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We [request your ballot](#).



Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	31,955	0.8	20.0
Nifty-50	9,900	0.7	20.9
Nifty-M 100	18,344	0.7	27.8
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,474	0.5	10.5
Nasdaq	6,385	0.6	18.6
FTSE 100	7,431	0.6	4.0
DAX	12,452	0.2	8.5
Hang Seng	10,861	1.0	15.6
Nikkei 225	20,021	0.1	4.7
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	49	2.1	-11.3
Gold (\$/OZ)	1,240	0.2	6.9
Cu (US\$/MT)	5,930	-0.7	7.4
Almn (US\$/MT)	1,894	-0.6	11.2
Currency	Close	Chg. %	YTD.%
USD/INR	64.3	0.0	-5.2
USD/EUR	1.2	-0.3	9.3
USD/JPY	112.1	-0.2	-4.3
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.4	0.0	-0.1
10 Yrs AAA Corp	7.5	0.0	-0.1
Flows (USD b)	19-Jul	MTD	YTD
FII	0.2	0.2	8.7
DII	0.0	0.5	3.7
Volumes (INRb)	19-Jul	MTD*	YTD*
Cash	325	281	285
F&O	5,448	5,145	4,933

Note: YTD is calendar year, *Avg



Today's top research idea

L&T Finance (Initiating Coverage): Focused approach

Strong execution toward stated goals to boost profitability; Buy with TP of INR180, 20% Upside

- ✓ LTFH is a quintessential turnaround story, in our view. From a company with 20+ product lines and sub-standard return ratios, it is gradually transforming itself to a focused financier with eight product lines across three verticals, with a target to achieve 18-20% RoE by FY20 (~12% in FY17).
- ✓ LTFH is one of the market leaders in many of the segments it operates in. A well-diversified book, strong growth, and a decline in expense ratio and credit costs should elevate RoA/RoE from 1.5%/12.4% in FY17 to 2.3%/19.2% in FY20. While the stock has re-rated well over the past year due to strong execution by management, we expect re-rating to continue. We thus initiate coverage on LTFH with a Buy rating and TP of INR180 (3.0x FY19E BVPS).



Research covered

Cos/Sector	Key Highlights
L&T Finance	Focused approach; Buy with TP of INR180, 20% Upside
Tata Steel	EBITDA growth was offset by WC in FY17
Bajaj Finance	Getting better by the day
UltraTech Cement	Volumes disappointment offset by better pricing
Aurobindo Pharma	Launch of niche product bodes well for near-term growth
Havells India	Results meaningfully below estimates
Canara Bank	Slippages remain elevated; One off gains help PPOp
Sanofi India	Weak results; margin improvement is key
Mindtree	Dragged by acquisitions, top clients and standalone margins
KPIT Tech	Revenue beat led by one-time license fees; Margin disappoints
H T Media	GST impacts ad growth, cost efficiencies lead to margin beat
Hindustan Media	GST-led pain impacts ad growth
Results Expectation	ABB Alembic Pharma Bajaj Auto DB Corp Hind.Zinc Kotak Mah. Bank NIIT Tech RBL Bank Reliance Inds Wipro Zensar Tech



Piping hot news

Cabinet clears HPCL stake sale to ONGC, but combo entity falls short of mega scale

- ✓ State-run hydrocarbon producer ONGC will buy the government's 51.1% stake in public-sector oil refiner-cum-marketer HPCL ...



Chart of the Day: L&T Finance Holdings: Key changes introduced to drive shareholder value

Steps taken to enhancing shareholder value



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

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



Kindly click on textbox for the detailed news link

1

Tata group is said to mull moving most tech ops under TCS

Tata group, the Indian conglomerate that manages more than 100 operating companies, is weighing a plan to streamline its technology and infrastructure businesses, people with knowledge of the matter said. ...

2

Bad loans crisis: In shocking revelation, banks may take Rs 2.4 lakh crore haircut just to resolve 50 top NPA accounts

Banks may have to take a haircut of Rs 2.4 lakh crore in order to resolve the 50 largest stressed assets in the system, according to a report by Crisil. These 50 assets have a cumulative debt of over `4.3 lakh crore and account for about half the gross non-performing assets (NPAs) of the banking sector. "The analysis shows these 50 large stressed assets may have to take haircuts of ~60% at an aggregate level, to arrive at sustainable level of debt," the ratings agency said in the report on Wednesday...

3

IndiGo to pare promoter stake to meet minimum public shareholding norms

The promoters of InterGlobe Aviation Pvt. Ltd, which runs IndiGo airlines, will reduce their stake in the airline operator to meet regulatory norms on minimum public shareholding, the company said on Wednesday...

4

Bhushan Steel, Bhushan Power insolvency cases: NCLT reserves order; bench questions need for RBI to step in

The New Delhi bench of the National Company Law Tribunal (NCLT) on Wednesday reserved orders on two separate insolvency petitions — State Bank of India (SBI) versus Bhushan Steel and Punjab National Bank...

5

Trai in undue haste to decide on IUC: COAI

Telecom operators' body Cellular Operators Association of India (COAI) has said the Telecom Regulatory Authority of India (Trai) is showing "undue haste" in concluding the review of the interconnect usage charge (IUC), a key component of mobile tariffs, and has urged the regulator to provide the operators with the past and current models used in calculating the mobile termination charges...

6

Tata group said to have sought details of Air India disinvestment

The Tata group has informally sought details on the planned privatisation of Air India, a government official said, reflecting the group's interest in the airline it founded in 1932...

7

Chennai Metro Rail: Big boost for Tamil Nadu infrastructure, state to take up Rs 89,000 cr phase II project

In what could be a big boost to the state's infrastructure, the Tamil Nadu government has decided to take up phase II of the Chennai Metro Rail project, envisaging a cost of Rs 88,897 crore...



L&T Finance Holdings

BSE Sensex
31,955

S&P CNX
9,900

CMP: INR150

TP: INR180 (+20%)

Buy



Stock Info

Bloomberg	LTFH IN
Equity Shares (m)	1817.2
52-Week Range (INR)	153/74
1, 6, 12 Rel. Per (%)	-1/38/85
M.Cap. (INR b)	272.6
M.Cap. (USD b)	4.1
12M Avg Val (INR M)	644
Free float (%)	33.4

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E
NII	31.4	35.7	40.5
PPP	26.7	35.3	40.5
PAT	9.2	13.0	17.4
EPS (INR)	5.2	7.2	9.6
BV/Sh. INR	44.3	50.8	59.0
RoAA (%)	1.5	1.8	2.0
RoE (%)	12.4	15.3	17.5
Payout (%)	19.8	15.2	14.9
Valuation			
P/E (x)	28.6	20.9	15.6
P/BV (x)	3.4	3.0	2.5
Div. Yld (%)	0.6	0.6	0.8

Shareholding pattern (%)

As On	Mar-17	Dec-16	Mar-16
Promoter	66.6	66.7	66.7
DII	3.7	3.6	1.8
FII	11.3	10.1	8.8
Others	18.4	19.7	22.7

FII Includes depository receipts

L&T Finance Holdings

Focused approach



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Focused approach

Strong execution toward stated goals to boost profitability

- L&T Finance Holdings (LTFH) is a quintessential turnaround story, in our view. From a company with 20+ product lines and sub-standard return ratios, it is gradually transforming itself to a focused financier with eight product lines across three verticals, with a target to achieve 18-20% RoE by FY20 (~12% in FY17).
- The company has identified three segments to focus on – wholesale, housing and rural finance, which comprise 62%, 19% and 15% of the total loan book, respectively. While the rural and housing segments have already achieved 20%+ RoE, going forward, wholesale financing (RoE- FY17: 11%, FY20E: 16%) will be the key driver of profitability improvement.
- Strong growth and a decline in expense ratio and credit costs should elevate RoA/RoE from 1.5%/12.4% in FY17 to 2.3%/19.2% in FY20. While the stock has re-rated well over the past year on account of strong execution by management, we expect re-rating to continue. We thus initiate coverage on LTFH with a Buy rating and a target price of INR180 (3.0x FY19E BVPS).

Primary focus on achieving top-quartile RoE

After the appointment of Mr Dubhashi as MD & CEO in July 2016, LTFH's primary goal has been to generate top-quartile RoE for its shareholders. In order to achieve this, LTFH has identified three key segments (rural, housing and wholesale finance) to focus on, and is running-down the de-focused businesses. It has focused on cost-cutting measures, and is also investing in technology in a big way. While credit costs on the wholesale finance business were elevated over the past few years due to legacy asset quality issues, they are expected to moderate going forward due to better underwriting post 2012. We believe LTFH is on track to achieve 35% PAT CAGR over FY17-20, with RoE of 19% by FY20.

Wholesale finance – Significant RoE improvement ahead

Wholesale finance has traditionally been the key business for LTFH. The loan book stands at INR414b, with the product suite comprising infrastructure finance (thermal, renewables and operating roads), structured finance and supply chain finance. LTFH is the second largest renewable energy financier in the country, and has consolidated its position led by its quick and skillful project appraisal skills. While this segment has legacy asset quality issues, the loan book written post 2012 has nil NPLs. The key focus in this segment is to generate and sell-down loans in order to generate strong fee income. Loan growth is expected to be in the range of 10-15%. With improving fee income, coupled with lower incremental credit costs, this segment is poised to generate 15-16% RoE FY19 onward, in our view.

Stock Performance (1-year)



Housing finance – Diverse product suite; 20%+ CAGR ahead

LTFH has a housing finance book of INR125b with a diversified product suite, comprising home loans, LAP, construction finance and LRD. Home loans and LAP constitute 60% of the overall book, while corporate loans account for the remaining. The company conducts business from its 24 branches in the top 6-7 cities. Over the past few quarters, LTFH has shifted its focus toward the self-employed non-professional (SENP) segment for home loans. It has also stopped disbursing DSA-sourced salaried loans due to the lack of profitability. LTFH's biggest competitive advantage in this segment is the strong relationships that its peer group companies – L&T Realty and L&T ECC – enjoy in the industry. We expect the segment to grow at 20%+ CAGR over the medium term, with 18-19% run-rate RoE.

Rural Finance – Well-diversified; Top 3 player in tractor finance

LTFH has a rural finance book of INR100b, comprising three key products – microfinance, two-wheeler finance and tractor finance. The company has a differentiated model in microfinance, wherein, unlike peers, there is no concept of a group leader. Also, most of the loans are for a tenure of two years, which reduces the EMI burden. LTFH does not disburse loans to borrowers not producing their Aadhar Card. LTFH entered the 2W financing business via the acquisition of Family Credit. The business has ramped up well over the years, and the company now finances 350,000 two-wheelers per year (implying 7% market share). The company is one of the top three players in tractor financing, with estimated market share of 8-9%. It has tie-ups with several leading OEMs like TAFE, Mahindra and Sonalika. Overall, rural financing is the most profitable segment for LTFH, with RoE of ~22%. Management intends to allocate maximum capital to this segment to grow the business.

Improving return ratios, strong growth; Initiating with Buy

We believe LTFH is well poised to deliver 16% loan book CAGR over FY17-20E, driven by 20%/25% growth in rural/housing finance. We believe that the company is well capitalized to achieve this growth and would not require any dilution. RoA/RoE are expected to improve to 2.3%/19.2% by FY20E. Asset management and wealth management subsidiaries have recently turned around and gaining scale – we expect them to be the key value contributors over the medium term. We value the company at 3.0x FY19E BV, based on the residual income model. Our key assumptions are Rf of 7.0%, CoE of 13% and a terminal growth rate of 5%. We thus initiate coverage with a **Buy rating and a target price of INR180**.

Exhibit 1: Peer comparison

Company	Price	Market Cap (INR b)	AUM (INR b)	FY17-20E AUM CAGR	RoA (%)		RoE (%)		P/B		P/E	
			FY17		FY17	FY20E	FY17	FY20E	FY18E	FY19E	FY18E	FY19E
LTFH	150	274	660	16	1.7	2.3	12.4	19.2	3.0	2.5	20.9	15.6
CIFC	1,148	180	342	19	2.6	3	18.1	20.3	3.6	3.0	20.9	17.3
SHTF	975	220	788	13	2	2.5	11.7	16.3	1.7	1.5	12.4	9.9
MMFS	357	203	468	16	1	1.8	6.4	14.2	2.9	2.7	26.3	21.8
BAF	1,544	848	602	33	3.3	3.6	21.7	27.7	7.1	5.7	32.0	23.9
SCUF	2,290	153	231	19	2.7	3.9	11.8	18.1	2.7	2.3	17.5	13.6

Source: Company, MOSL



Tata Steel

BSE SENSEX
31,955

S&P CNX
9,900

CMP: INR571

TP: INR583(+2%)

Neutral



Stock Info

Bloomberg	TATA IN
Equity Shares (m)	971.2
52-Week Range (INR)	572 / 349
1, 6, 12 Rel. Per (%)	11/5/39
M.Cap. (INR b)	546.6
M.Cap. (USD b)	8.6
Avg Val (INRm)/Vol m	3013 / 6.8
Free float (%)	68.7

Financials Snapshot (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	1,123	1,214	1,232
EBITDA	170	186	203
PAT	37	48	64
EPS (INR)	37.9	49.6	65.6
Gr. (%)	394.2	30.8	32.2
BV/Sh (INR)	330	362	418
RoE (%)	15.7	14.3	16.8
RoCE (%)	9.4	9.9	10.5
P/E (x)	15.1	11.5	8.7
P/BV (x)	1.7	1.6	1.4

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	31.9	31.4	31.4
DII	30.8	30.6	27.2
FII	13.9	14.1	13.3
Others	23.4	23.9	28.2

FII Includes depository receipts

Annual report: EBITDA growth was offset by WC in FY17

Ind-AS revaluation depresses return ratios, net-debt- to-EBITDA

Analysis of Tata Steel's (TATA) FY17 is of particular significance because of Ind-AS introduction. Comparison of re-stated FY16 Ind-AS financials with previously reported IGAAP brings out many insights.

- Standalone EBITDA for FY16 is boosted by INR3.4b, as long-term power supply arrangement is now finance lease, which has increased debt by INR16.9b.
- EPCG benefits are now deferred income; this has increased gross block (hence depreciation) and non-cash EBITDA (INR3.4b in FY17).
- TSE-LP disposal:** Ind-AS FY16 financials have excluded disposed assets, which contributed loss of INR1.8b to EBITDA. TATA received **negative consideration of INR19.6b**, which was over and above INR4b net working capital.
- TSE turnaround is largely attributable to reduction in repair & maintenance, GBP depreciation, and some expansion in spreads in FY17.
- Accounting of JVs on equity method has reduced net debt by INR54b and EBITDA by just INR2b, thereby benefitting EV/EBITDA.
- Book value is inflated by INR132/share to INR425/share on fair valuation of assets and goodwill is trimmed by INR100/share to INR42/share in FY16.
- All the **return ratios (RoE, RoCE, RoIC, asset turn) have declined under Ind-AS**. Net-debt-to-equity declined sharply. On the other hand, EBITDA margin has improved under Ind-AS for TATA.
- Working capital ate away EBITDA growth in FY17:** Despite a strong growth in EBITDA from INR80b in FY16 to INR170b in FY17, operating cash flows actually dipped due to major swing in working capital. Disposal of assets was associated with INR10.8b cash outflow. TATA had to borrow INR27b incrementally, though net debt increase is lower at INR13b on translation gain.

Expect strong operating performance on strong steel pricing and spreads

- Fair valuation of assets under Ind-AS has rendered traditional tools of valuation (e.g. P/BV) and leverage (e.g. debt/equity) useless. We need to now rely solely on cash generation potential, even for the cyclical steel industry.
- TATA witnessed strong growth in EBITDA, though FCF was still negative in FY17. We expect stronger operating performance but still do not expect FCF generation because of pending BRPL acquisition and BPS payouts in FY18. However, we expect FCF generation and reduction in net debt in FY19.
- The global steel market has been stronger than our expectation, as Chinese steel demand has surprised positively so far in CY17. It is difficult for China to sustain high demand growth at such a high base, in our view. Therefore, we are cautious on the steel price outlook.
- TATA operates in India and Europe, where the markets are protected against dumping. More protection is expected in Europe by October. This may drive upgrades for TSE. Protection does help in the short term, but is never water tight, in our view. We maintain **Neutral**.



Bajaj Finance

BSE SENSEX	S&P CNX
31,955	9,900

CMP: INR1,543 TP: INR1,800 (+17%) Buy

Bloomberg	BAF IN
Equity Shares (m)	546.9
M.Cap.(INR b)/(USD b)	843.8/13.1
52-Week Range (INR)	1578 / 762
1, 6, 12 Rel. Per (%)	7/50/63
Avg Val, (INR m)	1518
Free float (%)	42.1

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	54.7	77.4	99.8
PPP	36.4	52.5	68.2
PAT	18.4	26.0	34.4
EPS (INR)	33.6	47.6	62.9
EPS Gr. (%)	40.7	41.8	32.1
BV/Sh. (INR)	175.6	216.2	269.9
RoA on AUM (%)	3.3	3.5	3.5
RoE (%)	21.7	24.3	25.9
Payout (%)	14.0	14.0	14.0

Valuations

P/E (x)	45.9	32.4	24.5
P/BV (x)	8.8	7.1	5.7
Div. Yield (%)	0.2	0.2	0.3

Getting better by the day

- Bajaj Finance's (BAF) 1QFY18 PAT increased 42% YoY to INR6b (4% beat). However, this belies its strong operating performance – PPop grew 46% YoY (6% beat), driven by robust AUM growth of 39% YoY, and margins expanded strongly by 90bp YoY to 12.9%.
- AUM continued its robust growth trajectory (+39% YoY, +4.4% QoQ) to reach INR688b, led by impressive growth in consumer finance (+43% YoY) and commercial business (+68%). Within consumer business, personal cross-sell loans grew 59% YoY to INR69.6b (tenth consecutive quarter of 50%+ AUM growth), while salaried home loans rose 83% YoY. The company's penetration of Bajaj 2Ws remained at 37%.
- Management is bullish on the prospects of REMI card financing and mobile financing, going forward. Also, according to management, there are over 40m people with a prime CIBIL score, of which only 25-30% are BAF's customers. The company plans to further penetrate in this segment.
- GNPLs remained stable at 1.7% in 1QFY18 (at 90dpd). The company took provisions of INR240m due to asset quality problems in the 2W portfolio and INR180m on legacy infrastructure lending NPLs. Management has guided that there will be another hit of ~INR300-400m for the 2W portfolio over the next two quarters.
- Valuation and view:** BAF – a dominant player in the consumer durables financing segment – continues to reap the benefits of healthy consumer demand, increasing its market share in consumer and also other businesses. At the same time, it is proactive in detecting early warning signals with regard to asset quality. We raise FY18E/19E EPS by 1/2%, and increase TP to INR1,800 (6.6x FY19E BVPS). **Buy.**

Quarterly Performance

Y/E March	(INR Million)									
	FY17				FY18				FY17	FY18
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenue from operations	22,864	23,470	26,930	26,650	31,505	32,450	36,344	36,381	92,723	125,752
Operating Income	24,069	25,138	28,825	28,693	31,505	32,450	36,344	36,381	99,774	136,680
YoY Growth (%)	46.2	49.6	39.8	49.7	30.9	29.1	26.1	26.8	36.8	37.0
Interest expenses	8,833	9,562	9,802	9,837	10,780	11,426	12,340	13,835	38,034	48,382
Net Income	15,236	15,577	19,023	18,856	20,725	21,024	24,003	22,546	61,740	88,298
YoY Growth (%)	57.2	58.1	45.0	69.8	36.0	35.0	26.2	19.6	41.4	43.0
Other income	147	190	109	79	140	250	160	168	260	719
Total Income	15,382	15,766	19,132	18,935	20,866	21,274	24,163	22,714	61,999	89,017
Operating Expenses	5,865	6,144	6,939	7,099	8,755	9,120	9,580	9,038	25,642	36,494
Operating Profit	9,517	9,622	12,192	11,837	12,110	12,154	14,583	13,676	36,098	51,805
YoY Growth (%)	81.0	70.4	58.1	83.4	27.2	26.3	19.6	15.5	46.3	43.5
Provisions and Cont.	1,797	1,691	1,797	2,897	2,856	3,000	2,700	3,893	8,182	12,449
Profit before Tax	7,720	7,931	10,395	8,940	9,254	9,154	11,883	9,783	27,916	39,356
Tax Provisions	2,275	2,185	2,943	2,406	3,234	3,204	4,159	3,429	9,810	14,026
Net Profit	5,445	5,746	7,452	6,534	6,020	5,950	7,724	6,354	18,366	26,048
YoY Growth (%)	97.5	105.7	82.4	107.4	10.6	3.6	3.7	-2.8	43.6	41.8
Loan Growth (%)	39.5	37.8	32.6	36.1	38.9	30.0	33.0	35.0	34.5	35.0
Borrowings Growth (%)	40.5	43.4	30.2	33.0	33.4	32.0	38.0	45.6	33.0	45.6
Cost to Income Ratio (%)	38.1	39.0	36.3	37.5	42.0	42.9	39.6	39.8	41.5	41.3
Tax Rate (%)	34.9	34.9	34.6	34.9	34.9	35.0	35.0	35.1	35.1	35.1

E: MOSL Estimates



Ultratech Cement

BSE SENSEX	S&P CNX
31,955	9,900
Bloomberg	UTCEM IN
Equity Shares (m)	274.4
M.Cap.(INRb)/(USDb)	1,157.5 / 17.9
52-Week Range (INR)	4531 / 3052
1, 6, 12 Rel. Per (%)	-1/5/5
Avg Val, INRm	1156
Free float (%)	37.8

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	238.9	297.0	374.4
EBITDA	49.7	61.6	82.3
PAT	26.4	25.1	38.1
EPS (INR)	96.1	91.5	138.8
Gr. (%)	11.3	-4.7	51.6
BV/Sh (INR)	872.1	943.6	1,036.6
RoE (%)	11.6	10.1	14.0
RoCE (%)	9.7	8.5	9.9
P/E (x)	41.8	43.9	29.0
P/BV (x)	4.6	4.3	3.9

CMP: INR4206

TP: INR4,936 (+17%)

Buy

Volumes disappointment offset by better pricing

- Domestic volumes decline 1% YoY: 1QFY18 revenue increased 6% YoY to INR66.26b, lower than our estimate of INR67.55b due to volumes disappointment. Volumes (including white cement and putty) were flat at 13.2mt (est. of 13.7mt) as domestic grey cement volumes declined 1% YoY. This was partially offset by higher exports (+30% YoY).
- EBITDA beat led by margin expansion: Blended realization increased 7% QoQ to INR5,025/t, led by healthy pricing in its focus markets. Grey cement realization rose 9% YoY to INR4,481/ton due to improved pricing across most markets. Power & fuel cost/t increased 32% YoY due to the impact of higher petcoke prices. Freight cost rose 3% YoY due to ~9% YoY increase in diesel prices, partially offset by efficiency improvements. EBITDA thus increased 10% YoY to INR15.6b (higher than our estimate of INR14.7b due to better pricing), translating into EBITDA/ton of INR1183 (+INR274/t QoQ; +INR105/t YoY) and margin of 23.5% (+0.7pp YoY; +4pp QoQ).
- Management commentary: 1) JPA assets are operating at utilization of less than 15%, which is likely to go up to 60% by 1QFY19 and 70% by end-FY19. 2) Present EBITDA/t of JPA assets is ~INR400, even at 15% utilization, led by incentives. 3) EBITDA/ton is likely to be impacted in 2QFY18 due to expenditure on integration of new assets and rebranding activities.
- Valuation view: While the acquisition of JPA would be earnings-dilutive in the short term, we believe addition of ~31% of the present capacity at virtually zero lead time is critical for a large-scale player like UTCEM to retain market share. The expanded capacity would give it an edge when there is an upturn. We value the stock at FY20E EV/EBITDA of 14x. Our target price of INR4,936 implies 17% upside.

Quarterly Performance

Y/E March	(INR Million)								FY17	FY18E
	FY17				FY18					
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales (m ton)	12.91	10.87	11.40	13.68	12.90	12.78	14.72	17.81	48.9	58.2
YoY Change (%)	6.3	0.6	-0.6	-0.2	-0.1	17.5	29.1	30.2	1.6	19.1
Blended Realn.(INR/ton) *	4,723	4,827	4,781	4,689	5,025	4,907	5,038	4,978	4,762	4,988
YoY Change (%)	-1.5	-2.9	-0.1	3.2	6.4	1.7	5.4	6.2	-0.8	4.7
QoQ Change (%)	3.9	2.2	-0.9	-1.9	7.2	-2.4	2.7	-1.2		
Net Sales	62,295	53,966	56,091	65,953	66,265	64,283	75,926	90,527	238,914	297,000
EBITDA	14,225	10,938	11,135	12,782	15,601	11,630	14,406	19,944	49,690	61,581
Margins (%)	22.8	20.3	19.9	19.4	23.5	18.1	19.0	22.0	20.8	20.7
Depreciation	3,027	3,139	3,156	3,357	3,098	4,500	4,550	4,641	12,679	16,789
Interest	1,525	1,367	1,293	1,529	1,285	4,060	4,060	4,238	5,714	13,643
Other Income	1,504	2,335	970	2,401	1,652	1,200	1,300	598	6,600	4,750
PBT before EO expense	11,177	8,767	7,655	10,297	12,870	4,270	7,096	11,664	37,896	35,899
Tax	3,428	2,757	2,021	3,276	3,963	1,759	2,900	2,148	11,482	10,770
Rate (%)	30.7	31.4	26.4	32.2	30.8	41.2	40.9	18.4	30.4	30.0
Reported PAT	7,749	6,011	5,634	6,883	8,906	2,511	4,196	9,516	26,277	25,130
Adj PAT	7,749	6,011	5,634	6,976	8,906	2,511	4,196	9,516	26,372	25,130
YoY Change (%)	28.3	31.4	6.7	-10.7	14.9	-58.2	-25.5	36.4	11.3	-4.7



Aurobindo Pharma

BSE SENSEX 31,955 S&P CNX 9,900

CMP: INR767

TP: INR850(+11%)

Buy



Stock Info

Bloomberg	ARBP IN
Equity Shares (m)	585.2
52-Week Range (INR)	895 / 504
1, 6, 12 Rel. Per (%)	15/-10/-14
M.Cap. (INR b)	397.3
M.Cap. (USD b)	6.1
Avg Val, INRm	1824
Free float (%)	48.1

Financials Snapshot (INR b)

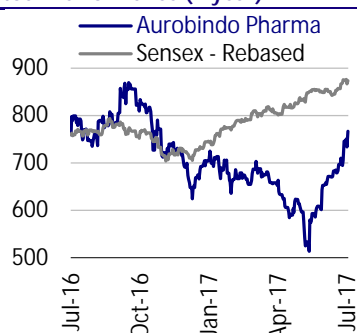
Y/E Mar	2017	2018E	2019E
Net Sales	150.9	171.2	189.3
EBITDA	34.3	40.9	44.7
PAT	23.0	26.7	29.3
EPS (INR)	39.3	45.7	50.0
Gr. (%)	13.6	16.2	9.5
BV/Sh (INR)	157.4	200.6	248.2
RoE (%)	28.3	25.5	22.3
RoCE (%)	19.1	19.5	18.2
P/E (x)	19.5	16.8	15.3
P/BV (x)	4.9	3.8	3.1

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	51.9	51.9	53.8
DII	14.2	12.8	8.0
FII	19.6	21.0	26.1
Others	14.3	14.4	12.1

FII Includes depository receipts

Stock Performance (1-year)



Launch of niche product bodes well for near-term growth

Key catalysts in place to drive medium-term earnings too

- n **Receives approval for Renvela in US:** ARBP has received final USFDA approval to manufacture sevelamer carbonate tablet 800mg (brand name – Renvela; innovator – Genzyme) in the US. Notably, ARBP is the first generic player to receive approval for Renvela, which is indicated for the control of serum phosphorus in patients with chronic kidney disease on dialysis.
- n **Only player in the USD800m market:** According to the IMS, the estimated market size of this product is USD1.9b for the 12 months ended May 2017. Primary sales booked by the innovator for Renvela/Renagel stood at ~USD1b (estimated market for Renvela expected to be ~USD800m) in CY16. ARBP has already received approval for sevelamer carbonate oral suspension from the US FDA in June-17 (IMS estimates market size of USD140m).
- n **Limited-competition product:** Although there are at least eight generic filers for Renvela (ARBP, Cipla, Mylan, Sandoz, DRRD, Lupin, Impax and Glenmark), only ARBP has received approval by now. ARBP was one of the late filers for this product, but since most other players have received CRLs (due to complexity at API level), Renvela may remain a limited-competition product in near term. Impax expects to launch the product by late 2017/early 2018, while Cipla guides for launch by 3QFY18. LPC/GNP may not be able to launch in FY18.
- n **Renvela sales will explain 12-14% of FY18 PAT:** We expect ARBP to generate ~USD120-140m of sales on annualized basis (~USD100-120m in FY18), assuming that 2-3 more players are able to launch in FY18. Renvela will help explain >12-13% of FY18E PAT for ARBP. However, in FY19, the contribution will come down significantly due to competition from at least 7-8 players.
- n **Pricing risk lowest among peers:** No single product for ARBP contributes more than 3% of sales (unlike SUNP, LPC and DRRD, where the top-3 products account for >20-25% of sales). Also, no single ANDA has any meaningful disproportionate contribution to margins, as ARBP has a matured product basket with all ~200 launched ANDAs facing competition from multiple players (typically 4-5 or more).
- n **R&D expense to remain range bound in near term:** We expect ARBP to file 35-40 ANDAs in FY18 (including 6-7 controlled substance and 10-15 oncology & hormones). Oncology & hormones-related R&D expense will be entirely borne by Eugia JV. We expect R&D expense for ARBP to not inch up beyond 5.5% in FY18 and 7% in FY19.
- n **Maintain Buy:** We expect ARBP's share price to remain range bound in the near term as it has moved up ~50% in less than two months. However, the key catalysts in 2HFY18 (e.g., launch of Fondaparinux, Toprol XL, DTG combination, injectables business ramp-up, and EU business margins improvement) will help drive growth in the medium term. ARBP remains one of our top picks in the sector, with a target price of INR850 @ 17x FY19E PER (v/s INR750 @ 15x FY19E earlier). We have increased our target multiple due to enhanced visibility of growth and FCF generation.



Havells India

BSE SENSEX	S&P CNX
31,955	9,900
Bloomberg	HAVL IN
Equity Shares (m)	624.6
M.Cap.(INR b)/(USD b)	321.0 / 4.7
52-Week Range (INR)	525 / 304
1, 6, 12 Rel. Per (%)	-8/4/15
Avg Val. (INR m)	623
Free float (%)	38.4

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	61.4	84.2	100.3
EBITDA	8.2	10.2	13.1
Adj PAT	6.0	6.8	8.6
Adj EPS (INR)	9.6	10.9	13.8
EPS Gr. (%)	17.1	14.4	26.0
BV/Sh(INR)	52.4	58.7	66.6
RoE (%)	18.2	18.6	20.7
RoCE (%)	18.2	18.5	21.1
P/E (x)	48.9	42.7	33.9
P/BV (x)	8.9	8.0	7.0

Estimate change



TP change



Rating change



CMP: INR467

TP: INR455 (-3%)

Neutral

Results meaningfully below estimates

- Operating performance meaningfully below expectations:** Revenues grew 26.8% YoY to INR18.5b in 1QFY18, in line with our estimate. Operating profit of INR1.7b (-14% YoY) was meaningfully below our estimate of INR2.5b – this includes INR130m of non-recurring charge for the Lloyd acquisition. PAT of INR1.2b (-16.6% YoY) too missed our estimate of INR1.7b.
- Core business (ex-Lloyd) grows at muted 9% YoY due to GST impact:** Although core business revenue of INR17.2b was in line with our estimate, there was a stark difference in the product mix. Barring the cables & wires segment (+19.5% YoY), all other segments witnessed a significant decline in primary off-take by channel partners on account of GST implementation. Operating profit declined 20% YoY to INR1.6b, and adjusted EBIDTA margin shrunk 360bp YoY to 10% due to adverse product mix, higher ad spend (3.5% v/s 3.3% in 1QFY17), delayed pass-through of higher raw material costs and higher employee cost. Net profit declined 22% YoY to INR1.1b.
- Newly acquired Lloyd's consumer business grows 20% YoY:** The newly acquired Lloyd business recorded revenue of INR2.7b (+20% YoY). Operating profit stood at INR128m and EBIDTA margin at 4.8%. HAVL had completed the Lloyd acquisition by 8 May 2017, and thus this new business reflects financials of 50 days. Management indicated that Lloyd's quarterly performance has been in line with its initial plans on growth and margins.
- Working capital cycle at multi-year low:** Core net working capital cycle contracted to -19 days from 6 days in 4QFY17. Creditor days were up to 107 from 63 in 4QFY17 due to extended credit cycle provided by Lloyd's vendors.
- Valuation and view:** We cut our earnings estimate for FY18/19 by 9/5% to factor in weaker-than-estimated Lloyd's sales and pressure on operating margins (due to higher ad spend and employee cost). Maintain **Neutral** with a revised TP of INR455, ascribing 33x P/E (20% premium to five-year average) multiple on its FY19E EPS of INR13.8.

Quarterly Performance (Standalone)

Y/E March	FY17				FY18				FY17		FY18E		MOSL 1QE	Var.
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	1QE	2QE				
Sales	14,668	14,522	15,060	17,102	18,605	20,131	21,044	26,456	61,353	86,211	18,528		0.4%	
Change (%)	17.1	8.7	13.2	17.2	26.8	38.6	39.7	54.7	6.2	40.5	26.3			
Adj. EBITDA	2,004	2,034	1,907	2,296	1,724	2,587	2,733	4,162	8,241	11,207	2,545		-32.2%	
Change (%)	23.7	7.6	4.0	3.5	-14.0	27.2	43.3	81.3	9.2	36.0	27.0			
Adj. EBITDA margin (%)	13.7	14.0	12.7	13.4	9.3	12.8	13.0	15.7	13.4	13.0	13.7			
Depreciation	280	308	301	308	336	380	400	1	1,196	1,117	350			
Interest	16	19	15	71	34	20	20	47	122	121	40			
Other Income	314	253	264	419	348	140	150	-45	1,343	593	200			
Extra-ordinary Items	-	0.0	189.5	(768)	-	-	-	-	-	-	0.0			
PBT	2,022	2,030	1,877	2,337	1,703	2,327	2,463	4,069	8,266	10,561	2,355		-27.7%	
Tax	567	572	537	622	489	651	677	1,118	2,298	2,936	659			
Effective Tax Rate (%)	28.0	28.2	28.6	26.6	28.7	28.0	27.5	27.5	27.8	27.8	28.0			
Reported PAT	1,456	1,458	1,530	947	1,214	1,675	1,786	2,951	5,969	7,626	1,695		-28.4%	
Change (%)	36.3	22.0	27.6	-74.1	-16.6	14.9	16.7	211.6	-34.2	27.8	16.5			
Adj. PAT	1,456	1,409	1,135	1,715	1,214	1,675	1,786	2,951	5,969	7,626	1,695		-28.4%	
Change (%)	22.2	17.0	-4.0	5.0	-16.6	18.9	57.3	72.1	16.9	27.8	16.9			

E: MOSL Estimates



Canara Bank

BSE SENSEX	S&P CNX
31,955	9,900
Bloomberg	CBK IN
Equity Shares (m)	543.0
M.Cap.(INRb)/(USD\$)	148.0/2.2
52-Week Range (INR)	415 / 231
1, 6, 12 Rel. Per (%)	2/16/32
Avg. Val, INRm	1192
Free float (%)	33.7

CMP: INR371 TP: INR360 (-3%) Neutral

Slippages remain elevated; One off gains help PPOp

- Canara Bank's (CBK) PBT declined 18% YoY to INR2.7b, missing our estimate by ~68% due to elevated provisions of INR22.0b (94% higher than our estimate). Loan growth stood muted at 8% YoY due to 11% YoY decline in infra loans (13% of advances), despite retail/SME loans growing 8%/12% YoY.
- Reported NIM expanded 11bps QoQ to 2.34% (domestic NIM at 2.56%). NII grew 0%/18% QoQ/YoY. Adjusting for INR1.25b of interest on IT refund in 4QFY17, NII grew 5% QoQ. 1QFY18 NII had INR800-900m of interest reversals.
- Gross slippages of INR55b (+78% QoQ) had INR7.92b contribution from demonetization moratorium and ~INR27.2b from 3-4 bulky corporate accounts. Absolute GNPA increased 10% QoQ to INR377b, while GNPA/NNPA stood at 10.56%/7.09% (+93bp/+76bp QoQ). Total stressed book stood at 14% of advances.
- Other highlights:** (a) Non-interest income grew 33% YoY, aided by gain on CARE stake sale and INR1.3b of PSLC sales income. (b) CET1 ratio/tier 1 ratio/CAR stood at 8.72%/9.57%/12.61%.
- Valuation and view:** Net stress addition has increased after a few quarters of decline. Given the weak operating environment, we would wait and watch developments in asset quality. Our SOTP-based target price stands at INR360 (0.5x June 2019E BV + INR70 for other investments); we have lowered our valuation multiple slightly from 0.6x FY19E BV last quarter due to prolonged provisioning pressure. Maintain **Neutral**.

Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	113.0	124.5	144.1
OP	93.4	99.7	116.3
NP	18.0	28.1	37.2
EPS (INR)	30.1	47.0	62.3
EPS Gr. (%)	60.1	56.4	32.5
BV/Sh. (INR)	498	540	595
RoE (%)	6.2	9.1	11.0
RoA (%)	0.3	0.4	0.5
P/E (x)	12.3	7.9	6.0
P/BV (x)	0.7	0.7	0.6

Quarterly Performance

	FY17				FY18E				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18E
Interest Income	1,02,017	1,04,054	1,02,877	1,04,929	1,01,956	1,05,703	1,07,482	1,24,386	4,13,876	4,39,526
Interest Expense	78,943	79,630	78,739	77,847	74,824	78,565	78,957	94,139	3,15,158	3,26,485
Net Interest Income	23,074	24,424	24,138	27,082	27,132	27,138	28,525	30,247	98,718	1,13,042
% Change (Y-o-Y)	-8.3	-7.7	8.4	14.1	17.6	11.1	18.2	11.7	1.1	14.5
Other Income	15,847	17,818	17,917	23,963	21,085	18,360	17,996	16,444	75,544	73,885
Net Income	38,921	42,241	42,055	51,045	48,218	45,498	46,520	46,691	1,74,262	1,86,926
Operating Expenses	20,732	20,834	22,242	21,316	23,494	22,969	24,111	22,957	85,123	93,531
Operating Profit	18,189	21,408	19,813	29,729	24,724	22,529	22,409	23,734	89,140	93,395
% Change (Y-o-Y)	-9.2	10.1	27.6	80.6	35.9	5.2	13.1	-20.2	24.7	4.8
Other Provisions	14,929	15,857	14,846	27,087	22,038	15,000	15,000	15,320	72,720	67,358
Profit before Tax	3,260	5,550	4,968	2,642	2,686	7,529	7,409	8,414	16,420	26,038
Tax Provisions	970	1,981	1,749	500	170	2,334	2,297	3,271	5,200	8,072
Net Profit	2,290	3,569	3,219	2,142	2,516	5,195	5,112	5,143	11,220	17,966
% Change (Y-o-Y)	-52.2	-32.5	278.8	NA	9.9	45.5	58.8	140.1	-139.9	60.1
Operating Parameters										
NIM (Rep, %)	2.2	2.2	2.2	2.2	2.3	0.0	0.0	0.0	2.2	0.6
Deposit Growth (%)	-1.4	-0.2	4.0	3.2	4.4	4.3	1.0	12.0	3.2	12.0
Loan Growth (%)	-0.9	1.3	-0.1	5.3	8.4	9.1	10.3	10.0	5.3	10.0
CASA Ratio (%)	27.6	27.2	30.1	30.2	30.7	0.0	0.0	0.0	30.2	31.0
Tax Rate (%)	29.8	35.7	35.2	18.9	6.3	31.0	31.0	38.9	31.7	31.0
Asset Quality										
OSRL (INR b)	133.8	131.5	120.0	113.7	0.0	0.0	0.0	0.0	113.7	0.0
OSRL (%)	4.2	4.0	3.6	3.3	0.0	0.0	0.0	0.0	3.3	0.0
Gross NPA (INR b)	323.3	333.2	343.4	342.0	376.6	376.0	369.1	367.5	342.0	367.5
Gross NPA (%)	9.7	9.8	10.0	9.6	10.6	10.1	9.7	9.4	9.6	9.4

E: MOSL Estimates



Sanofi India

BSE SENSEX	S&P CNX
31,955	9,900
Bloomberg	SANL IN
Equity Shares (m)	23
M.Cap.(INRb)/(USDb)	96.9 / 1.5
52-Week Range (INR)	4930 / 3990
1, 6, 12 Rel. Per (%)	1/-16/-21
Avg Val, INRm	43
Free float (%)	39.6

CMP: INR4,209 TP: INR4,820(+15%) Buy

Financials & Valuations (INR b)

Y/E Dec	2016	2017E	2018E
Net Sales	23.7	25.9	29.2
EBITDA	5.3	5.3	6.3
PAT	3.0	3.1	3.7
EPS (INR)	129.1	133.6	160.6
Gr. (%)	24.9	3.5	20.2
BV/Sh (INR)	754.5	806.9	886.3
RoE (%)	17.1	16.6	18.1
RoCE (%)	16.5	16.2	18.1
P/E (x)	32.6	31.5	26.2
P/BV (x)	5.6	5.2	4.7

Estimate change

TP change

Rating change

Weak results; margin improvement is key

- Sanofi India (SANL) reported weak 2QCY17 results. Revenue declined 1.2% YoY to INR6b (~10.6% miss). EBITDA declined ~21% YoY to INR1.2b (18.4% miss), with the margin coming in at 19.2% v/s 24% in the year-ago period. PAT too fell 13.6% YoY to INR737m (~16% miss). The muted operational performance can mainly be ascribed to down-stocking in trade channel in anticipation of GST implementation.
- Low-single-digit revenue decline coupled with weak margins:** SANL's sales declined 1.2% YoY in 2QCY17. According to AIOCD, secondary sales growth for the company stood at ~14% YoY, higher than average industry growth of 7.6%. We expect SANL's revenue growth to sustain at 11% over CY16-18E, in line with industry growth. High growth of brands like Lantus, Combiflam, Allegra and Amaryl M, along with new product launches, should drive SANL's revenue growth.
- Lower margins attributed to high other expenses:** EBITDA margin contracted to ~19.2% in 2QCY17, lower than our estimate of 21%, mainly on account of high other expenses (+870bp YoY as % of sales), offsetting lower raw material costs (-510bp YoY as % of sales). We expect EBITDA margin to normalize at 21-22% over CY16-18E (22.3% in CY16).
- Margin improvement is key; maintain Buy:** We model an increase of 11% in sales, 9% in EBITDA and 12% in earnings over CY16-18E. We maintain our **Buy** rating with a target price of INR4,820 @ 30x CY18E earnings (v/s INR4,850 @ 28x CY18E earnings). We have cut our CY18E EPS by 8% as we build in slower margin improvement.

Quarterly Performance (Consolidated)

Y/E December	CY16				CY17E				CY16	CY17E	Est. 2Q	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	5,444	6,080	6,242	5,920	5,529	6,006	6,911	7,433	23,686	25,879	6,718	-10.6%
YoY Change (%)	11.4	10.6	6.6	4.1	1.6	-1.2	10.7	25.6	8.0	9.3	7.6	
EBITDA	1,291	1,458	1,447	1,073	1,015	1,154	1,513	1,576	5,281	5,258	1,414	-18.4%
Margins (%)	23.7	24.0	23.2	18.1	18.4	19.2	21.9	21.2	22.3	20.3	21.0	
Depreciation	301	300	300	412	253	255	300	296	1,313	1,104	260	
Interest	1	7	3	4	4	0	4	7	15	15	4	
Other Income	256	164	148	152	159	284	200	-53	708	590	200	
PBT before EO Items	1,245	1,315	1,292	809	917	1,183	1,409	1,220	4,661	4,729	1,350	-12.4%
Extra-Ord Expense	0	0	0	0	0	0	0	0	0	0	0	
PBT after EO Items	1,245	1,315	1,292	809	917	1,183	1,409	1,220	4,661	4,729	1,350	-12.4%
Tax	439	462	486	304	317	446	520	372	1,691	1,655	470	
Effective tax Rate (%)	35.3	35.1	37.6	37.6	34.6	37.7	36.9	30.5	36.3	35.0	34.8	
Reported PAT	806	853	806	505	600	737	889	848	2,970	3,074	880	-16.3%
Adj PAT	806	853	806	505	600	737	889	848	2,970	3,074	880	-16.3%
YoY Change (%)	66.5	32.9	11.2	-28.3	-25.6	-13.6	10.3	67.9	24.9	3.5	3.2	
Margins (%)	14.8	14.0	12.9	8.5	10.9	12.3	12.9	11.4	12.5	11.9	13.1	

E: MOSL Estimates



MindTree Consulting

BSE SENSEX	S&P CNX
31,955	9,900
Bloomberg	MTCL IN
Equity Shares (m)	168
M.Cap.(INRb)/(USDb)	85.2 / 1.3
52-Week Range (INR)	621 / 400
1, 6, 12 Rel. Per (%)	-4/-12/-25
Avg Val, INRm	343
Free float (%)	86.3

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	52.4	54.4	61.7
EBITDA	7.2	6.7	8.4
PAT	4.2	4.5	5.4
EPS (INR)	24.9	28.7	32.9
Gr. (%)	-30.6	15.4	14.6
BV/Sh (INR)	153.0	156.1	170.9
RoE (%)	16.8	17.3	20.1
RoCE (%)	20.1	18.2	23.5
P/E (x)	20.4	17.6	15.4
P/BV (x)	3.3	3.2	3.0

Estimate change



TP change



Rating change



CMP: INR507 TP: INR450(-11%) Downgrade to Sell

Dragged by acquisitions, top clients and standalone margins

Downgrade to Sell

- 1Q miss reflects elevated pressures:** MTCL's 1QFY18 revenue grew 1.2% QoQ CC versus our estimate of +3% QoQ, dragged by acquired companies' performance: QoQ decline of 19% in Bluefin and 13% in Magnet360 (negative impact of 1.4pp on growth). This, combined with visa costs (140bp impact) and a stronger INR (90bp), drove ~300bp EBITDA margin contraction to 11%, well below our estimate of 13.9%. Adj. PAT declined 5% QoQ to INR925m, missing our estimate of INR1,244m, led by operating miss.
- Downgrades revenue growth outlook:** MTCL revised its FY18 revenue growth outlook to high-single-digits from low-double-digits earlier, following a slow start and lack of predictability in segments such as Salesforce and Bluefin. Also, it had earlier expected margin expansion in FY18 excluding the impact from a stronger INR, which will now likely happen only in the standalone segment and consolidated margins will likely be lower.
- Trend in some key metrics disconcerting:** Since 2QFY16, MTCL's absolute IFRS EBIT has declined 45% from INR1,783m to INR979m, and acquisitions are only partly responsible for the trend. Likewise, since 3QFY16, revenue from the top 2-5 accounts is down 24% and that from the top 6-10 accounts is down 12%. MTCL's revenue and margin outlook does not imply a swift fix to the multitude of challenges facing the company.
- Valuation view – downgrade to Sell:** MTCL downgraded its revenue and margin outlook for FY18, which drives 12/9% cut in our FY18/19E EPS. MTCL trades at 15.2x FY19E EPS. We note that MTCL's challenges are not only limited to the performance of its acquired entities (only ~7% of revenues), but also span across standalone profitability and revenues from the top accounts. Our TP of INR450 discounts forward earnings by 13x and implies 11% downside to CMP. Led by the uncomfortable duality of expensive valuation multiple and series of challenges, we downgrade MTCL to Sell.

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18E				FY17	FY18E	Est. 1QFY18	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	199	193	192	196	200	207	211	216	780	834	204	-1.8
QoQ (%)	2.1	-3.0	-0.4	1.8	2.3	3.2	2.3	2.2	9.0	7.0	4.2	-188bp
Revenue (INR m)	13,276	12,954	12,953	13,181	12,895	13,425	13,846	14,261	52,364	54,426	13,133	-1.8
YoY (%)	35.8	10.8	6.7	-0.2	-2.9	3.6	6.9	8.2	11.7	3.9	-1.1	-179bp
GPM (%)	37.0	34.2	34.1	34.0	34.9	34.2	34.0	34.2	34.8	34.3	33.9	104bp
SGA (%)	22.3	21.7	20.7	19.8	23.8	22.0	21.2	21.0	21.1	22.0	20.0	378bp
EBITDA	1,951	1,621	1,740	1,869	1,435	1,642	1,769	1,884	7,181	6,730	1,821	-21.2
EBITDA Margin (%)	14.7	12.5	13.4	14.2	11.1	12.2	12.8	13.2	13.7	12.4	13.9	-274bp
EBIT Margin (%)	10.8	8.6	9.5	10.3	7.3	8.5	9.2	9.6	9.8	8.7	9.9	-268bp
Other income	198	170	144	-95	368	336	263	249	417	1,216	353	4.3
ETR (%)	24.2	26.0	25.2	22.8	28.6	24.0	24.0	24.0	24.6	25.0	25.0	
Adj. PAT	1,235	948	1,031	972	931	1,127	1,163	1,234	4,186	4,455	1,244	-25.1
QoQ (%)	-7.1	-23.2	8.8	-5.7	-4.2	21.1	3.2	6.1			27.9	-3217bp
YoY (%)	-3.7	-40.1	-31.7	-26.9	-24.6	18.9	12.8	27.0	-30.6	6.4	0.7	-2532bp
EPS (INR)	7.4	5.6	6.1	5.8	7.2	6.9	7.1	7.5	24.9	34.6	7.4	
Headcount	16,110	16,219	16,099	16,470	16,561	17,011	17,611	17,911	16,470	17,911	16,870	-1.8
Util incl. trainees (%)	71.4	71.4	71.3	70.9	73.2	74.0	72.0	72.0	71.3	72.8	73.0	20bp
Attrition (%)	16.5	16.4	16.1	15.1	14.0							
Offshore rev. (%)	40.5	40.8	39.8	39.5	42.0	42.1	41.5	41.2	40.2	41.7	40.3	169bp
Fixed Price (%)	48.7	50.6	52.5	52.8	52.9							

**RESULTS
FLASH**

KPIT Technologies

BSE SENSEX 31,955 S&P CNX 9,900

CMP: INR134 TP: INR150(+12%) Neutral

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

Conference Call Details



Date: 20th July 2017

Time: 04:00pm IST

Dial-in details:

+91-22-3960 0734

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	33.2	35.0	37.8
EBITDA	3.5	3.3	3.7
NP	2.1	2.2	2.4
EPS (INR)	11.9	10.8	11.4
EPS Gr. (%)	-15.3	-9.5	6.0
BV/Sh. (INR)	79.2	85.8	97.3
RoE (%)	14.3	13.2	12.5
RoCE (%)	15.9	14.0	14.4
Payout (%)	16.8	18.5	17.5
Div. Yield	1.5	1.5	1.5

Revenue beat led by one-time license fees; Margin disappoints

- KPIT's 1QFY18 CC revenue grew 3.5% QoQ, above our estimate of +1.3%. This however, included one-time non-recurring license fee revenue of USD2m, adjusted for which, CC revenue growth of 1.9% would be closer to our estimate.
- EBITDA margin shrunk 100bp QoQ to 9.1%, significantly below our estimate of 11.1%. With significant expansion room for utilization and wage hikes effective from only in 2Q, we had expected 100bp margin expansion despite a strong INR. However, with 225-250bp headwind from wage hikes effective in 2Q, we see significant cut to our FY18 EBITDA margin estimate of 11.7%.
- PAT stood at INR555m (+3.3% QoQ), above our estimate of INR529m, mainly due to higher other income of INR121m (estimate of INR10m).

Key highlights

- While management retained its full-year guidance of 6-8% revenue growth aided by healthy 1Q growth (including one-off revenue) and cross-currency benefits, it expects to achieve the higher end of the same.
- KPIT demonstrated sanguine cash generation during the quarter, with operating cash flow at INR941m and free cash flow at INR492m. Its net cash at the end of the quarter stood at INR1,344m.
- Only E&U had any material growth in 1Q (+28% QoQ). Automotive was flat and Manufacturing and Others declined.
- Growth during the quarter was led by smaller geographies of Europe (+13.9% QoQ) and RoW (+12.3% QoQ).

Valuation and view: We will revisit our estimates post the earnings call. Outlook on growth recovery and margin resurrection will be keenly sought. Maintain **Neutral**.

Quarterly Performance

Y/E March	FY17				FY18E				FY17	FY18E	Est. 1QFY18	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	120	123	123	128	134	133	133	135	494	536	131	2.4
QoQ (%)	-3.5	3.0	-0.4	4.4	4.8	-1.0	0.1	1.3	0.8	8.3	2.3	249bp
Revenue (INR m)	8,032	8,310	8,307	8,585	8,704	8,649	8,727	8,906	33,234	34,986	8,456	2.9
YoY (%)	5.9	2.3	2.2	2.1	8.4	4.1	5.1	3.7	3.1	5.3	5.3	308bp
GPM (%)	28.9	29.5	29.0	29.2	26.6	26.6	27.0	27.2	29.1	26.9	29.6	-299bp
SGA (%)	18.3	18.5	18.8	19.0	17.6	17.6	17.2	17.0	18.7	17.3	18.5	-98bp
EBITDA	855	914	846	870	788	776	858	913	3,486	3,362	935	-15.8
EBITDA Margin (%)	10.7	11.0	10.2	10.1	9.1	9.0	9.8	10.2	10.5	9.6	11.1	-201bp
EBIT Margin (%)	8.3	8.6	7.9	7.3	6.9	6.8	7.6	8.1	8.0	7.4	8.1	-112bp
Other income	116	49	29	12	121	92	95	96	207	404	10	1162.2
Interest	56	14	66	0	26	24	23	22	136	96	0	6601.1
ETR (%)	24.3	25.1	23.1	15.3	23.4	23.4	23.4	23.4	22.2	23.4	23.5	
PAT	551	562	475	537	555	502	566	606	2,125	2,229	529	5.0
QoQ (%)	-37.8	2.0	-15.5	13.1	3.3	-9.5	12.6	7.2			-1.6	490bp
YoY (%)	24.0	-25.2	-35.4	-39.3	0.9	-10.6	19.1	12.8	-24.5	4.9	-3.9	478bp
EPS (INR)	2.8	2.8	3.7	2.7	2.8	2.4	2.7	2.9	11.9	10.8	2.6	
Headcount	11,288	11,666	11,881	12,110	12,261	12,290	12,349	12,433	12,110	12,433	12,219	0.3
Util excl. trainees (%)	68.1	69.2	67.8	68.3	68.8	72.5	72.0	73.0	68.3	71.6	71.9	-301bp
Offshore rev. (%)	41.5	43.2	43.0	43.0	43.9	44.7	44.6	44.9	42.7	44.5	44.4	-48bp
Fixed Price (%)	28.5	28.0	33.7	35.8								

E: MOSL Estimates



HT Media

BSE SENSEX	S&P CNX
31,955	9,900
Bloomberg	HTML IN
Equity Shares (m)	233
M.Cap.(INRb)/(USD\$b)	19.2 / 0.3
52-Week Range (INR)	96 / 70
1, 6, 12 Rel. Per (%)	5/-10/-5
Avg Val, INRm	23
Free float (%)	30.5

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	24.5	25.0	26.3
EBITDA	3.0	3.2	3.1
PAT	1.7	1.8	1.9
EPS (INR)	7.4	7.9	8.1
Gr. (%)	2.1	7.0	1.5
BV/Sh (INR)	109.8	120.1	130.4
RoE (%)	7.1	6.9	6.4
RoCE (%)	8.5	8.2	8.1
P/E (x)	11.9	11.1	11.0
P/BV (x)	0.8	0.7	0.7

Estimate change



TP change



Rating change



CMP: INR88

TP: INR90 (+2%)

Neutral

GST impacts ad growth, cost efficiencies lead to margin beat

Maintain EPS estimates and TP

- EBITDA up 24%, above estimate; PAT nearly doubles:** EBITDA rose 24% YoY to INR799m, 21% above our estimate of INR657m, despite the revenue disappointment, as HT Media's cost-efficiency efforts bore fruit. Opex levers more than cushioned the impact of subdued ad/circulation performance. PAT grew 86% YoY to INR416m, significantly above our estimate of INR236m, largely due to EBITDA beat flowing through.
- Print ad and circulation growth disappoints:** Revenue fell 3% YoY to INR5.99b (est. of INR6.24b). Ad revenue declined 10% YoY to INR4.07b (est. of INR4.5b) as volumes were impacted in the month leading to GST roll-out. English ad revenue fell 16% YoY to INR2.29b, while Hindi ad revenue remained flat YoY at INR1.78b (4% miss). Circulation revenue remained flat YoY at INR770m (est. of INR800m). Radio revenue grew 30% YoY to INR430m (est. of INR398m), mainly on increased inventory sale from new radio station launches and also growth in existing stations. Like-to-like radio business growth fell 7% YoY (new stations contributed INR120m in 1Q).
- EBITDA margin expands ~290bp YoY, significant beat:** Despite the GST impact (which put brakes on ad/circulation growth), HTML more than salvaged margins (+290bp YoY) to 13.3% (est. of 10.5%), as its cost-efficiency drive across all opex items helped it report healthy margin expansion.
- Valuation and view:** While 1Q profitability remained healthy due to cost efficiencies, the ad pain continues (66% of revenue). While we remain positive on the regional business, sluggish English ad growth and low dividend payout remain the key concerns. We maintain our earnings estimates and **Neutral** stance with a target price of INR90 (11x FY19E EPS).

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY17	FY18E
Revenue	6,147	6,022	6,499	5,853	5,990	6,027	6,813	6,215	24,521	25,045
YoY (%)	4.7	0.2	-4.6	-7.3	-2.5	0.1	4.8	6.2	-2.0	2.1
Operating expenses	5,504	5,518	5,394	5,122	5,191	5,238	6,003	5,406	21,538	21,837
EBITDA	643	505	1,105	731	799	790	811	809	2,983	3,208
YoY (%)	13.1	-23.4	-6.9	3.9	24.4	56.5	-26.6	10.6	-4.3	7.5
EBITDA margin (%)	10.5	8.4	17.0	12.5	13.3	13.1	11.9	13.0	12.2	12.8
Depreciation	295	304	312	337	320	346	356	385	1,248	1,408
Interest	247	245	241	218	194	200	200	210	951	804
Other Income	478	780	549	488	531	689	530	521	2,295	2,271
Extra-ordinary exps	0	0	0	0	0	0	0	0	0	0
PBT	579	736	1,100	665	817	932	785	735	3,079	3,268
Tax	186	224	36	225	239	224	181	174	671	817
Effective Tax Rate (%)	32.2	30.5	3.3	33.8	29.2	24.0	23.0	23.7	21.8	25.0
PAT	392	512	1,064	440	578	708	605	561	2,408	2,451
Minority Interest	168	202	150	184	162	150	155	153	705	620
Reported PAT	224	309	914	256	416	558	450	408	1,703	1,831
Adj PAT	224	309	914	256	416	558	450	408	1,703	1,831
YoY (%)	-10.1	-16.1	32.8	-33.2	85.5	80.5	-50.8	59.6	0.9	7.6
Ad revenue growth (%)	2	-4	-9	-13	-10	-3	3	5	-4	-1
-English	-1	-6	-9	-21	-16	-10	-5	0	-8	-8
-Hindi	7	1	-7	3	0	8	17	12	1	9
Circulation revenue growth (%)	6	0	2	0	0	6	6	6	2	4
-English	7	-7	-1	-8	0	0	1	1	-1	1
-Hindi	5	3	4	3	-1	8	8	8	3	6



Hindustan Media Ventures

BSE SENSEX	S&P CNX
31,955	9,900
Bloomberg	HMVL IN
Equity Shares (m)	73.4
M.Cap.(INRb)/(USDb)	19.6 / 0.3
52-Week Range (INR)	314 / 253
1, 6, 12 Rel. Per (%)	-2/-15/-14
Avg. Val, INRm	10
Free float (%)	25.7

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	9.33	10.08	10.93
EBITDA	2.06	2.38	2.76
PAT	1.90	2.20	2.58
EPS (INR)	25.9	28.3	33.6
Gr. (%)	5.2	9.5	18.4
BV/Sh (INR)	149.1	177.5	211.0
RoE (%)	19.0	17.3	17.3
RoCE (%)	17.8	15.8	16.3
P/E (x)	10.6	9.7	8.2
P/BV (x)	1.8	1.5	1.3

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR274

TP: INR350(28%)

Buy

GST-led pain impacts ad growth

- n **EBITDA misses estimate led by unfavorable operating leverage:** HMVL's 1QFY18 EBITDA declined 10% YoY to INR510m (est. of INR651m) due to GST-led ad pain. The base quarter does not include charges pertaining to HTDSL (HTML's multimedia digital content arm) carve-out, and thus, financials are strictly not comparable. Like-to-like comparison is not disclosed. Reported PAT declined 8% YoY to INR448m (est. of INR559m).
- n **Teething days of GST implementation hit ad growth:** Ad volumes dipped ~6% with advertisers tightening their budgets in the month leading to GST implementation. With ad budget cuts leading to volumes decline across categories, ad revenues remained flat YoY at INR1.78b in 1QFY18. However, HMVL did manage to offset the decline through 6% yield improvement.
- n **Flat circulation revenues miss expectations:** Circulation revenues remained flat YoY at INR560m (est. of INR591m), largely led by lower realization/copy. HMVL took a cut in cover price in the quarter to protect its turf in select UP and Bihar markets.
- n **Valuation and view:** We cut our EPS estimates 5%/6% in FY18/FY19 to factor in higher-than-expected operating costs. We expect EPS CAGR of 14% over FY17-19, led by CAGR of 9%/6% in ad/circulation revenue. HMVL trades at 9.7x FY18E EPS/8.2x FY19E EPS. Maintain **Buy** with a TP of INR350 (earlier 360) based on 10x FY19E EPS.

Quarterly Performance

Y/E March	(INR Million)								FY17	FY18E
	FY17				FY18					
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Ad revenue	1,777	1,701	1,688	1,745	1,780	1,837	1,975	1,955	6,912	7,547
YoY (%)	6.9	0.9	-6.8	3.0	0.2	8.0	17.0	12.0	1.1	9.2
Circulation revenue	563	538	561	552	560	581	606	596	2,213	2,343
YoY (%)	5.4	3.1	7.3	3.4	-0.5	8.0	8.0	8.0	3.2	5.9
Revenue	2,392	2,295	2,303	2,343	2,368	2,477	2,638	2,599	9,333	10,083
YoY (%)	6.9	1.4	-4.2	3.1	-1.0	8.0	14.6	10.9	1.6	8.0
Operating expenses	1,823	1,791	1,894	1,770	1,858	1,957	1,969	1,915	7,277	7,699
EBITDA	569	504	409	573	510	521	669	685	2,055	2,385
YoY (%)	4	-4	-32	10	-10	3	64	20	-5.6	16.0
EBITDA margin (%)	23.8	22.0	17.8	24.4	21.5	21.0	25.4	26.3	22.0	23.6
Depreciation	50	52	50	50	53	54	52	53	202	213
Interest	47	41	39	34	25	26	27	29	161	106
Other Income	201	338	215	167	251	200	200	219	884	869
PBT	673	749	536	655	683	641	790	821	2,575	2,934
Tax	186	202	98	191	203	151	186	194	676	734
Effective Tax Rate (%)	27.6	27.0	18.2	29.1	29.7	23.5	23.5	23.7	26.3	25.0
Adjusted net profit	487	547	438	424	448	490	604	597	1,777	2,201



ABB

Bloomberg	ABB IN
Equity Shares (m)	211.9
M. Cap. (INR b)/(USD b)	307 / 5
52-Week Range (INR)	1619 / 950
1,6,12 Rel Perf. (%)	0 / 23 / 4

CMP: INR1,450 TP: INR1,201 (-17%) Sell

Financial Snapshot (INR b)

Y/E Dec	2016	2017E	2018E	2019E
Net Sales	86.6	100.8	111.9	126.0
EBITDA	7.9	10.2	12.5	14.8
Adj. PAT	3.7	5.3	6.8	8.3
Adj. EPS (INR)	19.7	25.1	32.2	39.2
EPS Gr (%)	25.0	27.2	28.3	21.8
BV/Sh (INR)	154.9	180.0	203.7	232.7
RoE (%)	12.7	13.9	15.8	16.8
RoCE (%)	18.3	21.3	23.7	25.4
Payout (%)	19.9	22.5	22.5	22.5

Valuations

P/E (x)	73.8	58.0	45.2	37.1
P/BV (x)	9.4	8.1	7.1	6.2
EV/EBITDA (x)	32.4	24.9	18.9	14.2
Div. Yield (%)	0.3	0.4	0.5	0.6

- n ABB has received a substation order worth INR1.8b from Power Grid of Bangladesh to add 535MW of transmission capacity.
- n ABB India during the quarter has set-up new remote service center for its energy saving solutions. It also added a new production line for digitalized low-voltage drives.
- n During the quarter, ABB has launched new microgrid technology that combines solar power and enables battery storage. This product will target to provide electricity to remote villages that are not connected to main grid.
- n ABB continues to focus on increased localization and cost optimization. Its direct RM costs have declined to 64.5% of revenue from a peak of 81% in 4QCY10, well below its internal target of 65%. This has aided margins, despite negative operating leverage.
- n We expect revenue to grow 13% YoY, led by execution ramp-up in the projects segment. Operating margin is likely to improve 130bp YoY to 9.4%. Net profit should grow 36% YoY to INR1.05b. **Sell**.

Key issues to watch

- Ø Management commentary suggests cautious optimism. Continued focus on exports and services to be an important driver of projected strong double-digit revenue and profit growth.
- Ø Continued preference for cash generation vis-à-vis profits.

Quarterly Performance

Y/E December	CY16				CY17				CY16	CY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales	20,035	21,015	20,550	24,915	21,689	23,833	24,383	30,864	85,318	99,401
Change (%)	10.4	8.8	4.4	2.7	8.3	13.4	18.7	23.9	6.4	16.5
EBITDA	1,808	1,701	1,516	2,819	1,715	2,236	2,533	3,680	7,901	10,164
Change (%)	25.9	5.6	-2.7	7.1	-5.2	31.5	67.1	30.5	5.8	28.6
As % of Sales	9.0	8.1	7.4	11.3	7.9	9.4	10.4	11.9	9.3	10.2
Depreciation	359	357	406	389	376	393	393	410	1510	1573
Interest	223	180	178	285	212	285	327	345	919	1,169
Other Income	149	44	44	95	186	40	100	53	658	378
PBT	1,376	1,208	976	2,241	1,312	1,598	1,913	2,977	6,131	7,800
Tax	442	434	427	773	428	542	648	871	1,957	2,489
Effective Tax Rate (%)	32.1	35.9	43.8	34.5	32.6	33.9	33.9	29.3	31.9	31.9
Reported PAT	854	774	811	1,468	884	1,056	1,264	2,106	3,687	5,311
Adj. PAT	934	774	871	1,468	884	1,056	1,264	2,106	4,175	5,311
Change (%)	72.0	13.1	48.2	13.4	-5.3	36.4	45.2	43.5	25.0	27.2



Alembic Pharma

Bloomberg	ALPM IN
Equity Shares (m)	188.5
M. Cap. (INR b)/(USD b)	96 / 1
52-Week Range (INR)	709 / 492
1,6,12 Rel Perf. (%)	-5 / -33 / -26

CMP: INR512 TP:INR640(+25%) Neutral

- n In 1QFY18, we expect Alembic Pharma (ALPM) to post modest 5% YoY growth in reported sales to INR7.6b. International business is expected to decline 4.4% YoY owing to lower contribution from gAbilify, partially offset by new launches, including Pristiq generic launch. India business is expected to grow 14% YoY to INR3.4b.
- n Reported EBITDA is likely to decrease ~9% YoY to INR1.4b, with EBITDA margin contracting 280bpYoY, primarily on account of lower gAbilify sales in 1QFY18 numbers.
- n We expect reported PAT to decline 9.3% YoY to INR92m.
- n We believe intensifying competition in Abilify, coupled with high R&D expense and a rise in depreciation due to planned capex of INR7b, will keep profit growth under check. We maintain Neutral with a TP of INR640 @20x FY19E EPS.

Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	31.0	35.4	41.2	47.4
EBITDA	6.1	6.9	8.5	10.0
NP	4.0	4.7	5.8	6.8
EPS (INR)	21.6	24.9	30.5	36.1
EPS Gro. (%)	-43.5	15.5	22.4	18.3
BV/Sh. (INR)	100.8	119.8	144.3	174.4
RoE (%)	23.0	22.6	23.1	22.7
RoCE (%)	22.1	22.0	22.7	28.8

Valuations

P/E (x)	23.7	20.5	16.8	14.2
P/BV (x)	5.1	4.3	3.5	2.9
EV/EBITDA (x)	15.7	13.4	10.8	8.7
EV/Sales (x)	3.1	2.6	2.2	1.8
D. Yield (%)	1.0	1.0	1.0	1.0

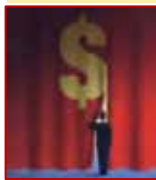
Key issues to watch out

- ⊗ Contribution of chronic portfolio and growth strategy.
- ⊗ Performance of US operations amid market pressure.
- ⊗ Outlook on future ANDA launches/filings.

Quarterly Performance

Y/E March	FY17				FY18E				(INR Million)	
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY17	FY18E
Net Sales	7,270	8,716	7,699	7,367	7,636	8,443	8,823	10,474	31,013	35,377
YoY Change (%)	24.6	-13.1	-16.4	17.8	5.0	-3.1	14.6	42.2	-1.4	14.1
Total Expenditure	5,711.2	6,945	6,253	6,032	6,216	6,788	7,006	8,433	24,904	28,443
EBITDA	1,559	1,771	1,446	1,335	1,420	1,655	1,818	2,041	6,109	6,934
Margins (%)	21.4	20.3	18.8	18.1	18.6	19.6	20.6	19.5	19.7	19.6
Depreciation	193.8	206	211	218	225.0	225	225	228	830	903
Interest	10.7	10	8	18	18.0	14	14	-4	51	42
Other Income	14.1	12	10	20	9	9	9	8	62	35
PBT	1,369	1,567	1,237	1,118	1,186	1,425	1,588	1,825	5,290	6,024
Tax	332.7	332	393	165	261.0	313	349	402	1,222	1,325
Rate (%)	24.3	21.2	31.8	14.7	22.0	22.0	22.0	22.0	23.1	22.0
Minority Interest & Profit/Loss of Asso. Cos.	16.1	49	-17	23	0	0	0	0	38	0
Adj. PAT	1,020	1,187	861	930	925	1,111	1,238	1,424	4,029	4,699
YoY Change (%)	46.2	-58.8	-68.0	2.2	-9.3	-6.4	43.8	53.0	-45.3	16.6
Margins (%)	14.0	13.6	11.2	12.6	12.1	13.2	14.0	13.6	13.0	13.3

E: MOSL Estimates



Bajaj Auto

Bloomberg	BJAUT IN
Equity Shares (m)	289.4
M. Cap. (INR b)/(USD b)	802 / 12
52-Week Range (INR)	3122 / 2510
1,6,12 Rel Perf. (%)	-2 / -14 / -10

Financial Snapshot (INR b)

Y/E MAR	2017	2018E	2019E	2020E
Sales	218	236	264	298
EBITDA	44.2	47.3	54.5	62.7
NP	38.3	41.5	48.6	56.5
Adj. EPS (INR)	132	143	168	195
EPS Gr. (%)	-2.6	8.5	17.0	16.2
BV/Sh. (INR)	589	654	721	770
RoE (%)	25.3	23.1	24.4	26.2
RoCE (%)	24.6	22.4	23.6	34.4
Payout (%)	50.0	54.4	60.0	75.0

Valuations

P/E (x)	21.0	19.3	16.5	14.2
P/BV (x)	4.7	4.2	3.8	3.6
EV/EBITDA (x)	15.1	13.2	11.0	9.2
Div. Yield (%)	2.0	2.3	2.9	4.5

CMP: INR2,771 TP:INR3,359 (+21%) Buy

- Overall volume declined ~10.7% YoY (grew 12.8% QoQ) to 888k units due to ~23.3% YoY decline in domestic volume, while exports grew 10.5% YoY. The decline in domestic volume was due to pre-buy impact and postponement in purchases due to GST.
- We expect realization to grow 1.9% YoY (decline 5% QoQ), led by improvement in mix product mix. As a result, net revenues is likely to decline ~8.9% YoY.
- EBITDA margin is likely to contract 130bp YoY (expand 64bp QoQ) to 19.1% due to higher commodity prices and other expenses. We expect ~10bp impact of lower price due to GST since 15th June 2017.
- Further, we estimate ~30bp margin impact due to compensation of input tax credit to dealers in 2QFY17.
- PAT is likely to decline ~9.7% YoY (grow 10.2% QoQ) to INR8.8b.
- We have lowered our total volume estimates by 2.8% for FY18 and 4.5% for FY19, resulting in EPS cut of 4.6% for FY18 and 5.8% for FY19.
- The stock trades at 19.3x FY18E and 16.5x FY19E EPS; maintain **Buy**.

Key issues to watch

- Update on demand for new launches, channel inventory post BS-IV; outlook for FY18.
- Export demand outlook and pricing in key exports markets.
- Dealer compensation cost for ITC loss due to GST.
- Comments on 3W demand recovery in domestic market.

Quarterly Performance

Y/E March (INR m)	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Volumes ('000 units)	995	1,032	852	788	888	1,047	999	977	3,666	3,911
Growth YoY (%)	-1.8	-2.3	-10.5	-9.7	-10.7	1.4	17.2	24.1	(5.8)	6.7
Realization (INR/unit)	57,784	58,676	59,495	62,171	58,907	59,438	60,329	62,889	59,419	60,407
Growth YoY (%)	4.5	2.0	2.0	1.2	1.9	1.3	1.4	1.2	2.4	1.7
Net Sales	57,480	60,545	50,669	48,973	52,335	62,201	60,239	61,473	217,827	236,249
Change (%)	2.7	-0.4	-8.7	-8.6	-8.9	2.7	18.9	25.5	(3.6)	8.5
RM/Sales %	67.2	67.0	66.8	67.8	67.4	67.7	67.2	67.7	67.1	67.5
Staff cost/Sales %	4.7	4.3	4.8	4.6	5.3	4.6	4.4	4.3	4.6	4.6
Oth. Exp./Sales %	7.7	7.4	7.9	9.2	8.3	8.3	8.0	7.2	8.0	8.0
EBITDA	11,763	12,961	10,439	9,060	10,017	12,104	12,342	12,884	44,384	47,347
EBITDA Margins (%)	20.5	21.4	20.6	18.5	19.1	19.5	20.5	21.0	20.4	20.0
Other Income	2,671	3,420	3,193	2,936	3,200	3,400	3,650	4,162	12,220	14,412
Interest	2	7	3	2	3	3	3	3	14	10
Depreciation	775	770	772	757	775	800	835	858	3,073	3,268
PBT	13,657	15,605	12,858	11,236	12,440	14,701	15,155	16,185	53,516	58,481
Tax	3,873	4,378	3,612	3,218	3,608	4,263	4,395	4,694	15,081	16,960
Effective Tax Rate (%)	28.4	28.1	28.1	28.6	29.0	29.0	29.0	29.0	28.2	29.0
Adj. PAT	9,784	11,228	9,246	8,018	8,832	10,438	10,760	11,492	38,436	41,522
Change (%)	2.2	6.7	(4.7)	(15.5)	(9.7)	(7.0)	16.4	43.3	(2.2)	8.0

E: MOSL Estimates



DB Corp

Bloomberg	DBCL IN
Equity Shares (m)	183.4
M. Cap. (INR b)/(USD b)	70 / 1
52-Week Range (INR)	448 / 345
1,6,12 Rel Perf. (%)	1 / -15 / -16

CMP: INR381 TP: INR450 (+18%) Buy

Financial Snapshot (INR Billion)

Y/E MARCH	2017	2018E	2019E	2020E
Net Sales	22.4	24.4	26.5	28.5
EBITDA	6.4	7.2	8.0	8.9
Adj. Net Profit	3.7	4.3	5.0	5.8
Adj. EPS (INR)	20.4	23.6	27.5	31.4
Adj. EPS Gr. (%)	25.8	16.0	16.1	14.4
BV/Sh (INR)	86.7	97.3	109.7	123.8
RoE (%)	25.5	25.7	26.5	26.9
RoCE (%)	23.0	24.0	24.9	25.4
Div. Payout (%)	55.0	55.0	55.0	55.0

Valuations

P/E (x)	18.7	16.1	13.9	12.1
P/BV (x)	4.4	3.9	3.5	3.1
EV/EBITDA (x)	10.7	9.0	7.8	6.7
Div. Yield (%)	2.5	2.8	3.3	3.8

- n Given the high base effect, DB Corp's Print ad growth rate would be subdued at 3% (INR3.85b). April and May ad spends were healthy; however, there was some pain in June from FMCG, as primary sales took a hit amidst the GST rollout frenzy.
- n Circulation revenue is likely to grow 8% YoY to INR1.27b.
- n DBCL's aggregate revenue is likely to grow 4% YoY to INR5.94b, as print ad revenue, which accounts for ~65% of overall revenue, remains under pressure.
- n Raw material cost is expected to increase 5% YoY, largely volume-led. Newsprint prices are expected remain flat QoQ.
- n We expect EBITDA margin to remain largely flat YoY at 31.1%.
- n We estimate net profit at INR1.12b, up 8% YoY.
- n We maintain our target price at INR450 (16x FY19E EPS). The stock trades at 16.2x FY18E and 13.9x FY19E EPS. Buy.

Key things to watch for

- Ø YoY ad growth (we expect 3%).
- Ø EBITDA margin (we expect 31.1%).

Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales	5,704	5,287	6,273	5,171	5,942	5,700	7,071	5,653	22,435	24,366
YoY (%)	20.5	10.6	7.1	0.6	4.2	7.8	12.7	9.3	9.4	8.6
Operating Expenses	3,892	3,782	4,290	4,049	4,095	4,189	4,552	4,325	16,013	17,160
EBITDA	1,812	1,505	1,982	1,122	1,847	1,512	2,519	1,328	6,422	7,205
YoY (%)	48.7	33.6	6.1	-1.7	1.9	0.4	27.1	18.3	19.9	12.2
EBITDA margin (%)	31.8	28.5	31.6	21.7	31.1	26.5	35.6	23.5	28.6	29.6
Depreciation	211	216	218	218	220	225	227	224	863	896
Interest	34	6	30	5	11	11	10	11	74	43
Other Income	41	41	36	51	80	80	80	81	170	321
PBT	1,608	1,325	1,771	950	1,696	1,356	2,362	1,174	5,654	6,588
Tax	568	440	590	309	577	461	803	399	1,907	2,240
Effective Tax Rate (%)	35.3	33.2	33.3	32.5	34.0	34.0	34.0	34.0	33.7	34.0
PAT	1,040	885	1,181	641	1,120	895	1,559	775	3,747	4,348
Minority Interest	0	0	0	0	0	0	0	0	0	0
Adj PAT	1,040	885	1,181	641	1,120	895	1,559	775	3,747	4,348
YoY (%)	56.5	47.3	10.6	-0.2	7.7	1.1	32.0	20.8	25.9	16.0



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	2017	2018E	2019E	2020E
Sales	173.0	204	222	229
EBITDA	97.4	113.0	123.5	126.1
NP	83.2	83.1	91.6	94.1
Adj. EPS (INR)	19.7	19.7	21.7	22.3
EPS Gr(%)		-0.1	10.2	2.8
BV/Sh. (INR)	72.9	54.3	55.2	56.1
RoE (%)	24.4	30.9	39.6	40.1
RoCE (%)	29.4	37.4	56.0	55.9
Payout (%)		96.0	96.0	96.0

Valuations

P/E (x)	11.9	11.9	10.8	10.5
P/BV (x)	9.8	9.6	8.8	8.6
EV/EBITDA (x)	11.5	8.4	7.7	7.4
Div. Yield (%)		6.7	7.4	7.6

CMP:INR291 TP: INR246 (-8%) Sell

- n We estimate HZL's EBITDA to increase ~2x YoY to INR23.6b, driven by higher LME and normalization of volumes. LME zinc is up 35% YoY to USD2,589/t, while lead is up 26% YoY to USD2,159/t. 1Q of last year was impacted by phasing of mining operations. As a result, mine production is estimated to increase 73% YoY to 220kt in 1QFY18.
- n We estimate PAT to increase 65% YoY to INR17b. Other income is estimated to decline 51% YoY to INR3b on lower cash balance due to dividend payout.

Key issues to watch for:

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

Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	25,306	35,257	49,799	62,602	44,195	50,002	53,715	55,886	172,964	203,797
Change (YoY %)	-30.3	-12.6	45.2	99.9	74.6	41.8	7.9	-10.7	21.6	17.8
EBITDA	11,309	20,767	27,834	37,480	23,652	27,960	30,073	31,308	97,390	112,993
Change (YoY %)	-42.5	2.6	88.3	186.5	109.2	34.6	8.0	-16.5	43.7	16.0
As % of Net Sales	44.7	58.9	55.9	59.9	53.5	55.9	56.0	56.0	56.3	55.4
Finance cost	712	712	451	142	90	0	0	0	2,017	90
DD&A	3,644	4,317	4,589	5,321	4,955	5,004	5,054	5,105	17,871	20,119
Other Income	6,101	7,702	5,882	4,811	3,012	3,149	3,349	2,917	24,496	12,427
PBT (before EO item)	13,053	23,440	28,676	36,829	21,619	26,105	28,368	29,120	101,998	105,212
EO exp. (income)	5	0	0	0	0	0	0	0	-5	0
PBT (after EO item)	13,048	23,440	28,676	36,829	21,619	26,105	28,368	29,120	102,003	105,212
Total Tax	2,680	4,421	5,477	6,259	4,540	5,482	5,957	6,115	18,837	22,094
% Tax	20.5	18.9	19.1	17.0	21.0	21.0	21.0	21.0	18.5	21.0
Reported PAT	10,369	19,019	23,199	30,570	17,079	20,623	22,411	23,005	83,166	83,117
Adjusted PAT	10,374	19,019	23,199	30,570	17,079	20,623	22,411	23,005	83,161	83,117
Change (YoY %)	-53.4	-11.4	28.1	42.2	64.6	8.4	-3.4	-24.7	-0.7	-0.1

E=Estimate



Kotak Mahindra Bank

Bloomberg	KMB IN
Equity Shares (m)	1834.4
M. Cap. (INR b)/(USD b)	1759 / 27
52-Week Range (INR)	1005 / 692
1,6,12 Rel Perf. (%)	0 / 21 / 14

CMP: INR959 TP: INR1,146 (+19%) Buy

Financial Snapshot (INR b)

Y/E MARCH	2017	2018E	2019E	2020E
NII	81.5	92.6	109.6	132.1
OP	59.8	71.9	88.7	110.6
NP	34.1	42.2	53.4	66.7
Cons. NP	49.4	61.3	76.8	94.9
NIM (%)	4.4	4.4	4.4	4.3
Cons. EPS (INR)	26.8	32.2	40.4	49.9
EPS Gr. (%)	42.3	20.1	25.2	23.5
Cons. BV. (INR)	207	232	271	319
Cons. RoE (%)	13.8	14.9	16.1	16.9
RoA (%)	1.7	1.8	2.0	2.0
Payout (%)	4.7	4.7	4.7	4.7

Valuations

P/E(X) (Cons.)	35.7	29.8	23.8	19.2
P/BV (X) (Cons.)	4.6	4.1	3.5	3.0
Div. Yield (%)	0.1	0.1	0.1	0.1

- n We expect the standalone bank to report 16% loan growth and 17% deposit growth in 1QFY18. NIM is likely to shrink ~5bp QoQ, but improve 5bp YoY. Overall, we expect NII growth of 16% YoY. CASA retention would be a key driver of NII and NIM. We estimate a 5bp benefit to NIM (4.5% in 1QFY18) from the QIP.
- n With strong digital initiatives, fast-paced customer acquisition and merger synergies from eIVBL, fee income would be a key growth driver for the bank. We factor in other income growth of 16% in 1Q, driven mostly by healthy fee traction and expect an improving trend in the coming quarters.
- n We expect asset quality to remain stable, with GNPA at ~2.65% and NNPA at 1.2%, led by a high provision coverage ratio.
- n We revise FY18E/FY19E PAT upwards by 4.6%/4.3% to account for capital raise of INR58b.
- n On a reported basis, we expect standalone bank earnings to grow 24% YoY. The stock trades at 3.5x FY19E consolidated BV and 23.8x FY19E consolidated EPS. Maintain Buy.

Key issues to watch for

- Ø Guidance on balance sheet growth.
- Ø Performance on CASA, fees and growth
- Ø Performance of non-banking subsidiaries and their contribution to overall profit.

Quarterly Performance

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Kotak Bank (standalone)										
Net Interest Income	19,191	19,954	20,503	21,614	22,241	23,038	23,386	23,974	81,262	92,640
% Change (Y-o-Y)	20.1	18.9	16.1	16.4	15.9	15.5	14.1	10.9	17.8	14.0
Operating Profit	13,150	14,401	15,277	17,020	15,824	17,578	18,497	19,962	59,848	71,861
% Change (Y-o-Y)	120.3	37.8	26.8	42.5	20.3	22.1	21.1	17.3	48.1	20.1
Net Profit	7,420	8,133	8,798	9,765	9,190	10,083	10,888	11,997	34,115	42,159
% Change (Y-o-Y)	291.0	42.8	38.6	40.3	23.9	24.0	23.8	22.9	63.2	23.6
Other Businesses										
Kotak Prime	1,200	1,300	1,330	1,330	1,400	1,470	1,544	1,601	5,150	6,014
Kotak Mah. Investments	400	530	480	560	500	650	700	779	1,960	2,629
Kotak Mah. Capital Co	230	50	70	110	120	132	145	166	460	563
Kotak Securities	600	960	850	1,210	1,020	1,061	1,103	1,149	3,610	4,333
International subs	130	310	220	210	250	263	276	330	860	1,118
Kotak Mah. AMC & Trustee Co.	190	70	160	130	240	252	265	286	560	1,042
Kotak Investment Advisors	110	10	0	0	40	42	44	49	125	175
Kotak OM Life Insurance	710	630	680	1,010	795	706	762	1,222	3,030	3,485
Con.adj and MI	-240	30	80	-280	-50	-50	-50	-50	-385	-200
Conso. PAT	10,750	12,023	12,668	14,045	13,505	14,608	15,676	17,528	49,485	61,318
% Change (Y-o-Y)	108.0	27.4	33.9	33.2	25.6	21.5	23.7	24.8	43.0	23.9



NIIT Technologies

Bloomberg	NITEC IN
Equity Shares (m)	61.2
M. Cap. (INR b)/(USD b)	35 / 1
52-Week Range (INR)	595 / 370
1,6,12 Rel Perf. (%)	5 / 12 / -7

Financial Snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Sales	27.7	28.3	30.8	33.2
EBITDA	4.6	4.6	5.1	5.4
PAT	2.7	2.5	2.9	3.2
EPS (INR)	42.8	41.0	47.3	52.7
EPS Gr. (%)	-6.5	-4.3	15.5	11.3
BV/Sh. (INR)	273.8	297.9	326.0	337.7
RoE (%)	16.1	14.3	15.2	15.9
RoCE (%)	16.4	13.9	14.8	15.3
Payout (%)	29.2	34.2	33.8	30.4

Valuations

P/E (x)	13.2	13.8	11.9	10.7
P/BV (x)	2.1	1.9	1.7	1.7
EV/EBITDA	6.1	6.5	5.5	5.0
Div Yld (%)	2.2	2.5	2.8	2.8

CMP: INR565 TP: INR470 (-17%) Neutral

- We expect 1.3% QoQ CC revenue growth for NITEC in 1QFY18. The high base created by GIS seasonality in 4Q should put some pressure on revenue growth.
- Moreover, bookings using the start date of the month would result in 50bp of a headwind on account of cross-currency movement, which has been a tailwind for peers. This would lead to USD revenue growth of 0.8% QoQ.
- We expect EBITDA margin to decline by 210bp QoQ to 15.8%, because of INR appreciation, cross-currency headwinds, visa expenses, wage hikes and absence of seasonal strength in GIS.
- Our PAT estimate is INR587m, -45.3% QoQ, driven by lower profitability, ETR normalization, and absence of exceptional gains.
- The stock trades at 13.8x FY18E and 11.9x FY19E earnings. Neutral.

Key issues to watch for

- Traction in the international business.
- Demand environment and update on ramp-up delays.
- Deal wins.

Quarterly Performance (IFRS)

Y/E March	FY17				FY18E				(INR m)	
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY17	FY18E
Revenue (USD m) Ex. forex	99	103	101	104	105	106	108	110	407	429
QoQ (%)	-2.5	4.2	-2.4	3.1	0.8	1.5	1.4	2.5	0.3	5.4
Revenue (INR m)	6,692	6,913	6,922	7,160	6,862	7,012	7,130	7,333	27,687	28,337
YoY (%)	4.4	2.0	2.0	4.6	2.5	1.4	3.0	2.4	3.2	2.3
GPM (%)	35.3	35.3	36.2	36.6	34.8	35.0	34.6	34.9	35.8	34.8
SGA (%)	20.0	19.0	19.3	18.7	19.0	18.8	18.6	18.4	19.2	18.7
EBITDA	1,023	1,122	1,168	1,284	1,084	1,134	1,140	1,211	4,597	4,569
EBITDA Margin (%)	15.3	16.2	16.9	17.9	15.8	16.2	16.0	16.5	16.6	16.1
EBIT Margin (%)	10.9	12.0	12.7	14.0	11.5	11.9	11.7	12.3	12.4	11.8
Other income	71	27	45	44	80	82	87	96	187	344
ETR (%)	10.3	24.2	24.2	15.9	24.0	24.0	24.0	24.0	18.7	24.0
Minority Interest	46.0	54.0	48.0	72.0	72.0	72.0	72.0	72.0	220.0	288.0
PAT	313	596	653	1,073	587	623	628	685	2,635	2,523
QoQ (%)	-60.4	90.4	9.6	64.3	-45.3	6.0	0.9	9.1	-5.9	-4.3
YoY (%)	-46.7	-12.7	-11.9	35.8	87.6	4.5	-3.8	-36.1		
EPS (INR)	5.1	9.7	10.6	13.1	9.5	10.1	10.2	11.1	38.5	41.0
Headcount	9,022	8,868	8,809	8,853	8,978	9,153	9,353	9,553	8,853	9,553
Util excl. trainees (%)	79.8	81.0	80.0	81.0	80.5	80.0	79.0	79.5	80.4	79.7
Attrition (%)	13.4	12.9	12.9	12.7						
Offshore rev. (%)	39.0	39.0	40.0	41.0					39.8	40.8
Fixed Price (%)	46.0	46.0	48.0	48.0						



RBL Bank

Bloomberg	RBK IN
Equity Shares (m)	375.2
M. Cap. (INR b)/(USD b)	196 / 3
52-Week Range (INR)	600 / 274
1,6,12 Rel Perf. (%)	13/69/-

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	12.2	16.0	21.3	28.3
OP	9.2	12.5	17.0	22.9
NP	4.5	6.8	9.1	12.0
NIM (%)	3.0	3.2	3.2	3.2
EPS (INR)	11.9	18.0	24.2	32.1
EPS Gr. (%)	32.0	51.4	34.2	32.8
BV/Sh. (INR)	113.4	128.2	148.1	174.6
ABV/Sh. (INR)	112.7	127.2	146.8	172.7
RoE (%)	12.3	14.9	17.5	19.9
RoA (%)	1.0	1.2	1.3	1.3

Valuations

P/E(X)	43.9	29.0	21.6	16.3
P/BV (X)	4.6	4.1	3.5	3.0
P/ABV (X)	4.6	4.1	3.6	3.0
Div. Yield (%)	0.3	0.5	0.7	0.9

CMP: INR522

Under Review

- Loan growth (+43% YoY) and deposit growth (+45% YoY) would be significantly above industry average.
- We expect NII to grow 53% YoY, led by strong loan growth and stable to slightly improving NIMs, and helped by strong CASA inflows and fall in bulk deposit rates.
- Overall non-interest income is expected to grow by ~27% YoY, led by strong growth in fee income and digital initiatives. We expect opex growth of 34%, led by continued capacity expansion. However, opex is expected to trail total income growth of 43%, driving 54% YoY increase in PPOp.
- Asset quality is expected to remain largely stable in 4QFY17, though some stress could materialize, particularly in the MFI segment. Credit costs would largely be under control.
- We expect PAT growth of 9% QoQ and 46% YoY. RBK trades at 3.5x FY19E BV and 21.6x FY19E EPS. We await management commentary on asset quality and growth outlook, and maintain our rating at Under Review.

Key issues to watch for

- Management commentary on slippages in SME segment.
- Update and commentary on balance sheet growth strategy.
- CASA ratio and traction on NIMs.

Quarterly Performance

(INR Million)

	FY17				FY18E				FY17	FY18
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	2,447	3,029	3,216	3,522	3,748	3,888	4,045	4,288	12,213	15,969
% Change (Y-o-Y)	46.8	59.5	44.6	46.6	53.2	28.3	25.8	21.8	49.1	30.8
Other Income	1,675	1,691	1,823	2,366	2,128	2,498	2,602	3,088	7,555	10,315
Net Income	4,122	4,721	5,038	5,887	5,876	6,386	6,647	7,376	19,768	26,285
Operating Expenses	2,277	2,530	2,687	3,070	3,041	3,233	3,468	4,073	10,564	13,815
Operating Profit	1,845	2,191	2,351	2,818	2,835	3,153	3,179	3,303	9,204	12,470
% Change (Y-o-Y)	65.3	81.3	57.6	75.2	53.7	43.9	35.2	17.2	69.7	35.5
Other Provisions	426	781	362	821	700	600	500	515	2,389	2,315
Profit before Tax	1,419	1,410	1,989	1,997	2,135	2,553	2,679	2,787	6,815	10,154
Tax Provisions	445	512	703	695	715	855	897	934	2,354	3,402
Net Profit	973	899	1,287	1,301	1,420	1,698	1,781	1,853	4,461	6,752
% Change (Y-o-Y)	61.4	34.3	58.8	54.6	45.9	88.9	38.4	42.4	52.5	51.4
Operating Parameters										
NIM (Cal, %)	2.7	3.2	3.2	3.3	3.3	3.2	3.1	3.1	3.0	3.2
Deposit Growth (%)		37.8	43.9	42.1	44.8	43.0	45.2	32.0	32.0	40.0
Loan Growth (%)		44.0	46.3	38.7	42.8	38.1	38.6	35.0	35.0	35.0
Tax Rate (%)	31.4	36.3	35.3	34.8					34.5	33.5
Asset Quality										
Gross NPA (INR b)	2.5	2.7	2.9	3.6	4.2	4.8	5.1	5.4	3.6	5.4
Gross NPA (%)	1.1	1.1	1.1	1.2	1.3	1.4	1.4	1.4	1.2	1.4



Reliance Industries

Bloomberg	RIL IN
Equity Shares (m)	3240.0
M. Cap. (INR b)/(USD b)	4610 / 71
52-Week Range (INR)	1465 / 932
1,6,12 Rel Perf. (%)	8 / 16 / 30

Financial snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Net Sales	2,420.3	3,190.8	3,740.1	3,677.1
EBITDA	432.6	510.2	538.8	522.3
Net Profit	314.3	359.8	386.1	399.2
EPS (INR)	106.6	122.1	131.0	135.4
EPS Gr. (%)	14.6	14.5	7.3	3.4
BV/Sh. (INR)	978.1	1,082.6	1,194.7	1,310.6
RoE (%)	11.9	11.8	11.5	10.8
RoCE (%)	9.1	10.1	10.2	9.6
Payout (%)	14.6	14.4	14.4	14.4

Valuations

P/E (x)	13.3	11.7	10.9	10.5
P/BV (x)	1.5	1.3	1.2	1.1
EV/EBITDA	12.0	8.7	7.1	6.6
EV/Sales (x)	2.1	1.4	1.0	0.9

CMP: INR1,423 TP: INR1,262 (-11%) Neutral

- n We expect RIL to report GRM of USD10/bbl v/s USD11.5/bbl in 4QFY17 and 1QFY17.
- n RIL is expected to report a decline in its GRM in the quarter, led by narrowing light-heavy differential and inventory losses. While we expect subdued profitability in the refining segment, petchem profitability is expected to increase YoY/QoQ, led by improved deltas and an increase in petchem volumes.
- n We expect RIL to report EBITDA of INR118.5b v/s INR112.8b in 4QFY17 and INR108.2b in 1QFY17.
- n We expect RIL to report standalone PAT of INR82.9b (+10% YoY and +2% QoQ).
- n RIL trades at 10.9x FY19E adjusted EPS of INR131. Its new refining/petchem projects are likely to add to earnings from 2HFY18/FY19, but the telecom business would be a drag on profitability. Maintain Neutral.

Key issues to watch for

- Ø GRM.
- Ø Petchem margins.
- Ø Progress on core expansions.
- Ø Update on telecom venture.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	534,960	595,770	618,060	671,460	574,944	853,386	877,941	884,481	2,420,250	3,190,752
YoY Change (%)	-18.7	-2.0	9.3	34.4	7.5	43.2	42.0	31.7	3.8	31.8
Total Expenditure	426,790	490,220	512,020	558,660	456,421	724,216	745,171	754,789	1,987,690	2,680,598
EBITDA	108,170	105,550	106,040	112,800	118,523	129,169	132,770	129,692	432,560	510,154
Margins (%)	20.2	17.7	17.2	16.8	20.6	15.1	15.1	14.7	17.9	16.0
Depreciation	19,500	20,290	20,770	24,090	27,456	27,456	27,456	27,456	84,650	109,824
Interest	9,240	6,330	9,310	2,350	9,355	9,355	9,355	9,355	27,230	37,418
Other Income	20,330	22,800	30,250	13,710	24,600	24,600	24,600	24,600	87,090	98,401
PBT	99,760	101,730	106,210	100,070	106,313	116,959	120,560	117,482	407,770	461,313
Tax	24,280	24,690	25,990	18,560	23,389	25,731	26,523	25,846	93,520	101,489
Rate (%)	24	24	24	19	22	22	22	22	23	22
Adj. PAT	75,480	77,040	80,220	81,510	82,924	91,228	94,037	91,636	314,250	359,825
YoY Change (%)	19.5	17.4	11.1	11.4	9.9	18.4	17.2	12.4	14.6	14.5
Margins (%)	14.1	12.9	13.0	12.1	14.4	10.7	10.7	10.4	13.0	11.3
Key Assumptions										
Refining throughput (mmt)	16.8	18.0	17.8	17.5	17.5	17.5	17.5	17.5	70.1	70.0
GRM (USD/bbl)	11.5	10.1	10.8	11.5	10.0	10.0	10.0	10.0	11.0	10.0
Petchem EBITDA/tonne (USD/MT)	303.8	314.4	329.4	326.2	350.0	300.0	300.0	280.0	318.5	307.5
Petchem volumes (mmt)	1.9	2.1	2.0	2.1	2.5	2.9	3.0	3.0	8.0	11.4

E: MOSL Estimates



Wipro

Bloomberg	WPRO IN
Equity Shares (m)	4925.5
M. Cap. (INR b)/(USD b)	1280 / 20
52-Week Range (INR)	289 / 205
1,6,12 Rel Perf. (%)	-6 / -8 / -22

Financial Snapshot (INR b)

Y/E Mar	2017	2018E	2019E	2020E
Sales	550.4	558.0	605.7	646.9
EBITDA	108.8	111.5	123.5	34.9
PAT	83.3	83.9	91.7	98.7
EPS (INR)	16.9	17.3	18.9	20.4
EPS Gr. (%)	-6.3	2.2	9.3	7.7
BV/Sh. (INR)	105.9	117.1	127.0	136.5
RoE (%)	16.9	15.4	15.5	15.5
RoCE (%)	13.6	12.7	13.6	14.1
Payout (%)	5.8	37.6	39.7	44.2

Valuations

P/E (x)	15.3	15.0	13.7	12.8
P/BV (x)	2.4	2.2	2.0	1.9
EV/EBITDA (x)	9.7	9.7	8.6	9.0
DW Yld (%)	0.4	2.5	2.9	3.5

CMP: INR259 TP: INR250 (-4%) Neutral

- In the previous quarter, Wipro had guided -2% to 0% QoQ CC growth for 1Q. The weak guidance reflected the pressure in Healthcare vertical and sluggishness in Communications and Retail.
- We expect organic growth to be at the mid-point of the guided range at -1%. A cross-currency tailwind of 110bp would lead to USD revenue growth of 0.1% QoQ.
- We expect EBIT margin in IT Services to decline by 110bp because of the organic revenue decline, partial wage hikes and INR appreciation.
- We expect overall EBIT margin to decline by 40bp, led by improved profitability in the Products business.
- Our PAT estimate is INR18.6b, -4% QoQ on account of the revenue decline and dip in profitability.
- The stock trades at 15x FY18E and 13.7x FY19E earnings. Neutral.

Key issues to watch for

- Revenue growth guidance for 2QFY18.
- Commentary on Healthcare, Communications and Retail verticals.
- Commentary on large deal wins and ramp-up schedule.

Quarterly Performance (IFRS)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	1,931	1,916	1,903	1,955	1,956	1,992	2,032	2,070	7,705	8,050
QoQ (%)	2.6	-0.8	-0.7	2.7	0.1	1.8	2.0	1.9	4.9	4.5
Revenue (INR m)	135,992	137,657	136,878	139,875	134,062	137,700	141,506	144,683	550,402	557,951
QoQ (%)	-0.2	1.2	-0.6	2.2	-4.2	2.7	2.8	2.2		
YoY (%)	11.1	10.0	6.4	2.6	-1.4	0.0	3.4	3.4	7.4	1.4
GPM (%)	29.1	28.9	29.4	28.0	28.4	28.0	28.5	28.8	28.9	28.4
SGA (%)	13.0	13.2	13.0	11.9	12.7	12.3	12.3	12.3	12.8	12.4
IT Serv. EBIT (%)	17.8	17.8	18.3	17.7	16.6	16.7	17.2	17.6	17.9	17.0
EBIT Margin (%)	16.1	15.8	16.4	16.1	15.7	15.7	16.1	16.5	16.1	16.0
Other income	4,848	4,958	5,120	5,328	3,189	5,721	5,759	5,258	20,254	19,927
ETR (%)	22.9	22.2	23.3	24.2	23.0	23.0	23.0	23.0	23.2	23.0
PAT	20,518	20,672	21,094	19,340	18,566	20,986	21,957	22,343	83,326	83,853
QoQ (%)	-8.2	0.8	2.0	-8.3	-4.0	13.0	4.6	1.8		
YoY (%)	-6.2	-7.5	-5.6	-13.5	-9.5	1.5	4.1	15.5	-6.3	0.6
EPS (INR)	4.2	4.3	4.4	4.0	3.8	4.3	4.5	4.6	16.9	17.3
Headcount	173,863	174,238	179,129	181,482	180,197	184,062	187,947	191,582	181,482	191,582
Util excl. trainees (%)	79.7	82.8	81.9	84.8	82.0	82.0	82.0	82.0	77.4	77.3
Attrition (%)	16.5	16.6	16.3	16.3						
Offshore rev. (%)	45.6	46.1	46.5	47.2	46.8	46.5	46.5	46.5	46.4	46.5
Fixed Price (%)	56	56.4	57.7	58.3						

E: MOSL Estimates



Zensar Technologies

Bloomberg	ZENT IN
Equity Shares (m)	45.4
M. Cap. (INR b)/(USD b)	37 / 1
52-Week Range (INR)	1136 / 802
1,6,12 Rel Perf. (%)	-7 / -32 / -37

Financial Snapshot (INR b)

y/e mar	2017	2018E	2019E	2020E
Sales	30.8	32.3	37.3	42.1
EBITDA	3.9	4.1	5.0	5.5
PAT	2.5	2.8	3.3	3.6
EPS (INR)	54.9	62.0	74.2	80.7
EPS Gr. (%)	-19.9	12.8	19.7	8.7
BV/Sh. (INR)	356.9	403.7	461.7	524.5
RoE (%)	16.3	16.3	17.1	16.4
RoCE (%)	22.3	20.6	22.5	21.8
Payout (%)	21.8	20.9	18.6	18.9

Valuations

P/E (x)	14.7	13.0	10.8	10.0
P/BV (x)	2.3	2.0	1.7	1.5
EV/EBITDA (x)	8.4	7.9	6.2	5.2
Div Yld (%)	1.5	1.6	1.7	1.9

CMP: INR 805 TP: INR1,020 (27%) Buy

- We expect revenue of USD118m, representing growth of 5.9% QoQ. This would translate into 5.3% QoQ CC growth, a cross-currency tailwind of 60bp for ZENT.
- 4QFY17 revenue had declined by 4.9% QoQ, as implementation of Products got deferred. Our growth expectations for 1Q are supported by two months' incremental revenue from Foolproof (1.2pp), and three months integration of Keystone (2.7pp) and 1.4pp organic growth.
- We expect EBITDA margin to expand by 250bp QoQ to 11.8%, led by the absence of some one-off expenses from 4Q, ceasing of the revenue decline, and integration of high-margin Keystone.
- Our PAT estimate is INR558m, +157% QoQ on account of the sharp profitability improvement and higher other income.
- The stock trades at 13x FY18E and 10.8x FY19E earnings. Buy.

Key issues to watch for

- ⊗ Traction in Digital, large deals and other new initiatives.
- ⊗ Margin outlook, given the shock in 4Q.
- ⊗ Progress on restructuring.

Quarterly Performance (IFRS)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	114	116	118	112	118	123	125	129	459	496
QoQ (%)	3.1	1.8	1.3	-4.9	5.9	3.9	1.9	2.9	1.4	7.9
Revenue (INR m)	7,624	7,767	7,922	7,492	7,610	7,994	8,209	8,515	30,805	32,327
YoY (%)	8.2	2.7	4.7	0.4	-0.2	2.9	3.6	13.6	3.9	4.9
GPM (%)	29.1	29.7	30.0	28.0	28.8	27.6	27.6	29.1	29.2	28.3
SGA (%)	15.3	15.6	16.2	18.7	17.0	15.5	15.0	15.2	16.4	15.6
EBITDA	1,053	1,092	1,090	697	896	969	1,031	1,184	3,932	4,079
EBITDA Margin (%)	13.8	14.1	13.8	9.3	11.8	12.1	12.6	13.9	12.8	12.6
EBIT Margin (%)	12.5	12.5	12.4	7.7	10.4	10.7	11.2	12.5	11.3	11.2
Other income	169	37	183	-236	28	159	124	114	153	425
ETR (%)	30.5	28.2	29.1	28.9	29.0	29.0	29.0	29.0	29.3	29.0
PAT	763	687	811	217	558	701	718	818	2,478	2,795
QoQ (%)	8.5	-10.0	18.1	-73.3	157.2	25.5	2.5	13.9		
YoY (%)	0.1	-24.8	13.4	-69.1	-26.8	2.0	-11.5	277.1	-19.9	12.8
EPS (INR)	16.9	15.2	18.0	4.8	12.4	15.5	15.9	18.1	54.9	62.0
Headcount	8,238	8,316	8,564	8,524	8,724	8,964	9,214	9,264	8,524	9,264
Utilization (%)	79.8	80.1	79.5	79.2	81.0	82.0	80.5	81.0	79.7	81.1
Offshore rev. (%)	31.2	33.8	33.5	34.5	34.2	34.5	33.8	33.7	33.2	34.0

E: MOSL Estimates



1. Expect sales to improve from festive month of September: Eicher Motors; Vinod Aggarwal, MD & CEO-VECV

- n Benefits of effect rate post GST were passed on to the consumers to the tune of 1.5 to 5 percent on all the models. Prior to GST the effective rates were from 26 to 31 percent
- n The company also has some benefits on input purchase prices
- n Industry in the last 9-12 months has gone through many challenges be it demonetisation, move from BS III to BS IV, then GST. So, the sales are expected to go up from the festive month of September. July and August volumes could remain muted and not negative said. The CV sales for the company in the month of June dropped 20 percent.

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2. Intention is to get done with IPO process at the earliest: HDFC Life; Amitabh Chaudhry, MD & CEO

- n Intention is to get done with all the process for IPO at the earliest
- n On merger front, there are several issues to be resolved to get the Max Life merger done.
- n There is no concrete structure for merger as of now.
- n Merger is of strategic value to both Max Life and HDFC Life

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3. Targeting \$50 m from online biz in next 3-5 years; GST impact neutral: BATA; Rajeev Gopalakrishnan, MD & CEO

- n GST in terms of profitability is neutral for them but since the tax for products below Rs 500 is 5 percent, they could look at expanding more into the tier-2, tier-3 markets more on the wholesale and franchise route.
- n Products less than Rs 500 contribute about 35 percent to their overall revenues
- n Focus on premiumisation would continue but would also continue having balance between volumes as well as turnover and would look at expanding in smaller cities for sub-Rs 500 products
- n Targeting a double-digit SSSG going forward. However, for FY18, it would be around 7-8 percent
- n Would look at opening 100-110 new stores in FY18, of which 58 stores have already opened
- n Online business started 2-3 years back is growing at over 70 percent compared to last year. This year they are targeting for USD 20 million business from last year's USD 10 million.

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4. AIM to bring down cost to income ratio to 55% by march 2019: DCB Bank; Murali M Natrajan, MD & CEO

- n Aim is to bring down the cost to income ratio to 55 percent by March 2019 as guided two years ago aided by all the new branches. The new branches usually breakeven by 18-22 months
- n Would look to keep GNPA's below 2 percent and NNPA's below 1 percent and keep slippage ratio at around 2 percent going forward
- n Does expect to maintain NIM's at 4.2 percent levels seen in Q1 but would be comfortable with 3.73-3.75 percent levels

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1. Essar resolution: Selective speed in judicial working not doable

- n The Gujarat High Court has dismissed a plea by Essar Steel that had contested bankruptcy proceeding against it. This does not mean swift resolution of Essar Steel. The high court has, on the one hand, deemed it fit for the National Company Law Tribunal (NCLT) to decide on the merit of the bankruptcy petition filed by Essar's lenders, and, on the other, based its decision to allow the bankruptcy petition to proceed to its adjudicating authority, the NCLT, only because Essar's petition did not challenge the validity of the bankruptcy code itself. What this means is that Essar could well make good that deficit and decide to challenge the bankruptcy code's legal validity, potentially delaying the resolution process till a decision on that challenge is forthcoming.

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2. The joy of rowing downstream

- n Newton's second law of motion, that force is mass times acceleration, is easy to intuitively understand. Imagine a large wrecking ball accelerating towards a concrete wall, the outcome is force. No, this is not a physics lecture but a framework to think about growth investing. At \$2.3 trillion of nominal gross domestic product (GDP), India is the seventh-largest economy in the world and with an average nominal GDP growth of 11.7% over last five years, it's easily the fastest growing. This is the Newtonian winning combination of size (mass) and growth (acceleration). Over the past 14 years, there hasn't been a single year when India did not grow in double digits in nominal terms and this ability to skirt big booms and busts despite high levels of growth should make it a top destination for any growth investor.

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3. Saving capitalism from capitalists? try harder, RBI

- n Although Raghuram Rajan co-wrote the influential 2003 book, Saving Capitalism From the Capitalists, it has fallen upon his successor at the Reserve Bank of India (RBI) to actually attempt such a thing. By the looks of it, Urjit Patel has a hard slog ahead. For now, the governor of India's central bank can breathe a sigh of relief. His most audacious plan yet for cleaning up a \$191 billion bad-debt mess jumped over a crucial legal hurdle on Monday. Yet the judgment of the Gujarat high court in Essar Steel India Ltd versus the RBI is so unflattering to the banking regulator—and so portentous of the looming battle with business families—that Patel might wonder if the victory is worth celebrating.

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4. Jobless growth? Even if labour data is wrong, it cannot hide the fact that Indian economy is now more capital intensive

n In recent weeks, there have been several news reports on efforts by NITI Aayog to de-bunk the generally accepted narrative that in recent years, India has seen 'jobless growth'. The logic for questioning the jobs data is that such a high growth rate could not be achieved on the back of productivity improvements alone and, hence, there must be a significant net increase in the labour force. To bolster this argument, the credibility of official employment data has been called into question. The establishment survey by the Labour Bureau has been faulted as it is limited to entities which employ greater than 10 employees, which account for less than 10% of the workforce. The NSSO data is hailed as more reliable, however, not frequent enough, and misleading in its definitions across metrics. Plans are being put into place to revamp the methodology of data collection to get more reliable estimates of 'true' job creation, including in the informal sectors.

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International

5. The democratic case for stopping BREXIT

n The campaign to stop Brexit is gathering pace. The most obvious sign is the increasing chatter about a second referendum. At the moment it is still mainly former politicians, such as Tony Blair and Nick Clegg, who are explicit about their desire to prevent the UK leaving the EU. Active politicians tend to talk about a "soft Brexit". For some, this is simply a convenient code, or a staging post, for their real goal — stopping Brexit altogether. The reasons that Remainer politicians are still so cautious about explicitly rejecting Brexit is that they are worried about sounding undemocratic. As the evidence mounts that Brexit is going to be bad news for the economy, so Leavers are increasingly falling back on one main argument: "the people have spoken". Whatever the economic costs may be, Brexit must roll forward. Anything less would be an insult to democracy. This argument is sometimes accompanied by dire predictions of social turmoil if the will of the people is thwarted by "the establishment".

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Automobiles														
Amara Raja	Buy	835	1,073	28	28.0	33.8	40.5	29.8	24.7	5.5	4.7	20.3	20.4	20.7
Ashok Ley.	Buy	107	122	14	4.6	5.5	7.1	23.3	19.4	5.1	4.4	23.3	24.5	27.1
Bajaj Auto	Buy	2,825	3,359	19	132.3	143.5	167.9	21.4	19.7	4.8	4.3	25.3	23.1	24.4
Bharat Forge	Buy	1,148	1,330	16	26.2	37.7	49.7	43.9	30.5	6.5	5.6	16.2	19.8	22.3
Bosch	Neutral	24,366	23,738	-3	473.1	649.9	766.2	51.5	37.5	8.5	7.5	15.8	21.1	21.9
CEAT	Buy	1,852	2,100	13	93.3	96.2	131.3	19.8	19.3	3.1	2.7	16.9	15.1	17.8
Eicher Mot.	Buy	29,181	31,326	7	613.8	861.2	1,102.9	47.5	33.9	16.5	11.9	40.3	40.8	38.0
Endurance Tech.	Buy	881	1,025	16	23.5	30.5	38.8	37.5	28.9	7.2	5.9	20.8	22.4	23.6
Escorts	Neutral	653	731	12	20.0	36.9	45.7	32.7	17.7	3.3	2.8	10.6	17.3	18.3
Exide Ind	Buy	218	286	31	8.2	9.7	11.9	26.7	22.6	3.7	3.3	14.0	14.8	15.9
Hero Moto	Neutral	3,766	3,666	-3	169.1	198.2	198.7	22.3	19.0	7.4	6.3	35.7	36.0	31.0
M&M	Buy	1,383	1,586	15	54.3	66.7	79.9	25.5	20.7	3.2	2.9	14.2	14.1	14.6
Mahindra CIE	Not Rated	249	-		5.4	9.9	11.8	46.5	25.3	2.9	2.6	6.4	10.8	11.5
Maruti Suzuki	Buy	7,561	8,483	12	248.6	292.6	379.7	30.4	25.8	6.3	5.5	20.3	20.8	22.8
Tata Motors	Buy	461	666	45	19.8	30.9	64.3	23.2	14.9	2.7	2.3	9.8	16.5	27.3
TVS Motor	Buy	574	606	6	11.7	16.3	25.9	48.8	35.2	11.3	9.1	25.6	28.6	35.2
Aggregate								28.7	22.3	4.9	4.2	17.1	19.0	22.6
Banks - Private														
Axis Bank	Neutral	520	500	-4	15.4	23.8	40.3	33.9	21.9	2.3	2.1	6.9	10.1	15.4
DCB Bank	Neutral	194	192	-1	7.0	8.4	10.4	27.7	23.1	2.8	2.3	10.8	11.4	11.8
Equitas Hold.	Buy	170	207	22	4.7	4.8	7.4	36.0	35.2	2.6	2.4	8.9	7.1	10.1
Federal Bank	Buy	115	134	16	4.8	5.5	6.8	23.9	21.1	2.3	1.9	9.9	10.2	10.5
HDFC Bank	Buy	1,693	1,885	11	56.8	67.1	79.4	29.8	25.2	4.9	4.4	17.9	18.2	19.0
ICICI Bank	Buy	302	340	13	15.3	15.6	17.9	19.7	19.3	2.2	2.1	10.2	9.4	10.1
IDFC Bank	Neutral	62	62	0	3.0	3.5	4.2	20.7	17.7	1.4	1.4	7.2	7.9	8.8
IndusInd	Buy	1,576	1,800	14	47.9	61.9	76.8	32.9	25.5	4.8	4.1	15.4	17.3	18.5
J&K Bank	Neutral	87	89	2	-31.3	4.4	8.0	NM	19.8	0.8	0.8	-27.0	4.0	7.0
Kotak Mah. Bk	Buy	995	1,146	15	26.8	32.2	40.4	37.1	30.9	4.8	4.3	13.8	14.9	16.1
RBL Bank	Under Review	538	-		11.9	18.0	24.2	45.3	29.9	4.7	4.2	12.3	14.9	17.5
South Indian	Buy	29	34	19	2.2	2.9	3.7	13.1	10.0	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,563	2,121	36	73.0	90.7	114.6	21.4	17.2	3.3	2.9	18.9	18.0	19.5
Aggregate								28.9	23.0	3.3	2.9	11.4	12.8	14.4
Banks - PSU														
BOB	Buy	164	212	29	6.0	18.4	22.5	27.5	8.9	1.1	1.0	4.1	11.9	13.2
BOI	Neutral	156	147	-6	-14.8	13.7	22.0	NM	11.4	0.7	0.7	-6.7	6.1	9.0
Canara	Neutral	371	362	-2	18.8	36.2	49.2	19.8	10.3	0.8	0.7	4.2	7.5	9.4
IDBI Bk	Neutral	58	49	-15	1.5	6.4	8.6	37.9	9.0	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	330	357	8	29.3	33.2	38.0	11.3	9.9	1.1	1.0	10.1	10.6	11.1
OBC	Neutral	150	150	0	-31.6	17.1	21.4	NM	8.8	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	158	184	16	6.2	10.3	14.5	25.4	15.4	0.9	0.8	3.6	5.6	7.5
SBI	Buy	293	362	23	0.3	17.9	23.3	985.7	16.4	1.4	1.3	-0.2	8.7	10.0
Union Bk	Neutral	156	162	4	7.6	24.6	34.5	20.4	6.4	0.5	0.5	2.7	8.1	10.5
Aggregate								107.7	12.9	0.9	0.9	0.9	6.7	8.3
NBFCs														
Bajaj Fin.	Buy	1,543	1,600	4	33.6	48.3	64.4	45.9	32.0	8.8	7.1	21.7	24.6	26.4
Bharat Fin.	Neutral	773	800	3	21.0	41.3	53.0	36.8	18.7	4.4	3.5	15.1	20.9	21.6
Cholaman.Inv.&Fn	Buy	1,149	1,300	13	46.0	55.0	66.4	25.0	20.9	4.2	3.6	18.1	18.5	18.9
Dewan Hsg.	Buy	469	530	13	29.6	37.0	45.4	15.8	12.7	1.9	1.7	14.4	13.9	15.3
GRUH Fin.	Neutral	489	450	-8	8.1	9.9	12.1	60.1	49.1	18.0	14.7	32.5	33.0	32.8
HDFC	Under Review	1,655	-		46.8	50.7	55.9	35.3	32.7	6.5	5.9	19.3	18.3	17.4
Indiabulls Hsg	Buy	1,150	1,300	13	69.0	88.9	113.9	16.7	12.9	4.0	3.5	25.5	29.0	32.7
LIC Hsg Fin	Neutral	751	750	0	38.2	47.9	53.8	19.6	15.7	3.5	3.0	19.4	20.6	19.7
Manappuram	Not Rated	101	-		8.6	10.8	12.5	11.7	9.4	2.6	2.3	24.0	25.9	26.9
M&M Fin.	Buy	357	415	16	7.1	13.6	16.4	50.4	26.3	3.1	2.9	6.3	11.4	12.8

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Muthoot Fin	Buy	471	550	17	29.5	41.0	43.3	15.9	11.5	2.9	2.5	19.4	23.2	21.4
PFC	Neutral	123	117	-5	25.7	27.2	30.2	4.8	4.5	0.8	0.7	17.9	17.0	16.8
Repco Home	Buy	813	936	15	29.1	35.8	42.5	27.9	22.7	4.5	3.8	17.4	18.1	18.2
REC	Neutral	182	134	-26	31.4	35.0	40.4	5.8	5.2	1.1	0.9	19.9	19.1	19.1
Shriram Union	City Buy	2,321	2,900	25	84.3	132.8	171.2	27.5	17.5	3.0	2.7	11.7	16.2	18.1
STF	Buy	971	1,340	38	55.6	78.5	98.5	17.5	12.4	1.9	1.7	11.7	14.7	16.3
Aggregate								19.2	16.1	3.3	2.9	17.2	18.0	18.1
Capital Goods														
ABB	Sell	1,453	1,200	-17	19.7	25.1	32.2	73.7	58.0	9.4	8.1	12.7	13.9	15.8
Bharat Elec.	Buy	174	200	15	6.9	7.2	8.1	25.1	24.2	5.2	4.0	20.6	16.5	16.8
BHEL	Sell	145	100	-31	2.1	3.6	4.7	67.6	40.8	1.1	1.1	1.6	2.7	3.4
Blue Star	Neutral	662	610	-8	12.9	17.8	26.6	51.4	37.2	8.4	7.9	18.0	21.7	30.1
CG Cons. Elec.	Buy	204	240	17	4.7	5.5	6.6	43.7	37.3	23.8	17.2	76.4	53.4	49.8
CG Power & Indu.	Sell	85	65	-24	4.1	2.3	4.5	20.7	37.2	1.3	1.2	6.2	3.4	4.2
Cummins	Buy	966	1,110	15	26.5	29.2	36.0	36.5	33.1	7.2	6.6	21.2	20.7	23.5
GE T&D	Neutral	320	320	0	5.7	6.2	7.6	55.8	51.5	7.9	7.2	12.4	14.7	16.4
Havells	Neutral	467	480	3	9.6	11.7	14.2	48.9	40.0	8.9	7.9	18.2	19.8	21.1
K E C Intl	Neutral	311	250	-20	11.9	12.8	16.4	26.3	24.3	5.0	4.3	21.2	19.2	20.9
L&T	Buy	1,181	1,340	13	42.3	47.1	54.0	27.9	25.1	3.3	3.1	12.2	12.6	13.4
Pennar Eng.	Not Rated	126	-	-	7.1	9.1	11.2	17.8	13.9	1.8	1.6	10.2	11.6	12.6
Siemens	Neutral	1,353	1,355	0	17.8	24.3	33.3	76.0	55.7	7.1	6.1	9.3	11.0	13.7
Solar Ind	Neutral	870	825	-5	20.6	22.6	28.2	42.2	38.4	7.7	6.7	19.8	18.6	19.9
Suzlon Energy	Not Rated	19	-	-	0.6	0.9	1.0	29.2	21.0	-1.7	-1.8	NM	-8.8	-11.0
Thermax	Sell	917	850	-7	30.8	32.7	34.0	29.7	28.1	4.1	3.7	14.3	13.7	12.9
Va Tech Wab.	Buy	670	800	19	28.9	34.9	39.8	23.1	19.2	3.7	3.2	16.3	17.7	17.5
Voltas	Sell	494	400	-19	15.5	15.6	17.6	31.9	31.7	4.9	4.4	18.0	14.7	14.9
Aggregate								35.1	30.7	3.9	3.6	11.2	11.7	12.8
Cement														
Ambuja Cem.	Buy	264	291	10	4.9	7.3	8.2	54.0	36.4	2.7	2.6	5.1	7.3	7.8
ACC	Neutral	1,733	1,622	-6	36.1	49.8	65.0	48.0	34.8	3.8	3.6	7.9	10.6	13.1
Birla Corp.	Buy	934	1,205	29	29.4	40.9	58.9	31.8	22.8	2.2	2.0	7.5	9.2	12.2
Dalmia Bharat	Buy	2,729	3,162	16	38.8	66.7	87.1	70.4	40.9	4.9	4.4	7.2	11.3	13.1
Grasim Inds.	Neutral	1,050	1,384	32	67.9	71.2	102.6	15.5	14.7	1.7	1.5	11.5	10.9	13.9
India Cem	Neutral	209	219	5	5.6	9.3	12.9	37.2	22.4	1.3	1.2	3.4	5.5	7.2
J K Cements	Buy	977	1,287	32	33.7	40.4	53.5	29.0	24.2	3.9	3.4	14.4	15.0	17.2
JK Lakshmi Ce	Buy	469	553	18	7.0	11.4	19.2	67.4	41.2	3.9	3.6	6.0	9.2	13.8
Ramco Cem	Buy	697	823	18	27.3	31.1	37.5	25.6	22.4	4.5	3.9	19.2	18.6	19.1
Orient Cem	Buy	159	178	12	-1.6	4.6	7.0	NM	34.5	3.3	3.1	-3.2	9.2	12.6
Prism Cem	Buy	123	145	18	0.3	3.7	5.6	354.5	33.3	6.2	5.3	1.8	17.2	22.0
Shree Cem	Buy	18,251	21,052	15	384.4	454.7	575.2	47.5	40.1	9.0	7.5	20.2	20.4	21.3
Ultratech	Buy	4,207	4,936	17	96.1	95.8	143.1	43.8	43.9	4.8	4.5	11.6	10.5	14.4
Aggregate								38.6	32.3	3.7	3.4	9.7	10.6	13.0
Consumer														
Asian Paints	Neutral	1,156	1,240	7	21.0	23.1	27.4	55.0	50.0	14.6	14.0	28.5	28.6	30.6
Britannia	Buy	3,808	4,450	17	73.7	85.5	105.4	51.7	44.5	16.9	15.6	36.9	36.5	38.3
Colgate	Buy	1,071	1,335	25	21.2	25.7	31.1	50.5	41.8	22.9	21.6	50.4	53.2	60.3
Dabur	Neutral	307	315	3	7.2	7.7	9.1	42.3	39.7	11.1	9.6	28.4	26.0	26.3
Emami	Buy	1,070	1,265	18	26.5	28.3	33.9	40.4	37.9	13.8	11.6	35.8	33.4	34.1
Godrej Cons.	Neutral	960	930	-3	18.9	21.8	25.0	50.8	44.0	12.3	9.6	24.6	24.5	23.0
GSK Cons.	Sell	5,466	4,500	-18	156.1	166.3	181.9	35.0	32.9	7.4	7.2	22.2	22.1	22.4
HUL	Buy	1,153	1,285	11	19.6	22.9	27.3	58.7	50.3	37.4	36.1	65.6	73.1	82.8
ITC	Neutral	292	280	-4	8.4	9.3	10.3	34.7	31.4	7.8	7.8	23.5	24.8	26.3
Jyothy Lab	Neutral	365	405	11	11.2	8.9	11.0	32.5	40.8	6.1	6.2	21.1	15.1	18.4
Marico	Neutral	331	360	9	6.3	6.9	8.4	52.6	47.6	18.3	15.7	36.7	35.5	38.1

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Nestle	Sell	6,935	5,990	-14	118.0	118.6	139.5	58.8	58.5	22.2	20.4	39.0	36.4	39.0
Page Inds	Buy	16,887	20,195	20	238.7	317.0	400.0	70.7	53.3	28.3	22.4	40.0	42.0	42.8
Parag Milk	Neutral	245	240	-2	3.6	7.4	12.3	68.1	33.0	3.1	2.9	5.9	9.1	13.4
Pidilite Ind.	Neutral	799	835	4	16.7	18.4	21.2	47.8	43.3	12.4	10.1	28.2	25.6	24.0
P&G Hygiene	Buy	8,126	9,082	12	144.9	155.8	181.6	56.1	52.1	46.3	37.0	45.3	78.9	74.0
Prabhat Dairy	Not Rated	137	-		3.5	3.5	6.4	38.9	39.5	1.9	1.9	5.2	4.9	8.5
United Brew	Neutral	834	850	2	8.7	9.7	14.7	95.9	86.0	9.6	8.8	10.4	10.7	14.6
United Spirits	Neutral	2,734	2,415	-12	26.7	37.4	51.8	102.3	73.2	20.5	14.1	21.3	19.3	19.7
Aggregate								46.3	41.4	12.8	11.9	27.6	28.7	29.6
Healthcare														
Alembic Phar	Neutral	543	640	18	21.6	24.9	30.5	25.2	21.8	5.4	4.5	23.0	22.6	23.1
Alkem Lab	Neutral	1,783	1,900	7	75.7	79.7	95.0	23.6	22.4	5.0	4.3	23.4	20.7	21.0
Ajanta Pharma	Buy	1,462	2,028	39	58.4	66.1	79.6	25.0	22.1	8.2	6.3	37.7	32.2	29.9
Aurobindo	Buy	767	750	-2	39.3	44.1	50.2	19.5	17.4	4.9	3.9	28.3	24.8	22.5
Biocon	Sell	417	300	-28	10.2	10.4	14.4	40.9	40.2	5.6	5.1	13.6	12.6	15.6
Cadila	Buy	544	510	-6	14.2	17.8	23.2	38.3	30.6	8.7	7.2	24.8	25.7	27.2
Cipla	Neutral	568	500	-12	15.9	20.0	25.0	35.7	28.5	3.6	3.3	10.2	11.5	12.8
Divis Lab	Neutral	755	600	-21	39.7	35.4	39.8	19.0	21.3	4.3	3.9	23.5	19.0	19.2
Dr Reddy's	Neutral	2,770	2,600	-6	72.6	106.2	143.0	38.2	26.1	3.7	3.1	9.6	13.2	14.9
Fortis Health	Buy	151	240	59	10.3	2.1	6.1	14.6	71.4	1.6	1.4	11.3	2.0	5.3
Glenmark	Neutral	708	800	13	39.3	42.9	51.7	18.0	16.5	4.4	3.6	24.7	21.6	20.9
Granules	Buy	145	200	38	7.2	8.2	11.5	20.0	17.7	3.7	2.5	21.1	17.7	18.8
GSK Pharma	Neutral	2,555	2,700	6	34.4	51.9	60.1	74.3	49.2	16.0	19.5	21.5	39.7	54.4
IPCA Labs	Neutral	480	480	0	16.1	21.3	28.5	29.9	22.5	2.5	2.3	8.6	10.5	12.7
Jubilant Life	Buy	722	905	25	37.0	47.1	56.7	19.5	15.3	3.3	2.7	18.1	19.5	19.6
Lupin	Buy	1,172	1,475	26	59.2	57.9	72.0	19.8	20.3	4.0	3.4	22.0	18.2	19.4
Sanofi India	Buy	4,209	4,850	15	129.1	142.7	173.2	32.6	29.5	5.6	5.2	17.1	17.5	19.1
Sun Pharma	Buy	588	650	10	26.1	25.2	30.8	22.5	23.3	3.9	3.7	18.5	16.1	17.9
Syngene Intl	Not Rated	493	-		13.0	16.1	18.0	37.9	30.6	7.7	6.3	22.2	22.5	20.7
Torrent Pharma	Buy	1,299	1,450	12	55.2	56.8	71.4	23.5	22.9	5.5	4.8	25.3	22.4	24.2
Aggregate								25.1	23.4	4.4	3.8	17.5	16.4	17.5
Logistics														
Allcargo Logistics	Buy	177	228	29	9.8	12.2	14.3	18.0	14.6	2.7	2.4	12.6	17.2	17.8
Blue Dart	Not Rated	4,568	-		102.5	129.9	163.2	44.5	35.2	19.8	15.1	50.5	48.6	46.8
Concor	Neutral	1,179	1,236	5	38.0	39.2	45.8	31.0	30.1	3.2	3.1	10.8	10.6	11.8
Gateway Distriparks	Buy	265	313	18	6.8	10.7	13.6	39.0	24.7	2.3	2.2	5.9	9.1	11.1
Gati	Not Rated	125	-		8.4	15.9	23.9	15.0	7.9	2.0	1.8	12.4	19.4	25.4
Transport Corp.	Not Rated	323	-		16.9	21.0	25.9	19.1	15.4	3.0	2.5	16.7	17.8	18.6
Aggregate								29.9	25.4	3.7	3.4	12.2	13.4	15.0
Media														
Dish TV	Buy	82	105	28	1.0	1.4	4.0	83.3	57.8	17.9	13.6	24.1	26.8	327.5
D B Corp	Buy	371	450	21	20.4	23.6	27.5	18.2	15.7	4.3	3.8	25.5	25.7	26.5
Den Net.	Neutral	78	90	15	-8.6	-2.7	0.3	NM	NM	1.4	1.6	-12.0	-5.3	0.7
Hind. Media	Buy	278	360	29	25.9	30.1	35.3	10.8	9.2	1.9	1.6	19.0	18.3	17.9
HT Media	Neutral	88	90	3	7.4	8.0	9.2	11.8	10.9	0.8	0.7	7.1	7.0	7.3
Jagran Prak.	Buy	171	225	32	10.8	12.3	14.0	15.8	13.9	2.3	2.3	17.6	16.4	17.2
PVR	Buy	1,389	1,588	14	20.5	28.9	45.1	67.6	48.0	6.7	5.9	10.4	13.2	17.7
Siti Net.	Neutral	26	32	22	-1.8	-0.1	0.5	NM	NM	3.6	3.7	-23.5	-2.0	6.9
Sun TV	Neutral	836	860	3	24.9	28.5	35.9	33.6	29.3	8.4	7.7	25.0	26.3	30.2
Zee Ent.	Buy	543	585	8	23.1	15.6	18.6	23.5	34.9	9.0	7.6	24.7	23.6	23.7
Aggregate								40.0	29.9	5.9	5.3	14.7	17.8	22.7
Metals														
Hindalco	Buy	213	308	44	16.2	21.8	26.1	13.2	9.8	1.6	1.4	14.0	15.2	15.4
Hind. Zinc	Sell	280	246	-12	19.7	22.1	26.8	14.2	12.7	3.8	4.1	24.4	31.5	35.2

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
JSPL	Buy	143	190	33	-20.9	-17.2	2.4	NM	NM	0.4	0.5	-7.9	-5.4	0.8
JSW Steel	Buy	220	281	28	14.8	19.0	22.6	14.8	11.6	2.3	2.0	17.3	18.7	19.0
Nalco	Neutral	71	70	-2	3.7	3.8	4.2	19.3	19.0	1.3	1.3	7.2	7.0	7.5
NMDC	Buy	120	180	50	10.0	12.1	12.2	12.1	9.9	1.7	1.6	12.4	15.0	15.5
SAIL	Sell	64	37	-42	-6.2	-10.6	-4.2	NM	NM	0.7	0.8	-6.7	-12.6	-5.5
Vedanta	Buy	273	311	14	15.1	24.5	32.2	18.1	11.2	1.7	1.6	9.7	14.6	17.9
Tata Steel	Neutral	571	581	2	37.0	50.5	66.5	15.4	11.3	1.7	1.6	15.4	14.6	17.0
Aggregate								19.1	14.6	1.6	1.5	8.2	10.3	13.2
Oil & Gas														
BPCL	Neutral	470	511	9	48.3	36.7	43.5	9.7	12.8	3.0	2.6	32.4	21.7	22.3
GAIL	Sell	379	340	-10	22.6	26.3	29.8	16.8	14.4	1.7	1.6	9.6	11.3	11.8
Gujarat Gas	Sell	762	697	-8	20.4	33.7	46.5	37.3	22.6	6.4	5.2	17.8	25.3	28.0
Gujarat St. Pet.	Neutral	175	168	-4	8.8	11.0	13.1	19.8	15.8	2.2	2.0	11.6	13.1	14.0
HPCL	Buy	384	420	9	40.7	29.5	32.6	9.4	13.0	2.9	2.5	32.4	20.6	20.0
IOC	Neutral	375	459	22	43.0	36.0	40.0	8.7	10.4	1.7	1.6	21.2	15.8	15.8
IGL	Neutral	1,133	1,070	-6	42.5	46.8	51.9	26.6	24.2	5.4	4.6	21.0	20.6	19.6
MRPL	Neutral	131	113	-14	14.8	10.2	11.8	8.8	12.9	2.3	2.0	31.4	16.5	16.9
Oil India	Buy	283	305	8	19.3	27.9	30.1	14.7	10.2	0.8	0.7	5.7	7.5	7.8
ONGC	Buy	163	195	20	16.4	17.4	19.7	9.9	9.4	0.9	0.9	10.1	9.9	10.8
PLNG	Buy	206	259	26	11.4	8.6	17.6	18.1	24.0	3.8	3.4	23.2	15.1	26.4
Reliance Ind.	Neutral	1,534	1,262	-18	106.6	122.1	131.0	14.4	12.6	1.6	1.4	11.9	11.8	11.5
Aggregate								11.9	12.2	1.6	1.5	13.3	12.0	12.4
Retail														
Jubilant Food	Sell	1,290	850	-34	10.0	14.8	20.7	129.0	87.1	10.6	9.7	8.2	11.1	14.0
Titan Co.	Neutral	532	545	2	9.0	10.3	12.1	58.9	51.8	11.2	10.2	20.6	20.6	21.6
Aggregate								64.1	55.0	11.0	10.1	17.2	18.4	19.2
Technology														
Cyient	Buy	524	600	15	30.6	35.4	41.9	17.1	14.8	2.8	2.5	16.2	16.6	17.3
HCL Tech.	Buy	895	960	7	59.8	61.4	66.7	14.9	14.6	3.7	3.7	27.5	25.2	25.8
Hexaware	Neutral	247	235	-5	13.7	15.4	16.7	18.0	16.1	4.4	3.8	26.5	25.3	23.5
Infosys	Buy	980	1,200	22	62.9	63.7	69.5	15.6	15.4	3.2	2.9	22.0	20.0	19.8
KPIT Tech	Neutral	134	150	12	11.9	13.0	15.2	11.2	10.2	1.7	1.4	14.3	15.2	15.3
L&T Infotech	Buy	787	850	8	55.5	59.1	65.1	14.2	13.3	4.9	3.9	40.4	32.5	28.4
Mindtree	Neutral	507	475	-6	24.9	30.5	36.2	20.4	16.6	3.3	3.0	16.8	19.0	20.3
Mphasis	Neutral	574	600	5	38.9	42.3	46.2	14.7	13.5	2.0	2.3	13.2	14.2	16.1
NIIT Tech	Neutral	550	470	-15	42.8	41.0	47.3	12.9	13.4	2.0	1.8	16.1	14.3	15.2
Persistent Sys	Buy	662	740	12	37.7	43.9	52.3	17.6	15.1	2.7	2.6	17.0	18.1	20.8
Tata Elxsi	Buy	1,672	1,607	-4	56.3	68.0	80.4	29.7	24.6	9.3	7.5	37.1	33.7	32.3
TCS	Neutral	2,450	2,350	-4	133.4	133.6	147.7	18.4	18.3	5.5	5.9	32.6	31.1	33.5
Tech Mah	Buy	397	465	17	30.9	31.0	36.2	12.8	12.8	2.1	1.9	18.4	16.0	16.9
Wipro	Neutral	271	250	-8	16.9	17.3	18.9	16.0	15.7	2.6	2.3	16.9	15.4	15.5
Zensar Tech	Buy	795	1,020	28	54.9	62.0	74.2	14.5	12.8	2.2	2.0	16.3	16.3	17.1
Aggregate								16.5	16.4	3.8	3.7	22.9	22.4	22.2
Telecom														
Bharti Airtel	Buy	421	430	2	11.1	5.9	10.9	37.9	71.7	2.5	2.4	6.7	3.4	6.1
Bharti Infratel	Buy	415	440	6	14.9	17.2	19.3	27.9	24.2	5.0	4.3	16.2	19.1	18.7
Idea Cellular	Buy	95	110	16	-1.1	-9.7	-11.2	NM	NM	1.4	1.6	-1.6	-15.3	-20.8
Tata Comm	Buy	675	811	20	26.0	10.2	30.8	26.0	66.1	12.1	10.2	126.2	16.7	37.8
Aggregate								38.9	126.8	2.7	2.7	6.9	2.1	4.2
Utilities														
Coal India	Buy	255	315	24	14.9	17.6	18.6	17.1	14.5	6.5	6.4	37.8	44.5	47.0
CESC	Buy	903	1,140	26	51.9	78.6	86.0	17.4	11.5	1.8	1.6	10.5	14.4	13.9
JSW Energy	Buy	64	85	33	3.9	3.2	3.1	16.6	20.3	1.0	1.0	6.3	4.9	4.8
NTPC	Buy	167	198	18	13.0	13.4	16.2	12.9	12.5	1.4	1.3	11.5	10.9	12.3
Power Grid	Buy	219	242	11	14.2	17.6	20.6	15.3	12.4	2.3	2.0	16.2	17.5	17.8

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Tata Power	Sell	83	68	-18	5.2	6.4	6.7	16.1	13.0	1.9	1.7	11.2	13.9	12.1
Aggregate								14.8	13.0	2.3	2.1	15.2	16.1	16.8
Others														
Arvind	Neutral	380	359	-5	12.4	12.5	18.1	30.7	30.3	2.8	2.6	10.3	8.8	11.8
Avenue Supermarts	Neutral	911	804	-12	7.7	12.8	17.9	118.8	71.0	14.8	12.9	17.9	19.4	23.3
Bata India	Under Review	574	-		13.5	15.7	19.4	42.5	36.5	5.6	5.0	13.9	14.4	15.8
Castrol India	Buy	408	527	29	13.6	14.4	15.0	29.9	28.3	33.9	30.3	115.2	113.3	106.1
Century Ply.	Neutral	290	323	11	8.7	9.8	12.9	33.3	29.5	9.0	7.4	31.1	27.7	29.6
Coromandel Intl	Under Review	428	-		16.6	21.8	26.1	25.8	19.6	4.3	3.8	17.5	20.6	21.6
Delta Corp	Buy	166	215	30	3.1	5.7	7.2	54.2	29.2	4.2	2.8	8.1	12.1	11.5
Dynamatic Tech	Buy	2,450	3,334	36	67.6	112.9	166.7	36.2	21.7	5.0	4.1	15.1	20.7	24.3
Eveready Inds.	Buy	327	368	12	12.9	14.4	17.5	25.4	22.7	8.2	6.6	37.7	32.3	31.6
Interglobe	Neutral	1,259	1,283	2	46.0	57.9	91.6	27.3	21.7	22.5	20.2	86.2	98.0	136.2
Indo Count	Buy	162	200	24	13.0	13.2	15.4	12.4	12.3	3.8	2.8	34.8	26.4	23.5
Info Edge	Buy	1,030	1,050	2	15.7	20.3	22.9	65.7	50.9	6.3	5.8	10.2	11.9	12.3
Inox Leisure	Sell	267	240	-10	3.3	8.0	12.0	79.9	33.2	4.6	4.1	5.9	12.5	16.2
Jain Irrigation	Under Review	109	-		5.5	7.6	10.0	19.7	14.4	1.7	1.6	8.6	11.7	14.8
Just Dial	Neutral	354	465	31	17.5	18.5	21.1	20.3	19.2	2.7	2.4	14.8	13.4	13.7
Kaveri Seed	Buy	650	755	16	19.1	31.3	37.7	34.1	20.8	4.4	4.8	13.6	21.6	26.0
Kitex Garm.	Buy	271	394	45	18.6	22.1	26.2	14.6	12.2	3.9	3.2	29.8	28.6	27.6
Manpasand	Buy	743	927	25	12.7	20.3	30.9	58.5	36.7	3.7	3.4	7.3	8.5	13.5
MCX	Buy	1,106	1,300	18	24.8	28.0	42.2	44.6	39.5	4.2	3.9	10.2	10.2	14.5
Monsanto	Buy	2,750	3,295	20	86.2	105.1	126.7	31.9	26.2	9.0	8.1	31.6	32.5	34.5
Navneet Education	Buy	177	226	28	7.8	9.4	11.3	22.8	18.8	5.7	4.8	26.8	27.8	28.2
PI Inds.	Buy	781	952	22	33.4	33.4	38.1	23.4	23.4	6.6	5.4	32.8	25.4	23.8
Piramal Enterp.	Buy	2,955	3,044	3	72.6	104.1	144.6	40.7	28.4	3.8	3.5	9.8	13.0	16.4
SRF	Buy	1,530	1,816	19	85.9	86.3	109.2	17.8	17.7	2.8	2.5	16.6	14.7	16.7
S H Kelkar	Buy	263	287	9	7.2	8.6	10.3	36.3	30.6	4.7	4.2	13.7	14.5	15.6
Symphony	Sell	1,319	1,288	-2	23.7	35.1	42.9	55.7	37.6	20.7	18.2	43.3	51.6	54.5
TTK Prestige	Neutral	6,400	5,281	-17	132.1	137.8	176.1	48.5	46.4	8.7	8.0	19.5	18.0	20.7
V-Guard	Neutral	182	167	-8	3.6	4.5	6.0	50.9	40.6	12.1	9.9	27.4	26.9	28.8
Wonderla	Buy	356	393	10	7.0	11.9	16.0	51.0	29.8	4.7	4.2	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-1.0	-0.2	-4.1
Ashok Ley.	1.2	13.5	14.3
Bajaj Auto	0.0	-0.3	2.7
Bharat Forge	0.5	-2.8	54.4
Bosch	-0.1	-2.5	-0.2
CEAT	-0.5	-0.1	111.1
Eicher Mot.	2.1	2.5	48.2
Endurance Tech.	1.0	-5.3	
Escorts	-0.5	-7.8	173.3
Exide Ind	-1.4	-3.6	24.3
Hero Moto	-0.5	-1.6	16.6
M&M	0.2	-0.2	-4.9
Mahindra CIE	3.0	3.5	36.9
Maruti Suzuki	0.1	4.2	68.5
Tata Motors	1.0	1.8	-7.5
TVS Motor	0.4	4.1	90.9
Banks - Private			
Axis Bank	0.6	0.0	-7.8
DCB Bank	-1.5	-7.4	93.6
Equitas Hold.	1.7	9.5	-2.1
Federal Bank	1.8	-3.3	91.6
HDFC Bank	0.6	0.1	39.0
ICICI Bank	-0.2	3.6	23.4
IDFC Bank	0.1	8.4	22.2
IndusInd	0.2	4.3	42.4
J&K Bank	5.0	-7.3	28.3
Kotak Mah. Bk	1.8	0.5	27.9
RBL Bank	3.2	5.6	
South Indian	0.5	-3.9	47.1
Yes Bank	0.7	9.0	35.5
Banks - PSU			
BOB	0.5	-2.2	3.7
BOI	2.3	12.5	39.6
Canara	0.6	4.3	47.4
IDBI Bk	0.3	1.8	-20.8
Indian Bk	3.5	7.2	114.0
OBC	0.2	0.0	29.3
PNB	2.2	7.4	20.5
SBI	0.9	1.6	27.6
Union Bk	0.3	2.9	13.6
NBFCs			
Bajaj Fin.	2.0	10.3	78.4
Bharat Fin.	-1.7	9.3	-1.8
Cholaman.Inv.&Fn	2.7	5.5	18.5
Dewan Hsg.	2.0	2.2	116.4
GRUH Fin.	-0.7	11.3	65.0
HDFC	0.1	0.1	23.7
Indiabulls Hsg	0.7	1.8	61.5
LIC Hsg Fin	1.0	-3.0	47.8
Manappuram	-0.3	6.9	34.9
M&M Fin.	2.3	2.1	10.9
Muthoot Fin	0.5	2.4	71.1
PFC	0.4	-7.4	19.9
Repco Home	1.9	-8.5	2.6
REC	-0.8	-3.8	84.4
STF	0.7	-2.5	-19.4
Shriram City Union	0.1	-4.5	25.4

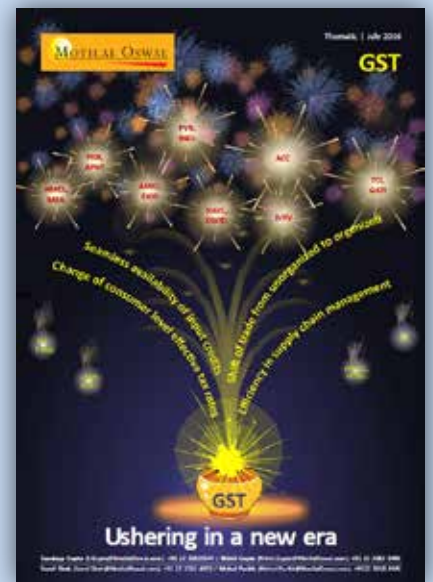
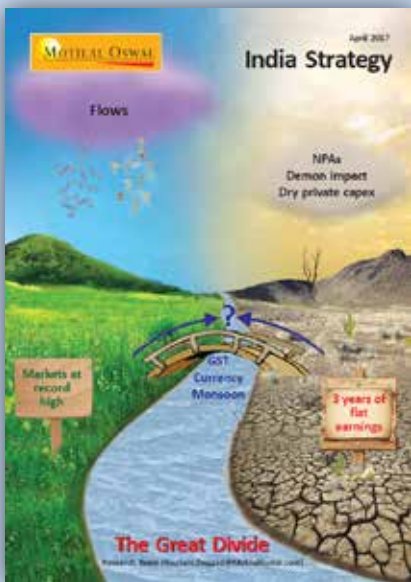
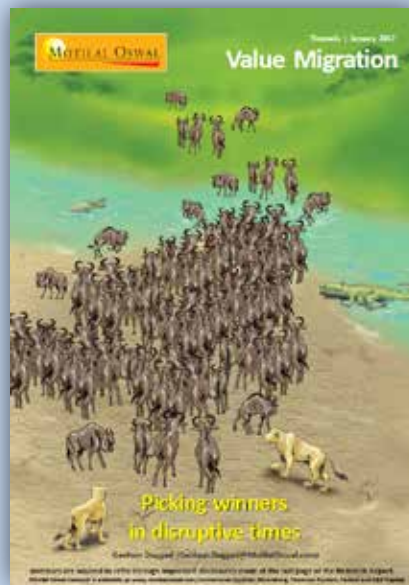
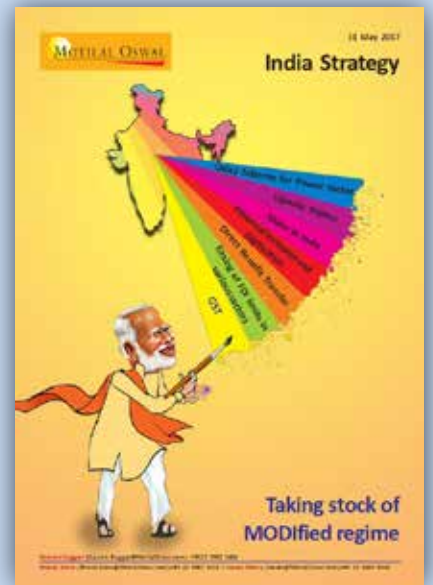
Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	2.0	-3.6	12.5
Bharat Elec.	0.0	3.0	40.2
BHEL	1.3	5.1	4.1
Blue Star	1.5	-0.4	55.8
CG Cons. Elec.	-1.8	-7.1	44.5
CG Power & Inds Sol.	0.1	0.3	19.7
Cummins	3.5	3.9	14.6
GE T&D	-1.3	-7.3	-11.5
Havells	2.1	-3.1	30.1
K E C Intl	5.3	23.6	122.7
L&T	0.2	1.0	12.6
Pennar Eng.	1.5	-8.8	-31.1
Siemens	0.5	2.9	3.7
Solar Ind	1.1	5.5	29.9
Suzlon Energy	1.1	-0.3	3.4
Thermax	2.2	-4.2	1.3
Va Tech Wab.	1.0	-8.1	14.4
Voltas	2.0	4.3	52.0
Cement			
Ambuja Cem.	-0.5	11.2	0.6
ACC	-1.5	5.6	8.1
Birla Corp.	0.0	2.5	77.0
Dalmia Bharat	-0.3	7.1	120.1
Grasim Inds.	-3.6	12.8	32.0
India Cem	-0.1	-5.5	87.3
J K Cements	0.1	-2.2	39.5
JK Lakshmi Ce	0.8	-5.1	14.1
Ramco Cem	0.1	-0.1	24.8
Orient Cem	0.3	6.3	-7.1
Prism Cem	1.4	7.1	18.1
Shree Cem	-0.5	3.2	12.7
Ultratech	-2.5	2.7	20.0
Consumer			
Asian Paints	0.9	0.2	12.6
Britannia	1.7	6.0	37.9
Colgate	-0.1	-2.5	13.8
Dabur	2.0	6.7	-1.2
Emami	0.9	-4.1	-2.6
Godrej Cons.	0.4	2.0	21.8
GSK Cons.	0.7	2.1	-13.8
HUL	-0.5	5.2	28.8
ITC	2.4	-6.1	17.3
Jyothy Lab	-1.0	-3.0	26.5
Marico	0.5	6.7	19.0
Nestle	1.1	2.8	4.5
Page Inds	0.4	0.8	27.1
Parag Milk	4.2	12.6	-23.1
Pidilite Ind.	-1.9	-2.7	10.3
P&G Hygiene	1.4	3.1	26.6
Prabhat Dairy	-0.9	11.1	42.6
United Brew	1.6	6.0	5.6
United Spirits	0.1	18.9	12.8
Healthcare			
Alembic Phar	-1.9	3.7	-6.1
Alkem Lab	2.7	-3.9	21.5
Ajanta Pharma	-0.1	-5.3	-9.1
Aurobindo	4.5	17.0	1.0
Biocon	0.7	26.2	78.8



Company	1 Day (%)	1M (%)	12M (%)
Cadila	3.7	2.5	52.9
Cipla	1.6	5.4	12.3
Divis Lab	2.8	17.0	-34.7
Dr Reddy's	2.0	4.3	-22.6
Fortis Health	-0.4	-20.7	-12.9
Glenmark	2.3	11.1	-15.1
Granules	3.9	3.9	1.1
GSK Pharma	1.3	4.8	-25.2
IPCA Labs	-0.2	2.0	1.6
Jubilant Life	2.5	6.2	140.4
Lupin	1.4	3.7	-30.7
Sanofi India	0.2	1.6	-6.2
Sun Pharma	1.8	12.0	-24.8
Syngene Intl	1.6	8.5	18.1
Torrent Pharma	0.3	8.0	-6.8
Logistics			
Allcargo Logistics	0.5	1.8	-3.9
Blue Dart	-0.9	7.3	-23.7
Concor	-0.6	3.9	2.7
Gateway Distriparks	0.3	0.3	-8.3
Gati	-0.1	0.0	-28.7
Transport Corp.	-0.7	4.6	54.2
Media			
Dish TV	5.1	4.6	-14.2
D B Corp	-0.8	-0.8	-1.9
Den Net.	0.8	-5.5	-12.3
Hind. Media	0.8	0.5	1.5
HT Media	-1.7	6.9	10.3
Jagran Prak.	-0.6	-7.4	-5.1
PVR	0.5	-11.4	24.6
Siti Net.	0.8	-10.4	-30.9
Sun TV	1.1	-2.7	117.9
Zee Ent.	2.5	6.8	16.5
Metals			
Hindalco	2.9	6.3	54.8
Hind. Zinc	1.0	14.0	46.4
JSPL	1.9	12.6	107.1
JSW Steel	1.6	10.2	35.2
Nalco	3.6	10.7	45.9
NMDC	0.5	6.1	27.0
SAIL	1.5	10.4	31.2
Vedanta	1.9	12.9	70.6
Tata Steel	1.5	10.0	54.2
Oil & Gas			
BPCL	0.2	5.6	23.2
GAIL	0.4	-0.3	31.3
Gujarat Gas	1.4	-5.3	38.4
Gujarat St. Pet.	2.1	6.0	35.4
HPCL	4.1	8.6	56.0
IOC	0.9	-7.7	52.1
IGL	0.4	5.7	86.7
MRPL	6.3	2.4	74.2
Oil India	2.3	-3.2	2.4
ONGC	0.8	-1.8	10.6
PLNG	-0.6	-5.7	44.8
Reliance Ind.	0.9	8.8	51.0
Retail			
Jubilant Food	-2.7	39.1	13.4
Titan Co.	0.8	3.6	28.9

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	1.5	2.9	8.6
HCL Tech.	1.5	6.2	22.5
Hexaware	1.2	-0.7	13.6
Infosys	-0.6	5.4	-9.8
KPIT Tech	3.2	8.3	-0.6
L&T Infotech	0.3	-3.7	
Mindtree	-0.3	-1.8	-9.9
Mphasis	0.4	-3.0	6.2
NIIT Tech	0.5	-3.7	16.6
Persistent Sys	0.7	-2.6	3.9
Tata Elxsi	-0.5	3.4	0.4
TCS	1.9	0.8	-0.5
Tech Mah	1.4	2.0	-21.7
Wipro	1.0	6.6	-1.3
Zensar Tech	0.2	-8.9	-21.0
Telecom			
Bharti Airtel	3.2	14.8	15.7
Bharti Infratel	-0.7	10.2	16.2
Idea Cellular	9.0	19.0	-10.7
Tata Comm	1.8	-8.2	46.2
Utilities			
Coal India	2.7	0.5	-20.0
CESC	1.7	0.4	48.2
JSW Energy	2.6	1.9	-21.2
NTPC	0.2	4.2	7.2
Power Grid	1.5	2.9	31.3
Tata Power	0.7	6.3	17.8
Others			
Arvind	0.3	0.0	20.5
Avenue Super.	0.2	15.0	
Bata India	0.7	6.2	1.0
Castrol India	0.5	-1.0	0.0
Century Ply.	-0.6	-3.9	31.1
Coromandel Intl	1.4	-0.8	79.4
Delta Corp	0.3	0.6	84.0
Dynamatic Tech	2.1	-4.7	-3.0
Eveready Inds.	-0.8	-5.6	21.2
Interglobe	-1.3	5.1	33.0
Indo Count	0.0	-9.8	-7.4
Info Edge	1.9	2.6	25.3
Inox Leisure	1.0	-7.0	7.5
Jain Irrigation	6.3	1.7	56.1
Just Dial	-0.1	-12.9	-36.1
Kaveri Seed	1.2	1.7	55.7
Kitex Garm.	-0.2	-7.9	-22.5
Manpasand	-0.7	-6.6	6.1
MCX	0.6	-1.3	10.5
Monsanto	1.2	-4.0	11.3
Navneet Educat.	-0.4	-4.6	86.5
PI Inds.	0.1	-3.7	6.2
Piramal Enterp.	1.0	1.4	87.7
SRF	0.3	-6.4	14.3
S H Kelkar	0.6	-8.5	15.4
Symphony	0.2	2.9	9.2
TTK Prestige	0.3	-4.1	34.6
V-Guard	1.2	-2.2	84.5
Wonderla	-0.5	-5.6	-10.8

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JK LAKSHMI CEMENT

Annual Report 2017

The ABC of annual report analysis

The ABC of annual report analysis

Annual Report 2017

Revenue: 2,01,000

Profit: 1,00,000

EPS: 100

Dividend: 50

Market Price: 1,000

27 March 2017

Annual Report 2017

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EPS: 100

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CornerOffice

Slow of new launches encouraging

Highway toll and GST paper operations face challenges

Key highlights

- United Business (UBS) has planned a slew of new launches in FY17 which is encouraging after the successful launch of previous ones. The company plans to launch new products in the highway toll and GST paper operations.
- UBS has also planned to launch new products in the highway toll and GST paper operations.
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28 June 2017

CornerOffice

United Business

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VOICES

India Inc on Call

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27 March 2017

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BULLS & BEARS

INDIA VALUATIONS HANDBOOK

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27 March 2017

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FUND FOLIO

Indian Mutual Fund Tracker

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BULLS & BEARS

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INDIA VALUATIONS HANDBOOK

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