

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	32,634	0.6	22.6
Nifty-50	10,231	0.6	25.0
Nifty-M 100	18,779	0.3	30.9
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,558	0.2	14.2
Nasdaq	6,624	0.3	23.1
FTSE 100	7,527	-0.1	5.4
DAX	13,004	0.1	13.3
Hang Seng	11,603	0.7	23.5
Nikkei 225	21,256	0.5	11.2
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	58	1.5	4.5
Gold (\$/OZ)	1,295	-0.7	12.4
Cu (US\$/MT)	7,122	3.8	29.0
Almn (US\$/MT)	2,110	0.0	23.8
Currency	Close	Chg .%	YTD.%
USD/INR	64.7	-0.3	-4.7
USD/EUR	1.2	-0.1	12.3
USD/JPY	111.8	-0.1	-4.4
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.7	0.0	0.2
10 Yrs AAA Corp	7.6	-0.1	0.0
Flows (USD b)	13-Oct	MTD	YTD
FII	0.0	-0.7	4.5
DII	0.0	1.2	11.0
Volumes (INRb)	13-Oct	MTD*	YTD*
Cash	334	308	294
F&O	6,836	6,096	5,458

Note: YTD is calendar year, *Avg



Today's top research idea

Prime Focus (Initiating Coverage): Set to run the show

Forte in global media services to drive profitable growth

- ✓ PFL has turned into a strong media service player globally, offering visual effects, 3D animation and media-focused ERP solutions in India and abroad.
- ✓ The company turned profitable in FY17 post completion of M&A integration in FY15-16. In our view, the four M&A transactions in the last five years have allowed PFL to become a strong media service player globally. The company's position as one of the top-4 Hollywood VFX service providers and a steady order book should drive 15%/18% revenue/EBITDA CAGR over FY17-20E.
- ✓ We note that the demons of ~2.8x jump in net debt to INR13.9b and 50% equity dilution over the last five years are now behind. Improving EBITDA and lower capex requirement are expected to help generate healthy FCF, improve RoIC to 19%, and reduce net debt by ~68% to INR4.5b by FY20.
- ✓ We initiate coverage with a **Buy** rating and TP of INR130 (+46%), based on SOTP valuation (10x FY19E EBITDA).



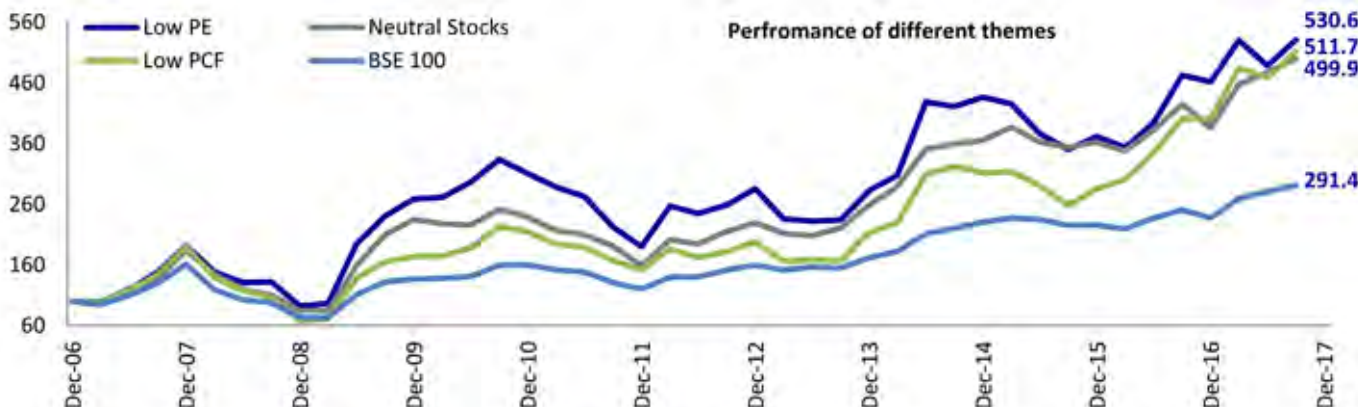
Research covered

Cos/Sector	Key Highlights
Prime Focus (IC)	Set to run the show
India Strategy	Contrarian Investing – Quarterly update
Expert Speak	GST: A change for the better
Fund Folio	AUM rises for the 16th consecutive quarter
Bajaj Finance	Strong growth continues
Colgate-Palmolive	Volumes miss, but high rural salience to drive performance
Federal Bank	Strong operating performance
Dewan Hsg. Fin.	Growth surprises positively; re-rating to continue
Delta Corp	Results in-line (GST adjusted)
DCB Bank	Strong Operating Profit, Lower Provisions Aid YoY PAT Growth
Persistent System	Marching upward on profitability
Hindustan Media	GST and RERA prune ad growth
Metals Weekly	Alumina continues to rise due to bauxite supply disruption
Results Expectation	ACC Axis Bank Bajaj Auto H T Media Wipro



Chart of the Day: India Strategy – A review of our contrarian investment strategies

Out-of-favor stocks have beaten the benchmark convincingly (Indexed Returns)



Source: Bloomberg

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

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



Kindly click on textbox for the detailed news link

1

Jio sets stage for another fight over IUC, this time over international calls

Reliance Jio Infocomm has called upon the telecom regulator to slash international call termination rates to 6 paise a minute, and then to zero, changing its stance and breaking ranks with larger rivals who want the fee to be increased to Re 1 from 53 paise...

2

Ecommerce still lures big bucks in India, investors push in \$2 bn in just 3 months

Indian e-commerce businesses may not be breaking even just yet but big-ticket transactions by private equity (PE) and venture capital (VC) players drove up investments in these ventures to \$2.1 billion in the three months to September. That's an increase of 17% sequentially, data put together by research firm Jefferies show. Indeed, 2017 has seen a resurgence in inflows into e-retailing as investors believe consolidation and a focus on costs will make ventures more viable...

3

Maruti Suzuki vehicles dominate top 10 selling list

Maruti Suzuki, the pioneer in India's personal transport industry, strengthened its leadership credentials this financial year, with five of its top-selling models monopolizing the domestic leader-board for the first time in a decade...

4

J&K set to bring petrol, electricity, liquor under GST

Jammu and Kashmir (J&K) is poised to be the first state to bring petrol, electricity, liquor and real estate under the state goods and services tax (GST). A formal decision is likely to be part of the state's budget for 2017-18, scheduled for presentation in the first week of January...

5

Centre looking at ₹16,000-cr export package

The Centre is considering an incentive package of over ₹16,000 crore to boost exports in view of "sluggish domestic demand and competition in export markets". Commerce Minister Suresh Prabhu, in a letter to Finance Minister Arun Jaitley, has made a case for early decisions on key issues affecting exports — such as inadequate incentives and lack of credit — to formulate a meaningful mid-term review of the foreign trade policy (FTP). A number of critical export promotion measures,...

6

Five suitors put in bids for stake in JP Power

Five investors have put in their bids to buy at least a 30 per cent stake in debt-ridden Jaiprakash Power Ventures (JPVL), according to sources close to the development. While 11 players had initially evinced interest in picking up a stake in JPVL, that number has now shrunk to five...

7

RIL, BP submit revised investment plan for KG-D6 gas finds

Reliance Industries and its partner BP Plc. of UK on Monday submitted a revised investment plan for bringing to production the satellite gas discoveries in the flagging KG-D6 block. RIL and BP plan to develop four deep sea satellite gas finds,...

BSE Sensex
32,634S&P CNX
10,231**CMP: INR89****TP: INR130 (+46%)****Buy****Stock Info**

Bloomberg	PRIF IN
Equity Shares (m)	298.9
52-Week Range (INR)	124 / 63
1, 6, 12 Rel. Per (%)	-13/-25/5
M.Cap. (INR b)	27.4
M.Cap. (USD b)	0.42
Avg Val, INRm	11
Free float (%)	65.0

Financial Snapshot (INR b)

Y/E MARCH	FY17	FY18E	FY19E
Net Sales	21.5	24.7	28.4
EBITDA	4.8	5.5	6.5
Adj. NP	0.4	0.9	1.8
Adj. EPS (INR)	1.2	3.0	5.9
EPS Gr.%	LP	147.7	94.3
BV/Share	18.6	21.6	27.5
Adj. P/E (x)	73.0	29.5	15.2
P/BV (x)	4.8	4.1	3.2
EV/EBITDA (x)	8.5	7.0	5.4
RoE (x)	7.6	15.0	23.9
RoCE (x)	8.3	9.7	14.1

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	35.0	35.0	35.0
DII	0.0	0.0	0.0
FII	9.9	10.1	10.7
Others	55.1	54.9	54.3

FII Includes depository receipts

Prime Focus

Set to run the show

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[Please click here for Video Link](#)**Set to run the show****Forte in global media services to drive profitable growth**

- Prime Focus Ltd (PFL) is a full-service media player offering creative solutions, including visual effects (VFX), animation, 3D conversion and media-focused ERP solutions, in India and abroad.
- The company turned profitable in FY17 post completion of the M&A integration in FY15-16. In our view, the four M&A transactions in the last five years have allowed PFL to become a strong media service player globally, which should drive 15%/18% revenue/EBITDA CAGR over FY17-20E.
- One of the top-4 Hollywood VFX service providers, PFL is well placed to benefit from the steady rise in VFX budgets of the top Hollywood movie grossers.
- We note that the demons of ~2.8x jump in net debt to INR13.9b and 50% equity dilution over the last five years are now behind. Furthermore, improving EBITDA and lower capex requirement are expected to help generate healthy FCF, improve RoIC to 19% and reduce net debt by ~68% to INR4.5b by FY20.
- We thus initiate coverage on PFL with a Buy rating and a target price of INR130 (46% upside), based on SOTP-based valuation, ascribing 10x (industry average) on FY19E EBITDA.

Full-service media player set to run the show

PFL, a full-service media player, has grown its revenue by 10x and EBITDA by 5x over the past ten years. Post five years of strategic M&As (integration completed in FY15-16), the company turned profitable in FY17. We believe M&A has allowed PFL to become a strong player in the media service industry globally, which should drive steady 15% revenue CAGR over FY17-20E to reach INR32.8b. Besides this, the scale benefits and cost synergies, particularly in the Creative segment, should drive 18% EBITDA CAGR to reach INR 7.8b over the same period.

Creative segment – Animating growth

Creative segment, which operates through its 80%-held subsidiary, Prime Focus World (PFW), has significantly enhanced its competitive position post the merger with Double Negative (DNeg), one of the top-4 Hollywood VFX service providers. Enjoying a healthy USD250m order pipeline (v/s USD100m in FY14), Creative segment (77% of revenues in FY17) is expected to exhibit revenue CAGR of 16% over FY17-20E to reach INR26.2b. We note that 90% of the top 25 movie grossers are VFX-heavy (in the last three years), and the budgets for the same continue expanding (from 10% to 25-30% of top 25 movie grossers in last ten years). Thus, Creative segment's target market – Hollywood VFX industry – continues to grow in high-single-digits. The segment's cost synergies (as incremental projects relocate to low-cost centers) should also drive steady margin improvement. We expect EBITDA CAGR of 22% over FY17-20E to reach INR6.4b.

Tech and India FMS to remain steady

Tech business (16% revenue in FY17), which operates through its 74%-held subsidiary, Prime Focus Technology (PFT), offers cloud-based media ERP solutions to global media houses. Notably, the company does not face direct competition from peers in this business. PFT's content digitization endeavor has allowed it to become a dominant player in India, and it has partnered with anchor broadcasters like Star TV. Operating with an order book of ~USD200m, the company is expected to exhibit revenue/EBITDA CAGR of 15%/16% over FY17-20 to reach INR5.3b/INR1.5b. PFT's recent investments in developed markets, breakthrough in Latin America and inherent lumpy revenue growth profile have the potential to drive significantly better-than-expected performance. Its other business, the India Film Management Services (FMS) (7% revenue contribution in FY17), is a dominant pre- and post-production equipment/service provider to the film industry. This business is expected to grow its revenue and EBITDA at 8% and 3%, respectively, over FY17-20E as large production houses turn to captive resources.

M&A phase behind; expect steady RoCE, FCF improvement

The company underwent 50% equity dilution, and grew gross debt from INR5.4b to INR15.2b over FY12-17. This can be ascribed to the FCCB repayment woes, the four M&A transactions over FY14-16 and also reclassification of INR2.4b preference capital as debt (based on Ind-AS). However, with no further need for M&A, incremental cash flow should be utilized toward debt repayment. Additionally, provisioning of the long-pending INR2b debtors has lowered debtor days (from 130 in FY14 to ~40 in FY17). We expect moderate capex of INR1.75b (7% capex to sales), and improving profitability on a leaner balance sheet should drive RoIC to 19% by FY20. FCF generation (after deducting net interest cost) should increase to INR4.6b in FY20 from INR0.7b in FY17. With cumulative FCF generation of INR12.0b over FY17-20E, the current INR15.2b gross debt is expected to reduce significantly.

Valuation and view

The stock is trading at adj. P/E of 15.2x and EV/EBITDA of 5.4x on FY19E basis. Using SOTP, we value Creative segment at 10x EV/EBITDA, Tech/Tech-enabled services at 10x EV/EBITDA (industry average) and Indian FMS at 6x EV/EBITDA, arriving at a TP of INR130. The higher valuation multiple for Creative and Tech/Tech-enabled business is attributed to its healthy profit growth and sturdy competitive position in both the businesses. India FMS business also offers steady profitability, but limited growth opportunities – and thus low valuations. We believe its improving return ratios and FCF generation offer strong re-rating potential. We initiate coverage with a **Buy** rating and a target price of INR130, offering 46% upside.



Contrarian investing

Please refer our report dated
23 June 2017



Please refer our report dated
23 August 2017



As a part of our analysis, we have divided BSE100 in 5 groups of 20 – Quintile-1 (Q1), Quintile-2 (Q2), Quintile-3 (Q3), Quintile-4 (Q4) and Quintile-5 (Q5), respectively, with Q1 being composed of the most popular stocks and so on

Contrarian Investing – Quarterly update

A review of our contrarian investment strategies

Our thematic strategy note on [Contrarian investing](#), published in June'17 gives a detailed account of the subject matter. In this note we have reviewed the performance of our strategies. Also, since we have used quarterly rebalancing to test our hypothesis, we run the updated quintiles as on 30th September and present key findings along with our top contrarian bets.

The key takeaways from 2QFY18 quintiles

- n Our analysis suggested that neutral to moderately popular stocks deliver significant outperformance, even bettering the performance of the most popular stocks. *In this quarter, neutral to moderately popular stocks outperformed the benchmark BSE-100 as well as the most popular stocks. The most popular stocks delivered the worst return in this quarter.*
- n Our findings proved that out-of-favor low P/E stocks deliver disproportionate returns, significantly beating the benchmark. In contrast, the performance of high P/E stocks is dismal. *In this quarter, low P/E stocks delivered the best returns, whereas the high P/E quintile delivered the worst returns, validating our thesis.*
- n Similarly, out-of-favor low P/CF stocks deliver disproportionate returns, significantly beating the benchmark. In contrast, the performance of high P/CF stocks is dismal.
- n We also note that in some sub-themes, the returns from a quintile deviate from the long term pattern highlighted in our initial detailed note. However, this is in line with the trends observed even in the long term study – where returns can deviate for a quarter here and there but over a long period, the hypothesis is proven right. For example, in the Popularity theme, instead of Quintile -4, Quintile-3 has delivered best returns in 2QFY18.

Best delta: Consensus change from net sell to net buy

- n Our findings suggested that a simple strategy of investing in stocks for which analyst consensus has changed from “net sell to net buy” with a holding period of one year has delivered 24.0% annual returns over the last 10 years.
- n Net Sell to Net Buy stocks for 2QFY18: Stocks which satisfies this criterion for 2QFY18 are – ACC, Havells, BEML, CG Power, Divis, Nestle, NMDC

Top Contrarian Picks

We highlight our top contrarian Buy and Sell picks based on the various themes we have covered in this note as well as in the past – *Popularity, Relative Valuations, Net Sell to Net Buy, Consensus SELLS.*

Contrarian BUYs: Axis Bank, Sun Pharma, HPCL, Dabur, RECL.

Contrarian SELLs: Eicher Motors, Wipro, LIC Housing Finance, Bajaj Finance, GAIL.



GST: A change for the better

Economy to benefit as the new tax mechanism stabilizes

We hosted a conference call with Mr Pratik Jain (partner and leader indirect tax at PwC India) to understand his views on how Goods & Services Tax (GST) transition has been absorbed by the economy post its implementation in July this year. He believes that GST – one of the most important structural reforms of India – should contribute significantly toward the economy by way of promoting more investment and manufacturing in India over the long term. However, Mr Jain agreed that the first 100 days of implementation have not been as s

First 100 days of GST implementation – some hits and misses

- n GST transition in the initial months of rollout has been smoother than expected from the government's perspective, with no significant protests in the industry, barring textiles, which was completely outside the tax purview in the pre-GST era.
- n The real issues surfaced during the August filing, largely with respect to the infrastructure and technology of the GST-filing portal GSTN. With last-minute law modifications and finalization continuing until 30 June, GSTN was never seamlessly tested and will take time to stabilize. Against this backdrop, the government had to extend the deadline for filing of August returns to October.
- n Of ~6.5m businesses that were expected to file returns for July, only ~4.5m have actually done the filing, indicating a low level of compliance.
- n Corporates are realizing that GST is structurally good for the economy, but not so simple in terms of compliance.
- n The GST Council has approved a white paper on the GST rates with a view to review and reduce the rates, especially the 28% slab, under which 14% of the commodity and services are covered.

Some relief granted on initial provisions to facilitate smooth transitioning

- n To facilitate smooth transitioning to GST, the government has (a) extended deadline for the implementation of e-way bills and the reverse charge mechanism for unregistered dealers until April 2018 and (b) provided relief to exporters to address their concerns related to rising working capital requirements by reducing duties for certain categories of exporters and introducing E-wallets by April 2018.
- n Mr Jain believes that the system of e-way bill is much ahead of time and the reverse charge mechanism is not required.



Mr. Pratik Jain
Partner, National leader –
Indirect tax, PwC India

Mr. Pratik Jain is a national leader – Indirect tax in PwC India. He is a member of the Institute of Chartered Accountants of India and a law graduate. Pratik has been involved with several India and MNCs & advises them on tax planning, management, dispute resolution and policy related issues. He also plays an active role in formulation of the GST policy and is actively involved/ consulted by industry and industry associations. Pratik regularly contributes in public debates/discussions on tax policy related issues and is member of tax committees of leading trade bodies. He chairs the GST committee of CII (Northern region). Pratik has been a member of Tax Advisory Group of Organization of Economic Cooperation & Development (OCED).

Backward/hilly area exemptions unlikely to be restored in full under GST

- n In the erstwhile regime, companies establishing manufacturing units in backward areas were granted certain tax incentives in the form of excise/ VAT exemptions. Under the GST regime, these exemptions have been restricted to 58% of CGST (net of input tax benefits). These benefits are likely to be lower than what were availed in the earlier regime.
- n Certain units in the backward areas were operating as contract manufacturers for large brand owners. For some of the products (which were earlier subject to excise levy on a MRP-based mechanism with abatements) manufactured in these entities, the excise duty exemption was availed based on the MRP of the goods sold. However, under GST, the exemptions will be restricted only to the extent of value-add (job work charges).
- n State-based VAT refunds granted previously are not continued in the GST regime. Hence, there is a need for state-specific schemes for such businesses.
- n Several industry bodies have made representations to the government for the disadvantaged situation with these changes. Unresolved issues may invite various litigations in future.

Other issues

- n **Input tax credit of ~650b claimed:** Input tax credit (ITC) of INR650b has been claimed from the erstwhile regime, which far exceeds the government expectations. This includes (i) tax credit carried forward, (ii) traders claiming excise credit under one-time opportunity, who were subjected only to VAT in the earlier regime and (iii) deemed credit of 40-60% excise duty depending on the slab of GST. Mr Jain believes that businesses have claimed certain duties which were not eligible and large amount of this ITC will be disputed.
- n **Anti-profiteering:** Government is rigorously implementing these rules to ensure passage of benefit to consumers in the form of lower prices. This may be possible by addressing consumer complaints and audit of books by investigating officers.

AUM rises for the 16th consecutive quarter

- Domestic MFs maintained their positive momentum in September – industry average AUM increased for the 16th consecutive quarter in 3QCY17 (+7.3% QoQ) to touch a new high of INR21t. On a YoY basis, average AUM increased 29.9% (INR4.8t) in September 2017, primarily on account of inflows in growth (equity), income and liquid funds, backed by increased participation of domestic investors in equity schemes.
- Equity AUM rose for the 10th consecutive month in September to scale a new high of INR6.6t (+2.4% MoM and +40.8% YoY), led by an increase in equity scheme sales (INR343b, +5.7% MoM). Redemptions rose 27% MoM to INR154b and market indices were down (Nifty -1.3% MoM), leading to a fall in net inflows (INR189b, -7% MoM).
- Equity AUM, as % of total AUM, rose 100bp MoM to 32.3% in September. Equity AUM now accounts for 5% of India's market capitalization.

Some interesting facts

- The month saw a notable change in sector and stock allocation of funds. On an MoM basis, the weights of NBFCs, Healthcare and Technology increased, while those of Banks (PSU and Private), Cements, Metals, Capital Goods, Consumer and Telecom showed signs of moderation.
- NBFC sector's weight reached a new high of 8.4% (+30bp MoM and +190bp YoY). As a result, the sector overtook Capital Goods to take the third position in sector allocation of mutual funds – it was at the sixth position 12 months ago.
- After increasing for 15 consecutive months, the weight of Metals declined in September to 3.7% (-10bp MoM). Healthcare's weight increased (+20bp MoM) to 6.5% in September after two consecutive months of decline.
- Of the top 10 stocks in terms of value increase MoM, three were from Healthcare.
- Bajaj Finance, which entered the Nifty-50, was one of the preferred stocks among MFs in September, with net buying by 12 funds. Value increased by INR12.1b, with the stock up 2.9% for the month.
- Interglobe Aviation was also one of the preferred stocks among MFs in September, with net buying by 11 funds. Value increased by INR12.3b, despite the stock delivering negative return of 10.5% during the month.
- Vedanta, one of the least preferred stocks among MFs in September, saw net selling by 12 funds. Value decreased by INR2.8b, despite the stock gaining 1.9% in the month.

Exhibit 1: Equity AUM, as % of India's market cap, is at all-time high of 5% (80bp YoY)

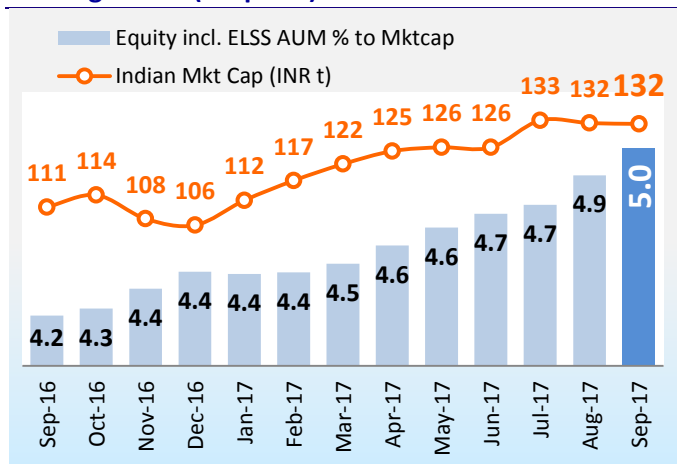
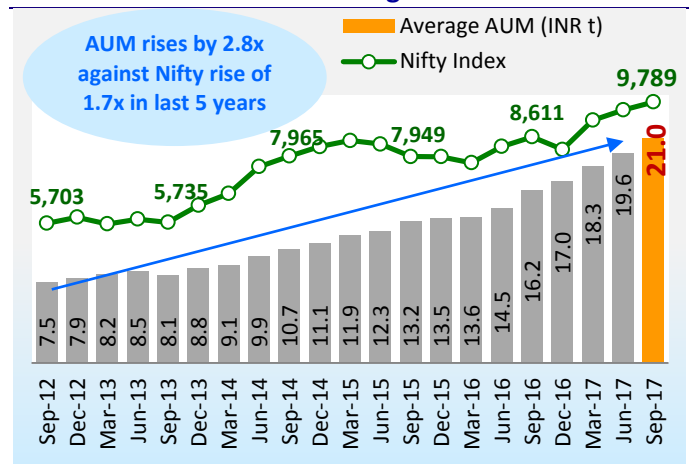


Exhibit 2: AUM touched a new high of INR21t



Flows: Net inflows in September down 7% MoM to INR189b

- Mutual funds' gross inflows remained higher (INR343b, +5.7% MoM) in September. However, there was a massive rise in redemptions (INR154b, +27% YoY). Consequently, net inflows fell to INR189b (-7% MoM) in the month

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

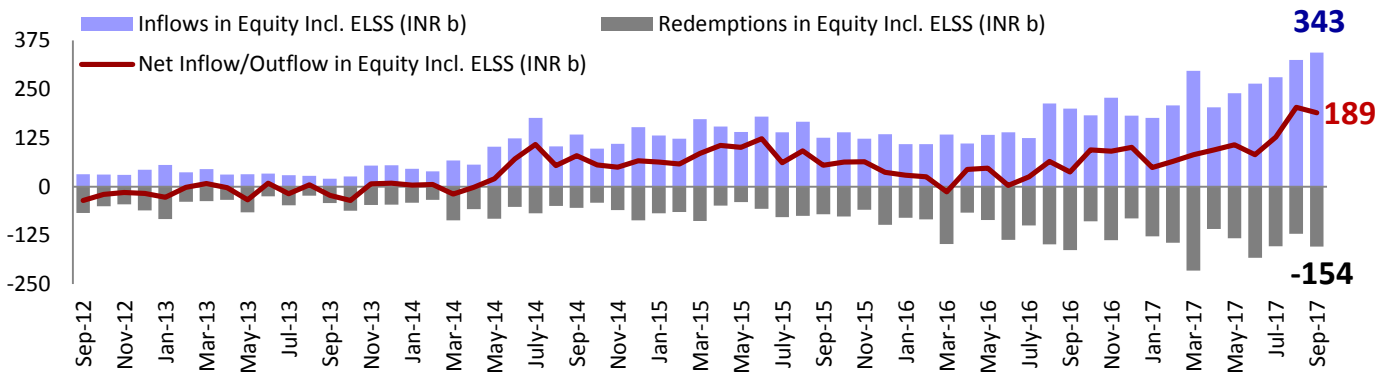


Exhibit 4: Yearly trend of net inflows by mutual funds (toward equity)

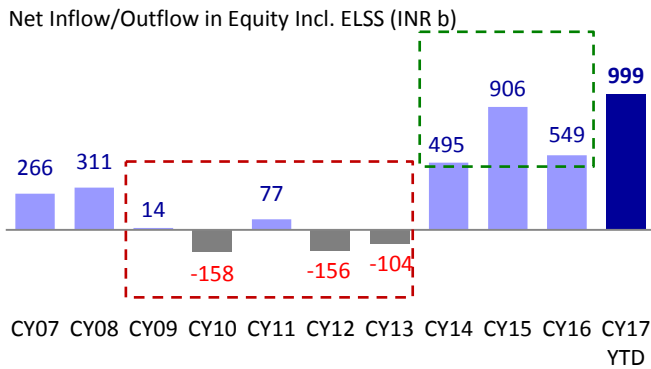
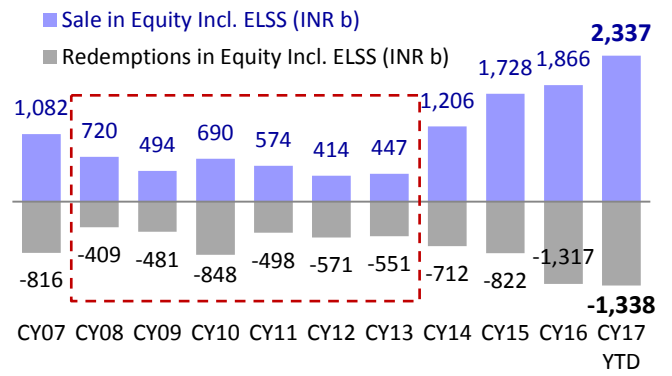


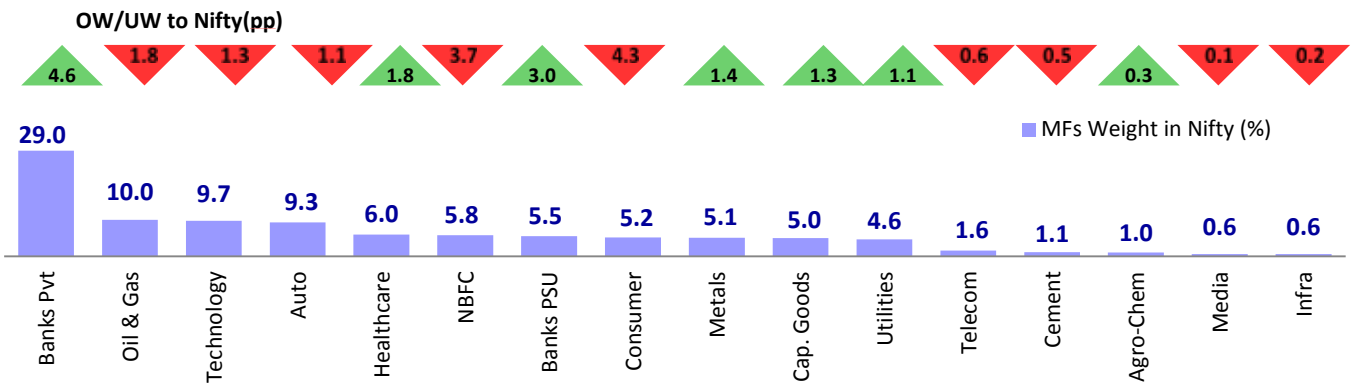
Exhibit 5: Yearly trend of sales and redemptions by mutual funds (toward equity)



Sector-wise weight: MoM increase seen in NBFCs, Healthcare and Technology

- In September, MFs showed interest in NBFCs, Healthcare and Technology—these sectors saw an MoM increase in weight. Banks (PSU and Private), Cements, Metals, Capital Goods, Consumer and Telecom saw an MoM decrease in weight.
- Private Banks (17.4%) had the top sector holding in September, followed by Auto (9.7%), NBFCs (8.4%) and Capital Goods (8.0%).
- PSU Banks, Cement and Telecom were the sectors witnessing a highest decline in value on an MoM basis.

Exhibit 6: MFs weight in Nifty (%)





Bajaj Finance

BSE SENSEX	S&P CNX
32,634	10,231
Bloomberg	BAF IN
Equity Shares (m)	546.9
M.Cap.(INR b)/(USD b)	843.8/13.1
52-Week Range (INR)	1578 / 762
1, 6, 12 Rel. Per (%)	7/50/63
Avg Val, (INR m)	1518
Free float (%)	42.1

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	54.7	77.4	104.8
PPP	36.4	51.7	73.1
PAT	18.4	26.2	36.5
EPS (INR)	32.0	45.7	63.7
EPS Gr. (%)	43.6	42.8	39.3
BV/Sh. (INR)	167	285	339
RoA on AUM (%)	3.3	3.5	3.6
RoE (%)	21.6	20.2	20.4
Payout (%)	14.0	12.5	12.5
Valuations			
P/E (x)	59.0	41.3	29.7
P/BV (x)	11.3	6.6	5.6
Div. Yield (%)	0.2	0.3	0.4

CMP: INR1,889 TP: INR2,300(+22%) Buy

Strong growth continues; RoE of 20%+ despite large capital raise

- Bajaj Finance's (BAF) 2QFY18 PAT increased 37% YoY to INR5.57b (2% miss). Performance across parameters was largely in line with the trend.
- AUM continued its robust growth trajectory (+38% YoY, +5% QoQ) to reach INR721b, led by impressive growth in consumer finance (+42% YoY) and commercial business (+57% YoY).
- Cross-sell personal loans grew 54% YoY to INR76b (11th consecutive quarter of 50%+ AUM growth). **The size of this book is now within sniffing distance of the CD financing book (INR80b).** This validates the cross-sell expertise of BAF's business model – on-board the customer through CD loans, and then cross-sell personal and other loans. **Our estimate is that BAF has tapped just ~15% of its CD financing customer base for personal loans, implying huge opportunity ahead.**
- Asset quality and margins were stable QoQ. Management remains cautious on LAP and SME growth ahead, due to hyper competition and the lagged impact of demon and GST.
- Valuation and view:** BAF, a dominant player in the consumer durables financing segment, continues to reap the benefits of healthy consumer demand, increasing its market share in consumer and also other businesses. Within the consumer financing business, it has demonstrated its ability to cross-sell, as evident from strong growth in the personal loans portfolio over the past three years. Its focus on the SME and commercial lending segments may depress margins and RoE, but will keep growth strong. At the same time, it is proactive in detecting early warning signals with regard to asset quality. We maintain our estimates for FY18/20 and reiterate **Buy** with a target price of INR2,300 (30x September 2019 EPS, implied 6x PBV).

Quarterly Performance

Y/E March	FY17				FY18				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18
Revenue from operations	22,864	23,355	26,930	26,650	31,123	30,862	35,800	35,267	92,723	122,125
YoY Growth (%)	38.9	39.0	30.6	39.1	36.1	32.1	32.9	32.3	34.4	31.7
Interest expenses	8,833	9,562	9,802	9,837	10,780	11,438	11,209	11,250	38,034	44,676
Net Income	14,031	13,793	17,128	16,813	20,344	19,425	24,591	24,017	54,690	77,449
YoY Growth (%)	44.8	40.0	30.5	51.4	45.0	40.8	43.6	42.8	37.6	41.6
Other income	147	56	109	79	140	161	160	162	260	623
Total Income	14,178	13,849	17,237	16,892	20,484	19,586	24,751	24,179	54,949	78,072
Operating Expenses	5,865	5,932	6,939	7,099	8,413	8,752	9,900	10,238	25,642	37,304
Operating Profit	8,312	7,917	10,297	9,794	12,071	10,833	14,851	13,941	29,047	40,145
YoY Growth (%)	58.1	40.2	33.5	51.7	45.2	36.8	44.2	42.3	40.0	38.2
Provisions and Cont.	1,797	1,654	1,797	2,897	2,817	2,278	2,700	3,620	8,182	11,415
Profit before Tax	6,515	6,263	8,500	6,897	9,254	8,555	12,151	10,320	20,865	28,730
Tax Provisions	2,275	2,185	2,943	2,406	3,234	2,986	4,241	3,597	9,810	14,058
Net Profit	4,240	4,078	5,557	4,492	6,020	5,569	7,911	6,723	18,366	26,223
YoY Growth (%)	53.8	45.9	36.0	42.6	42.0	36.6	42.4	49.7	43.6	42.8
Loan Growth (%)	39.5	37.8	32.6	36.1	38.9	37.8	40.3	40.0	32.9	40.0
Borrowings Growth (%)	40.5	43.4	30.2	33.0	33.4	22.6	38.0	34.1	33.0	34.1
Cost to Income Ratio (%)	41.4	42.8	40.3	42.0	41.1	44.7	40.0	42.3	46.9	48.2
Tax Rate (%)	34.9	34.9	34.6	34.9	34.9	34.9	34.9	34.9	35.1	35.1

E: MOSL Estimates



Colgate

BSE SENSEX	S&P CNX
32,634	10,231
Bloomberg	CLGT IN
Equity Shares (m)	272.0
M.Cap.(INRb)/(USD\$)	297.0 / 4.6
52-Week Range (INR)	1176/862
1, 6, 12 Rel. Per (%)	-7/-4/-2
12M Avg Val (INR M)	372.0
Free float (%)	49.0

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	39.8	42.0	48.5
EBITDA	9.4	10.6	12.5
PAT	5.8	6.4	7.8
EPS (INR)	21.2	23.4	28.6
Gr. (%)	-5.7	10.2	22.1
BV/Sh (INR)	46.8	49.2	52.5
RoE (%)	50.4	48.7	56.2
RoCE (%)	49.3	47.7	55.1
P/E (x)	50.1	45.5	37.2
P/BV (x)	22.7	21.6	20.3

Estimate change

TP change

Rating change

CMP: INR1,064 TP: INR1,325(+25%)

Buy

Volumes miss, but high rural salience to drive performance

- Colgate's (CLGT) volumes declined 0.9% YoY (est. of +7%) in 2QFY18. Realization was slightly lower than expected, and thus, sales grew only 2.7% YoY to INR10.8b. EBITDA was up 9.4% YoY (est. of +17.1%) to INR3b. Adj. PAT declined 2.1% YoY to INR1.8b (est. of +10.7%). Market share in toothpaste shrunk 170bp YoY (-30bp QoQ) to 54%, while that in toothbrush contracted 110bp YoY (+50bp QoQ) to 45.5%.
- Gross margin continued its upward trajectory, expanding 50bp YoY to 63.2%. The sharp decrease in ad spends (-370bp YoY to 11% of sales) and other expenses (-90bp YoY to 17.1%) was slightly offset by a 60bp increase in staff cost to 7.6%. Thus, EBITDA margin expanded 170bp YoY to 27.7%.
- Management commentary highlights: 1) Demand has been picking up post GST implementation. 2) Wholesale channel saw a gradual recovery in 2QFY18.
- Balance sheet comments: 1) Negative net working capital improved further by INR620m YoY and by INR671m over March 2017, led by a reduction in absolute inventory and an increase in other payables, more than offsetting higher debtors. 2) Other assets increased, particularly in current loans and advances and other current assets, which meant that there was only marginal accretion in cash YoY at the end of September 2017.
- Valuation and view: We cut our estimates by 4% to factor in the earnings miss. CLGT has strong moats in the form of distribution, category development efforts, brand strength, R&D and its concentrated focus on oral care. New campaigns focusing on the twice-a-day brushing habit and the likely enhanced herbal focus are expected to boost prospects. CLGT will also be a significant beneficiary of a rural market recovery, as its rural market share is disproportionately higher than its urban market share. We maintain **Buy**, with a revised target price of INR1,325 (INR1,385 earlier), based on 42x Sep'18 EPS, in line with average multiple for the past three years.

Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Toothpaste Volume Gr %	5.0	4.0	-12.0	-3.0	-5.0	-0.9	10.0	8.0	-1.5	3.0	7.0	
Net Sales	10,131	10,566	8,746	10,375	9,781	10,849	9,839	11,567	39,818	42,036	10,903	-0.5%
YoY Change (%)	8.8	9.5	-8.6	2.2	-3.5	2.7	12.5	11.5	2.9	5.6	4.0	
COGS	3,822	3,910	3,159	3,877	3,584	3,970	3,524	4,302	14,768	15,379		
Gross Profit	6,309	6,656	5,587	6,498	6,197	6,879	6,315	7,265	25,050	26,656		
Gross Margin (%)	62.3	63.0	63.9	62.6	63.4	63.4	64.2	62.8	62.9	63.4		
Other operating Expenses	4,197	3,909	3,446	4,055	3,979	3,873	3,779	4,419	15,606	16,050		
% to sales	41.4	37.0	39.4	39.1	40.7	35.7	38.4	38.2	39.2	38.2		
EBITDA	2,113	2,748	2,141	2,443	2,218	3,006	2,536	2,846	9,444	10,607	3,217	-6.6%
Margins (%)	20.9	26.0	24.5	23.5	22.7	27.7	25.8	24.6	23.7	25.2	29.2	
YoY Growth (%)	3.7	8.1	-10.3	1.2	5.0	9.4	18.5	16.5	0.7	12.3	17.1	
Depreciation	316	333	342	341	373	392	403	414	1,332	1,581	333	
Financial other Income	101	113	109	80	125	89	120	137	403	470	135	
PBT	1,897	2,527	1,908	2,182	1,970	2,703	2,253	2,569	8,514	9,495	3,019	-10.5%
Tax	640	714	630	756	606	927	755	845	2,740	3,133	1,011	
Rate (%)	33.7	28.3	33.0	34.6	30.8	34.3	33.5	32.9	32.2	33.0	33.5	
Adj PAT	1,257	1,813	1,278	1,426	1,364	1,776	1,498	1,724	5,774	6,362	2,008	-11.6%
YoY Change (%)	1.3	15.6	-12.8	-0.5	8.5	-2.1	17.2	20.9	1.2	10.2	10.7	

Note: We had factored in 7.5% GST related accounting impact in our numbers.

E: MOSL Estimates



Federal Bank

BSE SENSEX	S&P CNX
32,634	10,231
Bloomberg	FB IN
Equity Shares (m)	1,719.0
M.Cap.(INRb)/(USDb)	139.2/2.1
52-Week Range (INR)	125 / 62
1, 6, 12 Rel. Per (%)	7/25/58
Avg Val, INRm	1002
Free float (%)	100.0

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
NII	36.5	43.6	51.8
OP	23.6	28.6	34.2
NP	10.2	12.9	16.0
NIM (%)	3.2	3.2	3.2
EPS (INR)	5.5	6.6	8.2
EPS Gr. (%)	15.1	19.9	23.9
BV/Sh. (INR)	63.4	69.2	76.6
ABV/Sh. (INR)	57.3	62.6	68.6
ROE (%)	9.6	10.0	11.3
ROA (%)	0.8	0.9	0.9
Payout (%)	20.3	19.7	19.7
Valuations			
P/E(X)	22.5	18.8	15.2
P/BV (X)	2.0	1.8	1.6

CMP: INR125 TP:INR146 (+17%) Buy

Strong operating performance; Growth continues with asset quality stable

- n Federal Bank (FB) recorded robust PPOP growth of 5%/23% QoQ/YoY (INR5.8b, 8% beat), led by 12%/24% QoQ/YoY NII growth, and controlled opex growth (+5%/+18% QoQ/YoY; 7% beat) on curbed employee expenses (+7% YoY).
- n NII growth came in at 12%/24% QoQ/YoY (3% beat), aided by 25% YoY loan growth and an increase in the CD ratio to 83% (75%/80% in 2QFY18/1QFY18). NIM expanded 18bp QoQ to 3.31%, as 1QFY18 was impacted by interest reversal of INR160m. Other income fell 13% QoQ as the base quarter had a lumpy INR2b treasury income component. CI ratio rose 20bp QoQ to 50.8%.
- n Loan growth of 6%/25% QoQ/YoY was broad-based, with strong growth across segments. Corporate growth was the strongest at 7%/43% QoQ/YoY, with retail/agri loans also showing strong traction (+17%/+24% YoY).
- n Asset quality was stable, as total slippages declined ~11% QoQ to INR2.8b (adjusted for lumpy slippage of INR1.05b in 1Q); GNPA/NNPA declined to 2.39%/1.32% (-3bp/-7bp QoQ), with the slippage ratio down to 1.8% v/s 2.9% in 1QFY18. Recoveries and upgrades increased 66% QoQ to INR1.6b, while write-offs came in at INR502m.
- n Other highlights: a) FB witnessed 45% growth in new account opening, b) business growth is picking up outside Kerala, with 31% YoY growth in each of retail/SME loans and 26% SA growth, c) Fed-fina contributing INR1.5b of loans each month.

Valuation and view: We believe FB's asset quality concerns, which are largely legacy issues, are now largely behind. The bank is ahead of its corporate lending peer banks on the asset quality curve, especially with its opportunistic entry into the mid-commercial segment. Considering asset quality distractions in the PSU space, we believe FB is well positioned to gain market share in highly rated corporates. Post QIP, the bank is comfortably positioned with respect to capital (Tier 1 ratio of 14.1%). We largely maintain estimates for FY18/19 and reiterate **Buy** with a target price of INR146 (2x Sept 2019 BV) based on the RI model.

Quarterly Performance

	(INR Million)								FY17	FY18E
	FY17				FY18E					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	20,138	20,663	22,814	23,160	23,241	23,796	27,796	30,112	86,774	1,04,945
Interest Expense	13,211	13,401	14,900	14,736	15,234	14,807	18,434	19,971	56,247	68,446
Net Interest Income	6,927	7,262	7,914	8,424	8,007	8,989	9,362	10,142	30,526	36,499
% Change (YoY)	14.5	19.4	30.7	22.8	15.6	23.8	18.3	20.4	21.7	19.6
Other Income	2,370	2,616	2,747	2,821	3,291	2,872	3,013	3,264	10,818	12,441
Net Income	9,297	9,878	10,661	11,245	11,298	11,861	12,375	13,406	41,345	48,940
Operating Expenses	5,039	5,128	5,912	5,753	5,719	6,029	6,502	7,044	22,095	25,294
Operating Profit	4,259	4,750	4,749	5,492	5,579	5,832	5,873	6,362	19,249	23,646
% Change (YoY)	16.0	41.1	45.9	39.2	31.0	22.8	23.7	15.8	35.2	22.8
Other Provisions	1,685	1,684	1,588	1,227	2,364	1,768	1,979	2,144	6,184	8,254
Profit before Tax	2,574	3,066	3,161	4,265	3,214	4,064	3,894	4,219	13,065	15,392
Tax Provisions	901	1,053	1,104	1,699	1,113	1,427	1,293	1,400	4,757	5,233
Net Profit	1,673	2,013	2,057	2,566	2,102	2,637	2,602	2,818	8,308	10,158
% Change (YoY)	18.3	24.8	26.4	2,400.9	25.6	31.0	26.5	9.8	74.7	22.3
Operating Parameters										
NIM (Cal, %)	3.3	3.3	3.3	3.3	3.0	3.3	3.3	3.3	3.3	3.2
Deposit Growth (%)	12.5	17.0	23.3	23.4	18.1	12.6	15.7	19.0	23.4	19.0
Loan Growth (%)	19.3	27.2	32.0	26.2	29.1	24.7	22.2	22.0	26.2	22.0
CD Ratio (%)	72.9	75.0	75.5	75.1	79.6	83.0	79.7	77.0	75.1	77.0
Asset Quality										
Gross NPA (INR b)	17.5	18.2	19.5	17.3	18.7	19.5	19.1	18.8	17.3	18.8
Gross NPA (%)	2.9	2.8	2.8	2.3	2.4	2.4	2.2	2.1	2.3	2.1

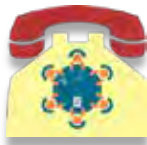
E: MOSL Estimates

Dewan Housing

BSE SENSEX 32,634 S&P CNX 10,231

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

Conference Call Details



Date: October 17, 2017
Time: 3PM IST
Dial-in details: 022 3938 1079

Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	18.3	22.8	27.9
PPP	21.0	25.8	31.4
Adj. PAT	11.8	14.4	17.5
EPS (INR)	37.6	46.0	56.0
EPS Gr. (%)	27.1	22.1	21.8
BV (INR)	282	320	366
RoAA (%)	1.2	1.3	1.3
RoE (%)	14.1	15.3	16.3
Payout (%)	17.4	17.4	17.4
Valuations			
P/E (x)	14.4	11.8	9.7
P/BV (x)	1.9	1.7	1.5
P/ABV (x)	1.9	1.7	1.5
Div. Yield (%)	1.0	1.3	1.5

CMP: INR559

TP: INR690 (+24%)

Buy

Growth surprises positively; re-rating to continue

- n Dewan Housing Finance's (DEWH) 2QFY18 PAT grew 26% YoY to INR2.9b. The quarter was characterized by sturdy AUM growth, a healthy decline in the C/I ratio, continued decline in cost funds, and mild expansion in the return ratios.
- n AUM grew 25% YoY to INR940b, largely driven by disbursement growth of 50% YoY. DEWH reported disbursements of INR100b, the highest in the last 14 quarters. Even Sanctions grew 68% YoY to INR142b. We believe strong growth during the quarter is driven by lumpy disbursements towards non retail loans. We await clarification.
- n Loan mix is now more skewed toward LAP (+120bp QoQ) and builder finance (+40bp QoQ). The contribution of home loans reduced by 180bp QoQ to 63.7% of the loan mix. On a YoY and QoQ basis, non retail loans contributed 60%+ of the incremental growth.
- n NIM remained largely unchanged at 3.04%, although we note of a secular decline in cost of funds (-10bp QoQ to 8.63%). Funding mix remained largely stable, with banks and NCDs contributing 43% and 40%, respectively.
- n Opex grew 21% YoY to INR1.7b, manifesting PPop of INR5.4b (+36% YoY) and a cost-to-income ratio of 23.9% (-140bp QoQ). The continued focus on cost rationalization is likely to translate into higher PAT in the medium term, in our view.
- n Asset quality was stable, with a GNPA ratio at 0.96%.
- n **Valuation and view:** DEWH is a focused play on low-ticket housing. This, along with the new-found opportunities in LAP and builder finance, is likely to keep its AUM on a high-growth trajectory. We believe the continued focus on cost rationalization and a secular decline in CoF are likely to result in higher return ratios and further re-rating in the medium term. **Buy** with a TP of INR690 (2x September 2019E BVPS; Implied 14x EPS).

DEWH: Quarterly performance

Y/E March	(INR Million)									
	FY17				FY18				FY17	FY18
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	19,319	21,227	23,151	22,835	23,529	25,034	25,785	27,220	86,531	101,569
Interest Expenses	14,754	16,307	18,001	17,475	17,869	19,034	19,320	20,498	66,536	76,720
Net Interest Income	4,565	4,920	5,150	5,360	5,660	6,000	6,466	6,723	19,995	24,848
YoY Growth (%)	14.5	21.0	20.8	22.6	24.0	22.0	25.5	25.4	19.8	24.3
Fees and other income	275	451	514	943	549	1,108	700	620	2,182	2,978
Net Income	4,840	5,371	5,664	6,303	6,209	7,108	7,166	7,343	22,177	27,826
YoY Growth (%)	15.5	18.3	21.6	29.1	28.3	32.4	26.5	16.5	21.4	25.5
Operating Expenses	1,361	1,398	1,497	1,717	1,570	1,698	1,748	1,777	5,973	6,792
YoY Growth (%)	8.4	6.1	9.1	10.8	15.4	21.4	16.7	3.5	8.7	13.7
Operating Profits	3,479	3,972	4,167	4,586	4,640	5,411	5,418	5,566	16,204	21,034
YoY Growth (%)	18.6	23.2	26.9	37.7	33.4	36.2	30.0	21.4	26.9	29.8
Provisions	450	450	450	830	830	1,070	900	906	2,180	3,706
Profit before Tax	3,029	3,522	3,717	3,756	3,810	4,341	4,518	4,660	14,024	17,328
Tax Provisions	1,015	1,196	1,269	1,273	1,205	1,408	1,446	1,487	4,754	5,545
Profit after tax	2,014	2,326	2,448	2,483	2,605	2,933	3,072	3,173	9,270	11,783
YoY Growth (%)	16.2	29.0	31.7	30.9	29.3	26.1	25.5	27.8	27.1	27.1
Loan growth (%)	18.3	16.0	16.9	16.7	19.8	24.6	23.0	23.0	18.5	20.1
Borrowings growth (%)	20.4	38.5	28.0	33.1	34.4	10.8	16.0	14.5	45.7	23.9
Cost to Income Ratio (%)	28.1	26.0	26.4	27.2	25.3	23.9	24.4	24.2	26.9	24.4
Tax Rate (%)	33.5	34.0	34.2	33.9	31.6	32.4	32.0	31.9	33.9	32.0

E: MOSL Estimates

Delta Corp

BSE SENSEX 32,634 S&P CNX 10,231

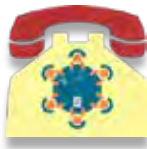
CMP: INR227

TP: INR232 (+2%)

Buy

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

Conference Call Details



Date: October 17, 2017

Time: 5PM IST

Dial-in details: 022 3960 0734

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	4.5	6.8	8.7
EBITDA	1.6	2.5	3.3
NP	0.7	1.5	2.1
EPS (INR)	3.1	5.6	7.7
EPS Gr. (%)	125.5	82.8	38.8
BV/Sh. (INR)	39.7	59.2	65.4
RoE (%)	8.1	11.9	12.4
RoCE (%)	8.7	11.4	12.5
P/E (x)	74.3	40.7	29.3
P/BV (x)	5.7	3.8	3.5

Results in-line (GST adjusted)

- DELTA reported overall revenue of INR1,453m (est. of INR1,800m), as against INR1,343m in 2QFY17, marking growth of 8.2%.
- EBITDA margin expanded 290bp to 45.1% (est. of 38%) in 2QFY18. EBITDA grew 15.6% YoY to INR655m (est. of INR684m).
- Consequently, adjusted PAT stood at INR433m (est. of INR413m) in 2QFY18, as against INR323m in 2QFY17, implying growth of 34%.
- Casino gaming revenues grew 17% to INR1,450m, while hospitality revenue rose 19% to INR188m. Online gaming revenues stood at INR241m.
- GST of INR351m was netted off from gross revenue in the reported result. As a result, top-line growth seems subdued and EBITDA margin expansion appears significant. Removing its impact, EBITDA margin contracted 590bp YoY on account of amalgamation of online gaming.

Key questions for management

- Whether any merger is on radar for online gaming business
- Expected commencement of Sikkim airport
- Plans to ramp-up Rummy, and introduction of new online games/fantasy leagues

Valuation and view: We will revisit our estimates post interaction with management. We have a **Buy** rating, valuing the stock at 30x FY19E EPS with a TP of INR232. Based on current estimates, the stock trades at 41x/29x FY18E/19E EPS

Consol. - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var %
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Net Sales	1,087	1,343	1,036	1,081	1,286	1,453	1,864	1,892	4,547	6,827	1,800	-19
YoY Change (%)	34.6	43.8	3.4	5.3	18.4	8.2	80.0	75.0	21.2	50.1	34.0	
Total Expenditure	671	776	723	737	833	798	1,230	1,230	2,907	4,369	1,116	
EBITDA	415	567	313	344	453	655	634	662	1,640	2,458	684	-4
Margins (%)	38.2	42.2	30.2	31.8	35.2	45.1	34.0	35.0	36.1	36.0	38.0	
Depreciation	91	93	89	87	89	94	112	112	361	423	105	
Interest	87	87	82	94	70	22	0	0	350	80	33	
Other Income	9	11	11	19	37	86	70	70	49	210	70	
PBT before EO expense	246	399	152	182	332	624	592	620	978	2,165	616	1
Extra-Ord expense	-46	2	5	0	-18	0	0	0	42	0	0	
PBT	292	397	147	181	350	624	592	620	936	2,165	616	1
Tax	85	91	40	64	127	194	178	186	280	671	203	
Rate (%)	29.2	22.9	27.2	35.4	36.1	31.1	30.0	30.0	29.9	31.0	33.0	
MI & P/L of Asso. Cos.	4	-16	6	3	1	-2	0	0	2	3	0	
Reported PAT	202	322	101	114	223	433	414	434	654	1,491	413	5
Adj PAT	170	323	105	114	211	433	414	434	683	1,491	413	5
YoY Change (%)	2,539.9	494.1	-9.4	-29.3	24.4	33.8	296.2	281.3	118.8	118.2	27.6	
Margins (%)	15.6	24.1	10.1	10.5	16.4	29.8	22.2	23.0	15.0	21.8	22.9	

E: MOSL Estimates

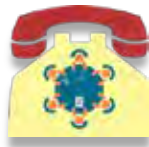
BSE SENSEX 32,634 S&P CNX 10,231

CMP: INR189 TP: INR198 (+4%)

Neutral

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

Conference Call Details



Date: October 17, 2017
Time: 4PM IST
Dial-in details: 022 3938 1003

Financials & Valuations (INR b)

Y/E MARCH	2018E	2019E	2020E
NII	9.6	11.7	13.9
OP	5.1	6.6	8.2
NP	2.5	3.3	4.1
EPS (INR)	8.1	10.6	13.3
EPS Gr. (%)	15.6	31.2	25.1
BV/Sh. (INR)	91.7	101.9	114.7
RoE (%)	11.0	12.0	13.3
RoA (%)	0.9	1.0	1.0
P/E (x)	23.5	17.9	14.3
P/BV (x)	2.1	1.9	1.7

Strong Operating Profit, Lower Provisions Aid YoY PAT Growth

- DCB Bank reported PPOP growth of -9%/+23% QoQ/YoY (1% above estimate), driven by NII beat of 5% (NII included INR72m of interest on IT refund). Other income grew 6% YoY but declined 24% QoQ to INR3.1b (10% miss) as 1QFY18 had a lumpy treasury income component of INR214m, leading to total income growth of 24% YoY (1.7% QoQ decline).
- Opex growth of 25% YoY was higher than total income growth, leading to CI ratio of 60.3% (+300bp QoQ), reversing the declining trend of the past few quarters. Provisions at INR302m (+14% YoY) were 4% above estimates, leading to PAT growth of 21% YoY (-10%/21% QoQ/YoY growth, 7% miss)
- Loan book grew 7%/21% QoQ/YoY to INR173b, led by strong growth in AIB (+21%), MSME (+31%) and corporate book (+28%) while other smaller categories such as CV/CE (+51%), gold (+21%) and construction finance (+81%) also showed strong growth. Corporate book inched up to 17% of the book.
- Absolute GNPA/NNPA grew 5%/11% QoQ to INR 3.2b/1.6b driven by 16%/10% sequential growth in mortgage/AIB GNPA (INR1.16b/INR561m). Overall slippages moderated to 2.2% as compared to 2.7% in 1Q. In percentage terms, GNPA/NNPA came in at (1.8%/0.9%, +6bp/-2bp QoQ).
- Other highlights:** a) CASA ratio declined by 100bp to 26% v/s 27% in 1Q, b) CAR stood at 14.65%, with Tier 1 ratio of 12.9% c) Number of branches reached 306 (vs 290 in 1QFY18).

Valuation and view: While we expect loan growth to stay ahead of system loan growth, operating leverage is likely to take time to play out, weighing down on return ratios in the near term. We will revisit our estimates post earnings call.

Quarterly Performance

	(INR Million)									
	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	4,706	5,063	5,502	5,491	5,660	5,870	6,370	6,901	20,761	24,802
Interest Expense	2,936	3,160	3,407	3,288	3,329	3,389	4,087	4,428	12,791	15,232
Net Interest Income	1,770	1,903	2,095	2,203	2,332	2,481	2,283	2,474	7,971	9,570
% Change (Y-o-Y)	26.1	26.9	30.5	30.6	31.7	30.4	9.0	12.3	28.7	20.1
Other Income	601	616	641	636	858	653	724	784	2,495	3,018
Net Income	2,372	2,519	2,736	2,839	3,189	3,134	3,007	3,258	10,465	12,588
Operating Expenses	1,444	1,511	1,643	1,685	1,825	1,890	1,808	1,959	6,283	7,481
Operating Profit	927	1,009	1,093	1,153	1,364	1,244	1,199	1,299	4,182	5,107
% Change (Y-o-Y)	3.4	29.2	29.7	18.9	47.1	23.4	9.8	12.6	19.8	22.1
Other Provisions	205	265	305	339	355	302	355	385	1,115	1,397
Profit before Tax	722	744	787	814	1,009	942	844	914	3,067	3,709
Tax Provisions	252	259	274	286	357	353	247	267	1,070	1,224
Net Profit	470	485	513	529	652	589	597	647	1,997	2,485
% Change (Y-o-Y)	0.3	31.3	24.5	-24.0	38.7	21.5	16.4	22.4	2.6	24.5
Operating Parameters										
NIM (Reported,%)	4.1	4.0	4.0		4.2					
NIM (Cal, %)	3.8	3.8	3.9	3.9	4.1	4.2	3.8	3.9	3.9	4.0
Deposit Growth (%)	18.2	30.4	33.8	29.2	22.2	16.3	24.1	0.0	29.2	21.0
Loan Growth (%)	27.9	29.1	24.3	22.4	22.0	20.5	27.6	0.0	22.4	23.0
CD Ratio (%)	85.1	81.6	77.4	82.0	84.9	84.6	83.9	83.4	82.0	83.4
Asset Quality										
Gross NPA (INR B)	2.3	2.6	2.3	2.5	2.9	3.2	3.2	3.3	2.5	3.3
Gross NPA (%)	1.7	1.8	1.6	1.6	1.7	1.8	1.6	1.7	1.6	1.7

E: MOSL Estimates



Persistent Systems

BSE SENSEX	S&P CNX
32,634	10,231
Bloomberg	PSYS IN
Equity Shares (m)	80
M.Cap.(INRb)/(USDb)	53.0 / 0.8
52-Week Range (INR)	703 / 558
1, 6, 12 Rel. Per (%)	4/6/-21
Avg Val, INRm	90
Free float (%)	69.3

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	28.8	31.0	35.2
EBITDA	4.7	4.9	6.0
PAT	3.1	3.5	4.2
EPS (INR)	37.7	43.3	52.4
Gr. (%)	1.4	14.8	21.2
BV/Sh (INR)	244.5	254.1	264.8
RoE (%)	17.0	17.9	20.8
RoCE (%)	16.7	16.0	17.0
P/E (x)	17.6	15.3	12.6
P/BV (x)	2.7	2.6	2.5

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR663 TP: INR780(+18%) Buy

Marching upward on profitability

- Top client weakness offset by Parx:** PSYS' 2QFY18 revenue of USD118m (+4.5% QoQ, in-line) was a function of weakness in the top client (-3% QoQ) being offset by incremental revenue from the integration of Parx (USD1.9m; 1.7pp) and strength in Europe (22% QoQ organic growth). While weakness in the top customer was attributed to seasonality in IP (taking away any worries beyond this quarter), a return to double-digit organic growth in Digital (12% QoQ) was an encouraging sign.
- In-line profitability despite onsite centrality:** Incremental growth contribution from onsite (11.5% QoQ) and lower-margin Parx was detrimental to profitability during the quarter. However, 140bp improvement in utilization and 120bp optimization of G&A expenses drove EBITDA margin expansion of 90bp to 15.2%, ultimately meeting expectations of 15.4%. Higher-than-expected PAT growth of 12.4%, despite in-line operational performance, was led by higher other income.
- Addition of new opportunities:** Barring the impact of seasonality, PSYS' growth drivers of Digital and IP associated with IBM continue to be significant contributors. Additionally, new avenues of growth like (i) geographies of Europe and Australia, (ii) products in the areas of IoT, Cloud, Analytics and Security and (iii) partnerships with the likes of USAA and Partners HealthCare provide new opportunities to capitalize on, driving expectations of 10.4% USD revenue growth over FY17-20.
- Valuation and view:** Our underlying thesis of margins bottoming out at the beginning of FY18 post three consecutive years of decline seems to be on track, as the dent created in 1Q has started seeing a sequential path upward. Despite wage hikes spread across 2H, seasonal strength is likely to mitigate any pressures as the company pulls on its operational levers, apart from being supported by seasonal strength in flow-through IP revenue. We expect FY17-20 USD revenue/earnings CAGR of 10/16%. Our price target of INR780 discounts forward earnings by 14x. Maintain **Buy**.

Quarterly Performance (IFRS)

Y/E March (Consolidated)	FY17				FY18E				FY17	FY18E	(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QFY18	Est. Var. (% / bp)
Revenue (USD m)	104.8	105.2	110.0	109.0	113.0	118.1	122.0	123.2	429	476	117.9	0.2
QoQ (%)	4.3	0.4	4.6	-0.9	3.6	4.5	3.3	1.0	22.0	11.0	4.3	22bp
Revenue (INR m)	7,018	7,040	7,455	7,271	7,280	7,613	7,988	8,128	28,784	31,009	7,578	0.5
QoQ (%)	3.6	0.3	5.9	-2.5	0.1	4.6	4.9	1.8			4.1	48bp
YoY (%)	40.2	29.7	25.9	7.4	3.7	8.1	7.1	11.8	24.5	7.7	7.6	49bp
GPM (%)	34.7	35.5	36.3	36.1	34.3	34.4	34.7	35.3	35.7	34.7	35.0	-57bp
SGA (%)	19.6	19.8	20.4	18.2	20.0	19.2	18.5	18.2	19.5	19.0	19.3	-13bp
EBITDA	1,058	1,108	1,187	1,302	1,044	1,158	1,277	1,385	4,653	4,863	1,167	-0.8
EBITDA Margin (%)	15.1	15.7	15.9	17.9	14.3	15.2	16.0	17.0	16.2	15.7	15.4	-20bp
EBIT Margin (%)	10.2	10.5	10.7	12.5	9.0	10.2	11.2	12.3	11.0	10.7	10.1	15bp
Other income	253	243	318	143	368	336	314	305	958	1,323	255	32.1
ETR (%)	24.3	25.3	26.7	19.9	26.3	25.9	25.0	25.0	24.1	25.5	25.0	
PAT	733	735	819	842	751	826	906	978	3,129	3,462	764	8.2
QoQ (%)	-9.3	0.3	11.4	2.8	-10.8	10.0	9.7	7.9			1.7	833bp
YoY (%)	9.0	2.3	5.7	4.2	2.5	12.4	10.7	16.2	5.2	10.6	3.9	851bp
EPS (INR)	9.2	9.2	10.2	9.1	9.4	10.3	11.3	12.2	37.7	43.3	9.5	
Headcount	9,389	9,305	9,229	9,460	9,401	9,246	9,302	9,433	9,460	9,433	9,537	-3.1
Util excl. trainees (%)	75.3	74.2	78.9	77.8	77.2	78.6	78.5	79.5	76.5	78.2	78.0	60bp
Attrition (%)	16.7	15.9	15.8	15.7	15.5							
IP rev. proportion(%)	28.2	27.8	28.4	27.6	27.2	26.0	26.9	25.6	28.0	26.4	26.7	-71bp

E: MOSL Estimates



Hindustan Media Ventures

BSE SENSEX	S&P CNX
32,634	10,231
Bloomberg	HMVL IN
Equity Shares (m)	73.4
M.Cap.(INRb)/(USD)	19.6 / 0.3
52-Week Range	314 / 245
1, 6, 12 Rel. Per (%)	-6/-26/-33
Avg Val, INR m	8
Free float (%)	25.7

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	9.3	9.5	10.3
EBITDA	2.1	2.1	2.4
Adj. PAT	1.9	1.9	2.2
Adj. EPS (INR)	25.8	25.6	30.2
Gr. (%)	6.0	-0.8	18.1
BV/Sh (INR)	159.0	183.2	212.0
RoE (%)	18.2	15.0	15.3
RoCE (%)	17.4	15.1	15.7
P/E (x)	9.7	9.8	8.3
P/BV (x)	1.6	1.4	1.2

Estimate change

TP change

Rating change



CMP: INR250

TP: INR302(+21%)

Buy

GST and RERA prune ad growth

- A quarter of weak earnings:** Revenue fell 8% YoY (-11% QoQ) to INR2.1b (below est. of INR2.3b) owing to subdued ad and circulation revenue. EBITDA dropped 10% YoY (-11% QoQ) to INR454m (est. of INR492m), largely led by a decline in revenues and a rise of ~290bp in raw material cost. EBITDA margin shrunk 50bp YoY (flat QoQ) to 21.5% (50bp above est. of 21%). PAT plunged 25% YoY (-9% QoQ) to INR409m (est. of INR445m).
- High base, GST pull down ad business:** Ad revenue declined 8% YoY to INR1.6b (est. of INR1.7b), mainly led by ~12% YoY volume decline due to GST, RERA and a high base (UP elections last year). The strategy to boost yield saw the largest impact on FMCG, health and fitness segment, partly offset by a 5% yield improvement led by resurgence in Auto, BFSI and other sectors.
- Circulation revenue growth on a freefall:** Circulation revenue continued to decline (-7% YoY to INR500m v/s est. of INR581m) in 2QFY18, largely led by lower realization/copy on intensified competition in Bihar.
- Cut TP to INR302; maintain Buy:** We cut revenue/EPS estimates by 6%/10% for FY18-19E on a weak 1HFY18 and moderate circulation/ad revenue. Management indicated that the outlook has improved with the onset of the festive season. We expect flat EPS in FY18 and 18% growth in FY19, led by a recovery in ad/circular revenue of 9%/6%. We thus cut our TP to INR302 (prior: INR 350), based on 10x P/E on FY19E EPS of INR30. Maintain **Buy**.

Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	FY17	FY18E
Net Sales	2,392	2,295	2,303	2,343	2,368	2,109	2,486	2,526	9,333	9,489
YoY Change (%)	6.8	1.4	-4.2	3.1	-1.0	-8.1	8.0	7.8	1.7	1.7
Total Expenditure	1,823	1,791	1,894	1,770	1,858	1,655	1,912	1,933	7,277	7,359
EBITDA	569	504	409	573	510	454	574	593	2,055	2,130
Margins (%)	23.8	22.0	17.8	24.4	21.5	21.5	23.1	23.5	22.0	22.4
Depreciation	50	52	50	50	53	49	55	55	202	212
Interest	47	41	39	34	25	29	26	26	161	105
Other Income	201	338	215	167	251	204	215	215	921	885
PBT before EO expense	673	749	536	655	683	580	708	727	2,612	2,698
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	673	749	536	655	683	580	708	727	2,612	2,698
Tax	186	202	98	191	203	141	170	188	676	703
Rate (%)	27.6	27.0	18.2	29.1	29.7	24.4	24.0	25.9	25.9	26.0
Minority Interest & P/L of Asso. Cos.	0	0	0	41	32	29	30	30	41	121
Reported PAT	487	547	438	424	448	409	508	508	1,895	1,874
Adj PAT	487	547	438	424	448	409	508	508	1,895	1,874
YoY Change (%)	16.9	20.9	-7.5	-4.8	-8.0	-25.2	16.0	20.1	6.0	-1.1
Margins (%)	20.4	23.8	19.0	18.1	18.9	19.4	20.4	20.1	20.3	19.7

E: MOSL Estimates

Alumina continues to rise due to bauxite supply disruption

- n Indian steel: Long product (TMT Mumbai) prices were down ~2% WoW. Sponge iron prices were down ~2% WoW, while domestic scrap prices were unchanged. NMDC cut iron ore fines/lump prices by INR100/t. Pellet prices were unchanged. Domestic HRC prices were unchanged.
- n Raw materials: Iron ore prices (China cfr) were unchanged as the market is quiet due to Chinese holidays. Chinese iron ore port inventories were marginally higher. Thermal coal prices were up ~2% WoW. Coking coal prices were down ~3% WoW. China's pellet import prices were unchanged.
- n Europe: HRC prices were unchanged. HRC product spreads were marginally higher. CIS HRC export prices were up ~1% WoW. Rotterdam scrap prices remain weak, down ~1% WoW.
- n China: Local HRC and rebar prices were unchanged. Exports HRC were also unchanged amid holidays in China.
- n Base metals: Aluminum (cash LME) prices were up ~1% WoW. Alumina prices were marginally higher. Zinc (cash LME) was up 4% WoW. Lead was up ~1% WoW. Copper was up ~2% WoW. Crude oil (Brent) prices were down ~3% WoW.

Metal Prices

	CMP	change since						
		13-Oct	%	6-Oct	%	1-Apr	%	1-Jan
STEEL								
TMT- Mumbai (INR/ton)	29,600	2	29,000	-12	33,600	-3	30,600	
HRC- Mumbai (INR/ton)	38,000	0	38,000	2	37,333	-1	38,222	
HRC (USD/ton) fob CIS	560	-6	598	16	483	13	495	
METALLICS								
Sponge iron - Raipur (INR/ton)	16,500	1	16,300	-11	18,500	3	15,950	
Pig Iron - Raipur (INR/ton)	24,750	-3	25,575	4	23,850	10	22,550	
Iron ore spot (USD/ton) cfr China	63	0	62	-17	75	-21	79	
Coking coal (USD/ton) fob Aus.	182	-2	185	-36	283	-24	240	
Shred. scrap (USD/ton) Rotterdam	295	5	280	13	260	6	278	
ALUM.								
LME Spot (USD/ton)	2,140	1	2,122	11	1,930	18	1,814	
Indian prices (INR '000/ton)	139	0	138	12	124	20	116	
LME inventories ('000 ton)	1,230	-1	1,242	-32	1,818	-44	2,202	
ZINC								
LME Spot (USD/ton)	3,325	0	3,336	25	2,665	30	2,563	
Indian prices (INR '000/ton)	216	-1	218	25	172	24	174	
LME inventories ('000 ton)	271	5	259	-26	367	-37	428	
COPPER								
LME Spot (USD/ton)	6,858	3	6,639	19	5,770	25	5,501	
Indian prices (INR '000/ton)	448	2	438	18	381	20	374	
LME inventories ('000 ton)	284	-2	291	7	265	-9	312	
OTHERS								
Gold (INR/10gms)	29,675	0	29,594	3	28,845	7	27,812	
Sliver (INR/1kg)	39,783	1	39,406	-5	41,896	2	38,921	
Lead Spot LME (USD/ton)	2,542	0	2,540	12	2,260	28	1,985	
Brent crude (USD/bbl)	57.2	3	55.6	4	55.2	1	56.8	
MISC.								
INR/USD	64.7	-1	65.4	1	64.3	-5	68.0	
BDI	1,485	5	1,411	21	1,223	55	961	

Valuations: Indian companies

Company	Price (INR)	EV/EBITDA (x) FY18E	EV/EBITDA (x) FY19E	P/B (x) FY18E
Steel				
Tata Steel	711	6.8	6.9	1.9
JSW Steel	254	7.9	7.2	2.3
JSPL	163	10.2	7.0	0.5
SAIL	58	34.4	14.5	0.7
Non-Ferrous				
Hindalco	266	7.0	6.1	1.7
Nalco	85	9.7	8.8	1.6
Vedanta	321	7.7	5.2	1.8
Mining				
Coal India	288	8.6	7.4	7.0
HZL	320	9.1	6.5	4.7
NMDC	120	6.1	6.0	1.6

Note: Detailed table on pg 25 Source: MOSL

Valuations: Global companies

	Price	EV/EBITDA (x) CY17	EV/EBITDA (x) CY18	P/B (x) CY17
Mining				
BHP	AUD 26.36	6.2	6.5	1.9
FMG	AUD 4.89	4.0	4.6	1.2
Rio Tinto	AUD 68.21	5.7	6.6	2.2
Vale	USD 30.39	5.4	6.2	1.2
Teck Res.	USD 22.93	4.0	5.1	0.9
Steel				
A. Mittal	EUR 24.63	5.5	5.5	0.9
Posco	k KRW 325	5.9	5.8	0.7
US Steel	USD 27.36	5.6	4.8	1.9
Nucor	USD 58.31	7.6	7.2	2.2
JFE	JPY 2225.5	7.2	6.7	nm
Gerdau	BRL 11.44	8.0	6.6	1.1
Angang	CNY 6.66	8.0	7.9	0.8
Non Ferrous				
Alcoa	USD 47.71	5.1	5.2	1.5
Hydro	NOK 61.55	7.4	6.0	1.5
Rusal	HKD 5.45	9.1	8.3	nm

Note: Detailed on pg 25 Source: Bloomberg



ACC

Bloomberg	ACC IN
Equity Shares (m)	188.0
M. Cap. (INR b)/(USD b)	320 / 5
52-Week Range (INR)	1869 / 1257
1,6,12 Rel Perf. (%)	-5 / 11 / -8

CMP: INR1,702 TP: INR1,706 (0%) Neutral

- Dispatches in 3QCY17 are estimated at 5.88mt (+16% YoY), led by capacity ramp-up at Jamul and Sindri, and a favorable base from the previous year. Average realizations are expected to fall 2.7% QoQ (flat YoY) to INR4,389/ton due to weak pricing in most regions.
- Revenues are expected to increase 15.8% YoY to INR28.6b. EBITDA margin is expected to be 10%, down 4.9pp QoQ (+0.9pp YoY).
- EBITDA/ton is estimated at INR487 (+INR43 YoY, -INR248 QoQ) due to weak realization. PAT is likely to increase 129% YoY to INR1.9b.
- The stock trades at P/E of 25x/22x on CY18E/CY19E earnings, 15x/12x CY18E/CY19E EV/EBITDA and CY18E/CY19E EV/ton of USD124/USD117. Maintain Neutral.

Financial Snapshot (INR Billion)

Y/E Dec	2016	2017E	2018E	2019E
Sales	108	124	139	156
EBITDA	13	15	19	23
NP	7	10	13	15
Adj. EPS (INR)	36	51	67	78
EPS Gr. (%)	-4	41	31	17
BV/Sh (INR)	461	482	513	507
RoE (%)	8	11	13	15
RoCE (%)	8	11	13	15
Payout (%)	88	59	54	108

Valuations

P/E (x)	47	33	25	22
P/BV (x)	4	4	3	3
EV/EBITDA (x)	24	19	15	12
EV/Ton (x)	134	132	124	117

Key issues to watch out for:

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

Quarterly Performance (Standalone)

Y/E December	CY16				CY17				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE	CY16	CY17E
Cement Sales (m ton)	6.36	6.12	5.07	5.45	6.60	6.74	5.88	6.30	22.99	25.52
YoY Change (%)	9.3	-1.3	-9.6	-9.0	3.8	10.1	16.0	15.6	-2.7	11.0
Cement Realization	4,109	4,206	4,371	4,353	4,265	4,509	4,389	4,427	4,218	4,398
YoY Change (%)	-9.4	-4.1	-1.5	0.3	3.8	7.2	0.4	1.7	-4.6	4.3
QoQ Change (%)	-5.3	2.4	3.9	-0.4	-2.0	5.7	-2.7	0.9		
Net Sales	28,727	28,326	24,706	26,346	30,997	33,125	28,613	31,549	107,676	124,284
YoY Change (%)	-0.4	-4.3	-9.8	-7.4	7.9	16.9	15.8	19.7	-5.8	15.4
Total Expenditure	24,953	24,190	22,458	24,116	27,579	28,175	25,751	27,621	95,159	109,126
EBITDA	3,774	4,136	2,247	2,231	3,418	4,951	2,862	3,927	12,518	15,158
Margins (%)	13.1	14.6	9.1	8.5	11.0	14.9	10.0	12.4	11.6	12.2
Depreciation	1,434	1,410	1,529	1,679	1,650	1,621	1,660	1,672	6,052	6,603
Interest	188	208	197	209	252	225	200	223	826	900
Other Income	1,131	730	744	934	1,101	1,663	1,500	1,036	3,503	5,300
PBT before EO Item	3,283	3,248	1,265	1,277	2,617	4,768	2,502	3,068	9,143	12,954
EO Income/(Expense)	0	0	0	-428	0	0	0	0	-428	0
PBT after EO Item	3,283	3,248	1,265	849	2,617	4,768	2,502	3,068	8,715	12,954
Tax	937	824	424	44	502	1,550	575	741	2,244	3,368
Rate (%)	28.5	25.4	33.5	5.2	19.2	32.5	23.0	24.1	25.8	26.0
Reported PAT	2,346	2,424	841	805	2,115	3,218	1,926	2,327	6,470	9,586
Adjusted PAT	2,346	2,424	841	1,233	2,115	3,218	1,926	2,327	6,898	9,586
Margins (%)	8.2	8.6	3.4	4.7	6.8	9.7	6.7	7.4	6.4	7.7
YoY Change (%)	-6.0	84.5	-28.1	-49.4	-9.9	32.7	129.1	88.8	-7.4	39.0

E: MOSL Estimates



Axis Bank

Bloomberg	AXSB IN
Equity Shares (m)	2395.0
M. Cap. (INR b)/(USD b)	1200 / 18
52-Week Range (INR)	553 / 425
1,6,12 Rel Perf. (%)	0 / -6 / -18

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	180.9	192.4	225.5	271.2
OP	175.8	172.1	197.7	236.5
NP	36.8	52.3	91.2	120.7
NIM (%)	3.6	3.4	3.4	3.4
EPS (INR)	15.4	21.8	38.1	50.4
EPS Gr. (%)	-55.5	42.2	74.4	32.3
BV/Sh. (INR)	226.5	242.9	274.3	315.8
ABV/Sh. (INR)	203.1	214.9	241.9	288.7
RoE (%)	6.9	9.3	14.7	17.1
RoA (%)	0.6	0.8	1.2	1.3
Payout (%)	32.5	25.2	17.6	17.6

Valuations

P/E(X)	32.9	23.1	13.3	10.0
P/BV (X)	2.2	2.1	1.8	1.6
P/ABV (X)	2.5	2.3	2.1	1.7
Div. Yield (%)	1.0	0.9	1.1	1.5

CMP: INR501 TP: INR524 (+5%) Neutral

- n We expect AXSB to report ~14% loan growth, driven by continued strong growth in the retail and SME segments. Overall deposit growth is likely to be ~10%, bringing down the CD ratio, which is elevated at ~96%.
- n Yield on loans would remain under pressure following MCLR cuts/aggressive competition in the refinance market. Margins are expected to stay flat QoQ at ~3.5%, weighed down further by interest reversals.
- n Current watch-list stands at INR95b (~2.3% of customer assets) and is expected to be done away with completely by FY19. While slippages should moderate in 2Q, we expect them to remain at elevated levels (4% annualized slippage ratio), leading to high credit costs.
- n We estimate PAT at INR13.1b (flat QoQ) vs INR3.2b in a muted 2QFY17, weighed down by provisions.
- n AXSB trades at 1.8x FY19E BV and 13.3x FY19E EPS. Neutral.

Key issues to watch for

- ⊗ Quantum of corporate slippages from watch list and any revision in the size of the same.
- ⊗ Quantum of loans rescheduled under 5:25, SDR and S4A.

Quarterly Performance

	(INR m)									
	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Interest Income	45,169	45,139	43,337	47,286	46,161	47,308	48,737	50,147	1,80,931	1,92,355
% Change (Y-o-Y)	11.4	11.1	4.1	3.9	2.2	4.8	12.5	6.1	7.5	6.3
Other Income	27,383	25,397	34,002	30,132	29,998	29,700	30,450	34,738	1,16,913	1,24,886
Net Income	72,552	70,535	77,339	77,418	76,160	77,008	79,187	84,886	2,97,844	3,17,241
Operating Expenses	27,858	29,534	30,937	33,670	33,248	34,874	37,011	40,008	1,21,999	1,45,142
Operating Profit	44,694	41,002	46,402	43,747	42,912	42,134	42,176	44,878	1,75,845	1,72,099
% Change (Y-o-Y)	9.2	13.0	16.4	-0.5	-4.0	2.8	-9.1	2.6	9.2	-2.1
Other Provisions	21,172	36,227	37,958	25,813	23,419	22,500	22,500	25,027	1,21,170	93,447
Profit before Tax	23,522	4,774	8,444	17,935	19,492	19,634	19,676	19,850	54,676	78,653
Tax Provisions	7,967	1,584	2,649	5,684	6,436	6,577	6,592	6,743	17,883	26,349
Net Profit	15,555	3,191	5,796	12,251	13,056	13,057	13,085	13,107	36,793	52,304
% Change (Y-o-Y)	-21.4	-83.3	-73.4	-43.1	-16.1	309.2	125.8	7.0	-55.3	42.2
Operating Parameters										
NIM (Cal, %)	3.7	3.7	3.5	3.7	3.5	3.5	3.4	3.4	3.6	3.4
Deposit Growth (%)	16.3	17.3	9.6	15.8	10.0	9.8	20.4	16.0	15.8	16.0
Loan Growth (%)	21.2	18.5	10.1	10.1	11.8	13.5	20.7	18.0	10.1	18.0
CD Ratio (%)	96.4	92.9	93.6	90.0	97.9	96.1	93.8	91.6	90.0	91.6
Core CASA ratio (%)	40.0	41.0	42.0	45.0	0.0				45.0	
Asset Quality										
OSRL (INR b)	73.6	67.0	63.4	53.8					53.8	0.0
OSRL (%)	2.1	1.9	1.8	1.4					1.4	0.0
Gross NPA (INR b)	95.5	163.8	204.7	212.8	220.3	237.1	249.7	250.2	212.8	250.2
Gross NPA (on cust. assets, %)	2.5	4.2	5.2	5.0	5.0	5.7	5.8	5.5	5.0	5.5

E: MOSL Estimates



Bajaj Auto

Bloomberg	BJAUT IN
Equity Shares (m)	289.4
M. Cap. (INR b)/(USD b)	906 / 14
52-Week Range (INR)	3208 / 2510
1,6,12 Rel Perf. (%)	7 / 8 / -2

Financial Snapshot (INR b)

Y/E MAR	2017	2018E	2019E	2020E
Sales	218	247	280	321
EBITDA	44.2	46.8	56.9	66.3
NP	38.3	41.8	50.4	58.7
Adj. EPS (INR)	132	144	174	203
EPS Gr. (%)	-2.6	9.1	20.7	16.4
BV/Sh. (INR)	589	655	725	775
RoE (%)	25.3	23.2	25.3	27.1
RoCE (%)	24.6	22.5	24.5	36.0
Payout (%)				
Valuations	23.9	21.9	18.2	15.6
P/E (x)	5.4	4.8	4.4	4.1
P/BV (x)	17.7	16.2	13.0	11.1
EV/EBITDA (x)	1.7	2.1	2.5	4.1
Div. Yield (%)	218	247	280	321

CMP: INR3,164 TP:INR3,589 (+13%) Buy

- Overall volume increased ~3.8% YoY (+20.6% QoQ) to 1,072k units due to ~6.5% YoY increase in export volume, while domestic volumes increased by ~2.3% YoY. Volume growth was led by 3W, as domestic 3W sales increased by 14.2% YoY, while 3W exports grew by 13% YoY.
- We expect realization to grow by 4.7% YoY (0.3% QoQ) led by improvement in product mix. Consequently, net revenues are expected to increase by ~8.7% YoY (+20.9% QoQ).
- We expect EBITDA margin to contract by ~240bp YoY (+180bp QoQ) to 19.1%, primarily due to higher commodity prices.
- We expect PAT to remain flat YoY (+18.2% QoQ) at INR11.2b.
- We have revised upward our total volume estimates by 1.2% in FY18 and 2.2% in FY19, resulting in EPS increase of 5.2%/6.6% for FY18E/FY19E.
- The stock trades at 21.7x FY18E and 18x FY19E EPS; maintain **Buy**.

Key issues to watch

- Update on demand of new launches, channel inventory and outlook for FY18.
- Export demand outlook and pricing in key currency market.
- Comments on 3W demand drivers in domestic market.
- Comments on entry into electric 3Ws.
- Strategy for KTM, Husqvarna; further details on partnership with Triumph.

Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Volumes ('000 units)	995	1,032	852	788	888	1,072	1,035	962	3,666	3,956
Growth YoY (%)	-1.8	-2.3	-10.5	-9.7	-10.7	3.8	21.5	22.1	(5.8)	7.9
Realization (INR/unit)	57,784	58,676	59,495	62,171	61,258	61,411	62,025	64,794	59,419	62,360
Growth YoY (%)	4.5	2.0	2.0	1.2	6.0	4.7	4.3	4.2	2.4	4.9
Net Sales	57,480	60,545	50,669	48,973	54,424	65,803	64,165	62,314	217,827	246,705
Change (%)	2.7	-0.4	-8.7	-8.6	-5.3	8.7	26.6	27.2	(3.6)	13.3
RM/Sales %	67.2	67.0	66.8	67.8	70.0	69.7	68.8	67.7	67.1	69.2
Staff cost/Sales %	4.7	4.3	4.8	4.6	5.0	4.3	4.4	4.5	4.6	4.5
Oth. Exp./Sales %	7.7	7.4	7.9	9.2	7.8	7.0	7.3	8.4	8.0	7.6
EBITDA	11,763	12,961	10,439	9,060	9,384	12,537	12,670	12,225	44,384	46,271
EBITDA Margins (%)	20.5	21.4	20.6	18.5	17.2	19.1	19.7	19.6	20.4	18.8
Other Income	2,671	3,420	3,193	2,936	4,573	4,000	3,200	3,394	12,220	15,167
Interest	2	7	3	2	2	3	3	3	14	10
Depreciation	775	770	772	757	753	775	785	823	3,073	3,135
PBT	13,657	15,605	12,858	11,236	12,881	15,760	15,082	14,794	53,516	58,293
Tax	3,873	4,378	3,612	3,218	3,642	4,570	4,449	4,401	15,081	17,063
Effective Tax Rate (%)	28.4	28.1	28.1	28.6	28.3	29.0	29.5	29.8	28.2	29.3
Adj. PAT	9,784	11,228	9,246	8,018	9,469	11,189	10,633	10,393	38,436	41,774
Change (%)	2.2	6.7	(4.7)	(15.5)	(3.2)	(0.3)	15.0	29.6	(2.2)	8.7

E: MOSL Estimates



HT Media

Bloomberg	HTML IN
Equity Shares (m)	230.5
M. Cap. (INR b)/(USD b)	22 / 0
52-Week Range (INR)	109 / 70
1,6,12 Rel Perf. (%)	0 / 8 / -1

Financial Snapshot (INR Billion)

Y/E MARCH	2017	2018E	2019E	2020E
Net Sales	24.5	25.0	26.3	27.5
EBITDA	3.0	3.2	3.1	3.3
Adj. NP	1.7	1.7	1.8	2.0
Adj. EPS (INR)	7.4	7.3	7.8	8.5
Adj. EPS Gr. (%)	-1.8	-0.8	6.9	8.6
BV/Sh (INR)	96.8	103.6	111.0	119.0
RoE (%)	7.9	7.3	7.3	7.4
RoCE (%)	9.7	8.7	8.6	8.9
Div. Payout (%)	6.9	6.9	6.5	5.9

Valuations

P/E (x)	13.1	13.2	12.4	11.4
P/BV (x)	1.0	0.9	0.9	0.8
EV/EBITDA (x)	10.8	9.0	8.2	6.7
Div. Yield (%)	0.4	0.4	0.4	0.4

CMP: INR97 TP: INR90 (-7%) Neutral

- n We expect revenue to decline 3% YoY to INR5.8b.
- n Ad revenue is likely to decline 6% YoY to INR4.0b, as July and August were impacted due to GST-led pressure on ad spends.
- n English print ad revenue decline ~10% YoY to INR2.34b impacted by digital medium.
- n Hindi ad revenue is expected to remain flat at INR1.7b.
- n Radio ad revenue growth is expected to grow 5% to INR0.38b.
- n We expect circulation revenue to increase 6% YoY to INR0.8b.
- n EBITDA margin is expected to expand 160bp YoY to 10%.
- n Adjusted net profit is likely to come in at INR0.24b. The stock trades at 13.2x FY18E and 12.4x FY19E EPS. Neutral.

Key things to watch for

- Ø YoY English ad growth (we expect ~10% YoY ad de-growth).
- Ø Hindi ad growth (we expect to remain flat).
- Ø EBITDA margin (we expect 10%).

Consolidated - Quarterly Earning Model

(INR m)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Net Sales	6,147	6,022	6,499	5,853	5,990	5,822	6,968	6,275	24,521	25,055
YoY Change (%)	4.5	0.2	-4.6	-7.3	-2.5	-3.3	7.2	7.2	-2.0	2.2
Total Expenditure	5,504	5,518	5,394	5,122	5,191	5,238	6,003	5,406	21,538	21,837
EBITDA	643	505	1,105	731	799	585	965	868	2,983	3,218
Margins (%)	10.5	8.4	17.0	12.5	13.3	10.0	13.9	13.8	12.2	12.8
Depreciation	295	304	312	337	320	363	363	363	1,248	1,410
Interest	247	245	241	218	194	236	236	236	951	901
Other Income	478	780	549	488	531	552	552	552	2,295	2,187
PBT before EO expense	579	736	1,100	665	817	538	918	821	3,079	3,094
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	579	736	1,100	665	817	538	918	821	3,079	3,094
Tax	186	224	36	225	239	129	211	195	671	774
Rate (%)	32.2	30.5	3.3	33.8	29.2	24.0	23.0	23.7	21.8	25.0
Minority Interest & P/L of Asso. Cos.	168	202	150	184	162	168	168	168	705	667
Reported PAT	224	309	914	256	415	240	539	459	1,703	1,653
Adj PAT	224	309	914	256	415	240	539	459	1,703	1,653
YoY Change (%)	-9.5	-16.1	32.9	-40.7	85.5	-22.2	-41.0	79.4	-1.9	-2.9



Wipro

Bloomberg	WPRO IN
Equity Shares (m)	4925.5
M. Cap. (INR b)/(USD b)	1397 / 21
52-Week Range (INR)	304 / 205
1,6,12 Rel Perf. (%)	-4 / 6 / 7

Financial Snapshot (INR b)

y/e mar	2017	2018E	2019E	2020E
Sales	550.4	564.5	616.8	663.3
EBITDA	108.8	111.9	125.5	136.6
PAT	83.3	82.2	88.0	96.9
EPS (INR)	16.9	18.2	19.5	21.5
EPS Gr. (%)	-6.3	7.8	7.1	10.1
BV/Sh. (INR)	105.9	109.3	128.9	138.3
RoE (%)	16.9	16.2	16.4	16.1
RoCE (%)	13.6	13.7	15.0	15.3
Payout (%)	5.8	0.0	0.0	46.5

Valuations

P/E (x)	16.8	15.6	14.5	13.2
P/BV (x)	2.7	2.6	2.2	2.1
EV/EBITDA (x)	10.8	10.5	8.9	8.0
DIV Yld (%)	0.3	0.0	0.0	3.5

CMP: INR284 TP: INR270 (-5%) Neutral

- In the previous quarter, Wipro had guided -0.5% to +1.5% QoQ CC growth for 2Q. The weak guidance reflected the pressure in Healthcare vertical and sluggishness in Communications and Retail.
- We expect growth to be at the mid-point of the guided range at +1%. A cross-currency tailwind of 110bp would lead to USD revenue growth of 2.1% QoQ.
- However, on an organic YoY basis, growth expectations for the quarter translate into 1% growth.
- We expect EBIT margin in IT Services to decline by 60bp because of the organic revenue softness and partial wage hikes.
- We expect overall EBIT margin to decline by 50bp, led by improved profitability in the Products business.
- Our PAT estimate is INR19.5b, -5.9% QoQ on account of the dip in profitability, and lower other income.
- The stock trades at 15.6x FY18E and 14.5x FY19E earnings. Neutral.

Key issues to watch for

- Revenue growth guidance for 3QFY18.
- Commentary on Healthcare, Communications and Retail verticals.
- Commentary on large deal wins and ramp-up schedule.

Quarterly Performance (IFRS)

Y/E March	FY17				FY18E				(INR m)	
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	FY17	FY18E
Revenue (USD m)	1,931	1,916	1,903	1,955	1,972	2,013	2,054	2,094	7,705	8,132
QoQ (%)	2.6	-0.8	-0.7	2.7	0.9	2.1	2.0	2.0	4.9	5.6
Revenue (INR m)	135,992	137,657	136,878	139,875	136,261	138,122	143,358	146,710	550,402	564,451
QoQ (%)	-0.2	1.2	-0.6	2.2	-2.6	1.4	3.8	2.3		
YoY (%)	11.1	10.0	6.4	2.6	0.2	0.3	4.7	4.9	7.4	2.6
GPM (%)	29.1	28.9	29.4	28.0	28.7	27.7	28.7	29.0	28.9	28.5
SGA (%)	13.0	13.2	13.0	11.9	12.8	12.2	12.2	12.2	12.8	12.3
IT Serv. EBIT (%)	17.8	17.8	18.3	17.7	16.8	16.2	17.3	17.7	17.9	17.0
EBIT Margin (%)	16.1	15.8	16.4	16.1	16.0	15.5	16.5	16.9	16.1	16.2
Other income	4,848	4,958	5,120	5,328	5,079	3,846	3,645	1,973	20,254	14,544
ETR (%)	22.9	22.2	23.3	24.2	22.3	22.3	22.3	22.3	23.2	22.3
PAT	20,518	20,672	21,094	19,340	20,765	19,544	21,190	20,672	83,326	82,172
QoQ (%)	-8.2	0.8	2.0	-8.3	7.4	-5.9	8.4	-2.4		
YoY (%)	-6.2	-7.5	-5.6	-13.5	1.2	-5.5	0.5	6.9	-6.3	-1.4
EPS (INR)	4.2	4.3	4.4	4.0	4.3	4.0	4.7	4.6	16.9	18.2
Headcount	173,863	174,238	179,129	181,482	166,790	170,905	174,290	177,925	181,482	177,925
Util excl. trainees (%)	79.7	82.8	81.9	84.8	82.1	82.1	82.1	82.1	77.4	77.3
Attrition (%)	16.5	16.6	16.3	16.3	15.9					
Offshore rev. (%)	45.6	46.1	46.5	47.2	46.4	46.1	46.2	46.1	46.4	46.2
Fixed Price (%)	56	56.4	57.7	58.3	1915-					

E: MOSL Estimates



1. GRUH FINANCE: Expect disbursement growth to be over 30%; Sudhin Choksey, MD

- n Experiencing good demand in affordable housing segment.
- n Many developers have shown interest in middle-income group (MIG) segment of affordable housing.
- n Expect significant supply in the MIG segment in the second half of next year.
- n Expect disbursement growth to be over 30 percent.
- n Do not expect real estate prices to go up any further.
- n 18 percent out of total 28 percent growth in disbursements from new customer acquisition.
- n Spreads in first half of FY18 was at 3.3 percent. However, expect spreads to not go below 3 percent for FY18.

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2. BHARAT FINANCIAL: Merger will enable us to give higher ticket size loans; MR Rao, MD & CEO

- n Bharat Financial's shareholders will get 639 shares of the bank for every 1,000 held.
- n Deal likely to be completed in 9-10 months.
- n IndusInd scored on all parameters for a merger.
- n Previous partnership with IndusInd made it easier to agree to merger terms.
- n Will score lot of operating synergies which will take a couple of years to come in.
- n Merger will enable company to give higher ticket size loans.

[Read More](#)

3. KANSAI NEROLAC: Hope to maintain margin at current levels; HM Bharuka, VC & MD

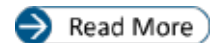
- n Last quarter (Q1) had excise duty included in the topline and because of goods and services tax (GST) there is no excise duty, so GST is removed from this quarter.
- n Total volume growth is 18 percent, decorative growth is more than 20 percent and industrial segments grew by 10 percent this quarter.
- n Paint industry will continue to have double-digit volume growth.
- n Volumes this quarter were partially aided by GST restocking and early festive season.
- n Hope to maintain margin at current levels.

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4. FUTURE RETAIL: Focus on strong like-to-like growth this festive season; Rakesh Biyani, Joint MD

- n Festive season expected to show similar growth rate as the last few quarters. Tricky to gauge the sentiment this Diwali because it has come a bit early. However, happy with the business during earlier festivals that is Dussehra and Onam.
- n As actual Diwali day comes closer, the last minute footfalls are important in terms of doing business.
- n Very excited about the Hyercity acquisition. Looking forward to work along with the Hyercity team and build a more viable and successful model. At present not looking for any new acquisition.

- n Currently focus is on existing businesses and on driving strong like-to-like growth.
- n About Lifestyle, because of the Goods and Services tax (GST), sales were preponed and so early part of Q2 was impacted but again during Dussehra and Onam the footfalls were strong. Expansion strategy in Brand Factory has worked well and would continue to drive for higher Same Store Growth.
- n Expansion strategy in Brand Factory has worked well and would continue to drive for higher Same Store Growth in Lifestyle business.
- n Plan to open 10 Centrals and about 16 odd Brand Factories by the end of FY18.

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1. Make in India: The smartphone challenge

- n History shows that manufacturing follows trade. In 1914, India was the world's largest importer, not of British textiles, but of British textile machinery. That is, India was becoming a major textile manufacturer. This happened because merchants of British textile had developed mature markets in India and had themselves started manufacturing. The case with smartphones would be no different if things were that simple. Unfortunately, complications abound. Morgan Stanley expects India to overtake the US as the second-largest smartphone market in 2018, with an expected compound annual growth rate (CAGR) of 23%. India will grow nearly five times faster than the world's largest smartphone market China, where growth has decelerated. Morgan Stanley estimated that there are only 225 million smartphone subscribers in the country, accounting for 18% of the total population. Therefore, there is tremendous untapped potential for growth.

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2. GST anti-profiteering body: Here is why Narendra Modi government must trust the market, take this action

- n President Xi Jinping of China may not have the world eating out of his palm yet. Revenue secretary Hasmukh Adhia, in an interview to this newspaper, has suggested the government may not, in fact, end up using the anti-profiteering authority that was an integral part of the GST architecture. Though the GST Council has cleared the setting up of the authority, the Cabinet is yet to approve this—only once this is done can the authority be set up and start operations. As Adhia has said, the government has not got any major complaints on profiteering by firms—in the sense of not passing on the benefits of GST rates being lower than what they were paying before the new system came into place. The complaints got, he said, were about a few restaurants and real estate and were local in nature, not even national. While a very small number of complaints is natural right now, given the way the GST was designed, the rates were fixed in such a manner that they were more or less the same as those being paid pre-GST.

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3. Strengthening India's corporate bond market

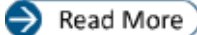
- n Low private investment, sputtering exports, and stunted private consumption growth have raised calls for a fiscal stimulus, with some even suggesting breaching the fiscal deficit target of 3.2% of gross domestic product (GDP) for the year. A fundamental reason for the slowdown in the economy is the twin balance sheet problem. India's companies have been bogged down by high debt, and the balance sheet of India's public sector banks, which have historically financed economic growth, have been weakened by persistently high bad loans. This has led to a slowdown in the credit cycle, pushing companies to increasingly tap non-bank sources of financing such as external commercial borrowings (ECBs), commercial paper (CP), or corporate bonds. Former Federal Reserve chairman Alan Greenspan famously referred to the bond market as the "spare tyre" of the credit market that can supplement the banking system during periods of distress. In India's case, this is reflected in the fact that the share of non-bank credit to total new debt rose from just 20% in 2015 to about 53% in 2016.

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International

4. The emerging blocs in the Afghan great game

n While unveiling its long-awaited Afghanistan strategy, the US embraced India and dropped Pakistan as its ally. Broadly speaking, it occurred against the backdrop of the formation of a tripartite alliance of Russia, China and Pakistan. Donald Trump's move can further push Pakistan towards Russia and its "iron brother" China, and away from the US. Also, the two blocs differ in their approaches towards Afghanistan, and the destiny of this war-ravaged country is aligned with the interests of these states. So in this prevailing geopolitical quagmire and hostile environment, will terrorism scale down and will Afghanistan progress in terms of peace and stability? The US and its allies have spent a tremendous amount of dollars, shed their soldiers' blood, even used a munition popularly called "Mother Of All Bombs" in order to eradicate terrorists but to no avail. It seems that the US' Afghan approach is not the right one. Besides, the interests of many rival states clash in this unfortunate land, further breeding terrorism.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Automobiles														
Amara Raja	Buy	681	854	25	28.0	25.6	32.9	24.3	26.6	4.5	3.9	20.3	15.8	17.7
Ashok Ley.	Buy	127	145	14	4.6	5.3	7.0	28.0	23.9	6.1	5.3	23.1	23.8	27.0
Bajaj Auto	Buy	3,222	3,589	11	132.3	144.4	174.3	24.4	22.3	5.5	4.9	25.3	23.2	25.3
Bharat Forge	Buy	643	726	13	13.1	18.3	25.5	49.2	35.1	7.3	6.3	16.2	19.3	22.9
Bosch	Neutral	22,117	22,781	3	473.1	540.8	698.6	46.7	40.9	7.7	6.9	15.8	17.8	20.5
CEAT	Buy	1,732	2,029	17	93.3	94.2	126.8	18.6	18.4	2.9	2.6	16.9	14.8	17.3
Eicher Mot.	Buy	31,736	36,487	15	612.7	826.7	1,119.2	51.8	38.4	16.2	12.1	37.1	36.1	36.4
Endurance Tech.	Buy	1,142	1,229	8	23.5	29.6	39.3	48.6	38.5	9.3	7.7	20.8	21.8	24.0
Escorts	Neutral	721	732	1	20.0	37.1	45.8	36.1	19.5	3.7	3.1	10.6	17.3	18.3
Exide Ind	Buy	205	279	36	8.1	8.9	10.8	25.2	22.9	3.5	3.2	13.9	13.8	14.8
Hero Moto	Neutral	3,774	3,868	2	169.1	185.0	197.1	22.3	20.4	7.5	6.5	35.7	34.0	31.4
M&M	Buy	1,367	1,585	16	54.3	69.5	81.7	25.2	19.7	3.2	2.9	14.2	13.5	14.3
Mahindra CIE	Not Rated	234	-		5.4	9.9	11.8	43.7	23.8	2.7	2.4	6.4	10.8	11.5
Maruti Suzuki	Buy	7,848	9,417	20	248.6	285.5	381.7	31.6	27.5	6.6	5.7	20.3	20.4	23.0
Tata Motors	Buy	437	562	29	19.8	20.0	61.3	22.0	21.8	2.6	2.3	9.8	11.0	27.4
TVS Motor	Buy	700	719	3	11.7	15.1	24.5	59.6	46.4	13.8	11.3	25.6	26.7	34.2
Aggregate								29.3	25.6	5.0	4.4	17.1	17.2	22.6
Banks - Private														
Axis Bank	Neutral	521	524	1	15.4	21.8	38.1	33.9	23.8	2.3	2.1	6.9	9.3	14.7
DCB Bank	Neutral	190	188	-1	7.0	8.4	10.4	27.1	22.7	2.8	2.3	10.8	11.4	11.8
Equitas Hold.	Buy	153	212	39	5.0	1.7	6.1	30.3	90.0	2.3	2.3	9.5	2.5	8.6
Federal Bank	Buy	125	139	11	4.8	5.4	6.8	25.9	23.2	2.5	2.0	9.9	10.0	10.5
HDFC Bank	Buy	1,857	2,066	11	56.8	68.2	82.6	32.7	27.2	5.5	4.8	18.3	18.8	19.7
ICICI Bank	Buy	274	366	34	15.3	14.5	16.6	17.9	18.9	2.0	1.9	10.2	8.6	9.3
IDFC Bank	Neutral	58	56	-3	3.0	2.8	3.2	19.3	20.9	1.3	1.3	7.2	6.3	6.9
IndusInd	Buy	1,717	2,000	16	48.1	60.9	78.6	35.7	28.2	5.0	4.4	15.3	16.9	19.0
J&K Bank	Neutral	74	91	24	-31.3	3.9	8.3	NM	19.0	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	1,085	1,197	10	26.8	32.4	41.0	40.4	33.4	5.2	4.7	13.8	15.0	16.3
RBL Bank	Buy	521	651	25	11.9	17.2	22.5	43.8	30.3	4.6	3.3	12.3	13.0	13.3
South Indian	Buy	32	36	11	2.5	1.9	3.8	13.0	17.4	1.2	1.2	9.0	6.7	12.6
Yes Bank	Buy	368	446	21	14.6	18.5	22.9	25.2	19.9	3.9	3.4	18.9	18.3	19.5
Aggregate								30.6	25.1	3.5	3.1	11.5	12.4	14.2
Banks - PSU														
BOB	Buy	138	217	57	6.0	9.5	20.8	23.1	14.5	0.9	0.9	4.0	6.1	12.4
BOI	Neutral	137	141	3	-14.8	-11.2	6.6	NM	NM	0.6	0.6	-6.7	-5.2	3.0
Canara	Neutral	307	323	5	18.8	30.1	47.0	16.4	10.2	0.7	0.6	4.2	6.2	9.1
IDBI Bk	Neutral	53	49	-6	1.5	6.4	8.6	34.5	8.2	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	271	333	23	29.3	34.4	38.3	9.3	7.9	0.9	0.8	10.1	10.9	11.2
OBC	Neutral	115	150	30	-31.6	17.1	21.4	NM	6.8	0.3	0.3	-8.4	4.6	5.4
PNB	Buy	134	184	38	6.2	5.8	11.0	21.5	22.9	0.7	0.7	3.6	3.2	5.9
SBI	Buy	252	341	35	0.3	14.6	26.8	848.0	17.3	1.2	1.1	-0.2	7.0	11.4
Union Bk	Neutral	127	135	6	8.1	9.0	19.1	15.7	14.0	0.4	0.4	2.7	3.0	6.1
Aggregate								93.2	16.5	0.8	0.8	0.9	4.6	8.3
NBFCs														
Bajaj Fin.	Buy	1,889	2,300	22	32.0	45.4	62.9	59.0	41.6	11.3	6.6	21.6	20.1	20.2
Bharat Fin.	Neutral	1,019	900	-12	21.0	29.9	54.9	48.5	34.1	5.7	4.7	15.1	15.1	22.4
Capital First	Buy	763	925	21	24.6	32.8	42.4	31.0	23.2	3.3	2.9	12.0	13.2	15.0
Cholaman.Inv.&Fn	Buy	1,127	1,400	24	46.0	56.0	68.1	24.5	20.1	4.1	3.5	18.0	18.6	19.2
Dewan Hsg.	Buy	559	690	24	29.6	37.7	47.1	18.9	14.8	2.2	2.0	14.4	14.1	15.6
GRUH Fin.	Neutral	517	490	-5	8.1	9.9	11.7	63.5	52.0	19.0	15.6	32.5	33.0	31.8
HDFC	Buy	1,764	2,020	15	46.8	52.2	58.2	37.7	33.8	7.0	6.3	18.9	18.6	17.8
Indiabulls Hsg	Buy	1,294	1,450	12	69.0	84.2	105.6	18.8	15.4	4.5	4.0	25.5	27.6	30.6
L&T Fin Holdings	Buy	204	230	13	5.2	6.8	10.1	38.9	29.8	4.6	4.0	12.4	14.7	18.5
LIC Hsg Fin	Neutral	658	730	11	38.2	41.6	48.9	17.2	15.8	3.1	2.7	19.4	18.2	18.5

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Manappuram	Not Rated	104	-		8.6	9.2	9.7	12.1	11.3	2.6	2.4	24.0	22.3	21.4
M&M Fin.	Buy	431	481	11	7.1	13.9	17.8	60.9	31.1	3.9	3.6	6.5	12.0	14.2
Muthoot Fin	Buy	502	550	10	29.5	38.7	44.4	17.0	13.0	3.1	2.6	19.4	21.8	21.2
PNB Housing	Buy	1,498	1,750	17	31.6	48.1	65.1	47.4	31.1	4.5	4.1	13.8	13.8	16.6
Repco Home	Buy	637	800	26	29.1	33.7	38.4	21.9	18.9	3.5	3.0	17.4	17.1	16.7
Shriram City Union	Buy	2,066	2,700	31	84.3	118.3	155.3	24.5	17.5	2.7	2.4	11.7	14.6	16.8
STF	Buy	1,101	1,320	20	55.6	80.0	102.4	19.8	13.8	2.2	2.0	11.7	15.0	16.9
Aggregate								31.8	25.7	5.1	4.4	16.1	17.1	18.0
Capital Goods														
ABB	Sell	1,354	1,235	-9	19.7	22.4	31.6	68.8	60.4	8.7	7.6	12.7	12.6	15.8
Bharat Elec.	Buy	171	187	9	6.3	6.7	7.4	27.2	25.5	5.6	4.3	20.6	17.1	17.0
BHEL	Sell	84	75	-11	1.3	2.7	3.8	62.8	30.9	1.0	0.9	1.5	3.1	4.1
Blue Star	Neutral	791	690	-13	12.9	17.1	25.5	61.4	46.4	10.0	9.4	18.0	20.9	28.9
CG Cons. Elec.	Buy	215	240	12	4.7	5.0	6.3	46.0	42.8	25.0	18.5	76.4	49.7	48.8
CG Power & Indu.	Neutral	78	80	2	4.1	2.0	2.5	19.0	38.4	1.2	1.1	6.2	3.0	3.7
Cummins	Buy	897	1,170	30	26.5	27.7	35.0	33.9	32.5	6.6	6.2	21.2	19.7	22.8
GE T&D	Neutral	384	395	3	5.7	9.3	11.3	67.0	41.3	9.5	8.3	12.4	21.5	22.7
Havells	Neutral	543	460	-15	9.6	10.7	13.9	56.8	50.5	10.3	9.3	18.2	18.3	20.9
K E C Intl	Neutral	299	295	-1	11.9	13.1	16.4	25.2	22.9	4.8	4.1	21.2	19.5	20.9
L&T	Buy	1,145	1,400	22	42.3	46.5	56.6	27.1	24.6	3.2	2.9	12.5	12.4	13.8
Pennar Eng.	Not Rated	99	-		7.1	9.1	11.2	14.0	10.9	1.4	1.3	10.2	11.6	12.6
Siemens	Neutral	1,219	1,355	11	17.8	21.7	33.4	68.4	56.3	6.4	5.5	9.3	9.8	13.8
Solar Ind	Neutral	988	900	-9	20.6	24.2	30.0	47.9	40.8	8.8	7.5	19.8	19.8	20.9
Suzlon Energy	Not Rated	16	-		0.6	0.9	1.0	24.4	17.6	-1.4	-1.5	NM	-8.8	-11.0
Thermax	Neutral	970	840	-13	30.8	30.1	33.4	31.5	32.2	4.3	3.9	14.3	12.7	12.8
Va Tech Wab.	Buy	587	800	36	29.8	34.6	39.8	19.7	17.0	3.2	2.8	16.8	17.6	17.4
Voltas	Sell	530	470	-11	15.5	16.8	19.1	34.3	31.6	5.3	4.7	18.0	15.8	16.0
Aggregate								34.9	30.6	3.9	3.5	11.2	11.6	13.1
Cement														
Ambuja Cem.	Buy	279	317	13	4.9	7.0	8.2	57.2	40.2	2.9	2.7	5.1	7.0	7.9
ACC	Neutral	1,785	1,706	-4	36.1	51.0	66.9	49.4	35.0	3.9	3.7	7.9	10.8	13.5
Birla Corp.	Buy	996	1,150	15	28.5	40.9	58.9	34.9	24.3	2.3	2.2	7.1	9.2	12.2
Dalmia Bharat	Buy	2,744	3,272	19	38.8	62.9	88.3	70.8	43.6	4.9	4.4	7.2	10.7	13.3
Grasim Inds.	Neutral	1,142	1,276	12	67.8	70.6	101.2	16.8	16.2	1.7	1.5	10.8	10.0	12.9
India Cem	Neutral	179	198	11	5.6	7.5	10.8	31.8	23.8	1.1	1.0	3.4	4.4	6.1
J K Cements	Buy	951	1,196	26	33.7	39.7	54.4	28.2	23.9	3.8	3.3	14.4	14.8	17.5
JK Lakshmi Ce	Buy	392	485	24	7.0	9.7	16.4	56.3	40.3	3.3	3.1	6.1	8.0	12.3
Ramco Cem	Buy	688	832	21	27.3	27.4	34.4	25.2	25.1	4.4	3.8	19.0	16.1	17.5
Orient Cem	Buy	155	182	17	-1.6	4.4	7.1	NM	35.1	3.2	3.0	-3.2	8.8	12.8
Prism Cem	Buy	109	140	29	0.3	3.5	5.6	397.5	31.1	5.7	5.0	1.4	17.0	22.9
Shree Cem	Buy	18,760	22,084	18	384.4	507.1	547.8	48.8	37.0	8.5	7.0	18.4	20.8	18.8
Ultratech	Buy	4,004	4,937	23	96.1	92.1	138.8	41.7	43.5	4.6	4.2	11.6	10.1	14.0
Aggregate								37.2	31.6	3.5	3.2	9.4	10.2	12.4
Consumer														
Asian Paints	Neutral	1,170	1,315	12	21.0	22.2	26.5	55.7	52.7	14.8	13.4	28.5	26.7	28.1
Britannia	Buy	4,544	5,165	14	73.7	85.3	104.6	61.7	53.2	20.2	16.7	36.9	34.3	34.5
Colgate	Buy	1,064	1,385	30	21.2	24.5	29.8	50.1	43.5	22.7	21.5	50.4	50.8	58.2
Dabur	Neutral	322	330	2	7.2	7.7	9.1	44.4	41.7	11.7	10.0	28.4	26.0	26.3
Emami	Buy	1,146	1,400	22	26.5	26.9	33.1	43.2	42.6	14.8	12.6	35.8	32.0	33.9
Godrej Cons.	Neutral	977	1,005	3	18.9	21.5	24.7	51.7	45.3	12.6	9.8	24.6	24.2	22.8
GSK Cons.	Neutral	4,953	4,630	-7	156.1	158.1	182.1	31.7	31.3	6.7	6.5	22.2	21.1	22.6
HUL	Buy	1,279	1,400	9	19.6	22.9	27.4	65.2	55.8	42.7	42.3	66.5	76.2	87.2
ITC	Neutral	268	290	8	8.4	9.3	10.3	31.9	28.9	7.2	7.1	23.5	24.8	26.3
Jyothy Lab	Neutral	388	410	6	11.2	9.8	11.1	34.5	39.5	6.5	6.5	21.1	16.5	18.4
Marico	Neutral	317	350	10	6.3	6.8	8.2	50.5	46.5	17.6	15.1	36.7	34.9	37.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Nestle	Neutral	7,281	6,160	-15	118.0	115.0	133.6	61.7	63.3	23.3	21.7	39.0	35.5	38.1
Page Inds	Buy	18,942	21,310	13	238.7	294.7	398.4	79.3	64.3	31.7	25.5	40.0	39.6	43.1
Parag Milk	Neutral	272	280	3	3.6	9.1	12.5	75.5	29.9	3.5	3.1	6.0	11.0	13.3
Pidilite Ind.	Neutral	809	865	7	16.7	18.1	20.6	48.4	44.8	12.5	10.2	28.2	25.2	23.5
P&G Hygiene	Neutral	8,671	9,200	6	132.9	151.6	176.0	65.2	57.2	40.9	33.9	39.3	64.9	62.8
Prabhat Dairy	Not Rated	146	-		3.5	3.5	6.4	41.4	42.1	2.1	2.0	5.2	4.9	8.5
United Brew	Buy	840	980	17	8.7	9.9	14.0	96.7	84.9	9.5	8.7	10.2	10.7	13.6
United Spirits	Neutral	2,425	2,600	7	26.7	34.5	51.5	90.7	70.3	18.2	12.7	21.3	18.0	20.3
Aggregate								47.0	42.5	12.9	12.0	27.5	28.3	29.3
Healthcare														
Alembic Phar	Neutral	495	510	3	21.6	19.8	25.5	22.9	25.0	4.9	4.3	23.0	18.4	20.5
Alkem Lab	Neutral	1,840	1,830	-1	75.7	72.5	93.3	24.3	25.4	5.2	4.5	23.4	19.0	20.9
Ajanta Pharma	Buy	1,201	1,605	34	58.4	52.8	64.2	20.6	22.8	6.8	5.4	37.7	26.5	25.9
Aurobindo	Buy	758	850	12	39.3	44.9	50.0	19.3	16.9	4.7	3.7	27.6	24.8	22.1
Biocon	Sell	375	330	-12	10.2	9.7	14.2	36.8	38.6	4.7	4.3	12.3	11.1	14.5
Cadila	Buy	501	555	11	14.2	17.5	23.6	35.2	28.6	7.4	6.2	23.0	23.5	26.0
Cipla	Neutral	606	520	-14	15.9	21.1	26.0	38.1	28.7	3.9	3.5	10.2	12.1	13.2
Divis Lab	Neutral	873	720	-18	39.9	33.9	40.4	21.9	25.8	4.3	4.5	22.0	17.0	19.5
Dr Reddy's	Neutral	2,397	2,400	0	72.6	72.6	119.9	33.0	33.0	3.2	3.1	9.7	9.7	14.4
Fortis Health	Buy	151	220	46	10.3	2.2	5.6	14.6	69.0	1.6	1.4	11.3	2.1	4.9
Glenmark	Neutral	611	775	27	39.3	39.7	49.1	15.6	15.4	3.8	3.1	24.7	20.3	20.4
Granules	Buy	141	200	42	7.2	8.0	11.0	19.4	17.6	3.6	2.5	21.1	17.7	18.8
GSK Pharma	Neutral	2,445	2,500	2	34.4	46.8	54.9	71.1	52.2	10.3	12.0	14.5	23.0	30.9
IPCA Labs	Neutral	499	430	-14	16.1	16.6	26.8	31.1	30.1	2.6	2.4	8.6	8.2	12.2
Jubilant Life	Buy	656	905	38	37.0	47.1	56.7	17.7	13.9	3.0	2.5	18.1	19.5	19.6
Lupin	Buy	1,070	1,125	5	56.6	41.4	58.0	18.9	25.8	3.6	3.2	20.9	13.2	16.4
Sanofi India	Buy	4,222	4,850	15	129.1	133.6	160.6	32.7	31.6	5.6	5.2	17.1	16.6	18.1
Shilpa Medicare	Buy	663	805	22	14.0	21.1	30.4	47.3	31.4	5.8	4.9	14.4	17.0	20.4
Strides Shasun	Buy	879	1,300	48	32.3	47.4	74.8	27.2	18.5	2.9	2.6	10.7	14.7	20.2
Sun Pharma	Buy	548	515	-6	26.1	15.1	23.3	21.0	36.4	3.6	3.4	18.1	9.6	13.8
Syngene Intl	Not Rated	495	-		13.0	16.1	18.0	38.0	30.7	7.7	6.3	22.2	22.5	20.7
Torrent Pharma	Neutral	1,280	1,350	5	55.2	53.4	67.3	23.2	24.0	5.0	4.4	23.8	19.5	21.5
Aggregate								24.3	27.0	4.1	3.7	16.9	13.6	16.1
Logistics														
Allcargo Logistics	Buy	164	206	25	9.8	10.3	12.9	16.7	16.0	2.3	2.0	13.7	13.4	15.1
Blue Dart	Not Rated	4,178	-		102.5	129.9	163.2	40.7	32.2	18.1	13.8	50.5	48.6	46.8
Concor	Neutral	1,361	1,214	-11	38.0	42.4	48.6	35.8	32.1	3.8	3.6	10.8	11.4	12.4
Gateway Distriparks	Buy	240	280	17	6.8	8.8	12.2	35.3	27.3	2.6	2.5	7.3	9.2	12.1
Gati	Not Rated	115	-		8.4	15.9	23.9	13.8	7.3	1.9	1.7	12.4	19.4	25.4
Transport Corp.	Not Rated	284	-		16.9	21.0	25.9	16.7	13.5	2.6	2.2	16.7	17.8	18.6
Aggregate								31.1	26.3	3.8	3.5	12.3	13.5	15.1
Media														
Dish TV	Buy	72	106	47	1.0	1.0	2.4	70.3	71.0	15.7	12.8	25.1	19.9	35.2
D B Corp	Buy	370	450	22	20.4	23.7	28.0	18.2	15.6	4.3	3.5	25.1	24.7	23.9
Den Net.	Neutral	85	90	6	-9.3	-2.9	0.1	NM	NM	1.8	1.9	-19.1	-6.4	0.2
Ent.Network	Neutral	802	928	16	11.4	12.2	20.6	70.2	65.9	4.5	4.2	6.7	6.6	10.3
Hind. Media	Buy	250	350	40	25.8	28.5	33.6	9.7	8.8	1.6	1.3	18.2	16.5	16.6
HT Media	Neutral	96	90	-6	7.4	7.3	7.8	13.0	13.1	1.0	0.9	7.9	7.3	7.3
Jagran Prak.	Buy	172	225	31	10.7	12.2	13.4	16.1	14.1	2.6	2.6	18.5	18.6	19.0
Music Broadcast	Buy	395	469	19	6.4	9.3	14.0	61.4	42.4	4.1	3.7	11.2	9.3	12.4
PVR	Buy	1,370	1,597	17	20.5	26.5	43.6	66.7	51.7	6.6	5.9	10.4	12.1	17.3
Siti Net.	Neutral	25	32	29	-1.8	-0.4	0.4	NM	NM	4.0	4.3	-28.7	-7.5	6.4
Sun TV	Neutral	816	860	5	24.9	28.8	36.9	32.8	28.4	8.0	7.3	26.0	27.0	31.6
Zee Ent.	Buy	514	630	23	13.9	12.2	17.8	37.0	42.3	5.8	5.4	19.3	14.7	18.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Aggregate								36.9	31.8	4.9	4.6	13.4	14.5	17.8
Metals														
Hindalco	Buy	271	308	13	8.6	19.8	24.5	31.7	13.7	2.1	1.8	7.4	14.3	15.4
Hind. Zinc	Neutral	320	322	1	19.7	22.4	29.3	16.3	14.3	4.4	4.7	24.4	31.8	37.9
JSPL	Buy	165	192	17	-20.9	-17.4	2.0	NM	NM	0.5	0.5	-7.9	-5.5	0.6
JSW Steel	Buy	261	298	14	14.8	22.3	25.7	17.6	11.7	2.8	2.3	17.3	21.6	20.8
Nalco	Neutral	86	87	1	3.7	4.5	5.8	23.2	19.3	1.6	1.6	7.2	8.3	10.1
NMDC	Buy	123	188	53	10.0	13.1	12.9	12.3	9.4	1.7	1.6	12.8	15.5	16.2
SAIL	Sell	58	30	-48	-6.2	-7.7	-4.2	NM	NM	0.7	0.7	-6.7	-9.1	-5.3
Vedanta	Buy	334	360	8	15.1	25.4	37.5	22.1	13.2	2.1	1.9	9.7	15.0	20.3
Tata Steel	Neutral	715	665	-7	37.9	66.9	63.4	18.9	10.7	2.2	1.9	15.7	19.1	15.9
Aggregate								23.9	15.2	1.8	1.7	7.6	11.5	14.1
Oil & Gas														
BPCL	Buy	499	644	29	48.3	49.2	52.0	10.3	10.1	3.2	2.6	32.4	28.5	25.2
GAIL	Sell	438	634	45	22.6	26.5	30.0	19.4	16.5	1.9	1.8	9.6	11.3	11.9
Gujarat Gas	Sell	931	712	-24	16.2	31.6	44.0	57.4	29.5	7.8	6.4	14.2	23.9	27.0
Gujarat St. Pet.	Neutral	202	180	-11	8.8	12.1	13.3	22.9	16.7	2.5	2.3	11.6	14.3	14.1
HPCL	Buy	460	585	27	40.7	45.9	42.9	11.3	10.0	3.5	2.8	32.4	31.0	24.2
IOC	Buy	413	559	35	43.0	51.1	46.5	9.6	8.1	1.9	1.6	21.2	21.9	17.4
IGL	Neutral	1,522	1,295	-15	44.0	49.6	54.8	34.6	30.7	7.3	6.2	21.0	21.7	20.4
MRPL	Sell	128	112	-12	14.8	10.7	11.6	8.6	12.0	2.2	1.9	31.4	17.3	16.5
Oil India	Buy	348	340	-2	19.3	29.1	34.1	18.0	11.9	1.0	0.9	5.7	7.9	8.8
ONGC	Buy	172	190	11	16.4	17.8	19.2	10.5	9.6	1.0	1.0	10.1	10.2	10.5
PLNG	Buy	251	275	10	11.4	14.1	18.0	22.1	17.8	4.6	3.9	23.2	23.9	25.5
Reliance Ind.	Buy	875	1,005	15	48.3	55.5	64.0	18.1	15.8	1.9	1.7	11.6	11.9	12.3
Aggregate								13.6	12.1	1.8	1.6	13.2	13.5	13.1
Retail														
Jubilant Food	Sell	1,550	960	-38	10.0	14.8	20.7	154.9	104.7	12.7	11.7	8.2	11.1	14.0
Titan Co.	Neutral	627	590	-6	9.0	10.5	12.6	69.4	59.9	13.2	12.0	20.6	21.0	22.2
Aggregate								75.5	63.8	13.0	11.9	17.2	18.6	19.6
Technology														
Cyient	Buy	553	600	9	30.6	36.0	41.9	18.0	15.3	2.9	2.7	16.2	17.4	18.3
HCL Tech.	Neutral	923	950	3	59.8	63.5	68.9	15.4	14.5	3.9	3.4	27.5	25.5	24.6
Hexaware	Neutral	277	250	-10	13.7	15.6	16.5	20.2	17.7	4.9	4.3	26.5	25.6	23.1
Infosys	Buy	939	1,050	12	62.9	62.3	66.3	14.9	15.1	3.1	2.8	22.0	19.6	19.1
KPIT Tech	Neutral	128	140	9	11.9	10.8	13.6	10.8	11.8	1.6	1.5	14.3	13.3	14.7
L&T Infotech	Buy	811	880	8	55.5	60.9	65.3	14.6	13.3	5.1	3.9	40.4	33.3	28.3
Mindtree	Neutral	494	450	-9	24.9	28.4	32.9	19.8	17.4	3.2	3.2	16.8	17.2	20.1
Mphasis	Neutral	651	610	-6	38.9	40.2	43.0	16.7	16.2	2.2	2.4	13.2	14.4	16.2
NIIT Tech	Neutral	624	540	-13	38.0	43.3	50.8	16.4	14.4	2.2	2.1	13.7	14.7	16.0
Persistent Sys	Buy	663	750	13	37.7	42.9	51.9	17.6	15.5	2.7	2.6	17.0	17.7	20.6
Tata Elxsi	Buy	856	996	16	28.1	33.8	40.2	30.4	25.3	9.5	7.7	37.1	33.6	32.4
TCS	Neutral	2,585	2,450	-5	133.4	131.8	151.4	19.4	19.6	5.8	6.2	32.6	30.6	33.5
Tech Mah	Buy	474	490	3	30.9	34.8	37.3	15.4	13.6	2.5	2.3	18.4	17.9	17.1
Wipro	Neutral	290	270	-7	16.9	18.2	19.5	17.1	15.9	2.7	2.7	16.9	16.2	16.4
Zensar Tech	Buy	758	950	25	52.1	51.5	70.0	14.6	14.7	2.3	2.1	17.2	14.9	17.9
Aggregate								17.2	17.1	3.9	3.9	22.9	22.7	22.1
Telecom														
Bharti Airtel	Buy	453	470	4	11.1	2.4	3.2	40.8	189.1	2.7	2.7	6.7	1.4	1.9
Bharti Infratel	Buy	471	440	-7	14.9	17.3	19.7	31.7	27.2	5.6	5.6	16.2	20.7	23.2
Idea Cellular	Buy	83	105	26	-1.1	-15.5	-14.9	NM	NM	1.2	1.6	-1.6	-25.6	-32.6
Tata Comm	Buy	719	775	8	27.2	8.3	25.4	26.4	86.9	12.9	11.2	132.2	13.8	33.1
Aggregate								40.4	-252.2	2.8	2.9	6.9	-1.2	0.3
Utilities														
Coal India	Buy	290	335	15	14.9	17.5	20.7	19.4	16.6	7.3	7.0	37.8	42.4	47.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
CESC	Buy	1,032	1,360	32	51.9	88.9	99.3	19.9	11.6	1.3	1.2	6.5	10.6	10.8
JSW Energy	Sell	79	49	-38	3.8	3.3	2.7	20.6	23.6	1.2	1.2	6.3	5.3	4.2
NTPC	Buy	175	211	20	12.0	13.5	15.7	14.7	13.0	1.5	1.4	10.5	11.0	11.9
Power Grid	Buy	206	262	27	14.2	17.4	20.6	14.4	11.8	2.2	1.9	16.2	17.3	17.8
Tata Power	Sell	82	71	-13	7.4	7.3	7.3	11.0	11.3	1.9	1.7	17.1	15.8	14.2
Aggregate								16.4	14.0	2.4	2.2	14.5	15.7	16.8
Others														
Arvind	Neutral	393	376	-4	12.4	12.9	18.6	31.7	30.4	2.8	2.7	10.3	9.1	12.0
Avenue Supermarts	Under Review	1,231	-		7.7	12.7	17.6	160.5	96.8	20.0	17.5	17.9	19.3	23.0
Bata India	Under Review	783	-		13.5	15.7	19.4	58.0	49.9	7.6	6.8	13.9	14.4	15.8
BSE	Neutral	974	1,100	13	41.0	42.2	44.6	23.8	23.1	2.0	2.0	8.3	8.5	7.7
Castrol India	Buy	374	467	25	13.6	12.6	13.3	27.4	29.6	31.0	28.2	115.2	99.8	95.8
Century Ply.	Neutral	275	323	17	8.7	9.8	12.9	31.6	28.0	8.6	7.1	31.1	27.7	29.6
Coromandel Intl	Buy	482	523	8	16.6	24.1	29.0	29.0	20.0	4.9	4.2	17.5	22.5	23.4
Delta Corp	Buy	227	232	2	3.1	5.6	7.7	74.5	40.7	5.7	3.8	8.1	11.9	12.4
Dynamatic Tech	Buy	2,098	3,334	59	67.6	112.9	166.7	31.0	18.6	4.3	3.5	15.1	20.7	24.3
Eveready Inds.	Buy	333	358	7	12.9	13.6	16.3	25.9	24.4	8.4	6.8	37.7	30.8	30.1
Interglobe	Neutral	1,119	1,142	2	43.2	55.2	81.6	25.9	20.3	11.4	6.6	51.0	41.1	46.6
Indo Count	Neutral	112	118	5	13.0	8.9	10.8	8.6	12.6	2.6	2.1	34.8	18.6	18.3
Info Edge	Buy	1,109	1,130	2	15.7	21.8	24.7	70.7	51.0	6.8	6.2	10.2	12.7	13.1
Inox Leisure	Sell	234	240	3	3.3	8.0	12.0	70.2	29.1	4.1	3.6	5.9	12.5	16.2
Jain Irrigation	Under Review	94	-		5.5	7.6	10.0	16.9	12.3	1.4	1.4	8.6	11.7	14.8
Just Dial	Neutral	408	465	14	17.5	18.5	21.1	23.4	22.1	3.1	2.8	14.8	13.4	13.7
Kaveri Seed	Buy	554	738	33	19.1	34.1	41.0	29.1	16.3	3.8	4.0	13.6	23.3	27.4
Kitex Garm.	Buy	220	394	79	18.6	22.1	26.2	11.8	9.9	3.2	2.6	29.8	28.6	27.6
Manpasand	Buy	452	534	18	6.3	9.7	15.3	71.1	46.4	4.5	4.2	7.3	8.2	13.4
MCX	Buy	1,128	1,300	15	24.8	26.5	43.4	45.5	42.6	4.2	4.3	10.2	10.0	15.9
Monsanto	Buy	2,456	3,295	34	86.2	105.0	126.6	28.5	23.4	8.0	7.2	31.5	32.5	34.5
Navneet Education	Buy	170	209	23	7.3	8.4	10.4	23.3	20.2	5.7	4.9	26.7	26.3	27.9
Qess Corp	Buy	829	990	19	10.0	19.1	27.8	82.9	43.4	11.2	4.8	19.0	15.6	15.0
PI Inds.	Buy	766	894	17	33.4	30.4	35.8	22.9	25.2	6.5	5.4	32.8	23.4	22.9
Piramal Enterp.	Buy	2,746	3,266	19	72.6	104.6	149.7	37.8	26.3	3.2	2.9	9.0	11.7	15.3
SRF	Buy	1,728	1,751	1	85.9	80.2	103.0	20.1	21.5	3.2	2.9	16.6	13.7	16.0
S H Kelkar	Buy	280	298	7	7.2	7.6	9.9	38.6	36.8	5.0	4.5	13.7	12.9	15.2
Symphony	Sell	1,419	1,288	-9	23.7	35.1	42.9	60.0	40.4	22.3	19.6	43.3	51.6	54.5
Team Lease Serv.	Buy	1,611	1,990	24	38.8	36.8	56.0	41.5	43.7	7.2	6.2	19.2	15.3	19.5
Trident	Buy	101	114	12	6.6	8.3	10.4	15.3	12.2	1.9	1.7	13.0	14.5	16.1
TTK Prestige	Neutral	6,099	5,281	-13	132.1	137.8	176.1	46.2	44.2	8.3	7.6	19.5	18.0	20.7
V-Guard	Neutral	190	167	-12	3.6	4.5	6.0	53.1	42.3	12.6	10.3	27.4	26.9	28.8
Wonderla	Buy	362	393	8	7.0	11.9	16.0	51.8	30.3	4.7	4.2	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-1.2	-12.0	-34.6
Ashok Ley.	1.7	9.0	57.8
Bajaj Auto	1.8	6.6	14.9
Bharat Forge	0.5	3.7	40.5
Bosch	2.6	1.5	-3.1
CEAT	-0.1	-2.1	25.7
Eicher Mot.	1.2	-0.7	25.0
Endurance Tech.	2.8	12.1	
Escorts	1.7	7.9	86.5
Exide Ind	-0.1	-6.1	7.2
Hero Moto	0.5	-3.0	8.4
M&M	3.1	5.7	0.8
Mahindra CIE	-1.1	-3.1	23.6
Maruti Suzuki	-0.3	-3.0	38.1
Tata Motors	2.9	8.8	-21.4
TVS Motor	0.2	7.8	79.2
Banks - Private			
Axis Bank	-1.7	0.6	0.0
DCB Bank	-0.7	-0.1	55.7
Equitas Hold.	0.4	-5.6	-12.5
Federal Bank	6.5	8.4	75.9
HDFC Bank	0.2	0.4	47.2
ICICI Bank	1.0	-6.1	24.6
IDFC Bank	-2.1	-3.9	-23.3
IndusInd	-1.9	1.0	41.0
J&K Bank	0.3	-2.3	8.1
Kotak Mah. Bk	0.3	7.5	38.8
RBL Bank	0.7	-2.1	65.6
South Indian	0.0	10.6	51.7
Yes Bank	-0.6	-0.2	45.8
Banks - PSU			
BOB	-1.1	-4.9	-10.4
BOI	0.9	-11.2	22.6
Canara	-0.3	-11.5	0.9
IDBI Bk	-0.5	-6.5	-23.4
Indian Bk	-1.0	-4.2	28.9
OBC	0.3	-13.7	-7.0
PNB	-1.0	-7.5	-3.8
SBI	-0.1	-7.3	0.1
Union Bk	-0.6	-7.5	-10.0
NBFCs			
Bajaj Fin.	-3.4	-0.7	77.9
Bharat Fin.	1.6	7.9	14.0
Capital First	1.2	-4.9	1.4
Cholaman.Inv.&Fn	-0.9	-3.3	-6.1
Dewan Hsg.	3.8	-1.6	85.5
GRUH Fin.	-1.0	-3.9	46.6
HDFC	-0.1	-0.4	33.7
Indiabulls Hsg	0.7	2.3	54.5
L&T Fin.Holdings	-0.4	-1.7	105.2
LIC Hsg Fin	1.1	1.8	12.4
Manappuram	-0.7	-3.4	10.3
M&M Fin.	2.8	-0.2	16.3
Muthoot Fin	1.0	-0.7	43.4
PNB Housing	0.9	-7.9	
PFC	-0.4	-5.8	0.7
Repco Home	0.2	-3.3	-14.7
REC	-1.7	-9.0	16.9
STF	0.5	1.8	-4.8
Shriram City Union	-0.6	-2.0	-9.7

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	0.6	-4.7	17.4
Bharat Elec.	0.1	-0.8	48.6
BHEL	-0.5	-4.5	-5.3
Blue Star	0.8	0.8	38.7
CG Cons. Elec.	2.4	-0.4	21.5
CG Power & Inds Sol.	-0.2	-6.2	3.7
Cummins	-1.3	-4.4	3.3
GE T&D	0.4	-5.1	10.4
Havells	0.5	7.1	22.6
K E C Intl	-1.1	-6.5	140.5
L&T	0.6	-5.6	16.6
Pennar Eng.	-0.4	-12.1	-45.3
Siemens	-1.7	-11.5	-0.6
Solar Ind	-0.4	5.1	46.0
Suzlon Energy	-0.3	-8.6	6.0
Thermax	4.4	1.8	7.5
Va Tech Wab.	0.8	-7.7	5.1
Voltas	-0.3	-2.3	33.6
Cement			
Ambuja Cem.	0.7	-1.6	10.3
ACC	1.0	-2.0	8.8
Birla Corp.	-1.0	5.2	33.6
Dalmia Bharat	0.6	-2.7	44.2
Grasim Inds.	-0.2	-7.6	37.5
India Cem	-0.6	-5.6	13.2
J K Cements	-0.4	-5.3	-1.0
JK Lakshmi Ce	1.9	-8.9	-20.0
Ramco Cem	0.2	-8.1	4.4
Orient Cem	-1.2	-2.5	-17.8
Prism Cem	1.2	0.5	-0.8
Shree Cem	1.2	0.8	10.1
Ultratech	0.0	-4.8	-0.8
Consumer			
Asian Paints	-0.1	-5.9	-2.9
Britannia	-0.7	4.0	36.7
Colgate	-2.6	-6.2	15.7
Dabur	0.1	4.1	15.2
Emami	1.9	0.3	-1.7
Godrej Cons.	0.6	4.3	24.1
GSK Cons.	0.1	-2.8	-20.2
HUL	2.6	2.7	52.0
ITC	0.6	-0.7	11.6
Jyothy Lab	0.1	-7.6	9.0
Marico	0.2	-3.1	14.7
Nestle	-0.8	-0.7	6.2
Page Inds	1.5	0.8	21.3
Parag Milk	3.2	9.8	-10.8
Pidilite Ind.	0.3	-3.3	11.3
P&G Hygiene	0.0	3.0	30.7
Prabhat Dairy	-2.4	11.1	26.5
United Brew	-0.4	6.5	-11.3
United Spirits	-0.3	-8.4	0.1
Healthcare			
Alembic Phar	0.0	1.8	-27.3
Alkem Lab	0.9	1.8	8.8
Ajanta Pharma	2.1	-1.1	-38.1
Aurobindo	1.7	-0.1	-8.0
Biocon	1.4	8.2	18.5
Cadila	-0.2	4.0	27.7
Cipla	2.4	8.2	3.4



Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	0.1	0.5	-29.3
Dr Reddy's	1.9	8.5	-20.9
Fortis Health	-0.7	0.5	-11.5
Glenmark	1.3	1.2	-33.7
Granules	3.3	11.5	17.2
GSK Pharma	-0.3	1.4	-17.3
IPCA Labs	-0.3	-3.7	-19.5
Jubilant Life	0.3	-7.7	1.3
Lupin	0.8	6.2	-26.9
Sanofi India	0.0	3.5	-0.2
Shilpa Medicare	-3.2	12.6	15.2
Strides Shasun	1.3	-10.9	-10.1
Sun Pharma	2.5	4.6	-26.5
Syngene Intl	0.4	3.2	-1.7
Torrent Pharma	0.8	5.5	-21.8
Logistics			
Allcargo Logistics	-0.9	-4.4	-5.4
Blue Dart	1.8	-2.3	-20.7
Concor	0.0	0.4	26.8
Gateway Distriparks	0.5	3.1	-6.7
Gati	-1.2	0.3	-11.7
Transport Corp.	1.3	-3.8	57.0
Media			
Dish TV	0.6	-6.7	-22.6
D B Corp	-0.2	0.1	-7.2
Den Net.	-0.9	-9.4	21.4
Ent.Network	0.4	-4.7	-1.5
Hind. Media	0.4	-4.6	-14.6
HT Media	1.9	-1.8	5.9
Jagran Prak.	-0.9	-6.0	-14.1
Music Broadcast	-0.1	-1.2	
PVR	-2.4	2.5	15.3
Siti Net.	0.6	0.0	-27.3
Sun TV	2.1	-0.9	50.5
Zee Ent.	0.7	-3.6	-2.7
Metals			
Hindalco	2.0	9.8	75.6
Hind. Zinc	-0.2	5.2	42.5
JSPL	1.3	10.5	115.2
JSW Steel	2.8	-2.3	49.3
Nalco	1.4	7.9	67.6
NMDC	2.0	-7.0	4.7
SAIL	0.9	-6.4	21.6
Vedanta	4.1	5.0	71.1
Tata Steel	0.7	5.3	73.7
Oil & Gas			
BPCL	2.0	0.3	14.8
GAIL	0.3	9.5	35.7
Gujarat Gas	5.5	11.2	62.2
Gujarat St. Pet.	2.8	2.6	29.8
HPCL	0.2	1.8	57.5
IOC	-0.3	-0.5	28.4
IGL	0.0	5.9	79.4
MRPL	-1.8	-5.9	37.8
Oil India	-0.5	7.4	11.1
ONGC	1.1	3.0	-6.8
PLNG	0.0	8.4	25.2
Reliance Ind.	-0.2	3.8	62.3
Retail			
Jubilant Food	2.5	14.1	48.3
Titan Co.	0.2	-0.8	62.4

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	2.5	9.9	9.8
HCL Tech.	0.0	4.2	13.6
Hexaware	0.6	-0.4	51.7
Infosys	0.8	3.4	-8.6
KPIT Tech	0.3	7.1	-2.2
L&T Infotech	0.0	7.0	33.3
Mindtree	2.0	6.1	-1.4
Mphasis	1.5	4.9	18.8
NIIT Tech	0.1	24.8	41.9
Persistent Sys	0.9	5.5	-3.3
Tata Elxsi	-0.8	-6.3	29.3
TCS	1.1	3.5	9.3
Tech Mah	-0.2	7.1	13.1
Wipro	-0.6	1.5	22.3
Zensar Tech	-0.4	-1.5	-23.7
Telecom			
Bharti Airtel	5.0	14.5	48.1
Bharti Infratel	4.7	26.3	29.1
Idea Cellular	5.3	4.3	11.1
Tata Comm	4.2	1.6	10.4
Utilities			
Coal India	0.8	11.7	-7.3
CESC	-1.1	-1.7	71.3
JSW Energy	-1.2	1.4	11.0
NTPC	-0.3	4.9	21.1
Power Grid	0.0	-3.7	15.9
Tata Power	0.2	-3.1	4.2
Others			
Arvind	1.1	-4.8	13.0
Avenue Super.	-0.2	13.1	
Bata India	-0.6	8.7	60.2
BSE	-0.3	-4.3	
Castrol India	1.6	-3.5	-19.6
Century Ply.	2.6	11.5	7.8
Coromandel Intl	0.0	15.1	82.1
Delta Corp	-0.4	17.1	33.7
Dynamatic Tech	-0.3	-7.0	-36.6
Eveready Inds.	-2.1	9.5	30.5
Interglobe	-0.8	-5.2	19.8
Indo Count	1.6	-5.9	-23.0
Info Edge	3.5	-6.6	25.2
Inox Leisure	-3.7	-0.5	-10.6
Jain Irrigation	0.7	-10.2	-1.0
Just Dial	-0.8	6.1	-7.9
Kaveri Seed	0.7	-3.8	33.8
Kitex Garm.	-0.8	-4.6	-29.7
Manpasand	1.1	-5.9	23.5
MCX	-0.4	2.2	-15.9
Monsanto	-1.3	-0.9	2.8
Navneet Educat.	0.2	-0.8	66.2
PI Inds.	1.9	-0.7	-5.5
Piramal Enterp.	0.1	-4.7	49.5
Quess Corp	0.6	-1.3	40.0
SRF	-0.1	9.5	-7.7
S H Kelkar	1.0	1.6	-8.5
Symphony	0.9	0.8	24.4
Team Lease Serv.	-0.3	-0.3	56.1
Trident	3.7	1.5	76.0
TTK Prestige	1.3	-3.9	12.7
V-Guard	-1.2	-3.6	46.3
Wonderla	-1.9	4.6	-9.1

THEMATIC/STRATEGY RESEARCH GALLERY

MOTILAL OSWAL | Thematic | December 2017

Staffing

Well placed!

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MOTILAL OSWAL | Thematic | 28 August 2017
Sector: Technology

Indian Exchanges

The confluence of growth drivers

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MOTILAL OSWAL | Thematic | August 2017

Rural India

Back on the saddle

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MOTILAL OSWAL | Thematic | July 2017

Radio

Well tuned to flourish

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MOTILAL OSWAL | Thematic | June 2017

The Big Leap to a formal economy

Volume 2.2

Ground Reality Jewelry

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MOTILAL OSWAL | Thematic | June 2017

The Big Leap to a formal economy

Volume 2.1

Ground Reality Tiles

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MOTILAL OSWAL | Thematic | June 2017

India Strategy

SEI Series: ELSR2 | SEP-19-15-22

Still in the works

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MOTILAL OSWAL | Thematic | June 2017

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MOTILAL OSWAL | Thematic | June 2017

Sustainability

Expanding horizons

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REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL Initiating Coverage | 12 August 2017
Sector: Metals

Trident

An attractive utilization play

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MOTILAL OSWAL Initiating Coverage | 7 August 2017
Sector: Healthcare

Strides Shasun

Making great strides

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MOTILAL OSWAL Initiating Coverage | 15 Aug 2017
Sector: Healthcare

Shilpa Medicare

Injecting Growth

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MOTILAL OSWAL Initiating Coverage | 18 Aug 2017
Sector: Insurance

Capital First

Capitalizing on multiple opportunities

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MOTILAL OSWAL Initiating Coverage | 17 Aug 2017
Sector: Finance

L&T Finance Holdings

Focused approach

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MOTILAL OSWAL Initiating Coverage | 14 Aug 2017
Sector: Healthcare

Jubilant Life Sciences

Promising formulation

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MOTILAL OSWAL Initiating Coverage | 21 Aug 2017
Sector: Retail

Avenue Supermarts

Delivering Value

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MOTILAL OSWAL Initiating Coverage | 21 Aug 2017
Sector: Finance

Cholamandlam Finance

Prepared, Equipped and Armed

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MOTILAL OSWAL Initiating Coverage | 18 Aug 2017
Sector: Utilities

Tata Power

Struggling for RoE

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL 30 September 2017

Annual Report Threadbare

ALROBINDO PHARMA FY17

Alrobindo Pharma FY17 annual report highlights a year of remarkable growth. The group's FY17 revenue of ₹1,402 crore has increased by 25% over FY16, while EBITDA has grown by 35%.

Key Highlights:

- Revenue growth of 25% over FY16
- EBITDA growth of 35% over FY16
- Operating profit of ₹180 crore
- Net profit of ₹100 crore

Key Metrics:

Particulars	FY17	FY16
Revenue	1402	1120
EBITDA	180	133
Operating Profit	180	133
Net Profit	100	74

Key Events:

- Successful completion of IPO
- Expansion into new markets
- Strong R&D pipeline

Management Commentary:

The company has achieved significant milestones in FY17, including the successful completion of its IPO and the expansion of its R&D pipeline. The company is well-positioned to continue its growth trajectory in FY18.

Shareholder Information:

Shareholders can view the full annual report on the company's website at www.alrobindopharma.com.

MOTILAL OSWAL 29 August 2017

VOICES

India Inc on Call

VOICES is a quarterly report card on the state of the Indian economy. It provides insights into the growth, inflation, and other key indicators of the Indian economy.

Key Highlights:

- Strong GDP growth
- Stable inflation
- Positive outlook for FY18

Key Metrics:

Particulars	Value
GDP Growth	7.5%
Inflation	4.5%
FDI Inflows	₹15,000 crore

Key Events:

- Strong performance in FY17
- Positive outlook for FY18

Management Commentary:

The Indian economy has shown strong growth in FY17, driven by robust demand and stable inflation. The government's focus on infrastructure and manufacturing is expected to further boost growth in FY18.

Shareholder Information:

Shareholders can view the full report on the company's website at www.motilaloswal.com.

MOTILAL OSWAL 31 August 2017

EcoKnowLedge

India Inc on Call

EcoKnowLedge is a quarterly report card on the state of the Indian economy. It provides insights into the growth, inflation, and other key indicators of the Indian economy.

Key Highlights:

- Strong GDP growth
- Stable inflation
- Positive outlook for FY18

Key Metrics:

Particulars	Value
GDP Growth	7.5%
Inflation	4.5%
FDI Inflows	₹15,000 crore

Key Events:

- Strong performance in FY17
- Positive outlook for FY18

Management Commentary:

The Indian economy has shown strong growth in FY17, driven by robust demand and stable inflation. The government's focus on infrastructure and manufacturing is expected to further boost growth in FY18.

Shareholder Information:

Shareholders can view the full report on the company's website at www.motilaloswal.com.

MOTILAL OSWAL 29 August 2017

Confidence on long term prospects intact

CornerOffice

CornerOffice is a quarterly report card on the state of the Indian economy. It provides insights into the growth, inflation, and other key indicators of the Indian economy.

Key Highlights:

- Strong GDP growth
- Stable inflation
- Positive outlook for FY18

Key Metrics:

Particulars	Value
GDP Growth	7.5%
Inflation	4.5%
FDI Inflows	₹15,000 crore

Key Events:

- Strong performance in FY17
- Positive outlook for FY18

Management Commentary:

The Indian economy has shown strong growth in FY17, driven by robust demand and stable inflation. The government's focus on infrastructure and manufacturing is expected to further boost growth in FY18.

Shareholder Information:

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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of August edition:

- Nifty down 1.8% in August - but two months of positive return in CX17
- Global Cyclical outperforms PSU
- Banks underperform
- Technology stocks near historical averages, drag month led by Infosys
- EB selling of US00b during the month

Key Metrics:

Particulars	Value
Nifty Index	10,000
Global Cyclical	120
PSU	80
Banks	90
Technology	110

Key Events:

- Strong performance in FY17
- Positive outlook for FY18

Management Commentary:

The Indian market has shown volatility in August, with the Nifty index down 1.8%. However, the market has shown strong performance over the last two months of the year. The government's focus on infrastructure and manufacturing is expected to further boost growth in FY18.

Shareholder Information:

Shareholders can view the full report on the company's website at www.motilaloswal.com.

MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Key Highlights:

- Strong performance in FY17
- Positive outlook for FY18

Key Metrics:

Particulars	Value
Equity	120
Debt	80
Hybrid	90

Key Events:

- Strong performance in FY17
- Positive outlook for FY18

Management Commentary:

The Indian mutual fund industry has shown strong growth in FY17, driven by robust demand and stable inflation. The government's focus on infrastructure and manufacturing is expected to further boost growth in FY18.

Shareholder Information:

Shareholders can view the full report on the company's website at www.motilaloswal.com.

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SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudicate violation of SEBI Regulations; MOSL requested SEBI to provide all documents, records, investigation report relied upon by SEBI which were referred in Show Cause Notice and also sought personal hearing. The matter is currently pending.

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