

Market snapshot



| Equities - India | Close  | Chg .% | YTD.%  |
|------------------|--------|--------|--------|
| Sensex           | 32,609 | -0.1   | 22.5   |
| Nifty-50         | 10,234 | 0.0    | 25.0   |
| Nifty-M 100      | 18,888 | 0.6    | 31.6   |
| Equities-Global  | Close  | Chg .% | YTD.%  |
| S&P 500          | 2,559  | 0.1    | 14.3   |
| Nasdaq           | 6,624  | 0.0    | 23.0   |
| FTSE 100         | 7,516  | -0.1   | 5.2    |
| DAX              | 12,995 | -0.1   | 13.2   |
| Hang Seng        | 11,568 | -0.3   | 23.1   |
| Nikkei 225       | 21,336 | 0.4    | 11.6   |
| Commodities      | Close  | Chg .% | YTD.%  |
| Brent (US\$/Bbl) | 58     | 0.5    | 5.0    |
| Gold (\$/OZ)     | 1,285  | -0.8   | 11.5   |
| Cu (US\$/MT)     | 6,996  | -1.8   | 26.7   |
| Almn (US\$/MT)   | 2,115  | 0.2    | 24.1   |
| Currency         | Close  | Chg .% | YTD.%  |
| USD/INR          | 65.0   | 0.5    | -4.3   |
| USD/EUR          | 1.2    | -0.5   | 11.7   |
| USD/JPY          | 112.3  | 0.5    | -4.0   |
| YIELD (%)        | Close  | 1MChg  | YTDchg |
| 10 Yrs G-Sec     | 6.8    | 0.0    | 0.2    |
| 10 Yrs AAA Corp  | 7.6    | 0.0    | 0.0    |
| Flows (USD b)    | 13-Oct | MTD    | YTD    |
| FII              | 0.0    | -0.7   | 4.5    |
| DII              | 0.0    | 1.2    | 11.0   |
| Volumes (INRb)   | 13-Oct | MTD*   | YTD*   |
| Cash             | 312    | 308    | 294    |
| F&O              | 6,406  | 6,124  | 5,463  |

Note: YTD is calendar year, \*Avg



Today's top research idea

Axis Bank: Weak operating performance

Asset quality woes deepen

- AXSB reported weak numbers, with net profit plummeting to INR4.32b (-67% QoQ), dragged by higher provisions and weak revenue growth. Fresh slippages spiked to INR89.36b (9% annualized), driven by NPL divergence of INR48.67b, according to the RBI, which AXSB downgraded this quarter. Corporate slippages stood at INR81.1b, accounting for ~90% of total slippages.
- We cut our FY18/19E earnings by 17%/21%, and believe that earnings normalization for AXSB has now been pushed back. We revise our slippage/credit cost estimates and expect PPOp to stay flat in FY18 and grow at 13% over FY19. We expect RoAs of ~0.97% and RoEs of ~11.6% in FY19E.
- We revise our PT to INR470, based on 2.0x September 2019E ABV and 13.8x September 2019E EPS. Maintain **Neutral**.



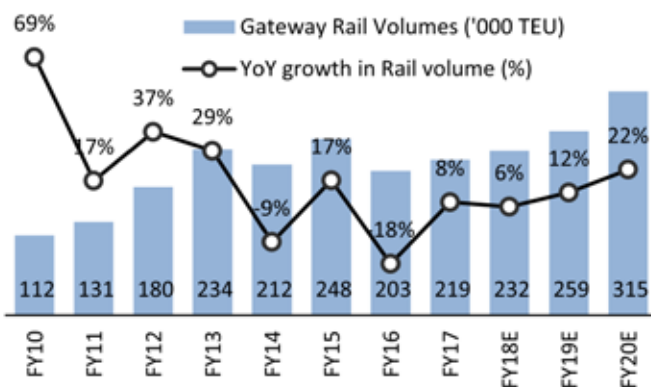
Research covered

| Cos/Sector             | Key Highlights                                                           |
|------------------------|--------------------------------------------------------------------------|
| Wipro                  | Asymmetrical growth dynamics... continue restricting broad-based revival |
| Axis Bank              | Weak operating performance; asset quality woes deepen                    |
| Bajaj Auto             | Operating performance in line; volumes recovery on track                 |
| Avenue Supermart       | Growth captured in valuations; downgrade to Sell                         |
| ACC                    | Capacity ramp-up and favorable base drive volume growth                  |
| Delta Corp             | Multiple earnings drivers in place                                       |
| DCB Bank               | Strong operating profit                                                  |
| H T Media              | Sluggish ad market weighs on performance                                 |
| Logistics              | Margin revival in absence of cost push                                   |
| Automobile             | Dzire drives compact sedan segment in positive zone                      |
| Capital Goods (Genset) | MHP and HHP segments driving growth                                      |
| Results Expectation    | NIIT Tech.   UltraTech Cem.                                              |



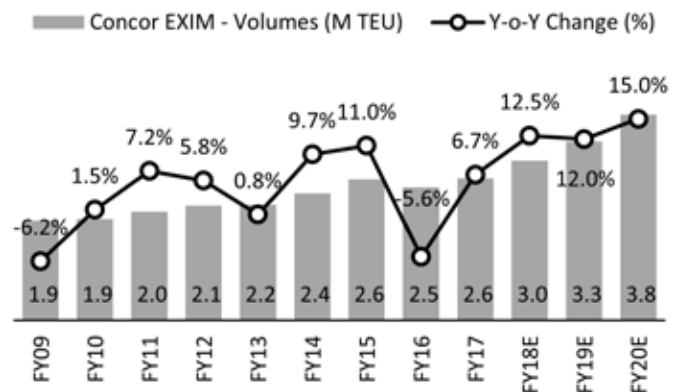
Chart of the Day: Logistics – Margin revival in absence of cost push

GDPL's Rail volumes to grow at a CAGR of 13% over FY17-20E



Source: Company, MOSL

EXIM volumes to grow at a CAGR of 13% over FY17-20E



Source: Company, MOSL

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

**India rejects WTO push for new global e-commerce rules**

India has rejected fresh efforts by a clutch of countries led by the European Union (EU), Japan, Canada and Australia to negotiate new global e-commerce rules under the aegis of the World Trade Organization (WTO)...

2

**Oil firms float country's biggest ethanol purchase tender**

Oil marketing companies — IndianOil, Bharat Petroleum and Hindustan Petroleum — have floated the country's biggest ethanol procurement tender to buy 3.13 billion litres. The value of ethanol desired by companies for blending with petrol is estimated at over Rs 12,800 crore, considering an average price of Rs 41 a litre. Oil companies will also have to pay a Goods and Services Tax (GST) of 18 per cent on ethanol that will go into blending...

3

**Grasim, Arvind Ltd announce mega investments in Gujarat**

In a major boost to the textiles and garment sector in Gujarat, two of the leading garment players in the country have announced combined investments in excess of Rs. 4,400 crore to be made in the State...

4

**Airtel plans to phase out 3G in two years, offer VoLTE nationwide**

Bharti Airtel Ltd plans to phase out its 3G service in two years and upgrade all subscribers using the service to faster 4G networks in a move that will help India's largest telecom operator save on costs and improve user experience...

5

**ONGC to call bids to raise output of ageing oilfields**

State-run Oil and Natural Gas Corporation will soon invite bids from oilfield service providers to enhance output from some of its ageing fields under a long-term contract whereby winners will get a predetermined fee for existing and incremental production, company executives said. ONGC's Executive Committee of is expected to give the proposed policy a final shape this month, following which the company would float a tender inviting bids in another two months or so, the executives said...

6

**Telecom projects worth Rs 1.30 lakh crore in works: Aruna Sundararajan**

Telecom secretary Aruna Sundararajan on Tuesday said that telecom infrastructure would grow massively over the next 2-3 years backed by an investment of Rs 1.3 lakh crore. "In 2-3 years, the country will see more new initiatives with an investment of Rs 130,000 crore..."

7

**Adani teams up with Doha-based Nebras Power to bid for Equis Energy's Assets**

The Adani Group has joined the race to acquire the Indian renewable assets of Singapore-based Equis Energy, which has put its entire portfolio valued at about \$5 billion on the block, said sources close to the development...



|                       |                |
|-----------------------|----------------|
| BSE SENSEX            | S&P CNX        |
| 32,634                | 10,231         |
| Bloomberg             | WPRO IN        |
| Equity Shares (m)     | 4,867          |
| M.Cap.(INRb)/(USDb)   | 1,411.6 / 21.8 |
| 52-Week Range (INR)   | 304 / 205      |
| 1, 6, 12 Rel. Per (%) | 0/5/4          |
| Avg Val, INRm         | 868.5          |
| Free float (%)        | 26.8           |

**Financials & Valuations (INR b)**

| Y/E Mar     | 2017  | 2018E | 2019E |
|-------------|-------|-------|-------|
| Net Sales   | 550.4 | 550.6 | 598.7 |
| EBITDA      | 108.8 | 114.5 | 129.3 |
| PAT         | 83.3  | 86.2  | 90.7  |
| EPS (INR)   | 16.9  | 19.1  | 20.1  |
| Gr. (%)     | -6.3  | 13.0  | 5.2   |
| BV/Sh (INR) | 105.9 | 110.3 | 130.4 |
| RoE (%)     | 16.9  | 17.0  | 16.7  |
| RoCE (%)    | 13.6  | 13.9  | 15.2  |
| P/E (x)     | 17.1  | 15.2  | 14.4  |
| P/BV (x)    | 2.7   | 2.6   | 2.2   |

Estimate change

TP change

Rating change

**CMP: INR290 TP: INR280(-3%) Neutral**

**Asymmetrical growth dynamics...**

**...continue restricting broad-based revival**

- Revenue growth below expectations:** 2QFY18 CC revenue growth of 0.3% QoQ was below our estimate of 1% QoQ and at the lower end of WPRO's guidance of -0.5% to +1.5% QoQ. Barring Communications (-4.4% QoQ CC) and Healthcare (-5.9%), performance across verticals was impressive, mainly in BFSI (+3.3%). Though WPRO expects bottoming out of these problem areas, the guidance tells a different story.
- 3Q guidance not signifying revival:** For 3Q, WPRO expects revenue of USD2,014-2,054m, implying CC growth of 0-2%. On YoY CC basis, this implies growth of 2.3-4.4% for 3Q, which at its midpoint is not materially higher than +2.9% YoY CC in 2Q. Given that the two problem verticals alone pulled overall growth down by 180bp QoQ, a revival there is necessary to translate into broad-based performance; portfolio issues and lopsided growth are a familiar story in the case of WPRO.
- Profitability beat across businesses:** IT Services EBIT margin at 17.3% (+50bp QoQ) beat our estimate by 110bp. Margin expansion, despite wage hike impact, was commendable, driven by improved operational efficiency (also reflected in steady 80%+ utilization and headcount reduction). Products business saw sharp profitability improvement as WPRO consolidated its operations (business is half the size of previous quarter). This aided overall EBIT margin of 16.8% (130bp beat). Apart from this, higher other income led to PAT of INR21.9b (+5.5% QoQ, est. of -5.9% QoQ).
- Valuation view:** We raise EPS by 3% for FY19/20E, factoring in margin beat in Services/Products. However, we believe it would be crucial for WPRO to start seeing recovery on organic growth and it to be reflected in optimistic guidance to sustain current valuations. WPRO trades at 15.2/14.4x FY18/ FY19E EPS. We expect revenues/earnings (led by buyback) CAGR of 6.3/9.0% over FY17-19E. Our TP of INR280 discounts FY19E EPS by 14x. **Neutral.**

**Quarterly Performance (IFRS)**

| Y/E March                   | FY17    |         |         |         | FY18E   |         |         |         | FY17    | FY18E   | (INR Million) |          |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------|----------|
|                             | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q      |         |         | Est.          | Var.     |
| IT Services Revenue (USD m) | 1,931   | 1,916   | 1,903   | 1,955   | 1,972   | 2,014   | 2,037   | 2,080   | 7,705   | 8,102   | 2,013         | 0.0      |
| QoQ (%)                     | 2.6     | -0.8    | -0.7    | 2.7     | 0.9     | 2.1     | 1.1     | 2.1     | 4.9     | 5.2     | 2.1           | 1bp      |
| Overall Revenue (INR m)     | 135,992 | 137,657 | 136,878 | 139,875 | 136,261 | 134,234 | 138,480 | 141,656 | 550,402 | 550,631 | 138,122       | -2.8     |
| QoQ (%)                     | -0.2    | 1.2     | -0.6    | 2.2     | -2.6    | -1.5    | 3.2     | 2.3     |         |         | 1.4           | -285bp   |
| YoY (%)                     | 11.1    | 10.0    | 6.4     | 2.6     | 0.2     | -2.5    | 1.2     | 1.3     | 7.4     | 0.0     | 0.3           | -282bp   |
| GPM (%)                     | 29.1    | 28.9    | 29.4    | 28.0    | 28.7    | 29.5    | 29.6    | 29.8    | 28.9    | 29.4    | 27.7          | 176bp    |
| SGA (%)                     | 13.0    | 13.2    | 13.0    | 11.9    | 12.8    | 12.6    | 12.1    | 12.1    | 12.8    | 12.4    | 12.2          | 43bp     |
| EBITDA                      | 26,528  | 26,539  | 27,878  | 27,844  | 26,683  | 27,788  | 29,500  | 30,485  | 108,789 | 114,456 | 26,380        | 140809bp |
| EBITDA Margin (%)           | 19.5    | 19.3    | 20.4    | 19.9    | 19.6    | 20.7    | 21.3    | 21.5    | 19.8    | 20.8    | 19.1          | 160bp    |
| IT Serv. EBIT (%)           | 17.8    | 17.8    | 18.3    | 17.7    | 16.8    | 17.3    | 17.7    | 17.9    | 17.9    | 17.4    | 16.2          | 107bp    |
| EBIT Margin (%)             | 16.1    | 15.8    | 16.4    | 16.1    | 16.0    | 16.8    | 17.5    | 17.7    | 16.1    | 17.0    | 15.5          | 133bp    |
| Other income                | 4,848   | 4,958   | 5,120   | 5,328   | 5,079   | 5,728   | 5,022   | 2,086   | 20,254  | 17,915  | 3,846         | 48.9     |
| ETR (%)                     | 22.9    | 22.2    | 23.3    | 24.2    | 22.3    | 22.7    | 22.7    | 22.7    | 23.2    | 22.6    | 22.3          | 34bp     |
| PAT                         | 20,518  | 20,672  | 21,094  | 19,340  | 20,765  | 21,917  | 22,529  | 20,959  | 83,326  | 86,171  | 19,544        | 12.1     |
| QoQ (%)                     | -8.2    | 0.8     | 2.0     | -8.3    | 7.4     | 5.5     | 2.8     | -7.0    |         |         | -5.9          | 1143bp   |
| YoY (%)                     | -6.2    | -7.5    | -5.6    | -13.5   | 1.2     | 6.0     | 6.8     | 8.4     | -6.3    | 3.4     | -5.5          | 1148bp   |
| EPS (INR)                   | 4.2     | 4.3     | 4.4     | 4.0     | 4.3     | 4.5     | 5.0     | 4.6     | 16.9    | 19.1    | 4.0           |          |
| Headcount                   | 173,863 | 174,238 | 179,129 | 181,482 | 166,790 | 163,759 | 167,144 | 170,779 | 181,482 | 170,779 | 170,905       | -4.2     |
| Util excl. trainees (%)     | 79.7    | 82.8    | 81.9    | 84.8    | 82.1    | 82.5    | 82.5    | 82.5    | 77.4    | 77.7    | 82.1          | 40bp     |
| Attrition (%)               | 16.5    | 16.6    | 16.3    | 16.3    | 15.9    | 15.7    |         |         |         |         |               |          |
| Offshore rev. (%)           | 45.6    | 46.1    | 46.5    | 47.2    | 46.4    | 46.8    | 46.2    | 46.2    | 46.4    | 46.4    | 46.1          | 70bp     |
| Rev Guidance (USDm)         | 1931-   | 1931-   | 1916-   | 1922-   | 1915-   | 2014-   |         |         |         |         |               |          |
| Fixed Price (%)             | 56      | 56.4    | 57.7    | 58.3    | 58.2    | 57.7    |         |         |         |         |               |          |



# Axis Bank

|                        |                |
|------------------------|----------------|
| BSE SENSEX             | S&P CNX        |
| 32,609                 | 10,234         |
| Bloomberg              | AXSB IN        |
| Equity Shares (m)      | 2,382.8        |
| M.Cap. (INR b)/(USD b) | 1,153.3 / 16.9 |
| 52-Week Range (INR)    | 547 / 425      |
| 1, 6, 12 Rel. Per (%)  | -2/-8/-20      |
| 12M Avg Val (INR M)    | 4364           |
| Free float (%)         | 71.3           |

## Financials & Valuation (INR b)

| Y/E March    | 2018E | 2019E | 2020E |
|--------------|-------|-------|-------|
| NII          | 186.4 | 210.7 | 246.4 |
| OP           | 176.2 | 198.5 | 234.0 |
| NP           | 43.4  | 71.7  | 91.8  |
| NIM (%)      | 3.2   | 3.1   | 3.1   |
| EPS (INR)    | 18.1  | 29.9  | 38.3  |
| BV/Sh. (INR) | 245.6 | 271.6 | 305.3 |
| RoE (%)      | 7.6   | 11.6  | 13.3  |
| RoA (%)      | 0.7   | 1.0   | 1.1   |
| P/E(X)       | 28.3  | 17.1  | 13.4  |
| P/BV (X)     | 2.1   | 1.9   | 1.7   |

**CMP: INR513**

**TP: INR470 (-8%)**

**Neutral**

## Weak operating performance; asset quality woes deepen

- AXSB reported weak numbers, with net profit plummeting to INR4.32b (-67% QoQ), dragged by higher provisions and weak revenue growth.
- NII came in flat on a YoY basis (~4% miss), impacted by moderation in yields (33bp) and interest reversals on slipped accounts (~6bp). NIM thus shrunk to 3.45% from 3.63% in 1QFY18. Other income also remained tepid, resulting in 1% YoY growth in total revenues.
- Fresh slippages spiked to INR89.36b (9% annualized), driven by NPL divergence of INR48.67b (nine accounts – 1 steel, 3 power, 1 IT/ITES and 4 miscellaneous; total systemic exposure INR400b), according to the RBI, which AXSB downgraded this quarter. Corporate slippages stood at INR81.1b, accounting for ~90% of total slippages. However, corporate slippages within the core business also stood elevated at ~INR22b, while retail and SME slippages were fairly controlled. Exposure to IBC cases stood at INR70.41b, on which AXSB provided another INR5.05b, taking total provisions to INR38.86b (55% coverage).
- The funded watch-list declined to INR60.52b – 64% in power (INR79.41b in 1QFY18), while other stressed assets fell to INR40.35b. AXSB increased its credit cost guidance to 220-260bp (from 175-225bp earlier).
- Other highlights: a) Total system exposure of divergence-related accounts is INR400b. b) Average CASA ratio stood at 46%

**Valuation and view:** We cut our FY18/19E earnings by 17%/21%, and believe that earnings normalization for AXSB has now been pushed back. We revise our slippage/credit cost estimates (now building in 2.7% for FY18E/1.9% for FY19E) and also fine-tune our opex/yield estimates. We thus expect PPOp to stay flat in FY18 and grow at 13% over FY19. Continued pressure on asset quality and protracted earnings recovery will remain a drag on the stock performance. We expect RoAs of ~0.97% and RoEs of ~11.6% in FY19E. We revise our PT to INR470, based on 2.0x September 2019E ABV and 13.8x September 2019E EPS. Maintain **Neutral**.

## Quarterly Performance

|                                | FY17    |         |         |         | FY18    |         |         |         | (INR Million) |         |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------------|---------|
|                                | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q      | FY17          | FY18E   |
| Interest Income                | 111,139 | 111,591 | 111,010 | 111,682 | 110,525 | 112,351 | 116,086 | 125,760 | 445,422       | 464,722 |
| Interest Expense               | 65,970  | 66,452  | 67,673  | 64,396  | 64,364  | 66,955  | 70,542  | 76,421  | 264,490       | 278,281 |
| Net Interest Income            | 45,169  | 45,139  | 43,337  | 47,286  | 46,161  | 45,396  | 45,544  | 49,339  | 180,931       | 186,441 |
| % Change (Y-o-Y)               | 11.4    | 11.1    | 4.1     | 3.9     | 2.2     | 0.6     | 5.1     | 4.3     | 7.5           | 3.0     |
| Other Income                   | 27,383  | 25,397  | 34,002  | 30,132  | 29,998  | 25,855  | 34,415  | 37,283  | 116,913       | 127,552 |
| Net Income                     | 72,552  | 70,535  | 77,339  | 77,418  | 76,160  | 71,252  | 79,959  | 86,623  | 297,844       | 313,993 |
| Operating Expenses             | 27,858  | 29,534  | 30,937  | 33,670  | 33,248  | 33,478  | 34,133  | 36,978  | 121,999       | 137,837 |
| Operating Profit               | 44,694  | 41,002  | 46,402  | 43,747  | 42,912  | 37,773  | 45,826  | 49,645  | 175,845       | 176,155 |
| % Change (Y-o-Y)               | 9.2     | 13.0    | 16.4    | -0.5    | -4.0    | -7.9    | -1.2    | 13.5    | 9.2           | 0.2     |
| Other Provisions               | 21,172  | 36,227  | 37,958  | 25,813  | 23,419  | 31,404  | 27,165  | 29,429  | 121,170       | 111,414 |
| Profit before Tax              | 23,522  | 4,774   | 8,444   | 17,935  | 19,492  | 6,369   | 18,661  | 20,216  | 54,676        | 64,741  |
| Tax Provisions                 | 7,967   | 1,584   | 2,649   | 5,684   | 6,436   | 2,045   | 6,184   | 6,699   | 17,883        | 21,365  |
| Net Profit                     | 15,555  | 3,191   | 5,796   | 12,251  | 13,056  | 4,324   | 12,477  | 13,516  | 36,793        | 43,376  |
| % Change (Y-o-Y)               | -21.4   | -83.3   | -73.4   | -43.1   | -16.1   | 35.5    | 115.3   | 10.3    | -55.3         | 17.9    |
| <b>Operating Parameters</b>    |         |         |         |         |         |         |         |         |               |         |
| NIM (Reported, %)              | 3.8     | 3.6     | 3.4     | 3.8     |         |         |         |         | 3.7           | 3.6     |
| NIM (Cal, %)                   | 3.7     | 3.7     | 3.5     | 3.7     | 3.5     | 3.4     | 3.3     | 3.5     | 3.6           | 3.2     |
| Deposit Growth (%)             | 16.3    | 17.3    | 9.6     | 15.8    | 10.0    | 9.5     | 18.5    | 11.5    | 15.8          | 9.5     |
| Loan Growth (%)                | 21.2    | 18.5    | 10.1    | 10.1    | 11.8    | 16.1    | 20.4    | 14.2    | 10.1          | 16.1    |
| CD Ratio (%)                   | 96.4    | 92.9    | 93.6    | 90.0    | 97.9    | 98.5    | 95.2    | 92.2    | 90.0          | 92.2    |
| Core CASA ratio (%)            | 40.0    | 41.0    | 42.0    | 45.0    | 0.0     |         |         |         | 45.0          |         |
| <b>Asset Quality</b>           |         |         |         |         |         |         |         |         |               |         |
| Gross NPA (INR b)              | 95.5    | 163.8   | 204.7   | 212.8   | 220.3   | 274.0   | 0.0     | 306.2   | 212.8         | 306.2   |
| Gross NPA (on cust. assets, %) | 2.5     | 4.2     | 5.2     | 5.0     | 5.0     | 6.5     | 0.0     | 7.2     | 5.0           | 7.2     |

E: MOSL Estimates

# Bajaj Auto

BSE SENSEX 32,634 S&P CNX 10,231

**CMP: INR3,222 TP: INR3,589 (+11%) Buy**

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

## Conference Call Details



Date: 18<sup>th</sup> Oct 2017  
Time: 11:00am IST  
Dial-in details:  
+91-22-3960 0734

### Financials & Valuations (INR b)

| Y/E Mar      | 2018E | 2019E | 2020E |
|--------------|-------|-------|-------|
| Net Sales    | 247   | 280   | 321   |
| EBITDA       | 46.8  | 56.9  | 66.3  |
| NP           | 41.8  | 50.4  | 58.7  |
| EPS (INR)    | 144   | 174   | 203   |
| EPS Gr. (%)  | 9.1   | 20.7  | 16.4  |
| BV/Sh. (INR) | 655   | 725   | 775   |
| RoE (%)      | 23.2  | 25.3  | 27.1  |
| RoCE (%)     | 22.5  | 24.5  | 36.0  |
| P/E (x)      | 22.3  | 18.5  | 15.9  |
| P/BV (x)     | 4.9   | 4.4   | 4.2   |

### Operating performance in line; volumes recovery on track

- Net sales increased 8.7% YoY (+20.9% QoQ) to INR65.8b (in-line), led by a 3.8% YoY (+20.6% QoQ) increase in volumes. Realization improved 4.7% YoY (flat QoQ), led by a favorable mix (higher share of 3Ws, Pulsar). Recovery in the key export markets/domestic 3W market provided a boost to volumes.
- RM cost increased ~210bp YoY (flat QoQ) due to commodity cost inflation. Consequently, EBITDA margin shrunk 168bp YoY (+249bp QoQ) to 19.7% (est. of 19.1%). Automotive business' EBIT margin contracted 40bp YoY (+460bp QoQ) to 20.5%, as the impact of higher raw material cost was partially offset by operating leverage.
- Other income declined 13% YoY (-35% QoQ) to INR3b.
- KTM's domestic volumes increased 35% YoY, led by good response to the recently launched KTM 250 and KTM 390. Bajaj's share of profit from KTM increased by 4% YoY (+74% QoQ) to INR0.82b.
- The company is temporarily deferring 3W export orders and diverting capacity to the domestic market due to overwhelming local demand. Management's outlook for the 3W segment continues to remain sanguine.
- The recently launched motorcycles like Pulsar NS series, CT 100 ES and New Platina have continued to perform well.

### Key questions for management

- Outlook on domestic demand post festive season, and exports demand
- Capacity expansion plans for 3Ws given the current supply constraints.

**Valuation and view:** We will revisit our estimates post the earnings call. The stock trades at 22.3x/18.5x FY18E/19E EPS. Maintain **Buy** with a TP of INR3,589.

### Quarterly Performance

|                        | FY17          |               |               |               | FY18          |               |               |               | FY17           | FY18E          | Est. 2Q       | Var. (%) |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|----------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                |                |               |          |
| Volumes ('000 units)   | 995           | 1,032         | 852           | 788           | 888           | 1,072         | 1,035         | 962           | 3,666          | 3,956          | 1,072         | 0.0      |
| Growth YoY (%)         | -1.8          | -2.3          | -10.5         | -9.7          | -10.7         | 3.8           | 21.5          | 22.1          | (5.8)          | 7.9            | 3.8           |          |
| Realization (INR/unit) | 57,784        | 58,676        | 59,495        | 62,171        | 61,258        | 61,408        | 62,022        | 64,801        | 59,419         | 62,360         | 61,411        | 0.0      |
| Growth YoY (%)         | 4.5           | 2.0           | 2.0           | 1.2           | 6.0           | 4.7           | 4.2           | 4.2           | 2.4            | 4.9            | 4.7           |          |
| <b>Net Sales</b>       | <b>57,480</b> | <b>60,545</b> | <b>50,669</b> | <b>48,973</b> | <b>54,424</b> | <b>65,799</b> | <b>64,162</b> | <b>62,321</b> | <b>217,827</b> | <b>246,705</b> | <b>65,803</b> | 0.0      |
| Change (%)             | 2.7           | -0.4          | -8.7          | -8.6          | -5.3          | 8.7           | 26.6          | 27.3          | (3.6)          | 13.3           | 8.7           |          |
| RM/Sales %             | 67.2          | 67.0          | 66.8          | 67.8          | 70.0          | 69.1          | 68.8          | 68.2          | 67.1           | 69.2           | 69.7          |          |
| Staff cost/Sales %     | 4.7           | 4.3           | 4.8           | 4.6           | 5.0           | 4.0           | 4.4           | 4.8           | 4.6            | 4.5            | 4.3           |          |
| Oth. Exp./Sales %      | 7.7           | 7.4           | 7.9           | 9.2           | 7.8           | 7.2           | 7.3           | 8.2           | 8.0            | 7.6            | 7.0           |          |
| <b>EBITDA</b>          | <b>11,763</b> | <b>12,961</b> | <b>10,439</b> | <b>9,060</b>  | <b>9,384</b>  | <b>12,984</b> | <b>12,669</b> | <b>11,779</b> | <b>44,384</b>  | <b>46,271</b>  | <b>12,537</b> | 3.6      |
| EBITDA Margins (%)     | 20.5          | 21.4          | 20.6          | 18.5          | 17.2          | 19.7          | 19.7          | 18.9          | 20.4           | 18.8           | 19.1          | 70bp     |
| Other Income           | 2,671         | 3,420         | 3,193         | 2,936         | 4,573         | 2,964         | 3,200         | 4,430         | 12,220         | 15,167         | 4,000         |          |
| Interest               | 2             | 7             | 3             | 2             | 2             | 5             | 3             | 0             | 14             | 10             | 3             |          |
| Depreciation           | 775           | 770           | 772           | 757           | 753           | 770           | 785           | 828           | 3,073          | 3,135          | 775           |          |
| <b>PBT</b>             | <b>13,657</b> | <b>15,605</b> | <b>12,858</b> | <b>11,236</b> | <b>12,881</b> | <b>15,174</b> | <b>15,081</b> | <b>15,381</b> | <b>53,516</b>  | <b>58,293</b>  | <b>15,760</b> | -3.7     |
| Tax                    | 3,873         | 4,378         | 3,612         | 3,218         | 3,642         | 4,055         | 4,449         | 4,916         | 15,081         | 17,063         | 4,570         |          |
| Effective Tax Rate (%) | 28.4          | 28.1          | 28.1          | 28.6          | 28.3          | 26.7          | 29.5          | 32.0          | 28.2           | 29.3           | 29.0          |          |
| <b>Adj. PAT</b>        | <b>9,784</b>  | <b>11,228</b> | <b>9,246</b>  | <b>8,018</b>  | <b>9,469</b>  | <b>11,119</b> | <b>10,632</b> | <b>10,464</b> | <b>38,436</b>  | <b>41,774</b>  | <b>11,189</b> | -0.6     |
| Change (%)             | 2.2           | 6.7           | (4.7)         | (15.5)        | (3.2)         | (1.0)         | 15.0          | 30.5          | (2.2)          | 8.7            | -0.3          |          |
| EPS (Rs)               | 34            | 39            | 32            | 28            | 33            | 38            | 37            | 36            | 133            | 144            | 39            |          |

E: MOSL Estimates



# Avenue Supermart

|                       |              |
|-----------------------|--------------|
| BSE SENSEX            | S&P CNX      |
| 32,634                | 10,231       |
| Bloomberg             | DMART IN     |
| Equity Shares (m)     | 624          |
| M.Cap.(INRb)/(USD\$b) | 760.1 / 11.8 |
| 52-Week Range (INR)   | 1289 / 559   |
| 1, 6, 12 Rel. Per (%) | 11/55/-      |
| Avg Val, INRm         | -            |
| Free float (%)        | -            |

## Financials & Valuations (INR b)

| Y/E Mar     | 2017  | 2018E | 2019E |
|-------------|-------|-------|-------|
| Net Sales   | 119.0 | 153.1 | 210.2 |
| EBITDA      | 9.8   | 13.1  | 18.4  |
| PAT         | 4.8   | 7.5   | 10.9  |
| EPS (INR)   | 7.7   | 12.0  | 17.5  |
| Gr. (%)     | 34.5  | 56.2  | 45.6  |
| BV/Sh (INR) | 61.6  | 69.9  | 82.2  |
| RoE (%)     | 17.9  | 18.2  | 22.9  |
| RoCE (%)    | 14.2  | 15.4  | 21.9  |
| P/E (x)     | 158.8 | 101.6 | 69.8  |
| P/BV (x)    | 19.8  | 17.4  | 14.8  |

Estimate change



TP change



Rating change



**CMP: INR1,218 TP: INR873(-28%) Downgrade to Sell**

## Growth captured in valuations; downgrade to Sell

- Results below estimates; gross margin expansion reflected at EBITDA level: DMART's revenue increased 26.3% YoY to INR35.08b (est. of INR39.1b) in 2QFY18. EBITDA margin expanded 70bp YoY to 9.1% (est. of 9%) on account of gross margin expansion of 90bp YoY to 16.1%, partly offset by an increase of 40bp in employee expenses to 2% of net sales. EBITDA increased 37% YoY to INR3.18b (est. of INR3.5b). Accordingly, adj. PAT grew 65% YoY to INR1,910m (est. INR2,103m) in 2QFY18. We believe revenues are not comparable on a YoY basis due to net of GST revenues reported in this quarter. In FY17, bulk of the stores were opened in H2FY17, but H1FY18 marked opening of five new stores. We believe DMART is on track to open 25 stores this year, and will like to accelerate the run-rate in FY19. The company highlighted that GST transition has been smooth, and we believe GST will benefit organized players like DMART over the long run.
- Valuation and view: DMART trades at a whopping 159x FY17 EPS and 102x/70x FY18E/FY19E EPS, making it significantly more expensive than its peers. However, DMART exhibits higher growth prospects and returns versus peers. For comparative purposes, we look at Walmart's valuation at its peak during 1999-2002. The market had valued Walmart at an average one-year forward multiple of 33x during its peak. Additionally, Walmart traded at a market capitalization per store of USD62.9m in 2002, with 3,884 stores across the globe. This compares with DMART's market capitalization per store of USD86.9m at present, with 136 stores. While we expect sales and PAT CAGR of 32% and 46%, respectively, over FY17-20, current valuations for DMART are stretched, in our view. We thus marginally cut our FY18 revenue estimate by 6% and PAT estimate by 5%, and value the stock at 50x FY19E EPS (~50% premium to Walmart's peak valuation of 33x over CY98-00), arriving at a TP of INR873 (28% downside). Downgrade to Sell.

## Standalone - Quarterly Earning

| Y/E March                                     | FY17   |        |        |        | FY18   |        |        |        | (INR Million) |         |
|-----------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------|
|                                               | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2Q     | 3QE    | 4QE    | FY17          | FY18E   |
| Net Sales                                     | 26,524 | 27,787 | 33,394 | 31,106 | 35,981 | 35,083 | 42,410 | 39,661 | 118,977       | 153,116 |
| YoY Change (%)                                | -      | -      | -      | 40.6   | 35.7   | 26.3   | 27.0   | 27.5   | 38.6          | 28.7    |
| Total Expenditure                             | 24,176 | 25,459 | 30,511 | 29,029 | 32,949 | 31,904 | 38,466 | 36,765 | 109,165       | 140,048 |
| EBITDA                                        | 2,348  | 2,328  | 2,883  | 2,077  | 3,032  | 3,179  | 3,944  | 2,895  | 9,812         | 13,068  |
| Margins (%)                                   | 8.9    | 8.4    | 8.6    | 6.7    | 8.4    | 9.1    | 9.3    | 7.3    | 8.2           | 8.5     |
| Depreciation                                  | 288    | 305    | 314    | 354    | 337    | 351    | 410    | 450    | 1,278         | 1,601   |
| Interest                                      | 281    | 319    | 310    | 308    | 243    | 109    | 0      | 0      | 1,220         | 353     |
| Other Income                                  | 49     | 80     | 85     | 99     | 228    | 212    | 46     | 46     | 286           | 533     |
| PBT before EO expense                         | 1,828  | 1,785  | 2,344  | 1,515  | 2,680  | 2,930  | 3,580  | 2,491  | 7,600         | 11,648  |
| Extra-Ord expense                             | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0             | 0       |
| PBT                                           | 1,828  | 1,785  | 2,344  | 1,515  | 2,680  | 2,930  | 3,580  | 2,491  | 7,600         | 11,648  |
| Tax                                           | 643    | 628    | 825    | 548    | 932    | 1,020  | 1,217  | 847    | 2,683         | 3,906   |
| Rate (%)                                      | 35.2   | 35.2   | 35.2   | 36.2   | 34.8   | 34.8   | 34.0   | 34.0   | 35.3          | 33.5    |
| Minority Interest & Profit/Loss of Asso. Cos. | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 129           | 103     |
| Reported PAT                                  | 1,184  | 1,156  | 1,519  | 967    | 1,748  | 1,910  | 2,363  | 1,644  | 4,788         | 7,639   |
| Adj PAT                                       | 1,184  | 1,156  | 1,519  | 967    | 1,748  | 1,910  | 2,363  | 1,644  | 4,788         | 7,639   |
| YoY Change (%)                                | -      | -      | -      | 47.4   | 47.6   | 65.2   | 55.6   | 70.1   | 49.5          | 59.5    |
| Margins (%)                                   | 4.5    | 4.2    | 4.5    | 3.1    | 4.9    | 5.4    | 5.6    | 4.1    | 4.0           | 5.0     |

E: MOSL Estimates



|                       |             |
|-----------------------|-------------|
| BSE SENSEX            | S&P CNX     |
| 32,609                | 10,234      |
| Bloomberg             | ACC IN      |
| Equity Shares (m)     | 188         |
| M.Cap. (INRb)/(USDb)  | 335.5 / 5.0 |
| 52-Week Range (INR)   | 1869/1257   |
| 1, 6, 12 Rel. Per (%) | -3/8/-7     |
| Avg Val, INRm         | 651         |
| Free float (%)        | 45.5        |

Financials & Valuations (INR b)

| Y/E Dec        | 2017E | 2018E | 2019E |
|----------------|-------|-------|-------|
| Sales          | 128   | 143   | 161   |
| EBITDA         | 16    | 20    | 24    |
| NP             | 10    | 13    | 15    |
| Adj. EPS (INR) | 52    | 71    | 82    |
| EPS Gr. (%)    | 45    | 36    | 16    |
| BV/Sh (INR)    | 483   | 518   | 516   |
| RoE (%)        | 11    | 14    | 16    |
| RoCE (%)       | 11    | 14    | 15    |
| P/E (x)        | 34    | 25    | 22    |
| P/BV (x)       | 4     | 3     | 3     |

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↔ |
| Rating change   | ↔ |

**CMP: INR1,785 TP: INR1,797(1%) Neutral**

**Capacity ramp-up and favorable base drive volume growth**

**Strong volume growth led by favorable base and capacity ramp-up:** 3QCY17 volumes increased 18% YoY to 5.96mt (est. of 5.88mt), led by ramp-up of new capacity in the east and a favorable base. Cement realization of INR4,645/t (+6% YoY, +3% QoQ) came in higher than our estimate, partly due to a change in commercial terms (INR114/t impact). The residual increase in realization (INR22/t QoQ) was due to better pricing in the underlying markets. Hence, revenue increased 24% YoY to INR30.5b (est. of INR28.6b).

**Healthy realizations drive EBITDA/t improvement YoY:** EBITDA increased 57% YoY to INR3.53b (est. of INR2.86b), led by EBITDA/t of INR592 (+36% YoY; cement EBITDA/t at INR568). Unitary cost rose 2% YoY, led by an increase in power & fuel cost (+7% YoY) and freight cost (+14% YoY; change in commercial terms). Cost push was partly negated by lower other expenditure. Other operating income declined 48% QoQ due to incentives booked in 2QCY17 associated with one of the plants.

**Key highlights from management presentation on cost curve:** 1) Raw material cost/t increased 14% YoY due to a rise in slag price and sourcing of flyash from long lead distances. 2) Power & fuel cost/t increased by 7% YoY due to a rise in petcoke prices, and also higher cost of domestic coal due to unavailability. 3) Freight cost/t excluding the impact of commercial terms declined 2% YoY due to lower lead distance of rail.

**Valuation gap to persist; maintain Neutral:** With new growth avenues (expansion in east) and market share improvement, we expect better profitability in CY18/CY19. However, it continues to face medium-term concerns about cost structure and efficient utilization of excess clinker from its Jamul plant. Even in an upturn, ACC's operating margin would lag industry due to inefficient operations for majority of its units. The stock trades at ~25-30% discount to peers at EV/ton of USD122 (CY19E). We thus believe that valuation gap with its more efficient peers would persist. Maintain **Neutral**.

**Quarterly Performance (Standalone)**

| Y/E December              | CY16          |               |               |               | CY17          |               |               |               | CY16           | CY17E          | MOSL          | Var (%)   |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|-----------|
|                           | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3Q            | 4QE           |                |                |               |           |
| Cement Sales (m ton)      | 6.36          | 6.12          | 5.07          | 5.45          | 6.60          | 6.74          | 5.96          | 6.33          | 22.99          | 25.63          | 5.88          | 1         |
| YoY Change (%)            | 9.3           | -1.3          | -9.6          | -9.0          | 3.8           | 10.1          | 17.6          | 16.2          | -2.7           | 11.5           | 16.0          |           |
| Cement Realization        | 4,109         | 4,206         | 4,371         | 4,353         | 4,265         | 4,509         | 4,645         | 4,733         | 4,218          | 4,533          | 4,389         | 6         |
| YoY Change (%)            | -9.4          | -4.1          | -1.5          | 0.3           | 3.8           | 7.2           | 6.3           | 8.7           | -4.6           | 7.5            | 0.4           |           |
| <b>Net Sales</b>          | <b>28,727</b> | <b>28,326</b> | <b>24,706</b> | <b>26,346</b> | <b>30,997</b> | <b>33,125</b> | <b>30,545</b> | <b>33,583</b> | <b>107,676</b> | <b>128,250</b> | <b>28,613</b> | <b>7</b>  |
| YoY Change (%)            | -0.4          | -4.3          | -9.8          | -7.4          | 7.9           | 16.9          | 23.6          | 27.5          | -5.8           | 19.1           | 15.8          |           |
| <b>EBITDA</b>             | <b>3,774</b>  | <b>4,136</b>  | <b>2,247</b>  | <b>2,231</b>  | <b>3,418</b>  | <b>4,951</b>  | <b>3,530</b>  | <b>4,443</b>  | <b>12,518</b>  | <b>16,341</b>  | <b>2,862</b>  | <b>23</b> |
| Margins (%)               | 13.1          | 14.6          | 9.1           | 8.5           | 11.0          | 14.9          | 11.6          | 13.2          | 11.6           | 12.7           | 10.0          |           |
| Depreciation              | 1,434         | 1,410         | 1,529         | 1,679         | 1,650         | 1,621         | 1,551         | 1,781         | 6,052          | 6,603          | 1,660         |           |
| Interest                  | 188           | 208           | 197           | 209           | 252           | 225           | 213           | 211           | 826            | 900            | 200           |           |
| Other Income              | 1,131         | 730           | 744           | 934           | 1,101         | 1,663         | 858           | 978           | 3,503          | 4,600          | 1,500         |           |
| <b>PBT before EO Item</b> | <b>3,283</b>  | <b>3,248</b>  | <b>1,265</b>  | <b>1,277</b>  | <b>2,617</b>  | <b>4,768</b>  | <b>2,624</b>  | <b>3,429</b>  | <b>9,143</b>   | <b>13,438</b>  | <b>2,502</b>  | <b>5</b>  |
| EO Income/(Expense)       | 0             | 0             | 0             | -428          | 0             | 0             | 0             | 0             | -428           | 0              | 0             |           |
| <b>PBT after EO Item</b>  | <b>3,283</b>  | <b>3,248</b>  | <b>1,265</b>  | <b>849</b>    | <b>2,617</b>  | <b>4,768</b>  | <b>2,624</b>  | <b>3,429</b>  | <b>8,715</b>   | <b>13,438</b>  | <b>2,502</b>  | <b>5</b>  |
| Tax                       | 937           | 824           | 424           | 44            | 502           | 1,550         | 847           | 729           | 2,244          | 3,628          | 575           |           |
| Rate (%)                  | 28.5          | 25.4          | 33.5          | 5.2           | 19.2          | 32.5          | 32.3          | 21.3          | 25.8           | 27.0           | 23.0          |           |
| <b>Reported PAT</b>       | <b>2,346</b>  | <b>2,424</b>  | <b>841</b>    | <b>805</b>    | <b>2,115</b>  | <b>3,218</b>  | <b>1,777</b>  | <b>2,700</b>  | <b>6,470</b>   | <b>9,810</b>   | <b>1,926</b>  | <b>-8</b> |
| <b>Adjusted PAT</b>       | <b>2,346</b>  | <b>2,424</b>  | <b>841</b>    | <b>1,233</b>  | <b>2,115</b>  | <b>3,218</b>  | <b>1,777</b>  | <b>2,700</b>  | <b>6,898</b>   | <b>9,810</b>   | <b>1,926</b>  | <b>-8</b> |
| YoY Change (%)            | -6.0          | 84.5          | -28.1         | -49.4         | -9.9          | 32.7          | 111.3         | 119.0         | -7.4           | 42.2           | 129.1         |           |



# Delta Corp

|                       |            |
|-----------------------|------------|
| BSE SENSEX            | S&P CNX    |
| 32,634                | 10,231     |
| Bloomberg             | DELTA IN   |
| Equity Shares (m)     | 267        |
| M.Cap.(INRb)/(USDb)   | 60.7 / 0.9 |
| 52-Week Range (INR)   | 237 / 95   |
| 1, 6, 12 Rel. Per (%) | 14/19/15   |
| Avg Val, INRm         | 747        |
| Free float (%)        | 64.7       |

## Financials & Valuations (INR b)

| Y/E Mar     | 2017  | 2018E | 2019E |
|-------------|-------|-------|-------|
| Net Sales   | 4.5   | 5.7   | 7.5   |
| EBITDA      | 1.6   | 2.5   | 3.4   |
| PAT         | 0.7   | 1.5   | 2.1   |
| EPS (INR)   | 3.1   | 5.7   | 8.0   |
| Gr. (%)     | 125.5 | 85.4  | 42.1  |
| BV/Sh (INR) | 39.7  | 59.3  | 65.7  |
| RoE (%)     | 8.1   | 12.1  | 12.9  |
| RoCE (%)    | 8.7   | 11.6  | 12.9  |
| P/E (x)     | 73.0  | 39.4  | 27.7  |
| P/BV (x)    | 5.6   | 3.8   | 3.4   |

Estimate change



TP change



Rating change



**CMP: INR223 TP: INR257(+15%)**

**Buy**

## Multiple earnings drivers in place

- Results in-line (GST-adjusted):** Revenue grew 8.2% YoY to INR1,453m (est. of INR1,800m) in 2QFY18. EBITDA margin expanded 290bp YoY to 45.1% (est. of 38%), while EBITDA grew 15.6% YoY to INR655m (est. of INR684m). Consequently, adjusted PAT rose 34% YoY to INR433m (est. of INR413m) in 2QFY18. Casino gaming revenue grew by 17% YoY to INR1,450m and hospitality revenue by 19% to INR188m. Online gaming revenues stood at INR241m. GST of INR351m was netted off from gross revenue in the reported result. Consequently, revenue growth appears subdued and EBITDA margin expansion looks significant. Removing its impact, revenue grew 34.3% YoY to INR1,804m and EBITDA margin contracted 590bp YoY.
- To be an integrated online gaming company:** DELTA plans to make Adda52 an integrated online gaming company by ramping up Rummy and venturing into Fantasy League by 4QFY18. The company is expected to invest significantly in Rummy and Fantasy League for player acquisition, marketing, schemes and bonuses. This would enable Rummy to deliver expected revenue of ~INR500m in the first year of operations. Adda52 (over 60% market share in poker) will create significant synergy for both Rummy and Fantasy League, and aid customer retention.
- Valuation and view:** DELTA is set to benefit from ramp-up of online gaming, change in Goa casino policy and expanding horizon of casino gaming. Adjusting for GST impact on gross revenues, we cut our revenue estimates by 16%/14% for FY18E/19E, keeping EBITDA and PAT unchanged. We expect the company to deliver sales/PAT CAGR of 27%/57% over FY17-20E, and value the stock at 32x FY19E EPS to arrive at a TP of INR257. Maintain **Buy**.

## Consolidated - Quarterly Earning Model

| Y/E March                      | FY17    |       |       |       | FY18  |       |       |       | FY18E |       |       |       | FY18 |  | Var % |
|--------------------------------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|--|-------|
|                                | 1Q      | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3QE   | 4QE   | FY17  | FY18E | FY18  | 2QE   | %    |  |       |
| Net Sales                      | 1,087   | 1,343 | 1,036 | 1,081 | 1,286 | 1,453 | 1,502 | 1,535 | 4,547 | 5,717 | 1,800 | 1,800 | -19  |  |       |
| YoY Change (%)                 | 34.6    | 43.8  | 3.4   | 5.3   | 18.4  | 8.2   | 45.0  | 42.0  | 21.2  | 25.8  | 34.0  | 34.0  |      |  |       |
| Total Expenditure              | 671     | 776   | 723   | 737   | 833   | 798   | 826   | 849   | 2,907 | 3,213 | 1,116 | 1,116 |      |  |       |
| EBITDA                         | 415     | 567   | 313   | 344   | 453   | 655   | 676   | 686   | 1,640 | 2,504 | 684   | 684   | -4   |  |       |
| Margins (%)                    | 38.2    | 42.2  | 30.2  | 31.8  | 35.2  | 45.1  | 45.0  | 44.7  | 36.1  | 43.8  | 38.0  | 38.0  |      |  |       |
| Depreciation                   | 91      | 93    | 89    | 87    | 89    | 94    | 100   | 105   | 361   | 389   | 105   | 105   |      |  |       |
| Interest                       | 87      | 87    | 82    | 94    | 70    | 22    | 10    | 0     | 350   | 100   | 33    | 33    |      |  |       |
| Other Income                   | 9       | 11    | 11    | 19    | 37    | 86    | 80    | 80    | 49    | 280   | 70    | 70    |      |  |       |
| PBT before EO expense          | 246     | 399   | 152   | 182   | 332   | 624   | 646   | 661   | 978   | 2,295 | 616   | 616   | 1    |  |       |
| Extra-Ord expense              | -46     | 2     | 5     | 0     | -18   | 0     | 0     | 0     | 42    | 0     | 0     | 0     |      |  |       |
| PBT                            | 292     | 397   | 147   | 181   | 350   | 624   | 646   | 661   | 936   | 2,295 | 616   | 616   | 1    |  |       |
| Tax                            | 85      | 91    | 40    | 64    | 127   | 194   | 213   | 218   | 280   | 780   | 203   | 203   |      |  |       |
| Rate (%)                       | 29.2    | 22.9  | 27.2  | 35.4  | 36.1  | 31.1  | 33.0  | 33.0  | 29.9  | 34.0  | 33.0  | 33.0  |      |  |       |
| Minority Interest & Profit/Los | 4       | -16   | 6     | 3     | 1     | -2    | 0     | 0     | 2     | 3     | 0     | 0     |      |  |       |
| Reported PAT                   | 202     | 322   | 101   | 114   | 223   | 433   | 433   | 443   | 654   | 1,512 | 413   | 413   | 5    |  |       |
| Adj PAT                        | 170     | 323   | 105   | 114   | 211   | 433   | 433   | 443   | 683   | 1,512 | 413   | 413   | 5    |  |       |
| YoY Change (%)                 | 2,539.9 | 494.1 | -9.4  | -29.3 | 24.4  | 33.8  | 313.8 | 289.1 | 118.8 | 121.3 | 27.6  | 27.6  |      |  |       |
| Margins (%)                    | 15.6    | 24.1  | 10.1  | 10.5  | 16.4  | 29.8  | 28.8  | 28.9  | 15.0  | 26.4  | 22.9  | 22.9  |      |  |       |

E: MOSL Estimates





# DCB Bank

|                       |            |
|-----------------------|------------|
| BSE SENSEX            | S&P CNX    |
| 32,609                | 10,234     |
| Bloomberg             | DCBB IN    |
| Equity Shares (m)     | 285        |
| M.Cap.(INRb)/(USD\$b) | 56.5 / 0.8 |
| 52-Week Range (INR)   | 213 / 100  |
| 1, 6, 12 Rel. Per (%) | -4/-7/28   |
| Avg. Val, INRm        | 378        |
| Free float (%)        | 85.0       |

## Financials & Valuations (INR b)

| Y/E MARCH    | 2018E | 2019E | 2020E |
|--------------|-------|-------|-------|
| NII          | 9.8   | 11.8  | 14.4  |
| OP           | 5.3   | 6.5   | 8.0   |
| NP           | 2.6   | 3.2   | 3.9   |
| EPS (INR)    | 8.5   | 10.5  | 12.8  |
| EPS Gr. (%)  | 21.5  | 23.2  | 21.7  |
| BV/Sh. (INR) | 83.8  | 93.8  | 106.1 |
| RoE (%)      | 11.5  | 11.8  | 12.8  |
| RoA (%)      | 1.0   | 1.0   | 1.0   |
| P/E (x)      | 21.6  | 17.6  | 14.4  |
| P/BV (x)     | 2.2   | 2.0   | 1.7   |

**CMP: INR184 TP: INR197 (+7%) Neutral**

### Strong operating profit, lower provisions aid YoY PAT growth

- n PPop growth stood at -9%/+23% QoQ/YoY (in-line), driven by NII beat of 5% (incl. INR72m of interest on IT refund). Other income grew -24%/6% QoQ/YoY to INR3.1b (10% miss), as 1QFY18 had lumpy treasury income of INR214m, leading to total income growth of 24% YoY (-1.7% QoQ).
- n Opex growth of 25% YoY exceeded total income growth of 24%, reversing falling CI ratio (60.3%, +300bp QoQ) trend of past few quarters. Provisions at INR302m (+14% YoY, 4% miss) led to PAT growth of 21% YoY (7% miss).
- n Loan book grew 7%/21% QoQ/YoY to INR173b, led by strong growth in AIB (+21% YoY), MSME (+31% YoY) and corporate book (+28% YoY), while other categories such as CV/CE (+51% YoY) and gold (+21% YoY) also showed strong growth. Corporate book inched up to 17% of loans.
- n Absolute GNPA/NNPA grew to INR3.2b/INR1.6b (+11%/+5% QoQ), driven by 16%/10% sequential growth in mortgage/AIB GNPA (INR1.16b/INR561m). Overall slippages moderated to 2.2%, compared to 2.7% in 1Q. In percentage terms, GNPA/NNPA came in at 1.8%/0.9% (+6bp/-2bp QoQ).
- n **Other highlights:** a) CASA ratio declined ~100bp to 26% v/s 27% in 1Q. b) Management expects GST-related issues with MSMEs to iron out gradually. c) LAP growth has been impacted by redefined credit risk parameters, balance transfer by HFCs and a reduction in the ticket size.
- n **Valuation view:** We expect loan growth (23% CAGR) to stay ahead of system loan growth. Back-ended loaded branch expansion costs would keep near-term CIR elevated at ~60%. Return ratios are likely to remain muted in the near term, with RoA/ RoE at ~1%/11-13%. Valuations at 2.0x/17.6x FY19E BV/EPS leave limited upside. We maintain **Neutral** with a TP of INR197.

## Quarterly Performance

(INR Million)

|                             | FY17         |              |              |              | FY18E        |              |              |              | FY17          | FY18E         |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           |               |               |
| Interest Income             | 4,706        | 5,063        | 5,502        | 5,491        | 5,660        | 5,870        | 6,461        | 6,999        | 20,761        | 24,990        |
| Interest Expense            | 2,936        | 3,160        | 3,407        | 3,288        | 3,329        | 3,389        | 4,087        | 4,428        | 12,791        | 15,232        |
| <b>Net Interest Income</b>  | <b>1,770</b> | <b>1,903</b> | <b>2,095</b> | <b>2,203</b> | <b>2,332</b> | <b>2,481</b> | <b>2,374</b> | <b>2,571</b> | <b>7,971</b>  | <b>9,758</b>  |
| % Change (Y-o-Y)            | 26.1         | 26.9         | 30.5         | 30.6         | 31.7         | 30.4         | 13.3         | 16.7         | 28.7          | 22.4          |
| Other Income                | 601          | 616          | 641          | 636          | 858          | 653          | 724          | 784          | 2,495         | 3,018         |
| <b>Net Income</b>           | <b>2,372</b> | <b>2,519</b> | <b>2,736</b> | <b>2,839</b> | <b>3,189</b> | <b>3,134</b> | <b>3,097</b> | <b>3,356</b> | <b>10,465</b> | <b>12,776</b> |
| Operating Expenses          | 1,444        | 1,511        | 1,643        | 1,685        | 1,825        | 1,890        | 1,808        | 1,959        | 6,283         | 7,481         |
| <b>Operating Profit</b>     | <b>927</b>   | <b>1,009</b> | <b>1,093</b> | <b>1,153</b> | <b>1,364</b> | <b>1,244</b> | <b>1,289</b> | <b>1,397</b> | <b>4,182</b>  | <b>5,295</b>  |
| % Change (Y-o-Y)            | 3.4          | 29.2         | 29.7         | 18.9         | 47.1         | 23.4         | 18.0         | 21.1         | 19.8          | 26.6          |
| Other Provisions            | 205          | 265          | 305          | 339          | 355          | 302          | 355          | 385          | 1,115         | 1,397         |
| <b>Profit before Tax</b>    | <b>722</b>   | <b>744</b>   | <b>787</b>   | <b>814</b>   | <b>1,009</b> | <b>942</b>   | <b>934</b>   | <b>1,012</b> | <b>3,067</b>  | <b>3,897</b>  |
| Tax Provisions              | 252          | 259          | 274          | 286          | 357          | 353          | 277          | 300          | 1,070         | 1,286         |
| <b>Net Profit</b>           | <b>470</b>   | <b>485</b>   | <b>513</b>   | <b>529</b>   | <b>652</b>   | <b>589</b>   | <b>658</b>   | <b>712</b>   | <b>1,997</b>  | <b>2,611</b>  |
| % Change (Y-o-Y)            | 0.3          | 31.3         | 24.5         | -24.0        | 38.7         | 21.5         | 28.2         | 34.8         | 2.6           | 30.8          |
| <b>Operating Parameters</b> |              |              |              |              |              |              |              |              |               |               |
| NIM (Cal, %)                | 3.8          | 3.8          | 3.9          | 3.9          | 4.1          | 4.2          | 4.0          | 4.1          | 3.9           | 4.0           |
| Deposit Growth (%)          | 18.2         | 30.4         | 33.8         | 29.2         | 22.2         | 16.3         | 24.1         | 0.0          | 29.2          | 21.0          |
| Loan Growth (%)             | 27.9         | 29.1         | 24.3         | 22.4         | 22.0         | 20.5         | 27.6         | 0.0          | 22.4          | 23.0          |
| CD Ratio (%)                | 85.1         | 81.6         | 77.4         | 82.0         | 84.9         | 84.6         | 83.9         | 83.4         | 82.0          | 83.4          |
| <b>Asset Quality</b>        |              |              |              |              |              |              |              |              |               |               |
| Gross NPA (INR B)           | 2.3          | 2.6          | 2.3          | 2.5          | 2.9          | 3.2          | 3.2          | 3.3          | 2.5           | 3.3           |
| Gross NPA (%)               | 1.7          | 1.8          | 1.6          | 1.6          | 1.7          | 1.8          | 1.6          | 1.7          | 1.6           | 1.7           |

E: MOSL Estimates



# HT Media

|                       |            |
|-----------------------|------------|
| BSE SENSEX            | S&P CNX    |
| 32,609                | 10,234     |
| Bloomberg             | HTML IN    |
| Equity Shares (m)     | 233        |
| M.Cap.(INRb)/(USD\$b) | 19.2 / 0.3 |
| 52-Week Range (INR)   | 109 / 70   |
| 1, 6, 12 Rel. Per (%) | 4/12/-7    |
| Avg Val, INRm         | 26         |
| Free float (%)        | 30.5       |

### Financials & Valuations (INR b)

| Y/E Mar       | 2017 | 2018E | 2019E |
|---------------|------|-------|-------|
| Net Sales     | 24.5 | 24.4  | 25.6  |
| EBITDA        | 3.0  | 4.2   | 4.4   |
| Adj PAT       | 1.7  | 2.4   | 2.7   |
| Adj EPS (INR) | 7.4  | 10.5  | 11.9  |
| Gr. (%)       | -1.8 | 41.9  | 13.5  |
| BV/Sh (INR)   | 96.8 | 106.8 | 118.2 |
| RoE (%)       | 7.9  | 10.3  | 10.6  |
| RoCE (%)      | 9.7  | 10.7  | 10.8  |
| P/E (x)       | 13.8 | 9.7   | 8.6   |
| P/BV (x)      | 1.1  | 1.0   | 0.9   |
| EV/EBITDA (x) | 11.2 | 7.0   | 5.7   |

Estimate change



TP change



Rating change



**CMP: INR102 TP: INR113(+11%) Neutral**

## Sluggish ad market weighs on performance

### Cost optimization measures boost PAT despite weak ad market

- GST pain visible:** Overall revenue declined 7% YoY on the back of weak ad and circulation revenues. Ad revenue fell 8% YoY to INR3.95b (2% miss), led by ~12% volumes decline (muted spends in government, education, FMCG and travel segments). English/Hindi ad revenues declined 8% YoY to INR2.3b/1.57b. English/Hindi circulation revenue remained sluggish (down 13%/7%) on the back of soft pricing and curtailing of copies.
- PAT doubled despite revenue slowdown:** Bucking the revenue trend, EBITDA doubled to INR1045m in 2QFY18, led by a) restructuring benefits (hiving off low-yield regions), b) lower cost on account of a decline in volumes (~12%), c) cut down in discretionary spends and d) GST benefits. PAT increased 114% YoY to INR662m.
- Digital venture to be hived off:** Digital ventures, including content creation and the news website, will be hived off into a separate listed company, and HT Media's shareholders will get shares in the entity. The entity will have 90% revenues from the group companies and will be loss-making, but will seek business outside the group companies over time. This will reduce HT Media's digital business losses.
- TP increased to INR113; Maintain Neutral:** Given the improvement in profitability, we have revised our PAT estimates. We estimate revenue/PAT CAGR of 3%/21% over FY17-20E, driven by strong cost optimization measures, of which over 50% would be sustainable. Subsequently, we have revised our TP to INR113 (11% upside). We maintain our **Neutral** rating.

### Consolidated - Quarterly Earning Model

| Y/E March                             | FY17  |       |       |       | FY18  |       |       |       | (INR Million) |        |
|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|---------------|--------|
|                                       | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2QE   | 3QE   | 4QE   | FY17          | FY18E  |
| Net Sales                             | 6,147 | 6,022 | 6,499 | 5,853 | 5,990 | 5,606 | 6,813 | 6,027 | 24,521        | 24,437 |
| YoY Change (%)                        | 4.5   | 0.2   | -4.6  | -7.3  | -2.5  | -6.9  | 4.8   | 3.0   | -2.0          | -0.3   |
| Total Expenditure                     | 5,504 | 5,518 | 5,394 | 5,122 | 5,191 | 4,561 | 5,565 | 4,945 | 21,538        | 20,262 |
| EBITDA                                | 643   | 505   | 1,105 | 731   | 799   | 1,045 | 1,248 | 1,082 | 2,983         | 4,175  |
| Margins (%)                           | 10.5  | 8.4   | 17.0  | 12.5  | 13.3  | 18.6  | 18.3  | 18.0  | 12.2          | 17.1   |
| Depreciation                          | 295   | 304   | 312   | 337   | 320   | 317   | 363   | 363   | 1,248         | 1,363  |
| Interest                              | 247   | 245   | 241   | 218   | 194   | 199   | 236   | 273   | 951           | 901    |
| Other Income                          | 478   | 780   | 549   | 488   | 531   | 435   | 561   | 688   | 2,295         | 2,216  |
| PBT before EO expense                 | 579   | 736   | 1,100 | 665   | 817   | 965   | 1,211 | 1,134 | 3,079         | 4,126  |
| Extra-Ord expense                     | 0     | 0     | 0     | 0     | 0     | -31   | 0     | 0     | 0             | -31    |
| PBT                                   | 579   | 736   | 1,100 | 665   | 817   | 997   | 1,211 | 1,134 | 3,079         | 4,158  |
| Tax                                   | 186   | 224   | 36    | 225   | 239   | 219   | 278   | 269   | 671           | 1,005  |
| Rate (%)                              | 32.2  | 30.5  | 3.3   | 33.8  | 29.2  | 22.0  | 23.0  | 23.7  | 21.8          | 24.2   |
| Minority Interest & P/L of Asso. Cos. | 168   | 202   | 150   | 184   | 162   | 116   | 168   | 221   | 705           | 667    |
| Reported PAT                          | 224   | 309   | 914   | 256   | 415   | 662   | 764   | 644   | 1,703         | 2,486  |
| Adj PAT                               | 224   | 309   | 914   | 256   | 415   | 638   | 764   | 644   | 1,703         | 2,462  |
| YoY Change (%)                        | -9.5  | -16.1 | 32.9  | -40.7 | 85.5  | 106.3 | -16.4 | 152.0 | -1.9          | 44.6   |
| Margins (%)                           | 3.6   | 5.1   | 14.1  | 4.4   | 6.9   | 11.4  | 11.2  | 10.7  | 6.9           | 10.1   |

E: MOSL Estimates

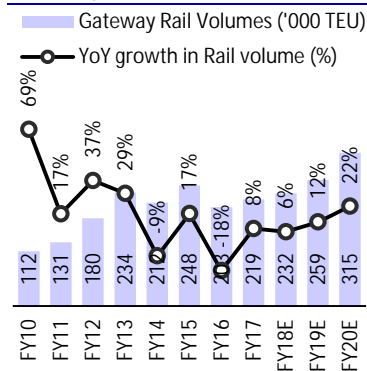


# Logistics

Please refer our report dated 17 March 2017



## Gateway rail volume trend



Source: MOSL, Company

## Margin revival in absence of cost push

### Volumes recovery led by no further market share loss and a favorable base

- n We believe the Indian Railways is unlikely to increase haulage charges for container rail in the medium term due to a loss of market share to road over the past five years.
- n Container rail is likely to retain its market share in the medium term due to the absence of any unprecedented haulage hike (historically, there have been price hikes, which took a toll on its market share). In the longer term, the market share of rail should see an improvement, led by the commencement of the dedicated freight corridor (DFC).
- n Volumes are expected to recover, with growth of more than 5% YoY over FY17-19, led by a stable market share and a pick-up in EXIM trade.
- n With no cost push (in the form of haulage hikes) and stable competitive intensity, margin revival for container rail operators appears likely over the medium term.

### Haulage price hikes unlikely in medium term

- n Over the past 12-18 months, the Indian Railways has made efforts to course-correct, especially where it has lost market shares. Against this backdrop, we believe that haulage price hikes are unlikely in the medium term, which augurs well for container rail logistics, as haulage constitutes ~75-80% of the total cost for container rail logistics players. The Indian Railways had increased haulage prices by ~25-30% in both 2013 and 2015, which container rail operators had passed on to clients to protect their margins. Consequently, they lost market share to road.

### Market share loss restricted for container rail operators

- n Container rail operators should be able to protect their market shares from the road sector over the medium term due to the likely absence of haulage price hikes (single-largest cost for container rail operators) by the Indian Railways. We note that rail had lost its market share to roads over FY15-17 on the back of sharp haulage price hikes at end-FY15. As a result, over FY15-17, Concor's originating volumes declined at a compounded annual rate of 2%, while container volumes at all ports in India increased at a CAGR of 7% YoY.

### Volume revival on cards in medium term

- n Container rail operators are likely to witness volume growth in excess of 5% YoY, as against volumes decline over FY15-17 at a compounded annual rate of 2%. Container volumes at all ports in India have been growing in excess of 4-5% YoY consistently over FY12-17. Additionally, with the commencement of JNPT's fourth terminal by end-FY18 (~30% of current container volume in India), EXIM container growth in India could be quite attractive in the medium term. In the longer term, with the commencement of Dedicated Freight Corridor (DFCC) in FY20, volume growth for container rail logistics will be significant due to the market share gains by rail.

### Margin improvement led by better pricing power

- n Concor's EBIT/TEU on originating volumes fell 19% over FY15-17 on haulage price hikes, intense competition, and higher empty running charges. Concor's realization/TEU on originating volume fell 9% YoY over FY16-17 due to intensifying competition and lower lead distance. However, with the competitive environment stabilizing and better volume trajectory, Concor has initiated price hikes in selected routes on the import side. We expect Concor's margin to revive to pre-haulage era by FY19 and further improve by 10% in FY20, led by improved pricing power and no cost push. This is likely to drive EBITDA CAGR of ~19% over FY17-20.

### Valuation and view

- n We estimate Concor's EBITDA to increase at a CAGR of 19% over FY17-20, and at a 28% CAGR excluding the impact of export benefit in FY17 financials. EBITDA growth will be driven by a 13% CAGR of volumes and 235bp margin improvement over the same period. While we acknowledge that the environment for container rail logistics is likely to see marked improvement in the absence of cost push, we, after factoring in majority of positives into Concor's earnings, see limited upside from the current levels due to expensive valuations of 18x/15x FY19E/FY20E EV/EBITDA. Maintain **Neutral**.
- n GDPL at current market price trades at 22x/17x on FY19/FY20E earnings (adjusted for 49% stake of Blackstone in rail), which we believe is extremely attractive, given ~370bp RoE improvement over FY17-19E. We arrive at a TP of INR277 (upside of 17%), valuing the CFS business at 12x FY19E earnings and the 40% stake in Snowman at a 50% discount to market value. We value the rail segment at 13.5x FY20E EV/EBITDA (discount to CONCOR), as Concor is the market leader with superior pricing power. Maintain **Buy**.



# Automobiles

## Dzire drives compact sedan segment in positive zone

### Discounts, festive push not helping mini segment much

We analyzed brand-wise data for the domestic PV industry to understand the nitty-gritty of 9.2% YoY growth in the domestic PV industry in 1HFY18. The first half of this fiscal witnessed continuance of some bigger trends: (i) preference for SUVs (~17% YoY growth in UVs), (ii) first-time buyers directly purchasing compact/compact sedan (reflecting YoY growth of 10.6% in compact and 8.8% in compact sedan), and consequently, (ii) muted growth in the mini segment (+1.6%).

- n Compact sedan segment witnessed 8.8% YoY growth in YTD FY18 (39.7% YoY in Sep-17), led by the launch of the new *Dzire*. Average *Dzire* volumes for 2QFY18 stood at 26.6k units (v/s 10k units in 1QFY18, FY17 average of ~16.7k/units, and previous peak of 24.5k in Oct-15).
- n UVs continue to outpace industry growth (17% for UVs v/s 9% for the industry), driven by the UV1 segment (+24%).
- n Despite festive push, discounts and positive rural sentiment, growth in the mini segment was a meager 1.6% YoY in YTD FY18 (+10.7% YoY in Sep-17).
- n There was limited GST impact on mild hybrid models like MSIL's CIAZ, Ertiga and MM's Scorpio, as volume recovered post a blip in June-17, led by an increase in petrol variant sales.
- n XUV500 volumes hit an 18-month high of 3.3k units in Sep-17, with 1HFY18 volumes at 14.3k units (-1.5% YoY). Impact of Jeep Compass is yet to be seen.

### *Dzire* drives compact sedan segment in positive territory; volume booster to MSIL

- n Compact sedan grew 8.8% YoY in YTD FY18 (v/s 2.8% and -9.6% growth in FY16 and FY17, respectively), primarily led by the launch of new *Dzire* by MSIL.
- n With healthy festive demand and inventory build-up, average *Dzire* volumes grew robustly to 26.6k units in 2QFY18 (v/s 10k units in 1QFY18).
- n Volume for Aug-17 and Sep-17 stood at 30.9k and 34.3k, respectively (v/s average 11.2k units in Apr-July), reflecting increasing product acceptance by customers. Consequently, MSIL's market share in the segment expanded to a three-year high of 58% in YTD FY18 (v/s 54.8% in FY17), eating up into the share of close rivals Hyundai and Honda.
- n Average waiting period for the product remains stable at ~12 weeks. Our channel checks indicate strong demand for top-end variants, which is expected to support the product mix for MSIL.

### Mini segment growth at just 1.6%, despite festive push and aggressive discounts

- n Growth in the mini segment stood at a modest 1.6% YoY in YTD FY18, despite aggressive discounts by leading OEMs to push entry-level cars.
- n As per our interaction with channel partners, MSIL is offering cash discount of INR20,000 per unit, plus a five-gram gold coin on Alto 800, along with a exchange bonus of up to INR20,000.
- n Hyundai India is offering discounts in the range of INR25,000-90,000 per unit on Eon, i20, i10 and Xcent, depending on variants. Other OEMs like Honda Cars, M&M, Tata Motors and Renault are also following the discount trends.

**RS Kalsi, Senior Executive Director, Marketing and Sales, MSIL said**

"Like a category leader, it has not only expanded the share of Maruti Suzuki in the A3 segment, but has also expanded the industry's A3 pie"

- n The segment is gradually witnessing an increase in inquiries from customers in key rural markets, driven by improving sentiment.

#### Limited GST impact on mild hybrid models, leading to higher petrol variant sales

- n Led by a higher tax rate under the GST for mild hybrid vehicles, volumes of key models like Ciaz, Ertiga and Scorpio witnessed a dip in June-17.
- n The decline in volumes can be attributed to price hikes taken to pass on the increase in rates under the GST to 43%.
- n However, volumes of these models are recovering, largely led by petrol variant sales.
- n Ciaz, Ertiga and Scorpio's volumes increased 8%, 24.8% and 18.4%, respectively, in YTD FY18.

#### MM's XUV500 volumes at 18-month high of 3.3k units

- n Wholesales of XUV500 were an 18-month high of 3.3k units in Sep-17, partially led by the launch of the W9 variant with electronic sunroof.
- n Volumes for 1HFY18 declined 1.5% YoY to 14.3k v/s segment de-growth of 14.9% YoY, leading to market share gains.

#### Maruti gains share across segments; MM ends losing streak in UV2

- n MSIL gained market share in every segment it operates. Its market share in the compact segment expanded the most by 6.3% YoY to 52.3% in YTD FY18 (v/s 46% in FY17).
- n Market share in the mini segment expanded 3.8% YoY to 72% in YTD FY18 (v/s 68% FY17).
- n Brezza continues to help market share expansion in the UV1 segment (at 40% in YTD FY18 v/s 38% in FY17).
- n MM's market share in the UV2 segment expanded 9% YoY in YTD FY18 to 52.8% (43.7% in FY17), while it continues to lose share in the UV1 segment (at 20.4% in YTD FY18 v/s 24.8% in FY17) due to intense competition.

#### Recent launches see good traction; Swift volumes remain weak

- n Recent launches from MSIL's stable like *Baleno* and *Brezza* continue to see healthy demand trends and enjoy a healthy waiting period.
- n Due to customer preference for *Baleno* and *Brezza*, *Swift* volumes remained range-bound.
- n *Tiago* clocked highest volumes of 8.3k units in Sept-17 since its launch in Apr-16. YTD FY18 volumes increased 46% YoY to 36k units.

#### Valuation and view

- n We prefer 4Ws over 2Ws and CVs due to stronger volume growth and a stable competitive environment.
- n While we expect 2W volumes to benefit from a rural recovery in the near term, competitive intensity remains high in the segment due to changing customer preferences.
- n **Our top picks in Autos are MSIL, TTMT, Ashok Leyland and Amara Raja.**
- n We also consider MM as the best bet on a rural market recovery.



# Diesel Gensets

Please refer our report dated  
18 August 2017



## MHP and HHP segments driving growth

### Competitive intensity high with resultant pricing pressure

We interacted with a few diesel genset manufacturers/OEMs to get a sense of the demand environment, competitive intensity and resultant pricing pressures being witnessed across ranges. Our key takeaways:

### Expect 5-7% volume growth, led by MHP/HHP segments

- n Post a bottom in FY17, the diesel genset industry is likely to grow at 5-7% in the medium-to-long term. The sector is in mature stage and is starting to see consolidation with 4-5 players likely to remain over the next few years. The 5-7% volume growth in 1HFY18 will be sustained as economic growth starts improving.
- n Historically, it was power cuts that drove diesel genset volumes; now, it is new infrastructure creation/capex that is driving growth for diesel gensets.
- n Growth in the LHP segment is subdued. Earlier, volumes in this segment used to grow by 15-20% on high power cuts. With power cuts lower now, volume growth has tapered down. The LHP segment (ex Telecom) should see 4-5% volume growth over the next 3-5 years. Solar power and increasing reliance on batteries for backup power are also impacting demand for LHP diesel gensets.
- n Over the medium term, demand should grow at a CAGR of 10% in the MHP (375-750kva) segment and 12-15% in the HHP segment.

### New capacity creation/capex is the key driver for growth

- n As was the case earlier, demand for HHP diesel gensets (>750kva) continues to be dependent on new capex. Key end markets driving HHP demand are Data centers, Infrastructure(Metro), Industrial/ Manufacturing, IT/ITES
- n Demand for LHP sets is likely to be subdued on a fall in telecom towers being installed. Telecom towers will see a drop from next year (30000-40000 units currently) as capex by Reliance JIO tapers off
- n Demand from real estate is weak but a revival is expected in the next one year. Currently, both commercial and residential are declining but expect commercial to start reviving soon

### Competitive intensity high – LHP players shift focus to MHP/HHP segment

- n The industry is getting into a mature phase and going through consolidation – only 4-5 players will remain in the market, with the small players going out.
- n Earlier, Cummins India (KKC) enjoyed a monopoly in the HHP segment. Recently, Perkins and KOEL have also entered the HHP ranges. KKC has been forced to cut prices in the MHP/HHP segments with increased competition.
- n Entering into the HHP segment is not easy. Building the technology is difficult and the Indian market is too small to justify the investment. KKC has been in this segment for long and its products are much more reliable. Its competitive advantage is supported by volumes, distribution, and service.
- n Margins/pricing will remain under pressure, with more players trying to enter the MHP/HHP segment. In the medium to long term, manufacturers will need to have a presence across LHP/MHP/HHP ranges to be competitive.

**Cummins well prepared to maintain market leadership**

n KKC has, over the years, developed (a) strong product portfolio with superior technology to meet domestic demand, (b) wide distribution network to provide superior after sales service to customers, and (c) cost-effective products to maintain leadership in a fiercely competitive market. Given strong infrastructure push, initial signs of pick-up in the power genset segment, and expected revival in the export segment from 2HFY18, we maintain our Buy rating on the stock, with a target price of INR1,170 (32x June 2019E EPS; in line with 5-year average). The stock trades at 34x FY17 EPS of INR26.5, 32x FY18E EPS of INR27.7, and 25x FY19E EPS of 35.





# NIIT Technologies

|                         |              |
|-------------------------|--------------|
| Bloomberg               | NITEC IN     |
| Equity Shares (m)       | 61.2         |
| M. Cap. (INR b)/(USD b) | 34 / 1       |
| 52-Week Range (INR)     | 601 / 370    |
| 1,6,12 Rel Perf. (%)    | 10 / 25 / 20 |

## Financial Snapshot (INR b)

| y/e march    | 2017  | 2018E | 2019E | 2020E |
|--------------|-------|-------|-------|-------|
| Sales        | 27.8  | 29.4  | 32.0  | 34.4  |
| EBITDA       | 4.6   | 4.8   | 5.3   | 5.7   |
| PAT          | 2.6   | 2.5   | 3.0   | 3.4   |
| EPS (INR)    | 38.0  | 43.3  | 50.8  | 57.1  |
| EPS Gr. (%)  | -16.9 | 13.8  | 17.4  | 12.4  |
| BV/Sh. (INR) | 286.5 | 301.6 | 333.2 | 345.7 |
| RoE (%)      | 13.7  | 14.7  | 16.0  | 16.8  |
| RoCE (%)     | 15.7  | 14.4  | 15.8  | 16.4  |
| Payout (%)   | 32.9  | 32.3  | 31.5  | 28.0  |

## Valuations

|             |      |      |      |     |
|-------------|------|------|------|-----|
| P/E (x)     | 14.3 | 12.6 | 10.7 | 9.5 |
| P/BV (x)    | 1.9  | 1.8  | 1.6  | 1.6 |
| EV/EBITDA   | 5.5  | 5.8  | 4.9  | 4.4 |
| Div Yld (%) | 2.3  | 2.6  | 2.9  | 2.9 |

**CMP: INR562 TP: INR540 (-4%) Neutral**

- n We expect 1.1% QoQ CC revenue growth for NITEC in 2QFY18. While strength is being seen in Digital, we expect some of that to be offset by a ramp-down in one of its top customers.
- n The company would have a tailwind of 140bp because of cross-currency movements leading to USD revenue growth of 2.5% QoQ.
- n We expect EBITDA margin to expand by 70bp QoQ to 16.3%, because of the absence of visa expenses and wage hikes, and led by a better mix of revenue.
- n Our PAT estimate is INR643m, +25.3% QoQ. While the operational performance supports healthy growth in PAT, lower ETR would result in a further boost.
- n The stock trades at 12.6x FY18E and 10.7x FY19E earnings. Neutral.

### Key issues to watch for

- Ø Traction in the international business.
- Ø Progress on succession and development of strategy under new leadership.
- Ø Deal wins and outlook for the year.

## Quarterly Performance (IFRS)

| Y/E March                 | FY17  |       |       |       | FY18E |       |       |       | FY17   | FY18E  |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
|                           | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2QE   | 3QE   | 4QE   |        |        |
| Revenue (USD m) Ex. forex | 99    | 103   | 101   | 104   | 108   | 111   | 113   | 115   | 408    | 447    |
| QoQ (%)                   | -2.5  | 4.2   | -2.4  | 3.1   | 3.9   | 2.5   | 1.9   | 1.6   | 0.5    | 9.5    |
| Revenue (INR m)           | 6,692 | 6,913 | 6,922 | 7,160 | 7,089 | 7,249 | 7,473 | 7,622 | 27,750 | 29,433 |
| YoY (%)                   | 4.4   | 2.0   | 2.0   | 4.6   | 5.7   | 4.6   | 7.7   | 6.2   | 3.5    | 6.1    |
| GPM (%)                   | 35.3  | 35.3  | 36.2  | 36.6  | 35.4  | 34.8  | 34.2  | 34.3  | 35.7   | 34.7   |
| SGA (%)                   | 20.0  | 19.0  | 19.3  | 18.7  | 19.8  | 18.5  | 17.6  | 17.0  | 19.1   | 18.2   |
| EBITDA                    | 1,023 | 1,122 | 1,168 | 1,284 | 1,108 | 1,179 | 1,243 | 1,320 | 4,582  | 4,850  |
| EBITDA Margin (%)         | 15.3  | 16.2  | 16.9  | 17.9  | 15.6  | 16.3  | 16.6  | 17.3  | 16.5   | 16.5   |
| EBIT Margin (%)           | 10.9  | 12.0  | 12.7  | 14.0  | 11.2  | 11.6  | 12.1  | 12.8  | 11.9   | 11.9   |
| Other income              | 71    | 27    | 45    | 44    | 58    | 96    | 62    | 79    | 159    | 294    |
| ETR (%)                   | 10.3  | 24.2  | 24.2  | 15.9  | 34.7  | 24.0  | 24.0  | 24.0  | 18.6   | 26.4   |
| Minority Interest         | 46.0  | 54.0  | 48.0  | 72.0  | 42.0  | 72.0  | 72.0  | 72.0  | 220.0  | 258.0  |
| PAT                       | 313   | 596   | 653   | 1,073 | 513   | 643   | 662   | 730   | 2,238  | 2,548  |
| QoQ (%)                   | -60.4 | 90.4  | 9.6   | 64.3  | -30.6 | 25.3  | 2.9   | 10.4  | -20.1  | 13.8   |
| YoY (%)                   | -46.7 | -12.7 | -11.9 | 35.8  | 80.0  | 8.9   | 6.0   | -1.2  |        |        |
| EPS (INR)                 | 5.1   | 9.7   | 10.6  | 13.1  | 8.7   | 10.9  | 11.2  | 12.4  | 38.0   | 43.3   |
| Headcount                 | 9,022 | 8,868 | 8,809 | 8,853 | 8,963 | 9,348 | 9,548 | 9,648 | 8,853  | 9,648  |
| Util excl. trainees (%)   | 79.8  | 81.0  | 80.0  | 81.0  | 81.2  | 80.0  | 79.0  | 79.5  | 80.4   | 79.9   |
| Attrition (%)             | 13.4  | 12.9  | 12.9  | 12.7  | 12.1  |       |       |       |        |        |
| Offshore rev. (%)         | 39.0  | 39.0  | 40.0  | 41.0  | 40.0  |       |       |       | 39.8   | 39.8   |
| Fixed Price (%)           | 46.0  | 46.0  | 48.0  | 48.0  | 49.0  |       |       |       |        |        |



# UltraTech Cement

|                         |                |
|-------------------------|----------------|
| Bloomberg               | UTCEM IN       |
| Equity Shares (m)       | 274.4          |
| M. Cap. (INR b)/(USD b) | 1069.5 / 16.5  |
| 52-Week Range (INR)     | 4531 / 3052    |
| 1,6,12 Rel Perf. (%)    | -4 / -10 / -15 |

**CMP: INR3,897 TP: INR4,937 (+27%) Buy**

### Financial Snapshot (INR Billion)

| Y/E March        | 2017  | 2018E | 2019E  | 2020E  |
|------------------|-------|-------|--------|--------|
| Sales            | 238.9 | 298.3 | 374.4  | 429.9  |
| EBITDA           | 49.7  | 61.8  | 82.3   | 99.8   |
| NP               | 26.4  | 25.3  | 38.1   | 48.5   |
| Adj. EPS (INR)   | 96.1  | 92.1  | 138.8  | 176.8  |
| EPS Gr. (%)      | 11.3  | -4.2  | 50.8   | 27.4   |
| BV/Share (INR)   | 872.1 | 943.6 | 1036.6 | 1151.6 |
| RoE (%)          | 11.6  | 10.1  | 14.0   | 16.2   |
| RoCE (%)         | 9.7   | 8.6   | 9.9    | 11.4   |
| Payout (%)       | 12.1  | 18.9  | 16.7   | 16.4   |
| <b>Valuation</b> |       |       |        |        |
| P/E (x)          | 40.6  | 42.3  | 28.1   | 22.0   |
| P/BV (x)         | 4.5   | 4.1   | 3.8    | 3.4    |
| EV/EBITDA (x)    | 21.1  | 18.7  | 13.6   | 11.3   |
| EV/Ton (USD)     | 243   | 208   | 196    | 190    |

- 2QFY18 cement volumes are estimated at 12.77mt, including volumes of JPA's assets. Standalone volumes for Ultratech are likely to grow by 4% YoY. JPA is expected to operate at utilization of 35% for 2QFY18. Realizations are estimated to increase 1.7% YoY (-2.3% QoQ) to INR4,908/ton.
- We estimate grey cement EBITDA/ton at INR888 (-INR295/ton QoQ) due to weak realizations. EBITDA margin is expected to shrink 5.4pp QoQ to 18.1%.
- EBITDA is estimated to increase 6% YoY to INR11.6b, while PAT is estimated to decline 49% to INR3.1b due to higher interest cost and depreciation related to JPA's acquisition.
- The stock trades at P/E of 28.1x/22x on FY19E/FY20E, 13.6x/11.3x FY19E/FY20E EV/EBITDA and FY19E/FY20E EV/ton of USD196/USD 190. Maintain Buy.

### Key issues to watch out for:

- Volume growth recovery and outlook.
- Cement pricing outlook and sustainability.
- Update on JPA acquisition.

### Quarterly Performance

(INR Million)

| Y/E March                    | FY17          |               |               |               | FY18          |               |               |               | FY17           | FY18E          |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|                              | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3QE           | 4QE           |                |                |
| Sales (m ton)                | 12.91         | 10.87         | 11.40         | 13.68         | 12.90         | 12.77         | 14.72         | 18.10         | 48.9           | 58.5           |
| YoY Change (%)               | 6.3           | 0.6           | -0.6          | -0.2          | -0.1          | 17.5          | 29.1          | 32.3          | 1.6            | 19.7           |
| Blended Realn.(INR/ton) *    | 4,723         | 4,827         | 4,781         | 4,689         | 5,025         | 4,908         | 5,038         | 4,968         | 4,762          | 4,985          |
| YoY Change (%)               | -1.5          | -2.9          | -0.1          | 3.2           | 6.4           | 1.7           | 5.4           | 6.0           | -0.8           | 4.7            |
| QoQ Change (%)               | 3.9           | 2.2           | -0.9          | -1.9          | 7.2           | -2.3          | 2.7           | -1.4          |                |                |
| <b>Net Sales</b>             | <b>62,295</b> | <b>53,966</b> | <b>56,091</b> | <b>65,953</b> | <b>66,265</b> | <b>64,259</b> | <b>75,926</b> | <b>91,816</b> | <b>238,914</b> | <b>298,266</b> |
| <b>EBITDA</b>                | <b>14,225</b> | <b>10,938</b> | <b>11,135</b> | <b>12,782</b> | <b>15,601</b> | <b>11,627</b> | <b>14,406</b> | <b>20,146</b> | <b>49,690</b>  | <b>61,780</b>  |
| Margins (%)                  | 22.8          | 20.3          | 19.9          | 19.4          | 23.5          | 18.1          | 19.0          | 21.9          | 20.8           | 20.7           |
| Depreciation                 | 3,027         | 3,139         | 3,156         | 3,357         | 3,098         | 4,500         | 4,550         | 4,641         | 12,679         | 16,789         |
| Interest                     | 1,525         | 1,367         | 1,293         | 1,529         | 1,285         | 4,060         | 4,060         | 4,238         | 5,714          | 13,643         |
| Other Income                 | 1,504         | 2,335         | 970           | 2,401         | 1,652         | 1,500         | 1,300         | 298           | 6,600          | 4,750          |
| <b>PBT before EO expense</b> | <b>11,177</b> | <b>8,767</b>  | <b>7,655</b>  | <b>10,297</b> | <b>12,870</b> | <b>4,567</b>  | <b>7,096</b>  | <b>11,565</b> | <b>37,896</b>  | <b>36,098</b>  |
| Tax                          | 3,428         | 2,757         | 2,021         | 3,276         | 3,963         | 1,500         | 2,900         | 2,466         | 11,482         | 10,829         |
| Rate (%)                     | 30.7          | 31.4          | 26.4          | 32.2          | 30.8          | 32.8          | 40.9          | 21.3          | 30.4           | 30.0           |
| <b>Reported PAT</b>          | <b>7,749</b>  | <b>6,011</b>  | <b>5,634</b>  | <b>6,883</b>  | <b>8,906</b>  | <b>3,067</b>  | <b>4,196</b>  | <b>9,099</b>  | <b>26,277</b>  | <b>25,269</b>  |
| <b>Adj PAT</b>               | <b>7,749</b>  | <b>6,011</b>  | <b>5,634</b>  | <b>6,976</b>  | <b>8,906</b>  | <b>3,067</b>  | <b>4,196</b>  | <b>9,099</b>  | <b>26,372</b>  | <b>25,269</b>  |
| YoY Change (%)               | 28.3          | 31.4          | 6.7           | -10.7         | 14.9          | -49.0         | -25.5         | 30.4          | 11.3           | -4.2           |

E: MOSL Estimates; includes JPA numbers for 2QFY18 and not for 2QFY17



### 1. DELTA CORP: Confident of doubling profits, improving margins in fy18; Hardik Dhebar, Group CFO

- n Historically second quarter has always been a good one and Q3 is also a great quarter for Goa as a destination per se. So the momentum of Q2 will slide into Q3.
- n Despite the disruptions of demonetisation and onset of goods and services tax (GST), the company has managed to not only overcome those disruptions but have also managed to go back to the earlier trajectory and even surpass that.
- n Confident of doubling profits from FY17 levels in FY18. Margin improvement is also on the cards aided by online business going ahead.
- n Profits for six months of FY18 stood at Rs 67-68 crore.

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### 2. PRIME FOCUS: Will be able to reduce debt to half in near future; Namit Malhotra, Executive Chairman

- n Believe revenue and EBITDA will grow at a higher rate going ahead.
- n Net debt as of March is in the range of Rs 1,250 crore. Therefore continued focus on paring and re-financing the debt.
- n Have re-financed some of the debt in first six months of FY18.
- n Will be able to reduce debt to half in near future.

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### 3. FEDERAL BANK: Eyeing 20-25% loan growth in FY18; Shyam Srinivasan, MD & CEO

- n Saw growth across various sectors in the quarter gone by.
- n Credit growth steady in last 4-5 quarters. A 20-25 percent loan growth in FY18 is achievable. The loan book market share has crossed 1 percent of the industry.
- n Bank doesn't have significant exposure to the cases referred to NCLT by RBI. The bank was the first to recognize Videocon as a non-performing asset (NPA).
- n Bank did not undertake any large-ticket exposure in corporate book.

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### 4. PERSISTENT SYSTEMS: Have stronger expectation from second half of FY18; Anand Deshpande, Founder, MD & CEO

- n Posted numbers with revenue and margins in-line led by the digital and enterprise segment.
- n Maintain double-digit growth guidance on both topline and bottomline.
- n Have stronger expectation from second half of FY18.

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### 1. Why India's stellar exports may not be a tax dodge

n The big lesson for emerging markets from the taper crisis of 2013 was this: Don't go into a US tightening cycle without your exporters bringing home truckloads of dollars. That's why the most recent trade figures from India are both important and encouraging. Clubbed together with Indonesia, Turkey, Russia and South Africa on Morgan Stanley's "Fragile Five" list four summers ago, it's crucial for the country to crank up its export engines before the US Federal Reserve starts shrinking its balance sheet. Seen in that light, the 26% surge in outbound shipments in September is an impressive performance that ought to allay concerns about India facing a possible dollar squeeze. Yet the figure is being met by skepticism because it comes close on the heels of the introduction of a new nationwide goods and services tax that's been widely criticized for being ill-planned and badly implemented. Inflating export invoices is "a tempting mode of avoiding GST," according to Neelkanth Mishra, the India equity strategist at Credit Suisse Group AG. By showing more of their sales as exports, manufacturers can claim bigger tax credits.

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### 2. Time for auto industry to go all electric

n A steady momentum has been building up in India on the clean and renewable energy front. The government has been working to effect a radical shift in our energy production and consumption patterns to reduce dependence on fossil fuels. According to last year's National Electricity Plan (NEP3) forecast, India will achieve, ahead of schedule, the target of renewable energy being 40% of total power production by 2030, declared at the Paris Climate Change Conference in 2015. To reinforce its commitments, the government intends that all vehicles sold in India by 2030 should be electric. A recently released NITI Aayog report on mobility transformation outlines a feasible and phased approach to achieve this goal. Developed in partnership with the Rocky Mountain Institute, it presents the government's vision of a shared, electric and connected mobility paradigm where mobility is a service based on an electric vehicle (EV) fleet, enabled by the convergence of low-cost technologies, smart designs, business model innovation and supportive policies.

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### 3. As India takes to Jan Dhan Yojana, spending on alcohol falls

n The Pradhan Mantri Jan Dhan Yojana (PMJDY) is giving alcohol sales in rural India a hangover—at least, that is what an analysis by the State Bank of India's researchers shows. Studying CPI rural data, the SBI research says that states that opened greater number of PMJDY accounts saw a meaningful drop in rural inflation. PMJDY, apart from driving financial inclusion, was meant to be the channel for direct benefit transfers (DBT)—with Aadhaar seeding of accounts, plugging the leakages typical of, say, PDS or fertiliser/power subsidies, would get easier. But the worry was that greater circulation of money would stoke inflation in rural areas, and DBT could encourage expenditure on demerit goods. It is true that a wide array of very diverse factors, the from demonetisation effect to increase in awareness, could explain the fall in CPI intoxicants—something that the SBI research also takes care to highlight.

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## International

### 4. Authoritarian Cryptocurrencies are coming

n With Russia and China both embracing the idea of sovereign cryptocurrencies, it's time to ask a simple question: Why is a technology threatening to decentralize money so attractive to highly centralized, authoritarian regimes? Last weekend, Argumenti i Fakti, a pro-government newspaper, quoted Russian communication minister Nikolai Nikiforov as saying president Vladimir Putin had ordered the swift launching of a "crypto-ruble." According to the report, Nikiforov said the currency would use "Russian cryptography" and would be impossible to "mine" like bitcoin because it would be "a closed model with a definite volume of regulated emission." This follows statements by Central Bank governor Elvira Nabiullina and finance minister Anton Siluanov, who stressed the need for the Russian state to bring cryptocurrency emission and use under control. Nikiforov's vague description of the crypto-ruble sounds similar to recent unofficial Chinese proposals. Yao Qian, deputy director of the People's Bank of China's technology division, has discussed a central bank-issued electronic currency for which commercial banks would administer "wallets." Other Chinese officials and state-affiliated researchers have also echoed the idea.

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| Company                | Reco      | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |         | P/E (x)     |             | P/B (x)    |            | ROE (%)     |             |             |
|------------------------|-----------|-----------|----------|-------------------|-----------|-------|---------|-------------|-------------|------------|------------|-------------|-------------|-------------|
|                        |           |           |          |                   | FY17      | FY18E | FY19E   | FY17        | FY18E       | FY17       | FY18E      | FY17        | FY18E       | FY19E       |
| <b>Automobiles</b>     |           |           |          |                   |           |       |         |             |             |            |            |             |             |             |
| Amara Raja             | Buy       | 694       | 854      | 23                | 28.0      | 25.6  | 32.9    | 24.8        | 27.1        | 4.6        | 4.0        | 20.3        | 15.8        | 17.7        |
| Ashok Ley.             | Buy       | 128       | 145      | 13                | 4.6       | 5.3   | 7.0     | 28.2        | 24.0        | 6.1        | 5.4        | 23.1        | 23.8        | 27.0        |
| Bajaj Auto             | Buy       | 3,264     | 3,589    | 10                | 132.3     | 144.4 | 174.3   | 24.7        | 22.6        | 5.5        | 5.0        | 25.3        | 23.2        | 25.3        |
| Bharat Forge           | Buy       | 635       | 726      | 14                | 13.1      | 18.3  | 25.5    | 48.5        | 34.7        | 7.2        | 6.2        | 16.2        | 19.3        | 22.9        |
| Bosch                  | Neutral   | 22,007    | 22,781   | 4                 | 473.1     | 540.8 | 698.6   | 46.5        | 40.7        | 7.6        | 6.9        | 15.8        | 17.8        | 20.5        |
| CEAT                   | Buy       | 1,736     | 2,029    | 17                | 93.3      | 94.2  | 126.8   | 18.6        | 18.4        | 2.9        | 2.6        | 16.9        | 14.8        | 17.3        |
| Eicher Mot.            | Buy       | 31,829    | 36,487   | 15                | 612.7     | 826.7 | 1,119.2 | 52.0        | 38.5        | 16.2       | 12.2       | 37.1        | 36.1        | 36.4        |
| Endurance Tech.        | Buy       | 1,111     | 1,229    | 11                | 23.5      | 29.6  | 39.3    | 47.3        | 37.5        | 9.0        | 7.5        | 20.8        | 21.8        | 24.0        |
| Escorts                | Neutral   | 727       | 732      | 1                 | 20.0      | 37.1  | 45.8    | 36.4        | 19.6        | 3.7        | 3.1        | 10.6        | 17.3        | 18.3        |
| Exide Ind              | Buy       | 208       | 279      | 34                | 8.1       | 8.9   | 10.8    | 25.6        | 23.3        | 3.6        | 3.2        | 13.9        | 13.8        | 14.8        |
| Hero Moto              | Neutral   | 3,789     | 3,868    | 2                 | 169.1     | 185.0 | 197.1   | 22.4        | 20.5        | 7.5        | 6.5        | 35.7        | 34.0        | 31.4        |
| M&M                    | Buy       | 1,373     | 1,585    | 15                | 54.3      | 69.5  | 81.7    | 25.3        | 19.8        | 3.2        | 2.9        | 14.2        | 13.5        | 14.3        |
| Mahindra CIE           | Not Rated | 234       | -        |                   | 5.4       | 9.9   | 11.8    | 43.7        | 23.7        | 2.7        | 2.4        | 6.4         | 10.8        | 11.5        |
| Maruti Suzuki          | Buy       | 7,850     | 9,417    | 20                | 248.6     | 285.5 | 381.7   | 31.6        | 27.5        | 6.6        | 5.7        | 20.3        | 20.4        | 23.0        |
| Tata Motors            | Buy       | 432       | 562      | 30                | 19.8      | 20.0  | 61.3    | 21.8        | 21.6        | 2.5        | 2.2        | 9.8         | 11.0        | 27.4        |
| TVS Motor              | Buy       | 689       | 719      | 4                 | 11.7      | 15.1  | 24.5    | 58.7        | 45.7        | 13.6       | 11.1       | 25.6        | 26.7        | 34.2        |
| <b>Aggregate</b>       |           |           |          |                   |           |       |         | <b>29.7</b> | <b>26.0</b> | <b>5.1</b> | <b>4.5</b> | <b>17.1</b> | <b>17.2</b> | <b>22.6</b> |
| <b>Banks - Private</b> |           |           |          |                   |           |       |         |             |             |            |            |             |             |             |
| Axis Bank              | Neutral   | 513       | 524      | 2                 | 15.4      | 21.8  | 38.1    | 33.4        | 23.5        | 2.3        | 2.1        | 6.9         | 9.3         | 14.7        |
| DCB Bank               | Neutral   | 184       | 198      | 7                 | 7.0       | 8.1   | 10.6    | 26.3        | 22.8        | 2.7        | 2.0        | 10.8        | 11.0        | 12.0        |
| Equitas Hold.          | Buy       | 156       | 212      | 36                | 5.0       | 1.7   | 6.1     | 30.8        | 91.5        | 2.4        | 2.3        | 9.5         | 2.5         | 8.6         |
| Federal Bank           | Buy       | 126       | 146      | 16                | 4.8       | 5.5   | 6.6     | 26.1        | 22.7        | 2.5        | 2.0        | 9.9         | 9.6         | 10.0        |
| HDFC Bank              | Buy       | 1,851     | 2,066    | 12                | 56.8      | 68.2  | 82.6    | 32.6        | 27.1        | 5.5        | 4.8        | 18.3        | 18.8        | 19.7        |
| ICICI Bank             | Buy       | 274       | 366      | 34                | 15.3      | 14.5  | 16.6    | 17.9        | 18.9        | 2.0        | 1.9        | 10.2        | 8.6         | 9.3         |
| IDFC Bank              | Neutral   | 57        | 56       | -3                | 3.0       | 2.8   | 3.2     | 19.1        | 20.7        | 1.3        | 1.3        | 7.2         | 6.3         | 6.9         |
| IndusInd               | Buy       | 1,708     | 2,000    | 17                | 48.1      | 60.9  | 78.6    | 35.5        | 28.0        | 5.0        | 4.4        | 15.3        | 16.9        | 19.0        |
| J&K Bank               | Neutral   | 74        | 91       | 23                | -31.3     | 3.9   | 8.3     | NM          | 19.2        | 0.7        | 0.7        | -27.0       | 3.5         | 7.2         |
| Kotak Mah. Bk          | Buy       | 1,079     | 1,197    | 11                | 26.8      | 32.4  | 41.0    | 40.2        | 33.3        | 5.2        | 4.6        | 13.8        | 15.0        | 16.3        |
| RBL Bank               | Buy       | 522       | 651      | 25                | 11.9      | 17.2  | 22.5    | 43.9        | 30.3        | 4.6        | 3.3        | 12.3        | 13.0        | 13.3        |
| South Indian           | Buy       | 32        | 36       | 12                | 2.5       | 1.9   | 3.8     | 12.9        | 17.3        | 1.2        | 1.2        | 9.0         | 6.7         | 12.6        |
| Yes Bank               | Buy       | 373       | 446      | 19                | 14.6      | 18.5  | 22.9    | 25.6        | 20.2        | 4.0        | 3.4        | 18.9        | 18.3        | 19.5        |
| <b>Aggregate</b>       |           |           |          |                   |           |       |         | <b>30.6</b> | <b>25.1</b> | <b>3.5</b> | <b>3.1</b> | <b>11.5</b> | <b>12.4</b> | <b>14.2</b> |
| <b>Banks - PSU</b>     |           |           |          |                   |           |       |         |             |             |            |            |             |             |             |
| BOB                    | Buy       | 139       | 217      | 56                | 6.0       | 9.5   | 20.8    | 23.2        | 14.6        | 0.9        | 0.9        | 4.0         | 6.1         | 12.4        |
| BOI                    | Neutral   | 138       | 141      | 2                 | -14.8     | -11.2 | 6.6     | NM          | NM          | 0.6        | 0.6        | -6.7        | -5.2        | 3.0         |
| Canara                 | Neutral   | 309       | 323      | 5                 | 18.8      | 30.1  | 47.0    | 16.4        | 10.3        | 0.7        | 0.6        | 4.2         | 6.2         | 9.1         |
| IDBI Bk                | Neutral   | 53        | 49       | -6                | 1.5       | 6.4   | 8.6     | 34.5        | 8.2         | 0.5        | 0.5        | 1.4         | 5.8         | 7.3         |
| Indian Bk              | Buy       | 272       | 333      | 23                | 29.3      | 34.4  | 38.3    | 9.3         | 7.9         | 0.9        | 0.8        | 10.1        | 10.9        | 11.2        |
| OBC                    | Neutral   | 115       | 150      | 30                | -31.6     | 17.1  | 21.4    | NM          | 6.8         | 0.3        | 0.3        | -8.4        | 4.6         | 5.4         |
| PNB                    | Buy       | 135       | 184      | 37                | 6.2       | 5.8   | 11.0    | 21.6        | 23.0        | 0.8        | 0.7        | 3.6         | 3.2         | 5.9         |
| SBI                    | Buy       | 251       | 341      | 36                | 0.3       | 14.6  | 26.8    | 844.3       | 17.2        | 1.2        | 1.1        | -0.2        | 7.0         | 11.4        |
| Union Bk               | Neutral   | 128       | 135      | 6                 | 8.1       | 9.0   | 19.1    | 15.8        | 14.1        | 0.4        | 0.4        | 2.7         | 3.0         | 6.1         |
| <b>Aggregate</b>       |           |           |          |                   |           |       |         | <b>93.0</b> | <b>16.5</b> | <b>0.8</b> | <b>0.8</b> | <b>0.9</b>  | <b>4.6</b>  | <b>8.3</b>  |
| <b>NBFCs</b>           |           |           |          |                   |           |       |         |             |             |            |            |             |             |             |
| Bajaj Fin.             | Buy       | 1,867     | 2,300    | 23                | 32.0      | 45.7  | 63.7    | 58.3        | 40.8        | 11.2       | 6.6        | 21.6        | 20.2        | 20.4        |
| Bharat Fin.            | Neutral   | 1,024     | 900      | -12               | 21.0      | 29.9  | 54.9    | 48.8        | 34.3        | 5.8        | 4.7        | 15.1        | 15.1        | 22.4        |
| Capital First          | Buy       | 762       | 925      | 21                | 24.6      | 32.8  | 42.4    | 30.9        | 23.2        | 3.2        | 2.9        | 12.0        | 13.2        | 15.0        |
| Cholaman.Inv.&Fn       | Buy       | 1,131     | 1,400    | 24                | 46.0      | 56.0  | 68.1    | 24.6        | 20.2        | 4.1        | 3.5        | 18.0        | 18.6        | 19.2        |
| Dewan Hsg.             | Buy       | 590       | 690      | 17                | 29.6      | 37.6  | 46.0    | 19.9        | 15.7        | 2.3        | 2.1        | 14.4        | 14.1        | 15.3        |
| GRUH Fin.              | Neutral   | 507       | 490      | -3                | 8.1       | 9.9   | 11.7    | 62.3        | 50.9        | 18.7       | 15.3       | 32.5        | 33.0        | 31.8        |
| HDFC                   | Buy       | 1,760     | 2,020    | 15                | 46.8      | 52.2  | 58.2    | 37.6        | 33.7        | 7.0        | 6.3        | 18.9        | 18.6        | 17.8        |
| Indiabulls Hsg         | Buy       | 1,325     | 1,450    | 9                 | 69.0      | 84.2  | 105.6   | 19.2        | 15.7        | 4.6        | 4.1        | 25.5        | 27.6        | 30.6        |
| L&T Fin Holdings       | Buy       | 206       | 230      | 12                | 5.2       | 6.8   | 10.1    | 39.3        | 30.0        | 4.6        | 4.1        | 12.4        | 14.7        | 18.5        |
| LIC Hsg Fin            | Neutral   | 670       | 730      | 9                 | 38.2      | 41.6  | 48.9    | 17.5        | 16.1        | 3.2        | 2.7        | 19.4        | 18.2        | 18.5        |

| Company              | Reco      | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | P/E (x)     |             | P/B (x)    |            | ROE (%)     |             |             |
|----------------------|-----------|-----------|----------|-------------------|-----------|-------|-------|-------------|-------------|------------|------------|-------------|-------------|-------------|
|                      |           |           |          |                   | FY17      | FY18E | FY19E | FY17        | FY18E       | FY17       | FY18E      | FY17        | FY18E       | FY19E       |
| Manappuram           | Not Rated | 103       | -        |                   | 8.6       | 9.2   | 9.7   | 12.0        | 11.2        | 2.6        | 2.4        | 24.0        | 22.3        | 21.4        |
| M&M Fin.             | Buy       | 433       | 481      | 11                | 7.1       | 13.9  | 17.8  | 61.1        | 31.2        | 3.9        | 3.6        | 6.5         | 12.0        | 14.2        |
| Muthoot Fin          | Buy       | 498       | 550      | 10                | 29.5      | 38.7  | 44.4  | 16.9        | 12.9        | 3.1        | 2.6        | 19.4        | 21.8        | 21.2        |
| PNB Housing          | Buy       | 1,493     | 1,750    | 17                | 31.6      | 48.1  | 65.1  | 47.2        | 31.0        | 4.5        | 4.1        | 13.8        | 13.8        | 16.6        |
| Repco Home           | Buy       | 645       | 800      | 24                | 29.1      | 33.7  | 38.4  | 22.1        | 19.1        | 3.5        | 3.0        | 17.4        | 17.1        | 16.7        |
| Shriram City Union   | Buy       | 2,121     | 2,700    | 27                | 84.3      | 118.3 | 155.3 | 25.1        | 17.9        | 2.8        | 2.5        | 11.7        | 14.6        | 16.8        |
| STF                  | Buy       | 1,107     | 1,320    | 19                | 55.6      | 80.0  | 102.4 | 19.9        | 13.8        | 2.2        | 2.0        | 11.7        | 15.0        | 16.9        |
| <b>Aggregate</b>     |           |           |          |                   |           |       |       | <b>31.7</b> | <b>25.6</b> | <b>5.1</b> | <b>4.4</b> | <b>16.1</b> | <b>17.1</b> | <b>18.0</b> |
| <b>Capital Goods</b> |           |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| ABB                  | Sell      | 1,343     | 1,235    | -8                | 19.7      | 22.4  | 31.6  | 68.2        | 59.9        | 8.7        | 7.6        | 12.7        | 12.6        | 15.8        |
| Bharat Elec.         | Buy       | 171       | 187      | 10                | 6.3       | 6.7   | 7.4   | 27.1        | 25.3        | 5.6        | 4.3        | 20.6        | 17.1        | 17.0        |
| BHEL                 | Sell      | 84        | 75       | -11               | 1.3       | 2.7   | 3.8   | 62.9        | 31.0        | 1.0        | 0.9        | 1.5         | 3.1         | 4.1         |
| Blue Star            | Neutral   | 798       | 690      | -13               | 12.9      | 17.1  | 25.5  | 61.9        | 46.7        | 10.1       | 9.5        | 18.0        | 20.9        | 28.9        |
| CG Cons. Elec.       | Buy       | 212       | 240      | 13                | 4.7       | 5.0   | 6.3   | 45.4        | 42.2        | 24.7       | 18.2       | 76.4        | 49.7        | 48.8        |
| CG Power & Indu.     | Neutral   | 79        | 80       | 1                 | 4.1       | 2.0   | 2.5   | 19.3        | 39.0        | 1.2        | 1.2        | 6.2         | 3.0         | 3.7         |
| Cummins              | Buy       | 894       | 1,170    | 31                | 26.5      | 27.7  | 35.0  | 33.7        | 32.3        | 6.6        | 6.1        | 21.2        | 19.7        | 22.8        |
| GE T&D               | Neutral   | 379       | 395      | 4                 | 5.7       | 9.3   | 11.3  | 66.1        | 40.8        | 9.4        | 8.2        | 12.4        | 21.5        | 22.7        |
| Havells              | Neutral   | 547       | 460      | -16               | 9.6       | 10.7  | 13.9  | 57.2        | 50.9        | 10.4       | 9.3        | 18.2        | 18.3        | 20.9        |
| K E C Intl           | Neutral   | 299       | 295      | -1                | 11.9      | 13.1  | 16.4  | 25.2        | 22.9        | 4.8        | 4.1        | 21.2        | 19.5        | 20.9        |
| L&T                  | Buy       | 1,149     | 1,400    | 22                | 42.3      | 46.5  | 56.6  | 27.2        | 24.7        | 3.2        | 3.0        | 12.5        | 12.4        | 13.8        |
| Pennar Eng.          | Not Rated | 99        | -        |                   | 7.1       | 9.1   | 11.2  | 14.1        | 10.9        | 1.4        | 1.3        | 10.2        | 11.6        | 12.6        |
| Siemens              | Neutral   | 1,224     | 1,355    | 11                | 17.8      | 21.7  | 33.4  | 68.7        | 56.5        | 6.4        | 5.6        | 9.3         | 9.8         | 13.8        |
| Solar Ind            | Neutral   | 986       | 900      | -9                | 20.6      | 24.2  | 30.0  | 47.8        | 40.7        | 8.8        | 7.5        | 19.8        | 19.8        | 20.9        |
| Suzlon Energy        | Not Rated | 16        | -        |                   | 0.6       | 0.9   | 1.0   | 24.5        | 17.6        | -1.4       | -1.5       | NM          | -8.8        | -11.0       |
| Thermax              | Neutral   | 983       | 840      | -15               | 30.8      | 30.1  | 33.4  | 31.9        | 32.6        | 4.4        | 4.0        | 14.3        | 12.7        | 12.8        |
| Va Tech Wab.         | Buy       | 597       | 800      | 34                | 29.8      | 34.6  | 39.8  | 20.1        | 17.3        | 3.3        | 2.8        | 16.8        | 17.6        | 17.4        |
| Voltas               | Sell      | 538       | 470      | -13               | 15.5      | 16.8  | 19.1  | 34.8        | 32.0        | 5.4        | 4.8        | 18.0        | 15.8        | 16.0        |
| <b>Aggregate</b>     |           |           |          |                   |           |       |       | <b>34.9</b> | <b>30.7</b> | <b>3.9</b> | <b>3.6</b> | <b>11.2</b> | <b>11.6</b> | <b>13.1</b> |
| <b>Cement</b>        |           |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| Ambuja Cem.          | Buy       | 281       | 317      | 13                | 4.9       | 7.0   | 8.2   | 57.5        | 40.4        | 2.9        | 2.8        | 5.1         | 7.0         | 7.9         |
| ACC                  | Neutral   | 1,793     | 1,706    | -5                | 36.1      | 51.0  | 66.9  | 49.7        | 35.2        | 3.9        | 3.7        | 7.9         | 10.8        | 13.5        |
| Birla Corp.          | Buy       | 1,002     | 1,150    | 15                | 28.5      | 40.9  | 58.9  | 35.1        | 24.5        | 2.3        | 2.2        | 7.1         | 9.2         | 12.2        |
| Dalmia Bharat        | Buy       | 2,704     | 3,272    | 21                | 38.8      | 62.9  | 88.3  | 69.8        | 43.0        | 4.8        | 4.4        | 7.2         | 10.7        | 13.3        |
| Grasim Inds.         | Neutral   | 1,133     | 1,276    | 13                | 67.8      | 70.6  | 101.2 | 16.7        | 16.0        | 1.7        | 1.5        | 10.8        | 10.0        | 12.9        |
| India Cem            | Neutral   | 182       | 198      | 9                 | 5.6       | 7.5   | 10.8  | 32.3        | 24.2        | 1.1        | 1.1        | 3.4         | 4.4         | 6.1         |
| J K Cements          | Buy       | 959       | 1,196    | 25                | 33.7      | 39.7  | 54.4  | 28.5        | 24.1        | 3.8        | 3.3        | 14.4        | 14.8        | 17.5        |
| JK Lakshmi Ce        | Buy       | 394       | 485      | 23                | 7.0       | 9.7   | 16.4  | 56.6        | 40.5        | 3.4        | 3.1        | 6.1         | 8.0         | 12.3        |
| Ramco Cem            | Buy       | 693       | 832      | 20                | 27.3      | 27.4  | 34.4  | 25.4        | 25.3        | 4.4        | 3.8        | 19.0        | 16.1        | 17.5        |
| Orient Cem           | Buy       | 158       | 182      | 15                | -1.6      | 4.4   | 7.1   | NM          | 35.7        | 3.3        | 3.0        | -3.2        | 8.8         | 12.8        |
| Prism Cem            | Buy       | 111       | 140      | 27                | 0.3       | 3.5   | 5.6   | 404.8       | 31.7        | 5.8        | 5.0        | 1.4         | 17.0        | 22.9        |
| Shree Cem            | Buy       | 18,590    | 22,084   | 19                | 384.4     | 507.1 | 547.8 | 48.4        | 36.7        | 8.4        | 7.0        | 18.4        | 20.8        | 18.8        |
| Ultratech            | Buy       | 4,088     | 4,937    | 21                | 96.1      | 92.1  | 138.8 | 42.6        | 44.4        | 4.7        | 4.3        | 11.6        | 10.1        | 14.0        |
| <b>Aggregate</b>     |           |           |          |                   |           |       |       | <b>37.3</b> | <b>31.7</b> | <b>3.5</b> | <b>3.2</b> | <b>9.4</b>  | <b>10.2</b> | <b>12.4</b> |
| <b>Consumer</b>      |           |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| Asian Paints         | Neutral   | 1,194     | 1,315    | 10                | 21.0      | 22.2  | 26.5  | 56.8        | 53.8        | 15.1       | 13.7       | 28.5        | 26.7        | 28.1        |
| Britannia            | Buy       | 4,620     | 5,165    | 12                | 73.7      | 85.3  | 104.6 | 62.7        | 54.1        | 20.6       | 17.0       | 36.9        | 34.3        | 34.5        |
| Colgate              | Buy       | 1,043     | 1,328    | 27                | 21.2      | 23.4  | 28.6  | 49.1        | 44.6        | 22.3       | 21.2       | 50.4        | 48.7        | 56.2        |
| Dabur                | Neutral   | 320       | 330      | 3                 | 7.2       | 7.7   | 9.1   | 44.1        | 41.4        | 11.6       | 10.0       | 28.4        | 26.0        | 26.3        |
| Emami                | Buy       | 1,145     | 1,400    | 22                | 26.5      | 26.9  | 33.1  | 43.1        | 42.5        | 14.8       | 12.6       | 35.8        | 32.0        | 33.9        |
| Godrej Cons.         | Neutral   | 970       | 1,005    | 4                 | 18.9      | 21.5  | 24.7  | 51.3        | 45.0        | 12.5       | 9.7        | 24.6        | 24.2        | 22.8        |
| GSK Cons.            | Neutral   | 4,956     | 4,630    | -7                | 156.1     | 158.1 | 182.1 | 31.7        | 31.3        | 6.7        | 6.5        | 22.2        | 21.1        | 22.6        |
| HUL                  | Buy       | 1,280     | 1,400    | 9                 | 19.6      | 22.9  | 27.4  | 65.2        | 55.8        | 42.7       | 42.3       | 66.5        | 76.2        | 87.2        |
| ITC                  | Neutral   | 267       | 290      | 9                 | 8.4       | 9.3   | 10.3  | 31.8        | 28.8        | 7.2        | 7.1        | 23.5        | 24.8        | 26.3        |
| Jyothy Lab           | Neutral   | 388       | 410      | 6                 | 11.2      | 9.8   | 11.1  | 34.5        | 39.4        | 6.5        | 6.5        | 21.1        | 16.5        | 18.4        |
| Marico               | Neutral   | 322       | 350      | 9                 | 6.3       | 6.8   | 8.2   | 51.2        | 47.2        | 17.8       | 15.3       | 36.7        | 34.9        | 37.7        |

| Company             | Reco      | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | P/E (x)     |             | P/B (x)     |             | ROE (%)     |             |             |
|---------------------|-----------|-----------|----------|-------------------|-----------|-------|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                     |           |           |          |                   | FY17      | FY18E | FY19E | FY17        | FY18E       | FY17        | FY18E       | FY17        | FY18E       | FY19E       |
| Nestle              | Neutral   | 7,365     | 6,160    | -16               | 118.0     | 115.0 | 133.6 | 62.4        | 64.0        | 23.6        | 21.9        | 39.0        | 35.5        | 38.1        |
| Page Inds           | Buy       | 19,094    | 21,310   | 12                | 238.7     | 294.7 | 398.4 | 80.0        | 64.8        | 32.0        | 25.7        | 40.0        | 39.6        | 43.1        |
| Parag Milk          | Neutral   | 268       | 280      | 4                 | 3.6       | 9.1   | 12.5  | 74.3        | 29.4        | 3.4         | 3.1         | 6.0         | 11.0        | 13.3        |
| Pidilite Ind.       | Neutral   | 805       | 865      | 7                 | 16.7      | 18.1  | 20.6  | 48.1        | 44.6        | 12.5        | 10.2        | 28.2        | 25.2        | 23.5        |
| P&G Hygiene         | Neutral   | 8,632     | 9,200    | 7                 | 132.9     | 151.6 | 176.0 | 64.9        | 57.0        | 40.7        | 33.8        | 39.3        | 64.9        | 62.8        |
| Prabhat Dairy       | Not Rated | 150       | -        |                   | 3.5       | 3.5   | 6.4   | 42.5        | 43.2        | 2.1         | 2.1         | 5.2         | 4.9         | 8.5         |
| United Brew         | Buy       | 831       | 980      | 18                | 8.7       | 9.9   | 14.0  | 95.7        | 84.0        | 9.4         | 8.6         | 10.2        | 10.7        | 13.6        |
| United Spirits      | Neutral   | 2,493     | 2,600    | 4                 | 26.7      | 34.5  | 51.5  | 93.3        | 72.3        | 18.7        | 13.0        | 21.3        | 18.0        | 20.3        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>47.3</b> | <b>42.8</b> | <b>13.0</b> | <b>12.1</b> | <b>27.5</b> | <b>28.2</b> | <b>29.3</b> |
| <b>Healthcare</b>   |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Alembic Phar        | Neutral   | 499       | 510      | 2                 | 21.6      | 19.8  | 25.5  | 23.1        | 25.2        | 4.9         | 4.3         | 23.0        | 18.4        | 20.5        |
| Alkem Lab           | Neutral   | 1,826     | 1,830    | 0                 | 75.7      | 72.5  | 93.3  | 24.1        | 25.2        | 5.2         | 4.5         | 23.4        | 19.0        | 20.9        |
| Ajanta Pharma       | Buy       | 1,199     | 1,605    | 34                | 58.4      | 52.8  | 64.2  | 20.5        | 22.7        | 6.8         | 5.4         | 37.7        | 26.5        | 25.9        |
| Aurobindo           | Buy       | 763       | 850      | 11                | 39.3      | 44.9  | 50.0  | 19.4        | 17.0        | 4.8         | 3.8         | 27.6        | 24.8        | 22.1        |
| Biocon              | Sell      | 385       | 330      | -14               | 10.2      | 9.7   | 14.2  | 37.8        | 39.7        | 4.8         | 4.4         | 12.3        | 11.1        | 14.5        |
| Cadila              | Buy       | 497       | 555      | 12                | 14.2      | 17.5  | 23.6  | 35.0        | 28.4        | 7.3         | 6.1         | 23.0        | 23.5        | 26.0        |
| Cipla               | Neutral   | 631       | 520      | -18               | 15.9      | 21.1  | 26.0  | 39.7        | 29.9        | 4.1         | 3.6         | 10.2        | 12.1        | 13.2        |
| Divis Lab           | Neutral   | 883       | 720      | -18               | 39.9      | 33.9  | 40.4  | 22.1        | 26.1        | 4.4         | 4.5         | 22.0        | 17.0        | 19.5        |
| Dr Reddy's          | Neutral   | 2,382     | 2,400    | 1                 | 72.6      | 72.6  | 119.9 | 32.8        | 32.8        | 3.2         | 3.1         | 9.7         | 9.7         | 14.4        |
| Fortis Health       | Buy       | 149       | 220      | 47                | 10.3      | 2.2   | 5.6   | 14.4        | 68.5        | 1.5         | 1.3         | 11.3        | 2.1         | 4.9         |
| Glenmark            | Neutral   | 611       | 775      | 27                | 39.3      | 39.7  | 49.1  | 15.5        | 15.4        | 3.8         | 3.1         | 24.7        | 20.3        | 20.4        |
| Granules            | Buy       | 143       | 200      | 40                | 7.2       | 8.0   | 11.0  | 19.7        | 17.8        | 3.6         | 2.5         | 21.1        | 17.7        | 18.8        |
| GSK Pharma          | Neutral   | 2,443     | 2,500    | 2                 | 34.4      | 46.8  | 54.9  | 71.1        | 52.2        | 10.3        | 12.0        | 14.5        | 23.0        | 30.9        |
| IPCA Labs           | Neutral   | 496       | 430      | -13               | 16.1      | 16.6  | 26.8  | 30.9        | 29.9        | 2.5         | 2.4         | 8.6         | 8.2         | 12.2        |
| Jubilant Life       | Buy       | 645       | 905      | 40                | 37.0      | 47.1  | 56.7  | 17.4        | 13.7        | 2.9         | 2.5         | 18.1        | 19.5        | 19.6        |
| Lupin               | Buy       | 1,067     | 1,125    | 5                 | 56.6      | 41.4  | 58.0  | 18.8        | 25.8        | 3.6         | 3.2         | 20.9        | 13.2        | 16.4        |
| Sanofi India        | Buy       | 4,210     | 4,850    | 15                | 129.1     | 133.6 | 160.6 | 32.6        | 31.5        | 5.6         | 5.2         | 17.1        | 16.6        | 18.1        |
| Shilpa Medicare     | Buy       | 656       | 805      | 23                | 14.0      | 21.1  | 30.4  | 46.8        | 31.1        | 5.7         | 4.9         | 14.4        | 17.0        | 20.4        |
| Strides Shasun      | Buy       | 881       | 1,300    | 48                | 32.3      | 47.4  | 74.8  | 27.3        | 18.6        | 2.9         | 2.6         | 10.7        | 14.7        | 20.2        |
| Sun Pharma          | Buy       | 547       | 515      | -6                | 26.1      | 15.1  | 23.3  | 20.9        | 36.3        | 3.6         | 3.4         | 18.1        | 9.6         | 13.8        |
| Syngene Intl        | Not Rated | 494       | -        |                   | 13.0      | 16.1  | 18.0  | 38.0        | 30.6        | 7.7         | 6.3         | 22.2        | 22.5        | 20.7        |
| Torrent Pharma      | Neutral   | 1,329     | 1,350    | 2                 | 55.2      | 53.4  | 67.3  | 24.1        | 24.9        | 5.2         | 4.6         | 23.8        | 19.5        | 21.5        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>24.6</b> | <b>27.3</b> | <b>4.1</b>  | <b>3.7</b>  | <b>16.9</b> | <b>13.6</b> | <b>16.1</b> |
| <b>Logistics</b>    |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Allcargo Logistics  | Buy       | 164       | 206      | 26                | 9.8       | 10.3  | 12.9  | 16.7        | 16.0        | 2.2         | 2.0         | 13.7        | 13.4        | 15.1        |
| Blue Dart           | Not Rated | 4,145     | -        |                   | 102.5     | 129.9 | 163.2 | 40.4        | 31.9        | 17.9        | 13.7        | 50.5        | 48.6        | 46.8        |
| Concor              | Neutral   | 1,338     | 1,214    | -9                | 38.0      | 42.4  | 48.6  | 35.2        | 31.6        | 3.7         | 3.5         | 10.8        | 11.4        | 12.4        |
| Gateway Distriparks | Buy       | 240       | 280      | 17                | 6.8       | 8.8   | 12.2  | 35.3        | 27.4        | 2.6         | 2.5         | 7.3         | 9.2         | 12.1        |
| Gati                | Not Rated | 116       | -        |                   | 8.4       | 15.9  | 23.9  | 13.9        | 7.3         | 1.9         | 1.7         | 12.4        | 19.4        | 25.4        |
| Transport Corp.     | Not Rated | 285       | -        |                   | 16.9      | 21.0  | 25.9  | 16.8        | 13.6        | 2.6         | 2.2         | 16.7        | 17.8        | 18.6        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>31.2</b> | <b>26.4</b> | <b>3.8</b>  | <b>3.6</b>  | <b>12.3</b> | <b>13.5</b> | <b>15.1</b> |
| <b>Media</b>        |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Dish TV             | Buy       | 72        | 106      | 47                | 1.0       | 1.0   | 2.4   | 70.3        | 71.0        | 15.7        | 12.8        | 25.1        | 19.9        | 35.2        |
| D B Corp            | Buy       | 369       | 450      | 22                | 20.4      | 23.7  | 28.0  | 18.1        | 15.5        | 4.3         | 3.5         | 25.1        | 24.7        | 23.9        |
| Den Net.            | Neutral   | 84        | 90       | 7                 | -9.3      | -2.9  | 0.1   | NM          | NM          | 1.8         | 1.9         | -19.1       | -6.4        | 0.2         |
| Ent.Network         | Neutral   | 784       | 928      | 18                | 11.4      | 12.2  | 20.6  | 68.6        | 64.3        | 4.4         | 4.1         | 6.7         | 6.6         | 10.3        |
| Hind. Media         | Buy       | 245       | 302      | 23                | 25.8      | 25.6  | 30.2  | 9.5         | 9.6         | 1.5         | 1.3         | 18.2        | 15.0        | 15.3        |
| HT Media            | Neutral   | 102       | 90       | -12               | 7.4       | 7.3   | 7.8   | 13.9        | 14.0        | 1.1         | 1.0         | 7.9         | 7.3         | 7.3         |
| Jagran Prak.        | Buy       | 172       | 225      | 30                | 10.7      | 12.2  | 13.4  | 16.1        | 14.1        | 2.6         | 2.6         | 18.5        | 18.6        | 19.0        |
| Music Broadcast     | Buy       | 387       | 469      | 21                | 6.4       | 9.3   | 14.0  | 60.2        | 41.5        | 4.0         | 3.7         | 11.2        | 9.3         | 12.4        |
| PVR                 | Buy       | 1,387     | 1,597    | 15                | 20.5      | 26.5  | 43.6  | 67.5        | 52.3        | 6.7         | 6.0         | 10.4        | 12.1        | 17.3        |
| Prime Focus         | Buy       | 107       | 130      | 22                | 1.2       | 3.0   | 5.9   | 87.5        | 35.3        | 5.7         | 4.9         | 7.6         | 15.0        | 23.9        |
| Siti Net.           | Neutral   | 25        | 32       | 30                | -1.8      | -0.4  | 0.4   | NM          | NM          | 4.0         | 4.3         | -28.7       | -7.5        | 6.4         |
| Sun TV              | Neutral   | 816       | 860      | 5                 | 24.9      | 28.8  | 36.9  | 32.8        | 28.4        | 8.0         | 7.3         | 26.0        | 27.0        | 31.6        |



| Company              | Reco    | CMP (INR) | TP (INR) | % Upside<br>Downside | EPS (INR) |       |       | P/E (x)     |               | P/B (x)     |             | ROE (%)     |             |             |
|----------------------|---------|-----------|----------|----------------------|-----------|-------|-------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|
|                      |         |           |          |                      | FY17      | FY18E | FY19E | FY17        | FY18E         | FY17        | FY18E       | FY17        | FY18E       | FY19E       |
| Zee Ent.             | Buy     | 495       | 630      | 27                   | 13.9      | 12.2  | 17.8  | 35.7        | 40.7          | 5.6         | 5.2         | 19.3        | 14.7        | 18.7        |
| <b>Aggregate</b>     |         |           |          |                      |           |       |       | <b>37.5</b> | <b>32.1</b>   | <b>5.0</b>  | <b>4.6</b>  | <b>13.3</b> | <b>14.4</b> | <b>17.9</b> |
| <b>Metals</b>        |         |           |          |                      |           |       |       |             |               |             |             |             |             |             |
| Hindalco             | Buy     | 276       | 308      | 12                   | 8.6       | 19.8  | 24.5  | 32.2        | 13.9          | 2.1         | 1.9         | 7.4         | 14.3        | 15.4        |
| Hind. Zinc           | Neutral | 327       | 322      | -1                   | 19.7      | 22.4  | 29.3  | 16.6        | 14.6          | 4.5         | 4.8         | 24.4        | 31.8        | 37.9        |
| JSPL                 | Buy     | 162       | 192      | 19                   | -20.9     | -17.4 | 2.0   | NM          | NM            | 0.5         | 0.5         | -7.9        | -5.5        | 0.6         |
| JSW Steel            | Buy     | 260       | 298      | 15                   | 14.8      | 22.3  | 25.7  | 17.5        | 11.7          | 2.8         | 2.3         | 17.3        | 21.6        | 20.8        |
| Nalco                | Neutral | 89        | 87       | -2                   | 3.7       | 4.5   | 5.8   | 23.9        | 19.8          | 1.7         | 1.6         | 7.2         | 8.3         | 10.1        |
| NMDC                 | Buy     | 123       | 188      | 52                   | 10.0      | 13.1  | 12.9  | 12.4        | 9.5           | 1.7         | 1.6         | 12.8        | 15.5        | 16.2        |
| SAIL                 | Sell    | 59        | 30       | -49                  | -6.2      | -7.7  | -4.2  | NM          | NM            | 0.7         | 0.7         | -6.7        | -9.1        | -5.3        |
| Vedanta              | Buy     | 334       | 360      | 8                    | 15.1      | 25.4  | 37.5  | 22.1        | 13.2          | 2.1         | 1.9         | 9.7         | 15.0        | 20.3        |
| Tata Steel           | Neutral | 712       | 665      | -7                   | 37.9      | 66.9  | 63.4  | 18.8        | 10.6          | 2.2         | 1.9         | 15.7        | 19.1        | 15.9        |
| <b>Aggregate</b>     |         |           |          |                      |           |       |       | <b>24.3</b> | <b>15.5</b>   | <b>1.9</b>  | <b>1.8</b>  | <b>7.6</b>  | <b>11.5</b> | <b>14.1</b> |
| <b>Oil &amp; Gas</b> |         |           |          |                      |           |       |       |             |               |             |             |             |             |             |
| BPCL                 | Buy     | 513       | 644      | 26                   | 48.3      | 49.2  | 52.0  | 10.6        | 10.4          | 3.3         | 2.7         | 32.4        | 28.5        | 25.2        |
| GAIL                 | Sell    | 437       | 634      | 45                   | 22.6      | 26.5  | 30.0  | 19.4        | 16.5          | 1.9         | 1.8         | 9.6         | 11.3        | 11.9        |
| Gujarat Gas          | Sell    | 918       | 712      | -22                  | 16.2      | 31.6  | 44.0  | 56.6        | 29.1          | 7.7         | 6.3         | 14.2        | 23.9        | 27.0        |
| Gujarat St. Pet.     | Neutral | 198       | 180      | -9                   | 8.8       | 12.1  | 13.3  | 22.5        | 16.4          | 2.5         | 2.2         | 11.6        | 14.3        | 14.1        |
| HPCL                 | Buy     | 470       | 585      | 24                   | 40.7      | 45.9  | 42.9  | 11.6        | 10.2          | 3.5         | 2.9         | 32.4        | 31.0        | 24.2        |
| IOC                  | Buy     | 414       | 559      | 35                   | 43.0      | 51.1  | 46.5  | 9.6         | 8.1           | 1.9         | 1.6         | 21.2        | 21.9        | 17.4        |
| IGL                  | Neutral | 1,499     | 1,295    | -14                  | 44.0      | 49.6  | 54.8  | 34.1        | 30.3          | 7.2         | 6.1         | 21.0        | 21.7        | 20.4        |
| MRPL                 | Sell    | 129       | 112      | -13                  | 14.8      | 10.7  | 11.6  | 8.7         | 12.1          | 2.2         | 2.0         | 31.4        | 17.3        | 16.5        |
| Oil India            | Buy     | 345       | 340      | -1                   | 19.3      | 29.1  | 34.1  | 17.9        | 11.8          | 1.0         | 0.9         | 5.7         | 7.9         | 8.8         |
| ONGC                 | Buy     | 171       | 190      | 11                   | 16.4      | 17.8  | 19.2  | 10.4        | 9.6           | 1.0         | 1.0         | 10.1        | 10.2        | 10.5        |
| PLNG                 | Buy     | 261       | 275      | 6                    | 11.4      | 14.1  | 18.0  | 22.9        | 18.4          | 4.8         | 4.1         | 23.2        | 23.9        | 25.5        |
| Reliance Ind.        | Buy     | 874       | 1,005    | 15                   | 48.3      | 55.5  | 64.0  | 18.1        | 15.8          | 1.9         | 1.7         | 11.6        | 11.9        | 12.3        |
| <b>Aggregate</b>     |         |           |          |                      |           |       |       | <b>13.7</b> | <b>12.1</b>   | <b>1.8</b>  | <b>1.6</b>  | <b>13.2</b> | <b>13.5</b> | <b>13.1</b> |
| <b>Retail</b>        |         |           |          |                      |           |       |       |             |               |             |             |             |             |             |
| Jubilant Food        | Sell    | 1,581     | 960      | -39                  | 10.0      | 14.8  | 20.7  | 158.0       | 106.7         | 12.9        | 11.9        | 8.2         | 11.1        | 14.0        |
| Titan Co.            | Neutral | 625       | 590      | -6                   | 9.0       | 10.5  | 12.6  | 69.3        | 59.8          | 13.1        | 12.0        | 20.6        | 21.0        | 22.2        |
| <b>Aggregate</b>     |         |           |          |                      |           |       |       | <b>75.9</b> | <b>64.2</b>   | <b>13.1</b> | <b>12.0</b> | <b>17.2</b> | <b>18.6</b> | <b>19.6</b> |
| <b>Technology</b>    |         |           |          |                      |           |       |       |             |               |             |             |             |             |             |
| Cyient               | Buy     | 553       | 600      | 9                    | 30.6      | 36.0  | 41.9  | 18.0        | 15.3          | 2.9         | 2.7         | 16.2        | 17.4        | 18.3        |
| HCL Tech.            | Neutral | 921       | 950      | 3                    | 59.8      | 63.5  | 68.9  | 15.4        | 14.5          | 3.9         | 3.4         | 27.5        | 25.5        | 24.6        |
| Hexaware             | Neutral | 281       | 250      | -11                  | 13.7      | 15.6  | 16.5  | 20.5        | 18.0          | 5.0         | 4.3         | 26.5        | 25.6        | 23.1        |
| Infosys              | Buy     | 931       | 1,050    | 13                   | 62.9      | 62.3  | 66.3  | 14.8        | 15.0          | 3.1         | 2.8         | 22.0        | 19.6        | 19.1        |
| KPIT Tech            | Neutral | 129       | 140      | 9                    | 11.9      | 10.8  | 13.6  | 10.8        | 11.9          | 1.6         | 1.5         | 14.3        | 13.3        | 14.7        |
| L&T Infotech         | Buy     | 809       | 880      | 9                    | 55.5      | 60.9  | 65.3  | 14.6        | 13.3          | 5.1         | 3.9         | 40.4        | 33.3        | 28.3        |
| Mindtree             | Neutral | 503       | 450      | -11                  | 24.9      | 28.4  | 32.9  | 20.2        | 17.7          | 3.3         | 3.2         | 16.8        | 17.2        | 20.1        |
| Mphasis              | Neutral | 655       | 610      | -7                   | 38.9      | 40.2  | 43.0  | 16.8        | 16.3          | 2.2         | 2.4         | 13.2        | 14.4        | 16.2        |
| NIIT Tech            | Neutral | 634       | 540      | -15                  | 38.0      | 43.3  | 50.8  | 16.7        | 14.7          | 2.2         | 2.1         | 13.7        | 14.7        | 16.0        |
| Persistent Sys       | Buy     | 656       | 780      | 19                   | 37.7      | 43.3  | 52.4  | 17.4        | 15.2          | 2.7         | 2.6         | 17.0        | 17.9        | 20.8        |
| Tata Elxsi           | Buy     | 848       | 996      | 18                   | 28.1      | 33.8  | 40.2  | 30.1        | 25.1          | 9.4         | 7.6         | 37.1        | 33.6        | 32.4        |
| TCS                  | Neutral | 2,595     | 2,450    | -6                   | 133.4     | 131.8 | 151.4 | 19.4        | 19.7          | 5.8         | 6.2         | 32.6        | 30.6        | 33.5        |
| Tech Mah             | Buy     | 472       | 490      | 4                    | 30.9      | 34.8  | 37.3  | 15.3        | 13.5          | 2.5         | 2.3         | 18.4        | 17.9        | 17.1        |
| Wipro                | Neutral | 290       | 270      | -7                   | 16.9      | 18.2  | 19.5  | 17.1        | 15.9          | 2.7         | 2.6         | 16.9        | 16.2        | 16.4        |
| Zensar Tech          | Buy     | 760       | 950      | 25                   | 52.1      | 51.5  | 70.0  | 14.6        | 14.7          | 2.3         | 2.1         | 17.2        | 14.9        | 17.9        |
| <b>Aggregate</b>     |         |           |          |                      |           |       |       | <b>17.3</b> | <b>17.2</b>   | <b>4.0</b>  | <b>3.9</b>  | <b>22.9</b> | <b>22.8</b> | <b>22.1</b> |
| <b>Telecom</b>       |         |           |          |                      |           |       |       |             |               |             |             |             |             |             |
| Bharti Airtel        | Buy     | 466       | 470      | 1                    | 11.1      | 2.4   | 3.2   | 41.9        | 194.5         | 2.8         | 2.7         | 6.7         | 1.4         | 1.9         |
| Bharti Infratel      | Buy     | 478       | 440      | -8                   | 14.9      | 17.3  | 19.7  | 32.2        | 27.7          | 5.7         | 5.7         | 16.2        | 20.7        | 23.2        |
| Idea Cellular        | Buy     | 90        | 105      | 17                   | -1.1      | -15.5 | -14.9 | NM          | NM            | 1.3         | 1.7         | -1.6        | -25.6       | -32.6       |
| Tata Comm            | Buy     | 725       | 775      | 7                    | 27.2      | 8.3   | 25.4  | 26.6        | 87.6          | 13.0        | 11.3        | 132.2       | 13.8        | 33.1        |
| <b>Aggregate</b>     |         |           |          |                      |           |       |       | <b>42.4</b> | <b>-264.5</b> | <b>2.9</b>  | <b>3.1</b>  | <b>6.9</b>  | <b>-1.2</b> | <b>0.3</b>  |
| <b>Utilities</b>     |         |           |          |                      |           |       |       |             |               |             |             |             |             |             |

| Company           | Reco         | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | P/E (x)     |             | P/B (x)    |            | ROE (%)     |             |             |
|-------------------|--------------|-----------|----------|-------------------|-----------|-------|-------|-------------|-------------|------------|------------|-------------|-------------|-------------|
|                   |              |           |          |                   | FY17      | FY18E | FY19E | FY17        | FY18E       | FY17       | FY18E      | FY17        | FY18E       | FY19E       |
| Coal India        | Buy          | 290       | 335      | 16                | 14.9      | 17.5  | 20.7  | 19.4        | 16.6        | 7.3        | 7.0        | 37.8        | 42.4        | 47.7        |
| CESC              | Buy          | 1,039     | 1,360    | 31                | 51.9      | 88.9  | 99.3  | 20.0        | 11.7        | 1.3        | 1.2        | 6.5         | 10.6        | 10.8        |
| JSW Energy        | Sell         | 82        | 49       | -40               | 3.8       | 3.3   | 2.7   | 21.4        | 24.6        | 1.3        | 1.3        | 6.3         | 5.3         | 4.2         |
| NTPC              | Buy          | 176       | 211      | 20                | 12.0      | 13.5  | 15.7  | 14.7        | 13.1        | 1.5        | 1.4        | 10.5        | 11.0        | 11.9        |
| Power Grid        | Buy          | 205       | 262      | 28                | 14.2      | 17.4  | 20.6  | 14.4        | 11.8        | 2.2        | 1.9        | 16.2        | 17.3        | 17.8        |
| Tata Power        | Sell         | 82        | 71       | -13               | 7.4       | 7.3   | 7.3   | 11.0        | 11.3        | 1.9        | 1.7        | 17.1        | 15.8        | 14.2        |
| <b>Aggregate</b>  |              |           |          |                   |           |       |       | <b>16.5</b> | <b>14.0</b> | <b>2.4</b> | <b>2.2</b> | <b>14.5</b> | <b>15.7</b> | <b>16.8</b> |
| <b>Others</b>     |              |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| Arvind            | Neutral      | 389       | 376      | -3                | 12.4      | 12.9  | 18.6  | 31.4        | 30.1        | 2.8        | 2.6        | 10.3        | 9.1         | 12.0        |
| Avenue Supermarts | Sell         | 1,218     | 873      | -28               | 7.7       | 12.0  | 17.5  | 158.8       | 101.6       | 19.8       | 17.4       | 17.9        | 18.2        | 22.9        |
| Bata India        | Under Review | 786       | -        |                   | 13.5      | 15.7  | 19.4  | 58.1        | 50.0        | 7.6        | 6.8        | 13.9        | 14.4        | 15.8        |
| BSE               | Neutral      | 973       | 1,100    | 13                | 41.0      | 42.2  | 44.6  | 23.7        | 23.1        | 2.0        | 2.0        | 8.3         | 8.5         | 7.7         |
| Castrol India     | Buy          | 379       | 467      | 23                | 13.6      | 12.6  | 13.3  | 27.8        | 30.0        | 31.4       | 28.5       | 115.2       | 99.8        | 95.8        |
| Century Ply.      | Neutral      | 281       | 323      | 15                | 8.7       | 9.8   | 12.9  | 32.3        | 28.6        | 8.8        | 7.2        | 31.1        | 27.7        | 29.6        |
| Coromandel Intl   | Buy          | 481       | 523      | 9                 | 16.6      | 24.1  | 29.0  | 29.0        | 20.0        | 4.9        | 4.2        | 17.5        | 22.5        | 23.4        |
| Delta Corp        | Buy          | 223       | 232      | 4                 | 3.1       | 5.6   | 7.7   | 73.2        | 40.0        | 5.6        | 3.8        | 8.1         | 11.9        | 12.4        |
| Dynamatic Tech    | Buy          | 2,099     | 3,334    | 59                | 67.6      | 112.9 | 166.7 | 31.0        | 18.6        | 4.3        | 3.5        | 15.1        | 20.7        | 24.3        |
| Eveready Inds.    | Buy          | 331       | 358      | 8                 | 12.9      | 13.6  | 16.3  | 25.7        | 24.3        | 8.3        | 6.8        | 37.7        | 30.8        | 30.1        |
| Interglobe        | Neutral      | 1,109     | 1,142    | 3                 | 43.2      | 55.2  | 81.6  | 25.7        | 20.1        | 11.3       | 6.5        | 51.0        | 41.1        | 46.6        |
| Indo Count        | Neutral      | 114       | 118      | 3                 | 13.0      | 8.9   | 10.8  | 8.8         | 12.9        | 2.7        | 2.2        | 34.8        | 18.6        | 18.3        |
| Info Edge         | Buy          | 1,113     | 1,130    | 2                 | 15.7      | 21.8  | 24.7  | 71.0        | 51.2        | 6.8        | 6.2        | 10.2        | 12.7        | 13.1        |
| Inox Leisure      | Sell         | 232       | 240      | 3                 | 3.3       | 8.0   | 12.0  | 69.7        | 28.9        | 4.0        | 3.6        | 5.9         | 12.5        | 16.2        |
| Jain Irrigation   | Under Review | 95        | -        |                   | 5.5       | 7.6   | 10.0  | 17.2        | 12.5        | 1.5        | 1.4        | 8.6         | 11.7        | 14.8        |
| Just Dial         | Neutral      | 411       | 465      | 13                | 17.5      | 18.5  | 21.1  | 23.6        | 22.3        | 3.2        | 2.8        | 14.8        | 13.4        | 13.7        |
| Kaveri Seed       | Buy          | 569       | 738      | 30                | 19.1      | 34.1  | 41.0  | 29.9        | 16.7        | 3.9        | 4.1        | 13.6        | 23.3        | 27.4        |
| Kitex Garm.       | Buy          | 217       | 394      | 81                | 18.6      | 22.1  | 26.2  | 11.7        | 9.8         | 3.1        | 2.5        | 29.8        | 28.6        | 27.6        |
| Manpasand         | Buy          | 448       | 534      | 19                | 6.3       | 9.7   | 15.3  | 70.6        | 46.0        | 4.4        | 4.1        | 7.3         | 8.2         | 13.4        |
| MCX               | Buy          | 1,128     | 1,300    | 15                | 24.8      | 26.5  | 43.4  | 45.4        | 42.6        | 4.2        | 4.3        | 10.2        | 10.0        | 15.9        |
| Monsanto          | Buy          | 2,450     | 3,295    | 34                | 86.2      | 105.0 | 126.6 | 28.4        | 23.3        | 8.0        | 7.2        | 31.5        | 32.5        | 34.5        |
| Navneet Education | Buy          | 170       | 209      | 23                | 7.3       | 8.4   | 10.4  | 23.3        | 20.1        | 5.7        | 4.9        | 26.7        | 26.3        | 27.9        |
| Qess Corp         | Buy          | 827       | 990      | 20                | 10.0      | 19.1  | 27.8  | 82.7        | 43.3        | 11.2       | 4.8        | 19.0        | 15.6        | 15.0        |
| PI Inds.          | Buy          | 790       | 894      | 13                | 33.4      | 30.4  | 35.8  | 23.7        | 26.0        | 6.7        | 5.6        | 32.8        | 23.4        | 22.9        |
| Piramal Enterp.   | Buy          | 2,765     | 3,266    | 18                | 72.6      | 104.6 | 149.7 | 38.1        | 26.4        | 3.2        | 3.0        | 9.0         | 11.7        | 15.3        |
| SRF               | Buy          | 1,718     | 1,751    | 2                 | 85.9      | 80.2  | 103.0 | 20.0        | 21.4        | 3.2        | 2.8        | 16.6        | 13.7        | 16.0        |
| S H Kelkar        | Buy          | 278       | 298      | 7                 | 7.2       | 7.6   | 9.9   | 38.4        | 36.6        | 5.0        | 4.5        | 13.7        | 12.9        | 15.2        |
| Symphony          | Sell         | 1,433     | 1,288    | -10               | 23.7      | 35.1  | 42.9  | 60.6        | 40.8        | 22.5       | 19.8       | 43.3        | 51.6        | 54.5        |
| Team Lease Serv.  | Buy          | 1,573     | 1,990    | 27                | 38.8      | 36.8  | 56.0  | 40.5        | 42.7        | 7.1        | 6.1        | 19.2        | 15.3        | 19.5        |
| Trident           | Buy          | 101       | 114      | 13                | 6.6       | 8.3   | 10.4  | 15.3        | 12.2        | 1.9        | 1.7        | 13.0        | 14.5        | 16.1        |
| TTK Prestige      | Neutral      | 6,121     | 5,281    | -14               | 132.1     | 137.8 | 176.1 | 46.4        | 44.4        | 8.4        | 7.6        | 19.5        | 18.0        | 20.7        |
| V-Guard           | Neutral      | 188       | 167      | -11               | 3.6       | 4.5   | 6.0   | 52.7        | 42.0        | 12.6       | 10.3       | 27.4        | 26.9        | 28.8        |
| Wonderla          | Buy          | 366       | 393      | 7                 | 7.0       | 11.9  | 16.0  | 52.4        | 30.7        | 4.8        | 4.3        | 9.5         | 14.8        | 17.5        |



| Company                | 1 Day (%) | 1M (%) | 12M (%) |
|------------------------|-----------|--------|---------|
| <b>Automobiles</b>     |           |        |         |
| Amara Raja             | 1.9       | -10.3  | -31.9   |
| Ashok Ley.             | 0.7       | 9.8    | 57.4    |
| Bajaj Auto             | 1.3       | 8.0    | 18.5    |
| Bharat Forge           | -1.3      | 2.3    | 42.6    |
| Bosch                  | -0.5      | 1.0    | -0.7    |
| CEAT                   | 0.6       | -1.4   | 35.1    |
| Eicher Mot.            | 0.3       | -0.4   | 29.1    |
| Endurance Tech.        | -2.7      | 9.0    |         |
| Escorts                | 0.8       | 8.7    | 85.9    |
| Exide Ind              | 1.6       | -4.6   | 12.3    |
| Hero Moto              | 0.4       | -2.6   | 11.3    |
| M&M                    | 0.4       | 6.2    | 4.6     |
| Mahindra CIE           | -0.2      | -3.3   | 25.5    |
| Maruti Suzuki          | 0.0       | -3.0   | 40.2    |
| Tata Motors            | -1.0      | 7.7    | -21.0   |
| TVS Motor              | -1.6      | 6.0    | 77.5    |
| <b>Banks - Private</b> |           |        |         |
| Axis Bank              | -1.4      | -0.8   | -1.1    |
| DCB Bank               | -3.0      | -3.1   | 46.3    |
| Equitas Hold.          | 1.7       | -3.9   | -13.6   |
| Federal Bank           | 0.8       | 9.3    | 80.0    |
| HDFC Bank              | -0.3      | 0.1    | 49.5    |
| ICICI Bank             | -0.1      | -6.2   | 16.5    |
| IDFC Bank              | -0.9      | -4.8   | -23.9   |
| IndusInd               | -0.5      | 0.4    | 41.6    |
| J&K Bank               | 1.0       | -1.4   | 13.1    |
| Kotak Mah. Bk          | -0.5      | 7.0    | 40.6    |
| RBL Bank               | 0.1       | -1.9   | 69.7    |
| South Indian           | -0.8      | 9.7    | 52.4    |
| Yes Bank               | 1.6       | 1.3    | 49.2    |
| <b>Banks - PSU</b>     |           |        |         |
| BOB                    | 0.7       | -4.2   | -7.9    |
| BOI                    | 0.4       | -10.8  | 24.4    |
| Canara                 | 0.4       | -11.1  | 4.0     |
| IDBI Bk                | 0.0       | -6.5   | -23.1   |
| Indian Bk              | 0.2       | -4.0   | 29.9    |
| OBC                    | 0.1       | -13.6  | -6.3    |
| PNB                    | 0.6       | -7.0   | -1.6    |
| SBI                    | -0.4      | -7.7   | -0.8    |
| Union Bk               | 0.6       | -7.0   | -7.3    |
| <b>NBFCs</b>           |           |        |         |
| Bajaj Fin.             | -1.2      | -1.8   | 73.1    |
| Bharat Fin.            | 0.5       | 8.4    | 17.6    |
| Capital First          | -0.1      | -5.0   | 0.9     |
| Cholaman.Inv.&Fn       | 0.4       | -2.9   | -4.8    |
| Dewan Hsg.             | 5.6       | 3.9    | 92.0    |
| GRUH Fin.              | -2.0      | -5.8   | 48.8    |
| HDFC                   | -0.2      | -0.6   | 35.1    |
| Indiabulls Hsg         | 2.4       | 4.8    | 58.2    |
| L&T Fin.Holdings       | 1.1       | -0.7   | 108.4   |
| LIC Hsg Fin            | 1.7       | 3.5    | 15.9    |
| Manappuram             | -0.7      | -4.1   | 6.7     |
| M&M Fin.               | 0.3       | 0.1    | 23.4    |
| Muthoot Fin            | -0.7      | -1.4   | 43.5    |
| PNB Housing            | -0.4      | -8.3   |         |
| PFC                    | 4.0       | -2.0   | 4.3     |
| Repco Home             | 1.1       | -2.2   | -13.3   |
| REC                    | 1.7       | -7.5   | 17.4    |
| STF                    | 0.5       | 2.3    | -2.1    |
| Shriram City Union     | 3.2       | 1.1    | -6.4    |

| Company              | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-----------|--------|---------|
| <b>Capital Goods</b> |           |        |         |
| ABB                  | -0.9      | -5.5   | 16.0    |
| Bharat Elec.         | -0.4      | -1.2   | 48.6    |
| BHEL                 | 0.2       | -4.3   | -4.1    |
| Blue Star            | 0.8       | 1.6    | 39.3    |
| CG Cons. Elec.       | -1.3      | -1.7   | 17.3    |
| CG Power & Inds Sol. | 1.3       | -5.0   | 6.7     |
| Cummins              | -0.4      | -4.8   | 5.0     |
| GE T&D               | -1.2      | -6.3   | 10.9    |
| Havells              | 0.8       | 7.9    | 29.1    |
| K E C Intl           | 0.0       | -6.5   | 138.5   |
| L&T                  | 0.3       | -5.3   | 19.0    |
| Pennar Eng.          | 0.6       | -11.6  | -46.6   |
| Siemens              | 0.4       | -11.2  | 1.1     |
| Solar Ind            | -0.2      | 4.8    | 45.9    |
| Suzlon Energy        | 0.3       | -8.3   | 8.2     |
| Thermax              | 1.3       | 3.1    | 12.7    |
| Va Tech Wab.         | 1.8       | -6.0   | 7.9     |
| Voltas               | 1.4       | -0.9   | 37.3    |
| <b>Cement</b>        |           |        |         |
| Ambuja Cem.          | 0.6       | -1.0   | 14.1    |
| ACC                  | 0.4       | -1.5   | 11.7    |
| Birla Corp.          | 0.6       | 5.9    | 35.5    |
| Dalmia Bharat        | -1.4      | -4.1   | 42.1    |
| Grasim Inds.         | -0.8      | -8.3   | 39.9    |
| India Cem            | 1.6       | -4.2   | 18.4    |
| J K Cements          | 0.8       | -4.5   | 1.3     |
| JK Lakshmi Ce        | 0.6       | -8.3   | -18.6   |
| Ramco Cem            | 0.7       | -7.4   | 6.6     |
| Orient Cem           | 1.7       | -0.8   | -15.6   |
| Prism Cem            | 1.8       | 2.3    | 2.9     |
| Shree Cem            | -0.9      | -0.1   | 6.8     |
| Ultratech            | 2.1       | -2.8   | 2.0     |
| <b>Consumer</b>      |           |        |         |
| Asian Paints         | 2.1       | -4.0   | 1.0     |
| Britannia            | 1.7       | 5.8    | 40.0    |
| Colgate              | -1.9      | -8.0   | 14.3    |
| Dabur                | -0.7      | 3.4    | 17.7    |
| Emami                | -0.1      | 0.2    | -1.5    |
| Godrej Cons.         | -0.7      | 3.5    | 23.8    |
| GSK Cons.            | 0.1       | -2.8   | -20.0   |
| HUL                  | 0.0       | 2.7    | 50.7    |
| ITC                  | -0.1      | -0.8   | 11.1    |
| Jyothy Lab           | 0.0       | -7.6   | 7.9     |
| Marico               | 1.4       | -1.7   | 16.4    |
| Nestle               | 1.2       | 0.4    | 8.8     |
| Page Inds            | 0.8       | 1.6    | 21.3    |
| Parag Milk           | -1.5      | 8.1    | -12.2   |
| Pidilite Ind.        | -0.5      | -3.8   | 12.1    |
| P&G Hygiene          | -0.5      | 2.5    | 23.6    |
| Prabhat Dairy        | 2.6       | 13.9   | 20.7    |
| United Brew          | -1.1      | 5.3    | -10.7   |
| United Spirits       | 2.8       | -5.8   | 4.3     |
| <b>Healthcare</b>    |           |        |         |
| Alembic Phar         | 0.7       | 2.5    | -26.9   |
| Alkem Lab            | -0.8      | 1.0    | 5.3     |
| Ajanta Pharma        | -0.2      | -1.3   | -36.7   |
| Aurobindo            | 0.7       | 0.6    | -5.7    |
| Biocon               | 2.7       | 11.1   | 22.3    |
| Cadila               | -0.7      | 3.3    | 27.8    |
| Cipla                | 4.1       | 12.6   | 8.0     |



| Company              | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-----------|--------|---------|
| Divis Lab            | 1.2       | 1.6    | -27.7   |
| Dr Reddy's           | -0.6      | 7.8    | -21.3   |
| Fortis Health        | -0.8      | -0.3   | -16.2   |
| Glenmark             | -0.1      | 1.2    | -32.7   |
| Granules             | 1.3       | 12.9   | 17.4    |
| GSK Pharma           | 0.0       | 1.4    | -17.4   |
| IPCA Labs            | -0.6      | -4.4   | -19.1   |
| Jubilant Life        | -2.1      | -9.6   | -1.3    |
| Lupin                | -0.3      | 5.9    | -26.3   |
| Sanofi India         | -0.3      | 3.2    | -0.5    |
| Shilpa Medicare      | -1.0      | 11.5   | 15.1    |
| Strides Shasun       | 0.3       | -10.6  | -9.6    |
| Sun Pharma           | -0.2      | 4.5    | -25.5   |
| Syngene Intl         | -0.1      | 3.1    | -3.0    |
| Torrent Pharma       | 3.8       | 9.6    | -18.6   |
| <b>Logistics</b>     |           |        |         |
| Allcargo Logistics   | -0.2      | -4.6   | -5.7    |
| Blue Dart            | -0.8      | -3.1   | -20.0   |
| Concor               | -1.7      | -1.3   | 26.4    |
| Gateway Distriparks  | 0.0       | 3.1    | -5.6    |
| Gati                 | 1.0       | 1.3    | -10.7   |
| Transport Corp.      | 0.5       | -3.3   | 59.7    |
| <b>Media</b>         |           |        |         |
| Dish TV              | -0.1      | -6.7   | -21.4   |
| D B Corp             | -0.4      | -0.3   | -7.4    |
| Den Net.             | -1.0      | -10.3  | 19.7    |
| Ent.Network          | -2.1      | -6.7   | 0.5     |
| Hind. Media          | -2.0      | -6.6   | -16.8   |
| HT Media             | 6.9       | 5.0    | 11.4    |
| Jagran Prak.         | 0.2       | -5.8   | -14.0   |
| Music Broadcast      | -2.2      | -3.3   |         |
| PVR                  | 1.2       | 3.7    | 15.3    |
| Prime Focus          | 20.0      | 6.3    | 49.6    |
| Siti Net.            | -0.2      | -0.2   | -27.1   |
| Sun TV               | 0.0       | -0.9   | 55.0    |
| Zee Ent.             | -3.7      | -7.2   | -1.6    |
| <b>Metals</b>        |           |        |         |
| Hindalco             | 1.7       | 11.7   | 83.2    |
| Hind. Zinc           | 2.1       | 7.4    | 36.2    |
| JSPL                 | -1.7      | 8.7    | 114.1   |
| JSW Steel            | -0.3      | -2.6   | 50.8    |
| Nalco                | 3.0       | 11.1   | 74.5    |
| NMDC                 | 0.6       | -6.4   | 7.2     |
| SAIL                 | 1.5       | -4.9   | 25.1    |
| Vedanta              | -0.2      | 4.8    | 73.4    |
| Tata Steel           | -0.4      | 4.9    | 73.5    |
| <b>Oil &amp; Gas</b> |           |        |         |
| BPCL                 | 2.8       | 3.0    | 16.9    |
| GAIL                 | -0.2      | 9.3    | 36.3    |
| Gujarat Gas          | -1.4      | 9.7    | 57.2    |
| Gujarat St. Pet.     | -1.9      | 0.7    | 28.5    |
| HPCL                 | 2.2       | 4.0    | 61.5    |
| IOC                  | 0.2       | -0.3   | 28.8    |
| IGL                  | -1.5      | 4.3    | 80.9    |
| MRPL                 | 0.9       | -5.1   | 41.6    |
| Oil India            | -0.7      | 6.6    | 11.3    |
| ONGC                 | -0.4      | 2.6    | -7.8    |
| PLNG                 | 3.9       | 12.6   | 29.5    |
| Reliance Ind.        | -0.1      | 3.7    | 64.9    |
| <b>Retail</b>        |           |        |         |
| Jubilant Food        | 2.0       | 16.3   | 51.9    |
| Titan Co.            | -0.2      | -1.0   | 62.2    |

| Company           | 1 Day (%) | 1M (%) | 12M (%) |
|-------------------|-----------|--------|---------|
| <b>Technology</b> |           |        |         |
| Cyient            | 0.0       | 9.9    | 10.7    |
| HCL Tech.         | -0.3      | 3.9    | 13.8    |
| Hexaware          | 1.4       | 1.0    | 56.9    |
| Infosys           | -0.8      | 2.5    | -8.9    |
| KPIT Tech         | 0.5       | 7.7    | 0.2     |
| L&T Infotech      | -0.3      | 6.7    | 31.1    |
| Mindtree          | 1.9       | 8.2    | 2.5     |
| Mphasis           | 0.6       | 5.6    | 20.4    |
| NIIT Tech         | 1.7       | 26.9   | 54.3    |
| Persistent Sys    | -1.1      | 4.4    | -4.1    |
| Tata Elxsi        | -1.0      | -7.2   | 30.0    |
| TCS               | 0.4       | 3.9    | 9.8     |
| Tech Mah          | -0.5      | 6.5    | 15.8    |
| Wipro             | -0.2      | 1.3    | 22.8    |
| Zensar Tech       | 0.3       | -1.3   | -24.7   |
| <b>Telecom</b>    |           |        |         |
| Bharti Airtel     | 2.9       | 17.8   | 54.7    |
| Bharti Infratel   | 1.5       | 28.2   | 33.3    |
| Idea Cellular     | 8.4       | 13.0   | 24.2    |
| Tata Comm         | 0.9       | 2.5    | 12.7    |
| <b>Utilities</b>  |           |        |         |
| Coal India        | -0.1      | 11.6   | -6.8    |
| CESC              | 0.7       | -1.1   | 74.7    |
| JSW Energy        | 4.1       | 5.6    | 17.1    |
| NTPC              | 0.3       | 5.2    | 19.3    |
| Power Grid        | -0.3      | -4.0   | 16.6    |
| Tata Power        | -0.2      | -3.3   | 5.2     |
| <b>Others</b>     |           |        |         |
| Arvind            | -1.0      | -5.7   | 11.5    |
| Avenue Super.     | -1.1      | 11.9   |         |
| Bata India        | 0.3       | 9.1    | 62.9    |
| BSE               | -0.2      | -4.5   |         |
| Castrol India     | 1.3       | -2.3   | -18.2   |
| Century Ply.      | 2.3       | 14.1   | 11.1    |
| Coromandel Intl   | -0.2      | 14.9   | 87.0    |
| Delta Corp        | -1.8      | 15.0   | 33.5    |
| Dynamatic Tech    | 0.0       | -7.0   | -36.2   |
| Eveready Inds.    | -0.7      | 8.7    | 32.4    |
| Interglobe        | -0.9      | -6.1   | 18.9    |
| Indo Count        | 1.7       | -4.2   | -23.8   |
| Info Edge         | 0.4       | -6.2   | 29.8    |
| Inox Leisure      | -0.7      | -1.2   | -11.2   |
| Jain Irrigation   | 1.9       | -8.5   | 3.1     |
| Just Dial         | 0.6       | 6.8    | -6.8    |
| Kaveri Seed       | 2.7       | -1.2   | 37.5    |
| Kitex Garm.       | -1.1      | -5.6   | -30.3   |
| Manpasand         | -0.8      | -6.7   | 26.4    |
| MCX               | 0.0       | 2.2    | -16.6   |
| Monsanto          | -0.2      | -1.2   | 2.9     |
| Navneet Educat.   | -0.2      | -1.0   | 68.8    |
| PI Inds.          | 3.1       | 2.4    | -0.7    |
| Piramal Enterp.   | 0.7       | -4.0   | 49.0    |
| Quess Corp        | -0.2      | -1.6   | 37.7    |
| SRF               | -0.6      | 8.8    | -6.7    |
| S H Kelkar        | -0.4      | 1.2    | -7.9    |
| Symphony          | 1.0       | 1.8    | 26.8    |
| Team Lease Serv.  | -2.4      | -2.6   | 56.5    |
| Trident           | -0.1      | 1.4    | 71.4    |
| TTK Prestige      | 0.4       | -3.6   | 11.4    |
| V-Guard           | -0.7      | -4.3   | 42.7    |
| Wonderla          | 1.1       | 5.8    | -10.0   |

# THEMATIC/STRATEGY RESEARCH GALLERY

**MOTILAL OSWAL** | Thematic | December 2017

## Staffing

**Well placed!**

Author: Chetan K. Research Analyst (Senior) | chetan.k@motilaloswal.com | 91-22-2602-6638  
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**MOTILAL OSWAL** | Thematic | 28 August 2017  
Sector: Technology

## Indian Exchanges

**The confluence of growth drivers**

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**MOTILAL OSWAL** | Thematic | August 2017

## Rural India

**Back on the saddle**

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**MOTILAL OSWAL** | Thematic | July 2017

## Radio

**Well tuned to flourish**

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**MOTILAL OSWAL** | Thematic | June 2017

## The Big Leap to a formal economy

Volume 2.2

**Ground Reality Jewelry**

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**MOTILAL OSWAL** | Thematic | June 2017

## The Big Leap to a formal economy

Volume 2.1

**Ground Reality Tiles**

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**MOTILAL OSWAL** | Thematic | June 2017

## India Strategy

SEF Series: ELSR2 | SEP-2017: 03.02

**Still in the works**

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**MOTILAL OSWAL** | Thematic | June 2017

## Sustainability

**Expanding horizons**

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# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

**MOTILAL OSWAL** Initiating Coverage | 12 August 2017  
Sector: Metals

### Trident

Health is a critical growth driver, which, along with strong regulatory compliance, offers the pathway to growth and value.

**An attractive utilization play**

Head Office: Research Analyst, Motilal Oswal Securities Pvt. Ltd., 411 001 2002  
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Responsible for delivery of client through registered intermediaries under the Securities and Exchange Board of India (SEBI) (Research Analysts) Regulations, 2002. For more information, please visit our website: [www.motilal.com](http://www.motilal.com)

**MOTILAL OSWAL** Initiating Coverage | 7 August 2017  
Sector: Healthcare

### Strides Shasun

Manufacturing capacity  
Healthy product pipeline  
Regulatory compliance  
Forward integration

**Making great strides**

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**MOTILAL OSWAL** Initiating Coverage | 15 Aug 2017  
Sector: Healthcare

### Shilpa Medicare

Manufacturing capacity  
Healthy product pipeline  
Regulatory compliance  
Forward integration

**Injecting Growth**

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**MOTILAL OSWAL** Initiating Coverage | 18 Aug 2017  
Sector: Insurance

### Capital First

30%+ PAT CAGR  
17% RoE  
Focused Underwriting  
New Products

**Capitalizing on multiple opportunities**

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**MOTILAL OSWAL** Initiating Coverage | 17 Aug 2017  
Sector: Finance

### L&T Finance Holdings

10% RoE  
20% RoE  
30% RoE

**Focused approach**

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**MOTILAL OSWAL** Initiating Coverage | 14 Aug 2017  
Sector: Healthcare

### Jubilant Life Sciences

Lower financial leverage  
Unique portfolio  
Strong visibility  
Attractive valuation  
High entry barriers

**Promising formulation**

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**MOTILAL OSWAL** Initiating Coverage | 21 Aug 2017  
Sector: Retail

### Avenue Supermarts

**Delivering Value**

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**MOTILAL OSWAL** Initiating Coverage | 21 Aug 2017  
Sector: Finance

### Cholamandlam Finance

Research emphasis  
Cost improvement  
Productivity improvement  
Profitability focus

**Prepared, Equipped and Armed**

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**MOTILAL OSWAL** Initiating Coverage | 18 Aug 2017  
Sector: Utilities

### Tata Power

**Struggling for RoE**

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# DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL

Annual Report Threadbare

30 December 2017

**ALROBIDD PHARMA FY17**

Alrobid Pharma FY17 annual report highlights a year of rebuilding growth. FY17 revenue grew by 10% to Rs. 147 crore from Rs. 134 crore in FY16. Earnings, after business restructuring, also improved as more of the top 10 sales accounts performed strong. FY17 net profit of Rs. 10.2 crore, an increase of 10% over FY16, is a testament to the company's strong financial performance. The management has worked on the elimination of non-core businesses, which has resulted in a leaner and more focused organization. The company has also invested in R&D, which has resulted in the launch of several new products. The company's strong financial performance is a testament to the company's focus on growth and innovation.

**Key Highlights:**

- Revenue grew by 10% to Rs. 147 crore from Rs. 134 crore in FY16.
- Earnings, after business restructuring, also improved as more of the top 10 sales accounts performed strong.
- FY17 net profit of Rs. 10.2 crore, an increase of 10% over FY16.
- Investment in R&D, which has resulted in the launch of several new products.

**Financial Summary:**

| Particulars      | FY17 | FY16 |
|------------------|------|------|
| Revenue          | 147  | 134  |
| Profit           | 10.2 | 9.3  |
| Operating Profit | 10.2 | 9.3  |
| Net Profit       | 10.2 | 9.3  |

**Shareholding Pattern:**

| Category             | Shareholders | Shareholding (%) |
|----------------------|--------------|------------------|
| Public Shareholders  | 1,23,456     | 85.5             |
| Private Shareholders | 20,123       | 14.5             |

**Director's Report:**

The Board of Directors is pleased to present the annual report for FY17. The company has achieved significant milestones in FY17, including a 10% increase in revenue and a 10% increase in net profit. The management has worked on the elimination of non-core businesses, which has resulted in a leaner and more focused organization. The company has also invested in R&D, which has resulted in the launch of several new products. The company's strong financial performance is a testament to the company's focus on growth and innovation.

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MOTILAL OSWAL

Confidence on long term prospects intact

Keeping a firm believe in the future

30 December 2017

**CornerOffice**

Confidence on long term prospects intact

Keeping a firm believe in the future

**Key Highlights:**

- Confidence on long term prospects intact.
- Keeping a firm believe in the future.

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MOTILAL OSWAL

VOICES

30 December 2017

**India Inc on Call**

VOICES is a quarterly report that provides a detailed analysis of the Indian economy, the government's policies, and the market's reaction. It is a must-read for investors and analysts alike.

**Key Highlights:**

- India Inc on Call.
- VOICES is a quarterly report that provides a detailed analysis of the Indian economy, the government's policies, and the market's reaction. It is a must-read for investors and analysts alike.

**Financial Summary:**

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MOTILAL OSWAL

EcoKnowLedgE

30 December 2017

**India Inc on Call**

EcoKnowLedgE is a quarterly report that provides a detailed analysis of the Indian economy, the government's policies, and the market's reaction. It is a must-read for investors and analysts alike.

**Key Highlights:**

- India Inc on Call.
- EcoKnowLedgE is a quarterly report that provides a detailed analysis of the Indian economy, the government's policies, and the market's reaction. It is a must-read for investors and analysts alike.

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MOTILAL OSWAL

**BULLS & BEARS**

INDIA WALLIATIONS HANDBOOK

30 December 2017

**Highlights of August edition:**

- Nifty down 1.8% in August – just two months of negative return in CY17
- Global Cyclicals outperforms PSU
- Banks underperform
- Technology today near historical averages, cheap month led by Infosys
- EB selling of USDBs during the month

**Financial Summary:**

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MOTILAL OSWAL

**FUND FOLIO**

Indian Mutual Fund Tracker

30 December 2017

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- Global Cyclicals outperforms PSU
- Banks underperform
- Technology today near historical averages, cheap month led by Infosys
- EB selling of USDBs during the month

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**Pending Regulatory Enquiries against Motilal Oswal Securities Limited by SEBI:**

SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudicate violation of SEBI Regulations; MOSL requested SEBI to provide all documents, records, investigation report relied upon by SEBI which were referred in Show Cause Notice and also sought personal hearing. The matter is currently pending.

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