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We [request your ballot](#).



Market snapshot



Equities - India	Close	Chg. %	YTD. %
Sensex	32,037	0.7	20.3
Nifty-50	9,892	0.8	20.8
Nifty-M 100	18,277	0.3	27.4
Equities-Global	Close	Chg. %	YTD. %
S&P 500	2,448	0.2	9.3
Nasdaq	6,274	0.2	16.6
FTSE 100	7,413	0.0	3.8
DAX	12,641	0.1	10.1
Hang Seng	10,677	1.5	13.7
Nikkei 225	20,100	0.0	5.2
Commodities	Close	Chg. %	YTD. %
Brent (US\$/Bbl)	48	1.6	-13.8
Gold (\$/OZ)	1,223	0.4	5.4
Cu (US\$/MT)	5,854	-0.4	6.0
Almn (US\$/MT)	1,906	1.8	11.9
Currency	Close	Chg. %	YTD. %
USD/INR	64.4	-0.2	-5.1
USD/EUR	1.1	-0.6	8.0
USD/JPY	113.1	-0.3	-3.4
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.5	0.0	-0.1
10 Yrs AAA Corp	7.5	0.0	0.0
Flows (USD b)	13-Jul	MTD	YTD
FII	0.0	-0.1	8.3
DII	0.0	0.5	3.8
Volumes (INRb)	13-Jul	MTD*	YTD*
Cash	327	267	284
F&O	10,045	5,315	4,938

Note: YTD is calendar year, *Avg

Today's top research idea

TCS: Missing revenue traction weighs on profitability too

- ✓ TCS' 6.3% YoY CC growth in 1QFY18 was marginally below our estimate of 6.9% YoY. YoY CC growth in larger revenue contributors like BFSI, Retail, North America and UK continued to remain soft.
- ✓ This in our view implies elevated challenges to exceed 8% YoY CC growth of FY17 this fiscal.
- ✓ Additionally, while margin pressures from wage hikes and currency were known, TCS' 240bp EBIT margin decline to 23.4% implied limited offset levers. While TCS retained its confidence of operating in the 26-28% EBIT margin band ex-currency, 1Q margin adjusted for currencies was ~24.5%, the farthest from the band.
- ✓ The slight revenue miss and larger profitability deficit has led us to revise our earnings estimates downwards by 3-4% over FY18-19.

Research covered

Cos/Sector	Key Highlights
TCS	Missing revenue traction weighs on profitability too
MCX	Impacted by lower realization and cash yield
Cyient	Broad-based traction dragged by DLM; Services growth robust
Emami	Annual Report FY17: Building platform for strong long-term growth
Telecom	Telecom subscribers watch May-2017
Results Expectation	Infosys

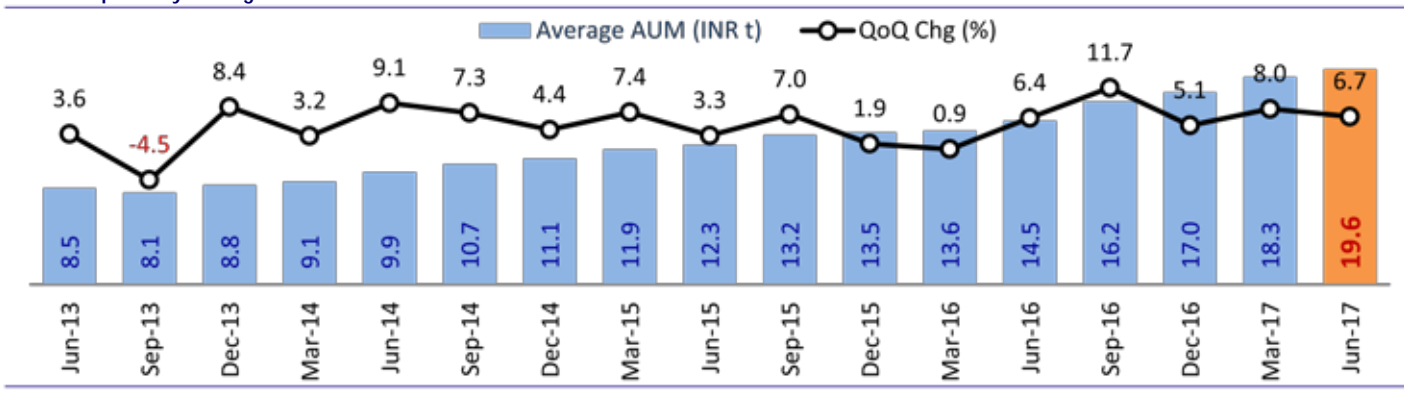
Piping hot news

HDFC Life may call off merger plan with Max Life, focus on IPO

- ✓ HDFC Life Insurance may call off its proposed takeover of the Max group's life insurance business as the two have not been able to arrive at a mutually agreeable alternative structure for the transaction, which the regulator has rejected in its current form.

Chart of the Day: MF industry grows for 15th consecutive quarter in 2QCY17; AUM up 6.7% QoQ to new high of INR19.6t

Trend in quarterly average AUM



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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

GST: Government bets big on tech to ensure e-way bill does not bring back inspector raj

The proposed e-way bill for moving goods within the country would rely heavily on technology, employing RFID chips and QR codes, to ensure that monitoring of goods movement does not bring back inspector raj and slow down goods traffic on...

2

Vodafone-Idea merger: Sebi looks at open offer possibility

Sebi is examining whether the proposed merger between Vodafone India and the Kumar Mangalam Birla-owned Idea Cellular will trigger an open offer under the takeover rules. Sebi is also said to have asked for clarifications regarding purchases of Idea stock by Pilani Investment and Industries Corp, part of the Aditya Birla Group, ahead of an official announcement regarding merger discussions...

3

Modi to review FDI policy on Friday; focus on retail, construction norms

Prime Minister Narendra Modi will review the foreign direct investment (FDI) policy tomorrow with a view to removing bottlenecks to overseas inflows, sources said. On the table is the proposal to ease rules in print media, construction, the single brand and multi-brand retail trading...

4

JSW Steel chief Sajjan Jindal says could tweak offer for near bankrupt Monnet Ispat

Sajjan Jindal, chairman and managing director, JSW Group, said on Thursday that JSW Steel might tweak its offer for the near-bankrupt Monnet Ispat. Jindal was speaking at a press conference following the annual general meeting of JSW Energy...

5

Adani Ports in fray for buying stake in Dredging Corporation

Adani Ports, ace investor Rakesh Jhunjhunwala's Dharti Dredging and Construction, Mercator and a few other domestic dredging players are in the race to buy the government stake in Dredging Corporation of India (DCI)...

6

Order to banks to speed up loan recovery within our powers: RBI

The Reserve Bank of India (RBI) on Thursday said its 13 June directive to banks to speed up their bad-loan recovery was well within its powers, and that its classification of sticky assets could not be challenged...

7

JSW Energy to raise up to Rs 12,500 crore in FY18

Sajjan Jindal-led JSW Energy plans to raise up to Rs 12,500 crore via debt and equity during the financial year 2017-18 for acquisition of power assets...



BSE SENSEX	S&P CNX
32,037	9,892
Bloomberg	TCS IN
Equity Shares (m)	1,970
M.Cap.(INRb)/(USD\$b)	4,815.8 / 74.7
52-Week Range (INR)	2740 / 2055
1, 6, 12 Rel. Per (%)	-5/-9/-17
Avg Val, INRm	3180
Free float (%)	26.7

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	1,179.7	1,236.6	1,375.1
EBITDA	323.1	326.7	369.0
PAT	262.9	261.3	288.9
EPS (INR)	133.4	133.6	147.7
Gr. (%)	8.3	0.1	10.5
BV/Sh (INR)	448.3	418.7	484.6
RoE (%)	32.6	31.1	33.5
RoCE (%)	32.4	27.1	25.8
P/E (x)	18.3	18.3	16.5
P/BV (x)	5.5	5.8	5.0

Estimate change

TP change

Rating change



CMP: INR2,444 TP: INR2,350 (-4%)

Neutral

Missing revenue traction weighs on profitability too

- Growth missing large-segment traction:** TCS' 6.3% YoY CC growth in 1QFY18 was marginally below our estimate of 6.9%. YoY CC growth in larger revenue contributors remained soft – BFSI (5%), Retail (-3%), North America (3.5%) and the UK (6%). This, in our view, implies elevated challenges to exceed 8% YoY CC growth of FY17 in this fiscal. We estimate 7.5% CC growth in FY18.
- Farthest from aspired margin band (ex-currency):** While the margin pressures from wage hikes and currency were known, TCS' 240bp QoQ EBIT margin contraction (to 23.4% v/s estimate 24.3%) in 1QFY18 implied very limited results from any offsetting levers. While TCS retained its confidence of operating in the 26-28% EBIT margin band ex-currency, 1Q margin adjusted for currencies was ~24.5%, the farthest from the band in recent history. This drives additional 40bp cut in our EBIT margin estimate for FY18 to 24.8%. 1QFY18 PAT declined 10% QoQ to INR59.45b, below our estimate of INR62b, mainly led by miss on the operating performance.
- BFS and Retail continue to drag:** TCS won four large deals in BFSI in 1QFY18 out of 11 in total, but cited that the pipeline remains short of suggesting homogenous strength in the vertical. Client-specific concerns are driving the same. Retail grew 2% QoQ CC driven by Digital, but the segment is still under the scanner, given the structural challenges facing many retailers.
- Valuation view:** Our earnings estimate for FY18 is down by 4% after factoring in the revenue and margin miss in 1QFY18. TCS trades at 16.5x FY19E for FY17-19 USD revenue/EPS CAGR of 8%/5%. Lower growth will unlikely support the premium valuation to peers, and we expect correction to the same in reaction to the results. Our price target of INR2,350 implies 4% downside. **Neutral.**

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18E				FY17	FY18E	FY19E	Est. 1QFY18	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Revenue (USD m)	4,362	4,374	4,387	4,452	4,591	4,709	4,788	4,863	17,575	18,952	20,599	4,614	-0.5
QoQ (%)	3.7	0.3	0.3	1.5	3.1	2.6	1.7	1.6	6.2	7.8	8.7	3.6	-51bp
Revenue (INR m)	293,050	292,840	297,350	296,420	295,840	306,100	313,642	320,970	1,179,660	1,236,552	1,375,051	297,127	-0.4
YoY (%)	14.2	7.8	8.7	4.2	1.0	4.5	5.5	8.3	8.6	4.8	11.2	1.4	-44bp
GPM (%)	43.9	44.8	44.5	45.0	42.8	43.6	43.6	43.9	44.5	43.5	43.4	43.5	-64bp
SGA (%)	17.1	17.1	16.8	17.6	17.8	17.1	16.7	16.9	17.1	17.1	16.6	17.5	29bp
EBITDA	78,380	81,110	82,290	81,330	74,120	81,234	84,474	86,884	323,110	326,712	369,032	77,229	-4.0
EBITDA Margin (%)	26.7	27.7	27.7	27.4	25.1	26.5	26.9	27.1	27.4	26.4	26.8	26.0	-94bp
EBIT Margin (%)	25.1	26.0	26.0	25.7	23.4	24.9	25.3	25.5	25.7	24.8	25.2	24.3	-95bp
Other income	9,630	10,520	11,850	9,890	9,320	9,089	9,604	10,398	41,890	38,410	34,138	8,953	4.1
ETR (%)	24.0	23.8	23.6	23.1	24.2	24.2	24.2	24.2	23.6	24.2	24.2	23.5	67bp
PAT	63,179	65,860	67,780	66,080	59,450	64,605	67,423	69,830	262,899	261,308	288,863	62,001	-4.1
QoQ (%)	-0.4	4.2	2.9	-2.5	-10.0	8.7	4.4	3.6				-6.2	-386bp
YoY (%)	10.7	8.8	10.9	4.2	-5.9	-1.9	-0.5	5.7	8.6	-0.6	10.5	-1.9	-404bp
EPS (INR)	32.1	33.4	34.4	33.5	30.4	33.0	34.5	35.7	133.4	133.6	147.7	32.4	
Headcount	362,079	371,519	378,497	387,223	385,809	391,506	398,044	404,399	387,223	404,399	436,527	388,133	-0.6
CC QoQ rev gr (%)	3.1	1.0	2.0	1.0	1.9	2.6	1.7	1.6	8.4	7.8	8.7	2.6	
Attrition (%)	13.6	12.9	12.2	11.5	11.6							0.0	



BSE SENSEX	S&P CNX
32,037	9,892
Bloomberg	MCX IN
Equity Shares (m)	51
M.Cap.(INRb)/(USDb)	63.4 / 1.0
52-Week Range (INR)	1420 / 925
1, 6, 12 Rel. Per (%)	-2/-27/-14
Avg Val, INRm	523
Free float (%)	100.0

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	2.6	2.8	3.8
EBITDA	0.8	0.9	1.8
PAT	1.3	1.4	2.1
EPS (INR)	24.8	28.0	42.2
Gr. (%)	6.2	12.9	50.5
BV/Sh (INR)	266.4	280.7	302.2
RoE (%)	10.2	10.2	14.5
RoCE (%)	10.0	9.9	14.1
P/E (x)	43.5	38.5	25.6
P/BV (x)	4.0	3.8	3.6

CMP: INR1,079 TP: INR1,300(+20%) Buy

Impacted by lower realization and cash yield

- Revenue miss, costs stable:** MCX's 1QFY18 revenue declined 6% YoY to INR592m v/s our estimate of INR641m. Yield for the quarter declined 0.5%, driving revenue miss. Operating expenses were INR460m, in line with our estimate of INR462m. Consequently, EBITDA was INR132m (22.3% margin, -12.8pp YoY), below our estimate of INR169m. PAT of INR263m (below estimate of INR427m) was dragged further by lower other income of INR277m v/s estimate of INR312m.
- Volumes remained weak, dragged by bullion:** Volumes during the quarter were down 3.4% QoQ and 24.8% YoY, dragged mainly by bullion – Gold (down 3.5% QoQ and 52.8% YoY) and Silver (up 4.7% QoQ but down 39% YoY). Contribution from Gold and Silver combined was 28% of overall volumes, down from 40% in 1QFY17. Crude too suffered YoY, down 24%, though QoQ volumes were stable at 6.1%. Concentration from crude, however, has held on at 28.2% (v/s 25.7% in 4QFY17 and 28% in 1QFY17).
- Multiple triggers should help volumes:** MCX cited expectations of recovery in volumes, led by multiple triggers: [1] Implementation of GST, which has been an overhang on bullion due to low stocking levels in the physical commodity, [2] Launch of options in Gold sometime in 2QFY18, followed by other commodities in 3-6 months and [3] Expectation of category-II AIFs (recently allowed by the SEBI to trade in the segment) to start operations in commodity derivatives by the end of 2QFY18. Post GST implementation, bullion volumes are already seeing an uptick at ~INR10-12b per day.
- Valuation and view:** MCX has retained its market leadership position with a share of 80-90% over FY09-17, even in the most turbulent of months during FY13-15, when the parent's existence was in deep waters on issues of fraud around the National Spot Exchange (NSE). With the SEBI's reforms underway, we see volumes on the path to significant recovery, from new products and participants. With operating margin on incremental volumes at ~80%, this would boost operating profits for MCX. We expect earnings CAGR of 28% over FY17-19. Our price target is INR1,300, which discounts forward earnings by 30x. **Buy.**

Quarterly Performance (Consolidated)

	FY17				FY18				FY17	FY18E	FY19E
	1Q	1Q	3Q	4Q	1Q	2Q	3Q	4Q			
Sales	676	652	686	626	592	667	729	776	2,641	2,764	3,762
Q-o-Q Gr. (%)	18.7	7.8	5.1	-8.7	-5.5	12.7	9.2	6.5	12.4	4.7	36.1
Staff Costs	143	144	198	160	178	178	178	178	644	710	710
Other expenses	265	257	296	335	282	287	289	294	1,116	1,122	1,200
Depreciation	49	42	45	49	48	46	46	46	186	186	186
EBIT	219	209	148	82	84	156	216	259	695	746	1,666
Margins (%)	32.4	32.1	21.5	13.1	14.2	23.4	29.7	33.4	26.3	27.0	44.3
Other Income	308	302	312	243	277	295	308	320	1,164	1,199	1,243
PBT bef. Exceptional items	527	511	459	325	361	452	524	578	1,857	1,945	2,909
Tax	152	134	119	106	98	113	131	144	512	487	716
Rate (%)	28.9	26.3	26.0	32.6	27.2	25.0	25.0	25.0	27.5	25.0	24.6
PAT	375	376	339	219	263	339	393	434	1,346	1,459	2,193
Q-o-Q Gr. (%)	30.3	0.5	-9.9	-35.5	20.0	29.2	16.0	10.4	221.7	11.4	53.5
EPS (INR)	6.5	7.4	6.7	4.3	5.1	6.6	7.7	8.5	26.4	28.6	43.0
Total volumes (INR t)	16.0	16.4	13.9	12.4	12.8	14.7	16.3	17.5	58.7	61.3	89.1
Q-o-Q Gr. (%)	7.3	2.3	-15.2	-10.3	3.0	14.6	10.6	7.7			
Y-o-Y Gr. (%)	17.7	10.3	6.4	-16.5	-19.8	-10.2	17.1	40.7	4.1	4.4	45.4



BSE SENSEX	S&P CNX
32,037	9,892
Bloomberg	CYL IN
Equity Shares (m)	113
M.Cap.(INRb)/(USD b)	58.0 / 0.9
52-Week Range (INR)	564 / 416
1, 6, 12 Rel. Per (%)	-5/-15/-13
Avg Val, INRm	62
Free float (%)	77.8

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	36.1	39.2	45.5
EBITDA	4.9	5.3	6.3
PAT	3.7	4.0	4.7
EPS (INR)	30.6	35.4	41.9
Gr. (%)	-0.2	15.6	18.2
BV/Sh (INR)	188.7	213.5	242.8
RoE (%)	16.2	16.6	17.3
RoCE (%)	15.9	15.3	15.8
P/E (x)	17.1	14.8	12.5
P/BV (x)	2.8	2.4	2.2

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR515 TP: INR600(+17%) Buy

Broad-based traction dragged by DLM

Services growth robust

- Performance dragged by DLM: Rangsons (DLM) dragged 1QFY18 performance vis-à-vis expectations on both revenues (3% impact) and margins (60bp impact) front. Having started the year at USD12m, CYL maintained DLM outlook of 20% growth, citing healthy visibility to reach USD65m for the full year (we estimate 12% growth). Operating loss of INR53m in DLM also dragged the EBITDA margin by 50bp QoQ to 12.8% v/s our estimate of 13.2% (ex-DLM margin was 13.3%). PAT of INR878m (+18.6% QoQ) came in below our estimate of INR955m, led by operational miss. Also, the reported tax rate during the quarter was 31%, but 27% excluding one-offs.
- Broad-based YoY traction is a positive: Communications continued to run the show at CYL, growing 35.2% YoY. However, growth was far from lopsided, as six out of the eight segments grew in double-digits YoY, with the exception of Aerospace & Defense (A&D; 2% YoY) and IENR (-4.9% YoY). CYL expects to struggle only in IENR for the year, citing ample opportunities in A&D in the manufacturing and after-market segments.
- Estimates pruned on higher tax rates: Our earnings estimates for FY18/19 are down by 3/2% owing to higher effective tax rates of 26-28% v/s 24% earlier. Barring that, growth and margin estimates are largely unchanged, despite the 1Q miss, as we expect catch-up in DLM in the remaining quarters to compensate for the same.
- 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, insulation from any regulatory adversities, unlike peers, places the company in a favorable intersection of performance and protection. We see favorable risk-reward at 14.5/12.5x FY18/19E earnings. Our price target of INR600 discounts FY19E earnings by 14x. **Buy.**

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18E				FY17	FY18E	FY19E	Est. 1QFY18	Var. (% / bp)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Revenue (USD m)	125	137	136	141	141	150	152	157	538	601	681	146	-3.6
QoQ (%)	3.1	9.5	-0.5	3.8	0.0	6.6	1.3	3.1	14.0	11.7	13.4	3.7	-373bp
Revenue (INR m)	8,349	9,136	9,171	9,410	9,070	9,774	9,975	10,366	36,065	39,185	45,466	9,427	-3.8
YoY (%)	15.0	18.4	17.3	15.3	8.6	7.0	8.8	10.2	16.5	8.7	16.0	12.9	-427bp
GPM (%)	35.0	34.4	34.0	34.4	34.9	35.2	34.6	34.9	34.4	34.9	34.2	34.5	45bp
SGA (%)	22.0	20.4	20.6	21.1	22.1	21.3	21.3	21.2	21.0	21.5	20.4	21.2	88bp
EBITDA	1,090	1,283	1,228	1,249	1,160	1,363	1,335	1,419	4,848	5,277	6,267	1,247	-7.0
EBITDA Margin (%)	13.1	14.0	13.4	13.3	12.8	13.9	13.4	13.7	13.4	13.5	13.8	13.2	-44bp
EBIT Margin (%)	10.4	11.5	10.7	10.6	9.9	11.4	10.9	11.2	10.8	10.9	11.4	10.8	-90bp
Other income	116	184	309	264	350	271	269	251	874	1,141	1,041	208	68.3
ETR (%)	25.5	22.6	25.8	18.1	31.2	27.0	26.0	26.0	24.2	27.4	26.2	23.5	
PAT	740	973	940	785	876	1,025	1,015	1,060	3,699	3,976	4,702	955	-8.3
QoQ (%)	-12.3	31.5	-3.4	-16.5	11.6	17.0	-1.0	4.4				21.7	-1012bp
YoY (%)	-1.1	-1.2	8.3	-7.0	18.4	5.4	8.0	35.0	7.4	7.5	18.2	29.1	-1074bp
EPS (INR)	6.6	8.7	8.4	7.0	7.8	9.1	9.0	9.4	32.9	35.4	41.9	8.5	
Headcount	12,082	12,286	12,155	12,048	12,048	12,201	12,451	12,751	12,048	12,951	14,451	12,048	0.0
Util incl. trainees (%)	73.5	78.0	78.3	77.4	74.1	74.1	76.5	74.5				78.0	-390bp
Attrition (%)	19.9	22.7	22.6	15.6									
Offshore rev. (%)	40.7	40.1	40.4	39.2	40.4	40.4	40.2	40.0				39.0	140bp



BSE SENSEX
32,037

S&P CNX
9,892

CMP: INR1,073 TP: INR1,265 (+18%)

Buy



Stock Info

Bloomberg	HMN IN
Equity Shares (m)	227.0
52-Week Range (INR)	1261 / 937
1, 6, 12 Rel. Per (%)	-7/-17/-19
M.Cap. (INR b)	243.6
M.Cap. (USD b)	3.8
Avg Val (INRm)/Vol m	188
Free float (%)	27.3

Financials Snapshot (INR b)

Y/E Dec	2017	2018E	2019E
Net Sales	24.9	28.5	32.8
EBITDA	7.6	8.4	9.8
PAT	6.0	6.4	7.7
EPS (INR)	26.5	28.3	33.9
Gr. (%)	4.5	6.6	20.0
BV/Sh (INR)	77.3	92.1	107.1
RoE (%)	35.8	33.4	34.1
RoCE (%)	31.0	34.1	38.5
P/E (x)	40.5	38.0	31.6
P/BV (x)	13.9	11.7	10.0

Shareholding pattern (%)

As On	Mar-17	Dec-16	Mar-16
Promoter	72.7	72.7	72.7
DII	2.7	2.8	1.2
FII	15.6	16.3	16.3
Others	8.9	8.2	9.8

FII Includes depository receipts

Building platform for strong long-term growth

Near-term prospects look challenging due to high wholesale dependence

Key takeaways from Emami's (HMN) FY17 annual report:

- Innovation remained the key focus area in FY17
- Took much-needed efforts to boost direct reach via Project Race/Project Dhanush
- Continued to emphasize on growing the Kesh King franchise
- Healthy operating cash flow growth, led by reduction in other assets

Right portfolio, low penetration, focused spending brighten growth potential

- 80% of the portfolio comprises high-demand problem-solving products, and the remaining 20% is discretionary products. This insulates the company from volumes risk in an adverse consumer environment.
- Penetration is low in many categories. We note that HMN is the dominant player in its leading categories, which puts it at the forefront to drive category growth.
- Brands like Fair & Handsome (now with a wide men's personal care portfolio) are available in only 1.4m out of the 4.3m outlets that HMN reaches across the country. Balms is another category, where penetration is low at 36% (Zandu balm reaches only 1.6m outlets, and *Mentho Plus* only 1.2m outlets).
- While Zandu is already strong with its balms and Chyawanprash products, it can also emerge as a strong Ayurvedic products brand. Management believes that the company's strength lies in its ability to validate product efficacy on the basis of data derived from systematic scientific research at NABL and Ministry of AYUSH accredited laboratories.
- HMN spends more on R&D than most FMCG companies in India; it incurred INR231m (0.99% of sales) in FY17.
- Despite demonetization, absolute A&P spend grew from INR4.3b in FY16 to INR4.43b in FY17. In terms of A&P as a percentage of sales, HMN stands among the top in the FMCG space.

New launch momentum stays robust

- Over the past five years, the company has introduced more than 25 products, variants and extensions.
- Some of the prominent new launches in FY17 were Boroplus Perfect Touch Cream, Navratna Almond Cool Oil, Navratna i-Cool Talc, Fair & Handsome 100% Oil Clear Instant Fairness Face Wash, He Respect deodorant, He Range of perfumes and deodorants, Kesh King Ayurvedic Medicinal Oil with blend of coconut oil, and He 'On-the-Go' Waterless Face Wash.

Targeting to significantly increase direct, rural reach

- The company increased its direct reach to 0.73m outlets from 0.64m in FY16, with a target to reach 0.8m in FY18. However, for a company with a pan-India reach of 4.3m outlets at end-FY17, the direct reach is well below that of peers and also weak in terms of proportion of total outlets.

- n HMN initiated 'Project Race' in FY17 to expand its direct reach in urban towns. The company has engaged AC Nielsen to conduct a study in the top 30 towns to understand the best way to take the expansion plan forward.
- n During the year, the company also initiated 'Project Dhanush' to enhance its rural direct reach via van operations (which were introduced in ~1,500 routes covering 6,000 towns with a population of below 5,000). The target is to double its rural reach in two years.

Kesh King expected to be strong revenue/profitability driver

- n Kesh King was able to become cash EPS-accretive within the first year of operations, creating the foundation for rapid repayment of debt raised for its acquisition.
- n Kesh King's reach was 0.54m outlets prior to the acquisition (MAT March 2015), which has been increased to 0.75m (MAT December 2016). The brand now has 32.1% market share v/s 30% at the time of acquisition.
- n Operating leverage potential is huge as the product reaches only 3% of households in India.
- n Apart from increasing distribution, management is planning targeted communication, leading to product trials.
- n The company launched sachet SKUs in the shampoo category. Sachets are a strong driver in the shampoo category, accounting for 65% of overall category sales. We believe that while growth of Kesh King is likely to be muted in 1Q/2QFY18 due to its high wholesale dependence (70% of sales), the brand will be a source of strong revenue and profitability growth (gross margins of over 70%) in the medium-to-long term.

Financial highlights – FY17 was a story of two halves

- n Strong summer and abundant rainfall enabled 15% YoY domestic business sales growth in 1HFY17, along with 29% EBITDA growth. However, 2HFY17 was impacted by demonetization, and thus, sales declined 2% YoY with flattish EBITDA.
- n While profit growth was unimpressive, net operating cash flows increased to INR7.3b in FY17 from INR5.6b in FY16, led by lower other assets.
- n Debentures of INR 3b are scheduled to be redeemed in three tranches in FY18 (INR1.5b on 22 May, INR750m on 22 August and INR750m on 22 November).
- n Management reiterated its target to become debt-free by end-FY18.

Valuation and view

- n Despite significant near-term challenges due to likely higher sales disruption following GST implementation (as it has high wholesale channel dependence v/s peers), we believe that HMN remains a credible long-term play due to (a) expected healthy growth in the existing product categories, where it has dominant market share, (b) demonstrated ability to leverage on its innovative ability, customer understanding and distribution reach to turnaround acquisitions, (c) best-of-breed R&D and A&P spend, innovative products and ability to back-up innovation with strong marketing and (d) efforts toward improving its direct distribution reach.
- n Valuations at 31.6x FY19E EPS are inexpensive relative to peers. We like the company's healthy long-term earnings growth prospects and return ratios in the mid-30s. We thus maintain our **Buy** rating with a target price of INR1,265, implying 18% upside to CMP.



Telecom

Telecom subscribers watch May-2017

Refer to our report on Telecom, dated 1 June 17



Industry active subscriber addition recovers led by RJio

Bharti remains the only other strong contender

The Telecom Regulatory Authority of India (TRAI) has released the monthly subscriber data for the month of May 2017. Active (VLR) subscribers in the industry increased by 4.6m to reach 1,020m in May, after declining by 1.5m in the previous month due to the commencement of RJio's paid services. Apart from RJio (+8.7m), Bharti (+1.5m) was the only player to have recorded active subscriber addition. Bharti's active subs market share improved 10bp to 26.5%, while RJio gained 80bp to reach 8.7%, largely at the cost of smaller players, which lost 60bp. This is in line with our view that RJio is likely to gain from subscribers shifting from second SIM usage to RJio's prime subscription. RJio's VLR in May improved 450bp MoM to 75.7%, indicating some stability after a 200bp decline in April. Industry's mobile broadband (MBB) subs net adds at 7.4m remained stable, led by RJio's 4.8m adds. RJio continues to lead the MBB subs market share at 43%; however, adjusted for inactive subscribers, RJio's MBB subs market share stands at 36.4%. We continue believing that Bharti has the wherewithal to perform well in the current hyper-competitive market.

Industry witnesses recovery in active net subs adds

- n After declining by 1.5m in April due to RJio's paid service launch, the telecom industry's active net subs increased by 4.6m in May 2017. Region-wise, Bihar, UP (E) and West Bengal remained the major gainers, with growth led by RJio and Bharti.
- n Operator-wise, RJio added 8.7m active subs to reach 88.9m, largely at the cost of smaller operators, which lost 5m active subs. Vodafone and Idea too cumulatively lost 0.5m active subs. This could be the outcome of subscribers shifting from second SIM usage to RJio's prime subscription. In our view, it will be key to see RJio's subs retention as it gradually increases ARPU beyond June 2017.
- n Bharti (+1.5m to 270m) was the only operator other than RJio to gain active subs.

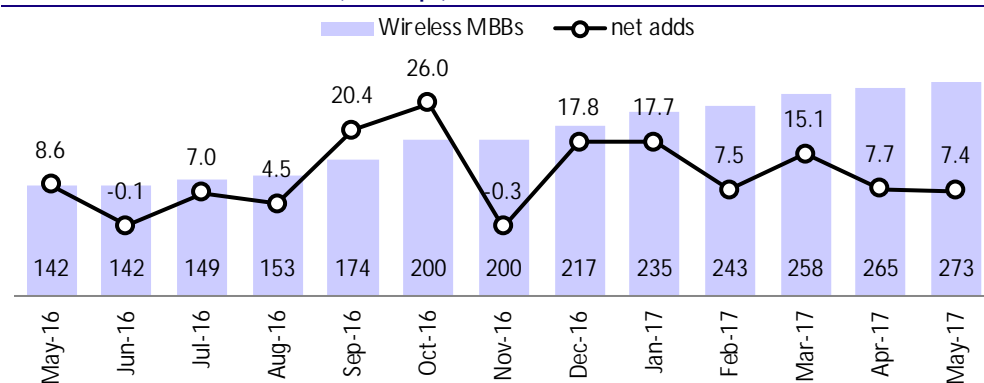
RJio gains active subs share; Bharti – the only strong contender

- n RJio gained active subs market share by a healthy 80bp MoM to 8.7%, as its VLR improved by a strong 450bp to 75.7%.
- n Bharti was the only other strong player, which not only protected but also marginally gained active subs market share (+10bp to 26.5%).
- n RJio's market share gain largely came at the cost of RCom, Tata Tele, BSNL and Uninor, which all remain vulnerable due to their weak network, limited value proposition apart from pricing, and as they possibly hold majority of the second SIM market. Vodafone and Idea too lost 10bp each to reach active subs market share of 19.5%.

MBB industry remains steady led by RJio

- MBB subscribers increased steadily by 7.4m to reach 273m. RJio continues to drive industry MBB subscription, contributing 65% (4.8m) of overall adds. On the other hand, Bharti contributed 14% (1m).
- RJio leads the MBB market share at 43% (+60bp MoM), while Bharti/Vodafone/Idea hold 18.8%/14.8%/9%. Adjusting for RJio's low active subs at 75.7%, its MBB market share stands at 36.4% (+200bp), while Bharti/Vodafone/Idea account for 21%/16.5%/10.1%.

Exhibit 1: MBB subscriber base (>512kbps)



Source: TRAI, MOSL



Infosys

Bloomberg	INFO IN
Equity Shares (m)	2285.6
M. Cap. (INR b)/(USD b)	2195 / 34
52-Week Range (INR)	1195 / 900
1,6,12 Rel Perf. (%)	-1 / -21 / -33

Financial Snapshot (INR b)

y/e mar	2017	2018E	2019E	2020E
Sales	684.9	713.9	794.3	867.6
EBITDA	186.1	189.8	209.0	231.0
PAT	143.8	144.9	157.2	173.5
EPS (INR)	62.9	63.4	68.8	75.9
EPS Gr. (%)	6.6	0.8	8.5	10.1
BV/Sh. (INR)	302	335.0	365.0	397.5
RoE (%)	22.0	19.9	19.7	19.9
RoCE (%)	22.0	19.9	19.7	19.9
Payout (%)	40.9	47.3	49.4	50.1

Valuations

P/E (x)	14.7	14.6	13.5	12.2
P/BV (x)	3.1	2.8	2.5	2.3
EV/EBITDA (x)	9.3	8.7	7.7	6.7
Div Yield (%)	2.8	3.2	3.7	4.1

CMP: INR951 TP: INR1,200 (26%) Buy

- n In CC terms, our revenue growth estimate for 1QFY18 is 2.2% QoQ on the back of gradual recovery in BFSI, offset by continued pressure in Retail. Cross-currency tailwinds of 80bp would result in USD revenue growth of 3%.
- n At the end of 4QFY17, INFO guided for 6.5-8.5% YoY CC growth, implying a COGR of 2.2-3%. FY17 guidance would be tested by 1Q revenue growth.
- n We expect EBITDA margin to decline by 80bp QoQ to 26.4%, led by INR appreciation and visa expenses.
- n With this, we expect full-year EBIT margin at 24%, at the mid-point of the revised profitability guidance range of 23-25%.
- n Our PAT estimate is INR34.4b, -4.6% QoQ, led by lower profitability and higher ETR.
- n The stock trades at 14.6x FY18E and 13.5x FY19E earnings. Buy.

Key issues to watch for

- Ø TCV of deal wins during the quarter.
- Ø Commentary around contribution of newly-launched services, and revenue scale and growth from products and solutions.
- Ø Commentary around macro, verticals, margins and pricing.

Quarterly Performance (IFRS)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	2,501	2,587	2,551	2,569	2,647	2,716	2,764	2,816	10,208	10,943
QoQ (%)	2.2	3.4	-1.4	0.7	3.0	2.6	1.8	1.9	7.4	7.2
Revenue (INR m)	167,820	173,100	172,730	171,200	170,473	176,545	181,018	171,200	684,850	713,899
YoY (%)	16.9	10.7	8.6	3.4	1.6	2.0	4.8	0.0	9.7	4.2
GPM (%)	38.7	39.1	39.7	39.7	39.2	38.7	39.0	39.3	39.3	39.0
SGA (%)	12.2	11.8	12.2	12.5	12.8	12.3	12.4	12.3	12.2	12.4
EBITDA	44,470	47,330	47,670	46,580	44,926	46,627	48,110	50,119	186,050	189,782
EBITDA Margin (%)	26.5	27.3	27.6	27.2	26.4	26.4	26.6	29.3	27.2	26.6
EBIT Margin (%)	24.1	24.9	25.1	24.6	23.7	23.9	24.1	24.5	24.7	24.0
Other income	7,530	7,600	8,200	7,460	7,976	7,830	8,597	7,998	30,790	32,401
ETR (%)	28.4	28.8	28.1	27.0	29.0	29.0	29.0	29.0	28.0	29.0
PAT	34,360	36,060	37,080	36,030	34,385	35,472	37,032	37,997	143,830	144,886
QoQ (%)	-4.5	4.9	2.8	-2.8	-4.6	3.2	4.4	2.6		
YoY (%)	13.4	6.1	7.0	0.2	0.1	-1.6	-0.1	5.5	6.6	0.7
EPS (INR)	15.0	15.8	16.2	15.8	15.0	15.5	16.2	16.6	62.9	63.4
Headcount	197,050	199,829	199,763	200,364	208,155	214,243	218,672	224,237	200,364	224,237
Util excl. trainees (%)	81.1	83.1	82.4	82.6	82.8	82.6	82.0	81.7	82.8	82.3
Attrition (%)	21.0	20.0	18.4	17.1						
Offshore rev. (%) (IT Serv)	43.0	43.0	43.5	43.3						
Fixed Price (%)	45.7	47.1	49.5	49.4						

E: MOSL Estimates



1. GST transition has been smoother than expected; expect 10% growth in FY18: Maruti; RC Bhargava, Chairman

- n The company was able to start invoicing on GST formats from the first day. All the vendors, suppliers and dealers got registrations done and also have their systems giving their invoices on the GST compatible format
- n Have passed on that benefit to the customer and it has varied from state to state because the value added tax (VAT) in the state is different from one state to another
- n Too early to talk of demand pickup.
- n In the month of June retail sales were high partly because of the uncertainty of what will happen post GST and partly because of the overtime working of auto companies to see that stocks at the end of the month were as low as possible with dealers.
- n Expects retail sales for the month of July to be lower than last month however the wholesale sales to be much higher than last month.
- n Will get double digit growth which means around 10 percent or little bit over 10 percent for the year as a whole
- n Overall GST will be beneficial to companies, to the economy and over time it will be reflected in growth and possibly prices will not go up in the near future, he mentioned.

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2. Expects Q2 numbers to be better in terms of volume & realisation: GOA carbon; Shrinivas Dempo, Chairman

- n Clocked capacity utilization of 78% in Q1.
- n Have seen price increase of Rs 4,000 per tonne which has helped improve margins
- n Going forward, second quarter numbers are expected to be much better in terms of volume and realization
- n Capacity utilisation would be over 85 percent in the coming quarters.
- n Demand of calcined petroleum (CP) coke has increased in India.

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3. AUMS under housing loan to reach Rs 1500 Cr in FY18: Muthoot Finance; George Alexander Muthoot, MD,

- n Gold loan book to grow by 10-15 percent in the coming year and does not think Rs 20,000 limit for gold loan by RBI would impact growth.
- n Micro finance business is mainly done through wealth star, where Muthoot is 65 percent shareholding. The company has about Rs 500 crore AUMs. It is basically a self-help group company which has converted itself into a micro finance company
- n Housing loans business has corporate office is in Mumbai and loans are largely done in Maharashtra, Gujarat and Rajasthan. Currently, they have about Rs 600 crore AUMs, which will go up to Rs 1500 crore by FY18 and in the coming year, they aim to take the number to Rs 2500-3000 crore
- n Haven't been approached by anyone for acquisition and would like to keep business to themselves.

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1. An insightful RBI report on state finances

In the midst of all the hullabaloo regarding the announcement of loan waiver in several states, I am surprised that not enough has been written on the Reserve Bank of India (RBI) report on state finances. This report is an annual publication of RBI which highlights the status of states' fiscal health and weaves a topical issue into the narrative. Over the last few years, the quality of the report has ratcheted up significantly in terms of exposition, coverage and analysis. The report essentially brings forth the issue of the "absence of fiscal marksmanship in states" and objectively discusses several issues, like the impact of UDAY (Ujwal DISCOM Assurance Yojana) on state finances, goods and services tax (GST), cooperative fiscal federalism, the issue of the revenue neutral rate and Central transfers. Let us take up these issues one by one.

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2. Incentivising financial sector cybersecurity

Two developments last week point to the evolving cybersecurity architecture in India's financial sector. First, the government made public a report by the working group established to help set up the Computer Emergency Response Team in the Financial Sector (Cert-Fin). Then, the Reserve Bank of India (RBI) released guidelines on customer liability in case of unauthorized electronic banking transactions. They represent different aspects of the cybersecurity problem—the technical and the broader economic framework. The latter deserves more attention than it has received. The Narendra Modi government's push for a less-cash economy is increasing the digital density of India's financial services space. For instance, the government has targeted Rs2,500 crore worth of transactions via digital means such as the Unified Payment Interface, Aadhaar Pay and debit cards in FY18. More fundamentally, Modi's financial inclusion and development push, based on JAM (Jan Dhan Yojana, Aadhaar, Mobile connectivity), has digital underpinnings that mean potentially cascading effects if there are breaches in the financial sector.

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3. The new abnormal in monetary policy

Financial markets are starting to get rattled by the winding down of unconventional monetary policies in many advanced economies. Soon enough, the Bank of Japan (BoJ) and the Swiss National Bank (SNB) will be the only central banks still maintaining unconventional monetary policies for the long term. The US Federal Reserve started phasing out its asset-purchase programme (quantitative easing, or QE) in 2014, and began normalizing interest rates in late 2015. And the European Central Bank is now pondering just how fast to taper its own QE policy in 2018, and when to start phasing out negative interest rates, too. Similarly, the Bank of England (BoE) has finished its latest round of QE—which it launched after the Brexit referendum last June—and is considering hiking interest rates. And the Bank of Canada (BoC) and the Reserve Bank of Australia (RBA) have both signalled that interest-rate hikes will be forthcoming.

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4. The rise of small entrepreneurs in India

n Small and medium enterprises (SMEs) account for over 95% of establishments and over 80% of jobs in the manufacturing sector in India. They are becoming increasingly prevalent and affect everything from poverty levels and shared prosperity to the allocation of activity in the economy and beyond. However, our understanding of the drivers of SMEs is still at an early stage. Are the SMEs concentrated in tradable or non-tradable sectors in India? How do SMEs connect into global and local supply chains and input-output networks? What role has sub-contracting played in the growth of SMEs? Is urbanization helping or hurting them? Is it push or pull entrepreneurship that is driving SMEs? Are SMEs gender-inclusive? We examine these issues using data on SMEs from 900 districts in India

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5. Wage code: hike pay, kill wages; why raising salaries is a bad idea

n Even as India is looking to overhaul its labour laws, the Brazil Senate on Tuesday approved some major changes to that country's labour code. Amidst some serious opposition, the Brazilian government tweaked the law to allow agreements negotiated between employers and workers, on a range of issues, to override current labour law. The changes will also make it easier to hire temporary workers, even for extended periods of time. While India's Parliament is also expected to debate amendments to labour laws next week, one of the laws expected to be discussed is making minimum wages mandatory. The Labour Code on Wages, 2015, says no employer shall be allowed to pay to any employee wages less than the minimum wages notified by the state government. Given India's labour laws are already very restrictive, imposing one more condition will only make it more difficult for companies—especially smaller ones—to function efficiently.

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International

6. Gulf states' power plays over qatar risk regional meltdown

n Rex Tillerson has picked a hard task for his first real foray into diplomacy, trying to mend fences in the Gulf between Qatar and a handful of countries led by Saudi Arabia, not least because Donald Trump and his secretary of state seem to be on opposite sides of this poisonous and escalating dispute, with the president cheering on the Saudis as Mr Tillerson applauds the Qatari leadership. Yet the mere presence of the former oilman indicates that the US has started to grasp the implications of this stand-off in the Gulf, now in its second month, which casts a pall over the region's ambition to reinvent its oil-based economies through private and foreign investment.

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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	852	1,073	26	28.0	33.8	40.5	30.4	25.2	5.6	4.7	20.3	20.4	20.7
Ashok Ley.	Buy	106	122	15	4.6	5.5	7.1	23.1	19.3	5.1	4.4	23.3	24.5	27.1
Bajaj Auto	Buy	2,791	3,359	20	132.3	143.5	167.9	21.1	19.4	4.7	4.3	25.3	23.1	24.4
Bharat Forge	Buy	1,120	1,330	19	26.2	37.7	49.7	42.8	29.7	6.3	5.5	16.2	19.8	22.3
Bosch	Neutral	24,222	23,738	-2	473.1	649.9	766.2	51.2	37.3	8.4	7.4	15.8	21.1	21.9
CEAT	Buy	1,880	2,100	12	93.3	96.2	131.3	20.1	19.6	3.1	2.8	16.9	15.1	17.8
Eicher Mot.	Buy	28,054	31,326	12	613.8	861.2	1,102.9	45.7	32.6	15.9	11.4	40.3	40.8	38.0
Endurance Tech.	Buy	899	1,025	14	23.5	30.5	38.8	38.3	29.4	7.3	6.0	20.8	22.4	23.6
Escorts	Neutral	672	731	9	20.0	36.9	45.7	33.7	18.2	3.4	2.9	10.6	17.3	18.3
Exide Ind	Buy	227	286	26	8.2	9.7	11.9	27.8	23.5	3.9	3.5	14.0	14.8	15.9
Hero Moto	Neutral	3,750	3,666	-2	169.1	198.2	198.7	22.2	18.9	7.4	6.3	35.7	36.0	31.0
M&M	Buy	1,371	1,586	16	54.3	66.7	79.9	25.2	20.6	3.2	2.9	14.2	14.1	14.6
Mahindra CIE	Not Rated	244	-		5.4	9.9	11.8	45.7	24.8	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	7,566	8,483	12	248.6	292.6	379.7	30.4	25.9	6.3	5.5	20.3	20.8	22.8
Tata Motors	Buy	458	666	45	19.8	30.9	64.3	23.1	14.8	2.7	2.3	9.8	16.5	27.3
TVS Motor	Buy	572	606	6	11.7	16.3	25.9	48.7	35.1	11.3	9.0	25.6	28.6	35.2
Aggregate								28.6	22.2	4.9	4.2	17.1	19.0	22.6
Banks - Private														
Axis Bank	Neutral	512	500	-2	15.4	23.8	40.3	33.3	21.5	2.3	2.1	6.9	10.1	15.4
DCB Bank	Neutral	198	182	-8	7.0	8.0	10.3	28.3	24.7	2.9	2.4	10.8	10.9	11.8
Equitas Hold.	Buy	170	207	22	4.7	4.8	7.4	36.0	35.2	2.6	2.4	8.9	7.1	10.1
Federal Bank	Buy	115	134	16	4.8	5.5	6.8	23.9	21.1	2.3	1.8	9.9	10.2	10.5
HDFC Bank	Buy	1,681	1,885	12	56.8	67.1	79.4	29.6	25.0	4.8	4.3	17.9	18.2	19.0
ICICI Bank	Buy	298	340	14	15.3	15.6	17.9	19.5	19.0	2.2	2.0	10.2	9.4	10.1
IDFC Bank	Neutral	63	62	-1	3.0	3.5	4.2	20.9	17.9	1.5	1.4	7.2	7.9	8.8
IndusInd	Buy	1,580	1,800	14	47.9	61.9	76.8	33.0	25.5	4.8	4.1	15.4	17.3	18.5
J&K Bank	Neutral	85	89	4	-31.3	4.4	8.0	NM	19.5	0.8	0.8	-27.0	4.0	7.0
Kotak Mah. Bk	Buy	962	1,146	19	26.8	32.2	40.4	35.8	29.8	4.6	4.1	13.8	14.9	16.1
RBL Bank	Under Review	546	-		11.9	18.0	24.2	46.0	30.4	4.8	4.3	12.3	14.9	17.5
South Indian	Buy	28	34	20	2.2	2.9	3.7	13.0	9.9	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,582	2,121	34	73.0	90.7	114.6	21.7	17.4	3.4	2.9	18.9	18.0	19.5
Aggregate								28.6	22.7	3.3	2.9	11.4	12.8	14.4
Banks - PSU														
BOB	Buy	163	212	30	6.0	18.4	22.5	27.2	8.9	1.1	1.0	4.1	11.9	13.2
BOI	Neutral	144	147	2	-14.8	13.7	22.0	NM	10.5	0.7	0.6	-6.7	6.1	9.0
Canara	Neutral	362	362	0	18.8	36.2	49.2	19.3	10.0	0.8	0.7	4.2	7.5	9.4
IDBI Bk	Neutral	57	49	-13	1.5	6.4	8.6	37.1	8.8	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	305	357	17	29.3	33.2	38.0	10.4	9.2	1.0	0.9	10.1	10.6	11.1
OBC	Neutral	149	150	0	-31.6	17.1	21.4	NM	8.8	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	152	184	21	6.2	10.3	14.5	24.4	14.8	0.9	0.8	3.6	5.6	7.5
SBI	Buy	289	362	25	0.3	17.9	23.3	970.2	16.1	1.4	1.3	-0.2	8.7	10.0
Union Bk	Neutral	155	162	5	7.6	24.6	34.5	20.2	6.3	0.5	0.5	2.7	8.1	10.5
Aggregate								106.3	12.7	0.9	0.9	0.9	6.7	8.3
NBFCs														
Bajaj Fin.	Buy	1,483	1,600	8	33.6	48.3	64.4	44.2	30.7	8.4	6.8	21.7	24.6	26.4
Bharat Fin.	Neutral	785	800	2	21.0	41.3	53.0	37.4	19.0	4.4	3.6	15.1	20.9	21.6
Cholaman.Inv.&Fn	Buy	1,167	1,300	11	46.0	55.0	66.4	25.4	21.2	4.3	3.6	18.1	18.5	18.9
Dewan Hsg.	Buy	443	530	20	29.6	37.0	45.4	15.0	12.0	1.8	1.6	14.4	13.9	15.3
GRUH Fin.	Neutral	508	443	-13	8.1	10.4	12.5	62.4	49.0	16.6	13.8	30.4	30.8	30.8
HDFC	Under Review	1,656	-		46.8	50.7	55.9	35.4	32.7	6.5	5.9	19.3	18.3	17.4
Indiabulls Hsg	Buy	1,126	1,300	15	69.0	88.9	113.9	16.3	12.7	3.9	3.5	25.5	29.0	32.7
LIC Hsg Fin	Neutral	739	750	1	38.2	47.9	53.8	19.3	15.4	3.5	2.9	19.4	20.6	19.7
Manappuram	Not Rated	99	-		8.6	10.8	12.5	11.4	9.2	2.5	2.3	24.0	25.9	26.9
M&M Fin.	Buy	368	415	13	7.1	13.6	16.4	52.0	27.2	3.2	3.0	6.3	11.4	12.8

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Muthoot Fin	Buy	470	550	17	29.5	41.0	43.3	15.9	11.5	2.9	2.5	19.4	23.2	21.4
PFC	Neutral	126	117	-7	25.7	27.2	30.2	4.9	4.6	0.8	0.7	17.9	17.0	16.8
Repco Home	Buy	796	936	18	29.1	35.8	42.5	27.3	22.2	4.4	3.7	17.4	18.1	18.2
REC	Neutral	187	134	-28	31.4	35.0	40.4	6.0	5.3	1.1	1.0	19.9	19.1	19.1
Shriram City Union	Buy	2,241	2,900	29	84.3	132.8	171.2	26.6	16.9	2.9	2.6	11.7	16.2	18.1
STF	Buy	1,026	1,340	31	55.6	78.5	98.5	18.4	13.1	2.0	1.8	11.7	14.7	16.3
Aggregate								19.1	16.0	3.5	3.1	18.3	19.1	19.2
Capital Goods														
ABB	Sell	1,477	1,200	-19	19.7	25.1	32.2	75.0	58.9	9.5	8.2	12.7	13.9	15.8
Bharat Elec.	Buy	173	200	16	6.9	7.2	8.1	25.0	24.1	5.1	4.0	20.6	16.5	16.8
BHEL	Sell	142	100	-30	2.1	3.6	4.7	66.2	40.0	1.1	1.1	1.6	2.7	3.4
Blue Star	Neutral	640	610	-5	12.9	17.8	26.6	49.7	36.0	8.1	7.6	18.0	21.7	30.1
CG Cons. Elec.	Buy	221	240	9	4.7	5.5	6.6	47.2	40.3	25.7	18.5	76.4	53.4	49.8
CG Power & Indu.	Sell	85	65	-23	4.1	2.3	4.5	20.6	37.0	1.3	1.2	6.2	3.4	4.2
Cummins	Neutral	929	950	2	26.5	28.8	35.5	35.1	32.2	6.9	6.4	21.2	20.5	23.2
GE T&D	Neutral	333	320	-4	5.7	6.2	7.6	58.1	53.7	8.3	7.5	12.4	14.7	16.4
Havells	Neutral	480	480	0	9.6	11.7	14.2	50.2	41.1	9.2	8.1	18.2	19.8	21.1
K E C Intl	Neutral	295	250	-15	11.9	12.8	16.4	24.9	23.0	4.8	4.1	21.2	19.2	20.9
L&T	Buy	1,175	1,340	14	42.3	47.1	54.0	27.8	25.0	3.3	3.0	12.2	12.6	13.4
Pennar Eng.	Not Rated	123	-		7.1	9.1	11.2	17.4	13.6	1.8	1.6	10.2	11.6	12.6
Siemens	Neutral	1,353	1,355	0	17.8	24.3	33.3	75.9	55.7	7.1	6.1	9.3	11.0	13.7
Solar Ind	Neutral	861	825	-4	20.6	22.6	28.2	41.8	38.1	7.7	6.6	19.8	18.6	19.9
Suzlon Energy	Not Rated	19	-		0.6	0.9	1.0	30.1	21.7	-1.7	-1.9	NM	-8.8	-11.0
Thermax	Sell	915	850	-7	30.8	32.7	34.0	29.7	28.0	4.1	3.7	14.3	13.7	12.9
Va Tech Wab.	Buy	685	800	17	28.9	34.9	39.8	23.7	19.6	3.8	3.2	16.3	17.7	17.5
Voltas	Sell	485	400	-17	15.5	15.6	17.6	31.4	31.1	4.8	4.3	18.0	14.7	14.9
Aggregate								34.9	30.6	3.9	3.6	11.2	11.7	12.7
Cement														
Ambuja Cem.	Buy	263	291	11	4.9	7.3	8.2	53.8	36.2	2.7	2.6	5.1	7.3	7.8
ACC	Neutral	1,702	1,611	-5	33.7	49.9	64.9	50.5	34.1	3.7	3.5	7.4	10.6	13.1
Birla Corp.	Buy	921	1,205	31	29.4	40.9	58.9	31.4	22.5	2.1	2.0	7.5	9.2	12.2
Dalmia Bharat	Buy	2,709	3,162	17	38.8	66.7	87.1	69.9	40.6	4.9	4.4	7.2	11.3	13.1
Grasim Inds.	Neutral	1,287	1,355	5	67.9	71.2	102.6	19.0	18.1	2.1	1.9	11.5	10.9	13.9
India Cem	Neutral	210	219	4	5.6	9.3	12.9	37.4	22.5	1.3	1.2	3.4	5.5	7.2
J K Cements	Buy	973	1,287	32	33.7	40.4	53.5	28.9	24.1	3.9	3.4	14.4	15.0	17.2
JK Lakshmi Ce	Buy	469	553	18	7.0	11.4	19.2	67.5	41.2	3.9	3.6	6.0	9.2	13.8
Ramco Cem	Buy	715	823	15	27.3	31.1	37.5	26.2	23.0	4.7	4.0	19.2	18.6	19.1
Orient Cem	Buy	157	178	13	-1.6	4.6	7.0	NM	34.0	3.3	3.0	-3.2	9.2	12.6
Prism Cem	Buy	124	145	17	0.3	3.7	5.6	356.8	33.5	6.2	5.4	1.8	17.2	22.0
Shree Cem	Buy	18,776	21,052	12	384.4	454.7	575.2	48.8	41.3	9.3	7.7	20.2	20.4	21.3
Ultratech	Buy	4,199	4,780	14	96.1	95.8	143.2	43.7	43.8	5.0	4.6	12.0	10.9	14.9
Aggregate								38.1	31.7	3.7	3.4	9.7	10.7	13.1
Consumer														
Asian Paints	Neutral	1,124	1,240	10	21.0	23.1	27.4	53.5	48.6	14.2	13.6	28.5	28.6	30.6
Britannia	Buy	3,722	4,450	20	73.7	85.5	105.4	50.5	43.5	16.6	15.2	36.9	36.5	38.3
Colgate	Buy	1,074	1,335	24	21.2	25.7	31.1	50.6	41.9	22.9	21.6	50.4	53.2	60.3
Dabur	Neutral	302	315	4	7.2	7.7	9.1	41.7	39.1	11.0	9.4	28.4	26.0	26.3
Emami	Buy	1,073	1,265	18	26.5	28.5	33.9	40.5	37.6	13.9	11.3	35.8	33.1	31.8
Godrej Cons.	Neutral	982	930	-5	18.9	21.8	25.0	51.9	45.0	12.6	9.8	24.6	24.5	23.0
GSK Cons.	Sell	5,491	4,500	-18	156.1	166.3	181.9	35.2	33.0	7.4	7.2	22.2	22.1	22.4
HUL	Buy	1,133	1,260	11	19.6	22.8	27.0	57.7	49.7	36.8	35.6	65.6	72.8	82.5
ITC	Buy	339	380	12	8.4	9.6	11.6	40.3	35.1	9.1	9.0	23.5	25.8	29.3
Jyothy Lab	Neutral	367	405	10	11.2	8.9	11.0	32.7	41.1	6.1	6.3	21.1	15.1	18.4
Marico	Neutral	327	360	10	6.3	6.9	8.4	52.1	47.1	18.2	15.5	36.7	35.5	38.1
Nestle	Sell	6,785	5,990	-12	118.0	118.6	139.5	57.5	57.2	21.7	20.0	39.0	36.4	39.0

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
Page Inds	Buy	16,798	20,195	20	238.7	317.0	400.0	70.4	53.0	28.1	22.2	40.0	42.0	42.8
Parag Milk	Neutral	238	240	1	3.6	7.4	12.3	66.2	32.1	3.0	2.8	5.9	9.1	13.4
Pidilite Ind.	Neutral	823	835	1	16.7	18.4	21.2	49.2	44.6	12.8	10.4	28.2	25.6	24.0
P&G Hygiene	Buy	7,991	9,082	14	144.9	155.8	181.6	55.1	51.3	45.6	36.3	45.3	78.9	74.0
Prabhat Dairy	Not Rated	140	-		3.5	3.5	6.4	39.6	40.2	2.0	1.9	5.2	4.9	8.5
United Brew	Neutral	810	850	5	8.7	9.7	14.7	93.2	83.5	9.3	8.5	10.4	10.7	14.6
United Spirits	Neutral	2,659	2,415	-9	26.7	37.4	51.8	99.4	71.2	19.9	13.7	21.3	19.3	19.7
Aggregate								48.0	42.4	13.2	12.3	27.6	29.1	30.7
Healthcare														
Alembic Phar	Neutral	538	640	19	21.6	24.9	30.5	25.0	21.6	5.3	4.5	23.0	22.6	23.1
Alkem Lab	Neutral	1,805	1,900	5	75.7	79.7	95.0	23.8	22.6	5.1	4.3	23.4	20.7	21.0
Ajanta Pharma	Buy	1,473	2,028	38	58.4	66.1	79.6	25.2	22.3	8.3	6.3	37.7	32.2	29.9
Aurobindo	Buy	705	750	6	39.3	44.1	50.2	17.9	16.0	4.5	3.5	28.3	24.8	22.5
Biocon	Sell	367	300	-18	10.2	10.4	14.4	36.0	35.4	4.9	4.5	13.6	12.6	15.6
Cadila	Buy	519	510	-2	14.2	17.8	23.2	36.5	29.2	8.3	6.8	24.8	25.7	27.2
Cipla	Neutral	542	500	-8	15.9	20.0	25.0	34.1	27.2	3.5	3.1	10.2	11.5	12.8
Divis Lab	Neutral	730	600	-18	39.7	35.4	39.8	18.4	20.6	4.1	3.7	23.5	19.0	19.2
Dr Reddy's	Neutral	2,693	2,600	-3	72.6	106.2	143.0	37.1	25.4	3.6	3.0	9.6	13.2	14.9
Fortis Health	Buy	164	240	47	10.3	2.1	6.1	15.8	77.5	1.7	1.5	11.3	2.0	5.3
Glenmark	Neutral	683	800	17	39.3	42.9	51.7	17.4	15.9	4.3	3.4	24.7	21.6	20.9
Granules	Buy	140	200	43	7.2	8.2	11.5	19.3	17.1	3.5	2.5	21.1	17.7	18.8
GSK Pharma	Neutral	2,583	2,700	5	34.4	51.9	60.1	75.2	49.7	16.2	19.7	21.5	39.7	54.4
IPCA Labs	Neutral	480	480	0	16.1	21.3	28.5	29.9	22.5	2.5	2.3	8.6	10.5	12.7
Jubilant Life	Buy	708	905	28	37.0	47.3	56.7	19.2	15.0	3.2	2.7	18.1	19.6	19.6
Lupin	Buy	1,142	1,475	29	59.2	57.9	72.0	19.3	19.7	3.9	3.4	22.0	18.2	19.4
Sanofi India	Buy	4,181	4,850	16	129.1	142.7	173.2	32.4	29.3	5.5	5.1	17.1	17.5	19.1
Sun Pharma	Buy	569	650	14	26.1	25.2	30.8	21.8	22.6	3.7	3.6	18.5	16.1	17.9
Syngene Intl	Not Rated	474	-		13.0	16.1	18.0	36.5	29.4	7.4	6.0	22.2	22.5	20.7
Torrent Pharma	Buy	1,281	1,450	13	55.2	56.8	71.4	23.2	22.6	5.4	4.7	25.3	22.4	24.2
Aggregate								24.6	23.0	4.3	3.8	17.5	16.4	17.5
Logistics														
Allcargo Logistics	Buy	173	228	32	9.8	12.2	14.3	17.6	14.2	2.6	2.3	12.6	17.2	17.8
Blue Dart	Not Rated	4,768	-		102.5	129.9	163.2	46.5	36.7	20.6	15.7	50.5	48.6	46.8
Concor	Neutral	1,177	1,236	5	38.0	39.2	45.8	31.0	30.0	3.2	3.1	10.8	10.6	11.8
Gateway Distriparks	Buy	271	313	16	6.8	10.7	13.6	39.8	25.2	2.3	2.3	5.9	9.1	11.1
Gati	Not Rated	128	-		8.4	15.9	23.9	15.3	8.0	2.1	1.9	12.4	19.4	25.4
Transport Corp.	Not Rated	333	-		16.9	21.0	25.9	19.6	15.8	3.1	2.6	16.7	17.8	18.6
Aggregate								29.9	25.4	3.7	3.4	12.2	13.4	15.0
Media														
Dish TV	Buy	80	105	32	1.0	1.4	4.0	80.8	56.1	17.3	13.2	24.1	26.8	327.5
D B Corp	Buy	379	450	19	20.4	23.6	27.5	18.6	16.0	4.4	3.9	25.5	25.7	26.5
Den Net.	Neutral	82	90	10	-8.6	-2.7	0.3	NM	NM	1.5	1.7	-12.0	-5.3	0.7
Hind. Media	Buy	278	360	30	25.9	30.1	35.3	10.7	9.2	1.9	1.6	19.0	18.3	17.9
HT Media	Neutral	84	90	8	7.4	8.0	9.2	11.2	10.4	0.8	0.7	7.1	7.0	7.3
Jagran Prak.	Buy	178	225	27	10.8	12.3	14.0	16.5	14.5	2.4	2.4	17.6	16.4	17.2
PVR	Buy	1,421	1,588	12	20.5	28.9	45.1	69.2	49.1	6.9	6.1	10.4	13.2	17.7
Siti Net.	Neutral	26	32	23	-1.8	-0.1	0.5	NM	NM	3.6	3.7	-23.5	-2.0	6.9
Sun TV	Neutral	829	860	4	24.9	28.5	35.9	33.4	29.1	8.3	7.6	25.0	26.3	30.2
Zee Ent.	Buy	515	585	14	23.1	15.6	18.6	22.3	33.1	8.5	7.2	24.7	23.6	23.7
Aggregate								39.6	29.7	5.8	5.3	14.7	17.8	22.7
Metals														
Hindalco	Buy	205	308	51	16.2	21.8	26.1	12.7	9.4	1.6	1.3	14.0	15.2	15.4
Hind. Zinc	Sell	277	246	-11	19.7	19.7	21.7	14.1	14.1	3.8	5.1	24.4	30.9	39.6
JSPL	Buy	138	190	37	-20.9	-17.2	2.4	NM	NM	0.4	0.4	-7.9	-5.4	0.8

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
JSW Steel	Buy	213	281	32	14.8	19.0	22.6	14.4	11.3	2.3	2.0	17.3	18.7	19.0
Nalco	Neutral	73	70	-4	3.7	3.8	4.2	19.8	19.4	1.4	1.3	7.2	7.0	7.5
NMDC	Buy	120	180	50	10.0	12.1	12.2	12.0	9.9	1.7	1.6	12.4	15.0	15.5
SAIL	Sell	62	37	-40	-6.2	-10.6	-4.2	NM	NM	0.7	0.8	-6.7	-12.6	-5.5
Vedanta	Neutral	263	235	-11	15.1	22.0	23.3	17.4	11.9	1.6	1.7	9.7	13.7	15.0
Tata Steel	Neutral	563	581	3	37.0	50.5	66.5	15.2	11.1	1.7	1.6	15.4	14.6	17.0
Aggregate								18.7	15.3	1.5	1.5	8.2	10.0	12.5
Oil & Gas														
BPCL	Neutral	458	511	12	48.3	36.7	43.5	9.5	12.5	2.9	2.5	32.4	21.7	22.3
GAIL	Sell	371	340	-8	22.6	26.3	29.8	16.5	14.1	1.6	1.5	9.6	11.3	11.8
Gujarat Gas	Sell	754	697	-8	20.4	33.7	46.5	36.9	22.4	6.3	5.1	17.8	25.3	28.0
Gujarat St. Pet.	Neutral	166	168	1	8.8	11.0	13.1	18.9	15.1	2.1	1.9	11.6	13.1	14.0
HPCL	Buy	375	420	12	40.7	29.5	32.6	9.2	12.7	2.8	2.5	32.4	20.6	20.0
IOC	Neutral	381	459	21	43.0	36.0	40.0	8.9	10.6	1.8	1.6	21.2	15.8	15.8
IGL	Neutral	1,125	1,070	-5	42.5	46.8	51.9	26.4	24.0	5.4	4.6	21.0	20.6	19.6
MRPL	Neutral	127	113	-11	14.8	10.2	11.8	8.6	12.5	2.2	1.9	31.4	16.5	16.9
Oil India	Buy	266	305	15	19.3	27.9	30.1	13.8	9.5	0.7	0.7	5.7	7.5	7.8
ONGC	Buy	159	195	23	16.4	17.4	19.7	9.7	9.1	0.9	0.9	10.1	9.9	10.8
PLNG	Buy	214	259	21	11.4	8.6	17.6	18.8	24.9	4.0	3.6	23.2	15.1	26.4
Reliance Ind.	Neutral	1,519	1,262	-17	106.6	122.1	131.0	14.2	12.4	1.6	1.4	11.9	11.8	11.5
Aggregate								12.0	12.3	1.6	1.5	13.3	12.0	12.4
Retail														
Jubilant Food	Sell	1,111	730	-34	10.0	12.2	17.9	111.0	91.3	9.1	8.5	8.2	9.3	12.6
Titan Co.	Neutral	535	545	2	9.0	10.3	12.1	59.2	52.0	11.2	10.3	20.6	20.6	21.6
Aggregate								62.7	54.8	10.8	9.9	17.2	18.1	19.0
Technology														
Cyient	Buy	516	620	20	30.6	36.6	42.0	16.8	14.1	2.7	2.4	16.2	17.1	17.2
HCL Tech.	Buy	858	960	12	59.8	61.4	66.7	14.3	14.0	3.6	3.6	27.5	25.2	25.8
Hexaware	Neutral	246	235	-5	13.7	15.4	16.7	18.0	16.0	4.4	3.8	26.5	25.3	23.5
Infosys	Buy	976	1,200	23	62.9	63.4	68.9	15.5	15.4	3.2	2.9	22.0	19.9	19.7
KPIT Tech	Neutral	135	150	11	11.9	13.0	15.2	11.3	10.3	1.7	1.5	14.3	15.2	15.3
L&T Infotech	Buy	786	850	8	55.5	59.1	65.1	14.2	13.3	4.9	3.8	40.4	32.5	28.4
Mindtree	Neutral	514	475	-8	24.9	30.5	36.2	20.7	16.8	3.4	3.0	16.8	19.0	20.3
Mphasis	Neutral	585	600	3	38.9	42.3	46.2	15.0	13.8	2.0	2.3	13.2	14.2	16.1
NIIT Tech	Neutral	570	470	-18	42.8	41.0	47.3	13.3	13.9	2.1	1.9	16.1	14.3	15.2
Persistent Sys	Buy	656	740	13	37.7	43.9	52.3	17.4	14.9	2.7	2.6	17.0	18.1	20.8
Tata Elxsi	Buy	1,731	1,607	-7	56.3	68.0	80.4	30.7	25.5	9.6	7.7	37.1	33.7	32.3
TCS	Neutral	2,444	2,400	-2	133.4	139.6	151.6	18.3	17.5	5.7	6.0	33.5	32.5	33.3
Tech Mah	Buy	389	465	20	30.9	31.0	36.2	12.6	12.6	2.1	1.9	18.4	16.0	16.9
Wipro	Neutral	264	250	-5	16.9	17.3	18.9	15.6	15.3	2.5	2.3	16.9	15.4	15.5
Zensar Tech	Buy	802	1,020	27	54.9	62.0	74.2	14.6	12.9	2.2	2.0	16.3	16.3	17.1
Aggregate								16.5	16.2	3.8	3.7	23.2	22.6	22.1
Telecom														
Bharti Airtel	Buy	403	430	7	11.1	5.9	10.9	36.3	68.6	2.4	2.3	6.7	3.4	6.1
Bharti Infratel	Buy	411	440	7	14.9	17.2	19.3	27.7	23.9	4.9	4.3	16.2	19.1	18.7
Idea Cellular	Buy	88	110	26	-1.1	-9.7	-11.2	NM	NM	1.3	1.5	-1.6	-15.3	-20.8
Tata Comm	Buy	659	811	23	26.0	10.2	30.8	25.3	64.5	11.8	10.0	126.2	16.7	37.8
Aggregate								38.3	124.9	2.6	2.6	6.9	2.1	4.2
Utilities														
Coal India	Buy	253	315	24	14.9	17.6	18.6	17.0	14.4	6.4	6.4	37.8	44.5	47.0
CESC	Buy	867	1,140	32	51.9	78.6	86.0	16.7	11.0	1.7	1.5	10.5	14.4	13.9
JSW Energy	Buy	64	85	33	3.9	3.2	3.1	16.6	20.3	1.0	1.0	6.3	4.9	4.8
NTPC	Buy	164	198	21	13.0	13.4	16.2	12.6	12.2	1.4	1.3	11.5	10.9	12.3
Power Grid	Buy	215	242	13	14.2	17.6	20.6	15.1	12.2	2.3	2.0	16.2	17.5	17.8
Tata Power	Sell	83	68	-18	5.2	6.4	6.7	16.1	13.1	1.9	1.7	11.2	13.9	12.1

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								14.8	13.0	2.3	2.1	15.2	16.1	16.8
Others														
Arvind	Neutral	375	359	-4	12.4	12.5	18.1	30.2	29.9	2.7	2.5	10.3	8.8	11.8
Avenue Supermarts	Neutral	915	804	-12	7.7	12.8	17.9	119.2	71.3	14.9	13.0	17.9	19.4	23.3
Bata India	Under Review	565	-		13.5	15.7	19.4	41.8	36.0	5.5	4.9	13.9	14.4	15.8
Castrol India	Buy	405	527	30	13.6	14.4	15.0	29.7	28.0	33.6	30.1	115.2	113.3	106.1
Century Ply.	Neutral	283	323	14	8.7	9.8	12.9	32.5	28.8	8.8	7.3	31.1	27.7	29.6
Coromandel Intl	Under Review	419	-		16.6	21.8	26.1	25.2	19.2	4.2	3.7	17.5	20.6	21.6
Delta Corp	Buy	163	215	32	3.1	5.7	7.2	53.5	28.8	4.1	2.8	8.1	12.1	11.5
Dynamatic Tech	Buy	2,427	3,334	37	67.6	112.9	166.7	35.9	21.5	5.0	4.0	15.1	20.7	24.3
Eveready Inds.	Buy	345	368	7	12.9	14.4	17.5	26.8	23.9	8.7	7.0	37.7	32.3	31.6
Interglobe	Neutral	1,277	1,283	0	46.0	57.9	91.6	27.7	22.1	22.8	20.5	86.2	98.0	136.2
Indo Count	Buy	168	200	19	13.0	13.2	15.4	12.9	12.7	3.9	2.9	34.8	26.4	23.5
Info Edge	Buy	1,045	1,050	0	15.7	20.3	22.9	66.7	51.6	6.4	5.9	10.2	11.9	12.3
Inox Leisure	Sell	273	240	-12	3.3	8.0	12.0	81.9	34.0	4.8	4.2	5.9	12.5	16.2
Jain Irrigation	Under Review	105	-		5.5	7.6	10.0	19.0	13.8	1.6	1.6	8.6	11.7	14.8
Just Dial	Neutral	367	465	27	17.5	18.5	21.1	21.0	19.9	2.8	2.5	14.8	13.4	13.7
Kaveri Seed	Buy	651	755	16	19.1	31.3	37.7	34.1	20.8	4.4	4.8	13.6	21.6	26.0
Kitex Garm.	Buy	278	394	42	18.6	22.1	26.2	15.0	12.6	4.0	3.3	29.8	28.6	27.6
Manpasand	Buy	760	927	22	12.7	20.3	30.9	59.9	37.5	3.8	3.5	7.3	8.5	13.5
MCX	Buy	1,079	1,300	20	24.8	30.1	42.8	43.5	35.9	4.0	3.8	9.9	11.0	14.6
Monsanto	Buy	2,770	3,295	19	86.2	105.1	126.7	32.1	26.4	9.0	8.2	31.6	32.5	34.5
Navneet Education	Buy	177	226	28	7.8	9.4	11.3	22.9	18.8	5.7	4.8	26.8	27.8	28.2
PI Inds.	Buy	782	952	22	33.4	33.4	38.1	23.4	23.4	6.6	5.4	32.8	25.4	23.8
Piramal Enterp.	Buy	2,914	3,044	4	72.6	104.1	144.6	40.1	28.0	3.8	3.5	9.8	13.0	16.4
SRF	Buy	1,561	1,816	16	85.9	86.3	109.2	18.2	18.1	2.9	2.6	16.6	14.7	16.7
S H Kelkar	Buy	267	287	7	7.2	8.6	10.3	36.9	31.1	4.8	4.3	13.7	14.5	15.6
Symphony	Sell	1,323	1,288	-3	23.7	35.1	42.9	55.9	37.7	20.7	18.3	43.3	51.6	54.5
TTK Prestige	Neutral	6,366	5,281	-17	132.1	137.8	176.1	48.2	46.2	8.7	7.9	19.5	18.0	20.7
V-Guard	Neutral	183	167	-9	3.6	4.5	6.0	51.2	40.9	12.2	10.0	27.4	26.9	28.8
Wonderla	Buy	356	393	11	7.0	11.9	16.0	50.9	29.8	4.6	4.2	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-0.1	1.3	-2.2
Ashok Ley.	-0.3	11.6	16.7
Bajaj Auto	0.2	-1.3	5.1
Bharat Forge	0.1	-3.9	50.1
Bosch	0.0	0.3	4.7
CEAT	-0.2	0.7	118.1
Eicher Mot.	-0.7	-3.9	43.7
Endurance Tech.	-0.2	1.8	
Escorts	-1.3	-9.3	182.6
Exide Ind	0.2	-0.3	24.4
Hero Moto	0.5	-0.1	15.9
M&M	-0.4	-3.3	-6.4
Mahindra CIE	1.6	2.0	30.9
Maruti Suzuki	1.2	3.0	75.1
Tata Motors	-0.6	2.0	-4.5
TVS Motor	1.3	2.8	85.8
Banks - Private			
Axis Bank	0.9	1.1	-8.0
DCB Bank	1.1	-4.4	98.7
Equitas Hold.	1.2	11.2	-2.7
Federal Bank	0.2	0.0	88.8
HDFC Bank	0.0	0.1	40.8
ICICI Bank	1.7	4.0	25.4
IDFC Bank	-1.9	8.3	23.4
IndusInd	0.5	6.0	43.1
J&K Bank	-0.4	-0.5	23.1
Kotak Mah. Bk	0.5	-1.3	24.2
RBL Bank	2.3	5.8	
South Indian	0.5	-0.7	41.6
Yes Bank	4.4	5.9	37.9
Banks - PSU			
BOB	-0.2	-3.9	2.0
BOI	-0.6	4.8	28.7
Canara	0.5	3.8	55.1
IDBI Bk	-0.3	-0.5	-23.5
Indian Bk	-0.4	1.9	97.2
OBC	-0.2	0.2	23.6
PNB	0.0	2.4	21.8
SBI	0.4	1.7	27.0
Union Bk	0.4	2.5	14.6
NBFCs			
Bajaj Fin.	3.1	8.3	72.8
Bharat Fin.	2.8	15.9	3.4
Cholaman.Inv.&Fn	5.2	6.8	21.8
Dewan Hsg.	2.0	0.7	107.2
GRUH Fin.	1.5	14.2	76.3
HDFC	1.0	-0.7	24.7
Indiabulls Hsg	1.9	-2.5	57.6
LIC Hsg Fin	1.8	-5.5	44.5
Manappuram	-1.4	5.4	33.6
M&M Fin.	1.1	6.5	6.5
Muthoot Fin	0.5	1.2	73.0
PFC	-0.2	-3.5	25.4
Repco Home	0.6	-12.3	5.5
REC	0.0	-0.6	92.4
STF	-0.7	5.6	-20.1
Shriram City Union	-2.8	-7.4	28.1

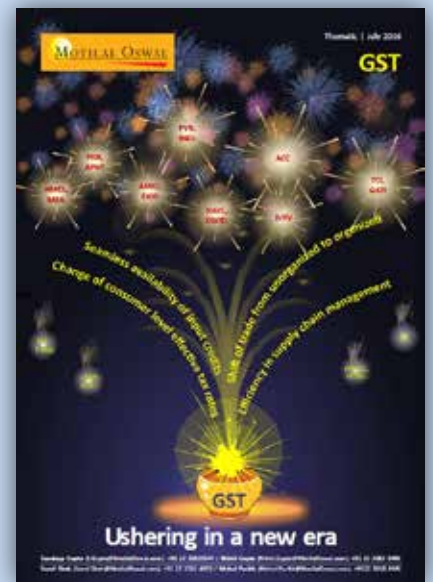
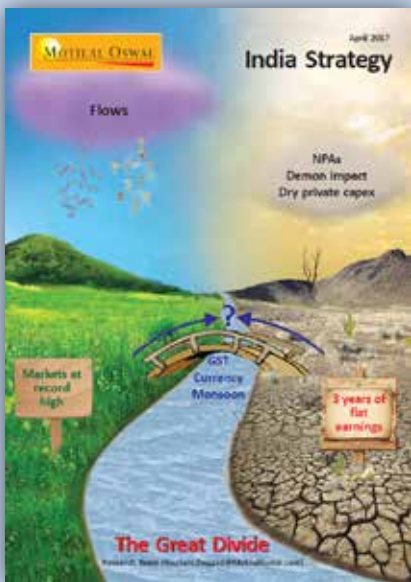
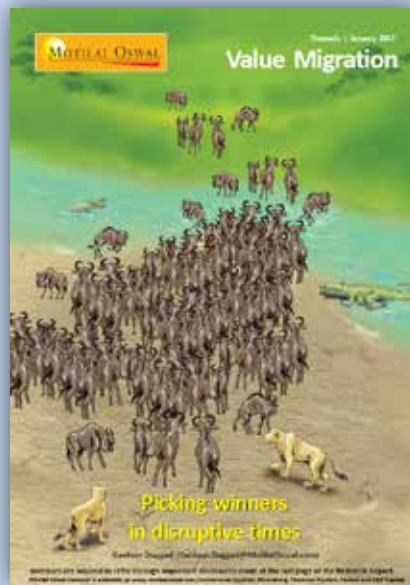
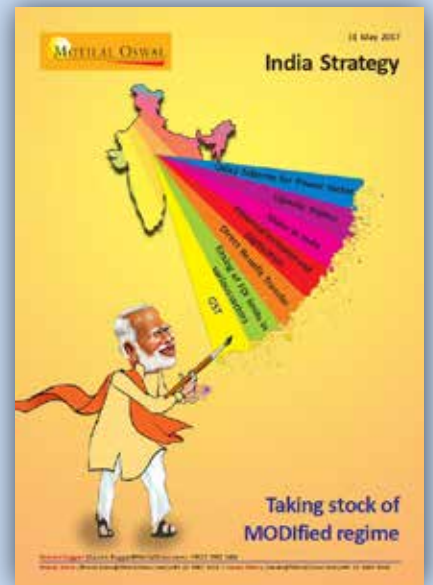
Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	1.3	1.2	17.1
Bharat Elec.	1.4	4.9	38.8
BHEL	1.4	1.7	0.5
Blue Star	3.6	-0.9	43.1
CG Cons. Elec.	-0.5	-0.9	55.0
CG Power & Inds Sol.	2.4	2.4	19.6
Cummins	2.1	1.7	13.4
GE T&D	0.4	-2.8	-8.6
Havells	0.5	-3.2	33.4
K E C Intl	6.3	14.5	107.5
L&T	1.3	1.5	13.8
Pennar Eng.	-1.7	-7.8	-28.7
Siemens	0.2	1.9	3.8
Solar Ind	0.4	4.0	32.7
Suzlon Energy	0.0	1.1	4.7
Thermax	0.0	-3.9	1.0
Va Tech Wab.	1.3	-0.3	12.5
Voltas	2.4	-1.4	49.7
Cement			
Ambuja Cem.	0.7	13.5	0.9
ACC	-0.1	5.7	5.6
Birla Corp.	5.9	0.0	68.7
Dalmia Bharat	1.7	9.8	124.9
Grasim Inds.	1.8	14.8	39.5
India Cem	0.2	0.5	85.9
J K Cements	0.3	-5.3	35.6
JK Lakshmi Ce	-0.4	-0.7	18.4
Ramco Cem	1.4	3.2	23.6
Orient Cem	0.6	2.8	-12.1
Prism Cem	-0.7	9.1	18.8
Shree Cem	1.6	3.8	21.1
Ultratech	0.2	3.3	22.2
Consumer			
Asian Paints	-0.8	-2.3	11.4
Britannia	0.6	2.7	29.8
Colgate	-0.2	-0.1	16.2
Dabur	-0.8	3.8	-4.6
Emami	1.1	-4.7	-3.6
Godrej Cons.	1.4	4.5	22.6
GSK Cons.	-0.4	2.8	-11.6
HUL	0.3	2.8	22.5
ITC	3.0	11.1	37.1
Jyothy Lab	0.1	-4.3	25.5
Marico	0.8	3.4	17.5
Nestle	-0.5	1.4	3.1
Page Inds	1.3	4.7	27.5
Parag Milk	1.9	3.7	-29.6
Pidilite Ind.	0.6	1.0	15.0
P&G Hygiene	-0.3	0.1	28.2
Prabhat Dairy	-1.3	15.4	43.3
United Brew	-1.1	2.2	3.6
United Spirits	-0.4	12.0	6.3
Healthcare			
Alembic Phar	2.3	-1.6	-8.4
Alkem Lab	-0.2	-4.5	27.6
Ajanta Pharma	0.0	-4.5	-8.6
Aurobindo	1.4	16.6	-9.0
Biocon	-0.2	7.6	51.8



Company	1 Day (%)	1M (%)	12M (%)
Cadila	0.3	-4.3	44.1
Cipla	0.5	-1.5	5.2
Divis Lab	-0.2	13.3	-37.4
Dr Reddy's	0.1	2.5	-25.3
Fortis Health	0.6	-13.6	6.1
Glenmark	0.3	8.2	-19.2
Granules	-0.7	-2.5	-4.0
GSK Pharma	-0.1	5.2	-26.3
IPCA Labs	1.1	-4.3	4.0
Jubilant Life	0.2	-2.9	132.5
Lupin	0.1	-3.0	-30.8
Sanofi India	-0.2	1.4	-8.9
Sun Pharma	1.3	6.1	-26.8
Syngene Intl	-1.2	2.5	11.8
Torrent Pharma	-2.4	5.5	-9.7
Logistics			
Allcargo Logistics	1.9	-2.2	-5.1
Blue Dart	1.1	10.0	-21.3
Concor	0.1	0.8	3.0
Gateway Distriparks	-1.2	8.3	-10.3
Gati	0.4	1.7	-23.0
Transport Corp.	-1.8	8.0	63.3
Media			
Dish TV	-0.6	-3.3	-19.0
D B Corp	-0.7	1.6	0.7
Den Net.	0.1	-1.8	-9.9
Hind. Media	0.7	1.0	2.6
HT Media	1.0	2.8	2.5
Jagran Prak.	0.1	-2.4	-0.8
PVR	-0.2	-4.9	43.4
Siti Net.	-1.9	-14.3	-31.7
Sun TV	0.2	2.0	122.7
Zee Ent.	1.0	1.4	12.7
Metals			
Hindalco	2.0	2.0	50.7
Hind. Zinc	1.4	13.1	42.9
JSPL	-1.1	12.6	88.3
JSW Steel	-0.4	7.9	37.0
Nalco	7.2	11.9	50.7
NMDC	0.2	5.9	22.4
SAIL	-0.6	9.4	24.1
Vedanta	1.2	10.3	60.2
Tata Steel	0.7	10.7	57.4
Oil & Gas			
BPCL	0.5	-1.7	26.1
GAIL	0.4	-2.7	26.9
Gujarat Gas	-0.9	-5.6	35.1
Gujarat St. Pet.	0.4	0.7	24.5
HPCL	4.3	4.1	60.8
IOC	-3.0	-9.2	59.0
IGL	0.4	3.1	85.0
MRPL	-0.4	-1.1	77.0
Oil India	-0.2	-9.9	-4.7
ONGC	-2.3	-5.9	1.7
PLNG	-1.4	-1.1	48.5
Reliance Ind.	0.6	15.7	50.6
Retail			
Jubilant Food	0.4	14.7	-4.3
Titan Co.	0.8	2.6	32.3

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	-1.4	-1.5	2.6
HCL Tech.	0.6	1.1	19.2
Hexaware	-2.5	2.3	10.3
Infosys	0.3	1.9	-18.2
KPIT Tech	0.7	11.1	-8.2
L&T Infotech	0.0	-1.2	
Mindtree	-0.2	-3.3	-21.1
Mphasis	-3.0	-4.9	5.4
NIIT Tech	-1.2	3.1	13.3
Persistent Sys	-0.6	-0.7	-1.5
Tata Elxsi	0.6	12.7	3.1
TCS	0.2	-0.4	-1.9
Tech Mah	0.7	-0.9	-23.2
Wipro	0.1	1.9	-7.9
Zensar Tech	0.2	-7.9	-20.5
Telecom			
Bharti Airtel	1.4	10.8	11.0
Bharti Infratel	-2.4	7.0	16.7
Idea Cellular	2.5	11.0	-17.9
Tata Comm	-1.1	-12.4	39.1
Utilities			
Coal India	-0.1	-2.1	-21.6
CESC	-0.7	-2.9	44.7
JSW Energy	-1.0	1.7	-21.0
NTPC	0.1	2.3	4.1
Power Grid	0.5	2.4	32.9
Tata Power	0.2	6.6	15.5
Others			
Arvind	-0.2	-0.6	17.1
Avenue Super.	0.3	14.3	
Bata India	0.4	2.5	-0.1
Castrol India	-0.9	0.8	0.7
Century Ply.	0.7	-5.6	29.7
Coromandel Intl	2.3	-3.1	74.9
Delta Corp	-0.8	0.4	76.1
Dynamatic Tech	-0.4	0.6	-2.4
Eveready Inds.	-0.9	4.6	24.7
Interglobe	1.2	11.9	27.8
Indo Count	0.8	-4.5	-14.5
Info Edge	0.0	2.6	25.9
Inox Leisure	-0.8	-4.6	13.2
Jain Irrigation	0.8	-1.0	44.4
Just Dial	-1.3	-9.3	-36.8
Kaveri Seed	2.8	-3.8	53.9
Kitex Garm.	-0.7	-5.2	-25.6
Manpasand	-0.1	0.3	21.3
MCX	-1.2	3.0	1.2
Monsanto	-1.9	0.8	13.2
Navneet Educat.	1.0	-6.0	80.4
PI Inds.	-1.6	-3.4	7.8
Piramal Enterp.	-0.3	-3.3	91.5
SRF	0.0	-5.6	16.4
S H Kelkar	-0.1	-7.1	18.5
Symphony	-1.4	-0.3	10.2
TTK Prestige	-0.3	-5.3	34.1
V-Guard	-0.3	0.7	83.4
Wonderla	-0.7	-4.2	-10.5

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MOTILAL OSWAL Initiating Coverage | 27 February 2017
Sector: Pharmaceuticals

Piramal Enterprises

Winner's Edge

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MOTILAL OSWAL Initiating Coverage | 28 February 2017
Sector: Automobiles

CEAT

Well balanced

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DIFFERENTIATED PRODUCT GALLERY

JC LAKSHMI CEMENT

Annual Report 2017

The ART of annual report analysis

ART stands for Annual Report Transparency. It is a framework to evaluate the quality of annual reports. The framework is based on the following criteria:

- Accuracy:** The accuracy of the financial data presented in the annual report.
- Reliability:** The reliability of the financial data presented in the annual report.
- Timeliness:** The timeliness of the financial data presented in the annual report.
- Completeness:** The completeness of the financial data presented in the annual report.
- Clarity:** The clarity of the financial data presented in the annual report.

27 March 2017

Annual Report 2017

JC LAKSHMI CEMENT

Annual Report 2017 highlights a steady growth performance, with revenue growing 10% to ₹1,045 crore and EBITDA growing 23% to ₹1,045 crore. The company's EBITDA margin improved to 10.0% from 9.6% in FY16. The company's EBITDA margin improved to 10.0% from 9.6% in FY16. The company's EBITDA margin improved to 10.0% from 9.6% in FY16.

Particulars	2017	2016
Revenue	1,045	945
EBITDA	104	91
EBITDA Margin (%)	10.0	9.6
Operating Profit	104	91
Operating Profit Margin (%)	10.0	9.6

CornerOffice

Deliverables with the CFO

Slow of new launches encouraging

Highway toll and GST paper operations face challenges

Key highlights

- United Business (UB) has started a new line of new launches in FY17, which is encouraging after the overall track of previous years. The company is planning to launch more such products in the coming months.
- Highway toll and GST paper operations are expected to contribute to the company's revenue in the coming months.
- Revenue and cost control strategies are being employed to mitigate the impact on margins.
- Other revenue streams are commensurate with the revenue and cost control strategies being employed.

28 June 2017

CornerOffice

Deliverables with the CFO

United Business

United Business (UB) has started a new line of new launches in FY17, which is encouraging after the overall track of previous years. The company is planning to launch more such products in the coming months.

VOICES

India Inc on Call

India Inc on Call is a quarterly podcast that features thought leaders, provides a clear view on the pulse of the Indian economy, and offers insights into the current business landscape. The podcast is hosted by Motilal Oswal and is available on various platforms.

27 March 2017

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BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of June edition

- Nifty down 1% in June after three months of positive returns.
- Real Estate, Healthcare, Consumer, and Telecom top performers.
- Healthcare and Technology only sectors delivering negative returns in CY17 YTD.

27 March 2017

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Equity

Equity AUM of NB Index of new highs, up 40% in 12 months

IRRS-2x

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IRRS-2x is a fund that aims to deliver a return of 2x the return of the Nifty Index. The fund is managed by Motilal Oswal and is available on various platforms.

27 March 2017

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FUND FOLIO

Indian Mutual Fund Tracker

For FY17 YTD, equity AUM is up 24%, as opposed to Nifty's rise of 18%

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