

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	32,242	0.2	21.1
Nifty-50	10,087	0.1	23.2
Nifty-M 100	18,936	0.6	31.9
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,496	-0.1	11.5
Nasdaq	6,429	-0.5	19.4
FTSE 100	7,295	-1.1	2.1
DAX	12,540	-0.1	9.2
Hang Seng	11,101	-0.8	18.2
Nikkei 225	19,807	-0.3	3.6
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	55	0.3	-0.6
Gold (\$/OZ)	1,325	-0.7	14.3
Cu (US\$/MT)	6,456	-0.9	16.9
Almn (US\$/MT)	2,068	-0.5	21.4
Currency	Close	Chg. %	YTD.%
USD/INR	64.1	0.1	-5.6
USD/EUR	1.2	-0.7	12.8
USD/JPY	110.4	0.3	-5.7
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.6	0.0	0.1
10 Yrs AAA Corp	7.5	0.0	0.0
Flows (USD b)	14-Sep	MTD	YTD
FII	-0.1	-0.5	6.3
DII	0.1	0.9	7.4
Volumes (INRb)	14-Sep	MTD*	YTD*
Cash	311	303	290
F&O	10,031	5,533	5,306

Note: YTD is calendar year, \*Avg



Today's top research theme

Fund Folio: AUM scales new highs; global cyclicals see buying

- Domestic mutual fund industry equity AUM rose for the ninth consecutive month in August to scale a new high of INR6.4t (+2.3% MoM and +37% CY17 YTD).
- The increase in equity AUM was led by a rise in equity scheme sales to INR325b (+16% MoM) and a fall in redemptions by 21% MoM to INR121b (as market indices were down; Nifty -1.6% MoM), leading to a rise in net inflows (INR204b, +60% MoM). Notably, net inflows of INR204b in August were the highest-ever in a month.
- In August, 982k new SIP accounts were added, taking the total SIP accounts to 15.9m. The total amount collected through SIP during the month of August was INR52.1b, up ~50% YoY.
- The month saw a notable change in sector and stock allocation of funds. Weight of Global Cyclicals is now in double-digits (10.5%, +90bp MoM). Defensives' weight too increased by 30bp to 23.7%, led by a rise in the weight of Utilities (+40bp to 3.4%). Domestic cyclicals' weight fell by 120bp to 65.8% due to a decline in the weights of Banks (PVT and PSU), Autos, Capital Goods and Infrastructure, partly offset by a small increase in the weight of NBFCs.



Research covered

Cos/Sector	Key Highlights
Fund Folio	Sep-17: Indian Mutual Fund Tracker — AUM scales new highs
EcoScope	August inflation doesn't dampen case for rate cut
Real Estate Day	Turning toward a new paradigm



Piping hot news

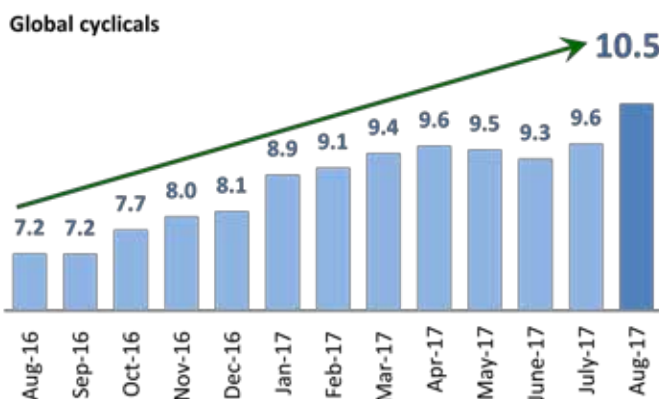
SEBI may probe Shree Cement, NBI promoters over allegations of defraud

- Promoters of NBI Industrial Finance, a stakeholder in one of North India's leading cement company Shree Cement, may be examined by SEBI on allegations of defrauding minority shareholders.

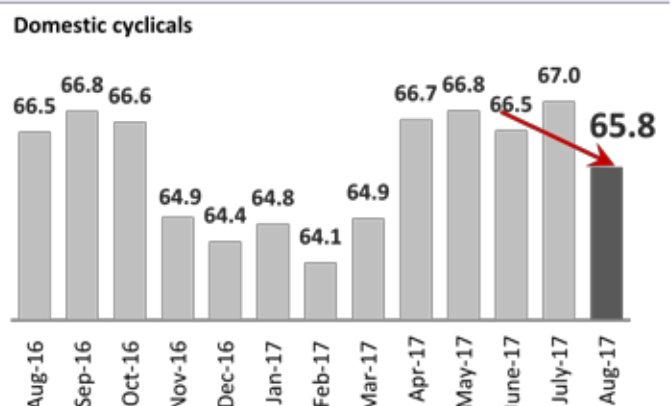


Chart of the Day: Sector allocation of domestic MFs – weights of Global Cyclicals increased, while those of Domestic Cyclicals' saw signs of moderation

Weight of Global Cyclicals is now in double-digits (10.5%, +90bp MoM)



Domestic cyclicals' weight fell by 120bp to 65.8%



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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

### Tata Sons plans to go private limited

In notice to its shareholders ahead of the annual general meeting (AGM) scheduled for September 21, Tata Sons has sought approval to amend its memorandum of association and articles of association to convert itself from a public limited company to a private limited one...

2

### North Korea fires missile over Japan, UNSC convenes emergency meeting

North Korea fired an unidentified missile eastwards over Japan on Friday, Seoul and Tokyo said. The launch, from near Pyongyang, came after the United Nations Security Council imposed an eighth set of sanctions on the country over its banned missile and nuclear programmes. That was in response to its sixth nuclear test- by far its largest yet- earlier this month, which Pyongyang said was a hydrogen bomb small enough to fit onto a missile...

3

### Maruti gets electric boost as Suzuki vows to produce lithium ion batteries by 2020

Japanese automaker Suzuki Motor Corp. on Thursday said that its joint venture partnership with Toshiba Corp. and Denso Corp. will start making lithium ion batteries for India and international markets from 2020...

4

### Idea tells Trai to fix IUC by separating VoLTE, other networks

Giving a fresh twist to the ongoing tussle over interconnect usage charges (IUC), Idea Cellular Ltd on Thursday wrote to the telecom regulator asking it to evaluate IUC by bifurcating the calls terminating on VoLTE networks (where Jio has a huge presence) and those terminating on...

5

### Govt invites bids to appoint banks, lawyer for Air India sale

The government has invited bids to appoint two financial advisors and one legal advisor for the privatisation of national carrier Air India and its subsidiaries, the Ministry of Finance said in a newspaper advertisement on Thursday...

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### 'Utilities to get ₹6,000 cr. relief due to GST on coal'

Changes in the tax structure on coal following the introduction of GST would translate to a ₹6,000 crore relief to the power sector, a senior Coal India Ltd. (CIL) official told shareholders on Thursday...

7

### Idea, Vodafone mobile tower assets draw interest from ATC, Brookfield, IDFC Alternatives

American Tower Corp. (ATC), Brookfield Asset Management and IDFC Alternatives have emerged as the front runners for the independent tower assets of Vodafone India and Idea Cellular Ltd in a combined transaction, according to two people with direct knowledge of the development...

### AUM scales new highs; global cyclicals see buying

- Equity AUM rose for the ninth consecutive month in August to scale a new high of INR6.4t (+2.3% MoM and +37% CY17 YTD).
- The increase in equity AUM was led by a rise in equity scheme sales to INR325b (+16% MoM) and a fall in redemptions by 21% MoM to INR121b (as market indices were down; Nifty -1.6% MoM), leading to a rise in net inflows (INR204b, +60% MoM).
- Falling interest rates on bank deposits and dimming appeal of traditional asset classes like real estate and gold are the key reasons for huge inflows in mutual funds. Notably, net inflows of INR204b in August were the highest-ever in a month.
- Total net inflows of the MF industry in CY17 YTD stand at INR2,478b, two thirds of which are contributed by equity funds and income schemes. All categories of funds, except GILT, gold ETFs and FOF, have witnessed positive inflows.
- In August, 982k new SIP accounts were added, taking the total SIP accounts to 15.9m. The total amount collected through SIP during the month of August was INR52.1b, up ~50% YoY.

### Some interesting facts

- The month saw a notable change in sector and stock allocation of funds. Weight of Global Cyclicals is now in double-digits (10.5%, +90bp MoM). This was mainly driven by an increase in the weights of Oil & Gas (+60bp to 6.7%) and Metals (+30bp to 3.8%). Defensives' weight too increased by 30bp to 23.7%, led by a rise in the weight of Utilities (+40bp to 3.4%).
- Domestic cyclicals' weight fell by 120bp to 65.8% due to a decline in the weights of Banks (PVT and PSU), Autos, Capital Goods and Infrastructure, partly offset by a small increase in the weight of NBFCs.
- Of the top 10 stocks in terms of value increase MoM, four were from Oil & Gas.
- All three OMCs were preferred by MFs in August; IOCL, HPCL and BPCL witnessed net buying by 13, 14 and 12 funds, respectively. Value of IOCL increased by INR15b, HPCL by INR13b and BPCL by INR6.6b. Stock prices of IOCL, HPCL and BPCL were up by 24%, 27% and 12%, respectively.
- GAIL India was also one of the preferred stocks in oil & gas among MFs in August, with net buying by 12 funds. Value increased by INR6.4b, despite the stock remaining flat during the month.
- Value shocks were seen in banking stocks. SBI saw a decline of INR27.4b in value; 10 funds sold the stock (it was down by 11% for the month). Other banks witnessing an decrease in value on an MoM basis were BoB (INR7.5b), Kotak Mahindra Bank (INR5.5b) and Federal Bank (INR3.1b).

Exhibit 1: Trend in total AUM and equity AUM (as % of total)

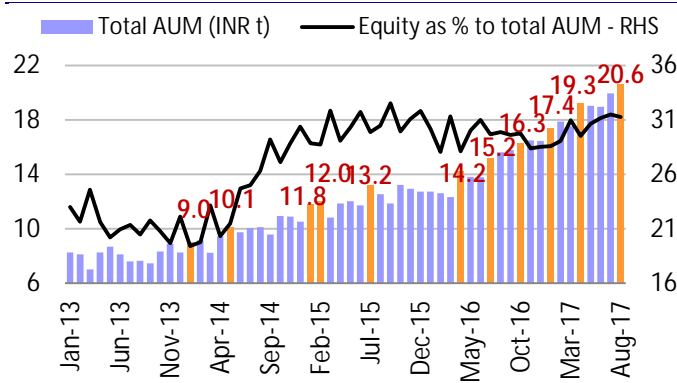
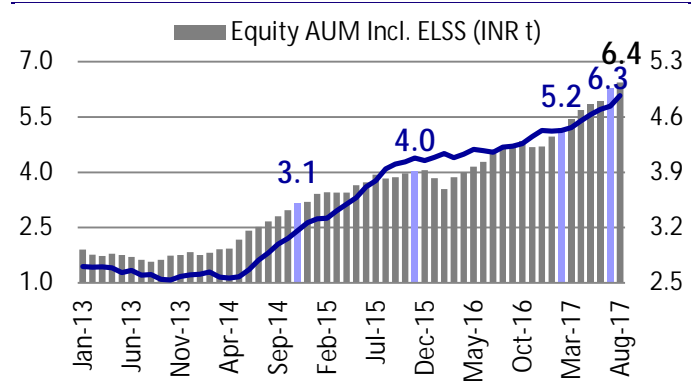


Exhibit 2: Trend in equity AUM and % of market capitalization



### Flows: Net inflows in August at INR204b – highest-ever in a month

- Mutual funds' gross inflows rose to INR325b (+16% MoM) in August. Also, there was a meaningful fall in redemptions to INR121b (-21% YoY), leading to a 60% increase in net inflows to INR204b in August from INR127b in July.

Exhibit 3: Monthly trend of sales, redemptions and net amount raised by mutual funds (toward equity)

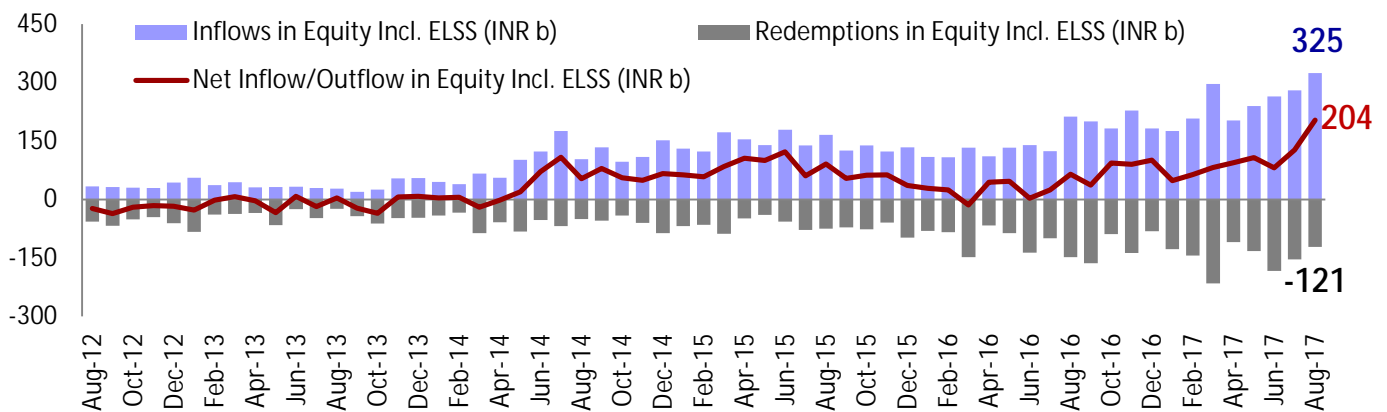


Exhibit 4: Yearly trend of net inflows by mutual funds (toward equity)

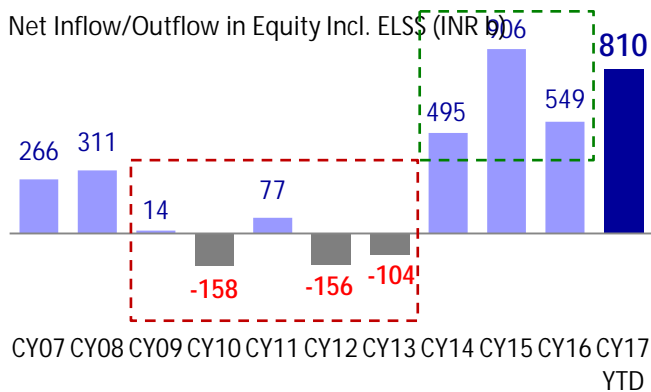
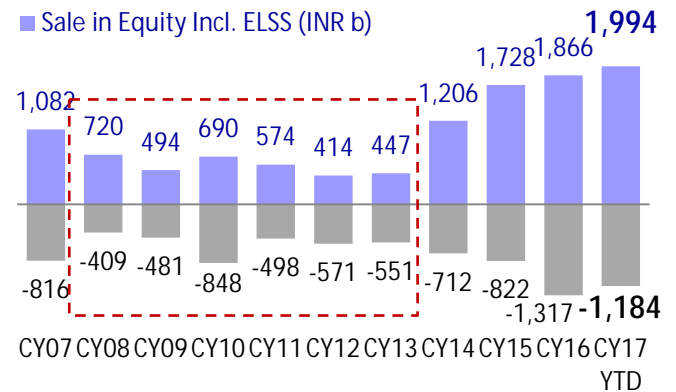


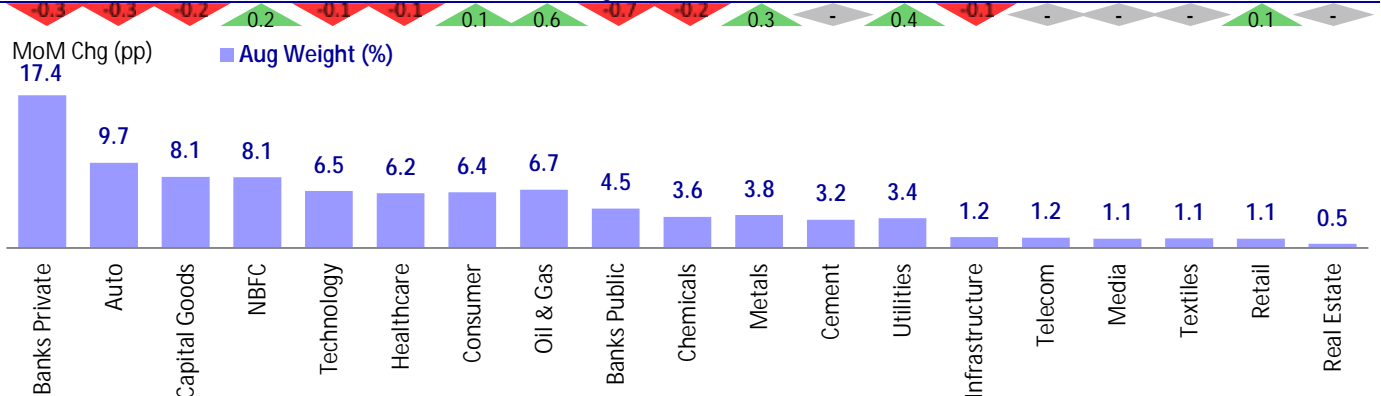
Exhibit 5: Yearly trend of sales and redemptions by mutual funds (toward equity)



Sector-wise weight: MoM increase seen in Oil & Gas, Utilities and Metals

- In August, MFs showed interest in Oil & Gas, Utilities, Metals, NBFCs, Consumer and Retail—these sectors saw an MoM increase in weight. Banks (PSU and Private), Autos, Capital Goods, Technology, Healthcare and Infrastructure saw an MoM decrease in weight.
- Private Banks (17.4%) had the top sector holding in August, followed by Auto (9.7%), Capital Goods (8.1%) and NBFC (8.1%).
- PSU Banks and Infrastructure were the top sectors witnessing a decline in value on an MoM basis.

Exhibit 6: Sector allocation (%):Financials and Metals see highest increase



## August inflation doesn't dampen case for rate cut

### Monetary policy support necessary to revive weak economic activity

- n With India's retail inflation more than doubling from 1.5% YoY in June 2017 to 3.4% YoY in August 2017, it is broadly believed that the rate cut window has probably closed. However, details of CPI reveal that the entire rise in headline inflation is driven by three items – vegetables, fuel for vehicles, and housing. Excluding these, inflation in August was the same as in June 2017 at 2.7%.
- n The uptick in these three items can be attributed to seasonal, global developments, and statistical effects, respectively, rather than any structural bias. Consequently, they should be avoided in policy-making considerations.
- n Meanwhile, economic growth has visibly weakened, which is likely to be reflected in RBI's revised forecasts next month. Private investments need desperate policy support and -90% of the economy grew sub-4.5% for the second consecutive quarter in 1QFY18. Accordingly, we believe that recent inflation readings don't dampen the case for rate cuts. In fact, weaker-than-expected economic activity needs monetary policy support, as [fiscal push is unlikely](#).

Higher headline inflation in the past two months was entirely driven vegetables, fuel for vehicles, and housing; inflation in more than 80% of the CPI basket in August was the same as in June 2017 at 2.7%

### Higher headline CPI overshadows extremely comfortable details

For the second consecutive month, headline CPI inflation increased by almost a full percentage point, rising from 1.46% YoY in June 2017 to 2.36% in July and 3.36% in August 2017. Higher-than-expected headline inflation has led to trimming of rate cut expectations. We, however, have not done so. This is because the RBI ignores movements in headline indices related to statistical changes or one-off events. Unless the changing trend represents structural bias, the RBI maintains its forecasts. The last two months' inflation data need close scrutiny by members of the Monetary Policy Committee (MPC) because headline data overshadow favorable details.

We have four key findings in this report, which, we believe, must be considered by the RBI before its policy decision on October 4, 2017.

1. Higher headline inflation in the past two months was entirely driven by three components – vegetables (6.04%), fuel for vehicles (2.36%) and housing (10.07%), weighing 18.5% of the CPI basket. **Inflation in more than 80% of the CPI basket in August was the same as in June at 2.7%.**
2. While inflation in miscellaneous group (weight: 28.3%) picked up sharply from 3.3% YoY in June/July 2017 to 3.8% in August, it was entirely driven by fuel for vehicles (petrol, diesel & other fuels). **Excluding such fuel items (weight: 2.36%), inflation in miscellaneous group was 3.4% YoY in August 2017, similar to 3.3% in June/July 2017.**
3. **Since petrol & diesel were the key culprits for higher inflation in miscellaneous group, it is inappropriate to argue that GST is inflationary.** In fact, inflation in 'core services' (weight: 12.5%) was 3.9% YoY in August 2017, only marginally higher than 3.6% in June.
4. Finally, as expected, **while the revisions in housing rent allowance (HRA) led to a slight pick-up in housing index, the uptick is trivial to have any meaningful second-round impact.**

Excluding fuel for vehicles, inflation in miscellaneous group was 3.4% YoY in August 2017, similar to 3.3% in June/July 2017



# Real Estate Day

## Real Estate Day: Turning toward a New Paradigm



The Indian real estate sector was at its peak roughly a decade ago. Demand was genuine, interest rates were low and the sector was opened up for foreign direct investment (FDI). However, post the global financial crisis in 2008, transparency and consumer confidence began dwindling, straining the real estate industry. The situation has turned more worrisome over the past 3-4 years.

However, the recent introduction of the Real Estate (Regulation and Development) Act, 2016 has pumped in a new lease of life into the sector. It is expected to weed out unorganized players from the industry and whip up buyer confidence, bringing back the much-needed buoyancy.

Real estate per se is not much known for governance, and thus, has not been a preferred destination for investments. However, the big-bang measures by the Indian government (such as demonetization and GST) are expected to drive formalization of the economy, reinstating investor confidence.

Against this promising backdrop, we hosted 'Real Estate Day', which saw participation of many stakeholders from the real estate industry. We met with (a) two experts managing PE Real Estate Funds, (b) an owner of a premium real estate company and (c) CEO of one of India's largest real estate consultants, to take stock of their view about the real estate industry, the ground realty, and the impact of RERA. Key takeaways from their presentations:

- n RERA is expected to determine the future of India's real estate sector. The stringent compliance norms under this act will likely result in consolidation to the extent of 30-40% in this industry. Most small players would thus find it difficult to survive, with business largely shifting in favor of organized players.
- n The recent changes in the REIT rules are attracting investor attention; expect India's first REIT to be listed by year-end.
- n Residential prices have been stagnant for the past 3-4 years, and the coming few years too should not see much exuberance. However, a few organized names are expected to take a significant slice of the pie due to consolidation in the sector.
- n In metro cities, vacancies in the commercial segment are at all-time low, which once absorbed, should lead to increase in rentals. Vacancy in commercial malls overall is high, but Grade A malls are much better placed.



### 1. Movement in domestic oil prices is as per movement in international oil prices: HPCL; MK Surana, CMD

- n Saw an impact on crude price due to natural calamities. Company is aligned to international oil prices. So movement in domestic oil prices is as per movement in international oil prices.
- n Company making marketing margin of Rs. 1.5 – 2 per litre currently.
- n Company has to incur all expenses when operating petrol pumps.
- n Dealer commissions have changed, international prices are impacting domestic prices. Have seen an increase in the cost of operating pumps.
- n Not the right person to comment on the taxation of petrol and diesel.

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### 2. See more international orders than domestic; to better topline in FY18: Thermax; MS Unnikrishnan, MD

- n Expect better order intake for the entire year – Q1 was good and expect Q2 to be better than last year Q2.
- n Have seen a surge in finalization of contracts globally and domestically. Lot of finalization of contracts post GST implementation but cannot confirm of a turnaround yet.
- n So far order intake has been more on international side than domestic. In India, order ticket size has been small so far.
- n Traction in orders in India have been seen in food industry, beverages, automobile and auto ancillary, pharma companies, light engineering – spaces that are consumption oriented.
- n Hopeful of doing better in topline and profits for FY18 than FY17. Although margins under pressure, focus on stabilizing the same through better cost management.

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### 3. Scenario on Indian agriculture is depressing: Godrej International; Dorab Mistry, Director

- n Last year a disgrace for agriculture.
- n Monsoon not well spaced out and plentiful this year compared to last year.
- n Scenario on Indian agriculture depressing.
- n Rural economy is the foundation of country's economy which is why it is so important to remunerate farmers better.
- n Government has two alternatives, either raise import duty or allow productivity to be raised.

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### 4. Expect growth of 25% in FY18: MIRC Electronics; Vijay Mansukhani, MD

- n Looking to monetize non-core assets worth Rs. 200 crore.
- n Company will become debt free after demonetizing non-core assets.
- n Expect growth of 25% in FY18.
- n Current debt around Rs. 130 crore.

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### 1. Why inclusive growth is indispensable to India

n On 15 August India marked 70 years of independence from the British empire, a monumental triumph in social and political liberalization. Today, India is in the midst of an equally monumental struggle in economic liberalization. The stakes could not be higher. An economic future of broadly shared prosperity and vanishing poverty for more than 1.2 billion people is within grasp. To get there, however, calls for advancing inclusive growth. India's economic performance in recent years has been outstanding in relation to both its own historical record and the global economy. Between 2010 and 2016, for example, annual real gross domestic product (GDP) growth in India averaged 6.7% despite a relatively weak post-crisis global economy that averaged only 2.7% annual gains. Yet the economic optimism in recent years is now tempered by a growing recognition that many deficiencies in the economy remain deep-seated and if not effectively addressed could undermine future growth. Front and centre is the concern over employment growth.

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### 2. Is bad advice driving India's irrepressible bulls?

n India's economy is not doing as well as many had hoped. Growth has been slowing for several quarters, and even if there's a slight recovery in coming quarters, the signs for the medium term aren't propitious. There appears to be no end in sight to a slow-moving banking crisis. And private investment has crashed, reflecting pessimism at Indian businesses about the future and possible returns. India's government looks less and less likely to carry out the kind of deep reform that the country's economy needs, while its inexplicable decision to withdraw 86% of the country's cash overnight—a decision that was as badly implemented as it was poorly conceived—has gravely damaged Prime Minister Narendra Modi's reputation as a manager of the economy. So the question is: Why aren't these facts, which are easy to ascertain, reflected in the giddy statements regularly made about the Indian economy, especially by analysts and advisers to global investors?

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### 3. Assessing the 25 billion digital payments target

n The government of Prime Minister Narendra Modi has made two big bets on digital payments. Some weeks after demonetisation, government representatives began to extol the virtues of digital payments as a means to increasing economic transparency, formalizing the economy, and widening the tax base. As outcomes have shown, this was a sober recalibration of the objectives of demonetization. And earlier this year, the government announced the "DigiDhan Mission" to achieve a 25 billion digital transactions target, outlined in the Union budget for this fiscal. This programme aims to establish a robust digital payments ecosystem in a potentially transformative attempt to drain the swamp of illicit monetary transactions. As we approach the completion of the second quarter of this fiscal, it is important to take stock of achievements against this target.

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#### 4. Restructure, not cap, CEO remuneration

- n CEOs of some well-known blue-chip Indian companies are reportedly yet to receive their revised compensation packages. This is baffling. The government must ensure speedy passage of the amendments to the Companies Act in the Rajya Sabha to end their three-year wait. It should also remove the caps on managerial remuneration. Instead of caps, corporate regulation should ensure sound functioning of the board, and transparent accounting to prevent managerial remuneration being disguised as company expenditure. The most important part is making senior management remuneration reflect their contribution to corporate performance. The bulk of the remuneration of a CEO, whose performance has a material impact on the company's performance, should be a variable component. This automatically means low, fixed compensation. The variable component should be deferred for at least three to four years and the payout mostly linked to the company stocks.

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### International

#### 5. Merkel's message to Theresa may: Brexit means Brexit

- n Britain wants to pick up the pace. EU negotiators in Brussels are taking their time. Blackmail and sabotage, cry Westminster's Brexiters. The explanation is more prosaic. The more urgent a deal begins to seem for Britain, the higher the incentives stack in favour of a stalling strategy from the EU27. This, of course, is how the process was designed. Article 50 of the union's treaty was written to discourage nations from leaving. As soon as Theresa May set the article's two-year clock ticking in March, she conceded the advantage to those sitting on the other side of the table. The prime minister was warned of the danger by her advisers. But that was before she had lost an election and Britain had to confront the hard reality that it cannot have its cake and eat it.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
<b>Automobiles</b>														
Amara Raja	Buy	785	986	26	28.0	28.2	37.9	28.0	27.8	5.2	4.5	20.3	17.3	19.9
Ashok Ley.	Buy	117	118	1	4.6	5.2	7.0	25.8	22.7	5.6	5.0	23.1	23.2	27.0
Bajaj Auto	Buy	2,929	3,281	12	132.3	137.2	163.6	22.1	21.3	5.0	4.5	25.3	22.2	24.0
Bharat Forge	Buy	1,259	1,353	7	26.2	36.5	50.5	48.1	34.5	7.1	6.2	16.2	19.2	22.8
Bosch	Neutral	21,976	21,994	0	473.1	547.2	705.7	46.4	40.2	7.6	6.9	15.8	18.0	20.7
CEAT	Buy	1,764	2,029	15	93.3	94.2	126.8	18.9	18.7	3.0	2.6	16.9	14.8	17.3
Eicher Mot.	Buy	32,059	35,854	12	612.7	852.9	1,092.8	52.3	37.6	16.3	12.1	37.1	37.0	35.4
Endurance Tech.	Buy	1,013	1,059	5	23.5	29.3	37.9	43.2	34.6	8.2	6.8	20.8	21.6	23.3
Escorts	Neutral	671	732	9	20.0	37.1	45.8	33.6	18.1	3.4	2.9	10.6	17.3	18.3
Exide Ind	Buy	220	269	22	8.1	9.2	11.0	27.1	24.0	3.8	3.4	13.9	14.1	15.0
Hero Moto	Neutral	3,895	3,818	-2	169.1	189.3	199.1	23.0	20.6	7.7	6.6	35.7	34.6	31.5
M&M	Buy	1,291	1,625	26	54.3	68.5	82.4	23.8	18.8	3.0	2.7	14.2	13.9	14.9
Mahindra CIE	Not Rated	241	-		5.4	9.9	11.8	45.0	24.4	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	8,071	8,819	9	248.6	281.7	374.5	32.5	28.7	6.7	5.9	20.3	20.1	22.8
Tata Motors	Buy	404	542	34	19.8	22.4	59.8	20.4	18.0	2.4	2.1	9.8	12.3	26.6
TVS Motor	Buy	641	612	-5	11.7	14.4	23.7	54.6	44.5	12.6	10.4	25.6	25.7	33.6
<b>Aggregate</b>								<b>29.0</b>	<b>25.0</b>	<b>4.9</b>	<b>4.3</b>	<b>17.1</b>	<b>17.4</b>	<b>22.3</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	520	545	5	15.4	21.8	38.1	33.8	23.8	2.3	2.1	6.9	9.3	14.7
DCB Bank	Neutral	190	192	1	7.0	8.4	10.4	27.1	22.7	2.8	2.3	10.8	11.4	11.8
Equitas Hold.	Buy	164	201	22	5.0	1.7	6.1	32.6	95.0	2.5	2.4	9.5	2.6	8.7
Federal Bank	Buy	115	139	21	4.8	5.4	6.8	23.8	21.3	2.3	1.8	9.9	10.0	10.5
HDFC Bank	Buy	1,843	2,000	9	56.8	68.2	82.1	32.5	27.0	5.5	4.7	18.3	18.8	19.6
ICICI Bank	Buy	294	366	25	15.3	14.9	17.0	19.2	19.7	2.2	2.0	10.2	8.9	9.5
IDFC Bank	Neutral	61	62	2	2.3	2.8	3.2	26.0	21.9	1.4	1.3	5.6	6.3	6.9
IndusInd	Under Review	1,727	-		47.9	61.9	76.8	36.0	27.9	5.2	4.5	15.4	17.3	18.5
J&K Bank	Neutral	80	91	14	-31.3	3.8	8.2	NM	20.8	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	1,008	1,153	14	26.8	32.4	41.0	37.5	31.1	4.9	4.3	13.8	15.0	16.3
RBL Bank	Under Review	532	-		11.9	18.0	23.7	44.8	29.5	4.7	3.3	12.3	13.6	13.9
South Indian	Buy	29	34	19	2.2	2.9	3.7	13.2	10.0	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,852	2,133	15	73.0	92.3	114.5	25.4	20.1	4.0	3.4	18.9	18.3	19.5
<b>Aggregate</b>								<b>30.5</b>	<b>24.6</b>	<b>3.5</b>	<b>3.1</b>	<b>11.5</b>	<b>12.5</b>	<b>14.2</b>
<b>Banks - PSU</b>														
BOB	Buy	146	198	36	6.0	9.5	20.8	24.4	15.3	1.0	0.9	4.0	6.1	12.4
BOI	Neutral	153	149	-3	-14.8	-11.2	6.6	NM	NM	0.7	0.7	-6.7	-5.2	3.0
Canara	Neutral	346	360	4	18.8	30.1	47.0	18.4	11.5	0.7	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	57	49	-13	1.5	6.4	8.6	36.9	8.8	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	284	382	34	29.3	34.4	38.3	9.7	8.3	0.9	0.9	10.1	10.9	11.2
OBC	Neutral	133	150	13	-31.6	17.1	21.4	NM	7.8	0.4	0.3	-8.4	4.6	5.4
PNB	Buy	145	184	27	6.2	5.8	11.0	23.3	24.9	0.8	0.8	3.6	3.2	5.9
SBI	Buy	274	341	24	0.3	14.6	26.8	920.8	18.8	1.3	1.2	-0.2	7.0	11.4
Union Bk	Neutral	138	140	2	8.1	9.0	19.1	17.0	15.2	0.4	0.5	2.7	3.0	6.1
<b>Aggregate</b>								<b>100.2</b>	<b>17.8</b>	<b>0.9</b>	<b>0.8</b>	<b>0.9</b>	<b>4.6</b>	<b>8.3</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,914	1,800	-6	33.6	47.6	62.9	57.0	40.2	10.9	8.9	21.7	24.3	25.9
Bharat Fin.	Neutral	955	820	-14	21.0	31.8	68.7	45.5	30.0	5.4	4.4	15.1	16.1	28.0
Capital First	Buy	802	925	15	24.6	33.3	44.3	32.5	24.1	3.4	3.0	12.0	13.3	15.6
Cholaman.Inv.&Fn	Buy	1,178	1,400	19	46.0	56.0	67.3	25.6	21.0	4.3	3.6	18.0	18.6	19.0
Dewan Hsg.	Buy	561	630	12	29.6	37.7	47.1	18.9	14.9	2.2	2.0	14.4	14.1	15.6
GRUH Fin.	Neutral	536	450	-16	8.1	9.9	12.1	65.9	53.9	19.7	16.2	32.5	33.0	32.8
HDFC	Buy	1,771	1,900	7	46.8	52.9	59.0	37.8	33.5	7.0	6.3	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,267	1,350	7	69.0	86.3	108.4	18.4	14.7	4.4	3.9	25.5	28.2	31.3
L&T Fin Holdings	Buy	201	200	-1	5.2	7.3	10.6	38.5	27.5	4.5	4.0	12.4	15.6	19.1
LIC Hsg Fin	Neutral	660	708	7	38.2	41.6	48.9	17.3	15.9	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	109	-		8.6	10.8	12.5	12.6	10.1	2.8	2.5	24.0	25.9	26.9
M&M Fin.	Buy	434	459	6	7.1	13.9	17.8	61.3	31.3	3.9	3.6	6.5	12.0	14.2
Muthoot Fin	Buy	508	550	8	29.5	38.2	44.2	17.2	13.3	3.1	2.6	19.4	21.5	21.2
PFC	Neutral	131	117	-11	25.7	27.2	30.2	5.1	4.8	0.9	0.8	17.9	17.0	16.8
Repco Home	Buy	669	800	20	29.1	34.5	39.3	23.0	19.4	3.7	3.1	17.4	17.5	17.0
REC	Neutral	169	134	-21	31.4	35.0	40.4	5.4	4.8	1.0	0.9	19.9	19.1	19.1
Shriram City Union	Buy	2,061	2,800	36	84.3	121.7	164.1	24.4	16.9	2.7	2.4	11.7	15.0	17.6
STF	Buy	1,077	1,330	24	55.6	80.0	102.4	19.4	13.5	2.2	1.9	11.7	15.0	16.9
<b>Aggregate</b>								<b>21.6</b>	<b>18.1</b>	<b>3.6</b>	<b>3.2</b>	<b>16.8</b>	<b>17.6</b>	<b>18.1</b>
<b>Capital Goods</b>														
ABB	Sell	1,423	1,200	-16	19.7	22.4	31.6	72.2	63.5	9.2	8.0	12.7	12.6	15.8
Bharat Elec.	Buy	190	215	13	6.9	7.4	8.2	27.5	25.7	5.7	4.4	20.6	17.0	16.9
BHEL	Sell	137	100	-27	2.1	4.6	4.9	63.9	30.1	1.0	1.0	1.6	3.4	3.5
Blue Star	Neutral	779	650	-17	12.9	17.5	26.1	60.5	44.5	9.8	9.2	18.0	21.4	29.6
CG Cons. Elec.	Buy	219	250	14	4.7	5.0	6.4	46.8	43.5	25.5	18.8	76.4	49.7	49.7
CG Power & Indu.	Neutral	85	80	-6	4.1	2.0	2.5	20.7	41.8	1.3	1.2	6.2	3.0	3.7
Cummins	Buy	944	1,180	25	26.5	27.7	35.0	35.6	34.1	7.0	6.5	21.2	19.7	22.8
GE T&D	Neutral	401	395	-2	5.7	9.3	11.3	70.0	43.2	9.9	8.7	12.4	21.5	22.7
Havells	Neutral	505	455	-10	9.6	10.9	13.8	52.8	46.2	9.6	8.6	18.2	18.6	20.7
K E C Intl	Neutral	330	295	-11	11.9	13.1	16.4	27.8	25.3	5.3	4.6	21.2	19.5	20.9
L&T	Buy	1,215	1,380	14	42.3	46.5	56.2	28.7	26.1	3.4	3.1	12.5	12.4	13.8
Pennar Eng.	Not Rated	111	-		7.1	9.1	11.2	15.7	12.2	1.6	1.4	10.2	11.6	12.6
Siemens	Neutral	1,384	1,355	-2	17.8	22.7	33.0	77.7	61.0	7.2	6.3	9.3	10.3	13.7
Solar Ind	Neutral	930	900	-3	20.6	24.2	30.0	45.1	38.4	8.3	7.1	19.8	19.8	20.9
Suzlon Energy	Not Rated	17	-		0.6	0.9	1.0	27.0	19.4	-1.6	-1.7	NM	-8.8	-11.0
Thermax	Neutral	965	830	-14	30.8	30.0	33.2	31.3	32.1	4.3	3.9	14.3	12.7	12.8
Va Tech Wab.	Buy	632	800	27	29.8	34.6	39.8	21.2	18.3	3.5	3.0	16.8	17.6	17.4
Voltas	Sell	544	430	-21	15.5	16.8	19.1	35.2	32.4	5.4	4.8	18.0	15.8	16.0
<b>Aggregate</b>								<b>36.3</b>	<b>31.6</b>	<b>4.1</b>	<b>3.7</b>	<b>11.2</b>	<b>11.7</b>	<b>12.9</b>
<b>Cement</b>														
Ambuja Cem.	Buy	284	308	8	4.9	7.0	8.2	58.2	40.9	2.9	2.8	5.1	7.0	7.9
ACC	Neutral	1,844	1,622	-12	36.1	49.8	65.0	51.1	37.0	4.0	3.8	7.9	10.6	13.1
Birla Corp.	Buy	943	1,150	22	29.4	40.9	58.9	32.1	23.0	2.2	2.1	7.3	9.2	12.2
Dalmia Bharat	Buy	2,791	3,282	18	38.8	68.7	89.9	72.0	40.6	5.0	4.5	7.2	11.6	13.4
Grasim Inds.	Neutral	1,232	1,276	4	67.9	71.3	102.7	18.2	17.3	2.0	1.8	11.5	10.9	13.9
India Cem	Neutral	196	201	2	5.6	8.0	11.8	34.9	24.5	1.2	1.1	3.4	4.7	6.6
J K Cements	Buy	1,036	1,277	23	33.7	39.7	54.4	30.7	26.1	4.1	3.6	14.4	14.8	17.5
JK Lakshmi Ce	Buy	425	519	22	7.0	9.7	16.4	61.1	43.7	3.6	3.3	6.0	7.9	12.1
Ramco Cem	Buy	753	806	7	27.3	27.4	34.4	27.6	27.5	4.8	4.2	19.0	16.1	17.5
Orient Cem	Buy	160	185	15	-1.6	4.4	7.1	NM	36.3	3.3	3.1	-3.2	8.8	12.8
Prism Cem	Buy	109	140	29	0.3	3.5	5.6	397.8	31.2	5.7	5.0	1.4	17.0	22.9
Shree Cem	Buy	18,849	22,360	19	384.4	460.4	547.8	49.0	40.9	8.5	7.2	18.4	19.1	19.1
Ultratech	Buy	4,202	4,936	17	96.1	91.5	138.8	43.7	45.9	4.8	4.5	11.6	10.1	14.0
<b>Aggregate</b>								<b>38.7</b>	<b>33.1</b>	<b>3.7</b>	<b>3.4</b>	<b>9.6</b>	<b>10.3</b>	<b>12.7</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,245	1,200	-4	21.0	22.2	26.5	59.2	56.1	15.7	14.3	28.5	26.7	28.1
Britannia	Buy	4,342	4,660	7	73.7	85.3	104.6	58.9	50.9	19.3	15.9	36.9	34.3	34.5
Colgate	Buy	1,141	1,285	13	21.2	24.4	29.8	53.7	46.7	24.4	23.1	50.4	50.8	58.2
Dabur	Neutral	308	315	2	7.2	7.7	9.1	42.5	39.8	11.2	9.6	28.4	26.0	26.3
Emami	Buy	1,141	1,310	15	26.5	26.9	33.1	43.0	42.4	14.8	12.6	35.8	32.0	33.9
Godrej Cons.	Neutral	937	995	6	18.9	21.5	24.7	49.6	43.5	12.0	9.4	24.6	24.2	22.8
GSK Cons.	Sell	5,090	4,500	-12	156.1	158.1	182.1	32.6	32.2	6.9	6.7	22.2	21.1	22.6
HUL	Buy	1,247	1,360	9	19.6	22.9	27.3	63.5	54.3	40.5	39.0	65.6	73.1	82.8
ITC	Neutral	272	280	3	8.4	9.3	10.3	32.4	29.3	7.3	7.2	23.5	24.8	26.3
Jyothy Lab	Neutral	412	395	-4	11.2	9.8	11.1	36.7	41.9	6.9	6.9	21.1	16.5	18.4

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Marico	Neutral	331	355	7	6.3	6.8	8.2	52.7	48.6	18.4	15.8	36.7	34.9	37.7
Nestle	Neutral	7,253	6,160	-15	118.0	115.1	133.6	61.5	63.0	23.2	21.6	39.0	35.5	38.1
Page Inds	Buy	18,789	19,600	4	238.7	294.7	398.4	78.7	63.8	31.5	25.2	40.0	39.6	43.1
Parag Milk	Neutral	249	245	-1	3.6	9.1	12.5	68.9	27.3	3.2	2.8	6.0	11.0	13.3
Pidilite Ind.	Neutral	838	810	-3	16.7	18.1	20.6	50.1	46.4	13.0	10.6	28.2	25.2	23.5
P&G Hygiene	Neutral	8,393	8,800	5	132.9	151.6	176.0	63.1	55.4	39.5	32.8	39.3	64.9	62.8
Prabhat Dairy	Not Rated	133	-		3.5	3.5	6.4	37.6	38.2	1.9	1.8	5.2	4.9	8.5
United Brew	Neutral	784	875	12	8.7	10.1	15.0	90.2	77.9	9.0	8.2	10.4	11.0	14.7
United Spirits	Neutral	2,624	2,525	-4	26.7	34.5	51.5	98.2	76.1	19.7	13.7	21.3	18.0	20.3
<b>Aggregate</b>								<b>47.6</b>	<b>43.0</b>	<b>13.1</b>	<b>12.1</b>	<b>27.5</b>	<b>28.2</b>	<b>29.3</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	503	510	1	21.6	20.5	25.5	23.3	24.6	5.0	4.4	23.0	19.0	20.4
Alkem Lab	Neutral	1,801	1,830	2	75.7	73.5	91.6	23.8	24.5	5.1	4.4	23.4	19.2	20.5
Ajanta Pharma	Buy	1,232	1,606	30	58.4	52.8	64.2	21.1	23.4	7.0	5.6	37.7	26.5	25.9
Aurobindo	Buy	766	850	11	39.3	44.9	50.0	19.5	17.1	4.8	3.8	27.6	24.8	22.1
Biocon	Sell	344	330	-4	10.2	9.7	14.2	33.8	35.4	4.3	3.9	12.3	11.1	14.5
Cadila	Buy	481	555	15	14.2	17.9	24.1	33.8	26.9	7.1	5.9	23.0	23.9	26.3
Cipla	Neutral	565	520	-8	15.9	21.1	26.0	35.5	26.8	3.6	3.2	10.2	12.1	13.2
Divis Lab	Neutral	870	680	-22	39.7	33.6	40.0	21.9	25.9	4.9	4.5	23.5	18.1	19.4
Dr Reddy's	Neutral	2,250	2,400	7	72.6	79.6	120.1	31.0	28.3	3.0	2.9	9.7	10.6	14.3
Fortis Health	Buy	152	220	45	10.3	2.2	5.6	14.7	69.4	1.6	1.4	11.3	2.1	4.9
Glenmark	Neutral	604	775	28	39.3	42.9	51.7	15.4	14.1	3.8	3.0	24.7	21.6	20.9
Granules	Buy	125	200	60	7.2	8.2	11.5	17.3	15.3	3.2	2.2	21.1	17.7	18.8
GSK Pharma	Neutral	2,381	2,500	5	34.4	46.8	54.9	69.3	50.9	10.0	11.7	14.5	23.0	30.9
IPCA Labs	Neutral	476	430	-10	16.1	16.6	26.8	29.6	28.7	2.4	2.3	8.6	8.2	12.2
Jubilant Life	Buy	707	905	28	37.0	47.1	56.7	19.1	15.0	3.2	2.7	18.1	19.5	19.6
Lupin	Buy	1,004	1,125	12	55.8	41.4	56.3	18.0	24.2	3.4	3.0	20.6	13.2	16.0
Sanofi India	Buy	4,051	4,820	19	129.1	133.6	160.6	31.4	30.3	5.4	5.0	17.1	16.6	18.1
Shilpa Medicare	Buy	565	805	42	14.0	21.1	30.4	40.3	26.8	4.9	4.2	14.4	17.0	20.4
Strides Shasun	Buy	981	1,300	33	32.3	47.4	74.8	30.4	20.7	3.2	2.9	10.7	14.7	20.2
Sun Pharma	Buy	524	515	-2	26.1	15.1	23.3	20.1	34.8	3.4	3.5	18.5	10.0	14.7
Syngene Intl	Not Rated	476	-		13.0	16.1	18.0	36.5	29.5	7.4	6.0	22.2	22.5	20.7
Torrent Pharma	Neutral	1,218	1,350	11	55.2	53.4	67.3	22.1	22.8	4.7	4.2	23.8	19.5	21.5
<b>Aggregate</b>								<b>23.4</b>	<b>25.6</b>	<b>4.0</b>	<b>3.6</b>	<b>16.9</b>	<b>14.0</b>	<b>16.3</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	171	212	24	9.8	11.2	13.3	17.4	15.3	2.6	2.3	12.6	16.0	16.8
Blue Dart	Not Rated	4,206	-		102.5	129.9	163.2	41.0	32.4	18.2	13.9	50.5	48.6	46.8
Concor	Neutral	1,367	1,214	-11	38.0	42.1	48.6	36.0	32.4	3.8	3.6	10.8	11.3	12.4
Gateway Distriparks	Buy	233	272	17	6.8	9.0	12.4	34.2	25.9	2.5	2.4	7.3	9.4	12.4
Gati	Not Rated	115	-		8.4	15.9	23.9	13.8	7.2	1.9	1.7	12.4	19.4	25.4
Transport Corp.	Not Rated	297	-		16.9	21.0	25.9	17.5	14.1	2.7	2.3	16.7	17.8	18.6
<b>Aggregate</b>								<b>31.5</b>	<b>26.4</b>	<b>3.9</b>	<b>3.6</b>	<b>12.4</b>	<b>13.8</b>	<b>15.4</b>
<b>Media</b>														
Dish TV	Buy	79	106	35	1.0	1.3	4.3	79.6	60.1	17.1	13.3	24.1	24.9	99.2
D B Corp	Buy	366	450	23	20.4	23.7	27.6	18.0	15.4	4.2	3.8	25.5	25.8	26.6
Den Net.	Neutral	93	90	-3	-8.6	-2.7	0.3	NM	NM	1.7	1.9	-12.0	-5.3	0.7
Ent.Network	Neutral	847	928	10	11.4	13.4	21.7	74.1	63.4	4.7	4.4	6.7	7.2	10.7
Hind. Media	Buy	260	350	35	25.9	28.3	33.6	10.1	9.2	1.7	1.5	19.0	17.3	17.3
HT Media	Neutral	97	90	-7	7.4	7.9	8.1	13.1	12.2	0.9	0.8	7.1	6.9	6.4
Jagran Prak.	Buy	181	225	25	10.8	12.4	14.1	16.8	14.6	2.4	2.4	17.6	16.5	17.4
Music Broadcast	Buy	398	469	18	6.4	9.3	14.0	61.9	42.7	4.1	3.8	11.2	9.3	12.4
PVR	Buy	1,322	1,628	23	20.5	30.9	46.9	64.4	42.8	6.4	5.6	10.4	14.0	18.2
Siti Net.	Neutral	25	32	28	-1.8	-0.3	0.4	NM	NM	3.5	3.6	-23.5	-4.1	6.2
Sun TV	Neutral	836	860	3	24.9	28.5	35.9	33.6	29.3	7.9	7.3	23.6	25.0	28.8

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Zee Ent.	Buy	530	630	19	23.1	14.7	18.9	22.9	35.9	8.8	7.6	24.7	22.6	24.5
<b>Aggregate</b>								<b>40.7</b>	<b>31.2</b>	<b>5.7</b>	<b>5.2</b>	<b>14.0</b>	<b>16.7</b>	<b>21.3</b>
<b>Metals</b>														
Hindalco	Buy	247	309	25	16.2	22.0	26.3	15.3	11.3	1.9	1.6	14.0	15.3	15.4
Hind. Zinc	Neutral	304	301	-1	19.7	22.2	29.3	15.5	13.7	4.2	4.5	24.4	31.5	38.0
JSPL	Buy	148	194	31	-20.9	-15.8	2.0	NM	NM	0.4	0.5	-7.9	-4.9	0.6
JSW Steel	Buy	265	297	12	14.8	21.9	25.7	17.9	12.1	2.8	2.4	17.3	21.3	20.8
Nalco	Neutral	81	63	-22	3.7	3.5	4.2	22.0	23.3	1.5	1.5	7.2	6.5	7.7
NMDC	Buy	133	180	36	10.0	12.4	12.1	13.3	10.7	1.9	1.7	12.8	15.2	15.6
SAIL	Sell	62	30	-52	-6.2	-7.7	-4.2	NM	NM	0.7	0.8	-6.7	-9.1	-5.3
Vedanta	Buy	320	361	13	15.1	23.9	37.4	21.1	13.4	2.0	1.8	9.7	14.2	20.4
Tata Steel	Neutral	678	591	-13	37.9	65.1	64.3	17.9	10.4	2.1	1.8	15.7	18.6	16.2
<b>Aggregate</b>								<b>22.0</b>	<b>15.3</b>	<b>1.8</b>	<b>1.7</b>	<b>8.2</b>	<b>11.2</b>	<b>14.0</b>
<b>Oil &amp; Gas</b>														
BPCL	Neutral	501	515	3	48.3	34.3	41.3	10.4	14.6	3.2	2.8	32.4	20.4	21.4
GAIL	Sell	401	346	-14	22.6	26.5	31.3	17.8	15.1	1.8	1.7	9.6	11.3	12.4
Gujarat Gas	Sell	832	691	-17	20.4	37.2	46.1	40.9	22.4	7.0	5.6	17.8	27.6	27.4
Gujarat St. Pet.	Neutral	196	171	-13	8.8	11.1	13.3	22.3	17.6	2.5	2.2	11.6	13.2	14.2
HPCL	Buy	459	510	11	40.7	34.1	36.3	11.3	13.5	3.4	3.0	32.4	23.6	21.7
IOC	Buy	420	458	9	43.0	36.7	40.4	9.8	11.4	1.9	1.7	21.2	16.0	15.8
IGL	Neutral	1,428	1,152	-19	44.0	49.9	56.3	32.5	28.6	6.8	5.8	21.0	21.9	20.9
MRPL	Sell	135	113	-16	14.8	9.4	11.7	9.1	14.3	2.3	2.1	31.4	15.5	17.0
Oil India	Buy	319	316	-1	19.3	27.9	31.1	16.5	11.4	0.9	0.8	5.7	7.5	8.0
ONGC	Buy	159	195	22	16.4	16.5	19.7	9.7	9.7	0.9	0.9	10.1	9.4	10.9
PLNG	Buy	232	274	18	11.4	14.0	17.9	20.4	16.5	4.3	3.6	23.2	23.7	25.5
Reliance Ind.	Neutral	844	750	-11	48.3	57.8	64.1	17.5	14.6	1.8	1.6	11.6	12.3	12.3
<b>Aggregate</b>								<b>13.1</b>	<b>13.2</b>	<b>1.7</b>	<b>1.6</b>	<b>13.3</b>	<b>12.2</b>	<b>12.7</b>
<b>Retail</b>														
Jubilant Food	Sell	1,373	850	-38	10.0	14.8	20.7	137.2	92.7	11.2	10.3	8.2	11.1	14.0
Titan Co.	Neutral	634	565	-11	9.0	10.6	12.6	70.2	59.7	13.3	12.1	20.6	21.3	22.2
<b>Aggregate</b>								<b>74.5</b>	<b>62.2</b>	<b>12.8</b>	<b>11.7</b>	<b>17.2</b>	<b>18.9</b>	<b>19.6</b>
<b>Technology</b>														
Cyient	Buy	511	600	17	30.6	35.4	41.9	16.7	14.4	2.7	2.4	16.2	16.6	17.3
HCL Tech.	Neutral	880	950	8	59.8	61.8	65.9	14.7	14.2	3.7	3.3	27.5	24.9	23.8
Hexaware	Neutral	275	250	-9	13.7	15.7	16.5	20.1	17.5	4.9	4.2	26.5	25.7	23.1
Infosys	Buy	892	1,050	18	62.9	62.2	67.2	14.2	14.3	3.0	2.7	22.0	19.6	19.3
KPIT Tech	Neutral	121	140	16	11.9	10.6	13.1	10.2	11.4	1.5	1.4	14.3	13.0	14.2
L&T Infotech	Buy	766	880	15	55.5	60.2	68.0	13.8	12.7	4.8	3.7	40.4	33.0	29.4
Mindtree	Neutral	462	450	-3	24.9	28.7	32.9	18.6	16.1	3.0	3.0	16.8	17.3	20.1
Mphasis	Neutral	603	610	1	38.9	40.3	43.0	15.5	15.0	2.1	2.2	13.2	14.5	16.2
NIIT Tech	Neutral	494	540	9	38.0	42.3	48.7	13.0	11.7	1.7	1.6	13.7	14.4	15.4
Persistent Sys	Buy	621	750	21	37.7	43.3	52.0	16.5	14.3	2.5	2.4	17.0	17.9	20.7
Tata Elxsi	Buy	1,823	1,992	9	56.3	67.4	79.7	32.4	27.1	10.2	8.2	37.1	33.5	32.2
TCS	Neutral	2,485	2,350	-5	133.4	133.6	147.7	18.6	18.6	5.5	5.9	32.6	31.1	33.5
Tech Mah	Buy	441	490	11	30.9	34.0	36.8	14.3	13.0	2.3	2.1	18.4	17.4	16.9
Wipro	Neutral	284	270	-5	16.9	18.1	19.1	16.8	15.7	2.7	2.6	16.9	16.1	16.1
Zensar Tech	Buy	807	950	18	52.1	51.9	70.0	15.5	15.5	2.5	2.2	17.2	15.0	17.9
<b>Aggregate</b>								<b>16.6</b>	<b>16.5</b>	<b>3.8</b>	<b>3.8</b>	<b>22.9</b>	<b>22.8</b>	<b>22.0</b>
<b>Telecom</b>														
Bharti Airtel	Buy	398	490	23	11.1	4.3	6.6	35.8	91.7	2.4	2.3	6.7	2.5	3.8
Bharti Infratel	Buy	370	480	30	14.9	17.9	20.4	24.9	20.6	4.4	3.8	16.2	19.8	19.4
Idea Cellular	Buy	82	110	35	-1.1	-10.9	-11.3	NM	NM	1.2	1.4	-1.6	-17.3	-21.7
Tata Comm	Buy	705	775	10	27.2	8.7	26.1	25.9	81.0	12.6	10.9	132.2	14.5	33.6
<b>Aggregate</b>								<b>37.0</b>	<b>204.9</b>	<b>2.6</b>	<b>2.6</b>	<b>6.9</b>	<b>1.2</b>	<b>2.8</b>
<b>Utilities</b>														

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Coal India	Buy	255	305	20	14.9	19.8	22.0	17.1	12.9	6.5	6.1	37.8	47.6	50.5
CESC	Buy	1,058	1,360	29	51.9	88.9	99.3	20.4	11.9	1.3	1.2	6.5	10.6	10.8
JSW Energy	Sell	78	49	-38	3.8	3.4	2.7	20.4	23.2	1.2	1.2	6.3	5.3	4.2
NTPC	Buy	169	211	25	12.0	13.3	15.7	14.1	12.7	1.4	1.3	10.5	10.9	11.9
Power Grid	Buy	213	262	23	14.2	17.4	20.6	15.0	12.3	2.3	2.0	16.2	17.3	17.8
Tata Power	Sell	85	68	-20	5.2	6.4	6.7	16.5	13.4	2.0	1.8	11.2	13.9	12.1
<b>Aggregate</b>								<b>15.7</b>	<b>12.8</b>	<b>2.3</b>	<b>2.1</b>	<b>14.5</b>	<b>16.4</b>	<b>17.2</b>
<b>Others</b>														
Arvind	Neutral	410	375	-8	12.4	12.9	18.6	33.1	31.7	3.0	2.8	10.3	9.1	12.0
Avenue Supermarts	Neutral	1,089	882	-19	7.7	12.7	17.6	142.0	85.6	17.7	15.5	17.9	19.3	23.0
Bata India	Under Review	720	-		13.5	15.7	19.4	53.3	45.9	7.0	6.3	13.9	14.4	15.8
BSE	Neutral	1,030	1,100	7	41.0	42.2	44.6	25.1	24.4	2.1	2.1	8.3	8.5	7.7
Castrol India	Buy	387	489	26	13.6	13.9	14.0	28.4	27.9	32.1	28.9	115.2	108.9	99.2
Century Ply.	Neutral	252	323	28	8.7	9.8	12.9	29.0	25.6	7.8	6.5	31.1	27.7	29.6
Coromandel Intl	Buy	422	523	24	16.6	24.1	29.0	25.4	17.5	4.3	3.7	17.5	22.5	23.4
Delta Corp	Buy	192	243	26	3.1	5.9	8.1	62.9	32.7	4.8	3.2	8.1	12.5	12.9
Dynamatic Tech	Buy	2,300	3,334	45	67.6	112.9	166.7	34.0	20.4	4.7	3.8	15.1	20.7	24.3
Eveready Inds.	Buy	305	358	17	12.9	13.6	16.3	23.7	22.4	7.7	6.2	37.7	30.8	30.1
Interglobe	Neutral	1,185	1,312	11	46.0	63.9	93.7	25.7	18.5	21.2	18.8	86.2	107.5	137.7
Indo Count	Neutral	123	129	5	13.0	8.9	10.8	9.4	13.8	2.9	2.3	34.8	18.6	18.3
Info Edge	Buy	1,104	1,130	2	15.7	21.8	24.7	70.5	50.8	6.8	6.1	10.2	12.7	13.1
Inox Leisure	Sell	232	240	3	3.3	8.0	12.0	69.7	28.9	4.0	3.6	5.9	12.5	16.2
Jain Irrigation	Under Review	104	-		5.5	7.6	10.0	18.8	13.7	1.6	1.6	8.6	11.7	14.8
Just Dial	Neutral	393	465	18	17.5	18.5	21.1	22.5	21.3	3.0	2.7	14.8	13.4	13.7
Kaveri Seed	Buy	570	738	29	19.1	34.0	41.0	29.9	16.8	3.9	4.1	13.6	23.3	27.4
Kitex Garm.	Buy	236	394	67	18.6	22.1	26.2	12.7	10.7	3.4	2.8	29.8	28.6	27.6
Manpasand	Buy	905	926	2	12.7	20.2	30.9	71.3	44.9	4.5	4.2	7.3	8.5	13.5
MCX	Buy	1,110	1,230	11	24.8	29.4	40.7	44.7	37.8	4.2	3.9	9.9	10.7	13.9
Monsanto	Buy	2,539	3,295	30	86.2	105.1	126.7	29.4	24.2	8.3	7.5	31.6	32.5	34.5
Navneet Education	Buy	171	215	26	7.8	8.7	10.8	22.0	19.6	5.5	4.7	26.8	26.0	27.4
PI Inds.	Buy	740	894	21	33.4	30.4	35.8	22.2	24.3	6.3	5.2	32.8	23.4	22.9
Piramal Enterp.	Buy	2,910	3,044	5	72.6	104.1	144.6	40.1	27.9	3.8	3.5	9.8	13.0	16.4
SRF	Buy	1,579	1,648	4	85.9	80.2	103.0	18.4	19.7	2.9	2.6	16.6	13.7	16.0
S H Kelkar	Buy	260	298	15	7.2	7.6	9.9	35.9	34.2	4.6	4.2	13.7	12.9	15.2
Symphony	Sell	1,379	1,288	-7	23.7	35.1	42.9	58.3	39.3	21.6	19.1	43.3	51.6	54.5
Trident	Buy	98	114	16	6.6	8.3	10.4	14.9	11.9	1.8	1.6	13.0	14.5	16.1
TTK Prestige	Neutral	6,350	5,281	-17	132.1	137.8	176.1	48.1	46.1	8.7	7.9	19.5	18.0	20.7
V-Guard	Neutral	194	167	-14	3.6	4.5	6.0	54.3	43.4	12.9	10.6	27.4	26.9	28.8
Wonderla	Buy	349	393	13	7.0	11.9	16.0	49.9	29.2	4.6	4.1	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	0.4	-3.2	-21.5
Ashok Ley.	-0.2	12.0	38.9
Bajaj Auto	-0.1	3.4	-1.7
Bharat Forge	2.7	6.5	46.4
Bosch	-0.1	-0.8	-4.6
CEAT	0.1	3.9	68.7
Eicher Mot.	-0.5	5.5	41.9
Endurance Tech.	-0.3	1.2	
Escorts	0.5	9.8	89.7
Exide Ind	1.1	6.1	17.2
Hero Moto	0.0	-1.5	8.5
M&M	-1.1	-4.8	-8.7
Mahindra CIE	-1.6	1.1	24.4
Maruti Suzuki	-0.6	6.0	50.5
Tata Motors	3.6	7.5	-28.1
TVS Motor	0.5	15.8	96.6
<b>Banks - Private</b>			
Axis Bank	4.2	5.8	-13.7
DCB Bank	1.0	4.6	56.1
Equitas Hold.	-1.3	5.5	-7.7
Federal Bank	1.3	5.3	58.1
HDFC Bank	0.0	4.9	45.2
ICICI Bank	0.7	0.7	19.0
IDFC Bank	3.6	11.6	-5.3
IndusInd	-0.9	6.4	45.1
J&K Bank	-0.7	6.4	2.5
Kotak Mah. Bk	-1.2	2.6	25.0
RBL Bank	-0.4	7.1	78.8
South Indian	-0.5	5.3	33.0
Yes Bank	0.6	4.1	47.8
<b>Banks - PSU</b>			
BOB	1.4	2.5	-13.4
BOI	2.7	5.7	26.3
Canara	1.7	4.6	14.2
IDBI Bk	1.5	8.1	-27.3
Indian Bk	0.2	-3.3	30.4
OBC	1.9	12.6	2.5
PNB	1.6	1.5	2.4
SBI	0.2	-1.5	6.3
Union Bk	1.0	7.3	-4.9
<b>NBFCs</b>			
Bajaj Fin.	0.4	11.9	73.4
Bharat Fin.	0.3	19.0	23.2
Capital First	0.2	9.7	18.5
Cholaman.Inv.&Fn	0.5	2.4	9.7
Dewan Hsg.	1.3	27.8	94.5
GRUH Fin.	2.6	15.4	71.2
HDFC	-0.3	3.3	27.2
Indiabulls Hsg	-0.2	7.9	59.8
L&T Fin.Holdings	-0.3	17.1	121.3
LIC Hsg Fin	-0.1	0.4	15.5
Manappuram	0.6	22.5	14.1
M&M Fin.	-1.4	2.3	27.0
Muthoot Fin	-0.1	12.2	50.8
PFC	1.8	10.2	9.3
Repc Home	0.9	0.3	-19.3
REC	-1.3	1.1	46.1
STF	1.1	10.6	-7.0
Shriram City Union	-0.9	-2.0	-9.3

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	2.7	5.6	21.7
Bharat Elec.	-2.5	8.1	59.3
BHEL	3.7	8.7	-6.1
Blue Star	-2.0	11.4	51.7
CG Cons. Elec.	-1.1	-2.5	37.0
CG Power & Inds Sol.	-0.4	5.0	6.7
Cummins	1.4	6.4	3.0
GE T&D	-1.1	4.0	23.5
Havells	0.8	6.1	23.9
K E C Intl	2.2	15.3	160.1
L&T	-0.7	5.9	23.5
Pennar Eng.	-1.3	11.7	-35.0
Siemens	3.5	7.4	10.8
Solar Ind	3.2	6.6	46.1
Suzlon Energy	0.0	-1.7	6.5
Thermax	7.3	8.8	17.1
Va Tech Wab.	-0.4	1.4	13.9
Voltas	-0.9	-1.7	44.6
<b>Cement</b>			
Ambuja Cem.	-0.5	7.1	7.6
ACC	0.2	3.4	13.9
Birla Corp.	-1.0	-0.3	45.2
Dalmia Bharat	0.4	9.3	56.0
Grasim Inds.	0.1	11.1	56.7
India Cem	3.8	6.3	30.6
J K Cements	-1.6	-0.3	29.1
JK Lakshmi Ce	0.1	1.2	-8.1
Ramco Cem	0.8	10.8	28.9
Orient Cem	-1.9	4.0	-22.6
Prism Cem	-0.5	-3.2	0.3
Shree Cem	0.2	7.3	11.7
Ultratech	0.7	5.9	6.5
<b>Consumer</b>			
Asian Paints	-0.6	7.9	7.1
Britannia	0.4	4.0	22.9
Colgate	-0.3	9.1	17.5
Dabur	-0.1	0.2	5.2
Emami	-0.7	2.4	-3.2
Godrej Cons.	-0.3	2.2	13.5
GSK Cons.	0.0	-4.9	-17.4
HUL	-0.3	8.2	37.2
ITC	0.1	0.3	7.9
Jyothy Lab	0.5	8.0	26.7
Marico	-1.9	4.2	14.3
Nestle	0.0	9.2	15.1
Page Inds	1.2	12.6	27.2
Parag Milk	0.0	4.1	-25.9
Pidilite Ind.	0.7	2.9	18.3
P&G Hygiene	1.0	3.3	25.0
Prabhat Dairy	-0.4	1.3	46.1
United Brew	0.4	-1.2	-4.7
United Spirits	-1.2	6.1	13.5
<b>Healthcare</b>			
Alembic Phar	-1.5	-3.1	-20.1
Alkem Lab	0.3	3.3	11.0
Ajanta Pharma	2.7	-0.2	-36.1
Aurobindo	0.9	7.1	-2.1
Biocon	1.6	-1.4	12.0
Cadila	-0.1	-0.9	23.2
Cipla	1.9	-0.9	-2.1

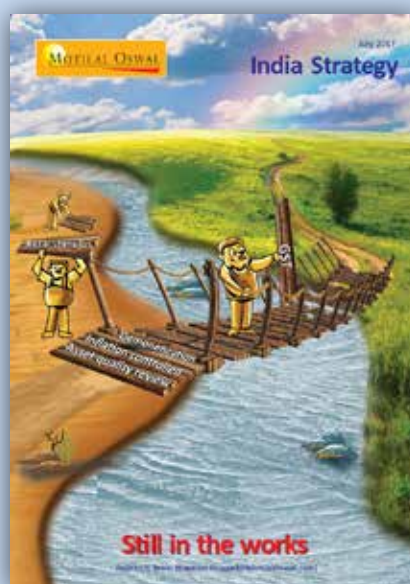


Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	5.0	36.2	-33.6
Dr Reddy's	1.8	12.4	-28.9
Fortis Health	0.3	1.2	-13.2
Glenmark	1.6	-4.2	-32.3
Granules	0.0	7.6	8.5
GSK Pharma	-1.4	-0.7	-19.5
IPCA Labs	-0.3	14.7	-17.6
Jubilant Life	0.2	4.3	26.8
Lupin	1.2	3.7	-34.6
Sanofi India	-0.2	-2.2	-5.5
Shilpa Medicare	-4.1	-2.4	4.9
Strides Shasun	2.6	7.8	-3.5
Sun Pharma	4.2	11.0	-32.8
Syngene Intl	2.0	5.0	-0.8
Torrent Pharma	0.5	0.0	-25.2
<b>Logistics</b>			
Allcargo Logistics	-0.4	3.6	-10.6
Blue Dart	0.3	6.8	-22.1
Concor	-0.2	16.8	31.6
Gateway Distriparks	-0.7	-6.2	-14.7
Gati	-1.2	5.3	-18.3
Transport Corp.	2.2	5.3	61.7
<b>Media</b>			
Dish TV	-0.6	7.2	-17.8
D B Corp	0.4	-1.3	-8.0
Den Net.	2.9	13.3	29.5
Ent.Network	0.8	5.2	6.7
Hind. Media	0.3	-4.7	-7.0
HT Media	0.4	12.0	18.7
Jagran Prak.	0.8	6.4	-4.4
Music Broadcast	-1.0	8.3	
PVR	-0.1	2.8	12.3
Siti Net.	-2.7	-2.9	-29.3
Sun TV	2.8	11.4	73.9
Zee Ent.	-0.5	2.7	2.1
<b>Metals</b>			
Hindalco	-0.4	7.8	72.5
Hind. Zinc	-0.9	8.3	37.9
JSPL	4.1	8.1	80.7
JSW Steel	0.5	14.0	51.6
Nalco	-1.6	22.3	75.1
NMDC	-0.2	9.8	27.6
SAIL	0.2	6.9	29.0
Vedanta	-2.2	10.5	92.9
Tata Steel	-0.3	9.1	81.3
<b>Oil &amp; Gas</b>			
BPCL	0.1	4.6	30.5
GAIL	-1.7	7.7	38.0
Gujarat Gas	0.0	8.8	35.5
Gujarat St. Pet.	-0.4	6.9	32.6
HPCL	0.3	4.7	72.3
IOC	0.9	0.2	48.4
IGL	2.0	10.1	87.0
MRPL	0.6	11.3	62.8
Oil India	-1.5	13.9	7.1
ONGC	-1.1	-1.5	-3.7
PLNG	-1.1	6.5	38.6
Reliance Ind.	-0.6	7.3	61.5
<b>Retail</b>			
Jubilant Food	3.9	0.6	30.4
Titan Co.	0.5	0.5	52.7

Company	1 Day (%)	1M (%)	12M (%)
<b>Technology</b>			
Cyient	-2.9	3.8	7.6
HCL Tech.	1.1	2.4	13.5
Hexaware	-0.3	4.0	37.7
Infosys	1.0	-8.9	-14.8
KPIT Tech	-0.4	8.3	-7.1
L&T Infotech	0.3	4.2	19.8
Mindtree	4.2	-1.0	-9.9
Mphasis	-0.1	1.4	16.5
NIIT Tech	-1.4	1.8	20.4
Persistent Sys	0.4	1.5	0.5
Tata Elxsi	0.3	11.0	20.2
TCS	-0.1	0.6	6.7
Tech Mah	0.3	10.0	-5.5
Wipro	-4.1	-1.8	18.8
Zensar Tech	0.4	2.6	-20.9
<b>Telecom</b>			
Bharti Airtel	-0.7	-2.5	24.7
Bharti Infratel	-0.3	-2.5	7.6
Idea Cellular	-1.0	-5.3	-2.3
Tata Comm	3.2	12.1	39.4
<b>Utilities</b>			
Coal India	-0.4	6.8	-21.4
CESC	1.1	12.3	61.5
JSW Energy	1.8	22.1	-3.5
NTPC	-0.2	-1.9	8.5
Power Grid	-0.2	-4.1	19.0
Tata Power	0.7	7.4	13.5
<b>Others</b>			
Arvind	-0.3	10.4	28.7
Avenue Super.	-0.1	20.6	
Bata India	1.2	9.1	36.9
BSE	1.1	3.3	
Castrol India	-0.7	2.2	-12.9
Century Ply.	0.8	-3.6	12.2
Coromandel Intl	-0.2	-0.9	65.1
Delta Corp	-0.9	14.2	20.8
Dynamatic Tech	-6.1	7.0	-23.7
Eveready Inds.	-0.1	-0.3	10.1
Interglobe	-1.0	-7.5	37.4
Indo Count	-0.7	8.8	-21.2
Info Edge	7.2	13.2	30.9
Inox Leisure	-0.9	-5.6	-14.7
Jain Irrigation	-0.8	9.7	10.0
Just Dial	0.8	13.3	-15.4
Kaveri Seed	-0.1	6.6	61.9
Kitex Garm.	1.2	1.9	-28.9
Manpasand	1.4	12.7	28.6
MCX	-0.9	4.8	16.5
Monsanto	0.0	2.2	-1.3
Navneet Educat.	1.3	10.9	64.2
PI Inds.	-0.9	3.7	-9.0
Piramal Enterp.	5.6	5.4	55.4
SRF	0.7	7.7	-4.5
S H Kelkar	-1.6	0.3	-16.0
Symphony	-1.7	11.8	16.3
Trident	1.0	29.0	97.2
TTK Prestige	0.1	1.2	30.7
V-Guard	0.2	7.1	49.6
Wonderla	-1.1	3.2	-13.6



# THEMATIC/STRATEGY RESEARCH GALLERY



# REPORT GALLERY

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**Promising formulation**

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**Delivering Value**

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**Prepared, Equipped and Armed**

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### Gujarat Gas

**Long road ahead**

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# DIFFERENTIATED PRODUCT GALLERY

## MOTILAL OSWAL Annual Report Threadbare

31st Mar 2017

### 28X ENTERTAINMENT FY17

The FY17 Annual Report highlights our strategy to cash flow conversion of 75% with increase in cash conversion ratio by 200 bps (21% to 23%). This is primarily due to the increase in leverage (currently 100% higher), which increased from 100% to 120% to 140%, and the higher utilization of 100% of net assets (2016: 100%). Our aggressive marketing on entertainment media content continued, as better aggressive marketing to create rights acquisition will result in higher level of growth. International content also continued to be a key driver, yielding returns of 6%, which dropped from 10% to 5% in FY17.

- Revenue growth drove margin down. Revenue grew 17% in FY17, with (i) advertisement services growing 16% (FY16: 24%), due to better placement and subscription revenue, rising 17% (FY16: margin increased 150bps to 25%), but FY17 margin (adjusted for gain on sports broadcast) reduced by 100 bps due to the reduction in advertising revenue of 100%.
- Year-over-year revenue growth, adjusted for profit on the sale of sports broadcast, the effective rate increased to 10.3% (FY16: 25.0%). This is primarily on account of the reduction in advertising revenue, which is a key driver in our performance. The effective rate is also impacted by the reduction in the rate of return on capital (ROIC) on the sale of sports broadcast. The effective rate is also impacted by the reduction in the rate of return on capital (ROIC) on the sale of sports broadcast.
- Higher amount of net profit for FY17. The effective rate on the sale of sports broadcast, the effective rate on the sale of sports broadcast, the effective rate on the sale of sports broadcast, the effective rate on the sale of sports broadcast, the effective rate on the sale of sports broadcast.

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## MOTILAL OSWAL VOICES

31st Mar 2017

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## VOICES India Inc on Call

India's quarterly growth has been steady, despite a heavy reliance on the post monsoon rains. Growth is likely to be steady in the next few quarters, but the government's fiscal consolidation will be a key challenge. The government's fiscal consolidation will be a key challenge. The government's fiscal consolidation will be a key challenge.

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## MOTILAL OSWAL EcoKnowledge

31st Mar 2017

### Only two states implement 17% Pay Commission in FY18

The FY18 budget is expected to be a key driver in our performance. The FY18 budget is expected to be a key driver in our performance. The FY18 budget is expected to be a key driver in our performance.

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## MOTILAL OSWAL The CornerOffice

31st Mar 2017

### Focus on double-digit volume growth

The FY17 Annual Report highlights our strategy to cash flow conversion of 75% with increase in cash conversion ratio by 200 bps (21% to 23%). This is primarily due to the increase in leverage (currently 100% higher), which increased from 100% to 120% to 140%, and the higher utilization of 100% of net assets (2016: 100%). Our aggressive marketing on entertainment media content continued, as better aggressive marketing to create rights acquisition will result in higher level of growth. International content also continued to be a key driver, yielding returns of 6%, which dropped from 10% to 5% in FY17.

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## MOTILAL OSWAL BULLS & BEARS

INDIA VALUATIONS HANDBOOK

### Highlights of July edition

- Nifty up 5.0% in July - Highest MoM rise in 36 months.
- PSU Banks, Telecom, Metals, and Cement top performers.
- Consumer only sector to deliver negative returns in July.
- Mid-caps underperform large caps by 3.4% in July.

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## MOTILAL OSWAL FUND FOLIO

Indian Mutual Fund Tracker

### Highlights of July edition

- Nifty (+4.7% QoQ) up by 21% consecutive quarter in 2017.
- INR19.41
- FUND26: 1071 investors joined equity in June 2017.

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