

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	27,882	0.6	4.7
Nifty-50	8,641	0.4	5.6
Nifty-M 100	15,641	0.9	9.0
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,295	-0.2	2.5
Nasdaq	9,448	0.3	2.1
FTSE 100	7,184	0.3	0.6
DAX	11,814	0.1	2.9
Hang Seng	9,804	0.6	4.4
Nikkei 225	19,467	2.2	1.8
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	55	0.3	-1.0
Gold (\$/OZ)	1,191	-0.8	3.4
Cu (US\$/MT)	5,884	-0.7	6.5
Almn (US\$/MT)	1,815	-1.2	6.5
Currency	Close	Chg. %	YTD.%
USD/INR	68.0	-0.1	0.2
USD/EUR	1.1	-0.5	1.7
USD/JPY	115.1	1.6	-1.6
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.4	0.0	-0.1
10 Yrs AAA Corp	7.6	0.0	0.0
Flows (USD b)	27-Jan	MTD	CY16
FII	0.0	-0.2	2.9
DII	0.1	0.7	5.3
Volumes (INRb)	27-Jan	MTD*	CY16*
Cash	281	219	220
F&O	2,723	4,102	3,447

Note: YTD is calendar year, *Avg

Quote of the day

Put not your trust in money, but put your money in trust

Today's top research ideas



ITC 3QFY17: Cigarette volumes surprise positively again

- ❖ **3QFY17 performance better than expectation:** Net revenues increased 4.3% YoY (est. of -4% YoY) to INR92.5b.
- ❖ **We reckon cigarette volumes fell 1% YoY** (better than est. of -7%), aided by higher growth in the sub-65mm segment (well over usual proportion of mid-20% share in overall volumes for the quarter, in our view).
- ❖ **FMCG - Other net sales increased 3.4% YoY to INR25.6b** (well above est. of -8%), but the segment reported small EBIT loss of INR196.6m (est. of loss of INR45.6m). Agri, Hotels and Paper business revenue grew 12.9%, 7.3% and -0.5% YoY, respectively.
- ❖ **Maintain Buy:** At 25.6x FY18E, ITC trades at a significant discount to peers. Maintain Buy with target multiple of 28x Dec-2018E EPS (in line with three-year average P/E), leading to a TP of INR295 (prior: INR290).



Research covered

Cos/Sector	Key Highlights
Utilities	UDAY: Good progress on balance sheet repair
ITC 3QFY17	Cigarette volumes surprise positively again
L&T 3QFY17	Consol. operational performance below estimates
Ashok Leyland 3QFY17	Higher commodity costs and realization pressure drag performance
Colgate-Palm. 3QFY17	Volumes performance disappointing
IDFC Bank 3QFY17	Asset quality disappoints
Tata Elxsi 3QFY17	Adverse currency impacts revenue
India Cements 3QFY17	Volume growth continues to surprise
Eveready Ind. 3QFY17	Adverse currency impacts revenue
Results Flash	Granules India Just Dial
Results Expectation	BAF DITV HMN GETD GCPL GRASIM HDFC INFOE MCHM SRM TECHM



Piping hot news

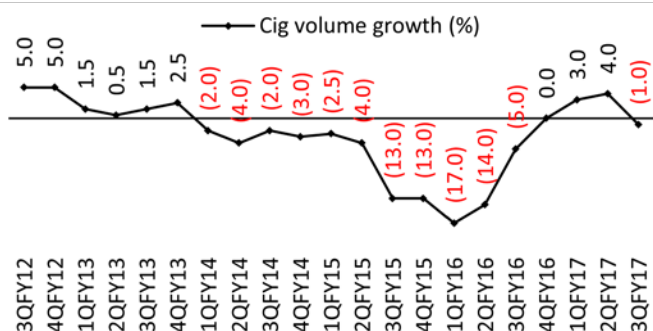
Merger May be the Best Idea for Vodafone, Sir ji!

- ❖ **Vodafone Group Plc doesn't have much of a choice but to accelerate consolidation moves in India -likely with Idea Cellular with whom it is in talks -as the UK telecom major tries to counter Reliance Jio Infocomm in a key market where it has been struggling to ward off value erosion, add customers and grow revenue market share (RMS).**

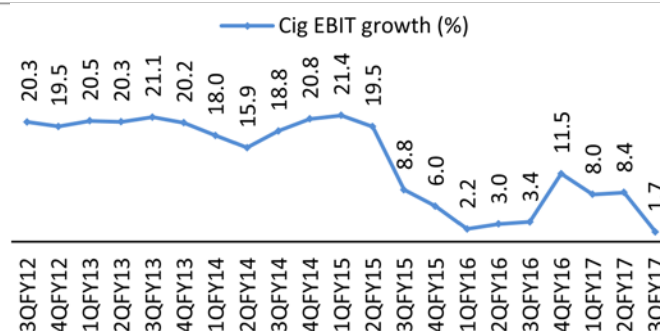


Chart of the Day: ITC-Cigarette volumes surprise positively again

Cigarette volumes fell 1% YoY in 3QFY17, better than estimates



Cigarette EBIT posted 1.7% YoY growth with 190bp expansion of margin



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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

Maruti Suzuki increases prices across all models

Maruti Suzuki has announced a price increase on all its models with immediate effect. The price increase will range from Rs 1,500 to Rs 8,014 and will be applicable to all the cars in the Maruti Suzuki range excluding the newly launched Maruti Suzuki Ignis...

2

Patanjali pulls FMCG firms to herbal space

The herbal-natural products market has got an impetus in recent times with the emergence of Patanjali. The astounding success of yoga guru Ramdev's venture has not only attracted the attention of multinational fast moving consumer good (FMCG) majors towards the growing segment but also injected enthusiasm in smaller players, trying for years to expand. While, many FMCG companies are now relooking at their strategy, new and smaller entities have pulled up their socks to cash on the surging organic, herbal, natural and ayurvedic market.

3

Indian IT sector braces for impact of Donald Trump's immigration order

India's software services sector is bracing for the consequences of new US President Donald Trump action against outsourcing of jobs. Trump has signed an order to block entry of people, including highly qualified professionals, from seven Muslim-majority nations.

4

Tata Motors reshuffles senior management for a leaner structure

Tata Motors Ltd is reshuffling the roles of its top executives as part of a restructuring exercise it initiated a few months ago to make the firm more efficient, said three people aware of the developments. All of them declined to be identified...

5

DCB Bank to raise up to Rs400 crore in H2 of next fiscal year

Small-sized private sector lender DCB Bank is targeting to raise up to Rs400 crore in the second half of the next financial year to augment its capital, a top official has said. "We will raise Rs300-400 crore of capital after September 2017. That is our current thinking," managing director and chief executive Murali Natrajan told PTI. He said the bank is comfortably placed for its capital buffers to take care of growth at present, but will have to evaluate it later...

6

Wary SBI may Play Safe with Troubled Borrowers

The arrest of former bankers who had approved loans to Vijay Mallya's Kingfisher Airlines will hold back India's largest lender State Bank of India (SBI) from throwing a lifeline to a troubled company and pro actively rejigging loans to give a business house a second chance...

7

India Post has received payments bank licence

"India Post has received payments bank licence. The service will be launched as per schedule," a Department of Posts official said. India Post Payments Bank is the third entity to receive payments bank permit after Bharti Airtel and Paytm. Payments banks can accept deposits up to Rs1 lakh per account from individuals and small businesses...



Utilities

Refer to our report on Utilities, July 2016



UDAY: Good progress on balance sheet repair

But 1HFY17 operating performance disappointing

It has been more than a year since the launch of the 'UDAY' scheme for revival of state DISCOMs. According to data on the 'UDAY' portal for 12 states for 1HFY17, we note that there is significant progress on reduction of financial burden, but operational performance is disappointing.

- ~82% of the bond issuance target has been achieved
- But, AT&C losses have increased for 10 states
- Gap between cost and revenue has widened in seven states
- Feeder separating is lagging, but metering is progressing well

We are hopeful that AT&C losses will reduce; yet, there are a number of challenges in improving the operating performance of DISCOMs.

- Increase in cess (by INR200/ton) and railway freight would increase fuel cost by INR0.15-0.20/kWh.
- Low PLF and high fixed cost of recently commissioned capacities under PPA are driving specific fixed costs. States have added 18GW of PPAs in FY16 (Exhibit 11), while demand has increased by ~6GW.
- Rising share of renewable energy is increasing average cost of supply (ACS), as it is displacing consumption of low cost coal, while there is no reduction in fixed cost.
- Tariff structure needs to be aligned with cost of delivery to the end consumer rather than depending upon cross subsidy from industrial consumers. According to our analysis, the key reason behind the financial distress of DISCOMs is poor share of industrial consumption (Exhibit 8).

We believe DISCOMs will have to look beyond UDAY, and focus on overhauling tariff structure and reducing cost of supply. This will drive privatization of distribution circles and state-owned GENCOs, faster closure of inefficient power plants, leveraging of national grid to manage peak load, reduce requirements for PPAs, increase short-term purchase of power, and increase requirement for long distance transmission. We remain bullish on **Power Grid, NTPC, CESC** and **JSW Energy**.

Exhibit 1: Utilities sector valuations

	Rating	CMP (INR)	TP (INR)	Up/ (dw) %	MCAP (USD M)	EPS			P/E (x)		P/B(x)		RoE (%)	
						FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E
Powergrid	Buy	203	227	12	15,728	11.5	14.2	16.8	14.3	12.1	2.2	1.9	16.1	16.6
NTPC	Buy	171	195	14	20,889	12.3	11.9	14.3	14.4	12.0	1.5	1.4	10.6	11.9
JSW Energy	Buy	60	83	38	1,464	8.5	4.1	3.3	14.7	18.5	1.1	1.1	7.7	6.0
CESC	Buy	736	940	28	1,451	27.8	48.4	70.7	15.2	10.4	1.7	1.5	10.6	15.1
Coal India	Neutral	316	315	0	29,553	22.6	16.8	20.0	18.8	15.8	6.5	6.5	32.9	41.1

Source: Company, MOSL



BSE SENSEX	S&P CNX
27,882	8,641
Bloomberg	ITC IN
Equity Shares (m)	12070.8
M.Cap.(INRb)/(USD\$)	3,108.2 / 47.6
52-Week Range (INR)	267 / 178
1, 6, 12 Rel. Per (%)	4/3/10
Avg Val, INRm	2731
Free float (%)	100.0

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	362.2	384.4	426.1
EBITDA	137.2	143.1	162.4
NP	93.1	101.1	114.8
EPS (INR)	7.7	8.4	9.5
EPS Gr. (%)	-3.5	8.6	13.5
BV/Sh. (INR)	27.3	31.6	36.1
RoE (%)	29.3	28.4	28.1
RoCE (%)	27.8	27.3	27.4
P/E (x)	33.4	30.7	27.1
P/BV (x)	9.4	8.1	7.1
EV/EBITDA (x)	21.2	20.2	17.5
Div. Yield	2.6	2.1	2.4

Estimate change

TP change

Rating change

CMP: INR258 TP: INR295 (+15%)

Buy

Cigarette volumes surprise positively again

- **3QFY17 performance better than expectation:** Net revenues increased 4.3% YoY (est. of -4% YoY) to INR92.5b. EBITDA margin contracted 80bp YoY (est. of -100bp). EBITDA thus grew 2.1% YoY (est. of -6.4%) to INR35.5b, while PAT before other comprehensive income rose 6% YoY (est. of -3%) to INR26.5b.
- **We reckon cigarette volumes fell 1% YoY** (better than est. of -7%), aided by higher growth in the sub-65mm segment (well over usual proportion of mid-20% share in overall volumes for the quarter, in our view). The impact of price increase in Gold Flake and Navy Cut toward end-December is yet to be ascertained. Gross cigarette revenue grew 2.2% YoY, while calculated net sales declined 1% YoY. Cigarette EBIT rose 1.7% YoY, with margin up 190bp. While cigarette volume performance has been commendable, the base becomes less favorable going forward (4QFY16 and 1QFY17 base of 0% and 3%, respectively).
- **FMCG – Other net sales increased 3.4% YoY to INR25.6b** (well above est. of -8%), but the segment reported small EBIT loss of INR196.6m (est. of loss of INR45.6m). Agri, Hotels and Paper business revenue grew 12.9%, 7.3% and -0.5% YoY, respectively.
- **Maintain Buy:** Near-term challenges and uncertainties remain due to (1) less favorable cigarette volume base going forward, (2) potential cess on cigarettes under the GST and (3) likely excise increase on cigarettes in the national budget next week. However, cigarette volumes and Other FMCG sales have shown some resilience in a weak market. At 25.6x FY18E, ITC trades at a significant discount to peers. Maintain **Buy** with target multiple of 28x Dec-2018E EPS (in line with three-year average P/E), leading to a TP of INR295 (prior: INR290).

Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE				
Cigarette Vol Gr (%)	-17.0	-14.0	-5.0	0.0	3.0	4.0	-1.0	-4.0	-9.0	0.6	-7.0	
Net Sales	91,600	87,989	88,671	97,567	100,540	96,607	92,484	98,798	365,827	388,429	88,097	5.0%
YoY Change (%)					9.8	9.8	4.3	1.3	0.2	6.2	-4.0	
Total Exp	59,078	54,162	53,924	61,483	65,278	60,307	57,020	62,759	228,647	245,364	54,368	
EBITDA	32,522	33,827	34,746	36,084	35,262	36,300	35,464	36,038	137,179	143,065	33,729	5.1%
Growth (%)					8.4	7.3	2.1	-0.1	1.4	4.3	-6.4	
Margins (%)	35.5	38.4	39.2	37.0	35.1	37.6	38.3	36.5	37.5	36.8	38.3	
Depreciation	2,576	2,582	2,619	2,543	2,613	2,684	2,665	3,272	10,319	11,234	2,888	
Interest	105	103	161	123	101	107	136	234	491	578	195	
Other Income	3,565	3,926	6,490	3,712	4,205	4,754	6,879	3,797	17,693	19,636	6,779	
PBT	33,407	35,068	38,456	37,131	36,754	38,262	39,542	36,330	144,061	150,888	37,426	5.7%
Tax	11,746	12,443	13,419	13,342	12,907	13,262	13,075	10,549	50,949	49,793	11,602	
Rate (%)	35.2	35.5	34.9	35.9	35.1	34.7	33.1	29.0	35.4	33.0	31.0	
Adj PAT	21,661	22,625	25,038	23,789	23,847	25,000	26,467	25,781	93,113	101,095	25,824	2.5%

E: MOSL Estimates



Larsen & Toubro

BSE SENSEX	S&P CNX
27,882	8,641
Bloomberg	LT IN
Equity Shares (m)	935.4
M.Cap. (INR b)/(USD b)	1,346/19.7
52-Week Range (INR)	1,615/1,017
1, 6, 12 Rel. Per (%)	0/-7/16
12M Avg Val (INR M)	2652
Free float (%)	100.0

Financials & Valuation (INR Billion)

Y/E MAR	2016	2017E	2018E
Sales	1,020	1,092	1,250
EBITDA	103.5	110.7	144.0
Adj PAT *	41.8	49.7	59.6
EPS (INR)*	44.7	53.1	63.7
EPS Gr. (%)	-5.3	18.6	20.0
BV/Sh (INR)	470.2	509.7	555.7
RoE (%)	9.9	10.8	12.0
RoCE (%)	6.3	7.0	9.3
P/E (x)*	32.2	27.1	22.6
P/BV (x)	3.3	3.1	2.8

* Consolidated

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,440 **TP: INR1,620 (+13%)** **Buy**

- **3QFY17 consol. operational performance below estimates:** Revenues of INR262b (+1.4% YoY) were below our estimate of INR273b. Reported EBITDA at INR25b was 9% below our estimate of INR27.7b. PAT at INR9.7b (+39% YoY) was 11.6% below our estimate of INR11b, led by higher-than-estimated depreciation (+97% YoY) due to an impairment charge on sale of Seawood mall monetization (INR2.7b).
- **Margin improves 140bp YoY, but below estimates:** EBITDA at INR25.2b (+18.7% YoY) was below our estimate of INR27.7b. However, adjusting for the INR1b provision for receivables for the Nabha power plant, EBITDA stands at INR26.2b, marginally below our estimates. EBITDA margin expanded 140bp YoY to 9.6% (below est. of 10.1% led by lower-than-estimated revenue), driven by improvement in infrastructure, hydrocarbons and heavy engineering segment. Adjusted EBITDA margin at 10.0% was in line with our estimate of 10.1%. Adjusting for the multiple one-offs, PBT at INR21.3b was in line with our estimate of INR21.4b (Refer table 3).
- **Order intake meaningfully above our estimate:** During 3QFY17, consolidated intake stood at INR349b (-10% YoY), meaningfully above our estimate of INR280b. Unannounced orders were at INR223b (64% of total order intake), excluding the services business and IDPL. Order inflow was primarily supported by infrastructure and hydrocarbon segment. Domestic order inflow declined 16% YoY, but international orders (34% of total order inflow) grew 7% YoY.
- **Cuts guidance for FY17:** Revenue growth guidance is cut to 10% YoY from 12-15%. Order intake growth guidance has been cut to 10% YoY from 15% YoY, and EBITDA margin is guided to improve 50bp YoY to 10.0% (Ind-AS), same as earlier.
- **Maintain Buy; target price at INR1,620.** Maintain **Buy** with SOTP-based TP of INR1,620 (E&C business at 18x FY18E). LT is the best play on capex recovery in India with strong presence across key segments like Metro Rails, Hydrocarbons, Fertilizers, Nuclear Power, Defense and Power BTG.

Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17	3Q	% Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	200,482	231,235	259,281	331,570	218,738	250,107	262,870	365,929	1,019,641	1,092,044	273,000	-3.7%
Change (%)	7.0	9.3	8.7	18.3	9.1	8.2	1.4	10.4	10%	7%	5.7	
EBITDA	16,411	21,310	21,261	48,592	19,050	22,977	25,227	43,474	103,494	110,728	27,700	-8.9%
Change (%)	-8.9	8.6	-26.4	34.6	16.1	7.8	18.7	-10.5	-8.7	7.0	4.5	
Margin (%)	8.2	9.2	8.2	14.7	8.7	9.2	9.6	11.9	10%	10%	10.1	
Depreciation	4,658	5,286	3,680	8,203	4,648	4,602	7,223	4,654	17,867	21,126	4,400	
Interest	3,893	4,388	4,043	7,737	3,375	3,517	3,788	3,725	16,405	14,404	5,000	
Other Income	2,833	3,217	2,410	2,182	3,024	4,813	2,568	2,428	10,032	12,834	3,100	
Extraordinary Inc/(Exp)	0	457	0	485	0	4,024	0	0	942	0	0	
Reported PBT	10,692	15,310	15,949	34,834	14,052	19,671	16,785	37,524	80,196	88,032	21,400	-21.6%
Tax	4,282	5,347	5,124	9,537	5,488	6,807	4,399	10,307	23,782	23,782	7,000	
Effective Tax Rate (%)	40.1	34.9	32.1	27.4	39.1	34.6	26.2	27.5	30.7	30.7	32.7	
Reported PAT	4,190	7,784	7,004	24,536	6,096	14,346	9,725	23,508	42,790	49,651	11,000	-11.6%
Change (%)	-37.3	-9.7	-19.2	18.6	45.5	84.3	38.9	-4.2	3.8	3.8	6.3	
Adjusted PAT	4,190	7,327	7,004	24,051	6,096	10,322	9,725	23,508	41,848	49,651	11,000	-11.6%
Change (%)	-21.0	-15.0	-19.2	22.0	45.5	40.9	38.9	-2.3	7.9	7.9	6.3	



Ashok Leyland

BSE SENSEX	S&P CNX
27,882	8,641
Bloomberg	AL IN
Equity Shares (m)	2,846
M.Cap.(INRb)/(USDb)	246.5 / 3.6
52-Week Range (INR)	113 / 74
1, 6, 12 Rel. Per (%)	12/-2/-9
Avg Val, INRm	1127
Free float (%)	55.7

Financials & Valuations (INR b)

Y/E March	2016	2017E	2018E
Sales	188.2	203.3	234.3
EBITDA	21.7	24.3	29.5
NP	11.1	13.7	18.3
Adj. EPS (INR)	3.9	4.8	6.4
EPS Gr. (%)	375.1	23.3	33.3
BV/Sh. (INR)	19.4	22.4	26.4
RoE (%)	20.9	23.1	26.3
RoCE (%)	12.8	17.0	20.6
P/E (x)	23.7	19.2	14.4
P/BV (x)	4.8	4.1	3.5

Estimate change

TP change

Rating change

CMP: INR93

TP: INR114 (+24%)

Buy

Higher commodity costs and realization pressure drag performance

- **Higher discounting puts pressure on realizations:** Net revenues increased 7% YoY to ~INR44.3b as volumes grew 6% YoY (-1.8% QoQ), while realizations rose marginally by 1% YoY (-2% QoQ) to ~INR1.35m/unit (est. of ~INR1.39m) due to increased discounting.
- **Commodity cost pressures pull down EBITDA margin:** EBITDA grew marginally by ~1% YoY (-15% QoQ) to INR4.5b (est. of ~INR5b), translating into margin of 10.3% (est. of 10.9%; -60bp YoY, -130bp QoQ). RM cost rose 290bp QoQ, but a 170bp decline in other expenses arrested further contraction in EBITDA margin. Forex loss of INR637m (v/s loss of INR17m in 3QFY16) dragged adjusted PAT to ~INR1.8b.
- **Key takeaways from the call:** a) Average discounts in the industry have increased to ~INR300k/unit from INR225-250k in 2QFY17. AL expects discounts to slightly moderate in 4QFY17. b) Commodity costs (especially steel) have hardened QoQ. Increase in commodity costs has been largely factored in 3QFY17 raw material costs. It expects 4QFY17 to be stable. c) AL has inventory of 11,500 units in anticipation of pre-buying. d) It has taken a price hike of 4% in January 2017 to offset commodity cost inflation. e) Capex in FY18 at INR5-7.5b (includes capex on LCV business)
- **Valuation and view:** We maintain our estimates. AL trades at 14.4x/11.3x FY18E/FY19E EPS, and EV of 8.8x/6.8x FY18/19E EBITDA. With a renewed focus on LCVs, newer areas (exports, defense and aftermarket) of growth and an unwavering focus on profitability/capital allocation, we value AL at its historical EV/EBITDA of 9x (in line with TTMT), as the above-mentioned factors outweigh any impact of the merger with Hinduja Foundries. Maintain **Buy** with a target price of INR114 (~9x FY18 EV/EBITDA).

Quarterly Performance (Consolidated)

	FY16				FY17E			FY16	FY17E	FY17E	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q				
Total Volumes (nos)	28,154	37,369	30,928	43,991	31,163	33,446	32,838	140,457	146,600	32,838	0.0
Growth %	41.2	47.3	21.8	28.8	10.7	-10.5	6.2	33.9	4.4	6.2	
Realizations (INR '000)	1,379	1,329	1,330	1,354	1,367	1,382	1,349	1,349	1,386	1,386	-2.6
% change	11.0	4.8	0.5	2.6	-0.9	4.0	1.4	4.4	2.7	4.9	
Net operating revenues	38,831	49,672	41,138	59,553	42,588	46,224	44,309	189,536	203,256	46,272	-4.2
Change (%)	56.7	54.4	22.4	32.2	9.7	-6.9	7.7	39.8	7.2	13	
RM/sales %	68.4	69.7	69.9	71.0	68.7	67.8	70.7	69.6	69.1	68.3	240bp
Staff/sales %	8.5	7.6	8.4	5.7	8.4	8.0	8.2	7.3	7.4	7.8	30bp
Other exp/sales %	13.0	10.2	10.7	10.7	11.6	12.6	10.9	11.2	11.5	13.0	-210bp
EBITDA	3,925	6,240	4,493	7,531	4,820	5,365	4,543	22,493	24,328	5,021	-9.5
EBITDA Margins (%)	10.1	12.6	10.9	12.6	11.3	11.6	10.3	11.9	12.0	10.9	-60bp
Other Income	78	454	298	320	385	316	235	1,176	1,425	475	-50.5
Interest	701	631	603	602	338	339	311	2,476	1,603	425	-26.8
Fx Gain/(Loss)	-180	-79	-17	0	497	66	-637	50	-75	0	
Depreciation	1,138	1,231	1,194	1,177	1,210	1,261	1,193	4,879	4,880	1,225	-2.6
PBT before EO Item	1,984	4,754	2,976	6,071	4,154	4,146	2,637	16,364	19,196	3,846	-31.4
EO Exp/(Inc)		1,570	50	3,793		0	0	8,152	0	0	
Effective Tax Rate (%)	36.3	45.9	27.0	66.2	30.0	29.0	29.5	55.9	29.0	27	250bp
Adj. PAT	1,264	2,571	2,174	4,563	2,908	2,944	1,859	11,771	13,629	2,808	-33.8
Change (%)	-364	527	577	93	130	14	-14	355.5	15.8	38.1	



BSE SENSEX	S&P CNX
27,882	8,641
Bloomberg	CLGT IN
Equity Shares (m)	272.0
M.Cap.(INRb)/(USD\$b)	264.6 / 3.7
52-Week Range (INR)	1033 / 788
1, 6, 12 Rel. Per (%)	-7/-5/-11
12M Avg Val (INR M)	293
Free float (%)	49.0

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	38.0	39.2	44.5
EBITDA	9.5	9.6	11.5
PAT	6.2	5.9	7.0
EPS (INR)	22.7	21.7	25.8
Gr. (%)	10.4	-4.4	18.9
BV/Sh (INR)	37.5	41.5	44.3
RoE (%)	68.9	54.9	60.1
RoCE (%)	68.0	53.8	59.0
P/E (x)	38.8	40.6	34.2
P/BV (x)	23.5	21.2	19.9

Estimate change

TP change

Rating change



CMP: INR881 TP: INR1,115(+27%)

Buy

Volumes performance disappointing; market share largely maintained

- **Colgate's (CLGT) net sales declined 8.8% YoY (est. of +7.5%)** to INR8.65b due to 12% calculated volume decline (est. of +2%). EBITDA fell 10.3% YoY (est. of +3.9%) to INR2.14b, mainly due to sales decline. PAT adjusted for tax reversals last year dropped 14.2% YoY (est. of +3.5% YoY).
- **Market share shrunk 30bp QoQ in toothpaste** to 55.4%, but increased 40bp in toothbrush to 47.0%, a multi-decadal high. After a sharp dip in toothpaste market share in the March 2016 quarter, the decline has been restricted to 30bp, providing some stability over past three quarters. However, when we take into account YoY market share, it indicates that toothpaste industry volumes are also likely to have declined ~9% YoY. This is likely due to the temporary liquidity crunch post demonetization (despite proactive measures taken by CLGT) and the category's high rural sales proportion. Management, however, expects a gradual pick-up as liquidity improves.
- **Gross margin continued to expand strongly (+70bp YoY v/s est. of +30bp)** to 63.5%. A&P declined 150bp YoY to 9.6% after three quarters of high adspend. However, these gains were offset by a sharp increase in other expenses (+210bp) and staff costs (+60bp). EBITDA margin contracted 50bp YoY (est. of -80bp) to 24.5%, mainly due to decline in sales.
- **Valuation and view:** Oral care category has high growth potential, in our view. CLGT has strong moats in the form of distribution, category development, brand strength, R&D and concentrated focus on oral care, which has helped it to consistently ward off competition. Long-term earnings potential is strong, and balance sheet is best-of-breed. Post results, we cut FY18E/FY19E EPS by 11.8%/9.2%. Maintain **Buy** with a revised TP of INR1,115 (prior: INR1,200) based on 37x Dec-18 EPS, 5% discount to average multiple for past three years.

Quarterly Performance

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE	3QE	3QE		
Toothpaste Volume Gr %	2.0	3.0	1.0	3.0	5.0	4.0	-12.0	-2.0	2.3	-1.3	2.0	
Net Sales	9,237	9,581	9,484	9,714	10,056	10,483	8,650	10,057	38,016	39,246	9,953	-13.1%
YoY Change (%)					8.9	9.4	-8.8	3.5	-3.9	3.2	7.5	
COGS	3,641	3,658	3,529	4,125	3,818	3,910	3,159	4,117	14,953	15,003	3,823	-17.4%
Gross Profit	5,596	5,924	5,955	5,589	6,238	6,574	5,491	5,939	23,063	24,242	6,130	
Gross Margin (%)	60.6	61.8	62.8	57.5	62.0	62.7	63.5	59.1	60.7	61.8	61.6	
Other operating Expenses	3,630	3,448	3,653	3,320	4,197	3,909	3,446	3,524	14,051	15,075	3,852	
% to sales	39.3	36.0	38.5	34.2	41.7	37.3	39.8	35.0	37.0	38.4	38.7	
Other operating Income	72	67	85	227	76	83	96	204	451	458	161	
EBITDA	2,038	2,543	2,387	2,495	2,117	2,748	2,141	2,620	9,463	9,625	2,440	-12.3%
Margins (%)	21.9	26.4	24.9	25.1	20.9	26.0	24.5	25.5	24.6	24.2	24.1	
YoY Growth (%)					3.9	8.1	-10.3	5.0	15.1	1.7	3.9	
Depreciation	253	269	295	297	316	333	342	322	1,114	1,313	339	
Interest	0	0	0	0	0	0	0	0	0	0	0	
Financial other Income	81	107	98	51	96	113	109	39	336	357	80	
PBT	1,866	2,380	2,190	2,248	1,897	2,527	1,908	2,337	8,685	8,669	2,180	-12.5%
Tax	626	812	724	354	640	714	650	770	2,516	2,774	763	
Rate (%)	33.5	34.1	33.1	15.8	33.7	28.3	34.1	33.0	29.0	32.0	35.0	
Adj PAT	1,241	1,569	1,466	1,894	1,257	1,813	1,258	1,567	6,169	5,895	1,417	-11.2%
YoY Change (%)					1.3	15.6	-14.2	-17.3	10.4	-4.4	3.5	

E: MOSL Estimates



IDFC Bank

BSE SENSEX	S&P CNX
27,882	8,641
Bloomberg	IDFCBK IN
Equity Shares (m)	3392.6
M.Cap.(INRb)/(USDb)	214.4 /3.2
52-Week Range (INR)	83 /44
1, 6, 12 Rel. Per (%)	-4/21/-10
Avg Val, INRm	536
Free float (%)	47.1

CMP: INR63

TP: INR68 (8%)

Neutral

Asset quality disappoints; trading gains compensate for high provisions

- IDFC Bank (IDFCBK) reported in-line earnings of INR1.9b (down 21% YoY). NII was in line with estimate at INR5.2b; however, margin decline of 10bp QoQ to 2.1% surprised us negatively. Higher than expected trading gains of INR2.2b (expectation of INR1.3b) compensated for higher provisions (INR2.3b v/s estimate of INR1.1b).
- Slippages were elevated, led by one large account (fraud) from the non-legacy book. Consequently, GNPL increased 11% QoQ. In percentage terms, GNPL increased to 7% (partially because of lower denominator) from 6% in 2QFY17. Increase in provision cover to 65% (60% in 2QFY17) led to 2% QoQ NNPA drop.
- Customer assets grew 5% QoQ and 54% YoY to INR713b. According to the management, the share of retail and SME business has increased to 13%, and would be a focus area for the bank. Reliance on trading investments in the balance sheet remains high (0.8% of assets) to boost earnings.
- **Other highlights:** (1) Tier-1 ratio remains healthy at ~18%; (2) Core fee income increased significantly from INR182m in 3QFY16 to INR1b in 3QFY17 (+46% QoQ; 40bp of average assets), and (3) Three new branches opened (now 74).

Valuation and view: Earnings are likely to remain volatile in the near term due to transition cost, higher share of trading gains in overall earnings, and portfolio acquisitions (to fulfill PSL requirements). Additionally, stress loans remain high. In the medium to long term, higher leverage, low cost-to-assets and higher share of infra bonds will lead to higher sustainable RoA/RoE. However, given the rich valuations, we reiterate **Neutral**. We have cut earnings by 14-15% for FY17-19E to factor in lower margins and lower balance sheet growth. Our revised target price (based on RI model) is INR68 (1.4x December 2018E BV).

Financials & Valuations (INR b)

Y/E March	2H2016E	2017E	2018E
NII	8.5	20.4	25.0
OP	7.4	19.5	22.4
NP	4.7	10.4	13.4
NIM (%)		2.5	2.3
EPS (INR)		3.1	3.9
EPS Gr. (%)			29.0
BV/Sh. (INR)	40.2	42.5	45.5
ABV/Sh. (INR)	37.8	39.9	42.6
RoE (%)		7.4	8.9
RoA (%)		1.1	1.1

Quarterly Performance

(INR Million)

	FY16		FY17E		2HFY16	FY17E
	3Q	4Q	1Q	2Q		
Net Interest Income	3,863	4,168	4,989	4,956	5,208	5,264
% Change (Y-o-Y)					34.8	26.3
Other Income	2,179	1,377	2,128	4,101	3,350	3,020
Net Income	6,042	5,545	7,117	9,057	8,558	8,284
Operating Expenses	2,153	2,947	2,768	3,234	3,798	3,727
Operating Profit	3,889	2,598	4,349	5,823	4,760	4,557
% Change (Y-o-Y)					22.4	75.4
Other Provisions	123	119	236	223	2,318	1,701
Profit before Tax	3,766	2,479	4,113	5,600	2,443	2,856
Tax Provisions	1,345	829	1,465	1,722	530	936
Net Profit	2,422	1,651	2,648	3,878	1,913	1,920
% Change (Y-o-Y)	NA	NA	NA	NA	-21.0	16.3
Operating Parameters						
NIM (Reported,%)	2.0	2.1	2.4	2.2	2.1	
NIM (Cal, %)	2.1	2.3	2.4	2.0	2.0	2.2

E: MOSL Estimates



BSE SENSEX	S&P CNX
27,882	8,641
Bloomberg	TELX IN
Equity Shares (m)	31
M.Cap.(INRb)/(USDb)	45.8 / 0.7
52-Week Range (INR)	2396 / 1022
1, 6, 12 Rel. Per (%)	4/-10/-38
Avg Val, INRm	885
Free float (%)	55.4

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	10.8	12.4	14.6
EBITDA	2.5	3.0	3.6
PAT	1.5	1.8	2.2
EPS (INR)	49.7	59.3	72.1
Gr. (%)	50.5	19.2	21.6
BV/Sh (INR)	123.9	154.9	194.6
RoE (%)	46.3	42.5	41.3
RoCE (%)	46.3	42.5	41.3
P/E (x)	29.6	24.8	20.4
P/BV (x)	11.9	9.5	7.6

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR1,471 TP: INR1,780(+21%)

Buy

Adverse currency impacts revenue; structural growth story intact

- Revenue growth slows down:** TELX's overall revenue increased 13% to INR3,094m (est. of INR3,097m) in 3QFY17 from INR2,741m in the corresponding period last year. Growth, however, was partly offset by unfavorable movement of GBP (excl. currency impact, growth was 18%). EBITDA margin contracted 30bp to 23.9% (est. of 25%) from 24.2% in 3QFY16 due to higher employee cost. EBITDA increased 11% to INR739m (est. of INR773m) from INR663m in the year-ago period. Thus, PAT grew 13% YoY to INR458m (est. of INR494m).
- New partnerships/customer wins to drive growth:** In 3QFY17, TELX announced new tie-ups and customer additions, which should drive growth going forward. It partnered with Irdeto to provide secure in-car display system for automobiles. It also announced new client win in China along with Spirent for joint advanced V2X test system. Another important development was the opening of the offshore dedicated facility for Panasonic – Home Appliances segment.
- Higher employee expenses impact EBITDA:** TELX's employee base stands at 5,600, of which 300 were added in 3QFY17 under the fresh graduate program. This led to a rise in employee costs (55.9% v/s 53.8% YoY), impacting EBITDA margin. These employees will gradually start generating revenue over next few quarters. Further employee addition will be on specific requirement basis only, and employee cost in 4Q should largely remain unchanged. TELX indicated that 60% of revenue is derived from offshore, and the proportion of employees holding H1B visa is very small.
- Valuation and view:** The Transportation and Broadcasting business continues to be the key revenue driver, while JLR's contribution remains healthy at ~21%. We largely maintain our estimates and roll over to FY19E. We expect 17% revenue CAGR and 21% PAT CAGR over FY16-19E, led by EPD. Given its strong capabilities in the areas of Technology, Engineering and Design as well as standing as a strong play on IoT, we maintain **Buy** with a TP of INR1,780, 20x FY19E EPS.

Quarterly performance

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	2,435	2,637	2,741	2,940	2,943	3,033	3,094	3,380	10,752	12,445	3,097	0
YoY Change (%)	27.7	28.1	23.7	27.1	20.9	15.0	12.9	15.0	26.6	15.7	13.0	
Total Expenditure	1,875	2,024	2,077	2,268	2,253	2,288	2,355	2,586	8,244	9,483	2,324	
EBITDA	560	613	663	672	691	745	739	794	2,508	2,962	773	-4
Margins (%)	23.0	23.2	24.2	22.8	23.5	24.6	23.9	23.5	23.3	23.8	25.0	
Depreciation	90	57	57	59	67	64	69	65	263	267	62	
Interest	0	0	0	0	0	0	0	0	0	0	0	
Other Income	76	27	23	6	11	26	23	30	132	94	37	
PBT before EO expense	546	583	629	618	634	707	693	759	2,376	2,789	748	-17
Extra-Ord expense	0	0	13	0	0	57	31	0	13	87	0	
PBT	546	583	616	618	634	651	662	759	2,363	2,702	748	-12
Tax	189	202	217	208	215	220	224	258	815	913	254	
Rate (%)	34.6	34.7	35.2	33.6	33.8	33.8	33.9	34.0	34.5	33.8	34.0	
Reported PAT	357	381	399	411	419	431	438	501	1,548	1,789	494	-11
Adj PAT	357	381	407	411	419	468	458	501	1,557	1,846	494	-7
YoY Change (%)	71.8	61.2	46.8	37.7	17.4	22.9	12.5	22.0	51.3	18.6	23.8	
Margins (%)	14.7	14.5	14.9	14.0	14.2	15.4	14.8	14.8	14.5	14.8	15.9	



India Cements

BSE SENSEX	S&P CNX
27,882	8,641
Bloomberg	ICEM IN
Equity Shares (m)	307.2
M.Cap.(INRb)/(USD\$b)	44.5 / 0.7
52-Week Range (INR)	164 / 64
1, 6, 12 Rel. Per (%)	24/17/50
Avg Val, INRm	545
Free float (%)	71.7

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	42.3	52.5	58.6
EBITDA	7.7	8.4	9.4
PAT	1.4	2.2	3.0
EPS (INR)	4.4	7.3	10.7
Gr. (%)	NA	66.8	45.4
BV/Sh (INR)	118.8	124.6	133.2
RoE (%)	3.9	5.8	7.6
RoCE (%)	5.9	6.6	7.3
P/E (x)	33.0	19.8	13.6
P/BV (x)	1.2	1.2	1.1

Estimate change



TP change



Rating change



CMP: INR145 TP: INR138(-5%) Neutral

Volume growth continues to surprise; higher cost impacts profitability

- **Cement volume increased 21% YoY** to 2.35mt (est. of 2.25mt) in 3QFY17, led by higher demand in the south market and a low base. Cement realizations rose 1.4% QoQ (-1.4% YoY) due to the full impact of price hikes in AP/Telangana.
- **Higher energy and freight costs** led to EBITDA margin contraction of 229bp QoQ (+98bp YoY) to 14.9%. EBITDA increased 28% YoY (-16% QoQ) to INR1.89b. Unitary cost of production declined 2% YoY, but increased 4% QoQ due to sequentially higher P&F and freight costs. Blended EBITDA/ton stood at INR802 (+6% YoY, -12% QoQ).
- **Concall highlights:** (a) South market likely to grow at 8% YoY in FY18, led by higher demand from AP/Telangana. (b) Term debt reduction likely to be in excess of INR2b in FY17 (9MFY17 at INR1.7b). (c) Cement prices steady in the focus markets in January 2017. (d) Power and fuel cost to be higher sequentially, tracking USD12/t increase in fuel prices from 3QFY17 levels. (e) Likely annual capex of INR2b over FY17-FY18.
- **Maintain Neutral:** We believe ICEM, which enjoys good brand recall and market share, is a healthy play on southern recovery. However, despite its strategically located plants, the cost structure is relatively high due to vintage constraints. High investments in the non-cement businesses keep valuation at discount. Maintain **Neutral** with a TP of INR138 (EV of 6.5x FY19E EBITDA and USD68/ton). Sustained southern demand recovery and improvement in capital allocation would be the key re-rating triggers.

Quarterly Performance (Standalone)

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			
Sales Dispatches (m ton)	2.10	2.17	1.94	2.50	2.31	2.46	2.35	2.69	8.70	9.80	10.64
YoY Change (%)	-18	-8	-8	19	10	14	21	8	-4.5	12.7	8.6
Realization (INR/ton)	5,047	5,570	5,413	3,440	5,173	5,259	5,334	5,409	4,797	5,298	5,453
YoY Change (%)	18.9	19.7	13.3	-28.6	2.5	-5.6	-1.4	57.2	4.1	10.4	2.9
QoQ Change (%)	4.7	10.4	-2.8	-36.4	50.4	1.7	1.4	-4.0			
Net Sales	10,743	12,258	10,587	11,471	12,025	13,075	12,679	14,722	42,269	52,501	58,601
YoY Change (%)	-12.4	8.3	2.2	11.9	11.9	6.7	19.8	28.3	-4.4	24.2	11.6
EBITDA	1,960	2,296	1,471	2,115	2,014	2,244	1,886	2,284	7,813	8,427	9,423
Margins (%)	18.2	18.7	13.9	18.4	16.7	17.2	14.9	15.5	18.5	16.1	16.1
Depreciation	554	557	554	522	511	521	516	523	2,180	2,072	2,162
Interest	965	985	935	913	825	876	858	821	3,704	3,380	3,043
Other Income	44	33	74	70	32	69	31	64	222	196	196
PBT before EO expense	485	788	56	750	710	917	542	1,002	2,150	3,172	4,413
Extra-Ord expense	107	40	0	0	0	0	0	0	147		
PBT	378	748	56	750	710	917	542	1,002	2,003	3,172	4,413
Tax	0	363	24	238	271	293	189	263	625	1,015	1,412
Rate (%)	0.0	48.5	43.6	31.7	38.1	31.9	34.8	26.2	31.2	32.0	32.0
Reported PAT	378	385	32	512	440	624	353	739	1,378	2,157	3,001
Adj PAT	485	405	32	512	440	624	353	739	1,480	2,157	3,001



Eveready Industries

BSE SENSEX	S&P CNX
27,882	8,641
Bloomberg	EVRIN IN
Equity Shares (m)	73
M.Cap.(INRb)/(USDb)	17.5 / 0.3
52-Week Range (INR)	291 / 190
1, 6, 12 Rel. Per (%)	12/-2/-17
Avg Val, INRm	45.8
Free float (%)	56.0

CMP: INR242 TP: INR287 (+19%) Buy

Growth continues to be subdued; New categories to drive growth

- Revenue and EBITDA beat estimates:** EVRIN's 3QFY17 revenue grew 2% YoY to INR3,294m (est. of INR2,852m). Growth, however, was impacted by lower demand due to demonetization, flattish growth in battery and a decline in flashlights. LED business grew 73% YoY. This, however, was offset by a 56% decline in CFL business, leading to small blended growth in the lighting segment. EBITDA declined 6% YoY to INR352m (est. of INR292m) due to incremental cost in appliances business, with EBITDA margin contracting 90bp to 10.7% (est. of 10.2%). Adjusted PAT grew 65% YoY to INR352m (est. of INR155m) due to reversal of tax relating to the previous year.
- Healthy growth in LED sales:** Total sales of LED increased 73% to INR467m from INR269m in 3QFY16. This included revenue from government orders to the tune of INR50m. Volume-wise, growth was 168% YoY. Management highlighted that average selling prices have almost halved from last year and that de-growth in CFL business has impacted lighting segment growth.
- New product categories to drive growth:** EVRIN's range of products in small appliances segment (value for money positioning) clocked revenue of INR120m in 3QFY17. The response for kitchen and heating appliances was good; EVRIN plans to launch air purifier in 4QFY17. It also plans to expand in west and south India, and invest ~5% of revenue in brand building in FY18.
- Valuation and view:** We believe that new categories and LED business will drive growth for EVRIN, leveraging upon its strong brand. Considering the impact of tax reversal, we increase earnings for FY17E/FY18E by 34%/8%. We expect revenue CAGR of 8% and PAT CAGR of 22% over FY16-19E. We value the stock at 17x FY19E; maintain **Buy** with a target price of INR287.

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Sales	13.2	13.5	15.0
EBITDA	1.2	1.3	1.5
NP	0.7	0.9	1.0
EPS (INR)	9.2	12.4	13.9
EPS Gr. (%)	8.3	34.3	11.9
BV/Sh. (INR)	28.4	37.3	46.5
RoE (%)	16.2	37.8	33.1
RoCE (%)	15.2	26.8	25.1
P/E (x)	26.2	19.5	17.4
P/BV (x)	8.5	6.5	5.2

Estimate change

TP change

Rating change

Quarterly Performance (Standalone)

Y/E March	FY16				FY17				FY16	FY17E	FY17	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		3QE	%	
Net Sales	3,482	3,678	3,241	2,833	3,544	3,666	3,294	2,946	13,233	13,449	2,852	15
YoY Change (%)	7.6	3.7	-0.4	2.9	1.8	-0.3	1.6	4.0	3.5	1.6	-12.0	
Total Expenditure	3,109	3,351	2,866	2,695	3,167	3,240	2,942	2,799	12,020	12,148	2,560	
EBITDA	373	327	376	137	376	426	352	147	1,213	1,302	292	21
Margins (%)	10.7	8.9	11.6	4.8	10.6	11.6	10.7	5.0	9.2	9.7	10.2	
Depreciation	36	35	35	35	34	36	38	40	140	148	26	
Interest	80	77	76	68	60	59	51	50	301	221	65	
Other Income	14	20	18	29	20	20	22	24	81	86	16	
PBT before EO expense	271	235	283	64	301	351	286	81	853	1,019	217	32
Extra-Ord expense	46	0	0	41	0	0	0	0	87	0	0	
PBT	226	235	283	23	301	351	286	81	766	1,019	217	32
Tax	67	52	70	-17	78	95	(66)	12	171	118	62	
Rate (%)	29.5	22.2	24.7	-76.1	25.8	27.0	-23.2	15.0	22.4	11.6	28.6	
Reported PAT	159	183	213	40	224	256	352	69	595	901	155	
Adj PAT	191	183	213	50	224	256	352	58	662	901	155	127
YoY Change (%)	34.0	-13.4	14.0	-49.7	17.0	40.3	65.0	16.7	4.7	36.0	-23.1	
Margins (%)	5.5	5.0	6.6	1.8	6.3	7.0	10.7	2.0	5.0	6.7	5.4	

E: MOSL Estimates

Granules India

BSE SENSEX 27,882 S&P CNX 8,641

CMP: INR115 TP: INR160 (+39%)

Buy

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

Conference Call Details



Date: 30th January 2017
Time: 05:00pm IST
Dial-in details:
+91-22-3960 0862

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Net Sales	14.3	14.3	16.7
EBITDA	2.8	2.9	3.5
NP	1.2	1.6	2.0
EPS (INR)	5.5	7.0	8.0
EPS Gr. (%)	22.8	28.1	14.5
BV/Sh. (INR)	30.7	40.9	59.2
RoE (%)	21.6	20.0	16.5
RoCE (%)	14.0	11.5	9.9
Payout (%)	21.1	16.5	14.4
Div. Yield	3.7	2.8	1.9

Margins continued to improve; operating performance in-line

- After 4 quarters of low to mid-single digit top-line growth, Granules delivered 11% YoY growth in top-line (@ INR3.6b- in line with MOSL est).
- Granules reported another quarter where margins showed robust improvement. EBITDA margins for the company came at 21.2% (up 120bps YoY & 80 bps QoQ) vs our expectation of 20.2%. EBITDA margins for the company has improved from low of ~11% in FY11 to current levels on the back of change in product mix and capacity expansion.
- EBITDA during the quarter stood at INR 761m; up 17% YoY & 4% above expectations.
- PAT came at INR391m; up 34% YoY & in-line with MOSL est.

Key questions for the management

- Update on traditional business capacity expansion
- Clarity regarding recent two regulatory inspections
- Update on Capex and debt for FY17 and beyond
- Progress report on US based ANDA fillings
- Clarity regarding commencement of supply of API from Omnicem JV and its impact on P&L
- Valuation and view:** GRAN trades at 15.5x FY17E and 14x FY18E & ~10x FY19E EPS. We believe the stock has the potential deliver >50% return in next 12-18 months on the back of multiple re rating (to >15x forward earnings) and strong EPS CAGR of ~30%.
- Key risks to our estimates are (1) higher competition in products like Metformin and Paracetamol, (2) delay in ramp-up of US business, and (3) regulatory risk to its manufacturing facility.

Quarterly performance (INR m)

Y/E March (Consolidated)	FY16				FY17				FY16	FY17E	Est. 3QE	Var. vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	3,226	3,529	3,247	3,723	3,498	3,638	3,592	3,536	14,295	14,294	3,621	-0.80%
YoY Change (%)	3.7	14.7	1.6	5	8.4	3.1	10.6	-5	11.2	0	5	
Total Expenditure	2,599	2,844	2,596	2,940	2,813	2,896	2,831	2,836	11,571	11,435	2,890	
EBITDA	627	685	651	783	685	742	761	700	2,725	2,859	732	4.00%
Margins (%)	19.4	19.4	20	21	19.6	20.4	21.2	19.8	19.1	20	20.2	
Depreciation	139	144	146	174	163	185	187	164	643	701	189	
Interest	81	88	104	99	79	83	84	92	399	346	92	
Other Income	14	10	17	14	30	39	45	36	77	140	35	
PBT before EO expense	420	462	417	525	472	513	535	481	1,759	1,952	486	10.30%
Tax	133	144	129	193	154	156	176	150	617	605	145	
Rate (%)	31.6	31.1	31	36.7	32.5	30.4	32.9	31.3	35.1	31	29.9	
MI & P/L of Asso. Cos.	2	-4	-5	0	-71	-51	-31	-78	2	-250	-50	
Reported PAT	285	323	292	332	390	408	391	409	1,140	1,597	391	0.00%
Adj PAT	285	323	292	332	390	408	391	409	1,140	1,597	391	
YoY Change (%)	24.8	46.2	23.9	48.2	36.5	43.1	33.8	50.5	36.9	40	21	
Margins (%)	8.8	9.1	9	8.9	11.1	11.2	10.9	11.6	8	11.2	10.8	

BSE SENSEX 27,882 S&P CNX 8,641

CMP: INR371 TP: INR426(+15%) Buy

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

Conference Call Details



Date: 30th Jan 2017
Time: 6:00pm IST
Dial-in details:
1800 102 8730

Financials & Valuations (INR b)

Y/E Mar	2016	2017E	2018E
Sales	6.9	7.5	8.4
EBITDA	1.7	1.1	1.3
NP	1.4	1.1	1.3
Adj EPS (INR)	20.4	15.6	18.5
EPS Gr. (%)	3.7	-23.4	18.4
BV/Sh (INR)	96.7	110.0	125.6
RoE (%)	21.1	15.1	15.7
RoCE (%)	21.1	15.1	15.7
Payout (%)	0.0	14.8	15.7

Valuations			
P/E (x)	18.2	23.7	20.0
P/BV (x)	3.8	3.4	3.0
EV/EBITDA (x)	18.1	26.4	21.0
Div. Yield (%)	0.0	0.7	0.9

In-line revenue and EBITDA; PAT below estimates

- Just Dial reported revenue of INR1,803m (est. INR1,713m) as against INR1,661m in 3QFY16 marking a YoY growth of 8.5%.
- EBITDA de-grew 18% YoY from INR315m in 3QFY16 to INR257 in 3QFY17 (est. INR274m). EBITDA margins declined from 19% in 3QFY16 to 14.3% (est. 16%) in 3QFY17 on account of higher employee expenses of 440bp.
- EBITDA adjusted for ESOPs (INR41m) was INR298m. Adj. EBITDA margin was 17% in 3QFY17 vs 25% in 3QFY16.
- Other income grew 50% YoY to INR197m.
- PAT grew by 6% YoY and stood at INR274m in 3QFY17 (est. INR221m).
- Paid campaigns as of end of 3QFY17 stood at 424,830 recording a 20% growth YoY and 4% growth on QoQ.
- As of 3QFY17 company database consisted of approximately 17.3m listings as compared to 16.1m listings as of 3QFY16, representing a Y-o-Y growth of 7%, 16.9m as of 2QFY17 (2% QoQ).
- Total employees as of 3QFY17 stood at 11,185 as against 10,198 employees in 3QFY16 and 11,799 in 2QFY17.

Key questions for management

- Update on performance of JD Omni and Search plus.
- Advertisement campaign for Search plus.

Valuation and view: We will revisit our estimates post the earnings call. Based on our current estimates, at CMP of INR371, the stock trades at 24x/20x PE on FY17/FY18 EPS estimates. We have a **Buy** rating with a target price of INR426.

Consolidated - Quarterly Earning Model

Y/E March	(INR million)											
	FY16				FY17				FY16	FY17E	FY17	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	1,660	1,639	1,661	1,796	1,763	1,803	1,803	1,976	6,908	7,497	1,713	5
YoY Change (%)	23.0	11.2	7.6	14.9	6.2	10.0	8.5	10.0	17.1	8.5	0.0	
Total Expenditure	1,208	1,322	1,346	1,346	1,470	1,579	1,545	1,640	5,202	6,372	1,439	
EBITDA	452	317	315	450	293	224	257	336	1,706	1,125	274	-6
Margins (%)	27.2	19.3	19.0	25.1	16.6	12.4	14.3	17.0	24.7	15.0	16.0	
Depreciation	67	79	81	84	90	102	107	110	311	397	106	
Interest	0	0	0	0	0	0	0	0	0	0	0	
Other Income	137	264	131	155	287	260	197	110	585	702	130	
PBT before EO expense	521	501	366	521	490	383	348	336	1,980	1,429	298	17
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	521	501	366	521	490	383	348	336	1,980	1,429	298	17
Tax	161	97	108	168	100	86	73	87	561	343	78	
Rate (%)	31	19	29	32	20	23	21.1	26	28.4	24.0	26	
Minority Interest & Profit/Loss of Asso.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	361	405	259	353	389	296	274	249	1,419	1,086	221	24
Adj PAT	361	405	259	353	389	296	274	249	1,419	1,086	221	24
YoY Adj PAT Change (%)	28.2	28.6	-19.6	-25.1	8.0	-26.8	6.2	-29.7	2.8	-23.4	-18	
Margins (%)	21.7	24.7	15.6	19.7	22.1	16.4	15.2	12.6	20.5	14.5	12.9	

E: MOSL Estimates



Bajaj Finance

Bloomberg	BAF IN
Equity Shares (m)	535.5
M. Cap. (INR b)/(USD b)	466 / 7
52-Week Range (INR)	1180 / 535
1,6,12 Rel Perf. (%)	-5 / 9 / 40

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
NII	40.3	51.4	66.3	85.7
PPP	25.1	33.3	44.1	58.8
PAT	12.8	17.0	22.1	30.4
EPS (INR)	23.9	31.8	41.3	56.7
EPS Gr. (%)	33.4	33.1	30.1	37.2
BV/Sh. (INR)	136.8	163.9	199.2	247.6
RoA on AUM (%)	3.2	3.3	3.3	3.4
RoE (%)	21.1	21.1	22.8	25.4
Payout (%)	2.9	14.0	14.0	14.0
Valuations				
P/E (x)	37.7	28.3	21.8	15.9
P/BV (x)	6.6	5.5	4.5	3.6
Div. Yield (%)	0.3	0.3	0.3	0.5

CMP: INR900 TP: INR1,096 (+22%) Buy

- We expect AUM growth of 27% YoY in 3QFY17, driven by strong growth in consumer and commercial lending. LAP and 2W/3W financing will be a drag on AUM growth.
- NII should grow 13% YoY; margins are likely to decline 190bp YoY off a high base.
- Asset quality is likely to remain stable. As of September 2016, GNPA's were at 1.58% and NNPA's at 0.43%.
- We expect provisions of INR1.9b, as against INR1.7b in 2QFY17 and INR1.6b in 3QFY16.
- Net profit is likely to grow 8% YoY to INR4.2b.
- The stock trades at 5.1x FY17E and 4.2x FY18E BV. Maintain Buy.

Key issues to watch for

- Commentary on business growth momentum due to the impact of demonetization.
- Guidance on margin due to changing product mix going forward.
- Asset quality trends, especially in LAP and 2W/3W businesses.
- Performance of businesses such as rural SME lending, lifestyle financing and e-commerce financing.

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Income from operations	15,716	15,921	19,717	18,212	21,659	21,802	23,001	23,611	69,566	90,073
Other Operating Income	746	878	897	957	1,205	1,668	1,668	1,648	3,477	6,189
Operating Income	16,462	16,799	20,614	19,168	22,864	23,470	24,669	25,259	73,043	96,262
YoY Growth (%)	32.4	36.3	39.6	34.1	38.9	39.7	19.7	31.8	35.7	31.8
Interest expenses	6,771	6,947	7,493	8,058	8,833	9,562	9,896	10,408	29,269	38,699
Net Income	9,692	9,853	13,121	11,110	14,031	13,909	14,773	14,851	43,775	57,564
YoY Growth (%)	30.3	43.3	48.4	35.9	44.8	41.2	12.6	33.7	39.7	31.5
Other income	96	206	83	406	147	190	250	315	792	901
Total Income	9,788	10,059	13,203	11,516	14,178	14,098	15,023	15,166	44,566	58,465
Operating Expenses	4,531	4,411	5,490	5,061	5,865	6,144	6,400	6,778	19,492	25,187
Operating Profit	5,257	5,648	7,714	6,455	8,312	7,954	8,623	8,388	24,283	32,376
YoY Growth (%)	30.3	49.1	54.0	40.9	58.1	40.8	11.8	29.9	42.4	33.3
Provisions and Cont.	1,033	1,368	1,462	1,565	1,797	1,691	1,900	1,915	5,429	7,303
Profit before Tax	4,224	4,280	6,252	4,890	6,515	6,263	6,723	6,473	18,854	25,073
Tax Provisions	1,468	1,486	2,167	1,740	2,275	2,185	2,319	2,181	6,861	8,961
Net Profit	2,756	2,794	4,085	3,150	4,240	4,078	4,404	4,292	12,785	17,013
YoY Growth (%)	30.4	41.7	58.1	36.4	53.8	45.9	7.8	36.2	42.4	33.1
Loan Growth (%)	32.0	35.6	41.0	36.5	39.5	38.0	34.0	38.0	38.8	26.0
Borrowings Growth (%)	34.7	30.0	37.2	38.7	40.5	39.0	36.0	42.1	38.7	29.7
Cost to Income Ratio (%)	46.3	43.9	41.6	43.9	41.4	43.6	42.6	44.7	44.5	43.8
Tax Rate (%)	34.8	34.7	34.7	35.6	34.9	34.9	34.5	33.7	34.1	35.1

E: MOSL Estimates



Dish TV India

Bloomberg	DITV IN
Equity Shares (m)	1064.8
M. Cap. (INR b)/(USD b)	90 / 1
52-Week Range (INR)	110 / 65
1,6,12 Rel Perf. (%)	-2 / -13 / -19

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Net Sales	30.6	31.7	36.0	40.7
EBITDA	10.2	10.9	13.0	15.7
Adj. NP	6.9	2.1	3.6	5.4
Adj. EPS (INR)	6.5	2.0	3.3	5.1
Adj. EPS Gr.(%)	NA	-69.7	69.4	52.5
BV/Sh (INR)	3.6	5.5	8.9	14.0
RoE (%)	NA	43	46	45
RoCE (%)	12.7	11.4	14.3	18.1
Div. Payout(%)	NA	NA	NA	NA

Valuations

P/E (x)	13	43	25	17
P/BV (x)	NA	15.3	9.6	6.1
EV/EBITDA (x)	9.6	8.8	6.9	5.5
EV/Sub (INR)	6,789	6,082	5,152	4,514

CMP: INR85

TP: INR115

Buy

- We expect DITV's revenue to increase 3% YoY and 2% QoQ on a reported basis to INR7.93b.
- Subscription revenue is expected to increase 2% QoQ to INR7.42b as demonetization is expected to impact both monthly recharges as well as fresh set-top box seeding.
- We expect gross additions of 0.6m and net additions of 0.28m. ARPU is expected to be flat QoQ at INR162 per subscriber per month.
- EBITDA margin is expected to be largely flat QoQ at 34.4%.
- We expect net profit of INR0.44b in 3QFY17.
- The stock trades at EV/EBITDA of 8.8x FY17E and 6.9x FY18E. Buy.

Key things to watch for

- Quarterly gross adds (we expect 0.6m).
- ARPU (we expect INR162).
- EBITDA margin (we expect 36.2%)

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	7,367	7,524	7,715	7,994	7,786	7,793	7,935	8,142	30,599	31,656
YoY Change (%)	15.0	11.9	8.1	5.9	5.7	3.6	2.9	1.9	10.0	3.5
Operating expenses	4,998	4,974	5,060	5,385	5,140	5,151	5,204	5,284	20,350	20,776
EBITDA	2,368	2,550	2,655	2,609	2,646	2,642	2,731	2,859	10,249	10,880
YoY Change (%)	50.8	57.1	38.8	17.6	11.7	3.6	2.9	9.6	39.4	6.2
EBITDA margin (%)	32.1	33.9	34.4	32.6	34.0	33.9	34.4	35.1	33.5	34.4
Depreciation	1,598	1,330	1,463	1,516	1,613	1,635	1,659	1,662	5,907	6,509
Interest	480	548	549	512	521	554	452	380	2,087	1,925
Other Income	252	197	42	218	119	111	120	120	640	470
PBT	542	870	686	799	631	565	741	937	2,895	2,916
Tax				-4,029	223	-136	300	384	-4,029	817
Effective Tax Rate (%)				(504.2)	35.3	(24.1)	40.5	41.0		28.0
Net profit	542	870	686	4,828	409	701	441	553	6,924	2,100
Net Subs (m)	13.3	13.7	14.0	14.5	14.9	15.2	15.4	15.8	14.5	15.8
ARPU (INR/month)	173	171	172	174	165	162	162	161	172	163



Emami

Bloomberg	HMN IN
Equity Shares (m)	227.0
M. Cap. (INR b)/(USD b)	234 / 3
52-Week Range (INR)	1261 / 901
1,6,12 Rel Perf. (%)	-1 / -6 / 0

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	23.9	25.9	29.7	34.4
EBITDA	6.8	7.6	8.8	10.3
NP	5.7	5.6	6.9	8.4
EPS (INR)	25.2	24.7	30.6	37.1
EPS Gr. (%)	17.7	-1.9	23.6	21.3
BV/Sh. (INR)	61.8	83.1	98.7	120.9
RoE (%)	43.4	34.1	33.6	33.8
RoCE (%)	37.9	31.4	35.3	39.1
Payout (%)	27.9	44.5	39.3	32.4

Valuations

P/E (x)	40.9	41.7	33.7	27.8
P/BV (x)	16.7	12.4	10.4	8.5
EV/EBITDA (x)	35.0	31.0	26.4	22.0
Div. Yld (%)	0.8	1.1	1.2	1.2

CMP: INR1,031 TP: INR1,240 (+20%) Buy

- We project Emami's (HMN) sales to grow 5% YoY to INR7.6b, with ~1% volume growth.
- We expect gross margin to contract 50bp to 66.1% and EBITDA margin to contract 100bp to 33.4%. Thus, EBITDA is likely to increase 1.9% YoY to INR2.5b.
- PAT is expected to decline 6.8% YoY to INR1.8b due to low tax rate of 14.1% in the base quarter.
- The stock trades at 33.7x FY18E EPS of INR30.6; maintain Buy. Emami remains one of our preferred ideas.

Key issues to watch for

- Volume growth and broad consumer demand across categories.
- Outlook for mentha oil prices.
- Competitive intensity, especially from Patanjali.
- Performance of re-launches this year.

Quarterly Performance (INR m)

Y/E MARCH	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Domestic volume Growth (%)	15.0	13.5	9.3	18.0	18.0	11.0	1.0	-4.0	14.0	9.0
Net Sales	5,372	5,306	7,246	6,026	6,444	5,846	7,608	6,035	23,937	25,933
YoY Change (%)					19.9	10.2	5.0	0.2	8.0	8.3
COGS	2,114	1,783	2,423	2,193	2,287	1,929	2,582	2,228	8,513	9,026
Gross Profit	3,258	3,523	4,823	3,833	4,157	3,916	5,026	3,807	15,424	16,906
Gross margin (%)	60.6	66.4	66.6	63.6	64.5	67.0	66.1	63.1	64.4	65.2
Other Expenditure	2,271	2,001	2,329	1,992	2,684	2,164	2,484	2,006	8,580	9,338
% to sales	42.3	37.7	32.1	33.1	41.7	37.0	32.6	33.2	35.8	36.0
EBITDA	987	1,523	2,494	1,841	1,473	1,752	2,543	1,801	6,844	7,569
Margins (%)	18.4	28.7	34.4	30.6	22.9	30.0	33.4	29.8	28.6	29.2
YoY Change					49.2	15.1	1.9	-2.1	26.7	10.6
Depreciation	88	92	99	169	106	111	111	165	450	493
Interest	44	192	172	136	125	160	110	91	543	486
Other Income	187	122	53	88	51	87	105	146	449	389
PBT	1,041	1,361	2,276	1,623	1,292	1,568	2,427	1,692	6,301	6,980
Tax	42	139	320	87	117	230	607	416	459	1,370
Rate (%)	4.0	10.2	14.1	5.4	9.1	14.7	25.0	24.6	7.3	19.6
PAT	996	1,219	1,953	1,541	1,175	1,336	1,820	1,276	5,841	5,610
YoY Change (%)					18.0	9.6	-6.8	-17.2	20.7	-4.0
Amortization	137	620	617	727	609	680	600	511	2,100	2,400
Reported PAT	866	631	1,367	850	596	690	1,220	765	3,741	3,210

E: MOSL Estimates



GETD

Bloomberg	GETD IN
Equity Shares (m)	256.1
M. Cap. (INR b)/(USD b)	77 / 1
52-Week Range (INR)	477 / 285
1,6,12 Rel Perf. (%)	-4 / -12 / -38

CMP: INR302 TP: INR320 (+6%) Neutral

- We expect GETD to register robust revenue growth of 14% YoY to INR8.5b in 3QFY17. Revenue growth would be driven by execution of the Champa-Kurukshetra Phase-I project.
- We expect operating profit in 3QFY17 as against loss of INR14m in 3QFY16. Loss at operating level in 3QFY16 was primarily on account of cost overrun on certain projects. Gross margin is likely to expand 130bp to 32.9% from 31.6% in 3QFY16.
- GETD is expected to book net profit of INR40m as against loss of INR182m in 3QFY16. Maintain **Neutral**.

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Net Sales	34.1	38.3	43.9	50.4
EBITDA	2.3	2.4	5.0	6.6
Adj PAT	0.8	1.4	2.7	3.8
EPS (INR)	3.0	5.6	10.7	15.0
EPS Gr. (%)	-35.7	86.3	88.9	40.6
BV/Sh. (INR)	52.1	50.3	55.8	63.6
RoE (%)	5.9	-6.8	20.1	25.1
RoCE (%)	10.1	13.2	24.5	29.7
Payout (%)	59.5	40.0	40.0	40.0
Valuations				
P/E (x)	99.9	53.6	28.4	20.2
P/BV (x)	5.8	6.0	5.4	4.8
EV/EBITDA (x)	35.2	32.6	15.5	11.6
EV/ Sales (x)	2.4	2.1	1.8	1.5
Div Yield (%)	0.6	-0.5	1.4	2.0

Key issues to watch

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

Quarterly Performance

Y/E March	FY16				FY17				FY16E	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Sales	7,660	8,729	7,436	9,715	8,546	8,340	8,500	12,892	34,135	38,278
Change (%)	1.2	1.2	1.2	-28.6	11.6	-4.4	14.3	32.7	-7.8	12.1
EBITDA	72	680	-14	850	21	339	370	1,675	2,324	2,405
Change (%)	-90.4	-22.4	NA	-18.5	-70.3	-50.1	-2,705.6	97.1	-9.0	-9.0
As of % Sales	0.9	7.8	-0.2	8.7	0.2	4.1	4.4	13.0	6.8	6.3
Depreciation	212	215	215	216	217	220	220	234	873	873
Interest	117	143	168	189	226	239	220	221	589	589
Other Income	412	213	117	64	326	435	130	70	427	427
Extra-ordinary Items	0	0	0	0	2,330	0	0	0	0	0
PBT	155	536	-280	509	-2,425	315	60	1,290	1,289	1,370
Tax	54	174	-98	210	-455	109	20	451	508	508
Effective Tax Rate (%)	34.7	32.6	NA	41.3	18.8	34.6	33.3	35.0	39.4	37.1
Reported PAT	102	361	-182	299	-1,970	206	40	839	781	862
Change (%)	-67.5	1.8	-803.1	-44.8	-2,041.0	-43.0	-122.0	180.7	0.0	0.0
Adj PAT	102	361	-182	299	360	206	40	839	781	862
Change (%)	-64.4	1.8	NA	-44.8	254.6	-43.0	NA	180.7	2.0	2.0



Godrej Consumer

Bloomberg	GCPL IN
Equity Shares (m)	340.5
M. Cap. (INR b)/(USD b)	522 / 8
52-Week Range (INR)	1710 / 1120
1,6,12 Rel Perf. (%)	3 / -4 / 11

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	89.7	94.9	107.0	122.6
EBITDA	16.2	17.9	20.9	23.7
Adj. PAT	11.3	12.5	14.9	17.1
Adj. EPS (INR)	33.2	36.8	43.8	50.4
EPS Gr. (%)	24.4	10.8	19.0	15.2
BV/Sh.(INR)	152.2	177.0	209.0	247.7
RoE (%)	23.4	22.3	22.7	22.1
RoCE (%)	16.7	15.3	15.5	15.9
Payout (%)	29.3	32.1	27.0	23.4

Valuations

P/E (x)	46.2	41.7	35.0	30.4
P/BV (x)	10.1	8.7	7.3	6.2
EV/EBITDA (x)	33.4	30.5	26.0	22.7
Div. Yield (%)	0.6	0.8	0.8	0.8

CMP: INR1,532 TP: INR1,655 (+8%) Neutral

- We expect Godrej Consumer's revenue to rise 10% YoY to INR25.1b.
- Demand trends in international business remain weak, primarily driven by macroeconomic trends.
- We estimate operating margin to contract 150bp YoY to 18.4%.
- We have modeled 1.7% EBITDA growth, but expect PAT to decline 1.2% YoY.
- The stock trades at 35x FY18E EPS of INR43.8. We have Neutral rating on the stock.

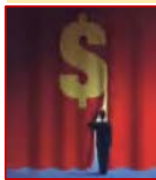
Key issues to watch for

- Growth trend in soap volumes.
- Competitive intensity across categories.
- Outlook for international business— demand outlook in Indonesia and margin guidance for LatAm.

Quarterly Performance (Consolidated, INR m)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	19,854	21,166	22,859	22,087	21,202	23,575	25,145	24,974	89,678	94,897
YoY Change (%)					6.8	11.4	10.0	13.1	8.8	5.8
EBITDA	3,132	4,072	4,540	4,547	3,775	4,631	4,617	4,908	16,242	17,931
Margins (%)	15.8	19.2	19.9	20.6	17.8	19.6	18.4	19.7	18.1	18.9
YoY Growth (%)					20.5	13.7	1.7	8.0	21.7	10.4
Depreciation	230	235	257	284	327	358	193	195	1,031	1,072
Interest	329	313	296	250	326	350	340	316	1,002	1,332
Other Income	218	220	196	159	166	194	255	249	820	864
PBT	2,806	3,750	4,264	4,228	3,298	4,118	4,338	4,647	15,028	16,391
Tax	636	757	948	1,030	754	907	1,063	1,146	3,171	3,869
Rate (%)	22.7	20.2	22.2	24.4	22.9	22.0	24.5	24.7	21.1	23.6
Minority Int	5	0	5	0	6	0	6	0	395	12
Adj PAT	2,166	2,993	3,311	3,199	2,538	3,212	3,270	3,490	11,298	12,510
YoY Change (%)					17.2	7.3	-1.2	9.1	28.1	10.7

E: MOSL Estimates



Grasim Industries

Bloomberg	GRASIM IN
Equity Shares (m)	93.4
M. Cap. (INR b)/(USD b)	458 / 7
52-Week Range (INR)	5,349/3,242
1,6,12 Rel Perf. (%)	7/15/31

CMP: INR867

Under review

- We expect VSF volumes to grow 2% YoY (-1% QoQ) to 123,114 tons in 3QFY17, while realizations are expected to improve 3.9% YoY (0.2% QoQ) to INR130,963/ton. We expect Chemicals volumes to decline 5%YoY. Standalone revenues likely to increase 7%YoY to INR24.8bn.
- Standalone EBITDA margin is estimated at 21.1%, +2.6pp YoY (-0.2pp QoQ).
- EBITDA is estimated to de-grow 1.2% QoQ (+ 22% YoY) to INR5.24b, translating into PAT of INR3.7b (+42.2% YoY).
- The stock trades at 9.8x FY18E consolidated EPS, 6.8x FY18E EV/EBITDA, and implied cement EV/ton of USD103.

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	365.9	371.8	403.5	447.1
EBITDA	60.2	73.4	87.8	103.0
Adj. PAT	22.6	35.5	41.4	53.0
Adj. EPS (INR)	241.7	76.1	88.7	113.4
EPS Gr. (%)	26.8	57.5	16.6	27.8
BV/Sh. (INR)	2,767	624.2	708.0	816.4
RoE (%)	9.2	12.9	13.3	14.9
RoCE (%)	10.0	12.8	14.1	16.4
Payout (%)	11.0	6.9	5.6	4.4

Valuations				
P/E (x)	17.9	11.4	9.8	7.6
P/BV (x)	1.6	1.4	1.2	1.1
EV/EBITDA (x)	10.2	8.5	6.8	6.3
EV/Ton (x)	125	105	103	98

Key issues to watch out for

- Pick-up in cement demand and pricing thereon.
- Outlook on VSF business, and strategy to utilize upcoming capacities globally.
- Impact of demonetization on caustic soda demand

Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17E	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			
VSF Volume (ton)	102,737	113,756	120,700	130,000	121,000	123,994	123,114	123,292	468,000	491,400	496,314
YoY Change (%)	18.9	12.7	24.4	9.7	17.8	9.0	2.0	-5.2	16.2	5.0	1.0
VSF Realization (INR/ton)	113,309	116,708	126,090	126,090	128,039	130,713	130,963	130,617	121,693	130,093	133,593
YoY Change (%)	-4.8	-1.4	8.0	13.8	13.0	12.0	3.9	3.6	5.0	6.9	2.7
QoQ Change (%)	2.3	3.0	8.0	0.0	1.5	2.1	0.2	-0.3			
Net Sales	19,261	21,197	23,120	25,044	23,959	24,887	24,792	24,136	88,622	97,772	100,438
YoY Change (%)	35.3	34.0	49.7	47.2	24.4	17.4	7.2	-3.6	41.7	10.3	2.7
EBITDA	2,671	3,354	4,289	4,298	5,078	5,301	5,238	4,978	14,613	20,594	21,910
Margins (%)	13.9	15.8	18.6	17.2	21.2	21.3	21.1	20.6	16.5	21.1	21.8
Depreciation	947	1,006	1,231	1,287	1,104	1,119	1,150	1,109	4,471	4,481	4,731
Interest	409	401	396	268	231	156	150	158	1,474	694	694
Other Income	249	2,557	550	635	781	3,587	1,350	1,582	3,992	7,300	7,500
PBT after EO Items	1,564	4,504	3,213	3,086	4,525	7,612	5,288	5,001	12,659	22,719	23,984
Tax	537	688	609	1,001	1,317	1,690	1,586	1,768	2,835	6,361	7,195
Rate (%)	34.3	15.3	19.0	32.4	29.1	22.2	30.0	35.4	22.4	28.0	30.0
Reported PAT	1,028	3,815	2,604	2,086	3,209	5,923	3,701	3,233	9,825	16,357	16,789
Adj. PAT	1,028	3,815	2,604	2,086	3,209	5,923	3,701	3,233	9,825	16,357	16,789
Margins (%)	5.3	18.0	11.3	8.3	13.4	23.8	14.9	13.4	11.1	16.7	16.7
YoY Change (%)	-2.9	27.5	182.4	359.1	212.2	55.2	42.2	55.0	81.1	66.5	2.6

E: MOSL Estimates



Bloomberg	HDFC IN
Equity Shares (m)	1574.7
M. Cap. (INR b)/(USD b)	1909 / 28
52-Week Range (INR)	1463 / 1012
1,6,12 Rel Perf. (%)	-2 / -1 / -4

CMP: INR1,216 TP: INR1,553 (+28%) Buy

- We expect moderate earnings growth of 12%+ YoY, in line with growth witnessed in the prior quarter.
- We estimate AUM growth at 14%, which will be largely driven by the individual segment. We expect demonetization to have a lagged impact on growth, i.e. growth will be impacted more in 4QFY17.
- Margins are likely to decline 20+bp YoY, but remain largely stable QoQ. This will drive 6% YoY NII growth for the quarter.
- Cost-to-income ratio will inch up marginally to 8%.
- Asset quality has remained healthy over past several quarters, and the trend is likely to continue. However, asset quality in corporate loan book would be a key monitorable.
- We estimate provisions of INR700m, as against INR950m in 2QFY17.
- The stock trades at 3.7x FY17E AP/ABV and 3.0x FY18E AP/ABV (price adjusted for value of other businesses and book value adjusted for investments made in those businesses). Buy.

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
NII	87.0	96.9	108.8	124.4
PAT	70.9	75.0	84.8	97.1
Adj. EPS (INR)	30.6	34.3	36.9	42.1
EPS Gr. (%)	5.8	12.2	7.6	14.0
BV/Sh. (INR)	221.7	245.3	272.5	304.7
ABV/Sh. (INR)	169.5	193.2	215.9	248.1
RoAA (%)	2.6	2.5	2.5	2.5
Core RoE (%)	21.4	19.5	18.9	18.1
Payout (%)	43.9	43.5	43.5	43.5
Valuation				
AP/E (x)	26.1	19.6	16.4	11.7
P/BV (x)	5.5	5.0	4.5	4.0
AP/ABV (x)	4.7	3.5	2.8	2.0
Div. Yield (%)	1.4	1.5	1.7	1.9

Key issues to watch for

- Loan growth and uptick in corporate loans.
- Impact of demonetization on real estate demand.
- Movement in spreads and margins (on individual loans) and asset quality trends.

HDFC: Quarterly Performance

(INR Million)

Y/E March	FY16				FY17				FY16	FY17
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	68,630	68,632	70,037	73,400	73,552	75,431	76,734	83,523	280,699	309,241
Interest Expense	48,245	48,586	48,216	48,699	51,262	52,459	53,508	56,221	193,745	213,449
Net Interest Income	20,385	20,047	21,821	24,701	22,291	22,972	23,227	27,302	86,954	95,791
YoY Change (%)	16.8	6.7	8.2	4.9	9.3	14.6	6.4	10.5	8.8	10.2
Gross fee income	1,755	1,768	1,810	2,894	1,913	1,985	2,750	2,596	8,183	9,245
Core Income	22,140	21,815	23,631	27,595	24,204	24,958	25,977	29,898	95,137	105,037
YoY Change (%)	16.8	6.5	9.8	8.0	9.3	14.4	9.9	8.3	10.1	10.4
Operating Expenses	2,029	1,872	2,001	1,688	2,274	2,048	2,170	1,891	7,590	8,384
% of core income	9.2	8.6	8.5	6.1	9.4	8.2	8.4	6.3	8.0	8.0
Commission expenses	978	1,053	1,087	1,304	1,369	1,344	1,400	1,635	4,422	5,748
% of core income	4.4	4.8	4.6	4.7	5.7	5.4	5.4	5.5	4.6	5.5
Core Operating profits	19,133	18,890	20,543	24,603	20,561	21,565	22,407	26,372	83,126	90,905
YoY Change (%)	16.5	6.5	9.1	7.4	7.5	14.2	9.1	7.2	9.7	9.4
Provisions	500	520	680	950	650	950	700	450	2,650	2,750
Core PBT	18,633	18,370	19,863	23,653	19,911	20,615	21,707	25,922	80,476	88,155
YoY Change (%)	16.0	5.6	8.1	5.5	6.9	12.2	9.3	9.6	8.5	9.5
Profit on Sale of Inv.	230	480	569	15,199	9,216	281	750	1,503	16,478	11,750
Dividend income	548	4,248	1,356	1,917	510	4,560	1,650	2,609	8,113	9,329
One off expense/Prov	0	0	0	-4,500	-2,750				-4,500	-2,750
PBT	19,520	23,236	21,905	36,421	26,997	25,575	24,257	30,247	101,081	107,076
Provision for Tax	5,910	7,193	6,700	10,350	8,290	7,310	7,277	9,246	30,150	32,123
PAT	13,610	16,043	15,205	26,071	18,707	18,265	16,980	21,001	70,931	74,953
YoY Change (%)	1.2	18.2	6.7	40.0	37.5	13.9	11.7	-19.4	18.4	5.7



Info Edge

Bloomberg	INFOE IN
Equity Shares (m)	121.7
M. Cap. (INR b)/(USD b)	105 / 2
52-Week Range (INR)	1012 / 690
1,6,12 Rel Perf. (%)	-3 / 4 / -1

CMP: INR859

TP: INR1,050 (+22%)

Buy

- We expect standalone revenue to grow 23% YoY to INR2.1b.
- Recruitment segment (~75% of business) is likely to grow 23% YoY to INR1.6b. We estimate real estate portal, 99acres.com's revenue at INR285m (up 5% YoY) and that of matrimonial portal, Jeevansathi.com at INR146m (up 25% YoY).
- Our EBITDA margin estimate for the quarter stands at 29.7% compared to 33.1% in 2QFY17 and 22.2% in 3QFY16. We expect the YoY margin improvement to be led by reduced advertisement and marketing spends, especially in 99acres.com.
- We expect PAT to grow 163% YoY to INR573m. In 3QFY16, there were exceptional items, including capital gains on policybazaar.com.

Financial Snapshot (INR b)

Y/E March	2016	2017E	2018E	2019E
Sales	7.2	8.5	9.5	10.7
EBITDA	1.6	2.5	2.8	3.2
PAT	1.4	2.4	2.5	2.9
EPS (INR)	13.0	18.4	20.7	23.5
EPS Gr. (%)	-5.3	42.1	12.5	13.4
BV/Sh. (INR)	145.3	162.2	175.2	190.4
RoE (%)	9.2	12.0	12.3	12.9
RoCE (%)	9.2	12.0	12.3	12.8
Payout (%)	37.0	35.7	37.5	35.6

Valuation

P/E (x)	65.5	46.1	41.0	36.1
EV/EBITDA (x)	54.6	34.8	30.1	26.1
EV/Sales (x)	11.9	10.3	8.9	7.8

Key issues to watch for

- Impact of consolidation in the real estate segment, and outlook on ad spends, given the state of competitive dynamics.
- Traction in the recruitment business from segments other than IT.
- Commentary around monetization in Zomato.com.

Quarterly Performance (Standalone)

(INR m)

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Revenues	1,747	1,741	1,734	2,042	1,976	2,100	2,133	2,265	7,235	8,474
YoY (%)	20.6	18.0	19.0	18.0	13.1	20.6	23.0	10.9	18.3	17.1
Salary costs	792	753	804	890	963	915	948	971	3,205	3,797
Ad and	461	375	271	212	258	221	256	294	1,318	1,030
Other Expenses	261	280	274	318	277	269	294	301	1,131	1,142
Operating Profit	234	334	385	623	478	695	634	699	1,580	2,505
Margins (%)	13.4	19.2	22.2	30.5	24.2	33.1	29.7	30.9	21.8	29.6
Other Income	193	195	216	203	243	248	248	229	827	968
Depreciation	45	50	54	60	60	62	63	65	210	249
PBT bef. Extra-	382	478	546	767	661	881	818	863	2,197	3,223
Provision for Tax	95	138	169	195	217	254	246	259	621	976
ETR (%)	24.9	29.0	31.0	25.4	32.9	28.8	30.0	30.0	28.3	30.3
PAT bef.	286	339	377	572	444	627	573	604	1,576	2,248
EOI	0	0	-160	0	0	174	0	0	-160	174
Adjusted PAT	286	339	218	572	444	801	573	604	1,417	2,422
YoY (%)	-29.3	0.0	-44.8	-30.9	54.9	136.0	163.3	5.6	-28.0	71.0
EPS (INR)	2.4	2.8	1.8	4.7	3.6	5.1	4.7	5.0	11.7	18.4

E: MOSL



Monsanto India

Bloomberg	MCHM IN
Equity Shares (m)	17.3
M. Cap. (INR b)/(USD b)	39 / 1
52-Week Range (INR)	2745 / 1520
1,6,12 Rel Perf. (%)	-2 / -10 / -2

CMP: INR2,254 TP: INR2,616 (+16%) Under Review

- We expect revenue to grow 15% YoY to INR1.77b in 3QFY17.
- EBITDA is estimated to grow 7% YoY to INR498m, with 210bp fall in margin to 28.2%.
- We expect adjusted PAT to decline by 3% YoY to INR448m.

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	5.4	6.1	7.3	8.7
EBITDA	1.1	1.3	1.7	2.0
NP	1.0	1.2	1.5	1.8
EPS (INR)	60.1	68.4	87.2	106.6
EPS Gr. (%)	-2.3	13.8	27.5	22.2
BV/Sh (INR)	239.4	235.6	250.6	285.0
RoE (%)	26.4	28.8	35.9	39.8
RoCE (%)	26.5	28.8	35.9	39.8
Payout (%)	61.6	105.6	82.8	67.8

Valuations				
Y/E March	2016	2017E	2018E	2019E
P/E (x)	37.5	32.9	25.9	21.2
P/BV (x)	9.4	9.6	9.0	7.9
EV/EBITDA (x)	36.1	29.2	22.9	18.8
Div Yield (%)	1.3	2.7	2.7	2.7

Key things to watch for

- Trends in shift of crop to corn due to increasing corn prices.
- Age profile of corn seeds sold.
- Realizations in glyphosate.

Quarterly performance (INR Million)

Y/E March	FY16				FY17				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Net Sales	2,633	378	1,537	869	2,403	965	1,767	999	5,416	6,096
YoY Change (%)	-0.6	-58.2	14.8	28.8	-8.7	155.3	15.0	15.0	-2.7	12.6
Total Expenditure	1,921	634	1,071	710	1,801	947	1,269	827	4,336	4,798
EBITDA	712	-256	466	158	603	18	498	172	1,080	1,298
Margins (%)	27.0	-67.7	30.3	18.2	25.1	1.8	28.2	17.2	19.9	21.3
Depreciation	21	22	29	22	21	22	28	30	93	95
Interest	3	1	1	2	3	3	0	0	7	0
Other Income	27	22	28	64	24	29	45	57	141	170
PBT before EO expense	716	-257	464	198	602	22	515	199	1,121	1,373
Extra-Ord expense	0	0	56	-27	0	13	0	0	29	0
PBT	716	-257	408	225	602	9	515	199	1,092	1,373
Tax	88	6	1	-16	37	0	67	26	79	192
Rate (%)	12.3	-2.5	0.2	-7.0	6.1	3.3	13.0	13.0	7.2	14.0
Reported PAT	628	-264	407	241	566	9	448	173	1,013	1,181
Adj PAT	628	-264	463	241	566	9	448	173	1,039	1,181
YoY Change (%)	-11.6	NM	-4.3	NM	-9.9	NM	-3.1	-28.1	-2.2	13.6
Margins (%)	23.8	-69.8	30.1	27.7	23.5	0.9	25.4	17.3	19.2	19.4

E: MOSL Estimates



Shree Cement

Bloomberg	SRCM IN
Equity Shares (m)	34.8
M. Cap. (INR b)/(USD b)	626 / 9
52-Week Range (INR)	18,519/9,350
1,6,12 Rel Perf. (%)	5/34/42

Financial Snapshot (INR Billion)

Y/E March	2016	2017E	2018E	2019E
Sales	72.9	84.3	98.9	112.1
EBITDA	16.7	24.1	30.5	36.3
NP	5.9	13.7	20.3	25.3
Adj EPS (INR)	168.0	394.3	582.0	725.4
EPS Gr. (%)	26.1	96.1	47.6	24.6
BV/Share (INR)	1,774	2,128	2,663	3,342
RoE (%)	10.2	20.2	24.3	24.2
RoCE (%)	10.6	19.8	23.4	23.7
Payout (%)	17.4	10.3	8.0	6.4

Valuation

P/E (x)	70.3	35.8	24.3	19.5
P/BV (x)	8.0	6.6	5.3	4.2
EV/EBITDA (x)	27.9	19.0	14.1	11.2
EV/Ton (USD)	267	240	211	174

CMP: INR14,131 TP: INR17,096 (+21%) Buy

- We expect 3QFY17 cement volumes to grow 4.7% YoY (and 7.7% QoQ) to 4.92mt (including clinker) led by ramp up of new capacity in eastern market. Realizations to decline 5% QoQ to INR3,765/ton due to weak realization in its focus markets of North and East.
- Merchant power sale is expected to be meaningfully lower at 100m units (v/s 538m units in 2QFY17) due to shrp decline in merchant power rates. Power EBITDA is estimated at INR20m (v/s INR622m in 2QFY17).
- Revenue is estimated at INR18.88b (+11% YoY) and EBITDA at INR4.9b, translating into margin of 26.2% (-6.5pp QoQ, +1.14pp YoY). Adjusted PAT is likely to be INR2.6b (v/s INR2.2b in 3QFY16).
- Valuations stand at 24.3x FY18E EPS, 14.1x FY18E EBITDA, and FY18E EV/ton of USD211. Maintain Buy.

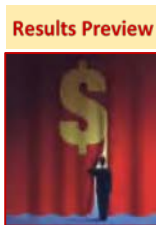
Key issues to watch out for

- Volume and pricing recovery for North India.
- Update on scale-up of recently commissioned units in East.
- New expansion plan.

Quarterly Performance - Shree Cement (S/A)

Y/E June	FY16			FY17				FY16	FY17E	FY18E
	1Q	2Q	3Q	1Q	2Q	3QE	4QE			
Sales Dispat. (m ton)	4.19	4.70	5.60	5.13	4.57	4.92	5.03	18.83	19.65	21.62
YoY Change (%)	7.9	23.3	35.6	18.0	9.2	4.7	-10.2	16.5	4.4	10.0
Realization (INR/Ton)	3,619	3,500	3,200	3,885	3,965	3,765	3,914	3,431	3,881	4,231
YoY Change (%)	-0.8	-1.1	-9.5	11.8	9.6	7.6	22.3	-3.3	13.1	9.0
QoQ Change (%)	4.1	-3.3	-8.6	21.4	2.1	-5.0	4.0			
Net Sales	17,119	18,268	20,174	21,987	20,068	18,879	23,319	72,755	84,253	98,864
YoY Change (%)	6.6	18.5	28.2	27.9	17.2	3.3	15.6	13.0	15.8	17.3
EBITDA	4,163	4,240	5,050	7,308	6,563	4,941	5,249	16,969	24,060	30,509
Margins (%)	24.3	23.2	25.0	33.2	32.7	3.3	22.5	23.3	28.6	30.9
Depreciation	2,448	3,042	3,338	1,540	4,322	2,750	3,421	11,210	12,033	12,242
Interest	235	233	286	276	293	300	286	1,017	1,155	541
Other Income	958	236	755	979	1,233	1,350	1,539	2,393	5,100	7,000
PBT before EO Exp	2,438	1,200	2,182	6,471	3,180	3,241	3,081	7,133	15,972	24,727
PBT	2,438	1,199	2,181	6,471	3,180	3,241	3,081	6,891	15,972	24,727
Tax	-26	170	-53	1,394	265	648	-71	125	2,236	4,451
Rate (%)	-1.1	14.2	-2.4	21.5	8.3	20.0	-2.3	1.8	14.0	18.0
Reported PAT	2,464	1,029	2,233	5,077	2,915	2,592	3,152	6,767	13,736	20,276
Adj PAT	2,464	1,030	2,234	5,077	2,915	2,592	3,152	7,004	13,736	20,276
YoY Change (%)	107.4	9.0	79.3	106.1	18.3	16.0	41.0	50.9	96.1	47.6

E:MOSL Estimates ** FY16 is March ending 12 months



Tech Mahindra

Bloomberg	TECHM IN
Equity Shares (m)	984.7
M. Cap. (INR b)/(USD b)	492 / 7
52-Week Range (INR)	564 / 405
1,6,12 Rel Perf. (%)	7 / -1 / -7

Financial Snapshot (INR b)

Y/E Mar	2016	2017E	2018E	2019E
Sales	264.9	291.0	328.6	360.7
EBITDA	43.4	44.6	52.8	57.1
Adj. PAT	31.2	28.4	32.0	35.2
Adj. EPS (INR)	35.1	32.0	36.0	39.5
EPS Gr. (%)	18.4	-8.7	12.5	9.8
BV/Sh. (INR)	165.6	176.7	203.1	233.0
RoE (%)	23.4	19.1	19.3	18.5
RoCE (%)	20.1	16.0	16.7	16.3
Payout (%)	34.2	28.3	24.3	22.1

Valuation

P/E (x)	14.3	15.6	13.9	12.6
P/BV (x)	3.0	2.8	2.5	2.1
EV/EBITDA (x)	9.1	9.4	7.5	6.4
Div. Yield (%)	2.4	1.8	1.8	1.8

CMP: INR500 TP: INR550 (+10%) Buy

- We expect 3.1% QoQ CC growth in TECHM's revenue. In USD terms, we expect TECHM's revenue to grow by 1.7% QoQ – 140bp negative impact of cross-currency movement.
- In Telecom, 2H is expected to be strong because of seasonality in Comviva. Moreover, Enterprise is also likely to do well in 3Q, as revenue got deferred in 2Q, resulting in a spillover effect. On an organic basis, we expect 2.5% CC growth.
- Revenue will also include one-month addition of Target, which should result in an additional 0.6pp in growth.
- We expect EBITDA margin to expand by 70bp to 15.6%. A reversal of the one-time expense incurred in 2Q would result in a 100bp tailwind, which is likely to be partly offset by cross-currency movement.
- We expect PAT to grow 12.8% QoQ to INR7.3b, also led by normalization of the ETR (23.5% in 3Q v/s 30.8% in 2Q).
- The stock trades at 15.6x FY17E and 13.9x FY18E earnings. Buy.

Key issues to watch for

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

Quarterly Performance

Y/E March	FY16				FY17E				FY16	FY17E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (USD m)	989	1,011	1,015	1,023	1,032	1,072	1,091	1,125	4,037	4,320
QoQ (%)	0.5	2.2	0.4	0.8	0.9	4.0	1.7	3.2	10.2	7.0
Revenue (INR m)	62,938	66,155	67,011	68,837	69,209	71,674	73,632	76,519	264,941	291,034
YoY (%)	22.9	20.5	16.5	12.5	10.0	8.3	9.9	11.2	17.9	9.8
GPM (%)	29.4	32.0	31.3	30.6	29.5	30.6	30.3	30.0	30.8	30.1
SGA (%)	15.0	15.4	14.3	13.8	14.6	15.7	14.7	14.2	14.5	14.8
EBITDA Margin (%)	14.4	16.6	16.9	16.7	14.9	14.9	15.6	15.8	16.4	15.3
EBIT Margin (%)	11.6	13.7	14.4	13.6	12.0	11.5	12.2	12.0	13.5	11.9
Other income	1,244	1,658	639	1,603	1,519	1,387	820	1,052	5,322	4,779
Interest expense	215	173	244	340	274	345	381	362	961	1,362
ETR (%)	25.6	24.8	23.2	17.0	25.9	30.8	23.5	23.5	21.4	25.9
PAT excl. BT amort & EOI	6,225	7,855	7,592	8,581	6,561	6,447	7,269	7,685	31,180	27,963
QoQ (%)	31.9	26.2	-3.3	13.0	-23.5	-1.7	12.8	5.7		
YoY (%)	-1.3	9.2	-2.3	81.8	5.4	-17.9	-4.2	-10.4	20.0	-10.3
EPS (INR)	7.6	8.8	8.5	10.1	7.4	7.3	8.2	8.6	35.1	32.5
Headcount	103,673	105,235	107,137	105,432	107,216	111,743	109,535	111,611	103,673	105,235
Util excl. trainees (%)	74.0	77.0	77.0	77.0	78.0	78.0	78.1	78.2	76.2	78.1
Attrition (%)	19.0	20.0	20.0	21.0	21.0	19.0				
Offshore rev. (%)	39.0	38.3	37.3	36.8	36.6	36.5	36.0	35.4	37.8	36.1

E: MOSL Estimates



1. Hope Union Budget announces cut in corporate taxes: Marico, Harsh Mariwala, CMD

- November was not a good month for all the industry players' especially rural areas and wholesale markets.
- However, December there has been good recovery and January is still better.
- The company aspires to be more volume led growth, as the overall thrust in the organisation is more towards volume led.
- One of the key raw materials for the company is copra and coconut oil where the prices have really shot up in the last few months.

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2. Uncertainty around India Biz restructuring a Big Headwind: Wipro, Abidali Z Neemuchwala, CEO

- The company's chief Abidali Z Neemuchwala expects there are headwinds that could affect the revenues of the company in the next 1-2 quarters.
- These headwinds would mainly come from the process of restructuring of Wipro's India business and the uncertainties around the 'Affordable Healthcare Act' in the US.
- The company has been looking at acquisitions where it needs future competency.
- It is looking at acquisitions which will help in expanding geographies. "As global uncertainties fade, synergies of the buys will become more apparent and add to the company's core revenue," says Jatin Dalal, CFO of Wipro. Dalal also says that margins have been around the range of 17 percent for the last three quarters. However, he refused to give any guidance on margins when asked.

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3. Raymond to streamline realty biz; expects better topline in Q4, Sanjay Bahl, Group Chief Financial Officer,

- Raymond is upbeat of topline in the fourth quarter to be better than the third quarter which was impacted due to demonetisation.
- Expects liquidity to ease in the fourth quarter and benefit the tier 2 and tier 3 markets. The segment that was hit the most was branded textile segment, said Bahl adding that he is hopeful of the upcoming wedding season boost sales.
- Branded apparel grew 6 percent in the third quarter although it was lower than the 18 percent growth in the last many quarters. Overall, the wholesale and MBO in branded textile contribute 45 percent to the total turnover, he said. There has been 16-18 percent growth across all power brands in Q3, said Bahl.
- With regards to auto business, he said they have achieved a turnaround but tools and hardware business are seeing challenges. So the focus now is on rationalising costs to get to a healthy profitability over there too. Demonetisation impacted real estate business really hard and so the company has a team in place to drive initiatives in this business in terms of evaluating all options to unlock value in the best possible way, said Bahl.

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1. Indian economy at cusp of recession? Reforms fail to provide critical mass to push up growth

- The first quarter of 2016-17 was marked by stories of green shoots firming up and further uplifting growth. We had discounted such views in these pages in May 2016, convincingly making the case that most lead indicators were not sustaining beyond a few months; pro-growth acceleration arguments were therefore, on a weak footing. Optimism nevertheless held high upon expectations of good monsoons and implementation of the 7th Pay Commission award to boost consumption. Both materialised. Plus bountiful revenues from fuel taxes ensured there wasn't any fiscal stress in financing higher salaries.

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2. Time CTT is done away with

- Indian commodity exchanges have come a long way since their inception and are currently at par with all major global commodity exchanges. In fact, by 2013, India had one of the busiest exchanges across the world in terms of trading volumes (ranking within the top three exchanges worldwide) when it came to trading in gold, silver, natural gas as well as crude oil, reflecting increasing efficiencies in their basic functions of price discovery and risk management.

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3. How to make gold monetisation work

- The government should redesign the so-called gold monetisation scheme to make it attractive to investors. The scheme wants individuals and institutions to deposit with banks a minimum of 30 grams of gold for a minimum of one year to earn 1% or so interest. A depositor who opts for redemption of gold at maturity gets back physical gold in the form of bullion under short-term deposits, but medium- and long-term deposits are redeemed in rupees.

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4. Tax poem

- Just when expectations were that the Place of Effective Management (PoEM) provision, first introduced in the Finance Act 2015, will be either amended or dropped altogether in the coming Budget, the Central Board of Direct Taxes has released guidelines for the same. PoEM is a test of the residential status of companies for the purpose of taxation. The 2015 budget amended the definition of a company's residential status to include those whose place of effective management is in India, though they might be incorporated abroad. PoEM is defined as the place where key commercial and management decisions are made by a company for the purpose of its business. The guidelines issued earlier this week help determine the PoEM of a company.

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5. The painful evolution of India's Telecom industry

- In one telling of the history of India's telecom revolution, former prime minister Rajiv Gandhi and Sam Pitroda laid its foundations back in the 1980s. True or not—it has been argued that the revolution's true progenitor was the Atal Bihari Vajpayee administration with its 1999 National Telecom Policy—Gandhi's tragic assassination meant that he would never see its fruition. In *Cell Phone Nation*, Robin Jeffrey and Assa Doron note that on the night of his assassination in 1991, it “took news agencies nearly an hour to begin telling the people of India that Gandhi was dead”—unsurprising given that there were six phones per 1,000 people in the country at the time.

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International

6. China's debt-trap diplomacy

- If there is one thing at which China's leaders truly excel, it is the use of economic tools to advance their country's geostrategic interests. Through its \$1 trillion “One Belt, One Road” initiative, China is supporting infrastructure projects in strategically located developing countries, often by extending huge loans to their governments. As a result, countries are becoming ensnared in a debt trap that leaves them vulnerable to China's influence.

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7. Samsung shows the way to protect a brand name

- Samsung has done a remarkable job of salvaging its brand after it was battered by its flagship Note 7 going up in flames in several separate incidents and airlines issuing high-profile warnings against passengers carrying this phone on board. Five months on, it has done a thorough review of its phone's incendiary propensity, using internal and external experts, identified the problem and established an eight-point protocol to prevent recurrence of the problem in new phones.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Automobiles														
Amara Raja	Buy	904	1,087	20	28.7	29.2	37.7	30.9	24.0	6.1	5.0	25.8	21.6	23.1
Ashok Ley.	Buy	93	92	-1	3.9	4.9	6.6	18.7	14.1	4.1	3.4	20.9	23.5	26.5
Bajaj Auto	Buy	2,854	3,097	9	131.8	133.0	158.9	21.4	18.0	5.9	5.2	33.2	29.4	30.9
Bharat Forge	Buy	944	1,096	16	28.1	25.8	36.4	36.6	25.9	5.6	4.9	18.7	15.9	20.0
Bosch	Neutral	22,450	20,937	-7	483.3	507.6	657.7	44.2	34.1	9.2	7.7	19.4	19.7	24.5
Eicher Mot.	Buy	23,466	28,755	23	492.9	608.7	869.5	38.6	27.0	13.5	9.6	35.8	40.3	41.6
Endurance Tech.	Buy	608	715	18	20.7	22.6	28.7	26.9	21.2	4.9	4.1	22.4	19.9	21.1
Escorts	Buy	370	410	11	11.1	20.7	34.2	17.9	10.8	1.9	1.7	6.1	10.9	16.3
Exide Ind	Buy	197	233	18	7.4	8.2	9.7	24.0	20.4	3.4	3.0	14.1	14.2	14.9
Hero Moto	Neutral	3,216	3,011	-6	158.3	169.5	192.2	19.0	16.7	6.8	5.8	43.6	39.0	37.5
M&M	Buy	1,252	1,497	20	53.6	66.0	83.7	19.0	15.0	1.5	1.4	15.4	14.5	14.5
Mahindra CIE	Not Rated	194	-		4.2	6.2	9.7	31.4	20.0	2.2	2.0	4.5	7.7	10.3
Maruti Suzuki	Buy	5,922	6,808	15	177.6	247.5	307.5	23.9	19.3	5.4	4.5	19.9	22.8	23.2
Tata Motors	Buy	544	613	13	36.9	29.0	45.6	18.8	11.9	2.0	1.8	18.3	11.5	15.9
TVS Motor	Buy	392	462	18	9.1	11.9	15.4	33.0	25.4	7.9	6.4	24.1	26.4	27.9
Aggregate								23.8	17.9	4.0	3.4	18.8	16.9	19.2
Banks - Private														
Axis Bank	Neutral	473	535	13	34.5	14.1	25.0	33.6	18.9	2.0	1.9	17.1	6.3	10.3
DCB Bank	Neutral	119	134	13	6.8	7.1	8.6	16.8	13.8	1.7	1.5	11.8	10.9	11.8
Equitas Hold.	Buy	168	240	43	6.2	6.0	6.8	28.0	24.5	2.5	2.3	13.3	11.2	9.7
Federal Bank	Buy	79	105	34	2.8	4.6	5.5	17.1	14.3	1.6	1.4	6.0	9.4	10.4
HDFC Bank	Buy	1,293	1,510	17	48.6	56.9	68.3	22.7	18.9	3.9	3.4	18.3	18.6	19.3
ICICI Bank	Buy	272	332	22	16.7	17.2	18.0	15.8	15.1	1.3	1.2	11.3	10.4	10.0
IDFC Bank	Under Review	62	-			3.1	4.2	20.0	14.8	1.5	1.4		7.5	9.5
IndusInd	Buy	1,254	1,430	14	38.4	48.4	58.7	25.9	21.4	3.8	3.3	16.6	15.5	16.4
J&K Bank	Neutral	63	68	7	8.6	Loss	14.5	Loss	4.4	0.6	0.5	6.6	Loss	12.4
Kotak Mah. Bk	Buy	785	940	20	18.9	26.3	32.3	29.9	24.3	3.8	3.3	10.9	13.5	14.5
RBL Bank	Buy	398	450	13	9.0	12.4	17.5	32.0	22.7	3.5	3.1	11.2	12.6	14.4
South Indian	Neutral	21	21	-2	2.5	2.8	3.1	7.7	6.9	0.7	0.7	9.3	9.7	10.0
Yes Bank	Buy	1,399	1,575	13	60.4	79.3	97.0	17.6	14.4	3.6	3.0	19.9	22.1	22.6
Aggregate								23.1	18.1	2.8	2.5	13.7	12.0	13.7
Banks - PSU														
BOB	Buy	168	223	33	Loss	12.3	18.8	13.6	8.9	1.1	1.0	Loss	8.1	11.5
BOI	Neutral	117	125	7	Loss	Loss	18.5	Loss	6.3	0.5	0.5	Loss	Loss	7.5
Canara	Neutral	285	300	5	Loss	23.9	36.7	11.9	7.8	0.6	0.5	Loss	4.9	7.2
IDBI Bk	Neutral	79	49	-37	Loss	1.5	6.4	51.6	12.3	0.7	0.7	Loss	1.4	5.8
Indian Bk	Buy	266	330	24	14.8	30.4	32.2	8.7	8.3	0.9	0.8	5.5	10.4	10.2
OBC	Neutral	119	108	-9	4.9	19.3	21.3	6.2	5.6	0.3	0.3	1.2	4.8	5.1
PNB	Buy	138	172	25	Loss	8.5	13.2	16.2	10.5	0.8	0.7	Loss	4.8	7.0
SBI	Buy	267	338	27	15.7	9.8	23.3	27.1	11.4	1.2	1.1	7.6	7.5	9.2
Union Bk	Buy	142	168	18	19.7	15.6	30.4	9.1	4.7	0.5	0.4	7.0	5.2	9.5
Aggregate								17.4	11.1	0.8	0.8	-2.7	4.7	7.0
NBFCs														
Bajaj Fin.	Buy	995	1,096	10	23.9	31.8	41.3	31.3	24.1	6.1	5.0	21.1	21.1	22.8
Bharat Fin.	Buy	742	883	19	23.8	45.2	43.2	16.4	17.2	3.7	3.0	24.9	30.0	19.4
Dewan Hsg.	Buy	284	405	43	25.0	30.7	35.6	9.2	8.0	1.4	1.2	15.1	16.6	16.6
GRUH Fin.	Neutral	337	348	3	6.7	7.9	9.8	42.9	34.3	12.2	10.0	31.5	31.0	32.1
HDFC	Buy	1,371	1,553	13	30.6	34.3	36.9	39.9	37.1	5.6	5.0	21.4	19.5	18.9
Indiabulls Hsg	Buy	753	1,015	35	55.7	69.5	86.2	10.8	8.7	2.7	2.4	27.1	26.0	28.9
LIC Hsg Fin	Buy	557	693	24	32.9	37.6	44.7	14.8	12.5	2.6	2.3	19.6	19.1	19.5
Manappuram	Not Rated	80	-		3.5	3.8	4.3	20.9	18.6	2.3	2.2	10.8	11.4	12.2
M&M Fin.	Buy	282	323	14	11.9	8.4	11.1	33.5	25.5	2.5	2.4	11.4	7.7	9.7
Muthoot Fin	Buy	321	373	16	20.3	27.5	32.0	11.7	10.0	2.0	1.8	15.1	18.4	19.0
PFC	Neutral	138	117	-15	23.8	24.0	25.5	5.8	5.4	0.9	0.8	18.3	16.8	16.2



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Repco Home	Buy	661	842	27	24.0	25.7	37.7	25.7	17.5	3.8	3.2	17.0	15.7	19.6
REC	Neutral	150	134	-10	28.5	29.4	35.3	5.1	4.2	0.9	0.8	21.0	18.8	19.5
Shriram City Union	Buy	2,011	2,500	24	80.4	100.7	124.8	20.0	16.1	2.6	2.3	12.3	13.9	15.3
STF	Buy	958	1,282	34	53.3	63.5	82.3	15.1	11.6	1.9	1.7	12.2	13.4	15.4
Aggregate								15.6	13.3	2.7	2.4	17.8	17.4	17.9
Capital Goods														
ABB	Neutral	1,109	1,125	1	15.8	18.2	26.9	60.9	41.1	6.9	5.9	11.1	11.4	14.5
Bharat Elec.	Buy	1,540	1,600	4	56.9	60.0	69.9	25.7	22.0	4.6	4.0	15.6	19.2	18.3
BHEL	Sell	139	110	-21	Loss	3.9	5.5	35.3	25.3	1.0	1.0	Loss	2.9	3.9
CG Cons. Elec.	Buy	188	205	9	1.9	4.6	5.5	41.2	34.4	31.2	21.2	52.1	94.3	73.3
Crompton Grv.	Sell	67	48	-29	2.1	0.6	1.9	120.2	36.1	0.9	0.9	3.0	4.2	6.0
Cummins	Neutral	844	836	-1	27.2	26.0	30.2	32.5	27.9	6.8	6.2	24.9	22.0	23.1
GE T&D	Neutral	315	320	1	3.0	5.6	10.7	55.9	29.6	6.3	5.6	5.9	-6.8	20.1
Havells	Buy	424	440	4	7.8	8.9	12.0	47.5	35.4	9.3	8.4	19.0	19.5	23.6
Inox Wind	Neutral	189	200	6	20.7	17.5	20.0	10.8	9.5	1.9	1.6	27.9	19.3	18.6
K E C Intl	Buy	150	160	7	7.4	10.1	12.1	14.9	12.4	2.2	1.9	13.5	16.0	16.7
L&T	Buy	1,440	1,600	11	44.7	53.6	62.2	26.8	23.1	2.8	2.6	9.9	10.9	11.7
Pennar Eng.	Not Rated	150	-		8.8	10.5	12.4	14.3	12.1	2.1	1.8	14.2	14.5	14.6
Siemens	Neutral	1,185	1,260	6	16.9	17.0	25.3	69.7	46.8	6.4	5.9	11.8	9.2	12.6
Solar Ind	Neutral	708	690	-3	18.4	19.3	22.9	36.7	30.9	6.4	5.5	20.2	18.6	19.0
Suzlon Energy	Not Rated	17	-		Loss	Loss	0.6	Loss	30.9	Loss	Loss	Loss	Loss	Loss
Thermax	Sell	800	706	-12	23.5	24.8	27.6	32.3	29.0	3.8	3.5	12.5	12.2	12.5
Va Tech Wab.	Buy	499	620	24	16.3	25.2	32.6	19.8	15.3	2.5	2.2	9.7	13.2	15.4
Voltas	Neutral	337	370	10	11.7	11.8	14.0	28.6	24.0	4.2	3.7	15.3	15.4	16.4
Aggregate								31.7	25.5	3.3	3.1	7.6	10.5	12.0
Cement														
Ambuja Cem.	Buy	233	246	6	5.5	5.7	6.9	41.1	33.6	1.7	1.7	8.3	5.9	7.1
ACC	Neutral	1,428	1,321	-7	32.0	32.6	48.9	43.8	29.2	3.2	3.2	7.2	7.2	10.9
Birla Corp.	Buy	725	759	5	20.4	33.8	44.5	21.5	16.3	1.6	1.6	5.9	8.5	9.8
Dalmia Bharat	Buy	1,880	1,736	-8	21.5	34.2	50.4	55.0	37.3	4.0	3.7	5.5	7.6	10.3
Grasim Inds.	Under Review	929	-		48.3	76.1	88.7	12.2	10.5	1.5	1.3	9.2	12.9	13.3
India Cem	Neutral	145	118	-19	4.4	8.9	10.6	16.2	13.7	1.1	1.1	3.9	7.0	7.4
J K Cements	Buy	735	767	4	14.5	26.4	36.5	27.8	20.2	2.9	2.6	6.3	10.9	13.7
JK Lakshmi Ce	Buy	369	440	19	0.4	4.7	12.2	78.1	30.2	3.2	3.1	0.3	4.2	10.5
Ramco Cem	Buy	660	698	6	23.4	29.4	31.5	22.4	21.0	4.2	3.6	19.5	20.6	18.6
Orient Cem	Buy	138	175	26	3.0	Loss	3.3	Loss	41.5	2.9	2.7	6.2	Loss	6.8
Prism Cem	Buy	96	102	7	0.1	0.9	3.5	107.0	27.2	4.7	4.1	0.7	4.5	16.0
Shree Cem	Buy	15,891	17,096	8	201.1	394.3	582.0	40.3	27.3	7.5	6.0	12.2	20.2	24.3
Ultratech	Buy	3,685	4,058	10	79.3	93.5	129.6	39.4	28.4	4.4	3.9	11.0	11.7	14.5
Aggregate								30.2	22.9	3.5	2.9	9.3	11.6	12.8
Consumer														
Asian Paints	Neutral	969	1,035	7	18.7	20.2	22.9	47.9	42.3	14.6	12.8	34.7	32.5	32.3
Britannia	Buy	3,103	3,380	9	70.1	70.6	82.1	44.0	37.8	16.6	13.2	55.9	42.2	38.8
Colgate	Buy	881	1,200	36	22.3	22.3	27.2	39.6	32.3	21.2	19.7	67.9	56.3	63.2
Dabur	Neutral	278	300	8	7.1	7.2	8.5	38.7	32.7	10.0	8.4	33.3	27.8	27.9
Emami	Buy	1,009	1,240	23	25.2	24.7	30.6	40.8	33.0	12.1	10.2	43.4	34.1	33.6
Godrej Cons.	Neutral	1,551	1,655	7	33.2	36.8	43.8	42.2	35.4	8.8	7.4	23.4	22.3	22.7
GSK Cons.	Neutral	5,179	5,465	6	167.1	157.7	178.8	32.8	29.0	7.7	6.7	30.8	25.1	24.7
HUL	Neutral	856	865	1	19.0	19.3	21.5	44.4	39.8	30.6	31.8	82.4	67.6	78.4
ITC	Buy	258	290	13	7.7	8.4	9.6	30.8	26.9	8.1	7.1	29.3	28.4	28.3
Jyothy Lab	Neutral	355	365	3	4.1	7.6	9.0	46.9	39.5	7.1	6.5	9.1	15.7	17.2
Marico	Buy	258	300	16	5.6	6.0	7.2	43.2	35.6	12.8	11.0	36.9	32.8	33.1
Nestle	Neutral	5,921	6,410	8	119.9	111.5	139.2	53.1	42.5	18.0	15.5	40.9	35.9	39.2
Page Inds	Buy	14,470	17,100	18	208.6	247.4	312.7	58.5	46.3	25.1	19.7	46.0	42.9	42.7
Parag Milk	Neutral	264	285	8	6.7	7.0	9.7	37.6	27.3	3.0	2.7	19.5	10.8	10.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Pidilite Ind.	Buy	679	700	3	14.8	16.4	18.4	41.5	37.0	10.6	8.6	29.9	27.6	25.6
P&G Hygiene	Buy	6,963	8,340	20	129.9	138.5	168.9	50.3	41.2	13.0	11.3	30.8	27.7	29.4
Radico Khaitan	Neutral	117	120	2	6.9	5.3	7.1	22.2	16.6	1.6	1.5	10.3	7.3	9.1
United Brew	Buy	811	1,065	31	11.1	12.3	16.4	65.7	49.6	9.0	7.8	14.8	14.5	16.9
United Spirits	Buy	2,270	2,885	27	16.7	28.6	47.0	79.3	48.3	15.0	11.6	19.8	20.8	24.0
Aggregate								39.7	34.0	11.6	10.1	31.8	29.3	29.8
Healthcare														
Alembic Phar	Neutral	575	630	10	38.2	23.2	27.9	24.8	20.6	5.6	4.6	38.8	24.8	24.7
Alkem Lab	Neutral	1,654	1,800	9	64.7	77.3	84.4	21.4	19.6	4.7	3.9	23.8	23.9	21.8
Aurobindo	Buy	713	1,050	47	33.9	42.0	49.9	17.0	14.3	4.5	3.4	32.5	29.9	27.2
Biocon	Sell	1,018	750	-26	23.2	33.2	35.6	30.7	28.6	4.5	4.1	11.5	14.7	14.1
Cadila	Buy	363	450	24	15.4	13.6	18.7	26.7	19.4	5.9	4.8	32.8	23.9	27.2
Cipla	Neutral	580	525	-10	18.8	18.1	25.6	32.0	22.7	3.6	3.1	12.8	11.2	13.9
Divis Lab	Neutral	708	975	38	41.9	45.4	51.0	15.6	13.9	4.0	3.4	28.6	26.7	26.5
Dr Reddy's	Neutral	2,999	3,000	0	132.3	82.7	141.7	36.3	21.2	3.7	3.2	18.8	10.6	16.1
Fortis Health	Buy	191	240	26	Loss	Loss	3.5	Loss	54.0	2.2	1.9	Loss	Loss	3.8
Glenmark	Neutral	898	990	10	24.9	41.4	49.7	21.7	18.1	4.4	3.4	16.4	20.4	19.1
Granules	Buy	115	160	39	5.5	7.1	10.0	16.3	11.5	2.9	2.4	21.6	20.5	22.7
GSK Pharma	Neutral	2,732	3,150	15	44.2	50.4	61.8	54.2	44.2	16.1	18.0	22.1	29.6	40.8
IPCA Labs	Neutral	537	540	1	10.5	17.0	29.4	31.6	18.3	2.7	2.4	5.9	9.0	14.1
Lupin	Buy	1,492	1,825	22	50.4	61.6	77.0	24.2	19.4	5.0	4.1	22.9	22.8	23.4
Sanofi India	Buy	4,181	5,200	24	103.2	142.2	172.8	29.4	24.2	5.2	4.7	14.2	17.8	19.4
Sun Pharma	Buy	640	925	45	19.6	27.8	37.9	23.0	16.9	4.5	3.7	16.5	20.3	23.9
Syngene Intl	Not Rated	564	-		11.1	13.0	16.1	43.3	34.9	8.7	7.2	23.3	22.2	22.5
Torrent Pharma	Buy	1,297	1,750	35	59.7	57.7	78.4	22.5	16.5	5.5	4.5	34.4	26.4	29.9
Aggregate								25.2	19.0	6.0	5.0	25.8	23.9	26.1
Logistics														
Allcargo Logistics	Buy	174	196	12	10.8	10.5	12.8	16.6	13.6	2.5	2.1	13.2	13.3	16.9
Blue Dart	Not Rated	4,473	-		84.4	102.5	129.9	43.6	34.4	19.3	14.7	55.5	50.5	48.6
Concor	Neutral	1,202	1,317	10	40.6	36.3	45.9	33.1	26.2	2.8	2.6	10.2	8.6	10.3
Gateway Distriparks	Buy	248	313	26	11.4	9.6	15.6	25.8	15.9	2.1	2.0	10.1	8.3	12.8
Gati	Not Rated	121	-		3.2	9.3	17.6	13.0	6.9	2.0	1.8	5.1	12.4	19.4
Transport Corp.	Not Rated	161	-		13.5	16.9	21.0	9.5	7.6	1.5	1.3	15.4	16.7	17.8
Aggregate								28.4	21.6	3.2	2.9	11.6	11.3	13.5
Media														
Dish TV	Buy	88	115	31	6.5	2.0	3.3	44.8	26.5	Loss	9.9	NM	43.2	46.3
D B Corp	Buy	361	450	25	16.2	21.1	23.9	17.1	15.1	4.4	3.9	22.6	27.0	27.1
Den Net.	Neutral	88	75	-14	Loss	Loss	1.9	Loss	47.2	1.0	1.0	Loss	Loss	2.1
Hathway Cab.	Buy	37	47	27	Loss	Loss	-0.8	Loss	-47.6	2.8	3.0	Loss	Loss	-6.1
Hind. Media	Buy	266	355	33	24.6	26.5	29.4	10.1	9.1	1.8	1.5	21.9	19.3	17.8
HT Media	Neutral	79	85	7	7.3	8.0	8.2	9.9	9.7	0.7	0.7	7.7	7.7	7.1
Jagran Prak.	Buy	180	215	19	10.5	10.8	12.2	16.7	14.7	3.3	2.8	24.7	20.7	20.6
PVR	Buy	1,273	1,429	12	25.5	20.4	35.8	62.5	35.5	6.2	5.4	18.7	10.4	16.4
Siti Net.	Buy	38	45	16	Loss	Loss	2.7	Loss	14.2	4.0	2.7	0.1	Loss	23.5
Sun TV	Under Review	537	-		21.1	25.4	30.3	21.1	17.7	5.4	4.9	23.4	25.3	27.6
Zee Ent.	Buy	496	600	21	10.6	12.2	17.6	40.6	28.2	9.5	7.7	27.0	31.3	30.3
Aggregate								30.7	22.2	5.4	4.6	18.2	17.5	20.8
Metals														
Hindalco	Buy	191	234	23	12.0	18.5	22.1	10.3	8.6	1.7	1.4	11.6	17.3	18.1
Hind. Zinc	Neutral	301	282	-6	19.8	21.5	25.4	14.0	11.9	2.9	2.5	20.7	22.5	22.6
JSPL	Neutral	79	88	11	Loss	Loss	Loss	Loss	Loss	0.5	0.5	Loss	Loss	Loss
JSW Steel	Buy	195	195	0	Loss	Loss	18.7	Loss	10.5	2.2	1.9	Loss	14.9	19.6
Nalco	Buy	78	73	-7	2.7	3.7	4.8	21.2	16.4	1.5	1.4	5.4	7.1	8.7
NMDC	Buy	146	162	11	8.4	10.9	10.8	13.4	13.6	2.0	1.9	15.9	12.8	14.2



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
SAIL	Sell	64	28	-56	Loss	Loss	Loss	Loss	Loss	0.8	0.9	Loss	Loss	Loss
Vedanta	Neutral	258	250	-3	10.8	21.4	27.3	12.1	9.4	1.3	1.2	7.9	13.0	14.8
Tata Steel	Sell	469	321	-32	7.7	11.7	37.1	40.0	12.7	4.0	3.2	4.6	8.7	28.3
Aggregate								19.9	14.4	1.6	1.5	5.1	8.2	10.6
Oil & Gas														
BPCL	Buy	706	756	7	55.2	55.5	56.4	12.7	12.5	3.1	2.6	31.6	26.2	22.7
Cairn India	Neutral	280	-		11.4	14.0	12.5	20.0	22.4	1.0	1.0	4.0	5.3	4.6
GAIL	Neutral	482	429	-11	18.1	28.7	36.4	16.8	13.3	1.8	1.7	7.7	12.9	13.2
Gujarat St. Pet.	Neutral	152	168	11	7.9	8.8	11.0	17.3	13.8	2.0	1.8	11.7	11.9	13.5
HPCL	Buy	536	543	1	38.0	52.7	45.1	10.2	11.9	2.5	2.2	22.4	26.6	19.7
IOC	Buy	384	464	21	20.3	49.3	40.1	7.8	9.6	2.1	1.9	13.6	29.3	20.8
IGL	Neutral	962	898	-7	29.7	42.0	43.7	22.9	22.0	4.7	4.0	18.4	21.8	19.8
MRPL	Buy	100	115	15	7.4	17.0	15.8	5.9	6.3	2.0	1.6	22.1	39.4	28.4
Oil India	Buy	339	376	11	29.1	33.3	40.3	10.2	8.4	1.1	1.1	10.6	11.6	13.1
ONGC	Neutral	205	223	9	13.6	14.8	20.0	13.8	10.2	1.4	1.3	9.5	10.1	13.1
PLNG	Buy	393	411	5	11.2	19.8	26.9	19.8	14.6	4.0	3.3	14.0	21.5	24.7
Reliance Ind.	Neutral	1,025	1,057	3	93.0	99.2	107.9	10.3	9.5	1.1	1.0	12.0	11.6	11.4
Aggregate								11.5	10.8	1.6	1.4	11.4	13.7	13.3
Retail														
Jubilant Food	Neutral	878	900	2	15.0	10.8	18.5	81.7	47.4	7.3	7.2	13.4	8.9	15.3
Shopper's Stop	Neutral	293	300	2	5.8	3.0	9.2	96.3	32.0	2.9	2.7	6.3	3.1	8.8
Titan Co.	Neutral	372	360	-3	8.0	8.7	9.8	42.6	38.2	8.0	7.1	21.3	20.2	19.7
Aggregate								47.3	38.8	7.2	6.5	16.8	15.2	16.7
Technology														
Cyient	Buy	468	600	28	30.7	33.4	42.7	14.0	11.0	2.2	2.0	16.5	15.9	17.8
HCL Tech.	Buy	844	980	16	40.1	58.1	64.7	14.5	13.0	3.7	3.2	21.5	27.3	26.7
Hexaware	Neutral	202	230	14	12.9	13.6	15.5	14.8	13.0	3.9	3.3	28.9	27.7	27.5
Infosys	Buy	942	1,250	33	59.0	62.8	67.8	15.0	13.9	3.1	2.8	24.7	23.2	22.5
KPIT Tech	Neutral	137	150	9	14.1	11.7	13.8	11.7	9.9	1.7	1.5	21.0	14.0	15.9
L&T Infotech	Buy	684	800	17	52.4	54.2	57.5	12.6	11.9	4.8	3.9	45.3	41.8	36.2
Mindtree	Neutral	472	530	12	35.9	25.1	33.7	18.8	14.0	3.1	2.8	27.4	17.1	21.0
Mphasis	Neutral	561	560	0	34.5	42.2	54.0	13.3	10.4	1.8	1.6	12.3	13.7	16.3
NIIT Tech	Neutral	429	470	9	45.7	38.2	49.3	11.2	8.7	1.5	1.4	19.0	14.2	16.5
Persistent Sys	Neutral	606	730	20	37.2	38.9	46.2	15.6	13.1	2.5	2.4	19.5	17.5	18.9
Tata Elxsi	Buy	1,471	1,619	10	49.7	60.2	73.6	24.4	20.0	9.3	7.5	46.3	42.8	41.7
TCS	Neutral	2,358	2,550	8	123.2	135.2	145.3	17.4	16.2	5.5	4.7	37.1	33.8	31.1
Tech Mah	Buy	467	550	18	35.1	30.9	36.0	15.1	13.0	2.6	2.3	23.4	19.1	19.3
Wipro	Neutral	466	540	16	36.1	33.4	37.2	13.9	12.5	2.3	2.0	20.3	17.0	17.0
Zensar Tech	Buy	908	1,200	32	68.2	68.6	85.0	13.2	10.7	2.5	2.1	24.0	20.0	21.1
Aggregate								15.8	14.5	3.7	3.3	24.4	23.6	22.7
Telecom														
Bharti Airtel	Buy	323	410	27	11.9	11.3	7.9	28.6	41.0	1.9	1.8	7.4	6.7	4.5
Bharti Infratel	Buy	354	435	23	11.8	15.6	16.7	22.7	21.2	3.7	3.3	12.7	15.7	15.9
Idea Cellular	Sell	78	65	-16	8.6	Loss	Loss	Loss	Loss	1.2	1.5	12.6	Loss	Loss
Tata Comm	Buy	720	811	13	1.6	8.5	31.4	84.6	22.9	-91.2	30.6	-91.6	-75.4	402.2
Aggregate								45.5	98.0	2.2	2.2	9.3	4.9	2.2
Utilities														
Coal India	Neutral	317	297	-6	22.6	16.8	20.0	18.8	15.8	6.5	6.5	42.2	34.5	41.0
CESC	Buy	735	940	28	27.8	48.4	70.7	15.2	10.4	1.7	1.5	3.1	4.7	6.3
JSW Energy	Buy	63	83	33	7.6	4.1	3.3	15.3	19.2	1.2	1.1	15.5	7.7	6.0
NTPC	Buy	177	199	13	12.3	11.9	14.3	14.9	12.4	1.5	1.4	11.9	10.6	11.9
Power Grid	Buy	205	209	2	11.5	14.2	16.8	14.4	12.2	2.2	1.9	14.7	16.1	16.6
Aggregate								16.2	13.6	2.5	2.3	17.7	15.3	16.8
Others														
Arvind	Buy	371	430	16	14.0	13.5	21.8	27.4	17.0	2.5	2.3	12.9	10.4	14.0



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY16	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16	FY17E	FY18E
Bata India	Buy	482	483	0	11.2	10.9	14.2	44.3	33.9	4.8	4.3	13.1	11.3	13.4
Castrol India	Buy	401	499	25	9.6	12.8	13.4	31.2	30.0	34.4	31.0	76.0	118.4	108.8
Century Ply.	Buy	195	211	8	7.5	4.6	8.8	42.8	22.3	7.4	6.0	36.3	18.2	29.8
Coromandel Intl	Under Review	332	-		11.8	16.3	20.0	20.4	16.6	3.6	3.2	14.9	18.5	20.4
Dynamatic Tech	Buy	3,152	3,388	7	19.4	67.6	112.9	46.6	27.9	6.4	5.2	4.7	15.1	20.7
Eveready Inds.	Buy	242	266	10	9.2	9.2	12.9	26.3	18.8	7.1	5.7	16.2	29.5	33.7
Interglobe	Neutral	925	1,015	10	55.2	58.3	72.5	15.8	12.8	15.4	12.9	176.5	105.1	110.2
Indo Count	Buy	186	223	20	13.4	15.7	18.5	11.9	10.0	3.7	2.7	48.9	37.8	31.2
Info Edge	Buy	845	1,050	24	13.0	18.4	20.7	45.8	40.7	5.2	4.8	9.2	12.0	12.3
Inox Leisure	Sell	227	207	-9	8.4	2.5	8.2	91.0	27.9	3.6	3.2	14.9	3.8	11.5
Jain Irrigation	Under Review	95	-		2.2	5.5	7.6	17.2	12.5	1.5	1.4	4.0	8.6	11.7
Just Dial	Buy	371	426	15	20.4	15.6	18.5	23.8	20.1	3.4	3.0	21.1	15.1	15.7
Kaveri Seed	Buy	469	489	4	24.9	23.1	28.8	20.3	16.3	3.4	3.1	20.7	17.1	20.0
Kitex Garm.	Buy	419	631	51	23.6	29.3	35.1	14.3	11.9	4.2	3.3	35.5	33.1	31.0
Manpasand	Buy	635	761	20	10.1	14.9	23.8	42.6	26.7	3.1	2.9	11.4	8.6	9.9
MCX	Buy	1,200	1,400	17	23.4	28.3	40.8	42.4	29.4	4.6	4.3	3.5	11.4	15.2
Monsanto	Buy	2,302	2,706	18	60.1	68.4	87.2	33.7	26.4	9.8	9.2	26.4	28.8	35.9
PI Inds.	Buy	874	959	10	22.1	31.3	38.4	27.9	22.8	7.8	6.1	29.2	31.7	30.1
SRF	Buy	1,705	1,915	12	73.7	81.0	105.0	21.0	16.2	3.3	2.8	17.0	16.2	18.2
S H Kelkar	Buy	316	338	7	5.5	7.5	10.1	42.3	31.2	5.5	4.9	12.6	13.5	16.6
Symphony	Sell	1,324	1,053	-20	15.6	27.0	35.1	49.0	37.7	26.7	22.7	35.0	56.8	65.0
TTK Prestige	Neutral	5,977	4,896	-18	100.7	107.8	139.9	55.4	42.7	55.4	42.7	17.2	16.6	19.7
V-Guard	Neutral	196	179	-9	3.7	4.5	5.8	43.5	34.0	10.4	8.5	26.3	26.1	27.4
Wonderla	Buy	375	392	5	10.6	7.0	11.9	53.6	31.4	4.9	4.4	15.8	9.5	14.8



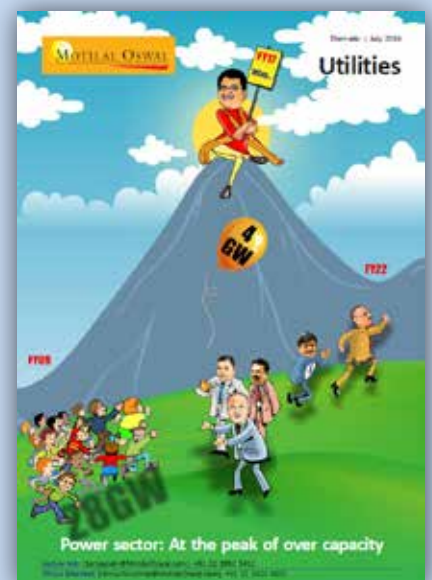
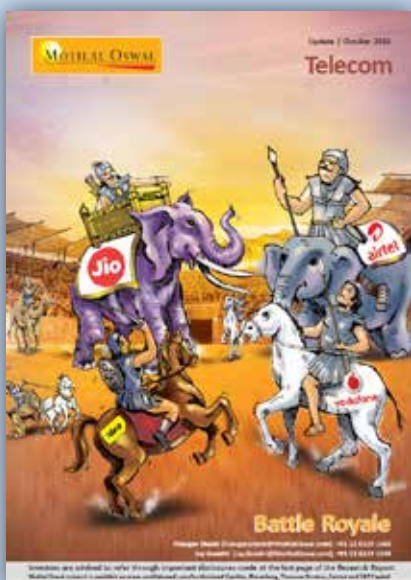
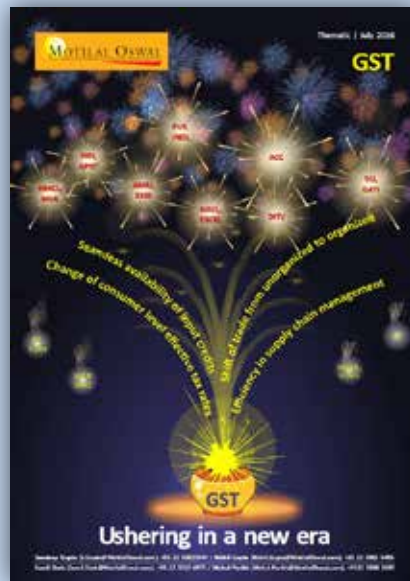
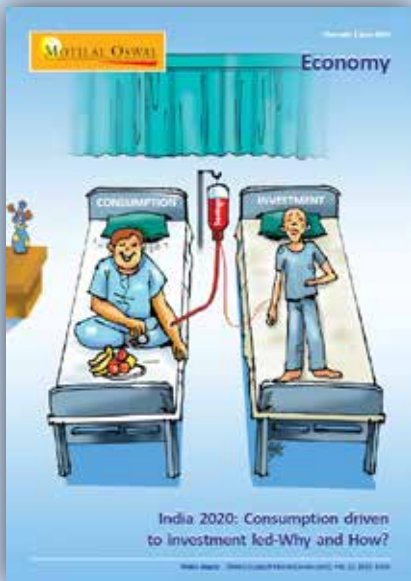
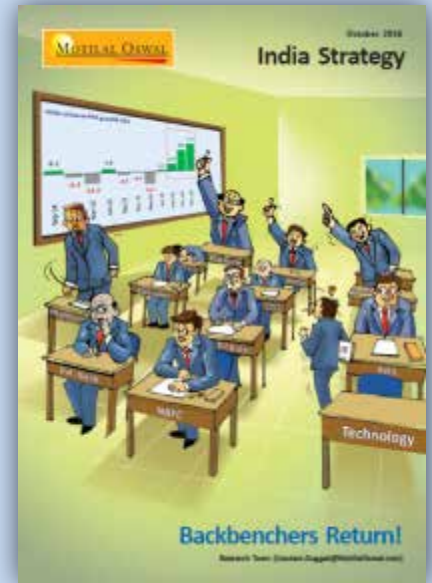
Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	1.9	3.9	9.9
Ashok Ley.	6.8	18.7	4.9
Bajaj Auto	0.1	8.3	24.0
Bharat Forge	-1.0	3.9	14.3
Bosch	-1.7	12.8	29.9
Eicher Mot.	2.0	14.1	44.8
Endurance Tech.	-0.7	11.0	
Escorts	1.5	28.3	176.7
Exide Ind	1.3	11.4	62.1
Hero Moto	-0.7	6.0	29.6
M&M	0.7	7.3	6.3
Mahindra CIE	-0.9	8.6	-14.5
Maruti Suzuki	2.2	13.3	44.1
Tata Motors	-0.7	16.7	61.5
TVS Motor	-0.3	11.1	35.1
Banks - Private			
Axis Bank	2.0	8.1	13.9
DCB Bank	0.3	11.7	60.2
Equitas Hold.	2.8	18.0	
Federal Bank	-0.2	21.8	65.4
HDFC Bank	0.4	9.1	24.8
ICICI Bank	4.7	7.4	14.8
IDFC Bank	-4.7	2.4	23.5
IndusInd	-0.9	17.9	38.1
J&K Bank	1.0	5.7	-8.1
Kotak Mah. Bk	-1.2	10.3	16.5
RBL Bank	2.3	20.7	
South Indian	0.2	11.4	15.6
Yes Bank	-0.5	24.3	106.6
Banks - PSU			
BOB	3.9	11.8	28.8
BOI	1.9	11.9	17.6
Canara	1.3	6.5	50.0
IDBI Bk	-1.2	18.0	33.4
Indian Bk	-2.3	27.1	184.9
OBC	2.4	13.1	4.6
PNB	3.6	18.7	46.7
SBI	2.8	7.2	44.6
Union Bk	0.6	14.9	9.3
NBFCs			
Bajaj Fin.	-0.6	22.8	67.9
Bharat Fin.	-0.9	43.0	49.2
Dewan Hsg.	-0.4	19.2	52.6
GRUH Fin.	1.1	9.5	30.2
HDFC	2.6	11.3	17.4
Indiabulls Hsg	-0.3	18.2	6.9
LIC Hsg Fin	2.3	3.3	16.2
Manappuram	-0.4	27.6	197.6
M&M Fin.	-1.2	10.5	41.3
Muthoot Fin	0.0	18.2	72.8
PFC	0.0	18.1	65.8
Repco Home	2.4	28.2	4.2
REC	2.3	25.8	60.0
STF	0.6	18.7	28.0
Shriram City Union	-1.9	13.8	34.1

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	-0.1	7.6	14.1
Bharat Elec.	1.7	12.5	27.6
BHEL	5.5	16.6	-0.4
CG Cons. Elec.	2.3	31.2	
Crompton Grv.	3.9	17.8	12.4
Cummins	0.6	5.6	-7.7
GE T&D	0.0	9.3	-28.9
Havells	0.2	31.7	41.3
Inox Wind	1.4	2.7	-40.1
K E C Intl	-1.1	11.8	23.9
L&T	-0.7	6.3	30.0
Pennar Eng.	-0.5	-2.1	2.6
Siemens	0.3	11.7	17.2
Solar Ind	0.2	7.3	12.0
Suzlon Energy	1.2	26.1	-4.5
Thermax	-1.1	5.8	-5.7
Va Tech Wab.	0.0	8.4	-14.9
Voltas	3.4	6.2	19.2
Cement			
Ambuja Cem.	1.6	14.8	21.4
ACC	1.9	10.2	16.0
Birla Corp.	1.0	15.4	80.3
Dalmia Bharat	1.2	43.8	160.7
Grasim Inds.	0.2	14.7	35.5
India Cem	1.2	30.1	63.4
J K Cements	3.7	14.4	45.3
JK Lakshmi Ce	2.7	4.6	22.9
Ramco Cem	0.4	27.0	71.5
Orient Cem	5.4	7.7	-8.1
Prism Cem	1.1	23.4	28.4
Shree Cem	0.9	17.5	59.7
Ultratech	0.1	16.7	34.1
Consumer			
Asian Paints	-0.8	10.6	12.9
Britannia	-0.7	9.9	17.1
Colgate	-2.0	-0.6	3.0
Dabur	-1.6	2.8	17.2
Emami	0.8	2.8	1.5
Godrej Cons.	0.5	6.5	35.1
GSK Cons.	2.8	3.8	-8.4
HUL	-1.5	6.1	11.5
ITC	-2.8	10.0	23.6
Jyothy Lab	-0.3	6.4	22.8
Marico	0.8	4.7	20.5
Nestle	-0.8	0.6	8.0
Page Inds	0.2	12.2	18.6
Parag Milk	1.5	1.9	
Pidilite Ind.	-1.1	16.1	20.6
P&G Hygiene	-0.4	1.1	27.2
Radico Khaitan	1.9	5.3	3.4
United Brew	-1.2	6.3	4.7
United Spirits	3.4	22.4	-12.4
Healthcare			
Alembic Phar	-1.9	-5.1	-4.5
Alkem Lab	0.6	3.8	23.3
Aurobindo	0.8	10.5	-11.0

Company	1 Day (%)	1M (%)	12M (%)
Biocon	-0.5	11.1	103.9
Cadila	1.4	3.7	19.0
Cipla	-0.8	3.1	0.0
Divis Lab	5.1	-10.3	-38.1
Dr Reddy's	0.2	-1.2	1.0
Fortis Health	1.2	6.2	9.7
Glenmark	2.8	0.9	21.8
Granules	-0.2	9.3	-4.4
GSK Pharma	0.2	1.1	-15.1
IPCA Labs	-0.5	4.4	-17.5
Lupin	-1.8	3.4	-11.7
Sanofi India	-0.5	-0.9	-0.3
Sun Pharma	0.6	3.1	-22.1
Syngene Intl	-0.7	5.3	46.1
Torrent Pharma	-0.5	0.5	-7.1
Logistics			
Allcargo Logistics	0.0	0.1	-5.6
Blue Dart	-0.2	7.0	-26.2
Concor	1.0	9.3	-0.5
Gateway Distriparks	2.5	6.1	-19.4
Gati	-0.7	9.2	7.9
Transport Corp.	-0.7	4.8	12.5
Media			
Dish TV	1.6	6.3	0.3
D B Corp	-0.8	0.1	14.7
Den Net.	-0.2	34.5	6.1
Hathway Cab.	-1.7	8.6	-0.8
Hind. Media	-1.2	1.2	-5.9
HT Media	-1.0	10.1	2.7
Jagran Prak.	-0.1	8.8	9.3
PVR	-1.7	20.5	72.1
Siti Net.	0.0	2.8	6.2
Sun TV	-0.1	11.2	51.7
Zee Ent.	-0.4	13.6	25.1
Metals			
Hindalco	0.3	22.6	167.6
Hind. Zinc	-0.1	19.3	89.7
JSPL	-3.4	19.5	20.4
JSW Steel	-0.1	23.7	74.2
Nalco	0.8	34.4	126.4
NMDC	0.7	20.5	82.3
SAIL	2.3	30.8	45.6
Vedanta	-0.2	20.0	303.6
Tata Steel	0.1	19.5	82.2
Oil & Gas			
BPCL	-0.4	14.7	62.3
Cairn India	-0.2	15.6	135.7
GAIL	1.4	13.6	34.6
Gujarat St. Pet.	-0.5	12.4	12.1
HPCL	-1.5	26.4	101.4
IOC	0.8	21.2	93.5
IGL	3.0	8.2	67.5
MRPL	-2.1	13.7	55.4
Oil India	0.2	3.6	30.0
ONGC	0.2	7.4	40.5
PLNG	5.0	9.7	58.4
Reliance Ind.	0.8	-3.7	2.6

Company	1 Day (%)	1M (%)	12M (%)
Retail			
Jubilant Food	2.7	7.9	-29.5
Shopper's Stop	0.2	2.8	-22.0
Titan Co.	0.1	17.7	6.7
Technology			
Cyient	-0.7	-2.3	9.0
HCL Tech.	0.3	5.1	1.1
Hexaware	2.5	1.5	-9.8
Infosys	0.6	-5.7	-17.2
KPIT Tech	1.9	2.2	-4.2
L&T Infotech	-0.1	2.4	
Mindtree	2.3	-3.0	-36.6
Mphasis	4.9	2.1	24.5
NIIT Tech	-1.4	1.3	-19.1
Persistent Sys	-2.1	1.3	-4.8
Tata Elxsi	0.6	10.7	-24.6
TCS	0.2	1.6	1.7
Tech Mah	0.3	-0.5	-7.3
Wipro	-1.6	0.5	-15.6
Zensar Tech	-0.4	-1.6	-2.1
Telecom			
Bharti Airtel	3.8	8.0	8.6
Bharti Infratel	0.7	6.7	-7.4
Idea Cellular	2.4	10.9	-28.8
Tata Comm	1.0	16.4	81.0
Utilities			
Coal India	0.2	9.5	4.3
CESC	-0.1	17.1	64.5
JSW Energy	3.8	10.6	-15.2
NTPC	3.3	10.5	23.3
Power Grid	0.7	13.0	47.8
Others			
Arvind	-0.4	11.4	18.3
Bata India	0.6	13.2	0.2
Castrol India	0.2	9.4	-5.9
Century Ply.	6.0	20.8	19.6
Coromandel Intl	-0.3	22.5	93.8
Dynamatic Tech	1.7	11.8	63.8
Eveready Inds.	0.4	18.3	-3.3
Interglobe	0.0	11.5	-0.9
Indo Count	3.5	21.0	-10.3
Info Edge	-0.7	-7.4	5.5
Inox Leisure	-3.6	0.1	6.9
Jain Irrigation	1.0	14.7	53.5
Just Dial	2.7	14.5	-52.7
Kaveri Seed	-4.4	19.2	43.6
Kitex Garm.	0.5	4.1	-0.2
Manpasand	0.5	21.4	33.2
MCX	1.6	-1.7	42.2
Monsanto	0.3	2.5	10.3
PI Inds.	-0.4	8.3	39.3
SRF	-0.1	13.1	53.5
S H Kelkar	1.8	6.6	25.6
Symphony	10.7	12.3	21.0
TTK Prestige	-0.3	10.8	35.8
V-Guard	1.6	22.5	125.7
Wonderla	1.3	9.4	-6.9

THEMATIC/STRATEGY RESEARCH GALLERY



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SH Kelkar



Adding flavor to fragrance

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Endurance Technologies



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Sector: Technology

L&T Infotech



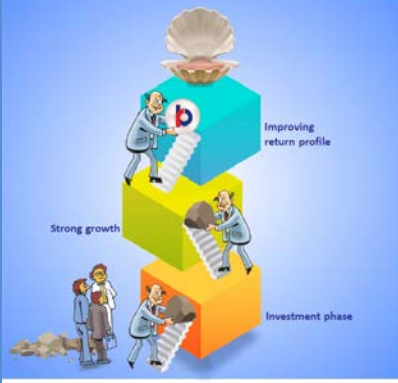
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Sector: Financials

RBL Bank




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CESC



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Sector: Consumer

United Breweries



Cheers to growth

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MOTILAL OSWAL

Initiating Coverage | 14 October 2016
Sector: Healthcare

Fortis Healthcare



Fortifying growth

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MOTILAL OSWAL

Initiating Coverage | 28 July 2016
Sector: Financials

Equitas Holdings



Fixing the missing link

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MOTILAL OSWAL

Initiating Coverage | 18 November 2015
Sector: Consumer

Page Industries



Getting into the big league

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

SUN PHARMACEUTICAL

Our research team into annual report season highlights robust performance. Revenue grew just 3.2% to INR 1,438 crore, but margin expansion highlighted growth in key divisions. Operating profit margin (OPM) rose to 20.4% from 19.1% in FY17, supported by cost savings and higher sales. Operating profit margin (OPM) rose to 20.4% from 19.1% in FY17, supported by cost savings and higher sales.

ANNUAL REPORT TREADBARE

The ART of trends to earth and sky

KEY TAKEAWAYS

- Revenue growth of 3.2% in FY18, primarily driven by higher sales in the Sun Pharma Consumer and Sun Pharma Chemicals divisions.
- Operating profit margin (OPM) rose to 20.4% from 19.1% in FY17, supported by cost savings and higher sales.
- Net profit margin (NPM) rose to 14.8% from 13.8% in FY17, supported by cost savings and higher sales.
- Dividend yield of 2.2% on the closing price of INR 1,438 crore.

Share Price

Share Price	2017-18
Open	117.00
High	124.00
Low	117.00
Close	123.00
Volume	1,23,456

Shareholder Data

Shareholder Name	Shareholding (%)
Public	75.00
Institutional	25.00

MOTILAL OSWAL

CornerOffice

Subscriptions with the CEO

Democratization & monetization: Look for India's largest bank

State Bank of India (SBI) has a long history of being a public sector bank. It is the largest bank in India by assets and deposits. The bank is expected to continue its growth in the coming years, driven by its strong capital base and robust risk management.

Key Takeaways:

- Strong financial performance with a solid return on equity (ROE) of 18.5%.
- Robust capital base with a capital adequacy ratio (CAR) of 21.5%.
- Strong risk management with a non-performing assets (NPA) ratio of 1.5%.

Investment Recommendation: Buy

Target Price: INR 250

MOTILAL OSWAL

VOICES

India Inc on Call

India Inc is a leading company in India, with a strong track record of growth. The company is expected to continue its growth in the coming years, driven by its strong capital base and robust risk management.

Key Takeaways:

- Strong financial performance with a solid return on equity (ROE) of 18.5%.
- Robust capital base with a capital adequacy ratio (CAR) of 21.5%.
- Strong risk management with a non-performing assets (NPA) ratio of 1.5%.

Investment Recommendation: Buy

Target Price: INR 250

MOTILAL OSWAL

EcoKnowledge

Living into trading theory

Identity data confirms 6.5% growth in real retail

India's real retail sector is expected to continue its growth in the coming years, driven by its strong capital base and robust risk management.

Key Takeaways:

- Strong financial performance with a solid return on equity (ROE) of 18.5%.
- Robust capital base with a capital adequacy ratio (CAR) of 21.5%.
- Strong risk management with a non-performing assets (NPA) ratio of 1.5%.

Investment Recommendation: Buy

Target Price: INR 250

MOTILAL OSWAL

BULLS & BEARS

INDIA WALL STREET HANDBOOK

Highlights of November edition:

- Nifty ended November with a 4.7% loss, closing at 8,225 after recovering from an intra-month low of 7,935 post Trump's victory and demonetization.
- Metals, Utilities and PSU Banks only sectors to give positive returns.
- Real Estate, Media and Cement top negative performers.

Best Performers:

Stock Name	Change (%)
Steel Authority of India	12.5
Coal India	10.2
Power Grid	8.7

Worst Performers:

Stock Name	Change (%)
Oil India	-8.5
ONGC	-7.2
Oil & Natural Gas	-6.8

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FUND FOLIO

Indian Mutual Fund Tracker

A MONTH INTO DEMONETIZATION

Significant change in sector and stock allocation of funds. Technology, Healthcare and IT funds saw big increase. Consumer, Private Equity, Auto, Consumer and Media saw signs of moderation.

Equity Fund down 1.2% MoM after eight consecutive months of rise

INR216b

INR4.2t

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