Market snapshot

Equities - India	Close	Chg .%	YTD.%
Sensex	28,762	0.3	8.0
Nifty-50	8,908	0.3	8.8
Nifty-M 100	16,453	0.6	14.6
Equities-Global	**Close**	**Chg .%**	**YTD.%**
S&P 500	2,365	0.6	5.7
Nasdaq	9,764	0.1	5.5
FTSE 100	7,275	-0.3	1.8
DAX	11,967	1.2	4.2
Hang Seng	10,409	-0.4	10.8
Nikkei 225	19,381	0.7	1.4
Commodities	**Close**	**Chg .%**	**YTD.%**
Brent (US$/Bbl)	56	1.1	1.3
Gold ($/OZ)	1,236	-0.2	7.2
Cu (US$/MT)	6,046	-0.2	9.5
Almn (US$/MT)	1,875	-0.7	10.0
Currency	**Close**	**Chg .%**	**YTD.%**
USD/INR	66.9	0.0	-1.5
USD/EUR	1.1	-0.7	0.2
USD/JPY	113.7	0.5	-2.8
YIELD (%)	**Close**	**1MChg**	**YTDchg**
10 Yrs G-Sec	6.9	0.0	0.4
10 Yrs AAA Corp	7.8	0.0	0.2
Flows (USD b)	**21-Feb**	**MTD**	**YTD**
FIIs	-0.2	1.4	1.4
DIIs	0.2	0.0	0.7
Volumes (INRb)	**21-Feb**	**MTD***	**YTD***
Cash	254	279	247
F&O	5,147	4,810	4,311

Note: YTD is calendar year, *Avg

Quote of the day

Forecasts may tell you a great deal about the forecaster; they tell you nothing about the future

Today's top research ideas

Telecom: RJio commercial launch: A big welcome positive

- **All existing RJio subscribers will be able to avail unlimited voice and data services at INR303/month for 12 months starting April 2017, provided they subscribe to Jio prime membership for INR99/year.**
- **The announcement has surprised us positively as we were expecting highly subsidized price plans of ~INR100/month.**
- **RJio's INR303/month price plan is significantly higher than the current average industry ARPU. Blended ARPU of the industry stands at INR145 and that for data subscribers at INR185 (as per latest TRAI filings). Bharti's (the leader) blended ARPU is INR172; ARPU of its 55m data subs (21% of total subs) stands at INR298.**
- **In our view, despite the unlimited offering, if we shift from the traditional volume/pricing to subscriber/ARPU metrics, RJio's ARPU-accretive price plan is a big welcome positive for the market. If the industry aligns to RJio's offering, only those operators with sizeable data coverage and capacity should be able to protect their market shares and benefit from ARPU accretion. Bharti with ~1,70,000 sites is far better placed, in our view. We remain positive on Bharti, but maintain our under review rating on Idea until more clarity emerges on the Vodafone-Idea deal.**

Research covered

Cos/Sector	Key Highlights
Voices | India INC ON CALL	Initial fears relating to demonetization exaggerated
Telecom	RJio commercial launch: A big welcome positive
Wipro	Digital thrust battles segmental headwinds, political overhang
Castrol India: Results Flash	In-line EBITDA; PAT beat led by higher other income
Metals Weekly	Indian long product prices gain on higher scrap prices
Aviation	Jan-17 domestic air passenger growth at 25.3% YoY

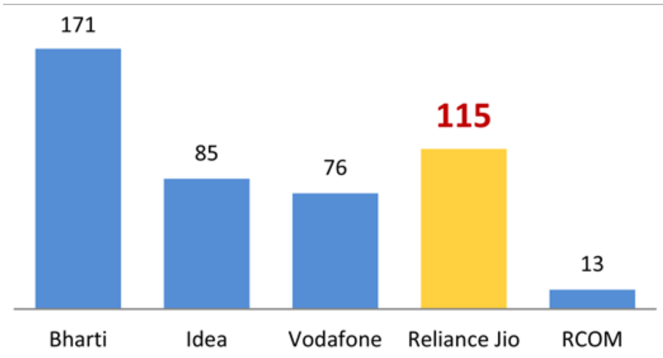
Piping hot news

BEL stake sale begins today; floor price Rs 1,498

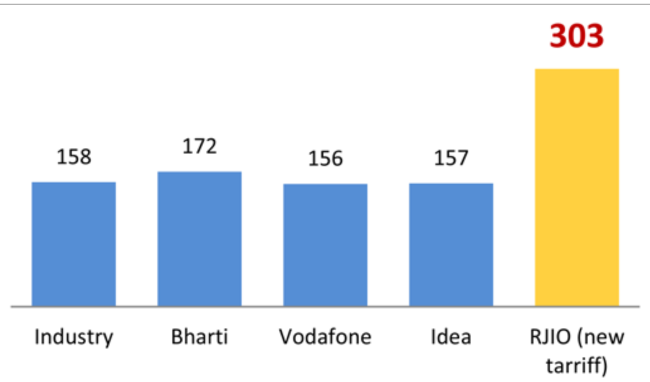
- The government will begin on Wednesday five per cent stake sale in state-owned aerospace and defence company Bharat Electronics Ltd to raise about Rs1,600 crore.

Chart of the Day: Telecom: RJio commercial launch - A big welcome positive

Operator-wise mobile broadband sites ('000s)



Industry ARPU and RJIO's new INR303 plan (INR)



Research Team (Gautam.Duggad@MotilalOswal.com)

Kindly click on numbers for the detailed news link

1

Demonetisation lowers sales, raises textile inventories in Q3

After a strong start this festive season, textile and apparel manufacturers and retailers suffered a sharp contraction in demand due to the liquidity crisis following demonetisation of high value currency notes in November 2016…

2

Govt mulls cut in MDR charges on card buys

The government is working to reduce the merchant discount rate (MDR) to encourage digital payments, NITI Aayog Chief Executive Officer Amitabh Kant said on Tuesday. "We are pushing digital transactions. Our aim is to bring down MDR charges. If the volume of transactions increases, MDR charges will come down," Kant said. Referring to the Reserve Bank of India (RBI)'s recent draft circular on rationalisation of MDR for debit card transactions, the NITI Aayog CEO said, "We are examining RBI's draft circular on MDR. There are challenges…. We will meet those challenges."

3

Govt clears foreign investments worth Rs 12,200 crore

An inter-ministerial body on Tuesday approved 15 foreign investment proposals, including those relating to Apollo Hospitals, Hindustan Aeronautics, Dr Reddy's, and Vodafone, worth Rs 12,200 crore….

4

Hindalco to invest Rs. 1,000 cr in value-added products

Hindalco Industries, an Aditya Birla Group company, plans to invest Rs. 1,000 crore in downstream expansion to increase the contribution of aluminium and copper value added products in overall sales. Hindalco MD Satish Pai told BusinessLine that over the next five years …

5

Oil giant: Govt mulls merging HPCL or BPCL with ONGC

The Oil and Natural Gas Corporation may take over either Hindustan Petroleum Corporation Ltd or Bharat Petroleum Corporation Ltd if the Centre's idea of an 'integrated oil major' materialises. An official involved with the development said the plan is to transfer the government's holding in one of the companies to ONGC, making the latter the holding company. This will enable the creation of an integrated oil major. The Centre holds 51.11 per cent stake in HPCL, and 54.93 per cent in BPCL. "The other oil companies — Oil India, in the upstream sector, and Indian Oil Corporation in the downstream sector — will operate unchanged," he added….

6

Share of debt, CPs in overall borrowings rises to 27% in 5 yrs

The share of bonds and commercial paper (CP) in overall borrowings has increased from 19% in March 2011 to 27% as on December, 2016, indicating increasing disintermediation. One key reason for the rising disintermediation has been the lower interest rates in bond markets…

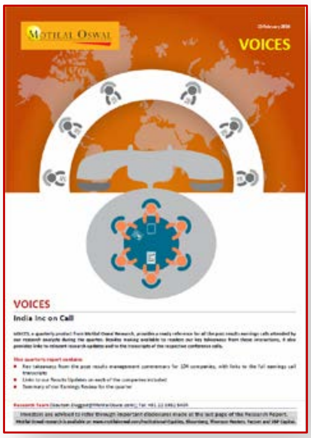
7

RBI examining two models to tackle stressed assets in banks: Viral Acharya

To decisively deal with the banking system's stressed assets, which have doubled from 2013, the Reserve Bank of India is examining a plan involving two models — a Private Asset Management Company (PAMC) and a National Asset Management Company (NAMC)…

Voices

BSE Sensex: 28,662 **S&P CNX: 8,879**



Initial fears relating to demonetization exaggerated

Yet, impact evident in most sectors; continuing into 4Q for a few

- **3QFY17 was a unique quarter, as it was the first earnings print after demonetization and investors eagerly awaited the results announcements to gauge the impact on various sectors. Performance as well as management commentaries suggest that the initial fears relating to demonetization were exaggerated. Companies met demonetization with several micro-initiatives – credit extension, distribution expansion, and cost control across the board. Apart from FMCG and Autos-Two Wheelers, most sectors navigated demonetization without material impact on P&L. However, for some sectors like NBFCs and Autos-Four Wheelers one needs to watch even 4QFY17 performance to see if the demonetization blues are truly behind.**
- **The private capex cycle is yet to revive and management commentaries do not suggest imminent pick-up, though order execution is broadly on track.**
- **In BFSI, CASA deposits received a huge boost. Slippages and credit costs remained elevated in 3QFY17, cushioned by strong trading gains on account of falling yields. Retail credit has been robust. However, corporate credit growth is yet to revive and broader asset quality recovery still seems distant.**
- **Headwinds from input cost inflation were evident, more so as the demand environment for B2C sectors was constrained due to demonetization. One needs to closely monitor demand revival and pricing actions by India Inc to form a view on sustenance of the current elevated operating margins.**

Autos

After a prolonged period of muted demand, 2Ws and PVs witnessed strong recovery, led by normal monsoon and positive sentiment. However, this recovery is likely to lose momentum (especially in 3QFY17) due to the impact of demonetization. Export demand for 2Ws, 3Ws and PVs is likely to bottom out, as the availability of currency improves steadily. With commodity prices hardening, input costs are likely to inch up over the coming quarters.

Capital Goods

Though execution of orders in hand broadly remains on track, the industry maintains its cautious outlook. Industrial capex activity could be a few quarters away, as capacity utilization for most companies – a function of demand improvement – remains weak. Key infrastructure segments witnessing demand traction are transmission, renewables, defense, roads and railways.

Cement

The cement sector reported volume decline of 1.5% YoY (growth of 2.1% QoQ) in 3QFY17. Volume growth was strong in the South due to higher government spending in Andhra Pradesh and Telangana, and lower base due to floods in the South in 3QFY16. Moreover, volume growth for Northern players was impacted due to demonetization, with all North-based cement companies showing YoY decline in 3QFY17. Average 3QFY17 realization declined 1% QoQ (but grew 2% YoY); South based players witnessed higher realizations. The cost curve turned unfavorable, with higher power and fuel cost, and higher freight costs.

Consumer

Initial fears relating to demonetization were exaggerated. However, the slowdown created by demonetization washed away the expected benefits of a normal monsoon from 2HFY17. Management commentaries have called out a gradual recovery from the demonetization impact. YoY gross margin gains have been reducing and could be absent in following quarters, given rising material costs. Cutbacks in A&P and other expenses restricted the impact of slower sales on EBITDA. Moderate raw material inflation is usually good for FMCG companies in a healthy demand environment, as volume gains are abetted by realization growth as well. However, in an environment of gradual demand recovery, passing on raw material cost increases may not be easy. Also, with A&P already likely to be lower than usual in FY17, it would not be a margin lever.

Financials

CASA deposits received a huge boost across the banking system, led by demonetization. Slippages and credit costs remained elevated in 3QFY17, cushioned by strong trading gains on account of falling yields. Interest income reversals, negative carry on CRR and change in asset mix (declining C-D ratios) kept margins under pressure, which led to subdued core income performance. We expect more progress in resolution mechanisms in FY18, led by stressed asset sales and greater cooperation between banks and promoter companies. Amid muted corporate activity and credit growth, banks continued to focus on the retail segment. Given the competitive landscape and economic scenario, system loan growth is likely to remain moderate in FY17, with private banks continuing to gain market share.

Healthcare

In pharmaceuticals, overall sector sales and EBITDA margins were marginally above estimates. Excluding one-off opportunities, growth in US sales remained muted, primarily owing to increased pricing pressure. India formulations sales were impacted by demonetization drive in 3QFY17, after being impacted by external factors like FDC ban and NLEM 2013 since 4QFY16. Emerging markets delivered robust constant currency growth, but FX volatility continues to impact INR growth. We expect US sales momentum to pick up, given increasing number of approvals for Indian companies. Emerging market growth should normalize, with stable currency movement. Overall, earnings growth should improve over the next few quarters.

Media

Demonetization put brakes on both ad and subscription revenues across platforms. Print Media was the most impacted, given its higher reliance on local/retail advertisers that were most impacted by the cash squeeze.

Broadcasters

- ZEE delivered a resilient 3% ad growth, though lower than expected (INR9.55b v/s estimate of INR9.79b). Domestic subscription of INR4.81b (+15% YoY) beat our estimate of INR4.69b by 2.7%, but this was largely a function of early closure of content deals with a few distribution platforms. International subscription grew 8% YoY to INR1.11b. Deferment of A&P spends and other opex levers ensured a margin beat (31.5% v/s estimate of 26.5%). Non-sports EBITDA margin was at 33.9% (v/s estimate of 30.7%). For FY18, ZEE expects FMCG ad spends to recover. Telecom and Auto too are expected to step up ad spends. Post the sports sale, margins could surge 30%; however, the management intends to re-invest in fresh content and maintain ~30% margins over the long term.
- SUNTV's ad growth was significantly lower than expectation (INR5.9b v/s estimate of INR6.25b). Lower movie amortization and higher other income offset the negative leverage impact. Improvement in viewership in AP market validates the performance of its recent switch to commissioned content. However, sustenance of the same and successful replication in other markets is yet to be established.

Distribution platforms

- DITV's subscription revenue declined 5% QoQ to INR6.92b (6.7% lower than estimate of INR7.42b), as demonetization adversely impacted both DTH recharges and subscriber additions. Management estimates subscription to be 8% higher (ex-demonetization impact), with 8-10% impact. DITV added 0.2m subscribers in 3Q. Margins were largely flat at 33.4% (106bp below estimate).

Print companies

- While the demonetization pain was more debilitating for print, within the print pack, JAGP outperformed peers in terms of ad growth (3% v/s DB Corp's 2%, HT Media's -9%, and HMVL's -7%). Ex-HMVL, all print companies evoked opex levers (led by reducing pagination) to save margins.
- Ad recovery could be a quarter away, as advertising agencies re-align budgets for the next fiscal post the knee-jerk event. JAGP/HT Media/HMVL should put up a better show, courtesy elections in Uttar Pradesh.
- Newsprint prices have marginally inched up by 2-3% in 1H. Print companies expect newsprint prices to stabilize at current levels.

Metals

The metals sector benefited from higher realization and volumes, offset partly by the impact of demonetization-led weakness. EBITDA for the coverage universe grew 16% QoQ / 172% YoY to INR170b. Nalco, NMDC, Tata Steel and Vedanta were the outperformers. Amongst the steel companies, Tata Steel outperformed, with EBITDA growth of 19% QoQ to INR35b, led by higher realization and ferro chrome prices in India and volume growth. Europe, however, disappointed. JSW Steel's EBITDA/ton was higher by 9% QoQ, but volumes declined by 5%. SAIL was back into negative as EBITDA/ton declined by INR440 QoQ to negative INR130. NMDC posted 72% QoQ jump in adjusted EBITDA on strong volumes on robust domestic steel production and higher prices. Nalco's EBITDA was up 66% QoQ on higher LME and lower aluminum CoP. Vedanta's EBITDA increased 28% QoQ led by higher zinc, aluminum and iron ore prices. Hindalco's EBITDA declined 2% QoQ due to temporary impact of demonetization.

Oil & Gas

In oil & gas, RIL posted below estimate EBITDA, impacted by GRM at USD10.8/bbl and higher opex. Jio's trial user base reached 72.4m in December 2016 and capex reached INR1.71t. OMCs reported lower GRMs despite inventory gains during the quarter. Petronet reported better than expected results, led by higher volumes. IGL posted in-line EBITDA helped by strong volume growth. ONGC's EBITDA was aided by lower opex, as service cost for workover wells reduced with oil price decline.

Retail

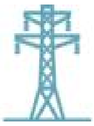
Demonetization did not have as adverse an impact as initially feared. Sales, EBITDA and PAT were ahead of our conservative expectations for all companies. However, weak SSSG momentum continued for JUBI (-3% LTL) and SHOP (6% LTL), while TTAN (15% jewelry sales growth) showed buoyancy owing to market share gains from unorganized players. Sustained demand recovery, which will transform the earnings prospects for retail companies with high fixed cost intensity, is still not visible. Subsequently, margins may continue to decline or not increase at the desired pace. GST implementation from July 2017 may be an initial disrupter, but if implemented well, can be a longer term positive, particularly for TTAN. While SHOP and TTAN are opening stores in moderation, JUBI's expansion plans of over 100 stores a year will put pressure on margins and free cash flows, in our view.

Technology

3Q was impacted on account of seasonal weakness, led by fewer working days and furloughs. Some macroeconomic factors have been easing out – the shock of Brexit and US elections are now behind; moreover, interest rate cycles have started reversing in the US, allowing banks to free up some of their spend crunch. However, clarity on budgets for the next year is still emerging. Macroeconomic factors look in better shape compared to the same time last year; however, deal conversions and revenue growth are yet to reflect any material pick-up. Companies have been cautiously optimistic about growth in the coming year.

Telecom

Telcos have witnessed sharp decline in both voice and data revenues. The voice segment has seen traffic growth on the back of unfavorable increase in incoming traffic. This has led to steep price decline due to the low IUC of INR0.14/min on incoming minutes. Data business has seen shift of consumption towards secondary sim cards, leading to sharp decline in data traffic. This should continue in 4QFY17 and may extend beyond 4QFY17 if RJio continues to offer free/subsidized data. Additionally, the network cost has increased, particularly for Idea due to the data led network rollout. Subsequently, its EBITDA has been on a downward spiral of 20-25% QoQ in 3QFY17 and may continue to fall even in 4QFY17.



Utilities

PGCIL's performance was strong, backed by robust capitalization. Outlook for PGCIL remains promising on strong capitalization guidance. NTPC reported 8% PAT growth, in-line with regulated equity growth. JSW Energy suffered on weak merchant power market, while CESC was steady, with ~5% PAT growth and turnaround at Spencer.

RJio commercial launch: A big welcome positive

Sector on a recovery path

RJio announces commercial launch from April 2017

Free usage period will end on 31st March: All existing RJio subscribers will be able to avail unlimited voice and data services at INR303/month for 12 months starting April 2017, provided they subscribe to Jio prime membership for INR99/year. The announcement has surprised us positively as we were expecting highly subsidized price plans of ~INR100/month. Additionally, existing subscribers will have unlimited access to Jio digital services, such as TV, videos and songs. New subscribers will get 20% higher data than that offered under competitors' highest-selling tariff plans. RJio will also launch plans from INR149 to INR4,999.

RJio's unlimited plans to be ARPU-accretive for the industry

RJio's INR303/month price plan is significantly higher than the current average industry ARPU. Blended ARPU of the industry stands at INR145 and that for data subscribers at INR185 (as per latest TRAI filings). Bharti's (the leader) blended ARPU is INR172; ARPU of its 55m data subs (21% of total subs) stands at INR298. Thus, **if the overall industry migrates to RJio's benchmarked price plans, it will augment the size of the industry significantly.** RJio is offering unlimited data at INR303/month. Since there is no variable cost attached with data, an operator offering incremental data to match RJio's plan may not see an increase in cost.

We reiterate that it's a battle of capacity

Capacity holds the key, in our view. **If the industry aligns to RJio's offering, we believe only those operators with sizeable data coverage and capacity will be able to protect their market shares and benefit from the industry's ARPU accretion.** This is in line with our argument in the thematic report released in October 2016. **Bharti with ~1,70,000 broadband sites (4G + 3G) v/s RJio's ~1,15,000 should be able to match RJio's capacity**. Vodafone and Idea in individual capacity have ~90,000-1,00,000 broadband sites, which may not be sufficient to match RJio's capacity. However, we believe the combined entity (Vodafone + Idea) with ~1,70,000 sites will have the necessary firepower to compete, provided the merger is completed over the coming few quarters.

10-12% impact of short-term ARPU down trading for price plans above INR303

Our workings indicate ARPU of INR185 for ~350m data subscribers, of which ~100m are premium subscribers. We believe ARPU of these premium subscribers may be hovering above RJio's ARPU of INR303. Assuming average ARPU of INR500 for these subscribers, the difference due to down trading could have an impact of INR236b (12% of overall revenues). The larger players offer high-ARPU plans and thus would be affected more, in our view. However, there will be some proportion of subscribers in INR200-300 ARPU range who may up trade due to the unlimited offerings. Thus, the net near-term impact could be to the tune of 8-10% for the larger operators. However, we believe as 80% of the subscribers are not consuming broadband, there would an opportunity for the larger players to improve ARPU by offering higher data to subscribers who consume low or no data.

RJio could turn profitable sooner than expected

Our current FY18 revenue and EBITDA estimates of INR201b and -INR18.5b, respectively, factor in ~100m subscribers and ARPU of INR200. We believe ~30-40% subscribers could churn out as RJio starts charging users. With incremental additions in FY18, our subscriber estimate remains unchanged for that year. We keep our ARPU estimate unchanged at INR200, as 60-70% subscribers have ARPU cap of INR303, while rest of the subscribers (including voice consumers) could have lower ARPUs.

Our view: Long-term positive; near-term earnings under pressure

Even as we keep our estimates unchanged, we must admit that they remain fluid. For FY17 and FY18, we expect Bharti India's wireless revenue to remain flat, while Idea's revenue could decline marginally by 1%. This factors in 10-11% HoH revenue decline in H2FY17. We build in a recovery in H1FY18 on the basis of 30-40% churn out of RJio subscribers. However, we believe EBITDA recovery could be subdued. Subsequently, we factor in EBITDA decline of 5-8% for Bharti India wireless and Idea in FY18.

In our view, despite the unlimited offering, if we shift from the traditional volume/pricing to subscriber/ARPU metrics, RJio's ARPU-accretive price plan is a big welcome positive for the market. If the industry aligns to RJio's offering, only those operators with sizeable data coverage and capacity should be able to protect their market shares and benefit from ARPU accretion. Bharti with ~1,70,000 sites is far better placed, in our view. We remain positive on Bharti, but maintain our under review rating on Idea until more clarity emerges on the Vodafone-Idea deal.

Top 3 sub base/ARPU vs Industry

	Subscribers (m)	ARPU (INR)	Voice ARPU (INR)	Data ARPU (INR)
Overall Subs*	1074	158	92	66.9
Data subs**	346	185	92	93.2
Bharti				
Total Subs*	266	172	123	48.8
Data Subs**	55	298	123	174.7
Idea				
Total Subs*	185	157	113	44.1
Data Subs**	49	224	113	111.0
Vodafone				
Total Subs*	205	158	98	60.4
Data Subs**	65	216	98	118.5

*Data ARPU calculated on total subscriber base

**Data ARPU calculated on total Data base

Source: Company, MOSL

Wipro

BSE SENSEX	S&P CNX
28,662	8,879

CMP: INR476 TP: INR540 (+14%) Neutral

Digital thrust battles segmental headwinds, political overhang

We hosted Wipro at a domestic non-deal roadshow (NDR), gaining insights on [1] demand environment, [2] Wipro's readiness in Digital, [3] progress on Automation, [4] immigration and [5] margins outlook. Key takeaways:

- **Spending has been subdued for 4-5 quarters. There are pockets of improvement like Energy (stabilizing), while business dynamics are changing for the BFSI vertical in the US. On the other hand, uncertainty around the future of the Affordable Care Act is a concern for the Healthcare vertical.**
- **The impact from India/Middle East business restructuring should be behind by June 2017.**
- **The skew toward Change-the-Business continues to play out, benefiting WPRO where Digital accounts for 21.7% of total revenue.**
- **While cost of doing business at onsite in the US may increase, squeezing the onsite-offshore mix and passing on some costs to the clients in higher-value-add projects are the potential ways to navigate through the margin pressures.**
- **Apart from profitability improvement in Digital and extended use of Automation, which are medium-term profitability levers, higher utilization and restructuring of India/ME business can boost margins.**

Stock Info

Bloomberg	WPRO IN
Equity Shares (m)	2,431
52-Week Range (INR)	607/410
1, 6, 12 Rel. Per (%)	-6/-11/-34
M.Cap. (INR b)	1,156.0
M.Cap. (USD b)	17.6
Avg Val, INRm	856.3
Free float (%)	26.8

Financials Snapshot (INR b)

Y/E Mar	2017E	2018E	2019E
Sales	550.8	595.8	646.3
EBITDA	109.6	124.6	137.8
PAT	82.4	90.1	101.1
EPS (INR)	33.4	37.2	41.7
EPS Gr. (%)	-7.4	11.1	12.2
BV/Sh. (INR)	204.5	229.4	253.1
RoE (%)	17.0	17.0	17.3
RoCE (%)	13.7	14.4	15.2
P/E (x)	14.2	12.8	11.4
P/BV (x)	2.3	2.1	1.9

Shareholding pattern (%)

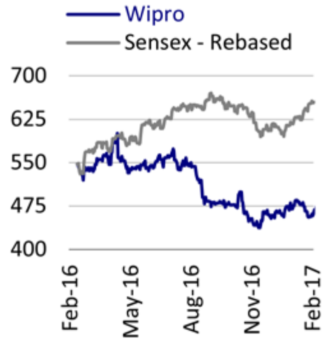
As On	Dec-16	Sep-16	Dec-15
Promoter	73.3	73.3	73.4
DII	6.7	5.8	4.4
FII	10.3	11.1	11.8
Others	9.8	9.9	10.5

FII Includes depository receipts

Demand environment: BFSI outlook positive, but concerns remain

- **Spending characteristics:** Overall spending has remained subdued for past 4-5 quarters for different reasons at different points of time (BFSI uncertainty initially amid fines imposed on a few banks and investigations in others, followed by Brexit and then US elections). Spending, however, should gradually improve over the course of the year. Also, the rhythm in change-the-business (CTB) deals remains very healthy, and the momentum is better than the year before. This is being driven by Digital, where WPRO continues to enjoy healthy traction.
- **BFSI:** With the interest rates finally on the up and the regulatory regime expected to ease off under the new US Presidency, the BFSI vertical is looking at potentially healthier times. While the same may not be necessarily reflected in the deals momentum just yet, the outlook is sanguine.
- **Geographies:** Large deals in the current political environment are vulnerable to additional scrutiny, causing a delay/deference in closures of the same in the US. On the other hand, the UK continues to await clarity on Brexit. WPRO had undertaken restructuring of its India/ME business earlier this year, the impact of which should be behind by June 2017.

Stock Performance (1-year)

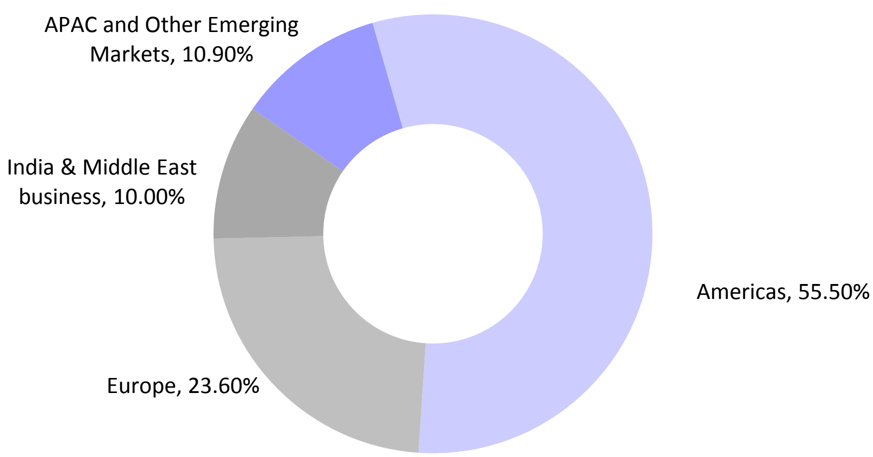


- **Other key verticals:** Healthcare is a key concern, with the future of the Affordable Care Act (ACA) uncertain. Policies of ~22m insured citizens cannot be repealed, and some alternatives will have to be offered to the population. This may not be the subject of much debate and deliberation. Such a drag could hurt decision-making by clients on new programs. Significant portion of WPRO's Healthcare business is on the payer side, which could be impacted in some form. While Energy has stabilized, it is not yet on a significant growth path.

Immigration and H-1B visas

- While there are multiple bills on the table and USD130k is on the extreme, the cost of doing business is expected to go up in the near term post the passage of any bill. This is primarily due to the gap in demand and supply of the local talent within the US. Bridging of this gap may take a couple of years.
- That said, there are mitigants over the near and medium term to navigate through the higher cost scenario. In higher-value-add projects, there is a case for passing the costs on to the clients. While onsite effort currently is in the range of 30%, there is more that can be squeezed over the next few years on this ratio. That should help maintain the total cost of ownership within a band, despite passing on some of the costs to the customers.
- Also, any new legislation will be applicable to new visas, and the number of new applications has come down significantly for WPRO over the years (will decline further with increasing thrust on locals).

Revenue by geography



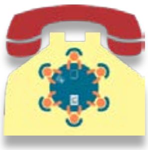
Source: MOSL, Company

Castrol India

BSE SENSEX	S&P CNX
28,662	8,879

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

Conference Call Details



Date: 22nd February 2017
Time: 2:00pm IST
Dial-in details:
+91-22-3938 1094

Financials & Valuations (INR b)

INR million	CY15	CY16	CY17E
Sales	33.0	33.6	36.0
EBITDA	9.3	9.9	9.2
NP	6.4	6.5	6.3
EPS (Rs)	12.8	13.2	12.8
EPS Growth (%)	33.8	2.9	-2.9
BV/Share (Rs)	11.6	12.9	14.2
P/E (x)	33.7	32.8	33.7
P/BV (x)	37.2	33.5	30.6
EV/EBITDA (x)	22.4	20.6	22.0
EV/Sales (x)	6.3	6.1	5.6
RoE (%)	118.4	107.6	94.7
RoCE (%)	118.5	107.7	94.8

CMP: INR433 TP: INR529 (+22%) Buy

In-line EBITDA; PAT beat led by higher other income

- EBITDA of INR2.2b (+3% YoY, +3 %QoQ) was in line with our estimate.
- Net sales stood at INR7.8b (-1% YoY, +3% QoQ), in line with our estimate of INR7.8b.
- Volumes grew 4% YoY in CY16, implying 4QCY16 volume growth of ~1%.
- In-line EBITDA was led by (a) full benefit of gross margin expansion, from INR87.7/liter in 3QCY16 to INR88.8/liter in 4QFY16 and (b) lower employee expenses of INR401m (est. of INR476m).
- EBITDA margin stood at 27.8% in 4QCY16 (v/s 26.6% in 4QCY15, 27.7% in 3QCY16).
- PAT stood at INR1.56b (est. of INR1.46b; +11% YoY, +12% QoQ), primarily led by higher other income of INR389m (est. of INR193m; +56% YoY, +113% QoQ).
- Castrol declared a special dividend of INR2/share.

Key questions for management

- Impact of demonetization on the business.
- Volume and realization details for the quarter.
- Management's view on increased competitive intensity in the industry.

Valuation and view: We will revisit our estimates post the earnings call. Based on our current estimates, it trades at 33.7x CY17E EPS. Maintain **Buy** with a target price of INR529.

Quarterly Performance (INR Million)

Y/E December	CY15				CY16				CY15	CY16	CY16	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	
Net Sales	**7,958**	**9,202**	**7,811**	**7,882**	**8,521**	**9,679**	**7,589**	**7,791**	**32,853**	**33,580**	**7,834**	**-1%**
YoY Change (%)	-2.4	1.1	-2.3	-7.9	7.1	5.2	-2.8	-1.2	-2.8	2.2	-0.6	
Total Expenditure	6,085	6,474	5,684	5,789	6,005	6,535	5,488	5,627	24,032	23,683	5,655	0%
EBITDA	**1,873**	**2,728**	**2,127**	**2,093**	**2,516**	**3,144**	**2,101**	**2,164**	**8,821**	**9,897**	**2,179**	**-1%**
YoY Change (%)	29.9	45.1	22.7	2.8	34.3	15.2	-1.2	3.4	24.4	12.2	4.1	
Margins (%)	23.5	29.6	27.2	26.6	29.5	32.5	27.7	27.8	26.8	29.5	27.8	
Depreciation	111	94	94	91	86	149	107	108	390	455	113	-4%
Interest	3	2	1	2	4	7	1	3	8	15	5	-40%
Other Income	164	186	181	250	223	202	183	389	781	801	193	102%
PBT	**1,923**	**2,818**	**2,213**	**2,250**	**2,649**	**3,190**	**2,176**	**2,442**	**9,204**	**10,228**	**2,254**	**8%**
Tax	761	973	781	842	925	1,121	778	884	3,357	3,708	793	11%
Rate (%)	39.6	34.5	35.3	37.4	34.9	35.1	35.8	36.2	36.5	36.3	35.2	
Reported PAT	**1,162**	**1,845**	**1,432**	**1,408**	**1,724**	**2,069**	**1,398**	**1,558**	**5,847**	**6,520**	**1,461**	**7%**
Adj PAT	**1,162**	**1,845**	**1,432**	**1,408**	**1,724**	**2,069**	**1,398**	**1,558**	**5,847**	**6,520**	**1,461**	**7%**
YoY Change (%)	15.9	43.7	21.5	6.7	48.4	12.1	-2.4	10.7	22.2	11.5	3.7	
Margins (%)	14.6	20.0	18.3	17.9	20.2	21.4	18.4	20.0	17.8	19.4	18.6	

E: MOSL Estimates

Metals Weekly

Indian long product prices gain on higher scrap prices

- **Indian steel: Long product (TMT Mumbai) prices were up ~3% WoW. Sponge iron prices were up ~8% WoW while domestic scrap prices were up ~5% WoW. Domestic iron ore and pellet prices were unchanged. HRC prices were down another ~2% WoW, however import price offers were up by ~7% WoW.**
- **Raw Materials: Iron ore prices (China cfr) were up 4% WoW having crossed USD90/t mark, however port inventory in China continue to rise. Thermal coal prices were down 5% WoW. Coking coal prices were down ~7% WoW. China pellet import prices rose ~7% WoW on higher iron ore.**
- **Europe: HRC prices were down ~1%. Rotterdam scrap prices were up ~12% WoW, following a similar increase last week. CIS export HRC prices were up ~3% WoW.**
- **China: local HRC steel prices were unchanged, while rebar prices rose ~7% WoW. Steel inventories in China have also increased significantly. Steel HRC export prices were up 1% WoW while rebar was up ~3% WoW.**
- **Base metals: Aluminum (cash LME) was up 1% WoW. Spot premiums in Japan rose further this week. Alumina prices were up ~1% WoW. Zinc (cash LME) was down 3% WoW while lead was down 7% WoW. Copper was up 1% WoW. Crude oil (Brent) prices were up 1% WoW.**

Metal Prices

		CMP	change since					
		17-Feb	%	10-Feb	%	1-Oct	%	1-Apr
STEEL	TMT- Mumbai (INR/ton)	30,100	3	29,200	11	27,000	9	27,600
	HRC- Mumbai (INR/ton)	37,333	-2	38,222	12	33,333	22	30,667
	HRC (USD/ton) fob CIS	475	3	463	41	338	29	368
METALLICS	Sponge iron - Raipur (INR/ton)	16,700	8	15,400	12	14,900	26	13,300
	Pig iron - Raipur (INR/ton)	23,000	-3	23,600	5	21,967	19	19,300
	Iron ore spot (USD/ton) cfr China	90	4	87	59	57	64	55
	Coking coal (USD/ton) fob Aus.	154	-7	165	-25	206	87	82
	Shred. scrap (USD/ton) Rotterdam	263	12	234	29	204	12	235
ALUM.	LME Spot (USD/ton)	1,866	1	1,849	14	1,638	22	1,524
	Indian prices (INR '000/ton)	125	1	124	15	109	24	101
	LME inventories ('000 ton)	2,195	-1	2,226	2	2,147	-21	2,783
ZINC	LME Spot (USD/ton)	2,826	-3	2,906	24	2,272	53	1,842
	Indian prices (INR '000/ton)	189	-3	195	25	151	-85	1,222
	LME inventories ('000 ton)	389	1	384	-12	443	-11	435
COPPER	LME Spot (USD/ton)	5,939	1	5,872	23	4,815	22	4,880
	Indian prices (INR '000/ton)	401	2	392	24	323	26	319
	LME inventories ('000 ton)	224	-10	248	-37	357	57	143
OTHERS	Gold (INR/10gms)	29,289	1	29,112	-6	31,316	1	29,080
	Sliver (INR/1kg)	42,693	0	42,486	-8	46,541	16	36,651
	Lead Spot LME (USD/ton)	2,275	-7	2,442	19	1,912	32	1,720
MISC.	Brent crude (USD/bbl)	56.2	1	55.6	22	45.9	45	38.7
	INR/USD	67.1	0	66.9	1	66.7	1	66.2
	BDI	757	11	685	-20	941	68	450

Valuations: Indian companies

Company	Price	EV/EBITDA (x)		P/B (x)
	(INR)	FY17E	FY18E	FY17E
Steel				
Tata Steel	487	9.3	7.7	4.0
JSW Steel	188	8.2	6.4	2.2
JSPL	100	12.4	11.5	0.6
SAIL	62	nm	nm	0.7
Non-Ferrous				
Hindalco	183	6.9	6.1	1.6
Nalco	65	8.1	5.4	1.2
Vedanta	270	7.3	5.5	1.4
Mining				
Coal India	320	9.8	7.2	6.6
HZL	303	10.2	6.4	3.0
NMDC	140	9.1	8.4	1.9

Note: Detailed table on pg 25 Source: MOSL

Valuations: Global companies

	Price	EV/EBITDA (x)		P/B (x)
		CY16	CY17	CY17
Mining				
BHP	AUD 26.47	6.3	7.0	1.8
FMG	AUD 6.98	4.6	6.4	1.6
Rio Tinto	AUD 67.64	6.1	7.1	2.2
Vale	USD 34.24	7.7	6.6	1.3
Teck Res.	USD 21.34	3.9	5.2	0.8
Steel				
A. Mittal	EUR 8.683	5.7	5.6	0.9
Posco	KRW 284.5	6.1	5.8	0.6
US Steel	USD 39.8	6.8	6.6	2.5
Nucor	USD 63.9	8.5	7.8	2.4
JFE	JPY 2142	10.9	7.7	0.7
Gerdau	BRL 13.45	8.9	7.3	1.1
Angang	CNY 6.15	9.6	8.9	0.8
Non Ferrous				
Alcoa	USD 36.21	5.4	5.1	1.1
Hydro	NOK 48.73	7.1	6.9	1.2
Rusal	HKD 4.12	11.2	11.0	3.7

Note: Detailed on pg 25 Source: Bloomberg

Jan-17 domestic air passenger growth at 25.3% YoY

Domestic load factor at 88.3%; IndiGo's domestic ASK/RPK share highest

- **Domestic air passengers in India grew 25.3% YoY to 9.5m in Jan-17 (v/s +23.1% in 3QFY17). However, we believe this strong growth would be at the cost of yields, as seen in headline fares.**
- **While Jan-17 ASK growth stood at 20.7% YoY (v/s +21.1% in 3QFY17 and +19% in 2QFY17), RPKs increased 26.4% YoY (v/s +22.8% in 3QFY17 and +24.5% in 2QFY17).**
- **Load factor stood at 88.3% in Jan-17 (v/s 84.8% in 3QFY17 and 83% in 2QFY17).**

Domestic air passenger growth at 25.3% YoY in Jan-17

- India's domestic air passengers grew 25.3% YoY to 9.5m in Jan-17 (v/s 9.5m in Dec-16). Domestic passenger growth exceeded 20% for the 15th straight month.
- IndiGo's passenger growth stood at +39.8% YoY in Jan-17 (v/s +43% in 3QFY17 and +39% in 2QFY17).
- SpiceJet's domestic passenger volumes grew 21.6% YoY in Jan-17 (v/s +22% in 3QFY17).
- Go Air's domestic passenger volumes grew 27.4% YoY in Jan-17 (v/s +19% in 3QFY17).
- Passenger volume growth YoY for other airlines was as follows: Jet Airway: +5.1% YoY (v/s +1.3% in 3QFY17); Air India: +11% (v/s +2% in 3QFY17).

IndiGo's passenger market share remains highest at ~40% in Jan-17

- IndiGo's passenger market share stood at 39.9% in Jan-17 (v/s +41.8% in 3QFY17 and +40% in 2QFY17).
- Jet Airways' market share increased to 18% in Jan-17 v/s 17.8% in Dec-16 and 17.4% in 3QFY17; it remained consistently below 20% for 10th consecutive month.
- Market share for Air India marginally improved to 13.9% (v/s 13.8% in Dec-16) and that for SpiceJet stood at 12.9% in Jan-17 (v/s 12.7% in Dec-16).
- GoAir's market share stood at 8.3% (v/s 8.2% in Dec-16) in Jan-17; it seems to have stabilized in the 8-9% range.

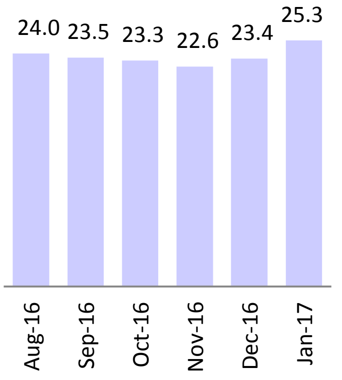
Domestic ASKs increase 20.7% YoY in Jan-17 (v/s +21.1% in 3QFY17)

- IndiGo's domestic ASKs increased +28.7% YoY (v/s +34% in 3QFY17); its domestic ASK share was the highest at 41.2%.
- SpiceJet's domestic ASKs grew 24.8% YoY (v/s +19.8% in 3QFY17).
- Domestic ASKs of GoAir grew 17.5% YoY (v/s +13.5% in 3QFY17) and those of Jet rose 3.1% YoY (v/s +3% in 3QFY17).

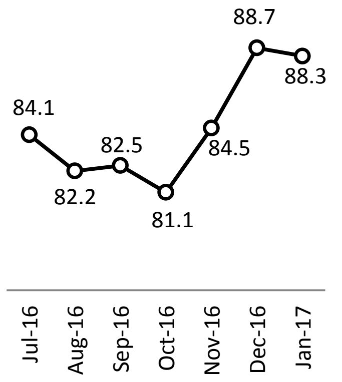
Domestic RPKs rise 26.4% YoY in Jan-17 (v/s +22.8% in 3QFY17)

- IndiGo's RPKs grew 36.8% YoY (v/s +38.9% in 3QFY17), with the highest market share of 42% in Jan-17.
- SpiceJet's domestic RPKs grew 26.8% YoY (v/s +21.2% in 3QFY17), with a market share of 12.4% in Jan-17.
- GoAir's domestic RPKs grew 25.7 YoY (v/s +18.7% in 3QFY17), with a market share of 8.0% in Jan-17.
- Jet's RPK growth stood at +8.3% YoY, followed by Air India (+10.4% YoY).

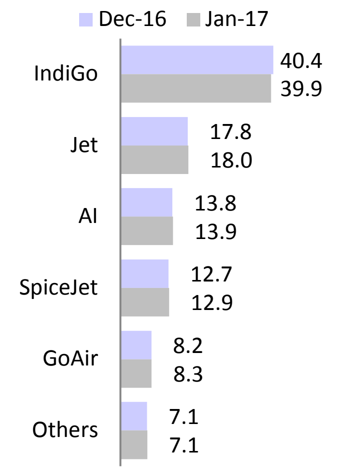
Domestic passenger growth (YoY %)



Industry load factor (%)



Passenger market share (%)

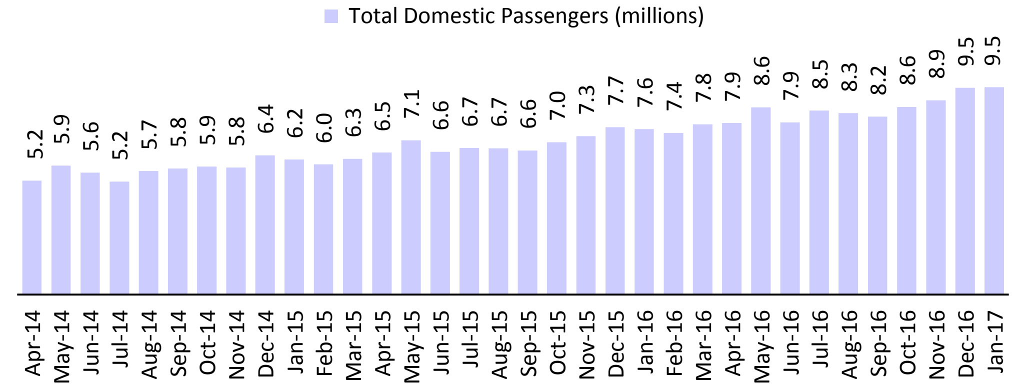


Industry load factors remained high at 88.3% (v/s 84.8% in 3QFY17)

- SpiceJet's load factor stood at 93.6% in Jan-17 (v/s 92.7% in 3QFY17); had 90%+ load factor for last 21 months.
- IndiGo's load factor stood at 90% (v/s 88.1% in 3QFY17).
- GoAir's load factor stood at 90.8% (v/s 87.5% in 3QFY17).
- Jet reported load factor at 86% (v/s 80.2% in 3QFY17).
- Air India reported load factor at 81.4% (v/s 75.9% in 3QFY17).

Jan-17 was 13th consecutive month of above 20% growth

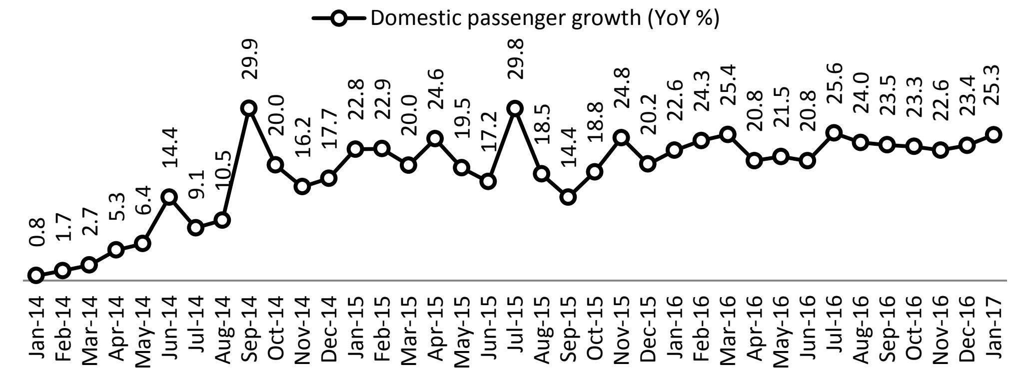
Domestic passengers grew +25.3% YoY to 9.5m in Jan-17



Source: DGCA, MOSL

Domestic passenger volumes grew +25.3% YoY in Jan-17

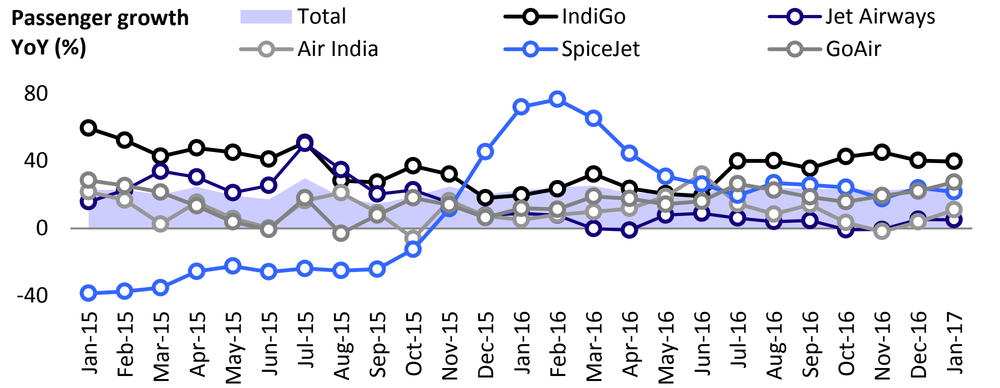
Double-digit passenger growth since Aug-14



Source: DGCA, MOSL

Passenger volumes up +39.8% YoY for IndiGo in Jan-17

Airline-wise passenger growth (YoY %)



Source: DGCA, MOSL

1. Nestle: Note ban led to rs 100-cr loss of sales in dec quarter; Suresh Narayanan, CMD

- The whole globalisation paradigm is under question; demonetisation has led to Rs 100 crore loss of sales in the December quarter.
- Message from the global leadership is, growth with efficiency and (better management of) cost is going to be the way forward.
- Trying to hedge the lack of volume growth in infant nutrition by introducing purely premium offerings, which will in keeping the prices of our present portfolio affordable.
- Another area of focus is increasing penetration and expansion of our existing portfolio. 75% of sales come from urban areas and studies show that incremental growth will come from 600 towns.
- Have to decide which ones (among last year's launches) to continue and which to pull out.

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2. Asian Paints: See limited impact of GST-led disruption; KBS Anand, MD & CEO

- Expect a better show in the fourth quarter ending March 31, 2017. Markets haven't returned to complete normalcy post demonetisation.
- Both urban and rural areas were equally affected by demonetisation. However, the northern parts of India is seeing a delayed recovery from the cash crunch impact.
- Goods and Services Tax (GST) won't create a disruption which will last for more than a quarter. GST will enable organised sector to perform better depending upon tax rates on paints.
- The company had announced a price hike of 3% on its products. However, there may be a further price hike or reduction depending upon factors such as raw material cost and currency fluctuation.

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3. Godrej Consumer: See consumption pick up spur the consumer business; Adi Godrej, Chairman

- Godrej Group's FMCG unit Godrej Consumer Products has left demonetisation behind in and expects a better show in the fourth quarter ending March 2017. , Godrej Group, said
- Consumption has picked up and FMCG business is doing good. Confident of a resurgence in the consumer business, especially the soap segment which fell by 6% and 10% in the last 2 quarters.
- Most segments in the consumer business have done well in the January to March period. However, it would be difficult to judge the real estate business on a month to month basis.
- Though the third quarter ending December 2016 was good for real estate, it is more about completing previous orders.
- The group is not looking at anything specific but in future would look at the possibility of listing their subsidiary Godrej Agrovet, there are no immediate plans.

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1. What's the real gst? by Mohan Lavi

- In the long run-up to introducing GST, the Government was so focused on State governments and negotiating their claims for compensation that it appeared to have missed the fact that India has seven Union Territories that also need to come on board. Out of the seven, only Delhi and Puducherry have their own legislatures, which would mean that the other five would become tax havens under GST. Being a destination-based tax, supplies to and from Union Territories without Legislature (Daman and Diu, for example) would escape GST. This is certainly not what the Government would have wanted and appears to be a case of drafting dilemmas.

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2. Designing the bad bank of india. by Rohan Chinchwadkar

- To solve the problem of bad loans in India, the Reserve Bank of India (RBI) has introduced multiple schemes over the last few years: Flexible Refinancing of Infrastructure (5/25 scheme), Asset Reconstruction (ARC), Strategic Debt Restructuring (SDR), Asset Quality Review (AQR) and Sustainable Structuring of Stressed Assets (S4A). However, the "twin balance sheet problem" persists. On the banking side, stressed assets now stand at over 12% of the total loans in the banking system. Public sector banks, which own almost 70% of banking assets, have a stressed-loan ratio of almost 16%.

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3. America's dangerous neo-protectionism. by Kashik Basu

- US President Donald Trump is about to make a policy mistake. It will hurt—particularly in the short run—countries across sub-Saharan Africa, Latin America and Asia, especially emerging economies like China and Sri Lanka (which run large trade surpluses vis-à-vis the US) and India and the Philippines (major outsourcing destinations). But none will suffer more than the US itself. The policy in question is strange neoliberal protectionism—call it "neo-protectionism." It is, on the one hand, an attempt to "save" domestic jobs by slapping tariffs on foreign goods, influencing exchange rates, restricting inflows of foreign workers, and creating disincentives for outsourcing.

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4. Globalisation in crisis: Not a zero-sum game, unless we make it. by arindam bhattacharya

- Globalisation is in crisis. However, what is more worrying, if one goes by the headlines in the developed countries, is it being made out to be a zero-sum game with China (and other emerging markets) as the big winners and the developed countries losing out. This narrative is not only disingenuous, but more important can become the 'pygmalion effect' which will continue to pro-long the global slowdown that hurts every country. Metrics clearly show that globalisation is in crisis. Trade intensity (total trade/total global GDP) is stagnating after many decades of growth, and FDI intensity (total FDI/global GDP and global investments) is declining.

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5. How commodity options can help develop commodity derivatives market; getting farmers on-board is crucial. by kuntal sur

- The Securities and Exchange Board of India (Sebi) in its Board Meeting held on Feb 11, 2017 approved a draft amendment to Securities Contracts (Regulation) Act to allow commodity derivative exchanges to deal in 'options'. This is carried out as an effort to deepen the commodities derivatives market. Market experts believe that options contracts would complement the existing futures contracts and will make commodity derivatives more attractive to farmers, cooperatives and SMEs for price discovery and hedging purposes.

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6. Baby needs no bathwater. by Pratik Jain

- The outcome of the Goods and Services Tax (GST) Council meeting on February 18 was on expected lines. The remaining legislative issues were apparently thrashed out, with an understanding that the GST laws would be formally approved in the next meeting scheduled for March 4 and 5. The compensation law was formally approved by the council, which is likely to be presented before Parliament along with the Central GST (CGST) and Integrated GST (IGST) laws in the second half of the Budget session, starting on March 9. With this, we are all set to see GST from July 1, 2017. Good news, indeed.But are the laws in line with what India Inc expected? Probably not.

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International

7. The authoritarian wave reaches the west. by Gideon Rachman

- After the fall of the Berlin Wall, there was a "democratic wave". Political freedom spread from its traditional bastions in western Europe and the US — and countries as diverse as Poland, South Africa and Indonesia turned democratic. But now the process seems to have gone into reverse. An authoritarian wave that began outside the established democracies of the west has spread to the US and Europe. The resurgence of authoritarian attitudes and practices that first manifested itself in young democracies, such as Russia, Thailand and the Philippines, has spread into western politics.

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Valuation snapshot

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR) FY17E	EPS (INR) FY18E	EPS (INR) FY19E	P/E (x) FY17E	P/E (x) FY18E	P/B (x) FY17E	P/B (x) FY18E	ROE (%) FY17E	ROE (%) FY18E	ROE (%) FY19E
Automobiles														
Amara Raja	Buy	860	1,087	26	29.2	37.7	45.4	29.4	22.8	5.8	4.8	21.6	23.1	22.9
Ashok Ley.	Buy	95	114	20	4.8	6.4	8.2	19.8	14.8	4.3	3.6	23.1	26.3	28.2
Bajaj Auto	Buy	2,806	3,431	22	136.2	160.6	182.3	20.6	17.5	5.8	5.1	30.0	31.0	30.9
Bharat Forge	Buy	1,080	1,110	3	25.7	37.5	46.7	42.1	28.8	6.4	5.5	15.9	20.6	22.0
Bosch	Neutral	21,730	22,049	1	489.0	639.6	735.0	44.4	34.0	8.7	7.3	18.8	23.4	22.6
CEAT	Buy	1,117	1,406	26	89.9	107.6	140.6	12.4	10.4	1.9	1.6	16.4	16.9	18.9
Eicher Mot.	Buy	25,234	29,172	16	625.6	870.8	1,075.2	40.3	29.0	14.3	10.3	41.2	41.3	37.2
Endurance Tech.	Buy	672	732	9	24.2	30.2	36.6	27.7	22.2	5.4	4.4	21.2	21.8	22.1
Escorts	Buy	420	469	12	21.8	32.8	42.7	19.3	12.8	2.1	1.9	11.4	15.6	17.7
Exide Ind	Buy	215	233	8	8.2	9.7	11.8	26.1	22.2	3.7	3.3	14.2	14.9	15.9
Hero Moto	Neutral	3,129	3,190	2	175.2	190.7	199.4	17.9	16.4	6.6	5.6	40.1	36.8	33.0
M&M	Buy	1,315	1,506	15	60.7	75.0	89.4	21.7	17.5	3.2	3.0	14.3	13.6	14.5
Mahindra CIE	Not Rated	209	-		6.2	9.7	11.9	33.8	21.6	2.4	2.1	7.7	10.3	11.3
Maruti Suzuki	Buy	6,063	6,808	12	252.7	313.1	379.5	24.0	19.4	5.6	4.6	22.8	23.2	23.2
Tata Motors	Buy	459	653	42	12.8	35.5	70.1	36.0	12.9	1.8	1.6	5.2	13.3	22.2
TVS Motor	Buy	429	462	8	11.9	15.4	21.9	36.1	27.9	8.7	7.0	26.4	27.9	31.4
Aggregate								**26.8**	**18.4**	**4.0**	**3.5**	**15.0**	**18.9**	**22.0**
Banks - Private														
Axis Bank	Neutral	505	535	6	14.1	25.0	46.8	35.9	20.2	2.2	2.0	6.3	10.3	17.3
DCB Bank	Neutral	152	134	-12	7.1	8.6	10.9	21.4	17.6	2.2	2.0	10.9	11.8	13.1
Equitas Hold.	Buy	182	240	32	6.1	6.9	8.7	30.0	26.2	2.7	2.5	11.3	9.9	11.1
Federal Bank	Buy	86	105	22	4.6	5.5	6.9	18.7	15.7	1.7	1.6	9.4	10.4	12.1
HDFC Bank	Buy	1,412	1,510	7	56.9	68.3	81.5	24.8	20.7	4.3	3.7	18.6	19.3	19.8
ICICI Bank	Buy	285	345	21	17.2	17.9	21.8	16.6	15.9	2.0	1.8	10.4	9.9	11.3
IDFC Bank	Neutral	63	68	8	3.1	3.9	4.9	20.7	16.0	1.5	1.4	7.4	8.9	10.2
IndusInd	Buy	1,331	1,535	15	48.4	58.7	71.2	27.5	22.7	4.0	3.5	15.5	16.4	17.2
J&K Bank	Neutral	72	75	4	-25.2	13.0	15.4	NM	5.6	0.7	0.6	-21.1	11.6	12.5
Kotak Mah. Bk	Buy	797	940	18	26.3	32.3	41.3	30.4	24.7	3.8	3.3	13.5	14.5	16.0
RBL Bank	Buy	427	450	5	12.4	17.5	24.6	34.3	24.3	3.7	3.3	12.6	14.4	17.7
South Indian	Neutral	21	21	1	2.8	3.1	3.8	7.5	6.7	0.7	0.7	9.7	10.0	11.3
Yes Bank	Buy	1,450	1,575	9	79.3	97.0	118.4	18.3	15.0	3.7	3.1	22.1	22.6	23.0
Aggregate								**24.3**	**19.2**	**2.9**	**2.6**	**12.0**	**13.6**	**15.5**
Banks - PSU														
BOB	Buy	169	221	31	7.5	18.3	25.3	22.5	9.2	1.1	1.0	5.0	11.5	14.4
BOI	Neutral	128	123	-4	-5.6	17.1	23.2	NM	7.5	0.5	0.5	-2.4	7.0	8.9
Canara	Neutral	294	300	2	23.9	36.7	56.0	12.3	8.0	0.6	0.6	4.9	7.2	10.3
IDBI Bk	Neutral	83	49	-40	1.5	6.4	8.6	54.2	12.9	0.8	0.7	1.4	5.8	7.3
Indian Bk	Buy	291	330	13	30.4	32.2	38.1	9.6	9.0	1.0	0.9	10.4	10.2	11.1
OBC	Neutral	126	114	-9	6.6	19.6	24.1	19.1	6.4	0.3	0.3	1.7	4.8	5.6
PNB	Buy	144	185	29	6.7	12.7	17.2	21.4	11.3	0.8	0.7	3.9	6.8	8.6
SBI	Buy	271	350	29	8.6	21.6	29.5	31.4	12.5	1.2	1.1	3.9	9.2	11.5
Union Bk	Neutral	145	172	19	8.5	30.5	45.3	17.2	4.7	0.5	0.4	2.8	9.7	13.0
Aggregate								**26.5**	**10.5**	**0.9**	**0.8**	**3.3**	**7.9**	**10.1**
NBFCs														
Bajaj Fin.	Buy	1,096	1,276	16	34.1	44.6	59.3	32.1	24.6	6.6	5.4	22.5	24.1	25.9
Bharat Fin.	Buy	870	883	2	45.2	43.2	48.9	19.2	20.1	4.3	3.6	30.0	19.4	18.2
Dewan Hsg.	Buy	322	405	26	30.7	35.6	42.0	10.5	9.1	1.6	1.4	16.6	16.6	17.2
GRUH Fin.	Neutral	369	348	-6	7.9	9.8	11.7	46.9	37.5	13.3	11.0	31.0	32.1	31.6
HDFC	Buy	1,412	1,580	12	46.8	51.7	57.3	30.2	27.3	5.6	5.1	19.6	19.6	19.0
Indiabulls Hsg	Buy	869	1,015	17	69.5	86.2	109.6	12.5	10.1	3.1	2.7	26.0	28.9	32.3
LIC Hsg Fin	Buy	558	693	24	37.6	44.7	52.6	14.8	12.5	2.6	2.3	19.1	19.5	19.6
Manappuram	Not Rated	101	-		3.8	4.3	5.2	26.4	23.5	2.9	2.8	11.4	12.2	14.0
M&M Fin.	Buy	299	323	8	8.4	11.1	13.9	35.5	27.0	2.7	2.5	7.7	9.7	11.4

		CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
Company	Reco	(INR)	(INR)	Downside	FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Muthoot Fin	Buy	349	409	17	29.7	34.7	40.5	11.7	10.1	2.2	1.9	19.8	20.3	20.8
PFC	Neutral	136	117	-14	24.0	25.5	40.5	5.7	5.3	0.9	0.8	16.8	16.2	22.3
Repco Home	Buy	671	752	12	25.7	37.7	40.5	26.1	17.8	3.8	3.2	15.7	19.6	17.7
REC	Neutral	155	134	-14	29.4	35.3	39.9	5.3	4.4	0.9	0.8	18.8	19.5	18.9
Shriram City Union	Buy	1,900	2,500	32	91.2	130.5	164.2	20.8	14.6	2.5	2.2	12.7	16.1	17.6
STF	Buy	949	1,225	29	58.1	77.9	96.7	16.3	12.2	1.9	1.7	12.3	14.7	16.1
Aggregate								**16.2**	**13.9**	**2.8**	**2.5**	**17.2**	**17.7**	**18.9**
Capital Goods														
ABB	Neutral	1,222	1,190	-3	18.4	26.1	32.6	66.3	46.8	7.9	6.7	11.9	14.4	15.9
Bharat Elec.	Buy	1,560	1,800	15	61.9	73.3	85.5	25.2	21.3	4.6	4.0	19.7	19.0	19.3
BHEL	Sell	155	115	-26	5.5	5.7	5.8	27.9	27.0	1.1	1.1	4.0	4.0	4.0
CG Cons. Elec.	Buy	189	205	8	4.6	5.5	6.7	41.6	34.7	31.5	21.4	94.3	73.3	66.1
Crompton Grv.	Sell	68	45	-34	3.6	3.9	4.5	18.6	17.4	1.0	0.9	5.4	5.5	6.0
Cummins	Neutral	904	990	10	26.6	30.5	36.5	33.9	29.7	7.2	6.6	22.6	23.2	25.3
GE T&D	Neutral	300	340	14	6.0	11.0	11.4	49.8	27.1	5.9	5.3	11.7	20.7	19.2
Havells	Neutral	420	425	1	8.9	12.1	14.1	47.0	34.8	9.5	8.6	20.3	24.6	25.1
Inox Wind	Neutral	178	175	-2	19.4	16.5	17.6	9.2	10.8	1.8	1.6	21.2	15.3	14.3
K E C Intl	Buy	170	175	3	10.5	12.3	13.5	16.1	13.8	2.5	2.2	16.6	16.8	16.2
L&T	Buy	1,483	1,620	9	53.1	63.7	77.8	27.9	23.3	2.9	2.7	10.8	12.0	13.3
Pennar Eng.	Not Rated	120	-		10.5	12.4	16.8	11.4	9.7	1.7	1.4	14.5	14.6	16.6
Siemens	Neutral	1,223	1,340	10	17.0	25.7	33.5	71.9	47.6	6.6	5.7	9.2	11.9	14.2
Solar Ind	Neutral	734	800	9	19.0	22.3	26.5	38.6	32.9	6.6	5.7	18.4	18.6	19.0
Suzlon Energy	Not Rated	17	-		0.2	0.6	0.7	79.6	30.8	-1.9	-2.1	NM	-6.7	-8.4
Thermax	Sell	857	781	-9	24.4	27.9	31.3	35.1	30.8	4.0	3.7	12.1	12.6	13.1
Va Tech Wab.	Buy	525	654	25	26.5	34.5	40.3	19.8	15.2	2.7	2.4	8.9	16.7	17.3
Voltas	Neutral	363	365	1	13.1	15.9	18.8	27.6	22.8	4.4	3.9	17.1	18.2	18.8
Aggregate								**31.9**	**26.6**	**3.4**	**3.1**	**10.8**	**11.8**	**12.8**
Cement														
Ambuja Cem.	Buy	239	277	16	4.9	7.3	7.9	48.8	32.5	2.5	2.4	5.0	7.4	7.7
ACC	Neutral	1,466	1,339	-9	33.7	46.7	58.6	43.5	31.4	3.2	3.3	7.5	10.4	13.2
Birla Corp.	Buy	709	869	23	21.5	41.2	54.1	32.9	17.2	2.0	1.8	6.0	10.9	13.3
Dalmia Bharat	Buy	1,893	2,246	19	32.3	50.7	73.8	58.7	37.3	4.1	3.7	7.2	10.4	13.4
Grasim Inds.	Neutral	1,069	1,067	0	70.2	86.5	110.7	15.2	12.4	1.7	1.5	12.0	13.1	14.7
India Cem	Neutral	172	138	-20	7.3	10.7	12.4	23.5	16.2	1.4	1.3	5.8	7.6	7.8
J K Cements	Buy	891	938	5	32.6	37.2	49.3	27.3	23.9	3.4	3.1	13.3	13.6	16.0
JK Lakshmi Ce	Buy	395	455	15	5.9	12.2	17.8	66.6	32.2	3.4	3.3	5.2	10.5	14.7
Ramco Cem	Buy	677	815	20	29.0	31.9	40.1	23.3	21.2	4.4	3.7	20.3	18.9	20.0
Orient Cem	Buy	133	167	25	-1.8	3.2	5.8	NM	42.0	2.9	2.7	-3.7	6.6	11.3
Prism Cem	Buy	96	112	17	-0.6	2.6	4.8	NM	36.5	5.0	4.6	-3.1	13.1	20.8
Shree Cem	Buy	15,769	19,006	21	387.1	582.8	729.9	40.7	27.1	7.4	5.9	19.9	24.4	24.3
Ultratech	Buy	3,769	4,058	8	93.5	129.6	161.2	40.3	29.1	4.5	4.0	11.7	14.5	15.8
Aggregate								**33.0**	**23.8**	**3.3**	**3.0**	**9.9**	**12.5**	**14.0**
Consumer														
Asian Paints	Neutral	991	1,035	4	20.2	22.9	26.8	49.0	43.2	15.0	13.1	32.5	32.3	32.5
Britannia	Buy	3,236	3,775	17	71.9	83.0	101.3	45.0	39.0	17.2	13.6	42.9	39.1	37.9
Colgate	Buy	914	1,115	22	21.7	25.8	31.6	42.2	35.4	22.0	20.6	54.9	60.1	68.5
Dabur	Neutral	273	300	10	7.3	8.3	9.7	37.3	32.8	9.8	8.3	28.3	27.3	27.2
Emami	Buy	1,109	1,260	14	24.5	29.8	36.0	45.3	37.2	13.4	11.3	33.8	33.0	33.2
Godrej Cons.	Neutral	1,702	1,655	-3	36.8	42.8	49.6	46.2	39.8	9.6	8.2	22.4	22.2	21.9
GSK Cons.	Neutral	5,228	5,300	1	157.7	178.8	190.8	33.2	29.2	7.8	6.8	25.1	24.7	23.1
HUL	Neutral	863	865	0	19.3	21.5	24.8	44.8	40.1	30.8	32.1	67.6	78.4	92.5
ITC	Buy	263	295	12	8.4	9.5	10.8	31.4	27.7	8.3	7.3	28.4	28.1	28.2
Jyothy Lab	Neutral	359	365	2	7.6	9.0	10.5	47.4	40.0	7.2	6.6	15.7	17.2	18.3
Marico	Buy	275	300	9	6.1	7.1	8.4	45.2	38.8	13.6	11.7	33.3	32.4	34.5

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR) FY17E	EPS (INR) FY18E	EPS (INR) FY19E	P/E (x) FY17E	P/E (x) FY18E	P/B (x) FY17E	P/B (x) FY18E	ROE (%) FY17E	ROE (%) FY18E	ROE (%) FY19E
Nestle	Neutral	6,354	6,840	8	118.7	144.0	171.0	53.5	44.1	20.1	17.4	35.9	39.2	42.3
Page Inds	Buy	14,358	16,910	18	235.6	305.1	388.4	60.9	47.1	25.2	19.9	41.3	42.2	43.2
Parag Milk	Neutral	224	215	-4	7.0	9.7	12.1	31.9	23.1	2.6	2.3	10.8	10.5	12.9
Pidilite Ind.	Neutral	701	720	3	16.6	18.3	20.5	42.2	38.4	10.9	8.8	28.0	25.4	23.4
P&G Hygiene	Buy	6,982	8,250	18	145.7	167.7	198.8	47.9	41.6	12.9	11.2	29.0	28.8	29.5
United Brew	Buy	804	1,044	30	10.7	15.4	19.8	75.4	52.3	9.0	7.8	12.6	16.0	17.8
United Spirits	Buy	2,416	2,885	19	28.6	47.0	64.0	84.4	51.4	15.9	12.3	20.8	24.0	24.9
Aggregate								**40.6**	**35.1**	**12.0**	**10.5**	**29.5**	**29.8**	**30.3**
Healthcare														
Alembic Phar	Neutral	593	630	6	23.2	27.9	35.1	25.5	21.2	5.8	4.8	24.8	24.7	25.3
Alkem Lab	Neutral	1,991	1,850	-7	79.3	85.7	100.0	25.1	23.2	5.6	4.7	24.4	22.0	21.7
Aurobindo	Buy	686	1,050	53	40.5	48.1	57.2	16.9	14.3	4.3	3.4	29.0	26.5	24.7
Biocon	Sell	1,132	750	-34	33.2	35.6	44.5	34.1	31.8	5.0	4.5	14.7	14.1	15.7
Cadila	Buy	440	510	16	12.0	17.7	23.0	36.7	24.9	7.3	6.0	21.4	26.5	27.9
Cipla	Neutral	593	550	-7	18.1	24.1	31.1	32.7	24.6	3.7	3.2	11.2	13.2	14.7
Divis Lab	Neutral	762	815	7	45.4	51.0	57.0	16.8	15.0	4.3	3.7	26.7	26.5	25.7
Dr Reddy's	Neutral	2,899	3,050	5	77.7	129.4	160.2	37.3	22.4	3.6	3.1	10.0	14.9	16.1
Fortis Health	Buy	193	240	24	3.0	3.2	6.5	65.3	60.6	2.2	1.8	3.4	3.3	6.0
Glenmark	Neutral	949	990	4	41.6	49.2	60.5	22.8	19.3	4.7	3.6	20.5	18.9	19.1
Granules	Buy	131	160	22	7.0	8.0	11.7	18.8	16.3	3.2	2.2	19.9	16.6	18.4
GSK Pharma	Neutral	2,683	2,700	1	34.5	55.5	64.4	77.7	48.3	17.4	20.8	22.4	43.0	56.9
IPCA Labs	Neutral	554	540	-2	15.8	27.9	37.3	35.0	19.8	2.8	2.5	8.4	13.5	15.9
Lupin	Buy	1,469	1,850	26	61.8	79.0	89.3	23.8	18.6	5.0	4.0	22.9	23.9	22.1
Sanofi India	Buy	4,186	5,200	24	142.2	172.8	198.9	29.4	24.2	5.2	4.7	17.8	19.4	19.7
Sun Pharma	Buy	673	850	26	27.4	35.1	42.2	24.6	19.2	4.7	3.9	20.0	22.3	22.4
Syngene Intl	Not Rated	515	-		13.0	16.1	18.0	39.6	31.9	8.0	6.5	22.2	22.5	20.7
Torrent Pharma	Buy	1,313	1,700	29	56.8	76.3	93.4	23.1	17.2	5.6	4.6	26.0	29.2	29.6
Aggregate								**26.5**	**20.6**	**4.7**	**3.9**	**17.7**	**19.1**	**19.5**
Logistics														
Allcargo Logistics	Buy	167	191	14	9.5	11.1	12.5	17.7	15.1	2.4	2.1	12.0	14.9	15.0
Blue Dart	Not Rated	4,320	-		102.5	129.9	163.2	42.1	33.2	18.7	14.2	50.5	48.6	46.8
Concor	Neutral	1,226	1,309	7	36.0	45.8	50.0	34.1	26.8	2.8	2.7	8.6	10.3	10.6
Gateway Distriparks	Buy	251	314	25	8.8	15.7	20.1	28.7	16.0	2.1	2.0	7.6	12.9	15.3
Gati	Not Rated	123	-		8.4	15.9	23.9	14.8	7.8	2.0	1.8	12.4	19.4	25.4
Transport Corp.	Not Rated	203	-		16.9	21.0	25.9	12.0	9.7	1.9	1.6	16.7	17.8	18.6
Aggregate								**29.4**	**22.3**	**3.2**	**2.9**	**11.0**	**13.3**	**14.3**
Media														
Dish TV	Buy	93	115	24	1.7	3.2	4.8	55.4	29.6	17.8	11.1	38.2	46.1	44.7
D B Corp	Buy	380	450	18	21.1	23.9	27.4	18.0	15.9	4.6	4.1	27.0	27.1	27.5
Den Net.	Neutral	82	75	-8	-3.6	1.9	7.7	NM	44.2	0.9	0.9	-4.1	2.1	8.1
Hathway Cab.	Buy	36	47	29	-2.4	-0.8	0.4	NM	NM	2.8	3.0	-16.6	-6.1	3.3
Hind. Media	Buy	268	355	32	26.5	29.4	33.2	10.1	9.1	1.8	1.5	19.3	17.8	16.9
HT Media	Neutral	85	85	0	8.0	8.2	8.7	10.6	10.4	0.8	0.7	7.7	7.1	7.0
Jagran Prak.	Buy	190	215	13	10.8	12.2	13.9	17.7	15.5	3.4	3.0	20.7	20.6	20.4
PVR	Buy	1,269	1,533	21	20.8	35.7	56.8	61.1	35.6	6.2	5.4	10.6	16.3	22.0
Siti Net.	Neutral	38	40	5	-0.9	2.7	1.2	NM	14.1	4.0	2.7	-10.2	23.5	11.2
Sun TV	Neutral	703	735	4	25.1	29.7	34.5	28.0	23.7	7.0	6.5	25.1	27.3	29.0
Zee Ent.	Buy	525	600	14	12.2	17.6	20.9	43.0	29.8	10.1	8.2	31.3	30.3	29.3
Aggregate								**34.2**	**24.7**	**5.9**	**5.1**	**17.3**	**20.6**	**21.7**
Metals														
Hindalco	Buy	182	240	32	17.2	22.9	25.6	10.6	8.0	1.6	1.4	16.1	18.8	17.7
Hind. Zinc	Neutral	303	307	1	19.8	28.2	29.5	15.3	10.7	3.0	2.5	20.9	25.2	22.0

Company	Reco	CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Downside	FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
JSPL	Neutral	109	88	-19	-27.3	-8.5	-5.4	NM	NM	0.6	0.7	-14.8	-5.1	-3.4
JSW Steel	Buy	187	226	21	13.6	19.0	19.4	13.7	9.9	2.1	1.8	16.4	19.6	17.1
Nalco	Buy	66	83	25	3.6	5.3	5.5	18.6	12.4	1.2	1.2	6.9	9.7	9.3
NMDC	Buy	143	179	25	12.2	12.3	12.9	11.7	11.6	1.9	1.8	13.5	15.6	15.0
SAIL	Sell	62	28	-55	-8.7	-14.2	-1.3	NM	NM	0.7	0.9	-9.6	-17.9	-1.8
Vedanta	Neutral	269	279	4	18.9	31.1	33.1	14.2	8.6	1.6	1.4	11.7	17.1	16.4
Tata Steel	Sell	491	401	-18	17.4	43.8	51.4	28.3	11.2	4.0	3.1	12.6	31.3	28.9
Aggregate								**20.1**	**12.7**	**1.6**	**1.5**	**7.8**	**11.4**	**12.9**
Oil & Gas														
BPCL	Buy	705	778	10	56.6	55.5	60.0	12.4	12.7	3.2	2.8	27.5	23.4	21.8
Cairn India	Neutral	293	-		14.0	12.5	12.8	21.0	23.5	1.1	1.1	5.3	4.6	4.6
GAIL	Neutral	524	446	-15	31.8	38.1	41.3	16.5	13.8	2.0	1.8	14.1	13.7	13.7
Gujarat St. Pet.	Neutral	160	163	2	8.8	11.0	13.2	18.1	14.5	2.1	1.9	12.0	13.5	14.5
HPCL	Buy	563	620	10	53.8	45.0	46.2	10.5	12.5	2.8	2.4	27.9	20.7	18.7
IOC	Buy	391	458	17	43.5	39.9	41.7	9.0	9.8	2.2	1.9	25.9	20.7	19.1
IGL	Neutral	1,047	1,032	-1	43.0	42.6	49.9	24.4	24.6	5.1	4.4	22.1	19.3	19.4
MRPL	Neutral	109	114	5	12.9	12.7	13.9	8.4	8.6	2.3	1.9	31.0	24.7	22.5
Oil India	Buy	329	382	16	27.5	39.0	39.8	12.0	8.4	1.1	1.0	9.5	12.7	12.1
ONGC	Neutral	196	204	4	12.6	21.1	21.0	15.6	9.3	1.4	1.3	8.7	14.4	14.2
PLNG	Buy	400	460	15	22.8	26.9	36.6	17.6	14.9	3.9	3.3	24.4	24.2	27.4
Reliance Ind.	Neutral	1,088	1,057	-3	99.2	107.9	113.1	11.0	10.1	1.2	1.1	11.6	11.4	10.9
Aggregate								**12.4**	**10.9**	**1.6**	**1.5**	**13.0**	**13.6**	**13.2**
Retail														
Jubilant Food	Neutral	1,000	1,008	1	12.8	22.4	29.9	78.0	44.7	8.1	8.9	10.4	19.9	25.1
Shopper's Stop	Neutral	328	300	-9	4.1	8.0	12.6	80.1	40.9	3.2	3.0	4.2	7.7	11.0
Titan Co.	Neutral	457	420	-8	9.2	9.7	11.2	49.5	47.3	9.8	8.6	21.2	19.3	19.7
Aggregate								**50.8**	**44.4**	**8.2**	**7.5**	**16.2**	**16.8**	**18.1**
Technology														
Cyient	Buy	475	600	26	32.8	39.1	43.3	14.5	12.1	2.3	2.0	15.7	16.5	16.2
HCL Tech.	Buy	852	980	15	58.1	64.7	70.2	14.7	13.2	3.7	3.3	27.3	26.7	25.7
Hexaware	Neutral	213	220	3	13.7	15.3	15.9	15.6	13.9	3.8	3.2	26.5	25.0	22.2
Infosys	Buy	1,013	1,250	23	62.8	67.8	74.4	16.1	14.9	3.4	3.0	23.2	22.5	22.3
KPIT Tech	Neutral	135	150	11	11.7	13.8	15.3	11.5	9.7	1.7	1.4	14.0	15.9	15.1
L&T Infotech	Buy	711	800	12	54.2	57.5	62.3	13.1	12.4	4.9	4.1	41.8	36.2	32.8
Mindtree	Neutral	474	530	12	25.1	33.7	38.1	18.9	14.1	3.1	2.8	17.1	21.0	21.1
Mphasis	Neutral	577	550	-5	42.6	41.4	45.0	13.5	13.9	2.1	2.0	14.1	14.4	14.8
NIIT Tech	Neutral	419	470	12	38.2	49.3	51.9	10.9	8.5	1.5	1.3	14.2	16.5	15.5
Persistent Sys	Neutral	633	730	15	38.9	46.2	52.6	16.3	13.7	2.6	2.5	17.5	18.9	20.6
Tata Elxsi	Buy	1,497	1,780	19	59.3	72.1	89.0	25.2	20.8	9.7	7.7	42.5	41.3	40.8
TCS	Neutral	2,464	2,550	3	135.6	146.5	159.2	18.2	16.8	5.8	5.8	33.9	33.4	33.3
Tech Mah	Buy	508	550	8	32.5	36.6	41.2	15.6	13.9	2.9	2.6	20.1	20.0	19.6
Wipro	Neutral	476	560	18	33.4	37.2	41.7	14.2	12.8	2.3	2.1	17.0	17.0	17.3
Zensar Tech	Buy	921	1,250	36	68.6	85.0	93.3	13.4	10.8	2.5	2.1	20.0	21.1	19.8
Aggregate								**16.6**	**15.4**	**3.9**	**3.7**	**23.7**	**23.8**	**22.9**
Telecom														
Bharti Airtel	Buy	363	410	13	11.3	7.9	12.4	32.1	46.0	2.1	2.0	6.7	4.5	6.7
Bharti Infratel	Buy	296	435	47	15.6	16.7	19.9	19.0	17.7	3.1	2.7	15.7	15.9	16.7
Idea Cellular	Under Review	108	-		-3.1	-12.5	-12.0	NM	NM	1.6	1.9	-4.4	-20.0	-23.7
Tata Comm	Buy	750	811	8	8.5	31.4	44.8	88.2	23.9	-95.0	31.9	-75.4	402.2	97.6
Aggregate								**41.2**	**101.3**	**2.4**	**2.4**	**5.8**	**2.3**	**4.7**
Utiltites														
Coal India	Neutral	320	315	-1	17.2	20.0	22.5	18.6	16.0	6.6	6.5	35.2	41.0	46.0
CESC	Buy	875	970	11	50.2	74.5	82.1	17.4	11.7	2.0	1.7	11.0	15.8	15.2
JSW Energy	Buy	64	83	30	4.1	3.3	1.5	15.6	19.6	1.2	1.2	7.7	6.0	2.7
NTPC	Buy	172	199	15	12.0	14.3	17.3	14.3	12.0	1.5	1.4	10.8	11.9	13.3

		CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
Company	**Reco**	**(INR)**	**(INR)**	**Downside**	**FY17E**	**FY18E**	**FY19E**	**FY17E**	**FY18E**	**FY17E**	**FY18E**	**FY17E**	**FY18E**	**FY19E**
Power Grid	Buy	206	238	16	14.3	17.1	20.0	14.4	12.1	2.2	1.9	16.0	16.8	17.2
Aggregate								**16.0**	**13.5**	**2.5**	**2.3**	**15.5**	**16.9**	**17.9**
Others														
Arvind	Buy	383	430	12	13.5	21.8	28.6	28.3	17.6	2.6	2.3	10.4	14.0	16.3
Bata India	Buy	500	483	-3	10.9	14.2	17.7	46.0	35.2	5.0	4.5	11.3	13.4	15.0
Castrol India	Buy	433	499	15	13.4	14.3	15.9	32.4	30.4	33.5	30.2	108.8	104.6	105.2
Century Ply.	Buy	229	211	-8	4.6	8.8	11.3	50.2	26.1	8.7	7.1	18.2	29.8	30.7
Coromandel Intl	Under Review	335	-		16.3	20.0	25.5	20.6	16.8	3.6	3.2	18.5	20.4	22.8
Dynamatic Tech	Buy	2,926	3,388	16	67.6	112.9	166.7	43.3	25.9	6.0	4.9	15.1	20.7	24.3
Eveready Inds.	Buy	253	287	13	12.4	13.9	16.9	20.4	18.3	6.8	5.5	37.8	33.1	32.5
Interglobe	Neutral	845	1,010	19	39.3	54.1	72.2	21.5	15.6	14.8	12.9	72.8	88.1	101.2
Indo Count	Buy	165	205	24	13.7	17.1	20.6	12.1	9.7	3.5	2.5	33.8	30.2	26.8
Info Edge	Buy	837	1,075	28	16.9	19.0	21.9	49.4	44.0	5.2	4.9	11.1	11.5	12.3
Inox Leisure	Sell	245	207	-16	2.5	8.2	11.5	98.2	30.1	3.8	3.4	3.8	11.5	14.3
Jain Irrigation	Under Review	96	-		5.5	7.6	10.0	17.3	12.6	1.5	1.4	8.6	11.7	14.8
Just Dial	Buy	509	443	-13	17.2	18.5	22.1	29.7	27.6	4.6	4.0	16.5	15.5	16.2
Kaveri Seed	Neutral	465	577	24	23.4	28.6	36.1	19.8	16.3	3.3	3.1	17.3	19.8	22.9
Kitex Garm.	Buy	427	551	29	26.0	31.0	36.7	16.4	13.8	4.4	3.6	29.9	28.7	27.7
Manpasand	Buy	701	843	20	14.9	23.1	38.3	47.0	30.3	3.4	3.2	8.6	9.6	16.3
MCX	Buy	1,120	1,400	25	28.3	40.8	54.3	39.6	27.4	4.3	4.0	11.4	15.2	18.5
Monsanto	Under Review	2,496	-		68.4	87.2	106.6	36.5	28.6	10.6	10.0	28.8	35.9	39.8
PI Inds.	Buy	870	1,046	20	30.4	34.8	43.6	28.6	25.0	7.9	6.3	30.9	27.9	27.8
Piramal Enterp.	Buy	1,899	2,200	16	74.5	127.1	164.7	25.5	14.9	2.5	2.2	10.0	15.7	18.2
SRF	Buy	1,603	1,825	14	82.4	99.9	125.1	19.5	16.0	3.1	2.7	16.5	17.4	19.1
S H Kelkar	Buy	304	371	22	7.5	10.1	13.3	40.7	30.0	5.3	4.7	13.5	16.6	19.1
Symphony	Sell	1,285	1,053	-18	27.0	35.1	42.9	47.6	36.6	25.9	22.0	56.8	65.0	66.3
TTK Prestige	Neutral	5,335	5,326	0	107.8	139.9	178.6	49.5	38.1	7.9	7.1	16.6	19.7	22.4
V-Guard	Neutral	214	179	-16	4.5	5.8	7.0	47.4	37.1	11.3	9.2	26.1	27.4	27.3
Wonderla	Buy	374	393	5	7.0	11.9	16.0	53.5	31.3	4.9	4.4	9.5	14.8	17.5

MOSL Universe stock performance

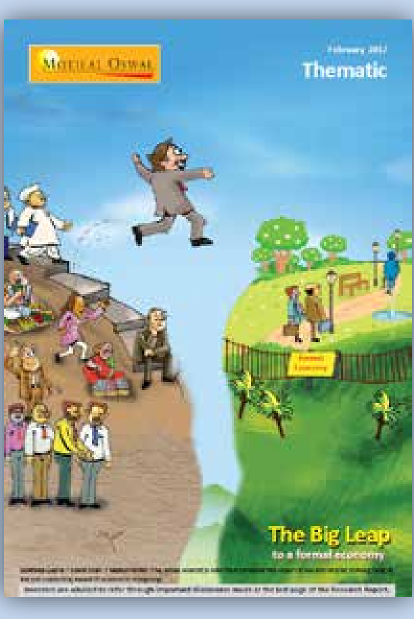
Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-0.4	-4.7	-2.9
Ashok Ley.	0.8	11.1	4.4
Bajaj Auto	0.5	4.0	14.2
Bharat Forge	0.3	16.9	40.1
Bosch	-0.1	2.1	29.7
CEAT	-0.7	-5.2	17.2
Eicher Mot.	0.5	10.9	35.5
Endurance Tech.	0.1	14.8	
Escorts	2.1	21.3	251.7
Exide Ind	0.0	10.6	69.5
Hero Moto	0.8	2.4	15.7
M&M	0.0	10.3	6.8
Mahindra CIE	3.1	7.0	8.2
Maruti Suzuki	-0.5	6.9	69.3
Tata Motors	0.8	-12.3	44.6
TVS Motor	0.8	13.3	49.2
Banks - Private			
Axis Bank	5.0	12.0	28.6
DCB Bank	-0.5	29.0	106.2
Equitas Hold.	0.9	14.8	
Federal Bank	0.1	10.5	78.0
HDFC Bank	0.4	14.2	42.9
ICICI Bank	1.0	8.2	43.5
IDFC Bank	-0.4	-0.1	24.5
IndusInd	-0.4	9.0	58.1
J&K Bank	1.5	15.3	9.0
Kotak Mah. Bk	0.0	10.3	26.3
RBL Bank	0.3	15.8	
South Indian	0.5	9.2	36.4
Yes Bank	1.5	6.7	103.1
Banks - PSU			
BOB	0.2	9.7	21.1
BOI	1.8	14.2	46.8
Canara	1.2	10.8	75.9
IDBI Bk	0.7	11.6	51.2
Indian Bk	0.3	19.4	236.4
OBC	1.6	11.8	50.0
PNB	0.7	12.3	88.8
SBI	0.5	7.8	64.4
Union Bk	2.5	6.9	23.0
NBFCs			
Bajaj Fin.	-0.4	20.8	81.1
Bharat Fin.	-0.2	31.2	75.0
Dewan Hsg.	-0.3	18.4	112.1
GRUH Fin.	-0.4	9.9	50.4
HDFC	1.3	14.2	33.1
Indiabulls Hsg	2.5	15.8	45.4
LIC Hsg Fin	-0.3	7.9	33.0
Manappuram	-1.3	31.1	221.7
M&M Fin.	2.7	8.3	38.4
Muthoot Fin	-0.3	18.1	87.3
PFC	2.0	4.1	78.1
Repco Home	-0.7	6.4	15.2
REC	3.3	13.3	95.4
STF	0.8	4.1	15.1
Shriram City Union	-1.4	-3.0	31.6

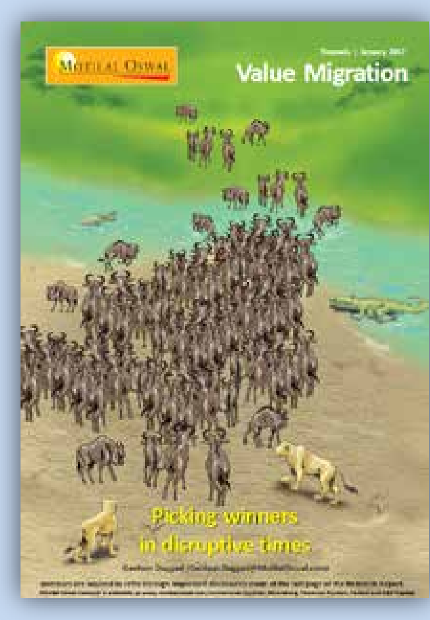
Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	-0.4	7.9	11.1
Bharat Elec.	1.6	5.7	38.0
BHEL	0.8	19.7	51.7
CG Cons. Elec.	0.6	14.4	
Crompton Grv.	-0.1	7.4	51.6
Cummins	1.7	9.6	3.8
GE T&D	0.0	-6.2	-23.6
Havells	1.4	4.6	49.2
Inox Wind	3.6	-5.9	-23.3
K E C Intl	1.0	18.4	57.1
L&T	0.1	4.8	28.8
Pennar Eng.	-2.5	-18.0	-14.9
Siemens	0.6	5.9	17.6
Solar Ind	-0.5	4.8	12.4
Suzlon Energy	1.5	0.0	31.9
Thermax	0.6	4.6	10.9
Va Tech Wab.	0.5	7.5	1.4
Voltas	4.0	5.8	52.9
Cement			
Ambuja Cem.	-0.3	9.7	22.5
ACC	0.5	10.5	14.9
Birla Corp.	-0.2	1.5	96.5
Dalmia Bharat	-0.6	6.6	182.9
Grasim Inds.	1.6	23.9	56.0
India Cem	5.8	26.8	138.5
J K Cements	-0.9	25.4	96.6
JK Lakshmi Ce	1.8	9.8	48.0
Ramco Cem	0.3	8.7	83.6
Orient Cem	0.2	5.1	0.0
Prism Cem	3.7	8.6	48.8
Shree Cem	1.9	2.4	48.0
Ultratech	0.4	8.6	32.7
Consumer			
Asian Paints	1.6	2.6	16.0
Britannia	-0.5	5.0	19.0
Colgate	-0.8	1.4	9.8
Dabur	2.8	-1.1	11.6
Emami	-0.3	11.1	11.6
Godrej Cons.	3.9	10.2	42.1
GSK Cons.	1.8	4.3	-6.1
HUL	1.2	0.2	4.5
ITC	-0.9	3.1	29.6
Jyothy Lab	0.0	4.1	30.9
Marico	3.1	7.5	18.0
Nestle	1.4	7.9	22.0
Page Inds	-0.7	0.8	40.6
Parag Milk	0.3	-14.2	
Pidilite Ind.	0.3	11.9	11.9
P&G Hygiene	0.2	0.2	17.9
United Brew	1.4	-0.4	-1.1
United Spirits	3.2	16.2	0.4
Healthcare			
Alembic Phar	1.8	-0.1	-3.8
Alkem Lab	-2.3	21.2	52.3
Aurobindo	2.4	-1.9	4.6
Biocon	0.7	16.3	145.0

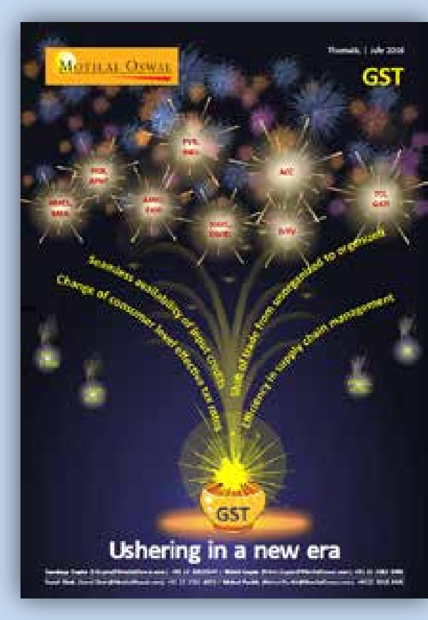
Company	1 Day (%)	1M (%)	12M (%)
Cadila	-1.0	22.4	34.4
Cipla	-0.2	2.9	13.3
Divis Lab	0.7	6.8	-23.3
Dr Reddy's	-0.2	-1.6	-5.3
Fortis Health	-1.7	5.1	10.3
Glenmark	0.6	6.6	27.1
Granules	4.6	17.9	20.8
GSK Pharma	0.1	-2.5	-16.3
IPCA Labs	0.9	-0.4	-13.9
Lupin	0.5	0.5	-17.6
Sanofi India	0.4	1.2	-3.6
Sun Pharma	-0.9	5.0	-22.1
Syngene Intl	-0.7	-11.2	34.0
Torrent Pharma	1.8	1.6	-1.0
Logistics			
Allcargo Logistics	-0.7	-3.6	6.2
Blue Dart	0.7	-4.2	-23.4
Concor	-0.1	4.8	9.4
Gateway Distriparks	-1.7	6.4	18.6
Gati	0.1	4.0	14.6
Transport Corp.	3.5	28.1	51.7
Media			
Dish TV	3.0	9.9	28.9
D B Corp	0.1	5.4	23.3
Den Net.	-0.1	-7.9	12.8
Hathway Cab.	1.5	-3.5	4.2
Hind. Media	-0.7	0.1	-0.3
HT Media	-1.9	6.4	7.0
Jagran Prak.	-0.3	6.7	25.8
PVR	0.1	0.1	72.3
Siti Net.	-0.1	0.8	11.4
Sun TV	0.5	35.6	113.8
Zee Ent.	-0.8	12.3	36.8
Metals			
Hindalco	-0.4	6.4	163.9
Hind. Zinc	0.3	5.4	84.9
JSPL	9.2	41.9	91.2
JSW Steel	-0.5	0.6	72.7
Nalco	2.4	-6.1	98.7
NMDC	2.4	1.1	55.3
SAIL	1.1	7.0	72.7
Vedanta	-0.6	12.7	260.1
Tata Steel	0.8	7.9	93.7
Oil & Gas			
BPCL	0.6	6.0	84.1
Cairn India	-0.5	11.2	123.2
GAIL	0.0	14.0	60.8
Gujarat St. Pet.	-2.0	3.3	23.9
HPCL	1.0	14.2	153.7
IOC	1.3	10.7	109.7
IGL	-0.1	13.4	99.4
MRPL	0.6	7.6	84.1
Oil India	0.2	0.4	36.0
ONGC	0.8	-0.6	39.4
PLNG	0.0	10.3	64.1
Reliance Ind.	1.4	6.1	15.2
Retail			

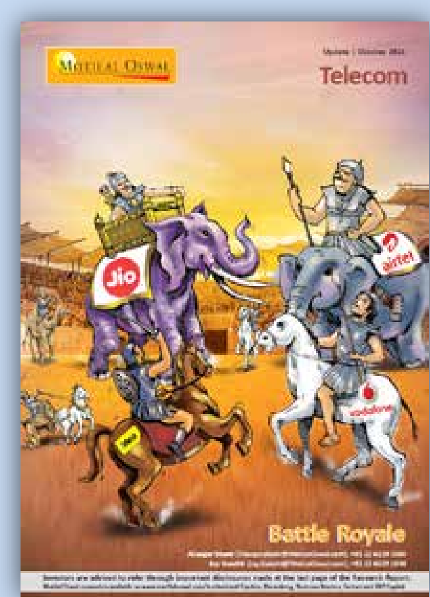
Company	1 Day (%)	1M (%)	12M (%)
Jubilant Food	0.4	17.9	-2.0
Shopper's Stop	3.7	12.8	-5.2
Titan Co.	5.5	26.8	36.8
Technology			
Cyient	0.9	1.6	12.6
HCL Tech.	1.3	1.6	0.2
Hexaware	-0.6	10.1	-7.4
Infosys	0.1	6.8	-10.0
KPIT Tech	1.5	-1.7	8.7
L&T Infotech	1.5	5.1	
Mindtree	-0.1	-0.1	-33.2
Mphasis	0.0	10.4	36.9
NIIT Tech	-1.2	-5.3	-10.9
Persistent Sys	0.5	0.5	-2.7
Tata Elxsi	1.7	1.0	-21.1
TCS	-1.7	7.7	6.2
Tech Mah	1.6	8.2	15.5
Wipro	0.0	-0.4	-13.1
Zensar Tech	-0.4	-0.1	8.3
Telecom			
Bharti Airtel	-3.4	13.2	11.2
Bharti Infratel	-4.3	-16.3	-20.7
Idea Cellular	-0.4	51.7	-0.1
Tata Comm	0.2	11.6	117.4
Utiltites			
Coal India	-0.1	5.2	2.3
CESC	1.0	27.2	102.1
JSW Energy	3.6	4.4	-3.3
NTPC	0.5	1.1	33.1
Power Grid	-0.3	3.4	46.0
Others			
Arvind	0.8	5.4	37.1
Bata India	0.0	8.4	3.0
Castrol India	0.5	10.2	11.1
Century Ply.	-0.2	28.0	55.9
Coromandel Intl	0.5	3.3	100.4
Dynamatic Tech	-1.0	-2.1	78.2
Eveready Inds.	-0.1	7.4	17.1
Interglobe	1.5	-8.7	0.7
Indo Count	1.1	-5.9	-6.6
Info Edge	0.2	-2.6	14.9
Inox Leisure	-0.5	4.8	22.2
Jain Irrigation	0.8	7.5	79.1
Just Dial	5.1	42.8	-4.3
Kaveri Seed	1.2	-3.4	31.2
Kitex Garm.	0.4	1.5	9.5
Manpasand	0.5	16.2	52.0
MCX	-0.3	-6.2	49.6
Monsanto	7.7	11.0	32.1
PI Inds.	-1.4	3.8	56.3
Piramal Enterp.	0.4	7.3	106.3
SRF	0.3	-2.6	44.5
S H Kelkar	-1.2	-4.3	27.6
Symphony	-1.1	7.9	28.3
TTK Prestige	-0.9	-10.7	27.4
V-Guard	0.0	20.2	154.2
Wonderla	0.4	5.6	2.5

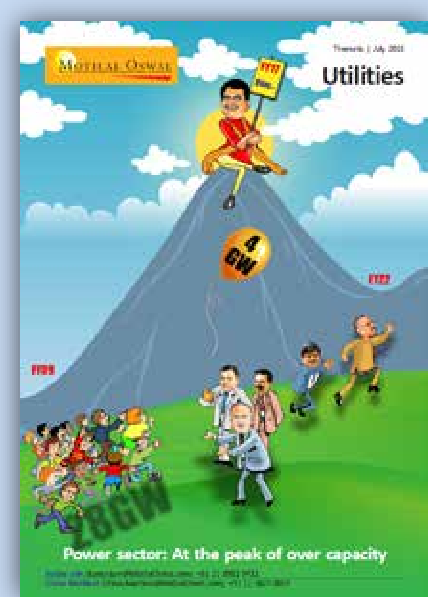
THEMATIC/STRATEGY RESEARCH GALLERY





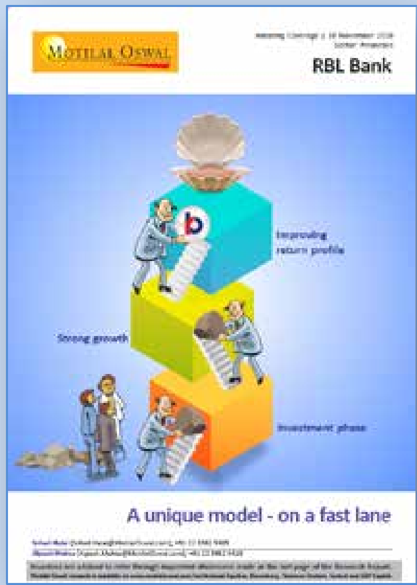




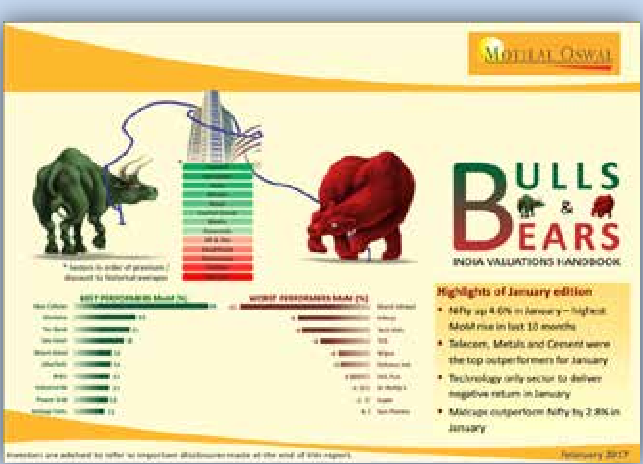


REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS



DIFFERENTIATED PRODUCT GALLERY



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