

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	31,702	-0.6	19.1
Nifty-50	9,913	-0.6	21.1
Nifty-M 100	18,368	-0.7	28.0
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,477	0.0	10.6
Nasdaq	6,435	0.0	19.5
FTSE 100	7,411	-0.4	3.8
DAX	12,102	-0.3	5.4
Hang Seng	11,183	-0.9	19.0
Nikkei 225	19,508	-0.9	2.1
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	52	-1.0	-6.4
Gold (\$/OZ)	1,332	0.6	15.6
Cu (US\$/MT)	6,887	1.2	24.7
Almn (US\$/MT)	2,098	-0.9	23.1
Currency	Close	Chg. %	YTD.%
USD/INR	64.0	0.2	-5.7
USD/EUR	1.2	-0.2	12.8
USD/JPY	110.3	0.1	-5.7
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.5	0.0	0.0
10 Yrs AAA Corp	7.5	0.0	-0.1
Flows (USD b)	4-Sep	MTD	YTD
FII	-0.1	-2.1	6.7
DII	0.1	2.6	6.7
Volumes (INRb)	4-Sep	MTD*	YTD*
Cash	307	302	290
F&O	3,264	6,846	5,280

Today's top research idea



ICICI Bank: Committed to 4x4 matrix for sustainable growth

We hosted Ms Chanda Kochhar, MD and CEO of ICICI Bank, as part of 'CEO Track' at our annual conference. Key takeaways:

- ❖ ICICIBC, along with its subsidiaries, is well positioned to capitalize on the expanding pie for financial services in India.
- ❖ Immediate targets on the asset side (4\*4) are: a) monitoring existing portfolio, b) improving product mix, c) reducing the concentration and d) focusing on resolution.
- ❖ The bank is focusing on enhancing franchise (4\*4) via: a) improving funding profile toward retail, b) moving toward digitalization, c) generating cost synergies and d) focusing on capital efficiency.
- ❖ We like ICICIBC for its strong retail business and healthy capitalization. ICICIBC continues to be our top pick, with an SOTP of INR366 (1.6x June 2019+value of other ventures).

Research covered



Cos/Sector	Key Highlights
<b>AGIC: CEO Track Takeaways</b>	ICICI Bank   CRISIL   LUPIN   Shree Cements   HPCL
<b>AGIC: Management Says</b>	Auto   Capital Goods   Consumer   Financials   Healthcare   Media   Metals   Utilities
<b>Bulls &amp; Bears</b>	India Valuations Handbook — Nifty takes breather in August
<b>Automobile</b>	Scooterization wave to intensify

Piping hot news



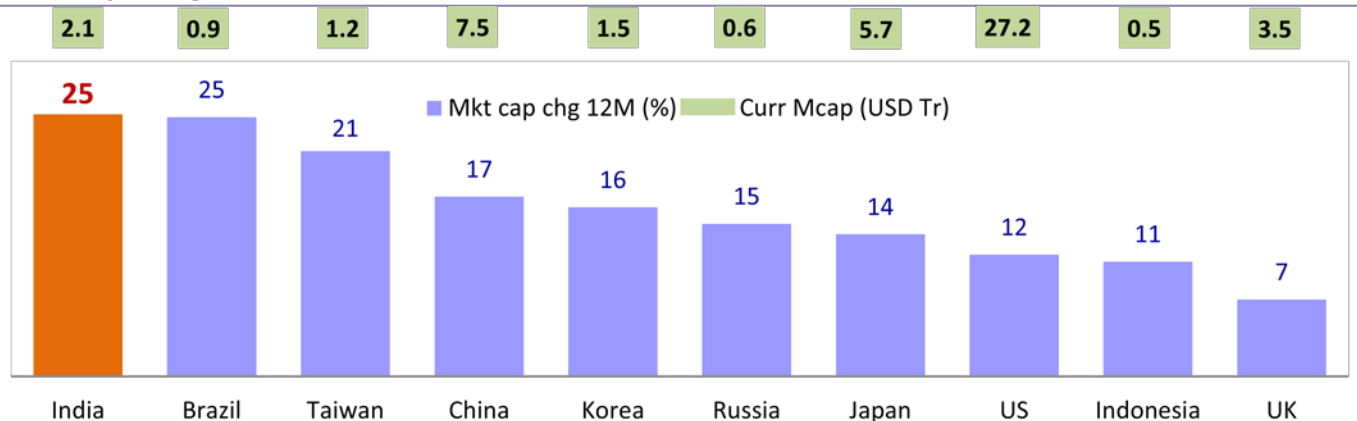
Demonetisation will cost more than slow growth

- ❖ The Union ministry of finance (MoF) has put out a note defending the Demonetisation Initiative of November 2016. It provided much information to show that it has indeed delivered the results they had expected..

Chart of the Day: Over the last 12 months, world market cap has increased 21.3% (USD14t), while India's market cap is up 25%



Market cap Change in last 12 months (%)





Kindly click on textbox for the detailed news link

**1****RBI includes HDFC Bank in 'too big to fail' lenders list**

Private sector lender HDFC Bank Ltd has been declared a domestic-systemically important bank (D-SIB), the Reserve Bank of India (RBI) said on Monday. With this, the bank has joined State Bank of India (SBI) and ICICI Bank Ltd,...

**2****Thomas Cook in race to acquire IFCI's 26.09% stake in Tourism Finance Corp**

Travel services firm Thomas Cook (India) Ltd is among several companies interested in buying state-owned lender IFCI Ltd's 26.09% stake in Tourism Finance Corp. of India Ltd (TFCI),...

**3****Rs 500 crore Matrimony.com IPO to open at price band of Rs 983-985 on 11 September**

Matrimony.com, which runs the online matchmaking website BharatMatrimony.com, has fixed a price band of Rs 983-985 for its IPO which launches on 11 September. The Rs 500 crore IPO will close on 13 September...

**4****Ashok Leyland launches Dost+**

Ashok Leyland, a Hinduja Group company, today launched 'Dost+', an upgraded version of its light commercial vehicle Dost here. Nitin Seth, President (LCV) Ashok Leyland, in a press conference said the new variant will address the needs of the upper end of small commercial vehicle (SCV) segment in the 2 to 3.5 tonne gross....

**5****Shell firms: BSE imposes trade curbs on 2 more firms**

Leading stock exchange BSE today imposed trading restrictions on two more firms -- Sancia Global Infraprojects BSE 0.00 % and Koa Tools India BSE 0.00 % -- on regulator Sebi's directives regarding a clampdown on suspected shell companies...

**6****LIC sells over 2% stake in Bank of Baroda in open market sale**

Life Insurance Corporation of India (LIC) has sold over 2 per cent shares in public sector Bank of Baroda in an open market sale in past two months...

**7****ONGC to borrow Rs 25,000 crore to fund HPCL buy**

Cash rich Oil and Natural will raise its first debt ever, of Rs 25,000 crore, to part fund the Rs 37,000 crore acquisition of government's stake in Hindustan Petroleum Corp Ltd...



Ms. Chanda Kochhar  
MD and CEO

ICICI Bank

## Committed to 4x4 matrix for sustainable growth

Takeaways from CEO track; improving resolutions – a key positive

We hosted Ms Chanda Kochhar, MD and CEO of ICICI Bank, as part of 'CEO Track' at our annual conference. Key takeaways:

- ICICIBC, along with its subsidiaries, is well positioned to capitalize on the expanding pie for financial services in India.
- Immediate targets on the asset side (4\*4) are: a) monitoring existing portfolio, b) improving product mix (higher retail share, improving share of high-rated corporate loans), c) reducing the concentration and d) focusing on resolution. Steps taken over the last few quarters have started showing results, with the pace of resolutions picking up and the portfolio becoming less risky.
- To improve profitability and move toward a sustainable, high return ratio, the bank is focusing on enhancing franchise (4\*4) via: a) improving the funding profile toward retail (now 78% of deposits v/s 50% in FY09, CASA ratio at 45%+), b) moving toward digitalization, c) generating cost synergies (cost growth in line/lower than income growth) and d) focusing on capital efficiency (including value unlocking).
- We like ICICIBC for its strong retail business and healthy capitalization. Faster-than-expected resolution will be the key positive. ICICIBC continues to be our top pick, with an SOTP of INR366 (1.6x June 2019+value of other ventures).



Ms. Ashu Suyash  
MD & CEO

CRISIL

## Double-digit corporate earnings growth appears difficult

### Takeaways from CEO track

We hosted Ms Ashu Suyash, MD and CEO of CRISIL, as part of 'CEO Track' at our annual conference. Key takeaways:

- Unless private investments pick up, double-digit growth in corporate earnings appears difficult. She expects 8-9% corporate earnings growth in FY18 – the highest in five years.
- Banks are expected to be the dominant source of total credit, accounting for ~72% in 2019, lower than 79% in 2011. The share of NBFCs is expected to move up from 12% to 18% over this period.
- CRISIL expects gross non-performing assets (GNPAs) to inch up to INR9.5t (or 10.5% of total advances) in March 2018. It also believes that significant hair-cuts are necessary for NPA resolution. Sectors such as Power need hair-cut of 25%-50%, while other sectors like Metals and Construction need hair-cut of above 50%.
- Goods & services tax (GST) is a structural change, which would have short-term pain in the form of destocking (affecting consumer durables), but certainly prove beneficial over the longer period (as logistics costs come down significantly).



Mr. Nilesh Gupta  
MD

Lupin

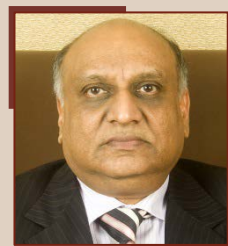
## Challenges to persist in near term; Preparing for next leg of growth

### Takeaways from CEO track

We hosted Mr Nilesh Gupta, MD of Lupin, as part of 'CEO Track' at our annual conference. Key takeaways:

- **Old model of pure generics not working...:** Lupin believes that pricing pressure due to channel consolidation and higher ANDA approvals will continue posing challenges for the industry over the next 1-2 years.
- ...and thus sees need to change business structure to drive growth, with a focus on:
- **Complex generics:** Indian companies have just 19% share in complex generics v/s 34% in vanilla generics. Lupin believes that companies focusing on products that are difficult to manufacture will continue driving growth. In complex generics, LPC's focus would be on inhalation and complex injectables.

- **Biosimilars:** The current size of the global biologics market is USD240b. However, biosimilars accounts for just USD4-6b. This market has the potential to reach USD20-25b over the next few years. LPC believes that capabilities required here are different – these either have to be acquired or built, which will take time. LPC is filing for Etanercept in Japan and EU in FY18. The company is also actively looking to partner for key products (financial investors for developed markets).
- **Specialty/branded business:** LPC believes that this is a must in the current scenario. Companies that will focus on areas with unmet needs and requirement of clinical trials will succeed. LPC believes that companies need to 'own a therapy area' to succeed in the specialty business. Focus areas in specialty business for LPC are ADHD, movement disorders and hormones.



Mr. H M Bangur  
MD

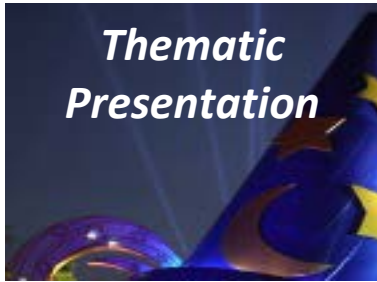
## Shree Cement

### Lower supply addition to drive utilization improvement

#### Takeaways from CEO track

We hosted Mr H M Bangur, MD of Shree Cement, as part of 'CEO Track' at our annual conference. Key takeaways:

- Supply addition is likely to come down to ~50mt from ~85-90mt five years ago.
- Present limestone reserve is expected to be sufficient for the next 6-7 years, post which the industry is likely to start witnessing constraints.
- Import of cement is not likely to be a threat in India.
- Shree Cement is not likely to diversify into any other line of business.
- The company is likely to report volume growth of 1.5-2x of industry average.
- SRCM over the next few years is likely to return surplus cash to shareholders by paying out dividend.



**Sri K T Rama Rao**  
Minister for IT, Commerce & Industry  
Telangana

## Focus on “profitable growth”

We hosted Mr K T Rama Rao, Minister of IT, Commerce, Industry and Urban Development, State of Telangana, as part of ‘CEO Track’ at our annual conference. Key takeaways:

- The youngest state in the country (formed on 2 June 2014), Telangana follows a policy of not ‘re-inventing the wheel’ – picking up the best available policies is the key to succeed, according to the minister.
- Three salient features of Telangana’s industrial policy:
  - 1.) Allow for self-certification: No permission needed to start construction.
  - 2.) A true single-window clearance: Mega investors (defined as an entity bringing in more than INR200 crores, or planning to create more than 1,000 jobs or involved in projects of strategic importance to the country or state) will receive clearances in 15 days. If not received, the project will be considered approved automatically on the 16th day.
  - 3.) Accountability: Senior IAS officers will be fined INR1,000 per day if they are found guilty of holding the project.
- The Minister was very clear that the state is hungry for more investments in healthcare, aerospace, defense, logistics, transportation, mining, etc. The concept of T-Hub and TASK (Telangana Academy for Skill & Knowledge) are examples to be followed by the rest of the world.



**Mr. M K Surana**  
CMD

**HPCL**

## High consumption potential fuels growth prospects

Takeaways from CEO track

- India has low per capital energy consumption of 533kgoe v/s 1,794kgoe globally.
- Residential, transportation, industries and petrochem to drive demand for oil & gas.
- HPCL recorded highest market growth in petroleum product sales in the last decade.
- Vizag will lead to USD3/bbl increase in GRM post expansion in 2020.
- Growth in long term will also come from petrochem and gas sector.

## Interactions

With managements  
of 100 + leading  
Indian companies

## Key takeaways from Motilal Oswal Annual Global Investor Conference 2017

Company	Takeaways	Impact
Automobiles	❖ Within CVs, M&HCV volume growth guidance stands at 0-5% for FY18.	- ve
	❖ For motorcycles, growth guidance of 5-7% for FY18 is weaker than our estimate of 8-10%.	- ve
	❖ For 2Ws, continued higher cost of customer acquisition, despite demand recovery, is a negative.	- ve
Ashok Leyland	a. AL expects at least 5% M&HCV industry growth in FY18, with the company to grow faster, driven by continued product launches in ICVs and Tipplers.	+ ve
	b. Maintain strategic goals of: a) aftermarket contribution of 12% of revenues (v/s 6-7% currently), b) exports contribution of 25-30% (v/s <10% currently), c) defence revenues of USD1b (v/s ~INR10b currently) and d) LCV ramp-up.	+ ve
	c. EGR is 6-7% more fuel efficient than SCR, but pricing is lower by 3-4%.	+ ve
Bajaj Auto	a. Guides for domestic motorcycle industry growth at 5-7% for FY18. For exports, it maintains guidance of 1.6m units for BJAUT.	- ve
	b. Cost of customer acquisition remains very high, despite demand recovery.	- ve
	c. 2W industry margins on a structural decline due to cost inflation on account of regulations. BS-6 would increase MC price by INR7k at least.	+ ve
	d. Bajaj Auto is now doing well in all segments (incl. 3Ws), except mid-segment (125cc). It will need to address mid-segment weakness with product actions.	+ ve
Bharat Forge	a. BHFC is witnessing good momentum in all segments, except India CV business. Guides for revenue growth of 15-20% and stable-to-positive EBITDA margins.	+ ve
	b. India PV business is gaining traction with addition of three new customers.	+ ve
	c. Aerospace ramp-up has been slower than expected, and target of USD100m might get stretched beyond FY20.	- ve
Tata Motors	a. JLR to outperform most of the markets on the back of its strong product lifecycle. Expect retails growth of 10% in FY18.	+ ve
	b. Guides for JLR EBIT margins of 6% for FY18. Guidance of 8-10% EBIT margin is based on operational drivers and without considering FX benefits.	+ ve
	c. Fx hedge policy modified to up to 65% hedge for first year. Fx hedging policy to reduce substantially from 4QFY18, and expects it to be negligible for FY19 (assuming constant currency).	+ ve
	d. Pension calculation change to drive annual savings of GBP55m.	+ ve
	e. Maintains guidance for flat domestic M&HCV volumes, and 10% growth for LCVs and buses.	+ ve



Company	Takeaways	Impact
Capital Goods	❖ Blue Star	+ ve
	❖ Havells	+ ve
Blue Star	a. Room AC segment has started to see traction post July. Expect business to normalize from 3QFY18.	+ ve
	b. Focus remains on margins in Room AC segment; will let go of market share rather than compromising on margins.	+ ve
	c. Project business contracts need to be renegotiated post GST; execution is thus expected to remain sluggish	+ ve
	d. New manufacturing facilities planned at Sri City and Jammu currently put on hold; awaiting clarity on the tax benefits	+ ve
	e. Continues to invest in the Water purifier business, and the focus is on getting the product portfolio and distribution/service network right	- ve
Havells	a. Lloyds to also focus on Washing Machine and Television apart from Room ACs	+ ve
	b. Focus is to improve brand perception of Lloyd products; has inculcated the culture of growth along with margins in the Lloyd team	+ ve
	c. 3-4% of Lloyd revenue is being spent on advertising, which going ahead will continue to remain in the same range	+ ve
	d. Core business was muted in July post GST implementation; Lighting business has seen price correction due to lower GST rates	- ve

Company	Takeaways	
Consumer		
Godrej Consumer	a. How will RoCE improve in the overseas business? 1) Higher gross margins from new products and targeted cost savings. 2) Targeted working capital reduction by 20% annually in the Africa business from 120 days currently, mainly led by inventory day reduction. 3) Better capex management, ensuring better throughput. 4) May not have big-ticket M&As for next 1-2 years, unlike earlier years.	+ ve
	b. The Indonesia business has got a new head Mr Akhil Chandra (previously worked with GSK and Reckitt Benckiser). He has extensive experience in the ASEAN region.	+ ve
	c. Wet hair business in Africa will have a manufacturing facility in Kenya in the next 2-3 months and in Southern Africa (Mozambique) by the end of the year, aiding cost efficiency. The business currently has a facility in Nigeria.	+ve
	d. Household insecticides business is struggling in the current year in Indonesia due to weak macro environment, heavy rainfall and the fact that the company was not as nimble as SC Johnson and the Japanese competitor in its promotion schemes.	- ve



Company	Takeaways	Impact
<b>Financials</b>		
<b>AU SFB</b>	a. July disbursements were in line with management expectations; GST might show a lagged impact.	+ ve
	b. Home loan product will be launched by 1QFY19. Actively looking for a product head.	+ ve
	c. Total CASA = INR815cr (post conversion into bank – on 19th April), 49K CASA accounts, and 61% CASA ratio as of 1QFY18.	+ ve
	d. New products: 2-wheelers, consumer durables, gold loans to existing customers.	+ ve
	e. Target CI Ratio of 50-55%; no. of employees: 20% increase from June 17 nos.	- ve
	f. Have applied for SCB license.	
<b>Capital First</b>	a. No regional concentration of portfolio.	+ ve
	b. Main issue with consumer durable loan is that approx. 40% of the first-time buyers are still not registered with CIBIL.	+ ve
	c. Lot of efforts are taken while disbursing the loans like visiting customer places, assessing cash flows, physical verification, generating internal credit scores. etc.	+ ve
<b>ICICI Bank</b>	a. SA rate cuts will add 8-9bp to NIM.	+ ve
	b. Provisioning norms under IFRS will require standard asset provisioning to be in line with expected losses.	- ve
	c. Decline in overseas book to taper down from here; growth will be opportunity-based. There is no specific goal for running down the overseas book.	Neutral
<b>YES Bank</b>	a. Notable renewables exposures include INR30-40b to a GIC and Temasek-backed project, and another project backed by GS and secured by corporate guarantees.	
	b. Construction finance exposure is mostly non-fund based. On an industry level, the riskiest construction exposures are heavily leveraged BOT projects with no non-EPC businesses.	
	c. Their total telecom exposure of INR80b is to five companies, of which INR50b is to Rjio and Vodafone, and the remaining to Idea, Tata and Bharti.	
<b>LIC Housing</b>	a. Competitive environment is largely stable, except that one PSU bank is getting more aggressive.	
	b. Expect 1-2 corporate accounts to get upgraded in the coming months.	
	c. Disbursement growth remains healthy at 16-17% with stable loan mix.	
	d. Yield on back book in retail home loans ~9%, while incremental yields are ~8.7%.	
<b>Shriram Transport</b>	a. July and 1st half of August were bad due to GST impact. Management expects the next two months to remain subdued.	
	b. However, with growth picking up in the 2nd half, management expects FY18 AUM growth to be 12-15%.	
	c. Management has guided for further reduction in cost of funds of 20-30bp in the next 2-3 quarters.	

<b>MMFS</b>	a. Farm sentiment has turned positive. There is a visible pick-up in used vehicles and passenger vehicles in rural areas.	
	b. MMFS has started financing other OEM tractors a few years back and the share has grown to 10%.	
	c. Management expects 7% GNPA (at 120dpd) by end of FY18 compared to 9% in FY17. Hence, despite migration to 90dpd this year, credit costs for FY18 should decline from 3.2% in FY17 to 2.7%-2.8% in FY18.	
<b>Ujjivan Financial</b>	a. Growth in the second half would be around 12% and next year would be approx. 20 to 25%.	+ ve
	b. Credit cost would be in the range of 4 to 4.25%.	+ ve
	c. Portfolio mix to be shifted toward housing as this area is seeing a lot of traction.	+ ve
	d. Cost to income ratio: Expect 70% by March, and in the range of 60 to 65% in March 2019.	- ve
	e. Recovery in UP and Karnataka much better than Maharashtra.	
	f. Next capital raise in the next 2 to 3 years.	

<b>Company</b>	<b>Takeaways</b>	<b>Impact</b>
<b>Healthcare</b>		
<b>Ajanta Pharma</b>	a. India formulation sales is recovering with lower inventories with stockiest; Company guided for 10-11% YoY growth, as against industry's 6-7% YoY growth.	+ ve
	b. 13 out of 19 approved products launched in US market till date; Awaiting approval for 14 products; Company guided for another 8-10 filings in FY18.	+ ve
	c. Company guided for 12-15% three-year CAGR in Asia sales, outperforming industry on new product launches and improving field-force productivity.	+ ve
	d. Company guided for 8-10% YoY decline in Africa sales, largely on lower allocation of anti-malaria business from Global Fund.	- ve
<b>Strides Shasun</b>	a. 29 ANDAs awaiting approval for US market; with current low base and a differentiated product pipeline, company remains confident of superior growth in US business.	+ ve
	b. Company on track in building levers for growth in Australia business through higher product offering and enhanced reach.	+ ve
	c. With niche product portfolio and consistent compliance, the company is well placed to deliver mid-teens EBITDA margin in API business.	+ ve

Company	Takeaways	Impact
<b>Media</b>		
<b>Zee Entertainment Enterprises</b>	<p><b>a. GST impact</b></p> <ul style="list-style-type: none"> <li>➤ Expect 2QFY18 to be weak. After recording a weak revenue exit run-rate in June, the month of July was even worse. Company has seen a recovery in August, but still significantly below the pre-GST levels. Revenues should stabilize from 3QFY18.</li> <li>➤ Advertisers have been postponing product launches as supply chain has been unprepared.</li> </ul>	
	<p><b>b. Subscription revenue</b></p> <ul style="list-style-type: none"> <li>➤ Expect mid-to-low teen revenue growth over 3-4 years. This is after factoring in the TRAI tariff recommendation, which could keep subscription revenue volatile in the year of implementation. However, expect normalization over 3-4 years.</li> </ul>	
	<p><b>c. Digital</b></p> <ul style="list-style-type: none"> <li>➤ Will refresh the OTT offering with a revised product launch in 2HFY18. Will have a consolidated freemium digital offering, combining free (OZEE) and paid (DITTO) offering. It will also include original digital content. Thus, subscribers will be able to use free, paid and sachet-based offerings.</li> </ul>	
	<p><b>d. EBITDA margin</b></p> <ul style="list-style-type: none"> <li>➤ Will be targeting north of 30% EBITDA margin. This is after factoring in a) content cost increase from Hindi GEC, from currently 27hr weekly original content to 30hrs, b) high weekly original content for &amp;TV and c) content cost toward digital foray.</li> </ul>	
	<p><b>e. Capex and working capital to remain high until FY19</b></p> <ul style="list-style-type: none"> <li>➤ Movie rights acquisition will remain high for another 18-24 months on the lines of FY17 level toward Hindi GEC movies, regional movies and rights of future releases.</li> <li>➤ Will also invest INR1.5b in working capital toward production of 10-12 movies annually.</li> </ul>	

Company	Takeaways	Impact
<b>Metals</b>		
<b>JSW Steel</b>	<p>a. Margins are higher on increase in realization and fall in cost.</p>	
	<p>b. Volumes were weak in July due to impact of GST, but have improved from August.</p>	
	<p>c. Capex target remains unchanged at INR80b for FY18.</p>	
	<p>d. Two of the five iron ore mines are ready for production, but pending mining cap relaxation by the Supreme Court. The remaining three mines are pending certain approvals, which are likely in the next six months.</p>	

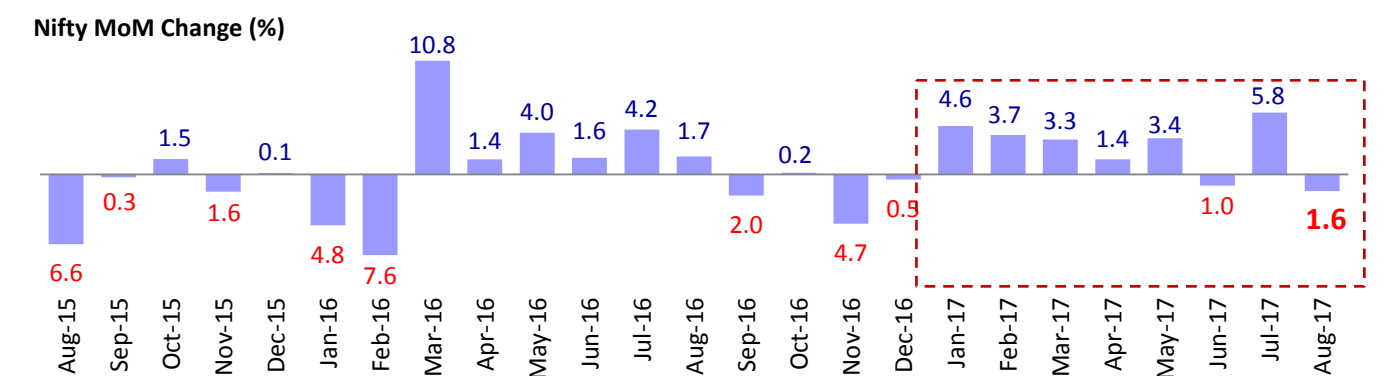
Company	Takeaways
<b>Real Estate</b>	
<b>Oberoi Realty</b>	a. 360 West Worli project: Expecting height restrictions to be removed, providing additional developable area of 0.7msf. This will increase total developable area to 3msf. The additional area will provide higher margins.
	b. ORL has an undeveloped land parcel in Worli, which it acquired in a JV with I-ventures from Glaxo. The total area here is 4 acres, which is expected to fetch FSI of 6.5. The company has planned to do a mixed development of the land, with a mall, a hotel and a premium residential complex. It has the added benefit of the underground metro station in Worli being developed directly under it.
	c. Mulund projects: The company has incurred ~15% of costs in total, and expects the projects to hit revenue recognition threshold sometime in 4QFY18 or 1QFY19.
	d. 70% of the initial RERA amount collection will not include income tax and marketing costs. It will include only construction and land costs.
	e. Land owners have become softer as a result of the RERA ruling that they shall be co-promoters in joint-development agreements, which shall make them party to any defaults by developer and thus resulting into levy of penalties.

Company	Takeaways
<b>Utilities</b>	
<b>JSW Energy</b>	a. Discussions are ongoing for ~130MW group captive PPA for Ratnagiri.
	b. Karnataka has called for 1,000MW PPA on DEEP platform for nine months. 500MW is for south-based plants and remaining 500MW was all-India. Bids are likely in the next few weeks.
	c. JPVL loan is getting serviced on time. The loan is partially secured against the amount pending to be paid to JPVL on the acquisition of hydro assets.
<b>NTPC</b>	a. There are various options being discussed with CERC for upcoming revision in regulation for next five year command period starting 2019 e.g. a) Regulate RoCE rather than RoE. This will allow flexibility in capital structure of projects b) higher debt to equity ratio (75%:25%) will help in reducing tariff without impacting RoE.
	b. Regulated equity is likely to grow by at least INR65b in FY18, representing growth of ~15% YoY.
	c. Eighteen states have already agreed for pooling of fixed cost. This is likely to derisk new projects that have higher fixed cost.
	d. The impact of change in GCV measurement to 'as-received on wagon-top' basis is being studied by CEA for normative losses. Any relaxation can lead to upside in earnings.
	e. Efficiency-based income has become insignificant with the change in measurement of GCV. Core RoE and interest on working capital are the key drivers of earnings.

### Strategy: Breather in August; micro-macro divergence continues...

- Nifty takes breather in August:** The Nifty corrected 1.6% in August after crossing the 10k mark. Fluid global backdrop, USD2b of FII selling, and disappointing earnings triggered the correction. Midcaps (-1.3% in August) trailed the Nifty, but valuation premium v/s large caps expanded to 22% (14% in July). FII outflow of USD2b was compensated by USD2.4b inflow from domestic MFs. In YTD CY17, India has received MF inflows of USD10.7b, exceeding the full-year inflows of USD7.1b in CY16. FII inflows for YTD CY17 stand at USD6.9b, more than the cumulative inflows of USD6.3b in CY15 and CY16. While the earnings season was muted, even the macro print was subdued, with 1QFY18 GDP growth at 5.7%, the lowest in three years. The performance, marred by GST transition, was well below street expectations. We have cut our GDP growth forecast for FY18 from 7.1% to 6.7%.
- 1QFY18 earnings disappointing; Nifty EPS cut 2.7%:** The 1QFY18 earnings season marked another quarter of weak performance and a subdued start to FY18, impacted by GST-related destocking. Aggregate sales of MOSL Universe grew 9.8% YoY (our estimate: +6.6%), EBITDA was up 1.1% YoY (our estimate: +3.7%), and PAT declined 9.3% YoY (our estimate: -2.8%). In our Universe, we downgraded ratings for nine stocks and upgraded for five stocks in 1QFY18. We have cut our Nifty EPS estimate for FY18 by 2.6% to INR484, and maintain our FY19E Nifty EPS at INR602. We are now building in 14% EPS growth for the Nifty for FY18E.
- India among the best-performing markets in YTD CY17:** For CY17 YTD, MSCI EM (+26%), India-Sensex (+19%), Brazil (+18%), Korea (+17%) and Taiwan (+14%) were the best performers among the key global markets in local currency terms. Russia (-12%) has underperformed significantly. Over the last 12 months, MSCI EM (+22%) has outperformed MSCI India (+11%). However, in the last five years, MSCI India has outperformed MSCI EM by 91%.
- Sectoral performance trends; PSU Banks underperform; Metals continue to outperform:** Oil & Gas (+7%), Metals (+7%), Cement (+4%), Consumer (+1%) and Telecom (+1%) were the only sectors to deliver positive returns for August. Ten sectors delivered negative returns in August. PSU Banks (-11%), Healthcare (-7%), Media (-6%) and Technology (-4%) were the laggards. In this edition of 'Bulls & Bears', we take a deep dive into valuation metrics of the Telecom sector (we also highlighted Telecom as a sector ripe for contrarian investment in our recent [follow up note](#) on the theme of Contrarian Investing). Despite strong performance of the Metals sector, valuations at 6.9x EV/EBITDA remain reasonable and are at a discount of 6% to the long period average. Consumer, Autos, Private Banks and NBFCs continue to trade at significant premium to LPAs.
- Micro-macro divergence continues:** The Nifty has delivered 21% returns in YTD CY17 and is among the best performers. Strong macro fundamentals, and continued buoyant domestic liquidity coupled with falling cost of capital has aided market performance. However, we continue to find the contrast between the macros and micros untenable. Another quarter of weak earnings performance has pushed the earnings recovery narrative further, even as valuations remain rich at 22.5x trailing and 19.2x forward P/E. For valuations to sustain/re-rate from here, earnings growth delivery is important in our view, as incremental support from falling cost of capital for a valuation uplift appears to be limited. We continue to prefer stocks with earnings visibility, structural positive triggers and reasonable valuations. ICICI Bank, Tata Motors, Sun Pharma, Amara Raja, Britannia, Petronet LNG, Hindalco, Bharti Airtel, MMFS, RBL, Yes Bank, Birla Corp are some of our preferred bets.

Exhibit 1: Nifty MoM change (%) — Just two months of negative return in CY17 so far



**Sector valuations: Global Cyclical outperform; PSU Banks underperform**

- Oil & Gas trades near its historical average P/B of 1.6x and P/E of 12.4x (v/s 10-year average of 11.9x). The sector was best-performing in August (+7% return MoM). OMCs (HPCL, BPCL and IOCL) outperformed the index on account of strong refining margins, as hurricane Harvey hit US refiners. MRPL too outperformed the index.
- Metals trade at historical average P/B of 1.6x; EV/EBITDA is at 6.9x, 6% discount to historical average. The sector was second best outperformer in August (+7% return MoM). Chinese steel prices increased ~USD50/t MoM on supply measures, supportive demand and falling inventories. Domestic steel prices increased INR1,000-2,500/t, led by flat products, due to rising import prices. Demand, however, remains weak.
- PSU Banks trade at 18% discount to historical average P/B. The sector was worst-performer in August (-11% return MoM). Stress additions are expected to decline significantly in the ensuing quarters, while recoveries in large accounts could be significant trigger points. Trading gains are expected to moderate significantly in FY18 v/s FY17.
- Technology sector had a stogy month, led by Infosys. The sector trades at a P/E of 15.8x, in line with its historical average of 15.9x. While Infosys and Tech Mahindra trade at discount to their 10-year historical average P/E, all other Tier-I companies are trading at par or at a premium to their averages.

**Sector valuations: Defensives lag Cyclical**

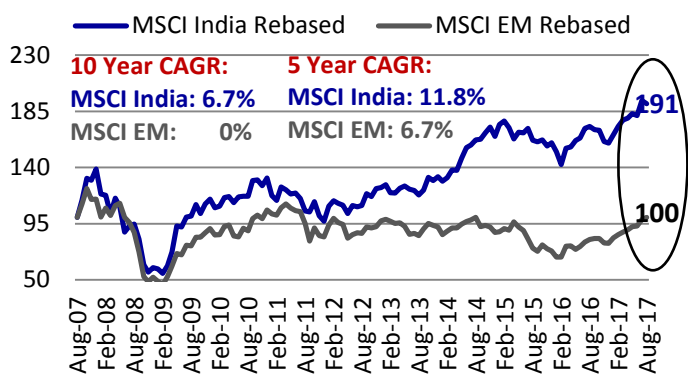
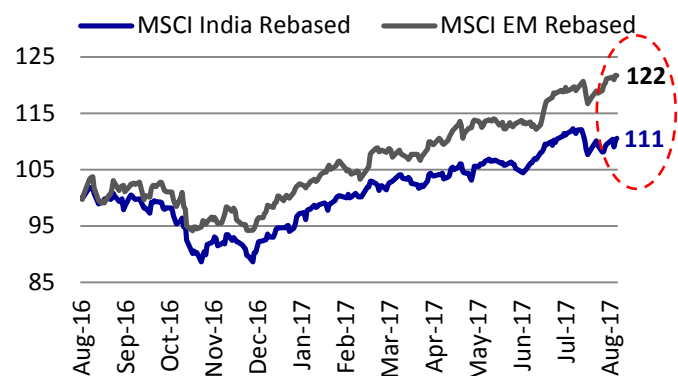
Sector	PE (x)			Relative to Sensex P/E (%)		PB (x)			Relative to Sensex P/B (%)	
	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg	Current	10 Yr Avg	Prem/Disc (%)	Current	10 Yr Avg
Auto	19.4	15.2	28.0	1	-14	3.8	3.1	23.7	40	18
Banks - Private	21.7	16.7	30.2	13	-5	3.0	2.2	32.8	8	-16
Banks - PSU	13.4	3.5	285.0	-30	-73	0.8	1.0	-17.7	-69	-62
NBFC	24.3	17.6	38.4	27	1	4.2	3.0	41.1	53	13
Capital Goods	29.6	26.7	10.9	54	49	3.1	3.9	-21.8	12	45
Cement	29.5	18.2	61.6	53	4	3.3	2.3	42.6	19	-13
Consumer	39.9	29.8	33.6	107	73	11.5	9.4	22.1	319	265
Healthcare	21.8	22.5	-3.3	13	29	3.2	3.9	-17.8	18	51
Media	25.9	22.9	13.1	35	30	5.0	4.3	18.6	83	61
Metals	12.9	12.2	5.6	-33	-30	1.6	1.6	1.0	-43	-42
Oil & Gas	12.4	11.9	4.4	-36	-31	1.6	1.6	-2.8	-44	-40
Retail	56.7	33.8	67.6	195	93	10.9	9.2	18.4	295	250
Technology	15.8	15.9	-0.5	-18	-8	3.5	4.2	-14.8	29	57
Telecom	Loss	-	-	-	-	2.4	2.6	-6.3	-11	-1
Utilities	11.8	15.2	-22.4	-38	-10	1.6	2.0	-22.0	-43	-24

**Global equities: MSCI EM outperforms MSCI India in last 12 months**

- Over the last 12 months, MSCI EM (+22%) has outperformed MSCI India (+11%). However, over the last five years, MSCI India has outperformed MSCI EM by 91%.
- MSCI India P/E is at a premium of 41% to MSCI EM P/E, marginally below its historical average premium.

**MSCI EM performance at par with MSCI India over 12 months**

**MSCI India outperformed MSCI EM by 91% in last five years**







# Automobiles

## Scooterization wave to intensify

### Penetration of scooters to improve gradually in the rural markets

We met Mr Yadvinder Singh Guleria, Senior Vice President (Sales & Marketing), of Honda Motorcycle & Scooter India (HMSI). He expects scooterization in the Indian 2W space to continue, going forward – the share of scooters is likely to increase to ~40% of the overall 2W market in the next 2-3 years (from 33.7% in YTD FY18), overtaking entry-level motorcycles to become the single-largest segment. He mentioned that the pace of scooter penetration in the rural markets has been slower than expected at the moment, but should increase gradually, led by an improvement in road infrastructure. Deeper rural penetration is the next focus area, with HMSI aiming to take scooterization beyond urban areas with the launch of the rural-focused 'Cliq'. The company is expected to be the biggest beneficiary of the upcoming CBS norms (up to 125cc) due to its technological edge and tried-and-tested models.

### Scooterization to continue, more scope for further penetration

HMSI sounded optimistic on scooter demand, expecting the share of scooters in 2Ws to continue increasing to ~40% over the next 2-3 years. Increasing acceptance of scooters as a family product, easy ride/comfort, improving road infrastructure and e-commerce continue driving sales in the urban/semi urban areas. There is a gradual increase in the acceptance of scooters in the rural markets with an improvement in road conditions. India is likely to follow trends of ASEAN markets, where the share of scooters in the sales mix is as high as 75%. Markets like Indonesia/Vietnam/Thailand almost run on scooter, and India could see similar penetration over the long term.

### Scooters to be single-largest segment, overtaking entry-level motorcycles

HMSI expect scooters to grow to become the single-largest segment in domestic 2Ws, overtaking entry-level 100cc motorcycles over the next 2-3 years. HMSI believes that there is still enough room for scooters to grow even in markets where penetration is ~50%. Improving road infrastructure in rural areas and the declining price gap with the launch of *Cliq* are expected to drive scooter demand in the rural markets. This, along with the launch of suitable products (with aesthetics and utilities like motorcycles), should help HMSI lead scooterization in the rural markets.

### Cliq scooter targeted to compete against entry-level motorcycles/mopeds

With the launch of 110cc scooter – *Cliq* – priced at INR44.5k (ex-showroom Chennai v/s Activa 4G variant priced at INR53.7k), HMSI aims to compete against 100cc entry-level motorcycles (Hero HF Delux priced at ~INR45.5k ex-showroom Chennai) and mopeds (XL100 priced at INR31.6k ex-showroom Chennai). It is targeted at the rural market, with utility and ease of use in mind. It has motorcycle-like features such as block pattern, off-road, on-road tyres, and optional luggage carrier/footboard mounted luggage box for load. It shares the same platform as Activa.

### **YS Guleria, Sr. VP, Sales and Marketing HMSI, at a launch of Cliq in Tamil Nadu**

*“With better road infrastructure, co-usage in a family and more women entering the work-force, the primary requirement of riders in Tamil Nadu has evolved from the mileage and price conscious 110cc motorcycles to the more convenient and unisex automatic scooters.*

*Now nearly every 2nd customer chooses to ride home on a scooter with mopeds witnessing a sharp decline. CLIQ is developed for the up-country customers with a progressive mindset, and is a true disruptor in the 100-110cc segment. CLIQ challenges the traditional preferences with its perfect blend of Practicality, Versatility and Value for money.*”



### **Cliq – good response in Rajasthan, expect pan-India launch by Sep-17**

HMSI first launched Cliq in Rajasthan, followed by Maharashtra and recently in Tamil Nadu. The initial response to the product from Rajasthan has been encouraging. HMSI is targeting thematic-style marketing strategies to attract customers. The product is expected to be available on pan-India basis by September 2017.

### **Premiumization of scooters to evolve gradually**

According to HMSI, the market for higher-CC scooters should evolve gradually. The buyers of Aactiva 125 are largely upgraders from the 110cc scooters segment or from entry-level motorcycles. However, management believes that the 110cc segment should continue to be the single-largest segment over the medium term.

### **No intention of electric scooter launch in near future**

HMSI believes that the trend of electric scooters (demand for which is quite high in other scooter-dominated matured markets) is a distant dream for the Indian markets. Price, load carrying capacity of battery operated vehicles and charging infrastructure are the biggest hindrance in the adoption of electric scooters.

### **Expect slowdown in 2W industry post BS-VI; probable disruptions seen**

According to management, due to a meaningful increase in product prices due to BS-VI emission norms and transitory issues, 2W industry volume should decline in FY21. It also expects disruption within segments (as buyers of 150cc may opt for 125cc vehicle due to cost difference) and manufacturers, as technology and price competitiveness will be the sole deciding factors of success.

### **HMSI to be largest beneficiary of regulatory changes in motorcycles**

According to management, HMSI is expected to be the single largest beneficiary of the upcoming mandatory CBS norms for 2Ws with engine capacity up to 125cc (likely to be effective from April 2018), as ~20% of motorcycles sold by HMSI are fitted with CBS. HMSI has a market share of 16.4% in YTD FY18 (v/s 14.6% in the year-ago period) in the motorcycle segment. BS-VI norms from 2020 will open up global markets for HMSI, as 93% of the world's 2W market (including India) will be following similar emission standards by then.

### **Other highlights**

- Expects to sell 6m units in FY18 v/s 4.7m units sold in FY17.
- Contribution of government employees in total sales remains at ~2%.
- Sri Lanka, Nepal, Columbia, Bangladesh and Mexico are HMSI's biggest exports markets. **Navi** selling well in the Guatemala, Honduras, Ecuador, Sri Lankan markets. **Dio** is the largest selling scooter brand in Sri Lanka.
- See no cannibalization of **Cliq** with existing set of scooters.
- CLIQ comes **equipped with Combi Brake System (CBS) and Equalizer** technology (as per government regulations, CBS will be mandatory on all 2Ws up to 125cc engine capacity from 1 April 2018).
- Least delinquency of loans is by HMSI customers, leading to better negotiation on the finance rate.

- Not expecting to launch motorcycle in the leisure segment in near future. Focus would largely remain on scooters and motorcycles up to 250cc.
- HMSI enjoys better margins on scooters v/s other segments.
- Have network of 5,440 touch points as on date; plans to add another 360 touch points in remaining FY18, largely in rural areas.
- Current production capacity of 6.4m units per annum.

#### Valuation and view

While we expect 2W volumes to benefit from a rural recovery in the near term, competitive intensity remains high in the segment due to changing customer preferences. In the 2W space, we like EIM and BJAUT. **Our top picks in the auto segment are Tata Motors, MSIL and Amara Raja.** We also consider MM as the best bet on a rural market recovery.



### **1. This decade is for India. World's looking to invest here: Vedanta Group; Anil Agarwal Chairman,**

- The economy may have slowed down, but it won't last long, says Anil Agarwal, chairman of Vedanta group. The London-based metals-to-oil maven, who addressed IIM-Calcutta students on entrepreneurship on Saturday, says he is not worried about the decline in latest GDP figures. "The way of doing business in India is changing. Money is now accountable. You cannot juggle with taxes. Black money has received a severe hammering. It is because of these reasons that in the very short term, the economy has slowed down," he tells.

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### **2. See lower interest rate trajectory for India going forward: Capital First; V Vaidyanathan - Founder & Chairman**

- Capital First while in conversation with CNBC-TV18's Abhishek Kothari is of the view that one-two year forward outlook the trajectory for interest rates in India is definitely lower.
- According to him, housing loans coming below 8 percent would be a seminal movement and one is eagerly looking forward to the time when housing loan rates come down to 7-7.25 percent, like was seen in 2006 or 2007.

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### **3. 20% topline growth achievable per year, says Tejas Networks**

- In an interview to CNBC-TV18, Sanjay Nayak, MD & CEO of Tejas Networks spoke about the latest happenings in the company.
- We are in an industry where there is a lot of data demand which is growing both in India and abroad, said Nayak.
- As we have higher data consumption, we need higher capacity optical transmission network for which we provide the equipments, he added.
- "Topline growth is something that is achievable at 20 percent per year level," he said.

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### 1. After GDP jolt, this is what is critical for Narendra Modi government

- Given the economy has been losing pace for several quarters now, and that the trend was noticeable even before demonetisation, the June quarter was never really expected to see a big bounce-back. However, the very sharp deceleration in GDP, at 5.7% y-o-y, and in GVA, at 5.6% y-o-y, are below even the most conservative forecasts. In fact, even during a very difficult time in Q4F17, GDP had clocked a reasonably good 6.1% y-o-y while GVA had grown at 5.6% y-o-y. This time around, the GDP has decelerated more than the GVA partly because of a big jump in subsidies during the quarter, up 40%-plus.

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### 2. Outsourcing business will decline further; it will do more with less people; see what this means

- I have been trying to fix lunch with Chandra, as R Chandrasekaran, the executive vice-chairman of Cognizant India is known, for many weeks. With his travel schedule, it has been near impossible. As one of his trips gets postponed, he agrees for a quick lunch at the Mahamudra, Isha Foundation's spacious and bright vegetarian restaurant in Mylapore, Chennai. As it is a favourite of us both, we don't waste much time ordering. We ask for their tiny crisp banana flower vadas and iced lemon tea.

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### 3. Knight in Shining Armour : When gross domestic product numbers turn so gross, it is time for the government to act

- August was a cruel month for the government, both on the sociopolitical and economic fronts. First came the horri fic deaths of 61 infants in 72 hours in a hospital in Gorakhpur, in BJP-ruled Uttar Pradesh. Then came three rail accidents in quick succession, followed by mayhem in Haryana, another BJP-ruled state, after the conviction of godman Gurmeet Ram Rahim Singh. And then we saw civic infrastructure collapse after torrential rains in Mumbai, again in a BJP-ruled state.

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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	786	986	25	28.0	28.2	37.9	28.1	27.9	5.2	4.5	20.3	17.3	19.9
Ashok Ley.	Buy	113	118	4	4.6	5.2	7.0	24.9	21.9	5.4	4.8	23.1	23.2	27.0
Bajaj Auto	Buy	2,913	3,281	13	132.3	137.2	163.6	22.0	21.2	4.9	4.5	25.3	22.2	24.0
Bharat Forge	Buy	1,124	1,353	20	26.2	36.5	50.5	43.0	30.8	6.4	5.5	16.2	19.2	22.8
Bosch	Neutral	22,441	21,994	-2	473.1	547.2	705.7	47.4	41.0	7.8	7.0	15.8	18.0	20.7
CEAT	Buy	1,706	2,029	19	93.3	94.2	126.8	18.3	18.1	2.9	2.5	16.9	14.8	17.3
Eicher Mot.	Buy	31,685	35,854	13	612.7	852.9	1,092.8	51.7	37.1	16.1	12.0	37.1	37.0	35.4
Endurance Tech.	Buy	985	1,059	8	23.5	29.3	37.9	41.9	33.6	8.0	6.7	20.8	21.6	23.3
Escorts	Neutral	646	732	13	20.0	37.1	45.8	32.3	17.4	3.3	2.8	10.6	17.3	18.3
Exide Ind	Buy	203	269	33	8.1	9.2	11.0	25.0	22.1	3.5	3.1	13.9	14.1	15.0
Hero Moto	Neutral	3,974	3,818	-4	169.1	189.3	199.1	23.5	21.0	7.8	6.8	35.7	34.6	31.5
M&M	Buy	1,328	1,625	22	54.3	68.5	82.4	24.5	19.4	3.1	2.8	14.2	13.9	14.9
Mahindra CIE	Not Rated	237	-		5.4	9.9	11.8	44.3	24.1	2.7	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	7,804	8,819	13	248.6	281.7	374.5	31.4	27.7	6.5	5.7	20.3	20.1	22.8
Tata Motors	Buy	384	542	41	19.8	22.4	59.8	19.4	17.1	2.2	2.0	9.8	12.3	26.6
TVS Motor	Buy	614	612	0	11.7	14.4	23.7	52.3	42.6	12.1	10.0	25.6	25.7	33.6
<b>Aggregate</b>								<b>28.6</b>	<b>24.7</b>	<b>4.9</b>	<b>4.3</b>	<b>17.1</b>	<b>17.4</b>	<b>22.3</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	502	545	8	15.4	21.8	38.1	32.7	23.0	2.2	2.1	6.9	9.3	14.7
DCB Bank	Neutral	185	192	4	7.0	8.4	10.4	26.5	22.1	2.7	2.2	10.8	11.4	11.8
Equitas Hold.	Buy	170	201	19	5.0	1.7	6.1	33.6	97.9	2.6	2.5	9.5	2.6	8.7
Federal Bank	Buy	112	139	24	4.8	5.4	6.8	23.2	20.8	2.2	1.8	9.9	10.0	10.5
HDFC Bank	Buy	1,752	2,000	14	56.8	68.2	82.1	30.9	25.7	5.2	4.5	18.3	18.8	19.6
ICICI Bank	Buy	297	366	23	15.3	14.9	17.0	19.4	20.0	2.2	2.0	10.2	8.9	9.5
IDFC Bank	Neutral	57	62	8	2.3	2.8	3.2	24.5	20.6	1.3	1.3	5.6	6.3	6.9
IndusInd	Buy	1,668	1,800	8	47.9	61.9	76.8	34.8	26.9	5.0	4.4	15.4	17.3	18.5
J&K Bank	Neutral	79	91	15	-31.3	3.8	8.2	NM	20.6	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	979	1,153	18	26.8	32.4	41.0	36.5	30.2	4.7	4.2	13.8	15.0	16.3
RBL Bank	Under Review	534	-		11.9	18.0	23.7	44.9	29.6	4.7	3.3	12.3	13.6	13.9
South Indian	Buy	29	34	18	2.2	2.9	3.7	13.2	10.0	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,761	2,133	21	73.0	92.3	114.5	24.1	19.1	3.8	3.2	18.9	18.3	19.5
<b>Aggregate</b>								<b>29.9</b>	<b>24.1</b>	<b>3.4</b>	<b>3.0</b>	<b>11.5</b>	<b>12.5</b>	<b>14.2</b>
<b>Banks - PSU</b>														
BOB	Buy	137	198	45	6.0	9.5	20.8	22.8	14.3	0.9	0.9	4.0	6.1	12.4
BOI	Neutral	142	149	5	-14.8	-11.2	6.6	NM	NM	0.6	0.7	-6.7	-5.2	3.0
Canara	Neutral	336	360	7	18.8	30.1	47.0	17.9	11.2	0.7	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	55	49	-10	1.5	6.4	8.6	35.9	8.5	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	285	382	34	29.3	34.4	38.3	9.7	8.3	0.9	0.9	10.1	10.9	11.2
OBC	Neutral	125	150	20	-31.6	17.1	21.4	NM	7.3	0.3	0.3	-8.4	4.6	5.4
PNB	Buy	143	184	29	6.2	5.8	11.0	22.9	24.4	0.8	0.8	3.6	3.2	5.9
SBI	Buy	278	341	23	0.3	14.6	26.8	933.9	19.0	1.3	1.2	-0.2	7.0	11.4
Union Bk	Neutral	136	140	3	8.1	9.0	19.1	16.9	15.0	0.4	0.4	2.7	3.0	6.1
<b>Aggregate</b>								<b>100.9</b>	<b>17.9</b>	<b>0.9</b>	<b>0.8</b>	<b>0.9</b>	<b>4.6</b>	<b>8.3</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,799	1,800	0	33.6	47.6	62.9	53.6	37.8	10.2	8.3	21.7	24.3	25.9
Bharat Fin.	Neutral	905	820	-9	21.0	31.8	68.7	43.1	28.5	5.1	4.1	15.1	16.1	28.0
Capital First	Buy	725	925	28	24.6	33.3	44.3	29.4	21.8	3.1	2.7	12.0	13.3	15.6
Cholaman.Inv.&Fn	Buy	1,133	1,400	24	46.0	56.0	67.3	24.6	20.2	4.1	3.5	18.0	18.6	19.0
Dewan Hsg.	Buy	521	630	21	29.6	37.7	47.1	17.6	13.8	2.1	1.8	14.4	14.1	15.6
GRUH Fin.	Neutral	515	450	-13	8.1	9.9	12.1	63.3	51.8	19.0	15.5	32.5	33.0	32.8
HDFC	Buy	1,756	1,900	8	46.8	52.9	59.0	37.5	33.2	6.9	6.3	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,236	1,350	9	69.0	86.3	108.4	17.9	14.3	4.3	3.8	25.5	28.2	31.3
L&T Fin Holdings	Buy	195	200	2	5.2	7.3	10.6	37.3	26.7	4.4	3.8	12.4	15.6	19.1
LIC Hsg Fin	Neutral	677	708	5	38.2	41.6	48.9	17.7	16.3	3.2	2.8	19.4	18.2	18.5

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Manappuram	Not Rated	101	-		8.6	10.8	12.5	11.7	9.4	2.6	2.3	24.0	25.9	26.9
M&M Fin.	Buy	427	459	7	7.1	13.9	17.8	60.3	30.8	3.8	3.6	6.5	12.0	14.2
Muthoot Fin	Buy	463	550	19	29.5	38.2	44.2	15.7	12.1	2.8	2.4	19.4	21.5	21.2
PFC	Neutral	122	117	-4	25.7	27.2	30.2	4.8	4.5	0.8	0.7	17.9	17.0	16.8
Repco Home	Buy	647	800	24	29.1	34.5	39.3	22.2	18.8	3.6	3.0	17.4	17.5	17.0
REC	Neutral	164	134	-18	31.4	35.0	40.4	5.2	4.7	1.0	0.8	19.9	19.1	19.1
Shriram City Union	Buy	2,088	2,800	34	84.3	121.7	164.1	24.8	17.2	2.7	2.4	11.7	15.0	17.6
STF	Buy	1,074	1,330	24	55.6	80.0	102.4	19.3	13.4	2.2	1.9	11.7	15.0	16.9
<b>Aggregate</b>								<b>21.0</b>	<b>17.7</b>	<b>3.5</b>	<b>3.1</b>	<b>16.8</b>	<b>17.6</b>	<b>18.1</b>
<b>Capital Goods</b>														
ABB	Sell	1,316	1,200	-9	19.7	22.4	31.6	66.8	58.7	8.5	7.4	12.7	12.6	15.8
Bharat Elec.	Buy	191	210	10	6.9	7.4	8.3	27.6	25.7	5.7	4.4	20.6	17.0	16.9
BHEL	Sell	131	100	-24	2.1	4.6	4.9	60.9	28.7	1.0	1.0	1.6	3.4	3.5
Blue Star	Neutral	754	650	-14	12.9	17.5	26.1	58.6	43.0	9.5	8.9	18.0	21.4	29.6
CG Cons. Elec.	Buy	217	250	15	4.7	5.0	6.4	46.5	43.2	25.3	18.7	76.4	49.7	49.7
CG Power & Indu.	Neutral	81	80	-1	4.1	2.0	2.5	19.7	39.8	1.2	1.2	6.2	3.0	3.7
Cummins	Buy	908	1,170	29	26.5	27.7	35.0	34.3	32.8	6.7	6.2	21.2	19.7	22.8
GE T&D	Neutral	401	395	-1	5.7	9.3	11.3	69.9	43.1	9.9	8.7	12.4	21.5	22.7
Havells	Neutral	492	455	-8	9.6	10.9	13.8	51.5	45.0	9.4	8.4	18.2	18.6	20.7
K E C Intl	Neutral	306	295	-4	11.9	13.1	16.4	25.8	23.4	5.0	4.2	21.2	19.5	20.9
L&T	Buy	1,130	1,340	19	42.3	46.8	53.2	26.7	24.1	3.1	3.5	12.5	13.7	15.6
Pennar Eng.	Not Rated	104	-		7.1	9.1	11.2	14.7	11.5	1.5	1.3	10.2	11.6	12.6
Siemens	Neutral	1,280	1,355	6	17.8	22.7	33.0	71.8	56.4	6.7	5.8	9.3	10.3	13.7
Solar Ind	Neutral	882	900	2	20.6	24.2	30.0	42.8	36.4	7.9	6.7	19.8	19.8	20.9
Suzlon Energy	Not Rated	16	-		0.6	0.9	1.0	25.5	18.3	-1.5	-1.6	NM	-8.8	-11.0
Thermax	Neutral	881	830	-6	30.8	30.0	33.2	28.6	29.4	3.9	3.6	14.3	12.7	12.8
Va Tech Wab.	Buy	612	800	31	29.8	34.6	39.8	20.5	17.7	3.4	2.9	16.8	17.6	17.4
Voltas	Sell	519	430	-17	15.5	16.8	19.1	33.6	30.9	5.2	4.6	18.0	15.8	16.0
<b>Aggregate</b>								<b>34.9</b>	<b>30.3</b>	<b>3.9</b>	<b>3.8</b>	<b>11.2</b>	<b>12.7</b>	<b>13.6</b>
<b>Cement</b>														
Ambuja Cem.	Buy	276	308	11	4.9	7.0	8.2	56.6	39.8	2.9	2.7	5.1	7.0	7.9
ACC	Neutral	1,774	1,622	-9	36.1	49.8	65.0	49.1	35.6	3.8	3.7	7.9	10.6	13.1
Birla Corp.	Buy	969	1,150	19	29.4	40.9	58.9	33.0	23.7	2.3	2.1	7.3	9.2	12.2
Dalmia Bharat	Buy	2,702	3,282	21	38.8	68.7	89.9	69.7	39.3	4.8	4.3	7.2	11.6	13.4
Grasim Inds.	Neutral	1,169	1,079	-8	67.9	71.3	102.7	17.2	16.4	1.9	1.7	11.5	10.9	13.9
India Cem	Neutral	177	201	14	5.6	8.0	11.8	31.5	22.1	1.1	1.0	3.4	4.7	6.6
J K Cements	Buy	1,003	1,277	27	33.7	39.7	54.4	29.7	25.2	4.0	3.5	14.4	14.8	17.5
JK Lakshmi Ce	Buy	431	519	20	7.0	9.7	16.4	61.9	44.3	3.6	3.4	6.0	7.9	12.1
Ramco Cem	Buy	697	806	16	27.3	27.4	34.4	25.5	25.4	4.4	3.8	19.0	16.1	17.5
Orient Cem	Buy	156	185	18	-1.6	4.4	7.1	NM	35.4	3.2	3.0	-3.2	8.8	12.8
Prism Cem	Buy	109	140	29	0.3	3.5	5.6	397.5	31.1	5.7	5.0	1.4	17.0	22.9
Shree Cem	Buy	17,823	22,360	25	384.4	460.4	547.8	46.4	38.7	8.1	6.8	18.4	19.1	19.1
Ultratech	Buy	3,988	4,936	24	96.1	91.5	138.8	41.5	43.6	4.6	4.2	11.6	10.1	14.0
<b>Aggregate</b>								<b>37.3</b>	<b>31.9</b>	<b>3.6</b>	<b>3.3</b>	<b>9.6</b>	<b>10.3</b>	<b>12.7</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,197	1,200	0	21.0	22.2	26.5	56.9	53.9	15.1	13.7	28.5	26.7	28.1
Britannia	Buy	4,216	4,660	11	73.7	85.3	104.6	57.2	49.4	18.8	15.5	36.9	34.3	34.5
Colgate	Buy	1,110	1,285	16	21.2	24.4	29.8	52.3	45.4	23.7	22.5	50.4	50.8	58.2
Dabur	Neutral	310	315	2	7.2	7.7	9.1	42.8	40.1	11.3	9.7	28.4	26.0	26.3
Emami	Buy	1,094	1,310	20	26.5	26.9	33.1	41.2	40.6	14.1	12.1	35.8	32.0	33.9
Godrej Cons.	Neutral	920	995	8	18.9	21.5	24.7	48.7	42.7	11.8	9.2	24.6	24.2	22.8
GSK Cons.	Sell	5,320	4,500	-15	156.1	158.1	182.1	34.1	33.7	7.2	7.0	22.2	21.1	22.6
HUL	Buy	1,197	1,360	14	19.6	22.9	27.3	61.0	52.2	38.9	37.5	65.6	73.1	82.8
ITC	Neutral	283	280	-1	8.4	9.3	10.3	33.7	30.5	7.6	7.5	23.5	24.8	26.3
Jyothy Lab	Neutral	390	395	1	11.2	9.8	11.1	34.7	39.7	6.5	6.6	21.1	16.5	18.4

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
Marico	Neutral	315	355	13	6.3	6.8	8.2	50.1	46.2	17.5	15.0	36.7	34.9	37.7
Nestle	Neutral	6,859	6,160	-10	118.0	115.1	133.6	58.1	59.6	21.9	20.4	39.0	35.5	38.1
Page Inds	Buy	18,062	19,600	9	238.7	294.7	398.4	75.7	61.3	30.3	24.3	40.0	39.6	43.1
Parag Milk	Neutral	249	245	-2	3.6	9.1	12.5	69.1	27.4	3.2	2.9	6.0	11.0	13.3
Pidilite Ind.	Neutral	836	810	-3	16.7	18.1	20.6	50.0	46.3	13.0	10.6	28.2	25.2	23.5
P&G Hygiene	Neutral	8,413	8,800	5	132.9	151.6	176.0	63.3	55.5	39.6	32.9	39.3	64.9	62.8
Prabhat Dairy	Not Rated	134	-		3.5	3.5	6.4	37.9	38.5	1.9	1.8	5.2	4.9	8.5
United Brew	Neutral	802	875	9	8.7	10.1	15.0	92.2	79.6	9.2	8.4	10.4	11.0	14.7
United Spirits	Neutral	2,572	2,525	-2	26.7	34.5	51.5	96.2	74.5	19.3	13.4	21.3	18.0	20.3
<b>Aggregate</b>								<b>47.4</b>	<b>42.8</b>	<b>13.0</b>	<b>12.1</b>	<b>27.5</b>	<b>28.2</b>	<b>29.3</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	513	510	-1	21.6	20.5	25.5	23.8	25.1	5.1	4.4	23.0	19.0	20.4
Alkem Lab	Neutral	1,799	1,830	2	75.7	73.5	91.6	23.8	24.5	5.1	4.4	23.4	19.2	20.5
Ajanta Pharma	Buy	1,194	1,606	35	58.4	52.8	64.2	20.4	22.6	6.7	5.4	37.7	26.5	25.9
Aurobindo	Buy	749	850	13	39.3	44.9	50.0	19.1	16.7	4.7	3.7	27.6	24.8	22.1
Biocon	Sell	332	330	-1	10.2	9.7	14.2	32.5	34.2	4.1	3.8	12.3	11.1	14.5
Cadila	Buy	506	555	10	14.2	17.9	24.1	35.7	28.3	7.4	6.2	23.0	23.9	26.3
Cipla	Neutral	562	520	-7	15.9	21.1	26.0	35.3	26.6	3.6	3.2	10.2	12.1	13.2
Divis Lab	Neutral	709	680	-4	39.7	33.6	40.0	17.9	21.1	4.0	3.6	23.5	18.1	19.4
Dr Reddy's	Neutral	2,189	2,500	14	72.6	85.1	125.2	30.1	25.7	3.0	2.8	9.7	11.3	14.8
Fortis Health	Buy	147	220	49	10.3	2.2	5.6	14.2	67.4	1.5	1.3	11.3	2.1	4.9
Glenmark	Neutral	604	775	28	39.3	42.9	51.7	15.4	14.1	3.8	3.0	24.7	21.6	20.9
Granules	Buy	127	200	58	7.2	8.2	11.5	17.5	15.5	3.2	2.2	21.1	17.7	18.8
GSK Pharma	Neutral	2,423	2,500	3	34.4	46.8	54.9	70.5	51.8	10.2	11.9	14.5	23.0	30.9
IPCA Labs	Neutral	417	430	3	16.1	16.6	26.8	25.9	25.1	2.1	2.0	8.6	8.2	12.2
Jubilant Life	Buy	694	905	30	37.0	47.1	56.7	18.8	14.7	3.1	2.6	18.1	19.5	19.6
Lupin	Buy	996	1,125	13	55.8	41.4	56.3	17.8	24.1	3.3	3.0	20.6	13.2	16.0
Sanofi India	Buy	4,029	4,820	20	129.1	133.6	160.6	31.2	30.1	5.3	5.0	17.1	16.6	18.1
Shilpa Medicare	Buy	597	805	35	14.0	21.1	30.4	42.6	28.3	5.2	4.4	14.4	17.0	20.4
Strides Shasun	Buy	916	1,300	42	32.3	47.4	74.8	28.4	19.3	3.0	2.7	10.7	14.7	20.2
Sun Pharma	Buy	501	515	3	26.1	15.1	23.3	19.1	33.2	3.3	3.3	18.5	10.0	14.7
Syngene Intl	Not Rated	448	-		13.0	16.1	18.0	34.4	27.8	6.9	5.7	22.2	22.5	20.7
Torrent Pharma	Neutral	1,216	1,350	11	55.2	53.4	67.3	22.0	22.8	4.7	4.2	23.8	19.5	21.5
<b>Aggregate</b>								<b>23.2</b>	<b>25.3</b>	<b>3.9</b>	<b>3.6</b>	<b>16.9</b>	<b>14.1</b>	<b>16.3</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	168	212	26	9.8	11.2	13.3	17.1	15.0	2.5	2.3	12.6	16.0	16.8
Blue Dart	Not Rated	4,349	-		102.5	129.9	163.2	42.4	33.5	18.8	14.3	50.5	48.6	46.8
Concor	Neutral	1,318	1,214	-8	38.0	42.1	48.6	34.7	31.3	3.6	3.5	10.8	11.3	12.4
Gateway Distriparks	Buy	222	272	23	6.8	9.0	12.4	32.6	24.7	2.4	2.3	7.3	9.4	12.4
Gati	Not Rated	117	-		8.4	15.9	23.9	14.0	7.4	1.9	1.7	12.4	19.4	25.4
Transport Corp.	Not Rated	282	-		16.9	21.0	25.9	16.7	13.4	2.6	2.2	16.7	17.8	18.6
<b>Aggregate</b>								<b>30.8</b>	<b>25.8</b>	<b>3.8</b>	<b>3.6</b>	<b>12.4</b>	<b>13.8</b>	<b>15.4</b>
<b>Media</b>														
Dish TV	Buy	80	106	32	1.0	1.3	4.3	81.2	61.3	17.4	13.6	24.1	24.9	99.2
D B Corp	Buy	376	450	20	20.4	23.7	27.6	18.4	15.8	4.3	3.9	25.5	25.8	26.6
Den Net.	Neutral	88	90	2	-8.6	-2.7	0.3	NM	NM	1.6	1.8	-12.0	-5.3	0.7
Ent.Network	Neutral	851	928	9	11.4	13.4	21.7	74.5	63.7	4.7	4.4	6.7	7.2	10.7
Hind. Media	Buy	271	350	29	25.9	28.3	33.6	10.5	9.6	1.8	1.5	19.0	17.3	17.3
HT Media	Neutral	97	90	-7	7.4	7.9	8.1	13.0	12.2	0.9	0.8	7.1	6.9	6.4
Jagran Prak.	Buy	179	225	26	10.8	12.4	14.1	16.7	14.5	2.4	2.4	17.6	16.5	17.4
Music Broadcast	Buy	368	469	27	6.4	9.3	14.0	57.3	39.5	3.8	3.5	11.2	9.3	12.4
PVR	Buy	1,316	1,628	24	20.5	30.9	46.9	64.1	42.6	6.4	5.6	10.4	14.0	18.2
Siti Net.	Neutral	25	32	28	-1.8	-0.3	0.4	NM	NM	3.5	3.6	-23.5	-4.1	6.2
Sun TV	Neutral	807	860	7	24.9	28.5	35.9	32.5	28.3	7.7	7.1	23.6	25.0	28.8



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
Zee Ent.	Buy	520	630	21	23.1	14.7	18.9	22.5	35.3	8.6	7.4	24.7	22.6	24.5
<b>Aggregate</b>								<b>39.9</b>	<b>30.6</b>	<b>5.6</b>	<b>5.1</b>	<b>14.0</b>	<b>16.7</b>	<b>21.3</b>
<b>Metals</b>														
Hindalco	Buy	243	309	27	16.2	22.0	26.3	15.0	11.1	1.9	1.5	14.0	15.3	15.4
Hind. Zinc	Neutral	299	301	1	19.7	22.2	29.3	15.2	13.5	4.1	4.4	24.4	31.5	38.0
JSPL	Buy	140	194	39	-20.9	-15.8	2.0	NM	NM	0.4	0.4	-7.9	-4.9	0.6
JSW Steel	Buy	255	297	17	14.8	21.9	25.7	17.2	11.6	2.7	2.3	17.3	21.3	20.8
Nalco	Neutral	74	63	-14	3.7	3.5	4.2	20.0	21.2	1.4	1.4	7.2	6.5	7.7
NMDC	Buy	135	180	34	10.0	12.4	12.1	13.5	10.8	1.9	1.8	12.8	15.2	15.6
SAIL	Sell	62	30	-52	-6.2	-7.7	-4.2	NM	NM	0.7	0.8	-6.7	-9.1	-5.3
Vedanta	Buy	316	361	14	15.1	23.9	37.4	20.9	13.2	1.9	1.8	9.7	14.2	20.4
Tata Steel	Neutral	646	591	-9	37.9	65.1	64.3	17.0	9.9	2.0	1.7	15.7	18.6	16.2
<b>Aggregate</b>								<b>21.4</b>	<b>15.0</b>	<b>1.8</b>	<b>1.7</b>	<b>8.2</b>	<b>11.2</b>	<b>14.0</b>
<b>Oil &amp; Gas</b>														
BPCL	Neutral	530	515	-3	48.3	34.3	41.3	11.0	15.5	3.4	3.0	32.4	20.4	21.4
GAIL	Sell	380	346	-9	22.6	26.5	31.3	16.8	14.3	1.7	1.6	9.6	11.3	12.4
Gujarat Gas	Sell	800	691	-14	20.4	37.2	46.1	39.3	21.5	6.7	5.3	17.8	27.6	27.4
Gujarat St. Pet.	Neutral	188	171	-9	8.8	11.1	13.3	21.3	16.8	2.4	2.1	11.6	13.2	14.2
HPCL	Buy	476	510	7	40.7	34.1	36.3	11.7	14.0	3.6	3.1	32.4	23.6	21.7
IOC	Buy	430	458	7	43.0	36.7	40.4	10.0	11.7	2.0	1.8	21.2	16.0	15.8
IGL	Neutral	1,262	1,152	-9	44.0	49.9	56.3	28.7	25.3	6.0	5.1	21.0	21.9	20.9
MRPL	Sell	135	113	-16	14.8	9.4	11.7	9.2	14.3	2.4	2.1	31.4	15.5	17.0
Oil India	Buy	308	316	2	19.3	27.9	31.1	16.0	11.1	0.8	0.8	5.7	7.5	8.0
ONGC	Buy	162	195	21	16.4	16.5	19.7	9.8	9.8	0.9	0.9	10.1	9.4	10.9
PLNG	Buy	223	274	23	11.4	14.0	17.9	19.6	15.9	4.1	3.5	23.2	23.7	25.5
Reliance Ind.	Neutral	1,611	1,499	-7	96.7	115.5	128.1	16.7	14.0	1.7	1.5	11.6	12.3	12.3
<b>Aggregate</b>								<b>13.0</b>	<b>13.1</b>	<b>1.7</b>	<b>1.6</b>	<b>13.3</b>	<b>12.2</b>	<b>12.7</b>
<b>Retail</b>														
Jubilant Food	Sell	1,379	850	-38	10.0	14.8	20.7	137.8	93.1	11.3	10.4	8.2	11.1	14.0
Titan Co.	Neutral	613	565	-8	9.0	10.6	12.6	67.9	57.7	12.9	11.7	20.6	21.3	22.2
<b>Aggregate</b>								<b>73.4</b>	<b>61.2</b>	<b>12.6</b>	<b>11.5</b>	<b>17.2</b>	<b>18.9</b>	<b>19.6</b>
<b>Technology</b>														
Cyient	Buy	531	600	13	30.6	35.4	41.9	17.3	15.0	2.8	2.5	16.2	16.6	17.3
HCL Tech.	Neutral	858	950	11	59.8	61.8	65.9	14.3	13.9	3.6	3.2	27.5	24.9	23.8
Hexaware	Neutral	269	250	-7	13.7	15.7	16.5	19.7	17.1	4.8	4.1	26.5	25.7	23.1
Infosys	Buy	901	1,050	16	62.9	62.2	67.2	14.3	14.5	3.0	2.7	22.0	19.6	19.3
KPIT Tech	Neutral	117	140	19	11.9	10.6	13.1	9.8	11.1	1.5	1.4	14.3	13.0	14.2
L&T Infotech	Buy	756	880	16	55.5	60.2	68.0	13.6	12.6	4.7	3.7	40.4	33.0	29.4
Mindtree	Neutral	455	450	-1	24.9	28.7	32.9	18.3	15.8	3.0	2.9	16.8	17.3	20.1
Mphasis	Neutral	605	610	1	38.9	40.3	43.0	15.6	15.0	2.1	2.2	13.2	14.5	16.2
NIIT Tech	Neutral	509	540	6	38.0	42.3	48.7	13.4	12.0	1.8	1.7	13.7	14.4	15.4
Persistent Sys	Buy	610	750	23	37.7	43.3	52.0	16.2	14.1	2.5	2.4	17.0	17.9	20.7
Tata Elxsi	Buy	1,727	1,992	15	56.3	67.4	79.7	30.7	25.6	9.6	7.7	37.1	33.5	32.2
TCS	Neutral	2,458	2,350	-4	133.4	133.6	147.7	18.4	18.4	5.5	5.9	32.6	31.1	33.5
Tech Mah	Buy	416	490	18	30.9	34.0	36.8	13.5	12.2	2.2	2.0	18.4	17.4	16.9
Wipro	Neutral	297	270	-9	16.9	18.1	19.1	17.6	16.4	2.8	2.7	16.9	16.1	16.1
Zensar Tech	Buy	791	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>16.7</b>	<b>16.5</b>	<b>3.8</b>	<b>3.8</b>	<b>22.9</b>	<b>22.8</b>	<b>22.0</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	377	480	27	14.9	17.9	20.4	25.4	21.0	4.5	3.9	16.2	19.8	19.4
Idea Cellular	Buy	87	110	26	-1.1	-10.9	-11.3	NM	NM	1.3	1.5	-1.6	-17.3	-21.7
Tata Comm	Buy	654	775	19	27.2	8.7	26.1	24.0	75.0	11.7	10.1	132.2	14.5	33.6
<b>Aggregate</b>								<b>38.6</b>	<b>213.8</b>	<b>2.7</b>	<b>2.7</b>	<b>6.9</b>	<b>1.2</b>	<b>2.8</b>
<b>Utilities</b>														

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Coal India	Buy	246	275	12	14.9	18.3	19.1	16.5	13.5	6.2	6.0	37.8	44.2	44.2
CESC	Buy	1,037	1,360	31	51.9	88.9	99.3	20.0	11.7	1.3	1.2	6.5	10.6	10.8
JSW Energy	Sell	67	49	-27	3.8	3.4	2.7	17.4	19.8	1.1	1.0	6.3	5.3	4.2
NTPC	Buy	168	204	22	13.0	13.3	16.3	12.9	12.6	1.4	1.3	11.5	10.8	12.4
Power Grid	Buy	217	262	21	14.2	17.4	20.6	15.2	12.5	2.3	2.0	16.2	17.3	17.8
Tata Power	Sell	79	68	-14	5.2	6.4	6.7	15.2	12.3	1.8	1.6	11.2	13.9	12.1
<b>Aggregate</b>								<b>14.8</b>	<b>12.8</b>	<b>2.2</b>	<b>2.0</b>	<b>14.9</b>	<b>15.9</b>	<b>16.6</b>
<b>Others</b>														
Arvind	Neutral	388	375	-3	12.4	12.9	18.6	31.3	30.0	2.8	2.6	10.3	9.1	12.0
Avenue Supermarts	Neutral	1,020	882	-14	7.7	12.7	17.6	133.0	80.2	16.6	14.5	17.9	19.3	23.0
Bata India	Under Review	681	-		13.5	15.7	19.4	50.4	43.3	6.6	5.9	13.9	14.4	15.8
BSE	Neutral	974	1,100	13	41.0	42.2	44.6	23.8	23.1	2.0	2.0	8.3	8.5	7.7
Castrol India	Buy	398	489	23	13.6	13.9	14.0	29.1	28.7	33.0	29.7	115.2	108.9	99.2
Century Ply.	Neutral	249	323	30	8.7	9.8	12.9	28.6	25.3	7.7	6.4	31.1	27.7	29.6
Coromandel Intl	Buy	428	523	22	16.6	24.1	29.0	25.8	17.7	4.3	3.7	17.5	22.5	23.4
Delta Corp	Buy	189	243	28	3.1	5.9	8.1	62.0	32.2	4.8	3.2	8.1	12.5	12.9
Dynamatic Tech	Buy	2,549	3,334	31	67.6	112.9	166.7	37.7	22.6	5.2	4.2	15.1	20.7	24.3
Eveready Inds.	Buy	300	358	19	12.9	13.6	16.3	23.3	22.0	7.5	6.1	37.7	30.8	30.1
Interglobe	Neutral	1,264	1,312	4	46.0	63.9	93.7	27.5	19.8	22.6	20.1	86.2	107.5	137.7
Indo Count	Neutral	114	129	13	13.0	8.9	10.8	8.8	12.9	2.7	2.2	34.8	18.6	18.3
Info Edge	Buy	951	1,130	19	15.7	21.8	24.7	60.6	43.7	5.8	5.3	10.2	12.7	13.1
Inox Leisure	Sell	247	240	-3	3.3	8.0	12.0	74.1	30.7	4.3	3.8	5.9	12.5	16.2
Jain Irrigation	Under Review	97	-		5.5	7.6	10.0	17.5	12.8	1.5	1.4	8.6	11.7	14.8
Just Dial	Neutral	381	465	22	17.5	18.5	21.1	21.8	20.6	2.9	2.6	14.8	13.4	13.7
Kaveri Seed	Buy	543	738	36	19.1	34.0	41.0	28.5	16.0	3.7	3.9	13.6	23.3	27.4
Kitex Garm.	Buy	248	394	59	18.6	22.1	26.2	13.4	11.2	3.6	2.9	29.8	28.6	27.6
Manpasand	Buy	796	926	16	12.7	20.2	30.9	62.7	39.5	4.0	3.7	7.3	8.5	13.5
MCX	Buy	1,066	1,230	15	24.8	29.4	40.7	43.0	36.3	4.0	3.8	9.9	10.7	13.9
Monsanto	Buy	2,612	3,295	26	86.2	105.1	126.7	30.3	24.9	8.5	7.7	31.6	32.5	34.5
Navneet Education	Buy	164	215	31	7.8	8.7	10.8	21.2	18.8	5.3	4.5	26.8	26.0	27.4
PI Inds.	Buy	709	894	26	33.4	30.4	35.8	21.2	23.3	6.0	5.0	32.8	23.4	22.9
Piramal Enterp.	Buy	2,689	3,044	13	72.6	104.1	144.6	37.1	25.8	3.5	3.2	9.8	13.0	16.4
SRF	Buy	1,504	1,648	10	85.9	80.2	103.0	17.5	18.7	2.8	2.5	16.6	13.7	16.0
S H Kelkar	Buy	258	298	16	7.2	7.6	9.9	35.5	33.9	4.6	4.2	13.7	12.9	15.2
Symphony	Sell	1,278	1,288	1	23.7	35.1	42.9	54.0	36.4	20.0	17.7	43.3	51.6	54.5
Trident	Buy	96	114	18	6.6	8.3	10.4	14.6	11.6	1.8	1.6	13.0	14.5	16.1
TTK Prestige	Neutral	6,298	5,281	-16	132.1	137.8	176.1	47.7	45.7	8.6	7.8	19.5	18.0	20.7
V-Guard	Neutral	184	167	-9	3.6	4.5	6.0	51.5	41.1	12.3	10.0	27.4	26.9	28.8
Wonderla	Buy	354	393	11	7.0	11.9	16.0	50.7	29.7	4.6	4.1	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-1.6	-2.4	-21.2
Ashok Ley.	0.3	3.8	35.9
Bajaj Auto	-0.2	1.4	-2.9
Bharat Forge	-0.9	-2.7	28.5
Bosch	1.2	-8.9	-6.5
CEAT	-1.6	-2.0	79.0
Eicher Mot.	-0.1	0.3	39.0
Endurance Tech.	-0.2	9.1	
Escorts	-0.8	-4.0	94.6
Exide Ind	-0.6	-6.0	8.5
Hero Moto	-1.8	0.4	11.0
M&M	-1.5	-6.4	-9.6
Mahindra CIE	-0.7	-3.0	31.2
Maruti Suzuki	-0.1	0.3	51.3
Tata Motors	-1.6	-11.7	-30.1
TVS Motor	0.9	2.5	85.0
<b>Banks - Private</b>			
Axis Bank	-1.0	-1.2	-16.2
DCB Bank	-0.4	-5.0	59.1
Equitas Hold.	-1.8	1.0	-5.7
Federal Bank	1.4	-2.1	59.4
HDFC Bank	-0.9	-2.2	36.4
ICICI Bank	-0.4	0.3	25.1
IDFC Bank	0.0	-0.1	-4.0
IndusInd	-1.5	0.2	40.2
J&K Bank	-0.5	-2.6	13.7
Kotak Mah. Bk	-1.5	-1.9	20.4
RBL Bank	-0.4	3.6	77.4
South Indian	-1.5	-1.7	42.4
Yes Bank	-0.8	-2.7	26.9
<b>Banks - PSU</b>			
BOB	-1.1	-14.0	-17.8
BOI	-1.0	-10.0	21.8
Canara	-1.5	-4.5	22.6
IDBI Bk	-0.6	-3.6	-24.4
Indian Bk	-2.1	-6.5	29.4
OBC	-2.1	-10.1	1.0
PNB	-1.1	-5.5	13.1
SBI	0.0	-9.1	9.2
Union Bk	-1.8	-6.2	-2.9
<b>NBFCs</b>			
Bajaj Fin.	0.0	4.4	61.5
Bharat Fin.	-0.1	7.8	11.8
Capital First	-0.9	-6.9	2.5
Cholaman.Inv.&Fn	-1.5	-3.9	3.2
Dewan Hsg.	1.1	14.1	81.3
GRUH Fin.	-0.1	2.3	55.1
HDFC	-0.2	1.3	22.1
Indiabulls Hsg	1.3	2.2	49.2
L&T Fin.Holdings	-1.6	12.3	101.2
LIC Hsg Fin	-0.6	-1.1	17.8
Manappuram	-2.2	-1.7	15.6
M&M Fin.	-1.9	0.9	21.4
Muthoot Fin	-2.5	0.3	28.9
PFC	-1.2	-4.8	-0.5
Repco Home	0.0	-15.4	-24.1
REC	-3.0	-5.5	36.9
STF	5.3	8.2	-11.8
Shriram City Union	2.2	-4.4	-2.2

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	-1.3	-7.7	14.3
Bharat Elec.	-1.3	6.8	56.8
BHEL	0.7	-4.8	-4.1
Blue Star	-1.1	11.7	51.3
CG Cons. Elec.	-0.1	1.8	25.2
CG Power & Inds Sol.	-0.8	-0.1	-0.8
Cummins	-0.6	-2.9	-1.5
GE T&D	-2.3	7.5	25.8
Havells	1.2	0.2	15.1
K E C Intl	-1.3	2.6	125.9
L&T	-0.9	-4.0	12.8
Pennar Eng.	-2.6	-11.9	-39.5
Siemens	-2.0	-6.1	1.6
Solar Ind	0.0	-0.4	37.4
Suzlon Energy	-2.4	-8.8	2.2
Thermax	-0.2	-2.3	7.4
Va Tech Wab.	0.1	-1.8	8.5
Voltas	-1.3	-4.0	33.1
<b>Cement</b>			
Ambuja Cem.	-2.1	-0.4	0.1
ACC	-2.3	-2.1	6.3
Birla Corp.	0.4	1.7	48.6
Dalmia Bharat	0.0	5.1	56.4
Grasim Inds.	-0.1	3.7	51.8
India Cem	-2.3	-10.7	16.5
J K Cements	-0.8	-0.6	28.1
JK Lakshmi Ce	-2.2	-4.1	-6.4
Ramco Cem	0.9	1.6	25.0
Orient Cem	1.9	1.3	-23.6
Prism Cem	-1.0	-8.4	-3.3
Shree Cem	0.2	-1.4	3.6
Ultratech	-0.6	-2.3	-2.4
<b>Consumer</b>			
Asian Paints	-1.5	3.4	2.6
Britannia	-0.6	7.7	25.5
Colgate	-1.3	3.4	16.6
Dabur	-1.1	0.8	4.5
Emami	-0.6	-5.0	-5.9
Godrej Cons.	-1.3	-4.2	17.6
GSK Cons.	0.2	-2.3	-15.0
HUL	-1.5	0.4	30.1
ITC	-0.4	0.7	7.7
Jyothy Lab	0.1	1.8	23.0
Marico	0.4	-3.1	8.4
Nestle	-2.3	2.4	6.3
Page Inds	0.9	10.4	18.8
Parag Milk	-1.4	-1.6	-26.5
Pidilite Ind.	-0.8	3.4	20.0
P&G Hygiene	1.5	3.4	28.0
Prabhat Dairy	0.4	1.2	40.4
United Brew	-0.3	-1.5	-1.5
United Spirits	1.2	-0.8	9.9
<b>Healthcare</b>			
Alembic Phar	-0.9	-3.3	-17.4
Alkem Lab	0.7	-1.4	10.0
Ajanta Pharma	-0.6	-10.6	-38.1
Aurobindo	-1.1	3.3	-3.8
Biocon	-1.9	-7.1	9.2
Cadila	-0.2	-4.7	31.7
Cipla	-1.2	-0.9	-2.7

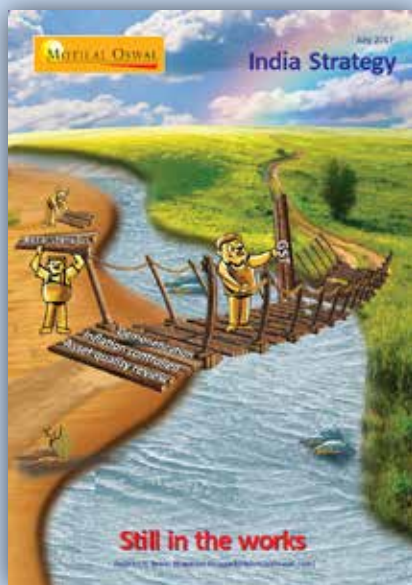


Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	-0.6	4.0	-46.1
Dr Reddy's	-1.3	-2.4	-29.9
Fortis Health	-1.0	-11.3	-16.5
Glenmark	-1.1	-12.4	-28.0
Granules	-2.2	-3.6	0.6
GSK Pharma	-0.1	0.9	-18.6
IPCA Labs	-0.3	-9.7	-23.0
Jubilant Life	-0.7	-0.7	28.1
Lupin	0.2	0.3	-34.3
Sanofi India	-1.2	-5.1	-10.0
Shilpa Medicare	-0.4	-7.5	11.2
Strides Shasun	-0.7	-9.4	-3.0
Sun Pharma	2.8	-1.2	-36.0
Syngene Intl	0.2	-3.5	-5.4
Torrent Pharma	-0.4	-4.5	-24.3
<b>Logistics</b>			
Allcargo Logistics	0.3	-1.7	-8.5
Blue Dart	2.8	3.7	-21.7
Concor	-1.2	11.7	19.9
Gateway Distriparks	-0.1	-17.8	-18.6
Gati	-2.9	-3.0	-15.6
Transport Corp.	0.8	-5.4	48.4
<b>Media</b>			
Dish TV	-1.5	0.8	-15.5
D B Corp	2.6	-1.0	-7.6
Den Net.	0.6	6.3	18.3
Ent.Network	3.1	-2.9	15.0
Hind. Media	1.0	0.6	-4.0
HT Media	-2.9	11.5	14.0
Jagran Prak.	-0.3	1.2	-8.2
Music Broadcast	-0.6	4.5	
PVR	-0.3	-5.9	3.4
Siti Net.	0.4	-2.0	-26.3
Sun TV	5.1	2.6	71.5
Zee Ent.	-0.6	-4.1	-2.4
<b>Metals</b>			
Hindalco	-0.2	7.9	54.3
Hind. Zinc	-1.1	4.6	31.4
JSPL	-2.0	0.8	71.3
JSW Steel	-0.9	11.6	43.6
Nalco	-1.5	6.7	56.9
NMDC	1.6	7.6	25.0
SAIL	-0.6	1.0	29.1
Vedanta	0.4	9.4	83.4
Tata Steel	-0.6	12.3	72.9
<b>Oil &amp; Gas</b>			
BPCL	-0.9	2.7	35.6
GAIL	-1.2	0.2	28.3
Gujarat Gas	1.5	6.3	25.1
Gujarat St. Pet.	0.3	1.8	23.0
HPCL	-1.4	10.2	73.9
IOC	-4.2	2.8	49.9
IGL	-0.7	6.7	59.7
MRPL	-3.3	4.3	70.6
Oil India	4.5	8.6	6.6
ONGC	1.1	-3.0	1.5
PLNG	-0.6	7.1	26.0
Reliance Ind.	0.1	-0.7	59.1
<b>Retail</b>			
Jubilant Food	-1.7	7.8	16.8
Titan Co.	0.0	0.4	46.8

Company	1 Day (%)	1M (%)	12M (%)
<b>Technology</b>			
Cyient	-0.6	1.0	10.2
HCL Tech.	-0.8	-3.6	9.4
Hexaware	-0.8	6.8	36.3
Infosys	-2.0	-8.5	-12.6
KPIT Tech	-1.1	-5.3	-9.0
L&T Infotech	-0.6	-2.3	17.1
Mindtree	-1.3	-3.5	-17.3
Mphasis	0.1	1.1	8.1
NIIT Tech	-0.7	1.1	27.2
Persistent Sys	-1.7	-4.1	-1.2
Tata Elxsi	4.1	1.7	10.1
TCS	-0.2	-2.6	-2.2
Tech Mah	-2.0	1.8	-11.8
Wipro	0.2	2.8	23.0
Zensar Tech	-1.0	0.3	-24.1
<b>Telecom</b>			
Bharti Airtel	-1.6	-1.2	30.4
Bharti Infratel	-0.7	-7.1	9.7
Idea Cellular	-2.1	-6.0	3.6
Tata Comm	-2.2	1.9	26.5
<b>Utilities</b>			
Coal India	3.4	-1.1	-25.9
CESC	-0.3	7.3	53.8
JSW Energy	-0.4	-2.1	-12.8
NTPC	-0.1	-5.3	5.1
Power Grid	0.1	-3.5	18.3
Tata Power	-1.4	-2.0	0.0
<b>Others</b>			
Arvind	3.8	6.3	22.1
Avenue Super.	-2.7	12.2	
Bata India	-0.6	8.0	26.4
BSE	-0.3	-9.1	
Castrol India	2.1	0.6	-13.5
Century Ply.	-1.2	-4.9	9.8
Coromandel Intl	-2.2	-4.2	61.0
Delta Corp	-4.0	14.3	27.7
Dynamatic Tech	-4.1	6.9	-14.3
Eveready Inds.	-2.1	-1.0	8.0
Interglobe	1.1	-0.9	45.1
Indo Count	-1.7	-19.1	-28.7
Info Edge	0.1	-6.5	14.5
Inox Leisure	-2.4	-1.1	-13.4
Jain Irrigation	-2.0	-5.1	9.9
Just Dial	-4.6	8.2	-20.5
Kaveri Seed	-2.4	-22.2	66.0
Kitex Garm.	4.0	0.1	-27.5
Manpasand	-1.3	2.1	7.9
MCX	-0.4	-4.4	7.1
Monsanto	4.5	-3.2	13.7
Navneet Educat.	-0.2	3.2	57.8
PI Inds.	-2.5	-3.7	-14.0
Piramal Enterp.	-2.7	-8.5	48.4
SRF	-1.0	-1.0	-11.6
S H Kelkar	2.5	-2.4	-24.6
Symphony	-1.4	-7.8	11.7
Trident	-0.3	12.2	88.2
TTK Prestige	-0.6	-0.9	29.7
V-Guard	-1.0	1.2	39.2
Wonderla	2.5	2.2	-13.2



# THEMATIC/STRATEGY RESEARCH GALLERY











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