

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	32,182	1.1	20.9
Nifty-50	10,096	1.1	23.3
Nifty-M 100	18,683	1.1	30.2
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,551	-0.2	13.9
Nasdaq	6,592	-0.2	22.4
FTSE 100	7,556	0.3	5.8
DAX	12,983	0.1	13.1
Hang Seng	11,500	0.8	22.4
Nikkei 225	20,955	0.4	9.6
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	56	-0.5	1.6
Gold (\$/OZ)	1,295	0.4	11.7
Cu (US\$/MT)	6,861	1.6	24.2
Almn (US\$/MT)	2,122	0.8	24.5
Currency	Close	Chg .%	YTD.%
USD/INR	65.1	-0.1	-4.1
USD/EUR	1.2	0.3	12.4
USD/JPY	112.3	0.0	-4.1
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.8	0.0	0.2
10 Yrs AAA Corp	7.6	0.0	0.1
Flows (USD b)	11-Oct	MTD	YTD
FII	-0.1	-0.5	4.7
DII	0.1	1.0	10.8
Volumes (INRb)	11-Oct	MTD*	YTD*
Cash	310	300	294
F&O	11,282	5,986	5,447

Note: YTD is calendar year, *Avg



Today's top research idea

TCS - Sluggish revenue growth (marginal miss)

- ✓ TCS' 1.7% QoQ CC revenue growth (estimate of 2.2%) was marginally below our estimate, led by 150bp QoQ realization drop (fell for the second consecutive quarter). YoY CC growth remains at 6.9%. BFSI (4.7% YoY CC), Retail (-1.7% YoY CC) and US (3.6% YoY CC) continue to remain weak.
- ✓ EBIT margin expansion of 170bp QoQ to 25.1% was a positive surprise (estimate of 80bp expansion). The expansion in margins was contributed by favorable currency movement and overall improvement in operational efficiencies and cost rationalization.
- ✓ The management cited trends such as second digital wave in BFS and offline retailers' return to the battlefield as potential positives, even though it remains uncertain when these may culminate into accelerated growth.



Research covered

Cos/Sector	Key Highlights
EcoScope	September inflation unchanged, August IIP surprises on the upside
TCS	Sluggish revenue growth (marginal miss)
IndusInd Bank	Steady quarter; earnings visibility remains strong
Ajanta Pharma	Global Fund allocation to drive anti-malaria business
Cyient	Both engines firing
Strategy	Embarking on a new era of corporate governance
Bharti Airtel	Bharti announces acquisition of TTSL – a strategic move
Healthcare	Brace for faster approval and more competition
Results Expectation	MCX Reliance Inds.



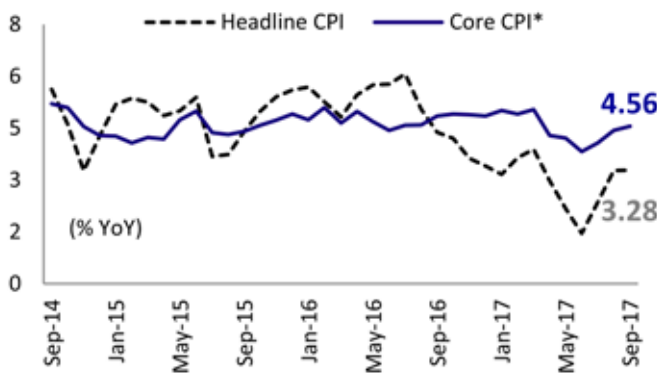
Piping hot news

Airtel to buy Tata's consumer mobile business in a debt-free, cash-free deal

- ✓ Tata Sons Ltd will sell its consumer mobile business to India's largest telecom operator Bharti Airtel Ltd virtually for free,...

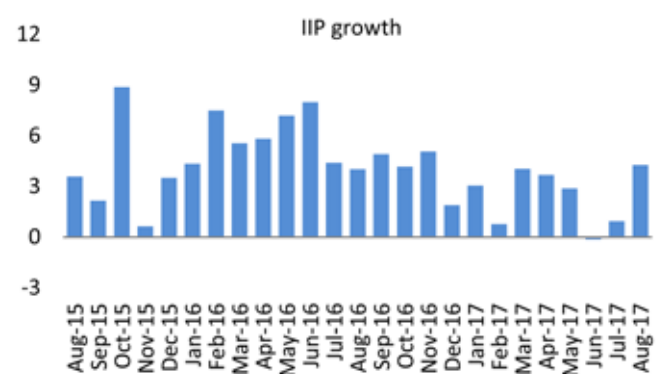
Chart of the Day: EcoScope - September inflation unchanged

Retail inflation unchanged at 3.3% in Sep 2017



* Excluding F&B and F&L Source: Central Statistics Office, MOSL

IIP growth at 11-month high in August 2017 (% YoY)



Source: CSO, MOSL

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

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



Kindly click on textbox for the detailed news link

1

India's IIP in August highest in 9 months, inflation unchanged

India's factory output rebounded strongly to a nine-month high of 4.3% in August as companies stepped up production to restock warehouses ahead of the festival season,...

2

SIP inflows grow 50% in one year

Inflow into mutual funds (MFs) through systematic investment plans (SIPs) has hit another historic high in September. The sector collected Rs 5,516 crore during the month as the number of SIP accounts touched 16.6 million, compared with 13.5 million at the beginning of this financial year. A year before, the sector got less than Rs 3,700 crore. In a year, SIP monthly contribution has increased by about 50%. According to sector officials, every month Rs 250-300 crore worth SIPs were added and this trend would continue...

3

Top auto executives named in disqualified directors list, win Delhi HC relief

A group of senior executives in big automakers approached the Delhi high court for relief after finding themselves in the list of directors disqualified by the ministry of corporate affairs (MCA). The court stayed the MCA directive in an interim order on Tuesday...

4

Bank provisions against NPAs to rise to Rs3.3 trillion in 2017-18: Crisil

Banks may need to set aside as much as Rs3.3 trillion as provisions in 2017-18 to cover for large corporate loans turned bad, a move which could lead to huge losses, said a report from Crisil Ratings...

5

'GST to hit aviation sector by ₹5,700 cr. a year'

The aviation industry will take a annual hit of ₹5,700 crore following the implementation of the Goods and Services Tax (GST), domestic airlines told the Finance Ministry recently. The Federation of Indian Airlines (FIA), which represents IndiGo, SpiceJet, Jet Airways and GoAir, made a presentation before top Finance Ministry officials on September 27 on behalf of the entire airline industry, saying guideline principles of the new indirect system — revenue neutrality and equity — have been violated by the GST...

6

Banks weigh tier-I bond sales to strengthen capital base

Banks are planning to sell Basel-III compliant additional tier-I bonds (AT-1) in a bid to strengthen their capital base, at a time when investors' appetite for such instruments is lower because of prevailing asset quality issues...

7

IndiGo seeks SpiceJet support on Delhi airport terminal issue

Locked in a tussle with the Delhi airport over allocation of space, IndiGo has now written to rival low fare carrier SpiceJet requesting the latter to share its domestic operations with Go Air in one terminal while IndiGo takes the other for itself...



September inflation unchanged, August IIP surprises on the upside

Still some room for a rate cut given downside risks to RBI's growth projections

- n CPI inflation remained unchanged MoM at 3.3% in September 2017. This was marginally higher than our expectation of 3.2%, but lower than market consensus of 3.6%.
- n Food inflation eased slightly to 1.3% in September 2017, while core inflation touched a six-month high of 4.6%. The uptick in core inflation was largely on account of a surge in housing inflation.
- n Furthermore, the index of industrial production (IIP) grew 4.3% YoY in August, exceeding our/consensus estimate of 2.4%/2.6%. A recovery was observed in manufacturing, along with a surge in mining activity and electricity generation.
- n We expect headline inflation for 2HFY18 to remain in line with the RBI's projections, but also see some downside risks. Hence, we believe that there is still some room to cut interest rates.

I. Retail inflation unchanged at 3.3% in September

- n **CPI inflation unchanged at 3.3%:** CPI-based inflation remained unchanged MoM at 3.3% YoY in September 2017 (*Exhibit 1*). Although the number was marginally higher than our expectation of 3.2%, it was below market consensus of 3.6%. CPI inflation has come in lower than consensus estimates in five of the last six months (it was higher than expected in August 2017).
- n **Food inflation eases slightly...:** Food inflation eased to 1.3% in September from 1.5% in the preceding month. This was largely driven by a fall in vegetables inflation to 3.9% from 6% in August 2017. On an MoM basis, vegetables prices declined 7.1%, after rising by 34.2% over the last four months. Inflation in other food items remained largely unchanged MoM in September.
- n **...while core inflation touches six-month high...:** Core inflation (all items excluding 'food & beverages' and 'fuel & light') rose to a six-month high of 4.6% in September from 4.4% in the preceding month (*Exhibit 3*). This was the third straight month of rise in core inflation. Core-core inflation (excluding petrol/diesel from core inflation) too edged up to 4.4% from 4.2% in August.
- n **...led by rise in housing inflation:** Uptick in both core and core-core inflation in September can largely be ascribed to a rise in housing inflation, which touched a three-year high of 6.1% (Aug'17: 5.6%) on account of implementation of 7th CPC House Rent Allowance (HRA) hikes from August. Inflation in core services eased, while that in goods remained unchanged in September (*Exhibit 4*).
- n **Although headline inflation is expected to rise gradually in 2HFY18 on account of an adverse base effect, it should remain in line with the RBI's projections. However, we believe that there are downside risks to the RBI's growth projections, leaving room for interest rate cuts.**



BSE SENSEX	S&P CNX
32,182	10,096
Bloomberg	TCS IN
Equity Shares (m)	1,970
M.Cap.(INRb)/(USD b)	5,021.7 / 73.9
52-Week Range (INR)	2,707 / 2,055
1, 6, 12 Rel. Per (%)	3/0/-8
Avg Val, INRm	3068.0
Free float (%)	26.4

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	1,179.7	1,235.3	1,377.0
EBITDA	323.1	327.6	369.3
PAT	262.9	257.7	289.8
EPS (INR)	133.4	131.8	151.4
Gr. (%)	8.3	-1.2	14.9
BV/Sh (INR)	448.3	418.2	486.3
RoE (%)	32.6	30.6	33.5
RoCE (%)	32.4	26.8	26.0
P/E (x)	19.1	19.3	16.8
P/BV (x)	5.7	6.1	5.2

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR2,549 TP: INR2,450(-4%) Neutral

Sluggish revenue growth (marginal miss)...

...but strong execution on margins

- No pick-up in revenue momentum...:** TCS' 1.7% QoQ CC revenue growth was marginally below our estimate of +2.2%, led by a 150bp QoQ realization drop (fell for the second consecutive quarter). YoY CC growth remains at 6.9%. BFSI (4.7% YoY CC), Retail (-1.7% YoY CC) and US (3.6% YoY CC) remain weak. As Digital continues to grow, the timing of a turnaround in the weaker areas remains hard to call, keeping our growth bets modest.
- ...but impressive execution on margins:** EBIT margin expansion of 170bp QoQ (est. of +80bp) to 25.1% was a positive surprise. The expansion in margin was contributed by multiple line items across COGS and SGA, and not by any single driver. Execution was particularly impressive, considering the drop in realization and the lack of growth support. However, the very factors will also test the sustainability of this upward trajectory toward the aspired range of 26-28%.
- Addition to client buckets reflects prowess:** TCS saw healthy client additions across its revenue buckets (USD1m+ to USD100m+), marking its ability to continuously mine accounts, despite pressure in the legacy portfolio. However, it is the discord with overall company growth that limits the extent of positivity with which one may read the same. Management cited trends such as the second digital wave in BFS and the offline retailers' return to the battlefield as potential positives, even though it remains uncertain when these will culminate into accelerated growth.
- Lack of growth triggers to keep valuations range-bound:** Our 1-2% earnings upgrade follows above-estimate margin performance by TCS. However, continued low growth in its largest segments is deterrent to an investment case at current valuations. Improvement in larger verticals, especially BFS, will be key to rerating. We see a lack of triggers, especially given the uncertainty around expectations of a revival of spend in the vertical. Maintain **Neutral**.

TCS Quarterly Performance (IFRS)

Y/E March	FY17				FY18E				FY17	FY18E	Est. 2QFY18	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	4,362	4,374	4,387	4,452	4,591	4,739	4,782	4,862	17,575	18,974	4,739	0.0
QoQ (%)	3.7	0.3	0.3	1.5	3.1	3.2	0.9	1.7	6.2	8.0	3.2	-1bp
Revenue (INR m)	293,050	292,840	297,350	296,420	295,840	305,410	313,229	320,866	1,179,660	1,235,346	304,737	0.2
YoY (%)	14.2	7.8	8.7	4.2	1.0	4.3	5.3	8.2	8.6	4.7	4.1	23bp
GPM (%)	43.9	44.8	44.5	45.0	42.8	43.6	44.2	44.5	44.5	43.8	43.4	18bp
SGA (%)	17.1	17.1	16.8	17.6	17.8	16.9	17.3	17.3	17.1	17.3	17.6	-72bp
EBITDA	78,380	81,110	82,290	81,330	74,120	81,640	84,354	87,499	323,110	327,613	78,720	3.7
EBITDA Margin (%)	26.7	27.7	27.7	27.4	25.1	26.7	26.9	27.3	27.4	26.5	25.8	90bp
EBIT Margin (%)	25.1	26.0	26.0	25.7	23.4	25.1	25.3	25.6	25.7	24.9	24.2	91bp
Other income	9,630	10,520	11,850	9,890	9,320	8,120	6,319	8,070	41,890	31,829	10,260	-20.9
ETR (%)	24.0	23.8	23.6	23.1	24.2	23.7	23.7	23.7	23.6	23.8	24.2	-42bp
PAT	63,179	65,860	67,780	66,080	59,450	64,460	65,045	68,750	262,899	257,705	63,594	1.4
QoQ (%)	-0.4	4.2	2.9	-2.5	-10.0	8.4	0.9	5.7			7.0	146bp
YoY (%)	10.7	8.8	10.9	4.2	-5.9	-2.1	-4.0	4.0	8.6	-2.0	-3.4	132bp
EPS (INR)	32.1	33.4	34.4	33.5	30.4	33.7	34.0	35.9	133.4	131.8	32.5	
Headcount	362,079	371,519	378,497	387,223	385,809	389,213	388,315	394,942	387,223	394,942	394,006	-1.2
CC QoQ rev gr (%)	3.1	1.0	2.0	1.0	2.0	1.7	0.9	1.7	8.4	8.0	3.2	
Attrition (%)	13.6	12.9	12.2	11.5	11.6	5.9	8.0	9.9			5.9	

E: MOSL Estimates



IndusInd Bank

BSE SENSEX	S&P CNX
32,182	10,096
Bloomberg	IIB IN
Equity Shares (m)	595.8
M.Cap.(INRb)/(USD\$b)	1,037 / 15.9
52-Week Range (INR)	1818 / 1038
1, 6, 12 Rel. Per (%)	-4/12/28
Avg Val, INRm	1589
Free float (%)	85.0

Financials & Valuations (INR b)

Y/E MARCH	2018E	2019E	2020E
NII	74.6	94.6	120.8
OP	66.7	84.8	108.7
NP	36.4	47.0	60.3
NIM (%)	4.2	4.2	4.2
EPS (INR)	60.9	78.6	100.8
EPS Gr. (%)	0.0	0.0	0.0
BV/Sh. (INR)	387	453.4	539.5
ABV/Sh. (INR)	371	436.4	521.0
RoE (%)	16.9	19.0	20.6
RoA (%)	1.8	1.9	1.9
P/E (X)	28.6	22.2	17.3
P/BV (X)	4.5	3.8	3.2
P/ABV (X)	4.7	4.0	3.3

CMP: INR1,743 TP: INR2,000 (+15%) Buy

Steady quarter; earnings visibility remains strong

- IndusInd Bank's (IIB) 2QFY18 PAT grew 25% YoY (in-line) to INR8.8b. Strong loan growth of 24% YoY (+26% YoY in corporate loans) and a steady NIM of 4% helped keep NII growth steady at 25% YoY.
- Robust NII, coupled with steady fee income growth of 22% YoY, enabled the bank to deliver impressive core PPop growth of 28% YoY. Opex continues to trail total income growth, as IIB sees improving productivity at its branches.
- Both corporate (+26% YoY) and consumer (+22% YoY) loans exhibited healthy growth. Vehicle loan growth recovered to 17% YoY, and was well supported by ~40% YoY growth in retail non-vehicle loans.
- GNPA/NNPAs increased 6% sequentially; however NPA ratios remained stable. Fresh slippages declined to INR4.98b (1.7% annualized, INR6.08b in 1QFY18), led by relatively high slippages in the corporate segment. The bank indicated that the impact of demonetization and NCLT referrals has resulted in relatively high slippages over the past couple of quarters. Restructured book declined to 16bp of loans (INR1.94b), while O/s SR stood at INR4.07b. IIB mentioned that it has provided INR360m toward six accounts that appear on the second list from the RBI, and now carries ~65% provision on these accounts.
- Other highlights:** (1) CASA ratio improved sharply to 42.3% (ahead of 40% target), led by 95% YoY growth in SA deposits. (2) IIB has total exposure of ~INR3.85b toward six accounts that appear on the RBI's second list. (3) IIB expects INR1.5/share impact on EPS from fee income recognition changes under Ind-AS.

Valuation and view: IIB's key focus is to scale up on its retail operations, led by a higher share of non-vehicle retail loans by FY20. The bank is targeting 25-30% loan growth, driven by continued branch expansion (by 800) and strong customer acquisition (+2x to 20m). Potential merger with BHAFIN will strengthen the bank's liability profile and further boost return ratios. Maintain **Buy** with a revised TP of INR2,000 (4.0x Sep'19 BV).

Quarterly Performance

	FY17				FY18E				(INR million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18E
Interest Income	32,917	34,857	36,993	38,300	41,355	42,084	46,571	48,472	1,44,057	1,78,481
Interest Expense	19,353	20,254	21,209	21,626	23,615	23,874	27,750	28,629	83,431	1,03,867
Net Interest Income	13,564	14,603	15,784	16,675	17,741	18,210	18,821	19,843	60,626	74,614
% Change (YoY)	38.3	33.4	34.5	31.5	30.8	24.7	19.2	19.0	34.2	23.1
Other Income	9,730	9,704	10,168	12,113	11,673	11,876	13,500	14,677	41,715	51,727
Net Income	23,294	24,307	25,952	28,788	29,413	30,086	32,321	34,519	1,02,341	1,26,341
Operating Expenses	10,956	11,491	12,319	13,065	13,528	13,751	15,869	16,517	47,831	59,664
Operating Profit	12,338	12,816	13,633	15,722	15,885	16,335	16,452	18,003	54,510	66,677
% Change (YoY)	33.7	27.3	28.5	36.6	28.8	27.5	20.7	14.5	31.6	22.3
Other Provisions	2,305	2,139	2,169	4,301	3,100	2,938	2,100	2,903	10,913	11,041
Profit before Tax	10,033	10,677	11,465	11,421	12,786	13,398	14,352	15,099	43,597	55,636
Tax Provisions	3,419	3,635	3,959	3,905	4,420	4,597	4,880	5,298	14,918	19,194
Net Profit	6,614	7,042	7,506	7,516	8,365	8,801	9,472	9,801	28,679	36,442
% Change (YoY)	26.0	25.7	29.2	21.2	26.5	25.0	26.2	30.4	25.4	27.1
Operating Parameters										
NIM (Reported,%)	4.0	4.0	4.0	4.0	4.0	4.0	4.0	0.0	4.0	
NIM (Cal, %)	3.8	3.8	3.9	3.9	3.8	4.0	4.0	3.9	3.8	3.9
Deposit Growth (%)	31.0	38.9	37.9	36.1	31.4	25.9	26.6	26.8	36.1	20.0
Loan Growth (%)	29.7	26.4	25.1	27.9	24.3	24.5	29.0	25.5	27.9	25.0
CD Ratio (%)	92.1	88.1	86.2	89.3	87.1	87.1	87.8	88.4	89.3	87.1
Tax Rate (%)	34.1	34.0	34.5	34.2	34.6	34.3	34.0	35.1	34.2	34.5
Asset Quality										
OSRL (INR b)	4.6	4.4	4.2	4.2	2.0	1.9	0.0	0.0	4.2	
OSRL (%)	0.5	0.4	0.4	0.4	0.2	0.2	0.0	0.0	0.4	
Gross NPA (INR b)	8.6	9.0	9.7	10.5	12.7	13.5	14.3	16.0	10.5	16.0
Gross NPA (%)	0.9	0.9	0.9	0.9	1.1	1.1	1.1	1.1	0.9	1.1

E: MOSL Estimates; Quarterly calculated margins based on total assets, yearly on interest earning assets



Ajanta Pharma

BSE SENSEX 32,182 S&P CNX 10,096

CMP: INR1,156 TP: INR1,605 (+38%) Buy



Stock Info

Bloomberg	AJP IN
Equity Shares (m)	88.0
52-Week Range (INR)	2150 / 1106
1, 6, 12 Rel. Per (%)	-3/-44/-55
M.Cap. (INR b)	101.6
M.Cap. (USD b)	1.6
Avg Val (INRm)/Vol m	302
Free float (%)	29.3

Financials Snapshot (INR b)

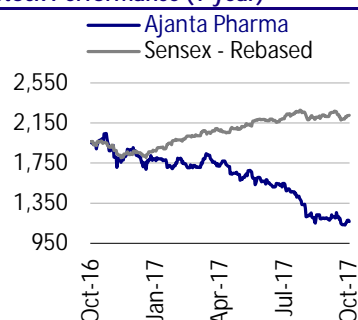
Y/E Mar	2017	2018E	2019E
Net Sales	20.0	20.9	24.8
EBITDA	7.0	6.2	7.6
PAT	5.2	4.7	5.7
EPS (INR)	58.4	52.8	64.2
Gr. (%)	24.0	-9.7	21.8
BV/Sh (INR)	177.2	221.3	275.2
RoE (%)	37.7	26.5	25.9
RoCE (%)	36.4	26.1	25.6
P/E (x)	20.8	23.0	18.9
P/BV (x)	6.9	5.5	4.4

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	73.8	73.8	73.8
DII	2.2	2.1	2.2
FII	11.6	10.9	9.9
Others	12.4	13.2	14.2

FII Includes depository receipts

Stock Performance (1-year)



Global Fund allocation to drive anti-malaria business

- With the Global Fund expected to award a tender for institutional anti-malaria (insti-AM) medicines in the near term, we tried to analyze the probable impact on Ajanta Pharma's (AJP) business in the event of intensification in competition.
 - The companies prequalified by the World Health Organization (WHO) for the institutional anti-malaria business from the Global Fund are the same as in the previous tender process. However, we note that the reduction in the Global Fund business to Ipca Laboratories (IPCA) due to US FDA regulatory restrictions has provided business opportunities for other players, including AJP. In addition, increased allocation by the Global Fund in 2015-17 drove strong growth for AJP.
 - Our scenario analysis indicates that the probable downside in AJP's business if competition intensifies due to the re-entry of IPCA in the institutional anti-malaria business would be to the tune of INR400-450m, which amounts to 6% of its Africa sales and 3% of overall sales. Although the amount committed by donors has remained stable, the incremental business is subject to allocation by the Global Fund.
- On overall basis, we expect AJP to deliver a CAGR of 14% in revenue and 11% in earnings over FY17-20. We value AJP at 25x FY19E EPS of INR64.2, maintaining our price target to INR1,605 and also our Buy rating.

Global Fund – a key provider of insti-AM business

Tender award by the Global Fund holds immense significance in the insti-AM segment. Notably, the Global Fund was the biggest contributor, with ~28% share in total funding to agencies in 2015. The Global Fund spent ~USD9.9b over 2005-17, which was utilized for 1) improving health systems (~59% of total spending), 2) prevention (~24%) and 3) treatment (~17%). The spending for treatment in 2016 is estimated at USD154m. Although the amount committed for 2017-19 is stable compared to that in 2014-16, the business for pharma companies will be dependent on how the Global Fund allocates the funds.

Insti-AM business growth for AJP contingent on allocation and competition

AJP has been one of the strong contenders for the insti-AM business over the past five years. The company's Africa business (includes insti-AM and branded generics) exhibited a 27% CAGR over FY13-17, led by increased allocation by the Global Fund, reduced business to IPCA, and robust growth in branded generics. However, we expect growth in the Africa business to moderate in FY18 due to lower allocation by the Global Fund and reduced industry growth in branded generics. Growth in insti-AM for FY19 would depend on the quantum of tender awarded by the Global Fund and the way the competitive landscape pans out.

Valuation and view

Despite risks facing the Insti-AM business from a high base, we continue to like AJP as the key long-term growth levers are intact. We expect AJP's growth to trough in FY18 (due to demonetization/GST hiccups in domestic formulation, lower allocation by the Global Fund, and increased industry-wide pricing pressure for the US market). We expect growth to recover in FY19 as it continues to outperform in the domestic formulation market and enjoys a healthy product pipeline for the US market. We expect AJP to deliver a CAGR of 14% in revenue and 11% in earnings over FY17-20. We value AJP at 25x FY19E EPS of INR64.2. Maintain our price target of INR1,605 and reiterate **Buy**.

Comparative valuation

Sector / Companies	CMP (INR)	RECO	EPS (INR)			PE (x)			EV/EBIDTA (x)			ROE (%)		
			FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E	FY18E	FY19E	FY20E
Healthcare														
Alembic Pharma	503	Neutral	19.8	25.5	31.7	25.4	19.7	15.9	16.1	12.8	10.1	18.4	20.5	21.6
Alkem Lab	1,832	Neutral	72.5	93.3	108.2	25.3	19.6	16.9	18.8	14.5	11.4	19.0	20.9	20.7
Ajanta Pharma	1,155	Buy	52.8	64.2	79.5	21.9	18.0	14.5	15.8	12.7	10.1	26.5	25.9	25.8
Aurobindo Pharma	742	Buy	44.9	50.0	52.5	16.5	14.9	14.1	11.1	9.8	8.8	24.8	22.1	19.1
Biocon	344	Sell	9.7	14.2	18.7	35.4	24.3	18.4	17.0	12.6	9.7	11.1	14.5	16.9
Cadila Health	501	Buy	17.5	23.6	26.9	28.6	21.2	18.6	19.9	14.8	12.8	23.5	26.0	24.1
Cipla	585	Neutral	21.1	26.0	33.3	27.7	22.5	17.6	16.8	13.9	11.2	12.1	13.2	14.6
Divis Labs	864	Neutral	33.9	40.4	43.6	25.5	21.4	19.8	17.3	14.0	12.5	17.0	19.5	19.0
Dr Reddy's Labs	2,387	Neutral	72.6	119.9	147.5	32.9	19.9	16.2	16.8	11.3	8.7	9.7	14.4	15.5
Fortis Health	150	Buy	2.2	5.6	8.6	68.7	26.9	17.4	11.3	8.1	5.9	2.1	4.9	7.1
Glenmark Pharma	611	Neutral	39.7	49.1	61.0	15.4	12.4	10.0	10.9	9.1	7.3	20.3	20.4	20.5
GSK Pharma	2,437	Neutral	46.8	54.9	59.1	52.1	44.4	41.2	44.4	35.8	32.1	23.0	30.9	33.3
IPCA Labs.	528	Neutral	16.6	26.8	35.7	31.8	19.7	14.8	16.4	11.6	9.0	8.2	12.2	14.5
Jubilant Life	653	Buy	47.1	56.7	66.7	13.9	11.5	9.8	8.8	7.5	6.3	19.5	19.6	19.4
Lupin	1,028	Buy	41.4	56.3	74.0	24.8	18.3	13.9	13.8	10.5	8.1	13.2	16.0	18.2
Sanofi India	4,063	Buy	133.6	160.6	185.2	30.4	25.3	21.9	16.2	13.2	11.1	16.6	18.1	18.7
Sun Pharma	514	Buy	15.1	23.3	27.2	34.1	22.1	18.9	20.2	13.7	10.7	9.6	13.8	14.6
Shilpa Medicare	584	Buy	21.1	30.4	38.1	27.7	19.2	15.3	19.7	13.8	10.9	17.0	20.4	21.0
Strides Shasun	857	Buy	47.4	74.8	92.1	18.1	11.4	9.3	11.9	8.8	7.2	14.7	20.2	21.0
Torrent Pharma	1,247	Neutral	53.4	67.3	80.2	23.4	18.5	15.6	14.8	11.6	9.6	19.5	21.5	22.3
Sector Aggregate						26.6	19.8	16.5	16.0	12.3	10.0	13.6	16.0	16.5



BSE SENSEX	S&P CNX
32,182	10,096
Bloomberg	CYL IN
Equity Shares (m)	113
M.Cap.(INRb)/(USDb)	58.8 / 0.9
52-Week Range (INR)	564 / 416
1, 6, 12 Rel. Per (%)	-2/0/-6
Avg Val, INRm	64.0
Free float (%)	77.8

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	36.1	39.3	45.6
EBITDA	4.9	5.4	6.5
PAT	3.7	4.0	4.7
EPS (INR)	30.6	36.0	41.9
Gr. (%)	-0.2	17.6	16.2
BV/Sh (INR)	188.7	207.4	229.2
RoE (%)	16.2	17.4	18.3
RoCE (%)	15.9	16.4	17.4
P/E (x)	16.9	14.4	12.4
P/BV (x)	2.8	2.5	2.3

Estimate change

TP change

Rating change

CMP: INR523

TP: INR600 (+15%)

Buy

Both engines firing...

...on track to achieving double-digit growth in FY18

- Strength in Services and DLM:** 4.2% QoQ growth in Services and 34% QoQ growth in Rangsons drove in-line revenue growth of 6.5% QoQ. Double-digit growth expectations for FY18 get validated by the performance so far, placing CYL strongly against peers. Robust revenue growth and improved operational efficiencies drove 160bp QoQ margin expansion to 14.6%, despite part wage hikes and a flat INR. Operational beat and higher-than-expected other income led to PAT of INR1.1b (+27.4% QoQ), a beat of 6%.
- Laggards expected to pick up in 2HFY18:** Transportation, Communications and Medical (37% of revenue) drove ~70% of sequential and YoY growth for CYL. On the other hand, the Industrial, Semiconductor and Utilities & Geospatial verticals continued to drag overall performance. Aerospace, which accounts for 35% of revenue, will be a critical determinant of the path going forward. This vertical has seen its organic growth slowing down to 5% YoY in 2QFY18 from 10% in the year-ago period – this is attributed to a temporary slowdown in UTC, which should revive toward 4Q of this year.
- Order intake loses steam:** Order intake of USD119m declined 18% YoY. However, on an LTM basis, growth stands at 14% YoY. Given its strong pipeline and order backlog, CYL maintained its guidance of double-digit growth in Services, 20% growth in Rangsons and 50bp margin expansion, all contributing to double-digit earnings growth. Despite the beat, our numbers remain largely unchanged due to lower other income (led by increased payout to 40%) and absence of share of CYL's profit from IASI post its sale.
- Industry-leading growth coupled with long-term opportunities:** At current momentum, we expect CYL to continue leading industry growth (~12% YoY CC in FY18E), and over the longer term, it remains well placed to address opportunities in the Engineering and Defense segments. Additionally, while spend in the Aerospace industry has been changing, CYL has been successfully transforming its offerings to maintain relevance to its customers and continue growth. We see favorable risk-reward at 14.4/12.4x FY18/19E earnings. Our price target of INR600 discounts FY19E earnings by 14x. **Buy.**

Y/E March	Quarterly Performance								(INR Million)			
	FY17				FY18E				FY17	FY18E	Est. 2QFY18	Var. (%) / bp
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Revenue (USD m)	125	137	136	141	141	150	155	159	538	604	150	-0.1
QoQ (%)	3.1	9.5	-0.5	3.8	0.0	6.5	3.1	2.5	14.0	12.4	6.6	-15bp
Revenue (INR m)	8,349	9,136	9,171	9,410	9,070	9,654	10,138	10,466	36,065	39,327	9,665	-0.1
YoY (%)	15.0	18.4	17.3	15.3	8.6	5.7	10.5	11.2	16.5	9.0	5.8	-12bp
GPM (%)	35.0	34.4	34.0	34.4	34.9	35.4	34.7	35.1	34.4	35.0	35.4	4bp
SGA (%)	22.0	20.4	20.6	21.1	22.1	20.8	21.2	21.2	21.0	21.3	21.3	-54bp
EBITDA	1,090	1,283	1,228	1,249	1,160	1,410	1,369	1,458	4,848	5,397	1,356	4.0
EBITDA Margin (%)	13.1	14.0	13.4	13.3	12.8	14.6	13.5	13.9	13.4	13.7	14.0	58bp
EBIT Margin (%)	10.4	11.5	10.7	10.6	9.9	11.9	11.2	11.6	10.8	11.2	11.4	48bp
Other income	116	184	309	264	350	407	244	251	874	1,252	318	28.1
ETR (%)	25.5	22.6	25.8	18.1	31.2	28.0	26.0	26.0	24.2	27.7	27.0	
PAT	740	973	940	785	876	1,116	993	1,060	3,699	4,045	1,054	5.9
QoQ (%)	-12.3	31.5	-3.4	-16.5	11.6	27.4	-11.0	6.8			20.3	710bp
YoY (%)	-1.1	-1.2	8.3	-7.0	18.4	14.7	5.6	35.0	7.4	9.4	8.3	639bp
EPS (INR)	6.6	8.7	8.4	7.0	7.8	9.9	8.8	9.4	32.9	36.0	9.4	
Headcount	12,082	12,286	12,155	12,048	12,048	12,201	12,537	12,837	12,048	13,037	12,201	0.0
Util incl. trainees (%)	73.5	78.0	78.3	77.4	74.1	74.1	75.9	74.5			74.1	0bp
Attrition (%)	19.9	22.7	22.6	15.6	16.6							
Offshore rev. (%)	40.7	40.1	40.4	39.2	40.4	40.4	41.2	41.0			40.4	0bp

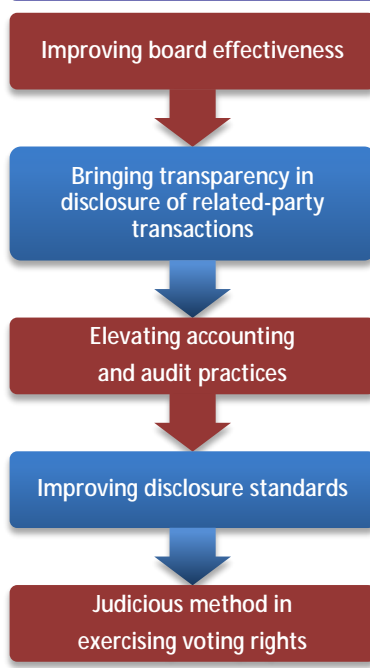


Strategy

Key timelines



Five broad themes



Embarking on a new era of corporate governance

SEBI Committee proposes a host of changes

The 23-member committee formed under the chairmanship of Mr Uday Kotak submitted its 170-page recommendations report on 'Corporate Governance in India' to the Securities and Exchange Board of India (SEBI) on 5 October 2017. The committee was formed with the objective of bridging the gap between the global and Indian corporate governance standards. The report broadly tries to address five key areas: (i) improving board effectiveness, (ii) bringing transparency in disclosure of related-party transactions, (iii) elevating accounting and audit practices, (iv) improving disclosure standards and (v) Judicious method in exercising the voting rights. Further, the committee has proposed a transition window, between 2018-2020, which would give the board's adequate time to effect phased implementation of the recommendations.

Key takeaways

The committee recommendations contained comprehensive detailing on each aspect of governance; however, there were 5 broad themes that were highlighted. Few points, that stood out for us, within these themes have been listed below:

1. Board effectiveness

- n Listed companies are required to have at least six directors on the board, with a minimum of 50% representation of independent directors — including one woman director. According to the Companies Act 2013, currently, a minimum of three directors are required on the board of a public limited company.
- n The committee has proposed (i) disclosure of the expertise of the directors being appointed, (ii) increasing the number of board meetings from four to five every year and (iii) capping the maximum number of directorships to seven by April 2020.
- n Starting April 2020, companies with a public shareholding of 40% or more will need to separate the roles of chairperson and CEO, and appoint a non-executive chairperson in order to prevent excessive concentration of power in one individual.
- n Boards must meet more often, and disclose if they refuse to accept any of the recommendations of audit or remuneration committees.

2. Related-party transactions

- n Disclosure of related-party transactions (RPT) to be made on half yearly basis. ARs to disclose RPTs with entities holding 10% or more in the company.
- n Definition of 'related party' will be made stricter to prevent darling deals from going undetected.

3. Accounting and audit practices

- n Audit committees to monitor the flow of funds to unlisted subsidiaries, including those established overseas, while listed entities should put in place proper regulatory framework.
- n Auditors to have the right to seek independent opinion in case of conflicting views about the company.
- n Total fees for all services paid by the group to the auditor and its network firms to be disclosed.

4. Disclosure and transparency

- n Enhanced disclosure requirements related to abrupt resignation of independent directors and auditors should be put in place.
- n Transparent framework to regulate the information rights of certain promoters and significant shareholders to prevent any abuse and unlawful exchange of unpublished price sensitive information (UPSI). The committee proposed a formal signing of the 'Access to Information Agreement,' which will cover terms of information sharing.
- n Listed entities to disclose details of such holders of global depository receipts who hold more than 1% shareholding of an entity to the stock exchange as part of the disclosure on shareholding pattern on a quarterly basis.
- n Disclosures made by the listed entity on its website and submitted to the stock exchanges should be in a searchable format that allows users to find relevant information easily. Specifically, all disclosures made to the stock exchanges by listed entities should be in XBRL format.
- n Listed entity may be required to disclose all credit ratings obtained by the entity for all its outstanding instruments annually to stock exchanges and also on its website which shall be updated on a regular basis as and when there is any change. In addition, the SEBI may consider requiring the credit rating agencies and the stock exchanges to set up a mechanism by which the ratings may be sent directly from the credit rating agencies to the stock exchanges.

5. Judicious method in exercising voting rights

- n Live one-way webcasts of all shareholder meetings to be mandatory for top 100 companies (based on market capitalization).
- n No voting rights attached to treasury stock shall be exercisable after three years.
- n The committee recommends that a common stewardship code be created for the financial sector on the lines of global best practices.



Bharti Airtel

BSE SENSEX 32,182 S&P CNX 10,096

CMP: INR400

TP: INR470(+18%)

Buy



Stock Info

	BHARTI IN
Bloomberg	BHARTI IN
Equity Shares (m)	3,997.3
52-Week Range (INR)	438 / 284
1, 6, 12 Rel. Per (%)	-1/8/12
M.Cap. (INR b)	1,599.1
M.Cap. (USD b)	24.6
Avg Val, INRm	1432
Free float (%)	32.9

Financials Snapshot (INR b)

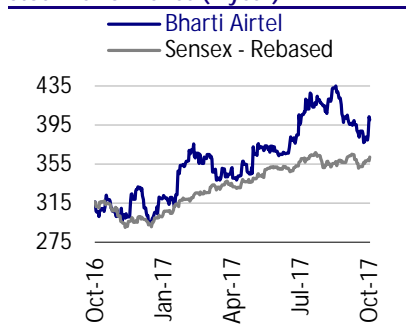
Y/E Mar	2017	2018E	2019E
Net Sales	954.7	878.8	944.6
EBITDA	353.3	307.3	330.1
PAT	44.4	9.6	12.8
EPS (INR)	11.1	2.4	3.2
Gr. (%)	-6.4	-78.4	33.8
BV/Sh (INR)	168.8	169.9	171.9
RoE (%)	6.7	1.4	1.9
RoCE (%)	5.4	3.0	3.2
P/E (x)	36.0	167.0	124.8
P/BV (x)	2.4	2.4	2.3
EV/EBITDA (x)	7.5	8.5	7.7

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	67.1	67.1	66.8
DII	10.3	11.2	10.5
FII	16.2	15.3	16.4
Others	6.4	6.5	6.4

FII Includes depository receipts

Stock Performance (1-year)



Bharti announces acquisition of TTSL – a strategic move

Deal highly in favor of Bharti, in our view

§ Bharti Airtel (BHARTI) has announced the acquisition of Tata Teleservices' (TTSL) consumer telecom business at a potential EV of INR20b (as per media sources). The deal implies EV/sales of meager 0.2x. The move is expected to expand Bharti's gross revenue market share to ~39% and subscriber market share to 30%.

§ The acquisition will allow BHARTI to further strengthen its spectrum portfolio by adding 71.3mhz of liberalized spectrum (40%) in the 2,100mhz and 1,800mhz bands (also adds 2nd and 3rd carrier spectrum). We believe the company may not retain the rest of the administered spectrum (60%), which is valid for meager 2-3 years (expiry in 2021), restricting capex.

§ Our workings indicate potential EBITDA of INR30b from the TTSL acquisition in 2-3 years, which is ~9% of BHARTI's consolidated EBITDA. At 7x EV/EBITDA, it offers potential upside of 12%. We remain positive on BHARTI, with a target price of INR470.

Revenue market share to increase 5% at EV of INR20b (EV/sales of 0.2x)

BHARTI announced the acquisition of TTSL's consumer business at a meager enterprise value of ~INR20b (as per media sources). This reflects the diminishing bargaining power of sellers in the ongoing telecom sector consolidation. The deal implies just 25% deferred spectrum payment liability taken by BHARTI out of the total deferred payment liability of INR82b. According to TRAI data, TTSL's annualized revenue stood at INR88.7b (annualized 1QFY18 numbers), with a 5% gross revenue market share (6.1% AGR market share). TTSL has 35m VLR subscribers, with a 3.5% subscriber market share. The deal implies meager EV/sales of 0.2x. Even if we assume revenue loss of 25% due to the CDMA shutdown and the loss of second SIM usage (of TTSL), the deal should allow BHARTI to increase its gross revenue market share to 38% (AGR market share to ~40%). This could allow the company to retain its leadership position, considering Vodafone-Idea may lose 300-400bp market share in the ongoing merger process.

Will gain attractive 71mhz of liberalized spectrum largely in 2,100mhz band

TTSL holds 71.3mhz of liberalized spectrum out of the total 178.5mhz spectrum (i.e. 40% of total spectrum). Of this, 45mhz (80% of liberalized spectrum) is in the 2,100mhz band, providing BHARTI multiple carriers in the 2,100mhz band in 9 out of the 22 circles. Additionally, it will get 5mhz block in three key circles – Mumbai, AP and Maharashtra. This will increase its holding to 2, 3 and 4 blocks in Mumbai, AP and Maharashtra, respectively, in the attractive 1,800mhz spectrum. Out of rest of the spectrum, nearly 60% is in the attractive 1,800mhz band. However, we believe that there is limited benefit in liberalizing the rest of the spectrum (by paying proportionate auction price), as it would be expiring in 2021.

Expect EBITDA of INR30b with a margin of 45%

We understand that TTSL remains loss-making at EBITDA level, which could be largely due to sub-optimal network utilization having network cost at 30-35% (~50,000 cell sites and a bloated fixed-cost structure). Assuming BHARTI would lose 25% market share due to the potential CDMA shutdown and the loss of second SIM usage (of TTSL), our workings indicate that it can potentially garner 45% EBITDA margin, with EBITDA of INR30b in the 2-3 years of business integration. This will be primarily driven by three factors: (1) BHARTI's robust network should allow it to reduce network cost by ~80%, including IRU (indefeasible right to use) toward TTSL's fiber optic usage. (2) BHARTI should be able to completely curtail TTSL's bloated fixed costs, including employee cost. (3) We expect access cost to reduce by 500bp on the back of the lower IUC rate and the offnet call proportion on BHARTI's network.

Deal offers potential upside of 12%; remain positive with TP of INR470

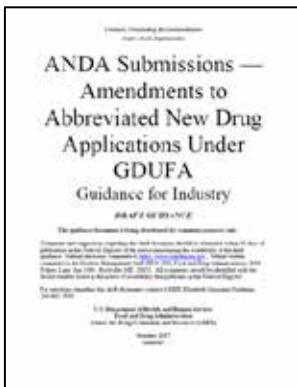
TTSL's EBITDA of INR30b is 17% of BHARTI's India wireless EBITDA and 9% of consolidated EBITDA on FY19E. Assuming 7x EV/EBITDA, the potential enterprise value gain from the TTSL deal is INR207b, i.e. about 8% on BHARTI's current EV of INR2,500b. With net debt of INR20b (deferred spectrum payment), the net equity value works out to be INR187b, offering 12% potential upside on FY19E. We believe the deal is significantly in favor of BHARTI for two reasons. (1) Improvement in the revenue market share should translate into strong EBITDA contribution on the back of operating synergies. (2) It should strengthen BHARTI's 2,100mhz and 1,800mhz spectrum portfolio in the key circles. We have not factored in the upside from the deal as we await further clarity. We remain positive on BHARTI with an SOTP-based TP of INR470, valuing India wireless and Africa operations at EV/EBITDA of 9x and 4x, respectively.



Brace for faster approval and more competition

Guidance document focuses on expediting approval and launch process

- n Multiple review cycles required to obtain ANDA approval by the USFDA has been one of the key concerns in the pharmaceutical industry as it delays the approval process. More than 80% of the pending ANDAs have been issued at least one review communication by the USFDA. Notably, around 1,800 ANDA applications are back with the industry, awaiting resubmission to correct deficiencies in the original ANDA filings. According to the USFDA, it takes around four review cycles to approve an ANDA due to the deficiencies by the generic drug sponsors. In the first week of Oct-17, the USFDA issued four guidance documents to provide further visibility on the ANDA filing and approval process.
- n **Guidance on amendments to ANDAs under GADUFA II:** The USFDA recently issued a draft guidance document explaining how the review goals established as part of GDUFA II apply to amendments to ANDAs and Patient Administration Systems (PAS). The guidance explains that how the amendment submission may affect the review goal dates. Under GDUFA I, amendments were classified into a complex tier system. Although GDUFA II still depends on several common factors (similar to GDUFA I), it will no longer subject them to a tier system. The FDA has categorically mentioned in this recommendation that it will respond to 90% of the minor amendments to the ANDAs within three months of the submission date, while major amendments may take 6-10 months.
- n **Draft guidance to make complex generics approval process more efficient:** The USFDA issued a guidance document describing an enhanced pathway for discussion between the USFDA and the complex generic filer through product development meetings (pre- and post-filing). Due to the challenging requirements for complex generic products, cost of development and approval timelines become a deterrent for prospective generic filers. Notably, in the plain oral segment, generic penetration has reached ~80%, while in the complex areas like derma, inhalations and long-acting injectable, generic penetration is only 10-40%. This guidance document outlines goals and criteria for accepting product development, pre-submission and mid-review-cycle meetings.
- n **Record approvals in FY17; trend expected to continue:** In FY17 (Sep-17 end), the USFDA approved a record 763 ANDAs, exceeding the FY16 approvals of 651. ~26% of all approved generics were approved in the last four years. Given that the USFDA in GDUFA II (FY18-22) is targeting a review cycle of 8-10 months, approvals can increase even further. Also, in September 2017, a record 202 ANDAs were filed, compared to the monthly average of 107 in FY17. This could be primarily because of the increase in GDUFA fees for ANDA filings from October 2018 (to USD171,823 v/s USD70,480).
- n **More competition expected going forward:** In GDUFA I (FY12-17), the USFDA was expecting ~750 ANDA filings annually, but witnessed ~1,000. The enhanced focus on the filing and approval process, coupled with the existing ANDA backlog of >4,000, will lead to faster approvals, and thus, more competition. This would mean that the base business will continue being under pressure due to new competition. On the brighter side, this also provides visibility for the Indian generic players to enter complex areas such as inhalation (LPC, CIPLA), ophthal (SUNP) and peptides (ARBP)





MCX

Bloomberg	MCX IN
Equity Shares (m)	51.0
M. Cap. (INR b)/(USD b)	53 / 1
52-Week Range (INR)	1411 / 932
1,6,12 Rel Perf. (%)	-2 / -17 / -32

CMP: INR1,048 TP: INR1,300 (+24%) Buy

- Total volumes at MCX traded during the quarter stood at INR14.1t, up 17.0% QoQ and down 14.0% YoY.
- Volumes at MCX have been severely impacted post demonetization. Barring bullion, other commodities have been seeing stability in the past few months. Gold volumes in 2QFY18 are down 38.7% YoY. However, volumes have seen a sharp rebound on a sequential basis, growing by 12.0% YoY, which is an encouraging sign.
- Despite the volume decline of 14.0% YoY on MCX, our revenue growth estimate stands at +8.3% YoY, given the fact that it took a ~25% price hike in late 2017.

Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	24.7	27.6	31.3	35.7
EBITDA	2.8	3.2	3.9	4.8
NP	1.7	2.0	2.5	3.1
EPS (INR)	13.5	15.7	19.4	24.3
EPS Gr. (%)	6.8	16.2	23.8	24.8
BV/Sh.(INR)	103.0	115.1	130.3	149.8
RoE (%)	13.9	14.4	15.8	17.3
RoCE (%)	14.1	14.5	16.0	17.3
Payout (%)	19.5	23.1	21.7	19.9
Valuations				
P/E (x)	53.7	46.2	37.3	29.9
P/BV (x)	7.0	6.3	5.6	4.8
EV/EBITDA (x)	31.6	27.0	21.5	17.0
Dividend yield	0.3	0.4	0.5	0.6

Key things to watch for

- Ø Roadmap of the launch of Options
- Ø Expectations of volume revival
- Ø Pace of reforms under SEBI

Quarterly Performance

	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales	582	596	634	574	557	645	686	727	2,386	2,615
Q-o-Q Gr. (%)	16.9	2.3	6.5	-9.5	-3.0	15.9	6.4	5.9	11.7	9.6
Staff Costs	143	144	198	160	162	164	166	168	644	661
Other expenses	265	257	296	335	297	306	311	315	1,116	1,130
Depreciation	49	42	45	49	54	54	54	54	186	215
EBIT	125	152	96	30	44	121	156	190	440	610
Margins (%)	21.5	25.6	15.1	5.2	8.0	18.8	22.7	26.1	18.4	23.3
Other Income	356	359	363	295	353	372	386	397	1,373	1,507
PBT bef. Exceptional items	480	511	459	325	396	493	542	586	1,811	2,115
Tax	152	134	119	106	99	123	135	146	512	504
Rate (%)	31.7	26.3	26.0	32.6	25.0	25.0	25.0	25.0	28.3	23.8
PAT	328	376	339	219	297	370	406	440	1,299	1,611
Q-o-Q Gr. (%)	14.1	14.8	-9.9	-35.5	35.9	24.4	9.9	8.3	210.6	27.6
EPS (INR)	6.5	7.4	6.7	4.3	5.8	7.2	8.0	8.6	25.5	31.6
Total volumes (INR t)	16.0	16.4	13.9	12.4	12.0	14.1	15.6	16.9	58.7	58.6
Q-o-Q Gr. (%)	7.3	2.3	-15.2	-10.3	-3.4	17.0	11.1	8.0		
Y-o-Y Gr. (%)	17.7	10.3	6.4	-16.5	-24.8	-14.0	12.6	35.7	4.1	-0.1

E: MOSL Estimates



Reliance Industries

Bloomberg	RIL IN
Equity Shares (m)	6502.0
M. Cap. (INR b)/(USD b)	5359 / 82
52-Week Range (INR)	872 / 466
1,6,12 Rel Perf. (%)	2 / 11 / 39

Financial snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Net Sales	2,420	3,198	3,723	3,828
EBITDA	433	516	565	572
Net Profit	314	356	407	443
Adj. EPS (INR)	48.3	54.7	62.6	68.1
EPS Gr. (%)	14.6	13.2	14.4	8.8
BV/Sh. (INR)	464	513	569	630
RoE (%)	11.6	11.7	12.1	11.9
RoCE (%)	9.1	10.0	10.7	10.6
Payout (%)	13.3	14.4	14.4	14.4

Valuations

P/E (x)	17.1	15.1	13.2	12.1
P/BV (x)	1.8	1.6	1.4	1.3
EV/EBITDA (x)	14.7	10.9	8.8	7.8
EV/Sales (x)	2.6	1.8	1.3	1.2

CMP: INR824 TP: INR938 (+14%) Neutral

- n We expect RIL to report GRM of USD12.6/bbl v/s USD11.7/bbl in 1QFY18 and USD10.1/bbl in 2QFY17. We model a premium of USD4.3/bbl over benchmark GRM of USD8.3/bbl which is up +62% YoY and +29% QoQ.
- n Petchem segment is expected to do better despite decline in HDPE and LDPE delta, with RIL being an integrated player and strong volume growth in the segment.
- n We expect RIL to report EBITDA of INR126.4b v/s INR115.8b in 1QFY18 and INR105.5b in 2QFY17.
- n We expect RIL to report standalone PAT of INR88.2b (+15% YoY and +8% QoQ).
- n RIL trades at 13.2x FY19E adjusted EPS of INR62.6. Its new refining/petchem projects are likely to add to earnings from 2HFY18/FY19, but the telecom business would be a drag on profitability. Maintain Neutral.

Key issues to watch for

- Ø GRM.
- Ø Petchem margins.
- Ø Progress on core expansions.
- Ø Update on telecom venture.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	534,960	595,770	618,060	671,460	642,170	737,250	905,717	912,631	2,420,250	3,197,768
YoY Change (%)	-18.7	-2.0	9.3	34.4	20.0	23.7	46.5	35.9	3.8	32.1
Total Expenditure	426,790	490,220	512,020	558,660	526,280	610,803	767,458	777,291	1,987,690	2,681,833
EBITDA	108,170	105,550	106,040	112,800	115,890	126,447	138,258	135,339	432,560	515,935
Margins (%)	20.2	17.7	17.2	16.8	18.0	17.2	15.3	14.8	17.9	16.1
Depreciation	19,500	20,290	20,770	24,090	21,580	23,000	27,456	27,456	84,650	99,492
Interest	9,240	6,330	9,310	2,350	7,880	9,355	9,355	9,355	27,230	35,944
Other Income	20,330	22,800	30,250	13,710	19,180	19,000	24,558	24,558	87,090	87,295
PBT	99,760	101,730	106,210	100,070	105,610	113,092	126,006	123,087	407,770	467,795
Tax	24,280	24,690	25,990	18,560	23,650	24,880	27,721	27,079	93,520	103,331
Rate (%)	24	24	24	19	22	22	22	22	23	22
Adj PAT	75,480	77,040	80,220	81,510	81,960	88,212	98,284	96,008	314,250	364,464
YoY Change (%)	19.5	17.4	11.1	11.4	8.6	14.5	22.5	17.8	14.6	16.0
Margins (%)	14.1	12.9	13.0	12.1	12.8	12.0	10.9	10.5	13.0	11.4
Key Assumptions										
Refining throughput (mmt)	16.8	18.0	17.8	17.5	17.3	17.5	17.5	17.5	70.1	69.8
GRM (USD/bbl)	11.5	10.1	10.8	11.5	11.9	12.6	11.0	11.0	11.0	11.6
Petchem EBITDA/tonne (USD/MT)	303.8	314.4	329.4	313.7	348.9	370.0	300.0	280.0	315.3	324.7
Petchem volumes (mmt)	1.9	2.1	2.0	2.1	2.2	2.3	3.0	3.0	8.1	10.5

E: MOSL Estimates



1. LUPIN: Expect acquisitions to boost growth; several products lined up for next year; Ramesh Swaminathan, CFO & ED

- n Infection impacts about 21 million people in America, there are about 6 billion prescriptions. Have not decided on the price point as yet but could be between USD 150-200 per prescription. Large market and looking at about USD 200 million.
- n Unique proposition because it is a single dose oral treatment which is differentiated from anything else available in the market today. One of the reasons for being fairly bullish about product. Product has ten years of exclusive exclusivity. Early part of next year is when company wants to launch it.
- n Optimistic about getting Goa EIR resolved at the earliest.
- n US FDA have expedited approvals. Have got about 120 odd products but expect about 200 odd to be cleared, launches with next two-three years.
- n Regarding Ekta: Renvela Generic, expect approvals but think it will be first quarter of next year launch.
- n Few interesting products lined up for next year. Renvela and Levothyroxine good products. All potential launches for FY19. However, think FY20 could be much better for company.
- n Committed to developing specialty franchise especially women health portfolio. Also looking at the pediatric space.
- n Possible to fund deal via internal accruals. Should be looking at funding from outside as have the capacity to raise money on balance sheet.

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2. COAL INDIA: Confident of achieving 600mt production target in FY18; Gopal Singh, Chairman

- n Wage agreement has been unique. Main thrust has been to provide reliable and affordable power for all.
- n Outgo on account of wage increase will be 100 percent compensated by improvement in production.
- n Major part of the wage bill has been provided for.
- n FY18 capex target at Rs 8,500 crore.
- n Don't want to comment on wage revision.
- n Confident of achieving 600 million tonne (mt) production target in FY18.
- n October growth till date is at 11 percent and growth for September is at 10 percent.

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3. CENTURY PLY: See 25% revenue growth in fy19; entering laminated flooring tiles & doors; Keshav Bhajanka, ED

- n New medium-density fibreboard (MDF) plant will add Rs 150 crore in FY18 itself.
- n EBITDA margin in MDF seen around 30 percent. Will see Rs 400 crore revenue from MDF in FY19.
- n Early festive season a drag as construction slows down.
- n Company entering into laminated flooring tiles and doors.
- n See 25 percent revenue growth in FY19.
- n Demand situation hasn't improved. However, shift from unorganised sector has begun to happen.
- n Have started gaining market share in the sector.

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4. LAKSHMI VILAS BANK: Loan growth will remain at current levels for fy18

- n Bank in the midst of raising capital. Retail book doing particularly well. Improvement in net interest margins (NIMs) and net interest incomes (NIIs) because liability franchise has been doing well.
- n Expect steady set of NIMs to be in the range of 2.7-3 percent.
- n Board has approved capital raising of Rs 800 crore through rights issue.
- n Bank has exposure to nine accounts of the top 12 accounts sent to Insolvency and Bankruptcy Code (IBC). Don't have too much of concern there.
- n Loan growth will remain at current levels of 14 percent for FY18. Don't anticipate a sharp increase in credit growth after capital raising.

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1. India's GDP: deflating the right way

n A unending debate on the gross domestic product (GDP) growth numbers brought out by the Central Statistics Office (CSO) has been doing the rounds. In 2014-15, the CSO updated the methodology of calculating various macroeconomic parameters produced in the National Accounts Statistics (NAS), in sync with the System of National Accounts (SNA) (2008), which is the internationally agreed, standard set of recommendations on compiling measures of economic activity. However, there is a mismatch between recent trends in the growth rate and an array of high-frequency macroeconomic growth indicators. In light of this, I discuss the shortcomings of the deflation methodology used to calculate growth rates. There are two methodologies for deflating the current price GVA (gross value added) numbers to their constant price equivalents: single deflation and double deflation. While the single deflation method argues for one-time series proxy deflator for both input and output at the current price, the double deflation method involves using a different deflator for output and input, for obtaining values of output and GVA at constant prices.

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2. On oil, Narendra Modi government is more responsive, but many outstanding issues remain

n The government, it has to be said, has come a long way since last year, when exploration had ground to a halt due to unremunerative prices of natural gas and the industry facing all manner of tax and other issues, including non-renewal of mining licenses—see graphic on declining private sector investments. Today, with RIL-BP having announced a \$6 bn investment in the KG Basin, things look quite different. This optimism was reflected in the meeting prime minister Modi had with various global oil and gas companies this week, and some like Saudi Aramco have already talked of large investments after the meeting; Russia's Rosneft, similarly, has just sealed a \$12.9 bn acquisition of Essar Oil. While both these are in the refining/marketing space where India is an attractive market—from 4.5mn bpd today, oil demand will rise to 7.5 mn bpd by 2030 and gas from 56bcm to 100bcm—the real issue is whether there will be enough investment in exploration where Modi's target is reducing India's import-intensity by 10% over the next five years.

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3. A 'Regulatory Lab' for financial inclusion


n In a recent report, the Reserve Bank of India's (RBI) household finance committee found the average Indian household keeps just 5% of its wealth in financial assets. Most is held in real estate and gold. When borrowing, Indian households are nearly as avoidant of formal financial services. In times of emergency, half of households turn to family, friends and moneylenders. The July 2017 report, "Indian Household Finance", found many barriers to participating in the formal financial system. While some of these barriers are cultural, such as low trust in financial institutions, many are supply-side frictions. Banks' "one-size-fits-all" products don't account for the complexity of Indians' financial lives, and transaction costs are high. While Indians' low participation in the formal financial sector is unusual compared with households in other countries, these supply-side frictions are not. Globally, technological innovation is bringing more customized solutions to market for underserved households.

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International

4. Three scenarios for the global economy

- n For the last few years, the global economy has been oscillating between periods of acceleration (when growth is positive and strengthening) and periods of deceleration (when growth is positive but weakening). After over a year of acceleration, is the world headed toward another slowdown, or will the recovery persist? The current upswing in growth and equity markets has been going strong since the summer of 2016. Despite a brief hiccup after the Brexit vote, the acceleration endured not just Donald Trump's election as US president, but also the heightening policy uncertainty and geopolitical chaos that he has generated. In response to this apparent resilience, the International Monetary Fund, which in recent years had characterized global growth as the "new mediocre," recently upgraded its World Economic Outlook.

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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	693	854	23	28.0	25.6	32.9	24.8	27.1	4.6	4.0	20.3	15.8	17.7
Ashok Ley.	Buy	125	145	16	4.6	5.3	7.0	27.5	23.5	6.0	5.3	23.1	23.8	27.0
Bajaj Auto	Buy	3,154	3,589	14	132.3	144.4	174.3	23.8	21.8	5.4	4.8	25.3	23.2	25.3
Bharat Forge	Buy	648	726	12	13.1	18.3	25.5	49.5	35.4	7.3	6.4	16.2	19.3	22.9
Bosch	Neutral	21,108	22,781	8	473.1	540.8	698.6	44.6	39.0	7.3	6.6	15.8	17.8	20.5
CEAT	Buy	1,729	2,029	17	93.3	94.2	126.8	18.5	18.3	2.9	2.5	16.9	14.8	17.3
Eicher Mot.	Buy	31,285	36,487	17	612.7	826.7	1,119.2	51.1	37.8	15.9	12.0	37.1	36.1	36.4
Endurance Tech.	Buy	1,081	1,229	14	23.5	29.6	39.3	46.0	36.5	8.8	7.3	20.8	21.8	24.0
Escorts	Neutral	700	732	5	20.0	37.1	45.8	35.1	18.9	3.5	3.0	10.6	17.3	18.3
Exide Ind	Buy	206	279	36	8.1	8.9	10.8	25.3	23.0	3.5	3.2	13.9	13.8	14.8
Hero Moto	Neutral	3,742	3,868	3	169.1	185.0	197.1	22.1	20.2	7.4	6.4	35.7	34.0	31.4
M&M	Buy	1,339	1,585	18	54.3	69.5	81.7	24.7	19.3	3.1	2.8	14.2	13.5	14.3
Mahindra CIE	Not Rated	237	-		5.4	9.9	11.8	44.2	24.0	2.7	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	7,904	9,417	19	248.6	285.5	381.7	31.8	27.7	6.6	5.7	20.3	20.4	23.0
Tata Motors	Buy	420	562	34	19.8	20.0	61.3	21.2	21.0	2.5	2.2	9.8	11.0	27.4
TVS Motor	Buy	696	719	3	11.7	15.1	24.5	59.3	46.1	13.7	11.2	25.6	26.7	34.2
Aggregate								29.0	25.4	4.9	4.4	17.1	17.2	22.6
Banks - Private														
Axis Bank	Neutral	525	524	0	15.4	21.8	38.1	34.2	24.0	2.3	2.2	6.9	9.3	14.7
DCB Bank	Neutral	189	188	0	7.0	8.4	10.4	27.0	22.5	2.8	2.3	10.8	11.4	11.8
Equitas Hold.	Buy	152	212	40	5.0	1.7	6.1	30.1	89.3	2.3	2.2	9.5	2.5	8.6
Federal Bank	Buy	118	139	18	4.8	5.4	6.8	24.5	21.9	2.3	1.9	9.9	10.0	10.5
HDFC Bank	Buy	1,815	2,066	14	56.8	68.2	82.6	32.0	26.6	5.4	4.7	18.3	18.8	19.7
ICICI Bank	Buy	268	366	37	15.3	14.5	16.6	17.5	18.5	2.0	1.8	10.2	8.6	9.3
IDFC Bank	Neutral	59	56	-6	3.0	2.8	3.2	19.8	21.3	1.4	1.3	7.2	6.3	6.9
IndusInd	Buy	1,743	1,948	12	47.9	61.9	76.8	36.3	28.2	5.3	4.6	15.4	17.3	18.5
J&K Bank	Neutral	73	91	24	-31.3	3.9	8.3	NM	19.0	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	1,058	1,197	13	26.8	32.4	41.0	39.4	32.6	5.1	4.6	13.8	15.0	16.3
RBL Bank	Buy	516	651	26	11.9	17.2	22.5	43.4	30.0	4.6	3.2	12.3	13.0	13.3
South Indian	Buy	31	36	15	2.5	1.9	3.8	12.6	16.9	1.2	1.2	9.0	6.7	12.6
Yes Bank	Buy	365	446	22	14.6	18.5	22.9	25.0	19.8	3.9	3.4	18.9	18.3	19.5
Aggregate								29.8	24.3	3.4	3.0	11.5	12.4	14.2
Banks - PSU														
BOB	Buy	139	217	57	6.0	9.5	20.8	23.2	14.5	0.9	0.9	4.0	6.1	12.4
BOI	Neutral	133	141	6	-14.8	-11.2	6.6	NM	NM	0.6	0.6	-6.7	-5.2	3.0
Canara	Neutral	304	323	6	18.8	30.1	47.0	16.2	10.1	0.6	0.6	4.2	6.2	9.1
IDBI Bk	Neutral	52	49	-5	1.5	6.4	8.6	34.1	8.1	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	273	333	22	29.3	34.4	38.3	9.3	7.9	0.9	0.8	10.1	10.9	11.2
OBC	Neutral	114	150	32	-31.6	17.1	21.4	NM	6.7	0.3	0.3	-8.4	4.6	5.4
PNB	Buy	134	184	38	6.2	5.8	11.0	21.5	22.9	0.7	0.7	3.6	3.2	5.9
SBI	Buy	252	341	36	0.3	14.6	26.8	845.8	17.2	1.2	1.1	-0.2	7.0	11.4
Union Bk	Neutral	127	135	7	8.1	9.0	19.1	15.7	14.0	0.4	0.4	2.7	3.0	6.1
Aggregate								92.6	16.4	0.8	0.8	0.9	4.6	8.3
NBFCs														
Bajaj Fin.	Buy	1,952	2,300	18	32.0	45.4	62.9	60.9	43.0	11.7	6.9	21.6	20.1	20.2
Bharat Fin.	Neutral	1,000	900	-10	21.0	29.9	54.9	47.6	33.5	5.6	4.6	15.1	15.1	22.4
Capital First	Buy	758	925	22	24.6	32.8	42.4	30.7	23.1	3.2	2.9	12.0	13.2	15.0
Cholaman.Inv.&Fn	Buy	1,154	1,400	21	46.0	56.0	68.1	25.1	20.6	4.2	3.6	18.0	18.6	19.2
Dewan Hsg.	Buy	533	690	29	29.6	37.7	47.1	18.0	14.1	2.1	1.9	14.4	14.1	15.6
GRUH Fin.	Neutral	524	490	-7	8.1	9.9	11.7	64.4	52.7	19.3	15.8	32.5	33.0	31.8
HDFC	Buy	1,755	2,020	15	46.8	52.2	58.2	37.5	33.6	6.9	6.3	18.9	18.6	17.8
Indiabulls Hsg	Buy	1,272	1,450	14	69.0	84.2	105.6	18.4	15.1	4.4	3.9	25.5	27.6	30.6
L&T Fin Holdings	Buy	203	230	13	5.2	6.8	10.1	38.8	29.6	4.6	4.0	12.4	14.7	18.5
LIC Hsg Fin	Neutral	651	730	12	38.2	41.6	48.9	17.0	15.7	3.1	2.7	19.4	18.2	18.5

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Manappuram	Not Rated	102	-		8.6	9.2	9.7	11.8	11.1	2.6	2.4	24.0	22.3	21.4
M&M Fin.	Buy	422	481	14	7.1	13.9	17.8	59.5	30.4	3.8	3.5	6.5	12.0	14.2
Muthoot Fin	Buy	495	550	11	29.5	38.7	44.4	16.8	12.8	3.0	2.6	19.4	21.8	21.2
PNB Housing	Buy	1,500	1,750	17	31.6	48.1	65.1	47.4	31.2	4.6	4.1	13.8	13.8	16.6
Repco Home	Buy	642	800	25	29.1	33.7	38.4	22.0	19.0	3.5	3.0	17.4	17.1	16.7
Shriram City Union	Buy	1,982	2,700	36	84.3	118.3	155.3	23.5	16.8	2.6	2.3	11.7	14.6	16.8
STF	Buy	1,102	1,320	20	55.6	80.0	102.4	19.8	13.8	2.2	2.0	11.7	15.0	16.9
Aggregate								31.4	25.3	5.0	4.3	16.1	17.1	18.0
Capital Goods														
ABB	Sell	1,360	1,235	-9	19.7	22.4	31.6	69.0	60.7	8.8	7.7	12.7	12.6	15.8
Bharat Elec.	Buy	169	187	11	6.3	6.7	7.4	26.8	25.1	5.5	4.3	20.6	17.1	17.0
BHEL	Sell	85	75	-11	1.3	2.7	3.8	63.2	31.1	1.0	0.9	1.5	3.1	4.1
Blue Star	Neutral	789	690	-13	12.9	17.1	25.5	61.3	46.2	10.0	9.4	18.0	20.9	28.9
CG Cons. Elec.	Buy	211	240	14	4.7	5.0	6.3	45.1	41.9	24.5	18.1	76.4	49.7	48.8
CG Power & Indu.	Neutral	79	80	2	4.1	2.0	2.5	19.1	38.6	1.2	1.1	6.2	3.0	3.7
Cummins	Buy	895	1,170	31	26.5	27.7	35.0	33.8	32.4	6.6	6.1	21.2	19.7	22.8
GE T&D	Neutral	382	395	3	5.7	9.3	11.3	66.7	41.1	9.5	8.3	12.4	21.5	22.7
Havells	Neutral	531	460	-13	9.6	10.7	13.9	55.5	49.4	10.1	9.1	18.2	18.3	20.9
K E C Intl	Neutral	304	295	-3	11.9	13.1	16.4	25.6	23.3	4.9	4.2	21.2	19.5	20.9
L&T	Buy	1,143	1,400	23	42.3	46.5	56.6	27.0	24.6	3.2	2.9	12.5	12.4	13.8
Pennar Eng.	Not Rated	99	-		7.1	9.1	11.2	14.0	10.9	1.4	1.3	10.2	11.6	12.6
Siemens	Neutral	1,246	1,355	9	17.8	21.7	33.4	69.9	57.5	6.5	5.7	9.3	9.8	13.8
Solar Ind	Neutral	1,003	900	-10	20.6	24.2	30.0	48.7	41.4	8.9	7.6	19.8	19.8	20.9
Suzlon Energy	Not Rated	16	-		0.6	0.9	1.0	24.9	17.9	-1.4	-1.6	NM	-8.8	-11.0
Thermax	Neutral	921	840	-9	30.8	30.1	33.4	29.9	30.6	4.1	3.7	14.3	12.7	12.8
Va Tech Wab.	Buy	584	800	37	29.8	34.6	39.8	19.6	16.9	3.2	2.8	16.8	17.6	17.4
Voltas	Sell	535	470	-12	15.5	16.8	19.1	34.6	31.9	5.4	4.8	18.0	15.8	16.0
Aggregate								34.6	30.4	3.9	3.5	11.2	11.6	13.1
Cement														
Ambuja Cem.	Buy	278	317	14	4.9	7.0	8.2	56.8	39.9	2.9	2.7	5.1	7.0	7.9
ACC	Neutral	1,742	1,706	-2	36.1	51.0	66.9	48.2	34.2	3.8	3.6	7.9	10.8	13.5
Birla Corp.	Buy	1,010	1,150	14	28.5	40.9	58.9	35.4	24.7	2.4	2.2	7.1	9.2	12.2
Dalmia Bharat	Buy	2,722	3,272	20	38.8	62.9	88.3	70.2	43.2	4.9	4.4	7.2	10.7	13.3
Grasim Inds.	Neutral	1,137	1,276	12	67.8	70.6	101.2	16.8	16.1	1.7	1.5	10.8	10.0	12.9
India Cem	Neutral	179	198	11	5.6	7.5	10.8	31.8	23.8	1.1	1.0	3.4	4.4	6.1
J K Cements	Buy	975	1,196	23	33.7	39.7	54.4	28.9	24.5	3.9	3.4	14.4	14.8	17.5
JK Lakshmi Ce	Buy	384	485	26	7.0	9.7	16.4	55.1	39.4	3.3	3.0	6.1	8.0	12.3
Ramco Cem	Buy	690	832	21	27.3	27.4	34.4	25.3	25.2	4.4	3.8	19.0	16.1	17.5
Orient Cem	Buy	153	182	19	-1.6	4.4	7.1	NM	34.5	3.2	2.9	-3.2	8.8	12.8
Prism Cem	Buy	108	140	29	0.3	3.5	5.6	396.7	31.1	5.7	4.9	1.4	17.0	22.9
Shree Cem	Buy	18,536	22,084	19	384.4	507.1	547.8	48.2	36.6	8.4	6.9	18.4	20.8	18.8
Ultratech	Buy	3,922	4,937	26	96.1	92.1	138.8	40.8	42.6	4.5	4.2	11.6	10.1	14.0
Aggregate								36.9	31.3	3.5	3.2	9.4	10.2	12.4
Consumer														
Asian Paints	Neutral	1,160	1,315	13	21.0	22.2	26.5	55.2	52.3	14.6	13.3	28.5	26.7	28.1
Britannia	Buy	4,558	5,165	13	73.7	85.3	104.6	61.9	53.4	20.3	16.7	36.9	34.3	34.5
Colgate	Buy	1,110	1,385	25	21.2	24.5	29.8	52.3	45.4	23.7	22.5	50.4	50.8	58.2
Dabur	Neutral	325	330	1	7.2	7.7	9.1	44.9	42.1	11.8	10.1	28.4	26.0	26.3
Emami	Buy	1,124	1,400	25	26.5	26.9	33.1	42.4	41.8	14.5	12.4	35.8	32.0	33.9
Godrej Cons.	Neutral	974	1,005	3	18.9	21.5	24.7	51.5	45.2	12.5	9.7	24.6	24.2	22.8
GSK Cons.	Neutral	5,000	4,630	-7	156.1	158.1	182.1	32.0	31.6	6.7	6.6	22.2	21.1	22.6
HUL	Buy	1,238	1,400	13	19.6	22.9	27.4	63.1	54.0	41.3	40.9	66.5	76.2	87.2
ITC	Neutral	267	290	9	8.4	9.3	10.3	31.8	28.8	7.2	7.1	23.5	24.8	26.3
Jyothy Lab	Neutral	389	410	5	11.2	9.8	11.1	34.7	39.6	6.5	6.5	21.1	16.5	18.4
Marico	Neutral	320	350	9	6.3	6.8	8.2	50.9	46.9	17.8	15.2	36.7	34.9	37.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Nestle	Neutral	7,381	6,160	-17	118.0	115.0	133.6	62.6	64.2	23.6	22.0	39.0	35.5	38.1
Page Inds	Buy	18,643	21,310	14	238.7	294.7	398.4	78.1	63.3	31.2	25.1	40.0	39.6	43.1
Parag Milk	Neutral	269	280	4	3.6	9.1	12.5	74.5	29.5	3.4	3.1	6.0	11.0	13.3
Pidilite Ind.	Neutral	806	865	7	16.7	18.1	20.6	48.2	44.6	12.5	10.2	28.2	25.2	23.5
P&G Hygiene	Neutral	8,608	9,200	7	132.9	151.6	176.0	64.8	56.8	40.6	33.7	39.3	64.9	62.8
Prabhat Dairy	Not Rated	148	-		3.5	3.5	6.4	41.9	42.5	2.1	2.0	5.2	4.9	8.5
United Brew	Buy	851	980	15	8.7	9.9	14.0	98.0	86.0	9.6	8.8	10.2	10.7	13.6
United Spirits	Neutral	2,448	2,600	6	26.7	34.5	51.5	91.6	71.0	18.4	12.8	21.3	18.0	20.3
Aggregate								46.5	42.0	12.8	11.9	27.5	28.3	29.3
Healthcare														
Alembic Phar	Neutral	494	510	3	21.6	19.8	25.5	22.9	25.0	4.9	4.3	23.0	18.4	20.5
Alkem Lab	Neutral	1,831	1,830	0	75.7	72.5	93.3	24.2	25.3	5.2	4.5	23.4	19.0	20.9
Ajanta Pharma	Buy	1,156	1,605	39	58.4	52.8	64.2	19.8	21.9	6.5	5.2	37.7	26.5	25.9
Aurobindo	Buy	745	850	14	39.3	44.9	50.0	19.0	16.6	4.7	3.7	27.6	24.8	22.1
Biocon	Sell	371	330	-11	10.2	9.7	14.2	36.4	38.2	4.6	4.2	12.3	11.1	14.5
Cadila	Buy	501	555	11	14.2	17.5	23.6	35.3	28.6	7.4	6.2	23.0	23.5	26.0
Cipla	Neutral	590	520	-12	15.9	21.1	26.0	37.1	28.0	3.8	3.4	10.2	12.1	13.2
Divis Lab	Neutral	883	720	-18	39.9	33.9	40.4	22.1	26.1	4.4	4.5	22.0	17.0	19.5
Dr Reddy's	Neutral	2,380	2,400	1	72.6	72.6	119.9	32.8	32.8	3.2	3.1	9.7	9.7	14.4
Fortis Health	Buy	150	220	47	10.3	2.2	5.6	14.5	68.8	1.6	1.4	11.3	2.1	4.9
Glenmark	Neutral	604	775	28	39.3	39.7	49.1	15.4	15.2	3.8	3.1	24.7	20.3	20.4
Granules	Buy	134	200	49	7.2	8.0	11.0	18.6	16.8	3.4	2.4	21.1	17.7	18.8
GSK Pharma	Neutral	2,427	2,500	3	34.4	46.8	54.9	70.6	51.9	10.2	11.9	14.5	23.0	30.9
IPCA Labs	Neutral	501	430	-14	16.1	16.6	26.8	31.2	30.2	2.6	2.4	8.6	8.2	12.2
Jubilant Life	Buy	662	905	37	37.0	47.1	56.7	17.9	14.1	3.0	2.5	18.1	19.5	19.6
Lupin	Buy	1,060	1,125	6	56.6	41.4	58.0	18.7	25.6	3.5	3.2	20.9	13.2	16.4
Sanofi India	Buy	4,247	4,850	14	129.1	133.6	160.6	32.9	31.8	5.6	5.3	17.1	16.6	18.1
Shilpa Medicare	Buy	697	805	16	14.0	21.1	30.4	49.7	33.0	6.1	5.2	14.4	17.0	20.4
Strides Shasun	Buy	864	1,300	50	32.3	47.4	74.8	26.8	18.2	2.8	2.5	10.7	14.7	20.2
Sun Pharma	Buy	539	515	-5	26.1	15.1	23.3	20.6	35.8	3.5	3.4	18.1	9.6	13.8
Syngene Intl	Not Rated	491	-		13.0	16.1	18.0	37.7	30.4	7.6	6.2	22.2	22.5	20.7
Torrent Pharma	Neutral	1,279	1,350	6	55.2	53.4	67.3	23.2	23.9	5.0	4.4	23.8	19.5	21.5
Aggregate								24.0	26.7	4.0	3.6	16.9	13.6	16.1
Logistics														
Allcargo Logistics	Buy	165	206	25	9.8	10.3	12.9	16.8	16.1	2.3	2.0	13.7	13.4	15.1
Blue Dart	Not Rated	4,177	-		102.5	129.9	163.2	40.7	32.1	18.1	13.8	50.5	48.6	46.8
Concor	Neutral	1,357	1,214	-11	38.0	42.4	48.6	35.7	32.0	3.7	3.6	10.8	11.4	12.4
Gateway Distriparks	Buy	238	280	18	6.8	8.8	12.2	35.0	27.1	2.5	2.4	7.3	9.2	12.1
Gati	Not Rated	114	-		8.4	15.9	23.9	13.6	7.2	1.9	1.7	12.4	19.4	25.4
Transport Corp.	Not Rated	272	-		16.9	21.0	25.9	16.1	12.9	2.5	2.1	16.7	17.8	18.6
Aggregate								30.5	25.8	3.7	3.5	12.3	13.5	15.1
Media														
Dish TV	Buy	72	106	47	1.0	1.0	2.4	70.3	71.0	15.7	12.8	25.1	19.9	35.2
D B Corp	Buy	375	450	20	20.4	23.7	28.0	18.4	15.8	4.3	3.6	25.1	24.7	23.9
Den Net.	Neutral	86	90	4	-9.3	-2.9	0.1	NM	NM	1.8	2.0	-19.1	-6.4	0.2
Ent.Network	Neutral	791	928	17	11.4	12.2	20.6	69.2	64.9	4.4	4.1	6.7	6.6	10.3
Hind. Media	Buy	247	350	42	25.8	28.5	33.6	9.6	8.7	1.6	1.3	18.2	16.5	16.6
HT Media	Neutral	95	90	-6	7.4	7.3	7.8	12.9	13.0	1.0	0.9	7.9	7.3	7.3
Jagran Prak.	Buy	179	225	26	10.7	12.2	13.4	16.8	14.7	2.7	2.7	18.5	18.6	19.0
Music Broadcast	Buy	399	469	18	6.4	9.3	14.0	62.1	42.8	4.2	3.8	11.2	9.3	12.4
PVR	Buy	1,350	1,597	18	20.5	26.5	43.6	65.8	50.9	6.5	5.8	10.4	12.1	17.3
Siti Net.	Neutral	25	32	29	-1.8	-0.4	0.4	NM	NM	4.0	4.3	-28.7	-7.5	6.4
Sun TV	Neutral	793	860	8	24.9	28.8	36.9	31.9	27.6	7.8	7.1	26.0	27.0	31.6
Zee Ent.	Buy	517	630	22	13.9	12.2	17.8	37.3	42.6	5.8	5.4	19.3	14.7	18.7

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
Aggregate								36.8	31.7	4.9	4.6	13.4	14.5	17.8
Metals														
Hindalco	Buy	264	308	17	8.6	19.8	24.5	30.8	13.3	2.0	1.8	7.4	14.3	15.4
Hind. Zinc	Neutral	315	322	2	19.7	22.4	29.3	16.0	14.1	4.3	4.6	24.4	31.8	37.9
JSPL	Buy	162	192	19	-20.9	-17.4	2.0	NM	NM	0.5	0.5	-7.9	-5.5	0.6
JSW Steel	Buy	256	298	16	14.8	22.3	25.7	17.3	11.5	2.7	2.3	17.3	21.6	20.8
Nalco	Neutral	86	87	1	3.7	4.5	5.8	23.2	19.3	1.6	1.6	7.2	8.3	10.1
NMDC	Buy	119	188	57	10.0	13.1	12.9	12.0	9.1	1.7	1.6	12.8	15.5	16.2
SAIL	Sell	56	30	-47	-6.2	-7.7	-4.2	NM	NM	0.6	0.7	-6.7	-9.1	-5.3
Vedanta	Buy	320	360	13	15.1	25.4	37.5	21.1	12.6	2.0	1.8	9.7	15.0	20.3
Tata Steel	Neutral	691	665	-4	37.9	66.9	63.4	18.2	10.3	2.1	1.9	15.7	19.1	15.9
Aggregate								23.1	14.7	1.8	1.7	7.6	11.5	14.1
Oil & Gas														
BPCL	Buy	491	644	31	48.3	49.2	52.0	10.2	10.0	3.1	2.6	32.4	28.5	25.2
GAIL	Sell	446	634	42	22.6	26.5	30.0	19.8	16.8	2.0	1.8	9.6	11.3	11.9
Gujarat Gas	Sell	889	712	-20	16.2	31.6	44.0	54.8	28.2	7.4	6.1	14.2	23.9	27.0
Gujarat St. Pet.	Neutral	197	180	-9	8.8	12.1	13.3	22.4	16.3	2.5	2.2	11.6	14.3	14.1
HPCL	Buy	456	585	28	40.7	45.9	42.9	11.2	9.9	3.4	2.8	32.4	31.0	24.2
IOC	Buy	415	559	35	43.0	51.1	46.5	9.6	8.1	1.9	1.6	21.2	21.9	17.4
IGL	Neutral	1,524	1,295	-15	44.0	49.6	54.8	34.7	30.8	7.3	6.2	21.0	21.7	20.4
MRPL	Sell	129	112	-13	14.8	10.7	11.6	8.7	12.1	2.3	2.0	31.4	17.3	16.5
Oil India	Buy	347	340	-2	19.3	29.1	34.1	17.9	11.9	1.0	0.9	5.7	7.9	8.8
ONGC	Buy	170	190	12	16.4	17.8	19.2	10.3	9.5	1.0	1.0	10.1	10.2	10.5
PLNG	Buy	253	275	9	11.4	14.1	18.0	22.2	17.9	4.7	3.9	23.2	23.9	25.5
Reliance Ind.	Neutral	873	938	8	48.3	54.7	62.6	18.1	16.0	1.9	1.7	11.6	11.7	12.1
Aggregate								13.4	11.9	1.8	1.6	13.2	13.5	13.0
Retail														
Jubilant Food	Sell	1,502	960	-36	10.0	14.8	20.7	150.1	101.4	12.3	11.3	8.2	11.1	14.0
Titan Co.	Neutral	624	590	-5	9.0	10.5	12.6	69.0	59.6	13.1	12.0	20.6	21.0	22.2
Aggregate								73.9	62.5	12.7	11.7	17.2	18.6	19.6
Technology														
Cyient	Buy	523	600	15	30.6	35.7	42.3	17.1	14.6	2.8	2.4	16.2	16.7	17.4
HCL Tech.	Neutral	913	950	4	59.8	63.5	68.9	15.3	14.4	3.8	3.4	27.5	25.5	24.6
Hexaware	Neutral	274	250	-9	13.7	15.6	16.5	20.0	17.6	4.9	4.2	26.5	25.6	23.1
Infosys	Buy	927	1,050	13	62.9	62.3	66.3	14.7	14.9	3.1	2.8	22.0	19.6	19.1
KPIT Tech	Neutral	131	140	7	11.9	10.8	13.6	10.9	12.0	1.6	1.5	14.3	13.3	14.7
L&T Infotech	Buy	808	880	9	55.5	60.9	65.3	14.6	13.3	5.1	3.9	40.4	33.3	28.3
Mindtree	Neutral	481	450	-6	24.9	28.4	32.9	19.3	16.9	3.1	3.1	16.8	17.2	20.1
Mphasis	Neutral	632	610	-3	38.9	40.2	43.0	16.2	15.7	2.2	2.3	13.2	14.4	16.2
NIIT Tech	Neutral	613	540	-12	38.0	43.3	50.8	16.1	14.2	2.1	2.0	13.7	14.7	16.0
Persistent Sys	Buy	657	750	14	37.7	42.9	51.9	17.4	15.3	2.7	2.6	17.0	17.7	20.6
Tata Elxsi	Buy	852	996	17	28.1	33.8	40.2	30.3	25.2	9.5	7.6	37.1	33.6	32.4
TCS	Neutral	2,549	2,350	-8	133.4	132.0	146.3	19.1	19.3	5.7	6.1	32.6	30.7	33.3
Tech Mah	Buy	474	490	3	30.9	34.8	37.3	15.3	13.6	2.5	2.3	18.4	17.9	17.1
Wipro	Neutral	292	270	-8	16.9	18.2	19.5	17.3	16.0	2.8	2.7	16.9	16.2	16.4
Zensar Tech	Buy	743	950	28	52.1	51.5	70.0	14.3	14.4	2.3	2.0	17.2	14.9	17.9
Aggregate								17.0	16.8	3.9	3.8	22.9	22.8	22.0
Telecom														
Bharti Airtel	Buy	400	470	17	11.1	2.4	3.2	36.0	167.0	2.4	2.4	6.7	1.4	1.9
Bharti Infratel	Buy	433	440	2	14.9	17.3	19.7	29.1	25.0	5.2	5.2	16.2	20.7	23.2
Idea Cellular	Buy	75	105	41	-1.1	-15.5	-14.9	NM	NM	1.1	1.4	-1.6	-25.6	-32.6
Tata Comm	Buy	688	775	13	27.2	8.3	25.4	25.3	83.1	12.3	10.7	132.2	13.8	33.1
Aggregate								37.6	-234.5	2.6	2.7	6.9	-1.2	0.3
Utilities														
Coal India	Buy	282	335	19	14.9	17.5	20.7	18.9	16.1	7.1	6.8	37.8	42.4	47.7

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
CESC	Buy	1,042	1,360	30	51.9	88.9	99.3	20.1	11.7	1.3	1.2	6.5	10.6	10.8
JSW Energy	Sell	81	49	-40	3.8	3.3	2.7	21.1	24.2	1.3	1.3	6.3	5.3	4.2
NTPC	Buy	177	211	19	12.0	13.5	15.7	14.8	13.1	1.5	1.4	10.5	11.0	11.9
Power Grid	Buy	203	262	29	14.2	17.4	20.6	14.2	11.7	2.2	1.9	16.2	17.3	17.8
Tata Power	Sell	82	71	-13	7.4	7.3	7.3	11.0	11.3	1.9	1.7	17.1	15.8	14.2
Aggregate								16.2	13.8	2.4	2.2	14.5	15.7	16.8
Others														
Arvind	Neutral	394	376	-5	12.4	12.9	18.6	31.8	30.5	2.9	2.7	10.3	9.1	12.0
Avenue Supermarts	Neutral	1,269	882	-31	7.7	12.7	17.6	165.5	99.8	20.6	18.0	17.9	19.3	23.0
Bata India	Under Review	774	-		13.5	15.7	19.4	57.3	49.3	7.5	6.7	13.9	14.4	15.8
BSE	Neutral	981	1,100	12	41.0	42.2	44.6	23.9	23.2	2.0	2.0	8.3	8.5	7.7
Castrol India	Buy	371	467	26	13.6	12.6	13.3	27.2	29.4	30.8	28.0	115.2	99.8	95.8
Century Ply.	Neutral	269	323	20	8.7	9.8	12.9	30.9	27.4	8.4	6.9	31.1	27.7	29.6
Coromandel Intl	Buy	485	523	8	16.6	24.1	29.0	29.2	20.1	4.9	4.2	17.5	22.5	23.4
Delta Corp	Buy	231	232	1	3.1	5.6	7.7	75.6	41.3	5.8	3.9	8.1	11.9	12.4
Dynamatic Tech	Buy	2,125	3,334	57	67.6	112.9	166.7	31.4	18.8	4.3	3.5	15.1	20.7	24.3
Eveready Inds.	Buy	334	358	7	12.9	13.6	16.3	25.9	24.5	8.4	6.8	37.7	30.8	30.1
Interglobe	Neutral	1,132	1,142	1	43.2	55.2	81.6	26.2	20.5	11.5	6.6	51.0	41.1	46.6
Indo Count	Neutral	112	118	6	13.0	8.9	10.8	8.6	12.6	2.6	2.1	34.8	18.6	18.3
Info Edge	Buy	1,051	1,130	7	15.7	21.8	24.7	67.1	48.3	6.5	5.8	10.2	12.7	13.1
Inox Leisure	Sell	234	240	3	3.3	8.0	12.0	70.2	29.2	4.1	3.6	5.9	12.5	16.2
Jain Irrigation	Under Review	93	-		5.5	7.6	10.0	16.8	12.3	1.4	1.4	8.6	11.7	14.8
Just Dial	Neutral	410	465	13	17.5	18.5	21.1	23.5	22.2	3.2	2.8	14.8	13.4	13.7
Kaveri Seed	Buy	543	738	36	19.1	34.1	41.0	28.5	15.9	3.7	3.9	13.6	23.3	27.4
Kitex Garm.	Buy	219	394	80	18.6	22.1	26.2	11.8	9.9	3.2	2.6	29.8	28.6	27.6
Manpasand	Buy	449	534	19	6.3	9.7	15.3	70.7	46.1	4.5	4.1	7.3	8.2	13.4
MCX	Buy	1,130	1,230	9	24.8	29.4	40.7	45.5	38.5	4.2	4.0	9.9	10.7	13.9
Monsanto	Buy	2,496	3,295	32	86.2	105.0	126.6	29.0	23.8	8.1	7.3	31.5	32.5	34.5
Navneet Education	Buy	168	209	24	7.3	8.4	10.4	23.0	19.9	5.7	4.9	26.7	26.3	27.9
Qess Corp	Buy	825	990	20	10.0	19.1	27.8	82.5	43.3	11.2	4.8	19.0	15.6	15.0
PI Inds.	Buy	753	894	19	33.4	30.4	35.8	22.5	24.7	6.4	5.3	32.8	23.4	22.9
Piramal Enterp.	Buy	2,741	3,266	19	72.6	104.6	149.7	37.8	26.2	3.2	2.9	9.0	11.7	15.3
SRF	Buy	1,762	1,751	-1	85.9	80.2	103.0	20.5	22.0	3.2	2.9	16.6	13.7	16.0
S H Kelkar	Buy	281	298	6	7.2	7.6	9.9	38.8	37.0	5.0	4.6	13.7	12.9	15.2
Symphony	Sell	1,409	1,288	-9	23.7	35.1	42.9	59.6	40.1	22.1	19.5	43.3	51.6	54.5
Team Lease Serv.	Buy	1,593	1,990	25	38.8	36.8	56.0	41.1	43.3	7.1	6.1	19.2	15.3	19.5
Trident	Buy	100	114	14	6.6	8.3	10.4	15.1	12.0	1.8	1.6	13.0	14.5	16.1
TTK Prestige	Neutral	5,982	5,281	-12	132.1	137.8	176.1	45.3	43.4	8.2	7.4	19.5	18.0	20.7
V-Guard	Neutral	192	167	-13	3.6	4.5	6.0	53.7	42.8	12.8	10.4	27.4	26.9	28.8
Wonderla	Buy	367	393	7	7.0	11.9	16.0	52.5	30.7	4.8	4.3	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	1.9	-13.1	-34.2
Ashok Ley.	0.7	6.0	55.3
Bajaj Auto	0.4	7.5	9.7
Bharat Forge	1.8	5.6	37.9
Bosch	-0.4	-4.6	-8.7
CEAT	0.9	-2.7	26.5
Eicher Mot.	0.1	-4.0	21.1
Endurance Tech.	-1.7	5.7	
Escorts	1.2	3.5	75.5
Exide Ind	1.1	-8.9	6.7
Hero Moto	1.5	-4.5	7.2
M&M	1.5	2.9	-2.8
Mahindra CIE	0.5	-1.7	23.3
Maruti Suzuki	1.1	-3.1	38.4
Tata Motors	1.2	8.5	-25.2
TVS Motor	1.9	8.6	79.1
Banks - Private			
Axis Bank	1.8	5.9	-1.3
DCB Bank	1.3	0.2	52.5
Equitas Hold.	0.5	-11.2	-14.5
Federal Bank	0.9	3.1	62.0
HDFC Bank	1.4	-1.0	41.3
ICICI Bank	0.1	-8.1	17.7
IDFC Bank	2.2	3.2	-19.6
IndusInd	1.5	0.1	42.7
J&K Bank	0.2	-10.2	-15.8
Kotak Mah. Bk	1.4	3.6	35.7
RBL Bank	1.2	-4.4	65.2
South Indian	2.1	7.2	46.4
Yes Bank	0.7	-1.4	42.8
Banks - PSU			
BOB	0.1	-2.1	-14.4
BOI	-1.6	-8.6	14.2
Canara	-0.3	-10.1	-3.7
IDBI Bk	0.8	-7.5	-26.5
Indian Bk	0.6	-3.5	26.3
OBC	-1.1	-10.0	-11.2
PNB	1.5	-5.5	-7.4
SBI	0.0	-8.0	-1.7
Union Bk	0.6	-5.7	-13.1
NBFCs			
Bajaj Fin.	1.5	3.0	81.7
Bharat Fin.	3.1	3.3	14.5
Capital First	1.1	-6.3	0.0
Cholaman.Inv.&Fn	3.4	-2.9	-2.2
Dewan Hsg.	1.4	-4.4	82.0
GRUH Fin.	0.0	-0.2	47.6
HDFC	0.3	-2.3	26.1
Indiabulls Hsg	0.9	-1.5	50.4
L&T Fin.Holdings	1.7	0.1	116.5
LIC Hsg Fin	1.9	-1.3	9.9
Manappuram	0.8	-7.4	11.6
M&M Fin.	1.0	-5.9	11.0
Muthoot Fin	2.7	-4.5	44.0
PNB Housing	0.5	-9.0	
PFC	-0.8	-5.3	-1.4
Repco Home	1.1	-5.0	-17.5
REC	1.0	-7.0	16.4
STF	0.2	2.7	-6.5
Shriram City Union	-0.9	-5.9	-14.3

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	0.8	-2.3	17.9
Bharat Elec.	2.1	-5.8	48.2
BHEL	-0.2	-3.9	-6.1
Blue Star	-2.0	0.2	40.7
CG Cons. Elec.	-0.9	-2.8	21.7
CG Power & Inds Sol.	0.8	-8.0	2.5
Cummins	0.5	-3.3	-0.3
GE T&D	-0.5	-7.5	9.5
Havells	0.8	4.7	18.6
K E C Intl	0.9	-7.1	142.9
L&T	0.8	-7.0	18.1
Pennar Eng.	0.0	-9.5	-48.1
Siemens	0.6	-7.4	0.8
Solar Ind	0.5	12.5	48.0
Suzlon Energy	1.6	-6.8	7.0
Thermax	-0.7	3.8	5.6
Va Tech Wab.	-0.8	-6.8	3.9
Voltas	2.4	-4.6	37.6
Cement			
Ambuja Cem.	1.3	-3.9	8.0
ACC	1.5	-5.7	4.3
Birla Corp.	4.5	4.0	35.6
Dalmia Bharat	-0.4	-2.8	46.2
Grasim Inds.	-1.1	-9.4	34.2
India Cem	1.1	-7.0	12.3
J K Cements	-0.4	-6.3	0.6
JK Lakshmi Ce	1.8	-10.5	-22.9
Ramco Cem	-0.4	-6.7	9.5
Orient Cem	0.1	-6.0	-25.2
Prism Cem	2.4	-1.9	-1.5
Shree Cem	0.1	-2.0	5.3
Ultratech	-0.7	-7.1	-1.4
Consumer			
Asian Paints	0.0	-7.6	-4.3
Britannia	4.1	5.5	35.0
Colgate	2.1	-4.1	14.9
Dabur	2.4	6.2	13.9
Emami	0.2	-5.1	-2.4
Godrej Cons.	-0.4	3.8	20.5
GSK Cons.	0.7	-1.8	-19.3
HUL	1.7	-0.7	41.3
ITC	0.6	-3.8	11.2
Jyothy Lab	1.0	-6.9	8.6
Marico	1.7	-3.0	15.0
Nestle	1.2	0.1	11.3
Page Inds	0.3	0.1	19.0
Parag Milk	5.3	7.3	-11.7
Pidilite Ind.	0.1	-5.2	10.6
P&G Hygiene	0.1	3.3	22.4
Prabhat Dairy	0.7	9.8	21.4
United Brew	1.0	8.8	-10.8
United Spirits	1.9	-6.0	-0.8
Healthcare			
Alembic Phar	-0.4	-1.4	-26.4
Alkem Lab	-0.5	2.1	8.2
Ajanta Pharma	0.1	-2.9	-40.9
Aurobindo	1.8	-1.7	-12.9
Biocon	1.6	9.0	18.0
Cadila	2.0	4.8	28.9
Cipla	0.9	5.5	1.6



Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	2.5	9.7	-30.1
Dr Reddy's	0.2	9.9	-22.7
Fortis Health	0.5	-2.0	-13.4
Glenmark	0.5	3.9	-34.9
Granules	4.6	7.4	11.6
GSK Pharma	1.6	-0.1	-17.0
IPCA Labs	-1.8	1.0	-19.2
Jubilant Life	0.3	-5.5	1.5
Lupin	1.4	8.0	-30.1
Sanofi India	2.9	4.5	0.9
Shilpa Medicare	5.3	16.6	20.9
Strides Shasun	-0.1	-8.8	-12.1
Sun Pharma	2.6	11.6	-28.5
Syngene Intl	0.2	4.3	-1.2
Torrent Pharma	2.1	6.1	-21.5
Logistics			
Allcargo Logistics	0.2	-5.5	-7.7
Blue Dart	-0.5	-1.2	-25.0
Concor	3.5	-2.9	22.5
Gateway Distriparks	-0.6	1.1	-7.9
Gati	-0.4	-2.2	-15.3
Transport Corp.	-0.2	-9.9	48.8
Media			
Dish TV	-0.6	-7.9	-26.8
D B Corp	0.2	1.0	-6.1
Den Net.	0.2	-1.9	21.3
Ent.Network	-3.3	-6.7	-5.3
Hind. Media	-0.1	-6.2	-15.2
HT Media	0.8	-5.1	10.2
Jagran Prak.	1.3	0.8	-11.2
Music Broadcast	1.2	1.0	
PVR	1.2	0.2	13.9
Siti Net.	-0.8	-3.7	-27.8
Sun TV	1.2	-3.9	42.4
Zee Ent.	0.6	-2.7	-8.9
Metals			
Hindalco	5.7	5.0	64.1
Hind. Zinc	1.8	0.7	25.1
JSPL	6.6	10.8	103.6
JSW Steel	-0.3	-5.0	41.1
Nalco	5.2	5.6	64.9
NMDC	0.0	-11.8	0.6
SAIL	2.3	-11.2	11.2
Vedanta	1.9	-3.2	60.3
Tata Steel	1.4	1.1	65.5
Oil & Gas			
BPCL	0.3	-7.9	12.0
GAIL	0.3	8.9	42.1
Gujarat Gas	1.2	4.7	52.2
Gujarat St. Pet.	0.2	-0.7	27.9
HPCL	0.3	-5.3	55.8
IOC	-0.7	-4.6	30.7
IGL	0.5	6.6	75.7
MRPL	1.9	-6.7	37.2
Oil India	0.3	4.7	12.1
ONGC	0.4	4.8	-4.7
PLNG	-2.0	7.1	37.0
Reliance Ind.	3.8	6.0	59.2
Retail			
Jubilant Food	0.7	5.4	42.4
Titan Co.	1.9	-2.1	54.5

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	0.7	-1.3	8.2
HCL Tech.	0.5	5.6	12.3
Hexaware	2.3	0.5	47.9
Infosys	-0.4	4.9	-9.9
KPIT Tech	2.3	7.0	0.0
L&T Infotech	0.4	5.3	32.2
Mindtree	-0.9	8.8	-3.9
Mphasis	1.0	4.4	16.1
NIIT Tech	3.4	21.4	47.3
Persistent Sys	-0.2	5.9	-3.2
Tata Elxsi	1.3	-5.9	26.6
TCS	1.9	2.5	7.1
Tech Mah	1.7	7.7	12.4
Wipro	0.6	-1.9	22.6
Zensar Tech	0.4	-6.1	-25.8
Telecom			
Bharti Airtel	-0.8	-1.2	26.6
Bharti Infratel	5.3	16.9	14.8
Idea Cellular	2.5	-5.5	-6.6
Tata Comm	2.1	-1.6	6.3
Utilities			
Coal India	-0.5	9.7	-11.6
CESC	1.1	-0.7	66.7
JSW Energy	1.3	5.1	9.3
NTPC	1.0	3.9	20.6
Power Grid	0.0	-5.8	13.9
Tata Power	0.9	0.9	1.0
Others			
Arvind	2.5	-4.7	12.1
Avenue Super.	4.5	16.8	
Bata India	0.9	8.0	54.2
BSE	-0.5	-4.2	
Castrol India	0.7	-4.8	-21.6
Century Ply.	1.9	6.9	7.6
Coromandel Intl	2.5	12.2	85.0
Delta Corp	3.3	16.4	32.7
Dynatomic Tech	-0.7	-13.1	-34.2
Eveready Inds.	2.6	9.2	29.2
Interglobe	2.4	-5.9	21.3
Indo Count	3.1	-9.3	-21.3
Info Edge	1.1	5.9	14.4
Inox Leisure	0.1	-2.0	-13.9
Jain Irrigation	-1.9	-12.2	-4.1
Just Dial	1.6	5.2	-5.6
Kaveri Seed	3.7	-5.9	27.6
Kitex Garm.	0.2	-8.2	-29.6
Manpasand	-0.9	-0.1	24.6
MCX	2.6	-0.8	-14.3
Monsanto	1.2	-2.1	4.6
Navneet Educat.	0.0	2.0	66.2
PI Inds.	1.1	-0.6	-9.1
Piramal Enterp.	-0.2	-0.5	48.6
Quess Corp	0.1	-0.6	34.0
SRF	2.2	10.6	-7.0
S H Kelkar	0.6	9.2	-7.2
Symphony	1.4	-1.4	21.5
Team Lease Serv.	-2.8	-4.1	50.6
Trident	-0.3	-0.3	84.0
TTK Prestige	-1.8	-5.3	7.2
V-Guard	1.6	-2.9	47.6
Wonderla	1.5	4.9	-7.7

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Cholamandam Finance

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DIFFERENTIATED PRODUCT GALLERY

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Annual Report Threadbare

ALROBICO PHARMA FY17

AlroBico Pharma FY17 annual report highlights a year of outstanding growth. FY17 revenue grew by 10% to Rs. 1,071 crore from Rs. 975 crore in FY16. Earnings before tax rose to Rs. 100 crore from Rs. 85 crore. The company's operating leverage was 1.1x, indicating that for every 1% increase in sales, earnings grew by 1.1%. The company's operating leverage was 1.1x, indicating that for every 1% increase in sales, earnings grew by 1.1%.

The ART of Annual Report Threadbare

ART is a unique initiative to make the annual report more accessible and user-friendly. It is a comprehensive guide to the company's annual report, covering all the key aspects of the business. ART is available in both print and digital formats, and is free of charge.

Company's Name
AlroBico Pharma Ltd.

Stock Info
BSE: 505433
NSE: 505433

Shareholding pattern (%)

Category	Shareholding (%)
Public Shareholding	85.12
Government	0.00
Foreign Institutional Investors	0.00
Foreign Individual Investors	0.00
Domestic Institutional Investors	0.00
Domestic Individual Investors	14.88

Key Highlights

- Operating performance improved from Rs. 100 crore in FY17 to Rs. 105 crore in FY18.
- EBITDA margin improved from 10.3% in FY17 to 10.8% in FY18.
- Operating leverage improved from 1.1x in FY17 to 1.2x in FY18.
- Operating leverage improved from 1.1x in FY17 to 1.2x in FY18.

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MOTILAL OSWAL 22 August 2017

Confidence on long term prospects intact

Despite a 10% decline in share price, investors remain confident on the long term prospects of the company.

Analyst's View

The analyst's view is that the company's long term prospects are intact. The company's operating leverage is 1.1x, indicating that for every 1% increase in sales, earnings grew by 1.1%. The company's operating leverage is 1.1x, indicating that for every 1% increase in sales, earnings grew by 1.1%.

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VOICES

India Inc on Call

VOICES is a quarterly report that provides a comprehensive overview of the Indian economy and the business environment. It is a must-read for all investors and business leaders.

Key Highlights

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EcoKnowLedge

Driving into Tomorrow's Chapter

India Inc on Call

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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of August edition

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

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MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Key Highlights

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