

Initiating Coverage
Iron & Steel Products
Srikalahasthi Pipes Ltd
BUY

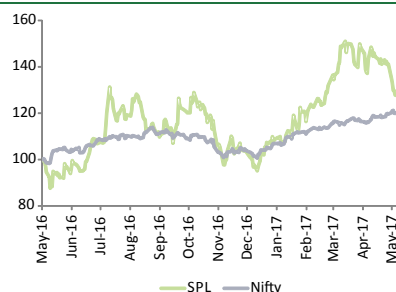
CMP (Rs)	320
Target Price (Rs)	416
Potential Upside	29.7%
Sensex	31,109
Nifty	9,605

Key Stock data

BSE Code	513605
NSE Code	SRIPIPES
Bloomberg	SRK:IN
Shares o/s, Cr (FV 10)	4.0
Market Cap (Rs Cr)	1,274
3M Avg Volume	1,19,810
52 week H/L	399.5 / 228.8

Shareholding Pattern

(%)	Sep-16	Dec-16	Mar-17
Promoter	50.8	50.8	50.8
FII	3.1	3.7	3.5
DII	1.0	0.9	1.4
Others	45.1	44.6	44.3

1 Year relative price performance


Research Analyst

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A strong play in water infrastructure space...

Incorporated in 1991, Srikalahasthi Pipes Ltd. (SPL; erstwhile Lanco Industries Ltd.) is one of the leading producers of ductile iron (DI) pipes in India. With a production capacity of 3 lac TPA of DI pipes, SPL's facility is located at Tirupathi (AP). SPL also manufactures pig iron, cement, low ash metallurgical coke & generates power for captive consumption. It is an associate company of Electrosteel Castings Ltd (48.5% stake), India's leading DI Pipes manufacturer with five decade of experience in servicing the water infrastructure space.

Investment rationale

- The Government's continued thrust on water supply & sanitation infrastructure is reflected in steady increase in its allocations through related schemes over the years. The Ministry of Drinking Water & Sanitation has been allocated Rs 200bn for FY18 (up 21% over FY17). The allocation under PMAY increased by 53% to Rs 230bn for FY18. Further, open defecation free villages have now been given priority for piped water supply. This should boost the demand for DI pipes. With market leadership & steady capacity additions, SPL is well placed to capitalize on the available opportunities.
- SPL commands ~15% market share in DI pipes market across India and ~75% in South & Western Zone, which it primarily caters to. It has a fully backward integrated manufacturing facility which includes a sinter plant, coke oven plant, power plant and sewage treatment facilities, thus giving it a significant cost & competitive advantage.
- Alliance with Electrosteel Castings (ECL) has clearly provided SPL a strategic advantage. The experience and brand image of ECL in Ductile Iron Pipes arena in the domestic and export market has / would continue to help SPL for its DI Pipes business growth. ECL's technical expertise has been adopted in SPL's various backward and forward integration projects, thus providing it competitive edge.
- SPL has recently expanded its DI pipes capacity by 75,000 TPA at its existing facility, which has become operational in Q4FY17. The company has also undertaken upgradation and modification of Blast Furnace. This should enable it meet its future demand requirements for DI pipes. Further, SPL is installing an additional coke oven battery and is enhancing its power plant capacity by 1.5MW, which is expected to go on stream by Q4FY18. This should result in meaningful cost savings.

Outlook & Valuation

Led by capacity expansion and demand revival, SPL's revenue and PAT are estimated to grow at a CAGR of 15% & 21.4% over FY17-19E with improved volume offtake. While growth in FY17 was subdued, we expect a meaningful revival over the next two years. Higher input cost could keep the EBITDA margins under pressure in FY18E. However, we expect the same to improve in FY19E, led by better capacity utilization and backward integration initiatives. At CMP of Rs 320, SPL is trading at 6.2x FY19E EPS. The company deserves to trade at better valuations, given its impressive track record of growth, leadership position in DI pipes, bright growth prospects and declining debt-equity. We recommend a BUY on the stock with a target price of Rs 416.

Financial Summary

Particulars, Rs cr	FY15	FY16	FY17	FY18E	FY19E
Net Revenue	1,083.6	1,145.6	1,177.9	1,408.7	1,557.5
EBITDA	185.6	266.7	236.9	277.5	330.2
EBITDAM (%)	17.1	23.3	20.1	19.7	21.2
APAT	82.2	155.3	140.2	164.6	206.6
APATM (%)	7.6	13.6	11.9	11.7	13.3
EPS (Rs)	20.7	39.1	35.3	41.4	52.0
ROE (%)	31.7	31.4	18.6	18.7	20.2
P/E (x)	15.5	8.2	9.1	7.7	6.2

Source : Company; RSL Research

Investment rationale**Well placed to capitalize on opportunities in the water infrastructure space****Government's strong focus on water and sanitation infrastructure to boost the demand for DI pipes**

DI pipes have witnessed a substantial increase in their usage over the last few years due to various advantages

Ductile Iron (DI) pipes, which find application in transmission of raw / portable water and sewage management, have witnessed a substantial increase in their usage over the last few years due to various advantages like high tensile strength, yield strength, ductility and impact resistance. The demand for these pipes is directly linked to investment in water and sanitation infrastructure. In the coming years, providing drinking water and sewerage infrastructure in urban and rural India is likely to remain Government's key focus area. This provides immense growth opportunity for India's DI Pipes industry.

In India, only 33% of the total population is having access to improved sanitation. In rural areas (which accounts for 72% of India's living population), only 22% has better coverage for sanitation. The Government is making various efforts to improve this number. It has allotted over Rs 1 lac cr for its ambitious water supply projects both for drinking and sewage on priority through Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities Mission (under which Rs 100cr is allocated for each smart city for a period of 5 years). Telangana Water Grid, Water Supply Schemes for new capital City of Amaravati in AP, are some other major projects that emphasize Government's focus. Besides, the Government is also sponsoring other welfare schemes like Swachh Bharat Abhiyan (one of the flagship programs of the Government, which aims to eradicate open defecation by 2019, focuses on solid waste management, etc).

Government's thrust on water infrastructure and sanitation (through increased allocation in related schemes) would certainly boost the demand for DI pipes

The Government's continued thrust on water supply and sanitation infrastructure can be reflected in significant increase in its allocation over the last few years. The Ministry of Drinking Water and Sanitation, which implements the Swachh Bharat Abhiyan, has been allocated Rs 200bn for 2017-18, which is a marked 21% increase from revised estimates of 2016-17. Over the past ten years, the allocation to the Ministry of Drinking Water and Sanitation has seen an annual average steady increase of 10%. The allocation under PMAY (Pradhan Mantri Awas Yojana; a scheme which aims at providing 'housing for all by 2022' – aims to build 1cr houses by 2019) has been increased by 53% to Rs 230bn for 2017-18. Further, in Union Budget 2017, open defecation free villages have been given priority for piped water supply. The Government targets 90% piped water coverage in rural areas by 2020 (was 31% in 2011).

With Government initiatives and increased preference for DI pipes, we expect the DI Pipes market to grow at a healthy pace in the coming years (possibly in mi-teens). Increasing investments in water supply and sanitation infrastructure would certainly boost the demand for DI pipes and result in improved order backlog for established DI pipe manufacturers.

Market leadership, backward integration, alliance with ECL and steady capacity addition augurs well for SPL

SPL commands 15% market share across India and 75% in South and Western Zone which it primarily caters to

Market Leadership: SPL is one of the top players in the DI pipe industry in India, and commands around 15% market share across India and 75% in South and Western Zone which it primarily caters to. The business accounts for ~82% of the company's total revenues with major contribution from Southern and Western region. Together, the Electrosteel group commands around 40% market share of the Indian DI Pipes Market. SPL supplies DI pipes (available in various size ranging from 100mn to 1,100mn diameter) to various Water Boards, Municipal Corporations and Turnkey Contractors across the country for their Water Infrastructure Projects which is the thrust area of the Government of India. L&T, Nagarjuna Construction Corporation, Indian Hume Pipes Ltd, VA Tech Wabag Ltd and Sriram EPC Ltd are some of its key clients.

Backward integration provides significant cost advantage to SPL

Backward Integration Benefits: SPL has a fully backward integrated manufacturing facility which includes a sinter plant (5 lac TPA), coke oven plant (2.25 lac TPA), power plant (14.5 MW) and a sewage treatment facilities in the same complex spread over 300 acres, giving it a significant competitive advantage. In its constant attempt to remain low cost manufacturer, SPL has undertaken various cost reduction measures such as reduction of coke consumption in Mini Blast Furnace (MBF), HSD oil in Ductile Iron Pipe plant. Declining prices of raw materials (in the past) like iron ore & coking coal has also facilitated SPL in maintaining the lower cost of production. The backward integration initiatives have helped SPL improve its EBITDA margins significantly by 1,418bps from 5.9% in FY13 to 20.1% in FY17 (margins stood at 24.3% in 9MFY17, but declined sharply in Q4, impacting the overall margins for FY17).

Alliance with ECL has clearly provided SPL a strategic advantage

Alliance with ECL - a strategic advantage: In March 2002, Electrosteel Castings Ltd (ECL), India's leading DI Pipes manufacturer, entered into a strategic alliance with SPL (Infused Rs 22cr equity to strengthen equity base of SPL and restructured its equity capital accordingly). ECL is India's largest and one of the few manufacturers in the world to make Ductile Iron (DI) Pipes, DI Fittings and CI Pipes, having its facilities in Khardah & Haldia in West Bengal and Elavur in Tamil Nadu. Alliance with ECL has clearly provided SPL a strategic advantage. The experience and brand image of ECL in Ductile Iron Pipes arena in the domestic and export market has / would continue to help SPL for its DI Pipes business growth. ECL's technical expertise has been adopted in SPL's various backward and forward integration projects, thus providing it a competitive advantage. The alliance has also helped SPL achieve the economies of scale due to collective procurement of major items like import of coal, moulds and essential raw materials amongst others.

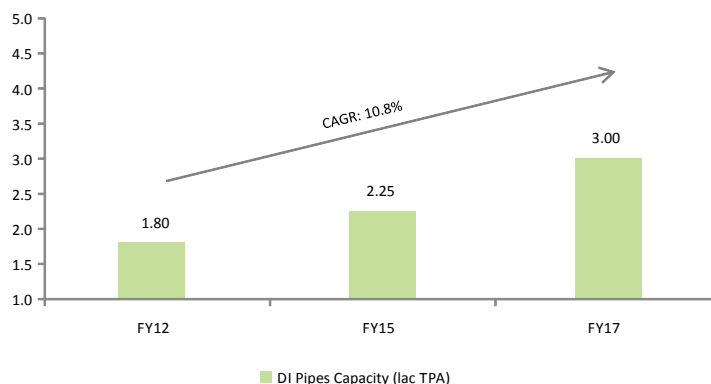
Other strategic advantages include:

Railway Siding	SPL has its own railway siding for bringing its major raw materials, viz., iron ore & coal and to dispatch its finished products.
Port	Krishnapatnam, Chennai & Ennore Ports are situated within a vicinity of 150 Kms.
Water	Long term arrangement (25 Years) with Tirupathi Municipal Corporation (TMC) for supply of sewage water for industrial use.
Power	SPL has 14.5 MW captive power facility and is connected for 14 MW through 132 KV grid power with APSPDCL. Hence, 10 MW power available for future expansion.
Material Handling	SPL has its internal transport handling division equipped with tippers, pay loaders, JCBs, Hydra Cranes, Coles Cranes, Fork lifts etc.
Limestone Mines	SPL has three long term leased limestone mines in Tippalur, T.V.Palle & Kazipet in Kadapa District for captive consumption requirement in MBF and Cement Plant.

SPL's DI pipes capacity has expanded at a steady pace since FY12

Steady Capacity Addition: Since FY12, SPL has consistently expanded its DI pipes capacity by ~67% (from 1.8 lac TPA in FY12 to 3 lac TPA in FY17 – 75,000 TPA has been expanded recently), which has enabled the company to meet the demand requirements and drive its revenue growth. The MBF capacity has increased from 2.25 lac TPA to 2.75 lac TPA during the same period.

As and when required, we expect SPL to continue with its capacity addition of DI pipes at a steady pace, which would enable the company to meet the rising demand from the user industries and maintain its healthy growth momentum. SPL would also ensure that it remains a fully integrated player and thus would continue to enhance its MBF capacity, coke oven batteries and power capacity, thus placing it in an advantageous position vis-à-vis its peers.

Steady increase in DI pipes capacity

Source : Company; RSL Research

DI pipes capacity of 75,000 TPA has become operational in Q4FY17, which should enable SPL meet future demand requirements

With market leadership, backward integration initiatives, alliance with ECL and steady capacity addition, we feel SPL is well placed to leverage its strength and capitalize on the available opportunities in the water and sanitation infrastructure space

Capacity expansion and demand uptick to drive the revenue growth

SPL's DI pipes facility in Andhra Pradesh was operating at 100% utilization (on capacity of 2.25 lac TPA). Hence, in order to meet the increasing demand from the user industries and maintain its growth momentum, SPL recently expanded its DI Pipes capacity by 75,000 TPA at its existing facility. The commercial production of the same has already commenced in Q4FY17. Further, the company has also successfully completed the up-gradation and modification of blast furnace. The pulverized coal injection system has commissioned in January 2017. Overall CAPEX for this expansion program was Rs 100cr, which was funded largely through internal accruals. With this expansion, the DI pipes capacity has increased to 3 lac TPA, which should enable SPL meet its future demand requirements for DI pipes (at-least over the next 2-3 years) and boost its revenue growth.

In order to be fully self-sufficient in meeting its requirements for coke and power, the company has already taken up the installation of an additional coke oven battery and increase of power plant capacity by 1.5MW to 16 MW at a cost of Rs 65cr, which is expected to be commissioned by end of March 2018. The CAPEX is expected to be funded through internal accruals. These backward integration initiatives would result in meaningful cost savings.

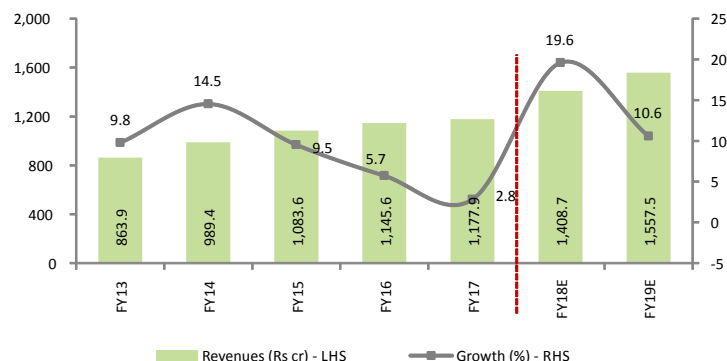
Revenues to grow by 15% CAGR over FY17-19E, led by healthy volume uptick

Revenues to grow by 15% CAGR over FY17-19E, led by capacity expansion and demand uptick

Led by capacity expansion and demand uptick, we expect SPL to register a healthy revenue growth of 15% on a CAGR basis over FY17-19E. The growth in FY17 was subdued at 2.8%, impacted largely by muted volume growth in DI pipes during 9MFY17. SPL's mini blast furnace was shut down in the month of August 2016 for a period of ~30 days to carry out complete relining (a routine activity carried out once in 3-4years) along with installation of Stave Cooling System, Bell Less Top arrangement and Pulverized Coal Injection facility in MBF. This impacted the volume growth significantly, as the DI pipe unit operated at only 25% of its capacity through induction furnace during the shutdown.

With healthy demand from the user industries and capacity expansion, we expect a meaningful improvement in the volume growth of DI pipes over the next two years. The company reported a strong revenue growth of 37.2% in Q4FY17, largely led by volume growth revival. SPL has a healthy order backlog (more than 1x its FY17 sales) and with robust demand environment, government initiatives and increasing preference for DI pipes, we expect order inflows to improve substantially over the next two years.

Revenue to grow by 15% CAGR over FY17-19E



Source : Company; RSL Research

Margins to improve in FY19E led by backward integration efforts & better capacity utilization

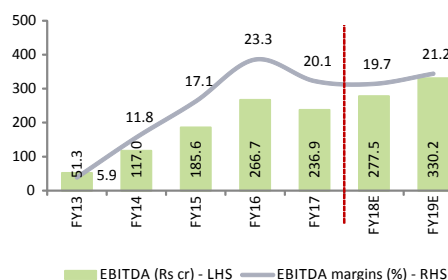
Margins to improve in FY19E, aided by better capacity utilization & backward integration initiatives

SPL's EBITDA margins improved significantly by 1,735bps to 23.3% over FY13-16 aided by backward integration initiatives and lower raw material prices. While the expansion continued in 9MFY17, a steep rise in the coking coal prices impacted the margins sharply in Q4FY17, resulting into overall contraction of 317bps to 20.1% in FY17. We expect the margins to remain under pressure in FY18E on the back of higher raw material prices (partly expected to be offset by better volume growth and some pass-through). However, we expect a meaningful revival in FY19E (estimated to improve to 21.2%), led by better capacity utilization and continued backward integration initiatives by the company. In an improving demand scenario, we expect SPL to pass on a large part of input cost inflation to its customers. In absolute terms EBITDA is likely to grow by 18% CAGR over FY17-19E.

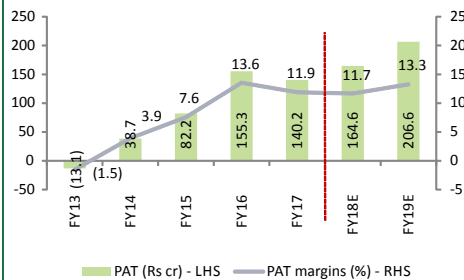
Declining interest cost (as we expect the borrowings to reduce) is likely to boost PAT growth (21.4% CAGR over FY17-19E) and PAT margins (estimated to improve by 136bps over FY17-19E).

Declining interest cost should provide cushion to PAT margins

EBITDA margins to improve in FY19E



Decline in interest cost to boost the PAT margins



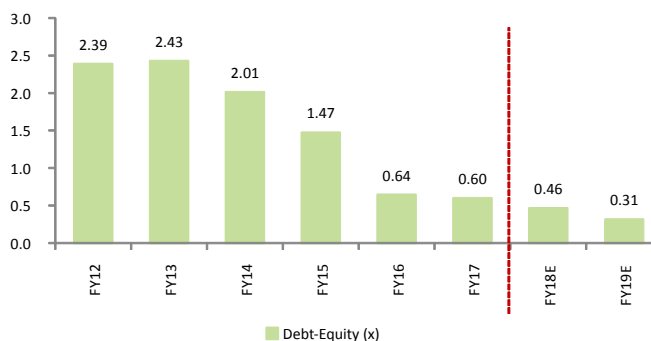
Source : Company; RSL Research

With improved operational performance and working capital efficiency, SPL's D/E has reduced from 2.4x in FY12 to 0.6x in FY17

D/E to decline further

SPL has managed to keep its total borrowings stable despite a steady increase in its gross block over FY12-17 (on the back of capacity expansions undertaken by the company). The term loan has reduced from Rs 129.6cr in FY12 to Rs 63.9cr in FY17. With improved operational performance and working capital efficiency, the company's D/E has declined from 2.4x in FY12 to 0.6x in FY17. Going forward, with healthy cash flow generation, we expect SPL to fund majority of its expansion plans through internal accruals. With this, we expect the borrowings and D/E to decline further, which would reduce the interest outgo and positively impact the bottomline. Further, SPL's board has recently approved the raising of funds upto Rs 250cr through QIP or any other permissible mode. As per the management, the proceeds would be utilized for prepayment of short term and long term loans and to fund the future CAPEX and working capital requirements. This would help SPL reduce its finance cost even further (which is not factored in our projections)

D/E to decline further to 0.31x by FY19E



Source : Company; RSL Research

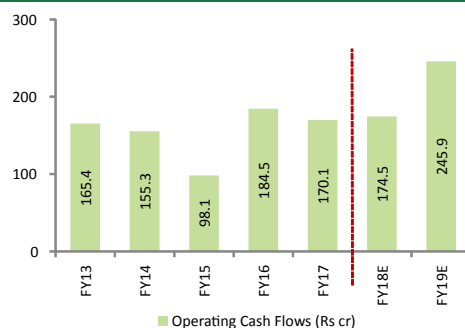
Despite rising gross block, D/E is likely to reduce further, as future CAPEX would be funded largely through internal accruals

Operating Cash Flow generation to remain healthy

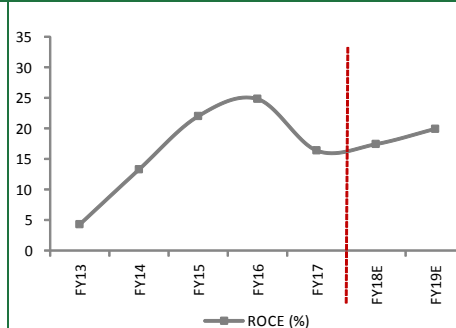
Healthy cash flow generation to continue, return ratios to improve

SPL has a robust cash balance in its books (including equivalents), which stood at Rs 2.1bn as on March 31, 2017 (has increased significantly from Rs 0.1bn in FY12). The average operating cash flow generation over FY12-17 stood at Rs 1.4bn. With improving profits, we expect this healthy momentum to continue. Improving cash flows could result in higher dividend payouts going forward (which stood in the range of 12-15% over the last three years). SPL's return ratios improved consistently over FY13-16 (ROCE improved from 4.3% in FY13 to 24.8% in FY16), but came under significant pressure in FY17 (ROCE declined sharply to 16.4%) due to higher CAPEX and decline in profitability (especially in Q2FY17 due to planned shutdown of mini blast furnace for ~30 days and in Q4FY17 due to steep rise in the coking coal prices). However, with better profit growth, we expect the return ratios to improve meaningfully over the next two years.

Operating Cash Flow generation to remain healthy



ROCE to improve with better profits & falling D/E



Source : Company; RSL Research

With improving profits and declining D/E, ROCE is likely to improve

SPL is an associate company of Electrosteel Castings, which is India's leading DI pipe producer

SPL commands 15% market share across India and around 75% in South and Western Zone, which it primarily caters to

DI Pipes account for 82% of SPL's total revenues with major contribution from South & West

Company background

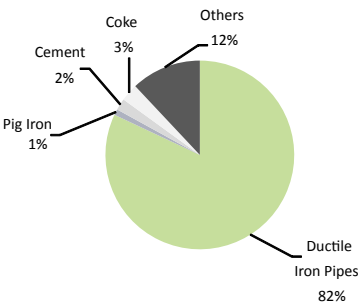
Incorporated in 1991, Srikalahasthi Pipes Ltd. (SPL; formerly known as Lanco Industries Ltd.) is one of the leading producers of ductile iron (DI) pipes in India. With a production capacity of 3 lac TPA of DI pipes, SPL's manufacturing facility is located in Rachagunneri Village in Tirupathi (Andhra Pradesh). The company is categorized as Public Utility Services Company by Govt. of Andhra Pradesh. In March 2002, SPL entered into a strategic alliance with Electrosteel Castings Ltd (ECL), India's leading DI Pipes manufacturer with over five decade of experience in servicing the water infrastructure industry. At present, ECL holds 48.5% stake in SPL.

SPL commands ~15% market share in DI Pipes across India and around 75% in South and Western Zone which it primarily caters to. Together, the Electrosteel group commands around 40% market share of the Indian DI Pipes Market. SPL supplies DI pipes to various Water Boards, Municipal Corporations and Turnkey Contractors across the country for their Water Infrastructure Projects which is the thrust area of the Govt. of India. Some of its Marquee clients include Larsen & Toubro, Nagarjuna Construction Corporation, Indian Hume Pipes Ltd, VA Tech Wabag Ltd, Sriram EPC Ltd, etc.

While DI pipes is the main product of SPL, the company also manufactures pig iron (2.75 lac TPA), cement (0.9 lac TPA), low ash metallurgical coke (2.25 lac TPA) and generates power (14.5 MW) for captive consumption. Surplus coke and pig iron produced is sold to the nearby foundries, while balance cement is sold in the market under the brand name 'Srikalahasthi Gold Cement'. SPL also has a sinter plant (capacity of 5 lac TPA), which uses low cost iron ore fines instead of high cost lump iron ores. DI pipes account for 82% of SPL's total revenues (with major contribution from South & West), while Pig Iron, Cement, Coke & Others (sale of DI pipe scrap and surplus coal left) account for the balance 18%.

The company's key raw materials include iron ore, coking coal and limestone. It procures iron ore from Hospet / Bellary area through e-auction conducted by the Monitoring Committee (MC). Coking coal of desired quality is imported from Australia with annual / quarterly contracts for required quantities. As regards limestone, SPL has its own mines in Kadapa in AP.

Product-wise Revenue Mix



Source : Company; RSL Research

Manufacturing Infrastructure

Plant	Capacity	Description
Ductile Iron Pipes	3 lac TPA	Core product of the company, which is used for conveying water (portable / other purposes) and sewage application. DI pipes are available in various size ranging from 100mn to 1,100mn diameter. The product is sold under brand name 'SRIPIPES'.
Pig Iron	Mini Blast Furnace (MBF) - 2.75 lac TPA	Is captively consumed for production of DI pipes. Surplus left is sold to nearby foundries and steel factories.
Sinter Plant	5 lac TPA	The entire production is used for captive consumption. Instead of using high cost lump iron ores, low cost iron ore fines are used. The final product, sinter, enhances the productivity of MBF.
Coke Oven Plant	2.25 TPA	Converts coking coal into coke, which is used for captive consumption. The surplus is sold to nearby foundries.
Cement	0.9 lac TPA	20% cement produced is captively consumed for inner coating of DI Pipes. The balance is sold in the market under the brand 'Srikalahasthi Gold Cement'.
Power	2 captive power plants (14.5MW)	Generates power from waste heat gases of Coke Oven Plant & Mini Blast Furnace. The entire production is used for captive consumption.

Risks

- Economic slowdown or decline in the Government spending towards water and sanitation infrastructure (though low probability of the same happening in the near future) could impact the demand for DI pipes from the user industries. This would in turn impact the order inflows of SPL and hamper its overall revenue and profit growth.
- Iron Ore and Coking Coal are SPL's key raw materials for manufacturing of DI pipes (72% of the total raw materials consumed). Any sharp rise in these input prices could impact the company's margins significantly (as evident in Q4FY17 numbers) in the event of its inability to pass on the same to its customers.
- Increasing competition from existing and new players could create pricing pressure and impact SPL's operational performance.

Key risks include i) demand slowdown from user industries, ii) input cost inflation, iii) increasing competition

P&L Account

Particulars, Rs cr	FY15	FY16	FY17	FY18E	FY19E
Net Revenue	1,083.6	1,145.6	1,177.9	1,408.7	1,557.5
Growth (%)	9.5	5.7	2.8	19.6	10.6
Material Expenses	595.8	512.0	549.7	679.7	739.8
Employee Expenses	53.8	68.0	70.7	81.7	88.8
Other Operating Expenses	248.4	298.8	320.5	369.8	398.7
EBITDA	185.6	266.7	236.9	277.5	330.2
EBITDAM (%)	17.1	23.3	20.1	19.7	21.2
EBITDA Growth (%)	58.6	43.7	(11.2)	17.1	19.0
Depreciation	31.2	34.7	36.9	44.3	48.7
EBIT	154.5	232.1	200.1	233.2	281.5
Other Income	8.7	19.9	30.5	27.6	30.3
Interest	43.7	42.5	39.3	35.3	28.7
PBT	119.4	209.5	191.2	225.5	283.0
Tax	37.3	54.2	51.0	60.9	76.4
RPAT	82.2	155.3	140.2	164.6	206.6
RPAT Growth (%)	112.4	89.0	(9.7)	17.4	25.5
EO items (net of tax)	-	-	-	-	-
APAT	82.2	155.3	140.2	164.6	206.6
APAT Growth (%)	112.4	89.0	(9.7)	17.4	25.5
EPS	20.7	39.1	35.3	41.4	52.0
EPS Growth (%)	112.4	89.0	(9.7)	17.4	25.5

Source : Company; RSL Research

Balance sheet

Particulars, Rs cr	FY15	FY16	FY17P	FY18E	FY19E
SOURCES OF FUNDS					
Share Capital	39.8	39.8	39.8	39.8	39.8
Reserves	253.5	657.5	773.8	902.6	1,061.5
Total Shareholders Funds	293.3	697.3	813.5	942.4	1,101.3
Long Term Debt	180.0	109.0	63.9	43.6	34.6
Short Term Debt	251.9	339.3	422.2	392.5	311.5
Total Debt	431.9	448.3	486.1	436.1	346.1
Net Deferred Taxes	65.5	113.6	125.3	125.3	125.3
Long Term Provisions & Others	16.4	17.1	8.1	9.8	10.8
TOTAL SOURCES OF FUNDS	807.0	1,276.2	1,433.1	1,513.6	1,583.5
APPLICATION OF FUNDS					
Net Block	487.3	799.0	909.3	935.0	936.3
CWIP	8.9	19.4	5.7	5.7	5.7
Investments	-	147.3	152.6	160.3	192.3
LT Loans & Advances and Others	5.6	9.8	6.9	7.6	9.5
Total Non-Current Assets	501.8	975.5	1,074.6	1,108.5	1,143.8
Inventories	134.6	118.9	213.4	231.6	243.2
Trade Receivables	186.1	207.6	143.3	185.2	196.3
Cash & Equivalents	59.3	21.5	55.5	52.3	71.1
ST Loans & Advances and Other Current Assets	89.5	57.4	70.2	84.2	93.4
Total Current Assets	469.4	405.4	482.4	553.3	604.0
Trade Payables	102.4	51.5	71.0	84.9	93.9
Other Current Liabilities & Provisions	61.8	53.2	52.8	63.4	70.4
Total Current Liabilities	164.2	104.7	123.8	148.3	164.3
Net current Assets	305.2	300.6	358.6	405.0	439.7
TOTAL APPLICATION OF FUNDS	807.0	1,276.2	1,433.1	1,513.6	1,583.5

Source : Company; RSL Research

Cash Flow statement

Particulars, Rs cr	FY15	FY16	FY17P	FY18E	FY19E
Reported PBT	119.4	209.5	191.2	225.5	283.0
Non-operating & EO items	6.0	14.8	22.3	20.2	22.1
Interest Expenses	43.7	42.5	39.3	35.3	28.7
Depreciation	31.2	34.7	36.9	44.3	48.7
Working Capital Change	(52.9)	(33.2)	(24.0)	(49.6)	(16.0)
Tax Paid	37.3	54.2	51.0	60.9	76.4
OPERATING CASH FLOW (a)	98.1	184.5	170.1	174.5	245.9
Capex	(65.1)	(349.1)	(133.4)	(70.0)	(50.0)
Free Cash Flow	33.0	(164.6)	36.7	104.5	195.9
Investments	-	(147.3)	(5.3)	(7.6)	(32.1)
Non-operating income	6.0	14.8	22.3	20.2	22.1
Others	50.3	(4.2)	7.6	(0.7)	(1.9)
INVESTING CASH FLOW (b)	(8.9)	(485.8)	(108.8)	(58.1)	(61.8)
Debt Issuance / (Repaid)	(21.6)	16.4	37.8	(50.0)	(90.0)
Interest Expenses	(43.7)	(42.5)	(39.3)	(35.3)	(28.7)
FCFE	(32.3)	(190.7)	35.2	19.2	77.2
Share Capital Issuance, QIP proceeds	-	-	-	-	-
Dividend	(14.0)	(23.9)	(28.6)	(35.8)	(47.7)
Others	(1.0)	48.8	2.8	1.6	1.1
FINANCING CASH FLOW (c)	(80.2)	(1.1)	(27.3)	(119.5)	(165.4)
EO items	-	-	-	-	-
NET CASH FLOW (a+b+c)	9.0	(302.4)	34.0	(3.1)	18.7
Closing Cash	59.3	21.5	55.5	52.3	71.1

Source : Company; RSL Research

Key Financial ratios

Particulars	FY15	FY16	FY17P	FY18E	FY19E
PROFITABILITY (%)					
GPM	45.0	55.3	53.3	51.8	52.5
EBITDAM	17.1	23.3	20.1	19.7	21.2
EBITM	14.3	20.3	17.0	16.6	18.1
APATM	7.6	13.6	11.9	11.7	13.3
RoE	31.7	31.4	18.6	18.7	20.2
Core RoCE	24.0	28.3	19.3	20.7	24.0
RoCE	22.0	24.8	16.4	17.4	19.9
EFFICIENCY					
Tax Rate (%)	31.2	25.9	26.7	27.0	27.0
Fixed Asset Turnover (x)	1.5	1.1	1.0	1.1	1.2
Inventory (days)	45.3	37.9	66.1	60.0	57.0
Debtors (days)	62.7	66.1	44.4	48.0	46.0
Payables (days)	34.5	16.4	22.0	22.0	22.0
Cash Conversion Cycle (days)	73.5	87.6	88.6	86.0	81.0
Debt/Equity (x)	1.5	0.6	0.6	0.5	0.3
Net Debt/Equity (x)	1.3	0.2	0.2	0.1	(0.1)
Interest Coverage (x)	3.5	5.5	5.1	6.6	9.8
PER SHARE DATA					
EPS	20.7	39.1	35.3	41.4	52.0
CEPS	28.5	47.8	44.5	52.6	64.2
BV	73.8	175.4	204.6	237.0	277.0
Dividend	3.0	5.0	6.0	7.5	10.0
VALUATION					
P/E (x)	15.5	8.2	9.1	7.7	6.2
P/BV (x)	4.3	1.8	1.6	1.4	1.2
EV/EBITDA (x)	8.9	5.3	5.9	4.8	3.5
Dividend Yield (%)	0.9	1.6	1.9	2.3	3.1

Source : Company; RSL Research

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Statements on ownership and material conflicts of interest, compensation—Research Analyst (RA)

[Please note that only in case of multiple RAs, if in the event answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) below, are given separately]

S. No.	Statement	Answer	
		Tick appropriate	
		YES	NO
	I/we or any of my/our relative has any financial interest in the subject company? [If answer is yes, nature of Interest is given below this table]		NO
	I/we or any of my/our relatives, have actual/beneficial ownership of one per cent. or more securities of the subject company, at the end of the month immediately preceding the date of publication of the research report or date of the public appearance?		NO
	I / we or any of my/our relative, has any other material conflict of interest at the time of publication of the research report or at the time of public appearance?		NO
	I/we have received any compensation from the subject company in the past twelve months?		NO
	I/we have managed or co-managed public offering of securities for the subject company in the past twelve months?		NO
	I/we have received any compensation for brokerage services from the subject company in the past twelve months?		NO
	I/we have received any compensation for products or services other than brokerage services from the subject company in the past twelve months?		NO
	I/we have received any compensation or other benefits from the subject company or third party in connection with the research report?		NO
	I/we have served as an officer, director or employee of the subject company?		NO
	I/we have been engaged in market making activity for the subject company?		NO

Nature of Interest (if answer to F (a) above is Yes :

Name(s) with Signature(s) of RA(s).

[Please note that only in case of multiple RAs and if the answers differ inter-se between the RAs, then RA specific answer with respect to questions under F (a) to F(j) above, are given below]

SS.No	Name(s) of RA	Signatures of RA	Serial Question of question which the signing RA needs to make separate declaration / answer	YES	NO

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Institutional Equity Research

MARKET LENS

NIFTY 9521

Support 9450

9400

Resistance 9565

9610

IN FOCUS

Stock in Focus **SRIKALAHASTHI PIPES**

Positional Pick **BATA INDIA**

Intraday Pick **DR REDDY'S LAB**

Intraday Pick **PTC**

July 3, 2017



STOCK IN FOCUS

- Srikalahasthi pipes (SPL) closed over 2% higher outperforming the CNX Mid-cap index by over 1%
- SPL is an Andhra Pradesh based integrated manufacturer of Ductile Iron (DI) pipes. Since it is integrated, it enjoys significant competitive advantage, while several cost-optimization measures – including commissioning of Sinter Plant – has led to sustained margin expansion
- Lack of adequate sanitation has been prompting the government to focus on improving water supply and sewerage infrastructure through multiple schemes like JNNURM & Swachh Bharat Mission and "Smart Cities Mission". Thus we believe that the demand for DI pipes would witness a healthy growth in medium to long-term
- DI pipes – which are widely recognised as the industry standard for modern water and waste water system – find application in water transportation and sewage management
- With ~75% market share in Southern & Western markets augers well for SPL, as the industry enjoys strong entry barriers for being capital intensive having long gestation period
- **We have a BUY recommendation on the stock with a Target Price of Rs386.**

Positional Pick

BATA INDIA (PREVIOUS CLOSE: 537) BUY

For today's trade, long position can be initiated at Rs532 for target of Rs567-580 and with a strict stop loss of Rs510.

Intraday Picks

DR REDDY'S LAB (PREVIOUS CLOSE: 2690) BUY

For today's trade, long position can be initiated at around Rs2670 for target of Rs2720 and with a strict stop loss of Rs2650.

PTC (PREVIOUS CLOSE: 97) SELL

For today's trade, short position can be initiated at around Rs99 for target of Rs96-95 and with a strict stop loss of Rs101.

EQUITY INDICES

Indices	Absolute Change		Percentage Change		
	Last Trade	Change	1-D	1-Mth	YTD
Domestic					
BSE Sensex	30,921.6	64.1	0.2%	-1.1%	16.1%
CNX Nifty	9,520.9	16.8	0.2%	-1.4%	16.3%
S&P CNX 500	8,331.6	30.5	0.4%	-0.9%	19.3%
SENSEX 50	9,882.2	22.4	0.2%	-1.2%	17.3%
International					
DJIA	21,349.6	62.6	0.3%	0.7%	8.0%
NASDAQ	6,140.4	(3.9)	-0.1%	-2.6%	14.1%
NIKKEI	20,071.2	37.8	0.2%	-0.5%	5.0%
HANGSENG	25,759.5	(5.0)	0.0%	-0.6%	17.1%
MSCI Emerging Mkts	1,010.8	(3.2)	-0.3%	-0.4%	17.2%

ADRs / GDRs

	Last Trade	Change	1-D	1-Mth	YTD
Dr. Reddy's Lab (ADR)	42.1	1.0	2.5%	6.3%	-6.9%
Tata Motors (ADR)	33.0	(0.3)	-1.0%	-11.5%	-4.0%
Infosys (ADR)	15.0	0.1	0.9%	-1.1%	1.3%
ICICI Bank (ADR)	9.0	0.1	0.9%	0.7%	31.7%
HDFC Bank (ADR)	87.0	0.9	1.0%	-0.7%	43.3%
Axis Bank (GDR)	39.8	0.5	1.3%	1.9%	21.3%
Reliance Ind (GDR)	42.4	(0.6)	-1.5%	2.9%	34.4%

COMMODITY MARKET

Key Commodities	Last Trade	Change	1-D	1-Mth	YTD
Brent Crude (\$/bl)	48.9	0.1	0.2%	-2.1%	-14.0%
Silver (\$/Oz)	16.6	(0.0)	-0.2%	-5.4%	4.3%
Gold (\$/Oz)	1,238.2	(3.4)	-0.3%	-3.3%	7.9%
Copper LME (\$/MT)	5,927.0	(4.3)	-0.1%	4.8%	7.3%
Aluminium LME (\$/MT)	1,913.5	2.8	0.1%	-0.6%	12.3%
Baltic Dry	901.0	(19.0)	-2.1%	8.6%	-6.2%

CURRENCY RATES

	Last Trade	Change	1-D	1-Mth	YTD
USD/INR	64.6	64.6	-0.1%	0.1%	-4.9%
EUR/INR	73.7	73.7	0.1%	1.9%	2.8%

RATES

	Last Trade	Change	1-D	1-Mth	YTD
T-Bill - 91 D	6.3	6.3	0.1%	0.3%	1.5%
10 Year G-sec Yield	6.5	6.5	0.1%	-2.3%	-0.1%

INVESTMENT ACTIVITY (RS. CR)

Category	BUY	SELL	NET	Prev
FI	4,385.2	4,545.8	-160.5	-1,140.8
DII	3,250.3	2,054.6	1,195.7	600.2

EXCHANGE TURNOVER

Exchange	Rs Crore
BSE Equity	3,956.0
BSE Derivatives	8.45
NSE Equity	23,336.0
NSE Derivatives	3,12,502.2

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MARKET LENS

NIFTY	9521
Support	9450
	9400
Resistance	9565
	9610

IN FOCUS

Stock in Focus	SRIKALAHASTHI PIPES
Positional Pick	BATA INDIA
Intraday Pick	DR REDDY'S LAB
Intraday Pick	PTC

July 3, 2017

Technical Research

MARKET SYNOPSIS

- On Friday, NSE-NIFTY slipped below its medium-term moving average (50-day EMA) in the initial trade amidst negative global cues, but later reversed from sub-9,450 mark and advanced gradually during the day on back of recovery in index heavyweights. Finally, NIFTY settled the session near its day's high-9,536 with gain of 17 points at 9,521 level.
- NSE Cash segment reported turnover of Rs23,336 crore as compared to Rs29,698 crore earlier.
- Overall market breadth remained flat, where 828 stocks advanced against 823 declined stocks.
- Mixed trend was observed across all the sectoral indices during the day, where Pharma and FMCG indices emerged as top gainers with the increase of 1.9% and 2.3% respectively. However, on the other hand none of the sectoral indices reported loss of more than 0.5%.



NSE-NIFTY OUTLOOK

- NSE-NIFTY ended week as well as month on a negative note with cut of 0.5% and 1% respectively. In the last week, index twice ended in red out of four trading sessions and managed to continue prior negative closing trend for straight third week in a row. However, on the monthly basis, index has breached five months old rising trend. As per the current weekly as well as monthly set-up, we believe that NIFTY will remain in pressure for the short-term, where it will find support around 9,400 and then at 9,300 levels. On the higher side, its short-term moving average 20-day EMA (placed around 9,565 mark) will act as a near-term hurdle, but any close above that average will help index to revisit its life-time-high of 9,710 level.
- As for the day, support is placed at around 9,450 and then at 9,400 levels, while resistance is observed at 9,565 and then around at 9,610 levels.

Institutional Equity Research

MARKET LENS

NIFTY

9521

IN FOCUS

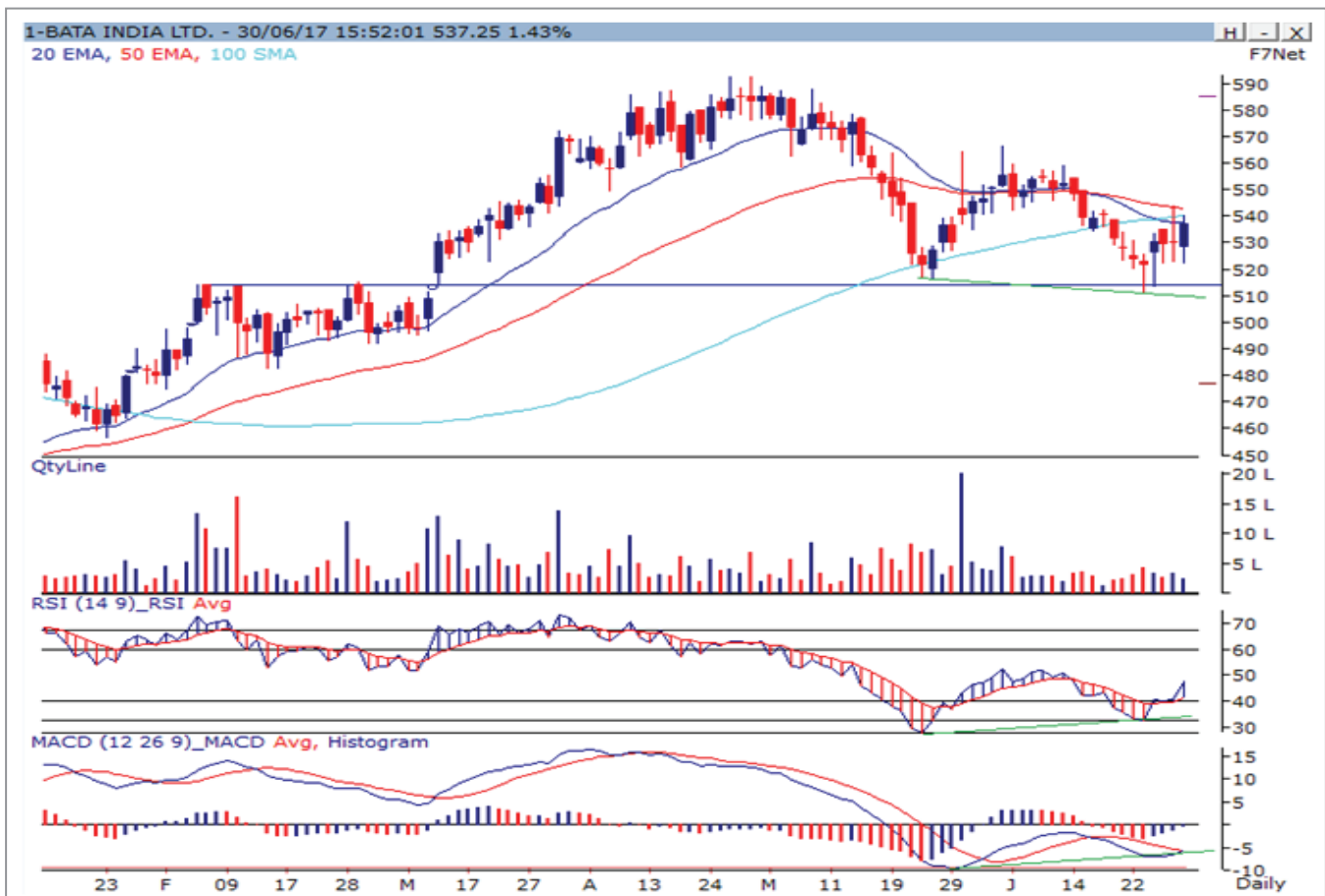
July 3, 2017

Support	9450	Stock in Focus	SRIKALAHASTHI PIPES
	9400	Positional Pick	BATA INDIA
Resistance	9565	Intraday Pick	DR REDDY'S LAB
	9610	Intraday Pick	PTC

Technical Research

Positional Pick: BATA INDIA

PREV.CLOSE: 537 | RECO: BUY | AT: 532 | TARGET: 567-580 | STOP LOSS: 510



- ▶ Bata India once again reversed from sub-515 mark (from resistance-turned-support line) and rose to 8-day closing high.
- ▶ Due to recent reversal in the stock, we have observed positive divergence in the key technical indicators, which is quite positive for the stock.
- ▶ Currently, the stock is facing resistance of its short-term and medium-term moving averages amidst lack of participation. Hence, fresh long position can be initiated only on dips.
- ▶ In case of any negative surprise, recent swing low will work as key reversal point for the stock.
- ▶ Thus, long position can be initiated at Rs532 for the target of Rs567-580 and with a strict stop loss of Rs510.

Institutional Equity Research

MARKET LENS

NIFTY 9521 IN FOCUS

July 3, 2017

Support	9450	Stock in Focus	SRIKALAHASTHI PIPES
	9400	Positional Pick	BATA INDIA
Resistance	9565	Intraday Pick	DR REDDY'S LAB
	9610	Intraday Pick	PTC

Derivatives Snapshot

- Nifty opened lower on back of global cues, but filled the intraday gaps with sustained recovery throughout the day to close near the day's high. Nifty closed up by 17 points at 9,521 levels. Among the nifty stocks 24 stocks advanced and 26 declined during the day.
- Sectorally it was a mixed bag with FMCG, Pharma and Media to gain by 2.3%, 1.9% and 0.7% respectively while Realty and Auto declined by 0.3% average.
- Broader market indices remained flat with NIFTY 100,200 and 500 to close up by 0.3% average while midcap indices and small cap indices gained by 0.7% and 0.2% respectively.
- Nifty July futures ends with 3 points discount at 9,517 mark, while on other hand, Bank Nifty July futures ended with the discount of 11 points at 23,201 mark.
- Nifty has bounced back from the support levels of 9,450 to close positive for the day. Nifty has ended negative week on week by 0.6% and if we are able to sustain 9,450 levels next week we could see some positive momentum in sectors like pharma, auto and energy.

Sectoral Activity: Amongst sectoral index, FMCG and Banks remained in focus with positive momentum.

Stock Activity: ITC and Bank of Baroda observed build up in long position.

TOP 5 PRICE GAINERS

Stock Name	LTP	% Price Chg	% Vol Chg	%OI Chg	Support	Pivot	Resistance
INFIBEAM INCORP. LIMITED	1110.90	6.50%	135.58%	32.64%	1052	1085	1144
BEML LIMITED	1533.25	5.44%	64.78%	20.92%	1458	1501	1577
BANK OF BARODA	161.65	3.95%	69.07%	2.73%	158	160	164
ITC LTD	323.65	3.87%	133.62%	26.49%	314	320	329
SUZLON ENERGY LIMITED	18.75	3.59%	-57.20%	9.85%	18	19	19

TOP 5 PRICE LOSERS

Stock Name	LTP	% Price Chg	% Vol Chg	%OI Chg	Support	Pivot	Resistance
INTERGLOBE AVIATION LTD	1166.55	-5.70%	41.39%	46.95%	1138	1189	1218
INDIABULLS REAL EST. LTD	200.10	-4.42%	41.70%	41.92%	195	201	207
JAIPRAKASH ASSOCIATES LTD	21.80	-3.96%	-15.76%	32.93%	21	22	23
INDO COUNT INDUSTRIES LTD	166.40	-2.92%	-21.76%	4.99%	163	168	171
ESCORTS INDIA LTD	645.15	-2.75%	-17.66%	13.87%	633	647	659

TOP 5 OI GAINERS

Stock Name	LTP	% Price Chg	% Vol Chg	%OI Chg	Support	Pivot	Resistance
INTERGLOBE AVIATION LTD	1166.55	-5.70%	41.39%	46.95%	1138	1189	1218
INDIABULLS REAL EST. LTD	200.10	-4.42%	41.70%	41.92%	195	201	207
JAIPRAKASH ASSOCIATES LTD	21.80	-3.96%	-15.76%	32.93%	21	22	23
INFIBEAM INCORP. LIMITED	1110.90	6.50%	135.58%	32.64%	1052	1085	1144
ITC LTD	323.65	3.87%	133.62%	26.49%	314	320	329

TOP 5 OI LOSERS

Stock Name	LTP	% Price Chg	% Vol Chg	%OI Chg	Support	Pivot	Resistance
M&M FIN. SERVICES LTD	344.95	1.17%	-47.77%	-7.50%	338	343	350
BHARAT PETROLEUM CORP LT	639.40	2.13%	-18.38%	-6.78%	627	634	646
BALKRISHNA IND. LTD	1663.10	1.82%	35.67%	-2.03%	1618	1647	1691
BHARTI INFRATEL LTD.	374.55	-0.97%	-82.01%	-1.74%	372	374	377
PTC INDIA LIMITED	96.55	1.95%	3.14%	-1.48%	94	96	99

Institutional Equity Research

MARKET LENS

NIFTY 9521 IN FOCUS

July 3, 2017

Support	9450	Stock in Focus	SRIKALAHASTHI PIPES
	9400	Positional Pick	BATA INDIA
Resistance	9565	Intraday Pick	DR REDDY'S LAB
	9610	Intraday Pick	PTC

Derivatives Snapshot

TOP 5 "RISE IN % DEL CHG"

Stock Name	LTP	% Price Chg	% Vol Chg	%Del Chg	Support	Pivot	Resistance
CG POWER AND IND SOL LTD	82.10	1.55%	140.78%	585.43%	80	82	84
OIL INDIA LTD	259.60	-2.13%	200.57%	429.17%	255	261	265
CHOLAMANDALAM IN & FIN CO	1124.20	2.55%	93.50%	283.22%	1097	1113	1140
BRITANNIA INDUSTRIES LTD	3690.05	1.45%	164.42%	243.91%	3636	3674	3728
SHRIRAM TRANSPORT FIN CO.	999.80	1.19%	91.53%	228.33%	990	997	1006

TOP 5 "DECLINE IN % DEL CHG"

Stock Name	LTP	% Price Chg	% Vol Chg	%Del Chg	Support	Pivot	Resistance
TORRENT POWER LTD	177.65	0.23%	-84.45%	-91.06%	176	177	179
EICHER MOTORS LTD	27039.40	-1.10%	-83.14%	-88.75%	26889	27092	27242
MRPL	118.25	-0.55%	-79.83%	-88.64%	117	118	119
TVS MOTOR COMPANY LTD	549.20	0.69%	-61.56%	-87.82%	544	547	553
FEDERAL BANK LTD	112.85	-0.13%	-73.56%	-84.46%	112	113	114

SECTORAL ACTIVITY

	Value Total OI	Average of OI Change %	Average of Price Change %	Total Volume	Average of Volume Change %
Consumer Discretionary	490062730	6.27%	0.04%	57637189	-19.94%
Consumer Staples	134940250	7.36%	1.32%	31088967	18.01%
Energy	203116000	3.79%	-0.10%	26507412	-12.78%
Financials	1388932295	5.28%	0.53%	155919847	-23.45%
Health Care	155128300	3.97%	1.09%	24853612	-21.27%
Industrials	169648700	7.85%	1.38%	24470458	-8.17%
Information Technology	108914700	6.35%	0.32%	13760285	-23.61%
Materials	1171458300	9.83%	-0.18%	412366576	-9.30%
Telecommunication Services	256402700	2.21%	-0.58%	40283169	-58.58%
Utilities	861977900	4.12%	0.34%	111199071	-4.90%
Grand Total	4940581875	6.15%	0.39%	898086586	-16.04%

Institutional Equity Research

MARKET LENS

NIFTY 9521 IN FOCUS

July 3, 2017

Support	9450	Stock in Focus	SRIKALAHASTHI PIPES
	9400	Positional Pick	BATA INDIA
Resistance	9565	Intraday Pick	DR REDDY'S LAB
	9610	Intraday Pick	PTC

Pivot Table

Name	LTP	Support 2	Support 1	Pivot	Resistance 1	Resistance 2
Nifty 50	9520.9	9414.8	9467.8	9501.8	9554.9	9588.9
Nifty Bank	23211.2	22896.2	23053.7	23153.9	23311.4	23411.6
ACC LIMITED	1568.1	1544.0	1556.0	1567.5	1579.6	1591.1
ADANI PORT & SEZ LTD	363.1	357.9	360.5	363.1	365.7	368.4
AMBUJA CEMENTS LTD	246.6	242.9	244.7	246.2	248.1	249.6
ASIAN PAINTS LIMITED	1103.0	1070.7	1086.8	1099.4	1115.5	1128.1
AUROBINDO PHARMA LTD	684.6	660.9	672.8	680.1	692.0	699.3
AXIS BANK LIMITED	517.4	503.3	510.3	515.2	522.2	527.1
BAJAJ AUTO LIMITED	2791.2	2749.9	2770.5	2785.1	2805.8	2820.4
BANK OF BARODA	161.7	153.8	157.7	160.1	164.0	166.3
BHARTI AIRTEL LIMITED	379.7	367.4	373.6	378.7	384.9	390.0
BOSCH LIMITED	23327.3	22430.0	22878.6	23164.3	23612.9	23898.6
BHARAT PETROLEUM CORP LT	639.4	615.4	627.4	634.4	646.4	653.3
CIPLA LTD	555.6	535.9	545.8	552.3	562.2	568.7
COAL INDIA LTD	244.3	242.2	243.2	244.6	245.6	247.0
DR. REDDY'S LABORATORIES	2690.1	2616.0	2653.1	2682.0	2719.1	2748.0
EICHER MOTORS LTD	27039.4	26739.3	26889.3	27092.1	27242.2	27445.0
GAIL (INDIA) LTD	361.5	351.6	356.5	360.2	365.1	368.8
HCL TECHNOLOGIES LTD	850.9	830.9	840.9	848.4	858.4	866.0
HDFC LTD	1615.0	1597.6	1606.3	1615.6	1624.3	1633.7
HDFC BANK LTD	1652.1	1634.7	1643.4	1651.7	1660.4	1668.7
HERO MOTOCORP LIMITED	3701.4	3644.0	3672.7	3693.7	3722.4	3743.5
HINDALCO INDUSTRIES LTD	191.0	187.8	189.4	191.0	192.6	194.3
HINDUSTAN UNILEVER LTD.	1079.6	1050.1	1064.8	1078.8	1093.5	1107.5
INDIABULLS HSG FIN LTD	1076.2	1049.9	1063.0	1077.0	1090.1	1104.1
ICICI BANK LTD.	290.2	285.4	287.8	289.9	292.3	294.4
INDUSIND BANK LIMITED	1479.0	1453.7	1466.3	1474.9	1487.5	1496.1
BHARTI INFRATEL LTD.	374.6	368.5	371.5	374.3	377.3	380.1
INFOSYS LIMITED	935.6	925.2	930.4	934.2	939.4	943.2
INDIAN OIL CORP LTD	385.2	377.3	381.3	385.6	389.6	393.9
ITC LTD	323.7	305.1	314.4	319.5	328.8	334.0
KOTAK MAHINDRA BANK LTD	955.8	925.7	940.7	951.1	966.1	976.5
LARSEN & TOUBRO LTD.	1687.6	1644.9	1666.3	1682.6	1704.0	1720.3
LUPIN LIMITED	1059.9	1042.3	1051.1	1060.3	1069.1	1078.4
MAHINDRA & MAHINDRA LTD	1348.6	1337.1	1342.9	1350.9	1356.6	1364.6
MARUTI SUZUKI INDIA LTD.	7217.6	7126.3	7172.0	7202.8	7248.4	7279.2
NTPC LTD	159.0	155.8	157.4	158.6	160.2	161.4
OIL AND NATURAL GAS CORP.	157.3	155.0	156.1	157.5	158.6	160.0
POWER GRID CORP. LTD.	210.6	206.6	208.6	209.8	211.8	213.1
RELIANCE INDUSTRIES LTD	1380.0	1365.1	1372.6	1382.5	1389.9	1399.8
STATE BANK OF INDIA	273.7	267.7	270.7	272.7	275.7	277.8
SUN PHARMACEUTICAL IND L	555.7	528.6	542.2	551.6	565.1	574.5
TATA MOTORS LIMITED	432.6	424.5	428.5	432.1	436.1	439.6
TATA MOTORS DVR 'A' ORD	263.3	258.9	261.1	264.1	266.3	269.3
TATA POWER CO LTD	80.6	79.9	80.2	80.8	81.2	81.8
TATA STEEL LIMITED	545.8	523.4	534.6	541.2	552.4	559.1
TATA CONSULTANCY SERV LT	2362.4	2300.3	2331.3	2354.2	2385.2	2408.1
TECH MAHINDRA LIMITED	382.0	372.5	377.3	382.1	386.9	391.7
ULTRATECH CEMENT LIMITED	3959.1	3891.1	3925.1	3960.0	3994.0	4028.9
VEDANTA LIMITED	249.1	244.3	246.7	249.7	252.0	255.0
WIPRO LTD	258.4	253.8	256.1	258.5	260.7	263.1
YES BANK LIMITED	1463.5	1409.9	1436.7	1451.8	1478.6	1493.6
ZEE ENTERTAINMENT ENT LTD	491.4	484.3	487.8	490.3	493.8	496.2

Institutional Equity Research

NIFTY

9521

IN FOCUS

July 3, 2017

MARKET LENS

Support	9450	Stock in Focus	SRIKALAHASTHI PIPES
	9400	Positional Pick	BATA INDIA
Resistance	9565	Intraday Pick	DR REDDY'S LAB
	9610	Intraday Pick	PTC

Simple Moving Average

Scrip Name	Close Rate	20-SMA	50-SMA	100-SMA	200-SMA	HIGH_52WEEK	LOW_52WEEK
NIFTY	9520.9	9606.5	9482.8	9242.6	8827.7	9709.3	7893.8
BANK NIFTY	23211.2	23485.3	22981.2	21958.9	20486.4	23897.9	17606.9
SENSEX 50	9882.2	9958.9	9817.4	9555.9	9114.1	10030.7	8144.6
ACC	1568.1	1618.2	1630.1	1536.1	1488.3	1756.7	1256.6
ADANI PORTS	363.1	363.6	349.9	332.9	305.7	377.7	204.6
AMBUJACEM	246.6	239.0	244.2	239.7	233.8	281.7	191.0
ASIANPAINT	1103.0	1144.2	1132.7	1083.5	1049.7	1225.2	849.6
AUROPHARMA	684.6	634.9	609.2	641.1	695.4	895.0	503.1
AXISBANK	517.4	509.2	507.5	504.8	498.7	638.3	424.4
BAJAJ-AUTO	2791.2	2831.2	2869.7	2848.1	2801.0	3120.0	2510.0
BANKBARODA	161.7	168.1	177.7	173.8	166.9	202.5	135.3
BHARTIARTL	379.7	369.6	364.6	359.1	337.3	401.0	283.1
BHEL	135.3	137.8	154.9	158.8	145.9	182.8	116.1
BOSCHLTD	23327.3	23973.5	23549.3	22995.1	22201.6	25670.9	17671.6
BPCL	639.4	674.8	706.0	685.1	655.8	769.3	530.6
CIPLA	555.6	542.6	545.2	567.6	571.4	621.3	480.2
COALINDIA	244.3	254.9	266.4	286.2	299.2	350.0	243.1
DRREDDY	2690.1	2635.1	2606.2	2698.9	2909.8	3689.9	2380.4
EICHERMOT	27039.4	28445.9	27801.5	26235.8	24663.0	30051.0	19250.0
GAIL	361.5	377.4	396.8	388.0	354.0	433.7	268.3
GRASIM	1242.1	1151.9	1149.7	1092.5	997.2	1267.0	781.9
HCLTECH	850.9	854.7	846.2	845.2	825.5	909.6	710.3
HDFC	1615.0	1634.3	1584.0	1508.0	1409.4	1682.2	1183.2
HDFCBANK	1652.1	1665.8	1603.0	1499.8	1368.8	1716.0	1158.0
HEROMOTOCO	3701.4	3767.6	3589.9	3416.3	3325.7	3880.6	2849.5
HINDALCO	191.0	196.1	194.5	192.1	178.2	210.4	123.3
HINDUNILVR	1079.6	1096.8	1030.2	958.7	902.3	1129.0	782.0
ICICIBANK	290.2	290.3	278.4	266.5	253.4	297.6	215.1
IDEA	85.3	80.2	83.0	91.8	84.3	123.5	65.8
INDUSINDBK	1479.0	1501.4	1462.6	1412.9	1288.3	1538.0	1036.7
INFRA TEL	374.6	378.3	373.0	345.4	351.0	413.7	281.8
INFY	935.6	948.2	949.2	973.0	981.8	1196.1	901.0
ITC	323.7	310.1	296.5	284.9	263.6	324.7	222.0
KOTAKBANK	955.8	974.6	948.4	890.9	826.6	1004.7	692.5
LT	1687.6	1746.2	1742.8	1644.5	1530.5	1834.0	1295.1
LUPIN	1059.9	1125.0	1211.0	1332.7	1411.9	1750.0	1047.6
M&M	1348.6	1396.0	1363.5	1328.8	1300.7	1509.0	1141.4
MARUTI	7217.6	7251.6	6941.7	6502.8	5984.6	7480.9	4125.0
NTPC	159.0	159.3	160.2	162.5	160.7	178.3	142.9
ONGC	157.3	166.3	175.5	183.3	186.0	211.8	144.7
POWERGRID	210.6	207.4	207.0	202.2	193.3	215.0	160.2
RELIANCE	1380.0	1372.9	1362.0	1299.4	1173.7	1467.8	930.0
SBIN	273.7	285.4	289.7	283.8	270.3	315.3	216.5
SUNPHARMA	555.7	531.0	583.4	631.6	662.9	855.0	492.7
TATAMOTORS	432.6	454.6	451.3	461.2	485.3	598.4	417.3
TATAPOWER	80.6	80.0	81.8	83.2	79.8	91.2	67.0
TATASTEEL	545.8	509.4	483.0	481.8	446.3	547.9	312.1
TCS	2362.4	2457.8	2433.3	2430.3	2368.2	2744.8	2051.9
TECHM	382.0	392.6	409.5	442.7	449.6	517.7	356.7
ULTRACEMCO	3959.1	4061.3	4183.5	4035.3	3836.9	4533.1	3050.0
WIPRO	258.4	262.7	258.5	252.2	243.2	288.9	204.1
YESBANK	1463.5	1462.6	1497.4	1496.4	1365.8	1651.9	1090.6
ZEEL	491.4	508.8	516.0	518.5	503.4	589.9	427.7

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MARKET LENS

NIFTY 9521 IN FOCUS

July 3, 2017

Support	9450	Stock in Focus	SRIKALAHASTHI PIPES
	9400	Positional Pick	BATA INDIA
Resistance	9565	Intraday Pick	DR REDDY'S LAB
	9610	Intraday Pick	PTC

Bulk Deals Snapshot

Deal Date	Scrip Code	Company	Client Name	Deal Type*	Quantity	Price **
30/06/2017	513422	BLOIN	KAMAL KUMAR CHAUDHARY HUF	S	150,000	4.61
30/06/2017	513422	BLOIN	AKASH GUPTA	B	75,000	4.53
30/06/2017	513422	BLOIN	VIKASH GUPTA	B	50,000	4.68
30/06/2017	526927	DION	JOSEPH LESLIE NASH	B	389,000	60.4
30/06/2017	526927	DION	ALBULA INVESTMENT FUND LTD	S	389,000	60.4
30/06/2017	540455	ESCORP	SUMANA PARUCHURI	S	40,000	15.51
30/06/2017	531196	GAGANPO	SANJAY R MAHESHWARI(HUF)	S	62,450	2.63
30/06/2017	526717	GOPALA	NIKUNJ AMBALAL PATEL HUF	S	23,673	69.34
30/06/2017	526717	GOPALA	NIKUNJ AMBALAL PATEL HUF	B	47,165	73.06
30/06/2017	531410	GUJFOIL	AVS EQUINVEST LLP	S	47,912	10.76
30/06/2017	539788	KDML	GRYFFIN ADVISORY SERVICES PRIVATE LIMITED	B	2,000,400	113
30/06/2017	539788	KDML	VIJAYKUMAR KHEMANI	S	2,000,400	113
30/06/2017	502937	KESORAMIND	INDUSIND BANK LTD	S	7,500,000	137
30/06/2017	502937	KESORAMIND	HIGHGATE INDUSTRIES LIMITED	B	7,500,000	137
30/06/2017	539524	LALPATHLAB	WAGNER LIMITED	S	900,000	780.26
30/06/2017	539767	MNIL	FAITHFUL VANIYA PRIVATE LIMITED	B	45,000	97.32
30/06/2017	539116	OPCHAINS	GIRRAJ KISHOR AGARWAL (HUF)	B	40,000	17
30/06/2017	539116	OPCHAINS	HEM SEC LTD	S	40,000	17
30/06/2017	540108	RCSL	SHALU S RANA	B	40,025	30
30/06/2017	503162	RELICHEMQ	DIPAK KANAYALAL SHAH	B	30,000	82.54
30/06/2017	530867	SFLINTER	GOLDMINE BARTER PRIVATE LIMITED	S	83,975	18.75
30/06/2017	530867	SFLINTER	DHANSAGAR VINTRADE PRIVATE LIMITED	S	137,400	18.75
30/06/2017	530867	SFLINTER	VINOD VRAJLAL NIRMAL	S	75,000	18.75
30/06/2017	530867	SFLINTER	VINOD VRAJLAL NIRMAL	B	211,175	18.75
30/06/2017	530867	SFLINTER	DEEPAK PARSHARAM SALVI	S	50,000	18.75
30/06/2017	539520	SHAILJA	HASMUKH DAYALAL SHAH	S	26,977	13
30/06/2017	539520	SHAILJA	MANISHA HASMUKH SHAH	S	21,123	12.99
30/06/2017	532323	SHIVACEM	JSW CEMENT LIMITED	B	2,400,000	22.94
30/06/2017	540072	SHIVAEXPO	GIRISH M SHAH	B	100,000	11.12
30/06/2017	536738	STELLAR	AUTOLITE AGENCIES PRIVATE LIMITED	S	144,000	5.88
30/06/2017	538714	SUCHITRA	SHEELU INANI	S	58,000	18.72
30/06/2017	538714	SUCHITRA	L L SONI (HUF)	B	50,000	18.75
30/06/2017	538714	SUCHITRA	LADU LAL SONI	B	55,000	18.5
30/06/2017	540252	VOL	RAKSHIT MAHENDRA SHAH	B	24,000	45.1
30/06/2017	540252	VOL	NARESHKUMAR JAYANTIBHAI PRAJAPATI	S	36,000	45.1

*B - Buy, S - Sell, ** = Weighted Average Trade Price / Trade Price

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NIFTY 9521 IN FOCUS

July 3, 2017

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	9400	Positional Pick	BATA INDIA
Resistance	9565	Intraday Pick	DR REDDY'S LAB
	9610	Intraday Pick	PTC

Monthly Economic Calendar

Date Time	Country	Event	Period	Prior
3-Jul-17	US	ISM Manufacturing	Jun	54.5
3-Jul-17	IN	Nikkei India PMI Mfg	Jun	--
4-Jul-17	AU	RBA Cash Rate Target	4-Jul	1.5%
5-Jul-17	IN	Nikkei India PMI Services	Jun	--
5-Jul-17	IN	Nikkei India PMI Composite	Jun	--
6-Jul-17	US	Initial Jobless Claims	1-Jul	--
7-Jul-17	US	Change in Nonfarm Payrolls	Jun	--
9-Jul-17	IN	Local Car Sales	Jun	--
10-Jul-17	JN	BoP Current Account Balance	May	--
10-Jul-17	CH	CPI YoY	Jun	--
10-Jul-17	IN	Trade Balance	Jun	--
10-Jul-17	IN	Exports YoY	Jun	--
10-Jul-17	IN	Imports YoY	Jun	--
12-Jul-17	IN	CPI YoY	Jun	--
12-Jul-17	IN	Industrial Production YoY	May	--
13-Jul-17	US	Initial Jobless Claims	8-Jul	--
14-Jul-17	JN	Industrial Production MoM	May F	--
14-Jul-17	US	CPI MoM	Jun	--
14-Jul-17	IN	Wholesale Prices YoY	Jun	--
18-Jul-17	UK	CPI YoY	Jun	--
18-Jul-17	EC	CPI YoY	Jun F	--
20-Jul-17	AU	Employment Change	Jun	--
20-Jul-17	AU	Unemployment Rate	Jun	--
20-Jul-17	EC	ECB Main Refinancing Rate	20-Jul	--
20-Jul-17	US	Initial Jobless Claims	15-Jul	--
25-Jul-17	IN	Eight Infrastructure Industries	Jun	--
26-Jul-17	UK	GDP QoQ	2Q A	--
26-Jul-17	UK	GDP YoY	2Q A	--
26-Jul-17	US	FOMC Rate Decision (Upper Bound)	26-Jul	1.3%
27-Jul-17	US	Initial Jobless Claims	22-Jul	--
28-Jul-17	JN	Jobless Rate	Jun	--
28-Jul-17	US	GDP Annualized QoQ	2Q A	--
31-Jul-17	JN	Industrial Production MoM	Jun P	--
31-Jul-17	IN	Fiscal Deficit INR Crore	Jun	--

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IN FOCUS

July 3, 2017

Support

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Stock in Focus

SRIKALAHASTHI PIPES

9400

Positional Pick

BATA INDIA

Resistance

9565

Intraday Pick

DR REDDY'S LAB

9610

Intraday Pick

PTC

Corporate Actions

Ex-Dividend

Company Name	Ex-Date	Purpose
Asian Hotels (West) Limited	3-Jul-17	Dividend - Re 1/- Per Share
The Federal Bank Limited	3-Jul-17	Annual General Meeting/Dividend - Re 0.90 Per Share
Jyothy Laboratories Limited	3-Jul-17	Annual General Meeting/Dividend - Rs 6/- Per Share
The South Indian Bank Limited	3-Jul-17	Annual General Meeting/Dividend - 0.40 Per Share
Petronet LNG Limited	3-Jul-17	Bonus 1:1
Plastiblends India Limited	3-Jul-17	Bonus 1:1
Sanwaria Agro Oils Limited	3-Jul-17	Bonus 1:1
CCL Products (India) Limited	4-Jul-17	Dividend - Rs 2.50 Per Share (Book Closure Dates Revised)
Sundaram Finance Limited	4-Jul-17	Annual General Meeting/Dividend - Rs 6.50/- Per Share
Mayur Uniquoters Ltd	4-Jul-17	Annual General Meeting/Dividend - Re 0.25 Per Share
Essel Propack Limited	4-Jul-17	Dividend - Rs 2.40 Per Share
Dabur India Limited	5-Jul-17	Annual General Meeting/Dividend - Re 1/- Per Share
Capri Global Capital Limited	5-Jul-17	Annual General Meeting/Dividend - Re 0.30 Per Share
Zee Entertainment Enterprises Limited	5-Jul-17	Annual General Meeting/Dividend - Rs 2.50 Per Share
Motherson Sumi Systems Limited	5-Jul-17	Bonus 1:2
MSP Steel & Power Limited	5-Jul-17	Extra Ordinary General Meeting
Greenply Industries Limited	5-Jul-17	Annual General Meeting/Dividend - Re 0.60 Per Share

Result Calendar

Company Name	Board Meeting Date	Purpose
ABG Shipyard Limited	4-Jul-17	Results
Bhushan Steel Limited	5-Jul-17	Results
GM Breweries Limited	6-Jul-17	Results
Sanwaria Agro Oils Limited	7-Jul-17	Results/Others
Cyient Limited	13-Jul-17	Results
Goa Carbon Limited	13-Jul-17	Results/Others
Gruh Finance Limited	15-Jul-17	Results
Hindustan Media Ventures Limited	17-Jul-17	Results
HT Media Limited	18-Jul-17	Results
Maharashtra Scooters Limited	18-Jul-17	Results
Bajaj Finance Limited	19-Jul-17	Results
Bajaj Finserv Limited	19-Jul-17	Results
Bajaj Auto Limited	20-Jul-17	Results
Bajaj Holdings & Investment Limited	20-Jul-17	Results
Kansai Nerolac Paints Limited	20-Jul-17	Results
Kotak Mahindra Bank Limited	20-Jul-17	Results
Mahindra CIE Automotive Limited	20-Jul-17	Results
RBL Bank Limited	20-Jul-17	Results
Atul Limited	21-Jul-17	Results
Tata Sponge Iron Limited	21-Jul-17	Results

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