.8	-6.7	-9.1	-5.3
Vedanta	Buy	327	361	10	15.1	23.9	37.4	21.6	13.7	2.0	1.9	9.7	14.2	20.4
Tata Steel	Neutral	680	591	-13	37.9	65.1	64.3	17.9	10.4	2.1	1.8	15.7	18.6	16.2
Aggregate								22.3	15.6	1.8	1.7	8.2	11.2	14.0
Oil & Gas														
BPCL	Neutral	500	515	3	48.3	34.3	41.3	10.4	14.6	3.2	2.8	32.4	20.4	21.4
GAIL	Sell	407	346	-15	22.6	26.5	31.3	18.1	15.4	1.8	1.7	9.6	11.3	12.4
Gujarat Gas	Sell	833	691	-17	20.4	37.2	46.1	40.9	22.4	7.0	5.6	17.8	27.6	27.4
Gujarat St. Pet.	Neutral	197	171	-13	8.8	11.1	13.3	22.4	17.7	2.5	2.2	11.6	13.2	14.2
HPCL	Buy	457	510	12	40.7	34.1	36.3	11.2	13.4	3.4	2.9	32.4	23.6	21.7
IOC	Buy	416	458	10	43.0	36.7	40.4	9.7	11.3	1.9	1.7	21.2	16.0	15.8
IGL	Neutral	1,400	1,152	-18	44.0	49.9	56.3	31.8	28.1	6.7	5.7	21.0	21.9	20.9
MRPL	Sell	134	113	-16	14.8	9.4	11.7	9.1	14.2	2.3	2.1	31.4	15.5	17.0
Oil India	Buy	324	316	-2	19.3	27.9	31.1	16.7	11.6	0.9	0.9	5.7	7.5	8.0
ONGC	Buy	161	195	21	16.4	16.5	19.7	9.8	9.8	0.9	0.9	10.1	9.4	10.9
PLNG	Buy	234	274	17	11.4	14.0	17.9	20.6	16.7	4.3	3.7	23.2	23.7	25.5
Reliance Ind.	Neutral	849	750	-12	48.3	57.8	64.1	17.6	14.7	1.8	1.6	11.6	12.3	12.3
Aggregate								13.2	13.3	1.8	1.6	13.3	12.2	12.7
Retail														
Jubilant Food	Sell	1,322	850	-36	10.0	14.8	20.7	132.1	89.2	10.8	9.9	8.2	11.1	14.0
Titan Co.	Neutral	631	565	-10	9.0	10.6	12.6	69.8	59.4	13.2	12.1	20.6	21.3	22.2
Aggregate								76.0	63.4	13.1	12.0	17.2	18.9	19.6
Technology														
Cyient	Buy	526	600	14	30.6	35.4	41.9	17.2	14.8	2.8	2.5	16.2	16.6	17.3
HCL Tech.	Neutral	871	950	9	59.8	61.8	65.9	14.6	14.1	3.6	3.2	27.5	24.9	23.8
Hexaware	Neutral	276	250	-9	13.7	15.7	16.5	20.1	17.5	4.9	4.2	26.5	25.7	23.1
Infosys	Buy	884	1,050	19	62.9	62.2	67.2	14.0	14.2	2.9	2.6	22.0	19.6	19.3
KPIT Tech	Neutral	122	140	15	11.9	10.6	13.1	10.2	11.5	1.5	1.4	14.3	13.0	14.2
L&T Infotech	Buy	763	880	15	55.5	60.2	68.0	13.8	12.7	4.8	3.7	40.4	33.0	29.4
Mindtree	Neutral	444	450	1	24.9	28.7	32.9	17.8	15.4	2.9	2.8	16.8	17.3	20.1
Mphasis	Neutral	604	610	1	38.9	40.3	43.0	15.5	15.0	2.1	2.2	13.2	14.5	16.2
NIIT Tech	Neutral	501	540	8	38.0	42.3	48.7	13.2	11.8	1.7	1.7	13.7	14.4	15.4
Persistent Sys	Buy	619	750	21	37.7	43.3	52.0	16.4	14.3	2.5	2.4	17.0	17.9	20.7
Tata Elxsi	Buy	1,818	1,992	10	56.3	67.4	79.7	32.3	27.0	10.1	8.2	37.1	33.5	32.2
TCS	Neutral	2,488	2,350	-6	133.4	133.6	147.7	18.6	18.6	5.6	5.9	32.6	31.1	33.5
Tech Mah	Buy	440	490	11	30.9	34.0	36.8	14.2	12.9	2.3	2.1	18.4	17.4	16.9
Wipro	Neutral	296	270	-9	16.9	18.1	19.1	17.5	16.3	2.8	2.7	16.9	16.1	16.1
Zensar Tech	Buy	804	950	18	52.1	51.9	70.0	15.4	15.5	2.5	2.2	17.2	15.0	17.9
Aggregate								16.6	16.5	3.8	3.8	22.9	22.8	22.0
Telecom														
Bharti Airtel	Buy	401	490	22	11.1	4.3	6.6	36.1	92.4	2.4	2.3	6.7	2.5	3.8
Bharti Infratel	Buy	371	480	30	14.9	17.9	20.4	24.9	20.7	4.4	3.8	16.2	19.8	19.4
Idea Cellular	Buy	83	110	33	-1.1	-10.9	-11.3	NM	NM	1.2	1.4	-1.6	-17.3	-21.7
Tata Comm	Buy	683	775	13	27.2	8.7	26.1	25.1	78.5	12.2	10.6	132.2	14.5	33.6
Aggregate								37.1	205.3	2.6	2.6	6.9	1.2	2.8
Utilities														

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Coal India	Buy	256	305	19	14.9	19.8	22.0	17.2	13.0	6.5	6.2	37.8	47.6	50.5
CESC	Buy	1,046	1,360	30	51.9	88.9	99.3	20.2	11.8	1.3	1.2	6.5	10.6	10.8
JSW Energy	Sell	77	49	-36	3.8	3.4	2.7	20.1	22.8	1.2	1.2	6.3	5.3	4.2
NTPC	Buy	169	211	25	12.0	13.3	15.7	14.1	12.7	1.4	1.3	10.5	10.9	11.9
Power Grid	Buy	214	262	23	14.2	17.4	20.6	15.0	12.3	2.3	2.0	16.2	17.3	17.8
Tata Power	Sell	85	68	-20	5.2	6.4	6.7	16.4	13.3	1.9	1.8	11.2	13.9	12.1
Aggregate								15.7	12.9	2.3	2.1	14.5	16.4	17.2
Others														
Arvind	Neutral	411	375	-9	12.4	12.9	18.6	33.2	31.8	3.0	2.8	10.3	9.1	12.0
Avenue Supermarts	Neutral	1,090	882	-19	7.7	12.7	17.6	142.1	85.7	17.7	15.5	17.9	19.3	23.0
Bata India	Under Review	712	-		13.5	15.7	19.4	52.7	45.3	6.9	6.2	13.9	14.4	15.8
BSE	Neutral	1,020	1,100	8	41.0	42.2	44.6	24.9	24.2	2.1	2.1	8.3	8.5	7.7
Castrol India	Buy	390	489	25	13.6	13.9	14.0	28.6	28.1	32.4	29.1	115.2	108.9	99.2
Century Ply.	Neutral	250	323	29	8.7	9.8	12.9	28.7	25.4	7.8	6.4	31.1	27.7	29.6
Coromandel Intl	Buy	422	523	24	16.6	24.1	29.0	25.4	17.5	4.3	3.7	17.5	22.5	23.4
Delta Corp	Buy	194	243	25	3.1	5.9	8.1	63.4	33.0	4.9	3.3	8.1	12.5	12.9
Dynamatic Tech	Buy	2,449	3,334	36	67.6	112.9	166.7	36.2	21.7	5.0	4.1	15.1	20.7	24.3
Eveready Inds.	Buy	305	358	17	12.9	13.6	16.3	23.7	22.4	7.7	6.3	37.7	30.8	30.1
Interglobe	Neutral	1,197	1,312	10	46.0	63.9	93.7	26.0	18.7	21.4	19.0	86.2	107.5	137.7
Indo Count	Neutral	123	129	5	13.0	8.9	10.8	9.5	13.9	2.9	2.3	34.8	18.6	18.3
Info Edge	Buy	1,030	1,130	10	15.7	21.8	24.7	65.7	47.3	6.3	5.7	10.2	12.7	13.1
Inox Leisure	Sell	234	240	2	3.3	8.0	12.0	70.3	29.2	4.1	3.6	5.9	12.5	16.2
Jain Irrigation	Under Review	105	-		5.5	7.6	10.0	19.0	13.8	1.6	1.6	8.6	11.7	14.8
Just Dial	Neutral	390	465	19	17.5	18.5	21.1	22.3	21.1	3.0	2.7	14.8	13.4	13.7
Kaveri Seed	Buy	571	738	29	19.1	34.0	41.0	29.9	16.8	3.9	4.1	13.6	23.3	27.4
Kitex Garm.	Buy	233	394	69	18.6	22.1	26.2	12.6	10.6	3.4	2.7	29.8	28.6	27.6
Manpasand	Buy	893	926	4	12.7	20.2	30.9	70.3	44.3	4.4	4.1	7.3	8.5	13.5
MCX	Buy	1,119	1,230	10	24.8	29.4	40.7	45.1	38.1	4.2	4.0	9.9	10.7	13.9
Monsanto	Buy	2,539	3,295	30	86.2	105.1	126.7	29.4	24.2	8.3	7.5	31.6	32.5	34.5
Navneet Education	Buy	169	215	27	7.8	8.7	10.8	21.8	19.3	5.4	4.7	26.8	26.0	27.4
PI Inds.	Buy	746	894	20	33.4	30.4	35.8	22.4	24.5	6.3	5.3	32.8	23.4	22.9
Piramal Enterp.	Buy	2,756	3,044	10	72.6	104.1	144.6	38.0	26.5	3.6	3.3	9.8	13.0	16.4
SRF	Buy	1,569	1,648	5	85.9	80.2	103.0	18.3	19.5	2.9	2.6	16.6	13.7	16.0
S H Kelkar	Buy	264	298	13	7.2	7.6	9.9	36.5	34.8	4.7	4.3	13.7	12.9	15.2
Symphony	Sell	1,403	1,288	-8	23.7	35.1	42.9	59.3	40.0	22.0	19.4	43.3	51.6	54.5
Trident	Buy	97	114	17	6.6	8.3	10.4	14.7	11.8	1.8	1.6	13.0	14.5	16.1
TTK Prestige	Neutral	6,345	5,281	-17	132.1	137.8	176.1	48.0	46.0	8.7	7.9	19.5	18.0	20.7
V-Guard	Neutral	194	167	-14	3.6	4.5	6.0	54.2	43.3	12.9	10.6	27.4	26.9	28.8
Wonderla	Buy	353	393	11	7.0	11.9	16.0	50.5	29.6	4.6	4.1	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-2.1	-2.4	-20.7
Ashok Ley.	-0.5	14.6	40.8
Bajaj Auto	-0.1	5.1	-0.8
Bharat Forge	-0.1	5.5	44.9
Bosch	-0.5	-2.7	-6.3
CEAT	-1.0	4.0	77.8
Eicher Mot.	-1.1	8.8	41.6
Endurance Tech.	-0.6	4.8	
Escorts	-1.4	12.6	90.4
Exide Ind	-3.5	7.3	18.5
Hero Moto	-0.6	1.3	10.4
M&M	0.2	-3.1	-8.5
Mahindra CIE	1.7	6.0	28.2
Maruti Suzuki	-0.5	9.0	52.4
Tata Motors	0.7	4.1	-29.7
TVS Motor	-0.5	18.9	98.8
Banks - Private			
Axis Bank	0.7	1.8	-15.8
DCB Bank	-0.4	7.8	59.7
Equitas Hold.	-2.4	6.8	-5.0
Federal Bank	-1.2	7.2	59.4
HDFC Bank	0.5	5.2	44.0
ICICI Bank	0.3	1.7	19.5
IDFC Bank	2.2	10.2	-6.8
IndusInd	0.0	7.2	45.7
J&K Bank	-1.7	11.1	7.9
Kotak Mah. Bk	-0.2	2.9	25.4
RBL Bank	-1.0	8.9	80.4
South Indian	-1.5	9.7	38.3
Yes Bank	-0.6	5.8	52.8
Banks - PSU			
BOB	1.6	0.9	-11.0
BOI	2.5	4.2	28.6
Canara	0.6	4.7	17.8
IDBI Bk	-1.4	5.9	-26.4
Indian Bk	0.3	1.6	30.5
OBC	3.4	11.0	7.2
PNB	1.0	1.9	4.1
SBI	-0.1	-2.6	8.2
Union Bk	1.3	6.9	-3.5
NBFCs			
Bajaj Fin.	0.6	12.2	74.1
Bharat Fin.	-1.6	21.3	30.4
Capital First	-1.1	13.3	20.0
Cholaman.Inv.&Fn	-1.4	2.2	10.3
Dewan Hsg.	-0.8	32.7	98.7
GRUH Fin.	-0.5	12.1	66.8
HDFC	-1.1	4.9	27.4
Indiabulls Hsg	-1.7	10.4	65.6
L&T Fin.Holdings	-0.3	23.5	127.0
LIC Hsg Fin	0.0	1.5	17.8
Manappuram	-2.0	26.0	20.0
M&M Fin.	-1.8	7.0	30.3
Muthoot Fin	-1.9	14.8	45.7
PFC	1.4	9.2	8.9
Repc Home	-1.8	4.6	-18.4
REC	3.8	3.4	50.7
STF	-0.7	11.7	-9.5
Shriram City Union	-1.3	-0.3	-6.5

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	-0.5	3.7	17.8
Bharat Elec.	-1.1	13.9	62.7
BHEL	0.4	5.9	-10.1
Blue Star	0.9	18.6	56.1
CG Cons. Elec.	2.1	-1.0	36.7
CG Power & Inds Sol.	0.1	13.1	7.1
Cummins	0.4	4.5	0.1
GE T&D	-1.8	4.7	25.9
Havells	-1.2	9.2	22.8
K E C Intl	-1.3	14.7	153.6
L&T	-0.5	7.9	25.3
Pennar Eng.	2.8	3.8	-31.3
Siemens	-0.6	4.7	7.7
Solar Ind	1.0	3.4	42.4
Suzlon Energy	0.9	11.8	-0.9
Thermax	1.2	3.8	9.3
Va Tech Wab.	1.2	2.6	14.9
Voltas	-2.2	6.3	46.7
Cement			
Ambuja Cem.	-1.1	8.5	9.6
ACC	-0.4	4.6	16.3
Birla Corp.	-2.0	3.0	51.8
Dalmia Bharat	-0.7	11.3	53.8
Grasim Inds.	-1.9	16.5	59.4
India Cem	-1.6	7.1	32.9
JK Cements	1.2	3.2	33.6
JK Lakshmi Ce	-0.9	1.2	-7.2
Ramco Cem	0.8	12.9	29.8
Orient Cem	0.7	7.5	-15.3
Prism Cem	-1.1	-2.6	2.1
Shree Cem	-0.5	7.6	11.3
Ultratech	-1.2	6.2	7.9
Consumer			
Asian Paints	-0.2	9.4	8.5
Britannia	0.1	5.5	26.5
Colgate	-1.1	9.2	17.0
Dabur	0.6	1.8	6.1
Emami	-3.0	7.1	-3.8
Godrej Cons.	0.1	4.0	16.5
GSK Cons.	0.0	-4.4	-16.3
HUL	0.3	8.5	36.2
ITC	-2.2	0.0	7.6
Jyothy Lab	-1.9	9.3	27.6
Marico	2.4	5.6	17.2
Nestle	-1.6	11.0	12.7
Page Inds	-0.3	16.5	29.1
Parag Milk	-0.8	5.5	-25.2
Pidilite Ind.	-2.2	5.5	18.7
P&G Hygiene	-0.3	4.8	24.2
Prabhat Dairy	-1.0	2.3	46.3
United Brew	-0.2	-0.7	-3.7
United Spirits	2.0	9.9	16.4
Healthcare			
Alembic Phar	1.8	-0.2	-18.5
Alkem Lab	0.2	5.2	11.2
Ajanta Pharma	0.8	-2.1	-37.1
Aurobindo	0.2	7.7	-3.1
Biocon	-0.5	-0.5	14.8
Cadila	0.6	-0.4	26.0
Cipla	-0.9	2.1	-2.6

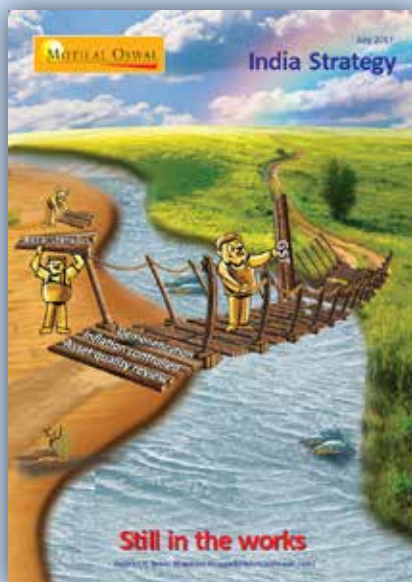


Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	3.0	32.3	-36.4
Dr Reddy's	2.1	9.9	-29.6
Fortis Health	-1.4	-0.4	-13.3
Glenmark	2.2	-3.6	-32.0
Granules	0.3	14.7	7.1
GSK Pharma	-0.6	2.0	-19.0
IPCA Labs	-3.6	16.0	-16.6
Jubilant Life	1.0	3.6	30.6
Lupin	1.1	5.3	-35.3
Sanofi India	-0.1	-1.1	-5.6
Shilpa Medicare	-1.4	3.9	9.6
Strides Shasun	0.8	9.2	-5.1
Sun Pharma	4.0	11.4	-36.1
Syngene Intl	-0.9	3.8	-1.1
Torrent Pharma	0.6	-0.1	-26.7
Logistics			
Allcargo Logistics	-1.5	7.0	-8.2
Blue Dart	-0.7	6.7	-23.5
Concor	-2.0	18.2	29.4
Gateway Distriparks	-0.4	-5.6	-14.8
Gati	0.1	9.9	-17.4
Transport Corp.	-3.8	5.2	58.6
Media			
Dish TV	1.0	11.1	-13.8
D B Corp	-1.8	-0.2	-8.7
Den Net.	2.3	17.4	27.8
Ent.Network	0.5	6.7	5.5
Hind. Media	-1.6	-1.4	-8.0
HT Media	-3.5	14.9	18.0
Jagran Prak.	0.9	4.0	-5.3
Music Broadcast	1.2	15.6	
PVR	-1.8	3.3	12.2
Siti Net.	-0.6	1.2	-28.1
Sun TV	-1.5	14.9	80.0
Zee Ent.	0.1	5.1	3.3
Metals			
Hindalco	-1.2	12.3	76.2
Hind. Zinc	-1.8	13.4	44.7
JSPL	-2.8	11.3	75.2
JSW Steel	-2.1	17.9	51.2
Nalco	0.6	31.4	75.0
NMDC	-1.7	13.1	27.3
SAIL	-2.2	9.4	29.1
Vedanta	-1.1	17.3	102.4
Tata Steel	-0.5	14.0	81.9
Oil & Gas			
BPCL	-6.2	3.3	32.6
GAIL	-0.5	10.3	40.9
Gujarat Gas	-1.9	7.7	34.6
Gujarat St. Pet.	-0.8	9.3	31.2
HPCL	-5.1	6.8	71.4
IOC	-4.3	0.9	50.5
IGL	-2.1	15.1	86.9
MRPL	-3.2	13.2	62.9
Oil India	-2.3	15.9	9.0
ONGC	-0.6	0.6	-3.7
PLNG	-0.8	10.4	42.0
Reliance Ind.	3.1	9.8	62.3
Retail			
Jubilant Food	-7.3	1.9	26.0
Titan Co.	-1.0	3.8	53.2

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	-0.6	6.7	7.0
HCL Tech.	0.8	-0.2	11.3
Hexaware	0.9	8.5	38.9
Infosys	0.0	-10.5	-16.2
KPIT Tech	-0.4	11.1	-4.0
L&T Infotech	-0.6	3.7	19.1
Mindtree	0.4	-2.7	-14.2
Mphasis	-0.2	5.6	15.7
NIIT Tech	-0.8	4.5	23.7
Persistent Sys	-0.3	1.3	0.1
Tata Elxsi	0.3	13.1	20.4
TCS	0.1	-0.2	5.5
Tech Mah	-0.1	9.1	-5.2
Wipro	-0.7	2.1	23.0
Zensar Tech	1.7	1.8	-20.8
Telecom			
Bharti Airtel	-1.0	-3.3	26.1
Bharti Infratel	0.1	-3.1	7.7
Idea Cellular	4.8	-4.2	-0.2
Tata Comm	-2.1	17.2	38.2
Utilities			
Coal India	-0.5	8.6	-22.6
CESC	-0.4	13.7	63.9
JSW Energy	-0.2	20.4	-2.8
NTPC	-0.6	-0.1	10.3
Power Grid	-0.7	-2.3	18.5
Tata Power	4.8	10.6	14.0
Others			
Arvind	-0.6	12.5	32.5
Avenue Super.	0.3	22.6	
Bata India	-0.7	11.8	34.3
BSE	-0.4	2.2	
Castrol India	0.0	4.0	-15.8
Century Ply.	-0.7	-1.9	12.6
Coromandel Intl	-2.2	3.8	68.0
Delta Corp	-2.3	18.1	23.7
Dynamatic Tech	0.1	14.5	-17.6
Eveready Inds.	-0.2	1.8	10.8
Interglobe	-0.6	-3.9	38.1
Indo Count	0.3	7.0	-21.1
Info Edge	3.8	7.8	22.7
Inox Leisure	-1.9	1.4	-12.7
Jain Irrigation	-1.1	14.7	20.3
Just Dial	-0.1	14.2	-18.2
Kaveri Seed	-1.0	8.8	69.6
Kitex Garm.	-2.0	2.0	-30.2
Manpasand	-0.7	12.9	24.8
MCX	-1.7	7.5	20.6
Monsanto	-0.4	1.8	8.5
Navneet Educat.	2.3	11.3	63.6
PI Inds.	-1.4	7.5	-9.2
Piramal Enterp.	0.1	1.6	47.6
SRF	-1.5	5.7	-3.4
S H Kelkar	2.7	6.0	-12.4
Symphony	-1.9	15.4	21.1
Trident	-2.5	29.6	95.3
TTK Prestige	0.4	1.6	29.8
V-Guard	-1.9	11.8	48.7
Wonderla	1.0	4.5	-11.9

NOTES

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

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Strides Shasun

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Cholamandalam Finance

Prepared, Equipped and Armed

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Tata Power

Struggling for RoE

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Long road ahead

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL 6 July 2017

Annual Report Threadbare

ZEE ENTERTAINMENT FY17

The FY17 annual report highlights work done to cash flow conversion of FY16 with increase in cash conversion ratio to 37.8% (FY16: 34.8%). This is primarily due to increase in operating margin, mainly due to increase in advertising revenue. Operating margin, which increased from 10.5% to 15.1% in FY16, has further improved to 18.8%. 25% of net worth of FY17 (INR 1,831 Cr.) represents monetary and non-monetary assets combined. As before, aggressive business to increase rights acquisition will result in higher level of equity. Financial ratios remain stable as 100% of net worth, ending return of 8.4%, which dropped from 10.7% to 7.9% in FY16.

Revenue growth driver margin rise: Revenue grew 17% in FY17, with (i) advertisement revenue growing 16% (FY16: 24%), due to selective placement and subscription revenue rising 17%. FY17 ad revenue increased to INR 1,126 Cr. from INR 967 Cr. (FY16) for FY17. The FY17 revenue growth was supported by a 15.1% rise in FY17 revenue from advertising revenue at INR 25.2%.

Year-over revenue margin, adjusted for profit on sale of the sports business, the effective rate increased to 10.3% (FY16: 8.2%). This is primarily on account of higher revenue on performance share, which is average for the industry. The before-tax rate has been marginally higher than the industry rate last year. These performance shares are not considered.

Higher amount added per net for advertisement content: The advertisement content has been increased from INR 18.5 Cr. in FY16 to INR 22 Cr. in FY17. This is primarily due to higher level of content in FY17. The content has been increased from INR 18.5 Cr. in FY16 to INR 22 Cr. in FY17. This is primarily due to higher level of content in FY17.

High margin advertisement content has been added: The high margin advertisement content has been added. The high margin advertisement content has been added. The high margin advertisement content has been added.

Advertising revenue growth: Advertising revenue grew 17% in FY17, with (i) advertisement revenue growing 16% (FY16: 24%), due to selective placement and subscription revenue rising 17%. FY17 ad revenue increased to INR 1,126 Cr. from INR 967 Cr. (FY16) for FY17. The FY17 revenue growth was supported by a 15.1% rise in FY17 revenue from advertising revenue at INR 25.2%.

Key metrics table:

Parameter	2016	2017
Revenue	967	1126
Operating Profit	101	208
Operating Profit Margin	10.5%	18.8%
EBITDA	185	252
EBITDA Margin	19.1%	22.4%
Net Profit	185	252
Net Profit Margin	19.1%	22.4%

Share performance table:

Year	Share Price	Volume
2016	10.0	1.0
2017	12.0	1.2

Author's name: ICFI & Co.

Company Name: Motilal Oswal

Contact: 011-2615 1000

MOTILAL OSWAL 12 July 2017

VOICES

VOICES is a quarterly product that enables bond investors, provide a clear view of all the bond market insights with annual key takeaways for the quarter. VOICES is available to investors and key stakeholders from various locations, it also provides the correct market insights, reports and audio files of the respective conferences calls.

Key takeaways from the past quarter:

- Zee Entertainment:** Revenue growth of 17%, operating margin improved to 18.8%.
- Advertising Revenue:** Grew 17% in FY17, supported by selective placement and subscription revenue.
- Operating Profit:** Increased from 10.1% to 18.8%.

Author's name: ICFI & Co.

Contact: 011-2615 1000

VOICES

India Inc on Call

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Author's name: ICFI & Co.

Contact: 011-2615 1000

MOTILAL OSWAL 17 May 2017

EcoKnowledge

Offer two states' budget FY17 Pay Commission in FY16

The FY17 budget estimates, which are higher than budgeted, has been presented by the Government. The budget estimates, which are higher than budgeted, has been presented by the Government.

Key metrics table:

Parameter	2016	2017
Budget	100	110
Actual	105	115

Author's name: ICFI & Co.

Contact: 011-2615 1000

MOTILAL OSWAL 27 Jan 2017

The CornerOffice

Focus on double-digit volume growth

2016-17, after a period of low volume performance, growth implementation, which is likely to be a result of the impact of the FY16 performance. It is a positive move for the industry.

Key metrics table:

Parameter	2016	2017
Revenue	100	110
Profit	10	12

Author's name: ICFI & Co.

Contact: 011-2615 1000

MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of July edition:

- Nifty up 5.8% in July - Highest MoM rise in 36 months.
- PSU Banks, Telecoms, Metals, and Cement top performers.
- Consumer only sector to deliver negative returns in July.
- Mid-caps underperform large caps by 1.4% in July.

Author's name: ICFI & Co.

Contact: 011-2615 1000

MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Key metrics table:

Category	Return
Equity	12%
Debt	8%

Author's name: ICFI & Co.

Contact: 011-2615 1000

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