

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	27,238	0.0	2.3
Nifty-50	8,400	-0.1	2.6
Nifty-M 100	15,179	-0.1	5.8
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,275	0.2	1.6
Nasdaq	9,379	-0.3	1.4
FTSE 100	7,338	0.6	2.7
DAX	11,629	0.9	1.3
Hang Seng	9,787	0.7	4.2
Nikkei 225	19,287	0.8	0.9
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	55	-1.3	-1.0
Gold (\$/OZ)	1,197	0.1	3.9
Cu (US\$/MT)	5,884	1.2	6.5
Almn (US\$/MT)	1,811	1.1	6.3
Currency	Close	Chg .%	YTD.%
USD/INR	68.2	0.1	0.3
USD/EUR	1.1	-0.1	1.2
USD/JPY	114.5	0.4	-2.1
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.4	0.0	-0.1
10 Yrs AAA Corp	7.8	0.0	0.2
Flows (USD b)	13-Jan	MTD	CY16
FII	0.0	-0.5	2.9
DII	-0.1	0.4	5.3
Volumes (INRb)	13-Jan	MTD*	CY16*
Cash	216	205	220
F&O	2,813	3,500	3,447

Note: YTD is calendar year, \*Avg

Quote of the day

The market can stay irrational longer than you can stay solvent



Today's top research ideas

INFOSYS: Weakness in top accounts casts shadow on performance

- ❖ INFO's constant currency revenue declined 0.3% QoQ, slightly better than our estimate of -1%. But that was overshadowed by: [1] revenue decline of 9% QoQ across top-10 clients and [2] broad-based weakness ex-BFSI – while we expected weak BFSI due to RBS ramp-down and relative stability in other segments.
- ❖ EBIT margin expansion of 20bp QoQ to 25.1% was a positive surprise compared to our estimate of 24.1%, aided by lower wage bill (variable pay and some one-offs) to the extent of 130bp. PAT grew 7% QoQ to INR37b, 6% beat on higher margin.
- ❖ INFO won 8 large deals in 3Q totaling USD664m in size. Outlook on growth from most segments is positive (Ex-Energy, Aerospace and volatile Retail).



Research covered

Cos/Sector	Key Highlights	Est Chg
3QFY17 Preview	New Year, New Cards	-
Infosys	Weakness in top accounts casts shadow on performance	↔
MCX	Profit miss on one-offs	↓
Gruh Finance	Lower cost of funds & controlled opex drive oper. profit beat	↔
Shree Cement	Inordinate valuation premium illusory	↔
Coal India	Announces price hike at BCCL	↔
Maruti Suzuki	Launches Ignis starting at ~INR459k	↔
Jubilant Foodworks	Change of guard, we await clarity on strategy	↔



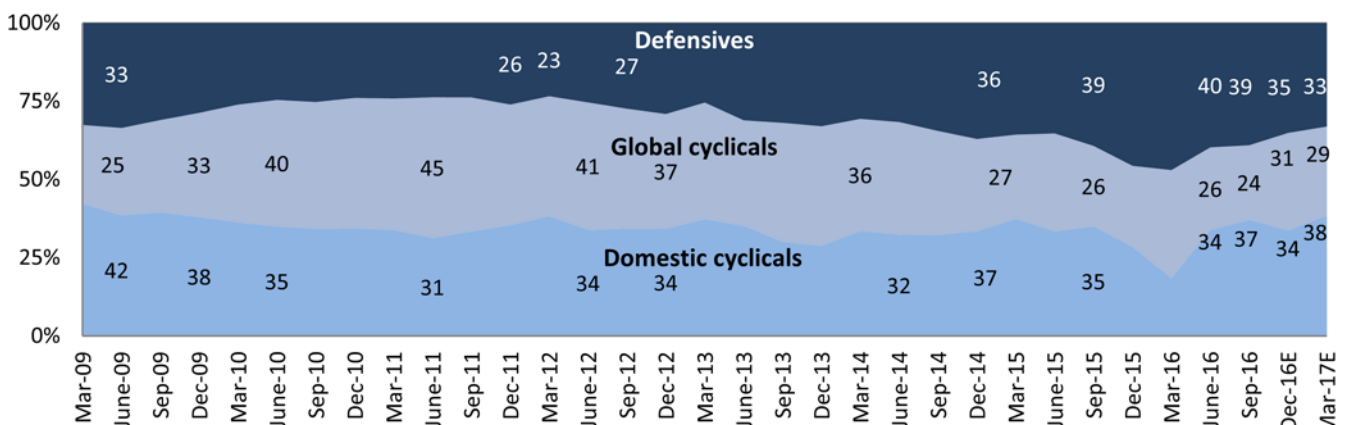
Piping hot news

Good news for India-focused funds: Govt looking to resolve triple tax issue

- ❖ The revenue department is likely to settle the issue of "triple taxation" that is spooking foreign portfolio investors (FPIs) after a recent circular brought India-dedicated funds under the purview of the withholding tax. After a representation by FPIs, the capital markets division in the finance ministry's department of economic affairs raised the matter with the revenue department, seeking a quick clarification.



Chart of the Day: 3QFY17 PREVIEW - PAT share of global cyclicals to see sharp sequential pick up



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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

**Crucial GST Council meet to talk dual control**

In a make-or-break meeting, the Centre and States will try and resolve pending issues around the Goods and Services Tax (GST) on Monday to ensure its timely rollout from April 1. The GST Council will try to reach a compromise on administrative control over businesses...

2

**Fiscal deficit target: Narendra Modi govt set to achieve 3.54% target easily over buoyant tax receipts**

The Centre will very comfortably meet its FY17 fiscal deficit target of 3.5% of the gross domestic product (GDP) thanks to buoyant tax receipts, likely boosted further by the two income disclosure schemes announced in the year. However, it could set a fiscal deficit range as target for FY18 and thenceforth. This is because it's incumbent on the government to step up spending. Also, the looming uncertainties over goods and services tax (GST) and how economic growth will pick up in the early part of the next year make a case for a slightly flexible target.

3

**India does not need any more coal-based power units till 2027: Central Electricity Authority**

The country's peak power demand at the end of the financial year 2021-22 will be 235 giga watt (GW), down 17% from the estimate made in 2012, the Central Electricity Authority (CEA) has said...

4

**TPG bids Rs3,000 crore for Fortis Healthcare stake**

Private equity (PE) fund TPG Capital has submitted a non-binding bid for a controlling stake in Fortis Healthcare Ltd and in the merged entity of SRL Diagnostics and Fortis Malar Hospitals, two people aware of the development said. "TPG has offered to pay close to Rs3,000 crore for a 26% primary stake in Fortis Healthcare..."

5

**HPCL in talks with six foreign suppliers for gas at LNG terminal**

State-run Hindustan Petroleum Corp. Ltd (HPCL) is in talks with six foreign suppliers to source liquefied natural gas (LNG) for its Rs5,400 crore LNG terminal coming up at the Chhara Port in Gujarat. The company also plans to enter the spot LNG market this year, said two officials aware of the development. HPCL has an equal joint venture agreement with Shapoorji Pallonji Port Pvt. Ltd to build the 5 million tonnes per annum (mtpa) LNG terminal at Chhara Port...

6

**Rural housing scheme gathers pace to ease note ban pain**

The Centre has swung into action to build 14.3 million houses under the Pradhan Mantri Awas Yojana-Gramin (PMAY-Gramin) by 2018-19, 30 per cent more than planned earlier, after having touched the low point of constructing 32 demonstration houses under the scheme...

7

**Capital infusion in state-run banks may exceed Rs25,000 crore**

The finance ministry is likely to finalise capital infusion plan for public sector banks (PSBs) this week based on the request of various lenders which have been impacted by demonetisation amid rising bad loans...



## New Year, New Cards

### Earnings growth returns, but quality of growth weak

#### Earnings growth optically high; driven by low base of Cyclical

- The earnings performance for 3QFY17 would be significantly impacted by demonetization. Given the unprecedented nature of the event, prediction of earnings for 3QFY17 is challenging. That said, we expect 3QFY17 earnings performance to benefit from the low base of several cyclical sectors like PSU Banks and Metals. MOSL Universe PAT is likely to grow 30% YoY, the highest since 1QFY15; also, 3QFY17 would be the second consecutive quarter of double-digit PAT growth. Excluding PSU Banks and Metals, MOSL Universe PAT growth is estimated at 8.1%. The entire YoY earnings growth of INR240b for MOSL Universe in 3QFY17 would be led by PSU Banks, Metals and Oil & Gas.
- We expect the contribution of Cyclical to increase further. Cyclical would account for the entire growth in 2HFY17 MOSL Universe earnings; Defensives would post a 4% YoY decline.
- We have cut our Sensex EPS estimates by 1% to INR1,360 for FY17 and by 2% to INR1,668 for FY18. We now expect 3% EPS growth for Sensex in FY17, followed by 23% growth in FY18 on a low base of 2HFY17, particularly in demonetization-hit sectors like Consumer, Autos, Cement and Private Banks.

#### Key sectoral trends/highlights

- Oil & Gas would report another strong quarter, led by OMCs. This quarter, it accounts for ~27% of MOSL Universe earnings (v/s ~24% in 3QFY16).
- Metals and PSU Banks would benefit from favorable base; both sectors reported losses in 3QFY16. PSU Banks profits are over 40% below their peak profits.
- Technology is expected to report another quarter of muted performance, with 0.3% YoY PAT growth. This sector continues to see weaker PAT growth.
- 3QFY17 would be the first ever quarter of PAT decline for our Consumer universe. Demonetization-led revenue moderation and consequent operating deleverage is likely to impact earnings.
- Telecom, Media, Retail and Utilities would have a lackluster quarter, with YoY earnings decline.
- In BFSI, Private Banks are expected to post 12% YoY PAT decline, led by Axis Bank and ICICI Bank. NBFCs are likely to have a healthy quarter, with 16% earnings growth despite demonetization (RBI dispensation should prevent any disproportionate impact on P&L).



### Three key trends to watch out for

1. Demonetization impacting revenues for key B2C sectors like Autos (-1.6% YoY), Consumer (flat), NBFCs, and Cement (-1%).
2. Global commodity prices recovering, in turn driving recovery for Cyclical like Oil & Gas ex OMCs (revenue growth of 15.3% YoY; one of the highest in five years) and Metals (+22.3% YoY; highest in four years).
3. No respite for Healthcare (11.7% YoY revenue growth in 3QFY17 v/s 18.4% CAGR in 10 years) and Technology (8.6% YoY revenue growth in 3QFY17; one of the weakest in 10 years).

### Model portfolio changes

The 2 important events that are driving changes in our Model portfolio are Impact of Demonetisation (both on earnings and valuations) and recovery in global cyclicals. Our stance reflects our belief that earnings growth for Defensives will decelerate in 2HFY17. We have reduced our weights for Autos, Consumer, Technology and NBFCs. We partake in the anticipated cyclical earnings recovery by upgrading our stance on Private Banks, Capital Goods and Metals. Summary of the changes in our model portfolio:

- We have increased weightage in Private Banks and added Axis Bank to the model portfolio. Valuations for Axis at P/B of 1.7x FY18 does factor the near term asset quality concerns; our earnings growth estimate for FY18 is fairly strong at 78%. Ratnakar Bank is a new addition; we initiated coverage recently with a Buy. In PSU Banks, we replace Union Bank with PNB as the subsidiary valuations and CASA growth makes PNB very attractive. We are further magnifying our Underweight stance on NBFC. In Housing finance, we replace LIC Housing with Repco as the latter has seen significant correction in valuations with a strong positioning to benefit from affordable housing boom.
- We have reduced our Overweight in Autos, and removed TVS from the model portfolio. We have increased weightage in Tata Motors and also added Bharat Forge in the model portfolio.
- Consumer will continue to see challenges on volumes and margins, and hence sees a lower weight. Britannia and Jubilant are the two stocks, where valuations have become reasonable now.
- Within Energy, we remain positive on OMCs. However, we replace HPCL with IOC, as the former has an aggressive capex plans, which will lead to higher debt to equity ratio. IOC is exiting its capex plans, which will driver higher cash flows and can lead to strong dividend payouts.
- In Capital Goods, we have increased weights in L&T.
- We have also upgraded our stance on Metals from Underweight to Neutral, and further magnified our Overweight position on Hindalco. We have also introduced NMDC in our model portfolio.
- We continue with our Underweight stance on Technology and replace HCL Tech with Tech Mahindra.
- In midcaps, we have introduced SH Kelkar, Endurance, Alkem Labs, Dewan Housing, Dish TV and Muthoot Finance in our model portfolio.







BSE SENSEX	S&P CNX
27,238	8,400
Bloomberg	INFO IN
Equity Shares (m)	2,297
M.Cap.(INRb)/(USD\$b)	2,239.9 / 32.8
52-Week Range (INR)	1278 / 900
1, 6, 12 Rel. Per (%)	-4/-7/-19
Avg Val, INRm	4087
Free float (%)	87.3

**CMP: INR975 TP: INR1,250(+28%) Buy**

**Weakness in top accounts casts shadow on performance**

- **Weakness in top clients overshadows performance:** INFO's constant currency revenue declined 0.3% QoQ, slightly better than our estimate of -1% QoQ. However, this was overshadowed by: [1] decline across top-client buckets (top account down 12.7% QoQ, top 2-5 down 5.5% QoQ and top 6-10 down 11.6% QoQ) and [2] broad-based weakness ex-BFSI – contrary to expectation of weak BFSI due to RBS ramp-down, and relative stability in other segments.
- **Margin surprise on lower wage bill:** EBIT margin expansion of 20bp QoQ to 25.1% is a positive surprise compared to our estimate of 24.1%. The surprise came from lower wage bill, which aided margin by 130bp QoQ. This offset pressures from realization (-30bp QoQ), CSR costs (-40bp QoQ) and software packages costs (-40bp QoQ). PAT stood at INR37.1b, +7% QoQ, ahead of our estimate of INR35b, mainly due to the margin beat.
- **Deals fall short of USD1b mark, pipeline strong:** INFO won eight large deals totaling USD664m in contract value. While broader segments ex-BFSI declined in 3Q, only Energy is under stress and Retail may be volatile. Growth outlook for the remaining segments remains sanguine.
- **Factoring in visa uncertainty in the valuation multiple:** Any hostile regulatory developments against the current visa regime remain an impending risk for the industry at large. The exact hit for companies till then is hard to ascertain, and we thus choose to capture the uncertainty in a slightly cautious multiple. We now value INFO at 17x forward earnings (v/s 18x earlier). Our FY16-19 CC revenue/USD revenue/EPS CAGR stand at 9.4%/8.6%/8.0%. Our target price of INR1,250 implies 28% upside. INFO remains our preferred play in the sector.

**Financials & Valuations (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

Estimate change	↔
TP change	↔
Rating change	↔

**Quarterly Performance (Consolidated)**

Y/E March	FY16				FY17				FY16	FY17E	Est. 3QFY17	Var. (%/bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Revenue (USD m)	2,256	2,392	2,407	2,446	2,501	2,587	2,551	2,591	9,501	10,230	2,532	0.8
QoQ (%)	4.5	6.0	0.6	1.6	2.2	3.4	-1.4	1.6	9.1	7.7	-2.1	75bp
Revenue (INR m)	143,540	156,350	159,020	165,500	167,820	173,100	172,730	176,201	624,410	689,851	170,887	1.1
YoY (%)	12.4	17.2	15.3	23.4	16.9	10.7	8.6	6.5	17.1	10.5	7.5	116bp
GPM (%)	38.6	40.1	39.5	40.5	38.7	39.1	39.7	39.3	39.7	39.2	38.7	106bp
SGA (%)	12.4	12.3	12.3	12.5	12.2	11.8	12.2	12.0	12.4	12.0	12.2	0bp
EBITDA Margin (%)	26.2	27.8	27.2	28.0	26.5	27.3	27.6	27.3	27.4	27.2	26.5	106bp
EBIT Margin (%)	24.0	25.5	24.9	25.5	24.1	24.9	25.1	24.8	25.0	24.7	24.1	103bp
Other income	7,580	7,930	8,020	7,720	7,530	7,600	8,200	7,057	31,250	30,387	8,057	1.8
ETR (%)	27.9	29.0	27.2	27.9	28.4	28.8	28.1	29.0	28.0	28.6	29.0	
PAT	30,300	33,980	34,650	35,970	34,360	36,060	37,080	36,053	134,930	143,603	34,912	6.2
QoQ (%)	-2.2	12.1	2.0	3.8	-4.5	4.9	2.8	-2.8			-3.2	601bp
YoY (%)	5.0	9.8	6.6	16.1	13.4	6.1	7.0	0.2	9.4	6.4	0.8	626bp
EPS (INR)	13.3	14.9	15.2	15.7	15.0	15.8	16.2	15.8	59.0	62.8	15.3	
Headcount	179,523	187,976	193,383	194,044	197,050	199,829	199,763	205,470	194,044	205,470	203,687	-1.9
Util excl. trainees (%)	80.9	82.0	81.4	80.8	81.1	83.1	82.4	82.9	81.7	82.7	81.9	47bp
Attrition (%)	19.2	19.9	18.1	17.3	21.0	20.0	18.4					
Offshore rev. (%) (IT Serv)	43.9	43.9	43.5	43.5	43.0	43.0	43.5					
Fixed Price (%)	42.4	44.0	44.6	45.1	45.7	47.1	49.5					



<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
27,238	8,400
<b>Bloomberg</b>	<b>MCX IN</b>
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	60.7 / 0.9
52-Week Range (INR)	1420 / 726
1, 6, 12 Rel. Per (%)	-13/19/27
Avg Val, INRm	407
Free float (%)	100.0

**CMP: INR1,190 TP: INR1,400(+18%)**

**Buy**

**Profit miss on one-offs**

**Expect volume recovery from 1QFY18**

- Revenue slightly exceeds estimate:** Operating revenue increased 6.5% QoQ to INR634m in 3QFY17, marginally above our estimate of INR601m. Weak revenue growth despite ~25% price hike effective this quarter was a function of 16.1% QoQ decline in volumes. Demonetization significantly impacted volumes in December, when Gold revenue halved to INR449b.
- EBITDA miss on one-offs and higher staff cost:** EBITDA stood at INR96m in 3QFY17, significantly below our estimate of INR151m, but this was due to one-time costs of ~INR47.5m. Adjusting for these, EBITDA would have been INR143m – closer to our estimate, but still some miss due to elevated normalized staff costs (INR163m v/s estimate of INR146m). Adjusted PAT of INR339m came in line with our estimate despite EBITDA miss. This was due to other income of INR363m v/s our estimate of INR307m.
- Expect volumes recovery from 1QFY18:** Volumes suffered in 3QFY17 post demonetization as segments like Gold, where the underlying was hit significantly, also saw slow activity on the exchange. The first few days of January were better, but still far from full recovery. We expect OTC (parallel market) volumes to shift to the exchange by 1QFY18, which should help drive volumes on MCX. Also, the SEBI’s final guidelines on options are awaited. Once out, options should start getting traded on MCX in four weeks.
- Moderating estimates on volumes slip-up:** With volumes starting to pick up from a significantly lower base set in December and the launch of options too delayed slightly, we have moderated our volume ramp-up expectations at MCX. We now expect average daily turnover of INR345b in FY18 and INR488b in FY19 v/s earlier expectations of INR425b in FY18. We thus revise our FY18 EPS estimate to INR41, down 14% from INR47.4. Our TP of INR1,400 discounts FY19E earnings by 25x, implying 18% upside. **Buy.**

**Financials & Valuations (INR b)**

Y/E Mar	2016	2017E	2018E
Net Sales	2.1	2.5	3.6
EBITDA	0.6	0.8	1.7
PAT	0.4	1.5	2.1
EPS (INR)	23.4	28.3	40.8
Gr. (%)	-5.0	21.1	44.2
BV/Sh (INR)	236.1	258.8	279.5
RoE (%)	3.5	11.4	15.2
RoCE (%)	8.8	11.2	14.9
P/E (x)	53.2	43.9	30.4
P/BV (x)	5.3	4.8	4.4

**Estimate change**



**TP change**



**Rating change**



**Quarterly Performance (Consolidated)**

	FY16				FY17				FY16	FY17E	Est. 3Q	Var. (%/bp)
	1Q	2Q	3Q	4Q	1Q	1Q	3Q	4Q				
<b>Sales</b>	518	563	498	556	582	596	634	730	2,135	2,542	601	5.5
Q-o-Q Gr. (%)	-1.8	8.8	-11.6	11.6	16.9	7.1	6.5	15.0	4.8	19.0	0.9	556bp
Staff Costs	90	109	100	106	143	144	198	163	406	647	146	35.6
Other expenses	282	318	264	313	265	257	296	305	986	1,069	262	13.0
Depreciation	63	65	64	54	49	42	45	45	246	182	42	6.2
<b>EBIT</b>	<b>83</b>	<b>71</b>	<b>70</b>	<b>82</b>	<b>125</b>	<b>152</b>	<b>96</b>	<b>217</b>	<b>498</b>	<b>644</b>	151	(36.6)
Margins (%)	16.1	12.7	14.0	14.8	21.5	25.6	15.1	29.8	23.3	25.3	25.2	-1003bp
Other Income	300	338	276	278	356	359	363	312	1,191	1,390	307	18.3
<b>PBT bef. Exceptional items</b>	<b>382</b>	<b>409</b>	<b>346</b>	<b>360</b>	<b>480</b>	<b>511</b>	<b>459</b>	<b>529</b>	<b>1,689</b>	<b>2,032</b>	458	0.2
Tax	131	99	110	72	152	134	119	132	413	538	115	4.2
Rate (%)	34.3	24.2	31.8	20.1	31.7	26.3	26.0	25.0	24.4	26.5	25.0	101bp
<b>PAT</b>	<b>251</b>	<b>310</b>	<b>236</b>	<b>287</b>	<b>328</b>	<b>376</b>	<b>339</b>	<b>396</b>	<b>1,277</b>	<b>1,494</b>	343	(1.2)
Q-o-Q Gr. (%)	-49.0	23.5	-24.0	21.8	14.1	14.8	-9.9	16.8	2.1	257.1	-8.8	
<b>EPS (INR)</b>	<b>4.9</b>	<b>6.1</b>	<b>3.5</b>	<b>5.3</b>	<b>6.5</b>	<b>7.4</b>	<b>6.7</b>	<b>7.8</b>	<b>25.0</b>	<b>29.3</b>	6.7	(1.1)
<b>Total volumes (INR t)</b>	<b>13.6</b>	<b>14.8</b>	<b>13.0</b>	<b>14.9</b>	<b>16.0</b>	<b>16.4</b>	<b>13.7</b>	<b>15.9</b>	<b>56.3</b>	<b>62.0</b>	13.7	
Q-o-Q Gr. (%)	-3.5	9.2	-12.0	14.3	7.3	2.3	-16.1	16.1			-16.1	
Y-o-Y Gr. (%)	15.4	18.5	-3.3	5.9	17.7	10.3	5.2	7.0	8.7	10.0	5.2	



# Gruh Finance

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
27,238	8,400
<b>Bloomberg</b>	<b>GRHF IN</b>
Equity Shares (m)	363.4
M.Cap. (INR b)/(USD b)	128.3/1.9
52-Week Range (INR)	370 / 226
1, 6, 12 Rel. Per (%)	3/13/25
Avg Val, INRm	82
Free float (%)	41.5

## Financials & Valuations (INR b)

Y/E March	2016	2017E	2018E
NII	4.2	5.3	6.6
PPP	3.8	4.8	6.0
PAT	2.4	2.9	3.7
EPS (INR)	6.7	8.0	10.1
EPS Gr. (%)	19.4	19.3	26.3
BV/Sh. (INR)	23.0	28.2	34.7
ABV/Sh. (INR)	23.0	28.2	34.7
RoA (%)	2.4	2.3	2.3
RoE (%)	31.5	31.3	32.1
Payout (%)	34.3	30.0	30.0

## Valuations

P/E (x)	52.7	44.2	35.0
P/BV (x)	15.4	12.5	10.2
Div. Yield (%)	0.7	0.7	0.9

**CMP: INR331**

**TP: INR348 (+5%)**

**Neutral**

## Lower cost of funds and controlled opex drive operating profit beat

- Gruh Finance (GRHF) reported in-line PAT of INR640m for 3QFY17. However, operating performance was robust with 30% YoY PPop growth (22% beat), driven by lower cost of funds and controlled employee expenses.
- Calculated cost of funds declined sharply by 45bp QoQ to 8.15% on the back of refinancing of NCDs at significantly lower rates and lower share of bank borrowings (14% v/s 23% in 2QFY17).
- Cost-to-income ratio declined 170bp QoQ to 16.3%, driven by lower employee expenses. The company incurred performance bonus expenses in the prior quarter. However, even on a YoY basis, opex growth was controlled at 7%.
- While overall disbursements declined 10% YoY to INR9.25b, home loan disbursements were up 20% YoY to INR7.34b. Disbursements in LAP, NRP and developer loans were down 40-70%. We appreciate the company's shift to a lower risk loan book, especially during these trying times. Overall loan book growth tapered to 19% YoY (v/s 22% YoY in 2QFY17). We expect loan growth to continue declining over next few quarters as the impact of lower disbursements plays out.
- GNPL ratio declined 8bp YoY and QoQ to 0.54%. Interestingly, the company shored up its provision buffer to 100% (53% earlier), resulting in nil NPLs.
- **Other highlights:** a) RoA (reported) was stable QoQ at 2.04%; we believe that without increased provisioning, RoA would have been ~2.5%. b) GRHF did not use the RBI's 90-day NPA recognition window.
- **Valuation and view:** GRHF has performed impressively, with 26% loan book CAGR and 27% PAT CAGR over the last decade. Despite demonetization, it managed to grow home loan disbursements by 20% and also pruned disbursements in LAP/developer loans significantly. Its presence in affordable housing in rural areas provides pricing power on the asset side, with cost of funding at par with large HFCs. We largely maintain EPS for FY17E/18E by factoring in the offsetting impact of lower-than-expected cost of funds on lower loan growth. The stock trades at 9.8x FY18E BV and 33.7x FY18E EPS. We derive our target price using RI model with Rf at 7.25, CoE at 13.3% and terminal growth rate at 5.5%. Maintain **Neutral** with a TP of **INR348 (8.1x FY19E P/B)**.

## Quarterly performance

Y/E MARCH	FY16				FY17				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY16	FY17E
Operating Income	2,967	3,118	3,236	3,705	3,463	3,674	3,810	4,210	12,752	15,156
<b>Total income</b>	<b>2,967</b>	<b>3,118</b>	<b>3,236</b>	<b>3,705</b>	<b>3,463</b>	<b>3,674</b>	<b>3,810</b>	<b>4,210</b>	<b>12,754</b>	<b>15,158</b>
Y-o-Y Growth (%)	22.8	21.0	19.3	21.5	16.7	17.8	17.8	13.6	20.3	18.9
Interest expenses	1,902	1,987	2,034	2,151	2,241	2,351	2,297	2,366	8,074	9,255
<b>Net Income</b>	<b>1,066</b>	<b>1,131</b>	<b>1,202</b>	<b>1,554</b>	<b>1,222</b>	<b>1,323</b>	<b>1,513</b>	<b>1,844</b>	<b>4,680</b>	<b>5,903</b>
Operating Expenses	196	257	205	245	201	273	219	260	844	954
<b>Operating Profit</b>	<b>869</b>	<b>874</b>	<b>997</b>	<b>1,309</b>	<b>1,021</b>	<b>1,050</b>	<b>1,294</b>	<b>1,585</b>	<b>3,836</b>	<b>4,949</b>
Y-o-Y Growth (%)	18.6	22.7	21.8	22.8	17.5	20.1	29.8	21.1	20.4	29.0
Provisions and Cont.	121	72	178	61	125	91	327	77	219	621
<b>Profit before Tax</b>	<b>749</b>	<b>803</b>	<b>818</b>	<b>1,248</b>	<b>896</b>	<b>958</b>	<b>967</b>	<b>1,508</b>	<b>3,617</b>	<b>4,328</b>
Tax Provisions	246	286	281	370	294	339	326	514	1,181	1,472
<b>Net Profit</b>	<b>503</b>	<b>517</b>	<b>537</b>	<b>878</b>	<b>601</b>	<b>619</b>	<b>640</b>	<b>994</b>	<b>2,436</b>	<b>2,857</b>
Y-o-Y Growth (%)	9.0	8.3	7.8	10.6	19.6	19.9	19.2	13.3	19.5	17.3
Int Exp/ Int Earned (%)	64.1	63.7	62.9	58.1	64.7	64.0	60.3	56.2	63.3	61.1
Cost to Income Ratio (%)	18.4	22.7	17.1	15.8	16.5	20.7	14.5	14.1	18.0	16.2
Tax Rate (%)	32.8	35.6	34.4	29.6	32.8	35.4	33.8	34.1	32.7	34.0

E: MOSL Estimates



# Shree Cement

**BSE SENSEX** 27,238  
**S&P CNX** 8,400

**CMP: INR14,921 TP: INR17,096 (+15%)**

**Buy**



**Stock Info**

Bloomberg	SRCM IN
Equity Shares (m)	34.8
52-Week Range (INR)	18519/9350
1, 6, 12 Rel. Per (%)	-2/-3/32
M.Cap. (INR b)	523.7
M.Cap. (USD b)	7.7
Avg Val, INRm	216.4
Free float (%)	35.2

**Financials Snapshot (INR b)**

Y/E June	2016	2017E	2018E
Sales	72.8	84.3	98.9
EBITDA	17.0	24.1	30.5
NP	7.0	13.7	20.3
Adj EPS (INR)	201.1	394.3	582.0
EPS Gr. (%)	50.9	96.1	47.6
BV/Sh. (INR)	1,774	2,128	2,663
RoE (%)	12.2	20.2	24.3
RoCE (%)	12.3	19.8	23.4
Payout (%)	14.4	10.3	8.0

**Valuation**

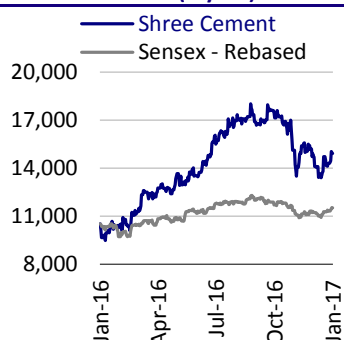
P/E (x)	74.2	37.8	25.6
P/BV (x)	8.4	7.0	5.6
EV/EBITDA (x)	29.5	20.1	15.1
EV/Ton (USD)	279	251	223

**Shareholding pattern (%)**

As On	Dec-16	Sep-16	Dec-15
Promoter	64.8	64.8	64.8
DII	15.0	15.3	15.4
FII	14.4	14.0	13.6
Others	5.9	5.9	6.2

FII Includes depository receipts

**Stock Performance (1-year)**



## Inordinate valuation premium illusory

**Expect capacity-led rerating; maintain Buy**

- Based on FY17 capacity, SRCM trades at an EV/tonne of USD 253, which translates into a 80% premium to average of the large cap players. However, given its low cost capacity addition over the next 2-3 years, its FY19E EV/tonne works out to USD161 – a 27% premium to the industry average.
- SRCM is expanding capacity by ~44% over FY17-19 and we estimate associated capex at USD50/tonne. Over FY13-16, when it doubled capacity, SRCM saw a rerating from an EV/tonne of USD100 to USD200. We expect a capacity-led rerating this time too, though it might not be as sharp.
- SRCM is the most cost efficient player in the industry. Its superior execution capability enables it to achieve higher return ratios than peers. We believe SRCM deserves to trade at premium valuations and value the stock at 14x FY19E EV/EBITDA to arrive at a target price of INR17,096. Maintain Buy.

### Trades at USD 253/tonne based on FY17 capacity...

Based on FY17 capacity of ~27m tonnes, SRCM trades at an EV/tonne of USD 253, which translates into a 80% premium to average of the large cap players. While it trades at ~20% premium to UltraTech, which has ~3x SRCM's capacity, it trades at 83-144% premium to most other large cap players. Given its relatively high profitability, superior return ratios and efficient execution capabilities, SRCM deserves to trade at higher valuations than its peers. However, the valuation premium implied in FY17E EV/tonne might appear inordinate.

### ...but at USD161/tonne based on FY19E capacity

While industry supply addition is coming off meaningfully in light of weak profitability and return ratio profile, SRCM is the only large cap player adding substantial capacity through the organic route over the next 2-3 years. Its capacity is likely to increase by 44% over FY17-19 from 27m tonnes to ~39m tonnes. We estimate associated capex of INR40b over FY16-19 for the 12m-tonne capacity addition (at USD50/tonne). On adjusted capacity of 39m tonnes in FY19, SRCM trades at an EV/tonne of USD161, which translates into a 27% premium to average of the large cap players as against the current 80% premium.

### Expect capacity-led rerating

We expect SRCM to incur capex of ~USD50/tonne, which is in line with its last round of capex, where it doubled capacity from 13m tonnes to ~27m tonnes in a span of three years. The market is likely to value this additional capacity at USD150/tonne – 3x the capex incurred. Over FY13-16, when it doubled its capacity, SRCM saw a rerating from an EV/tonne of USD100 to USD200. We expect a capacity-led rerating this time as well, though the rerating might not be as sharp.





# SRF Ltd

BSE SENSEX 27,247 S&P CNX 8,407

**CMP: INR1,624 TP: INR1,915(+18%) Buy**



## RM price increase, demonetization to have limited impact; Maintaining Buy

### Stock Info

Bloomberg	SRF IN
Equity Shares (m)	57.4
52-Week Range (INR)	1970 / 1022
1, 6, 12 Rel. Per (%)	5/24/15
M.Cap. (INR b)	96.9
M.Cap. (USD b)	1.5
Avg Val ( INR m)	341
Free float (%)	47.6

### Financials Snapshot (INR b)

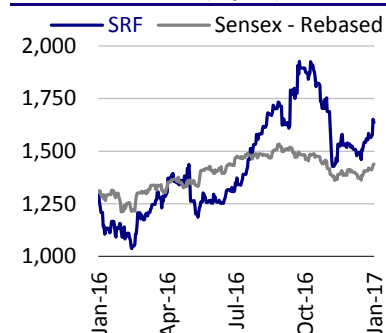
Y/E Mar	2016	2017E	2018E
Net Sales	46.0	48.0	57.3
EBITDA	9.6	9.9	12.1
PAT	4.2	4.7	6.0
EPS (INR)	73.7	81.0	105.0
Gr. (%)	39.7	10.0	29.6
BV/Sh (INR)	456.8	523.0	607.6
RoE (%)	17.0	16.2	18.2
RoCE (%)	19.4	18.3	21.7
P/E (x)	21.4	19.4	15.0
P/BV (x)	3.4	3.0	2.6

### Shareholding pattern (%)

As On	Sep-16	Jun-16	Sep-15
Promoter	52.4	52.4	52.4
DII	11.2	12.1	13.0
FII	18.0	15.8	15.2
Others	18.5	19.8	19.5

FII Includes depository receipts

### Stock Performance (1-year)



### Caprolactam prices on the rise, but impact to be limited

Caprolactam – a derivative of crude oil – accounts for ~60% of total raw material (RM) cost in the manufacture of Nylon Tyre Cord Fabric (NTCF). SRF sources caprolactam from the domestic market and also via imports. We note that international prices of caprolactam increased 30% from USD1,340/t in September-16 to USD1,725/t in December-16. Also, the average caprolactam price rose 19% YoY to USD1,493/t in 3QFY17.

SRF prices NTCF (used in the manufacture of bias tyres) on a cost plus profit basis, keeping its absolute EBITDA per tonne constant. The company follows a policy to pass on increase/decrease in raw material prices in its technical textiles segment on a quarterly basis. Also, it maintains raw material inventory of ~45 days. We thus believe the inventory gains should help offset the impact of high raw material cost in 3QFY17. However, our interaction with tyre companies suggests that they may not be able to fully absorb the sharp increase in NTCF cost in the near term. Thus, if current prices sustain in 4QFY17, we expect a negative impact on absolute EBITDA.

### Impact of demonetization to be limited in 3QFY17, but 4Q is critical

SRF's operations are mostly B2B in nature. Its products like refrigerant gas, NTCF and packaging materials are mainly consumer-facing in their end form, and are thus prone to the impact of demonetization. However, our channel checks have suggested that the demonetization impact is expected to be very limited for SRF in 3QFY17 and should be felt with some lag. Also, as 3Q is seasonally weak, the supply chain issues for some products (e.g. refrigerants gases) due to demonetization will not have much impact on SRF. However, it will be critical to monitor demand for the upcoming summer season as sales in the primary channel start building up from mid-February.

### Valuation and view

SRF's specialty chemicals business continues to face headwinds with no signs of rebound in the near term. We believe this will adversely impact its 3QFY17 performance. Also, the impact from demonetization and higher caprolactam prices will be visible in 4QFY17. Considering the near-term pain, we cut our earnings estimates by 5%/3% for FY17/FY18. We also introduce FY19 numbers, and expect 13% revenue CAGR and 21% PAT CAGR over FY16-19E. We value the stock on SOTP basis and maintain **Buy** with a target price of INR1,915 (implied P/E of 15x FY19E EPS).

# Coal India

BSE SENSEX  
27,238

S&P CNX  
8,400

**CMP: INR315 TP: INR315**

**Neutral**



### Stock Info

Bloomberg	COAL IN
Equity Shares (m)	6316.4
52-Week Range (INR)	350/272
1, 6, 12 Rel. Per (%)	1/1/-11
M.Cap. (INR b)	2065.5
M.Cap. (USD b)	31
Avg Val, INRm	1260
Free float (%)	20.2

### Financials Snapshot (INR b)

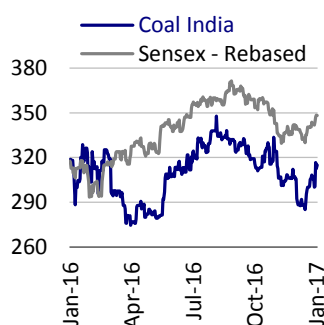
Y/E Mar	2016	2017E	2018E
Sales	756.4	760.0	838.2
EBITDA,ex-OBR	187.5	139.8	187.3
NP	142.7	104.4	124.4
EPS (INR)	22.6	16.8	20.0
EPS Gr. (%)	4.0	-25.6	19.2
BV/Sh. (INR)	53.6	48.7	48.8
P/E (x)	13.9	18.7	15.7
P/BV (x)	5.9	6.5	6.4
RoE (%)	42.2	34.5	41.0
RoCE (%)	40.0	34.9	44.1

### Shareholding pattern (%)

As On	Sep-16	Jun-16	Sep-15
Promoter	79.7	79.7	79.7
DII	10.3	9.8	8.4
FII	7.8	8.1	9.0
Others	2.3	2.5	2.9

FII Includes depository receipts

### Stock Performance (1-year)



## Announces price hike at BCCL

### Benefit will be much lower than expected

Coal India has announced price hike at its BCCL subsidiary w.e.f. January 13<sup>th</sup>, 2017. While the specific details of the price hike are limited, Coal India is estimating an additional revenue benefit of INR7b for the balance period of FY17 (i.e. January 13<sup>th</sup> – March 31<sup>st</sup>) and INR29.8b in FY18. As per the announcement, Coal India has (a) revised coking coal prices by 20% (b) price of steel grade and direct feed coal is linked to washed coking coal which is linked to import parity and (c) revised price of washed power coal.

The benefit of the price hike will be lower than estimated by Coal India due to:

**(a) Lower volumes:** The revenue gain of INR29.8b in FY18 is based on targeted volumes of 41mt at BCCL (as per FY16 annual report of BCCL), which is an increase +15% YoY. It is likely that the target will be missed. A back-of-the-envelope 10% volume miss can erode the potential revenue gains by INR2-3b.

**(b) Price revised @USD260/t coking coal:** Coking coal prices are revised @ USD260/t based on quarterly average FoB Australian coking coal price. Coking coal has since fallen sharply, now trading at ~USD190/t. Coal India will be revising prices on 1<sup>st</sup> day of each quarter. The next revision will see a sharp decline in prices. BCCL sold ~3.5mt to the steel sector in FY16. What portion of this is coking coal is not available. Assuming 50-70% is coking coal and the next revision sees prices revised down by USD100/t, it will erode INR9-12b of the potential revenue gain.

**(c) Increase in washed power coal prices can erode demand:** BCCL has revised washed power coal prices to INR3,145/t. This is estimated to have been revised from INR2,101/t, per the most recent notification for the price of washed power coal (on 13<sup>th</sup> April, 2015). It implies an increase of ~INR1,200-1,300/t if one includes the royalties/duties and taxes. The increase translates into an INR 0.5-0.6/kWh increase in variable cost of power generation. Such a sharp increase can affect the merit order position of the power plant and thus their demand for BCCL's coal.

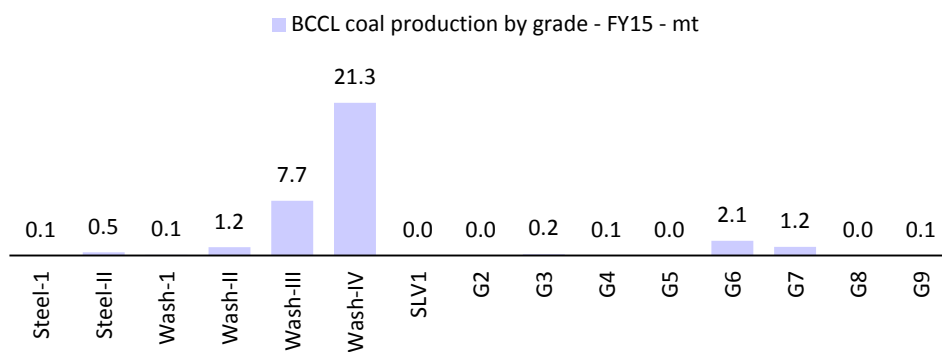
**(d) grade slippage:** Despite price hike of ~6-7% in May 2016 and better mix, the ACQ realization was unchanged in 2QFY17. Grade slippage is affecting Coal India's realization. Recent filing by power plants suggests the difference between GCV billed and received remains as high as 1,000kCal. We see a risk of disappointment on realizations as power plants become more stringent on the GCV issue.

### Revise estimates by 5-9%; Maintain Neutral

In lieu of the above factors we estimate only ~50% of the benefit estimated by Coal India will be realized from FY18 onwards. For 4QFY17 given coking coal prices were supportive, the full benefit of estimated revenue increase of INR7b could be realized. Our FY17E/18E PAT estimates are revised upward by 5%/9% to INR104b/124b, respectively. The target price is revised to INR315/sh. (from INR297/sh.) based on 7.5x FY18E EBITDA (ex-OBR). Maintain **Neutral**.

**Exhibit 1: BCCL's coal production by grade in FY15 – mt**

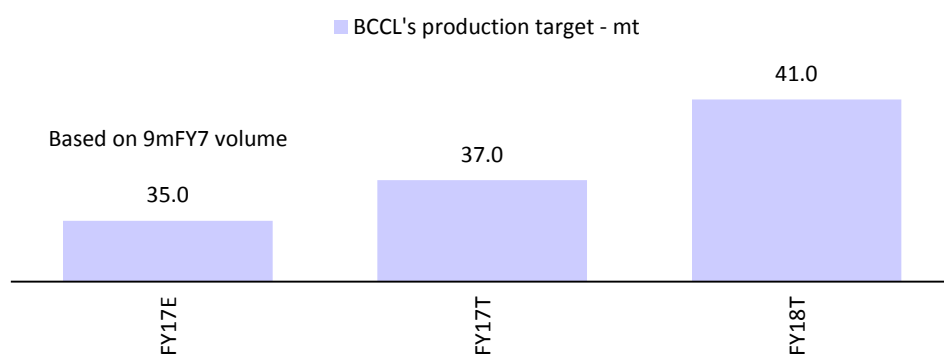
Of ~34mt produced, washery grade-IV represented the major share.



Source: MOSL, Company, Provisional Coal Statistics 2015

Revenue gain estimated on 41mt production target in FY18. It implies ~17% YoY increase in volumes over FY17.

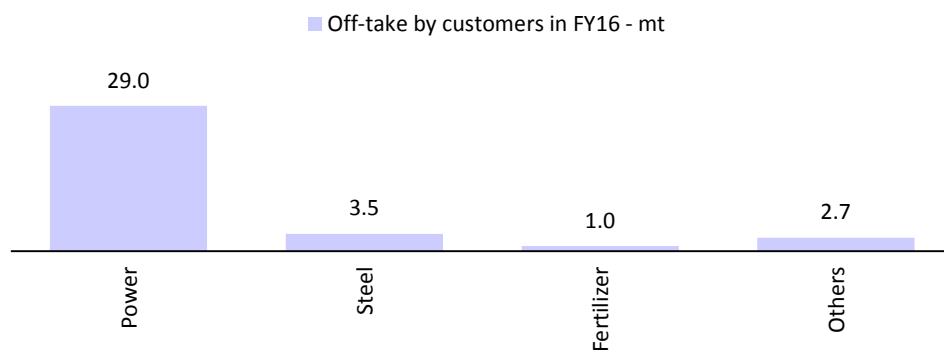
**Exhibit 2: BCCL's production target - mt**



Source: MOSL, Company, BCCL

Power represented more than 80% of BCCL's offtake in FY16.

**Exhibit 3: Off-take by customers in FY16 at BCCL – mt**



Source: MOSL, BCCL

# Maruti Suzuki

BSE SENSEX 27,238 S&P CNX 8,400

**CMP: INR5,701 TP: INR6,415(+16%) Buy**



### Stock Info

Bloomberg	MSIL IN
Equity Shares (m)	302.1
52-Week Range (INR)	5972/3202
1, 6, 12 Rel. Per (%)	8/30/23
M.Cap. (INR b)/ (USD b)	1664.3/ 24.4
Avg Val, INRm	3782
Free float (%)	43.8

### Financials Snapshot (INR b)

Y/E Mar	2016	2017E	2018E
Sales	576.5	667.8	805.1
EBITDA	89.0	106.2	132.4
Adj. PAT	53.7	76.2	92.7
Adj. EPS (INR)	155.5	257.4	312.5
EPS Gr. (%)	23.4	65.5	21.4
BV/Sh. (INR)	894.0	1,092	1,327
RoE (%)	19.9	23.1	23.1
RoCE (%)	27.2	31.1	31.0
P/E (x)	35.4	21.4	17.6
P/CE (x)	22.1	16.0	13.4

'It has a funky vibe about it, but on another level, it's quite practical too.' AutoCar India

### Maruti Suzuki Ignis



### AutoCar India's take on Ignis

#### WHAT'S IN STORE

When the Ignis is launched in India on January 13, 2017, it will come as a breath of fresh air. Unlike anything else currently in the market, it is compact and, by Maruti's standards, is likely to be a bit expensive too. But what you get for your money will be a surprisingly practical and fun-to-drive car. There's sufficient room on the inside, the interiors have a funky appeal, and then there's the fact that the Ignis will also deliver something not many Marutis have – loads and loads of character. It may not be a Maruti as we know it, but it could be all the better for that. AI

Source: AutoCar India (Print edition Jan-17)

## Launches Ignis starting at ~INR459k

### Opportunity to create & own compact crossover segment

- MSIL today launched its much awaited Ignis, compact crossover, at starting price of ~INR459k (ex-showroom Delhi). As anticipated, pricing has been very competitive.
- Pre-launch, it already had received over 6,000 bookings.
- Ignis would be sold through Nexa showroom.
- Ignis is in the compact crossover segment, competing only with M&M KUV100. However, given the price point we expect it to compete directly with compact car segment with models like Maruti Swift, Hyundai Grand i10 etc.
- Compact car segment does monthly volumes of ~75,000 units, whereas nascent compact crossover clocks ~3,000 units/month.
- Like with recent launches of MSIL, Ignis is loaded with features. ([Click here for the detailed press release](#))
- We are modeling in Ignis volumes at monthly run-rate of 10,000. While there could be some cannibalization from Swift, we believe Ignis would drive market share gain from likes of KUV100 and Hyundai Grand i10.
- Valuation & view:** We remain positive on MSIL, considering a) multi-year favorable product lifecycle, b) improvement in product mix (increasing share of premium products) aiding realizations and consequently margins, c) reducing JPY exposure, d) improvement in FCF conversion and e) high FCF generation and sharp improvement in RoIC as capex intensity reduces. Our EPS are 16-20% higher than the consensus numbers, driven by stronger revenue growth and higher margins. The stock trades at 17.6x/14.5x FY18E/19E EPS. We value MSIL at ~INR6,415 [18x Dec-18 core EPS (in-line at 5 year average core EPS) + ~INR1,226 cash/share). MSIL is our top-pick in the Auto sector.

### Exhibit 4: MARUTI SUZUKI IGNIS: Competitively priced to gain share in the compact car segment

Model	Starting Price (INR '000)*	Segment	Avg Monthly Volumes ('000)	Segment MS (%)
<b>Maruti Ignis</b>	<b>459</b>	<b>Compact Crossover</b>		
Mahindra KUV100	458	Compact Crossover	3	100
Maruti Swift	476	Compact	14	19
Maruti Celerio	403	Compact	7.5	10
Hyundai Grand i10	491	Compact	12	16

Source: Source: Company, MOSL

### Exhibit 5: MSIL Ignis: Key specifications

	3700 mm	Engine	Petrol	Diesel
Length	3700 mm	Engine	Petrol	Diesel
Width*	1690 mm	Type	VVT Petrol (1.2 L)	DDiS 190 Diesel (1.3 L)
Height	1595 mm	Power	61kW @ 6000rpm	55.2 kW @4000rpm
Boot Space** (with tray)	260 Litres	Torque	113Nm@ 4200 rpm	190Nm@2000 rpm
Wheel Base Minimum	2435 mm	Efficiency	20.89kmpl	26.80kmpl
Ground Clearance***	180 mm	Transmissions	MT, AMT	MT, AMT

\*With clads variants \*\*Researched by VDA method \*\*\* Minimum Ground Clearance mentioned is in unladen condition.



# Jubilant Foodworks

BSE SENSEX 27,238 S&P CNX 8,400

CMP: INR844 TP: INR900 (+7%) Neutral



Bloomberg	JUBI IN
Equity Shares (m)	65.8
52-Week Range (INR)	1359/761
1, 6, 12 Rel. Per (%)	-3/-24/-46
M.Cap. (INR b)	65.8
M.Cap. (USD b)	1.0
Avg Val, INRm	710
Free float (%)	55.0

### Financials Snapshot (INR b)

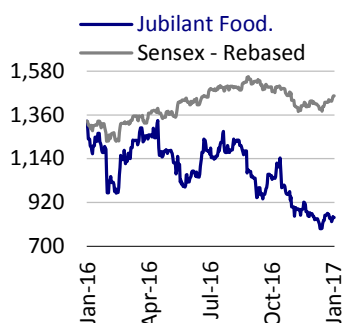
Y/E Mar	2016	2017E	2018E
Sales	24.4	25.4	30.4
EBITDA	2.6	2.4	3.4
Adj. PAT	1.0	0.7	1.2
Adj. EPS (INR)	15.0	10.8	18.5
EPS Gr. (%)	-11.7	-28.1	72.3
BV/Sh.(INR)	111.3	121.0	121.3
P/E (x)	57.5	80.0	46.4
P/BV (x)	7.7	7.1	7.1
RoE (%)	13.4	8.9	15.3
RoCE (%)	14.1	9.2	15.3

### Shareholding pattern (%)

As On	Jun-16	Mar-16	Jun-15
Promoter	45.0	48.7	48.8
DII	12.2	8.9	4.5
FII	31.7	34.3	41.5
Others	11.1	8.1	5.2

FII Includes depository receipts

### Stock Performance (1-year)



## Change of guard, we await clarity on strategy

### The event

Jubilant FoodWorks announced the appointment of a new CEO, Mr. Pratik Pota, on Friday 13<sup>th</sup> January, putting an end to months of speculation as to the replacement of Mr. Ajay Kaul, who announced his resignation on 19<sup>th</sup> September 2016. Mr. Pota will join the company at the end of February 2017, which is not an issue as Mr. Kaul had agreed to remain as CEO until the end of March 2017 to facilitate the change of guard.

### Background of the new CEO

The press release accompanying the announcement states that. "Mr. Pota, an alumnus of IIM Kolkata and BITS Pilani, joins the Company from PepsiCo India where he was Chief Operating Officer, Foods & Beverages (Company Owned Operations). Prior to this, Mr. Pota has held various leadership roles at Bharti Airtel and Hindustan Unilever. He has over twenty-four years of experience in FMCG and Telecom Industry."

### Observations and expectations

- We note that the new CEO will join at the end of February 2017 and thus there has been a delay versus expectations (and guidance) in both the announcement of the new CEO as well as the time that the new CEO would be spending with the company before taking over at the helm. It was anticipated that the new CEO, whether hired internally or externally, would join by the end of December 2016 or early January 2017 so that he spends more time with the company before taking over.
- The speculation going around after the announcement of Mr. Ajay Kaul's resignation was mainly around whether the new CEO hire will be internal or external and thus a big challenge after the formal announcement, for Mr. Pota and his team would be to retain the internal contenders for the post.
- Mr. Pota's challenges are immense not only because his predecessor, in our view, was the one who, in his 12 year old stint, was largely responsible for Jubilant Foodworks massive and until recently, highly profitable scale up as India's largest QSR company but also because he takes over at a time when profitability and return ratios are at their nadir while competition from food tech peers and other QSRs remains high.
- We particularly await eventual articulation of Mr. Pota's strategy on
  - (a) **Store expansion**- The current store expansion target of ~120 stores in FY17 is, in our view excessively high in the current weak operating environment as its puts additional pressure on profitability due to cannibalization and the fact that new stores tend to open at lower than system average sales and profitability. None of Jubilant's QSR peers have such high store addition targets in a year. The company has not yet declared FY18 expansion targets.

- (b) Pricing and managing the profitability challenge at Domino's- While Domino's continues to be the dominant market leader in Pizzas, its erstwhile pricing strategy has meant that affordability has become an issue at a time when discretionary consumption has suffered. Recognising this, over the past year, Jubilant had not increased prices until a small increase of 1%-1.5% in December. It would be interesting to note the new CEO's view on continuation of this strategy and managing its ensuing challenges on profitability.
- (c) Dunkin Donuts- Despite contributing less than 10% of total sales, Dunkin Donuts is, according to the management, likely to contribute to a massive 250 bp negative impact on overall EBITDA margins in FY17. The incumbent management has already taken some action through rationalization of store openings and shutting down of a few non profitable stores. It would be interesting to note the strategy of the new CEO on this smaller, but as of now, massively loss making franchise of Jubilant Foodworks.

#### **Valuation and View**

We have a neutral rating on the stock which trades at 45.6x FY18 EPS. Environment remains weak and every quarter of delay in recovery dents profitability of this business where fixed cost intensity is high. Competitive intensity remains elevated both from conventional QSR peers as well as Food Tech. While we are cognizant of the strong potential earnings growth on revival, we await clarity on some of the above strategic decisions from the new management before turning more constructive from a long term perspective.



### 1. Biocon: I don't see trump's views affecting indian drug cos; Kiran Mazumdar Shaw, CMD

- Indian generics have done a lot to contain and bring down drug prices in the US; the US companies have been irresponsibly raising their prices.
- Indian pharma companies cannot be accused of is raising prices in a big way.
- With the Indian pharma companies supplying generic products to the US markets and with no US suppliers, in most cases, the remarks don't affect the Indian pharma companies.
- Could be one of the first bio-similar Trastuzumab to be launched in the US. The drug has a market of ~\$ 7billion globally.
- Have identified biosimilar as a very large growth trajectory for the company, expect these kinds of revenues to start kicking in from FY19 onwards.

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### 2. Maruti: On track to meet double-digit growth target for the year; RC Bhargava, Chairman

- Will rely on the Gujarat plant's production for future growth, the plant can manufacture up to 1.5 million cars.
- The unit is expected to start production and sales by next month.
- The numbers showed a downtick in December because it was a comparison of wholesale numbers and not retail sales.
- Demonetisation per se has not impacted sales and the company is on track to achieve double-digit growth target for the year.

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### 1. A Brighter future. by The Business Line

- After much dithering, Tamil Nadu has signed up for the Ujwal Discom Assurance Yojana (UDAY), becoming the 21st State to join this central scheme for the turnaround of financially distressed State-owned power distribution companies. Though the Centre unveiled the scheme in November 2015 for the financial and operational turnaround of State discoms, Tamil Nadu had opposed joining the scheme and had even sought relaxation in the terms, including the Fiscal Responsibility and Budget Management norms, which the Centre was not prepared to accede to.

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### 2. A Reduced dividend distribution tax rate would create positive sentiment. by Prashant Kapoor

- Dividend Distribution Tax (DDT) levied under the Income Tax Act, 1961 is a tax levied on any amount declared, distributed or paid by way of dividends by a company which is liable to be taxed in the hands of the company at the basic rate of 15% plus applicable surcharge and cess. As a corollary, such dividend income was till last year completely exempt from tax in the hands of the shareholders. The law around DDT has evolved over the recent years and key changes were made with an intent to rationalise the provisions and provide a level playing ground.

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### 3. UBI VS DBT: Universal basic income works only if all sops removed. by The Financial Express

- While the government is being egged on to try a version of Universal Basic Income (UBI), the exercise only works if all existing subsidies are ended. If not, UBI becomes just another expensive subsidy, much like the UPA's Food Security Act. How expensive depends on what version of UBI is used, though all suggest a modified one where, not all, but a large section of the population gets it. Vijay Joshi talks of Rs 3,500 per person per year (at 2014-15 prices) to three-fourths of the population, Surjit Bhalla talks of Rs 1,000 per month to a fifth of the population—both will cost roughly 3% of GDP, a number that is easily funded from the budget which, for just the explicit subsidies, is Rs 2.5 lakh crore this year.

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### 4. The world the Obama presidency leaves behind. by Livemint

- The final address of US President Barack Obama on Tuesday focused on the threats to American democracy. The subject was more of a professorial selection and fittingly so given that the outgoing president has often come across as a professor more than as an administrator. Beyond the stray reference to the post-World War II international order and an isolated mention of wars in Iraq and Afghanistan, his speech refrained from delving deep into his own foreign policy legacy. But before moving beyond American shores, Obama's legacy has to contend with the domestic transition it engendered in the form of the election of Donald Trump as his successor.

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## 5. Hand in the cookie jar. by Ananth Padmanabhan

- At Carnegie India's Global Technology Summit late last year, Sachin Bansal and Bhavish Aggarwal created ripples for alleging 'capital dumping' by their bigger, foreign competitors. While the absence of Indian-ness in a Flipkart or Ola works as a fitting response, the allegation has implications beyond an India-versus-others debate. On its own terms, 'capital dumping' compels us to think of what would qualify as a desirable use of capital. Innovation is fine but not dumping to facilitate market capture, appears to be the underlying rationale to this refrain.

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## International

## 6. What vladimir putin really wants from Donald Trump. by Philip Stephens

- Cuddle up to the Kremlin and do not be surprised when you are burnt. There is no need to believe the lurid, unverified tales about Russian efforts to cultivate and compromise Donald Trump to recognise the danger in the president-elect's infatuation with Vladimir Putin. Mr Trump is a wealthy property developer; the Russian president a former head of his country's ruthless Federal Security Service, or FSB. This is not a balanced match-up. Mr Putin has pocketed one significant victory even before Mr Trump reaches the White House.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
<b>Automobiles</b>														
Amara Raja	Buy	901	1,061	18	28.7	29.7	38.8	30.4	23.2	6.1	5.0	25.8	21.9	23.6
Ashok Ley.	Buy	85	92	8	3.9	4.9	6.6	17.1	12.9	3.7	3.1	20.9	23.5	26.5
Bajaj Auto	Buy	2,708	3,097	14	131.8	133.0	158.9	20.4	17.0	5.6	4.9	33.2	29.4	30.9
Bharat Forge	Buy	945	1,096	16	28.1	25.8	36.4	36.7	25.9	5.6	4.9	18.7	15.9	20.0
Bosch	Neutral	21,275	20,937	-2	483.3	507.6	657.7	41.9	32.3	8.7	7.3	19.4	19.7	24.5
Eicher Mot.	Buy	22,773	28,755	26	492.9	608.7	869.5	37.4	26.2	13.1	9.3	35.8	40.3	41.6
Endurance Tech.	Buy	588	715	22	20.7	22.6	28.7	26.0	20.5	4.7	4.0	22.4	19.9	21.1
Escorts	Buy	359	410	14	11.1	20.7	34.2	17.3	10.5	1.8	1.6	6.1	10.9	16.3
Exide Ind	Buy	182	205	13	7.3	7.8	9.4	23.3	19.3	3.2	2.8	14.0	13.6	14.7
Hero Moto	Neutral	3,045	3,011	-1	158.3	169.5	192.2	18.0	15.8	6.5	5.5	43.6	39.0	37.5
M&M	Buy	1,217	1,497	23	53.6	66.0	83.7	18.5	14.5	1.5	1.4	15.4	14.5	14.5
Mahindra CIE	Not Rated	202	-		4.2	6.2	9.7	32.7	20.8	2.3	2.0	4.5	7.7	10.3
Maruti Suzuki	Buy	5,701	6,415	13	177.6	252.2	306.9	22.6	18.6	5.2	4.3	19.9	23.1	23.1
Tata Motors	Buy	515	613	19	36.9	29.0	45.6	17.7	11.3	1.9	1.7	18.3	11.5	15.9
TVS Motor	Buy	384	407	6	9.1	11.9	16.5	32.1	23.3	7.8	6.2	24.1	26.5	29.5
<b>Aggregate</b>								<b>22.7</b>	<b>17.1</b>	<b>3.8</b>	<b>3.3</b>	<b>18.8</b>	<b>17.0</b>	<b>19.2</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	473	519	10	34.5	13.0	23.2	36.4	20.3	2.1	1.9	17.1	5.8	9.7
DCB Bank	Neutral	124	128	3	6.8	7.2	8.5	17.3	14.5	1.8	1.6	11.8	11.0	11.7
Equitas Hold.	Buy	149	240	61	6.2	6.0	6.8	24.9	21.8	2.2	2.0	13.3	11.2	9.7
Federal Bank	Buy	73	106	46	2.8	4.5	5.5	16.0	13.3	1.4	1.3	6.0	9.3	10.4
HDFC Bank	Buy	1,233	1,510	23	48.6	57.9	69.8	21.3	17.7	3.7	3.2	18.3	18.7	19.5
ICICI Bank	Buy	268	332	24	16.7	17.2	18.0	15.5	14.9	1.3	1.2	11.3	10.4	10.0
IDFC Bank	Under Review	63	-			3.1	4.2	20.3	15.0	1.5	1.4		7.5	9.5
IndusInd	Buy	1,215	1,430	18	38.4	48.4	58.7	25.1	20.7	3.7	3.2	16.6	15.5	16.4
J&K Bank	Neutral	62	68	10	8.6	Loss	14.5	Loss	4.3	0.6	0.5	6.6	Loss	12.4
Kotak Mah. Bk	Buy	728	932	28	18.9	26.6	32.4	27.4	22.5	3.5	3.0	10.9	13.6	14.5
RBL Bank	Buy	366	450	23	9.0	12.2	14.8	30.1	24.7	3.2	2.9	11.2	12.4	12.3
South Indian	Neutral	21	21	-2	2.5	2.8	3.1	7.7	6.9	0.7	0.7	9.3	9.7	10.0
Yes Bank	Buy	1,318	1,500	14	60.4	74.5	95.8	17.7	13.8	3.4	2.8	19.9	20.9	22.6
<b>Aggregate</b>								<b>22.2</b>	<b>17.5</b>	<b>2.7</b>	<b>2.4</b>	<b>13.7</b>	<b>11.9</b>	<b>13.6</b>
<b>Banks - PSU</b>														
BOB	Buy	158	223	41	Loss	12.3	18.8	12.8	8.4	1.0	0.9	Loss	8.1	11.5
BOI	Neutral	114	125	10	Loss	Loss	18.5	Loss	6.2	0.5	0.4	Loss	Loss	7.5
Canara	Under Review	277	-		Loss	27.2	37.9	10.2	7.3	0.6	0.5	Loss	5.6	7.4
IDBI Bk	Neutral	74	49	-33	Loss	1.5	6.4	48.1	11.4	0.7	0.6	Loss	1.4	5.8
Indian Bk	Buy	247	314	27	14.8	30.4	31.9	8.1	7.7	0.8	0.8	5.5	10.4	10.1
OBC	Neutral	115	108	-6	4.9	19.3	21.3	6.0	5.4	0.3	0.3	1.2	4.8	5.1
PNB	Buy	125	172	37	Loss	8.5	13.2	14.7	9.5	0.7	0.6	Loss	4.8	7.0
SBI	Buy	251	338	35	15.7	9.8	23.3	25.6	10.8	1.1	1.0	7.6	7.5	9.2
Union Bk	Buy	139	168	21	19.7	15.6	30.4	8.9	4.6	0.5	0.4	7.0	5.2	9.5
<b>Aggregate</b>								<b>16.2</b>	<b>10.4</b>	<b>0.8</b>	<b>0.7</b>	<b>-2.7</b>	<b>4.7</b>	<b>7.0</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	901	1,096	22	23.9	31.8	41.3	28.4	21.8	5.5	4.5	21.1	21.1	22.8
Bharat Fin.	Buy	653	893	37	23.8	42.7	38.5	15.3	17.0	3.3	2.8	24.9	28.6	17.7
Dewan Hsg.	Buy	271	413	53	25.0	29.0	36.8	9.3	7.4	1.4	1.2	15.1	15.8	17.2
GRUH Fin.	Neutral	331	339	2	6.7	7.8	9.6	42.2	34.3	11.8	9.6	31.5	30.7	30.9
HDFC	Buy	1,244	1,553	25	30.6	34.3	36.9	36.2	33.7	5.1	4.6	21.4	19.5	18.9
Indiabulls Hsg	Buy	747	1,015	36	55.7	69.5	87.7	10.7	8.5	2.7	2.4	27.1	26.0	29.3
LIC Hsg Fin	Buy	530	719	36	32.9	39.4	48.1	13.5	11.0	2.5	2.1	19.6	20.0	20.7
Manappuram	Not Rated	74	-		3.5	3.8	4.3	19.2	17.1	2.1	2.0	10.8	11.4	12.2
M&M Fin.	Buy	286	339	18	11.9	12.7	14.6	22.6	19.6	2.4	2.2	11.4	11.3	11.9
Muthoot Fin	Buy	298	373	25	20.3	27.5	32.0	10.8	9.3	1.9	1.7	15.1	18.4	19.0
PFC	Neutral	137	117	-14	23.8	24.0	25.5	5.7	5.4	0.9	0.8	18.3	16.8	16.2



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Repco Home	Buy	648	842	30	24.0	25.7	37.7	25.2	17.2	3.7	3.1	17.0	15.7	19.6
REC	Neutral	140	134	-4	28.5	29.4	35.3	4.8	4.0	0.8	0.7	21.0	18.8	19.5
STF	Buy	955	1,282	34	53.3	63.5	82.3	15.0	11.6	1.9	1.7	12.2	13.4	15.4
<b>Aggregate</b>								<b>14.3</b>	<b>12.3</b>	<b>2.5</b>	<b>2.2</b>	<b>18.0</b>	<b>17.6</b>	<b>18.1</b>
<b>Capital Goods</b>														
ABB	Neutral	1,131	1,125	-1	15.8	18.2	26.9	62.1	42.0	7.1	6.1	11.1	11.4	14.5
Bharat Elec.	Buy	1,527	1,600	5	56.9	60.0	69.9	25.4	21.8	4.5	4.0	15.6	19.2	18.3
BHEL	Sell	129	110	-15	Loss	3.9	5.5	32.6	23.4	0.9	0.9	Loss	2.9	3.9
CG Cons. Elec.	Buy	157	180	14	1.9	3.7	5.1	42.1	30.6	28.1	19.0	52.1	80.9	74.2
Crompton Grv.	Sell	64	48	-25	2.1	0.6	1.9	115.3	34.7	0.9	0.9	3.0	4.2	6.0
Cummins	Neutral	849	836	-1	27.2	26.0	30.2	32.7	28.1	6.8	6.2	24.9	22.0	23.1
GE T&D	Neutral	311	320	3	3.0	5.6	10.7	55.2	29.2	6.2	5.6	5.9	-6.8	20.1
Havells	Buy	372	390	5	7.8	7.5	11.3	49.6	32.9	8.4	7.6	19.0	16.9	23.3
Inox Wind	Neutral	183	200	9	20.7	17.5	20.0	10.5	9.2	1.9	1.6	27.9	19.3	18.6
K E C Intl	Buy	147	160	9	7.4	10.1	12.1	14.5	12.1	2.2	1.9	13.5	16.0	16.7
L&T	Buy	1,438	1,600	11	44.7	53.6	62.2	26.8	23.1	2.8	2.6	9.9	10.9	11.7
Pennar Eng.	Not Rated	149	-		8.8	10.5	12.4	14.2	12.1	2.1	1.8	14.2	14.5	14.6
Siemens	Neutral	1,177	1,260	7	16.9	17.0	25.3	69.2	46.5	6.4	5.9	11.8	9.2	12.6
Solar Ind	Neutral	699	690	-1	18.4	19.3	22.9	36.2	30.5	6.3	5.4	20.2	18.6	19.0
Suzlon Energy	Not Rated	15	-		Loss	Loss	0.6	Loss	26.7	Loss	Loss	Loss	Loss	Loss
Thermax	Sell	838	706	-16	23.5	24.8	27.6	33.8	30.4	3.9	3.7	12.5	12.2	12.5
Va Tech Wab.	Buy	498	620	24	16.3	25.2	32.6	19.7	15.3	2.5	2.2	9.7	13.2	15.4
Voltas	Buy	344	370	8	11.7	11.8	14.0	29.1	24.5	4.3	3.8	15.3	15.4	16.4
<b>Aggregate</b>								<b>31.4</b>	<b>25.0</b>	<b>3.3</b>	<b>3.0</b>	<b>7.6</b>	<b>10.4</b>	<b>12.0</b>
<b>Cement</b>														
Ambuja Cem.	Buy	214	246	15	5.5	5.7	6.9	37.7	30.8	1.6	1.5	8.3	5.9	7.1
ACC	Neutral	1,331	1,321	-1	32.0	32.6	48.9	40.8	27.2	2.9	3.0	7.2	7.2	10.9
Birla Corp.	Buy	679	759	12	20.4	33.8	44.5	20.1	15.3	1.5	1.5	5.9	8.5	9.8
Dalmia Bharat	Buy	1,743	1,736	0	21.5	34.2	50.4	51.0	34.6	3.7	3.4	5.5	7.6	10.3
Grasim Inds.	Under Review	845	-		48.3	76.1	88.7	11.1	9.5	1.4	1.2	9.2	12.9	13.3
India Cem	Neutral	131	118	-10	4.4	8.9	10.6	14.7	12.4	1.0	1.0	3.9	7.0	7.4
J K Cements	Buy	681	767	13	14.5	26.4	36.5	25.8	18.7	2.7	2.4	6.3	10.9	13.7
JK Lakshmi Ce	Buy	364	440	21	0.4	4.7	12.2	77.1	29.9	3.2	3.1	0.3	4.2	10.5
Ramco Cem	Buy	604	698	16	23.4	29.4	31.5	20.5	19.2	3.9	3.3	19.5	20.6	18.6
Orient Cem	Buy	129	175	36	3.0	Loss	3.3	Loss	38.5	2.7	2.5	6.2	Loss	6.8
Prism Cem	Buy	90	102	13	0.1	0.9	3.5	100.8	25.6	4.4	3.8	0.7	4.5	16.0
Shree Cem	Buy	14,921	17,096	15	201.1	394.3	582.0	37.8	25.6	7.0	5.6	12.2	20.2	24.3
Ultratech	Buy	3,319	3,749	13	79.3	94.6	134.8	35.1	24.6	4.0	3.5	11.0	11.9	15.0
<b>Aggregate</b>								<b>27.6</b>	<b>20.8</b>	<b>3.2</b>	<b>2.7</b>	<b>9.3</b>	<b>11.6</b>	<b>12.9</b>
<b>Consumer</b>														
Asian Paints	Neutral	933	1,020	9	18.7	20.2	22.6	46.3	41.2	14.1	12.4	34.7	32.4	32.0
Britannia	Buy	2,939	3,380	15	70.1	70.6	82.1	41.6	35.8	15.7	12.5	55.9	42.2	38.8
Colgate	Buy	899	1,200	33	22.3	22.3	27.2	40.4	33.0	21.6	20.1	67.9	56.3	63.2
Dabur	Neutral	281	300	7	7.1	7.2	8.5	39.3	33.1	10.1	8.6	33.3	27.8	27.9
Emami	Buy	1,069	1,240	16	25.2	24.7	30.6	43.2	35.0	12.9	10.8	43.4	34.1	33.6
Godrej Cons.	Neutral	1,567	1,655	6	33.2	36.8	43.8	42.6	35.8	8.9	7.5	23.4	22.3	22.7
GSK Cons.	Neutral	5,030	5,465	9	167.1	157.7	178.8	31.9	28.1	7.5	6.5	30.8	25.1	24.7
HUL	Neutral	828	900	9	19.0	19.7	22.4	42.0	36.9	29.1	29.3	82.4	68.7	79.1
ITC	Buy	250	290	16	7.7	8.4	9.6	29.8	26.1	7.9	6.9	29.3	28.4	28.3
Jyothy Lab	Neutral	339	360	6	4.1	7.2	8.5	47.1	39.9	6.9	6.3	9.1	15.0	16.5
Marico	Buy	259	300	16	5.6	6.0	7.2	43.4	35.8	12.9	11.0	36.9	32.8	33.1
Nestle	Neutral	5,907	6,410	9	119.9	111.5	139.2	53.0	42.4	17.9	15.5	40.9	35.9	39.2
Page Inds	Buy	14,035	17,100	22	208.6	247.4	312.7	56.7	44.9	24.3	19.1	46.0	42.9	42.7
Parag Milk	Neutral	272	285	5	6.7	7.0	9.7	38.7	28.1	3.1	2.8	19.5	10.8	10.5
Pidilite Ind.	Buy	639	700	9	14.8	16.4	18.4	39.1	34.8	9.9	8.1	29.9	27.6	25.6



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
P&G Hygiene	Buy	6,734	8,340	24	129.9	138.5	168.9	48.6	39.9	12.6	10.9	30.8	27.7	29.4
Radico Khaitan	Neutral	115	120	4	6.9	5.3	7.1	21.9	16.4	1.6	1.4	10.3	7.3	9.1
United Brew	Buy	824	1,065	29	11.1	12.3	16.4	66.8	50.4	9.1	7.9	14.8	14.5	16.9
United Spirits	Buy	1,914	2,620	37	16.7	27.8	45.7	68.9	41.9	12.7	9.9	19.8	20.3	23.6
<b>Aggregate</b>								<b>38.5</b>	<b>33.0</b>	<b>11.3</b>	<b>9.8</b>	<b>31.8</b>	<b>29.3</b>	<b>29.9</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	601	640	6	38.2	23.5	30.7	25.5	19.6	5.9	4.7	38.8	25.1	26.8
Alkem Lab	Neutral	1,680	1,800	7	64.7	77.3	84.4	21.7	19.9	4.7	4.0	23.8	23.9	21.8
Aurobindo	Buy	705	1,050	49	33.9	42.0	49.9	16.8	14.1	4.4	3.4	32.5	29.9	27.2
Biocon	Sell	994	750	-25	23.2	27.1	34.3	36.7	29.0	4.5	4.0	11.5	12.2	13.9
Cadila	Buy	350	450	29	15.4	13.6	18.7	25.7	18.7	5.7	4.6	32.8	23.9	27.2
Cipla	Neutral	584	525	-10	18.8	18.1	25.6	32.3	22.8	3.6	3.2	12.8	11.2	13.9
Divis Lab	Neutral	744	975	31	41.9	45.4	51.0	16.4	14.6	4.2	3.6	28.6	26.7	26.5
Dr Reddy's	Neutral	2,983	3,000	1	132.3	82.7	141.7	36.1	21.1	3.7	3.2	18.8	10.6	16.1
Fortis Health	Buy	190	240	27	Loss	Loss	3.5	Loss	53.7	2.2	1.9	Loss	Loss	3.8
Glenmark	Neutral	894	990	11	24.9	41.4	49.7	21.6	18.0	4.4	3.4	16.4	20.4	19.1
Granules	Buy	104	160	53	5.5	7.1	10.0	14.8	10.5	2.6	2.2	21.6	20.5	22.7
GSK Pharma	Neutral	2,707	3,150	16	44.2	50.4	61.8	53.7	43.8	15.9	17.9	22.1	29.6	40.8
IPCA Labs	Neutral	547	540	-1	10.5	17.0	29.4	32.2	18.6	2.8	2.5	5.9	9.0	14.1
Lupin	Buy	1,495	1,825	22	50.4	61.6	77.0	24.3	19.4	5.1	4.1	22.9	22.8	23.4
Sanofi India	Buy	4,217	5,200	23	103.2	142.2	172.8	29.7	24.4	5.3	4.7	14.2	17.8	19.4
Sun Pharma	Buy	651	925	42	19.6	27.8	37.9	23.4	17.2	4.5	3.7	16.5	20.3	23.9
Syngene Intl	Not Rated	604	-		11.1	13.0	16.1	46.4	37.4	9.4	7.7	23.3	22.2	22.5
Torrent Pharma	Buy	1,337	1,750	31	59.7	57.7	78.4	23.2	17.0	5.6	4.7	34.4	26.4	29.9
<b>Aggregate</b>								<b>25.4</b>	<b>19.1</b>	<b>6.1</b>	<b>5.0</b>	<b>25.8</b>	<b>23.8</b>	<b>26.1</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	182	196	8	10.8	10.5	12.8	17.3	14.2	2.6	2.2	13.2	13.3	16.9
Blue Dart	Not Rated	4,450	-		84.4	102.5	129.9	43.4	34.3	19.2	14.7	55.5	50.5	48.6
Concor	Neutral	1,205	1,317	9	40.6	36.3	45.9	33.2	26.2	2.8	2.6	10.2	8.6	10.3
Gateway Distriparks	Buy	233	313	35	11.4	9.6	15.6	24.3	14.9	2.0	1.8	10.1	8.3	12.8
Gati	Not Rated	118	-		3.2	9.3	17.6	12.7	6.7	1.9	1.7	5.1	12.4	19.4
Transport Corp.	Not Rated	155	-		13.5	16.9	21.0	9.1	7.3	1.4	1.2	15.4	16.7	17.8
<b>Aggregate</b>								<b>28.4</b>	<b>21.6</b>	<b>3.2</b>	<b>2.9</b>	<b>11.6</b>	<b>11.3</b>	<b>13.5</b>
<b>Media</b>														
Dish TV	Buy	88	115	32	6.5	2.0	3.3	44.6	26.3	Loss	9.9	NM	43.2	46.3
D B Corp	Buy	377	450	20	16.2	20.0	23.5	18.8	16.0	4.6	4.1	22.6	25.7	26.9
Den Net.	Neutral	81	75	-7	Loss	Loss	1.9	Loss	43.6	0.9	0.9	Loss	Loss	2.1
Hathway Cab.	Buy	37	47	26	Loss	Loss	-0.8	Loss	-47.7	2.8	3.0	Loss	Loss	-6.1
Hind. Media	Buy	281	360	28	24.6	26.9	29.7	10.5	9.4	1.9	1.6	21.9	19.6	18.0
HT Media	Neutral	79	85	8	7.3	5.9	7.5	13.2	10.5	0.7	0.7	7.7	5.8	6.7
Jagran Prak.	Buy	183	215	17	10.5	10.8	12.2	17.0	15.0	3.3	2.9	24.7	20.7	20.6
PVR	Buy	1,172	1,429	22	25.5	20.4	35.8	57.5	32.7	5.7	5.0	18.7	10.4	16.4
Siti Net.	Buy	37	45	20	Loss	Loss	2.7	Loss	13.7	3.9	2.6	0.1	Loss	23.5
Sun TV	Under Review	531	-		21.1	25.4	30.3	20.9	17.5	5.3	4.8	23.4	25.3	27.6
Zee Ent.	Buy	478	590	24	10.6	11.7	17.7	41.0	27.0	9.3	7.5	27.0	29.4	30.7
<b>Aggregate</b>								<b>31.5</b>	<b>21.8</b>	<b>5.3</b>	<b>4.5</b>	<b>18.2</b>	<b>16.8</b>	<b>20.8</b>
<b>Metals</b>														
Hindalco	Buy	172	234	36	12.0	18.5	22.1	9.3	7.8	1.5	1.3	11.6	17.3	18.1
Hind. Zinc	Neutral	277	282	2	19.8	21.5	25.4	12.9	10.9	2.7	2.3	20.7	22.5	22.6
JSPL	Neutral	78	88	12	Loss	Loss	Loss	Loss	Loss	0.5	0.5	Loss	Loss	Loss
JSW Steel	Buy	189	195	3	Loss	Loss	18.7	Loss	10.1	2.2	1.8	Loss	14.9	19.6
Nalco	Buy	72	73	2	2.7	3.7	4.8	19.4	14.9	1.3	1.3	5.4	7.1	8.7
NMDC	Buy	144	162	13	8.4	10.9	10.8	13.2	13.3	1.9	1.8	15.9	12.8	14.2
SAIL	Sell	58	28	-51	Loss	Loss	Loss	Loss	Loss	0.7	0.8	Loss	Loss	Loss





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
Vedanta	Neutral	238	250	5	10.8	21.4	27.3	11.2	8.7	1.2	1.2	7.9	13.0	14.8
Tata Steel	Sell	446	321	-28	7.7	11.7	37.1	38.1	12.0	3.8	3.1	4.6	8.7	28.3
<b>Aggregate</b>								<b>18.6</b>	<b>13.5</b>	<b>1.5</b>	<b>1.4</b>	<b>4.9</b>	<b>7.9</b>	<b>10.2</b>
<b>Oil &amp; Gas</b>														
BPCL	Buy	658	756	15	55.2	55.5	56.4	11.8	11.7	2.9	2.5	31.6	26.2	22.7
Cairn India	Neutral	264	-		11.4	14.0	12.5	18.9	21.2	1.0	1.0	4.0	5.3	4.6
GAIL	Neutral	452	429	-5	18.1	28.7	36.4	15.8	12.4	1.7	1.6	7.7	12.9	13.2
Gujarat St. Pet.	Neutral	137	168	22	7.9	8.8	11.0	15.7	12.5	1.8	1.6	11.7	11.9	13.5
HPCL	Buy	488	543	11	38.0	52.7	45.1	9.3	10.8	2.3	2.0	22.4	26.6	19.7
IOC	Buy	351	464	32	20.3	49.3	40.1	7.1	8.8	2.0	1.7	13.6	29.3	20.8
IGL	Neutral	926	898	-3	29.7	42.0	43.7	22.1	21.2	4.5	3.9	18.4	21.8	19.8
MRPL	Buy	107	115	7	7.4	17.0	15.8	6.3	6.8	2.2	1.7	22.1	39.4	28.4
Oil India	Buy	348	376	8	29.1	33.3	40.3	10.4	8.6	1.2	1.1	10.6	11.6	13.1
ONGC	Neutral	201	223	11	13.6	14.8	20.0	13.6	10.0	1.3	1.3	9.5	10.1	13.1
PLNG	Buy	369	411	12	11.2	19.8	26.9	18.6	13.7	3.7	3.1	14.0	21.5	24.7
Reliance Ind.	Neutral	1,090	1,002	-8	93.0	100.9	109.0	10.8	10.0	1.2	1.1	12.0	11.8	11.5
<b>Aggregate</b>								<b>11.2</b>	<b>10.6</b>	<b>1.5</b>	<b>1.4</b>	<b>11.4</b>	<b>13.8</b>	<b>13.3</b>
<b>Retail</b>														
Jubilant Food	Neutral	844	900	7	15.0	10.8	18.5	78.5	45.6	7.0	7.0	13.4	8.9	15.3
Shopper's Stop	Neutral	294	300	2	5.8	3.0	9.2	96.5	32.1	2.9	2.7	6.3	3.1	8.8
Titan Co.	Neutral	357	360	1	8.0	8.7	9.8	40.9	36.6	7.7	6.8	21.3	20.2	19.7
<b>Aggregate</b>								<b>45.5</b>	<b>37.3</b>	<b>6.9</b>	<b>6.2</b>	<b>16.8</b>	<b>15.2</b>	<b>16.7</b>
<b>Technology</b>														
Cyient	Buy	502	600	20	30.7	33.4	42.7	15.0	11.8	2.4	2.1	16.5	15.9	17.8
HCL Tech.	Buy	848	960	13	40.1	56.7	63.2	15.0	13.4	3.6	3.1	21.5	26.6	25.5
Hexaware	Neutral	200	230	15	12.9	13.6	15.5	14.7	12.9	3.9	3.3	28.9	27.7	27.5
Infosys	Buy	975	1,250	28	59.0	61.7	68.7	15.8	14.2	3.2	2.9	24.7	22.8	22.8
KPIT Tech	Neutral	142	170	20	14.1	12.6	15.6	11.2	9.1	1.8	1.5	21.0	16.9	17.6
L&T Infotech	Buy	677	800	18	52.4	54.9	58.6	12.3	11.6	4.7	3.9	45.3	42.3	36.8
Mindtree	Neutral	490	520	6	35.9	26.6	36.2	18.4	13.5	3.2	2.8	27.4	18.0	22.0
Mphasis	Neutral	526	560	6	34.5	42.2	54.0	12.5	9.7	1.7	1.5	12.3	13.7	16.3
NIIT Tech	Neutral	425	450	6	45.7	38.6	50.2	11.0	8.5	1.5	1.3	19.0	14.2	16.6
Persistent Sys	Neutral	635	700	10	37.2	36.2	45.0	17.5	14.1	2.7	2.6	19.5	16.7	19.2
Tata Elxsi	Buy	1,399	1,619	16	49.7	60.2	73.6	23.2	19.0	8.9	7.2	46.3	42.8	41.7
TCS	Neutral	2,252	2,550	13	123.2	135.2	145.3	16.7	15.5	5.3	4.5	37.1	33.8	31.1
Tech Mah	Buy	489	550	13	35.1	30.9	36.0	15.8	13.6	2.8	2.4	23.4	19.1	19.3
Wipro	Neutral	485	560	16	36.1	34.3	39.5	14.1	12.3	2.4	2.1	20.3	17.7	18.5
Zensar Tech	Buy	916	1,250	36	68.2	69.5	92.5	13.2	9.9	2.5	2.1	24.0	20.3	22.8
<b>Aggregate</b>								<b>15.8</b>	<b>14.2</b>	<b>3.7</b>	<b>3.2</b>	<b>24.4</b>	<b>23.6</b>	<b>22.9</b>
<b>Telecom</b>														
Bharti Airtel	Buy	320	410	28	11.9	12.4	9.4	25.8	34.0	1.8	1.8	7.4	7.3	5.3
Bharti Infratel	Buy	354	435	23	11.8	17.2	17.8	20.6	19.9	3.6	3.2	12.7	17.2	16.6
Idea Cellular	Sell	69	65	-6	8.6	Loss	Loss	Loss	Loss	1.1	1.3	12.6	Loss	Loss
<b>Aggregate</b>								<b>37.4</b>	<b>90.8</b>	<b>2.0</b>	<b>1.9</b>	<b>9.2</b>	<b>5.3</b>	<b>2.1</b>
<b>Utilities</b>														
Coal India	Neutral	315	297	-6	22.6	16.1	18.4	19.6	17.1	6.5	6.5	42.2	32.9	37.7
CESC	Buy	675	940	39	27.8	48.4	70.7	14.0	9.5	1.5	1.4	3.1	4.7	6.3
JSW Energy	Buy	65	85	30	7.6	5.4	3.3	12.1	20.1	1.2	1.2	15.5	10.1	5.8
NTPC	Buy	171	199	16	12.3	11.9	14.3	14.4	12.0	1.5	1.4	11.9	10.6	11.9
Power Grid	Buy	197	209	6	11.5	14.2	16.8	13.9	11.7	2.1	1.8	14.7	16.1	16.6
<b>Aggregate</b>								<b>16.0</b>	<b>13.7</b>	<b>2.4</b>	<b>2.2</b>	<b>17.7</b>	<b>15.1</b>	<b>16.3</b>
<b>Others</b>														
Arvind	Buy	369	444	20	14.0	14.8	24.0	24.9	15.4	2.5	2.2	12.9	11.3	15.2
Bata India	Buy	477	483	1	11.2	10.9	14.2	43.8	33.6	4.7	4.3	13.1	11.3	13.4
Castrol India	Buy	396	529	34	9.6	12.8	13.4	30.8	29.6	34.0	30.6	76.0	118.4	108.8



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
Century Ply.	Buy	178	211	19	7.5	4.6	8.8	38.9	20.3	6.7	5.5	36.3	18.2	29.8
Coromandel Intl	Under Review	328	-		11.8	16.3	20.0	20.1	16.4	3.6	3.2	14.9	18.5	20.4
Dynamatic Tech	Buy	2,959	3,388	14	19.4	67.6	112.9	43.8	26.2	6.0	4.9	4.7	15.1	20.7
Eveready Inds.	Buy	235	266	13	9.2	9.2	12.9	25.5	18.3	6.9	5.6	16.2	29.5	33.7
Interglobe	Neutral	878	1,018	16	55.2	58.3	72.5	15.1	12.1	14.6	12.3	176.5	105.1	110.2
Indo Count	Buy	173	223	29	13.4	15.7	18.5	11.1	9.4	3.5	2.5	48.9	37.8	31.2
Info Edge	Buy	849	1,050	24	13.0	18.4	20.7	46.0	40.9	5.2	4.8	9.2	12.0	12.3
Inox Leisure	Sell	227	206	-9	8.4	4.1	8.6	55.0	26.4	3.5	3.1	14.9	6.2	11.8
Jain Irrigation	Under Review	93	-		2.2	5.5	7.6	16.9	12.3	1.4	1.4	4.0	8.6	11.7
Just Dial	Buy	371	426	15	20.4	15.6	18.5	23.7	20.0	3.4	3.0	21.1	15.1	15.7
Kaveri Seed	Buy	458	489	7	24.9	23.1	28.8	19.9	15.9	3.3	3.1	20.7	17.1	20.0
Kitex Garm.	Buy	427	631	48	23.6	29.3	35.1	14.6	12.2	4.3	3.4	35.5	33.1	31.0
Manpasand	Buy	563	761	35	10.1	14.9	23.8	37.8	23.7	2.8	2.5	11.4	8.6	9.9
MCX	Buy	1,190	1,450	22	23.4	28.6	47.4	41.6	25.1	4.6	4.2	3.5	11.5	17.5
Monsanto	Buy	2,254	2,706	20	60.1	68.4	87.2	32.9	25.9	9.6	9.0	26.4	28.8	35.9
PI Inds.	Buy	829	959	16	22.1	31.3	38.4	26.5	21.6	7.4	5.8	29.2	31.7	30.1
SRF	Buy	1,623	1,922	18	73.7	81.0	106.8	20.0	15.2	3.1	2.7	17.0	16.2	18.5
S H Kelkar	Buy	317	338	6	5.5	7.5	10.1	42.5	31.3	5.5	4.9	12.6	13.5	16.6
Symphony	Sell	1,171	1,053	-10	15.6	27.0	35.1	43.4	33.4	23.6	20.1	35.0	56.8	65.0
TTK Prestige	Neutral	5,617	4,896	-13	100.7	107.8	139.9	52.1	40.1	52.1	40.1	17.2	16.6	19.7
V-Guard	Neutral	164	179	9	3.7	4.5	5.8	36.3	28.4	8.6	7.1	26.3	26.1	27.4
Wonderla	Buy	352	392	11	10.6	7.0	12.0	50.2	29.4	4.6	4.1	15.8	9.5	14.8



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	0.5	-0.6	8.0
Ashok Ley.	0.3	8.5	-6.1
Bajaj Auto	-0.9	1.8	14.6
Bharat Forge	-0.9	-5.3	15.4
Bosch	-0.6	1.6	18.1
Eicher Mot.	-0.2	2.2	33.4
Endurance Tech.	-2.2	3.4	
Escorts	0.6	12.4	140.6
Exide Ind	-1.2	5.5	32.0
Hero Moto	-1.1	-4.9	23.2
M&M	0.2	4.2	1.0
Mahindra CIE	3.2	7.8	-16.8
Maruti Suzuki	-1.5	10.5	32.8
Tata Motors	-0.7	9.4	41.2
TVS Motor	-1.4	0.4	33.1
<b>Banks - Private</b>			
Axis Bank	3.9	4.6	16.4
DCB Bank	4.0	16.7	57.4
Equitas Hold.	-0.4	-2.2	
Federal Bank	0.3	2.4	45.1
HDFC Bank	-0.1	4.0	16.4
ICICI Bank	-0.3	1.1	12.0
IDFC Bank	0.4	-4.5	22.9
IndusInd	0.0	11.5	29.8
J&K Bank	-0.3	1.5	-18.2
Kotak Mah. Bk	0.4	-0.4	5.7
RBL Bank	-0.5	6.0	
South Indian	0.2	-2.7	11.8
Yes Bank	-0.5	9.2	93.0
<b>Banks - PSU</b>			
BOB	-0.6	-1.7	19.4
BOI	-0.1	-0.8	13.7
Canara	0.5	-9.3	39.0
IDBI Bk	-0.9	4.2	5.0
Indian Bk	-0.9	0.7	148.9
OBC	0.4	-3.6	-0.8
PNB	-0.6	-3.4	27.5
SBI	-0.1	-5.5	24.9
Union Bk	1.9	-2.3	8.9
<b>NBFCs</b>			
Bajaj Fin.	1.0	7.6	48.1
Bharat Fin.	-1.4	-3.4	24.6
Dewan Hsg.	1.4	10.3	27.8
GRUH Fin.	-2.4	4.9	34.3
HDFC	2.0	-2.6	6.6
Indiabulls Hsg	2.8	11.6	4.2
LIC Hsg Fin	0.8	-3.6	8.4
Manappuram	-0.3	4.5	157.6
M&M Fin.	1.6	6.9	24.1
Muthoot Fin	2.2	2.7	66.2
PFC	0.6	4.4	48.7
Repco Home	1.2	20.7	4.5
REC	2.0	5.0	32.6
STF	1.3	13.4	18.5
<b>Capital Goods</b>			
ABB	0.8	8.0	10.7

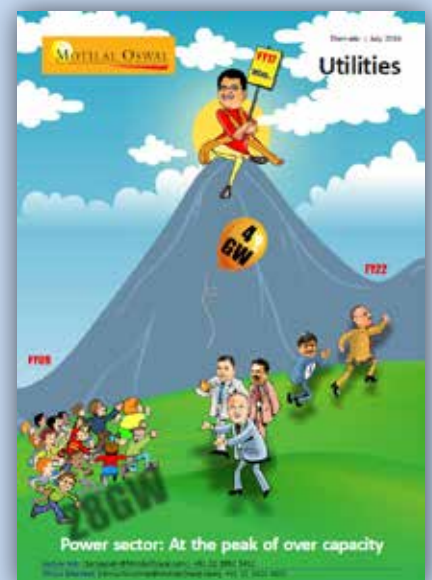
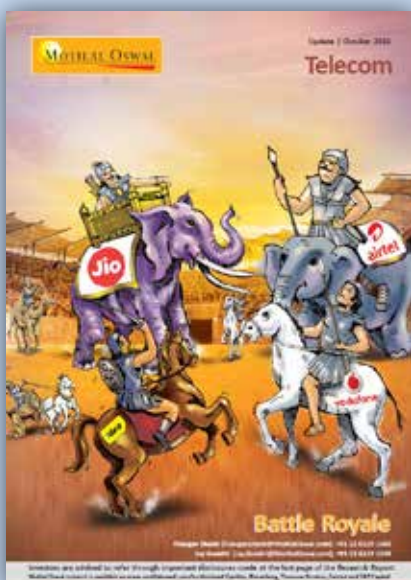
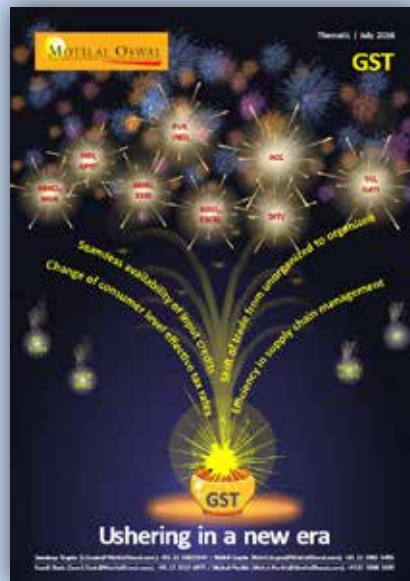
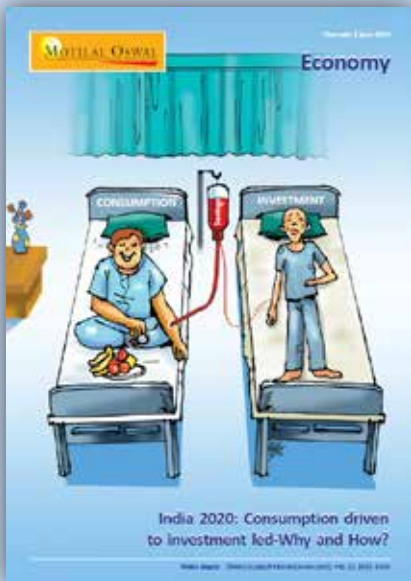
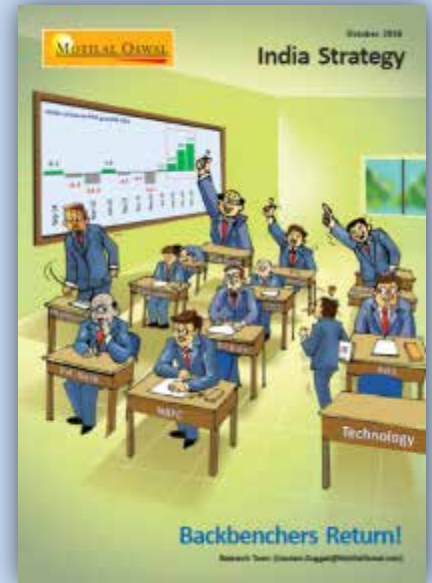
Company	1 Day (%)	1M (%)	12M (%)
Bharat Elec.	-1.3	3.6	14.1
BHEL	0.7	2.4	-13.0
CG Cons. Elec.	1.5	10.2	
Crompton Grv.	0.0	7.2	0.0
Cummins	0.5	8.6	-12.9
GE T&D	-0.9	-1.2	-29.5
Havells	2.1	10.1	30.8
Inox Wind	0.4	-10.3	-46.2
K E C Intl	3.4	5.5	7.0
L&T	-0.7	4.6	24.2
Pennar Eng.	-3.1	-6.8	-2.0
Siemens	-0.2	3.9	4.9
Solar Ind	0.4	3.2	0.4
Suzlon Energy	-0.9	2.2	-27.5
Thermax	0.4	1.5	-6.7
Va Tech Wab.	-0.3	3.0	-24.2
Voltas	1.1	7.2	19.5
<b>Cement</b>			
Ambuja Cem.	-0.3	3.3	7.8
ACC	-1.0	-0.5	3.7
Birla Corp.	-3.0	10.6	54.8
Dalmia Bharat	2.5	18.7	120.0
Grasim Inds.	-1.3	-0.7	19.6
India Cem	-1.9	13.2	36.7
J K Cements	-1.5	-4.5	30.4
JK Lakshmi Ce	-0.8	1.1	16.0
Ramco Cem	-1.5	13.3	56.1
Orient Cem	-1.0	-0.9	-14.3
Prism Cem	-0.4	2.8	9.5
Shree Cem	-0.2	0.2	41.9
Ultratech	-0.9	-1.3	23.6
<b>Consumer</b>			
Asian Paints	0.0	2.6	7.3
Britannia	-0.3	0.0	1.3
Colgate	1.0	-1.5	-3.3
Dabur	0.9	0.1	9.5
Emami	0.7	4.3	8.1
Godrej Cons.	-0.7	8.7	23.2
GSK Cons.	-1.9	-0.7	-18.6
HUL	0.3	-0.2	-0.4
ITC	2.1	6.0	18.4
Jyothy Lab	1.1	-8.5	12.6
Marico	-0.2	2.9	15.4
Nestle	1.1	-6.6	7.4
Page Inds	-0.1	2.8	6.9
Parag Milk	0.2	-0.9	
Pidilite Ind.	0.8	4.5	16.4
P&G Hygiene	-0.6	-0.9	21.4
Radico Khaitan	-0.3	-3.7	2.6
United Brew	1.3	-1.3	-5.4
United Spirits	0.2	-1.3	-31.5
<b>Healthcare</b>			
Alembic Phar	0.0	-3.7	-9.1
Alkem Lab	-0.2	2.5	19.0
Aurobindo	1.5	-1.9	-15.1
Biocon	-1.5	6.4	95.3
Cadila	-0.2	-8.8	9.3

Company	1 Day (%)	1M (%)	12M (%)
Cipla	-0.3	1.1	-4.0
Divis Lab	1.1	-35.8	-31.6
Dr Reddy's	-0.9	-5.7	3.2
Fortis Health	-3.2	8.3	11.0
Glenmark	0.4	-1.9	2.7
Granules	0.8	-6.2	-16.5
GSK Pharma	-0.3	-0.8	-17.4
IPCA Labs	-0.3	1.3	-16.1
Lupin	0.4	0.2	-10.4
Sanofi India	-0.2	-1.6	-0.1
Sun Pharma	1.1	-4.6	-18.2
Syngene Intl	-0.3	1.0	49.0
Torrent Pharma	0.7	1.9	-5.1
<b>Logistics</b>			
Allcargo Logistics	-0.6	9.6	-3.6
Blue Dart	-1.7	-2.0	-30.3
Concor	-1.0	7.5	-2.5
Gateway Distriparks	-4.0	-1.5	-30.3
Gati	0.6	-0.8	-19.8
Transport Corp.	0.5	-13.8	-11.1
<b>Media</b>			
Dish TV	0.6	1.5	-6.5
D B Corp	-0.9	4.3	17.6
Den Net.	11.4	7.2	-16.6
Hathway Cab.	1.9	7.4	-11.1
Hind. Media	-0.4	5.1	-3.3
HT Media	2.2	7.2	-8.1
Jagran Prak.	-0.5	7.7	12.7
PVR	-1.0	6.2	52.2
Siti Net.	-0.7	-2.9	3.3
Sun TV	-1.6	7.0	31.6
Zee Ent.	0.4	8.1	15.3
<b>Metals</b>			
Hindalco	-2.5	-2.5	124.0
Hind. Zinc	0.5	-0.4	96.2
JSPL	-2.8	2.8	0.4
JSW Steel	0.3	15.7	88.0
Nalco	-1.0	9.8	93.8
NMDC	3.5	12.2	63.3
SAIL	0.7	6.6	27.6
Vedanta	-0.9	-0.9	194.3
Tata Steel	-0.3	6.1	80.7
<b>Oil &amp; Gas</b>			
BPCL	-0.3	4.9	46.6
Cairn India	-1.2	0.6	110.2
GAIL	2.3	6.6	24.4
Gujarat St. Pet.	-1.5	-7.0	-3.9
HPCL	-1.1	11.0	68.2
IOC	-1.0	16.3	60.1
IGL	-0.2	8.5	61.4
MRPL	-2.8	12.8	60.1
Oil India	-0.2	4.4	27.1
ONGC	0.9	-3.3	35.3
PLNG	-0.6	-2.1	42.1
Reliance Ind.	0.6	4.8	1.2

Company	1 Day (%)	1M (%)	12M (%)
<b>Retail</b>			
Jubilant Food	0.1	-1.0	-36.5
Shopper's Stop	0.7	1.0	-24.3
Titan Co.	-1.7	11.3	2.5
<b>Technology</b>			
Cyient	0.6	0.0	2.9
HCL Tech.	0.3	6.0	2.5
Hexaware	-1.5	-4.1	-11.9
Infosys	-2.5	-1.5	-9.9
KPIT Tech	1.7	5.9	-6.1
L&T Infotech	-0.2	3.6	
Mindtree	-0.4	-0.4	-34.6
Mphasis	-0.5	1.4	17.5
NIIT Tech	-1.3	-1.3	-22.2
Persistent Sys	-0.1	5.9	1.6
Tata Elxsi	-0.3	-5.8	-27.6
TCS	-3.9	2.3	-1.2
Tech Mah	1.6	1.0	-3.1
Wipro	0.3	4.6	-11.3
Zensar Tech	-0.9	-8.4	-9.8
<b>Telecom</b>			
Bharti Airtel	-0.5	-3.0	3.7
Bharti Infratel	-1.1	-0.4	-11.0
Idea Cellular	-4.4	-10.3	-43.0
<b>Utilities</b>			
Coal India	0.7	3.0	-0.9
CESC	1.5	7.7	40.5
JSW Energy	-0.1	11.3	-18.4
NTPC	-1.6	3.7	18.6
Power Grid	-0.2	6.5	39.8
<b>Others</b>			
Arvind	2.4	6.8	9.7
Bata India	-1.6	13.8	-0.9
Castrol India	-0.1	1.4	-9.1
Century Ply.	-0.7	6.2	6.9
Coromandel Intl	0.2	17.7	91.3
Dynamatic Tech	-0.5	1.5	37.7
Eveready Inds.	-0.1	7.8	-22.3
Interglobe	0.2	7.4	-28.6
Indo Count	1.7	8.3	-20.1
Info Edge	-0.3	-0.5	1.9
Inox Leisure	-0.5	3.5	3.1
Jain Irrigation	-1.0	7.2	35.0
Just Dial	-0.9	-1.5	-54.6
Kaveri Seed	5.8	6.8	31.0
Kitex Garm.	0.6	4.3	-33.0
Manpasand	3.9	-1.6	22.4
MCX	-2.6	-11.5	36.9
Monsanto	0.1	-0.5	-4.9
PI Inds.	0.2	2.6	21.5
SRF	-0.8	6.5	28.5
S H Kelkar	0.0	2.8	20.7
Symphony	0.5	-3.2	2.1
TTK Prestige	-0.2	2.6	30.5
V-Guard	-1.3	-3.6	82.0
Wonderla	0.3	7.7	-7.8



# THEMATIC/STRATEGY RESEARCH GALLERY





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Sector: Technology

**L&T Infotech**



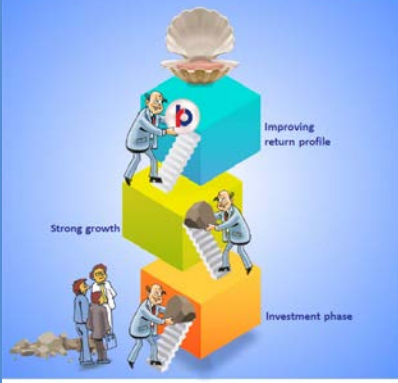
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**RBL Bank**



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**CESC**



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**United Breweries**



**Cheers to growth**

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Sector: Healthcare

**Fortis Healthcare**



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**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. Revenue grew just 2.2% to ₹1,045 crore while EBITDA margin expanded 71% to 25.6%, led by gross margin expansion. Strategic initiatives on two divisions (increased to 100% from 80%) and cost-cutting led to EBITDA margin expansion of 71% to 25.6%. Operating with low net interest expense from ₹100 Cr to ₹100 Cr, Sun Pharma is well placed to return to primarily operating activities (revenue for ongoing business). However, this was partly offset by net interest expense. Net interest expense increased to ₹100 Cr (up from ₹100 Cr) on higher cash and equivalent of assets. Overall and strategies were to ₹100 Cr (up from ₹100 Cr) with net interest expense of ₹100 Cr (up from ₹100 Cr) with net interest expense of ₹100 Cr (up from ₹100 Cr).

Operating performance metrics: Revenue grew just 2.2% to ₹1,045 crore (up from ₹1,018 crore) led by gross margin expansion, partially compensated by higher net interest expense. Net interest expense rose to ₹100 Cr (up from ₹100 Cr). EBITDA margin expanded to 25.6% (up from 25.6%) on higher cash and equivalent of assets. Overall and strategies were to ₹100 Cr (up from ₹100 Cr) with net interest expense of ₹100 Cr (up from ₹100 Cr).

Key takeaways: Revenue grew just 2.2% to ₹1,045 crore (up from ₹1,018 crore) led by gross margin expansion, partially compensated by higher net interest expense. Net interest expense rose to ₹100 Cr (up from ₹100 Cr). EBITDA margin expanded to 25.6% (up from 25.6%) on higher cash and equivalent of assets. Overall and strategies were to ₹100 Cr (up from ₹100 Cr) with net interest expense of ₹100 Cr (up from ₹100 Cr).

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## ART TREADBARE

### ANNUAL REPORT

The ART of Threadbare is to be a part of the story. The ART of Threadbare is to be a part of the story. The ART of Threadbare is to be a part of the story. The ART of Threadbare is to be a part of the story.

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## MOTILAL OSWAL

### CornerOffice

#### Democratization & monetization: Look for India's largest bank

Key takeaways: Revenue grew just 2.2% to ₹1,045 crore (up from ₹1,018 crore) led by gross margin expansion, partially compensated by higher net interest expense. Net interest expense rose to ₹100 Cr (up from ₹100 Cr). EBITDA margin expanded to 25.6% (up from 25.6%) on higher cash and equivalent of assets. Overall and strategies were to ₹100 Cr (up from ₹100 Cr) with net interest expense of ₹100 Cr (up from ₹100 Cr).

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## MOTILAL OSWAL

### VOICES

#### India Inc on Call

Key takeaways: Revenue grew just 2.2% to ₹1,045 crore (up from ₹1,018 crore) led by gross margin expansion, partially compensated by higher net interest expense. Net interest expense rose to ₹100 Cr (up from ₹100 Cr). EBITDA margin expanded to 25.6% (up from 25.6%) on higher cash and equivalent of assets. Overall and strategies were to ₹100 Cr (up from ₹100 Cr) with net interest expense of ₹100 Cr (up from ₹100 Cr).

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## MOTILAL OSWAL

### EcoKnowledge

#### Identify data confirm 6.5% growth is for real living

Key takeaways: Revenue grew just 2.2% to ₹1,045 crore (up from ₹1,018 crore) led by gross margin expansion, partially compensated by higher net interest expense. Net interest expense rose to ₹100 Cr (up from ₹100 Cr). EBITDA margin expanded to 25.6% (up from 25.6%) on higher cash and equivalent of assets. Overall and strategies were to ₹100 Cr (up from ₹100 Cr) with net interest expense of ₹100 Cr (up from ₹100 Cr).

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## MOTILAL OSWAL

### BULLS & BEARS

#### INDIA WALLTOURS HANDBOOK

Key takeaways: Revenue grew just 2.2% to ₹1,045 crore (up from ₹1,018 crore) led by gross margin expansion, partially compensated by higher net interest expense. Net interest expense rose to ₹100 Cr (up from ₹100 Cr). EBITDA margin expanded to 25.6% (up from 25.6%) on higher cash and equivalent of assets. Overall and strategies were to ₹100 Cr (up from ₹100 Cr) with net interest expense of ₹100 Cr (up from ₹100 Cr).

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## MOTILAL OSWAL

### FUND FOLIO

#### Indian Mutual Fund Tracker

Key takeaways: Revenue grew just 2.2% to ₹1,045 crore (up from ₹1,018 crore) led by gross margin expansion, partially compensated by higher net interest expense. Net interest expense rose to ₹100 Cr (up from ₹100 Cr). EBITDA margin expanded to 25.6% (up from 25.6%) on higher cash and equivalent of assets. Overall and strategies were to ₹100 Cr (up from ₹100 Cr) with net interest expense of ₹100 Cr (up from ₹100 Cr).

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