

Market snapshot



Equities - India	Close	Chg. %	YTD. %
Sensex	29,586	0.6	11.1
Nifty-50	9,154	0.8	11.8
Nifty-M 100	16,893	1.4	17.7
Equities-Global	Close	Chg. %	YTD. %
S&P 500	2,381	-0.2	6.4
Nasdaq	5,901	0.0	9.6
FTSE 100	7,416	0.6	3.8
DAX	12,083	0.6	5.2
Hang Seng	10,526	2.5	12.0
Nikkei 225	19,590	0.1	2.5
Commodities	Close	Chg. %	YTD. %
Brent (US\$/Bbl)	51	-0.6	-7.6
Gold (\$/OZ)	1,226	0.6	6.4
Cu (US\$/MT)	5,890	0.8	6.6
Almn (US\$/MT)	1,887	0.7	10.7
Currency	Close	Chg. %	YTD. %
USD/INR	65.4	-0.4	-3.7
USD/EUR	1.1	0.8	1.9
USD/JPY	113.3	-1.1	-3.1
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.8	0.0	0.3
10 Yrs AAA Corp	8.1	0.1	0.5
Flows (USD b)	16-Mar	MTD	YTD
FII	0.2	2.4	4.0
DII	0.0	-0.8	0.0
Volumes (INRb)	16-Mar	MTD*	YTD*
Cash	319	270	257
F&O	6,538	4,302	4,389

Note: YTD is calendar year, *Avg

Quote of the day

The way to make money is to buy when blood is running in the streets.



Today's top research theme

GST: Moving a step closer to rollout

Focus now shifts to rules/rates

- ✓ The GST Council, in its 12th meeting on 16 March 2017, cleared the SGST and UTGST bills. With this, all five legislations of the GST (CGST, SGST, IGST, UTGST and the compensation bill) now stand formally approved by the Council.
- ✓ A cap was announced on the cess applicable on the five commodities under the GST, implying that the government intends to bring the GST rates on these commodities closer to the existing ones. Now, as a next step, these GST legislations will be considered and passed by the central and respective state governments. Apart from these legislations, the GST Council has to (i) pass the set of nine rules of the GST (of which five are already passed) and (ii) provide fitment of various goods/services in the five tax brackets.
- ✓ The government, with the passage of these five legislations, feels confident of the GST rollout by 1 July 2017.



Research covered

Cos/Sector	Key Highlights
GST	Moving a step closer to rollout
ONGC	Gas production to ramp up
Va Tech Wabag	Order inflow visibility improving
Reliance Capital	Several growth drivers; Looking to divest non-core investments over next 12-18 months
SML ISUZU	Challenges in near term, but to maintain market share with new launches
Paint Dealer	Paint industry growth seen slowing in near term



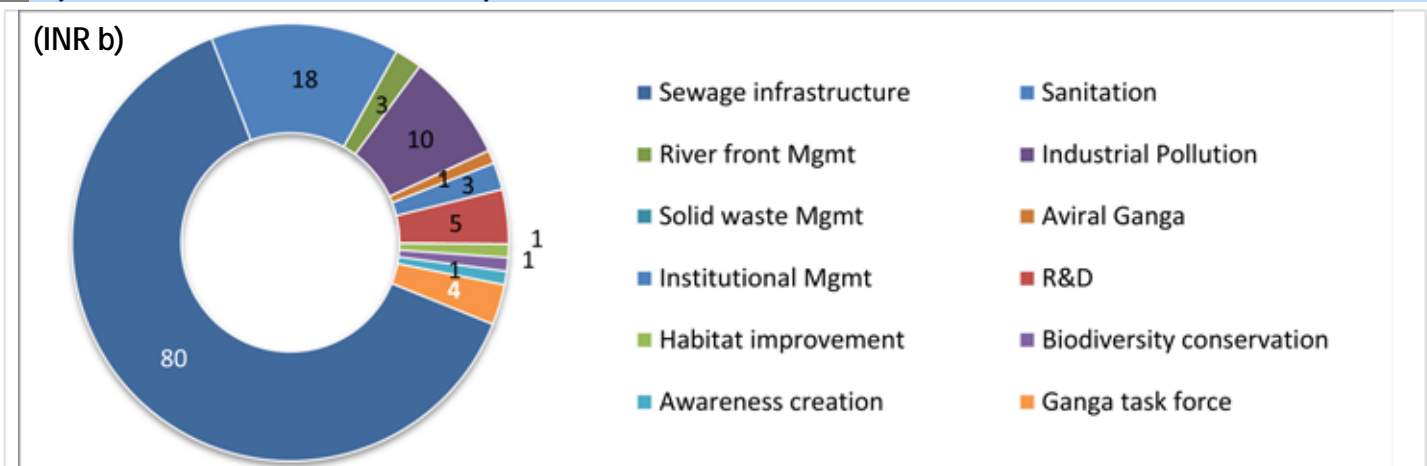
Piping hot news

GST Council caps cess on luxury goods at 15%

- ✓ The Goods and Services Tax (GST) Council on Thursday cleared a proposal to cap the cess on luxury cars and aerated drinks at 15 per cent over the peak rate of 28 per cent. The ceiling for the cess on "sin" goods would be much higher.



Chart of the Day: Va Tech Wabag - Financial outlay for the Namami Gange program (INR127b for new initiatives)



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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

Dr Reddy's may leverage relationship with partners for new US launches

Dr. Reddy's Laboratories (DRL) is likely to leverage its relationship with existing and new partners to continue the momentum of product launches in the regulated markets. The company has launched only three new products...

2

ONGC to invest Rs 21,500-cr in India's deepest gas find

State-owned ONGC will invest over Rs 21,500 crore to develop India's deepest gas discovery by 2022-23, helping it more than double output from its prime KG basin block. Oil and Natural Gas Corp (ONGC), which had last year firmed up an investment of Rs 34,012 crore (\$5.076.37 billion) in bringing to production 10 oil and gas discoveries in its Bay of Bengal block KG-DWN-98/2 (KG-D5), plans to invest another Rs 21,528.10 crore (\$3.2 billion) in developing the ultra-deepsea UD-1 find. "We have submitted to the Directorate General of Hydrocarbons a declaration of commerciality (DoC) for the UD-1 find..."

3

Australian delegation asks Adani to drop mine project

Adani Group's plan to build one of the largest coal mines in the world that had received a green signal from the federal and Queensland state governments end of last year has run into some fresh protests. This time eminent Australians including former captains of Australia cricket team Ian and Greg Chappell ...

4

RCap to spin off health biz from general insurance

Reliance Capital will set up a standalone health insurance company by carving it out from the general insurance entity. The board of directors of Reliance General Insurance Company (RGIL), a subsidiary of Reliance Capital, has approved the proposal to separate the health segment...

5

Rel Defence, Liberty Group in race for ABG Shipyard assets

At least two companies, including Reliance Defence and Engineering and Liberty House Group, may have expressed interest in acquiring certain assets of the debt-laden ABG Shipyard. The consortium of lenders has mandated SBI Caps for finding a buyer for their 51 per cent equity which they got after conversion of debt. According to industry sources, Reliance is not interested in the entire company but only certain assets that fit in with its existing business. ABG Shipyard said in a regulatory filing that the lenders have short listed few "prospective bidders" for the company after invoking their rights to change the ownership...

6

Blue Star launches AC that cools in decimals

Air-conditioning and commercial refrigeration company Blue Star on Thursday announced the launch of an inverter split AC designed to give consumers a wider choice while setting the temperatures. The top models allow users to regulate the temperatures across a wider range. Speaking at a press conference, B Thiagarajan...

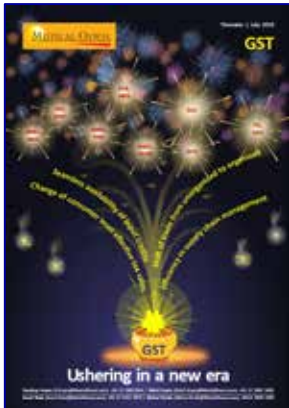
7

NTPC plants older than 25 years to get a makeover

All NTPC power plants over 25 years old will be phased out and converted into 'super critical plants' to augment generation capacity and reduce pollution, Power Minister Piyush Goyal informed the Lok Sabha on Thursday. Replying to supplementaries during Question Hour, Goyal said NTPC's old power plants...



Refer to our report
on GST, July 2016



Moving a step closer to rollout

Focus now shifts to rules/rates

The GST Council, in its 12th meeting on 16 March 2017, cleared the SGST and UTGST bills. With this, all five legislations of the GST (CGST, SGST, IGST, UTGST and the compensation bill) now stand formally approved by the Council. A cap was announced on the cess applicable on the five commodities under the GST, implying that the government intends to bring the GST rates on these commodities closer to the existing ones. Now, as a next step, these GST legislations will be considered and passed by the central and respective state governments. Apart from these legislations, the GST Council has to (i) pass the set of nine rules of the GST (of which five are already passed) and (ii) provide fitment of various goods/services in the five tax brackets. The government, with the passage of these five legislations, feels confident of the GST rollout by 1 July 2017.

GST legislations get cabinet nod; capping of cess announced

- n The Goods and Services Tax (GST) Council, in its 12th meeting on 16 March, cleared the SGST and UTGST bills. With this, all five legislations of the GST (CGST, sGST, IGST, UTGST and the compensation bill) are now formally approved by the Council.
- n Apart a four-slab structure (5, 12, 18 and 28 percent), the GST Council had earlier announced that the luxury and sin goods (aerated soft drinks, luxury cars, pan masala, tobacco products and coal) will attract cess over and above the agreed tax rate of 28%. This was aimed at bringing the future tax rates on these goods closer to the existing ones. Cess will have a sunset clause of five years and will be reviewed annually. Amount collected via cess will be used to compensate state governments for the revenue loss.
- n As a welcome relief for the industry, the Council today announced that there will be a cap on cess charged on the luxury and sin goods.
 - Ø Cess on tobacco capped at INR4,170 per 1,000 sticks or 290% ad valorem or a combination of both. This, however, appears complex, and the ambiguity is yet to be resolved by the Council.
 - Ø Cess on pan masala capped at 135% ad valorem.
 - Ø Cess on cars and aerated drinks capped at 15%.
 - Ø Cess on coal capped at INR400/tonne.
- n The finance minister also clarified that these caps signify the upper limits on cess, and thus the actual level of cess to be implemented can be lower.
- n We believe that the government does not intend to exceed the aggregate tax rates applicable currently on these luxury/sin goods (including cess).

Way forward – all set to meet the July 1 deadline

- n The four legislations (CGST, IGST, UTGST, compensation bill) will now be presented to the cabinet and then on the floor in the Lok Sabha. The SGST legislation will be presented to the respective state cabinets and then to the various state assemblies.

- n Apart from the legislative approvals, there two mainstays yet to be passed before the GST can be rolled out.
 - Ø **Formulation of rules:** In all, nine rules are to be formulated and approved by the Council. Of these, five have been approved, and four (composition rules, valuation rules, input tax credit rules and transitions rules) will be circulated by next weekend – these will then be considered and approved in the next GST Council meeting on 31 March 2017.
 - Ø **Fitment of various goods/services in the five slabs:** This is likely to happen after all rules are passed (i.e. post 31 March 2017). The finance minister did not provide a timeline on this.
- n At the current pace, the government seems confident of rolling out the GST by 1 July 2017.



BSE SENSEX 29,398 S&P CNX 9,085

CMP: INR191 TP: INR204(+7%) Neutral



Stock Info

Bloomberg	ONGC IN
Equity Shares (m)	12,833
52-Week Range (INR)	212/133
1, 6, 12 Rel. Per (%)	23/19/8
M.Cap. (INR b)	2,447.3
M.Cap. (USD b)	37.3
Avg Val, INRm	1,331.5
Free float (%)	31.1

Financials Snapshot (INR b)

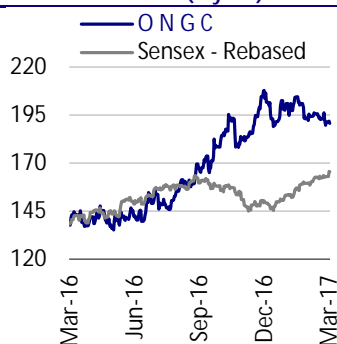
Y/E Mar	FY17E	FY18E	FY19E
Net Sales	1436.8	1850.3	1889.8
EBITDA	560.9	756.8	767.6
PAT	161.3	270.4	269.4
EPS (INR)	12.6	21.1	21.0
Gr. (%)	-12.1	55.0	67.0
BV/Sh (INR)	145.2	147.2	149.2
RoE (%)	8.7	14.4	14.2
RoCE (%)	7.8	11.8	11.6
P/E (x)	15.3	9.1	9.1
P/BV (x)	1.3	1.3	1.3

Shareholding pattern (%)

As On	Dec-16	Sep-16	Dec-15
Promoter	68.9	68.9	68.9
DII	11.7	11.9	11.5
FII	5.8	5.4	6.0
Others	13.6	13.8	13.6

Note: FII Includes depository receipts

Stock Performance (1-year)



Gas production to ramp up

Contribution from several fields to add to growth

We met management of ONGC. Key takeaways:

- Gas production is likely to grow by 6-7mmscmd in FY18, led by contribution from Daman, WO16, C26, S1 and Vashishta fields. Including JVs, gas production is likely to rise from 23.8bcm in FY17 to 25.6bcm in FY18 and to 29bcm in FY19.
- While oil production from mature fields would continue to decline, incremental oil production from WO16, B127 and Ratna would result in oil production (including JVs) remaining flat at 26.2mmtpa till FY20.
- ONGC does not expect any subsidy burden as long as oil is below USD65/bbl. Above this, the company expects some cap to realization.

Gas production to witness growth

Gas production from Daman is expected to ramp up in FY18. Production from C26, S1 and Vashishta gas fields is also expected to commence in FY18. The company is drilling two wells at GSPC's recently acquired field; production from the field is likely to ramp up to 1mmscmd. Peak of 3.2mmscmd is expected to be reached in FY21. Peak production from KG-DWN-98/2 is expected to be 10mmscmd from FY21.

Oil production likely to remain flat

Oil production from nominated fields is expected to increase, while production from JVs is likely to decline. As a result, oil production should remain flat at 26.2mmtpa during FY18-20. Production of 10,000-12,000bopd from WO26 is expected to come in FY18 while B127 is expected to add 8,000bopd from FY18. Ratna should add 3,000bopd in FY19 and 15,000bopd in FY20. Production from OVL is likely to grow from 11.99mmtoe in FY17 to 12.26mmtoe in FY18, and remain flat for 2-3 years.

Expects no subsidy till USD65/bbl

Post and pre-subsidy realization in 9MFY17 stood at USD48.65/bbl against USD51.46/bbl in 9MFY16. Subsidy in 9MFY16 was USD1.52/bbl. ONGC does not expect any subsidy burden as long as oil prices are below USD65/bbl. However, it expects realization to be capped if oil prices rise above USD65/bbl.

Appears fairly valued

The recent acquisition of GSPC's block remains a concern. Additionally, ExxonMobil bought 25% stake in Offshore Area 4, Mozambique, with 85tcf at USD2.8b. ONGC had bought 16% stake in Offshore Area 1, Mozambique, with 75tcf of reserves, from Videocon/Anadarko 3-4 years ago at USD4b. Concerns remain on possible write-off at the block. ONGC is trading at 9.1x FY19E EPS of INR21.1 and at an EV of 2.9x FY19E EBITDA. Using SOTP, we value the stock at INR204 (unchanged), and reiterate our **Neutral** stance on the company.

Valuation and view

- n We model Brent at USD60/bbl in FY18/FY19 and exchange rate at INR70/USD for FY18 and INR72/USD for FY19.
- n ONGC's guidance of continued standalone capex of ~INR300b and additional INR60b-70b for OVL excluding M&A in the backdrop of benign crude prices, and lower gas realizations would keep return ratios under pressure.
- n The stock trades at 9.1x FY19E EPS of INR21.1 and at an EV of 2.9x FY19E EBITDA. Using SOTP, we value the stock at INR204 (unchanged), and reiterate our **Neutral** stance on the company.

Exhibit 1: SOTP for ONGC

Valuation of ONGC	
Conso FY19 EPS	21.0
FY19 Other income (INR bn)	55.2
Other income (INR/share)	2.8
FY19 EPS excluding other income (INR)	18.3
PE (x)	10.0
Valuation of ONGC conso (INR/share)	183
Listed investments	
Indian Oil Corporation	12
Petronet LNG	2
GAIL	2
MRPL	10
Total valuation	209
Valuation of Mozambique Recoverable reserves (tcf)	75
Valuation of block (USD bn)	31
ONGC's stake (%)	16
Discount rate (%)	50
Valuation for ONGC (USD mn)	3
Value paid (USD bn)	3.3
Valuation for ONGC (INR/share)	(4)
Valuation of ONGC (INR/share)	204

Source: MOSL, Company

Exhibit 2: ONGC: Key assumptions

Year End: March 31 (INRm)	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17E	FY18E	FY19E
Exchange Rate (INR/USD)	45.3	40.3	46.0	47.5	45.9	47.8	54.4	60.6	61.4	65.5	67.4	70.0	72.0
APM Gas Price (USD/mmbtu)	2	2.3	2	1.9	3.9	4.2	4.2	4.2	4.905	4.7	3.06	3.4	3.4
Brent crude price (USD/bbl)	64.5	82.3	84.8	69.7	86.5	114.5	110.6	107.8	86.0	47.6	49.2	60.0	60.0
Production Details (mmtoe)													
Domestic Oil Prodn (mmt)	27.9	27.8	27.1	26.5	27.3	26.9	26.1	26.0	25.9	25.9	26.4	27.4	28.4
Domestic Gas Prodn (bcm)	24.9	25.1	25.4	25.6	25.3	25.7	25.3	24.9	23.5	22.5	23.5	24.5	25.5
Domestic Prodn (mmtoe)	52.8	53.0	52.6	52.1	52.6	52.6	51.5	50.9	49.5	48.5	50.0	52.0	54.0
OVL Production (mmtoe)	8.0	8.8	8.8	8.9	9.4	8.8	7.3	8.4	8.9	8.9	13.6	15.0	15.0
Group Production (mmtoe)	60.7	61.8	61.3	60.9	62.0	61.4	58.7	59.3	58.3	57.4	63.5	67.0	69.0
Subsidy Sharing (INRb)													
ONGC Subsidy	170	220	282	116	249	445	494	564	363	17	0	0	0
Oil Price Realization (USD/bbl)													
Gross	66.3	85.5	88.0	71.7	89.4	117.4	110.5	106.7	86.0	48.6	50.2	60.0	60.0
Upstream Discount	22.1	32.6	39.6	15.7	35.6	62.4	62.9	65.8	40.9	1.8	-	-	-
Net	44.2	52.9	48.4	56.0	53.8	55.0	47.6	40.9	45.1	46.8	50.2	60.0	60.0

Source: Company, MOSL



Va Tech Wabag

BSE SENSEX 29,398 S&P CNX 9,085

CMP: INR619 TP: INR730 (+18%) Buy



Stock Info

Bloomberg	VATW IN
Equity Shares (m)	55.0
52-Week Range (INR)	644/450
1, 6, 12 Rel. Per (%)	23/7/-2
M.Cap. (INR b)/ (USD b)	33.6/0.5
Avg Val (INR m)	64.6
Free float (%)	71.2

Financials Snapshot (INR b)

Y/E March	2017E	2018E	2019E
Net Sales	31.8	39.1	43.6
EBITDA	2.9	3.7	4.2
Adj PAT	1.4	1.9	2.2
EPS(INR)	26.5	34.5	40.3
EPS Gr. %	62.0	30.5	16.7
BV/Sh. INR	194.0	219.0	248.2
RoE (%)	8.9	16.7	17.3
RoCE (%)	12.8	14.7	15.2
Payout (%)	23.6	23.6	23.6

Valuations

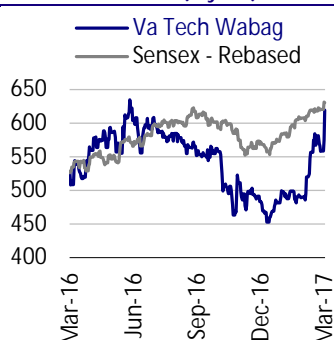
P/E (x)	23.4	17.9	15.4
P/BV (x)	3.2	2.8	2.5
EV/EBITDA	11.9	9.3	8.0
Div Yld (%)	0.6	1.3	1.5

Shareholding pattern (%)

As On	Dec-15	Sep-15	Dec-14
Promoter	29.0	29.0	29.1
DII	25.0	22.5	21.7
FII	27.4	28.1	28.6
Others	18.7	20.5	20.7

FII Includes depository receipts

Stock Performance (1-year)



Order inflow visibility improving

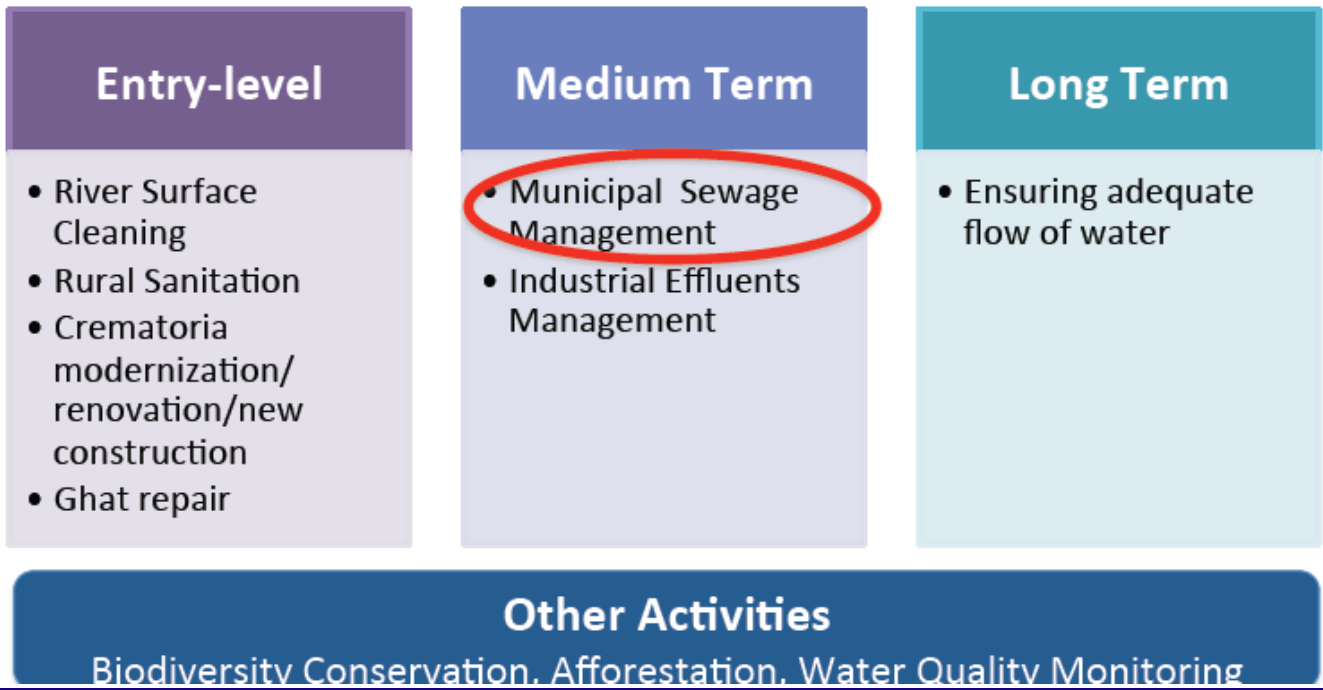
Margins to rise on closure of legacy projects

- 'Namami Gange' projects gaining traction:** The Executive Committee (EC) of the National Mission for Clean Ganga has recently approved 20 projects worth INR19b across Uttarakhand, Bihar, Jharkhand and Delhi under the Namami Gange program (<http://pib.nic.in/newsite/PrintRelease.aspx?relid=159210>). This comes on the back of project awards of INR11b during February 2017, and in our view, signals a quickening of the pace of awards under this program. A BJP government in three (Uttarakhand, Uttar Pradesh, and Jharkhand) out of the five states through which the Ganga passes would aid better center-state coordination and support quicker implementation. The government has allocated INR200b over FY16-19 towards this program. Of this, INR127b is earmarked for "new initiatives" and the remaining INR73b for completion of legacy projects. We estimate the opportunity for equipment suppliers/contractors for sewerage and industrial treatment plants at INR90b.
- Supreme Court directive on mandatory effluent treatment plants a medium-term positive:** Polluting industrial units across the country would be shut down if they lack functional primary effluent treatment plants (PETPs) to stop the release of untreated waste into water bodies within three months after notice (<http://www.newindianexpress.com/nation/2017/feb/22/industries-to-be-shut-for-want-of-effluent-treatment-plants-supreme-court-1573626--1.html>). VATW is unlikely to participate in small ETPs, but should participate in projects of INR1b-3b in industrial clusters. If local civic bodies decide to set up common ETPs, it would lead to more complex and larger size projects, where competition is lower. VATW would benefit from such a trend.
- Margins to improve on closure of legacy projects and pickup in domestic execution:** VATW's margins were under pressure during the last two years due to (i) provisions on AI Gubrah's project for potential liquidated damages (LD) on delays – with the completion of this project, we do not expect further LD post the INR0.63b booked in 3QFY17, (ii) low-margin Turkey STP O&M contract for INR3b – this is expected to be completed by 4QFY17, and (iii) execution of AP Genco's Rayalseema electromechanical BOP order (INR2.8b in order book as of 3QFY17) – this is scheduled for completion in 1HFY18. We expect EBITDA margin to trend higher from FY17, with the completion of low-margin projects and execution of domestic orders (+70% YoY) won in FY16.
- Reiterate Buy:** VATW trades at 18x FY18E and 15x FY19E EPS. Our projections factor in 20% CAGR in sales and 34% CAGR in adjusted PAT over FY16-19. Strong revenue growth is likely to be supported by a 20% rise in the order book, while margin expansion is likely to reflect higher share of domestic orders and completion of low margin orders from AP Genco and Turkey sewerage treatment plant. We value the stock at 19x FY19E EPS of INR40 (in line with its five-year average at 19.1x) to arrive at a target price of INR760.

Namami Gange program on “fast track” project implementation

n The government launched the Namami Gange program to clean the River Ganga and all of its tributaries under one aegis. It has allocated INR200b over four years up to 2019, of which INR127b has been earmarked for “new initiatives” and the remaining INR73b for the completion of legacy projects. The exhibit below highlights the activities to be taken up under new initiatives.

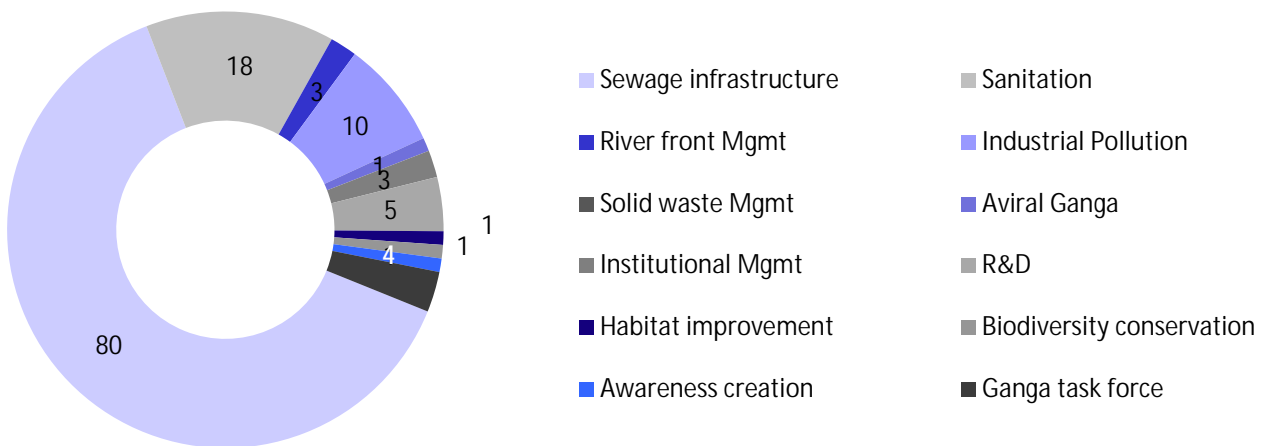
Exhibit 3: Programs to be implemented under ‘new initiatives’ of the ‘Namami Gange’ program



Source: NMCG, Motilal Oswal

n After streamlining prevailing challenges and finalizing the Namami Gange framework (refer to Annexure 1), the government is now focusing on facilitating faster implementation. Through this program, the government plans to add new sewage treatment capacity and raise sewerage capacity by 4,000MLD.

Exhibit 4: Financial outlay for the Namami Gange program (INR127b for new initiatives)



Source: Industry Reports, MOSL

Reliance Capital

BSE Sensex
28,902

S&P CNX
8,924

CMP: INR604

Not Rated



Several growth drivers

Looking to divest non-core investments over next 12-18 months

- ⦿ Reliance Capital (RCap) aims to be among the largest players in every vertical that it operates – asset management, life insurance, general insurance and financing.
- ⦿ Management is bullish on the prospects of housing finance in India. It expects the housing finance segment's loan book to increase by more than 3x over next four years to INR500b. At the same time, RoE is expected to increase from 14% to 17-18%.
- ⦿ The health insurance business (currently a part of general insurance) will be transferred into a 100% owned subsidiary of RCap. This business will be run with a dedicated CEO and leadership team.
- ⦿ The company will be adding another vertical – consumer finance – to its commercial finance business. It has already hired a new CEO for the same.
- ⦿ The company will also exit its non-core investments over next 12-18 months.

Focus on growth along with profitability

Over the past decade, the asset management business has grown leaps and bounds, and Reliance Nippon Asset Management is now the largest asset manager in India with AUM of INR3.5t. It is also the second most profitable asset manager in India. With the purchase of Goldman Sachs' mutual fund business in 2015, RCap now has a 30% market share in ETFs, with a mandate to manage the upcoming CPSE ETF. Similarly, with a growing distribution network in Japan, the company has raised a USD2b India-focused offshore fund from Japan. In the general insurance segment, the company has registered a robust 24% CAGR in premiums over past five years. It has forged new alliances with distribution partners like IIB, BOI, City Union Bank and PayTM, and also with OEMs like Mercedes, Audi, Hyundai, VW, Renault, TVS and Royal Enfield for auto insurance.

Profitability in housing finance to improve

Management is upbeat on the prospects of housing finance, and targets to grow the loan book to INR500b by CY20 from INR140b currently. This will be driven by growth in home loans, LAP and builder loans. In builder loans, the company differentiates itself from competitors by offering smaller-ticket loans (INR80m on average) to small builders in non-metro segments. The company sources 60% of home loans and 70% of LAP from DSAs, and plans to reduce this proportion over time. Simultaneously, it targets to source 40% of loans from the salaried segment over the medium term. Led by these efforts, coupled with strong growth, RoE should improve from 14% to 17-18%. Management expects listing of this segment over next 1-2 quarters.

Rejigging the health insurance business

RCap announced its plans to transfer the retail health insurance business, from its general insurance business, into a standalone, wholly owned subsidiary of the company. The business recorded premiums of INR5.7b in FY16. Management believes that the health insurance sector in India could double to INR500b by 2020 as the country is heavily under-insured relative to other developing peers. RCap has

appointed Ravi Vishwanath, a veteran with over two decades of global experience in health insurance, as the CEO of this business.

Adoption of technology now bearing fruit

One of the key focus areas over past five years has been the adoption of technology and digital practices in systems and processes. Its efforts in this area are now bearing fruit. Over 30% of inflows in the asset management segment come from digital sources. In the general insurance business, 98% of policy issuance is done digitally. More than 40,000 policies are sourced online every month. Management expects growth from digital sources to be twice that of the company. In addition, the adoption of technology in the life insurance business has helped it to reduce the expense ratio from 46% in FY16 to 32% in 9MFY17.

Diversifying the commercial finance business

The company is among the largest NBFCs catering to the SME segment in India. Its loan book grew 8% YoY to INR162b in 3QFY17. The slow growth was a result of management's cautious approach over past few quarters. However, management now believes that the company is at an inflection point, and expects strong growth over the medium term. In addition, the company will now diversify into consumer financing, which it believes is a huge untapped opportunity in India. It has hired Devang Mody, President - Consumer Finance at Bajaj Finance, as the CEO of this segment. The commercial finance business continues to perform well, with NIM of 6% (FY16) and better asset quality compared to most other NBFCs dealing in the SME segment (GNPL ratio of 3.7% at 90dpd NPL recognition). This business generates RoE of ~15%, and management expects to improve it to 17-18% over the medium term.

Exiting non-core businesses

The company recently sold its 1% stake in One97 Communications (Paytm) for INR2.7b, a return of 27x over its purchase price of INR100m. Apart from this, RCap has several other non-core investments in companies like Indian Commodity Exchange (26% stake), Yatra and Sula Wineryards. Management is confident of monetizing these stakes over next 12-18 months at healthy profits. Gains from the sale of these investments will be ploughed back into the core businesses.

SML ISUZU

BSE Sensex 28,902 S&P CNX 8,924

CMP: INR1,231

Not Rated



Stock Info

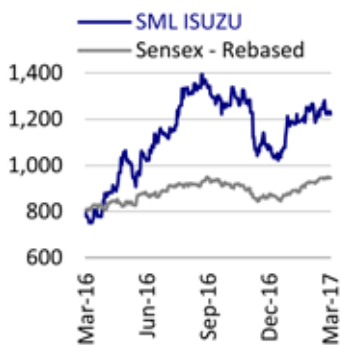
Equity Shares (INR M)	14.0
Bloomberg code	SM IN
52-Week Range (INR)	1434 / 670
1, 6, 12 Rel. Per (%)	-3/-10/34
M.Cap. (INR B)	17.7
M.Cap. (USD B)	0.3
12M Avg Val (INR M)	106
Free float (%)	56

Shareholding pattern (%)

As on	Dec-16	Sep-16	Dec-15
Promoter	44.0	44.0	44.0
DII	3.6	4.1	8.9
FII	4.0	3.3	2.8
Others	48.5	48.6	44.4

Note: FII includes depository receipts

Relative to Index



Challenges in near term, but to maintain market share with new launches

- n Management expects costs to increase by 8-10%, led by higher commodity prices and the shift from BS-3 to BS-4.
- n It expects FY18 to be challenging due to uncertainty over the GST structure, such as inter-state transfer and rate of tax (currently at 26-27%).
- n Competition is expected to intensify due to new launches by peers like Ashok Leyland, VECV and MM.
- n New launches like EcoMax (12/13 seater) and Executive Lx Coach (30/31 seater) to bring incremental 2,000 units in FY18.
- n Improved passenger mix to partially compensate for softening of margins in FY18 due to an increase in input costs.
- n Current capacity stands at 18,000 units, while FY17 volume is estimated at 15,000 units. Management is increasing capacity to 24,000 units to cater to higher demand during the peak season (can be expanded to 30k with minimal capex). Capex of INR2b likely to be incurred on increasing capacity, new paint shops and upgrading cabins. It has already spent INR1b in FY17, and is likely to spend further INR1b in FY18. It expects to incorporate the capacity by the start of 4QFY18. With higher volume going ahead, the target margin is 10%+, led by operating leverage.
- n Dealer network stands at 127 with 10 new dealers in FY17; expected to add 10-12 every year. North and south together contribute 70%. It plans to add new dealerships in east and west.
- n BS-4 volume stands at 50-60 units/month, as against overall 1,300 units/month.
- n Current in-house bus manufacturing stands at 4,000 units, with 2,000 units to be added in FY18. Outsourced bus capacity to increase from 5,000 units to 6,000 units (totaling 12,000 units p.a.), while Cargo segment capacity to be 12,000 units. The capacity is fungible.
- n Spare parts contribute 7-8% of sales. Exports contribute 500-600 units p.a., mainly to neighboring countries like Bangladesh, Nepal and Sri Lanka.
- n Sales volume through ISUZU platform stands at only 40-50 units p.a. of ultra-luxury buses with royalty of INR25,000 per unit (with ASP of ~INR60m); rest are sold through SML platform.
- n R&D focus to be likely on better cabins, high power engines and more than 13t cargo vehicles. Isuzu is helping SML with technology, with R&D Head being from Isuzu. Also, Isuzu would be providing new cabin designs without any cost.

Paint Dealer

Paint industry growth seen slowing in near term

Longer-term prospects appear attractive

Background

We interacted with a Mumbai-based paints dealer at our investor conference. Through its four outlets in Mumbai, it deals with all decorative paint brands, with Asian Paints products commanding a 70% share. Around 15% of the dealer's sales are derived from the project/institutional businesses. Premium paints account for 70% of overall paint sales for most dealers. It does not deal in *Sleek* kitchenware products, but does in waterproofing products for Asian Paints.

Terms of trade

Dealers get ~4-6% margins with late-teen RoIs. Smaller paint companies offer credit for a few days, but Asian Paints follows a next-day settlement process. Dealer sales are a mix of credit and cash. There has not been any sharp spike in card payments for the dealers. In fact, after 15 January 2017, some gains made on that front post demonetization have actually reduced.

Weaker short-term demand prospects...

- n In November/December, dealers did not witness any material impact of demonetization. Cash with dealers was high. Companies, including Asian Paints, had extended over one week credit. In addition, paints companies have loyalty points for most dealers, which were redeemed to tide over any potential cash crunch.
- n Sales growth, however, has been slower than usual in the March quarter. This has been witnessed on both the institutional (50-60% sales decline) and retail (volume growth likely to be half of 8-9% previously) front.
- n The dealer expects strong long-term growth, but believes that the near-term situation could be tough, especially if the slowdown persists into the summer season, which typically witnesses stronger demand in both the retail (vacation period) and institutional (good time to repaint as schools/colleges remain closed) segments.
- n More worrying is the rise in bad debt, as credit forms a large part of the dealer's sales. The problem is particularly severe for both institutional (delay in payment by large/small builders; cooperative housing societies have seen delay in payments from members) and retail (extensive delays from contractors – some of them have left for their native places without paying dues). Proportion of bad debt has doubled from historical levels; the dealer expects this proportion to increase further in the near term. All this implies that most dealers are not keen to expand their operations.

- n Inventory days have also increased over past few quarters.
- n GST implementation is unlikely to cause any major disruption. The dealer expects companies to pass on the benefits arising from potentially lower GST rates to customers.

...but longer term looks good

- n The dealer expects to double Asian Paints products sales in three years, with 50% CAGR in the water proofing segment itself. Water proofing is composed of both organized (INR250b) and unorganized (INR250b) markets. Water proofing is becoming a necessity with increasing leakage problems.
- n Paint companies have been rational on expansion. Notably, there was no overcapacity/less-than-desired capacity, which could have led to unmet demand/change in market share. Asian Paints follows a three times a day supply schedule, with delivery time of only 4 hours post order placement. Other companies have 5-6 hours of delivery time.
- n The most expensive paint costs INR500/liter (which can still paint 120 sq. ft.) and thus prices are far lower than the rest of world.
- n The INR is stable and crude prices have not increased very sharply, which also augur well from a growth perspective.
- n Hinterland states like Bihar are witnessing huge demand spurt off a low base.
- n Wood Finish is also growing rapidly.
- n *Loctite* – the adhesive brand of Asian Paints – has witnessed issues on the quality front and has thus failed to take off.

Pricing and competition

- n Initially planned for 1 March 2017, the 3-4% price hike by Asian Paints was taken with a week's lag.
- n Berger and Akzo have been offering discounts, which mean that their pricing is ~4% below Asian Paints.
- n Akzo is getting better in terms of dealer servicing, but is still not up to the mark. Debit notes are promptly raised, while credit notes are delayed. It has also lost some pricing power due to quality downgrade.
- n Berger is witnessing quality complaints in exterior paints.
- n Pidilite has become very aggressive in exterior paints in terms of pricing.
- n Some Chinese companies are trying to acquire the very small paints brands in India.



1. Future retail: Fashion business on a roll; Rakesh Biyani, Jt MD

- n The strength of our fashion business lies in the product brands that we have created and that stays with us, with or without Pantaloons.
- n Have atleast 10 other brands that have crossed Rs 100 crore turnover and are growing at 20-25% each year.
- n Selling over 15 crore units of garments every year, with the fashion business over a billion dollars now.
- n Believe that the fashion business has matured, set of reap the benefits of scale, experience and power of brands in creating value for all the stakeholders.
- n Have our focus on creating a robust set of leaders in every business, investing in creating a strong portfolio of product brands, reimagining the retail experience for customers across all the formats and upping the ante on quality of products, as well as assortment and merchandize planning.

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2. Care Ratings: There is room this year for a rate cut; Madan Sabnavis, Chief Economist

- n At a time when global demand is going to come back a rupee strengthening might not be a good news for India at all. With US raising the interest rates, strengthening of rupee defies logic.
- n Do not think this is the end of the rate cut cycle as far as India is concerned; looking at inflation numbers.
- n With MPC targeting CPI inflation, do not see much impact of the Fed's rate cut. We will remain at around 4% interest rate the next time RBI decides to take a view on the rates.
- n With a good rabi harvest on the cards, a benign CPI number, and lower than expected crude price, there is still room for the RBI to lower rates, definitely not in April but probably during the course of the year.

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3. Honda India: We want to become Starbucks of Indian car market; Yoichiro Ueno, CEO & President – Honda India

- n Trying to achieve balance between small cars and premium segment cars, for which Honda is known for.
- n Achieving over 10% market share is very important in the middle term, that is around 3-4 years.
- n Trying to reduce the number of entry level variants. Our products need to have more features to enforce specifications and customer experiences.
- n Have lowered down the domestic sales target to ~2 lakh units annually for coming few years.
- n We expect India to grow much faster than global sales. This increase will not happen in the short term; expecting real motorisation somewhere around 2025-2030.

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1. Slow flow. by The Business Line

n It is ironical that India's stock, bond and currency markets should remain so resilient to the US Federal Reserve's rate hikes in the last few months, after throwing a 'taper tantrum' at the very idea a couple of years ago. Since mid-December, when the Fed resumed its tightening, the S&P BSE Sensex is up 11 per cent, the yield on the benchmark 10-year gilt is up a mild 30 basis points, and the rupee has actually strengthened from 67.4 to 65.8 to a dollar. In fact, the rupee broke through its long-held barrier of 66 to a dollar on the eve of this Wednesday's FOMC meeting.

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2. Jallikattu, neduvasal and fizzy cola. by E A Ramaswamy

n As the jallikattu protests raged across Tamil Nadu, almost everyone I met in Delhi was incredulous. They were nonplussed that Tamil culture and pride had become the central issues in a mere bullfight. I too was at a loss, and so, I suspect, were the students who had thronged the Marina. All they did was to repeat, zombie-like, that they would not leave the beach until the court's mandate was overturned and PETA, the animal rights group, outlawed. Certainly, no one could explain convincingly how Tamil pride hinged on the right to fight raging bulls.

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3. Farm loan waivers can end up hurting farmers. by The Financial Express

n Though the country's stock markets, including bank stocks, have rallied smartly after the Uttar Pradesh elections in the hope of faster reforms following a fresh mandate for prime minister Narendra Modi, bank stocks could well surrender a large part of the gains if the government goes ahead with the loan waivers the BJP spoke of during the election process. While it is not exactly clear whether BJP leaders are looking at waiving all farm loans or only those given by state cooperatives, the impact could be quite serious—at a pre-election rally, the prime minister had said waiving of farm loans would be the first decision of the BJP cabinet, were it to come to power.

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4. Paying for brexit: Opposing sides had no idea what move would entail. by Meghnad Desai

n The process of the UK's withdrawal from the European Union—Brexit—has just commenced. The UK government has to invoke Article 50 of the Treaty of the European Union which specifies the process. The negotiation will take two years after the date of invoking the Article. Initially, the prime minister thought she did not need Parliamentary approval to begin the process. But someone moved the High Court to challenge the right of the government to open the process without Parliamentary approval. The High Court decided against the government. On appeal, the Supreme Court upheld the High Court.

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5. Bumps in the road for india-us trade. by Sarah Watson

- n US President Donald Trump's views on trade in goods and services, and his reputation as a deal-maker, have been a source of both angst and comfort for those concerned with the US-India relationship. Pessimists point out that Trump's declared intention of bringing jobs and investment back to the US is directly contradictory with Prime Minister Narendra Modi's "Make In India" policy, while optimists applaud Trump's decision to sink the Trans-Pacific Partnership (TPP), which excluded India. The release of the US trade representative's (USTR) annual Trade Policy Agenda offers an excellent opportunity to test these assumptions against reality.

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6. It's make or break time. by R C Bhargava

- n Most people agree that manufacturing must increase rapidly to create jobs for the one million plus additions to the workforce every month, to reduce the pressure of population on agricultural lands and to bring about more equitable growth. Manufacturing activity, and investments in manufacturing, will grow if operating conditions in India are seen to be comparable with those in other countries, and products are competitive in cost and quality. The amount of new investment in manufacturing, including FDI, has so far been quite inadequate.

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International

7. Brexit maps the path to scottish independence. by Philip Stephens

- n Only yesterday the choice was framed as between "soft" or "hard" Brexit — a close affiliation with the EU akin to that of, say, Norway, or a decisive, though still equitable, break. That was yesterday. The shape of Britain's future relationship with the EU has fallen since into the hands of the Conservative party's English nationalists. Their preference is for a "granite" Brexit. And they will be happy enough if Britain tumbles out of Europe without any deal. For Nicola Sturgeon, Scotland's first minister, this represents force majeure. A Leave vote was always going to place serious strain on the UK's four-nation union.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Automobiles														
Amara Raja	Buy	884	1,087	23	29.2	37.7	45.4	30.3	23.4	6.0	4.9	21.6	23.1	22.9
Ashok Ley.	Buy	92	114	24	4.8	6.4	8.2	19.1	14.3	4.1	3.5	23.1	26.3	28.2
Bajaj Auto	Buy	2,937	3,432	17	136.2	160.6	182.3	21.6	18.3	6.1	5.3	30.0	31.0	30.9
Bharat Forge	Buy	1,044	1,110	6	25.7	37.5	46.7	40.7	27.8	6.2	5.4	15.9	20.6	22.0
Bosch	Neutral	22,893	22,049	-4	489.0	639.6	735.0	46.8	35.8	9.2	7.7	18.8	23.4	22.6
CEAT	Buy	1,256	1,406	12	89.9	107.6	140.6	14.0	11.7	2.1	1.8	16.4	16.9	18.9
Eicher Mot.	Buy	24,515	27,458	12	623.7	868.2	1,072.1	39.3	28.2	13.9	10.0	41.1	41.2	37.1
Endurance Tech.	Buy	702	732	4	24.2	30.2	36.6	29.0	23.2	5.6	4.6	21.2	21.8	22.1
Escorts	Buy	518	596	15	21.8	32.8	42.6	23.8	15.8	2.6	2.3	11.4	15.6	17.7
Exide Ind	Buy	222	233	5	8.2	9.7	11.8	26.9	22.9	3.8	3.4	14.2	14.9	15.9
Hero Moto	Neutral	3,349	3,190	-5	175.2	190.7	199.4	19.1	17.6	7.0	6.0	40.1	36.8	33.0
M&M	Buy	1,321	1,486	12	60.7	75.0	89.4	21.8	17.6	3.3	3.0	14.3	13.6	14.5
Mahindra CIE	Not Rated	206	-		6.2	9.7	11.9	33.3	21.2	2.3	2.1	7.7	10.3	11.3
Maruti Suzuki	Buy	6,146	6,808	11	252.7	313.1	379.5	24.3	19.6	5.7	4.6	22.8	23.2	23.2
Tata Motors	Buy	480	653	36	12.8	35.5	70.1	37.7	13.5	1.9	1.7	5.2	13.3	22.2
TVS Motor	Buy	438	462	5	11.9	15.4	21.9	36.9	28.5	8.9	7.2	26.4	27.9	31.4
Aggregate								27.4	18.8	4.1	3.6	15.0	18.9	22.0
Banks - Private														
Axis Bank	Neutral	514	535	4	14.1	25.0	46.8	36.5	20.6	2.2	2.0	6.3	10.3	17.3
DCB Bank	Neutral	165	134	-19	7.1	8.6	10.9	23.3	19.2	2.4	2.1	10.9	11.8	13.1
Equitas Hold.	Buy	169	240	42	6.1	6.9	8.7	28.0	24.4	2.5	2.3	11.3	9.9	11.1
Federal Bank	Buy	89	105	19	4.6	5.5	6.9	19.3	16.2	1.8	1.6	9.4	10.4	12.1
HDFC Bank	Buy	1,418	1,510	6	56.9	68.3	81.5	24.9	20.8	4.3	3.7	18.6	19.3	19.8
ICICI Bank	Buy	284	345	21	17.2	17.9	21.8	16.5	15.9	2.0	1.8	10.4	9.9	11.3
IDFC Bank	Neutral	62	68	10	3.1	3.9	4.9	20.3	15.7	1.5	1.4	7.4	8.9	10.2
IndusInd	Buy	1,377	1,535	12	48.4	58.7	71.2	28.5	23.5	4.1	3.6	15.5	16.4	17.2
J&K Bank	Neutral	74	75	1	-25.2	13.0	15.4	NM	5.7	0.7	0.6	-21.1	11.6	12.5
Kotak Mah. Bk	Buy	852	940	10	26.3	32.3	41.3	32.4	26.4	4.1	3.6	13.5	14.5	16.0
RBL Bank	Buy	480	450	-6	12.4	17.5	24.6	38.5	27.4	4.2	3.7	12.6	14.4	17.7
South Indian	Neutral	21	21	2	2.8	3.1	3.8	7.4	6.6	0.7	0.6	9.7	10.0	11.3
Yes Bank	Buy	1,529	1,575	3	79.3	97.0	118.4	19.3	15.8	3.9	3.3	22.1	22.6	23.0
Aggregate								25.0	19.7	3.0	2.7	12.0	13.6	15.5
Banks - PSU														
BOB	Buy	168	221	31	7.5	18.3	25.3	22.4	9.2	1.1	1.0	5.0	11.5	14.4
BOI	Neutral	128	123	-4	-5.6	17.1	23.2	NM	7.5	0.5	0.5	-2.4	7.0	8.9
Canara	Neutral	296	300	1	23.9	36.7	56.0	12.4	8.1	0.6	0.6	4.9	7.2	10.3
IDBI Bk	Neutral	77	49	-36	1.5	6.4	8.6	50.2	11.9	0.7	0.7	1.4	5.8	7.3
Indian Bk	Buy	278	330	19	30.4	32.2	38.1	9.1	8.6	0.9	0.8	10.4	10.2	11.1
OBC	Neutral	129	114	-12	6.6	19.6	24.1	19.6	6.6	0.3	0.3	1.7	4.8	5.6
PNB	Buy	148	185	25	6.7	12.7	17.2	22.0	11.6	0.8	0.8	3.9	6.8	8.6
SBI	Buy	279	350	25	8.6	21.6	29.5	32.4	12.9	1.2	1.1	3.9	9.2	11.5
Union Bk	Neutral	156	172	10	8.5	30.5	45.3	18.4	5.1	0.5	0.5	2.8	9.7	13.0
Aggregate								26.9	10.7	0.9	0.8	3.3	7.9	10.1
NBFCs														
Bajaj Fin.	Buy	1,159	1,276	10	34.1	44.6	59.3	34.0	26.0	7.0	5.7	22.5	24.1	25.9
Bharat Fin.	Neutral	804	848	5	44.6	39.5	51.5	18.0	20.4	4.0	3.4	29.6	18.0	19.4
Dewan Hsg.	Buy	358	405	13	30.7	35.6	42.0	11.7	10.1	1.8	1.6	16.6	16.6	17.2
GRUH Fin.	Neutral	366	348	-5	7.9	9.8	11.7	46.6	37.2	13.2	10.9	31.0	32.1	31.6
HDFC	Buy	1,450	1,580	9	46.8	51.7	57.3	31.0	28.0	5.8	5.2	19.6	19.6	19.0
Indiabulls Hsg	Buy	946	1,015	7	69.5	86.2	109.6	13.6	11.0	3.4	3.0	26.0	28.9	32.3
LIC Hsg Fin	Buy	593	693	17	37.6	44.7	52.6	15.8	13.3	2.8	2.4	19.1	19.5	19.6
Manappuram	Not Rated	94	-		3.8	4.3	5.2	24.6	21.9	2.7	2.6	11.4	12.2	14.0
M&M Fin.	Buy	294	323	10	8.4	11.1	13.9	34.9	26.6	2.6	2.5	7.7	9.7	11.4
Muthoot Fin	Buy	349	409	17	29.7	34.7	40.5	11.7	10.0	2.2	1.9	19.8	20.3	20.8



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
PFC	Neutral	137	117	-15	24.0	25.5	40.5	5.7	5.4	0.9	0.8	16.8	16.2	22.3
Repco Home	Buy	699	752	8	29.0	34.2	40.5	24.1	20.4	3.9	3.3	17.5	17.5	17.7
REC	Neutral	162	134	-17	29.4	35.3	39.9	5.5	4.6	1.0	0.8	18.8	19.5	18.9
Shriram Union	City Buy	2,064	2,500	21	91.2	130.5	164.2	22.6	15.8	2.7	2.4	12.7	16.1	17.6
STF	Buy	1,050	1,225	17	58.1	77.9	96.7	18.1	13.5	2.1	1.9	12.3	14.7	16.1
Aggregate								16.7	14.4	2.9	2.5	17.2	17.7	18.9
Capital Goods														
ABB	Neutral	1,208	1,190	-1	18.4	26.1	32.6	65.6	46.3	7.8	6.7	11.9	14.4	15.9
Bharat Elec.	Buy	165	180	9	6.2	7.3	8.5	26.7	22.5	4.9	4.3	19.7	19.0	19.3
BHEL	Sell	169	115	-32	5.5	5.7	5.8	30.4	29.5	1.2	1.2	4.0	4.0	4.0
CG Cons. Elec.	Buy	198	205	4	4.6	5.5	6.7	43.4	36.3	32.9	22.3	94.3	73.3	66.1
CG Power & Indu.	Sell	73	45	-39	3.6	3.9	4.5	20.1	18.8	1.1	1.0	5.4	5.5	6.0
Cummins	Neutral	887	990	12	26.6	30.5	36.5	33.3	29.1	7.1	6.5	22.6	23.2	25.3
GE T&D	Neutral	308	340	10	6.0	11.0	11.4	51.2	27.9	6.1	5.5	11.7	20.7	19.2
Havells	Neutral	436	425	-2	8.9	12.1	14.1	48.8	36.1	9.9	8.9	20.3	24.6	25.1
Inox Wind	Neutral	182	175	-4	19.4	16.5	17.6	9.4	11.1	1.8	1.6	21.2	15.3	14.3
K E C Intl	Buy	175	175	0	10.5	12.3	13.5	16.6	14.3	2.6	2.2	16.6	16.8	16.2
L&T	Buy	1,568	1,660	6	53.6	65.0	79.7	29.3	24.1	3.1	2.8	10.9	12.2	13.6
Pennar Eng.	Not Rated	130	-		10.5	12.4	16.8	12.4	10.5	1.8	1.5	14.5	14.6	16.6
Siemens	Neutral	1,263	1,340	6	17.0	25.7	33.5	74.3	49.1	6.8	5.9	9.2	11.9	14.2
Solar Ind	Neutral	731	800	9	19.0	22.3	26.5	38.4	32.8	6.6	5.7	18.4	18.6	19.0
Suzlon Energy	Not Rated	18	-		0.2	0.6	0.7	84.1	32.6	-2.0	-2.2	NM	-6.7	-8.4
Thermax	Sell	878	781	-11	24.4	27.9	31.3	35.9	31.5	4.1	3.8	12.1	12.6	13.1
Va Tech Wab.	Buy	621	760	22	26.5	34.5	40.3	23.4	18.0	3.2	2.8	8.9	16.7	17.3
Voltas	Neutral	390	365	-6	13.1	15.9	18.8	29.7	24.5	4.8	4.2	17.1	18.2	18.8
Aggregate								32.9	27.2	3.6	3.2	10.8	11.9	12.9
Cement														
Ambuja Cem.	Buy	235	277	18	4.9	7.3	7.9	48.1	32.0	2.4	2.3	5.0	7.4	7.7
ACC	Neutral	1,422	1,339	-6	33.7	46.7	58.6	42.1	30.5	3.2	3.2	7.5	10.4	13.2
Birla Corp.	Buy	699	869	24	21.5	41.2	54.1	32.4	17.0	1.9	1.8	6.0	10.9	13.3
Dalmia Bharat	Buy	1,901	2,246	18	32.3	50.7	73.8	58.9	37.5	4.1	3.7	7.2	10.4	13.4
Grasim Inds.	Neutral	1,050	1,067	2	70.2	86.5	110.7	15.0	12.1	1.7	1.5	12.0	13.1	14.7
India Cem	Neutral	164	138	-16	7.3	10.7	12.4	22.4	15.4	1.3	1.2	5.8	7.6	7.8
J K Cements	Buy	896	1,024	14	32.6	37.2	49.3	27.5	24.1	3.5	3.1	13.3	13.6	16.0
JK Lakshmi Ce	Buy	430	455	6	5.9	12.2	17.8	72.5	35.1	3.7	3.6	5.2	10.5	14.7
Ramco Cem	Buy	643	815	27	29.0	31.9	40.1	22.2	20.1	4.1	3.5	20.3	18.9	20.0
Orient Cem	Buy	138	167	21	-1.8	3.2	5.8	NM	43.6	3.0	2.8	-3.7	6.6	11.3
Prism Cem	Buy	99	112	14	-0.6	2.6	4.8	NM	37.5	5.2	4.7	-3.1	13.1	20.8
Shree Cem	Buy	16,462	19,006	15	387.1	582.8	729.9	42.5	28.2	7.8	6.2	19.9	24.4	24.3
Ultratech	Buy	4,056	4,058	0	93.5	129.6	161.2	43.4	31.3	4.8	4.3	11.7	14.5	15.8
Aggregate								33.8	24.4	3.3	3.0	9.9	12.5	14.0
Consumer														
Asian Paints	Neutral	1,088	1,035	-5	20.2	22.9	26.8	53.7	47.4	16.4	14.4	32.5	32.3	32.5
Britannia	Buy	3,220	3,775	17	71.9	83.0	101.3	44.8	38.8	17.1	13.6	42.9	39.1	37.9
Colgate	Buy	978	1,115	14	21.7	25.8	31.6	45.1	38.0	23.6	22.1	54.9	60.1	68.5
Dabur	Neutral	274	300	9	7.3	8.3	9.7	37.6	33.0	9.8	8.4	28.3	27.3	27.2
Emami	Buy	1,051	1,260	20	24.5	29.8	36.0	42.9	35.2	12.7	10.7	33.8	33.0	33.2
Godrej Cons.	Neutral	1,680	1,655	-2	36.8	42.8	49.6	45.6	39.3	9.5	8.1	22.4	22.2	21.9
GSK Cons.	Neutral	5,504	5,300	-4	157.7	178.8	190.8	34.9	30.8	8.2	7.1	25.1	24.7	23.1
HUL	Neutral	906	865	-5	19.3	21.5	24.8	47.0	42.1	32.4	33.7	67.6	78.4	92.5
ITC	Buy	268	295	10	8.4	9.5	10.8	32.0	28.2	8.5	7.4	28.4	28.1	28.2
Jyothy Lab	Neutral	366	365	0	7.6	9.0	10.5	48.3	40.8	7.3	6.7	15.7	17.2	18.3
Marico	Buy	293	330	13	6.1	7.1	8.4	48.2	41.4	14.5	12.5	33.3	32.4	34.5
Nestle	Neutral	6,135	6,840	11	118.7	144.0	171.0	51.7	42.6	19.4	16.8	35.9	39.2	42.3



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Page Inds	Buy	14,620	16,910	16	235.6	305.1	388.4	62.1	47.9	25.6	20.2	41.3	42.2	43.2
Parag Milk	Neutral	219	215	-2	7.0	9.7	12.1	31.1	22.6	2.5	2.3	10.8	10.5	12.9
Pidilite Ind.	Neutral	699	720	3	16.6	18.3	20.5	42.1	38.3	10.8	8.8	28.0	25.4	23.4
P&G Hygiene	Buy	6,893	8,250	20	145.7	167.7	198.8	47.3	41.1	12.8	11.0	29.0	28.8	29.5
United Brew	Buy	774	1,044	35	10.7	15.4	19.8	72.5	50.3	8.6	7.5	12.6	16.0	17.8
United Spirits	Buy	2,218	2,885	30	28.6	47.0	64.0	77.5	47.2	14.6	11.3	20.8	24.0	24.9
Aggregate								41.4	35.8	12.2	10.7	29.5	29.8	30.3
Healthcare														
Alembic Phar	Neutral	604	630	4	23.2	27.9	35.1	26.0	21.6	5.9	4.9	24.8	24.7	25.3
Alkem Lab	Neutral	1,953	1,850	-5	79.3	85.7	100.0	24.6	22.8	5.5	4.6	24.4	22.0	21.7
Aurobindo	Buy	687	915	33	40.5	47.0	54.6	17.0	14.6	4.3	3.4	29.0	26.0	23.8
Biocon	Sell	1,121	750	-33	33.2	35.6	44.5	33.8	31.5	5.0	4.5	14.7	14.1	15.7
Cadila	Buy	443	510	15	12.0	17.7	23.0	36.9	25.1	7.4	6.0	21.4	26.5	27.9
Cipla	Neutral	600	550	-8	18.1	24.1	31.1	33.1	24.9	3.7	3.3	11.2	13.2	14.7
Divis Lab	Neutral	772	815	6	45.4	51.0	57.0	17.0	15.1	4.3	3.7	26.7	26.5	25.7
Dr Reddy's	Neutral	2,752	3,050	11	77.7	129.4	160.2	35.4	21.3	3.4	3.0	10.0	14.9	16.1
Fortis Health	Buy	185	240	30	3.0	3.2	6.5	62.7	58.2	2.1	1.8	3.4	3.3	6.0
Glenmark	Neutral	898	990	10	41.6	49.2	60.5	21.6	18.2	4.4	3.4	20.5	18.9	19.1
Granules	Buy	130	160	23	7.0	8.0	11.7	18.7	16.2	3.2	2.2	19.9	16.6	18.4
GSK Pharma	Neutral	2,741	2,700	-2	34.5	55.5	64.4	79.4	49.4	17.8	21.2	22.4	43.0	56.9
IPCA Labs	Neutral	551	540	-2	15.8	27.9	37.3	34.9	19.7	2.8	2.5	8.4	13.5	15.9
Lupin	Buy	1,456	1,850	27	61.8	79.0	89.3	23.6	18.4	4.9	4.0	22.9	23.9	22.1
Sanofi India	Buy	4,432	5,000	13	129.0	161.6	193.8	34.4	27.4	5.6	5.1	16.4	18.7	19.8
Sun Pharma	Buy	711	850	20	27.4	35.1	42.2	26.0	20.2	5.0	4.2	20.0	22.3	22.4
Syngene Intl	Not Rated	523	-		13.0	16.1	18.0	40.2	32.4	8.1	6.6	22.2	22.5	20.7
Torrent Pharma	Buy	1,372	1,700	24	56.8	76.3	93.4	24.2	18.0	5.8	4.8	26.0	29.2	29.6
Aggregate								26.7	20.8	4.7	4.0	17.7	19.1	19.4
Logistics														
Allcargo Logistics	Buy	170	191	12	9.5	11.1	12.5	18.0	15.4	2.4	2.2	12.0	14.9	15.0
Blue Dart	Not Rated	5,078	-		102.5	129.9	163.2	49.5	39.1	22.0	16.7	50.5	48.6	46.8
Concor	Neutral	1,240	1,309	6	36.0	45.8	50.0	34.5	27.1	2.9	2.7	8.6	10.3	10.6
Gateway Distriparks	Buy	254	314	24	8.8	15.7	20.1	29.0	16.2	2.2	2.0	7.6	12.9	15.3
Gati	Not Rated	138	-		8.4	15.9	23.9	16.5	8.7	2.3	2.0	12.4	19.4	25.4
Transport Corp.	Not Rated	229	-		16.9	21.0	25.9	13.5	10.9	2.1	1.8	16.7	17.8	18.6
Aggregate								31.1	23.5	3.4	3.1	11.0	13.3	14.3
Media														
Dish TV	Buy	108	115	7	1.7	3.2	4.8	63.8	34.1	20.5	12.8	38.2	46.1	44.7
D B Corp	Buy	382	450	18	21.1	23.9	27.4	18.1	16.0	4.6	4.1	27.0	27.1	27.5
Den Net.	Neutral	82	75	-9	-3.6	1.9	7.7	NM	44.3	0.9	0.9	-4.1	2.1	8.1
Hathway Cab.	Buy	38	47	23	-2.4	-0.8	0.4	NM	NM	2.9	3.1	-16.6	-6.1	3.3
Hind. Media	Buy	294	355	21	26.5	29.4	33.2	11.1	10.0	2.0	1.6	19.3	17.8	16.9
HT Media	Neutral	83	85	3	8.0	8.2	8.7	10.3	10.2	0.8	0.7	7.7	7.1	7.0
Jagran Prak.	Buy	183	215	18	10.8	12.2	13.9	17.0	14.9	3.3	2.9	20.7	20.6	20.4
PVR	Buy	1,403	1,533	9	20.8	35.7	56.8	67.5	39.3	6.9	6.0	10.6	16.3	22.0
Siti Net.	Neutral	38	40	6	-0.9	2.7	1.2	NM	14.0	4.0	2.7	-10.2	23.5	11.2
Sun TV	Neutral	763	735	-4	25.1	29.7	34.5	30.4	25.7	7.6	7.0	25.1	27.3	29.0
Zee Ent.	Buy	525	600	14	12.2	17.6	20.9	43.0	29.8	10.1	8.2	31.3	30.3	29.3
Aggregate								35.4	25.6	6.1	5.3	17.3	20.6	21.7
Metals														
Hindalco	Buy	199	240	21	17.2	22.9	25.6	11.5	8.7	1.8	1.5	16.1	18.8	17.7
Hind. Zinc	Neutral	308	307	0	19.8	28.2	29.5	15.5	10.9	3.0	2.5	20.9	25.2	22.0
JSPL	Buy	128	180	41	-23.9	-17.5	-2.2	NM	NM	0.3	0.3	-8.0	-4.5	-0.6
JSW Steel	Buy	192	226	18	13.6	19.0	19.4	14.1	10.1	2.2	1.8	16.4	19.6	17.1
Nalco	Buy	75	83	10	3.6	5.3	5.5	21.0	14.1	1.4	1.3	6.9	9.7	9.3



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
NMDC	Buy	138	179	30	12.2	12.3	12.9	11.3	11.2	1.8	1.7	13.5	15.6	15.0
SAIL	Sell	64	28	-56	-8.7	-14.2	-1.3	NM	NM	0.7	0.9	-9.6	-17.9	-1.8
Vedanta	Neutral	264	279	6	18.9	31.1	33.1	14.0	8.5	1.5	1.4	11.7	17.1	16.4
Tata Steel	Sell	499	401	-20	17.4	43.8	51.4	28.7	11.4	4.1	3.2	12.6	31.3	28.9
Aggregate								19.5	12.8	1.4	1.3	7.4	10.5	12.2
Oil & Gas														
BPCL	Buy	647	778	20	56.6	55.5	60.0	11.4	11.7	3.0	2.5	27.5	23.4	21.8
Cairn India	Neutral	294	-		14.0	12.5	12.8	21.1	23.6	1.1	1.1	5.3	4.6	4.6
GAIL	Neutral	379	335	-12	23.9	28.5	31.0	15.9	13.3	1.9	1.7	14.1	13.7	13.7
Gujarat St. Pet.	Neutral	159	163	2	8.8	11.0	13.2	18.0	14.4	2.1	1.9	12.0	13.5	14.5
HPCL	Buy	520	620	19	53.8	45.0	46.2	9.7	11.5	2.6	2.2	27.9	20.7	18.7
IOC	Buy	376	458	22	43.5	39.9	41.7	8.6	9.4	2.1	1.8	25.9	20.7	19.1
IGL	Neutral	1,030	1,032	0	43.0	42.6	49.9	24.0	24.1	5.0	4.3	22.1	19.3	19.4
MRPL	Neutral	103	114	11	12.9	12.7	13.9	8.0	8.1	2.2	1.8	31.0	24.7	22.5
Oil India	Buy	337	382	13	27.5	39.0	39.8	12.3	8.6	1.1	1.1	9.5	12.7	12.1
ONGC	Neutral	192	204	6	12.6	21.1	21.0	15.3	9.1	1.3	1.3	8.7	14.4	14.2
PLNG	Buy	393	460	17	22.8	26.9	36.6	17.2	14.6	3.9	3.3	24.4	24.2	27.4
Reliance Ind.	Neutral	1,297	1,240	-4	100.2	115.1	122.7	13.0	11.3	1.4	1.3	11.7	12.1	11.7
Aggregate								12.7	11.0	1.7	1.5	13.2	13.9	13.5
Retail														
Jubilant Food	Neutral	1,113	1,008	-9	12.8	22.4	29.9	86.8	49.7	9.0	9.9	10.4	19.9	25.1
Shopper's Stop	Neutral	340	300	-12	4.1	8.0	12.6	83.0	42.4	3.3	3.1	4.2	7.7	11.0
Titan Co.	Neutral	465	420	-10	9.2	9.7	11.2	50.4	48.1	9.9	8.8	21.2	19.3	19.7
Aggregate								54.3	47.5	8.8	8.0	16.2	16.8	18.1
Technology														
Cyient	Buy	466	600	29	32.8	39.1	43.3	14.2	11.9	2.2	2.0	15.7	16.5	16.2
HCL Tech.	Buy	855	980	15	58.1	64.7	70.2	14.7	13.2	3.7	3.3	27.3	26.7	25.7
Hexaware	Neutral	223	220	-1	13.7	15.3	15.9	16.3	14.5	4.0	3.4	26.5	25.0	22.2
Infosys	Buy	1,029	1,250	22	62.8	67.8	74.4	16.4	15.2	3.4	3.1	23.2	22.5	22.3
KPIT Tech	Neutral	133	150	13	11.7	13.8	15.3	11.4	9.6	1.7	1.4	14.0	15.9	15.1
L&T Infotech	Buy	706	800	13	54.2	57.5	62.3	13.0	12.3	4.9	4.1	41.8	36.2	32.8
Mindtree	Neutral	471	530	13	25.1	33.7	38.1	18.7	14.0	3.1	2.8	17.1	21.0	21.1
Mphasis	Neutral	590	550	-7	42.6	41.4	45.0	13.8	14.2	2.1	2.0	14.1	14.4	14.8
NIIT Tech	Neutral	417	470	13	38.2	49.3	51.9	10.9	8.5	1.5	1.3	14.2	16.5	15.5
Persistent Sys	Neutral	634	730	15	38.9	46.2	52.6	16.3	13.7	2.6	2.5	17.5	18.9	20.6
Tata Elxsi	Buy	1,446	1,780	23	59.3	72.1	89.0	24.4	20.0	9.3	7.4	42.5	41.3	40.8
TCS	Neutral	2,519	2,550	1	135.6	146.5	159.2	18.6	17.2	5.9	5.9	33.9	33.4	33.3
Tech Mah	Buy	482	580	20	32.5	36.7	41.5	14.8	13.1	2.8	2.4	20.1	20.0	19.7
Wipro	Neutral	500	540	8	33.4	37.2	41.7	14.9	13.4	2.4	2.2	17.0	17.0	17.3
Zensar Tech	Buy	915	1,250	37	68.6	85.0	93.3	13.3	10.8	2.5	2.1	20.0	21.1	19.8
Aggregate								16.6	15.4	3.9	3.7	23.7	23.8	22.9
Telecom														
Bharti Airtel	Buy	360	410	14	11.3	7.7	11.8	31.9	47.1	2.1	2.0	6.7	4.3	6.4
Bharti Infratel	Buy	310	435	40	15.6	16.7	19.9	19.9	18.6	3.2	2.9	15.7	15.9	16.7
Idea Cellular	Under Review	113	-		-3.1	-12.5	-12.0	NM	NM	1.6	2.0	-4.4	-20.0	-23.7
Tata Comm	Buy	776	811	4	8.5	31.4	44.8	91.3	24.7	-98.3	33.0	-75.4	402.2	97.6
Aggregate								40.7	103.9	2.4	2.4	5.8	2.3	4.5
Utilities														
Coal India	Neutral	292	315	8	17.2	20.0	22.5	17.0	14.6	6.0	6.0	35.2	41.0	46.0
CESC	Buy	839	970	16	50.2	74.5	82.1	16.7	11.3	1.9	1.7	11.0	15.8	15.2
JSW Energy	Buy	64	81	26	3.7	3.0	1.2	17.4	21.4	1.2	1.2	7.0	5.6	2.2
NTPC	Buy	161	199	24	12.0	14.3	17.3	13.4	11.2	1.4	1.3	10.8	11.9	13.3
Power Grid	Buy	195	243	24	15.3	17.7	20.7	12.7	11.0	2.1	1.8	17.4	17.5	17.7
Aggregate								14.6	12.4	2.3	2.1	15.8	17.1	18.0
Others														



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Arvind	Buy	408	430	5	13.5	21.8	28.6	30.2	18.7	2.8	2.5	10.4	14.0	16.3
Bata India	Buy	532	483	-9	10.9	14.2	17.7	48.9	37.5	5.3	4.8	11.3	13.4	15.0
Castrol India	Buy	422	510	21	13.6	13.8	14.6	30.9	30.5	32.6	29.5	110.9	101.4	97.0
Century Ply.	Buy	242	211	-13	4.6	8.8	11.3	53.0	27.6	9.2	7.4	18.2	29.8	30.7
Coromandel Intl	Under Review	320	-		16.3	20.0	25.5	19.7	16.0	3.5	3.1	18.5	20.4	22.8
Dynamatic Tech	Buy	2,845	3,388	19	67.6	112.9	166.7	42.1	25.2	5.8	4.7	15.1	20.7	24.3
Eveready Inds.	Buy	251	287	14	12.4	13.9	16.9	20.2	18.1	6.7	5.4	37.8	33.1	32.5
Interglobe	Neutral	891	1,010	13	39.3	54.1	72.2	22.7	16.5	15.6	13.6	72.8	88.1	101.2
Indo Count	Buy	189	205	9	13.7	17.1	20.6	13.8	11.0	4.0	2.9	33.8	30.2	26.8
Info Edge	Buy	839	1,075	28	16.9	19.0	21.9	49.5	44.1	5.3	4.9	11.1	11.5	12.3
Inox Leisure	Sell	249	207	-17	2.5	8.2	11.5	99.6	30.5	3.9	3.5	3.8	11.5	14.3
Jain Irrigation	Under Review	95	-		5.5	7.6	10.0	17.1	12.5	1.5	1.4	8.6	11.7	14.8
Just Dial	Buy	615	443	-28	17.2	18.5	22.1	35.8	33.3	5.5	4.8	16.5	15.5	16.2
Kaveri Seed	Neutral	532	577	9	23.4	28.6	36.1	22.7	18.6	3.8	3.6	17.3	19.8	22.9
Kitex Garm.	Buy	418	551	32	26.0	31.0	36.7	16.1	13.5	4.3	3.5	29.9	28.7	27.7
Manpasand	Buy	723	843	17	14.9	23.1	38.3	48.5	31.3	3.5	3.3	8.6	9.6	16.3
MCX	Buy	1,122	1,400	25	28.3	40.8	54.3	39.7	27.5	4.3	4.0	11.4	15.2	18.5
Monsanto	Under Review	2,505	-		72.9	89.3	109.3	34.3	28.1	10.4	9.7	30.4	35.9	39.6
PI Inds.	Buy	884	1,046	18	30.4	34.8	43.6	29.1	25.4	8.0	6.4	30.9	27.9	27.8
Piramal Enterp.	Buy	1,897	2,200	16	74.5	127.1	164.7	25.5	14.9	2.5	2.2	10.0	15.7	18.2
SRF	Buy	1,622	1,825	13	82.4	99.9	125.1	19.7	16.2	3.1	2.7	16.5	17.4	19.1
S H Kelkar	Buy	304	371	22	7.5	10.1	13.3	40.6	29.9	5.3	4.7	13.5	16.6	19.1
Symphony	Sell	1,434	1,053	-27	27.0	35.1	42.9	53.1	40.8	28.9	24.6	56.8	65.0	66.3
TTK Prestige	Neutral	5,894	5,326	-10	107.8	139.9	178.6	54.7	42.1	8.7	7.9	16.6	19.7	22.4
V-Guard	Neutral	179	125	-30	3.7	4.6	5.4	48.3	39.1	12.8	10.2	29.4	29.1	27.6
Wonderla	Buy	389	393	1	7.0	11.9	16.0	55.7	32.6	5.1	4.6	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	2.1	4.0	-1.9
Ashok Ley.	0.9	-2.2	-4.3
Bajaj Auto	2.3	5.3	30.5
Bharat Forge	1.1	-3.1	29.1
Bosch	-0.3	4.7	26.8
CEAT	-0.2	11.5	16.7
Eicher Mot.	1.7	-3.0	31.1
Endurance Tech.	0.1	6.3	
Escorts	-0.1	26.5	301.5
Exide Ind	0.6	5.4	65.0
Hero Moto	-1.5	7.1	19.7
M&M	-0.1	0.4	9.0
Mahindra CIE	-1.0	3.1	17.3
Maruti Suzuki	0.2	2.0	67.6
Tata Motors	1.5	7.7	33.5
TVS Motor	-0.1	3.8	54.4
Banks - Private			
Axis Bank	0.4	4.2	21.1
DCB Bank	0.5	19.5	112.2
Equitas Hold.	1.1	-4.1	
Federal Bank	2.3	7.2	83.0
HDFC Bank	0.1	6.8	37.6
ICICI Bank	-0.2	2.0	25.6
IDFC Bank	0.5	-0.1	35.3
IndusInd	2.0	4.3	50.3
J&K Bank	2.6	8.2	21.3
Kotak Mah. Bk	1.1	7.5	30.7
RBL Bank	0.7	16.2	
South Indian	1.5	3.3	31.6
Yes Bank	-0.1	6.4	90.0
Banks - PSU			
BOB	1.2	1.3	17.6
BOI	1.7	2.4	34.2
Canara	2.1	2.8	62.0
IDBI Bk	1.1	-4.9	17.1
Indian Bk	1.4	-3.9	181.2
OBC	3.4	7.2	44.5
PNB	1.9	5.1	78.6
SBI	0.6	3.2	50.7
Union Bk	3.2	10.0	23.4
NBFCs			
Bajaj Fin.	2.2	6.1	78.7
Bharat Fin.	0.2	-3.9	53.7
Dewan Hsg.	2.3	17.5	98.2
GRUH Fin.	-0.6	-4.8	54.6
HDFC	1.5	4.0	28.8
Indiabulls Hsg	3.7	13.7	48.8
LIC Hsg Fin	1.0	7.6	32.9
Manappuram	0.8	-6.8	166.9
M&M Fin.	1.1	1.6	27.7
Muthoot Fin	1.7	0.7	98.1
PFC	1.4	4.3	63.3
Repco Home	1.0	10.4	19.8
REC	1.7	13.1	96.2
STF	-2.1	11.2	15.5
Shriram City Union	-0.7	7.9	37.2

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	0.1	-1.7	7.4
Bharat Elec.	5.1	8.3	55.4
BHEL	1.3	9.8	58.5
CG Cons. Elec.	4.5	4.2	
CG Power & Inds Sol.	4.4	10.5	56.4
Cummins	1.9	-0.4	4.6
GE T&D	2.6	3.8	-24.1
Havells	0.9	0.9	50.3
Inox Wind	1.5	4.8	-31.5
K E C Intl	1.6	6.5	48.0
L&T	1.4	6.7	32.6
Pennar Eng.	8.5	1.9	-9.0
Siemens	0.7	4.5	25.6
Solar Ind	1.0	0.2	13.8
Suzlon Energy	7.6	7.0	35.4
Thermax	1.2	3.8	15.3
Va Tech Wab.	0.1	25.5	22.1
Voltas	0.0	13.2	57.7
Cement			
Ambuja Cem.	0.9	-0.2	14.3
ACC	0.1	-2.4	14.9
Birla Corp.	-0.6	-0.9	100.1
Dalmia Bharat	0.1	0.1	173.2
Grasim Inds.	0.2	2.2	46.6
India Cem	1.3	-0.2	112.8
J K Cements	-0.3	6.2	49.7
JK Lakshmi Ce	-0.2	10.6	40.8
Ramco Cem	0.6	-5.7	64.8
Orient Cem	3.6	3.5	0.4
Prism Cem	2.3	7.5	29.3
Shree Cem	0.5	7.4	43.8
Ultratech	1.0	9.1	36.4
Consumer			
Asian Paints	2.2	12.2	25.5
Britannia	1.0	-0.3	18.4
Colgate	2.2	7.8	17.1
Dabur	0.1	3.0	11.2
Emami	0.5	-2.9	11.0
Godrej Cons.	1.6	4.6	31.2
GSK Cons.	1.4	8.2	-3.9
HUL	0.7	7.0	7.4
ITC	0.1	0.6	24.9
Jyothy Lab	-1.3	1.4	28.1
Marico	2.2	9.2	21.9
Nestle	0.5	-1.0	22.1
Page Inds	0.2	2.1	31.2
Parag Milk	0.2	2.5	
Pidilite Ind.	-0.2	4.2	18.7
P&G Hygiene	1.0	-1.8	14.4
United Brew	-0.3	-1.2	-3.6
United Spirits	-2.2	-4.0	-12.9
Healthcare			
Alembic Phar	-1.2	10.0	-2.9
Alkem Lab	1.3	-2.6	44.4
Aurobindo	1.4	4.7	-5.4
Biocon	0.4	2.4	136.5



Company	1 Day (%)	1M (%)	12M (%)
Cadila	-1.5	3.1	30.9
Cipla	0.2	2.8	12.6
Divis Lab	0.5	5.2	-21.2
Dr Reddy's	0.5	-6.0	-12.8
Fortis Health	1.2	-6.9	5.0
Glenmark	-0.3	-3.9	8.5
Granules	0.1	2.2	8.5
GSK Pharma	1.4	2.8	-17.4
IPCA Labs	-0.5	5.3	3.7
Lupin	0.4	1.1	-16.7
Sanofi India	0.0	8.6	3.2
Sun Pharma	0.7	9.5	-15.0
Syngene Intl	2.9	5.8	32.8
Torrent Pharma	1.5	9.3	9.4
Logistics			
Allcargo Logistics	1.3	5.0	6.1
Blue Dart	0.8	21.4	-8.9
Concor	-1.2	0.5	7.5
Gateway Distriparks	1.2	-1.5	1.0
Gati	4.2	14.0	25.8
Transport Corp.	2.9	23.7	36.9
Media			
Dish TV	-0.3	22.6	31.9
D B Corp	-0.4	1.0	22.4
Den Net.	-1.7	0.6	-14.5
Hathway Cab.	-0.3	6.1	-4.7
Hind. Media	0.4	9.3	15.9
HT Media	0.4	0.9	4.1
Jagran Prak.	-0.1	-3.0	24.7
PVR	0.3	10.5	99.7
Siti Net.	-1.9	-0.9	5.3
Sun TV	1.9	5.4	110.6
Zee Ent.	-0.1	1.1	36.3
Metals			
Hindalco	4.1	5.8	143.8
Hind. Zinc	5.3	1.9	82.4
JSPL	4.1	38.0	117.9
JSW Steel	5.0	2.7	60.5
Nalco	1.1	15.9	90.0
NMDC	-2.0	0.8	48.2
SAIL	5.9	5.4	49.6
Vedanta	3.4	0.6	206.1
Tata Steel	4.3	6.2	66.8
Oil & Gas			
BPCL	1.8	-3.5	58.5
Cairn India	2.9	2.4	98.3
GAIL	1.0	0.4	48.7
Gujarat St. Pet.	-1.2	-2.9	28.2
HPCL	0.9	-2.2	112.5
IOC	1.7	0.0	93.6
IGL	1.0	-2.5	99.7
MRPL	0.9	-2.6	85.3
Oil India	1.2	0.8	48.1
ONGC	0.6	-1.2	39.4
PLNG	0.9	1.8	58.4
Reliance Ind.	-0.5	21.8	27.0
Retail			

Company	1 Day (%)	1M (%)	12M (%)
Jubilant Food	1.3	13.9	-2.7
Shopper's Stop	4.4	7.3	-2.9
Titan Co.	0.7	9.8	36.9
Technology			
Cyient	0.6	-0.7	12.6
HCL Tech.	1.8	1.4	5.0
Hexaware	-0.7	3.1	-16.9
Infosys	1.6	1.6	-10.7
KPIT Tech	1.4	1.1	-5.3
L&T Infotech	0.1	2.8	
Mindtree	0.7	0.7	-26.4
Mphasis	0.0	2.4	26.7
NIIT Tech	0.3	-1.3	-13.9
Persistent Sys	0.3	0.9	-4.3
Tata Elxsi	0.8	-1.4	-24.7
TCS	0.7	2.9	8.2
Tech Mah	0.8	-4.5	3.4
Wipro	1.2	3.9	-7.3
Zensar Tech	0.4	-3.1	6.0
Telecom			
Bharti Airtel	-0.8	-1.6	6.1
Bharti Infratel	0.3	-3.0	-15.6
Idea Cellular	0.0	4.8	14.8
Tata Comm	3.2	4.7	116.3
Utilities			
Coal India	-0.4	-8.2	-1.2
CESC	2.3	-1.9	75.5
JSW Energy	2.6	4.7	-6.1
NTPC	1.4	-5.3	26.3
Power Grid	1.2	-2.7	40.9
Others			
Arvind	1.4	8.3	50.4
Bata India	1.1	7.3	8.6
Castrol India	1.5	1.5	12.9
Century Ply.	-0.4	5.7	46.5
Coromandel Intl	1.4	-6.9	86.1
Dynamatic Tech	-0.4	-3.6	77.4
Eveready Inds.	1.6	0.2	4.8
Interglobe	1.1	8.1	11.1
Indo Count	-0.6	14.6	-0.9
Info Edge	1.8	0.0	6.9
Inox Leisure	0.2	4.0	23.8
Jain Irrigation	1.4	1.9	72.5
Just Dial	4.1	40.6	-5.2
Kaveri Seed	2.6	15.6	37.1
Kitex Garm.	0.1	-0.6	4.5
Manpasand	1.2	4.4	60.0
MCX	0.5	0.7	34.9
Monsanto	-1.1	9.2	49.9
PI Inds.	-1.8	2.7	54.9
Piramal Enterp.	2.3	2.9	102.5
SRF	3.5	5.2	35.0
S H Kelkar	2.6	-1.7	26.4
Symphony	0.3	12.3	16.7
TTK Prestige	1.5	9.1	42.0
V-Guard	0.2	16.8	199.4
Wonderla	1.0	5.9	7.2

NOTES

REPORT GALLERY

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MOTILAL OSWAL Initiating Coverage | 17 February 2017
Sector: Automobiles
Piramal Enterprises



Winner's Edge

Research Report: Piramal Enterprises Limited (NSE: PENTR), Sector: Automobiles, 17 Feb 2017
Author: Anil Kumar, anil.kumar@motilal.com, +91 22 6962 1428
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Sector: Automobiles
CEAT



Well balanced

Research Report: CEAT Limited (NSE: CEAT), Sector: Automobiles, 15 Feb 2017
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Sector: Consumer Product
SH Kelkar



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Research Report: SH Kelkar (NSE: SHKEL), Sector: Consumer Product, 02 Dec 2016
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Sector: Automobiles
Endurance Technologies



Gaining ground

Research Report: Endurance Technologies Limited (NSE: ENDT), Sector: Automobiles, 26 Dec 2016
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L&T Infotech



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Research Report: L&T Infotech Limited (NSE: LTIINF), Sector: Technology, 02 Dec 2016
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Sector: Banking
RBL Bank



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CESC



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Sector: Consumer
United Breweries



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Research Report: United Breweries Limited (NSE: UB), Sector: Consumer, 08 Oct 2016
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Sector: Healthcare
Fortis Healthcare



Fortifying growth

Research Report: Fortis Healthcare Limited (NSE: FORTIS), Sector: Healthcare, 24 Oct 2016
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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

SUN PHARMACEUTICAL

Our research team into annual report season highlights several performance highlights from Sun Pharma's 2016-17 annual report. Revenue grew by 23% to INR 2,450 crore, with gross margin expansion. Key highlights include:

- Operating cash flow and net income increased by 200% YoY to INR 1,100 crore and INR 1,000 crore, respectively.
- Operating leverage improved to 1.2x from 1.1x.
- Operating leverage improved to 1.2x from 1.1x.

ANNUAL REPORT TREADBARE

The ART of Trends to watch in 2017

Key takeaways from the annual report:

- Operating performance metrics: Revenue grew by 23% to INR 2,450 crore, with gross margin expansion. Key highlights include:
 - Operating cash flow and net income increased by 200% YoY to INR 1,100 crore and INR 1,000 crore, respectively.
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MOTILAL OSWAL

CornerOffice

Democratization & monetization: Look for India's largest bank

Key takeaways from the annual report:

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VOICES

India Inc on Call

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MOTILAL OSWAL

EcoKnowledge

Identify data confirms 6.5% growth is for real in India

Key takeaways from the annual report:

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 - Operating leverage improved to 1.2x from 1.1x.

MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATION HANDBOOK

Key takeaways from the annual report:

- Operating performance metrics: Revenue grew by 23% to INR 2,450 crore, with gross margin expansion. Key highlights include:
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MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Key takeaways from the annual report:

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