

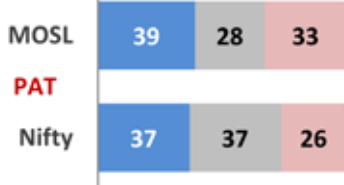
Corporate performance



4QFY17: Expectations v/s delivery

% of Companies that have Declared Results

Above Expectations In-line Below Expectations



(no of companies)	Growth (YoY, %)		
	MOSL (128)	Nifty (38)	Sensex (22)
Sales	12.8	11.3	8.5
EBIDTA	13.2	5.9	5.5
PAT	43.3	23.1	11.9

Market snapshot



Equities - India	Close	Chg. %	YTD. %
Sensex	30,750	1.5	15.5
Nifty-50	9,510	1.6	16.2
Nifty-M 100	17,345	1.3	20.9
Equities-Global	Close	Chg. %	YTD. %
S&P 500	2,415	0.4	7.9
Nasdaq	6,205	0.7	15.3
FTSE 100	7,518	0.0	5.2
DAX	12,622	-0.2	9.9
Hang Seng	10,572	1.7	12.5
Nikkei 225	19,813	-0.4	3.7
Commodities	Close	Chg. %	YTD. %
Brent (US\$/Bbl)	51	-4.8	-8.2
Gold (\$/OZ)	1,257	0.4	8.4
Cu (US\$/MT)	5,706	0.8	3.3
Almn (US\$/MT)	1,958	0.8	14.9
Currency	Close	Chg. %	YTD. %
USD/INR	64.6	-0.2	-4.8
USD/EUR	1.1	0.2	6.4
USD/JPY	111.8	-0.1	-4.5
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.7	0.0	0.1
10 Yrs AAA Corp	7.8	0.0	0.2
Flows (USD b)	25-May	MTD	YTD
FII	0.1	1.5	7.8
DII	0.0	0.5	2.1
Volumes (INRb)	25-May	MTD*	YTD*
Cash	385	305	286
F&O	12,611	5,708	4,832

Note: YTD is calendar year, *Avg

Quote of the day

Success is walking from failure to failure with no loss of enthusiasm

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

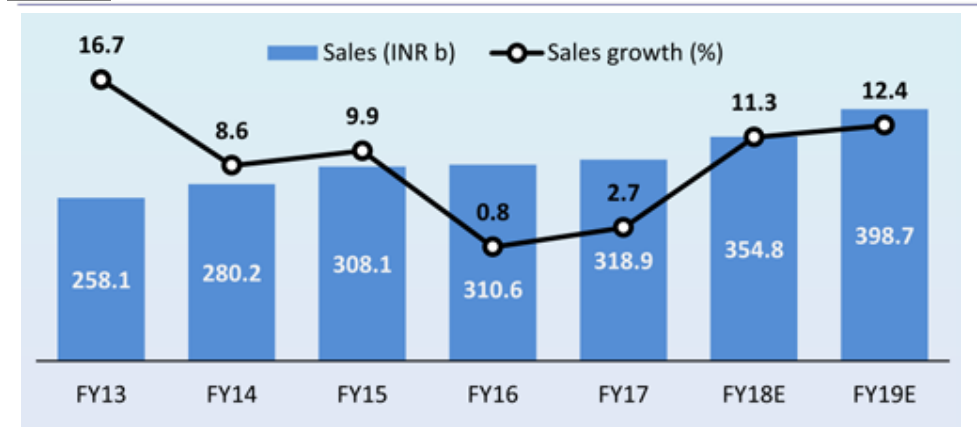
Hindustan Unilever: Juggernaut moves forward; Earnings outlook better than it has been for many years

- ✓ A confluence of positives including likely normal monsoon, moderate inflation, government schemes aiding growth, weak base, end of commodity price deflation, premiumization and cost savings is leading to a healthy outlook for rural-focused companies.
- ✓ For HUVR, the salience of rural sales is one of the highest, brand portfolio is the widest, and distribution reach is the broadest among peers.
- ✓ We expect earnings CAGR of 15% over FY17-19, far superior than the 6-11% for the past 3/5/10 years. This, along with best-of-breed return ratios and dividend yield, justifies premium valuations. We reiterate Buy with a price target of INR1,165 (45x FY19E EPS; 5% premium to three-year average).

Research covered

Cos/Sector	Key Highlights
HUL	Juggernaut moves forward; Earnings outlook better than it has been for many years
IOC	Adj. EBITDA marginally above est.; GRM at USD8.95/bbl
Bosch	Above est; Strong perf. with best-ever margins aided by one-offs
Britannia Inds	Sales broadly in line; margins far better than expectations
Cipla	Weak 4Q; Margin improvement is key
NMDC	Miss led by higher operating cost; one-offs continue
Container Corp.	Margin improvement led by higher double stacking
Ashok Leyland	In-line; sequential increase in realizations despite BS-3 discounts a surprise
Page Inds	Beat on all fronts; Maintain Buy
Amara Raja Batt.	Below est. as lag in cost pass-through hurts margin; Market share gains continue
Voltas	Results above expectations; JV with Arcelik – a medium-term positive
P I Industries	Near-term pain in CSM, healthy order book expansion
Guj.St.Petronet	EBITDA below estimate; transmission volumes down
Prism Cement	Cement drives strong profitability improvement
Repc Home Fin	Asset quality improves; Margins surprise positively
Results Expectation	Alkem CG Power Crompton Gr Consumer Divi's HPCL ITC Navneet ONGC Siti Network Sun6 Pharma Sun TV Tech Mah Torrent Pharma

Chart of the Day: HUL – Healthy volumes and return of price-led growth potentially lead to best sales outlook for many years





Kindly click on textbox for the detailed news link

1

Coal shortage may hit 4,400 MW power generation capacity at NTPC

Some 4,400 MW of NTPC power generation capacity face severe coal scarcity in three months because the mine that fuels these plants is not able to acquire the land needed to maintain fuel supply...

2

Railway Minister Suresh Prabhu: Finances under stress, safety cess on passenger fare a possibility

In the past three years since the NDA government took charge, the ministry of railways has committed and initiated various projects to enhance passenger amenities and augment freight. Some of them are running differentiated trains, latest being Tejas, and doing away with various freight charges. However, the railways' finances are still under stress with the last financial year's operating ratio hitting a high of 96.9. In an interview with Saurabh Kumar, railway minister Suresh Prabhu elaborates on the way forward...

3

Government reconsiders survey of the Service Industry India's quest to get data on the services sector that contributes over 57 per cent to its GDP has hit a roadblock, prompting a review of the decision itself to launch a plan for annual monitoring of the sector....

4

ChrysCapital close to buying Mufti denims brand for Rs460-500 crore

Private equity firm ChrysCapital Advisors LLP is in advanced talks to buy Credo Brands Marketing Pvt. Ltd, which owns denim wear brand Mufti, two people aware of the development said. The deal is likely to be signed for Rs460-500 crore, the first person said on condition of anonymity...

5

Has Reliance Communications' monumental debt finally become unmanageable?

Investors in both bond and stock markets have become increasingly jittery about Reliance Communications Ltd's (RCom's) high leverage. Its shares have fallen more than 15% this week, after Credit Analysis and Research Ltd downgraded the credit rating on some of RCom's long-term and short-term debt late last week...

6

Environment ministry planning to ease coastal regulation norms

The environment ministry's plan to revamp coastal regulation norms could open up the 7,500km-long coastline for developmental projects but environmentalists fear for marine life...

7

Raymond stock plunges 9.8% over property sale to promoters

The Raymond stock fell as much as 9.8% on Thursday with investors upset over the promoters' intentions to acquire premium property at a price which experts believe is 90% below market value and consequently an "opportunity loss" to the company and minority shareholders...



Hindustan Unilever

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

CMP: INR1043 TP: INR1,165 (+12%)

Buy



Hindustan Unilever Limited

Stock Info

Bloomberg	HUVR IN
Equity Shares (m)	2,164
52-Week Range (INR)	1040/783
1, 6, 12 Rel. Per (%)	11/8/6
M.Cap. (INR b)	2,245.8
M.Cap. (USD b)	35.3
Avg Val (INRm)	1208
Free float (%)	32.8

Financials Snapshot (INR b)

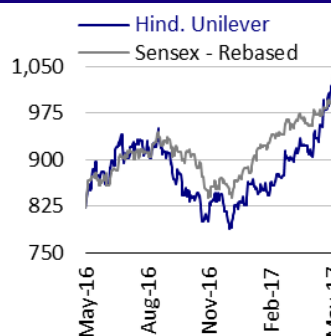
Y/E Mar	2017	2018E	2019E
Net Sales	313.0	348.3	391.5
EBITDA	60.5	68.9	78.9
Net Profit	42.5	48.6	56.0
EPS	19.6	22.4	25.9
EPSGr. (%)	1.9	14.3	15.3
BV/Sh (INR)	30.8	31.4	32.1
P/E (x)	53.1	46.3	40.1
P/BV (x)	33.9	33.0	32.3
RoE (%)	65.6	72.1	81.4
RoCE (%)	87.3	95.5	107.7

Shareholding pattern (%)

As On	Mar-17	Dec-16	Mar-16
Promoter	67.2	67.2	67.2
DII	5.7	5.8	4.8
FII	13.3	13.1	14.2
Others	13.9	13.9	13.8

FII Includes depository receipts

Stock Performance (1-year)



Juggernaut moves forward

Earnings outlook better than it has been for many years

- n A confluence of positives including expectations of normal monsoon, moderate inflation, government schemes aiding consumption growth, weak base of the past three years, end of commodity price deflation, continued premiumization, and cost savings is leading to outlook for rural-focused companies being brighter than in the past few years.
- n For HUVR, the salience of rural sales is one of the highest, brand portfolio is the widest, and distribution reach is the broadest among peers, making it uniquely positioned to take advantage of the confluence of positive factors.
- n We expect earnings CAGR of 15% over FY17-19, far superior than the 6-11% for the past 3/5/10 years. This along with best-of-the-breed return ratios and dividend yield justifies HUVR's premium valuations. The stock trades at 40.1x FY19E EPS. We reiterate Buy with a price target of INR1,165 (45x FY19E EPS; 5% premium to 3-year average).

A confluence of positives

Despite potential disruption on account of GST implementation, we believe the earnings outlook for rural-focused Consumer companies like HUVR is more positive than in the past four years. This is because of a confluence of positives such as the following:

- n Expectations of a normal monsoon.
- n Food inflation being under control.
- n Government schemes like (a) further extension of direct benefit transfer (DBT), (b) increase in rural outlay by 24% for FY18 to INR1,870b by the central government, and (c) announcement of farm loan waiver of INR363b by the state government of Uttar Pradesh, India's largest state.
- n A weak base of rural growth in the past three years – from double that of urban growth, rural growth has slowed down to below urban growth levels post poor monsoon and demonetization.
- n Return of 'price' part of growth, with the cessation of the deflationary trend in commodities.
- n Continued higher growth in premium products like 'Matic' detergents, 'Tresseme' hair care products and 'Magnum' ice creams, which are growing much faster than the category.
- n A more rational approach to advertising would lead to considerable savings without reducing its share of voice and there could be potential operational synergies over the longer term (For details, please refer to our update following the aborted Kraft-Heinz attempt for Unilever).

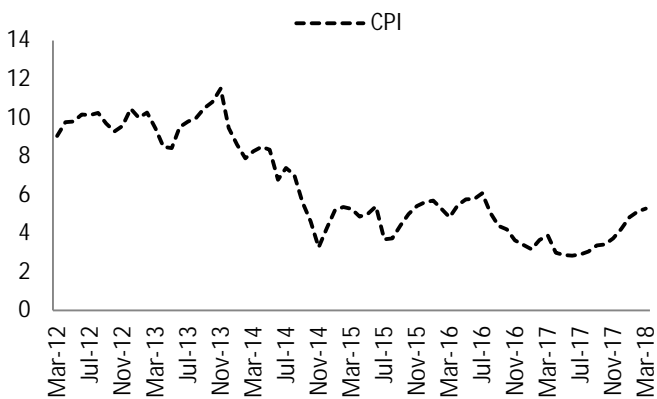
HUVR's advantages

HUVR is the largest FMCG company in India by sales. It has the widest portfolio of products and the broadest distribution reach (7m outlets) among its Consumer peers. Its advertising prowess also creates another barrier to entry. Over 40% of its sales come from rural India, among the highest proportion for FMCG companies. The confluence of positive factors indicated above as well as the barriers to entry that HUVR has created make it uniquely positioned for healthy earnings growth. We were also pleasantly surprised by the smart recovery in 4QFY17 to 4% volume growth from 4% volume decline in 3QFY17, particularly as the management stated that the rural and wholesale channels were not back to normal yet. As the outlook on the rural economy improves, so would the potential for healthy earnings growth.

Valuation and view

We expect HUVR to report 14.8% PAT CAGR over FY17-19 against 6.1% CAGR in the last three years, 10.6% CAGR in the last five years and 10.7% CAGR in the last 10 years. Valuations are not cheap at 40.1x FY19E EPS, but we believe that given the potentially strong earnings growth, premium valuations are justified, particularly as return ratios and dividend yield remain best of the breed. We had upgraded the stock to **BUY** after the strong 4QFY17 results. We maintain our **Buy** rating and target price of INR1,165 (45x FY19E EPS; 5% premium to 3-year average).

CPI inflation has been moderate...



Source: Company, MOSL

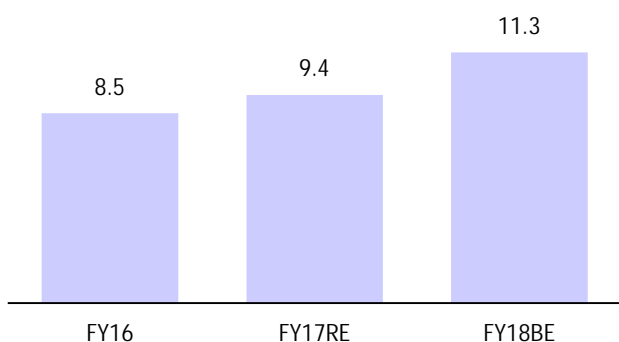
... as is the food inflation



Source: Company, MOSL

Increase in rural spending by centre and states...

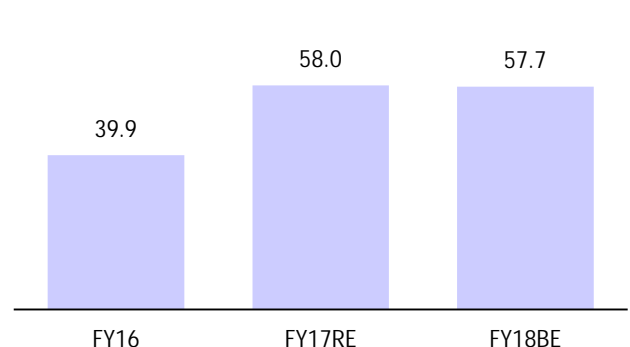
Rural Spending as a % of Capital Expenditure by all states



Source: Company, MOSL

...will aid rural growth in the near term

Rural Spending as a % of Capital Expenditure by centre



Source: Company, MOSL



BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	IOCL IN
Equity Shares (m)	4,856
M.Cap.(INRb)/(USD\$b)	2130.3 / 31.6
52-Week Range (INR)	451 / 197
1, 6, 12 Rel. Per (%)	0/31/100
Avg Val, INRm	1611
Free float (%)	42.7

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	3,632	3,813	4,399
EBITDA	340.5	382.7	398.5
PAT	199.0	203.3	210.3
EPS (INR)	41.0	41.9	43.3
Gr. (%)	101.9	2.1	3.5
BV/Sh (INR)	210.3	205.2	230.3
RoE (%)	22.3	20.2	19.9
RoCE (%)	16.1	14.4	14.7
P/E (x)	10.7	10.5	10.1
P/BV (x)	2.1	2.1	1.9

Estimate change



TP change



Rating change



CMP: INR439 TP: INR457(+4%) Downgrade to Neutral

Adj. EBITDA marginally above est.; GRM at USD8.95/bbl

IOCL's reported EBITDA of INR44.1b (est. of INR77.9b, -7% YoY, -44% QoQ) had several one-offs (entry tax liability, forex gain, pay revision and inventory gain). Adjusting for these one-offs, EBITDA of INR80.7b ([Exhibit 1](#)) was marginally above our estimate. Reported GRM of USD8.95/bbl exceeded our estimate of USD6, led by crude inventory gain of INR17.2b. Marketing inventory gains stood at INR9b. Reported PAT at INR37.2b (+85% YoY, -7% QoQ) was helped by tax write-back of INR1.4b.

n **GRM at USD8.9/bbl:** IOCL reported GRM of USD8.95/bbl (est. of USD6; USD7.7 in 3QFY17 and USD3 in 4QFY16), led by crude inventory gain of INR17.2b.

n Petchem EBITDA was at INR20.3b (+20% YoY, +11% QoQ). Marketing sales volumes stood at 19.6mmt (-4% YoY, -2% QoQ) and refinery throughput at 17.1mmt (+14% YoY, +4% QoQ).

Valuation and view:

n IOCL would benefit from free cash flow generation over next 2-3 years. Paradip refinery would also help the company in a declining benchmark refining margin scenario. However, threat from private players has become a reality, with aggressive expansion mainly from RIL.

n We value IOCL at 5x for refining and 7.5x for marketing to arrive at a fair value of INR457 (incl. investment value of INR52 post 20% discount), implying 4% upside. The stock trades at 10.1x FY19E EPS of INR43.3 and 1.9x FY19E BV. Recent run-up (+20% since 3QFY17 results) in the stock price leaves marginal upside to our fair value of INR457. We thus downgrade the stock to **Neutral**.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY16				FY17				FY16	FY17	FY17	Var. vs est.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	1,011,770	843,342	823,899	784,155	856,553	800,435	931,019	1,003,375	3,463,166	3,591,382	987,632	2%
YoY Change (%)	-18.8	-24.2	-22.9	-16.1	-15.3	-5.1	13.0	28.0	-20.6	3.7	23.4	
Total Expenditure	908,592	831,540	773,208	736,719	720,652	748,519	851,681	959,289	3,250,058	3,280,141	909,731	5%
EBITDA	103,178	11,802	50,691	47,437	135,901	51,916	79,338	44,086	213,108	311,241	77,900	-43%
Margins (%)	10.2	1.4	6.2	6.0	15.9	6.5	8.5	4.4	6.2	8.7	7.9	
Depreciation	11,619	11,483	11,913	13,171	14,350	15,048	15,541	17,290	48,186	62,230	16,000	8%
Interest	6,180	7,580	6,406	10,733	6,800	6,147	9,967	11,541	30,899	34,454	10,000	15%
Other Income	4,259	-416	9,343	7,414	5,637	14,347	8,078	20,593	20,600	48,655	8,849	133%
PBT	94,364	-3,416	46,446	30,871	120,388	45,069	61,907	35,849	168,265	263,212	60,749	-41%
Tax	28,456	1,087	15,487	10,812	37,698	13,850	21,958	-1,358	55,841	72,148	20,248	-107%
Rate (%)	30.2	-31.8	33.3	35.0	31.3	30.7	35.5	-3.8	33.2	27.4	33.3	
Reported PAT	65,908	-4,502	30,960	20,059	82,690	31,219	39,949	37,206	112,424	191,064	40,502	-8%
Adj PAT	61,183	-8,764	26,228	20,059	82,690	31,219	39,949	37,206	103,309	191,064	40,502	-8%
YoY Change (%)	194.5	-32.0	-185.5	-65.9	35.2	-456.2	52.3	85.5	147.6	84.9	227.8	
Margins (%)	6.0	-1.0	3.2	2.6	9.7	3.9	4.3	3.7	3.0	5.3	4.1	
Key Assumptions												
Refining throughput (mmt)	13.6	13.7	14.4	15.0	16.1	15.6	16.4	17.1	56.7	65.2	16.3	5%
GRM (USD/bbl)	10.8	0.8	6.0	3.0	10.0	4.3	7.7	8.9	5.1	7.7	6.0	48%
Marketing sales volume incl exports (mmt)	19.4	18.1	19.1	20.5	20.4	18.5	20.1	19.6	77.1	78.6	20.6	-5%
Blended gross marketing margin (INR/lit)	3.9	3.3	3.4	4.0	3.2	3.7	3.7	3.8	3.7	3.6	3.3	15%

E: MOSL Estimates



BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	BOS IN
Equity Shares (m)	31.4
M.Cap.(INRb)/(USD\$b)	734.9 / 10.7
52-Week Range (INR)	25650 / 18005
1, 6, 12 Rel. Per (%)	2/4/-5
Avg Val, INRm	393
Free float (%)	29.5

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	104.4	131.7	149.4
EBITDA	19.6	27.1	31.9
PAT	14.4	19.9	23.7
EPS (INR)	473.1	650.7	776.2
Gr. (%)	-1.8	37.5	19.3
BV/Sh (INR)	2,883.1	3,268.8	3,728.9
RoE (%)	15.8	21.2	22.2
RoCE (%)	23.1	30.0	31.4
P/E (x)	49.5	36.0	30.2
P/BV (x)	8.1	7.2	6.3

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR23,406 TP: INR23,287(-1%) Neutral

Above est; Strong performance with best-ever margins aided by one-offs

- Non-autos drives revenue growth, exports continue to decline:** Revenue grew ~3% YoY to ~INR25.7b (est. of ~INR27.8b), led by ~17% growth in Non-autos and 4% YoY in Autos. Exports continued to decline, led by China. Autos performance was driven by high-double-digit growth in petrol systems and 2Ws. Non-autos growth was led by the security systems, energy & building solutions and ATMO businesses. FY17 net revenue rose 8% YoY to INR104.3b, led by Mobility (+6%) and Non-mobility (+17%). Diesel contributed 60% of total revenues.
- Strong EBITDA margin partly led by one-offs:** EBITDA margin expanded 460bp YoY (+17pp QoQ) to 27.3% (est. of 22.3%), led by higher gross margin and lower staff cost. RM cost was lower due to favorable mix, Fx, various cost-saving projects, and long-term commodity contract with suppliers. Also, staff cost was lower partly due to reversal of excess provisioning for restructuring cost of previous quarters. Non-autos witnessed sharp PBIT margin improvement, led by higher turnover, project completion (one-offs) and rental income. Higher depreciation and tax rate restricted PAT to INR4.4b (-7% YoY v/s est. of INR4.3b). FY17 EBITDA margin came in at 18.8% (v/s 19.4% in FY16) and PAT declined 4% to INR14.5b.
- The company declared dividend of ~INR165/share (including INR75 of special dividend) for FY17 v/s ~INR85/share in FY16.**
- Earnings call highlights:** a) No any material change in its market share in BS-4 systems for CVs. b) Expects disturbance due to GST in short term, but to help growth in mid-to-long term. c) Second phase of Bidadi to be completed by mid-2019; would manufacture new-generation injection system. d) Capex for FY18 to be ~INR5.5b (INR6.3b in FY17) for brownfield expansion, HO to tech center and maintenance.
- Valuation and view:** The stock trades at 36x/30.2x FY18/19E EPS. Maintain **Neutral** with a revised TP of ~INR23,287 (~30x FY19 EPS – at a 10% premium to 10-year average, but ~15% discount to 5-year average).

Quarterly Performance (Standalone)

Y/E March	FY16				FY17				FY16	FY17	Est 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	23,012	23,814	24,800	25,048	25,196	26,115	26,720	25,746	97,014	104,350	27,895	-8
YoY Change (%)	-3.2	-6.8	4.1	4.9	9.5	9.7	7.7	2.8	-0.2	7.6	13.1	
RM Cost (% of sales)	52.0	50.9	52.6	50.2	51.8	50.5	54.7	47.6	51.2	51.8	51.1	-350bp
Staff Cost (% of sales)	12.4	14.2	13.0	14.3	12.9	13.3	14.5	11.0	13.4	12.9	12.6	-160bp
Other Expenses (% of sales)	14.6	16.8	20.2	12.7	17.4	18.2	20.8	14.1	16.0	17.4	14.1	0bp
EBITDA	4,827	4,326	3,535	5,683	4,511	4,694	2,667	7,037	18,781	19,640	6,219	13
Margins (%)	21.0	18.2	14.3	22.7	17.9	18.0	10.0	27.3	19.4	18.8	22.3	500bp
Depreciation	704	782	1,059	1,320	860	889	1,294	1,492	3,864	4,562	1,382	8
Interest	15	32	42	40	13	10	17	232	129	272	22	958
Other Income	1,408	1,872	1,417	1,753	1,789	2,107	1,634	1,310	6,036	6,174	1,312	0
PBT after EO Expense	5,516	5,384	3,850	6,076	5,428	8,710	2,991	6,624	20,824	20,980	6,128	8
Tax Rate (%)	31.5	29.1	27.1	22.3	30.9	19.2	28.2	33.5	27.4	31.0	30.0	350bp
Adj PAT	3,777	3,817	2,808	4,724	3,749	4,768	2,148	4,405	15,123	14,477	4,290	3
YoY Change (%)	23.1	24.6	116.4	64.3	-0.7	24.9	-23.5	-6.8	11.5	-4.3	-9.1	

E: MOSL Estimates

Britannia Ind.

BSE SENSEX 30,750
S&P CNX 9,510

CMP: INR3,515 TP: INR4,065(+16%)

Buy

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

Conference Call Details



Date: 30th May 2017

Time: 03:00pm IST

Dial-in details:

+91-22-3960 0715

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	89.6	102.6	119.6
EBITDA	11.9	13.2	16.5
NP	8.8	10.0	12.2
EPS (INR)	73.7	83.3	101.7
EPS Gr. (%)	7.3	13.1	22.0
BV/Sh. (INR)	224.7	242.7	303.0
RoE (%)	36.9	35.7	37.3
RoCE (%)	31.1	29.7	31.5
P/E	47.7	42.2	34.6
EV/EBITDA	35.0	31.0	24.5

Sales broadly in line; margins far better than expectations

- BRIT reported 5.2% consol. sales growth (est. of +7%) in 4QFY17. Standalone sales were up 6.6%, but subsidiary sales declined 11% YoY, likely because of a weak performance in the Middle East.
- We expect base business volume growth to be ~2% (not mentioned in press release), as against our expectation of +3%. This is on a base 10% volumes growth in 4QFY16.
- Consol. gross margin shrunk 160bp YoY (est. of -260bp) to 38%, which was surprising given the steep increase in wheat and sugar costs.
- Other expenses declined by 170bp YoY and staff costs by 10bp. Consol. EBITDA margin thus expanded 10bp to 13.7% (est. of 11.4%) in 4QFY17. EBITDA grew 6.1% YoY (est. of -4.2%) to INR3.1b.
- Adj. PAT grew 5.9% YoY (est. of -3.3%) to INR2.1b.

Standalone performance for 4QFY17

- Standalone sales, EBITDA and adj. PAT grew 6.6%, 7.2% and 2.5% YoY, respectively. Gross margin contracted 150bp YoY to 37.8%, while operating margin expanded 10bp YoY to 13.7%.

FY17 consol. performance

- Sales grew by 7.5% YoY to INR89.8b and PAT by 7.3% YoY to INR8.8b. Gross margin shrunk 220bp YoY, but EBITDA margin contraction was restricted to 60bp to 13.3%, particularly led by 140bp savings YoY on other expenses.

View

- We currently have a **Buy** rating on the stock. We will review our numbers post the conference call.

Quarterly Performance

Y/E March	FY16				FY17				(INR Million)			Variance (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY16	FY17	FY17 4QE	
Base business volume growth (%)	9.0	11.0	13.0	10.0	10.0	10.0	2.0	2.0	10.8	6.0	3.0	
Net Sales	19,411	21,277	21,444	21,337	21,063	23,612	22,648	22,444	83,470	89,766	22,657	(0.9)
YoY Change (%)					8.5	11.0	5.6	5.2		7.5	7.3	
COGS	11,587	12,717	12,945	12,878	12,879	14,902	14,190	13,915	50,127	55,887	14,410	
Gross Profit	7,824	8,560	8,499	8,459	8,184	8,709	8,458	8,528	33,343	33,879	8,247	3.4
Margins (%)	40.3	40.2	39.6	39.6	38.9	36.9	37.3	38.0	39.9	37.7	36.4	
Other Operating Exp	5,102	5,492	5,554	5,557	5,367	5,578	5,504	5,448	21,705	21,897	5,673	
% of Sales	26.3	25.8	25.9	26.0	25.5	23.6	24.3	24.3	26.0	24.4	25.0	
EBITDA	2,722	3,068	2,945	2,903	2,817	3,131	2,954	3,081	11,638	11,983	2,575	19.7
Margins (%)	14.0	14.4	13.7	13.6	13.4	13.3	13.0	13.7	13.9	13.3	11.4	
YoY Growth (%)					3.5	2.0	0.3	6.1		-4.3	-4.2	
Depreciation	274	272	281	308	279	289	303	322	1,134	1,193	318	
Interest	7	15	12	15	15	15	11	13	49	55	15	
Other Income	401	506	481	362	739	670	561	335	1,750	2,305	552	
PBT	2,842	3,287	3,134	2,942	3,263	3,496	3,201	3,081	12,205	13,040	2,794	10.3
Tax	906	1,076	1,027	952	1,071	1,156	997	973	3,961	4,197	870	
Rate (%)	31.9	32.7	32.8	32.4	32.8	33.1	31.1	31.6	32.5	32.2	31.1	
Adjusted PAT	1,936	2,211	2,107	1,990	2,192	2,340	2,204	2,108	8,244	8,843	1,924	9.5
YoY Change (%)					13.2	5.8	4.6	5.9		7.3	-3.3	

E: MOSL Estimates



BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	CIPLA IN
Equity Shares (m)	805
M.Cap.(INRb)/(USD\$b)	404.7 / 6.2
52-Week Range (INR)	622 / 458
1, 6, 12 Rel. Per (%)	-13/-27/-12
Avg Val, INRm	882
Free float (%)	63.3

CMP: INR504 TP: INR500(-1%) Neutral

Weak 4Q; Margin improvement is key

- 4QFY17 revenue grew 10% YoY to INR35.8b (~6% miss). EBITDA came in at INR5.1b, with the margin at 14.1% (+60bp YoY, -440bp QoQ). The weak margin performance is attributed to subdued growth in India (-10% YoY) and high R&D spend (8.8% of sales; +-170bp v/s 9MFY17). Adj. PAT of INR2.01b was ~44.5% below our estimate due to muted sales and weak margins.
- FY18 guidance – double-digit revenue growth, margin improvement:** In FY17, CIPLA grew revenue by 10%, with EBITDA margin at 16.9% (had guided for 16-18%). For FY18, the company has guided for double-digit growth in revenue with margin improvement (our est. of 15%) on the back of strong ramp-up in US sales and double-digit growth in the domestic business.
- Strong growth outlook for US; domestic business to be impacted by GST:** US business grew 65% YoY in 4Q. CIPLA expects key approvals in FY18, with at least one limited-competition product per quarter starting 2Q (incl. Sevelamer, Nano-paclitaxel and Albuterol MDI), which should help drive US sales. Domestic business declined 10% YoY due to destocking at the channel. GST will impact domestic business growth for at least one quarter in FY18.
- Earnings call takeaways:** a) R&D as % of sales stood at 8.8%; expected to remain at 8-8.5% in FY18. b) Capex can come down to INR7-8b in FY18 v/s INR11b in FY17. c) Sevelamer launch expected in 3Q/4QFY18. d) 20-25 planned ANDA filings in the US in FY18. e) Non-promoted generics account for ~20% of India sales. f) GST will take out one quarter of growth in India. g) Tender business in South Africa accounts for ~30-35% of sales.
- Valuation and view:** Unlike other large cap peers, CIPLA is well poised to deliver robust growth in the US due to a low base and significant pick-up in filing quality and rate (filed 32 ANDAs in FY17 with plans for another 20-25 in FY18). We maintain **Neutral** with a TP of INR500 @ 20x FY19E PER (v/s INR550 @ 20x 1HFY19E). We cut FY18E/19E EPS by ~10-12% as we build in muted domestic growth and slower expansion in EBITDA margin.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	146.3	168.1	190.0
EBITDA	24.8	30.1	35.9
PAT	12.8	16.0	20.1
EPS (INR)	15.9	20.0	25.0
Gr. (%)	-15.5	25.5	25.3
BV/Sh (INR)	156.2	173.2	195.2
RoE (%)	10.2	11.5	12.8
RoCE (%)	8.0	9.1	10.4
P/E (x)	31.7	25.3	20.2
P/BV (x)	3.2	2.9	2.6

Estimate change



TP change



Rating change



Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			Est.	% Var
Net Revenues	38,385	34,551	31,066	32,665	36,500	37,510	36,472	35,820	136,666	146,300	38,060	-5.9
YoY Change (%)	41.1	24.9	12.3	5.6	-4.9	8.6	17.4	9.7	20.5	7.0	16.5	
EBITDA	10,545	7,860	5,294	4,421	6,112	6,807	6,776	5,062	28,120	24,756	7,191	-29.6
Margins (%)	27.5	22.7	17.0	13.5	16.7	18.1	18.6	14.1	20.6	16.9	18.9	
Depreciation	1,494	1,584	1,375	1,414	2,038	2,292	2,577	2,322	5,867	9,229	2,323	
Interest	639	636	230	368	315	352	593	334	1,872	1,594	557	
Other Income	505	308	51	547	252	272	1,535	228	1,411	2,287	441	
PBT after EO expense	8,917	5,948	3,741	3,186	4,011	4,436	5,141	2,634	21,792	16,220	4,751	-44.5
Tax	2,418	401	120	-39	553	719	1,283	593	2,899	3,094	1,021	
Rate (%)	27.1	6.7	3.2	-1.2	13.8	16.2	25.0	22.5	13.3	19.1	21.5	
Minority Interest	7.4	117.0	174.2	185.4	67.6	173.6	109.8	9.3	484.0	360.2	69.0	
Reported PAT	6,492	5,430	3,447	3,040	3,391	3,543	3,748	2,032	18,409	12,766	3,661	-44.5
YoY Change (%)	120.4	81.8	5.1	17.1	-47.8	-34.7	8.7	-33.2	55.9	-30.7	20.4	
Margins (%)	16.9	15.7	11.1	9.3	9.3	9.4	10.3	5.7	13.5	8.7	9.6	



BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	NMDC IN
Equity Shares (m)	3,164
M.Cap.(INRb)/(USDb)	373.3 / 5.5
52-Week Range (INR)	153 / 85
1, 6, 12 Rel. Per (%)	-14/-21/10
Avg Val, INRm	455
Free float (%)	25.1

CMP: INR118

Under review

Miss led by higher operating cost; one-offs continue

NMDC's 4QFY17 results came in weaker than expected due to higher operating cost, while one-off charges continued in 4Q. EBITDA was flat QoQ at INR14.3b (est. of INR15.1b), despite an 18% QoQ increase in realization. EBITDA is adjusted for the items we classify as one-offs (Exhibit 1). PAT, adjusted for one-offs and exceptional charge, was flat QoQ at INR9.2b (est. of INR10.8b). Reported PAT fell 14% QoQ to INR5.1b. For FY17, EBITDA increased 39% to INR44.9b, but adj. PAT declined 3% to INR31.5b due to lower other income.

- n Sales were up 15% YoY (-3% QoQ) to 9.8mt, led by strong domestic crude steel production growth and demand for pellet exports.
- n Realizations grew 18% QoQ to INR2,841/t. EBITDA/t rose 3% QoQ to INR1,463.
- n EBITDA miss was driven by higher employee cost, royalty (which would normalize in subsequent quarters) and higher selling expenses.

Under review due to lack of clarity on one-off expenses

- n In 3QFY17, NMDC had recognized charges of INR3.9b on account of service tax on royalty, track-laying charges to railways, mine closure and bad debts, which were one-off in nature. These expenses, however, have continued in 4Q (at INR4.5b). We would seek clarity from management on the nature of these expenses, until which we are keeping our rating **under review**.
- n Irrespective of the understanding on the above charges, we see a risk to our estimates due to a sharp fall in global and domestic iron ore prices, which have made NMDC's prices uncompetitive. Volumes are also at risk from waning pellet export demand due to unfavorable economics.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	88.3	98.2	103.4
EBITDA	44.9	56.9	60.1
PAT	31.5	38.1	40.3
EPS (INR)	10.0	12.0	12.7
Gr. (%)	21.2	21.0	5.8
BV/Sh (INR)	71.2	76.0	81.6
RoE (%)	12.4	14.9	15.7
RoCE (%)	11.7	14.5	15.4
P/E (x)	11.9	9.8	9.3
P/BV (x)	1.7	1.6	1.4

Quarterly Performance – INR million

Y/E March	FY16				FY17				FY16	FY17	4QE	vs Est (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Production (m tons)	6.0	6.4	7.4	8.8	7.6	6.3	9.7	9.8	28.8	35.6	9.8	0
Sales (m tons)	6.7	6.4	7.2	8.5	7.8	8.0	10.1	9.8	28.8	35.6	9.8	0
Avg Dom. NSR (USD/t)	45	39	31	25	32	31	35	42	34	35	39	9
Avg Dom. NSR (INR/t)	2,786	2,409	2,054	1,658	2,160	2,093	2,403	2,841	2,201	2,400	2,606	9
Net Sales	18,557	15,528	15,172	15,299	17,207	17,392	24,979	28,717	64,556	88,294	26,604	8
EBITDA	11,027	9,395	6,441	5,398	8,164	8,258	14,226	14,295	32,260	44,944	15,149	-6
EBITDA per ton (USD)	27	24	14	9	16	15	21	22	17	19	23	-6
Interest	0	0	0	654	81	15	53	59		208	0	
Depreciation	401	506	523	647	560	544	551	307	2,078	1,962	572	-46
Other Income	4,887	4,264	4,212	4,380	3,452	2,735	1,559	1,343	17,744	9,088	1,299	3
PBT (before EO Item)	15,513	13,153	10,130	8,476	10,975	10,434	15,180	15,273	47,927	51,862	15,876	-4
Extra-ordinary item	0	-154	-23	-1,672	0	0	-5,972	-2,961	-1,848	-8,933	0	
PBT (after EO Item)	15,513	12,999	10,107	6,804	10,975	10,434	9,208	12,312	46,079	42,929	15,876	-22
Total Tax	5,412	4,525	3,557	1,275	3,862	2,727	3,257	7,193	14,769	17,038	5,080	42
% Tax	34.9	34.8	35.2	18.7	35.2	26.1	35.4	58.4	32.1	39.7	32.0	83
Reported PAT	10,101	8,474	6,550	5,529	7,113	7,708	5,952	5,119	31,309	25,891	10,795	-53
Adjusted PAT	10,101	8,574	6,565	6,888	6,619	6,293	9,156	9,211	32,565	31,279	10,779	-15

Container Corporation

BSE SENSEX 30,750 S&P CNX 9,510

CMP: INR1,158

TP: INR1,042

Neutral

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

Conference Call Details



Date: 26th May 2017

Time: 11:00am IST

Dial-in details:

+91-22-3960 0983

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	56.6	65.0	73.0
EBITDA	12.5	13.0	14.4
NP	8.6	9.7	10.9
EPS (INR)	35.2	39.9	44.9
EPS Gr. (%)	7.7	34.4	12.5
BV/Sh. (INR)	347.8	368.7	395.4
RoE (%)	10.2	11.2	11.8
RoCE (%)	9.6	10.5	11.1
P/E (x)	33.5	29.0	25.8
P/BV (x)	3.3	3.1	2.9

Margin improvement led by higher double stacking

Lower tax rate further boosts profit

- Concor's 4QFY17 reported revenues at INR15.6b (-2%YoY, +17% QoQ) as against our expectations of 2% Yoy decline. The decline in revenues was mainly driven by 5%YoY decline in EXIM revenues. Domestic revenues increased 8% YoY.
- EBITDA margins at 31.8% (+2.6pp YoY) was led by 1.5pp margin improvement in EXIM and 2.4pp margin increase in domestic segment
- EBITDA stood at INR4.95b (+6% YoY) as against our growth expectation of 30% YoY.
- Reported PAT at INR4.22b (+38%YoY) was higher on account of lower tax rate at 11% vs 31% in 4QFY16.

Key questions for the management

- Volume details for EXIM and domestic segment
- Volume guidance for FY18/FY19
- Impact of IND-AS on 4QFY16/4QFY17 P&L
- Status of various MMLP's

Valuation and view

We will revisit our estimates post earnings call. The stock at CMP trades at 18x FY19 EV/EBITDA and P/E of 26x FY19 estimated earnings.

Container Corporation

(INR Million)

Y/E March	FY16				FY17							
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	4QAct	Var (%)	YoY (%)	QoQ (%)
Net Sales	14,209	15,019	14,046	15,952	13,392	13,786	13,304	13,919	15,579	12%	-2%	17%
YoY Change (%)	11.9	10.9	-3.3	5.7	-5.7	-8.2	-5.3	-1.6	-2.3			
Terminal & Service Charges	8,963	9,456	8,848	9,176	8,493	8,497	8,111	8,487	8,281		-10%	2%
As a % of revenue	63.1	63.0	63.0	57.5	63.4	61.6	61.0	61.0	53.2	-13%	-8%	-13%
Employee Expenses	373	369	396	408	380	405	414	415	670	61%	64%	62%
Other Expenses	1,994	2,034	2,001	1,707	1,901	2,597	2,167	2,065	1,678	-19%	-2%	-23%
Total Expenditure	11,330	11,859	11,246	11,291	10,773	11,498	10,692	10,967	10,629	-3%	-6%	-1%
EBITDA	2,878	3,161	2,800	4,661	2,619	2,288	2,612	2,952	4,950	68%	6%	90%
Margins (%)	20.3	21.0	19.9	29.2	19.6	16.6	19.6	21.2	31.8			
YoY Change (%)	-3.6	1.1	-23.7	41.3	-9.0	-27.6	-6.7	49.5	6.2			
Depreciation	907	876	876	891	841	873	927	897	877	-2%	-2%	-5%
Interest	0	0	0	-1	0	3	1	0	32			
Other Income	798	858	813	684	692	763	845	798	593	-26%	-13%	-30%
PBT	2,770	3,137	2,737	4,455	2,470	2,175	2,529	2,853	3,768	32%	-15%	49%
Tax	701	808	676	1,393	685	596	669	837	411	-51%	-71%	-39%
Rate (%)	25.3	25.8	24.7	31.3	27.7	27.4	26.4	29.3	10.9			
Adj PAT	2,069	2,335	2,061	3,062	1,785	1,578	1,860	2,016	4,223	110%	38%	127%
YoY Change (%)	-21.0	21.7	-31.5	4.6	-13.7	-32.4	-9.7	43.0	37.9			
Margins (%)	14.6	15.5	14.7	19.194	13.3	11.4	14.0	14.48	27.106	87%	41%	94%

Ashok Leyland

BSE SENSEX 30,750
S&P CNX 9,510

CMP: INR86

TP: INR93

BUY

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

Conference Call Details



Date: 26th May 2017
Time: 9.30am IST
Dial-in details:
+91-22-3960 0734

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	195.6	215.2	243.8
EBITDA	21.7	24.0	28.5
NP	11.7	14.1	17.7
EPS (INR)	4.1	5.0	6.2
EPS Gr. (%)	5.7	20.3	25.4
BV/Sh. (INR)	21.8	24.3	27.8
RoE (%)	20.1	21.6	23.9
RoCE (%)	14.7	16.9	19.2
P/E (x)	20.8	17.3	13.8
P/BV (x)	4.0	3.5	3.1

In-line; sequential increase in realizations despite BS-3 discounts a surprise

- Revenue increased ~10.8% YoY (+46.5% QoQ) to ~INR66.2b.
- Realizations grew ~2.1% YoY (+1.1% QoQ) to ~INR1.39m due to price hikes. Volumes rose ~8.5% YoY (+45% QoQ) to 47.6k units, led by pre-buying ahead of BS-IV effective 1 April. AL's domestic M&HCV market share increased 2.3% YoY (+2.5% QoQ) to ~36.3%.
- EBITDA margin contracted ~210bp YoY (+100bp QoQ) to ~11% due to higher RM costs. Adjusted for Hinduja Foundries consolidation, EBITDA margin was in line at 11.7% (est. of ~11.5%).
- AL reported aggregate exceptional loss of ~INR3.5b, which includes impairment reversal profits, loss and provisions related subsidiaries and JVs. Adj. PAT declined ~16% to ~INR4.3b, which include losses of HFL at ~INR200m.
- FY17 performance:** Revenue grew 5.7% as volumes/realizations rose 3.4%/2.3%. EBITDA fell 2.3% to INR22b, while adj. PAT rose ~28.3% to INR15.5b.

Key questions for management

- Update on CV demand post pre-buying ahead of BS-IV in April 2017.
- Unsold inventory post ban on sale of BS-III vehicles and impact on financials.
- RM cost guidance and price hikes to mitigate the impact of the same.
- Contribution of exports, spare parts and defence to revenues.
- Update on Hinduja Foundries and its profitability.

Valuation and view: We will revisit our estimates post the earnings call. The stock trades at 17.3x/13.8x FY18/19E EPS. We have a **Buy** rating with a TP of ~INR93.

Quarterly Performance

(INR Million)	FY16				FY17				FY16	FY17	FY17 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Total Volumes (nos)	28,154	37,369	30,928	43,897	31,165	33,446	32,838	47,617	140,358	145,066	47,621	0.0
Growth %	41.2	47.3	21.8	28.5	10.7	-10.5	6.2	8.5	33.8	3.4	8.2	
Realizations (INR '000)	1,379	1,329	1,330	1,361	1,367	1,382	1,375	1,390	1,349	1,414	1,332	4.3
% change	11.0	4.8	0.5	3.1	-0.9	4.0	3.4	2.1	4.4	4.8	-1.6	
Net operating revenues	38,831	49,672	41,138	59,732	42,588	46,224	45,163	66,179	189,373	205,187	63,434	4.3
Change (%)	56.7	54.4	22.4	32.6	9.7	-6.9	9.8	10.8	39.6	8.4	6.5	
RM/sales %	68.4	69.7	69.9	70.4	68.7	67.8	69.4	71.9	69.7	68.0	71.3	60bp
Staff/sales %	8.5	7.6	8.4	5.6	8.4	8.0	8.7	6.2	7.3	7.5	6.1	10bp
Other exp/sales %	13.0	10.2	10.7	10.9	11.6	12.6	11.8	10.8	11.1	11.3	11.1	-20bp
EBITDA	3,925	6,240	4,493	7,835	4,820	5,365	4,542	7,299	22,546	27,045	7,307	-0.1
EBITDA Margins(%)	10.1	12.6	10.9	13.1	11.3	11.6	10.1	11.0	11.9	13.2	11.5	-50bp
Other Income	78	454	298	218	385	316	258	404	1,176	1,363	273	47.6
Interest	701	631	603	541	338	339	453	423	2,476	1,554	338	25.2
PBT before EO Item	1,984	4,754	2,976	6,524	4,154	4,146	2,396	6,114	16,418	20,829	6,026	1.4
EO Exp/(Inc)	0	1,570	50	6,532	0	0	0	3,508	8,152	3,508	0	
Effective Tax Rate (%)	36.3	45.9	27.0	-	30.0	29.0	32.5	-	52.9	6.2	29.5	-
Adj. PAT	1,264	2,571	2,174	5,124	2,908	2,944	1,618	4,279	12,048	19,542	4,249	0.7
Change (%)	-364	527	577	117	130	14	-26	-16	366.3	62.2	-6.9	

E: MOSL Estimates



BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	PAG IN
Equity Shares (m)	11.2
M.Cap.(INRb)/(USDb)	167.1 / 2.5
52-Week Range (INR)	17351 / 12360
1, 6, 12 Rel. Per (%)	-1/-3/-8
Avg Val, INRm/ Vol m	163
Free float (%)	51.0

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	21.5	26.1	32.2
EBITDA	4.3	5.4	6.9
PAT	2.7	3.5	4.5
EPS (INR)	238.7	313.9	400.0
Gr. (%)	15.0	31.5	27.4
BV/Sh (INR)	596.9	753.8	933.9
RoE (%)	40.0	41.6	42.8
RoCE (%)	40.4	42.1	43.9
P/E (x)	59.6	45.4	35.6
EV/EBITDA (x)	37.0	29.2	22.9

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR 14,237 TP: INR18,000(+26%) Buy

Beat on all fronts; Maintain Buy

- Page Industries' (PAG) 4QFY17 net sales grew 14.8% YoY to INR5.08b (est. INR4.84b), with 8.4% volumes growth. EBITDA grew 14.7% YoY to INR1.06b (est. of INR977m). Adj. PAT was up 17.8% YoY to INR668m (est. of INR637m).
- 4QFY17 volumes grew 8.4% YoY. Men's innerwear, women's innerwear and sportswear segments posted 17.0%, 12.1% and 14.2% YoY growth, with volumes up 10.5%, 7.9% and 4.8% YoY, respectively. Performance was below expectations in Speedo, where sales fell 24.5% YoY (volumes down 21.3%).
- Gross margin expanded 170bp YoY to 65.2% (est. of 59.1%). This was offset by higher employee cost (+90bp YoY) and other expenses (+80bp YoY), resulting in flat EBITDA margin YoY at 20.9%.
- FY17 performance: Sales rose 19.2% YoY to INR21.5b (13% volume growth). EBITDA grew by 12% YoY to INR4.22b and PAT by 15% YoY to INR2.66b.
- Management interaction takeaways: (1) Company took ~4% price hike in Jan, which was partially reflected in the quarter. (2) Yarn prices rose to INR217/kg (v/s INR203/kg last year), but the increase was not material v/s past quarter. Management does not expect yarn costs to go up much from here.
- Valuation and view: We believe PAG is a compelling, capital-efficient, long-term lifestyle play on the premiumizing innerwear category. A widening product and brand portfolio, coupled with distribution expansion, will aid market share and drive multiple years of growth, in our view. Unlike retail peers, PAG has shown ability to maintain strong double-digit volume growth and high RoEs, justifying high valuations. Post results, there is a 2% rise each to FY18E/FY19E EPS. Maintain **Buy** with a revised TP of INR18,000 (45x FY19 EPS, 15% discount to three-year average P/E).

Quarterly Performance

Y/E MARCH	FY16				FY17				FY16	FY17	FY17 4QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	4,489	4,663	4,432	4,422	5,719	5,378	5,283	5,077	18,005	21,456	4,843	4.8%
YoY Change (%)					27.4	15.3	19.2	14.8		19.2	13.8	
COGS	1,783	1,808	1,650	1,616	2,570	2,156	2,131	1,766	6,856	8,623	1,980	
Gross Profit	2,705	2,855	2,782	2,806	3,149	3,222	3,151	3,311	11,149	12,833	2,862	15.7%
Gross margin (%)	60.3	61.2	62.8	63.5	55.1	59.9	59.7	65.2	61.9	59.8	59.1	
Other Expenditure	1,701	1,844	1,953	1,881	2,057	2,147	2,160	2,249	7,380	8,613	1,885	
% to sales	37.9	39.6	44.1	42.5	36.0	39.9	40.9	44.3	41.0	40.1	38.9	
EBITDA	1,004	1,011	829	925	1,092	1,075	991	1,061	3,769	4,220	977	8.6%
Margins (%)	22.4	21.7	18.7	20.9	19.1	20.0	18.8	20.9	20.9	19.7	20.2	
YoY Change					8.8	6.3	19.6	14.7		12.0	4.8	
Depreciation	56	58	58	70	59	60	62	66	241	247	57	
Interest	50	37	35	56	39	40	45	56	178	180	46	
Other Income	56	9	6	11	59	62	20	15	82	156	29	
PBT	953	926	742	810	1,053	1,037	904	955	3,431	3,948	904	5.7%
Tax	327	323	222	244	373	350	275	287	1,116	1,285	267	
Rate (%)	34.3	34.9	29.9	30.1	35.5	33.8	30.4	30.1	32.5	32.6	29.5	
PAT	626	602	520	567	679	687	629	668	2,315	2,663	637	4.8%
YoY Change (%)					8.5	14.0	20.9	17.8		15.0	6.9	

E: MOSL Estimates



Amara Raja Batteries

BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	AMRJ IN
Equity Shares (m)	171
M.Cap.(INRb)/(USDb)	143.0 / 2.2
52-Week Range (INR)	1077 / 807
1, 6, 12 Rel. Per (%)	-8/-27/-20
Avg Val, INRm	348
Free float (%)	47.9

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	53.2	62.0	73.3
EBITDA	8.5	10.3	12.2
PAT	4.8	5.9	7.1
EPS (INR)	28.0	34.5	41.8
Gr. (%)	-2.7	23.0	21.1
BV/Sh (INR)	151.8	179.9	214.0
RoE (%)	20.3	20.8	21.2
RoCE (%)	19.4	19.8	20.3
P/E (x)	29.9	24.3	20.1
P/BV (x)	5.5	4.7	3.9

Estimate change



TP change



Rating change



CMP: INR838 TP: INR1,044(+25%)

Buy

Below est. as lag in cost pass-through hurts margin; Market share gains continue

- Strong growth in Automotive drives revenue:** Net sales grew ~17.4% YoY to INR13.4b (in-line), driven by growth in Automotive 4W (+12% YoY), Tubular products (+29% YoY), UPS (+10% YoY) and exports. Price hikes of up to 10% in the replacement market also aided growth. While demon impacted sales in 2W (flat growth QoQ in Replacement and OEM), Industrial revenue was flat due to weak sales in Telecom and deferment of orders to Railways. FY17 net sales grew 15%, driven by double-digit growth in OEM and Replacement segments.
- Higher RM costs dampen margins:** EBITDA margin shrunk 310bp YoY (~170bp QoQ) to 13.7% (est. of 16%) as the impact of price hike in Telecom and UPS/Inverter would be seen with a lag. However, lower other expenses (-245bp YoY, -110bp QoQ to 13%) restricted EBITDA margin contraction. PAT fell 9% YoY (-12% QoQ) to INR992m (est. of ~INR1.2b). In FY17, EBITDA grew 3.3% to INR8.5b, with the margin contracting 180bp to 16%. PAT fell 2.7% to INR4.8b.
- Takeaways from earning call:** a) Multiple price increases of 9-10% in six months in the replacement market adequately covering cost pressure. b) AMRJ is evaluating and exploring new technologies, including lithium ion. c) Targeting higher share of unorganized players in Tractors (>50%), CVs (~50%) and Home inverters (>50%). AMRJ believes GST would be key catalyst for this shift. d) AMRJ is working on Renewable energy/Solar power, Motive power for fork lift and E-Rickshaws as new areas of growth. e) To start supply to HMCL as approvals are in place. f) Margins sustainable at 14-16%.
- Valuation and view:** We have cut EPS by 4-7.5% for FY18E/19E to factor in the impact of higher RM cost on margins. The stock trades at 24.3x/20.1x FY18/19E EPS. Maintain Buy with a TP of INR1,044 (25x FY19 EPS).

Quarterly Performance

Y/E March (INR m)	FY16				FY17				FY16	FY17	FY17	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	VAR (%)
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



BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	VOLT IN
Equity Shares (m)	331
M.Cap.(INRb)/(USDb)	89.3 / 1.4
52-Week Range (INR)	484 / 287
1, 6, 12 Rel. Per (%)	11/41/22
Avg Val, INRm	570
Free float (%)	69.7

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	60.3	67.4	75.5
EBITDA	5.8	5.9	6.7
Adj PAT	5.1	5.3	6.0
EPS(INR)	15.5	16.0	18.1
EPS Gr. (%)	30.1	3.6	13.2
BV/Sh. (INR)	100.0	111.8	125.2
RoE (%)	18.0	15.1	15.3
RoCE (%)	16.5	15.0	15.1
P/E (x)	30.9	29.7	26.3
P/BV (x)	4.8	4.3	3.8

Estimate change



TP change



Rating change



CMP: INR476

TP: INR400(-16%)

Sell

Results above expectations; JV with Arcelik – a medium-term positive

- Results above expectations: 4QFY17 revenues increased 10% YoY to INR20.4b (est. of INR19.3b). EBITDA increased 23% YoY to INR2.2b (est. of INR1.9b), with the margin expanding 120bp to 10.9% (est. of 10.0%). Adj. net profit rose 46% YoY to INR2.0b (est. of INR1.4b).
- UCP sales grew 28% YoY to INR10.9b, led by early onset of summer. VOLT remained the market leader, with a share of 21.4%. EBIT margin was stable at 16.4%. EMP revenue declined 9% YoY to INR8.3b, led by slower-than-expected progress in some projects. EBIT margin for the segment expanded 250bp YoY to 5.7%, led by closure of low-margin legacy orders and execution of better-margin new orders. Management has guided for 6% EBIT margin for FY18.
- 'Voltas Beko' JV to manufacture and sell consumer durables products: VOLT has entered into a joint venture with Arcelik to manufacture and sell white good products (refrigerator, washing machine, microwave oven, etc.) under the brand name of 'Voltas Beko'. The JV intends to invest USD100m to establish a manufacturing and distribution network in India. The JV expects to roll out the first set of products in 2HFY18.
- Maintain Sell; revise TP to INR400: We raise estimates for FY18/19 by 7% each to factor in the beat in 4QFY17, as we build in higher margins in the UCP segment. Our cautious view is driven by: a) threat to margins from increasing competition in AC segment, b) industry convergence to inverters, where Voltas has a weak share and c) inventory destocking prior to GST implementation and BEE rating changes in January 2018.

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17	FY17 4QE	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	15,585	10,401	12,659	18,554	18,500	9,672	11,805	20,351	57,198	60,328	19,305	5%
Change (%)	-11.3	5.6	33.1	24.5	18.7	-7.0	-6.7	9.7	10.4	5.5	2.2	
EBITDA	1,313	645	563	1,808	1,995	687	890	2,219	4,330	5,791	1,922	15%
Change (%)	-0.4	-17.0	-1.9	26.5	52.0	6.4	58.0	22.7	5.6	33.8	3.7	
As of % Sales	8.4	6.2	4.4	9.7	10.8	7.1	7.5	10.9	7.6	9.6	10.0	
Depreciation	59	64	65	75	66	63	60	56	264	245	79	
Interest	34	33	37	54	48	33	22	58	158	160	51	
Other Income	248	477	249	393	357	658	597	386	1,367	1,998	339	
Extra-ordinary Items	0	0	-22	-268	-9	0	0	-2	106	11	-	
PBT	1,468	1,025	732	2,339	2,248	1,249	1,405	2,493	5,381	7,395	2,130	17%
Tax	452	378	195	671	651	505	437	496	1,696	2,089	795	
Effective Tax Rate (%)	30.8	36.9	26.7	28.7	28.9	40.4	31.1	19.9	31.5	28.2	37.3	
Reported PAT	1,025	647	573	1,642	1,576	697	815	2,005	3,685	5,114	1,416	42%
Change (%)	-7.0	28.9	-46.6	37.6	53.7	7.8	42.2	22.1	-5.7	38.8	-19.7	
Adj PAT	1,025	647	551	1,375	1,567	697	815	2,003	3,580	5,103	1,416	41%
Change (%)	-7.9	29.5	-12.3	17.7	52.8	7.8	47.9	45.7	5.9	42.6	-4.6	
Order Book	40,390	35,990	35,140	39,140	44,170	42,520	41,960	43,210	39,140			-
Order Intake	5,940	2,010	4,960	9,590	9,500	3,820	4,500	4,660	22,500		9,180	
BTB - TTM basis (x)	1.8	1.3	1.3	0.8	1.4	1.1	1.5	1.5	1.4		1.6	

E: MOSL Estimates



PI Industries

BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	PI IN
Equity Shares (m)	138
M.Cap.(INRb)/(USD\$b)	124.4 / 1.9
52-Week Range (INR)	950 / 612
1, 6, 12 Rel. Per (%)	-13/-27/9
Avg Val, INRm	133
Free float (%)	48.5

CMP: INR811

TP: INR952(+17%)

Buy

Near-term pain in CSM, healthy order book expansion

- Revenue growth constrained, but margins continue to expand:** PI's overall revenue rose modestly by 3.6% to INR6b (in-line) in 4QFY17 from INR5.8b in 4QFY16, as continued soft demand in global agrochemicals exerted pressure on international production. EBITDA margin expanded 680bp from 18.6% in 4QFY16 to 25.4% (est. of 21.4%) in 4QFY17, led by operating efficiency and a margin-friendly product mix. EBITDA rose 42% YoY to INR1.5b (est. of INR1.3b), while adj. PAT grew 41% YoY to INR1,352m (est. of INR935m) aided by EBITDA margin expansion and a significantly lower tax rate (-4% v/s 2.3% in 4QFY16). For FY17, revenue grew 9%, EBITDA margin expanded 360bp to 23.4% and adj. PAT rose 47.7% to INR4,574m.
- CSM growth yet to recover, order book remains healthy:** CSM is expected to see soft performance in 1HFY18, but gain momentum later in the year led by likely positive developments in global agrochemicals. CSM grew at 5% YoY and agri input at 2% YoY due to the lack of infestation. PI's order book rose to ~USD1b (8-9 molecules), of which USD200m has been added in last six months, in spite of execution of orders. Along with a growing order book, commercialization of new molecules will enable growth of 10% in FY18.
- New launches to drive growth:** PI entered into a partnership with BASF to offer farmers crop-protection solutions. Two products of BASF are expected to be launched in FY18. Four new molecules have been added, the realizations from which are expected to be seen in FY18, and further investment in technology should enhance product offerings.
- Valuation view:** Global agri environment is expected to remain weak as demand is yet to recover, which will impact PI's CSM business. Management has cut guidance due to near-term pressure in agrochemicals (expected to pick only in 2HFY18). Thus, we cut our earnings by 7%/15% for FY18E/FY19E. We maintain **Buy** with a target price of INR952, 25x FY19E EPS.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	22.8	25.5	29.4
EBITDA	5.5	6.2	7.2
PAT	4.6	4.6	5.2
EPS (INR)	33.4	33.4	38.1
Gr. (%)	46.4	0.1	13.9
BV/Sh (INR)	118.3	145.0	175.1
RoE (%)	32.8	25.4	23.8
RoCE (%)	31.0	25.0	23.8
P/E (x)	24.3	24.3	21.3
P/BV (x)	6.9	5.6	4.6

Estimate change



TP change



Rating change



Standalone - Quarterly Earning Model

Y/E March	FY16				FY17				FY16	FY17	FY17	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	4QE	4QE		
Net Sales	5,921	4,768	5,110	5,844	6,834	5,719	4,879	6,056	21,642	23,488	6,064	0
YoY Change (%)	25.7	11.8	1.2	8.8	15.4	20.0	-4.5	3.6	11.6	8.5	3.7	
Total Expenditure	4,577	3,933	4,079	4,759	5,178	4,440	3,845	4,519	17,348	17,983	4,764	
EBITDA	1,344	835	1,031	1,085	1,656	1,279	1,034	1,537	4,294	5,505	1,300	18
Margins (%)	22.7	17.5	20.2	18.6	24.2	22.4	21.2	25.4	19.8	23.4	21.4	
Depreciation	115	117	137	170	178	181	183	185	537	727	195	
Interest	27	15	27	26	16	13	12	31	96	72	12	
Other Income	86	89	80	94	113	134	133	-21	349	358	90	
PBT before EO expense	1,288	792	947	983	1,575	1,219	973	1,299	4,010	5,065	1,183	10
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,288	792	947	983	1,575	1,219	973	1,299	4,010	5,065	1,183	10
Tax	429	223	238	22	306	205	33	-53	913	491	248	
Rate (%)	33.3	28.1	25.2	2.3	19.4	16.8	3.4	-4.0	22.8	9.7	21.0	
Reported PAT	859	570	708	960	1,269	1,014	940	1,352	3,097	4,574	935	45
Adj PAT	859	570	708	960	1,269	1,014	940	1,352	3,097	4,574	935	45
YoY Change (%)	24.4	25.2	19.9	68.6	47.7	77.9	32.7	40.8	34.3	47.7	0.1	
Margins (%)	14.5	12.0	13.9	16.4	18.6	17.7	19.3	22.3	14.3	19.5	15.4	

E: MOSL Estimates



Gujarat State Petronet

BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	GUJS IN
Equity Shares (m)	563.0
M.Cap.(INR b)/(USD b)	87.9/ 1.3
52-Week Range (INR)	204 / 119
1, 6, 12 Rel. Per (%)	-16/-6/12
12M Avg Val (INR M)	92
Free float (%)	62.3

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	10.3	12.6	14.4
EBITDA	8.9	11.2	12.8
Adj. PAT	5.0	6.3	7.5
Adj. EPS (INR)	8.8	11.2	13.4
EPS Gr. (%)	11.8	26.8	19.5
BV/Sh.(INR)	77	86.0	96.5
RoE (%)	11.9	13.7	14.6
RoCE (%)	9.8	11.3	12.3
P/E (x)	19.7	15.5	13.0
P/BV (x)	2.2	2.0	1.8

Estimate change



TP change



Rating change



CMP: INR174

TP: INR171 (-2%)

Neutral

EBITDA below estimate; transmission volumes down

Reported revenue rose 5% YoY (-8% QoQ) to INR2.4b, falling short of our estimate of INR2.7b, primarily due to lower volumes. EBITDA of INR2.0b (-2% YoY, -12% QoQ) too was below our estimate of INR2.4b due to higher other expenses (INR344m v/s est. of INR239m; +78% YoY, +38% QoQ). PAT came in at INR1.27b (est. of INR1.3b; +7% QoQ, +28% YoY) – the difference at PAT level declined due to (a) higher other income of INR273m (est. of INR231m; +103% YoY, +54% QoQ), (b) lower interest cost of INR116m (est. of INR151m; -34% YoY, -30% QoQ) and (c) lower tax rate of 25.8% (est. of 34.3%; 35% in 3QFY17/4QFY16). Management recommended a dividend of INR1.5/share for FY17.

FY17 performance: EBITDA grew by 3% YoY to INR8.8b and PAT by 12% YoY to INR4.96b. Transmission volumes stood at 24.9mmcmd and implied tariff at INR1,109/mcmd.

Volumes decline; higher implied tariff

4Q transmission volumes stood at 23.4mmcmd (est. of 27mmcmd; -4% YoY, -11% QoQ).

Implied transmission tariff stood at INR1,197/mcmd (est. of INR1,080; +16% YoY, +9% QoQ).

Valuation and view

We model (a) transmission tariff of INR1,200/mcmd for FY18/19 v/s actual INR1,197 in 4QFY17 and (b) volumes of 28/32mmcmd in FY18/FY19 v/s actual 23.4mmcmd in 4QFY17.

Medium-term risk is some volumes (~5mmcmd) going away with the start of RIL's petcoke gasification project. For every 5% variation in volumes/tariff, earnings change by ~6%. The stock trades at 13x FY19E adj. EPS of INR13.4. Our 10x FY19E P/E based TP stands at INR171. Maintain **Neutral**.

Quarterly Performance

Y/E March	(INR Million)											
	FY16				FY17E				FY16	FY17	FY17	Var. vs
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Net Sales	2,557	2,526	2,475	2,319	2,579	2,564	2,668	2,446	9,877	10,256	2,683	-8.8%
Change (%)	11.0	-28.0	1.9	-1.8	0.9	1.5	7.8	5.5	-6.9	3.8	16.0	
EBITDA	2,237	2,240	2,086	2,047	2,330	2,245	2,275	2,013	8,609	8,864	2,363	-14.8%
% of Net Sales	87.5	88.7	84.3	88.2	90.4	87.6	85.3	82.3	87.2	86.4	88.1	
% Change	11.9	-30.7	2.7	3.7	4.2	0.2	9.0	-1.6	-6.8	3.0	15.8	
Depreciation	434	464	472	471	430	436	465	460	1,842	1,791	457	0.7%
Interest	207	213	184	175	167	148	165	116	779	596	151	-23.3%
Other Income	143	122	288	135	147	304	177	273	687	901	231	18.2%
PBT	1,738	1,685	1,718	1,535	1,881	1,965	1,822	1,710	6,676	7,378	1,987	-13.9%
Tax	610	600	483	541	668	666	636	441	2,234	2,411	682	-35.4%
Rate (%)	35.1	35.6	28.1	35.2	35.5	33.9	34.9	25.8	33.5	32.7	34.3	
PAT	1,128	1,085	1,235	995	1,213	1,298	1,186	1,270	4,442	4,966	1,305	-2.7%
Adj. PAT	1,128	1,085	1,235	995	1,213	1,298	1,186	1,270	4,442	4,966	1,305	-2.7%
Change (%)	33	-2	39	34	8	20	-4	28	24	12	31	
EPS (INR)	2.0	1.9	2.2	1.8	2.2	2.3	2.1	2.3	7.9	8.8	2.3	-2.7%
Transmission Vol. (mmcmd)	24.2	24.3	25.1	24.4	25.1	24.6	26.2	23.4	24.5	24.8	27.0	-13.4%
Implied adj. tariff (INR/mcmd)	1,126	1,068	1,054	1,028	1,073	1,079	1,095	1,197	1,069	1,111	1,080	10.8%

E: MOSL Estimates



Prism Cement

BSE SENSEX	S&P CNX
30,750	9,510
Bloomberg	PRSC IN
Equity Shares (m)	503
M.Cap.(INRb)/(USD\$b)	60.0 / 0.9
52-Week Range (INR)	129 / 72
1, 6, 12 Rel. Per (%)	3/16/9
Avg Val, INRm	52
Free float (%)	25.1

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	50.0	58.9	64.5
EBITDA	2.6	4.7	6.1
PAT	0.2	1.9	2.9
EPS (INR)	0.3	3.7	5.8
Gr. (%)	159	966	57
BV/Sh (INR)	20.0	23.1	28.3
RoE (%)	1.8	17.2	22.6
RoCE (%)	4.8	11.0	13.9
P/E (x)	278.6	26.1	16.7
P/BV (x)	4.8	4.2	3.4

Estimate change



TP change



Rating change



CMP: INR119 TP: INR138 (+16%)

Buy

Cement drives strong profitability improvement

- Strong volume growth:** Standalone 4QFY17 revenue rose 2% YoY (+25% QoQ) to INR14.2b (est. of INR16.1b), as Cement sales grew strongly led by volume growth of 15% YoY and realization improvement. TBK sales (-10% YoY) continued to decline. Cement realizations grew ~7% QoQ (~+11% YoY) to INR4,509 (est. of INR4,445) on better pricing in the focus markets.
- TBK losses reduce marginally:** TBK segment's revenue fell 10% YoY (+21% QoQ) to INR5.27b (est. of INR5.1b) due to a market share loss. The segment's PBIT loss at INR260m was marginally lower on a QoQ basis.
- Cement pricing improvement drives margin uptick:** Overall EBITDA rose 58% YoY (+363% QoQ) to INR1.16b, with the margin at 8% (+6pp QoQ; +3pp YoY). Total expenditure fell due to logistics cost initiatives to reduce freight costs. Cement EBITDA/ton stood at INR801 (+65% YoY, +104% QoQ). PAT declined 7% YoY to INR702m due to lower other income.
- FY17 performance:** Cement volume fell 2% YoY to 5.21mt due to heavy rains in its focus markets and demonetization hangover. Cement EBITDA/t rose 58% YoY to INR588 due to lower cost and better realizations. TBK revenue fell 16% YoY to INR18.6b, with EBITDA at INR70m (v/s INR770m in FY16). RMC segment EBITDA was at INR380m for FY17 (v/s INR520m in FY16).
- Valuation and view:** Our SOTP value for PRSC is INR138 (EV of USD120/ton, 7x FY19E RMC EBITDA and 12x FY19E TBK EBITDA). PRSC is a pure play on a recovery in central India, which is likely to see strong profitability improvement, driven by higher consolidation in the region over past 12-18 months. Also, the region is likely to see no meaningful capacity addition over next 18-24 months, driving strong pricing power for the players. However, TBK profitability turnaround would be the key monitorable. Maintain **Buy**.

Quarterly Performance (Standalone)

Y/E March	FY16				FY17				FY16	FY17	FY17	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales Dispatches (m ton)	1.36	1.35	1.22	1.36	1.55	1.18	1.17	1.56	5.29	5.21	1.52	3
YoY Change (%)	-11.6	4.1	-5.9	-9.4	13.6	-12.3	-4.3	14.6	-6.1	-1.5	11.8	
Realization (INR/ton)	3,811	4,198	4,092	3,486	4,111	4,342	4,239	4,509	4,170	4,508	4,182	8
YoY Change (%)	-2.3	3.3	3.6	-7.0	7.9	3.4	3.6	29.3	6.7	8.1	28.1	
QoQ Change (%)	1.7	10.2	-2.5	-14.8	17.9	5.6	-2.4	6.4			1.5	
Net Sales	13,044	13,100	12,496	13,861	12,869	11,599	11,345	14,186	52,502	49,999	16,113	-12
YoY Change (%)	-5.7	-1.7	-5.9	-9.3	-1.3	-11.5	-9.2	2.3	-5.8	-4.8	-2.8	
Total Expenditure	12,431	12,810	11,973	13,128	11,917	11,351	11,094	13,023	50,341	47,385	15,244	-15
EBITDA	613	291	524	734	952	248	251	1,163	2,161	2,614	869	34
Margins (%)	4.7	2.2	4.2	5.3	7.4	2.1	2.2	8.2	4.1	5.2	5.4	
Depreciation	390	383	385	403	409	399	401	394	1,560	1,602	409	
Interest	621	669	570	541	554	392	544	344	2,400	1,834	576	
Other Income	196	240	209	972	229	331	231	312	1,617	1,103	319	
PBT	-202	-557	-222	762	219	-213	-463	738	-219	281	204	262
Tax	-53	-183	-69	6	63	0	7	36	-300	106	-20	
Rate (%)	26.4	32.9	31.3	0.8	28.6	0.0	-1.6	4.9	137.1	37.8	-9.6	
Reported PAT	-149	-374	-152	756	156	-213	-470	702	81	175	224	214
Adj PAT	-149	-350	-152	756	156	-213	-470	702	68	175	224	
Margins (%)	-1.1	-2.7	-1.2	5.5	1.2	-1.8	-4.1	4.9	0.1	0.4	1.1	

E: MOSL Estimates

Repc Home Finance

BSE SENSEX	S&P CNX
27,591	8,544
Bloomberg	REPCO IN
Equity Shares (m)	62.6
M.Cap.(INR b)/(USD b)	44.0/0.7
52-Week Range (INR)	891 / 552
1, 6, 12 Rel. Per (%)	-11/6/-1
Avg Val.(INR m)	59
Free float (%)	62.9

CMP: INR747

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	3.7	4.3	5.1
PPP	3.3	3.8	4.5
PAT	1.8	2.1	2.5
EPS (INR)	29.1	33.6	39.3
BV/Sh. (INR)	181.7	212.4	248.3
RoAA (%)	2.2	2.1	2.0
RoE (%)	17.4	17.1	17.1
Payout (%)	8.7	8.7	8.7
Valuation			
P/E (x)	25.7	22.2	19.0
P/BV (x)	4.1	3.5	3.0
Div. Yield (%)	0.3	0.3	0.4

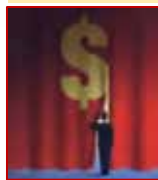
Asset quality improves; Margins surprise positively

- Repc Home Finance (Repc) reported 4QFY17 PAT of INR506m (7% above estimate), driven by a strong operating performance and low provisions. Excluding one-off charge of INR20m in the quarter, PPOP increased 17% YoY, driven by 21% YoY NII growth.
- Sanctions/disbursements were down 25%/26% YoY, implying the lingering effect of demonetization. **We expect disbursement growth to pick up in FY18 as the impact of demonetization fades away, government schemes gather pace and with the relaxation of ban on registration of unapproved plots by the Madras High Court in March.**
- Due to the sluggish momentum in 2HFY17, loan book grew only 16% YoY to INR89b. This is slowest loan growth in past 10 years. However, given aforementioned factors, we expect loan growth to pick up to pre-demon levels.
- Spreads/margins increased 50bp QoQ to 3.4%/4.7% in the quarter, driven by a 50bp reduction in cost of funds. **This is in line with our thesis that REPCO is the biggest beneficiary (among HFCs) of MCLR cuts by banks in January as a) ~60% of borrowings are from banks and b) all bank borrowings are at MCLR, bulk of which are at 6/12-month reset.**
- Asset quality witnessed seasonal improvement from the lows of the third quarter. GNPL ratio declined 160bp QoQ to 2.6%, driven by similar improvement in all segments. **High-ticket LAP book (>INR10m), which had been a problem area, witnessed resolution in some key large accounts in 4QFY17 and 1QFY18.**
- Valuation and view:** RHFL has recorded a loan book CAGR of 26% over past five years, with equally impressive earnings growth of 24%. Presence in the underserved markets, pricing power on asset side, declining cost of funds and expanding reach should support its earnings over the longer term. We look to revise our estimates and TP post the analyst concall on 29 May 2017.

REPCO: Quarterly performance

Y/E March	(INR Million)									
	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	1,935	2,084	2,191	2,312	2,389	2,500	2,589	2,663	8,521	10,141
Interest Expenses	1,271	1,344	1,410	1,460	1,550	1,597	1,682	1,635	5,486	6,463
Net Interest Income	664	740	781	852	840	903	907	1,028	3,036	3,678
YoY Growth (%)	25.2	24.7	32.8	28.7	26.5	22.1	16.2	20.7	27.7	21.1
Other income	66	80	63	91	80	98	67	73	300	318
Total Income	730	820	843	943	920	1,000	974	1,102	3,336	3,996
YoY Growth (%)	24.7	28.4	32.4	26.2	26.0	22.0	15.5	16.8	27.7	19.8
Operating Expenses	154	175	160	153	149	163	163	200	643	676
YoY Growth (%)	37.0	36.8	13.0	-7.1	-3.5	-6.8	1.9	30.7	17.5	5.1
Operating Profits	576	644	683	790	771	837	811	902	2,693	3,320
YoY Growth (%)	21.8	26.3	37.9	35.7	33.9	29.9	18.7	14.1	30.4	23.3
Provisions	113	47	92	140	179	127	96	116	392	519
Profit before Tax	463	597	591	650	592	710	714	786	2,301	2,802
Tax Provisions	161	207	205	228	196	253	250	280	800	979
Profit after tax	302	391	386	422	395	457	464	506	1,501	1,823
YoY Growth (%)	21.8	21.2	25.5	21.3	30.8	17.0	20.4	19.8	21.9	21.4
Cost to Income Ratio (%)	21.1	21.4	19.0	16.2	16.2	16.3	16.8	18.2	19.3	16.9
Tax Rate (%)	34.7	34.6	34.7	35.0	33.2	35.7	35.0	35.6	34.8	35.0

E: MOSL Estimates



Alkem Labs

Bloomberg	ALKEM IN
Equity Shares (m)	119.6
M. Cap. (INR b)/(USD b)	264 / 4
52-Week Range (INR)	2238 / 1175
1,6,12 Rel Perf. (%)	-1 / 26 / 45

CMP: INR2,207 TP: INR1,850 (-16%) Neutral

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	49.9	60.0	69.1	81.7
EBITDA	8.5	11.0	12.7	15.5
NP	7.7	9.5	10.3	12.0
EPS (INR)	64.7	79.3	85.7	100.0
EPS Gro. (%)	67.4	22.5	8.1	16.7
BV/Sh. (INR)	293.0	356.4	422.8	500.3
RoE (%)	23.8	24.4	22.0	21.7
RoCE (%)	17.6	22.5	20.4	25.2

Valuations

P/E (x)	34.1	27.8	25.7	22.1
P/BV (x)	7.5	6.2	5.2	4.4
EV/EBITDA (x)	30.9	23.7	20.0	15.8

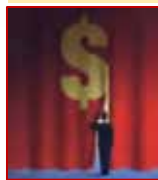
- After growing strongly (~20% YoY) in 9M FY17, we expect revenues to decline QoQ. The slowing pace of growth can be attributed to seasonal weakness and demonetization. Additionally, we expect revenues to be weighed down by NPPA-led downward price erosions.
- EBITDA margin is expected to increase 390bp YoY and decline 30bp QoQ on the back of high base effect, seasonality factor and demonetisation.
- We expect adj PAT to grow ~23% YoY, while tax rate is expected to inch up to ~23% from mid-single-digit in 9MFY17.
- ALKEM's US business could potentially double from ~USD150m in FY16 to ~USD300m over next 3-4 years, driven by a strong pipeline of ~50 pending ANDAs.
- We continue believing that ALKEM is the best way to play the domestic growth story (>70% of revenue and >85% of EBITDA came from India in FY17). Our TP if INR1,850 is based on 20x1HFY19E PER. Neutral.

Key issues to watch out

- Ø Impact of demonetization.
- Ø Update on visibility of approval post EIR at Ankleshwar facility.
- Ø Pick-up in chronic business.

Quarterly Performance (INR Million)

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	12,075	13,820	12,747	11,426	14,808	16,383	14,819	14,035	49,915	60,046
YoY Change (%)			29.0	25.3	22.6	18.6	16.3	22.8	31.7	20.3
EBITDA	2,062	2,556	2,354	1,580	2,711	3,105	2,681	2,492	8,482	10,988
Margins (%)	17.1	18.5	18.5	13.8	18.3	19.0	18.1	17.8	17.0	18.3
Depreciation	206	259	244	260	230	255	264	255	1,006	1,003
Net Other Income	251	502	161	319	181	219	137	362	975	899
PBT before EO Exp	2,107	2,798	2,270	1,639	2,663	3,069	2,554	2,598	8,451	10,884
EO Exp/(Inc)									0	0
PBT	2,107	2,798	2,270	1,639	2,663	3,069	2,554	2,598	8,451	10,884
Tax	68	81	345	1,066	230	187	192	589	1,606	1,197
Rate (%)	3.2	2.9	15.2	65.0	8.6	6.1	7.5	22.7	19.0	11.0
PAT (pre Minority Interest)	2,039	2,717	1,925	573	2,433	2,882	2,363	2,010	6,845	9,687
Minority Interest	28	47	35	6	45	53	29	73	114	200
Reported PAT	2,011	2,670	1,889	567	2,388	2,828	2,334	1,936	6,731	9,487
YoY Change (%)			17.0	-56					0	0
Adj Net Profit	2,011	2,670	1,872	1,577	2,388	2,828	2,334	1,936	6,731	9,487
YoY Change (%)			17.0	21.4	18.7	5.9	24.7	22.8	45.5	40.9



CG Power and Industrial

Bloomberg	CGPOWER IN
Equity Shares (m)	627.0
M. Cap. (INR b)/(USD b)	50 / 1
52-Week Range (INR)	89 / 48
1,6,12 Rel Perf. (%)	15 / -4 / 43

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Net Sales	48.3	50.3	55.1	59.5
EBITDA	2.9	4.0	4.9	5.3
Adj PAT	1.3	-0.4	1.4	1.8
EPS(INR)	2.1	-0.5	2.3	2.9
EPS Gr. (%)	-50.0	-125.0	-537.4	27.5
BV/Sh. (INR)	73.3	72.1	71.3	70.5
RoE (%)	3.1	3.9	5.9	6.9
RoCE (%)	5.5	6.1	7.7	7.0
Payout (%)	0.0	-113.8	113.8	113.8

Valuations

P/E (x)	34.6	-151.7	34.7	27.2
P/BV (x)	1.0	1.1	1.1	1.1
EV/EBITDA (x)	18.4	12.0	10.2	9.5
Div Yield (%)	0.0	0.7	3.3	3.6

* Consolidated

CMP: INR80 TP: INR45 (-44%) SELL

- n During the quarter, CG Power completed the sale of its B2B automation business comprising of ZIV for an enterprise valuation of EUR120m to Alfanar Electric Systems, Saudi Arabia.
- n The management intends to sell the overseas power business on either geographical basis or product-wise basis.
- n The management intends to monetize ~INR10b of non-core assets, including additional land at Kanjurmarg, to lower standalone business debt.
- n We expect standalone revenue to register muted growth of 2% YoY to INR11.6b during 4QFY17.
- n Operating profit is expected to decline 25% YoY to INR674m, led by increase in other expenses. EBIDTA margin is expected to decline 210bp YoY to 5.8%.
- n We estimate net profit at INR257m against INR1.1b in 4QFY16.
- n Maintain **SELL**.

Key issues to watch

- Ø Lowering debt in demerged business through asset sale.
- Ø Concrete developments on plans to sell international power business.

Quarterly performance (Consol.)

(INR Million)

	FY16				FY17				FY16	FY17
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Sales (Net)	10,275	14,292	11,249	16,699	14,238	13,233	12,441	12,441	48,274	50,273
Change (%)	-70.1	-58.3	-53.3	6.0	38.6	-7.4	10.6	-25.5	-65.6	4.1
EBITDA	-136	1,295	934	1,548	1,206	844	833	1,107	2,931	4,008
Change (%)	-107.9	-23.1	49.0	-48.3	-983.2	-34.8	-10.8	-28.5	-54.4	36.7
Adjusted EBITDA	-136	1,295	934	1,548	1,206	844	833	1,107	2,931	
As of % Sales (Adj)	-1.3	9.1	8.3	9.3	8.5	6.4	6.7	8.9	6.1	
Depreciation	603	604	401	728	604	356	341	327	1,717	1,628
Interest	153	169	191	240	306	439	509	508	794	1,763
Other Income	425	178	155	257	176	502	306	316	1,212	1,300
EO Income/(Exp)	-11	-1	-1,498	-2,030	0	-573	-717	-349	-1,113	
PBT	-479	698	-1,001	-1,193	471	-22	-427	937	-1,975	1,918
Tax	166	225	-41	-182	68	78	-117	145	334	173
Effective Tax Rate (%)	-34.7	32.2	4.1	15.2	14.3	-356.6	27.4	15.4	-16.9	9.0
Minority interest	-8.3	-23.7	-3.1	9.8	3.6	4.1	3.9	-36.9	-25.3	-25.3
Reported PAT	-637	497	-957	-1,022	400	-104	-314	829	-2,284	1,769
Adjusted PAT	-626	499	540	1,008	400	469	402	1,178	1,323	1,769
Change (%)	(197.7)	(28.4)	(210.4)	(63.4)	(163.9)	(6.0)	(25.6)	16.8	(28.1)	33.7

E: MOSL Estimates



CG Consumer Electricals

Bloomberg	CROMPTON IN
Equity Shares (m)	626.8
M. Cap. (INR b)/(USD b)	138 / 2
52-Week Range (INR)	239 / 126
1,6,12 Rel Perf. (%)	-

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Net Sales	18.1	39.8	44.3	49.9
EBITDA	2.1	4.9	5.6	6.7
Adj PAT	1.1	2.9	3.4	4.2
EPS (INR)	1.9	4.6	5.5	6.7
EPS Gr. (%)	(70.3)	139.7	19.7	23.8
BV/Sh. (INR)	3.6	6.0	8.9	11.6
RoE (%)	52.1	94.3	73.3	66.1
RoCE (%)	27.4	35.1	34.1	35.8
Payout (%)	-	40.0	40.0	50.0

Valuations

P/E (x)	115.7	48.3	40.3	32.6
P/BV (x)	60.3	36.5	24.8	19.0
EV/EBITDA, x	68.8	29.4	25.4	20.9
Div Yield (%)	-	0.8	1.0	1.5

* Consolidated

CMP: INR220 TP: INR221 (0%) Buy

- n We expect sales to grow 8% YoY, driven by 9% YoY growth in the consumer durables segment and 6% YoY growth in the lighting segment.
- n We expect operating profit of INR1.4b in 4QFY17, an improvement of 8% YoY, and stable EBITDA margin of 12.6%.
- n Net profit is expected to be INR809m in 4QFY17 as against INR759m in 4QFY16, a growth of 6.6% YoY.

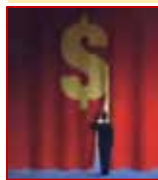
Key issues to watch

- Ø Details of segmental sales, as CROMPTON intends to improve sales of premium category products.
- Ø Ad spends incurred by the company during the quarter, as CROMPTON intends to position itself as an electrical consumer durables brand as against its current positioning as a fans brand.

Quarterly Estimates (Standalone)

(INR Million)

Y/E March	FY16		FY17				FY16	FY17
	3Q	4Q	1Q	2Q	3Q	4Q		
Sales	8,101	10,016	11,208	8,900	8,889	10,843	18,117	39,840
Change (%)	12.0	10.6			9.7	8.3		119.9
EBITDA	828	1,272	1,550	974	993	1,368	2,095	4,885
Change (%)	-8.1	2.0			19.9	7.6		133.2
As of % Sales	10.2	12.7	13.8	10.9	11.2	12.6	11.6	12.3
Depreciation	30	33	28	27	26	27	63	109
Interest	158	159	180	161	162	162	318	709
Other Income	1	0	34	42	50	24	39	195
Extra-ordinary Items	0	0					0	
PBT	641	1,079	1,376	827	855	1,204	1,753	4,262
Tax	218	321	457	273	281	395	525	1,407
Effective Tax Rate (%)	33.9	29.7	33.2	33.0	32.9	32.8	29.9	33.0
Adjusted PAT	424	759	919	554	574	809	1,228	2,856
Change (%)	(51.1)	(10.0)			35.4	6.6	(69.4)	132.5
Extra-ordinary Income (net)	(11.9)	(92.7)	-	-	-	-	(139.3)	
Reported PAT	412	666	919	554	574	809	1,089	2,856
Change (%)	(52.4)	(21.0)			39.3	21.4	(72.9)	162.3



Divi's Laboratories

Bloomberg	DIVI IN
Equity Shares (m)	265.5
M. Cap. (INR b)/(USD b)	168 / 3
52-Week Range (INR)	1380 / 612
1,6,12 Rel Perf. (%)	-20 / -57 / -58

CMP: INR632 TP:INR600 (-5%) Neutral

- n Divis Laboratories (DIVI) is likely to register marginal growth of 0.9% YoY in 4QFY17 revenue to INR11b on the back higher base effect.
- n Adjusted EBITDA is likely to decline ~3% YoY to INR3.8b, as margins are expected to contract 140bps to 34.8%.
- n PAT is expected to decline 10.3% YoY to INR2.9b due to increase in depreciation.
- n Management expects FY17 revenue to grow at low-to-mid-teens, with EBITDA margin sustaining at 37%.
- n We expect the stock to remain range bound till further clarity emerges on the 483 observations. We maintain Neutral with a target price of INR600. On a going concern basis also large capex addition and delay in commencement of facility would keep growth under check till FY19. However strong balance sheet (net cash surplus) and high return ratios (RoE at ~29%) provide valuation cushion
- n The stock trades at 14.8x FY18E earnings. Maintain Neutral.

Financial Snapshot (INR Billion)

Y/E MARCH	2016	2017E	2018E	2019E
Sales	37.7	40.6	37.2	43.5
EBITDA	14.1	15.3	12.1	14.6
NP	11.1	11.4	8.7	10.3
EPS (INR)	41.9	43.0	32.9	38.6
EPS Gro. (%)	30.6	2.7	-23.6	17.5
BV/Sh. (INR)	161.5	177.1	195.2	216.4
RoE (%)	28.6	25.4	17.7	18.8
RoCE (%)	28.4	25.3	17.6	18.7

Valuations

P/E (x)	15.1	14.7	19.2	16.4
P/BV (x)	3.9	3.6	3.2	2.9
EV/EBITDA (x)	11.9	10.7	13.2	10.8
Div. Yield (%)	2.5	2.5	2.0	2.3

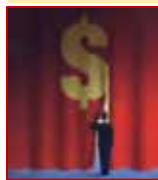
Key issues to watch out

- Ø Clarity on Unit 2 483s.
- Ø Ramp-up at Vizag SEZ.
- Ø Outlook for growth beyond FY18.

Quarterly Performance (INR Million)

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Op Revenue	8,069	9,619	8,518	10,934	10,060	9,918	9,600	11,030	37,690	40,608
YoY Change (%)	26.1	15.9	8.1	34.2	24.7	3.1	12.7	0.9	21.5	7.7
EBITDA	3,000	3,736	3,212	3,960	4,016	3,680	3,777	3,836	14,064	15,309
Margins (%)	37.2	38.8	37.7	36.2	39.9	37.1	39.3	34.8	37.3	37.7
Depreciation	289	301	299	292	301	308	310	905	1,182	1,824
Interest	2	3	2	15	4	4	4	10	23	22
Other Income	360	321	163	193	184	226	215	586	922	1,212
PBT before EO Income	3,069	3,752	3,074	3,845	3,896	3,595	3,678	3,507	13,781	14,676
EO Income	0	0	0	0	0	0	0	0	0	0
PBT	3,069	3,752	3,074	3,845	3,896	3,595	3,678	3,507	13,781	14,676
Tax	617	795	608	623	878	565	996	617	2,662	3,082
Deferred Tax	0	0	0	0	0	0	0	0	21	0
Rate (%)	20.1	21.2	19.8	16.2	22.5	15.7	27.1	17.6	19.5	22.2
Adj PAT	2,452	2,957	2,466	3,222	3,018	3,030	2,683	2,891	11,098	11,418
YoY Change (%)	46.0	28.8	11.8	40.8	23.1	2.5	8.8	-10.3	30.6	2.9
Margins (%)	30.4	30.7	28.9	29.5	30.0	30.5	27.9	26.2	29.4	28.1
Reported PAT	2,452	2,957	2,466	3,222	3,018	2,239	2,683	2,891	11,098	10,802

E: MOSL Estimates; Quarterly numbers are standalone



HPCL

Bloomberg	HPCL IN
Equity Shares (m)	1017.0
M. Cap. (INR b)/(USD b)	531 / 8
52-Week Range (INR)	584 / 259
1,6,12 Rel Perf. (%)	-4 / 14 / 76

Financial snapshot (INR b)

y/e march	2016	2017E	2018E	2019E
Sales	1,793	1,873	1,755	1,952
EBITDA	76.2	99.9	94.7	98.9
Adj. PAT	38.6	54.5	45.7	46.6
Adj. EPS (INR)	38.0	53.5	44.9	45.8
EPS Gr. (%)	41.3	41.0	(16.1)	1.9
BV/Sh.(INR)	182.1	202.7	231.8	261.5
RoE (%)	22.4	27.8	20.7	18.6
RoCE (%)	13.0	14.7	10.7	9.5
Payout (%)	36.4	58.5	35.2	35.2

Valuations

P/E (x)	13.8	9.8	11.6	11.4
P/BV (x)	2.9	2.6	2.3	2.0
EV/EBITDA (x)	8.9	7.7	7.7	7.7
Div. Yield (%)	2.2	5.1	2.6	2.6

CMP: INR523 TP: INR604 (+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 HPCL's refinery throughput at 4.3mmt for 4QFY17 v/s 4.7mmt in 4QFY16 and 4.7mmt in 3QFY17.
- n We model GRM of USD5.6/bbl (inclusive of inventory gain/loss) for HPCL during 4QFY17.
- n We expect HPCL to report EBITDA of INR20.4b (-29% QoQ, -21% YoY) in 4QFY17.
- n We estimate PAT at INR10.8b (-32% QoQ, -30% YoY) for 4QFY17.
- n HPCL trades at 11.4x FY19E EPS of INR45.8 and 2x FY19E BV (adjusted for investments), with ~3% dividend yield. Buy.

Key issues to watch for

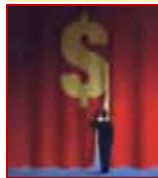
- Ø (a) GRM,
- Ø (b) impact of forex and inventory change, and
- Ø (c) Bhatinda refinery profits.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	517,204	420,036	429,376	421,260	447,793	420,306	484,856	517,206	1,787,875	1,870,160
YoY Change (%)	-12.6	-18.7	-15.9	-5.4	-13.4	0.1	12.9	22.8	-13.4	4.6
EBITDA	29,802	-1,265	21,711	25,921	35,653	11,890	28,636	20,843	76,168	97,022
Margins (%)	5.8	-0.3	5.1	6.2	8.0	2.8	5.9	4.0	4.3	5.2
Depreciation	7,508	5,428	6,960	6,754	6,108	6,160	6,336	6,817	26,649	25,420
Interest	1,227	1,650	1,639	1,913	1,395	1,164	530	700	6,430	3,789
Other Income	3,138	3,640	2,725	4,771	3,368	6,188	2,276	3,324	14,274	15,155
PBT	24,204	-4,704	15,838	22,025	31,518	10,755	24,046	16,650	57,363	82,968
Tax	8,324	-1,499	5,425	6,495	10,534	3,741	8,143	5,549	18,746	27,968
Rate (%)	34	32	34	29	33	35	34	33	33	34
Adj PAT	15,880	-3,205	10,413	15,529	20,984	7,013	15,903	11,100	38,617	55,000
YoY Change (%)	3,349.3	-137.7	-420.0	-28.2	32.1	-318.8	52.7	-28.5	41.3	42.4
Margins (%)	3.1	-0.8	2.4	3.7	4.7	1.7	3.3	2.1	2.2	2.9
Key Assumptions										
Refining throughput (mmt)	3.8	4.2	4.6	4.7	4.5	4.0	4.7	4.3	17.2	17.4
GRM (USD/bbl)	8.6	2.7	7.9	7.5	6.8	3.2	6.4	5.6	6.7	5.5
Marketing sales volume incl exports (mmt)	8.6	7.8	8.7	9.1	8.9	8.0	9.3	8.9	34.1	35.0
Marketing GM per litre (INR/litre)	4.5	1.9	3.1	5.1	4.7	3.5	3.9	3.5	3.7	3.9

E: MOSL Estimates



Bloomberg	ITC IN
Equity Shares (m)	12070.8
M. Cap. (INR b)/(USD b)	3367 / 52
52-Week Range (INR)	292 / 204
1,6,12 Rel Perf. (%)	3 / 10 / 8

CMP: INR279 TP: INR320 (+15%)

Buy

- n We expect net sales to grow by 1.3% YoY to INR98.8b; with cigarette volume declining by 4% YoY (base quarter saw flat volumes).
- n We expect cigarette EBIT to grow 1.9% YoY. We have factored in EBITDA decline of 0.1% YoY to INR36b for the company.
- n We expect Other FMCG to post revenue growth of ~4% YoY.
- n We estimate PAT growth of 8.4% YoY to INR25.8b higher than EBITDA growth mainly due to high tax rate in base quarter 4QFY16.
- n The stock trades at 25.3x FY19E EPS of INR11; maintain Buy.

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	362.2	384.4	430.9	494.4
EBITDA	137.2	143.1	159.5	189.5
Adj. PAT	93.1	101.1	112.8	133.2
Adj. EPS (INR)	7.7	8.4	9.3	11.0
EPS Gr. (%)	-3.5	8.6	11.6	18.1
BV/Sh.(INR)	27.3	31.6	36.0	40.8
RoE (%)	29.3	28.4	27.6	28.7
RoCE (%)	27.8	27.3	27.0	28.5
Payout (%)	88.4	64.4	64.4	64.4

Valuations

P/E (x)	36.2	33.3	29.8	25.3
P/BV (x)	10.2	8.8	7.7	6.8
EV/EBITDA (x)	23.1	22.0	19.5	16.2
Div. Yield (%)	2.4	1.9	2.2	2.5

Key issues to watch for:

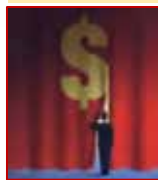
- ⊗ Trends in cigarette volume.
- ⊗ Demand outlook for FMCG categories and segmental profitability.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Cigarette Vol Gr (%)	-17.0	-14.0	-5.0	0.0	3.0	4.0	-1.0	-4.0	-9.0	0.6
Net Sales	91,600	87,989	88,671	97,567	100,540	96,607	92,484	98,798	365,827	388,429
YoY Change (%)					9.8	9.8	4.3	1.3	0.2	6.2
Total Exp	59,078	54,162	53,924	61,483	65,278	60,307	57,020	62,759	228,647	245,364
EBITDA	32,522	33,827	34,746	36,084	35,262	36,300	35,464	36,038	137,179	143,065
Growth (%)					8.4	7.3	2.1	-0.1	1.4	4.3
Margins (%)	35.5	38.4	39.2	37.0	35.1	37.6	38.3	36.5	37.5	36.8
Depreciation	2,576	2,582	2,619	2,543	2,613	2,684	2,665	3,272	10,319	11,234
Interest	105	103	161	123	101	107	136	234	491	578
Other Income	3,565	3,926	6,490	3,712	4,205	4,754	6,879	3,797	17,693	19,636
PBT	33,407	35,068	38,456	37,131	36,754	38,262	39,542	36,330	144,061	150,888
Tax	11,746	12,443	13,419	13,342	12,907	13,262	13,075	10,549	50,949	49,793
Rate (%)	35.2	35.5	34.9	35.9	35.1	34.7	33.1	29.0	35.4	33.0
Adj PAT	21,661	22,625	25,038	23,789	23,847	25,000	26,467	25,781	93,113	101,095
YoY Change (%)					10.1	10.5	5.7	8.4	-3.5	8.6

E: MOSL Estimates



Navneet Education

Bloomberg	NELI IN
Equity Shares (m)	233.5
M. Cap. (INR b)/(USD b)	39 / 1
52-Week Range (INR)	175 / 82
1,6,12 Rel Perf. (%)	12 / 59 / 83

CMP: INR168 TP: INR210 (+25%) Buy

- n We expect 10% revenue growth to INR2.03b in 4QFY17, and EBITDA to remain flat at INR243m with 120bp YoY contraction in margins to 12%.
 - n Typically, 1Q is the largest quarter for Navneet as schools of SSC boards open in 1Q. Thus, in 4Q revenue is largely driven by the stationary division.
 - n We expect adjusted PAT to increase by 7% to INR130m in 4QFY17.
- Buy.**

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	9.5	10.9	13.7	16.1
EBITDA	2.1	2.5	3.3	4.0
NP	1.0	1.6	2.0	2.5
Adj. EPS (INR)	4.3	6.6	8.6	10.5
Adj. EPS Gr. (%)	-20.7	53.2	29.3	22.6
BV/Sh(INR)	24.5	26.2	31.0	37.1
RoE (%)	18.3	26.0	30.0	30.9
RoCE (%)	18.4	21.1	23.7	25.8

Valuations

P/E (x)	38.3	25.0	19.3	15.8
P/BV (x)	6.8	6.3	5.3	4.5
EV/EBITDA (x)	19.3	15.8	12.1	9.9
EV/Sales (x)	4.2	3.7	2.9	2.4

Key issues to watch for

- Ø Update on Britannica acquisition.
- Ø Outlook for FY18 considering syllabus change.
- Ø

Standalone - Quarterly Earning Model

Y/E March	(INR Million)									
	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	5,161	1,174	1,129	1,842	5,605	1,714	1,566	2,026	9,498	10,894
YoY Change (%)	4.5	-20.6	-16.0	0.4	8.6	46.0	38.6	10.0	-3.0	14.7
Total Expenditure	3,581	1,057	1,008	1,599	3,803	1,416	1,363	1,783	7,443	8,355
EBITDA	1,580	117	121	243	1,802	298	203	243	2,055	2,538
Margins (%)	30.6	10.0	10.7	13.2	32.1	17.4	13.0	12.0	21.6	23.3
Depreciation	62	65	68	72	60	62	65	80	288	266
Interest	30	0	0	4	23	0	1	6	36	34
Other Income	17	100	51	27	23	45	55	40	176	147
PBT before EO expense	1,505	152	104	194	1,743	281	193	197	1,908	2,386
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,505	152	104	194	1,743	281	193	197	1,908	2,386
Tax	521	43	28	73	607	95	66	67	666	833
Rate (%)	34.7	28.1	27.4	37.4	34.8	33.9	34.3	34.0	34.9	34.9
Minority Interest & Profit/Loss of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	983	109	75	121	1,136	186	126	130	1,242	1,553
Adj PAT	983	109	75	121	1,136	186	126	130	1,242	1,553
YoY Change (%)	9.4	-8.5	-36.6	-22.5	15.5	69.8	68.3	7.3	-4.7	25.0
Margins (%)	19.1	9.3	6.7	6.6	20.3	10.8	8.1	6.4	13.1	14.3

E: MOSL Estimates



Bloomberg	ONGC IN
Equity Shares (m)	12833.3
M. Cap. (INR b)/(USD b)	2390 / 37
52-Week Range (INR)	212 / 133
1,6,12 Rel Perf. (%)	-7 / -1 / 15

Financial snapshot (INR b)

Y/E Mar	FY17E	FY18E	FY19E
Sales	1408	1683	1905
EBITDA	549	689	801
NP	196	257	294
EPS (Rs)	15.3	20.0	22.9
EPS Gr. (%)	12.2	31.1	14.5
BV/Sh. (Rs)	150	158	167
RoE (%)	10.4	13.0	14.1
RoCE (%)	9.0	10.8	11.6
P/E (x)	12.0	9.2	8.0
P/BV (x)	1.2	1.2	1.1
EV/EBITDA (x)	5.2	4.2	3.6
Div. Yield (%)	4.3	5.6	6.4

CMP: INR174 TP:INR233 (+34%)

Buy

- n We expect ONGC to report adjusted PAT of INR45b in 4QFY17 (v/s INR43.5b in 3QFY17 and INR27.5b in 4QFY16).
- n We estimate EBITDA at INR107.7b (v/s INR103b in 3QFY17 and INR59.6b in 4QFY16).
- n We estimate gross and net realization at USD55.1/bbl, as we expect the entire subsidy to be borne by the government.
- n We may see one-time royalty hit of INR25b during the quarter.

Key issues to watch for

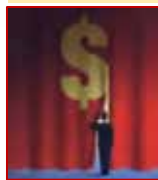
- Ø (a) Subsidy sharing, (b) DD&A charges, (c) oil & gas production volumes, and (d) development plan for KG Basin.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	226,958	205,632	183,969	161,401	176,704	182,866	199,338	210,978	777,961	769,886
YoY Change (%)	4.4	1.0	-1.7	-24.2	-22.1	-11.1	8.4	30.7	-5.3	-1.0
Total Expenditure	106,968	101,718	97,567	101,727	83,942	87,476	96,440	103,300	407,980	371,157
EBITDA	119,990	103,914	86,402	59,675	92,761	95,391	102,898	107,679	369,981	398,729
Margins (%)	52.9	50.5	47.0	37.0	52.5	52.2	51.6	51.0	47.6	51.8
Depreciation	45,807	46,074	39,532	41,019	36,997	34,529	47,039	47,000	172,431	165,566
Interest	31	0	0	73	2,920	3,034	3,062	3,000	104	12,016
Other Income	9,356	12,541	9,627	20,886	10,668	12,920	9,727	10,132	52,409	43,447
PBT before EO expense	83,509	70,380	56,497	39,469	63,512	70,748	62,524	67,810	249,855	264,595
Extra-Ord expense	0	0	39,944	-24,002	0	0	0	0	15,942	0
PBT	83,509	70,380	16,553	63,471	63,512	70,748	62,524	67,810	233,913	264,595
Tax	28,910	21,960	3,687	19,310	21,186	20,999	19,001	22,601	73,867	83,787
Rate (%)	34.6	31.2	22.3	30.4	33.4	29.7	30.4	33.3	31.6	31.7
Reported PAT	54,599	48,420	12,866	44,161	42,325	49,749	43,523	45,209	160,046	180,807
Adj PAT	54,599	48,420	43,913	27,461	42,325	49,749	43,523	45,209	170,954	180,807
YoY Change (%)	14.2	-11.1	23.0	-30.2	-22.5	2.7	-0.9	64.6	-3.6	5.8
Margins (%)	24.1	23.5	23.9	17.0	24.0	27.2	21.8	21.4	22.0	23.5
Key Assumptions (USD/bbl)										
Fx rate (INR/USD)	63.7	65.0	66.0	67.3	66.9	67.0	67.4	67.2	65.5	67.1
Gross Oil Realization	63.8	51.2	44.3	34.9	46.1	47.9	50.1	55.1	48.6	49.8
Subsidy	4.9	2.4	0.0	0.0	0.0	0.0	0.0	0.0	1.8	0.0
Net Oil Realization	58.9	48.8	44.3	34.9	46.1	47.9	50.1	55.1	46.7	49.8
Subsidy (INR b)	11.3	6.0	0.0	0.0	0.0	0.0	0.0	0.0	17.3	0.0

E: MOSL Estimates



SITI Network

Bloomberg	SITINET IN
Equity Shares (m)	794.0
M. Cap. (INR b)/(USD b)	30 / 0
52-Week Range (INR)	41 / 31
1,6,12 Rel Perf. (%)	-4 / -1 / -13

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Net Sales	11.9	11.8	14.9	18.7
EBITDA	3.0	2.1	4.1	6.3
EBITDA#	0.9	0.4	3.3	5.6
Adj. NP	0.0	-1.6	0.0	1.1
Adj. EPS (INR)	0.0	-1.8	0.0	1.2
Adj. EPS Gr. (%)	NM	NM	NM	NM
BV/Sh (INR)	9.1	8.5	10.0	11.4
RoE (%)	0.1	-21.7	0.0	11.1
RoCE (%)	6.4	-3.7	4.6	10.1

Valuation

	2016	2017E	2018E	2019E
P/E (x)	NM	NM	NM	31.7
EV/EBITDA (x)*	13.7	20.0	10.7	7.1
EV/ EBITDA (x)*	47.9	112.2	13.4	8.0
EV/Sub (INR)*	3,342	3,498	3,615	3,668

* Based on attributable EBITDA and subs post minority stake; # (ex-activation)

CMP: INR38 TP: INR40 (+5%) Buy

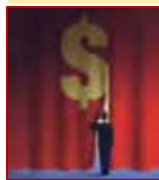
- n We expect reported revenue to grow 4% QoQ to INR3.1b.
- n Cable subscription revenue is expected to grow 6% QoQ to ~INR1.56b, as monetization in phase-III gradually picks up.
- n Activation revenue is expected to grow 16% QoQ to INR0.54b in 4QFY17, as seeding picks up post a subdued 9 months. We have factored in set-top box seeding of ~0.8m for 4Q.
- n Carriage revenue is expected to decline 10% QoQ to INR0.65b in 4Q, as the base included a few one-off carriage receivables.
- n EBITDA is expected to grow 22% QoQ to INR0.69b, primarily led by higher subscription, activation and broadband revenue. On an ex-activation basis, EBITDA is expected to improve to INR151m in 4Q from INR82m in 3QFY17.
- n We expect net loss of INR316m v/s net loss of ~INR335m in 3Q.
- n The stock trades at attributable EV/EBITDA (ex-activation) of 6.7x FY18E. Maintain Buy with a DCF-based target price of INR45.

Key things to watch for

- Ø Subscription revenue growth (6% QoQ).
- Ø Activation revenue (we expect INR0.76b).
- Ø EBITDA margin (we expect 28.6%).

Quarterly Performance (Consolidated, INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Sales	2,297	2,339	3,440	3,567	2,820	2,890	2,985	3,103	11,890	11,796
YoY (%)	9.9	6.7	55.2	39.3	22.7	23.6	-13.2	-13.0		
Operating Expenses	1,953	1,943	2,486	2,614	2,395	2,416	2,434	2,410	8900	9,656
EBITDA	344	395	954	952	425	473	550	693	2,990	2,140
YoY (%)	0.5	-4.0	97.8	913.1	23.5	19.7	-42.4	-27.2		
EBITDA margin (%)	15.0	16.9	27.7	26.7	15.1	16.4	18.4	22.3	25.1	18.1
Depreciation	358	367	391	515	547	572	625	657	1,632	2,401
Interest	344	348	351	351	297	280	360	356	1,378	1,293
Other Income	24	87	49	81	49	24	71	50	240	194
PBT	-334	-233	262	167	-370	-355	-364	-269	220	-1,361
Tax	5	35	2	89	65	22	-30	47	131	105
Effective Tax Rate (%)	-1.6	-14.9	0.8	53.1	-17.7	-6.1	8.1	-17.4	59.6	-7.7
Reported Net Profit	-367	-315	147	241	-536	-469	-263	-299	-16	-1,570



Sun Pharma

Bloomberg	SUNP IN
Equity Shares (m)	2399.3
M. Cap. (INR b)/(USD b)	1657 / 26
52-Week Range (INR)	855 / 572
1,6,12 Rel Perf. (%)	-3 / -15 / -34

CMP: INR691 TP:INR850 (+23%) Buy

- Sun Pharmaceuticals (SUNP) is likely to register subdued 2.3% YoY growth in revenues to INR78.1b, primarily on the back of competition in key products and few new launches.
- India business is expected to grow 9% YoY, while the US business is likely to report 11.1% YoY jump in revenues.
- We expect margin to decline by ~125bps YoY to 31.8% which will impact the EBITDA. Overall EBITDA is expected to decline 2% YoY to INR24.8b.
- PAT is expected to decline 14.7% YoY to INR14.6b due to increase in depreciation by 19% YoY and higher tax rate at 18.6% as against 8% in 4QFY16.
- We believe the current stock price does not reflect key positive like RBXY integration benefit, Halo/Mohali plant resolution and investments in specialty business. We see the current weakness in the stock as an opportunity to buy the stock. SUNP remains an attractive Indian play on specialty business in the US. We maintain Buy rating with a TP of INR850, based on 22x 1HFY19E.

Financial Snapshot (INR Billion)

Y/E MARCH	2016	2017E	2018E	2019E
Sales	277.4	309.3	322.0	360.3
EBITDA	79.6	97.2	104.3	120.5
NP	47.1	72.0	78.3	93.0
EPS (INR)	19.6	29.9	32.5	38.7
EPS Gro. (%)	-0.7	53.0	8.7	18.8
BV/Sh. (INR)	130.5	142.9	168.4	200.0
RoE (%)	16.5	19.8	20.9	21.0
RoCE (%)	18.7	21.9	22.3	22.8

Valuations

P/E (x)	35.3	25.5	21.2	17.9
P/BV (x)	5.3	4.8	4.1	3.5
EV/EBITDA (x)	20.0	15.4	13.6	11.2
D.Yield (%)	0.0	0.9	0.9	0.9

Key issues to watch out

- Update on resolution of USFDA warning letter and 483 observations on Halol.
- Turnaround of Ranbaxy's business.
- Outlook on competitive landscape for Taro's products.

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	67,615	68,733	70,821	76,342	82,430	82,651	79,127	78,110	282,697	322,318
YoY Change (%)	6.6	-14.5	2.2	24.0	21.9	20.2	11.7	2.3	3.0	14.0
EBITDA	17,678	18,729	21,690	25,203	29,210	31,677	24,531	24,815	84,816	110,233
Margins (%)	26.1	27.2	30.6	33.0	35.4	38.3	31.0	31.8	30.0	34.2
Depreciation	2,402	2,584	2,508	2,643	3,160	3,038	3,068	3,134	10,135	12,400
Net Other Income	296	-429	1,022	-1,235	225	657	-443	562	-177	1,000
PBT before EO Exp	15,573	15,716	20,205	21,325	26,275	29,295	21,020	22,242	74,505	98,833
EO Exp/(Inc)	6,852	0	0	0	0	0	0	0	0	0
PBT	8,721	15,716	20,205	21,325	26,275	29,295	21,020	22,242	74,505	98,833
Tax	1,128	2,946	2,020	1,706	3,527	4,417	3,729	4,140	9,349	15,813
Rate (%)	7.2	18.7	10.0	8.0	13.4	15.1	17.7	18.6	12.5	16.0
PAT (pre Minority Interest)	7,593	12,769	18,185	19,619	22,748	24,879	17,291	18,102	65,156	83,020
Minority Interest	2,034	2,481	4,019	2,482	2,411	2,528	2,573	3,489	11,145	11,000
Reported PAT	5,559	10,288	14,166	17,137	20,337	22,351	14,718	14,613	54,011	72,020
YoY Change (%)	-53.9	-49.8	258.3	93.0	265.8	117.3	3.9	-14.7	19.0	33.3

E: MOSL Estimates; * Quarterly no. don't match with annual no. because of reinstatement of financials



Sun TV

Bloomberg	SUNTV IN
Equity Shares (m)	394.1
M. Cap. (INR b)/(USD b)	314 / 5
52-Week Range (INR)	802 / 334
1,6,12 Rel Perf. (%)	6 / 45 / 101

CMP: INR796 TP: INR800 (+1%) Neutral

- n We expect Sun TV's revenue to grow 7% YoY to INR6.13b.
- n Advertising and broadcasting revenue is expected to grow at a weak 1% YoY to INR3.16b, as recovery from demonetization and improvement in ad monetization in non-Tamil markets is expected to be gradual. The newly-commissioned show, *Nandini* in Tamil has gained decent traction in viewership share. Monetization of the same could be with a lag.
- n We expect domestic subscription revenue to grow 4% QoQ to INR2.52b.
- n Sun TV's EBITDA/EBIT is estimated to grow ~7%/8% YoY to INR4.55b/INR3.75b. PAT is expected to grow 4% YoY to INR2.46b.
- n The stock trades at 20.6x FY17E and 17.3x FY18E EPS. Neutral

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Net Sales	24.0	25.9	30.0	33.6
EBITDA	17.0	18.0	21.1	24.0
Adj. Net Profit	8.3	9.9	11.7	13.6
Adj. EPS (INR)	21.0	25.1	29.7	34.5
Adj. EPS Gr. (%)	12.3	19.6	18.5	16.1
BV/Sh (INR)	92.1	99.9	108.8	119.1
RoE (%)	23.3	25.1	27.3	29.0
RoCE (%)	24.0	26.0	28.4	30.2
Div. Payout (%)	59.3	59.8	60.5	60.8

Valuations

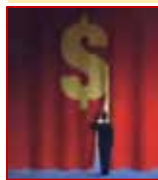
P/E (x)	37.9	31.7	26.8	23.0
P/BV (x)	8.6	8.0	7.3	6.7
EV/EBITDA (x)	17.7	16.5	13.9	12.2
Div. Yield (%)	1.6	1.9	2.3	2.6

Key things to watch for

- Ø YoY ad growth (we expect 1%).
- Ø QoQ domestic subscription growth (we expect 4%).

Quarterly Performance (Standalone) * (INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue	6,911	5,681	5,741	5,707	7,608	6,255	5,894	6,125	24,040	25,882
YoY (%)	9.1	11.6	3.9	4.0	10.1	10.1	2.7	7.3	7.2	7.7
EBITDA	4,092	4,322	4,373	4,266	4,364	4,663	4,397	4,557	17,031	17,982
YoY (%)	11.3	9.2	2.2	0.8	6.7	7.9	0.6	6.8	5.5	5.6
As of % Sales	59.2	76.1	76.2	74.7	57.4	74.6	74.6	74.4	70.8	69.5
Depreciation and Amortization	1,302	1,176	1,348	1,007	1,008	1,030	1,107	1,030	4,835	4,175
Interest	8	1	5	8	1	2	7	11	21	21
Other Income	222	204	289	223	216	488	389	223	911	1,315
PBT	3,003	3,349	3,309	3,475	3,571	4,119	3,673	3,740	13,086	15,102
Tax	1,031	1,166	1,146	1,294	1,240	1,415	1,272	1,283	4,633	5,210
Effective Tax Rate (%)	34.3	34.8	34.6	37.2	34.7	34.4	34.6	34.3	35.4	34.5
Reported PAT	1,973	2,184	2,163	2,180	2,331	2,704	2,401	2,457	8,453	9,892
Extraordinary Item				180						
Adj PAT	1,973	2,184	2,163	2,360	2,331	2,704	2,401	2,457	8,680	6,707
YoY (%)	19.1	41.4	1.0	16.3	18.1	23.8	11.0	4.1	17.7	-22.7



Tech Mahindra

Bloomberg	TECHM IN
Equity Shares (m)	984.7
M. Cap. (INR b)/(USD b)	446 / 7
52-Week Range (INR)	564 / 405
1,6,12 Rel Perf. (%)	-14 / 1 / -22

CMP: INR460 TP: INR550 (+20%) Buy

- n We expect 0.8% QoQ CC growth in TECHM in 4QFY17. Our expectations are led by 0.6% growth in Telecom and 0.9% in Enterprise.
- n The seasonal strength in Comviva is expected to be offset by the pressure in LCC, resulting in subdued performance in Telecom.
- n Organic CC growth in Enterprise exceeded 4% QoQ in 3Q, and that's likely to moderate growth in the current quarter. Cross-currency tailwinds of 60bp are likely to result in USD revenue growth of 1.4%.
- n We expect EBITDA margin to decline by 30bp to 15.4%. The benefits of higher profitability in Comviva are expected to be offset by INR appreciation during the quarter.
- n Expect PAT to decline 14.7% QoQ to INR7.3b, led by lower other income.
- n The stock trades at 12.9x FY18E and 11.4x FY19E earnings. Buy.

Financial Snapshot (INR b)

y/e march	2016	2017E	2018E	2019E
Sales	264.9	291.9	324.9	358.4
EBITDA	43.4	44.5	48.9	54.7
Adj. PAT	31.2	29.8	31.7	35.7
Adj. EPS (INR)	35.1	33.6	35.7	40.2
EPS Gr. (%)	18.4	-4.2	6.2	12.7
BV/Sh.(INR)	165.6	175.1	197.2	227.7
RoE (%)	23.4	20.1	19.5	19.2
RoCE (%)	20.1	16.6	16.6	16.7
Payout (%)	34.2	36.9	33.6	21.8

Valuation

P/E (x)	13.1	13.7	12.9	11.4
P/BV (x)	2.8	2.6	2.3	2.0
EV/EBITDA (x)	8.3	8.8	7.6	6.2
Div. Yield (%)	2.6	2.6	2.6	1.9

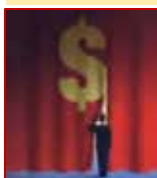
Key issues to watch for

- ⊗ Performance of the Telecom segment.
- ⊗ Comments on profitability including LCC.
- ⊗ TCV of deal wins in the Enterprise segment.

Quarterly Performance

Y/E March	FY16				FY17E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	FY16	FY17E
Revenue (USD m)	989	1,011	1,015	1,023	1,032	1,072	1,116	1,132	4,037	4,352
QoQ (%)	0.5	2.2	0.4	0.8	0.9	4.0	4.1	1.4	10.2	7.8
Revenue (INR m)	62,938	66,155	67,011	68,837	69,209	71,674	75,575	75,399	264,941	291,857
YoY (%)	22.9	20.5	16.5	12.5	10.0	8.3	12.8	9.5	17.9	10.2
GPM (%)	29.4	32.0	31.3	30.6	29.5	30.6	30.7	30.9	30.8	30.5
SGA (%)	15.0	15.4	14.3	13.8	14.6	15.7	15.0	15.5	14.5	15.2
EBITDA	9,050	11,010	11,358	11,510	10,290	10,701	11,865	11,605	43,426	44,461
EBITDA Margin (%)	14.4	16.6	16.9	16.7	14.9	14.9	15.7	15.4	16.4	15.2
EBIT Margin (%)	11.6	13.7	14.4	13.6	12.0	11.5	12.4	12.0	13.5	12.0
Other income	1,244	1,658	639	1,603	1,519	1,387	1,552	864	5,322	5,323
Interest expense	215	173	244	340	274	345	349	392	961	1,360
ETR (%)	25.6	24.8	23.2	17.0	25.9	30.8	20.2	22.5	21.4	24.7
PAT excl. BT amort & EOI	6,225	7,855	7,592	8,581	6,561	6,447	8,560	7,302	31,180	28,870
QoQ (%)	31.9	26.2	-3.3	13.0	-23.5	-1.7	32.8	-14.7		
YoY (%)	-1.3	9.2	-2.3	81.8	5.4	-17.9	12.8	-14.9	20.0	-7.4
EPS (INR)	7.6	8.8	8.5	10.1	7.4	7.3	9.6	8.2	35.1	33.5
Headcount	103,673	105,235	107,137	105,432	107,216	111,743	117,095	114,549	103,673	105,235
Util excl. trainees (%)	74.0	77.0	77.0	77.0	78.0	78.0	77.0	77.8	76.2	77.7
Attrition (%)	19.0	20.0	20.0	21.0	21.0	19.0	18.0			
Offshore rev. (%)	39.0	38.3	37.3	36.8	36.6	36.5	36.1	35.8	37.8	36.3

E: MOSL Estimates



Torrent Pharmaceuticals

Bloomberg	TRP IN
Equity Shares (m)	169.2
M. Cap. (INR b)/(USD b)	250 / 4
52-Week Range (INR)	1768 / 1186
1,6,12 Rel Perf. (%)	6 / -17 / -15

CMP: INR1,477 TP:INR1,700 (+15%) Buy

- n We expect Torrent Pharmaceuticals (TRP) to post 2.5% YoY decline in 4QFY17 reported sales to INR15b. US business is expected to decline owing to lower contribution from gAbilify, while India business is expected to witness low teens growth with successful integration of Elder's portfolio.
- n Reported EBITDA is likely to decline 29% YoY to INR3.4b, with EBITDA margin contracting 930bp YoY, primarily on account of lower gAbilify sales in 4QFY17 numbers.
- n We expect reported PAT to decrease 34.1% YoY to INR2.3b, in line with operational performance.
- n Strong domestic market franchise, coupled with investment in US business (R&D as % of sales doubled in FY17), should help drive growth. Maintain Buy with a TP of INR1,700 @ 20x 1HFY19E PER.

Financial Snapshot (INR Billion)

y/e march	2016	2017E	2018E	2019E
Sales	66.8	59.5	69.1	80.1
EBITDA	27.2	14.3	18.0	21.6
NP	10.1	9.6	12.9	15.8
EPS (INR)	59.7	56.6	76.3	93.4
EPS Gro. (%)	78.9	-5.3	34.9	22.4
BV/Sh. (INR)	200.3	236.4	285.2	344.8
RoE (%)	34.4	25.9	29.3	29.6
RoCE (%)	40.7	18.2	24.9	27.2

Valuations

P/E (x)	24.7	26.1	19.4	15.8
P/BV (x)	7.4	6.2	5.2	4.3
EV/EBITDA (x)	9.6	17.9	13.8	11.0
D. Yield (%)	2.4	1.1	1.5	1.9

Key issues to watch out

- ⊗ Contribution of Elder Pharma portfolio and growth strategy.
- ⊗ Performance of Brazilian operations amid market pressure.
- ⊗ Outlook on future ANDA launches.

Quarterly performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17E				FY16	FY17E
INR m	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Revenues	19,470	16,570	15,390	14,990	15,070	14,060	14,130	14,998	66,760	59,458
YoY Change (%)	74.8	36.2	31.8	29.9	-22.6	-27.8	-8.2	-2.5	43.5	-10.9
EBITDA	9,090	7,170	6,130	4,840	4,370	3,300	3,160	3,440	27,201	14,270
Margins (%)	46.7	43.3	39.8	32.3	29.0	23.5	22.4	22.9	40.7	24.0
Depreciation	590	590	610	650	680	690	730	728	2,460	2,828
Interest	580	480	420	380	490	510	480	429	1,859	1,909
Other Income	670	710	510	240	260	430	500	410	2,156	1,600
PBT before EO Expense	8,590	6,810	5,610	4,050	3,460	2,530	2,450	2,693	25,039	11,133
Extra-Ord Expense	0	0	1,930	0	0	0	0	0	0	0
PBT after EO Expense	8,590	6,810	3,680	4,050	3,460	2,530	2,450	2,693	25,039	11,133
Tax	4,100	1,720	200	480	540	460	160	399	6,414	1,559
Rate (%)	47.7	25.3	3.6	11.9	15.6	18.2	6.5	14.8	25.6	14.0
Reported PAT	4,490	5,090	3,480	3,570	2,920	2,070	2,290	2,294	18,625	9,574
YoY Change (%)	75.4	157.1	108.4	174.6	-35.0	-53.9	-34.2	-34.1	148.0	-48.6
Margins (%)	23.1	30.7	22.6	23.8	19.4	14.7	16.2	15.3	27.9	16.1

E: MOSL Estimates



1. Current environment conducive to buy property; home loan biz at 80-85%: Gruh Finance; Sudhin Choksey, MD

- n Growth to look better than in the past because post-Budget the sentiment has become positive amongst private developers.
- n Interest subsidy and lower interest rates may induce customers to purchase property, therefore, overall the environment is conducive for buyers to buy property
- n Focuses on pure housing loans grew 19% in FY17, but should grow at a higher rate in the next 2-3 years
- n Supply with regards to affordable housing would take around 18-24 months to come through, loan growth to gradually pick momentum
- n LAP has been restrained at 11% (vs. 20-25%) for major players. Home loan to be in vicinity of 80-85%.
- n Does not see RERA causing any pressure on the quality of credit loans.

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2. Wonderla holidays happy with revenue growth; Arun K Chittilappilly, MD

- n Statutory provisions hurt performance but it will be better post FY18.
- n Hyderabad and Kochi parks saw good footfalls.
- n Bengaluru was down 12% due to exam season.
- n On GST front, amusement park goods and services tax set at 28% which is higher than what they pay.

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3. Expect micro irrigation biz to grow by 20% in FY18: Jain Irrigation; Anil Jain, MD

- n Order book strong at around Rs 2,000 crore and irrigation orders contribute about Rs 1,000 crore to the book.
- n Expect micro irrigation systems (MIS) business to grow by 20% in FY18.
- n On debt front, reduced debt by Rs 550 crore. The current debt is close to Rs 3,900 crore at gross level and Rs 3,600 crore at net level

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4. New capacities to come on stream between now and Oct 2017: Somany ceramics; Abhishek Somany, MD

- n Surprised at the 28% tax rate on tiles and sanitary ware considering government push towards Swachh Bharat push.
- n With the increase in infrastructure spends and RERA, expects to see increased demand going forward.
- n Projecting a decent volume growth for this year
- n Expanding capacity in Kassar plant and adding more value addition capacity in the Kadi plant.
- n Have done 2 JV's in Morbi which have expanded capacity including the sanitary ware which would start rolling out between now and October

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1. GM Crops, the answer to climate change

- n The IMD forecast of a near normal monsoon brings some cheer. However, effects of the El Niño may have an adverse effect towards the tail end of the rain-bearing season. The normal monsoon in 2016 helped India, reeling from two consecutive droughts, come back from the brink and also helped take food-grain output to a new high. However, the benefits were primarily limited to the north, west and eastern parts of the country. The south was left dry. States such as Kerala, Karnataka, Tamil Nadu and Puducherry have already gone and declared themselves as drought-affected. Kerala and Karnataka are contemplating actions such as cloud seeding to tide over the situation.

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2. GST Structure: An unfortunate compromise

- n India moved a step closer to a new indirect tax system after the GST Council finalized tax rates last week in Srinagar. The best way to understand the grand federal bargain is to consider it a victory of immediate political concerns over the potential economic gains that could have been possible in the future. In other words, political optics have overpowered economic logic. The tax rates that have been approved by the finance ministers in the GST Council are clearly a reflection of three political economy concerns. First, the impact of the new tax regime on the prices citizens will pay. Second, the impact on government budgets through changes in tax collections. Third, maintaining an element of progressivity on what is essentially a regressive tax, as all indirect taxes are.

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3. States must take responsibility for their debt burden

- n The 2016-17 edition of the RBI's study on state budgets has rightly warned states to claw back to the path of fiscal consolidation and lower their debt burden. The consolidated gross fiscal deficit to the state GDP (GFD – GSDP) ratio in 2015-16 (RE) breached the 3 per cent ceiling of fiscal prudence for the first time since 2004-05, showing the worsening of state finances. Data comes with a lag but a slippage is also expected in 2016-17. At a combined fiscal deficit of about 7 per cent, Centre and states put together, India's fiscal deficit is large. The consequences of fiscal imprudence — inflation, widening of the current account deficit and erosion of investor faith — will be adverse for the country. Large government borrowings also crowd out private investment.

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4. New economic data and their consequences

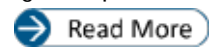
- n The release of new data on Index of Industrial Production (IIP) and wholesale price index (WPI) is a hugely positive development. Of course, we have not reached a resting point. Upgrading data is everywhere an Alice-in-Wonderlandish business of catching up with fast-changing reality, and the new indices are based on the Indian economy as it was six years ago, in 2011-12. More dynamic updating is therefore essential, an effort that is already and commendably under way. Much has been written about how the new data have been constructed. Here, I want to focus on their consequences, in particular for the national income accounts (NIA) estimates that will come out later this month.

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International

5. Fed takes a tip from glaciers in reducing balance sheet

n The Federal Reserve will almost certainly take steps to start reducing its \$4.5 trillion balance sheet later this year. The central bankers made that clear in the minutes from their 2-3 May meeting, which were released Wednesday. At first blush, this seems as if it would be bad for longer-term debt, which is yielding much less than it has historically in large part because of the Fed's post-crisis stimulus effort of purchasing the debt. If a huge buyer stops buying, that typically means that prices drop and yields climb. But after the minutes were released, Treasury values rose and longer-term yields fell. One interpretation is that traders aren't taking the Fed seriously. But another is that investors just received an unexpectedly concrete sense of the Fed's methodology for unwinding its balance sheet, and it clearly indicates moving at a glacial pace.

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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	837	1,084	29	28.0	35.9	41.5	29.9	23.3	5.5	4.6	20.3	21.5	20.8
Ashok Ley.	Buy	86	98	14	4.2	5.2	6.6	20.3	16.7	4.0	3.5	20.6	22.3	24.9
Bajaj Auto	Buy	2,822	3,422	21	132.3	150.4	178.2	21.3	18.8	4.8	4.3	25.3	24.1	25.6
Bharat Forge	Buy	1,110	1,242	12	26.2	37.7	49.7	42.4	29.5	6.3	5.5	16.2	19.9	22.5
Bosch	Neutral	23,406	22,924	-2	472.3	667.8	764.1	49.6	35.0	9.4	7.9	18.2	24.5	23.4
CEAT	Buy	1,669	1,741	4	93.3	104.9	133.9	17.9	15.9	2.8	2.4	16.9	16.3	17.9
Eicher Mot.	Buy	27,954	30,402	9	613.8	892.0	1,135.1	45.5	31.3	15.8	11.3	40.3	41.9	38.5
Endurance Tech.	Buy	819	948	16	23.5	30.8	37.9	34.9	26.6	6.7	5.5	20.8	22.6	23.1
Escorts	Buy	629	608	-3	23.2	34.1	43.4	27.1	18.5	3.1	2.7	12.1	15.9	17.5
Exide Ind	Buy	228	274	20	8.2	9.5	11.8	27.9	24.1	3.9	3.5	14.0	14.5	15.8
Hero Moto	Neutral	3,616	3,622	0	169.1	198.1	201.2	21.4	18.3	7.1	6.1	35.7	35.9	31.3
M&M	Buy	1,326	1,570	18	61.7	75.4	89.5	21.5	17.6	3.3	3.0	14.5	13.9	14.7
Mahindra CIE	Not Rated	239	-		5.4	9.9	11.8	44.6	24.2	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	6,983	8,060	15	248.6	300.0	370.9	28.1	23.3	5.8	5.0	20.3	21.2	22.3
Tata Motors	Buy	475	635	34	19.8	30.8	65.8	24.0	15.4	2.8	2.3	9.8	16.5	27.8
TVS Motor	Buy	542	581	7	11.7	16.7	26.7	46.1	32.4	10.7	8.5	25.6	29.2	35.9
Aggregate								27.0	20.7	4.7	4.1	17.6	19.7	23.1
Banks - Private														
Axis Bank	Neutral	506	525	4	15.4	23.4	41.2	33.0	21.6	2.2	2.1	6.9	9.9	15.7
DCB Bank	Neutral	187	170	-9	7.0	8.8	11.2	26.7	21.3	2.8	2.5	10.9	12.4	14.0
Equitas Hold.	Buy	152	210	38	4.7	4.8	7.5	32.3	31.4	2.3	2.2	8.9	7.1	10.1
Federal Bank	Buy	111	125	13	4.8	5.8	7.3	23.0	19.2	2.2	2.0	9.9	10.9	12.5
HDFC Bank	Buy	1,617	1,790	11	56.8	67.1	79.4	28.5	24.1	4.9	4.2	17.9	18.2	19.0
ICICI Bank	Buy	318	365	15	16.8	16.8	19.2	18.9	18.9	2.1	2.0	10.1	9.1	9.8
IDFC Bank	Neutral	58	62	8	3.0	3.3	4.3	19.2	17.4	1.3	1.3	7.2	7.4	9.0
IndusInd	Buy	1,463	1,700	16	50.1	59.4	72.0	29.2	24.6	4.4	3.8	16.0	16.5	17.3
J&K Bank	Neutral	80	89	11	-31.3	4.4	8.0	NM	18.3	0.7	0.7	-27.0	4.0	7.0
Kotak Mah. Bk	Buy	957	1,050	10	26.8	32.3	40.5	35.7	29.7	4.6	4.0	13.8	14.5	15.7
RBL Bank	Under Review	545	-		11.9	17.6	23.8	45.9	30.9	4.8	4.3	12.3	14.6	17.3
South Indian	Buy	26	31	20	2.2	2.9	3.6	11.9	9.0	1.0	0.9	9.4	10.6	12.2
Yes Bank	Buy	1,463	2,110	44	73.0	90.5	114.0	20.1	16.2	3.7	3.1	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	181	217	20	6.0	19.0	24.9	30.3	9.5	1.2	1.1	4.1	12.3	14.5
BOI	Neutral	149	147	-1	-14.8	13.7	22.0	NM	10.9	0.7	0.6	-6.7	6.1	9.0
Canara	Neutral	358	380	6	18.8	33.0	48.9	19.1	10.9	0.8	0.7	4.2	6.8	9.4
IDBI Bk	Neutral	62	49	-20	1.5	6.4	8.6	40.5	9.6	0.6	0.5	1.4	5.8	7.3
Indian Bk	Buy	332	360	9	29.3	33.3	38.1	11.3	10.0	1.1	1.0	10.1	10.6	11.1
OBC	Neutral	153	150	-2	-31.6	17.1	21.4	NM	9.0	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	151	184	22	6.2	10.3	14.5	24.2	14.7	0.8	0.8	3.6	5.6	7.5
SBI	Buy	290	375	29	0.3	19.7	25.9	958.6	14.7	1.3	1.2	-0.2	8.9	10.7
Union Bk	Neutral	165	174	6	7.6	24.6	34.5	21.5	6.7	0.6	0.5	2.7	8.1	10.5
Aggregate								101.0	12.0	0.9	0.9	0.9	7.4	9.3
NBFCs														
Bajaj Fin.	Buy	1,260	1,550	23	33.6	47.0	63.6	37.5	26.8	7.2	5.8	21.7	24.0	26.2
Bharat Fin.	Neutral	735	769	5	21.0	32.4	45.3	35.0	22.7	4.1	3.5	15.1	16.7	19.5
Dewan Hsg.	Buy	406	559	38	29.6	38.6	45.5	13.7	10.5	1.6	1.4	14.4	14.5	15.2
GRUH Fin.	Neutral	394	421	7	8.1	10.3	12.5	48.4	38.3	12.9	10.7	30.4	30.6	30.9
HDFC	Buy	1,538	1,797	17	46.8	50.7	55.9	32.8	30.4	6.1	5.5	19.3	18.3	17.4
Indiabulls Hsg	Buy	1,046	1,227	17	69.0	82.2	101.6	15.2	12.7	3.6	3.2	25.5	27.0	29.6
LIC Hsg Fin	Neutral	688	723	5	38.2	44.6	51.2	18.0	15.4	3.2	2.8	19.4	19.3	19.0
Manappuram	Not Rated	89	-		8.2	11.1	14.0	10.9	8.0	2.5	2.2	23.9	29.0	32.2
M&M Fin.	Buy	304	400	32	7.1	12.9	16.4	42.9	23.5	2.6	2.5	6.4	10.9	12.9
Muthoot Fin	Buy	389	465	20	29.7	34.5	40.0	13.1	11.3	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	142	117	-18	25.7	27.2	30.2	5.5	5.2	0.9	0.8	17.9	17.0	16.8
Repco Home	Buy	746	831	11	28.6	34.0	40.2	26.1	21.9	4.2	3.6	17.3	17.5	17.6
REC	Neutral	205	134	-35	31.4	35.0	40.4	6.5	5.9	1.2	1.0	19.9	19.1	19.1
Shriram Union City	Buy	2,173	2,689	24	84.3	130.4	164.7	25.8	16.7	2.9	2.5	11.8	16.2	17.8
STF	Buy	965	1,269	31	55.6	77.4	98.6	17.4	12.5	2.0	1.7	11.7	14.5	16.3
Aggregate								17.7	15.2	3.0	2.7	17.2	17.7	17.9
Capital Goods														
ABB	Sell	1,478	1,200	-19	19.7	25.1	32.2	75.0	59.0	9.5	8.2	12.7	13.9	15.8
Bharat Elec.	Buy	172	180	4	6.5	7.3	8.5	26.6	23.6	5.1	4.4	20.4	18.8	19.1
BHEL	Sell	152	115	-24	5.5	5.7	5.8	27.4	26.5	1.1	1.1	4.0	4.0	4.0
Blue Star	Neutral	644	650	1	12.9	19.0	28.0	50.0	33.9	8.1	7.6	18.0	23.2	31.6
CG Cons. Elec.	Buy	219	221	1	4.6	5.5	6.7	48.0	40.1	36.3	24.7	94.3	73.3	66.1
CG Power & Indu.	Sell	93	45	-52	3.6	3.9	4.5	25.5	23.9	1.4	1.3	5.4	5.5	6.0
Cummins	Neutral	924	950	3	26.5	29.3	35.2	34.9	31.5	6.8	6.3	21.2	20.8	23.0
GE T&D	Neutral	362	340	-6	5.7	7.9	9.5	63.2	46.0	9.0	8.1	12.4	18.6	20.3
Havells	Neutral	460	480	4	9.6	12.1	14.5	48.1	38.1	8.8	7.7	18.2	20.4	21.4
Inox Wind	Under Review	136	-		12.8	-3.2	15.5	10.6	NM	1.4	1.4	14.9	-3.3	15.1
K E C Intl	Neutral	252	250	-1	11.9	13.6	16.8	21.3	18.5	4.1	3.5	21.2	20.3	21.2
L&T	Buy	1,769	1,970	11	53.6	64.7	75.8	33.0	27.3	3.5	3.2	10.9	12.1	12.9
Pennar Eng.	Not Rated	134	-		5.8	7.5	10.0	23.1	17.9	2.0	1.8	8.6	10.0	11.8
Siemens	Neutral	1,348	1,355	1	17.8	24.3	33.3	75.6	55.5	7.0	6.1	9.3	11.0	13.7
Solar Ind	Neutral	826	800	-3	19.0	22.3	26.5	43.4	37.0	7.4	6.4	18.4	18.6	19.0
Suzlon Energy	Not Rated	19	-		0.6	0.9	1.0	30.6	22.0	-1.8	-1.9	NM	-8.8	-11.0
Thermax	Sell	990	781	-21	23.5	28.4	31.5	42.1	34.9	4.7	4.3	11.6	12.9	13.2
Va Tech Wab.	Buy	683	760	11	26.5	34.5	40.3	25.8	19.8	3.5	3.1	8.9	16.7	17.3
Voltas	Sell	476	370	-22	15.5	14.9	16.7	30.8	32.0	4.8	4.3	18.0	14.1	14.3
Aggregate								34.4	30.1	3.8	3.5	11.1	11.6	12.8
Cement														
Ambuja Cem.	Buy	240	283	18	4.9	6.6	7.2	49.0	36.2	2.5	2.4	5.0	6.7	7.1
ACC	Neutral	1,614	1,521	-6	33.7	49.2	63.6	47.8	32.8	3.6	3.6	7.5	11.0	14.2
Birla Corp.	Buy	773	869	12	21.5	41.2	54.4	35.9	18.7	2.1	2.0	6.0	10.9	13.2
Dalmia Bharat	Buy	2,386	3,162	33	38.8	66.7	87.1	61.6	35.8	4.3	3.8	7.2	11.3	13.1
Grasim Inds.	Neutral	1,095	1,234	13	67.9	86.9	114.5	16.1	12.6	1.8	1.6	11.5	13.1	15.1
India Cem	Neutral	197	152	-23	5.1	8.7	11.9	38.6	22.6	1.6	1.5	4.0	6.2	7.7
J K Cements	Buy	1,095	1,322	21	33.7	46.4	59.5	32.5	23.6	4.4	3.7	14.4	17.0	18.6
JK Lakshmi Ce	Buy	477	550	15	7.0	11.4	20.5	68.5	41.8	4.0	3.7	6.0	9.2	14.7
Ramco Cem	Buy	698	815	17	27.8	30.1	36.2	25.1	23.2	4.5	3.9	19.6	18.0	18.5
Orient Cem	Buy	149	185	24	-1.6	4.5	6.8	NM	33.1	3.1	2.9	-3.2	9.0	12.3
Prism Cem	Buy	119	118	-1	-0.6	2.6	4.8	NM	45.3	6.3	5.7	-3.1	13.1	20.8
Shree Cem	Buy	17,608	23,316	32	384.4	480.7	621.0	45.8	36.6	8.7	7.2	20.2	21.5	22.6
Ultratech	Buy	4,164	4,928	18	96.1	121.4	159.1	43.3	34.3	5.0	4.4	12.0	13.6	15.7
Aggregate								36.2	27.0	3.5	3.2	9.8	11.9	13.8
Consumer														
Asian Paints	Neutral	1,112	1,210	9	21.0	23.1	27.4	52.9	48.1	14.0	13.4	28.5	28.6	30.6
Britannia	Buy	3,515	4,065	16	72.2	83.3	101.7	48.7	42.2	18.7	14.8	43.1	39.2	38.0
Colgate	Buy	983	1,180	20	21.2	25.7	31.1	46.3	38.3	21.0	19.8	50.4	53.2	60.3
Dabur	Neutral	270	295	9	7.2	7.7	9.1	37.2	34.9	9.8	8.4	28.4	26.0	26.3
Emami	Buy	1,089	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	1,793	1,950	9	37.8	43.6	50.0	47.4	41.1	11.5	8.9	24.6	24.5	23.0
GSK Cons.	Sell	5,237	4,380	-16	156.1	169.7	185.5	33.5	30.9	7.1	6.9	22.2	22.6	23.0
HUL	Buy	1,043	1,165	12	19.6	22.4	25.9	53.1	46.5	33.9	33.2	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	369	390	6	11.2	8.9	11.0	32.9	41.3	6.2	6.3	21.1	15.1	18.4
Marico	Neutral	315	335	6	6.3	6.9	8.4	50.1	45.4	17.5	14.9	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	6,506	5,715	-12	118.0	118.6	139.5	55.1	54.8	20.8	19.2	39.0	36.4	39.0
Page Inds	Buy	14,237	17,480	23	235.6	305.1	388.4	60.4	46.7	24.9	19.7	41.3	42.2	43.2
Parag Milk	Neutral	239	250	4	0.8	6.9	12.5	295.1	34.5	2.9	2.7	1.3	8.2	13.2
Pidilite Ind.	Neutral	738	762	3	16.7	18.4	21.2	44.1	40.0	11.4	9.3	28.2	25.6	24.0
P&G Hygiene	Buy	7,431	8,760	18	144.9	155.8	181.6	51.3	47.7	42.4	33.8	45.3	78.9	74.0
United Brew	Neutral	779	830	7	8.7	9.7	14.7	89.6	80.3	8.9	8.2	10.4	10.7	14.6
United Spirits	Neutral	2,002	2,025	1	28.6	42.2	58.7	69.9	47.5	13.2	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	571	640	12	21.6	26.0	32.1	26.5	21.9	5.7	4.7	23.1	23.6	24.1
Alkem Lab	Neutral	1,828	1,850	1	79.3	85.7	100.0	23.0	21.3	5.1	4.3	24.4	22.0	21.7
Ajanta Pharma	Buy	1,615	2,028	26	58.4	66.4	79.9	27.6	24.3	9.1	6.9	37.7	32.3	30.0
Aurobindo	Buy	526	900	71	39.8	45.4	54.3	13.2	11.6	3.3	2.6	28.6	25.3	24.0
Biocon	Sell	933	900	-4	30.6	33.1	44.9	30.5	28.2	4.2	3.8	13.6	13.3	16.1
Cadila	Buy	427	510	19	12.0	17.7	23.0	35.6	24.2	7.1	5.8	21.4	26.5	27.9
Cipla	Neutral	504	550	9	17.9	22.0	28.5	28.2	23.0	3.1	2.8	11.0	12.2	13.8
Divis Lab	Neutral	551	600	9	43.0	32.9	38.6	12.8	16.8	3.1	2.8	25.4	17.7	18.8
Dr Reddy's	Neutral	2,427	2,625	8	72.6	107.1	144.5	33.4	22.7	3.3	2.7	9.6	13.3	15.1
Fortis Health	Buy	203	250	23	2.3	2.9	6.5	86.4	68.8	2.3	2.0	2.7	3.1	6.1
Glenmark	Neutral	612	800	31	39.3	45.0	53.5	15.6	13.6	3.8	3.1	24.7	22.4	21.3
Granules	Buy	136	200	47	7.3	8.1	11.4	18.8	16.8	3.1	2.3	20.0	16.4	17.6
GSK Pharma	Neutral	2,369	2,700	14	34.4	51.9	60.1	68.9	45.6	14.9	18.1	21.5	39.7	54.4
IPCA Labs	Neutral	488	540	11	15.8	27.9	37.3	30.9	17.5	2.5	2.2	8.4	13.5	15.9
Lupin	Buy	1,138	1,475	30	59.2	60.2	73.7	19.2	18.9	3.9	3.3	22.0	18.9	19.7
Sanofi India	Buy	4,057	4,850	20	129.1	131.0	173.4	31.4	31.0	5.4	5.0	17.1	16.3	19.3
Sun Pharma	Buy	592	850	44	27.1	32.5	38.7	21.8	18.2	4.1	3.5	19.8	20.9	21.0
Syngene Intl	Not Rated	458	-		13.0	16.1	18.0	35.2	28.4	7.1	5.8	22.2	22.5	20.7
Torrent Pharma	Buy	1,226	1,700	39	56.6	76.3	93.4	21.7	16.1	5.2	4.3	25.9	29.3	29.6
Aggregate								23.9	20.2	4.3	3.6	17.8	17.9	18.7
Logistics														
Allcargo Logistics	Buy	178	228	28	9.8	12.2	14.3	18.1	14.6	2.7	2.4	12.6	17.2	17.8
Blue Dart	Not Rated	4,319	-		102.5	129.9	163.2	42.1	33.2	18.7	14.2	50.5	48.6	46.8
Concor	Neutral	1,158	1,042	-10	29.7	39.9	44.9	39.0	29.0	3.4	3.1	8.8	11.2	11.8
Gateway Distriparks	Buy	240	310	29	6.8	11.6	14.3	35.3	20.7	2.1	2.0	5.9	9.9	11.7
Gati	Not Rated	124	-		8.4	15.9	23.9	14.8	7.8	2.0	1.8	12.4	19.4	25.4
Transport Corp.	Not Rated	253	-		16.9	21.0	25.9	14.9	12.0	2.3	2.0	16.7	17.8	18.6
Aggregate								32.7	24.2	3.6	3.3	11.1	13.8	15.0
Media														
Dish TV	Buy	82	106	30	1.0	2.1	3.8	82.6	39.7	17.7	12.3	24.1	36.5	44.1
D B Corp	Buy	362	460	27	20.4	24.1	28.7	17.7	15.0	4.2	3.7	25.5	26.2	27.6
Den Net.	Neutral	88	90	3	-3.6	2.2	8.5	NM	40.0	1.0	1.0	-4.1	2.5	8.8
Hind. Media	Buy	279	360	29	26.4	27.1	29.9	10.6	10.3	1.9	1.6	19.3	16.6	15.6
HT Media	Neutral	81	85	5	7.4	7.9	8.3	11.0	10.3	0.7	0.7	7.1	6.9	6.6
Jagran Prak.	Buy	178	225	27	10.8	12.2	13.9	16.5	14.5	3.2	2.8	20.7	20.6	20.4
PVR	Buy	1,460	1,667	14	20.8	35.7	56.8	70.3	40.9	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	795	860	8	25.1	29.7	34.5	31.7	26.7	8.0	7.3	25.1	27.3	29.0
Zee Ent.	Buy	511	600	17	23.1	16.4	19.5	22.1	31.2	8.1	6.8	23.7	23.8	23.8
Aggregate								39.0	27.7	5.7	5.0	14.6	18.1	20.3
Metals														
Hindalco	Buy	190	242	28	17.5	22.6	25.9	10.9	8.4	1.6	1.3	15.9	17.1	16.3
Hind. Zinc	Sell	235	235	0	19.7	21.5	23.7	11.9	10.9	3.2	2.7	24.4	27.2	25.4
JSPL	Buy	118	184	55	-20.9	-16.0	-2.5	NM	NM	0.4	0.4	-7.9	-5.0	-0.8
JSW Steel	Buy	193	241	25	14.8	20.1	22.6	13.0	9.6	2.1	1.8	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	67	83	25	3.9	5.3	5.8	17.1	12.5	1.2	1.2	7.5	9.6	9.9
NMDC	Buy	118	178	51	12.1	12.3	13.0	9.7	9.6	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	233	225	-3	15.1	24.5	27.4	15.4	9.5	1.5	1.4	9.7	14.8	15.3
Tata Steel	Sell	485	451	-7	37.0	39.5	45.7	13.1	12.3	1.5	1.3	15.4	11.4	12.1
Aggregate								16.1	13.1	1.3	1.2	8.2	9.5	11.9
Oil & Gas														
BPCL	Buy	726	763	5	55.9	53.7	58.4	13.0	13.5	3.3	2.9	27.1	22.7	21.4
GAIL	Neutral	401	358	-11	22.6	28.7	32.7	17.8	14.0	1.8	1.6	10.2	12.2	12.9
Gujarat Gas	Sell	763	699	-8	20.4	38.5	46.6	37.3	19.8	6.4	5.1	17.8	28.5	27.5
Gujarat St. Pet.	Neutral	174	162	-7	8.9	11.0	13.2	19.6	15.8	2.2	2.0	12.0	13.5	14.5
HPCL	Buy	509	604	19	53.5	44.9	45.8	9.5	11.3	2.5	2.2	27.8	20.7	18.6
IOC	Buy	439	441	1	41.0	41.9	43.3	10.7	10.5	2.4	2.1	24.4	21.7	19.9
IGL	Neutral	986	1,023	4	43.3	43.8	49.4	22.8	22.5	4.8	4.1	22.3	19.7	19.2
MRPL	Neutral	130	124	-5	11.7	12.8	13.3	11.1	10.2	2.3	1.9	24.8	20.5	18.4
Oil India	Buy	308	382	24	28.6	33.1	37.8	10.8	9.3	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	433	547	26	22.7	25.9	35.1	19.0	16.7	4.0	3.4	23.6	22.1	25.2
Reliance Ind.	Neutral	1,303	1,264	-3	106.6	121.7	127.8	12.2	10.7	1.3	1.2	11.9	11.8	11.2
Aggregate								12.4	11.0	1.7	1.5	13.5	13.8	13.7
Retail														
Jubilant Food	Neutral	1,009	1,110	10	12.3	21.7	29.1	81.9	46.4	8.2	9.1	10.1	19.5	24.9
Titan Co.	Neutral	464	505	9	9.0	10.3	12.1	51.4	45.2	9.7	8.6	20.6	20.2	20.9
Aggregate								54.4	45.5	9.5	8.7	17.5	19.1	20.2
Technology														
Cyient	Buy	503	620	23	30.6	38.3	44.2	16.4	13.1	2.7	2.3	16.2	17.8	17.9
HCL Tech.	Buy	859	960	12	59.8	61.9	67.6	14.3	13.9	3.6	3.6	27.5	25.4	26.0
Hexaware	Neutral	252	235	-7	13.7	15.4	16.7	18.4	16.4	4.5	3.9	26.5	25.3	23.5
Infosys	Buy	982	1,200	22	62.9	64.7	71.1	15.6	15.2	3.3	2.9	23.3	21.4	21.2
KPIT Tech	Neutral	117	150	28	11.9	13.4	15.2	9.8	8.7	1.5	1.3	14.3	15.6	15.2
L&T Infotech	Buy	789	850	8	55.5	59.7	65.0	14.2	13.2	4.9	3.9	40.4	32.8	28.3
Mindtree	Neutral	542	475	-12	24.9	30.5	36.5	21.8	17.8	3.5	3.2	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	492	470	-5	42.8	42.5	46.1	11.5	11.6	1.8	1.6	16.1	14.8	14.7
Persistent Sys	Buy	583	700	20	37.7	43.9	51.4	15.5	13.3	2.4	2.3	17.0	18.1	20.3
Tata Elxsi	Buy	1,330	1,607	21	56.3	68.0	80.4	23.6	19.6	7.4	5.9	37.1	33.7	32.3
TCS	Neutral	2,620	2,400	-8	133.4	139.7	149.6	19.6	18.8	6.2	6.3	33.5	32.4	32.3
Tech Mah	Buy	427	550	29	32.5	35.7	40.2	13.1	12.0	2.4	2.2	20.1	19.5	19.2
Wipro	Neutral	535	500	-7	33.8	34.6	38.2	15.8	15.5	2.5	2.3	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								16.7	16.3	3.9	3.7	23.4	22.8	22.1
Telecom														
Bharti Airtel	Buy	370	430	16	11.1	6.3	11.5	33.3	58.8	2.2	2.1	6.7	3.7	6.4
Bharti Infratel	Buy	373	435	17	14.9	17.5	19.9	25.1	21.4	4.6	4.0	16.2	19.4	19.1
Idea Cellular	Buy	79	110	39	-1.1	-12.9	-13.6	NM	NM	1.2	1.4	-1.6	-20.8	-27.4
Tata Comm	Buy	654	811	24	26.0	18.1	36.0	25.2	36.1	11.7	8.8	126.2	27.9	39.1
Aggregate								35.1	163.9	2.4	2.4	6.9	1.5	3.9
Utilities														
Coal India	Buy	266	335	26	15.9	18.7	20.9	16.7	14.2	6.6	6.6	39.5	46.3	51.8
CESC	Buy	888	1,040	17	51.9	73.4	80.6	17.1	12.1	2.0	1.8	11.4	15.5	15.0
JSW Energy	Buy	64	88	38	3.9	2.1	1.8	16.5	30.1	1.0	1.0	6.7	3.3	2.8
NTPC	Buy	156	199	27	11.9	14.3	17.3	13.2	10.9	1.4	1.3	10.6	11.9	13.3
Power Grid	Buy	199	243	22	15.3	17.7	20.7	13.0	11.2	2.1	1.8	17.3	17.5	17.7
Tata Power	Sell	80	67	-17	5.2	6.7	7.0	15.6	11.9	1.8	1.6	11.2	14.6	13.6
Aggregate								14.4	12.3	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	372	382	3	12.4	16.6	23.6	30.1	22.4	2.7	2.5	10.3	11.5	14.7
Bata India	Under Review	527	-		13.5	15.6	19.3	39.2	33.8	5.2	4.6	13.9	14.5	15.9
Castrol India	Buy	416	532	28	13.6	14.9	15.2	30.4	27.9	32.0	28.8	110.9	108.6	100.4
Century Ply.	Buy	253	274	8	7.7	8.6	11.4	32.8	29.3	8.6	7.1	28.9	26.5	28.6
Coromandel Intl	Under Review	381	-		16.0	18.3	23.6	23.9	20.8	4.1	3.7	18.2	18.9	21.7
Delta Corp	Buy	148	229	55	3.3	6.9	7.6	45.3	21.5	3.9	2.9	9.0	15.7	17.0
Dynatomic Tech	Buy	2,699	3,334	24	67.6	112.9	166.7	39.9	23.9	5.5	4.5	15.1	20.7	24.3
Eveready Inds.	Buy	317	287	-10	11.4	13.9	16.9	27.8	22.9	8.5	6.8	34.7	33.0	32.4
Interglobe	Neutral	1,074	1,234	15	46.0	65.6	88.2	23.3	16.4	19.2	17.0	86.2	110.2	129.8
Indo Count	Buy	172	229	33	13.0	14.6	17.6	13.2	11.8	4.0	2.9	34.8	28.8	25.9
Info Edge	Buy	853	1,000	17	16.9	17.9	21.0	50.5	47.6	5.4	5.0	11.1	10.9	11.9
Inox Leisure	Sell	290	240	-17	3.3	8.0	12.0	87.0	36.1	5.0	4.5	5.9	12.5	16.2
Jain Irrigation	Under Review	97	-		5.5	7.6	10.0	17.4	12.7	1.5	1.4	8.6	11.7	14.8
Just Dial	Neutral	469	465	-1	17.5	18.5	21.1	26.9	25.4	3.6	3.2	14.8	13.4	13.7
Kaveri Seed	Buy	524	489	-7	23.4	28.6	36.1	22.4	18.3	3.8	3.5	17.3	19.8	22.9
Kitex Garm.	Buy	389	551	42	26.0	31.0	36.7	15.0	12.6	4.0	3.3	29.9	28.7	27.7
Manpasand	Buy	783	841	7	13.3	22.0	31.1	58.8	35.6	3.8	3.6	7.7	9.3	13.5
MCX	Buy	992	1,325	34	24.8	30.5	42.9	40.0	32.5	3.7	3.5	9.9	11.1	14.6
Monsanto	Buy	2,750	2,841	3	72.9	89.3	109.3	37.7	30.8	11.5	10.7	30.4	35.9	39.6
Navneet Education	Buy	161	210	31	6.6	8.6	10.5	24.2	18.7	6.1	5.2	26.0	30.0	30.9
PI Inds.	Buy	811	1,046	29	30.4	34.8	43.6	26.7	23.3	7.3	5.8	30.9	27.9	27.8
Piramal Enterp.	Buy	2,695	3,044	13	72.6	104.1	144.6	37.1	25.9	3.5	3.2	9.8	13.0	16.4
SRF	Buy	1,613	1,816	13	85.9	89.0	111.5	18.8	18.1	3.0	2.6	16.6	15.1	17.0
S H Kelkar	Buy	268	367	37	7.2	9.6	12.2	37.0	27.9	4.8	4.3	13.7	16.1	18.2
Symphony	Sell	1,325	1,288	-3	27.0	35.1	42.9	49.0	37.7	26.7	22.7	56.8	65.0	66.3
TTK Prestige	Neutral	6,476	5,281	-18	106.9	137.7	176.0	60.6	47.0	9.6	8.7	16.5	19.4	22.2
V-Guard	Neutral	182	140	-23	3.7	4.6	5.4	49.2	39.8	13.0	10.4	29.4	29.1	27.6
Wonderla	Buy	360	393	9	7.0	11.9	16.0	51.6	30.2	4.7	4.2	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	0.3	-4.6	-1.6
Ashok Ley.	4.6	-2.3	-11.5
Bajaj Auto	1.8	-2.6	13.8
Bharat Forge	2.4	-2.2	49.6
Bosch	2.7	3.6	6.8
CEAT	-1.1	14.8	86.0
Eicher Mot.	2.0	7.1	50.9
Endurance Tech.	-1.2	-1.7	
Escorts	4.6	14.2	262.1
Exide Ind	2.6	-3.1	45.6
Hero Moto	1.5	9.4	23.4
M&M	1.4	1.4	1.1
Mahindra CIE	-0.4	6.7	24.1
Maruti Suzuki	1.9	10.1	72.3
Tata Motors	1.3	6.7	19.8
TVS Motor	3.5	10.8	83.1
Banks - Private			
Axis Bank	1.4	-1.7	0.8
DCB Bank	1.6	2.0	108.2
Equitas Hold.	3.7	-9.8	2.1
Federal Bank	3.2	17.8	119.0
HDFC Bank	3.0	5.3	37.9
ICICI Bank	3.5	16.5	35.5
IDFC Bank	1.2	-3.2	22.4
IndusInd	3.4	0.7	33.8
J&K Bank	4.0	1.6	37.4
Kotak Mah. Bk	2.3	6.6	34.0
RBL Bank	3.9	-4.0	
South Indian	2.2	3.6	56.6
Yes Bank	2.8	-6.0	46.9
Banks - PSU			
BOB	3.2	-0.4	36.0
BOI	5.3	-6.3	79.0
Canara	1.7	8.1	90.7
IDBI Bk	1.4	-16.3	-5.3
Indian Bk	2.6	6.7	269.4
OBC	6.1	-1.5	90.1
PNB	2.0	-6.6	103.4
SBI	2.4	1.4	65.6
Union Bk	2.5	1.0	50.5
NBFCs			
Bajaj Fin.	3.0	-6.1	67.9
Bharat Fin.	9.9	-8.5	18.8
Dewan Hsg.	2.7	-5.7	115.2
GRUH Fin.	-1.3	0.0	46.5
HDFC	0.9	-0.6	27.5
Indiabulls Hsg	0.7	3.1	50.2
LIC Hsg Fin	2.4	2.2	54.9
Manappuram	2.1	-5.1	64.4
M&M Fin.	2.7	-10.8	-1.6
Muthoot Fin	0.9	-1.2	85.1
PFC	-2.7	-11.6	68.0
Repco Home	0.2	-2.6	12.0
REC	-2.6	-0.7	164.5
STF	2.1	-11.4	-15.4
Shriram City Union	1.1	-4.6	42.7

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	0.5	4.6	21.9
Bharat Elec.	3.3	-4.4	55.4
BHEL	1.0	-14.8	23.6
Blue Star	1.3	-4.9	49.9
CG Cons. Elec.	0.9	-1.1	64.7
CG Power & Inds Sol.	5.5	17.0	53.1
Cummins	1.2	-4.7	7.3
GE T&D	6.2	5.3	9.6
Havells	4.3	-5.2	23.3
Inox Wind	2.0	-31.2	-40.4
K E C Intl	3.3	15.5	96.6
L&T	5.0	1.3	37.0
Pennar Eng.	1.5	-6.7	-9.0
Siemens	1.2	0.5	17.8
Solar Ind	0.7	1.5	28.5
Suzlon Energy	2.6	-6.7	28.9
Thermax	0.7	-6.2	38.6
Va Tech Wab.	1.2	-1.7	21.7
Voltas	6.2	14.0	41.0
Cement			
Ambuja Cem.	1.8	-2.7	7.7
ACC	1.8	0.4	9.4
Birla Corp.	2.8	0.4	97.2
Dalmia Bharat	2.5	14.3	168.0
Grasim Inds.	-0.4	-7.2	26.2
India Cem	6.9	-2.5	121.8
J K Cements	0.0	12.0	83.5
JK Lakshmi Ce	-1.0	-1.7	38.1
Ramco Cem	3.6	0.2	40.7
Orient Cem	2.9	-8.9	-0.2
Prism Cem	2.7	5.2	27.7
Shree Cem	1.0	-7.7	33.7
Ultratech	-0.3	-1.7	29.9
Consumer			
Asian Paints	1.8	1.4	13.2
Britannia	-0.5	1.1	27.8
Colgate	-0.7	-5.2	17.7
Dabur	0.2	-8.1	-6.6
Emami	0.2	6.7	6.2
Godrej Cons.	1.9	2.5	23.1
GSK Cons.	-0.7	0.3	-6.9
HUL	0.5	12.9	24.4
ITC	-0.1	6.6	26.1
Jyothy Lab	-0.9	-7.2	27.2
Marico	1.3	1.3	25.7
Nestle	-0.3	2.9	6.2
Page Inds	1.2	0.6	10.4
Parag Milk	1.7	-3.1	4.2
Pidilite Ind.	2.3	1.6	8.6
P&G Hygiene	0.7	1.2	17.8
United Brew	1.2	2.9	8.7
United Spirits	-0.5	4.0	-19.7
Healthcare			
Alembic Phar	-1.6	-6.6	3.8
Alkem Lab	-0.1	-7.9	47.7
Ajanta Pharma	-2.8	-2.4	9.5
Aurobindo	0.1	-15.7	-29.1

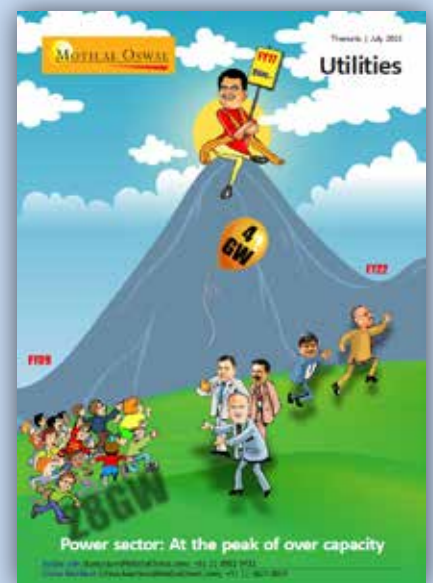
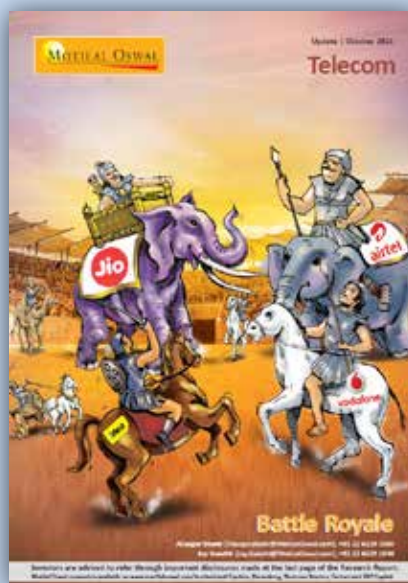
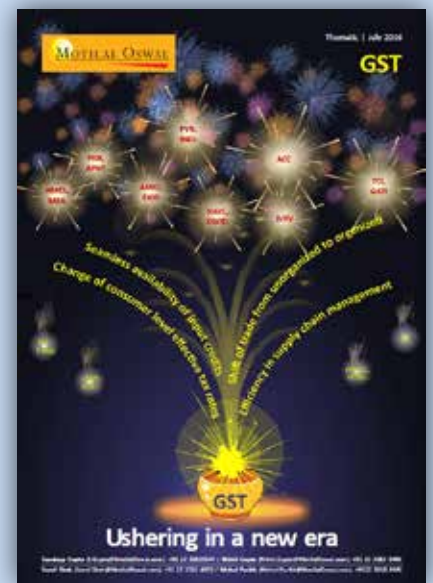
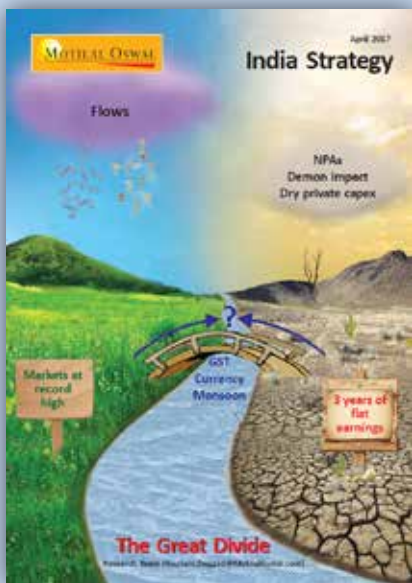


Company	1 Day (%)	1M (%)	12M (%)
Biocon	4.4	-19.9	43.8
Cadila	-3.2	-6.7	33.3
Cipla	-3.1	-8.8	7.2
Divis Lab	-1.1	-14.8	-46.9
Dr Reddy's	-3.7	-8.3	-20.5
Fortis Health	4.4	-6.3	20.2
Glenmark	-3.2	-32.0	-28.8
Granules	1.4	-9.4	7.7
GSK Pharma	-1.3	-7.7	-30.8
IPCA Labs	-0.6	-17.9	10.4
Lupin	-7.3	-17.3	-22.8
Sanofi India	0.7	-4.7	-3.9
Sun Pharma	-1.9	-7.9	-24.8
Syngene Intl	1.1	-16.4	24.2
Torrent Pharma	-1.0	-15.4	-11.8
Logistics			
Allcargo Logistics	2.9	-1.3	13.0
Blue Dart	0.3	-11.8	-18.6
Concor	-2.1	-4.7	4.3
Gateway Distriparks	0.6	-11.4	-14.7
Gati	0.8	-10.1	-3.7
Transport Corp.	1.3	7.3	51.2
Media			
Dish TV	-11.2	-14.5	-5.6
D B Corp	2.3	-5.4	9.5
Den Net.	-4.1	-9.3	-3.8
Hind. Media	0.9	-4.9	4.9
HT Media	1.2	-2.6	-7.0
Jagran Prak.	0.4	-8.2	2.7
PVR	0.6	-8.7	72.3
Siti Net.	0.0	-16.7	-18.9
Sun TV	1.6	-14.4	115.4
Zee Ent.	0.3	-3.2	15.6
Metals			
Hindalco	1.5	-1.1	113.9
Hind. Zinc	1.1	-13.9	40.9
JSPL	6.6	4.6	98.8
JSW Steel	1.8	-1.0	47.9
Nalco	2.0	-0.8	54.7
NMDC	1.6	-10.2	29.3
SAIL	0.0	-5.8	42.3
Vedanta	4.0	-1.1	134.5
Tata Steel	0.5	6.9	49.6
Oil & Gas			
BPCL	2.3	-1.8	58.5
GAIL	2.9	-2.5	40.4
Gujarat Gas	1.7	-9.4	51.9
Gujarat St. Pet.	1.1	-11.6	31.0
HPCL	2.0	-9.3	81.7
IOC	1.9	0.5	118.5
IGL	0.5	-6.9	73.4
MRPL	5.2	1.5	100.2
Oil India	0.7	-6.1	19.8
ONGC	0.4	-4.0	24.3
PLNG	1.7	0.8	62.1
Reliance Ind.	0.5	-9.0	37.3
Retail			
Jubilant Food	3.4	-5.1	-7.3

Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	-0.9	-3.8	27.3
Technology			
Cyient	0.6	-6.2	7.4
HCL Tech.	0.4	4.8	14.7
Hexaware	2.6	12.4	19.1
Infosys	3.0	5.7	-18.8
KPIT Tech	4.9	-10.5	-28.2
L&T Infotech	2.0	9.4	
Mindtree	6.3	15.2	-16.7
Mphasis	-0.1	7.7	20.6
NIIT Tech	2.5	12.9	3.6
Persistent Sys	0.5	2.6	-19.5
Tata Elxsi	0.2	-16.2	-26.5
TCS	2.4	13.4	3.7
Tech Mah	2.3	-2.5	-19.3
Wipro	1.9	8.2	-2.1
Zensar Tech	0.0	-2.9	-6.5
Telecom			
Bharti Airtel	0.3	4.3	5.2
Bharti Infratel	1.3	-0.5	-5.7
Idea Cellular	0.8	-6.7	-27.6
Tata Comm	1.0	-8.3	42.5
Utilities			
Coal India	1.5	-4.5	-5.4
CESC	1.4	-4.3	58.8
JSW Energy	2.1	-0.6	-6.3
NTPC	0.1	-5.6	10.2
Power Grid	-0.6	-4.4	33.0
Tata Power	0.4	-5.6	9.9
Others			
Arvind	1.4	-8.8	19.5
Bata India	1.0	-9.1	-5.6
Castrol India	-0.8	-6.1	11.6
Century Ply.	5.2	-5.2	56.3
Coromandel Intl	0.3	3.8	66.8
Delta Corp	2.0	-16.5	80.2
Dynamatic Tech	0.9	-3.2	28.8
Eveready Inds.	0.5	4.6	34.9
Interglobe	1.5	-3.2	9.0
Indo Count	1.6	-11.6	-5.6
Info Edge	1.2	5.0	10.8
Inox Leisure	4.5	-2.2	50.8
Jain Irrigation	12.3	-16.9	48.5
Just Dial	-0.6	-10.1	-26.7
Kaveri Seed	6.3	-9.2	21.0
Kitex Garm.	2.0	-25.6	-13.7
Manpasand	7.2	10.0	50.5
MCX	5.9	-14.8	7.8
Monsanto	2.3	6.6	29.5
Navneet Educat.	1.0	-4.7	79.4
PI Inds.	0.6	-7.8	27.9
Piramal Enterp.	1.7	7.0	89.4
SRF	1.6	-6.8	30.8
S H Kelkar	-3.1	-17.3	20.0
Symphony	0.3	-8.7	15.5
TTK Prestige	-0.2	-1.3	44.6
V-Guard	1.1	-3.7	110.6
Wonderla	-2.8	-8.1	-5.8

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 ANNUAL REPORT THREADBARE

27 September 2018

The ART of annual report analysis

WHAT'S NEW IN FY18

- ▶ Tax rates remained low at 13.8%, contingent liabilities for tax dispute rise to INR25.3b.
- ▶ Cash flow of INR18.4b significantly higher than tax expense recognized in P&L of INR15.8b.
- ▶ 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.

Operating performance muted: Revenue grew just 3.2% to INR235.8b (EBITDA margin expanded 70bp to 25.4%, led by gross margin expansion. Contingent liabilities on tax disputes increased to INR25.3b (FY17: INR20.7b); cash tax paid (at INR18.0b) was significantly higher than expense (at INR15.8b), operating cash flow post interest increased from INR15.2b to INR18.4b on decline in other assets to INR24.7b (primarily representing USD100m receivables for financing Proteus liability); however, this was partially offset by INR15.1b increase in receivables. FY18 deteriorated to INR20.4b (FY17: INR25.0b) on higher capex and acquisition of brands, goodwill and intangibles rose to INR87.8b (24% of net worth), cash and investments stood at INR161.6b (51% of net worth), with 21% drop, representing FY18 financials (in FY18 annual report) received prior year financials incorporated.

Operating performance muted: Revenue grew just 3.2% to INR235.8b (EBITDA margin expanded 70bp to 25.4%, led by gross margin expansion, partially compensated by higher (a) legal and consultancy cost at INR15b (8.1% of revenue, FY17: INR16.5b), (b) revenue R&D expenses at INR23b (7.9% of revenue, FY17: INR18b), and (c) miscellaneous expenses (after regrouping) at INR0.5b (FY17: INR0.4b), including INR1b additional liability towards USD100m debt).

Tax rates remain less contingent liabilities on tax dispute rise: Tax rates remained low at 13.8%, primarily on account of low tax rates in certain subsidiaries (Sun Pharma Global P2C-ON) and Sun Pharmaceutical Laboratories (SPL). On a consolidated basis, contingent liabilities increased steeply from INR33.3b in FY17 to INR41.1b (1% of net worth). The increase in overall tax dispute liabilities was driven by tax dispute liabilities for the standalone entity increasing from INR1.1b in FY17 to INR1.8b.

Cash tax significantly exceeds tax expense recognized: The cash tax paid (cash flow, at INR18.4b) continued to be higher than the tax expense recognized in the P&L (at INR15.8b) 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 INR20.4b on rising capex and acquisition of brands. Operating cash flow were primarily supported by decline in other current assets by INR25.3b, which was partially offset by increase in receivables by INR18.1b.

Stock Info

Boarding	3,049.76
CMF (Mn)	771
Face Value (Mn)	2,059.0
52 Weeks Range (Mn)	956.066
52.52 Mkt Perf. (%)	17.19-12
Market Cap (Mn) / (USD M)	1,809.078

Shareholding pattern (%)

As on	Jun-18	Mar-18	Jun-15
Promoter	33.0	33.0	34.7
MF	39.2	39.0	3.8
FI	24.8	24.4	17.0
Other	3.0	3.6	33.5

Auditor's name: Deloitte Haskins & Sells LLP

ART will present a readable format of annual reports - rationale, average size structure, we believe ART will assist: from accounting and auditing basis to corporate governance and compliance to presentation matters - will create point a career path or the stock investment worthiness.

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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 INR355.

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

- ▶ Since demonetization, SBI has collected deposits of ~INR4 and disbursed (via withdrawal) ~INR1, leading to net addition of ~INR3. The bank also aggressively cut its bank deposits (rate leading to higher repayment rate), 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 of 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 Q3FY17.

Digitalization efforts to yield noteworthy results over long term

- ▶ The Government of India (GoI) and the banking sector are working together to move toward a less-cash economy. The bank has all channels available (e.g. UPI, card, POS, wallet, internet banking and mobile banking) to push toward digitalization.
- ▶ Over the past month, cashless transactions increased significantly: (a) debit card spends are up 1x on MoM, (b) POS terminal activation has increased from 64k/month to 16k, 46k terminal orders in hand, (c) 7m new debit cards are activated and (d) SBI Buddy (wallet) transactions are up 1x on MoM.

Asset quality: Will demonetization lead to higher NPA?

- ▶ Asset monitoring and recovery teams have performed their respective functions as usual (barring the first three days of demonetization). The bank clearly stated that there is no disruption 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.

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

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

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MOTILAL OSWAL

VOICES

30FY17 | February 2017

VOICES

India Inc on Call

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

This quarterly report contains:

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

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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 grow strong, however, investment is witnessing one of the worst phases in the past two decades.
- ▶ We find, however, that the growth in economic activity eased towards 5% YoY in Q3FY17 as against 7.5% in the previous two quarters. A sharp contraction in investments, along with some deceleration in consumption, has contributed to a slowdown in our composite EAI in the recent quarter.
- ▶ It is important to note that while our composite EAI is a reliable indicator to gauge economic activity, it should not be compared with the official GDP statistics because the latter includes an estimate for the unorganized sector also. Our leading indicators are based on monthly data covering the formal sector of society.

"EcoKnowledge" is Motilal Oswal's new product in which we deep-dive into trending macro-economic themes. This new product complements our existing "Economic" product, which is reworked 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).

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.

These leading indicators are then weighted 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.

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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

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

April 2017

MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

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

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

Net inflows in FY17 down 11% YoY

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

April 2017

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