

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	30,133	0.6	13.2
Nifty-50	9,352	0.5	14.2
Nifty-M 100	18,023	-0.2	25.6
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,387	0.0	6.6
Nasdaq	6,025	0.0	11.9
FTSE 100	7,289	0.2	2.0
DAX	12,473	0.0	8.6
Hang Seng	10,318	0.4	9.8
Nikkei 225	19,289	1.1	0.9
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	51	-0.5	-7.8
Gold (\$/OZ)	1,265	-0.4	9.1
Cu (US\$/MT)	5,689	0.2	3.0
Almn (US\$/MT)	1,956	0.1	14.8
Currency	Close	Chg. %	YTD.%
USD/INR	64.1	-0.3	-5.5
USD/EUR	1.1	0.1	3.3
USD/JPY	111.3	0.7	-5.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	7.0	0.0	0.4
10 Yrs AAA Corp	7.9	0.0	0.3
Flows (USD b)	26-Apr	MTD	YTD
FII	-0.1	-0.2	6.4
DII	0.2	1.0	1.2
Volumes (INRb)	26-Apr	MTD*	YTD*
Cash	345	301	281
F&O	7,953	5,107	4,589

Note: YTD is calendar year, *Avg

Quote of the day

If a financial institution is too big to fail, it is too big to exist.



Today's top research theme

Economy: Is fiscal policy reaching limits?

- Over the past few years, states' tax receipts have weakened sizably, increasing their reliance on the center. The combined tax-to-GDP ratio budgeted for 2017-18 is still meaningfully lower than the peak seen over a decade ago. Not surprisingly then, the states have budgeted 13-year lowest growth in their total spending, in line with the 12-year lowest growth budgeted by the center.
- Not only the center, but the states too are focused on investments. Consequently, the states have budgeted for 15-year lowest growth in consumption spending. As per the second advance estimates, government consumption spending is estimated to have grown 17% in FY17 and contributed one-fourth to real GDP growth of 7.1%.
- With flows from fiscal taps slowing and private investments remaining lackluster, it might be difficult for private consumption to offset the entire adverse effect. We would not be surprised if real GDP growth fails to pick up in FY18.



Research covered

Cos/Sector	Key Highlights
Economy	Is fiscal policy reaching limits?
Axis Bank	NIMs surprises positively; Pool of stress loans remain unchanged
LIC Housing Fin.	Core retail growth remains moderate at <10%YoY; Valuation limits upside
IDFC Bank	Focusing on retail assets; stressed assets stable
Zensar Technologies	Two steps ahead, one step back; Profitability bogged down by restructuring
KPIT Technologies	In-line performance, excluding the addition of MicroFuzzy
Results Expectation	Biocon Kotak Mah. Bank Maruti Shriram Trans TVS Motor



Piping hot news

Sebi allows options trading in commodities

- Capital market regulator the Securities and Exchange Board of India (Sebi) on Wednesday announced the much-awaited commodity market reform of permitting exchanges to launch options contracts.

Chart of the Day: Economy (Is fiscal policy reaching limits?)

States estimated to borrow INR4.4t in FY18 (INRb) of which ~17% is planned in the first quarter



#Based on our estimate of full-year borrowings by all states
Source: States budgets, RBI, CEIC, MoSL

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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

Setback to India as international panel rejects stay on Cairn arbitration

In a setback to India, an international arbitration panel has rejected its demand for a stay on an arbitration initiated by British oil explorer Cairn Energy plc against a Rs 10,247 crore retrospective tax notice...

2

Tata Motors aims to export about 8,000 BS-III commercial vehicles

Tata Motors, the most impacted company by last month's Supreme Court ban on registration of vehicles meeting BS-III emission standards, said it might be exporting at least half of its 15,000 impacted light, medium and heavy commercial vehicles (CVs). For the rest, it is hoping the industry will get a window of opportunity from the court. "The stock with our dealers is (now) close to nil. The bulk of the 15,000 vehicles we have in stocks is skewed towards light CVs. We have done an analysis and can easily export around 8,000," said Ravindra Pisharody, executive director at the country's biggest CV company...

3

Miners warn of 80-mt iron ore deficit on lease extension delay

The iron ore mining sector faces a challenge a little down the line, as licences of 250 mines are to lapse in three years from now. Only 50 of these are in operation, producing 80 million tonnes (mt) annually, a little over 80 per cent of these in Odisha...

4

No move to tax farm income, clarifies Arun Jaitley

The Centre sought to distance itself from proposals to tax agricultural income, on Wednesday, with Finance Minister Arun Jaitley dismissing any such plans. "To obviate any confusion on the subject, I categorically state that the Central Government has no plan to impose any tax on agriculture income," said Jaitley...

5

We're cautiously optimistic about credit growth in FY18, says Jairam Sridharan CFO, Axis Bank

Axis Bank on Wednesday reported a 43% year-on-year (y-o-y) fall in net profit to Rs 1,225 crore for the March quarter. The bank's watch list has reduced 15% over the previous quarter and stood at Rs 9,436 crore, leading to a rise in bad loans. CFO Jairam Sridharan said the bank is cautiously optimistic about credit growth in FY18...

6

Kingfisher Looks to Take Beer Market by Storm

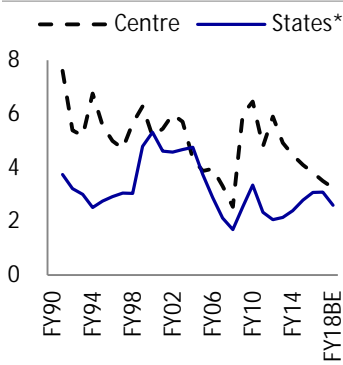
India's largest beermaker United Breweries (UB) is betting on its latest strong brew, Kingfisher Storm, to wean away customers from rival Carlsberg that has steadily gained 15% market share over the past five years. Storm will directly compete with Carlsberg Elephant, Tuborg Strong, and the recently introduced Tuborg Classic...

7

HDFC may sell realty, digital units to Quikr for 5% stake
Housing Development Finance Corp. Ltd (HDFC) is in talks with online classifieds company Quikr India Pvt. Ltd to sell its brokerage business HDFC Realty and its digital business HDFC Red in an all stock deal, four people with direct knowledge of the matter said...



Fiscal deficit of the center and states in the past three decades (% of GDP)



* Aggregate data of 17 states

Is fiscal policy reaching limits?

From our combined study of central and state budgets, it appears so

Though every minute detail of the union budget is examined closely, state budgets do not receive their due share of attention. Together, state budgets constitute ~150% of the union budget and the states' market borrowings are expected to increase from less than 50% of the center's in FY16 to 75% in FY18. To better grasp fiscal policy implications, a detailed analysis of the combined budgets of both the center and the states is essential. Through this report, we also intend to address the lack of contemporary studies on state budgets. Our key findings:

- Over the past few years, states' tax receipts have weakened sizably, increasing their reliance on the center. The combined tax-to-GDP ratio budgeted for 2017-18 is still meaningfully lower than the peak seen over a decade ago. Not surprisingly then, the states have budgeted 13-year lowest growth in their total spending, in line with the 12-year lowest growth budgeted by the center.
- Not only the center, but the states too are focused on investments. Consequently, the states have budgeted for 15-year lowest growth in consumption spending. As per the second advance estimates, government consumption spending is estimated to have grown 17% in FY17 and contributed one-fourth to real GDP growth of 7.1%.
- With flows from fiscal taps slowing and private investments remaining lackluster, it might be difficult for private consumption to offset the entire adverse effect. We would not be surprised if real GDP growth fails to pick up in FY18.

Why should one read this report?

It is widely argued that the Union Budget receives unduly high attention, while state budgets do not receive their due share of attention. With government consumption spending accounting for ~10% of GDP and estimated to have contributed more than 20% to real GDP growth in FY17, the general government (center + states) is more relevant than the center alone.

There are at least three reasons why states' budgets should be given at least as much importance as the center's. *Firstly*, states account for about three-fifth of the general government's total consumption (revenue spending excluding interest payments) and investment (capital spending). *Secondly*, while the center has kept its gross market borrowings broadly unchanged over the past six years, the states have almost trebled their borrowings. States' securities (also known as state development loans, SDLs) are expected to be more than 75% of the center's securities in FY18 (as against less than 50% just three years ago). *Finally*, with states getting about 40% of the taxes collected by the center (after the recommendation of the fourteenth finance commission), state budgets are more important than ever.

Apart from Reserve Bank of India (RBI), we are not aware of any other organization producing comprehensive data or research on states' budgets. The RBI reports too are generally released with a lag of 12-14 months (the recent RBI report due for release will contain data on 2016-17 budget estimates, though 2017-18 budgets

Economy

Is fiscal policy reaching limits?

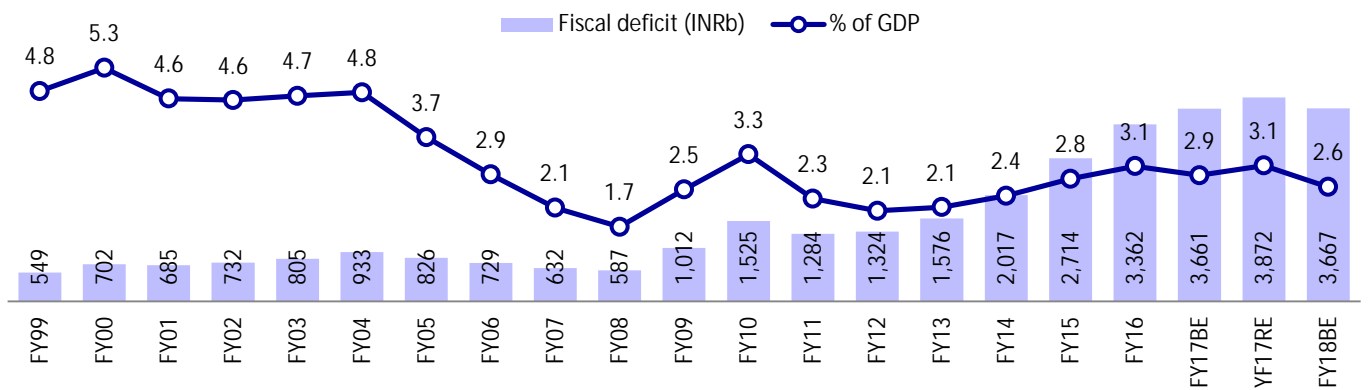


Mr Nikhil Gupta

were presented by states last month). To fill this vacuum, we conducted this in-depth study, covering 17 major states that account for ~85% of the national GDP, ~90% of gross market borrowings by all states, ~85% of all states' budgets. The 17 states covered are: Andhra Pradesh (AP), Bihar (BH), Chhattisgarh (CG), Gujarat (GJ), Haryana (HR), Himachal Pradesh (HP), Jammu & Kashmir (JK), Jharkhand (JH), Karnataka (KA), Kerala (KL), Madhya Pradesh (MP), Maharashtra (MH), Odisha (OR), Rajasthan (RJ), Tamil Nadu (TN), Telangana (TG), and West Bengal (WB). Although we have historical data for three other major states – Punjab (PB), Uttarakhand (UK) and Uttar Pradesh (UP), they are not included in our study because these states have not yet presented their 2017-18 budgets.

This report is divided into three sections. Section-I provides five themes for the financial markets after careful study of the combined budget for the general government¹. In section-II, we analyze the combined budget of the center and the states. In the third and final section, we examine the pooled budgets of 17 states.

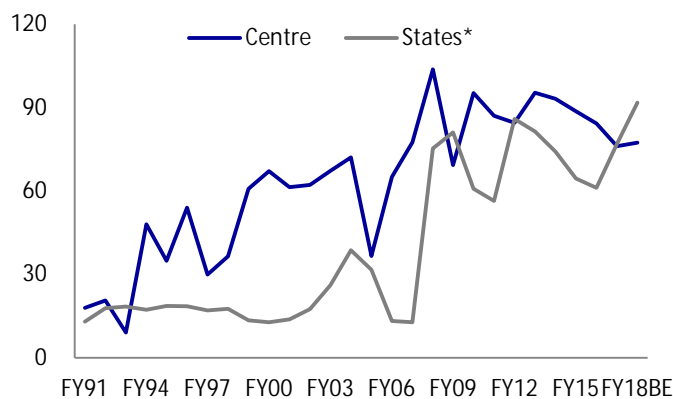
Exhibit 1: Trends in states' fiscal deficit in the past two decades



* Combined data for 17 states

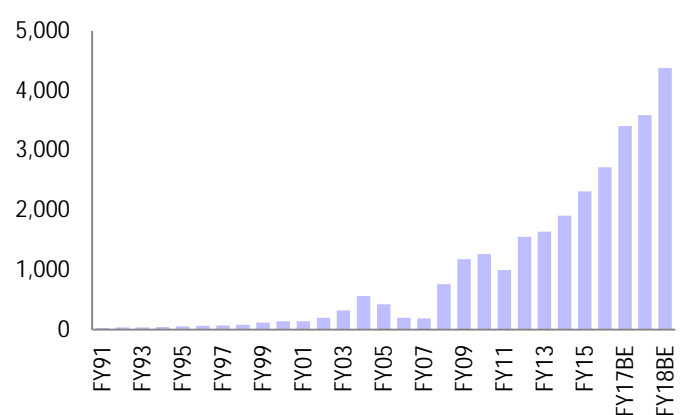
Source: State budget documents, CEIC, RBI, MOSL

Exhibit 2: States have increased their reliance on market borrowings, while the center has reduced it (% of GFD)



* Aggregate data of 17 states

Exhibit 3: All states have budgeted to borrow INR4.4t in FY18 – up 22% from FY17 (INRb)



Source: Union/State budget documents, CEIC, RBI, CSO, MOSL



Axis Bank

BSE SENSEX 27,309
S&P CNX 8,435

CMP: INR517 TP: INR525 (+1%) Neutral

Bloomberg	AXSB IN
Equity Shares (m)	2,382.8
M.Cap.(INR b)/(USD b)	1245.4 / 18.3
52-Week Range (INR)	638 / 425
1, 6, 12 Rel. Per (%)	3/-1/-8
12M Avg Val (INR M)	5068
Free float (%)	71.2

Financials & Valuation (INR b)

Y/E March	2016	2017E	2018E
NII	168.3	179.8	204.8
OP	161.0	178.0	188.1
NP	82.2	33.5	59.5
NIM (%)	3.8	3.6	3.6
EPS (INR)	34.5	14.1	25.0
BV/Sh. (INR)	216.8	230.8	251.4
RoE (%)	17.1	6.3	10.3
RoA (%)	1.7	0.6	0.9
P/E(X)	14.0	34.4	19.4
P/BV (X)	2.2	2.1	1.9

NIMs surprises positively; Pool of stress loans remain unchanged

- Axis Bank's (AXSB) PAT of INR12.25b beat our estimate of INR8.3b by 47%. Key positives are a) Core NIMs improved 10bp QoQ to 3.83% b) Strong loan growth of 7% QoQ c) Share of Retail and SME loans increased to 58.2% vs 55.5% a quarter ago and d) Average daily CASA growth stood at 26% YoY with SA growth at 29% YoY; Average CASA ratio stood at 43%
- Total pool of gross stress loans was largely unchanged at INR412b (10.2% of customer assets). Net stress loans proportion stood at INR283b vs INR279b a quarter ago.
- Slippages of INR48b were in line with those in the prior quarter (slippage ratio of 5.68% annualized). Around 74% of slippages (INR35.7b) were from the watchlist (70% in 3QFY17). However, this included one cement account of INR16.6b that slipped into NPL as well as got recovered/upgraded, both, during the quarter. Excluding this, slippage ratio would be 3.72% annualized.
- AXSB also sold loans worth INR23.54b gross (INR18.2b net) to ARCs against net sale consideration of INR16.9b comprising INR2.7b in cash and INR14.2b in SRs.
- FY17 was a tough year for AXSB with the significant balance sheet clean up. We expect this to continue in FY18 as well. RoE have declined from 17% in FY16 to 7% in FY17.
- Valuation and view:** We largely maintain the earnings estimates and expected benefit of reduction in credit cost is compensated by lower margins. In FY17, trading gains contributed 20% of operating profits vs FY13-16 average of 6%. We model this to decline to 15% of PPOP in FY18 leading to flat PPOP. Core PPOP is expected to grow 5% YoY lower than balance sheet growth of 11% YoY. Continued clean up and expected pressure on core income is likely to keep return ratios under pressure. We expect RoAs of ~0.9% and RoEs of ~10% in FY18. We expect earnings to normalize only in FY19. Maintain Neutral with a target price of INR525. At our target price, AXSB will trade at 1.9x March 2019 BV and 12.8x earnings

Quarterly Performance

	FY16				FY17				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY16	FY17
Interest Income	99,361	99,596	101,933	108,990	111,139	111,591	111,010	111,682	409,880	445,422
Interest Expense	58,799	58,975	60,313	63,464	65,970	66,452	67,673	64,396	241,551	264,490
Net Interest Income	40,562	40,621	41,621	45,526	45,169	45,139	43,337	47,286	168,330	180,931
% Change (Y-o-Y)	22.5	15.2	15.9	19.8	11.4	11.1	4.1	3.9	18.3	7.5
Other Income	22,983	20,414	23,378	26,940	27,383	25,397	34,002	30,132	93,715	116,913
Net Income	63,545	61,035	64,998	72,466	72,552	70,535	77,339	77,418	262,044	297,844
Operating Expenses	22,624	24,755	25,148	28,481	27,858	29,534	30,937	33,670	101,008	121,999
Operating Profit	40,921	36,280	39,851	43,985	44,694	41,002	46,402	43,747	161,036	175,845
% Change (Y-o-Y)	41.3	14.7	20.2	9.6	9.2	13.0	16.4	-0.5	20.3	9.2
Other Provisions	11,218	7,072	7,126	11,683	21,172	36,227	37,958	25,813	37,099	121,170
Profit before Tax	29,703	29,208	32,725	32,302	23,522	4,774	8,444	17,935	123,938	54,676
Tax Provisions	9,919	10,051	10,972	10,759	7,967	1,584	2,649	5,684	41,701	17,883
Net Profit	19,784	19,156	21,753	21,543	15,555	3,191	5,796	12,251	82,237	36,793
% Change (Y-o-Y)	18.7	18.9	14.5	-1.2	-21.4	-83.3	-73.4	-43.1	11.8	-55.3
Operating Parameters										
NIM (Reported,%)	3.8	3.9	3.8	4.0	3.8	3.6	3.4	3.8	3.9	3.7
NIM (Cal, %)	3.9	3.9	3.8	3.9	3.8	3.7	3.5	3.7	3.8	3.6
Deposit Growth (%)	13.2	14.2	16.2	11.0	16.3	17.3	9.6	15.8	11.0	15.8
Loan Growth (%)	23.5	23.1	21.0	20.5	21.2	18.5	10.1	10.1	20.5	10.1
CD Ratio (%)	92.5	92.0	93.2	94.6	96.4	92.9	93.6	90.0	94.6	90.0
Core CASA ratio (%)	40.0	40.0	40.0	40.0	40.0	41.0	42.0	45.0	40.0	45.0
Tax Rate (%)	33.4	34.4	33.5	33.3	33.9	33.2	31.4	31.7	33.6	32.7
Asset Quality										
OSRL (INR b)	85.2	84.3	77.5	80.7	73.6	67.0	63.4	54.1	80.7	54.1
OSRL (%)	3.0	2.8	2.5	2.4	2.1	1.9	1.8	1.5	2.4	1.5
Gross NPA (INR b)	42.5	44.5	57.2	60.9	95.5	163.8	204.7	212.8	60.9	212.8
Gross NPA (on cust. assets, %)	1.4	1.4	1.7	1.67	2.5	4.2	5.2	5.0	1.7	5.0

E: MOSL Estimates



LIC Housing Finance

BSE SENSEX	S&P CNX
30,133	9,352
Bloomberg	LICHF IN
Equity Shares (m)	505.0
M.Cap. (INR b)/(USD b)	341.4/5.3
52-Week Range (INR)	688 / 432
1, 6, 12 Rel. Per (%)	10/7/31
Avg Val. (INR m)	1260
Free float (%)	59.7

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	36.5	40.4	46.2
PPP	32.4	35.8	41.0
Adj. PAT	19.3	22.5	25.8
Adj. EPS (INR)	38.2	44.6	51.2
EPS Gr. (%)	16.3	16.6	14.8
BV/Sh (INR)	213.2	248.9	289.9
RoAA (%)	1.5	1.5	1.5
RoE (%)	19.4	19.3	19.0
Payout (%)	18.8	19.7	19.7
Valuations			
P/E (x)	17.5	15.0	13.1
P/BV (x)	3.1	2.7	2.3
Div. Yield (%)	0.9	1.1	1.3

CMP: INR676 TP: INR723 (7%) Downgrade to Neutral

Core retail growth remains moderate at <10%YoY; Valuation limits upside

- n LIC Housing Finance (LICHF) reported 4QFY17 PAT of INR5.3b (+18% YoY), in line with our estimate. The quarter was characterized by stable loan growth, a continued increase in share of LAP/builder loans and stable asset quality.
- n Loan book growth was 15.5% YoY (6.8% QoQ), in line with the trend witnessed over past 5-6 quarters. Growth continues to be driven by the non-retail portfolio (65% YoY growth in LAP and 60% in builder loans). Disbursements in LAP were INR45b (+18% YoY), while those in builder financing were INR12b (+93% YoY). The QoQ increase in the LAP book was the highest ever at INR41b.
- n In line with the trend of past few quarters, the individual home loan book continues to grow at a modest pace of 9.1% YoY, driven by ~11% disbursement growth.
- n Margins (calculated) continued their upward trajectory, improving 11bp QoQ to 2.97%, driven by 46bp reduction in cost of funds (calculated). Margins are the highest in past 24 quarters. We expect spreads to remain largely stable at these levels, with lower yields in home loans offset by higher share of non-core loans and continued reduction in cost of funds. We believe cost of funds can decline further from 4QFY17 levels (8.37%).
- n For full year FY17, PAT grew 16.3% YoY to INR19.3b. RoA/RoE was 1.5%/19.4%.
- n Operating expenses increased 25% YoY to INR1.97b, 6% more than our estimate, driven by higher employee as well as establishment costs.
- n **Other highlights:** (a) Share of floating rate loans increased from 62% in 3QFY17 to 70% in 4QFY17. (b) Tier I ratio stood at 14%.
- n **Valuation and view:** Despite being the second largest HFC, LICHF has managed to grow at ~15% YoY consistently. Large share of incremental growth is now coming from high-yielding LAP and builder financing, which is helping to negate yield pressure on the core retail portfolio. We believe growth in these segments is necessary to sustain spreads. We marginally cut earnings estimates for FY18/19 to factor in pressure on retail business. The stock has run up 20% in last three months. At current valuations, we see limited upside. We thus downgrade to **Neutral** with a TP of INR723 (2.5x FY19E BVPS).

LICHF: Quarterly Performance

Y/E March	(INR Million)								FY16	FY17
	FY16				FY17					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	29,174	30,260	31,018	32,057	33,263	34,283	35,125	36,117	122,508	138,788
Interest Expenses	22,585	23,091	23,549	23,843	25,018	25,626	25,972	25,699	93,068	102,315
Net Interest Income	6,589	7,169	7,469	8,214	8,245	8,657	9,154	10,417	29,441	36,473
YoY Growth (%)	30.2	34.8	36.2	26.4	25.1	20.8	22.6	26.8	31.6	23.9
Fees and other income	481	634	549	683	535	616	362	502	2,346	2,015
Net Income	7,069	7,803	8,018	8,897	8,780	9,273	9,516	10,919	31,787	38,489
YoY Growth (%)	24.6	31.3	30.0	25.3	24.2	18.8	18.7	22.7	27.7	21.1
Operating Expenses	835	1,060	1,214	1,578	1,382	1,364	1,407	1,965	4,687	6,118
Operating Profit	6,234	6,743	6,804	7,319	7,399	7,909	8,109	8,954	27,100	32,371
YoY Growth (%)	25.3	35.4	28.8	27.0	18.7	17.3	19.2	22.3	29.1	19.4
Provisions and Cont.	443	301	344	376	1,165	303	453	893	1,465	2,813
Profit before Tax	5,790	6,442	6,460	6,943	6,234	7,606	7,656	8,061	25,636	29,558
Tax Provisions	1,969	2,325	2,271	2,463	2,156	2,659	2,663	2,769	9,028	10,247
Net Profit	3,821	4,117	4,189	4,480	4,078	4,948	4,993	5,292	16,608	19,311
YoY Growth (%)	18.6	20.6	21.7	18.5	6.7	20.2	19.2	18.1	19.8	16.3
Loan Growth (%)	17.9	17.0	15.2	15.5	15.4	14.9	15.3	15.5	15.5	15.5
Cost to Income Ratio (%)	11.8	13.6	15.1	17.7	15.7	14.7	14.8	18.0	14.7	15.9
Tax Rate (%)	34.0	36.1	35.2	35.5	34.6	35.0	34.8	34.4	35.2	34.7



IDFC Bank

BSE SENSEX	S&P CNX
30,133	9,352
Bloomberg	IDFCBK IN
Equity Shares (m)	3392.6
M.Cap.(INR b)/(USDb)	207.0 / 3.0
52-Week Range (INR)	83 / 44
1, 6, 12 Rel. Per (%)	-2/-29/0
Avg. Val, INR m	621
Free float (%)	47.1

CMP: INR61 TP: INR62 (2%) Neutral

Focusing on retail assets; stressed assets stable

Financials & Valuations (INR b)

Y/E March	2017E	2018E	2019E
NII	20.2	23.0	29.8
OP	17.5	18.3	24.0
NP	10.2	11.2	14.5
NIM (%)	2.3	2.0	2.1
EPS (INR)	3.0	3.3	4.3
EPS Gr. (%)		10.1	28.8
BV/Sh. (INR)	43.2	45.7	49
ABV/Sh. (INR)	40.6	42.8	46
RoE (%)	7.2	7.4	9.0
RoA (%)	1.0	0.9	0.9
P/E(X)	20.3	18.5	14.3
P/BV (X)	1.4	1.3	1.2

- n IDFC Bank's (IDFCBK) PAT rose 7% YoY to INR1.76b (12% beat), led by lower-than-estimated opex and provisioning.
- n Total income was largely stable YoY at INR5.6b (28% miss), driven by 21% YoY growth in NII to INR5b, offset by a 59% decline in non-interest income to INR563m. NII missed our estimate by 5% due to pressure on margins. The decline in non-interest income was on account of INR258m of trading losses, as against INR782m of trading gains in 4QFY16.
- n Operating expenses came in 20% below estimate at INR3.0b (1% YoY, -22% QoQ), driven by lower employee expenses (-30% YoY). Management has guided for average 2HFY17 employee cost as a run-rate (without considering new employee addition). C/I ratio remained largely stable YoY at 53%.
- n GNPL fell 57% QoQ to INR15.4b, resulting in GNPL ratio declining sequentially from 7% to 3%. This reduction is due to sale of INR40b NPLs to an ARC.
- n Loan book growth remains sluggish. Advances grew 8% YoY (+5% QoQ) to INR494b. Management targets to increase the share of retail loans from 25% to 55-60% in three years via both organic and inorganic opportunities.
- n Total deposits increased 49% QoQ to INR402b. CASA deposits more than doubled QoQ to INR20.9b. However, we suspect this could be on account of one-off float balances in current accounts.
- n **Other highlights:** (1) Tier-1 ratio remains healthy at 18.5%; (2) Core fee income increased significantly from INR595m in 4QFY16 to INR821m in 4QFY17.
- n **Valuation view:** Near-term earnings are likely to remain volatile due to transition cost, trading gains volatility and portfolio acquisitions (to fulfill PSL requirements). Stress loans too remain high. Over medium-to-long term, higher leverage, low cost-to-assets and higher share of infra bonds will lead to higher sustainable RoA/RoE. Near-term uncertainty remains high. We value the bank at 1.3x FY19 BV. Maintain **Neutral** with a revised TP (based on RI model) of INR62 (1.3x FY19E BV).

Quarterly Performance

	(INR Million)							
	FY16		FY17E		2HFY16		FY17E	
	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	17,891	18,155	19,755	20,830	22,509	22,234	36,046	85,327
Interest Expense	14,028	13,987	14,766	15,874	17,301	17,213	28,015	65,154
Net Interest Income	3,863	4,168	4,989	4,956	5,208	5,021	8,031	20,173
% Change (Y-o-Y)					34.8	20.5		NA
Other Income	2,179	1,377	2,128	4,101	3,350	563	3,556	10,131
Net Income	6,042	5,545	7,117	9,057	8,558	5,584	11,587	30,304
Operating Expenses	2,153	2,947	2,768	3,234	3,798	2,981	5,100	12,770
Operating Profit	3,889	2,598	4,349	5,823	4,760	2,602	6,487	17,535
% Change (Y-o-Y)					22.4	0.2		NA
Other Provisions	123	119	236	223	2,318	48	242	2,825
Profit before Tax	3,766	2,479	4,113	5,600	2,443	2,555	6,246	14,710
Tax Provisions	1,345	829	1,465	1,722	530	795	2,173	4,512
Net Profit	2,422	1,651	2,648	3,878	1,913	1,760	4,072	10,197
% Change (Y-o-Y)	NA	NA	NA	NA	-21.0	6.6		NA
Operating Parameters								
NIM (Reported,%)	2.0	2.1	2.4	2.2	2.1	2.0	2.1	2.2
NIM (Cal, %)	2.1	2.3	2.4	2.0	2.0	1.9	2.2	2.1
Tax Rate (%)	35.7	33.4	35.6	30.8	21.7	31.1	34.8	30.7
Asset Quality								
Gross NPA (INR b)	14.6	30.6	30.3	32.2	35.9	15.4	30.6	15.4
Gross NPA (on customer assets, %)	3.09	6.2	6.1	6.0	7.0	3.0	6.2	3.0

E: MOSL Estimates



Zensar Technologies

BSE SENSEX	S&P CNX
30,039	9,313
Bloomberg	ZENT IN
Equity Shares (m)	45
M.Cap.(INRb)/(USD\$b)	37.5 / 0.6
52-Week Range (INR)	1136 / 814
1, 6, 12 Rel. Per (%)	-11/-20/-30
Avg Val, INRm	36
Free float (%)	51.4

CMP: INR835 TP: INR1,020(+22%) Buy

Two steps ahead, one step back

Profitability bogged down by restructuring

- Revenue decline led by ramp-up delays:** ZENT's 4QFY17 revenue declined 4.9% QoQ (est. of +2.7%) to USD112m. The decline was led by absence of Product revenue (-USD8m), which sees a bump-up in 3Q, and delays in ramp-ups leading to some right-shifting of revenue. While this resulted in a 26% decline in IM revenue (19% of total), the Applications business was stable (+1.7% QoQ). Due to a weak 4Q and ongoing reconstitution of the business, FY17 revenue grew by 3.5% YoY CC.
- Restructuring takes a toll on margins:** EBITDA margin contracted 450bp QoQ to 9.3%, led by [1] restructuring in Multi-vendor services (MVS) business (-USD3m), [2] pricing decline in some large customers (USD1.6m) and [3] one-time expense of USD2m related to property taxes and provisioning for Indian government projects. Even after excluding one-offs, margins shrunk 270bp QoQ to 11.1%. PAT at INR217m declined 73.3% QoQ.
- Dismal headline, strong undercurrents:** Several phases of ZENT's restructuring have been under execution, with progress seen in account mining, launch of new services, thrust on Digital, addition of leadership, revamping of sales function and pruning of non-core businesses. This has taken a toll on FY17 results, with revenue growth of 3.5% YoY CC and margin contraction of 160bp. While headline numbers look dismal, the underlying signs of strategy execution remain encouraging.
- Valuation view:** Factoring a slower trajectory of turnaround in business, we have cut revenues by 6.2% / 6.7% and EBITDA margins by 145bp / 116bp, driving EPS correction of 17% / 15% for FY18E/19E. For revenue/earnings CAGR of 10/19% over FY17-19E, we maintain Buy with a revised price target of INR1,020—discounting FY19E EPS by 13x.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	30.8	32.8	37.5
EBITDA	3.9	4.3	5.1
PAT	2.5	3.0	3.5
EPS (INR)	54.9	67.6	78.4
Gr. (%)	-19.5	23.1	16.0
BV/Sh (INR)	356.9	408.9	470.2
RoE (%)	16.3	17.7	17.8
RoCE (%)	22.3	21.6	22.7
P/E (x)	15.2	12.4	10.6
P/BV (x)	2.3	2.0	1.8

Estimate change



TP change



Rating change



Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17	Est.	4QFY17	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Revenue (USD m)	111	116	115	111	114	116	118	112	453	459	121	-7.4	
QoQ (%)	5.1	4.8	-1.4	-3.7	3.1	1.8	1.3	-4.9	5.4	1.4	2.7	-756bp	
Revenue (INR m)	7,046	7,564	7,568	7,464	7,624	7,767	7,922	7,492	29,643	30,805	8,037	-6.8	
YoY (%)	16.5	16.8	5.5	13.5	8.2	2.7	4.7	0.4	12.8	3.9	7.7	-730bp	
GPM (%)	31.7	32.1	30.6	30.8	29.1	29.7	30.0	28.0	31.3	29.2	30.6	-263bp	
SGA (%)	16.4	16.6	16.2	18.5	15.3	15.6	16.2	18.7	16.9	16.4	16.0	270bp	
EBITDA	1,080	1,171	1,089	922	1,053	1,092	1,090	697	4,262	3,932	1,176	-40.7	
EBITDA Margin (%)	15.3	15.5	14.4	12.4	13.8	14.1	13.8	9.3	14.4	12.8	14.6	-533bp	
EBIT Margin (%)	13.8	14.0	12.9	10.7	12.5	12.5	12.4	7.7	12.8	11.3	13.2	-549bp	
Other income	148	229	95	116	169	37	183	-236	588	153	-75	213.7	
ETR (%)	29.8	26.9	30.4	21.1	30.5	28.2	29.1	28.9	27.3	29.3	28.0		
PAT	762	913	715	703	763	687	811	217	3,094	2,478	684	-68.3	
QoQ (%)	6.2	19.8	-21.7	-1.7	8.5	-10.0	18.1	-73.3			-15.7	-5754bp	
YoY (%)	36.3	35.7	2.9	-2.1	0.1	-24.8	13.4	-69.1	17.0	-19.9	-2.7	-6642bp	
EPS (INR)	17.6	20.6	15.8	15.5	16.9	15.2	18.0	4.8	68.2	54.9	15.2		
Headcount	7,895	8,050	8,192	8,256	8,238	8,316	8,564	8,524	8,256	8,524	8,564	-0.5	
Utilization (%)	79.0	80.0	82.0	81.0	79.8	80.1	79.5	79.2	80.5	79.7	80.0	-80bp	
Offshore rev. (%)	35.0	37.0	34.0	36.0	31.2	33.8	33.5	34.5	35.5	33.2	33.6	88bp	

KPIT Technologies

BSE SENSEX 30,133
S&P CNX 9,352

CMP: INR130

TP: INR150(+15%)

Neutral

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

Conference Call Details



Date: 27th April 2017

Time: 04:00pm IST

Dial-in details:

+91-22-3960 0695

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	33.2	35.6	38.8
EBITDA	3.5	4.0	4.2
NP	2.1	2.7	2.9
EPS (INR)	11.9	13.7	14.5
EPS Gr. (%)	-15.3	15.1	5.9
BV/Sh. (INR)	79.2	93.0	107.5
RoE (%)	14.3	16.0	14.5
RoCE (%)	15.9	15.7	14.5
Payout (%)	16.8	14.6	13.8
Div. Yield	1.5	1.5	1.5

In-line performance, excluding the addition of MicroFuzzy

- 4QFY17 revenue grew 4.4% QoQ to USD128m, beating estimate of +1.2%. Growth in the quarter included USD4m from the integration of MicroFuzzy, a recently acquired automotive engineering company based in Germany. Excluding this, revenue was in line with our expectation.
- Gross margin expanded 20bp QoQ to 29.2% (est. of 28.9%), while EBITDA margin contracted 10bp QoQ to 10.1% (est. of 10.0%) due to INR appreciation (-40bp), integration costs related to MicroFuzzy and increased travelling expenses.
- Adjusted PAT was INR537m (+13.1% QoQ), higher than our estimate of INR451m (-5.0% QoQ), primarily led by higher revenue.

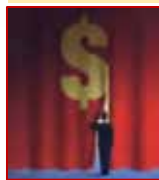
Guidance of 6-8% for FY18

- KPIT guided for 6-8% CC growth in FY18. However, this would include additional revenue from MicroFuzzy, which implies organic growth of 4-6%.
- The company expects better profitability, led by higher utilization through absorption of recently added freshers, delivery excellence and a focus on automation. QoQ improvement in profitability is targeted despite headwinds on account of INR appreciation.

Valuation and view: We will revisit our estimates post the earnings call. Outlook on growth recovery and margin resurrection will be keenly sought. Based on current estimates, it trades at 9.4/8.9x FY18/19E EPS. Maintain **Neutral**.

Quarterly Performance (Consolidated)

Y/E March	FY16				FY17				FY16	FY17	Est. 3QFY17	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	118	125	123	124	120	123	123	128	490	494	124	3.2
QoQ (%)	-3.3	5.3	-1.0	0.7	-3.5	3.0	-0.4	4.4	0.3	0.8	1.2	319bp
Revenue (INR m)	7,583	8,123	8,130	8,407	8,032	8,310	8,307	8,585	32,243	33,234	8,284	3.6
YoY (%)	9.9	7.2	4.3	10.2	5.9	2.3	2.2	2.1	7.8	3.1	-1.5	358bp
GPM (%)	28.2	32.1	32.9	35.3	28.9	29.5	29.0	29.2	32.2	29.1	28.9	26bp
SGA (%)	18.7	18.1	18.3	19.1	18.3	18.5	18.8	19.0	18.6	18.7	18.9	14bp
EBITDA	718	1,139	1,186	1,359	855	914	846	870	4,353	3,486	830	4.9
EBITDA Margin (%)	9.5	14.0	14.6	16.2	10.7	11.0	10.2	10.1	13.5	10.5	10.0	12bp
EBIT Margin (%)	7.3	11.9	12.3	13.6	8.3	8.6	7.9	7.3	11.4	8.0	7.6	-36bp
Other income	106	86	36	20	116	49	29	12	248	207	20	-36.4
Interest	47	44	35	25	56	14	66	0	152	136	63	-99.3
ETR (%)	27.9	25.4	26.5	13.4	24.3	25.1	23.1	15.3	22.8	22.2	23.1	
PAT	444	751	735	885	551	562	475	537	2,815	2,125	451	19.1
QoQ (%)	-11.8	69.1	-2.1	20.4	-37.8	2.0	-15.5	13.1			-5.0	1811bp
YoY (%)	-12.6	6.3	12.5	75.7	24.0	-25.2	-35.4	-39.3	18.7	-24.5	-49.0	972bp
EPS (INR)	2.2	3.8	3.7	4.4	2.8	2.8	3.7	2.7	14.1	11.9	2.3	
Headcount	10,839	10,659	10,559	10,910	11,288	11,666	11,881	12,110	10,910	12,110	11,770	2.9
Util excl. trainees (%)	66.4	69.7	69.1	70.2	68.1	69.2	69.2	69.2	68.8	68.9	70.0	-80bp
Offshore rev. (%)	44.7	44.9	41.2	42.1	41.5	43.3	43.6	43.4	43.2	43.0	43.8	-43bp
Fixed Price (%)	26.2	27.1	29.1	26.4	28.5	28.0	33.7					



Biocon

Bloomberg	BIOS IN
Equity Shares (m)	200.0
M. Cap. (INR b)/(USD b)	224 / 3
52-Week Range (INR)	1162 / 482
1,6,12 Rel Perf. (%)	1 / 11 / 92

Financial Snapshot (INR Billion)

y/e march	2016	2017E	2018E	2019E
Sales	34.5	40.8	49.5	61.7
EBITDA	7.9	10.2	11.9	15.1
NP	4.6	6.7	7.1	8.9
EPS (INR)	23.2	33.5	35.6	44.5
EPS Gro. (%)	15.5	44.1	6.2	25.0
BV/Sh. (INR)	202.7	226.4	251.6	283.0
RoE (%)	11.5	14.8	14.1	15.7
RoCE (%)	15.9	10.0	10.1	14.6

Valuations

P/E (x)	48.3	33.5	31.6	25.2
P/BV (x)	5.5	5.0	4.5	4.0
EV/EBITDA (x)	28.7	22.3	19.3	15.0
Div. Yield (%)	0.4	0.7	0.8	1.0

CMP: INR1122 TP: INR800 (-29%)

Sell

- Biocon's revenue is likely to increase 6% YoY to INR10b, driven by muted growth in CRO division, 13% growth in bio-pharma sales and licensing income at INR67m.
- EBITDA is expected to increase 32% YoY to INR2.4b, with EBITDA margins at 24.6%.
- We expect PAT to decline to INR1.6b, primarily owing to one time gain in 4Q FY16. The key thing to watch would be the impact of fire at the R&D center of Syngene.
- Key growth drivers for FY17E/18E will be 1) commercialization and ramp-up of the insulin plant in Malaysia, 2) ramp-up in CRO division, 3) contribution from API/immuno-suppressants supplies to partners and 4) branded formulations in India. However, capex for long-term initiatives is likely to exert pressure on profitability and return ratios in the near term.
- The recent run-up in the stock price primarily on the back of positive developments in the Biosimilars portfolio. Although the progress is impressive, we believe there are still uncertainties that cap the upside potential. In the near term, commissioning of the Malaysia plant would exert pressure on profits. We maintain Sell with a TP of INR800 @ 20x 1HFY19E EPS

Key issues to watch out

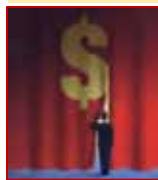
- Ø Update on Middle-East problems.
- Ø Progress on Rh-Insulin/Glargine in Europe/US and other out-licensing opportunities.

Quarterly Performance Consolidated

(INR Million)

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Net Sales	8,105	7,860	8,282	9,450	9,814	9,400	10,290	11,286	34,507	40,790
YoY Change (%)	12.8	4.9	8.8	13.8	21.1	19.6	24.2	19.4	12.8	18.2
Total Expenditure	6,127	6,270	6,483	7,598	7,276	7,150	7,680	8,514	26,654	30,620
EBITDA	1,978	1,590	1,799	1,852	2,538	2,250	2,610	2,772	7,853	10,170
Margins (%)	24.4	20.2	21.7	19.6	25.9	23.9	25.4	24.6	22.8	24.9
Depreciation	591	610	621	647	661	680	710	714	2,423	2,765
Interest	44	30	15	166	57	70	90	35	102	252
Other Income	304	-750	289	3,014	502	520	630	548	1,192	2,200
PBT	1,647	200	1,452	4,053	2,322	2,020	2,440	2,571	6,520	9,353
Tax	376	290	241	591	552	420	550	536	1,131	2,058
Rate (%)	22.8	145.0	16.6	14.6	23.8	20.8	22.5	20.8	17.3	22.0
Minority Interest	33	20	181	159	104	130	180	186	744	600
Adj PAT	1,238	970	1,030	742	1,466	1,470	1,710	1,849	4,646	6,695
YoY Change (%)	20.2	-4.9	13.4	-63.2	34.6	51.5	66.0	-44.0	-7.0	44.1
Margins (%)	15.3	12.3	12.4	7.9	17.0	15.6	16.6	16.4	13.5	16.4

E: MOSL Estimates; Note - Quarterly nos will not add up to full-year nos due to restatements



Kotak Mahindra Bank

Bloomberg	KMB IN
Equity Shares (m)	1834.4
M. Cap. (INR b)/(USD b)	1629 / 25
52-Week Range (INR)	896 / 656
1,6,12 Rel Perf. (%)	6 / 7 / 12

Financial Snapshot (INR b)

Y/E MARCH	2016	2017E	2018E	2019E
NII	69.0	80.7	90.6	110.3
OP	40.4	58.1	69.3	89.2
NP	20.9	33.2	40.8	53.4
Cons. NP	34.6	48.2	59.2	75.7
NIM (%)	4.1	4.4	4.4	4.4
Cons. EPS (INR)	18.9	26.3	32.3	41.3
EPS Gr. (%)		39.2	22.9	27.8
Cons. BV. (INR)	182	207	238	278
Cons. RoE (%)	10.9	13.5	14.5	16.0
RoA (%)	1.1	1.6	1.8	2.0
Payout (%)	5.1	5.8	5.8	5.8

Valuations

P/E(X) (Cons.)	47.1	33.8	27.5	21.5
P/BV (X)	4.9	4.3	3.7	3.2
Div. Yield (%)	0.0	0.1	0.1	0.1

CMP: INR888 TP: INR1,017 (+15%) Buy

- n We expect the standalone bank to report 15% loan growth and 12.5% deposit growth in 4QFY17. NIM is likely to decline ~5bp QoQ, but improve 16bp YoY. Overall, we expect NII growth of 13% YoY. CASA retention would be a key driver of NII and NIM.
- n With strong digital initiatives, fast-paced customer acquisition and merger synergies from eIVBL, fee income would be a key growth driver for the bank. We factor in fee income growth of 20% in 4Q and expect an improving trend in the coming quarters.
- n We expect asset quality to remain stable, with GNPA less than 2.5% and NNPA at 1%, led by high provision coverage ratio.
- n On a reported basis, we expect standalone bank earnings to grow 28% YoY. The stock trades at 3.2x FY19E consolidated BV and 21.5x FY19E consolidated EPS. Maintain **Buy**.

Key issues to watch for

- Ø Guidance on balance sheet growth.
- Ø Performance on CASA, fees and growth – the initial pain of merger is behind now.
- Ø Performance of non-banking subsidiaries and their contribution to overall profit.

Quarterly Performance

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Kotak Bank (standalone)										
Net Interest Income	15,982	16,787	17,662	18,572	19,191	19,954	20,503	21,008	69,004	80,656
% Change (Y-o-Y)	59.5	61.6	66.7	65.4	20.1	18.9	16.1	13.1	63.4	16.9
Operating Profit	5,970	10,448	12,052	11,942	13,150	14,401	15,277	15,312	40,411	58,140
% Change (Y-o-Y)	-10.3	42.4	63.4	38.7	120.3	37.8	26.8	28.2	34.8	43.9
Net Profit	1,898	5,695	6,347	6,958	7,420	8,133	8,798	8,878	20,898	33,228
% Change (Y-o-Y)	-55.8	28.1	36.6	32.0	291.0	42.8	38.6	27.6	12.0	59.0
Other Businesses										
Kotak Prime	1,190	1,270	1,260	1,300	1,200	1,300	1,330	1,393	5,025	5,223
Kotak Mah. Investments	300	360	390	500	400	530	480	497	1,540	1,907
Kotak Mah. Capital Co	30	70	60	170	230	50	70	74	320	424
Kotak Securities	670	780	550	510	600	960	850	846	2,515	3,256
International subs	250	320	260	220	130	310	220	240	1,050	900
Kotak Mah. AMC & Trustee Co.	200	230	40	250	190	70	160	170	720	590
Kotak Investment Advisors	0	0	-10	50	110	10	0	5	50	125
Kotak OM Life Insurance	660	480	600	770	710	630	680	804	2,510	2,824
Con.adj and MI	-30	230	-40	-180	-240	30	80	-190	-19	-320
Conso. PAT	5,168	9,435	9,457	10,548	10,750	12,023	12,668	12,716	34,608	48,156
% Change (Y-o-Y)	-25.9	31.5	32.0	15.5	108.0	27.4	33.9	20.6	13.7	39.1

E: MOSL Estimates, Quarterly numbers vary from full year number due to difference in reporting



Maruti Suzuki

Bloomberg	MSIL IN
Equity Shares (m)	302.1
M. Cap. (INR b)/(USD b)	1915 / 29
52-Week Range (INR)	6356 / 3419
1,6,12 Rel Perf. (%)	4 / 5 / 58

Financial Snapshot (INR b)

Y/E MARCH	2016	2017E	2018E	2019E
Sales	576.5	682.7	816.1	945.3
EBITDA	89.0	104.6	130.7	156.0
Adj. PAT	53.7	74.5	91.2	111.2
Con.adj.EPSINR	155.5	253.2	307.6	374.1
EPS Gr. (%)	23.4	62.8	21.5	21.6
BV/Sh. (INR)	894.0	1,083	1,313	1,597
RoE (%)	19.9	22.4	23.0	23.1
RoCE (%)	27.2	30.7	30.9	30.5
Payout (%)	23.7	22.2	23.9	22.9

Valuations

P/E (x)	40.3	24.7	20.4	16.7
P/CE (x)	25.2	18.5	15.4	12.9
EV/EBITDA (x)	19.3	16.0	12.2	9.7
Div. Yield (%)	0.6	0.7	1.0	1.1

*Consol. & adjusted

CMP: INR6,285 TP:INR7,299 (+16%) Buy

- n Volume grew by ~15% YoY (+7% QoQ) in 4QFY17 to ~414,439 units, led by continuous better performance from Baleno and Brezza, with ongoing high waiting period.
- n Net realization is likely to improve 6% YoY (+3.3% QoQ) to INR449,769 per unit, boosting net revenue by ~22% YoY (+10.5% QoQ) to INR186.4b. Growth in realization is likely to be driven by improvement in product mix due to compact UV, Vitarra Brezza, and premium hatchback, Baleno.
- n We expect margin to decline 80 bp YoY (-20bp QoQ) to 14.6% led by impact of commissioning of Gujarat plant and higher fixed cost due to same. Higher commodity prices are likely to be offset by hike in prices.
- n EBITDA is estimated to grow by 15% YoY (+9% QoQ) at INR27.2b.
- n We expect PAT to grow ~17% YoY (+5% QoQ) to INR18.2b led by pre-operative expenses of Gujarat plant taken as extraordinary item and lower other income due to higher yield.
- n The stock trades at 16.8x FY18E and 14.7x FY19E EPS. Maintain **Buy**.

Key issues to watch

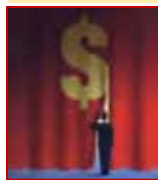
- Ø Update on demand scenario, channel inventory, discounting trends and new launches.
- Ø Gujarat plant product pipeline.

Quarterly Performance

(INR Million)

	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Total Volumes (nos)	341,329	353,335	374,182	360,354	348,443	418,470	387,251	414,439	1,429,200	1,568,603
Change (%)	13.8	9.8	15.5	3.9	2.1	18.4	3.5	15.0	10.6	9.8
Realizations (INR/car)	391,907	392,013	401,227	425,002	428,202	426,382	435,500	449,769	403,394	435,217
Change (%)	2.8	2.5	3.1	8.1	9.3	8.8	8.5	5.8	4.3	7.9
Net operating revenues	133,769	138,512	150,132	153,151	149,204	178,428	168,648	186,402	576,530	682,682
Change (%)	17.1	12.5	19.1	12.4	11.5	28.8	12.3	21.7	15.4	18.4
RM Cost (% of sales)	67.4	66.9	68.6	65.9	67.9	67.7	69.2	68.8	67.4	68.4
Staff Cost (% of sales)	3.5	3.0	3.3	3.9	3.9	2.9	3.7	3.7	3.4	3.5
Other Cost (% of sales)	12.9	13.9	13.8	14.7	13.4	12.4	12.4	12.9	13.8	12.7
EBITDA	21,673	22,457	21,452	23,594	22,157	30,374	24,890	27,209	88,962	104,630
EBITDA Margins (%)	16.2	16.2	14.3	15.4	14.9	17.0	14.8	14.6	15.4	15.3
Non-Operating Income	2,065	4,736	2,425	5,384	4,833	8,126	5,919	5,080	14,610	23,958
Interest	190	178	244	203	181	197	290	207	815	875
Depreciation	6,716	6,694	7,221	7,608	6,389	6,300	6,349	6,929	28,239	25,967
PBT	16,832	20,321	16,412	21,167	20,420	32,003	24,170	23,669	74,518	100,262
Effective Tax Rate (%)	28.2	26.3	27.9	26.3	27.2	25.1	27.8	27.5	28.0	26.8
Adjusted PAT	12,081	14,973	11,830	15,602	14,862	23,980	17,445	18,231	53,654	74,529
Change (%)	58.5	73.6	42.7	21.5	23.0	60.2	47.5	16.8	44.6	38.9

E:MOSL Estimates



Shriram Transport Fin.

Bloomberg	SHTF IN
Equity Shares (m)	226.9
M. Cap. (INR b)/(USD b)	251 / 4
52-Week Range (INR)	1325 / 778
1,6,12 Rel Perf. (%)	17 / -16 / -1

CMP: INR1,108 TP: INR1,289 (+16%) Buy

- SHTF's AUM is expected to continue to slow down to 11% YoY and 6% QoQ, driven by 21% YoY decline in disbursements (4QFY16 was a high base).
- Calculated margins on AUMs would decline QoQ, given higher share of newer vehicles and impact of interest reversals. As a result, we expect 5% YoY decline in NII.
- GNPLs would increase from 7.3% in 3Q (excluding RBI dispensation) to 8.3% in 4Q. Consequently, PCR is expected to drop from 75% to 61% in 4QFY17.
- We factor in provisions of INR8.2b, as against INR6.1b in 3QFY17.
- The stock trades at 2x FY18E and 1.7x FY19E consolidated BV. **Maintain Buy.**

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Net Inc.	50.7	54.8	62.8	69.7
PPP	38.4	42.8	49.2	54.3
PAT	11.8	12.5	18.3	22.4
Cons.PAT	12.1	12.5	18.6	22.8
EPS (INR)	51.9	55.1	80.8	98.8
Cons. EPS (INR)	53.3	55.3	81.9	100.5
BV/Sh (INR)	447	491	554	632.0
Cons. BV (INR)	450	493	558	637.1
RoA on AUM (%)	2.1	2.0	2.7	3.0
RoE (%)	12.2	11.7	15.5	16.7
Payout (%)	22.3	21.2	21.2	21.2

Valuations

P/Cons. EPS (x)	20.8	20.0	13.5	11.0
P/Cons. BV (x)	2.5	2.2	2.0	1.7
Div. Yield (%)	0.9	0.9	1.3	1.6

Key issues to watch for

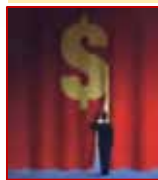
- Business growth and momentum, and management commentary on the same.
- Movement in borrowing costs and margins.
- Asset quality trends, given impact of demonetization.
- Recoveries in equipment financing portfolio.

SHTF: Quaterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Interest Income	22,015	22,402	23,677	27,207	24,764	24,626	24,438	24,308	95,300	98,136
Interest expenses	11,972	12,059	12,239	14,474	13,165	13,358	12,825	13,334	50,744	52,683
Net Interest Income	10,043	10,343	11,438	12,733	11,598	11,268	11,613	10,974	44,556	45,453
YoY Growth (%)	39.3	31.3	24.5	34.3	15.5	8.9	1.5	-13.8	32.0	2.0
Securitisation income	1,313	1,586	1,768	1,705	1,876	2,262	2,508	2,717	6,171	9,362
Net Income (Incl. Securitization)	11,356	11,929	13,205	14,438	13,474	13,530	14,121	13,691	50,727	54,816
YoY Growth (%)	17.4	18.4	25.4	33.0	18.6	13.4	6.9	-5.2	23.3	8.1
Fees and Other Income	162	211	191	197	167	169	183	175	762	647
Net Operating Income	11,519	12,140	13,396	14,635	13,641	13,699	14,304	13,866	51,489	55,463
YoY Growth (%)	16.2	18.6	25.5	32.9	18.4	12.8	6.8	-5.3	23.1	7.7
Operating Expenses	2,905	3,001	3,287	3,896	3,341	3,138	2,905	3,241	13,089	12,625
Operating Profit	8,613	9,139	10,110	10,739	10,300	10,561	11,398	10,625	38,400	42,838
YoY Growth (%)	16.4	19.3	26.8	33.9	19.6	15.6	12.7	-1.1	23.7	11.6
Provisions	3,823	3,997	4,400	8,567	4,603	4,621	6,105	8,363	20,586	23,692
Profit before Tax	4,790	5,142	5,710	2,172	5,697	5,940	5,293	2,263	17,814	19,146
Tax Provisions	1,579	1,761	1,959	733	1,956	2,063	1,834	791	6,032	6,644
Net Profit	3,211	3,381	3,751	1,439	3,741	3,877	3,460	1,471	11,782	12,502
YoY Growth (%)	4.8	11.9	20.1	-54.6	16.5	14.7	-7.8	2.2	-4.8	6.1
AUM Growth (%)	11.3	13.8	16.6	23.1	23.6	19.1	14.6	11.0	23.1	11.0
Securitization Inc. / Net Inc. (%)	11.4	13.1	13.2	11.7	13.7	16.5	17.5	19.6	12.0	16.9
Cost to Income Ratio (%)	25.2	24.7	24.5	26.6	24.5	22.9	20.3	23.4	25.4	22.8
Tax Rate (%)	33.0	34.3	34.3	33.7	34.3	34.7	34.6	35.0	33.9	34.7

E: MOSL Estimates; * Quarterly nos and full year nos will not tally due to different way of reporting financial nos



TVS Motor Company

Bloomberg	TVSL IN
Equity Shares (m)	475.1
M. Cap. (INR b)/(USD b)	214 / 3
52-Week Range (INR)	453 / 278
1,6,12 Rel Perf. (%)	1 / 12 / 23

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	112.4	121.2	142.0	164.6
EBITDA	7.5	8.9	11.4	15.6
Adj. PAT	4.3	5.3	7.2	10.2
EPS (INR)	9.1	11.2	15.2	21.6
EPS Gr. (%)	24.2	23.4	35.0	42.2
BV/Sh (INR)	40.8	48.7	60.2	77.0
RoE (%)	24.1	25.1	27.8	31.4
RoCE (%)	23.3	25.9	30.3	35.6
Payout (%)	33.7	29.5	23.8	22.3

Valuations

P/E (x)	51.5	41.8	30.9	21.7
P/BV (x)	11.5	9.6	7.8	6.1
EV/EBITDA (x)	30.6	25.3	19.3	13.7
Div. Yield (%)	0.6	0.6	0.6	0.9

CMP: INR450 TP:INR500 (+11%) Buy

- Total volume growth moderated to 2.2% YoY (-6% QoQ) to 674,921 units led by increase in Scooter and Moped volume partially offset by decline in Motorcycle volumes post demonetization.
- Moped and scooter volume increased by 14% YoY (-5% QoQ) and 13% YoY (+1% QoQ), respectively, while motorcycle volume decline 13% YoY (-13% QoQ) led by benign rural growth.
- Net realization is likely to decline ~2% YoY (+1% QoQ) to INR41,972 per unit as share of motorcycle decreased. As a result, net sales would grow marginally by ~1% YoY to ~INR28.3b.
- Margin should expand 40bp YoY (-60bp QoQ) to 6.7%, driven by benefit of operating leverage and better product mix YoY. Also price increase to offset commodity inflation.
- We expect PAT to decline ~14% YoY (-23% QoQ) to INR1b led by higher depreciation by 41% YoY and higher tax rate.
- We are increasing multiple from 18x to 20x.
- The stock trades at 29.7x FY18E and 20.9x FY19E EPS; **Buy**.

Key issues to watch

- Launch of product with BMW tie up
- EBITDA margin target of double digits by FY18

S/A Quarterly Performance

Y/E March (INR m)	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE		
Volumes (units)	638,033	678,749	702,044	660,540	717,964	815,562	718,562	674,921	2,678,338	2,927,009
Growth (%)	9.2	0.4	7.1	9.6	12.5	20.2	2.4	2.2	6.3	9.3
Realization (INR/unit)	40,344	41,803	41,250	42,622	40,127	42,014	41,519	41,972	41,981	41,420
Growth (%)	2.2	5.3	1.9	4.6	(0.5)	0.5	0.7	(1.5)	5.3	(1.3)
Net Sales	25,741	28,374	28,959	28,154	28,809	34,265	29,834	28,328	112,439	121,236
Growth (%)	11.7	5.8	9.2	14.6	11.9	20.8	3.0	0.6	12.0	7.8
RM (% of sales)	73.0	72.1	72.3	70.2	72.6	72.3	72.0	71.2	71.4	72.1
Emp cost (% of sales)	6.0	5.7	6.1	5.8	6.3	5.8	6.4	6.8	5.9	6.3
Other exp (% of sales)	14.2	14.2	14.4	17.6	14.2	13.8	14.2	15.3	16.0	14.4
EBITDA	1,728	2,270	2,102	1,785	2,004	2,767	2,185	1,895	7,507	8,850
EBITDA Margin(%)	6.7	8.0	7.3	6.3	7.0	8.1	7.3	6.7	6.7	7.3
Interest	130	115	98	131	98	94	115	106	462	414
Depreciation	504	565	621	518	660	724	720	729	1,898	2,833
Other Income	210	195	248	243	362	392	348	309	513	1,411
PBT after EO Exp	1304	1785	1631	1380	1608	2340	1698	1368	5,660	7015
Tax rate (%)	23.2	25.5	26.3	14.7	24.6	24.2	21.9	25.6	23.6	24.0
Adjusted PAT	1,001	1,330	1,202	1,178	1,213	1,774	1,327	1,018	4,321	5,331
Growth (%)	38.4	40.2	33.3	30.1	21.2	33.4	10.4	(13.5)	24.2	23.4



1. PVR Cinemas: Expect 8-10% growth in ad revenues going ahead; Gautam Dutta, CEO

- n Have signed a deal with IMAX for five additional screens. The total cost will be about Rs 50-55 crore which is close to about Rs 10-10.5 crore per screen.
- n Out of the five, two screens are being planned to be fitted into cinemas, which are ready. So the revenue should start trickling-in in about four months' time.
- n Remaining three screens are planned for new sites of the company in Chennai, Hyderabad and Delhi. The revenue for these three screens will be garnered by the year end.
- n The company has a huge headroom to grow the ad revenues as it will be utilising 9 minutes per screen per show.

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2. HDFC Bank: The best is yet to come in terms of loan growth; Aditya Puri, MD

- n The bank is in a sweet spot to take benefit of the uptick in the economy because the bank does not have a non-performing asset (NPA) issue, it is well capitalized, it has the largest distribution network and is a major in digital banking.
- n Don't think the quarter 4 numbers are stellar, the best is yet to come.
- n The rural economy is picking up as the government spends more and more money there. The harvests have been good and if we get a good monsoon, that would be a roaring area for us which is doing very well.
- n The low cost deposits have increased from Rs 2.87 lakh crore to Rs 3.09 lakh crore in 90 days, it is remaining at that level. Do not expect to see any more withdrawal.

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3. Persistent Systems: Expect double-digit revenue growth in FY18; Anand Deshpande, Founder, MD & CEO

- n Great quarter from the perspective of asset quality as well as collection efficiency. Collection efficiency stood at 107% in the previous quarter.
- n Saw disbursement growing at 23% in the quarter, and at 18-19% YoY. AUM growth stood at 14% over a large base.
- n Average monsoon coupled with increased spending on infrastructure in the major states would improve the rural cashflows, which would augur well for the company.
- n Have taken 90-day dispensation benefit taken in the past quarter. Out of the 32k customers, 24k have been fully resolved, 4k have been partially resolved and the rest 4k have been defaults.

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1. The Indian Economy is in a sweet spot. by Radhika Rao

n India's real GDP growth accelerated from 5.7 per cent y-o-y in FY13 to 7.9 per cent last year. The economy hit a road bump in FY17 as growth slowed to 7.2 per cent y-o-y in the first three quarters. Fortunately, this will be temporary. Growth will pick up again to 7.6 per cent this year through an improvement in consumption, timely rains, higher public sector spending, and better export growth. Investment growth will however continue to trail because of ongoing deleveraging in the corporate sector and stressed banks' balance sheets.

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2. The stent fiasco. by PT Jyothi Datta

n It is alarming and a tad worrying when a couple of top stent makers decide to withdraw some products from the country — a move, they say, is in response to the Government's price control efforts. A stand-off between the Government and industry is not without precedent; price control on medicines is an example. But medical devices have come into the Government's price net for the first time. And here it would be advisable to learn from the challenges with price control on medicines rather than tread a similar collision course. Caught in the crossfire between two power centres, Government and industry, are hapless patients.

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3. The changing face of the urban leisure economy. by Livemint

n Last week, Uttar Pradesh chief minister Yogi Adityanath recommended that single-screen-theatre owners who are shutting shop be encouraged to refurbish their movie halls as multiplexes instead. It is, in the larger scheme of things, a minor matter for a state's chief executive. But the changing nature of movie-going in India also reflects upon urbanization and migration, and the dynamics of growth and equality. The Indian cinema hall was once a great leveller, bringing patrons from all socio-economic classes under one roof to engage in a common activity.

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4. Still a mental fiscal exercise. by Swaminathan S Anklesaria Aiyar

n The N K Singh Committee has suggested a new Fiscal Responsibility and Budget Management (FRBM) Act to replace the old one. It has many eminently sensible proposals. Its most obvious shortcoming is that its recommendations have no teeth, and rely on good sense and fiscal rules that can easily be broken -as often happened in the past. This asks a lot of Indian politicians who love spending sprees. FRBM-1 called for the Centre's fiscal deficit to be cut to 3% by 2008. That target is finally going to be achieved a good 10 years later.

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International

5. The creeping influence of nepotism in Trump's America. by Edward Luce

n What exactly is the role of a first daughter? That question in Berlin this week had Ivanka Trump fumbling for a reply. Without having ever won a vote, Donald Trump's elder daughter is now among the world's most influential people. Her husband, Jared Kushner, is the Trump administration's plenipotentiary by virtue of his marriage. Both appear to be nice people: friends describe them as "normal". But their ascent to the pinnacle of US power has no parallel in modern western democracy. The Germans are not alone in wondering what to make of it.

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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	884	1,084	23	29.3	37.3	43.4	30.2	23.7	6.0	4.9	21.7	22.9	22.0
Ashok Ley.	Buy	88	98	12	4.2	5.2	6.6	20.7	17.0	4.0	3.6	20.6	22.3	24.9
Bajaj Auto	Buy	2,888	3,282	14	133.7	154.8	174.0	21.6	18.7	6.0	5.3	29.5	30.2	30.0
Bharat Forge	Buy	1,117	1,266	13	25.3	37.2	50.6	44.2	30.0	6.6	5.7	15.7	20.5	23.7
Bosch	Neutral	22,617	22,924	1	472.3	667.8	764.1	47.9	33.9	9.1	7.6	18.2	24.5	23.4
CEAT	Buy	1,548	1,406	-9	89.9	107.6	140.6	17.2	14.4	2.6	2.3	16.4	16.9	18.9
Eicher Mot.	Buy	26,027	28,811	11	615.4	854.5	1,047.6	42.3	30.5	14.9	10.7	40.7	40.9	36.7
Endurance Tech.	Buy	818	841	3	22.3	29.4	37.4	36.8	27.8	6.6	5.5	19.6	21.6	22.9
Escorts	Buy	549	608	11	23.2	34.1	43.4	23.7	16.1	2.7	2.4	12.1	15.9	17.5
Exide Ind	Buy	230	270	17	8.4	9.8	11.9	27.4	23.5	4.0	3.5	14.5	15.0	16.0
Hero Moto	Neutral	3,310	3,390	2	172.2	185.1	188.3	19.2	17.9	7.0	6.0	39.5	36.2	31.9
M&M	Buy	1,351	1,573	16	61.7	75.4	89.5	21.9	17.9	3.3	3.0	14.5	13.9	14.7
Mahindra CIE	Not Rated	221	-		5.4	9.9	11.8	41.3	22.5	2.6	2.3	6.4	10.8	11.5
Maruti Suzuki	Buy	6,407	7,299	14	253.2	307.6	374.1	25.3	20.8	5.9	4.9	22.4	23.0	23.1
Tata Motors	Buy	451	609	35	11.5	29.4	62.0	39.1	15.3	1.8	1.6	4.7	11.2	20.4
TVS Motor	Buy	502	500	0	11.2	15.2	21.6	44.8	33.1	10.3	8.3	25.1	27.8	31.4
Aggregate								28.4	20.3	4.2	3.6	14.7	18.0	21.2
Banks - Private														
Axis Bank	Neutral	517	510	-1	13.8	23.9	42.2	37.5	21.7	2.2	2.1	6.2	9.9	15.7
DCB Bank	Neutral	183	170	-7	7.0	8.8	11.2	26.2	20.8	2.7	2.4	10.9	12.4	14.0
Equitas Hold.	Buy	167	220	32	5.7	6.2	7.4	29.4	27.0	2.5	2.3	10.7	8.9	9.6
Federal Bank	Buy	94	108	14	4.4	5.2	6.7	21.4	18.0	1.9	1.7	9.0	10.0	11.7
HDFC Bank	Buy	1,547	1,790	16	56.8	67.1	79.4	27.3	23.1	4.4	4.0	17.9	18.2	19.0
ICICI Bank	Buy	277	350	26	17.3	17.8	20.5	16.0	15.5	1.9	1.8	10.5	9.8	10.5
IDFC Bank	Neutral	61	63	3	3.0	3.8	4.8	20.8	16.0	1.4	1.3	7.1	8.7	10.1
IndusInd	Buy	1,466	1,700	16	50.1	59.4	72.0	29.2	24.7	4.4	3.8	16.0	16.5	17.3
J&K Bank	Neutral	78	75	-4	-25.2	13.0	15.4	NM	6.0	0.7	0.7	-21.1	11.6	12.5
Kotak Mah. Bk	Buy	900	1,017	13	26.3	32.3	41.6	34.3	27.9	4.3	3.8	13.5	14.5	16.0
RBL Bank	Under Review	550	-		12.7	18.5	24.3	43.2	29.7	4.8	4.2	12.9	15.2	17.4
South Indian	Neutral	24	21	-13	2.8	3.1	3.8	8.7	7.8	0.8	0.8	9.7	10.0	11.3
Yes Bank	Buy	1,580	2,110	34	73.2	92.2	116.2	21.6	17.1	3.3	2.9	18.6	18.0	19.7
Aggregate								26.3	20.9	3.0	2.8	11.5	13.3	14.8
Banks - PSU														
BOB	Buy	182	224	23	7.5	19.0	26.1	24.1	9.6	1.2	1.1	5.0	11.9	14.8
BOI	Neutral	163	129	-21	-5.7	14.5	23.7	NM	11.3	0.7	0.7	-2.5	6.0	9.2
Canara	Neutral	330	310	-6	25.2	35.9	57.6	13.1	9.2	0.7	0.6	5.2	7.0	10.5
IDBI Bk	Neutral	75	49	-34	1.5	6.4	8.6	48.7	11.6	0.7	0.7	1.4	5.8	7.3
Indian Bk	Buy	307	360	17	29.3	33.3	38.1	10.5	9.2	1.0	0.9	10.1	10.6	11.1
OBC	Neutral	160	138	-14	0.3	21.0	26.0	637.3	7.6	0.4	0.4	0.1	5.2	6.1
PNB	Buy	166	186	12	5.3	12.4	16.6	31.5	13.4	0.9	0.9	3.0	6.7	8.3
SBI	Buy	286	340	19	8.7	16.9	23.3	33.0	16.9	1.3	1.2	3.9	7.3	9.3
Union Bk	Neutral	161	174	8	8.5	30.5	45.3	19.1	5.3	0.5	0.5	2.8	9.7	13.0
Aggregate								29.7	12.8	1.0	0.9	3.2	7.1	9.2
NBFCs														
Bajaj Fin.	Buy	1,312	1,448	10	34.4	47.5	64.0	38.1	27.6	7.9	6.3	22.7	25.5	27.3
Bharat Fin.	Neutral	792	859	9	44.6	42.8	55.1	17.7	18.5	4.0	3.3	29.6	19.3	20.4
Dewan Hsg.	Buy	431	500	16	29.6	36.7	42.7	14.6	11.7	1.7	1.6	14.4	13.9	14.5
GRUH Fin.	Neutral	384	421	10	8.1	10.3	12.5	47.2	37.4	12.6	10.5	30.4	30.6	30.9
HDFC	Buy	1,585	1,752	11	46.7	51.7	57.3	33.9	30.6	6.3	5.7	19.1	18.1	17.1
Indiabulls Hsg	Buy	1,011	1,227	21	69.0	82.2	101.6	14.6	12.3	3.5	3.1	25.5	27.0	29.6
LIC Hsg Fin	Buy	676	723	7	38.2	45.6	54.6	17.7	14.8	3.2	2.7	19.4	19.7	20.1
Manappuram	Not Rated	96	-		8.2	11.1	14.0	11.7	8.6	2.7	2.4	23.9	29.0	32.2
M&M Fin.	Buy	331	400	21	7.1	12.9	16.4	46.7	25.5	2.9	2.7	6.4	10.9	12.9
Muthoot Fin	Buy	389	465	19	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	158	117	-26	25.7	27.2	30.2	6.1	5.8	1.1	0.9	17.9	17.0	16.8
Repco Home	Buy	766	831	9	28.6	34.0	40.2	26.8	22.5	4.3	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	2,221	2,689	21	91.8	134.5	164.6	24.2	16.5	2.9	2.6	12.7	16.5	17.5
STF	Buy	1,053	1,289	22	55.3	81.9	100.5	19.1	12.9	2.1	1.9	11.7	15.5	16.7
Aggregate								18.2	15.6	3.2	2.8	17.5	18.0	18.1
Capital Goods														
ABB	Neutral	1,425	1,190	-16	18.4	26.1	32.6	77.4	54.6	9.2	7.9	11.9	14.4	15.9
Bharat Elec.	Buy	180	180	0	6.5	7.3	8.5	27.8	24.6	5.3	4.6	20.4	18.8	19.1
BHEL	Sell	176	115	-35	5.5	5.7	5.8	31.8	30.8	1.3	1.2	4.0	4.0	4.0
Blue Star	Neutral	676	680	1	14.1	20.3	29.5	47.9	33.3	9.1	7.9	20.2	25.3	31.2
CG Cons. Elec.	Buy	220	221	0	4.6	5.5	6.7	48.3	40.4	36.6	24.9	94.3	73.3	66.1
CG Power & Indu.	Sell	78	45	-42	3.6	3.9	4.5	21.5	20.1	1.1	1.1	5.4	5.5	6.0
Cummins	Neutral	1,011	990	-2	26.6	30.5	36.5	38.0	33.2	8.1	7.4	22.6	23.2	25.3
GE T&D	Neutral	342	340	0	6.0	11.0	11.4	56.8	31.0	6.8	6.1	11.7	20.7	19.2
Havells	Neutral	485	425	-12	8.9	12.1	14.1	54.3	40.2	11.0	9.9	20.3	24.6	25.1
Inox Wind	Neutral	195	175	-10	17.5	16.6	17.7	11.1	11.7	2.0	1.7	19.2	15.7	14.6
K E C Intl	Buy	219	175	-20	10.5	12.3	13.5	20.8	17.9	3.2	2.8	16.6	16.8	16.2
L&T	Buy	1,751	1,750	0	53.6	63.6	74.4	32.7	27.5	3.4	3.1	10.9	11.9	12.7
Pennar Eng.	Not Rated	144	-	-	5.8	7.5	10.0	24.9	19.3	2.1	1.9	8.6	10.0	11.8
Siemens	Neutral	1,335	1,340	0	17.0	25.7	33.5	78.5	51.9	7.2	6.2	9.2	11.9	14.2
Solar Ind	Neutral	806	800	-1	19.0	22.3	26.5	42.4	36.1	7.3	6.3	18.4	18.6	19.0
Suzlon Energy	Not Rated	21	-	-	0.6	0.9	1.0	32.9	23.6	-1.9	-2.1	NM	-8.8	-11.0
Thermax	Sell	1,028	781	-24	23.5	28.4	31.5	43.7	36.2	4.9	4.5	11.6	12.9	13.2
Va Tech Wab.	Buy	673	760	13	26.5	34.5	40.3	25.4	19.5	3.5	3.1	8.9	16.7	17.3
Voltas	Sell	412	370	-10	13.6	14.9	16.9	30.3	27.6	5.0	4.4	17.6	17.1	17.1
Aggregate								36.2	30.5	4.1	3.7	11.2	12.1	12.8
Cement														
Ambuja Cem.	Buy	246	277	12	4.9	6.7	7.2	50.4	36.7	2.5	2.4	5.0	6.8	7.1
ACC	Neutral	1,603	1,521	-5	33.7	49.2	63.6	47.5	32.6	3.6	3.6	7.5	11.0	14.2
Birla Corp.	Buy	767	869	13	21.5	41.2	54.4	35.6	18.6	2.1	2.0	6.0	10.9	13.2
Dalmia Bharat	Buy	2,112	2,392	13	30.7	47.5	70.1	68.9	44.5	4.6	4.2	6.8	9.8	12.9
Grasim Inds.	Neutral	1,167	1,067	-9	68.7	86.6	111.1	17.0	13.5	1.9	1.7	11.7	13.2	14.8
India Cem	Neutral	205	152	-26	5.1	8.7	11.9	40.2	23.5	1.7	1.6	4.0	6.2	7.7
J K Cements	Buy	951	1,103	16	32.6	37.2	49.3	29.2	25.5	3.7	3.3	13.3	13.6	16.0
JK Lakshmi Ce	Buy	474	526	11	5.9	12.2	17.8	80.0	38.7	4.1	4.0	5.2	10.5	14.7
Ramco Cem	Buy	696	815	17	27.8	30.1	36.2	25.0	23.1	4.5	3.9	19.6	18.0	18.5
Orient Cem	Buy	158	167	6	-1.8	3.2	5.8	NM	49.9	3.4	3.2	-3.7	6.6	11.3
Prism Cem	Buy	114	118	4	-0.6	2.6	4.8	NM	43.2	6.0	5.4	-3.1	13.1	20.8
Shree Cem	Buy	19,219	20,072	4	363.2	480.6	642.3	52.9	40.0	9.6	7.9	19.2	21.7	23.5
Ultratech	Buy	4,233	4,928	16	96.1	121.4	159.1	44.0	34.9	5.0	4.5	12.0	13.6	15.7
Aggregate								37.9	28.4	3.7	3.4	9.8	11.9	13.8
Consumer														
Asian Paints	Neutral	1,105	1,145	4	20.5	22.6	26.7	53.9	48.9	16.6	14.6	32.8	31.8	32.4
Britannia	Buy	3,562	4,065	14	72.2	83.3	101.7	49.4	42.7	18.9	15.0	43.1	39.2	38.0
Colgate	Buy	1,037	1,200	16	21.7	25.8	31.6	47.9	40.2	25.0	23.4	54.9	60.1	68.5
Dabur	Neutral	294	310	5	7.3	8.3	9.7	40.3	35.6	10.5	9.0	28.3	27.2	27.1
Emami	Buy	1,028	1,295	26	24.5	29.8	36.0	42.0	34.4	12.4	10.5	33.8	33.0	33.2
Godrej Cons.	Neutral	1,725	1,740	1	37.1	42.9	49.8	46.5	40.2	9.7	8.3	22.5	22.2	21.9
GSK Cons.	Neutral	5,210	5,410	4	153.9	173.1	190.8	33.8	30.1	7.7	6.8	24.6	24.0	23.1
HUL	Neutral	941	945	0	19.3	21.5	24.8	48.8	43.7	33.6	35.0	67.6	78.4	92.5
ITC	Buy	291	320	10	8.4	9.3	11.0	34.7	31.1	9.2	8.1	28.4	27.6	28.7
Jyothy Lab	Neutral	411	380	-8	8.0	9.0	10.5	51.6	45.8	8.2	7.5	16.4	17.1	18.1
Marico	Buy	323	340	5	6.1	7.0	8.4	53.1	46.0	15.9	13.8	33.3	32.1	34.6

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
Nestle	Neutral	6,427	6,665	4	118.0	139.2	163.3	54.5	46.2	20.6	17.8	39.0	41.4	41.9
Page Inds	Buy	14,234	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	247	250	1	0.8	6.9	12.5	304.8	35.6	3.0	2.8	1.3	8.2	13.2
Pidilite Ind.	Neutral	727	740	2	16.6	18.3	20.5	43.8	39.8	11.3	9.2	27.9	25.4	23.4
P&G Hygiene	Buy	7,425	8,790	18	145.7	167.7	198.8	51.0	44.3	13.8	11.9	29.0	28.8	29.5
United Brew	Buy	762	1,030	35	10.7	14.3	18.4	71.4	53.2	8.5	7.5	12.6	15.0	16.8
United Spirits	Neutral	1,892	2,025	7	28.6	42.2	58.7	66.1	44.9	12.5	9.9	20.8	22.1	23.8
Aggregate								42.9	37.6	12.7	11.1	29.6	29.5	30.4
Healthcare														
Alembic Phar	Neutral	624	630	1	21.6	28.5	35.8	28.8	21.9	6.2	5.1	23.3	25.5	26.0
Alkem Lab	Neutral	1,965	1,850	-6	79.3	85.7	100.0	24.8	22.9	5.5	4.6	24.4	22.0	21.7
Ajanta Pharma	Buy	1,640	2,028	24	56.0	63.8	79.6	29.3	25.7	9.1	7.0	35.9	30.9	29.9
Aurobindo	Buy	625	915	46	40.1	47.0	54.6	15.6	13.3	3.9	3.1	28.8	26.0	23.9
Biocon	Sell	1,128	800	-29	32.2	34.1	42.7	35.0	33.1	5.0	4.5	14.3	13.6	15.3
Cadila	Buy	453	510	12	12.0	17.7	23.0	37.8	25.7	7.6	6.2	21.4	26.5	27.9
Cipla	Neutral	555	550	-1	17.9	22.0	28.5	31.1	25.3	3.4	3.1	11.0	12.2	13.8
Divis Lab	Neutral	644	600	-7	43.0	32.9	38.6	15.0	19.6	3.6	3.3	25.4	17.7	18.8
Dr Reddy's	Neutral	2,611	3,050	17	76.1	110.9	147.2	34.3	23.5	3.2	2.9	9.8	12.9	15.2
Fortis Health	Buy	216	250	16	2.3	2.9	6.5	92.0	73.3	2.4	2.1	2.7	3.1	6.1
Glenmark	Neutral	893	990	11	40.6	49.2	60.5	22.0	18.1	4.4	3.4	20.1	19.0	19.1
Granules	Buy	149	160	7	6.8	7.7	11.3	21.9	19.3	3.5	2.6	18.8	15.8	18.3
GSK Pharma	Neutral	2,551	2,700	6	34.5	55.5	64.4	73.9	45.9	16.5	19.7	22.4	43.0	56.9
IPCA Labs	Neutral	606	540	-11	15.8	27.9	37.3	38.3	21.7	3.1	2.8	8.4	13.5	15.9
Lupin	Buy	1,371	1,850	35	61.4	78.6	88.8	22.3	17.5	4.6	3.8	22.8	23.8	22.1
Sanofi India	Buy	4,136	5,000	21	129.0	157.8	189.9	32.1	26.2	5.2	4.7	16.2	18.1	19.4
Sun Pharma	Buy	643	850	32	27.1	32.5	38.7	23.7	19.7	4.5	3.8	19.8	20.9	21.0
Syngene Intl	Not Rated	537	-		13.0	16.1	18.0	41.3	33.3	8.3	6.8	22.2	22.5	20.7
Torrent Pharma	Buy	1,430	1,700	19	56.6	76.3	93.4	25.3	18.7	6.0	5.0	25.9	29.3	29.6
Aggregate								26.1	21.3	4.6	3.9	17.6	18.3	18.9
Logistics														
Allcargo Logistics	Buy	191	203	6	9.0	10.9	12.3	21.1	17.5	2.7	2.4	11.5	14.8	14.8
Blue Dart	Not Rated	4,878	-		102.5	129.9	163.2	47.6	37.5	21.1	16.1	50.5	48.6	46.8
Concor	Neutral	1,213	1,042	-14	29.7	39.9	44.9	40.8	30.4	3.5	3.3	8.8	11.2	11.8
Gateway Distriparks	Buy	268	314	17	8.3	15.7	20.1	32.2	17.1	2.3	2.1	7.2	12.9	15.3
Gati	Not Rated	137	-		8.4	15.9	23.9	16.4	8.7	2.2	2.0	12.4	19.4	25.4
Transport Corp.	Not Rated	237	-		16.9	21.0	25.9	14.0	11.3	2.2	1.9	16.7	17.8	18.6
Aggregate								34.6	25.3	3.8	3.5	11.0	13.7	14.9
Media														
Dish TV	Buy	96	115	21	1.4	2.7	4.3	66.2	35.8	19.0	12.4	33.6	42.0	43.9
D B Corp	Buy	379	450	19	20.4	23.0	26.5	18.5	16.5	4.6	4.1	26.2	26.2	26.8
Den Net.	Neutral	94	90	-5	-3.6	2.2	8.5	NM	43.0	1.1	1.0	-4.1	2.5	8.8
Hind. Media	Buy	290	360	24	25.2	27.4	30.3	11.5	10.6	1.9	1.6	18.5	16.8	15.8
HT Media	Neutral	82	90	9	8.0	8.2	8.7	10.2	10.1	0.8	0.7	7.7	7.1	7.0
Jagran Prak.	Buy	194	225	16	10.8	12.2	13.9	18.0	15.8	3.5	3.0	20.7	20.6	20.4
PVR	Buy	1,588	1,667	5	20.8	35.7	56.8	76.5	44.5	7.8	6.8	10.6	16.3	22.0
Siti Net.	Neutral	37	40	9	-1.8	0.0	1.2	NM	NM	4.3	3.7	-21.7	0.0	11.1
Sun TV	Neutral	924	860	-7	25.1	29.7	34.5	36.8	31.1	9.3	8.5	25.1	27.3	29.0
Zee Ent.	Buy	528	610	16	11.4	17.3	20.6	46.4	30.5	10.3	8.4	29.1	30.3	29.4
Aggregate								40.5	29.4	6.6	5.8	16.3	19.6	21.6
Metals														
Hindalco	Buy	197	235	19	16.9	22.6	25.4	11.6	8.7	1.7	1.4	15.4	17.5	16.8
Hind. Zinc	Sell	273	235	-14	19.7	21.5	23.7	13.9	12.7	3.8	3.2	24.4	27.2	25.4
JSPL	Buy	113	181	60	-22.3	-17.5	-2.2	NM	NM	0.3	0.3	-7.5	-4.5	-0.6
JSW Steel	Buy	199	222	12	13.6	18.3	20.5	14.7	10.9	2.2	1.9	16.2	18.7	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
Nalco	Buy	68	83	23	3.9	5.3	5.8	17.3	12.6	1.3	1.2	7.5	9.6	9.9
NMDC	Buy	129	178	38	12.1	12.3	13.0	10.7	10.5	1.7	1.6	13.4	15.5	15.1
SAIL	Sell	60	30	-50	-7.4	-12.6	0.4	NM	NM	0.7	0.8	-8.1	-15.4	0.5
Vedanta	Neutral	234	250	7	17.7	24.7	27.7	13.2	9.5	1.5	1.4	11.4	15.0	15.6
Tata Steel	Sell	454	440	-3	18.9	39.4	45.7	24.1	11.5	3.6	2.9	13.6	28.2	26.5
Aggregate								18.2	14.2	1.4	1.4	7.9	9.6	12.0
Oil & Gas														
BPCL	Buy	731	763	4	55.9	53.7	58.4	13.1	13.6	3.3	2.9	27.1	22.7	21.4
GAIL	Neutral	414	349	-16	21.7	28.9	32.5	19.1	14.3	2.1	1.9	13.0	14.0	14.4
Gujarat Gas	Sell	831	735	-12	17.5	40.0	49.0	47.6	20.8	4.9	4.1	10.7	21.5	22.0
Gujarat St. Pet.	Neutral	188	162	-14	8.9	11.0	13.2	21.2	17.1	2.4	2.2	12.0	13.5	14.5
HPCL	Buy	538	604	12	53.5	44.9	45.8	10.0	12.0	2.7	2.3	27.8	20.7	18.6
IOC	Buy	433	441	2	43.7	39.4	41.0	9.9	11.0	2.4	2.1	26.0	20.4	18.8
IGL	Neutral	1,064	1,023	-4	43.3	43.8	49.4	24.6	24.3	5.2	4.5	22.3	19.7	19.2
MRPL	Neutral	126	114	-9	12.2	11.4	12.8	10.3	11.0	2.7	2.3	29.6	22.7	21.4
Oil India	Buy	326	382	17	28.6	33.1	37.8	11.4	9.8	1.1	1.0	9.8	10.8	11.6
ONGC	Neutral	180	172	-5	12.2	16.1	17.3	14.8	11.2	1.2	1.2	8.4	11.1	11.7
PLNG	Buy	430	454	6	22.2	26.5	36.2	19.3	16.2	4.3	3.6	23.9	24.0	27.2
Reliance Ind.	Neutral	1,416	1,264	-11	106.6	121.7	127.8	13.3	11.6	1.4	1.3	11.9	11.8	11.2
Aggregate								13.6	12.4	1.8	1.7	13.3	13.4	13.2
Retail														
Jubilant Food	Neutral	1,050	1,110	6	12.3	21.7	29.1	85.2	48.3	8.6	9.4	10.1	19.5	24.9
Titan Co.	Neutral	480	485	1	9.4	10.4	11.8	51.0	46.0	10.2	8.9	21.5	20.6	20.3
Aggregate								54.4	46.7	10.0	9.0	18.4	19.3	19.7
Technology														
Cyient	Buy	532	620	16	30.6	37.8	44.1	17.4	14.1	2.8	2.5	16.2	17.6	17.9
HCL Tech.	Buy	801	1,000	25	57.2	64.3	70.3	14.0	12.5	3.5	3.4	27.0	27.8	28.1
Hexaware	Neutral	223	235	6	13.7	15.4	16.7	16.3	14.5	4.0	3.5	26.5	25.3	23.5
Infosys	Buy	914	1,200	31	62.9	64.7	71.1	14.5	14.1	3.0	2.7	23.3	21.4	21.2
KPIT Tech	Neutral	129	150	16	11.5	13.8	15.0	11.3	9.4	1.6	1.4	13.7	15.9	14.9
L&T Infotech	Buy	714	800	12	53.6	58.0	60.8	13.3	12.3	5.0	4.1	41.4	36.6	32.1
Mindtree	Neutral	478	475	-1	24.9	30.5	36.5	19.2	15.7	3.1	2.8	16.8	18.9	20.5
Mphasis	Neutral	531	550	4	42.7	43.0	44.9	12.4	12.3	1.9	1.8	14.1	14.9	14.7
NIIT Tech	Neutral	457	470	3	36.2	46.8	52.9	12.6	9.8	1.6	1.5	13.5	15.9	16.0
Persistent Sys	Buy	580	700	21	37.7	43.9	51.4	15.4	13.2	2.4	2.3	17.0	18.1	20.3
Tata Elxsi	Buy	1,567	1,780	14	59.3	72.1	89.0	26.4	21.7	10.1	8.1	42.5	41.3	40.8
TCS	Neutral	2,310	2,400	4	133.4	139.7	149.6	17.3	16.5	5.4	5.6	33.5	32.4	32.3
Tech Mah	Buy	428	550	28	32.5	35.7	40.2	13.2	12.0	2.4	2.2	20.1	19.5	19.2
Wipro	Neutral	491	500	2	33.8	34.6	38.2	14.5	14.2	2.3	2.1	16.9	15.5	15.7
Zensar Tech	Buy	838	1,200	43	65.3	81.4	92.0	12.8	10.3	2.3	1.9	19.1	20.4	19.7
Aggregate								15.8	15.1	3.7	3.5	23.5	23.1	22.3
Telecom														
Bharti Airtel	Buy	358	410	15	11.0	5.1	9.4	32.5	70.3	2.1	2.0	6.5	2.9	5.2
Bharti Infratel	Buy	366	435	19	15.5	16.7	19.9	23.5	21.8	3.8	3.4	15.7	15.9	16.7
Idea Cellular	Buy	86	120	40	-3.0	-15.4	-16.9	NM	NM	1.2	1.6	-4.2	-25.3	-37.1
Tata Comm	Buy	717	811	13	6.2	25.6	44.1	115.7	28.0	-71.5	46.1	-50.2	924.0	117.3
Aggregate								41.2	857.0	2.4	2.4	5.7	0.3	2.3
Utilities														
Coal India	Buy	277	335	21	16.7	20.1	22.1	16.6	13.8	6.7	6.7	40.6	48.8	53.5
CESC	Buy	924	970	5	50.4	74.7	82.2	18.3	12.4	2.1	1.8	11.1	15.8	15.2
JSW Energy	Buy	64	73	15	3.9	2.3	0.8	16.5	27.8	1.2	1.2	7.3	4.3	1.4
NTPC	Buy	166	199	20	11.9	14.3	17.3	13.9	11.6	1.4	1.3	10.6	11.9	13.3
Power Grid	Buy	205	243	18	15.3	17.7	20.7	13.5	11.6	2.2	1.9	17.3	17.5	17.7
Aggregate								15.0	12.6	2.4	2.2	15.9	17.4	18.3
Others														



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
Arvind	Buy	405	430	6	13.5	21.8	28.6	30.0	18.6	2.7	2.5	10.4	14.0	16.3
Bata India	Under Review	584	-		10.9	14.2	17.7	53.7	41.1	5.8	5.3	11.3	13.4	15.0
Castrol India	Buy	437	532	22	13.6	14.9	15.2	32.0	29.4	33.7	30.3	110.9	108.6	100.4
Century Ply.	Buy	264	274	4	7.7	8.6	11.4	34.2	30.6	9.0	7.4	28.9	26.5	28.6
Coromandel Intl	Under Review	359	-		15.9	19.6	25.1	22.5	18.3	3.9	3.5	18.2	20.1	22.7
Delta Corp	Buy	169	229	35	3.3	6.9	7.6	52.0	24.7	4.5	3.4	9.0	15.7	17.0
Dynomatic Tech	Buy	2,742	3,334	22	67.6	112.9	166.7	40.6	24.3	5.6	4.6	15.1	20.7	24.3
Eveready Inds.	Buy	305	287	-6	11.4	13.9	16.9	26.7	22.0	8.1	6.5	34.7	33.0	32.4
Interglobe	Neutral	1,114	1,092	-2	39.0	64.7	78.0	28.6	17.2	19.5	16.6	72.2	104.1	106.3
Indo Count	Buy	195	232	19	13.7	17.5	21.1	14.2	11.1	4.1	2.9	33.8	30.8	27.3
Info Edge	Buy	806	1,000	24	16.9	17.9	21.0	47.8	45.0	5.1	4.8	11.1	10.9	11.9
Inox Leisure	Sell	296	230	-22	2.5	8.2	11.5	118.4	36.3	4.6	4.1	3.8	11.5	14.3
Jain Irrigation	Under Review	113	-		5.5	7.6	10.0	20.4	14.9	1.7	1.7	8.6	11.7	14.8
Just Dial	Under Review	519	-		17.2	18.5	22.1	30.2	28.1	4.7	4.1	16.5	15.5	16.2
Kaveri Seed	Buy	568	649	14	23.4	28.6	36.1	24.2	19.9	4.1	3.8	17.3	19.8	22.9
Kitex Garm.	Buy	517	551	7	26.0	31.0	36.7	19.9	16.7	5.4	4.3	29.9	28.7	27.7
Manpasand	Buy	707	843	19	14.9	23.1	38.3	47.4	30.6	3.5	3.2	8.6	9.6	16.3
MCX	Buy	1,218	1,400	15	26.3	30.0	42.5	46.3	40.6	4.7	4.5	10.6	11.3	15.0
Monsanto	Buy	2,575	2,841	10	72.9	89.3	109.3	35.3	28.9	10.7	10.0	30.4	35.9	39.6
Navneet Education	Buy	171	210	23	6.6	8.6	10.5	25.7	19.9	6.5	5.5	26.0	30.0	30.9
PI Inds.	Buy	872	1,046	20	30.4	34.8	43.6	28.7	25.1	7.9	6.3	30.9	27.9	27.8
Piramal Enterp.	Buy	2,448	2,200	-10	74.5	127.1	164.7	32.9	19.3	3.2	2.9	10.0	15.7	18.2
SRF	Buy	1,746	1,825	5	82.4	99.9	125.1	21.2	17.5	3.3	2.9	16.5	17.4	19.1
S H Kelkar	Buy	320	371	16	7.7	10.3	13.3	41.5	31.0	5.5	4.9	13.9	16.8	19.1
Symphony	Sell	1,427	1,288	-10	27.0	35.1	42.9	52.8	40.6	28.7	24.5	56.8	65.0	66.3
TTK Prestige	Neutral	6,382	5,281	-17	106.9	137.7	176.0	59.7	46.3	9.5	8.6	16.5	19.4	22.2
V-Guard	Neutral	186	140	-25	3.7	4.6	5.4	50.4	40.7	13.3	10.7	29.4	29.1	27.6
Wonderla	Buy	390	393	1	7.0	11.9	16.0	55.7	32.6	5.1	4.6	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	0.6	0.7	-7.0
Ashok Ley.	-0.5	0.4	-17.9
Bajaj Auto	-0.3	1.5	13.3
Bharat Forge	-1.6	10.0	38.2
Bosch	0.1	-1.3	11.1
CEAT	6.3	17.8	35.7
Eicher Mot.	-0.2	6.8	29.1
Endurance Tech.	-1.8	11.9	
Escorts	-0.4	4.0	227.3
Exide Ind	-2.1	7.2	56.0
Hero Moto	0.1	-2.0	12.9
M&M	3.3	5.9	-0.3
Mahindra CIE	-1.1	10.8	9.4
Maruti Suzuki	1.0	6.7	65.6
Tata Motors	1.2	-4.2	7.5
TVS Motor	2.7	17.4	52.3
Banks - Private			
Axis Bank	0.4	5.7	7.7
DCB Bank	-0.1	10.1	89.0
Equitas Hold.	-0.9	5.5	20.7
Federal Bank	0.4	5.2	95.1
HDFC Bank	0.7	8.6	39.0
ICICI Bank	1.6	0.8	9.0
IDFC Bank	3.0	0.4	15.7
IndusInd	0.9	5.5	43.5
J&K Bank	-1.1	4.6	13.3
Kotak Mah. Bk	0.2	2.5	28.4
RBL Bank	-3.1	11.6	
South Indian	-3.0	18.7	46.2
Yes Bank	1.5	3.4	73.6
Banks - PSU			
BOB	-0.2	7.4	12.2
BOI	2.8	22.8	67.4
Canara	-0.5	12.4	58.5
IDBI Bk	0.6	-1.4	5.1
Indian Bk	-1.2	17.0	206.5
OBC	2.8	10.8	64.7
PNB	3.2	17.6	84.4
SBI	0.1	3.7	42.6
Union Bk	-1.0	4.9	22.8
NBFCs			
Bajaj Fin.	-2.2	11.2	87.5
Bharat Fin.	-1.5	-6.0	35.0
Dewan Hsg.	0.1	19.1	109.5
GRUH Fin.	-2.4	2.3	44.4
HDFC	2.4	8.4	40.5
Indiabulls Hsg	-0.4	5.6	48.6
LIC Hsg Fin	0.4	12.7	46.5
Manappuram	2.2	-1.1	138.7
M&M Fin.	-2.9	3.1	9.2
Muthoot Fin	-1.2	11.3	96.3
PFC	-1.9	8.6	73.7
Repco Home	0.0	14.3	15.5
REC	-1.0	17.8	123.6
STF	-3.3	2.2	6.7
Shriram City Union	-3.7	6.2	30.3

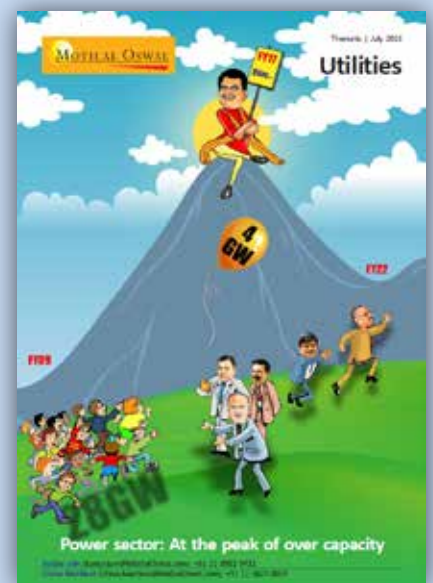
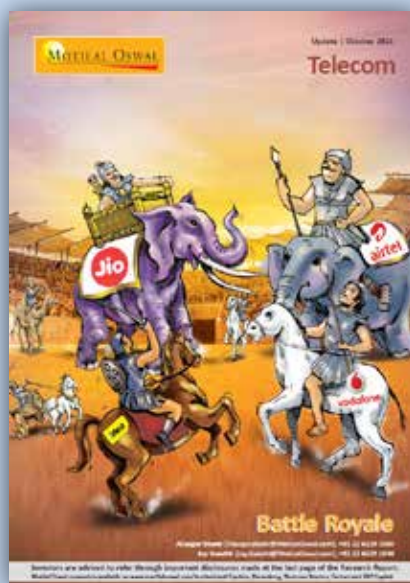
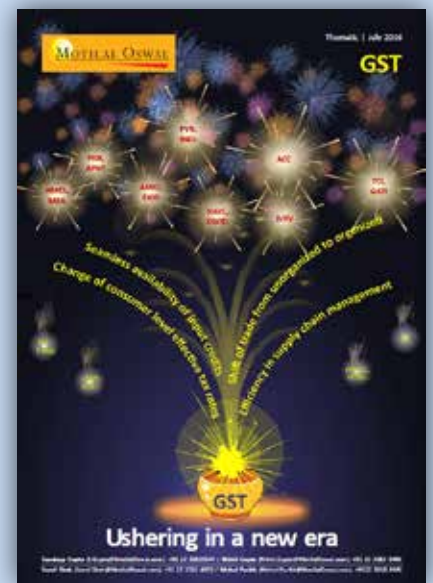
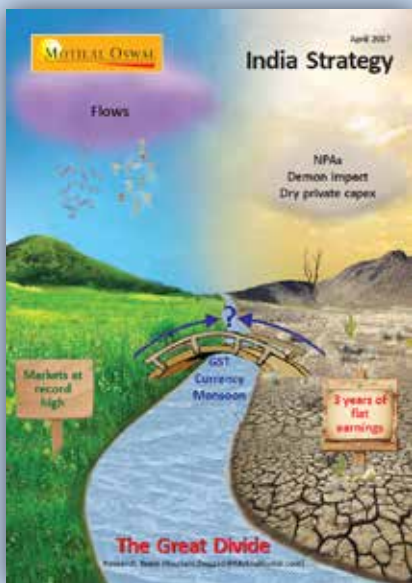
Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	0.8	19.3	10.2
Bharat Elec.	-0.4	15.5	51.0
BHEL	-1.1	5.2	36.3
Blue Star	-0.1	10.8	55.7
CG Cons. Elec.	-0.4	11.1	
CG Power & Inds Sol.	-1.6	1.4	30.6
Cummins	4.3	9.5	14.6
GE T&D	-0.6	9.2	-10.0
Havells	0.0	8.7	40.2
Inox Wind	-1.4	12.2	-26.6
K E C Intl	0.2	4.9	73.0
L&T	0.3	12.9	36.7
Pennar Eng.	0.6	14.1	-2.2
Siemens	-0.5	7.4	13.8
Solar Ind	-0.9	9.2	18.5
Suzlon Energy	0.2	10.0	43.7
Thermax	-2.6	13.1	33.6
Va Tech Wab.	-3.1	0.5	17.0
Voltas	-1.2	6.0	38.7
Cement			
Ambuja Cem.	0.0	7.0	9.8
ACC	-0.3	14.9	12.4
Birla Corp.	-0.4	10.9	97.2
Dalmia Bharat	1.2	11.2	144.6
Grasim Inds.	-1.1	10.0	43.1
India Cem	1.3	29.8	128.7
JK Cements	-2.7	7.6	54.9
JK Lakshmi Ce	-2.2	9.5	30.1
Ramco Cem	-0.2	7.7	54.6
Orient Cem	-3.7	23.2	2.6
Prism Cem	0.3	15.6	30.0
Shree Cem	0.7	18.3	53.4
Ultratech	0.0	6.6	29.6
Consumer			
Asian Paints	0.7	3.7	26.0
Britannia	2.5	7.9	25.6
Colgate	0.0	5.9	22.9
Dabur	0.2	4.5	10.4
Emami	0.8	-0.1	3.5
Godrej Cons.	-1.4	3.6	27.1
GSK Cons.	-0.3	0.1	-12.7
HUL	1.8	4.6	6.2
ITC	3.4	3.4	33.0
Jyothy Lab	3.4	16.4	35.6
Marico	3.7	10.8	27.9
Nestle	1.6	1.4	9.9
Page Inds	0.6	-2.9	10.7
Parag Milk	0.1	9.9	
Pidilite Ind.	0.0	5.5	20.1
P&G Hygiene	1.1	6.8	15.4
United Brew	0.6	-1.5	0.4
United Spirits	-1.7	-15.0	-21.4
Healthcare			
Alembic Phar	2.1	3.6	1.5
Alkem Lab	-1.0	-11.2	61.3
Ajanta Pharma	-0.9	-10.2	6.4
Aurobindo	0.1	-9.2	-19.4



Company	1 Day (%)	1M (%)	12M (%)
Biocon	-3.3	-1.3	99.8
Cadila	-0.9	1.6	37.8
Cipla	0.4	-6.4	2.7
Divis Lab	-0.4	3.4	-39.2
Dr Reddy's	-1.3	-0.5	-16.3
Fortis Health	-0.2	22.1	21.0
Glenmark	-0.8	0.6	7.4
Granules	-1.1	8.6	12.6
GSK Pharma	-0.6	-7.4	-31.7
IPCA Labs	2.0	3.3	22.4
Lupin	-0.4	-7.6	-13.1
Sanofi India	-2.9	-11.1	-1.6
Sun Pharma	0.0	-8.6	-21.1
Syngene Intl	-1.8	2.9	42.0
Torrent Pharma	-1.3	1.3	0.1
Logistics			
Allcargo Logistics	6.0	14.7	21.3
Blue Dart	-0.4	-3.2	-17.3
Concor	-0.2	21.1	11.9
Gateway Distriparks	-1.3	5.2	-6.7
Gati	-0.2	-1.8	14.7
Transport Corp.	0.5	8.4	44.0
Media			
Dish TV	0.2	-10.7	4.7
D B Corp	-1.0	-0.1	15.2
Den Net.	-2.6	16.6	4.4
Hind. Media	-1.0	1.8	11.1
HT Media	-1.1	0.9	-8.1
Jagran Prak.	0.1	10.8	17.3
PVR	-0.7	11.4	94.9
Siti Net.	-1.1	-3.4	4.1
Sun TV	-0.4	22.4	159.1
Zee Ent.	0.0	1.9	27.8
Metals			
Hindalco	2.7	1.3	90.9
Hind. Zinc	0.1	-15.5	58.2
JSPL	-0.2	-5.7	52.0
JSW Steel	2.3	6.5	45.7
Nalco	0.5	-9.9	47.4
NMDC	-1.1	-5.5	31.8
SAIL	-0.4	-3.3	30.5
Vedanta	-0.4	-12.2	120.8
Tata Steel	0.1	-7.9	26.7
Oil & Gas			
BPCL	-1.1	12.6	49.8
GAIL	0.5	8.5	51.7
Gujarat Gas	-1.2	13.1	58.2
Gujarat St. Pet.	-4.1	18.6	35.0
HPCL	-4.2	3.8	88.3
IOC	-0.7	16.2	99.6
IGL	0.5	5.9	85.9
MRPL	-1.8	23.6	82.3
Oil India	-0.6	-2.2	36.2
ONGC	-0.7	-6.1	26.2
PLNG	0.2	8.5	64.0
Reliance Ind.	-1.1	10.1	39.3
Retail			
Jubilant Food	-1.3	-2.8	-20.4

Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	-0.7	7.1	28.9
Technology			
Cyient	-0.6	12.7	16.8
HCL Tech.	-2.3	-8.1	-5.8
Hexaware	-0.8	0.8	-9.2
Infosys	-1.6	-11.4	-25.9
KPIT Tech	-1.3	-2.1	-14.8
L&T Infotech	-1.0	3.6	
Mindtree	1.7	1.9	-32.4
Mphasis	-0.2	-12.0	8.5
NIIT Tech	4.9	8.7	-6.3
Persistent Sys	2.1	-3.8	-20.6
Tata Elxsi	-1.3	4.5	-21.7
TCS	0.0	-4.8	-7.1
Tech Mah	-2.2	-9.8	-10.1
Wipro	-0.8	-4.3	-11.6
Zensar Tech	-8.6	-8.6	-14.3
Telecom			
Bharti Airtel	1.1	5.2	-0.7
Bharti Infratel	-2.6	17.8	0.5
Idea Cellular	0.5	-5.9	-30.9
Tata Comm	0.5	-1.8	70.5
Utilities			
Coal India	-0.5	-7.1	-4.0
CESC	-0.5	11.6	68.9
JSW Energy	-0.6	2.9	-6.7
NTPC	-0.1	0.9	17.9
Power Grid	-1.3	6.0	41.5
Others			
Arvind	-0.7	3.6	42.4
Bata India	0.8	8.3	3.4
Castrol India	-1.2	4.5	10.7
Century Ply.	-1.1	6.7	43.2
Coromandel Intl	-2.3	13.3	61.9
Delta Corp	-4.1	-4.2	98.8
Dynamatic Tech	-1.7	-4.2	23.1
Eveready Inds.	0.4	22.3	20.5
Interglobe	0.5	9.2	8.2
Indo Count	0.3	-4.1	-7.0
Info Edge	-0.7	-2.0	1.8
Inox Leisure	-0.3	18.5	38.2
Jain Irrigation	-2.6	19.1	77.4
Just Dial	-0.6	-9.5	-39.8
Kaveri Seed	-1.6	1.4	41.1
Kitex Garm.	-1.0	22.7	12.7
Manpasand	-0.7	-1.5	30.8
MCX	4.6	0.2	38.2
Monsanto	-0.2	3.0	48.5
Navneet Educat.	1.2	23.1	91.6
PI Inds.	-0.8	2.1	35.2
Piramal Enterp.	-2.8	31.7	123.1
SRF	0.8	9.6	29.6
S H Kelkar	-1.5	4.7	34.8
Symphony	-1.7	-6.0	15.6
TTK Prestige	-2.7	9.9	40.3
V-Guard	-1.3	10.3	166.0
Wonderla	-0.7	1.9	0.6

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

27 September 2018

ANNUAL REPORT THREADBARE

The ART of annual report analysis

WHAT'S NEW IN FY18

- ▶ Tax rates remained low at 13.8%, contingent liabilities for tax dispute rise to INR25.3b.
- ▶ Cash flow of INR18.4b significantly higher than tax expenses 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.

Stock Info

Exchange	BSE/NSE
CAP (INR)	771
Face Value (INR)	2,000.0
52 Weeks Range (INR)	954/106
52.52 Vol. (INR Cr)	1,19,12,42
Market Cap (INR Cr)	1,000.078

Shareholding pattern (%)

As on	Jun-18	Mar-18	Jun-17
Promoter	33.0	33.0	34.7
MF	39.2	39.0	37.8
FI	24.8	24.4	23.8
Other	3.0	3.6	3.8

Auditor's name
Deloitte Haskins & Sells LLP

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MOTILAL OSWAL

VOICES

30 FY17 | February 2017

VOICES is a quarterly product from Motilal Oswal Research, providing 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

23 November 2018
Economy

Monthly data confirm 6.5% growth is for real in India

Creating monthly economic activity index (EAI) since 1998

- ▶ Based on monthly macroeconomic indicators, we create India's economic activity index (EAI), which shows that the economic growth averaged 6.4% YoY in the first nine months of 2018 as against ~3% growth over the previous five years (2011-2015). Motilal Oswal's leading indicators (MOI) suggest that consumption continues to grow strong however, investment is witnessing one of the worst phases in the past two decades.
- ▶ We find, however, that the growth in economic activity eased towards 5% YoY in QoY17 as against 7.5% in the previous four quarters. A sharp contraction in investments, along with some deceleration in consumption, has contributed to a slowdown in our composite EAI in the recent quarter.
- ▶ It is important to note that while our composite EAI is a reliable indicator to gauge economic activity, it should not be compared with the official GDP statistics because the latter includes an estimate for the unorganized sector also. Our leading indicators are based on monthly data covering the formal sector of society.

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

Since the release of new GDP series (in 2015-12 base), its credibility has been in question. The key reason for the disagreement is a widely-held belief that GDP data is not in sync with high-frequency monthly indicators. Weakness in bank credit growth and IP (Index of Industrial Production) are often quoted to support this criticism. Further, very high contribution of “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

Source: CFC, several national sources, Motilal Oswal

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

CornerOffice

Interaction with the CEO

13 December 2018

Demonetization: A mammoth task for India's largest bank

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

We met with Mr. Anandhan Bhattacharya, Chairman of State Bank of India (SBI), to discuss on demonetization, and evaluate its impact on growth, asset quality and profitability of the bank. Incremental cost of funds has declined marginally (less than 4% 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 INR335.

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

- ▶ Since demonetization, SBI has collected deposits of ~INR4 and disbursed (via withdrawal) ~INR1, leading to net addition of ~INR3. The bank also aggressively cut its bank deposits (leading to higher repayment rates), which led to significantly lower net accretion over the past month.
- ▶ Of the net accretion, three-fourths were savings deposits, 15% were current account deposits and the rest were retail term deposits.
- ▶ Standard cost of these deposits is less than 4%, and excess liquidity is parked in reverse repo, MSF and bond markets (considering muted loan growth) at a yield of ~1%. Hence, an excess liquidity, the spread is 2%+ currently, as against blended spread of ~1.4% at Q3FY17.
- ▶ Significant liquidity addition in the system has led to a sharp fall in yields, which has helped banks to monetize the bond portfolio. We expect trading gains to be strong in 2019/20.

Digitalization efforts to yield noteworthy results over long term

- ▶ The Government of India (GoI) and the banking sector are working together to move toward a less-cash economy. The bank has all channels available (e.g. UPI, cards, POS, wallets, internet banking and mobile banking) to push toward digitalization.
- ▶ Over the past month, cashless transactions increased significantly: (a) debit card spends are up 1x on MoM, (b) POS terminal activation has increased from 64k/month to 16k, 46k terminal orders in hand, (c) 7m new debit cards are activated and (d) 38k biometry (wallet) transactions are up 1x on MoM.

Asset quality: Will demonetization lead to higher NPAs?

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

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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

INR18.3t

INR603b

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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