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Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	32,477	-0.3	22.0
Nifty-50	10,082	-0.3	23.2
Nifty-M 100	18,518	0.0	29.0
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,478	0.0	10.7
Nasdaq	6,363	0.0	18.2
FTSE 100	7,411	-0.2	3.8
DAX	12,181	-0.6	6.1
Hang Seng	11,055	0.3	17.7
Nikkei 225	20,080	0.5	5.1
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	52	1.6	-6.4
Gold (\$/OZ)	1,267	0.0	9.3
Cu (US\$/MT)	6,322	0.1	14.5
Almn (US\$/MT)	1,903	1.0	11.7
Currency	Close	Chg. %	YTD.%
USD/INR	63.6	-0.7	-6.3
USD/EUR	1.2	0.2	12.2
USD/JPY	110.8	0.3	-5.4
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.5	0.0	-0.1
10 Yrs AAA Corp	7.5	0.0	-0.1
Flows (USD b)	2-Aug	MTD	YTD
FII	0.1	-0.1	8.8
DII	0.0	0.2	4.2
Volumes (INRb)	2-Aug	MTD*	YTD*
Cash	271	281	288
F&O	5,512	4,463	5,033

Note: YTD is calendar year, \*Avg



Today's top research theme

Ecoscope: RBI cuts policy interest rate, but maintains neutral stance

Favorable data to lead to another rate cut in October

- ✓ In line with market expectations, MPC decided to cut repo rate by 25bp to 6%, but maintained its 'neutral' policy stance adopted in Feb'17. The decision was taken with a majority of 4-2 votes. The move was in contrast to our fear that RBI would maintain status quo due to MPC's bias towards not changing rates.
- ✓ RBI has maintained its FY18 real GVA growth/inflation forecasts at 7.3%/~3.5%. However, it sounded extremely cautious on future inflation trajectory and is likely to remain data-dependent. We believe that retail inflation will undershoot RBI's trajectory, remaining below-2% levels over next two months. Besides, GDP growth is likely to remain weak at 6.5% in 1QFY18 – the second straight quarter of sub-7% growth.
- ✓ We believe that favorable data will prompt RBI to cut policy rates again on 4-Oct 2017.



Research covered

Cos/Sector	Key Highlights
EcoScope	RBI cuts policy interest rate, but maintains neutral stance
EcoScope	Economic activity faltered again in June 2017
Marico	Domestic volumes down 9%, performance affected by pipeline issues
PNB	In-line operating performance; provisions dent earnings
Shriram City Union Fin.	Sluggish quarter; quantum of write-offs inching up
Solar Industries	In-line operational performance led by overseas business
K E C Intl.	Operating performance above expectations led by margins beat
Capital First	Strong performance; Migrated to 90dpd NPL recognition
Automobile	July 2017 volumes: Bajaj Auto: Overall July volumes down 6.7% YoY
Results Flash	LPC   HMN   VOLT   BATA   ENIL
Results Expectation	CEAT   CLGT   KKC   IOCL   JYL   TRCL   TTAN



Piping hot news

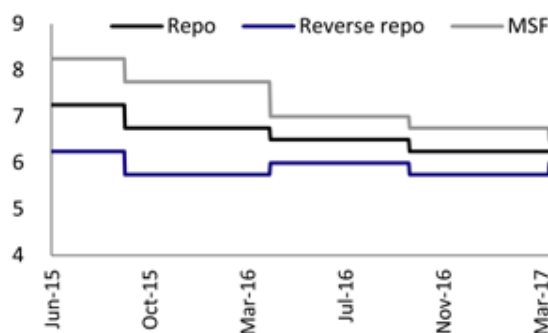
RBI makes heavy weather of 25-bps rate cut

- ✓ After keeping the policy repo rate steady for nine months, the Monetary Policy Committee (MPC) delivered a 25-basis points cut, citing lower inflation, normal monsoon and a smooth rollout of the Goods and Services Tax.



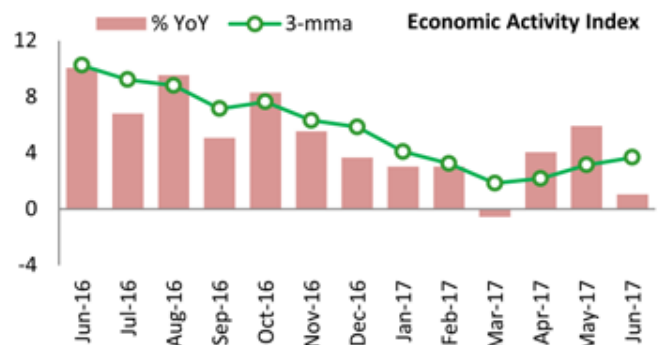
Chart of the Day: EcoScope - RBI cuts policy interest rate, but maintains neutral stance

RBI cuts policy interest rate (%)



Source: RBI

India's economic activity growth faltered again in June 2017



Please refer to our earlier [report](#) for details

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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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

### Bajaj Finance to pick up 11% stake in Mobikwik for Rs225 crore

Bajaj Finance on Wednesday said it will pick up nearly 11% stake in mobile wallet company Mobikwik for about Rs225 crore...

2

### Baba Ramdev's Patanjali teams up with Facebook, Google for online advertisement push

Patanjali Ayurved Ltd., the herbal products manufacturer founded by yoga guru Baba Ramdev, is going digital big time. In collaboration with Google and Facebook, Patanjali is for the first time investing in advertisements tailored for online audiences, hoping to reap bigger dividends than its campaigns in the print and electronic media. "We began in February and the response has been far more than our expectations," said a senior official at Patanjali, requesting anonymity...

3

### Thyssenkrupp is said to consider breakup as plan B to Tata Steel Europe

Thyssenkrupp AG is considering a radical breakup plan as a possible alternative to the proposed combination of its European steel operations with India's Tata Steel Europe Ltd., according to people familiar with the matter...

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### Tata Sons may shut oil production arm Petrodyne in business revamp

Tata Sons Ltd may shut down Tata Petrodyne Ltd (TPL), its oil exploration and production arm, as new chairman N. Chandrasekaran weeds out businesses that are unprofitable or lack scale, according to two people aware of the development...

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### National Company Law Tribunal hearing: RCom, Aircel deal after Supreme Court nod, says Department of Telecommunications

In what could delay the proposed merger of Reliance Communications and Aircel, the department of telecommunications (DoT) on Wednesday informed the Mumbai bench of the National Company Law Tribunal (NCLT) that the deal needed to be blessed by the Supreme Court...

6

### Airtel may sell 3% stake in Bharti Infratel

Bharti Airtel Ltd, India's largest wireless carrier, is considering selling about a 3% stake in its tower unit through an institutional share sale, people with knowledge of the matter said...

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### Listing of Reliance Infrastructure investment trust delayed

Reliance Infrastructure on Wednesday said that the listing of its infrastructure investment trust (InvIT) has been delayed due to the muted performance of the first two InvITs – IRB InvIT Fund and India Grid Trust – that listed earlier this year on the Bombay Stock Exchange (BSE)...



## RBI cuts policy interest rate, but maintains neutral stance

### Favorable data to lead to another rate cut in October

- n In line with market expectations, the Monetary Policy Committee (MPC) decided to cut the repo rate by 25bp to 6%, but maintained its 'neutral' policy stance adopted in February 2017. The decision was taken with a majority of 4-2 votes. The move was in contrast to our fear that the central bank would maintain status quo due to the MPC's bias towards not changing rates (for more details refer to our [monetary policy preview note](#)).
- n As far as the economic forecasts are concerned, the RBI has maintained its FY18 real GVA growth and inflation forecasts at 7.3% and ~3.5%, respectively.
- n Although the RBI sounded extremely cautious, we believe it will remain data-dependent. Over the next two months, we expect retail inflation to remain below, but close to, 2%. We also expect real GDP to grow ~6.5% in 1QFY18 (refer our [June economic activity report](#)). Accordingly, we believe favorable data will prompt the RBI to cut policy rates again on 4 October 2017.

- n **RBI cuts policy rates, as expected...:** The RBI cut policy rates by 25bp in its Third Bi-monthly Monetary Policy Review held today, taking the repo rate to 6%, the reverse repo rate to 5.75% and the marginal standing facility (MSF) rate to 6.25% (*Exhibit 1*). The cut in rates was in line with market expectations, but in contrast to our fear that the RBI would maintain status quo on account of the MPC's bias towards unchanged rates. The decision to cut rates was taken with a majority of 4-2 votes. Of the two members not in favor of the decision, Dr Ravindra Dholakia voted for a cut of 50bp, while Dr Michael Patra voted for status quo. The MPC continued with its 'neutral' policy stance.

- n **...but sounds cautious on inflation:** Even though the MPC maintained its inflation forecast at ~3.5% for FY18, it remained extremely cautious on the future inflation trajectory. The MPC highlighted that it was not possible to determine whether the recent decline in inflation was driven by transitory or structural factors, and that there were upside risks to inflation emanating from – (1) the implementation of farm loan waivers and (2) the implementation of salary & allowances by the States. According to the RBI, if the states were to increase salary & allowances similar to the Center in the current financial year itself, this could add ~100bp to the headline inflation number (not factored in its inflation projections). Moreover, despite the recent low inflation, household inflation expectations also hardened in the June 2017 Survey.

- n **Expect another rate cut in October policy:** Given that more clarity on the impact of GST and the implementation of HRA hikes by the Center on inflation is expected to emerge in the coming months, the RBI's data-dependent stance is justified at the current juncture. However, we believe that retail inflation will undershoot the RBI's trajectory, remaining below-2% levels over the next two months. Besides, GDP growth is also likely to remain weak at 6.5% in 1QFY18 – the second consecutive quarter of sub-7% growth. Hence, we believe favorable data will prompt the RBI to cut policy rates again on 4 October 2017.

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## Economic activity faltered again in June 2017

Expect real GDP growth to improve to ~6.5% in 1QFY18

- n After healthy growth in April and May 2017, India's economic activity index (EAI) grew only 1.1% YoY in June 2017. Though 1QFY18 was better than 4QFY17, it was considerably weaker than 3QFY17 and previous quarters.
- n A sharp decline in fiscal spending led to a deceleration in consumption growth to 4.6% YoY in June 2017, while renewed weakness in construction activity and capital goods led to the first decline (of 0.5% YoY) in investments in four months.
- n After declining ~2% YoY in 4QFY17, investments grew marginally (<1%) in 1QFY18. Further, trade deficit widened significantly, implying that consumption – mainly fiscal spending – remains the key driver of the anemic growth in the economy. Based on our composite EAI, we expect real GDP growth to improve slightly to ~6.5% YoY in 1QFY18.

Preliminary estimates reveal that a decline in fiscal spending and total investments led to sharp deceleration in Indian economic activity, which grew ~1% YoY in June 2017

With fiscal deficit reaching ~81% of budget estimate (BE) in 1QFY18, fiscal policy is reaching limits quickly

- n **India's economic activity growth faltered again in June 2017...**: Preliminary estimates reveal that a decline in fiscal spending and total investments led to sharp deceleration in Indian economic activity, which grew ~1% YoY in June 2017, after growing decently (~5%) in the previous two months (*Exhibit 1*). Consequently, EAI grew 3.6% YoY in 1QFY18, much better than 4QFY17 but weaker than the previous quarters (*Exhibit 2*).
- n **...primarily driven by fiscal consumption**: After double-digit growth for two consecutive months, consumption growth decelerated to 4.6% YoY in June 2017 (*Exhibit 3*). A decline in government spending dragged consumption growth in June. In 1QFY18, however, consumption grew 8.3% YoY, marking the highest growth in four years. Other components of consumption such as passenger traffic, real rural wages and petrol sales improved in 1QFY18 vis-à-vis 4QFY17 (*Exhibit 7 and 9* for monthly and quarterly heat maps).
- n **Private investments declined again in June 2017**: On the other hand, private investments declined 0.5% YoY in June, marking the first decline in four months (*Exhibit 4*). After declining ~2% YoY in 4QFY17, our index shows that investments grew marginally (0.6% YoY) in 1QFY18. Within investments, faster decline in construction activity and capital goods dragged investment growth (*Exhibit 8 and 10* for monthly and quarterly heat maps). A much higher growth in imports than exports also dragged EAI (*Exhibit 5*).
- n **How long can the government support economic activity?:** Advancement of the Union Budget by a month seems to have advanced fiscal spending, supporting economic activity. However, with fiscal deficit reaching ~81% of budget estimate (BE) in 1QFY18, fiscal policy is reaching limits quickly. Although there is no one-to-one correlation between our EAI and official GDP due to [underlying differences](#), our EAI moves in sync with real GDP (excluding discrepancies) estimates (*Exhibit 6*). Accordingly, we expect real GDP growth to improve from 6.1% YoY in 4QFY17 to 6.5% YoY in 1QFY18.

BSE SENSEX 32,477  
S&P CNX 10,082

**CMP: INR1,034 TP: INR1,475(+43%) Buy**

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

**Conference Call Details**



**Date:** 3rd August 2017  
**Time:** 12:00 noon IST  
**Dial-in details:**  
+91-22-3960 0632

**Financials & Valuations (INR b)**

Y/E Mar	2017	2018E	2019E
Net Sales	174.9	183.9	210.9
EBITDA	46.5	45.6	54.4
NP	26.7	26.1	32.4
EPS (INR)	59.2	57.9	72.0
EPS Gr. (%)	17.5	-2.3	24.4
BV/Sh. (INR)	293.5	340.8	402.2
RoE (%)	22.0	18.2	19.4
RoCE (%)	14.7	12.6	14.0
Div. Yield	0.5	0.5	0.5

**Weak results; EBITDA margin lowest in 16 quarters**

- n Lupin's 1QFY18 revenue fell ~13% YoY to INR38.7b (1.4% miss), primarily as US business declined 26% YoY to USD238m due to higher-than-expected price erosion.
- n India business (down ~2% to INR9.3b) performed relatively better than peers.
- n Gross margin contracted 400bp YoY to 68.1%.
- n R&D spends for the quarter stood at INR4.9b, accounting for 12.2% of sales v/s 11.5% in 1QFY17 and 16.1% in 4QFY17.
- n EBITDA fell 41% YoY to INR7.7b, with margins coming in at 20% (-940bp YoY).
- n PAT declined ~59% YoY to INR3.6b owing to weak operational performance and higher tax rate of 27.6% (v/s 23.7% in 1QFY17).

**Key questions for management**

- n Impact of GST on India business
- n Did company offer any discounts to channel partners in India? If yes, what was the impact of that on EBITDA margins?
- n What was the top-line decline for Glumetza and Fortamet? How much more downside we see from here?
- n What was the base business decline in US?
- n What was the key reason behind 16% YoY revenue growth in LATAM?
- n R&D spend outlook

**Valuation and view:** We will revisit our estimates post the earnings call.

Competition in Glumetza and Fortamet is expected to lead to a decline in US sales in FY18. Due to this, we expect EBITDA margin to contract in FY18.

**Quarterly Performance (Consolidated)**

Y/E March	FY17				FY18E				FY17	FY18E	% Var	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	44,677	42,905	44,828	42,533	38,696	44,691	46,883	53,630	174,943	183,900	44,036	-12.1
YoY Change (%)	41.6	28.9	26.1	2.0	-13.4	4.2	4.6	26.1	23.1	5.1	-1.4	
Total Expenditure	31,596	32,624	32,670	31,481	31,012	33,965	34,928	38,388	128,453	138,293	33,335	
EBITDA	13,080	10,281	12,158	11,052	7,684	10,726	11,955	15,242	46,490	45,607	10,701	-28.2
Margins (%)	29.3	24.0	27.1	26.0	19.9	24.0	25.5	28.4	26.6	24.8	24.3	
Depreciation	2,027	2,112	2,309	2,674	2,605	2,600	2,600	4,071	9,122	11,877	2,600	
Interest	320	263	459	406	439	300	300	362	1,525	1,401	350	
Other Income	826	271	1,036	453	320	400	350	430	1,065	1,500	400	
PBT	11,560	8,177	10,426	8,425	4,959	8,226	9,405	11,239	36,908	33,829	8,151	-39.2
Tax	2,734	1,589	4,095	1,367	1,368	2,180	2,492	2,924	9,785	8,965	2,160	
Rate (%)	23.7	19.4	39.3	16.2	27.6	26.5	26.5	26.0	26.5	26.5	26.5	
Minority Interest	6	8	24	-16	-12	20	20	57	72	85	20	
Recurring PAT	8,820	6,622	6,331	6,069	3,581	6,026	6,893	8,257	27,051	24,779	5,971	-40.0
YoY Change (%)	55.1	58.0	19.5	-18.9	-59.4	-8.4	8.9	36.1	19.1	-8.4	-32.3	
Margins (%)	19.7	15.4	14.1	14.3	9.3	13.5	14.7	15.4	15.5	13.5	13.6	

E: MOSL estimates; Quarterly nos will not add up to full year nos due to restatement of past quarters





# Marico

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
32,477	10,082
<b>Bloomberg</b>	<b>MRCO IN</b>
Equity Shares (m)	1,290.5
M.Cap.(INRb)/(USDb)	420.7 / 6.6
52-Week Range (INR)	336 / 235
1, 6, 12 Rel. Per (%)	-1/13/-7
Avg Val, INRm/ Vol m	376
Free float (%)	40.3

Financials & Valuations (INR b)			
Y/E Mar	2017	2018E	2019E
Net Sales	59.2	67.0	77.6
EBITDA	11.4	12.2	14.6
PAT	8.1	8.8	10.6
EPS (INR)	6.3	6.8	8.2
Gr. (%)	12.1	8.5	20.9
BV/Sh (INR)	18.0	21.0	22.7
RoE (%)	36.7	34.9	37.7
RoCE (%)	31.5	29.8	32.3
P/E (x)	52.0	47.9	39.6
P/BV (x)	18.1	15.5	14.4
EV/EBITDA (x)	36.6	33.8	28.2
Div. Yield (%)	0.9	1.0	1.7

<b>Estimate change</b>	↔
<b>TP change</b>	↔
<b>Rating change</b>	↔

**CMP: INR327 TP: INR355(+9%) Neutral**

## Domestic volumes down 9%, performance affected by pipeline issues

- MRCO's consol. net sales declined 4% YoY (est. of flat sales) to INR16.8b.** Domestic volumes declined by 9% YoY (est. of -3%) and revenues by 4% YoY. International revenue grew 6% YoY on constant currency (CC) basis, with 1% overall sales decline. Rural sales fell 11% YoY, while urban sales were flat ahead of GST roll-out. The company increased its market share across categories.
- Consol. gross margin shrunk 430bp YoY (est. of -400bp) to 47.8%.** Copra costs rose 69% YoY and 7% QoQ. Gross margin contraction can be ascribed to delay in price increases because of GST implementation. Consol. A&P expenses declined 230bp YoY and 22.9% on absolute basis YoY. There was a decrease in other expenditure by 40bp YoY, while staff costs increased 50bp YoY. EBITDA margin contracted 210bp YoY (lower than est. of -300bp) to 19.3%, and thus, EBITDA fell 13.3% YoY (est. of -14.2%) to INR3.24b. Adj. PAT declined 11.9% YoY (est. of -13.4%) to INR2.36b, 1.7% ahead of our estimate.
- Segmental growth:** Parachute sales grew 3% YoY, with 9% volume decline; Saffola sales fell 8%, with volume decline of 8%; and Value Added Hair Oils (VAHO) sales dropped 8%, with 9% volume decline. The Youth brands portfolio declined 23% in value terms.
- Valuation and view:** We remain positive on MRCO's longer-term earnings growth prospects. Its investments in distribution technology are far ahead of peers and will serve them in good stead over the long term. However, valuations at 39.6x FY19E EPS do not leave much room for upside, particularly after the 29% stock price spurt since our upgrade to Buy in December. We had downgraded the stock to Neutral recently, and maintain the stance with a target price of INR355 (41x June 2019E EPS, 10% premium to three-year average because of likely return to ~20% EPS CAGR growth beyond the GST hit 1QFY18).

## Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		1QE		
Domestic volume growth (%)	8.0	3.4	-4.0	10.0	-9.0	14.0	16.0	12.0	3.6	8.5	-3.0	
<b>Net Sales</b>	<b>17,523</b>	<b>14,390</b>	<b>14,140</b>	<b>13,152</b>	<b>16,815</b>	<b>17,268</b>	<b>17,321</b>	<b>15,633</b>	<b>59,180</b>	<b>67,037</b>	<b>17,499</b>	-3.9%
YoY Change (%)	0.2	-0.9	-7.5	2.2	-4.0	20.0	22.5	18.9	-3.3	13.3	0.0	
COGS	8,400	6,847	6,859	6,365	8,782	8,390	8,228	7,505	28,491	32,906	9,119	
<b>Gross Profit</b>	<b>9,123</b>	<b>7,543</b>	<b>7,281</b>	<b>6,787</b>	<b>8,033</b>	<b>8,879</b>	<b>9,093</b>	<b>8,127</b>	<b>30,690</b>	<b>34,131</b>	<b>8,379</b>	-4.1%
Gross margin (%)	52.1	52.4	51.5	51.6	47.8	51.4	52.5	52.0	51.9	50.9	47.9	
Other Expenditure	5,384	5,050	4,585	4,262	4,790	5,974	5,790	5,371	19,276	21,924	5,209	
% to Sales	30.7	35.1	32.4	32.4	28.5	34.6	33.4	34.4	32.6	32.7	29.8	
<b>EBITDA</b>	<b>3,740</b>	<b>2,493</b>	<b>2,697</b>	<b>2,525</b>	<b>3,243</b>	<b>2,905</b>	<b>3,303</b>	<b>2,756</b>	<b>11,414</b>	<b>12,207</b>	<b>3,170</b>	2.3%
Margins (%)	21.3	17.3	19.1	19.2	19.3	16.8	19.1	17.6	19.3	18.2	18.1	
YoY Change (%)	18.2	9.8	-6.4	20.1	-13.3	16.5	22.5	9.2	8.1	7.0	-14.2	
Depreciation	208	209	213	273	211	262	266	385	903	1,124	260	
Interest	54	21	44	47	35	27	58	101	166	220	70	
Other Income	275	285	260	293	229	342	312	489	1,152	1,372	383	
<b>PBT</b>	<b>3,753</b>	<b>2,548</b>	<b>2,700</b>	<b>2,497</b>	<b>3,226</b>	<b>2,958</b>	<b>3,292</b>	<b>2,759</b>	<b>11,497</b>	<b>12,235</b>	<b>3,224</b>	0.0%
Tax	1,072	740	781	784	866	828	922	810	3,377	3,426	903	
Rate (%)	28.6	29.1	28.9	31.4	26.8	28.0	28.0	29.3	29.4	28.0	28.0	
<b>Adjusted PAT</b>	<b>2,679</b>	<b>1,806</b>	<b>1,916</b>	<b>1,709</b>	<b>2,359</b>	<b>2,128</b>	<b>2,368</b>	<b>1,944</b>	<b>8,110</b>	<b>8,799</b>	<b>2,319</b>	1.7%
YoY Change (%)	17.2	18.1	-6.8	25.5	-11.9	17.9	23.6	13.7	14.4	8.5	-13.4	

E: MOSL Estimates



# Punjab National Bank

BSE SENSEX	S&P CNX
32,477	10,082
Bloomberg	PNB IN
Equity Shares (m)	2,128
M.Cap.(INRb)/(USD\$b)	338.1 / 5.3
52-Week Range (INR)	186 / 112
1, 6, 12 Rel. Per (%)	11/-4/13
Avg Val, INRm	1781
Free float (%)	35.0

**CMP: INR155**      **TP: INR184 (+19%)**      **Buy**

## In-line operating performance; provisions dent earnings

- PNB reported in-line operating profit. Lower-than-estimated non-core income was compensated by a beat (8%) on operating expenses. NII and fee income were largely in line with estimates.
- Slippage ratio remained elevated at 6.8% (annualized) INR66.5b, of which 10% is fresh debit to existing NPA, 18% is due to end of RBI dispensation window and 12% is due to relapse from RL. Total pool of stress loans stood at ~INR775b (~18.5% of loans). One large electronic account contributed 12% of slippages.
- NIM improved 6bp QoQ as the base quarter was impacted by higher slippages in Agri segment. Loans declined 5% QoQ (+2% YoY), impacted by muted growth in the corporate segment. Retail loans grew 3% QoQ and 16% YoY. Within industry book, Infrastructure (16% of overall loans) de-grew 3% QoQ, but was up 4% YoY.
- Other highlights: a) CASA deposits grew 24% YoY, but declined 4% QoQ (seasonality impact); average CASA ratio stood at ~44% v/s 46% a quarter ago and 41.4% a year ago. b) Fee income growth was strong at 18% YoY, helped by better retail fees. c) CET1 ratio of ~8% remains a concern – management is looking to raise INR30b of capital in FY18.
- Valuation view:** Significant stress is being recognized over the past several quarters, and now resolution (especially under IBC) in key sectors like steel, power, construction and roads remains a key for upgrades and recoveries. On an average, on the IBC cases, shortfall is 8-10%. Investment in key ventures adds ~30% to overall market cap. We cut earnings estimates sharply (20-45%) to factor in lower growth. Due to low RoAs (~0.2%), even 10bp change in NIM (30%) and credit cost (20%) to profitability is very high. We expect near-term earnings volatility to continue until a clear picture emerges for asset quality. Maintain **Buy** and SOTP-based TP of INR185.

## Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	149.9	158.1	173.6
OP	145.7	116.1	119.1
NP	13.2	12.4	23.5
NIM (%)	2.3	2.3	2.4
EPS (INR)	6.2	5.8	11.0
EPS Gr. (%)	NM	-6.2	88.7
BV/Sh. (INR)	178	183	193
ABV/Sh. (INR)	71	77	111
RoE (%)	3.6	3.2	5.9
RoA (%)	0.2	0.2	0.3
Payout (%)	0.0	17.4	17.4
P/E(X)	25.5	27.2	14.4
P/BV (X)	0.9	0.9	0.8
P/ABV (X)	2.24	2.07	1.43
Div. Yield (%)	0.0	0.6	1.0

## Quarterly Performance

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	115,749	118,304	119,842	118,865	121,364	122,814	125,348	127,400	472,760	496,926
Interest Expense	78,759	79,505	82,534	82,030	82,812	84,054	85,105	86,811	322,828	338,783
Net Interest Income	36,990	38,799	37,308	36,835	38,551	38,760	40,243	40,589	149,932	158,143
% Change (YoY)	-9.8	-10.2	-9.4	33.1	4.2	-0.1	7.9	10.2	-2.1	5.5
Other Income	23,551	23,879	25,135	31,028	23,318	22,106	20,881	22,235	89,514	88,540
Net Income	60,541	62,678	62,443	67,863	61,869	60,866	61,124	62,824	239,445	246,683
Operating Expenses	27,794	29,557	30,897	5,545	29,696	33,527	33,527	33,799	93,794	130,549
Operating Profit	32,746	33,120	31,546	62,318	32,173	27,339	27,597	29,025	145,652	116,133
% Change (YoY)	4.6	12.7	8.1	93.1	-1.8	-17.5	-12.5	-53.4	19.2	-20.3
Other Provisions	27,384	25,338	29,359	57,535	26,087	24,000	24,000	22,161	125,536	96,248
Profit before Tax	5,362	7,783	2,187	4,783	6,086	3,339	3,597	6,864	20,115	19,885
Tax Provisions	2,299	2,289	116	2,164	2,652	1,002	1,079	2,724	6,867	7,457
Net Profit	3,064	5,494	2,072	2,619	3,434	2,337	2,518	4,140	13,248	12,428
% Change (YoY)	-57.5	-11.5	306.2	NM	12.1	-57.5	21.5	58.1	NM	NM
<b>Operating Parameters</b>										
NIM (Cal, %)	2.4	2.6	2.3	2.2	2.3	2.3	2.4	2.4	2.4	2.4
Deposit Growth (%)	7.0	6.5	11.6	12.4	12.9	11.0	6.3	4.0	12.4	4.0
Loan Growth (%)	2.8	3.4	-1.8	1.7	2.1	3.6	7.8	4.0	1.7	4.0
Tax Rate (%)	42.9	29.4	5.3	45.2	43.6	30.0	30.0	39.7	34.1	37.5
<b>Asset Quality</b>										
Gross NPA (INR B)	567	565	556	554	577	575	566	556	554	556
Gross NPA (%)	13.8	13.6	13.7	12.5	13.7	13.3	12.9	12.1	12.5	12.1

BSE SENSEX 32,477  
S&P CNX 10,082

**CMP: INR1,106**

**TP: INR1,265**

**Buy**

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

**Conference Call Details**



**Date:** 3<sup>rd</sup> August 2017  
**Time:** 11:00am IST  
**Dial-in details:**  
+91-22-3960 0663

**Financials & Valuations (INR b)**

Y/E Mar	2017	2018E	2019E
Net Sales	24.9	28.5	32.8
EBITDA	7.6	8.4	9.8
NP	6.0	6.4	7.7
EPS (INR)	26.5	28.3	33.9
EPS Gr. (%)	4.5	6.6	20.0
BV/Sh. (INR)	77.3	92.1	107.1
RoE (%)	35.8	33.4	34.1
RoCE (%)	31.0	34.1	38.5
P/E (x)	41.7	39.1	32.6
P/BV (x)	14.3	12.0	10.3

**Domestic volumes decline ~18% YoY; EBITDA margin down 800bp YoY**

- 1QFY18 sales declined 16.2% YoY (est. of -5%) to INR5.4b. Revenues were impacted by significant destocking in the domestic business ahead of GST implementation and inventory correction in the international business. Domestic volumes declined ~18% YoY. CSD (4% salience) declined by 20% YoY.
- Gross margin shrunk 90bp YoY (est. of -200bp) to 63.6%.** A&P spend declined 6.9% YoY on absolute basis, but as % of sales, was up 260bp YoY to 26.4%, led by aggressive spends on promotion of new launches. Sharp increase in other expenses (+200bp YoY to 10.6%) and higher employee expense (+240bp YoY to 11.9%) led to EBITDA margin contraction of 800bp YoY (est. -300bp YoY) to 14.8%. EBITDA thus declined 45.6% YoY (est. -17.5%) to INR802m. Adj. PAT before amortization fell 48.5% YoY (est. -23.1%) to INR605m.
- Domestic segmental performance (85% salience):** Boro Plus range grew by 20% YoY, with antiseptic cream growing 41% and prickly heat powder declining by 2%. Navratna range declined 11% YoY, with cool oils and cool talc down 15% and 3%, respectively. 7 Oils in One sales grew 16% YoY. Fair and Handsome range declined 19% YoY, with fairness cream down by 21%. Kesh King range fell 28% YoY. Healthcare range declined by 23% YoY, with balms down 21%, Pancharishta down 43%, but Nityam Churna & tablets up 15%.
- International (11% salience) sales declined 19% YoY,** impacted by slowdown in the Middle-East market. The company has also mentioned that it has undertaken reduction of stock levels across key markets.
- We will review our estimates post the conference call. We have a **Buy** rating on the stock.

Y/E MARCH	FY17				FY18				FY17	FY18E	FY18 1QE	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Domestic volume Growth (%)	18.0	11.0	0.2	-1.5	-18.0	8.0	14.0	18.0	6.9	9.0	-5.0	
Net Sales	6,454	5,846	7,260	5,777	5,411	6,547	8,639	7,869	25,337	28,466	6,122	-11.6%
YoY Change (%)	20.1	10.2	0.2	-4.4	-16.2	12.0	19.0	36.2	5.7	12.4	-5.0	
COGS	2,287	1,929	2,331	2,184	1,967	2,095	2,774	2,900	8,731	9,737	2,295	
Gross Profit	4,167	3,916	4,928	3,594	3,444	4,452	5,864	4,969	16,605	18,729	3,827	-10.0%
Gross margin (%)	64.6	67.0	67.9	62.2	63.6	68.0	67.9	63.2	65.5	65.8	62.5	
Other Expenditure % to sales	2,695	2,164	2,343	1,812	2,642	2,522	2,874	2,329	9,014	10,368	2,611	
	41.8	37.0	32.3	31.4	48.8	38.5	33.3	29.6	35.6	36.4	42.7	
EBITDA	1,473	1,752	2,585	1,781	802	1,930	2,990	2,640	7,591	8,362	1,215	-34.0%
Margins (%)	22.8	30.0	35.6	30.8	14.8	29.5	34.6	33.5	30.0	29.4	19.9	
YoY Change	49.2	15.1	3.7	-4.7	-45.6	10.1	15.7	48.2	10.5	10.1	-17.5	
Depreciation	106	111	112	140	153	122	123	122	469	519	117	
Interest	125	160	127	168	79	25	25	55	580	185	25	
Other Income	51	87	82	92	65	95	90	92	311	342	56	
PBT	1,292	1,568	2,428	1,565	635	1,878	2,932	2,555	6,853	7,999	1,130	-43.8%
Tax	117	230	381	108	28	376	586	594	836	1,584	226	
Rate (%)	9.1	14.7	15.7	6.9	4.4	20.0	20.0	23.2	12.2	19.8	20.0	
PAT before Amortization	1,175	1,336	2,046	1,456	605	1,502	2,346	1,961	6,013	6,416	904	-33.0%
YoY Change (%)	18.0	9.6	4.8	-6.6	-48.5	12.5	14.6	34.6	5.0	6.7	-23.1	
Amortization	609	680	705	623	598	646	670	487	2,617	2,400	579	
Reported PAT	567	661	1,343	833	10	857	1,676	1,474	3,404	4,016	325	

E: MOSL Estimates



BSE SENSEX 32,477  
S&P CNX 10,082

**CMP: INR540**

**TP: INR400**

**Sell**

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

**Conference Call Details**



**Date:** 4<sup>th</sup> August 2017  
**Time:** 02:00pm IST

**Financials & Valuations (INR b)**

Y/E Mar	2017E	2018E	2019E
Net Sales	60.3	67.4	75.1
EBITDA	5.8	5.9	6.8
NP	5.1	5.3	6.1
EPS (INR)	15.5	16.1	18.3
EPS Gr. (%)	30.1	3.9	14.0
BV/Sh. (INR)	100.0	111.8	125.3
RoE (%)	18.0	15.2	15.4
RoCE (%)	16.5	15.0	15.3
P/E (x)	35.3	33.9	29.7
P/BV (x)	5.4	4.9	4.3

**Results in line at the operating level**

- n Sales of INR19.5b (+5% YoY) were in line with our estimate of INR19.6b (consensus: INR19.1b). Projects segment sales grew 14% YoY, while UCP segment sales stood flat YoY at INR12.1b due to GST-related destocking and a weak summer season in 1QFY18.
- n Gross margin shrunk 50bp YoY to 28.3% on adverse mix (lower share of high-margin UCP segment).
- n EBITDA rose 6% YoY to INR2.1b (in line v/s est. of 2.1b), with margin of 10.9% (+10bp YoY) slightly higher than our estimate of 10.5%. Projects EBIT margin expanded 340bp YoY to 5.3%, while UCP margin shrunk 80bp YoY to 14.1%.
- n Other income of INR0.6b was ahead of our estimate of INR0.45b.
- n PAT of INR1.88b was ahead of our estimate of INR1.7b (consensus: INR1.44b).
- n Order inflow for 1QFY18 stood at INR9.9b and order backlog at INR49.1b.
- n VOLT maintained its market leadership (22.2% share) in the room air conditioner segment (multi-brand outlet).
- n Mr Noel Tata has been appointed as non-executive chairman. He will assume office from 1 September 2017 post retirement of current chairman.
- n Mr Abhijit Gajendragadkar has been appointed as CFO.

**Valuation view:** We will revisit our estimates post earnings call. We have **Sell** rating with TP of INR400.

**Quarterly Performance (Consolidated)**

(INR Million)

Y/E March	FY17				FY18				FY17	FY18	FY17	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Sales</b>	<b>18,500</b>	<b>9,672</b>	<b>11,805</b>	<b>20,351</b>	<b>19,446</b>	<b>11,248</b>	<b>13,548</b>	<b>22,914</b>	<b>60,328</b>	<b>67,391</b>	<b>19,568</b>	-1%
Change (%)	18.7	-7.0	-6.7	9.7	5.1	16.3	14.8	12.6	5.5	11.7	5.8	
<b>EBITDA</b>	<b>1,995</b>	<b>687</b>	<b>890</b>	<b>2,219</b>	<b>2,123</b>	<b>834</b>	<b>875</b>	<b>1,880</b>	<b>5,791</b>	<b>5,947</b>	<b>2,053</b>	3%
Change (%)	52.0	6.4	58.0	22.7	6.4	21.5	-1.6	-15.3	33.8	2.7	2.9	
As of % Sales	10.8	7.1	7.5	10.9	10.9	7.4	6.5	8.2	9.6	8.8	10.5	
Depreciation	66	63	60	56	61	65	65	61	245	252	70	
Interest	48	33	22	58	35	35	20	20	160	110	40	
Other Income	357	658	597	386	550	500	550	466	1,998	2,066	450	
Extra-ordinary Items	-9	0	0	-2	-20	0	0	0	11	0	-	
<b>PBT</b>	<b>2,248</b>	<b>1,249</b>	<b>1,405</b>	<b>2,493</b>	<b>2,596</b>	<b>1,234</b>	<b>1,340</b>	<b>2,266</b>	<b>7,395</b>	<b>7,651</b>	<b>2,393</b>	9%
Tax	651	505	437	496	727	432	402	658	2,089	2,219	694	
Effective Tax Rate (%)	28.9	40.4	31.1	19.9	28.0	35.0	30.0	29.1	28.2	29.0	29.0	
<b>Reported PAT</b>	<b>1,597</b>	<b>697</b>	<b>815</b>	<b>2,005</b>	<b>1,879</b>	<b>762</b>	<b>898</b>	<b>1,558</b>	<b>5,114</b>	<b>5,312</b>	<b>1,679</b>	12%
Change (%)	55.7	7.8	42.2	22.1	17.7	9.3	10.1	-22.3	38.8	3.9	6.5	
<b>Adj PAT</b>	<b>1,587</b>	<b>697</b>	<b>815</b>	<b>2,003</b>	<b>1,859</b>	<b>762</b>	<b>898</b>	<b>1,558</b>	<b>5,103</b>	<b>5,312</b>	<b>1,679</b>	11%
Change (%)	54.8	7.8	47.9	45.7	17.1	9.3	10.1	-22.2	42.6	4.1	7.1	

E: MOSL Estimates



# Shriram City Union Finance

BSE SENSEX	S&P CNX
30,477	10,082
Bloomberg	SCUF IN
Equity Shares (m)	65.9
M.Cap. (INR b)/(USD b)	141.0/2.1
52-Week Range (INR)	2650 / 1648
1, 6, 12 Rel. Per (%)	-7/7/5
Avg Val, (INR m)	99
Free float (%)	66.2

**CMP: INR2,326 TP: INR2,800 (+20%) BUY**

## Sluggish quarter; quantum of write-offs inching up

- n Shriram City Union Finance's (SCUF) 1QFY18 PAT increased 7% YoY to INR1.9b. Operating profit was up 20% YoY (in line), driven by strong loan growth and controlled opex. However, sharp increase in provisions (higher write-offs) drove moderate profit growth.
- n After strong performance in 1QFY17, disbursement growth in 1QFY18 moderated to 7% YoY. Disbursements were driven by gold loans only. Non-gold loan disbursements were flat YoY.
- n 2W disbursement growth of 2.2% YoY was below our expectation. Even considering the impact of pre-buying in 4Q, disbursements for 1HCY17 v/s 1HCY16 were down 2% YoY. SCUF has been losing market share to some captive financiers. However, management expects growth to return to the mid-to-high teens by the end of the year.
- n AUM grew 18% YoY (+4% QoQ) to INR241b, driven by 17% YoY growth MSME loans. Growth in the 2W and gold loan segments was 12% YoY.
- n Asset quality remained stable, with the GNPL ratio increasing only 3bp sequentially to 6.76% (v/s 5.11% in 1QFY17 at 150dpd). PCR of 74% was a key positive in the quarter. Write-offs of INR1.4b were in line with 4QFY17, but much higher than the quarterly average in FY16/17.
- n Shriram Housing Finance had a subdued quarter with 58% YoY decline in disbursements due to a difficult environment.
- n **Valuation and view:** SCUF is a niche play in the retail NBFC space with focus on MSME lending. Its business model offers high growth potential with strong profitability. While we expect GNPL (%) to rise due to NPA migration by FY18, we believe loan loss provisioning will decline as SCUF has strong PCR of 73%. However, there are still lingering effects of demonetization. Plus, the impact of GST on both growth and asset quality is uncertain. We cut our FY18/19 estimates by 8%/4%. Maintain BUY with a TP of INR2,800 (2.8x FY19E BV).

## Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	28.5	33.9	39.6
PPP	17.2	21.1	24.8
PAT	5.6	8.0	10.8
EPS (INR)	84	122	164
EPS Gr. (%)	5	44	35
BV/Sh. (INR)	763	863	1001
RoA (%)	2.7	3.4	4.0
RoE (%)	11.7	15.0	17.6
Payout (%)	7	18	16
<b>Valuations</b>			
P/E (x)	27.5	19.1	14.1
P/BV (x)	3.0	2.7	2.3
Div. Yield (%)	0.6	0.8	0.9

## QUARTERLY PERFORMANCE

Y/E MARCH	FY17				FY18				FY17	INR m FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	10,535	11,153	11,557	11,071	12,175	12,601	13,231	12,735	43,796	50,742
Interest expenses	3,672	3,802	3,933	3,937	4,019	4,139	4,263	4,379	15,344	16,800
<b>Net Interest Income</b>	<b>6,863</b>	<b>7,351</b>	<b>7,624</b>	<b>7,134</b>	<b>8,156</b>	<b>8,462</b>	<b>8,968</b>	<b>8,356</b>	<b>28,452</b>	<b>33,942</b>
Y-o-Y Growth (%)	19.7	22.1	17.7	14.6	18.9	15.1	17.6	17.1	19.1	19.3
Fees and Other Income	15	3	6	5	17	25	25	33	76	100
<b>Net Operating Income</b>	<b>6,878</b>	<b>7,354</b>	<b>7,630</b>	<b>7,139</b>	<b>8,174</b>	<b>8,487</b>	<b>8,993</b>	<b>8,389</b>	<b>28,528</b>	<b>34,042</b>
Y-o-Y Growth (%)	19.2	22.1	17.8	11.8	18.8	15.4	17.9	17.5	18.2	19.3
Operating Expenses	2,739	2,829	2,977	2,815	3,197	3,181	3,323	3,280	11,359	12,981
<b>Operating Profit</b>	<b>4,139</b>	<b>4,525</b>	<b>4,653</b>	<b>4,324</b>	<b>4,976</b>	<b>5,306</b>	<b>5,669</b>	<b>5,109</b>	<b>17,168</b>	<b>21,061</b>
Y-o-Y Growth (%)	21.3	29.3	19.5	26.2	20.2	17.3	21.8	18.2	25.8	22.7
Provisions	1,356	1,390	2,242	4,118	1,998	1,800	2,200	2,741	8,632	8,740
<b>Profit before Tax</b>	<b>2,784</b>	<b>3,135</b>	<b>2,412</b>	<b>206</b>	<b>2,978</b>	<b>3,506</b>	<b>3,469</b>	<b>2,367</b>	<b>8,536</b>	<b>12,321</b>
Tax Provisions	966	1,090	835	86	1,040	1,227	1,214	814	2,976	4,295
<b>Net Profit</b>	<b>1,818</b>	<b>2,045</b>	<b>1,577</b>	<b>120</b>	<b>1,939</b>	<b>2,279</b>	<b>2,255</b>	<b>1,553</b>	<b>5,561</b>	<b>8,026</b>
Y-o-Y Growth (%)	23.1	34.3	-9.5	-78.4	6.6	11.4	43.0	1,193.3	5.0	44.3
Int Exp/ Int Earned (%)	34.9	34.1	34.0	35.6	33.0	32.8	32.2	34.4	35.0	33.1
Cost to Income Ratio (%)	39.8	38.5	39.0	39.4	39.1	37.5	37.0	39.1	39.8	38.1
Tax Rate (%)	34.7	34.8	34.6	41.6	34.9	35.0	35.0	34.4	34.9	34.9

E: MOSL Estimates; \* Quarterly nos and full year nos will not tally due to different way of reporting financial nos



# Solar Industries

BSE SENSEX	S&P CNX
32,477	10,082
Bloomberg	SOIL IN
Equity Shares (m)	90.5
M.Cap.(INRb)/(USD\$b)	81.1 / 1.1
52-Week Range (INR)	921 / 590
1, 6, 12 Rel. Per (%)	4/11/23
Avg Val, INRm	26
Free float (%)	26.9

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	15.8	20.1	24.2
EBITDA	3.2	4.0	4.8
PAT	1.3	1.8	2.2
EPS (INR)	20.6	24.2	30.0
Gr. (%)	14.0	17.5	23.8
BV/Sh (INR)	112.3	131.7	778.6
RoE (%)	19.8	19.8	20.9
RoCE (%)	15.2	22.4	24.6
P/E (x)	43.5	37.0	29.9
P/BV (x)	8.0	6.8	1.2

Estimate change

TP change

Rating change

**CMP: INR896**

**TP: INR900(1%)**

**Neutral**

## In-line operational performance led by overseas business

- n **Operational performance in line with estimates:** Consol. revenue increased 16% YoY to INR4.6b (est. of INR4.8b) in 1QFY18. EBITDA grew 15% YoY to INR1.0b (est. of INR980m), with margin stable YoY at 22.1%, supported by strong growth in the overseas business. Adj. net profit rose 16% YoY to INR548m (est. of INR545m).
- n **Revenue aided by strong growth in overseas segment:** Consol. revenue was driven by strong growth in the overseas segment (+48% YoY). On the domestic front, institutional sales grew 13% YoY. However, the quarter saw declining demand from CIL (sales down 18%), which faced realization pressure and lower production. Realization was down in Bulk (-3% YoY) and Cartridge (-4% YoY) segments, as the decline in raw material cost (ammonium nitrate) was passed on to consumers.
- n **Operating margin stable YoY at 22.1%:** Operating margin stood stable at 22.1% driven by better overseas performance. Operating margin in the overseas segment stood at 25.4% whereas Standalone operating margin also improved 190bp YoY to 20.4%.
- n **Overseas & exports business growth led by currency stabilization:** Revenue from the overseas & exports business grew 67% YoY, as the currency in the key markets of Nigeria and Turkey stabilized and also as the new facility at South Africa started contributing to revenue from 1QFY18.
- n **Maintain Neutral:** We raise estimates for FY18/19 by 7/6% to factor in improved overseas performance. Maintain **Neutral** with TP of INR900, valuing SOIL at 30x FY19E EPS (earnings CAGR of 20% over FY17-19E). Stock trades at premium valuations, given SOIL's presence in Defense, which offers huge business opportunity due to government focus, and strong growth in the core business segment of explosives led by pick-up in mining activity.

## Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY17				FY18				FY17	FY18	FY18	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Sales</b>	<b>4,062</b>	<b>3,283</b>	<b>4,331</b>	<b>4,377</b>	<b>4,691</b>	<b>3,926</b>	<b>4,708</b>	<b>6,893</b>	<b>15,800</b>	<b>20,116</b>	<b>4,761</b>	<b>(1.5)</b>
Change (%)	5.6	-1.0	12.6	6.5	15.5	19.6	8.7	57.5	9.1	27.3	12.0	
<b>EBITDA</b>	<b>900</b>	<b>656</b>	<b>799</b>	<b>875</b>	<b>1,035</b>	<b>645</b>	<b>842</b>	<b>1,558</b>	<b>3,239</b>	<b>3,978</b>	<b>980</b>	<b>5.5</b>
Change (%)	25.2	-5.6	4.4	1.8	15.0	-1.5	5.4	78.2	6.5	22.8	13.3	
As of % Sales	22.1	20.0	18.4	20.0	22.1	16.4	17.9	22.6	20.5	19.8	20.6	
Depreciation	94	98	95	101	125	111	111	96	387	443	111	
Interest	68	73	68	63	50	70	70	83	269	272	68	
Other Income	0	40	16	44	0	20	20	40	132	80	20	
Extra-ordinary Items	0	0	0	0	0	0	0	0	0	0	0	
<b>PBT</b>	<b>738</b>	<b>525</b>	<b>653</b>	<b>755</b>	<b>860</b>	<b>485</b>	<b>681</b>	<b>1,419</b>	<b>2,715</b>	<b>3,343</b>	<b>822</b>	<b>4.7</b>
Tax	237	133	157	240	261	145	204	394	767	1,005	246	
Effective Tax Rate (%)	32.1	25.4	24.1	31.7	30.4	30.0	30.0	27.8	28.3	30.1	30.0	
<b>Reported PAT</b>	<b>501</b>	<b>391</b>	<b>495</b>	<b>515</b>	<b>599</b>	<b>339</b>	<b>477</b>	<b>1,025</b>	<b>1,947</b>	<b>2,338</b>	<b>575</b>	<b>4.1</b>
Change (%)	9.6	-5.2	12.1	12.9	19.5	-13.3	-3.7	98.9	3.6	4.5	14.8	
<b>Adj PAT</b>	<b>471</b>	<b>391</b>	<b>495</b>	<b>515</b>	<b>548</b>	<b>339</b>	<b>477</b>	<b>1,025</b>	<b>1,947</b>	<b>2,389</b>	<b>545</b>	<b>0.5</b>
Change (%)	13.9	6.1	20.3	18.9	16.3	-13.3	-3.7	98.9			15.7	

E: MOSL Estimates



# K E C Intl.

BSE SENSEX	S&P CNX
32,477	10,082
Bloomberg	KECI IN
Equity Shares (m)	257.1
M.Cap.(INRb)/(USD\$b)	76.6 / 1.2
52-Week Range (INR)	318 / 111
1, 6, 12 Rel. Per (%)	11/81/90
Avg. Val, INRm	132
Free float (%)	49.1

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	85.8	97.4	115.2
EBITDA	8.2	9.1	10.7
PAT	3.0	3.4	4.2
EPS (INR)	11.9	13.1	16.4
Gr. (%)	106.1	10.2	25.5
BV/Sh (INR)	61.7	72.1	85.2
RoE (%)	21.2	19.5	20.9
RoCE (%)	11.9	13.3	14.1
P/E (x)	25.1	22.8	18.2
P/BV (x)	4.8	4.1	3.5

Estimate change



TP change



Rating change



CMP: INR299

TP: INR295(-1%)

Neutral

## Operating performance above expectations led by margins beat

- Revenue perf. below estimates: Consol. revenue grew 6% YoY to INR18.6b in 1QFY18. Revenue was partially impacted by GST-led delay in dispatching of substation and cables (INR1b) and also as dispatches from SAE were kept on hold for two projects, which did not receive environmental clearance. All business segments (except SAE Towers, Cables and Water) witnessed growth. SAE Tower sales were impacted by INR appreciation v/s USD. T&D contributed 78% of revenue, followed by Cables (11%), Railways (8%), and Solar and Water (2%). Management maintained its revenue growth guidance of 15% YoY for FY18, which will be supported by pick-up in execution of T&D orders in hand and strong growth in non-T&D segments.
- Consol. EBITDA margin expanded 90bp YoY to 9.5% in 1QFY18, led by domestic T&D business margin improvement, better performance from SAE Towers, and non-existence of legacy orders (in Water, Railways and Power Systems). SAE Towers reported operating margin of 10.6% in 1QFY18. Management maintained its operating margin guidance of 9-9.5% for FY18. Net profit rose 103% YoY, led by execution of better-margin orders and a reduction in interest cost due to a fall in receivables days from 246 to 230. Target is to reach 180 days.

## Valuation and view

- KEC is well positioned to capitalize on increased domestic spending in Power T&D, Railways and Water. Margins have improved over the last two years, led by stabilization of new verticals and completion of loss-making legacy orders. However, given expensive valuations, we maintain **Neutral** with a revised target price of INR295 (18x FY19E EPS), in line with five-year average multiple, taking into consideration strong pick-up in domestic order execution, improved overseas subsidiary performance and better business outlook. The stock trades at 23/18x FY18/19E EPS of INR13.1/16.4.

## Quarterly performance (Consolidated)

Y/E March	FY17				FY18				FY17	FY18E	MOSL 1Q Est	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sales	17,487	20,742	19,123	28,492	18,568	23,386	22,899	32,589	85,844	97,442	19,976	-7%
Change (%)	-6.9	2.6	-7.2	11.3	6.2	12.7	19.7	14.4	0.8	13.5	14.2	
EBITDA	1,496	1,853	1,818	3,011	1,763	2,209	2,094	3,038	8,179	9,104	1,698	4%
Change (%)	6.3	22.5	8.8	29.2	17.9	19.2	15.2	0.9	20.4	11.3	13.5	
As of % Sales	8.6	8.9	9.5	10.6	9.5	9.4	9.1	9.3	9.5	9.3	8.5	
Depreciation	291	310	298	408	272	348	348	424	1,297	1,393	348	
Interest	720	596	583	637	631	665	638	838	2,536	2,772	610	
Other Income	50	55	70	114	98	52	57	20	289	228	28	
Extra-ordinary Items	0	0	0	0	0	0	0	0	0	0	0	
PBT	535	1,003	1,006	2,081	958	1,248	1,166	1,796	4,634	5,168	768	25%
Tax	226	352	380	625	329	437	408	635	1,587	1,809	269	
Effective Tax Rate (%)	42.2	35.1	37.8	30.1	34.3	35.0	35.0	35.4	34.2	35.0	35.0	
Reported PAT	309	650	626	1,455	630	811	758	1,160	3,048	3,359	499	26%
Change (%)	83.2	131.0	139.0	90.5	103.5	24.7	21.0	-20.3	59.2	10.2	61.4	
Adj PAT	309	650	626	1,455	630	811	758	1,160	3,048	3,359	499	26%
Change (%)	83.2	131.0	139.0	90.5	103.5	24.7	21.0	-20.3	59.2	10.2	61.4	

E: MOSL Estimates





# Capital First

BSE SENSEX	S&P CNX
32,477	10,082
Bloomberg	CAFL IN
Equity Shares (m)	97.4
M.Cap.(INRb)/(USDb)	76.1 / 1.2
52-Week Range (INR)	815 / 465
1, 6, 12 Rel. Per (%)	12/-2/-9
Avg. Val, INRm	373
Free float (%)	64.0

### Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	12.3	17.9	23.1
PPP	8.1	11.7	15.4
PAT	2.4	3.2	4.3
EPS (INR)	24.6	33.3	44.3
EPS Gr. (%)	34.2	35.0	33.1
BV/Sh. (INR)	234.4	264.1	304.1
RoA on AUM (%)	1.6	1.8	1.9
RoE (%)	12.0	13.3	15.6
Payout (%)	10.6	9.0	8.0

### Valuations

P/E (x)	31.7	23.5	17.6
P/BV (x)	3.3	3.0	2.6
Div. Yield (%)	0.3	0.4	0.5

### Estimate change



### TP change



### Rating change



**CMP: INR781**

**TP: INR925 (+18%)**

**Buy**

## Strong performance; Migrated to 90dpd NPL recognition

- Capital First's (CAFL) 1QFY18 PAT grew 37% YoY to INR672m, driven by strong AUM growth, NIM expansion and stable asset quality.
- AUM grew 24% YoY to INR214b, despite a high base (+36% YoY in 1QFY17). Sequential AUM growth of 8% is encouraging, in our view. Growth was robust across segments, except secured MSME financing, where the company is intentionally slowing down.
- Consumer durables loan book grew 22% QoQ and 57% YoY to INR31b, now accounting for 15% of total loan book v/s 12% in 1QFY17. Housing finance book also grew by a strong 45% YoY, albeit off a low base.
- NIM (on AUM) expanded 130bp YoY to 8%, driven by higher yields and lower cost of funds. Yield on AUM at 14% was up 70bp YoY (largely due to changing loan mix in favor of higher-yielding 2W/CD products). Cost of funds fell 40bp YoY to 8.5%. We believe there is further scope for margin expansion with increasing yields and moderating cost of funds.
- Expense ratio continues to inch upward due to investments in technology, coupled with changing asset mix (2W/CD loans have higher expense ratios compared to LAP). Opex/avg. AUM increased from 4.1% in 1QFY17 to 5.3% in 1QFY18.
- Asset quality remained stable. CAFL migrated to 90dpd NPL recognition in the quarter – this added 40bp to the reported NPL. On a 90dpd basis, GNPL ratio remained stable at 1.72% (+7bp QoQ).
- Valuation view:** CAFL is a niche play in the retail NBFC space with a diversified loan portfolio and high growth potential. We believe the return ratios are suppressed due to significant investments in manpower and technology. In addition, its margins were low due to a large share of LAP and heavy reliance on bank funding. We expect significant margin improvement and stable asset quality to drive RoA/RoE improvement from 1.6%/12% in FY17 to 2%/17% in FY20. We keep our estimates largely unchanged. **Buy** with a TP of INR925 (3.0x FY19E BVPS).

### Quarterly Performance

Y/E March	(INR Million)									
	FY17				FY18					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18
Interest Income	5,539	6,112	6,415	6,549	7,213	7,862	8,255	8,984	23,888	31,330
Fee Income	679	751	944	1,019	991	1,100	1,500	1,457	4,121	6,032
<b>Operating Income</b>	<b>6,218</b>	<b>6,863</b>	<b>7,359</b>	<b>7,568</b>	<b>8,204</b>	<b>8,962</b>	<b>9,755</b>	<b>10,441</b>	<b>28,009</b>	<b>37,362</b>
YoY Growth (%)	56.1	57.6	48.1	35.6	31.9	30.6	32.6	37.9	48.8	33.4
Interest expenses	2,760	2,961	3,082	2,803	3,065	3,310	3,409	3,608	11,606	13,391
<b>Net Income</b>	<b>3,458</b>	<b>3,902</b>	<b>4,277</b>	<b>4,766</b>	<b>5,140</b>	<b>5,652</b>	<b>6,346</b>	<b>6,833</b>	<b>16,403</b>	<b>23,971</b>
YoY Growth (%)	73.1	74.4	63.0	55.8	48.7	44.8	48.4	43.4	66.5	46.1
Operating Expenses	1,710	2,066	2,103	2,420	2,738	2,902	3,250	3,407	8,298	12,297
<b>Operating Profit</b>	<b>1,748</b>	<b>1,837</b>	<b>2,174</b>	<b>2,346</b>	<b>2,402</b>	<b>2,750</b>	<b>3,096</b>	<b>3,426</b>	<b>8,104</b>	<b>11,674</b>
YoY Growth (%)	72.4	67.7	67.6	58.5	37.4	49.8	42.4	46.0	68.1	44.1
Provisions and Cont.	995	1,032	1,240	1,264	1,408	1,600	1,900	1,942	4,530	6,850
<b>Profit before Tax</b>	<b>753</b>	<b>805</b>	<b>934</b>	<b>1,082</b>	<b>994</b>	<b>1,150</b>	<b>1,196</b>	<b>1,484</b>	<b>3,575</b>	<b>4,824</b>
Tax Provisions	262	229	320	363	323	380	395	488	1,174	1,585
<b>Net Profit</b>	<b>492</b>	<b>576</b>	<b>614</b>	<b>719</b>	<b>672</b>	<b>771</b>	<b>801</b>	<b>996</b>	<b>2,401</b>	<b>3,240</b>
YoY Growth (%)	48.5	40.3	37.8	51.4	36.6	33.9	30.6	38.5	43.3	35.0
AUM Growth (%)	36.1	31.8	25.5	23.6	24.4	23.5	28.6	25.7	20.4	26.0
Borrowings Growth (%)	46.8	42.0	25.0	18.0	25.5	19.2	28.3	26.0	18.0	26.0
Cost to Income Ratio (%)	49.4	52.9	49.2	50.8	53.3	51.3	51.2	49.9	50.6	51.3
Tax Rate (%)	34.7	28.5	34.3	33.6	32.4	33.0	33.0	32.9	35.1	35.1

E: MOSL Estimates; Quarterly and annual numbers may not match due to reporting styles

# Bata India

BSE SENSEX 32,477  
S&P CNX 10,082

**CMP: INR584**

**Under Review**

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

## Results in-line; same-store sales growth impressive

### Financials & Valuations (INR bn)

Y/E Mar	2017E	2018E	2019E
Net Sales	24.7	27.6	31.3
EBITDA	2.8	3.2	3.9
NP	1.7	2.0	2.5
EPS (INR)	13.5	15.7	19.4
EPS Gr. (%)	21.7	16.2	23.8
BV/Sh. (INR)	103.0	115.1	130.3
RoE (%)	13.9	14.4	15.8
RoCE (%)	14.1	14.5	16.0
P/E (x)	42.6	36.6	29.6
P/BV (x)	5.6	5.0	4.4

- n BATA reported overall revenue of INR7.4b (est. of INR7.3b) in 1QFY18, as against INR6.7b in 1QFY17, marking growth of 10.1%.
- n EBITDA margin expanded 30bp from 12.6% in 1QFY17 to 12.9% in 1QFY18 (est. 12.7%). EBITDA grew 12% YoY to INR955m (est. of INR925m).
- n Other income came in at INR116m, lower than our estimate of INR168m.
- n Accordingly, adj. PAT stood at INR604m (est. of INR577m) v/s INR505m in 1QFY17, implying growth of 20%.
- n The company's focus on the lifestyle segment yielded same-store sales growth of 10%. The company also witnessed gross margin expansion of 1% YoY to 52.4% on account of introduction of value-added products and change in product mix.

### Key questions for management

- n Promotion and ramp-up guidance of Bata Insolia range.
- n New store additions going forward to further boost retail turnover.

**Valuation view:** We will revisit our estimates/rating post interaction with management. Currently, we have the stock under review.

### Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	FY18E	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Consolidated</b>												
Net Sales	6,747	5,837	6,408	5,980	7,431	6,421	7,369	6,578	24,743	27,604	7,285	2
YoY Change (%)	-1.5	1.6	2.5	6.1	10.1	10.0	15.0	10.0	1.0	11.6	8.0	
Total Expenditure	5,895	5,302	5,651	5,413	6,476	5,792	6,397	5,881	21,957	24,429	6,360	
<b>EBITDA</b>	851	535	757	567	955	629	973	697	2,786	3,174	925	3
Margins (%)	12.6	9.2	11.8	9.5	12.9	9.8	13.2	10.6	11.3	11.5	12.7	
Depreciation	162	160	162	166	137	188	168	169	650	717	192	
Interest	7	13	5	16	9	5	4	5	40	22	8	
Other Income	80	141	190	122	116	159	144	151	460	622	168	
<b>PBT before EO expense</b>	762	504	780	507	925	595	945	674	2,555	3,058	893	4
Extra-Ord expense	0	0	217	0	0	0	0	0	217	0	0	
<b>PBT</b>	762	504	563	507	925	595	945	674	2,339	3,058	893	4
Tax	257	158	186	147	321	192	316	216	749	1,040	316	
Rate (%)	33.8	31.3	23.8	29.1	34.7	32.2	33.4	32.1	32.0	34.0	35.4	
<b>Reported PAT</b>	505	346	377	359	604	404	629	458	1,590	2,018	577	5
<b>Adj PAT</b>	505	346	594	359	604	404	629	458	1,737	2,018	577	5
YoY Change (%)	6.8	53.2	32.5	27.3	19.7	16.7	5.9	27.4	22	16	14.5	
Margins (%)	7.5	5.9	9.3	6.0	8.1	6.3	8.5	7.0	7.0	7.3	7.9	

E: MOSL Estimates

# Entertainment Network (India)

BSE SENSEX 32,477  
S&P CNX 10,082

CMP: INR922

TP: INR928

Neutral

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

## Conference Call Details



Date: 03<sup>rd</sup> Aug 2017

Time: 04:00pm IST

Dial-in details:

+91-22-3938 1003

## Financials & Valuations (INR m)

Y/E Mar	2017	2018E	2019E
Net Sales	5,565	6,417	7,461
EBITDA	1,259	1,628	2,124
Adj PAT	545	671	1,034
Adj EPS (INR)	11.4	14.1	21.7
Gr. (%)	-45.5	23.3	54.0
BV/Sh (INR)	179.3	192.8	213.3
RoE (%)	6.7	7.6	10.7
RoCE (%)	5.0	6.6	9.1
P/E (x)	79.7	64.7	42.0
P/BV (x)	5.1	4.7	4.3
EV/EBITDA (x)	35.3	26.8	19.8

## Weak results; EBITDA down 43% YoY

- Revenue declined 6% YoY (-27% QoQ) to INR1,044m, which management attributed to the lingering effects of demonetization, roll-out of RERA and GST-related hiccups in June. However, other radio companies delivered much better growth than ENIL, which, in our view, was due to management's inability to take price increase at a time when it intentionally reduced ad volumes to improve listenership.
- EBITDA declined 43% YoY (-53% QoQ) to INR167m (14% miss). EBITDA margin shrunk by a steep 10.6pp YoY (-5.3pp QoQ) to 16% (270bp miss), as inherent fixed cost jeopardized its earnings.
- PAT plunged 73% YoY (-68% QoQ) to INR44m (145% beat). This, however, includes exceptional items of INR42m related to write-back of previous quarter expenses. Adj. PAT (excluding exceptional item) declined 90% YoY (-88% QoQ) to INR17m (est. of INR18m).

**Valuation view:** We will revisit our estimates post earnings call. At CMP of INR922, the stock trades at rich valuation of 20x EV/EBITDA, 43x P/E on FY19E. **Neutral.**

## Quarterly Earning Model (INR m)

Y/E March	FY17				FY18				FY17	FY18E	Variance	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	1,107	1,296	1,506	1,655	1,044	1,594	1,783	1,996	5,565	6,417	1,033	1
YoY Change (%)	9.0	11.5	4.9	12.4	-5.8	22.9	18.4	20.6	9.4	15.3	-6.7	
Total Expenditure	813	1,065	1,125	1,303	877	1,175	1,236	1,501	4,306	4,788	840	4
EBITDA	294	231	381	352	167	419	547	495	1,259	1,628	193	-13
Margins (%)	26.6	17.8	25.3	21.3	16.0	26.3	30.7	24.8	22.6	25.4	18.7	-268bps
Depreciation	85	140	147	164	156	171	171	171	536	670	167	-7
Net Interest cost	-33	-22	-4	-1	-15	-1	-1	9	-60	-7	-1	2,840
PBT before EO expense	243	114	239	188	25	248	377	315	783	965	26	-3
Extra-Ord expense	0	0	0	0	42	0	0	0	0	42	0	
PBT	243	114	239	188	68	248	377	315	783	1,008	26	160
Tax	78	35	76	50	23	76	115	96	238	307	8	192
Rate (%)	32.0	30.5	31.7	26.7	34.2	30.4	30.4	30.4	30.4	30.4	30.4	12
Reported PAT	165	79	163	138	44	173	262	219	545	701	18	145
Adj PAT	165	79	163	138	17	173	262	219	545	671	18	-8
YoY Change (%)	-36.3	-70.7	-43.3	-31.6	-89.9	118.9	60.9	58.8	-46.5	23.3	-89.0	
Margins (%)	14.9	6.1	10.8	8.3	1.6	10.8	14.7	11.0	9.8	10.5	1.8	-16bps

Source: MOSL, Company



# Automobiles

## Bajaj Auto



CMP: INR2,823

TP: INR3,281 (+16%)

Buy

Bloomberg	BJAUT IN
Equity Shares (m)	289.4
M.Cap. (INR b) / (USD b)	840.6/13.1
52-Week Range (INR)	3122/2510
1, 6, 12 Rel. Per (%)	-5/-15/-14

Financial & Valuation (INR b)			
Y/E MARCH	2018E	2019E	2020E
Sales	241	271	308
EBITDA	44.2	53.0	62.3
NP	39.7	47.3	55.2
Adj. EPS (INR)	137	164	191
EPS Gr. (%)	3.7	19.2	16.7
BV/Sh. (INR)	648	713	761
RoE (%)	22.2	24.0	25.9
RoCE (%)	24.6	23.0	24.7
Payout (%)	57.0	60.0	75.0
Valuation			
P/E (x)	20.6	17.3	14.8
P/BV (x)	4.4	4.0	3.7
EV/EBITDA (x)	14.8	12.2	10.3
Div. Yield (%)	2.3	2.8	4.4

### Overall July volumes down 6.7% YoY to 307.7k

#### Domestic volumes decline 5.8% YoY; exports down 8% YoY

- n BJAUT's July 2017 sales declined 6.7% YoY to 307,727 units, lower than our estimate of 322,200 units. Domestic volumes declined 5.8% YoY (but grew 47% MoM); exports declined 8% YoY. To meet our volume estimate of 3.91m units for FY18, the required residual monthly run rate is 339.3k units.
- n Overall motorcycle volumes declined 7% YoY. Domestic motorcycle dispatches declined 5.4% YoY to 164.9k, as growth continues to be under pressure. Motorcycle exports declined 9.8% YoY.
- n The management indicated improvement in sales in the months to come: "Domestic motorcycle sales will be more than 200k units in September. The company has already commenced production and launch of *CT100* electric start version. There is good product action planned for *Platina* and *V*. All these products will be placed well before the festive season."
- n Total *Dominar* volumes in July 2017 were ~3k units compared to ~2k units in June; BJAUT sold 10.5k units of KTM in July.
- n 3W volumes have still not recovered and declined 4% YoY. Domestic 3W volumes declined 8.9% YoY. Exports retained growth momentum for the fourth consecutive month and grew 1.7% YoY.
- n The stock trades at 20.6x FY18E and 17.3x FY19E EPS. Maintain Buy.

### Snapshot of volumes for July-17

Company Sales	YoY			MoM			FY18YTD	FY17YTD	FY18 estimate	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate
	Jul-17	Jul-16	YoY (%) chg	Jun-17	MoM (%) chg	(%) chg						
<b>Bajaj Auto</b>	<b>307,727</b>	<b>329,833</b>	<b>-6.7</b>	<b>244,878</b>	<b>25.7</b>	<b>1,196,161</b>	<b>1,324,566</b>	<b>-9.7</b>	<b>3,910,922</b>	<b>6.7</b>	<b>15.9</b>	<b>339,345</b>
Motorcycles	265,182	285,527	-7.1	204,667	29.6	1,040,896	1,158,067	-10.1	3,446,114	7.0	16.7	300,652
Total Two-Wheelers	265,182	285,527	-7.1	204,667	29.6	1,040,896	1,158,067	-10.1	3,446,114	7.0	16.7	300,652
Three-Wheelers	42,545	44,306	-4.0	40,211	5.8	155,265	166,499	-6.7	464,808	4.2	10.7	38,693
Domestic	186,497	198,022	-5.8	126,975	46.9	665,406	822,106	-19.1	2,348,816	4	17.5	210,426
Exports	121,230	131,811	-8.0	117,903	2.8	530,755	502,460	5.6	1,562,106	10.7	13.5	128,919





# CEAT

Equity Shares (m)	40.5
M. Cap. (INR b)/(USD b)	75 / 1
52-Week Range (INR)	1948 / 836
1,6,12 Rel Perf. (%)	1 / 40 / 96
Equity Shares (m)	40.5

### Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	64.4	71.5	77.5	84.3
EBITDA	6.6	7.4	9.3	10.7
NP	3.8	3.9	5.3	6.1
EPS (Rs)	93.3	96.2	131.3	151.3
EPS Gr. (%)	-16.9	3.0	36.5	15.3
BV/Share	597.0	680.4	794.3	925.5
RoE (%)	16.9	15.1	17.8	17.6
RoCE (%)	13.5	12.4	15.1	16.6

### Valuations

P/E (x)	19.9	19.3	14.1	12.3
P/BV (x)	3.1	2.7	2.3	2.0
EV/EBITDA (x)	12.8	11.1	8.6	7.3
EV/Sales (x)	1.3	1.1	1.0	0.9

**CMP: INR1,857 TP: INR2,100 (13%) Buy**

- n We expect revenue to decline 6% YoY to INR15.4b in 1QFY18.
- n Margins are likely to contract on (a) destocking because of GST, and (b) raw material price inflation, as natural rubber purchased at peak prices is likely to be used in May and June 2017.
- n We estimate 170bp YoY contraction in EBITDA margin to 9.6%. EBITDA is likely to decline 20% YoY to INR1,486m.
- n We expect adjusted PAT to decline 35% YoY to INR679m. Buy.

### Key things to watch for

- Ø Price hikes to offset raw material price inflation.
- Ø Performance of replacement market.

### Consolidated - Quarterly performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	16,462	15,966	15,572	16,413	15,474	18,361	18,297	19,367	64,413	71,500
YoY Change (%)	4.2	5.1	1.1	5.0	-6.0	15.0	17.5	18.0	3.9	11.0
Total Expenditure	14,608	14,113	14,037	15,088	13,988	16,011	16,413	17,740	57,845	64,152
EBITDA	1,854	1,854	1,535	1,325	1,486	2,350	1,885	1,627	6,568	7,347
Margins (%)	11.3	11.6	9.9	8.1	9.6	12.8	10.3	8.4	10.2	10.3
Depreciation	302	317	351	460	382	377	368	371	1,431	1,498
Interest	252	162	191	212	278	252	233	210	817	973
Other Income	57	37	57	36	48	52	58	61	186	219
PBT before EO expense	1,356	1,411	1,050	689	874	1,773	1,342	1,107	4,506	5,095
Extra-Ord expense	9	0	0	125	0	0	0	0	133	0
PBT	1,347	1,411	1,050	564	874	1,773	1,342	1,107	4,373	5,095
Tax	417	430	262	-45	297	589	429	288	1,064	1,603
Rate (%)	30.9	30.5	25.0	-7.9	34.0	33.2	32.0	26.0	24.3	31.5
MI & P/L of Asso. Cos.	-110	-88	-50	-55	-102	-78	-80	-90	-303	-350
Reported PAT	1,041	1,069	838	663	679	1,263	992	909	3,611	3,842
Adj PAT	1,047	1,069	838	798	679	1,263	992	909	3,712	3,842
YoY Change (%)	-14.0	0.9	-26.1	-24.8	-35.2	18.1	18.4	13.9	-16.9	3.5
Margins (%)	6.4	6.7	5.4	4.9	4.4	6.9	5.4	4.7	5.8	5.4

E: MOSL Estimates



# Colgate

Bloomberg	CLGT IN
Equity Shares (m)	272.0
M. Cap. (INR b)/(USD b)	306 / 5
52-Week Range (INR)	1133 / 862
1,6,12 Rel Perf. (%)	10 / 9 / 7

## Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	39.5	44.5	51.1	58.8
EBITDA	9.4	11.3	13.5	15.9
Adj. PAT	5.8	7.0	8.5	10.1
Adj. EPS (INR)	21.2	25.7	31.1	37.1
EPS Gr. (%)	-5.7	20.8	21.1	19.5
BV/Sh.(INR)	46.8	49.6	53.4	58.3
RoE (%)	50.4	53.2	60.3	66.5
RoCE (%)	49.3	52.1	59.2	65.3
Payout (%)	47.0	70.0	70.0	70.0

## Valuations

P/E (x)	53.0	43.9	36.2	30.3
P/BV (x)	24.0	22.7	21.1	19.3
EV/EBITDA (x)	32.1	26.6	22.1	18.7
Div. Yield (%)	0.9	1.6	1.9	2.3

**CMP: INR1,126 TP: INR1,335 (+19%) Buy**

- n We expect Colgate's (CLGT) sales to grow 7% YoY to INR10.8b, with flat toothpaste volumes, as price increases have been sharp.
- n We estimate gross margins to remain flat YoY at 62% with EBITDA margin expansion of 110bp YoY to 22%. Hence, we have modeled EBITDA growth of 12.9% and adjusted PAT growth of 15.8% for the quarter.
- n The stock trades at 36.2x FY19E EPS of INR31.1; we have a Buy rating on the stock.

## Key issues to watch for:

- Ø Volume growth in toothpaste and market share movement.
- Ø Ad spends and competitive intensity in toothpaste, especially from Patanjali.

## Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Toothpaste Volume Gr %	5.0	4.0	-12.0	-3.0	0.0	7.0	8.0	4.0	-1.5	4.8
Net Sales	10,056	10,483	8,650	10,326	10,760	12,056	10,034	11,654	39,515	44,503
YoY Change (%)	8.9	9.4	-8.8	2.5	7.0	15.0	16.0	12.9	3.0	12.6
COGS	3,818	3,910	3,159	3,877	4,085	4,436	3,564	4,375	14,763	16,460
Gross Profit	6,238	6,574	5,491	6,449	6,675	7,620	6,470	7,279	24,751	28,043
Gross Margin (%)	62.0	62.7	63.5	62.5	62.0	63.2	64.5	62.5	62.6	63.0
Other operating Expenses	4,197	3,909	3,446	4,055	4,383	4,374	3,948	4,474	15,606	17,179
% to sales	41.7	37.3	39.8	39.3	40.7	36.3	39.3	38.4	39.5	38.6
Other operating Income	76	83	96	49	98	107	125	134	304	465
EBITDA	2,117	2,748	2,141	2,443	2,390	3,353	2,647	2,939	9,449	11,330
Margins (%)	20.9	26.0	24.5	23.5	22.0	27.6	26.1	24.9	23.7	25.2
YoY Growth (%)	3.9	8.1	-10.3	1.2	12.9	22.0	23.7	20.3	0.7	19.9
Depreciation	316	333	342	341	332	350	359	355	1,332	1,395
Interest	0	0	0	0	0	0	0	0	0	0
Financial other Income	96	113	109	80	115	135	131	98	398	480
PBT	1,897	2,527	1,908	2,182	2,174	3,139	2,419	2,683	8,514	10,414
Tax	640	714	630	756	717	1,036	798	885	2,740	3,437
Rate (%)	33.7	28.3	33.0	34.6	33.0	33.0	33.0	33.0	32.2	33.0
Adj PAT	1,257	1,813	1,278	1,426	1,456	2,103	1,621	1,797	5,774	6,977
YoY Change (%)	1.3	15.6	-12.8	-0.5	15.8	16.0	26.8	26.1	1.2	20.8

E: MOSL Estimates



# Cummins India

Bloomberg	KKC IN
Equity Shares (m)	277.2
M. Cap. (INR b)/(USD b)	253 / 4
52-Week Range (INR)	1096 / 748
1,6,12 Rel Perf. (%)	-3 / -5 / -7

**CMP: INR991**      **TP: INR1200**      **Buy**

**Financial Snapshot (INR b)**

Y/E Mar	2017	2018E	2019E
Net Sales	50.8	56.6	65.5
EBITDA	8.0	9.1	11.4
Adj PAT	7.3	8.1	10.0
EPS (INR)	26.5	29.2	36.0
EPS Gr. (%)	-2.6	10.1	23.4
BV/Sh. (INR)	135.0	146.2	160.1
RoE (%)	21.2	20.7	23.5
RoCE (%)	20.0	19.8	22.5
P/E (x)	38.8	35.2	28.6
P/BV (x)	7.6	7.0	6.4

- n We expect revenue to increase 4% YoY, supported by growth in the industrial (24% YoY) and power generation (12% YoY) segments. Industrial segment growth would be driven by a pick-up in the infrastructure (roads and metros) and data center segments.
- n Pick-up in the domestic demand environment and various pricing actions taken by KKC would help Cummins to strengthen its market leadership position in the MHP and HHP segments.
- n Domestic revenue should grow 15% YoY in 1QFY18.
- n We expect export revenues to decline 8% YoY to INR3.8b in 1QFY18, given weak demand in the international market.
- n EBITDA margin is expected to contract 160bp YoY to 14.8%; net profit is expected to decline 7.3% YoY to INR1.7b.

**Key issues to watch**

- ⊘ Performance of the exports segment, considering poor demand conditions in LatAm, Europe and China.

**KKC: Quarterly Performance (Standalone)**

(INR Million)

Y/E March	FY17				FY18				FY17	FY18
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Sales</b>	<b>12,590</b>	<b>12,790</b>	<b>13,550</b>	<b>11,844</b>	<b>13,150</b>	<b>14,550</b>	<b>15,450</b>	<b>13,474</b>	<b>50,773</b>	<b>56,624</b>
Change (%)	-3.9	7.1	19.0	11.1	4.4	13.8	14.0	13.8	7.8	11.5
<b>EBITDA</b>	<b>2,063</b>	<b>1,990</b>	<b>2,265</b>	<b>1,700</b>	<b>1,950</b>	<b>2,500</b>	<b>2,650</b>	<b>1,931</b>	<b>8,018</b>	<b>9,031</b>
Change (%)	-6.9	-1.4	31.1	-4.9	-5.5	25.6	17.0	13.6	14.6	8.2
As of % Sales	16.4	15.6	16.7	14.4	14.8	17.2	17.2	14.3	15.8	15.9
Depreciation	206	209	225	208	250	250	250	281	848	1,031
Interest	21	43	55	49	40	40	40	48	168	168
Other Income	416	692	461	511	450	550	550	620	2,080	2,170
<b>PBT</b>	<b>2,252</b>	<b>2,430</b>	<b>2,446</b>	<b>1,954</b>	<b>2,110</b>	<b>2,760</b>	<b>2,910</b>	<b>2,222</b>	<b>9,082</b>	<b>10,002</b>
Tax	440	461	466	369	430	570	620	392	1,736	2,012
Effective Tax Rate (%)	19.5	19.0	19.0	18.9	20.4	20.7	21.3	17.6	19.1	20.1
<b>Adjusted PAT</b>	<b>1,812</b>	<b>1,969</b>	<b>1,981</b>	<b>1,585</b>	<b>1,680</b>	<b>2,190</b>	<b>2,290</b>	<b>1,830</b>	<b>7,346</b>	<b>7,990</b>
Change (%)	(14.3)	(0.5)	11.3	(5.1)	(7.3)	11.2	15.6	15.5	(2.9)	8.8
<b>Reported PAT</b>	<b>1,812</b>	<b>1,969</b>	<b>1,981</b>	<b>1,585</b>	<b>1,680</b>	<b>2,190</b>	<b>2,290</b>	<b>1,830</b>	<b>7,346</b>	<b>7,990</b>
Change (%)	(14.3)	(0.5)	11.3	(5.1)	(7.3)	11.2	15.6	15.5	(2.9)	8.8



Bloomberg	IOCL IN
Equity Shares (m)	4855.9
M. Cap. (INR b)/(USD b)	1856 / 29
52-Week Range (INR)	451 / 220
1,6,12 Rel Perf. (%)	-8 / -6 / 45

**Financial snapshot (INR b)**

y/e march	2017	2018E	2019E	2020E
Sales	3,553	3,654	4,357	4,707
EBITDA	340.1	333.9	365.1	373.5
Adj. PAT	203.9	170.6	189.5	195.1
Adj. EPS (INR)	43.0	36.0	40.0	41.2
EPS Gr. (%)	106.9	-16.3	11.1	3.0
BV/Sh.(INR)	215.4	239.3	265.7	292.1
RoE (%)	21.2	15.8	15.8	14.8
RoCE (%)	15.0	11.4	12.5	12.4
Payout (%)	53.0	33.8	33.8	36.0

**Valuations**

P/E (x)	8.9	10.6	9.6	9.3
P/BV (x)	1.8	1.6	1.4	1.3
EV/EBITDA (x)	7.0	6.8	6.0	3.3
Div. Yield (%)	5.1	2.7	3.0	6.6

**CMP: INR382 TP: INR459 (+20%) Neutral**

- We expect OMCs' (IOCL, BPCL and HPCL) core earnings to decline YoY/QoQ, led by inventory losses in 1QFY18.
- We model nil subsidy sharing for OMCs; subsidy in 1QFY18 would be entirely borne by the government.
- We peg IOCL's refinery throughput at 17.9mmt for 1QFY18 v/s 16.1mmt in 1QFY17 and 17.1mmt in 4QFY17 – higher due to contribution from the Paradip refinery.
- We model GRM of USD4.6/bbl (including inventory loss) for IOCL in 1QFY18.
- We expect IOCL to report EBITDA of INR67.6b (+53% QoQ, -50% YoY) in 1QFY18.
- We estimate PAT at INR32.5b (-13% QoQ, -61% YoY) in 1QFY18.
- IOCL trades at 9.6x FY19E EPS of INR40 and at 1.4x FY19E BV. Dividend yield is ~5%. Maintain Neutral.

**Key issues to watch for**

- ⊗ Utilization of Paradip refinery.
- ⊗ GRM.
- ⊗ Capex plans.
- ⊗ Forex/inventory changes.

**Standalone - Quarterly Earning Model**

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
<b>Net Sales</b>	<b>856,553</b>	<b>800,435</b>	<b>931,019</b>	<b>1,003,375</b>	<b>899,810</b>	<b>925,020</b>	<b>937,442</b>	<b>942,246</b>	<b>3,591,382</b>	<b>3,704,518</b>
YoY Change (%)	-15.3	-5.1	13.0	28.0	5.1	15.6	0.7	-6.1	3.7	3.2
Total Expenditure	720,652	748,519	848,541	959,289	832,142	841,463	852,046	856,915	3,277,001	3,382,565
<b>EBITDA</b>	<b>135,901</b>	<b>51,916</b>	<b>82,478</b>	<b>44,086</b>	<b>67,668</b>	<b>83,556</b>	<b>85,396</b>	<b>85,332</b>	<b>314,381</b>	<b>321,952</b>
Margins (%)	15.9	6.5	8.9	4.4	7.5	9.0	9.1	9.1	8.8	8.7
Depreciation	14,350	15,048	15,541	17,290	17,649	17,649	17,649	17,649	62,230	70,594
Interest	6,800	6,147	9,967	11,541	6,899	6,899	6,899	6,899	34,454	27,596
Other Income	5,637	14,347	4,938	20,593	5,602	5,602	5,602	5,602	45,515	22,406
<b>PBT</b>	<b>120,388</b>	<b>45,069</b>	<b>61,907</b>	<b>35,849</b>	<b>48,722</b>	<b>64,610</b>	<b>66,450</b>	<b>66,386</b>	<b>263,212</b>	<b>246,168</b>
Tax	37,698	13,850	21,958	-1,358	16,239	21,535	22,148	22,126	72,148	82,048
Rate (%)	31.3	30.7	35.5	-3.8	33.3	33.3	33.3	33.3	27.4	33.3
<b>Reported PAT</b>	<b>82,690</b>	<b>31,219</b>	<b>39,949</b>	<b>37,206</b>	<b>32,483</b>	<b>43,076</b>	<b>44,302</b>	<b>44,259</b>	<b>191,064</b>	<b>164,121</b>
<b>Adj. PAT</b>	<b>82,690</b>	<b>31,219</b>	<b>39,949</b>	<b>37,206</b>	<b>32,483</b>	<b>43,076</b>	<b>44,302</b>	<b>44,259</b>	<b>191,064</b>	<b>164,121</b>
YoY Change (%)	35.2	-456.2	52.3	85.5	-60.7	38.0	10.9	19.0	84.9	-14.1
Margins (%)	9.7	3.9	4.3	3.7	3.6	4.7	4.7	4.7	5.3	4.4
<b>Key Assumptions</b>										
Refining throughput (mmt)	16.1	15.6	16.4	17.1	17.9	17.9	17.9	17.9	65.2	71.7
GRM (USD/bbl)	10.0	4.3	7.7	8.9	4.6	5.8	5.8	5.8	7.7	5.5
Domestic sale of refined products (mmt)	19.3	17.3	19.0	18.5	20.1	18.0	19.7	19.3	74.1	77.1
Blended gross marketing margin (INR/lit)	3.4	3.5	3.5	3.3	3.1	3.5	3.5	3.5	3.4	3.4

E: MOSL Estimates





# Jyothy Labs

Bloomberg	JYL IN
Equity Shares (m)	181.0
M. Cap. (INR b)/(USD b)	64 / 1
52-Week Range (INR)	427 / 283
1,6,12 Rel Perf. (%)	-3 / -12 / 1

## Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Net Sales	16.8	19.2	22.1	25.5
EBITDA	2.5	2.9	3.4	3.9
Adj PAT	2.0	1.6	2.0	2.4
Adj PAT for NCD	1.5	1.0	1.4	1.7
Adj.EPS (INR)	11.2	8.9	11.0	13.2
EPS Gr. (%)	175.7	-20.4	22.4	20.4
BV/Sh (INR)	59.9	58.6	60.4	64.4
RoE (%)	21.1	15.1	18.4	21.1
RoCE (%)	17.3	12.8	15.1	17.2

## Valuations

P/E (x)	31.5	39.5	32.3	26.8
P/BV (x)	5.9	6.0	5.9	5.5
EV/EBITDA	26.9	23.3	19.9	17.2
Dividend Yield (%)	1.7	2.0	2.3	2.3

**CMP: INR354 TP: INR405 (+15%) Neutral**

- n We expect Jyothy Labs' net sales to grow 4% to INR4.5b.
- n EBITDA margin is likely to contract by 200bp YoY to 16.2%, mainly led by lower gross margin of 300 bp YoY.
- n We have factored in EBITDA decline of 7.5% YoY to INR736m.
- n The stock trades at 19.9x FY19E EV/EBITDA. Speculation around Henkel deal (deadline for which has been extended till October 31st) will overshadow fundamentals in FY18, in our view. **Neutral.**

### Key issues to watch for:

- Ø Update on new launches and innovations.
- Ø Update on Henkel call option.
- Ø Pick-up in Henkel brands' performance.

## Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	4,373	4,148	3,834	4,457	4,548	4,894	4,486	5,264	16,812	19,192
YoY Change (%)	8.3	6.5	3.3	4.1	4.0	18.0	17.0	18.1	5.6	14.2
Other Operating Income	3.9	4.2	5.2	5.0	4.3	4.6	5.7	5.5	18.3	20.1
Total Sales	4,377	4,152	3,839	4,462	4,552	4,899	4,492	5,270	16,830	19,212
COGS	2,219	2,132	2,089	2,502	2,446	2,517	2,402	2,930	8,941	10,295
Gross Profit	2,158	2,020	1,750	1,960	2,106	2,381	2,090	2,340	7,889	8,917
Margins (%)	49.3	48.7	45.6	43.9	46.3	48.6	46.5	44.4	46.9	46.5
Total Exp	1,364	1,383	1,243	1,354	1,371	1,605	1,497	1,573	5,344	6,046
EBITDA	795	637	507	606	736	776	593	767	2,545	2,872
EBITDA Growth %	36.8	28.0	-1.3	-3.5	-7.5	21.8	17.0	26.5	14.6	12.8
Margins (%)	18.2	15.3	13.2	13.6	16.2	15.8	13.2	14.6	15.1	15.0
Depreciation	71	73	73	83	78	81	81	104	301	343
Interest	157	164	144	99	173	181	159	81	565	593
Other Income	29	31	26	21	32	34	28	29	107	123
PBT	596	430	314	446	517	549	381	611	1,786	2,058
Tax	146	119	108	-629	109	115	80	128	-255	432
Rate (%)	24.6	27.7	34.3	-141.1	21.0	21.0	21.0	21.0	-14.3	21.0
Adjusted PAT	459	320	215	1,087	408	433	301	483	2,081	1,626
YoY Change (%)	78.2	61.2	6.6	778.6	-11.1	35.4	40.1	-55.6	166.2	-21.9

E: MOSL Estimates



# Ramco Cements

Bloomberg	TRCL IN
Equity Shares (m)	238.0
M. Cap. (INR b)/(USD b)	166 / 3
52-Week Range (INR)	750 / 479
1,6,12 Rel Perf. (%)	-3 / 4 / 7

## Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	39.3	42.9	48.8	54.4
EBITDA	11.6	12.6	14.3	16.1
NP	6.5	7.4	8.9	9.8
Adj. EPS (INR)	27.3	31.1	37.5	41.2
EPS Gr. (%)	24.0	13.9	20.8	9.7
BV/Sh. (INR)	153.7	180.1	213.0	249.5
RoE (%)	19.2	18.6	19.1	17.8
RoCE (%)	13.9	15.5	16.9	16.1
Payout (%)	12.8	15.0	12.4	11.3

## Valuations

P/E (x)	25.5	22.4	18.5	16.9
P/BV (x)	4.5	3.9	3.3	2.8
EV/EBITDA (x)	15.4	13.5	11.4	9.5
EV/Ton (USD)	166	159	151	142

**CMP: INR696 TP: INR815 (+22%) Buy**

- n 1QFY18 volumes are estimated to grow 4% YoY to 2.16mt on account of muted growth in the eastern markets. Average realizations are expected to increase 1.3% YoY (+3.4% QoQ) to 4,600/ton due to a fall in realizations in the southern market.
- n EBITDA margin is likely to expand 3.2pp QoQ to 26.7%. EBITDA/ton (ex-windmill) is estimated at INR1,221 (+INR145 QoQ, -INR185 YoY) due to an increase in power/fuel cost and lower realizations.
- n Interest cost is likely to decline 36% YoY due to debt repayment and also re-pricing of debt at a lower rate.
- n PAT is estimated to decline 4% YoY to INR1.49b.
- n The stock trades at P/E of 18.5x on FY19E earnings, 11.4x FY19E EV/EBITDA and FY19E EV/ton of USD151. Maintain Buy.

### Key issues to watch out for:

- ⊗ Volume growth recovery and outlook.
- ⊗ Cement pricing outlook and demand sustainability in south (AP and Tamil Nadu).

## Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17E	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales Dispatches (m ton)	2.08	2.03	1.99	2.28	2.16	2.28	2.19	2.31	8.35	8.93
YoY Change (%)	14.5	18.9	22.3	9.8	4.0	12.0	10.0	1.4	16.0	7.0
Realization (INR/ton)	4,541	4,769	4,682	4,450	4,600	4,550	4,650	5,044	4,664	4,714
YoY Change (%)	-12.3	-2.2	-5.7	-12.4	1.3	-4.6	-0.7	13.3	-7.6	1.1
QoQ Change (%)	-10.7	5.0	-1.8	-5.0	3.4	-1.1	2.2	8.5		
<b>Net Sales</b>	<b>9,667</b>	<b>10,124</b>	<b>9,374</b>	<b>10,166</b>	<b>10,121</b>	<b>10,816</b>	<b>10,221</b>	<b>11,709</b>	<b>39,292</b>	<b>42,867</b>
YoY Change (%)	6.9	15.5	15.3	5.7	4.7	6.8	9.0	15.2	10.7	9.1
<b>EBITDA</b>	<b>2,988</b>	<b>3,493</b>	<b>2,690</b>	<b>2,429</b>	<b>2,705</b>	<b>3,497</b>	<b>3,155</b>	<b>3,204</b>	<b>11,561</b>	<b>12,561</b>
Margins (%)	30.9	34.5	28.7	23.9	26.7	32.3	30.9	27.4	29.4	29.3
Depreciation	663	667	661	664	671	671	671	672	2,655	2,685
Interest	291	282	261	201	186	186	186	184	1,035	742
Other Income	73	93	273	154	150	216	216	282	632	864
<b>PBT</b>	<b>2,106</b>	<b>2,637</b>	<b>2,061</b>	<b>1,718</b>	<b>1,998</b>	<b>2,856</b>	<b>2,514</b>	<b>2,630</b>	<b>8,502</b>	<b>9,998</b>
Tax	547	567	542	373	499	714	654	732	2,009	2,599
Rate (%)	26.0	21.5	26.3	21.7	25.0	25.0	26.0	27.8	23.6	26.0
<b>Adj PAT</b>	<b>1,559</b>	<b>2,070</b>	<b>1,498</b>	<b>1,345</b>	<b>1,498</b>	<b>2,142</b>	<b>1,860</b>	<b>1,898</b>	<b>6,493</b>	<b>7,398</b>
YoY Change (%)	57.1	45.6	26.6	-26.3	-3.9	3.5	24.2	41.1	25.3	13.9
Margins (%)	16.1	20.4	16.0	13.2	14.8	19.8	18.2	16.2	16.5	17.3



# Titan Company

Bloomberg	TTAN IN
Equity Shares (m)	887.8
M. Cap. (INR b)/(USD b)	475 / 7
52-Week Range (INR)	567 / 296
1,6,12 Rel Perf. (%)	14 / 32 / 18

## Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	129.8	147.1	173.0	203.5
EBITDA	11.6	13.2	15.7	18.5
Adj. PAT	7.0	9.1	10.8	12.7
Adj. EPS (INR)	9.0	10.3	12.1	14.3
EPS Gr. (%)	18.5	13.8	18.2	18.0
BV/Sh.(INR)	47.7	52.0	60.3	70.1
RoE (%)	20.6	20.6	21.6	22.0
RoCE (%)	21.1	21.3	22.1	22.3
Payout (%)	30.0	30.0	30.0	30.0

## Valuation

P/E (x)	59.3	52.1	44.1	37.4
P/BV (x)	11.2	10.3	8.9	7.6
EV/EBITDA (x)	40.1	35.2	29.6	24.8
Div. Yield (%)	0.5	0.6	0.7	0.8

**CMP: INR535 TP: INR545 (+2%) Neutral**

- n We expect TTAN's revenue to increase 25% YoY to INR34.8b.
- n The jewellery division recorded exceptional revenue growth in 1QFY18, according to management. Jewelry witnessed 50% growth YoY during the Akshaya Tritiya period. Retail growth was decent, led by the successful gold exchange program in June 2017. We note that the base was favorable to some extent for Tanishq, as 1QFY17 included 20 days of excise duty-related strike.
- n In the quarter, TTAN added only two Tanishq stores (10.5ksf).
- n We factor in EBITDA growth of 12.4% YoY for 1QFY18, with underlying margin contraction of 100bp YoY to 8.9%.
- n PAT is expected to be flattish at INR2.3b due to lower tax rate in the base quarter.
- n The stock trades at 44.1x FY19E EPS of INR12.1; maintain **Neutral**.

## Key issues to watch for:

- ⊗ Comments on consumer demand in jewelry and watches.
- ⊗ Expansion initiatives.
- ⊗ Update on the new Golden Harvest Scheme.

## Quarterly Standalone Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	27,825	26,364	38,372	34,297	34,781	30,319	45,278	36,737	129,789	147,115
YoY Change (%)	3.6	-0.7	12.9	43.4	25.0	15.0	18.0	7.1	16.6	13.3
Total Exp	25,067	23,760	34,703	31,576	31,681	27,628	40,950	33,617	118,234	133,875
EBITDA	2,759	2,604	3,668	2,721	3,100	2,692	4,328	3,120	11,555	13,240
EBITDA Growth %	38.2	42.3	30.5	30.3	12.4	3.4	18.0	14.7	32.4	14.6
Margins (%)	9.9	9.9	9.6	7.9	8.9	8.9	9.6	8.5	8.9	9.0
Depreciation	261	260	238	224	274	273	250	400	1,105	1,196
Interest	88	117	84	82	97	129	92	119	377	437
Other Income	297	277	127	273	326	304	139	6	705	775
PBT	2,706	2,504	3,472	2,687	3,056	2,594	4,125	2,607	10,777	12,382
Tax	471	667	936	658	804	682	1,085	688	2,760	3,259
Rate (%)	17.4	26.6	26.9	24.5	26.3	26.3	26.3	26.4	25.6	26.3
Adjusted PAT	2,236	1,837	2,537	2,029	2,252	1,912	3,040	1,919	8,017	9,123
YoY Change (%)	47.5	25.5	12.2	8.6	0.7	4.1	19.9	-5.4	12.8	13.8

E: MOSL Estimates

**1. Targeting revenue of Rs 10,000cr in FY18: BEL; MV Gowtama, CMD**

- n There were no one-offs this quarter. Does not think revenue booking will be slower in Q2 and Q3.
- n Set a target to cross Rs 10,000 crore mark in revenues
- n Expects FY18 margins to be in the range of 14-15 percent.
- n Hopes to double the revenue over next three years.
- n On order front, expects Akash order to be finalized by December. Expect order inflow worth Rs 13,000-15,000 crore in FY18

[Read More](#)**2. Expect sales momentum to continue in festive season ahead: PC Jeweller; Sanjeev Bhatia, CFO**

- n Q1 margin has declined due to a discount element. Have a steady margin for the diamond segment at 30 percent. Contribution of diamonds business to revenue is at 33 percent
- n Saw a major rush due to GST in the last 10 days of June and haven't seen much of a difference in sales due to GST
- n Confident to maintain this momentum in the coming festive season as well, he further mentioned.
- n Opened four new stores in current year, which totals its store numbers to 79. Hopeful of pushing this number by another at least 15 stores in the remaining months.

[Read More](#)**3. Expect 12% growth; maintain domestic market share: Concor; V Kalyana Rama, CMD**

- n Export-import is around 10 percent growth and on domestic side it's around 24-25 percent growth
- n Expecting around 12 percent growth on enterprise side, in volumes as well as topline
- n Lot of containerised cargo is available in India in the domestic sector. Seeing certain trend where more people are opting for containers and that is pushing domestic volumes
- n CONCOR maintains its domestic market share. GST transition has been very smooth. Things are under control as far as taxation and business is concerned

[Read More](#)**4. Expect more than 20% revenue growth in FY18: Century Plyboards; Keshav Bhajanka, ED**

- n Margins are likely to be higher but not substantially higher.
- n Looking at a substantial volume growth for current financial year and higher volume growth in Q2 but Q3 and Q4 should see a substantial rise in volume
- n Overall for FY18, company's revenue growth should be in excess of 20 percent

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### 1. Are banks ready for basel soup? greatest challenge is to extend deadline of basel III

- n Reserve Bank of India (RBI) on March 2014 extended the deadline for compliance of capital requirements under Basel III norms to March 2019. At that time the banking industry believed that it had got some reprieve given the time accorded in the face of slower economic growth. Extending more time under Basel III means lower capital burden on the banks in terms of provisioning requirements, including the NPAs. As per Basel III norms, most of the regulatory adjustments are made from common equity capital, like deduction from common equity component of Tier-1 capital in respect of shortfall in provisions to the expected losses for credit risk. The banking industry's bad loan teething troubles have been compounded many folds. The non-food credits of the banks have decreased by 37% from Rs 7,754 billion in 2015-16 to Rs 4,818 billion in 2016-17.

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### 2. The tyranny of energy uncertainty

- n Two states, pioneers in renewable energy, Tamil Nadu and Rajasthan, were in the news recently for contrasting reasons, and neither was about tariffs. One set a new national record for renewable energy capacity dispatched, and the other reported that the industry was in distress due to widespread back-down wherein discoms have been unplugging from the grid, delaying payments and shying away from power purchase agreements. The nature of the headlines inspired by renewable energy is changing. Its rapid growth disrupted power markets elsewhere, in terms of higher costs (Germany), low returns (Texas) and load-shedding (South Australia). There are clear signs now that we must reset policy from encouraging investments to introducing serious reforms necessary to sustain growth.

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### 3. Big data shows big promise in medicine

- n In handling some life-or-death medical judgements, computers have already surpassed the abilities of doctors. We're looking at the promise of self-driving cars, according to Zak Kohane, a doctor and researcher at Harvard Medical School. On the roads, replacing drivers with computers could save lives that would otherwise be lost to human error. In medicine, replacing intuition with machine intelligence might save patients from drug side effects or otherwise incurable cancers. Consider precision medicine, which involves tailoring drugs to individual patients. And to understand its promise, look to Shirley Pepke, a physicist who migrated into computational biology. When she developed a deadly cancer, she responded like a scientist and fought it using Big Data. And she is winning. She shared her story at a recent conference organized by Kohane.

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#### 4. The difficult economics of the Indian farmer

- n Anybody who is dismissive of the wave of farmer protests across the country should first understand the difficult everyday economics of the Indian agriculturalist. Most farmers swim in a turbulent sea of risks against which they have almost no protection. The risks begin with sowing. The production in the months ahead is deeply dependent on weather conditions. It is not just about the extremes of drought or flooding. Even a round of unseasonal rain can destroy standing crop. Irrigation can offer some respite—but not to the extent of completely removing production risks.

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### International

#### 5. GERMANY'S CARMAKERS FEEL THE TESLA SHOCK

- n There is plenty of demand for the new Tesla 3; the question is whether Elon Musk can produce them all. BMW and Daimler have the converse problem: they are good at making diesel cars but who wants one? After decades of success, dominating the global luxury market with impeccably designed engineering marvels, Germany's carmakers face their iPhone moment. Like BlackBerry and Nokia before, they are confronted with a US company selling an elegant device based on superior technology. BMW, Daimler and Volkswagen executives will gather in Berlin on Wednesday with ministers at a "diesel summit" to discuss how to mitigate the technology disaster that the industry has brought on itself. They might as well not bother: diesel is dying and the only question is how long it will take.

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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	840	1,095	30	28.0	35.3	42.1	30.0	23.8	5.5	4.7	20.3	21.2	21.3
Ashok Ley.	Buy	109	118	8	4.6	5.2	7.0	24.0	21.1	5.2	4.6	23.1	23.2	27.0
Bajaj Auto	Buy	2,802	3,281	17	132.3	137.2	163.6	21.2	20.4	4.8	4.3	25.3	22.2	24.0
Bharat Forge	Buy	1,155	1,330	15	26.2	37.7	49.7	44.2	30.7	6.5	5.7	16.2	19.8	22.3
Bosch	Neutral	24,997	23,738	-5	473.1	649.9	766.2	52.8	38.5	8.7	7.6	15.8	21.1	21.9
CEAT	Buy	1,926	2,100	9	93.3	96.2	131.3	20.6	20.0	3.2	2.8	16.9	15.1	17.8
Eicher Mot.	Buy	31,173	31,326	0	613.8	861.2	1,102.9	50.8	36.2	17.6	12.7	40.3	40.8	38.0
Endurance Tech.	Buy	915	1,025	12	23.5	30.5	38.8	39.0	30.0	7.4	6.1	20.8	22.4	23.6
Escorts	Neutral	693	732	6	20.0	37.1	45.8	34.7	18.7	3.5	3.0	10.6	17.3	18.3
Exide Ind	Buy	222	269	21	8.1	9.2	11.0	27.3	24.1	3.8	3.4	13.9	14.1	15.0
Hero Moto	Neutral	3,800	3,818	0	169.1	189.3	199.1	22.5	20.1	7.5	6.5	35.7	34.6	31.5
M&M	Buy	1,415	1,619	14	54.3	66.7	79.9	26.1	21.2	3.3	3.0	14.2	14.1	14.6
Mahindra CIE	Not Rated	247	-		5.4	9.9	11.8	46.2	25.1	2.9	2.6	6.4	10.8	11.5
Maruti Suzuki	Buy	7,816	8,863	13	248.6	281.0	375.3	31.4	27.8	6.5	5.7	20.3	20.1	22.8
Tata Motors	Buy	440	666	52	19.8	30.9	64.3	22.2	14.2	2.6	2.2	9.8	16.5	27.3
TVS Motor	Buy	591	606	3	11.7	16.3	25.9	50.3	36.3	11.7	9.3	25.6	28.6	35.2
<b>Aggregate</b>								<b>29.4</b>	<b>23.3</b>	<b>5.0</b>	<b>4.4</b>	<b>17.1</b>	<b>18.7</b>	<b>22.6</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	516	545	6	15.4	21.8	38.1	33.6	23.6	2.3	2.1	6.9	9.3	14.7
DCB Bank	Neutral	199	192	-4	7.0	8.4	10.4	28.5	23.8	2.9	2.4	10.8	11.4	11.8
Equitas Hold.	Buy	163	201	23	5.0	1.7	6.1	32.4	94.3	2.5	2.4	9.5	2.6	8.7
Federal Bank	Buy	115	139	21	4.8	5.4	6.8	23.9	21.4	2.3	1.8	9.9	10.0	10.5
HDFC Bank	Buy	1,795	2,000	11	56.8	68.2	82.1	31.6	26.3	5.3	4.6	18.3	18.8	19.6
ICICI Bank	Buy	302	366	21	15.3	14.9	17.0	19.7	20.3	2.2	2.1	10.2	8.9	9.5
IDFC Bank	Neutral	58	62	6	2.3	2.8	3.2	25.0	21.0	1.4	1.3	5.6	6.3	6.9
IndusInd	Buy	1,659	1,800	8	47.9	61.9	76.8	34.6	26.8	5.0	4.3	15.4	17.3	18.5
J&K Bank	Neutral	83	91	10	-31.3	3.8	8.2	NM	21.6	0.8	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	1,010	1,153	14	26.8	32.4	41.0	37.6	31.1	4.9	4.3	13.8	15.0	16.3
RBL Bank	Under Review	528	-		11.9	18.0	23.7	44.4	29.3	4.7	3.3	12.3	13.6	13.9
South Indian	Buy	30	34	14	2.2	2.9	3.7	13.7	10.4	1.2	1.1	9.5	10.8	12.7
Yes Bank	Buy	1,830	2,133	17	73.0	92.3	114.5	25.1	19.8	3.9	3.4	18.9	18.3	19.5
<b>Aggregate</b>								<b>30.4</b>	<b>24.5</b>	<b>3.5</b>	<b>3.1</b>	<b>11.5</b>	<b>12.5</b>	<b>14.2</b>
<b>Banks - PSU</b>														
BOB	Buy	163	212	30	6.0	18.4	22.5	27.3	8.9	1.1	1.0	4.1	11.9	13.2
BOI	Neutral	162	147	-9	-14.8	13.7	22.0	NM	11.8	0.7	0.7	-6.7	6.1	9.0
Canara	Neutral	360	360	0	18.8	30.1	47.0	19.1	12.0	0.8	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	59	49	-16	1.5	6.4	8.6	38.7	9.2	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	311	382	23	29.3	34.4	38.3	10.6	9.0	1.0	0.9	10.1	10.9	11.2
OBC	Neutral	144	150	4	-31.6	17.1	21.4	NM	8.4	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	159	184	16	6.2	10.3	14.5	25.5	15.5	0.9	0.8	3.6	5.6	7.5
SBI	Buy	308	362	18	0.3	17.9	23.3	1,034.3	17.2	1.5	1.3	-0.2	8.7	10.0
Union Bk	Neutral	150	162	8	7.6	24.6	34.5	19.6	6.1	0.5	0.5	2.7	8.1	10.5
<b>Aggregate</b>								<b>112.2</b>	<b>13.6</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>6.7</b>	<b>8.3</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,706	1,800	5	33.6	47.6	62.9	50.8	35.8	9.7	7.9	21.7	24.3	25.9
Bharat Fin.	Neutral	842	820	-3	21.0	31.8	68.7	40.1	26.5	4.7	3.8	15.1	16.1	28.0
Capital First	Buy	781	925	19	24.6	33.0	43.3	31.7	23.7	3.3	3.0	12.0	13.2	15.3
Cholaman.Inv.&F n	Buy	1,174	1,400	19	46.0	56.0	67.3	25.5	21.0	4.3	3.6	18.0	18.6	19.0
Dewan Hsg.	Buy	460	630	37	29.6	37.7	47.1	15.6	12.2	1.8	1.6	14.4	14.1	15.6
GRUH Fin.	Neutral	502	450	-10	8.1	9.9	12.1	61.6	50.4	18.5	15.1	32.5	33.0	32.8
HDFC	Buy	1,766	1,900	8	46.8	52.9	59.0	37.7	33.4	7.0	6.3	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,199	1,350	13	69.0	86.3	108.4	17.4	13.9	4.2	3.7	25.5	28.2	31.3

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
L&T Fin Holdings	Buy	176	200	14	5.2	7.3	10.6	33.5	24.0	4.0	3.4	12.4	15.6	19.1
LIC Hsg Fin	Neutral	692	708	2	38.2	41.6	48.9	18.1	16.7	3.3	2.8	19.4	18.2	18.5
Manappuram	Not Rated	106	-		8.6	10.8	12.5	12.3	9.9	2.7	2.4	24.0	25.9	26.9
M&M Fin.	Buy	399	459	15	7.1	13.9	17.8	56.3	28.8	3.6	3.3	6.5	12.0	14.2
Muthoot Fin	Buy	465	550	18	29.5	41.0	43.3	15.7	11.3	2.8	2.5	19.4	23.2	21.4
PFC	Neutral	122	117	-4	25.7	27.2	30.2	4.7	4.5	0.8	0.7	17.9	17.0	16.8
Repco Home	Buy	761	936	23	29.1	35.8	42.5	26.1	21.2	4.2	3.6	17.4	18.1	18.2
REC	Neutral	172	134	-22	31.4	35.0	40.4	5.5	4.9	1.0	0.9	19.9	19.1	19.1
Shriram City Union	Buy	2,326	2,900	25	84.3	121.7	164.1	27.6	19.1	3.0	2.7	11.7	15.0	17.6
STF	Buy	1,018	1,330	31	55.6	80.0	102.4	18.3	12.7	2.1	1.8	11.7	15.0	16.9
<b>Aggregate</b>								<b>20.8</b>	<b>17.5</b>	<b>3.5</b>	<b>3.1</b>	<b>16.8</b>	<b>17.7</b>	<b>18.1</b>
<b>Capital Goods</b>														
ABB	Sell	1,413	1,200	-15	19.7	22.4	31.6	71.7	63.0	9.1	8.0	12.7	12.6	15.8
Bharat Elec.	Buy	182	210	15	6.9	7.4	8.3	26.3	24.5	5.4	4.2	20.6	17.0	16.9
BHEL	Sell	141	100	-29	2.1	3.6	4.7	65.8	39.7	1.1	1.0	1.6	2.7	3.4
Blue Star	Neutral	683	610	-11	12.9	17.8	26.6	53.0	38.4	8.6	8.1	18.0	21.7	30.1
CG Cons. Elec.	Buy	215	240	12	4.7	5.0	6.4	45.9	42.6	24.9	18.4	76.4	49.7	49.7
CG Power & Indu.	Sell	84	65	-22	4.1	2.3	4.5	20.4	36.6	1.2	1.2	6.2	3.4	4.2
Cummins	Buy	991	1,200	21	26.5	29.2	36.0	37.4	34.0	7.3	6.8	21.2	20.7	23.5
GE T&D	Neutral	394	395	0	5.7	9.3	11.3	68.7	42.4	9.8	8.5	12.4	21.5	22.7
Havells	Neutral	472	455	-4	9.6	10.9	13.8	49.4	43.1	9.0	8.0	18.2	18.6	20.7
K E C Intl	Neutral	299	250	-16	11.9	12.8	16.4	25.2	23.3	4.8	4.2	21.2	19.2	20.9
L&T	Buy	1,177	1,345	14	42.3	44.8	51.7	27.8	26.3	3.3	3.1	12.2	12.1	12.9
Pennar Eng.	Not Rated	121	-		7.1	9.1	11.2	17.1	13.4	1.8	1.5	10.2	11.6	12.6
Siemens	Neutral	1,368	1,355	-1	17.8	22.7	33.0	76.7	60.2	7.1	6.2	9.3	10.3	13.7
Solar Ind	Neutral	896	825	-8	20.6	22.6	28.2	43.4	39.6	8.0	6.9	19.8	18.6	19.9
Suzlon Energy	Not Rated	18	-		0.6	0.9	1.0	29.1	20.9	-1.7	-1.8	NM	-8.8	-11.0
Thermax	Sell	875	850	-3	30.8	32.7	34.0	28.4	26.8	3.9	3.5	14.3	13.7	12.9
Va Tech Wab.	Buy	612	800	31	28.9	34.9	39.8	21.1	17.5	3.4	2.9	16.3	17.7	17.5
Voltas	Sell	540	400	-26	15.5	15.6	17.6	34.9	34.7	5.4	4.8	18.0	14.7	14.9
<b>Aggregate</b>								<b>35.9</b>	<b>32.2</b>	<b>4.0</b>	<b>3.7</b>	<b>11.2</b>	<b>11.4</b>	<b>12.6</b>
<b>Cement</b>														
Ambuja Cem.	Buy	266	308	16	4.9	7.0	8.2	54.4	38.2	2.8	2.6	5.1	7.0	7.9
ACC	Neutral	1,770	1,622	-8	36.1	49.8	65.0	49.0	35.5	3.8	3.7	7.9	10.6	13.1
Birla Corp.	Buy	944	1,205	28	29.4	40.9	58.9	32.2	23.1	2.2	2.1	7.5	9.2	12.2
Dalmia Bharat	Buy	2,626	3,162	20	38.8	66.7	87.1	67.8	39.4	4.7	4.2	7.2	11.3	13.1
Grasim Inds.	Neutral	1,103	1,384	25	67.9	71.2	102.6	16.3	15.5	1.8	1.6	11.5	10.9	13.9
India Cem	Neutral	201	201	0	5.6	8.0	11.8	35.7	25.1	1.2	1.2	3.4	4.7	6.6
J K Cements	Buy	1,004	1,287	28	33.7	40.4	53.5	29.8	24.8	4.0	3.5	14.4	15.0	17.2
JK Lakshmi Ce	Buy	456	553	21	7.0	11.4	19.2	65.5	40.0	3.8	3.5	6.0	9.2	13.8
Ramco Cem	Buy	700	823	18	27.3	31.1	37.5	25.7	22.5	4.6	3.9	19.2	18.6	19.1
Orient Cem	Buy	152	185	22	-1.6	4.4	7.1	NM	34.4	3.2	2.9	-3.2	8.8	12.8
Prism Cem	Buy	119	145	21	0.3	3.7	5.6	343.2	32.2	6.0	5.2	1.8	17.2	22.0
Shree Cem	Buy	18,379	22,360	22	384.4	460.4	547.8	47.8	39.9	8.3	7.0	18.4	19.1	19.1
Ultratech	Buy	4,090	4,936	21	96.1	91.5	138.8	42.6	44.7	4.7	4.3	11.6	10.1	14.0
<b>Aggregate</b>								<b>36.9</b>	<b>31.3</b>	<b>3.5</b>	<b>3.2</b>	<b>9.6</b>	<b>10.4</b>	<b>12.8</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,144	1,200	5	21.0	22.2	26.5	54.4	51.5	14.4	13.1	28.5	26.7	28.1
Britannia	Buy	3,864	4,450	15	73.7	85.4	105.5	52.4	45.2	17.2	14.2	36.9	34.4	34.7
Colgate	Buy	1,039	1,335	29	21.2	25.7	31.1	48.9	40.5	22.2	20.9	50.4	53.2	60.3
Dabur	Neutral	300	315	5	7.2	7.7	9.1	41.4	38.8	10.9	9.4	28.4	26.0	26.3
Emami	Buy	1,106	1,265	14	26.5	28.3	33.9	41.7	39.1	14.3	12.0	35.8	33.4	34.1
Godrej Cons.	Neutral	925	995	8	18.9	21.5	24.7	48.9	42.9	11.9	9.2	24.6	24.2	22.8
GSK Cons.	Sell	5,426	4,500	-17	156.1	166.3	181.9	34.8	32.6	7.3	7.1	22.2	22.1	22.4

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
HUL	Buy	1,168	1,285	10	19.6	22.9	27.3	59.5	50.9	37.9	36.6	65.6	73.1	82.8
ITC	Neutral	285	280	-2	8.4	9.3	10.3	34.0	30.8	7.7	7.6	23.5	24.8	26.3
Jyothy Lab	Neutral	373	405	9	11.2	8.9	11.0	33.2	41.7	6.2	6.4	21.1	15.1	18.4
Marico	Neutral	327	360	10	6.3	6.9	8.4	52.0	47.0	18.1	15.5	36.7	35.5	38.1
Nestle	Sell	6,706	5,740	-14	118.0	115.1	133.6	56.8	58.3	21.5	20.0	39.0	35.5	38.1
Page Inds	Buy	16,875	20,195	20	238.7	317.0	400.0	70.7	53.2	28.3	22.3	40.0	42.0	42.8
Parag Milk	Neutral	254	240	-6	3.6	7.4	12.3	70.5	34.2	3.3	3.0	5.9	9.1	13.4
Pidilite Ind.	Neutral	799	810	1	16.7	18.1	20.6	47.7	44.2	12.4	10.1	28.2	25.2	23.5
P&G Hygiene	Buy	8,032	9,082	13	144.9	155.8	181.6	55.4	51.5	45.8	36.5	45.3	78.9	74.0
Prabhat Dairy	Not Rated	136	-		3.5	3.5	6.4	38.6	39.2	1.9	1.9	5.2	4.9	8.5
United Brew	Neutral	809	850	5	8.7	9.7	14.7	93.0	83.3	9.3	8.5	10.4	10.7	14.6
United Spirits	Neutral	2,601	2,525	-3	26.7	34.5	51.5	97.3	75.4	19.5	13.6	21.3	18.0	20.3
<b>Aggregate</b>								<b>46.5</b>	<b>41.9</b>	<b>12.8</b>	<b>11.9</b>	<b>27.6</b>	<b>28.3</b>	<b>29.3</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	536	510	-5	21.6	20.5	25.5	24.8	26.2	5.3	4.6	23.0	19.0	20.4
Alkem Lab	Neutral	1,791	1,900	6	75.7	79.7	95.0	23.7	22.5	5.1	4.3	23.4	20.7	21.0
Ajanta Pharma	Buy	1,370	2,028	48	58.4	66.1	79.6	23.5	20.7	7.7	5.9	37.7	32.2	29.9
Aurobindo	Buy	731	850	16	39.3	45.7	50.0	18.6	16.0	4.6	3.6	28.3	25.5	22.3
Biocon	Sell	384	330	-14	10.2	9.7	14.2	37.6	39.5	4.8	4.4	12.3	11.1	14.5
Cadila	Buy	539	510	-5	14.2	17.8	23.2	38.0	30.4	8.6	7.1	24.8	25.7	27.2
Cipla	Neutral	566	500	-12	15.9	20.0	25.0	35.6	28.4	3.6	3.3	10.2	11.5	12.8
Divis Lab	Neutral	669	680	2	39.7	33.6	40.0	16.9	19.9	3.8	3.4	23.5	18.1	19.4
Dr Reddy's	Neutral	2,380	2,500	5	72.6	85.1	125.2	32.8	27.9	3.2	3.0	9.6	11.3	14.8
Fortis Health	Buy	153	240	57	10.3	2.1	6.1	14.8	72.5	1.6	1.4	11.3	2.0	5.3
Glenmark	Neutral	703	775	10	39.3	42.9	51.7	17.9	16.4	4.4	3.5	24.7	21.6	20.9
Granules	Buy	137	200	46	7.2	8.2	11.5	18.9	16.7	3.5	2.4	21.1	17.7	18.8
GSK Pharma	Neutral	2,360	2,500	6	34.4	46.8	54.9	68.7	50.4	10.0	11.6	14.5	23.0	30.9
IPCA Labs	Neutral	477	480	1	16.1	21.3	28.5	29.7	22.4	2.5	2.2	8.6	10.5	12.7
Jubilant Life	Buy	714	905	27	37.0	47.1	56.7	19.3	15.2	3.2	2.7	18.1	19.5	19.6
Lupin	Buy	1,034	1,475	43	59.2	57.9	72.0	17.5	17.9	3.5	3.0	22.0	18.2	19.4
Sanofi India	Buy	4,330	4,820	11	129.1	133.6	160.6	33.5	32.4	5.7	5.4	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
Sun Pharma	Buy	524	650	24	26.1	25.2	30.8	20.1	20.8	3.4	3.3	18.5	16.1	17.9
Syngene Intl	Not Rated	482	-		13.0	16.1	18.0	37.0	29.9	7.5	6.1	22.2	22.5	20.7
Torrent Pharma	Neutral	1,276	1,350	6	55.2	53.4	67.3	23.1	23.9	5.0	4.4	23.8	19.5	21.5
<b>Aggregate</b>								<b>24.1</b>	<b>23.0</b>	<b>4.2</b>	<b>3.7</b>	<b>17.3</b>	<b>16.1</b>	<b>17.3</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	171	228	33	9.8	12.2	14.3	17.4	14.1	2.6	2.3	12.6	17.2	17.8
Blue Dart	Not Rated	4,223	-		102.5	129.9	163.2	41.2	32.5	18.3	13.9	50.5	48.6	46.8
Concor	Neutral	1,173	1,214	3	38.0	42.1	48.6	30.9	27.8	3.2	3.1	10.8	11.3	12.4
Gateway Distriparks	Buy	271	313	15	6.8	10.7	13.6	39.9	25.3	2.3	2.3	5.9	9.1	11.1
Gati	Not Rated	118	-		8.4	15.9	23.9	14.1	7.4	1.9	1.7	12.4	19.4	25.4
Transport Corp.	Not Rated	304	-		16.9	21.0	25.9	18.0	14.5	2.8	2.4	16.7	17.8	18.6
<b>Aggregate</b>								<b>29.1</b>	<b>23.9</b>	<b>3.6</b>	<b>3.3</b>	<b>12.2</b>	<b>13.8</b>	<b>15.3</b>
<b>Media</b>														
Dish TV	Buy	81	105	29	1.0	1.4	4.0	82.4	57.2	17.7	13.5	24.1	26.8	327.5
D B Corp	Buy	379	450	19	20.4	23.7	27.6	18.6	15.9	4.4	3.9	25.5	25.8	26.6
Den Net.	Neutral	85	90	6	-8.6	-2.7	0.3	NM	NM	1.6	1.7	-12.0	-5.3	0.7
Ent.Network	Neutral	922	928	1	11.4	13.8	21.2	80.7	66.8	5.1	4.8	6.7	7.4	10.5
Hind. Media	Buy	274	350	28	25.9	28.3	33.6	10.6	9.7	1.8	1.5	19.0	17.3	17.3
HT Media	Neutral	89	90	1	7.4	7.9	8.1	11.9	11.2	0.8	0.7	7.1	6.9	6.4
Jagran Prak.	Buy	176	225	28	10.8	12.3	14.0	16.3	14.3	2.4	2.4	17.6	16.4	17.2
Music Broadcast	Buy	356	469	32	6.4	9.3	14.0	55.4	38.2	3.7	3.4	11.2	9.3	12.4
PVR	Buy	1,377	1,628	18	20.5	30.9	46.9	67.1	44.6	6.7	5.8	10.4	14.0	18.2



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
Siti Net.	Neutral	26	32	25	-1.8	-0.1	0.5	NM	NM	3.5	3.6	-23.5	-2.0	6.9
Sun TV	Neutral	796	860	8	24.9	28.5	35.9	32.0	27.9	8.0	7.3	25.0	26.3	30.2
Zee Ent.	Buy	540	630	17	23.1	14.7	18.9	23.4	36.6	8.9	7.7	24.7	22.6	24.5
<b>Aggregate</b>								<b>40.9</b>	<b>31.2</b>	<b>5.8</b>	<b>5.3</b>	<b>14.2</b>	<b>17.0</b>	<b>22.1</b>
<b>Metals</b>														
Hindalco	Buy	228	308	35	16.2	21.8	26.1	14.1	10.4	1.8	1.4	14.0	15.2	15.4
Hind. Zinc	Sell	284	246	-13	19.7	22.6	26.9	14.4	12.6	3.9	4.2	24.4	32.0	35.1
JSPL	Buy	158	190	20	-20.9	-17.2	2.4	NM	NM	0.5	0.5	-7.9	-5.4	0.8
JSW Steel	Buy	220	297	35	14.8	21.9	25.7	14.8	10.0	2.3	2.0	17.3	21.3	20.8
Nalco	Neutral	70	70	1	3.7	3.8	4.2	18.9	18.5	1.3	1.3	7.2	7.0	7.5
NMDC	Buy	124	180	45	10.0	12.1	12.2	12.5	10.2	1.7	1.6	12.4	15.0	15.5
SAIL	Sell	63	37	-41	-6.2	-10.6	-4.2	NM	NM	0.7	0.8	-6.7	-12.6	-5.5
Vedanta	Buy	281	316	13	15.1	24.8	33.1	18.5	11.3	1.7	1.6	9.7	14.8	18.4
Tata Steel	Neutral	568	583	3	37.9	49.6	65.6	15.0	11.4	1.7	1.6	15.7	14.3	16.8
<b>Aggregate</b>								<b>19.7</b>	<b>14.8</b>	<b>1.6</b>	<b>1.6</b>	<b>8.2</b>	<b>10.6</b>	<b>13.5</b>
<b>Oil &amp; Gas</b>														
BPCL	Neutral	486	511	5	48.3	36.7	43.5	10.0	13.2	3.1	2.7	32.4	21.7	22.3
GAIL	Sell	369	340	-8	22.6	26.3	29.8	16.4	14.0	1.6	1.5	9.6	11.3	11.8
Gujarat Gas	Sell	757	697	-8	20.4	33.7	46.5	37.0	22.5	6.3	5.2	17.8	25.3	28.0
Gujarat St. Pet.	Neutral	185	168	-9	8.8	11.0	13.1	21.0	16.8	2.3	2.1	11.6	13.1	14.0
HPCL	Buy	384	427	11	40.7	29.5	32.6	9.4	13.0	2.9	2.5	32.4	20.6	20.0
IOC	Neutral	370	459	24	43.0	36.0	40.0	8.6	10.3	1.7	1.5	21.2	15.8	15.8
IGL	Neutral	1,178	1,070	-9	42.5	46.8	51.9	27.7	25.2	5.6	4.8	21.0	20.6	19.6
MRPL	Sell	128	113	-12	14.8	9.4	11.7	8.7	13.6	2.2	2.0	31.4	15.5	17.0
Oil India	Buy	282	305	8	19.3	27.9	30.1	14.6	10.1	0.8	0.7	5.7	7.5	7.8
ONGC	Buy	166	195	18	16.4	16.5	19.7	10.1	10.1	1.0	0.9	10.1	9.4	10.9
PLNG	Buy	214	259	21	11.4	8.6	17.6	18.8	24.9	4.0	3.6	23.2	15.1	26.4
Reliance Ind.	Neutral	1,629	1,499	-8	96.7	115.5	128.1	16.9	14.1	1.7	1.5	11.6	12.3	12.3
<b>Aggregate</b>								<b>12.4</b>	<b>12.6</b>	<b>1.6</b>	<b>1.5</b>	<b>13.3</b>	<b>12.0</b>	<b>12.7</b>
<b>Retail</b>														
Jubilant Food	Sell	1,280	850	-34	10.0	14.8	20.7	127.9	86.4	10.5	9.6	8.2	11.1	14.0
Titan Co.	Neutral	553	545	-1	9.0	10.3	12.1	61.2	53.8	11.6	10.6	20.6	20.6	21.6
<b>Aggregate</b>								<b>65.0</b>	<b>55.8</b>	<b>11.2</b>	<b>10.3</b>	<b>17.2</b>	<b>18.4</b>	<b>19.2</b>
<b>Technology</b>														
Cyient	Buy	526	600	14	30.6	35.4	41.9	17.2	14.8	2.8	2.5	16.2	16.6	17.3
HCL Tech.	Neutral	884	950	8	59.8	61.8	65.9	14.8	14.3	3.7	3.3	27.5	24.9	23.8
Hexaware	Neutral	250	250	0	13.7	15.7	16.5	18.3	15.9	4.4	3.9	26.5	25.7	23.1
Infosys	Buy	992	1,200	21	62.9	63.7	69.5	15.8	15.6	3.3	3.0	22.0	20.0	19.8
KPIT Tech	Neutral	128	140	9	11.9	10.6	13.1	10.7	12.1	1.6	1.5	14.3	13.0	14.2
L&T Infotech	Buy	773	880	14	55.5	60.2	68.0	13.9	12.9	4.9	3.8	40.4	33.0	29.4
Mindtree	Sell	472	450	-5	24.9	28.7	32.9	19.0	16.4	3.1	3.0	16.8	17.3	20.1
Mphasis	Neutral	600	610	2	38.9	40.3	43.0	15.4	14.9	2.1	2.2	13.2	14.5	16.2
NIIT Tech	Neutral	511	540	6	38.0	42.3	48.7	13.4	12.1	1.8	1.7	13.7	14.4	15.4
Persistent Sys	Buy	645	750	16	37.7	43.3	52.0	17.1	14.9	2.6	2.5	17.0	17.9	20.7
Tata Elxsi	Buy	1,715	1,848	8	56.3	68.0	80.4	30.5	25.2	9.6	7.7	37.1	33.7	32.3
TCS	Neutral	2,467	2,350	-5	133.4	133.6	147.7	18.5	18.5	5.5	5.9	32.6	31.1	33.5
Tech Mah	Buy	402	490	22	30.9	34.0	36.8	13.0	11.8	2.1	1.9	18.4	17.4	16.9
Wipro	Neutral	294	270	-8	16.9	18.1	19.1	17.4	16.2	2.8	2.7	16.9	16.1	16.1
Zensar Tech	Buy	790	950	20	52.1	51.9	70.0	15.2	15.2	2.4	2.2	17.2	15.0	17.9
<b>Aggregate</b>								<b>17.1</b>	<b>16.9</b>	<b>3.9</b>	<b>3.9</b>	<b>22.9</b>	<b>22.8</b>	<b>22.1</b>
<b>Telecom</b>														
Bharti Airtel	Buy	416	490	18	11.1	4.3	6.6	37.4	95.8	2.5	2.4	6.7	2.5	3.8
Bharti Infratel	Buy	398	480	21	14.9	17.9	20.4	26.8	22.2	4.8	4.1	16.2	19.8	19.4
Idea Cellular	Buy	92	110	19	-1.1	-10.9	-11.3	NM	NM	1.3	1.6	-1.6	-17.3	-21.7
Tata Comm	Buy	660	775	17	27.2	8.7	26.1	24.2	75.8	11.8	10.2	132.2	14.5	33.6

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>Aggregate</b>								<b>39.0</b>	<b>216.1</b>	<b>2.7</b>	<b>2.7</b>	<b>6.9</b>	<b>1.2</b>	<b>2.8</b>
<b>Utilities</b>														
Coal India	Buy	250	315	26	14.9	17.6	18.6	16.8	14.2	6.3	6.3	37.8	44.5	47.0
CESC	Buy	950	1,360	43	51.9	88.9	99.3	18.3	10.7	1.2	1.1	6.5	10.6	10.8
JSW Energy	Buy	70	85	22	3.9	3.2	3.1	18.1	22.2	1.1	1.1	6.3	4.9	4.8
NTPC	Buy	172	198	15	13.0	13.4	16.2	13.2	12.8	1.4	1.4	11.5	10.9	12.3
Power Grid	Buy	222	262	18	14.2	17.4	20.6	15.6	12.7	2.4	2.1	16.2	17.3	17.8
Tata Power	Sell	83	68	-18	5.2	6.4	6.7	16.0	13.0	1.9	1.7	11.2	13.9	12.1
<b>Aggregate</b>								<b>15.1</b>	<b>13.2</b>	<b>2.3</b>	<b>2.1</b>	<b>14.9</b>	<b>15.8</b>	<b>16.6</b>
<b>Others</b>														
Arvind	Neutral	366	359	-2	12.4	12.5	18.1	29.6	29.2	2.7	2.5	10.3	8.8	11.8
Avenue Supermarts	Neutral	907	882	-3	7.7	12.7	17.6	118.2	71.3	14.7	12.9	17.9	19.3	23.0
Bata India	Under Review	584	-		13.5	15.7	19.4	43.2	37.2	5.7	5.1	13.9	14.4	15.8
Castrol India	Buy	397	527	33	13.6	14.4	15.0	29.1	27.5	32.9	29.5	115.2	113.3	106.1
Century Ply.	Neutral	283	323	14	8.7	9.8	12.9	32.5	28.8	8.8	7.3	31.1	27.7	29.6
Coromandel Intl	Buy	451	523	16	16.6	24.1	29.0	27.1	18.7	4.5	3.9	17.5	22.5	23.4
Delta Corp	Buy	169	237	40	3.1	5.8	7.9	55.4	29.3	4.3	2.8	8.1	12.3	12.6
Dynematic Tech	Buy	2,373	3,334	40	67.6	112.9	166.7	35.1	21.0	4.8	3.9	15.1	20.7	24.3
Eveready Inds.	Buy	297	368	24	12.9	14.4	17.5	23.1	20.6	7.5	6.0	37.7	32.3	31.6
Interglobe	Neutral	1,280	1,312	2	46.0	63.9	93.7	27.8	20.0	22.9	20.3	86.2	107.5	137.7
Indo Count	Buy	144	200	39	13.0	13.2	15.4	11.1	10.9	3.4	2.5	34.8	26.4	23.5
Info Edge	Buy	993	1,130	14	15.7	21.8	24.7	63.4	45.6	6.1	5.5	10.2	12.7	13.1
Inox Leisure	Sell	254	240	-5	3.3	8.0	12.0	76.1	31.6	4.4	3.9	5.9	12.5	16.2
Jain Irrigation	Under Review	105	-		5.5	7.6	10.0	18.9	13.8	1.6	1.6	8.6	11.7	14.8
Just Dial	Neutral	365	465	27	17.5	18.5	21.1	20.9	19.8	2.8	2.5	14.8	13.4	13.7
Kaveri Seed	Buy	690	755	9	19.1	31.3	37.7	36.2	22.0	4.7	5.1	13.6	21.6	26.0
Kitex Garm.	Buy	264	394	49	18.6	22.1	26.2	14.2	11.9	3.8	3.1	29.8	28.6	27.6
Manpasand	Buy	788	927	18	12.7	20.3	30.9	62.0	38.9	3.9	3.6	7.3	8.5	13.5
MCX	Buy	1,113	1,300	17	24.8	28.0	42.2	44.8	39.7	4.2	4.0	10.2	10.2	14.5
Monsanto	Buy	2,715	3,295	21	86.2	105.1	126.7	31.5	25.8	8.8	8.0	31.6	32.5	34.5
Navneet Education	Buy	167	226	35	7.8	9.4	11.3	21.5	17.7	5.4	4.5	26.8	27.8	28.2
PI Inds.	Buy	756	952	26	33.4	33.4	38.1	22.6	22.6	6.4	5.2	32.8	25.4	23.8
Piramal Enterp.	Buy	2,910	3,044	5	72.6	104.1	144.6	40.1	27.9	3.8	3.5	9.8	13.0	16.4
SRF	Buy	1,536	1,816	18	85.9	86.3	109.2	17.9	17.8	2.8	2.5	16.6	14.7	16.7
S H Kelkar	Buy	266	287	8	7.2	8.6	10.3	36.7	31.0	4.7	4.3	13.7	14.5	15.6
Symphony	Sell	1,397	1,288	-8	23.7	35.1	42.9	59.0	39.8	21.9	19.3	43.3	51.6	54.5
TTK Prestige	Neutral	6,286	5,281	-16	132.1	137.8	176.1	47.6	45.6	8.6	7.8	19.5	18.0	20.7
V-Guard	Neutral	182	167	-8	3.6	4.5	6.0	50.9	40.6	12.1	9.9	27.4	26.9	28.8
Wonderla	Buy	353	393	11	7.0	11.9	16.0	50.5	29.6	4.6	4.1	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-1.0	0.3	-8.7
Ashok Ley.	-1.7	16.2	23.8
Bajaj Auto	-0.7	0.4	2.0
Bharat Forge	0.4	5.8	58.7
Bosch	1.6	7.3	2.5
CEAT	2.7	7.4	124.6
Eicher Mot.	-0.8	15.4	42.7
Endurance Tech.	-0.4	4.3	
Escorts	-1.2	7.4	159.1
Exide Ind	-0.7	0.7	26.0
Hero Moto	2.1	2.8	16.6
M&M	-0.8	5.0	-3.1
Mahindra CIE	-0.6	1.4	34.5
Maruti Suzuki	-0.6	8.3	56.6
Tata Motors	-1.7	1.6	-11.0
TVS Motor	-1.0	7.5	97.2
<b>Banks - Private</b>			
Axis Bank	0.0	0.1	-6.0
DCB Bank	-0.2	0.4	82.1
Equitas Hold.	0.2	9.0	-11.7
Federal Bank	-0.1	2.0	81.6
HDFC Bank	0.0	8.6	44.2
ICICI Bank	-0.2	4.0	35.2
IDFC Bank	-1.4	6.7	15.8
IndusInd	-0.3	12.1	39.2
J&K Bank	-0.7	-3.5	29.2
Kotak Mah. Bk	-0.5	5.7	33.4
RBL Bank	-0.5	4.5	
South Indian	-0.3	7.2	53.8
Yes Bank	0.2	25.2	48.9
<b>Banks - PSU</b>			
BOB	0.0	1.3	8.0
BOI	-0.3	16.1	47.3
Canara	-1.0	9.3	46.2
IDBI Bk	-0.8	10.9	-13.9
Indian Bk	1.5	10.6	67.0
OBC	-1.1	1.8	24.5
PNB	0.9	15.9	29.3
SBI	-0.4	12.4	35.0
Union Bk	-2.7	1.9	19.4
<b>NBFCs</b>			
Bajaj Fin.	-0.5	24.2	55.8
Bharat Fin.	-1.2	16.8	2.4
Capital First	0.7	16.9	7.2
Cholaman.Inv.&Fn	-0.4	4.9	1.9
Dewan Hsg.	-1.1	5.1	105.5
GRUH Fin.	-0.3	13.2	73.0
HDFC	-0.5	9.3	31.6
Indiabulls Hsg	-2.0	11.4	53.3
L&T Fin.Holdings	1.1	21.5	98.5
LIC Hsg Fin	0.2	-6.9	35.1
Manappuram	0.2	8.5	20.9
M&M Fin.	-0.6	15.6	18.1
Muthoot Fin	-1.1	2.2	28.1
PFC	-0.3	-0.4	11.4
Repc Home	0.3	-7.6	-11.4
REC	-1.5	0.4	59.6
STF	-1.5	1.9	-20.7
Shriram City Union	-1.0	-2.4	20.5

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	-1.0	-2.6	14.3
Bharat Elec.	0.6	12.7	46.5
BHEL	-2.2	4.4	1.9
Blue Star	-0.3	13.7	44.5
CG Cons. Elec.	-0.3	-4.9	32.4
CG Power & Inds Sol.	-0.7	2.3	8.6
Cummins	2.1	8.5	16.5
GE T&D	3.7	14.9	14.2
Havells	1.0	2.6	18.2
K E C Intl	-2.6	16.2	106.0
L&T	-1.0	4.6	17.3
Pennar Eng.	2.3	-6.9	-36.2
Siemens	-2.2	2.5	9.2
Solar Ind	0.3	9.2	38.6
Suzlon Energy	-2.4	-1.6	8.8
Thermax	-0.1	-6.8	2.4
Va Tech Wab.	0.6	-10.9	5.8
Voltas	1.4	18.0	47.9
<b>Cement</b>			
Ambuja Cem.	1.8	8.1	0.7
ACC	2.0	12.9	6.2
Birla Corp.	-0.4	8.8	70.8
Dalmia Bharat	1.1	6.5	81.8
Grasim Inds.	0.4	6.6	32.4
India Cem	-1.4	1.7	70.7
J K Cements	-1.1	6.9	37.6
JK Lakshmi Ce	0.1	-5.8	5.9
Ramco Cem	1.9	1.0	26.7
Orient Cem	-1.0	7.1	-8.4
Prism Cem	-1.6	-1.4	12.2
Shree Cem	-1.1	8.5	8.3
Ultratech	0.7	3.2	11.1
<b>Consumer</b>			
Asian Paints	-0.4	3.6	2.0
Britannia	-0.9	4.6	34.2
Colgate	-2.9	-6.5	7.2
Dabur	-0.5	2.8	-0.4
Emami	3.0	3.1	-3.0
Godrej Cons.	-4.1	-4.2	15.9
GSK Cons.	-0.5	1.4	-13.3
HUL	-0.4	8.0	25.8
ITC	-0.9	-11.9	9.6
Jyothy Lab	0.1	4.8	31.0
Marico	0.1	4.0	9.1
Nestle	0.1	-0.3	-1.8
Page Inds	-1.4	1.2	14.6
Parag Milk	2.1	17.8	-16.8
Pidilite Ind.	0.4	-0.5	7.9
P&G Hygiene	-0.4	-0.2	29.4
Prabhat Dairy	0.1	4.8	51.4
United Brew	-0.8	3.6	2.8
United Spirits	-1.7	8.5	8.9
<b>Healthcare</b>			
Alembic Phar	2.2	6.6	-14.0
Alkem Lab	0.0	-3.1	15.1
Ajanta Pharma	-1.2	-11.3	-24.8
Aurobindo	-0.5	6.9	-4.5
Biocon	1.8	15.6	38.8
Cadila	-0.4	2.6	55.1



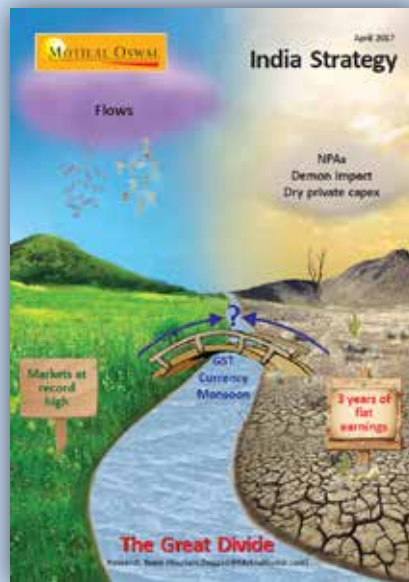
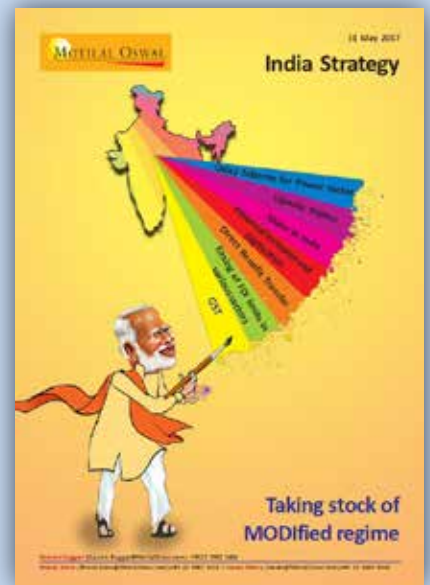
Company	1 Day (%)	1M (%)	12M (%)
Cipla	0.7	2.1	9.1
Divis Lab	0.0	3.4	-43.4
Dr Reddy's	-1.9	-11.3	-20.1
Fortis Health	-1.3	-5.6	-13.5
Glenmark	0.3	11.3	-16.5
Granules	-0.9	2.3	-3.2
GSK Pharma	-0.7	-5.5	-26.0
IPCA Labs	-1.1	-2.9	-6.8
Jubilant Life	-0.5	4.1	121.9
Lupin	1.6	-2.5	-39.3
Sanofi India	1.0	4.1	-4.9
Shilpa Medicare	-1.0	0.7	16.5
Sun Pharma	-1.9	-5.5	-36.7
Syngene Intl	3.5	2.3	18.6
Torrent Pharma	-1.2	5.2	-13.8
<b>Logistics</b>			
Allcargo Logistics	0.3	0.1	-16.5
Blue Dart	-0.5	-10.4	-26.6
Concor	-0.3	2.4	-3.4
Gateway Distriparks	-0.2	4.6	-0.9
Gati	-1.1	-12.0	-35.9
Transport Corp.	0.1	-7.8	33.4
<b>Media</b>			
Dish TV	0.6	1.8	-21.4
D B Corp	-0.4	-0.4	-8.8
Den Net.	1.3	8.7	-1.8
Ent.Network	2.2	2.8	26.2
Hind. Media	-0.7	1.3	-0.4
HT Media	-2.2	9.7	7.3
Jagran Prak.	-2.7	-3.7	-3.8
Music Broadcast	-0.8	1.6	
PVR	0.3	-2.2	24.0
Siti Net.	-0.4	-7.6	-32.8
Sun TV	1.9	-2.1	73.7
Zee Ent.	-0.7	9.9	8.0
<b>Metals</b>			
Hindalco	1.0	19.7	68.8
Hind. Zinc	0.5	8.0	49.8
JSPL	2.2	28.5	89.3
JSW Steel	-1.4	8.1	31.2
Nalco	-0.2	7.3	47.0
NMDC	-1.4	14.5	22.8
SAIL	0.2	8.2	37.0
Vedanta	-0.5	12.6	79.6
Tata Steel	-0.7	4.3	56.9
<b>Oil &amp; Gas</b>			
BPCL	0.2	14.0	28.6
GAIL	-1.1	2.3	30.9
Gujarat Gas	0.2	1.9	20.3
Gujarat St. Pet.	-2.8	4.8	39.2
HPCL	-0.7	13.1	39.0
IOC	0.0	-3.9	33.8
IGL	-1.0	11.2	82.7
MRPL	-0.8	8.3	64.7
Oil India	-1.5	8.3	2.1
ONGC	-1.0	5.2	12.3
PLNG	0.9	-1.0	37.8
Reliance Ind.	1.6	18.0	61.1
<b>Retail</b>			
Jubilant Food	-1.1	35.4	0.2
Titan Co.	2.5	5.6	30.6

Company	1 Day (%)	1M (%)	12M (%)
<b>Technology</b>			
Cyient	0.1	3.6	3.1
HCL Tech.	-0.1	3.9	10.4
Hexaware	-2.2	3.2	13.2
Infosys	-1.2	6.1	-8.5
KPIT Tech	-0.9	4.4	-0.6
L&T Infotech	-0.1	-2.1	13.2
Mindtree	-0.3	-10.7	-22.4
Mphasis	1.2	0.2	13.3
NIIT Tech	1.0	-11.5	15.4
Persistent Sys	0.4	-5.0	-4.2
Tata Elxsi	-1.3	8.2	5.1
TCS	-1.3	4.4	-8.3
Tech Mah	-0.2	5.4	-19.4
Wipro	0.0	13.8	6.9
Zensar Tech	-0.1	-3.2	-28.2
<b>Telecom</b>			
Bharti Airtel	-0.1	9.7	16.2
Bharti Infratel	-1.2	6.3	2.7
Idea Cellular	-0.3	8.5	-11.3
Tata Comm	0.4	-8.6	43.7
<b>Utilities</b>			
Coal India	-0.8	2.5	-22.6
CESC	0.3	9.0	57.1
JSW Energy	-0.1	9.1	-14.7
NTPC	4.1	8.3	7.9
Power Grid	-1.2	5.2	24.0
Tata Power	-0.2	2.5	14.9
<b>Others</b>			
Arvind	0.1	1.7	20.6
Avenue Super.	-0.9	11.3	
Bata India	-0.4	8.8	0.6
Castrol India	-0.8	-1.8	-7.0
Century Ply.	0.9	-3.9	26.1
Coromandel Intl	1.0	7.8	81.5
Delta Corp	0.3	9.3	70.2
Dynamatic Tech	-1.2	-6.5	-8.4
Eveready Inds.	-2.0	-12.9	21.3
Interglobe	-0.7	9.9	48.0
Indo Count	0.5	-13.4	-17.9
Info Edge	0.5	-3.4	22.3
Inox Leisure	-1.0	-7.2	1.7
Jain Irrigation	-0.7	1.8	43.4
Just Dial	-1.4	-1.6	-27.8
Kaveri Seed	1.1	5.5	85.5
Kitex Garm.	-1.0	-4.1	-22.9
Manpasand	-2.0	-0.2	16.0
MCX	0.0	2.4	8.8
Monsanto	-0.1	-0.9	16.8
Navneet Educat.	0.3	-6.5	73.9
PI Inds.	-0.8	-9.4	-4.3
Piramal Enterp.	-1.6	4.0	82.5
SRF	1.2	-0.2	3.3
S H Kelkar	-1.0	0.8	4.5
Symphony	0.4	2.9	21.0
TTK Prestige	-1.1	-5.0	17.7
V-Guard	0.5	5.5	47.2
Wonderla	0.1	0.0	-10.3

## NOTES



# THEMATIC/STRATEGY RESEARCH GALLERY



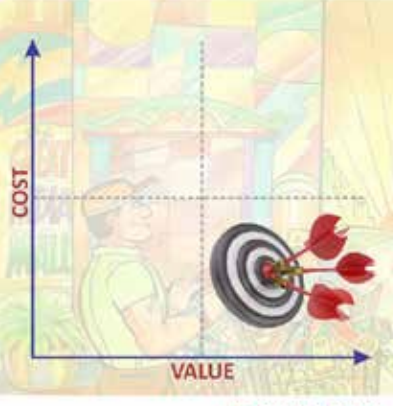


# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

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

### Avenue Supermarts



**Delivering Value**

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**MOTILAL OSWAL** Initiating Coverage | 21 April 2017  
Sector: Insurance

### Cholamandalam Finance



**Prepared, Equipped and Armed**

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**MOTILAL OSWAL** Initiating Coverage | 28 April 2017  
Sector: Utility

### Tata Power




**Struggling for RoE**

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**MOTILAL OSWAL** Initiating Coverage | 28 April 2017  
Sector: Oil and Gas

### Gujarat Gas



**Long road ahead**

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**MOTILAL OSWAL** Initiating Coverage | 28 March 2017  
Sector: Publishing

### Navneet Education



**Steadfast; growth gaining momentum**

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**MOTILAL OSWAL** Initiating Coverage | 28 March 2017  
Sector: Automobiles

### Delta Corp



**Favorable odds**

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**MOTILAL OSWAL** Initiating Coverage | 27 March 2017  
Sector: Healthcare

### Ajanta Pharma



**Promising growth trajectory**

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**MOTILAL OSWAL** Initiating Coverage | 27 February 2017  
Sector: Pharmaceuticals

### Piramal Enterprises




**Winner's Edge**

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**MOTILAL OSWAL** Initiating Coverage | 28 February 2017  
Sector: Automobiles

### CEAT



**Well balanced**

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# DIFFERENTIATED PRODUCT GALLERY

27 March 2017

**Annual Report Readbare**

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**JC LAKSHMI CEMENT**

**Strong performance in FY17**

After a period of 18 months of steady performance, with revenue growth of 10% in FY17, the company has achieved an 8% net profit margin for FY17. The company has achieved an 8% net profit margin for FY17. The company has achieved an 8% net profit margin for FY17.

- Operating performance remains steady FY17 at 77% to 82% of FY16. FY17 at 77% to 82% of FY16.
- High finance and depreciation cost stays profitable. The company continued to invest in its core business.
- Revenue remains robust. Strong capital spending and a weak performance, together with lower valuations, led to a decline in the share price of the company.

**The ART of annual report analysis**

ART is a unique tool for analyzing annual reports. It helps you understand the key performance indicators and financial metrics of a company.

Item	2016	2017
Revenue	100	108
Profit	10	10.8
Operating Profit	10	10.8
Net Profit	10	10.8

28 June 2017

**The CornerOffice**  
Deliberations with the CFO

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**Slow of new launches encouraging**

Highway toll and EPC project near-term challenges

**Key insights**

- United Breweries (UB) has started a new line of beer launch in FY17 which is encouraging after the overall launch of previous year has been slow. The company is planning to launch more brands in FY17.
- Highway toll and EPC project near-term challenges.
- United Breweries (UB) has started a new line of beer launch in FY17 which is encouraging after the overall launch of previous year has been slow.

**United Breweries**

United Breweries is a leading Indian beer and soft drink manufacturer. The company has a strong presence in the Indian market and is expanding its operations globally.

27 March 2017

**EcoKnowlodge**  
Diving into Trending Themes

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**Only two states implemented 15% Pay Commission in FY17**

FY17 budget deficit remains much higher than budgeted.

- Only two states (Kerala and Karnataka) have implemented the 15% pay commission in FY17.
- Other states have not implemented the 15% pay commission.

**15% Pay Commission in FY17**

The chart shows that only two states, Kerala and Karnataka, have implemented the 15% pay commission in FY17. Other states have not implemented the 15% pay commission.

27 March 2017

**VOICES**

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**India Inc on Call**

India Inc on Call is a quarterly publication that provides a comprehensive overview of the Indian economy and market trends. It is a must-read for investors and analysts.

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27 March 2017

**BULLS & BEARS**  
INDIA VALUATIONS HANDBOOK

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**BEST PERFORMING SECTOR (%)**

The chart shows that the IT sector is the best performing sector in India, with a growth rate of 15%.

**Worst Performing Sector (%)**

The chart shows that the telecom sector is the worst performing sector in India, with a decline of 5%.

**Highlights of June edition**

- IT sector continues to be the best performing sector in India.
- Telecom sector remains the worst performing sector.

27 March 2017

**FUND FOLIO**  
Indian Mutual Fund Tracker

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**Equity AUM of top 10 equity funds in FY17**

The chart shows that the equity AUM of the top 10 equity funds in FY17 has increased significantly, reaching over 100,000 crore.



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