

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	29,337	0.1	10.2
Nifty-50	9,104	0.0	11.2
Nifty-M 100	17,636	0.7	22.9
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,338	-0.2	4.4
Nasdaq	5,863	0.2	8.9
FTSE 100	7,114	-0.5	-0.4
DAX	12,016	0.1	4.7
Hang Seng	9,984	-0.6	6.3
Nikkei 225	18,432	0.1	-3.6
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	52	-3.4	-5.7
Gold (\$/OZ)	1,283	-0.2	10.7
Cu (US\$/MT)	5,523	-0.3	0.0
Almn (US\$/MT)	1,889	0.7	10.8
Currency	Close	Chg. %	YTD.%
USD/INR	64.6	0.0	-4.9
USD/EUR	1.1	0.6	1.7
USD/JPY	108.9	0.0	-7.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.9	0.0	0.3
10 Yrs AAA Corp	7.8	-0.2	0.2
Flows (USD b)	19-Apr	MTD	YTD
FII	-0.1	-0.4	6.3
DII	0.1	0.6	0.8
Volumes (INRb)	19-Apr	MTD*	YTD*
Cash	274	292	278
F&O	5,207	4,566	4,472

Note: YTD is calendar year, *Avg

Quote of the day

Tax cuts are an investment in working families



Today's top research idea

Gujarat Gas: Long road ahead

Abundant opportunity in long term, but short-medium term concerns to continue

- ✓ The long-term opportunity for GUJGA is sizable, given just 18% penetration in the PNG-domestic segment and 30% penetration in the CNG segment, coupled with possible regulatory push.
- ✓ Combined pre-merger peak sales were 8-9mmscmd. Morbi, the largest industrial cluster itself has a potential of ~6mmscmd against which GUJGA is doing ~2.5mmscmd currently.
- ✓ However, 68% volume exposure to the industrial segment makes both volume and EBITDA highly volatile for GUJGA, resulting in much lower valuation multiple than Indraprastha Gas (IGL) and Mahanagar Gas (MAHGL).



Research covered

Cos/Sector	Key Highlights
Gujarat Gas	Long road ahead (Initiating Coverage)
Indusind Bank	One-off provision mars strong operating performance
Yes Bank	Inline; Asset quality impacted by one off large account
Nestle	Non-Maggi volumes continue to be tepid
Metals Weekly	Chinese steel export prices down 6-12% WoW
Results Expectation	Cyient Hindustan Zinc Mindtree



Piping hot news

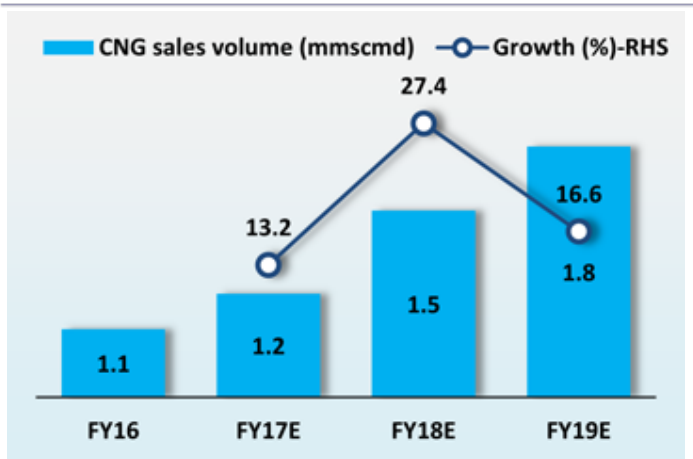
Indian IT industry sees red as H-1B visa window gets smaller

- ✓ An executive order signed by US President Donald Trump on Wednesday (Indian time) to protect American industry, has also targeted Indian information technology services firms, who depend on H-1B visas to send engineers to work on projects to the US.

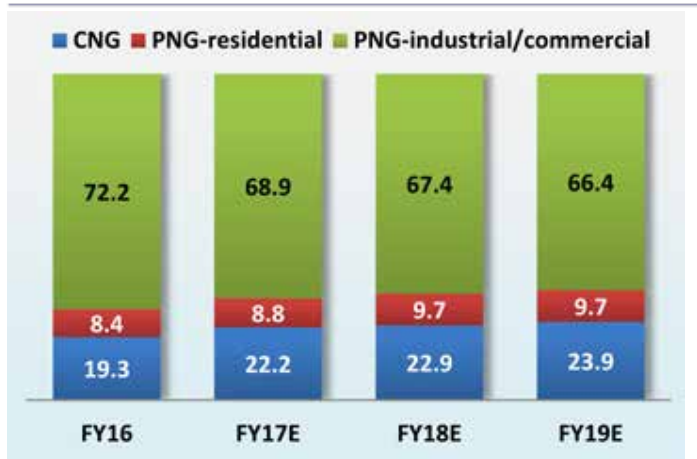


Chart of the Day: Gujarat Gas – Long road ahead

Savings and better ecosystem to boost growth



Increase in CNG sales could decrease volatility



Research Team (Gautam.Duggad@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.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on numbers for the detailed news link

1

IDFC Bank, RBL Join Race for Bharat Fin to Fast Forward Growth

Private sector lenders IDFC Bank and RBL Bank have joined the race to explore the possibility of buying out Bharat Financial Inclusion as they are looking to grow their priority sector and rural footprint in an inorganic way...

2

Govt May Prod IDBI Bank to Raise Funds via Public Offer

The government will likely push IDBI Bank to raise resources through a public offer as part of a plan to stabilise the state-run lender before it pursues any strategic sale of equity. The bank will also hold a strategy meeting this month to firm up a turnaround plan. "Under the new leadership, the bank is expected to raise money from the market. It is likely to be through a follow-on public offer (FPO), or a qualified institution placement (QIP)," said a finance ministry official. The government would wait for a turnaround before taking a call on any strategic sale of equity in the lender, of which the state owns 74%, he said...

3

States can borrow directly from foreign agencies for infra projects

The Union Cabinet has approved new rules to allow financially sound state government entities to borrow directly from other countries which give Official Development Assistance for major infrastructure projects...

4

Bosch to invest Rs. 1,000 cr on plant and machinery

Leading auto parts' maker Bosch expects to invest around Rs. 1,000 crore on a yearly basis for the next few years on plant and machinery, and for the transition from BS-IV to BS-VI emission standards. Bosch Ltd Managing Director Soumitra Bhattacharya told BusinessLine that production of some of the mechanical products will be reduced because of the transition.

5

LIC boosts life insurers' new premium growth in FY17

New business premium of life insurance companies grew by 26.13% in the last financial year, backed by strong performance by Life Insurance Corporation of India (LIC) and the popularity of single-premium policies (both in individual segment as well as group business)...

6

ITC aims to capture 18-20% of India's juice market through B Natural

Diversified conglomerate ITC Ltd is looking to capture 18-20% of India's juice market through its brand B Natural by focusing on regional flavours and offering premium versions of juices available in the market, a senior company official said...

7

Godrej Properties to raise Rs1,500 crore by selling office assets

Godrej Properties Ltd (GPL) plans to sell some of its office assets to raise around Rs1500 crore, a significant portion of which would be used to pare debt. The Mumbai-based developer has been among the country's best developers in terms of sales and delivery even during the prolonged slowdown ...



Gujarat Gas

BSE SENSEX
29,337

S&P CNX
9,104

CMP: INR846 TP: INR735 (-13%)

Sell



Stock Info

Bloomberg	GUJGA IN
Equity Shares (m)	137.0
52-Week Range (INR)	880/470
1, 6, 12 Rel. Per (%)	22/35/34
M.Cap. (INR b)	116.5
M.Cap. (USD b)	1.8
Avg Val, INRm	52.0
Free float (%)	88.0

Financials Snapshot (INR b)

Y/E Mar	2017E	2018E	2019E
Sales	52.9	74.3	85.5
EBITDA	7.7	12.3	13.8
NP	2.4	5.5	6.7
EPS (Rs)	17.5	40.0	49.0
EPS Gr. (%)	16.5	128.8	22.4
BV/Sh. (Rs)	169.9	202.4	242.3
P/E (x)	48.4	21.2	17.3
P/BV (x)	5.0	4.2	3.5
EV/EBITDA (x)	18.2	11.1	9.6
EV/Sales (x)	2.7	1.8	1.5
RoE (%)	10.7	21.5	22.0
RoCE (%)	11.1	19.9	22.7

Shareholding pattern (%)

As On	Dec-16	Sep-16	Jun-16
Promoter	45.0	45.0	45.0
DII	19.1	19.5	21.7
FII	22.6	21.5	20.5
Others	13.3	14.1	12.9

FII Includes depository receipts

Gujarat Gas

Long road ahead



Swarnendu Bhushan

+91 22 3980 5432

Swarnendu.Bhushan@motilaloswal.com

Long road ahead

Abundant opportunity in long term, but short-medium term concerns to continue

- n The long-term opportunity for GUJGA is sizable, given just 18% penetration in the PNG-domestic segment and 30% penetration in the CNG segment, coupled with possible regulatory push.
- n Combined pre-merger peak sales were 8-9mmscmd. Morbi, the largest industrial cluster itself has a potential of ~6mmscmd against which GUJGA is doing ~2.5mmscmd currently.
- n However, 68% volume exposure to the industrial segment makes both volume and EBITDA highly volatile for GUJGA, resulting in much lower valuation multiple than Indraprastha Gas (IGL) and Mahanagar Gas (MAHGL).

Abundant opportunity in CNG and PNG-residential segments

- n Gujarat has a total addressable vehicle population of 3m, including ~71,000 buses. CNG penetration in the state is ~30%, with GUJGA catering to ~0.65m CNG vehicles. Hardly any buses run on CNG in Gujarat.
- n Against an estimated 8.8m households, PNG penetration across Gujarat is ~18%, with GUJGA servicing 1.2m households.

Industrial segment also offers great opportunity

- n Gujarat has the longest coastline of 1,600km in the country, the largest area under SEZs, and accounts for a quarter of the total goods exported from the country. It is a leader in chemicals, petrochemicals, dairy, pharmaceuticals, cement and ceramics, textiles, gems and jewelry, and engineering.
- n Morbi itself has a peak potential of ~6mmscmd, while GUJGA's sales at Morbi are 2.5mmscmd. The company has added new areas in recent bids – Amreli, Ahmedabad rural, Dahej, Dahod, Panchmahal and Anand. It is still ramping up operations in Bhavnagar, Jamnagar and Dadra & Nagar Haveli, all of which have 0.2-0.5mmscmd peak potential.

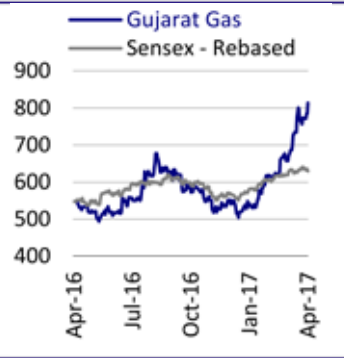
But volatility is killing!

- n The industrial segment constitutes 68% of GUJGA's total sales volume. Gas competes with fuel oil, coal/petcoke and other dirty fuels like rice husk and brickets. In the absence of regulatory push, consumers are driven only by economics and switch pretty quickly from one fuel to another.
- n Highly volatile commodity prices result in highly volatile industrial sales volumes as well as margins. From a peak of 8-9mmscmd, total sales volume declined to 5.1mmscmd in 1QFY17 before rising to 6.3mmscmd currently. Since 1QFY16, EBITDA/scm has seen a low of INR2.9 and a high of INR4.8.
- n Global gas utility companies are trading at 17.0x CY18/FY19 EPS. Due to higher volatility, we value the company at 15x, a ~10% discount to global peers. At 15x FY19E EPS of INR49.0, we value GUJGA at INR735. **Sell.**

Opportunity abound

All segments have great potential

Stock Performance (1-year)



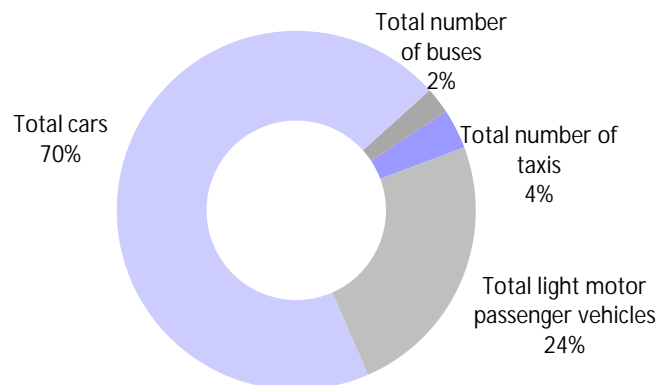
- n In GUJGA's target market, CNG penetration is ~30%. However, GUJGA caters largely to private vehicles, which results in much lower CNG sales than IGL or MAHGL.
- n PNG-residential penetration is just ~18% for GUJGA compared with ~25% for IGL and MAHGL.
- n Morbi itself has a potential of ~6mmscmd while GUJGA's current sales in Morbi are 2.5mmscmd. Other areas also offer significant opportunity for growth.

CNG segment shows great potential

- n In 2012, Gujarat High Court had ordered all private and public vehicles to be mandatorily converted into CNG within a year. However, this was prior to domestic gas allocation for CNG & PNG-residential and the company had to use LNG to cater to CNG demand. As a result of high CNG prices, there was never a thrust on implementation of the order.
- n Gujarat boasts a total of ~71,000 buses, hardly any of which run on CNG. Recently, when Ahmedabad Municipal Transport Services (AMTS) floated a tender to purchase 100 new diesel buses, NGT restrained it through an interim order, demanding that it buy only CNG buses to curb air pollution. AMTS has challenged this in the High Court and the matter is yet to be resolved.
- n GUJGA has ~250 CNG retail outlets and plans to add ~100 more in the next three years. Increase in the number of stations would also encourage conversion. However, we believe that the company would actually be able to add only ~75 CNG stations in the next three years. Nonetheless, increase in CNG mix in total sales volume from 19.3% in FY16 to 23.9% by FY19 would bring some stability to volume as well as EBITDA/scm.

Exhibit 1: Total number of buses at ~71,000 represents a large opportunity

Even at 25% conversion, buses could add 0.6mmscmd of volume, ~47% of total existing CNG sales volume



Source: www.data.gov.in, MOSL



IndusInd Bank

BSE SENSEX	S&P CNX
29,337	9,104
Bloomberg	IIB IN
Equity Shares (m)	595.8
M.Cap.(INRb)/(USD\$b)	847 / 13.1
52-Week Range (INR)	1,445/966
1, 6, 12 Rel. Per (%)	4/14/30
Avg Val, INRm	1,540
Free float (%)	85.0

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
NII	60.6	74.3	91.1
OP	54.5	66.4	80.8
NP	28.7	36.5	44.4
NIM (%)	4.2	4.2	4.2
EPS (INR)	47.9	61.0	74.3
EPS Gr. (%)	24.8	27.1	21.8
BV/Sh. (INR)	339	389	450.6
ABV/Sh. (INR)	334	383	442.6
RoE (%)	15.3	16.7	17.7
RoA (%)	1.8	1.9	1.9
P/E (X)	29.7	23.3	19.2
P/BV (X)	4.2	3.7	3.2
P/ABV (X)	4.3	3.7	3.2

CMP: INR1,423 TP: INR1,700 (+19%) Buy

One-off provision mars strong operating performance

- IndusInd Bank's (IIB) 4QFY17 PAT grew 21% YoY (in-line) to INR7.5b. Provisions were elevated at INR4.3b as they included one-off amount of INR1.22b on a bridge loan for a cement M&A transaction (account remains standard), where the receivable is in June (likely to get reversed in 1QFY18). Adjusted for this, PAT grew 34% YoY (9% beat). For FY17, PAT growth was healthy at 30% YoY.
- NII grew 31% YoY, led by strong loan growth (+28% YoY) and 6bp YoY improvement in NIM. Coupled with strong fee income performance (+29/13% YoY/QoQ) and controlled opex (+27% YoY), IIB reported impressive core PPOp growth of 34% YoY. For FY17, NIMs have improved 15bp YoY to 4%.
- Both corporate (+30% YoY) and consumer (+28% YoY) loans exhibited robust growth. IIB compensated for lower yet healthy growth in vehicle finance (+20% YoY) with strong growth of ~40% YoY in retail non-vehicle loans.
- Led by robust SA mobilization (+57/7% YoY/QoQ), CASA deposits grew 42% YoY (CASA ratio stable at 37%). The bank retained 35% of CASA accumulated during demon, and incremental growth was driven by new-to-bank customers.
- Slippages in CCB increased more than 4x to INR4.57b. As a result, CCB GNPA's increased 15% in absolute terms. Asset quality in CFD was largely stable.
- Valuation and view:** IIB's key focus is to scale up on its retail operations, led by higher share of non-vehicle retail loans by FY20. The bank is targeting 25-30% loan growth, driven by continued branch expansion (+800 branches addition) and strong customer acquisition (2x increase to 20m). Strong core profitability (3% of avg. assets v/s private banks' avg. of 2.5% and HDFCB's 2.7%), an improving CASA ratio (best among mid-sized private banks) and healthy return ratios (RoA of 1.9%+ and RoE of 16-18%) are the key positives. We upgrade estimates by 4-5% to account for higher growth. Maintain Buy with a target price of INR1,700 (3.8x FY19 BV).

Quarterly Performance

	FY16				FY17				FY16	FY17
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Interest Income	9,807	10,943	11,734	12,682	13,564	14,603	15,784	16,675	45,166	60,626
% Change (YoY)	22.5	31.3	36.2	37.1	38.3	33.4	34.5	31.5	32.1	34.2
Other Income	7,616	7,835	8,390	9,128	9,730	9,704	10,168	12,113	32,970	41,715
Net Income	17,423	18,778	20,124	21,810	23,294	24,307	25,952	28,788	78,135	102,341
Operating Expenses	8,196	8,713	9,514	10,298	10,956	11,491	12,319	13,065	36,721	47,831
Operating Profit	9,227	10,065	10,610	11,512	12,338	12,816	13,633	15,722	41,414	54,510
% Change (YoY)	23.2	38.9	37.1	35.4	33.7	27.3	28.5	36.6	33.7	31.6
Other Provisions	1,233	1,581	1,771	2,137	2,305	2,139	2,169	4,301	6,722	10,913
Profit before Tax	7,994	8,484	8,839	9,375	10,033	10,677	11,465	11,421	34,693	43,597
Tax Provisions	2,744	2,884	3,029	3,172	3,419	3,635	3,959	3,905	11,828	14,918
Net Profit	5,250	5,600	5,810	6,204	6,614	7,042	7,506	7,516	22,865	28,679
% Change (YoY)	24.7	30.2	29.9	25.3	26.0	25.7	29.2	21.2	27.5	25.4
Operating Parameters										
NIM (Reported, %)	3.7	3.9	3.9	3.9	4.0	4.0	4.0	4.0	3.9	
Deposit Growth (%)	21.6	22.5	24.6	25.4	31.0	38.9	37.9	36.1	25.4	36.1
Loan Growth (%)	23.1	30.6	28.7	28.5	29.7	26.4	25.1	27.9	28.5	27.9
CASA Ratio (%)	34.7	34.7	35.0	35.2	34.4	36.5	37.0	36.9	35.2	36.9
Asset Quality										
OSRL (INR b)	4.6	4.9	4.8	4.7	4.6	4.4	4.2	4.2	4.7	4.2
OSRL (%)	0.6	0.6	0.6	0.5	0.5	0.4	0.4	0.4	0.5	0.4
Gross NPA (INR b)	5.7	6.0	6.8	7.8	8.6	9.0	9.7	10.5	7.8	10.5
Gross NPA (%)	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9

E: MOSL Estimates; Quarterly calculated margins based on total assets, yearly on interest earning assets



Yes Bank

BSE SENSEX	S&P CNX
29,337	9,104
Bloomberg	YES IN
Equity Shares (m)	421.1
M.Cap.(INRb)/(USD\$)	732.7 / 11.3
52-Week Range (INR)	1638 / 871
1, 6, 12 Rel. Per (%)	8/18/66
Avg Val, INRm	3868
Free float (%)	79.8

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	58.0	76.6	97.6
OP	58.5	70.9	89.9
NP	33.4	42.1	53.0
NIM (%)	3.4	3.6	3.7
EPS (INR)	73.2	92.2	116.2
EPS Gr. (%)	21.2	26.1	26.0
BV/Sh. (INR)	483.1	542.1	634.6
ABV/Sh. (INR)	467.9	535.1	624.8
RoE (%)	18.6	18.0	19.7
RoA (%)	1.8	1.8	1.8
P/E(X)	21.9	17.4	13.8
P/BV (X)	3.3	3.0	2.5
P/ABV (X)	3.4	3.0	2.6
Div. Yield (%)	0.7	1.0	1.3

CMP: INR1,605 TP: INR2,110 (+31%)

Buy

Inline; Asset quality impacted by one off large account

- Yes Bank's (YES) NII grew 32% YoY (+10% QoQ) to INR16.4b, helped by 20bp YoY NIM improvement (to 3.6%) and customer assets growth of 36% YoY (+15% QoQ). Strong NII and beat on other income (27% beat; +57% YoY) drove PPop outperformance (+38% YoY; 14% beat). However, significantly higher provisioning led to in line PAT at INR9.1b (30% YoY).
- In absolute terms, GNPA doubled to INR20.2b led by one large lumpy account that slipped during the quarter (as per RBI directive; expected to recover in 1QFY18). This includes one borrower with gross exposure of 0.69% of gross loans (INR9.11b) and net exposure of 0.52% (INR6.84b) which is expected to be recovered in near term. Specific provision held in this account is INR2.27b. There was a sale to ARC of 3 accounts during the quarter of ~INR8.9b (of which INR7b is received as SR).
- Overall deposits grew 8% QoQ and 28% YoY to INR1.4t led by continued CASA inflows. Liability franchise strengthened further with CASA ratio improving 300bp QoQ to 36.3%, led by a) bulky CA deposits received in last two weeks of March, and b) strong traction in SA deposits (+12% QoQ).
- Other highlights: a) Loans grew 35% YoY to INR1.3t b) Retail fee income showed robust growth of 77% YoY and 19% QoQ, and c) YES raised INR49b through QIP leading to 150bp QoQ increase in CET 1 ratio to 11.4%
- Valuation and view:** With significant investment in people (20,000+ v/s 3,929 in FY11), branches (1,000 v/s 214 in FY11) and new products, YES is expected to grow significantly faster than the system. The bank has best-in-class return ratio of with RoA/RoE of 1.8%/19%+. The bank is adequately capitalized for the next stage of growth (CET1 ~ 11.4%). Reiterate Buy with a target price of INR2,110 (3.3x FY19) – based on residual income model.

Quarterly Performance

	(INR Million)								FY16	FY17
	FY16				FY17					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Interest Income	10,598	11,085	11,569	12,414	12,516	14,122	14,893	16,397	45,667	57,985
% Change (Y-o-Y)	42.2	29.4	27.3	27.1	18.1	27.4	28.7	32.1	30.9	27.0
Other Income	5,452	6,181	7,461	8,028	9,655	9,219	10,165	12,574	27,121	42,178
Net Income	16,050	17,266	19,030	20,443	22,171	23,340	25,059	28,971	72,789	100,163
Operating Expenses	6,967	7,074	7,534	8,188	9,103	9,481	10,520	12,061	29,764	41,686
Operating Profit	9,083	10,191	11,496	12,255	13,068	13,860	14,538	16,910	43,025	58,477
% Change (Y-o-Y)	43.7	24.7	33.2	30.7	43.9	36.0	26.5	38.0	32.4	35.9
Other Provisions	980	1,039	1,479	1,865	2,066	1,617	1,154	3,097	5,363	7,942
Profit before Tax	8,103	9,152	10,016	10,390	11,001	12,243	13,384	13,813	37,662	50,535
Tax Provisions	2,591	3,048	3,260	3,369	3,683	4,228	4,558	4,671	12,268	17,136
Net Profit	5,512	6,104	6,757	7,021	7,318	8,015	8,826	9,141	25,394	33,399
% Change (Y-o-Y)	27.7	26.5	25.1	27.4	32.8	31.3	30.6	30.2	26.6	31.5
Operating Parameters										
NIM (Reported,%)	3.3	3.3	3.4	3.4	3.4	3.4	3.5	3.6		
Deposit Growth (%)	25.2	24.0	23.1	22.5	28.6	28.9	30.5	27.9	22.5	27.9
Loan Growth (%)	35.1	29.0	26.7	30.0	33.0	37.7	38.8	34.7	30.0	34.7
CASA Ratio (%)	23.4	25.5	26.6	28.1	29.6	30.3	33.3	36.3	28.1	36.3
Tax Rate (%)	32.0	33.3	32.5	32.4	33.5	34.5	34.1	33.8	32.6	33.9
Asset Quality										
Gross NPA (INR B)	3.7	4.9	5.6	7.5	8.4	9.2	10.1	20.2	7.5	20.2
Gross NPA (%)	0.5	0.6	0.7	0.8	0.8	0.8	0.9	1.5	0.8	1.5

E: MOSL Estimates



BSE SENSEX
29,337

S&P CNX
9,104

CMP: INR6,301 TP: INR6,665(+6%)

Neutral



Stock Info

Bloomberg	NEST IN
Equity Shares (m)	96.4
52-Week Range (INR)	7390 / 5490
1, 6, 12 Rel. Per (%)	3/-12/-11
M.Cap. (INR b)	607.5
M.Cap. (USD b)	9.4
Avg Val (INRm)/Vol m	255
Free float (%)	37.2

Financials Snapshot (INR b)

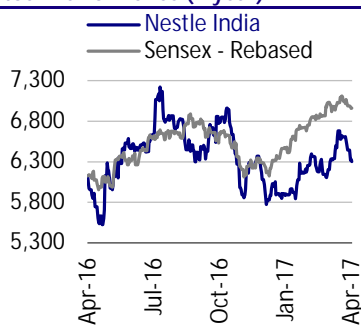
Y/E Dec	2016	2017E	2018E
Net Sales	91.6	104.5	119.3
EBITDA	18.0	21.2	24.6
PAT	11.4	13.4	15.7
EPS (INR)	118.0	139.2	163.3
Gr. (%)	-1.6	18.0	17.3
BV/Sh (INR)	312.6	360.1	419.7
RoE (%)	39.0	41.4	41.9
RoCE (%)	38.8	41.0	41.6
P/E (x)	53.4	45.3	38.6
P/BV (x)	20.2	17.5	15.0

Shareholding pattern (%)

As On	Dec-16	Sep-16	Dec-15
Promoter	62.8	62.8	62.8
DII	6.8	6.0	5.4
FII	13.3	14.2	14.9
Others	17.2	17.1	17.0

FII Includes depository receipts

Stock Performance (1-year)



Non-Maggi volumes continue to be tepid

Increasing cash and cash equivalents restricting RoCE improvement

- n Key takeaways from Nestle India's (NEST) CY16 annual report:
- n Continued poor volumes in non-Maggi portfolio
- n Blended realization growth lower than earlier years
- n A&P to sales declines YoY, remains well below that of FMCG/food peers
- n Continued moderate dividend payout restricts RoCE expansion, despite increasing balance sheet efficiency
- n **Maggi sales rise, but still below historical levels:** NEST's annual report highlighted disappointing segmental performances (these details are not disclosed in its quarterly results), particularly on the volumes front. **Prepared dishes and cooking aids** sales increased 74.9% YoY (primarily led by Maggi noodles) to INR23b in CY16 (24.2% of overall annual sales), but were 22% lower than INR29.6b recorded by the segment in CY14 (pre-Maggi crisis period). In its August 2016 analyst meet, management had admitted that there is still some residual stigma associated with this category due to rising competitive intensity and some people moving to other snacking options. While the market share is gradually recovering, the pace of recovery is slower – at 60%, its market share is considerably lower than the historical levels of 80%.
- n **Non-Maggi volumes flat YoY:** The largest segment **milk and nutrition** (49.7% of CY16 sales) grew only 0.9% YoY in value terms – the lowest level of growth since the turn of the millennium. Even this increase was mainly led by realization growth of 2.5%, with volumes of the segment declining (-1.5% YoY) for the fifth consecutive year. In metric tonnes, volumes in this segment in CY16 were even lower than those reported in CY09. **Beverages** sales declined 3.1% in CY16 – the worst performance since CY04. Volumes were flat at 1.3% YoY (even on a low base of double-digit volume decline in the preceding two years), while realizations fell 4.3% in this segment. **Chocolate & confectionary** sales growth of 6.6% (7.7% volume growth and 1% realization decline) may appear decent amid other disappointments, but even this has to be seen in context of a low base of sales (-2.6% and -11.4%) and volumes (-12.5% and -19.5%) in the preceding two years. Absolute segment volumes in CY16 were lower than CY07 levels.
- n **Realization growth muted:** There was one bright spot amid the gloomy numbers, i.e. weighted-average realization growth (which had been inordinately high in the preceding years) was the lowest in many years. This may be a function of low material costs, but that has not dissuaded the company from taking price increases earlier, even at the cost of volumes.

- n **Spate of new launches a positive; A&P to sales disappointing:** The most interesting aspect of NEST's CY16 performance was the sharp increase in new launches. The annual report mentions 39 new products/re-launches/variants under existing brands, which is far higher than the preceding years. However, we also note that domestic sales were very weak despite these launches. While it is true that some launches were back-ended, a few like 'Grekyo' are niche and others may take some time to attain significance for the company with ~INR94b of gross sales, it is also not incorrect to state that the noise on new launches has not heralded any material reversal in volume growth trends as yet. Interestingly, A&P increased only 8% YoY and declined by 30bp as a percentage to sales to 6.2% in CY16. NEST has always had weak A&P to sales compared to peers. This is particularly surprising given that high/consistently expanding gross margins provide greater room for A&P spends. Volume growth across categories has been poor for many years, with new launches probably not receiving the required A&P support.
- n **Balance sheet efficiency not translating to RoCE growth due to low dividend payout:** Net cash and cash equivalents have increased very sharply over past three years from INR3.6b to INR25.4b, mainly due to (i) improved fixed asset turns over this period, (ii) improvement in cash conversion cycle from 8 days to 10 days and (iii) reduction in other assets to total assets from 3.6% in CY13 to 3.2% in CY16. Thus, while adj. PAT has reduced to INR11.4b in CY16 from INR11.8b in CY13, we note that cash generation has been strong. The rise in cash and cash investments dilutes RoE and RoCE, in our view. While RoIC has nearly tripled from 63% in CY13 to nearly 200% in CY16, we note that RoE has declined from 56% to 39% and RoCE has remained flattish at 38-39%. Despite large cash generation through balance sheet efficiency, dividend payout has been a meager 40%-55% over past seven years, diluting RoE and RoCE.
- n **Valuation and view:** While the new CEO taking over in June 2015 has brought much-needed improvements in terms of stakeholder communication and new launches, there have been other areas of disappointments, such as (i) no sharp A&P increases to spur growth and (ii) lack of efforts to cut prices in categories where volumes have scope to increase (an area that management had stated that it may look into). The frequently stated double-digit volume-led sales growth is taking more time to come through compared to initial expectations. We have cut our numbers by 3.3% and 4.5% for CY17E and CY18E, respectively. Still our forecasts are fairly aggressive, with (i) 14% sales growth for CY17E and CY18E and (ii) operating margin improvements, which may be at risk if milk procurement prices increase steeply. Valuations are not cheap at 38.6x CY18E EPS. While valuations are lower than historical levels, we believe this is not the business that it previously was (it used to report consistent double-digit volume growth with over 100% RoCEs). Maintain **Neutral** with a revised target price of INR6,665 (39x March 2019 EPS, 20% discount to 3Y average multiple).

Exhibit 2: Nestle's segment-wise performance

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Volume (MT)										
Milk Products	107,736	118,651	134,142	144,397	147,984	140,386	138,772	135,591	131,980	129,963
Beverages	24,107	24,114	23,369	26,458	26,692	25,353	27,717	24,673	22,130	22,411
Prepared Dishes & Cooking Aids	98,259	127,835	155,555	193,494	219,041	236,554	245,443	254,553	103,138	178,467
Chocolate & Confectionery	35,752	40,200	44,116	53,483	52,678	47,745	46,718	41,080	33,083	35,615
Total	265,854	310,800	357,182	417,832	446,395	450,038	458,650	455,897	290,331	366,456
Volume (as a % of total)										
Milk Products (MT)	41%	38%	38%	35%	33%	31%	30%	30%	45%	35%
Beverages (MT)	9%	8%	7%	6%	6%	6%	6%	5%	8%	6%
Prepared Dishes & Cooking Aids (MT)	37%	41%	44%	46%	49%	53%	54%	56%	36%	49%
Chocolate & Confectionery	13%	13%	12%	13%	12%	11%	10%	9%	11%	10%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Volume Growth (%)										
Milk Products	5.4%	10.1%	13.1%	7.6%	2.5%	-5.1%	-1.1%	-2.3%	-2.7%	-1.5%
Beverages	7.9%	0.0%	-3.1%	13.2%	0.9%	-5.0%	9.3%	-11.0%	-10.3%	1.3%
Prepared Dishes & Cooking Aids	24.8%	30.1%	21.7%	24.4%	13.2%	8.0%	3.8%	3.7%	-59.5%	73.0%
Chocolate & Confectionery	17.6%	12.4%	9.7%	21.2%	-1.5%	-9.4%	-2.2%	-12.1%	-19.5%	7.7%
Total	13.8%	16.9%	14.9%	17.0%	6.8%	0.8%	1.9%	-0.6%	-36.3%	26.2%
Weighted average volume growth	14.4%	17.9%	15.3%	17.5%	7.2%	1.3%	2.0%	-0.3%	-25.3%	35.8%
Price (INR/Kg)										
Milk Products	146	163	172	192	226	275	293	337	354	363
Beverages	299	332	344	340	400	443	478	543	604	578
Prepared Dishes & Cooking Aids	79	82	86	89	98	103	110	116	127	129
Chocolate & Confectionery	159	169	175	182	209	245	275	305	336	333
Total	137	144	146	153	172	191	205	222	290	259
Price Growth (%)										
Milk Products	16.3%	11.7%	5.4%	11.6%	17.8%	21.4%	6.7%	15.0%	4.9%	2.5%
Beverages	10.6%	10.9%	3.6%	-1.2%	17.8%	10.6%	7.9%	13.7%	11.2%	-4.3%
Prepared Dishes & Cooking Aids	4.6%	3.5%	4.3%	3.9%	10.3%	4.4%	7.0%	5.8%	9.5%	1.1%
Chocolate & Confectionery	6.1%	6.3%	3.5%	4.3%	14.4%	17.3%	12.4%	10.8%	10.1%	-1.0%
Total	8.9%	4.9%	1.6%	4.4%	12.6%	10.9%	7.2%	8.6%	30.7%	-10.8%
Weighted average price growth	11.1%	8.8%	4.6%	6.6%	15.2%	14.6%	7.7%	11.6%	7.3%	0.8%
Gross Sales (INR m)										
Milk Products	15,756	19,388	23,113	27,763	33,510	38,594	40,712	45,752	46,694	47,137
Beverages	7,219	8,009	8,042	8,994	10,684	11,227	13,241	13,398	13,360	12,949
Prepared Dishes & Cooking Aids	7,811	10,519	13,350	17,250	21,545	24,302	26,982	29,613	13,141	22,989
Chocolate & Confectionery	5,686	6,795	7,719	9,759	10,997	11,696	12,864	12,532	11,109	11,843
Total	36,472	44,711	52,224	63,766	76,736	85,819	93,799	101,295	84,304	94,917
Gross Sales (as a % of total)										
Milk Products	43%	43%	44%	44%	44%	45%	43%	45%	55%	50%
Beverages	20%	18%	15%	14%	14%	13%	14%	13%	16%	14%
Prepared Dishes & Cooking Aids	21%	24%	26%	27%	28%	28%	29%	29%	16%	24%
Chocolate & Confectionery	16%	15%	15%	15%	14%	14%	14%	12%	13%	12%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Gross Sales Growth (%)										
Milk Products	22.6%	23.0%	19.2%	20.1%	20.7%	15.2%	5.5%	12.4%	2.1%	0.9%
Beverages	19.4%	10.9%	0.4%	11.8%	18.8%	5.1%	17.9%	1.2%	-0.3%	-3.1%
Prepared Dishes & Cooking Aids	30.6%	34.7%	26.9%	29.2%	24.9%	12.8%	11.0%	9.7%	-55.6%	74.9%
Chocolate & Confectionery	24.8%	19.5%	13.6%	26.4%	12.7%	6.4%	10.0%	-2.6%	-11.4%	6.6%
Total	23.9%	22.6%	16.8%	22.1%	20.3%	11.8%	9.3%	8.0%	-16.8%	12.6%

Source: Company, MOSL



Metals Weekly

Chinese steel export prices down 6-12% WoW

- Indian steel: Long product (TMT Mumbai) prices were down ~2% WoW. Sponge iron prices were down ~5% WoW while domestic scrap prices were down ~6% WoW. Domestic iron ore prices were unchanged while pellet prices were marginally lower. Domestic HRC prices were unchanged but with falling import prices, risk is to the downside.
- Raw Materials: Iron ore prices (China cfr) were down ~9% WoW on lower steel price in china, high port inventories and increasing local supply. Iron ore port inventories in China were however marginally lower WoW. Thermal coal prices were unchanged WoW. Coking coal prices were up ~11% WoW on weather related disruptions in Australia. Chinese pellet import prices were down 8% WoW.
- Europe: HRC prices were down ~3% WoW. CIS export HRC prices were down 7% WoW. Rotterdam scrap prices were unchanged.
- China: local HRC prices were down ~4% WoW, following ~10% decline last week. Rebar steel prices were down ~2% WoW. Export steel prices were however down ~6%/12% for rebar/HRC, respectively, WoW.
- Base metals: Aluminum (cash LME) was down 2% WoW. Spot premiums in Japan were higher. Alumina prices were down by ~1% WoW. Zinc (cash LME) was down ~4% WoW while lead was down ~3% WoW. Copper was down ~2% WoW. Crude oil (Brent) prices were down ~2% WoW.

Metal Prices

	CMP	change since						
		18-Apr	%	11-Apr	%	1-Jan	%	1-Apr
STEEL								
TMT- Mumbai (INR/ton)	33,000	-2	33,800	8	30,600	20	27,600	
HRC- Mumbai (INR/ton)	37,333	0	37,333	-2	38,222	22	30,667	
HRC (USD/ton) fob CIS	450	-7	483	-9	495	22	368	
METALLICS								
Sponge iron - Raipur (INR/ton)	17,600	-5	18,500	10	15,950	32	13,300	
Pig iron - Raipur (INR/ton)	25,100	1	24,875	11	22,550	30	19,300	
Iron ore spot (USD/ton) cfr China	69	-9	75	-13	79	25	55	
Coking coal (USD/ton) fob Aus.	314	11	283	31	240	283	82	
Shred. scrap (USD/ton) Rotterdam	260	0	260	-7	278	10	235	
ALUM.								
LME Spot (USD/ton)	1,890	-2	1,930	10	1,714	24	1,524	
Indian prices (INR '000/ton)	124	0	123	7	116	22	101	
LME inventories ('000 ton)	1,746	-3	1,803	-21	2,202	-37	2,783	
ZINC								
LME Spot (USD/ton)	2,562	-4	2,665	0	2,563	39	1,842	
Indian prices (INR '000/ton)	167	0	167	-4	174	-86	1,222	
LME inventories ('000 ton)	359	-2	367	-16	428	-17	435	
COPPER								
LME Spot (USD/ton)	5,655	-2	5,770	3	5,501	16	4,880	
Indian prices (INR '000/ton)	369	0	370	-1	374	16	319	
LME inventories ('000 ton)	255	-4	267	-18	312	79	143	
OTHERS								
Gold (INR/10gms)	29,416	1	29,140	6	27,812	1	29,080	
Sliver (INR/1kg)	42,251	0	42,143	9	38,921	15	36,651	
Lead Spot LME (USD/ton)	2,185	-3	2,261	10	1,985	27	1,720	
Brent crude (USD/bbl)	54.9	-2	56.0	-3	56.8	42	38.7	
MISC.								
INR/USD	64.5	0	64.3	-5	68.0	-3	66.2	
BDI	1,294	1	1,282	35	961	188	450	

Valuations: Indian companies

Company	Price (INR)	EV/EBITDA (x) FY18E	P/B (x) FY19E	P/B (x) FY18E
Steel				
Tata Steel	450	7.3	6.6	2.9
JSW Steel	187	6.5	5.6	1.8
JSPL	119	9.6	6.7	0.3
SAIL	60	58.1	10.3	0.8
Non-Ferrous				
Hindalco	184	6.0	5.3	1.3
Nalco	73	5.7	5.0	1.3
Vedanta	231	5.3	5.3	1.2
Mining				
Coal India	279	6.6	6.0	6.8
HZL	273	6.7	5.8	3.0
NMDC	127	6.6	6.2	1.6

Note: Detailed table on pg 25 Source: MOSL

Valuations: Global companies

	Price	EV/EBITDA (x) CY17	P/B (x) CY18	P/B (x) CY17
Mining				
BHP	AUD 23.93	5.2	5.7	nm
FMG	AUD 5.09	3.1	4.3	nm
Rio Tinto	AUD 58	4.8	5.8	nm
Vale	USD 25.4	4.8	5.7	1.0
Teck Res.	USD 21.51	4.1	5.4	0.9
Steel				
A. Mittal	EUR 6.69	4.5	4.5	nm
Posco	k KRW 267	5.5	5.3	0.5
US Steel	USD 28.73	4.8	4.3	2.1
Nucor	USD 57.33	6.7	6.7	2.3
JFE	JPY 1789	8.9	6.7	nm
Gerdau	BRL 9.37	6.6	5.4	1.1
Angang	CNY 5.48	7.3	6.6	0.8
Non Ferrous				
Alcoa	USD 31.76	3.9	4.5	1.0
Hydro	NOK 49.51	6.0	5.9	1.2
Rusal	HKD 3.8	9.2	9.0	nm

Note: Detailed on pg 25 Source: Bloomberg



Cyient

Bloomberg	CYL IN
Equity Shares (m)	112.2
M. Cap. (INR b)/(USD b)	52 / 1.0
52-Week Range (INR)	555 / 416
1,6,12 Rel Perf. (%)	-4 / -9 / -18

Financial Snapshot (INR b)

y/e June	2016	2017E	2018E	2019E
Sales	31.0	36.0	40.8	46.2
EBITDA	4.2	4.8	5.7	6.4
PAT	3.3	3.5	4.2	4.8
EPS (INR)	30.7	30.9	37.6	43.1
EPS Gr. (%)	(1.9)	0.7	21.6	14.6
BV/Sh. (INR)	186.6	208.3	234.6	264.7
RoE (%)	16.5	14.8	16.0	16.3
RoCE (%)	15.1	14.0	15.0	15.4
Payout (%)	22.8	30.0	30.0	30.0

Valuation

P/E (x)	15.3	15.2	12.5	10.9
P/BV (x)	2.5	2.3	2.0	1.8
EV/EBITDA (x)	10.8	9.2	7.4	6.2
Div yld (%)	1.5	2.0	2.4	2.8

CMP: INR467 TP: INR600 (+28%) Buy

- n We expect CYL's USD revenue to grow 3.3% QoQ in 4QFY17 (+2.7% QoQ in CC).
- n In the core services business, CYL's revenue is expected to increase by 1.9% QoQ. Revenue growth is expected to pick up post the seasonal weakness witnessed in the previous quarter.
- n We expect USD17m in revenue in Rangsons, which would imply annual revenue of USD55m; +42% YoY, short of the 50% guidance by ~USD3m.
- n Margins are expected to decline by 60bp QoQ to 12.8% because of INR depreciation and higher incremental revenue from lower-margin Rangsons.
- n While we expect margins in the services business to decline by 50bp to 14.3%, we anticipate flat margins in Rangsons at 2%.
- n PAT estimate for the quarter is INR816m, -13.2% QoQ. Lower other income is a function of translation losses in 4Q.
- n The stock trades at 12.5x FY18E and 10.9x FY19E EPS. Maintain **Buy**.

Key issues to watch for

- Ø Update on problem verticals like Semiconductor and Energy.
- Ø Outlook for Rangsons for FY18 and progress on synergy through DLM.
- Ø Margin trajectory going ahead.

Quarterly Performance

Y/E March	FY16				FY17E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY16	FY17E
Revenue (USD m)	114	118	118	121	125	137	136	140	472	537
QoQ (%)	-2.6	3.6	0.0	2.1	3.1	9.5	-0.5	3.3	5.6	13.8
Revenue (INR m)	7,263	7,717	7,818	8,158	8,349	9,136	9,171	9,342	30,955	35,998
YoY (%)	16.8	14.8	9.8	11.7	15.0	18.4	17.3	14.5	13.1	16.3
GPM (%)	35.4	36.6	34.4	34.2	35.0	34.4	34.0	33.3	35.1	34.1
SGA (%)	22.7	21.6	20.3	21.1	22.0	20.4	20.6	20.4	21.4	20.8
EBITDA	918	1,164	1,102	1,063	1,090	1,283	1,228	1,200	4,247	4,801
EBITDA Margin (%)	12.6	15.1	14.1	13.0	13.1	14.0	13.4	12.8	13.7	13.3
EBIT Margin (%)	10.1	12.6	11.3	9.4	10.4	11.5	10.7	10.7	10.8	10.8
Other income	298	299	246	222	116	184	309	50	1,065	659
ETR (%)	28.7	23.5	20.8	20.4	25.5	22.6	25.8	23.5	23.4	24.3
PAT	748	985	869	844	740	973	940	816	3,446	3,470
QoQ (%)	-20.3	31.7	-11.8	-2.8	-12.3	31.5	-3.4	-13.2		
YoY (%)	9.2	9.2	-13.9	-10.1	-1.1	-1.2	8.3	-3.3	-1.9	0.7
EPS (INR)	6.7	8.8	7.7	7.5	6.6	8.7	8.4	7.3	30.7	30.9
Headcount	11,507	11,311	11,481	11,569	12,297	12,797	12,747	12,877	11,569	12,877
Util incl. trainees (%)	75.4	76.1	76.7	73.3	75.5	77.2	74.8	76.4		
Attrition (%)	18.8	21.6	20.6	18.4	19.9	22.7	22.6			
Offshore rev. (%)	44.7	44.6	43.3	41.0	42.9	42.4	42.6	43.5		

E: MOSL Estimates



Hindustan Zinc

Bloomberg	HZ IN
Equity Shares (m)	4225.3
M. Cap. (INR b)/(USD b)	1231 / 19
52-Week Range (INR)	333 / 158
1,6,12 Rel Perf. (%)	-11 / 9 / 35

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	142.3	171.4	234.2	249.1
EBITDA	67.8	95.8	141.4	150.4
NP	83.6	81.6	108.6	118.3
Adj. EPS (INR)	19.8	19.3	25.7	28.0
EPS Gr(%)	2.1	-2.4	33.1	8.9
BV/Sh. (INR)	88.5	72.3	89.5	109.1
RoE (%)	20.7	24.0	31.8	28.2
RoCE (%)	20.6	28.3	37.2	33.5
Payout (%)	164.9	183.8	32.9	30.2

Valuations

P/E (x)	14.7	15.1	11.3	10.4
P/BV (x)	3.3	4.0	3.3	2.7
EV/EBITDA (x)	12.9	11.3	7.2	6.3
Div. Yield (%)	9.6	10.1	2.4	2.4

CMP:INR291 TP: INR268 (-8%) Neutral

- n We expect HZL's EBITDA to increase 29% QoQ (+2x YoY) to INR35.8b on higher prices and volumes. Zinc LME is up 10% QoQ to USD2,777/t, while lead LME is up 6% QoQ to USD2,276/t. Mine production is estimated to increase by 11% QoQ to 305kt. Refined zinc sales volumes, however, are estimated to be flat QoQ at 210kt as company sold concentrates. We expect ~25kt of concentrate sales during the quarter.
- n We estimate PAT to increase 25% QoQ to INR29b.

Key issues to watch for:

- Ø Decline in global zinc prices.
- Ø Production issues.

Quarterly Performance

Y/E March	(INR Million)									
	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Production (integrated only)										
Zn refined (000 tons)	187	211	206	154	102	149	205	210	758	666
Pb refined (000 tons)	27	39	35	38	25	31	39	42	139	137
Silver (tons)	86	110	116	127	95	111	127	146	439	479
Zinc LME (USD/t)	2,190	1,898	1,616	1,680	1,918	2,252	2,518	2,777	1,846	2,366
Net Sales	36,302	40,333	34,306	31,324	25,306	35,257	49,799	61,059	142,264	171,421
Change (YoY %)	20.7	34.1	-9.8	-18.7	-30.3	-12.6	45.2	94.9	-3.8	20.5
EBITDA	19,655	20,245	14,783	13,081	11,309	20,767	27,834	35,844	67,763	95,753
As % of Net Sales	54.1	50.2	43.1	41.8	44.7	58.9	55.9	58.7	47.6	55.9
Interest	16	12	51	90	712	712	451	90	169	1,965
Depreciation	1,729	1,750	1,716	1,930	3,644	4,317	4,589	3,644	6,716	16,194
Other Income	5,637	8,689	5,547	7,422	6,101	7,702	5,882	4,632	27,294	24,316
PBT (after EO item)	21,785	27,171	18,562	18,487	13,059	23,440	28,676	36,742	86,416	101,910
Total Tax	1,287	5,715	449	-3,013	2,680	4,421	5,477	7,716	4,438	20,293
% Tax	5.9	21.0	2.4	-16.3	20.5	18.9	19.1	21.0	5.1	19.9
Reported PAT	20,498	21,456	18,114	21,500	10,379	19,019	23,199	29,026	81,978	81,617
Adjusted PAT	22,155	21,456	18,114	21,495	10,375	19,019	23,199	29,026	83,644	81,617
Change (YoY %)	37.0	32.6	-17.1	-9.7	-53.2	-11.4	28.1	35.0	2.1	-2.4



MindTree

Bloomberg	MTCL IN
Equity Shares (m)	167.7
M. Cap. (INR b)/(USD b)	77 / 1
52-Week Range (INR)	758 / 400
1,6,12 Rel Perf. (%)	-5 / -14 / -51

Financial Snapshot (INR b)

y/e march	2016	2017E	2018E	2019E
Sales	46.9	52.1	57.1	63.7
EBITDA	8.3	7.0	8.1	9.1
PAT	6.0	4.2	5.8	6.6
EPS (INR)	35.9	24.9	34.6	39.4
EPS Gr. (%)	14.2	-30.6	39.0	14.0
BV/Sh. (INR)	142.4	151.0	171.1	192.4
RoE (%)	27.4	17.0	21.5	21.7
RoCE (%)	30.6	19.5	21.1	21.0
Payout (%)	29.3	48.2	34.7	38.0

Valuation

P/E (x)	12.6	18.2	13.1	11.5
P/BV (x)	3.2	3.0	2.6	2.4
EV/EBITDA (x)	8.6	10.0	8.5	7.3
Div Yld (%)	2.3	2.6	2.6	3.3

CMP: INR452 TP: INR530 (+17%) Neutral

- MTCL's performance has been impacted since the last couple of quarters because of softness in top accounts, project cancellations, delays in decision making and deterioration in the performance of acquisitions.
- These factors are expected to play on performance in 4Q as well, restricting signs of a revival. While we expect 1.5% QoQ CC growth, we expect a headwind of 40bp due to cross-currency headwinds, resulting in 1.1% QoQ growth.
- Note, for MTCL, rates at the beginning of the month are considered while billing, resulting in a headwind versus a tailwind for peers.
- Although margins have bottomed out, we don't see a material pick-up till organic growth momentum increases or acquisitions turn around. We assume flat EBITDA margins in 4Q at 13.4%.
- Our PAT estimate for the quarter is INR972m, which implies 5.8% QoQ decline.

Key Issues to watch for 13.1x FY18E and 11.5x FY19E earnings.

- Update on top clients, pricing pressure and outlook.
- Margin trajectory, going forward, given the increased investments and revenue growth issues.
- Deal wins during the quarter and growth in Digital.

Quarterly Performance

Y/E March	FY16				FY17E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY16	FY17E
Revenue (USD m)	154	180	184	195	199	193	192	194	715	778
QoQ (%)	4.4	16.9	2.3	5.7	2.1	-3.0	-0.4	1.1	22.5	8.8
Revenue (INR m)	9,775	11,693	12,145	13,203	13,276	12,954	12,953	12,937	46,896	52,120
YoY (%)	15.9	31.6	33.2	43.8	35.8	10.8	6.7	-2.0	31.7	11.1
GPM (%)	41.1	41.3	40.3	38.0	37.0	34.2	34.1	34.1	40.2	34.9
SGA (%)	24.0	22.8	22.6	21.3	22.3	21.7	20.7	20.7	22.5	21.3
EBITDA	1,672	2,164	2,147	2,206	1,951	1,621	1,740	1,733	8,299	7,045
EBITDA Margin (%)	17.1	18.5	17.7	16.7	14.7	12.5	13.4	13.4	17.7	13.5
EBIT Margin (%)	13.6	15.8	14.8	13.1	10.8	8.6	9.5	9.4	14.8	9.6
Other income	321	195	147	42	198	170	144	65	810	577
ETR (%)	22.4	22.5	22.6	25.0	24.2	26.0	25.2	24.0	22.4	24.8
PAT	1,283	1,582	1,509	1,330	1,235	948	1,031	972	6,033	4,186
QoQ (%)	-0.3	23.3	-4.6	-11.9	-7.1	-23.2	8.8	-5.8		
YoY (%)	-0.9	15.1	7.2	3.3	-3.7	-40.1	-31.7	-27.0	12.5	-30.6
EPS (INR)	7.6	9.4	9.0	7.9	7.4	5.6	6.1	5.8	35.9	24.9
Headcount	14,427	15,582	16,243	16,623	16,110	16,219	16,099	16,249	16,623	16,249
Util incl. trainees (%)	70.3	71.4	68.5	69.4	71.4	71.4	71.3	72.0	69.9	71.5
Attrition (%)	18.4	17.1	16.0	15.7	16.5	16.4	16.1			
Offshore rev. (%)	51.9	47.6	45.5	42.4	40.5	40.8	39.8	40.1	46.6	40.3
Fixed Price (%)	48.9	49.7	50.0	47.7	48.7	50.6	52.5			

E: MOSL Estimates



1. ITC: Require evenly spread monsoons; expect benign raw material costs in FY18; S Sivakumar, Group Head-Agriculture & IT Business

- n Monsoon distribution is something that we will keep watching for and not only regional spread but also the spread over the monsoon season like the El Nino effect.
- n Will see a better sugarcane crop, also there will be an improvement in cotton; however, paddy and oil seeds will maintain, with respect to the last year.
- n Looking forward to relatively benign raw material prices both from better monsoon and domestic crops, potentially imported at stronger rupee.
- n There is optimism on sourcing for FMCG products which is a one key activity and second, also sourcing for other customers both in domestic and global markets.

[➔ Read More](#)

2. BPCL: Don't see any hit on profits even if petrol pumps are closed on sunday; P Balasubramanian, Director-Finance

- n Shutting petrol pumps on Sunday will not impact the profitability much. Supply as well as distribution would be a challenge in such situation.
- n Diesel consumption has been declining for few months now, however, the demand should pick up from here on.
- n Oil companies are technologically equipped to implement the daily pricing. The move is aimed at smoothening the volatility of the prices over a period of time.
- n GRMs in the previous quarter for BPCL would be around USD 5 per barrel. Yearly figure for GRMs would be more or less in line with the stated GRM.

[➔ Read More](#)

3. TATA Steel: Cash flows to improve, help pare debt; big expenditures done with; TV Narendran, MD

- n China is expected to export less this year than they did last year, closer to 100 million, if they exports remain at this levels the balance would come back to the world steel industry.
- n Most of the big expenditure is behind us as far as Kalinganagar is concerned, we are back to normal level of spending. Expect cash flows to be better, which should help us bring down the debt.
- n The management of Thyssen and management of Tata Steel continue to talk to each other. The discussions are still on.
- n Most regions which were shrinking are no longer shrinking and most regions which were not growing are starting to grow. So directionally it is positive for the industry.

[➔ Read More](#)



1. Issues in public procurement. by Bulbul Sen

- n Finally, after a year of public consultations, the Government notified on March 8 the amended General Financial Rules (GFR) 2017, which feature new rules on public procurement. A law on the subject, as was initially discussed during public consultations, would have brought in certainty and cut through the maze of regulations that confuse governance of the subject. However, even updated GFRs are an improvement, as updating of these rules, last consolidated in 2005, was needed to keep pace with the imperatives of a modernising Indian economy.

[➔ Read More](#)

2. Signals from turkey. by The Businessline

- n South Asia comprises only 3.5 per cent of the world's surface area but houses 24.8 per cent of the global population spread over eight countries. It has people from hundreds of ethno-linguistic groups and at least seven major religious identities. While South Asia is predicted to grow at the rate of 7 per cent in 2017, it holds only 1.3 per cent of the world's income with nearly 90 per cent of the work force in the informal sector. The nature of economic growth and development that South Asian countries have pursued over the last 25 years has been unexceptionally neo-liberal.

[➔ Read More](#)

3. How Cruz City-Unitech case may bring relief to Tata Docomo case. by The Financial Express

- n The central bank's position on Tata-DOCOMO, it is well known, is that even if the Tata group had agreed to buy back DOCOMO's investment at half the investment price if their joint venture did not meet agreed performance standards, the Indian FEMA law proscribes this—so when the London arbitration award went against the Tatas and said the group had to fulfil its contractual obligations, RBI told the Delhi High Court that the law did not allow this. While the court is yet to rule on the matter, a recent judgment involving real estate firm Unitech, as BloombergQuint reported, offers some hope.

[➔ Read More](#)

4. CM Yogi Adityanath on a 'powerful' mission in Uttar Pradesh. by Vinayak Chatterjee

- n Compliment UP CM for straightaway putting power distribution reform and checking theft as items of top priority. Clear targets announced. UP CM orders 24 hr power in District Centres & 18 hrs in villages. Immediate attention to AT&C losses required to stem ₹ in discom losses. UP CM's powerful mission Chief minister Yogi Adityanath has directed officials to ensure that 24-hour, 18-hour and 20-hour power supply is made available to all district headquarters, villages and tehsils, respectively. The aim is to make UP energy-efficient by 2018.

[➔ Read More](#)

5. Collaborating with your direct business competitors. by Snehal Shah & Ashish Jha

- n Disruptive times are here to stay. The unprecedented pace of technological change and its spillover effects are aptly described as “tsunami impacting human existence”. How do we deal with such complexity? A closer look at personal and professional decision algorithms suggests we divide our world into dichotomies—good or bad, happy or sad, us versus them, friends or foe. Compartmentalizing the complex world gives a false sense of relief that we are in control of the environment. Take, for instance, how collaboration versus competition is viewed in the world of business.

[➔ Read More](#)

6. Intellectually challenging. by Feroz Ali & Devika Agarwal

- n Global giants like Vodafone and Cairn Energy have raised investment disputes against India by initiating arbitration proceedings under investment treaties. Free trade agreements (FTAs), like the Regional Comprehensive Economic Partnership that India is currently negotiating with other countries, tends to treat intellectual property (IP) as an investment made by investor corporations, allowing private investment disputes to be raised against the host country whenever there is a threat to their IP. Treating IP as an investment, and subjecting it to treaty arbitration, can have undesirable impact on the hard-bargained flexibilities in IP laws and on public health safeguards that India has earned over the years.

[➔ Read More](#)

International

7. Theresa may can now secure her mandate on europe. by janan ganesh

- n To learn about a leader, ignore their manifesto and just remove their constraints. Power reveals and absolute power reveals absolutely. It is an extreme way of getting to know someone, granted, but not too extreme for the British to try. On June 9, the morning after the general election that she announced on Tuesday, Theresa May could be the most powerful prime minister since the second world war. Tony Blair was checked by a sullen chancellor of the exchequer. Margaret Thatcher had to reckon with trade unions that still mattered. Mrs May will have no comparable nuisances and, to believe the polls that give her Conservatives a lead...

[➔ Read More](#)



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	869	1,084	25	29.3	37.3	43.4	29.7	23.3	5.9	4.9	21.7	22.9	22.0
Ashok Ley.	Buy	81	94	16	4.2	5.2	6.6	19.2	15.7	3.7	3.3	20.6	22.3	24.9
Bajaj Auto	Buy	2,810	3,282	17	133.7	154.8	174.0	21.0	18.2	5.9	5.2	29.5	30.2	30.0
Bharat Forge	Buy	1,047	1,182	13	25.3	37.2	50.6	41.4	28.2	6.2	5.4	15.7	20.5	23.7
Bosch	Neutral	22,466	22,924	2	472.3	667.8	764.1	47.6	33.6	9.1	7.5	18.2	24.5	23.4
CEAT	Buy	1,435	1,406	-2	89.9	107.6	140.6	16.0	13.3	2.4	2.1	16.4	16.9	18.9
Eicher Mot.	Buy	25,430	28,811	13	615.4	854.5	1,047.6	41.3	29.8	14.5	10.5	40.7	40.9	36.7
Endurance Tech.	Buy	813	841	3	22.3	29.4	37.4	36.5	27.6	6.6	5.5	19.6	21.6	22.9
Escorts	Buy	547	608	11	23.2	34.1	43.4	23.6	16.0	2.7	2.4	12.1	15.9	17.5
Exide Ind	Buy	234	270	16	8.4	9.8	11.9	27.8	23.8	4.0	3.6	14.5	15.0	16.0
Hero Moto	Neutral	3,205	3,390	6	172.2	185.1	188.3	18.6	17.3	6.8	5.8	39.5	36.2	31.9
M&M	Buy	1,260	1,573	25	61.7	75.4	89.5	20.4	16.7	3.1	2.8	14.5	13.9	14.7
Mahindra CIE	Not Rated	225	-	-	5.4	9.9	11.8	42.0	22.8	2.6	2.3	6.4	10.8	11.5
Maruti Suzuki	Buy	6,200	7,299	18	253.2	307.6	374.1	24.5	20.2	5.7	4.7	22.4	23.0	23.1
Tata Motors	Buy	444	609	37	11.5	29.4	62.0	38.5	15.1	1.8	1.6	4.7	11.2	20.4
TVS Motor	Buy	471	500	6	11.2	15.2	21.6	42.0	31.1	9.7	7.8	25.1	27.8	31.4
Aggregate								27.7	19.8	4.1	3.6	14.7	18.0	21.2
Banks - Private														
Axis Bank	Neutral	499	510	2	13.8	23.9	40.6	36.2	20.9	2.2	2.0	6.2	9.9	15.2
DCB Bank	Neutral	176	170	-4	7.0	8.8	11.2	25.2	20.1	2.6	2.4	10.9	12.4	14.0
Equitas Hold.	Buy	165	220	33	5.7	6.2	7.4	29.0	26.6	2.5	2.3	10.7	8.9	9.6
Federal Bank	Buy	92	108	18	4.4	5.2	6.7	20.8	17.5	1.8	1.7	9.0	10.0	11.7
HDFC Bank	Buy	1,447	1,670	15	56.6	66.7	79.0	25.6	21.7	4.4	3.8	18.5	18.9	19.3
ICICI Bank	Buy	281	350	25	17.3	17.8	20.5	16.2	15.8	1.9	1.8	10.5	9.8	10.5
IDFC Bank	Neutral	59	63	8	3.0	3.8	4.8	19.8	15.3	1.4	1.3	7.1	8.7	10.1
IndusInd	Buy	1,423	1,685	18	48.4	58.7	71.2	29.4	24.3	4.3	3.7	15.5	16.4	17.2
J&K Bank	Neutral	77	75	-2	-25.2	13.0	15.4	NM	5.9	0.7	0.7	-21.1	11.6	12.5
Kotak Mah. Bk	Buy	875	1,017	16	26.3	32.3	41.3	33.3	27.1	4.2	3.7	13.5	14.5	16.0
RBL Bank	Under Review	576	-	-	12.7	18.5	24.3	45.3	31.1	5.0	4.4	12.9	15.2	17.4
South Indian	Neutral	22	21	-6	2.8	3.1	3.8	8.0	7.2	0.8	0.7	9.7	10.0	11.3
Yes Bank	Buy	1,605	2,110	31	79.3	97.0	118.4	20.2	16.6	4.1	3.4	22.1	22.6	23.0
Aggregate								25.6	20.4	3.1	2.7	11.9	13.4	14.9
Banks - PSU														
BOB	Buy	175	224	28	7.5	19.0	26.1	23.3	9.2	1.1	1.0	5.0	11.9	14.8
BOI	Neutral	149	129	-13	-5.7	14.5	23.7	NM	10.3	0.6	0.6	-2.5	6.0	9.2
Canara	Neutral	317	310	-2	25.2	35.9	57.6	12.6	8.8	0.6	0.6	5.2	7.0	10.5
IDBI Bk	Neutral	72	49	-31	1.5	6.4	8.6	46.8	11.1	0.7	0.6	1.4	5.8	7.3
Indian Bk	Buy	254	331	31	27.1	30.1	35.9	9.4	8.4	0.8	0.8	9.3	9.6	10.6
OBC	Neutral	151	138	-8	0.3	21.0	26.0	600.5	7.2	0.4	0.4	0.1	5.2	6.1
PNB	Buy	154	186	21	5.3	12.4	16.6	29.1	12.4	0.9	0.8	3.0	6.7	8.3
SBI	Buy	284	340	20	8.7	16.9	23.3	32.7	16.8	1.2	1.2	3.9	7.3	9.3
Union Bk	Neutral	150	174	16	8.5	30.5	45.3	17.7	4.9	0.5	0.5	2.8	9.7	13.0
Aggregate								29.6	12.7	0.9	0.9	3.2	7.0	9.2
NBFCs														
Bajaj Fin.	Buy	1,244	1,448	16	34.4	47.5	64.0	36.2	26.2	7.5	6.0	22.7	25.5	27.3
Bharat Fin.	Neutral	748	859	15	44.6	42.8	55.1	16.8	17.5	3.7	3.1	29.6	19.3	20.4
Dewan Hsg.	Buy	401	500	25	29.6	36.7	42.7	13.6	10.9	1.6	1.4	14.4	13.9	14.5
GRUH Fin.	Neutral	390	421	8	8.1	10.3	12.5	47.9	38.0	12.8	10.6	30.4	30.6	30.9
HDFC	Buy	1,490	1,752	18	46.7	51.7	57.3	31.9	28.8	5.9	5.4	19.1	18.1	17.1
Indiabulls Hsg	Buy	957	1,150	20	69.3	84.4	102.7	13.8	11.3	3.4	3.0	25.9	28.3	30.5
LIC Hsg Fin	Buy	644	723	12	38.3	46.9	55.3	16.8	13.7	3.0	2.6	19.5	20.3	20.3
Manappuram	Not Rated	93	-	-	8.2	11.1	14.0	11.3	8.3	2.6	2.3	23.9	29.0	32.2
M&M Fin.	Buy	340	380	12	7.9	10.9	14.1	43.1	31.1	3.1	2.9	7.2	9.6	11.6



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
Muthoot Fin	Buy	406	465	15	29.7	34.5	40.0	13.7	11.8	2.5	2.2	19.7	20.2	20.6
PFC	Neutral	156	117	-25	25.7	27.2	30.2	6.1	5.7	1.0	0.9	17.9	17.0	16.8
Repco Home	Buy	777	831	7	28.6	34.0	40.2	27.2	22.8	4.3	3.7	17.3	17.5	17.6
REC	Neutral	198	134	-32	31.4	35.0	40.4	6.3	5.7	1.2	1.0	19.9	19.1	19.1
Shriram Union	City Buy	2,273	2,689	18	91.8	134.5	164.6	24.8	16.9	3.0	2.6	12.7	16.5	17.5
STF	Buy	1,093	1,289	18	55.3	81.9	100.5	19.8	13.3	2.2	2.0	11.7	15.5	16.7
Aggregate								17.3	14.9	3.1	2.7	17.6	18.0	18.1
Capital Goods														
ABB	Neutral	1,410	1,190	-16	18.4	26.1	32.6	76.6	54.1	9.1	7.8	11.9	14.4	15.9
Bharat Elec.	Buy	179	180	1	6.5	7.3	8.5	27.6	24.5	5.3	4.6	20.4	18.8	19.1
BHEL	Sell	174	115	-34	5.5	5.7	5.8	31.3	30.3	1.2	1.2	4.0	4.0	4.0
CG Cons. Elec.	Buy	211	221	5	4.6	5.5	6.7	46.3	38.7	35.0	23.8	94.3	73.3	66.1
CG Power & Indu.	Sell	80	45	-44	3.6	3.9	4.5	21.8	20.5	1.2	1.1	5.4	5.5	6.0
Cummins	Neutral	948	990	4	26.6	30.5	36.5	35.6	31.1	7.6	6.9	22.6	23.2	25.3
GE T&D	Neutral	342	340	0	6.0	11.0	11.4	56.8	31.0	6.8	6.1	11.7	20.7	19.2
Havells	Neutral	486	425	-13	8.9	12.1	14.1	54.4	40.3	11.0	9.9	20.3	24.6	25.1
Inox Wind	Neutral	201	175	-13	17.5	16.6	17.7	11.5	12.1	2.0	1.8	19.2	15.7	14.6
K E C Intl	Buy	217	175	-19	10.5	12.3	13.5	20.6	17.7	3.2	2.8	16.6	16.8	16.2
L&T	Buy	1,671	1,750	5	53.6	63.6	74.4	31.2	26.3	3.3	3.0	10.9	11.9	12.7
Pennar Eng.	Not Rated	144	-		5.8	7.5	10.0	24.8	19.2	2.1	1.9	8.6	10.0	11.8
Siemens	Neutral	1,290	1,340	4	17.0	25.7	33.5	75.9	50.2	7.0	6.0	9.2	11.9	14.2
Solar Ind	Neutral	806	800	-1	19.0	22.3	26.5	42.4	36.1	7.3	6.3	18.4	18.6	19.0
Suzlon Energy	Not Rated	20	-		0.6	0.9	1.0	31.3	22.5	-1.8	-2.0	NM	-8.8	-11.0
Thermax	Sell	995	781	-22	23.5	28.4	31.5	42.3	35.0	4.7	4.3	11.6	12.9	13.2
Va Tech Wab.	Buy	689	760	10	26.5	34.5	40.3	26.0	19.9	3.6	3.1	8.9	16.7	17.3
Voltas	Neutral	413	374	-9	13.6	14.9	16.9	30.4	27.7	5.0	4.5	17.6	17.1	17.1
Aggregate								34.8	29.4	3.9	3.5	11.2	12.0	12.7
Cement														
Ambuja Cem.	Buy	241	277	15	4.9	6.7	7.2	49.2	35.8	2.5	2.4	5.0	6.8	7.1
ACC	Neutral	1,508	1,339	-11	33.7	46.7	58.6	44.7	32.3	3.3	3.4	7.5	10.4	13.2
Birla Corp.	Buy	748	869	16	21.5	41.2	54.4	34.7	18.1	2.1	1.9	6.0	10.9	13.2
Dalmia Bharat	Buy	2,068	2,392	16	30.7	47.5	70.1	67.5	43.5	4.5	4.1	6.8	9.8	12.9
Grasim Inds.	Neutral	1,080	1,067	-1	68.7	86.6	111.1	15.7	12.5	1.8	1.5	11.7	13.2	14.8
India Cem	Neutral	175	152	-13	5.1	8.7	11.9	34.2	20.0	1.4	1.4	4.0	6.2	7.7
J K Cements	Buy	926	1,103	19	32.6	37.2	49.3	28.4	24.9	3.6	3.2	13.3	13.6	16.0
JK Lakshmi Ce	Buy	457	526	15	5.9	12.2	17.8	77.2	37.4	4.0	3.9	5.2	10.5	14.7
Ramco Cem	Buy	670	815	22	27.8	30.1	36.2	24.1	22.3	4.3	3.7	19.6	18.0	18.5
Orient Cem	Buy	148	167	13	-1.8	3.2	5.8	NM	46.7	3.2	3.0	-3.7	6.6	11.3
Prism Cem	Buy	104	118	14	-0.6	2.6	4.8	NM	39.5	5.5	4.9	-3.1	13.1	20.8
Shree Cem	Buy	17,541	20,072	14	363.2	480.6	642.3	48.3	36.5	8.8	7.2	19.2	21.7	23.5
Ultratech	Buy	3,947	4,735	20	91.6	120.5	151.6	43.1	32.8	4.7	4.2	11.5	13.6	15.1
Aggregate								35.8	26.7	3.5	3.2	9.7	11.9	13.6
Consumer														
Asian Paints	Neutral	1,049	1,145	9	20.5	22.6	26.7	51.2	46.4	15.8	13.9	32.8	31.8	32.4
Britannia	Buy	3,428	4,065	19	72.2	83.3	101.7	47.5	41.1	18.2	14.4	43.1	39.2	38.0
Colgate	Buy	988	1,200	21	21.7	25.8	31.6	45.6	38.3	23.8	22.3	54.9	60.1	68.5
Dabur	Neutral	290	310	7	7.3	8.3	9.7	39.7	35.1	10.4	8.8	28.3	27.2	27.1
Emami	Buy	1,020	1,295	27	24.5	29.8	36.0	41.7	34.2	12.3	10.4	33.8	33.0	33.2
Godrej Cons.	Neutral	1,646	1,740	6	37.1	42.9	49.8	44.3	38.3	9.3	7.9	22.5	22.2	21.9
GSK Cons.	Neutral	5,226	5,410	4	153.9	173.1	190.8	34.0	30.2	7.8	6.8	24.6	24.0	23.1
HUL	Neutral	909	945	4	19.3	21.5	24.8	47.2	42.3	32.5	33.8	67.6	78.4	92.5
ITC	Buy	279	320	15	8.4	9.3	11.0	33.3	29.9	8.8	7.7	28.4	27.6	28.7
Jyothy Lab	Neutral	388	380	-2	8.0	9.0	10.5	48.7	43.2	7.7	7.1	16.4	17.1	18.1
Marico	Buy	301	340	13	6.1	7.0	8.4	49.5	43.0	14.9	12.9	33.3	32.1	34.6



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
Nestle	Neutral	6,301	7,010	11	118.7	144.0	171.0	53.1	43.8	20.0	17.2	38.8	42.3	42.3
Page Inds	Buy	14,059	17,480	24	235.6	305.1	388.4	59.7	46.1	24.6	19.4	41.3	42.2	43.2
Parag Milk	Neutral	250	250	0	0.8	6.9	12.5	308.4	36.0	3.1	2.8	1.3	8.2	13.2
Pidilite Ind.	Neutral	713	740	4	16.6	18.3	20.5	43.0	39.0	11.1	9.0	27.9	25.4	23.4
P&G Hygiene	Buy	7,321	8,790	20	145.7	167.7	198.8	50.2	43.7	13.6	11.7	29.0	28.8	29.5
United Brew	Buy	741	1,030	39	10.7	14.3	18.4	69.5	51.7	8.3	7.3	12.6	15.0	16.8
United Spirits	Neutral	1,900	2,025	7	28.6	42.2	58.7	66.4	45.1	12.5	9.9	20.8	22.1	23.8
Aggregate								42.0	36.8	12.4	10.9	29.6	29.6	30.4
Healthcare														
Alembic Phar	Neutral	607	630	4	21.6	28.5	35.8	28.1	21.3	6.0	4.9	23.3	25.5	26.0
Alkem Lab	Neutral	2,072	1,850	-11	79.3	85.7	100.0	26.1	24.2	5.8	4.9	24.4	22.0	21.7
Ajanta Pharma	Buy	1,731	2,028	17	56.0	63.8	79.6	30.9	27.2	9.6	7.4	35.9	30.9	29.9
Aurobindo	Buy	640	915	43	40.1	47.0	54.6	15.9	13.6	4.0	3.2	28.8	26.0	23.9
Biocon	Sell	1,110	800	-28	32.2	34.1	42.7	34.5	32.6	4.9	4.4	14.3	13.6	15.3
Cadila	Buy	444	510	15	12.0	17.7	23.0	37.0	25.1	7.4	6.1	21.4	26.5	27.9
Cipla	Neutral	575	550	-4	17.9	22.0	28.5	32.2	26.2	3.6	3.2	11.0	12.2	13.8
Divis Lab	Neutral	633	600	-5	43.0	32.9	38.6	14.7	19.3	3.6	3.2	25.4	17.7	18.8
Dr Reddy's	Neutral	2,611	3,050	17	76.1	110.9	147.2	34.3	23.6	3.2	2.9	9.8	12.9	15.2
Fortis Health	Buy	205	240	17	2.6	3.2	6.5	78.5	64.2	2.3	2.0	3.0	3.3	6.1
Glenmark	Neutral	912	990	9	40.6	49.2	60.5	22.4	18.5	4.5	3.5	20.1	19.0	19.1
Granules	Buy	141	160	13	6.8	7.7	11.3	20.8	18.4	3.3	2.5	18.8	15.8	18.3
GSK Pharma	Neutral	2,606	2,700	4	34.5	55.5	64.4	75.5	46.9	16.9	20.2	22.4	43.0	56.9
IPCA Labs	Neutral	606	540	-11	15.8	27.9	37.3	38.3	21.7	3.1	2.8	8.4	13.5	15.9
Lupin	Buy	1,412	1,850	31	61.4	78.6	88.8	23.0	18.0	4.8	3.9	22.8	23.8	22.1
Sanofi India	Buy	4,507	5,000	11	129.0	157.8	189.9	35.0	28.6	5.7	5.2	16.2	18.1	19.4
Sun Pharma	Buy	664	850	28	27.1	32.5	38.7	24.5	20.4	4.7	3.9	19.8	20.9	21.0
Syngene Intl	Not Rated	531	-		13.0	16.1	18.0	40.8	32.9	8.2	6.7	22.2	22.5	20.7
Torrent Pharma	Buy	1,447	1,700	17	56.6	76.3	93.4	25.6	19.0	6.1	5.1	25.9	29.3	29.6
Aggregate								26.5	21.6	4.7	4.0	17.6	18.3	18.9
Logistics														
Allcargo Logistics	Buy	172	203	18	9.0	10.9	12.3	19.1	15.8	2.5	2.2	11.5	14.8	14.8
Blue Dart	Not Rated	4,887	-		102.5	129.9	163.2	47.7	37.6	21.1	16.1	50.5	48.6	46.8
Concor	Neutral	1,217	1,042	-14	29.7	39.9	44.9	41.0	30.5	3.5	3.3	8.8	11.2	11.8
Gateway Distriparks	Buy	277	314	14	8.3	15.7	20.1	33.3	17.7	2.4	2.2	7.2	12.9	15.3
Gati	Not Rated	134	-		8.4	15.9	23.9	16.0	8.4	2.2	1.9	12.4	19.4	25.4
Transport Corp.	Not Rated	234	-		16.9	21.0	25.9	13.8	11.1	2.2	1.8	16.7	17.8	18.6
Aggregate								34.0	24.9	3.8	3.4	11.0	13.7	14.9
Media														
Dish TV	Buy	99	115	17	1.4	2.7	4.3	68.3	37.0	19.7	12.8	33.6	42.0	43.9
D B Corp	Buy	380	450	19	20.4	23.0	26.5	18.6	16.5	4.6	4.1	26.2	26.2	26.8
Den Net.	Neutral	99	90	-9	-3.6	2.2	8.5	NM	45.3	1.1	1.1	-4.1	2.5	8.8
Hind. Media	Buy	294	360	22	25.2	27.4	30.3	11.6	10.7	2.0	1.7	18.5	16.8	15.8
HT Media	Neutral	83	90	8	8.0	8.2	8.7	10.3	10.2	0.8	0.7	7.7	7.1	7.0
Jagran Prak.	Buy	197	225	14	10.8	12.2	13.9	18.4	16.1	3.6	3.1	20.7	20.6	20.4
PVR	Buy	1,553	1,667	7	20.8	35.7	56.8	74.8	43.5	7.6	6.6	10.6	16.3	22.0
Siti Net.	Neutral	38	40	6	-1.8	0.0	1.2	NM	NM	4.5	3.8	-21.7	0.0	11.1
Sun TV	Neutral	844	800	-5	25.1	29.7	34.5	33.6	28.4	8.4	7.8	25.1	27.3	29.0
Zee Ent.	Buy	522	610	17	11.4	17.3	20.6	45.9	30.2	10.2	8.3	29.1	30.3	29.4
Aggregate								38.5	27.9	6.3	5.5	16.3	19.6	21.6
Metals														
Hindalco	Buy	186	235	27	16.9	22.6	25.4	11.0	8.2	1.6	1.3	15.4	17.5	16.8
Hind. Zinc	Neutral	271	268	-1	19.3	25.7	28.0	14.0	10.6	3.8	3.0	24.0	31.8	28.2
JSPL	Buy	113	181	61	-22.3	-17.5	-2.2	NM	NM	0.3	0.3	-7.5	-4.5	-0.6
JSW Steel	Buy	190	222	17	13.6	18.3	20.5	14.0	10.4	2.1	1.8	16.2	18.7	17.9



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
Nalco	Buy	68	83	23	3.9	5.3	5.8	17.4	12.7	1.3	1.2	7.5	9.6	9.9
NMDC	Buy	126	178	41	12.1	12.3	13.0	10.5	10.3	1.7	1.6	13.4	15.5	15.1
SAIL	Sell	61	30	-51	-7.4	-12.6	0.4	NM	NM	0.7	0.8	-8.1	-15.4	0.5
Vedanta	Neutral	234	250	7	17.9	28.3	31.4	13.1	8.3	1.5	1.3	11.5	17.0	17.2
Tata Steel	Sell	451	440	-3	18.9	39.4	45.7	23.9	11.5	3.6	2.9	13.6	28.2	26.5
Aggregate								18.0	12.7	1.4	1.3	7.9	10.5	12.7
Oil & Gas														
BPCL	Buy	724	763	5	55.9	53.7	58.4	13.0	13.5	3.3	2.9	27.1	22.7	21.4
GAIL	Neutral	394	349	-11	21.7	28.9	32.5	18.2	13.6	2.0	1.8	13.0	14.0	14.4
Gujarat St. Pet.	Neutral	180	162	-10	8.9	11.0	13.2	20.2	16.3	2.3	2.1	12.0	13.5	14.5
HPCL	Buy	555	604	9	53.5	44.9	45.8	10.4	12.4	2.7	2.4	27.8	20.7	18.6
IOC	Buy	435	441	1	43.7	39.4	41.0	10.0	11.1	2.4	2.1	26.0	20.4	18.8
IGL	Neutral	1,059	1,023	-3	43.3	43.8	49.4	24.5	24.2	5.2	4.4	22.3	19.7	19.2
MRPL	Neutral	121	114	-6	12.2	11.4	12.8	9.9	10.6	2.6	2.2	29.6	22.7	21.4
Oil India	Buy	332	382	15	28.6	33.1	37.8	11.6	10.0	1.1	1.1	9.8	10.8	11.6
ONGC	Neutral	180	172	-4	12.2	16.1	17.3	14.8	11.1	1.2	1.2	8.4	11.1	11.7
PLNG	Buy	442	454	3	22.2	26.5	36.2	19.9	16.7	4.4	3.7	23.9	24.0	27.2
Reliance Ind.	Neutral	1,370	1,259	-8	99.6	113.9	123.2	13.8	12.0	1.5	1.4	11.6	12.0	11.7
Aggregate								13.4	12.4	1.8	1.7	13.5	13.5	13.4
Retail														
Jubilant Food	Neutral	1,017	1,110	9	12.3	21.7	29.1	82.5	46.8	8.3	9.1	10.1	19.5	24.9
Titan Co.	Neutral	472	485	3	9.4	10.4	11.8	50.2	45.3	10.0	8.7	21.5	20.6	20.3
Aggregate								53.0	45.5	9.8	8.8	18.4	19.3	19.7
Technology														
Cyient	Buy	495	600	21	30.9	37.6	43.1	16.0	13.2	2.4	2.1	14.8	16.0	16.3
HCL Tech.	Buy	808	1,000	24	57.2	64.3	70.3	14.1	12.6	3.5	3.5	27.0	27.8	28.1
Hexaware	Neutral	207	220	6	13.7	14.9	16.3	15.2	13.9	3.7	3.1	26.5	24.4	22.7
Infosys	Buy	919	1,200	31	62.9	64.7	71.1	14.6	14.2	3.0	2.7	23.3	21.4	21.2
KPIT Tech	Neutral	127	150	18	11.5	13.8	15.0	11.1	9.2	1.6	1.4	13.7	15.9	14.9
L&T Infotech	Buy	706	800	13	53.6	58.0	60.8	13.2	12.2	4.9	4.1	41.4	36.6	32.1
Mindtree	Neutral	443	530	20	24.9	34.6	39.4	17.8	12.8	2.9	2.6	17.0	21.5	21.7
Mphasis	Neutral	543	550	1	42.7	43.0	44.9	12.7	12.6	1.9	1.8	14.1	14.9	14.7
NIIT Tech	Neutral	423	470	11	36.2	46.8	52.9	11.7	9.0	1.5	1.4	13.5	15.9	16.0
Persistent Sys	Neutral	564	730	29	37.4	43.4	50.5	15.1	13.0	2.3	2.2	16.9	17.9	20.1
Tata Elxsi	Buy	1,536	1,780	16	59.3	72.1	89.0	25.9	21.3	9.9	7.9	42.5	41.3	40.8
TCS	Neutral	2,302	2,400	4	133.4	139.7	149.6	17.3	16.5	5.4	5.6	33.5	32.4	32.3
Tech Mah	Buy	414	550	33	32.5	35.7	40.2	12.7	11.6	2.4	2.1	20.1	19.5	19.2
Wipro	Neutral	498	540	8	33.0	37.5	42.9	15.1	13.3	2.4	2.2	16.8	17.2	17.8
Zensar Tech	Buy	908	1,200	32	65.3	81.4	92.0	13.9	11.2	2.5	2.1	19.1	20.4	19.7
Aggregate								15.7	14.9	3.7	3.5	23.5	23.4	22.7
Telecom														
Bharti Airtel	Buy	340	410	21	11.0	5.1	9.4	30.8	66.7	2.0	1.9	6.5	2.9	5.2
Bharti Infratel	Buy	347	435	26	15.5	16.7	19.9	22.3	20.7	3.6	3.2	15.7	15.9	16.7
Idea Cellular	Buy	86	120	40	-3.0	-15.4	-16.9	NM	NM	1.3	1.6	-4.2	-25.3	-37.1
Tata Comm	Buy	710	811	14	6.2	25.6	44.1	114.6	27.8	-70.9	45.6	-50.2	924.0	117.3
Aggregate								39.2	815.1	2.2	2.3	5.7	0.3	2.3
Utilities														
Coal India	Buy	283	335	19	16.7	20.1	22.1	17.0	14.1	6.9	6.9	40.6	48.8	53.5
CESC	Buy	892	970	9	50.4	74.7	82.2	17.7	11.9	2.0	1.8	11.1	15.8	15.2
JSW Energy	Buy	65	73	12	3.9	2.3	0.8	16.8	28.5	1.2	1.2	7.3	4.3	1.4
NTPC	Buy	165	199	21	11.9	14.3	17.3	13.9	11.5	1.4	1.3	10.6	11.9	13.3
Power Grid	Buy	211	243	15	15.3	17.7	20.7	13.8	11.9	2.2	1.9	17.3	17.5	17.7
Aggregate								14.8	12.4	2.4	2.2	15.9	17.4	18.3
Others														
Arvind	Buy	387	430	11	13.5	21.8	28.6	28.6	17.8	2.6	2.4	10.4	14.0	16.3



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Bata India	Under Review	565	-		10.9	14.2	17.7	51.9	39.8	5.6	5.1	11.3	13.4	15.0
Castrol India	Buy	435	532	22	13.6	14.9	15.2	31.9	29.3	33.6	30.2	110.9	108.6	100.4
Century Ply.	Buy	261	274	5	7.7	8.6	11.4	33.8	30.2	8.8	7.3	28.9	26.5	28.6
Coromandel Intl	Under Review	348	-		15.9	19.6	25.1	21.8	17.8	3.8	3.4	18.2	20.1	22.7
Delta Corp	Buy	171	229	34	3.3	6.9	7.6	52.5	25.0	4.6	3.4	9.0	15.7	17.0
Dynatomic Tech	Buy	2,796	3,334	19	67.6	112.9	166.7	41.4	24.8	5.7	4.6	15.1	20.7	24.3
Eveready Inds.	Buy	300	287	-4	11.4	13.9	16.9	26.3	21.6	8.0	6.4	34.7	33.0	32.4
Interglobe	Neutral	1,085	1,092	1	39.0	64.7	78.0	27.8	16.8	19.0	16.1	72.2	104.1	106.3
Indo Count	Buy	194	232	20	13.7	17.5	21.1	14.2	11.0	4.1	2.9	33.8	30.8	27.3
Info Edge	Buy	828	1,000	21	16.9	17.9	21.0	49.1	46.2	5.2	4.9	11.1	10.9	11.9
Inox Leisure	Sell	285	230	-19	2.5	8.2	11.5	114.0	34.9	4.5	4.0	3.8	11.5	14.3
Jain Irrigation	Under Review	108	-		5.5	7.6	10.0	19.4	14.2	1.7	1.6	8.6	11.7	14.8
Just Dial	Under Review	502	-		17.2	18.5	22.1	29.2	27.2	4.5	4.0	16.5	15.5	16.2
Kaveri Seed	Buy	551	649	18	23.4	28.6	36.1	23.5	19.3	4.0	3.7	17.3	19.8	22.9
Kitex Garm.	Buy	428	551	29	26.0	31.0	36.7	16.5	13.8	4.4	3.6	29.9	28.7	27.7
Manpasand	Buy	729	843	16	14.9	23.1	38.3	48.9	31.5	3.6	3.3	8.6	9.6	16.3
MCX	Buy	1,137	1,400	23	26.3	30.0	42.5	43.2	37.9	4.4	4.2	10.6	11.3	15.0
Monsanto	Buy	2,511	2,841	13	72.9	89.3	109.3	34.4	28.1	10.5	9.8	30.4	35.9	39.6
Navneet Education	Buy	167	210	26	6.6	8.6	10.5	25.1	19.4	6.4	5.4	26.0	30.0	30.9
PI Inds.	Buy	839	1,046	25	30.4	34.8	43.6	27.6	24.1	7.6	6.0	30.9	27.9	27.8
Piramal Enterp.	Buy	2,254	2,200	-2	74.5	127.1	164.7	30.3	17.7	2.9	2.6	10.0	15.7	18.2
SRF	Buy	1,669	1,825	9	82.4	99.9	125.1	20.3	16.7	3.2	2.8	16.5	17.4	19.1
S H Kelkar	Buy	323	371	15	7.7	10.3	13.3	42.0	31.4	5.6	5.0	13.9	16.8	19.1
Symphony	Sell	1,485	1,288	-13	27.0	35.1	42.9	55.0	42.3	29.9	25.5	56.8	65.0	66.3
TTK Prestige	Neutral	6,512	5,281	-19	106.9	137.7	176.0	60.9	47.3	9.7	8.7	16.5	19.4	22.2
V-Guard	Neutral	181	140	-22	3.7	4.6	5.4	48.8	39.4	12.9	10.3	29.4	29.1	27.6
Wonderla	Buy	386	393	2	7.0	11.9	16.0	55.2	32.3	5.0	4.5	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	1.5	-0.9	-7.3
Ashok Ley.	-0.4	-10.5	-25.6
Bajaj Auto	-0.4	-3.5	10.6
Bharat Forge	0.8	1.2	26.1
Bosch	-0.6	-1.2	12.2
CEAT	0.3	13.2	24.9
Eicher Mot.	-0.5	3.4	25.6
Endurance Tech.	-0.4	16.1	
Escorts	1.2	6.7	219.2
Exide Ind	3.7	6.8	74.9
Hero Moto	-0.6	-4.2	4.5
M&M	-0.2	-3.3	-6.0
Mahindra CIE	0.2	6.4	7.9
Maruti Suzuki	1.0	0.2	66.7
Tata Motors	-0.1	-6.9	9.0
TVS Motor	0.4	6.4	41.1
Banks - Private			
Axis Bank	0.3	-3.4	12.4
DCB Bank	-0.5	8.1	100.7
Equitas Hold.	0.7	-0.7	
Federal Bank	-0.2	5.2	103.2
HDFC Bank	0.1	1.5	33.0
ICICI Bank	-0.7	0.1	18.7
IDFC Bank	-1.0	-5.3	8.8
IndusInd	-0.6	2.7	44.0
J&K Bank	-1.2	2.5	29.9
Kotak Mah. Bk	-0.7	3.1	28.1
RBL Bank	4.8	18.5	
South Indian	-0.4	8.8	37.7
Yes Bank	0.0	6.5	79.7
Banks - PSU			
BOB	-0.6	6.1	18.0
BOI	-1.7	17.3	60.7
Canara	1.5	8.3	68.0
IDBI Bk	-1.4	-5.7	0.4
Indian Bk	-1.6	-10.5	159.1
OBC	-0.7	17.7	65.2
PNB	-1.4	6.2	86.5
SBI	-2.1	3.7	52.1
Union Bk	-1.9	-2.5	17.2
NBFCs			
Bajaj Fin.	0.5	7.4	70.1
Bharat Fin.	1.9	-10.2	31.3
Dewan Hsg.	1.7	12.3	93.6
GRUH Fin.	-0.5	5.0	52.4
HDFC	0.7	2.7	32.2
Indiabulls Hsg	-0.4	-0.8	48.8
LIC Hsg Fin	0.3	9.8	32.7
Manappuram	-0.5	0.1	142.4
M&M Fin.	1.6	9.3	22.5
Muthoot Fin	1.5	16.1	117.4
PFC	0.3	10.1	85.2
Repco Home	3.6	9.7	16.2
REC	1.6	17.7	147.7
STF	3.1	3.6	9.6
Shriram City Union	1.3	10.6	43.7

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	0.0	16.3	5.2
Bharat Elec.	4.0	10.3	48.4
BHEL	2.0	3.1	31.2
CG Cons. Elec.	0.2	8.5	
CG Power & Inds Sol.	1.2	8.7	44.3
Cummins	1.0	6.2	6.4
GE T&D	0.5	9.1	-15.5
Havells	0.9	10.2	41.8
Inox Wind	8.3	10.1	-21.2
K E C Intl	0.6	25.9	65.6
L&T	0.0	7.8	33.7
Pennar Eng.	-0.8	5.5	-9.0
Siemens	-0.6	2.3	9.5
Solar Ind	-1.8	9.8	16.3
Suzlon Energy	1.0	4.7	29.9
Thermax	0.1	9.7	30.0
Va Tech Wab.	4.0	14.6	19.2
Voltas	1.3	6.3	40.7
Cement			
Ambuja Cem.	-0.2	2.7	5.1
ACC	1.0	6.9	3.0
Birla Corp.	0.4	6.9	89.8
Dalmia Bharat	0.3	8.1	138.8
Grasim Inds.	1.6	3.6	32.4
India Cem	8.6	8.8	86.5
J K Cements	0.1	4.2	41.0
JK Lakshmi Ce	1.0	7.6	25.0
Ramco Cem	0.2	5.6	44.4
Orient Cem	1.2	6.1	-4.1
Prism Cem	3.8	5.3	20.0
Shree Cem	-0.8	6.7	35.1
Ultratech	-0.6	-2.2	15.8
Consumer			
Asian Paints	0.8	-2.7	18.7
Britannia	1.6	5.8	20.6
Colgate	-0.2	-0.1	16.9
Dabur	0.5	4.4	6.2
Emami	0.6	-3.3	4.1
Godrej Cons.	-0.3	-2.1	19.6
GSK Cons.	0.5	-5.5	-13.8
HUL	-0.4	0.8	1.4
ITC	0.1	-0.7	24.8
Jyothy Lab	-0.7	7.0	26.8
Marico	0.9	2.9	17.1
Nestle	-0.4	1.5	2.9
Page Inds	2.0	-4.0	9.6
Parag Milk	1.7	14.0	
Pidilite Ind.	0.3	1.7	14.3
P&G Hygiene	-0.5	7.3	12.7
United Brew	0.4	-4.7	-5.6
United Spirits	1.1	-13.7	-20.7
Healthcare			
Alembic Phar	-0.4	0.3	5.9
Alkem Lab	-1.0	2.2	62.4
Ajanta Pharma	-0.2	-3.5	15.0
Aurobindo	-3.5	-6.8	-18.3

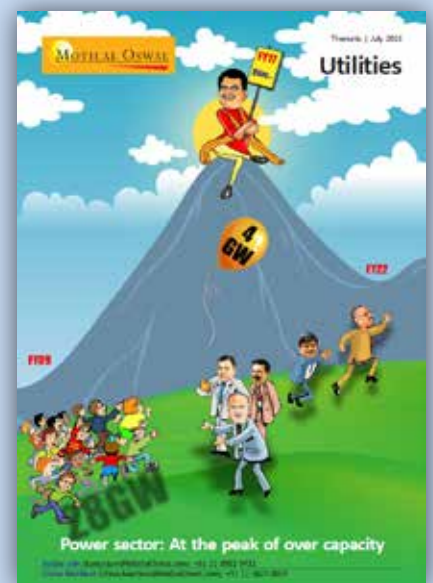
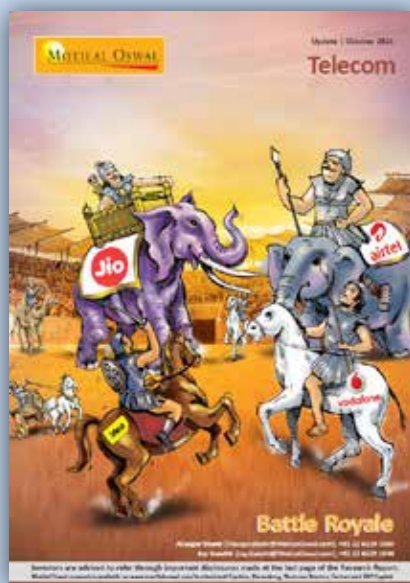
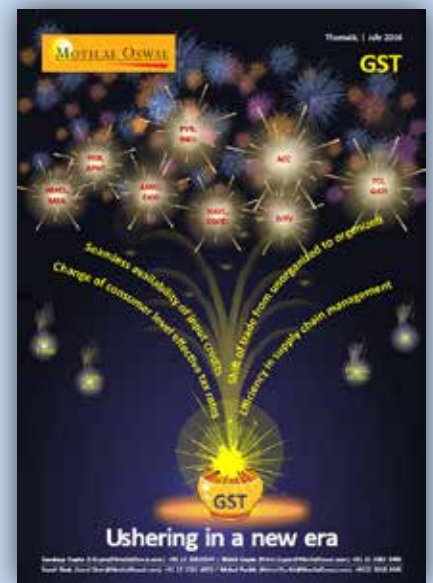
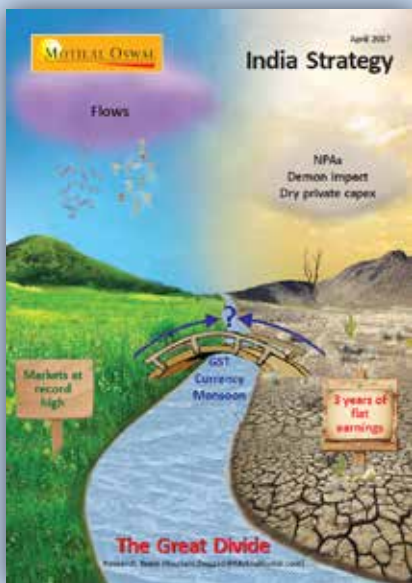


Company	1 Day (%)	1M (%)	12M (%)
Biocon	-0.1	-0.8	98.5
Cadila	0.2	0.0	34.5
Cipla	0.0	-3.5	9.7
Divis Lab	0.1	-17.0	-39.0
Dr Reddy's	-0.7	-4.5	-15.5
Fortis Health	4.8	11.9	14.0
Glenmark	2.2	2.8	15.4
Granules	2.9	8.8	11.1
GSK Pharma	-1.3	-5.5	-29.7
IPCA Labs	-0.4	10.4	23.6
Lupin	-0.3	-2.9	-10.2
Sanofi India	-0.8	0.6	5.9
Sun Pharma	-0.1	-6.0	-20.6
Syngene Intl	2.0	0.7	39.7
Torrent Pharma	-0.3	0.0	-1.7
Logistics			
Allcargo Logistics	1.3	1.8	9.3
Blue Dart	-0.1	-3.1	-21.9
Concor	2.2	22.5	14.3
Gateway Distriparks	1.2	8.7	-5.2
Gati	-0.8	-3.5	9.8
Transport Corp.	1.3	1.9	40.8
Media			
Dish TV	-0.2	-7.1	8.6
D B Corp	0.3	-0.9	17.1
Den Net.	4.0	19.1	7.5
Hind. Media	0.7	2.6	8.4
HT Media	-1.5	-0.5	0.0
Jagran Prak.	-0.4	11.0	22.9
PVR	-0.1	10.2	94.0
Siti Net.	1.6	-0.3	8.1
Sun TV	5.6	12.4	133.4
Zee Ent.	0.8	0.5	27.9
Metals			
Hindalco	1.1	-5.3	91.2
Hind. Zinc	-0.7	-12.5	61.1
JSPL	-5.1	-13.3	62.7
JSW Steel	1.3	-1.1	42.4
Nalco	-7.8	-8.1	49.9
NMDC	-0.2	-8.7	26.7
SAIL	0.6	-4.3	36.4
Vedanta	1.6	-11.5	140.7
Tata Steel	0.3	-10.1	34.8
Oil & Gas			
BPCL	-0.2	12.9	49.9
GAIL	0.0	5.0	46.2
Gujarat St. Pet.	3.6	12.0	31.0
HPCL	0.0	8.2	91.7
IOC	0.8	15.8	102.7
IGL	1.1	1.6	87.0
MRPL	5.3	19.0	80.8
Oil India	-0.2	-1.3	40.9
ONGC	-0.7	-5.3	29.9
PLNG	2.4	12.5	62.1
Reliance Ind.	0.0	5.3	29.0
Retail			
Jubilant Food	1.0	-7.9	-18.7
Titan Co.	-0.1	2.1	30.9

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	1.7	6.9	2.3
HCL Tech.	0.0	-6.6	-5.3
Hexaware	3.1	-7.2	-19.7
Infosys	-0.4	-11.7	-25.8
KPIT Tech	-0.9	-5.8	-16.7
L&T Infotech	0.1	-0.1	
Mindtree	0.6	-6.5	-39.4
Mphasis	-3.0	-8.0	7.2
NIIT Tech	-1.2	-0.3	-17.2
Persistent Sys	-0.5	-11.0	-26.9
Tata Elxsi	0.6	1.2	-21.1
TCS	-0.3	-8.9	-8.7
Tech Mah	-1.0	-14.3	-13.0
Wipro	0.9	-1.1	-15.4
Zensar Tech	0.4	0.0	-6.3
Telecom			
Bharti Airtel	0.4	-2.0	-5.2
Bharti Infratel	2.3	12.0	-12.5
Idea Cellular	0.0	-20.3	-28.8
Tata Comm	-0.2	-6.9	76.5
Utilities			
Coal India	1.2	-2.5	2.4
CESC	3.8	7.3	76.2
JSW Energy	1.9	1.7	-9.1
NTPC	1.9	2.9	18.1
Power Grid	4.3	8.6	44.9
Others			
Arvind	-0.3	-4.4	42.8
Bata India	-1.2	6.6	2.4
Castrol India	1.5	2.2	14.8
Century Ply.	3.5	8.4	43.5
Coromandel Intl	1.2	7.8	58.2
Delta Corp	1.3	0.1	99.6
Dynamatic Tech	1.5	-1.9	26.8
Eveready Inds.	3.5	21.6	14.6
Interglobe	0.9	17.7	3.3
Indo Count	2.3	4.4	-8.7
Info Edge	-1.0	-1.0	4.2
Inox Leisure	-1.6	14.1	35.3
Jain Irrigation	8.3	14.0	66.7
Just Dial	1.3	-16.9	-43.2
Kaveri Seed	1.2	3.7	35.0
Kitex Garm.	1.0	0.5	-1.7
Manpasand	2.2	-0.2	28.7
MCX	-1.2	1.7	36.9
Monsanto	0.1	-0.4	46.1
Navneet Educat.	-0.5	16.4	87.6
PI Inds.	1.6	-7.3	28.1
Piramal Enterp.	1.1	21.0	107.8
SRF	1.3	3.6	20.4
S H Kelkar	3.6	4.0	29.7
Symphony	0.9	2.4	21.8
TTK Prestige	-0.2	10.3	40.9
V-Guard	-1.1	3.2	171.2
Wonderla	0.8	-1.1	1.4

NOTES

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

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&F Capital.

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

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&F Capital.

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

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&F Capital.

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 1938

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&F Capital.

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

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&F Capital.

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

Well balanced

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

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&F Capital.

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

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&F Capital.

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 3929 1534 / 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&F 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&F Capital.

DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

SUN PHARMACEUTICAL

ART 27 September 2018

ANNUAL REPORT THREADBARE

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 INR23.5b
- Cash flow of INR18.6b significantly higher than tax expense recognized in P&L of INR18.5b
- DDI post interest increases to INR44.7b (FY17: INR22.7b) on decline in other assets to INR24.7b partially offset by INR18.5b increase in receivables.

Stock Info

Bloomberg	3089736
CMP (INR)	771
Face Value (INR)	2,000.0
52-Week Range (INR)	656/766
52-Week High (INR)	771
52-Week Low (INR)	656
Market Cap (INR Cr)	1,000.07
Market Cap (%) (INR Cr)	1,000.07

Shareholding pattern (%)

As on	Jun-18	Mar-18	Jun-17
Promoter	33.0	33.0	34.7
MFI	19.2	19.2	19.2
FI	24.6	24.6	23.8
Other	23.2	23.2	22.3

Auditor's name
Deloitte Haskins & Sells LLP

SUN PHARMACEUTICAL

Our Pharma report FY18 annual report analysis highlights muted performance. Revenue grew just 3.2% to INR230b while EBITDA margin expanded 70b to 29.4%, led by gross margin expansion. Contingent liabilities on tax disputes increased to INR23.5b (FY17: INR18.5b); cash tax paid (at INR18.6b) was significantly higher than expense (at INR18.5b), operating cash flow post interest increased from INR23.7b to INR44.7b on decline in other assets to INR24.7b (partially representing USD100m receivables for financing Proteus liability); however, this was partially offset by INR18.5b increase in receivables. FY18 deteriorated to INR23.5b (FY17: INR18.5b) on higher capex and acquisition of brands, goodwill and intangibles rose to INR67.8b (24% of net worth), cash and investments stood at INR161.6b (54% of net worth), with 20% drop, representing FY18 financials (in FY18 annual report) received prior year financials incorporated.

- Operating performance muted: Revenue grew just 3.2% to INR230b, EBITDA margin expanded 70b to 29.4%, led by gross margin expansion, partially compensated by higher (a) legal and consultancy cost at INR15b (8.1% of revenue, FY17: INR16.5b), (b) revenue R&D expenses at INR23b (7.9% of revenue, FY17: INR18b), and (c) miscellaneous expenses (after regrouping) at INR0.5b (FY17: INR0.4b), including INR1b additional liability towards USD100m debt.
- 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 P2C-IN) and Sun Pharmaceutical Laboratories (SPL). On a consolidated basis, contingent liabilities increased steeply from INR18.5b in FY17 to INR23.5b (15% of net worth). The increase in overall tax dispute liabilities was driven by tax dispute liabilities for the standalone entity increasing from INR11.1b in FY17 to INR18.5b.
- Cash tax significantly exceeds tax expense recognized: The cash tax paid (cash flow, at INR23.5b) continued to be higher than the tax expense recognized in the P&L (at INR18.5b) 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 INR13.3b. 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 INR23b, which was partially offset by increase in receivables by INR23.1b.

ART will present a detailed picture of annual reports - valuation, average size structure, we believe ART will assist: from accounting and auditing basis to corporate governance and compliance to general investors - will create point a career path or the stock investment workflow.

Leadbyops (ops@gopramotilal.com), +91 22 2862 5044
 Email: Shri (Shri.Shah@motilal.com), +91 22 2862 5075 / Motilal Parikh (Motilal.Parikh@motilal.com), +9122 2862 2482
 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/Investment/Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

MOTILAL OSWAL

VOICES

30FY17 | February 2017

VOICES

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 (Bhavani.Duggal@motilal.com), Tel: +91 22 2862 5040

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/Investment/Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

MOTILAL OSWAL

EcoKnowlEdge

Diving into Trending Themes

23 November 2018
Economy

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 2018 as against ~3% growth over the previous five years (2011-2015). Motilal Oswal's leading indicators (MOI) suggest that consumption continues to grow 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 2QFY17 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 "Economic" product, which is renewed 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).

"Innovation is seeing what everybody has seen and thinking what nobody has thought"

MOI will present a detailed picture of annual reports - valuation, average size structure, we believe ART will assist: from accounting and auditing basis to corporate governance and compliance to general investors - will create point a career path or the stock investment workflow.

Leadbyops (ops@gopramotilal.com), +91 22 2862 5044
 Email: Shri (Shri.Shah@motilal.com), +91 22 2862 5075 / Motilal Parikh (Motilal.Parikh@motilal.com), +9122 2862 2482
 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/Investment/Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

EcoKnowlEdge

These leading indicators are then weighed to create a composite monthly index for economic activity. Exhibit 2 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.

MOTILAL OSWAL

CornerOffice

Interaction with the CEO

23 December 2018

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. Incremental cost of funds has declined marginally (less than 4% read) over last one month, and excess liquidity is parked in reserve repo and MSF operations (earning spread of ~1%). Operating expenses are likely to increase in the near term, which should be more than offset by trading gains, in our view. We largely maintain our optimistic and reiterate our preference for SBI among peers with its SCRR-based target price of INR355.

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 bond markets (considering muted loan growth) at a yield of ~1%. Hence, on excess liquidity, the spread is 2% currently, as against blended spread of ~2.4% at 3QFY17.
- 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 2QFY17.

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, card, POS, wallet, 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 16k, 46k 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 NPA?

- 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.

Apjesh Mehta (apjesh.Mehta@motilal.com), +9122 2862 5413
 Ashish Nair (Ashish.Nair@motilal.com), +91 22 2862 5000
 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/Investment/Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.

State Bank of India

Mr. 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.

MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATIONS 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

Investors are advised to refer to important disclosures made at the end of this report.

April 2017

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

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

April 2017

Disclosures

This document has been prepared by Motilal Oswal Securities Limited (hereinafter referred to as Most) to provide information about the company (ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies). This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities or other investments and Motilal Oswal Securities Limited (hereinafter referred as MOSI) is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur.

MOSI and its affiliates are a full-service, integrated investment banking, investment management, brokerage and financing group. We and our affiliates have investment banking and other business relationships with a some companies covered by our Research Department. Our research professionals may provide input into our investment banking and other business selection processes. Investors should assume that MOSI and/or its affiliates are seeking or will seek investment banking or other business from the company or companies that are the subject of this material and that the research professionals who were involved in preparing this material may educate investors on investments in such business. The research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on twin parameters of performance & profitability of MOSI.

MOSI generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, MOSI generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. MOSI and its affiliated company(ies), their directors and employees and their relatives may: (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the affiliates of MOSI even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. In addition MOSI has different business segments / Divisions with independent research separated by Chinese walls catering to different set of customers having various objectives, risk profiles, investment horizon, etc, and therefore may at times have different contrary views on stocks sectors and markets.

Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt MOSI or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOSI or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOSI or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent MOSI's interpretation of the data, information and/or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, MOSI and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent MOSI and/or its affiliates from doing so. MOSI or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. MOSI or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations.

This report is intended for distribution to institutional investors. Recipients who are not institutional investors should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents.

Most and its associates may have managed or co-managed public offering of securities, may have received compensation for investment banking or merchant banking or brokerage services, may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Most and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report.

Subject Company may have been a client of Most or its associates during twelve months preceding the date of distribution of the research report.

MOSI and/or its affiliates and/or employees may have interests/positions, financial or otherwise of over 1% at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, MOSI has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Motilal Oswal Securities Limited is registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014. SEBI Reg. No. INH000000412

Pending Regulatory inspections against Motilal Oswal Securities Limited:

SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudicate violation of SEBI Regulations: MOSL replied to the Show Cause Notice whereby SEBI granted us an opportunity of Inspection of Documents. Since all the documents requested by us were not covered we have requested to SEBI vide our letter dated June 23, 2015 to provide pending list of documents for inspection.

List of associate companies of Motilal Oswal Securities Limited - [Click here to access detailed report](#)

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. The research analysts, strategists, or research associates principally responsible for preparation of MOSI research receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues

Disclosure of Interest Statement	Companies where there is interest
Analyst ownership of the stock	No
Served as an officer, director or employee	No

A graph of daily closing prices of securities is available at www.nseindia.com and <http://economicstimes.indiatimes.com/markets/stocks/stock-quotes>

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSI & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong: This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S

Motilal Oswal Securities Limited (MOSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOSL, including the products and services described herein are not available to or intended for U.S. persons.

This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

Motilal Oswal Capital Markets Singapore Pte Limited is acting as an exempt financial advisor under section 23(1)(f) of the Financial Advisers Act (FAA) read with regulation 17(1)(d) of the Financial Advisers Regulations and is a subsidiary of Motilal Oswal Securities Limited in India. This research is distributed in Singapore by Motilal Oswal Capital Markets Singapore Pte Limited and it is only directed in Singapore to accredited investors, as defined in the Financial Advisers Regulations and the Securities and Futures Act (Chapter 289), as amended from time to time.

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@motilaloswal.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@motilaloswal.com