

Corporate performance



4QFY17: Expectations v/s delivery

% of Companies that have Declared Results

Above Expectations In-line Below Expectations

MOSL	41	28	31
PAT			
Nifty	38	38	24

(no of companies)	Growth (YoY, %)		
	MOSL (119)	Nifty (34)	Sensex (20)
Sales	10.7	7.9	8.4
EBIDTA	13.9	6.1	5.1
PAT	45.3	21.6	12.5

Market snapshot



Equities - India	Close	Chg. %	YTD. %
Sensex	30,302	-0.2	13.8
Nifty-50	9,361	-0.3	14.4
Nifty-M 100	17,121	-1.7	19.3
Equities-Global	Close	Chg. %	YTD. %
S&P 500	2,404	0.2	7.4
Nasdaq	6,163	0.4	14.5
FTSE 100	7,515	0.4	5.2
DAX	12,643	-0.1	10.1
Hang Seng	10,391	0.0	10.6
Nikkei 225	19,743	-0.7	3.3
Commodities	Close	Chg. %	YTD. %
Brent (US\$/Bbl)	53	-0.5	-3.6
Gold (\$/OZ)	1,259	0.6	9.2
Cu (US\$/MT)	5,663	-0.6	2.5
Almn (US\$/MT)	1,943	0.1	14.0
Currency	Close	Chg. %	YTD. %
USD/INR	64.7	-0.2	-4.7
USD/EUR	1.1	-0.1	6.3
USD/JPY	112.0	0.3	-4.2
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)	24-May	MTD	YTD
FII	0.0	1.4	7.7
DII	0.0	0.6	2.2
Volumes (INRb)	24-May	MTD*	YTD*
Cash	312	300	285
F&O	8,861	5,302	4,752

Note: YTD is calendar year, *Avg

Quote of the day

The successful warrior is the average man, with laser-like focus

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

Lupin: Weak 4QFY17; Guides for muted FY18

- ✓ Lupin's 4QFY17 revenues grew 2%YoY to INR42.5b (-6% of est.). The miss in revenue is primarily attributed to weak US sales.
- ✓ There was a one-time impact of INR3.3b, relating to provisioning against patent litigation and forex loss. EBITDA declined 15.3% YoY to INR11.1b (3% below est.), with margins at 26% (est. of 25%).
- ✓ Competition in Glumetza and Fortamet is expected to decline US sales in FY18. Due to this, EBITDA margin to contract in FY18.
- ✓ Maintain Buy with a TP of INR1,475 @ 20x FY19E PER. We cut FY18E/19E EPS by ~16% due to the impact of competition in key products in the US. Cut in target multiple is attributed to the weak industry outlook.



Research covered

Cos/Sector	Key Highlights
Media	Key vitals of television viewership remain healthy
Technology	What next after latest round of cuts?
Lupin	Weak 4Q; Guides for muted FY18
Bharat Forge	Above est; Recovery continues in 4Q; Expect ramp-up in FY18
Amara Raja Batteries	Below est.; higher RM costs impact operating performance
Gujarat Gas	EBITDA declined sharply led by higher gas cost; volume growth strong
Dish TV	Demon hangover and pack down-trading impact performance
GE T&D India	Results in line with estimates at operating level (above consensus)
Jindal Steel	Strong performance across businesses
Kaveri Seed	EBITDA miss, but PAT exceeds estimate
SRF	Refrigerants business on strong footing; Maintain Buy
Tata Elxsi	Transportation and Broadcast to frame the growth story
Results Expectation	Ashok Leyland Bosch Britannia Cipla Concor GSPL IOC MphasiS NMDC Page Inds Repco



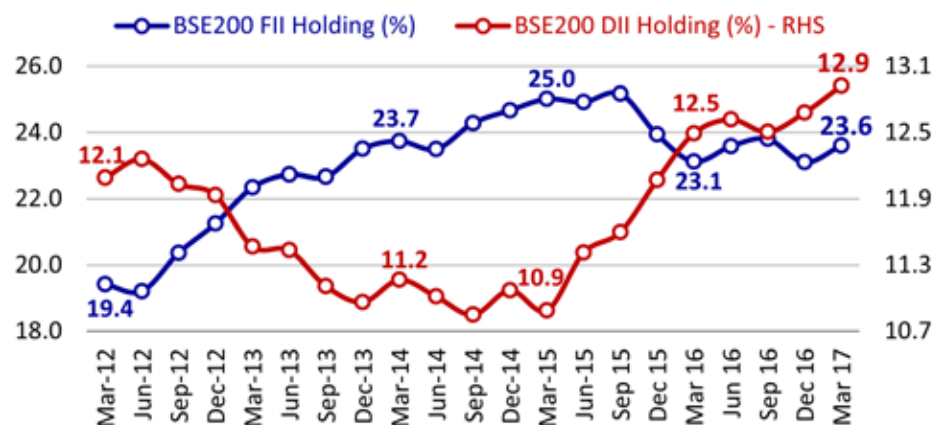
Piping hot news

UDAY points a brighter picture, saves Rs 7,900cr for Discoms

- ✓ The performances of several state electricity distribution companies (discoms) have seen an improvement since they signed up for the Ujwal Discom Assurance Yojana (Uday).



Chart of the Day: DII holding in BSE-200 companies at all-time high of 12.9%; FII holding increased 50bp QoQ and YoY to 23.6%





Kindly click on textbox for the detailed news link

1

PM Narendra Modi makes big reforms push, scraps FIPB

The Union Cabinet on Wednesday abolished the Foreign Investment Promotion Board (FIPB) as it had outlived its utility. The government, which first mooted the proposal to abolish this body in this year's Budget, said on Wednesday that in the last three years 91-95% of foreign...

2

UN warns about financial risks in China's One Belt One Road project

The United Nations, close on the heels of OBOR Summit, has raised a red flag over economic, financial, social and environmental risks of China's Belt & Road Initiative (BRI) across a number of countries that are part of the mega connectivity project. A recently concluded UN Economic and Social Commission for Asia and the Pacific Study (UNESCAP) has warned of financial risks in countries in south and central Asia where China's announced investment value under BRI is high compared to the relative size of the economy of the recipient country...

3

US FDA accepts application for psoriasis drug: Sun Pharma

Drug major Sun Pharmaceutical Industries today said the US health regulator has accepted biologics licence application (BLA) for tildrakizumab for the treatment of psoriasis....

4

US proposes to reduce developmental assistance to India

The Trump administration has proposed to reduce its developmental assistance to India from USD 85 million in 2016 to a mere USD 33.3 million in 2018...

5

Trai firm on decision to penalise Airtel, Vodafone and Idea for 'choking' Pols to Jio

The regulator rejected the telecom department's call to reconsider its recommendation of fines worth Rs 3,050 crore on Bharti Airtel BSE -0.79 %, Vodafone India and Idea Cellular for not providing adequate points of interconnect (Pols) to Reliance Jio while stressing that it has the powers to suggest penal action on erring telcos in view of the larger public interest...

6

Mahindra to expand electric vehicle line-up

Mahindra Electric, the electric vehicle making arm of Mahindra Group, will focus on mass urban mobility solutions, said a top executive. The firm is planning to introduce an electric three-wheeler in the next two months and a 32-seater bus within 18 months, said Pawan Goenka, managing director...

7

Paytm Payments Bank launched, five-member board formed to drive expansion

Paytm Payments Bank, which was launched on Tuesday, has finalized a five-member board as it gears up to expand its physical presence to 31 branches and 3,000 customer service points in the first year, the company said in a statement on Tuesday...



Mr Partho Dasgupta, CEO of BARC (Broadcast Audience Research Council)

Key vitals of television viewership remain healthy

Increasing TV ownership and nuclear families portend well; high co-viewing ensures Big-4's moat remains wide

We met Mr Partho Dasgupta, CEO of BARC (Broadcast Audience Research Council) India, who gave us a bird's-eye view on the emerging landscape for the television broadcasting industry. Our key takeaways:

- India has a long-way to go to mature in terms of television viewership. Key vitals for the industry are only getting better.
- Underpenetrated rural India and increasing share of nuclear families in India's TV households would continue to drive TV viewership growth.
- "Bottom of the pyramid" is shrinking. Consequently, television sets are rising up the ranks of goods purchased within the consumer durables basket.
- High co-viewing would ensure that the Big-4's (Zee, Star, Sony and Viacom 18) moat remains wide for a long time. Increasing rural skew bodes well for rural-centric brands such as Dish TV and Videocon d2h.

All India TV penetration stands at 64%; enough headroom to grow

All India TV penetration has increased from 54% to 64% since the IRS 2013 survey. Most states have seen an increase in TV penetration over the last three years. In CY16, TV-owning individuals grew 16%. While the North Zone appears saturated, with ~8% growth in CY16, ~73% of the incremental TV-owning individuals came from the West Zone (Madhya Pradesh, Chattisgarh, Maharashtra, and Goa) and East Zone (Bihar, Jharkhand, the North East, Sikkim, Odisha, and West Bengal). The TV-heavy South Zone (31% of India's TV ownership) added 19% to incremental TV ownership in CY16.

Bharat (Rural India): Growth engine all revved-up; now ~54% of TV ownership

Mega cities and tier-II cities are largely saturated, with TV penetration as high as 93% and 91%, respectively. TV owning households in rural markets has grown at a CAGR of ~11% over CY13-16 to 99m households. Rural markets now account for 54% of TV ownership v/s ~50% in CY13 and accounted for two-thirds of the incremental TV households in India over CY13-16. Despite this healthy growth, rural India remains just 52% TV-penetrated, implying significant headroom for TV ownership growth.

Families going nuclear; bottom-of-the-pyramid subscribers shrinking

The Indian Family is increasingly going nuclear and the share of nuclear families in TV households is growing. Over CY13-16, while the share of nuclear families in TV households has grown from 53% to 58%, the share of joint families has declined from 26% to 22%. Importantly, the more lucrative target audience – categorized as "NCCS AB" from an advertising standpoint – has increased from 26% to 32% of all households. At the same time, there has been a 19% drop in "NCCS D/E" (bottom of the pyramid) from 55% to 44%. Delhi NCR, Haryana + Himachal Pradesh + Jammu & Kashmir, Gujarat, and all southern states have seen a ~40% drop in "NCCS D/E".

Television’s increasing prominence in purchases within the consumer durables basket and increasing nuclear families should translate into more eyeballs, and consequently, better monetization on both counts – ad and subscription. Given that India remains a largely single-TV household market and co-viewing is high, big national broadcasters (Zee/Star/Viacom18/Sony) are expected to attract a disproportionate share of the incremental viewership.

North and South house 57% of TV owners; West and East fast catching up

While the South owns nearly a third of the TV eyeballs in India, the skew is gradually tilting towards the West and the East. The contribution of the West and the East in TV ownership has increased from 39% in CY15 to 43% in CY16. Industry checks suggest that Zee’s viewership in these markets ranges from average to above average in relation to the industry. Any collective industry move towards monetizing the number of viewing impressions v/s the current system of monetizing the share of viewership could lead to a meaningful uptick in ad revenues for the Big-4 national and strong regional broadcasters.

India largely remains a single-TV household market; co-viewing high

35 years since the introduction of color TVs in India, the country still remains a largely single-TV household market. Multi-TV households account for just 3.4% of the total TV households. Even in Urban India multi-TV households constitute a mere 5.1% of Urban TV households. Hence, co-viewing remains high. The North zone leads in multi-TV ownership, with 7.3% of the TV households being multi-TV households. The South houses the lowest multi-TV households (1.7%). Multi-TV penetration is 6.8% in the metros and 5.8% in tier-II towns. Even across the various consumer classes, the skew of multi-TV owners is largely towards the most coveted “NCCS A” (owners of 8 or more predefined consumer durables). This too indicates significant headroom for television consumption in India.

Big-4 national and strong regional broadcasters to retain dominance

High co-viewing ensures that driver channels of the leading national/regional broadcasters remain staples. Niche channels, which piggy-backed on the popularity of staple/driver channels and whose viewership is perceived to be at risk following the [new tariff order](#), could perhaps find an audience on the broadcasters’ respective OTT platforms. BARC’s EKAM suite of products could be one tool to mitigate the risk of declining ad spends on niche channels. One product, EKAM Integra will tie up television data with digital video data and should help monetize ad volumes on niche channels as well.

Could OTT throw a spanner in the works?

Television remains the organic mode of delivery and consumption for most long-form content (such as movies, sports events, etc) and catch-up viewing. BARC estimates that ~86% of TV sets in India are cathode-ray tube (CRT) TVs – a natural bottleneck for online video consumption via a television set. OTT players are yet to firm up their pricing strategies and business models. The combined cost of data and OTT content is still significantly higher than the average pay TV ARPU of INR250-300 per month. The largest library of sticky content such as movies remains with broadcasters, who are expected to tread the television-OTT equation cautiously



until a viable online presence can be established. The most crucial block of the puzzle is advertisers, whose growth ambitions are pinned on rural markets and television remains the fastest and cheapest way to reach them. Therefore, OTT is likely to remain an add-on to television viewership for a long time.

Impact of demonetization on ad revenue fading

The 'note ban' drive's severe impact on ad volumes can clearly be seen in the 44% drop in ad insertions from peak-to-trough. FMCG ad insertions (within top-10 advertisers) declined 66% from peak-to-trough. The contribution of FMCG (the biggest ad spender) declined from 55.4% to 52.9% during the drive. While social advertisements (up 50% YoY), smartphone ads (up 35% YoY) and ads for online payment gateways (up 124% YoY) increased significantly, this could not fill the FMCG void. Deferment of new launches impacted auto segment ads, especially two-wheeler ads, which dropped 74% YoY. Shampoos, chocolates, online shopping, perfumes were the most affected categories during demonetization. While demonetization did have its effect, the worse seems behind the television ad industry. Overall (as well as FMCG) ad insertions have nearly reached pre-demonetization levels again in March 2017.

Technology

What next after latest round of cuts?

A few noteworthy observations

Appended below are the changes in FY18/19 consensus EPS estimates for top-tier after 4QFY17, along with three key highlights:

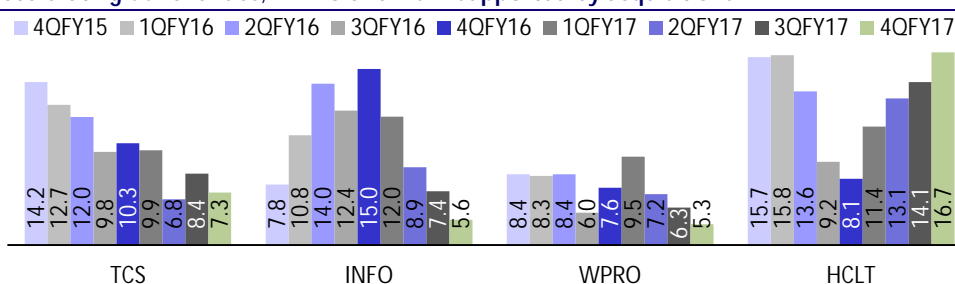
- n The estimate cut for **HCLT** was the least, supported by its commentary of holding on to the margin band at INR65.5/USD. Steeper cuts at both **INFO** and **WPRO**, and the expectations have moderated further – *with currency in a range, estimates have now factored in strengthening INR and lowering growth. More chance of a positive surprise than negative hereon?*
- n Interesting is the discount to TCS that peers are valued at basis FY18/FY19 P/E – between 17-24%. Even CTSH is at a discount to TCS – *does the outperformance have legs to sustain? Growth expectations lend little comfort.*
- n FY18/FY19 P/E multiples at WPRO have converged with those at INFO – *more perplexing than TCS' premium, in our view: Healthcare troubles, declining margins and guidance of revenue decline in a seasonally strong 1Q all compound to confound WPRO's recent stock performance.*

Cut in consensus earnings estimates after 4QFY17 and valuation quick-comp

Company	Revised EPS		Earlier EPS		Change (%)		CMP (INR)	PE (x)		Prem/Disc. To TCS	
	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E		FY18E	FY19E	FY18E	FY19E
TCS	139.0	151.3	142.5	155.7	-2.5	-2.8	2520	18.1	16.7	-	-
INFO	64.3	70.2	67.4	73.7	-4.6	-4.7	958	14.9	13.6	-17.8	-18.1
WPRO	35.4	38.2	37.5	39.8	-5.6	-4.0	527	14.9	13.8	-17.9	-17.2
HCLT	62.1	68.0	63.3	68.4	-1.9	-0.6	865	13.9	12.7	-23.2	-23.6
CTSH	3.7	4.3	3.7	4.3	-0.3	-0.9	65.8	18.0	15.4	-0.8	-7.3

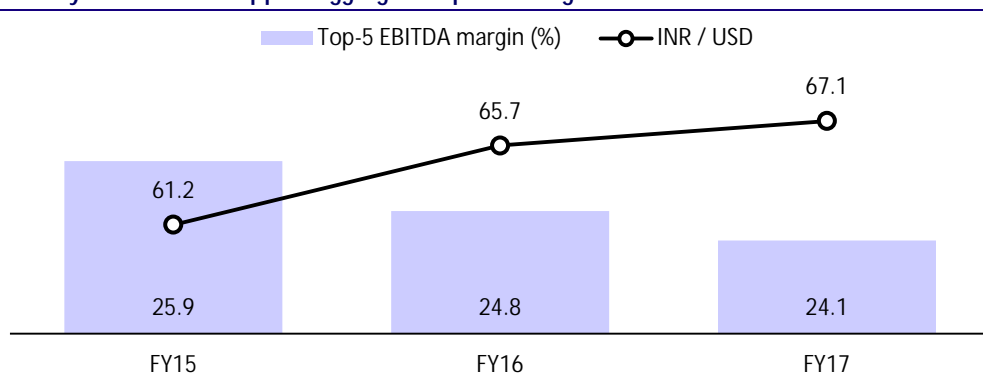
Source: Company, MOSL

Decelerating CC revenues; WPRO and HCLT supported by acquisitions



Source: Company, MOSL

Currency has failed to support aggregate top-tier margins



Source: Company, MOSL



BSE SENSEX	S&P CNX
30,302	9,361
Bloomberg	LPC IN
Equity Shares (m)	448
M.Cap.(INRb)/(USD\$)	549.6 / 8.2
52-Week Range (INR)	1750 / 1168
1, 6, 12 Rel. Per (%)	-16/-33/-36
Avg Val, INRm	1699
Free float (%)	53.3

CMP: INR1,228 TP: INR1,475(+20%) Buy

Weak 4Q; Guides for muted FY18

n Lupin's (LPC) 4QFY17 revenue grew 2% YoY to INR42.5b (~6% below est.). The miss in revenue is primarily attributed to weak US sales (-13% YoY/QoQ). Despite this, gross margin expanded ~120bp QoQ to 72.1%. Excluding the one-time impact of INR3.3b (related to provisioning against patent litigation and forex loss), EBITDA declined 15.3% YoY to INR11.1b (3% below est.), with the margin at 26% v/s our estimate of 25.2%. R&D expense stood at 16% of sales, higher than the normalized rate of 12-13%.

n **FY18 growth expected to be muted:** LPC delivered revenue/EBITDA growth 23%/24% in FY17, led by Fortamet/Glumetza ramp-up. However, revenue growth in FY18 is expected to be ~8% YoY, with flat EBITDA. We expect US business to decline ~5% YoY in FY18 due to new competition in the diabetes portfolio, further channel consolidation (impact of which will be visible in 2H) and likely deferral of key approvals for products like sevelamer/co-sevelamer to 2HFY19. EBITDA margin is expected to shrink to 24.8% in FY18 (v/s management guidance of 26-28%) as it will be difficult to compensate for the loss of the high-margin US business.

n **Key earnings call takeaways:** 1) 30+ ANDA approvals expected in FY18. 2) Advair filing to happen in FY19. 3) Tamiflu approval expected in six months. 4) Medicaid accounts for 6-7% of sales in the US. 5) Branded biz sales at USD78m in FY17. 6) R&D expense as % of sales to be in line with FY17. 7) 14 FTF launches expected over next five years. 8) Renexa and minocycline ER FTF launch expected in FY19E. 9) ProAir TAD in Sep-17; Indore observations procedural in nature.

n **Near-term earnings under pressure; stock already factors in the impact:** Competition in Glumetza and Fortamet is expected to lead to a decline in US sales in FY18. Due to this, we expect EBITDA margin to contract in FY18. We believe the recent stock price decline already factors in this impact. Maintain **Buy** with a TP of INR1,475 @ 20x FY19E PER (v/s INR1,850 @ 22x 1HFY19E PER). We cut FY18E/19E EPS by ~16% as we build in the impact of competition in key products in the US. Cut in target multiple is attributed to the weak industry outlook.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	174.9	189.6	214.9
EBITDA	46.5	47.0	55.5
PAT	26.7	27.1	33.2
EPS (INR)	59.2	60.2	73.7
Gr. (%)	17.5	1.6	22.5
BV/Sh (INR)	293.5	343.1	406.2
RoE (%)	22.0	18.9	19.7
RoCE (%)	14.7	13.1	14.2
P/E (x)	20.7	20.4	16.7
P/BV (x)	4.2	3.6	3.0

Estimate change

TP change

Rating change

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17	4QE	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	31,561	33,297	35,558	41,707	44,677	42,905	44,828	42,533	142,085	174,943	45,350	-6.2
YoY Change (%)	-5.5	4.9	11.9	35.5	41.6	28.9	26.1	2.0	11.3	23.1	8.7	
EBITDA	8,248	6,626	8,772	13,050	13,080	10,281	12,158	11,052	37,534	46,490	11,409	-3.1
Margins (%)	26.1	19.9	24.7	31.3	29.3	24.0	27.1	26.0	26.4	26.6	25.2	
Depreciation	1,014	1,155	1,114	1,487	2,027	2,112	2,309	2,674	4,635	9,122	1,874	
Interest	70	241	92	213	320	263	459	406	446	1,525	382	
Other Income	757	578	653	349	826	271	1,036	453	1,877	1,065	167	
PBT	7,921	5,809	8,219	11,699	11,560	8,177	10,426	8,425	34,330	36,908	9,319	-9.6
Tax	2,258	1,591	2,909	4,188	2,734	1,589	4,095	1,367	11,536	9,785	2,637	
Rate (%)	28.5	27.4	35.4	35.8	23.7	19.4	39.3	16.2	33.6	26.5	28.3	
Minority Interest	-3	27	13	51	6	8	24	-16	88	72	337	
Recurring PAT	5,686	4,198	5,298	7,479	8,820	6,622	6,331	6,069	22,707	27,051	6,345	-4.4
YoY Change (%)	-9.0	-33.4	-11.9	36.7	55.1	58.0	19.5	-18.9	-5.5	19.1	-15.2	
Margins (%)	18.0	12.6	14.9	17.9	19.7	15.4	14.1	14.3	16.0	15.5	14.0	

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



Bharat Forge

BSE SENSEX	S&P CNX
30,302	9,361
Bloomberg	BHFC IN
Equity Shares (m)	233
M.Cap.(INRb)/(USDb)	252.5 / 3.9
52-Week Range (INR)	1175 / 687
1, 6, 12 Rel. Per (%)	-3/2/30
Avg Val, INRm	861
Free float (%)	54.3

CMP: INR1,085 TP: INR1,242(+15%) Buy

Above est; Recovery continues in 4Q; Expect ramp-up in FY18

- 4QFY17 saw tonnage increase by 5% YoY (+17% QoQ) to 55,189MT (est. of 52.6k), along with an improvement in realizations by 6% YoY (+2% QoQ) to INR204k/tonne (est. of INR205k). Net revenues rose 11% YoY (+19% QoQ) to INR11.3b (est. of INR10.8b). FY17 revenue declined 11% YoY to INR38b.
- Export revenue grew ~23% QoQ (+12% YoY) led by a recovery in Industrial segment on a sharp revival in Oil & Gas segment. Domestic revenues grew 17% QoQ (+11% QoQ) led by Auto segment (+20% YoY). Overall non-auto revenue grew strongly by ~48% YoY, with the share rising to 42% from 31% in 4QFY16.
- EBITDA margin expanded 80bp QoQ (-180bp YoY) to 28.4% (est. of 28.6%), restricted by INR100m (90bp) of one-time impact of wage settlement. Adj. PAT grew 9% YoY (+40% QoQ) to INR1.8b (est. of INR1.6b) for 4QFY17, but fell 17% YoY to INR5.6b for full-year FY17.
- Key highlights from earnings call:** a) Oil & Gas saw a strong recovery in 4QFY17, with revenues of ~INR1.5b (v/s ~INR3b for FY17). b) Expects US Class 8 trucks to grow 15-18% in FY18, but India CV volumes to remain muted. c) New order wins of USD120m p.a. (on full ramp-up) across markets and segments. d) Expects new business/products to contribute ~15% of revenues in two years (v/s 5% currently).
- Valuation view:** Strong order book, coupled with a structural improvement in business quality driven by a shift toward technology-intensive business (from capex-intensive business), would drive strong ~38% EPS CAGR. Valuations at 28.8x/21.8x FY18E/FY19E consol. estimates do not fully factor in high-potential businesses seeded over last two years. Maintain **Buy** with a TP of ~INR1,242 (25x Mar'19E consol. EPS).

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	64.0	76.3	87.7
EBITDA	12.5	15.9	19.4
PAT	6.1	8.8	11.6
EPS (INR)	26.2	37.7	49.7
Gr. (%)	-7.2	44.0	31.9
BV/Sh (INR)	176.8	202.4	240.1
RoE (%)	16.2	19.9	22.5
RoCE (%)	9.5	12.5	15.1
P/E (x)	41.5	28.8	21.8
P/BV (x)	6.1	5.4	4.5

Estimate change

TP change

Rating change

Quarterly Performance (Standalone)

	FY16				FY17				FY16	FY17	FY17	Variance (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Tonnage	51,984	54,559	50,741	52,413	49,098	46,203	47,068	55,189	209,697	197,573	52,649	4.8
Change (%)	5.8	3.8	-4.8	-7.5	-5.6	-15.3	-7.2	5.3	-0.9	-5.8	0.5	
Realization (INR '000/ton)	219.1	206.0	208.9	193.0	184.2	192.8	200.5	204.0	205.3	195.6	205.1	-0.5
Change (%)	8.9	-4.9	-7.0	-10.6	-15.9	-6.4	-4.0	5.7	-4.4	-4.7	6.6	
Net operating income	11,388	11,239	10,598	10,113	9,044	8,909	9,437	11,257	43,054	38,647	10,798	4.3
Change (%)	15.3	-1.3	-11.5	-17.4	-20.6	-20.7	-11.0	11.3		-10.2	7.1	
RM/Sales (%)	34.1	36.0	32.9	35.0	34.4	34.4	32.6	35.1	34.6	34.2	34.6	60bp
Staff Cost (% of Sales)	8.2	8.3	9.0	8.9	10.1	10.1	9.6	9.2	8.7	9.7	9.6	-40bp
Other Exp. (% of Sales)	26.4	27.2	27.1	26.0	28.5	27.6	30.2	27.3	26.8	28.3	27.2	10bp
EBITDA	3,566	3,204	3,283	3,050	2,444	2,477	2,606	3,200	12,884	10,726	3,091	3.5
EBITDA Margins (%)	31.3	28.5	31.0	30.2	27.0	27.8	27.6	28.4	29.9	27.8	28.6	-20bp
Non-Operating Income	299	282	251	291	256	309	208	222	1,124	995	240	-7.3
Interest	213	222	226	244	170	189	183	185	905	728	174	6.7
Depreciation	749	714	812	745	740	726	739	744	3,085	2,949	784	-5.1
EO Exp / (Inc)	0	0	42	0	0	0	0	-380	42	-380	0	
PBT after EO items	2,904	2,550	2,454	2,353	1,791	1,870	1,892	2,872	9,976	8,425	2,373	21.0
Eff. Tax Rate (%)	32.5	32.4	33.2	29.6	31.8	32.2	32.0	27.8	32.9	30.6	32.0	-420bp
Adj. PAT	1,960	1,723	1,666	1,656	1,221	1,269	1,286	1,801	6,721	5,587	1,614	11.6
Change (%)	35.2	-2.9	-15.2	-18.4	-37.7	-26.3	-22.8	8.7	-116.8	-16.9	-1.9	

Amara Raja Batteries

BSE SENSEX 30,302 S&P CNX 9,361

CMP: INR835

TP: INR1084

BUY

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

Conference Call Details

Date: 25th May 2017

Time: 3.00pm IST

Dial-in details:

+91-22-3960 0627

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	53.2	63.3	73.1
EBITDA	8.5	10.6	12.2
NP	4.8	6.3	7.4
EPS (INR)	28	37	43
EPS Gr. (%)	-2.7	32.6	16.4
BV/Sh. (INR)	152	179	216
RoE (%)	20.3	22.4	21.9
RoCE (%)	19.4	21.5	21.1
P/E (x)	29.8	22.5	19.3
P/BV (x)	5.5	4.7	3.9

Below est.; higher RM costs impact operating performance

- Net sales grew 17.4% YoY to INR13.4b (in-line).
- Gross margin shrunk 575bp YoY to 32% (est. of ~35%), led by higher raw material costs.
- However, lower other expenses (-245bp to 13%) restricted EBITDA margin contraction to 310bp to 13.7% (est. of 16%).
- EBITDA declined 4.2% YoY (-10% QoQ) to INR1.8b (est. of INR2.15b).
- PAT declined 9.1% YoY (-11.7% QoQ) to INR0.99b (est. of INR1.2b).
- FY17 performance:** Net sales grew 15% to INR53.2b. EBITDA rose 3.3% to INR8.5b, with the margin contracting 180bp to 16%. PAT fell 2.7% to INR4.8b.
- Automotive segment:** Company indicated that the strong performance in the OEM and aftermarket segments for 2W/4W led to an increase in market share. Sustained demand from PV/2W should further help consolidate market share.
- Demonetization impacted demand, especially from 2W segment, in 2HFY17.
- Industrial segment:** While entry of Jio in the telecom space impacted volumes in the replacement segment, an increase in lead price challenged both the UPS and telecom segments in 4QFY17.
- Commencement of production at the new tubular plant is likely to enhance product offering to new applications like e-rickshaws and solar energy.**

Key questions for management

- Demand recovery post demonetization and outlook.
- Reasons behind significant increase in RM costs – how much due to product mix and commodity inflation.
- Update on 4W capacity expansion, which was scheduled to get commissioned during the quarter.

Valuation and view: We will revisit our estimates post the earnings call. The stock trades at 22.5x/19.3x FY18E/19E EPS. Maintain **Buy** with a TP of INR1,084.

Quarterly Performance

Y/E March (INR m)	FY16				FY17				FY16	FY17	FY17	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	11,376	11,511	12,123	11,449	13,208	13,455	13,280	13,445	46,178	53,172	13,448	0.0
YoY Change (%)	10.5	8.6	13.7	7.3	16.1	16.9	9.5	17.4	9.7	15.1	15.0	
RM Cost (% of sales)	64.6	64.4	61.8	62.3	66.2	64.3	65.0	68.0	63.0	65.6	65.0	300bp
Staff Cost (% of sales)	4.9	5.0	5.1	5.4	5.0	5.2	5.4	5.2	4.6	4.7	5.3	-10bp
Other Exp (% of sales)	13.0	13.2	14.2	15.5	11.6	13.5	14.1	13.0	13.3	13.9	13.6	-60bp
EBITDA	1,988	1,999	2,300	1,925	2,273	2,297	2,051	1,844	8,230	8,499	2,156	-14.5
Margins (%)	17.5	17.4	19.0	16.8	17.2	17.1	15.4	13.7	17.8	16.0	16.0	-230bp
Depreciation	328	343	355	376	441	457	480	499	1,407	1,912	493	1.3
Interest	13	13	16	14	14	15	14	15	55	58	16	-3.5
Other Income	136	112	114	97	90	120	133	151	459	492	133	13.1
PBT	1,782	1,756	2,043	1,632	1,908	1,945	1,689	1,480	7,226	7,022	1,781	-16.9
Rate (%)	32.1	29.7	33.0	33.2	31.5	29.9	33.5	33.0	32.0	31.9	32	
Adj PAT	1,210	1,234	1,368	1,091	1,307	1,363	1,123	992	4,916	4,785	1,211	-18.1
YoY Change (%)	14.2	23.1	33.7	6.7	8.0	10.4	-17.9	-9.1	25.4	-2.7	11	

E: MOSL Estimates



Gujarat Gas

BSE SENSEX	S&P CNX
30,302	9,361
Bloomberg	GUJGA IN
Equity Shares (m)	137.7
M.Cap.(INRb)/(USDb)	103.3 / 1.6
52-Week Range (INR)	880 / 487
1, 6, 12 Rel. Per (%)	-13/24/29
Avg Val, INRm	66
Free float (%)	39.1

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	50.9	72.2	83.3
EBITDA	7.5	11.8	13.3
PAT	2.8	5.3	6.4
EPS (INR)	20.4	38.5	46.6
EPS Gr. (%)	36.3	88.2	21.2
BV/Sh (INR)	119.5	150.7	188.6
RoE (%)	17.8	28.5	27.5
RoCE (%)	14.5	23.8	26.2
P/E (x)	36.7	19.5	16.1
P/BV (x)	6.3	5.0	4.0

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR751

TP: INR699 (-7%)

Sell

EBITDA declined sharply led by higher gas cost; volume growth strong

n GUJGA reported EBITDA of INR1.5b (-34% YoY, -14% QoQ), led by higher RM cost of INR11b (+9% YoY, +19% QoQ) and other expenses of INR1.1b (+11% YoY, +20% QoQ). Adj. PAT came in at INR331m (-64% YoY, -22% QoQ), led by lower interest cost of INR476m (-20% YoY, -12% QoQ).

n **EBITDA/scm declined sharply:** EBITDA/scm declined sharply to INR2.7 (-41% YoY, -23% QoQ), led by a sharp increase in LNG prices.

n **PNG volumes strong:** PNG – industrial/commercial volumes stood at 4.3mmscmd (+16% YoY, +16% QoQ) and PNG – household volumes at 0.6mmscmd (+2% YoY, +16% QoQ).

n **CNG volumes up 8% YoY:** CNG volumes stood at 1.2mmscmd (+8% YoY, +6% QoQ).

n **Dividend declared:** Management has recommended a dividend of INR3/share for FY17.

Valuation and view

n We expect volume growth to continue in FY18/19, primarily led by PNG industrial and commercial segment. We model 6.5/7.3mmscmd volumes for FY18/19, and EBITDA/scm at INR5 for FY18/19.

n Global gas utility companies are trading at 17.0x CY18/FY19E EPS. Due to higher volatility, we value the company at 15x, a ~10% discount to global peers. At 15x FY19E EPS of INR46.6, we value GUJGA at INR699, implying a downside of 7%. Maintain Sell.

Standalone - Quarterly Earning Model

Y/E March	FY16				FY17						(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY16	FY17	4QFY17	
Net Sales	16,709	15,722	14,846	13,782	12,248	12,371	12,309	14,002	61,059	50,930	2%	14%
YoY Change (%)					-26.7	-21.3	-17.1	1.6	-32.2	-16.6		
Total Expenditure	14,696	14,253	13,266	11,579	10,058	10,243	10,600	12,539	53,794	43,439	8%	18%
EBITDA	2,014	1,469	1,579	2,203	2,190	2,129	1,709	1,463	7,264	7,491	-34%	-14%
Margins (%)	12.1	9.3	10.6	16.0	17.9	17.2	13.9	10.4	11.9	14.7		
Depreciation	598	583	640	636	632	645	653	643	2,457	2,672	1%	-1%
Interest	770	563	544	597	534	541	539	476	2,475	1,518	-20%	-12%
Other Income	198	110	75	62	62	53	75	71	445	372	15%	-5%
PBT before EO expense	844	433	471	1,031	1,086	995	593	415	2,779	3,672	-60%	-30%
Extra-Ord expense	0	0	0	256	0	0	0	0	256	0		
PBT	844	433	471	775	1,086	995	593	415	2,523	3,672	-46%	-30%
Tax	258	156	149	85	327	277	170	84	648	858	-2%	-51%
Rate (%)	30.5	36.0	31.6	11.0	30.1	27.8	28.6	20.2	25.7	23.4		
Reported PAT	586	278	322	690	759	718	423	331	1,875	2,814	-52%	-22%
Adj PAT	586	278	322	918	759	718	423	331	2,065	2,814	-64%	-22%
YoY Change (%)					29.5	158.8	31.5	-63.9	-53.5	36.3		
Margins (%)	3.5	1.8	2.2	6.7	6.2	5.8	3.4	2.4	3.4	5.5		
Total volume (mmscmd)	6.0	5.6	5.2	5.4	5.1	5.2	5.3	6.1	5.6	5.4	13%	14%
CNG	1.1	1.1	1.0	1.1	1.1	1.2	1.2	1.2	1.1	1.2	8%	6%
PNG - Industrials/commercial	4.4	4.1	3.9	3.7	3.5	3.6	3.7	4.3	4.0	3.8	16%	16%
PNG - Households	0.5	0.4	0.4	0.5	0.4	0.4	0.5	0.6	0.5	0.5	2%	16%
EBITDA (INR/scm)	3.7	2.9	3.3	4.6	4.8	4.5	3.5	2.7	3.6	3.9	-41%	-23%



BSE SENSEX	S&P CNX
30,302	9,361
Bloomberg	DITV IN
Equity Shares (m)	1,066
M.Cap.(INRb)/(USDb)	94.2 / 1.4
52-Week Range (INR)	111 / 77
1, 6, 12 Rel. Per (%)	-11/-5/-10
Avg Val, INRm	581
Free float (%)	35.6

CMP: INR92 TP: INR106(+15%) Buy

Demon hangover and pack down-trading impact performance

Toning down ARPU/sub addition expectations, EPS and TP

- Operational performance disappoints:** While demon hangover was expected to continue hurting subscriber additions and recharges, we note that the results significantly missed the already low expectations. 4QFY17 EBITDA declined ~24% QoQ to INR1.91b (22% below est. of INR2.44b), primarily led by lower-than-expected subscription revenue and subsequent unfavorable operating leverage. DITV reported net loss of INR284m (est. of PAT of INR164) due to the EBITDA miss.
- Big miss on subscription:** Subscription revenue fell 10% QoQ to INR6.2b (11% below est. of INR7b) as (1) demon hangover exerted pressure on monthly recharges and subs additions and (2) portion of HD subs base downtraded packs to SD services. DITV recognized subscription-related income of ~INR330m in other operating revenue, as per audit rules. Like-to-like subscription revenue fell 6% QoQ/YoY (6% miss).
- Key performance indicators sub-par:** DITV added 165k net subscribers in 4QFY17 (est. of +230k) and 1.03m in FY17. It guided for ~1.2-1.3m net adds for FY18. ARPU fell 11% QoQ to ~INR134 (est. of INR151). For FY18/FY19, we have toned down estimate for net subs addition to 1.3m/1.5m (22%/3% cut) and for ARPU to INR153/INR159 (6% cut).
- EBITDA margin shrunk 646bp QoQ to 26.9%** (~550bp below est.), largely led by lower-than-expected subscription income and consequent unfavorable operating leverage. Content payout increased 2% QoQ to INR2.24b (est. of INR2.32b). While DITV round of content renewals in September was deferred given regulatory uncertainty around content pricing, management is confident of containing content cost escalation to 6-8% YoY in FY18 (similar to FY17 levels).
- Valuation and view:** We tone down FY18E/FY19E EBITDA by 9-10% to factor in lower-than-expected subscriber additions and ARPUs. Consequently, we cut DCF-based TP by 9% to INR105 (earlier: INR115). DITV trades at 9.1x FY18E/7.2x FY19E. Maintain **Buy**.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	30.1	32.5	36.7
EBITDA	9.7	11.1	13.5
PAT	1.1	2.2	4.0
EPS (INR)	1.0	2.0	3.7
Gr. (%)	-84.8	107.6	82.8
BV/Sh (INR)	4.6	6.7	10.4
RoE (%)	24	36	44
RoCE (%)	9.8	10.6	15.0
P/E (x)	93	45	25
P/BV (x)	20.0	13.8	8.8

Estimate change	
TP change	
Rating change	

Quarterly Performance

Y/E March										(INR Million)		
	FY16				FY17				FY16	FY17E	FY17	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			MOSLe 4Q	Var %
Sales	7,367	7,524	7,715	7,994	7,786	7,793	7,480	7,086	30,599	30,144	7,540	-6.0
YoY Change (%)	15.0	11.9	8.1	5.9	5.7	3.6	-3.0	-11.4	10.0	-1.5	-5.7	
Operating expenses	4,998	4,974	5,060	5,363	5,140	5,151	4,985	5,180	20,350	20,456	5,100	1.6
EBITDA	2,368	2,550	2,655	2,630	2,646	2,642	2,495	1,906	10,249	9,688	2,441	-21.9
YoY Change (%)	50.8	57.1	38.8	18.5	11.7	3.6	-6.1	-27.5	39.4	-5.5	-7.2	
EBITDA margin (%)	32.1	33.9	34.4	32.9	34.0	33.9	33.4	26.9	33.5	32.1	32.4	-547bp
Depreciation	1,598	1,330	1,463	1,516	1,613	1,635	1,656	1,728	5,907	6,631	1,657	4.3
Interest	480	548	549	512	521	554	591	573	2,087	2,239	532	7.7
Other Income	252	197	42	218	119	111	181	104	640	475	149	-30.2
PBT	542	870	686	821	631	565	429	-291	2,895	1,334	401	-172.4
Tax				-4,029	223	-136	163	-7	-4,029	241	237	-102.9
Net profit	542	870	686	4,850	409	701	266	-284	6,924	1,093	164	-273

BSE SENSEX 30,302 S&P CNX 9,361

CMP: INR341

TP: INR340

Neutral

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

Conference Call Details

Date: 26th May 2017

Time: 04:00pm IST

Dial-in details:

+91-22-3960 0603

Results in line with estimates at operating level (above consensus)

- n Sales stood at INR12b (+27% YoY) v/s our estimate of INR11b (consensus: INR11.9b). 2HFY17 saw strong execution, with sales up 45% YoY, likely driven by execution of the Champa-Kurukshetra Phase 1 HVDC line.
- n Gross margin expanded 10bp YoY (+320bp QoQ) to 30.6%.
- n EBITDA increased 82% YoY to INR1.1b, with the margin expanding 280bp YoY to 9.2% (v/s est.: 10%; consensus: 8%).
- n Other income stood at INR0.2b v/s our estimate of INR0.4b.
- n PAT of INR0.46b (+71% YoY) was below our estimate of INR0.6b (consensus: INR0.45b).

Financials & Valuations (INR b)

Y/E Mar	2017E	2018E	2019E
Net Sales	40.5	44.4	49.5
EBITDA	0.4	3.8	4.3
NP	-0.9	2.0	2.3
EPS (INR)	-3.4	7.9	8.8
EPS Gr. (%)	-351.2	-333.4	11.8
BV/Sh. (INR)	40.3	44.4	49.0
RoE (%)	-7.3	18.6	18.9
RoCE (%)	4.4	22.2	22.8
P/E (x)	-103.4	44.3	39.6
P/BV (x)	8.7	7.9	7.1

Valuation and view: We will revisit our estimates post the earnings call. We maintain our **Neutral** rating with a target price of INR340.

Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			MOSL 4QE	Var. Vs Est
Sales	7,660	8,729	7,141	9,427	8,546	8,340	11,623	11,963	33,034	40,521	11,064	8
Change (%)	1.2	1.2	1.2	-30.7	11.6	-4.4	62.8	26.9	-10.8	22.7	13.9	
EBITDA	72	680	-532	604	21	339	722	1,097	898	396	1,119	-2
Change (%)	-90.4	-22.4	NA	-42.1	-70.3	-50.1	-235.7	81.7	-9.0	-9.0	32	
As of % Sales	0.9	7.8	-7.4	6.4	0.2	4.1	6.2	9.2	2.7	1.0	10.1	
Depreciation	212	215	215	216	217	220	221	224	873	873	230	
Interest	117	143	168	479	226	239	343	344	589	589	268	
Other Income	412	213	326	552	326	435	522	177	427	427	378	
Extra-ordinary Items	0	0	0	0	2,330	0	0	0	0	0	0	
PBT	155	536	-589	460	-2,425	315	679	705	-137	-639	1,000	-29
Tax	54	174	-205	191	-455	109	236	244	508	508	395	
Effective Tax Rate (%)	34.7	32.6	NA	41.4	18.8	34.6	34.7	34.6	-369.7	-79.5	39.5	
Reported PAT	102	361	-384	270	-1,970	206	443	461	-645	-1,147	605	-24
Change (%)	-67.5	1.8	-1,582.6	-50.1	-2,041.0	-43.0	-215.4	70.9	0.0	0.0	102.5	
Adj PAT	102	361	-384	270	360	206	443	461	-645	-1,147	605	-24
Change (%)	-64.4	1.8	NA	-50.1	254.6	-43.0	-215.4	70.9	2.0	2.0	102.5	

Jindal Steel & Power


BSE SENSEX	S&P CNX
30,302	9,361
Bloomberg	JSP IN
Equity Shares (m)	915
M.Cap.(INRb)/(USDb)	101.7 / 1.6
52-Week Range (INR)	135 / 58
1, 6, 12 Rel. Per (%)	-4/54/71
Avg Val, INRm	1274
Free float (%)	38.1

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	216.2	254.2	313.4
EBITDA	46.6	61.0	78.5
PAT	-19.1	-14.7	-2.3
EPS (INR)	-20.9	-16.0	-2.5
Gr. (%)	14.8	-23.2	-84.3
BV/Sh (INR)	328.5	312.0	309.0
RoE (%)	-7.9	-5.0	-0.8
RoCE (%)	1.0	1.9	3.9
P/E (x)	-5.4	-7.1	-44.9
P/BV (x)	0.3	0.4	0.4

Estimate change 

TP change 

Rating change 

CMP: INR111 TP: INR184 (+66%)

Buy

Strong performance across businesses

Efficient cash management and Angul expansion driving value; Buy

Jindal Steel and Power (JSP) had a strong 4QFY17, on expected lines. Consolidated EBITDA grew 73% YoY (and 22% QoQ) to INR15.5b. Adjusted PAT loss of INR3b was down from INR4.1b in 3QFY17. For FY17, EBITDA grew 35% to INR46.6b, but adjusted PAT loss increased from INR16.6b in FY16 to INR19.1b on higher depreciation due to revaluation of assets. 4Q performance by business:

- Standalone:** EBITDA grew 17% QoQ to INR9.1b on higher sales (+10% QoQ to 920kt) and margins (+INR597/t QoQ to INR9,929/t). The BOF at Angul is on track for commissioning by October 2017 (earlier August). With the expansion at Angul, steel capacity will increase to ~8mt, driving strong volume growth.
- Jindal Power:** EBITDA grew 26% QoQ to INR3.8b (ex-one-off to INR3.3b) as Coal India formalized its grade slippage issue, driving cost savings. The savings on account of quality of coal would be recurring in nature.
- Oman:** EBITDA grew 52% QoQ/2x YoY to INR2.2b, driven by higher spreads (+USD29/t QoQ; +USD50/t YoY) to USD85/t and highervolumes. The new rebar mill operated at 65-70% utilization and should drive margin improvement.

Angul expansion to drive strong earnings growth; Maintain Buy

- We believe JSP is charting a turnaround through efficient cash management and focused expansion, which would drive strong earnings growth. It has managed to keep net debt at similar levels as last year at INR454b, despite ongoing expansion and higher RM/steel prices, by squeezing cash from the supply chain, which is a key positive. The expansion at Angul would drive India steel volume CAGR at 32% over FY17-19 to 5.8m (capacity of ~8mt). EBITDA is likely to grow at ~30% CAGR over FY17-19 to INR79b, which would drive sharp turnaround in cash profits. There are minor changes to our estimates. Our SOTP-based TP is INR184. **Re-iterate Buy.**

Quarterly Performance (Consolidated) – INR m

Y/E March	FY16				FY17				FY16	FY17E	4QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
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	
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	
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	
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	

Kaveri Seeds

BSE SENSEX 30,302 S&P CNX 9,361

CMP: INR459 TP: INR489(7%)

Buy

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

Conference Call Details



Date: 26th May 2017
Time: 12:00pm IST
Dial-in details:
+91-22-3938 1071

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	6.8	8.4	10.1
EBITDA	1.6	2.1	2.6
NP	1.6	2.0	2.5
Adj EPS (INR)	23.4	28.6	36.1
EPS Gr. (%)	-6.1	21.9	26.3
BV/Sh (INR)	139.1	149.7	165.4
RoE (%)	17.3	19.8	22.9
RoCE (%)	19.3	21.4	24.8
Payout (%)	66.6	63.0	56.6
Valuations			
P/E (x)	21.0	17.3	13.7
P/BV (x)	3.5	3.3	3.0
EV/EBITDA (x)	20.5	15.7	12.2
Div Yield (%)	2.7	3.1	3.5

EBITDA miss, but PAT exceeds estimate

- n KSCIL reported overall revenue of INR403m (est. of INR482m) in 4QFY17, as against INR411m in 4QFY16, marking a decline of 1.9%.
- n EBITDA stood at INR-272m (est. of INR-29m), as against INR-64m in 4QFY16. Margins came in at -67.4% (est. of -6%) v/s -15.7% in 4QFY16, led by an increase in raw material costs by 6,000bp YoY to 109.7% of sales.
- n For FY15-16, the company based on notifications of the various state governments had short provided royalty, in comparison with M/s. Mahyco Monsanto Biotech India Ltd Agreement. The legal case on this issue has been settled now in arbitration. The settled amount is provided in accounts as exceptional item.
- n The company reported a loss of INR306m (est. of INR-36m), as against a loss of INR104m in 4QFY16.

Key questions for management

- n Current inventory and outlook for FY18.
- n Explanation on significant rise in raw material costs.
- n Change in market share in key regions.

Valuation and view: We will revisit our estimates post the earnings call. Based on our current estimates, at CMP of INR493, the stock trades at 17x/14x P/E on FY18E/FY19E EPS. Currently, we have a **Buy** rating, which we will update post the earnings call.

Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			FY17	Var
Net Sales	5,394	663	698	411	4,940	678	679	403	7,165	6,793	482	-16
YoY Change (%)	-34.8	-67.5	-23.1	2.9	-8.4	2.2	-2.7	-1.9	-38.3	-5.2	10.0	
Total Expenditure	3,137	1,109	535	475	3,357	644	644	675	5,257	5,176	511	
EBITDA	2,256	-446	163	-64	1,583	34	34	-272	1,908	1,617	-29	839
Margins (%)	41.8	-67.3	23.3	-15.7	32.0	5.0	5.0	-67.4	26.6	23.8	-6.0	
Depreciation	52	53	76	70	78	72	69	66	250	293	75	
Interest	0	1	0	0	0	0	0	0	2	2	0	
Other Income	21	29	24	42	54	170	101	18	117	390	64	
PBT before EO expense	2,225	-470	111	-92	1,559	132	66	-320	1,774	1,712	-40	693
PBT	2,225	-470	111	-92	1,559	132	-527	-912	1,774	1,712	-40	2,162
Tax	34	11	-7	12	15	54	30	-40	51	94	-4	
Rate (%)	1.5	-2.4	-6.0	-13.2	1.0	41.1	-5.7	4.4	2.9	5.5	10	
Minority Interest & Profit/l	0	0	0	0	0	0	0	0			0	
Reported PAT	2,191	-482	117	-104	1,544	77	-557	-872	1,723	1,618	-36	2,302
Adj PAT	2,191	-482	117	-104	1,544	77	69	-306	1,723	1,618	-36	742
YoY Change (%)	-5.1	NM	-67.2	NM	-29.6	NM	-40.9	NM	-42.8	-6.1	NM	
Margins (%)	40.6	-72.7	16.8	-25.3	31.3	11.4	10.2	-75.9	24.0	23.8	-7.5	

E: MOSL Estimates



BSE SENSEX	S&P CNX
30,302	9,361
Bloomberg	SRF IN
Equity Shares (m)	57.4
M.Cap.(INRb)/(USDb)	91.0/1.4
52-Week Range (INR)	1970 / 1166
1, 6, 12 Rel. Per (%)	-10/-8/12
Avg Val, INRm	389
Free float (%)	47.6

CMP: INR1,585 TP: INR1,816(+15%) Buy

Refrigerants business on strong footing; Maintain Buy

EBITDA below estimate, Chemicals continues to underperform: SRF reported overall revenue of INR13.3b (est. of INR12.3b) in 4QFY17, as against INR11.1b in 4QFY16. On a YoY basis, Chemicals grew by 11.7%, Technical Textiles by 23.3% and Packaging by 26.3%. EBITDA margin contracted from 20.2% in 4QFY16 to 16.3% (est. of 20.5%) in the quarter. EBITDA declined 4% to INR2,157m (est. of INR2,533m) from INR2,248m in 4QFY16. Segment-wise, PBIT margin for Technical Textiles was at 10% (v/s 11.1% in 4QFY16), Chemical at 16.6% (v/s 23.2% YoY) and Packaging at 9.7% (v/s 12.8% YoY). Consequently, adj. PAT grew 7% from INR1,072m in 4QFY16 to INR1,147m (est. INR1,161m) in 4QFY17. For FY17, revenue grew 5% YoY to INR48.2b, EBITDA margin shrunk 110bp to 20.1%, while adj. PAT grew 13% to INR4.9b.

Refrigerant Gas business on strong footing: R-134a gas registered healthy growth, driven by exports. Total volume for FY17 is expected to have crossed ~10,000t (v/s ~7,000t for full-year FY16), in line with management guidance. Due to anti-dumping levied on Chinese R-134a in the US, SRF's performance should see a boost in terms of volumes and margins (approx. 200bp improvement).

Specialty Chemicals to remain subdued in 1HFY18: Management highlighted that the global agri-chem environment continues to remain weak, impacting its SpChem business, and the pain will continue for next few quarters. However, the pipeline of molecules or funnel remains healthy, with SRF continuing to invest in capability building.

Valuation and view: We believe SRF is the best play in chemicals as it is highly R&D-driven and operating in a niche area. We believe once the global agrochem situation improves, SRF will benefit the most as it has capacities in place along with improved R&D prowess. However, considering an increase in the tax rate and higher depreciation due to new capex, we cut FY18E/FY19E earnings by 12%/12%. We expect 16% revenue CAGR and 15% adj. PAT CAGR over FY17-19E. We value the stock on SOTP basis and maintain **Buy** with a TP of INR1,816.

Financials & Valuations(INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	48.2	56.6	65.3
EBITDA	9.7	10.8	13.1
PAT	4.9	5.1	6.5
EPS (INR)	85.9	89.0	111.5
Gr. (%)	12.8	3.6	25.3
BV/Sh (INR)	544.6	613.5	701.9
RoE (%)	16.6	15.1	17.0
RoCE (%)	17.7	19.2	23.6
P/E (x)	18.4	17.8	14.2
P/BV (x)	2.9	2.6	2.3

Estimate change	
TP change	
Rating change	

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	12,214	11,628	10,956	11,130	12,192	11,438	11,330	13,258	45,927	48,218	12,354	7
YoY Change (%)	5.7	-2	-2	3	0	-2	3.4	19.1	1.2	5.0	10.8	
Total Expenditure	9,547	9,144	8,619	8,882	9,352	9,112	9,018	11,101	36,192	38,524	9,822	
EBITDA	2,667	2,484	2,337	2,248	2,841	2,326	2,313	2,157	9,736	9,694	2,533	-15
Margins (%)	21.8	21.4	21.3	20.2	23.3	20.3	20.4	16.3	21.2	20.1	20.5	
Depreciation	725	733	714	695	734	735	709	730	2,867	2,834	755	
Interest	344	334	312	320	282	242	269	228	1,309	1,018	280	
Other Income	45	68	48	114	55	70	64	259	275	455	71	
PBT before EO expense	1,644	1,485	1,358	1,347	1,880	1,419	1,400	1,459	5,835	6,296	1,569	-7
Extra-Ord expense	-8	103	65	-57	-63	-72	45	-185	103	-276	0	
PBT	1,652	1,382	1,293	1,404	1,943	1,491	1,355	1,644	5,731	6,572	1,569	5
Tax	522	361	325	287	501	298	271	352	1,495	1,422	408	
Rate (%)	31.6	26.1	25.1	20.4	25.8	20.0	20.0	21.4	26.1	21.6	26.0	
Reported PAT	1,129	1,021	969	1,117	1,442	1,193	1,084	1,292	4,236	5,150	1,161	11
Adj PAT	1,124	1,097	1,017	1,072	1,395	1,135	1,120	1,147	4,313	4,934	1,161	-1
YoY Change (%)	21.3	33.5	32.3	85.6	24.1	3.5	10.1	7.0	42.4	14.4	11.4	
Margins (%)	9.2	9.4	9.3	9.6	11.4	9.9	9.9	8.6	9.4	10.2	9.4	



BSE SENSEX	S&P CNX
30,302	9,361
Bloomberg	TELX IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	45.8 / 0.7
52-Week Range (INR)	1863 / 1022
1, 6, 12 Rel. Per (%)	-17/-2/-45
Avg Val, INRm	596
Free float (%)	55.4

CMP: INR1,327 TP: INR1,607(+21%)

Buy

Transportation and Broadcast to frame the growth story

- PAT grows 8% despite lower other income:** TELX's overall revenues grew 11% to INR3,260m (est. of INR3,380m) in 4QFY17 from INR2,940m in 4QFY16. EBITDA rose 13% to INR758m (est. of INR794m) from INR672m in 4QFY16, with the margin expanding 40bp YoY from 22.8% to 23.2% (est. of 23.5%) led by lower other expenses (-140bp, as % of sales). Thus, PAT grew from INR411m in 4QFY16 to INR445m (est. of INR501m), implying YoY growth of 8%. For FY17, revenue grew 15%, EBITDA margin expanded slightly by 50bp to 23.8% and adj. PAT rose 12.6% to INR1,753m.
- Pressure on margins to ease:** The company's employee strength stands at ~5,500, similar to that in the previous quarter. Thus, employee cost was flattish, and a similar trend is expected going forward. TELX has also hinted at a hiring only against specific requirements. Further, it will restructure deals on 'part payment for effort and part payment for success' method, which should subsequently boost margins by 100-200bp.
- Key segments continue growing:** Transportation (+35%) continues to be the fastest growing segment for TELX. Growth in Broadcast (25% of total revenues and 40% of EPD) has also been steady, led by OTT. Apart from the US and Europe, TELX has developed a strong pipeline of customers in Japan, the realizations from which are expected in coming quarters.
- Valuation view:** JLR's contribution to revenues remains steady at 22%. We are cutting PAT for FY18E/FY19E by 5%/9%, and expect CAGR of 15.5% in revenue and 19.5% in PAT over FY16-19E. Given its robust capabilities in Technology, Engineering and Design, and its standing as a strong play on IoT, we maintain **Buy** with a TP of INR1,607—20x FY19E EPS of INR80.4.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	12.3	14.2	16.4
EBITDA	2.9	3.4	4.0
PAT	1.8	2.1	2.5
EPS (INR)	56.3	68.0	80.4
Gr. (%)	13.2	20.8	18.2
BV/Sh (INR)	179.5	223.5	273.9
RoE (%)	37.1	33.7	32.3
RoCE (%)	37.1	33.7	32.3
P/E (x)	23.6	19.5	16.5
P/BV (x)	7.4	5.9	4.8

Estimate change



TP change



Rating change



Consolidated - Quarterly Earning Model

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	2,435	2,637	2,741	2,940	2,943	3,033	3,094	3,260	10,752	12,330	3,380	-4
YoY Change (%)	27.7	28.1	23.7	27.1	20.9	15.0	12.9	10.9	26.6	14.7	15.0	
Total Expenditure	1,875	2,024	2,077	2,268	2,253	2,288	2,355	2,503	8,244	9,398	2,586	
EBITDA	560	613	663	672	691	745	739	758	2,508	2,932	794	-5
Margins (%)	23.0	23.2	24.2	22.8	23.5	24.6	23.9	23.2	23.3	23.8	23.5	
Depreciation	90	57	57	59	67	64	69	68	263	269	65	
Interest	0	0	0	0	0	0	0	0	0	0	0	
Other Income	76	27	23	6	11	26	23	-21	132	-48	30	
PBT before EO expense	546	583	629	618	634	707	693	669	2,376	2,615	759	-12
Extra-Ord expense	0	0	13	0	0	57	31	0	13	0	0	
PBT	546	583	616	618	634	651	662	669	2,363	2,615	759	-12
Tax	189	202	217	208	215	220	224	224	815	862	258	
Rate (%)	34.6	34.7	35.2	33.6	33.8	33.8	33.9	33.4	34.5	33.0	34.0	
Reported PAT	357	381	399	411	419	431	438	445	1,548	1,753	501	-11
Adj PAT	357	381	407	411	419	468	458	445	1,557	1,753	501	-11
YoY Change (%)	71.8	61.2	46.8	37.7	17.4	22.9	12.5	8.3	51.3	12.6	22.0	
Margins (%)	14.7	14.5	14.9	14.0	14.2	15.4	14.8	13.6	14.5	14.2	14.8	

E: MOSL Estimates



Ashok Leyland

Bloomberg	AL IN
Equity Shares (m)	2845.9
M. Cap. (INR b)/(USD b)	242 / 4
52-Week Range (INR)	113 / 74
1,6,12 Rel Perf. (%)	-7 / -2 / -42

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	188.2	196.6	217.9	249.2
EBITDA	21.7	22.0	24.8	29.9
NP	11.1	12.0	14.7	18.8
Adj. EPS (INR)	3.9	4.2	5.2	6.6
EPS Gr. (%)	375.1	8.3	22.2	27.7
BV/Sh. (INR)	19.4	21.8	24.5	28.4
RoE (%)	20.9	20.6	22.3	24.9
RoCE (%)	12.8	15.0	17.5	20.1
Payout (%)	25.6	35.5	38.7	34.1

Valuations

P/E (x)	21.4	19.8	16.2	12.7
P/BV (x)	4.3	3.8	3.4	2.9
EV/EBITDA (x)	11.5	11.1	9.6	7.6
Div. Yield (%)	1.2	1.8	2.4	2.7

CMP: INR84 TP:INR94 (+12%) Buy

- ▢ Volumes grew by 8% YoY (+45% QoQ), as M&HCV and LCV sales grew 10% and 3% YoY respectively, led by lower than expected pre buying before BS-IV implementation.
- ▢ We expect realization to decline by 1.6% YoY (-1.3% QoQ) led by continuous higher discounts due to lower demand.
- ▢ Net revenue is likely to grow 6.5% YoY (+43% QoQ), led by growth in volume and decline in realization.
- ▢ EBITDA margin is likely to contract 110bp YoY (expand 120bp QoQ), driven by higher costs in RM, staff and others YoY.
- ▢ EBITDA should decline 3% YoY (+61% QoQ) to ~INR7.3b.
- ▢ Further, lower other income and higher tax would decline adjusted PAT growth by ~7% YoY (+129% QoQ) to INR4.2b.
- ▢ We are reducing EPS estimates of FY18E/FY19E by 19%/20% led by subdued growth expectations for M&HCV segment in FY18. The stock trades at an EV of 9.7x FY18E and 7.6x FY19E EBITDA. **Buy.**

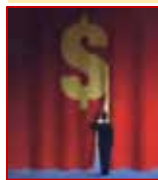
Key issues to watch

- ⊗ Unsold inventory post ban on sale of BS-III vehicles and impact on financials.
- ⊗ Raw material cost outlook and margin guidance for FY17-18.
- ⊗ Capex and investment guidance for FY18.

Quarterly Performance

	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Volumes (nos)	28,154	37,369	30,928	43,994	31,163	33,446	32,838	47,621	145,068	32,838
Growth %	41.2	47.3	21.8	28.8	10.7	-10.5	6.2	8.2	3.3	6.2
Realizations (INR '000)	1,379	1,329	1,330	1,354	1,367	1,382	1,349	1,332	1,355	1,386
% change	11.0	4.8	0.5	2.6	-0.9	4.0	1.4	-1.6	0.4	4.9
Net operating revenues	38,831	49,672	41,138	59,553	42,588	46,224	44,309	63,434	196,556	46,272
RM/sales %	68.4	69.7	69.9	71.0	68.7	67.8	70.7	71.3	69.8	68.3
Staff/sales %	8.5	7.6	8.4	5.7	8.4	8.0	8.2	6.1	7.5	7.8
Other exp/sales %	13.0	10.2	10.7	10.7	11.6	12.6	10.9	11.1	11.5	13.0
EBITDA	3,925	6,240	4,493	7,531	4,820	5,365	4,543	7,307	22,035	5,021
EBITDA Margins(%)	10.1	12.6	10.9	12.6	11.3	11.6	10.3	11.5	11.2	10.9
Other Income	78	454	298	320	385	316	235	273	1,210	475
Interest	701	631	603	602	338	339	311	338	1,327	425
PBT before EO Item	1,984	4,754	2,976	6,071	4,154	4,146	2,637	6,026	16,964	3,846
EO Exp/(Inc)		1,570	50	3,793		0	0	0	0	0
Effective Tax Rate (%)	36.3	45.9	27.0	66.2	30.0	29.0	29.5	29.5	29.5	27
Adj. PAT	1,264	2,571	2,174	4,563	2,908	2,944	1,859	4,249	11,959	2,808
Change (%)	-364	527	577	93	130	14	-14	-7	1.6	38.1

E: MOSL Estimates



Bosch

Bloomberg	BOS IN
Equity Shares (m)	31.4
M. Cap. (INR b)/(USD b)	719 / 11
52-Week Range (INR)	25650 / 18005
1,6,12 Rel Perf. (%)	4 / -6 / -5

Financial Snapshot (INR b)

Y/E Mar	FY16	FY17E	FY18E	FY19E
Sales	96.6	105.9	129.6	145.9
EBITDA	18.2	18.1	26.0	30.8
NP	15.2	14.4	20.4	23.3
EPS (INR)	483.3	472.3	667.8	764.1
EPS Gr. (%)	11.8	-2.3	41.4	14.4
BV/Sh. (INR)	2,639.8	2,477.2	2,978.1	3,551.2
RoE (%)	19.4	18.2	24.5	23.4
RoCE (%)	26.5	25.6	34.0	32.1

Valuations

P/E (x)	47.1	48.2	34.1	29.8
P/BV (x)	8.6	9.2	7.6	6.4
EV/EBITDA(x)	38.3	36.6	24.9	20.7
EV/Sales (x)	7.2	6.2	5.0	4.4

Consolidated

CMP: INR22,843 TP: INR22,924 (+0.4%) Neutral

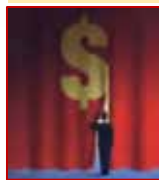
- n Net revenue is likely to grow ~13% YoY (+4.4% QoQ) to INR27.9b led by pre buying sales before implementation of BS-IV in commercial vehicle and higher PV sales.
- n EBITDA margin is expected to remain flat YoY, led by lower gross margin due to higher trading content and higher commodity prices.
- n EBITDA is projected to grow 13% YoY to ~INR6.2b.
- n Adjusted PAT is likely to decline 9% YoY to INR4.3b on lower other income and higher depreciation.
- n We have slightly increased our EPS estimate by 4% for FY19. We maintain our neutral outlook led by CV cycle reversal in FY18.
- n The stock trades at 34.1x FY18E and 29.8x FY19E EPS; maintain **Neutral**.

Key issues to watch

- Ø Rollout of BS-IV emission norms and implication on Bosch's revenue.
- Ø Implementation of BS-VI norms for 2-wheelers and underlying opportunity for Bosch.
- Ø Advancement of BS-VI implementation and its impact on Bosch.
- Ø Capex plans for BS VI norms.

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



Britannia Industries

Bloomberg	BRIT IN
Equity Shares (m)	120.0
M. Cap. (INR b)/(USD b)	404 / 6
52-Week Range (INR)	3575 / 2524
1,6,12 Rel Perf. (%)	5 / -9 / 7

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	83.3	90.0	102.6	119.6
EBITDA	11.5	11.5	13.2	16.5
Adj. PAT	8.4	8.7	10.0	12.2
Adj. EPS. INR	70.1	72.2	83.3	101.7
EPS Gr. (%)	46.3	3.0	15.5	22.0
BV/Sh.(INR)	147.2	188.0	237.5	297.8
RoE (%)	55.9	43.1	39.2	38.0
RoCE (%)	46.0	35.1	32.3	32.0
Payout (%)	28.5	35.0	35.0	35.0

Valuations

P/E (x)	48.1	46.7	40.5	33.2
P/BV (x)	22.9	17.9	14.2	11.3
EV/EBITDA (x)	34.4	34.3	29.4	23.2
Div. Yield (%)	0.6	0.7	0.9	1.1

CMP: INR3,372 TP: INR4,065 (+21%) Buy

- n We estimate Britannia's (BRIT) sales to grow 7.3% YoY to INR22.7b, with ~3% base business volume growth.
- n Higher wheat and sugar prices YoY will continue to affect margins. We expect 130bp contraction in operating margin YoY, and EBITDA and PAT to decline 4% and 3%, respectively.
- n The stock trades at 33.2x FY19E EPS of INR101.7; maintain Buy. Britannia is one of our top picks in the tier-II consumer space.

Key issues to watch for:

- Ø Volume growth in biscuits.
- Ø Outlook for raw materials.
- Ø Performance of subsidiaries.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Base business volume growth (%)	9.0	11.0	13.0	10.0	10.0	10.0	2.0	3.0	10.8	6.3
Net Sales	19,411	21,277	21,444	21,121	21,063	23,612	22,648	22,657	83,254	89,979
YoY Change (%)					8.5	11.0	5.6	7.3	7.1	8.1
COGS	11,587	12,717	12,945	12,878	12,879	14,902	14,190	14,410	49,989	56,381
Gross Profit	7,824	8,560	8,499	8,244	8,184	8,709	8,458	8,247	33,265	33,598
Margins (%)	40.3	40.2	39.6	39.0	38.9	36.9	37.3	36.4	40.0	37.3
Other Operating Exp	5,102	5,492	5,554	5,557	5,367	5,578	5,504	5,673	21,718	22,122
% of Sales	26.3	25.8	25.9	26.3	25.5	23.6	24.3	25.0	26.1	24.6
EBITDA	2,722	3,068	2,945	2,687	2,817	3,131	2,954	2,575	11,547	11,477
Margins (%)	14.0	14.4	13.7	12.7	13.4	13.3	13.0	11.4	13.9	12.8
YoY Growth (%)					3.5	2.0	0.3	-4.2	38.2	-8.0
Depreciation	274	272	281	308	279	289	303	318	1,134	1,189
Interest	7	15	12	15	15	15	11	15	49	56
Other Income	401	506	481	578	739	670	561	552	1,962	2,522
PBT	2,842	3,287	3,134	2,942	3,263	3,496	3,201	2,794	12,326	12,753
Tax	906	1,076	1,027	952	1,071	1,156	997	870	3,920	4,094
Rate (%)	31.9	32.7	32.8	32.4	32.8	33.1	31.1	31.1	31.8	32.1
Adjusted PAT	1,936	2,211	2,107	1,990	2,192	2,340	2,204	1,924	8,407	8,660
YoY Change (%)					13.2	5.8	4.6	-3.3	46.4	3.0

E: MOSL Estimates



Cipla

Bloomberg	CIPLA IN
Equity Shares (m)	802.9
M. Cap. (INR b)/(USD b)	476 / 7
52-Week Range (INR)	622 / 458
1,6,12 Rel Perf. (%)	-3 / -6 / -3

Financial Snapshot (INR Billion)

Y/E MARCH	2016	2017E	2018E	2019E
Sales	136.8	148.5	171.8	198.2
EBITDA	25.0	26.9	32.5	39.4
NP	15.1	14.3	17.6	22.9
EPS (INR)	18.8	17.9	22.0	28.5
EPS Gro. (%)	34.0	-5.1	22.9	29.9
BV/Sh. (INR)	147.4	161.6	180.5	206.0
RoE (%)	12.8	11.0	12.2	13.8
RoCE (%)	10.6	8.9	9.7	11.4

Valuations

P/E (x)	31.5	33.2	27.0	20.8
P/BV (x)	4.0	3.7	3.3	2.9
EV/EBITDA (x)	20.8	19.1	15.6	12.5
Div. Yield (%)	0.3	0.4	0.4	0.4

CMP: INR593 TP: INR550 (-7%) Neutral

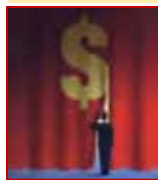
- n We expect Cipla's revenues to grow 16.5% YoY to INR38b in 4QFY17.
- n Export formulation business is expected to grow at robust pace of ~20% YoY on the back of recent launches Domestic business is also expected to grow at low teens growth YoY driven by traction in Respiratory business. Impact of demonetization will be the key to watch. Export API sales are expected to report 12% YoY growth to INR2.4b.
- n EBITDA is likely to grow 63% YoY to INR7.2b, with margin expansion of 540bp to 18.9%, on back of lower raw material cost (as % of sales) by 540bps and staff cost (as % of sales) lower by 280bps. We expect reported PAT to increase 20.4% YoY to INR3.7b.
- n We see limited downside in the stock from current levels. Maintain Neutral with a TP of INR550 @20x 1HFY19E PER. Our target multiple of 20x (in line with peers) is based on normalization of margins at >18% and impressive ramp up of own US business. Having said that, Invagen is yet to exhibit meaningful growth. We believe Cipla is well poised to deliver robust growth in the US due to a significant pick up in the filling quality/rate and a lower base

Key issues to watch out

- Ø Launch of combination inhaler in UK market (USD450m market size).
- Ø Margin improvement in Medpro operations (acquired in July 2014).
- Ø Sustained strong growth in domestic formulations (38% of sales).

Quarterly Performance (Consolidated) (INR Million)

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	38,385	34,551	31,066	32,665	36,500	37,510	36,472	38,060	136,666	148,542
YoY Change (%)	41.1	24.9	12.3	5.6	-4.9	8.6	17.4	16.5	20.5	8.7
EBITDA	10,545	7,860	5,294	4,421	6,112	6,807	6,776	7,191	28,120	26,886
Margins (%)	27.5	22.7	17.0	13.5	16.7	18.1	18.6	18.9	20.6	18.1
Depreciation	1,494	1,584	1,375	1,414	2,038	2,292	2,577	2,323	5,867	9,230
Interest	639	636	230	368	315	352	593	557	1,872	1,817
Other Income	505	308	51	547	252	272	1,535	441	1,411	2,500
PBT after EO expense	8,917	5,948	3,741	3,186	4,011	4,436	5,141	4,751	21,792	18,339
Tax	2,418	401	120	-39	553	719	1,283	1,021	2,899	3,576
Rate (%)	27.1	6.7	3.2	-1.2	13.8	16.2	25.0	21.5	13.3	19.5
Minority Interest	7.4	117.0	174.2	185.4	67.6	173.6	109.8	69.0	484.0	420.0
Reported PAT	6,492	5,430	3,447	3,040	3,391	3,543	3,748	3,661	18,409	14,343
YoY Change (%)	120.4	81.8	5.1	17.1	-47.8	-34.7	8.7	20.4	55.9	-22.1
Margins (%)	16.9	15.7	11.1	9.3	9.3	9.4	10.3	9.6	13.5	9.7



Concor

Bloomberg	CCRI IN
Equity Shares (m)	243.7
M. Cap. (INR b)/(USD b)	247 / 4
52-Week Range (INR)	1235 / 844
1,6,12 Rel Perf. (%)	-2 / -16 / -19

Financial snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	63.1	59.8	65.0	73.0
EBITDA	11.6	10.5	13.0	14.4
NP	7.9	7.2	9.7	10.9
EPS (INR)	40.6	29.7	39.9	44.9
EPS Gr. (%)	-24.9	-7.5	34.4	12.5
BV/Sh (INR)	409.4	344.9	368.7	395.4
RoE (%)	10.2	8.8	11.2	11.8
RoCE (%)	9.8	8.3	10.5	11.1
Payout (%)	40.0	40.5	40.5	40.5

Valuations

P/E (x)	28.3	34.1	25.4	22.5
P/BV (x)	2.8	2.9	2.7	2.6
EV/EBITDA (x)	17.1	21.2	17.0	15.3
Div. Yield (%)	1.2	1.0	1.3	1.5

CMP: INR1,012 TP: INR1,042(+3%) Neutral

- n We expect CCRI to report net sales of INR13.9b (-2% YoY, +5% QoQ), led by (a) realization decline of 11% YoY (flat QoQ), and (b) volume growth of 11% YoY (+4% QoQ).
- n We expect EXIM volumes to improve 12% YoY and expect domestic volumes to grow 3% YoY.
- n We estimate EBITDA at INR2.9b (+50% YoY, +13% QoQ) and PAT at INR2.1b (+43% YoY, +8% QoQ).
- n The stock trades at 17x/15.3x FY18E/FY19E EV/EBITDA. CCRI remains a direct play on the upcoming dedicated freight corridor (DFC) project, which will multiply its asset turnover and significantly improve profitability. Neutral.

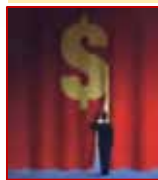
Key issues to watch for

- ⊗ EXIM and domestic volumes, and realizations.
- ⊗ Progress on MMLPs and DFC projects.

Container Corporation

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	14,209	15,019	14,046	14,152	13,392	13,786	13,304	13,919	57,426	54,402
YoY Change (%)	11.9	10.9	-3.3	-6.2	-5.7	-8.2	-5.3	-1.6	15.2	-5.3
Terminal & Service Charges	8,963	9,456	8,848	9,180	8,493	8,497	8,111	8,487	68,844	33,587
As a % of revenue	63.1	63.0	63.0	64.9	63.4	61.6	61.0	61.0	119.9	61.7
Employee Expenses	373	369	396	401	380	405	414	415	3,118	1,614
Other Expenses	1,994	2,034	2,001	2,596	1,901	2,597	2,167	2,065	17,421	8,730
Total Expenditure	11,330	11,859	11,246	12,177	10,773	11,498	10,692	10,967	46,612	43,931
EBITDA	2,878	3,161	2,800	1,975	2,619	2,288	2,612	2,952	10,813	10,471
Margins (%)	20.3	21.0	19.9	14.0	19.6	16.6	19.6	21.2	18.8	19.2
YoY Change (%)	-3.6	1.1	-23.7	-40.1	-9.0	-27.6	-6.7	49.5		-3.2
Depreciation	907	876	876	988	841	873	927	897	4,027	3,539
Interest	0	0	0	0	0	3	1	0	0	0
Other Income	798	858	813	978	692	763	845	798	3,447	3,098
PBT	2,770	3,137	2,737	1,965	2,470	2,175	2,529	2,853	10,232	10,024
Tax	701	808	676	555	685	596	669	837	2,740	2,787
Rate (%)	25.3	25.8	24.7	28.3	27.7	27.4	26.4	29.3	26.8	27.8
Adj PAT	2,069	2,335	2,061	1,409	1,785	1,578	1,860	2,016	7,492	7,241
YoY Change (%)	-21.0	21.7	-31.5	-51.9	-13.7	-32.4	-9.7	43.0	-23.9	-3.3
Margins (%)	14.6	15.5	14.7	10.0	13.3	11.4	14.0	14.5	13.0	13.3



Gujarat State Petronet

Bloomberg	GUJS IN
Equity Shares (m)	563.0
M. Cap. (INR b)/(USD b)	90 / 1
52-Week Range (INR)	173 / 119
1,6,12 Rel Perf. (%)	-5 / -5 / -3

Financial snapshot (INR b)

y/e march	2016	2017E	2018E	2019E
Sales	9.9	10.5	12.6	14.4
EBITDA	8.6	9.2	11.1	12.6
Adj. PAT	4.4	5.0	6.2	7.4
Adj. EPS (INR)	7.9	8.9	11.0	13.2
EPS Gr. (%)	23.9	12.5	24.0	19.5
BV/Sh.(INR)	70	77.4	85.9	96.2
RoE (%)	11.7	12.0	13.5	14.5
RoCE (%)	9.7	10.0	11.3	12.2
Payout (%)	22.2	22.4	22.3	22.2

Valuations

P/E (x)	20.3	18.1	14.6	12.2
P/BV (x)	2.3	2.1	1.9	1.7
EV/EBITDA (x)	11.3	10.2	8.1	6.6
Div. Yield (%)	0.9	1.1	1.3	1.6

CMP: INR161 TP: INR162 (+1%) Neutral

- n We expect GUJS to report net sales of INR2.7b and PAT of INR1.3b (+31% QoQ, +10% YoY).
- n We model transmission volume at 27mmscmd (+11% YoY, +3% QoQ) and transmission tariff at INR1,080/mscm (+5% YoY, -1% QoQ).
- n GUJS had won the bids for three cross-country pipelines (Mehsana-Bhatinda, Bhatinda-Srinagar, Mallavaram-Bhilwara). We await clarity on the current status, timelines and other details regarding these pipelines.
- n We build gas transmission volumes of 25.8mmscmd for FY17 and 28/32mmscmd for FY18/19 and model tariff at INR1,082/mscm for FY17 and INR1,200/mscm for FY18/19. The stock trades at 12.2x FY19E EPS of INR13.2. Maintain **Neutral**.

Key issues to watch for

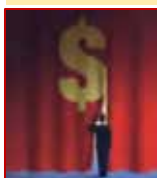
- ⊗ Transmission volumes and tariffs.
- ⊗ Progress on clearances of the three pipelines.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	2,557	2,526	2,475	2,313	2,579	2,564	2,627	2,683	9,870	10,453
Change (%)	11.0	-28.0	1.9	-2.1	0.9	1.5	6.1	16.0	-6.9	5.9
Employee Costs	74	113	89	71	79	77	144	81	347	380
Operating expenses	193	121	243	130	117	175	185	169	687	646
Other Expenditure	53	52	57	69	52	67	64	70	231	254
EBITDA	2,237	2,240	2,086	2,042	2,330	2,245	2,234	2,363	8,605	9,173
% of Net Sales	87.5	88.7	84.3	88.3	90.4	87.6	85.1	88.1	87.2	87.8
% Change	11.9	-30.7	2.7	3.5	4.2	0.2	7.1	15.8	-6.8	6.6
Depreciation	434	464	472	473	430	436	465	457	1,843	1,788
Interest	207	213	184	168	167	148	165	151	773	631
Other Income	143	122	288	137	147	304	218	231	690	900
PBT	1,738	1,685	1,718	1,538	1,881	1,965	1,822	1,987	6,679	7,654
Tax	610	600	483	541	668	666	636	682	2,234	2,653
Rate (%)	35.1	35.6	28.1	35.2	35.5	33.9	34.9	34.3	33.4	34.7
PAT	1,128	1,085	1,235	997	1,213	1,298	1,186	1,305	4,445	5,001
Adj. PAT	1,128	1,085	1,235	997	1,213	1,298	1,186	1,305	4,445	5,001
Change (%)	33	-2	39	35	8	20	-4	31	24	13
EPS (INR)	2.0	1.9	2.2	1.8	2.2	2.3	2.1	2.3	7.9	8.9
Transmission Vol. (mmscmd)	24.2	24.3	25.1	24.4	25.1	24.6	26.2	27.0	24.5	25.8
Implied adj. tariff (INR/mscm)	1,126	1,068	1,054	1,028	1,073	1,079	1,095	1,080	1,069	1,082

E: MOSL Estimates



Bloomberg	IOCL IN
Equity Shares (m)	4855.9
M. Cap. (INR b)/(USD b)	1852 / 29
52-Week Range (INR)	404 / 196
1,6,12 Rel Perf. (%)	-2 / 18 / 70

Financial snapshot (INR b)

y/e march	2016	2017E	2018E	2019E
Sales	3544.3	3654.2	3835.8	4421.6
EBITDA	217.0	366.4	362.6	378.3
Adj. PAT	98.5	212.1	191.1	199.3
Adj. EPS (INR)	20.3	43.7	39.4	41.0
EPS Gr. (%)	203.8	115.2	-9.9	4.3
BV/Sh.(INR)	156.5	179.8	205.2	230.3
RoE (%)	13.6	26.0	20.4	18.8
RoCE (%)	10.3	18.2	14.6	14.0
Payout (%)	36.4	34.5	34.8	34.7

Valuations

P/E (x)	18.8	8.7	9.7	9.3
P/BV (x)	2.4	2.1	1.9	1.7
EV/EBITDA (x)	10.8	6.5	6.6	6.2
Div. Yield (%)	1.8	3.4	3.1	3.2

CMP: INR381 TP: INR441 (+16%) Buy

- n We expect OMCs' (IOCL, BPCL, HPCL) core earnings to decline YoY/QoQ, led by lower refining and marketing margins during 4QFY17.
- n We model nil subsidy sharing for OMCs; the subsidy in 4QFY17 would entirely be borne by the government.
- n We peg IOCL's refinery throughput at 16.3mmt for 4QFY17 v/s 15mmt in 4QFY16 and 16.4mmt in 3QFY17 – higher due to contribution from Paradip refinery.
- n We model GRM of USD6/bbl (inclusive of inventory gain/loss) for IOCL during 4QFY17.
- n We expect IOCL to report EBITDA of INR77.9b (+4% QoQ, +116% YoY) in 4QFY17.
- n We estimate PAT at INR40.5b (+1% QoQ, +228% YoY) in 4QFY17.
- n IOCL trades at 9.3x FY19E EPS of INR41 and at 1.7x FY19E BV. Dividend yield is ~4%. Buy.

Key issues to watch for

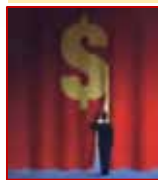
- Ø (a) Update on Paradip refinery, (b) GRM, (c) capex plans, and (d) forex/inventory changes.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	1,010,089	851,148	823,899	800,189	856,553	800,435	926,329	987,632	3,485,325	3,570,949
YoY Change (%)	-19.0	-23.5	-22.9	-14.4	-15.2	-6.0	12.4	23.4	-20.1	2.5
Total Expenditure	912,062	846,899	773,208	764,053	723,972	745,979	851,681	909,731	3,296,222	3,231,363
EBITDA	98,027	4,249	50,691	36,136	132,581	54,456	74,648	77,900	189,103	339,586
Margins (%)	9.7	0.5	6.2	4.5	15.5	6.8	8.1	7.9	5.4	9.5
Depreciation	11,435	11,286	11,913	14,114	14,350	15,048	15,541	16,000	48,748	60,939
Interest	5,922	7,293	6,406	10,682	6,800	6,147	9,967	10,000	30,303	32,914
Other Income	6,604	8,465	9,343	10,881	8,957	11,807	12,767	8,849	35,293	42,380
PBT	91,999	-1,604	46,446	22,146	120,388	45,069	61,907	60,749	158,988	288,113
Tax	27,642	1,688	15,487	9,789	37,698	13,850	21,958	20,248	54,606	93,754
Rate (%)	30.0	-105.2	33.3	44.2	31.3	30.7	35.5	33.3	34.3	32.5
Reported PAT	64,357	-3,292	30,960	12,356	82,690	31,219	39,949	40,502	104,382	194,359
Adj PAT	64,357	-3,292	26,228	12,356	82,690	31,219	39,949	40,502	95,425	194,359
YoY Change (%)	155.1	-63.4	-199.5	-80.3	28.5	-1,048.4	52.3	227.8	128.7	103.7
Margins (%)	6.4	-0.4	3.2	1.5	9.7	3.9	4.3	4.1	2.7	5.4
Key Assumptions										
Refining throughput (mmt)	13.6	13.7	14.4	15.0	16.1	15.6	16.4	16.3	56.7	64.4
GRM (USD/bbl)	10.8	0.8	6.0	3.0	10.0	4.3	7.7	6.0	5.1	7.0
Mktg. sales volume incl exports (mmt)	19.4	18.1	19.1	20.5	20.4	18.5	20.1	20.6	77.1	79.6
Blended gross marketing margin (INR/lit)	3.4	3.4	3.5	3.4	3.4	3.5	3.5	3.3	3.4	3.4

E: MOSL Estimates



Mphasis

Bloomberg	MPHL IN
Equity Shares (m)	210.1
M. Cap. (INR b)/(USD b)	120 / 2
52-Week Range (INR)	622 / 425
1,6,12 Rel Perf. (%)	-7 / -2 / 6

CMP: INR578 TP: INR550 (-5%) Neutral

Financial Snapshot (INR b)

Y/E Mar	2016	2017E	2018E	2019E
Sales	60.9	60.8	65.7	72.3
EBITDA	9.0	9.6	10.2	11.2
PAT	7.2	8.2	8.3	8.7
EPS (INR)	34.5	42.7	43.0	44.9
EPS Gr. (%)	6.8	23.9	0.8	4.4
BV/Sh. (INR)	299.4	280.1	296.7	315.3
RoE (%)	12.3	14.1	14.9	14.7
RoCE (%)	11.2	13.1	14.2	14.3
Payout (%)	58.0	124.2	51.1	49.0

Valuations

P/E (x)	16.8	13.6	13.5	12.9
P/BV (x)	1.9	2.1	2.0	1.8
EV/EBITDA(x)	10.8	9.9	9.0	8.0
Div yld (%)	3.5	9.1	3.8	3.8

- n In 3QFY17, HP channel revenue grew for the second consecutive time in 20 quarters. This is expected to remain stable with the renewed MSA coming into effect, after the completion of the transaction between HPE and Blackstone.
- n We expect revenue growth of 1.1% QoQ (0.7% QoQ CC), driven by stability in HP channel and Digital Risk and continued traction in the Direct International business.
- n Margins are likely to be stable (+20bp QoQ), as wage hike pressures are now behind, and there is stability seen in the HP channel.
- n MPHL had raised its EBIT margin guidance by 100bp at the end of 4QFY16 to 14-16% for FY17, and expressed confidence in achieving the higher end of the range. Looking at the traction so far, this seems achievable.
- n Our PAT estimate is INR1.97b (-3.5% QoQ).
- n The stock trades at 12.2x FY17E and 9.5x FY18E EPS. Neutral.

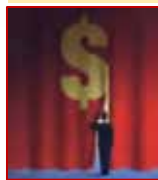
Key issues to watch for

- Ø Outlook for Digital Risk given an interest rate cycle reversal.
- Ø Strategy changes and roadmap under the new leadership.
- Ø Performance in Direct International business, and outlook for the year.

Quarterly Performance

Y/E March	FY16				FY17E				(INR m)	
	Jun 15	Sep 15	Dec 15	Mar 16	Jun 16	Sep 16	Dec 16	Mar 17	FY16	FY17E
Revenue (USD m)	234	237	229	225	224	224	225	227	926	900
QoQ (%)	1.7	1.2	-3.4	-1.7	-0.3	-0.2	0.2	1.1	-2.2	-2.7
Revenue (INR m)	14,945	15,575	15,167	15,160	15,167	15,176	15,361	15,064	60,879	60,768
YoY (%)	0.3	6.3	7.5	6.1	1.5	-2.6	1.3	-0.6	5.1	-0.2
GPM (%)	26.2	26.9	25.6	27.9	28.1	28.1	27.8	27.1	26.6	27.8
SGA (%)	11.9	11.9	11.3	12.2	12.0	11.8	12.3	11.7	11.8	12.0
EBITDA	2,115	2,345	2,166	2,344	2,445	2,463	2,396	2,315	8,970	9,619
EBITDA Margin (%)	14.1	15.1	14.3	15.7	16.1	16.2	15.6	15.4	14.7	15.8
EBIT Margin (%)	12.7	13.9	13.2	14.5	15.2	15.3	14.7	14.5	13.5	14.9
Other income	440	492	456	490	572	711	617	566	1,954	2,466
ETR (%)	29.2	26.4	27.7	31.1	27.7	27.5	28.5	27.5	27.1	27.8
PAT	1,658	1,900	1,736	1,920	2,043	2,166	2,044	1,973	7,242	8,226
QoQ (%)	-6.7	14.6	-8.6	10.6	6.4	6.0	-5.6	-3.5		
YoY (%)	-5.1	18.6	5.1	8.0	23.2	14.0	17.7	2.7	6.9	13.6
EPS (INR)	8.3	9.0	8.3	9.2	9.7	10.3	9.7	10.2	34.5	40.0
Headcount	34,159	24,169	23,563	22,324	22,374	22,284	22,018	21,529	22,324	21,529
Net Additions	100	-9990	-606	-1239	50	-90	-266	-489	-11735	-795
HP Channel rev. (%)	28.8	26.5	24.2	24.3	23.4	23.9	24.0			
Fixed Price (%)	12.3	14.0	19.2	21.1	19.8	19.1	20.6			

E: MOSL Estimates



NMDC

Bloomberg	NMDC IN
Equity Shares (m)	3163.9
M. Cap. (INR b)/(USD b)	430 / 7
52-Week Range (INR)	153 / 85
1,6,12 Rel Perf. (%)	-11 / 16 / 19

CMP: INR136 TP: INR178 (31%) Buy

- n NMDC's EBITDA is estimated to increase 12% QoQ to INR15.9b on higher realization.
- n Iron ore sales volumes are estimated to increase by 1% QoQ (19% YoY) to 10mt, aided by an increase in domestic demand.
- n Domestic iron ore realization would be up 8% QoQ to INR2,606/t on price hikes taken amid an increase in international iron ore prices and strong domestic demand.
- n Adj. PAT is estimated to increase 9% QoQ to INR11.3b.

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	64.6	87.1	99.1	104.3
EBITDA	32.3	46.5	57.5	60.7
Adj. PAT	33.2	38.2	38.9	41.1
Adj. EPS (INR)	8.4	12.1	12.3	13.0
EPS Gr(%)	-49.7	44.3	1.8	5.9
BV/Sh. (INR)	75.9	76.0	81.1	86.9
RoE (%)	15.9	13.4	15.5	15.1
RoCE (%)	15.6	12.4	14.6	14.2
Payout (%)	177.0	59.7	58.6	55.4

Valuation

P/E (x)	16.3	11.3	11.1	10.5
P/BV	1.8	1.8	1.7	1.6
EV/EBITDA	12.6	8.2	7.0	6.6
DW. Yield (%)	8.1	4.4	4.4	4.4

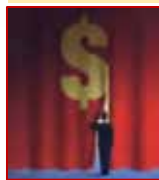
Key issues to watch for:

- Ø Increase in global iron ore prices.
- Ø Stronger-than-expected iron ore demand.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Production (m tons)	6.0	6.4	7.4	8.8	7.6	6.3	9.7	10.1	28.8	36.0
Sales (m tons)	6.7	6.4	7.2	8.5	7.8	8.0	10.1	10.1	28.8	36.0
Avg Dom. NSR (USD/t)	45	39	31	25	32	31	35	39	34	35
Avg Dom. NSR (INR/t)	2,786	2,409	2,054	1,658	2,160	2,093	2,403	2,606	2,201	2,338
Net Sales	18,557	15,528	15,172	15,299	17,207	17,392	24,979	27,475	64,556	87,051
EBITDA	11,027	9,395	6,441	5,398	8,164	8,258	14,226	15,873	32,260	46,521
EBITDA per ton (USD)	27	24	14	9	16	15	21	23	17	19
EBITDA per ton (INR/t)	1,655	1,457	892	634	1,050	1,030	1,415	1,570	1,119	1,294
Interest	0	0	0	654	81	15	53	0		149
Depreciation	401	506	523	647	560	544	551	572	2,078	2,227
Other Income	4,887	4,264	4,212	4,380	3,452	2,735	1,559	1,299	17,744	9,044
PBT (before EO Item)	15,513	13,153	10,130	8,476	10,975	10,434	15,180	16,600	47,927	53,190
Extra-ordinary item	0	-154	-23	-1,672	0	0	-5,972	0	-1,848	-5,972
PBT (after EO Item)	15,513	12,999	10,107	6,804	10,975	10,434	9,208	16,600	46,079	47,217
Total Tax	5,412	4,525	3,557	1,275	3,862	2,727	3,257	5,312	14,769	15,157
% Tax	34.9	34.8	35.2	18.7	35.2	26.1	35.4	32.0	32.1	32.1
Reported PAT	10,101	8,474	6,550	5,529	7,113	7,708	5,952	11,288	31,309	32,061
Adjusted PAT	10,101	8,574	6,565	6,888	7,452	7,085	10,308	11,271	32,565	36,116



Page Industries

Bloomberg	PAG IN
Equity Shares (m)	11.2
M. Cap. (INR b)/(USD b)	163 / 3
52-Week Range (INR)	17351 / 11777
1,6,12 Rel Perf. (%)	-1 / -14 / 0

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	17.8	21.2	26.3	32.3
EBITDA	3.8	4.1	5.4	6.7
Adj. PAT	2.3	2.6	3.4	4.4
Adj. EPS (INR)	208.6	235.6	305.1	388.4
EPS Gr. %	18.7	12.9	29.5	27.3
FCF to PAT	0.8	0.6	0.6	0.9
BV/Sh.INR	453.0	570.8	723.3	898.1
RoE (%)	46.0	41.3	42.2	43.2
RoCE (%)	42.6	38.6	40.6	44.4
Payout (%)	49.1	50.0	50.0	55.0

Valuations

P/E (x)	70.0	62.0	47.8	37.6
EV/EBITDA (x)	43.3	39.5	30.4	24.0

CMP: INR14,596 TP: INR17,480 (+20%)

Buy

- n We expect Page to report net sales of INR4.8b, up 13.8% YoY, led by 10% volume growth.
- n We expect EBITDA margin to decline YoY by 170bp to 20.2% (mainly due to mix impact and PAT to post 6.9% YoY growth to INR637m.
- n The stock trades at 37.6x FY19E EPS of INR388.4; maintain Buy.

Key issues to watch for:

- Ø Volume trends and management commentary on demand environment.
- Ø Update on foray into the kidswear segment.
- Ø GST impact.

Quarterly Performance

(INR Million)

Y/E MARCH	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	4,489	4,663	4,432	4,257	5,719	5,378	5,283	4,843	17,840	21,222
YoY Change (%)					27.4	15.3	19.2	13.8	15.6	19.0
COGS	1,783	1,808	1,650	1,673	2,570	2,156	2,131	1,980	6,913	8,837
Gross Profit	2,705	2,855	2,782	2,584	3,149	3,222	3,151	2,862	10,927	12,385
Gross margin (%)	60.3	61.2	62.8	60.7	55.1	59.9	59.7	59.1	61.2	58.4
Other Expenditure	1,701	1,844	1,953	1,651	2,057	2,147	2,160	1,885	7,150	8,249
% to sales	37.9	39.6	44.1	38.8	36.0	39.9	40.9	38.9	40.1	38.9
EBITDA	1,004	1,011	829	933	1,092	1,075	991	977	3,776	4,136
Margins (%)	22.4	21.7	18.7	21.9	19.1	20.0	18.8	20.2	21.2	19.5
YoY Change					8.8	6.3	19.6	4.8	18.5	9.5
Depreciation	56	58	58	66	59	60	62	57	238	239
Interest	50	37	35	31	39	40	45	46	153	170
Other Income	56	9	6	4	59	62	20	29	62	170
PBT	953	926	742	840	1,053	1,037	904	904	3,448	3,897
Tax	327	323	222	244	373	350	275	267	1,116	1,265
Rate (%)	34.3	34.9	29.9	29.1	35.5	33.8	30.4	29.5	32.4	32.5
PAT	626	602	520	596	679	687	629	637	2,332	2,632
YoY Change (%)					8.5	14.0	20.9	6.9	19.0	12.9

E: MOSL Estimates



Repc Home Finance

Bloomberg	REPCO IN
Equity Shares (m)	62.5
M. Cap. (INR b)/(USD b)	45 / 1
52-Week Range (INR)	891 / 500
1,6,12 Rel Perf. (%)	8 / -20 / -6

CMP: INR718 TP: INR831 (+16%) Buy

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
NII	3.0	3.6	4.3	5.1
PPP	2.7	3.3	3.8	4.6
PAT	1.5	1.8	2.1	2.5
EPS (INR)	24.0	28.6	34.0	40.2
BV/Sh. (INR)	152.7	178.8	209.8	246.6
RoAA (%)	2.2	2.1	2.1	2.1
RoE (%)	17.0	17.3	17.5	17.6
Payout (%)	9.0	8.7	8.7	8.7
Valuation				
P/E (x)	29.9	25.1	21.1	17.8
P/BV (x)	4.7	4.0	3.4	2.9
Div. Yield (%)	0.3	0.3	0.4	0.4

- n We expect loan growth to slow down to 16% YoY, driven by 30%+ YoY decline in disbursements. However, we believe growth will pick up in FY18 with the recent government schemes and the Madras High Court order.
- n Calculated margins are likely to be decline marginally YoY on account of yield pressure.
- n C/I ratio is expected to decline 50bp YoY to 15.7%.
- n GNPL is expected to increase sharply, as the company used the RBI dispensation in 3QFY17. Hence, provisions are expected to be INR160m v/s INR96m in 3QFY17 and INR140m in 3QFY16.
- n PAT is likely to grow 12% YoY to INR472m.
- n The stock trades at 3.4x FY18E and 2.9x FY19E BV. Maintain Buy.

Key issues to watch for

- Ø Business outlook, loan growth, and share of home loans and LAP.
- Ø Repayment trends on account of high share of self-employed customers.
- Ø Movement in borrowing costs and margins.
- Ø Asset quality trends in the LAP segment.

REPCO: Quarterly performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	1,935	2,084	2,191	2,312	2,389	2,500	2,589	2,674	8,521	10,152
Interest Expenses	1,271	1,344	1,410	1,460	1,550	1,597	1,682	1,717	5,486	6,546
Net Interest Income	664	740	781	852	840	903	907	957	3,036	3,606
YoY Growth (%)	25.2	24.7	32.8	28.7	26.5	22.1	16.2	12.3	27.7	18.8
Other income	66	80	63	91	80	98	67	81	300	326
Total Income	730	820	843	943	920	1,000	974	1,038	3,336	3,932
YoY Growth (%)	24.7	28.4	32.4	26.2	26.0	22.0	15.5	10.1	27.7	17.9
Operating Expenses	154	175	160	153	149	163	163	163	643	638
YoY Growth (%)	37.0	36.8	13.0	-7.1	-3.5	-6.8	1.9	6.3	17.5	-0.8
Operating Profits	576	644	683	790	771	837	811	875	2,693	3,294
YoY Growth (%)	21.8	26.3	37.9	35.7	33.9	29.9	18.7	10.8	30.4	22.3
Provisions	113	47	92	140	179	127	96	161	392	563
Profit before Tax	463	597	591	650	592	710	714	715	2,301	2,731
Tax Provisions	161	207	205	228	196	253	250	243	800	942
Profit after tax	302	391	386	422	395	457	464	472	1,501	1,789
YoY Growth (%)	21.8	21.2	25.5	21.3	30.8	17.0	20.4	11.8	21.9	19.2
Cost to Income Ratio (%)	21.1	21.4	19.0	16.2	16.2	16.3	16.8	15.7	19.3	16.2
Tax Rate (%)	34.7	34.6	34.7	35.0	33.2	35.7	35.0	34.5	34.8	34.5

E: MOSL Estimates



1. Will continue to maintain growth rate: future retail; Rakesh Biyani, Joint MD

- n Strong consumer connect has helped improve margin, sales growth & SSSG.
- n Like to like growth has been continuing to be strong for the last three quarters in a row now.
- n For Big Bazaar it has been 15.3 percent. That is what the SSSG has been. That is the same number that we have been getting for the last three quarters now in a row.

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2. Disappointed with GST rate on Ayurvedic medicines, says Dabur; Sunil Duggal, CEO

- n Oral care and in hair oils, current tax rate is 24-25% and will come down to 18%, so it brings saving of 3-4 percent.
- n Juices was around 11% earlier vs 12% now, so not much of a change.
- n Ayurvedic medicines rates would increase from the current 5 – 11% to 12 percent.
- n However, excise benefits would be grandfathered, so there would be no implications in terms of central GST.

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3. Expect topline growth of 8-10% in FY18: NCC, YD Murthy, Executive VP-Finance

- n NCC has an order-book of Rs 18,088 crore at the end of the FY17.
- n Some payments were delayed in UP and Rajasthan, due to which further execution has stopped impacting the topline
- n Bills pending with UP clients were about Rs 240 crore. The company has received around Rs 100 crore in the month of March and rest in April. Things are moving smoothly now
- n In the first two months of the current financial year, NCC has received orders of about Rs 2,000 crore and expects 8-10% topline for FY18.

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4. Expect robust demand post implementation of GST: Essel Propack; Ashok Goel, VC & MD

- n Margins are sustainable and can improve going forward
- n One-off costs that have come in India and Colombia because of rationalization of production sites
- n Expects 15% /20% Topline / PAT growth for FY18.
- n Expect robust demand post the implementation of goods and services tax (GST).
- n New facility that in Nagpur for distribution to help ensure that inventory levels are further optimized.

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1. The hazards of farm loan waivers

- n The Bharatiya Janata Party (BJP) won the 2017 state elections in Uttar Pradesh with a thumping majority and once again, the state government has a debt-waiver package ready to be implemented. The BJP's electoral manifesto had committed to write off loans of small and marginal farmers, which would approximately cost the government Rs37,000 crore, according to initial reports. Intervention in the credit market through household debt relief has been a fiscal policy adopted by many governments both at the Central and state level for many years. The support for debt-waiver programmes comes from the theoretical argument that a high level of outstanding debt reduces the incentive for the debtor to exert effort to repay.

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2. Cropping Monsanto's patent rights

- n The agriculture ministry is not reconciled to the grip which Monsanto has on the Indian cottonseed industry owing to the immense preference for its patented, genetically-modified (GM) bollworm-resistance traits. On May 16, Additional Solicitor-General Tushar Mehta intervened in a dispute between Monsanto and its biggest (now divorced) sub-licensee, Hyderabad-based Nuziveedu Seeds. He made written submissions on behalf of the government, a week after hearings on the matter had ended. The ASG believes that GM traits, if protected under the Indian Patents Act (IPA), can threaten the country's food security.

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3. Why are India's sovereign ratings poor?

- n In Economic Survey 2016-17, Chief Economic Advisor Arvind Subramanian has highlighted what he terms the "poor standards" of the rating agencies. He feels that India's sovereign ratings don't reflect the country's fundamentals and prospects, and have been stagnant for too long. The sovereign credit ratings assigned by the three international rating agencies — Fitch, Moody's and Standard & Poor's (S&P) — are on a par at 'BBB-', the lowest investment grade rating. Fitch and S&P have assigned a stable outlook for India, while Moody's has assigned a more optimistic positive outlook. Moody's upgraded India to 'Baa3' in January 2004, while Fitch and S&P upgraded India's sovereign rating to 'BBB+' in August 2006 and January 2007 respectively.

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4. The real problem with productivity


- n When it comes to productivity, only two things are undebatable: that the official rate of US productivity growth has stalled since 2007, having started to slow before then, and that there is no consensus about why or what to do about it. There is, additionally, some broad consensus that without stronger productivity growth going forward, standards of living will not improve appreciably, which is likely to fuel the current wave of populist discontent. One explanation, however, is increasingly popular even as it faces considerable scepticism among economists and policymakers: that the problem is less about productivity than about our inability to measure the effect of the digital and now data revolution that has redefined the American economy.

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International

5. Jim Hackett has an impossible job to remake ford

Mark Fields was fond of saying that Ford Motor Company needed to keep “one foot in the present and one foot in the future”. Mr Fields lost his footing entirely this week and was fired as Ford’s chief executive. The man chosen to take his place is Jim Hackett, former chief executive of Steelcase, the Midwestern office furniture company one 50th of the size of Ford by revenues. Mr Hackett made his name by remodelling Steelcase, then temporarily heading the University of Michigan’s ailing athletics programme and deftly recruiting a star coach for the Wolverines football team. So, Mr Hackett is big in Michigan. Whether his talents are sufficient to match Henry Ford’s self-confident declaration in 1925 that his eponymous company was “large in scope as well as great in purpose”, having “dared to try out the untried with conspicuous success”, is another matter.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Automobiles														
Amara Raja	Buy	835	1,084	30	29.3	37.3	43.4	28.5	22.4	5.7	4.7	21.7	22.9	22.0
Ashok Ley.	Buy	82	98	19	4.2	5.2	6.6	19.5	15.9	3.8	3.4	20.6	22.3	24.9
Bajaj Auto	Buy	2,772	3,422	23	132.3	150.4	178.2	21.0	18.4	4.7	4.2	25.3	24.1	25.6
Bharat Forge	Buy	1,085	1,266	17	25.3	37.2	50.6	42.9	29.2	6.4	5.6	15.7	20.5	23.7
Bosch	Neutral	22,796	22,924	1	472.3	667.8	764.1	48.3	34.1	9.2	7.7	18.2	24.5	23.4
CEAT	Buy	1,698	1,741	3	93.3	104.9	133.9	18.2	16.2	2.8	2.5	16.9	16.3	17.9
Eicher Mot.	Buy	27,412	30,402	11	613.8	892.0	1,135.1	44.7	30.7	15.5	11.0	40.3	41.9	38.5
Endurance Tech.	Buy	829	948	14	23.5	30.8	37.9	35.3	26.9	6.7	5.6	20.8	22.6	23.1
Escorts	Buy	602	608	1	23.2	34.1	43.4	25.9	17.6	3.0	2.6	12.1	15.9	17.5
Exide Ind	Buy	222	274	23	8.2	9.5	11.8	27.2	23.5	3.8	3.4	14.0	14.5	15.8
Hero Moto	Neutral	3,563	3,622	2	169.1	198.1	201.2	21.1	18.0	7.0	6.0	35.7	35.9	31.3
M&M	Buy	1,308	1,570	20	61.7	75.4	89.5	21.2	17.3	3.2	2.9	14.5	13.9	14.7
Mahindra CIE	Not Rated	240	-		5.4	9.9	11.8	44.8	24.3	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	6,856	8,060	18	248.6	300.0	370.9	27.6	22.9	5.7	4.9	20.3	21.2	22.3
Tata Motors	Buy	469	635	35	19.8	30.8	65.8	23.7	15.2	2.7	2.3	9.8	16.5	27.8
TVS Motor	Buy	524	581	11	11.7	16.7	26.7	44.6	31.3	10.3	8.2	25.6	29.2	35.9
Aggregate								27.0	20.7	4.7	4.1	17.6	19.7	23.2
Banks - Private														
Axis Bank	Neutral	499	525	5	15.4	23.4	41.2	32.5	21.3	2.2	2.0	6.9	9.9	15.7
DCB Bank	Neutral	184	170	-8	7.0	8.8	11.2	26.3	20.9	2.8	2.5	10.9	12.4	14.0
Equitas Hold.	Buy	147	210	43	4.7	4.8	7.5	31.1	30.3	2.2	2.1	8.9	7.1	10.1
Federal Bank	Buy	107	125	16	4.8	5.8	7.3	22.3	18.6	2.1	1.9	9.9	10.9	12.5
HDFC Bank	Buy	1,569	1,790	14	56.8	67.1	79.4	27.6	23.4	4.7	4.1	17.9	18.2	19.0
ICICI Bank	Buy	307	365	19	16.8	16.8	19.2	18.2	18.2	2.1	1.9	10.1	9.1	9.8
IDFC Bank	Neutral	57	62	9	3.0	3.3	4.3	18.9	17.2	1.3	1.2	7.2	7.4	9.0
IndusInd	Buy	1,414	1,700	20	50.1	59.4	72.0	28.2	23.8	4.2	3.7	16.0	16.5	17.3
J&K Bank	Neutral	77	89	15	-31.3	4.4	8.0	NM	17.6	0.7	0.7	-27.0	4.0	7.0
Kotak Mah. Bk	Buy	936	1,050	12	26.8	32.3	40.5	34.9	29.0	4.5	3.9	13.8	14.5	15.7
RBL Bank	Under Review	525	-		11.9	17.6	23.8	44.2	29.7	4.6	4.1	12.3	14.6	17.3
South Indian	Buy	25	31	23	2.2	2.9	3.6	11.6	8.8	1.0	0.9	9.4	10.6	12.2
Yes Bank	Buy	1,424	2,110	48	73.0	90.5	114.0	19.5	15.7	3.6	3.0	18.9	17.9	19.4
Aggregate								27.0	21.8	3.1	2.8	11.4	12.9	14.5
Banks - PSU														
BOB	Buy	176	217	24	6.0	19.0	24.9	29.3	9.2	1.2	1.1	4.1	12.3	14.5
BOI	Neutral	141	147	4	-14.8	13.7	22.0	NM	10.3	0.6	0.6	-6.7	6.1	9.0
Canara	Neutral	352	380	8	18.8	33.0	48.9	18.8	10.7	0.8	0.7	4.2	6.8	9.4
IDBI Bk	Neutral	61	49	-19	1.5	6.4	8.6	39.9	9.5	0.6	0.5	1.4	5.8	7.3
Indian Bk	Buy	323	360	11	29.3	33.3	38.1	11.0	9.7	1.1	1.0	10.1	10.6	11.1
OBC	Neutral	144	150	4	-31.6	17.1	21.4	NM	8.5	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	148	184	25	6.2	10.3	14.5	23.7	14.4	0.8	0.8	3.6	5.6	7.5
SBI	Buy	283	375	32	0.3	19.7	25.9	935.9	14.3	1.3	1.2	-0.2	8.9	10.7
Union Bk	Neutral	161	174	8	7.6	24.6	34.5	21.0	6.5	0.5	0.5	2.7	8.1	10.5
Aggregate								103.4	12.3	1.0	0.9	0.9	7.4	9.3
NBFCs														
Bajaj Fin.	Buy	1,223	1,550	27	33.6	47.0	63.6	36.4	26.0	7.0	5.7	21.7	24.0	26.2
Bharat Fin.	Neutral	669	769	15	21.0	32.4	45.3	31.9	20.6	3.8	3.2	15.1	16.7	19.5
Dewan Hsg.	Buy	396	559	41	29.6	38.6	45.5	13.4	10.2	1.6	1.4	14.4	14.5	15.2
GRUH Fin.	Neutral	399	421	6	8.1	10.3	12.5	49.0	38.8	13.1	10.9	30.4	30.6	30.9
HDFC	Buy	1,525	1,797	18	46.8	50.7	55.9	32.5	30.1	6.0	5.5	19.3	18.3	17.4
Indiabulls Hsg	Buy	1,039	1,227	18	69.0	82.2	101.6	15.1	12.6	3.6	3.2	25.5	27.0	29.6
LIC Hsg Fin	Neutral	672	723	8	38.2	44.6	51.2	17.6	15.1	3.2	2.7	19.4	19.3	19.0
Manappuram	Not Rated	87	-		8.2	11.1	14.0	10.6	7.8	2.4	2.1	23.9	29.0	32.2
M&M Fin.	Buy	296	400	35	7.1	12.9	16.4	41.8	22.9	2.6	2.4	6.4	10.9	12.9
Muthoot Fin	Buy	386	465	21	29.7	34.5	40.0	13.0	11.2	2.4	2.1	19.7	20.2	20.6



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
PFC	Neutral	146	117	-20	25.7	27.2	30.2	5.7	5.4	1.0	0.9	17.9	17.0	16.8
Repco Home	Buy	744	831	12	28.6	34.0	40.2	26.0	21.9	4.2	3.5	17.3	17.5	17.6
REC	Neutral	211	134	-36	31.4	35.0	40.4	6.7	6.0	1.2	1.1	19.9	19.1	19.1
Shriram Union	City Buy	2,141	2,689	26	84.3	130.4	164.7	25.4	16.4	2.9	2.5	11.8	16.2	17.8
STF	Buy	946	1,269	34	55.6	77.4	98.6	17.0	12.2	1.9	1.7	11.7	14.5	16.3
Aggregate								17.7	15.2	3.1	2.7	17.2	17.7	17.9
Capital Goods														
ABB	Sell	1,470	1,200	-18	19.7	25.1	32.2	74.6	58.7	9.5	8.2	12.7	13.9	15.8
Bharat Elec.	Buy	167	180	8	6.5	7.3	8.5	25.8	22.8	4.9	4.3	20.4	18.8	19.1
BHEL	Sell	150	115	-23	5.5	5.7	5.8	27.1	26.2	1.1	1.0	4.0	4.0	4.0
Blue Star	Neutral	636	650	2	12.9	19.0	28.0	49.4	33.5	8.0	7.5	18.0	23.2	31.6
CG Cons. Elec.	Buy	217	221	2	4.6	5.5	6.7	47.5	39.7	36.0	24.5	94.3	73.3	66.1
CG Power & Indu.	Sell	88	45	-49	3.6	3.9	4.5	24.2	22.6	1.3	1.2	5.4	5.5	6.0
Cummins	Neutral	913	950	4	26.5	29.3	35.2	34.5	31.1	6.8	6.2	21.2	20.8	23.0
GE T&D	Neutral	341	340	0	6.0	11.0	11.4	56.7	30.9	6.7	6.1	11.7	20.7	19.2
Havells	Neutral	441	480	9	9.6	12.1	14.5	46.1	36.5	8.4	7.4	18.2	20.4	21.4
Inox Wind	Under Review	133	-	-	12.8	-3.2	15.5	10.4	NM	1.4	1.4	14.9	-3.3	15.1
K E C Intl	Neutral	244	250	2	11.9	13.6	16.8	20.6	18.0	4.0	3.4	21.2	20.3	21.2
L&T	Buy	1,685	1,970	17	53.6	64.7	75.8	31.4	26.0	3.3	3.0	10.9	12.1	12.9
Pennar Eng.	Not Rated	132	-	-	5.8	7.5	10.0	22.7	17.6	1.9	1.8	8.6	10.0	11.8
Siemens	Neutral	1,333	1,355	2	17.8	24.3	33.3	74.8	54.9	7.0	6.0	9.3	11.0	13.7
Solar Ind	Neutral	820	800	-2	19.0	22.3	26.5	43.1	36.7	7.4	6.4	18.4	18.6	19.0
Suzlon Energy	Not Rated	19	-	-	0.6	0.9	1.0	29.8	21.4	-1.7	-1.9	NM	-8.8	-11.0
Thermax	Sell	983	781	-21	23.5	28.4	31.5	41.8	34.6	4.7	4.3	11.6	12.9	13.2
Va Tech Wab.	Buy	675	760	13	26.5	34.5	40.3	25.5	19.5	3.5	3.1	8.9	16.7	17.3
Voltas	Sell	448	370	-17	15.5	14.9	16.7	28.9	30.1	4.5	4.0	18.0	14.1	14.3
Aggregate								35.1	30.5	3.9	3.6	11.1	11.7	12.8
Cement														
Ambuja Cem.	Buy	236	283	20	4.9	6.6	7.2	48.2	35.5	2.4	2.3	5.0	6.7	7.1
ACC	Neutral	1,586	1,521	-4	33.7	49.2	63.6	47.0	32.2	3.5	3.6	7.5	11.0	14.2
Birla Corp.	Buy	751	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	2,328	3,162	36	38.8	66.7	87.1	60.1	34.9	4.2	3.7	7.2	11.3	13.1
Grasim Inds.	Neutral	1,099	1,234	12	67.9	86.9	114.5	16.2	12.7	1.8	1.6	11.5	13.1	15.1
India Cem	Neutral	185	152	-18	5.1	8.7	11.9	36.1	21.2	1.5	1.4	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	481	550	14	7.0	11.4	20.5	69.1	42.2	4.0	3.7	6.0	9.2	14.7
Ramco Cem	Buy	674	815	21	27.8	30.1	36.2	24.3	22.4	4.4	3.8	19.6	18.0	18.5
Orient Cem	Buy	145	185	27	-1.6	4.5	6.8	NM	32.2	3.0	2.8	-3.2	9.0	12.3
Prism Cem	Buy	116	118	2	-0.6	2.6	4.8	NM	44.1	6.1	5.5	-3.1	13.1	20.8
Shree Cem	Buy	17,426	23,316	34	384.4	480.7	621.0	45.3	36.3	8.6	7.1	20.2	21.5	22.6
Ultratech	Buy	4,175	4,928	18	96.1	121.4	159.1	43.4	34.4	5.0	4.4	12.0	13.6	15.7
Aggregate								36.8	27.5	3.6	3.3	9.8	11.9	13.8
Consumer														
Asian Paints	Neutral	1,093	1,210	11	21.0	23.1	27.4	52.0	47.3	13.8	13.2	28.5	28.6	30.6
Britannia	Buy	3,533	4,065	15	72.2	83.3	101.7	49.0	42.4	18.8	14.9	43.1	39.2	38.0
Colgate	Buy	990	1,180	19	21.2	25.7	31.1	46.6	38.6	21.1	19.9	50.4	53.2	60.3
Dabur	Neutral	269	295	10	7.2	7.7	9.1	37.1	34.8	9.8	8.4	28.4	26.0	26.3
Emami	Buy	1,087	1,250	15	26.5	29.2	34.7	41.0	37.2	14.1	11.3	35.8	33.8	32.2
Godrej Cons.	Neutral	1,759	1,950	11	37.8	43.6	50.0	46.5	40.3	11.3	8.8	24.6	24.5	23.0
GSK Cons.	Sell	5,277	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	1,038	1,165	12	19.6	22.4	25.9	52.9	46.3	33.7	33.0	65.6	72.1	81.4
ITC	Buy	300	320	7	8.4	9.3	11.0	35.8	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	311	335	8	6.3	6.9	8.4	49.5	44.8	17.3	14.7	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
Nestle	Sell	6,526	5,715	-12	118.0	118.6	139.5	55.3	55.0	20.9	19.2	39.0	36.4	39.0
Page Inds	Buy	14,064	17,480	24	235.6	305.1	388.4	59.7	46.1	24.6	19.4	41.3	42.2	43.2
Parag Milk	Neutral	235	250	6	0.8	6.9	12.5	290.2	33.9	2.9	2.7	1.3	8.2	13.2
Pidilite Ind.	Neutral	722	762	6	16.7	18.4	21.2	43.1	39.1	11.2	9.1	28.2	25.6	24.0
P&G Hygiene	Buy	7,379	8,760	19	144.9	155.8	181.6	50.9	47.4	42.1	33.6	45.3	78.9	74.0
United Brew	Neutral	770	830	8	8.7	9.7	14.7	88.6	79.4	8.8	8.1	10.4	10.7	14.6
United Spirits	Neutral	2,012	2,025	1	28.6	42.2	58.7	70.3	47.7	13.3	10.5	20.8	22.1	23.8
Aggregate								44.3	39.5	13.2	11.7	29.9	29.5	30.6
Healthcare														
Alembic Phar	Neutral	580	640	10	21.6	26.0	32.1	26.9	22.3	5.8	4.8	23.1	23.6	24.1
Alkem Lab	Neutral	1,830	1,850	1	79.3	85.7	100.0	23.1	21.3	5.1	4.3	24.4	22.0	21.7
Ajanta Pharma	Buy	1,662	2,028	22	58.4	66.4	79.9	28.5	25.1	9.4	7.1	37.7	32.3	30.0
Aurobindo	Buy	525	900	71	39.8	45.4	54.3	13.2	11.6	3.3	2.6	28.6	25.3	24.0
Biocon	Sell	894	900	1	30.6	33.1	44.9	29.2	27.1	4.0	3.6	13.6	13.3	16.1
Cadila	Buy	441	510	16	12.0	17.7	23.0	36.7	25.0	7.4	6.0	21.4	26.5	27.9
Cipla	Neutral	520	550	6	17.9	22.0	28.5	29.1	23.7	3.2	2.9	11.0	12.2	13.8
Divis Lab	Neutral	557	600	8	43.0	32.9	38.6	13.0	17.0	3.1	2.9	25.4	17.7	18.8
Dr Reddy's	Neutral	2,521	2,625	4	72.6	107.1	144.5	34.7	23.5	3.4	2.8	9.6	13.3	15.1
Fortis Health	Buy	194	250	29	2.3	2.9	6.5	82.8	66.0	2.2	1.9	2.7	3.1	6.1
Glenmark	Neutral	632	800	27	39.3	45.0	53.5	16.1	14.0	4.0	3.2	24.7	22.4	21.3
Granules	Buy	135	200	49	7.3	8.1	11.4	18.5	16.5	3.1	2.2	20.0	16.4	17.6
GSK Pharma	Neutral	2,400	2,700	13	34.4	51.9	60.1	69.8	46.2	15.0	18.3	21.5	39.7	54.4
IPCA Labs	Neutral	491	540	10	15.8	27.9	37.3	31.0	17.6	2.5	2.3	8.4	13.5	15.9
Lupin	Buy	1,228	1,850	51	61.4	78.6	88.8	20.0	15.6	4.2	3.4	22.8	23.8	22.1
Sanofi India	Buy	4,030	4,850	20	129.1	131.0	173.4	31.2	30.8	5.3	5.0	17.1	16.3	19.3
Sun Pharma	Buy	603	850	41	27.1	32.5	38.7	22.2	18.5	4.2	3.6	19.8	20.9	21.0
Syngene Intl	Not Rated	452	-		13.0	16.1	18.0	34.8	28.0	7.0	5.7	22.2	22.5	20.7
Torrent Pharma	Buy	1,238	1,700	37	56.6	76.3	93.4	21.9	16.2	5.2	4.3	25.9	29.3	29.6
Aggregate								24.3	20.0	4.3	3.7	17.9	18.3	18.9
Logistics														
Allcargo Logistics	Buy	173	228	32	9.8	12.2	14.3	17.6	14.2	2.6	2.3	12.6	17.2	17.8
Blue Dart	Not Rated	4,305	-		102.5	129.9	163.2	42.0	33.1	18.6	14.2	50.5	48.6	46.8
Concor	Neutral	1,182	1,042	-12	29.7	39.9	44.9	39.8	29.6	3.4	3.2	8.8	11.2	11.8
Gateway Distriparks	Buy	239	310	30	6.8	11.6	14.3	35.1	20.6	2.1	2.0	5.9	9.9	11.7
Gati	Not Rated	123	-		8.4	15.9	23.9	14.7	7.7	2.0	1.8	12.4	19.4	25.4
Transport Corp.	Not Rated	249	-		16.9	21.0	25.9	14.7	11.9	2.3	2.0	16.7	17.8	18.6
Aggregate								33.3	24.6	3.7	3.4	11.1	13.8	15.0
Media														
Dish TV	Buy	92	115	26	1.4	2.7	4.3	63.6	34.4	18.3	12.0	33.6	42.0	43.9
D B Corp	Buy	354	460	30	20.4	24.1	28.7	17.3	14.7	4.1	3.6	25.5	26.2	27.6
Den Net.	Neutral	92	90	-2	-3.6	2.2	8.5	NM	41.7	1.1	1.0	-4.1	2.5	8.8
Hind. Media	Buy	276	360	30	26.4	27.1	29.9	10.5	10.2	1.8	1.6	19.3	16.6	15.6
HT Media	Neutral	80	85	6	7.4	7.9	8.3	10.8	10.2	0.7	0.7	7.1	6.9	6.6
Jagran Prak.	Buy	177	225	27	10.8	12.2	13.9	16.4	14.5	3.2	2.8	20.7	20.6	20.4
PVR	Buy	1,451	1,667	15	20.8	35.7	56.8	69.9	40.7	7.1	6.2	10.6	16.3	22.0
Siti Net.	Neutral	31	40	30	-1.8	0.0	1.2	NM	NM	3.6	3.1	-21.7	0.0	11.1
Sun TV	Neutral	782	860	10	25.1	29.7	34.5	31.2	26.3	7.8	7.2	25.1	27.3	29.0
Zee Ent.	Buy	510	600	18	23.1	16.4	19.5	22.0	31.1	8.1	6.8	23.7	23.8	23.8
Aggregate								39.2	27.9	5.8	5.1	14.8	18.3	20.4
Metals														
Hindalco	Buy	187	242	30	17.5	22.6	25.9	10.7	8.3	1.6	1.3	15.9	17.1	16.3
Hind. Zinc	Sell	232	235	1	19.7	21.5	23.7	11.8	10.8	3.2	2.7	24.4	27.2	25.4
JSPL	Buy	111	181	63	-20.9	-15.8	-2.6	NM	NM	0.3	0.4	-7.9	-4.9	-0.8
JSW Steel	Buy	189	241	27	14.8	20.1	22.6	12.8	9.4	2.0	1.7	17.3	19.7	18.8



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	65	83	27	3.9	5.3	5.8	16.8	12.2	1.2	1.1	7.5	9.6	9.9
NMDC	Buy	116	178	54	12.1	12.3	13.0	9.6	9.4	1.5	1.4	13.4	15.5	15.1
SAIL	Sell	57	30	-47	-7.4	-12.6	0.4	NM	NM	0.7	0.8	-8.1	-15.4	0.5
Vedanta	Neutral	224	225	0	15.1	24.5	27.4	14.8	9.1	1.4	1.3	9.7	14.8	15.3
Tata Steel	Sell	483	451	-7	37.0	39.5	45.7	13.1	12.2	1.5	1.3	15.4	11.4	12.1
Aggregate								16.5	13.4	1.4	1.3	8.2	9.5	11.9
Oil & Gas														
BPCL	Buy	710	763	7	55.9	53.7	58.4	12.7	13.2	3.2	2.8	27.1	22.7	21.4
GAIL	Neutral	390	358	-8	22.6	28.7	32.7	17.3	13.6	1.7	1.6	10.2	12.2	12.9
Gujarat Gas	Sell	751	735	-2	17.5	40.0	49.0	42.9	18.8	4.4	3.7	10.7	21.5	22.0
Gujarat St. Pet.	Neutral	172	162	-6	8.9	11.0	13.2	19.3	15.6	2.2	2.0	12.0	13.5	14.5
HPCL	Buy	499	604	21	53.5	44.9	45.8	9.3	11.1	2.5	2.2	27.8	20.7	18.6
IOC	Buy	431	441	2	43.7	39.4	41.0	9.9	10.9	2.4	2.1	26.0	20.4	18.8
IGL	Neutral	982	1,023	4	43.3	43.8	49.4	22.7	22.4	4.8	4.1	22.3	19.7	19.2
MRPL	Neutral	124	124	0	11.7	12.8	13.3	10.6	9.7	2.2	1.8	24.8	20.5	18.4
Oil India	Buy	305	382	25	28.6	33.1	37.8	10.7	9.2	1.0	1.0	9.8	10.8	11.6
ONGC	Buy	174	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	1,297	1,264	-3	106.6	121.7	127.8	12.2	10.7	1.3	1.2	11.9	11.8	11.2
Aggregate								12.2	11.1	1.7	1.5	13.7	13.6	13.5
Retail														
Jubilant Food	Neutral	977	1,110	14	12.3	21.7	29.1	79.2	44.9	8.0	8.8	10.1	19.5	24.9
Titan Co.	Neutral	469	505	8	9.0	10.3	12.1	51.9	45.6	9.8	8.7	20.6	20.2	20.9
Aggregate								55.3	46.3	9.7	8.8	17.5	19.1	20.2
Technology														
Cyient	Buy	499	620	24	30.6	38.3	44.2	16.3	13.0	2.6	2.3	16.2	17.8	17.9
HCL Tech.	Buy	855	960	12	59.8	61.9	67.6	14.3	13.8	3.6	3.5	27.5	25.4	26.0
Hexaware	Neutral	246	235	-4	13.7	15.4	16.7	18.0	16.0	4.4	3.8	26.5	25.3	23.5
Infosys	Buy	954	1,200	26	62.9	64.7	71.1	15.2	14.7	3.2	2.8	23.3	21.4	21.2
KPIT Tech	Neutral	112	150	34	11.9	13.4	15.2	9.4	8.3	1.4	1.2	14.3	15.6	15.2
L&T Infotech	Buy	773	850	10	55.5	59.7	65.0	13.9	12.9	4.8	3.8	40.4	32.8	28.3
Mindtree	Neutral	510	475	-7	24.9	30.5	36.5	20.5	16.7	3.3	3.0	16.8	18.9	20.5
Mphasis	Neutral	573	550	-4	42.7	43.0	44.9	13.4	13.3	2.0	1.9	14.1	14.9	14.7
NIIT Tech	Neutral	480	470	-2	42.8	42.5	46.1	11.2	11.3	1.8	1.6	16.1	14.8	14.7
Persistent Sys	Buy	580	700	21	37.7	43.9	51.4	15.4	13.2	2.4	2.3	17.0	18.1	20.3
Tata Elxsi	Buy	1,327	1,780	34	59.3	72.1	89.0	22.4	18.4	8.6	6.8	42.5	41.3	40.8
TCS	Neutral	2,558	2,400	-6	133.4	139.7	149.6	19.2	18.3	6.0	6.2	33.5	32.4	32.3
Tech Mah	Buy	417	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	890	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	369	430	17	11.1	6.3	11.5	33.2	58.6	2.2	2.1	6.7	3.7	6.4
Bharti Infratel	Buy	369	435	18	14.9	17.5	19.9	24.8	21.1	4.5	3.9	16.2	19.4	19.1
Idea Cellular	Buy	79	110	40	-1.1	-12.9	-13.6	NM	NM	1.1	1.4	-1.6	-20.8	-27.4
Tata Comm	Buy	648	811	25	26.0	18.1	36.0	24.9	35.8	11.6	8.8	126.2	27.9	39.1
Aggregate								35.8	167.5	2.5	2.5	6.9	1.5	3.9
Utilities														
Coal India	Buy	262	335	28	15.9	18.7	20.9	16.5	14.0	6.5	6.5	39.5	46.3	51.8
CESC	Buy	876	1,040	19	51.9	73.4	80.6	16.9	11.9	2.0	1.7	11.4	15.5	15.0
JSW Energy	Buy	62	88	41	3.9	2.1	1.8	16.1	29.5	1.0	1.0	6.7	3.3	2.8
NTPC	Buy	156	199	27	11.9	14.3	17.3	13.1	10.9	1.4	1.3	10.6	11.9	13.3
Power Grid	Buy	200	243	22	15.3	17.7	20.7	13.1	11.3	2.1	1.8	17.3	17.5	17.7
Tata Power	Sell	80	67	-16	5.2	6.7	7.0	15.5	11.9	1.8	1.6	11.2	14.6	13.6
Aggregate								14.6	12.4	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	367	382	4	12.4	16.6	23.6	29.7	22.1	2.7	2.4	10.3	11.5	14.7
Bata India	Under Review	522	-		13.5	15.6	19.3	38.8	33.4	5.1	4.6	13.9	14.5	15.9
Castrol India	Buy	419	532	27	13.6	14.9	15.2	30.7	28.2	32.3	29.1	110.9	108.6	100.4
Century Ply.	Buy	241	274	14	7.7	8.6	11.4	31.2	27.9	8.2	6.7	28.9	26.5	28.6
Coromandel Intl	Under Review	380	-		16.0	18.3	23.6	23.8	20.8	4.1	3.7	18.2	18.9	21.7
Delta Corp	Buy	145	229	58	3.3	6.9	7.6	44.4	21.1	3.9	2.9	9.0	15.7	17.0
Dynamic Tech	Buy	2,674	3,334	25	67.6	112.9	166.7	39.6	23.7	5.5	4.4	15.1	20.7	24.3
Eveready Inds.	Buy	316	287	-9	11.4	13.9	16.9	27.7	22.8	8.4	6.8	34.7	33.0	32.4
Interglobe	Neutral	1,058	1,234	17	46.0	65.6	88.2	23.0	16.1	18.9	16.8	86.2	110.2	129.8
Indo Count	Buy	169	229	35	13.0	14.6	17.6	13.0	11.6	3.9	2.9	34.8	28.8	25.9
Info Edge	Buy	843	1,000	19	16.9	17.9	21.0	49.9	47.0	5.3	5.0	11.1	10.9	11.9
Inox Leisure	Sell	278	240	-14	3.3	8.0	12.0	83.2	34.6	4.8	4.3	5.9	12.5	16.2
Jain Irrigation	Under Review	86	-		5.5	7.6	10.0	15.5	11.3	1.3	1.3	8.6	11.7	14.8
Just Dial	Neutral	472	465	-2	17.5	18.5	21.1	27.1	25.6	3.6	3.2	14.8	13.4	13.7
Kaveri Seed	Buy	493	649	32	23.4	28.6	36.1	21.0	17.3	3.5	3.3	17.3	19.8	22.9
Kitex Garm.	Buy	381	551	45	26.0	31.0	36.7	14.7	12.3	4.0	3.2	29.9	28.7	27.7
Manpasand	Buy	730	841	15	13.3	22.0	31.1	54.9	33.2	3.6	3.3	7.7	9.3	13.5
MCX	Buy	937	1,325	41	24.8	30.5	42.9	37.7	30.7	3.5	3.3	9.9	11.1	14.6
Monsanto	Buy	2,689	2,841	6	72.9	89.3	109.3	36.9	30.1	11.2	10.5	30.4	35.9	39.6
Navneet Education	Buy	159	210	32	6.6	8.6	10.5	23.9	18.5	6.1	5.1	26.0	30.0	30.9
PI Inds.	Buy	806	1,046	30	30.4	34.8	43.6	26.5	23.2	7.3	5.8	30.9	27.9	27.8
Piramal Enterp.	Buy	2,650	3,044	15	72.6	104.1	144.6	36.5	25.4	3.5	3.2	9.8	13.0	16.4
SRF	Buy	1,588	1,825	15	11.0	101.8	127.1	145.0	15.6	3.0	2.6	2.2	17.5	19.2
S H Kelkar	Buy	277	367	33	7.2	9.6	12.2	38.2	28.8	4.9	4.4	13.7	16.1	18.2
Symphony	Sell	1,320	1,288	-2	27.0	35.1	42.9	48.9	37.6	26.6	22.7	56.8	65.0	66.3
TTK Prestige	Neutral	6,492	5,281	-19	106.9	137.7	176.0	60.7	47.1	9.6	8.7	16.5	19.4	22.2
V-Guard	Neutral	180	140	-22	3.7	4.6	5.4	48.6	39.3	12.8	10.3	29.4	29.1	27.6
Wonderla	Buy	371	393	6	7.0	11.9	16.0	53.0	31.0	4.8	4.3	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-4.5	-4.6	-6.7
Ashok Ley.	-2.7	-5.6	-19.1
Bajaj Auto	-1.9	-3.1	16.2
Bharat Forge	3.9	-4.1	49.5
Bosch	-1.1	1.4	7.4
CEAT	-2.7	16.8	87.0
Eicher Mot.	-0.6	5.1	50.8
Endurance Tech.	3.7	-1.0	
Escorts	1.1	9.4	251.7
Exide Ind	-2.3	-5.7	46.7
Hero Moto	-0.6	11.2	23.1
M&M	-1.6	3.4	0.9
Mahindra CIE	2.7	9.7	30.6
Maruti Suzuki	-0.4	8.5	75.0
Tata Motors	4.3	5.5	20.6
TVS Motor	-0.3	7.9	77.9
Banks - Private			
Axis Bank	-0.3	0.2	2.0
DCB Bank	-3.2	1.2	107.7
Equitas Hold.	-2.9	-13.3	1.5
Federal Bank	-0.4	15.4	117.0
HDFC Bank	0.0	2.4	37.6
ICICI Bank	0.2	14.2	36.7
IDFC Bank	-2.8	-3.4	21.0
IndusInd	1.7	-1.4	35.5
J&K Bank	-5.7	-2.2	31.5
Kotak Mah. Bk	-0.4	4.8	33.7
RBL Bank	-0.2	-7.0	
South Indian	-1.2	1.4	54.2
Yes Bank	1.6	-8.5	45.8
Banks - PSU			
BOB	-3.5	-1.8	35.3
BOI	-3.7	-7.7	75.8
Canara	-1.5	7.4	99.8
IDBI Bk	-6.4	-17.3	-4.6
Indian Bk	-0.9	13.4	258.9
OBC	-3.3	-7.4	86.3
PNB	-1.3	-5.1	105.0
SBI	-2.1	-0.8	67.0
Union Bk	-2.1	0.5	50.7
NBFCs			
Bajaj Fin.	-1.3	-3.7	60.5
Bharat Fin.	0.5	-14.9	9.6
Dewan Hsg.	-1.6	-5.2	115.6
GRUH Fin.	4.8	3.2	47.1
HDFC	0.9	-0.4	30.0
Indiabulls Hsg	-1.0	3.2	52.1
LIC Hsg Fin	0.3	2.1	54.4
Manappuram	1.7	-8.0	60.1
M&M Fin.	-2.9	-13.6	-2.7
Muthoot Fin	0.4	-2.4	78.9
PFC	-2.8	-7.5	71.5
Repco Home	0.7	-2.6	9.5
REC	-1.1	2.6	172.5
STF	-1.4	-10.3	-18.1
Shriram City Union	0.0	-6.1	40.3

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	1.1	5.2	23.5
Bharat Elec.	-3.1	-8.3	50.8
BHEL	-3.8	-14.8	27.6
Blue Star	-0.6	-7.1	48.0
CG Cons. Elec.	-0.5	0.2	60.9
CG Power & Inds Sol.	-0.2	10.5	41.7
Cummins	-1.2	-5.9	4.9
GE T&D	-0.7	1.0	3.6
Havells	-2.2	-8.9	20.1
Inox Wind	-6.4	-33.0	-42.4
K E C Intl	0.8	10.3	89.2
L&T	-3.2	-2.6	35.7
Pennar Eng.	1.9	-10.2	-12.0
Siemens	-2.1	1.1	18.2
Solar Ind	-0.2	1.8	27.9
Suzlon Energy	-4.3	-5.5	28.1
Thermax	-1.1	-6.4	38.7
Va Tech Wab.	-0.9	-2.3	21.1
Voltas	9.2	7.9	37.0
Cement			
Ambuja Cem.	-1.8	-4.6	9.3
ACC	-2.7	-1.3	9.7
Birla Corp.	0.0	0.2	99.1
Dalmia Bharat	-1.7	10.4	170.9
Grasim Inds.	0.2	-6.6	28.3
India Cem	-4.6	-8.3	119.1
JK Cements	0.0	13.9	85.3
JK Lakshmi Ce	-0.9	-1.3	40.3
Ramco Cem	-0.8	-2.6	40.0
Orient Cem	-4.8	-13.6	-3.1
Prism Cem	-2.6	3.7	26.1
Shree Cem	-2.5	-6.2	33.6
Ultratech	-2.2	0.7	31.5
Consumer			
Asian Paints	-0.6	2.3	14.3
Britannia	-1.7	4.5	33.2
Colgate	0.4	-4.5	18.5
Dabur	-1.7	-8.0	-4.9
Emami	0.2	7.9	5.6
Godrej Cons.	-0.1	5.8	26.1
GSK Cons.	-0.1	1.2	-8.1
HUL	1.8	14.7	26.1
ITC	-0.1	8.6	29.1
Jyothy Lab	0.0	-4.8	28.1
Marico	-0.8	3.1	26.8
Nestle	-0.6	3.8	8.6
Page Inds	-2.3	1.3	7.1
Parag Milk	-2.5	-4.7	4.4
Pidilite Ind.	-1.9	1.0	9.8
P&G Hygiene	-1.2	0.9	16.9
United Brew	-0.6	1.0	8.3
United Spirits	-0.3	4.2	-18.4
Healthcare			
Alembic Phar	-2.2	-4.1	7.0
Alkem Lab	-0.5	-9.8	49.3
Ajanta Pharma	-0.5	1.2	13.3
Aurobindo	-3.1	-16.3	-27.7

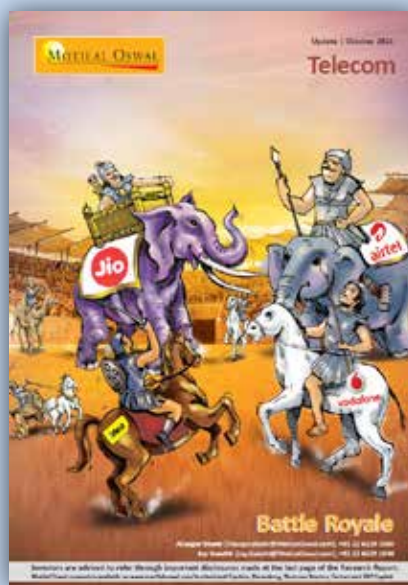
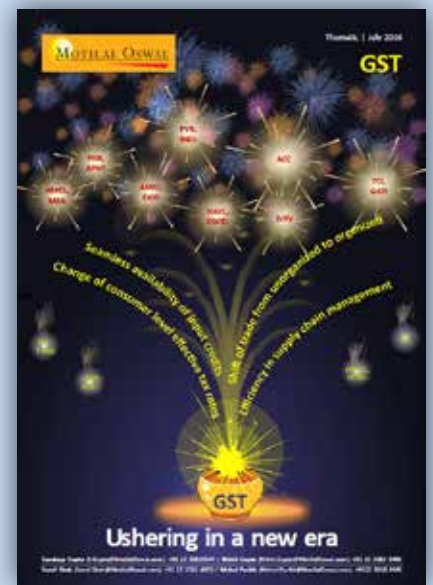
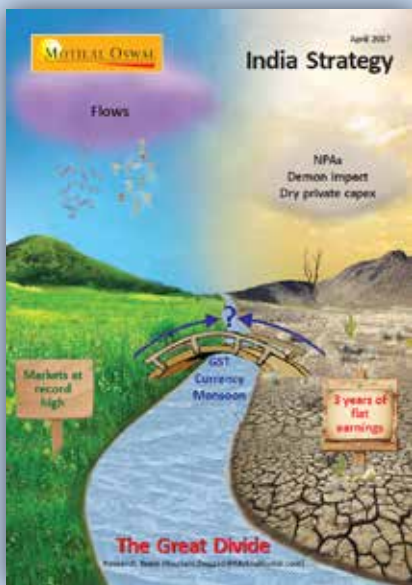


Company	1 Day (%)	1M (%)	12M (%)
Biocon	-5.5	-16.1	39.1
Cadila	-0.1	-2.3	38.6
Cipla	-2.4	-6.4	5.1
Divis Lab	-3.3	-12.2	-46.0
Dr Reddy's	-2.2	-3.4	-16.7
Fortis Health	-1.1	-7.9	16.0
Glenmark	-2.9	-28.4	-26.4
Granules	-4.4	-8.4	5.1
GSK Pharma	-0.8	-6.9	-29.3
IPCA Labs	-4.3	-17.3	11.6
Lupin	-1.7	-9.9	-16.2
Sanofi India	-1.7	-8.2	-3.2
Sun Pharma	-1.6	-6.2	-22.0
Syngene Intl	-3.1	-14.4	21.1
Torrent Pharma	-2.2	-15.7	-8.7
Logistics			
Allcargo Logistics	-1.6	-2.2	10.9
Blue Dart	2.3	-11.8	-18.6
Concor	-3.2	-1.6	6.9
Gateway Distriparks	0.5	-10.6	-13.7
Gati	-2.6	-11.3	-0.7
Transport Corp.	-2.4	6.4	50.3
Media			
Dish TV	-3.6	-1.8	9.6
D B Corp	-4.1	-7.1	8.2
Den Net.	1.6	-6.6	-0.1
Hind. Media	1.8	-5.0	-0.4
HT Media	-1.1	-3.3	-5.9
Jagran Prak.	-1.0	-7.9	2.5
PVR	-2.7	-7.8	72.4
Siti Net.	-2.1	-17.6	-16.2
Sun TV	-4.0	-15.8	117.0
Zee Ent.	-0.6	-2.8	16.3
Metals			
Hindalco	-2.4	-2.0	116.6
Hind. Zinc	-3.5	-15.7	39.8
JSPL	3.0	-2.5	90.9
JSW Steel	-2.1	-1.7	43.4
Nalco	-1.6	-3.0	54.2
NMDC	-3.0	-11.5	28.6
SAIL	-4.0	-5.4	45.5
Vedanta	-3.0	-3.3	131.1
Tata Steel	-1.5	7.1	52.1
Oil & Gas			
BPCL	1.8	-0.7	58.5
GAIL	2.6	-5.6	40.2
Gujarat Gas	-2.3	-9.3	49.0
Gujarat St. Pet.	0.3	-13.2	31.1
HPCL	0.0	-10.2	85.7
IOC	1.6	2.1	117.4
IGL	-0.3	-7.0	72.7
MRPL	-1.1	-2.6	91.6
Oil India	-2.2	-5.5	18.8
ONGC	-0.6	-4.4	25.9
PLNG	0.0	-2.1	67.4
Reliance Ind.	-0.6	-8.4	38.0
Retail			
Jubilant Food	-1.5	-6.6	-8.1

Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	-1.6	-2.7	29.3
Technology			
Cyient	-1.1	-7.8	7.1
HCL Tech.	-1.2	4.5	15.9
Hexaware	0.1	12.2	17.1
Infosys	-0.4	3.0	-19.7
KPIT Tech	-4.2	-14.5	-30.6
L&T Infotech	0.0	6.9	
Mindtree	2.1	13.3	-21.3
Mphasis	-1.3	8.6	21.8
NIIT Tech	-2.1	11.9	1.1
Persistent Sys	0.8	2.8	-20.1
Tata Elxsi	-8.6	-16.1	-25.5
TCS	1.5	9.8	3.7
Tech Mah	0.3	-2.9	-13.0
Wipro	-0.1	6.7	-2.4
Zensar Tech	0.1	-2.2	-7.1
Telecom			
Bharti Airtel	-0.8	7.4	6.7
Bharti Infratel	-2.8	2.8	-4.2
Idea Cellular	-6.7	-7.2	-26.7
Tata Comm	-3.3	-8.3	44.7
Utilities			
Coal India	-2.2	-5.6	-6.4
CESC	3.0	-4.1	56.1
JSW Energy	-1.9	-1.8	-6.9
NTPC	-0.3	-6.0	12.8
Power Grid	-0.9	-2.5	36.3
Tata Power	-0.4	-6.9	11.6
Others			
Arvind	-2.4	-8.8	22.0
Bata India	-0.9	-10.3	-6.2
Castrol India	1.6	-6.2	14.5
Century Ply.	-2.7	-9.1	51.8
Coromandel Intl	-0.7	3.6	68.5
Delta Corp	1.9	-13.4	82.4
Dynamatic Tech	-2.5	-4.1	31.1
Eveready Inds.	-0.8	4.4	33.4
Interglobe	1.1	-5.5	8.2
Indo Count	-0.6	-12.3	-5.7
Info Edge	-0.7	2.0	11.5
Inox Leisure	-1.8	-7.9	44.7
Jain Irrigation	-1.7	-22.5	34.2
Just Dial	0.7	-10.5	-26.3
Kaveri Seed	-5.5	-13.8	14.6
Kitex Garm.	0.4	-25.5	-15.3
Manpasand	-4.0	2.5	42.7
MCX	-3.1	-19.5	2.8
Monsanto	-2.6	4.5	25.9
Navneet Educat.	2.8	-4.4	78.5
PI Inds.	-0.8	-9.4	35.1
Piramal Enterp.	-3.0	8.1	85.4
SRF	-1.6	-7.5	31.8
S H Kelkar	-2.9	-13.7	24.4
Symphony	-2.3	-9.2	14.7
TTK Prestige	0.6	-1.5	45.9
V-Guard	-5.0	-4.2	109.8
Wonderla	-0.8	-4.3	-4.7

NOTES

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

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

Long road ahead

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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

ART 27 September 2018

ANNUAL REPORT

THREADBARE

The ART of annual report analysis

WHAT'S NEW IN FY18

- ▶ Tax rates remained low at 13.8%, contingent liabilities for the dispute rise to INR25.3b.
- ▶ Cash flow of INR18.4b significantly higher than tax expenses recognized in P&L of INR18.1b.
- ▶ OCF post interest increases to INR44.7b (FY17: INR32.7b) on decline in other assets to INR24.7b partially offset by INR18.1b increase in receivables.

Stock Info

Exchange	BSE/NSE
CMP (INR)	771
Face Value (INR)	2,000.0
52-Week Range (INR)	656/766
52-Week High (INR)	771
52-Week Low (INR)	656
Market Cap (INR Cr)	1,800.07

Shareholding pattern (%)

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

Auditor's name
Deloitte Haskin & Sells LLP

SUN PHARMACEUTICAL

Our Pharma Group FY18 annual report analysis highlights mixed performance. Revenue grew just 3.2% to INR253b while EBITDA margin expanded 70b to 25.4%, led by gross margin expansion. Contingent liabilities on tax disputes increased to INR25.3b (FY17: INR18.1b); cash tax paid (at INR18.0b) was significantly higher than expenses (at INR18.1b), operating cash flow post interest increased from INR25.7b to INR44.7b on decline in other assets to INR24.7b (partially representing USD100m receivables for financing Proteus liability); however, this was partially offset by INR18.1b increase in receivables. FY18 deteriorated to INR25.3b (FY17: INR18.0b) on higher capex and acquisition of brands, goodwill and intangibles rose to INR87.8b (24% of net worth), cash and investments stood at INR161.5b (54% of net worth), with 2% yield. Repurchasing FY18 financials (in FY18 annual report) received price year financials incorporated.

- Operating performance mixed: Revenue grew just 3.2% to INR253b. EBITDA margin expanded 70b to 25.4%, led by gross margin expansion, partially compensated by higher (a) legal and consultancy cost at INR15b (6.1% of revenue, FY17: INR16.5b), (b) revenue R&D expenses at INR23b (7.9% of revenue, FY17: INR18b), and (c) miscellaneous expenses (after regrouping) at INR0.5b (FY17: INR0.4b), including INR1b additional liability towards USD100m debt.
- Tax rates remain less contingent liabilities on tax dispute rise: Tax rates remained low at 13.8%, primarily on account of low tax rates in certain subsidiaries (Sun Pharma Global P2C-IN) and Sun Pharmaceutical Laboratories (SPL). On a consolidated basis, contingent liabilities increased steeply from INR18.1b in FY17 to INR25.3b (13% of net worth). The increase in overall tax dispute liabilities was driven by tax dispute liabilities for the standstill entity increasing from INR1.1b in FY17 to INR1.8b.
- Cash tax significantly exceeds tax expense recognized: The cash tax paid (cash flow, at INR18.0b) continued to be higher than the tax expense recognized in the P&L (at INR18.1b) on account of deferred tax assets (DTA) recognized, tax paid under protest and advance income tax paid. The cumulative tax paid under protest as at the end of FY18 was INR13.1b. Details on such amount paid in FY18 or cumulative amount paid in FY18 are not available.
- High capex and rising receivables debt: FCY: P&L post interest declined 21% YoY to INR20.5b on rising capex and acquisition of brands. Operating cash flow were primarily supported by decline in other current assets by INR25b, which was partially offset by increase in receivables by INR23.1b.

ART will present a readable format of annual reports - valuation, average size structure, we believe ART's work create: from accounting and auditing basis to corporate governance and compliance to presentation matters - will create point a career path for the stock investment workforce.

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MOTILAL OSWAL

CornerOffice

Interaction with the CEO

Demonetization: A mammoth task for India's largest bank

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

We met with Mr. Anandhan Bhattacharya, Chairman of State Bank of India (SBI), to discuss on demonetization, and evaluate its impact on growth, asset quality and profitability of the bank. Incremental cost of funds has declined marginally (less than 4% read) over last one month, and excess liquidity is parked in reserve repo and MSF operations (earning spread of ~1%). Operating expenses are likely to increase in the near term, which should be more than offset by trading gains, in our view. We largely maintain our optimistic and reiterate our preference for SBI among peers with its SCRR-based target price of INR35.

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

- Since demonetization, SBI has collected deposits of ~INR4 and disbursed (via withdrawal) ~INR1, leading to net addition of ~INR3. The bank also aggressively cut its bank deposits (leading to higher repayment rates), which led to significantly lower net accretion over the past month.
- Of the net accretion, three-fourths were savings deposits, 15% were current account deposits and the rest were retail term deposits.
- Standard cost of these deposits is less than 4%, and excess liquidity is parked in reverse repo, MSF and bond markets (considering muted loan growth) at a yield of ~1%. Hence, on excess liquidity, the spread is 2% currently, as against blended spread of ~1.4% at Q2FY17.
- Significant liquidity addition in the system has led to a sharp fall in yield, which has helped banks to monetize the bond portfolio. We expect trading gains to be strong in 2QFY17.

Digitalization efforts to yield noteworthy results over long term

- The Government of India (GoI) and the banking sector are working together to move toward a less-cash economy. The bank has all channels available (e.g. UPI, cards, POS, wallets, internet banking and mobile banking) to push toward digitalization.
- Over the past month, cashless transactions increased significantly: (a) debit card spends are up 1x on MoM, (b) POS terminal deployment has increased from 64,000 to 15k, 45k terminal orders in hand, (c) 7m new debit cards are activated and (d) SBI Buddy (wallet) transactions are up 1x on MoM.

Asset quality: Will demonetization lead to higher NPAs?

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

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State Bank of India

Ms. Anandhan Bhattacharya
Chairman

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

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

MOTILAL OSWAL

VOICES

30FY17 | February 2017

VOICES

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

Monthly data confirm 6.5% growth is for real in India

Creating monthly economic activity index (EAI) since 1998

- Based on monthly macroeconomic indicators, we create India's economic activity index (EAI), which shows that the economic growth averaged 6.4% YoY in the first nine months of 2016 as against ~3% growth over the previous five years (2011-2015). Motilal Oswal's leading indicators (MOI) suggest that consumption continues to run strong, however, investment is witnessing one of the worst phases in the past two decades.
- We find, however, that the growth in economic activity eased towards 5% YoY in 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 "Earnings" product, which is renowned for regular updates on macro-economics.

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

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

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EcoKnowLedge

These leading indicators are then weighed to create a composite monthly index for economic activity. Exhibit 2 shows the high correlation between our composite EAI and official estimates of real GDP growth (including discrepancies). The two indicators share a strong positive correlation, which is as high as 72%.

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

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

MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATION'S HANDBOOK

Highlights of March edition

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

BEST PERFORMERS MoM (%)

Indiabulls	11
Bliss Infotech	11
Adani Ports	10
HFCL	10
Tata Power	10
Bank Mid-Cap	9
WIPAC	9
IL&T	7
Indraprastha Gas	7
ITC	7

WORST PERFORMERS MoM (%)

Coal India	-1
Two Wheelers	-1
ONGC	-1
Bank Small Cap	-1
SAIL	-1
Axis Bank	-1
GAU	-1
Infosys	-1
HDFC	-1

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 up 40% in FY17 and 25% in five years

Equity AUM (INR t) – Nifty Index

Asset class rise by 40% against Nifty rise of 31% in last 5 years

5.2% 5.4% 6.7% 6.4% 6.8%

1,304 1,408 1,456 1,807 2,042 2,174

FY13 FY14 FY15 FY16 FY17

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Pending Regulatory inspections against Motilal Oswal Securities Limited:

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

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

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