

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	29,647	0.4	11.3
Nifty-50	9,174	0.3	12.1
Nifty-M 100	17,110	0.3	19.2
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,368	0.3	5.8
Nasdaq	5,914	0.3	9.9
FTSE 100	7,370	-0.1	3.2
DAX	12,256	0.4	6.8
Hang Seng	10,356	-0.8	10.2
Nikkei 225	19,063	-0.8	-0.3
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	52	1.0	-5.9
Gold (\$/OZ)	1,243	-0.9	7.8
Cu (US\$/MT)	5,938	0.9	7.5
Almn (US\$/MT)	1,962	0.5	15.1
Currency	Close	Chg. %	YTD.%
USD/INR	64.9	0.0	-4.4
USD/EUR	1.1	-0.9	1.5
USD/JPY	111.9	0.8	-4.3
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.7	-0.1	0.2
10 Yrs AAA Corp	7.9	-0.1	0.4
Flows (USD b)	30-Mar	MTD	YTD
FII	0.0	4.5	6.1
DII	0.3	-0.6	0.2
Volumes (INRb)	30-Mar	MTD*	YTD*
Cash	468	317	275
F&O	8,948	4,651	4,495

Note: YTD is calendar year, \*Avg

Quote of the day

Wind to a sailor is what money is to life on shore



Today's top research theme

Telecom: Overall all-India data capacity adequate

However, room for addition in top cities

- ✓ We had a series of meetings with the telecom regulator, equipment vendors and service providers to gauge the business/regulatory outlook on the sector.
- ✓ Based on our discussions with the regulator, we surmise that the Vodafone-Idea merger should be concluded in 9-12 months. However, it could take 4-6 quarters post the merger for network synergies to start kicking in.
- ✓ On pan-India basis, the top telecom service operators have data capacity equivalent to 8-10x the current consumption. In the top cities, however, the capacity-consumption gap is lower. But the increase in data capacity would be disproportionately high relative to the capex incurred due to (a) lower cost of technology advancement, (b) higher share of investments in low capital-intensive components and (c) reduced optic fiber investments in smaller tier cities owing to better backhaul microwave technology.



Research covered

Cos/Sector	Key Highlights
Kotak Mahindra Bank	Building blocks for strong growth
Telecom	Overall all-India data capacity adequate
Automobiles	PVs to maintain strong momentum
Zensar Technologies	Strengthens presence in Retail...



Piping hot news

Kotak Mahindra Bank to raise Rs5,370 crore by issuing new shares

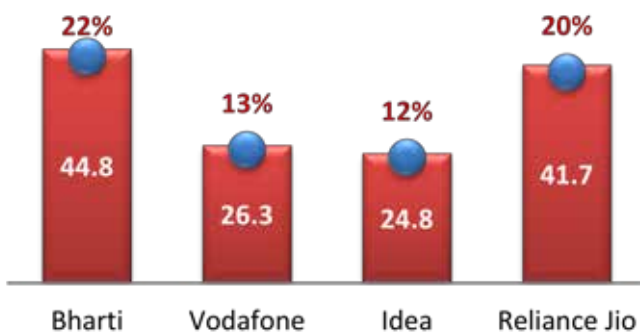
- ✓ Private sector lender, Kotak Mahindra Bank Ltd, on Thursday said its board has approved issue of 6.20 crore shares to raise approximately Rs5,370 crore. The fund raising will see the bank's equity base diluted by 3.37%...



Chart of the Day: TELECOM - Overall all-India data capacity adequate; However, room for addition in top cities

Bharti/RJIO hold over 40% of the spectrum pool

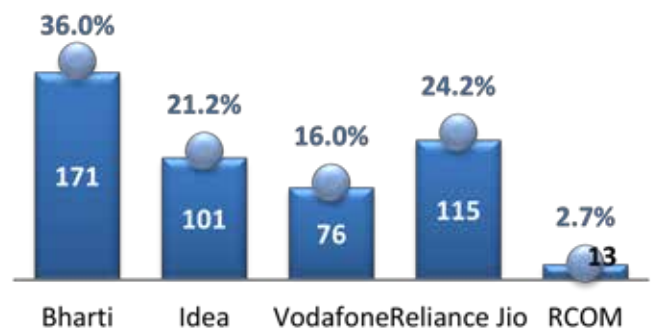
■ Avg. spectrum/circle (Mhz) ● Spectrum Share



Source: Company, MOSL

Bharti's relative cell-site share among incumbents is at 36%

■ Cell sites ('000) ● Relative Cell Site share



Source: Company, MOSL



Kindly click on numbers for the detailed news link

1

**Rating agencies rain downgrades on India Inc; 3,500 companies marked down vs 1,800 upgrades**

At 10 a day, it's been raining downgrades over the past year. Rating agencies have, between them, announced a staggering 3,500 downgrades in 2016-17, an all-time high. And at just over 1,800...

2

**To cut BS III stocks Hero MotoCorp, Bajaj Auto, others offer spectacular discounts of up to Rs 22,000**

With around 6.71 lakh two-wheelers out of over 8 lakh BS III vehicle impacted by the Supreme Court's ban on sale and registration of such vehicles from April 1, major two-wheeler manufacturers like Hero MotoCorp, Honda Motorcycle and Scooter India (HMSI), Bajaj Auto and Suzuki Motorcycle began offering discounts of up to `22,000 on their BS III models to liquidate stocks over the next two days. Dealers said that such heavy discounts were unheard of...

3

**SC saw through intentions of auto companies ramping up BS-III production: Rajiv Bajaj**

Rajiv Bajaj, managing director of Bajaj Auto, sees the Supreme Court order banning the sale of Bharat Stage III vehicles as a vindication of his stand supporting tougher emission standards. As April 2017 approached, some makers actually ramped up their BS-III...

4

**Opposition plans to push for GST amendment in Rajya Sabha**

The Opposition is learnt to be planning to leverage its numerical advantage in the Rajya Sabha to amend the Central GST legislation, ostensibly to assert the supremacy of Parliament over the GST Council in matters of indirect taxation. Sources said senior Rajya Sabha members of the Trinamool Congress, the Samajwadi Party....

5

**Heat wave pushes up electricity prices in spot market**

Power prices in the spot market shot up by nearly 7% in two days to more than Rs 3 per unit on Wednesday due to the ongoing heat wave conditions in most parts of the country. The prices had been hovering around Rs 2.50 per unit for the past few months...

6

**Infra push to see cement demand improve to 5% in FY18: ICRA**

An expected revival in the infra space may help the cement demand to grow to around 4 to 5 per cent in the next fiscal, according to rating agency ICRA. The agency said that FY2016-17 would be a flat year for the sector as demonetisation had a negative impact on real estate and construction ...

7

**Indiabulls Housing Fin raises Rs 485 crore via NCDs**

Indiabulls Housing Finance has raised Rs 485 crore through issue of non-convertible debentures on private placement basis. The company had in November last year announced its plan to raise up to Rs 6,000 crore through issue of secured, redeemable and non-convertible debentures (NCDs) on a private placement basis...



# Kotak Mahindra Bank

BSE SENSEX 29,531 S&P CNX 9,144

**CMP: INR865 TP: INR1,015 (+17%) Buy**



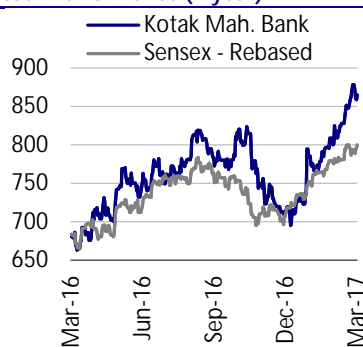
### Stock Info

Bloomberg	KMB IN
Equity Shares (m)	1,840
52-Week Range (INR)	885 / 656
1, 6, 12 Rel. Per (%)	5/5/10
M.Cap. (INR b)	1,580.8
M.Cap. (USD b)	24.4
Avg Val, INRm	1618
Free float (%)	66.4

### Financials Snapshot (INR b)

Y/E MARCH	2017E	2018E	2019E
NII	80.7	90.6	110.3
OP	58.1	69.3	89.2
Cons. NP	48.2	59.2	75.7
Cons. EPS	26.3	32.3	41.3
EPS Gr. (%)	39.2	22.9	27.8
Cons. BV	207	238	278
Cons. RoE (%)	13.5	14.5	16.0
RoA (%)	1.6	1.8	2.0
P/E (Cons.)	32.8	26.6	20.8
P/BV (Cons.)	4.2	3.6	3.1

### Stock Performance (1-year)



## Building blocks for strong growth

### KMB announces board approval to sell 6.2m shares

- Kotak Mahindra Bank (KMB), in a board meeting held on 30 March 2017, approved the sale of up to 62m shares. This translates to 3.4% pre-issue dilution and capital raise of INR53b at CMP.
- The stated intent by management is to augment KMB's capital base for the purpose of: a) pursuing consolidation opportunities, b) acquisition/resolution of stressed assets and participation in a "Bad Bank", c) organic growth opportunities and digital expansion and d) growth in subsidiaries.
- The capital raise would result in a reduction in promoter shareholding to 31.04%, closely following the RBI's requirement to lower promoter stake in the bank to 30% by June 2017.
- Post capital issue, tier I capital will improve by 225-250bp to ~18.5%. We expect KMB, backed by strong capitalization, to be a key player in M&A activities, considering the RBI's directive to reduce promoter shareholding. KMB is well placed to capitalize on the fast-growing financials savings pool and weakening competition (particularly in corporate lending). We reiterate Buy with a target price of INR1,015 (3.6x FY19E cons. BV).

### Strengthened tier 1 capital – best in system

The issue of 62m shares would result in pre- and post-issue dilution of 3.38% and 3.27%, respectively. The total amount works out to be ~USD800m, which is ~14% of consolidated net worth, assuming that fresh shares will be issued at CMP of INR860 (3.6x/3.1x FY18/19 BV – pre-dilution). Our calculations suggest that the capital raise would further strengthen its tier 1 capital by ~225-250bp (16.2% currently) and would be accretive to BV by ~9% in FY18 and 7.5% in FY19 (Exhibit 4). At CMP, KMB will trade at 3.3/2.9x FY18E/FY19E BV after taking capital raise into consideration.

### Serves dual purpose of fast-tracking growth...

Management is confident of fast-tracking its growth targets with stated digital strategy and synergies from the merger with eIVBL. The bank intends to double its customer base in 18 months (~8m currently). With sufficient capital, KMB is well placed for both organic and inorganic growth (acquisition/participation in ARC and "Bad Bank," and pursuing consolidation opportunities). The bank sees significant opportunities in stressed assets sale, with Mr Uday Kotak pegging capital requirement at ~INR2.5t for asset reconstruction companies (ARC). We believe that part of the proposed fund-raising could be used to explore capital infusion in KMB's ARC subsidiary.

### ...and meeting RBI's directions with regard to reducing promoter stake

The RBI's directive requires promoter shareholding to be brought down in phases to 15% by March 2020, with the target for June being 30% (Exhibit 5). In line with this, the promoter group sold 33.6m shares in March 2017, taking the shareholding down to 32.1% (v/s 33.6% in December 2016). The proposed capital raise would result in promoter shareholding of 31.04% post-dilution (Exhibit 6).

**Reiterate Buy: Strong earnings visibility across business segments**

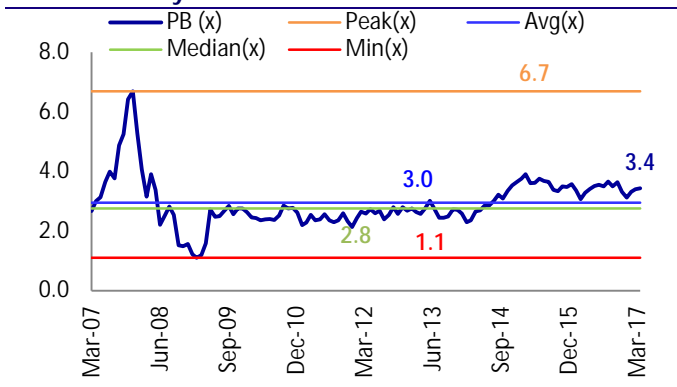
With a presence across a plethora of business segments and strong capitalization (tier 1 of ~6%), KMB is well poised to accelerate market share gains. Demonetization is likely to strengthen the bank’s digitization drive (launch of ‘811’ initiative), and an improving liability franchise should help the bank to achieve its target to double its ~8m customer base over next 18 months. Comfort on asset quality remains the highest, with no SDR/5:25/S4A, negligible SMA2 and OSRL (11bp). KMB is likely to sustain its premium multiples, given its strong growth visibility, diversified business model, across-the-board operating leverage and pristine governance. We reiterate **Buy** with an SOTP-based target price of INR1,015 (3.6x FY19E consolidated BV).

**Exhibit 1: KMB – SOTP based Valuation (FY19 based)**

	Value (INR B)	Value (USD B)	INR per share	% To Total Rationale	
<b>Lending Business</b>	<b>1,628</b>	<b>24.2</b>	<b>887</b>	<b>87</b>	
Kotak Mahindra Bank	1,420	21.1	774	76	4x FY19E Core NW, ~1.8% RoA and ~16% Core RoE
Kotak Prime (Car and other loans)	168	2.5	91	9	3x FY19E Net Worth, ~14% Core RoE
Kotak Investment Company (LAS)	40	0.6	22	2	3x FY19E Net Worth
<b>Asset Management Business</b>	<b>102</b>	<b>1.5</b>	<b>55</b>	<b>5</b>	
Domestic Mutual Fund	59	0.9	32	3	5% of FY19E Avg. AUM of INR1.18Tr
Alternative Assets	15	0.2	15	1	12% of FY19E AUM of INR122b
Offshore Funds	28	0.4	8	1	7% of FY19E AUM of INR390b
<b>Capital Markets related Business</b>	<b>71</b>	<b>1.1</b>	<b>39</b>	<b>4</b>	
Kotak Securities	67	1.0	37	4	15x FY19E Earnings; Implied ~2x Core BV
Kotak Investment Banking (KMCC)	4	0.1	2	0	1x FY19E Free Network
<b>Kotak Life Insurance</b>	<b>63</b>	<b>0.9</b>	<b>34</b>	<b>3</b>	
<b>Target Value</b>	<b>1,864</b>	<b>27.7</b>	<b>1,015</b>	<b>100</b>	<b>Implied 3.6x PBV; ROE of ~16%</b>
Current market cap.	1,578	23.4	860		
<b>Upside (%)</b>	<b>18.1</b>	<b>18.1</b>	<b>18.1</b>		

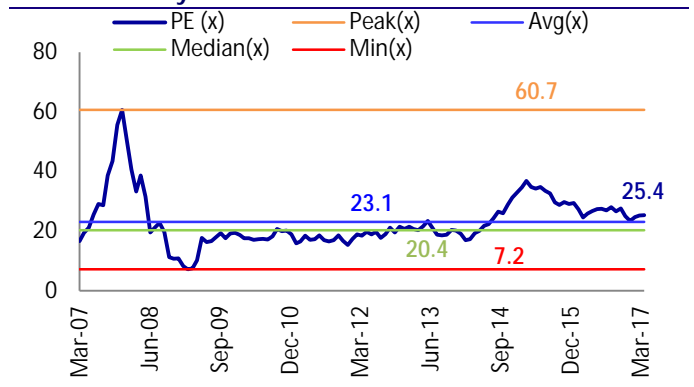
Source: MOSL, Company

**Exhibit 2: One year forward P/BV**



Source: MOSL, Company

**Exhibit 3: One year forward P/E**



Source: MOSL, Company




भारतीय दूरसंचार विनियामक प्राधिकरण  
Telecom Regulatory Authority of India  
(IS/CC 9000:2008 Certified Organisation)



दूरसंचार विभाग  
DEPARTMENT OF  
TELECOMMUNICATIONS

## Overall all-India data capacity adequate

### However, room for addition in top cities

We hosted *Telecom Day* in New Delhi. We had a series of meetings with the telecom regulator, equipment vendors and service providers to gauge the business/regulatory outlook on the sector. Our key takeaways:

- n Based on our discussions with the regulator, we surmise that the Vodafone-Idea merger should be concluded in 9-12 months. However, it could take 4-6 quarters post the merger for network synergies to start kicking in.
- n On pan-India basis, the top telecom service operators have data capacity equivalent to 8-10x the current consumption. In the top cities, however, the capacity-consumption gap is lower. Bharti has data coverage and capacity close to RJio's, but as capacity requirements would be higher in top cities, it would continue to make capital investments.
- n The increase in data capacity would be disproportionately high relative to the capex incurred due to (a) lower cost of technology advancement, (b) higher share of investments in low capital-intensive components like software, and OSS/BSS v/s BTS, and (c) reduced optic fiber investments in smaller tier cities owing to better backhaul microwave technology.
- n Interconnection usage charge (IUC) is not the key priority for the regulator, but it is likely to announce revised IUC in 3-6 months. Gradually, IUC would be reduced to zero. Call drop is no longer an issue.

### Vodafone-Idea merger could happen faster than expected

Based on our interaction with TRAI, we understand that the Vodafone-Idea merger is unlikely to face major roadblocks. The merger should be completed in 9-12 months. The merged entity would have one year from the effective date of merger to comply with the revenue and spectrum market share thresholds. With RJio's commercial launch in FY18, the revenue market share could get adjusted below the 50% threshold in most circles. Network synergies could take time to accrue, given that Vodafone and Idea have different vendors, different long-term contracts, and different technologies operating on multiple spectrum bands. It could take 4-6 quarters post the merger for the synergies to start kicking in.

### Overall data capacity adequate, but room for addition in top cities

Typically, 10% of the sites account for 50% of the data traffic. Circle-wise data consumption indicates that 18-20% of overall consumption happens in the top-3 metros against 10% in 'C' circles, implying that data usage in the top-3 cities is twice the usage of all the 'C' circle states put together. Thus, despite pan-India data capacity at 8-10x consumption, there could be room for capacity addition in top-tier cities. Based on spectrum and cell sites, Bharti's capacity is in line with RJio's and Vodafone-Idea merged would be in a better position than RJio. However, if we bifurcate in terms of geographic reach, RJio cell sites would be spread across Pan India to widen coverage, whereas Bharti and Vodafone-Idea would have higher proportion of broadband sites in top-tier cities. In terms of technology, RJio is

completely on 4G sites, while a high proportion of Bharti's and Vodafone-Idea's sites are 3G, which need to be upgraded to improve data capacity. Also, Vodafone-Idea has a significant proportion of its operations on the 2500MHz spectrum, for which the ecosystem is not adequately developed.

#### **Data capacity addition to be disproportionately high relative to capex incurred**

In 2015, 70-80% of the telecom industry's investment was going into connectivity, while platform and OSS/BSS each accounted for 10% of investment. In 2017-18, only 40% of the capex would be towards connectivity, while platform and OSS/BSS would account for about 30% each. Incrementally, a higher share of investment would be towards building and advancing the platform and OSS/BSS applications. Incremental technology upgradation would require much lower capex, as all new BTS are technology and band agnostic – incremental capex could be 25-30% of the total BTS cost. The backhaul in the metros would be through fiber, but newer microwave technologies are in the works to increase backhaul capacity. Lower-tier circles would be on e-wave bands, which give 4x the speed (at 1-5gbps) as the current microwave backhaul.

#### **IUC to be revised downwards; call drop issues have waned**

The call drop issue is no longer a big worry – post TRAI/DOT intervention, there has been significant improvement. Spectrum refarming and network rejig had impacted call quality, but the call drop issue is largely on the backburner now. On IUC, TRAI is working on the consultation paper issued last year. It is likely to announce the revised IUC in 3-6 months. Over the long term, IUC should be eliminated. Telecom auction could be a yearly phenomenon.



# Automobiles

## Mar-17 Sales Estimates PVs to maintain strong momentum

“Currently, NEXA dealership contributes 12% of the company’s overall sales, and going forward, with Ciaz and earlier Ignis joining the NEXA family, contribution from the premium retail chain is expected to be more than 15% of total sales by the end of 2017-18.” R S Kalsi, executive director (marketing & sales), MSIL

### Pre-buying to aid 2W/CV volume growth

We interacted with industry participants to get an update on the expected sales trend in March 2017 for our auto coverage universe. Volumes for 2Ws and CVs would benefit from the unexpected discounts being offered in these segments. Key highlights:

- n Momentum in PVs is expected to continue, led by continued new launches, rural recovery post demonetization and festive buying (e.g. on occasions of Gudi Padwa and Navratras). Separately, pre-buying and the ban on BS-III vehicles (from 1 April) are likely to support CV/2W sales in March.
- n Maruti Suzuki (MSIL) is expected to outperform the PV industry, while Ashok Leyland (AL) and TVS Motor (TVSL) should outperform the CV and 2W industries, respectively.
- n We expect MSIL's volumes to increase ~11% YoY in March, outperforming the industry, primarily led by growth in compact UV space and supported by Baleno. Ignis is also likely to contribute to marginal incremental volumes. Tata Motors' (TTMT) PV segment is expected to be driven by Tiago and complimented by the newly launched Hexa and Tigor. Tiago enjoys a waiting period of 1 month (down from 2-3 months), while Hexa has a waiting period of 8 weeks.
- n The situation for 2Ws is expected to improve MoM, led by rural recovery post demonetization and heavy discounts on BS-III vehicles due to the ban beyond 31 March 2017. Hero MotoCorp (HMCL) is likely to record ~12% YoY increase in volumes on account of higher rural exposure, a gradual recovery post demonetization and the highest inventory of BS-III vehicles among peers. 2W volumes of Bajaj Auto (BJAUT) are expected to increase ~4% YoY, but by ~12% MoM. Exports for BJAUT are expected to increase 9% YoY on a low base. We expect RE volume growth to moderate to ~17% YoY (at 60k units) in March. Overall, the situation in 2Ws is expected to improve MoM as the demonetization impact wanes off. 2W OEM managements have indicated that the situation is improving gradually.
- n Volume growth for PVs and 2Ws is also likely to be aided by festive buying across India in the last week of March (last year these festivals were celebrated in April).
- n CV players are expected to record an uptick in sales, led by pre-buying on account of change in emission norms post April 2017 and the ban on BS-III vehicles. We expect CV players to record strong double-digit growth.
- n AL is expected to register 37% YoY growth, while VECV is likely to witness 21% YoY growth supported by high levels of discounting. Market leader Tata Motors' CV business is likely to see ~24% YoY growth in March.
- n We prefer 4Ws (over 2Ws/CVs) due to stronger volume growth and a stable competitive environment. While 2W volumes should benefit from a rural recovery in the near term, we believe competitive intensity remains high in segments witnessing changing customer preferences. For CVs, we expect volumes to remain muted at least for next 2-3 quarters due to pre-buying, GST implementation, and cost inflation with relatively weak freight availability. Our top picks are TTMT, MSIL and Amara Raja (AMRJ). We also consider Mahindra & Mahindra (MM) as the best play on rural market recovery.

Exhibit 4: Snapshot of volumes for March-17

Company Sales	YoY			MoM			FY17	FY16	(% chg)
	Mar-17	Mar-16	YoY (%) chg	Feb-17	MoM (%) chg				
<b>Maruti Suzuki</b>	<b>143,225</b>	<b>129,297</b>	<b>10.8</b>	<b>130,280</b>	<b>9.9</b>	<b>1,572,065</b>	<b>1,429,200</b>	<b>10.0</b>	
LCVs	0	0		136		596	0		
C (Vans)	9,628	12,896	-25.3	14,195	-32.2	150,009	143,471	4.6	
A2 (Compacts)	79,481	66,275	19.9	65,081	22.1	835,457	778,989	7.2	
A3 (Sedan)	18,945	25,830	-26.7	23,460	-19.2	261,104	288,475	-9.5	
A4	0	0		0	NA	0	0	0.0	
UV (Ertiga, S-Cross)	24,168	13,893	74.0	17,863	35.3	201,598	94,415	113.5	
Total Domestic	132,222	118,894	11.2	120,735	9.5	1,448,764	1,305,350	11.0	
Export	11,002	10,403	5.8	9,545	15.3	123,300	123,850	-0.4	
<b>Mahindra &amp; Mahindra</b>	<b>70,101</b>	<b>65,663</b>	<b>6.8</b>	<b>57,721</b>	<b>21.4</b>	<b>763,000</b>	<b>705,108</b>	<b>8.2</b>	
UV (incl. pick-ups)	46,914	44,628	5.1	37,999	23.5	437,145	424,412	3.0	
LCV	1,706	1,709	-0.2	1,289	32.3	13,475	12,130	11.1	
Verito									
Three-Wheelers	4,982	4,644	7.3	3,426	45.4	52,226	54,975	-5.0	
Tractors	16,499	14,682	12.4	15,007	9.9	260,154	213,591	21.8	
<b>Tata Motors</b>	<b>70,717</b>	<b>53,057</b>	<b>33.3</b>	<b>47,573</b>	<b>48.7</b>	<b>556,509</b>	<b>511,701</b>	<b>8.8</b>	
HCV's	27,220	20,946	30.0	17,681	54.0	183,864	176,485	4.2	
LCV's	27,405	23,175	18.3	17,426	57.3	214,971	204,739	5.0	
CV's	54,626	44,121	23.8	35,107	55.6	398,836	381,224	4.6	
Cars	12,975	7,216	79.8	10,042	29.2	136,731	111,071	23.1	
UV's	3,116	1,720	81.2	2,424	28.6	20,942	19,406	7.9	
<b>Hero MotoCorp</b>	<b>676,582</b>	<b>606,542</b>	<b>11.5</b>	<b>524,766</b>	<b>28.9</b>	<b>6,730,534</b>	<b>6,631,484</b>	<b>1.5</b>	
<b>Bajaj Auto</b>	<b>303,848</b>	<b>305,466</b>	<b>-0.5</b>	<b>273,513</b>	<b>11.1</b>	<b>3,697,515</b>	<b>3,893,247</b>	<b>-5.0</b>	
Motorcycles	273,623	264,249	3.5	244,958	11.7	3,249,320	3,358,252	-3.2	
Total Two-Wheelers	273,623	264,249	3.5	244,958	11.7	3,249,320	3,358,252	-3.2	
Three-Wheelers	30,225	41,217	-26.7	28,555	5.8	448,195	534,995	-16.2	
Domestic	193,169	204,077	-5.3	159,109	21.4	2,278,507	2,153,748	5.8	
Exports	110,679	101,389	9.2	114,404	-3.3	1,419,008	1,739,499	-18.4	
<b>Ashok Leyland</b>	<b>22,953</b>	<b>16,702</b>	<b>37.4</b>	<b>14,067</b>	<b>63.2</b>	<b>149,339</b>	<b>140,445</b>	<b>6.3</b>	
CV (ex LCV)	18,909	13,240	42.8	11,329	66.9	116,949	109,750	6.6	
LCV (Nissan JV)	4,044	3,462	17	2,738	47.7	32,390	30,695	6	
<b>TVS Motor</b>	<b>261,012</b>	<b>231,560</b>	<b>12.7</b>	<b>211,470</b>	<b>23.4</b>	<b>2,931,629</b>	<b>2,678,338</b>	<b>9.5</b>	
Motorcycles	73,990	86,397	-14.4	58,994	25.4	1,055,405	1,016,443	3.8	
Scooters	86,390	67,512	28.0	69,020	25.2	872,316	812,527	7.4	
Mopeds	93,213	71,777	29.9	78,233	19.1	932,597	738,547	26.3	
Three-Wheelers	7,419	5,874	26.3	5,223	42.1	71,311	110,821	-35.7	
Total Domestic	226,229	201,433	12.3	173,255	30.6	2,510,400	2,224,847	12.8	
Total Exports	34,783	30,127	15.5	38,215	-9.0	421,229	453,491	-7.1	

Exhibit 5: Snapshot of volumes for Feb-17

Eicher Motors	YOY			MoM			FY17	FY16	(% chg)
	Mar-17	Mar-16	YoY (%) chg	Feb-17	MoM (%) chg				
<b>Royal Enfield</b>	<b>60,000</b>	<b>51,320</b>	<b>16.9</b>	<b>58,439</b>	<b>2.7</b>	<b>666,377</b>	<b>508,154</b>	<b>31.1</b>	
<b>VECV</b>	<b>8,027</b>	<b>6,633</b>	<b>21.0</b>	<b>5,379</b>	<b>49.2</b>	<b>58,380</b>	<b>50,783</b>	<b>15.0</b>	
Domestic LMD	3,750	3,004	24.8	2,561	46.4	26,830	24,715	8.6	
Domestic HD	1,800	1,433	25.6	1,181	52.4	11,263	9,026	24.8	
Domestic Buses	1,650	1,507	9.5	1,086	51.9	12,103	10,530	14.9	
<b>Total Domestic</b>	<b>7,200</b>	<b>5,944</b>	<b>21.1</b>	<b>4,828</b>	<b>49.1</b>	<b>50,196</b>	<b>44,271</b>	<b>13.4</b>	
Exports	827	689	20.0	551	50.1	8,184	6,512	25.7	



**Exhibit 6: Comparative valuation**

	CMP (INR)*	Rating	TP (INR)	P/E (x)		EV/EBITDA (x)		RoE (%)		RoCE (%)		EPS CAGR (%)
				FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY16E-18E
<b>Auto OEM's</b>												
Bajaj Auto	2,821	Buy	3,414	21.0	17.7	14.8	12.3	29.7	31.0	28.9	30.1	10.1
Hero MotoCorp	3,232	Neutral	3,592	18.3	16.9	12.0	11.0	40.3	36.9	39.3	36.1	9.9
TVS Motor	435	Buy	456	38.8	28.7	23.5	17.9	25.1	27.8	25.9	30.3	29.0
M&M	1,280	Buy	1,562	20.9	17.0	15.7	14.0	14.5	13.7	12.1	11.6	7.8
Maruti Suzuki	5,954	Buy	6,842	23.8	18.9	15.3	12.0	22.6	23.4	30.5	31.4	31.9
Tata Motors	468	Buy	658	35.8	13.1	5.9	4.2	5.4	13.4	4.9	10.7	-1.4
Ashok Leyland	83	Buy	118	17.0	12.5	8.9	6.8	23.5	27.1	17.0	21.2	30.6
Eicher Motors	25,638	Buy	27,439	41.0	29.5	31.9	24.2	41.2	41.2	27.6	30.9	32.7
<b>Auto Ancillaries</b>												
Bharat Forge	1,027	Buy	1,105	40.5	27.5	18.9	15.0	15.7	20.5	10.8	14.7	15.1
Exide Industries	220	Buy	233	26.7	22.7	16.9	14.5	14.2	14.9	14.7	15.5	14.6
Amara Raja Batteries	871	Buy	1,135	29.8	23.1	17.0	13.7	21.6	23.1	20.6	22.1	14.7
BOSCH	22,607	Neutral	21,940	50.1	35.5	38.0	26.1	17.4	23.6	24.5	32.7	14.8
Endurance Tech	749	Buy	732	30.9	24.8	14.3	12.0	21.2	21.8	15.4	17.2	20.8

Source: Company, MOSL

# Zensar Technologies

BSE SENSEX 29,647 S&P CNX 9,174

**CMP: INR922 TP: INR1,200 (+30%)**

**Buy**



### Stock Info

Bloomberg	ZENT IN
Equity Shares (m)	45.4
52-Week Range (INR)	1136 / 865
1, 6, 12 Rel. Per (%)	-2/-13/-19
M.Cap. (INR b)	41.8
M.Cap. (USD b)	0.6
Avg. Val, INR m	36
Free float (%)	51.4

### Financials Snapshot (INR b)

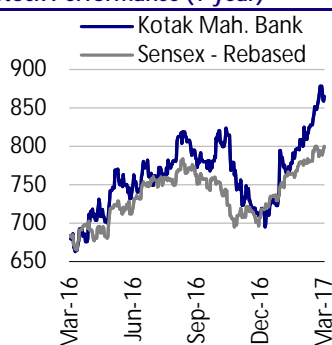
Y/E Mar	2017	2018	2019
Net Sales	31.4	35.9	40.7
EBITDA	4.4	5.2	6.0
PAT	2.9	3.7	4.2
EPS (INR)	65.3	81.4	92.0
Gr. (%)	-4.8	24.6	13.1
BV / Sh (INR)	367.4	431.7	502.4
ROE (%)	19.1	20.4	19.7
ROCE (%)	25.0	25.4	25.2
P / E (x)	14.0	11.2	9.9
P / BV (x)	2.5	2.1	1.8

### Shareholding pattern (%)

As On	Dec-16	Sep-16	Dec-15
Promoter	48.6	0.0	47.9
DII	2.0	0.0	10.2
FII	14.6	0.0	4.5
Others	34.8	0.0	37.5

FII Includes depository receipts

### Stock Performance (1-year)



## Strengthens presence in Retail...

### ...through the acquisition of Keystone Logic Solutions

- Zensar Technologies (ZENT) announced the acquisition of Keystone Logic Solutions, a leader in omni-channel and digital fulfillment. The move will help ZENT to expand its presence in the Retail vertical (25% of revenues).
- The company paid ~USD20m for the acquisition, financed via internal accruals. Given that Keystone has revenue of ~USD13m and EBITDA margin of 30%, the company has effectively paid 1.6x revenue and 5.2x EBITDA for the acquisition.
- ZENT had cash and cash equivalents of USD50m as of end-3QFY17.

### About Keystone

- Bangalore-based Keystone is a leading omni-channel and digital supply chain company providing assistance to warehouse managers to run their operations. Its customers are primarily in the verticals of retail, direct-to-consumer, third-party logistics and wholesale. It provides digital supply chain solutions, IT and engineering services, supply chain solutions, and analytics & business intelligence services, among others.
- Major customers for Keystone include adidas, INVeSHARE, Abercrombie & Fitch, DHL, Yankee Candle, JoS. A. Bank Clothiers, QVC and Orchard Supply Hardware.

### About the transaction

- ZENT has paid INR132.4cr (~USD20m) for the acquisition of Keystone.
- Keystone has historically grown its revenue at 20% (currently at INR83cr or ~USD13m) and has an EBITDA margin of 30%. Effectively, ZENT has paid 1.6x revenue and 5.2x EBITDA for the acquisition.

### Advantage for ZENT

- The acquisition of Keystone expands ZENT's presence across the retail value chain. The company has marked its presence in [1] experience design through the acquisition of Foolproof, [2] commerce enablement through Professional Access and [3] warehousing and supply chain through Keystone.
- Retail accounts for 25% of total revenue for ZENT. We believe the Keystone acquisition will fortify its position in the retail space. Post-acquisition, Retail is expected to contribute ~27% of total revenues.
- The acquisition would result in a 2.5% increase in revenue, and would also be accretive on operational profitability and EPS.
- No regulatory approval will be required for the transaction (expected to close in the first week of April 2017).
- The acquisition would add 2.5% to our revenue estimates for FY18, and 40bp to EBITDA margin, which, in turn, would result in EPS accretion of 4%. We maintain **Buy** on the stock with a target price of INR1,200, discounting FY19E EPS by 13x.



### 1. See double-digit growth for hydrocarbon business: L&T Hydrocarbon

- n Hydrocarbon has been going through a restructuring process. The order flow is picking up.
- n It has exceeded the budgeted number for hydrocarbon business. Total order inflows will be more than ~INR180b for the full year, which is significant growth YoY.
- n Hydrocarbon is a very cyclic business, but on an average over a two-three year cycle, you should have a continuous 10 percent growth that is what we are all targeting.
- n It enjoys 8-9% margins on these orders, which is reflection of disciplined bidding for orders.

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### 2. Industry to grow by 20-25% this summer; GST to push AC prices up by 2-3%: Bluestar

- n Expects market growth of around 20-25 percent and company's air-conditioning segment to grow by 35 percent in FY17.
- n With the passage of Goods and services tax (GST), prices of ACs will go up by around 2-3 percent.
- n "Every year some player plays the price game, we will be doing minor adjustments but we are not going to be playing that game at all".

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### 3. Manufacturers, dealers selling BS-III vehicles through discounts before Mar 31: John Paul, President, FADA

- n In the two days before March 31, dealers and manufacturers are trying to sell out as many vehicles as possible by offering special discounts.
- n Inventory with dealers and company for 2Ws and CVs at 600-700k.
- n Most of OEMs have indicated that they will ensure viability of dealers in current times.

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### 1. Explaining the sharp rise in the rupee. by Tushar Arora

- n Since the beginning of this year, the rupee has appreciated nearly 4 per cent against the US dollar. Part of it is due to the winding down of the “Trump-trade” and loss in the dollar globally. As market participants have become sceptical about the implementation of Trump’s agenda, they have been cutting down long-dollar positions, and emerging market currencies in general have gained this year. Meanwhile, there has been a host of factors on the domestic front leading to substantial gains in the rupee. After the BJP’s landslide victory in the latest Assembly elections, foreign investors have turned more hopeful on the Indian equities.

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### 2. Reforming bureaucracy. by The Business Line

- n The Government is considering stepping up lateral movement of experienced officers from various Central and State services at the level of joint secretary to tide over the shortfall of experienced IAS officers eligible to be appointed to senior positions. This welcome move will give opportunity to those in specialised services to move into mainstream administration and bring their domain expertise in specific issues into policymaking and governance. It will also reverse some of the appropriation of top positions by the IAS lobby from non-IAS services over the last few decades. The IAS-dominated top bureaucracy must wholeheartedly support this move.

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### 3. AS bank credit falters, how worried should we be? by Renu Kohli

- n Are Indian corporates credit starved? Looking at the recent trend in bank credit to industry and services, any one would tend to agree with such a notion. It is common knowledge that Indian corporates rely heavily upon banks to finance their investments, whereas banks’ outstanding credit to these sectors has contracted by 2.2% in January 2017. In a historical context, such a trend should have been alarming, triggering anxiety about the banking sector’s health and its ability to support business investment.

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### 4. Classical Amartya Sen and a baroque world. by Akshath Jitendranath

- n Social choice theory is characterized by ornate mathematical results. This, some have suggested, gives it a baroque façade. Just like the baroque style, works in social choice can look wholly unconcerned with the world around us. But if this is true, then a curious puzzle emerges: What is Amartya Sen—the author of some of the most influential ideas in contemporary social thought—doing in a theoretical world that appears unconcerned with the “real” world? To address this puzzle we need to recognize the baroque façade of social choice as just that—a façade!

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## 5. The rental housing approach for India. by Pritika Hingorani, Rohan Shridhar & Meenaz Munshi

- n The Economic Survey 2016-17 describes an India on the move. Migration has almost doubled, to an annual flow of nine million a year for 2011-16, from 5.5-6 million a year between 2001-11. Though the survey shows the highest migration to Delhi, there were well over 90 cities in India with annual population growth rates of 3% or more. Against this, in 2012, the urban housing shortage in India was estimated to be almost 19 million homes, with the vast majority required for lower-income households. Rental housing is a critical component of the housing response in urbanizing countries.

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## 6. Donald, and Daffy, show. by Swaminathan S Anklesaria Aiyar

- n Will Donald Trump transform the US in his first 100 days through executive orders and new laws? Will he wreak protectionist, anti-immigrant and anti-minority havoc? Relax. The US Constitution is designed to hobble presidents. It divides power between the president, US Congress and the judiciary, giving no branch an overriding authority. Each is subject to checks and balances. Neither legislators nor judges feel inferior to or obliged to kowtow to the president. He has to negotiate with even minor Congressmen for legislative support. If instead he tries to bludgeon his way forward, he suffers humiliating setbacks.

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## International

## 7. Why business cannot make government great. by The Financial Times

- n Governments have achieved amazing things. They built the pyramids and defeated the Nazis. Yet it never occurs to anyone to bring government officials in to reinvigorate unproductive businesses. When governments do get involved in business, the results are usually bad, and no one is surprised. The reason is obvious: government and business, when they are good, are good at different tasks. Somehow this logic has not ended calls for government "to work more like a business". This hardy perennial bloomed again on Monday, when president Trump created a "White House Office of American Innovation", to be run by his senior adviser and son-in-law, Jared Kushner.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
<b>Automobiles</b>														
Amara Raja	Buy	871	1,087	25	29.2	37.7	45.4	29.8	23.1	5.9	4.9	21.6	23.1	22.9
Ashok Ley.	Buy	83	114	37	4.8	6.4	8.2	17.3	13.0	3.7	3.2	23.1	26.3	28.2
Bajaj Auto	Buy	2,821	3,432	22	136.2	160.6	182.3	20.7	17.6	5.8	5.1	30.0	31.0	30.9
Bharat Forge	Buy	1,027	1,110	8	25.7	37.5	46.7	40.0	27.4	6.1	5.3	15.9	20.6	22.0
Bosch	Neutral	22,607	22,049	-2	489.0	639.6	735.0	46.2	35.3	9.1	7.6	18.8	23.4	22.6
CEAT	Buy	1,313	1,406	7	89.9	107.6	140.6	14.6	12.2	2.2	1.9	16.4	16.9	18.9
Eicher Mot.	Buy	25,638	27,458	7	623.7	868.2	1,072.1	41.1	29.5	14.6	10.5	41.1	41.2	37.1
Endurance Tech.	Buy	749	732	-2	24.2	30.2	36.6	30.9	24.8	6.0	5.0	21.2	21.8	22.1
Escorts	Buy	535	596	11	21.8	32.8	42.6	24.6	16.3	2.7	2.4	11.4	15.6	17.7
Exide Ind	Buy	220	233	6	8.2	9.7	11.8	26.7	22.7	3.8	3.4	14.2	14.9	15.9
Hero Moto	Neutral	3,232	3,190	-1	175.2	190.7	199.4	18.4	16.9	6.8	5.8	40.1	36.8	33.0
M&M	Buy	1,280	1,546	21	60.7	75.0	89.4	21.1	17.1	3.2	2.9	14.3	13.6	14.5
Mahindra CIE	Not Rated	207	-		6.2	9.7	11.9	33.5	21.4	2.3	2.1	7.7	10.3	11.3
Maruti Suzuki	Buy	5,954	6,808	14	252.7	313.1	379.5	23.6	19.0	5.5	4.5	22.8	23.2	23.2
Tata Motors	Buy	468	654	40	12.8	35.5	70.1	36.7	13.2	1.9	1.7	5.2	13.3	22.2
TVS Motor	Buy	435	462	6	11.9	15.4	21.9	36.6	28.2	8.8	7.1	26.4	27.9	31.4
<b>Aggregate</b>								<b>26.9</b>	<b>18.5</b>	<b>4.0</b>	<b>3.5</b>	<b>15.0</b>	<b>18.9</b>	<b>22.0</b>
<b>Banks</b>														
<b>Private</b>														
Axis Bank	Neutral	499	535	7	14.1	25.0	46.8	35.5	20.0	2.2	2.0	6.3	10.3	17.3
DCB Bank	Neutral	168	134	-20	7.1	8.6	10.9	23.7	19.5	2.5	2.2	10.9	11.8	13.1
Equitas Hold.	Buy	164	240	46	6.1	6.9	8.7	27.1	23.7	2.5	2.2	11.3	9.9	11.1
Federal Bank	Buy	91	105	16	4.6	5.5	6.9	19.8	16.6	1.8	1.7	9.4	10.4	12.1
HDFC Bank	Buy	1,464	1,510	3	56.9	68.3	81.5	25.7	21.4	4.5	3.8	18.6	19.3	19.8
ICICI Bank	Buy	281	345	23	17.2	17.9	21.8	16.4	15.7	1.9	1.8	10.4	9.9	11.3
IDFC Bank	Neutral	60	68	14	3.1	3.9	4.9	19.6	15.2	1.4	1.3	7.4	8.9	10.2
IndusInd	Buy	1,422	1,535	8	48.4	58.7	71.2	29.4	24.2	4.3	3.7	15.5	16.4	17.2
J&K Bank	Neutral	75	75	0	-25.2	13.0	15.4	NM	5.8	0.7	0.6	-21.1	11.6	12.5
Kotak Mah. Bk	Buy	865	940	9	26.3	32.3	41.3	32.9	26.8	4.2	3.6	13.5	14.5	16.0
RBL Bank	Buy	487	450	-8	12.4	17.5	24.6	39.1	27.8	4.3	3.8	12.6	14.4	17.7
South Indian	Neutral	20	21	3	2.8	3.1	3.8	7.3	6.6	0.7	0.6	9.7	10.0	11.3
<b>Aggregate</b>								<b>25.1</b>	<b>19.8</b>	<b>3.0</b>	<b>2.7</b>	<b>12.0</b>	<b>13.6</b>	<b>15.5</b>
<b>Banks - PSU</b>														
BOB	Buy	173	221	27	7.5	18.3	25.3	23.1	9.5	1.1	1.0	5.0	11.5	14.4
BOI	Neutral	139	123	-11	-5.6	17.1	23.2	NM	8.1	0.6	0.6	-2.4	7.0	8.9
Canara	Neutral	303	300	-1	23.9	36.7	56.0	12.7	8.3	0.6	0.6	4.9	7.2	10.3
IDBI Bk	Neutral	75	49	-34	1.5	6.4	8.6	48.7	11.6	0.7	0.7	1.4	5.8	7.3
Indian Bk	Buy	264	330	25	30.4	32.2	38.1	8.7	8.2	0.9	0.8	10.4	10.2	11.1
OBC	Neutral	143	114	-21	6.6	19.6	24.1	21.8	7.3	0.4	0.3	1.7	4.8	5.6
PNB	Buy	152	185	21	6.7	12.7	17.2	22.7	12.0	0.8	0.8	3.9	6.8	8.6
SBI	Buy	290	350	21	8.6	21.6	29.5	33.7	13.4	1.3	1.2	3.9	9.2	11.5
Union Bk	Neutral	155	172	11	8.5	30.5	45.3	18.3	5.1	0.5	0.5	2.8	9.7	13.0
<b>Aggregate</b>								<b>27.9</b>	<b>11.1</b>	<b>0.9</b>	<b>0.9</b>	<b>3.3</b>	<b>7.9</b>	<b>10.1</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,180	1,276	8	34.1	44.6	59.3	34.6	26.5	7.1	5.8	22.5	24.1	25.9
Bharat Fin.	Neutral	808	848	5	44.6	39.5	51.5	18.1	20.4	4.0	3.4	29.6	18.0	19.4
Dewan Hsg.	Buy	365	405	11	30.7	35.6	42.0	11.9	10.2	1.8	1.6	16.6	16.6	17.2
GRUH Fin.	Neutral	404	348	-14	7.9	9.8	11.7	51.4	41.0	14.6	12.0	31.0	32.1	31.6
HDFC	Buy	1,521	1,580	4	46.8	51.7	57.3	32.5	29.4	6.1	5.5	19.6	19.6	19.0
Indiabulls Hsg	Buy	989	1,015	3	69.5	86.2	109.6	14.2	11.5	3.5	3.1	26.0	28.9	32.3
LIC Hsg Fin	Buy	621	693	12	37.6	44.7	52.6	16.5	13.9	2.9	2.5	19.1	19.5	19.6
Manappuram	Not Rated	98	-		3.8	4.3	5.2	25.5	22.7	2.8	2.7	11.4	12.2	14.0
M&M Fin.	Buy	316	323	2	8.4	11.1	13.9	37.5	28.6	2.8	2.7	7.7	9.7	11.4



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Muthoot Fin	Buy	374	409	9	29.7	34.7	40.5	12.6	10.8	2.3	2.1	19.8	20.3	20.8
PFC	Neutral	143	117	-18	24.0	25.5	40.5	6.0	5.6	1.0	0.9	16.8	16.2	22.3
Repco Home	Buy	695	752	8	29.0	34.2	40.5	24.0	20.3	3.9	3.3	17.5	17.5	17.7
REC	Neutral	182	134	-26	29.4	35.3	39.9	6.2	5.2	1.1	0.9	18.8	19.5	18.9
Shriram City Union	Buy	2,201	2,500	14	91.2	130.5	164.2	24.1	16.9	2.9	2.5	12.7	16.1	17.6
STF	Buy	1,053	1,225	16	58.1	77.9	96.7	18.1	13.5	2.1	1.9	12.3	14.7	16.1
<b>Aggregate</b>								<b>17.8</b>	<b>15.3</b>	<b>3.1</b>	<b>2.7</b>	<b>17.2</b>	<b>17.7</b>	<b>18.9</b>
<b>Capital Goods</b>														
ABB	Neutral	1,262	1,190	-6	18.4	26.1	32.6	68.5	48.4	8.1	7.0	11.9	14.4	15.9
Bharat Elec.	Buy	154	180	17	6.2	7.3	8.5	24.8	21.0	4.5	4.0	19.7	19.0	19.3
BHEL	Sell	165	115	-30	5.5	5.7	5.8	29.7	28.8	1.2	1.1	4.0	4.0	4.0
CG Cons. Elec.	Buy	212	205	-3	4.6	5.5	6.7	46.5	38.8	35.2	23.9	94.3	73.3	66.1
CG Power & Indu.	Sell	77	45	-41	3.6	3.9	4.5	21.1	19.7	1.1	1.1	5.4	5.5	6.0
Cummins	Neutral	943	990	5	26.6	30.5	36.5	35.4	30.9	7.5	6.9	22.6	23.2	25.3
GE T&D	Neutral	315	340	8	6.0	11.0	11.4	52.3	28.5	6.2	5.6	11.7	20.7	19.2
Havells	Neutral	471	425	-10	8.9	12.1	14.1	52.7	39.0	10.7	9.6	20.3	24.6	25.1
Inox Wind	Neutral	172	175	2	19.4	16.5	17.6	8.9	10.5	1.7	1.5	21.2	15.3	14.3
K E C Intl	Buy	198	175	-11	10.5	12.3	13.5	18.8	16.1	2.9	2.5	16.6	16.8	16.2
L&T	Buy	1,558	1,660	7	53.6	65.0	79.7	29.1	24.0	3.1	2.8	10.9	12.2	13.6
Pennar Eng.	Not Rated	127	-	-	10.5	12.4	16.8	12.1	10.2	1.7	1.5	14.5	14.6	16.6
Siemens	Neutral	1,251	1,340	7	17.0	25.7	33.5	73.6	48.7	6.8	5.8	9.2	11.9	14.2
Solar Ind	Neutral	761	800	5	19.0	22.3	26.5	40.0	34.1	6.9	5.9	18.4	18.6	19.0
Suzlon Energy	Not Rated	19	-	-	0.2	0.6	0.7	89.2	34.6	-2.2	-2.3	NM	-6.7	-8.4
Thermax	Sell	987	781	-21	24.4	27.9	31.3	40.4	35.4	4.7	4.3	12.1	12.6	13.1
Va Tech Wab.	Buy	678	760	12	26.5	34.5	40.3	25.6	19.6	3.5	3.1	8.9	16.7	17.3
Voltas	Neutral	414	365	-12	13.1	15.9	18.8	31.5	26.0	5.1	4.4	17.1	18.2	18.8
<b>Aggregate</b>								<b>33.5</b>	<b>27.7</b>	<b>3.6</b>	<b>3.3</b>	<b>10.8</b>	<b>11.9</b>	<b>12.9</b>
<b>Cement</b>														
Ambuja Cem.	Buy	234	277	19	4.9	7.3	7.9	47.8	31.8	2.4	2.3	5.0	7.4	7.7
ACC	Neutral	1,420	1,339	-6	33.7	46.7	58.6	42.1	30.4	3.1	3.2	7.5	10.4	13.2
Birla Corp.	Buy	695	869	25	21.5	41.2	54.1	32.2	16.8	1.9	1.8	6.0	10.9	13.3
Dalmia Bharat	Buy	1,950	2,246	15	32.3	50.7	73.8	60.4	38.4	4.2	3.8	7.2	10.4	13.4
Grasim Inds.	Neutral	1,067	1,067	0	70.2	86.5	110.7	15.2	12.3	1.7	1.5	12.0	13.1	14.7
India Cem	Neutral	161	138	-14	7.3	10.7	12.4	21.9	15.1	1.3	1.2	5.8	7.6	7.8
J K Cements	Buy	921	1,024	11	32.6	37.2	49.3	28.2	24.7	3.6	3.2	13.3	13.6	16.0
JK Lakshmi Ce	Buy	450	455	1	5.9	12.2	17.8	75.9	36.8	3.9	3.8	5.2	10.5	14.7
Ramco Cem	Buy	658	815	24	29.0	31.9	40.1	22.7	20.6	4.2	3.6	20.3	18.9	20.0
Orient Cem	Buy	129	167	29	-1.8	3.2	5.8	NM	40.7	2.8	2.6	-3.7	6.6	11.3
Prism Cem	Buy	97	112	16	-0.6	2.6	4.8	NM	36.8	5.1	4.6	-3.1	13.1	20.8
Shree Cem	Buy	17,168	19,006	11	387.1	582.8	729.9	44.3	29.5	8.1	6.5	19.9	24.4	24.3
Ultratech	Buy	3,979	4,058	2	93.5	129.6	161.2	42.6	30.7	4.8	4.2	11.7	14.5	15.8
<b>Aggregate</b>								<b>33.9</b>	<b>24.5</b>	<b>3.4</b>	<b>3.1</b>	<b>9.9</b>	<b>12.5</b>	<b>14.0</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,069	1,035	-3	20.2	22.9	26.8	52.8	46.6	16.1	14.1	32.5	32.3	32.5
Britannia	Buy	3,407	3,775	11	71.9	83.0	101.3	47.4	41.0	18.1	14.4	42.9	39.1	37.9
Colgate	Buy	1,008	1,170	16	21.7	25.8	31.6	46.5	39.1	24.3	22.8	54.9	60.1	68.5
Dabur	Neutral	274	300	9	7.3	8.3	9.7	37.5	33.0	9.8	8.3	28.3	27.3	27.2
Emami	Buy	1,020	1,260	24	24.5	29.8	36.0	41.7	34.2	12.3	10.4	33.8	33.0	33.2
Godrej Cons.	Neutral	1,663	1,655	0	36.8	42.8	49.6	45.1	38.8	9.4	8.0	22.4	22.2	21.9
GSK Cons.	Neutral	5,147	5,300	3	157.7	178.8	190.8	32.6	28.8	7.6	6.6	25.1	24.7	23.1
HUL	Neutral	919	920	0	19.3	21.5	24.8	47.7	42.7	32.8	34.2	67.6	78.4	92.5
ITC	Buy	283	295	4	8.4	9.5	10.8	33.7	29.7	8.9	7.8	28.4	28.1	28.2
Jyothy Lab	Neutral	348	365	5	7.6	9.0	10.5	46.0	38.8	7.0	6.4	15.7	17.2	18.3
Marico	Buy	296	335	13	6.1	7.1	8.4	48.7	41.8	14.6	12.6	33.3	32.4	34.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Nestle	Neutral	6,606	6,840	4	118.7	144.0	171.0	55.7	45.9	20.9	18.1	35.9	39.2	42.3
Page Inds	Buy	14,693	16,910	15	235.6	305.1	388.4	62.4	48.2	25.7	20.3	41.3	42.2	43.2
Parag Milk	Neutral	224	215	-4	7.0	9.7	12.1	31.9	23.2	2.6	2.3	10.8	10.5	12.9
Pidilite Ind.	Neutral	693	720	4	16.6	18.3	20.5	41.7	37.9	10.7	8.7	28.0	25.4	23.4
P&G Hygiene	Buy	7,447	8,250	11	145.7	167.7	198.8	51.1	44.4	13.8	11.9	29.0	28.8	29.5
United Brew	Buy	778	1,044	34	10.7	15.4	19.8	72.9	50.6	8.7	7.6	12.6	16.0	17.8
United Spirits	Buy	2,194	2,885	32	28.6	47.0	64.0	76.6	46.7	14.5	11.2	20.8	24.0	24.9
<b>Aggregate</b>								<b>42.5</b>	<b>36.8</b>	<b>12.6</b>	<b>11.0</b>	<b>29.5</b>	<b>29.8</b>	<b>30.3</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	609	630	3	23.2	27.9	35.1	26.2	21.8	6.0	4.9	24.8	24.7	25.3
Alkem Lab	Neutral	2,174	1,850	-15	79.3	85.7	100.0	27.4	25.4	6.1	5.1	24.4	22.0	21.7
Ajanta Pharma	Buy	1,756	2,028	15	56.0	63.8	79.6	31.3	27.5	9.8	7.5	35.9	30.9	29.9
Aurobindo	Buy	674	915	36	40.5	47.0	54.6	16.6	14.4	4.3	3.3	29.0	26.0	23.8
Biocon	Sell	1,139	750	-34	33.2	35.6	44.5	34.3	32.0	5.0	4.5	14.7	14.1	15.7
Cadila	Buy	451	510	13	12.0	17.7	23.0	37.6	25.5	7.5	6.2	21.4	26.5	27.9
Cipla	Neutral	598	550	-8	18.1	24.1	31.1	33.0	24.8	3.7	3.3	11.2	13.2	14.7
Divis Lab	Neutral	624	600	-4	45.4	34.6	40.6	13.8	18.1	3.5	3.2	26.7	18.4	19.5
Dr Reddy's	Neutral	2,622	2,875	10	77.7	121.7	151.4	33.7	21.6	3.2	2.9	10.0	14.1	15.4
Fortis Health	Buy	180	240	33	3.0	3.2	6.5	60.9	56.5	2.0	1.7	3.4	3.3	6.0
Glenmark	Neutral	864	990	15	41.6	49.2	60.5	20.7	17.6	4.3	3.3	20.5	18.9	19.1
Granules	Buy	139	160	15	7.0	8.0	11.7	19.9	17.3	3.4	2.3	19.9	16.6	18.4
GSK Pharma	Neutral	2,723	2,700	-1	34.5	55.5	64.4	78.9	49.0	17.7	21.1	22.4	43.0	56.9
IPCA Labs	Neutral	608	540	-11	15.8	27.9	37.3	38.4	21.8	3.1	2.8	8.4	13.5	15.9
Lupin	Buy	1,448	1,850	28	61.8	79.0	89.3	23.4	18.3	4.9	4.0	22.9	23.9	22.1
Sanofi India	Buy	4,754	5,000	5	129.0	161.6	193.8	36.9	29.4	6.1	5.5	16.4	18.7	19.8
Sun Pharma	Buy	687	850	24	27.4	35.1	42.2	25.1	19.6	4.8	4.0	20.0	22.3	22.4
Syngene Intl	Not Rated	526	-		13.0	16.1	18.0	40.4	32.6	8.2	6.7	22.2	22.5	20.7
Torrent Pharma	Buy	1,488	1,700	14	56.8	76.3	93.4	26.2	19.5	6.3	5.2	26.0	29.2	29.6
<b>Aggregate</b>								<b>26.6</b>	<b>21.2</b>	<b>4.7</b>	<b>4.0</b>	<b>17.9</b>	<b>18.9</b>	<b>19.3</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	170	191	12	9.5	11.1	12.5	17.9	15.3	2.4	2.2	12.0	14.9	15.0
Blue Dart	Not Rated	5,151	-		102.5	129.9	163.2	50.2	39.6	22.3	17.0	50.5	48.6	46.8
Concor	Neutral	1,272	1,309	3	36.0	45.8	50.0	35.3	27.8	3.0	2.8	8.6	10.3	10.6
Gateway Distriparks	Buy	253	314	24	8.8	15.7	20.1	28.9	16.2	2.2	2.0	7.6	12.9	15.3
Gati	Not Rated	142	-		8.4	15.9	23.9	17.0	9.0	2.3	2.1	12.4	19.4	25.4
Transport Corp.	Not Rated	225	-		16.9	21.0	25.9	13.3	10.7	2.1	1.8	16.7	17.8	18.6
<b>Aggregate</b>								<b>31.0</b>	<b>23.5</b>	<b>3.4</b>	<b>3.1</b>	<b>11.0</b>	<b>13.3</b>	<b>14.3</b>
<b>Media</b>														
Dish TV	Buy	108	115	7	1.7	3.2	4.8	64.1	34.3	20.6	12.9	38.2	46.1	44.7
D B Corp	Buy	375	450	20	21.1	23.9	27.4	17.8	15.7	4.5	4.0	27.0	27.1	27.5
Den Net.	Neutral	81	75	-8	-3.6	1.9	7.7	NM	43.9	0.9	0.9	-4.1	2.1	8.1
Hind. Media	Buy	283	355	26	26.5	29.4	33.2	10.7	9.6	1.9	1.6	19.3	17.8	16.9
HT Media	Neutral	82	85	3	8.0	8.2	8.7	10.3	10.1	0.8	0.7	7.7	7.1	7.0
Jagran Prak.	Buy	186	215	16	10.8	12.2	13.9	17.3	15.2	3.4	2.9	20.7	20.6	20.4
PVR	Buy	1,427	1,533	7	20.8	35.7	56.8	68.7	40.0	7.0	6.1	10.6	16.3	22.0
Siti Net.	Neutral	38	40	5	-0.9	2.7	1.2	NM	14.1	4.0	2.7	-10.2	23.5	11.2
Sun TV	Neutral	787	735	-7	25.1	29.7	34.5	31.3	26.5	7.9	7.2	25.1	27.3	29.0
Zee Ent.	Buy	532	600	13	12.2	17.6	20.9	43.6	30.3	10.2	8.3	31.3	30.3	29.3
<b>Aggregate</b>								<b>35.9</b>	<b>25.9</b>	<b>6.2</b>	<b>5.3</b>	<b>17.3</b>	<b>20.6</b>	<b>21.7</b>
<b>Metals</b>														
Hindalco	Buy	190	240	26	17.2	22.9	25.6	11.1	8.3	1.7	1.4	16.1	18.8	17.7





Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
Hind. Zinc	Neutral	285	307	8	19.8	28.2	29.5	14.4	10.1	2.8	2.3	20.9	25.2	22.0
JSPL	Buy	119	180	51	-23.9	-17.5	-2.2	NM	NM	0.3	0.3	-8.0	-4.5	-0.6
JSW Steel	Buy	185	226	22	13.6	19.0	19.4	13.6	9.8	2.1	1.8	16.4	19.6	17.1
Nalco	Buy	74	83	13	3.6	5.3	5.5	20.6	13.8	1.4	1.3	6.9	9.7	9.3
NMDC	Buy	132	179	35	12.2	12.3	12.9	10.8	10.8	1.7	1.6	13.5	15.6	15.0
SAIL	Sell	61	28	-54	-8.7	-14.2	-1.3	NM	NM	0.7	0.8	-9.6	-17.9	-1.8
Vedanta	Neutral	274	279	2	18.9	31.1	33.1	14.5	8.8	1.6	1.4	11.7	17.1	16.4
Tata Steel	Sell	478	401	-16	17.4	43.8	51.4	27.5	10.9	3.9	3.0	12.6	31.3	28.9
<b>Aggregate</b>								<b>19.6</b>	<b>12.9</b>	<b>1.5</b>	<b>1.4</b>	<b>7.4</b>	<b>10.5</b>	<b>12.2</b>
<b>Oil &amp; Gas</b>														
BPCL	Buy	641	778	21	56.6	55.5	60.0	11.3	11.5	2.9	2.5	27.5	23.4	21.8
GAIL	Neutral	378	335	-12	23.9	28.5	31.0	15.9	13.3	1.9	1.7	14.1	13.7	13.7
Gujarat Pet.	St. Neutral	163	163	0	8.8	11.0	13.2	18.4	14.7	2.1	1.9	12.0	13.5	14.5
HPCL	Buy	517	620	20	53.8	45.0	46.2	9.6	11.5	2.6	2.2	27.9	20.7	18.7
IOC	Buy	374	458	22	43.5	39.9	41.7	8.6	9.4	2.1	1.8	25.9	20.7	19.1
IGL	Neutral	1,006	1,032	3	43.0	42.6	49.9	23.4	23.6	4.9	4.2	22.1	19.3	19.4
MRPL	Neutral	105	114	9	12.9	12.7	13.9	8.1	8.3	2.3	1.9	31.0	24.7	22.5
Oil India	Buy	330	382	16	27.5	39.0	39.8	12.0	8.5	1.1	1.0	9.5	12.7	12.1
ONGC	Neutral	184	204	11	12.6	21.1	21.0	14.7	8.8	1.3	1.3	8.7	14.4	14.2
PLNG	Buy	400	460	15	22.8	26.9	36.6	17.5	14.9	3.9	3.3	24.4	24.2	27.4
Reliance Ind.	Neutral	1,269	1,240	-2	100.2	115.1	122.7	12.7	11.0	1.4	1.3	11.7	12.1	11.7
<b>Aggregate</b>								<b>12.3</b>	<b>10.6</b>	<b>1.7</b>	<b>1.5</b>	<b>13.8</b>	<b>14.6</b>	<b>14.1</b>
<b>Retail</b>														
Jubilant Food	Neutral	1,114	1,008	-9	12.8	22.4	29.9	86.9	49.7	9.1	9.9	10.4	19.9	25.1
Titan Co.	Neutral	457	420	-8	9.2	9.7	11.2	49.5	47.3	9.8	8.6	21.2	19.3	19.7
<b>Aggregate</b>								<b>52.6</b>	<b>47.4</b>	<b>9.6</b>	<b>8.7</b>	<b>18.2</b>	<b>18.4</b>	<b>19.3</b>
<b>Technology</b>														
Cyient	Buy	474	600	26	32.8	39.1	43.3	14.5	12.1	2.3	2.0	15.7	16.5	16.2
HCL Tech.	Buy	871	1,000	15	58.1	65.1	70.6	15.0	13.4	3.8	3.7	27.3	27.7	27.8
Hexaware	Neutral	218	220	1	13.7	15.3	15.9	15.9	14.2	3.9	3.3	26.5	25.0	22.2
Infosys	Buy	1,025	1,250	22	62.8	67.8	74.4	16.3	15.1	3.4	3.1	23.2	22.5	22.3
KPIT Tech	Neutral	131	150	15	11.7	13.8	15.3	11.2	9.5	1.6	1.4	14.0	15.9	15.1
L&T Infotech	Buy	713	800	12	54.2	57.5	62.3	13.2	12.4	5.0	4.1	41.8	36.2	32.8
Mindtree	Neutral	454	530	17	25.1	33.7	38.1	18.1	13.5	3.0	2.7	17.1	21.0	21.1
Mphasis	Neutral	579	550	-5	42.6	41.4	45.0	13.6	14.0	2.1	2.0	14.1	14.4	14.8
NIIT Tech	Neutral	420	470	12	38.2	49.3	51.9	11.0	8.5	1.5	1.3	14.2	16.5	15.5
Persistent Sys	Neutral	600	730	22	38.9	46.2	52.6	15.4	13.0	2.4	2.3	17.5	18.9	20.6
Tata Elxsi	Buy	1,479	1,780	20	59.3	72.1	89.0	25.0	20.5	9.5	7.6	42.5	41.3	40.8
TCS	Neutral	2,444	2,550	4	135.6	146.5	159.2	18.0	16.7	5.7	5.8	33.9	33.4	33.3
Tech Mah	Buy	460	550	20	32.5	35.7	40.2	14.2	12.9	2.6	2.3	20.1	19.5	19.2
Wipro	Neutral	516	540	5	33.4	37.2	41.7	15.4	13.9	2.5	2.2	17.0	17.0	17.3
Zensar Tech	Buy	922	1,250	36	68.6	85.0	93.3	13.4	10.8	2.5	2.1	20.0	21.1	19.8
<b>Aggregate</b>								<b>16.6</b>	<b>15.5</b>	<b>3.9</b>	<b>3.7</b>	<b>23.7</b>	<b>24.0</b>	<b>23.1</b>
<b>Telecom</b>														
Bharti Airtel	Buy	351	410	17	11.3	7.7	11.8	31.0	45.8	2.0	2.0	6.7	4.3	6.4
Bharti Infratel	Buy	337	435	29	15.6	16.7	19.9	21.6	20.2	3.5	3.1	15.7	15.9	16.7
Idea Cellular	Buy	87	120	38	-3.1	-13.2	-14.0	NM	NM	1.3	1.6	-4.4	-21.4	-28.5
Tata Comm	Buy	716	811	13	8.5	31.4	44.8	84.2	22.8	-90.7	30.5	-75.4	402.2	97.6
<b>Aggregate</b>								<b>38.9</b>	<b>111.8</b>	<b>2.3</b>	<b>2.3</b>	<b>5.8</b>	<b>2.0</b>	<b>4.0</b>
<b>Utilities</b>														
Coal India	Neutral	290	315	9	17.2	20.0	22.5	16.9	14.5	6.0	5.9	35.2	41.0	46.0
CESC	Buy	840	970	15	50.2	74.5	82.1	16.7	11.3	1.9	1.7	11.0	15.8	15.2
JSW Energy	Buy	63	81	29	3.7	3.0	1.2	17.1	21.0	1.2	1.2	7.0	5.6	2.2
NTPC	Buy	163	199	22	12.0	14.3	17.3	13.6	11.4	1.4	1.3	10.8	11.9	13.3
Power Grid	Buy	196	243	24	15.3	17.7	20.7	12.8	11.0	2.1	1.8	17.4	17.5	17.7



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17E	FY18E	FY19E	FY17E	FY18E	FY17E	FY18E	FY17E	FY18E	FY19E
<b>Aggregate</b>								<b>14.8</b>	<b>12.6</b>	<b>2.3</b>	<b>2.2</b>	<b>15.8</b>	<b>17.1</b>	<b>18.0</b>
<b>Others</b>														
Arvind	Buy	391	430	10	13.5	21.8	28.6	28.9	18.0	2.7	2.4	10.4	14.0	16.3
Bata India	Buy	570	483	-15	10.9	14.2	17.7	52.4	40.2	5.7	5.1	11.3	13.4	15.0
Castrol India	Buy	430	510	19	13.6	13.8	14.6	31.5	31.1	33.1	30.0	110.9	101.4	97.0
Century Ply.	Buy	257	211	-18	4.6	8.8	11.3	56.3	29.3	9.8	7.9	18.2	29.8	30.7
Coromandel Intl	Under Review	314	-		16.3	20.0	25.5	19.3	15.7	3.4	3.0	18.5	20.4	22.8
Delta Corp	Buy	181	229	27	3.3	6.9	7.6	55.4	26.3	4.8	3.6	9.0	15.7	17.0
Dynamatic Tech	Buy	2,755	3,388	23	67.6	112.9	166.7	40.7	24.4	5.6	4.6	15.1	20.7	24.3
Eveready Inds.	Buy	251	287	14	12.4	13.9	16.9	20.3	18.1	6.7	5.4	37.8	33.1	32.5
Interglobe	Neutral	1,045	1,010	-3	39.3	54.1	72.2	26.6	19.3	18.3	15.9	72.8	88.1	101.2
Indo Count	Buy	196	205	5	13.7	17.1	20.6	14.3	11.4	4.1	3.0	33.8	30.2	26.8
Info Edge	Buy	813	1,075	32	16.9	19.0	21.9	48.0	42.8	5.1	4.8	11.1	11.5	12.3
Inox Leisure	Sell	278	207	-26	2.5	8.2	11.5	111.3	34.1	4.4	3.9	3.8	11.5	14.3
Jain Irrigation	Under Review	93	-		5.5	7.6	10.0	16.8	12.3	1.4	1.4	8.6	11.7	14.8
Just Dial	Buy	543	443	-18	17.2	18.5	22.1	31.6	29.4	4.9	4.3	16.5	15.5	16.2
Kaveri Seed	Neutral	542	577	6	23.4	28.6	36.1	23.1	19.0	3.9	3.6	17.3	19.8	22.9
Kitex Garm.	Buy	422	551	31	26.0	31.0	36.7	16.3	13.6	4.4	3.5	29.9	28.7	27.7
Manpasand	Buy	727	843	16	14.9	23.1	38.3	48.8	31.4	3.6	3.3	8.6	9.6	16.3
MCX	Buy	1,209	1,400	16	28.3	40.8	54.3	42.7	29.6	4.7	4.3	11.4	15.2	18.5
Monsanto	Under Review	2,497	-		72.9	89.3	109.3	34.2	28.0	10.4	9.7	30.4	35.9	39.6
Navneet Education	Buy	168	210	25	6.6	8.6	10.5	25.3	19.6	6.4	5.4	26.0	30.0	30.9
PI Inds.	Buy	830	1,046	26	30.4	34.8	43.6	27.3	23.9	7.5	6.0	30.9	27.9	27.8
Piramal Enterp.	Buy	1,872	2,200	18	74.5	127.1	164.7	25.1	14.7	2.4	2.2	10.0	15.7	18.2
SRF	Buy	1,603	1,825	14	82.4	99.9	125.1	19.5	16.0	3.1	2.7	16.5	17.4	19.1
S H Kelkar	Buy	301	371	23	7.5	10.1	13.3	40.2	29.6	5.2	4.7	13.5	16.6	19.1
Symphony	Sell	1,506	1,053	-30	27.0	35.1	42.9	55.7	42.9	30.3	25.8	56.8	65.0	66.3
TTK Prestige	Neutral	5,850	5,326	-9	107.8	139.9	178.6	54.3	41.8	8.7	7.8	16.6	19.7	22.4
V-Guard	Neutral	175	125	-28	3.7	4.6	5.4	47.2	38.1	12.5	10.0	29.4	29.1	27.6
Wonderla	Buy	383	393	3	7.0	11.9	16.0	54.7	32.0	5.0	4.5	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-0.4	1.5	-2.1
Ashok Ley.	-1.0	-8.1	-23.0
Bajaj Auto	-0.4	2.3	16.7
Bharat Forge	-0.7	-2.3	15.5
Bosch	-1.4	4.7	9.2
CEAT	1.3	11.3	23.7
Eicher Mot.	2.3	6.1	37.0
Endurance Tech.	2.3	6.0	
Escorts	1.2	19.2	283.4
Exide Ind	0.2	3.9	59.2
Hero Moto	0.3	3.1	10.6
M&M	1.0	-2.0	4.9
Mahindra CIE	-0.7	3.7	10.8
Maruti Suzuki	0.2	0.5	59.7
Tata Motors	-0.1	2.7	20.4
TVS Motor	0.9	1.5	35.2
<b>Banks - Private</b>			
Axis Bank	-1.0	-1.4	12.6
DCB Bank	0.0	8.0	121.4
Equitas Hold.	2.7	-7.1	
Federal Bank	-0.3	3.9	94.8
HDFC Bank	2.5	5.4	37.5
ICICI Bank	-0.2	1.8	18.5
IDFC Bank	-1.2	-4.5	26.2
IndusInd	1.7	8.2	50.3
J&K Bank	1.2	1.4	23.0
Kotak Mah. Bk	0.7	8.0	26.5
RBL Bank	0.2	1.2	
South Indian	1.8	-2.4	28.9
<b>Banks - PSU</b>			
BOB	0.0	5.1	18.0
BOI	0.1	7.9	43.6
Canara	0.4	2.7	66.5
IDBI Bk	-1.7	-6.2	7.4
Indian Bk	-0.4	-7.7	154.5
OBC	0.9	12.9	61.0
PNB	2.4	7.8	78.1
SBI	0.8	7.7	46.8
Union Bk	-0.7	5.5	20.1
<b>NBFCs</b>			
Bajaj Fin.	-0.1	6.6	73.9
Bharat Fin.	0.4	-4.3	53.3
Dewan Hsg.	-0.6	9.4	91.3
GRUH Fin.	-1.1	8.3	67.2
HDFC	0.1	11.1	36.3
Indiabulls Hsg	2.8	13.5	54.7
LIC Hsg Fin	1.0	10.9	27.5
Manappuram	-1.4	0.3	173.9
M&M Fin.	-1.4	8.6	31.2
Muthoot Fin	-0.9	5.2	114.0
PFC	-3.1	5.0	66.0
Repco Home	3.4	5.9	22.0
REC	1.1	19.6	118.7
STF	-0.8	13.4	11.4
Shriram City Union	2.4	15.8	46.6

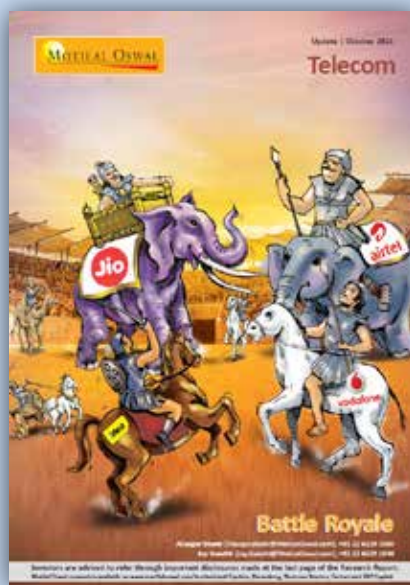
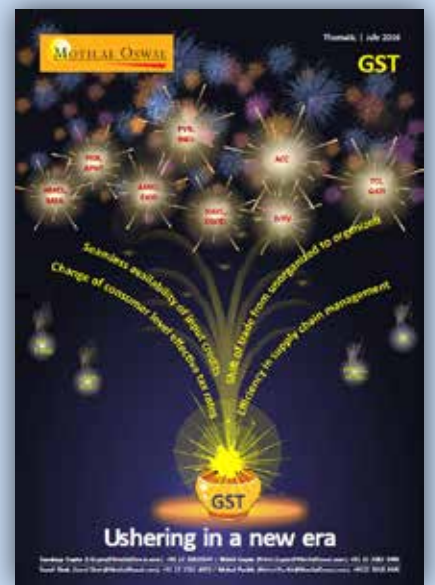
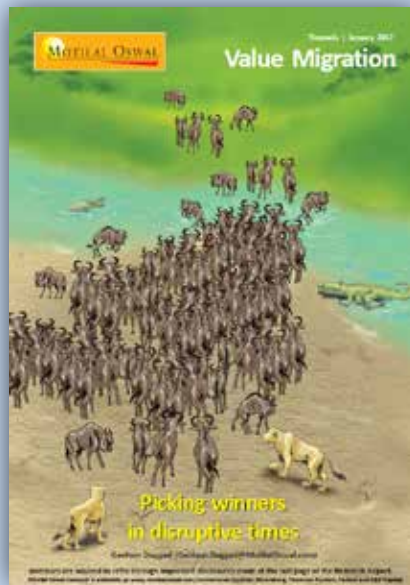
Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	4.1	5.2	2.3
Bharat Elec.	-1.3	1.4	27.4
BHEL	-1.7	1.7	43.5
CG Cons. Elec.	2.2	11.6	
CG Power & Inds Sol.	-0.4	11.5	57.8
Cummins	1.0	6.4	11.3
GE T&D	-0.2	5.4	-26.5
Havells	2.1	16.3	50.6
Inox Wind	0.6	0.1	-34.2
K E C Intl	2.6	18.7	63.7
L&T	0.1	5.9	27.0
Pennar Eng.	0.8	9.6	-19.4
Siemens	-0.8	3.7	14.1
Solar Ind	0.9	6.5	10.2
Suzlon Energy	6.6	7.5	39.8
Thermax	7.9	14.6	31.7
Va Tech Wab.	-1.3	18.0	29.0
Voltas	0.2	11.2	51.3
<b>Cement</b>			
Ambuja Cem.	1.3	2.1	1.0
ACC	0.0	0.7	2.7
Birla Corp.	-1.5	-0.8	89.1
Dalmia Bharat	-0.4	2.4	142.4
Grasim Inds.	1.0	7.5	38.9
India Cem	0.4	-5.6	85.8
JK Cements	2.8	4.2	42.6
JK Lakshmi Ce	0.2	9.5	34.3
Ramco Cem	0.7	-1.1	61.9
Orient Cem	0.3	-16.6	-14.7
Prism Cem	0.4	1.6	19.8
Shree Cem	1.6	6.7	40.1
Ultratech	-0.3	5.5	24.7
<b>Consumer</b>			
Asian Paints	0.1	4.4	21.3
Britannia	0.8	5.5	29.2
Colgate	1.8	12.0	22.9
Dabur	-0.5	-0.7	11.1
Emami	0.1	-2.0	9.3
Godrej Cons.	-0.9	0.7	20.0
GSK Cons.	-0.4	0.9	-14.6
HUL	0.8	6.3	6.6
ITC	0.0	7.8	29.8
Jyothy Lab	0.5	-6.6	23.1
Marico	-0.8	5.4	19.6
Nestle	2.0	5.6	20.6
Page Inds	-0.8	2.9	30.0
Parag Milk	2.6	-0.1	
Pidilite Ind.	0.4	1.6	15.8
P&G Hygiene	2.8	5.2	20.4
United Brew	0.4	0.1	-5.8
United Spirits	-0.9	-6.4	-13.7
<b>Healthcare</b>			
Alembic Phar	2.9	5.0	0.7
Alkem Lab	1.4	1.4	57.5
Ajanta Pharma	-1.3	2.2	28.4
Aurobindo	0.4	-0.4	-9.1



Company	1 Day (%)	1M (%)	12M (%)
Biocon	-0.7	1.4	137.0
Cadila	0.7	2.4	41.0
Cipla	0.9	2.5	16.7
Divis Lab	-0.4	-17.8	-36.4
Dr Reddy's	-0.2	-8.1	-13.0
Fortis Health	0.9	-5.9	1.4
Glenmark	-0.8	-6.6	11.3
Granules	0.9	3.4	16.3
GSK Pharma	1.3	1.8	-27.1
IPCA Labs	1.2	9.8	3.0
Lupin	-0.3	-1.7	-1.8
Sanofi India	0.7	15.2	17.1
Sun Pharma	-0.2	1.2	-15.3
Syngene Intl	0.6	4.3	36.4
Torrent Pharma	2.3	9.4	9.5
<b>Logistics</b>			
Allcargo Logistics	3.3	-0.4	10.3
Blue Dart	3.4	19.8	-15.4
Concor	1.2	4.4	2.3
Gateway Distriparks	-0.7	2.6	-9.6
Gati	-0.2	10.5	30.6
Transport Corp.	1.5	7.4	30.9
<b>Media</b>			
Dish TV	1.7	12.4	28.6
D B Corp	1.6	-0.9	23.3
Den Net.	1.5	0.2	-5.2
Hind. Media	1.4	3.4	15.2
HT Media	1.4	-3.2	7.4
Jagran Prak.	1.3	-0.4	14.3
PVR	0.9	10.5	94.7
Siti Net.	-1.0	2.4	10.1
Sun TV	-0.2	10.4	112.6
Zee Ent.	0.0	4.6	41.1
<b>Metals</b>			
Hindalco	-0.8	3.3	116.0
Hind. Zinc	-1.7	-7.5	62.7
JSPL	0.3	-5.3	105.9
JSW Steel	1.2	-0.7	45.5
Nalco	1.9	6.9	92.5
NMDC	-1.2	-11.8	32.2
SAIL	-0.4	0.1	40.6
Vedanta	1.9	5.7	198.6
Tata Steel	-1.1	-0.9	47.4
<b>Oil &amp; Gas</b>			
BPCL	-0.3	-4.3	42.2
GAIL	1.3	-2.4	40.3
Gujarat St. Pet.	-1.9	4.9	18.0
HPCL	-0.3	-3.8	97.2
IOC	1.0	-2.9	87.0
IGL	-1.2	-3.5	82.9
MRPL	1.4	-2.9	54.3
Oil India	-0.3	0.7	39.6
ONGC	-1.3	-4.6	27.0
PLNG	-0.9	-1.6	61.8
Reliance Ind.	1.2	2.5	21.5
<b>Retail</b>			
Jubilant Food	1.5	10.5	-9.5
Titan Co.	0.5	4.7	35.2

Company	1 Day (%)	1M (%)	12M (%)
<b>Technology</b>			
Cyient	0.4	-1.4	8.7
HCL Tech.	-0.3	3.7	6.1
Hexaware	-0.8	-2.4	-16.2
Infosys	-0.7	1.2	-15.0
KPIT Tech	0.0	-5.0	-8.2
L&T Infotech	-0.4	0.1	
Mindtree	-0.5	-4.1	-31.5
Mphasis	-3.0	-2.6	15.2
NIIT Tech	-1.4	0.7	-15.0
Persistent Sys	0.2	-5.4	-20.4
Tata Elxsi	-0.5	-1.5	-21.5
TCS	0.0	-0.9	-1.8
Tech Mah	0.4	-8.0	-2.7
Wipro	1.1	5.6	-8.1
Zensar Tech	2.4	0.7	-1.8
<b>Telecom</b>			
Bharti Airtel	1.7	-4.0	-0.9
Bharti Infratel	0.2	18.3	-10.6
Idea Cellular	-2.0	-24.7	-20.3
Tata Comm	-0.8	-2.7	87.4
<b>Utilites</b>			
Coal India	-1.3	-9.8	-2.1
CESC	1.0	-0.1	78.5
JSW Energy	2.4	-3.9	-8.9
NTPC	-0.3	0.2	25.9
Power Grid	-0.4	1.9	40.0
<b>Others</b>			
Arvind	-0.8	2.9	46.1
Bata India	4.7	12.1	13.2
Castrol India	2.2	5.6	12.8
Century Ply.	2.9	2.9	51.6
Coromandel Intl	-0.2	-4.9	68.0
Delta Corp	1.5	26.4	171.7
Dynamatic Tech	-1.3	-5.0	66.9
Eveready Inds.	2.8	0.7	9.1
Interglobe	2.4	22.0	17.3
Indo Count	-0.6	20.6	2.0
Info Edge	0.5	-4.6	7.0
Inox Leisure	0.9	13.3	46.3
Jain Irrigation	-1.1	-0.6	58.7
Just Dial	-1.6	0.1	-27.6
Kaveri Seed	0.7	9.4	45.4
Kitex Garm.	2.1	0.0	0.0
Manpasand	1.1	0.2	65.1
MCX	1.5	8.2	45.3
Monsanto	-0.2	1.3	50.1
Navneet Educat.	9.9	17.1	100.8
PI Inds.	-0.5	-2.1	45.8
Piramal Enterp.	0.2	1.5	83.7
SRF	0.3	3.0	22.9
S H Kelkar	1.5	0.3	30.8
Symphony	-0.4	13.5	26.4
TTK Prestige	-0.4	7.3	37.5
V-Guard	1.7	7.7	181.5
Wonderla	1.2	3.2	-0.1

# THEMATIC/STRATEGY RESEARCH GALLERY



# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL

Initiating Coverage | 23 March 2017  
Sector: Entertainment  
**Delta Corp**

**Favorable odds**

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MOTILAL OSWAL

Initiating Coverage | 17 March 2017  
Sector: Healthcare  
**Ajanta Pharma**

**Promising growth trajectory**

Domestic: Aggressive launches, improving MR productivity  
USA: Healthy pipeline, manufacturing capacity, front end

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MOTILAL OSWAL

Initiating Coverage | 17 February 2017  
Sector: Pharmaceuticals  
**Piramal Enterprises**

**Winner's Edge**

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MOTILAL OSWAL

Initiating Coverage | 16 February 2017  
Sector: Automobiles  
**CEAT**

**Well balanced**

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MOTILAL OSWAL

Initiating Coverage | 30 December 2016  
Sector: Consumer Product  
**SH Kelkar**

**Adding flavor to fragrance**

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MOTILAL OSWAL

Initiating Coverage | 16 December 2016  
Sector: Automobile  
**Endurance Technologies**

**Gaining ground**

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MOTILAL OSWAL

Initiating Coverage | 14 December 2016  
Sector: Technology  
**L&T Infotech**

**Proficient miner**

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MOTILAL OSWAL

Initiating Coverage | 10 November 2016  
Sector: Financials  
**RBL Bank**

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

Strong growth  
Improving return profile  
Investment phase

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MOTILAL OSWAL

Initiating Coverage | 10 November 2016  
Sector: Utilities  
**CESC**

**Best fully integrated power DISCOM**

Steady growth high RoE  
Robust utility business  
Do-Integrate balance sheet  
Distribution privatization  
Growth at Fibrebase  
Etarival PPA  
Sponsor involvement

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# DIFFERENTIATED PRODUCT GALLERY

## MOTILAL OSWAL

### SUN PHARMACEUTICAL

Our research team into annual report season highlights overall performance. Revenue grew just 2.2% to ₹1416 crore while EPS rose marginally 10% to ₹25.65, but by gross margin expansion. Strategic initiatives on the revenue front led to higher gross margin (62.5%) over the year and the EBITDA margin was significantly higher than expected (36.5%). Operating cash flow and interest income rose 40% YoY to ₹100 crore to ₹141 crore, which is primarily supporting initiatives to invest in R&D. However, the year ending after by more of income is consistent. Key indicators are: (i) Revenue (₹1416 Cr) vs target (₹1400 Cr) (ii) EPS (₹25.65) vs target (₹25.00) (iii) Gross Margin (62.5%) vs target (62.0%) (iv) EBITDA Margin (36.5%) vs target (35.0%) (v) Operating Cash Flow (₹141 Cr) vs target (₹100 Cr)

### ANNUAL REPORT TREADBARE

The ART of Trends to watch in 2017

Key takeaways from the annual report:

- Revenue growth of 2.2% in FY17, primarily on account of rise in sales in the pharmaceutical division.
- EPS rose marginally 10% to ₹25.65, primarily on account of gross margin expansion.
- Operating cash flow rose 40% to ₹141 crore, primarily on account of higher interest income.
- Dividend yield of 1.5% on ₹100 crore of dividend.

Particulars	2017-18	2016-17
Revenue	1416	1381
Operating Profit	517	487
Operating Profit Margin	36.5%	35.3%
EPS	25.65	23.25
Dividend Yield	1.5%	1.5%

## MOTILAL OSWAL

### VOICES

India Inc on Call

Key takeaways from the report:

- India Inc on Call: A special section for investors, providing a ready reference for all the past month's earnings calls, whether by our research analysts during the quarter. Besides making available to readers our key takeaways from these interactions, it also provides links to relevant research reports and is the first page of the respective research calls.
- Key takeaways from the report include management comments for 225 companies, with links to the full earnings call transcripts.
- Links to our Equity Update on each of the companies included.

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

## MOTILAL OSWAL

### EcoKnowledge

Living into trading theory

Key takeaways from the report:

- Based on monthly macroeconomic indicators, we update India's economic activity index (EAI), which shows that the economy grew 6.5% YoY in the first nine months of 2017, up from 5.9% growth over the previous nine months. A strong contribution to momentum, along with some deceleration in consumption, has contributed to a slowdown in our composite PMI in the recent quarter.
- It is important to note that while our composite EAI is a reliable indicator to gauge economic activity, it should not be compared with the official GDP statistics because the latter includes an estimate for the unorganised sector also. Our leading indicators are based on monthly data covering the formal sector of activity.

These leading indicators are then weighted to create a composite monthly index for economic activity, which is about the high correlation between our composite EAI and official statistics of the GDP growth (excluding transportation). The two indicators show a strong positive correlation, which is as high as 71%.

India's strong correlation between our composite EAI and official GDP growth

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## MOTILAL OSWAL

### CornerOffice

Subscriptions with the CEO

Key takeaways from the report:

- Democratization & monetization: Look for India's largest bank (SBI) to get strong growth. SBI NPA has nearly to take a cut.
- Banking: A major challenge for banks is to reduce NPA, which is a key indicator of the health of the banking sector. SBI has reported a 10% increase in NPA, which is a concern for investors. However, the bank has also reported a 10% increase in deposits, which is a positive sign.
- Insurance: The insurance sector is expected to grow at a CAGR of 15% over the next five years. This is due to the increasing awareness of insurance among the Indian population.
- Real estate: The real estate sector is expected to grow at a CAGR of 12% over the next five years. This is due to the increasing demand for housing in India.
- IT: The IT sector is expected to grow at a CAGR of 10% over the next five years. This is due to the increasing demand for IT services from global companies.

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## MOTILAL OSWAL

### BULLS & BEARS

INDIA VALUATION HANDBOOK

Key takeaways from the report:

- Highlights of January edition:
  - Nifty up 4.0% in January - highest MoM rise in last 10 months
  - Telecom, Metals and Cement were the top outperformers for January
  - Technology only sector to deliver negative return in January
  - Midcap outperform Nifty by 2.8% in January
- Market Outlook: The market is expected to continue its upward trend in the short term, supported by strong corporate earnings and a positive macroeconomic outlook.

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## MOTILAL OSWAL

### FUND FOLIO

Indian Mutual Fund Tracker

Key takeaways from the report:

- Equity AUM up 1.5% in January - the highest rise in last 10 months
- Total AUM of MF industry at all-time high of ₹1,70,000 crore
- Next decline in January down 0.5% MoM

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