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Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	32,014	-0.8	20.2
Nifty-50	9,979	-0.8	21.9
Nifty-M 100	18,346	-1.2	27.8
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,475	-0.2	10.5
Nasdaq	6,370	-0.2	18.3
FTSE 100	7,543	0.1	5.6
DAX	12,292	0.3	7.1
Hang Seng	11,080	0.2	17.9
Nikkei 225	19,996	-0.3	4.6
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	52	-0.6	-7.0
Gold (\$/OZ)	1,264	0.6	9.0
Cu (US\$/MT)	6,452	1.1	16.8
Almn (US\$/MT)	2,017	3.7	18.4
Currency	Close	Chg. %	YTD.%
USD/INR	63.7	-0.2	-6.2
USD/EUR	1.2	0.2	12.0
USD/JPY	110.6	-0.2	-5.6
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)	8-Aug	MTD	YTD
FII	0.2	0.0	8.9
DII	0.1	0.5	4.5
Volumes (INRb)	8-Aug	MTD*	YTD*
Cash	357	305	288
F&O	7,260	5,787	5,071

Note: YTD is calendar year, *Avg



Today's top research theme

India Strategy | Rural India: Back on the saddle

Set for a comeback after three years of hibernation

- India's rural consumption story was stalled for last three years owing to combination of two back to back draughts in 2014 and 2015 coupled with anemic growth in Minimum Support Prices for crops .
- We expect Rural consumption to revive given the confluence of several positives like normal monsoon, higher MSPs, farm loan waivers and higher government spending in rural areas, we believe, rural consumption is poised to make a recovery after remaining in hibernation for last three years.
- Beneficiaries of potential recovery in rural consumption will be spanning sectors like Autos, FMCG, NBFC, Mid-Caps.
- We enlist top eight rural picks to play the potential recovery in rural consumption: **M&M, HUL, Colgate, MMFS, Crompton Greaves Consumer, Hero Motors, Manpasand Beverages, Kaveri Seeds**. We also highlight five ideas from non-MOSL coverage universe which can be potential beneficiaries of rural pick-up: **Jain Irrigation, Rallis India, Heritage Foods, Bajaj Electricals, VST Tillers**.



Research covered

Cos/Sector	Key Highlights
India Strategy	Rural India: Back on the saddle
Tata Motors	JLR Jul-17 volumes in-line at 51,425 units (+17% YoY)
Bajaj Auto	Bajaj Auto announces partnership with Triumph
Dalmia Bharat	Strong beat led by realization improvement
JSPL	In-line; JPL delivers strong operating performance
Prism Cement	Weak performance in the run-up to GST rollout
Repco Home Fin	Below estimates; Performance marred by state specific issues; Cut EPS by 4-8%
Results Flash	GLXO MUTH ENDU TMX SRF KSCL
Results Expectation	AJP ARBP BOI EIM NACL NELI NMDC PARAG TTMT



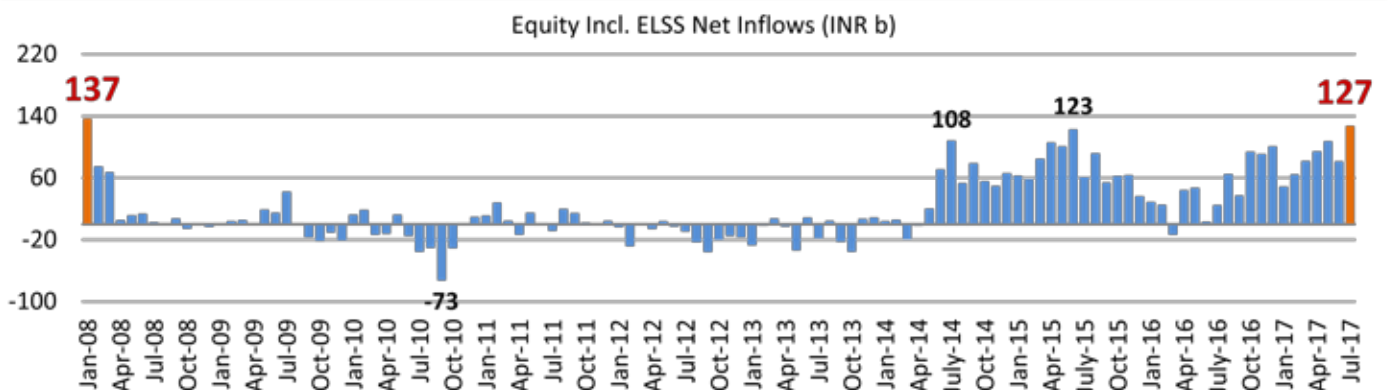
Piping hot news

Shell-shocked companies want regulator to withdraw the circular

- Companies that were spooked by the market regulator's order directing the bourses to initiate action against these 'suspected shell entities' asked the Securities and Exchange Board of India to withdraw the order.



Chart of the Day: Domestic MFs received highest equity inflows since Jan 2008; CY17YTD net inflows at INR606b v/s INR549b in CY16



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

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



Kindly click on textbox for the detailed news link

1

Met forecasts normal rainfall for Aug, Sept

Rainfall for the country as a whole during the second half of the monsoon — August and September — will be 100 per cent of the long-period average (LPA), with an error margin of 8 per cent...

2

GST breather for Railways; no tax on transfer of goods for self-consumption

In a welcome break for the Indian Railways, no goods and services tax (GST) will be applicable on inter- or intra-state transfer of equipment/materials (without transfer of title) for self-consumption. This is a major relief for the railways, with annual internal consumption estimated to be about Rs 20,000 crore...

3

Uttar Pradesh, Assam, Karnataka under Niti Aayog programme to transform health sector

Niti Aayog has shortlisted Uttar Pradesh, Assam and Karnataka under its 'Sustainable Action for Transforming Human Capital (SATH)' initiative to handhold them and transform their health sector...

4

DCGI mulls alternatives to China active pharmaceutical ingredients

The Drug Controller General of India (DCGI) has got local drugmakers to draw up an emergency plan on dealing with any blockade on shipments from China of active pharmaceutical ingredients (APIs), or raw materials used to make medicines, in the event of border...

5

Idea seeks NCLT nod for Vodafone merger

Idea Cellular has approached the National Company Law Tribunal (NCLT) in Ahmedabad, seeking its approval for the mobile company's merger with Vodafone India and Vodafone Mobile Services. Idea filed the application on Monday after the merger proposal received clearances from the Competition Commission of India and the Securities and Exchange Board of India, the company said in a notice to stock exchanges...

6

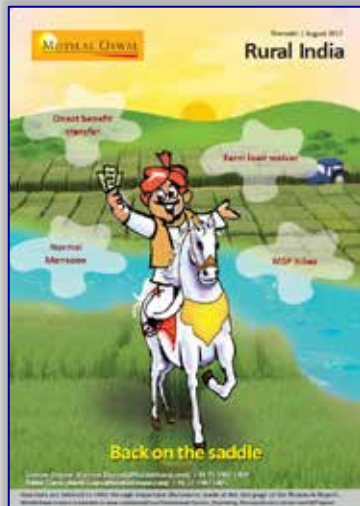
Reliance Industries said to plan refinancing part of \$12 billion debt

Reliance Industries Ltd plans to refinance a significant portion of about \$12 billion of borrowings that mature over the next three years and may sell bonds to repay the debt, according to company executives with knowledge of the matter...

7

Titan partners with Amazon to foray into US market

Titan Company has entered into a partnership with Amazon to stage an entry into the US market. Under the partnership, Amazon, through its Global Selling Programme, will enable Titan to take its two popular watch brands — Titan and Fastrack — to global customers on Amazon.com in the US and eventually across other Amazon marketplaces...



Back on the saddle

Set for a comeback after three years of hibernation

Rural consumption decelerated over 2014-17

India's rural consumption story was stalled for last three years owing to combination of two back to back draughts in 2014 and 2015 coupled with anemic growth in Minimum Support Prices for crops. This resulted in sub-par growth for rural dependent sectors viz. FMCG, Two-Wheelers, Tractors, Rural oriented NBFCs, Seed companies. Hopes of rural recovery gathered steam in 2016 as country witnessed normal monsoon after two consecutive droughts. However, disruptive event like Demonetization overweighed on broader consumption backdrop with rural India being disproportionately impacted given higher dependence on cash.

Rural India about to make a comeback after a deep slumber; multiple catalysts on the anvil

Indian Meteorological Department has predicted normal monsoons for CY17 at 98% of LPA. This will be a second consecutive year of normal monsoons and has significant positive implications for rural consumption. Government has announced a five year high MSP (Minimum Support Price) hike for Kharif crops. Separately, various state governments have announced Farm Loan Waivers totaling INR 1000 b, equivalent to 0.6% of GDP, which is expected to aid rural consumption going forward. Central government is also using Direct Benefit Transfer (DBT) as a tool to improve the efficiency of money spent on subsidies. The amount of funds disbursed under DBT has increased year after year, with more than INR746b disbursed in FY17, up ~21% from INR618b disbursed in FY16. INR226b has already been disbursed in the first few months of FY18. Given the confluence of several positives like normal monsoon, higher MSPs, farm loan waivers and higher government spending in rural areas, we believe rural consumption is poised to make a recovery after remaining in hibernation for last three years.

Rural consumption pick up to aid several sectors

Importance of rural consumption in overall earnings growth paradigm can't be overemphasized given the significant under penetration and under consumption across various sectors and categories prevailing in Rural India. Beneficiaries of potential recovery in rural consumption will be spanning sectors like Autos, FMCG, NBFC, Mid-Caps. Within Autos – we expect Two Wheelers and Tractors to benefit. Two Wheelers bore the brunt of demonetization as well as two consecutive droughts in CY14 and CY15. Tractors have already shown signs of pick up in FY17 and are expected to do well in FY18 as well. In FMCG – companies most exposed to rural markets will be the natural beneficiaries of pick up in rural consumption. Consumer companies in the past five years have invested significantly in boosting their direct reach in rural markets and have incurred the costs already in the P&L. Volume growth recovery in rural India will enhance the operating leverage in our view. Improvement in rural cash flows and incomes augurs quiet well from the perspective of NBFC's with rural focus. Combination of pick-up in growth and improvement in asset quality can help drive significant delta in P&L.

Top Rural ideas

- n **Mahindra & Mahindra:** Best bet on rural recovery. Rural markets contribute ~56% to revenue, 72% to standalone PAT, and ~68% to SOTP value.
- n **Hindustan Unilever:** Over 40% of its sales come from rural India, among the highest proportion for FMCG companies.
- n **Mahindra & Mahindra Financial Services:** Built a strong foundation in rural over FY12-17 with significant investments in branches (from 607 in FY12 to 1182 in FY17)
- n **Hero Honda:** Derives over 50% of its domestic volumes and over 36% of motorcycle volumes from rural markets.
- n **Colgate:** Widest reach with 5.8m outlets. Higher market share in Rural (58%) vs. Urban (~55%).
- n **Crompton Greaves Consumer:** Potential beneficiary of government focus on housing and distribution expansion.
- n **Kaveri Seeds:** Higher Kharif production and Cotton acreages to drive growth.

Top ideas to play rural recovery

Company	Reco	TP	M Cap USD b	EPS (INR)			PE (x)			PB (x)			EV/EBITDA (x)			RoE (%)		
				FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
M & M	Buy	1618	13.8	54.3	68.5	82.4	26.1	20.7	17.2	3.3	3.0	2.7	6.6	5.5	4.7	14.2	13.9	14.9
Hero Motocorp	Neutral	3818	12.4	169.1	189.3	199.1	23.4	20.9	19.9	7.8	6.7	5.8	15.8	13.5	13.0	35.7	34.6	31.5
Hind. Unilever	Buy	1285	40.5	19.6	22.9	27.3	60.7	51.9	43.6	38.7	37.3	34.9	41.8	35.9	30.1	65.6	73.1	82.8
Colgate-Palm.	Buy	1285	4.6	21.2	24.4	29.8	50.6	43.9	36.1	22.9	21.7	20.3	30.6	26.5	21.9	50.4	50.8	58.2
M & M Fin. Serv.	Buy	459	3.8	7.1	13.9	17.8	59.8	30.5	23.9	3.8	3.5	3.2	NA	NA	NA	6.5	12.0	14.2
Crompton Gr. Con	Buy	240	2.1	4.7	5.0	6.4	45.7	42.5	33.3	24.8	18.4	15.0	28.5	27.0	21.6	76.4	49.7	49.7
Kaveri Seed Co.	Buy	755	0.8	19.1	31.3	37.7	36.6	22.3	18.5	4.8	5.1	4.5	29.7	20.7	17.0	13.6	21.6	26.0
Manpasand Bever.	Buy	927	0.7	12.7	20.3	30.9	61.4	38.5	25.3	3.9	3.6	3.2	28.9	19.8	13.5	7.3	8.5	13.5

Source: Company, MOSL

Top rural bets from non-MOSL coverage universe

Company Name	M Cap USD b	EPS (INR)			PE (x)			PB (x)			EV/EBITDA (x)			ROE (%)		
		FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E	FY17	FY18E	FY19E
Jain Irrigation Systems	0.8	3.5	6.1	9.0	28.7	16.5	11.2	1.1	1.2	1.1	7.8	7.1	6.1	5.1	8.5	10.8
Rallis India	0.7	15.3	10.8	12.9	15.8	22.4	18.9	4.5	3.8	3.3	18.5	14.5	12.4	29.8	17.3	18.3
Heritage Foods	0.5	22.4	41.1	51.4	57.9	31.6	25.2	8.3	4.9	4.1	18.3	17.1	14.3	19.2	20.4	18.0
Bajaj Electricals	0.5	10.6	14.6	20.1	31.2	22.7	16.5	3.9	3.4	2.9	15.9	12.5	10.0	13.3	15.6	18.7
VST Tillers Tractors	0.3	83.1	97.1	110.0	26.2	22.4	19.8	3.2	3.4	3.0	14.0	13.2	11.3	15.8	15.6	15.5

Source: Bloomberg estimates



Tata Motors

BSE SENSEX 32,014 S&P CNX 9,979

CMP: INR430 TP: INR666 (+55%) Buy

TATA MOTORS

Stock Info

Bloomberg	TTMT IN
Equity Shares (m)	3,396.6
52-Week Range (INR)	599 / 417
1, 6, 12 Rel. Per (%)	-4/-29/-30
M.Cap. (INR b)	1461.9
M.Cap. (USD b)	23.0
Avg. Val, INRm	3726
Free float (%)	65.3

Financials Snapshot (INR b)

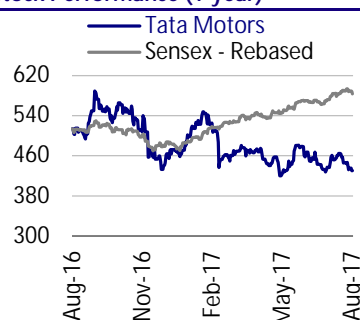
Y/E March	2018E	2019E	2020E
Net Sales	2,995	3,703	4,350
EBITDA	409.6	587.2	643.7
NP	105.1	218.5	229.9
Adj. EPS (INR)	30.9	64.3	67.7
EPS Gr. (%)	56.2	107.9	5.2
BV/Sh. (INR)	203.2	268.8	337.7
RoE (%)	16.5	27.3	22.3
RoCE (%)	10.5	17.0	15.7
P/E (x)	13.9	6.7	6.4
P/BV (x)	2.1	1.6	1.3

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	34.7	34.7	33.0
DII	16.1	15.5	16.8
FII	23.5	23.2	25.0
Others	25.7	26.6	25.2

FII Includes depository receipts

Stock Performance (1-year)



JLR Jul-17 volumes in-line at 51,425 units (+17% YoY)

JLR volumes up 25% led by Discovery and RR Velar; Jaguar volumes flat

- JLR Jul-17 wholesale volumes grew ~17% YoY (+4% MoM) to 51,425 units (including China JV volumes of 6,805 units; +87% YoY), in line with our estimate of 51,591 units.
- Jaguar volumes remained flat at 14,452 units (est. of 15,343 units), led by lower sales of XE.
- Land Rover (LR) volumes were up by a strong 25% YoY to 36,973 units (est. of 36,248 units), led by ramp-up of the all-new Discovery in North America and China, and RR Velar introduction in the UK and EU.
- JLR Jul-17 retail volumes rose 3.6% YoY (-11% MoM) to 46,074 units, led by an increase in LR volume by ~6%, partly offset by a decline in Jaguar volume of ~2%.
- Jaguar retail volumes were driven by F-Pace (to ~5.7k units) and XF volume growth of ~18% YoY. Jaguar XE volumes declined ~22% YoY.
- LR's retail volumes increased ~6% YoY, mainly led by ramp-up in Discovery (+13%) and a continued rise in Discovery Sport (+10%) and RR (+10%). However, RR Sport (-11%) and RR Evoque (-9%) exhibited a decline.
- Region-wise, China reported strong volumes at 11.6k units (+34% YoY), including China JV volumes at 6,673 units. Growth in China is reflecting the introduction of the long wheel base Jaguar XFL, as well as strong sales of F-PACE, Discovery Sport, Range Rover Sport and Evoque. On the other hand, retail sales were down in the UK (by 1%), North America (~3%), EU (~6%) and Rest of world (~6% YoY).
- Andy Goss, Jaguar Land Rover Group Sales Operations Director said "July has been another successful month for Jaguar Land Rover, particularly in China, where we reinforced our commitment to the market by opening our new engine plant in Changshu on 21 July. Year on year, we have seen an increase in sales for Land Rover, led by continuing strong sales of the Discovery Sport and Range Rover. The new Range Rover Velar has already reached customers in the UK and Europe and we anticipate continued strength of sales as Velar continues to go on sale around the world"
- The stock trades at 13.9x/6.7x FY18/FY19E consolidated EPS. Maintain **Buy** with a target price of INR666 (FY19 SOTP-based) for ordinary shares, and INR466 for DVR (~30% discount to TP for ordinary shares).

TATA MOTORS: JLR [Wholesales]

Company Sales	YoY			MoM		FY18YTD	FY17YTD	(% chg)	FY18 estimate	Gr. (%)	Residual Growth (%)	Residual Monthly Run rate
	Jul-17	Jul-16	YoY (%) chg	Jun-17	MoM (%) chg							
JLR	51,425	43,932	17.1	49,422	4.1	189,901	178,266	6.5	684,342	13.9	17.0	61,805
Jaguar	14,452	14,369	0.6	12,463	16.0	52,175	48,941	6.6	211,589	18.4	22.8	19,927
Land rover	36,973	29,563	25.1	36,959	0.0	137,726	129,325	6.5	472,753	12.0	14.4	41,878

TATA MOTORS : JLR [Retails]

Company Sales	YoY			MoM		FY18YTD	FY17YTD	(% chg)
	Jul-17	Jul-16	YoY (%) chg	Jun-17	MoM (%) chg			
JLR	46,074	44,486	3.6	51,591	-10.7	183,537	86,287	112.7
Jaguar	12,964	13,198	-1.8	15,343	-15.5	54,230	18,626	191.2
Land rover	33,110	31,288	5.8	36,248	-8.7	129,307	67,661	91.1

Region-wise Retail Sales

Region	Jul-17	Jul-16	YoY %	Jun-17	MoM %	FY18YTD	FY17YTD	YoY %
UK	7,558	7,631	-1.0	9,061	-16.6	30,641	34,550	-11.3
US	10,185	10,469	-2.7	9,907	2.8	38,578	35,035	10.1
Europe	10,099	10,704	-5.7	12,939	-21.9	43,635	44,255	-1.4
China	11,636	8,655	34.4	12,004	-3.1	45,150	34,381	31.3
RoW	6,596	7,027	-6.1	7,680	-14.1	25,533	29,018	-12.0
Total JLR	46,074	44,486	3.6	51,591	-10.7	183,537	177,239	3.6

Brand-wise Retail Sales

Brands	Jul-17	Jul-16	YoY %	Jun-17	MoM %	FY18YTD	FY17YTD	YoY %
XF	2,963	2,508	18.1	3,532	-16.1	12,555	10,394	20.8
XJ	840	894	-6.0	814	3.2	3,271	3,434	-4.7
F-Pace	5,691	5,476	3.9	6,684	-14.9	23,339	14,943	56.2
XE	2,697	3,472	-22.3	3,442	-21.6	11,555	12,681	-8.9
Others (incl. F-type)	773	848	-8.8	871	-11.3	3,510	3,551	-1.2
Total Jaguar	12,964	13,198	-1.8	15,343	-15.5	54,230	45,004	20.5
Defender	1	158	-99.4	0	0.0	1	898	-99.9
Discovery	4,446	3,923	13.3	3,961	12.2	13,718	16,310	-15.9
Freelander/Dis. Sport	9,205	8,394	9.7	10,877	-15.4	37,240	37,506	-0.7
Range Rover (incl. new)	4,288	3,906	9.8	4,770	-10.1	18,350	16,268	12.8
RR Evoque	7,458	8,208	-9.1	9,818	-24.0	32,271	33,971	-5.0
RR Sport (incl. new model)	5,981	6,699	-10.7	6,710	-10.9	25,884	27,282	-5.1
RR Velar	1,731	0		112		1,843	0	
Total Land Rover	33,110	31,288	5.8	36,248	-8.7	129,307	132,235	-2.2

Automobiles

Bajaj Auto



Bloomberg	BJAUT IN
Equity Shares (m)	289.4
M.Cap. (INR b) / (USD b)	840.6/13.1
52-Week Range (INR)	3122/2366
1, 6, 12 Rel. Per (%)	2/-/6/0

Financial & Valuation (INR b)			
Y/E MARCH	2018E	2019E	2020E
Sales	241	271	308
EBITDA	44.8	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 (%)	21.5	23.3	34.5
Payout (%)	57.0	60.0	75.0
Valuation			
P/E (x)	21.2	17.8	15.3
P/BV (x)	4.5	4.1	3.8
EV/EBITDA (x)	15.4	12.7	10.7
Div. Yield (%)	2.2	2.7	4.2

"In my mind, above 250 cc up until 750 cc. this is where really the next big opportunity is, not only in India, but worldwide."

**- Rajiv Bajaj, MD,
Bajaj Auto**

CMP: INR2,914

TP: INR3,281 (+13%)

Buy

Bajaj Auto announces partnership with Triumph

Sees big opportunity in 250-750cc segment globally

- n **Bajaj Auto (BJAUT) and Triumph Motorcycles (UK) have entered into a non-equity partnership, aiming to develop a range of mid-capacity (250-750cc) motorcycles.** Triumph is a 115-year-old British motorcycle manufacturer, with over 700 dealers across the world and annual production of ~65,000 units.
- n The partnership will focus on entering new higher-volume market segments, especially in emerging markets. The size of the mid-capacity segment (250-750cc) is estimated at ~1m motorcycles annually (refer exhibit 1 below) – Bajaj has limited presence in this segment, and thus, should benefit from Triumph's association.
- n **With this partnership, BJAUT management has denied the acquisition of Ducati due to its product overlap with KTM, and also high valuations.**
- n **Apart from India, BJAUT will sell its products in global markets like Africa and part of ASEAN/LatAM.** Triumph is expected to sell products in other markets. **In India, Triumph sold 1,174 units in FY17 (+3% YoY).**
- n We believe this partnership will leverage on strengths of both the players – Triumph's brand position/perception and design & development technology, and BJAUT's quality/cost competitiveness and worldwide distribution.
- n **According to BJAUT management, the company will manufacture Triumph motorcycles at its Chakan facility (existing or new plant).** It also indicated that a plant might have to be added for both Triumph and Husqvarna.
- n Bajaj will gain access to the Triumph brand and its motorcycles, enabling it to offer a wider range of motorcycles in the domestic market, as well as other international markets. Triumph has several exciting products in the Classic and Cruisers segments.
- n **Triumph is present in the super premium motorcycle segment, with starting price of GBP7,600 and starting engine displacement of 675cc.**
- n **We believe this partnership is similar to the BMW-TVS alliance, except for the possibility of marketing rights for Bajaj due to its wide global marketing network (including KTM).**
- n Triumph has an iconic portfolio of leading brands like Daytona, Street Triple, Tiger, Thurxton A2, Boneville, Street Twin, Thunderbird Storm and Rocket III Roadster. It has presence in segments like Adventure/Touring, Cruisers, Modern Classics and Roadsters/Supersports.
- n A new product takes ~3 years, but work has already begun in the last few months. It plans to enter the market with more than one product.
- n **Valuations:** We believe worst of volumes and margins is reflected in 1QFY18, with recovery expected in volumes in domestic and export markets from 2HFY18. Our estimates are yet to factor in for this alliance. The stock trades at 21.2x/17.8 FY18E/19E EPS. Maintain **Buy**.

Motorcycle industry volumes (>250 cc) in select global markets

Region	Volume estimates
Europe	400-450k units
USA	400-450k units
India	400k units
Brazil	150k units
Canada	35k units
Japan	32k units
Australia	30k units
Others	60k units
Size of (250cc-650cc) Motorcycle market	1mn Units
Size of (650cc and above) Motorcycle market	1mn Units

Source: Industry

Leading brands of Triumph

Triumph Street Twin



Triumph Speedmaster



Bonneville





Dalmia Bharat

BSE SENSEX 32,014 S&P CNX 9,979

CMP: INR2,638 TP:INR3,282 (+24%) Buy

Bloomberg	DBEL IN
Equity Shares (m)	88.8
M.Cap.(INR b)/(USD)	235.6 / 3.5
52-Week Range	2780/1186
1, 6, 12 Rel. Per (%)	0/25/69
Avg Val, INRm	326
Free float (%)	42.0

Financials & Valuations (INR b)			
Y/E Mar	2017	2018E	2019E
Sales	74.0	84.8	96.0
EBITDA	19.0	21.9	24.5
NP	3.4	6.1	8.0
Adj EPS (INR)	38.8	68.7	89.9
EPS Gr. (%)	81.2	77.1	31.0
BV/Sh. (INR)	558	625	714
RoE (%)	7.2	11.6	13.4
RoCE (%)	7.3	9.5	10.8
P/E (x)	68.4	38.6	29.5
P/BV (x)	4.8	4.2	3.7

Estimate change	↔
TP change	↔
Rating change	↔

Strong beat led by realization improvement

- Volume growth led by North East operations:** Cement volume for 1QFY18 grew 6% YoY to 3.99mt (v/s our estimate of 4.04mt), as volume ex-OCL increased 8% YoY. Pure cement realization increased by INR402/t QoQ (INR585/t YoY) to INR5,126/t, led by better realization in both East and South markets as also higher proportion of premium sales. Revenue grew 16% YoY to INR20.59b (v/s our estimate of INR20.33b).
- Highest ever EBITDA/t despite cost pressures:** EBITDA/t for 1QFY18 grew 15% QoQ (and 3% YoY) to INR1,395/t, as realization improvement more than offset the cost push. Unitary cost/t increased by INR175/t QoQ due to higher power and fuel charges, led by increase in petcoke prices. EBITDA increased 9%YoY to INR5.56b for 1QFY18. Interest cost declined just 12% YoY, as there were non-cash charges of INR300m pertaining to hedging cost in 1QFY18. PAT grew 55% YoY to INR1.45b, as tax rate was lower at 31% in 1QFY18 v/s 43% in 1QFY17.
- Concall highlights:** (a) Interest cost was higher by INR300m due to non-cash charges related to hedging cost; (b) Net debt reduced by INR6.4b QoQ, led by receipt of INR5.25b from KKR stake sale; (c) Petcoke consumption was 75% v/s 78% in 4QFY17.
- Valuation and view:** We believe the net debt reduction of ~INR7.5b in FY17 will continue into FY19. Net debt to EBITDA will reduce to below 1.5x in FY19 from 2.8x in FY17. Operating cash flow is likely to see strong improvement, led by margin improvement on cost efficiency program and realization improvement by way of higher proportion of premium sales. OCL-DBL merger synergy benefits could further improve cash flow in FY19. We expect DBEL's valuation multiple to catch up with large caps, given improving balance sheet and earnings CAGR of 52% over FY17-19. We value DBEL at 12.5x FY20E EV/EBITDA (~20% discount to peers due to ~50% exposure to southern market) and arrive at a target price of INR3,282.

Quarterly Performance (Consolidated)

Y/E March	(INR Million)											
	FY17				FY18				FY17	FY18E	FY18	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	Var (%)
Sales Dispatches (m ton)	3.76	3.42	3.56	4.55	3.99	3.76	3.92	4.87	15.29	16.54	4.04	-1
YoY Change (%)	21.7	20.0	20.3	17.3	6.1	10.0	10.0	7.0	19.5	8.2	7.5	
Realization (INR/ton)	4,727	4,897	4,886	4,802	5,160	4,902	5,182	5,235	4,843	5,129	5,030	3
YoY Change (%)	-8.7	-1.6	-2.2	-1.4	9.2	0.1	6.1	9.0	-3.3	5.9	7.1	
QoQ Change (%)	-3.0	3.6	-0.2	-1.7	7.5	-5.0	5.7	1.0			4.8	
Net Sales	17,775	16,747	17,393	21,850	20,589	18,441	20,295	25,487	74,044	84,811	20,333	1
YoY Change (%)	11.1	18.0	17.6	15.6	15.8	10.1	16.7	16.6	15.5	14.5	15.2	
EBITDA	5,084	3,902	4,211	5,517	5,566	3,835	4,963	7,571	19,019	21,935	5,036	11
Margins (%)	28.6	23.3	24.2	25.2	27.0	20.8	24.5	29.7	25.7	25.9	24.8	
Depreciation	1,338	1,587	1,593	1,509	1,532	1,550	1,550	1,616	6,027	6,248	1,510	
Interest	2,412	2,291	2,198	1,998	2,117	1,800	1,750	1,813	8,900	7,480	1,900	
Other Income	766	1,102	712	715	700	900	900	100	2,988	2,600	750	
PBT after EO Expense	2,100	1,125	1,131	2,863	2,885	1,385	2,563	4,241	7,210	10,807	2,376	
Tax	911	662	624	704	889	554	1,025	1,367	2,892	3,782	713	
Rate (%)	43.4	58.9	55.1	24.6	30.8	40.0	40.0	32.2	40.1	35.0	30.0	
Reported PAT (pre minority)	1,189	463	507	2,159	1,996	831	1,538	2,875	4,318	7,024	1,663	20
Minority + associate	250	152	151	319	357	100	100	360	870	917	100	257
PAT Adj for EO items	940	311	357	1,736	1,454	731	1,438	2,514	3,448	6,107	1,563	-7
YoY Change (%)	78.3	149.8	19.2	83.2	54.7	135.1	302.9	44.9	589.9	77.1	66.3	

GSK Consumer

BSE SENSEX 32,014 S&P CNX 9,979

CMP: INR 5,505 TP: INR4,500(-18%)

Sell

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

Conference Call Details



Date: 11th August 2017
Time: 10:00am IST
Dial-in details:
Not yet disclosed

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	39.9	44.0	48.4
EBITDA	8.3	8.8	9.7
NP	6.6	7.0	7.7
EPS (INR)	156.1	166.3	181.9
EPS Gr. (%)	0.9	6.5	9.3
BV/Sh. (INR)	742.4	762.1	858.9
RoE (%)	22.2	22.1	22.4
RoCE (%)	22.2	22.2	22.5
P/E	35.3	33.1	30.3
P/BV (x)	7.4	7.2	6.4

Mixed performance; Margins contract sharply

- GSK Consumer (SKB) posted 4.4% YoY net sales growth (including operating income; est. of -2%) to INR9.9b. EBITDA declined 18.3% YoY (est. of -11.1%) to INR1.7b, while adj. PAT fell 17.7% YoY (est. of -6.9%) to INR1.3b. MFD volumes are likely to have grown by ~1% YoY (est. of -5%).
- In a recent media statement, GSK plc mentioned that "the India business was impacted by destocking in India ahead of the implementation of GST on July 1 as well as continued competitive pressures for Horlicks in India."(Source: <http://economictimes.indiatimes.com/industry/cons-products/food/continued-pressure-on-horlicks-destocking-negatively-impacted-nutrition-business-gsk/articleshow/59789344.cms>).
- Gross margin contracted 550bp YoY to 65.2%. High raw material costs, along with higher ad spend (+10bp YoY to 13%) and staff costs (+20bp YoY to 13.6%), were partially offset by a decrease in other expenditure (-110bp to 21.8%). EBITDA margin thus contracted 470bp YoY (est. of -200bp) to 16.9%.
- EBITDA declined by 18.3% YoY (est. of -11.1%) to INR1.7b.
- Adj. PAT declined 17.7% YoY to INR1.3b.
- Valuation and view:** We will revisit our estimates post the earnings call. Based on our current estimates, the stock trades at 33.1x/30.3x FY18E/19E EPS. We have a **Sell** rating with a target price of INR4,500.

Quarterly Performance

Y/E Mar	FY17				FY18				FY17	FY18E	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
HFD Volume Growth (%)	-6.0	-3.0	-17.0	-1.0	1.0	9.0	12.0	8.0	-6.8	6.0	-5.0	
Net Sales	9,439	10,803	8,604	11,019	9,853	12,207	9,981	11,916	39,864	43,957	9,250	6.5%
YoY Change (%)	-5.2	-1.1	-11.5	2.3	4.4	13.0	16.0	8.1	-3.6	10.3	-2.0	
Total Exp	7,404	8,351	6,927	8,848	8,190	9,559	8,035	9,342	31,530	35,126	7,441	
EBITDA	2,035	2,452	1,677	2,171	1,664	2,648	1,945	2,575	8,335	8,832	1,809	-8.1%
Margins (%)	21.6	22.7	19.5	19.7	16.9	21.7	19.5	21.6	20.9	20.1	19.6	
YoY Change (%)	-0.6	3.0	-9.5	1.5	-18.3	8.0	16.0	18.6	-1.0	6.0	-11.1	
Depreciation	147	148	171	177	170	155	179	182	642	686	154	
Interest	6	6	6	9	5	6	6	10	28	28	6	
Other Income	592	578	559	710	557	636	615	832	2,439	2,640	651	
PBT	2,474	2,876	2,059	2,695	2,045	3,123	2,375	3,215	10,104	10,758	2,300	-11.1%
Tax	868	1,039	695	936	723	1,093	831	1,115	3,537	3,762	805	
Rate (%)	35.1	36.1	33.8	34.7	35.3	35.0	35.0	34.7	35.0	35.0	35.0	
Adj PAT	1,606	1,837	1,364	1,759	1,322	2,030	1,544	2,100	6,566	6,996	1,495	-11.6%
YoY Change (%)	2.9	-0.1	-8.3	8.4	-17.7	10.5	13.2	19.4	-4.5	6.5	-6.9	

E: MOSL Estimates

Muthoot Finance

BSE SENSEX	S&P CNX
32,014	9,979
Bloomberg	MUTH IN
Equity Shares (m)	399.5
M.Cap. (INR b) / (USD)	131.3/2.0
52-Week Range (INR)	405 / 170
1, 6, 12 Rel. Per (%)	8/-8/65
12M Avg. Val (INR m)	224
Free float (%)	25.5

CMP: INR480

Strong quarter; Operating leverage benefits playing out

- n Muthoot Finance's (MUTH) 1QFY18 PAT grew 30% YoY (+9% QoQ) to INR3.51b (in-line). Although there was a 5% revenue miss, it was offset by lower-than-expected provisioning.
- n AUM growth remains anemic at 8% YoY (+2% QoQ) to INR278b. We await management commentary on the outlook for growth.
- n Calculated margin expanded 80bp YoY to 12.6%, driven by declining cost of funds (-170bp YoY to 9.9% in 1QFY18). In fact, 140bp decline in CoF has accrued in just the past two quarters. The share of NCDs increased from 31% in 4QFY17 to 36% in 1QFY18.
- n Better branch productivity and lower employee count resulted in a 50bp YoY decline in expense ratio to 4.4%. Average gold loan per branch has been trending upward since FY15 – now at INR65m (v/s INR60m in 1QFY17), close to the peak achieved in FY12.
- n Asset quality remained stable, with GNPL ratio increasing marginally by 9bp YoY and 19bp QoQ to 2.25%. Provisions made in 1QFY18 were lower than expected at INR66m in comparison to INR176m in 1QFY17.
- n Consequently, RoA/RoE for the quarter was 5.1%/21%.
- n Interestingly, 10% of MUTH's customers are transacting online.
- n **Other highlights:** a) Loan portfolio of Asia Asset Finance stands at LKR9.08b. b) Loan portfolio and PAT of Muthoot Homefin in 1QFY18 were ~INR6b and INR37m, respectively. c) In 1QFY18, Muthoot Insurance and Belstar added INR12m and INR52m, respectively, to the profit of Muthoot Group.
- n **Valuation and view:** Given stable regulatory regime, benign competition and supportive gold prices, we expect a favorable outlook for gold financiers. Given that significant portion of its operating costs is fixed, growth recovery will ensure optimum utilization of existing infrastructure, boosting return ratios. Asset quality, too, remains stable and write-offs are minimal. However, with a branch network of 4,300 already in place, the scope to keep growing strong remains limited. We await management's outlook on the same. We look to revise our estimates and target price post the analyst concall on 9 August.

Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Income from operations	12,712	13,497	13,225	16,962	13,758	14,171	14,879	20,420	56,395	63,228
Other operating income	252	320	184	135	165	225	200	310	891	900
Total Operating income	12,964	13,817	13,409	17,096	13,923	14,396	15,079	20,730	57,286	64,128
YoY Growth (%)	13.7	21.6	17.8	18.2	7.4	4.2	12.5	21.3	17.8	11.9
Other income	44	45	56	36	63	50	55	53	181	221
Total Income	13,008	13,862	13,464	17,132	13,986	14,446	15,134	20,782	57,467	64,348
YoY Growth (%)	13.8	21.6	18.0	18.0	7.5	4.2	12.4	21.3	17.9	12.0
Interest Expenses	5,571	5,937	5,970	5,460	5,326	5,592	5,928	6,880	22,938	23,726
Net Income	7,437	7,925	7,494	11,672	8,660	8,853	9,206	13,902	34,529	40,622
Operating Expenses	3,025	3,130	3,000	3,349	3,075	3,168	3,168	4,585	12,503	13,996
Operating Profit	4,413	4,795	4,495	8,323	5,585	5,686	6,039	9,317	22,026	26,627
YoY Growth (%)	50.1	69.5	51.2	37.6	26.6	18.6	34.4	11.9	48.9	20.9
Provisions	176	171	39	2,430	66	200	600	589	2,816	1,455
Profit before Tax	4,237	4,624	4,456	5,893	5,518	5,486	5,439	8,728	19,211	25,172
Tax Provisions	1,534	1,657	1,545	2,675	2,007	1,920	1,904	2,979	7,411	8,810
Net Profit	2,703	2,967	2,911	3,218	3,511	3,566	3,535	5,749	11,799	16,362
YoY Growth (%)	47.6	70.0	55.9	21.3	29.9	20.2	21.5	78.7	45.7	38.7

E: MOSL Estimates



Jindal Steel & Power

BSE SENSEX 32,014
S&P CNX 9,979

CMP: INR140 TP: INR194(+39%) Buy

Bloomberg	JSP IN
Equity Shares (m)	915
M.Cap.(INRb)/(USDb)	127.8 / 2.0
52-Week Range (INR)	159 / 63
1, 6, 12 Rel. Per (%)	4/39/52
Avg Val, INRm	1360
Free float (%)	38.1

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	216.2	257.3	312.9
EBITDA	46.6	60.6	79.1
PAT	-19.1	-14.5	1.8
EPS (INR)	-20.9	-15.8	2.0
Gr. (%)	14.8	-24.2	112.7
BV/Sh (INR)	328.5	312.3	313.9
RoE (%)	-7.9	-4.9	0.6
RoCE (%)	1.0	2.0	4.0
P/E (x)	-6.7	-8.8	69.4
P/BV (x)	0.4	0.4	0.4

Estimate change	↔
TP change	↔
Rating change	↔

In-line; JPL delivers strong operating performance

Steel margins are inching up

Jindal Steel and Power's (JSP) 1QFY18 consolidated EBITDA grew 37% YoY (-13% QoQ) to INR13.5b (in-line). Interest cost rose 4% QoQ to INR9b due to an increase in Libor. Cash profit was INR5.4b (v/s cash loss of INR3.2b in 1QFY17). Net debt was unchanged QoQ, despite an increase in working capital.

- Standalone (S/A) margins were stable: EBITDA grew 14% YoY to INR7.5b, a miss of 6% due to volumes. Sales grew 4% YoY to 810kt (est. of ~860kt). There was an increase in inventory due to GST implementation. Pellet sales declined 21% QoQ to 610kt, as exports were hurt by weak prices. EBITDA per ton declined INR676 QoQ to INR9253, on expected line.
- Jindal Power delivered strong operating performance: EBITDA rose 23% QoQ (157% YoY) to INR4.7b on 11pp QoQ increase in PLF to 43%. JPL benefited from seasonally strong demand in the merchant market.
- Global ventures (GV): Oman continues to deliver strong EBITDA, which was unchanged QoQ at USD32m. EBITDA from other GVs turned negative because Wollongong mining was shut on contractor insolvency.

Angul expansion to drive strong earnings growth; Maintain Buy

- The new blast furnace commissioned on 27 May is likely to record volume growth in subsequent quarters. After commissioning of BOF later in the year, we expect JSP to derive full benefit from the expansion. Over FY17-19, we expect S/A steel volume CAGR of 32% to 5.8mt, and consolidated EBITDA CAGR of 30% to INR79b.
- JSP is likely to benefit from an improvement in the underlying drivers (higher coking coal prices, domestic coal supply, pellet export prices, and domestic long product prices) of earnings growth. Maintain Buy.

Quarterly Performance (Consolidated) – INR million

Y/E March	FY17				FY18				FY17	FY18E	vs Est	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				1QE
Net Sales	46,962	48,609	55,812	64,861	59,364	57,782	66,882	73,271	216,243	257,300	56,759	5
Change (YoY %)	-1.2	-3.6	21.5	27.7	26.4	18.9	19.8	13.0	11.1	19.0	20.9	
Total Expenditure	37,121	40,125	43,045	49,340	45,837	43,909	50,817	56,153	169,631	196,715	43,176	6
EBITDA	9,841	8,484	12,767	15,521	13,527	13,874	16,066	17,118	46,613	60,584	13,582	0
Interest	8,529	8,716	8,353	8,642	9,006	7,698	7,622	7,700	34,240	32,026	7,670	17
Depreciation	9,171	9,986	10,274	10,059	9,622	11,173	11,873	11,935	39,490	44,603	11,117	-13
Other Income	312	7	3	90	0	1	1	1	411	4	1	
PBT (before EO item)	-7,548	-10,211	-5,856	-3,090	-5,101	-4,996	-3,428	-2,516	-26,706	-16,041	-5,204	-2
Extra-ordinary Income	-6,257	0	0	2,534	0	0	0	0	-3,723	0	0	
PBT (after EO item)	-13,805	-10,211	-5,856	-556	-5,101	-4,996	-3,428	-2,516	-30,429	-16,041	-5,204	-2
Total Tax	-1,410	-2,739	-1,306	428	-887	16	17	18	-5,027	-836	15	
% Tax	10.2	26.8	22.3	-76.9	17.4	-0.3	-0.5	-0.7	16.5	5.2	-0.3	
Reported PAT	-12,395	-7,473	-4,551	-984	-4,214	-5,012	-3,445	-2,534	-25,402	-15,205	-5,219	-19
MI - Loss/(Profit)	-1,560	-2	-458	-505	-334	-23	-23	-23	-2,524	-402	-23	
Associate	14	11	18	-16	10	100	100	100	27	310	100	
Adjusted PAT	-4,564	-7,460	-4,074	-3,029	-3,871	-4,889	-3,322	-2,411	-19,128	-14,493	-5,096	-24
Change (YoY %)	34.5	317.8	-38.7	-37.4	-15.2	-34.5	-18.5	-20.4	14.8	-24.2	11.6	

Endurance Technologies

BSE SENSEX 32,014
S&P CNX 9,979

CMP: INR923

TP: INR1,025

Buy

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

Conference Call Details



Date: 9th Aug 2017
Time: 10:00am IST
Dial-in details:
+91-22-3938 1075

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	64.3	73.3	84.7
EBITDA	8.9	10.5	12.2
NP	4.3	5.5	6.7
EPS (INR)	30.5	38.8	47.5
EPS Gr. (%)	29.9	27.2	22.4
BV/Sh. (INR)	149.0	179.4	212.7
RoE (%)	22.4	23.6	24.2
RoCE (%)	18.8	21.0	22.6
P/E (x)	30.2	23.8	19.4
EV/EBITDA(x)	14.8	12.4	10.4

In-line performance; India better than est., but EU disappoints

Strong India business drives consolidated performance

- Consol. revenue grew 7.6% YoY to INR15.5b (in line with est. of INR15.8b). EBITDA stood at INR2.1b (in line with est. of INR2.2b). Lower-than-expected other expenses offset higher RM cost inflation. EBITDA margin came in line at 13.8% (est. of 13.7%). PAT grew 9.7% YoY to INR965m (est. of INR1.01m).
- Standalone revenues grew 11.8% YoY to INR10.8b (in line with est. of INR10.6b), driven by ramp-up with HMSI and HMCL. EBITDA margin of 12.6% (+40bp YoY, +80bp QoQ) was better than our estimate of 11.8%, primarily led by lower other expenses. Higher tax rate restricted PAT to INR679m (+22.3% YoY; est. of INR602m).
- EU business (derived) revenues grew just 0.7% YoY to INR4.7b (est. of INR5.2b). EBITDA margin expanded 210bp YoY (-180bp QoQ) to 16.4% (est. of 17.4%). PAT declined 11.8% YoY to INR286m (est. INR409m).

Key questions for management

- Reason for QoQ increase in RM cost for India business – mix or cost inflation?
- Update on new suspension products and ABS (recent tie-up with BWI)
- EU business: Reason for weak revenues in 1QFY18; level of ramp-up at new plant at Germany

Valuation and view: We will revisit our estimates post the earnings call. The stock trades at 30.2x/23.8x FY18/19E EPS. We have **Buy** rating with a TP of INR1,025.

Cons. - Quarterly

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var (%)
INR m	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE			1QE	
Net Sales	14,402	14,482	13,203	13,803	15,503	16,518	15,808	16,446	55,739	64,275	15,819	-2.0
YoY Change (%)	13.3	7.5	2.4	4.8	7.6	14.1	19.7	19.1	6.6	15.3	10.0	
EBITDA	1,865	2,008	1,769	1,898	2,136	2,309	2,207	2,291	7,393	8,943	2,159	-1.1
Margins (%)	13.0	13.9	13.4	13.8	13.8	14.0	14.0	13.9	13.3	13.9	13.7	10bp
Depreciation	684	699	741	781	742	790	790	878	2,905	3,200	775	
Interest	104	81	88	49	57	57	57	56	322	226	55	
Other Income	89	54	73	119	60	105	110	240	481	515	100	
Adj. PAT	880	893	743	835	965	1,121	1,046	1,160	3,303	4,292	1,011	-4.5
YoY Change (%)	15.2	14.8	13.6	3.3	9.7	25.6	40.7	38.8	9.9	29.9	21.6	

Stand. Performance

Net Sales	9,626	10,648	8,929	9,595	10,760	12,032	10,894	10,981	38,657	44,666	10,589	1.6
YoY Change (%)	10.0	9.7	-1.1	5.3	11.8	13.0	22.0	14.4	5.2	15.5	10.0	
EBITDA	1,184	1,337	1,042	1,132	1,360	1,534	1,356	1,277	4,549	5,527	1,249	8.9
Margins (%)	12.3	12.6	11.7	11.8	12.6	12.7	12.4	11.6	11.8	12.4	11.8	80bp
Adj. PAT	555	663	472	525	679	811	684	675	2,215	2,833	602	12.8
YoY Change (%)	1.8	20.2	10.5	-6.6	22.3	22.4	44.9	28.6	6.2	27.9	8.5	

EU Subs (Derived)

Net Sales	4,776	3,834	4,274	4,208	4,743	4,486	4,915	5,465	17,082	19,609	5,231	-9.3
YoY Change (%)	20.6	1.9	10.5	3.6	-0.7	17.0	15.0	29.9	9.7	14.8	10.0	
EBITDA	682	670	727	766	776	775	852	1,014	2,844	3,417	910	-14.7
Margins (%)	14.3	17.5	17.0	18.2	16.4	17.3	17.3	18.6	16.7	17.4	17.4	-100bp
Adj PAT	324	230	271	262	286	310	361	485	1,088	1,459	409	-30.0
YoY Change (%)	48.8	1.7	19.3	6.7	-11.8	34.9	33.3	84.8	18.5	34.1	47.9	

BSE SENSEX 32,014 S&P CNX 9,979

CMP: INR901

TP: INR870

Sell

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

Conference Call Details



Date: 9th August 2017
Time: 11:15am IST
Dial-in details:
+91-22-3938 1079

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	44.8	48.5	51.5
EBITDA	4.7	5.3	5.6
NP	3.5	3.7	3.9
EPS (INR)	30.8	33.3	34.8
EPS Gr. (%)	23.0	7.9	4.5
BV/Sh. (INR)	225.4	250.9	277.2
RoE (%)	14.3	14.0	13.2
RoCE (%)	12.9	14.2	13.3
P/E (x)	29.1	26.9	25.8
P/BV (x)	4.0	3.6	3.2

Operating performance meaningfully below expectations

- n Revenues declined 10% YoY to INR7.1b, meaningfully below our estimate of INR8.8b.
- n Gross margin contracted 230bp YoY to 48.3%.
- n EBIDTA of INR429m (+33% YoY) was impacted by lower gross margin and higher employee cost (15.6% of sales v/s 14.7% in 4QFY16).
- n EBIDTA margin of 6.0% (-210bp YoY) missed our estimate of 10.0%.
- n Adj. profit fell 28.3% YoY to INR324m, below our estimate of INR618m.
- n Order backlog increased 24% YoY to INR45.3b, while order inflow rose 101% YoY to INR17.4b.

Valuation and view: We will revisit our estimates post the earnings call. We maintain our **Sell** rating with a TP of INR870 @25x FY19 EPS of INR34.8.

Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	MOSL 1Q Est	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Sales	7,914	8,708	8,136	13,428	7,134	9,376	9,191	14,700	37,637	42,601	8,834	-19.2%
Change (%)	-22.2	-19.6	-21.4	3.9	-9.9	7.7	13.0	9.5	-15.6	13.2	8.5	
EBITDA	637	773	806	1,521	429	927	996	1,760	3,738	4,528	884	-51.5%
Change (%)	-19.1	-14.7	0.0	22.6	-32.6	20.0	23.5	15.7	-24.5	21.1	38.8	
As of % Sales	8.1	8.9	9.9	11.3	6.0	9.9	10.8	12.0	9.9	10.6	10.0	
Depreciation	168	166	157	163	150	179	179	208	654	715	177	
Interest	7	7	6	17	5	9	10	12	36	36	8	
Other Income	211	289	206	321	222	290	180	76	1,027	768	210	
PBT	673	888	850	335	497	1,030	988	1,616	4,074	4,546	909	-45.3%
Tax	221	292	283	502	173	329	316	629	1,298	1,448	291	
Effective Tax Rate (%)	32.8	32.8	33.3	150.0	34.8	32.0	32.0	38.9	31.8	31.8	32.0	
Reported PAT	452	597	566	-167	324	700	672	987	1,448	3,098	618	-47.5%
Change (%)	(19.0)	(3.5)	(11.1)	(114.4)	(28.3)	17.4	18.5	(690.4)	(65.4)	113.9	36.7	
Adj PAT	452	597	566	1,161	324	700	672	987	2,777	3,098	618	-47.5%
Change (%)	(19.0)	(3.3)	(8.3)	0.0	(28.3)	17.4	18.5	(15.0)	(33.6)	11.6	36.7	

E: MOSL Estimates

BSE SENSEX 32,014 S&P CNX 9,979

CMP: INR1544 TP: INR1816(+18%) Buy

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

Conference Call Details



Date: 9th Aug 2017
Time: 04:00pm IST
Dial-in details:
+91-22-3960 0619

Financials & Valuations (INR m)

Y/E Mar	2017	2018E	2019E
Net Sales	48.2	55.5	64.3
EBITDA	9.7	10.6	12.9
NP	4.9	5.0	6.4
EPS (INR)	85.9	86.3	109.2
EPS Gr. (%)	12.8	0.4	26.6
BV/Sh. (INR)	544.6	610.8	696.9
RoE (%)	16.6	14.7	16.7
RoCE (%)	17.7	18.7	23.3
P/E (x)	18.0	17.9	14.1
P/BV (x)	2.8	2.5	2.2

Revenue beats estimate; PAT in-line

- SRF reported overall revenue of INR13.88b (est. of INR11.46b) in 1QFY18, as against INR12.9b in 1QFY17. On a YoY basis, Chemicals segment declined 8%, while Technical textiles/Packaging grew by 11.3%/19.4%.
- Technical textiles maintained its market leadership position, while Chemicals and polymers business de-grew on account of weak agrochemicals and reduced offtake in the supply chain ahead of GST rollout.
- EBITDA margin contracted from 22.8% in 1QFY17 to 15.1% (est. of 21.3%) in 1QFY18. EBITDA during the quarter stood at INR2,091m (est. of INR2,441m), as against INR2,962m in 1QFY17 – down 29% as gross margin contracted 610bp YoY to 48.3%.
- PBIT margin for Technical textile came in at 11% v/s 14.1% YoY, for Chemical at 15.5% v/s 25.2% YoY, and Packaging 10.5% v/s 17.3% YoY.
- Consequently, adj. PAT declined 33% from INR1,546m in 1QFY17 to INR1,038m (est. of INR1,063m) in 1QFY18.

Key questions for management

- Expectations on demand revival post GST transition
- Impact of rising commodity prices

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

Based on our current estimates, at CMP of INR1,544, the stock trades at 18x/14x P/E on FY18/FY19E EPS. Currently, we have **Buy** rating on the stock.

Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18				FY17E	FY18E	FY18	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	12,994	12,154	12,055	14,164	13,884	14,949	14,828	16,997	48,218	55,483	11,461	21
YoY Change (%)	6	5	10.0	27.3	7	23	23.0	20.0	5.0	15.1	-6.0	
Total Expenditure	10,032	9,827	9,742	12,007	11,793	11,765	11,625	14,482	38,524	44,886	9,019	
EBITDA	2,962	2,326	2,313	2,157	2,091	3,184	3,203	2,516	9,694	10,597	2,441	-14
Margins (%)	22.8	19.1	19.2	15.2	15.1	21.3	21.6	14.8	20.1	19.1	21.3	
Depreciation	696	735	709	730	758	814	782	733	2,834	3,146	817	
Interest	281	242	269	228	271	217	231	237	1,018	939	254	
Other Income	62	70	64	259	203	68	66	80	455	275	61	
PBT before EO expense	2,047	1,419	1,400	1,459	1,266	2,221	2,256	1,626	6,296	6,788	1,431	-12
Extra-Ord expense	0	-72	45	-185	0	0	0	0	-276	0	0	
PBT	2,047	1,491	1,355	1,644	1,266	2,221	2,256	1,626	6,572	6,788	1,431	-12
Tax	501	298	271	352	228	606	611	387	1,422	1,833	368	
Rate (%)	24.5	20.0	20.0	21.4	18.0	27.3	27.1	23.8	21.6	27.0	25.7	
Reported PAT	1,546	1,193	1,084	1,292	1,038	1,615	1,644	1,239	5,150	4,955	1,063	-2
Adj PAT	1,546	1,135	1,120	1,147	1,038	1,615	1,644	1,239	4,934	4,955	1,063	-2
YoY Change (%)	37.5	3.5	10.1	7.0	-32.8	42.2	46.9	8.0	14.4	0.4	-23.8	
Margins (%)	11.9	9.3	9.3	8.1	7.5	10.8	11.1	7.3	10.2	8.9	9.3	

E: MOSL Estimates



Prism Cement

BSE SENSEX	S&P CNX
32,014	9,979
Bloomberg	PRSC IN
Equity Shares (m)	503
M.Cap.(INRb)/(USD\$b)	60.5 / 0.9
52-Week Range (INR)	130 / 72
1, 6, 12 Rel. Per (%)	-4/5/-5
Avg. val, INRm	49
Free float (%)	25.1

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	49.6	53.0	55.0
EBITDA	3.0	4.6	6.1
PAT	0.1	1.8	2.8
EPS (INR)	0.3	3.5	5.6
Gr. (%)	-53	1,176	60
BV/Sh (INR)	19.0	21.9	26.9
RoE (%)	1.4	17.0	22.9
RoCE (%)	3.3	11.1	14.6
P/E (x)	440.3	34.5	21.5
P/BV (x)	6.3	5.5	4.5

Estimate change

TP change

Rating change

CMP: INR120 TP: INR140(+16%) Buy

Weak performance in the run-up to GST rollout

- Volume growth impacted:** Prism Cement's (PRSC) standalone 1QFY18 revenue increased 3% YoY (-7% QoQ) to INR13.2b (est. of INR14.6b), led by a 3% YoY decline in cement volumes. Cement realizations increased ~3% QoQ (~+11% YoY) to INR4,620 (est. of INR4,659) due to improved pricing in its focus markets.
- TBK losses reduce marginally QoQ:** TBK segment's revenue fell 4% YoY (+19% QoQ) to INR4.26b (est. of INR4.45b) due to a sharp decline in sales on account of destocking prior to GST implementation. TBK segment reported PBIT loss of INR224m v/s loss of INR265m in 4QFY17.
- Cement pricing improvement drives margin uptick:** Overall EBITDA declined 20% YoY (-34% QoQ) to INR762m, with the margin at 5.8% (-2.4pp QoQ; -1.6pp YoY). Cement costing increased on account of higher power & fuel cost/t (higher petcoke prices), freight costs (overloading restriction implementation) and higher employee cost. Cement EBITDA/ton stood at INR647 (+INR35/t YoY; -19% QoQ). PAT stood at INR167m, as against INR156m in 1QFY17.
- RMC segment posts EBIT loss:** RMC sales stood at INR3.2b (+2.3% QoQ, -1.6% YoY). EBIT loss for RMC was INR66m for 1QFY18 (v/s +INR108m in 1QFY17) due to higher cement prices.
- Valuation view:** Our SOTP value for PRSC is INR140/share (EV of USD110/ton, 7x FY20E RMC EBITDA and 9x FY20E TBK EBITDA). PRSC is a pure-play on central India recovery – it is likely to see strong improvement in profitability, driven by higher consolidation in the region over the last 12-18 months. Additionally, the region is likely to see no meaningful capacity addition for the next 18-24 months, while there could be some pricing volatility in the next 2-3 quarters due to ramp-up of JPA's assets. However, the key monitorable would be turnaround in TBK's profitability. Maintain **Buy**.

Quarterly Performance (Standalone)

Y/E March	FY17				FY18				FY17	FY18	FY18	Var (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sales Dispatches (m ton)	1.53	1.18	1.17	1.56	1.48	1.18	1.29	1.57	5.21	5.52	1.45	2
YoY Change (%)	12.3	-12.3	-4.3	14.6	-3.0	0.0	10.0	0.5	-1.5	5.9	-6.1	
Realization (INR/ton)	4,160	4,342	4,239	4,509	4,620	4,520	4,620	4,899	4,508	4,678	4,659	-1
YoY Change (%)	9.2	3.4	3.6	29.3	11.1	4.1	9.0	8.6	8.1	3.8	13.3	
QoQ Change (%)	19.3	4.4	-2.4	6.4	2.5	-2.2	2.2	6.0			3.3	
Net Sales	12,869	11,599	11,345	14,186	13,221	13,040	13,765	13,005	49,607	53,031	14,667	-10
YoY Change (%)	-1.3	-11.5	-9.2	2.3	2.7	12.4	21.3	-8.3	-4.0	6.9	14.0	
Total Expenditure	11,917	11,351	11,094	13,023	12,459	12,567	12,870	11,050	46,558	48,946	13,848	-10
EBITDA	952	248	251	1,163	762	473	895	1,955	3,049	4,085	820	-7
Margins (%)	7.4	2.1	2.2	8.2	5.8	3.6	6.5	15.0	6.1	7.7	5.6	
Depreciation	409	399	401	394	380	406	406	431	1,918	1,622	406	
Interest	554	392	544	344	469	427	427	385	2,166	1,708	427	
Other Income	229	331	231	312	328	313	313	296	1,437	1,250	313	
PBT	219	-213	-463	738	241	-47	375	1,436	402	2,005	300	-20
Tax	63	0	7	36	74	-14	112	431	275	752	90	
Rate (%)	28.6	0.0	-1.6	4.9	30.7	30.0	30.0	30.0	68.3	37.5	30.0	
Reported PAT	156	-213	-470	702	167	-33	262	1,005	128	1,254	210	-20
Adj PAT	156	-213	-470	702	167	-33	262	1,005	128	1,254	210	
Margins (%)	1.2	-1.8	-4.1	4.9	1.3	-0.2	1.9	7.7	0.3	2.4	1.4	

Kaveri Seeds

BSE SENSEX 32,014 S&P CNX 9,979

CMP: INR659

TP: INR755(15%)

Buy

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

Conference Call Details



Date: 9th Aug 2017
Time: 2:00pm IST
Dial-in details:
+91-22-3938 1071

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	7.0	8.1	9.3
EBITDA	1.4	2.1	2.5
NP	0.8	2.1	2.5
Adj EPS (INR)	19.1	31.3	37.7
EPS Gr. (%)	-21.4	64.4	20.4
BV/Sh (INR)	146.8	136.5	153.8
RoE (%)	13.6	21.6	26.0
RoCE (%)	16.0	23.4	28.1
Payout (%)	32.2	57.4	54.1
Valuations			
P/E (x)	34.6	21.0	17.5
P/BV (x)	4.5	4.8	4.3
EV/EBITDA (x)	32.5	21.6	17.7
Div Yield (%)	0.5	2.2	2.5

Revenue in-line; EBITDA and PAT beat estimates

- n KSL reported overall revenue of INR5,906m (est. of INR5,829m) in 1QFY18, as against INR4,940m in 1QFY17, marking growth of 19.6%.
- n EBITDA stood at INR2,069m (est. of INR1,918m), as against INR1,583m in 1QFY17. Margins came in at 35% (est. of 32.9%) v/s 32% in 1QFY17 on account of a significant decline of 360bp in raw material cost (52% of net sales).
- n Consequently, adj. PAT stood at INR2,024m (est. of INR1,864m), as against INR1,544m in 1QFY17.
- n The board approved the purchase of land measuring 24.25 acres in Telangana to be used for R&D and future expansion, with total sale consideration of INR150m.

Key questions for management

- n Current inventory and outlook for FY18
- n Change in market share in key regions

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

Based on our current estimates, at CMP of INR659, the stock trades at 21x/18x P/E on FY18/FY19E EPS. Currently, we have **Buy** rating on the stock.

Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	4,940	678	679	403	5,906	813	814	484	7,050	8,052	5,829	1
YoY Change (%)	-8.4	2.2	-2.7	-1.9	19.6	20.0	20.0	20.0	-1.6	14.2	18.0	
Total Expenditure	3,357	644	644	675	3,837	694	661	554	5,654	5,959	3,911	
EBITDA	1,583	34	34	-272	2,069	119	153	-71	1,395	2,094	1,918	8
Margins (%)	32.0	5.0	5.0	-67.4	35.0	14.6	18.8	-14.6	19.8	26.0	32.9	
Depreciation	78	72	69	66	63	89	76	80	302	327	82	
Interest	0	0	0	0	2	2	2	0	2	5	0	
Other Income	54	170	101	18	43	182	117	48	344	396	49	
PBT before EO expense	1,559	132	66	-320	2,046	210	192	-103	1,435	2,157	1,885	9
PBT	1,559	132	-527	-912	2,046	210	192	-103	843	2,157	1,885	9
Tax	15	54	30	-40	22	44	38	-4	70	86	21	
Rate (%)	1.0	41.1	-5.7	4.4	1.1	21.0	20.0	4.2	8.3	4.0	1	
Minority Interest & Profit/l	0	0	0	0	0	0	0	0			0	
Reported PAT	1,544	77	-557	-872	2,024	166	153	-99	773	2,071	1,864	9
Adj PAT	1,544	77	69	-306	2,024	166	153	-99	1,316	2,071	1,864	9
YoY Change (%)	-29.6	NM	-40.9	NM	31.1	113.7	120.9	-67.7	-55.1	57.3	21	
Margins (%)	31.3	11.4	10.2	-75.9	34.3	20.4	18.8	-20.4	18.7	25.7	32.0	

E: MOSL Estimates



Repc Home Finance

BSE SENSEX	S&P CNX
32,014	9,979
Bloomberg	REPCO IN
Equity Shares (m)	62.6
M.Cap.(INR b)/(USD b)	47.3/0.6
52-Week Range (INR)	923 / 500
1, 6, 12 Rel. Per (%)	-17/-20/-29
Avg Val.(INR m)	114
Free float (%)	62.9

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	3.7	4.3	5.0
PPP	3.3	3.9	4.5
PAT	1.8	2.2	2.5
EPS (INR)	29.1	34.5	39.3
BV/Sh. (INR)	181.7	213.2	249.0
RoAA (%)	2.2	2.2	2.2
RoE (%)	17.4	17.5	17.0
Payout (%)	8.7	8.7	8.7
Valuation			
P/E (x)	23.7	20.0	17.6
P/BV (x)	3.8	3.2	2.8
Div. Yield (%)	0.3	0.4	0.4

CMP: INR691

TP: INR800 (+16%)

Buy

Below estimates; Performance marred by state specific issues; Cut EPS by 4-8%

- Repc Home Finance (REPCO) reported 1QFY18 PAT of INR452m, 6% below our estimate, driven by sluggish loan growth, a drop in yields and poor asset quality performance.
- Sanctions and disbursements were down 9% YoY. Due to some confusion on the High Court order lifting the ban on property registration in March, disbursements were muted. Management alluded to a slow July, with disbursements of INR1.8b. However, a High Court clarification has been issued recently, due to which disbursements should pick up, going forward.
- With intense competition, especially in the INR0.5m+ ticket-size segment, for home loan and LAP, the repayment rate touched a record high of 24.6%, driving muted loan growth of 1% QoQ/13% YoY.
- Both yields and cost of funds were down 70bp YoY, resulting in stable spreads of 2.9%. However, the sequential yield fall of 57bp is higher than the usual 20-30bp decline witnessed in 1Q. The share of bank borrowings declined from 63% to 60% sequentially, while that of NCDs increased 500bp QoQ to 15%.
- Asset quality worsened, with the GNPL ratio increasing 137bp QoQ and 175bp YoY to 4%. Management mentioned that there are 17-18 accounts in high-ticket-size LAP that are NPL, amounting to INR350-370m.
- Valuation and view:** REPCO recorded loan book CAGR of 26% over the past five years, with equally impressive earnings growth of 24%. Presence in the underserved markets, reasonable pricing power on asset side, declining cost of funds and expanding reach should support its earnings over the longer term. However, in the recent past, the company has been plagued with several issues, including external ones like the High Court ban on property registration and lingering impact of demonetization, and internal ones like asset quality woes in high-ticket LAP. We cut our FY18/19E EPS by 4%/8% to factor in lower growth and margins. **Buy** with a target price of INR800 (3.2x FY19 P/B).

REPCO: Quarterly performance

Y/E March	(INR Million)									
	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	2,389	2,500	2,589	2,663	2,587	2,703	2,798	3,037	10,141	11,125
Interest Expenses	1,550	1,597	1,682	1,635	1,628	1,645	1,710	1,797	6,463	6,780
Net Interest Income	840	903	907	1,028	959	1,059	1,088	1,239	3,678	4,345
YoY Growth (%)	26.5	22.1	16.2	20.7	14.2	17.3	19.9	20.5	21.1	18.1
Other income	80	98	67	73	71	85	94	90	318	340
Total Income	920	1,000	974	1,102	1,030	1,144	1,182	1,329	3,996	4,685
YoY Growth (%)	26.0	22.0	15.5	16.8	12.0	14.4	21.3	20.6	19.8	17.2
Operating Expenses	149	163	163	200	171	186	195	210	676	762
YoY Growth (%)	-3.5	-6.8	1.9	30.7	14.9	13.9	19.5	5.1	5.1	12.9
Operating Profits	771	837	811	902	859	958	986	1,119	3,320	3,922
YoY Growth (%)	33.9	29.9	18.7	14.1	11.4	14.5	21.7	24.1	23.3	18.1
Provisions	179	127	96	116	167	125	131	179	519	602
Profit before Tax	592	710	714	786	692	833	855	940	2,802	3,320
Tax Provisions	196	253	250	280	241	292	299	329	979	1,160
Profit after tax	395	457	464	506	452	542	556	611	1,823	2,160
YoY Growth (%)	30.8	17.0	20.4	19.8	14.2	18.5	19.7	20.7	21.4	18.5
Cost to Income Ratio (%)	16.2	16.3	16.8	18.2	16.6	16.3	16.5	15.8	16.9	16.3
Tax Rate (%)	33.2	35.7	35.0	35.6	34.8	35.0	35.0	35.0	35.0	35.0

E: MOSL Estimates



Ajanta Pharma

Bloomberg	AJP IN
Equity Shares (m)	88.5
M. Cap. (INR b)/(USD b)	135 / 2
52-Week Range (INR)	2150 / 1432
1,6,12 Rel Perf. (%)	-5 / -31 / -16

Financial Snapshot (INR Billion)

y/e march	2017	2018E	2019E	2020E
Sales	20.0	22.6	27.4	33.3
EBITDA	7.0	7.8	9.4	11.4
NP	5.2	5.8	7.0	8.7
EPS (INR)	58.4	66.1	79.6	98.7
EPS Gro. (%)	24.0	13.2	20.3	24.0
BV/Sh. (INR)	177.2	232.8	299.5	382.0
RoE (%)	37.7	32.2	29.9	29.0
RoCE (%)	36.4	31.8	29.5	28.7

Valuations

P/E (x)	26.2	23.1	19.2	15.5
P/BV (x)	8.6	6.6	5.1	4.0
EV/EBITDA (x)	19.3	17.0	13.9	11.0
EV/Sales (x)	6.7	5.9	4.7	3.8
Dividend Yield (%)	0.9	0.6	0.8	1.0

CMP: INR1,529 TP:INR2,028 (+33%) Buy

- n We expect Ajanta Pharma (AJP) to show 12.9% decline in revenues, largely led by contraction in domestic formulation and Africa sales.
- n Domestic formulation business is expected to get adversely affected due to procedural hurdle on account of implementation of GST.
- n High base of the past year and low business from global fund in the anti-malaria segment are expected to affect Africa revenue for the quarter.
- n However, we expect US sales to be maintained at similar quarterly run-rate as that in Q4FY17 due to sustained market share in existing products and the lack of new approvals during the quarter.
- n We expect 130bp contraction in EBITDA margin on lower domestic formulation sales. We expect R&D spend as % of sales to remain stable at 7.5% of net sales for the quarter
- n We expect PAT to come in at INR985m, down 17.6% YoY.
- n The stock trades at 19.2x FY19E EPS. We maintain Buy, with a target price of INR2,028 (25x FY19E EPS).

Key issues to watch out

- ⊗ Impact on sales from the domestic formulation market.
- ⊗ Outlook on future ANDA filings.

Quarterly performance

Y/E March	(INR million)								FY17	FY18E
	FY17				FY18E					
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	4,759	5,158	5,331	4,768	4,144	5,317	6,119	6,974	20,016	22,553
YoY Change (%)	21.6	16.8	11.8	12.0	-12.9	3.1	14.8	46.3	15.3	12.7
Total Expenditure	3,093	3,426	3,551	3,054	2,747	3,483	3,977	4,533	13,125	14,740
EBITDA	1,666	1,732	1,780	1,714	1,396	1,834	2,142	2,441	6,892	7,813
Margins (%)	35.0	33.6	33.4	35.9	33.7	34.5	35.0	35.0	34.4	34.6
Depreciation	130	140	153	189	158	159	161	162	612	640
Interest	10	8	8	9	10	10	10	10	35	40
Other Income	55	67	192	24	30	30	90	60	337	210
PBT before EO expense	1,580	1,651	1,811	1,540	1,258	1,695	2,061	2,329	6,582	7,343
Extra-Ord expense	0	0	0	160	0	0	0	0	160	0
PBT	1,580	1,651	1,811	1,380	1,258	1,695	2,061	2,329	6,422	7,343
Tax	385	345	385	300	273	368	427	482	1,413	1,550
Rate (%)	24.3	20.9	21.2	21.7	21.7	21.7	20.7	20.7	22.0	21.1
Minority Interest & P&L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,196	1,307	1,426	1,080	985	1,327	1,634	1,847	5,008	5,794
Adj. PAT	1,196	1,307	1,426	1,205	985	1,327	1,634	1,847	5,133	5,794
YoY Change (%)	39.0	26.3	25.2	10.5	-17.6	1.6	14.6	53.2	24.5	12.9
Margins (%)	25.1	25.3	26.7	25.3	23.8	25.0	26.7	26.5	25.6	25.7

E: MOSL Estimates



Aurobindo Pharma

Bloomberg	ARBP IN
Equity Shares (m)	585.2
M. Cap. (INR b)/(USD b)	397 / 6
52-Week Range (INR)	895 / 504
1,6,12 Rel Perf. (%)	15 / -15 / -25

CMP: INR679 TP:INR750 (+11%) Buy

Financial Snapshot (INR Billion)

y/e march	2017	2018E	2019E	2020E
Sales	150.9	169.1	186.3	205.5
EBITDA	34.3	39.6	44.9	49.5
NP	23.0	25.8	29.4	32.5
EPS (INR)	39.3	44.1	50.2	55.6
EPS Gro. (%)	13.6	12.2	13.8	10.7
BV/Sh. (INR)	157.4	199.0	246.8	299.9
RoE (%)	28.3	24.8	22.5	20.3
RoCE (%)	19.1	18.9	18.3	17.4

Valuations

P/E (x)	17.3	15.4	13.5	12.2
P/BV (x)	4.3	3.4	2.8	2.3
EV/EBITDA (x)	11.3	9.6	8.0	6.8
EV/Sales (x)	2.6	2.2	1.9	1.7
Dividend Yield (%)	0.3	0.3	0.4	0.4

- n We expect Aurobindo (ARBP) to post 8% YoY sales growth to INR38.5b in 1QFY18, aided by sustained traction in the US.
- n We expect the US business (~52% of formulation sales) to post flattish growth YoY in 1QFY18. Europe and RoW sales are expected to exhibit robust growth of 20% YoY, while API sales are estimated to grow ~8% YoY in 1QFY18.
- n EBITDA margin is likely to contract ~110bp YoY (+130bp QoQ) to 22.5%. Overall EBITDA is estimated to increase marginally by ~3% to INR9.2b. We expect adj. PAT at INR6b, compared to INR5.8b in the corresponding quarter last year.
- n At its CMP, ARBP trades at 13.5x FY19E, at >20% discount to its peers. The valuation gap is expected to narrow on account of the company's increasing profitability, better US growth outlook and improving free cash flow. ARBP remains one of our top picks in the sector with a target price of INR750 @ 15x FY19E PER. Buy.

Key issues to watch out

- ⊗ Debt reduction during the quarter.
- ⊗ Outlook on the US business (~35-40 launches expected over next 12 months).
- ⊗ Profitability of acquired Actavis business in Europe.

Quarterly Performance Consolidated

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	37,666	37,755	39,062	36,417	40,718	41,451	42,783	44,193	150,897	169,145
YoY Change (%)	14.2	12.2	11.7	-2.8	8.1	9.8	9.5	21.4	8.1	12.1
EBITDA	8,890	9,292	8,949	7,713	9,162	9,741	10,054	10,623	34,341	39,580
Margins (%)	23.6	24.6	22.9	21.2	22.5	23.5	23.5	24.0	22.8	23.4
Depreciation	1,062	1,102	1,111	1,001	1,050	1,150	1,225	1,238	4,276	4,663
Interest	206	175	143	143	200	230	230	266	667	926
Other Income	159	83	79	218	150	150	150	150	538	600
PBT before EO expense	7,780	8,098	7,774	6,787	8,062	8,511	8,749	9,269	29,936	34,591
Extra-Ord expense	-70	-202	-158	310	0	0	0	0	-621	0
PBT	7,850	8,300	7,932	6,477	8,062	8,511	8,749	9,269	30,557	34,591
Tax	2,008	2,240	2,177	1,172	2,056	2,170	2,231	2,364	7,596	8,821
Rate (%)	25.6	27.0	27.4	18.1	25.5	25.5	25.5	25.5	24.9	25.5
Minority Interest	-8	3	-31	-19	0	0	0	0	-55	-55
Reported PAT	5,850	6,057	5,786	5,325	6,006	6,341	6,518	6,906	23,015	25,825
Adj. PAT	5,789	5,912	5,640	5,559	6,006	6,341	6,518	6,906	22,552	25,825
YoY Change (%)	21.0	21.8	7.4	-0.4	3.7	7.2	15.6	24.2	13.6	12.2
Margins (%)	15.4	15.7	14.4	15.3	14.7	15.3	15.2	15.6	14.9	15.3



Bank of India

Bloomberg	BOI IN
Equity Shares (m)	1055.4
M. Cap. (INR b)/(USD b)	144 / 2
52-Week Range (INR)	197 / 100
1,6,12 Rel Perf. (%)	-6 / 10 / 11

CMP: INR137 TP: INR147 (+7%) Neutral

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	118.3	130.1	142.4	156.7
OP	97.3	88.4	95.0	103.0
NP	-15.6	14.5	23.2	32.0
NIM (%)	2.1	2.3	2.3	2.2
EPS (INR)	-14.8	13.7	22.0	30.3
EPS Gr. (%)	NM	NM	60.5	37.8
ROE (%)	-6.7	6.1	9.0	11.2
ROA (%)	-0.3	0.2	0.3	0.4
BV/Sh. (INR)	219	233	255	285
ABV/Sh. (INR)	63	111	153	187
Div. Payout (%)	0.0	0.0	0.0	0.0
Valuations				
P/E(X)	-9.3	10.0	6.2	4.5
P/BV (X)	0.63	0.59	0.54	0.48
P/ABV (X)	2.17	1.24	0.89	0.73

- Continued asset quality strain and capital conservation efforts have led to multiple quarters of muted loan growth. We expect 1QFY18 loan growth to be 2% QoQ (+3% YoY). Deposit growth is expected to come in strong at 9.5% YoY (+1% QoQ) owing to strong CASA inflows over the last two quarters.
- We expect NIM to improve ~22bp YoY to ~2.3%, given that 1QFY17 was impacted by interest income reversals; however, NIMs will contract ~18bp QoQ as 4QFY17 had a large one-off component (IT refund). Overall NII is expected to grow 16% YoY.
- Contribution of non-interest income is likely to fall sharply from previous quarters, given lower trading gains. Fee income is expected to remain muted.
- We expect stress additions to moderate, but remain high during the quarter (slippage ratio ~4%), leading to elevated provisioning.
- We expect operating profit to increase sharply to 13% YoY, led by strong NII growth and controlled opex performance. BOI trades at 0.5x FY19E BV and 6.2x FY19E EPS. **Neutral**.

Key issues to watch for

- Stress addition trends and outlook for FY18.
- Upgrade/recovery trends.
- Outlook on balance sheet growth and further capital infusion.

Quarterly Performance

(INR Million)

	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	27,752	27,197	28,626	34,686	32,181	32,185	32,551	33,163	118,261	130,081
% Change (Y-o-Y)	-4.7	-9.9	5.7	8.8	16.0	18.3	13.7	-4.4	0.9	10.0
Other Income	12,384	20,106	17,693	17,540	13,065	13,614	12,815	15,054	67,723	54,548
Net Income	40,136	47,304	46,319	52,226	45,246	45,799	45,366	48,217	185,984	184,628
Operating Expenses	23,597	22,375	21,734	20,951	24,052	24,342	24,242	23,571	88,658	96,206
Operating Profit	16,539	24,928	24,584	31,275	21,194	21,457	21,124	24,647	97,326	88,422
% Change (Y-o-Y)	-3.0	70.9	74.5	113.6	28.1	-13.9	-14.1	-21.2	61.3	-9.1
Other Provisions	27,702	22,962	23,026	47,362	16,500	16,500	16,500	16,833	121,052	66,333
Profit before Tax	-11,163	1,966	1,559	-16,087	4,694	4,957	4,624	7,814	-23,726	22,089
Tax Provisions	-3,750	698	542	-5,632	1,619	1,710	1,595	2,696	-8,142	7,621
Net Profit	-7,414	1,268	1,017	-10,455	3,075	3,247	3,029	5,118	-15,584	14,468
% Change (Y-o-Y)	NM	NM	NM	NM	NM	156.0	197.8	NM	NM	NM
Operating Parameters										
NIM (Cal, %)	2.0	2.0	2.0	2.5	2.3	2.2	2.2	2.3	2.1	2.2
Deposit Growth (%)	-2.0	-3.8	2.6	5.3	9.5	9.0	2.5	5.0	5.3	5.0
Loan Growth (%)	-5.2	-4.8	-5.4	2.0	2.7	4.4	6.9	7.5	2.0	7.5
Tax Rate (%)	33.6	35.5	34.7	35.0	34.5	34.5	34.5	34.5	34.3	34.5
Asset Quality										
Gross NPA (INR b)	518.7	522.6	517.8	520.4	509.1	489.6	471.1	451.3	520.4	451.3
Gross NPA (%)	13.4	13.5	13.4	13.2	12.7	12.1	11.5	10.8	13.2	10.8

E: MOSL Estimates



Eicher Motors

Bloomberg	EIM IN
Equity Shares (m)	27.2
M. Cap. (INR b)/(USD b)	756 / 11
52-Week Range (INR)	29983 / 19020
1,6,12 Rel Perf. (%)	-4 / 8 / 29

Financial Snapshot (INR b)

Y/E Dec	2017	2018E	2019E	2020E
Net Income	70.3	90.8	109.6	130.5
EBITDA	21.7	29.5	35.9	43.5
Net Profit	16.7	23.4	30.0	37.7
Adj. EPS (INR)	613.8	861.2	1,102.9	1,389.4
EPS Gr. (%)	55.7	40.3	28.1	26.0
BV/Sh. (INR)	1,769	2,454	3,353	4,512
RoE (%)	40.3	40.8	38.0	35.3
RoCE (%)	27.1	30.2	30.1	29.6
Payout (%)	0.4	0.5	0.6	0.7

Valuations

P/E (x)	45.4	32.3	25.2	20.0
P/BV (x)	15.7	11.3	8.3	6.2
EV/EBITDA (x)	28.0	20.5	16.2	12.9
Div. Yield (%)	0.4	0.5	0.6	0.7

CMP: INR27,842 TP: INR31,326 (+13%) Buy

- Royal Enfield's (RE) volume grew 24.8% YoY (and 3.2% QoQ) to 183,998 units, led by continued healthy demand. Net realization is expected to improve by 3.1% YoY (and 3% QoQ), supported by price hikes. EBITDA margin should expand 117bp YoY (and 60bp QoQ) to 32%, driven by operating leverage.
- VECV's volume declined by ~28% YoY (and 33% QoQ) due to pre-buying before BS-IV implementation. Net realization should increase by 22.5% YoY (and 10% QoQ), led by price hikes post BS-4 implementation and low discount pressure. Margin is likely to shrink 223bp YoY (and 135bp QoQ) to 6.8%.
- Consolidated revenue would grow ~28.8% YoY (and 6.1% QoQ) to INR20b. Consolidated margin is likely to be 32%. Consolidated PAT is estimated to increase ~22.7% YoY (and 0.5% QoQ) to INR4.6b.
- The stock trades at 32.3x FY18E and 25x FY19E EPS. Maintain **Buy**.

Key issues to watch

- ⊗ Demand for RE at the retail level and order book position.
- ⊗ GST impact and dealer compensation.
- ⊗ Update on current demand trends for commercial vehicles, discount levels and inventory post BS-IV and GST.
- ⊗ Impact of competition on ICV segment.

Quarterly performance (Consolidated)

Y/E March (INR m)	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Operating income	15,557	17,549	18,348	18,881	20,038	21,320	23,280	26,131	70,334	90,769
Growth (%)	42.0	35.0	42.9	23.2	28.8	21.5	26.9	38.4	42.4	61.3
EBITDA	4,700	5,422	5,770	5,848	6,404	6,848	7,496	8,783	21,740	29,531
Recurring PAT	3,763	4,132	4,182	4,594	4,618	5,400	5,885	7,488	16,671	23,391
Growth (%)	58.6	45.2	50.0	33.9	22.7	30.7	40.7	63.0	55.7	75.4
Standalone (RE)										
Royal Enfield (units)	147,483	166,941	173,838	178,228	183,998	195,500	212,500	236,732	666,490	828,730
Growth (%)	38.3	30.8	38.2	20.3	24.8	17.1	22.2	32.8	38.8	55.4
Net Realn (INR/unit)	105,603	105,576	105,477	105,731	108,903	109,053	109,553	110,382	105,598	109,527
Change - YoY (%)	2.7	3.7	3.3	1.5	3.1	3.3	3.9	4.4	2.4	3.7
EBITDA Margins (%)	30.8	31.3	31.8	31.4	32.0	32.1	32.2	33.6	31.3	32.5
Recurring PAT	3,371	3,962	4,152	4,116	4,970	4,987	5,441	6,472	15,600	21,870
Growth (%)	69.6	54.2	64.5	8.5	47.4	25.9	31.0	57.3	48.9	75.2
VECV										
Total CV Volumes	16,071	13,408	11,784	17,230	11,583	14,630	15,275	20,853	58,493	62,341
Growth (%)	32.5	15.0	-7.1	10.8	-27.9	9.1	29.6	21.0	16.0	33.2
Net Realn (INR '000/unit)	1,331.3	1,470.5	1,599.6	1,482.3	1,630.5	1,646.8	1,663.3	1,674.7	1,461.5	1,657.2
Change - YoY (%)	-9.6	-3.8	1.9	11.2	22.5	12.0	4.0	13.0	-4.3	13.4
EBITDA Margins (%)	9.1	7.2	6.9	8.2	6.8	8.0	8.0	8.8	7.9	8.1
Recurring PAT	1,082	698	570	1,160	541	993	1,049	1,813	3,570	4,395
Growth (%)	40.9	3.1	-36.0	1,820.6	-50.0	42.2	84.1	56.3	16.9	53.9

E: MOSL Estimates



Nalco

Bloomberg	NACL IN
Equity Shares (m)	1932.9
M. Cap. (INR b)/(USD b)	147 / 2
52-Week Range (INR)	80 / 38
1,6,12 Rel Perf. (%)	-7 / 51 / 78

Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	79.3	83.1	85.0	87.4
EBITDA	10.8	13.8	14.8	15.3
NP	7.1	7.3	8.1	8.3
Adj. EPS (INR)	3.7	3.8	4.2	4.3
EPS Gr(%)	36.4	2.0	11.6	2.7
BV/Sh. (INR)	52.8	54.5	56.5	58.7
RoE (%)	7.2	7.0	7.5	7.5
RoCE (%)	7.9	9.2	10.0	9.9
Payout (%)	57.1	56.0	50.2	48.8

Valuations

P/E (x)	18.3	18.0	16.1	15.7
P/BV	1.3	1.2	1.2	1.1
EV/EBITDA (x)	8.8	7.2	6.5	6.0
Div. Yield (%)	2.6	2.6	2.6	2.6

CMP: INR76 TP: INR70 (+10%) Neutral

- n We estimate EBITDA to decline 16% QoQ to INR3.6b on lower alumina sales and increase in power cost.
- n LME aluminum is up 3% QoQ to USD1,909/t. Alumina realization is estimated to decline 5% QoQ to USD326/t.
- n Aluminum sales volumes would be flat QoQ at 105kt, while alumina volumes would decline 23% QoQ to 291kt (flat YoY).
- n Power cost would increase by USD50-55/t of aluminum due to increase in electricity duty on captive power generation in Odisha.

Key issues to watch for:

- ⊗ Availability of coal for captive power plant.
- ⊗ LME price trend, utilization of smelter.

Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Aluminium Prod. ('000 tons)	94	94	99	100	105	109	112	112	387	438
Alumina Sales ('000 tons)	291	290	311	377	291	237	353	353	1,269	1,233
Avg LME Aluminium (USD/ton)	1,570	1,619	1,710	1,851	1,909	1,825	1,825	1,825	1,687	1,846
NSR premiums (USD/ton)	290	132	196	356	153	153	153	153	244	153
Alumina NSR (USD/ton)	257	266	277	345	326	318	312	312	260	317
Net Sales	15,490	18,461	19,881	25,497	20,072	19,063	21,914	22,080	79,329	83,129
Change (YoY %)	3.9	1.7	21.6	36.0	29.6	3.3	10.2	-13.4	16.4	4.8
Total Expenditure	13,544	16,738	17,029	21,222	16,494	16,157	18,350	18,302	68,533	69,303
EBITDA	1,946	1,723	2,852	4,275	3,578	2,905	3,564	3,778	10,796	13,826
Change (YoY %)	-13.0	-49.2	109.2	79.1	83.9	68.6	25.0	-11.6	15.1	28.1
As % of Net Sales	12.6	9.3	14.3	16.8	17.8	15.2	16.3	17.1	13.6	16.6
Interest	5	6	6	10	0	0	0	0	17	
Depreciation	1,188	1,353	1,177	1,086	1,373	1,380	1,387	1,394	4,804	5,534
Other Income	1,336	1,369	759	620	537	590	647	704	4,083	2,476
PBT (before EO Item)	2,089	1,733	2,428	3,798	2,742	2,115	2,824	3,088	10,058	10,768
Extra-ordinary Income	0	0	-371	-30	0	0	0	0		
PBT (after EO Item)	2,089	1,733	2,057	3,768	2,742	2,115	2,824	3,088	10,058	10,768
Total Tax	739	521	618	1,084	895	690	922	1,008	2,962	3,515
% Tax	35.4	30.1	30.0	28.8	32.6	32.6	32.6	32.6	29.4	32.6
Reported PAT	1,350	1,212	1,439	2,684	1,847	1,424	1,902	2,080	7,097	7,253
Adjusted PAT	1,350	1,212	1,699	2,705	1,847	1,424	1,902	2,080	7,097	7,253

E: MOSL Esitmates



Navneet Education

Bloomberg	NELI IN
Equity Shares (m)	233.6
M. Cap. (INR b)/(USD b)	39 / 1
52-Week Range (INR)	194 / 93
1,6,12 Rel Perf. (%)	-1 / 32 / 65

Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	11.8	14.0	16.4	18.7
EBITDA	2.8	3.4	4.0	4.7
NP	1.8	2.2	2.6	3.1
Adj. EPS (INR)	7.8	9.4	11.3	13.3
Adj. EPS Gr. (%)	53.7	21.6	20.0	17.4
BV/Sh(INR)	31.1	36.8	43.6	54.3
RoE (%)	26.8	27.8	28.2	27.1
RoCE (%)	23.1	23.7	25.1	25.2

Valuations

P/E (x)	23.0	18.9	15.7	13.4
P/BV (x)	5.7	4.8	4.1	3.3
EV/EBITDA (x)	15.3	12.4	10.2	8.7
EV/Sales (x)	3.6	3.0	2.5	2.2

CMP: INR178 TP: INR226 (+27%) Buy

- n We expect revenue to grow 18% to INR6.6b in 1QFY18, and EBITDA to remain flat at INR2,130m. EBITDA margin would expand 10bp YoY to 32.2%.
- n The Publication business is expected to witness strong growth in FY18 on account of syllabus change in Maharashtra/Gujarat and strong order book visibility.
- n We expect adjusted PAT to increase by 21% to INR1,371m in 1QFY18. **Buy.**

Key issues to watch for

- Ø Conversion of SEB schools to CBSE.
- Ø Syllabus change in Maharashtra and Gujarat.
- Ø

Standalone Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	5,605	1,714	1,566	2,098	6,614	2,365	2,161	2,833	11,813	13,981
YoY Change (%)	8.6	46.0	38.6	11.9	18.0	38.0	38.0	35.0	24.0	18.4
Total Expenditure	3,803	1,416	1,363	1,819	4,485	1,892	1,858	2,362	9,001	10,598
EBITDA	1,802	298	203	279	2,130	473	302	470	2,813	3,383
Margins (%)	32.1	17.4	13.0	13.3	32.2	20.0	14.0	16.6	23.8	24.2
Depreciation	60	62	65	64	65	69	77	82	284	293
Interest	23	0	1	11	19	3	2	12	43	36
Other Income	23	45	55	40	32	41	33	48	152	154
PBT before EO expense	1,743	281	193	244	2,078	442	256	424	2,638	3,208
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	1,743	281	193	244	2,078	442	256	424	2,638	3,208
Tax	607	95	66	75	706	133	77	93	827	1,006
Rate (%)	34.8	33.9	34.3	30.8	34.0	30.0	30.0	22.0	31.3	31.3
Minority Interest & P&L of Asso. Cos.	0	0	0	0	0	0	0	0	0	0
Reported PAT	1,136	186	126	169	1,371	309	180	331	1,811	2,203
Adj PAT	1,136	186	126	169	1,371	309	180	331	1,811	2,203
YoY Change (%)	15.5	69.8	68.3	80.1	20.8	66.5	42.0	96.3	50.7	21.6
Margins (%)	20.3	10.8	8.1	8.0	20.7	13.1	8.3	11.7	15.3	15.8

E: MOSL Estimates



NMDC

Bloomberg	NMDC IN
Equity Shares (m)	3163.9
M. Cap. (INR b)/(USD b)	430 / 7
52-Week Range (INR)	153 / 85
1,6,12 Rel Perf. (%)	-11 / 16 / 19

CMP: INR136 TP: INR178 (31%) Buy

- n NMDC's EBITDA is estimated to increase 93% YoY/10% QoQ to INR15.7b on higher realization and volumes.
- n Iron ore sales volumes are estimated to increase by 18% YoY/-6% QoQ to 10.1mt, aided by an increase in domestic demand.
- n Domestic iron ore realization would be up 26% YoY /-12% QoQ to INR2,726/t on price hikes.
- n Adj. PAT is estimated to increase 53% YoY to INR9.3b.

Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	88.3	101.9	104.3	109.4
EBITDA	44.9	56.2	57.0	60.0
Adj. PAT	31.5	38.8	38.4	40.3
Adj. EPS (INR)	10.0	12.3	12.1	12.7
EPS Gr(%)	11.7	23.2	-1.0	4.8
BV/Sh. (INR)	71.2	76.2	81.2	86.7
RoE (%)	12.8	15.1	15.5	14.8
RoCE (%)	12.2	14.7	15.1	14.5
Payout (%)	74.9	58.7	59.3	56.6

Valuation

P/E (x)	11.1	9.1	9.1	8.7
P/BV	1.6	1.5	1.4	1.3
EV/EBITDA	6.6	5.7	5.5	5.2
Div. Yield (%)	4.6	5.4	5.4	5.4

Key issues to watch for:

- ⊗ Increase in global iron ore prices.
- ⊗ Stronger-than-expected iron ore demand.

Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Production (m tons)	7.6	6.3	9.7	10.4	9.2	8.4	10.6	10.3	35.6	38.4
Sales (m tons)	7.8	8.0	10.1	9.8	9.2	8.4	10.6	10.3	35.6	38.4
Avg Dom. NSR (USD/t)	32	31	35	43	42	38	38	37	36	39
Avg Dom. NSR (INR/t)	2,160	2,093	2,403	2,871	2,726	2,486	2,486	2,486	2,410	2,546
Net Sales	17,207	17,392	24,979	28,717	25,934	22,004	27,353	26,643	88,294	101,934
EBITDA	8,164	8,258	14,226	14,295	15,150	10,872	16,475	13,701	44,944	56,197
EBITDA per ton (USD)	16	15	21	22	26	20	24	20	19	22
EBITDA per ton (INR/t)	1,050	1,030	1,415	1,463	1,647	1,292	1,560	1,335	1,262	1,462
Interest	81	15	53	59	0	0	0	0	208	
Depreciation	560	544	551	307	586	601	616	631	1,962	2,434
Other Income	3,452	2,735	1,559	1,343	828	827	801	845	9,088	3,301
PBT (before EO Item)	10,975	10,434	15,180	15,273	15,392	11,098	16,660	13,914	51,862	57,064
Extra-ordinary item	0	0	-5,972	-2,961	0	0	0	0	-8,933	
PBT (after EO Item)	10,975	10,434	9,208	12,312	15,392	11,098	16,660	13,914	42,929	57,064
Total Tax	3,862	2,727	3,257	7,193	4,925	3,552	5,331	4,453	17,038	18,261
% Tax	35.2	26.1	35.4	58.4	32.0	32.0	32.0	32.0	39.7	32.0
Reported PAT	7,113	7,708	5,952	5,119	10,466	7,547	11,329	9,462	25,891	38,804
Adjusted PAT	6,619	6,293	9,156	9,211	9,283	6,694	10,048	8,392	31,279	38,804

E: MOSL Estimates



Parag Milk Foods

Bloomberg	PARAG IN
Equity Shares (m)	84.1
M. Cap. (INR b)/(USD b)	18 / 0
52-Week Range (INR)	357 / 203
1,6,12 Rel Perf. (%)	-7 / -35 / -38

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	17.3	19.8	23.1	26.8
EBITDA	1.1	1.6	2.1	2.7
Adj. PAT	0.3	0.6	1.0	1.4
Adj. EPS (INR)	3.6	7.4	12.3	16.7
EPS Gr. %	-46.4	106.4	64.7	36.2
BV/Sh.INR	78.2	85.6	97.8	114.5
RoE (%)	5.9	9.1	13.4	15.7
RoCE (%)	6.9	8.6	12.0	14.0
Valuations				
P/E (x)	60.3	29.2	17.7	13.0
P/BV (x)	2.8	2.5	2.2	1.9

CMP: INR217 TP: INR240 (+10%) Neutral

- We expect Parag to report net sales of INR4.1b, up 6% YoY. Liquid milk is expected to see decent growth, while milk products are expected to be impacted by destocking by channel partners.
- We estimate EBITDA margin at 6.6% (-200bp YoY due to higher milk procurement prices) and PAT at INR82m.
- The stock trades at 17.7x FY19E EPS of INR12.3. We have a Neutral rating on the stock.

Key issues to watch for:

- Farm gate milk prices and global SMP price movement.
- Execution of value-added products distribution, especially whey protein.
- Competitive intensity.

Consolidated - Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	3,835	4,728	4,461	4,283	4,065	5,911	4,907	4,950	17,307	19,832
YoY Change (%)	2.6	0.7	15.1	3.4	6.0	25.0	10.0	15.6	5.2	14.6
Gross Profit	1,147	1,444	987	1,390	1,093	1,687	1,282	1,505	4,967	5,567
Margin (%)	29.9	30.5	22.1	32.4	26.9	28.5	26.1	30.4	28.7	28.1
Total Expenditure	817	1,067	1,131	871	825	1,186	950	1,045	3,886	18,271
EBITDA	330	377	-145	519	268	501	332	460	1,081	1,561
YoY Change (%)	15.8	-8.9	-137.8	29.6	-18.7	32.8	LP	-11.3	-27.0	44.4
Margins (%)	8.6	8.0	-3.2	12.1	6.6	8.5	6.8	9.3	6.2	7.9
Depreciation	98	115	109	168	88	103	98	166	490	455
Interest	92	64	89	88	74	51	71	60	333	256
Other Income	8	23	20	59	11	11	11	11	110	44
PBT before EO expense	147	222	-322	322	117	358	174	245	369	894
PBT	147	222	-322	322	117	358	174	245	369	894
Tax	39	78	-54	3	35	107	52	73	66	268
Rate (%)	26.5	35.4	16.8	0.9	30.0	30.0	30.0	30.0	17.9	30.0
Adj PAT	108	143	-268	319	82	250	122	171	303	626
YoY Change (%)	54.0	47.8	-284.5	98.4	-24.3	74.8	-145.5	-46.3	-36.0	106.4
Margins (%)	2.8	3.0	-6.0	7.5	2.0	4.2	2.5	3.5	1.8	3.2

E: MOSL Estimates



Tata Motors

Bloomberg	TTMT IN
Equity Shares (m)	3395.9
M. Cap. (INR b)/(USD b)	1608 / 25
52-Week Range (INR)	599 / 368
1,6,12 Rel Perf. (%)	-1 / -21 / 7

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Net Sales	2,697	2,995	3,703	4,350
EBITDA	369.1	409.6	587.2	643.7
NP	67.3	105.1	218.5	229.9
Adj. EPS (INR)	19.8	30.9	64.3	67.7
EPS Gr. (%)	-48.4	56.2	107.9	5.2
BV/Sh. (INR)	171.0	203.2	268.8	337.7
RoE (%)	9.8	16.5	27.3	22.3
RoCE (%)	9.2	10.5	17.0	15.7
Payout (%)	0.0	1.1	0.5	0.5

Valuations

P/E (x)	21.6	13.8	6.6	6.3
P/BV (x)	2.5	2.1	1.6	1.3
EV/EBITDA (x)	4.4	4.1	2.6	2.0
Div. Yield (%)	0.0	0.1	0.1	0.1

CMP: INR428 TP:INR666 (+56%) Buy

- n We expect JLR's (including JV) volume to grow ~4.5% YoY (and 13% QoQ), led by Jaguar F-Pace and China JV. Net realization should increase by ~4% YoY (flat QoQ), led by ramp-up of F-Pace and increase in share of China. EBITDA margin would increase 30bp YoY (and 170bp QoQ) to 12.8%, led by better mix but restricted by GBP250m estimated forex hedge loss. Adjusted PAT is likely to decline ~5% YoY (and 54% QoQ) to GBP251m.
- n S/A volume declined by ~14% YoY (and 26% QoQ), led by a 20% decline in CVs due to pre-buying in 4QFY17 and GST transition, while PVs increased by ~3%, led by new launches. Margin is likely to decline 490bp YoY (and 220bp QoQ) to 1.9%, with decline in share of CVs and higher commodity cost. Adjusted PAT is likely to be a negative INR5b (vis-à-vis +INR1b in 4QFY16).
- n The stock trades at 13.8x FY18E and 6.6x FY19E EPS. **Buy**.

Key issues to watch

- Ø Impact of forex hedge loss.
- Ø Current demand trends for JLR and outlook, particularly in China and the US.
- Ø Update on new launches.
- Ø Update on Chery JV operations and CV business outlook.

Quarterly Perf. [Consol]

(INR Million)

Y/E March (Consolidated)	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
JLR vols. (incl JV)	134,334	139,227	152,245	175,000	140,419	163,061	175,721	205,141	600,806	684,342
JLR Realizations (GBP/unit)	44,338	45,642	46,200	45,746	45,975	45,860	46,548	47,066	45,515	46,425
JLR EBITDA (%)	12.5	10.9	10.1	14.5	12.8	13.3	14.0	17.1	12.1	14.6
JLR PAT (GBP m)	265	245	111	544	251	366	425	772	1153	1814
S/A vol. (units)	126,839	134,397	132,553	148,533	109,692	147,980	158,736	191,857	542,322	608,265
S/A Realizations (INR/unit)	813,594	768,057	769,912	914,725	823,253	880,881	836,836	904,423	2	12
S/A EBITDA (%)	6.8	3.6	1.4	4.1	1.9	5.6	3.9	6.2	3.8	4.7
S/A PAT (INR m)	996	-6,621	-10,452	-5,369	-5,011	-5,771	-9,190	-3,198	-21,755	-23,169
Net Op Income	658,950	659,004	639,330	772,172	595,405	710,008	754,644	935,269	2,696,925	2,995,325
Growth (%)	9.1	7.1	-9.4	-2.9	-9.6	7.7	18.0	21.1	-1.2	11.1
EBITDA	76,220	62,826	62,403	108,012	67,900	78,466	94,052	129,980	295,887	370,398
EBITDA Margins (%)	11.6	9.5	9.8	14.0	11.4	11.1	12.5	13.9	11.0	12.4
Depreciation	45,508	44,540	42,300	46,702	48,000	50,000	54,500	55,080	179,050	207,580
Other Income	1,736	1,794	1,674	2,342	1,450	1,500	1,800	2,197	7,545	6,947
Interest Expenses	11,785	10,249	8,707	11,640	10,500	11,000	10,750	11,101	42,380	43,351
PBT before EO Exp	20,663	9,831	13,071	52,011	10,850	18,966	30,602	65,996	82,002	126,414
EO Exp/(Inc)	-4,851	-162	7,085	356	0	0	0	0	2,428	0
PBT after EO Exp	25,514	9,993	5,986	51,655	10,850	18,966	30,602	65,996	79,574	126,414
Tax	7,200	4,246	8,670	12,396	3,255	7,586	12,241	15,054	32,512	38,137
Tax rate (%)	28.2	42.5	144.8	24.0	30.0	40.0	40.0	22.8	40.9	30.2
PAT	18,314	5,747	-2,684	39,259	7,595	11,379	18,361	50,942	47,062	88,278
Minority Interest	-240	-198	-178	-406	-100	-250	-175	-554	-1,022	-1,079
Share in profit of Associate	4,290	2,735	3,799	4,106	3,507	4,431	5,857	4,089	14,930	17,884
Adj PAT	18,882	8,191	-2,239	43,229	11,003	15,560	24,043	54,476	62,406	105,082
Growth (%)	(60.2)	(10.8)	(107.2)	(25.0)	(41.7)	90.0	(1,174.0)	26.0	-52.1	68.4

E: MOSL Estimates



1. Confident about margins going forward, says whirlpool; Sunil D'Souza, MD

- n Registered volume growth of 16% in Q1. Softness in June due to GST uncertainty.
- n Volume momentum rebounded since GST implementation. Refrigerators and washing machine segments saw good growth.
- n Consumer off-take continues to be strong in July. Company declared its maiden dividend in March quarter.
- n Capex required going forward for capacity expansion.
- n Not ruling out acquisitions.
- n Change in product mix and commodity cost led to a margin blip.
- n Fairly confident about margins going forward.

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2. Bikes above 250cc up to 750cc are next big opportunity, says Bajaj Auto; Rajiv Bajaj, MD

- n Partnership with Triumph Motorcycles a wonderful opportunity for company.
- n Premium brand association was missing with company and bikes above 250cc up to 750cc the next big opportunity.
- n KTM on the verge of becoming the largest brand in the premium segment.
- n India most important market for the Bajaj-Triumph alliance.
- n Will export to markets in Africa, Latin America and ASEAN via alliance with Triumph.
- n Will make Triumph motorcycles at company's own Chakan facility.
- n Margin is a secondary issue from strategic point of view and pricing power is primary.

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3. Would be able to maintain 14-16% margin in telecom segment: Amara Raja; S Vijayanand, CEO

- n Seen strong demand in Q1. Company has had about 14-15% revenue growth from the automotive segment. Lead price inflation also added to some revenue numbers so strong Q1 in automotive segment.
- n Lead has seen strong upward movement in the last eight months.
- n Have taken a price hike in the beginning of April because of firming up of lead during Q4. This helped company recover the lead impact. 14-15% very sustainable margin if you look at full year.
- n Holding 65-70% of market share in telecom. Margin pressure expected in the short term. In a couple of quarters, company should gain back position on that market.
- n Margins will not go back to original stage but should be maintained in healthy range of 14-16% EBITDA level.
- n Some market share gain seen thanks to GST in price-sensitive product segments so far dominated by the unorganized sector.

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1. GST impact on the logistics sector

- n The logistics sector broadly comprises the road transport sector (consisting of unorganized small businesses, trucking, fleets and large transport companies), the storage and warehousing sector and finally third-party logistics (3PL). These can be further classified into big and small players and asset heavy/light companies. Given this classification, comparing industry performance as a whole is a complicated exercise. We tackle this by analysing data pertaining to 166 companies during 2010-2015 from the Centre for Monitoring Indian Economy (CMIE)'s industrial database to arrive at some useful insights into the industry's performance.

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2. Luxury car hopes sink in a familiar pothole

- n First it was cigarettes that got stubbed; now it's the turn of SUVs to face an endurance test. By becoming a tinkerer's playpen, India's nationwide goods and services tax (GST) is emerging as a fresh source of uncertainty for business. India's GST Council on Monday recommended an additional levy of 10 percentage points on luxury cars and sports utility vehicles, taking the total to 53%. The change comes barely five weeks after the value-added tax replaced a plethora of federal and state levies. Last month, a similar bump in cigarette taxes spooked investors.

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3. Will banks rise to the challenges ahead?

- n For the past two years, two things have been bothering bankers — credit growth and non-performing asserts (NPAs). This apart, the impending implementation of the revised accounting standards namely, Ind AS, and the newly introduced Goods and Services Tax all pose a challenge for heads of banks. Issues related to credit growth and NPAs have been widely discussed; let's see how Ind AS and GST impact banks.

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International

4. Asian tigers vie for dominance in manufacturing

- n Bangladesh has achieved an economic miracle in the past 20 years. A few decades ago it was one of the poorest countries on earth, stricken by famine and flood. Now it ranks as middle-income. Vietnam has done the same; Cambodia is close behind. Their spectacular growth shows fear of "premature deindustrialisation" is misplaced as a new generation of manufacturing powers rise to shape the 21st century. What Bangladesh has done is all the more remarkable because the world has taken so little notice. Growth has steadily accelerated to more than 6 per cent, driven by the classic cheap-labour starter industry of textiles. It is now the world's second-largest garment exporter. Powerful gears of growth have begun to turn. The textile factories employ millions of young women, giving them economic power, prompting rural families to invest in education and triggering a demographic dividend.

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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
Automobiles														
Amara Raja	Buy	801	986	23	28.0	28.2	37.9	28.6	28.4	5.3	4.6	20.3	17.3	19.9
Ashok Ley.	Buy	112	118	5	4.6	5.2	7.0	24.6	21.7	5.4	4.7	23.1	23.2	27.0
Bajaj Auto	Buy	2,914	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	1,187	1,330	12	26.2	37.7	49.7	45.4	31.5	6.7	5.8	16.2	19.8	22.3
Bosch	Neutral	24,171	23,738	-2	473.1	649.9	766.2	51.1	37.2	8.4	7.4	15.8	21.1	21.9
CEAT	Buy	1,766	2,029	15	93.3	94.2	126.8	18.9	18.7	3.0	2.6	16.9	14.8	17.3
Eicher Mot.	Buy	32,136	31,326	-3	613.8	861.2	1,102.9	52.4	37.3	18.2	13.1	40.3	40.8	38.0
Endurance Tech.	Buy	923	1,025	11	23.5	30.5	38.8	39.3	30.2	7.5	6.2	20.8	22.4	23.6
Escorts	Neutral	651	732	12	20.0	37.1	45.8	32.6	17.6	3.3	2.8	10.6	17.3	18.3
Exide Ind	Buy	214	269	26	8.1	9.2	11.0	26.4	23.3	3.7	3.3	13.9	14.1	15.0
Hero Moto	Neutral	3,913	3,818	-2	169.1	189.3	199.1	23.1	20.7	7.7	6.7	35.7	34.6	31.5
M&M	Buy	1,396	1,618	16	54.3	68.5	82.4	25.7	20.4	3.2	2.9	14.2	13.9	14.9
Mahindra CIE	Not Rated	242	-		5.4	9.9	11.8	45.1	24.5	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	7,756	8,863	14	248.6	281.0	375.3	31.2	27.6	6.5	5.7	20.3	20.1	22.8
Tata Motors	Buy	430	666	55	19.8	30.9	64.3	21.7	13.9	2.5	2.1	9.8	16.5	27.3
TVS Motor	Buy	596	606	2	11.7	16.3	25.9	50.7	36.6	11.7	9.4	25.6	28.6	35.2
Aggregate								29.4	23.2	5.0	4.4	17.1	18.7	22.6
Banks - Private														
Axis Bank	Neutral	499	545	9	15.4	21.8	38.1	32.5	22.9	2.2	2.1	6.9	9.3	14.7
DCB Bank	Neutral	186	192	4	7.0	8.4	10.4	26.5	22.2	2.7	2.2	10.8	11.4	11.8
Equitas Hold.	Buy	165	201	22	5.0	1.7	6.1	32.8	95.5	2.5	2.4	9.5	2.6	8.7
Federal Bank	Buy	112	139	24	4.8	5.4	6.8	23.3	20.9	2.2	1.8	9.9	10.0	10.5
HDFC Bank	Buy	1,780	2,000	12	56.8	68.2	82.1	31.4	26.1	5.3	4.6	18.3	18.8	19.6
ICICI Bank	Buy	295	366	24	15.3	14.9	17.0	19.3	19.8	2.2	2.0	10.2	8.9	9.5
IDFC Bank	Neutral	57	62	9	2.3	2.8	3.2	24.3	20.4	1.3	1.3	5.6	6.3	6.9
IndusInd	Buy	1,637	1,800	10	47.9	61.9	76.8	34.1	26.5	4.9	4.3	15.4	17.3	18.5
J&K Bank	Neutral	80	91	14	-31.3	3.8	8.2	NM	20.9	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	988	1,153	17	26.8	32.4	41.0	36.8	30.4	4.8	4.3	13.8	15.0	16.3
RBL Bank	Under Review	512	-		11.9	18.0	23.7	43.1	28.4	4.5	3.2	12.3	13.6	13.9
South Indian	Buy	29	34	19	2.2	2.9	3.7	13.1	10.0	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,763	2,133	21	73.0	92.3	114.5	24.2	19.1	3.8	3.3	18.9	18.3	19.5
Aggregate								30.1	24.2	3.5	3.0	11.5	12.5	14.2
Banks - PSU														
BOB	Buy	157	212	35	6.0	18.4	22.5	26.2	8.5	1.1	1.0	4.1	11.9	13.2
BOI	Neutral	153	147	-4	-14.8	13.7	22.0	NM	11.1	0.7	0.7	-6.7	6.1	9.0
Canara	Neutral	346	360	4	18.8	30.1	47.0	18.4	11.5	0.7	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	56	49	-11	1.5	6.4	8.6	36.4	8.7	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	300	382	27	29.3	34.4	38.3	10.2	8.7	1.0	0.9	10.1	10.9	11.2
OBC	Neutral	136	150	10	-31.6	17.1	21.4	NM	8.0	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	149	184	24	6.2	5.8	11.0	23.9	25.5	0.8	0.8	3.6	3.2	5.9
SBI	Buy	304	362	19	0.3	17.9	23.3	1,021.5	17.0	1.4	1.3	-0.2	8.7	10.0
Union Bk	Neutral	143	162	14	7.6	24.6	34.5	18.6	5.8	0.5	0.5	2.7	8.1	10.5
Aggregate								111.6	13.9	1.0	0.9	0.9	6.5	8.1
NBFCs														
Bajaj Fin.	Buy	1,779	1,800	1	33.6	47.6	62.9	53.0	37.3	10.1	8.2	21.7	24.3	25.9
Bharat Fin.	Neutral	816	820	1	21.0	31.8	68.7	38.8	25.6	4.6	3.7	15.1	16.1	28.0
Capital First	Buy	779	925	19	24.6	33.3	44.3	31.6	23.4	3.3	3.0	12.0	13.3	15.6
Cholaman.Inv.&F n	Buy	1,199	1,400	17	46.0	56.0	67.3	26.1	21.4	4.3	3.7	18.0	18.6	19.0
Dewan Hsg.	Buy	449	630	40	29.6	37.7	47.1	15.2	11.9	1.8	1.6	14.4	14.1	15.6
GRUH Fin.	Neutral	497	450	-9	8.1	9.9	12.1	61.0	49.9	18.3	15.0	32.5	33.0	32.8
HDFC	Buy	1,721	1,900	10	46.8	52.9	59.0	36.7	32.5	6.8	6.1	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,195	1,350	13	69.0	86.3	108.4	17.3	13.8	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	175	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	680	708	4	38.2	41.6	48.9	17.8	16.4	3.2	2.8	19.4	18.2	18.5
Manappuram	Not Rated	104	-		8.6	10.8	12.5	12.1	9.7	2.6	2.4	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	480	550	15	29.5	41.0	43.3	16.2	11.7	2.9	2.5	19.4	23.2	21.4
PFC	Neutral	135	117	-14	25.7	27.2	30.2	5.3	5.0	0.9	0.8	17.9	17.0	16.8
Repco Home	Buy	691	936	36	29.1	35.8	42.5	23.7	19.3	3.8	3.2	17.4	18.1	18.2
REC	Neutral	179	134	-25	31.4	35.0	40.4	5.7	5.1	1.1	0.9	19.9	19.1	19.1
Shriram City Union	Buy	2,129	2,800	32	84.3	121.7	164.1	25.2	17.5	2.8	2.5	11.7	15.0	17.6
STF	Buy	970	1,330	37	55.6	80.0	102.4	17.5	12.1	2.0	1.7	11.7	15.0	16.9
Aggregate								20.9	17.5	3.5	3.1	16.8	17.7	18.1
Capital Goods														
ABB	Sell	1,389	1,200	-14	19.7	22.4	31.6	70.5	62.0	9.0	7.8	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	135	100	-26	2.1	3.6	4.7	62.7	37.9	1.0	1.0	1.6	2.7	3.4
Blue Star	Neutral	683	610	-11	12.9	17.8	26.6	53.1	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	46.0	42.8	25.0	18.5	76.4	49.7	49.7
CG Power & Indu.	Sell	78	65	-16	4.1	2.3	4.5	18.9	33.9	1.2	1.1	6.2	3.4	4.2
Cummins	Buy	933	1,170	25	26.5	27.7	35.0	35.2	33.8	6.9	6.4	21.2	19.7	22.8
GE T&D	Neutral	379	395	4	5.7	9.3	11.3	66.2	40.8	9.4	8.2	12.4	21.5	22.7
Havells	Neutral	485	455	-6	9.6	10.9	13.8	50.7	44.3	9.2	8.3	18.2	18.6	20.7
K E C Intl	Neutral	296	295	0	11.9	13.1	16.4	25.0	22.7	4.8	4.1	21.2	19.5	20.9
L&T	Buy	1,171	1,345	15	42.3	44.8	51.7	27.7	26.1	3.3	3.1	12.2	12.1	12.9
Pennar Eng.	Not Rated	117	-		7.1	9.1	11.2	16.5	12.9	1.7	1.5	10.2	11.6	12.6
Siemens	Neutral	1,344	1,355	1	17.8	22.7	33.0	75.4	59.2	7.0	6.1	9.3	10.3	13.7
Solar Ind	Neutral	887	900	1	20.6	24.2	30.0	43.0	36.6	7.9	6.7	19.8	19.8	20.9
Suzlon Energy	Not Rated	17	-		0.6	0.9	1.0	26.3	18.9	-1.5	-1.7	NM	-8.8	-11.0
Thermax	Sell	901	850	-6	30.8	32.7	34.0	29.2	27.6	4.0	3.6	14.3	13.7	12.9
Va Tech Wab.	Buy	643	800	24	28.9	34.9	39.8	22.2	18.4	3.5	3.0	16.3	17.7	17.5
Voltas	Sell	536	430	-20	15.5	16.8	19.1	34.7	31.9	5.4	4.8	18.0	15.8	16.0
Aggregate								35.6	31.9	4.0	3.7	11.2	11.5	12.6
Cement														
Ambuja Cem.	Buy	275	308	12	4.9	7.0	8.2	56.3	39.6	2.9	2.7	5.1	7.0	7.9
ACC	Neutral	1,808	1,622	-10	36.1	49.8	65.0	50.1	36.3	3.9	3.8	7.9	10.6	13.1
Birla Corp.	Buy	968	1,205	25	29.4	40.9	58.9	33.0	23.6	2.3	2.1	7.5	9.2	12.2
Dalmia Bharat	Buy	2,638	3,162	20	38.8	66.7	87.1	68.0	39.5	4.7	4.2	7.2	11.3	13.1
Grasim Inds.	Neutral	1,106	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	194	201	4	5.6	8.0	11.8	34.4	24.2	1.2	1.1	3.4	4.7	6.6
J K Cements	Buy	1,033	1,287	25	33.7	40.4	53.5	30.6	25.5	4.1	3.6	14.4	15.0	17.2
JK Lakshmi Ce	Buy	440	519	18	7.0	9.7	16.4	63.2	45.2	3.7	3.4	6.0	7.9	12.1
Ramco Cem	Buy	687	806	17	27.3	27.4	34.4	25.2	25.1	4.4	3.8	19.0	16.1	17.5
Orient Cem	Buy	155	185	19	-1.6	4.4	7.1	NM	35.1	3.2	3.0	-3.2	8.8	12.8
Prism Cem	Buy	120	145	21	0.3	3.7	5.6	345.5	32.4	6.0	5.2	1.8	17.2	22.0
Shree Cem	Buy	17,717	22,360	26	384.4	460.4	547.8	46.1	38.5	8.0	6.8	18.4	19.1	19.1
Ultratech	Buy	4,051	4,936	22	96.1	91.5	138.8	42.2	44.3	4.6	4.3	11.6	10.1	14.0
Aggregate								37.3	32.0	3.6	3.3	9.6	10.3	12.7
Consumer														
Asian Paints	Neutral	1,146	1,200	5	21.0	22.2	26.5	54.5	51.6	14.5	13.2	28.5	26.7	28.1
Britannia	Buy	4,071	4,450	9	73.7	85.4	105.5	55.2	47.6	18.1	14.9	36.9	34.4	34.7
Colgate	Buy	1,066	1,285	21	21.2	24.4	29.8	50.2	43.6	22.8	21.6	50.4	50.8	58.2
Dabur	Neutral	315	315	0	7.2	7.7	9.1	43.4	40.7	11.4	9.8	28.4	26.0	26.3
Emami	Buy	1,148	1,310	14	26.5	26.9	33.1	43.3	42.6	14.8	12.6	35.8	32.0	33.9
Godrej Cons.	Neutral	946	995	5	18.9	21.5	24.7	50.1	43.9	12.2	9.5	24.6	24.2	22.8
GSK Cons.	Sell	5,505	4,500	-18	156.1	166.3	181.9	35.3	33.1	7.4	7.2	22.2	22.1	22.4

Company	Reco	CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Downside	FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
HUL	Buy	1,186	1,285	8	19.6	22.9	27.3	60.4	51.7	38.5	37.1	65.6	73.1	82.8
ITC	Neutral	274	280	2	8.4	9.3	10.3	32.7	29.6	7.4	7.3	23.5	24.8	26.3
Jyothy Lab	Neutral	382	395	3	11.2	8.9	11.0	34.0	42.8	6.4	6.5	21.1	15.1	18.6
Marico	Neutral	334	355	6	6.3	6.8	8.2	53.1	48.9	18.5	15.9	36.7	34.9	37.7
Nestle	Sell	6,685	5,740	-14	118.0	115.1	133.6	56.7	58.1	21.4	19.9	39.0	35.5	38.1
Page Inds	Buy	16,227	20,195	24	238.7	317.0	400.0	68.0	51.2	27.2	21.5	40.0	42.0	42.8
Parag Milk	Neutral	249	240	-4	3.6	7.4	12.3	69.1	33.5	3.2	2.9	5.9	9.1	13.4
Pidilite Ind.	Neutral	809	810	0	16.7	18.1	20.6	48.4	44.8	12.6	10.2	28.2	25.2	23.5
P&G Hygiene	Buy	8,074	9,082	12	144.9	155.8	181.6	55.7	51.8	46.0	36.7	45.3	78.9	74.0
Prabhat Dairy	Not Rated	137	-		3.5	3.5	6.4	38.7	39.3	1.9	1.9	5.2	4.9	8.5
United Brew	Neutral	823	850	3	8.7	9.7	14.7	94.6	84.8	9.4	8.7	10.4	10.7	14.6
United Spirits	Neutral	2,547	2,525	-1	26.7	34.5	51.5	95.3	73.8	19.1	13.3	21.3	18.0	20.3
Aggregate								46.6	42.1	12.8	11.9	27.6	28.2	29.3
Healthcare														
Alembic Phar	Neutral	531	510	-4	21.6	20.5	25.5	24.6	26.0	5.3	4.6	23.0	19.0	20.4
Alkem Lab	Neutral	1,844	1,900	3	75.7	79.7	95.0	24.4	23.1	5.2	4.4	23.4	20.7	21.0
Ajanta Pharma	Buy	1,297	2,028	56	58.4	66.1	79.6	22.2	19.6	7.3	5.6	37.7	32.2	29.9
Aurobindo	Buy	727	850	17	39.3	45.7	50.0	18.5	15.9	4.6	3.6	28.3	25.5	22.3
Biocon	Sell	350	330	-6	10.2	9.7	14.2	34.3	36.1	4.3	4.0	12.3	11.1	14.5
Cadila	Buy	530	510	-4	14.2	17.8	23.2	37.3	29.8	8.5	7.0	24.8	25.7	27.2
Cipla	Neutral	578	500	-14	15.9	20.0	25.0	36.4	29.0	3.7	3.3	10.2	11.5	12.8
Divis Lab	Neutral	673	680	1	39.7	33.6	40.0	17.0	20.0	3.8	3.5	23.5	18.1	19.4
Dr Reddy's	Neutral	2,102	2,500	19	72.6	85.1	125.2	28.9	24.7	2.8	2.7	9.6	11.3	14.8
Fortis Health	Buy	160	220	38	10.3	2.2	5.6	15.5	73.2	1.7	1.4	11.3	2.1	4.9
Glenmark	Neutral	668	775	16	39.3	42.9	51.7	17.0	15.6	4.2	3.4	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	2,381	2,500	5	34.4	46.8	54.9	69.3	50.9	10.0	11.7	14.5	23.0	30.9
IPCA Labs	Neutral	456	480	5	16.1	21.3	28.5	28.4	21.3	2.3	2.1	8.6	10.5	12.7
Jubilant Life	Buy	688	905	31	37.0	47.1	56.7	18.6	14.6	3.1	2.6	18.1	19.5	19.6
Lupin	Buy	974	1,125	15	55.8	41.4	56.3	17.5	23.5	3.3	3.0	20.6	13.2	16.0
Sanofi India	Buy	4,225	4,820	14	129.1	133.6	160.6	32.7	31.6	5.6	5.2	17.1	16.6	18.1
Shilpa Medicare	Buy	632	805	27	14.0	21.1	30.4	45.1	29.9	5.5	4.7	14.4	17.0	20.4
Strides Shasun	Buy	1,036	1,300	26	32.3	47.4	74.8	32.1	21.8	3.4	3.0	10.7	14.7	20.1
Sun Pharma	Buy	500	650	30	26.1	25.2	30.8	19.1	19.8	3.3	3.1	18.5	16.1	17.9
Syngene Intl	Not Rated	463	-		13.0	16.1	18.0	35.5	28.7	7.2	5.9	22.2	22.5	20.7
Torrent Pharma	Neutral	1,267	1,350	7	55.2	53.4	67.3	23.0	23.7	4.9	4.4	23.8	19.5	21.5
Aggregate								23.8	23.1	4.0	3.6	17.0	15.6	17.0
Logistics														
Allcargo Logistics	Buy	169	228	35	9.8	12.2	14.3	17.2	13.9	2.5	2.3	12.6	17.2	17.8
Blue Dart	Not Rated	4,086	-		102.5	129.9	163.2	39.8	31.4	17.7	13.5	50.5	48.6	46.8
Concor	Neutral	1,168	1,214	4	38.0	42.1	48.6	30.7	27.7	3.2	3.1	10.8	11.3	12.4
Gateway Distriparks	Buy	267	313	17	6.8	10.7	13.6	39.3	24.9	2.3	2.2	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	291	-		16.9	21.0	25.9	17.1	13.8	2.7	2.3	16.7	17.8	18.6
Aggregate								29.0	23.8	3.6	3.3	12.2	13.8	15.3
Media														
Dish TV	Buy	77	105	37	1.0	1.4	4.0	77.6	53.9	16.6	12.7	24.1	26.8	327.5
D B Corp	Buy	374	450	20	20.4	23.7	27.6	18.4	15.8	4.3	3.8	25.5	25.8	26.6
Den Net.	Neutral	80	90	12	-8.6	-2.7	0.3	NM	NM	1.5	1.6	-12.0	-5.3	0.7
Ent.Network	Neutral	842	928	10	11.4	13.4	21.7	73.7	63.0	4.7	4.4	6.7	7.2	10.7
Hind. Media	Buy	269	350	30	25.9	28.3	33.6	10.4	9.5	1.8	1.5	19.0	17.3	17.3
HT Media	Neutral	87	90	4	7.4	7.9	8.1	11.7	10.9	0.8	0.7	7.1	6.9	6.4
Jagran Prak.	Buy	179	225	26	10.8	12.3	14.0	16.6	14.6	2.4	2.4	17.6	16.4	17.2
Music Broadcast	Buy	352	469	33	6.4	9.3	14.0	54.8	37.8	3.7	3.3	11.2	9.3	12.4

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
PVR	Buy	1,409	1,628	16	20.5	30.9	46.9	68.6	45.6	6.8	6.0	10.4	14.0	18.2
Siti Net.	Neutral	25	32	28	-1.8	-0.1	0.5	NM	NM	3.5	3.6	-23.5	-2.0	6.9
Sun TV	Neutral	727	860	18	24.9	28.5	35.9	29.2	25.5	7.3	6.7	25.0	26.3	30.2
Zee Ent.	Buy	538	630	17	23.1	14.7	18.9	23.3	36.5	8.9	7.7	24.7	22.6	24.5
Aggregate								40.3	30.7	5.7	5.2	14.2	17.0	22.2
Metals														
Hindalco	Buy	235	310	32	16.2	22.1	26.3	14.5	10.6	1.8	1.5	14.0	15.4	15.4
Hind. Zinc	Sell	285	246	-14	19.7	22.6	26.9	14.5	12.6	3.9	4.2	24.4	32.0	35.1
JSPL	Buy	140	190	36	-20.9	-17.2	2.4	NM	NM	0.4	0.4	-7.9	-5.4	0.8
JSW Steel	Buy	231	297	29	14.8	21.9	25.7	15.6	10.5	2.5	2.1	17.3	21.3	20.8
Nalco	Neutral	70	70	0	3.7	3.8	4.2	19.0	18.6	1.3	1.3	7.2	7.0	7.5
NMDC	Buy	127	180	41	10.0	12.1	12.2	12.8	10.5	1.8	1.7	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	298	316	6	15.1	24.8	33.1	19.7	12.0	1.8	1.7	9.7	14.8	18.4
Tata Steel	Neutral	616	591	-4	37.9	65.1	64.3	16.2	9.5	1.9	1.7	15.7	18.6	16.2
Aggregate								20.0	14.3	1.6	1.6	8.2	11.0	13.4
Oil & Gas														
BPCL	Neutral	505	511	1	48.3	36.7	43.5	10.4	13.8	3.2	2.8	32.4	21.7	22.3
GAIL	Sell	387	340	-12	22.6	26.3	29.8	17.1	14.7	1.7	1.6	9.6	11.3	11.8
Gujarat Gas	Sell	773	697	-10	20.4	33.7	46.5	37.8	23.0	6.5	5.3	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	436	510	17	40.7	34.1	36.3	10.7	12.8	3.3	2.8	32.4	23.6	21.7
IOC	Buy	412	458	11	43.0	36.7	40.4	9.6	11.2	1.9	1.7	21.2	16.0	15.8
IGL	Neutral	1,224	1,070	-13	42.5	46.8	51.9	28.8	26.2	5.9	5.0	21.0	20.6	19.6
MRPL	Sell	139	113	-19	14.8	9.4	11.7	9.4	14.7	2.4	2.1	31.4	15.5	17.0
Oil India	Buy	281	305	8	19.3	27.9	30.1	14.6	10.1	0.8	0.7	5.7	7.5	7.8
ONGC	Buy	164	195	19	16.4	16.5	19.7	10.0	10.0	1.0	0.9	10.1	9.4	10.9
PLNG	Buy	211	259	23	11.4	8.6	17.6	18.6	24.6	3.9	3.5	23.2	15.1	26.4
Reliance Ind.	Neutral	1,603	1,499	-7	96.7	115.5	128.1	16.6	13.9	1.6	1.5	11.6	12.3	12.3
Aggregate								12.9	13.0	1.7	1.6	13.3	12.1	12.7
Retail														
Jubilant Food	Sell	1,333	850	-36	10.0	14.8	20.7	133.2	90.0	10.9	10.0	8.2	11.1	14.0
Titan Co.	Neutral	609	565	-7	9.0	10.6	12.6	67.5	57.4	12.8	11.7	20.6	21.3	22.2
Aggregate								72.4	60.4	12.5	11.4	17.2	18.9	19.6
Technology														
Cyient	Buy	528	600	14	30.6	35.4	41.9	17.2	14.9	2.8	2.5	16.2	16.6	17.3
HCL Tech.	Neutral	882	950	8	59.8	61.8	65.9	14.7	14.3	3.7	3.3	27.5	24.9	23.8
Hexaware	Neutral	261	250	-4	13.7	15.7	16.5	19.1	16.6	4.6	4.0	26.5	25.7	23.1
Infosys	Buy	965	1,200	24	62.9	63.7	69.5	15.3	15.1	3.2	2.9	22.0	20.0	19.8
KPIT Tech	Neutral	121	140	16	11.9	10.6	13.1	10.1	11.4	1.5	1.4	14.3	13.0	14.2
L&T Infotech	Buy	774	880	14	55.5	60.2	68.0	13.9	12.9	4.9	3.8	40.4	33.0	29.4
Mindtree	Sell	474	450	-5	24.9	28.7	32.9	19.1	16.5	3.1	3.0	16.8	17.3	20.1
Mphasis	Neutral	583	610	5	38.9	40.3	43.0	15.0	14.5	2.0	2.1	13.2	14.5	16.2
NIIT Tech	Neutral	489	540	10	38.0	42.3	48.7	12.9	11.6	1.7	1.6	13.7	14.4	15.4
Persistent Sys	Buy	618	750	21	37.7	43.3	52.0	16.4	14.3	2.5	2.4	17.0	17.9	20.7
Tata Elxsi	Buy	1,717	1,848	8	56.3	68.0	80.4	30.5	25.3	9.6	7.7	37.1	33.7	32.3
TCS	Neutral	2,498	2,350	-6	133.4	133.6	147.7	18.7	18.7	5.6	6.0	32.6	31.1	33.5
Tech Mah	Buy	399	490	23	30.9	34.0	36.8	12.9	11.7	2.1	1.9	18.4	17.4	16.9
Wipro	Neutral	287	270	-6	16.9	18.1	19.1	17.0	15.9	2.7	2.6	16.9	16.1	16.1
Zensar Tech	Buy	819	950	16	52.1	51.9	70.0	15.7	15.8	2.5	2.2	17.2	15.0	17.9
Aggregate								16.9	16.7	3.9	3.8	22.9	22.8	22.1
Telecom														
Bharti Airtel	Buy	418	490	17	11.1	4.3	6.6	37.6	96.3	2.5	2.4	6.7	2.5	3.8
Bharti Infratel	Buy	382	480	26	14.9	17.9	20.4	25.7	21.3	4.6	3.9	16.2	19.8	19.4
Idea Cellular	Buy	92	110	20	-1.1	-10.9	-11.3	NM	NM	1.3	1.6	-1.6	-17.3	-21.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Tata Comm	Buy	629	775	23	27.2	8.7	26.1	23.1	72.2	11.3	9.7	132.2	14.5	33.6
Aggregate								38.9	215.7	2.7	2.7	6.9	1.2	2.8
Utilities														
Coal India	Buy	245	315	29	14.9	17.6	18.6	16.4	13.9	6.2	6.2	37.8	44.5	47.0
CESC	Buy	959	1,360	42	51.9	88.9	99.3	18.5	10.8	1.2	1.1	6.5	10.6	10.8
JSW Energy	Buy	71	85	20	3.9	3.2	3.1	18.3	22.5	1.1	1.1	6.3	4.9	4.8
NTPC	Buy	171	198	16	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	12.8	2.4	2.1	16.2	17.3	17.8
Tata Power	Sell	78	68	-13	5.2	6.4	6.7	15.2	12.3	1.8	1.6	11.2	13.9	12.1
Aggregate								15.4	13.5	2.3	2.1	14.9	15.8	16.6
Others														
Arvind	Neutral	381	375	-2	12.4	12.9	18.6	30.8	29.5	2.8	2.6	10.3	9.1	12.0
Avenue Supermarts	Neutral	903	882	-2	7.7	12.7	17.6	117.7	71.0	14.7	12.8	17.9	19.3	23.0
Bata India	Under Review	634	-		13.5	15.7	19.4	46.9	40.4	6.2	5.5	13.9	14.4	15.8
Castrol India	Buy	393	527	34	13.6	14.4	15.0	28.8	27.2	32.6	29.2	115.2	113.3	106.1
Century Ply.	Neutral	259	323	25	8.7	9.8	12.9	29.7	26.3	8.0	6.6	31.1	27.7	29.6
Coromandel Intl	Buy	438	523	19	16.6	24.1	29.0	26.3	18.2	4.4	3.8	17.5	22.5	23.4
Delta Corp	Buy	168	237	41	3.1	5.8	7.9	55.0	29.1	4.2	2.8	8.1	12.3	12.6
Dynomatic Tech	Buy	2,335	3,334	43	67.6	112.9	166.7	34.5	20.7	4.8	3.9	15.1	20.7	24.3
Eveready Inds.	Buy	307	358	17	12.9	13.6	16.3	23.9	22.5	7.7	6.3	37.7	30.8	30.1
Interglobe	Neutral	1,298	1,312	1	46.0	63.9	93.7	28.2	20.3	23.2	20.6	86.2	107.5	137.7
Indo Count	Buy	142	200	40	13.0	13.2	15.4	10.9	10.8	3.3	2.5	34.8	26.4	23.5
Info Edge	Buy	1,037	1,130	9	15.7	21.8	24.7	66.2	47.7	6.4	5.8	10.2	12.7	13.1
Inox Leisure	Sell	248	240	-3	3.3	8.0	12.0	74.4	30.9	4.3	3.8	5.9	12.5	16.2
Jain Irrigation	Under Review	103	-		5.5	7.6	10.0	18.6	13.6	1.6	1.5	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	659	755	15	19.1	31.3	37.7	34.6	21.0	4.5	4.8	13.6	21.6	26.0
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	776	927	19	12.7	20.3	30.9	61.1	38.3	3.8	3.6	7.3	8.5	13.5
MCX	Buy	1,116	1,300	16	24.8	28.0	42.2	45.0	39.8	4.2	4.0	10.2	10.2	14.5
Monsanto	Buy	2,671	3,295	23	86.2	105.1	126.7	31.0	25.4	8.7	7.9	31.6	32.5	34.5
Navneet Education	Buy	162	226	40	7.8	9.4	11.3	20.9	17.2	5.2	4.4	26.8	27.8	28.2
PI Inds.	Buy	746	952	28	33.4	33.4	38.1	22.4	22.3	6.3	5.1	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	1,544	1,816	18	85.9	86.3	109.2	18.0	17.9	2.8	2.5	16.6	14.7	16.7
S H Kelkar	Buy	260	287	10	7.2	8.6	10.3	35.8	30.2	4.6	4.2	13.7	14.5	15.6
Symphony	Sell	1,357	1,288	-5	23.7	35.1	42.9	57.4	38.7	21.3	18.8	43.3	51.6	54.5
TTK Prestige	Neutral	6,322	5,281	-16	132.1	137.8	176.1	47.9	45.9	8.6	7.9	19.5	18.0	20.7
V-Guard	Neutral	182	167	-8	3.6	4.5	6.0	50.8	40.5	12.1	9.9	27.4	26.9	28.8
Wonderla	Buy	344	393	14	7.0	11.9	16.0	49.2	28.8	4.5	4.0	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-2.6	-6.7	-13.7
Ashok Ley.	0.7	7.5	25.8
Bajaj Auto	0.8	7.6	1.4
Bharat Forge	2.2	6.1	43.8
Bosch	-0.9	2.2	-5.0
CEAT	-2.7	-7.3	93.1
Eicher Mot.	0.4	15.4	43.2
Endurance Tech.	0.5	7.0	
Escorts	-3.1	-3.2	148.6
Exide Ind	-0.9	-6.8	23.2
Hero Moto	-1.0	6.3	13.2
M&M	-0.2	1.5	-6.8
Mahindra CIE	-3.4	1.8	37.5
Maruti Suzuki	-1.1	4.4	55.4
Tata Motors	0.0	-1.5	-16.3
TVS Motor	-1.2	4.1	95.8
Banks - Private			
Axis Bank	-1.3	-0.8	-12.3
DCB Bank	-5.2	-4.3	63.4
Equitas Hold.	-1.4	3.9	-8.0
Federal Bank	-1.8	-2.8	76.7
HDFC Bank	-0.4	6.9	42.4
ICICI Bank	-1.7	1.7	32.2
IDFC Bank	-1.6	-12.4	11.2
IndusInd	-1.0	7.4	37.5
J&K Bank	-1.3	-6.6	15.0
Kotak Mah. Bk	-1.0	2.5	28.3
RBL Bank	-1.5	-2.9	
South Indian	-2.4	1.2	45.8
Yes Bank	-2.1	17.3	39.5
Banks - PSU			
BOB	-2.1	-2.5	-0.3
BOI	-3.2	8.0	38.7
Canara	-1.6	0.3	38.1
IDBI Bk	-2.4	-1.0	-18.5
Indian Bk	-1.5	0.3	52.7
OBC	-2.4	-4.4	14.8
PNB	-2.0	3.2	21.1
SBI	-2.3	8.4	30.4
Union Bk	-2.5	-5.6	11.1
NBFCs			
Bajaj Fin.	-0.9	27.7	77.3
Bharat Fin.	-1.9	10.4	-2.2
Capital First	-1.5	9.7	7.6
Cholaman.Inv.&Fn	-0.5	5.5	2.7
Dewan Hsg.	-1.7	3.1	81.8
GRUH Fin.	-2.0	2.3	64.8
HDFC	-0.3	5.6	25.8
Indiabulls Hsg	-0.9	12.1	47.4
L&T Fin.Holdings	-0.6	18.4	92.7
LIC Hsg Fin	-1.2	-8.2	29.3
Manappuram	-2.0	2.5	14.1
M&M Fin.	0.7	18.6	27.4
Muthoot Fin	1.4	7.0	20.2
PFC	-1.0	7.7	21.1
Repco Home	-1.5	-14.5	-15.6
REC	-1.2	-0.8	60.2
STF	-2.0	-11.0	-24.7
Shriram City Union	-1.2	-14.6	6.4

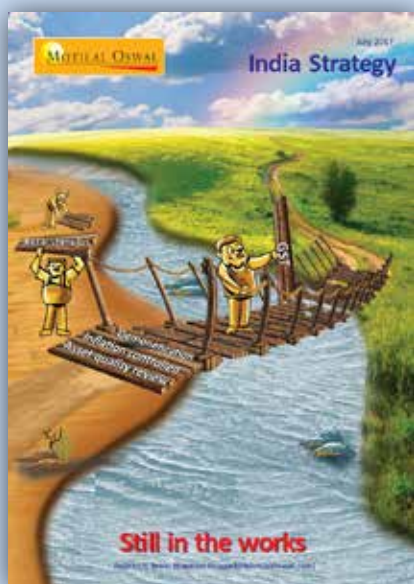
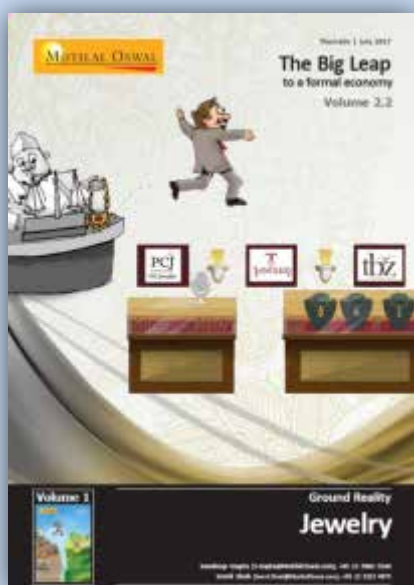
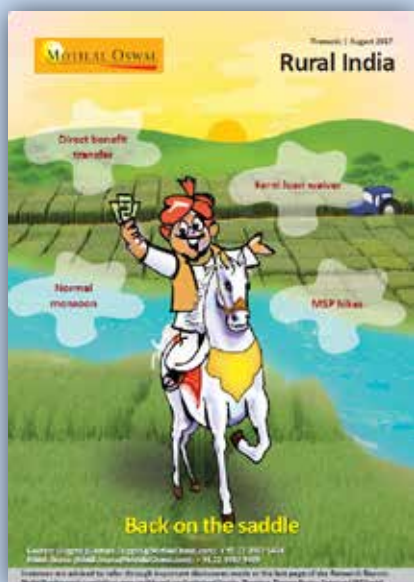
Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	-0.8	-4.4	14.8
Bharat Elec.	0.1	7.0	46.7
BHEL	-3.0	-0.4	-3.8
Blue Star	-1.1	13.4	41.9
CG Cons. Elec.	-0.7	-4.4	26.0
CG Power & Inds Sol.	-5.5	-6.2	-7.7
Cummins	-1.1	2.7	3.5
GE T&D	0.6	13.5	9.8
Havells	-2.2	3.4	19.9
K E C Intl	-1.0	11.0	109.2
L&T	-0.7	3.0	16.5
Pennar Eng.	-4.5	-6.4	-36.7
Siemens	-1.1	-0.5	1.8
Solar Ind	-0.4	4.8	41.4
Suzlon Energy	-3.7	-10.2	-1.2
Thermax	-0.6	-2.1	-0.8
Va Tech Wab.	2.6	-3.8	10.0
Voltas	-0.2	14.8	52.4
Cement			
Ambuja Cem.	-1.7	9.0	-0.4
ACC	-0.4	12.3	5.6
Birla Corp.	0.8	10.4	62.4
Dalmia Bharat	-0.6	2.4	83.5
Grasim Inds.	-1.6	6.0	25.4
India Cem	-3.2	-5.1	55.2
J K Cements	0.9	6.4	34.7
JK Lakshmi Ce	-1.2	-6.9	-1.7
Ramco Cem	-1.1	-2.3	21.2
Orient Cem	0.6	0.4	-4.1
Prism Cem	1.5	-1.7	8.5
Shree Cem	-2.1	-3.4	5.0
Ultratech	-0.2	-1.1	7.2
Consumer			
Asian Paints	-0.3	2.6	-0.3
Britannia	-0.9	10.2	29.2
Colgate	-0.6	-1.9	4.9
Dabur	-1.5	4.2	7.4
Emami	0.2	9.2	-0.1
Godrej Cons.	-2.2	-2.6	20.5
GSK Cons.	1.0	0.0	-12.7
HUL	0.2	8.1	27.6
ITC	-2.1	-17.9	9.7
Jyothy Lab	-0.8	4.4	31.8
Marico	-0.2	3.9	11.1
Nestle	-0.7	-2.7	-2.4
Page Inds	-1.1	-4.0	14.5
Parag Milk	-0.6	7.0	-23.1
Pidilite Ind.	-0.4	-0.6	11.0
P&G Hygiene	0.4	0.4	20.6
Prabhat Dairy	1.4	3.1	52.9
United Brew	-0.1	2.1	0.5
United Spirits	-1.0	-2.8	13.8
Healthcare			
Alembic Phar	0.0	3.0	-16.2
Alkem Lab	-1.6	1.6	17.1
Ajanta Pharma	-3.1	-16.2	-30.9
Aurobindo	0.3	4.3	-5.9
Biocon	-1.2	3.9	24.9
Cadila	-0.7	2.7	41.8
Cipla	2.3	5.9	8.1



Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	-1.5	-1.0	-43.5
Dr Reddy's	-4.9	-22.3	-30.8
Fortis Health	-2.6	0.9	-14.1
Glenmark	-3.0	0.3	-22.1
Granules	-4.1	-10.1	-11.6
GSK Pharma	-0.4	-7.5	-23.6
IPCA Labs	-1.4	-2.6	-11.2
Jubilant Life	-1.7	-3.7	108.6
Lupin	-1.0	-12.7	-42.4
Sanofi India	-1.6	0.7	-5.8
Shilpa Medicare	-1.2	-4.3	10.1
Strides Shasun	-1.3	6.3	-8.7
Sun Pharma	-1.1	-9.0	-39.9
Syngene Intl	-1.4	-2.5	10.4
Torrent Pharma	-1.7	-2.4	-16.7
Logistics			
Allcargo Logistics	-1.1	-0.5	-12.1
Blue Dart	-1.7	-15.5	-28.8
Concor	-1.4	-1.3	1.8
Gateway Distriparks	-1.1	-5.9	0.1
Gati	-1.8	-7.8	-29.4
Transport Corp.	-2.4	-14.5	34.3
Media			
Dish TV	-0.8	-3.5	-23.4
D B Corp	-1.1	-2.5	-8.9
Den Net.	-3.5	-2.1	-11.1
Ent.Network	-3.3	-12.1	18.9
Hind. Media	-0.4	-3.8	-1.8
HT Media	-0.9	5.7	10.7
Jagran Prak.	-0.3	0.1	-1.9
Music Broadcast	0.3	-1.3	
PVR	-1.5	-0.7	18.2
Siti Net.	-1.2	-5.6	-34.9
Sun TV	-4.1	-12.5	56.1
Zee Ent.	-0.5	6.3	7.5
Metals			
Hindalco	3.3	20.6	57.6
Hind. Zinc	-0.1	6.7	29.2
JSPL	-2.5	5.8	66.0
JSW Steel	0.9	6.8	33.5
Nalco	1.0	3.5	41.5
NMDC	1.4	10.0	24.7
SAIL	0.9	2.1	31.3
Vedanta	3.6	15.8	75.8
Tata Steel	2.6	11.2	62.2
Oil & Gas			
BPCL	-4.4	14.0	24.9
GAIL	1.5	7.8	35.0
Gujarat Gas	2.3	2.4	22.9
Gujarat St. Pet.	-0.9	7.3	38.0
HPCL	-4.7	30.7	49.4
IOC	-4.4	7.9	41.6
IGL	2.2	14.3	78.4
MRPL	5.3	14.0	75.4
Oil India	-2.3	6.6	0.4
ONGC	-1.3	2.7	8.8
PLNG	-0.8	-2.8	35.4
Reliance Ind.	-0.8	7.6	55.7
Retail			
Jubilant Food	5.4	21.8	10.4
Titan Co.	-0.7	14.4	45.2

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	0.6	1.7	2.9
HCL Tech.	-0.4	6.1	7.7
Hexaware	3.0	9.5	18.9
Infosys	-0.4	3.1	-10.6
KPIT Tech	-2.4	-9.2	-8.6
L&T Infotech	-0.5	-2.7	10.4
Mindtree	-1.9	-12.1	-23.0
Mphasis	-2.7	-2.2	5.3
NIIT Tech	-2.2	-12.3	16.0
Persistent Sys	-0.9	-7.3	-7.9
Tata Elxsi	-0.7	1.3	-1.3
TCS	-0.3	7.1	-5.8
Tech Mah	-2.0	4.9	-20.8
Wipro	-0.4	12.0	4.7
Zensar Tech	2.9	1.5	-25.2
Telecom			
Bharti Airtel	0.1	8.7	18.8
Bharti Infratel	-4.0	-5.4	0.2
Idea Cellular	-1.3	10.1	-10.9
Tata Comm	-3.6	-5.8	35.0
Utilities			
Coal India	-2.7	-2.6	-26.3
CESC	-1.9	9.9	53.1
JSW Energy	2.8	10.5	-13.7
NTPC	-1.7	7.7	7.2
Power Grid	-1.6	6.2	24.6
Tata Power	-2.2	-4.0	7.4
Others			
Arvind	-2.0	2.8	21.7
Avenue Super.	-2.2	0.7	
Bata India	-0.9	10.6	15.6
Castrol India	-1.2	-1.8	-5.7
Century Ply.	-3.1	-10.3	18.5
Coromandel Intl	-1.3	6.9	68.8
Delta Corp	-4.3	0.1	40.1
Dynamatic Tech	-1.7	-3.6	-7.1
Eveready Inds.	-1.0	-13.0	23.2
Interglobe	0.9	4.2	57.2
Indo Count	-3.4	-13.4	-18.5
Info Edge	-0.1	-0.8	19.0
Inox Leisure	0.8	-9.7	-3.6
Jain Irrigation	1.3	-2.0	38.3
Just Dial	-2.3	0.3	-27.2
Kaveri Seed	-5.2	4.4	79.1
Kitex Garm.	0.0	-9.1	-26.6
Manpasand	-0.3	0.0	11.0
MCX	0.3	2.5	9.9
Monsanto	0.4	-5.1	17.4
Navneet Educat.	0.2	-8.5	53.0
PI Inds.	-0.5	-7.1	-3.1
Piramal Enterp.	-1.8	-1.2	82.8
SRF	0.0	0.6	0.4
S H Kelkar	-1.4	-0.6	0.8
Symphony	-2.0	1.0	16.9
TTK Prestige	0.5	-0.5	32.7
V-Guard	-1.8	1.1	46.1
Wonderla	-0.4	-4.4	-14.5

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL Initiating Coverage | 7 August 2017
Sector: Healthcare
Strides Shasun

Manufacturing capacity
Diversified portfolio
Automated R&D lab
Regulatory compliance in place
Healthy product pipeline
Forward integration

Making great strides

Source: Motilal Oswal Research Analyst, Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222, 2240.
Risk Disclosure: Research analyst Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222.
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MOTILAL OSWAL Initiating Coverage | 31 May 2017
Sector: Healthcare
Shilpa Medicare

Manufacturing capacity
Healthy product pipeline
Regulatory compliance in place
Forward integration

Injecting Growth

Source: Motilal Oswal Research Analyst, Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222, 2240.
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MOTILAL OSWAL Initiating Coverage | 18 Aug 2017
Sector: Insurance
Capital First

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

Capitalizing on multiple opportunities

Source: Motilal Oswal Research Analyst, Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222, 2240.
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MOTILAL OSWAL Initiating Coverage | 18 May 2017
Sector: Finance
L&T Finance Holdings

Off to a new start

Source: Motilal Oswal Research Analyst, Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222, 2240.
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MOTILAL OSWAL Initiating Coverage | 14 May 2017
Sector: Healthcare
Jubilant Life Sciences

Lower financial leverage
Growth visibility
High entry barriers
Unique portfolio
Attraction reduction

Promising formulation

Source: Motilal Oswal Research Analyst, Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222, 2240.
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MOTILAL OSWAL Initiating Coverage | 21 April 2017
Sector: Retail
Avenue Supermarts

COST
VALUE

Delivering Value

Source: Motilal Oswal Research Analyst, Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222, 2240.
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MOTILAL OSWAL Initiating Coverage | 13 June 2017
Sector: Finance
Cholamandalam Finance

Productivity focus
Cost optimization
Productivity improvements
Market expansion

Prepared, Equipped and Armed

Source: Motilal Oswal Research Analyst, Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222, 2240.
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MOTILAL OSWAL Initiating Coverage | 20 April 2017
Sector: Power
Tata Power

Mundra
S&P

Struggling for RoE

Source: Motilal Oswal Research Analyst, Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222, 2240.
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MOTILAL OSWAL Initiating Coverage | 20 April 2017
Sector: Energy
Gujarat Gas

Long road ahead

Source: Motilal Oswal Research Analyst, Rahul.Mishra@motilal-oswal.com, +91 22 6862 2222, 2240.
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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL Annual Report Threadbare

31st Dec 2017

28X ENTERTAINMENT FY17

The FY17 Annual Report highlights our earnings in each five quarters of FY17 with increase in cash flows rate (CAGR) of 20% over 31st Dec 2017. This is primarily due to increase in advertising (primarily news rights), which increased from INR 13.28 crore to INR 16.00 crore, and for higher advertising of INR 2.00 crore for each of FY17 and FY18. Our aggressive marketing on our television media content continued as before, aggressive broadcast to various rights acquisition will result in higher broadcast of sports, National award shows and other events, leading returns of 6.4%, which dropped from 7.5% in FY17 to 6.4% in FY18.

- Revenue growth drove margin rise. Revenue grew 17% in FY17, with (i) advertising services growing 19% (FY17: 24%), due to better placement and subscription revenue rising 17% (FY17: 24% margin rose to 27% in FY18), but FY17 margin (adjusted for gain on sports broadcast) was 24% of 25.1% due to the valuation loss on financial investments of INR 26.
- Year-over margin rise, adjusted for profit on the sale of sports broadcast, the effective rate increased to 10.1% (FY17: 25.2%). This is primarily on account of the valuation loss on preference shares, which is a non-recurring item. The before-tax rate was 10% higher than the margin for FY17 and these performance items are not included.
- Higher amount set aside for financial investment. The decrease in the cost of the rights (due to 10% margin), and the increase in the rights (due to 10% margin), also drove the margin rise. The effective rate increased to 10.1% (FY17: 25.2%). This is primarily on account of the valuation loss on preference shares, which is a non-recurring item. The before-tax rate was 10% higher than the margin for FY17 and these performance items are not included.
- As a result of the above, the effective rate increased to 10.1% (FY17: 25.2%). This is primarily on account of the valuation loss on preference shares, which is a non-recurring item. The before-tax rate was 10% higher than the margin for FY17 and these performance items are not included.

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MOTILAL OSWAL VOICES

14th Dec 2017

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VOICES India Inc on Call

India's quarterly growth has been healthy, growth is clearly visible for all the past several quarters. The growth is supported by the growth in the services sector, which is leading the growth. The growth is supported by the growth in the services sector, which is leading the growth. The growth is supported by the growth in the services sector, which is leading the growth.

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MOTILAL OSWAL EcoKnowledge

17th Dec 2017

Only two states implement 17% Pay Commission in FY18

FY17 ended on a high note, with higher than budgeted FY17. The FY17 budget was INR 1,000 crore, but the actuals were INR 1,050 crore. The FY17 budget was INR 1,000 crore, but the actuals were INR 1,050 crore. The FY17 budget was INR 1,000 crore, but the actuals were INR 1,050 crore.

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MOTILAL OSWAL The CornerOffice

15th Dec 2017

Focus on double-digit volume growth

Motilal Oswal (MO) continues to show strong performance, with a 20% increase in volume growth. The company is focusing on double-digit volume growth, which is a key objective for the management. The company is focusing on double-digit volume growth, which is a key objective for the management.

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MOTILAL OSWAL BULLS & BEARS

15th Dec 2017

INDIA VALUATIONS HANDBOOK

Highlights of July edition:

- Nifty up 5.2% in July - Highest MoM rise in 36 months.
- PSU Banks, Telecom, Metals, and Cement top performers.
- Consumer only sector to deliver negative returns in July.
- Mid-caps underperform large caps by 1.4% in July.

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MOTILAL OSWAL FUND FOLIO

15th Dec 2017

Indian Mutual Fund Tracker

Assets returned up by 27% in last five years.

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