

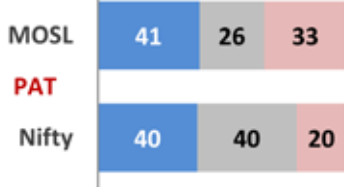
Corporate performance



4QFY17: Expectations v/s delivery

% of Companies that have Declared Results

Above Expectations In-line Below Expectations



(no of companies)	Growth (YoY, %)		
	MOSL (88)	Nifty (25)	Sensex (14)
Sales	12.2	12.1	12.2
EBIDTA	15.5	8.1	6.6
PAT	35.7	15.8	16.0

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	30,583	0.9	14.9
Nifty-50	9,512	0.7	16.2
Nifty-M 100	18,498	0.5	28.9
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,401	-0.1	7.2
Nasdaq	6,170	0.3	14.6
FTSE 100	7,522	0.9	5.3
DAX	12,805	0.0	11.5
Hang Seng	10,434	-0.2	11.1
Nikkei 225	19,920	-0.3	4.2
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	51	-1.1	-8.4
Gold (\$/OZ)	1,234	0.2	6.4
Cu (US\$/MT)	5,595	0.0	1.3
Almn (US\$/MT)	1,921	1.0	12.7
Currency	Close	Chg. %	YTD.%
USD/INR	64.1	0.0	-5.6
USD/EUR	1.1	0.8	4.8
USD/JPY	113.6	0.0	-3.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.7	-0.1	0.2
10 Yrs AAA Corp	7.8	0.0	0.3
Flows (USD b)	16-May	MTD	YTD
FII	0.1	0.6	6.8
DII	-0.1	0.0	1.6
Volumes (INRb)	16-May	MTD*	YTD*
Cash	299	291	283
F&O	4,880	4,456	4,614

Note: YTD is calendar year, *Avg

Quote of the day

Today the financial market is no good, but the money is there.

Research Team (Gautam.Duggad@MotilalOswal.com)

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

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Today's top research theme

Fund Folio: Quickest INR2t jump in AUM

- Domestic mutual funds (MF) started the financial year on a positive note, with total AUM touching a new high of INR19.3t (+9.8% MoM) in April, also marking the quickest INR2t jump.
- Equity AUM rose for the fifth straight month to touch a new high of INR5t.
- MFs received the highest total net inflows (INR1,507b) since April 2016; equity schemes witnessed the second-highest inflows (INR88b) since June 2015.
- After declining for two consecutive months, the weights of Cement and Pvt Banks increased. Oil & Gas maintained its positive momentum, with a sustained MoM increase in its weight since Oct-16.
- In the last 12 months, weights of the Technology and Healthcare sectors decreased by 310bp and 160bp, respectively to 6.6% in April. As a result, Technology has fallen to the seventh position in sector allocation of mutual funds - it was at the third position 12 months ago.



Research covered

Cos/Sector	Key Highlights
Fund Folio	Quickest INR2t jump in AUM
Tata Steel	Strong performance, but sustainability uncertain
Shree Cement	Cost push confines realization improvement
Punjab National Bank	Weak operating performance
P I Industries	EBITDA/PAT beat estimates, EBITDA margin expands 680bp
Maruti Suzuki	New Dzire launched at a premium to outgoing model
Telecom	Vodafone India: Weak earnings but signs of bottoming
J K Cement	Realization improvement drives profits
South Indian Bank	Growth getting back on track; B/S cleanup continues, upgrade to BUY
Indo Count Inds	Muted quarter; one-offs hurt margins
Results Expectation	Bajaj Finance HUL JSW Steel MRPL United Breweries



Piping hot news

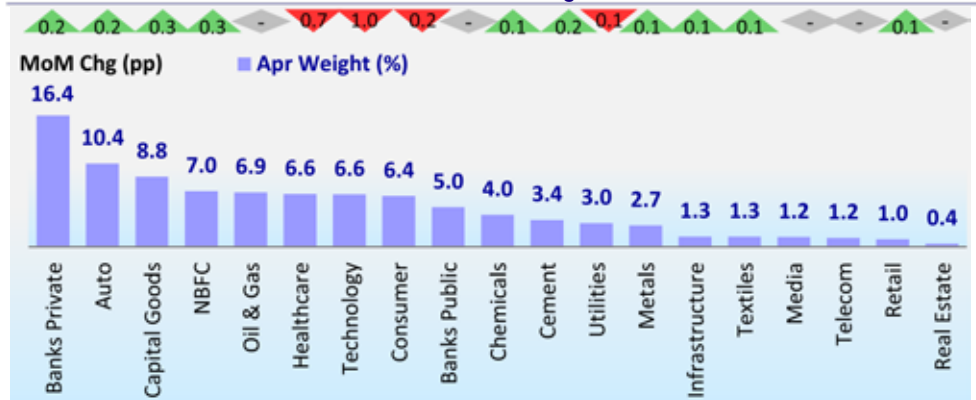
Tata Steel agrees to UK pension deal

- Tata Steel has agreed to the key commercial terms of a deal to cut benefits and improve the funding position of its British pension scheme, it said on Tuesday.



Chart of the Day: Sector allocation of domestic MFs

NBFCs, Capital Goods, Cement, Pvt Banks, Autos increased; while Technology, Healthcare, Consumer and Utilities showed signs of moderation





Kindly click on numbers for the detailed news link

1

UN lowers India GDP growth forecast for 2017 to 7.3%, cautions on bad loans

The United Nations (UN) has revised downward India's GDP growth forecast for 2017 but predicted an increased 7.9% GDP growth next year as it cautioned that stressed balance sheets in the banking sector due to bad loans will prevent ...

2

GST provision may lead to closure of branches & formation of shell firms

The introduction of the goods and services tax (GST) in July will pose a challenge for the enforcement authorities due to a provision in the GST law that mandates companies transferring goods to a branch outside the state to pay the interstate goods and services tax (IGST). However, if the same company sells goods to customers on approval basis outside the state, it gets six months to pay the IGST. Surendra Mehta, secretary, Indian Bullion and Jewellers Association (IBJA), said: "This provision will lead to branches closing down, and start shell companies at branch locations to defer the payment." ...

3

LIC defends stake in cigarette-maker ITC

Public sector insurer LIC on Tuesday strongly defended its investments in tobacco major ITC, saying a sale of its stakeholding would neither prevent people from taking up smoking nor help smokers kick the habit...

4

JSW Steel plans tie-up with OMC for long-term iron ore linkage

Sajjan Jindal-led JSW Steel is keen to have a long-term iron ore linkage arrangement with the state government-controlled Odisha Mining Corporation (OMC) to secure iron ore supplies for its planned 10-million tonne steel plant...

5

Setback for Air India, RBI refuses concession for debt restructuring

The Reserve Bank of India (RBI) has declined to provide any special dispensation to Air India for restructuring its debt under the scheme for sustainable structuring of stressed assets (S4A), two people aware of the development told FE...

6

Maruti Suzuki CEO questions govt's ambitious electric vehicle plans

It will be impossible for the auto industry to shift to electric vehicles immediately, Maruti Suzuki India Ltd said, in the context of the government's plan to have an electric vehicle policy in place by December to support its push for an all-electric fleet in the country by 2030...

7

Monsoon in India: Rains set to hit Kerala coast on May 30, says IMD

India Meteorological Department (IMD) on Tuesday stated that the southwest monsoon (June-September) is likely to hit Kerala coast on May 30 with a model error of ± 4 days. Monsoon usually arrives over Kerala in the first week of June, then covers rest of the country during next one month or so...

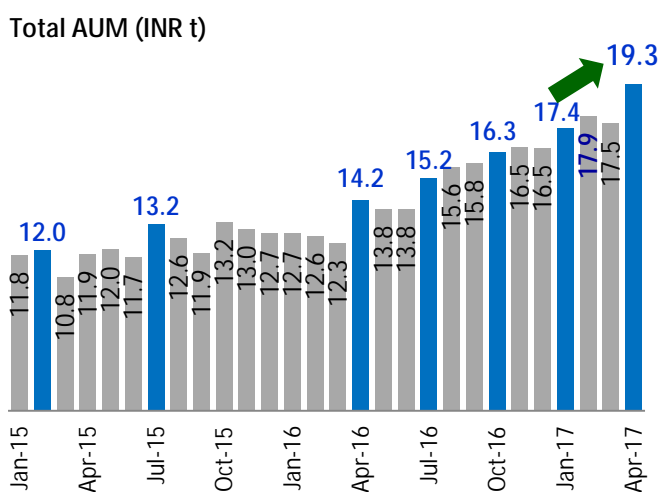
Quickest INR2t jump in AUM; Inflows to equity schemes second-highest since June 2015

- Domestic mutual funds (MF) started the financial year on a positive note, with total AUM touching a new high of INR19.3t (+9.8% MoM) in April, also marking the quickest INR2t jump.
- The MoM rise was primarily due to rise in AUM of liquid, income and equity funds. All categories saw a rise, except FOF, Gold ETF and Gilt funds.
- Equity AUM rose for the fifth straight month to touch a new high of INR5t (+4.7% MoM). The rise was led by market indices (Nifty up 1.4% MoM), while equity scheme sales declined 26% MoM to INR192b. Redemptions fell 50% MoM to INR103b. Consequently, net inflows increased from INR53b in March to INR88b in April.
- Domestic MFs received the highest total net inflows (INR1,507b) since April 2016; equity schemes witnessed the second-highest inflows (INR88b) since June 2015.

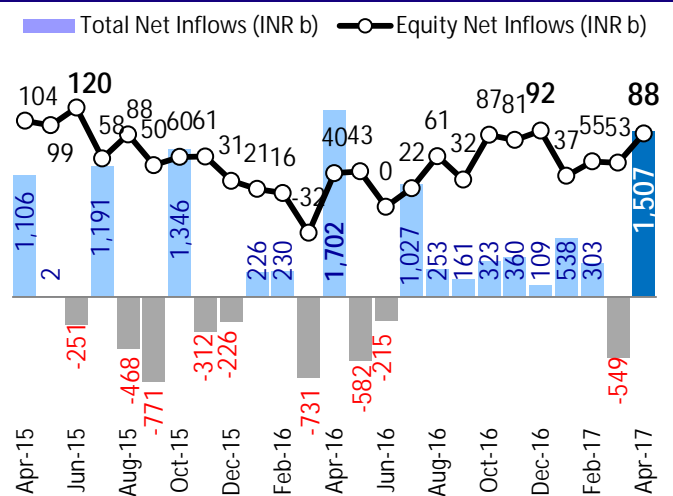
Some interesting facts

- The month saw a **notable change in sector and stock allocation of funds**. On an MoM basis, the weights of NBFCs, Capital Goods, Cement, Private Banks, Autos, Metals, Infra and Retail increased, while those of Technology, Healthcare, Consumer and Utilities showed signs of moderation.
- After declining for two consecutive months, **the weights of Cement and Private Banks increased in April**. **Oil & Gas maintained its positive momentum**, with a sustained MoM increase in its weight since October 2016.
- In the last 12 months, **weights of the Technology and Healthcare sectors decreased by 310bp and 160bp**, respectively to 6.6% in April. As a result, **Technology has fallen to the seventh position in sector allocation** of mutual funds – it was at the third position 12 months ago.
- Of the top 10 stocks in terms of value increase MoM, four were from Financials**. L&T saw a total increase of INR21.9b in value; 13 out of 20 funds bought the stock.
- ICICI Bank**, one of the preferred stocks among MFs in April, saw net buying by 15 funds. Value increased by INR9.9b, despite the stock remaining flat in the month. Other Financials, which saw an increase in value on an MoM basis were HDFC Bank (INR28.8b), HDFC (INR7.8b) and Max Financial (INR7.5b).
- Value shocks were significant in Technology stocks**. Infosys (-INR18.8b), HCL Tech (-INR6.3b), TCS (-INR5.5b), and Wipro (-INR4.2b) saw the maximum decline in value.

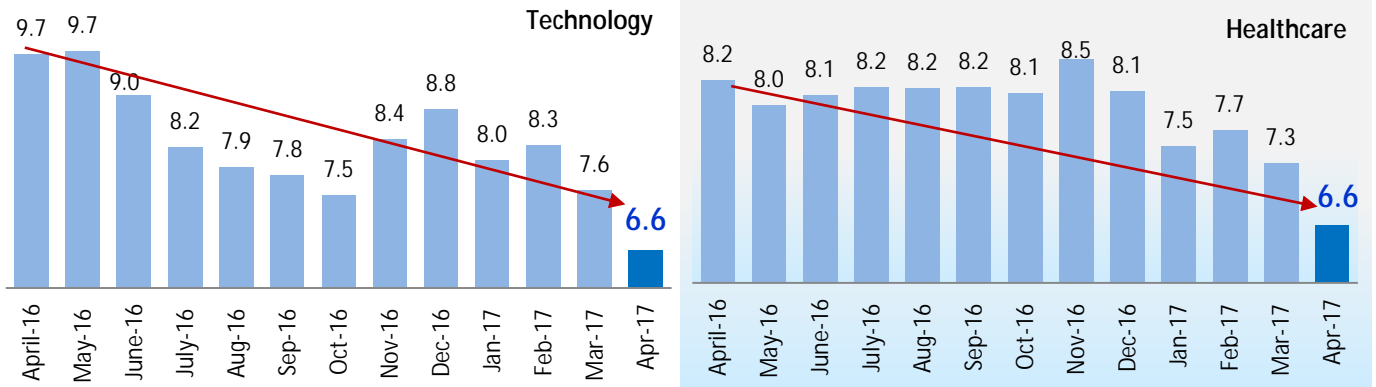
AUM touched new high of INR19.3t, the quickest INR2t jump



Total net inflows for domestic MFs highest since April 2016; equity flows second-highest since June 2015



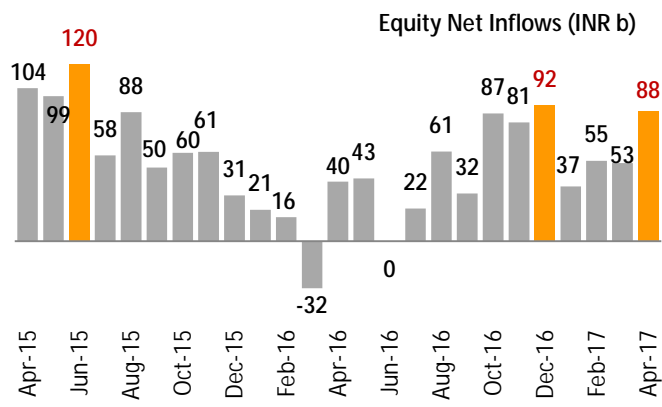
Weights for Technology and Healthcare declined by 310bp and 160bp, respectively in last 12 months to 6.6%



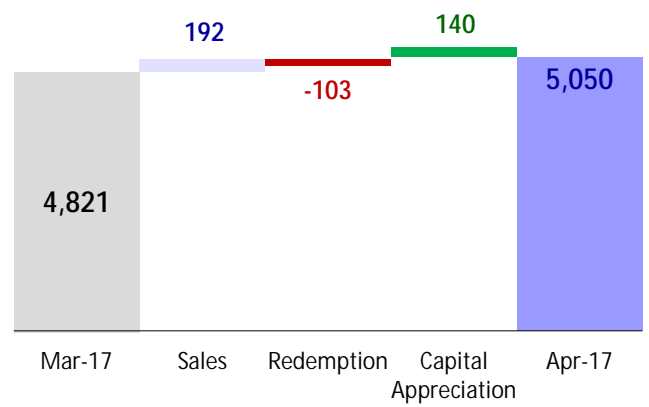
Flows: Net inflows in April at INR88b – 2nd highest since June 2015

MF's gross inflows fell to INR192b or 26% MoM in April. However, there was a meaningful fall in redemptions (INR103b, -50% YoY), leading to a 67% increase in net inflows to INR88b in April from INR53b in March.

Equity inflows second highest since June 2015



What drove equity AUM in April (INR b)

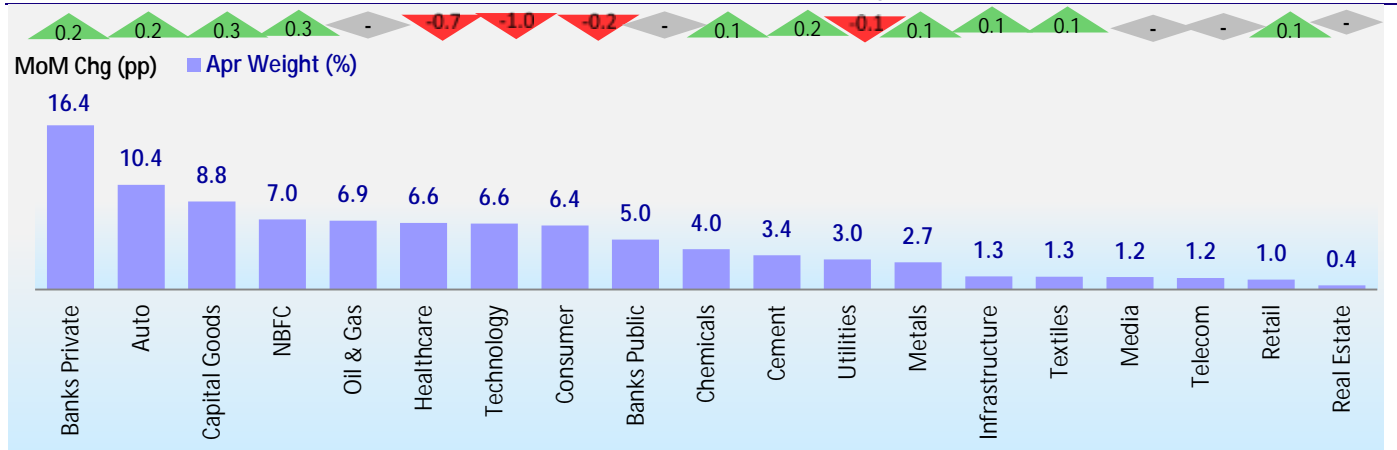


Sector-wise weight: MoM increase seen in NBFCs, Capital Goods and Cement

In April, MFs showed interest in NBFCs, Capital Goods, Cement, Private Banks, Autos, Chemicals, Metals, Infra and Retail—these sectors saw an MoM increase in weight. Technology, Healthcare, Consumer and Utilities saw an MoM decrease in weight.

Private Banks (16.4%) was the top sector holding in April, followed by Auto (10.4%), Capital Goods (8.8%) and NBFC (7%).

Sector allocation (%): NBFCs, Capital Goods, Cement, Pvt Banks and Autos see highest increase MoM





Tata Steel

BSE SENSEX	S&P CNX
30,583	9,512
Bloomberg	TATA IN
Equity Shares (m)	971
M.Cap. (INRb)/(USDb)	443.8 / 6.9
52-Week Range (INR)	508 / 297
1, 6, 12 Rel. Per (%)	-5/0/21
Avg Val, INRm	2688
Free float (%)	68.7

CMP: INR457 TP: INR451(-1%) Sell

Strong performance, but sustainability uncertain

Pension settlement would be costly; Maintain Sell

Tata Steel (TATA) reported a very strong 4Q as EBITDA grew 98% QoQ to INR70.2b (est. of INR46b), led by a strong performance across regions. PAT, excluding exceptional/discontinued items of INR45b (Exhibit 1), increased from INR2b in 3QFY17 to INR33b in the quarter (est. INR15.8b).

- India (TSI) EBITDA/t was higher by INR2,440 QoQ to INR13,727, driven by higher FAMD revenues, actuarial reversal and export benefits. Higher steel realization was offset by an increase in RM cost.
- Europe (TSE) margin expanded USD65/t QoQ to USD103/t – best-ever since FY09 – on a lag in coking coal cost increase.
- EBITDA of other businesses (SEA + others) improved from loss of INR4.5b in 3QFY17 to INR6.9b, led by a strong performance at its various subsidiaries and no FX loss as was reported in 3Q (INR3b).

Pension settlement: £550m payout + 33% stake in TSUK + a continuing scheme

- The UK defined pension scheme is closed for future accruals. As part of the preliminary negotiation with pension trustees and the regulator, TATA will pay EUR550m and a 33% stake in Tata Steel UK (Port Talbot). It would sponsor a new pension scheme, but with significantly lower risk.

Upgrade TP on lower debt; Maintain Sell

The beat in 4Q was driven largely by non-recurring items: actuarial reversal (one-off), FAMD (ferro chrome prices have declined), export benefits (at risk on lower prices), a delay in the impact of coking coal cost at EU and volatile other businesses. The settlement of pension in the UK would be a costly one, with INR48/share in initial outflow and a 33% stake in TSUK, which was a negative surprise. We upgrade TP to INR451 (from INR438) on lower-than-expected debt in FY17. Maintain Sell.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	1,135	1,266	1,296
EBITDA	168	173	183
PAT	36	38	44
EPS (INR)	37.0	39.5	45.7
Gr. (%)	382.0	6.7	15.7
BV/Sh (INR)	330	360	396
RoE (%)	15.4	11.4	12.1
RoCE (%)	9.2	8.9	9.2
P/E (x)	12.4	11.6	10.0
P/BV (x)	1.4	1.3	1.2

Estimate change



TP change



Rating change



Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17	vs Est	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				4QE (%)
Sales (k tons)	6,330	6,290	6,370	6,940	5,410	5,650	6,110	6,830	25,930	24,000	6,506	5
Change (YoY %)	-2.0	-3.2	1.1	-1.7	-14.5	-10.2	-4.1	-1.6	-1.5	-7.4	-6.3	-75
Avg Realization (INR/tss)	47,868	46,589	44,017	42,518	46,635	46,674	45,755	49,628	45,180	47,272	52,143	-5
Net Sales	303,003	293,047	280,390	295,076	252,298	263,710	279,565	338,960	1,171,516	1,134,532	339,226	0
Change (YoY %)	-16.8	-18.1	-16.6	-12.4	-16.7	-10.0	-0.3	14.9	-16.0	-3.2	15.0	-1
EBITDA	27,742	18,305	7,757	22,052	32,420	29,700	35,393	70,252	75,857	167,764	46,526	51
Change (YoY %)	-35.1	-52.9	-74.8	42.9	16.9	62.3	356.3	218.6	-27.9	64.7	111.0	97
EBITDA(USD/tss)	69	45	18	47	89	78	86	154	45	104	107	44
Interest	10,980	10,487	9,641	10,178	10,707	13,511	13,874	12,631	41,286	50,723	13,083	-3
Depreciation	13,465	13,708	11,327	12,319	12,417	14,677	13,797	15,892	50,818	56,784	14,263	11
Other Income	7,622	29,382	962	1,291	1,367	1,084	1,301	1,522	39,257	5,274	1,298	17
PBT (before EO Inc.)	10,919	23,491	-12,249	847	10,662	2,597	9,022	43,250	23,008	65,531	20,479	111
EO Income(exp)	1,584	-5,637	-7,118	-28,578	-35,231	634	284	-45,199	-39,749	-79,512		
PBT (after EO Inc.)	12,503	17,854	-19,367	-27,731	-24,568	3,230	9,306	-1,948	-16,740	-13,981	20,479	-110
Total Tax	5,154	2,402	2,434	5,060	7,405	3,634	6,984	9,760	15,050	27,782	4,669	109
% Tax	47.2	10.2	-19.9	597.4	69.4	139.9	77.4	22.6	65.4	42.4	22.8	-1
Reported PAT	7,349	15,452	-21,801	-32,791	-31,973	-403	2,321	-11,708	-31,790	-41,762	15,810	-174
Adj. PAT (after MI & asso)	6,045	20,925	-14,155	-3,560	3,400	-1,127	2,035	33,435	9,256	37,742	15,805	112

Sanjay Jain (SanjayJain@MotilalOswal.com); +91 22 6129 1523

Dhruv Muchhal (Dhruv.Muchhal@MotilalOswal.com); +91 22 6129 1549

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Shree Cement

BSE SENSEX	S&P CNX
30,583	9,512
Bloomberg	SRCM IN
Equity Shares (m)	35
M.Cap.(INRb)/(USDb)	546.2 / 8.0
52-Week Range (INR)	20,560/12,477
1, 6, 12 Rel. Per (%)	9/27/30
Avg Val, INRm	261
Free float (%)	35.2

CMP: INR19,945 TP: INR23,316 (+17%) Buy

Cost push confines realization improvement

- Volume growth led by ramp-up in east: SRCM's 4QFY17 volumes increased ~11% YoY (+21% QoQ) to 5.9mt, led by capacity ramp-up in east. Realizations rose 2% QoQ (+14% YoY) due to an increase in prices in its focus markets in north in February and March 2017. Realizations for 1QFY18 are also expected to improve QoQ as (1) exit realizations were better than 4QFY17 average and (2) additional price hikes were taken in April in north and east.
- Margin deterioration led by cost push: EBITDA of INR5.1b (-4% YoY) came in higher than our estimate of INR4.34b due to higher-than-estimated profit from the power segment. However, overall margin contracted 3.9pp QoQ (-5.1pp YoY) to 21.5% due to higher-than-expected freight cost and other expenses. Unitary cost rose 18% YoY (+8% QoQ), led by higher power/fuel cost, freight cost and other expenses. Freight cost/t increased 20% QoQ due to 1) higher freight cost for servicing the Bihar market as its unit in that state was shut for ~23 days, 2) impact of 12% QoQ increase in diesel cost, 3) lower proportion of ex-factory sales at 12% v/s 14% in the year-ago period, and 4) higher freight cost for eastern units due to lower availability of rakes.
- FY17 performance: Volumes increased 11% YoY to 20.5mt, led by ramp-up of its units in east. Revenue rose by 16.5% YoY to INR84.2b and EBITDA by 28% YoY to INR23.6b, with the margin at 28.1% (+3.7pp YoY). PAT increased only 5% YoY to INR13.39b due to lower other income of INR5.07b (-29% YoY).
- Strong earnings CAGR and return ratio improvement warrant valuation premium: Led by profitability improvement and market share gains due to aggressive capacity addition, we expect EBITDA CAGR of 23% over FY17-FY19. SRCM is likely to generate operating cash flow of INR108b over FY16-FY19, with margin improvement and better asset turnover resulting in PBT CAGR of 34% over FY17-FY19 and RoIC in excess of 50% in FY19. We maintain Buy with a target price of INR23,316.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	84.3	100.3	122.3
EBITDA	23.7	28.0	35.8
PAT	13.4	16.7	21.6
EPS (INR)	384.4	480.7	621.0
Gr. (%)	5.4	25.0	29.2
BV/Sh (INR)	2,024	2,458	3,032
RoE (%)	20.2	21.5	22.6
RoCE (%)	19.4	20.3	21.7
P/E (x)	51.9	41.5	32.1
P/BV (x)	9.9	8.1	6.6

Estimate change



TP change



Rating change



Quarterly Performance - Shree Cement (\$/A)

Y/E June	FY16			FY17				FY16	FY17	FY18E	FY17 4QE	Var. (%)
	1Q	2Q	3Q	1Q	2Q	3Q	4Q					
Sales Dispat. (m ton)	4.19	4.70	5.36	5.13	4.57	4.91	5.93	18.59	20.54	23.15	5.95	0
YoY Change (%)	7.9	23.3	29.7	18.0	9.2	4.5	10.7	15.0	10.5	12.7	11.1	
Realization (INR/Ton)	3,619	3,449	3,310	3,885	3,965	3,699	3,771	3,456	3,825	4,075	3,590	5
YoY Change (%)	-0.8	-2.6	-6.4	11.8	9.6	7.2	13.9	-2.6	10.7	6.5	7.3	
QoQ Change (%)	4.1	-4.7	-4.0	17.4	2.1	-6.7	1.9				-2.9	
Net Sales	17,119	18,030	19,988	21,987	20,068	18,434	23,803	72,382	84,292	100,302	22,138	8
YoY Change (%)	6.6	16.9	27.0	27.9	17.2	2.2	19.1	12.4	16.5	19.0	9.7	
EBITDA	4,163	4,586	5,320	7,308	6,563	4,689	5,112	17,637	23,672	28,027	4,340	18
Margins (%)	24.3	25.4	26.6	33.2	32.7	25.4	21.5	24.4	28.1	27.9	19.6	
Depreciation	2,448	2,766	3,062	1,540	4,322	3,176	3,109	10,658	12,147	12,241	2,994	
Interest	235	235	288	276	293	411	314	1,021	1,294	1,318	175	
Other Income	958	1,017	4,752	979	1,233	1,356	1,510	7,119	5,077	7,000	1,432	
PBT before EO Exp	2,438	2,602	6,722	6,471	3,180	2,459	3,199	13,076	15,308	21,468	2,603	23
PBT	2,438	2,601	7,275	6,471	3,180	2,438	3,199	12,837	15,308	21,468	2,603	23
Tax	-26	265	501	1,394	265	83	154	364	1,917	4,723	315	
Rate (%)	-1.1	10.2	6.9	21.5	8.3	3.4	4.8	2.8	12.5	22.0	12.1	
Reported PAT	2,464	2,336	6,774	5,077	2,915	2,354	3,045	12,472	13,391	16,745	2,288	33
Adj PAT	2,464	2,337	6,260	5,077	2,915	2,375	3,045	12,705	13,391	16,745	2,288	
YoY Change (%)	107.4	147.4	402.4	106.1	18.3	1.6	-51.4	173.8	5.4	25.0	2.4	

Abhishek Ghosh (Abhishek.Ghosh@MotilalOswal.com); +91 22 6129 1538

Pradnya Ganar (Pradnya.Ganar@MotilalOswal.com); +91 22 3980 4322

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Punjab National Bank

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

CMP: INR174.6

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

Analyst Meet Details



Date: 19th May, 2017
Time: 11:00am IST
Venue: Rooftop, Trident Hotel, Mumbai

Financials & Valuations (INR b)

Y/E March	2017E	2018E	2019E
NII	149.9	175.8	201.4
OP	145.7	140.1	156.8
NP	13.2	20.1	29.4
NIM (%)	2.3	2.5	2.7
EPS (INR)	6.2	9.4	13.8
EPS Gr. (%)	NM	51.5	46.7
BV/Sh. (INR)	178	186	198
ABV/Sh. INR	104	126	166
RoE (%)	3.6	5.2	7.2
RoA (%)	0.2	0.3	0.4
Payout (%)	0.0	17.4	17.4
P/E(X)	28.0	18.5	12.6
P/BV (X)	1.0	0.9	0.9
P/ABV (X)	1.68	1.38	1.05
Div. Yield (%)	0.0	0.8	1.2

Weak operating performance; high write-offs and recoveries negate the impact of relapse from OSRL

- n PNB's operating profit exceeded our estimate by 90%, despite NII coming in 8% below estimate, led by one-off employee expense-related provisions write-back (INR20.3b) and strong contribution from non-core income (32% of PPop).
- n Higher contribution from one-off income/reversals utilized for improving coverage ratio (+380bp QoQ to 40%; calculated) and increased write-offs (INR26.5b, derived) resulted in a decline in NNPA ratio to 7.8% from 9.1% a quarter ago.
- n Relapse from OSRL and higher slippages from agri portfolio (due to loan waiver in UP) led to NIM contraction of 10bp QoQ to 2.2%. Total slippages came in at INR75b (for the quarter, 7.3% annualized slippage ratio), of which fresh slippages were at INR67b and existing stressed accounts at INR8b. OSRL declined to 2.8% (INR119b) of loans from 4.5% (INR172b) a quarter ago. We await for further details on movement in other categories of stress loans.
- n NIM improved 40bp YoY as the base quarter was impacted by RBI AQR-related significant NPA recognition. Loan growth of 9%/2% QoQ/YoY was led by healthy growth in retail (8%/14% QoQ/YoY). Within retail, housing and education loans showed strongest QoQ/YoY growth of 7%/18% and 8%/15%, respectively. Within the industry book, chemicals grew 54%/34% QoQ/YoY.
- n **FY17 highlights:** (1) During FY17 the bank raised INR 22.5b of AT1 bonds. FY17 Tier I/CAR stood at 8.91%/11.66% (2) Slippages halved (although remained elevated) to 5.4% in FY17 vs 10.8% a year ago (3) Average daily CASA deposits grew 22% YoY and CASA ratio improved to 41.7% vs 37.6% a year ago.
- n **Valuation and view:** Significant stress is being recognized over last several quarters and now resolution in the key sectors like steel, power, construction and roads remains a key for upgrades and recoveries. Bank has coverage ratio of 40% (calc) and in case of resolution/haircut we don't expect significant hit to network. We would relook our estimates post the analyst meet. We have a buy rating on the stock.

Quarterly Performance

Y/E March	FY16				FY17E				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY16	FY17
Interest Income	120,347	123,450	122,206	108,240	115,749	118,304	119,842	118,865	474,244	472,760
Interest Expense	79,322	80,231	81,010	80,563	78,759	79,505	82,534	82,030	321,126	322,828
Net Interest Income	41,025	43,220	41,196	27,677	36,990	38,799	37,308	36,835	153,118	149,932
% Change (YoY)	-6.3	4.1	-2.7	-27.0	-9.8	-10.2	-9.4	33.1	-7.5	-2.1
Other Income	13,974	13,569	16,706	24,522	23,551	23,879	25,135	31,028	68,770	89,514
Net Income	54,998	56,789	57,902	52,199	60,541	62,678	62,443	67,863	221,888	239,445
Operating Expenses	23,677	27,404	28,724	19,920	27,794	29,557	30,897	5,545	99,725	93,794
Operating Profit	31,321	29,385	29,179	32,279	32,746	33,120	31,546	62,318	122,163	145,652
% Change (YoY)	0.2	2.2	6.1	0.8	4.6	12.7	8.1	93.1	2.2	19.2
Other Provisions	18,114	18,821	37,755	104,852	27,384	25,338	29,359	57,535	179,542	125,536
Profit before Tax	13,207	10,564	-8,577	-72,574	5,362	7,783	2,187	4,783	-57,379	20,115
Tax Provisions	6,000	4,354	-9,087	-18,902	2,299	2,289	116	2,164	-17,635	6,867
Net Profit	7,207	6,210	510	-53,671	3,064	5,494	2,072	2,619	-39,744	13,248
% Change (YoY)	-48.7	7.9	-93.4	NM	-57.5	-11.5	306.2	NM	NM	NM
Operating Parameters										
NIM (Rep, %)	2.9	3.0	2.8	1.8	2.5	2.5	2.3	0.0	2.6	1.8
NIM (Cal, %)	2.9	3.0	2.8	1.8	2.4	2.6	2.3	2.2	2.6	2.4
Deposit Growth (%)	16.4	14.0	13.3	10.3	7.0	6.5	11.6	12.4	10.3	12.4
Loan Growth (%)	9.6	6.7	8.4	8.4	2.8	3.4	-1.8	1.7	8.4	1.7
CD Ratio (%)	73.6	70.6	71.6	74.6	70.7	68.5	63.0	67.5	74.6	67.5
Dom. CASA Ratio (%)	38.9	40.2	40.4	41.6	41.4	42.1	47.1	46.0	41.6	46.0
Tax Rate (%)	45.4	41.2	105.9	26.0	42.9	29.4	5.3	45.2	30.7	34.1
Asset Quality										
OSRL (INR B)	399.7	382.6	350.0	201.4	189.1	180.9	172.2	119.3	201.4	0.0
OSRL (%)	10.5	10.0	8.9	4.9	4.8	4.6	4.5	2.8	4.9	0.0
Gross NPA (INR B)	254	249	343	558	567	565	556	554	558	554
Gross NPA (%)	6.5	6.4	8.5	12.9	13.8	13.6	13.7	12.5	12.9	12.2

E: MOSL Estimates

BSE SENSEX 30,583 S&P CNX 9,512

CMP: INR834 TP: INR1046 (25%)

Buy

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

Conference Call Details



Date: 17th May 2017
Time: 3:00pm IST
Dial-in details:
+91-22-3938 1071

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	23.5	28.5	34.0
EBITDA	5.3	6.7	8.3
NP	4.1	4.8	6.0
Adj EPS (INR)	30.4	34.8	43.6
EPS Gr. (%)	37.4	14.6	25.2
BV/Sh (INR)	110.7	138.8	174.4
RoE (%)	30.9	27.9	27.8
RoCE (%)	29.6	27.7	27.8

Valuations

P/E (x)	27.5	24.0	19.1
P/BV (x)	7.5	6.0	4.8
EV/EBITDA (x)	22.5	17.4	13.6

EBITDA/PAT beat estimates, EBITDA margin expands 680bp

- PI reported overall revenue of INR6,056m (est. of INR6,064m) in 4QFY17, as against INR5,844m in 4QFY16, marking growth of 3.6%.
- EBITDA margin expanded 680bp, from 18.6% in 4QFY16 to 25.4% (est. of 21.4%) in 4QFY17, led by gross margin expansion of 420bp and lower other expenses by 260bp. EBITDA during the quarter stood at INR1,537m (est. of INR1,300m), as against INR1,085m in 4QFY16, up 42% YoY.
- Consequently, adj. PAT grew from INR960m in 4QFY16 to INR1,352m (est. INR935m) in 4QFY17, implying growth of 41%.

Key questions for management

- Outlook for global agri chemical business and its impact on CSM business.
- Growth in Agrichem and CSM business.
- Any price impact on its key products, and planned launches of new products.
- Reasons for strong margin expansion.

Valuation and view: We will revisit our estimates post the earnings call. Based on our current estimates, at CMP of INR834, the stock trades at 24x/19x P/E on FY18/FY19 EPS estimates. Currently, we have the stock rating **Buy**, and will update post call with management.

Standalone - Quarterly Earning Model

Y/E March	FY16				FY17				FY16	FY17E	FY17 4QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	5,921	4,768	5,110	5,844	6,834	5,719	4,879	6,056	21,642	23,488	6,064	0
YoY Change (%)	25.7	11.8	1.2	8.8	15.4	20.0	-4.5	3.6	11.6	8.5	3.7	
Total Expenditure	4,577	3,933	4,079	4,759	5,178	4,440	3,845	4,519	17,348	17,983	4,764	
EBITDA	1,344	835	1,031	1,085	1,656	1,279	1,034	1,537	4,294	5,505	1,300	18
Margins (%)	22.7	17.5	20.2	18.6	24.2	22.4	21.2	25.4	19.8	23.4	21.4	
Depreciation	115	117	137	170	178	181	183	185	537	727	195	
Interest	27	15	27	26	16	13	12	31	96	72	12	
Other Income	86	89	80	94	113	134	133	-21	349	358	90	
PBT before EO expense	1,288	792	947	983	1,575	1,219	973	1,299	4,010	5,065	1,183	10
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,288	792	947	983	1,575	1,219	973	1,299	4,010	5,065	1,183	10
Tax	429	223	238	22	306	205	33	-53	913	491	248	
Rate (%)	33.3	28.1	25.2	2.3	19.4	16.8	3.4	-4.0	22.8	9.7	21.0	
Reported PAT	859	570	708	960	1,269	1,014	940	1,352	3,097	4,574	935	45
Adj PAT	859	570	708	960	1,269	1,014	940	1,352	3,097	4,574	935	45
YoY Change (%)	24.4	25.2	19.9	68.6	47.7	77.9	32.7	40.8	34.3	47.7	0.1	
Margins (%)	14.5	12.0	13.9	16.4	18.6	17.7	19.3	22.3	14.3	19.5	15.4	

E: MOSL Estimates

Maruti Suzuki

BSE SENSEX	S&P CNX
30,583	9,512

CMP: INR 6944 TP: INR8060 (+18%) Buy



Stock Info

Bloomberg	MSIL IN
Equity Shares (m)	302.1
52-Week Range (INR)	6789 / 3808
1, 6, 12 Rel. Per (%)	6/18/57
M.Cap. (INR b)	2100
M.Cap. (USD b)	32.8
Avg Val, INRm	3618
Free float (%)	43.8

Financials Snapshot (INR b)

Y/E MARCH	2017	2018E	2019E
Sales	680.3	806.6	937.2
EBITDA	104.7	127.9	154.5
Adj. PAT	74.2	88.9	110.2
Cons. Adj. EPS (INR)	248.6	300.0	370.9
EPS Gr. (%)	36.6	20.6	23.6
BV/Sh. (INR)	1,197	1,390	1,634
RoE (%)	20.3	21.2	22.3
RoCE (%)	27.3	28.3	29.4
Payout (%)	37.1	34.7	32.9
Valuations			
P/E (x)	28.0	23.2	18.7
P/CE (x)	20.8	17.3	14.4
EV/EBITDA (x)	17.4	13.8	10.9
Div. Yield (%)	1.1	1.2	1.4

New Dzire launched at a premium to outgoing model

Offers higher mileage/safety features than current version

- MSIL launched the all-new **third-gen Dzire** at a **starting price of INR545k** (ex-showroom Delhi). The company has **invested ~INR10b** in developing the new Dzire, manufacturing of which will happen only at its Manesar plant.
- It has already received **~33,000 bookings**, with a **waiting period of 8 weeks**.
- The new Dzire is based on the **fifth-gen 'Heartect' platform**, which also serves the recently launched Baleno. The sedan comes with **~99% localization**. The new Dzire will carry over the 1.2 petrol and 1.3 diesel engine from the current version.
- Market size** of the sub-compact sedan is **30,000-35,000** units a month, despite declining by **~10%** in FY17. For FY18, we are factoring in 220k (18k per month) units for Dzire and Dzire Tour (+10% YoY).
- The Maruti Dzire will compete with the Honda Amaze, the Ford Aspire, the Hyundai Xcent, the Volkswagen Ameo and the Tata Tigor. Pricing is at a slight premium (1-2.7%) to its nearest competitor Hyundai Xcent.
- The hugely popular **Auto Gear Shift (AGS) technology** is now available across all variants of the Dzire (except starting trim level).
- The new Dzire is **lighter with better efficiency than the outgoing model (~6.8% higher in diesel at 28.4kmpl and ~5.5% higher in petrol at 22kmpl)**.
- The Dzire comes with **two airbags and ABS as standard fitment across variants**.
- The **old Swift Dzire will replace the current Dzire Tour** used as commercial taxi. The old Swift Dzire was sub-4 meter sedan and the Dzire Tour was above-4 meter. Thus, there will be saving on excise duty.
- Presenting the all-new Dzire, **Mr. Kenichi Ayukawa, Managing Director & CEO, Maruti Suzuki**, said "The all-New Dzire has the looks and design of an authentic sedan. It is more premium and spacious in the inside, complies with future safety norms and has the convenience of Auto Gear Shift to make the all-new Dzire an irresistible package."
- Valuation and view:** We remain positive on MSIL considering its: a) multi-year favorable product lifecycle, b) improvement in product mix, c) reducing JPY exposure, d) high FCF generation and sharp improvement in RoIC as capex intensity reduces and e) scope for further improvement in payout. The stock trades at 23.1x/18.7x FY18E/19E consol. EPS. We have raised our target valuation multiple to 22.5x (v/s 20x earlier), which is **~25% premium** to five-year average, to factor in strong visibility of volumes/earnings growth, improving capital efficiency and increasing dividend payout. Maintain **Buy** with a target price of INR8,060 (~22.5x Mar-19 core EPS + ~INR1,387 cash/share).

Exhibit 1. The all-new Maruti Dzire launched at a starting price of ~INR545k

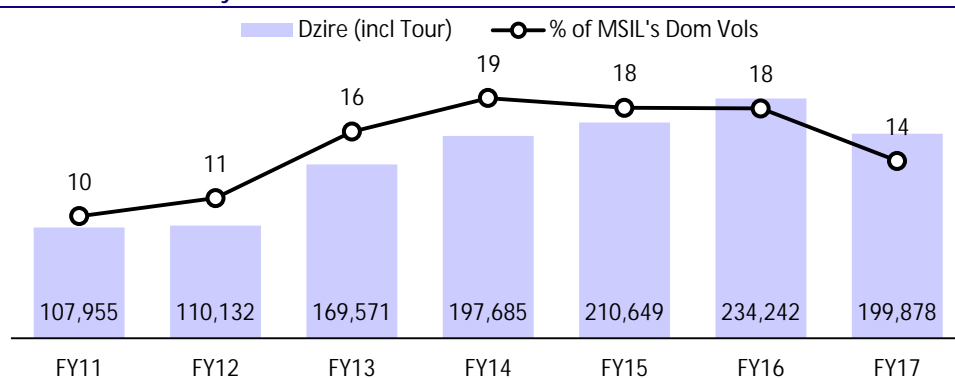


Source: Company, MOSL

Exhibit 2. Peers comparison (Basic variant: Petrol version specification)

	Dzire	Tata Tigor	Honda Amaze	Hyundai Xcent	Ford Aspire
Displacement-cc	1,197	1,199	1,198	1,197	1,196
Power-bhp	84	84	87	82	87
Torque-Nm	113	114	109	114	112
Length-mm	3,995	3,992	3,990	3,995	3,995
Width-mm	1,735	1,677	1,680	1,660	1,695
Height-mm	1,515	1,537	1,505	1,520	1,525
Ground Clearance-mm	163	170	165	165	174
Wheelbase-mm	2,450	2,450	2,405	2,425	2,491
Boot space- Ltrs	378	419	400	407	359
Pricing- INRm	0.55	0.47	0.55	0.54	0.54
Pricing top variant INRm	0.84	0.71	0.84	0.81	0.83

Exhibit 3. Dzire has been one of the best sellers of MSIL and #1 brand by value and #2 by volume for the industry



Source: Company, MOSL



Telecom



Vodafone India: Weak earnings but signs of bottoming

Focus on markets where it holds top-3 position and has above 15% share

Wireless revenue declines 8% QoQ in 4QFY17

Vodafone India's wireless revenue declined 8% QoQ (-15% YoY) to INR88.4b. ARPU fell 10% QoQ (-20% YoY) to INR142, with voice ARPU down by 9% QoQ to INR108 and data ARPU (for data subs) by 9% QoQ to INR107. Voice revenue fell 7% QoQ to INR67b (higher than Bharti/Idea's 5%/3% decline), led by a 16% drop in voice RPM, partly offset by an 11% jump in voice traffic due to an increase in incoming traffic from RJio. MOU was up 9% QoQ to 336. Data revenue declined 11% QoQ to INR21.2b (v/s Bharti/Idea's 11%/16% QoQ decline), led by a steep 27% ARMB drop, which partly helped stimulate data volume growth of 23% QoQ from the unlimited price plans.

2HFY17 EBITDA drops 24%, FCF negative for first time

2HFY17 revenue declined by 10% HoH to INR203.7b and EBITDA by 24% HoH to INR50b. Management highlighted that higher network cost from 4G site deployment at the time of contracting revenues hurt EBITDA. EBITDA margin shrunk 480bp HoH to 24.6%. Vodafone generated negative FCF for the first time at INR3b v/s positive FCF of INR33b in 1HFY17. It incurred capex of INR50b in 2HFY17, leading to FY17 capex of INR83b v/s Bharti/Idea's FY17 capex of INR100b/INR78b. Net debt was INR578.7b as of FY17, with net debt to EBITDA of 5x.

Focus on markets where it remains in top-3 position

Vodafone has started 4G services in 18 circles, as against 9 circles prior to the spectrum auction in October 16. These circles cover ~92% of service revenue and 96% of data revenue. With 105,000 broadband sites and 73 data carriers, the strategy is to focus only on markets where it holds the top-3 position and has over 15% share, leaving rest of the five circles with 11% revenue market share. Vodafone expects the merger with Idea to conclude in FY18.

Exhibit 1. Vodafone India financials metrics

India (INRm)	1HFY14	2HFY14	1HFY15	2HFY15	1HFY16	2HFY16	1HFY17	2HFY17
Service revenue	185,927	191,318	206,070	216,737	218,992	224,249	225,796	203,716
Revenue	185,927	191,318	206,070	216,737	218,992	224,249	225,796	203,716
EBITDA	54,191	52,969	60,198	64,210	64,472	64,762	66,273	50,047
EBITDA margin	29.1%	27.7%	29.2%	29.6%	29.4%	28.9%	29.4%	24.6%

	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17
India Wireless (INRm)	101,664	99,457	100,030	103,951	104,953	102,516	96,037	88,365
growth (QoQ)	1.5	(2.2)	0.6	3.9	1.0	(2.3)	(6.3)	(8.0)
ARPU (INR)	184	178	175	177	176	171	158	142
Growth (%)	(0.2)	(3.2)	(1.6)	1.1	(0.3)	(3.1)	(7.5)	(9.9)

Source: Company, MOSL

Management sees signs of stability returning, as RJio starts charging subscribers:

Vodafone Group highlighted that March 2017 has seen some stability in the market (relative to January) after RJio announced to charge subscribers. The high- and mid-value subscribers have seen a slight uptick in ARPU even as that of low-value subscribers remains weak. Management said it will wait before calling it a bottom, given the vagueness with possibility of RJio revising its offerings. This is in line with Idea's commentary that downtrading on premium subscribers has abated. We believe the industry may bottom over next 3-4 quarters with conclusion of RJio's ongoing complementary usage period. We continue believing that RJio's INR303 price plan is ARPU-accretive for the industry, with average ARPU of less than half at below INR143. However, given high data offerings provided by RJio, only operators with high data capacity stand in good stead. We believe Bharti remains best placed to compete with its healthy data investments. Vodafone and Idea independently remain weak-footed and, therefore, the merger remains crucial to its competitive position.



J K Cement

BSE SENSEX	S&P CNX
30,583	9,512
Bloomberg	JKCE IN
Equity Shares (m)	70
M.Cap.(INRb)/(USDb)	78.1 / 1.2
52-Week Range (INR)	1194 / 574
1, 6, 12 Rel. Per (%)	16/28/73
Avg Val, INRm	39
Free float (%)	35.8

CMP: INR1,118 TP: INR1,322 (+18%) Buy

Realization improvement drives profits

- Grey cement profitability improvement led by better pricing:** 4QFY17 revenue increased 7.7% YoY to INR10.2b (est. of INR9.8b). Grey cement revenue rose 6% YoY to INR6.9b (est. of INR6.5b) due to higher realization in north operations. White cement revenue increased 10% YoY to INR3.3b, led by growth of 5% YoY in volumes and 4% YoY in realizations. Grey cement volumes declined 2% YoY to 1.86mt (est. of 1.79mt) due to lower volumes in north operations. White cement (incl. putty) volumes growth was strong at 5% YoY to 0.29mt. Blended realizations increased 3% QoQ (+9% YoY) to INR4,736/t (est. of INR4,698) due to better realizations in north markets. Adj. PAT rose 40% YoY to INR983m (est. of INR496m), led by lower tax outgo and higher other income on account of certain provisions written back in 4QFY17.
- Margin expansion led by price increase:** EBITDA grew 6% YoY (+22% QoQ) to INR1.81b (est. of INR1.57b), translating into margin of 17.8% (+1.1pp QoQ, -0.4pp YoY). Grey cement margin stood at 18.0% (+5pp QoQ; +3pp YoY) on account of higher realizations. White cement margin stood at 31.1% (-1.6pp QoQ; -4.0pp YoY). Blended EBITDA/ton stood at INR846 v/s est. of INR755 (+7% YoY, +10% QoQ), led by higher realizations and lower-than-expected cost increase due to low-cost inventory.
- FY17 performance:** Volumes at 7.9mt grew 1% YoY as volumes in south operations declined by 7% YoY. Realizations increased 5% YoY to INR4697/t, led by a rise in both grey cement and white cement realizations. Hence, revenue of INR37b rose 5% YoY. EBITDA/t increased 31% YoY to INR814, and thus, EBITDA rose 32% YoY to INR6.4b. Additionally, a lower tax rate of 20% v/s 27% in FY16 resulted in PAT growth of 166% YoY to INR2.75b.
- Preferred play on north markets and white cement:** With lower immediate capex and FCFE of INR4-5b over FY17-FY19, there remains visibility of deleveraging from FY17 peak of INR31b. We maintain **Buy** with TP of INR1,322 (14x FY19E white cement EBITDA and 10x FY19E grey cement EBITDA).

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	39.7	44.8	50.5
EBITDA	6.7	8.3	9.8
PAT	2.4	3.2	4.2
EPS (INR)	33.7	46.4	59.5
Gr. (%)	329.9	37.7	28.2
BV/Sh (INR)	251.6	293.5	347.0
RoE (%)	14.4	17.0	18.6
RoCE (%)	9.7	10.6	11.6
P/E (x)	33.2	24.1	18.8
P/BV (x)	4.4	3.8	3.2

Estimate change



TP change



Rating change



Quarterly Performance (Standalone)

Y/E March	FY16				FY17				FY16	FY17	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var (%)
Sales Dispatches (m ton)	1.81	1.83	2.02	2.18	1.89	1.92	1.93	2.15	7.84	7.88	2.1	3
YoY Change (%)	4.4	3.0	15.6	13.8	4.1	5.1	-4.5	-1.2	9.4	0.6	-4.1	
Realization (INR/ton)	4,482	4,733	4,466	4,344	4,698	4,743	4,601	4,736	4,491	4,697	4,698	1
YoY Change (%)	-2.9	1.4	-2.0	-8.8	4.8	0.2	3.0	9.0	-3.5	4.6	7.4	
QoQ Change (%)	-6.0	5.6	-5.6	-2.7	8.2	0.9	-3.0	2.9			2.1	
Net Sales	8,121	8,647	9,022	9,457	8,859	9,110	8,878	10,189	35,212	37,036	9,806	4
YoY Change (%)	1.3	4.4	13.2	3.8	9.1	5.4	-1.6	7.7	5.5	5.2	3.0	
EBITDA	849	1,024	1,265	1,718	1,657	1,462	1,482	1,814	4,857	6,414	1,575	15
Margins (%)	10.5	11.8	14.0	18.2	18.7	16.0	16.7	17.8	13.8	17.3	16.1	
Depreciation	386	402	415	438	425	437	447	452	1,641	1,761	423	7
Interest	664	694	664	686	675	691	662	628	2,707	2,656	671	-6
Other Income	190	220	137	365	284	188	441	527	913	1,441	195	171
PBT	-10	148	324	959	729	522	822	1,172	1,421	3,244	675	73
Tax	-21	3	147	259	121	112	158	258	388	649	180	
Rate (%)	203.9	1.9	45.4	27.0	16.5	21.6	19.2	22.0	27.3	20.0	26.6	
Reported PAT	11	145	177	701	609	409	664	914	1,033	2,596	496	84
Adj PAT	11	145	177	701	609	409	659	983	1,033	2,750	496	98
YoY Change (%)	-97.2	-55.0	5.6	0.3	5,656.5	181.4	272.7	40.4	-34.2	166.2	-27.4	

Source: MOSL, Company



South Indian Bank

BSE SENSEX	S&P CNX
30,583	9,512
Bloomberg	SIB IN
Equity Shares (m)	1343.9
M.Cap. (INR b)/(USD)	33.9/0.5
52-Week Range (INR)	27 / 16
1, 6, 12 Rel. Per (%)	8/9/30
12M Avg Val (INR M)	190
Free float (%)	100.0

Financials & Valuation (INR Billion)

Y/E Mar	2017	2018E	2019E
NII	16.8	19.1	21.5
OP	12.1	12.5	13.7
NP	3.9	4.3	5.1
NIM (%)	2.7	2.7	2.7
EPS (INR)	2.2	2.4	2.8
EPS Gr. (%)	-11.8	8.6	20.1
BV/Sh (INR)	25.9	24.4	26.5
ABV (INR)	23.5	21.5	23.6
RoE (%)	9.4	9.4	11.2
RoA (%)	0.6	0.5	0.6
P/E (x)	11.5	10.6	8.8
P/BV (x)	1.0	1.0	0.9
Div Yield (%)	1.6	1.9	2.3

Estimate change



TP change



Rating change



CMP: INR25 TP: INR31 (+24%) Upgrade to BUY

Growth getting back on track; Balance sheet clean-up continues; upgrade to Buy

- n SIB reported PAT growth of -32%/+4% QoQ/YoY. NII grew 5%/11% QoQ/YoY on the back of 5%/13% advances growth as NIM remained flat YoY and expanded 8bp QoQ to 2.74%. Opex growth was controlled at -1%/+2% QoQ/YoY, and the CI ratio stood at 51.3%. However, elevated provisions (+42% YoY) eroded 26% PPop growth to result in 4% YoY PAT growth.
- n Loan growth of 4%/13% QoQ/YoY was led by healthy growth in retail (+11%/15% QoQ/YoY) and SME/agri (+5%/+13% QoQ/YoY), reflecting the bank's steady shift in loan mix to granular retail loans.
- n The bank continued balance sheet clean-up with sale to ARCs, bringing down GNPA/NPNA to 2.45%/1.45% (-153bp/-107bp QoQ). Elevated provisioning raised PCR to 55.1% (from 50.2% in 3QFY17), and total stressed loans stood at 3% of advances (down from 7% in 3QFY17).
- n **FY17 highlights:** (1) Capital position is healthy post rights issue, with tier 1/CAR at 10.9%/12.37%. (2) QoQ decline in other income was due to one-off treasury gains in 3QFY17. (3) The bank raised INR6.3b in 4QFY17 via a rights issue – allotted 450m shares to shareholders at INR14/share.

Valuation and view: Management is focused on building a low-ticket loan book, with steady balance sheet clean-up, which will help asset quality improve substantially. In view of asset quality improvement and lower expected provisions, we observe a sharp upside to our earlier RoA/RoE estimates and upgrade the stock to **Buy** with a TP of INR31 (1.0x Mar-19E BV, increase in multiple over earlier 0.6x Dec-18 BV in view of stressed asset resolutions leading to faster-than-expected improvement in RoA/RoE).

Quarterly Performance

	(INR Million)									
	FY16				FY17				FY16	FY17
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	13,767	14,050	14,077	13,679	14,472	14,502	14,790	14,707	55,572	58,471
Interest Expense	10,363	10,166	10,009	9,936	10,736	10,050	10,614	10,316	40,475	41,717
Net Interest Income	3,404	3,884	4,067	3,743	3,736	4,452	4,175	4,391	15,097	16,754
% Change (YoY)	-0.2	8.4	27.1	7.8	9.8	14.6	2.7	17.3	10.5	11.0
Other Income	1,038	1,212	1,533	1,391	1,734	1,459	2,585	1,377	5,174	7,156
Net Income	4,442	5,096	5,600	5,134	5,471	5,911	6,760	5,768	20,271	23,910
% Change (YoY)	-3.9	12.7	16.6	9.4	23.2	16.0	20.7	12.4	8.8	17.9
Operating Expenses	2,633	2,965	2,970	2,911	2,876	2,937	2,991	2,960	11,478	11,764
Operating Profit	1,809	2,130	2,631	2,223	2,595	2,973	3,770	2,808	8,793	12,146
% Change (YoY)	-31.6	1.0	19.9	34.7	43.4	39.6	43.3	26.3	-0.3	38.1
Other Provisions	795	675	1,064	1,163	1,141	1,283	2,066	1,653	3,696	6,144
Profit Before Tax	1,014	1,456	1,567	1,060	1,454	1,690	1,703	1,155	5,097	6,002
Tax Provisions	361	522	551	331	503	585	590	400	1,764	2,077
Net Profit	653	934	1,016	730	951	1,105	1,114	755	3,333	3,925
% Change (YoY)	-48.4	22.4	15.6	347.1	45.6	18.4	9.6	3.5	8.5	17.8
Operating Parameters										
NIM (Reported,%)	2.5	2.7	2.8	2.7	2.7	2.8	2.7	2.7	2.7	2.7
NIM (Cal, %)	2.6	2.9	3.1	2.7	2.6	3.0	2.7	2.7	2.8	2.8
Deposit Growth (%)	12.6	13.6	10.3	7.3	10.6	13.5	19.0	18.7	7.3	18.7
Loan Growth (%)	11.6	11.8	9.7	9.9	7.8	10.1	10.9	12.9	9.9	12.9
CD Ratio (%)	73.1	74.6	74.7	73.7	71.2	72.3	69.6	70.2	73.7	70.2
Tax Rate (%)	35.6	35.8	35.1	31.2	34.6	34.6	34.6	34.6	34.6	34.6
Asset Quality										
Gross NPA (INR b)	7.1	8.9	11.1	15.6	16.5	17.5	17.9	6.4	15.6	6.4
Gross NPA (%)	1.9	2.2	2.8	3.8	4.0	4.0	4.0	2.5	3.8	2.5



Indo Count Industries

BSE SENSEX	S&P CNX
30,583	9,512
Bloomberg	ICNT IN
Equity Shares (m)	197
M.Cap.(INRb)/(USDb)	35.9 / 0.5
52-Week Range (INR)	210 / 135
1, 6, 12 Rel. Per (%)	-1/24/-12
Avg Val, INRm	149
Free float (%)	41.1

CMP: INR194 TP: INR229(+18%) Buy

Muted quarter; one-offs hurt margins

- Results below expectations:** ICNT reported revenue of INR5,129m (est. of INR5,460m) in 4QFY17, marking flattish YoY growth. EBITDA declined 26% from INR1,224m in 4QFY16 to INR901m (est. of INR1,174m) in 4QFY17. EBITDA margin contracted 630bp to 17.6% (est. of 21.5%) from 23.8% in 4QFY16, despite gross margin improvement (+410bp YoY to 52.2%), due to higher other expenses (+910bp to 28.6% v/s 19.5% in 4QFY16). Consequently, PAT declined 28.1% from INR679m in 4QFY16 to INR488m (est. of INR669m) in the quarter. For FY17, revenue grew 7% to INR22.6b, EBITDA margin shrunk 300bp to 19% and PAT declined 11% to INR2,567m. ICNT ended FY17 with volumes of 56m mtrs v/s 54m mtrs in FY16 (+3.7%).
- One-offs lead to EBITDA margin contraction:** EBITDA margin shrunk due to: 1) pre-operative expenses in case of newly commissioned capex to the tune of INR80-100m, which is passed through P&L under Ind-AS, 2) devaluation of inventory in international subsidiary, which due to product strategy change by client had to be written down and sold at lower realization (total hit of ~INR200m), 3) higher employee expenses on upfront investment to support future growth and 4) higher job work charges. As per management, EBITDA margin would have been higher by 225bp in the absence of these one-offs.
- Processing capacity expanded; guides for 11% volume growth:** ICNT raised processing capacity from 68m mtrs to 90m mtrs during the quarter, and estimates to scale it up over next three years. Management guided for 62-63m mtrs for FY18 (+11%), with EBITDA margin in northwards of 20%.
- Valuation and view:** In view of subdued performance in FY17 and lowered guidance for FY18, we cut earnings by 17%/17% for FY18/FY19E. With a foray into products like fashion, institutional linens and utility bedding, and launch of Indo Count Retail Ventures under the brand Boutique Living in India market (Oct-16), we expect 10% revenue CAGR and 16% PAT CAGR over FY17-19E. Maintain **Buy** with TP of INR229 (13x FY19E EPS).

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	22.6	24.9	27.5
EBITDA	4.3	5.1	5.8
PAT	2.6	2.9	3.5
EPS (INR)	13.0	14.6	17.6
Gr. (%)	-10.7	11.9	21.0
BV/Sh (INR)	42.9	58.4	77.3
RoE (%)	34.8	28.8	25.9
RoCE (%)	26.5	25.0	25.0
P/E (x)	14.9	13.3	11.0
P/BV (x)	4.5	3.3	2.5

Estimate change



TP change



Rating change



Standalone - Quarterly Earning Model

Y/E March	FY16				FY17				FY17	FY17	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			
Net Sales	4,579	5,765	5,009	5,134	4,926	5,763	5,029	5,129	22,578	5,460	-6
YoY Change (%)	44.9	20.4	16.9	12.4	7.6	0.0	0.4	-0.1	7.0	4.0	
Total Expenditure	3,567	4,713	3,858	3,910	3,824	4,599	4,009	4,228	18,294	4,286	
EBITDA	1,012	1,052	1,151	1,224	1,103	1,164	1,020	901	4,285	1,174	-23
Margins (%)	22.1	18.2	23.0	23.8	22.4	20.2	20.3	17.6	19.0	21.5	
Depreciation	67	69	72	81	80	73	79	79	331	80	
Interest	146	156	94	121	98	116	91	89	421	80	
Other Income	0	0	0	0	0	0	0	0	0	0	
PBT	798	828	985	1,022	924	975	849	733	3,532	1,014	-28
Tax	277	311	213	343	321	348	287	245	965	345	
Rate (%)	34.6	37.6	21.6	33.6	34.8	35.7	33.8	33.4	27.3	34.0	
Reported PAT	522	516	773	679	603	627	562	488	2,567	669	-27
Adj PAT	522	516	773	679	603	627	562	488	2,567	669	-27
YoY Change (%)	109.4	21.5	77.1	48.6	15.6	21.5	-27.3	-28.1	-10.7	1.4	
Margins (%)	11.4	9.0	15.4	13.2	12.2	10.9	11.2	9.5	11.4	12.3	

E: MOSL Estimates



Bajaj Finance

Bloomberg	BAF IN
Equity Shares (m)	535.5
M. Cap. (INR b)/(USD b)	628 / 10
52-Week Range (INR)	1205 / 677
1,6,12 Rel Perf. (%)	8 / 3 / 51

CMP: INR1,173 TP: INR1,448 (+23%) Buy

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
NII	40.3	54.3	73.8	97.7
PPP	25.1	35.5	49.1	65.6
PAT	12.8	18.4	25.4	34.3
EPS (INR)	24	34.4	47.5	64.0
EPS Gr. (%)	33	44.1	38.0	34.8
BV/Sh. (INR)	137	166.2	206.7	261.3
RoA on AUM (%)	3.2	3.4	3.6	3.7
RoE (%)	21.1	22.7	25.5	27.3
Payout (%)	12.7	14.0	14.0	14.0
Valuations				
P/E (x)	49.1	34.1	24.7	18.3
P/BV (x)	8.6	7.1	5.7	4.5
Div. Yield (%)	0.2	0.2	0.3	0.4

- n We expect AUM growth of 36.5% YoY and 4.8% QoQ in 4QFY17, driven by strong growth in consumer and commercial lending. Management commentary on 2W and CD financing is sanguine.
- n NII should grow 39% YoY; margins are likely to improve marginally on a YoY basis.
- n We expect 50bp C/I ratio improvement on a YoY basis to 43.4%
- n Asset quality is likely to remain stable. As of December 2016, GNPA's were at 1.47% and NNPA's at 0.39%.
- n We expect provisions of INR2b as against INR1.8b in 3QFY17 and INR1.6b in 4QFY16.
- n Net profit is likely to grow 44% YoY to INR4.5b.
- n The stock trades at 5.7x FY18E and 4.5x FY19E BV. We are increasing our target price to INR1,448 on account of greater earnings visibility. Maintain Buy.

Key issues to watch for

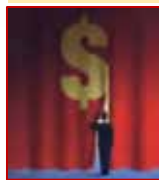
- ⊗ Commentary on business growth momentum due to the impact of demonetization.
- ⊗ Guidance on margins due to changing product mix.
- ⊗ Asset quality trends, especially in LAP and 2W/3W businesses.
- ⊗ Performance of businesses such as rural SME lending, lifestyle financing and e-commerce financing.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Income from operations	15,716	15,921	19,717	18,212	21,659	21,802	25,271	24,266	69,566	92,998
Other Operating Income	746	878	897	957	1,205	1,668	1,749	1,707	3,477	6,329
Operating Income	16,462	16,799	20,614	19,168	22,864	23,470	27,020	25,973	73,043	99,327
YoY Growth (%)	32.4	36.3	39.6	34.1	38.9	39.7	31.1	35.5	35.7	36.0
Interest expenses	6,771	6,947	7,493	8,058	8,833	9,562	9,802	10,484	29,269	38,681
Net Income	9,692	9,853	13,121	11,110	14,031	13,909	17,218	15,489	43,775	60,646
YoY Growth (%)	30.3	43.3	48.4	35.9	44.8	41.2	31.2	39.4	39.7	38.5
Other income	96	206	83	406	147	190	271	337	792	945
Total Income	9,788	10,059	13,203	11,516	14,178	14,098	17,489	15,826	44,566	61,591
Operating Expenses	4,531	4,411	5,490	5,061	5,865	6,144	7,192	6,873	19,492	26,074
Operating Profit	5,257	5,648	7,714	6,455	8,312	7,954	10,297	8,954	24,283	34,572
YoY Growth (%)	30.3	49.1	54.0	40.9	58.1	40.8	33.5	38.7	42.4	42.4
Provisions and Cont.	1,033	1,368	1,462	1,565	1,797	1,691	1,797	2,021	5,429	7,306
Profit before Tax	4,224	4,280	6,252	4,890	6,515	6,263	8,500	6,933	18,854	27,266
Tax Provisions	1,468	1,486	2,167	1,740	2,275	2,185	2,944	2,385	6,861	9,789
Net Profit	2,756	2,794	4,085	3,150	4,240	4,078	5,557	4,548	12,785	18,422
YoY Growth (%)	30.4	41.7	58.1	36.4	53.8	45.9	36.0	44.4	42.4	44.1
Loan Growth (%)	32.0	35.6	41.0	36.5	39.5	37.8	32.6	36.5	38.8	33.5
Borrowings Growth (%)	34.7	30.0	37.2	38.7	40.5	43.4	30.2	37.4	38.7	37.4
Cost to Income Ratio (%)	46.3	43.9	41.6	43.9	41.4	43.6	41.1	43.4	44.5	43.0
Tax Rate (%)	34.8	34.7	34.7	35.6	34.9	34.9	34.6	34.4	34.1	35.1

E: MOSL Estimates



Hindustan Unilever

Bloomberg	HUVR IN
Equity Shares (m)	2163.5
M. Cap. (INR b)/(USD b)	2024 / 31
52-Week Range (INR)	954 / 783
1,6,12 Rel Perf. (%)	3 / 1 / -13

CMP: INR935 TP: INR945 (+1%) Neutral

- n We expect Hindustan Unilever's revenue to grow by 4.5%, with an underlying ~0.5% volume decline.
- n PFAD prices have gone up by 28% YoY and LAB prices are up 14% YoY.
- n We expect operating margin to contract 100bp YoY to 18.1% in 4QFY17.
- n We estimate EBITDA and PAT decline of 1% YoY.
- n The stock trades at 37.7x FY19E EPS of INR24.8; maintain Neutral.

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	305.0	311.3	338.2	376.9
EBITDA	57.3	58.5	64.5	74.2
Adj. PAT	41.2	41.7	46.5	53.7
Adj. EPS (INR)	19.0	19.3	21.5	24.8
EPS Gr. (%)	12.9	1.1	11.7	15.4
BV/Sh.(INR)	29.0	28.0	26.9	26.8
RoE (%)	82.4	67.6	78.4	92.5
RoCE (%)	108.1	88.5	102.0	120.9
Payout (%)	84.0	98.6	95.3	90.7

Valuations

P/E (x)	49.1	48.6	43.5	37.7
P/BV (x)	32.2	33.4	34.8	34.9
EV/EBITDA (x)	34.8	34.1	30.9	26.8
Div. Yield (%)	1.7	2.0	2.2	2.4

Key issues to watch for:

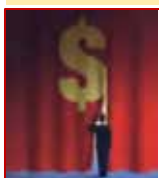
- ⊗ Comments on volume growth and consumer demand environment.

Quarterly performance

(INR Million)

Y/E March	FY16				FY17				FY16 Ind	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	AS	
Volume Growth (%)	6.0	7.0	6.0	4.0	4.0	-1.0	-4.0	-0.5	5.8	-0.5
Net Sales	78,445	77,314	77,640	77,212	81,282	78,427	77,060	80,680	310,610	317,448
YoY Change (%)					3.6	1.4	-0.7	4.5		2.2
COGS	38,976	38,965	37,424	37,688	39,555	39,620	37,446	40,626	153,053	157,247
Gross Profit	39,469	38,349	40,216	39,523	41,727	38,807	39,613	40,054	157,557	160,201
Margin %	50.3	49.6	51.8	51.2	51.3	49.5	51.4	49.6	50.7	50.5
Operating Exp	24,349	24,982	25,914	24,820	25,368	24,760	26,059	25,487	100,065	101,675
% to sales	31.0	32.3	33.4	32.1	31.2	31.6	33.8	31.6	32.2	32.0
EBITDA	15,120	13,366	14,302	14,703	16,359	14,046	13,554	14,567	57,491	58,527
YoY Change (%)					8.2	5.1	-5.2	-0.9		1.8
Margins (%)	19.3	17.3	18.4	19.0	20.1	17.9	17.6	18.1	18.5	18.4
Depreciation	749	761	822	875	933	945	1,002	1,041	3,208	3,921
Interest	47	45	45	16	60	49	46	16	153	170
Other Income	1,230	1,944	1,451	1,014	1,076	2,528	824	1,105	5,638	5,534
PBT	15,554	14,503	14,886	14,826	16,442	15,580	13,331	14,616	59,769	59,970
Tax	4,960	4,560	4,373	4,203	5,411	4,807	4,482	3,591	18,096	18,291
Rate (%)	31.9	31.4	29.4	28.3	32.9	30.9	33.6	24.6	30.3	30.5
Adjusted PAT	10,628	9,902	10,241	11,135	11,277	10,818	9,199	11,025	41,673	41,679
Reported Profit	10,692	9,822	9,717	11,135	11,739	10,956	10,379	11,025	41,673	41,679
YoY Change (%)					9.8	11.5	6.8	(1.0)		0.0

E: MOSL Estimates



JSW Steel

Bloomberg	JSTL IN
Equity Shares (m)	2417.2
M. Cap. (INR b)/(USD b)	472 / 7
52-Week Range (INR)	201 / 124
1,6,12 Rel Perf. (%)	2 / 3 / 35

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	418.8	562.9	636.6	654.5
EBITDA	60.7	120.0	136.6	144.1
Adj. PAT	-0.1	32.8	44.2	49.6
Adj. EPS (INR)	0.0	13.6	18.3	20.5
EPS Gr(%)	-100.5		34.7	12.3
BV/Sh. (INR)	77.5	89.7	105.4	123.4
RoE (%)	0.0	16.2	18.7	17.9
RoCE (%)	2.7	7.8	8.8	8.8
Payout (%)	-36.6	10.9	8.2	7.2

Valuation

P/E (x)		14.4	10.7	9.5
P/BV	2.5	2.2	1.8	1.6
EV/EBITDA	16.1	7.9	6.6	5.8
Div. Yield (%)	0.6	0.6	0.6	0.6

CMP: INR195 TP: INR222 (+14%) Buy

- Consolidated EBITDA is estimated to be broadly flat QoQ at INR29b. Standalone steel sales volumes would increase by 8% QoQ (20% YoY) to 3,940kt. Steel realization is estimated to increase by 5% QoQ to INR38,252/t. However, higher coking coal and iron ore cost would offset the volume and price gains. 3QFY17 also included certain one-offs pertaining to by-product sales which would impact the QoQ performance. We estimate standalone EBITDA/t of INR6,945/t, down from INR7,717/t in 3Q.

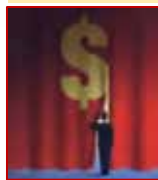
Key issues to watch for:

- Steel price hikes and impact of coking coal.
- Domestic steel demand growth.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	115,762	109,069	86,983	106,975	117,080	132,278	140,126	173,464	418,789	562,948
Change (YoY %)	-12.7	-21.5	-34.2	-15.1	1.1	21.3	61.1	62.2	-20.9	34.4
EBITDA	16,273	17,293	8,918	18,246	32,694	29,586	28,669	29,034	60,730	119,983
Change (YoY %)	-37.7	-38.5	-61.2	8.4	100.9	71.1	221.5	59.1	-35.4	97.6
Interest	8,222	8,363	8,107	8,335	9,358	9,646	9,201	10,139	33,027	38,345
Depreciation	9,385	6,822	7,734	7,938	8,315	8,915	9,146	9,236	31,879	35,612
Other Income	258	390	226	808	334	296	333	836	1,682	1,798
PBT (before EO Item)	-1,077	2,498	-6,696	2,781	15,356	11,320	10,655	10,494	-2,494	47,825
EO Items	-7	-14	-21,221	-11	0	0	0	0	-21,254	0
PBT (after EO Item)	-1,084	2,483	-27,917	2,770	15,356	11,320	10,655	10,494	-23,748	47,825
Total Tax	166	1,424	-18,100	1,270	4,507	4,734	3,511	4,048	-15,241	16,799
% Tax	-15.3	57.3	64.8	45.8	29.4	41.8	32.9	38.6	64.2	35.1
Reported PAT	-1,250	1,060	-9,817	1,500	10,848	6,587	7,145	6,447	-8,508	31,026
MI (Profit)/Loss	199	132	610	10	112	-117	13	-117	950	-110
Share of P/(L) of Ass.	-17	-22	-26	203	130	795	143	795	138	1,864
Pref. Dividend	70	70	70	70	0	0	0	0	279	0
Adjusted PAT	-1,135	1,105	-1,701	1,649	11,090	7,265	7,300	7,125	-84	32,780
Change (YoY %)	-117.5	-85.2	-152.8	161.4	-1,076.8	557.5	-529.2	332.1	-100.5	-38,911.3



MRPL

Bloomberg	MRPL IN
Equity Shares (m)	1752.7
M. Cap. (INR b)/(USD b)	192 / 3
52-Week Range (INR)	116 / 63
1,6,12 Rel Perf. (%)	0 / 16 / 45

Financial snapshot (INR b)

Y/E march	2016	2017E	2018E	2019E
Sales	396.3	418.5	498.6	551.8
EBITDA	29.6	40.8	40.7	42.8
Adj. PAT	12.9	21.4	20.1	22.4
Adj. EPS (INR)	7.4	12.2	11.4	12.8
EPS Gr. (%)	NA	61.4	(6.4)	11.5
BV/Sh.(INR)	36.6	46.0	54.8	64.5
RoE (%)	22.1	29.6	22.7	21.4
RoCE (%)	14.3	17.8	15.4	16.2
Payout (%)	-	23.4	23.4	23.4

Valuation

P/E (x)	14.6	9.0	9.6	8.6
P/BV (x)	2.9	2.4	2.0	1.7
EV/EBITDA (x)	4.0	5.9	5.8	4.6
Div. Yield (%)	-	2.2	2.1	2.3

CMP: INR110 TP: INR114 (+4%) Neutral

- n We expect MRPL to report EBITDA of INR9.2b (v/s INR11.5b in 3QFY17). We estimate adjusted PAT at INR4.4b (v/s INR5.6b in 3QFY17).
- n Regional benchmark Reuters Singapore GRM is down 17% YoY and 5% QoQ to USD6.4/bbl. We model MRPL's GRM at USD6.07/bbl v/s USD5.1/bbl in 3QFY17 and USD9.01/bbl in 4QFY16.
- n We expect refinery throughput at 4mmt v/s 4.4mmt in 4QFY16 and 4.2mmt in 3QFY17.
- n For MRPL, we model GRM of -USD6.5bbl for FY18/FY19. The stock trades at 8.6x FY19E EPS of INR12.8, and at an EV of 4.6x FY19E EBITDA. Neutral.

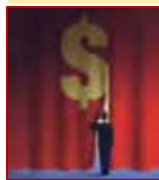
Key issues to watch for

- ⊗ (a) GRM, (b) forex fluctuations, and (c) inventory changes.
- ⊗ Updates on foray into petrol and diesel marketing.
- ⊗ Payment of outstanding dues to Iran.

Standalone - Quarterly Earning Model

Y/E March									(INR Million)	
	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	113,148	102,211	88,187	92,929	84,288	99,690	114,753	119,746	396,474	418,476
YoY Change (%)	-28.1	-35.8	-40.1	-17.6	-25.5	-2.5	30.1	28.9	-31.2	5.5
Total Expenditure	105,954	111,353	83,721	77,565	72,076	91,835	103,277	110,534	378,593	377,722
EBITDA	7,194	-9,142	4,466	15,364	12,212	7,855	11,476	9,212	17,881	40,754
Margins (%)	6.4	-8.9	5.1	16.5	14.5	7.9	10.0	7.7	4.5	9.7
Depreciation	1,482	1,593	1,596	2,452	1,707	1,681	1,702	1,814	7,122	6,903
Interest	1,223	1,627	1,555	1,462	1,465	1,115	1,395	1,433	5,867	5,409
Other Income	2,140	2,402	1,636	2,394	2,295	926	636	675	8,572	4,532
PBT before EO expense	6,629	-9,961	2,951	13,845	11,335	5,984	9,015	6,640	13,464	32,974
Extra-Ord expense	1,542	205	6	77	0	0	0	0	1,830	0
PBT	5,087	-10,166	2,945	13,768	11,335	5,984	9,015	6,640	11,634	32,974
Tax	1,032	-1,032	0	343	4,155	1,826	3,355	2,213	343	11,548
Rate (%)	20	10	0	2	37	31	37	33	3	35
Reported PAT	4,055	-9,134	2,945	13,424	7,181	4,159	5,660	4,427	11,291	21,426
Adj PAT	5,284	-8,950	2,951	13,499	7,181	4,159	5,660	4,427	13,067	21,426
YoY Change (%)	-1,563.8	-8.2	-115.6	15.4	35.9	-146.5	91.8	-67.2	-175.2	64.0
Margins (%)	4.7	-8.8	3.3	14.5	8.5	4.2	4.9	3.7	3.3	5.1
Key Assumptions										
Refining throughput (mmt)	3.9	3.5	3.8	4.4	3.7	4.0	4.2	4.0	15.6	15.9
Core GRM (USD/bbl)	5.1	5.3	8.4	9.0	5.3	5.5	5.1	6.1	6.9	5.5

E: MOSL Estimates



United Breweries

Bloomberg	UBBL IN
Equity Shares (m)	264.4
M. Cap. (INR b)/(USD b)	201 / 3
52-Week Range (INR)	976 / 690
1,6,12 Rel Perf. (%)	-6 / -26 / -28

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	48.4	47.9	53.2	61.2
EBITDA	6.9	6.8	7.8	9.7
PAT	3.0	2.8	3.8	4.9
EPS (INR)	11.3	10.7	14.3	18.4
EPS Gr. (%)	14.7	-5.4	34.3	28.2
BV/Sh.(INR)	79.8	89.5	101.3	117.0
RoE (%)	15.1	12.6	15.0	16.8
RoCE (%)	13.4	11.7	13.3	15.1

Valuations

P/E (x)	67.6	71.4	53.2	41.5
P/BV (x)	9.5	8.5	7.5	6.5
EV/EBITDA (x)	29.9	29.5	26.2	20.6
EV/Sales (x)	4.2	4.2	3.8	3.3

CMP: INR762 TP: INR1,030 (+35%) Buy

- We expect United Breweries' revenue to decline by 4.7% YoY to INR11.6b.
- We build in EBITDA margin expansion of 30bp YoY to 10.8%, and 1.9% EBITDA decline YoY to INR1.2b.
- We estimate 16.9% PAT growth in 4QFY17, mainly due to low interest costs and higher other income compared to base quarter.
- The stock trades at 41.5x FY19E EPS of INR18.4. Maintain Buy.

Key issues to watch for:

- Trends in volume growth and margins.
- Price trend and outlook for raw materials.
- Comment on highway ban impact on stores with 500m proximity.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	14,546	10,723	10,969	12,150	15,642	10,386	10,250	11,583	48,388	47,860
YoY Change (%)					7.5	-3.1	-6.6	-4.7		-1.1
Total Expenditure	12,062	9,373	9,209	10,878	12,733	9,174	8,971	10,334	41,521	41,211
EBITDA	2,484	1,350	1,760	1,273	2,909	1,212	1,280	1,249	6,867	6,649
YoY Change (%)					17.1	-10.3	-27.3	-1.9		-3.2
Margins (%)	17.1	12.6	16.0	10.5	18.6	11.7	12.5	10.8	14.2	13.9
Depreciation	583	598	615	638	637	702	698	600	2,435	2,636
Interest	202	205	184	168	148	141	153	150	759	592
Other Income	167	242	179	273	136	8	330	340	862	814
PBT before EO expense	1,866	789	1,140	739	2,260	376	759	839	4,534	4,234
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,866	789	1,140	739	2,260	376	759	839	4,534	4,234
Tax	645	268	428	216	790	106	274	226	1,556	1,396
Rate (%)	34.5	33.9	37.5	29.2	34.9	28.1	36.1	27.0	34.3	33.0
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,221	521	712	524	1,471	270	485	612	2,979	2,838
Adj PAT	1,221	521	712	524	1,471	270	485	612	2,979	2,838
YoY Change (%)					20.4	-48.1	-31.9	16.9		-4.7
Margins (%)	8.4	4.9	6.5	4.3	9.4	2.6	4.7	5.3	6.2	5.9

E: MOSL Estimates



1. Jindal Stainless: expect 15% plus volume growth in FY18; capacity utilisation at 90%; Ashok Gupta, Director-Finance

- n Registered a growth of 20% in volumes in FY17. Expect that the growth should be around 15% plus in FY18.
- n Our revenue also should grow correspondingly. Capacity utilisation has improved from 60% to 90% currently.
- n The total debt level in Jindal Stainless is about Rs 5,000 crore of which Rs 3,400 crore is long-term debt and balance is working capital.
- n Jindal Stainless (Hisar) has long-term debt of Rs 2,500 crore and working capital debt is around Rs 800, so a total of Rs 3,300 crore.

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2. HDFC: Loan book will continue to grow between 15-18%; Keki Mistry, VC & CEO

- n Cannot rule out a possibility of 5-10 bps drop in rates over the next few months depending on how interest rate pan out but I think Reserve Bank of India (RBI) is done with cutting rates.
- n From a medium to long-term view, we would continue to look at the kind of growth that we have achieved in recent times which is typically 15-18 percent.
- n There is competitive pressure in the market but I am very confident that rates will remain stable despite of competitive environment.
- n Very difficult to quantify the demand but take an average loan amount of Rs 35 lakh; on whatever be the loan amount the subsidy amount will work out to about Rs 275,000, which is a big number.

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3. Indo Count: Expect 10% volume growth; margins to stay at 20%; Kailash Lalpuria, ED

- n There was a strategic product offering which changed with a retailer. So we have to associate with them to mark down it and also currency fluctuations which had an adverse impact.
- n Now we see that the raw material cost is tapering. Cotton sowing is better and it is coming back to the normal prices.
- n We hedge forward in plain vanilla six months so we are covered for FY18 and if there is a phenomena which is a macro phenomenon existing even after that.
- n The volume growth is good like we would be expecting between 62 and 63 million meters. We have finished with 56 million meter, so it would be almost 10%.

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1. Is it time for a new fiscal responsibility act? by C Rangarajan & Dk Srivastava

- n Following a commitment made in the Union Budget for FY17, Fiscal Responsibility and Budget Management review committee was constituted in May 2016. In its report entitled Responsible Growth: A Debt and Fiscal Framework for 21st Century India, the committee recommended enactment of a new Debt Management and Fiscal Responsibility Act, which provides for a medium-term target for general government debt at 60 per cent of GDP consisting of 40 per cent and 20 per cent of GDP for the Central and State governments, respectively.

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2. Globalisation should recover faster now that brexit, us polls blows are in the past. by Amitendu Palit

- n Emmanuel Macron's victory in the French Presidential elections is being described as the triumph of globalisation over nationalism. It definitely marks a comeback for the pro-globalisation narrative. But it also points to the increasing possibility of a polarisation in the world order among pro- and anti-globalisation blocs. Macron is an unknown political actor. His meteoric rise and success would create great expectations from him. Whether he would be able to deliver or not depends on the Parliamentary majority he picks up for implementing his policies.

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3. IIP data doesn't square with India Inc data, can't generate jobs. by The Financial Express

- n Given how data on factory output has had its share of inconsistencies, to put it mildly, re-casting the series with a more contemporary base of 2011-12 was always necessary. The new series has been constructed with changes not just in the composition and size of the basket of goods but also an alteration of the weights. So, consumer durables, for instance, get more play now while the consumer non-durables segment, or what is typically FMCG, is relatively less important. The ever-volatile capital goods segment now captures work-in progress rather than work completed while the total basket now comprises some 839 items making it far more representative than before.

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4. Reading beyond the inflation euphoria. by R.K. Pattnaik & Jagdish Rattanani

- n There is a general sense of euphoria on consumer price index (CPI-Combined) coming in at a new low of 2.99% for April, down from the March number of 3.89%, mainly on account of lower food inflation and the base effect. The observed values present a downward trajectory and show inflation to be benign. However, beneath the surface, the inflation outlook has many pressure points in the near term, notably the continued elevated inflation expectations, the non-generalized nature of headline inflation and the persistence of inflation excluding food and fuel.

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5. An evolving risk paradigm in the power sector. by Anjali Viswamohanan & Manu Aggarwal

- n Two recent events have displayed the financial viability and competitive advantage of investment in renewable energy, as compared to investments in coal-based power. On 11 April, the Supreme Court disallowed Tata Power and Adani Power from charging compensatory tariff to neutralize the price hike of imported coal due to a change in Indonesian regulations. On 9 May, Indian solar tariffs fell to yet another record low of Rs2.44 for Solar Energy Corporation of India's 500MW project at Bhadla in Rajasthan. What are the implications of these events for India's rapidly transforming electricity market?

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International

6. Donald Trump, recep tayyip erdogan and how democracies die. by Gideon Rachman

- n When Donald Trump and Recep Tayyip Erdogan meet in Washington on Tuesday, they might find they have a lot in common. confirm that you have read and agree to the terms and conditions, cookie policy and privacy policy. The presidents of the US and Turkey are both nationalists who have promised to make their countries great again. Both have turned governing into a family business and rely heavily on their respective sons-in-law, Jared Kushner and Berat Albayrak. Both are despised by metropolitan elites but often adored outside big cities. Both have accused their countries' permanent bureaucracy of plotting against them

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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	925	1,084	17	29.3	37.3	43.4	31.6	24.8	6.3	5.2	21.7	22.9	22.0
Ashok Ley.	Buy	87	98	13	4.2	5.2	6.6	20.5	16.8	4.0	3.5	20.6	22.3	24.9
Bajaj Auto	Buy	3,024	3,282	9	133.7	154.8	174.0	22.6	19.5	6.3	5.5	29.5	30.2	30.0
Bharat Forge	Buy	1,124	1,266	13	25.3	37.2	50.6	44.5	30.2	6.6	5.8	15.7	20.5	23.7
Bosch	Neutral	24,588	22,924	-7	472.3	667.8	764.1	52.1	36.8	9.9	8.3	18.2	24.5	23.4
CEAT	Buy	1,699	1,741	2	93.3	104.9	133.9	18.2	16.2	2.8	2.5	16.9	16.3	17.9
Eicher Mot.	Buy	29,307	30,402	4	613.8	892.0	1,135.1	47.7	32.9	16.6	11.8	40.3	41.9	38.5
Endurance Tech.	Buy	799	948	19	23.5	30.8	37.9	34.0	26.0	6.5	5.4	20.8	22.6	23.1
Escorts	Buy	656	608	-7	23.2	34.1	43.4	28.3	19.2	3.3	2.9	12.1	15.9	17.5
Exide Ind	Buy	245	274	12	8.2	9.5	11.8	30.0	25.9	4.2	3.8	14.0	14.5	15.8
Hero Moto	Neutral	3,619	3,622	0	169.1	198.1	201.2	21.4	18.3	7.1	6.1	35.7	35.9	31.3
M&M	Buy	1,367	1,570	15	61.7	75.4	89.5	22.2	18.1	3.4	3.1	14.5	13.9	14.7
Mahindra CIE	Not Rated	247	-		5.4	9.9	11.8	46.1	25.0	2.9	2.6	6.4	10.8	11.5
Maruti Suzuki	Buy	6,953	7,319	5	248.6	300.0	370.9	28.0	23.2	5.8	5.0	20.3	21.2	22.3
Tata Motors	Buy	437	619	42	11.5	29.4	62.0	38.0	14.9	1.7	1.5	4.7	11.0	19.7
TVS Motor	Buy	533	581	9	11.7	16.7	26.7	45.4	31.9	10.5	8.4	25.6	29.2	35.9
Aggregate								29.8	21.1	4.2	3.7	14.2	17.6	20.9
Banks - Private														
Axis Bank	Neutral	502	525	5	15.4	23.4	41.2	32.7	21.4	2.2	2.1	6.9	9.9	15.7
DCB Bank	Neutral	193	170	-12	7.0	8.8	11.2	27.5	21.9	2.9	2.6	10.9	12.4	14.0
Equitas Hold.	Buy	165	210	27	4.7	4.8	7.5	35.0	34.1	2.5	2.3	8.9	7.1	10.1
Federal Bank	Buy	115	125	8	4.8	5.8	7.3	23.9	20.0	2.3	2.1	9.9	10.9	12.5
HDFC Bank	Buy	1,559	1,790	15	56.8	67.1	79.4	27.5	23.2	4.7	4.0	17.9	18.2	19.0
ICICI Bank	Buy	303	365	21	16.8	16.8	19.2	18.0	18.0	2.0	1.9	10.1	9.1	9.8
IDFC Bank	Neutral	63	62	-2	3.0	3.3	4.3	21.1	19.2	1.5	1.4	7.2	7.4	9.0
IndusInd	Buy	1,434	1,700	19	50.1	59.4	72.0	28.6	24.1	4.3	3.7	16.0	16.5	17.3
J&K Bank	Neutral	89	89	0	-31.3	4.4	8.0	NM	20.2	0.8	0.8	-27.0	4.0	7.0
Kotak Mah. Bk	Buy	962	1,050	9	26.8	32.3	40.5	35.8	29.8	4.6	4.0	13.8	14.5	15.7
RBL Bank	Under Review	564	-		11.9	17.6	23.8	47.4	31.9	5.0	4.4	12.3	14.6	17.3
South Indian	Neutral	25	21	-17	2.9	3.1	3.8	8.7	8.2	0.8	0.8	10.2	10.0	11.2
Yes Bank	Buy	1,483	2,110	42	73.0	90.5	114.0	20.3	16.4	3.8	2.7	18.9	17.9	19.4
Aggregate								27.2	22.0	3.1	2.8	11.4	12.9	14.5
Banks - PSU														
BOB	Buy	194	224	16	7.5	19.0	26.1	25.7	10.2	1.3	1.2	5.0	11.9	14.8
BOI	Neutral	187	129	-31	-5.7	14.5	23.7	NM	13.0	0.8	0.8	-2.5	6.0	9.2
Canara	Neutral	373	380	2	18.8	33.0	48.9	19.9	11.3	0.8	0.8	4.2	6.8	9.4
IDBI Bk	Neutral	77	49	-35	1.5	6.4	8.6	50.0	11.9	0.7	0.7	1.4	5.8	7.3
Indian Bk	Buy	361	360	0	29.3	33.3	38.1	12.3	10.8	1.2	1.1	10.1	10.6	11.1
OBC	Neutral	162	150	-7	-31.6	17.1	21.4	NM	9.5	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	175	186	7	5.3	12.4	16.6	33.1	14.0	1.0	0.9	3.0	6.7	8.3
SBI	Buy	307	340	11	8.7	16.9	23.3	35.3	18.1	1.3	1.3	3.9	7.3	9.3
Union Bk	Neutral	180	174	-4	7.6	24.6	34.5	23.6	7.3	0.6	0.6	2.7	8.1	10.5
Aggregate								35.2	13.7	1.0	1.0	2.9	7.0	9.0
NBFCs														
Bajaj Fin.	Buy	1,344	1,448	8	34.4	47.5	64.0	39.1	28.3	8.1	6.5	22.7	25.5	27.3
Bharat Fin.	Neutral	791	769	-3	21.0	32.4	45.3	37.7	24.4	4.5	3.8	15.1	16.7	19.5
Dewan Hsg.	Buy	425	559	32	29.6	38.6	45.5	14.4	11.0	1.7	1.5	14.4	14.5	15.2
GRUH Fin.	Neutral	418	421	1	8.1	10.3	12.5	51.4	40.7	13.7	11.4	30.4	30.6	30.9
HDFC	Buy	1,567	1,797	15	46.8	50.7	55.9	33.4	30.9	6.2	5.6	19.3	18.3	17.4
Indiabulls Hsg	Buy	1,053	1,227	17	69.0	82.2	101.6	15.3	12.8	3.7	3.3	25.5	27.0	29.6
LIC Hsg Fin	Neutral	695	723	4	38.2	44.6	51.2	18.2	15.6	3.3	2.8	19.4	19.3	19.0
Manappuram	Not Rated	94	-		8.2	11.1	14.0	11.5	8.5	2.6	2.3	23.9	29.0	32.2
M&M Fin.	Buy	338	400	18	7.1	12.9	16.4	47.8	26.2	3.0	2.8	6.4	10.9	12.9
Muthoot Fin	Buy	394	465	18	29.7	34.5	40.0	13.3	11.4	2.5	2.2	19.7	20.2	20.6



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	161	117	-27	25.7	27.2	30.2	6.3	5.9	1.1	1.0	17.9	17.0	16.8
Repco Home	Buy	767	831	8	28.6	34.0	40.2	26.8	22.5	4.3	3.7	17.3	17.5	17.6
REC	Neutral	217	134	-38	31.4	35.0	40.4	6.9	6.2	1.3	1.1	19.9	19.1	19.1
Shriram City UnionBuy		2,290	2,689	17	84.3	130.4	164.7	27.1	17.6	3.1	2.7	11.8	16.2	17.8
STF	Buy	1,008	1,269	26	55.6	77.4	98.6	18.1	13.0	2.0	1.8	11.7	14.5	16.3
Aggregate								18.5	15.9	3.2	2.8	17.3	17.8	17.9
Capital Goods														
ABB	Sell	1,546	1,200	-22	19.7	25.1	32.2	78.5	61.7	10.0	8.6	12.7	13.9	15.8
Bharat Elec.	Buy	182	180	-1	6.5	7.3	8.5	28.2	25.0	5.4	4.7	20.4	18.8	19.1
BHEL	Sell	171	115	-33	5.5	5.7	5.8	30.8	29.8	1.2	1.2	4.0	4.0	4.0
Blue Star	Neutral	677	650	-4	12.9	19.0	28.0	52.6	35.7	8.5	8.0	18.0	23.2	31.6
CG Cons. Elec.	Buy	243	221	-9	4.6	5.5	6.7	53.4	44.6	40.4	27.5	94.3	73.3	66.1
CG Power & Indu.	Sell	95	45	-52	3.6	3.9	4.5	25.9	24.3	1.4	1.3	5.4	5.5	6.0
Cummins	Neutral	1,047	990	-5	26.6	30.5	36.5	39.3	34.3	8.4	7.6	22.6	23.2	25.3
GE T&D	Neutral	376	340	-10	6.0	11.0	11.4	62.5	34.1	7.4	6.7	11.7	20.7	19.2
Havells	Neutral	519	480	-7	9.6	12.1	14.5	54.3	42.9	9.9	8.7	18.2	20.4	21.4
Inox Wind	Under Review	163	-		12.8	-3.2	15.5	12.7	NM	1.7	1.7	14.9	-3.3	15.1
K E C Intl	Buy	248	175	-29	10.5	12.3	13.5	23.6	20.2	3.7	3.2	16.6	16.8	16.2
L&T	Buy	1,745	1,970	13	53.6	64.7	75.8	32.6	27.0	3.4	3.1	10.9	12.1	12.9
Pennar Eng.	Not Rated	135	-		5.8	7.5	10.0	23.2	18.0	2.0	1.8	8.6	10.0	11.8
Siemens	Neutral	1,415	1,355	-4	17.8	24.3	33.3	79.4	58.3	7.4	6.4	9.3	11.0	13.7
Solar Ind	Neutral	818	800	-2	19.0	22.3	26.5	43.0	36.6	7.4	6.3	18.4	18.6	19.0
Suzlon Energy	Not Rated	20	-		0.6	0.9	1.0	31.1	22.4	-1.8	-2.0	NM	-8.8	-11.0
Thermax	Sell	1,008	781	-22	23.5	28.4	31.5	42.8	35.5	4.8	4.4	11.6	12.9	13.2
Va Tech Wab.	Buy	670	760	13	26.5	34.5	40.3	25.3	19.4	3.5	3.1	8.9	16.7	17.3
Voltas	Sell	434	370	-15	13.6	14.9	16.9	31.9	29.0	5.3	4.7	17.6	17.1	17.1
Aggregate								37.0	32.0	4.1	3.8	11.1	11.7	12.8
Cement														
Ambuja Cem.	Buy	261	283	9	4.9	6.6	7.2	53.3	39.3	2.7	2.6	5.0	6.7	7.1
ACC	Neutral	1,729	1,521	-12	33.7	49.2	63.6	51.2	35.1	3.8	3.9	7.5	11.0	14.2
Birla Corp.	Buy	774	869	12	21.5	41.2	54.4	35.9	18.8	2.1	2.0	6.0	10.9	13.2
Dalmia Bharat	Buy	2,573	3,162	23	38.8	66.7	87.1	66.4	38.6	4.6	4.1	7.2	11.3	13.1
Grasim Inds.	Neutral	1,165	1,067	-8	68.7	86.6	111.1	17.0	13.5	1.9	1.7	11.7	13.2	14.8
India Cem	Neutral	221	152	-31	5.1	8.7	11.9	43.3	25.3	1.8	1.7	4.0	6.2	7.7
J K Cements	Buy	1,118	1,291	15	33.7	46.4	59.5	33.2	24.1	4.4	3.8	14.4	17.0	18.6
JK Lakshmi Ce	Buy	527	526	0	5.9	12.2	17.8	89.0	43.1	4.6	4.4	5.2	10.5	14.7
Ramco Cem	Buy	720	815	13	27.8	30.1	36.2	25.9	23.9	4.7	4.0	19.6	18.0	18.5
Orient Cem	Buy	163	185	13	-1.6	4.5	6.8	NM	36.2	3.4	3.1	-3.2	9.0	12.3
Prism Cem	Buy	125	118	-5	-0.6	2.6	4.8	NM	47.4	6.5	5.9	-3.1	13.1	20.8
Shree Cem	Buy	19,945	20,072	1	363.2	480.6	642.3	54.9	41.5	10.0	8.2	19.2	21.7	23.5
Ultratech	Buy	4,487	4,928	10	96.1	121.4	159.1	46.7	37.0	5.3	4.8	12.0	13.6	15.7
Aggregate								39.4	29.3	3.9	3.5	9.8	12.0	13.8
Consumer														
Asian Paints	Neutral	1,144	1,210	6	21.0	23.1	27.4	54.4	49.5	14.4	13.8	28.5	28.6	30.6
Britannia	Buy	3,755	4,065	8	72.2	83.3	101.7	52.0	45.1	20.0	15.8	43.1	39.2	38.0
Colgate	Buy	976	1,180	21	21.2	25.7	31.1	46.0	38.0	20.8	19.7	50.4	53.2	60.3
Dabur	Neutral	274	295	8	7.2	7.7	9.1	37.8	35.4	10.0	8.5	28.4	26.0	26.3
Emami	Buy	1,091	1,250	15	26.5	29.2	34.7	41.1	37.3	14.1	11.4	35.8	33.8	32.2
Godrej Cons.	Neutral	1,876	1,950	4	37.8	43.6	50.0	49.6	43.0	12.1	9.4	24.6	24.5	23.0
GSK Cons.	Sell	5,294	4,380	-17	156.1	169.7	185.5	33.9	31.2	7.1	7.0	22.2	22.6	23.0
HUL	Neutral	998	945	-5	19.3	21.5	24.8	51.8	46.4	35.7	37.1	67.6	78.4	92.5
ITC	Buy	283	320	13	8.4	9.3	11.0	33.8	30.3	9.0	7.9	28.4	27.6	28.7
Jyothy Lab	Neutral	378	380	1	8.0	9.0	10.5	47.4	42.0	7.5	6.9	16.4	17.1	18.1
Marico	Neutral	310	335	8	6.3	6.9	8.4	49.3	44.6	17.2	14.7	36.7	35.5	38.1
Nestle	Sell	6,476	5,715	-12	118.0	118.6	139.5	54.9	54.6	20.7	19.1	39.0	36.4	39.0



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	15,133	17,480	16	235.6	305.1	388.4	64.2	49.6	26.5	20.9	41.3	42.2	43.2
Parag Milk	Neutral	250	250	0	0.8	6.9	12.5	307.7	35.9	3.1	2.8	1.3	8.2	13.2
Pidilite Ind.	Neutral	763	740	-3	16.6	18.3	20.5	46.0	41.7	11.8	9.6	27.9	25.4	23.4
P&G Hygiene	Buy	8,063	8,760	9	144.9	155.8	181.6	55.6	51.7	46.0	36.7	45.3	78.9	74.0
United Brew	Buy	811	1,030	27	10.7	14.3	18.4	76.0	56.6	9.1	8.0	12.6	15.0	16.8
United Spirits	Neutral	2,122	2,025	-5	28.6	42.2	58.7	74.1	50.3	14.0	11.1	20.8	22.1	23.8
Aggregate								43.9	39.1	13.2	11.6	30.0	29.7	30.7
Healthcare														
Alembic Phar	Neutral	607	640	5	21.6	26.0	32.1	28.1	23.3	6.1	5.0	23.1	23.6	24.1
Alkem Lab	Neutral	1,909	1,850	-3	79.3	85.7	100.0	24.1	22.3	5.4	4.5	24.4	22.0	21.7
Ajanta Pharma	Buy	1,631	2,028	24	58.4	66.4	79.9	27.9	24.6	9.2	7.0	37.7	32.3	30.0
Aurobindo	Buy	615	900	46	39.8	45.4	54.3	15.4	13.5	3.9	3.1	28.6	25.3	24.0
Biocon	Sell	1,004	900	-10	30.6	33.1	44.9	32.8	30.4	4.5	4.1	13.6	13.3	16.1
Cadila	Buy	489	510	4	12.0	17.7	23.0	40.7	27.7	8.2	6.7	21.4	26.5	27.9
Cipla	Neutral	564	550	-3	17.9	22.0	28.5	31.6	25.7	3.5	3.1	11.0	12.2	13.8
Divis Lab	Neutral	624	600	-4	43.0	32.9	38.6	14.5	19.0	3.5	3.2	25.4	17.7	18.8
Dr Reddy's	Neutral	2,723	2,625	-4	72.6	107.1	144.5	37.5	25.4	3.7	3.0	9.6	13.3	15.1
Fortis Health	Buy	208	250	20	2.3	2.9	6.5	88.5	70.6	2.3	2.0	2.7	3.1	6.1
Glenmark	Neutral	714	800	12	39.3	45.0	53.5	18.2	15.9	4.5	3.6	24.7	22.4	21.3
Granules	Buy	152	200	32	7.3	8.1	11.1	20.9	18.7	3.5	2.5	20.0	16.3	17.2
GSK Pharma	Neutral	2,428	2,700	11	34.5	55.5	64.4	70.3	43.7	15.7	18.8	22.4	43.0	56.9
IPCA Labs	Neutral	551	540	-2	15.8	27.9	37.3	34.8	19.7	2.8	2.5	8.4	13.5	15.9
Lupin	Buy	1,291	1,850	43	61.4	78.6	88.8	21.0	16.4	4.4	3.5	22.8	23.8	22.1
Sanofi India	Buy	4,223	4,850	15	129.1	131.0	173.4	32.7	32.2	5.6	5.3	17.1	16.3	19.3
Sun Pharma	Buy	652	850	30	27.1	32.5	38.7	24.0	20.0	4.6	3.9	19.8	20.9	21.0
Syngene Intl	Not Rated	491	-		13.0	16.1	18.0	37.8	30.5	7.6	6.2	22.2	22.5	20.7
Torrent Pharma	Buy	1,324	1,700	28	56.6	76.3	93.4	23.4	17.4	5.6	4.6	25.9	29.3	29.6
Aggregate								25.7	21.1	4.6	3.9	17.9	18.3	18.9
Logistics														
Allcargo Logistics	Buy	186	203	9	9.0	10.9	12.3	20.6	17.0	2.7	2.4	11.5	14.8	14.8
Blue Dart	Not Rated	4,531	-		102.5	129.9	163.2	44.2	34.9	19.6	14.9	50.5	48.6	46.8
Concor	Neutral	1,199	1,042	-13	29.7	39.9	44.9	40.4	30.0	3.5	3.3	8.8	11.2	11.8
Gateway Distriparks	Buy	249	314	26	8.3	15.7	20.1	29.9	15.9	2.1	2.0	7.2	12.9	15.3
Gati	Not Rated	139	-		8.4	15.9	23.9	16.6	8.7	2.3	2.0	12.4	19.4	25.4
Transport Corp.	Not Rated	257	-		16.9	21.0	25.9	15.2	12.2	2.4	2.0	16.7	17.8	18.6
Aggregate								33.6	24.6	3.7	3.4	11.0	13.7	14.9
Media														
Dish TV	Buy	100	115	16	1.4	2.7	4.3	69.1	37.4	19.9	13.0	33.6	42.0	43.9
D B Corp	Buy	360	450	25	20.4	23.0	26.5	17.6	15.7	4.4	3.9	26.2	26.2	26.8
Den Net.	Neutral	100	90	-10	-3.6	2.2	8.5	NM	45.6	1.1	1.1	-4.1	2.5	8.8
Hind. Media	Buy	284	360	27	25.2	27.4	30.3	11.3	10.4	1.9	1.6	18.5	16.8	15.8
HT Media	Neutral	86	90	5	8.0	8.2	8.7	10.7	10.5	0.8	0.7	7.7	7.1	7.0
Jagran Prak.	Buy	193	225	17	10.8	12.2	13.9	18.0	15.8	3.5	3.0	20.7	20.6	20.4
PVR	Buy	1,540	1,667	8	20.8	35.7	56.8	74.1	43.1	7.5	6.6	10.6	16.3	22.0
Siti Net.	Neutral	32	40	25	-1.8	0.0	1.2	NM	NM	3.8	3.2	-21.7	0.0	11.1
Sun TV	Neutral	895	860	-4	25.1	29.7	34.5	35.7	30.1	9.0	8.2	25.1	27.3	29.0
Zee Ent.	Buy	522	600	15	23.1	16.4	19.5	22.6	31.9	8.3	7.0	23.7	23.8	23.8
Aggregate								41.1	29.4	6.1	5.4	14.9	18.3	20.3
Metals														
Hindalco	Buy	196	242	23	17.5	22.6	25.9	11.3	8.7	1.7	1.3	15.9	17.1	16.3
Hind. Zinc	Sell	252	235	-7	19.7	21.5	23.7	12.8	11.7	3.5	2.9	24.4	27.2	25.4
JSPL	Buy	114	181	59	-22.3	-17.5	-2.2	NM	NM	0.3	0.3	-7.5	-4.5	-0.6
JSW Steel	Buy	202	222	10	13.6	18.3	20.5	14.9	11.0	2.2	1.9	16.2	18.7	17.9
Nalco	Buy	68	83	21	3.9	5.3	5.8	17.6	12.8	1.3	1.2	7.5	9.6	9.9



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	128	178	39	12.1	12.3	13.0	10.6	10.4	1.7	1.6	13.4	15.5	15.1
SAIL	Sell	62	30	-51	-7.4	-12.6	0.4	NM	NM	0.7	0.8	-8.1	-15.4	0.5
Vedanta	Neutral	238	225	-5	15.1	24.5	27.4	15.7	9.7	1.5	1.4	9.7	14.8	15.3
Tata Steel	Sell	457	440	-4	18.9	39.4	45.7	24.2	11.6	3.7	3.0	13.6	28.2	26.5
Aggregate								18.8	14.2	1.4	1.3	7.6	9.5	11.9
Oil & Gas														
BPCL	Buy	732	763	4	55.9	53.7	58.4	13.1	13.6	3.3	2.9	27.1	22.7	21.4
GAIL	Neutral	411	349	-15	21.7	28.9	32.5	18.9	14.2	2.1	1.9	13.0	14.0	14.4
Gujarat Gas	Sell	769	735	-4	17.5	40.0	49.0	44.0	19.2	4.5	3.8	10.7	21.5	22.0
Gujarat St. Pet.	Neutral	176	162	-8	8.9	11.0	13.2	19.8	15.9	2.3	2.0	12.0	13.5	14.5
HPCL	Buy	540	604	12	53.5	44.9	45.8	10.1	12.0	2.7	2.3	27.8	20.7	18.6
IOC	Buy	446	441	-1	43.7	39.4	41.0	10.2	11.3	2.5	2.2	26.0	20.4	18.8
IGL	Neutral	1,008	1,023	1	43.3	43.8	49.4	23.3	23.0	4.9	4.2	22.3	19.7	19.2
MRPL	Neutral	132	114	-13	12.2	11.4	12.8	10.8	11.5	2.9	2.4	29.6	22.7	21.4
Oil India	Buy	323	382	18	28.6	33.1	37.8	11.3	9.8	1.1	1.0	9.8	10.8	11.6
ONGC	Buy	185	233	26	15.3	20.0	22.9	12.1	9.3	1.2	1.2	10.4	13.0	14.1
PLNG	Buy	449	547	22	22.7	25.9	35.1	19.8	17.4	4.2	3.6	23.6	22.1	25.2
Reliance Ind.	Neutral	1,356	1,264	-7	106.6	121.7	127.8	12.7	11.1	1.4	1.3	11.9	11.8	11.2
Aggregate								12.8	11.6	1.8	1.6	13.8	13.7	13.6
Retail														
Jubilant Food	Neutral	1,049	1,110	6	12.3	21.7	29.1	85.1	48.3	8.6	9.4	10.1	19.5	24.9
Titan Co.	Neutral	488	505	4	9.0	10.3	12.1	54.0	47.5	10.2	9.0	20.6	20.2	20.9
Aggregate								56.2	47.0	9.9	9.0	17.5	19.1	20.2
Technology														
Cyient	Buy	538	620	15	30.6	38.3	44.2	17.5	14.0	2.8	2.5	16.2	17.8	17.9
HCL Tech.	Buy	849	960	13	59.8	61.9	67.6	14.2	13.7	3.6	3.5	27.5	25.4	26.0
Hexaware	Neutral	256	235	-8	13.7	15.4	16.7	18.7	16.6	4.5	4.0	26.5	25.3	23.5
Infosys	Buy	957	1,200	25	62.9	64.7	71.1	15.2	14.8	3.2	2.8	23.3	21.4	21.2
KPIT Tech	Neutral	130	150	15	11.9	13.4	15.2	10.9	9.7	1.6	1.4	14.3	15.6	15.2
L&T Infotech	Buy	773	850	10	55.5	59.7	65.0	13.9	12.9	4.8	3.8	40.4	32.8	28.3
Mindtree	Neutral	510	475	-7	24.9	30.5	36.5	20.5	16.7	3.3	3.0	16.8	18.9	20.5
Mphasis	Neutral	578	550	-5	42.7	43.0	44.9	13.5	13.4	2.1	1.9	14.1	14.9	14.7
NIIT Tech	Neutral	528	470	-11	42.8	42.5	46.1	12.3	12.4	1.9	1.8	16.1	14.8	14.7
Persistent Sys	Buy	583	700	20	37.7	43.9	51.4	15.5	13.3	2.4	2.3	17.0	18.1	20.3
Tata Elxsi	Buy	1,560	1,780	14	59.3	72.1	89.0	26.3	21.6	10.1	8.0	42.5	41.3	40.8
TCS	Neutral	2,427	2,400	-1	133.4	139.7	149.6	18.2	17.4	5.7	5.9	33.5	32.4	32.3
Tech Mah	Buy	444	550	24	32.5	35.7	40.2	13.6	12.4	2.5	2.2	20.1	19.5	19.2
Wipro	Neutral	515	500	-3	33.8	34.6	38.2	15.2	14.9	2.4	2.2	16.9	15.5	15.7
Zensar Tech	Buy	901	1,020	13	54.9	67.6	78.4	16.4	13.3	2.5	2.2	16.3	17.7	17.8
Aggregate								16.1	15.7	3.8	3.6	23.5	22.8	22.1
Telecom														
Bharti Airtel	Buy	375	430	15	11.1	6.3	11.5	33.7	59.6	2.2	2.2	6.7	3.7	6.4
Bharti Infratel	Buy	376	435	16	14.9	17.5	19.9	25.3	21.5	4.6	4.0	16.2	19.4	19.1
Idea Cellular	Buy	88	110	25	-1.1	-12.9	-13.6	NM	NM	1.3	1.6	-1.6	-20.8	-27.4
Tata Comm	Buy	678	811	20	26.0	19.5	39.4	26.1	34.7	12.1	9.0	126.2	29.8	41.4
Aggregate								35.4	161.2	2.4	2.4	6.9	1.5	4.0
Utilities														
Coal India	Buy	275	335	22	15.9	18.7	20.9	17.3	14.7	6.8	6.8	39.5	46.3	51.8
CESC	Buy	984	970	-1	50.4	74.7	82.2	19.5	13.2	2.2	2.0	11.1	15.8	15.2
JSW Energy	Buy	68	88	29	3.9	2.1	1.8	17.6	32.2	1.1	1.1	6.7	3.3	2.8
NTPC	Buy	160	199	25	11.9	14.3	17.3	13.5	11.2	1.4	1.3	10.6	11.9	13.3
Power Grid	Buy	208	243	17	15.3	17.7	20.7	13.6	11.7	2.2	1.9	17.3	17.5	17.7
Tata Power	Sell	84	69	-18	5.8	6.7	7.0	14.5	12.4	1.4	1.3	10.8	11.1	10.6
Aggregate								15.1	12.8	2.4	2.2	15.6	16.9	17.9
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	Neutral	400	382	-4	12.4	16.6	23.6	32.3	24.0	2.9	2.6	10.3	11.5	14.7
Bata India	Under Review	563	-		13.5	15.6	19.3	41.8	36.1	5.5	4.9	13.9	14.5	15.9
Castrol India	Buy	443	532	20	13.6	14.9	15.2	32.4	29.8	34.1	30.7	110.9	108.6	100.4
Century Ply.	Buy	266	274	3	7.7	8.6	11.4	34.4	30.7	9.0	7.4	28.9	26.5	28.6
Coromandel Intl	Under Review	405	-		16.0	18.3	23.6	25.4	22.1	4.4	4.0	18.2	18.9	21.7
Delta Corp	Buy	166	229	38	3.3	6.9	7.6	50.9	24.2	4.4	3.3	9.0	15.7	17.0
Dynomatic Tech	Buy	2,811	3,334	19	67.6	112.9	166.7	41.6	24.9	5.7	4.7	15.1	20.7	24.3
Eveready Inds.	Buy	320	287	-10	11.4	13.9	16.9	28.1	23.1	8.6	6.9	34.7	33.0	32.4
Interglobe	Neutral	1,114	1,234	11	46.0	65.6	88.2	24.2	17.0	19.9	17.7	86.2	110.2	129.8
Indo Count	Buy	198	232	17	13.0	16.4	19.9	15.2	12.1	4.6	3.3	34.8	31.8	28.1
Info Edge	Buy	860	1,000	16	16.9	17.9	21.0	50.9	48.0	5.4	5.1	11.1	10.9	11.9
Inox Leisure	Sell	284	240	-15	3.3	8.0	12.0	85.2	35.4	4.9	4.4	5.9	12.5	16.2
Jain Irrigation	Under Review	99	-		5.5	7.6	10.0	17.9	13.0	1.5	1.5	8.6	11.7	14.8
Just Dial	Under Review	505	-		17.2	18.5	22.1	29.4	27.4	4.5	4.0	16.5	15.5	16.2
Kaveri Seed	Buy	540	649	20	23.4	28.6	36.1	23.1	18.9	3.9	3.6	17.3	19.8	22.9
Kitex Garm.	Buy	403	551	37	26.0	31.0	36.7	15.5	13.0	4.2	3.4	29.9	28.7	27.7
Manpasand	Buy	775	841	9	13.3	22.0	31.1	58.2	35.2	3.8	3.5	7.7	9.3	13.5
MCX	Buy	1,077	1,325	23	24.8	30.5	42.9	43.4	35.3	4.0	3.8	9.9	11.1	14.6
Monsanto	Buy	2,776	2,841	2	72.9	89.3	109.3	38.1	31.1	11.6	10.8	30.4	35.9	39.6
Navneet Education	Buy	166	210	26	6.6	8.6	10.5	25.0	19.3	6.3	5.4	26.0	30.0	30.9
PI Inds.	Buy	834	1,046	25	30.4	34.8	43.6	27.5	24.0	7.5	6.0	30.9	27.9	27.8
Piramal Enterp.	Buy	2,805	2,200	-22	74.5	127.1	164.7	37.7	22.1	3.7	3.3	10.0	15.7	18.2
SRF	Buy	1,840	1,825	-1	82.4	99.9	125.1	22.3	18.4	3.5	3.1	16.5	17.4	19.1
S H Kelkar	Buy	294	367	25	7.2	9.6	12.2	40.5	30.6	5.2	4.7	13.7	16.1	18.2
Symphony	Sell	1,498	1,288	-14	27.0	35.1	42.9	55.4	42.7	30.2	25.7	56.8	65.0	66.3
TTK Prestige	Neutral	6,454	5,281	-18	106.9	137.7	176.0	60.4	46.9	9.6	8.7	16.5	19.4	22.2
V-Guard	Neutral	217	140	-35	3.7	4.6	5.4	58.6	47.4	15.5	12.4	29.4	29.1	27.6
Wonderla	Buy	390	393	1	7.0	11.9	16.0	55.8	32.7	5.1	4.6	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-0.5	6.8	-2.0
Ashok Ley.	0.5	4.7	-16.3
Bajaj Auto	1.1	6.6	20.1
Bharat Forge	0.2	4.1	49.0
Bosch	1.8	5.8	15.1
CEAT	4.5	17.9	69.3
Eicher Mot.	1.3	12.3	53.7
Endurance Tech.	-2.4	-3.8	
Escorts	0.9	20.0	276.0
Exide Ind	-0.6	7.7	66.5
Hero Moto	2.9	12.2	24.7
M&M	-0.7	6.8	3.7
Mahindra CIE	0.4	10.5	29.6
Maruti Suzuki	2.1	14.2	79.2
Tata Motors	1.3	-3.5	11.4
TVS Motor	1.6	12.4	80.1
Banks - Private			
Axis Bank	0.3	-1.0	3.0
DCB Bank	0.7	7.2	105.3
Equitas Hold.	1.3	-0.8	10.0
Federal Bank	-1.5	24.5	126.6
HDFC Bank	0.3	8.3	34.1
ICICI Bank	0.2	7.4	35.1
IDFC Bank	-0.5	5.6	35.4
IndusInd	1.4	-0.2	32.7
J&K Bank	8.7	12.9	40.5
Kotak Mah. Bk	-1.2	9.4	34.0
RBL Bank	0.2	0.6	
South Indian	2.4	12.0	49.6
Yes Bank	0.8	-8.3	51.5
Banks - PSU			
BOB	2.6	10.3	36.1
BOI	3.5	25.8	125.4
Canara	2.5	18.8	115.1
IDBI Bk	1.9	3.9	20.1
Indian Bk	0.7	36.7	297.0
OBC	0.9	6.0	99.9
PNB	4.6	12.0	133.0
SBI	2.2	5.5	73.3
Union Bk	3.8	16.3	65.4
NBFCs			
Bajaj Fin.	0.9	5.9	73.3
Bharat Fin.	-2.4	2.5	26.2
Dewan Hsg.	-1.4	9.3	109.0
GRUH Fin.	0.5	10.8	61.9
HDFC	0.5	6.2	32.0
Indiabulls Hsg	-1.0	10.2	45.2
LIC Hsg Fin	1.4	10.0	50.1
Manappuram	-2.1	0.4	97.2
M&M Fin.	2.1	1.8	13.3
Muthoot Fin	0.5	1.0	79.0
PFC	0.7	-0.9	85.1
Repco Home	1.8	2.1	14.0
REC	-0.9	4.9	167.0
STF	1.3	-4.1	-6.2
Shriram City Union	3.1	1.4	43.5

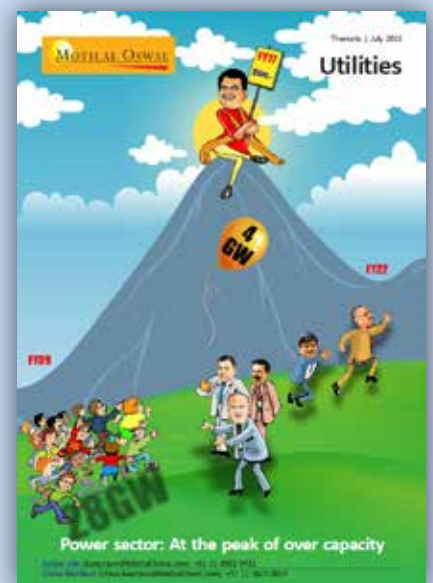
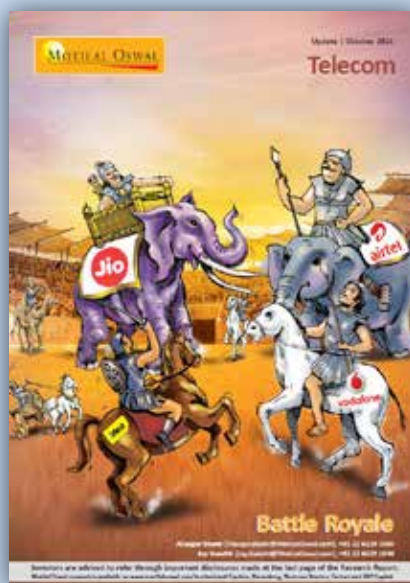
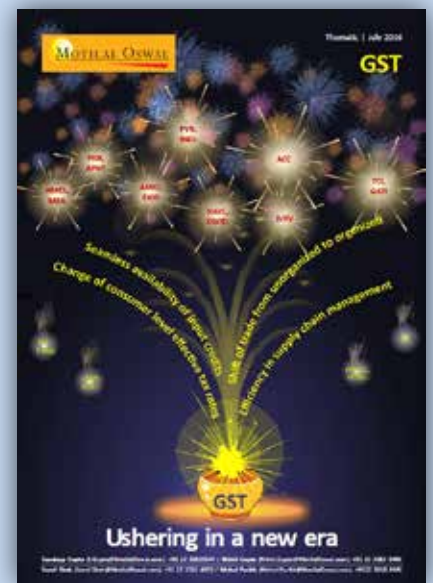
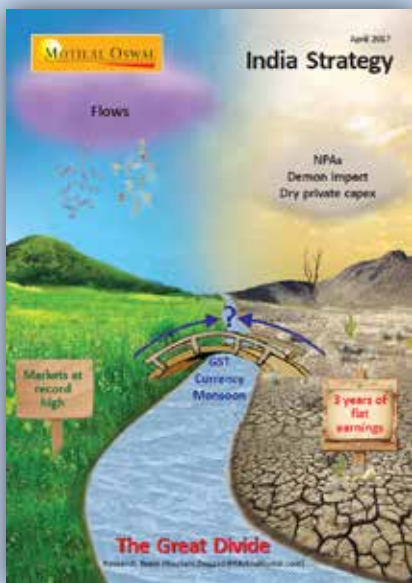
Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	-1.1	6.2	22.7
Bharat Elec.	1.4	7.2	60.9
BHEL	-0.8	-1.6	40.3
Blue Star	1.6	1.2	58.9
CG Cons. Elec.	1.4	13.6	74.8
CG Power & Inds Sol.	0.2	18.2	53.8
Cummins	-1.8	5.4	23.2
GE T&D	3.5	6.0	6.9
Havells	1.0	6.8	45.1
Inox Wind	-2.3	-13.1	-33.4
K E C Intl	7.3	14.4	88.7
L&T	0.4	4.0	36.0
Pennar Eng.	-0.5	-1.5	-12.1
Siemens	-0.4	8.9	22.7
Solar Ind	-1.0	-1.0	23.3
Suzlon Energy	0.5	-1.0	32.5
Thermax	-2.1	0.1	33.8
Va Tech Wab.	0.6	1.8	14.2
Voltas	0.2	6.9	33.3
Cement			
Ambuja Cem.	0.9	6.4	20.2
ACC	2.8	16.0	18.7
Birla Corp.	-0.2	4.1	104.0
Dalmia Bharat	1.7	21.5	195.9
Grasim Inds.	-0.6	11.0	36.6
India Cem	0.3	35.4	148.1
J K Cements	0.1	19.6	92.5
JK Lakshmi Ce	3.3	15.8	55.4
Ramco Cem	2.5	7.1	48.1
Orient Cem	-1.0	7.4	4.7
Prism Cem	0.2	21.1	34.4
Shree Cem	-1.5	12.9	49.1
Ultratech	1.2	11.7	41.6
Consumer			
Asian Paints	-0.3	6.1	20.2
Britannia	0.5	10.4	27.8
Colgate	-1.8	-3.5	18.2
Dabur	-0.9	-4.4	-4.1
Emami	-0.4	6.7	-2.4
Godrej Cons.	-2.6	11.7	34.8
GSK Cons.	0.1	-0.1	-12.0
HUL	1.6	8.1	17.9
ITC	2.2	1.3	29.1
Jyothy Lab	-1.6	2.2	16.2
Marico	0.2	3.0	23.1
Nestle	-2.0	0.5	3.1
Page Inds	-2.0	7.7	13.8
Parag Milk	0.3	0.8	
Pidilite Ind.	1.5	7.1	25.9
P&G Hygiene	-0.5	9.4	25.3
United Brew	-2.2	7.9	7.9
United Spirits	-1.5	11.6	-19.6
Healthcare			
Alembic Phar	1.1	-2.8	6.9
Alkem Lab	-0.3	-9.6	59.5
Ajanta Pharma	0.1	-7.9	2.5
Aurobindo	0.1	-6.6	-22.1



Company	1 Day (%)	1M (%)	12M (%)
Biocon	-0.9	-8.5	60.1
Cadila	0.2	7.8	51.7
Cipla	-0.3	-2.1	7.8
Divis Lab	-0.1	-3.9	-41.0
Dr Reddy's	1.8	3.1	-9.4
Fortis Health	1.2	11.9	24.7
Glenmark	-0.3	-19.6	-18.2
Granules	7.2	9.1	14.8
GSK Pharma	0.0	-9.4	-29.3
IPCA Labs	-1.0	-8.3	21.8
Lupin	0.5	-10.0	-19.5
Sanofi India	0.5	-8.4	-3.8
Sun Pharma	-0.1	-5.8	-18.3
Syngene Intl	9.3	-6.0	25.8
Torrent Pharma	1.8	-9.0	-5.2
Logistics			
Allcargo Logistics	0.4	8.4	26.8
Blue Dart	-0.7	-9.7	-16.5
Concor	1.2	2.0	9.5
Gateway Distriparks	-0.5	-10.8	-16.9
Gati	2.8	0.7	16.7
Transport Corp.	1.3	11.0	59.2
Media			
Dish TV	2.3	-1.4	2.2
D B Corp	-0.3	-6.0	11.1
Den Net.	-0.3	3.7	15.4
Hind. Media	0.9	-1.8	1.7
HT Media	2.1	0.1	-2.2
Jagran Prak.	-0.2	-1.7	13.6
PVR	1.3	-1.5	83.0
Siti Net.	-0.6	-15.3	-10.2
Sun TV	-1.9	14.5	127.6
Zee Ent.	-0.6	0.0	16.8
Metals			
Hindalco	-1.0	7.1	118.8
Hind. Zinc	-1.9	-10.4	50.9
JSPL	-0.2	-6.8	85.4
JSW Steel	-0.1	5.5	55.7
Nalco	3.0	-5.6	63.8
NMDC	-0.5	-1.4	42.6
SAIL	-0.3	-0.6	50.2
Vedanta	-1.3	-2.5	138.3
Tata Steel	0.3	-1.5	40.0
Oil & Gas			
BPCL	0.6	0.2	59.0
GAIL	-0.7	8.3	45.0
Gujarat Gas	-1.0	-5.5	47.9
Gujarat St. Pet.	-0.8	2.3	26.0
HPCL	0.8	-3.4	93.9
IOC	1.1	5.7	118.1
IGL	0.4	-2.1	75.8
MRPL	-1.9	10.5	92.7
Oil India	0.7	-3.5	30.5
ONGC	-1.0	0.0	36.9
PLNG	-0.5	5.7	62.4
Reliance Ind.	0.9	-0.6	39.0
Retail			
Jubilant Food	2.6	3.6	-11.2

Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	0.9	1.0	33.5
Technology			
Cyient	0.9	12.0	11.4
HCL Tech.	-0.2	4.7	17.9
Hexaware	0.4	23.9	20.9
Infosys	0.5	2.7	-21.2
KPIT Tech	1.4	0.9	-19.4
L&T Infotech	1.2	7.5	
Mindtree	0.4	15.1	-21.1
Mphasis	-0.1	6.3	24.5
NIIT Tech	1.2	23.7	11.3
Persistent Sys	-0.2	3.2	-18.9
Tata Elxsi	0.1	1.4	-17.9
TCS	2.7	4.3	-5.0
Tech Mah	0.2	3.1	-8.9
Wipro	1.7	4.0	-4.8
Zensar Tech	0.2	-1.1	-6.3
Telecom			
Bharti Airtel	3.0	10.0	6.0
Bharti Infratel	1.3	5.9	-2.3
Idea Cellular	2.3	2.0	-21.4
Tata Comm	-1.4	-4.7	56.0
Utilities			
Coal India	-0.9	-5.4	-2.7
CESC	0.0	18.6	84.1
JSW Energy	-0.5	4.9	-3.0
NTPC	0.0	-2.9	14.0
Power Grid	0.4	4.1	43.8
Tata Power	0.7	-0.6	19.4
Others			
Arvind	1.5	1.7	32.5
Bata India	-2.2	-0.9	-3.8
Castrol India	-1.5	2.7	6.6
Century Ply.	-0.4	1.2	56.8
Coromandel Intl	1.4	19.8	80.4
Delta Corp	-0.7	-2.6	103.9
Dynamatic Tech	-2.2	-0.8	29.3
Eveready Inds.	-0.3	9.8	34.4
Interglobe	0.3	2.2	7.9
Indo Count	2.3	2.4	7.3
Info Edge	0.7	2.2	15.8
Inox Leisure	1.1	-3.2	46.5
Jain Irrigation	2.0	-0.8	50.5
Just Dial	-1.1	-3.2	-30.8
Kaveri Seed	-1.3	-0.4	24.5
Kitex Garm.	1.0	-5.8	-9.1
Manpasand	0.1	7.2	48.2
MCX	0.2	-10.9	23.8
Monsanto	2.1	11.0	18.9
Navneet Educat.	1.0	1.1	88.3
PI Inds.	0.2	0.0	35.5
Piramal Enterp.	-2.1	25.3	120.5
SRF	2.3	9.0	45.9
S H Kelkar	1.0	-7.9	28.8
Symphony	0.5	0.4	20.1
TTK Prestige	1.5	2.3	48.7
V-Guard	3.3	19.1	153.7
Wonderla	1.2	-1.0	2.8

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL Initiating Coverage | 19 April 2017
Sector: Oil and Gas
Gujarat Gas

Long road ahead

Sauravendu Bhutani (Sauravendu.Bhutani@MotilalOswal.com) +91 22 3929 1529
Akshay Dabwale (Akshay.Dabwale@MotilalOswal.com) +91 22 3929 1566

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MOTILAL OSWAL Initiating Coverage | 29 March 2017
Sector: Publishing
Navneet Education

Steadfast; growth gaining momentum

Nitesh Shah (Nitesh.Shah@MotilalOswal.com) +91 22 3962 4426
Chetan Modi (Chetan.Modi@MotilalOswal.com) +91 22 3962 5422

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MOTILAL OSWAL Initiating Coverage | 23 March 2017
Sector: Entertainment
Delta Corp

Favorable odds

Chetan Modi (Chetan.Modi@MotilalOswal.com) +91 22 3962 5422
Nitesh Shah (Nitesh.Shah@MotilalOswal.com) +91 22 3962 5426

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MOTILAL OSWAL Initiating Coverage | 17 March 2017
Sector: Healthcare
Ajanta Pharma

Promising growth trajectory

Tushar Manohare (Tushar.Manohare@motilal.com) +91 22 3950 2496
Sonal Bhavsra Desai (Sonal.Bhavsra@motilal.com) +91 22 3952 1958

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MOTILAL OSWAL Initiating Coverage | 17 February 2017
Sector: Financials - Pharmaceuticals
Piramal Enterprises

Winner's Edge

Ashish Mittal (Ashish.Mittal@MotilalOswal.com) +91 22 3962 5417 / Anil Jain (Anil.Jain@MotilalOswal.com) +91 22 3962 5426
Ajay Chandra (Ajay.Chandra@MotilalOswal.com) +91 22 3962 5427 / Praveen Kumar (Praveen.Kumar@MotilalOswal.com) +91 22 3962 5428

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MOTILAL OSWAL Initiating Coverage | 16 February 2017
Sector: Automobiles
CEAT

Well balanced

Nitesh Shah (Nitesh.Shah@motilal.com) +91 22 3962 5426
Chetan Modi (Chetan.Modi@MotilalOswal.com) +91 22 3962 5422

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MOTILAL OSWAL Initiating Coverage | 20 December 2016
Sector: Consumer Product
SH Kelkar

Adding flavor to fragrance

Chetan Modi (Chetan.Modi@MotilalOswal.com) +91 22 3962 5422
Nitesh Shah (Nitesh.Shah@MotilalOswal.com) +91 22 3962 5426, Chirvik Dasa (Chirvik.Dasa@MotilalOswal.com) +91 22 3920 2423

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MOTILAL OSWAL Initiating Coverage | 16 December 2016
Sector: Automobile
Endurance Technologies

Gaining ground

Nitesh Shah (Nitesh.Shah@MotilalOswal.com) +91 22 3929 1534
Sanku Gadhvi (Sanku.Gadhvi@MotilalOswal.com) +91 22 4139 1514 / Aditya Vora (Aditya.Vora@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report. Motilal Oswal research is available on www.motilal.com Institutional Equities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

MOTILAL OSWAL Initiating Coverage | 14 December 2016
Sector: Technology
L&T Infotech

Proficient miner

Sagar Laha (Sagar.Laha@MotilalOswal.com) +91 22 3962 5396
Ashish Chopra (Ashish.Chopra@MotilalOswal.com) +91 22 3962 5424

Investors are advised to refer through important disclosures made at the last page of the Research Report. Motilal Oswal research is available on www.motilal.com Institutional Equities, Bloomberg, Thomson Reuters, Factset and I&P Capital.

DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

SUN PHARMACEUTICAL

ART ANNUAL REPORT THREADBARE
27 September 2018

The ART of annual report analysis

WHAT'S NEW IN FY18

- ▶ Tax rates remained low at 13.8%, contingent liabilities for tax dispute rise to INR2.1B.
- ▶ Cash flow of INR18.4b significantly higher than tax expenses recognized in P&L of INR1.5b.
- ▶ OCF post interest increases to INR44.7b (FY17: INR32.7b) on decline in other assets to INR24.7b partially offset by INR18.1b increase in receivables.

Stock Info

Exchange	BSE/NSE
CAP (INR)	771
Face Value (INR)	2,000.0
52 Week Range (INR)	954/106
52.52 Wk. High (INR)	1,100.12
52.52 Wk. Low (INR)	1,000.07

Shareholding pattern (%)

As on	Jun-18	Mar-18	Jun-17
Promoter	33.0	33.0	34.7
MF	39.2	39.0	3.8
FI	24.0	24.4	23.0
Other	3.8	3.6	33.5

Auditor's name
Deloitte Haskins & Sells LLP

Key highlights:

- Operating performance muted: Revenue grew just 3.2% to INR23.8b. EBITDA margin expanded 70bp to 29.4%, led by gross margin expansion, partially compensated by higher (a) legal and consultancy cost at INR1.5b (8.1% of revenue, FY17: INR1.5b), (b) revenue R&D expenses at INR2.9b (12.6% of revenue, FY17: INR1.8b), and (c) miscellaneous expenses (after regrouping) at INR0.1b (FY17: INR0.4b), including INR0.1b additional liability towards USDPHCO (dead).
- Tax rates remain less contingent liabilities on tax dispute rise: Tax rates remained low at 13.8%, primarily on account of low tax rates in certain subsidiaries (Sun Pharma Global P25-26) and Sun Pharmaceutical Laboratories (SPL). On a consolidated basis, contingent liabilities increased steeply from INR33.3b in FY17 to INR41.1b (1% of net worth). The increase in overall tax dispute liabilities was driven by tax dispute liabilities for the standalone entity increasing from INR1.1b in FY17 to INR1.5b.
- Cash tax significantly exceeds tax expense recognized: The cash tax paid (cash flow, at INR23.8b) continued to be higher than the tax expense recognized in the P&L (of INR2.3b) on account of deferred tax assets (DTA) recognized, tax paid under protest and advance income tax paid. The cumulative tax paid under protest as at the end of FY18 was INR13.1b. Details on such amount paid in FY18 or cumulative amount paid in FY18 are not available.
- High capex and rising receivables debt: FCY: P&L post interest declined 21% YoY to INR20.5b on rising capex and acquisition of brands. Operating cash flow were primarily supported by decline in other current assets by INR2.5b, which was partially offset by increase in receivables by INR2.1b.

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 LinkedIn page (a) www.linkedin.com/company/art-research, #1223825544
 Email: art@motilal.com, #1223825544
 Twitter: [motilalart](https://twitter.com/motilalart), #1223825544
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MOTILAL OSWAL

CornerOffice

Interaction with the CEO

Demonetization: A mammoth task for India's largest bank

CASA to get strong push, SME NPA too early to take a call

We met with Mr. Anandhan Bhattacharya, Chairman of State Bank of India (SBI), to discuss on demonetization, and evaluate its impact on growth, asset quality and profitability of the bank. The demonetization, SBI has collected deposits of ~INR4 and disbursed (via withdrawal) ~INR1, leading to net addition of ~INR3. The bank also aggressively cut its bank deposits (leading to higher repayment rates), which led to significantly lower net accretion over the past month.

Excess liquidity: A profit drag or one-off gain?

- Since demonetization, SBI has collected deposits of ~INR4 and disbursed (via withdrawal) ~INR1, leading to net addition of ~INR3. The bank also aggressively cut its bank deposits (leading to higher repayment rates), which led to significantly lower net accretion over the past month.
- Of the net accretion, three-fourths were savings deposits, 15% were current account deposits and the rest were retail term deposits.
- Standard cost of these deposits is less than 4%, and excess liquidity is parked in reverse repo, MSF and bank guarantees (considering muted loan growth) at a yield of ~1%, hence, on excess liquidity, the spread is 2% currently, as against blended spread of ~1.4% at Q2 FY17.
- Significant liquidity addition in the system has led to a sharp fall in yield, which has helped banks to monetize the bond portfolio. We expect trading gains to be strong in Q3 FY17.

Digitalization efforts to yield noteworthy results over long term

- The Government of India (GoI) and the banking sector are working together to move toward a less-cash economy. The bank has all channels available (e.g. UPI, cards, POS, wallets, internet banking and mobile banking) to push toward digitalization.
- Over the past month, cashless transactions increased significantly: (a) debit card spends are up 1x on MoM, (b) POS terminal deployment has increased from 64k/month to 15k, 45k terminal orders in hand, (c) 7m new debit cards are activated and (d) SBI Buddy (wallet) transactions are up 1x on MoM.

Asset quality: Will demonetization lead to higher NPAs?

- Asset monitoring and recovery teams have performed their respective functions as usual (barring the first three days of demonetization). The bank clearly stated that there is no discussion of bandwidth for key departments due to demonetization.
- SBI has seen recoveries in small-value accounts and agri gold loans.
- SME portfolio performance will depend upon how soon the things will normalize. It is too early to take a call right now.

Ms. Bhattacharya is the first woman chairman of SBI, she joined the bank 18 years ago as a probationary officer. She has worked in various functions like finance, retail, treasury, HR and IT.

Ms. Bhattacharya was involved in launching various new business initiatives like general insurance, customer service and infrastructure fund.

Apexch Mehra (apexch.mehra@motilal.com), #1223825543
Sahil Nair (sahil.nair@motilal.com), #1223825505
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MOTILAL OSWAL

VOICES

30 FY17 | February 2017

India Inc on Call

VOICES, a quarterly product from Motilal Oswal Research, provides a ready reference for all the post results earnings calls attended by our research analysts during the quarter. Besides making available to readers our key takeaways from these interactions, it also provides links to relevant research updates and to the transcripts of the respective conference calls.

This quarterly report contains:

- Key takeaways from the post results management commentary for 123 companies, with links to the full earnings call transcripts
- Links to our Results Updates on each of the companies included

Research & Quant Team (Resham Duggal@MotilalOswal.com), Tel: +91 22 2862 5404

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MOTILAL OSWAL

EcoKnowledge

Diving into Trending Themes

Monthly data confirm 6.5% growth is for real in India

Creating monthly economic activity index (EAI) since 1998

- Based on monthly macroeconomic indicators, we create India's economic activity index (EAI), which shows that the economic growth averaged 6.4% YoY in the first nine months of 2016 as against ~3% growth over the previous five years (2011-2015). Motilal Oswal's leading indicators (MOI) suggest that consumption continues to run strong, however, investment is witnessing one of the worst phases in the past two decades.
- We find, however, that the growth in economic activity eased towards 5% YoY in Q3 FY17 as against 7.5% in the previous two quarters. A sharp contraction in investments, along with some deceleration in consumption, has contributed to a slowdown in our composite EAI in the recent quarter.
- It is important to note that while our composite EAI is a reliable indicator to gauge economic activity, it should not be compared with the official GDP statistics because the latter includes an estimate for the unorganized sector also. Our leading indicators are based on monthly data covering the formal sector of society.

"EcoKnowledge" is Motilal Oswal's new product in which we deep-dive into trending macro-economic themes. This new product complements our existing "Earnings" product, which is renowned for regular updates on macro-economics.

Since the release of new GDP series (in 2015-12 base), its credibility has been in question. The key reason for the disagreement is a widely-held belief that GDP data is not in sync with high-frequency monthly indicators. Weakness in bank credit growth and IP (Index of Industrial Production) are often quoted to support this criticism. Further, very high contribution of 'discrepancies' has also shaken confidence in the official statistics. To bridge this gap, we introduce Motilal Oswal's leading indicators (MOI) for consumption, investment and external trade. Based on our econometric analysis, we have combined five monthly macroeconomic data series to create MOI for consumption, eight monthly data points to create MOI for investment, and five data points to create MOI for external trade (of goods & services).

These leading indicators are then weighed to create a composite monthly index for economic activity. Exhibit 1 shows the high correlation between our composite EAI and official estimates of real GDP growth (including discrepancies). The two indicators share a strong positive correlation, which is as high as 72%.

Exhibit 1: Strong correlation between our composite EAI and real GDP growth

Further, our leading indicators are available for almost two decades, providing a great source of information on Indian economic activity since late 1990s. We also find that MOI confirm consumption to be the key driver of economic growth, while investments lag markedly.

Nikhil Gupta (nikhil.gupta@motilal.com), #1223825405
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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATION'S HANDBOOK

Highlights of March edition

- Nifty ends at record high – up 19% in FY17
- Metals, PSU Banks, Media, Oil and NBFCs top outperformers for FY17
- Technology and Telecom only sectors to deliver negative return
- Mid-caps outperform Nifty by 16% in FY17

BEST PERFORMERS MoM (%)

Indiabulls	11
Bliss Infra	11
Asian Paints	10
HDFC	10
Tata Power	10
Bank Mid-Cap	9
WIPAC	9
IL&T	7
Indraprastha	7
ITC	7

WORST PERFORMERS MoM (%)

Coal India	-1
Two Wheel	-1
in Mobility	-1
ONGC	-1
Bank Mid-Cap	-1
DRIL	-1
Axis Bank	-1
GAIL	-1
Infosys	-1
HARP	-1

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MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Equity AUM up 40% in FY17 and 25% in five years

Average AUM up 35% YoY (INR4.8t) in FY17

INR18.3t

INR603b

Net inflows in FY17 down 11% YoY

Equity AUM (INR t) – Nifty Index

Year	Equity AUM (INR t)	Nifty Index
FY13	1,304	5,236
FY14	1,438	5,483
FY15	1,636	6,764
FY16	2,067	7,778
FY17	2,482	9,174

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In respect of any matter arising from or in connection with the research you could contact the following representatives of Motilal Oswal Capital Markets Singapore Pte Limited:

Varun Kumar

Varun.kumar@motilalosal.com

Contact : (+65) 68189232

Office Address: 21 (Suite 31), 16 Collyer Quay, Singapore 04931



Motilal Oswal Securities Ltd

Motilal Oswal Tower, Level 9, Sayani Road, Prabhadevi, Mumbai 400 025

Phone: +91 22 3982 5500 E-mail: reports@motilalosal.com