

Motilal Oswal values your support in the Asiamoney Brokers Poll 2017 for India Research, Sales and Trading team. We [request your ballot](#).

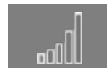


Market snapshot



| Equities - India | Close  | Chg. % | YTD.%  |
|------------------|--------|--------|--------|
| Sensex           | 32,021 | -0.1   | 20.3   |
| Nifty-50         | 9,886  | -0.1   | 20.8   |
| Nifty-M 100      | 18,279 | 0.0    | 27.4   |
| Equities-Global  | Close  | Chg. % | YTD.%  |
| S&P 500          | 2,459  | 0.5    | 9.8    |
| Nasdaq           | 6,312  | 0.6    | 17.3   |
| FTSE 100         | 7,378  | -0.5   | 3.3    |
| DAX              | 12,632 | -0.1   | 10.0   |
| Hang Seng        | 10,728 | 0.5    | 14.2   |
| Nikkei 225       | 20,119 | -0.1   | 5.3    |
| Commodities      | Close  | Chg. % | YTD.%  |
| Brent (US\$/Bbl) | 49     | 1.7    | -12.3  |
| Gold (\$/OZ)     | 1,220  | -0.2   | 5.2    |
| Cu (US\$/MT)     | 5,905  | 0.9    | 6.9    |
| Almn (US\$/MT)   | 1,908  | 0.1    | 12.0   |
| Currency         | Close  | Chg. % | YTD.%  |
| USD/INR          | 64.5   | 0.0    | -5.0   |
| USD/EUR          | 1.1    | 0.2    | 8.2    |
| USD/JPY          | 113.3  | 0.1    | -3.3   |
| YIELD (%)        | Close  | 1MChg  | YTDchg |
| 10 Yrs G-Sec     | 6.5    | 0.0    | -0.1   |
| 10 Yrs AAA Corp  | 7.5    | 0.0    | 0.0    |
| Flows (USD b)    | 14-Jul | MTD    | YTD    |
| FII              | 0.1    | 0.0    | 8.4    |
| DII              | 0.0    | 0.5    | 3.8    |
| Volumes (INRb)   | 14-Jul | MTD*   | YTD*   |
| Cash             | 316    | 272    | 284    |
| F&O              | 4,107  | 5,194  | 4,932  |

Note: YTD is calendar year, \*Avg



Today's top research idea

Infosys: On course to meet guidance amid strong execution

- ✓ INFO's 1QFY18 revenues and operating margins came in marginally ahead of expectations, putting it on track to achieve the full-year guidance (6.5-8.5% YoY CC revenue growth at 23-25% EBIT margin).
- ✓ Nearly half of INFO's USD2b incremental revenues since 1QFY15 have come from service which did not exist prior to that – an indicator of the company's steadfast approach toward the new areas. Overall revenues from Digital stand at 23% (based on peers' classification), again substantiating INFO's industry-matching/bettering capabilities in the new areas.
- ✓ We estimate 7.0% YoY CC revenue growth, at the lower half of the guided band, given: [1] ask rate of 2.5% for the remainder of the year to reach the midpoint (including seasonally weak 2H) and [2] expectation of gradual recovery in BFSI demand baked into the guidance, but the secular trend is yet to manifest itself.



Research covered

| Cos/Sector          | Key Highlights   |
|---------------------|--|
| Infosys             | On course to meet guidance amid strong execution                   |
| Vedanta             | Oil & ali volumes, tight zinc supply driving upgrades              |
| UltraTech Cement    | Asset creation by way of JPA acquisition permanent                 |
| DCB Bank            | Healthy PAT growth backed by one-off other income and Opex control |
| Grasim Industries   | Grasim holdco discount to remain at historical levels              |
| EcoKnowledge        | India not really an outlier in terms of tax-to-GDP ratio           |
| Results Expectation | ACC   Jubilant Foods   |



Piping hot news

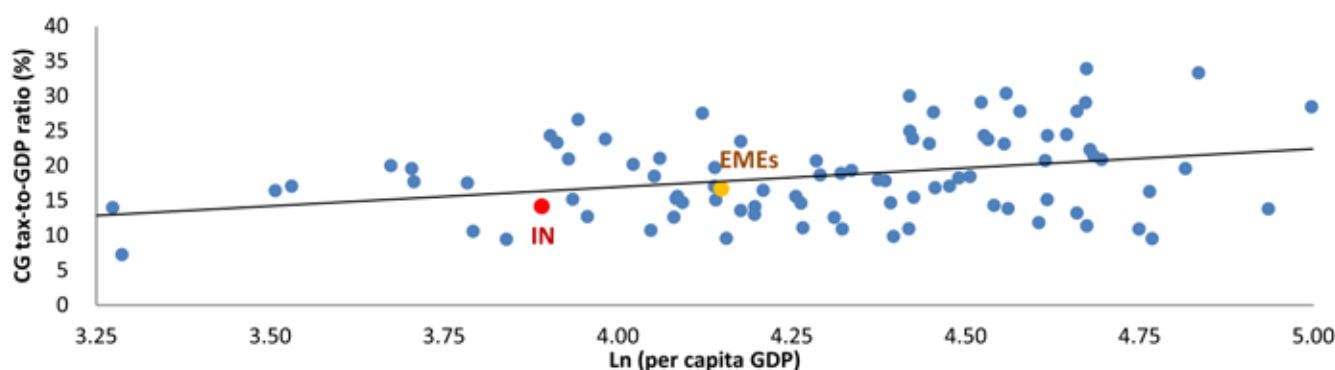
Monsoon session of Parliament: From banking, Nabard to SBI, here is all that is on the agenda

- ✓ Although the monsoon session of Parliament could be dominated by issues of cow vigilantism, farmers' protests, unrest in Kashmir and India's stand-off with China, it could nonetheless be a productive one for business...



Chart of the Day: Adjusted for level of economic development, India is not an outlier in terms of tax-to-GDP ratio

...however, once adjusted for the level of economic development, it is not so



Research Team (Gautam.Duggad@MotilalOswal.com)

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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

### Third largest wind turbine manufacturer Inox Wind protests insolvency order

Inox Wind, the third largest wind turbine manufacturer in the country, has appealed against the order to initiate insolvency proceedings in the national company law appellate tribunal (NCLT). The company said that it has already settled the...

2

### SEBI may seek feedback on Kotak committee report in Sept-Oct

Capital market watchdog, Securities and Exchange Board of India today said it will seek public comments after it receives Kotak committee report on improvement of corporate governance standards including function of independent directors in September....

3

### Investors may soon get to trade shares and commodities with one account

The Securities and Exchange Board of India (Sebi) has made it easier for retail investors to move their money between shares and commodities, like gold and oil. The regulator last week issued an amendment to regulations that concern brokers and sub-brokers, allowing anyone registered to trade in shares to...

4

### About 60 blocks to be auctioned in second round of petro bids

The second round of bidding for discovered small and marginal fields (DSF) in the petroleum sector is set to take place in October. "We are eyeing start-ups and small national and international companies. About 60 blocks will be on offer for the II round," said an official...

5

### At Reliance AGM this week, Jio would be the focus

In September last year, Reliance Industries (RIL) Chairman Mukesh Ambani shared the roll-out plan for Reliance Jio's telecom services at the company's annual general meeting (AGM). This Friday, shareholders and investors will look for details on revenue generation from these services. RIL is slated to announce its earnings for the April-June quarter (Q1) on Thursday and hold its AGM the day after...

6

### Mahindra group plans to invest \$1 billion in US over five years

Diversified Mahindra group plans to invest \$1 billion across business verticals in the US over the next five years as it aims to double revenues from the American market to \$5 billion. The Mumbai-headquartered group, which currently employs around 3,000 people in the country, also plans to double the headcount...

7

### Essar Steel vs RBI: How a press release became centre of controversy

An innocuous sentence in a Reserve Bank of India (RBI) press release is at the centre of a challenge filed by Essar Steel Ltd against the initiation of bankruptcy proceedings by its lenders. If the Gujarat high court's observations over the past week are any indication, then a lot rides on the contents of this 13...



BSE SENSEX 32,021 S&P CNX 9,886

CMP: INR972 TP: INR1,200(+24%) Buy

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|                       |              |
|-----------------------|--------------|
| Bloomberg             | INFO IN      |
| Equity Shares (m)     | 2,297        |
| M.Cap.(INRb)/(USDb)   | 2,222 / 34.5 |
| 52-Week Range (INR)   | 1195 / 900   |
| 1, 6, 12 Rel. Per (%) | -2/-18/-32   |
| Avg Val, INRm         | 3983         |
| Free float (%)        | 87.3         |

Financials & Valuations (INR b)

| Y/E Mar     | 2017  | 2018E | 2019E |
|-------------|-------|-------|-------|
| Net Sales   | 684.9 | 718.3 | 803.7 |
| EBITDA      | 186.1 | 189.1 | 210.7 |
| PAT         | 143.8 | 145.6 | 158.9 |
| EPS (INR)   | 62.9  | 63.7  | 69.5  |
| Gr. (%)     | 6.6   | 1.2   | 9.1   |
| BV/Sh (INR) | 301.6 | 335.0 | 365.7 |
| RoE (%)     | 22.0  | 20.0  | 19.8  |
| P/E (x)     | 14.7  | 14.5  | 13.3  |
| P/BV (x)    | 3.1   | 2.8   | 2.5   |

|                 |   |
|-----------------|---|
| Estimate change | ↔ |
| TP change       | ↔ |
| Rating change   | ↔ |

Quarterly Performance (Consolidated)

| Y/E March                   | FY17    |         |         |         | FY18E   |         |         |         | FY17    | FY18E   | Est. 1QFY18 | Var. (%/bp) |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------------|-------------|
|                             | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2Q      | 3Q      | 4Q      |         |         |             |             |
| Revenue (USD m)             | 2,501   | 2,587   | 2,551   | 2,569   | 2,651   | 2,736   | 2,786   | 2,837   | 10,208  | 11,009  | 2,647       | 0.1         |
| QoQ (%)                     | 2.2     | 3.4     | -1.4    | 0.7     | 3.2     | 3.2     | 1.9     | 1.8     | 7.4     | 7.9     | 3.0         | 15bp        |
| Revenue (INR m)             | 167,820 | 173,100 | 172,730 | 171,200 | 170,780 | 177,815 | 182,501 | 171,200 | 684,850 | 718,306 | 170,473     | 0.2         |
| YoY (%)                     | 16.9    | 10.7    | 8.6     | 3.4     | 1.8     | 2.7     | 5.7     | 0.0     | 9.7     | 4.9     | 1.6         | 18bp        |
| GPM (%)                     | 38.7    | 39.1    | 39.7    | 39.7    | 38.8    | 38.3    | 38.4    | 38.6    | 39.3    | 38.5    | 39.2        | -34bp       |
| SGA (%)                     | 12.2    | 11.8    | 12.2    | 12.5    | 12.1    | 12.2    | 12.3    | 12.2    | 12.2    | 12.2    | 12.8        | -70bp       |
| EBITDA                      | 44,470  | 47,330  | 47,670  | 46,580  | 45,610  | 46,359  | 47,690  | 49,466  | 186,050 | 189,125 | 44,926      | 68385bp     |
| EBITDA Margin (%)           | 26.5    | 27.3    | 27.6    | 27.2    | 26.7    | 26.1    | 26.1    | 28.9    | 27.2    | 26.3    | 26.4        | 35bp        |
| EBIT Margin (%)             | 24.1    | 24.9    | 25.1    | 24.6    | 23.7    | 23.5    | 23.7    | 24.0    | 24.7    | 23.8    | 23.7        | -4bp        |
| Other income                | 7,530   | 7,600   | 8,200   | 7,460   | 8,140   | 8,375   | 8,614   | 8,007   | 30,790  | 33,135  | 7,976       | 2.1         |
| ETR (%)                     | 28.4    | 28.8    | 28.1    | 27.0    | 28.2    | 29.0    | 29.0    | 29.0    | 28.0    | 28.7    | 29.0        |             |
| PAT                         | 34,360  | 36,060  | 37,080  | 36,030  | 34,880  | 35,674  | 36,762  | 37,555  | 143,830 | 145,580 | 34,385      | 1.4         |
| QoQ (%)                     | -4.5    | 4.9     | 2.8     | -2.8    | -3.2    | 2.3     | 3.1     | 2.2     |         |         | -4.6        | 137bp       |
| YoY (%)                     | 13.4    | 6.1     | 7.0     | 0.2     | 1.5     | -1.1    | -0.9    | 4.2     | 6.6     | 1.2     | 0.1         | 144bp       |
| EPS (INR)                   | 15.0    | 15.8    | 16.2    | 15.8    | 15.3    | 15.6    | 16.1    | 16.4    | 62.9    | 63.7    | 15.0        |             |
| Headcount                   | 197,050 | 199,829 | 199,763 | 200,364 | 198,553 | 202,391 | 214,628 | 217,798 | 200,364 | 217,798 | 208,155     | -4.6        |
| Util excl. trainees (%)     | 81.1    | 83.1    | 82.4    | 82.6    | 84.5    | 87.1    | 84.8    | 84.0    | 82.8    | 85.2    | 82.8        | 169bp       |
| Attrition (%)               | 21.0    | 20.0    | 18.4    | 17.1    | 21.0    |         |         |         |         |         |             |             |
| Offshore rev. (%) (IT Serv) | 43.0    | 43.0    | 43.5    | 43.3    | 43.4    |         |         |         |         |         |             |             |
| Fixed Price (%)             | 45.7    | 47.1    | 49.5    | 49.4    | 49.3    |         |         |         |         |         |             |             |

On course to meet guidance amid strong execution

- Steady start against FY18 guidance: INFO's 1QFY18 revenues and operating margins came in marginally ahead of expectations, putting it on track to achieve the full-year guidance (6.5-8.5% YoY CC revenue growth at 23-25% EBIT margin). CC revenue growth stood at 2.7% QoQ (est. of 2.2%) and EBIT margin at 24.1% (est. of 23.7%) in 1QFY18. PAT declined 3.3% QoQ to INR34.8b, in line with our estimate of INR34.4b.
- Our estimates factor in BFSI caution: We were estimating 6.5% YoY CC revenue growth, at the lower end of the guided band, which now stands at 7% after marginal 1Q beat. We are still at the lower half of the guided band given: [1] ask rate of 2.5% for the remainder of the year to reach the midpoint (including seasonally weak 2H), and [2] expectation of gradual recovery in BFSI demand baked into the guidance, but the secular trend is yet to manifest itself.
- Strong execution was the highlight: Amid currency movements (60bp headwind), visa costs, sub-contractor expenses and higher variable pay (140bp headwind), INFO managed to curtail margin contraction to only 40bp QoQ, led by uptick in utilization (+200bp QoQ to all-time high of 84%, excluding trainees) and realization improvement (+100bp QoQ). While wage hikes will pose ~100bp headwind to margins, onsite roll ratios will continue to be optimized, apart from the use of automation, as levers to margins. INFO's OCF to PAT conversion was 100%+ for the fourth consecutive quarter.
- Valuation view: We have marginally raised our FY18 estimates following 1Q beat. Nearly half of INFO's USD2b incremental revenues since 1QFY15 have come from service which did not exist prior to that – an indicator of the company's steadfast approach toward the new areas. Overall revenues from Digital stand at 23% (based on peers' classification), again substantiating INFO's industry-matching/bettering capabilities in the new areas. 1Q offered enough to suggest that this will be the third consecutive year when INFO will match/better revenue growth and margins performance of TCS, which calls for convergence in valuations. Our price target of INR1,200 discounts forward EPS by 17x. Maintain Buy.

BSE SENSEX  
32,021S&P CNX  
9,886**CMP: INR263 TP: INR311(+18%) Upgrade to Buy****Oil & gas volumes, tight zinc supply driving upgrades****Raising estimates and upgrading to Buy****Oil & gas: More production has become viable, raising volumes and DCF**

- n We recently attended Vedanta's (VEDL) Oil & Gas Day, which made us bullish on the company's prospects, as it has crushed opex/capex aggressively, making ASP EOR, RDG gas and tight O&G viable even at low Brent price of USD40/bbl.
- n Impressed by VEDL's zest for more resource and commitment to exploit the huge potential in the Rajasthan block, we have raised volumes estimates for the next 10-20 years, which has more than doubled the DCF valuations.

**Zinc: Supply tightness to continue, raising price assumption**

- n Zinc concentrate supply is tighter than our expectations. Glencore too has kept away from opening 500ktpa mothballed capacity, despite a rally in zinc prices. On the other hand, demand growth has been strong, which augurs well for zinc prices. We are raising LME assumptions from USD2,800 to USD3,200/t.

**Aluminum: Raising volumes estimate given strong guidance on smelter ramp-up**

- n We have upgraded aluminum volumes estimate by 17% to 2.0mt in FY19E post the company guiding that the three new smelters at Jharsuguda will achieve full ramp-up by 3QFY18E, assuming no further pot outage.

**Annual Report Analysis: Underlying net debt understated in 4QFY17 presentation**

- n The annual report FY17 restated balance sheet for the previous two years, assuming the merger with Cairn India with effect from 31 March 2015. This gives a good picture to understand the financials of the merged company.
- n Shareholders were rewarded liberally, led by strong free cash flows. However, underlying net debt is INR287b higher than that reported in the 4QFY17 presentation.

**Raising estimates and upgrading to Buy**

- n On upgrade in volumes (O&G and aluminum) and zinc prices, consolidated EBITDA is raised by 16% to INR318b in FY19E.
- n We have toned down the valuation multiple from 7x to 6.5x EV/EBITDA (to align with peers) because we now factor in full volume potential and optimistic zinc prices. As a combined effect, the target price has increased 32% to INR311/share on the basis of FY19E SOTP, implying 18% upside.
- n VEDL has now stated a clear dividend policy of minimum 30% payout. It has also started stating that parent debt will be serviced by dividend payouts. We are modeling 38% payout. This may lead to USD281m dividend payout to the parent. A higher payout is possible as this may not be sufficient to service debt. This has reduced concerns about capital misallocation.
- n The stock has been re-rated on higher dividend payout, volume growth and strong balance sheet. We are **upgrading VEDL to Buy**.
- n EBITDA of Hindustan Zinc (HZL) is raised by 11-21% over FY18-20E on upgrade to the zinc price estimate. Value multiple is toned down to 6.5x. The revised target price is INR301/share. We upgrade **HZL to Neutral**.

**Stock Info**

|                       |           |
|-----------------------|-----------|
| Bloomberg             | VEDL IN   |
| Equity Shares (m)     | 3,717     |
| 52-Week Range (INR)   | 278 / 154 |
| 1, 6, 12 Rel. Per (%) | 7/-/7/45  |
| M.Cap. (INR b)        | 975.6     |
| M.Cap. (USD b)        | 15.1      |
| Avg Val, INRm         | 2952      |
| Free float (%)        | 37.1      |

**Financials Snapshot (INR b)**

| Y/E Mar        | 2017  | 2018E | 2019E |
|----------------|-------|-------|-------|
| Net Sales      | 722.3 | 842   | 994   |
| EBITDA (INR b) | 175.5 | 208.5 | 255.8 |
| Net Profit     | 56.3  | 91.0  | 119.5 |
| EPS            | 15.1  | 24.5  | 32.2  |
| EPS growth (%) |       | 61.8  | 31.3  |
| BV/Share (INR) | 162.7 | 172.4 | 187.4 |
| P/E (x)        | 17.4  | 10.7  | 8.2   |
| P/BV (x)       | 1.6   | 1.5   | 1.4   |
| RoE (%)        | 9.7   | 14.6  | 17.9  |
| RoCE (%)       | 12.4  | 14.7  | 17.2  |

**Shareholding pattern (%)**

| As On    | Mar-17 | Dec-16 | Mar-16 |
|----------|--------|--------|--------|
| Promoter | 62.9   | 62.9   | 62.9   |
| DII      | 7.0    | 7.0    | 9.0    |
| FII      | 16.4   | 16.8   | 12.5   |
| Others   | 13.7   | 13.3   | 15.7   |

FII Includes depository receipts



# UltraTech Cement

BSE SENSEX  
32,037

S&P CNX  
9,892

**CMP: INR4,218 TP: INR4,936 (+17%)**

**Buy**



## Stock Info

|                       |             |
|-----------------------|-------------|
| Bloomberg             | UTCEM IN    |
| Equity Shares (m)     | 274.4       |
| 52-Week Range (INR)   | 4531 / 3052 |
| 1, 6, 12 Rel. Per (%) | 1/10/6      |
| M.Cap. (INR b)        | 1,157.5     |
| M.Cap. (USD b)        | 18.0        |
| Avg Val, INRm         | 1156        |
| Free float (%)        | 37.8        |

## Financials Snapshot (INR b)

| Y/E Mar       | 2017  | 2018E | 2019E   |
|---------------|-------|-------|---------|
| Sales         | 238.9 | 303.5 | 375.4   |
| EBITDA        | 49.7  | 63.3  | 83.3    |
| NP            | 26.4  | 26.3  | 39.3    |
| Adj EPS (INR) | 96.1  | 95.8  | 143.1   |
| EPS Gr. (%)   | 11.3  | -0.3  | 49.4    |
| BV/Sh (INR)   | 872.1 | 945.3 | 1,042.0 |
| RoE (%)       | 11.6  | 10.5  | 14.4    |
| RoCE (%)      | 9.7   | 8.8   | 10.0    |
| P/E (x)       | 41.8  | 41.9  | 28.1    |
| P/BV (x)      | 4.6   | 4.3   | 3.9     |

## Shareholding pattern (%)

| As On    | Mar-17 | Dec-16 | Mar-16 |
|----------|--------|--------|--------|
| Promoter | 62.2   | 62.3   | 62.5   |
| DII      | 5.6    | 6.3    | 7.1    |
| FII      | 21.9   | 20.8   | 19.0   |
| Others   | 10.4   | 10.6   | 11.4   |

FII Includes depository receipts

## Asset creation by way of JPA acquisition permanent

Earnings dilution transitory; maintain Buy

- UTCEM's clinker capacity addition over the next two years (FY17-19) would be similar to the clinker capacity added over the last six years (FY11-17). The JPA acquisition has significantly reduced lead time for asset creation and market share enhancement.
- FY19E EV/tonne adjusted for JPA's assets and Dhar expansion appears moderated by over 20%, implying reduction in the ~50% premium over peers' EV/tonne to 25-30%.
- UTCEM has achieved strong cost efficiency parameters in power & fuel and freight cost for standalone operations. We believe the cost curve for JPA would also improve meaningfully post takeover by UTCEM.
- JPA's acquisition is likely to result in PBT dilution of ~19% in FY18 and ~8% in FY19; we expect the acquired assets to break even in 1HFY20. While the earnings dilution is transitory, the asset creation is permanent and would add to UTCEM's long-term competitive advantage. We reiterate Buy.

## Lead time for asset creation reduced significantly

UTCEM is likely to add clinker capacity of ~19m tonnes over FY17-19, led by JPA's acquisition and Dhar expansion, similar to the clinker capacity added over FY11-FY17. Thus, it would be recreating the assets it created over the last six years in just two years. Additionally, the last couple of limestone bids point to a sharp increase in the cost of acquisition of limestone. Players acquiring new capacities would be at a cost disadvantage to players with legacy assets. Companies like UTCEM that hold large limestone reserves are likely to get premium multiples on account of the significant competitive edge they possess.

## EV/tonne appears moderated, adjusted for JPA's assets

We believe UTCEM's valuation on EV/tonne appears moderated, adjusting for JPA's assets and capacity expansion at Dhar. As JPA's assets are acquired at ~USD120/tonne as against UTCEM's EV/tonne of USD245, blended EV/tonne appears meaningfully moderated at USD195/tonne. This implies a reduction in the ~50% premium over peers' EV/tonne to 25-30%.

## Cost efficiency measures to further raise competitive edge

UTCEM's focus on cost efficiency has reflected in curtailment of costs in the last few quarters in an environment where underlying fuel prices have almost doubled. Improved power consumption norm, higher proportion of alternative fuels and raw materials (AFR), greater reliance on waste heat recovery systems (WHRS), and higher sales from split grinding units have helped contain its unitary costing.

## JPA acquisition to turn earnings-accretive from FY20

We expect UTCEM to witness PBT dilution of 19% in FY18 and PBT dilution of 8% in FY19 due to JPA's acquisition. We estimate JPA's acquisition to break even at PBT level by 1HFY20 at ~76% utilization with EBITDA/tonne at INR1,150. We are estimating 54%/72%/80% utilization for JPA in FY18/FY19/FY20. We expect JPA's EBITDA/ton for FY18/FY19/FY20 at INR650/INR900/INR1,200, led by its cost-efficiency program, realization improvement, and positive operating leverage.

BSE SENSEX 32,037  
S&P CNX 9,892

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

**Conference Call Details**



**Date:** 17<sup>th</sup> July 2017  
**Time:** 03:30pm IST  
**Dial-in details:**  
+91-022-39381003

**Financials & Valuations (INR b)**

| Y/E Mar      | 2018E | 2019E | 2020E |
|--------------|-------|-------|-------|
| NII          | 9.7   | 11.9  | 14.5  |
| OP           | 5.0   | 6.2   | 7.9   |
| NP           | 2.5   | 3.2   | 4.0   |
| EPS (INR)    | 8.0   | 10.3  | 13.1  |
| EPS Gr. (%)  | 14.5  | 28.8  | 27.0  |
| BV/Sh. (INR) | 83.0  | 92.4  | 104.4 |
| RoE (%)      | 10.9  | 11.8  | 13.3  |
| RoA (%)      | 0.9   | 1.0   | 1.0   |
| P/E (x)      | 25.2  | 19.6  | 15.4  |
| P/BV (x)     | 2.4   | 2.2   | 1.9   |

**CMP: INR202**

**TP: INR192**

**Neutral**

**Healthy PAT growth backed by one-off other income and Opex control**

- DCB Bank reported healthy PAT growth of 39% YoY (23% QoQ) to INR652m (10% above estimate). PPOp performance surprised (+18%/+47% QoQ/YoY, 14% above estimate) driven by one-off treasury gains of INR214m
- NII grew 32% YoY to INR2.3b, helped by 24% growth in interest earning assets and 18bp YoY improvement in reported NIM. NIM improved 21bp QoQ after adjusting for one-off IT refund of ~INR9m received in 4Q. Opex was controlled with CI ratio at 57.2% (-220bp/-370bp QoQ/YoY)
- Asset quality deteriorated with gross/net slippages at 2.7%/1.7%. Slippages increased 19% QoQ to INR887m. Recoveries and upgrades declined to INR210m (INR187m excluding INR23m from sale to ARC). GNPA/NNPA stood at 1.74%/0.92%
- Loans grew 3% QoQ and 22% YoY to INR163b, driven by 22% YoY growth in each of mortgages, SME, agri and corporate banking. Total retail loans grew 1%/16% QoQ/YoY and stood at 54% of the loan book
- Other highlights** a) CASA ratio improved to 27% v/s 24% in 4Q, b) CAR stood at 15.3%, with Tier 1 ratio of 13.4% (post QIP of INR3.8b in 1QFY18), c) Number of branches reached 290.
- Valuation and view:** We expect loan growth (25% CAGR) to stay ahead of system loan growth. Back-ended loaded branch expansion costs would keep near-term CIR elevated at ~60%. Return ratios are likely to remain muted in the near term, with RoA/ RoE at at ~1%/11-13%. We will revise our estimates post the earnings concall

**Quarterly Performance**

|                             | FY17         |              |              |              | FY18E        |              |              |              | (INR M)       |               |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
|                             | 1Q           | 2Q           | 3Q           | 4Q           | 1Q           | 2Q           | 3Q           | 4Q           | FY17          | FY18E         |
| Interest Income             | 4,706        | 5,063        | 5,502        | 5,491        | 5,660        | 5,921        | 6,307        | 7,233        | 20,761        | 25,121        |
| Interest Expense            | 2,936        | 3,160        | 3,407        | 3,288        | 3,329        | 3,545        | 3,811        | 4,687        | 12,791        | 15,372        |
| <b>Net Interest Income</b>  | <b>1,770</b> | <b>1,903</b> | <b>2,095</b> | <b>2,203</b> | <b>2,332</b> | <b>2,376</b> | <b>2,496</b> | <b>2,546</b> | <b>7,971</b>  | <b>9,749</b>  |
| % Change (Y-o-Y)            | 26.1         | 26.9         | 30.5         | 30.6         | 31.7         | 24.8         | 19.1         | 15.6         | 28.7          | 22.3          |
| Other Income                | 601          | 616          | 641          | 636          | 858          | 683          | 687          | 707          | 2,495         | 2,935         |
| <b>Net Income</b>           | <b>2,372</b> | <b>2,519</b> | <b>2,736</b> | <b>2,839</b> | <b>3,189</b> | <b>3,059</b> | <b>3,183</b> | <b>3,253</b> | <b>10,465</b> | <b>12,684</b> |
| Operating Expenses          | 1,444        | 1,511        | 1,643        | 1,685        | 1,825        | 1,858        | 1,972        | 2,074        | 6,283         | 7,730         |
| <b>Operating Profit</b>     | <b>927</b>   | <b>1,009</b> | <b>1,093</b> | <b>1,153</b> | <b>1,364</b> | <b>1,201</b> | <b>1,211</b> | <b>1,179</b> | <b>4,182</b>  | <b>4,954</b>  |
| % Change (Y-o-Y)            | 3.4          | 29.2         | 29.7         | 18.9         | 47.1         | 19.0         | 10.8         | 2.2          | 19.8          | 18.5          |
| Other Provisions            | 205          | 265          | 305          | 339          | 355          | 300          | 300          | 271          | 1,115         | 1,226         |
| <b>Profit before Tax</b>    | <b>722</b>   | <b>744</b>   | <b>787</b>   | <b>814</b>   | <b>1,009</b> | <b>901</b>   | <b>911</b>   | <b>908</b>   | <b>3,067</b>  | <b>3,729</b>  |
| Tax Provisions              | 252          | 259          | 274          | 286          | 357          | 306          | 310          | 295          | 1,070         | 1,268         |
| <b>Net Profit</b>           | <b>470</b>   | <b>485</b>   | <b>513</b>   | <b>529</b>   | <b>652</b>   | <b>595</b>   | <b>601</b>   | <b>613</b>   | <b>1,997</b>  | <b>2,461</b>  |
| % Change (Y-o-Y)            | 0.3          | 31.3         | 24.5         | -24.0        | 38.7         | 22.6         | 17.2         | 16.0         | 2.6           | 23.2          |
| <b>Operating Parameters</b> |              |              |              |              |              |              |              |              |               |               |
| NIM (Reported,%)            | 4.1          | 4.0          | 4.0          |              | 4.2          | 0.0          | 0.0          |              |               |               |
| Deposit Growth (%)          | 18.2         | 30.4         | 33.8         | 29.2         | 22.2         | 13.7         | 14.2         | 25.0         | 29.2          | 25.0          |
| Loan Growth (%)             | 27.9         | 29.1         | 24.3         | 22.4         | 22.0         | 19.4         | 25.3         | 25.0         | 22.4          | 25.0          |
| CD Ratio (%)                | 85.1         | 81.6         | 77.4         | 82.0         | 84.9         | 0.0          | 0.0          | 0.0          | 82.0          | 82.0          |
| <b>Asset Quality</b>        |              |              |              |              |              |              |              |              |               |               |
| Gross NPA (INR B)           | 2.3          | 2.6          | 2.3          | 2.5          | 2.9          | 3.0          | 3.2          | 3.0          | 2.5           | 3.2           |
| Gross NPA (%)               | 1.7          | 1.8          | 1.6          | 1.6          | 1.7          | 1.7          | 1.7          | 1.5          | 1.6           | 1.6           |

E: MOSL Estimates

# Grasim Industries

BSE SENSEX 23,021 S&P CNX 9,886

**CMP: INR1,273 TP: INR1384 (+9%) Neutral**



### Stock Info

|                       |           |
|-----------------------|-----------|
| Bloomberg             | GRASIM IN |
| Equity Shares (m)     | 658       |
| 52-Week Range (INR)   | 1306/782  |
| 1, 6, 12 Rel. Per (%) | 11/33/19  |
| M.Cap. (INR b)        | 836       |
| M.Cap. (USD b)        | 12.8      |
| Avg Val ( INRm)/Vol m | 1301      |
| Free float (%)        | 68.7      |

### Financials Snapshot (INR b)

| Y/E Mar        | 2017  | 2018E | 2019E |
|----------------|-------|-------|-------|
| Sales          | 360.7 | 450.2 | 539.7 |
| EBITDA         | 73.9  | 90.9  | 116.6 |
| Adj. PAT       | 31.7  | 33.3  | 47.9  |
| Adj. EPS (INR) | 67.9  | 71.2  | 102.6 |
| EPS Gr(%)      | 28.3  | 5.0   | 44.0  |
| BV/Sh. (INR)   | 622.0 | 688.3 | 785.9 |
| RoE (%)        | 11.5  | 10.9  | 13.9  |
| RoCE (%)       | 11.8  | 11.2  | 12.8  |
| P/E (x)        | 18.8  | 17.9  | 12.4  |
| P/BV           | 2.0   | 1.9   | 1.6   |

### Shareholding pattern (%)

| As On    | Mar-17 | Dec-16 | Mar-16 |
|----------|--------|--------|--------|
| Promoter | 31.3   | 31.3   | 31.1   |
| DII      | 16.5   | 19.7   | 17.2   |
| FII      | 28.1   | 21.8   | 22.8   |
| Others   | 24.2   | 27.2   | 28.9   |

FII Includes depository receipts

## Grasim holdco discount to remain at historical levels

See limited upside from present levels; Maintain Neutral

- Record date for Grasim's shareholders to be entitled for 7 shares of ABCL (Aditya Birla Capital Limited) for every 5 shares of Grasim is 20th July implying ex-date to be 18th July.
- Grasim shares from 18th July will trade ex of ABCL share value of -INR204/share which is benchmarked to recent transaction value of INR313bn of Premji investments (PI).
- We ascribe 40% discount to Grasim holdings of Ultratech and ABCL which is similar to long term average of holdco discount being ascribed to Grasim's holding in Ultratech.
- We arrive at fair value of Grasim at INR1384/share valuing holding in Ultratech and ABCL at present market cap and transaction value of Premji investments respectively. Maintain Neutral.

### Grasim's shares to trade at ex of ABCL share value from 18<sup>th</sup> July

Grasim post the merger with ABNUVO holds 57% stake in ABCL. Additionally shareholders of Grasim are also entitled for 7 shares of ABCL for every 5 shares of Grasim held with record date being 20<sup>th</sup> July 2017 for the same (implying ex-date to be 18<sup>th</sup> July). Hence we expect Grasim shares on 18<sup>th</sup> July 2017 to trade lower by INR204/share. This value of -INR204/share ascribed to ABCL shares is benchmarked to recent investment by Premji investments for 2.2% stake in ABCL thus valuing it at INR313bn (pre money).

### PI invests 2.2% in ABCL at valuation of INR313bn (premoney)

Premji Investments in a recent transaction has entered into definitive share subscription agreement (SSA) to invest INR7.03bn in Aditya Birla Capital (formerly known as Aditya Birla Financial Services (ABFSL)) for 48.4mn shares thus valuing the entity at INR320bn (post money) and INR313bn (pre money). The transaction translates into per share value of INR145/share for ABCL.

### Expect long term holding discount to remain at elevated levels; See limited upside

Grasim's long term holding discount to its investment in Ultratech has been ~40-45%. We expect this long term holding discount to exist for Grasim's 60%/57% holding in Ultratech and ABCL respectively. Hence we value investments in Ultratech (at current market price) and ABCL (Value benchmarked to Pi investments at INR313bn) at 40% discount, while investments in other group companies at ~50% discount to present market value. We thus arrive at fair value of INR1384/share implying 9% upside from present levels. Maintain **Neutral**

**Exhibit 1: Fair Price calculation**

| <b>Grasim+ABNL merged entity</b>  | <b>INR m</b> |
|---|--------------|
| Ultratech market cap  | 1157419      |
| Grasim 60% stake in Ultratech   | 694452       |
| ABFSL value ( Benchmarked to pre money PI transaction value)  | 313,000      |
| Grasim 57% stake in ABFSL   | 178410       |
| Total value of Holding in UTCL and ABFSL  | 872862       |
| Holdco discount   | 40%          |
| Value in UTCL and ABFSL post holdco   | 523717       |
| Value of VSF+Chemical business (valuing it 5.5x FY19 EBITDA)  | 153593       |
| ABNL standalone value ( 7 x EV/EBITDA FY17)   | 37100        |
| Group investments at 50% discount   | 67,804       |
| Grasim Standalone Net Debt-FY17   | -18450       |
| Net debt of ABNL FY17   | 24030        |
| Equity value of Grasim  | 776,634      |
| No of shares  | 658          |
| Value per share of Grasim (INR/Share)   | 1,181        |
| ABFSL value per share based on Premji Investments transaction value (INR/Share)   | 145          |
| Value of ABFSL share entitled to Grasim shareholder- Each share of Grasim entitled to get 1.4x of ABFSL (ex-date 18th July) (INR/Share) | 204          |
| Fair Value of Grasim (INR/Share)  | 1,384        |
| <b>CMP</b>  | <b>1,273</b> |
| Upside (%)  | 9%           |

Source: MOSL, Company





## India not really an outlier in terms of tax-to-GDP ratio

Contrary to popular perception, GST could boost overall tax revenues for India

- At first glance, India's tax-to-GDP ratio appears lower than other economies; however, after adjusting for the level of economic development – measured by per capita income, India is not really an outlier.
- While the government has been talking about the revenue-neutral characteristic of the implemented GST model, evidence from other economies makes us believe that GST could actually boost tax revenues in India.
- Whether the probable increase in fiscal resources would boost economic activity is, however, questionable. Of the four possible scenarios we have built, the materialization of only one would be growth-supportive.

India's low tax-to-GDP ratio is generally considered a dilemma for policy authorities, which is also seen as an obstacle to improve the quality and quantity of fiscal spending. A cursory look at India's data vis-à-vis other economies (advanced or emerging) confirm this trouble. Nevertheless, careful investigations make us think otherwise.

In this note, we attempt to answer three key questions.

### 2) Is India really an outlier in terms of tax-to-GDP ratio?

Many market participants and policy makers are likely to nod affirmatively. However, our detailed empirical research and cross-sectional analysis shows that the answer is not straight forward. At first glance, India's tax-to-GDP ratio appears lower than other economies; however, after adjusting for the level of economic development – measured by per capita income, India is not an outlier. While the tax-to-GDP ratio of the central government is certainly lower, the tax-to-GDP ratio for the general government (central and state governments together) is in line with the level of economic development (per capita income).

### 3) Will GST be revenue neutral for India?

While the government has been talking about the revenue-neutral characteristic of the implemented GST model, evidence from other economies makes us believe otherwise. Our cross-country analysis of Australia, Canada, Malaysia and Singapore reveals that while indirect tax revenue increased post GST, total tax-to-GDP ratio (including direct taxes) was broadly unchanged to slightly lower, because GST was complemented with lower (personal or corporate) income tax rates. Hence, in all these four economies, GST was broadly revenue neutral. However, with no reduction in direct tax rates in India, GST is most likely to boost overall tax revenue.

### 1) Will higher tax revenue be growth boosting?

Not necessarily. There could be four possible scenarios, under which GST might boost the government's tax collection. However, we believe only one could boost economic activity.

- a) Most desirably, GST might help to increase reported GDP by increasing overall efficiency in the economy by decreasing trade turnaround time. If so, per capita income would also increase, leading to a structural increase in the government's tax revenue. This would give more room to the government and allow durable gains in economic activity.
- b) Secondly, higher tax kitty could simply be a wealth transfer from the private sector to the government. It implies that fiscal spending would rise at the cost of private spending. This would not necessarily be a growth booster; however, some sectors could benefit at the cost of others. For instance, defense, transport or rural sectors could benefit at the cost of urban discretionary spending or home improvement segment.

“At first glance, India's tax-to-GDP ratio appears lower than other economies; however, after adjusting for the level of economic development, India is not an outlier.”

- c) Thirdly, GST might lead to a reduction in money hoarding by making it difficult to evade taxes. Even so, such rise in tax collection does not necessarily imply higher economic activity (or higher per capita income) because it might be unfair to assume that evaded taxes were not utilized or were not adding to economic growth. One could argue that the velocity of undisclosed wealth could be much higher than the velocity of white/disclosed wealth.

Further, even if [GST shifts unorganized businesses into the organized sector](#), it would not necessarily lead to higher GDP, because an estimate of the unorganized economy is already included in GDP estimates.

- d) Finally, there is a possibility that even if the government collects higher taxes, these might remain completely unspent and are actually utilized to narrow fiscal deficit. If so, this would be negative for the economy, as total spending will get hurt.

“ There could be four possible scenarios, under which GST might boost the government's tax collection. However, we believe only one could boost economic activity. ”



ACC

|                         |              |
|-------------------------|--------------|
| Bloomberg               | ACC IN       |
| Equity Shares (m)       | 188.0        |
| M. Cap. (INR b)/(USD b) | 297 / 5      |
| 52-Week Range (INR)     | 1754 / 1257  |
| 1,6,12 Rel Perf. (%)    | -4 / 3 / -16 |

**CMP: INR1,581 TP: INR1,611 (+2%) Neutral**

**Financial Snapshot (INR Billion)**

| Y/E Dec        | 2016 | 2017E | 2018E | 2019E |
|----------------|------|-------|-------|-------|
| Sales          | 109  | 123   | 137   | 154   |
| EBITDA         | 12   | 16    | 20    | 22    |
| NP             | 6    | 9     | 12    | 14    |
| Adj. EPS (INR) | 34   | 50    | 65    | 77    |
| EPS Gr. (%)    | -10  | 48    | 30    | 18    |
| BV/Sh (INR)    | 461  | 481   | 509   | 502   |
| RoE (%)        | 7    | 11    | 13    | 15    |
| RoCE (%)       | 8    | 10    | 13    | 15    |
| Payout (%)     | 94   | 60    | 56    | 110   |

**Valuations**

|               |     |     |     |     |
|---------------|-----|-----|-----|-----|
| P/E (x)       | 47  | 32  | 25  | 21  |
| P/BV (x)      | 3   | 3   | 3   | 3   |
| EV/EBITDA (x) | 23  | 18  | 13  | 12  |
| EV/Ton (x)    | 125 | 123 | 116 | 110 |

- n Dispatches in 2QCY17 are estimated at 6.73mt (+10% YoY), led by capacity ramp-up at Jamul which was absent in base figures. Average realizations are expected to increase by 6% QoQ (+6% YoY) to INR4,505/ton due to increase in realizations in the east and north markets.
- n Revenues are expected to increase 16% YoY to INR33.1b. EBITDA margin is expected to be 13.8%, up 3pp QoQ (-0.42pp YoY).
- n EBITDA/ton is estimated at INR682 (+INR13 YoY, +INR163 QoQ). Pure cement EBITDA/ton is estimated at INR660 (+INR184 QoQ) due to weak realization. PAT is likely to increase 27% YoY to INR3b.
- n The stock trades at P/E of 25x on CY18E earnings and 13x CY18E EV/EBITDA and CY18E EV/ton of USD116. Maintain Neutral.

**Key issues to watch out for:**

- ⊗ Cement pricing recovery.
- ⊗ Volume growth and demand revival.
- ⊗ Ramp-up of new plant in east.

**Quarterly Performance (Standalone)**

(INR Million)

| Y/E December              | CY16          |               |               |               | CY17          |               |               |               | CY16           | CY17E          |
|---------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|                           | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3QE           | 4QE           |                |                |
| Cement Sales (m ton)      | 6.36          | 6.12          | 5.07          | 5.45          | 6.60          | 6.73          | 5.48          | 5.79          | 22.99          | 24.60          |
| YoY Change (%)            | 9.3           | -1.3          | -9.6          | -9.0          | 3.8           | 10.0          | 8.0           | 6.3           | -2.7           | 7.0            |
| Cement Realization        | 4,109         | 4,267         | 4,371         | 4,353         | 4,265         | 4,505         | 4,355         | 4,992         | 4,292          | 4,522          |
| YoY Change (%)            | -9.4          | -2.7          | -1.5          | 0.3           | 3.8           | 5.6           | -0.4          | 14.7          | -3.0           | 5.4            |
| QoQ Change (%)            | -5.3          | 3.8           | 2.4           | -0.4          | -2.0          | 5.6           | -3.3          | 14.6          |                |                |
| <b>Net Sales</b>          | <b>28,727</b> | <b>28,698</b> | <b>24,706</b> | <b>26,346</b> | <b>30,997</b> | <b>33,167</b> | <b>26,642</b> | <b>32,469</b> | <b>109,364</b> | <b>123,275</b> |
| YoY Change (%)            | -0.4          | -3.1          | -9.8          | -7.4          | 7.9           | 15.6          | 7.8           | 23.2          | -4.3           | 12.7           |
| Total Expenditure         | 24,953        | 24,607        | 22,458        | 24,116        | 27,579        | 28,579        | 24,099        | 27,448        | 97,413         | 107,705        |
| <b>EBITDA</b>             | <b>3,774</b>  | <b>4,092</b>  | <b>2,247</b>  | <b>2,231</b>  | <b>3,418</b>  | <b>4,588</b>  | <b>2,544</b>  | <b>5,021</b>  | <b>11,951</b>  | <b>15,570</b>  |
| Margins (%)               | 13.1          | 14.3          | 9.1           | 8.5           | 11.0          | 13.8          | 9.5           | 15.5          | 10.9           | 12.6           |
| Depreciation              | 1,434         | 1,410         | 1,529         | 1,679         | 1,650         | 1,660         | 1,660         | 1,633         | 6,052          | 6,603          |
| Interest                  | 188           | 183           | 197           | 209           | 252           | 150           | 150           | 148           | 729            | 700            |
| Other Income              | 1,131         | 686           | 744           | 934           | 1,101         | 1,000         | 1,000         | 649           | 3,346          | 3,750          |
| <b>PBT before EO Item</b> | <b>3,283</b>  | <b>3,185</b>  | <b>1,265</b>  | <b>1,277</b>  | <b>2,617</b>  | <b>3,778</b>  | <b>1,734</b>  | <b>3,889</b>  | <b>8,517</b>   | <b>12,017</b>  |
| EO Income/(Expense)       | 0             | 0             | 0             | -428          | 0             | 0             | 0             | 0             | -428           | 0              |
| <b>PBT after EO Item</b>  | <b>3,283</b>  | <b>3,185</b>  | <b>1,265</b>  | <b>849</b>    | <b>2,617</b>  | <b>3,778</b>  | <b>1,734</b>  | <b>3,889</b>  | <b>8,089</b>   | <b>12,017</b>  |
| Tax                       | 937           | 806           | 424           | 44            | 502           | 756           | 468           | 918           | 2,065          | 2,644          |
| Rate (%)                  | 28.5          | 25.3          | 33.5          | 5.2           | 19.2          | 20.0          | 27.0          | 23.6          | 25.5           | 22.0           |
| <b>Reported PAT</b>       | <b>2,346</b>  | <b>2,378</b>  | <b>841</b>    | <b>805</b>    | <b>2,115</b>  | <b>3,022</b>  | <b>1,265</b>  | <b>2,970</b>  | <b>6,024</b>   | <b>9,373</b>   |
| <b>Adjusted PAT</b>       | <b>2,346</b>  | <b>2,378</b>  | <b>841</b>    | <b>1,233</b>  | <b>2,115</b>  | <b>3,022</b>  | <b>1,265</b>  | <b>2,970</b>  | <b>6,452</b>   | <b>9,373</b>   |
| Margins (%)               | 8.2           | 8.3           | 3.4           | 4.7           | 6.8           | 9.1           | 4.7           | 9.1           | 5.9            | 7.6            |
| YoY Change (%)            | -6.0          | 81.0          | -28.1         | -49.4         | -9.9          | 27.1          | 50.5          | 140.9         | -13.4          | 45.3           |



# Jubilant Foodworks

|                         |              |
|-------------------------|--------------|
| Bloomberg               | JUBI IN      |
| Equity Shares (m)       | 65.8         |
| M. Cap. (INR b)/(USD b) | 67 / 1       |
| 52-Week Range (INR)     | 1299 / 761   |
| 1,6,12 Rel Perf. (%)    | 10 / 2 / -32 |

**CMP: INR1,023 TP: INR730 (-29%) Sell**

- n We expect JUBI's revenue to grow by 3% YoY in 1QFY18. SSSG is likely to be -3% for the quarter.
- n Commodity inflation continues. We expect gross margin to contract 200bp YoY to 74.8%. EBITDA margin is expected to remain flat at 9.5% and EBITDA to grow by 3% YoY to INR595m.
- n We estimate PAT to decline by 4.8% to INR181m.
- n The stock trades at 57.1x FY19E EPS of INR17.9. Maintain Sell.

## Financial Snapshot (INR b)

| Y/E March      | 2017  | 2018E | 2019E | 2020E |
|----------------|-------|-------|-------|-------|
| Sales          | 25.8  | 28.3  | 32.2  | 40.0  |
| EBITDA         | 2.4   | 2.7   | 3.5   | 4.1   |
| Adj. PAT       | 0.6   | 0.8   | 1.2   | 1.5   |
| Adj. EPS (INR) | 10.0  | 12.2  | 17.9  | 23.0  |
| EPS Gr. (%)    | -32.1 | 21.6  | 47.4  | 28.5  |
| BV/Sh.(INR)    | 122.1 | 130.3 | 142.8 | 162.3 |
| RoE (%)        | 8.2   | 9.3   | 12.6  | 14.2  |
| RoCE (%)       | 8.4   | 9.6   | 13.1  | 15.1  |
| Payout (%)     | 25.0  | 24.7  | 25.1  | 13.0  |

## Valuations

|                |       |      |      |      |
|----------------|-------|------|------|------|
| P/E (x)        | 102.3 | 84.1 | 57.1 | 44.4 |
| P/BV (x)       | 8.4   | 7.9  | 7.2  | 6.3  |
| EV/EBITDA (x)  | 27.5  | 23.7 | 18.4 | 14.6 |
| Div. Yield (%) | 0.2   | 0.3  | 0.4  | 0.3  |

## Key issues to watch for:

- Ø Demand outlook for QSR and Pizza space, as well as competition.
- Ø Benefits of cost-saving efforts.
- Ø Performance of *Dunkin Donuts* and margin guidance.

## Quarterly Standalone Performance

(INR Million)

| Y/E March        | FY17  |       |       |       | FY18  |       |       |       | FY17   | FY18E  |
|------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|
|                  | 1Q    | 2Q    | 3Q    | 4Q    | 1QE   | 2QE   | 3QE   | 4QE   |        |        |
| No of Stores     | 1049  | 1081  | 1107  | 1117  | 1127  | 1137  | 1147  | 1162  | 1117   | 1162   |
| LTL Growth (%)   | -3.2  | 4.2   | -3.3  | -7.5  | -3.0  | 5.0   | 8.0   | 10.0  | -2.5   | 5.0    |
| Net Sales        | 6,089 | 6,655 | 6,588 | 6,128 | 6,272 | 7,388 | 7,577 | 7,044 | 25,834 | 28,280 |
| YoY Change (%)   | 6.7   | 13.3  | 3.9   | -0.9  | 3.0   | 11.0  | 15.0  | 15.0  | 7.2    | 9.5    |
| Gross Profit     | 4,675 | 4,979 | 4,938 | 4,710 | 4,690 | 5,452 | 5,681 | 5,322 | 19,526 | 21,144 |
| Gross Margin (%) | 76.8  | 74.8  | 74.9  | 76.9  | 74.8  | 73.8  | 75.0  | 75.5  | 75.6   | 74.8   |
| Other Expenses   | 4,098 | 4,336 | 4,297 | 4,104 | 4,095 | 4,776 | 4,887 | 4,642 | 17,115 | 18,400 |
| EBITDA           | 577   | 643   | 641   | 605   | 595   | 677   | 793   | 680   | 2,411  | 2,745  |
| EBITDA Growth %  | -14.2 | 6.4   | -11.9 | -15.1 | 3.0   | 5.3   | 23.9  | 12.4  | -11.3  | 13.8   |
| Margins (%)      | 9.5   | 9.7   | 9.7   | 9.9   | 9.5   | 9.2   | 10.5  | 9.7   | 9.3    | 9.7    |
| Depreciation     | 326   | 366   | 381   | 438   | 359   | 403   | 419   | 532   | 1,554  | 1,712  |
| Other Income     | 31    | 43    | 35    | 36    | 34    | 47    | 39    | 45    | 147    | 165    |
| PBT              | 282   | 320   | 295   | 203   | 270   | 321   | 413   | 193   | 1,004  | 1,197  |
| Tax              | 92    | 104   | 95    | 53    | 89    | 106   | 136   | 64    | 345    | 395    |
| Rate (%)         | 32.7  | 32.5  | 32.2  | 26.4  | 33.0  | 33.0  | 33.0  | 33.0  | 34.3   | 33.0   |
| Adjusted PAT     | 190   | 216   | 200   | 149   | 181   | 215   | 277   | 130   | 660    | 802    |
| YoY Change (%)   | -31.1 | -1.3  | -31.9 | -46.3 | -4.8  | -0.3  | 38.5  | -13.2 | -38.1  | 21.6   |

E: MOSL Estimates



### 1. ODAC's approval takes us one step closer to USFDA nod for Trastuzumab: Biocon; Kiran Mazumdar Shaw, CMD

- n Very pleased that the ODAC unanimously endorsed and recommended biosimilar trastuzumab on the grounds that it is highly biosimilar, it is safe. This is a big endorsement of Biocon and Mylan's biosimilar Trastuzumab.
- n Hope of the much awaited approval coming on September 3, post which it will allow the company to market the lifesaving drug in the US market.
- n September 3 is an approval date indicated by USFDA, at which time they have to basically ensure that rest of the activities that need to be done, compiled by the USFDA will be done and then they will give us the approval
- n First biosimilar trastuzumab that the USFDA will approve.
- n Mylan and Biocon are partners in this programme and Mylan has entered into an agreement with Roche in terms of the launch date of trastuzumab, which cannot be disclosed
- n Herceptin has a market size of USD 2.6 billion in the US and hope to take a significant chunk of this
- n Market opportunity for trastuzumab in emerging markets (EMs) would be around USD one billion. The company will have significant profit share with Mylan for trastuzumab

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### 2. Faster resolution of npas is in best interest of all: SBI; Rajnish Kumar, Chairman

- n Would definitely like that the resolution timelines are not missed. Resolution happening faster is in everyone's interest however being a democratic country, cannot take away the rights of any citizen of the country
- n Attention is to resolve these issues whether within the framework of National Company Law Tribunal (NCLT) or wherever outside the framework of NCLT
- n Decision will be taken in the interest of the lenders as well as in the larger interest of the country as a whole.

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### 3. With smooth rollout of GST, volumes will start coming back: MCX; Mrugank M Paranjape, MD & CEO

- n Engaging with everybody in the market to see why we aren't seeing the growth that we were hoping to see.
- n General feedback was stocking levels were low, people were waiting for goods and services tax (GST) implementation and once GST went through, would see an uptick.
- n First ten days of July were heartening.
- n GST went through very well, at the same time the volumes have gone up.

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### 1. When big retail meets small farmers

n The knock-on effects of the Indian grocery store going big and coming online stretch far beyond consumer benefits. From strengthening infrastructure in the farm sector to streamlining the food supply chain, thereby increasing productivity, farmers stand to benefit as well. The Union government clearing US e-commerce giant Amazon's \$500 million investment in the food retail sector earlier this week should be seen in this context. Amazon is not the only one. The department of industrial policy and promotion is also expected to soon greenlight similar investment proposals, totalling \$195 million, from Bigbasket and Grofers, the two established market leaders in India's online grocery space that already sell fresh fruits and vegetables, or FFV (Amazon only does packaged items). In fact, the proposals had already been approved but recent administrative changes stemming from the dissolution of the Foreign Investment Promotion Board mean that these have to go through the clearance process afresh.

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### 2. Rethinking regulators and regulatory acts

n The pace of innovation in high-technology disruptive markets, defying traditional market boundaries, has created fluidity in the definitions of market, monopoly and the concept of dominance outside the confines of existing regulatory Acts. A rethink on the role of regulators and their efficacy in these markets, as also the revision of existing Acts, is of immediate concern. Telecommunications is one sector where the changes have been disruptive and innovative, covering a wide range of services far removed from the traditional fixed-line telephones—the natural monopoly segment associated with the sector.

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### 3. We need a newer energy policy

n I have often remarked that India is a land of paradoxes. The old joke about our country is that anything you say about India, the opposite is also true. We like to think of ourselves as an ancient civilisation but we are also a young republic; our IT experts stride confidently into the 21st century but much of our population seems to live in each of the other 20 centuries. Yes, it's a cliché. And yet, clichés are clichés because they are true, and the paradoxes of India say something painfully real about our society. Keen followers of Prime Minister Modi's endeavours abroad might recall his recent visit to Germany and the signs of a heady friendship with Chancellor Angela Merkel, in significant part based on both countries' commitment to address climate change and their joint ventures into renewables.

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#### 4. Is RBI repo rate cut coming? fall in rates may keep firms from looking overseas for funds

- n In June 2017, the Monetary Policy Committee (MPC) decided to hold the repo rate unchanged with neutral monetary policy stance due to prevailing uncertainties. However, there was no consensus among the MPC members, as one Member suggested a 50 basis points (bps) cut for the repo rate. The decision of the MPC to hold the policy rate in June 2017 was not well received by the stakeholders. The government was pitching for a rate cut well before the MPC meeting. Even expert like former RBI governor YV Reddy gave 'benefit of doubt' to the MPC for keeping the repo rate unchanged. Nobel Laureate, Paul Krugman in a recent interview indicated that India's monetary policy is tight. The defence to keep the repo rate unchanged is weakening by all counts. Uncertainty about the onset of south-west monsoon is over. India Meteorological Department (IMD) predicts a fairly good monsoon this year, which augurs well for the agricultural sector.

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### International

#### 5. London opens wide for the Saudi Aramco listing

- n The government of Saudi Arabia is shopping. What do Britain's Financial Conduct Authority, the London Stock Exchange — and indeed the City of London itself — have to sell? Two things: size and prestige. The Saudis are looking for a place to list a 5 per cent stake in their state oil company, Saudi Aramco. They aim for a \$2tn valuation for the whole enterprise (others take a more modest view). That would make the stake sale the biggest public offering ever. The size shortens the list of exchanges that could accommodate the deal. New York and London are the main candidates. Hong Kong, Tokyo, Singapore and Toronto are also possible. The initial public offering poses challenges. Public investors will be a tiny minority at the mercy of a majority owner that also happens to be an absolute monarchy.

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| Company                | Reco         | CMP (INR) | TP (INR) | % Upside<br>Downside | EPS (INR) |       |         | P/E (x)      |             | P/B (x)    |            | ROE (%)     |             |             |
|------------------------|--------------|-----------|----------|----------------------|-----------|-------|---------|--------------|-------------|------------|------------|-------------|-------------|-------------|
|                        |              |           |          |                      | FY17      | FY18E | FY19E   | FY17         | FY18E       | FY17       | FY18E      | FY17        | FY18E       | FY19E       |
| <b>Automobiles</b>     |              |           |          |                      |           |       |         |              |             |            |            |             |             |             |
| Amara Raja             | Buy          | 845       | 1,073    | 27                   | 28.0      | 33.8  | 40.5    | 30.2         | 25.0        | 5.6        | 4.7        | 20.3        | 20.4        | 20.7        |
| Ashok Ley.             | Buy          | 105       | 122      | 16                   | 4.6       | 5.5   | 7.1     | 22.9         | 19.2        | 5.0        | 4.4        | 23.3        | 24.5        | 27.1        |
| Bajaj Auto             | Buy          | 2,811     | 3,359    | 19                   | 132.3     | 143.5 | 167.9   | 21.3         | 19.6        | 4.8        | 4.3        | 25.3        | 23.1        | 24.4        |
| Bharat Forge           | Buy          | 1,120     | 1,330    | 19                   | 26.2      | 37.7  | 49.7    | 42.8         | 29.7        | 6.3        | 5.5        | 16.2        | 19.8        | 22.3        |
| Bosch                  | Neutral      | 24,361    | 23,738   | -3                   | 473.1     | 649.9 | 766.2   | 51.5         | 37.5        | 8.4        | 7.5        | 15.8        | 21.1        | 21.9        |
| CEAT                   | Buy          | 1,875     | 2,100    | 12                   | 93.3      | 96.2  | 131.3   | 20.1         | 19.5        | 3.1        | 2.8        | 16.9        | 15.1        | 17.8        |
| Eicher Mot.            | Buy          | 27,894    | 31,326   | 12                   | 613.8     | 861.2 | 1,102.9 | 45.4         | 32.4        | 15.8       | 11.4       | 40.3        | 40.8        | 38.0        |
| Endurance Tech.        | Buy          | 878       | 1,025    | 17                   | 23.5      | 30.5  | 38.8    | 37.4         | 28.8        | 7.1        | 5.9        | 20.8        | 22.4        | 23.6        |
| Escorts                | Neutral      | 676       | 731      | 8                    | 20.0      | 36.9  | 45.7    | 33.9         | 18.3        | 3.4        | 2.9        | 10.6        | 17.3        | 18.3        |
| Exide Ind              | Buy          | 223       | 286      | 28                   | 8.2       | 9.7   | 11.9    | 27.3         | 23.0        | 3.8        | 3.4        | 14.0        | 14.8        | 15.9        |
| Hero Moto              | Neutral      | 3,753     | 3,666    | -2                   | 169.1     | 198.2 | 198.7   | 22.2         | 18.9        | 7.4        | 6.3        | 35.7        | 36.0        | 31.0        |
| M&M                    | Buy          | 1,377     | 1,586    | 15                   | 54.3      | 66.7  | 79.9    | 25.4         | 20.7        | 3.2        | 2.9        | 14.2        | 14.1        | 14.6        |
| Mahindra CIE           | Not Rated    | 239       | -        |                      | 5.4       | 9.9   | 11.8    | 44.7         | 24.3        | 2.8        | 2.5        | 6.4         | 10.8        | 11.5        |
| Maruti Suzuki          | Buy          | 7,557     | 8,483    | 12                   | 248.6     | 292.6 | 379.7   | 30.4         | 25.8        | 6.3        | 5.5        | 20.3        | 20.8        | 22.8        |
| Tata Motors            | Buy          | 452       | 666      | 47                   | 19.8      | 30.9  | 64.3    | 22.8         | 14.6        | 2.6        | 2.2        | 9.8         | 16.5        | 27.3        |
| TVS Motor              | Buy          | 569       | 606      | 6                    | 11.7      | 16.3  | 25.9    | 48.5         | 35.0        | 11.2       | 9.0        | 25.6        | 28.6        | 35.2        |
| <b>Aggregate</b>       |              |           |          |                      |           |       |         | <b>28.7</b>  | <b>22.3</b> | <b>4.9</b> | <b>4.2</b> | <b>17.1</b> | <b>19.0</b> | <b>22.6</b> |
| <b>Banks - Private</b> |              |           |          |                      |           |       |         |              |             |            |            |             |             |             |
| Axis Bank              | Neutral      | 513       | 500      | -3                   | 15.4      | 23.8  | 40.3    | 33.4         | 21.6        | 2.3        | 2.1        | 6.9         | 10.1        | 15.4        |
| DCB Bank               | Neutral      | 202       | 182      | -10                  | 7.0       | 8.0   | 10.3    | 28.9         | 25.2        | 3.0        | 2.4        | 10.8        | 10.9        | 11.8        |
| Equitas Hold.          | Buy          | 170       | 207      | 22                   | 4.7       | 4.8   | 7.4     | 35.9         | 35.1        | 2.6        | 2.4        | 8.9         | 7.1         | 10.1        |
| Federal Bank           | Buy          | 116       | 134      | 16                   | 4.8       | 5.5   | 6.8     | 24.0         | 21.2        | 2.3        | 1.9        | 9.9         | 10.2        | 10.5        |
| HDFC Bank              | Buy          | 1,681     | 1,885    | 12                   | 56.8      | 67.1  | 79.4    | 29.6         | 25.0        | 4.8        | 4.3        | 17.9        | 18.2        | 19.0        |
| ICICI Bank             | Buy          | 298       | 340      | 14                   | 15.3      | 15.6  | 17.9    | 19.5         | 19.0        | 2.2        | 2.0        | 10.2        | 9.4         | 10.1        |
| IDFC Bank              | Neutral      | 63        | 62       | -1                   | 3.0       | 3.5   | 4.2     | 20.9         | 17.9        | 1.5        | 1.4        | 7.2         | 7.9         | 8.8         |
| IndusInd               | Buy          | 1,574     | 1,800    | 14                   | 47.9      | 61.9  | 76.8    | 32.8         | 25.4        | 4.7        | 4.1        | 15.4        | 17.3        | 18.5        |
| J&K Bank               | Neutral      | 84        | 89       | 6                    | -31.3     | 4.4   | 8.0     | NM           | 19.2        | 0.8        | 0.8        | -27.0       | 4.0         | 7.0         |
| Kotak Mah. Bk          | Buy          | 977       | 1,146    | 17                   | 26.8      | 32.2  | 40.4    | 36.4         | 30.3        | 4.7        | 4.2        | 13.8        | 14.9        | 16.1        |
| RBL Bank               | Under Review | 541       | -        |                      | 11.9      | 18.0  | 24.2    | 45.5         | 30.1        | 4.8        | 4.2        | 12.3        | 14.9        | 17.5        |
| South Indian           | Buy          | 29        | 34       | 19                   | 2.2       | 2.9   | 3.7     | 13.1         | 10.0        | 1.1        | 1.0        | 9.5         | 10.8        | 12.7        |
| Yes Bank               | Buy          | 1,565     | 2,121    | 36                   | 73.0      | 90.7  | 114.6   | 21.5         | 17.3        | 3.3        | 2.9        | 18.9        | 18.0        | 19.5        |
| <b>Aggregate</b>       |              |           |          |                      |           |       |         | <b>28.8</b>  | <b>22.9</b> | <b>3.3</b> | <b>2.9</b> | <b>11.4</b> | <b>12.8</b> | <b>14.4</b> |
| <b>Banks - PSU</b>     |              |           |          |                      |           |       |         |              |             |            |            |             |             |             |
| BOB                    | Buy          | 165       | 212      | 29                   | 6.0       | 18.4  | 22.5    | 27.5         | 8.9         | 1.1        | 1.0        | 4.1         | 11.9        | 13.2        |
| BOI                    | Neutral      | 147       | 147      | 0                    | -14.8     | 13.7  | 22.0    | NM           | 10.7        | 0.7        | 0.6        | -6.7        | 6.1         | 9.0         |
| Canara                 | Neutral      | 368       | 362      | -2                   | 18.8      | 36.2  | 49.2    | 19.6         | 10.2        | 0.8        | 0.7        | 4.2         | 7.5         | 9.4         |
| IDBI Bk                | Neutral      | 57        | 49       | -13                  | 1.5       | 6.4   | 8.6     | 37.3         | 8.9         | 0.5        | 0.5        | 1.4         | 5.8         | 7.3         |
| Indian Bk              | Buy          | 316       | 357      | 13                   | 29.3      | 33.2  | 38.0    | 10.8         | 9.5         | 1.0        | 1.0        | 10.1        | 10.6        | 11.1        |
| OBC                    | Neutral      | 149       | 150      | 1                    | -31.6     | 17.1  | 21.4    | NM           | 8.7         | 0.4        | 0.4        | -8.4        | 4.6         | 5.4         |
| PNB                    | Buy          | 154       | 184      | 20                   | 6.2       | 10.3  | 14.5    | 24.7         | 15.0        | 0.9        | 0.8        | 3.6         | 5.6         | 7.5         |
| SBI                    | Buy          | 292       | 362      | 24                   | 0.3       | 17.9  | 23.3    | 980.3        | 16.3        | 1.4        | 1.3        | -0.2        | 8.7         | 10.0        |
| Union Bk               | Neutral      | 155       | 162      | 4                    | 7.6       | 24.6  | 34.5    | 20.3         | 6.3         | 0.5        | 0.5        | 2.7         | 8.1         | 10.5        |
| <b>Aggregate</b>       |              |           |          |                      |           |       |         | <b>106.5</b> | <b>12.8</b> | <b>0.9</b> | <b>0.9</b> | <b>0.9</b>  | <b>6.7</b>  | <b>8.3</b>  |
| <b>NBFCs</b>           |              |           |          |                      |           |       |         |              |             |            |            |             |             |             |
| Bajaj Fin.             | Buy          | 1,500     | 1,600    | 7                    | 33.6      | 48.3  | 64.4    | 44.7         | 31.1        | 8.5        | 6.9        | 21.7        | 24.6        | 26.4        |
| Bharat Fin.            | Neutral      | 793       | 800      | 1                    | 21.0      | 41.3  | 53.0    | 37.8         | 19.2        | 4.5        | 3.6        | 15.1        | 20.9        | 21.6        |
| Cholaman.Inv.&Fn       | Buy          | 1,152     | 1,300    | 13                   | 46.0      | 55.0  | 66.4    | 25.1         | 20.9        | 4.2        | 3.6        | 18.1        | 18.5        | 18.9        |
| Dewan Hsg.             | Buy          | 444       | 530      | 19                   | 29.6      | 37.0  | 45.4    | 15.0         | 12.0        | 1.8        | 1.6        | 14.4        | 13.9        | 15.3        |
| GRUH Fin.              | Neutral      | 503       | 443      | -12                  | 8.1       | 10.4  | 12.5    | 61.8         | 48.5        | 16.5       | 13.7       | 30.4        | 30.8        | 30.8        |
| HDFC                   | Under Review | 1,648     | -        |                      | 46.8      | 50.7  | 55.9    | 35.2         | 32.5        | 6.5        | 5.9        | 19.3        | 18.3        | 17.4        |
| Indiabulls Hsg         | Buy          | 1,122     | 1,300    | 16                   | 69.0      | 88.9  | 113.9   | 16.3         | 12.6        | 3.9        | 3.5        | 25.5        | 29.0        | 32.7        |
| LIC Hsg Fin            | Neutral      | 740       | 750      | 1                    | 38.2      | 47.9  | 53.8    | 19.4         | 15.4        | 3.5        | 2.9        | 19.4        | 20.6        | 19.7        |
| Manappuram             | Not Rated    | 101       | -        |                      | 8.6       | 10.8  | 12.5    | 11.7         | 9.4         | 2.6        | 2.3        | 24.0        | 25.9        | 26.9        |
| M&M Fin.               | Buy          | 372       | 415      | 12                   | 7.1       | 13.6  | 16.4    | 52.5         | 27.5        | 3.2        | 3.0        | 6.3         | 11.4        | 12.8        |



| Company              | Reco      | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | P/E (x)     |             | P/B (x)    |            | ROE (%)     |             |             |
|----------------------|-----------|-----------|----------|-------------------|-----------|-------|-------|-------------|-------------|------------|------------|-------------|-------------|-------------|
|                      |           |           |          |                   | FY17      | FY18E | FY19E | FY17        | FY18E       | FY17       | FY18E      | FY17        | FY18E       | FY19E       |
| Muthoot Fin          | Buy       | 472       | 550      | 16                | 29.5      | 41.0  | 43.3  | 16.0        | 11.5        | 2.9        | 2.5        | 19.4        | 23.2        | 21.4        |
| PFC                  | Neutral   | 124       | 117      | -6                | 25.7      | 27.2  | 30.2  | 4.8         | 4.5         | 0.8        | 0.7        | 17.9        | 17.0        | 16.8        |
| Repco Home           | Buy       | 792       | 936      | 18                | 29.1      | 35.8  | 42.5  | 27.2        | 22.1        | 4.4        | 3.7        | 17.4        | 18.1        | 18.2        |
| REC                  | Neutral   | 184       | 134      | -27               | 31.4      | 35.0  | 40.4  | 5.9         | 5.3         | 1.1        | 0.9        | 19.9        | 19.1        | 19.1        |
| Shriram City Union   | Buy       | 2,257     | 2,900    | 29                | 84.3      | 132.8 | 171.2 | 26.8        | 17.0        | 3.0        | 2.6        | 11.7        | 16.2        | 18.1        |
| STF                  | Buy       | 1,030     | 1,340    | 30                | 55.6      | 78.5  | 98.5  | 18.5        | 13.1        | 2.1        | 1.8        | 11.7        | 14.7        | 16.3        |
| <b>Aggregate</b>     |           |           |          |                   |           |       |       | <b>19.3</b> | <b>16.2</b> | <b>3.5</b> | <b>3.1</b> | <b>18.3</b> | <b>19.1</b> | <b>19.2</b> |
| <b>Capital Goods</b> |           |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| ABB                  | Sell      | 1,468     | 1,200    | -18               | 19.7      | 25.1  | 32.2  | 74.5        | 58.6        | 9.5        | 8.2        | 12.7        | 13.9        | 15.8        |
| Bharat Elec.         | Buy       | 173       | 200      | 16                | 6.9       | 7.2   | 8.1   | 25.0        | 24.1        | 5.2        | 4.0        | 20.6        | 16.5        | 16.8        |
| BHEL                 | Sell      | 141       | 100      | -29               | 2.1       | 3.6   | 4.7   | 65.4        | 39.5        | 1.1        | 1.0        | 1.6         | 2.7         | 3.4         |
| Blue Star            | Neutral   | 650       | 610      | -6                | 12.9      | 17.8  | 26.6  | 50.5        | 36.5        | 8.2        | 7.7        | 18.0        | 21.7        | 30.1        |
| CG Cons. Elec.       | Buy       | 216       | 240      | 11                | 4.7       | 5.5   | 6.6   | 46.1        | 39.3        | 25.1       | 18.1       | 76.4        | 53.4        | 49.8        |
| CG Power & Indu.     | Sell      | 84        | 65       | -23               | 4.1       | 2.3   | 4.5   | 20.5        | 36.8        | 1.3        | 1.2        | 6.2         | 3.4         | 4.2         |
| Cummins              | Neutral   | 932       | 950      | 2                 | 26.5      | 28.8  | 35.5  | 35.2        | 32.3        | 6.9        | 6.4        | 21.2        | 20.5        | 23.2        |
| GE T&D               | Neutral   | 330       | 320      | -3                | 5.7       | 6.2   | 7.6   | 57.5        | 53.2        | 8.2        | 7.5        | 12.4        | 14.7        | 16.4        |
| Havells              | Neutral   | 476       | 480      | 1                 | 9.6       | 11.7  | 14.2  | 49.8        | 40.7        | 9.1        | 8.0        | 18.2        | 19.8        | 21.1        |
| K E C Intl           | Neutral   | 294       | 250      | -15               | 11.9      | 12.8  | 16.4  | 24.8        | 22.9        | 4.8        | 4.1        | 21.2        | 19.2        | 20.9        |
| L&T                  | Buy       | 1,172     | 1,340    | 14                | 42.3      | 47.1  | 54.0  | 27.7        | 24.9        | 3.3        | 3.0        | 12.2        | 12.6        | 13.4        |
| Pennar Eng.          | Not Rated | 125       | -        |                   | 7.1       | 9.1   | 11.2  | 17.7        | 13.8        | 1.8        | 1.6        | 10.2        | 11.6        | 12.6        |
| Siemens              | Neutral   | 1,335     | 1,355    | 1                 | 17.8      | 24.3  | 33.3  | 74.9        | 55.0        | 7.0        | 6.0        | 9.3         | 11.0        | 13.7        |
| Solar Ind            | Neutral   | 848       | 825      | -3                | 20.6      | 22.6  | 28.2  | 41.2        | 37.5        | 7.6        | 6.5        | 19.8        | 18.6        | 19.9        |
| Suzlon Energy        | Not Rated | 19        | -        |                   | 0.6       | 0.9   | 1.0   | 29.8        | 21.4        | -1.7       | -1.9       | NM          | -8.8        | -11.0       |
| Thermax              | Sell      | 911       | 850      | -7                | 30.8      | 32.7  | 34.0  | 29.5        | 27.9        | 4.0        | 3.6        | 14.3        | 13.7        | 12.9        |
| Va Tech Wab.         | Buy       | 680       | 800      | 18                | 28.9      | 34.9  | 39.8  | 23.5        | 19.5        | 3.7        | 3.2        | 16.3        | 17.7        | 17.5        |
| Voltas               | Sell      | 483       | 400      | -17               | 15.5      | 15.6  | 17.6  | 31.3        | 31.0        | 4.8        | 4.3        | 18.0        | 14.7        | 14.9        |
| <b>Aggregate</b>     |           |           |          |                   |           |       |       | <b>35.3</b> | <b>30.9</b> | <b>4.0</b> | <b>3.6</b> | <b>11.2</b> | <b>11.7</b> | <b>12.7</b> |
| <b>Cement</b>        |           |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| Ambuja Cem.          | Buy       | 262       | 291      | 11                | 4.9       | 7.3   | 8.2   | 53.6        | 36.1        | 2.7        | 2.6        | 5.1         | 7.3         | 7.8         |
| ACC                  | Neutral   | 1,753     | 1,611    | -8                | 33.7      | 49.9  | 64.9  | 51.9        | 35.2        | 3.8        | 3.6        | 7.4         | 10.6        | 13.1        |
| Birla Corp.          | Buy       | 926       | 1,205    | 30                | 29.4      | 40.9  | 58.9  | 31.6        | 22.6        | 2.2        | 2.0        | 7.5         | 9.2         | 12.2        |
| Dalmia Bharat        | Buy       | 2,741     | 3,162    | 15                | 38.8      | 66.7  | 87.1  | 70.7        | 41.1        | 4.9        | 4.4        | 7.2         | 11.3        | 13.1        |
| Grasim Inds.         | Neutral   | 1,273     | 1,355    | 6                 | 67.9      | 71.2  | 102.6 | 18.8        | 17.9        | 2.0        | 1.8        | 11.5        | 10.9        | 13.9        |
| India Cem            | Neutral   | 209       | 219      | 5                 | 5.6       | 9.3   | 12.9  | 37.1        | 22.4        | 1.3        | 1.2        | 3.4         | 5.5         | 7.2         |
| J K Cements          | Buy       | 963       | 1,287    | 34                | 33.7      | 40.4  | 53.5  | 28.6        | 23.8        | 3.8        | 3.3        | 14.4        | 15.0        | 17.2        |
| JK Lakshmi Ce        | Buy       | 462       | 553      | 20                | 7.0       | 11.4  | 19.2  | 66.4        | 40.5        | 3.9        | 3.6        | 6.0         | 9.2         | 13.8        |
| Ramco Cem            | Buy       | 709       | 823      | 16                | 27.3      | 31.1  | 37.5  | 26.0        | 22.8        | 4.6        | 3.9        | 19.2        | 18.6        | 19.1        |
| Orient Cem           | Buy       | 156       | 178      | 14                | -1.6      | 4.6   | 7.0   | NM          | 33.8        | 3.2        | 3.0        | -3.2        | 9.2         | 12.6        |
| Prism Cem            | Buy       | 121       | 145      | 20                | 0.3       | 3.7   | 5.6   | 348.7       | 32.7        | 6.1        | 5.2        | 1.8         | 17.2        | 22.0        |
| Shree Cem            | Buy       | 18,586    | 21,052   | 13                | 384.4     | 454.7 | 575.2 | 48.4        | 40.9        | 9.2        | 7.6        | 20.2        | 20.4        | 21.3        |
| Ultratech            | Buy       | 4,218     | 4,780    | 13                | 96.1      | 95.8  | 143.2 | 43.9        | 44.0        | 5.0        | 4.6        | 12.0        | 10.9        | 14.9        |
| <b>Aggregate</b>     |           |           |          |                   |           |       |       | <b>38.4</b> | <b>32.0</b> | <b>3.7</b> | <b>3.4</b> | <b>9.7</b>  | <b>10.7</b> | <b>13.1</b> |
| <b>Consumer</b>      |           |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| Asian Paints         | Neutral   | 1,118     | 1,240    | 11                | 21.0      | 23.1  | 27.4  | 53.2        | 48.3        | 14.1       | 13.5       | 28.5        | 28.6        | 30.6        |
| Britannia            | Buy       | 3,718     | 4,450    | 20                | 73.7      | 85.5  | 105.4 | 50.5        | 43.5        | 16.5       | 15.2       | 36.9        | 36.5        | 38.3        |
| Colgate              | Buy       | 1,071     | 1,335    | 25                | 21.2      | 25.7  | 31.1  | 50.4        | 41.7        | 22.9       | 21.6       | 50.4        | 53.2        | 60.3        |
| Dabur                | Neutral   | 304       | 315      | 4                 | 7.2       | 7.7   | 9.1   | 41.9        | 39.3        | 11.0       | 9.5        | 28.4        | 26.0        | 26.3        |
| Emami                | Buy       | 1,074     | 1,265    | 18                | 26.5      | 28.3  | 33.9  | 40.5        | 38.0        | 13.9       | 11.7       | 35.8        | 33.4        | 34.1        |
| Godrej Cons.         | Neutral   | 979       | 930      | -5                | 18.9      | 21.8  | 25.0  | 51.8        | 44.9        | 12.6       | 9.8        | 24.6        | 24.5        | 23.0        |
| GSK Cons.            | Sell      | 5,456     | 4,500    | -18               | 156.1     | 166.3 | 181.9 | 35.0        | 32.8        | 7.3        | 7.2        | 22.2        | 22.1        | 22.4        |
| HUL                  | Buy       | 1,140     | 1,260    | 11                | 19.6      | 22.8  | 27.0  | 58.0        | 50.0        | 37.0       | 35.9       | 65.6        | 72.8        | 82.5        |
| ITC                  | Buy       | 337       | 380      | 13                | 8.4       | 9.6   | 11.6  | 40.2        | 35.0        | 9.1        | 8.9        | 23.5        | 25.8        | 29.3        |
| Jyothy Lab           | Neutral   | 362       | 405      | 12                | 11.2      | 8.9   | 11.0  | 32.2        | 40.5        | 6.0        | 6.2        | 21.1        | 15.1        | 18.4        |
| Marico               | Neutral   | 328       | 360      | 10                | 6.3       | 6.9   | 8.4   | 52.1        | 47.2        | 18.2       | 15.5       | 36.7        | 35.5        | 38.1        |
| Nestle               | Sell      | 6,810     | 5,990    | -12               | 118.0     | 118.6 | 139.5 | 57.7        | 57.4        | 21.8       | 20.1       | 39.0        | 36.4        | 39.0        |

| Company             | Reco      | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | P/E (x)     |             | P/B (x)     |             | ROE (%)     |             |             |
|---------------------|-----------|-----------|----------|-------------------|-----------|-------|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                     |           |           |          |                   | FY17      | FY18E | FY19E | FY17        | FY18E       | FY17        | FY18E       | FY17        | FY18E       | FY19E       |
| Page Inds           | Buy       | 16,966    | 20,195   | 19                | 238.7     | 317.0 | 400.0 | 71.1        | 53.5        | 28.4        | 22.5        | 40.0        | 42.0        | 42.8        |
| Parag Milk          | Neutral   | 236       | 240      | 2                 | 3.6       | 7.4   | 12.3  | 65.6        | 31.8        | 3.0         | 2.8         | 5.9         | 9.1         | 13.4        |
| Pidilite Ind.       | Neutral   | 807       | 835      | 4                 | 16.7      | 18.4  | 21.2  | 48.2        | 43.7        | 12.5        | 10.2        | 28.2        | 25.6        | 24.0        |
| P&G Hygiene         | Buy       | 8,022     | 9,082    | 13                | 144.9     | 155.8 | 181.6 | 55.4        | 51.5        | 45.8        | 36.5        | 45.3        | 78.9        | 74.0        |
| Prabhat Dairy       | Not Rated | 140       | -        |                   | 3.5       | 3.5   | 6.4   | 39.8        | 40.4        | 2.0         | 1.9         | 5.2         | 4.9         | 8.5         |
| United Brew         | Neutral   | 810       | 850      | 5                 | 8.7       | 9.7   | 14.7  | 93.2        | 83.5        | 9.3         | 8.5         | 10.4        | 10.7        | 14.6        |
| United Spirits      | Neutral   | 2,670     | 2,415    | -10               | 26.7      | 37.4  | 51.8  | 99.9        | 71.5        | 20.0        | 13.8        | 21.3        | 19.3        | 19.7        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>48.5</b> | <b>42.8</b> | <b>13.4</b> | <b>12.4</b> | <b>27.6</b> | <b>29.1</b> | <b>30.8</b> |
| <b>Healthcare</b>   |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Alembic Phar        | Neutral   | 539       | 640      | 19                | 21.6      | 24.9  | 30.5  | 25.0        | 21.6        | 5.3         | 4.5         | 23.0        | 22.6        | 23.1        |
| Alkem Lab           | Neutral   | 1,788     | 1,900    | 6                 | 75.7      | 79.7  | 95.0  | 23.6        | 22.4        | 5.1         | 4.3         | 23.4        | 20.7        | 21.0        |
| Ajanta Pharma       | Buy       | 1,491     | 2,028    | 36                | 58.4      | 66.1  | 79.6  | 25.5        | 22.6        | 8.4         | 6.4         | 37.7        | 32.2        | 29.9        |
| Aurobindo           | Buy       | 746       | 750      | 1                 | 39.3      | 44.1  | 50.2  | 19.0        | 16.9        | 4.7         | 3.7         | 28.3        | 24.8        | 22.5        |
| Biocon              | Sell      | 399       | 300      | -25               | 10.2      | 10.4  | 14.4  | 39.2        | 38.5        | 5.3         | 4.9         | 13.6        | 12.6        | 15.6        |
| Cadila              | Buy       | 530       | 510      | -4                | 14.2      | 17.8  | 23.2  | 37.3        | 29.8        | 8.5         | 7.0         | 24.8        | 25.7        | 27.2        |
| Cipla               | Neutral   | 547       | 500      | -9                | 15.9      | 20.0  | 25.0  | 34.4        | 27.4        | 3.5         | 3.2         | 10.2        | 11.5        | 12.8        |
| Divis Lab           | Neutral   | 735       | 600      | -18               | 39.7      | 35.4  | 39.8  | 18.5        | 20.8        | 4.2         | 3.7         | 23.5        | 19.0        | 19.2        |
| Dr Reddy's          | Neutral   | 2,705     | 2,600    | -4                | 72.6      | 106.2 | 143.0 | 37.2        | 25.5        | 3.7         | 3.0         | 9.6         | 13.2        | 14.9        |
| Fortis Health       | Buy       | 163       | 240      | 47                | 10.3      | 2.1   | 6.1   | 15.7        | 77.1        | 1.7         | 1.5         | 11.3        | 2.0         | 5.3         |
| Glenmark            | Neutral   | 684       | 800      | 17                | 39.3      | 42.9  | 51.7  | 17.4        | 15.9        | 4.3         | 3.4         | 24.7        | 21.6        | 20.9        |
| Granules            | Buy       | 140       | 200      | 42                | 7.2       | 8.2   | 11.5  | 19.4        | 17.2        | 3.6         | 2.5         | 21.1        | 17.7        | 18.8        |
| GSK Pharma          | Neutral   | 2,551     | 2,700    | 6                 | 34.4      | 51.9  | 60.1  | 74.2        | 49.1        | 16.0        | 19.5        | 21.5        | 39.7        | 54.4        |
| IPCA Labs           | Neutral   | 479       | 480      | 0                 | 16.1      | 21.3  | 28.5  | 29.8        | 22.4        | 2.5         | 2.3         | 8.6         | 10.5        | 12.7        |
| Jubilant Life       | Buy       | 718       | 905      | 26                | 37.0      | 47.3  | 56.7  | 19.4        | 15.2        | 3.3         | 2.7         | 18.1        | 19.6        | 19.6        |
| Lupin               | Buy       | 1,139     | 1,475    | 30                | 59.2      | 57.9  | 72.0  | 19.2        | 19.7        | 3.9         | 3.3         | 22.0        | 18.2        | 19.4        |
| Sanofi India        | Buy       | 4,183     | 4,850    | 16                | 129.1     | 142.7 | 173.2 | 32.4        | 29.3        | 5.5         | 5.1         | 17.1        | 17.5        | 19.1        |
| Sun Pharma          | Buy       | 571       | 650      | 14                | 26.1      | 25.2  | 30.8  | 21.8        | 22.6        | 3.7         | 3.6         | 18.5        | 16.1        | 17.9        |
| Syngene Intl        | Not Rated | 498       | -        |                   | 13.0      | 16.1  | 18.0  | 38.2        | 30.9        | 7.7         | 6.3         | 22.2        | 22.5        | 20.7        |
| Torrent Pharma      | Buy       | 1,299     | 1,450    | 12                | 55.2      | 56.8  | 71.4  | 23.5        | 22.9        | 5.5         | 4.8         | 25.3        | 22.4        | 24.2        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>24.7</b> | <b>23.1</b> | <b>4.3</b>  | <b>3.8</b>  | <b>17.5</b> | <b>16.4</b> | <b>17.5</b> |
| <b>Logistics</b>    |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Allcargo Logistics  | Buy       | 172       | 228      | 33                | 9.8       | 12.2  | 14.3  | 17.5        | 14.1        | 2.6         | 2.3         | 12.6        | 17.2        | 17.8        |
| Blue Dart           | Not Rated | 4,702     | -        |                   | 102.5     | 129.9 | 163.2 | 45.8        | 36.2        | 20.3        | 15.5        | 50.5        | 48.6        | 46.8        |
| Concor              | Neutral   | 1,176     | 1,236    | 5                 | 38.0      | 39.2  | 45.8  | 30.9        | 30.0        | 3.2         | 3.1         | 10.8        | 10.6        | 11.8        |
| Gateway Distriparks | Buy       | 269       | 313      | 16                | 6.8       | 10.7  | 13.6  | 39.6        | 25.1        | 2.3         | 2.2         | 5.9         | 9.1         | 11.1        |
| Gati                | Not Rated | 126       | -        |                   | 8.4       | 15.9  | 23.9  | 15.1        | 7.9         | 2.1         | 1.8         | 12.4        | 19.4        | 25.4        |
| Transport Corp.     | Not Rated | 325       | -        |                   | 16.9      | 21.0  | 25.9  | 19.2        | 15.4        | 3.0         | 2.5         | 16.7        | 17.8        | 18.6        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>30.0</b> | <b>25.5</b> | <b>3.7</b>  | <b>3.4</b>  | <b>12.2</b> | <b>13.4</b> | <b>15.0</b> |
| <b>Media</b>        |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Dish TV             | Buy       | 79        | 105      | 33                | 1.0       | 1.4   | 4.0   | 80.1        | 55.6        | 17.2        | 13.1        | 24.1        | 26.8        | 327.5       |
| D B Corp            | Buy       | 378       | 450      | 19                | 20.4      | 23.6  | 27.5  | 18.6        | 16.0        | 4.4         | 3.9         | 25.5        | 25.7        | 26.5        |
| Den Net.            | Neutral   | 81        | 90       | 11                | -8.6      | -2.7  | 0.3   | NM          | NM          | 1.5         | 1.6         | -12.0       | -5.3        | 0.7         |
| Hind. Media         | Buy       | 286       | 360      | 26                | 25.9      | 30.1  | 35.3  | 11.1        | 9.5         | 1.9         | 1.6         | 19.0        | 18.3        | 17.9        |
| HT Media            | Neutral   | 83        | 90       | 9                 | 7.4       | 8.0   | 9.2   | 11.2        | 10.3        | 0.8         | 0.7         | 7.1         | 7.0         | 7.3         |
| Jagran Prak.        | Buy       | 175       | 225      | 28                | 10.8      | 12.3  | 14.0  | 16.3        | 14.3        | 2.4         | 2.4         | 17.6        | 16.4        | 17.2        |
| PVR                 | Buy       | 1,407     | 1,588    | 13                | 20.5      | 28.9  | 45.1  | 68.5        | 48.6        | 6.8         | 6.0         | 10.4        | 13.2        | 17.7        |
| Siti Net.           | Neutral   | 26        | 32       | 23                | -1.8      | -0.1  | 0.5   | NM          | NM          | 3.6         | 3.7         | -23.5       | -2.0        | 6.9         |
| Sun TV              | Neutral   | 831       | 860      | 4                 | 24.9      | 28.5  | 35.9  | 33.4        | 29.1        | 8.3         | 7.7         | 25.0        | 26.3        | 30.2        |
| Zee Ent.            | Buy       | 515       | 585      | 14                | 23.1      | 15.6  | 18.6  | 22.3        | 33.0        | 8.5         | 7.2         | 24.7        | 23.6        | 23.7        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>39.8</b> | <b>29.7</b> | <b>5.8</b>  | <b>5.3</b>  | <b>14.7</b> | <b>17.8</b> | <b>22.7</b> |
| <b>Metals</b>       |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Hindalco            | Buy       | 205       | 308      | 50                | 16.2      | 21.8  | 26.1  | 12.7        | 9.4         | 1.6         | 1.3         | 14.0        | 15.2        | 15.4        |
| Hind. Zinc          | Sell      | 274       | 246      | -10               | 19.7      | 19.7  | 21.7  | 13.9        | 13.9        | 3.8         | 5.0         | 24.4        | 30.9        | 39.6        |
| JSPL                | Buy       | 137       | 190      | 38                | -20.9     | -17.2 | 2.4   | NM          | NM          | 0.4         | 0.4         | -7.9        | -5.4        | 0.8         |

| Company              | Reco    | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | P/E (x)     |              | P/B (x)     |             | ROE (%)     |             |             |
|----------------------|---------|-----------|----------|-------------------|-----------|-------|-------|-------------|--------------|-------------|-------------|-------------|-------------|-------------|
|                      |         |           |          |                   | FY17      | FY18E | FY19E | FY17        | FY18E        | FY17        | FY18E       | FY17        | FY18E       | FY19E       |
| JSW Steel            | Buy     | 215       | 281      | 31                | 14.8      | 19.0  | 22.6  | 14.5        | 11.3         | 2.3         | 2.0         | 17.3        | 18.7        | 19.0        |
| Nalco                | Neutral | 70        | 70       | 0                 | 3.7       | 3.8   | 4.2   | 19.0        | 18.6         | 1.3         | 1.3         | 7.2         | 7.0         | 7.5         |
| NMDC                 | Buy     | 120       | 180      | 50                | 10.0      | 12.1  | 12.2  | 12.0        | 9.9          | 1.7         | 1.6         | 12.4        | 15.0        | 15.5        |
| SAIL                 | Sell    | 62        | 37       | -40               | -6.2      | -10.6 | -4.2  | NM          | NM           | 0.7         | 0.8         | -6.7        | -12.6       | -5.5        |
| Vedanta              | Neutral | 262       | 235      | -10               | 15.1      | 22.0  | 23.3  | 17.3        | 11.9         | 1.6         | 1.7         | 9.7         | 13.7        | 15.0        |
| Tata Steel           | Neutral | 560       | 581      | 4                 | 37.0      | 50.5  | 66.5  | 15.1        | 11.1         | 1.7         | 1.5         | 15.4        | 14.6        | 17.0        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>18.9</b> | <b>15.5</b>  | <b>1.5</b>  | <b>1.6</b>  | <b>8.2</b>  | <b>10.0</b> | <b>12.5</b> |
| <b>Oil &amp; Gas</b> |         |           |          |                   |           |       |       |             |              |             |             |             |             |             |
| BPCL                 | Neutral | 461       | 511      | 11                | 48.3      | 36.7  | 43.5  | 9.5         | 12.6         | 2.9         | 2.5         | 32.4        | 21.7        | 22.3        |
| GAIL                 | Sell    | 389       | 340      | -13               | 22.6      | 26.3  | 29.8  | 17.3        | 14.8         | 1.7         | 1.6         | 9.6         | 11.3        | 11.8        |
| Gujarat Gas          | Sell    | 741       | 697      | -6                | 20.4      | 33.7  | 46.5  | 36.3        | 22.0         | 6.2         | 5.0         | 17.8        | 25.3        | 28.0        |
| Gujarat St. Pet.     | Neutral | 166       | 168      | 1                 | 8.8       | 11.0  | 13.1  | 18.9        | 15.1         | 2.1         | 1.9         | 11.6        | 13.1        | 14.0        |
| HPCL                 | Buy     | 388       | 420      | 8                 | 40.7      | 29.5  | 32.6  | 9.5         | 13.1         | 2.9         | 2.5         | 32.4        | 20.6        | 20.0        |
| IOC                  | Neutral | 373       | 459      | 23                | 43.0      | 36.0  | 40.0  | 8.7         | 10.4         | 1.7         | 1.6         | 21.2        | 15.8        | 15.8        |
| IGL                  | Neutral | 1,122     | 1,070    | -5                | 42.5      | 46.8  | 51.9  | 26.4        | 24.0         | 5.4         | 4.6         | 21.0        | 20.6        | 19.6        |
| MRPL                 | Neutral | 126       | 113      | -10               | 14.8      | 10.2  | 11.8  | 8.5         | 12.4         | 2.2         | 1.9         | 31.4        | 16.5        | 16.9        |
| Oil India            | Buy     | 269       | 305      | 13                | 19.3      | 27.9  | 30.1  | 13.9        | 9.6          | 0.7         | 0.7         | 5.7         | 7.5         | 7.8         |
| ONGC                 | Buy     | 159       | 195      | 23                | 16.4      | 17.4  | 19.7  | 9.7         | 9.1          | 0.9         | 0.9         | 10.1        | 9.9         | 10.8        |
| PLNG                 | Buy     | 211       | 259      | 23                | 11.4      | 8.6   | 17.6  | 18.5        | 24.5         | 3.9         | 3.5         | 23.2        | 15.1        | 26.4        |
| Reliance Ind.        | Neutral | 1,531     | 1,262    | -18               | 106.6     | 122.1 | 131.0 | 14.4        | 12.5         | 1.6         | 1.4         | 11.9        | 11.8        | 11.5        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>11.9</b> | <b>12.2</b>  | <b>1.6</b>  | <b>1.5</b>  | <b>13.3</b> | <b>12.0</b> | <b>12.4</b> |
| <b>Retail</b>        |         |           |          |                   |           |       |       |             |              |             |             |             |             |             |
| Jubilant Food        | Sell    | 1,166     | 730      | -37               | 10.0      | 12.2  | 17.9  | 116.5       | 95.9         | 9.5         | 8.9         | 8.2         | 9.3         | 12.6        |
| Titan Co.            | Neutral | 534       | 545      | 2                 | 9.0       | 10.3  | 12.1  | 59.1        | 51.9         | 11.2        | 10.3        | 20.6        | 20.6        | 21.6        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>63.1</b> | <b>55.2</b>  | <b>10.9</b> | <b>10.0</b> | <b>17.2</b> | <b>18.1</b> | <b>19.0</b> |
| <b>Technology</b>    |         |           |          |                   |           |       |       |             |              |             |             |             |             |             |
| Cyient               | Buy     | 510       | 600      | 18                | 30.6      | 35.4  | 41.9  | 16.6        | 14.4         | 2.7         | 2.4         | 16.2        | 16.6        | 17.3        |
| HCL Tech.            | Buy     | 851       | 960      | 13                | 59.8      | 61.4  | 66.7  | 14.2        | 13.9         | 3.6         | 3.5         | 27.5        | 25.2        | 25.8        |
| Hexaware             | Neutral | 242       | 235      | -3                | 13.7      | 15.4  | 16.7  | 17.7        | 15.8         | 4.3         | 3.8         | 26.5        | 25.3        | 23.5        |
| Infosys              | Buy     | 972       | 1,200    | 23                | 62.9      | 63.4  | 68.9  | 15.4        | 15.3         | 3.2         | 2.9         | 22.0        | 19.9        | 19.7        |
| KPIT Tech            | Neutral | 136       | 150      | 11                | 11.9      | 13.0  | 15.2  | 11.4        | 10.4         | 1.7         | 1.5         | 14.3        | 15.2        | 15.3        |
| L&T Infotech         | Buy     | 781       | 850      | 9                 | 55.5      | 59.1  | 65.1  | 14.1        | 13.2         | 4.9         | 3.8         | 40.4        | 32.5        | 28.4        |
| Mindtree             | Neutral | 514       | 475      | -8                | 24.9      | 30.5  | 36.2  | 20.7        | 16.8         | 3.4         | 3.0         | 16.8        | 19.0        | 20.3        |
| Mphasis              | Neutral | 577       | 600      | 4                 | 38.9      | 42.3  | 46.2  | 14.8        | 13.6         | 2.0         | 2.3         | 13.2        | 14.2        | 16.1        |
| NIIT Tech            | Neutral | 565       | 470      | -17               | 42.8      | 41.0  | 47.3  | 13.2        | 13.8         | 2.1         | 1.9         | 16.1        | 14.3        | 15.2        |
| Persistent Sys       | Buy     | 651       | 740      | 14                | 37.7      | 43.9  | 52.3  | 17.3        | 14.8         | 2.7         | 2.6         | 17.0        | 18.1        | 20.8        |
| Tata Elxsi           | Buy     | 1,711     | 1,607    | -6                | 56.3      | 68.0  | 80.4  | 30.4        | 25.2         | 9.5         | 7.7         | 37.1        | 33.7        | 32.3        |
| TCS                  | Neutral | 2,399     | 2,350    | -2                | 133.4     | 133.6 | 147.7 | 18.0        | 18.0         | 5.4         | 5.7         | 32.6        | 31.1        | 33.5        |
| Tech Mah             | Buy     | 388       | 465      | 20                | 30.9      | 31.0  | 36.2  | 12.5        | 12.5         | 2.1         | 1.9         | 18.4        | 16.0        | 16.9        |
| Wipro                | Neutral | 260       | 250      | -4                | 16.9      | 17.3  | 18.9  | 15.3        | 15.0         | 2.5         | 2.2         | 16.9        | 15.4        | 15.5        |
| Zensar Tech          | Buy     | 797       | 1,020    | 28                | 54.9      | 62.0  | 74.2  | 14.5        | 12.9         | 2.2         | 2.0         | 16.3        | 16.3        | 17.1        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>16.5</b> | <b>16.4</b>  | <b>3.8</b>  | <b>3.7</b>  | <b>22.9</b> | <b>22.4</b> | <b>22.1</b> |
| <b>Telecom</b>       |         |           |          |                   |           |       |       |             |              |             |             |             |             |             |
| Bharti Airtel        | Buy     | 406       | 430      | 6                 | 11.1      | 5.9   | 10.9  | 36.5        | 69.0         | 2.4         | 2.3         | 6.7         | 3.4         | 6.1         |
| Bharti Infratel      | Buy     | 418       | 440      | 5                 | 14.9      | 17.2  | 19.3  | 28.2        | 24.4         | 5.0         | 4.3         | 16.2        | 19.1        | 18.7        |
| Idea Cellular        | Buy     | 89        | 110      | 24                | -1.1      | -9.7  | -11.2 | NM          | NM           | 1.3         | 1.5         | -1.6        | -15.3       | -20.8       |
| Tata Comm            | Buy     | 669       | 811      | 21                | 26.0      | 10.2  | 30.8  | 25.7        | 65.6         | 12.0        | 10.1        | 126.2       | 16.7        | 37.8        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>38.4</b> | <b>125.3</b> | <b>2.6</b>  | <b>2.6</b>  | <b>6.9</b>  | <b>2.1</b>  | <b>4.2</b>  |
| <b>Utilities</b>     |         |           |          |                   |           |       |       |             |              |             |             |             |             |             |
| Coal India           | Buy     | 251       | 315      | 26                | 14.9      | 17.6  | 18.6  | 16.8        | 14.2         | 6.3         | 6.3         | 37.8        | 44.5        | 47.0        |
| CESC                 | Buy     | 905       | 1,140    | 26                | 51.9      | 78.6  | 86.0  | 17.4        | 11.5         | 1.8         | 1.6         | 10.5        | 14.4        | 13.9        |
| JSW Energy           | Buy     | 63        | 85       | 34                | 3.9       | 3.2   | 3.1   | 16.4        | 20.1         | 1.0         | 1.0         | 6.3         | 4.9         | 4.8         |
| NTPC                 | Buy     | 167       | 198      | 19                | 13.0      | 13.4  | 16.2  | 12.9        | 12.5         | 1.4         | 1.3         | 11.5        | 10.9        | 12.3        |
| Power Grid           | Buy     | 215       | 242      | 13                | 14.2      | 17.6  | 20.6  | 15.1        | 12.2         | 2.3         | 2.0         | 16.2        | 17.5        | 17.8        |
| Tata Power           | Sell    | 83        | 68       | -18               | 5.2       | 6.4   | 6.7   | 16.1        | 13.0         | 1.9         | 1.7         | 11.2        | 13.9        | 12.1        |

| Company           | Reco         | CMP (INR) | TP (INR) | % Upside Downside | EPS (INR) |       |       | P/E (x)     |             | P/B (x)    |            | ROE (%)     |             |             |
|-------------------|--------------|-----------|----------|-------------------|-----------|-------|-------|-------------|-------------|------------|------------|-------------|-------------|-------------|
|                   |              |           |          |                   | FY17      | FY18E | FY19E | FY17        | FY18E       | FY17       | FY18E      | FY17        | FY18E       | FY19E       |
| <b>Aggregate</b>  |              |           |          |                   |           |       |       | <b>14.8</b> | <b>13.0</b> | <b>2.3</b> | <b>2.1</b> | <b>15.2</b> | <b>16.1</b> | <b>16.8</b> |
| <b>Others</b>     |              |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| Arvind            | Neutral      | 379       | 359      | -5                | 12.4      | 12.5  | 18.1  | 30.6        | 30.2        | 2.7        | 2.6        | 10.3        | 8.8         | 11.8        |
| Avenue Supermarts | Neutral      | 892       | 804      | -10               | 7.7       | 12.8  | 17.9  | 116.3       | 69.5        | 14.5       | 12.6       | 17.9        | 19.4        | 23.3        |
| Bata India        | Under Review | 559       | -        |                   | 13.5      | 15.7  | 19.4  | 41.4        | 35.6        | 5.4        | 4.9        | 13.9        | 14.4        | 15.8        |
| Castrol India     | Buy          | 406       | 527      | 30                | 13.6      | 14.4  | 15.0  | 29.7        | 28.1        | 33.7       | 30.1       | 115.2       | 113.3       | 106.1       |
| Century Ply.      | Neutral      | 284       | 323      | 14                | 8.7       | 9.8   | 12.9  | 32.7        | 28.9        | 8.8        | 7.3        | 31.1        | 27.7        | 29.6        |
| Coromandel Intl   | Under Review | 419       | -        |                   | 16.6      | 21.8  | 26.1  | 25.2        | 19.2        | 4.2        | 3.7        | 17.5        | 20.6        | 21.6        |
| Delta Corp        | Buy          | 162       | 215      | 33                | 3.1       | 5.7   | 7.2   | 53.0        | 28.5        | 4.1        | 2.7        | 8.1         | 12.1        | 11.5        |
| Dynamic Tech      | Buy          | 2,455     | 3,334    | 36                | 67.6      | 112.9 | 166.7 | 36.3        | 21.7        | 5.0        | 4.1        | 15.1        | 20.7        | 24.3        |
| Eveready Inds.    | Buy          | 341       | 368      | 8                 | 12.9      | 14.4  | 17.5  | 26.5        | 23.6        | 8.6        | 6.9        | 37.7        | 32.3        | 31.6        |
| Interglobe        | Neutral      | 1,278     | 1,283    | 0                 | 46.0      | 57.9  | 91.6  | 27.8        | 22.1        | 22.8       | 20.5       | 86.2        | 98.0        | 136.2       |
| Indo Count        | Buy          | 164       | 200      | 22                | 13.0      | 13.2  | 15.4  | 12.6        | 12.4        | 3.8        | 2.9        | 34.8        | 26.4        | 23.5        |
| Info Edge         | Buy          | 1,008     | 1,050    | 4                 | 15.7      | 20.3  | 22.9  | 64.3        | 49.8        | 6.2        | 5.7        | 10.2        | 11.9        | 12.3        |
| Inox Leisure      | Sell         | 267       | 240      | -10               | 3.3       | 8.0   | 12.0  | 80.2        | 33.3        | 4.7        | 4.1        | 5.9         | 12.5        | 16.2        |
| Jain Irrigation   | Under Review | 106       | -        |                   | 5.5       | 7.6   | 10.0  | 19.1        | 13.9        | 1.6        | 1.6        | 8.6         | 11.7        | 14.8        |
| Just Dial         | Neutral      | 358       | 465      | 30                | 17.5      | 18.5  | 21.1  | 20.5        | 19.4        | 2.7        | 2.5        | 14.8        | 13.4        | 13.7        |
| Kaveri Seed       | Buy          | 646       | 755      | 17                | 19.1      | 31.3  | 37.7  | 33.9        | 20.6        | 4.4        | 4.7        | 13.6        | 21.6        | 26.0        |
| Kitex Garm.       | Buy          | 274       | 394      | 44                | 18.6      | 22.1  | 26.2  | 14.8        | 12.4        | 4.0        | 3.2        | 29.8        | 28.6        | 27.6        |
| Manpasand         | Buy          | 772       | 927      | 20                | 12.7      | 20.3  | 30.9  | 60.8        | 38.1        | 3.8        | 3.6        | 7.3         | 8.5         | 13.5        |
| MCX               | Buy          | 1,096     | 1,300    | 19                | 24.8      | 28.0  | 42.2  | 44.2        | 39.1        | 4.1        | 3.9        | 10.2        | 10.2        | 14.5        |
| Monsanto          | Buy          | 2,740     | 3,295    | 20                | 86.2      | 105.1 | 126.7 | 31.8        | 26.1        | 8.9        | 8.1        | 31.6        | 32.5        | 34.5        |
| Navneet Education | Buy          | 177       | 226      | 28                | 7.8       | 9.4   | 11.3  | 22.8        | 18.7        | 5.7        | 4.8        | 26.8        | 27.8        | 28.2        |
| PI Inds.          | Buy          | 793       | 952      | 20                | 33.4      | 33.4  | 38.1  | 23.8        | 23.7        | 6.7        | 5.5        | 32.8        | 25.4        | 23.8        |
| Piramal Enterp.   | Buy          | 2,908     | 3,044    | 5                 | 72.6      | 104.1 | 144.6 | 40.1        | 27.9        | 3.8        | 3.5        | 9.8         | 13.0        | 16.4        |
| SRF               | Buy          | 1,552     | 1,816    | 17                | 85.9      | 86.3  | 109.2 | 18.1        | 18.0        | 2.8        | 2.5        | 16.6        | 14.7        | 16.7        |
| S H Kelkar        | Buy          | 263       | 287      | 9                 | 7.2       | 8.6   | 10.3  | 36.3        | 30.7        | 4.7        | 4.2        | 13.7        | 14.5        | 15.6        |
| Symphony          | Sell         | 1,326     | 1,288    | -3                | 23.7      | 35.1  | 42.9  | 56.0        | 37.8        | 20.8       | 18.3       | 43.3        | 51.6        | 54.5        |
| TTK Prestige      | Neutral      | 6,365     | 5,281    | -17               | 132.1     | 137.8 | 176.1 | 48.2        | 46.2        | 8.7        | 7.9        | 19.5        | 18.0        | 20.7        |
| V-Guard           | Neutral      | 182       | 167      | -8                | 3.6       | 4.5   | 6.0   | 50.8        | 40.5        | 12.1       | 9.9        | 27.4        | 26.9        | 28.8        |
| Wonderla          | Buy          | 359       | 393      | 9                 | 7.0       | 11.9  | 16.0  | 51.3        | 30.1        | 4.7        | 4.2        | 9.5         | 14.8        | 17.5        |



| Company                | 1 Day (%) | 1M (%) | 12M (%) |
|------------------------|-----------|--------|---------|
| <b>Automobiles</b>     |           |        |         |
| Amara Raja             | -0.8      | 0.0    | -3.8    |
| Ashok Ley.             | -0.6      | 11.4   | 15.0    |
| Bajaj Auto             | 0.7       | -0.7   | 5.6     |
| Bharat Forge           | 0.0       | -4.5   | 53.8    |
| Bosch                  | 0.6       | -0.1   | 4.1     |
| CEAT                   | -0.3      | 0.9    | 115.7   |
| Eicher Mot.            | -0.6      | -3.9   | 43.0    |
| Endurance Tech.        | -2.3      | -1.5   |         |
| Escorts                | 0.5       | -5.7   | 180.2   |
| Exide Ind              | -1.7      | -1.4   | 23.9    |
| Hero Moto              | 0.1       | -0.9   | 15.4    |
| M&M                    | 0.5       | -2.0   | -4.8    |
| Mahindra CIE           | -2.1      | -0.8   | 28.7    |
| Maruti Suzuki          | -0.1      | 2.8    | 70.8    |
| Tata Motors            | -1.4      | 0.1    | -7.0    |
| TVS Motor              | -0.4      | 4.3    | 87.1    |
| <b>Banks - Private</b> |           |        |         |
| Axis Bank              | 0.2       | 1.0    | -8.4    |
| DCB Bank               | 1.9       | -2.0   | 92.7    |
| Equitas Hold.          | -0.2      | 11.2   | -4.1    |
| Federal Bank           | 0.5       | -0.6   | 84.7    |
| HDFC Bank              | 0.0       | 0.6    | 40.1    |
| ICICI Bank             | 0.1       | 2.7    | 22.2    |
| IDFC Bank              | -0.1      | 8.1    | 20.7    |
| IndusInd               | -0.4      | 5.0    | 41.1    |
| J&K Bank               | -1.3      | -3.9   | 18.6    |
| Kotak Mah. Bk          | 1.6       | 0.9    | 25.2    |
| RBL Bank               | -1.0      | 4.4    |         |
| South Indian           | 0.5       | -1.7   | 39.9    |
| Yes Bank               | -1.0      | 8.0    | 33.9    |
| <b>Banks - PSU</b>     |           |        |         |
| BOB                    | 1.1       | -4.7   | 0.7     |
| BOI                    | 1.8       | 5.1    | 25.7    |
| Canara                 | 1.6       | 3.4    | 47.9    |
| IDBI Bk                | 0.4       | -5.0   | -25.1   |
| Indian Bk              | 3.8       | 3.4    | 99.7    |
| OBC                    | -0.2      | -0.6   | 19.0    |
| PNB                    | 1.0       | 1.2    | 15.7    |
| SBI                    | 1.0       | 2.5    | 25.8    |
| Union Bk               | 0.2       | 0.4    | 10.4    |
| <b>NBFCs</b>           |           |        |         |
| Bajaj Fin.             | 1.1       | 10.1   | 72.8    |
| Bharat Fin.            | 1.0       | 14.3   | 6.5     |
| Cholaman.Inv.&Fn       | -1.3      | 5.3    | 20.4    |
| Dewan Hsg.             | 0.1       | -0.4   | 107.8   |
| GRUH Fin.              | -1.1      | 14.4   | 70.7    |
| HDFC                   | -0.5      | -0.2   | 23.4    |
| Indiabulls Hsg         | -0.3      | -3.3   | 61.1    |
| LIC Hsg Fin            | 0.2       | -4.4   | 46.2    |
| Manappuram             | 2.6       | 7.2    | 38.3    |
| M&M Fin.               | 1.1       | 6.0    | 12.0    |
| Muthoot Fin            | 0.5       | -0.7   | 71.8    |
| PFC                    | -1.5      | -4.6   | 18.0    |
| Repc Home              | -0.4      | -9.9   | 4.4     |
| REC                    | -1.8      | -0.6   | 81.4    |
| STF                    | 0.5       | 7.6    | -19.1   |
| Shriram City Union     | 1.0       | -5.7   | 29.5    |

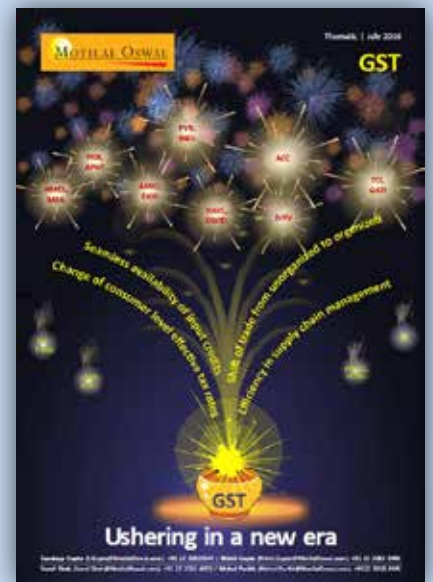
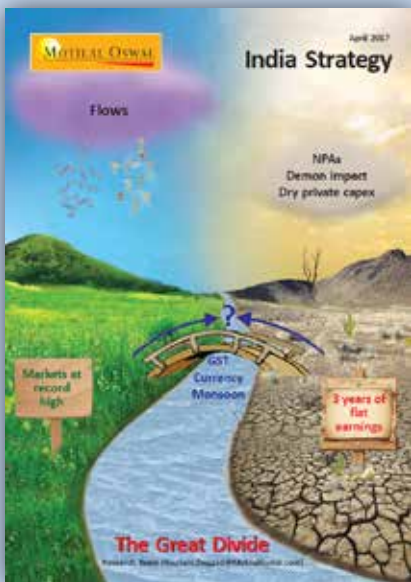
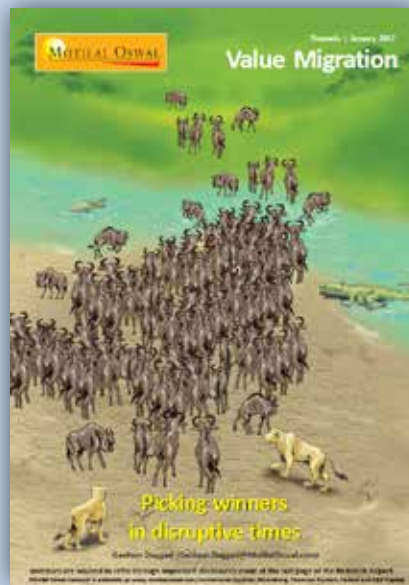
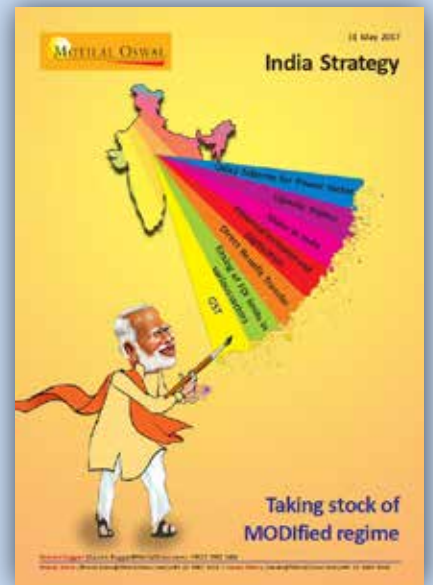
| Company              | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-----------|--------|---------|
| <b>Capital Goods</b> |           |        |         |
| ABB                  | -0.6      | 0.8    | 16.4    |
| Bharat Elec.         | 0.1       | 4.3    | 35.8    |
| BHEL                 | -1.2      | 1.3    | -2.7    |
| Blue Star            | 1.5       | 0.8    | 43.6    |
| CG Cons. Elec.       | -2.3      | -2.9   | 51.9    |
| CG Power & Inds Sol. | -0.6      | 2.7    | 18.3    |
| Cummins              | 0.3       | 1.2    | 13.7    |
| GE T&D               | -1.1      | -1.4   | -10.3   |
| Havells              | -0.9      | -3.4   | 32.7    |
| K E C Intl           | -0.4      | 14.2   | 105.9   |
| L&T                  | -0.3      | -0.2   | 12.4    |
| Pennar Eng.          | 1.7       | -8.3   | -27.8   |
| Siemens              | -1.3      | -0.3   | 1.9     |
| Solar Ind            | -1.5      | 2.8    | 22.6    |
| Suzlon Energy        | -1.0      | 0.5    | 2.4     |
| Thermax              | -0.5      | -5.5   | -0.2    |
| Va Tech Wab.         | -0.6      | -0.5   | 13.4    |
| Voltas               | -0.3      | -1.8   | 48.5    |
| <b>Cement</b>        |           |        |         |
| Ambuja Cem.          | -0.4      | 12.1   | -0.2    |
| ACC                  | 2.9       | 9.6    | 7.9     |
| Birla Corp.          | 0.6       | 0.6    | 68.4    |
| Dalmia Bharat        | 1.2       | 11.3   | 122.6   |
| Grasim Inds.         | -1.1      | 14.0   | 33.7    |
| India Cem            | -0.7      | -0.1   | 82.3    |
| J K Cements          | -1.0      | -8.1   | 34.9    |
| JK Lakshmi Ce        | -1.6      | -4.0   | 14.7    |
| Ramco Cem            | -0.8      | 1.3    | 24.5    |
| Orient Cem           | -0.6      | 4.9    | -12.3   |
| Prism Cem            | -2.3      | -0.2   | 16.5    |
| Shree Cem            | -1.0      | 3.9    | 19.1    |
| Ultratech            | 0.5       | 4.1    | 20.5    |
| <b>Consumer</b>      |           |        |         |
| Asian Paints         | -0.5      | -2.6   | 9.7     |
| Britannia            | -0.1      | 3.0    | 30.1    |
| Colgate              | -0.3      | -0.2   | 15.3    |
| Dabur                | 0.6       | 4.9    | -3.2    |
| Emami                | 0.1       | -4.1   | -3.7    |
| Godrej Cons.         | -0.2      | 3.6    | 23.7    |
| GSK Cons.            | -0.6      | 2.3    | -11.6   |
| HUL                  | 0.6       | 2.4    | 22.3    |
| ITC                  | -0.4      | 12.5   | 35.5    |
| Jyothy Lab           | -1.4      | -4.4   | 22.0    |
| Marico               | 0.2       | 3.6    | 17.9    |
| Nestle               | 0.4       | 2.0    | 4.0     |
| Page Inds            | 1.0       | 3.7    | 26.3    |
| Parag Milk           | -0.9      | 4.1    | -28.4   |
| Pidilite Ind.        | -2.0      | -0.6   | 12.6    |
| P&G Hygiene          | 0.4       | 0.6    | 27.9    |
| Prabhat Dairy        | 0.4       | 18.7   | 45.1    |
| United Brew          | 0.0       | 2.5    | 2.7     |
| United Spirits       | 0.4       | 12.8   | 6.9     |
| <b>Healthcare</b>    |           |        |         |
| Alembic Phar         | 0.2       | 0.9    | -7.8    |
| Alkem Lab            | -0.9      | -3.8   | 26.3    |
| Ajanta Pharma        | 1.2       | -5.9   | -6.9    |
| Aurobindo            | 5.8       | 24.0   | -3.7    |
| Biocon               | 8.9       | 17.3   | 68.0    |



| Company              | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-----------|--------|---------|
| Cadila               | 2.2       | 0.2    | 45.5    |
| Cipla                | 1.0       | 1.4    | 7.1     |
| Divis Lab            | 0.7       | 14.2   | -36.4   |
| Dr Reddy's           | 0.4       | 1.5    | -24.4   |
| Fortis Health        | -0.5      | -12.9  | 3.8     |
| Glenmark             | 0.1       | 8.2    | -19.4   |
| Granules             | 0.6       | -1.9   | -5.7    |
| GSK Pharma           | -1.2      | 3.8    | -27.5   |
| IPCA Labs            | -0.2      | -5.8   | 2.3     |
| Jubilant Life        | 1.1       | -0.5   | 132.8   |
| Lupin                | -0.3      | -3.6   | -31.3   |
| Sanofi India         | 0.1       | 2.6    | -8.2    |
| Sun Pharma           | 0.2       | 5.9    | -25.9   |
| Syngene Intl         | 4.9       | 7.9    | 18.2    |
| Torrent Pharma       | 1.4       | 5.4    | -9.8    |
| <b>Logistics</b>     |           |        |         |
| Allcargo Logistics   | -0.7      | -1.6   | -10.7   |
| Blue Dart            | -1.4      | 9.5    | -22.6   |
| Concor               | -0.1      | 2.3    | 1.7     |
| Gateway Distriparks  | -0.5      | 6.9    | -10.4   |
| Gati                 | -1.3      | 0.2    | -30.6   |
| Transport Corp.      | -2.4      | 4.2    | 50.7    |
| <b>Media</b>         |           |        |         |
| Dish TV              | -0.9      | -3.1   | -20.5   |
| D B Corp             | -0.1      | 0.8    | 0.3     |
| Den Net.             | -0.9      | -1.3   | -10.2   |
| Hind. Media          | 3.0       | 3.9    | 5.3     |
| HT Media             | -0.8      | 1.9    | 1.7     |
| Jagran Prak.         | -1.4      | -4.1   | -2.1    |
| PVR                  | -1.0      | -7.4   | 38.6    |
| Siti Net.            | -0.4      | -12.5  | -31.9   |
| Sun TV               | 0.2       | 0.7    | 113.4   |
| Zee Ent.             | -0.1      | 0.3    | 10.6    |
| <b>Metals</b>        |           |        |         |
| Hindalco             | 0.4       | 2.9    | 51.4    |
| Hind. Zinc           | -1.0      | 12.6   | 40.7    |
| JSPL                 | -0.8      | 12.1   | 85.8    |
| JSW Steel            | 0.5       | 8.4    | 36.2    |
| Nalco                | -3.8      | 7.8    | 40.9    |
| NMDC                 | 0.2       | 7.4    | 24.2    |
| SAIL                 | -0.2      | 10.3   | 23.8    |
| Vedanta              | -0.2      | 11.2   | 60.0    |
| Tata Steel           | -0.6      | 11.3   | 55.8    |
| <b>Oil &amp; Gas</b> |           |        |         |
| BPCL                 | 0.7       | 0.0    | 25.1    |
| GAIL                 | 4.8       | 2.2    | 31.2    |
| Gujarat Gas          | -1.7      | -6.0   | 33.2    |
| Gujarat St. Pet.     | 0.0       | 0.9    | 23.9    |
| HPCL                 | 3.5       | 6.5    | 63.4    |
| IOC                  | -2.0      | -11.2  | 55.0    |
| IGL                  | -0.2      | 4.3    | 85.6    |
| MRPL                 | -0.9      | -1.8   | 72.5    |
| Oil India            | 1.3       | -8.6   | -2.7    |
| ONGC                 | -0.3      | -6.5   | 3.0     |
| PLNG                 | -1.3      | -1.8   | 46.0    |
| Reliance Ind.        | 0.8       | 12.9   | 52.1    |
| <b>Retail</b>        |           |        |         |
| Jubilant Food        | 5.0       | 21.2   | -2.3    |
| Titan Co.            | -0.2      | 2.4    | 28.7    |

| Company           | 1 Day (%) | 1M (%) | 12M (%) |
|-------------------|-----------|--------|---------|
| <b>Technology</b> |           |        |         |
| Cyient            | -1.1      | -2.1   | 3.0     |
| HCL Tech.         | -0.8      | -0.2   | 17.0    |
| Hexaware          | -1.6      | 1.8    | 6.6     |
| Infosys           | -0.4      | 1.4    | -17.3   |
| KPIT Tech         | 0.4       | 9.4    | -6.9    |
| L&T Infotech      | -0.6      | -1.3   |         |
| Mindtree          | 0.0       | -1.6   | -21.3   |
| Mphasis           | -1.3      | -4.4   | 4.9     |
| NIIT Tech         | -1.0      | 0.2    | 13.3    |
| Persistent Sys    | -0.6      | -0.1   | -3.6    |
| Tata Elxsi        | -1.1      | 10.5   | 2.1     |
| TCS               | -1.9      | -2.9   | -4.8    |
| Tech Mah          | -0.4      | -2.4   | -25.2   |
| Wipro             | -1.8      | 1.3    | -9.1    |
| Zensar Tech       | -0.6      | -8.0   | -21.1   |
| <b>Telecom</b>    |           |        |         |
| Bharti Airtel     | 0.7       | 11.1   | 10.7    |
| Bharti Infratel   | 1.9       | 8.5    | 18.5    |
| Idea Cellular     | 1.2       | 15.1   | -17.6   |
| Tata Comm         | 1.6       | -10.6  | 44.8    |
| <b>Utilities</b>  |           |        |         |
| Coal India        | -1.1      | -2.6   | -22.8   |
| CESC              | 4.4       | 0.9    | 51.2    |
| JSW Energy        | -0.9      | 1.2    | -20.8   |
| NTPC              | 2.0       | 4.5    | 5.6     |
| Power Grid        | 0.0       | 2.3    | 30.5    |
| Tata Power        | -0.4      | 7.0    | 15.6    |
| <b>Others</b>     |           |        |         |
| Arvind            | 1.1       | 0.8    | 18.4    |
| Avenue Super.     | -2.5      | 12.0   |         |
| Bata India        | -1.1      | 2.1    | -1.8    |
| Castrol India     | 0.2       | 2.1    | 0.8     |
| Century Ply.      | 0.3       | -7.8   | 29.5    |
| Coromandel Intl   | -0.1      | -1.9   | 71.2    |
| Delta Corp        | -0.9      | 0.4    | 73.2    |
| Dynamatic Tech    | 1.2       | 1.2    | -2.6    |
| Eveready Inds.    | -1.1      | 2.2    | 25.3    |
| Interglobe        | 0.1       | 10.6   | 28.9    |
| Indo Count        | -2.4      | -8.5   | -14.1   |
| Info Edge         | -3.6      | -1.7   | 20.3    |
| Inox Leisure      | -2.0      | -6.0   | 9.3     |
| Jain Irrigation   | 0.5       | -2.1   | 44.1    |
| Just Dial         | -2.5      | -12.6  | -37.7   |
| Kaveri Seed       | -0.7      | -3.1   | 52.6    |
| Kitex Garm.       | -1.5      | -5.9   | -27.2   |
| Manpasand         | 1.5       | 0.3    | 18.5    |
| MCX               | 1.6       | 2.6    | 4.4     |
| Monsanto          | -1.1      | 0.1    | 10.0    |
| Navneet Educat.   | -0.3      | -4.3   | 79.2    |
| PI Inds.          | 1.5       | -5.1   | 8.4     |
| Piramal Enterp.   | -0.2      | -2.9   | 89.2    |
| SRF               | -0.5      | -5.0   | 13.1    |
| S H Kelkar        | -1.5      | -7.4   | 15.6    |
| Symphony          | 0.2       | 1.1    | 8.2     |
| TTK Prestige      | 0.0       | -5.4   | 31.4    |
| V-Guard           | -0.9      | 1.2    | 82.4    |
| Wonderla          | 1.0       | -2.6   | -10.2   |

# THEMATIC/STRATEGY RESEARCH GALLERY



# REPORT GALLERY

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**Favorable odds**

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Sector: Automobiles

### CEAT

**Well balanced**

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# DIFFERENTIATED PRODUCT GALLERY

**MOTILAL OSWAL** 27 March 2017

## Annual Report Threadbare

**JC LAKSHMI CEMENT**

**Strong performance in FY17**

After a year of strong performance, JC Lakshmi Cement (JCL) has recorded a strong performance, with revenue growing 10% to ₹1,100 crore and EBITDA growing 12% to ₹200 crore. The company's strong performance is primarily due to its focus on high quality and innovation in its products, which has led to a strong demand for its products in the market.

**The ABC of annual report analysis**

**ART**

ART is a tool used to analyze the annual report of a company. It stands for Annual Report Threadbare. The ABC of annual report analysis is a framework used to analyze the annual report of a company. It stands for Annual Report Threadbare. The ABC of annual report analysis is a framework used to analyze the annual report of a company. It stands for Annual Report Threadbare.

**Key highlights**

- Revenue grew 10% to ₹1,100 crore
- EBITDA grew 12% to ₹200 crore
- Operating profit grew 15% to ₹150 crore
- Net profit grew 18% to ₹100 crore

**Key risks**

- Commodity price volatility
- Operational risks
- Financial risks

**Conclusion**

JC Lakshmi Cement has achieved a strong performance in FY17, driven by its focus on high quality and innovation in its products. The company's strong performance is a testament to its commitment to excellence and its focus on its customers.

**MOTILAL OSWAL** 28 June 2017

## The Corner Office

Deliberations with the CEO

**Slow of new launches encouraging**

Highway toll and GST paper operations face challenges

**Key highlights**

- India's economic growth is slowing down, which is a concern for the government. The government is taking steps to stimulate the economy, but the slow growth is still a concern.
- The government is taking steps to stimulate the economy, but the slow growth is still a concern.
- The government is taking steps to stimulate the economy, but the slow growth is still a concern.

**Key risks**

- Global economic uncertainty
- Domestic economic challenges
- Operational risks

**Conclusion**

The government is taking steps to stimulate the economy, but the slow growth is still a concern. The government is taking steps to stimulate the economy, but the slow growth is still a concern.

**MOTILAL OSWAL** 19 July 2017

## VOICES

**India Inc on Call**

India Inc is on a call to improve its performance and to become a more attractive investment destination. The government is taking steps to improve the business environment, but India Inc still faces many challenges.

**Key highlights**

- India Inc is on a call to improve its performance
- The government is taking steps to improve the business environment
- India Inc still faces many challenges

**Key risks**

- Global economic uncertainty
- Domestic economic challenges
- Operational risks

**Conclusion**

India Inc is on a call to improve its performance and to become a more attractive investment destination. The government is taking steps to improve the business environment, but India Inc still faces many challenges.

**MOTILAL OSWAL** 17 March 2017

## EcoKnowledge

Diving into Trending Themes

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

The Pay Commission (PC) is a body that recommends the pay scales for government employees. The PC is set up by the government and its recommendations are usually accepted by the government.

**Key highlights**

- Only two states (Kerala and West Bengal) have implemented the 17% pay commission in FY18.
- The PC is a body that recommends the pay scales for government employees.
- The PC is set up by the government and its recommendations are usually accepted by the government.

**Key risks**

- Global economic uncertainty
- Domestic economic challenges
- Operational risks

**Conclusion**

Only two states (Kerala and West Bengal) have implemented the 17% pay commission in FY18. The PC is a body that recommends the pay scales for government employees.

**MOTILAL OSWAL**

## BULLS & BEARS

INDIA VALUATIONS HANDBOOK

**Highlights of June edition**

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

**Best performing sectors (%)**

| Sector      | Return (%) |
|-------------|------------|
| Real Estate | 15.2       |
| Healthcare  | 12.8       |
| Consumer    | 10.5       |
| Telecom     | 8.9        |
| IT          | 7.3        |
| Banking     | 6.1        |
| Energy      | 5.4        |
| Metals      | 4.2        |
| Auto        | 3.8        |
| Others      | 2.5        |

**Worst performing sectors (%)**

| Sector      | Return (%) |
|-------------|------------|
| IT          | -2.1       |
| Healthcare  | -1.8       |
| Consumer    | -1.5       |
| Telecom     | -1.2       |
| Real Estate | -0.9       |
| Banking     | -0.7       |
| Energy      | -0.5       |
| Metals      | -0.3       |
| Auto        | -0.2       |
| Others      | 0.1        |

Research & Quant Team (Devend@MotilalOswal.com) | 412 223862 3400 | July 2017

**MOTILAL OSWAL**

## FUND FOLIO

Indian Mutual Fund Tracker

**Equity AUM of ₹1 lakh crore in one month, up 40% in 12 months**

**Key highlights**

- Equity AUM of ₹1 lakh crore in one month, up 40% in 12 months.
- IRRS-2t is the top performer among equity funds.
- IRRS-2t is the top performer among equity funds.

**Key risks**

- Global economic uncertainty
- Domestic economic challenges
- Operational risks

**Conclusion**

Equity AUM of ₹1 lakh crore in one month, up 40% in 12 months. IRRS-2t is the top performer among equity funds.

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