

Top Picks Post Q2FY16 Results

Aurobindo Pharma
Capital First
Coal India

KEC International
Lumax Auto Technology
Reliance Industries
State Bank of India

Somany Ceramics
SQS India BFSI Ltd
Tata Motors



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Aurobindo Pharma (ARBP)

CMP Rs.824 | P/E (FY16E) 21x
P/E (FY17E) 16.8x | Target Rs.980

Investment Rationale

- We expect 2HFY16 to be better than 1HFY16 on the back of increased business from approved products as well as new approvals expected in 2HFY16.
- Despite, ARBP's appreciation of 60% relative to sensex, in past one year, we remain positive as there is relatively less regulatory risk and enough scope of earnings upside subject to ANDA approval. ARBP has target action dates for 33 ANDAs over next 12-18 months, which gives us confidence of 32% CAGR in adjusted PAT over FY15-FY17.
- ARBP has cumulative filing of 382 ANDAs at the end of 2QFY16. The cumulative ANDAs pending for approval stands at 168, which has good mix of complex molecules which would enable not only enhanced sales growth but also improved profitability for sustained period. The upside in earnings is subject to regulatory approval.
- ARBP has ~51 products pending for approval in injectables space and 16 products in controlled substance space. ARBP's R&D effort towards peptides, microspheres as well as hormones would also deliver better growth over 3-5 year period.
- The faster turnaround of acquired Actavis operation in Europe would also help in further improvement in overall margins of the company. ARBP has maintained its guidance of shifting 50% of Actavis products to India facility by FY17.

Valuation

At CMP of Rs824, the stock is trading at 21x FY16E EPS of Rs39.2 and 16.8x FY17E EPS of Rs49. We believe that there could be upside based on further re-rating as well as earnings growth over 2-3 years. We have BUY rating with price target of Rs980, based on 20x FY17E earnings.

Rs mn	Sales	EBITDA	EBITDA %	PAT	EPS (Rs)	ROE %	P/E (x)	EV/EBITDA (x)	P/BV (x)	Div Yield %
FY14	80,385	21,328	26.5	14,334	23.6	36.6	35.0	24.1	12.8	0.4
FY15	120,432	25,636	21.3	16,309	28.0	31.6	29.4	20.0	9.3	0.5
FY16E	154,014	35,174	22.8	22,794	39.2	32.6	21.0	14.5	6.9	0.7
FY17E	177,085	43,902	24.8	28,511	49.0	30.2	16.8	11.3	5.1	0.8

Source: Company Filings, IndiaNivesh Research

Capital First Limited (CFL)

CMP Rs 382 | P/ABV (FY16E) 2.1x | P/ABV (FY17E) 1.9x
Target Rs 468/- (P/ABV FY16E 2.3x)

Investment Rationale

- Capital First Ltd (CFL) is a leading Non Banking Financial Company (NBFC) which has transformed itself from a wholesale lending NBFC to a strong retail lending NBFC in the last 5 years. As of FY10, the company had close to Rs 9.4 bn of loan assets, of which 10% was in retail segment. However, as a strategy to focus on retail segment (which includes Consumer Durable Loans, Two wheeler Loans, Loan against Property, Mortgage Loans and Small Business Loans), the management gradually changed the composition of loan assets towards retail (86% as of Q2FY16). CFL has a total AUM of Rs 136 bn with distribution network across 222 towns as of Q2FY16.
- Assets under Management (AuM) of CFL has grown at a CAGR of 44% over FY11-15 and performance towards retail loan assets has grown 15x since FY11 which is one of the best in the industry. It also reflects the management's success in transforming the company from a wholesale lending NBFC (more riskier segment) to a strong retail lending NBFC. With such a strong foundation, the company is well set to maintain current growth momentum in the coming years also. We believe CFL is well poised to grow at a CAGR of 25% over FY15-17E mainly led by retail credit assets. (AUM of CFL grew 23% y-o-y in Q2FY16 to Rs 136 bn).
- Net Interest Margin (calc) of CFL has increased to 6.5% in H1FY16 from 5.8% in FY15. We expect the company will be able to maintain its margins at current level of 6.5% over FY15-17E supported by the change in borrowing mix coupled with company's increasing presence in high yielding two wheeler and consumer durable loans (~17% of total AUM) both of which are fixed rate in nature. (NIM of CFL was at 6.5% in Q2FY16).
- CFL has maintained its risk return profile efficiently even during difficult macro-economic periods. As of Q2FY16, Gross NPA / Net NPA ratios of the company were at 0.86% / 0.48%, respectively. This is based on the fact that asset mix has shifted towards comparatively safer segments like LAP, Mortgage, two wheelers and Consumer Durables than riskier segments of developer loans. We don't expect any significant deterioration in asset quality and expect it to remain broadly stable.
- Return ratios of CFL was lower over FY12-15 due to the fact that the company changed its accounting policy in FY13. However, normalization of previous year amortizations from FY15 onwards along with improving efficiency in terms of lower cost to income (expense) ratio is likely to help strong bottom line growth of 40% over FY15-17E. We expect RoE / RoA (calc) to improve to 13% / 1.5% by FY17E from 8% / 1.1% in FY15.

Capital First Limited (CFL)

CMP Rs 382 | P/ABV (FY16E) 2.1x | P/ABV (FY17E) 1.9x
Target Rs 468/- (P/ABV FY16E 2.3x)

Valuation

Due to the company's prudent management practices, focused retail lending approach, quicker turnaround time and healthy adequacy position, we believe that the current growth momentum to continue over near to medium term. Loan growth in two wheeler and consumer durable business continues to remain strong. CFL has invested appropriately in technology and other related resources to ensure faster and effective resolution of lending proposals which gives the company an edge over competitors.

Overall, CFL has emerged as a specialized player in financing MSMEs by offering different products for their various financing needs. The management continue to deliver robust result quarter over quarter. We continue to like the stock at current levels and we are positive on the company's long term future prospects. It remains one of the top picks among our NBFCs coverage universe. At CMP of Rs 382/-, CFL is trading at P/ABV of 2.1x and 1.9x for FY16E and FY17E respectively. We continue to maintain 'BUY' rating on the stock with price target of Rs 468/- (2.3x P/ABV for FY17E).

Financials:										
Rs mn	NII	PAT	EPS (Rs)	ROA (%)	ROE (%)	BV (Rs)	ABV (Rs)	P/E	P/BV	P/ABV
FY12	3,063	922	14	2.0	11.9	126	126	9.9	1.1	1.1
FY13	3,084	698	10	1.1	8.0	134	134	16.5	1.2	1.2
FY14	4,038	370	5	0.4	3.6	138	138	34.1	1.1	1.1
FY15	6,277	1,120	12	1.1	8.4	169	167	31.1	2.3	2.3
FY16E	8,642	1,671	18	1.4	10.4	184	179	20.9	2.1	2.1
FY17E	10,661	2,297	25	1.6	13.2	206	200	15.2	1.9	1.9
Source: Company, IndiaNivesh Research; Standalone										

CMP as of 17/11/2015

Coal India Ltd. (CIL)

CMP Rs 332 | Target Rs. 467

P/E (FY16E) 12.5x | P/E (FY17E) 11x

Investment Rational

- After a couple of years of stagnant production levels in the past, CIL finally delivered strong performance in FY15. Production and offtake jumped by 9.2 and 9.9% respectively in 7MFY16 on the back of a concerted push by the government. The government has set a gross output target of one billion tonnes of coal by 2019-20, which is around double the current production. In near term the company has guided 12% off take volume growth to 550 MT and 11% production volume growth to 550 MT in FY16. However, we forecast FY16 production at 529 MT (+7% YoY); off-take 523 MT (+7%).
- Coal Ministry has allowed CIL to revert to the old system, removing the cap on e-auction volumes with effect from April 2015. This means Coal India will now be able to increase its e-auction volumes 10% of total sales (vs 7% of earlier cap) and may go up to 12% as used to be in good times. This will boost CIL's profitability as auctioned coal fetches 35-45 % more than notified price.
- The company has a strong balance sheet, with cash equivalents of Rs ~618bn (Rs. 98/share) at end of H1FY16. The company has dividend payout ratio of near 100 percent in previous two years. We believe the dividend payout will remain healthy.
- CIL is one of the lowest cost coal producers globally (\$22/t compared with the global thermal coal average of \$35/t). 90% of CIL's mines are open cast, which have stable ground conditions, relatively simple geological structures and a low stripping ratio.

Valuations

We believe that company is likely to show strong performance in medium to long term (expect CAGR production growth of 7% in next five years) due to strong domestic coal demand and monopoly in coal production in India. At CMP of Rs 332, stock is trading at 11X of its FY17E EPS We maintain buy rating on the stock with target price of Rs 467.

Y E March	Net sales(Rs. mn)	EBITDA(Rs. mn)	. PAT(Rs. mn)	EPS(Rs.)	EBITDA margin(%)	PE(x)	MC/sales(x)
FY15	741,201	173,354	137,266	21.7	21.1	15.6	2.9
FY16E	800,644	189,493	171,842	27.2	23.7	12.5	2.7
FY17E	899,775	217,302	194,343	31	24.2	11.0	2.4

Source: Company Filings; IndiaNivesh Research Note: CMP as of 17/11/2015

KEC International Ltd

CMP: Rs 153, EV/EBITDA: 7.2x (FY17E), TP: Rs 182

Investment Rationale

Robust Performance in Q2FY16:

- KEC reported robust results for Q2FY16. Due to some variable price contracts, Net sales for the quarter declined y-o-y by 7% to Rs 20,209 mn. However EBITDA and Net profit have shown large y-o-y jump of 28.1% and 117.3% to Rs 1,548 and Rs 441 mn, respectively. Company reported y-o-y EBITDA margin expansion of 210 bps to 7.7%.
- Improvement in the profitability of company is mainly attributable to low commodity prices and improvement in profitability of SAE and infra business.
- Management expects to further improve margins from current levels by 50-100 bps.

Large Diversified Order Book Provides Revenue Visibility:

- Company's order book has increased y-o-y by 6% to Rs 98.72 bn, which provides revenue visibility of more than one year.
- 73% and 11% of the order book is contributed by T&D business and SAE, respectively. Rest 16% is contributed by cables, railways and water businesses of the company. Geography wise, international business contributes 47% of the order book of the company.
- Company is currently L1 in Rs 30 bn worth of orders which are likely to fructify in coming quarters.

Valuation:

At CMP of Rs 153, KEC stock is trading at FY16E and FY17E, EV/EBITDA multiple of 8.8x and 7.2x, respectively. We maintain Buy rating on the stock with PT of Rs 182.

Rs mn	Net Revenue	EBITDA	Net Profit	Equity Capital	EPS (Rs)	EV/EBITDA
FY14	79,018	4,751	668	514	2.6	10.7
FY15	84,678	5,118	910	514	3.5	11.3
FY16E	93,330	6,615	1,820	514	7.1	8.8
FY17E	1,03,875	8,162	2,822	514	11.0	7.2

Consolidated, Source: Company, IndiaNivesh Research

Lumax Auto Technology (LATL)

CMP Rs 303 | Target Rs. 448

P/E (FY16E) 9.4x | P/E (FY17E) 6.8x

Investment Rational

- Lumax Auto technology (LATL) has a wide range of product portfolio to cater to large number of customers in the automotive industry. LATL's product portfolio includes Head lamp, Tail lamp, Frame Chassis, Adjustor Motor, Handle bar, Mufflers, Gear shift lever, Parking breaks and other small parts.
- We expect company to witness strong volume growth coupled with margin expansion in the next couple of years on the back of revival in automotive demand and launch of value added products. With comfortable debt to equity of just 0.2x & strong ROCE of ~22% we believe the company has potential to yield very high returns in next 2-3 years.
- The company has commenced supplying plastic moulded parts to Honda Motorcycle & Scooters India (HMSI) from FY14. In FY15, the growth from this business was above 200% and expected to increase by 50% in next couple of years. With HMSI growing rapidly and capturing significant market share the growth of Lumax is likely to remain intact in the coming years.
- Lumax produces manual automated gear shift (AGS) for different clients, however the company has started to produce automatic gear shifter. Automatic transmission cars are slowly catching the imagination of masses. In order to fully exploit the opportunity to speed the Automatic Gear Shift lever business, LATL has signed a joint venture (55:45) agreement with Japan's Mannoh Industrial Co Ltd .

Valuations

At CMP of Rs 303, LATL is trading at 9.4x FY16e and 6.8x FY17e EPS. We find current valuation attractive and maintain BUY rating on LATL with target price of Rs. 448 (10x FY17E EPS).

YE March (Rs. Mn)	Net Sales	EBITDA	Adj PAT	EPS (Rs)	EBITDA Margin (%)	ROE (%)	PE (x)	EV/EBITDA (x)
FY15A	8,372	668	320	23.5	8.0	12.4	12.9x	6.3x
FY16e	9,671	851	440	32.3	8.8	15.1	9.4x	4.7x
FY17e	11,307	1,108	611	44.8	9.8	18.1	6.8x	3.2x

Source: Company Filings; IndiaNivesh Research Note: CMP as of 17/11/2015

Reliance Industries Ltd. (RIL)

CMP Rs. 927 | Target Rs.1300 (14x FY17E EPS)
P/E (FY16E) 11.4x | P/E (FY17E) 10x

Investment Rationale

- In Q2FY16 RIL's reported GRM at \$10.6/bbl vs. \$10.4/bbl in Q1FY16 and \$8.3/bbl in Q2FY15, which was its highest GRM in the past six years.
- Further USD 4 bn Petcoke Gasification project is under rapid execution which is expected to provide competitive energy costs. RIL's dependency on imported gas will decrease with completion of coke gasification and gross refining margin (GRM) will improve by \$2-2.5 per barrel.
- Besides the coke gasification project, RIL has earmarked USD 4 billion for a petrochemicals project in Jamnagar that will include a cracker unit. This project is expected to be commissioned in FY17 and would nearly double the ethylene capacity to 3.3 million tonnes a year. Further ongoing Polyester expansion and new off-gases cracker will add further value in petchem profitability.
- RIL reported ROE of 11.3% in FY15, down 50 bps YoY. The key reason for decline in ROE was increase of Rs 750bn in CWIP under the ongoing capex programme that pulled down asset turnover sharply. We expect ROE to improve from FY17, when its large projects will commence. Further retail business is continuously progressing well and telecom business is likely to contribute in overall revenue from FY17.

Valuation

RIL is in the midst of executing its largest ever capex plans in core and non-core businesses. We expect the earnings growth trigger to play out in FY17, when its large core projects get commissioned. The Core projects are petcoke gasification plant at its refinery, refinery off-gas cracker in petrochemicals, polyester/aromatics capacity expansion. At CMP Rs. 927 stock is trading at 10x FY17E EPS which is lower than its mean of 15x. We maintain BUY rating on the stock with target price of Rs. 1300(based on 14x FY17e earnings).

Rs. Mn	Net sales	EBITDA	Adj. PAT	EPS(Rs.)	EBITDA Margin (%)	ROE (%)	P/E(x)	EV/EBITDA(x)
FY15A	3754350.0	384920.0	235660.0	80.1	10.3	11.3	11.6	10.0
FY16E	3223999.8	429028.0	252124.0	81.4	13.3	11.5	11.4	8.8
FY17E	3734124.5	527995.8	312248.6	92.5	14.1	11.8	10.0	7.2

Source: Company Filings; BL, IndiaNivesh Research Note: CMP as of 17/11/2015

State Bank of India (SBI)

CMP Rs 248 | P/ABV (FY16E) 1.6x | P/ABV (FY17E) 1.5x
Target Rs 370/-

Investment Rationale

- **Biggest beneficiary of revival in economy, Loan growth picked up in Q2FY16:** SBI, being a largest bank in Indian banking sector, remains the biggest beneficiary of revival in economy by way of pick up in loan growth and improvement in asset quality. In Q2FY16, loan growth of SBI picked to 10.3% yoy from 7% yoy in Q1FY16. We believe bank can easily grow its loan book at 13% CAGR over FY15-17E with upward bias if corporate capex picks up significantly. With market leadership positioning in Home and Auto loan segment, growth in retail for SBI continues to remain higher.
- **No major impact of base rate cut on NIMs:** NIMs (Calc) of SBI has been in the range of 3.2-3.4% in last 3 years which is one of the best amongst public sector banking space. Despite recent cut in base rate, we believe SBI's margins is likely to remain stable at 3% and 2.9% FY16E and FY17E respectively which remains one of the best in PSB space..
- **Asset quality surprised in Q2FY16:** Asset quality for SBI was impacted in FY14 which is inline with industry trend. However in FY15, bank was successful in improving its Gross and Net NPA by 70 and 45 bps yoy to 4.3% and 2.1% partly led by sale of assets to ARC. Further in Q2FY16, Gross and Net NPA has improved to 4.2% and 2.1% respectively largely led by lower fresh slippages and restructuring. Fresh stressed asset formation (fresh slippages + fresh restructuring) touched multi quarter low of 2.4% vs 3.4% in Q1FY16 and 3.6% in Q2FY15.
- **Capital adequacy remains higher:** Capital adequacy of SBI remains healthy at 12.2% with tier I capital of 9.9% which is ahead of regulatory requirement. We believe SBI is likely to qualify for capital infusion in next round of capital infusion based on operating performance as stated in recent reforms "Indradhanush".

Valuations

SBI remains our top pick in public sector banking space as it remains the biggest beneficiary of revival in economy. SBI delivered strong Q2FY16 numbers led by pick up in loan growth, healthy NIMs, lower fresh impairments and strong earnings growth. We recommend buy on SBI with SOTP target price of Rs 370.

(Rs mn)	NII	PAT	EPS (Rs)	ROA (%)	ROE (%)	BV (Rs)	ABV (Rs)	P/E (x)	P/BV (x)	P/ABV (x)
FY14	492,822	108,912	15	0.6	10.0	158	117	17.0	1.6	2.1
FY15	550,153	131,016	18	0.7	10.6	172	135	14.1	1.4	1.8
FY16E	587,697	161,714	21	0.7	11.7	189	151	11.9	1.3	1.6
FY17E	660,493	196,193	25	0.8	12.7	210	168	9.8	1.2	1.5

Source: IndiaNivesh Research

Somany Ceramics Ltd

CMP Rs 335 | Target Rs. 462

P/E (FY17E) 16.7x | EV/EBITDA (FY17E) 9.3x

Investment Rationale

- **Capacity to increase at 12.2% CAGR:** Somany Ceramics Ltd (SCL) is likely to increase its capacity at 12.2% CAGR over FY15-17E period to reach 53.5 million square meters (msm) by FY17E from 42.52 msm in FY15. Majority of the increase is likely to come through joint ventures as a part of its asset light strategy.
- **Declining power and fuel cost:** Due to declining gas prices, the power and fuel cost of the company is reducing on a gradual basis. It has declined to 11.6% in FY15 from 13.2% in FY14. We expect this to further decline to 10.5% by FY17E leading to improvement in profitability. As the contract for own capacities are on 60 month average basis, we expect this benefit to sustain in medium term.
- **Thrust on branding:** SCL is focusing on improving its product mix to high value added products. It also entered into sanitaryware products to provide one-stop solution for ceramic products requirements and leverage its distribution channel. The company aims at improving brand recall and brand positioning and hence plans to spend ~2.5% of sales on advertisements from ~1.5% earlier. Increase in brand value would enable the company to generate better realisations.

Valuations

Currently, demand scenario in the ceramic products sector is weak due to bleak near-term demand from corporate / real estate sector. However SCL, being the third largest ceramic products manufacturer with wide distribution network, would be one of the key beneficiaries of demand revival. We are positive on the asset light strategy of the company which would increase the net profit margin as well as return ratios over the long-term. However stocks in the sector have corrected due to demand concerns.

At CMP of Rs 335, SCL trades at PE of 21.5x and 16.7x its FY16E and FY17E earnings respectively. SCL has corrected at larger pace against Kajaria Ceramics Ltd. Historically, we have observed that SCL trades at ~10% discount to KCL which has widened to ~25% currently. We expect SCL to be re-rated to its 1-year average multiple of 23x FY17E and arrive at target price of Rs 462 per share. We maintain BUY rating with SCL as top pick in the sector.

YE March (Rs Mn)	Net Sales	EBITDA	PAT	EPS(Rs)	RoCE(%)	RoE(%)	P/E(x)	EV/EBITDA(x)
FY15	15313	865	444	11.4	20.6	18.7	29.3	14.0
FY16E	17567	1107	568	15.6	23.1	20.3	21.5	11.6
FY17E	20770	1454	780	20.1	24.0	22.8	16.7	9.3

Source: Company Filings; IndiaNivesh Research Note: CMP as of 17/11/2015

SQS India BFSI Ltd (SQS BFSI)

CMP Rs.801 | Target Rs.1053
P/E (FY16E) 19.0x | P/E (FY17E) 9.3x

Improved Revenue Growth Trajectory: In 1HFY16, the company's performance improved significantly (+15.8% Y/Y). Revenue growth was broad based - Cards & Payments (+12.0%), Banking (+13.3%), and Insurance (+87.2%) demonstrated growth; partially offset by 30.9% de-growth in Capital Markets. Europe delivered above company average growth (+36.6%) followed by Asia (7.9%) in 1HFY16. However, the performance in N.America continues to remain lacklustre (25.1% de-growth in 1HFY16 v/s 1HFY15). The integration between parent and SQS India remains on the track. In our view, these are the early sign of integration. Actual benefit and J-Curve type growth should be visible in FY17E.

Margin Profile Inching-Up: SQS margin profile improved consistently and touched the five quarter high of 21.7% in Q2FY16. The key drivers were better consultant utilization, higher onsite ratio, and efficient overhead cost management. Additionally, the company's strategy to terminating low margin clients and focus on long-term (managed testing services) high margin Europe, US, and Australia contracts boosted the overall margin. The management's target of 300 bps improvements on utilization front (from 72% to 75%) in near-to-medium-term, which could lead to further expansion in EBITDA margin.

Network Effect Triggered: After becoming the part of parent, SQS started seeing substantial ramp-up in SQS BFSI Europe revenue. The integration led to increase in sales team from mid-single digit to low-triple digit in Europe region. Further, joint-go-to-market strategy led to increase in order magnitude. The parent's strategy to build employee base of 8,000-10,000 at group level and large proportion of billable staff in offshore destinations, illustrates that bulk of such expansions could come in India. Further, the recent two acquisition in US by parent should bode well on SQS BFSI US revenue growth going ahead.

Valuations

At CMP of Rs.801, the stock is trading at P/E multiple of 19.2x FY16E and 9.1x FY17E earning estimate. The current quarter performance gives the indication of integration benefit through following: (1) Strong revenue growth, (2) Improving utilization level, (3) Consistent improvement on margin front, and (4) Growth in key vertical and geography. We maintain BUY with TP of Rs.1053 (valuing 12.0x FY17E) on SQS India.

YE March (Rs. Mn)	Net Sales	PBDIT	Adj PAT	EPS (Rs)	EBITDA Margin (%)	ROE (%)	PE (x)	EV/EBITDA (x)
FY15A	2,142	416	261	25.5	19.4	33.3	37.6x	30.3x
FY16e	2,782	647	428	41.9	23.3	21.3	19.0x	18.9x
FY17e	5,395	1,345	879	86.0	24.9	22.8	9.3x	1.1x

Source: Company Filing; IndiaNivesh Research

Tata Motors Ltd (TTMT)

CMP Rs 407 | P/E (FY17E) 11x | Target Rs 496

Investment Rationale

- Domestic business continued its strong performance in Q2FY16 on back of growth in M&HCV and PV segment. As per the management; CV business is well placed to ride the recovery with wide and compelling product range- with new launches across Prima and Ultra Range, refreshes/variants in SCV and pick-ups. The company has done well in PV segment with launch of Zest and Bolt and we expect the good performance to continue with the company's plan to bring out 5 new models before 2019.
- On consolidated front, Tata Motors profitability was impacted due to inventory write down related to Tianjin port explosion. Insurance money is expected to come after few months. JLR has continued to do well in US and Europe. We expect JLR volumes to increase over the next three to four years due to capacity addition and entry into new geographies The 16 Model Year Jaguar XJ is expected to be launched in Autumn this year and the Jaguar F-PACE and Evoque Convertible is expected to be launched in Q4 FY16. All these new products are expected to drive significant volume growth in 2015/16 although, EBITDA margins are expected to be lower than the high levels in 2014/15 due to change in model mix and launch costs associated with the new products, launch and reporting effects of the China JV and mixed economic conditions particularly in China.
- We believe market is overreacting to impact of slowdown in China and going forward TTMT would benefit from a) recovery in CV business, b) strong product pipeline in JLR c) capacity expansion in JLR and d) change in PV strategy for domestic market .

Valuations

At CMP of 407, the stock is trading at 11X of its FY17E EPS. We value JLR Standalone at Rs 410/share based on 4x FY17E EV/EBITDA, JLR JV at Rs 32/share based on 1x FY17E EV/Sales. We value the Indian business along with subsidiaries and associates at ~Rs. 70/share, based on 8x FY17E EV/EBITDA and 25% discount on investments and Net Debt at ~Rs -15/share.

YE March (Rs. Mn)	Net Sales	EBITDA	Adj PAT	EPS (Rs)	EBITDA Margin (%)	ROE (%)	PE (x)	EV/EBITDA (x)
FY15A	2,627,963	392,387	144,090	44.2	14.9	25.6	9.2x	4.2x
FY16e	2,607,095	353,610	114,733	33.8	13.6	15.1	12.1x	4.9x
FY17e	2,776,420	389,656	126,284	37.2	14.0	14.3	11.0x	4.8x

Source: Company Filings; IndiaNivesh Research Note: CMP as of 17/11/2015