

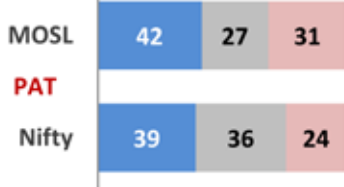
Corporate performance



4QFY17: Expectations v/s delivery

% of Companies that have Declared Results

Above Expectations In-line Below Expectations



(no of companies)	Growth (YoY, %)		
	MOSL (115)	Nifty (33)	Sensex (19)
Sales	10.7	8.0	8.5
EBIDTA	14.2	6.3	5.3
PAT	46.6	22.2	13.1

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	30,365	-0.7	14.0
Nifty-50	9,386	-0.6	14.7
Nifty-M 100	17,425	-1.7	21.4
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,398	0.2	7.1
Nasdaq	6,139	0.1	14.0
FTSE 100	7,485	-0.1	4.8
DAX	12,659	0.3	10.3
Hang Seng	10,395	0.2	10.6
Nikkei 225	19,613	0.3	2.6
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	54	0.7	-3.2
Gold (\$/OZ)	1,260	0.3	8.7
Cu (US\$/MT)	5,695	0.1	3.1
Almn (US\$/MT)	1,941	0.3	13.9
Currency	Close	Chg. %	YTD.%
USD/INR	64.8	0.4	-4.5
USD/EUR	1.1	0.1	6.6
USD/JPY	111.2	-0.2	-5.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.7	0.0	0.2
10 Yrs AAA Corp	7.8	0.0	0.3
Flows (USD b)	23-May	MTD	YTD
FII	-0.1	1.4	7.7
DII	0.1	0.6	2.2
Volumes (INRb)	23-May	MTD*	YTD*
Cash	322	299	285
F&O	7,967	5,079	4,709

Note: YTD is calendar year, *Avg

Quote of the day

Wealth is not his that has it, but his that enjoys it

Research Team (Gautam.Duggad@MotilalOswal.com)

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

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



Today's top research idea

Tata Motor: Above est; Better mix drives strong performance in JLR and India

- ✓ TTMT (incl JLR) has changed accounting of realized Fx hedges. Consol EBITDA at INR108b (v/s est INR79.3b; -11% YoY). Adj. PAT at INR43.2b (v/s est INR17.5b, -25% YoY) and FY17 adj PAT at -INR62.4b (-52%).
- ✓ JLR – Product mix, operating leverage drives margin improvement
- ✓ S/A – Mix, price hike & lower BS-3 discount drives margins
- ✓ We have upgraded our consol EPS by 5-6% for FY18/19 driven by favorable GBP/INR rate. JLR's 4QFY17 performance has been very strong and has come earlier than our expectation. We had articulated drivers of improvement in operating performance from 2HFY18 in our recent detailed report. The stock trades at 14.6x/6.8x FY18E/FY19E consolidated EPS. We maintain **Buy** with TP of INR635 (FY19 SOTP based).



Research covered

Cos/Sector	Key Highlights
Financials (Ground Reality)	Microfinance: Takeaways from Ground Zero in Maharashtra; Situation remains bleak
Tata Motors	Above est; Better mix drives strong performance in JLR and India
Voltas	Strong beat led by above-estimate sales in UCP; Projects margin surprises positively
Jindal Steel	Inline results; improvement across segments
Allcargo Logistics	Margin improvement led by firm container shipping freight rates
Century Ply	EBITDA in line, PAT exceeds estimate
Results Expectation	Amara Raja Bharat Forge Dish TV GE T&D Kaveri Seed Lupin



Piping hot news

Weak El Nino likely, won't disrupt monsoon

- ✓ The rain disrupting El Niño still has a 50% chance of developing later this year albeit weakly, while prospects of Indian Ocean Dipole (IOD) — a phenomenon that strengthens monsoon in the country—forming over the Indian Ocean are looking good.



Chart of the Day: Financials (Ground Reality) - Asset quality situation for the microfinance sector in key states

MH, KN, UP and TN contribute bulk of the industry portfolio at risk (PAR)

Portfolio at risk for top 10 states in terms of GLP	GLP Q4FY17 (INRb)	State market share in GLP	PAR 30	PAR 90	PAR 180
Karnataka	70	16%	18%	12%	0.2%
Tamil Nadu	60	13%	14%	2%	0.2%
Uttar Pradesh	49	11%	37%	14%	0.6%
Maharashtra	49	11%	28%	20%	0.2%
Madhya Pradesh	35	8%	17%	9%	0.4%
Bihar	35	8%	3%	1%	0.1%
Odisha	33	7%	1%	0%	0.1%
West Bengal	30	7%	14%	4%	0.2%
Gujarat	17	4%	16%	9%	0.4%
Kerala	15	3%	1%	1%	0.1%



Kindly click on textbox for the detailed news link

1

Moody's downgrades China to A1 from Aa3, with stable outlook

Moody's Investors Services downgraded China's long-term local and foreign currency issuer ratings on Wednesday citing expectations that the financial strength of the world's second biggest economy would erode in the coming years...

2

More trouble for IDBI Bank as Icra downgrades its bond rating

IDBI Bank Ltd's list of troubles just grew longer. On Tuesday, rating company Icra Ltd downgraded the lender's outstanding debt worth Rs25,924 crore, including the so-called additional tier-1 (AT-1) bonds, citing its weak capital position. Crisil was the first rating agency to downgrade the bank's bonds earlier this month...

3

UTI Asset Management set to launch IPO, to sell 26-30% stake

UTI Asset Management Co. Ltd, India's oldest and the sixth largest asset management company is ready to launch an initial public offering (IPO) and will offer to sell 26-30% of its equity, three people with direct knowledge of the matter said, asking not to be identified...

4

Ratnagiri Gas demerger: GAIL to own LNG terminal, NTPC to get power plant

Ratnagiri Gas and Power Pvt. Ltd (RGPPL) in Maharashtra is in the process of a demerger under which the company's gas import terminal will be majority-owned by GAIL India Ltd and the power plant by NTPC Ltd, a top GAIL executive said on Tuesday...

5

Centre assessing capital needs of state-run banks

The government is carrying out a detailed assessment of the capital requirements of state-run lenders, a move that comes after some of the public sector banks reported significant losses in the last quarter of 2016-17. A senior finance ministry official said the government is in talks with all lenders and the new "turnaround agreement" it has signed with them is expected to significantly improve their performance...

6

Setback for HCC, Maharashtra withdraws SPL status to Lavasa project

In a setback to HCC's hill station project Lavasa Corporation, the Maharashtra state government has withdrawn its special planning authority (SPA) status. This could slow down the next phase of development of the project...

7

US-India relationship never been stronger: Trump administration

Indo-US ties have never been stronger, with America's national interests increasingly convergent across Asia, the Trump administration today said...



Ground Reality

Takeaways from Ground Zero in Maharashtra

Situation remains bleak; Only marginal improvement since demonetization

- n We visited 20+ branches of 10-12 microfinance institutions (MFIs) in Mumbai and an important interior district of Maharashtra (including neighboring locations) to assess the on-the-ground situation in the MFI sector.
- n Mumbai has not witnessed significant challenges, but there have been periodic issues in collections in some adjoining areas due to political interventions. While collection efficiency is ~60%, the overall portfolio size in these areas is insignificant in the larger scheme of things (INR2-3b estimated; less than 0.5% of industry portfolio).
- n In the interior districts of Maharashtra, the situation remains grim even after six of demonetization and three months of local elections. Our channel checks suggest that ~10-20% of borrowers are paying on time, 30-40% are paying sporadically and the remaining 30-50% have not paid since Nov/Dec 2016. The industry's exposure to the interior districts of Maharashtra is estimated at ~INR20b (~4% of total industry portfolio).
- n Our checks reveal significant deterioration in group discipline (attendance in center meetings is below 50%) and increasing signs of moral hazard.



Understanding the genesis of the problem

MFIs started facing serious collection issues in the interior districts of Maharashtra particularly after some aspiring politicians printed pamphlets/local newspaper advertisements that encouraged borrowers to not repay their dues. Borrowers began believing in these loan-waiver rumors as they were published in a newspaper, which is considered to be a reliable source of information. In addition, several rallies to protest against MFIs were held by these aspiring politicians, which saw participation of thousands of borrowers. However, over past six months, MFIs have invested most of their time to educate borrowers of the reality – some have accepted it, while most continue using the muddle as an excuse to not repay. While political stability has been restored since the election, borrower behavior still has not changed much.

One of the key facets of microfinance – group discipline – has worsened significantly

One of the key reasons MFIs used to enjoy 99%+ collection efficiency pre-demonetization was the strong group discipline. Attendance in center meetings was close to 100%, and when one member could not pay, others used to pay on his/her behalf (key facet of the Joint Liability Group model). This, however, has been severely diluted now. Attendance in meetings is less than 50% (the meetings we attended had 20-30% attendance). Also, on many occasions, it is noted that members attend the meetings but do not pay. The collection officer has to then visit each member's house separately, mostly in vain. This has also led to a significant increase in operating expenses.

The rising trend of moral hazard

One of the most disturbing things over past 2-3 months is that borrowers who were paying dues on time earlier have started turning delinquent after seeing their co-borrowers skip payments and get away with it. All the MFIs that we visited in the interior district of Maharashtra witnessed this trend. This would lead to declining collection efficiency over time as the number of regular borrowers turning delinquent exceeds the number of defaulters turning regular, in our view. Hence, we believe that credit costs for most MFI companies in FY18 could be higher than currently estimated in these areas.

Defaults irrespective of the stage in the lifecycle of the borrower

Another interesting trend to note is that defaults are not co-related to the stage in the lifecycle of the borrower, i.e. collection rates for first-cycle customers have been similar to those of second-cycle customers and so on. This is contrary to the belief that new-to-MFI customers are more likely to default than those who have been associated with an MFI for 2-3 cycles.

Lack of clarity on benefits of weekly v/s monthly collections

Most MFIs have either fortnightly or monthly collection schedules, while just a handful operate on a weekly collection model. Our channel checks suggest a mixed opinion on whether a weekly collection model was actually better. While many branch managers agreed that weekly collections resulted in better collection efficiency, they also felt that the magnitude of the same was just marginal and real pick-up in collection efficiency could only be driven by better customer education.

No benefit of being a bank v/s being an NBFC-MFI

It is widely believed that a borrower would hold a bank (SFB) in higher regard relative to an NBFC and thus would tend not to default; however, the ground situation suggests that this is not true. Collection efficiency for small finance banks operating in those districts has been very similar to that of NBFC-MFIs (excluding the initial collection of 'old notes' post demon). However, some branch managers attribute this to the fact that when borrowers started their relationship with the bank a few years back, it was classified as an MFI and they still consider it to be the same. Hence, when new borrowers start relationship with the bank in future, the outcome could be different.

Continued borrower education is the only hope

Our interaction with managers/collection officers suggests that chances of recovery are slim and dependent on a) continued customer education and b) borrowers in need of a loan would realize that their credit bureau history is tainted and would settle their overdues in order to seek a fresh loan. While we did come across a couple of such instances in our visit, we believe the chances of it happening are less and expect most companies to write-off bulk of the overdues over next 2-4 quarters.

Our view

Our ground checks include geographies accounting for less than 5% portfolio of the MFI industry as a whole. Also, these areas are the ones that have been impacted the most. Hence, the situation cannot be generalized or extrapolated to other geographies. We maintain our view that asset quality issues, consequent impact on growth and high valuations will weigh on stock price performance over the near-to-medium term. We continue favoring companies that are reducing their MFI exposure in favor of secured lending. We reiterate our top pick in this sector – **Equitas Holdings (TP: INR210, Buy)**.

MH, KN, UP and TN contribute bulk of the industry portfolio at risk (PAR)

Portfolio at risk for top 10 states in terms of GLP	GLP Q4FY17 (INRb)	State market share in GLP	PAR 30	PAR 90	PAR 180
Karnataka	70	16%	18%	12%	0.2%
Tamil Nadu	60	13%	14%	2%	0.2%
Uttar Pradesh	49	11%	37%	14%	0.6%
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West Bengal	30	7%	14%	4%	0.2%
Gujarat	17	4%	16%	9%	0.4%
Kerala	15	3%	1%	1%	0.1%

Source: MOSL, MFIN



Tata Motor

BSE SENSEX	S&P CNX
30,365	9,386
Bloomberg	TTMT IN
Equity Shares (m)	3396.6
M.Cap.(INRb)/(USDb)	1529 / 23.6
52-Week Range (INR)	599 / 381
1, 6, 12 Rel. Per (%)	-1/-21/-3
Avg Val, INRm	4081
Free float (%)	65.3

CMP: INR450 TP: INR635(+41%) Buy

Above est; Better mix drives strong performance in JLR and India

- TTMT (incl JLR) has changed accounting of realized Fx hedges. **Consol EBITDA** at INR108b (v/s est INR79.3b; -11% YoY). Adj. PAT at INR43.2b (v/s est INR17.5b, -25% YoY) and FY17 adj PAT at ~INR62.4b (-52%).
- JLR – Product mix, operating leverage drives margin improvement:** Net realizations declined 1% QoQ (+4% YoY), impacted by stronger GBP. EBITDA margins expanded by 80bp YoY (+440bp QoQ) to 14.5%, driven by better product mix and operating leverage. EBITDA grew 17% YoY to GBP1.06b (v/s est GBP905m). Adj. PAT grew 28% to GBP544m (v/s est GBP394m).
- S/A – Mix, price hike & lower BS-3 discount drives margins:** S/A realizations grew 19% QoQ (+5% YoY) to ~INR914.7k. EBITDA margins expanded by 270bp QoQ (-630bp YoY) to 4.1%. EBITDA grew 300% QoQ (-58% YoY) to ~INR5.56b (v/s est ~INR3.9b). Adj net loss stood at ~INR5.4b (v/s est ~INR6.8b).
- Earnings call highlights:** JLR a) EBIT margin (incl CJLR) medium term target of 8-10%, though expects margin pressures to continue in FY18, b) FCF: FY17 at GBP295m (v/s GBP804m), c) Higher variable marketing spend to sustain in FY18, d) No model phase-out in FY18 (v/s Discovery phase-out in FY17).
- Standalone operations** a) Targeting 5% market share gain in both CV & PVs in 2 year, b) Focus on driving PAT, with ~INR15b potential identified in form of significant RM cost savings, headcount reduction (~INR3b) and operating leverage, c) PV product plan ready till FY22.
- Valuation & view:** We have upgraded our consol EPS by 5-6% for FY18/19 driven by favorable GBP/INR rate. JLR's 4QFY17 performance has been very strong and has come earlier than our expectation. We had articulated drivers of improvement in operating performance from 2HFY18 in our recent detailed report (March 2017: [Restoring missing parts; Strong pipeline, Improving hedge rate and op. leverage at play](#)). The stock trades at 14.6x/6.8x FY18E/FY19E consolidated EPS. We maintain **Buy** with TP of INR635 (FY19 SOTP based).

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	2,697	3,009	3,722
EBITDA	369.1	410.3	594.7
PAT	67.3	104.6	223.6
EPS (INR)	19.8	30.8	65.8
Gr. (%)	-48.4	55.4	113.8
BV/Sh (INR)	171.0	203.0	270.1
RoE (%)	9.8	16.5	27.8
RoCE (%)	9.2	10.4	17.3
P/E (x)	22.7	14.6	6.8
P/BV (x)	2.6	2.2	1.7

Estimate change



TP change



Rating change



Quarterly Performance [Consol]

Y/E March (INR Million)	FY16				FY17				FY16	FY17	4QE	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
JLR vols. (incl JV)	114,452	116,745	150,461	162,427	134,334	139,227	152,245	175,000	544,085	600,806	174,213	
JLR Realn (GBP/unit)	45,206	43,460	42,004	44,037	44,338	45,642	46,200	45,746	43,602	48,398	49,919	-8.4
JLR EBITDA (%)	16.4	12.2	14.4	13.7	12.5	10.9	10.1	14.5	14.9	10.9	11.5	310bp
JLR PAT (GBP m)	492	52	414	425	265	245	111	544	1613	1028	394	
S/A vol. (units)	117,160	117,439	123,176	146,766	126,839	134,397	132,553	148,533	532,724	542,322	148,533	0.0
S/A Realn (INR/unit)	795,852	910,574	815,239	872,117	813,594	768,057	769,912	914,725	6	2	803,228	13.9
S/A EBITDA (%)	6.1	8.2	6.0	10.4	6.8	3.6	1.4	4.1	7.9	3.8	3.3	80bp
S/A PAT (INR m)	333	351	236	3,982	996	-6,621	-10,452	-5,369	4,263	-21,755	-6,816	
Net Op Income	604,009	615,240	705,921	795,099	658,950	659,004	639,330	772,172	2,755,611	2,821,973	809,976	-4.7
Growth (%)	-6.6	1.5	0.9	17.7	9.1	7.1	-9.4	-2.9	4.7	2.4	0.39	
EBITDA	110,068	65,189	88,545	121,256	76,220	62,826	62,403	108,012	365,160	275,694	79,316	36.2
EBITDA Margins(%)	18.2	10.6	12.5	15.3	11.6	9.5	9.8	14.0	13.3	9.8	9.8	420bp
PBT before EO Exp	63,398	11,911	36,470	66,125	20,663	9,831	13,071	52,011	158,602	62,482	25,924	100.6
EO Exp/(Inc)	-6,338	33,411	2,332	7,242	-4,851	-162	7,085	356	18,794	2,428	0	
Tax rate (%)	23.6	20.0	19.6	19.3	28.2	42.5	144.8	24.0	20.5	52.4	40.8	
Adj PAT	47,470	9,180	31,216	57,603	18,882	8,191	-2,239	43,229	125,170	42,153	17,537	146.5

BSE SENSEX 30,659 S&P CNX 9,526

CMP: INR410

TP: INR370

SELL

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

Conference Call Details



Date: 25th May 2017
Time: 03:00pm IST
Dial-in details:
+91-22-3940 3977

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	60.3	66.7	74.9
EBITDA	5.8	5.3	6.1
NP	5.1	4.9	5.5
EPS (INR)	15.5	14.9	16.7
EPS Gr. (%)	30.1	-3.8	12.6
BV/Sh. (INR)	100.0	110.8	123.0
RoE (%)	18.0	14.1	14.3
RoCE (%)	16.5	13.9	14.1
P/E (x)	28.4	29.4	26.2
P/BV (x)	4.4	4.0	3.6

Strong beat led by above-estimate sales in UCP; Projects margin surprises positively

- Sales grew 10% YoY to INR20.4b v/s estimate of INR19.4b. Segment-wise, UCP sales grew 26% YoY (est. of +8%), while Projects sales were flat YoY. 4QFY17 UCP sales bounced back from a 5% YoY decline in 3QFY17 (impacted by demonetization), helped by early summer in CY17.
- In the peer group, Blue Star reported 20% growth in UCP segment and Hitachi witnessed 41% growth v/s the room AC industry growth of 10%.
- Gross margin shrunk 70bp YoY to 27%.
- EBITDA grew 23% YoY to INR2.2b, with the margin at 10.9% (+120bp YoY) v/s estimate of 10%. Impact of higher raw material costs on UCP margin is likely to come through from 1QFY18.
- EBIT margin in UCP segment was at 16.4% (+10bp YoY) and in Projects segment at 5.7% (+210bp YoY).
- Tax rate at 20% v/s 32% in 4QFY16.
- PAT was at INR2b (+46% YoY) v/s estimate of INR1.4b.
- Order book in Projects stood at INR43.2b (+10% YoY).

Valuation and view: We will revisit our estimates post the earnings call. We maintain our Sell rating with an SOTP-based TP of INR370.

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17	FY17	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	15,585	10,401	12,659	18,554	18,500	9,672	11,805	20,351	57,198	60,328	19,305	5%
Change (%)	-11.3	5.6	33.1	24.5	18.7	-7.0	-6.7	9.7	10.4	5.5	2.2	
EBITDA	1,313	645	563	1,808	1,995	687	890	2,219	4,330	5,791	1,922	15%
Change (%)	-0.4	-17.0	-1.9	26.5	52.0	6.4	58.0	22.7	5.6	33.8	3.7	
As of % Sales	8.4	6.2	4.4	9.7	10.8	7.1	7.5	10.9	7.6	9.6	10.0	
Depreciation	59	64	65	75	66	63	60	56	264	245	79	
Interest	34	33	37	54	48	33	22	58	158	160	51	
Other Income	248	477	249	393	357	658	597	386	1,367	1,998	339	
Extra-ordinary Items	0	0	-22	-268	-9	0	0	-2	106	11	-	
PBT	1,468	1,025	732	2,339	2,248	1,249	1,405	2,493	5,381	7,395	2,130	17%
Tax	452	378	195	671	651	505	437	496	1,696	2,089	795	
Effective Tax Rate (%)	30.8	36.9	26.7	28.7	28.9	40.4	31.1	19.9	31.5	28.2	37.3	
Reported PAT	1,025	647	573	1,642	1,576	697	815	2,005	3,685	5,114	1,416	42%
Change (%)	-7.0	28.9	-46.6	37.6	53.7	7.8	42.2	22.1	-5.7	38.8	-19.7	
Adj PAT	1,025	647	551	1,375	1,567	697	815	2,003	3,580	5,103	1,416	41%
Change (%)	-7.9	29.5	-12.3	17.7	52.8	7.8	47.9	45.7	5.9	42.6	-4.6	
Order Book	40,390	35,990	35,140	39,140	44,170	42,520	41,960	-	39,140	-	-	
Order Intake	5,940	2,010	4,960	9,590	9,500	3,820	4,500	9,180	22,500	-	9,180	
BTB - TTM basis (x)	1.8	1.3	1.3	0.8	1.4	1.1	1.6	1.6	1.4	-	1.6	

Jindal Steel & Power

BSE SENSEX 30,659 S&P CNX 9,526

CMP: INR108

TP: INR181

Buy

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

Conference Call Details



Date: 24th May 2017

Time: 10:00am IST

Dial-in details:

1800 425 4245

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	216.2	254.2	313.4
EBITDA	46.6	61.9	79.0
NP	-19.1	-14.4	-2.4
EPS (INR)	-20.9	-15.8	-2.6
EPS Gr. (%)	14.8	-24.5	-83.6
BV/Sh. (INR)	328.5	312.2	309.2
RoE (%)	-7.9	-4.9	-0.8
RoCE (%)	1.0	1.9	3.9
P/E (x)	-5.4	-7.2	-43.9
P/BV (x)	0.3	0.4	0.4

Inline results; improvement across segments

- Consolidated EBITDA in 4Q was up 22% QoQ/73% YoY to INR15.5b (inline), driven by improvement across segments.
- Net debt, as reported, was flat YoY/QoQ at INR454b despite on-going expansion and higher steel prices/raw material prices.
- Angul expansion remains on track for commissioning in October 2017. Capacity at Angul will increase from ~2.5mt to ~5mt.
- Standalone:** EBITDA was up 17% QoQ/36% YoY to INR9.1b on higher sales volumes and margins. Sales were up 10% QoQ to 920kt, but below est. of 1,040kt. Pellet sales were up 8% QoQ to 770kt. EBITDA/t was up -INR600 QoQ to INR9,929.
- Jindal Power:** EBITDA was up 26% QoQ to INR3.8b on higher realization (+2% QoQ to INR4.02/kWh) and lower coal cost (grade slippage positive adjustments by Coal India).
- Oman:** EBITDA was up 52% QoQ to INR2.2b on higher product spreads as volumes were broadly flat.

Key questions for the management

- Update on commissioning of Angul expansion project
- Outlook on steel product spreads amid recent correction in steel prices
- Drivers of improvement in power business

Valuation and view: The pace of development at Angul reinforces our view that steel sales volumes will increase from ~3.2mt in FY17E to 5.8mt by FY19E, implying a CAGR of 32%. We expect consolidated EBITDA CAGR FY17-19E of ~30% to INR79b. Although adjusted PAT would remain negative due to bloated depreciation on massive asset revaluation, there will be a sharp turnaround in cash profits. The SOTP-based TP is INR181/share. Maintain **Buy**.

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	vs Est (%)
Net Sales	47,527	50,402	45,949	50,796	46,962	48,609	55,812	64,861	194,673	216,243	63,061	3
Change (YoY %)	-4.5	-6.2	-11.0	7.9	-1.2	-3.6	21.5	27.7	-3.7	11.1	24.1	
Total Expenditure	37,350	40,636	40,445	41,831	37,121	40,125	43,045	49,340	160,263	169,631	47,956	3
EBITDA	10,176	9,765	5,504	8,965	9,841	8,484	12,767	15,521	34,410	46,613	15,105	3
Change (YoY %)	-37.5	-40.5	-61.4	13.5	-3.3	-13.1	132.0	73.1	-37.2	35.5	68.5	
As % of Net Sales	21.4	19.4	12.0	17.6	21.0	17.5	22.9	23.9	17.7	21.6	24.0	
Interest	8,516	7,647	8,061	8,584	8,529	8,716	8,353	8,642	32,808	34,240	8,493	2
Depreciation	7,466	5,005	6,378	9,346	9,171	9,986	10,274	10,059	28,194	39,490	11,045	-9
Other Income	750	354	50	1,047	312	7	3	90	2,200	411	3	
PBT (before EO item)	-5,055	-2,532	-8,885	-7,918	-7,548	-10,211	-5,856	-3,090	-24,391	-26,706	-4,430	-30
Extra-ordinary Income	0	-4,394	910	1,126	-6,257	0	0	2,534	-2,358	-3,723	0	
PBT (after EO item)	-5,055	-6,927	-7,976	-6,792	-13,805	-10,211	-5,856	-556	-26,750	-30,429	-4,430	-87
Total Tax	-1,501	19	-2,120	-3,161	-1,410	-2,739	-1,306	428	-6,763	-5,027	13	
% Tax	29.7	-0.3	26.6	46.5	10.2	26.8	22.3	-76.9	25.3	16.5	-0.3	
Reported PAT	-3,555	-6,945	-5,855	-3,631	-12,395	-7,473	-4,551	-984	-19,987	-25,402	-4,443	-78
MI - Loss/(Profit)	-137	-832	-105	93	-1,560	-2	-458	-505	-980	-2,524	-60	
Associate	26	-66	16	11	14	11	18	-16	-14	27	20	
Adjusted PAT	-3,393	-1,785	-6,645	-4,840	-4,564	-7,460	-4,074	-3,029	-16,662	-19,128	-4,363	-31
Change (YoY %)	-181.1	-140.4	-381.1	4.6	34.5	317.8	-38.7	-37.4	-363.0	14.8	-9.8	



Allcargo Logistics

BSE SENSEX	S&P CNX
30,365	9,386
Bloomberg	AGLL IN
Equity Shares (m)	245.7
M.Cap.(INRb)/(USDb)	43.0 / 0.7
52-Week Range (INR)	222 / 150
1, 6, 12 Rel. Per (%)	-4/-10/-10
Avg Val, INRm	89
Free float (%)	30.0

CMP: INR176 TP: INR228 (+30%) Buy

Margin improvement led by firm container shipping freight rates

n PAT beat led by higher other income, lower tax: 4QFY17 revenue fell 2% YoY to INR13.6b (largely in-line) due to lower revenue from P&E segment. EBITDA stood at INR1.1b (in-line; -8% YoY, +8% QoQ), with QoQ margin improvement in MTO segment led by a sharp rise in global container freight rates. Adj. PAT came in at INR625m (est. of INR466m; -2% YoY, +19% QoQ) on higher other income of INR169m (est. of INR57m; +31% YoY, -31% QoQ) and a lower tax rate of 18% (est. of 26%; 30.6% in 3QFY17, 14.1% in 4QFY16).

n MTO margin expands sharply, volumes up: MTO volumes grew 13% YoY to 126,833 TEUs in 4Q, led by growth across geographies due to higher penetration. EBIT margin expanded to 4.3% from 3.5% in 3QFY17 due to a sharp improvement in container freight rates globally. Revenue fell 2% YoY to INR11,613m due to a notional currency impact and transfer of freight forwarding business to ACCI. Margin is likely to remain strong led by firm container freight rates.

n CFS profitability stable: CFS volumes stood at 77,021 TEUs (+15% YoY, +2% QoQ), led by volumes growth in Chennai and ramp-up of new CFS in Mundra. EBIT margin expanded ~100bp YoY/QoQ, despite lease rentals of Kolkata CFS and expenses related to new CFS at Mundra. We expect a strong improvement in CFS EBITDA in FY18, led by ramp-up of Mundra CFS and commencement of Kolkata CFS.

n P&E segment bottoms out: P&E revenue fell 10% YoY due to sale of unproductive assets and maintenance of one of the ships. EBIT stood at INR61m (-64% YoY, +35% QoQ), led by non-operation of assets due to repairs and the sale of low-yielding non-strategic assets.

n Valuation view: AGLL is well poised to witness profitability improvement across all three verticals, led by a favorable macro and internal cost efficiencies. AGLL is also likely to see strong earnings traction in contract logistics, particularly with GST implementation. Given RoE improvement in excess of 5pp over FY17-FY19E, strong free cash generation and earnings CAGR of 21%, we believe valuation of 12x P/E FY19E earnings is extremely attractive. We value AGLL at P/E of 16x FY19E earnings and arrive at a TP of INR228 (30% upside). Maintain **Buy**.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	55.7	62.0	67.9
EBITDA	4.6	5.3	5.9
PAT	2.4	3.0	3.5
EPS (INR)	9.8	12.2	14.3
Gr. (%)	-1.2	23.7	17.5
BV/Sh (INR)	66.5	75.1	85.0
RoE (%)	12.6	17.2	17.8
RoCE (%)	10.2	12.9	13.9
P/E (x)	17.9	14.5	12.3
P/BV (x)	2.6	2.3	2.1

Estimate change



TP change



Rating change



Consolidated - Quarterly Earning Model

Y/E March	FY16				FY17				(INR Million)			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY16	FY17	FY17	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY16	FY17	FY17	4QE Var (%)
Net Sales	14,764	14,534	13,261	13,856	13,937	14,084	14,052	13,608	56,281	55,681	13,809	-1.5
YoY Change (%)	11.8	-0.6	-7.4	-2.1	-5.6	-3.1	6.0	-1.8	0.0	-1.1	-1.2	
Total Expenditure	13,353	13,194	12,093	12,685	12,641	12,824	13,059	12,533	51,235	51,056	12,708	-1.4
EBITDA	1,411	1,340	1,168	1,171	1,297	1,261	993	1,075	5,046	4,625	1,101	-2.4
Margins (%)	9.6	9.2	8.8	8.5	9.3	9.0	7.1	7.9	9.0	8.3	8.0	
Depreciation	362	556	497	461	436	434	407	386	2,006	1,662	470	-17.9
Interest	106	102	112	94	75	75	78	96	408	324	76	26.6
Other Income	67	70	133	129	111	80	246	169	404	606	57	198.3
PBT before EO expense	1,009	752	692	745	897	832	754	763	3,036	3,245	613	24.5
Extra-Ord expense	49	15	59	46	17	10	63	39	132	128	0	
PBT	960	737	633	699	880	822	691	724	2,904	3,117	613	18.1
Tax	190	131	102	98	256	178	211	131	498	776	159	-17.8
Rate (%)	19.8	17.8	16.1	14.1	29.1	21.7	30.6	18.1	17.2	24.9	26.0	-30.4
Reported PAT	770	606	531	601	624	643	480	593	2,406	2,340	454	30.7
Min. Interest & P&L of Asso. Cos.	-4	13	-14	-8	-14	1	12	-20	-8	-22	12	
Adj PAT	809	619	580	640	636	651	523	625	2,508	2,414	466	34.2
YoY Change (%)	57.0	-14.7	-26.8	13.5	-21.4	5.2	-9.8	-2.4	-3.4	-3.7	-32.6	
Margins (%)	5.5	4.3	4.4	4.6	4.6	4.6	3.7	4.6	4.5	4.3	3.4	

Century Ply

BSE SENSEX 30365 S&P CNX 9386

CMP: INR247 TP: INR274 (11%)

Buy

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

Conference Call Details



Date: 24th May 2017
Time: 3:30pm IST

Financials & Valuations (INR bn)

Y/E Mar	2017	2018E	2019E
Net Sales	18.1	22.0	25.7
EBITDA	3.0	3.7	4.5
NP	1.7	1.9	2.5
EPS (INR)	7.7	8.6	11.4
EPS Gr. (%)	2.8	11.8	32.4
BV/Sh. (INR)	29.5	35.7	44.2
RoE (%)	28.9	26.5	28.6
RoCE (%)	18.4	17.4	19.8
P/E (x)	32.3	28.9	21.9
P/BV (x)	8.5	7.0	5.7

EBITDA in line, PAT exceeds estimate

- CPBI's overall revenue (net of excise duty) increased 9.3% to INR4,885m (est. of INR4,957m) in 4QFY17 from INR4,471m in 4QFY16.
- EBITDA rose 10.17% to INR838m (est. of INR818m) from INR760m in 4QFY16, with the margin flattish at 17.1% (est. of 16.5%).
- Consequently, PAT grew 34.4% from INR416m in 4QFY16 to INR559m (est. of INR417m) in 4QFY17.

Key questions for management

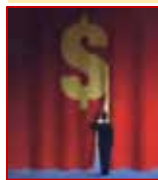
- Justification for a sharp increase in PAT when EBITDA remained steady.
- Reason (shift in product mix or low demand cycle) for the continued decline in MDF board revenue.

Valuation and view: We will revisit our estimates post the earnings call. Based on our current estimates, at CMP of INR247, the stock trades at 29x/22x P/E on FY18E/FY19E EPS. Currently, we have a **Buy** rating on the stock, which we will update post the earnings call.

Standalone - Quarterly Earning Model

Y/E March	FY16				FY17				FY16	FY17E	FY17 4QE	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	3,695	4,386	3,804	4,471	4,058	4,627	4,255	4,885	16,357	18,088	4,957	-1
YoY Change (%)	1.9	7.8	-1.4	9.2	9.8	5.5	11.8	9.3	3.0	10.6	9.0	
Total Expenditure	3,024	3,646	3,109	3,710	3,374	3,870	3,549	4,048	13,488	15,122	4,139	
EBITDA	671	741	696	760	683	757	706	838	2,869	2,966	818	2
Margins (%)	18.2	16.9	18.3	17.0	16.8	16.4	16.6	17.1	17.5	16.4	16.5	
Depreciation	99	105	114	120	93	126	149	156	437	530	165	
Interest	122	131	110	102	89	60	112	26	465	408	145	
Other Income	4	6	8	14	8	13	0	141	31	42	14	
PBT before EO expense	454	511	480	553	510	584	445	798	1,998	2,070	522	53
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	454	511	480	553	510	584	445	798	1,998	2,070	522	53
Tax	53	42	69	137	80	91	72	239	300	342	104	
Rate (%)	11.6	8.2	14.3	24.7	15.6	15.6	16.1	30.0	15.0	16.5	20.0	
Reported PAT	401	469	412	416	431	493	373	559	1,690	1,720	417	34
Adj PAT	401	469	412	416	431	493	373	559	1,690	1,720	417	34
YoY Change (%)	56.1	31.2	-0.5	-13.3	7.3	5.0	-9.4	34.4	13.4	1.7	3.0	
Margins (%)	10.9	10.7	10.8	9.3	10.6	10.7	8.8	11.4	10.3	9.5	8.4	

E: MOSL Estimates



Amara Raja Batteries

Bloomberg	AMRJ IN
Equity Shares (m)	170.8
M. Cap. (INR b)/(USD b)	153 / 2
52-Week Range (INR)	1077 / 821
1,6,12 Rel Perf. (%)	2 / -21 / -19

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	46.9	53.4	63.3	73.0
EBITDA	8.2	8.8	10.6	12.2
NP	4.9	5.0	6.4	7.4
EPS (INR)	29	29	37	43
EPS Gr. (%)	19.8	2.2	27.3	16.3
BV/Sh. (INR)	123	147	179	215
RoE (%)	25.8	21.7	22.9	22.0
RoCE (%)	24.2	20.6	21.8	21.1

Valuations

P/E (x)	31.1	30.4	23.9	20.5
P/BV (x)	7.2	6.0	5.0	4.1
EV/EBITDA	18.5	17.3	14.1	12.0
EV/Sales (x)	3.2	2.8	2.4	2.0

CMP: INR902 TP:INR1,084 (+20%) Buy

- We expect AMRJ's revenue to grow 15% YoY (+1% QoQ) to INR13.4b. Price hikes of 10% were taken from Nov-16 to Mar-17.
- Spot LME lead prices decreased -4% QoQ in 3QFY17 —the impact is likely to be reflected in 4QFY17.
- EBITDA margin is likely to contract -30bp YoY (+60bp YoY) to 16%. Price increase of 10% in last 5 months to offset the increase in raw material cost.
- We expect PAT to increase ~12% YoY to INR1.2b.
- The stock trades at 24x FY18E and 20.7x FY19E EPS; Maintain **Buy**.

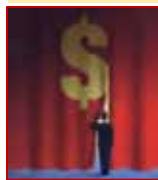
Key issues to watch

- ⊘ Update on demand environment for OEMs, auto replacement and industrial battery segments.
- ⊘ Outlook for raw material cost trend, recent pricing action and currency hedges (if any).
- ⊘ Update on capacity expansion plans across product segments.

Quarterly Performance

Y/E March (INR m)	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	11,376	11,511	12,123	11,697	13,208	13,455	13,283	13,448	46,907	53,395
YoY Change (%)	10.5	8.6	13.7	9.7	16.1	16.9	9.6	15.0	11.4	13.8
RM Cost (% of sales)	64.6	64.4	61.8	62.7	66.2	64.3	65.1	65.0	63.2	65.2
Staff Cost (% of sales)	4.9	5.0	5.1	5.3	5.0	5.2	5.4	5.3	4.6	4.7
Other Exp (% of sales)	13.0	13.2	14.2	15.7	11.6	13.5	14.1	13.6	13.3	13.9
EBITDA	1,988	1,999	2,300	1,908	2,273	2,297	2,040	2,156	8,169	8,765
Margins (%)	17.5	17.4	19.0	16.3	17.2	17.1	15.4	16.0	17.4	16.4
Depreciation	328	343	355	372	441	457	469	493	1,399	1,859
Interest	13	13	16	1	14	15	14	16	5	58
Other Income	136	112	114	97	90	120	133	133	457	475
PBT	1,782	1,756	2,043	1,632	1,908	1,945	1,689	1,781	7,222	7,323
Rate (%)	32.1	29.7	33.0	33.5	31.5	29.9	33.7	32.0	32.2	31.7
Adj PAT	1,210	1,234	1,368	1,086	1,307	1,363	1,121	1,211	4,894	5,001
YoY Change (%)	14.2	23.1	33.7	6.2	8.0	10.4	-18.1	11.5	24.8	2.2

E: MOSL Estimates



Bharat Forge

Bloomberg	BHFC IN
Equity Shares (m)	232.8
M. Cap. (INR b)/(USD b)	250 / 4
52-Week Range (INR)	1094 / 687
1,6,12 Rel Perf. (%)	-1 / 10 / 9

Financial Snapshot (INR b)

Y/E Mar	2016	2017E	2018E	2019E
Sales	76.5	73.8	82.3	95.3
EBITDA	14.2	13.5	16.5	20.9
EPS (INR)	6.6	5.9	8.7	11.8
EPS Gr. (%)	28.1	25.3	37.2	50.6
BV/Sh. (INR)	-10.9	-10.2	47.2	36.2
RoE (%)	153.6	169.2	194.4	233.0
RoCE (%)	18.7	15.7	20.5	23.7
Valuations	12.5	10.8	14.7	18.0
P/E (x)				
P/BV (x)	37.9	42.2	28.7	21.1
EV/EBITDA (x)	6.9	6.3	5.5	4.6
EV/Sales (x)	18.9	19.6	15.6	12.0

Consolidated

CMP: INR1,089 TP: INR1,182 (+9%) Buy

- We expect BHFC's shipment tonnage to remain flat YoY to 52,649 tons, which is an improvement from decline in the previous quarters as demand for class 8 trucks are showing signs of improvements along with revival in industrial segments. Net realization is likely to increase ~7% YoY to ~INR205.1k/ton.
- As a result net revenue would increase 7% YoY (+14% QoQ) to ~INR10.8b.
- EBITDA margin is likely to decline 100bp YoY (+100bp QoQ) to 28.6%.
- PAT is likely to decline slightly ~2% YoY (+26% QoQ) to INR1.6b.
- We have increased our revenue estimate by 4% with better outlook on US class 8 truck market and Oil and Gas rebound, resulting in EPS increase of 8% for FY19E.
- The stock trades at 28x FY18E and 20.6x FY19E EPS; maintain **Buy**.

Key issues to watch

- ⊗ Outlook for US Class 8 Trucks for CY17.
- ⊗ Outlook for oil & gas and mining segments, primarily with regard to price recovery.
- ⊗ Update on ramp-up of new orders under commercial vehicles, PVs, aerospace and rail.

Quarterly performance

	(INR Million)									
	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Tonnage	51,984	54,559	50,741	52,413	49,098	46,203	47,068	52,649	209,697	195,018
Change (%)	5.8	3.8	-4.8	-7.5	-5.6	-15.3	-7.2	0.5	-0.9	-7.0
Realization (INR '000/ton)	219.1	206.0	208.9	192.3	184.2	192.8	200.5	205.1	205.3	195.8
Change (%)	8.9	-4.9	-7.0	-10.9	-15.9	-6.4	-4.0	6.6	-4.4	-4.6
Net operating income	11,388	11,239	10,598	10,080	9,044	8,909	9,437	10,798	43,054	38,188
Change (%)	15.3	-1.3	-11.5	-17.6	-20.6	-20.7	-11.0	7.1		-11.3
RM/Sales (%)	34.1	36.0	32.9	35.9	34.4	34.4	32.6	34.6	35.5	34.0
Staff Cost (% of Sales)	8.2	8.3	9.0	9.2	10.1	10.1	9.6	9.6	8.6	9.9
Other Exp. (% of Sales)	26.4	27.2	27.1	25.3	28.5	27.6	30.2	27.2	26.1	28.3
EBITDA	3,566	3,204	3,283	2,982	2,444	2,477	2,606	3,091	12,830	10,618
EBITDA Margins (%)	31.3	28.5	31.0	29.6	27.0	27.8	27.6	28.6	29.8	27.8
Non-Operating Income	299	282	251	225	256	309	208	240	999	1,013
Interest	213	222	226	202	170	189	183	174	863	716
Depreciation	749	714	812	644	740	726	739	784	2,614	2,988
PBT	2,904	2,550	2,454	2,361	1,791	1,870	1,892	2,373	10,310	7,926
Effective Tax Rate (%)	32.5	32.4	33.2	30.3	31.8	32.2	32.0	32.0	32.0	32.0
Adj. PAT	1,960	1,723	1,666	1,645	1,221	1,269	1,286	1,614	7,039	5,390
Change (%)	35.2	-2.9	-15.2	-18.9	-37.7	-26.3	-22.8	-1.9	-117.6	-23.4



Dish TV India

Bloomberg	DITV IN
Equity Shares (m)	1064.8
M. Cap. (INR b)/(USD b)	110 / 2
52-Week Range (INR)	111 / 77
1,6,12 Rel Perf. (%)	5 / 0 / 2

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Net Sales	30.6	30.6	34.3	38.9
EBITDA	10.2	10.2	12.3	14.8
Adj. NP	6.9	1.5	2.8	4.6
Adj. EPS (INR)	6.5	1.4	2.7	4.3
Adj. EPS Gr.(%)	NA	-77.8	84.7	61.8
BV/Sh (INR)	3.6	5.0	7.7	12.0
RoE (%)	NA	34	42	44
RoCE (%)	12.7	10.5	12.1	15.4
Div. Payout(%)	NA	NA	NA	NA

Valuations

P/E (x)	16	71	38	24
P/BV (x)	NA	20.5	13.4	8.6
EV/EBITDA (x)	11.4	11.3	9.0	7.2
EV/Sub (INR)	8,083	7,423	6,382	5,684

CMP: INR103 TP: INR115 (+12%) Buy

- n We expect DITV's revenue to largely be flat QoQ at INR7.54b.
- n Subscription revenue is expected to increase 1% QoQ to INR7b, as demonetization continues to impact fresh set-top box seeding.
- n We expect gross additions of 0.65m and net additions of 0.23m.
- n ARPU is expected to be flat QoQ at INR151 per subscriber per month, as 4Q is typically a seasonally weak quarter, given fewer days in February. Also, the recovery from demonetization has been slower than earlier expected.
- n EBITDA margin is expected to dip 100bp QoQ to 32.4%.
- n We expect net profit of INR164b in 4QFY17.
- n The stock trades at EV/EBITDA of 9x FY18E and 7.2x FY19E. Buy.

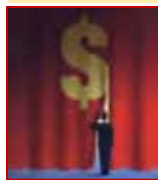
Key things to watch for

- ⊗ Quarterly gross adds (we expect 0.65m).
- ⊗ ARPU (we expect INR151).
- ⊗ EBITDA margin (we expect 32.4%).

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	7,367	7,524	7,715	7,994	7,786	7,793	7,480	7,540	30,599	30,599
YoY Change (%)	15.0	11.9	8.1	5.9	5.7	3.6	-3.0	-5.7	10.0	0.0
Operating expenses	4,998	4,974	5,060	5,385	5,140	5,151	4,985	5,100	20,350	20,375
EBITDA	2,368	2,550	2,655	2,609	2,646	2,642	2,495	2,441	10,249	10,224
YoY Change (%)	50.8	57.1	38.8	17.6	11.7	3.6	-6.1	-6.4	39.4	-0.2
EBITDA margin (%)	32.1	33.9	34.4	32.6	34.0	33.9	33.4	32.4	33.5	33.4
Depreciation	1,598	1,330	1,463	1,516	1,613	1,635	1,656	1,657	5,907	6,560
Interest	480	548	549	512	521	554	591	532	2,087	2,198
Other Income	252	197	42	218	119	111	181	149	640	560
PBT	542	870	686	799	631	565	429	401	2,895	2,026
Tax				-4,029	223	-136	163	237	-4,029	486
Effective Tax Rate (%)				(504.2)	35.3	(24.1)	37.9	59.2		24.0
Net profit	542	870	686	4,828	409	701	266	164	6,924	1,540
Net Subs (m)	13.3	13.7	14.0	14.5	14.9	15.2	15.3	15.6	14.5	15.6
ARPU (INR/month)	173	171	172	174	165	162	152	151	172	158



GE T&D

Bloomberg	GETD IN
Equity Shares (m)	256.1
M. Cap. (INR b)/(USD b)	86 / 1
52-Week Range (INR)	459 / 277
1,6,12 Rel Perf. (%)	10 / -10 / -41

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Net Sales	34.1	39.6	45.3	50.2
EBITDA	2.3	2.2	5.0	5.5
Adj PAT	0.8	1.5	2.8	2.9
EPS (INR)	3.0	6.0	11.0	11.4
EPS Gr. (%)	-35.7	98.6	83.5	3.0
BV/Sh. (INR)	52.1	50.5	56.2	62.1
RoE (%)	5.9	11.7	20.7	19.2
RoCE (%)	10.1	13.8	23.3	22.7
Payout (%)	59.5	40.0	40.0	40.0

Valuations

P/E (x)	110.7	55.7	30.4	29.5
P/BV (x)	6.4	6.6	6.0	5.4
EV/EBITDA (x)	38.8	39.6	17.2	15.4
EV/ Sales (x)	2.6	2.2	1.9	1.7
Div Yield (%)	0.5	-0.4	1.3	1.4

CMP: INR335 TP: INR340 (+1%) Neutral

- n We expect GETD to register robust revenue growth of 14% YoY to INR11.1b in 4QFY17. Revenue growth would be driven by execution of the Champa-Kurukshetra Phase-I project.
- n We expect operating profit of INR1.1b in 4QFY17 as against INR850m in 4QFY16. Gross margin is likely to expand 30bp to 32.9% from 32.6% in 4QFY16.
- n GETD is expected to book net profit of INR531m as against profit of INR299m in 4QFY16. Maintain **Neutral**.

Key issues to watch

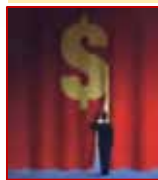
- Ø Progress in the Champa-Kurukshetra Phase-I project.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16E	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	7,660	8,729	7,141	9,715	8,546	8,340	11,623	11,064	34,135	39,573
Change (%)	1.2	1.2	1.2	-28.6	11.6	-4.4	62.8	13.9	-7.8	15.9
EBITDA	72	680	-532	850	21	339	722	1,119	2,324	2,202
Change (%)	-90.4	-22.4	NA	-18.5	-70.3	-50.1	-235.7	31.7	-9.0	-9.0
As of % Sales	0.9	7.8	-7.4	8.7	0.2	4.1	6.2	10.1	6.8	5.6
Depreciation	212	215	215	216	217	220	221	233	873	873
Interest	117	143	168	189	226	239	343	353	589	589
Other Income	412	213	326	64	326	435	522	378	427	427
Extra-ordinary Items	0	0	0	0	2,330	0	0	0	0	0
PBT	155	536	-589	509	-2,425	315	679	912	1,289	1,167
Tax	54	174	-205	210	-455	109	236	382	508	508
Effective Tax Rate (%)	34.7	32.6	NA	41.3	18.8	34.6	34.7	41.8	39.4	43.5
Reported PAT	102	361	-384	299	-1,970	206	443	531	781	659
Change (%)	-67.5	1.8	-1,582.6	-44.8	-2,041.0	-43.0	-215.4	77.7	0.0	0.0
Adj PAT	102	361	-384	299	360	206	443	531	781	659
Change (%)	-64.4	1.8	NA	-44.8	254.6	-43.0	-215.4	77.7	2.0	2.0

E: MOSL Estimates



Kaveri Seed

Bloomberg	KSCL IN
Equity Shares (m)	69.1
M. Cap. (INR b)/(USD b)	38 / 1
52-Week Range (INR)	568 / 325
1,6,12 Rel Perf. (%)	9 / 29 / 27

CMP: INR555 TP: INR649 (+17%) Buy

- We expect revenue to grow 10% YoY to INR482m. Cotton revenue is expected to be strong in FY18 due to increase in cotton prices.
- We expect EBITDA loss at INR29m v/s loss of INR47m in 4QFY16.
- We expect adjusted PAT loss of INR36m in 4QFY17, as against loss of INR75m in the year-ago period. **Buy**.

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	8.9	6.8	8.4	10.1
EBITDA	1.9	1.6	2.1	2.6
NP	1.7	1.6	2.0	2.5
EPS (INR)	24.9	23.4	28.6	36.1
EPS Gr. (%)	-42.9	-6.1	21.9	26.3
BV/Sh (INR)	131.3	139.1	149.7	165.4
RoE (%)	20.7	17.3	19.8	22.9
RoCE (%)	22.2	19.3	21.4	24.8
Payout (%)	8.9	6.8	8.4	10.1

Valuations

P/E (x)	22.0	23.5	19.3	15.3
P/BV (x)	4.2	4.0	3.7	3.3
EV/EBITDA (x)	20.1	22.9	17.6	13.7
Div Yield (%)	1.8	2.4	2.7	3.1

Key things to watch for

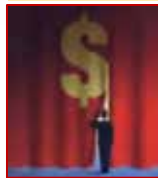
- Inventory and guidance for FY18.
- Impact on cotton acreages due to reduced sowing.
- Cotton yields.
- Any write-offs.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	5,394	663	698	438	4,940	678	679	482	7,193	6,793
YoY Change (%)	-34.8	-67.5	-23.1	9.7	-8.4	2.2	-2.7	10.0	-38.1	-5.6
Total Expenditure	3,137	1,109	535	486	3,357	644	644	511	5,267	5,176
EBITDA	2,256	-446	163	-47	1,583	34	34	-29	1,925	1,617
Margins (%)	41.8	-67.3	23.3	-10.8	32.0	5.0	5.0	-6.0	26.8	23.8
Depreciation	52	53	76	75	78	72	69	75	255	293
Interest	0	1	0	1	0	0	0	0	2	2
Other Income	21	29	24	57	54	170	101	64	131	390
PBT before EO expense	2,225	-470	111	-66	1,559	132	66	-40	1,799	1,712
PBT	2,225	-470	111	-66	1,559	132	66	-40	1,799	1,712
Tax	34	11	-7	12	15	54	30	-4	50	94
Rate (%)	1.5	-2.4	-6.0	-17.7	1.0	41.1	45.9	10.0	2.8	5.5
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	-3	0	0	0	0		
Reported PAT	2,191	-482	117	-75	1,544	77	36	-36	1,749	1,618
Adj PAT	2,191	-482	117	-75	1,544	77	36	-36	1,749	1,618
YoY Change (%)	-5.1	NM	-67.2	NM	-29.6	NM	-69.7	NM	-41.9	-7.5
Margins (%)	40.6	-72.7	16.8	-17.0	31.3	11.4	5.2	-7.5	24.3	23.8

E: MOSL Estimates



Lupin

Bloomberg	LPC IN
Equity Shares (m)	447.5
M. Cap. (INR b)/(USD b)	650 / 10
52-Week Range (INR)	1750 / 1384
1,6,12 Rel Perf. (%)	-5 / -9 / -21

Financial Snapshot (INR Billion)

Y/E MARCH	2016	2017E	2018E	2019E
Sales	142.1	177.8	209.2	236.1
EBITDA	37.5	46.9	56.1	63.7
NP	22.7	27.7	35.4	40.0
EPS (INR)	50.4	61.4	78.6	88.8
EPS Gro. (%)	-5.7	21.9	27.9	13.1
BV/Sh. (INR)	243.8	295.5	363.6	441.9
RoE (%)	22.9	22.8	23.8	22.1
RoCE (%)	16.8	15.3	16.7	16.3

Valuations

P/E (x)	28.8	23.6	18.5	16.4
P/BV (x)	6.0	4.9	4.0	3.3
EV/EBITDA (x)	19.0	14.7	11.9	10.1
D. Yield (%)	0.5	0.6	0.6	0.6

CMP: INR1,453 TP:INR1,850 (+27%)

Buy

- We expect Lupin's (LPC) 3QFY17 revenue to grow 8.7% YoY to INR45.4b, aided by buoyant performance in US generic segment (gGlumetza and gFortamet sales, consolidation of Gavis financials).
- India business is expected to exhibit 13% YoY growth to INR9.8b. Japan sales are expected to improve 20.3% YoY to INR4.5b in 3QFY17, aided by currency tailwinds.
- EBITDA is estimated to decline 13% YoY to INR11.4b, with EBITDA margin at 25.2%.
- Reported PAT is likely to decline 15.2% YoY to INR6.3b, even though tax rate is expected to decline to 28.3% as against 35.8% in 3QFY16 which is offset by decline in EBITDA margins by 610bps.
- Glumetza/Fortamet continues to be the key contributors to profits. Glumetza may continue to see limited competition in near term. Along with this, strong pipeline and ramp-up of Metergen sales can help drive US business over near term. Maintain Buy with TP of INR1,850 @ 22x 1HFY19E PER.

Key issues to watch out

- Gavis sales ramp-up.
- Outlook on future ANDA launches and Gavis integration.
- Impact of new competition in Glumetza and Fortamet.
- Outlook on inorganic growth initiatives.

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	31,561	33,297	35,558	41,707	44,677	42,905	44,828	45,350	142,085	177,761
YoY Change (%)	-5.5	4.9	11.9	35.5	41.6	28.9	26.1	8.7	11.3	25.1
EBITDA	8,248	6,626	8,772	13,050	13,080	10,281	12,158	11,409	37,534	46,929
Margins (%)	26.1	19.9	24.7	31.3	29.3	24.0	27.1	25.2	26.4	26.4
Depreciation	1,014	1,155	1,114	1,487	2,027	2,112	2,309	1,874	4,635	8,322
Interest	70	241	92	213	320	263	459	382	446	1,424
Other Income	757	578	653	349	826	271	1,036	167	1,877	2,300
PBT	7,921	5,809	8,219	11,699	11,560	8,177	10,426	9,319	34,330	39,483
Tax	2,258	1,591	2,909	4,188	2,734	1,589	4,095	2,637	11,536	11,055
Rate (%)	28.5	27.4	35.4	35.8	23.7	19.4	39.3	28.3	33.6	28.0
Minority Interest	-3	27	13	51	6	8	24	337	88	375
Recurring PAT	5,686	4,198	5,298	7,479	8,820	6,622	6,331	6,345	22,707	28,053
YoY Change (%)	-9.0	-33.4	-11.9	36.7	55.1	58.0	19.5	-15.2	-5.5	23.5
Margins (%)	18.0	12.6	14.9	17.9	19.7	15.4	14.1	14.0	16.0	15.8

E: MOSL estimates; Quarterly nos will not add up to full year nos due to restatement of past quarters



1. To pursue acquisitions aggressively in FY18: precision camshafts; Yatin Shah, CMD & Promoter

- n Machine camshafts operate at higher margins and expects company to do more than single-digit growth in FY18
- n Looking at acquisitions which are in advance stages right now and are pursuing acquisitions very aggressively
- n On the debt front, company will be debt free by June of next year. The current debt is around Rs 65 crore and the cash on books is around Rs 250 crore

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2. US foray slightly tricky, need clarity on border tax: CCL products; C Rajendra Prasad, CMD

- n Company is projecting for 10-15 percent growth for FY18
- n US market is a bit tricky with the current situation there.
- n The government there is trying to introduce for the first time a tax on imports from Mexico especially, the border tax that they are planning of imposing. If this comes into play then there is going to be a substantial burden on imports from Mexico - that will give huge in way for us to start supplying to the US

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3. Co all geared up for gst rollout; to see tariff improvement by mid-2018: Tata Power; Anil Sardana, MD

- n Company is all geared up for the rollout of GST on July 1. GST rate at 5% on coal, would be a pass through for most power companies
- n Solar power will become expensive due to the GST rate of 18 percent. However, for their company, most of their solar projects got concluded before March 31, so they see no impact of the new GST rate on their tariffs.
- n The tariff benefits to their customers will not be seen till they go to the regulator next time since tariffs and distribution are all decided by the regulator.
- n Tariff improvement will be seen only by mid-2018

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4. ICICI Pru's batra decodes the impact of GST on insurance space; Sandeep Batra, Executive Director

- n GST council has suggested an 18 percent tax for all financial services sector, which could mean a direct impact on premium paid by the policyholders. The current tax rate is 15 percent.
- n The extra 3% tax will have to be borne by the policyholders but GST otherwise is largely positive from an economic point of view
- n GST will aid larger financialisation of savings and the movement from organised to unorganised sector.

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1. Banking ordinance opens up pandora's box

- n The recently promulgated Banking Regulation (Amendment) Ordinance is aimed at resolving the non-performing assets (NPA) crisis in the banking sector. It creates an illusion of state action, and does little by way of addressing the real concerns. We highlight some of the problems created by the ordinance. Resolution of NPAs is a two-stage process. The first stage involves assessing the viability of the debtor's business. The second stage involves deciding whether the debtor's company should be restructured or liquidated. Any such resolution, be it restructuring or liquidation, imposes losses on the banks that had lent money to the corporate debtor.

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2. Farm loan waivers: why states should consider replicating PM Narendra Modi's stand

- n Politics in India, in part, thrives on competitive populism. So, when the Adityanath government announced a farm loan waiver after coming to power in Uttar Pradesh, it didn't take too long for the clamour for a similar waiver in Maharashtra to grow louder. The opposition parties—the BJP is in power in both UP and Maharashtra—milked the situation. Agriculture remains a hot button issue in the country and therefore any statement that can be spun as being “anti-farmer”, even though it may reflect sound policy, is politically fraught. Against such a backdrop, Union agriculture minister Radha Mohan Singh making it clear that the Modi government isn't considering any such waiver—as of September last year, outstanding farm loan stood at ₹12.6 lakh crore (₹7.75 lakh crore in crop loans and ₹4.84 lakh crore in term loans)—is a big political gamble, especially as the government enters its fourth year. But it is also welcome change in policy-thinking.

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3. Economies of scale in nuclear power

- n The Cabinet's green signal to rev up India's nuclear power capacity needs to be followed through with concrete plans to rationalise costs and reap scale economies in plant execution. The government has approved the setting up of 10 nuclear power stations of 700 MW each, using indigenously developed pressurised heavy water reactors (PHWRs). They would be the biggest such plants, as most of our PHWRs have been smaller, of 220 MW capacity, and the two units of 540 MW each at Tarapur were commissioned over a decade ago.

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4. Why Centre will have to devise a comprehensive Aadhaar bill and not a money bill to address challenges

- n Economics as a subject has always been blessed with diversity of opinions. In 2013, for the first time (and perhaps the only time in history) Robert Shiller and Eugene Fama were both awarded Nobel Prize in Economics for sharing diametrically opposite views on market efficiency. With 1,140,800,331 numbers generated as of April 2017, the “Aadhaar card” is the most ubiquitous identity document in India today. Yet, the journey of Aadhaar has been riddled with controversy and debate since conception. On one hand, Aadhaar holds a lot of appeal to all authorities that see it as an efficient enabler of authentication and on the other, there are strident voices against it, pushing for stringent data security and privacy protocols.

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5. GST Rollout: Anti-profiteering law could be the new face of tax terror

- n The government deserves full marks for trying to put in place what seems to be a largely inflation-neutral GST tax structure. However, repeated warnings to companies telling them not to profit unduly from the benefits of lower tax incidence are unwarranted. Indeed, the revenue secretary has gone so far as to ask companies to hold back on any prices until July 1, when the GST will be rolled out, unless of course there has been a big jump in input costs which they are not in a position to absorb. Companies, for their part, are understandably anxious about the anti-profiteering provision which, as this newspaper has argued, is a retrograde step.

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International

6. May's wobbles bode badly for Brexit

- n The most important biographical fact about Theresa May is not her Anglicanism, her middle-classness or her sex. More tellingly, she had never served as Britain's opposition leader or chancellor of the exchequer before she became its prime minister. Those two jobs, which most of her predecessors had done at least one of as a tour of duty for the premiership, acquaint a politician with the full spectrum of work undertaken by the state: the loftiest geopolitics, the technical morass of welfare, the producer interests in healthcare and education. Mrs May's pedigree is a six-year immersion in the Home Office — a narrow department even before criminal justice fell out of its remit in 2007 — and some journeyman portfolios in opposition. She had never done a business-facing job.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
PFC	Neutral	150	117	-22	25.7	27.2	30.2	5.9	5.5	1.0	0.9	17.9	17.0	16.8
Repco Home	Buy	739	831	12	28.6	34.0	40.2	25.8	21.7	4.1	3.5	17.3	17.5	17.6
REC	Neutral	213	134	-37	31.4	35.0	40.4	6.8	6.1	1.3	1.1	19.9	19.1	19.1
Shriram Union	City Buy	2,165	2,689	24	84.3	130.4	164.7	25.7	16.6	2.9	2.5	11.8	16.2	17.8
STF	Buy	959	1,269	32	55.6	77.4	98.6	17.3	12.4	1.9	1.7	11.7	14.5	16.3
Aggregate								17.8	15.3	3.1	2.7	17.2	17.7	17.9
Capital Goods														
ABB	Sell	1,455	1,200	-18	19.7	25.1	32.2	73.8	58.0	9.4	8.1	12.7	13.9	15.8
Bharat Elec.	Buy	172	180	5	6.5	7.3	8.5	26.6	23.6	5.1	4.4	20.4	18.8	19.1
BHEL	Sell	156	115	-26	5.5	5.7	5.8	28.2	27.3	1.1	1.1	4.0	4.0	4.0
Blue Star	Neutral	639	650	2	12.9	19.0	28.0	49.6	33.7	8.1	7.5	18.0	23.2	31.6
CG Cons. Elec.	Buy	218	221	2	4.6	5.5	6.7	47.7	39.9	36.1	24.6	94.3	73.3	66.1
CG Power & Indu.	Sell	88	45	-49	3.6	3.9	4.5	24.2	22.7	1.3	1.2	5.4	5.5	6.0
Cummins	Neutral	924	950	3	26.5	29.3	35.2	34.9	31.5	6.8	6.3	21.2	20.8	23.0
GE T&D	Neutral	343	340	-1	6.0	11.0	11.4	57.1	31.1	6.8	6.1	11.7	20.7	19.2
Havells	Neutral	451	480	7	9.6	12.1	14.5	47.1	37.3	8.6	7.6	18.2	20.4	21.4
Inox Wind	Under Review	142	-		12.8	-3.2	15.5	11.1	NM	1.4	1.5	14.9	-3.3	15.1
K E C Intl	Neutral	242	250	3	11.9	13.6	16.8	20.4	17.8	3.9	3.3	21.2	20.3	21.2
L&T	Buy	1,741	1,970	13	53.6	64.7	75.8	32.5	26.9	3.4	3.1	10.9	12.1	12.9
Pennar Eng.	Not Rated	130	-		5.8	7.5	10.0	22.3	17.3	1.9	1.7	8.6	10.0	11.8
Siemens	Neutral	1,361	1,355	0	17.8	24.3	33.3	76.4	56.0	7.1	6.1	9.3	11.0	13.7
Solar Ind	Neutral	822	800	-3	19.0	22.3	26.5	43.2	36.8	7.4	6.4	18.4	18.6	19.0
Suzlon Energy	Not Rated	20	-		0.6	0.9	1.0	31.1	22.4	-1.8	-2.0	NM	-8.8	-11.0
Thermax	Sell	994	781	-21	23.5	28.4	31.5	42.2	35.0	4.7	4.3	11.6	12.9	13.2
Va Tech Wab.	Buy	681	760	12	26.5	34.5	40.3	25.7	19.7	3.5	3.1	8.9	16.7	17.3
Voltas	Sell	410	370	-10	13.6	14.9	16.9	30.2	27.4	5.0	4.4	17.6	17.1	17.1
Aggregate								35.8	31.1	4.0	3.6	11.1	11.7	12.8
Cement														
Ambuja Cem.	Buy	240	283	18	4.9	6.6	7.2	49.1	36.2	2.5	2.4	5.0	6.7	7.1
ACC	Neutral	1,629	1,521	-7	33.7	49.2	63.6	48.3	33.1	3.6	3.7	7.5	11.0	14.2
Birla Corp.	Buy	752	869	16	21.5	41.2	54.4	34.9	18.2	2.1	1.9	6.0	10.9	13.2
Dalmia Bharat	Buy	2,369	3,162	33	38.8	66.7	87.1	61.1	35.5	4.2	3.8	7.2	11.3	13.1
Grasim Inds.	Neutral	1,097	1,234	13	67.9	86.9	114.5	16.2	12.6	1.8	1.6	11.5	13.1	15.1
India Cem	Neutral	193	152	-21	5.1	8.7	11.9	37.9	22.2	1.6	1.5	4.0	6.2	7.7
J K Cements	Buy	1,095	1,322	21	33.7	46.4	59.5	32.5	23.6	4.4	3.7	14.4	17.0	18.6
JK Lakshmi Ce	Buy	486	550	13	7.0	11.4	20.5	69.8	42.6	4.1	3.7	6.0	9.2	14.7
Ramco Cem	Buy	680	815	20	27.8	30.1	36.2	24.5	22.6	4.4	3.8	19.6	18.0	18.5
Orient Cem	Buy	153	185	21	-1.6	4.5	6.8	NM	33.8	3.2	2.9	-3.2	9.0	12.3
Prism Cem	Buy	119	118	-1	-0.6	2.6	4.8	NM	45.3	6.3	5.7	-3.1	13.1	20.8
Shree Cem	Buy	17,872	23,316	30	384.4	480.7	621.0	46.5	37.2	8.8	7.3	20.2	21.5	22.6
Ultratech	Buy	4,268	4,928	15	96.1	121.4	159.1	44.4	35.2	5.1	4.5	12.0	13.6	15.7
Aggregate								37.1	27.8	3.6	3.3	9.8	11.9	13.8
Consumer														
Asian Paints	Neutral	1,099	1,210	10	21.0	23.1	27.4	52.3	47.5	13.9	13.3	28.5	28.6	30.6
Britannia	Buy	3,595	4,065	13	72.2	83.3	101.7	49.8	43.1	19.1	15.1	43.1	39.2	38.0
Colgate	Buy	986	1,180	20	21.2	25.7	31.1	46.4	38.4	21.1	19.9	50.4	53.2	60.3
Dabur	Neutral	274	295	8	7.2	7.7	9.1	37.8	35.4	9.9	8.5	28.4	26.0	26.3
Emami	Buy	1,085	1,250	15	26.5	29.2	34.7	40.9	37.1	14.0	11.3	35.8	33.8	32.2
Godrej Cons.	Neutral	1,762	1,950	11	37.8	43.6	50.0	46.6	40.4	11.3	8.8	24.6	24.5	23.0
GSK Cons.	Sell	5,283	4,380	-17	156.1	169.7	185.5	33.8	31.1	7.1	7.0	22.2	22.6	23.0
HUL	Buy	1,020	1,165	14	19.6	22.4	25.9	52.0	45.5	33.1	32.4	65.6	72.1	81.4
ITC	Buy	300	320	7	8.4	9.3	11.0	35.9	32.1	9.5	8.3	28.4	27.6	28.7
Jyothy Lab	Neutral	373	390	5	11.2	8.9	11.0	33.2	41.7	6.2	6.4	21.1	15.1	18.4
Marico	Neutral	314	335	7	6.3	6.9	8.4	49.9	45.1	17.4	14.8	36.7	35.5	38.1



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Nalco	Buy	66	83	25	3.9	5.3	5.8	17.1	12.4	1.2	1.2	7.5	9.6	9.9
NMDC	Buy	119	178	49	12.1	12.3	13.0	9.9	9.7	1.6	1.5	13.4	15.5	15.1
SAIL	Sell	59	30	-50	-7.4	-12.6	0.4	NM	NM	0.7	0.8	-8.1	-15.4	0.5
Vedanta	Neutral	231	225	-2	15.1	24.5	27.4	15.2	9.4	1.4	1.3	9.7	14.8	15.3
Tata Steel	Sell	490	451	-8	37.0	39.5	45.7	13.3	12.4	1.5	1.4	15.4	11.4	12.1
Aggregate								16.6	13.5	1.4	1.3	8.2	9.5	11.9
Oil & Gas														
BPCL	Buy	697	763	9	55.9	53.7	58.4	12.5	13.0	3.2	2.7	27.1	22.7	21.4
GAIL	Neutral	380	358	-6	22.6	28.7	32.7	16.9	13.3	1.7	1.6	10.2	12.2	12.9
Gujarat Gas	Sell	768	735	-4	17.5	40.0	49.0	43.9	19.2	4.5	3.8	10.7	21.5	22.0
Gujarat St. Pet.	Neutral	171	162	-5	8.9	11.0	13.2	19.3	15.6	2.2	2.0	12.0	13.5	14.5
HPCL	Buy	500	604	21	53.5	44.9	45.8	9.3	11.1	2.5	2.2	27.8	20.7	18.6
IOC	Buy	424	441	4	43.7	39.4	41.0	9.7	10.8	2.4	2.1	26.0	20.4	18.8
IGL	Neutral	985	1,023	4	43.3	43.8	49.4	22.8	22.5	4.8	4.1	22.3	19.7	19.2
MRPL	Neutral	125	124	-1	11.7	12.8	13.3	10.7	9.8	2.2	1.9	24.8	20.5	18.4
Oil India	Buy	312	382	22	28.6	33.1	37.8	10.9	9.4	1.0	1.0	9.8	10.8	11.6
ONGC	Buy	175	233	34	15.3	20.0	22.9	11.4	8.7	1.2	1.1	10.4	13.0	14.1
PLNG	Buy	426	547	28	22.7	25.9	35.1	18.7	16.4	3.9	3.4	23.6	22.1	25.2
Reliance Ind.	Neutral	1,304	1,264	-3	106.6	121.7	127.8	12.2	10.7	1.3	1.2	11.9	11.8	11.2
Aggregate								12.3	11.2	1.7	1.5	13.7	13.6	13.5
Retail														
Jubilant Food	Neutral	992	1,110	12	12.3	21.7	29.1	80.4	45.6	8.1	8.9	10.1	19.5	24.9
Titan Co.	Neutral	477	505	6	9.0	10.3	12.1	52.8	46.4	10.0	8.8	20.6	20.2	20.9
Aggregate								56.0	46.8	9.8	8.9	17.5	19.1	20.2
Technology														
Cyient	Buy	505	620	23	30.6	38.3	44.2	16.5	13.2	2.7	2.3	16.2	17.8	17.9
HCL Tech.	Buy	865	960	11	59.8	61.9	67.6	14.5	14.0	3.6	3.6	27.5	25.4	26.0
Hexaware	Neutral	246	235	-4	13.7	15.4	16.7	17.9	16.0	4.4	3.8	26.5	25.3	23.5
Infosys	Buy	957	1,200	25	62.9	64.7	71.1	15.2	14.8	3.2	2.8	23.3	21.4	21.2
KPIT Tech	Neutral	117	150	28	11.9	13.4	15.2	9.8	8.7	1.5	1.3	14.3	15.6	15.2
L&T Infotech	Buy	773	850	10	55.5	59.7	65.0	13.9	13.0	4.8	3.8	40.4	32.8	28.3
Mindtree	Neutral	499	475	-5	24.9	30.5	36.5	20.1	16.4	3.3	3.0	16.8	18.9	20.5
Mphasis	Neutral	581	550	-5	42.7	43.0	44.9	13.6	13.5	2.1	2.0	14.1	14.9	14.7
NIIT Tech	Neutral	491	470	-4	42.8	42.5	46.1	11.5	11.6	1.8	1.6	16.1	14.8	14.7
Persistent Sys	Buy	575	700	22	37.7	43.9	51.4	15.3	13.1	2.4	2.3	17.0	18.1	20.3
Tata Elxsi	Buy	1,452	1,780	23	59.3	72.1	89.0	24.5	20.1	9.4	7.5	42.5	41.3	40.8
TCS	Neutral	2,520	2,400	-5	133.4	139.7	149.6	18.9	18.0	5.9	6.1	33.5	32.4	32.3
Tech Mah	Buy	416	550	32	32.5	35.7	40.2	12.8	11.7	2.4	2.1	20.1	19.5	19.2
Wipro	Neutral	525	500	-5	33.8	34.6	38.2	15.5	15.2	2.5	2.2	16.9	15.5	15.7
Zensar Tech	Buy	889	1,020	15	54.9	67.6	78.4	16.2	13.2	2.5	2.2	16.3	17.7	17.8
Aggregate								16.6	16.2	3.9	3.7	23.5	22.8	22.1
Telecom														
Bharti Airtel	Buy	371	430	16	11.1	6.3	11.5	33.4	59.1	2.2	2.1	6.7	3.7	6.4
Bharti Infratel	Buy	379	435	15	14.9	17.5	19.9	25.5	21.7	4.6	4.0	16.2	19.4	19.1
Idea Cellular	Buy	84	110	30	-1.1	-12.9	-13.6	NM	NM	1.2	1.5	-1.6	-20.8	-27.4
Tata Comm	Buy	670	811	21	26.0	18.1	36.0	25.8	37.0	12.0	9.1	126.2	27.9	39.1
Aggregate								36.2	169.2	2.5	2.5	6.9	1.5	3.9
Utilities														
Coal India	Buy	268	335	25	15.9	18.7	20.9	16.8	14.3	6.7	6.6	39.5	46.3	51.8
CESC	Buy	851	1,040	22	51.9	73.4	80.6	16.4	11.6	1.9	1.7	11.4	15.5	15.0
JSW Energy	Buy	64	88	38	3.9	2.1	1.8	16.4	30.0	1.0	1.0	6.7	3.3	2.8
NTPC	Buy	157	199	27	11.9	14.3	17.3	13.2	10.9	1.4	1.3	10.6	11.9	13.3
Power Grid	Buy	202	243	20	15.3	17.7	20.7	13.2	11.4	2.1	1.9	17.3	17.5	17.7
Tata Power	Sell	80	67	-17	5.2	6.7	7.0	15.6	11.9	1.8	1.6	11.2	14.6	13.6
Aggregate								14.8	12.6	2.3	2.1	15.6	16.9	17.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Others														
Arvind	Neutral	377	382	1	12.4	16.6	23.6	30.4	22.6	2.7	2.5	10.3	11.5	14.7
Bata India	Under Review	526	-		13.5	15.6	19.3	39.1	33.7	5.2	4.6	13.9	14.5	15.9
Castrol India	Buy	413	532	29	13.6	14.9	15.2	30.2	27.7	31.8	28.6	110.9	108.6	100.4
Century Ply.	Buy	248	274	11	7.7	8.6	11.4	32.0	28.7	8.4	6.9	28.9	26.5	28.6
Coromandel Intl	Under Review	383	-		16.0	18.3	23.6	24.0	20.9	4.2	3.8	18.2	18.9	21.7
Delta Corp	Buy	142	229	61	3.3	6.9	7.6	43.5	20.7	3.8	2.8	9.0	15.7	17.0
Dynamic Tech	Buy	2,742	3,334	22	67.6	112.9	166.7	40.6	24.3	5.6	4.6	15.1	20.7	24.3
Eveready Inds.	Buy	318	287	-10	11.4	13.9	16.9	27.9	22.9	8.5	6.8	34.7	33.0	32.4
Interglobe	Neutral	1,047	1,234	18	46.0	65.6	88.2	22.7	16.0	18.7	16.6	86.2	110.2	129.8
Indo Count	Buy	170	229	34	13.0	14.6	17.6	13.1	11.7	4.0	2.9	34.8	28.8	25.9
Info Edge	Buy	849	1,000	18	16.9	17.9	21.0	50.3	47.3	5.3	5.0	11.1	10.9	11.9
Inox Leisure	Sell	283	240	-15	3.3	8.0	12.0	84.8	35.2	4.9	4.3	5.9	12.5	16.2
Jain Irrigation	Under Review	88	-		5.5	7.6	10.0	15.8	11.5	1.3	1.3	8.6	11.7	14.8
Just Dial	Neutral	469	465	-1	17.5	18.5	21.1	26.9	25.4	3.6	3.2	14.8	13.4	13.7
Kaveri Seed	Buy	522	649	24	23.4	28.6	36.1	22.3	18.3	3.7	3.5	17.3	19.8	22.9
Kitex Garm.	Buy	380	551	45	26.0	31.0	36.7	14.6	12.3	3.9	3.2	29.9	28.7	27.7
Manpasand	Buy	761	841	11	13.3	22.0	31.1	57.2	34.6	3.7	3.5	7.7	9.3	13.5
MCX	Buy	966	1,325	37	24.8	30.5	42.9	38.9	31.6	3.6	3.4	9.9	11.1	14.6
Monsanto	Buy	2,761	2,841	3	72.9	89.3	109.3	37.9	30.9	11.5	10.7	30.4	35.9	39.6
Navneet Education	Buy	155	210	36	6.6	8.6	10.5	23.3	18.0	5.9	5.0	26.0	30.0	30.9
PI Inds.	Buy	813	1,046	29	30.4	34.8	43.6	26.8	23.3	7.3	5.9	30.9	27.9	27.8
Piramal Enterp.	Buy	2,730	3,044	11	72.6	104.1	144.6	37.6	26.2	3.6	3.3	9.8	13.0	16.4
SRF	Buy	1,613	1,825	13	11.0	101.8	127.1	147.3	15.8	3.0	2.6	2.2	17.5	19.2
S H Kelkar	Buy	285	367	29	7.2	9.6	12.2	39.3	29.7	5.1	4.5	13.7	16.1	18.2
Symphony	Sell	1,352	1,288	-5	27.0	35.1	42.9	50.0	38.5	27.2	23.2	56.8	65.0	66.3
TTK Prestige	Neutral	6,450	5,281	-18	106.9	137.7	176.0	60.3	46.8	9.6	8.6	16.5	19.4	22.2
V-Guard	Neutral	190	140	-26	3.7	4.6	5.4	51.2	41.4	13.5	10.8	29.4	29.1	27.6
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



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-0.7	0.0	-5.1
Ashok Ley.	-1.6	-0.8	-15.4
Bajaj Auto	-3.0	0.0	16.9
Bharat Forge	-1.9	-3.1	46.8
Bosch	-0.3	2.9	9.4
CEAT	0.4	20.8	88.3
Eicher Mot.	1.3	8.0	51.1
Endurance Tech.	-0.7	-3.2	
Escorts	-3.6	7.2	256.1
Exide Ind	-1.3	-3.0	49.3
Hero Moto	0.6	11.9	24.3
M&M	1.7	5.5	3.3
Mahindra CIE	-1.5	4.7	25.9
Maruti Suzuki	2.7	10.9	75.9
Tata Motors	0.4	2.2	17.6
TVS Motor	-0.3	8.7	77.9
Banks - Private			
Axis Bank	-0.3	3.1	3.0
DCB Bank	-0.8	3.9	114.8
Equitas Hold.	-1.9	-11.9	3.1
Federal Bank	-2.5	16.6	117.6
HDFC Bank	-0.5	4.8	38.0
ICICI Bank	0.4	13.8	38.6
IDFC Bank	-2.1	-0.4	24.1
IndusInd	0.0	-3.1	31.7
J&K Bank	-3.3	1.7	33.7
Kotak Mah. Bk	-0.2	7.0	33.4
RBL Bank	-3.5	-7.7	
South Indian	-0.8	7.1	56.4
Yes Bank	-0.3	-9.2	43.5
Banks - PSU			
BOB	-0.3	3.9	38.2
BOI	-7.4	-2.6	82.1
Canara	-1.3	10.7	103.9
IDBI Bk	-1.2	-9.6	1.4
Indian Bk	-1.7	25.1	260.7
OBC	-1.8	-2.5	91.5
PNB	-1.0	-3.6	107.2
SBI	-1.8	2.5	71.1
Union Bk	-2.4	4.7	55.8
NBFCs			
Bajaj Fin.	-0.3	-0.7	61.9
Bharat Fin.	-5.6	-11.1	10.0
Dewan Hsg.	-0.4	-3.1	115.7
GRUH Fin.	-2.0	-2.6	41.1
HDFC	-0.6	0.2	30.2
Indiabulls Hsg	-0.3	5.9	51.7
LIC Hsg Fin	-0.9	4.1	53.5
Manappuram	-2.6	-10.9	61.3
M&M Fin.	-2.1	-11.8	3.2
Muthoot Fin	-0.4	-5.5	76.9
PFC	-0.1	-4.0	78.9
Repco Home	-1.4	-3.9	10.4
REC	0.1	4.0	176.5
STF	-3.9	-9.2	-14.0
Shriram City Union	-0.2	-5.9	41.6

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	-3.0	3.8	19.6
Bharat Elec.	-2.1	-4.6	56.5
BHEL	-3.6	-10.9	31.5
Blue Star	-1.1	-6.8	49.3
CG Cons. Elec.	-3.3	-0.5	59.6
CG Power & Inds Sol.	-1.9	10.9	42.1
Cummins	-0.6	-4.7	6.3
GE T&D	-3.0	1.0	2.3
Havells	-5.6	-8.1	23.2
Inox Wind	-5.9	-30.4	-39.4
K E C Intl	-0.5	8.8	90.5
L&T	-0.6	3.2	40.3
Pennar Eng.	-3.0	-10.9	-13.6
Siemens	-0.1	3.9	20.6
Solar Ind	0.1	2.8	25.3
Suzlon Energy	-3.4	-0.5	33.0
Thermax	-0.9	-2.2	40.7
Va Tech Wab.	-1.0	-1.8	19.4
Voltas	-1.2	-1.1	24.8
Cement			
Ambuja Cem.	-1.4	0.2	12.8
ACC	0.2	8.9	14.7
Birla Corp.	-2.6	0.7	102.9
Dalmia Bharat	-0.3	15.6	177.0
Grasim Inds.	-1.3	-2.9	29.9
India Cem	-2.9	2.8	130.0
JK Cements	-0.6	16.5	83.3
JK Lakshmi Ce	2.4	3.8	39.9
Ramco Cem	0.8	0.5	39.5
Orient Cem	3.0	0.2	0.2
Prism Cem	-1.5	13.9	32.0
Shree Cem	-2.2	1.8	36.8
Ultratech	-0.1	7.6	36.6
Consumer			
Asian Paints	-1.4	3.4	16.1
Britannia	-1.2	6.6	34.1
Colgate	-1.9	-4.5	21.5
Dabur	-1.3	-5.7	-3.8
Emami	-1.4	7.4	1.8
Godrej Cons.	-1.2	5.0	29.6
GSK Cons.	-0.2	0.8	-9.0
HUL	0.2	12.6	24.5
ITC	-1.1	9.4	29.6
Jyothy Lab	-0.3	-5.6	24.7
Marico	-0.8	4.9	26.8
Nestle	-0.1	3.8	10.3
Page Inds	1.4	3.4	11.3
Parag Milk	-2.4	-2.3	4.7
Pidilite Ind.	-0.8	3.3	13.1
P&G Hygiene	-0.5	1.6	17.3
United Brew	-0.2	3.0	7.9
United Spirits	-2.1	6.0	-18.1
Healthcare			
Alembic Phar	-1.2	-2.4	7.9
Alkem Lab	-2.0	-11.0	47.3
Ajanta Pharma	-0.4	-2.7	12.1
Aurobindo	-5.9	-14.4	-28.6

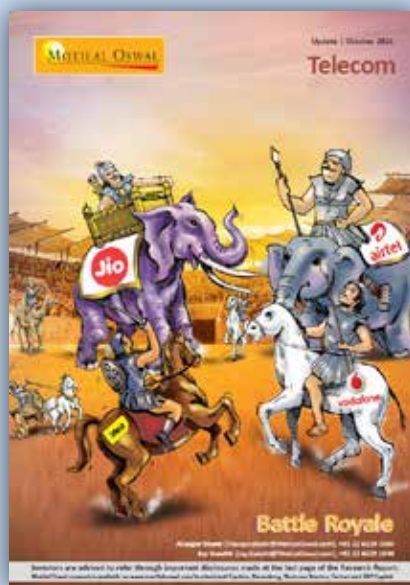
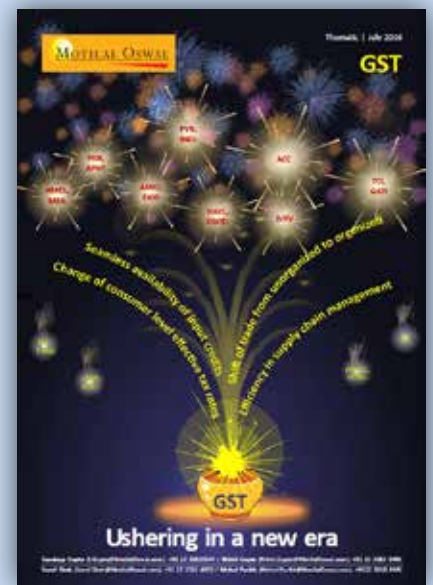
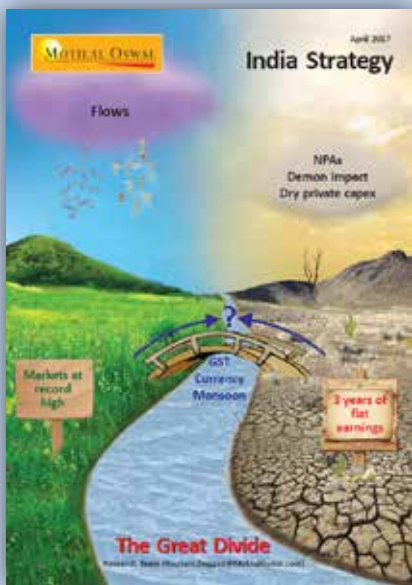


Company	1 Day (%)	1M (%)	12M (%)
Biocon	-3.7	-13.4	47.9
Cadila	-3.6	-1.9	35.8
Cipla	-4.9	-5.4	7.2
Divis Lab	-3.3	-8.7	-44.5
Dr Reddy's	-1.1	-1.2	-14.9
Fortis Health	0.7	-3.8	17.4
Glenmark	-2.7	-27.9	-24.3
Granules	-3.8	-6.2	10.0
GSK Pharma	-0.4	-6.8	-28.0
IPCA Labs	-1.3	-14.4	15.2
Lupin	-1.1	-11.4	-14.8
Sanofi India	0.0	-8.5	-1.5
Sun Pharma	-4.3	-4.3	-21.9
Syngene Intl	-3.4	-12.5	23.3
Torrent Pharma	-3.1	-12.0	-5.1
Logistics			
Allcargo Logistics	-1.1	-0.1	10.1
Blue Dart	-0.5	-13.4	-22.0
Concor	1.7	2.1	11.3
Gateway Distriparks	2.1	-13.0	-17.5
Gati	-5.2	-8.0	-2.1
Transport Corp.	-1.4	9.3	52.6
Media			
Dish TV	-2.5	-3.8	8.0
D B Corp	2.3	-2.8	12.6
Den Net.	-7.4	-9.0	-0.6
Hind. Media	-0.2	-6.8	-2.6
HT Media	-0.6	-2.3	-6.7
Jagran Prak.	-2.2	-7.0	4.8
PVR	0.5	-4.0	72.7
Siti Net.	-1.3	-16.9	-16.9
Sun TV	-3.6	-13.1	122.8
Zee Ent.	-1.5	-3.0	17.7
Metals			
Hindalco	0.9	2.0	120.1
Hind. Zinc	-2.8	-12.1	44.9
JSPL	-5.4	-3.7	82.3
JSW Steel	0.5	3.1	46.8
Nalco	-1.6	-0.8	59.7
NMDC	-2.5	-7.8	34.3
SAIL	-1.2	-1.5	52.0
Vedanta	0.7	-0.7	136.9
Tata Steel	0.8	8.8	56.4
Oil & Gas			
BPCL	0.1	-2.6	51.3
GAIL	-2.7	-5.0	36.5
Gujarat Gas	-0.8	-7.5	55.5
Gujarat St. Pet.	-1.3	-11.7	29.6
HPCL	-2.2	-10.2	80.6
IOC	-0.3	-0.1	109.5
IGL	0.1	-7.1	73.6
MRPL	-3.4	1.1	90.9
Oil India	-0.8	-3.7	22.4
ONGC	-1.6	-3.0	25.7
PLNG	-3.4	-1.9	63.8
Reliance Ind.	-1.5	-6.8	40.3
Retail			
Jubilant Food	-3.5	-3.8	-10.9

Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	-0.8	-0.6	31.5
Technology			
Cyient	-0.1	-3.7	9.7
HCL Tech.	0.8	6.5	18.0
Hexaware	-3.6	13.9	17.3
Infosys	-0.2	3.6	-19.6
KPIT Tech	-4.7	-10.9	-27.4
L&T Infotech	-1.0	7.2	
Mindtree	-0.6	11.1	-22.1
Mphasis	-1.1	8.8	21.5
NIIT Tech	0.6	15.8	3.5
Persistent Sys	-0.5	1.7	-21.0
Tata Elxsi	-4.9	-5.9	-20.8
TCS	-0.3	9.1	1.2
Tech Mah	1.0	-2.6	-12.7
Wipro	0.9	6.5	-2.7
Zensar Tech	-0.2	-1.7	-8.3
Telecom			
Bharti Airtel	-0.1	8.3	7.4
Bharti Infratel	-1.9	7.4	-1.0
Idea Cellular	-3.8	-0.8	-23.4
Tata Comm	-0.2	-5.1	49.0
Utilities			
Coal India	-2.3	-3.3	-4.5
CESC	-3.7	-6.7	50.0
JSW Energy	-2.6	-0.4	-5.5
NTPC	-1.1	-6.3	15.4
Power Grid	-0.2	-1.9	36.2
Tata Power	-2.1	-4.3	13.6
Others			
Arvind	-0.8	-5.8	24.5
Bata India	-3.3	-7.6	-5.2
Castrol India	-3.0	-3.7	11.4
Century Ply.	-3.4	-5.5	55.4
Coromandel Intl	-3.1	4.5	69.7
Delta Corp	-3.2	-16.6	76.5
Dynamatic Tech	2.0	-2.1	35.7
Eveready Inds.	-3.0	4.8	35.3
Interglobe	0.2	-6.0	5.6
Indo Count	-9.6	-11.8	-5.2
Info Edge	-0.3	4.8	13.6
Inox Leisure	2.2	-5.1	44.6
Jain Irrigation	-5.0	-21.7	38.9
Just Dial	-5.0	-10.5	-33.2
Kaveri Seed	-1.4	-7.8	21.1
Kitex Garm.	-1.5	-25.4	-17.1
Manpasand	-3.0	6.0	50.7
MCX	-1.0	-14.0	5.4
Monsanto	-1.1	8.8	32.9
Navneet Educat.	-3.7	-8.8	74.5
PI Inds.	-0.3	-6.2	29.1
Piramal Enterp.	-1.2	16.2	91.9
SRF	-5.6	-5.3	36.0
S H Kelkar	-2.8	-10.9	25.8
Symphony	-3.8	-8.2	16.7
TTK Prestige	0.2	-1.6	40.0
V-Guard	-2.5	2.7	123.0
Wonderla	-2.1	-4.2	-7.4

NOTES

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REPORT GALLERY

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

Long road ahead

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

Steadfast; growth gaining momentum

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

Favorable odds

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

Promising growth trajectory

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

Winner's Edge

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

Well balanced

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

Adding flavor to fragrance

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

Gaining ground

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

Proficient miner

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

SUN PHARMACEUTICAL

27 September 2018

ANNUAL REPORT THREADBARE

The ART of annual report analysis

WHAT'S NEW IN FY18

- Tax rates remained low at 13.8%, contingent liabilities for tax dispute rise to INR25.5b
- Cash flow of INR18.6b significantly higher than tax expenses recognized in P&L of INR15.3b
- DDF post interest increases to INR44.7b (FY17: INR32.7b) on decline in other assets to INR24.7b partially offset by INR18.1b increase in receivables.

Stock Info

Exchange	BSE/NSE
CAP (INR)	771
Face Value (INR)	2,000.0
52 Weeks Range (INR)	956/106
52 Week High (INR)	119.42
52 Week Low (INR)	100.07

Shareholding pattern (%)

As on	Jun-18	Mar-18	Jun-17
Promoter	33.0	33.0	34.7
MFI	19.2	19.0	17.8
FI	24.8	24.4	23.8
Other	23.0	23.6	23.7

Auditor's name
Deloitte Haskins & Sells LLP

ART will present a readable format of annual reports - statistics, average size structure, we believe ART will create: more accurate and useful basis to compare performance to peer companies - will create point a career path for the stock investment workshop.

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MOTILAL OSWAL

CornerOffice

Interaction with the CEO

13 December 2018

Demonetization: A mammoth task for India's largest bank

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

We met with Mr. Anandhan Bhattacharya, Chairman of State Bank of India (SBI), to discuss on demonetization, and evaluate its impact on growth, asset quality and profitability of the bank. Increased cost of funds has declined marginally (less than 4% over last one month), and excess liquidity is parked in reverse repo and MIS operations (earning spread of ~1%). Operating expenses are likely to increase in the near term, which should be more than offset by trading gains. In our view, we largely maintain our optimistic and reiterate our preference for SBI among peers with its SCRR-based target price of INR335.

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

- Since demonetization, SBI has collected deposits of ~INR4 and disbursed (via withdrawal) ~INR1, leading to net addition of ~INR3. The bank also aggressively cut its bank deposits (leading to higher repayment rates), which led to significantly lower net accretion over the past month.
- Of the net accretion, three-fourths were savings deposits, 15% were current account deposits and the rest were retail term deposits.
- Standard cost of these deposits is less than 4%, and excess liquidity is parked in reverse repo, MIS and bond markets (considering muted loan growth) at a yield of ~1%. Hence, an excess liquidity, the spread is 2% currently, as against blended spread of ~1.4% at 30/11/17.
- Significant liquidity addition in the system has led to a sharp fall in yield, which has helped banks to monetize the bond portfolio. We expect trading gains to be strong in 2017/17.

Digitalization efforts to yield noteworthy results over long term

- The Government of India (GoI) and the banking sector are working together to move toward a less-cash economy. The bank has all channels available (e.g. UPI, cards, POS, wallets, internet banking and mobile banking) to push toward digitalization.
- Over the past month, cashless transactions increased significantly: (a) debit card spends are up 1x on MoM, (b) POS terminal activation has increased from 64,000 to 154, 456 terminal orders in hand, (c) 7m new debit cards are activated and (d) SBI Buddy (wallet) transactions are up 1x on MoM.

Asset quality: Will demonetization lead to higher NPA?

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

State Bank of India

Mr. Anandhan Bhattacharya
Chairman

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

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

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MOTILAL OSWAL

VOICES

30/11/17 | February 2017

India Inc on Call

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

This quarterly report contains:

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

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MOTILAL OSWAL

EcoKnowledge

Diving into Trending Themes

13 November 2018
Economy

Monthly data confirm 6.5% growth is for real in India

Creating monthly economic activity index (EAI) since 1998

- Based on monthly macroeconomic indicators, we create India's economic activity index (EAI), which shows that the economic growth averaged 6.4% YoY in the first nine months of 2018 as against ~3% growth over the previous five years (2011-2015). Motilal Oswal's leading indicators (MOI) suggest that consumption continues to grow strong, however, investment is witnessing one of the worst phases in the past two decades.
- We find, however, that the growth in economic activity eased towards 5% YoY in 2QFY17 as against 7.5% in the previous two quarters. A sharp contraction in investments, along with some deceleration in consumption, has contributed to a slowdown in our composite EAI in the recent quarter.
- It is important to note that while our composite EAI is a reliable indicator to gauge economic activity, it should not be compared with the official GDP statistics because the latter includes an estimate for the unorganized sector also. Our leading indicators are based on monthly data covering the formal sector of society.

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

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

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

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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of March edition

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

BEST PERFORMERS MoM (%)

Industrials	11
Bank - Indirect	11
Auto Auto	10
FMCG	10
Telco Power	10
Bank - Multi	9
IT	9
IT - I	9
Industrials II	7
IT - II	7

WORST PERFORMERS MoM (%)

Coal India	-1
Tech - Multi	-1
Oil & Gas	-1
ONGC	-1
Bank - Retail	-1
Auto	-1
Auto - Bank	-1
Auto - Multi	-1
IT - II	-1
IT - I	-1
IT - III	-1

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April 2017

MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

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

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

INR18.3t

INR603b

Net inflows in FY17 down 11% YoY

Equity AUM (INR t) - Nifty Index

Year	Equity AUM	Nifty Index
FY13	1,304	5,483
FY14	1,436	6,764
FY15	1,856	8,067
FY16	2,426	9,442
FY17	3,174	11,114

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April 2017

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

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