

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	28,893	0.1	8.5
Nifty-50	8,940	0.1	9.2
Nifty-M 100	16,358	0.0	14.0
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,367	0.1	5.7
Nasdaq	9,750	-0.2	5.4
FTSE 100	7,244	-0.4	1.4
DAX	11,804	-1.2	2.8
Hang Seng	10,419	-1.0	10.9
Nikkei 225	19,284	-0.5	0.9
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	56	-1.2	0.2
Gold (\$/OZ)	1,257	0.6	9.1
Cu (US\$/MT)	5,915	1.2	7.1
Almn (US\$/MT)	1,886	1.4	10.7
Currency	Close	Chg .%	YTD.%
USD/INR	66.8	-0.2	-1.6
USD/EUR	1.1	0.4	0.3
USD/JPY	113.2	-0.1	-3.2
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.9	0.0	0.4
10 Yrs AAA Corp	7.9	0.0	0.3
Flows (USD b)	23-Feb	MTD	YTD
FII	0.1	1.4	1.4
DII	-0.1	0.0	0.7
Volumes (INRb)	23-Feb	MTD*	YTD*
Cash	364	285	251
F&O	9,590	5,209	4,516

Note: YTD is calendar year, \*Avg

Quote of the day

**Beware of little expenses. A small leak will sink a great ship**



Today's top research ideas

**BHARTI AIRTEL: Telenor deal holds strategic value**

Attractive at 5x EV/EBITDA and 20% RoCE

- ❖ Bharti-Telenor merger would give Bharti additional spectrum in the 1800MHz band in seven key circles (Maharashtra, Gujarat, Andhra Pradesh (AP), Uttar Pradesh (UP) East and West, Bihar, and Assam), which has exhausted with DOT. Also, it would gain incremental annual revenue of INR25b-30b and EBITDA of INR6b-7b.
- ❖ We expect 35-40% revenue dilution given that many subscribers would be 2nd Simcard users. EBITDA margin should improve to 25-27% vs Telenor India's current 8% margin as Bharti's does 38% India wireless margin. Subsequently, Bharti's investment of ~INR20b would be RoCE-accretive, yielding ~30% RoCE.
- ❖ We believe Bharti's strategy to remain ahead of the curve in data-rich spectrum investments should bolster its defense against RJio and hold it in good stead. We reiterate our Buy recommendation.



Research covered

Cos/Sector	Key Highlights
Bharti Airtel	Telenor deal holds strategic value
Hindustan Unilever	Aborted Kraft-Heinz attempt for Unilever
Oil & Gas	Another cocktail – ONGC + BPCL or HPCL; We do not see much concern



Piping hot news

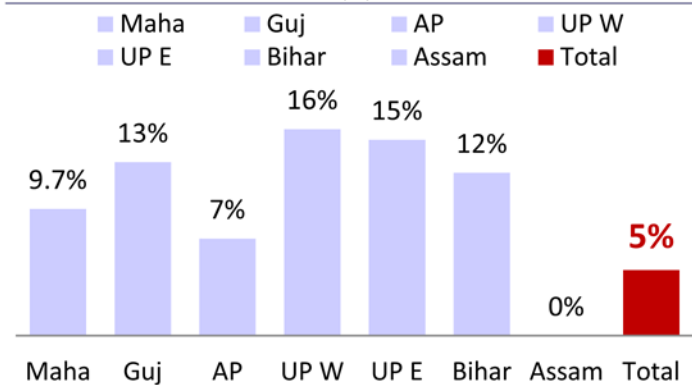
**Indian Railways freight offloading shows 'healthy growth' after 2-year gap**

- ❖ In what indicates a possible pick-up in the economy, Indian Railways' freight loading has seen a dramatic increase since late January, recovering from a trough of almost consistent negative year-on-year growth since late 2014-15 ...

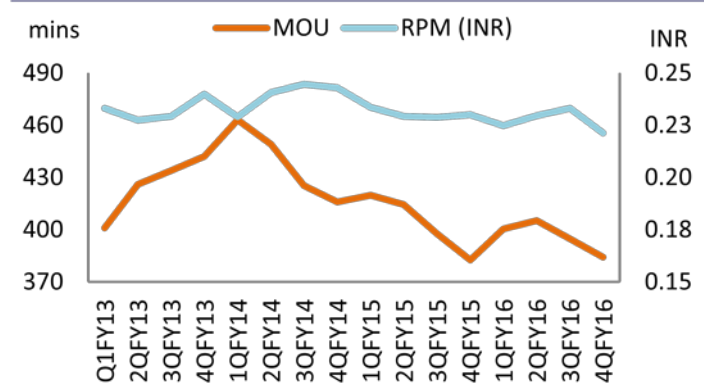


Chart of the Day: Telenor deal holds strategic value

Telenor Subscriber market Share (%)



Telenor MOU and RPM



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

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



Kindly click on numbers for the detailed news link

1

**Zee closer to demerger of print biz**

The news media arm of the Subhash-Chandra-led Essel Group has been directed by the National Company Law Tribunal's (NCLT's) Bench here to have a shareholders meeting on March 27...

2

**Oil companies to bear merchant discount rate fees on debit card payments for fuel**

The mess over merchant discount rate (MDR) at fuel stations is close to resolution. State-owned fuel retailers Indian Oil Corp. Ltd, Bharat Petroleum Corp. Ltd and Hindustan Petroleum Corp. Ltd have agreed to pay MDR, a fee on card usage at swipe machines, for fuel purchased using debit cards. This means neither the fuel buyer—who used to pay this fee—nor the dealer will have to pay it. Two officials from OMCs who confirmed the development said a notification on the same is likely in a few days. Both spoke on condition of anonymity.

3

**FinMin puts a question mark over 8.65% EPF rate 2016-17**

As the fiscal year inches to a close, the Finance Ministry is yet to give its final stamp of approval to the Labour Ministry's decision to give 8.65 per cent return to workers on their retirement savings in 2016-17...

4

**Keen to close KG Basin deal with GSPC by fiscal end: ONGC**

ONGC wants to close the Krishna-Godavari Basin gas block deal with Gujarat State Petroleum Corporation Ltd (GSPC) by the end of this fiscal. At the end of 2016, ONGC and GSPC had announced that the former will be buying out GSPC's 80 per cent stake in KG-OSN-2001/3 for about \$1.2 billion (Rs. 8,100 crore) ...

5

**Demonetisation effect: economic growth seen slowing to 6.1% in December quarter**

India's economic growth may slow to 6.1% in the fiscal third quarter because of the government's disruptive move to ban cash, according to the median of five estimates by economists. Economists surveyed by Mint expect growth in gross domestic product (GDP) in the three months ended 31 December to be in the range of 5.5% to 6.5%. That compares with the 7.2% growth recorded in the year-ago quarter. The government will release GDP growth numbers for the December quarter on Tuesday, providing clues on how the economy has responded to the government decision to outlaw high-value banknotes in November. ...

6

**Essar, IDFC Alternatives reach settlement, paving the way for Rosneft deal**

The Essar Group has reached a settlement with private equity fund IDFC Alternatives, ending arbitration proceedings that threatened to block the proposed sale of Essar Power's Vadinar plant and even delay the \$12.9 billion Essar-Rosneft deal ...

7

**Airtel may Drop Roaming Charges**

Bharti Airtel is set to abolish domestic roaming charges on its network for both voice and data services, a person familiar with the matter said, matching a key offer by rival Reliance Jio Infocomm, the entry of which has triggered a price war in India ...



# Bharti Airtel

BSE SENSEX 28,893 S&P CNX 8,940

CMP: INR366 TP: INR410(+12%) Buy



### Stock Info

Bloomberg	BHARTI IN
Equity Shares (m)	3,997
52-Week Range (INR)	401/284
1, 6, 12 Rel. Per (%)	8/2/-9
M.Cap. (INR b)	1,463.2
M.Cap. (USD b)	21.9
Avg Val, INRm	1,212.9
Free float (%)	32.9

### Financials Snapshot (INR b)

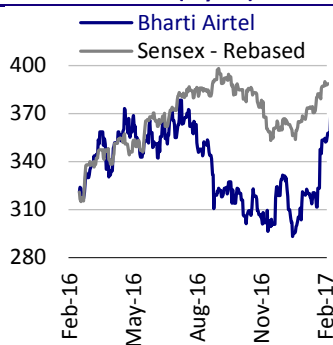
Y/E Mar	2016	2017E	2018E
Net Sales	965.3	975.1	1,010.0
EBITDA	340.1	358.5	366.2
PAT	47.5	49.6	37.7
EPS (INR)	11.9	12.4	9.4
Gr. (%)	-14.9	4.4	-24.0
BV/Sh (INR)	164.2	174.4	182.2
RoE (%)	7.4	7.3	5.3
RoCE (%)	5.9	5.8	5.0
P/E (x)	26.2	25.1	33.1
P/BV (x)	1.9	1.8	1.7

### Shareholding pattern (%)

As On	Dec-16	Sep-16	Dec-15
Promoter	67.1	67.1	65.6
DII	11.3	15.8	7.6
FII	15.1	15.7	17.9
Others	6.4	1.4	8.9

FII Includes depository receipts

### Stock Performance (1-year)



## Telenor deal holds strategic value

### Attractive at 5x EV/EBITDA and 20% RoCE

- Bharti and Telenor have announced a merger. Telenor's press release indicates that Bharti would only acquire outstanding spectrum payments and other operational contracts including tower lease, which would mean an investment of just ~INR20b for Bharti.
- The deal would give Bharti additional spectrum in the 1800MHz band in seven key circles, which is otherwise unavailable. Also, it would gain incremental annual revenue of INR25b-30b and EBITDA of INR6b-7b.
- We believe Bharti's strategy to remain ahead of the curve in data-rich spectrum investments should bolster its defense against RJio and hold it in good stead. We reiterate our Buy recommendation.

### What will Bharti get out of this deal?

#### 1800MHz spectrum in seven circles, otherwise unavailable

Telenor holds 5-7MHz spectrum in the lucrative 1800MHz band in seven key circles – Maharashtra, Gujarat, Andhra Pradesh (AP), Uttar Pradesh (UP) East and West, Bihar, and Assam. Bharti currently holds about 5MHz liberalized spectrum in each of these circles, except in AP, where it holds 10MHz spectrum. A 5MHz block is fairly good to offer seamless 4G network.

However, we believe the acquisition holds strategic value, given that 1800MHz is otherwise unavailable and offers two key benefits: (a) 4G network rollout on 1800MHz remains the most efficient due to its well-developed ecosystem, and (b) capacity addition on existing 1800MHz band v/s fresh spectrum band (2500MHz or 700MHz) should lead to cost advantage coming from network design and equipment deployment.

#### Incremental annual revenue of INR25b-30b and EBITDA of INR6b-7b

Telenor earns revenue of ~INR11b and EBITDA of ~INR1b per quarter. Assuming its revenue base dilutes by 35-40%, given the high share of second sim cards, it should still manage annual revenue of INR25b-30b on stable state basis. Telenor's EBITDA could improve to INR6b-7b, assuming 25-27% margin compared to Bharti's 38% India wireless margin. With Bharti's investment likely to be just ~INR20b, the deal would be RoCE-accretive, yielding ~20% RoCE.

#### Deal value appears attractive at 5x EV/EBITDA and 20% RoCE

Bharti purchased Videocon's six circles at INR44.3b, 75% higher than the latest auction value for the proportionate life of the spectrum. Accordingly, we had expected the size of the Telenor deal to be INR70b-80b. At a potential investment of ~INR20b for Bharti, the deal appears attractive, with possible EV/EBITDA of 5-6x on current EBITDA run-rate. With an operating cash flow of INR320b and net debt of INR1,020b, the investment would add hardly 2% to net debt, which would be offset by the EBITDA contribution from the merger.

**What justifies such low valuation:** Post the recently-concluded auction, there were limited takers for incremental spectrum in the market. Given the impending Vodafone-Idea merger, RJio-RCom spectrum sharing terms, and no sizeable operator willing to take its spectrum, Telenor India had limited options. This may have led to the low valuation.

**Bolsters defense against RJio; continue to prefer Bharti**

While the incremental spectrum may not be presently required, given the large scale data traffic on RJio’s network, holding high quantum of spectrum would allow Bharti to compete with RJio in a fixed-cost-driven market. We believe Bharti’s strategy to remain ahead of the curve in data-rich spectrum investments should hold it in good stead.

**Consolidated - Quarterly Earning Model**

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
<b>Gross Revenue</b>	<b>236,709</b>	<b>238,357</b>	<b>240,659</b>	<b>249,596</b>	<b>255,465</b>	<b>246,515</b>	<b>233,357</b>	<b>226,921</b>	<b>965,321</b>	<b>962,258</b>
YoY Change (%)	3.1	4.3	3.7	8.4	7.9	3.4	-3.0	-9.1	325.4	NA
Total Expenditure	154,466	156,014	156,522	158,474	159,985	152,113	148,542	148,706	625,259	609,346
<b>EBITDA</b>	<b>82,243</b>	<b>82,343</b>	<b>84,137</b>	<b>91,122</b>	<b>95,480</b>	<b>94,402</b>	<b>84,815</b>	<b>78,215</b>	<b>340,062</b>	<b>352,912</b>
Margins (%)	34.7	34.5	35.0	36.5	37.4	38.3	36.3	34.5	35.2	36.7
Depreciation	40,404	42,390	43,541	48,163	50,402	49,560	48,350	50,204	174,498	198,516
Interest	19,206	18,752	14,167	17,010	19,399	19,057	19,356	16,385	68,865	74,197
Other Income	2,419	1,929	3,037	3,129	2,787	1,568	3,487	3,504	9,501	11,346
<b>PBT before EO expense</b>	<b>25,051</b>	<b>23,129</b>	<b>29,465</b>	<b>29,078</b>	<b>28,466</b>	<b>27,353</b>	<b>20,596</b>	<b>15,130</b>	<b>106,200</b>	<b>91,545</b>
Extra-Ord expense	-21,384	-6,761	3,405	2,999	3,536	66	2,040	0	-14,505	5,642
<b>PBT</b>	<b>46,435</b>	<b>29,890</b>	<b>26,060</b>	<b>26,079</b>	<b>24,930</b>	<b>27,287</b>	<b>18,556</b>	<b>15,130</b>	<b>120,705</b>	<b>85,903</b>
Tax	21,827	13,394	13,523	10,789	10,089	11,136	11,841	6,203	59,368	39,269
Rate (%)	47.0	44.8	51.9	41.4	40.5	40.8	63.8	41.0	49.2	45.7
Minority Interest & Profit/Loss of Asso. Cos.	3,478	1,133	1,457	2,095	222	1,544	1,678	1,053	6,495	4,497
<b>Reported PAT</b>	<b>21,130</b>	<b>15,363</b>	<b>11,080</b>	<b>13,195</b>	<b>14,619</b>	<b>14,607</b>	<b>5,037</b>	<b>7,873</b>	<b>54,842</b>	<b>42,137</b>
<b>Mobile ARPU (INR/month)</b>	<b>198.2</b>	<b>192.6</b>	<b>192.0</b>	<b>194.2</b>	<b>195.7</b>	<b>187.9</b>	<b>172.0</b>	<b>156.7</b>	<b>192.9</b>	<b>177.9</b>
QoQ Growth (%)	-0.1	-2.8	-0.3	1.1	0.8	-4.0	-8.4	-8.9	-2.6	-7.8
<b>Mobile MOU/sub/month</b>	<b>345.0</b>	<b>333.7</b>	<b>325.8</b>	<b>321.3</b>	<b>310.1</b>	<b>329.3</b>	<b>329.3</b>	<b>322.1</b>	<b>342.7</b>	<b>311.5</b>
QoQ Growth (%)	-1.7	-3.3	-2.4	-1.4	-3.5	6.2	0.0	-2.2	-1.1	-9.1
<b>Mobile Traffic (B Min)</b>	<b>9,097</b>	<b>9,480</b>	<b>10,066</b>	<b>10,102</b>	<b>9,427</b>	<b>8,819</b>	<b>8,819</b>	<b>8,850</b>	<b>38,746</b>	<b>35,914</b>
QoQ Growth (%)	4.4	4.2	6.2	0.4	-6.7	-6.4	0.0	0.4	8.2	-7.3
<b>Mobile RPM (INR)</b>	<b>0.57</b>	<b>0.58</b>	<b>0.59</b>	<b>0.60</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>
QoQ Growth (%)	1.7	0.4	2.1	2.5	4.5	-9.6	-8.4	-6.9	-1.5	1.5

**Telenor 1800mhz spectrum portfolio**

	Spectrum holding (mhz)	Price/block (200khz)	Telenor’s Spectrum acquisition cost (INRm)	Spectrum Value (INRm)
Maha	5	636	10,512	15,900
Guj	5	476	8,994	11,900
AP	6.4	486	11,476	15,552
UP W	7.0	201	4,296	7,021
UP E	6.8	266	3,047	9,054
Bihar	7.2	124	1,857	4,464
Assam	6	80	8,000	2,400
<b>Total</b>	<b>43.4</b>	<b>2,269</b>	<b>48,183</b>	<b>66,291</b>

Source: Company, MOSL



# Hindustan Unilever

BSE SENSEX 28,893 S&P CNX 8,940

CMP: INR858 TP: INR865(1%) Neutral



Hindustan Unilever Limited

### Stock Info

Bloomberg	HUVR IN
Equity Shares (m)	2,164
52-Week Range (INR)	954/783
1, 6, 12 Rel. Per (%)	-7/-9/-21
M.Cap. (INR b)	1,857.7
M.Cap. (USD b)	27.8
Avg Val ( INRm)/Vol m	1,197.0
Free float (%)	32.8

### Financials Snapshot (INR b)

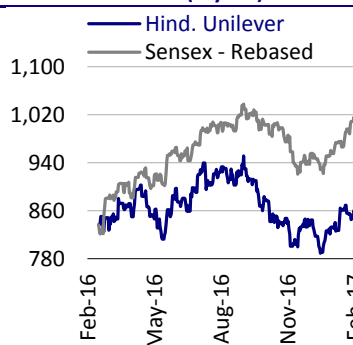
Y/E Mar	2016	2017E	2018E
Net Sales	305.0	311.3	338.2
EBITDA (Rs b)	57.3	58.5	64.5
Net Profit	41.2	41.7	46.5
EPS	19.0	19.3	21.5
EPSGrowth (%)	12.9	1.1	11.7
BV/Share (Rs)	29.0	28.0	26.9
P/E (x)	45.1	44.6	39.9
P/BV (x)	29.6	30.7	31.9
RoE (%)	82.4	67.6	78.4
RoCE (%)	108.1	88.5	102.0

### Shareholding pattern (%)

As On	Dec-16	Sep-16	Dec-15
Promoter	67.2	67.2	67.2
DII	5.8	5.2	5.0
FII	13.1	13.8	13.9
Others	13.9	13.8	13.9

FII Includes depository receipts

### Stock Performance (1-year)



## Aborted Kraft-Heinz attempt for Unilever

### What it could mean for Hindustan Unilever

- Media reports suggest that the potential fallout of the failed Kraft-Heinz acquisition attempt for Unilever could be cost rationalization at Unilever, and perhaps, possible demerger or sell-off of its foods and beverages businesses.
- While this is currently in the realm of speculation, such a demerger/sell-off could have positive repercussions for Hindustan Unilever (HUVR). Foods and beverages have been a drag on HUVR's overall profitability and return ratios; the possible demerger/sale would be both margin and RoE-accretive.
- Though inferior to HUVR's overall business in India, these businesses, for an acquirer, are of reasonable size, have decent growth prospects, have strong brand portfolios, and have improving or healthy steady-state profitability. If and when the sale happens, the proceeds are likely to be paid out to HUVR shareholders, increasing potential dividend yield, which is already superior to peers.
- Since the eventual sale is currently in the realm of speculation, there is no change to our forecasts, target multiple or target price. Maintain Neutral.

### HUVR's foods and beverages businesses – current scenario

- In FY16, packaged foods contributed 6% of sales while beverages constituted 12% of sales.
- EBIT margins in both these segments are significantly below company average. For the last six years, the foods segment has consistently earned the lowest EBIT margins among all segments HUVR is present in.
- EBIT/Average Segmental Assets is a meager 18% for packaged foods. While it is a healthy 56% for beverages, it is lower than overall EBIT/Segmental Assets.

### What if foods and beverages businesses are sold?

- If packaged foods business were to be demerged/sold off:** EBIT margin would be 80bp higher and EBIT/Segmental Assets would be ~600bp higher for FY16.
- If packaged foods and beverages were both demerged/sold off:** EBIT margin would be 100bp higher and EBIT/Segmental Assets would be nearly 1100bp higher for FY16.

### What is in it for the acquirer?

- Foods business:** While the share of the foods business in HUVR's sales and profits is paltry, it is nevertheless a business with significant sales of INR21b (IGAAP) in FY16, and brands like *Knorr*, *Kissan*, *Kwality Walls* and *Magnum*. The segment has been showing a steadily improving margin trend in recent years.
- Beverages business:** Sales in this business are significant at INR38.8b in FY16. HUVR is the market leader in the tea business in India with iconic brands under the *Brooke Bond* and *Lipton* umbrellas. Its coffee brand, *Bru* is the second largest in the instant coffee market in India. Sales growth has been just over 10% CAGR in the past five years. EBIT/Segmental Assets, while not as high as HUVR's overall 75%, were still extremely healthy at 56% in FY16.



**No change in forecasts, target multiple or target price; maintain Neutral**

There is no change in our numbers, as the demerger/sell-off foods and beverages businesses is under the realm of speculation. Meanwhile, rural demand recovery, which would be a key factor in HUVR’s volume growth, is unclear, particularly after the potential benefits of a near-normal monsoon in FY17 were washed away by demonetization. Earnings growth, is thus, likely to be tepid in the medium term. Valuations at 36x December 2018E EPS remain fair, in our view. Maintain Neutral, with a target price of INR865 (36x December 2018E EPS; 10% discount to 3-year average multiple).

**Aborted Kraft-Heinz attempt for Unilever: Possible impact on HUVR**

- Media reports suggest that the potential fallout of the failed Kraft-Heinz acquisition attempt for Unilever could be cost rationalization at Unilever, and perhaps, demerger or sell-off of its foods business. (Source: <https://www.ft.com/content/f8cbb840-f901-11e6-9516-2d969e0d3b65>).
- While this is currently in the realm of speculation, if the foods business gets demerged and/or eventually sold, it may have positive repercussions for Hindustan Unilever (HUVR).

**Background**

- Unilever / Hindustan Unilever acquired many of its foods brands:
  - Best Foods (*Knorr, Skippy and Hellmann’s*) was acquired in 2000.
  - *Kissan* was acquired by HUVR in 1993.
  - *Kwality Walls* was acquired by HUVR in 1995.
  - Modern Foods was acquired by HUVR in 2000 (and sold off in 2016 to the Everstone-backed Nimman Foods).
  - Even the tea brands, *Lipton* and *Brooke Bond*, were acquired by Unilever globally in 1972 and 1984, respectively.

**Potential impact of foods business demerger/sale**

Foods business by itself was 6% of consolidated segmental sales in India in FY16. If we expand the definition of foods to beverages as well, its share of consolidated segmental sales was 18%.

**Consolidated revenue break-up for HUVR**

Revenue from Operations (% of total)	FY11	FY12	FY13	FY14	FY15	FY16
Soaps and Detergents	44	45	47	47	47	45
Personal Products	29	28	28	28	29	29
Beverages	12	11	11	11	11	12
Packaged Foods	6	6	6	6	6	6
Others	9	9	8	8	8	7

Source: Company, MOSL

EBIT margin on foods (excluding beverages) is by far the lowest among all segments, nearly one-third of the overall consolidated segmental EBIT margins.

**Consolidated segmental EBIT margin for HUL**

EBIT margin (%)	FY11	FY12	FY13	FY14	FY15	FY16
Soaps and Detergents	9.3	11.6	12.7	13.2	13.9	14.2
Personal Products	25.1	26.5	25.7	25.1	26.6	28.2
Beverages	15.2	14.0	16.0	17.5	16.9	16.8
Packaged Foods	2.5	1.8	2.5	3.7	4.4	6.0
Others	3.1	6.4	7.5	8.7	8.2	7.5
<b>Overall</b>	<b>13.7</b>	<b>15.0</b>	<b>15.7</b>	<b>16.1</b>	<b>16.9</b>	<b>17.7</b>

Source: Company, MOSL



# Oil & Gas

Refer to our report on Oil & Gas, February 2017



## Another cocktail: ONGC + BPCL or HPCL

We do not see much concern

- The recent Union Budget had announced the creation of an 'integrated oil and gas company' to take on international as well as large domestic private players. Of late, there have been news reports suggesting that while IOCL might be left independent, ONGC might be merged with BPCL or HPCL.
- Given that the government's aim is primarily to boost the E&P strength of the nation, we see greater probability of ONGC merging with BPCL than with HPCL.
- BPCL has been pretty successful in its E&P segment, with significant discoveries in Brazil (3b bbl) and a very large gas discovery in Mozambique (75tcf). HPCL is just entering into a large capex cycle and we estimate that it would have an outflow of ~INR100b each year for the next 3-4 years.
- We are not unduly concerned on the possible merger of ONGC with BPCL, provided the subsidy regime does not return and integration does not create cultural and operational issues. We do not see HPCL as a candidate for merger with ONGC due to its large pending capex.

### Merger of ONGC and BPCL would strengthen India's E&P capabilities...

- Given that the aim is to boost E&P capabilities, we assume that BPCL would curtail its capex plans (INR1t for the next 5-7 years). This would add USD1.2b of free cash flow to ONGC's USD2.7b free cash flow each year, translating into total free cash flow of USD3.9b per year, assuming no dividend outflow!
- A field like Rajasthan of Cairn India had an initial estimate of USD5b for its development throughout the life cycle. The field currently produces ~170kbopd. India consumes ~4,000kbopd.
- A couple of years down the line, ONGC and BPCL's combined free cash flow would help strengthen India's E&P capabilities and decrease dependence on imports (or through equity participation in overseas blocks).

### ...but there are challenges as well

- However, there is no synergy between downstream and upstream; so operating cost just adds up. Then, there are cultural issues. BPCL has an MNC lineage, while ONGC has been an "Indian" PSU all along.
- There would be marginal value destruction for BPCL, as the combined entity would result in reduced return ratios (see exhibit 1). More problematic would be if the government reverts to the dark days of subsidies.

**Exhibit 1: Merger of ONGC & BPCL may not be that bad!**

	Annualized	Remarks	Annualized	Annualized
	BPCL		ONGC	ONGC + BPCL
EBITDA (INRb)	128	Using USD60/bbl of realization for ONGC	757	885
Depreciation (INRb)	21		328	349
EBIT (INRb)	107		429	536
PBT (INRb)	107	Assuming no net interest cost/ income; basically assuming all extra cash is deployed for capex, which is basically the aim of government	429	536
PAT (INRb)	70		283	353
Operating cash flow (INRb)	92		611	703
Capex (INRb)	10	The aim is primarily to build E&P strength, so assuming minimal capex for BPCL and continued capex for ONGC without M&As	430	440
<b>Free cash flow (INR b)</b>	<b>82</b>		<b>181</b>	<b>263</b>
<b>Free cash flow (USD b)</b>	<b>1.2</b>		<b>3</b>	<b>4</b>
Equity (INRb)	426		1,900	2,326
Capital employed (INRb)	700		2,900	3,600
RoE (%)	16.5	Actual RoE of BPCL would be higher due to other income	14.9	15.2
RoCE (%)	10.1	Same as above	9.8	9.8





### 1. Shriram Transport Finance: See 14-15% aum growth in FY17; Umesh Revankar, Managing Director

- Expect a 14-15% AUM growth for new vehicles in FY17 over the previous fiscal. For February and March we are hoping a good demand for new vehicle.
- Demand will be subdued in H1FY18 due to implementation of Goods and Services Tax (GST), however, there will be accelerated demand thereafter, provided we get good monsoons.
- For 2017-18, the first six months will witness a low growth scenario mainly because of GST, with nobody being sure how the prices of the vehicle will pan out.
- On the rural side, the demand is improving gradually and with the harvesting season in April, there will be an increased demand for financing of trucks.
- The reduction in MCLR rates, replacing the old borrowing rates brings about an advantage of at least 20bps on cost of funds.

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### 2. Repco Home Finance: Growth to pick in FY18; see more resources from MFs; V Raghu, ED

- The move to increase mutual fund investment limit in the housing finance companies(HFCs) could help the HFCs raise more resources in the coming year.
- With the savings pattern of public changing, with them looking at investing more into financial sector than gold and real estate, lots of funds are available with MFs and asset management companies (AMCs).
- This moves gives companies like Repco lot of opportunity to raise resources from mutual funds.
- Confident of lowering the gross NPAs in the fourth quarter but the demonetisation effect may still be felt in the next two quarters.
- Growth for the company slowed down in the third quarter to 20-21% from 25% due to demonetisation; Q4 growth would remain around similar levels
- A pickup in the growth would be witnessed in next financial year. The net interest margins would remain around the 4% levels going forward aided by reduction in cost of funds.

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### 1. Collaborate and conquer. by The Business Line

- High-stakes rivalry is under way between traditional banks and fintech startups with nearly every old-style service that banks offer under threat from innovative business models. Up until now, consumer banking and payments have been the most vulnerable to disruption. But with peer-to-peer (P2P) and online lending fast gaining ground, micro, small and medium enterprises (MSME) servicing is the next segment likely to come under attack in the next five years. According to a McKinsey report up to 25 per cent of banks' revenues and 35 per cent of profits will be at risk from fintech companies by 2025 under SME lending.

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### 2. Why a larger CVC role is worrying. by The Financial Express

- With officials of private sector banks alleged to have helped those with black money launder funds during the demonetisation drive—several of them were transferred by their managements and some were even arrested—it is not surprising the government wants to take action against them. One way of doing this, if a Hindustan Times (HT) news report is anything to go by, is to extend the purview of the Central Vigilance Commission (CVC) to private banks—right now, under the Prevention of Corruption Act, the CVC can only probe PSUs or government organisations/ministries.

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### 3. It will take time to rev-up the rural economy. by Anuj Agarwal and Prachi Priya

- Just when the rural sector was showing signs of revival, partial withdrawal of old currency notes in November last year created a dent in rural demand. Even though the Union Budget FY18 tried to bring some relief to rural India, the mostly informal and cash dependent economy's troubles have not subsided. Rural consumption accounts for around 55% of private consumption in India. Overall macro data points towards some resilience, however rural distress is far from over. Significant moderation in rural wages and rising indebtedness of rural households has had a long lasting impact on rural demand.

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### 4. Free trade is good, for the poor too. by Harsh Vora

- In a global trading landscape that is being increasingly influenced by protectionist narratives, the approval of the landmark European Union-Canada trade deal Comprehensive Economic and Trade Agreement (Ceta) by the European Parliament comes as a breath of fresh air. Trade between the two economies amounts to about \$63 billion presently, and reports say Ceta could increase this by 20% to as much as \$76 billion. Realizing these gains from trade would require dismantling not just tariffs but also non-tariff barriers as envisioned in Ceta.

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### 5. Right on, sister sasikala! by Rajyasree Sen

- “It is very difficult for a woman to be in politics. I have seen it during Jayalalithaa's time also.” From almost becoming chief minister to definitely becoming a convict who will make candles for the next few years, the past month has been quite the rollercoaster for former Tamil Nadu chief minister J Jayalalithaa's BFF, VK Sasikala. Which could explain this deluded statement while on her way to meet the 127 legislators she'd kept on a fish curry-boozefuelled incarceration at the Golden Bay Resorts in Chennai.

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## International

### 6. Warren buffett needs a new recipe for investing. by John Gapper

- Warren Buffett once observed that, “When a management with a reputation for brilliance tackles a business with a reputation for bad economics, it is the reputation of the business that remains intact.” So what happens when an investor with a holy reputation tackles an unholy task? One answer was given this week by Kraft Heinz, in which Mr Buffett's Berkshire Hathaway is a leading investor. It withdrew a \$143bn attempt to take over Unilever amid hostility to its relentless approach to cutting costs and jobs. Mr Buffett, who sits on Kraft Heinz's board, clearly wanted his reputation for saintliness to remain intact.

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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
<b>Automobiles</b>														
Amara Raja	Buy	846	1,087	28	29.2	37.7	45.4	29.0	22.4	5.7	4.7	21.6	23.1	22.9
Ashok Ley.	Buy	91	114	26	4.8	6.4	8.2	18.8	14.1	4.1	3.4	23.1	26.3	28.2
Bajaj Auto	Buy	2,812	3,431	22	136.2	160.6	182.3	20.6	17.5	5.8	5.1	30.0	31.0	30.9
Bharat Forge	Buy	1,070	1,110	4	25.7	37.5	46.7	41.7	28.5	6.3	5.5	15.9	20.6	22.0
Bosch	Neutral	21,976	22,049	0	489.0	639.6	735.0	44.9	34.4	8.8	7.4	18.8	23.4	22.6
CEAT	Buy	1,157	1,406	21	89.9	107.6	140.6	12.9	10.8	2.0	1.7	16.4	16.9	18.9
Eicher Mot.	Buy	24,890	29,172	17	625.6	870.8	1,075.2	39.8	28.6	14.1	10.1	41.2	41.3	37.2
Endurance Tech.	Buy	690	732	6	24.2	30.2	36.6	28.5	22.9	5.5	4.6	21.2	21.8	22.1
Escorts	Buy	420	469	12	21.8	32.8	42.7	19.3	12.8	2.1	1.9	11.4	15.6	17.7
Exide Ind	Buy	212	233	10	8.2	9.7	11.8	25.8	21.9	3.7	3.3	14.2	14.9	15.9
Hero Moto	Neutral	3,177	3,190	0	175.2	190.7	199.4	18.1	16.7	6.7	5.7	40.1	36.8	33.0
M&M	Buy	1,309	1,506	15	60.7	75.0	89.4	21.6	17.5	3.2	3.0	14.3	13.6	14.5
Mahindra CIE	Not Rated	202	-		6.2	9.7	11.9	32.6	20.8	2.3	2.0	7.7	10.3	11.3
Maruti Suzuki	Buy	6,035	6,808	13	252.7	313.1	379.5	23.9	19.3	5.5	4.6	22.8	23.2	23.2
Tata Motors	Buy	462	653	41	12.8	35.5	70.1	36.2	13.0	1.8	1.6	5.2	13.3	22.2
TVS Motor	Buy	433	462	7	11.9	15.4	21.9	36.5	28.1	8.8	7.1	26.4	27.9	31.4
<b>Aggregate</b>								<b>26.8</b>	<b>18.5</b>	<b>4.0</b>	<b>3.5</b>	<b>15.0</b>	<b>18.9</b>	<b>22.0</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	528	535	1	14.1	25.0	46.8	37.5	21.1	2.3	2.1	6.3	10.3	17.3
DCB Bank	Neutral	153	134	-13	7.1	8.6	10.9	21.6	17.8	2.2	2.0	10.9	11.8	13.1
Equitas Hold.	Buy	180	240	34	6.1	6.9	8.7	29.7	25.9	2.7	2.4	11.3	9.9	11.1
Federal Bank	Buy	84	105	25	4.6	5.5	6.9	18.3	15.4	1.7	1.5	9.4	10.4	12.1
HDFC Bank	Buy	1,395	1,510	8	56.9	68.3	81.5	24.5	20.4	4.3	3.7	18.6	19.3	19.8
ICICI Bank	Buy	284	345	21	17.2	17.9	21.8	16.5	15.9	2.0	1.8	10.4	9.9	11.3
IDFC Bank	Neutral	63	68	8	3.1	3.9	4.9	20.5	15.9	1.5	1.4	7.4	8.9	10.2
IndusInd	Buy	1,340	1,535	15	48.4	58.7	71.2	27.7	22.8	4.0	3.5	15.5	16.4	17.2
J&K Bank	Neutral	77	75	-3	-25.2	13.0	15.4	NM	5.9	0.7	0.7	-21.1	11.6	12.5
Kotak Mah. Bk	Buy	809	940	16	26.3	32.3	41.3	30.8	25.1	3.9	3.4	13.5	14.5	16.0
RBL Bank	Buy	457	450	-1	12.4	17.5	24.6	36.7	26.1	4.0	3.6	12.6	14.4	17.7
South Indian	Neutral	21	21	2	2.8	3.1	3.8	7.4	6.6	0.7	0.6	9.7	10.0	11.3
Yes Bank	Buy	1,445	1,575	9	79.3	97.0	118.4	18.2	14.9	3.7	3.1	22.1	22.6	23.0
<b>Aggregate</b>								<b>24.6</b>	<b>19.4</b>	<b>2.9</b>	<b>2.6</b>	<b>12.0</b>	<b>13.6</b>	<b>15.5</b>
<b>Banks - PSU</b>														
BOB	Buy	168	221	31	7.5	18.3	25.3	22.4	9.2	1.1	1.0	5.0	11.5	14.4
BOI	Neutral	128	123	-4	-5.6	17.1	23.2	NM	7.5	0.5	0.5	-2.4	7.0	8.9
Canara	Neutral	291	300	3	23.9	36.7	56.0	12.2	7.9	0.6	0.6	4.9	7.2	10.3
IDBI Bk	Neutral	82	49	-40	1.5	6.4	8.6	53.4	12.7	0.8	0.7	1.4	5.8	7.3
Indian Bk	Buy	289	330	14	30.4	32.2	38.1	9.5	9.0	1.0	0.9	10.4	10.2	11.1
OBC	Neutral	125	114	-8	6.6	19.6	24.1	18.9	6.3	0.3	0.3	1.7	4.8	5.6
PNB	Buy	140	185	32	6.7	12.7	17.2	20.9	11.0	0.8	0.7	3.9	6.8	8.6
SBI	Buy	271	350	29	8.6	21.6	29.5	31.4	12.5	1.2	1.1	3.9	9.2	11.5
Union Bk	Neutral	144	172	19	8.5	30.5	45.3	17.1	4.7	0.5	0.4	2.8	9.7	13.0
<b>Aggregate</b>								<b>26.7</b>	<b>10.6</b>	<b>0.9</b>	<b>0.8</b>	<b>3.3</b>	<b>7.9</b>	<b>10.1</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,068	1,276	19	34.1	44.6	59.3	31.3	23.9	6.4	5.2	22.5	24.1	25.9
Bharat Fin.	Buy	870	883	1	45.2	43.2	48.9	19.2	20.2	4.3	3.6	30.0	19.4	18.2
Dewan Hsg.	Buy	331	405	22	30.7	35.6	42.0	10.8	9.3	1.6	1.5	16.6	16.6	17.2
GRUH Fin.	Neutral	373	348	-7	7.9	9.8	11.7	47.5	37.9	13.5	11.1	31.0	32.1	31.6
HDFC	Buy	1,385	1,580	14	46.8	51.7	57.3	29.6	26.8	5.5	5.0	19.6	19.6	19.0
Indiabulls Hsg	Buy	865	1,015	17	69.5	86.2	109.6	12.4	10.0	3.1	2.7	26.0	28.9	32.3
LIC Hsg Fin	Buy	566	693	23	37.6	44.7	52.6	15.1	12.7	2.7	2.3	19.1	19.5	19.6
Manappuram	Not Rated	99	-		3.8	4.3	5.2	25.8	23.0	2.9	2.7	11.4	12.2	14.0
M&M Fin.	Buy	291	323	11	8.4	11.1	13.9	34.5	26.3	2.6	2.5	7.7	9.7	11.4



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
Muthoot Fin	Buy	353	409	16	29.7	34.7	40.5	11.9	10.2	2.2	1.9	19.8	20.3	20.8
PFC	Neutral	135	117	-13	24.0	25.5	40.5	5.6	5.3	0.9	0.8	16.8	16.2	22.3
Repco Home	Buy	664	752	13	25.7	37.7	40.5	25.8	17.6	3.8	3.2	15.7	19.6	17.7
REC	Neutral	158	134	-15	29.4	35.3	39.9	5.4	4.5	0.9	0.8	18.8	19.5	18.9
Shriram City Union	Buy	1,908	2,500	31	91.2	130.5	164.2	20.9	14.6	2.5	2.2	12.7	16.1	17.6
STF	Buy	935	1,225	31	58.1	77.9	96.7	16.1	12.0	1.9	1.7	12.3	14.7	16.1
<b>Aggregate</b>								<b>16.4</b>	<b>14.1</b>	<b>2.8</b>	<b>2.5</b>	<b>17.2</b>	<b>17.7</b>	<b>18.9</b>
<b>Capital Goods</b>														
ABB	Neutral	1,199	1,190	-1	18.4	26.1	32.6	65.1	46.0	7.7	6.6	11.9	14.4	15.9
Bharat Elec.	Buy	1,507	1,800	19	61.9	73.3	85.5	24.3	20.6	4.5	3.9	19.7	19.0	19.3
BHEL	Sell	154	115	-25	5.5	5.7	5.8	27.7	26.8	1.1	1.1	4.0	4.0	4.0
CG Cons. Elec.	Buy	200	205	2	4.6	5.5	6.7	44.0	36.7	33.3	22.6	94.3	73.3	66.1
Crompton Grv.	Sell	68	45	-33	3.6	3.9	4.5	18.5	17.3	1.0	0.9	5.4	5.5	6.0
Cummins	Neutral	884	990	12	26.6	30.5	36.5	33.2	29.0	7.1	6.4	22.6	23.2	25.3
GE T&D	Neutral	303	340	12	6.0	11.0	11.4	50.3	27.4	6.0	5.4	11.7	20.7	19.2
Havells	Neutral	409	425	4	8.9	12.1	14.1	45.8	33.9	9.3	8.3	20.3	24.6	25.1
Inox Wind	Neutral	179	175	-2	19.4	16.5	17.6	9.2	10.9	1.8	1.6	21.2	15.3	14.3
K E C Intl	Buy	166	175	6	10.5	12.3	13.5	15.7	13.5	2.4	2.1	16.6	16.8	16.2
L&T	Buy	1,486	1,620	9	53.1	63.7	77.8	28.0	23.3	2.9	2.7	10.8	12.0	13.3
Pennar Eng.	Not Rated	118	-		10.5	12.4	16.8	11.2	9.5	1.6	1.4	14.5	14.6	16.6
Siemens	Neutral	1,203	1,340	11	17.0	25.7	33.5	70.7	46.8	6.5	5.6	9.2	11.9	14.2
Solar Ind	Neutral	732	800	9	19.0	22.3	26.5	38.5	32.8	6.6	5.7	18.4	18.6	19.0
Suzlon Energy	Not Rated	18	-		0.2	0.6	0.7	83.0	32.2	-2.0	-2.1	NM	-6.7	-8.4
Thermax	Sell	851	781	-8	24.4	27.9	31.3	34.8	30.6	4.0	3.7	12.1	12.6	13.1
Va Tech Wab.	Buy	557	654	17	26.5	34.5	40.3	21.0	16.1	2.9	2.5	8.9	16.7	17.3
Voltas	Neutral	357	365	2	13.1	15.9	18.8	27.1	22.4	4.4	3.8	17.1	18.2	18.8
<b>Aggregate</b>								<b>32.2</b>	<b>26.7</b>	<b>3.5</b>	<b>3.2</b>	<b>10.8</b>	<b>11.8</b>	<b>12.8</b>
<b>Cement</b>														
Ambuja Cem.	Buy	232	277	19	4.9	7.3	7.9	47.4	31.6	2.4	2.3	5.0	7.4	7.7
ACC	Neutral	1,437	1,339	-7	33.7	46.7	58.6	42.6	30.8	3.2	3.2	7.5	10.4	13.2
Birla Corp.	Buy	697	869	25	21.5	41.2	54.1	32.3	16.9	1.9	1.8	6.0	10.9	13.3
Dalmia Bharat	Buy	1,895	2,246	19	32.3	50.7	73.8	58.7	37.4	4.1	3.7	7.2	10.4	13.4
Grasim Inds.	Neutral	1,023	1,067	4	70.2	86.5	110.7	14.6	11.8	1.7	1.5	12.0	13.1	14.7
India Cem	Neutral	166	138	-17	7.3	10.7	12.4	22.7	15.6	1.3	1.2	5.8	7.6	7.8
J K Cements	Buy	878	938	7	32.6	37.2	49.3	26.9	23.6	3.4	3.0	13.3	13.6	16.0
JK Lakshmi Ce	Buy	395	455	15	5.9	12.2	17.8	66.6	32.2	3.4	3.3	5.2	10.5	14.7
Ramco Cem	Buy	653	815	25	29.0	31.9	40.1	22.5	20.4	4.2	3.6	20.3	18.9	20.0
Orient Cem	Buy	148	167	13	-1.8	3.2	5.8	NM	46.6	3.2	3.0	-3.7	6.6	11.3
Prism Cem	Buy	95	112	18	-0.6	2.6	4.8	NM	36.2	5.0	4.5	-3.1	13.1	20.8
Shree Cem	Buy	16,395	19,006	16	387.1	582.8	729.9	42.4	28.1	7.7	6.2	19.9	24.4	24.3
Ultratech	Buy	3,790	4,058	7	93.5	129.6	161.2	40.5	29.2	4.5	4.0	11.7	14.5	15.8
<b>Aggregate</b>								<b>33.3</b>	<b>24.0</b>	<b>3.3</b>	<b>3.0</b>	<b>9.9</b>	<b>12.5</b>	<b>14.0</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,009	1,035	3	20.2	22.9	26.8	49.8	44.0	15.2	13.3	32.5	32.3	32.5
Britannia	Buy	3,228	3,775	17	71.9	83.0	101.3	44.9	38.9	17.2	13.6	42.9	39.1	37.9
Colgate	Buy	894	1,115	25	21.7	25.8	31.6	41.2	34.7	21.6	20.2	54.9	60.1	68.5
Dabur	Neutral	270	300	11	7.3	8.3	9.7	37.0	32.5	9.6	8.2	28.3	27.3	27.2
Emami	Buy	1,079	1,260	17	24.5	29.8	36.0	44.1	36.2	13.0	11.0	33.8	33.0	33.2
Godrej Cons.	Neutral	1,668	1,655	-1	36.8	42.8	49.6	45.3	39.0	9.4	8.0	22.4	22.2	21.9
GSK Cons.	Neutral	5,205	5,300	2	157.7	178.8	190.8	33.0	29.1	7.7	6.7	25.1	24.7	23.1
HUL	Neutral	858	865	1	19.3	21.5	24.8	44.6	39.9	30.7	31.9	67.6	78.4	92.5
ITC	Buy	266	295	11	8.4	9.5	10.8	31.7	27.9	8.4	7.4	28.4	28.1	28.2
Jyothy Lab	Neutral	375	365	-3	7.6	9.0	10.5	49.5	41.8	7.5	6.9	15.7	17.2	18.3
Marico	Buy	269	300	11	6.1	7.1	8.4	44.3	38.0	13.3	11.5	33.3	32.4	34.5



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	Neutral	6,367	6,840	7	118.7	144.0	171.0	53.6	44.2	20.2	17.4	35.9	39.2	42.3
Page Inds	Buy	14,003	16,910	21	235.6	305.1	388.4	59.4	45.9	24.5	19.4	41.3	42.2	43.2
Parag Milk	Neutral	222	215	-3	7.0	9.7	12.1	31.5	22.9	2.5	2.3	10.8	10.5	12.9
Pidilite Ind.	Neutral	688	720	5	16.6	18.3	20.5	41.4	37.7	10.7	8.7	28.0	25.4	23.4
P&G Hygiene	Buy	7,031	8,250	17	145.7	167.7	198.8	48.2	41.9	13.0	11.3	29.0	28.8	29.5
United Brew	Buy	786	1,044	33	10.7	15.4	19.8	73.6	51.1	8.8	7.7	12.6	16.0	17.8
United Spirits	Buy	2,333	2,885	24	28.6	47.0	64.0	81.5	49.6	15.4	11.9	20.8	24.0	24.9
<b>Aggregate</b>								<b>40.8</b>	<b>35.3</b>	<b>12.1</b>	<b>10.5</b>	<b>29.5</b>	<b>29.8</b>	<b>30.3</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	572	630	10	23.2	27.9	35.1	24.6	20.4	5.6	4.6	24.8	24.7	25.3
Alkem Lab	Neutral	2,074	1,850	-11	79.3	85.7	100.0	26.1	24.2	5.8	4.9	24.4	22.0	21.7
Aurobindo	Buy	667	1,050	57	40.5	48.1	57.2	16.5	13.9	4.2	3.3	29.0	26.5	24.7
Biocon	Sell	1,115	750	-33	33.2	35.6	44.5	33.6	31.3	4.9	4.4	14.7	14.1	15.7
Cadila	Buy	430	510	19	12.0	17.7	23.0	35.8	24.4	7.2	5.9	21.4	26.5	27.9
Cipla	Neutral	592	550	-7	18.1	24.1	31.1	32.6	24.6	3.7	3.2	11.2	13.2	14.7
Divis Lab	Neutral	749	815	9	45.4	51.0	57.0	16.5	14.7	4.2	3.6	26.7	26.5	25.7
Dr Reddy's	Neutral	2,890	3,050	6	77.7	129.4	160.2	37.2	22.3	3.6	3.1	10.0	14.9	16.1
Fortis Health	Buy	196	240	23	3.0	3.2	6.5	66.2	61.4	2.2	1.9	3.4	3.3	6.0
Glenmark	Neutral	934	990	6	41.6	49.2	60.5	22.4	19.0	4.6	3.6	20.5	18.9	19.1
Granules	Buy	129	160	24	7.0	8.0	11.7	18.4	16.0	3.1	2.2	19.9	16.6	18.4
GSK Pharma	Neutral	2,666	2,700	1	34.5	55.5	64.4	77.3	48.0	17.3	20.6	22.4	43.0	56.9
IPCA Labs	Neutral	541	540	0	15.8	27.9	37.3	34.2	19.4	2.8	2.5	8.4	13.5	15.9
Lupin	Buy	1,453	1,850	27	61.8	79.0	89.3	23.5	18.4	4.9	4.0	22.9	23.9	22.1
Sanofi India	Buy	4,139	5,200	26	142.2	172.8	198.9	29.1	23.9	5.2	4.7	17.8	19.4	19.7
Sun Pharma	Buy	675	850	26	27.4	35.1	42.2	24.7	19.2	4.7	3.9	20.0	22.3	22.4
Syngene Intl	Not Rated	514	-		13.0	16.1	18.0	39.5	31.8	8.0	6.5	22.2	22.5	20.7
Torrent Pharma	Buy	1,296	1,700	31	56.8	76.3	93.4	22.8	17.0	5.5	4.5	26.0	29.2	29.6
<b>Aggregate</b>								<b>26.5</b>	<b>20.6</b>	<b>4.7</b>	<b>3.9</b>	<b>17.7</b>	<b>19.1</b>	<b>19.5</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	164	191	16	9.5	11.1	12.5	17.3	14.8	2.3	2.1	12.0	14.9	15.0
Blue Dart	Not Rated	4,256	-		102.5	129.9	163.2	41.5	32.8	18.4	14.0	50.5	48.6	46.8
Concor	Neutral	1,189	1,309	10	36.0	45.8	50.0	33.0	26.0	2.8	2.6	8.6	10.3	10.6
Gateway Distriparks	Buy	252	314	25	8.8	15.7	20.1	28.8	16.1	2.2	2.0	7.6	12.9	15.3
Gati	Not Rated	123	-		8.4	15.9	23.9	14.8	7.8	2.0	1.8	12.4	19.4	25.4
Transport Corp.	Not Rated	206	-		16.9	21.0	25.9	12.1	9.8	1.9	1.6	16.7	17.8	18.6
<b>Aggregate</b>								<b>29.4</b>	<b>22.3</b>	<b>3.2</b>	<b>3.0</b>	<b>11.0</b>	<b>13.3</b>	<b>14.3</b>
<b>Media</b>														
Dish TV	Buy	94	115	24	1.7	3.2	4.8	55.4	29.7	17.8	11.1	38.2	46.1	44.7
D B Corp	Buy	380	450	18	21.1	23.9	27.4	18.0	15.9	4.6	4.1	27.0	27.1	27.5
Den Net.	Neutral	80	75	-6	-3.6	1.9	7.7	NM	43.1	0.9	0.9	-4.1	2.1	8.1
Hathway Cab.	Buy	36	47	31	-2.4	-0.8	0.4	NM	NM	2.7	2.9	-16.6	-6.1	3.3
Hind. Media	Buy	271	355	31	26.5	29.4	33.2	10.2	9.2	1.8	1.5	19.3	17.8	16.9
HT Media	Neutral	83	85	2	8.0	8.2	8.7	10.3	10.2	0.8	0.7	7.7	7.1	7.0
Jagran Prak.	Buy	185	215	16	10.8	12.2	13.9	17.2	15.1	3.3	2.9	20.7	20.6	20.4
PVR	Buy	1,255	1,533	22	20.8	35.7	56.8	60.4	35.2	6.1	5.4	10.6	16.3	22.0
Siti Net.	Neutral	38	40	6	-0.9	2.7	1.2	NM	13.9	4.0	2.7	-10.2	23.5	11.2
Sun TV	Neutral	705	735	4	25.1	29.7	34.5	28.1	23.7	7.0	6.5	25.1	27.3	29.0
Zee Ent.	Buy	518	600	16	12.2	17.6	20.9	42.5	29.5	10.0	8.1	31.3	30.3	29.3
<b>Aggregate</b>								<b>34.2</b>	<b>24.7</b>	<b>5.9</b>	<b>5.1</b>	<b>17.3</b>	<b>20.6</b>	<b>21.7</b>
<b>Metals</b>														
Hindalco	Buy	182	240	32	17.2	22.9	25.6	10.6	8.0	1.6	1.4	16.1	18.8	17.7
Hind. Zinc	Neutral	302	307	2	19.8	28.2	29.5	15.3	10.7	3.0	2.5	20.9	25.2	22.0





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
JSPL	Neutral	117	88	-25	-27.3	-8.5	-5.4	NM	NM	0.7	0.7	-14.8	-5.1	-3.4
JSW Steel	Buy	186	226	21	13.6	19.0	19.4	13.7	9.8	2.1	1.8	16.4	19.6	17.1
Nalco	Buy	66	83	26	3.6	5.3	5.5	18.4	12.3	1.2	1.2	6.9	9.7	9.3
NMDC	Buy	142	179	26	12.2	12.3	12.9	11.6	11.5	1.9	1.7	13.5	15.6	15.0
SAIL	Sell	60	28	-53	-8.7	-14.2	-1.3	NM	NM	0.7	0.8	-9.6	-17.9	-1.8
Vedanta	Neutral	262	279	6	18.9	31.1	33.1	13.9	8.4	1.5	1.4	11.7	17.1	16.4
Tata Steel	Sell	485	401	-17	17.4	43.8	51.4	27.9	11.1	4.0	3.1	12.6	31.3	28.9
<b>Aggregate</b>								<b>20.2</b>	<b>12.8</b>	<b>1.6</b>	<b>1.5</b>	<b>7.8</b>	<b>11.4</b>	<b>12.9</b>
<b>Oil &amp; Gas</b>														
BPCL	Buy	716	778	9	56.6	55.5	60.0	12.7	12.9	3.3	2.8	27.5	23.4	21.8
Cairn India	Neutral	286	-		14.0	12.5	12.8	20.5	22.9	1.1	1.0	5.3	4.6	4.6
GAIL	Neutral	517	446	-14	31.8	38.1	41.3	16.2	13.6	2.0	1.8	14.1	13.7	13.7
Gujarat St. Pet.	Neutral	157	163	4	8.8	11.0	13.2	17.8	14.3	2.0	1.8	12.0	13.5	14.5
HPCL	Buy	571	620	9	53.8	45.0	46.2	10.6	12.7	2.8	2.5	27.9	20.7	18.7
IOC	Buy	385	458	19	43.5	39.9	41.7	8.8	9.7	2.1	1.9	25.9	20.7	19.1
IGL	Neutral	1,035	1,032	0	43.0	42.6	49.9	24.1	24.3	5.0	4.4	22.1	19.3	19.4
MRPL	Neutral	106	114	7	12.9	12.7	13.9	8.2	8.4	2.3	1.9	31.0	24.7	22.5
Oil India	Buy	327	382	17	27.5	39.0	39.8	11.9	8.4	1.1	1.0	9.5	12.7	12.1
ONGC	Neutral	196	204	4	12.6	21.1	21.0	15.6	9.3	1.3	1.3	8.7	14.4	14.2
PLNG	Buy	401	460	15	22.8	26.9	36.6	17.6	14.9	4.0	3.3	24.4	24.2	27.4
Reliance Ind.	Neutral	1,183	1,057	-11	99.2	107.9	113.1	11.9	11.0	1.3	1.2	11.6	11.4	10.9
<b>Aggregate</b>								<b>12.5</b>	<b>11.0</b>	<b>1.6</b>	<b>1.5</b>	<b>13.0</b>	<b>13.6</b>	<b>13.2</b>
<b>Retail</b>														
Jubilant Food	Neutral	1,006	1,008	0	12.8	22.4	29.9	78.4	44.9	8.2	8.9	10.4	19.9	25.1
Shopper's Stop	Neutral	316	300	-5	4.1	8.0	12.6	77.2	39.4	3.1	2.9	4.2	7.7	11.0
Titan Co.	Neutral	433	420	-3	9.2	9.7	11.2	46.8	44.8	9.2	8.1	21.2	19.3	19.7
<b>Aggregate</b>								<b>53.1</b>	<b>46.5</b>	<b>8.6</b>	<b>7.8</b>	<b>16.2</b>	<b>16.8</b>	<b>18.1</b>
<b>Technology</b>														
Cyient	Buy	472	600	27	32.8	39.1	43.3	14.4	12.1	2.3	2.0	15.7	16.5	16.2
HCL Tech.	Buy	843	980	16	58.1	64.7	70.2	14.5	13.0	3.7	3.2	27.3	26.7	25.7
Hexaware	Neutral	220	220	0	13.7	15.3	15.9	16.1	14.4	3.9	3.3	26.5	25.0	22.2
Infosys	Buy	1,009	1,250	24	62.8	67.8	74.4	16.1	14.9	3.3	3.0	23.2	22.5	22.3
KPIT Tech	Neutral	138	150	9	11.7	13.8	15.3	11.8	10.0	1.7	1.5	14.0	15.9	15.1
L&T Infotech	Buy	712	800	12	54.2	57.5	62.3	13.1	12.4	5.0	4.1	41.8	36.2	32.8
Mindtree	Neutral	470	530	13	25.1	33.7	38.1	18.7	13.9	3.1	2.8	17.1	21.0	21.1
Mphasis	Neutral	587	550	-6	42.6	41.4	45.0	13.8	14.2	2.1	2.0	14.1	14.4	14.8
NIIT Tech	Neutral	420	470	12	38.2	49.3	51.9	11.0	8.5	1.5	1.3	14.2	16.5	15.5
Persistent Sys	Neutral	624	730	17	38.9	46.2	52.6	16.0	13.5	2.5	2.4	17.5	18.9	20.6
Tata Elxsi	Buy	1,472	1,780	21	59.3	72.1	89.0	24.8	20.4	9.5	7.6	42.5	41.3	40.8
TCS	Neutral	2,482	2,550	3	135.6	146.5	159.2	18.3	16.9	5.8	5.9	33.9	33.4	33.3
Tech Mah	Buy	503	550	9	32.5	36.6	41.2	15.5	13.7	2.9	2.5	20.1	20.0	19.6
Wipro	Neutral	486	540	11	33.4	37.2	41.7	14.5	13.1	2.4	2.1	17.0	17.0	17.3
Zensar Tech	Buy	926	1,250	35	68.6	85.0	93.3	13.5	10.9	2.5	2.1	20.0	21.1	19.8
<b>Aggregate</b>								<b>16.5</b>	<b>15.3</b>	<b>3.9</b>	<b>3.6</b>	<b>23.7</b>	<b>23.8</b>	<b>22.9</b>
<b>Telecom</b>														
Bharti Airtel	Buy	366	410	12	11.3	7.9	12.4	32.4	46.4	2.1	2.0	6.7	4.5	6.7
Bharti Infratel	Buy	298	435	46	15.6	16.7	19.9	19.2	17.9	3.1	2.7	15.7	15.9	16.7
Idea Cellular	Under Review	120	-		-3.1	-12.5	-12.0	NM	NM	1.7	2.1	-4.4	-20.0	-23.7
Tata Comm	Buy	742	811	9	8.5	31.4	44.8	87.3	23.6	-94.0	31.6	-75.4	402.2	97.6
<b>Aggregate</b>								<b>40.0</b>	<b>98.5</b>	<b>2.3</b>	<b>2.3</b>	<b>5.8</b>	<b>2.3</b>	<b>4.7</b>
<b>Utilities</b>														
Coal India	Neutral	329	315	-4	17.2	20.0	22.5	19.1	16.4	6.7	6.7	35.2	41.0	46.0
CESC	Buy	856	970	13	50.2	74.5	82.1	17.0	11.5	1.9	1.7	11.0	15.8	15.2
JSW Energy	Buy	63	83	32	4.1	3.3	1.5	15.3	19.2	1.2	1.1	7.7	6.0	2.7



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
NTPC	Buy	165	199	20	12.0	14.3	17.3	13.7	11.5	1.4	1.3	10.8	11.9	13.3
Power Grid	Buy	199	238	20	14.3	17.1	20.0	13.9	11.7	2.1	1.8	16.0	16.8	17.2
<b>Aggregate</b>								<b>16.0</b>	<b>13.6</b>	<b>2.5</b>	<b>2.3</b>	<b>15.5</b>	<b>16.9</b>	<b>17.9</b>
<b>Others</b>														
Arvind	Buy	372	430	16	13.5	21.8	28.6	27.5	17.1	2.5	2.3	10.4	14.0	16.3
Bata India	Buy	498	483	-3	10.9	14.2	17.7	45.8	35.1	5.0	4.5	11.3	13.4	15.0
Castrol India	Buy	418	510	22	13.6	13.8	14.6	30.6	30.2	32.2	29.2	110.9	101.4	97.0
Century Ply.	Buy	226	211	-7	4.6	8.8	11.3	49.6	25.8	8.6	7.0	18.2	29.8	30.7
Coromandel Intl	Under Review	332	-		16.3	20.0	25.5	20.4	16.6	3.6	3.2	18.5	20.4	22.8
Dynamic Tech	Buy	2,951	3,388	15	67.6	112.9	166.7	43.6	26.1	6.0	4.9	15.1	20.7	24.3
Eveready Inds.	Buy	251	287	14	12.4	13.9	16.9	20.2	18.1	6.7	5.4	37.8	33.1	32.5
Interglobe	Neutral	838	1,010	21	39.3	54.1	72.2	21.3	15.5	14.7	12.8	72.8	88.1	101.2
Indo Count	Buy	160	205	29	13.7	17.1	20.6	11.7	9.3	3.3	2.4	33.8	30.2	26.8
Info Edge	Buy	849	1,075	27	16.9	19.0	21.9	50.1	44.6	5.3	5.0	11.1	11.5	12.3
Inox Leisure	Sell	238	207	-13	2.5	8.2	11.5	95.2	29.2	3.7	3.3	3.8	11.5	14.3
Jain Irrigation	Under Review	94	-		5.5	7.6	10.0	16.9	12.3	1.4	1.4	8.6	11.7	14.8
Just Dial	Buy	536	443	-17	17.2	18.5	22.1	31.2	29.0	4.8	4.2	16.5	15.5	16.2
Kaveri Seed	Neutral	455	577	27	23.4	28.6	36.1	19.4	15.9	3.3	3.0	17.3	19.8	22.9
Kitex Garm.	Buy	426	551	29	26.0	31.0	36.7	16.4	13.8	4.4	3.6	29.9	28.7	27.7
Manpasand	Buy	690	843	22	14.9	23.1	38.3	46.2	29.8	3.4	3.1	8.6	9.6	16.3
MCX	Buy	1,140	1,400	23	28.3	40.8	54.3	40.3	27.9	4.4	4.1	11.4	15.2	18.5
Monsanto	Under Review	2,479	-		68.4	87.2	106.6	36.2	28.4	10.5	9.9	28.8	35.9	39.8
PI Inds.	Buy	857	1,046	22	30.4	34.8	43.6	28.2	24.6	7.7	6.2	30.9	27.9	27.8
Piramal Enterp.	Buy	1,866	2,200	18	74.5	127.1	164.7	25.1	14.7	2.4	2.2	10.0	15.7	18.2
SRF	Buy	1,552	1,825	18	82.4	99.9	125.1	18.8	15.5	3.0	2.6	16.5	17.4	19.1
S H Kelkar	Buy	293	371	27	7.5	10.1	13.3	39.2	28.9	5.1	4.5	13.5	16.6	19.1
Symphony	Sell	1,292	1,053	-18	27.0	35.1	42.9	47.8	36.8	26.0	22.2	56.8	65.0	66.3
TTK Prestige	Neutral	5,345	5,326	0	107.8	139.9	178.6	49.6	38.2	7.9	7.1	16.6	19.7	22.4
V-Guard	Neutral	213	179	-16	4.5	5.8	7.0	47.2	36.9	11.2	9.2	26.1	27.4	27.3
Wonderla	Buy	372	393	6	7.0	11.9	16.0	53.3	31.2	4.9	4.4	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-0.4	-3.0	-3.7
Ashok Ley.	-1.9	5.0	1.7
Bajaj Auto	0.4	3.9	17.4
Bharat Forge	0.6	14.5	39.3
Bosch	-0.4	3.5	30.3
CEAT	2.2	-2.0	22.2
Eicher Mot.	-0.6	9.5	31.2
Endurance Tech.	3.4	18.0	
Escorts	-1.2	16.8	235.9
Exide Ind	-0.4	9.5	68.2
Hero Moto	0.4	2.5	19.4
M&M	-0.2	10.1	8.0
Mahindra CIE	-1.7	3.7	13.9
Maruti Suzuki	-0.7	5.8	72.8
Tata Motors	0.4	-13.2	45.1
TVS Motor	1.5	13.9	54.6
<b>Banks - Private</b>			
Axis Bank	0.6	18.5	37.0
DCB Bank	2.2	29.2	111.9
Equitas Hold.	0.3	13.5	
Federal Bank	-0.1	7.8	74.6
HDFC Bank	-0.3	12.0	43.8
ICICI Bank	-0.5	10.5	48.1
IDFC Bank	-0.6	-1.3	30.2
IndusInd	0.9	8.8	59.6
J&K Bank	3.1	22.8	16.8
Kotak Mah. Bk	1.7	10.7	30.2
RBL Bank	7.2	17.4	
South Indian	0.2	7.1	35.1
Yes Bank	-0.3	4.6	110.7
<b>Banks - PSU</b>			
BOB	0.3	9.1	26.5
BOI	-0.1	11.7	50.5
Canara	-0.1	8.9	83.8
IDBI Bk	0.0	7.4	46.8
Indian Bk	0.2	16.4	248.2
OBC	0.2	9.8	54.3
PNB	-1.2	8.3	93.1
SBI	-0.5	6.5	70.7
Union Bk	-2.0	4.4	29.1
<b>NBFCs</b>			
Bajaj Fin.	-1.0	14.9	81.4
Bharat Fin.	0.9	30.1	76.7
Dewan Hsg.	4.2	20.7	118.7
GRUH Fin.	1.2	12.7	53.7
HDFC	-0.7	10.0	31.8
Indiabulls Hsg	-0.7	14.6	53.0
LIC Hsg Fin	1.1	7.7	36.2
Manappuram	-0.6	26.8	218.7
M&M Fin.	-0.4	6.0	39.0
Muthoot Fin	1.0	19.1	92.1
PFC	-1.9	0.9	78.1
Repco Home	-2.5	4.9	14.1
REC	0.1	12.2	102.2
STF	-1.2	1.6	15.8
Shriram City Union	0.4	-3.1	31.9

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	-1.1	7.3	10.6
Bharat Elec.	-0.2	-0.5	35.0
BHEL	-0.5	19.5	55.8
CG Cons. Elec.	6.6	20.6	
Crompton Grv.	1.0	5.6	41.4
Cummins	-0.6	5.6	0.6
GE T&D	1.5	-4.3	-19.4
Havells	-0.7	0.1	46.6
Inox Wind	-0.6	-7.0	-22.3
K E C Intl	-0.4	13.7	58.5
L&T	0.6	6.6	31.5
Pennar Eng.	0.8	-22.2	-17.8
Siemens	-1.1	3.8	20.8
Solar Ind	-0.6	4.1	14.4
Suzlon Energy	2.3	3.3	37.1
Thermax	0.0	4.7	12.5
Va Tech Wab.	1.6	13.3	9.1
Voltas	0.5	5.4	55.0
<b>Cement</b>			
Ambuja Cem.	-0.5	5.4	19.9
ACC	-0.8	7.6	15.5
Birla Corp.	0.8	-1.1	98.9
Dalmia Bharat	0.3	5.7	192.7
Grasim Inds.	-2.3	15.9	50.5
India Cem	-0.8	19.6	129.9
J K Cements	-0.4	21.8	85.2
JK Lakshmi Ce	0.4	12.2	46.9
Ramco Cem	-2.5	4.4	77.2
Orient Cem	1.3	15.2	9.6
Prism Cem	1.0	5.7	50.8
Shree Cem	1.8	9.1	57.6
Ultratech	0.4	7.7	34.7
<b>Consumer</b>			
Asian Paints	-1.1	4.6	15.4
Britannia	-0.2	4.7	15.3
Colgate	-0.8	-0.9	8.6
Dabur	-0.1	-2.5	13.3
Emami	0.1	8.3	10.1
Godrej Cons.	-2.1	8.3	39.1
GSK Cons.	2.0	4.0	-7.5
HUL	-0.8	-0.6	2.6
ITC	0.8	2.4	36.2
Jyothy Lab	5.7	7.0	38.7
Marico	-1.4	5.6	13.4
Nestle	-0.5	7.9	22.7
Page Inds	0.9	-0.4	36.2
Parag Milk	-1.0	-14.8	
Pidilite Ind.	-1.0	9.5	12.4
P&G Hygiene	-0.3	3.4	20.1
United Brew	-0.9	-2.7	-1.7
United Spirits	-2.7	5.9	-9.5
<b>Healthcare</b>			
Alembic Phar	-2.0	-2.8	-7.5
Alkem Lab	2.5	26.1	58.5
Aurobindo	-1.6	-3.7	1.9
Biocon	0.1	11.5	136.0

Company	1 Day (%)	1M (%)	12M (%)
Cadila	-1.0	20.4	30.5
Cipla	0.6	2.6	13.2
Divis Lab	-0.3	9.0	-23.6
Dr Reddy's	-0.3	-1.3	-6.1
Fortis Health	3.7	7.5	15.3
Glenmark	-1.1	6.6	24.8
Granules	0.0	14.9	19.6
GSK Pharma	-0.3	-2.0	-17.1
IPCA Labs	-0.2	-2.0	-13.0
Lupin	-0.1	-2.0	-18.2
Sanofi India	-0.9	-1.9	-3.4
Sun Pharma	0.7	6.4	-22.5
Syngene Intl	-0.4	-10.4	34.6
Torrent Pharma	-0.9	0.8	0.1
<b>Logistics</b>			
Allcargo Logistics	-0.6	-3.2	11.1
Blue Dart	-0.7	-7.2	-26.7
Concor	-1.8	1.6	4.7
Gateway Distriparks	0.5	7.2	21.3
Gati	-0.1	3.7	16.3
Transport Corp.	0.3	26.8	45.4
<b>Media</b>			
Dish TV	-0.6	9.8	33.1
D B Corp	-0.6	5.5	25.6
Den Net.	0.1	-13.5	13.6
Hathway Cab.	-1.4	-5.7	6.2
Hind. Media	0.4	0.5	4.7
HT Media	-0.4	4.7	4.6
Jagran Prak.	-1.4	3.2	23.5
PVR	-0.5	-1.2	82.9
Siti Net.	-0.1	-1.8	7.7
Sun TV	1.1	35.7	114.9
Zee Ent.	0.2	7.3	33.9
<b>Metals</b>			
Hindalco	1.2	0.4	166.0
Hind. Zinc	0.0	2.3	111.6
JSPL	5.8	47.9	107.0
JSW Steel	0.8	-4.0	65.8
Nalco	1.6	-11.3	94.4
NMDC	-0.1	-2.4	52.3
SAIL	-0.7	-1.9	68.8
Vedanta	-0.4	7.0	260.1
Tata Steel	0.4	5.1	91.4
<b>Oil &amp; Gas</b>			
BPCL	0.3	5.9	94.3
Cairn India	-0.9	6.1	127.2
GAIL	-0.3	9.8	63.0
Gujarat St. Pet.	-0.8	0.1	22.3
HPCL	3.2	11.9	166.1
IOC	-1.2	7.7	112.1
IGL	-0.1	12.1	96.7
MRPL	0.1	4.5	94.9
Oil India	0.0	-2.8	36.4
ONGC	0.0	-2.1	36.8
PLNG	0.9	10.1	65.6
Reliance Ind.	-2.1	16.4	24.4
<b>Retail</b>			

Company	1 Day (%)	1M (%)	12M (%)
Jubilant Food	-0.4	19.0	3.2
Shopper's Stop	-1.3	8.7	-7.4
Titan Co.	-1.7	18.9	31.5
<b>Technology</b>			
Cyient	-0.5	1.2	14.4
HCL Tech.	0.7	-1.7	1.3
Hexaware	0.6	11.9	-8.2
Infosys	1.7	6.0	-10.2
KPIT Tech	3.4	1.3	12.2
L&T Infotech	-0.1	7.2	
Mindtree	0.4	-0.5	-34.5
Mphasis	1.6	11.8	35.5
NIIT Tech	0.7	-4.9	-7.7
Persistent Sys	-1.2	1.8	-3.0
Tata Elxsi	-0.9	-1.2	-21.9
TCS	3.0	7.6	9.6
Tech Mah	-0.8	7.2	19.1
Wipro	2.5	1.3	-10.0
Zensar Tech	-0.6	0.8	8.8
<b>Telecom</b>			
Bharti Airtel	1.4	14.6	14.0
Bharti Infratel	-0.8	-14.2	-20.7
Idea Cellular	6.4	63.3	12.2
Tata Comm	0.1	10.4	114.8
<b>Utilites</b>			
Coal India	0.2	8.2	9.1
CESC	-1.9	22.9	91.9
JSW Energy	-0.6	5.5	-2.3
NTPC	-0.8	-2.7	33.4
Power Grid	-1.1	-0.5	45.2
<b>Others</b>			
Arvind	-1.2	3.2	33.8
Bata India	-1.5	6.9	5.1
Castrol India	-1.4	5.9	2.9
Century Ply.	-1.3	25.2	54.1
Coromandel Intl	-0.4	3.9	97.4
Dynamatic Tech	0.6	-2.4	77.9
Eveready Inds.	-1.3	5.1	15.6
Interglobe	-1.2	-10.2	3.9
Indo Count	-1.5	-7.3	-6.6
Info Edge	0.9	-1.4	16.4
Inox Leisure	-0.8	-1.3	20.6
Jain Irrigation	-1.2	4.5	72.2
Just Dial	0.9	52.5	-2.8
Kaveri Seed	-1.1	-6.0	25.3
Kitex Garm.	-1.0	1.2	11.4
Manpasand	-1.4	13.7	49.0
MCX	1.5	-4.0	45.2
Monsanto	-0.2	10.2	34.2
PI Inds.	0.1	2.3	56.2
Piramal Enterp.	-1.7	10.0	109.6
SRF	-1.4	-6.2	44.1
S H Kelkar	-2.9	-8.0	22.9
Symphony	0.6	9.2	25.8
TTK Prestige	-0.2	-11.0	27.9
V-Guard	0.3	17.3	154.1
Wonderla	-0.3	1.8	3.6

## NOTES



# THEMATIC/STRATEGY RESEARCH GALLERY

MOTILAL OSWAL

February 2017  
Thematic

**The Big Leap**  
to a formal economy

Research Team: Shantanu Dasgupta, Anand Mishra, Anand Mishra

MOTILAL OSWAL

February | January 2017  
Value Migration

**Picking winners**  
in disruptive times

Research Team: Shantanu Dasgupta, Anand Mishra, Anand Mishra

MOTILAL OSWAL

November 2016  
India Strategy

**Decoding earnings impact**

Research Team: Shantanu Dasgupta, Anand Mishra, Anand Mishra

MOTILAL OSWAL

January 2017  
India Strategy

**New Year, New Cards**

Research Team: Shantanu Dasgupta, Anand Mishra, Anand Mishra

MOTILAL OSWAL

November | June 2016  
Economy

**India 2020: Consumption driven to investment led-Why and How?**

Research Team: Shantanu Dasgupta, Anand Mishra, Anand Mishra

MOTILAL OSWAL

Thematic | July 2016  
GST

**Ushering in a new era**

Research Team: Shantanu Dasgupta, Anand Mishra, Anand Mishra

MOTILAL OSWAL

November | October 2016  
Financials

**Digital banking | Where's your money?**

Research Team: Shantanu Dasgupta, Anand Mishra, Anand Mishra

MOTILAL OSWAL

May 2016 | October 2015  
Telecom

**Battle Royale**

Research Team: Shantanu Dasgupta, Anand Mishra, Anand Mishra

MOTILAL OSWAL

Thematic | July 2015  
Utilities

**Power sector: At the peak of over capacity**

Research Team: Shantanu Dasgupta, Anand Mishra, Anand Mishra



# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL

Initiating Coverage | 17 February 2017  
Sector: Healthcare - Pharmaceuticals

### Piramal Enterprises



**Winner's Edge**

Report Name: Piramal Enterprises (Healthcare) - 17 Feb 2017. Analyst: Divyanshu Khanna, Divyanshu Khanna, Divyanshu Khanna. Research Report ID: RPT/HEALTH/P/1702170001. For more information, please visit www.motilaloswal.com. All rights reserved. Motilal Oswal Securities Private Limited is a registered member of SEBI. The research report is subject to other through required disclosures made at the last page of the Research Report. Please read research is available on our website and on our mobile application. Research, Training, Brokerage, Support and IPO Funds.

MOTILAL OSWAL

Initiating Coverage | 15 February 2017  
Sector: Automobiles

### CEAT



**Well balanced**

Report Name: CEAT (Automobiles) - 15 Feb 2017. Analyst: Divyanshu Khanna, Divyanshu Khanna, Divyanshu Khanna. Research Report ID: RPT/AUTO/A/1702150001. For more information, please visit www.motilaloswal.com. All rights reserved. Motilal Oswal Securities Private Limited is a registered member of SEBI. The research report is subject to other through required disclosures made at the last page of the Research Report. Please read research is available on our website and on our mobile application. Research, Training, Brokerage, Support and IPO Funds.

MOTILAL OSWAL

Initiating Coverage | 02 December 2016  
Sector: Consumer Product

### SH Kelkar



**Adding flavor to fragrance**

Report Name: SH Kelkar (Consumer Product) - 02 Dec 2016. Analyst: Divyanshu Khanna, Divyanshu Khanna, Divyanshu Khanna. Research Report ID: RPT/CP/1612020001. For more information, please visit www.motilaloswal.com. All rights reserved. Motilal Oswal Securities Private Limited is a registered member of SEBI. The research report is subject to other through required disclosures made at the last page of the Research Report. Please read research is available on our website and on our mobile application. Research, Training, Brokerage, Support and IPO Funds.

MOTILAL OSWAL

Initiating Coverage | 28 December 2016  
Sector: Automobiles

### Endurance Technologies



**Gaining ground**

Report Name: Endurance Technologies (Automobiles) - 28 Dec 2016. Analyst: Divyanshu Khanna, Divyanshu Khanna, Divyanshu Khanna. Research Report ID: RPT/AUTO/A/1612280001. For more information, please visit www.motilaloswal.com. All rights reserved. Motilal Oswal Securities Private Limited is a registered member of SEBI. The research report is subject to other through required disclosures made at the last page of the Research Report. Please read research is available on our website and on our mobile application. Research, Training, Brokerage, Support and IPO Funds.

MOTILAL OSWAL

Initiating Coverage | 02 December 2016  
Sector: Technology

### L&T Infotech



**Proficient miner**

Report Name: L&T Infotech (Technology) - 02 Dec 2016. Analyst: Divyanshu Khanna, Divyanshu Khanna, Divyanshu Khanna. Research Report ID: RPT/TECH/T/1612020001. For more information, please visit www.motilaloswal.com. All rights reserved. Motilal Oswal Securities Private Limited is a registered member of SEBI. The research report is subject to other through required disclosures made at the last page of the Research Report. Please read research is available on our website and on our mobile application. Research, Training, Brokerage, Support and IPO Funds.

MOTILAL OSWAL

Initiating Coverage | 08 November 2016  
Sector: Finance

### RBL Bank



**A unique model - on a fast lane**

Report Name: RBL Bank (Finance) - 08 Nov 2016. Analyst: Divyanshu Khanna, Divyanshu Khanna, Divyanshu Khanna. Research Report ID: RPT/FIN/F/1611080001. For more information, please visit www.motilaloswal.com. All rights reserved. Motilal Oswal Securities Private Limited is a registered member of SEBI. The research report is subject to other through required disclosures made at the last page of the Research Report. Please read research is available on our website and on our mobile application. Research, Training, Brokerage, Support and IPO Funds.

MOTILAL OSWAL

Initiating Coverage | 28 November 2016  
Sector: Utilities

### CESC



**Best fully integrated power DISCOM**

Report Name: CESC (Utilities) - 28 Nov 2016. Analyst: Divyanshu Khanna, Divyanshu Khanna, Divyanshu Khanna. Research Report ID: RPT/UTIL/U/1611280001. For more information, please visit www.motilaloswal.com. All rights reserved. Motilal Oswal Securities Private Limited is a registered member of SEBI. The research report is subject to other through required disclosures made at the last page of the Research Report. Please read research is available on our website and on our mobile application. Research, Training, Brokerage, Support and IPO Funds.

MOTILAL OSWAL

Initiating Coverage | 8 October 2016  
Sector: Consumer

### United Breweries



**Cheers to growth**

Report Name: United Breweries (Consumer) - 08 Oct 2016. Analyst: Divyanshu Khanna, Divyanshu Khanna, Divyanshu Khanna. Research Report ID: RPT/CON/C/1610080001. For more information, please visit www.motilaloswal.com. All rights reserved. Motilal Oswal Securities Private Limited is a registered member of SEBI. The research report is subject to other through required disclosures made at the last page of the Research Report. Please read research is available on our website and on our mobile application. Research, Training, Brokerage, Support and IPO Funds.

MOTILAL OSWAL

Initiating Coverage | 24 October 2016  
Sector: Healthcare

### Fortis Healthcare



**Fortifying growth**

Report Name: Fortis Healthcare (Healthcare) - 24 Oct 2016. Analyst: Divyanshu Khanna, Divyanshu Khanna, Divyanshu Khanna. Research Report ID: RPT/HEALTH/H/1610240001. For more information, please visit www.motilaloswal.com. All rights reserved. Motilal Oswal Securities Private Limited is a registered member of SEBI. The research report is subject to other through required disclosures made at the last page of the Research Report. Please read research is available on our website and on our mobile application. Research, Training, Brokerage, Support and IPO Funds.

# DIFFERENTIATED PRODUCT GALLERY

## MOTILAL OSWAL

### SUN PHARMACEUTICAL

Our research team into annual report season highlights several performance highlights. Revenue grew just 2.2% to INR 1,045 crore, margin expanded 70bp to 25.6%, led by gross margin expansion. R&D expenses as a % of sales increased to 10.1% from 9.5% (FY16) and SG&A as a % of sales fell to 10.1% from 10.5% (FY16). Operating cash flow and interest increased from INR 175 crore to INR 200 crore in FY17, which is a positive sign for the company's liquidity position.

**Key highlights:**

- Operating performance metrics: Revenue grew just 2.2% to INR 1,045 crore, margin expanded 70bp to 25.6%, led by gross margin expansion. R&D expenses as a % of sales increased to 10.1% from 9.5% (FY16) and SG&A as a % of sales fell to 10.1% from 10.5% (FY16).
- Operating cash flow and interest increased from INR 175 crore to INR 200 crore in FY17, which is a positive sign for the company's liquidity position.
- Operating performance metrics: Revenue grew just 2.2% to INR 1,045 crore, margin expanded 70bp to 25.6%, led by gross margin expansion. R&D expenses as a % of sales increased to 10.1% from 9.5% (FY16) and SG&A as a % of sales fell to 10.1% from 10.5% (FY16).

### ART ANNUAL REPORT TREADBARE

The ART of Trends to watch in FY18

Key takeaways:

- Operating performance metrics: Revenue grew just 2.2% to INR 1,045 crore, margin expanded 70bp to 25.6%, led by gross margin expansion. R&D expenses as a % of sales increased to 10.1% from 9.5% (FY16) and SG&A as a % of sales fell to 10.1% from 10.5% (FY16).

## MOTILAL OSWAL

### CornerOffice

#### Democratization & monetization: Look for India's largest bank

Key takeaways:

- Democratization & monetization: Look for India's largest bank. Key takeaways include the bank's focus on digital banking, financial inclusion, and monetization of its vast customer base.

## MOTILAL OSWAL

### EcoKnowledge

#### Identify data confirms 6.5% growth is for real in India

Key takeaways:

- Identify data confirms 6.5% growth is for real in India. The report discusses the challenges of measuring economic growth in India and provides insights into the real economy.

## MOTILAL OSWAL

### VOICES

#### India Inc on Call

Key takeaways:

- India Inc on Call: A report focusing on the challenges and opportunities for Indian companies in the global market.

## MOTILAL OSWAL

### BULLS & BEARS

#### INDIA VALUATION HANDBOOK

Key takeaways:

- BULLS & BEARS: A valuation handbook for Indian stocks, providing insights into market trends and investment opportunities.

## MOTILAL OSWAL

### FUND FOLIO

#### Indian Mutual Fund Tracker

Key takeaways:

- FUND FOLIO: A mutual fund tracker providing performance analysis and insights for various mutual fund categories.



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