

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	32,942	-0.3	23.7
Nifty-50	10,187	-0.4	24.4
Nifty-M 100	19,443	-0.2	35.5
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,579	-0.2	15.2
Nasdaq	6,738	-0.3	25.2
FTSE 100	7,414	0.0	3.8
DAX	13,033	-0.3	13.5
Hang Seng	11,602	-0.7	23.5
Nikkei 225	22,380	0.0	17.1
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	61	-2.9	10.1
Gold (\$/OZ)	1,280	0.2	11.1
Cu (US\$/MT)	6,720	-2.1	21.7
Almn (US\$/MT)	2,061	-1.3	21.0
Currency	Close	Chg .%	YTD.%
USD/INR	65.4	0.0	-3.7
USD/EUR	1.2	1.0	12.0
USD/JPY	113.4	-0.2	-3.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	7.1	0.1	0.5
10 Yrs AAA Corp	7.8	0.1	0.3
Flows (USD b)	14-Nov	MTD	YTD
FII	0.4	1.9	7.4
DII	0.0	0.2	11.6
Volumes (INRb)	14-Nov	MTD*	YTD*
Cash	380	422	304
F&O	4,990	6,661	5,584

Note: YTD is calendar year, *Avg

Today's top research idea

Eicher Motors: 2QFY18 Op-performance in-line; RE margins stable

VECV margin beats estimate

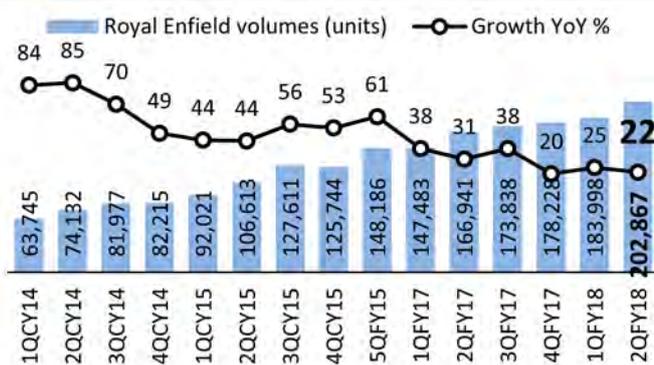
- ❖ EIM's operating performance was in-line with consol. EBITDA margin at 31.9% (est. 31.7%). However, higher tax restricted consol. PAT to ~INR5.2b (est. INR5.5b), a growth of 25%.
- ❖ RE's net realization declined 2% QoQ (+1% YoY) to ~INR106.7k (est. INR108.8) due to pass through of input tax credit. EBITDA margin expanded ~50bp QoQ (+60bp YoY) to 31.9% (est. 31.7%), led by lower RM cost (despite commodity pressures) due to efficiency gains.
- ❖ VECV's realizations grew 6% YoY (flat QoQ) to INR1.56m (est. INR1.59m). EBITDA margin expanded 200bp YoY (+90bp QoQ) to 9.2% (est. of 8.5%) on account of efficiency gains and operating leverage. Adj PAT was at INR950m (est. INR1.1m), grew 44% YoY. For RE, SSG in bookings for top-25 cities in early teens. It hasn't taken any price increase in RE since Aug-16.

Research covered

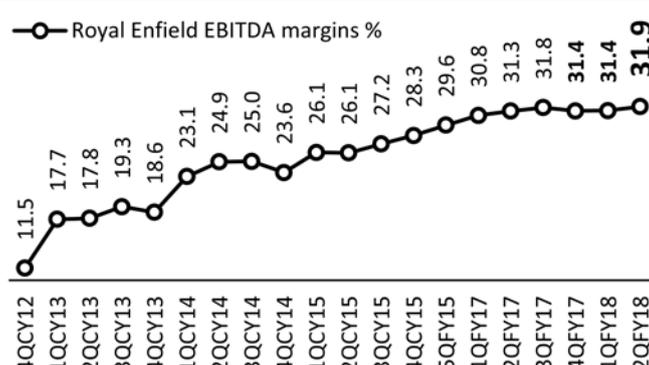
Cos/Sector	Key Highlights
Lupin (ART)	Acquired businesses profit contribution remain subdued
Sun Pharma	Margins improve sequentially; US remains under pressure
Eicher Motors	Op-performance in-line; RE margins stable; VECV margin beats estimate
Grasim Inds	Margin improvement in VSF and Chemical segments
GAIL	In-line EBITDA
Cadila Healthcare	Strong operating performance driven by key launches in US
Bank of Baroda	Stress additions remain elevated; provisions mar earnings
Idea Cellular	Change in strategy may protect market share; expect recovery beyond FY19
MRPL	Poor operating performance; core GRM at USD5.3/bbl
Bata India	Revenue below estimate; in-line EBITDA and PAT
Solar Inds	Strong beat led by exceptional performance from subsidiaries
J K Cements	Strong performance by White cement division
CEAT	Results below estimates
Ipca Labs	Strong recovery in margins
Others	Sadbhav Engg MCX Manpasand Beverages S H Kelkar & Co KNR Const Indo Count Inds Telecom SU

Chart of the Day: Eicher Motors: 2QFY18 Op-performance in-line; RE margins stable

Strong volume growth of 22% YoY



EBITDA margins at all-time high levels



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

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



Kindly click on textbox for the detailed news link

1

India's trade deficit hits 35-month high as exports decline 1.1% in October

India's merchandise exports declined for the first time in 14 months in October as exporters struggled with a liquidity crunch because of delayed refunds under the goods and services tax (GST) regime, leading to the highest trade deficit in 35 months...

2

After changing telecom's face forever, Jio now sets sights on a grand entry in ecommerce

Reliance Jio, after successfully disrupting India's telecom industry, is preparing to wade into the crowded ecommerce market leveraging its vast network and hundreds of millions of subscribers, according to two persons aware of matter. The company is working with corner stores, or 'kiranas', and consumer brands to create an operational model that will enable shoppers to buy at neighbourhood shops using digital coupons via its Jio Money platform or text messages, they said...

3

SBI begins process to sell Rs1,580 crore of bad loans

State Bank of India (SBI) has initiated the process of selling Rs1,580 crore of bad loans to financial institutions, including asset reconstruction companies (ARCs). The bank has put on block 11 non-performing assets (NPA) for sale through a bidding process, according to a tender on the bank's website...

4

Govt seeks special dividend from RBI for bank recapitalisation

The government has sought a special dividend from the Reserve Bank of India (RBI) to fund a part of its Rs 2.11-lakh crore plan to recapitalise public sector banks. "The RBI has been asked if it can pay a special dividend, apart from the yearly surplus that it pays the Centre...

5

RIL prima-facie not complied with CBM policy norm: Oil Ministry

Reliance Industries has prima-facie not complied with one clause of the government's coal bed methane (CBM) marketing policy because it sold the gas it produced to its own unit after participating in auctions, the oil ministry has found in its preliminary assessment. RIL said it has abided by CBM pricing policy's stated objective of discovering the best possible price that maximises state revenue and royalty, which was achieved by its participation in the transparent auctions conducted by CRISIL...

6

Udan: More airlines likely to participate in Round 2 of regional connectivity scheme

More airlines may participate in the second round of the Udan regional connectivity scheme, civil aviation secretary R.N. Chaubey indicated on Tuesday, while announcing that the government has received 141 initial proposals for the aviation scheme...

7

RCom defaults on dollar debt in test for Insolvency and Bankruptcy Code

The first default on US dollar bonds by an Indian company in 15 months may become a closely watched test case for how international creditors will fare under the country's new bankruptcy laws. Reliance Communications Ltd (RCom), the telecom operator controlled by billionaire Anil Ambani...

Annual Report Threadbare

LUPIN FY17

Lupin's (LPC) FY17 annual report analysis highlights the management's increasing thrust on transforming it into a complex generics company and achieving growth through acquisitions. This led to (a) R&D costs rising by 34% to INR23.1b, 13% of revenue, (b) depreciation and amortization rising by 86% to INR9.1b, 5% of revenue, and (c) finance cost rising by 1.5x to INR1.5b, 1% of revenue. Consequently, pre-tax margin declined from 23% in FY16 to 20%. Revenue grew 23% YoY to INR174.9b, driven by limited competition in gGlumetza / gFortamet, acquisition of Gavis and 21 brands in Japan. Our analysis of acquired subsidiaries highlights high contribution towards revenue growth; however, their profitability contribution has remained subdued. Operating cash flows turned positive to INR41.1b (FY16: negative INR3.1b), as cash conversion cycle improved to 186 days (FY16: 242 days). Deteriorating asset turnover and profitability margins over the last two years led to continued decline in RoE to 21% (FY16: 23%; FY15: 30%).

- **Ltd. competition in two drugs and acquisitions drive revenue**
Revenue grew 23% to INR174.9b, primarily driven by (a) limited competition in gGlumetza and gFortamet, and (b) Gavis and Shionogi's product acquisitions. US sales increased 36% to INR81.4b (FY16: INR59.8b). Japan revenue grew 32% to INR18b, led by contribution of INR5.8b (USD90m) from the acquired Shionogi product portfolio.
- **Acquired businesses drag overall profitability**
LPC has made ~14 acquisitions over FY08-17. In FY17, the revenue contribution from these subsidiaries (except Gavis and Temmler) was INR33.4b (19% of consolidated revenue); however, their PAT contribution was low at INR1.1b (4% of consolidated PAT). As a result, consolidated PAT margin was just 15% against standalone PAT margin of 25%.
- **Gavis acquisition yet to yield returns**
During FY16, following the acquisition of Gavis, its intangible assets worth USD678m were transferred to Lupin Atlantis Holdings SA (LAHSA). LAHSA's revenue grew significantly to INR12.9b in FY17 (FY16: INR2.7b). However, increased amortization of intangible assets and finance charges dented PBT by INR3.9b and resulted in pre-tax loss of INR4.9b (FY16: pre-tax loss of INR4.7b).
- **OCF turns positive on improved working capital cycle**
OCF turned positive (INR41.1b against -INR3.8b in FY16), led by improvement in cash conversion cycle to 186 days (FY16: 242 days). This was primarily due to decrease in receivable days to 90 (FY16: 116 days) and increase in payable days to 189 (FY16: 168 days). Also, reduced investments in capex and acquisitions (INR26.0b against INR70.1b in FY16) led to FCF post interest turning positive (INR13.6b in FY17 against -INR74.5b in FY16).

The ART of annual report analysis



Rising finance cost & amortization of acquired intangibles impacts profitability

- Acquired business revenue contribution remain strong, however, profitability contribution remained subdued.
- Improvement in working capital cycle and lower capex turns FCF positive

Stock Info

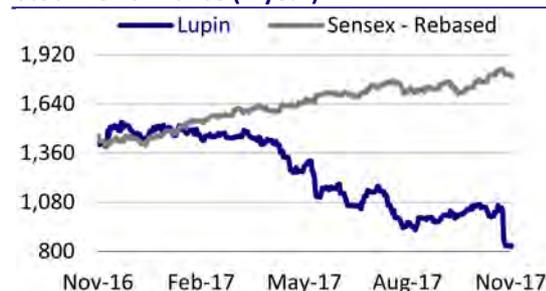
	LPC IN
Bloomberg	LPC IN
Equity Shares (m)	447.5
52-Week Range (INR)	1572 / 825
1, 6, 12 Rel. Per (%)	-23/-43/-66
M.Cap. (INR b) /(USD b)	385.1/ 5.8
Avg Val, INRm	1765
Free float (%)	53.2

Shareholding pattern (%)

	Sep-17	Jun-17	Sep-16
Promoter	46.8	46.7	46.7
DII	12.4	9.8	7.2
FII	27.7	30.9	34.7
Others	13.1	12.6	11.4

Note: FII Includes depository receipts

Stock Performance (1-year)



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Sun Pharma

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	SUNP IN
Equity Shares (m)	2,399
M.Cap.(INRb)/(USD\$b)	1,262.4 / 19.3
52-Week Range (INR)	731 / 433
1, 6, 12 Rel. Per (%)	-3/-27/-46
Avg Val, INRm	2954
Free float (%)	45.6

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	302.6	267.5	309.7
EBITDA	87.8	53.3	75.7
PAT	69.6	34.5	55.0
EPS (INR)	28.9	14.4	22.9
Gr. (%)	48.0	-50.4	59.3
BV/Sh (INR)	152.3	159.6	175.5
RoE (%)	18.1	9.2	13.7
RoCE (%)	19.0	9.7	14.0
P/E (x)	20.1	36.7	23.0
P/BV (x)	3.5	3.3	3.0

Estimate change

TP change

Rating change

CMP: INR526 TP: INR610 (+16%)

Buy

Margins improve sequentially; US remains under pressure

- Revenue fell 15% YoY to INR65.9b (2.5% miss) in 2QFY18. Gross margin shrunk 480bp YoY (-130bp QoQ) to 71.5%. EBITDA of INR13.15b was ~5% above estimate. EBITDA margin expanded to 20% v/s 17.1% in 1QFY18. Margin improvement for Taro also aided operational performance. PAT of INR9.1b was ~10% above estimate, led by a tax rate of ~10% (est. of ~15%).
- **Deferral of sales, new competition in Doxil impact US sales:** US business fell 44% YoY (-12% QoQ) to USD309m in 2QFY18. Although Taro sales increased ~5% QoQ, ex-Taro US sales declined ~55%, primarily due to new competition in Doxil (DRRD launched) and deferral of sales (gain in Absorica market share not reflected in 2Q sales). We expect ramp-up in US sales in coming quarters on the back of Coreg CR launch (only generic player) and Absorica/Odomzo ramp-up. We expect a pick-up in US sales from FY19, driven by Halol resolution and commercialization of Tildrakuzumab in the US (FY19E) and Seciera (2HFY19E). India business grew at ~10% YoY to INR22.2b.
- **Concall takeaways:** (a) MK-3222- EU approval deferred to CY18-end/CY19-beginning; US approval expected in 2018. (b) Maintained top-line guidance of high-single-digit decline in FY18 (our estimate: -12% YoY); EBITDA margin guidance also maintained at 20-22% for 2HFY18; (c) Rationalized ANDA portfolio in US due to weak industry outlook. (d) On track to file Seciera in 3QFY18. (e) Glumetza: did not launch the product as the company has not been able to achieve the sigma level. (f) SUNP expects US FDA inspection at Halol before CY17-end; (g) rice collusion probe: SUNP confirmed that no wrongdoing has been done from the company's side.
- **Challenges persist; but aren't they factored in price?** We expect the stock to remain under pressure in the near term due to challenges related to growth and margins. We maintain **Buy** with a TP of INR610, based on 24x 1HFY20E (v/s INR515 @ 22x FY19E). We cut FY18E EPS by 5% as we built in a slower recovery in the US business. We increase our target multiple to 24x as we expect recovery from FY19 as earnings bounce back, Halol resolution happens and visibility of specialty business monetization improves.

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18E				FY17	FY18E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			FY18E	Var
Net Revenues	80,067	77,640	76,832	68,252	61,667	65,901	67,266	72,678	302,642	267,511	67,603	-2.5
YoY Change (%)	18.4	13.0	8.5	-10.6	-23.0	-15.1	-12.5	6.5	7.1	-11.6	-12.9	
Total Expenditure	53,220	50,974	54,595	55,895	51,131	52,747	53,140	57,175	214,892	214,194	55,097	
EBITDA	26,847	26,666	22,237	12,357	10,535	13,153	14,126	15,503	87,751	53,317	12,507	5.2
Margins (%)	33.5	34.3	28.9	18.1	17.1	20.0	21.0	21.3	29.0	19.9	18.5	
Depreciation	3,160	3,038	3,068	3,382	3,466	3,587	3,400	3,347	12,648	13,800	3,350	
Net Other Income	2,588	5,668	1,851	4,913	847	1,577	2,250	2,326	15,376	7,000	2,250	
PBT before EO Exp	26,275	29,295	21,020	13,888	7,916	11,144	12,976	14,482	90,479	46,517	11,407	-2.3
EO Exp/(Inc)	0	0	0	0	9,505	0	0	0	0	0	0	
PBT	26,275	29,295	21,020	13,888	-1,589	11,144	12,976	14,482	90,479	46,517	11,407	
Tax	3,527	4,417	3,729	443	1,618	1,114	1,946	2,299	12,116	6,978	1,711	
Rate (%)	13.4	15.1	17.7	3.2	20.4	10.0	15.0	15.9	13.4	15.0	15.0	
PAT (pre Minority Interest)	22,748	24,879	17,291	13,445	-3,207	10,030	11,030	12,183	78,363	39,540	9,696	
Minority Interest	2,411	2,528	2,573	1,208	1,042	908	1,400	1,649	8,719	5,000	1,400	
Reported PAT	20,337	22,351	14,718	12,237	-4,249	9,121	9,630	10,533	69,644	34,540	8,296	10.0
YoY Change (%)	265.8	117.3	3.9	-28.6	-120.9	-59.2	-34.6	-13.9	28.9	-50.4	-62.9	

E: MOSL Estimates; * Quarterly no. don't match with annual no. because of reinstatement of financials



Eicher Motors

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	EIM IN
Equity Shares (m)	27
M.Cap.(INRb)/(USDb)	818.9 / 12.2
52-Week Range (INR)	33,484 / 19,571
1, 6, 12 Rel. Per (%)	-6/-4/16
Avg Val, INRm	1,326.8
Free float (%)	49.5

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	88.8	107.2	126.9
EBITDA	28.2	35.4	43.3
PAT	22.2	28.9	36.3
EPS (INR)	814.7	1,062.7	1,334.6
Gr. (%)	33.0	30.4	25.6
BV/Sh (INR)	2,603	3,463	4,567
RoE (%)	35.7	35.0	33.2
RoCE (%)	32.0	32.1	31.2
P/E (x)	36.9	28.3	22.5
P/BV (x)	11.6	8.7	6.6

Estimate change



TP change



Rating change



CMP: INR30,083 TP: INR34,722(+15%) Buy

Op performance in-line; RE margins stable; VECV margin beats estimate

- Consol. revenue grew ~23.5% YoY to ~INR21.7b (est. of INR22.1b), with EBITDA growth of 26% YoY to INR6.8b (est. of INR7b). However, higher tax restricted consol. PAT to INR5.2b (est. of INR5.5b) – growth of 25%.
- **RE's** net realization declined 2% QoQ (+1% YoY) to ~INR106.7k (est. of INR108.8) due to pass-through of input tax credit. EBITDA margin expanded ~50 QoQ (+60bp YoY) to 31.9% (est. of 31.7%), led by lower RM cost (despite commodity pressures) due to efficiency gains. PAT grew 23% YoY to INR4.9b.
- **VECV's** realizations grew 6% YoY (flat QoQ) to INR1.56m (est. of INR1.59m). EBITDA margin expanded 200bp YoY (+90bp QoQ) to 9.2% (est. of 8.5%), led by efficiency gains and operating leverage. PAT grew 44% YoY to INR950m (est. of INR1.1m).
- **Earnings call highlights:** a) Waiting period stable at 1.5-2 months for Classic 350; SSG bookings is in early teens. b) New 650cc Interceptor & Continental GT would be launched in Apr-18, starting with Europe and the UK. c) Guided for producible capacity of 825k/900k for FY18/19. d) Discounting levels in M&HCVs are very high. It traded market share for profitability in 2Q.
- **Valuation view:** We cut our FY18E/FY19E EPS by 1%/5% to factor in lower RE volumes and higher tax. It trades at 28.3x/22.5x FY19E/20E EPS. Maintain **Buy** with a TP of INR34,722 (Sep-19 SOTP-based).

Quarterly performance (Consolidated)

Y/E March	FY17				FY18				FY17	FY18E	FY18E	VAR (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Operating income	15,557	17,549	18,348	18,881	20,006	21,673	22,929	24,229	70,334	88,838	22,080	-1.8
Growth (%)	42.0	35.0	42.9	23.2	28.6	23.5	25.0	28.3	42.4	57.9	25.8	
EBITDA	4,700	5,422	5,770	5,848	6,207	6,825	7,294	7,892	21,740	28,219	7,000	-2.5
EBITDA Margins (%)	30.2	30.9	31.4	31.0	31.0	31.5	31.8	32.6	60.9	31.8	31.7	-20bp
Change (%)	34.0	51.6	29.1		14.5	18.3	24.7			29.8	21.3	
Recurring PAT	3,763	4,132	4,182	4,594	4,596	5,180	5,666	6,727	16,671	22,169	5,509	-6.0
Growth (%)	58.6	45.2	50.0	33.9	22.1	25.4	35.5	46.4	55.7	66.2	33.3	

Standalone (Royal Enfield)

Royal Enfield (units)	147,483	166,941	173,838	178,228	183,998	202,867	214,492	227,373	666,490	828,730	202,867	0.0
Growth (%)	38.3	30.8	38.2	20.3	24.8	21.5	23.4	27.6	38.8	55.4	21.5	
Net Realn (INR/unit)	105,603	105,576	105,477	105,731	108,691	106,651	106,901	106,755	105,598	107,197	108,841	-2.0
Change - YoY (%)	2.7	3.7	3.3	1.5	2.9	1.0	1.4	1.0	2.4	1.5	3.1	
EBITDA Margins (%)	30.8	31.3	31.8	31.4	31.4	31.9	31.8	31.9	31.3	31.8	31.7	20bp
Recurring PAT	3,371	3,962	4,152	4,116	4,943	4,864	5,208	5,495	15,600	20,511	5,043	-3.5
Growth (%)	69.6	54.2	64.5	8.5	46.6	22.8	25.4	33.5	48.9	64.3	27.3	

VECV

Total CV Volumes	16,071	13,408	11,784	17,230	11,583	15,013	14,868	19,198	58,493	60,662	15,013	0.0
Growth (%)	32.5	15.0	-7.1	10.8	-27.9	12.0	26.2	11.4	16.0	29.6	12.0	
Net Realn (INR '000)	1,331.3	1,470.5	1,599.6	1,482.3	1,556.6	1,558.0	1,612.5	1,633.5	1,461.5	1,595.0	1,587.7	-1.9
Change - YoY (%)	-9.6	-3.8	1.9	11.2	16.9	6.0	0.8	10.2	-4.3	9.1	8.0	
EBITDA Margins (%)	9.1	7.2	6.9	8.2	8.3	9.2	8.4	9.4	7.9	8.9	8.5	70bp
Recurring PAT	1,082	660	570	1,232	650	950	1,080	1,729	3,589	4,648	1,095	-13.2
Growth (%)	40.9	-2.6	-36.0	1,939.2	-39.9	44.0	89.5	40.3	17.5	61.9	56.8	

E: MOSL Estimates



Grasim Industries

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	GRASIM IN
Equity Shares (m)	657
M.Cap.(INRb)/(USDb)	794.7/12.2
52-Week Range (INR)	1300/652
1, 6, 12 Rel. Per (%)	4/16/39
Avg Val, INRm	1514.0
Free float (%)	59.9

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	449.4	551.3	616.0
EBITDA	97.5	127.9	148.4
PAT	38.3	54.5	62.3
EPS (INR)	81.9	116.8	133.5
Gr. (%)	20.8	42.5	14.3
BV/Sh (INR)	749.3	861.0	989.5
RoE (%)	11.5	14.5	14.4
RoCE (%)	11.9	13.3	14.0
P/E (x)	14.8	10.4	9.1
P/BV(x)	1.6	1.4	1.2

Estimate change	N.A.
TP change	↔
Rating change	↔

CMP: INR1209 TP: INR1,302(+8%)

Neutral

Margin improvement in VSF and Chemical segments

YoY/QoQ numbers not comparable due to merger of ABNL

- Strong realization drives profits: In 2QFY18, standalone revenue stood at INR40.37b, EBITDA at INR7.85b and PAT at INR6.14b. Realization improved YoY in the VSF and Chemical segments. Tax rate stood at 27.4% v/s 22.2% in the corresponding period last year. VFY EBITDA contribution was ~INR610m for 2QFY18 (earlier part of the ABNL business).
- VSF – realization uptick drives profits: Volumes increased 5% YoY on a like-to-like basis due to inventory restocking by the domestic value chain. Realization rose 5% YoY, driven by higher global VSF prices. Realization was weaker QoQ due to the impact of GST. VSF margin stood at 22% (+3pp QoQ, flat YoY), led by better realization. The lagged effect of softening pulp prices should be seen in 2HFY18.
- Chemical segment – realizations up 19% YoY: Volumes rose 7% YoY on a like-to-like basis. ECU realizations increased 19% YoY, led by higher caustic prices, partially offset by negative chlorine realization. Chemical revenue stood at INR11.68b, with margins of 24.4% (+1.2pp YoY, +1.9pp QoQ). Margins were impacted by an increase in power cost.
- **Valuation view:** Grasim's long-term holding discount to its investment in Ultratech has been ~40-45%. We expect the company to continue maintaining its long-term holding discount for its 60% and 57% stakes in Ultratech and ABCL, respectively. Hence, we value its investments in Ultratech and ABCL at a 40% discount to current market price, and investments in other group companies at ~50% discount. We thus arrive at fair value of INR1,302/share, implying an 8% upside from the current levels. Maintain **Neutral**.

Quarterly Performance (Standalone) (INR m)

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
VSF Volume (ton)	121,000	123,994	122,000	133,000	121,000	134,000	134,200	115,794	499,994	504,994	134,000	0
YoY Change (%)	17.8	9.00	1.1	2.31	0.00	8.07	10.00	-12.94	6.8	1.0	5.0	
VSF Realization (INR/ton)	128,039	130,713	137,438	139,960	142,124	137,249	149,808	145,558	135,837	143,685	141,124	-3
YoY Change (%)	13.0	12.0	9.0	11.0	11.0	5.0	9.0	4.0	11.6	5.8	8.0	
Net Sales	23,959	24,887	25,260	28,761	27,403	40,373	30,270	10,753	103,457	108,798	29,929	35
YoY Change (%)	23.8	17.4	9.7	13.1	14.4	62.2	19.8	-62.6	15.3	5.2	20.3	
EBITDA	5,078	5,301	5,428	5,254	5,553	7,852	8,012	8,170	21,548	29,587	5,514	42
Margins (%)	21.2	21.3	21.5	18.3	20.3	19.4	26.5	76.0	20.8	27.2	18.4	
Depreciation	1,104	1,119	1,106	1,133	1,103	1,664	1,700	1,695	4,461	6,161	1,160	
Interest	231	156	107	83	73	427	440	393	576	1,333	45	
Other Income	781	3,587	553	304	658	2,688	450	1,204	4,739	5,000	2,800	
PBT before EO Items	4,525	7,612	4,769	4,343	5,036	8,449	6,322	7,286	21,249	27,093	7,109	19
Extraordinary Inc/(Exp)	0	0	0	0	0	-540	0	0	0	0	0	
PBT after EO Items	4,525	7,612	4,769	4,343	5,036	7,909	6,322	7,286	21,249	27,093	7,109	11
Tax	1,317	1,690	1,455	1,188	1,564	2,164	1,897	2,503	5,649	8,128	2,133	
Rate (%)	29.1	22.2	30.5	27.4	31.1	27.4	30.0	34.4	26.6	30.0	30.0	
Reported PAT	3,209	5,923	3,314	3,155	3,472	5,745	4,426	4,783	15,600	18,965	4,976	15
Adj. PAT	3,209	5,923	3,314	3,155	3,472	6,137	4,426	4,783	15,600	18,965	4,976	23
Margins (%)	13.4	23.8	13.1	11.0	12.7	15.2	14.6	44.5	15.1	17.4	16.6	
YoY Change (%)	251.6	55.2	21.9	72.7	8.2	3.6	33.6	51.6	57.0	21.6	-16.0	

E: MOSL Estimates



GAIL India

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	GAIL IN
Equity Shares (m)	1,691
M.Cap.(INRb)/(USD\$)	661.6 / 9.8
52-Week Range (INR)	480 / 301
1, 6, 12 Rel. Per (%)	3/4/16
Avg Val, INRm	1490
Free float (%)	45.6

CMP: INR456 TP: INR378 (-17%)

Sell

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	534.5	604.3	647.1
EBITDA	80.8	89.1	93.2
PAT	47.5	53.9	56.8
EPS (INR)	28.1	31.9	33.6
Gr. (%)	24.5	13.4	5.5
BV/Sh (INR)	243.1	262.9	283.8
RoE (%)	12.0	12.6	12.3
RoCE (%)	10.3	10.8	10.5
P/E (x)	16.2	14.3	13.6
P/BV (x)	1.9	1.7	1.6
EV/EBITDA (x)	9.2	8.3	7.9

Estimate change

TP change

Rating change

In-line EBITDA; Transmission/trading above est.; Petchem disappoints

2QFY18 EBITDA stood at INR20.7b (in-line; +37% YoY, +9% QoQ), led by higher gas transmission/trading earnings, partly offset by lower petrochemical earnings. Reported PAT of INR13.1b (+42% YoY, +28% QoQ) was ahead of our estimate of INR12.2b, led by other income of INR2.9b (est. of INR2.4b; -13% YoY, +153% QoQ).

Segmental analysis: Transmission/trading above est.; Petchem disappoints

- Gas transmission volume stood at 106mmscmd (+5% YoY, +6% QoQ), led by increased offtake from power plants due to the lack of coal supply. Implied tariff stood at INR1,351/mscm (+25% YoY, +14% QoQ) due to increased share of higher tariff zone during the quarter. EBIT stood at INR8.5b (+33% YoY, +34% QoQ). We expect some softening in transmission volumes going ahead, with a decline in offtake from power plants as availability of coal supply increases.
- While petchem sales stood at 175k MT (+29% YoY, +34% QoQ), realization declined to USD1,277/MT (-14% YoY, -20% QoQ) due increased competition from domestic players. EBIT stood at INR888m (-43% YoY, +112% QoQ).
- Due to higher availability of rich gas, LPG/liq. HC sales stood at 333K MT (+19% YoY, +14% QoQ). Realization was USD417/MT (+16% YoY, -18% QoQ). EBIT stood at INR4.6b (+212% YoY, -14% QoQ).
- Gas trading EBIT rose 27% YoY (+29% QoQ) to INR4.2b, led by trading volumes of 85mmscmd (+5% YoY, +8% QoQ) and trading margins of INR540/mscm (+20% YoY, +15% QoQ).

US LNG contract remains a threat

- Increase in oil prices would help the petchem and LPG/liq. HC segments.
- Potential liability led by price differential on its US LNG contracts is an event risk for the stock.

Valuation and view: The stock trades at 14.3x FY19E EPS of INR31.9. We value GAIL using SOTP at INR378/share, implying ~17% downside. The core business is valued at 9x FY19-20E EPS adjusted for other income. Maintain **Sell**.

Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var. vs est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	106,866	118,582	121,079	134,217	114,065	124,097	132,916	161,982	480,743	533,059	131,905	-6%
Change (%)	-14.6	-15.8	-9.5	15.4	6.7	4.7	9.8	20.7	-6.9	10.9	11.2	
EBITDA	15,732	15,155	17,015	15,250	18,994	20,694	19,975	24,557	63,152	84,220	20,585	1%
% of Net Sales	14.7	12.8	14.1	11.4	16.7	16.7	15.0	15.2	13.1	15.8	15.6	
Depreciation	3,354	3,563	3,579	3,471	3,451	3,425	3,580	3,811	13,968	14,267	3,580	-4%
Interest	1,774	1,198	1,601	220	1,014	926	860	638	4,794	3,437	860	8%
Other Income	1,362	3,361	3,002	4,981	1,158	2,929	2,350	2,493	12,705	8,930	2,350	25%
Extraordinary item*	4,893	0	0	-7,880	0	0	0	0	-2,987	0	0	
PBT	16,858	13,755	14,836	8,659	15,687	19,273	17,885	22,601	54,108	75,447	18,495	4%
Tax	3,506	4,508	5,007	6,058	5,431	6,177	6,081	7,684	19,079	25,373	6,288	-2%
Rate (%)	20.8	32.8	33.7	70.0	34.6	32.0	34.0	34.0	35.3	33.6	34.0	
PAT	13,352	9,247	9,829	2,602	10,256	13,096	11,804	14,917	35,029	50,074	12,207	7%
Adj PAT	8,459	9,247	9,829	10,482	10,256	13,096	11,804	14,917	38,016	50,074	12,207	7%
Change (%)	99.4	109.9	48.0	36.1	21.3	41.6	20.1	42.3	65.4	31.7	32.0	
EPS (INR)	5.0	5.5	5.8	6.2	6.1	7.7	7.0	8.8	22.5	29.6	7.2	7%
Key Assumptions												
Gas Trans. volume (mmscmd)	96	101	103	102	100	106	108	112	100	106	109	-3%
Petchem sales ('000MT)	110	136	146	186	131	175	200	198	578	704	180	-3%



Cadila Health

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	CDH IN
Equity Shares (m)	1,024
M.Cap.(INRb)/(USDb)	459.1 / 7.1
52-Week Range (INR)	558 / 330
1, 6, 12 Rel. Per (%)	-12/-14/-5
Avg Val, INRm	568
Free float (%)	25.2

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	94.3	118.3	141.1
EBITDA	19.0	27.8	35.6
PAT	14.5	17.9	24.3
EPS (INR)	14.2	17.5	23.7
Gr. (%)	-7.9	23.0	35.8
BV/Sh (INR)	68.0	81.1	100.5
RoE (%)	23.0	23.4	26.1
RoCE (%)	15.2	15.0	18.0
P/E (x)	31.6	25.7	18.9
P/BV (x)	6.6	5.5	4.5

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR449 TP: INR555(+24%) Buy

Strong operating performance driven by key launches in US

- 2QFY18 net revenue rose ~37% YoY to INR32.3 b (9.4% beat). Gross margin improved to ~66% (+180bp YoY, ~400bp QoQ). EBITDA grew 66% YoY to INR8.6b (+18.4% beat), with the margin at ~26.5% v/s 21.9% in 2QFY17 and 12.6% in 1QFY18. Significant improvement in margin and revenue is attributed to strong growth in the US and a recovery in domestic business sales. PAT rose 49% YoY to INR5b (5% beat).
- **Strong growth in US driven by key launches:** US business rose 66% YoY (+70% QoQ) to INR16.4b, led by Lialda launch. Lialda sales are likely to decline due to AG launch, but ramp-up of Tamiflu suspension and other key launches (incl. Asacol HD, Toprol XL, Prevacid ODT) should help maintain strong growth. Post successful resolution of Moraiya facility, we expect ~80 ANDA approvals until FY19 for CDH. ~50% of these are expected to come from Moraiya facility, and the rest from Baddi/SEZ facilities. Driven by these approvals/contribution from Sentyln acquisition, we expect US sales CAGR of >30% until FY19. India business grew ~15% YoY to INR8.95b in 2QFY18.
- **Concall takeaways:** 1) Base business erosion in US was ~2.6% QoQ; CDH expects base erosion of ~10% YoY in FY18 and 8-10% YoY in FY19. 2) Tax rate guidance of ~22-25%. 3) Plans to launch 15 ANDAs and 40 ANDAs in 2HFY18E and FY19E, resp. 4) Transdermal approvals in 1HCY18E, launches in 2HCY18 (incl. Exelon patch). 5) Received CRL for Duragesic Patch; launch thus not expected in next 12 months. 6) Prevacid ODT (before Dec-17) and Toprol XL (before Mar-18) TAD are in FY18E. 7) Gross debt at INR52b and net debt at INR40b (as of end-1HFY18E); debt to come down further by INR4-5b in 2HFY18; 8) CDH will file 35-40 ANDAs p.a. 9) R&D guidance of 7-8% p.a.
- **Premium multiple backed by strong growth outlook:** Strong launch momentum and limited-competition launches (like Lialda) should drive strong margin improvement (FY19E EBITDA margin to be ~25%). Maintain **Buy** with a TP of INR555 @22x 1HFY20E PER (v/s INR555 @23x FY19E PER). We have cut our target multiple, in line with large cap peers.

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18E				FY17	FY18E	MOSL	Chg.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	(%)
Net Revenues	22,871	23,531	23,111	24,782	21,973	32,340	29,819	30,557	94,295	114,689	29,552	9.4
YoY Change (%)	-1.2	1.0	-4.8	1.2	-3.9	37.4	29.0	23.3	-1.0	21.6	25.6	
EBITDA	5,239	5,160	4,043	4,636	2,773	8,571	7,604	8,004	19,036	26,952	7,240	18.4
Margins (%)	22.9	21.9	17.5	18.7	12.6	26.5	25.5	26.2	20.2	23.5	24.5	
Depreciation	843	864	898	1,145	1,220	1,267	1,000	654	3,750	4,141	1,000	
Interest	140	187	66	99	219	406	405	-16	450	1,014	405	
Other Income	153	236	166	731	210	225	257	337	1,286	1,029	257	
PBQ before EO Income	4,409	4,345	3,245	4,123	1,544	7,123	6,456	7,703	16,122	22,826	6,093	16.9
EO Exp/(Inc)	2	0	0	0	0	0	0	0	0	0	0	
PBQ after EO Income	4,407	4,345	3,245	4,123	1,544	7,123	6,456	7,703	16,122	22,826	6,093	16.9
Tax	966	1,068	504	19	293	2,123	1,291	858	1,289	4,565	1,219	
Rate (%)	21.9	24.6	15.5	0.5	19.0	29.8	20.0	11.1	8.0	20.0	20.0	
Min. Int/Adj on Consol	-121	-99	-76	249	133	33	-84	-417	47	-335	-84	
Adj PAT	3,564	3,376	2,817	3,855	1,384	5,033	5,081	6,428	14,880	17,926	4,791	5.1
YoY Change (%)	-13.0	-26.5	-27.8	-0.7	-61.2	49.1	80.4	66.7	3.7	20.5	41.9	
Margins (%)	15.6	14.3	12.2	15.6	6.3	15.6	17.0	21.0	15.8	15.6	16.2	

E: MOSL Estimates

Bank of Baroda

BSE SENSEX 32,942
S&P CNX 10,187

CMP: INR174 TP: INR201(+15%) Buy

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

Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	148.0	164.6	166.5
OP	120.3	139.9	146.0
NP	26.6	41.4	52.3
NIM (%)	2.2	2.2	2.0
EPS (INR)	17.9	22.6	29.7
EPS Gr. (%)	199.6	26.2	31.1
BV/Sh. (INR)	167.7	182.8	202.7
RoE (%)	6.4	9.4	10.9
RoA (%)	0.4	0.5	0.6
P/E(X)	9.7	7.7	5.9
P/BV (X)	1.0	1.0	0.9

Stress additions remain elevated; provisions mar earnings

- Bank of Baroda (BoB) reported PPOp of INR30.4b (10% beat), led by a 6% NII beat and controlled opex growth of 5% QoQ/YoY. Provisions of INR23.3b (credit cost at 1.9% v/s 2.3%/2.6% in 1QFY18/4QFY17) led to PAT of INR3.55b (+75%/-36% QoQ/YoY).
- NII growth picked up (+9% QoQ/YoY) on the back of a pick-up in loan growth (+9% YoY) and NIM expansion (+20bp QoQ; 1Q had higher interest reversals).
- Slippages moderated significantly to INR34.5b (67bp) v/s INR40.8b (1.1%) in 1Q, with INR2.5b of slippages from the restructured book. Recoveries and upgrades at INR15.5b and write-offs at INR17.7b led to sequentially flat absolute GNPA (11.16%, -24bp QoQ). Overall NSL (NNPA, standard restructured, SDR and S4A) stood at ~10.1% of total advances.
- Other highlights:** a) While loan growth picked up at 9.4% YoY, what is notable is that domestic advances registered multi-quarter-high growth of 13.8%, led by healthy retail loan growth of 25.5%. b) Strong traction in CASA (+26.7% YoY) helped reduce cost of deposits by 20bp QoQ, helping NIM expansion. c) Core fee income grew 21% YoY.
- Valuation and view:** We like management's focus on cleaning up the balance sheet and laying the foundation for sustainable growth. We expect stress addition and credit costs to moderate from FY19. Additional buffers like non-core financial investments among other options will lead to dilution-free growth in the near term. We will revise our estimates and TP post the analyst meet.

Quarterly Performance

	(INR Million)								FY17	FY18
	FY17				FY18					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Net Interest Income	33,711	34,261	31,344	33,283	34,050	37,205	36,844	39,915	1,35,134	1,48,014
% Change (YoY)	-2.6	5.6	15.9	-0.1	1.0	8.6	17.5	19.9	6.1	9.5
Other Income	14,444	15,614	17,750	19,773	15,512	17,371	18,602	20,152	67,581	71,635
Total Income	48,155	49,875	49,093	53,056	49,561	54,576	55,446	60,066	2,02,715	2,19,649
Operating Expenses	21,460	22,973	23,141	25,390	23,080	24,158	25,012	27,096	92,964	99,346
Operating Profit	26,695	26,902	25,952	27,666	26,481	30,418	30,434	32,970	1,09,751	1,20,303
% Change (YoY)	21.2	15.1	52.3	7.5	-0.8	13.1	17.3	19.2	24.5	9.6
Provisions	20,041	17,958	20,795	26,230	23,681	23,294	15,545	16,840	85,024	79,359
Profit before Tax	6,654	8,944	5,157	1,436	2,801	7,125	14,889	16,130	24,727	40,945
Tax	2,418	3,422	2,630	2,425	767	3,571	4,796	5,196	10,896	14,331
Net Profit	4,236	5,521	2,527	-989	2,034	3,554	10,093	10,934	13,831	26,614
% Change (YoY)	-59.7	343.5	NA	NA	-52.0	-35.6	299.4	-1,205.9	NA	92.4
Operating Parameters										
NIM (Calculated, %)	2.2	2.2	2.0	2.1	2.2	2.4	2.3	2.4	1.9	2.3
Deposit (INRt)	5.6	5.7	5.9	6.0	5.7	5.8	6.2	0.0	6.0	0.0
Loan (INRt)	3.6	3.5	3.5	3.8	3.8	3.9	4.1	0.0	-0.1	10.0
CD Ratio (%)	64.5	62.4	59.3	63.7	66.2	66.4	66.9	67.3	63.7	67.3
Asset Quality										
Gross NPA (INR B)	430	429	426	427	462	463	426	444	427	444
Gross NPA (%)	11	11	11	10	11	11	10	9	10	9
Net NPA (INR B)	208	193	190.1	180.8	195.2	195.7	190.1	97.8	180.8	97.8
Net NPA (%)	5.7	5.5	5.4	4.7	5.2	5.1	5.4	1.7	4.7	1.7

E: MOSL Estimates

Idea Cellular

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	IDEA IN
Equity Shares (m)	3,601
M.Cap.(INRb)/(USDb)	336.8/5.2
52-Week Range (INR)	124 / 67
1, 6, 12 Rel. Per (%)	16/-1/9
Avg Val, INRm	1752
Free float (%)	57.6

CMP: INR96

TP: INR110 (+15%)

Buy

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	355.8	346.8	368.7
EBITDA	102.8	84.2	95.0
Adj PAT	-4.0	-39.3	-40.8
EPS (INR)	-1.1	-10.9	-11.3
Gr. (%)	-116.2	884.1	3.6
BV/Sh (INR)	68.6	57.7	46.4
RoE (%)	-1.6	-17.3	-21.7
RoCE (%)	1.5	-0.3	0.3
P/E (x)	-86.2	-8.8	-8.5
P/BV (x)	1.4	1.7	2.1
EV/EBITDA (x)	8.1	10.0	9.0

Estimate change

TP change

Rating change



Change in strategy may protect market share; expect recovery beyond FY19

- Downward spiral continues:** Idea Cellular (IDEA) continued reporting weak earnings due to ARPU downtrading and intensifying competition. Revenue declined 9% QoQ (-20% YoY) to INR74.7b (2% miss). EBITDA fell 20% QoQ (-47% YoY) to INR15b, with the margin down 290bp QoQ to 20.1%. In comparison, BHARTI witnessed a relatively good quarter, with a 5% decline each in revenue and EBITDA. IDEA's net loss widened to INR11.1b (est. of INR17.8b) from INR8.1b in 2QFY17, led by lower EBITDA and higher D&A.
- ARPU under pressure in voice, data:** ARPU remained subdued, with an 8% decline to INR132 due to downtrading. Voice ARPU fell by 7% QoQ to INR100 and data ARPU by 12% QoQ to INR105. Notably, overall subscribers fell 4% QoQ to 182.4m – the steepest in four quarters, led by pressure from Rjio launch. Subscriber churn could severely hurt recovery, going forward.
- Expect recovery from FY19:** IDEA's change in strategy with data-heavy bundled offerings (bridging pricing gap v/s peers) should allow it to protect market share and benefit from ongoing market consolidation. We expect the market to bottom by end-FY18. Further, the company's merger with Vodafone should drive operating synergies. We expect FY18E/19E EBITDA to grow -41%/10%.
- Maintain Buy with a TP of INR110:** We cut EBITDA by 7%/16% for FY18E/19E. However, the anticipated market recovery beyond FY18 should support the stock. IDEA is trading at 12x EV/EBITDA on FY19E, partly capturing the gains from the Vodafone merger. The estimated back-ended synergy gains (not yet modeled in our numbers) in FY20 value the stock at 7x on FY20E. We maintain **Buy** with a TP of INR110, rolling over valuation to Sept-19, assigning 11x EV/EBITDA (capturing Vodafone synergy gains).

Quarterly Performance (INR m)

Y/E March	FY17				FY18				FY17	FY18E	2Q Variance	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			FY18E	%
Gross Revenue	94,866	93,002	86,627	81,261	81,665	74,655	69,244	69,823	355,758	295,387	76,001	7.5
YoY Change (%)	7.9	7.0	-3.9	-14.3	-13.9	-19.7	-20.1	-14.1	12.7	-17.0	-18.3	
Total Expenditure	63,917	64,601	64,973	60,062	62,911	59,639	55,786	56,258	252,995	234,594	60,669	3.7
EBITDA	30,949	28,401	21,655	21,199	18,754	15,016	13,458	13,565	102,763	60,793	15,332	22.3
Margins (%)	32.6	30.5	25.0	26.1	23.0	20.1	19.4	19.4	28.9	20.6	20.2	-85 bp
Depreciation	19,192	19,543	19,653	19,885	20,679	21,143	21,771	22,402	78,272	85,995	22,865	-9.6
Share in Profits from Associates	1,035	1,057	1,143	983	818	843	860	877	4,218	3,398	834	-2.0
Net Finance Costs	9,431	8,753	9,232	9,366	11,539	11,829	11,749	11,749	37,342	46,867	11,131	3.7
PBT before EO expense	3,361	1,162	-6,087	-7,069	-12,646	-17,113	-19,202	-19,710	-8,633	-68,671	-17,830	-29.1
PBT	3,361	1,162	-6,087	-7,069	-12,646	-17,113	-19,202	-19,710	-8,633	-68,671	-18,664	-32.2
Tax	1,158	247	-2,248	-3,792	-4,497	-6,047	0	0	-4,636	-10,544	0	0
Rate (%)	34.5	21.3	36.9	53.6	35.6	35.3	0.0	0.0	53.7	15.4	0.0	922 bp
Reported PAT	2,203	915	-3,839	-3,277	-8,149	-11,066	-19,202	-19,710	-3,997	-58,127	-17,830	-54.3
YoY Change (%)	-74.2	-88.7	-150.2	-156.9	-469.9	-14.8	-27.7	-28.2	-1.1	-19.7	-23.5	-55 bp
Margins (%)	2.3	1.0	-4.4	-4.0	-10.0	-11.066	-19.202	-19.710	-3.997	-58.127	-17.830	-54.3



BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	MRPL IN
Equity Shares (m)	1,753
M.Cap.(INRb)/(USDb)	236.8 / 3.5
52-Week Range (INR)	146 / 81
1, 6, 12 Rel. Per (%)	-7/-17/18
Avg Val, INRm	251
Free float (%)	11.4

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	410.1	481.7	488.2
EBITDA	33.9	39.8	40.3
PAT	16.2	20.1	21.6
EPS (INR)	9.2	11.5	12.3
Gr. (%)	(37.6)	24.4	7.2
BV/Sh (INR)	64.5	73.3	82.8
RoE (%)	15.1	16.7	15.8
RoCE (%)	11.4	13.3	13.4
P/E (x)	13.2	10.6	9.9
P/BV (x)	1.9	1.7	1.5

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR122 TP: INR110(-10%)

Sell

Poor operating performance; core GRM at USD5.3/bbl

- MRPL's 2QFY18 EBITDA came in at INR9.1b (+16% YoY, +56% QoQ), significantly below our estimate of INR13.6b, due to lower GRM and throughput. The company booked a forex loss of INR670m during the quarter v/s forex gain of INR315m in 1QFY18 and INR1.6b in 2QFY17. Operational performance was impacted by refinery maintenance shutdown during the quarter. Also, secondary units were not operational during most of the quarter due to shutdown. While interest cost came in at INR1.1b (est. of INR1.3b; -6% YoY, -2% QoQ), depreciation stood at INR1.7b (est. of INR1.9b; +1% YoY, +4% QoQ). Other income of INR828m (-11% YoY, +305% QoQ) was higher than our estimate of INR588m, led by benefits from government grants. Effective tax rate stood at 31% v/s 33% in 1QFY18 and 31% in 2QFY17. Adj. PAT of INR4.9b (+19% YoY, +112% QoQ) was significantly below our estimate of INR7.3b.
- Core GRM at USD5.3/bbl:** Core GRM stood at USD5.3/bbl v/s benchmark Singapore GRM of USD8.3/bbl, USD6.5/bbl in 1QFY18 and USD5.5/bbl in 2QFY17. Inventory gain stood at USD2.7/bbl in 2QFY18 v/s a loss of USD2.3/bbl in 1QFY18 and USD1/bbl in 2QFY17.
- Crude throughput stood at 3.5mmt** (-12% YoY, -11% QoQ), implying 94% utilization in the quarter, as against throughput of 4.03mmt (107% utilization) in 2QFY17 and 3.98mmt (106% utilization) in 1QFY18.
- Valuation and view:** We believe that the refinery should be able to report GRM of USD6.5/bbl in FY19/20. The stock trades at 10.6x FY19E EPS of INR11.5 and EV of 5.9x FY19E EBITDA. We value the stock at EV of 5x FY19-20E EBITDA to arrive at a fair value of INR94.7/share for the standalone refinery and add INR15.3 for OMPL. Our fair value stands at INR110 (Sep-18 TP). Peak valuations leave no room for upside, in our view. Maintain **Sell**.

Standalone - Quarterly Earning Model

Y/E March	(INR Million)											
	FY17				FY18				FY17	FY18E	FY18	Var. vs
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		2QE		est
Net Sales	84,288	99,690	114,753	133,349	102,624	90,965	107,815	108,648	432,079	410,053	113,907	-20%
YoY Change (%)	-25.5	-2.5	30.1	43.5	21.8	-8.8	-6.0	-18.5	9.0	-5.1	14.3	
EBITDA	12,206	7,855	11,476	15,540	5,827	9,082	9,476	9,547	47,076	33,932	13,578	-33%
Margins (%)	14.5	7.9	10.0	11.7	5.7	10.0	8.8	8.8	10.9	8.3	11.9	
Depreciation	1,703	1,681	1,702	1,703	1,637	1,701	1,896	1,896	6,788	7,130	1,896	-10%
Interest	1,459	1,115	1,395	1,219	1,074	1,053	1,263	1,263	5,188	4,654	1,263	-17%
Other Income	2,295	926	636	375	204	828	586	586	4,232	2,204	588	41%
PBT before EO expense	11,340	5,984	9,015	12,993	3,320	7,156	6,903	6,974	39,332	24,353	11,007	-35%
Extra-Ord expense	0	0	0	-15,973	0	259	0	0	-15,973	259	0	
PBT	11,340	5,984	9,015	28,966	3,320	6,898	6,903	6,974	55,305	24,094	11,007	-37%
Tax	4,155	1,826	3,355	9,542	980	2,118	2,301	2,324	18,877	7,723	3,669	-42%
Rate (%)	37	31	37	33	30	31	33	33	34	32	33	
Reported PAT	7,185	4,159	5,660	19,424	2,340	4,780	4,602	4,649	36,428	16,371	7,338	-35%
Adj PAT	7,185	4,159	5,660	8,713	2,340	4,959	4,602	4,649	25,907	16,547	7,338	-32%
YoY Change (%)	36.0	-146.5	91.8	-35.5	-67.4	19.2	-18.7	-46.6	98.3	-36.1	76.5	
Margins (%)	8.5	4.2	4.9	6.5	2.3	5.5	4.3	4.3	6.0	4.0	6.4	
Key Assumptions												
Refining throughput (mmt)	3.7	4.0	4.4	4.2	4.0	3.5	4.0	4.0	16.3	15.5	4.0	-12%
Core GRM (USD/bbl)	5.3	5.5	5.1	8.1	7.1	5.3	6.3	6.3	6.0	6.3	6.5	-18%

Bata India

BSE SENSEX 32,942
S&P CNX 10,187

CMP: INR783

Under Review

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

Financials & Valuations (INR bn)

Y/E Mar	2017	2018E	2019E
Net Sales	24.7	27.8	31.5
EBITDA	2.8	3.2	3.9
NP	1.7	2.1	2.6
EPS (INR)	13.5	16.3	20.1
EPS Gr. (%)	6.8	20.4	23.4
BV/Sh. (INR)	103.0	115.7	131.6
RoE (%)	13.9	14.9	16.3
RoCE (%)	14.1	15.0	16.4
P/E (x)	57.9	48.1	39.0
P/BV (x)	7.6	6.8	6.0

Revenue below estimate; in-line EBITDA and PAT

- BATA reported overall revenue of INR5,869m (est. of INR6,538m), marking marginal YoY growth of 0.5%.
- EBITDA margin expanded 120bp YoY to 11% (est. of 9.8%) in 2QFY18 on account of a 50bp decline in raw material cost to 44.9% of net sales. EBITDA increased 13% YoY to INR645m (est. of INR641m).
- The marginal benefit of raw material cost reduction was partly offset by a rise of 20bp in other expenses to 17% of net sales and a 30bp increase in employee cost to 12.1% of net sales.
- Accordingly, adjusted PAT rose 24% YoY to INR429m (est. INR437m).

Key questions for management

- New product launches and focus product category going forward.
- New store additions going forward and same-store sales growth.

Valuation view: We will revisit our estimates/rating post interaction with management. Currently, we have the stock under review.

Quarterly Performance

Y/E March	(INR Million)											
	FY17				FY18				FY17	FY18E	FY18E	Var
Consolidated	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY17	FY18E	FY18E	Var (%)
Net Sales	6,747	5,837	6,408	5,980	7,431	5,869	7,177	6,698	24,743	27,848	6,538	-10
YoY Change (%)	-1.5	1.6	2.5	6.1	10.1	0.5	12.0	12.0	1.0	12.6	12.0	
Total Expenditure	5,895	5,265	5,651	5,413	6,476	5,224	6,266	6,001	21,957	24,646	5,897	
EBITDA	851	573	757	567	955	645	911	697	2,786	3,203	641	1
Margins (%)	12.6	9.8	11.8	9.5	12.9	11.0	12.7	10.4	11.3	11.5	9.8	
Depreciation	162	160	162	166	137	144	160	170	650	633	150	
Interest	7	13	5	16	9	8	4	5	40	22	5	
Other Income	80	103	190	122	116	148	144	151	460	622	159	
PBT before EO expense	762	504	780	507	925	641	891	672	2,555	3,170	645	-1
Extra-Ord expense	0	0	217	0	0	0	0	0	217	0	0	
PBT	762	504	563	507	925	641	891	672	2,339	3,170	645	-1
Tax	257	158	186	147	321	212	298	216	749	1,078	208	
Rate (%)	33.8	31.3	23.8	29.1	34.7	33.1	33.4	32.1	32.0	34.0	32.2	
Reported PAT	505	346	377	359	604	429	594	457	1,590	2,092	437	-2
Adj PAT	505	346	594	359	604	429	594	457	1,737	2,092	437	-2
YoY Change (%)	6.8	53.2	32.5	27.3	19.7	24.0	0.0	27.1	7	20	26.4	
Margins (%)	7.5	5.9	9.3	6.0	8.1	7.3	8.3	6.8	7.0	7.5	6.7	

E: MOSL Estimates

Solar Industries

BSE SENSEX 32,942
S&P CNX 10,187

CMP: INR1,085 TP: INR950 Neutral

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

Strong beat led by exceptional performance from subsidiaries

- Consolidated revenue stood at INR4.1b (+30% YoY) in 2QFY18, ahead of our estimate of INR3.6b. Subsidiaries registered strong revenue growth of 36% YoY.
- EBITDA rose 30% YoY to INR905m, meaningfully ahead of our estimate of INR595m. The beat was primarily driven by the strong subsidiary performance. Subsidiary EBITDA stood at INR426m (+39% YoY).
- EBITDA margin was stable at 22% v/s our estimate of 16.4%.
- PAT rose 23% YoY to INR483m, ahead of our estimate of INR304m.

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	20.1	24.2	30.3
EBITDA	4.2	4.8	5.9
NP	1.7	2.2	2.6
EPS (INR)	26.2	29.9	37.0
EPS Gr. (%)	26.9	14.4	23.8
BV/Sh. (INR)	133.3	786.0	934.1
RoE (%)	21.3	20.6	21.5
RoCE (%)	23.6	24.4	27.8
P/E (x)	34.9	30.5	24.7
P/BV (x)	6.9	1.2	1.0

Valuation view: We will revisit our estimates post the earnings call. The stock trades at 41x/36x FY18E/19E EPS. Maintain **Neutral** with a TP of INR950.

Quarterly Perf. (Consol.)

Y/E March	(INR M)											
	FY17				FY18				FY17	FY18	FY18	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Vs Est
Sales	4,030	3,174	4,331	4,338	4,691	4,117	5,563	6,007	15,800	20,142	3,629	13.4
Change (%)	4.8	-4.3	12.6	5.5	16.4	29.7	28.4	38.5	9.1	27.5	10.5	
EBITDA	868	696	799	836	1,035	905	1,253	1,232	3,239	4,189	595	52.1
Change (%)	20.7	0.2	4.4	-2.7	19.2	30.0	56.8	47.4	6.5	29.3	-9.2	
As of % Sales	21.5	21.9	18.4	19.3	22.1	22.0	22.5	20.5	20.5	20.8	16.4	
Depreciation	94	98	95	101	125	128	111	79	387	443	111	
Interest	68	73	68	63	50	79	70	83	269	281	70	
Other Income	32	0	16	44	0	0	20	60	132	80	20	
PBT	738	525	653	716	860	699	1,092	1,131	2,715	3,546	434	60.8
Tax	237	133	157	240	261	216	328	228	767	1,033	130	
Effective Tax Rate (%)	32.1	25.4	24.1	33.5	30.4	30.9	30.0	20.2	28.3	29.1	30.0	
Reported PAT	501	391	495	477	599	483	764	903	1,947	2,513	304	58.7
Change (%)	9.6	-5.2	12.1	4.4	19.5	23.3	54.3	89.3	3.6	4.5	-22.3	
Adj PAT	471	391	495	477	548	483	764	903	1,947	2,697	304	58.7
Change (%)	13.9	6.1	20.3	10.0	16.3	23.3	54.3	89.3			(22.3)	



J K Cement

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	JKCE IN
Equity Shares (m)	70
M.Cap.(INRb)/(USDb)	75.3 / 1.2
52-Week Range (INR)	1195/630
1, 6, 12 Rel. Per (%)	11/-11/6
Avg. Val, INRm	44
Free float (%)	35.8

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	47.8	53.9	58.8
EBITDA	8.8	10.0	11.5
PAT	3.3	4.3	5.5
EPS (INR)	47.8	61.8	79.1
Gr. (%)	41.7	29.5	27.8
BV/Sh (INR)	294.9	350.7	422.8
RoE (%)	17.5	19.2	20.4
RoCE (%)	11.0	12.0	13.1
P/E (x)	22.5	17.4	13.6
P/BV (x)	3.7	3.1	2.5

Estimate change

TP change

Rating change

CMP: INR1,077 TP: INR1,324(+23%) Buy

Strong performance by White cement division

- **Volume growth above estimate:** 2QFY18 revenue grew 20% YoY to INR11.1b (est. of INR9.9b). Grey cement volume rose 17% YoY to 1.93mt due to higher clinker exports to Nepal and strong growth in north due to market share gains (led by ramp-down of Binani Cement). White cement (incl. wall putty) volume rose 8.5% YoY to 0.30mt due to GST-led restocking and Katni unit ramp-up.
- **Higher realizations drive margins:** Grey cement realization rose 8% YoY (-1% QoQ) to INR3,943/ton due to better pricing in north. South realization declined 6% QoQ due to weak prices in Maharashtra. Blended realization rose 4% YoY (+2% QoQ) to INR4,981/t. EBITDA grew 32% YoY to INR2.07b (est. of INR1.59b), with the margin at 18.7% (+1.65pp YoY, - 0.3pp QoQ). Grey cement EBITDA/t rose 37% YoY to INR547, led by higher realization, partially offset by higher cost. Other expenses declined 23% QoQ, further boosting margins. White cement EBITDA increased 47% QoQ to INR1b, led by positive operating leverage. Hence, reported PAT rose 128% YoY to INR931m (est. of INR560m).
- **Concall highlights:** 1) Freight cost/t increased 10% QoQ due to a change in classification of freight cost related to clinker transportation for grinding units. 2) Estimated capex of INR2.5b in FY18 (incl. INR250m for putty expansion). 3) Standalone net debt at INR17.3b; reduction of INR1.8b in 1HFY18. 4) Spot petcoke prices rose INR600-700/t from average prices of 2QFY18.
- **Preferred play on north market and white cement:** JKCE is strategically well placed to benefit from the expected price improvement in north due to limited supply addition. Incrementally, the grey cement division should see a marked improvement in profitability due to higher proportion of volume from new efficient units. White cement business has gained meaningful scale and deserves premium valuations, given raw material scarcity and JKCE's 40-45% share in the domestic white cement market. We value the white cement segment at EV/EBITDA of 12x FY20E and the grey cement business at EV/EBITDA of 8x (FY20E) to arrive at a target price of INR1,324. **Buy.**

Quarterly Performance (Standalone)

Y/E March	(INR Million)								FY17	FY18E	FY18 2QE	Var (%)
	FY17				FY18							
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Sales Dispatches (m ton)	1.89	1.92	1.93	2.15	2.12	2.22	2.15	2.31	7.88	8.80	2.1	7
YoY Change (%)	4.1	5.1	-4.5	-1.2	12.7	15.8	11.2	7.3	0.6	11.7	7.7	
Realization (INR/ton)	4,747	4,800	4,601	4,787	4,902	4,981	5,131	5,188	4,697	5,063	4,762	5
YoY Change (%)	5.9	1.4	3.0	10.2	3.3	3.8	11.5	8.4	4.6	7.8	0.4	
Net Sales	8,951	9,221	8,878	10,297	10,415	11,077	11,101	11,975	37,036	44,568	9,990	11
YoY Change (%)	10.2	6.6	-1.6	8.9	16.4	20.1	25.0	16.3	5.2	20.3	9.7	
EBITDA	1,749	1,573	1,482	1,922	1,977	2,072	2,024	2,248	6,414	8,321	1,597	30
Margins (%)	19.5	17.1	16.7	18.7	19.0	18.7	18.2	18.8	17.3	18.7	16.0	
Depreciation	425	437	447	452	450	492	490	493	1,761	1,925	440	12
Interest	675	691	662	628	680	633	630	629	2,656	2,573	650	-3
Other Income	191	78	441	418	186	220	220	225	1,441	851	220	0
PBT before EO expense	840	522	815	1,260	1,033	1,167	1,124	1,350	3,437	4,674	727	60
Extra-Ord expense	111	0	-7	89	0	-46	0	0	193	0	0	
PBT	729	522	822	1,171	1,033	1,213	1,124	1,350	3,244	4,674	727	67
Tax	121	112	158	258	240	281	259	316	649	1,075	167	
Rate (%)	16.5	21.6	19.2	22.0	23.2	23.2	23.0	23.4	20.0	23.0	23.0	
Reported PAT	609	409	664	913	793	931	866	1,035	2,596	3,599	560	66
Adj. PAT	702	409	659	983	793	896	866	1,035	2,750	3,599	560	60
YoY Change (%)	6,536.2	181.4	272.7	40.3	13.1	119.1	31.4	5.3	166.2	30.9	36.9	

BSE SENSEX 32,942
S&P CNX 10,187

CMP: INR1,716 TP: INR2,029 (18%)

Buy

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

Conference Call Details



Date: 15th Nov 2017
Time: 4:00pm IST
Dial-in details:
+91 22 3938 1074

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	64.4	69.9	75.3
EBITDA	6.6	7.3	9.0
NP	3.8	3.8	5.1
Adj EPS (INR)	93.3	94.2	126.8
EPS Gr. (%)	-16.9	1.0	34.5
BV/Sh (INR)	597.0	678.8	788.8
RoE (%)	16.9	14.8	17.3
RoCE (%)	13.5	12.2	14.7
Valuations			
P/E (x)	18.4	18.2	13.5
P/BV (x)	2.9	2.5	2.2
EV/EBITDA (x)	11.9	10.5	8.3

Results below estimates

- CEAT's 2QFY18 revenue stood at INR15,230m (est. of INR17,515m), marking YoY de-growth of 4.6%.
- EBITDA stood at INR1,747m (est. of INR1,839m) in 2QFY18, as against INR1,854m in 2QFY17. EBITDA margin stood at 11.5% (est. of 10.5%) in 2QFY18. However, we note that raw material cost increased 930bp YoY. EBITDA margin remained flat as overall revenue of 2QFY18 was netted off against excise.
- Exceptional item of INR80m was on account of VRS to employees.
- Consequently, adj. PAT for 2QFY18 stood at INR779m (est. of INR921m), a decline of 26.8% YoY.

Key questions for management

- Extent of restocking witnessed during the quarter.
- Outlook for 2HFY18 in terms of raw material prices and growth drivers.

Valuation and view: We will revisit our estimates/rating post the earnings call. Based on our current estimates, at CMP of INR1,716, the stock trades at 18x/14x P/E on FY18/FY19E EPS. Currently, we have a **Buy** rating on the stock.

Consolidated - Quarterly Earning Model

Y/E March	(INR Million)											
	FY17				FY18				FY17	FY18E	FY18	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2Q	%
Net Sales	16,462	15,966	15,572	16,413	16,286	15,230	17,596	18,547	64,413	67,660	17,515	-13
YoY Change (%)	4.2	5.1	1.1	5.0	-1.1	-4.6	13.0	13.0	3.9	5.0	9.7	
Total Expenditure	14,608	14,113	14,037	15,088	15,740	13,484	15,467	16,154	57,845	60,845	15,676	
EBITDA	1,854	1,854	1,535	1,325	547	1,747	2,129	2,393	6,568	6,815	1,839	-5
Margins (%)	11.3	11.6	9.9	8.1	3.4	11.5	12.1	12.9	10.2	10.1	10.5	
Depreciation	302	317	351	460	396	409	368	371	1,431	1,544	377	
Interest	252	162	191	212	226	237	233	210	817	906	252	
Other Income	57	37	57	36	103	65	58	61	186	287	52	
PBT before EO expense	1,356	1,411	1,050	689	28	1,166	1,586	1,873	4,506	4,652	1,262	-8
Extra-Ord expense	9	0	0	125	4	80	0	0	133	83	0	
PBT	1,347	1,411	1,050	564	25	1,086	1,586	1,873	4,373	4,569	1,262	-14
Tax	417	430	262	-45	48	421	508	487	1,064	1,463	419	
Rate (%)	30.9	30.5	25.0	-7.9	192.3	38.7	32.0	26.0	24.3	32.0	33.2	
Minority Interest & Profit/Loss of Asso.	-102	-84	-50	-55	-37	-65	-80	-90	-290	-271	-78	
Reported PAT	1,033	1,065	838	663	14	730	1,159	1,476	3,599	3,378	921	-21
Adj PAT	1,039	1,065	838	798	11	779	1,159	1,476	3,700	3,435	921	-15
YoY Change (%)	-14.7	0.5	-26.1	-24.8	-99.0	-26.8	38.2	85.0	-17.1	-7.2	-13.9	
Margins (%)	6.3	6.7	5.4	4.9	0.1	5.1	6.6	8.0	5.7	5.1	5.3	

E: MOSL Estimates



Ipcalaboratories

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	IPCA IN
Equity Shares (m)	126
M.Cap.(INRb)/(USDb)	67.6 / 1.0
52-Week Range (INR)	656 / 400
1, 6, 12 Rel. Per (%)	6/-9/-27
Avg Val, INRm	128
Free float (%)	53.9

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	32.1	32.8	37.0
EBITDA	4.4	4.5	6.0
PAT	2.0	2.3	3.4
EPS (INR)	16.1	18.6	26.5
Gr. (%)	52.8	15.5	43.1
BV/Sh (INR)	194.6	210.3	232.9
RoE (%)	8.6	9.2	12.0
RoCE (%)	7.5	8.2	10.5
P/E (x)	33.3	28.9	20.2
P/BV (x)	2.8	2.5	2.3

Estimate change



TP change



Rating change



CMP: INR536 TP: INR550(+3%)

Neutral

Strong recovery in margins

- 2QFY18 revenue was flat YoY at INR8.6b (~3% below est.). Domestic business was up 3% YoY. Gross margin expanded to 65.9% from 62.5% in 2QFY17. EBITDA rose ~16% YoY to INR1.5b (+5% beat), with the margin improving to 17.2% (+260bp YoY). EBITDA margin saw a negative impact of ~300bp from GST rollout. PAT rose 105% YoY to INR966m (+27% beat).
- Domestic business (ex anti-malaria) delivers strong growth:** India formulation sales grew 5% YoY to ~INR4.2b. According to management, domestic branded business (ex anti-malaria) grew ~23-24% YoY. IPCA lost ~INR350-400m of sales v/s 2QFY17 due to lower Malaria-related sales. Management expects growth to bounce back to low-to-mid-teens in coming quarters, led by channel re-filling. International generic revenue fell ~18% YoY, mainly on weak UK/flat US business. Institutional business reported revenue of INR220m, as ~INR150 of sales got deferred to 3QFY18.
- Pick-up in institutional business from CY18E:** IPCA announced that Global Funds has selected the company as its panel supplier. At peak, institutional biz revenue was ~INR4b. Adjusted for price deflation, peak business should be ~INR2.5b (v/s IPCA's current run-rate of ~INR1.2-1.3b). IPCA expects to reach peak sales in FY19. Two more approvals in anti-malaria are expected in FY19, which could add ~INR1.5b to top-line in two years.
- Update on regulatory resolution:** IPCA has already invited USFDA for Piparia/Pithampur plants inspection. Currently, >90% of ANDAs are linked to API from Ratlam. IPCA plans to invite the USFDA for re-inspection at Ratlam plant by CY17 end/CY18 beginning. We do not expect a pick-up in US business in FY19 as resolution at these plants can take at least 6-12 months.
- Resolution of regulatory issues is key:** Reiterate **Neutral** with a TP of INR550 @ 18x 1HFY20E PER (v/s INR430 @ 16x FY19E). We have increased our target multiple on the back of the improved business outlook.

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18E				FY17	FY18E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			Est. 2QE	% Chg
Net Revenues (Core)	8,422	8,720	7,398	6,658	7,130	8,643	8,332	8,701	32,106	32,806	8,891	-2.8
YoY Change (%)	11.1	16.8	8.1	6.6	-15.3	-0.9	12.6	30.7	11.3	2.2	2.0	
EBITDA	1,285	1,280	1,104	677	215	1,490	1,400	1,427	4,448	4,532	1,423	4.8
Margins (%)	15.3	14.7	14.9	10.2	3.0	17.2	16.8	16.4	13.9	13.8	16.0	
Depreciation	422	429	432	428	433	441	459	464	1,730	1,797	459	
Interest	65	68	57	44	56	64	71	53	241	244	71	
Other Income	49	62	59	52	62	110	100	128	226	400	100	
PBT before EO Expense	847	845	675	257	-212	1,096	970	1,038	2,703	2,891	992	
Extra-Ord Expense	81	-78	39	0	0	0	0	0	0	0	0	
PBT after EO Expense	766	923	636	257	-212	1,096	970	1,038	2,703	2,891	992	
Tax	290	374	222	-187	-10	130	228	201	675	549	233	
Rate (%)	34.2	44.2	32.9	-72.7	4.6	11.9	23.5	19.4	25.0	19.0	23.5	
Reported PAT	476	549	414	444	-202	966	742	837	2,028	2,342	759	27.2
Adj PAT	557	471	453	444	-202	966	742	837	2,028	2,342	759	27.2
YoY Change (%)	82.5	31.1	88.4	9.6	-136.4	104.9	63.7	88.5	62.8	15.5	61.0	
Margins (%)	5.6	6.3	5.6	6.7	-2.8	11.2	8.9	9.6	6.3	7.1	8.5	

E: MOSL Estimates



Sadbhav Engg.

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	SADE IN
Equity Shares (m)	172
M.Cap.(INRb)/(USD\$b)	54.3 / 0.8
52-Week Range (INR)	351 / 256
1, 6, 12 Rel. Per (%)	12/-13/-9
Avg Val, INRm	42.0
Free float (%)	53.2

CMP: INR316 TP: INR385(+22%)

Buy

In-line performance; focus on balance sheet improvement

- **Operating performance broadly in-line:** SADE's revenue grew 12.6% YoY to INR6.9b, below our estimate of INR7.5b. EBIDTA came in at INR788m (+20.5% YoY), in line with our estimate of INR797m. PAT rose 81% YoY to INR335m, ahead of our estimate of INR291m, primarily on account of tax write-back taken by the company.
- **Revenue growth led by robust execution in Transport:** Transport segment (88% of revenue) grew at a robust 34%, EPC segment at 27% YoY and BoT segment (in-house HAM projects) at 122% YoY. Irrigation segment (4% of revenue) declined 67% YoY on account of lower order backlog available for execution, seasonal factors, and multiple projects reaching completion.
- **Margin expansion led by execution of better-margin orders:** Operating margin stood at 11.4% (+80bp YoY) in 2QFY18, led by execution of in-house HAM projects (where margins are better compared to third-party EPC contracts) and also value-accretive projects. SADE maintained its guidance of 11.5% growth in FY18, given pick-up in execution of in-house HAM projects.
- **Order backlog provides robust revenue visibility:** The company's order book stands at INR7.7b, providing revenue visibility of two years. Order inflow in 2QFY18 stood muted at INR1.4b, but it is L1 in INR17.4b. SADE expects order inflow of INR70b for FY18.
- **Valuation view:** Given SADE's strong execution track record, healthy balance sheet, robust order backlog and strong operational BOT portfolio, we maintain **Buy** rating with an SOTP-based target price of INR385.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	33.2	38.4	45.0
EBITDA	3.6	4.3	5.1
PAT	1.9	2.4	2.5
EPS (INR)	11.0	14.3	14.5
Gr. (%)	42.3	30.4	1.8
BV/Sh (INR)	96.8	109.7	122.8
RoE (%)	12.0	13.8	12.5
RoCE (%)	7.9	9.0	10.2
P/E (x)	28.9	22.2	21.8
P/BV (x)	3.3	2.9	2.6

Estimate change

TP change

Rating change

Standalone - Quarterly Earning Model

Y/E March	(INR M)											
	FY17				FY18E				FY17	FY18E	MOSL	Variance
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	8,070	6,156	8,648	10,329	9,444	6,931	9,975	12,016	33,203	38,365	7,530	-8
YoY Change (%)	-2.7	-17.5	14.8	20.4	17.0	12.6	15.3	16.3	4.2	15.5	22.3	
Total Expenditure	7,201	5,503	7,710	9,233	8,376	6,143	8,701	10,858	29,647	34,078	6,733	
EBITDA	868	654	938	1,096	1,068	788	1,274	1,158	3,556	4,286	797	-1
Margins (%)	10.8	10.6	10.8	10.6	11.3	11.4	12.8	9.6	10.7	11.2	10.6	
Depreciation	254	253	250	243	245	251	251	257	1,000	1,005	245	
Interest	172	221	243	355	322	215	263	253	992	1,054	285	
Other Income	48	8	60	218	39	5	88	218	333	350	39	
PBT	489	187	505	716	540	327	847	865	1,897	2,578	306	
Tax	2	1	-19	33	-15	-8	42	110	18	129	15	
Rate (%)	0.5	0.8	-3.7	4.7	-2.8	-2.6	5.0	12.7	1.0	5.0	5.0	
Reported PAT	487	185	524	682	555	335	804	755	1,878	2,449	291	
Adj PAT	487	185	524	682	555	335	804	755	1,878	2,449	291	15
YoY Change (%)	20.0	-50.2	89.7	38.7	14.0	80.8	53.4	10.7	22.1	30.4	56.9	
Margins (%)	6.0	3.0	6.1	6.6	5.9	4.8	8.1	6.3	5.7	6.4	3.9	

E: MOSL Estimates



BSE SENSEX
33,034

S&P CNX
10,225

CMP: INR952 TP: INR1,300(+37%)

Buy



Multi-faceted reforms have only just begun

Key takeaways from India Commodity Day hosted by MCX

Stock Info

Bloomberg	MCX IN
Equity Shares (m)	51
52-Week Range (INR)	1,411/932
1, 6, 12 Rel. Per (%)	-18/-20/-50
M.Cap. (INR b)	48.5
M.Cap. (USD b)	0.7
Avg Val, INRm	438.0
Free float (%)	100.0

Financials Snapshot (INR b)

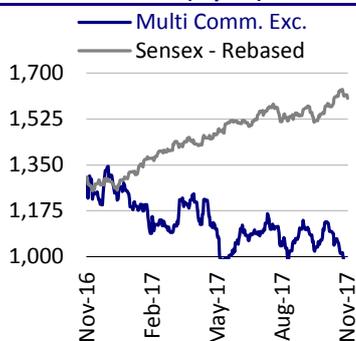
Y/E Mar	2017	2018E	2019E
Net Sales	2.6	2.8	4.0
EBITDA	0.8	0.9	2.0
PAT	1.3	1.3	2.2
EPS (INR)	24.8	26.5	43.4
Gr. (%)	6.2	6.6	64.2
BV/Sh (INR)	266.4	262.0	284.1
RoE (%)	10.2	10.0	15.9
RoCE (%)	10.0	9.7	15.4
P/E (x)	45.6	42.8	26.1
P/BV (x)	4.3	4.3	4.0

Shareholding pattern (%)

As On	Sep-17	Jun-17	Sep-16
Promoter	0	0	0
DII	33.6	35.8	39.8
FII	30.9	25.8	19.6
Others	35.5	38.4	40.6

FII Includes depository receipts

Stock Performance (1-year)



We attended the 'India Commodity Day' hosted by MCX on its 14th Anniversary. The session saw a speaker representation from MCX's senior management and also prominent members of the ecosystem, including:

- 1) P. S. Reddy – MD & CEO, CDSL
- 2) P. K. Bindlish – CGM, Commodity Derivatives Market Regulation, SEBI
- 3) G. Mahalingam – Whole-time member, SEBI
- 4) R. Amalorpavanathan – Deputy MD, NABARD
- 5) Supriyo Bhattacharjee – DGM, Financial Markets Regulation (FMRD), RBI
- 6) Dr. Rakesh Junjunwala – Rare Enterprises
- 7) Kevin Piccoli – Deputy Director, US CFTC

The discussion focused on a range of topics, such as the steps taken by the regulators and the way forward, the idea of commodities as an asset class, and commodity price outlook.

Some notable highlights from the event:

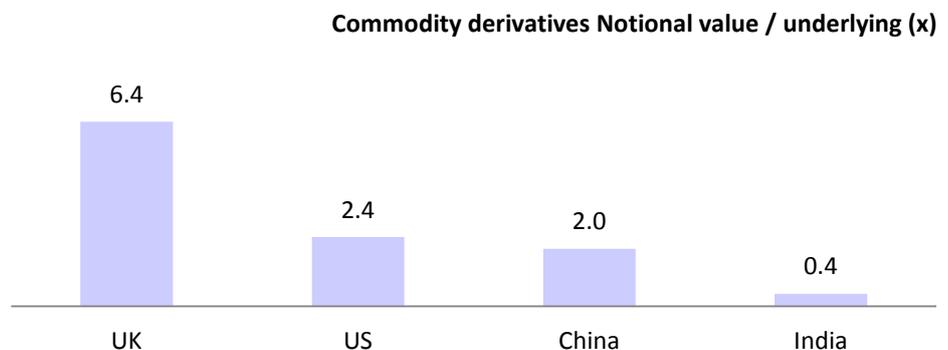
Unexplored market in the context of physical underlying

- Commodities are an important cog in the wheel of an emerging economy like India, and commodity derivatives have a huge potential in such a market. With only a fraction of that opportunity explored so far, the bigger possibilities are still to be unraveled. Considerable efforts have gone by both – the regulators and the exchanges – in this direction. The opportunity landscape can be gauged with following data:

In India, the notional value of commodity derivatives is less than USD1t – less than half of the country's GDP of USD2.3t.

This notional value is ~2x GDP in China, ~2.4x in the US and 6.4x in the UK.

Indian market still significantly underpenetrated



Source: MOSL, Company

Manpasand Beverages

BSE SENSEX 32,942 S&P CNX 10,187

CMP: INR430 TP: INR534 (24%) Buy

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

Conference Call Details



Date: 15th Nov 2017

Time: 11:00am IST

Dial-in details:

022 3938 1079

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	7.2	10.2	15.2
EBITDA	1.4	2.0	3.0
NP	0.7	1.1	1.7
Adj EPS (INR)	6.3	9.7	15.3
EPS Gr. (%)	43.8	53.4	56.7
BV/Sh (INR)	100.8	108.1	119.6
RoE (%)	7.3	8.2	13.4
RoCE (%)	8.4	9.3	15.2

Valuations

P/E (x)	67.7	44.2	28.2
P/BV (x)	4.3	4.0	3.6
EV/EBITDA (x)	33.6	23.6	15.8

Revenue in-line; EBITDA misses, but PAT beats estimates

- MANB reported overall revenue of INR1,258m (est. of INR1,281m) in 2QFY18 marking YoY growth of 22.8%.
- EBITDA margin shrunk 460bp YoY to 17.1% (est. of 20.9%) in 2QFY18 on account of a significant increase of 480bp in other expenses to 16.5% of net sales (est. of 11.9%). EBITDA stood at INR215m (est. of INR268m) in 2QFY18, implying de-growth of 3% YoY.
- Accordingly, adj. PAT grew 65.3% YoY to INR89m (est. of INR62m) in 2QFY18 on account of higher-than-expected other income of INR64m (est. of INR21m).

Key questions for management

- Update on commissioning of new plants.
- Product launches in pipeline.

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

Based on our current estimates, at CMP of INR430, the stock trades at 44x/28x P/E on FY18E/FY19E EPS. Currently, we have a **Buy** rating on the stock.

Standalone - Quarterly Earning Model

Y/E March	FY17				FY18				(INR Million)			
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY17	FY18E	FY18 2QE	Var (%)
Net Sales	2,369	1,025	1,025	2,734	3,015	1,258	1,639	4,320	7,171	10,235	1,281	-2
YoY Change (%)	63.1	34.6	11.6	28.6	27.2	22.8	60.0	58.0	34.8	42.7	25.0	
Total Expenditure	1,917	803	844	2,217	2,451	1,043	1,329	3,443	5,773	8,219	1,013	
EBITDA	453	222	181	518	563	215	310	877	1,398	2,016	268	-20
Margins (%)	19.1	21.7	17.6	18.9	18.7	17.1	18.9	20.3	19.5	19.7	20.9	
Depreciation	149	171	177	241	237	169	230	260	738	965	216	
Interest	1	8	2	1	4	9	1	1	12	0	2	
Other Income	17	17	60	85	98	64	46	50	179	215	21	
PBT	320	61	61	361	421	102	125	666	827	1,266	71	44
Tax	33	7	13	48	62	12	20	79	101	152	8	
Rate (%)	10.4	10.8	21.9	13.2	14.7	12.0	16.2	11.8	12.2	12.0	11.8	
Minority Interest & Profit/Loss of Asso.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	286	54	48	313	359	89	105	587	726	1,114	62	43
Adj PAT	286	54	48	313	359	89	105	587	726	1,114	62	43
YoY Change (%)	82.5	24.5	-1.4	22.5	25.3	65.3	118.2	87.4	43.8	53.4	15.3	
Margins (%)	12.1	5.3	4.7	11.5	11.9	7.1	6.4	13.6	10.1	10.9	4.9	

E: MOSL Estimates



S H Kelkar and Co.

BSE SENSEX	S&P CNX
32,942	10,187
Bloomberg	SHKL IN
Equity Shares (m)	145
M.Cap.(INRb)/(USDb)	37.5 / 0.6
52-Week Range (INR)	362 / 237
1, 6, 12 Rel. Per (%)	-8/-17/-36
Avg Val, INRm	57
Free float (%)	42.4

CMP: INR260 TP: INR301(+16%) Buy

Drag-down impact of GST; recovery expected in 2H

- Subdued performance on delayed recovery post GST:** SHKL's overall revenue declined 9.5% YoY to INR2,219m (est. of INR2,953m) in 2QFY18. The fragrance business reported de-growth of 12.1% YoY to INR1,943m, while the flavor business reported growth of 17% YoY to INR266m. EBITDA margin shrunk 110bp YoY to 16% (est. of 17.7%) in 2QFY18. EBITDA during the quarter declined 16% YoY to INR355m (est. of INR523m). Gross margin improved by a healthy 400bp to 48.4%, offset by a 150bp increase in employee cost and a 360bp rise in other expenses. Consequently, adj. PAT declined 22.4% YoY to INR189m (est. of INR333m).
- Increased focus on fine fragrance, R&D:** SHKL remained focused on expanding its R&D and creative center, as evident from the 10 patent filings, of which two have been commercialized in the fine fragrance category. The company has also set up a fine fragrance center in Amsterdam to tap the European market. Fine fragrance forms ~2% of fragrance revenues, which the company expects to increase to 10% in the next three years.
- Cost-optimization efforts show results:** 2QFY18 witnessed healthy gross margin expansion of 400bp, which can largely be attributed to the company's cost-optimization efforts. Continued focus on the same is expected to result in savings of ~EUR2m per annum. Additionally, out of ~20 products manufactured at the Netherlands facility, 14 have already been moved to the Vapi facility and the remaining operations are expected to be shifted by 2HFY19.
- Valuation view:** SHKL first suffered from the transitional phase of GST and then the delay in demand revival post GST. With a recovery expected only in 2HFY18, we cut our earnings estimates by 13% for FY18. We maintain **Buy** with a target price of INR301 (31x FY19E EPS).

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	10.6	10.5	12.7
EBITDA	1.7	1.6	2.1
PAT	1.0	1.0	1.4
EPS (INR)	7.2	6.6	9.7
Gr. (%)	43.5	-8.8	46.8
BV/Sh (INR)	56.1	60.8	67.7
RoE (%)	13.7	11.3	15.1
RoCE (%)	19.0	16.8	22.5
P/E (x)	35.9	39.3	26.8
P/BV (x)	4.6	4.3	3.8

Estimate change

TP change

Rating change

Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	2,768	2,453	2,319	2,698	2,529	2,219	2,644	3,129	10,237	10,521	2,953	-25
YoY Change (%)	25.2	9.8	-5.3	-6.5	-8.6	-9.5	14.0	16.0	4.7	2.8	12.0	
Total Expenditure	2,294	2,032	2,101	2,328	2,102	1,865	2,329	2,647	8,762	8,944	2,430	
EBITDA	474	420	218	370	427	355	315	482	1,475	1,578	523	-32
Margins (%)	17.1	17.1	9.4	13.7	16.9	16.0	11.9	15.4	14.4	15.0	17.7	
Depreciation	44	49	48	53	58	57	51	60	194	226	50	
Interest	17	22	2	10	6	11	3	6	51	26	6	
Other Income	32	25	19	40	38	12	25	44	115	119	33	
PBT before EO expense	444	375	186	346	401	298	286	460	1,345	1,444	500	-40
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	444	375	186	346	401	298	286	460	1,345	1,444	500	-40
Tax	169	132	110	71	133	110	96	152	482	490	167	
Rate (%)	38.1	35.1	59.0	20.7	33.1	36.8	33.6	33.0	35.8	33.9	33.4	
Minority Interest & Profit/Loss of Asso.	0	0	0	0	0	0	0	0	0	0	0	
Reported PAT	275	243	76	274	268	189	190	308	863	954	333	-43
Adj PAT	275	243	76	274	268	189	190	308	863	954	333	-43
YoY Change (%)	41.0	246.2	-65.0	12.5	-2.5	-22.4	148.2	12.3	18.7	10.6	37.0	
Margins (%)	9.9	9.9	3.3	10.2	10.6	8.5	7.2	9.8	8.4	9.1	11.3	

E: MOSL Estimates

KNR construction

BSE SENSEX 32,942
S&P CNX 10,187

CMP: INR260

TP: INR295

BUY

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

Conference Call Details



Date: 15th Nov 2017

Time: 3:00pm IST

Dial-in details:

+91-22-3960 0711

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
Net Sales	18.0	20.2	23.8
EBITDA	2.6	3.0	3.4
NP	1.8	1.9	2.1
EPS (INR)	12.5	13.6	14.9
EPS Gr. (%)	4.7	8.9	9.0
BV/Sh. (INR)	74.9	88.3	102.9
RoE (%)	18.1	16.7	15.5
RoCE (%)	16.0	15.8	15.5
P/E (x)	20.8	19.1	17.5
P/BV (x)	3.5	2.9	2.5

Strong beat led by higher-than-expected margin

- Revenue stood at INR3.9b (+5.3% YoY) in 2QFY18, below our estimate of INR4.2b.
- EBITDA of INR825m (+47% YoY) was ahead of our estimate of INR576m (Bloomberg estimate: INR597m).
- EBITDA margin stood at 21% (+600bp YoY), as against our estimate of 13.8%. Margin expansion was driven by the Madurai and Trivandrum projects (75% complete; INR1.6b contribution during the quarter), where margins are higher as cost recalibration has been done post achieving 75% project completion milestone.
- PAT rose 34% YoY to INR591m, ahead of our estimate of INR375m (Bloomberg estimate: INR406m).

Valuation view: We will revisit our estimates post the earnings call. The stock trades at 21x/19x FY18E/19E EPS. Maintain **Buy** with a TP of INR295.

Standalone - Quarterly perf. (INR m)

Y/E March	FY17				FY18				FY17	FY18E	MoSL 2Q	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	3,032	3,735	3,823	4,821	4,807	3,933	4,177	5,088	15,411	18,006	4,186	-6
YoY Change (%)	77.1	72.2	74.9	63.0	58.6	5.3	9.3	5.5	70.7	16.8	12.1	
Total Expenditure	2,595	3,175	3,246	4,099	3,962	3,109	3,610	4,733	13,115	15,413	3,610	
EBITDA	437	560	577	722	845	825	568	355	2,296	2,593	576	43
Margins (%)	14.4	15.0	15.1	15.0	17.6	21.0	13.6	7.0	14.9	14.4	13.8	
Depreciation	132	146	166	195	244	235	174	43	639	696	150	
Interest	43	56	66	54	52	43	60	90	219	244	65	
Other Income	59	132	102	10	123	27	76	78	303	303	80	
PBT before EO expense	321	490	447	483	672	574	409	300	1,741	1,955	441	30
PBT	265	490	338	483	672	574	409	300	1,576	1,955	441	
Tax	19	51	32	-41	-4	-17	41	175	60	196	66	
Rate (%)	7.1	10.3	9.4	-8.6	-0.6	-2.9	10.0	58.4	3.8	10.0	15.0	
Reported PAT	246	439	306	524	676	591	368	125	1,516	1,760	375	57
Adj PAT	302	439	415	524	676	591	368	125	1,674	1,760	375	
YoY Change (%)	101.6	-20.6	26.5	-9.5	123.7	34.5	-11.3	-76.2	-17.2	5.1	-14.6	
Margins (%)	10.0	11.8	10.9	10.9	14.1	15.0	8.8	2.5	10.9	9.8	9.0	

Indo Count Industries

BSE SENSEX 32,942
S&P CNX 10,187

CMP: INR112 TP: INR118 (+6%) Neutral

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

Conference Call Details



Date: 15th Nov 2017
Time: 12:30 pm IST
Dial-in details:
022 3960 0711

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Sales	22.6	21.0	23.0
EBITDA	4.3	3.4	3.9
NP	2.6	1.8	2.1
Adj EPS (INR)	13.0	8.9	10.8
EPS Gr. (%)	-10.7	-31.7	21.2
BV/Sh (INR)	42.9	52.7	64.8
RoE (%)	34.8	18.6	18.3
RoCE (%)	26.5	16.5	17.3

Valuations

P/E (x)	8.6	12.6	10.4
P/BV (x)	2.6	2.1	1.7
EV/EBITDA (x)	5.8	7.0	5.9

Results below estimates; margins contract 580bp YoY

- ICNT reported overall revenue of INR4,928m (est. of INR5,763m) in 2QFY18, marking YoY de-growth of 14.5%.
- EBITDA margin shrunk 580bp YoY to 14.4% (est. of 17.1%), as the gross margin contracted 260bp YoY to 43.9%. Employee cost also increased 70bp YoY to 5.6% of net sales.
- EBITDA stood at INR711m (est. of INR986m), de-growth of 39% YoY. Accordingly, adj. PAT declined 42.8% YoY from INR627m to INR359m (est. INR517m).

Key questions for management

- Guidance on recovery post GST and currency impact.
- Reasons for contraction in gross margin and outlook going forward.

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

Based on our current estimates, at CMP of INR112, the stock trades at 13x/10x P/E on FY18E/FY19E EPS. Currently, we have a **Neutral** rating on the stock.

Standalone - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	4,926	5,763	5,029	5,129	4,318	4,928	5,331	5,642	22,578	21,020	5,763	-15
YoY Change (%)	7.6	0.0	0.4	-0.1	-12.4	-14.5	6.0	10.0	7.0	-6.9	0.0	
Total Expenditure	3,824	4,599	4,009	4,228	3,665	4,216	4,430	4,756	18,294	17,615	4,778	
EBITDA	1,103	1,164	1,020	901	653	711	901	886	4,285	3,405	986	-28
Margins (%)	22.4	20.2	20.3	17.6	15.1	14.4	16.9	15.7	19.0	16.2	17.1	
Depreciation	80	73	79	79	75	76	110	105	331	395	105	
Interest	98	116	91	89	82	88	90	90	421	342	80	
Other Income	0	0	0	0	0	0	0	0	0	0	0	
PBT	924	975	849	733	496	548	701	691	3,532	2,668	801	-32
Tax	321	348	287	245	177	189	235	229	965	915	283	
Rate (%)	34.8	35.7	33.8	33.4	35.6	34.5	33.6	33.1	27.3	34.3	35.4	
Reported PAT	603	627	562	488	320	359	465	462	2,567	1,753	517	-31
Adj PAT	603	627	562	488	320	359	465	462	2,567	1,753	517	-31
YoY Change (%)	15.6	21.5	-27.3	-28.1	-47.0	-42.8	-17.2	-5.3	-10.7	-31.7	-17.5	
Margins (%)	12.2	10.9	11.2	9.5	7.4	7.3	8.7	8.2	11.4	8.3	9.0	

E: MOSL Estimates



Vodafone: Another dismal quarter

Early green-shoots visible, though; subscriber growth, ARPU improving

- **Revenue, subscriber base decline:** Vodafone India reported weak 2QFY18 results, with wireless revenue down 7% QoQ (-20% YoY) to INR85.7b. Peers Bharti/Idea's performance was relatively better, with a revenue decline of 5%/9% QoQ. Vodafone's ARPU fell 7% QoQ (-23% YoY) to INR132. Overall subscriber base too declined by 2% QoQ to 207m. Notably, this is the first quarter of a decline in the subscriber base for Vodafone/Idea since RJio's service launch. In our view, this is unusual, as operators typically prioritize subscribers over profitability to protect their revenue market share.
- **Voice, data ARPU fall:** Voice and data revenue fell 7% QoQ each. Voice ARPU declined by 7% QoQ to INR105 and data ARPU by 8% QoQ to INR96. Data volume increased steeply by 61% QoQ to 384m MBs (50% below Bharti's data traffic), led by its unlimited price plans (which increased its data usage/subs to 1.9GB). This, however, pulled down data rates by INR5 paise/MB, as ARPUs remained in a downward spiral.
- **EBITDA disappoints; going slow with capex: Vodafone's EBITDA dropped 20% HoH to INR40b in 1HFY18**, with the margin down 350bp HoH to 21.1%. This was led by a 6% fall in revenue, partly cushioned by a 2% drop in costs. **Capex fell sharply to INR29b in 1HFY18** v/s INR50b in 2HFY17, as the spending intensity has slowed prior to the completion of merger with Idea. Operating FCF barely remained positive at INR16m in 1HFY18, cushioned by lower capex. Net debt stood at EUR8b (INR604b).
- **SIM consolidation impacting weaker players:** Management highlighted that customers consolidated usage with a single operator, leading to a decline in subscribers and ARPUs. GST and monsoon-related impact also took a toll. Vodafone's strategic focus on revenue market share in only the leadership circles has left the remaining 10 weaker circles open for competition. However, the merger with IDEA should allow it to expand its data network footprint and capacity across all 21 circles.
- **Early green-shoots visible:** Vodafone may continue witnessing downward pressure on earnings over the next two quarters, led by revision in the IUC rates to INR0.06 from 1st October (from INR0.14 earlier) and effects of lower ARPU plans. However, consolidation of smaller operators and recent price increases from the new entrant (RJio) are positive signs for the Indian telecom market. We believe the industry should bottom out by end-FY18 as RJio continues to take ARPU-accretive steps.

Exhibit 1: Key operating metrics

Particulars	1QFY16	2QFY16	3QFY16	4QFY16	1QFY17	2QFY17	3QFY17	4QFY17	1QFY18	2QFY18
India Wireless (INR m)	105,455	103,866	105,079	108,787	108,882	106,476	99,744	92,217	92,435	85,685
growth (QoQ)	1.4	(1.5)	1.2	3.5	0.1	(2.2)	(6.3)	(7.5)	0.2	(7.3)
Subscriber base (m) (LHS)	185	188	194	198	199	201	205	209	212	207
growth	0.9	1.5	2.9	2.2	0.7	0.7	2.0	2.1	1.4	(2.1)
ARPU (RHS)	184	178	175	177	176	171	158	142	141	132
growth	(0.2)	(3.2)	(1.6)	1.1	(0.3)	(3.1)	(7.5)	(9.9)	(1.1)	(6.6)
Voice Revenues (INRm)	82,983	80,478	81,150	83,822	82,526	79,890	75,815	70,973	71,114	65,931
growth (QoQ)	(2.3)	(3.0)	0.8	3.3	(1.5)	(3.2)	(5.1)	(6.4)	0.2	(7.3)
Traffic (m)	180,815	177,053	181,203	186,246	187,362	183,555	189,200	210,509	NA	NA
growth	3.7	(2.1)	2.3	2.8	0.6	(2.0)	3.1	11.3	(100.0)	NA
RPM (RHS)	0.46	0.45	0.45	0.45	0.44	0.44	0.40	0.34	NA	NA
growth	(5.8)	(1.0)	(1.5)	0.5	(2.1)	(1.2)	(7.9)	(15.9)	NA	NA
MOU (LHS)	327	316	316	317	314	306	308	336	0	0
growth	1.9	(3.2)	0.1	0.2	(0.9)	(2.7)	0.7	8.9	(100.0)	NA
Data revenues (LHS)	22,473	23,388	23,929	24,965	26,356	26,586	23,929	21,244	21,321	19,754
growth (QoQ)	17.8	4.1	2.3	4.3	5.6	0.9	(10.0)	(11.2)	0.4	(7.3)
as a % of revenues (RHS)	21.3	22.5	22.8	22.9	24.2	25.0	24.0	23.0	23.1	23.1
Data volumes (MB m)	74,734	82,584	93,712	94,391	100,541	110,431	105,457	129,424	237,855	383,841
growth (QoQ)	16.0	10.5	13.5	0.7	6.5	9.8	(4.5)	22.7	83.8	61.4
Data Subscribers	66.8	66.5	71.3	67.5	69.7	69.6	65.0	66.9	69.2	68.0
growth (QoQ)	4.4	(0.4)	7.2	(5.4)	3.3	(0.1)	(6.6)	2.9	3.4	(1.7)
as a % of total subscribers	36.0	35.3	36.8	34.1	35.0	34.7	31.8	32.0	32.7	32.8

Source: MOSL, Company

**1. IDFC BANK: Aim to bring down legacy exposure under 25% of the book, by FY20; Rajiv Lall, MD & CEO**

- Everything about the Shriram merger fall out was in public domain. Valuation mismatch led to the deal falling through.
- Not shutting out anything inorganic and will continue to explore various alternatives.
- Have not honed in on Mannapuram Finance with regards to inorganic growth. Routinely look at options and are speaking to a lot of people.
- Have always been transparent about stressed book. Total advances as of September stood at Rs 69,000 crore of which Rs 29,000 crore of total advances were legacy and those assets which bank does not desire to grow. Out of this Rs 29,000 which are largely infra assets, Rs 7,000 crore are stressed.
- Currently, the bank has retail, non-infra and good infra wholesale book of about Rs 40,000 crore.
- Credit growth in the non-legacy book was close to 40 percent, while legacy and stressed book saw de-growth of 14 percent, year on year as of September quarter. No stressed assets in the Rs 29,000 crore, as of now.
- Focus in on bringing the whole legacy exposure under 25 percent of the total book by FY20.
- Would like to preserve NIM at present levels but also largely depends on interest rates. In spite of keeping savings rate at around 4 percent, managed to grow CASA book.
- No new joiners at higher level in the bank.

[→ Read More](#)**2. PRABHAT DAIRY: Expect to maintain healthy growth rate for FY18; Vivek Nirmal, Joint MD**

- Company is targeting higher revenues from value-added products and the consumer business and now the consumer business has been growing.
- Saw higher gross margin due to higher share of value added products and lower milk rates.
- Around 80 percent of the company's revenues come from the value added products where the gross margins are 7-8 percent higher.
- Other expenses are higher because of manufacturing expenses of new trials.
- Most of the products now come under 12 percent goods and services tax (GST) rate.
- Have been maintaining a consistent growth rate since last four-five years which is around 20 percent. Will be able to maintain a healthy growth rate this year.

[→ Read More](#)**3. BEML: FY18 results to be much stronger than FY17 on all fronts; DK Hota, Chairman**

- Hoped to see a little more traction in the defence sector in Q3 and a lot of traction in the metro space.
- FY18 results will be substantially higher than FY17 on all fronts.
- Coal mining orders have increased and railway segment is doing very well and so very optimistic about further improvement in Q3.

- In FY18 the revenues from railways would be around Rs 1,000 crore, from mining around Rs 1,700 crore and from defence at Rs 750-800 crore.

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4. TATA POWER: Upbeat on renewable portfolio; contained under-recoveries at Mundra; Anil Sardana, MD & CEO

- On stake sale of Mundra Plant to GUVNL, proposal was from the lenders and in talks with procurers to sell stake in the plant. Sale process will take time because procurers are keen to get competitive power and are engaged in discussion to ensure every stake holders take some kind of a haircut and they get a competitive tariff.
- Hopeful that lenders will continue to bring all the parties together for Mundra stake sale. Company has also been participating in all the discussion.
- There is a clear growing interest that all the cross holdings that exist in the group companies are simplified and streamlined.
- Proceeds from the sale of non-core assets will be used to pare debt.

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5. SH KELKAR: Expect flurry of product launches in second half; Kedar Vaze, CEO

- Guidance for H2 of FY18 remains the same. Will continue to grow 12-15 percent year on year in second half.
- Sales in domestic market down during July-August months due to goods and services tax (GST) but the momentum in the business is back to normal and the second half will be in-line with what is expected.
- In a few months down the line, will be able to analyse whether company will recover the loss of sales in first half.
- Good projects coming in line which were held behind because of the GST and demonetisation. Would see a flurry of product launches in second half.

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1. What ails India's household economy?

- The household sector is the largest segment of the Indian economy. In 2015-16, it accounted for 43.6% of gross value added (GVA) in the economy, while the private non-financial corporate sector, the second largest segment, accounted for 34.9%. The health of the household sector, therefore, is the key to the health of the economy. Note that the household sector in the national accounts is a catch-all term that includes, apart from individuals, all non-government, non-corporate enterprises like farm and non-farm businesses, unincorporated establishments such as sole proprietorships and partnerships and non-profit institutions like charitable trusts, religious endowments and educational institutions. To a large extent, therefore, it will reflect conditions in the informal sector, in the millions of small farms and shops and micro businesses across the country. In recent years, the share of the household sector in GVA has been falling—from 45.8% of GVA in 2013-14 to 43.6% in 2015-16.

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2. There is nothing monetary about inflation

- But how do we know when irrational exuberance has unduly escalated asset values, which then become subject to unexpected and prolonged contractions, as they have in Japan over the past decade? And how do we factor that assessment into monetary policy?" Many would correctly identify the source of the above quote as Alan Greenspan, former chairman of the US Federal Reserve. However, not many would recall what he said later on in the same speech, delivered sometime in 1996: "We should not underestimate or become complacent about the complexity of the interactions of asset markets and the economy. Thus, evaluating shifts in balance sheets generally, and in asset prices particularly, must be an integral part of the development of monetary policy.

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3. The restrictive regulatory framework for PPIS

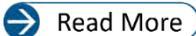
- The Chinese have a saying, "Cross the river by feeling the stones." It is attributed to Deng Xiaoping and refers to moving ahead with reforms pragmatically and slowly. It is natural for regulators to take Deng's teachings to heart, but it may be worth remembering that they do emphasize "crossing the river". In its recently notified regulatory framework for prepaid payment instruments (PPIS), however, the Reserve Bank of India (RBI) has simply chosen to admire the proverbial river from its banks. Coming on the back of much anticipation, the framework leaves much to be desired. The Master Directions mandate that every PPI has to be upgraded to at least minimum details-KYC (know your customer) before 31 December this year. They also require PPI issuers to offer users the option of opting into a PPI issued with full-KYC. This requirement is a risk to user churn and adoption as users may find the full-KYC compliance too onerous, with limited upside.

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International

4. Central banks in the dock

- On November 11, 1997, the Bank of England took a big step toward independence, courtesy of the second reading in the House of Commons of a bill amending the Bank Act of 1946. The bill gave legislative affirmation to the decision, taken by then-Chancellor of the Exchequer Gordon Brown, to free central bank operations from governmental control. This was a landmark event for an institution that had been under the yoke of government for a half-century. It symbolized how the need for central bank independence had become conventional wisdom. Now, however, this wisdom is being questioned, and not just in the United Kingdom. So long as inflation was the real and present danger, it made sense to delegate monetary policy to conservative central bankers insulated from pressure to finance government budget deficits. Today, in contrast, the problem is the opposite, namely the inability of central banks to raise inflation to target levels.

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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	796	856	8	28.0	28.3	34.2	28.4	28.2	5.2	4.6	20.3	17.3	18.1
Ashok Ley.	Buy	114	134	18	4.6	4.5	6.2	25.0	25.4	5.4	5.0	23.1	20.4	25.2
Bajaj Auto	Buy	3,266	3,753	15	132.3	145.2	175.0	24.7	22.5	5.5	5.0	25.3	23.3	25.3
Bharat Forge	Buy	692	844	22	13.1	19.1	26.0	52.9	36.2	7.8	6.8	16.2	20.1	23.2
Bosch	Neutral	19,662	19,965	2	473.1	457.8	603.0	41.6	42.9	6.8	6.2	15.8	15.2	18.1
CEAT	Buy	1,716	2,029	18	93.3	94.2	126.8	18.4	18.2	2.9	2.5	16.9	14.8	17.3
Eicher Mot.	Buy	30,083	36,487	21	612.7	826.7	1,119.2	49.1	36.4	15.3	11.5	37.1	36.1	36.4
Endurance Tech.	Buy	1,156	1,334	15	23.5	27.6	36.7	49.2	41.9	9.4	7.9	20.8	20.5	22.8
Escorts	Sell	706	688	-3	20.0	35.8	45.9	35.4	19.7	3.6	3.1	10.6	16.8	18.4
Exide Ind	Buy	200	254	27	8.1	7.9	9.7	24.6	25.3	3.4	3.2	13.9	12.5	13.7
Hero Moto	Neutral	3,654	3,819	5	169.1	183.1	193.9	21.6	20.0	7.2	6.3	35.7	33.7	31.1
M&M	Buy	1,430	1,607	12	54.3	75.0	85.7	26.3	19.1	3.3	3.0	14.2	14.5	14.6
Mahindra CIE	Not Rated	242	-		5.4	9.9	11.8	45.3	24.6	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	8,128	9,466	16	248.6	288.1	381.0	32.7	28.2	6.8	5.9	20.3	20.5	23.0
Tata Motors	Buy	415	575	39	19.8	24.6	64.8	20.9	16.8	2.4	2.1	9.8	13.4	28.3
TVS Motor	Neutral	701	764	9	11.7	14.9	25.8	59.7	47.0	13.8	11.3	25.6	26.5	35.6
Aggregate								29.3	24.8	5.0	4.4	17.1	17.8	22.8
Banks - Private														
Axis Bank	Buy	546	680	24	15.4	18.4	30.8	35.6	29.7	2.4	2.0	6.9	7.3	10.8
DCB Bank	Neutral	181	197	9	7.0	8.5	10.5	25.9	21.3	2.7	2.2	10.8	11.5	11.8
Equitas Hold.	Buy	141	209	49	5.0	1.7	5.7	27.9	81.2	2.1	2.1	9.5	2.6	8.2
Federal Bank	Buy	111	146	31	4.8	5.5	6.6	23.1	20.0	2.2	1.8	9.9	9.6	10.0
HDFC Bank	Buy	1,802	2,150	19	56.8	68.7	84.7	31.7	26.2	5.4	4.7	18.3	18.8	20.4
ICICI Bank	Buy	314	355	13	15.3	13.6	17.0	20.5	23.1	2.3	2.4	10.9	8.8	10.5
IDFC Bank	Neutral	55	56	1	3.0	2.8	3.2	18.4	19.9	1.3	1.2	7.2	6.3	6.9
IndusInd	Buy	1,637	2,000	22	48.1	60.9	78.6	34.0	26.9	4.7	4.2	15.3	16.9	19.0
J&K Bank	Buy	78	100	29	-31.3	4.1	8.7	NM	18.8	0.7	0.7	-27.0	4.0	8.0
Kotak Mah. Bk	Buy	999	1,179	18	26.8	32.1	41.6	37.2	31.2	4.8	4.3	13.8	14.8	16.5
RBL Bank	Buy	510	665	30	11.9	16.4	23.0	42.9	31.2	4.5	3.2	12.3	12.4	13.7
South Indian	Buy	30	36	18	2.5	1.9	3.8	12.2	16.4	1.2	1.1	9.0	6.7	12.6
Yes Bank	Buy	302	382	26	14.6	17.8	23.3	20.7	17.0	3.2	2.8	18.9	17.3	19.5
Aggregate								30.1	25.4	3.5	3.0	11.5	11.9	13.9
Banks - PSU														
BOB	Buy	174	217	24	6.0	9.5	20.8	29.1	18.3	1.2	1.1	4.0	6.1	12.4
BOI	Neutral	196	201	3	-14.8	3.2	9.2	NM	61.6	0.9	0.9	-6.7	1.5	4.3
Canara	Neutral	377	386	2	18.8	16.1	30.3	20.1	23.4	0.8	0.8	4.2	3.4	6.1
IDBI Bk	Neutral	60	49	-18	1.5	6.4	8.6	39.3	9.3	0.6	0.5	1.4	5.8	7.3
Indian Bk	Buy	402	438	9	29.3	36.7	44.0	13.7	10.9	1.3	1.2	10.1	11.6	12.7
OBC	Neutral	126	150	19	-31.6	17.1	21.4	NM	7.4	0.3	0.3	-8.4	4.6	5.4
PNB	Buy	184	250	36	6.2	8.5	13.5	29.6	21.6	1.0	1.0	3.6	4.7	7.1
SBI	Buy	329	415	26	0.3	14.6	26.8	1,106.7	22.5	1.6	1.4	-0.2	7.0	11.4
Union Bk	Neutral	164	175	7	8.1	-13.5	6.0	20.3	NM	0.5	0.6	2.7	-4.7	2.1
Aggregate								122.5	21.9	1.1	1.0	0.9	4.6	8.0
NBFCs														
Bajaj Fin.	Buy	1,752	2,300	31	32.0	45.7	63.7	54.7	38.3	10.5	6.1	21.6	20.2	20.4
Bharat Fin.	Under Review	979	-		21.0	30.3	47.2	46.6	32.3	5.5	4.5	15.1	15.3	19.3
Capital First	Buy	701	925	32	24.6	32.8	43.7	28.5	21.4	3.0	2.7	12.0	13.2	15.4
Cholaman.Inv.&Fn	Buy	1,248	1,500	20	46.0	59.2	70.4	27.1	21.1	4.5	3.8	18.0	19.6	19.6
Dewan Hsg.	Buy	622	690	11	29.6	37.6	46.0	21.0	16.5	2.5	2.2	14.4	14.1	15.3
GRUH Fin.	Neutral	502	500	0	8.1	9.9	12.0	61.7	50.8	18.5	15.2	32.5	32.8	32.8
HDFC	Buy	1,663	2,000	20	46.8	51.6	57.1	35.5	32.2	6.6	6.0	18.9	19.3	18.6
Indiabulls Hsg	Buy	1,193	1,550	30	68.6	83.6	105.1	17.4	14.3	4.2	3.7	25.5	27.6	30.7
L&T Fin Holdings	Buy	185	240	30	5.2	6.9	10.4	35.3	26.6	4.2	3.6	12.4	14.9	18.9
LIC Hsg Fin	Neutral	585	680	16	38.2	41.0	46.5	15.3	14.3	2.7	2.3	19.1	17.4	17.2

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	95	-		8.6	9.2	9.7	11.1	10.4	2.4	2.2	24.0	22.3	21.4
M&M Fin.	Buy	440	481	9	7.1	14.2	19.1	62.1	31.1	3.8	3.6	6.4	11.9	14.8
Muthoot Fin	Neutral	452	550	22	29.5	42.6	42.0	15.3	10.6	2.8	2.3	19.4	23.8	19.9
PNB Housing	Buy	1,355	1,750	29	31.6	52.5	66.5	42.9	25.8	4.1	3.7	13.8	15.0	16.7
Repco Home	Buy	632	800	27	29.1	35.6	43.7	21.7	17.7	3.5	3.0	17.4	18.1	18.9
Shriram City Union	Buy	2,018	2,650	31	84.3	115.6	145.3	23.9	17.5	2.6	2.4	11.7	14.3	15.9
STF	Buy	1,248	1,415	13	55.6	80.6	106.2	22.5	15.5	2.5	2.2	11.7	15.1	17.4
Aggregate								30.2	24.2	4.8	4.2	16.0	17.1	17.8
Capital Goods														
ABB	Sell	1,361	1,230	-10	19.7	20.2	28.7	69.1	67.2	8.8	7.8	12.7	11.6	14.6
Bharat Elec.	Buy	176	210	20	6.3	7.1	8.0	27.9	24.7	5.7	4.4	20.6	17.9	18.1
BHEL	Sell	91	78	-14	1.3	2.9	3.0	67.9	31.0	1.0	1.0	1.5	3.3	3.3
Blue Star	Neutral	702	685	-2	12.9	16.5	24.4	54.5	42.6	8.9	8.3	18.0	20.2	27.8
CG Cons. Elec.	Buy	248	260	5	4.7	5.2	6.5	53.0	47.8	28.8	21.1	76.4	51.0	49.6
CG Power & Indu.	Neutral	82	90	10	4.1	1.4	2.3	19.9	56.8	1.2	1.2	6.2	2.1	3.3
Cummins	Buy	849	1,150	36	26.5	25.3	35.0	32.0	33.5	6.3	5.9	21.2	18.1	22.2
GE T&D	Neutral	386	440	14	5.7	9.4	11.2	67.4	41.0	9.6	8.4	12.4	21.8	22.6
Havells	Neutral	511	460	-10	9.6	11.5	14.3	53.5	44.4	9.8	8.7	18.2	19.5	21.2
K E C Intl	Neutral	299	350	17	11.9	14.3	17.6	25.3	21.0	4.9	4.1	19.2	19.5	20.2
L&T	Buy	1,210	1,450	20	42.3	49.0	57.5	28.6	24.7	3.4	3.1	12.5	13.1	14.0
Pennar Eng.	Not Rated	105	-		7.1	9.1	11.2	14.9	11.6	1.5	1.3	10.2	11.6	12.6
Siemens	Neutral	1,178	1,355	15	17.8	21.7	33.4	66.1	54.4	6.1	5.4	9.3	9.8	13.8
Solar Ind	Neutral	1,087	900	-17	20.6	24.2	30.0	52.7	44.9	9.7	8.3	19.8	19.8	20.9
Suzlon Energy	Not Rated	15	-		0.6	0.9	1.0	22.9	16.4	-1.3	-1.4	NM	-8.8	-11.0
Thermax	Neutral	1,000	930	-7	30.8	29.9	34.4	32.4	33.5	4.4	4.0	14.3	12.6	13.2
Va Tech Wab.	Buy	555	745	34	29.9	34.5	37.2	18.5	16.1	3.0	2.6	16.9	17.5	16.4
Voltas	Neutral	600	550	-8	15.5	17.5	19.6	38.8	34.3	6.0	5.3	18.0	16.5	16.3
Aggregate								36.2	30.8	4.1	3.7	11.2	11.9	13.0
Cement														
Ambuja Cem.	Neutral	271	314	16	4.9	6.9	8.4	55.5	39.1	2.8	2.7	5.1	7.0	8.0
ACC	Neutral	1,749	1,797	3	36.1	52.2	70.9	48.4	33.5	3.8	3.6	7.9	11.1	14.2
Birla Corp.	Buy	1,091	1,435	31	28.5	32.2	56.7	38.2	33.9	2.5	2.4	7.1	7.3	12.0
Dalmia Bharat	Buy	2,974	3,517	18	38.8	60.8	83.7	76.7	48.9	5.3	4.8	7.2	10.3	12.7
Grasim Inds.	Neutral	1,209	1,276	6	67.8	70.6	101.2	17.8	17.1	1.8	1.6	10.8	10.0	12.9
India Cem	Neutral	166	188	13	5.6	5.8	10.5	29.5	28.4	1.0	1.0	3.4	3.5	6.0
J K Cements	Buy	1,077	1,196	11	33.7	51.7	68.4	32.0	20.8	4.3	3.6	14.4	18.8	20.7
JK Lakshmi Ce	Buy	438	512	17	7.0	12.1	19.1	63.0	36.1	3.7	3.4	6.1	9.9	13.9
Ramco Cem	Buy	690	853	24	27.3	27.1	35.1	25.3	25.4	4.4	3.8	19.0	16.0	17.9
Orient Cem	Buy	162	205	27	-1.6	6.3	9.1	NM	25.8	3.4	3.0	-3.2	12.3	15.6
Prism Cem	Buy	113	128	14	0.3	2.7	5.0	412.8	41.1	5.9	5.3	1.4	13.7	21.3
Shree Cem	Buy	18,029	21,852	21	384.4	486.2	499.3	46.9	37.1	8.2	6.8	18.4	20.0	17.4
Ultratech	Buy	4,357	4,906	13	96.1	102.2	147.1	45.4	42.6	5.0	4.5	11.6	11.1	14.2
Aggregate								38.5	32.2	3.6	3.3	9.4	10.3	12.5
Consumer														
Asian Paints	Neutral	1,154	1,280	11	21.0	21.6	25.8	54.9	53.5	14.6	14.2	28.5	26.9	29.4
Britannia	Buy	4,786	5,165	8	73.7	85.3	104.6	64.9	56.1	21.3	17.6	36.9	34.3	34.5
Colgate	Buy	1,055	1,328	26	21.2	23.4	28.6	49.7	45.1	22.5	21.4	50.4	48.7	56.2
Dabur	Buy	337	395	17	7.2	7.7	9.3	46.5	43.6	12.3	10.5	28.4	26.0	27.3
Emami	Buy	1,255	1,435	14	26.5	26.6	33.2	47.3	47.2	16.2	13.9	35.8	31.7	34.0
Godrej Cons.	Neutral	931	1,015	9	18.9	21.2	24.5	49.2	44.0	12.0	9.3	24.6	23.8	22.9
GSK Cons.	Neutral	6,015	5,400	-10	156.1	160.8	182.3	38.5	37.4	8.1	7.9	22.2	21.4	22.6
HUL	Buy	1,283	1,440	12	19.6	22.8	27.6	65.4	56.3	42.8	42.6	66.5	75.9	88.0
ITC	Neutral	257	280	9	8.4	9.1	10.0	30.6	28.2	6.9	6.8	23.5	24.4	25.6
Jyothy Lab	Neutral	337	365	8	11.2	9.2	10.9	30.0	36.8	5.6	5.7	21.1	15.5	18.3
Marico	Neutral	298	340	14	6.3	6.5	7.9	47.5	45.9	16.6	14.4	36.7	33.6	37.1

Company	Reco	CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Downside	FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Nestle	Neutral	7,648	7,750	1	123.7	128.4	149.0	61.8	59.6	24.5	22.2	40.9	39.0	40.9
Page Inds	Buy	22,108	25,580	16	238.7	296.6	413.1	92.6	74.5	37.0	29.7	40.0	39.8	44.4
Parag Milk	Neutral	242	275	13	3.6	8.9	12.4	67.3	27.2	3.1	2.8	6.0	10.8	13.3
Pidilite Ind.	Buy	822	975	19	16.7	17.2	20.8	49.1	47.8	12.8	10.5	28.2	24.1	23.9
P&G Hygiene	Neutral	8,829	9,267	5	132.9	151.5	176.7	66.4	58.3	41.6	34.5	39.3	64.8	62.9
Prabhat Dairy	Not Rated	143	-		3.5	3.5	6.4	40.5	41.2	2.0	2.0	5.2	4.9	8.5
United Brew	Buy	1,113	1,320	19	8.7	14.7	18.0	128.2	75.9	12.6	11.0	10.2	15.5	16.5
United Spirits	Neutral	3,022	2,970	-2	26.7	34.9	53.7	113.0	86.6	22.7	15.8	21.3	18.2	20.9
Aggregate								48.1	43.8	13.3	12.4	27.6	28.3	29.4
Healthcare														
Alembic Phar	Neutral	515	540	5	21.6	21.6	24.9	23.9	23.8	5.1	4.4	23.0	19.9	19.8
Alkem Lab	Neutral	1,990	1,950	-2	74.6	68.8	90.7	26.7	28.9	5.3	4.7	21.9	17.2	19.6
Ajanta Pharma	Buy	1,235	1,606	30	57.3	52.7	64.1	21.6	23.4	7.0	5.6	36.7	26.4	25.7
Aurobindo	Buy	701	900	28	39.3	44.6	50.3	17.8	15.7	4.4	3.5	27.6	24.6	22.3
Biocon	Neutral	367	335	-9	10.2	6.1	10.5	36.0	60.2	4.6	4.3	12.3	7.2	11.4
Cadila	Buy	449	555	24	14.2	17.5	23.6	31.6	25.6	6.6	5.5	23.0	23.5	26.0
Cipla	Neutral	602	600	0	15.9	21.1	27.0	37.9	28.5	3.9	3.5	10.2	12.1	13.6
Divis Lab	Neutral	1,024	1,100	7	39.9	32.4	43.7	25.6	31.6	5.1	5.3	22.0	16.3	21.2
Dr Reddy's	Neutral	2,321	2,575	11	72.6	60.6	115.2	32.0	38.3	3.1	3.0	9.7	8.2	14.1
Fortis Health	Buy	130	220	69	10.3	2.2	5.6	12.6	59.8	1.3	1.2	11.3	2.1	4.9
Glenmark	Neutral	582	650	12	39.3	37.9	42.8	14.8	15.3	3.7	3.0	24.7	19.6	18.4
Granules	Buy	120	200	66	7.2	8.0	11.0	16.6	15.0	3.0	2.1	21.1	17.7	18.8
GSK Pharma	Neutral	2,595	2,500	-4	34.4	44.2	54.9	75.5	58.7	11.0	12.9	14.5	22.0	31.4
IPCA Labs	Neutral	536	430	-20	16.1	16.6	26.8	33.3	32.3	2.8	2.6	8.6	8.2	12.2
Jubilant Life	Buy	617	861	40	36.9	44.2	55.0	16.7	13.9	2.8	2.4	18.0	18.4	19.2
Lupin	Buy	835	1,000	20	56.6	37.6	42.7	14.7	22.2	2.8	2.6	20.9	12.0	12.5
Sanofi India	Buy	4,441	5,000	13	129.1	139.0	156.2	34.4	32.0	5.9	5.5	17.1	17.1	17.6
Shilpa Medicare	Buy	640	797	25	14.0	18.1	29.9	45.6	35.3	5.6	4.9	14.4	14.7	20.5
Strides Shasun	Buy	782	1,201	54	32.3	41.7	68.3	24.2	18.7	2.6	2.3	10.8	12.9	18.0
Sun Pharma	Buy	526	515	-2	26.1	15.1	23.3	20.1	34.9	3.5	3.3	18.1	9.6	13.8
Syngene Intl	Not Rated	502	-		13.0	16.1	18.0	38.5	31.1	7.8	6.4	22.2	22.5	20.7
Torrent Pharma	Neutral	1,252	1,400	12	55.2	50.0	61.4	22.7	25.0	4.9	4.3	23.8	18.3	19.9
Aggregate								23.7	27.5	4.0	3.6	16.8	13.1	15.5
Infrastructure														
Ashoka Buildcon	Buy	210	260	24	-0.5	1.8	7.1	NM	115.8	2.3	2.1	-0.6	1.9	7.0
IRB Infra	Neutral	231	240	4	20.3	22.9	23.2	11.4	10.1	1.5	1.3	14.0	14.1	12.9
KNR Constructions	Buy	264	295	12	12.0	12.7	13.6	22.1	20.7	4.1	3.5	20.7	18.4	16.7
Sadbhav Engineering	Buy	316	385	22	11.0	14.3	14.5	28.9	22.1	3.3	2.9	12.0	13.8	12.5
Aggregate								19.9	16.7	2.2	2.0	11.0	11.7	11.6
Logistics														
Allcargo Logistics	Buy	168	215	28	9.8	10.9	13.3	17.1	15.5	2.3	2.1	13.7	14.1	15.4
Blue Dart	Not Rated	4,034	-		102.5	129.9	163.2	39.3	31.1	17.4	13.3	50.5	48.6	46.8
Concor	Neutral	1,339	1,496	12	38.0	42.7	55.2	35.3	31.4	3.7	3.5	10.8	11.5	14.1
Gateway Distriparks	Buy	252	282	12	6.8	8.8	11.6	37.0	28.7	2.7	2.6	7.3	9.2	11.7
Gati	Not Rated	122	-		8.4	15.9	23.9	14.6	7.7	2.0	1.8	12.4	19.4	25.4
Transport Corp.	Not Rated	275	-		16.9	21.0	25.9	16.2	13.1	2.5	2.1	16.7	17.8	18.6
Aggregate								31.0	25.9	3.8	3.5	12.3	13.6	16.1
Media														
Dish TV	Buy	76	106	40	1.0	1.0	2.4	73.8	74.5	16.4	13.5	25.1	19.9	35.2
D B Corp	Buy	365	430	18	20.0	21.7	25.4	18.2	16.8	4.2	3.5	24.6	22.8	22.2
Den Net.	Neutral	92	90	-2	-9.3	-2.9	0.1	NM	NM	2.0	2.1	-19.1	-6.4	0.2
Ent.Network	Neutral	776	910	17	11.4	11.6	20.1	67.9	67.1	4.3	4.1	6.7	6.3	10.1
Hind. Media	Buy	244	302	24	25.8	25.6	30.2	9.5	9.5	1.5	1.3	18.2	15.0	15.3

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
HT Media	Neutral	98	113	15	7.4	10.4	11.9	13.3	9.5	1.0	0.9	7.9	10.2	10.6
Jagran Prak.	Buy	166	225	35	10.7	11.3	13.4	15.6	14.7	2.5	2.6	18.5	17.3	19.3
Music Broadcast	Buy	375	469	25	6.4	9.0	14.2	58.3	41.5	3.9	3.6	11.2	9.0	12.6
PVR	Buy	1,388	1,640	18	20.5	27.1	43.0	67.6	51.2	6.7	6.0	10.4	12.4	17.0
Prime Focus	Buy	98	130	32	1.2	3.0	5.9	80.4	32.5	5.3	4.5	7.6	15.0	23.9
Siti Net.	Neutral	25	27	7	-1.9	-0.8	0.1	NM	NM	4.1	4.8	-29.4	-14.2	2.4
Sun TV	Buy	852	1,005	18	24.9	28.1	35.7	34.3	30.3	8.3	7.7	26.0	26.4	30.7
Zee Ent.	Buy	542	630	16	12.1	10.5	16.0	44.7	51.8	6.1	5.6	17.0	12.8	16.8
Aggregate								41.4	35.5	5.2	4.8	12.6	13.5	17.2
Metals														
Hindalco	Buy	261	326	25	8.6	18.8	26.4	30.5	13.8	2.0	1.8	7.4	13.6	16.5
Hind. Zinc	Neutral	310	322	4	19.7	22.7	33.5	15.7	13.6	4.3	4.6	24.4	32.3	42.5
JSPL	Buy	170	209	23	-20.9	-15.1	0.5	NM	NM	0.5	0.5	-7.9	-4.7	0.1
JSW Steel	Buy	266	297	12	14.8	20.3	24.9	18.0	13.1	2.8	2.4	17.3	19.8	20.2
Nalco	Neutral	85	87	2	3.7	4.7	5.8	22.9	18.2	1.6	1.5	7.2	8.6	10.1
NMDC	Buy	125	187	49	10.0	13.3	12.7	12.6	9.4	1.8	1.6	12.8	15.7	16.3
SAIL	Sell	80	43	-46	-10.1	-6.4	-4.3	NM	NM	0.8	0.9	-9.9	-6.9	-4.9
Rain Industries	Buy	385	492	28	9.6	25.5	38.9	39.9	15.1	4.3	3.4	10.9	25.2	29.7
Vedanta	Buy	309	394	27	15.1	25.5	44.4	20.4	12.2	1.9	1.8	9.7	15.1	23.8
Tata Steel	Neutral	685	672	-2	37.9	59.4	65.2	18.1	11.5	2.1	1.9	15.7	17.1	16.6
Aggregate								26.2	15.5	1.8	1.8	7.0	11.4	15.3
Oil & Gas														
BPCL	Buy	493	643	30	48.3	43.1	52.1	10.2	11.5	3.1	2.7	32.4	25.2	25.8
GAIL	Sell	456	376	-18	22.6	26.8	31.4	20.2	17.0	2.0	1.9	9.6	11.5	12.5
Gujarat Gas	Sell	869	721	-17	16.1	29.7	44.1	54.1	29.3	7.3	6.1	14.0	22.6	27.3
Gujarat St. Pet.	Neutral	214	184	-14	8.8	12.1	13.2	24.3	17.6	2.7	2.4	11.6	14.4	14.0
HPCL	Buy	411	579	41	40.7	36.4	42.8	10.1	11.3	3.1	2.6	32.4	25.1	25.0
IOC	Buy	388	554	43	41.9	39.5	43.6	9.3	9.8	1.8	1.6	20.7	17.2	16.9
IGL	Neutral	314	301	-4	8.8	9.9	11.0	35.7	31.7	7.5	6.4	21.0	21.7	20.4
MRPL	Sell	122	112	-8	14.8	10.7	11.6	8.3	11.5	2.1	1.9	31.4	17.3	16.5
Oil India	Buy	351	418	19	19.3	29.8	40.5	18.2	11.8	1.0	0.9	5.7	8.0	10.4
ONGC	Buy	182	231	27	16.4	19.0	22.8	11.1	9.6	1.1	1.0	10.1	10.8	12.5
PLNG	Buy	258	312	21	11.4	15.0	16.7	22.7	17.2	4.8	4.0	23.2	25.2	23.7
Reliance Ind.	Buy	886	1,077	22	48.3	56.7	62.1	18.3	15.6	1.9	1.7	11.6	12.1	12.0
Aggregate								13.8	12.8	1.8	1.7	13.1	12.9	13.5
Retail														
Jubilant Food	Sell	1,698	1,270	-25	10.0	21.4	27.4	169.7	79.2	13.9	13.1	8.2	16.5	20.9
Titan Co.	Buy	773	850	10	9.0	12.5	15.9	85.6	61.8	16.1	13.1	20.6	23.4	25.5
Aggregate								91.1	63.2	15.6	13.0	17.1	20.5	23.9
Technology														
Cyient	Buy	540	600	11	30.6	36.0	41.9	17.6	15.0	2.9	2.6	16.2	17.4	18.3
HCL Tech.	Neutral	869	970	12	59.8	63.2	68.2	14.5	13.8	3.6	3.5	27.5	25.9	25.6
Hexaware	Neutral	342	270	-21	13.7	16.3	17.0	25.0	21.0	6.1	5.2	26.5	26.4	23.4
Infosys	Buy	949	1,100	16	62.8	63.8	67.8	15.1	14.9	3.1	3.4	22.0	21.8	22.5
KPIT Tech	Neutral	163	160	-2	11.9	11.9	14.1	13.7	13.7	2.1	1.8	14.3	14.1	14.5
L&T Infotech	Buy	945	950	1	55.5	61.6	66.0	17.0	15.3	6.2	4.8	41.6	35.2	29.6
Mindtree	Neutral	498	480	-4	24.9	28.5	33.6	20.0	17.4	3.3	3.2	16.8	17.3	20.4
Mphasis	Neutral	713	670	-6	38.9	42.0	46.0	18.3	17.0	2.4	2.8	13.2	14.6	17.3
NIIT Tech	Neutral	651	600	-8	38.0	43.7	50.3	17.1	14.9	2.3	2.2	13.7	15.1	16.4
Persistent Sys	Buy	645	780	21	37.7	43.3	52.4	17.1	14.9	2.6	2.5	17.0	17.9	20.8
Tata Elxsi	Buy	898	1,004	12	28.1	33.8	40.2	31.9	26.5	10.0	8.1	37.1	33.6	32.4
TCS	Neutral	2,717	2,450	-10	133.4	131.8	151.4	20.4	20.6	6.1	6.5	32.6	30.6	33.5
Tech Mah	Buy	489	560	15	30.9	35.8	37.7	15.8	13.7	2.6	2.5	18.4	18.9	18.2
Wipro	Neutral	299	280	-6	16.9	19.1	20.1	17.7	15.7	2.8	2.7	16.9	17.0	16.7
Zensar Tech	Buy	873	1,020	17	52.1	52.8	72.7	16.8	16.5	2.7	2.4	17.2	15.3	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
Aggregate								18.0	17.8	4.1	4.3	22.9	24.4	23.2
Telecom														
Bharti Airtel	Buy	498	680	37	11.3	3.8	6.5	44.0	132.7	3.0	2.9	6.8	2.2	3.7
Bharti Infratel	Neutral	397	440	11	14.9	16.8	19.2	26.7	23.6	4.7	4.8	16.2	20.2	22.8
Idea Cellular	Buy	92	110	19	-1.1	-16.1	-18.0	NM	NM	1.3	1.8	-1.6	-26.6	-41.4
Tata Comm	Buy	695	780	12	10.0	5.4	18.2	69.7	128.1	12.4	13.5	48.4	10.1	30.0
Aggregate								46.2	-317.2	3.0	3.2	6.6	-1.0	0.2
Utilities														
Coal India	Buy	275	335	22	14.9	17.5	20.7	18.4	15.7	6.9	6.7	37.8	42.4	47.7
CESC	Buy	1,026	1,360	32	51.9	88.9	99.3	19.8	11.5	1.3	1.2	6.5	10.6	10.8
JSW Energy	Sell	81	51	-37	3.8	4.0	3.3	21.1	20.1	1.3	1.2	6.3	6.3	5.0
NTPC	Buy	177	211	19	12.0	13.4	15.7	14.8	13.2	1.5	1.4	10.5	11.0	11.9
Power Grid	Buy	207	261	26	14.0	17.4	20.4	14.8	11.9	2.2	1.9	15.6	17.0	17.4
Tata Power	Sell	82	72	-12	7.4	7.3	7.5	11.0	11.2	1.9	1.7	17.1	16.0	14.6
Aggregate								16.4	13.8	2.4	2.2	14.4	15.7	16.8
Others														
Arvind	Neutral	420	425	1	12.4	10.5	16.5	33.9	39.9	3.0	2.9	10.3	7.4	10.9
Avenue Supermarts	Sell	1,126	873	-22	7.7	12.0	17.5	146.7	93.9	18.3	16.1	17.9	18.2	22.9
Bata India	Under Review	783	-		13.5	15.7	19.4	58.0	49.9	7.6	6.8	13.9	14.4	15.8
BSE	Neutral	973	1,100	13	41.0	45.3	46.1	23.7	21.5	2.0	2.0	8.3	9.3	8.0
Castrol India	Buy	397	467	18	13.6	12.6	13.3	29.2	31.4	33.1	30.1	115.0	100.3	96.1
Century Ply.	Neutral	293	323	10	8.7	9.8	12.9	33.7	29.8	9.1	7.5	31.1	27.7	29.6
Coromandel Intl	Buy	501	523	4	16.6	24.1	29.0	30.1	20.8	5.1	4.4	17.5	22.5	23.4
Delta Corp	Buy	253	257	2	3.1	5.7	8.0	82.8	44.7	6.4	4.3	8.1	12.1	12.9
Dynamatic Tech	Buy	2,039	3,334	64	67.6	112.9	166.7	30.2	18.1	4.2	3.4	15.1	20.7	24.3
Eveready Inds.	Buy	378	400	6	12.9	14.3	17.4	29.4	26.4	9.5	7.6	37.7	32.1	31.5
Interglobe	Neutral	1,167	1,291	11	43.2	63.2	75.4	27.0	18.5	11.9	6.8	51.0	46.8	43.0
Indo Count	Neutral	112	118	5	13.0	8.9	10.8	8.6	12.7	2.6	2.1	34.8	18.6	18.3
Info Edge	Buy	1,171	1,300	11	15.7	23.6	26.2	74.7	49.5	7.2	6.4	10.2	13.7	13.7
Inox Leisure	Sell	270	240	-11	3.3	8.0	12.0	80.9	33.6	4.7	4.1	5.9	12.5	16.2
Jain Irrigation	Under Review	103	-		5.5	7.6	10.0	18.6	13.5	1.6	1.5	8.6	11.7	14.8
Just Dial	Neutral	544	465	-14	17.5	18.5	21.1	31.1	29.5	4.2	3.7	14.8	13.4	13.7
Kaveri Seed	Buy	530	738	39	19.1	34.1	41.0	27.8	15.5	3.6	3.8	13.6	23.3	27.4
Kitex Garm.	Buy	309	394	27	18.6	22.1	26.2	16.6	14.0	4.5	3.6	29.8	28.6	27.6
Manpasand	Buy	430	534	24	6.3	9.7	15.3	67.7	44.1	4.3	4.0	7.3	8.2	13.4
MCX	Buy	949	1,300	37	24.8	26.5	43.4	38.2	35.9	3.6	3.6	10.2	10.0	15.9
Monsanto	Buy	2,486	3,295	33	86.2	105.0	126.6	28.9	23.7	8.1	7.3	31.5	32.5	34.5
Navneet Education	Buy	159	209	32	7.3	8.4	10.4	21.7	18.8	5.3	4.6	26.7	26.3	27.9
Qess Corp	Buy	822	1,040	27	10.0	27.7	29.1	82.2	29.6	11.1	4.6	19.0	21.9	15.0
PI Inds.	Buy	826	890	8	33.4	29.9	35.6	24.7	27.6	7.0	5.8	32.8	23.0	22.9
Piramal Enterp.	Buy	2,636	3,266	24	72.6	104.6	149.7	36.3	25.2	3.1	2.8	9.0	11.7	15.3
SRF	Buy	1,716	1,992	16	85.9	76.7	104.9	20.0	22.4	3.2	2.9	16.6	13.2	16.3
S H Kelkar	Buy	260	298	15	7.2	7.6	9.9	35.8	34.1	4.6	4.2	13.7	12.9	15.2
Symphony	Sell	1,589	1,288	-19	23.7	35.1	42.9	67.2	45.3	24.9	21.9	43.3	51.6	54.5
Team Lease Serv.	Buy	1,848	2,300	24	38.8	43.0	66.4	47.6	42.9	8.3	7.0	19.2	17.6	22.2
Trident	Buy	84	114	36	6.6	8.3	10.4	12.7	10.1	1.5	1.4	13.0	14.5	16.1
TTK Prestige	Neutral	6,618	5,281	-20	132.1	137.8	176.1	50.1	48.0	9.0	8.2	19.5	18.0	20.7
V-Guard	Neutral	229	167	-27	3.6	4.5	6.0	64.1	51.1	15.3	12.5	27.4	26.9	28.8
Wonderla	Buy	387	393	2	7.0	11.9	16.0	55.3	32.4	5.1	4.5	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	1.1	15.5	-17.2
Ashok Ley.	0.7	-8.9	30.4
Bajaj Auto	1.7	3.2	23.4
Bharat Forge	0.4	8.2	60.4
Bosch	-1.5	-8.8	-2.2
CEAT	-1.8	-0.8	34.5
Eicher Mot.	-1.6	-4.1	38.3
Endurance Tech.	3.0	4.1	93.4
Escorts	3.4	-0.5	110.1
Exide Ind	-0.8	-2.6	10.1
Hero Moto	2.0	-2.7	22.5
M&M	1.3	7.8	15.1
Mahindra CIE	0.5	2.4	27.6
Maruti Suzuki	0.2	3.2	58.3
Tata Motors	-0.9	-2.3	-18.3
TVS Motor	0.2	0.3	94.4
Banks - Private			
Axis Bank	1.6	3.2	9.6
DCB Bank	-0.1	-5.4	54.0
Equitas Hold.	0.4	-7.7	-13.2
Federal Bank	-2.9	-5.2	43.6
HDFC Bank	-0.7	-2.8	41.3
ICICI Bank	-0.1	15.6	24.6
IDFC Bank	-0.4	-6.6	-25.4
IndusInd	-1.4	-6.5	37.2
J&K Bank	2.4	6.1	20.3
Kotak Mah. Bk	0.4	-7.6	22.7
RBL Bank	-0.1	-1.5	34.5
South Indian	-0.3	-6.0	44.0
Yes Bank	-0.4	-18.2	24.4
Banks - PSU			
BOB	1.5	24.9	8.5
BOI	-1.6	44.0	60.4
Canara	-1.7	22.3	24.4
IDBI Bk	-1.0	13.4	-15.9
Indian Bk	-1.2	46.7	60.5
OBC	-1.2	9.3	1.7
PNB	-1.7	36.4	18.3
SBI	-0.6	30.4	20.6
Union Bk	-2.3	28.4	14.1
NBFCs			
Bajaj Fin.	1.3	-10.4	104.2
Bharat Fin.	-1.0	-2.5	41.7
Capital First	-1.1	-6.9	17.8
Cholaman.Inv.&Fn	0.3	9.7	33.7
Dewan Hsg.	-1.7	15.6	147.4
GRUH Fin.	-1.3	-3.9	67.0
HDFC	-0.5	-5.8	30.8
Indiabulls Hsg	-0.3	-7.2	70.6
L&T Fin.Holdings	1.5	-9.8	94.9
LIC Hsg Fin	0.1	-10.2	12.5
Manappuram	-1.2	-9.0	6.1
M&M Fin.	1.2	4.8	52.9
Muthoot Fin	-3.3	-9.1	32.9
PNB Housing	-2.4	-9.0	45.9

Company	1 Day (%)	1M (%)	12M (%)
Bharat Elec.	-1.8	2.7	48.0
BHEL	1.6	7.8	0.0
Blue Star	-0.7	-10.5	37.9
CG Cons. Elec.	1.8	17.9	56.2
CG Power & Inds Sol.	-1.1	4.5	4.1
Cummins	-1.5	-6.7	5.0
GE T&D	-2.0	1.0	11.4
Havells	0.4	-5.3	43.8
K E C Intl	3.1	-0.9	112.7
L&T	-2.5	6.3	30.6
Pennar Eng.	-1.4	6.0	-37.2
Siemens	-1.8	-5.0	4.5
Solar Ind	-0.6	9.6	59.7
Suzlon Energy	-1.0	-6.8	-0.4
Thermax	0.4	7.7	13.5
Va Tech Wab.	-2.0	-4.6	8.6
Voltas	4.2	12.9	80.0
Cement			
Ambuja Cem.	0.2	-2.2	23.7
ACC	-0.3	-1.0	25.1
Birla Corp.	-0.7	8.4	44.2
Dalmia Bharat	0.3	9.1	62.4
Grasim Inds.	-1.1	5.6	61.5
India Cem	0.5	-7.9	25.2
J K Cements	2.6	12.8	29.2
JK Lakshmi Ce	0.0	14.0	6.0
Ramco Cem	-0.8	0.4	18.2
Orient Cem	-0.6	3.0	11.2
Prism Cem	0.4	5.1	22.0
Shree Cem	-0.3	-2.7	19.2
Ultratech	0.1	8.8	19.9
Consumer			
Asian Paints	-1.8	-1.5	19.8
Britannia	-2.0	4.6	55.7
Colgate	0.7	-3.4	11.2
Dabur	0.0	4.8	19.9
Emami	-0.4	11.6	13.8
Godrej Cons.	-0.5	-4.2	28.6
GSK Cons.	-0.3	21.5	12.4
HUL	0.4	3.0	60.3
ITC	-0.7	-3.5	5.6
Jyothy Lab	-1.6	-12.9	-5.1
Marico	-3.1	-5.7	19.5
Nestle	-0.9	4.2	22.0
Page Inds	-1.0	18.5	56.8
Parag Milk	-0.6	-8.0	-19.3
Pidilite Ind.	-0.8	1.9	25.8
P&G Hygiene	1.1	1.8	28.0
Prabhat Dairy	-2.0	-4.5	30.4
United Brew	0.5	32.1	28.0
United Spirits	0.9	24.3	52.6
Healthcare			
Alembic Phar	0.2	4.0	-19.4
Alkem Lab	0.4	9.1	21.6
Ajanta Pharma	2.5	5.0	-31.8
Aurobindo	-1.6	-6.0	-9.2

Company	1 Day (%)	1M (%)	12M (%)
PFC	-1.5	1.3	6.1
Repc Home	6.9	-0.7	6.2
REC	-0.4	3.3	20.3
STF	-2.4	13.9	41.4
Shriram City Union	-2.2	-3.0	-2.2
Capital Goods			
ABB	0.3	1.1	27.6

Company	1 Day (%)	1M (%)	12M (%)
Biocon	-2.7	-0.7	25.2
Cadila	-0.5	-10.6	17.7
Cipla	0.0	1.7	9.5
Divis Lab	2.6	17.5	-16.7
Dr Reddy's	-1.0	-1.3	-28.8
Fortis Health	-1.6	-14.1	-20.2
Glenmark	0.7	-3.5	-33.8



Company	1 Day (%)	1M (%)	12M (%)
Granules	-2.3	-11.7	10.5
GSK Pharma	-1.3	5.8	-1.6
IPCA Labs	-1.5	7.1	-4.2
Jubilant Life	2.0	-5.9	0.1
Lupin	0.8	-21.3	-42.8
Sanofi India	-0.8	5.2	4.2
Shilpa Medicare	-2.8	-6.6	12.3
Strides Shasun	0.0	-9.9	-26.6
Sun Pharma	-1.2	-1.6	-23.6
Syngene Intl	1.4	1.8	-12.0
Torrent Pharma	2.9	-1.4	-4.1
Infrastructure			
Ashoka Buildcon	1.0	10.5	31.0
IRB Infra.Devl.	0.8	11.7	12.3
KNR Construct.	-1.3	26.8	85.1
Sadbhav Engg.	0.1	13.3	14.3
Logistics			
Allcargo Logistics	-0.6	1.4	-9.0
Blue Dart	-1.4	-1.8	-19.3
Concor	-0.2	-1.6	24.2
Gateway Distriparks	0.5	5.4	3.2
Gati	0.1	4.9	-2.4
Transport Corp.	-0.4	-1.9	52.6
Media			
Dish TV	-1.9	5.6	-13.5
D B Corp	-0.7	-1.7	-1.6
Den Net.	-1.4	7.4	21.1
Ent.Network	-1.8	-3.3	6.1
Hind. Media	1.8	-2.0	-14.3
HT Media	1.0	4.7	25.8
Jagran Prak.	-1.6	-4.3	-8.6
Music Broadcast	-1.9	-4.6	
PVR	-0.5	-1.1	19.5
Prime Focus	-0.6	7.2	30.0
Siti Net.	1.0	2.2	-28.1
Sun TV	-0.5	6.7	70.0
Zee Ent.	-0.1	6.2	12.5
Metals			
Hindalco	0.0	-2.0	51.4
Hind. Zinc	-0.2	-3.3	23.8
JSPL	-0.9	4.7	128.0
JSW Steel	0.7	5.0	54.9
Nalco	-2.5	-0.1	67.4
NMDC	-0.6	4.2	-0.3
Rain Industries	-3.0	86.4	666.0
SAIL	1.1	38.2	55.4
Vedanta	-1.6	-3.7	34.8
Tata Steel	-0.8	-3.6	60.5
Oil & Gas			
BPCL	-1.6	0.8	13.9
GAIL	0.3	4.5	38.8
Gujarat Gas	-0.5	-1.6	57.7
Gujarat St. Pet.	-0.4	8.9	39.4
HPCL	-2.2	-10.6	37.3
IOC	-2.2	-6.4	25.1
IGL	-0.1	3.2	84.0

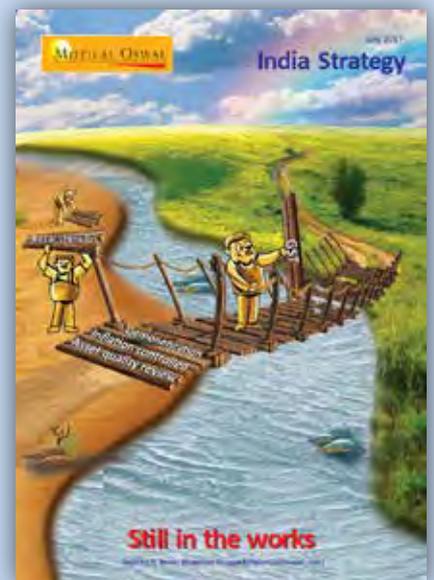
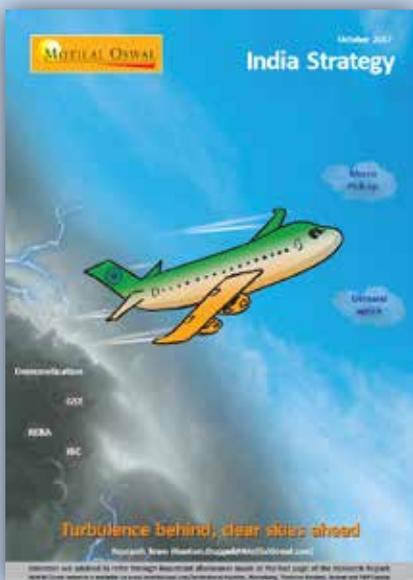
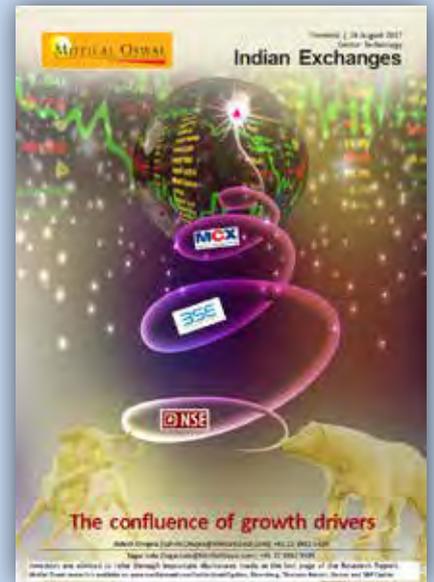
Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	1.1	23.6	131.2
Technology			
Cyient	0.2	0.2	18.4
HCL Tech.	0.0	-5.9	13.8
Hexaware	-0.5	24.5	78.5
Infosys	-0.2	1.9	3.0
KPIT Tech	1.0	27.4	27.4
L&T Infotech	-2.0	16.4	52.8
Mindtree	-1.9	2.8	17.5
Mphasis	-2.3	11.1	42.5
NIIT Tech	2.6	4.5	64.8
Persistent Sys	0.2	-1.9	0.8
Tata Elxsi	-0.9	4.1	57.5
TCS	-1.5	6.3	29.1
Tech Mah	-0.6	2.9	13.8
Wipro	0.1	2.5	35.5
Zensar Tech	-0.6	14.8	-8.5
Telecom			
Bharti Airtel	0.0	15.4	65.1
Bharti Infratel	-3.4	-11.8	8.5
Idea Cellular	-1.2	17.2	32.2
Tata Comm	0.2	0.8	11.3
Utilities			
Coal India	-0.6	-4.7	-15.3
CESC	0.6	-1.6	72.3
JSW Energy	-1.1	1.3	32.1
NTPC	0.0	0.6	16.4
Power Grid	-2.2	0.6	12.9
Tata Power	-0.3	0.2	13.5
Others			
Arvind	1.3	8.0	13.0
Avenue Super.	-2.8	-8.8	
Bata India	-0.7	-0.6	81.2
BSE	-0.6	-0.5	
Castrol India	0.6	8.0	-5.3
Century Ply.	-0.1	9.3	44.4
Coromandel Intl	0.2	3.8	99.0
Delta Corp	-4.8	10.8	137.8
Dynamatic Tech	-0.7	-3.1	-36.8
Eveready Inds.	2.0	11.2	57.6
Interglobe	-0.7	3.5	28.0
Indo Count	0.4	1.7	-25.9
Info Edge	-0.7	9.2	31.1
Inox Leisure	3.0	11.0	13.5
Jain Irrigation	4.0	10.8	4.8
Just Dial	2.0	32.1	35.0
Kaveri Seed	2.0	-3.7	34.2
Kitex Garm.	0.0	39.6	6.6
Manpasand	-1.5	-3.9	23.7
MCX	-0.3	-16.2	-27.1
Monsanto	-1.5	-0.1	8.7
Navneet Educat.	-0.3	-6.7	54.0
PI Inds.	-2.1	9.9	-1.9
Piramal Enterp.	0.1	-3.9	73.2
Quess Corp	-0.8	-0.3	41.5
SRF	-2.0	-0.8	1.7

Company	1 Day (%)	1M (%)	12M (%)
MRPL	-0.4	-5.9	40.9
Oil India	-1.7	0.4	15.4
ONGC	-1.2	7.0	-0.1
PLNG	-2.9	2.8	42.8
Reliance Ind.	1.3	1.1	77.0
Retail			
Jubilant Food	0.0	12.3	89.2

Company	1 Day (%)	1M (%)	12M (%)
S H Kelkar	-1.2	-6.2	-13.1
Symphony	0.9	12.9	27.3
Team Lease Serv.	-2.4	14.5	88.7
Trident	-4.5	-14.3	52.8
TTK Prestige	0.9	10.0	17.7
V-Guard	3.2	19.3	62.0
Wonderla	-0.7	4.7	6.9

NOTES

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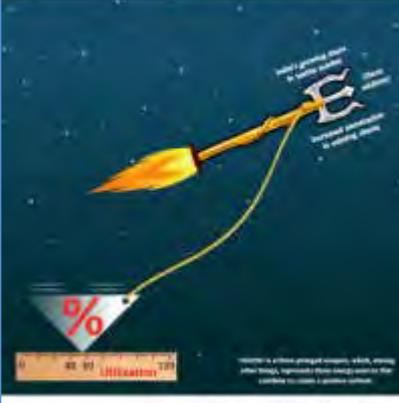


Enduring Tailwinds

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Sector: Metals

Trident



An attractive utilization play

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Sector: Healthcare

Strides Shasun



Making great strides

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Shilpa Medicare



Injecting Growth

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Sector: Insurance

Capital First



Capitalizing on multiple opportunities

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L&T Finance Holdings

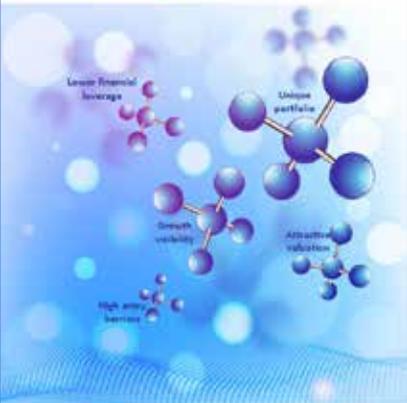


Focused approach

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Jubilant Life Sciences

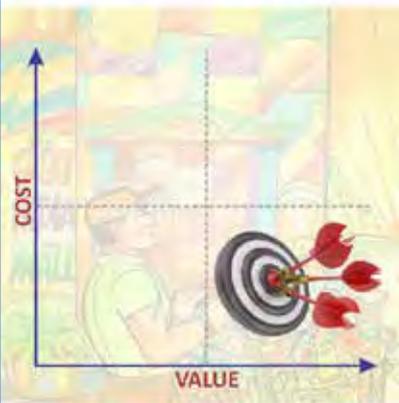


Promising formulation

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Sector: Retail

Avenue Supermarts



Delivering Value

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Sector: Finance

Cholamandam Finance



Prepared, Equipped and Armed

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