

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	33,107	1.1	24.3
Nifty-50	10,215	1.0	24.8
Nifty-M 100	19,441	1.1	35.5
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,586	0.8	15.5
Nasdaq	6,793	1.3	26.2
FTSE 100	7,387	0.2	3.4
DAX	13,047	0.5	13.6
Hang Seng	11,534	1.1	22.8
Nikkei 225	22,351	1.5	16.9
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	61	-0.8	10.2
Gold (\$/OZ)	1,279	0.0	11.0
Cu (US\$/MT)	6,703	-0.5	21.4
Almn (US\$/MT)	2,085	-0.1	22.3
Currency	Close	Chg .%	YTD.%
USD/INR	65.3	0.2	-3.8
USD/EUR	1.2	-0.2	11.9
USD/JPY	112.9	-0.2	-3.5
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	7.1	0.0	0.5
10 Yrs AAA Corp	7.8	0.0	0.2
Flows (USD b)	16-Nov	MTD	YTD
FII	-0.1	2.1	7.6
DII	0.1	0.6	12.0
Volumes (INRb)	16-Nov	MTD*	YTD*
Cash	328	408	304
F&O	10,263	6,987	5,612

Note: YTD is calendar year, \*Avg

Today's top research theme



India Strategy – 2QFY18 Earnings Review: A breath of fresh air

- ❖ 2QFY18 exhibited improving internals in the broader earnings mix, with more hits than misses. Re-stocking post GST rollout, retention of input tax credits and the early onset of the festive season this year v/s CY16 supported a few B2C sectors, while many corporates sounded optimistic about rural consumption revival, going ahead.
- ❖ Nifty earnings grew in double-digits for the first time after six quarters. For Nifty (Ex-OMCs), earnings growth of 10.5% was the highest in 13 quarters.
- ❖ Global Cyclical drove the quarterly performance, led by Metals and Tata Motors. Defensives posted the fourth consecutive quarter of earnings decline, dragged by Healthcare.
- ❖ Within Domestic Cyclical, Autos, Cement and Capital Goods posted better-than-expected EBITDA and PAT growth.
- ❖ Earnings downgrade/upgrade ratio improved significantly QoQ, but remained skewed marginally in favor of downgrades. The upgrade/downgrade ratio improved from 0.46x to 0.84x.
- ❖ We marginally cut Nifty EPS by 1.2% for FY18E (INR481), but raise by 1% for FY19E (INR609).

Research covered



Cos/Sector	Key Highlights
India Strategy	2QFY18 Earnings Review: A breath of fresh air
Aditya Birla Capital	Perfect blend of growth and quality
Staffing	Technology staffing poised to double in five years
Solar Industries	Operational performance beat led by overseas business

Piping hot news



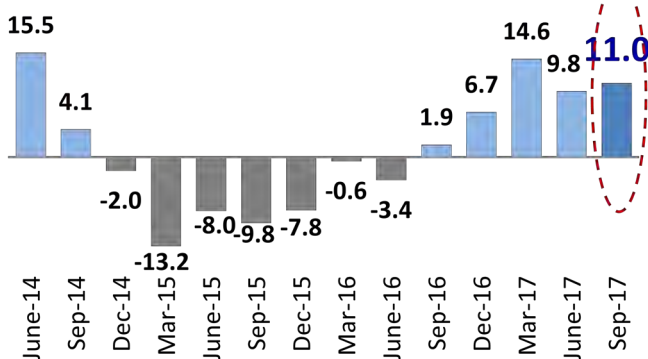
Moody's upgrades India's government bond rating to Baa2 from Baa3; changes outlook to stable from positive

- ❖ Moody's Investors Service ("Moody's") has today upgraded the Government of India's local and foreign currency issuer ratings to Baa2 from Baa3 and changed the outlook on the rating to stable from positive...

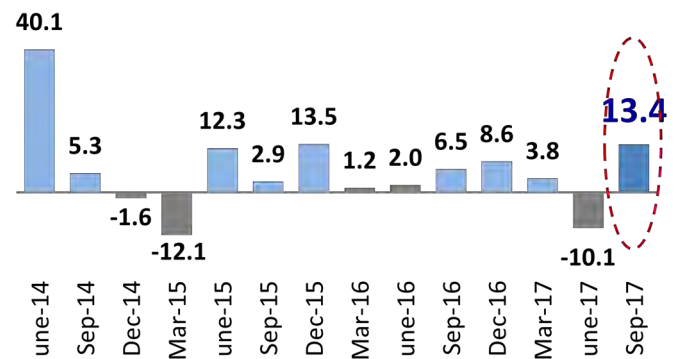


Chart of the Day: Nifty profit growth at seven-quarter high in 2QFY18; sales growth strong at 11% YoY

Trend in Nifty sales growth YoY (%)



Trend in Nifty PAT growth YoY (%)



Research Team (Gautam.Duggad@MotilalOswal.com)

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

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



Kindly click on textbox for the detailed news link

1

**RBI gets ready to train its guns on 50 more stressed accounts**

The Reserve Bank of India is likely to come up with a fresh list of around 50 loan accounts that are either under stress or close to being classified as nonperforming assets. The regulator may set a March 31 deadline for banks to find a resolution on these or commence bankruptcy...

2

**RIL set to raise \$1.8 billion to reduce dependence on high-cost debt**

Reliance Industries, the country's most valuable company, is set to raise up to \$1.8 billion through a combination of offshore bonds and syndicated loans, with the business run by Asia's second-richest man seeking to reduce its high-cost debt. Reliance, which tops India's market capitalisation leader-board, would pare borrowing costs with a new series of overseas papers that would be of 10-year maturity, unlike the perpetual bonds it had sold five years ago, multiple sources with direct knowledge of the matter told ET...

3

**Cash holding by mutual funds in equity portfolio drops to lowest level since June**

Mutual funds' cash holding as a percentage of their total equity portfolio fell to the lowest in four months in October, as fund managers pumped money into a spate of public offerings. Also, while certain sectors seemed overheated,...

4

**Bain-Piramal, Aion among 4 in race to buy 58% stake in GTL Infrastructure**

Lenders to GTL Infrastructure have received bids from four players for buying up to 58% stake in the telecom tower company, said two people aware of the development. The four bidders include Bain-Piramal joint venture asset reconstruction firm, Aion Capital,...

5

**NTPC to float tender for buying farm stubble at Rs 5,500 per tonnes**

Power Minister R K Singh said on Thursday that state-run NTPC will float a tender to buy farm stubble at Rs 5,500 per tonne for power plants, a move that will check farmers from burning it -- a key source of pollution in the national capital region (NCR). He said this move will help farmers earn around Rs 11,000 per acre from the sale of stubble/straw pellets...

6

**USL seeks to recover Rs 1.8k crore from United Breweries**

In an arbitration case fought between Diageo PLC owned United Spirits and United Breweries Holdings (UBHL), the former had claimed a recovery of around Rs 1,800 crore including interest from Vijay Mallya's holding company after it defaulted between 2010 and 2013, two people with direct knowledge of the development said...

7

**Indian Bank to seek bids for sale of NPAs worth ₹1,100 cr.**

Indian Bank has decided to invite bids for sale of NPAs (non-performing assets) worth close to ₹1,100 crore. Covering over 8,250 accounts, these NPAs will be sold "as is where is and as is what is basis," the bank said. And, the sale is "without any recourse to the bank," it added...



## 2QFY18 Earnings Review: A breath of fresh air

- Domestic MFs maintained their positive momentum in October, with equity AUM touching a new high of INR7.1t (+7.4% MoM) in the month – also marking the quickest INR1t jump.
- The increase in equity AUM was led by a rise in market indices (Nifty up 5.6% MoM). While gross inflows declined 13% MoM to INR299b, redemptions fell 10% MoM to INR139b. Consequently, net inflows decreased from INR189b in September to INR160b in October.
- Total AUM of the MF industry rose 5% MoM in October to touch a new high of INR21.4t. This rise was primarily led by an increase in AUM of equity funds (INR488b), income funds (INR458b) and balanced funds (INR126b).
- Equity AUM, as a percentage of total AUM, rose 80bp MoM to 33.1% in October. Equity AUM accounts for 4.9% of India's market capitalization.

### Ten key takeaways from 2QFY18

- The 2QFY18 earnings season was notable in that it concluded without any disruption, despite being the first quarter post GST implementation. In fact, the quarter exhibited improving internals in the broader earnings mix, with more hits than misses. Re-stocking post GST rollout, retention of input tax credits and the early onset of the festive season this year v/s CY16 supported a few B2C sectors, while many corporates sounded optimistic about rural consumption revival, going ahead.
- Nifty earnings grew in double-digits for the first time after six quarters. For Nifty (Ex-OMCs), earnings growth of 10.5% was the highest in 13 quarters. The miss at PAT level for both MOSL and Nifty Universe can be entirely ascribed to OMCs.
- Improving earnings quality was also corroborated by the reducing proportion of companies reporting PAT decline (at 33% of our MOSL Universe – ~12 quarter low). Within our MOSL Universe, 14/17 sectors posted EBITDA and 11/17 sectors posted PAT that was either in line or ahead of expectations. The surprise/miss ratio at 1.3x was the best in 16 quarters.
- Global Cyclical drove the quarterly performance, led by Metals and Tata Motors. Defensives posted the fourth consecutive quarter of earnings decline, dragged by Healthcare.
- Within Domestic Cyclical, Autos, Cement and Capital Goods posted better-than-expected EBITDA and PAT growth.
- In BFSI, while NBFCs maintained their consistent earnings growth trajectory (20%+ PAT growth), Banks reported a sharp decline in slippages (barring Axis Bank) and bottoming out of asset quality.
- Consumer sector posted very broad-based, healthy performance, with double-digit EBITDA and PAT growth. More importantly, commentaries by consumer companies indicated that: a) rural demand revival is in the offing and b) post-GST trade normalcy should return in 2HFY18.
- Among the beaten-down sectors, Telecom posted better-than-expected profitability, while Healthcare's performance was in-line after a while. Technology posted in-line but modest performance, with low-single-digit PAT growth.
- Operating margin for our MOSL Universe (Ex-OMCs, Financials) expanded 10bp YoY to 20.5% (v/s estimate of 20%), after two consecutive quarters of contraction.
- Earnings downgrade/upgrade ratio improved significantly QoQ, but remained skewed marginally in favor of downgrades – 58 companies saw earnings cut of 3%+ (81 in 1QFY18) and 49 companies saw earnings upgrades of 3%+ (38 in 1QFY18). The upgrade/downgrade ratio improved from 0.46x to 0.84x. We marginally cut Nifty EPS by 1.2% for FY18E, but raise by 1% for FY19E. We expect Nifty EPS to grow 14% to INR481 in FY18 and 26% to INR609 in FY19.

### Ten focus stocks from 2QFY18 earning season

- SBI: SBIN is well placed, given better visibility over its core operating profitability (among PSBs), strong liability franchise (retail deposits > 95%) and a healthy PCR. In our view, asset quality problems are largely recognized, and we derive comfort from clarity on the quantum of stress on the books. As a trend, bulk of corporate slippages has occurred from the watch-list. Profitability is likely to be the highest among peers due to its policy of recognizing stress upfront.

- **ICICI Bank:** The bank's strong operating performance (on CASA, retail loan growth, cost control, etc.) has been overshadowed by the continued pressure on asset quality. However, with a successive decline in the size of watch-list, controlled slippages from core portfolio and bottoming out of NPL ratios over FY18E, we expect ICICIB's return profile to improve steadily. While near-term credit cost is likely to stay elevated due to NPL ageing and NCLT provisioning requirements, we expect it to moderate from FY19, enabling the bank to deliver ~12% RoE by FY20E.
- **ONGC:** ONGC continued its growth in gas/oil production (+ 8/2% YoY) in 2QFY18 as well. We expect gas production to increase 10-15% annually going ahead, led by completion of its development projects. Rising crude oil prices, growth in oil & gas production, and declining opex led by cost efficiencies place ONGC on a strong footing.
- **Titan:** Titan's reported revenue rose 29.6% YoY (est. of +15%) to INR34.7b. EBITDA grew 50.6% YoY to INR3.98b (est. of INR2.69b), while recurring PAT increased 64.6% YoY to INR2.78b (est. of INR 1.89b). Strong 37% YoY sales growth in Jewelry (despite a few one-offs constraining business growth) points to the sheer magnitude of value migration happening in the Indian jewelry market. We upgraded the stock to Buy post results.
- **Pidilite:** 15% volume growth in the domestic consumer and bazaar segment and 12% volume growth in the consolidated consumer and bazaar segment were extremely impressive. What stood out for us in the recent management interactions and in the post results call was the primacy placed by the company on double-digit volume growth. Despite near-term margin risks, the top-line growth story for the next few years is as strong as ever. We Upgraded the stock to Buy.
- **M&M:** Multi-year-high margins both in the automotive (10.8%) and farm equipment (21.3%) segments (led by a better product mix and price hikes) have led to an above-expected operating performance. Given MM's dependence on the rural market, it is the best bet on a rural market recovery due to good consecutive monsoon seasons and farm loan waivers across states.
- **Bharti Airtel:** Despite high competitive intensity pulling India wireless revenue down by 5% QoQ, EBITDA fell just 5%, helped by strong cost-optimization efforts. Africa too surprisingly showed healthy buoyancy in revenue growth, with a 5% ARPU improvement driving a 23% jump in EBITDA QoQ. This allowed overall EBITDA to grow 2% QoQ.
- **NTPC:** Adj. PAT increased 21% YoY to INR28.4b, driven by regulated equity growth, efficiency gains and higher PLF incentives. Highest-ever capitalization of 2.6GW drove a 21% increase in regulated equity – the key driver of PAT. Earnings are set to grow at a 15% CAGR over FY17-20E after many years of consolidation. RoE will improve as well, which will re-rate the stock.
- **Sun Pharma:** US business declined 44% YoY and 12% QoQ. Although Taro reported 5% growth sequentially, ex-Taro US sales declined 55% due to new competition and deferral of sales. US business is expected to improve from FY19, as management expected Halol resolution (expects US FDA inspection before CY17-end) and launch of key products like Tildrakuzumab and Seciera.
- **Larsen & Toubro:** With the result being largely in line (adjusted for one-offs), the key takeaway from the 2QFY18 results was the sharp cut in the order flow guidance for FY18 (flat-to-marginal growth, from earlier +12-14% growth). We were already expecting a guidance cut due to the weak ordering trends in 1HFY18; however, the magnitude is more than our expectations. The cut has been driven by a sharp fall in domestic base orders from sectors like road, rail, T&D and B&F – GST had led to a slowdown in government orders, which we expect to revive over the coming quarters.

## Top themes and ideas

### Cyclical recovery in Financials

- The announcement of PSU Bank recapitalization has come as a booster shot for the banking system. The quantum of recapitalization has rekindled hopes for a growth revival in corporate-oriented banks. It also provides visibility of asset quality clean-up with enhanced provisioning. Overall, we expect this to bring the focus back on growth and drive a cyclical recovery in the medium term. We expect the valuation discount of corporate lenders v/s retail lenders to narrow going forward.

Top Ideas: SBI, ICICI Bank, Shriram Transport Finance

### Consumption revival on the anvil

- The performance of consumer-oriented sectors and commentaries from managements point toward a revival in consumption. We expect this trend to strengthen in 2HFY18. We also expect initial teething issues related

to GST to normalize and trade channels to revert to normalcy, especially wholesale and rural supply chains. Potential of consumption stimulus in the CY18 budget (the final budget before the general elections of 2019) could also provide a consumption catalyst.

Top ideas: Pidilite, Emami, M&M, Titan

#### Infrastructure: Pace of recovery gets better

- In the absence of private capex, the government's focus on pump-priming the economy via increased capex in roads, rail, defence, water, T&D and affordable housing has resulted in higher orders and execution for players in this sector. We believe this is a multi-year structural improvement, which is likely to continue over the next few years.

Top ideas: L&T, KNR Construction and JK Cement

#### Easing competitive intensity in Telecom

- After last six quarters of massive price wars and ARPU erosion, we see semblance of stability in the pricing environment in the Telecom sector, with Reliance Jio taking a few corrective price actions. While there has been some run-up in stock prices, moderating capex intensity, coupled with easing competitive pressure, could support valuations.

Top idea: Bharti Airtel

#### Is the dawn around in Pharma?

- Even as the Pharmaceuticals sector continues to go through challenges (US pricing, regulatory pressures, etc.), we expect these challenges to ease in the medium term. While news flow and numbers could take a couple of quarters to turn better, we believe price damage from here is limited. Valuations remain relatively attractive after two and half years of underperformance.

Top ideas: Sun Pharma

#### MOSL Universe aggregate PAT up 12% YoY

- Aggregate sales of MOSL Universe grew 11.2% YoY (our estimate: +14.8%), EBITDA was up 14.3% YoY (our estimate: +14.6%) and PAT was up 11.5% YoY (our estimate: +23%). Performance miss for the aggregate universe was largely owing to OMCs, which posted significantly lower-than-estimated GRMs and inventory gains. MOSL Universe (ex OMCs) posted sales, EBITDA and PAT growth of 10.4%, 13.9% and 9.2% YoY, as against estimate of 10.9%, 10.9% and 11.7%, respectively. Excluding Metals, PSU Banks and OMCs, MOSL Universe's sales, EBITDA and PAT grew 8.2%, 9.5% and 4.8% YoY v/s estimate of 9.7%, 7.3% and 3.5%, respectively.

#### 2QFY18 performance by sector

Sector (no of companies)	Sales				EBITDA				PAT				EBITDA Margin	
	Sep 2017	Chg. % QoQ	Chg. % YoY	Var. over Exp. (%)	Sep 2017	Chg. % QoQ	Chg. % YoY	Var. over Exp. (%)	Sep 2017	Chg. % QoQ	Chg. % YoY	Var. over Exp. (%)	Sep 2017 (%)	Chg. YoY bp
<b>High growth sectors</b>	<b>7,092</b>	<b>3</b>	<b>15</b>	<b>-5</b>	<b>1,403</b>	<b>16</b>	<b>24</b>	<b>-1</b>	<b>566</b>	<b>25</b>	<b>28</b>	<b>-14</b>	<b>19.8</b>	<b>144</b>
Metals (9)	1,292	11	26	4	239	12	35	-4	75	14	108	-7	18.5	131
Retail (2)	42	-10	26	11	5	13	52	49	3	20	71	55	11.9	209
Others (18)	185	-8	17	-4	32	-17	26	9	17	-18	52	31	17.3	126
Capital Goods (12)	458	4	5	-3	45	36	20	2	29	55	32	15	9.8	120
Logistics (3)	33	2	7	-5	4	-6	8	-12	3	-4	27	-11	13.6	11
NBFC (16)	150	5	25	0	116	6	26	1	66	19	21	-1	76.9	49
Oil & Gas (12)	3,133	-6	13	-11	410	0	19	-13	246	30	20	-25	13.1	69
Automobiles (15)	1,439	18	14	0	209	51	18	11	106	73	16	13	14.5	44
Banks - PSU (7)	359	6	5	3	343	33	25	12	19	-45	16	-60	95.7	1,530
<b>Med/Low growth sectors</b>	<b>2,253</b>	<b>1</b>	<b>6</b>	<b>0</b>	<b>729</b>	<b>0</b>	<b>9</b>	<b>-1</b>	<b>411</b>	<b>0</b>	<b>6</b>	<b>-5</b>	<b>32.3</b>	<b>78</b>



Sector  (no of companies)	Sales				EBITDA				PAT				EBITDA Margin	
	Sep 2017	Chg. % QoQ	Chg. % YoY	Var. over Exp. (%)	Sep 2017	Chg. % QoQ	Chg. % YoY	Var. over Exp. (%)	Sep 2017	Chg. % QoQ	Chg. % YoY	Var. over Exp. (%)	Sep 2017 (%)	Chg. YoY bp
Utilities (6)	570	-1	7	0	167	-9	12	-8	63	-17	12	-17	29.2	123
Consumer (18)	432	3	6	1	105	9	12	2	72	11	10	1	24.3	130
Media (9)	51	-4	0	-1	16	-2	6	7	8	-1	8	2	31.2	172
Technology (15)	917	2	4	0	210	7	2	4	166	7	4	4	22.9	-32
Banks - Private (11)	283	3	15	-1	231	-2	12	-2	102	-6	3	-13	81.8	-233
<b>PAT de-growth sectors</b>	<b>1,015</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>249</b>	<b>7</b>	<b>-11</b>	<b>6</b>	<b>72</b>	<b>14</b>	<b>-34</b>	<b>14</b>	<b>24.5</b>	<b>-308</b>
Cement (10)	246	-1	21	7	47	-13	14	18	21	-27	-6	10	19.1	-127
Healthcare (19)	398	13	2	-2	86	41	-8	3	51	58	-20	3	21.6	-241
Telecom (4)	371	-2	-11	-1	116	-1	-19	3	0	PL	PL	-100	31.3	-320
<b>MOSL Universe (186)</b>	<b>10,360</b>	<b>2.5</b>	<b>11.2</b>	<b>-3.1</b>	<b>2,381</b>	<b>9.8</b>	<b>14.3</b>	<b>-0.3</b>	<b>1,048</b>	<b>13.0</b>	<b>11.5</b>	<b>-9.3</b>	<b>23.0</b>	<b>62</b>
<b>Ex Metals, Oil &amp; PSU Bks -158</b>	<b>5,576</b>	<b>5.5</b>	<b>7.9</b>	<b>-0.2</b>	<b>1,389</b>	<b>7.8</b>	<b>7.8</b>	<b>2.2</b>	<b>708</b>	<b>11.1</b>	<b>3.7</b>	<b>1.1</b>	<b>24.9</b>	<b>-1</b>
<b>Ex OMCs, Metals &amp; PSU Bks -167</b>	<b>6,797</b>	<b>5.4</b>	<b>8.2</b>	<b>-1.4</b>	<b>1,680</b>	<b>8.2</b>	<b>9.5</b>	<b>2.0</b>	<b>877</b>	<b>11.8</b>	<b>4.8</b>	<b>1.2</b>	<b>24.7</b>	<b>28</b>
<b>Sensex (30)</b>	<b>4,811</b>	<b>7.0</b>	<b>8.3</b>	<b>-1.5</b>	<b>1,378</b>	<b>14.4</b>	<b>13.2</b>	<b>2.1</b>	<b>615</b>	<b>9.8</b>	<b>7.9</b>	<b>-3.4</b>	<b>28.6</b>	<b>123</b>
<b>Nifty (50)</b>	<b>7,889</b>	<b>1.8</b>	<b>11.0</b>	<b>-4.5</b>	<b>1,773</b>	<b>10.2</b>	<b>14.7</b>	<b>-2.3</b>	<b>834</b>	<b>12.7</b>	<b>13.4</b>	<b>-12.0</b>	<b>22.5</b>	<b>74</b>



# Aditya Birla Capital

BSE Sensex 33,034 S&P CNX 10,225

**CMP: INR190**

**TP: INR231 (+22%)**

**Buy**



**Stock Info**

Bloomberg	ABCAP IN
Equity Shares (m)	2,201
52-Week Range (INR)	264/174
1, 6, 12 Rel. Per (%)	-5/-/-
M.Cap. (INR b)	418
M.Cap. (USD b)	6.4
Avg Val, INRm	1253
Free float (%)	27.2

**Financial Snapshot (INR b)**

Y/E March	2018E	2019E	2020E
<b>PBT Break-up</b>			
NBFC	11.6	15.1	19.6
Housing	0.1	1.4	2.9
AMC	4.9	6.9	9.9
Life Insurance	1.6	1.9	2.1
Consol PBT	16.3	23.5	33.6
Consol PAT Post MI	8.4	12.6	18.7
Growth (%)	52.9	44.6	43.0
RoE (%)	12.5	12.3	13.6

**Shareholding pattern (%)**

As On	Sep-17
Promoter	72.8
DII	7.4
FII	7.9
Others	11.9

FII Includes depository receipts

**Aditya Birla Capital**  
Perfect blend of growth and quality



**Alpesh Metha**  
+91 22 3982 5415

Alpesh.Mehta@MotilalOswal.com

[Please click here for Video Link](#)

## Perfect blend of growth and quality

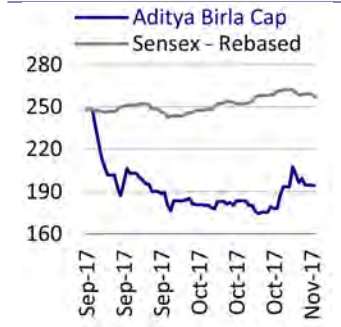
### A large diversified conglomerate in the making

- Aditya Birla Capital (ABCL) is one of the most diversified financial services entities in India, operating under a single brand, with a presence in non-bank financing, housing finance, asset management, insurance and advisory businesses. In its major businesses, it is among the top-5 private players in terms of market share.
- ABCL was a 100% subsidiary of erst-while Aditya Birla Nuvo. Post AB Nuvo's merger with Grasim, ABCL was carved out as a separate entity. Grasim, the flagship company of the Aditya Birla group, owns ~56% and other promoter group entities own ~17% in ABCL. The management team is led by Mr Ajay Srinivasan, who has rich experience of over three decades, of which a decade has been within the group. With a strong management team at the helm, we expect ABCL to emerge as a strong play on financialization of savings and low penetration across financial services businesses.
- We use SOTP to value the company. We value the NBFC at 3.2x BV (~30% AUM CAGR, with PAT CAGR of ~33%, RoE of ~15%), HFC at 2x BV (loan book of INR232b v/s INR57 in 1HFY18; RoA of 1.1% v/s 0.5% in FY18 - in investment phase), AMC at 30x earnings (AUM CAGR of ~27%; RoE of 30%+; implied 4.5% of FY20 AUM) and Insurance at 2.2x EV (10% premium to last deal valuation - based on IEV reporting).
- The lending business contributes 70% of the SOTP valuation (in line with the share in net worth), followed by the AMC business (>18%) and the insurance business (~10%). The company has been aggressively seeding investments in businesses like insurance broking and investment advisory. However, considering their nascent stage, we have not assigned any value to them. The implied valuation multiples work out to 3.5x FY20E consolidated BV and 30x FY20E consolidated EPS.

### Fastest-growing NBFC business – expect ~30% loan CAGR

ABCL's non-bank financing (NBFC) business – ABFL (Aditya Birla Finance) – has seen a strong CAGR of 60% over FY12-17 (at INR389b as of 1HFY18). It is present across the spectrum, with a diversified loan book – retail and SME loans constitute 32%, mid-corporate loans 16%, large corporate loans 40%, and other loans 12%. Despite migration of NPL recognition to 90dpd and economic downturn, the company's GNPA has remained at 0.5-1.2% (credit cost of 0.5% including standard asset provisioning). We factor in loan CAGR of ~30% over FY17-20, and expect healthy RoA (2%+) and asset quality (GNPA less than 1%). We believe internal accruals (RoE of 15%) are unlikely to keep pace with the growth capital requirement and factor in capital infusion of ~INR25b over FY18-20. This business contributes almost 63% to our SOTP.

Stock Performance (1-year)



**AMC business in a sweet spot**

ABCL’s asset management subsidiary, ABSLAMC is the fourth-largest AMC in India, with AUM of USD35b (26% CAGR since March 2013), of which 30% is in equities. It has a strong base of 4.3m investor folios. ABSLAMC has gained 350/130bp market share in equity AUM/total AUM to 9%/10.7%. The AMC business in India is highly concentrated, with the top-5/10 players controlling 57/81% of AUM. Due to higher upfront commission rates on sourcing for equity schemes, near-term profitability is under pressure. Stickiness of this AUM is the key for strong operating leverage, going forward. As the AUM matures, we expect ROAUM to improve from the current 11bp to 15bp. We expect PAT CAGR of 43% against AUM CAGR of 27% over FY17-20. We value ABSLAMC at 30x FY20E EPS. The AMC business contributes 18% of our SOTP value (implied 4.5% of FY20 AUM).

**Banca tie-up to rejuvenate life insurance business**

Absence of a strong bancassurance partnership and regulatory changes (high share of ULIPs distributed by agents) led to a significant individual business market share loss for ABCL’s life insurance subsidiary, ABSLI over FY10-17. With open architecture, ABSLI has recently tied up with large banks like HDFCB, DBS and LVB. It also has tie-ups with DB, DCB and KVB. With larger banking partners and a higher focus on the direct channel (online, MRs), we expect growth to pick up. Given muted profitability and strain of the back book, we value ABSLI at a PEV of 2.2x (50% discount to large players and 10% premium to the last stake sale to Sunlife). This business merged with the parent on 23 March 2017. Hence, from FY18, it will be properly reflected in consolidated earnings. The life insurance business contributes 10% of our SOTP.

**Housing finance – at a nascent stage, but huge opportunity**

Over the last three years, the housing finance subsidiary has scaled up its loan book to INR58b, with a presence across segments. It has a diversified portfolio, with 59% as housing loans, 11% as construction finance loans, and 30% as LAP/LRD. The company’s focus is on the larger-ticket-size and better-yield self-employed segment. It plans to aggressively scale up in LAP and affordable housing. ABCL is growing through a B2B2C business model, with tie-ups with developers and builders. With strong macro tailwinds and significant investment in distribution, we expect AUM to reach to INR232b by FY20. We factor in INR12b of additional growth capital infusion in this business by FY20. The housing finance business contributes ~8% of our SOTP.

**Diversified conglomerate with blend of quality and growth**

With a strong management team at the helm of affairs, we expect ABCL to be a strong play on financialization of savings and low penetration across financial services business. The company is expected to report a 45%+ PAT CAGR, driven by strong traction in the lending and asset management businesses. Lending (>70%) and AMC (~18%) businesses are also the key valuation drivers. At the group level, we have assumed capital infusion of INR35b by FY20. The company can raise debt capital to fund growth (CIC structure at parent level – 30% statutory capital requirement). The AMC, with RoE of ~30%, is also likely to return capital to the parent. Better-than-expected performance on growth can drive valuation higher. Ventures like insurance broking, money management advisory and PE are at a nascent stage, and their profit contribution is likely to be marginal in the near term.

**Initiate with a Buy rating and an SOTP-based target price of INR231 (implied 3.5x FY20E BV and 30x FY20E EPS).**



**Exhibit 1: SOTP (FY20E based)**

	Stake (%)	Value (INR B)	Value (USD B)	INR per share	% To Total	Rationale
NBFC	100	349	5.4	145	63	3.2x PBV
HFC	100	46	0.7	19	8	2.0x PBV
AMC	51	100	1.5	42	18	30x Earnings; Implied 4.5% of AUM
Life Insurance	51	57	0.9	24	10	2.2x EV; 10% premium to last stake sale
ABML		5	0.1	2	1	CMP
<b>Target Value</b>		<b>557</b>	<b>8.6</b>	<b>231</b>	<b>100</b>	
Current market cap.		418	6.4	190		
<b>Upside (%)</b>		<b>21.6</b>	<b>21.6</b>	<b>21.6</b>		

Source: MOSL, Company

**Exhibit 2: Lending and AMC to contribute ~90% of PBT going forward**

(INR Million)

Y/E MARCH	2015	2016	2017	2018E	2019E	2020E
NBFC	4,108	6,264	8,319	11,600	15,147	19,586
Housing	-56	-302	-155	112	1,434	2,875
AMC	1,816	3,136	3,371	4,895	6,887	9,899
Life Insurance	0	0	0	1,600	1,850	2,100
Other Businesses	-291	-331	-534	-1,450	-1,313	-341
Consolidation Adjustments	-388	-78	-343	-500	-500	-500
<b>Consolidated PBT</b>	<b>5,190</b>	<b>8,688</b>	<b>10,658</b>	<b>16,258</b>	<b>23,505</b>	<b>33,619</b>
Taxes	2,101	3,446	3,746	5,690	8,227	11,767
Tax Rate (%)	40.5	39.7	35.1	35.0	35.0	35.0
<b>Consolidated PAT</b>	<b>3,089</b>	<b>5,242</b>	<b>6,912</b>	<b>10,567</b>	<b>15,279</b>	<b>21,852</b>
Minority Interest	696	1,436	1,612	2,200	2,640	3,168
<b>Consolidated PAT Post MI</b>	<b>2,393</b>	<b>3,806</b>	<b>5,300</b>	<b>8,367</b>	<b>12,639</b>	<b>18,684</b>
<b>% of Total PBT</b>						
NBFC	79.2	72.1	78.1	71.4	64.4	58.3
Housing	-1.1	-3.5	-1.5	0.7	6.1	8.6
AMC	35.0	36.1	31.6	30.1	29.3	29.4
Life Insurance	0.0	0.0	0.0	9.8	7.9	6.2
Other Businesses	-5.6	-3.8	-5.0	-8.9	-5.6	-1.0
Consolidation Adjustments	-7.5	-0.9	-3.2	-3.1	-2.1	-1.5
<b>Consolidated PBT</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source:



# Staffing

Please refer to our detailed report dated September 2017



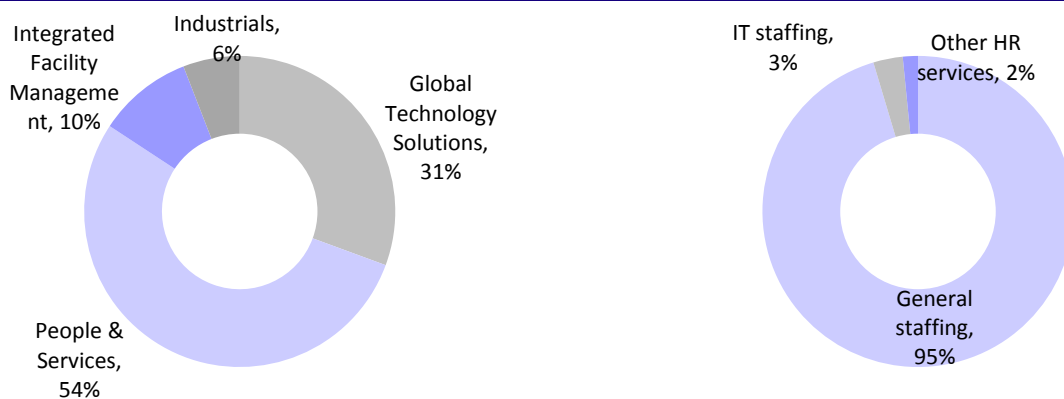
## Technology staffing poised to double in five years

### Positive for Qess Corp and TeamLease; reiterate Buy

We attended Indian Staffing Federation’s (ISF) conference on Artificial Intelligence and Machine Learning in Bangalore to gauge the impact of the alteration of the linkage between headcount and revenue in newer technologies, and its consequent impact on technology staffing. We have come back with a positive view, cementing our stance on both Qess Corp and TeamLease.

- ISF expects a growth of 14-16% per annum over 2017-2021 in the Indian IT staffing industry. This quantum of growth over a five-year period would double the size of the industry from the current USD3b – fairly optimistic compared to expectations around the growth of the Indian technology industry.
- Concerns around lower headcount growth in the IT industry have been spilling over to dependent businesses like staffing. There are two possible contrary outcomes here for the IT staffing industry (both plausible and possibly coexistent): [1] proportional pressure on headcount growth, and [2] increased demand, as customers seek flexibility, efficiency and agility. Consensus view on this predicament has been leaning towards the latter.
- Leaving demand dynamics aside, newer technologies have been helping add some flavor to the otherwise vanilla offering of staffing. Combined with efficiency benefits, financial implications are being directly witnessed in increased revenue growth (led by differentiation and higher pricing) and higher profitability (driven by operational efficiency).

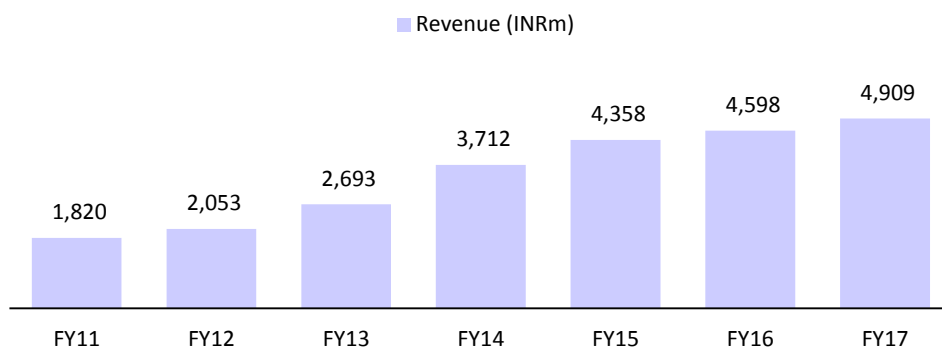
Exhibit 3: India technology staffing at 12% for QUESS and 3% for TEAM (% of total revenue)



Source: MOSL, Company

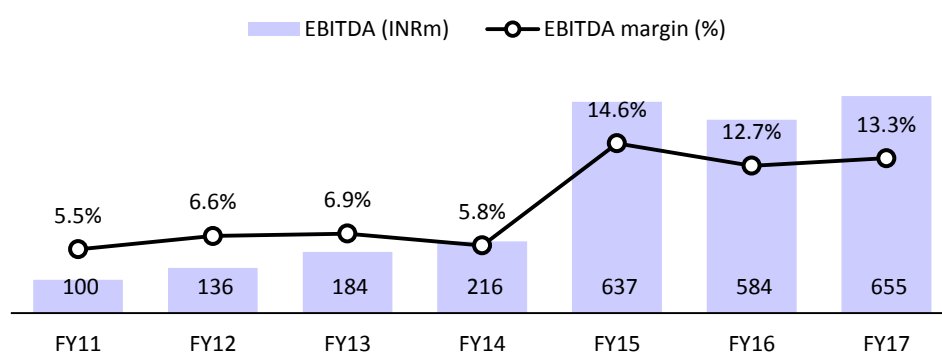
**Exhibit 4: 19% CAGR seen in Magna Infotech over the last five years**

Magna Infotech, Qess Corp's Indian technology staffing business is the largest company in its space



Source: MOSL, Company

**Exhibit 5: Double-digit margins in Magna Infotech**



Source: MOSL, Company

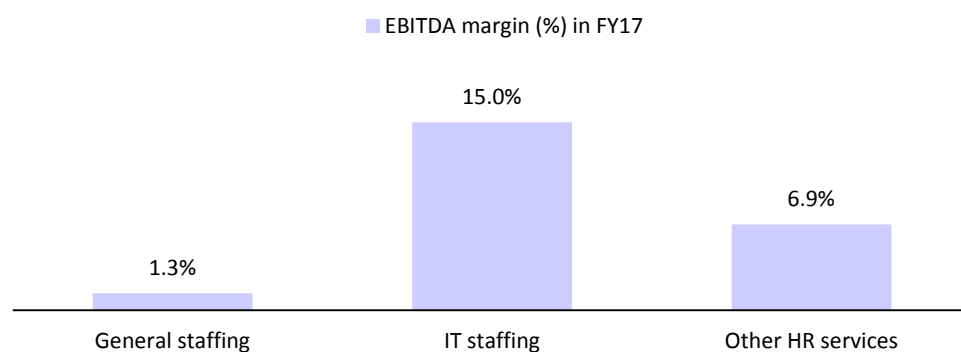
**Exhibit 6: TeamLease has acquired three companies in this space lately**

Target	Date	Description	Revenue (INRm)	EBITDA (INRm)	EBITDA margin (%)	Associates	Core employees
ASAP Info Systems	Jul-16	IT staffing - services	630	110	17.5	1,100	150
Nichepro Technologies	Sep-16	IT staffing - products	260	68	26.2	150	24
Keystone	Jan-17	IT staffing - enterprise	75	nm	na	100	5

Source: MOSL, Company

**Exhibit 7: Margins in the technology staffing business are much higher than company average for TeamLease**

A higher composition of technology staffing will continue boosting overall profitability for TeamLease



Source: MOSL, Company



# Solar Industries

<b>BSE SENSEX</b>	<b>S&amp;P CNX</b>
33,107	10,215
Bloomberg	SOIL IN
Equity Shares (m)	90.5
M.Cap.(INRb)/(USDb)	102.0 / 1.6
52-Week Range (INR)	1148/621
1, 6, 12 Rel. Per (%)	13/28/44
Avg Val, INRm	29.0
Free float (%)	26.9

## Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	15.8	20.3	23.7
EBITDA	3.2	4.4	5.2
PAT	1.3	1.6	1.9
EPS (INR)	20.6	26.2	31.3
Gr. (%)	14.0	27.3	19.5
BV/Sh (INR)	112.3	133.3	792.1
RoE (%)	19.8	21.4	21.5
RoCE (%)	15.2	23.9	25.5
P/E (x)	54.8	43.1	36.0
P/BV (x)	10.1	8.5	1.4

Estimate change



TP change



Rating change



**CMP: INR1,117**

**TP: INR1,120**

**Neutral**

## Operational performance beat led by overseas business

- **Operational performance meaningfully ahead of estimates...:** Consol. revenue increased 30% YoY to INR4.1b (est. of INR3.6b) in 2QFY18. EBITDA grew 30% YoY to INR0.9b (est. of INR595m), with the margin stable YoY at 22.0%, supported by strong growth in the overseas business. Adj. net profit rose 23% YoY to INR483m (est. of INR304m).
- **...aided by strong growth in overseas segment:** Consol. revenue was driven by strong growth in the overseas segment (+85% YoY). On the domestic front, housing and infrastructure segment sales grew 45% YoY. However, the quarter saw declining demand from CIL (sales down 25%, given weak realization on account of soft AN prices). Realization was down in the cartridge (-20% YoY) and bulk (-34% YoY) segments, as the decline in raw material cost (ammonium nitrate) was passed on to consumers.
- **Operating margin stable YoY at 22.0%:** Operating margin stood stable at 22.0%, driven by a better overseas performance. Operating margin in the overseas segment stood at 27.5%, while the standalone operating margin also improved 140bp YoY to 18.7%.
- **Overseas business growth led by currency stabilization:** Revenue from the overseas business grew 85% YoY, as the currency in the key markets of Nigeria and Turkey stabilized and also as the new facility in South Africa started contributing to revenue from 1QFY18.
- **Maintain Neutral:** We raise estimates for FY18/19 by 8/5% to factor in the improved overseas performance. Maintain **Neutral** with a revised TP of INR1,120, valuing SOIL at 30x Dec-19E EPS (earnings CAGR of 24% over FY17-20E). Stock trades at premium valuations, given SOIL's presence in Defense (huge business opportunity here due to government focus) and strong growth in the core business segment of explosives, led by a pick-up in mining activity.

## Quarterly Performance (Consolidated)

(INR Million)

Y/E March	FY17				FY18				FY17	FY18	FY18 2QE	Var. Vs Est
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
<b>Sales</b>	<b>4,030</b>	<b>3,174</b>	<b>4,331</b>	<b>4,338</b>	<b>4,691</b>	<b>4,117</b>	<b>5,563</b>	<b>5,884</b>	<b>15,800</b>	<b>20,255</b>	<b>3,629</b>	<b>13.4</b>
Change (%)	4.8	-4.3	12.6	5.5	16.4	29.7	28.4	35.6	9.1	28.2	10.5	
<b>EBITDA</b>	<b>868</b>	<b>696</b>	<b>799</b>	<b>836</b>	<b>1,035</b>	<b>905</b>	<b>1,253</b>	<b>1,228</b>	<b>3,239</b>	<b>4,420</b>	<b>595</b>	<b>52.1</b>
Change (%)	20.7	0.2	4.4	-2.7	19.2	30.0	56.8	46.8	6.5	36.5	-9.2	
As of % Sales	21.5	21.9	18.4	19.3	22.1	22.0	22.5	20.9	20.5	21.8	16.4	
Depreciation	94	98	95	101	125	128	141	171	387	565	<b>111</b>	
Interest	68	73	68	63	50	79	70	91	269	289	<b>70</b>	
Other Income	32	0	16	44	0	0	20	60	132	80	<b>20</b>	
<b>PBT</b>	<b>738</b>	<b>525</b>	<b>653</b>	<b>716</b>	<b>860</b>	<b>699</b>	<b>1,061</b>	<b>1,026</b>	<b>2,715</b>	<b>3,645</b>	<b>434</b>	<b>60.8</b>
Tax	237	133	157	240	261	216	318	289	767	1,085	<b>130</b>	
Effective Tax Rate (%)	32.1	25.4	24.1	33.5	30.4	30.9	30.0	28.2	28.3	29.8	30.0	
<b>Reported PAT</b>	<b>501</b>	<b>391</b>	<b>495</b>	<b>477</b>	<b>599</b>	<b>483</b>	<b>743</b>	<b>737</b>	<b>1,947</b>	<b>2,561</b>	<b>304</b>	<b>58.7</b>
Change (%)	9.6	-5.2	12.1	4.4	19.5	23.3	50.0	54.5	3.6	4.5	-22.3	
<b>Adj PAT</b>	<b>471</b>	<b>391</b>	<b>495</b>	<b>477</b>	<b>548</b>	<b>483</b>	<b>743</b>	<b>737</b>	<b>1,947</b>	<b>2,510</b>	<b>304</b>	<b>58.7</b>
Change (%)	13.9	6.1	20.3	10.0	16.3	23.3	50.0	54.5			(22.3)	

E: MOSL Estimates



### 1. SHRIRAM TRANSPORT FINANCE: See Good Demand For Used Vehicles; Disbursement Trend Good; Umesh Revankar, MD

- Saw a pent-up demand for vehicle finance post goods and services tax (GST) because many had postponed their purchasing hoping for reduction in prices. So, post GST after rationalisation in prices, the demand went up. Therefore, higher sales resulted in higher disbursements.
- Demand for new vehicles in the third quarter so far has been subdued but that for used commercial vehicles is good. The disbursements are strong in the rural market.
- Demand for large trucks has increased due to GST and demand for light commercial vehicles is expected to pick up going ahead.
- By adding more branches, ability to lend has also gone up. Possible to maintain this growth in disbursement.
- Do not see short-term spike in bond rates impacting cost of borrowings. Borrowings are of long-term of 3-5 years and not short-term.
- Confident of being able to maintain margins because do not have any pressure to reduce them.
- Do not see any competition from PSU banks post their recapitalization as far as lending to the used vehicles is concerned. Although, in new vehicle segment there are many players, the company has increased its presence in that category through existing customers.

[➔ Read More](#)

### 2. L&T TECH: We are confident of double-digit revenue growth in FY18; Keshab Panda, CEO

- Growth in the quarter was led by increasing traction in top 30 customer accounts. Also ramped up large deals in telecom as well as in the transportation segment. Healthy demand in most of the business segments of telecom & transformation and medical is also doing very well. Won several multi-million dollar deals across the board in this quarter.
- A sizeable segment of businesses resort to ER&D to boost operational efficiencies. This will be another trigger for growth in ER&D spends by corporates. The ER&D market is opening up hugely at this point of time and there lies huge potential to tap the addressable ER&D services market forecast to touch USD 302 billion market by 2021 with a bulk of it in the embedded and software services domain.
- Another important focus area for company is pervasive technologies which include embedded applications that are becoming virtually omnipresent in all spheres of business.
- See demand from global customers in core engineering offerings as well as in newer areas like entertainment platform solutions, autonomous car technologies and digital engineering solutions.
- In order for Indian companies to battle it out with the global best, the product differentiator will play a key role and here the relevance of E&RD takes significance. Futuristic Indian companies including government agencies are already moving in the right direction and this is expected to benefit the uptake for E&RD services in the Indian market.
- Q2 specific, verticals such as telecom, media & entertainment, and transportation helped enhance the performance. Considering the pipeline of orders and visibility of large deals that company expects to conclude shortly,



upbeat of a double-digit revenue growth in constant currency terms for FY18 slightly above industry estimates.

[→ Read More](#)

### **3. WONDERLA HOLIDAYS: Expect 20% increase in net revenue for FY18; Arun K Chittilappilly, MD**

- Net revenues were flattish because of goods and services tax (GST). Hope to increase revenues at net level by roughly 20 percent for the year.
- Margins also should improve.
- Management expecting a single-digit footfall decline in its older parks but expecting a growth in footfall for Hyderabad because it is a new park.
- Regarding Chennai park, company has just finished land acquisition and is awaiting approvals to start construction.

[→ Read More](#)

### **4. AUTOMOTIVE AXLES: Focus on new products, capacity expansion to aid growth; N Muthukumar, President and Whole Time Director**

- Market is growing and company is growing better than the market on the back of new products and their penetration into the market.
- Focus also on capacity expansion.
- See 2018-2019 to be a good year with government infrastructure coming up, goods and services tax (GST) making it easier for the automobile business to grow. Confident of having a good growth, if not a double digit growth, for the next year too.

[→ Read More](#)

### **5. NLC INDIA: Expect due diligence report for GMR's Chhattisgarh unit by this month-end; SK Acharya, Chairman**

- Power generation EBIT on a quarterly basis is sustainable. In H1FY18, power generation performance was limited due to higher power surrender.
- Company has taken conscious efforts to cut down the cost and there has been no increase in its tariff this quarter as well.
- Due diligence for GMR's Chhattisgarh unit is underway and report is expected to get published by end of this month.
- Power purchase agreement (PPA) from Tamil Nadu is key to GMR's Chhattisgarh unit acquisition.

[→ Read More](#)



### 1. Who killed renewables? This sunrise industry has received a telling blow

- The renewables sector in India is near-death. Capacity addition has markedly slowed down in this financial year. Few projects are achieving financial closure, and so, few projects are getting complete. What happened? The last financial year ended very well for renewables; 5,502 MW of wind capacity and 5,526 MW of solar capacity had been commissioned in FY17 (vs. a 2022 target of 175 GW from renewables). A record 11,320 MW of renewable capacity came up in FY17, levelling with the thermal capacity increment of 11,551 MW. The total stock of renewables had reached 57 GW (now 60 GW by September 2017). The country had developed larger IPPs, many crossing 1 GW each.

[→ Read More](#)

### 2. The long road to cashless India

- NITI Aayog chief executive officer Amitabh Kant recently spoke of debit cards, credit cards and ATMs becoming redundant in the next three to four years. Since demonetisation, the government has been working to make India a cashless economy. With the ubiquity of Aadhaar, smartphones and the new unified payments interface (UPI)-based apps, it wants to move on from cash to a digital payments economy—where everything from payment to receipt is done online. Kant’s prediction about debit and credit cards has the potential to come true because the infrastructure to replace physical cards, as well as the momentum in the adoption of alternative payment mechanisms, is well under way.

[→ Read More](#)

### 3. Privacy issues exist even without Aadhaar

- In part I, I argued that while Aadhaar can be a tool to infringe upon our right to privacy, it is merely one such; there exist other tools that can be similarly exploited. This becomes evident when you analyse each privacy issue related to Aadhaar using the National Privacy Principles framework, and compare Aadhaar’s data privacy risks to other national ID systems. We need an independent data privacy regulator, backed by a robust law, to safeguard against the risks. Here, we explore two such data privacy issues: data disclosure and voluntariness (database linking was analysed in part I). According to the National Privacy Principle on data disclosure, “a data controller shall not disclose personal information to third parties, except after providing notice and seeking informed consent from the individual for such disclosure”.

[→ Read More](#)

## International

### 4. China's vision for the next 30 years

- Every five years, the Communist Party of China convenes a National Congress, where two key decisions are made: who will lead China for the next five years, and what path to development those leaders will follow. The CPC's recently completed 19th National Congress did all that and more. Beyond choosing the next Politburo Standing Committee, the 19th Party Congress reelected President Xi Jinping as the CCP's leader and added his eponymous ideology – “Xi Jinping Thought” – to the Party's charter. The Congress also produced a blueprint for the country's future development until 2050, one that reflects the changes that economic reform and opening have brought to China. At the CPC's 13th National Congress, in October 1987, China's leaders declared that the “major contradictions” facing the country were those between “people's growing material and cultural needs and the backwardness of social production.”

[→ Read More](#)



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
<b>Automobiles</b>														
Amara Raja	Buy	793	856	8	28.0	28.3	34.2	28.3	28.0	5.2	4.5	20.3	17.3	18.1
Ashok Ley.	Buy	114	134	17	4.6	4.5	6.2	25.1	25.5	5.5	5.0	23.1	20.4	25.2
Bajaj Auto	Buy	3,210	3,753	17	132.3	145.2	175.0	24.3	22.1	5.5	4.9	25.3	23.3	25.3
Bharat Forge	Buy	698	844	21	13.1	19.1	26.0	53.4	36.5	7.9	6.8	16.2	20.1	23.2
Bosch	Neutral	19,281	19,965	4	473.1	457.8	603.0	40.8	42.1	6.7	6.1	15.8	15.2	18.1
CEAT	Buy	1,771	2,116	19	93.3	82.5	116.9	19.0	21.5	3.0	2.6	16.9	13.0	16.2
Eicher Mot.	Buy	30,484	34,722	14	612.7	814.7	1,062.7	49.8	37.4	15.5	11.7	37.1	35.7	35.0
Endurance Tech.	Buy	1,189	1,334	12	23.5	27.6	36.7	50.6	43.1	9.7	8.1	20.8	20.5	22.8
Escorts	Sell	693	688	-1	20.0	35.8	45.9	34.7	19.3	3.5	3.0	10.6	16.8	18.4
Exide Ind	Buy	198	254	28	8.1	7.9	9.7	24.4	25.0	3.4	3.1	13.9	12.5	13.7
Hero Moto	Neutral	3,662	3,819	4	169.1	183.1	193.9	21.7	20.0	7.2	6.3	35.7	33.7	31.1
M&M	Buy	1,415	1,607	14	54.3	75.0	85.7	26.1	18.9	3.3	3.0	14.2	14.5	14.6
Mahindra CIE	Not Rated	238	-		5.4	9.9	11.8	44.5	24.2	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	8,166	9,466	16	248.6	288.1	381.0	32.8	28.3	6.8	5.9	20.3	20.5	23.0
Tata Motors	Buy	414	575	39	19.8	24.6	64.8	20.9	16.8	2.4	2.1	9.8	13.4	28.3
TVS Motor	Neutral	705	764	8	11.7	14.9	25.8	60.0	47.3	13.9	11.4	25.6	26.5	35.6
<b>Aggregate</b>								<b>29.3</b>	<b>24.7</b>	<b>5.0</b>	<b>4.4</b>	<b>17.1</b>	<b>17.7</b>	<b>22.7</b>
<b>Banks - Private</b>														
Axis Bank	Buy	543	680	25	15.4	18.4	30.8	35.3	29.5	2.4	2.0	6.9	7.3	10.8
DCB Bank	Neutral	174	197	13	7.0	8.5	10.5	24.9	20.5	2.6	2.1	10.8	11.5	11.8
Equitas Hold.	Buy	139	209	51	5.0	1.7	5.7	27.4	80.0	2.1	2.0	9.5	2.6	8.2
Federal Bank	Buy	112	146	30	4.8	5.5	6.6	23.3	20.2	2.2	1.8	9.9	9.6	10.0
HDFC Bank	Buy	1,806	2,150	19	56.8	68.7	84.7	31.8	26.3	5.4	4.7	18.3	18.8	20.4
ICICI Bank	Buy	319	355	11	15.3	13.6	17.0	20.9	23.5	2.4	2.5	10.9	8.8	10.5
IDFC Bank	Neutral	54	56	3	3.0	2.8	3.2	18.1	19.5	1.3	1.2	7.2	6.3	6.9
IndusInd	Buy	1,604	2,000	25	48.1	60.9	78.6	33.4	26.3	4.6	4.1	15.3	16.9	19.0
J&K Bank	Buy	75	100	33	-31.3	4.1	8.7	NM	18.1	0.7	0.7	-27.0	4.0	8.0
Kotak Mah. Bk	Buy	1,017	1,179	16	26.8	32.1	41.6	37.9	31.7	4.9	4.4	13.8	14.8	16.5
RBL Bank	Buy	507	665	31	11.9	16.4	23.0	42.6	31.0	4.5	3.2	12.3	12.4	13.7
South Indian	Buy	30	36	18	2.5	1.9	3.8	12.2	16.4	1.2	1.1	9.0	6.7	12.6
Yes Bank	Buy	302	382	27	14.6	17.8	23.3	20.7	16.9	3.2	2.7	18.9	17.3	19.5
<b>Aggregate</b>								<b>30.0</b>	<b>25.3</b>	<b>3.5</b>	<b>3.0</b>	<b>11.5</b>	<b>11.9</b>	<b>13.9</b>
<b>Banks - PSU</b>														
BOB	Buy	183	201	10	6.0	17.9	22.6	30.5	10.2	1.2	1.1	4.0	6.4	9.4
BOI	Neutral	208	201	-3	-14.8	3.2	9.2	NM	65.3	0.9	1.0	-6.7	1.5	4.3
Canara	Neutral	384	386	0	18.8	16.1	30.3	20.5	23.8	0.8	0.8	4.2	3.4	6.1
IDBI Bk	Neutral	59	49	-17	1.5	6.4	8.6	38.8	9.2	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	413	438	6	29.3	36.7	44.0	14.1	11.2	1.4	1.3	10.1	11.6	12.7
OBC	Neutral	130	150	15	-31.6	17.1	21.4	NM	7.6	0.4	0.3	-8.4	4.6	5.4
PNB	Buy	189	250	32	6.2	8.5	13.5	30.4	22.2	1.1	1.0	3.6	4.7	7.1
SBI	Buy	333	415	24	0.3	14.6	26.8	1,121.0	22.8	1.6	1.5	-0.2	7.0	11.4
Union Bk	Neutral	173	175	1	8.1	-13.5	6.0	21.5	NM	0.6	0.6	2.7	-4.7	2.1
<b>Aggregate</b>								<b>120.2</b>	<b>21.0</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>4.7</b>	<b>7.8</b>
<b>NBFCs</b>														
Aditya Birla Cap	Buy	199	231	16	0.0	3.7	5.4	NA	53.5	NA	5.1	0.0	12.5	12.3
Bajaj Fin.	Buy	1,760	2,300	31	32.0	45.7	63.7	55.0	38.5	10.5	6.2	21.6	20.2	20.4
Bharat Fin.	Under Review	956	-		21.0	30.3	47.2	45.5	31.6	5.4	4.4	15.1	15.3	19.3
Capital First	Buy	689	925	34	24.6	32.8	43.7	27.9	21.0	2.9	2.6	12.0	13.2	15.4
Cholaman.Inv.&Fn	Buy	1,300	1,500	15	46.0	59.2	70.4	28.3	22.0	4.7	4.0	18.0	19.6	19.6
Dewan Hsg.	Buy	624	690	11	29.6	37.6	46.0	21.1	16.6	2.5	2.2	14.4	14.1	15.3
GRUH Fin.	Neutral	503	500	-1	8.1	9.9	12.0	61.8	51.0	18.5	15.2	32.5	32.8	32.8
HDFC	Buy	1,664	2,000	20	46.8	51.6	57.1	35.5	32.3	6.6	6.0	18.9	19.3	18.6
Indiabulls Hsg	Buy	1,179	1,550	32	68.6	83.6	105.1	17.2	14.1	4.1	3.7	25.5	27.6	30.7
L&T Fin Holdings	Buy	187	240	29	5.2	6.9	10.4	35.6	26.9	4.2	3.7	12.4	14.9	18.9

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
LIC Hsg Fin	Neutral	583	680	17	38.2	41.0	46.5	15.3	14.2	2.7	2.3	19.1	17.4	17.2
Manappuram	Not Rated	104	-		8.6	9.2	9.7	12.0	11.3	2.6	2.4	24.0	22.3	21.4
M&M Fin.	Buy	437	481	10	7.1	14.2	19.1	61.8	30.9	3.8	3.6	6.4	11.9	14.8
Muthoot Fin	Neutral	457	550	20	29.5	42.6	42.0	15.5	10.7	2.8	2.3	19.4	23.8	19.9
PNB Housing	Buy	1,337	1,750	31	31.6	52.5	66.5	42.3	25.4	4.1	3.6	13.8	15.0	16.7
Repco Home	Buy	621	800	29	29.1	36.0	41.9	21.3	17.3	3.4	2.9	17.4	18.0	17.6
Shriram City Union	Buy	1,993	2,650	33	84.3	115.6	145.3	23.6	17.2	2.6	2.3	11.7	14.3	15.9
STF	Buy	1,227	1,415	15	55.6	80.6	106.2	22.1	15.2	2.5	2.2	11.7	15.1	17.4
<b>Aggregate</b>								<b>30.9</b>	<b>24.6</b>	<b>4.9</b>	<b>4.2</b>	<b>15.8</b>	<b>17.0</b>	<b>17.7</b>
<b>Capital Goods</b>														
ABB	Sell	1,366	1,230	-10	19.7	20.2	28.7	69.3	67.5	8.8	7.8	12.7	11.6	14.6
Bharat Elec.	Buy	180	210	17	6.3	7.1	8.0	28.6	25.4	5.9	4.5	20.6	17.9	18.1
BHEL	Sell	88	78	-11	1.3	2.9	3.0	65.5	29.9	1.0	1.0	1.5	3.3	3.3
Blue Star	Neutral	698	685	-2	12.9	16.5	24.4	54.2	42.4	8.8	8.3	18.0	20.2	27.8
CG Cons. Elec.	Buy	242	260	7	4.7	5.2	6.5	51.8	46.8	28.2	20.7	76.4	51.0	49.6
CG Power & Indu.	Neutral	81	90	12	4.1	1.4	2.3	19.6	55.8	1.2	1.2	6.2	2.1	3.3
Cummins	Buy	853	1,150	35	26.5	25.3	35.0	32.2	33.7	6.3	5.9	21.2	18.1	22.2
GE T&D	Neutral	397	440	11	5.7	9.4	11.2	69.2	42.1	9.8	8.6	12.4	21.8	22.6
Havells	Neutral	498	460	-8	9.6	11.5	14.3	52.1	43.3	9.5	8.4	18.2	19.5	21.2
K E C Intl	Neutral	298	350	18	11.9	14.3	17.6	25.1	20.8	4.8	4.1	19.2	19.5	20.2
L&T	Buy	1,218	1,450	19	42.3	49.0	57.5	28.8	24.8	3.4	3.1	12.5	13.1	14.0
Pennar Eng.	Not Rated	103	-		7.1	9.1	11.2	14.6	11.4	1.5	1.3	10.2	11.6	12.6
Siemens	Neutral	1,176	1,355	15	17.8	21.7	33.4	66.0	54.3	6.1	5.3	9.3	9.8	13.8
Solar Ind	Neutral	1,127	950	-16	20.6	26.2	29.9	54.7	43.1	10.0	8.5	19.8	21.3	20.6
Suzlon Energy	Not Rated	13	-		0.6	0.9	1.0	21.2	15.3	-1.2	-1.3	NM	-8.8	-11.0
Thermax	Neutral	1,032	930	-10	30.8	29.9	34.4	33.5	34.6	4.6	4.2	14.3	12.6	13.2
Va Tech Wab.	Buy	544	745	37	29.9	34.5	37.2	18.2	15.8	3.0	2.6	16.9	17.5	16.4
Voltas	Neutral	614	550	-10	15.5	17.5	19.6	39.7	35.0	6.1	5.4	18.0	16.5	16.3
<b>Aggregate</b>								<b>35.6</b>	<b>30.3</b>	<b>4.0</b>	<b>3.6</b>	<b>11.2</b>	<b>11.9</b>	<b>13.0</b>
<b>Cement</b>														
Ambuja Cem.	Neutral	275	314	14	4.9	6.9	8.4	56.3	39.6	2.9	2.7	5.1	7.0	8.0
ACC	Neutral	1,787	1,797	1	36.1	52.2	70.9	49.5	34.3	3.9	3.7	7.9	11.1	14.2
Birla Corp.	Buy	1,120	1,435	28	28.5	32.2	56.7	39.3	34.8	2.6	2.5	7.1	7.3	12.0
Dalmia Bharat	Buy	3,009	3,517	17	38.8	60.8	83.7	77.6	49.5	5.4	4.9	7.2	10.3	12.7
Grasim Inds.	Neutral	1,159	1,302	12	67.8	81.9	116.8	17.1	14.1	1.7	1.5	10.8	11.5	14.5
India Cem	Neutral	172	188	9	5.6	5.8	10.5	30.6	29.5	1.0	1.0	3.4	3.5	6.0
J K Cements	Buy	1,069	1,324	24	33.7	47.8	61.8	31.7	22.4	4.2	3.6	14.4	17.5	19.2
JK Lakshmi Ce	Buy	434	512	18	7.0	12.1	19.1	62.4	35.8	3.7	3.4	6.1	9.9	13.9
Ramco Cem	Buy	713	853	20	27.3	27.1	35.1	26.1	26.3	4.5	3.9	19.0	16.0	17.9
Orient Cem	Buy	161	205	27	-1.6	6.3	9.1	NM	25.6	3.3	3.0	-3.2	12.3	15.6
Prism Cem	Buy	114	128	13	0.3	2.7	5.0	416.1	41.4	6.0	5.4	1.4	13.7	21.3
Shree Cem	Buy	17,890	21,852	22	384.4	486.2	499.3	46.5	36.8	8.1	6.8	18.4	20.0	17.4
Ultratech	Buy	4,277	4,906	15	96.1	102.2	147.1	44.5	41.8	4.9	4.4	11.6	11.1	14.2
<b>Aggregate</b>								<b>38.4</b>	<b>30.9</b>	<b>3.6</b>	<b>3.3</b>	<b>9.4</b>	<b>10.7</b>	<b>12.9</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,180	1,280	8	21.0	21.6	25.8	56.1	54.7	14.9	14.5	28.5	26.9	29.4
Britannia	Buy	4,734	5,845	23	73.7	84.5	106.9	64.2	56.0	21.1	17.4	36.9	34.0	35.2
Colgate	Buy	1,038	1,328	28	21.2	23.4	28.6	48.9	44.4	22.2	21.1	50.4	48.7	56.2
Dabur	Buy	340	395	16	7.2	7.7	9.3	46.8	43.9	12.3	10.6	28.4	26.0	27.3
Emami	Buy	1,286	1,435	12	26.5	26.6	33.2	48.5	48.4	16.6	14.2	35.8	31.7	34.0
Godrej Cons.	Neutral	931	1,015	9	18.9	21.2	24.5	49.3	44.0	12.0	9.3	24.6	23.8	22.9
GSK Cons.	Neutral	6,030	5,400	-10	156.1	160.8	182.3	38.6	37.5	8.1	7.9	22.2	21.4	22.6
HUL	Buy	1,277	1,440	13	19.6	22.8	27.6	65.0	56.0	42.6	42.4	66.5	75.9	88.0
ITC	Neutral	255	280	10	8.4	9.1	10.0	30.4	28.0	6.9	6.8	23.5	24.4	25.6
Jyothy Lab	Neutral	330	365	11	11.2	9.2	10.9	29.4	35.9	5.5	5.6	21.1	15.5	18.3



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Marico	Neutral	304	340	12	6.3	6.5	7.9	48.4	46.8	16.9	14.7	36.7	33.6	37.1
Nestle	Neutral	7,660	7,750	1	123.7	128.4	149.0	61.9	59.6	24.5	22.2	40.9	39.0	40.9
Page Inds	Buy	24,141	25,580	6	238.7	296.6	413.1	101.1	81.4	40.4	32.4	40.0	39.8	44.4
Parag Milk	Neutral	238	275	16	3.6	8.9	12.4	66.0	26.6	3.0	2.7	6.0	10.8	13.3
Pidilite Ind.	Buy	818	975	19	16.7	17.2	20.8	48.9	47.6	12.7	10.5	28.2	24.1	23.9
P&G Hygiene	Neutral	8,860	9,267	5	132.9	151.5	176.7	66.6	58.5	41.7	34.6	39.3	64.8	62.9
Prabhat Dairy	Not Rated	150	-		3.5	3.5	6.4	42.4	43.1	2.1	2.1	5.2	4.9	8.5
United Brew	Buy	1,123	1,320	18	8.7	14.7	18.0	129.4	76.6	12.7	11.1	10.2	15.5	16.5
United Spirits	Neutral	3,112	2,970	-5	26.7	34.9	53.7	116.4	89.1	23.3	16.2	21.3	18.2	20.9
<b>Aggregate</b>								<b>47.5</b>	<b>43.2</b>	<b>13.1</b>	<b>12.2</b>	<b>27.6</b>	<b>28.2</b>	<b>29.5</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	518	540	4	21.6	21.6	24.9	24.0	23.9	5.1	4.4	23.0	19.9	19.8
Alkem Lab	Neutral	1,969	1,950	-1	74.6	68.8	90.7	26.4	28.6	5.3	4.6	21.9	17.2	19.6
Ajanta Pharma	Buy	1,222	1,606	31	57.3	52.7	64.1	21.3	23.2	6.9	5.5	36.7	26.4	25.7
Aurobindo	Buy	713	900	26	39.3	44.6	50.3	18.2	16.0	4.5	3.5	27.6	24.6	22.3
Biocon	Neutral	383	335	-13	10.2	6.1	10.5	37.6	62.9	4.8	4.5	12.3	7.2	11.4
Cadila	Buy	443	555	25	14.2	17.5	23.7	31.2	25.3	6.5	5.5	23.0	23.4	26.1
Cipla	Neutral	593	600	1	15.9	21.1	27.0	37.3	28.1	3.8	3.4	10.2	12.1	13.6
Divis Lab	Neutral	1,006	1,100	9	39.9	32.4	43.7	25.2	31.0	5.0	5.2	22.0	16.3	21.2
Dr Reddy's	Neutral	2,335	2,575	10	72.6	60.6	115.2	32.2	38.5	3.2	3.0	9.7	8.2	14.1
Fortis Health	Buy	131	185	41	10.3	1.9	4.9	12.6	69.5	1.2	1.0	10.0	1.6	3.9
Glenmark	Neutral	581	650	12	39.3	37.9	42.8	14.8	15.3	3.6	3.0	24.7	19.6	18.4
Granules	Buy	121	200	65	7.2	8.0	11.0	16.8	15.2	3.1	2.1	21.1	17.7	18.8
GSK Pharma	Neutral	2,534	2,500	-1	34.4	44.2	54.9	73.7	57.4	10.7	12.6	14.5	22.0	31.4
IPCA Labs	Neutral	529	550	4	16.1	18.6	26.5	32.9	28.5	2.7	2.5	8.6	9.2	12.0
Jubilant Life	Buy	617	861	40	36.9	44.2	55.0	16.7	14.0	2.8	2.4	18.0	18.4	19.2
Lupin	Buy	829	1,000	21	56.6	37.6	42.7	14.6	22.1	2.8	2.5	20.9	12.0	12.5
Sanofi India	Buy	4,457	5,000	12	129.1	139.0	156.2	34.5	32.1	5.9	5.5	17.1	17.1	17.6
Shilpa Medicare	Buy	616	797	29	14.0	18.1	29.9	43.9	34.0	5.4	4.7	14.4	14.7	20.5
Strides Shasun	Buy	767	1,201	57	32.3	41.7	68.3	23.8	18.4	2.5	2.2	10.8	12.9	18.0
Sun Pharma	Buy	509	610	20	26.1	14.4	22.9	19.5	35.4	3.3	3.2	18.1	9.2	13.7
Syngene Intl	Not Rated	506	-		13.0	16.1	18.0	38.9	31.4	7.9	6.4	22.2	22.5	20.7
Torrent Pharma	Neutral	1,269	1,400	10	55.2	50.0	61.4	23.0	25.4	4.9	4.4	23.8	18.3	19.9
<b>Aggregate</b>								<b>23.3</b>	<b>27.3</b>	<b>3.9</b>	<b>3.5</b>	<b>16.8</b>	<b>12.9</b>	<b>15.4</b>
<b>Infrastructure</b>														
Ashoka Buildcon	Buy	203	260	28	-0.5	1.8	7.1	NM	112.2	2.3	2.1	-0.6	1.9	7.0
IRB Infra	Neutral	230	240	4	20.3	22.9	23.2	11.3	10.1	1.5	1.3	14.0	14.1	12.9
KNR Constructions	Buy	261	295	13	12.0	13.3	14.1	21.8	19.6	4.1	3.4	20.7	19.1	17.0
Sadbhav Engineering	Buy	315	385	22	11.0	14.3	14.5	28.7	22.0	3.3	2.9	12.0	13.8	12.5
<b>Aggregate</b>								<b>19.4</b>	<b>16.2</b>	<b>2.1</b>	<b>1.9</b>	<b>11.0</b>	<b>11.8</b>	<b>11.6</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	165	215	30	9.8	10.9	13.3	16.8	15.2	2.3	2.0	13.7	14.1	15.4
Blue Dart	Not Rated	3,971	-		102.5	129.9	163.2	38.7	30.6	17.2	13.1	50.5	48.6	46.8
Concor	Neutral	1,325	1,496	13	38.0	42.7	55.2	34.9	31.0	3.7	3.5	10.8	11.5	14.1
Gateway Distriparks	Buy	251	282	12	6.8	8.8	11.6	36.9	28.6	2.7	2.6	7.3	9.2	11.7
Gati	Not Rated	120	-		8.4	15.9	23.9	14.3	7.5	2.0	1.7	12.4	19.4	25.4
Transport Corp.	Not Rated	272	-		16.9	21.0	25.9	16.0	12.9	2.5	2.1	16.7	17.8	18.6
<b>Aggregate</b>								<b>30.6</b>	<b>25.6</b>	<b>3.8</b>	<b>3.5</b>	<b>12.3</b>	<b>13.6</b>	<b>16.1</b>
<b>Media</b>														
Dish TV	Buy	77	106	38	1.0	1.0	2.4	74.7	75.4	16.6	13.6	25.1	19.9	35.2
D B Corp	Buy	366	430	17	20.0	21.7	25.4	18.3	16.9	4.2	3.5	24.6	22.8	22.2
Den Net.	Neutral	93	90	-3	-9.3	-2.9	0.1	NM	NM	2.0	2.1	-19.1	-6.4	0.2
Ent.Network	Neutral	776	910	17	11.4	11.6	20.1	67.9	67.1	4.3	4.1	6.7	6.3	10.1

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
Hind. Media	Buy	241	302	25	25.8	25.6	30.2	9.3	9.4	1.5	1.3	18.2	15.0	15.3
HT Media	Neutral	97	113	16	7.4	10.4	11.9	13.2	9.4	1.0	0.9	7.9	10.2	10.6
Jagran Prak.	Buy	164	225	37	10.7	11.3	13.4	15.4	14.5	2.5	2.5	18.5	17.3	19.3
Music Broadcast	Buy	370	469	27	6.4	9.0	14.2	57.6	41.0	3.9	3.5	11.2	9.0	12.6
PVR	Buy	1,391	1,640	18	20.5	27.1	43.0	67.7	51.3	6.7	6.0	10.4	12.4	17.0
Prime Focus	Buy	99	130	31	1.2	3.1	6.1	81.0	32.2	5.3	4.6	7.6	15.3	24.8
Siti Net.	Neutral	25	27	7	-1.9	-0.8	0.1	NM	NM	4.1	4.8	-29.4	-14.2	2.4
Sun TV	Buy	845	1,005	19	24.9	28.1	35.7	34.0	30.1	8.3	7.6	26.0	26.4	30.7
Zee Ent.	Buy	539	630	17	12.1	10.5	16.0	44.5	51.6	6.0	5.5	17.0	12.8	16.8
<b>Aggregate</b>								<b>40.8</b>	<b>35.0</b>	<b>5.1</b>	<b>4.7</b>	<b>12.6</b>	<b>13.5</b>	<b>17.2</b>
<b>Metals</b>														
Hindalco	Buy	255	326	28	8.6	18.8	26.4	29.8	13.5	2.0	1.7	7.4	13.6	16.5
Hind. Zinc	Neutral	302	322	7	19.7	22.7	33.5	15.3	13.3	4.1	4.4	24.4	32.3	42.5
JSPL	Buy	166	209	26	-20.9	-15.1	0.5	NM	NM	0.5	0.5	-7.9	-4.7	0.1
JSW Steel	Buy	259	297	15	14.8	20.3	24.9	17.5	12.8	2.8	2.3	17.3	19.8	20.2
Nalco	Neutral	81	87	7	3.7	4.7	5.8	21.8	17.4	1.5	1.5	7.2	8.6	10.1
NMDC	Buy	124	187	51	10.0	13.3	12.7	12.4	9.3	1.7	1.6	12.8	15.7	16.3
SAIL	Sell	77	43	-44	-10.1	-6.4	-4.3	NM	NM	0.8	0.9	-9.9	-6.9	-4.9
Rain Industries	Buy	347	492	42	9.6	25.5	38.9	36.1	13.6	3.9	3.1	10.9	25.2	29.7
Vedanta	Buy	301	394	31	15.1	25.5	44.4	19.9	11.8	1.9	1.7	9.7	15.1	23.8
Tata Steel	Neutral	687	672	-2	37.9	59.4	65.2	18.1	11.6	2.1	1.9	15.7	17.1	16.6
<b>Aggregate</b>								<b>25.0</b>	<b>14.8</b>	<b>1.8</b>	<b>1.7</b>	<b>7.0</b>	<b>11.4</b>	<b>15.3</b>
<b>Oil &amp; Gas</b>														
BPCL	Buy	499	643	29	48.3	43.1	52.1	10.3	11.6	3.2	2.7	32.4	25.2	25.8
GAIL	Sell	448	378	-16	22.6	28.1	31.9	19.8	15.9	2.0	1.8	9.6	12.0	12.6
Gujarat Gas	Sell	855	721	-16	16.1	29.7	44.1	53.3	28.8	7.2	6.0	14.0	22.6	27.3
Gujarat St. Pet.	Neutral	207	184	-11	8.8	12.1	13.2	23.5	17.1	2.6	2.3	11.6	14.4	14.0
HPCL	Buy	413	579	40	40.7	36.4	42.8	10.1	11.3	3.1	2.6	32.4	25.1	25.0
IOC	Buy	392	554	41	41.9	39.5	43.6	9.4	9.9	1.8	1.6	20.7	17.2	16.9
IGL	Neutral	299	301	1	8.8	9.9	11.0	34.0	30.2	7.2	6.1	21.0	21.7	20.4
MRPL	Sell	121	110	-9	14.8	9.2	11.5	8.2	13.1	2.1	1.9	31.4	15.1	16.7
Oil India	Buy	350	418	20	19.3	29.8	40.5	18.1	11.7	1.0	0.9	5.7	8.0	10.4
ONGC	Buy	179	231	29	16.4	19.0	22.8	10.9	9.5	1.0	1.0	10.1	10.8	12.5
PLNG	Buy	253	312	24	11.4	15.0	16.7	22.2	16.9	4.7	3.9	23.2	25.2	23.7
Reliance Ind.	Buy	902	1,077	19	48.3	56.7	62.1	18.7	15.9	1.9	1.8	11.6	12.1	12.0
<b>Aggregate</b>								<b>13.7</b>	<b>12.7</b>	<b>1.8</b>	<b>1.6</b>	<b>13.1</b>	<b>12.9</b>	<b>13.5</b>
<b>Retail</b>														
Jubilant Food	Sell	1,774	1,270	-28	10.0	21.4	27.4	177.3	82.8	14.5	13.7	8.2	16.5	20.9
Titan Co.	Buy	771	850	10	9.0	12.5	15.9	85.3	61.6	16.1	13.0	20.6	23.4	25.5
<b>Aggregate</b>								<b>91.8</b>	<b>63.6</b>	<b>15.7</b>	<b>13.1</b>	<b>17.1</b>	<b>20.5</b>	<b>23.9</b>
<b>Technology</b>														
Cyient	Buy	550	600	9	30.6	36.0	41.9	17.9	15.3	2.9	2.7	16.2	17.4	18.3
HCL Tech.	Neutral	851	970	14	59.8	63.2	68.2	14.2	13.5	3.6	3.4	27.5	25.9	25.6
Hexaware	Neutral	336	270	-20	13.7	16.3	17.0	24.5	20.6	6.0	5.1	26.5	26.4	23.4
Infosys	Buy	989	1,100	11	62.8	63.8	67.8	15.7	15.5	3.3	3.5	22.0	21.8	22.5
KPIT Tech	Neutral	169	160	-5	11.9	11.9	14.1	14.1	14.2	2.1	1.9	14.3	14.1	14.5
L&T Infotech	Buy	957	950	-1	55.5	61.6	66.0	17.2	15.5	6.3	4.8	41.6	35.2	29.6
Mindtree	Neutral	510	480	-6	24.9	28.5	33.6	20.5	17.9	3.3	3.3	16.8	17.3	20.4
Mphasis	Neutral	712	670	-6	38.9	42.0	46.0	18.3	16.9	2.4	2.8	13.2	14.6	17.3
NIIT Tech	Neutral	639	600	-6	38.0	43.7	50.3	16.8	14.6	2.2	2.2	13.7	15.1	16.4
Persistent Sys	Buy	643	780	21	37.7	43.3	52.4	17.1	14.9	2.6	2.5	17.0	17.9	20.8
Tata Elxsi	Buy	895	1,004	12	28.1	33.8	40.2	31.8	26.5	10.0	8.0	37.1	33.6	32.4
TCS	Neutral	2,747	2,450	-11	133.4	131.8	151.4	20.6	20.8	6.1	6.6	32.6	30.6	33.5
Tech Mah	Buy	499	560	12	30.9	35.8	37.7	16.1	13.9	2.7	2.5	18.4	18.9	18.2
Wipro	Neutral	298	280	-6	16.9	19.1	20.1	17.6	15.6	2.8	2.7	16.9	17.0	16.7

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
Zensar Tech	Buy	874	1,020	17	52.1	52.8	72.7	16.8	16.6	2.7	2.4	17.2	15.3	18.4
<b>Aggregate</b>								<b>17.7</b>	<b>17.5</b>	<b>4.1</b>	<b>4.3</b>	<b>22.9</b>	<b>24.4</b>	<b>23.2</b>
<b>Telecom</b>														
Bharti Airtel	Buy	490	680	39	11.3	3.8	6.5	43.2	130.5	2.9	2.9	6.8	2.2	3.7
Bharti Infratel	Neutral	385	440	14	14.9	16.8	19.2	25.9	22.8	4.6	4.6	16.2	20.2	22.8
Idea Cellular	Buy	96	110	15	-1.1	-16.1	-18.0	NM	NM	1.4	1.8	-1.6	-26.6	-41.4
Tata Comm	Buy	694	780	12	10.0	5.4	18.2	69.6	127.9	12.4	13.5	48.4	10.1	30.0
<b>Aggregate</b>								<b>44.6</b>	<b>-306.7</b>	<b>2.9</b>	<b>3.1</b>	<b>6.6</b>	<b>-1.0</b>	<b>0.2</b>
<b>Utilities</b>														
Coal India	Buy	269	335	25	14.9	17.5	20.7	18.0	15.4	6.8	6.5	37.8	42.4	47.7
CESC	Buy	1,003	1,360	36	51.9	88.9	99.3	19.3	11.3	1.3	1.1	6.5	10.6	10.8
JSW Energy	Sell	80	51	-37	3.8	4.0	3.3	21.0	19.9	1.3	1.2	6.3	6.3	5.0
NTPC	Buy	177	211	19	12.0	13.4	15.7	14.8	13.1	1.5	1.4	10.5	11.0	11.9
Power Grid	Buy	208	261	25	14.0	17.4	20.4	14.9	12.0	2.2	1.9	15.6	17.0	17.4
Tata Power	Sell	85	72	-15	7.4	7.3	7.5	11.4	11.6	1.9	1.8	17.1	16.0	14.6
<b>Aggregate</b>								<b>16.1</b>	<b>13.6</b>	<b>2.3</b>	<b>2.1</b>	<b>14.4</b>	<b>15.7</b>	<b>16.8</b>
<b>Others</b>														
Arvind	Neutral	423	425	0	12.4	10.5	16.5	34.2	40.2	3.1	2.9	10.3	7.4	10.9
Avenue Supermarts	Sell	1,112	873	-21	7.7	12.0	17.5	144.9	92.8	18.1	15.9	17.9	18.2	22.9
Bata India	Under Review	742	-		13.5	16.3	20.1	54.9	45.6	7.2	6.4	13.9	14.9	16.3
BSE	Neutral	968	1,100	14	41.0	45.3	46.1	23.6	21.3	2.0	2.0	8.3	9.3	8.0
Castrol India	Buy	394	467	19	13.6	12.6	13.3	29.0	31.2	32.9	29.8	115.0	100.3	96.1
Century Ply.	Neutral	294	323	10	8.7	9.8	12.9	33.8	29.9	9.1	7.5	31.1	27.7	29.6
Coromandel Intl	Buy	516	523	1	16.6	24.1	29.0	31.1	21.4	5.2	4.5	17.5	22.5	23.4
Delta Corp	Buy	259	257	-1	3.1	5.7	8.0	84.9	45.8	6.5	4.4	8.1	12.1	12.9
Dynamatic Tech	Buy	2,021	3,334	65	67.6	112.9	166.7	29.9	17.9	4.1	3.4	15.1	20.7	24.3
Eveready Inds.	Buy	372	400	8	12.9	14.3	17.4	28.9	26.0	9.3	7.5	37.7	32.1	31.5
Interglobe	Neutral	1,165	1,291	11	43.2	63.2	75.4	27.0	18.4	11.8	6.8	51.0	46.8	43.0
Indo Count	Neutral	124	128	3	13.0	8.0	10.7	9.5	15.4	2.9	2.4	34.8	17.0	18.5
Info Edge	Buy	1,170	1,300	11	15.7	23.6	26.2	74.6	49.5	7.2	6.4	10.2	13.7	13.7
Inox Leisure	Sell	273	240	-12	3.3	8.0	12.0	82.0	34.1	4.8	4.2	5.9	12.5	16.2
Jain Irrigation	Under Review	106	-		5.5	7.6	10.0	19.1	13.9	1.6	1.6	8.6	11.7	14.8
Just Dial	Neutral	524	465	-11	17.5	18.5	21.1	30.0	28.4	4.0	3.6	14.8	13.4	13.7
Kaveri Seed	Buy	517	738	43	19.1	34.1	41.0	27.1	15.2	3.5	3.7	13.6	23.3	27.4
Kitex Garm.	Buy	301	394	31	18.6	22.1	26.2	16.2	13.6	4.4	3.5	29.8	28.6	27.6
Manpasand	Buy	407	492	21	6.3	9.9	15.4	64.1	41.0	4.0	3.8	7.3	8.4	13.5
MCX	Buy	931	1,300	40	24.8	26.5	43.4	37.5	35.2	3.5	3.6	10.2	10.0	15.9
Monsanto	Buy	2,484	3,295	33	86.2	105.0	126.6	28.8	23.6	8.1	7.3	31.5	32.5	34.5
Navneet Education	Buy	155	209	35	7.3	8.4	10.4	21.2	18.3	5.2	4.5	26.7	26.3	27.9
Qess Corp	Buy	816	1,040	27	10.0	27.7	29.1	81.6	29.4	11.1	4.5	19.0	21.9	15.0
PI Inds.	Buy	835	890	7	33.4	29.9	35.6	25.0	27.9	7.1	5.9	32.8	23.0	22.9
Piramal Enterp.	Buy	2,575	3,266	27	72.6	104.6	149.7	35.5	24.6	3.0	2.8	9.0	11.7	15.3
SRF	Buy	1,741	1,992	14	85.9	76.7	104.9	20.3	22.7	3.2	2.9	16.6	13.2	16.3
S H Kelkar	Buy	256	301	18	7.2	6.6	9.7	35.3	38.7	4.6	4.2	13.7	11.3	15.1
Symphony	Sell	1,561	1,288	-17	23.7	35.1	42.9	66.0	44.5	24.5	21.6	43.3	51.6	54.5
Team Lease Serv.	Buy	1,848	2,300	24	38.8	43.0	66.4	47.6	42.9	8.3	6.9	19.2	17.6	22.2
Trident	Buy	87	114	31	6.6	8.3	10.4	13.2	10.5	1.6	1.4	13.0	14.5	16.1
TTK Prestige	Neutral	6,690	5,281	-21	132.1	137.8	176.1	50.7	48.5	9.1	8.3	19.5	18.0	20.7
V-Guard	Neutral	223	167	-25	3.6	4.5	6.0	62.4	49.7	14.9	12.1	27.4	26.9	28.8
Wonderla	Buy	367	393	7	7.0	11.9	16.0	52.5	30.7	4.8	4.3	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-3.3	16.4	-14.9
Ashok Ley.	0.7	-10.3	44.3
Bajaj Auto	-0.1	-0.4	22.9
Bharat Forge	1.0	8.6	54.6
Bosch	0.4	-12.8	0.3
CEAT	1.4	2.7	42.8
Eicher Mot.	0.0	-3.9	44.5
Endurance Tech.	1.4	4.1	110.8
Escorts	0.5	-3.9	129.9
Exide Ind	0.9	-3.4	10.9
Hero Moto	-0.4	-3.0	25.6
M&M	0.0	3.5	15.1
Mahindra CIE	0.4	1.7	29.8
Maruti Suzuki	0.5	4.1	63.9
Tata Motors	1.2	-5.3	-9.7
TVS Motor	1.3	0.7	96.4
<b>Banks - Private</b>			
Axis Bank	0.1	4.2	14.9
DCB Bank	-1.0	-8.3	69.4
Equitas Hold.	0.4	-9.4	-11.8
Federal Bank	1.5	-10.1	55.1
HDFC Bank	0.4	-2.8	45.1
ICICI Bank	1.1	16.5	31.9
IDFC Bank	-0.8	-6.5	-25.1
IndusInd	0.4	-6.6	46.4
J&K Bank	-1.0	2.0	25.8
Kotak Mah. Bk	0.5	-6.2	32.3
RBL Bank	0.4	-2.7	42.8
South Indian	1.3	-6.0	50.8
Yes Bank	0.2	-17.9	27.8
<b>Banks - PSU</b>			
BOB	4.6	32.2	5.3
BOI	5.1	51.3	71.2
Canara	3.9	25.0	23.6
IDBI Bk	1.2	12.6	-16.1
Indian Bk	5.1	52.2	69.8
OBC	4.9	12.8	6.6
PNB	4.9	41.6	27.3
SBI	2.5	32.2	20.3
Union Bk	5.5	36.4	17.7
<b>NBFCs</b>			
Aditya Birla Cap	4.8	9.6	
Bajaj Fin.	2.6	-6.8	96.2
Bharat Fin.	0.3	-6.2	39.5
Capital First	1.2	-9.7	32.6
Cholaman.Inv.&Fn	4.2	15.3	33.0
Dewan Hsg.	1.2	11.7	170.3
GRUH Fin.	1.5	-2.7	71.9
HDFC	0.7	-5.7	32.6
Indiabulls Hsg	1.4	-8.9	76.1
L&T Fin.Holdings	1.9	-8.4	121.7
LIC Hsg Fin	0.9	-11.4	13.9
Manappuram	8.7	-0.3	33.2
M&M Fin.	-1.2	1.4	55.2
Muthoot Fin	6.3	-9.0	48.3

Company	1 Day (%)	1M (%)	12M (%)
Bharat Elec.	2.0	5.1	51.4
BHEL	-0.6	4.4	-0.1
Blue Star	0.0	-11.8	51.7
CG Cons. Elec.	0.8	12.7	58.9
CG Power & Inds Sol.	1.1	2.9	8.9
Cummins	0.1	-4.9	7.2
GE T&D	1.9	3.4	17.0
Havells	-1.3	-8.1	53.1
K E C Intl	1.2	-0.5	117.7
L&T	0.8	6.4	33.1
Pennar Eng.	0.1	4.7	-31.1
Siemens	-0.8	-3.5	5.2
Solar Ind	4.7	14.1	69.5
Suzlon Energy	-1.5	-13.2	-9.2
Thermax	3.6	6.4	19.5
Va Tech Wab.	1.8	-7.3	11.0
Voltas	5.2	15.8	87.1
<b>Cement</b>			
Ambuja Cem.	-0.4	-1.6	35.8
ACC	1.1	0.1	34.0
Birla Corp.	1.5	12.4	63.1
Dalmia Bharat	1.1	9.7	93.8
Grasim Inds.	-1.8	1.5	70.2
India Cem	3.2	-3.7	48.7
J K Cements	1.4	12.4	38.2
JK Lakshmi Ce	-0.2	10.9	14.4
Ramco Cem	1.6	3.5	26.0
Orient Cem	3.9	3.7	19.1
Prism Cem	2.8	4.7	37.5
Shree Cem	-1.3	-4.6	28.7
Ultratech	-0.9	6.8	26.9
<b>Consumer</b>			
Asian Paints	0.3	0.8	26.3
Britannia	-0.1	4.2	58.3
Colgate	-0.5	-2.4	12.0
Dabur	1.4	5.4	23.3
Emami	2.6	12.2	22.1
Godrej Cons.	1.5	-4.7	31.6
GSK Cons.	0.6	21.7	22.5
HUL	0.9	-0.2	58.3
ITC	0.9	-4.7	10.6
Jyothy Lab	-0.3	-14.9	-5.0
Marico	4.6	-4.1	22.9
Nestle	-0.6	5.2	28.1
Page Inds	5.3	27.5	86.1
Parag Milk	1.8	-12.6	-11.5
Pidilite Ind.	0.6	1.1	31.1
P&G Hygiene	-0.4	2.2	33.3
Prabhat Dairy	3.2	2.3	47.4
United Brew	3.4	33.8	34.4
United Spirits	4.6	28.3	66.7
<b>Healthcare</b>			
Alembic Phar	0.9	4.6	-15.0
Alkem Lab	-1.2	7.0	19.9
Ajanta Pharma	-1.2	1.8	-30.3
Aurobindo	2.5	-5.9	-0.2

Company	1 Day (%)	1M (%)	12M (%)
PNB Housing	1.2	-11.3	67.0
PFC	2.5	1.7	6.3
Repco Home	1.3	-2.6	11.9
REC	0.3	2.1	23.7
STF	0.6	11.5	43.6
Shriram City Union	0.1	-3.6	5.3
<b>Capital Goods</b>			
ABB	0.9	0.8	30.1

Company	1 Day (%)	1M (%)	12M (%)
Biocon	-2.1	2.1	32.4
Cadila	0.8	-11.5	18.3
Cipla	-0.1	-2.2	10.1
Divis Lab	-0.9	15.2	-12.9
Dr Reddy's	1.2	-2.6	-27.3
Fortis Health	-6.8	-13.2	-19.7
Glenmark	-0.4	-5.0	-33.1





Company	1 Day (%)	1M (%)	12M (%)
Granules	0.2	-13.8	19.3
GSK Pharma	-0.7	3.7	-4.5
IPCA Labs	0.4	5.9	0.0
Jubilant Life	1.3	-6.1	3.2
Lupin	0.8	-22.5	-41.1
Sanofi India	2.4	5.6	7.1
Shilpa Medicare	-0.7	-7.1	11.3
Strides Shasun	0.3	-12.8	-24.9
Sun Pharma	0.7	-7.2	-23.8
Syngene Intl	-0.6	2.3	-5.6
Torrent Pharma	1.4	-0.8	3.4
<b>Infrastructure</b>			
Ashoka Buildcon	0.5	8.0	32.2
IRB Infra.Devl.	2.0	11.0	22.9
KNR Construct.	1.9	22.0	77.1
Sadbhav Engg.	1.4	12.7	12.5
<b>Logistics</b>			
Allcargo Logistics	-0.8	0.3	-8.7
Blue Dart	-0.9	-5.0	-17.3
Concor	-0.6	-2.7	28.7
Gateway Distriparks	0.3	4.6	5.7
Gati	1.1	3.8	-1.9
Transport Corp.	1.6	-4.3	53.4
<b>Media</b>			
Dish TV	0.5	6.2	-17.2
D B Corp	1.4	-1.1	-0.5
Den Net.	1.2	9.8	21.1
Ent.Network	0.5	-3.7	9.1
Hind. Media	-0.7	-3.6	-12.7
HT Media	1.5	1.5	29.7
Jagran Prak.	0.9	-4.7	-6.1
Music Broadcast	0.9	-6.3	
PVR	0.5	1.5	20.0
Prime Focus	-0.8	11.0	37.0
Siti Net.	1.0	2.2	-27.0
Sun TV	1.4	3.5	72.1
Zee Ent.	-0.3	4.9	13.4
<b>Metals</b>			
Hindalco	1.4	-5.9	56.6
Hind. Zinc	1.8	-5.7	27.0
JSPL	2.5	0.5	143.5
JSW Steel	1.2	-0.7	52.4
Nalco	1.2	-5.9	68.1
NMDC	1.1	0.8	7.7
Rain Industries	-5.0	62.5	646.5
SAIL	1.8	32.7	53.8
Vedanta	2.0	-9.9	45.4
Tata Steel	1.3	-4.0	75.3
<b>Oil &amp; Gas</b>			
BPCL	-1.2	0.0	18.0
GAIL	-0.2	2.2	39.3
Gujarat Gas	-1.4	-8.1	62.7
Gujarat St. Pet.	-1.5	2.7	38.2
HPCL	-0.3	-10.4	39.3
IOC	0.8	-5.0	36.1
IGL	-1.4	-1.7	82.1

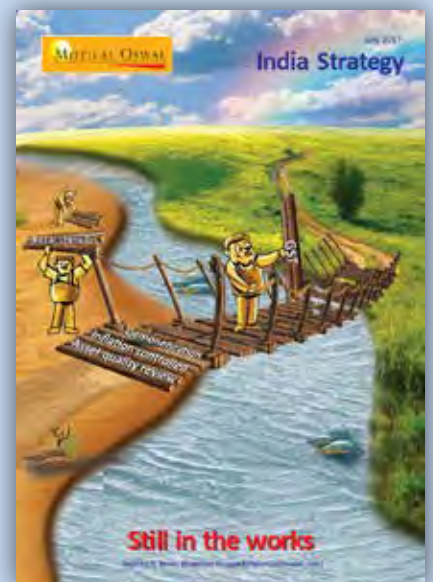
Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	0.1	22.9	141.5
<b>Technology</b>			
Cyient	2.3	-0.6	17.0
HCL Tech.	0.3	-7.8	9.6
Hexaware	0.0	21.3	75.3
Infosys	3.8	5.2	5.2
KPIT Tech	5.2	31.4	30.5
L&T Infotech	0.3	18.0	56.5
Mindtree	3.6	3.3	16.6
Mphasis	0.1	9.3	42.5
NIIT Tech	1.2	2.4	59.6
Persistent Sys	-0.2	-3.0	6.0
Tata Elxsi	2.7	4.6	67.0
TCS	1.5	6.2	25.4
Tech Mah	0.7	5.1	12.5
Wipro	0.5	2.6	34.0
Zensar Tech	0.3	15.4	-11.4
<b>Telecom</b>			
Bharti Airtel	0.5	8.1	58.3
Bharti Infratel	1.8	-18.3	6.9
Idea Cellular	2.6	15.5	36.0
Tata Comm	1.9	-3.4	14.7
<b>Utilities</b>			
Coal India	-1.3	-7.3	-14.0
CESC	-1.1	-2.8	70.0
JSW Energy	1.3	1.9	38.7
NTPC	1.6	0.7	17.8
Power Grid	0.7	1.4	10.9
Tata Power	3.2	3.6	19.8
<b>Others</b>			
Arvind	2.9	7.6	26.1
Avenue Super.	1.0	-9.7	
Bata India	-0.4	-5.3	72.9
BSE	0.0	-0.7	
Castrol India	1.1	5.4	-1.0
Century Ply.	2.5	6.9	60.2
Coromandel Intl	3.9	7.1	110.7
Delta Corp	6.4	14.1	149.4
Dynamatic Tech	0.6	-3.7	-31.4
Eveready Inds.	1.0	11.6	63.2
Interglobe	0.1	4.1	40.1
Indo Count	3.2	10.6	-12.1
Info Edge	0.1	5.5	32.5
Inox Leisure	0.3	16.9	16.2
Jain Irrigation	5.3	12.9	19.6
Just Dial	2.8	28.2	32.3
Kaveri Seed	0.8	-6.7	36.0
Kitex Garm.	1.3	37.3	10.2
Manpasand	-3.1	-9.9	22.3
MCX	-0.3	-17.5	-27.7
Monsanto	1.3	1.1	10.3
Navneet Educat.	-0.2	-9.1	44.3
PI Inds.	1.8	9.0	5.0
Piramal Enterp.	0.2	-6.2	80.2
Quess Corp	0.8	-1.6	38.0
SRF	1.9	0.8	14.3

Company	1 Day (%)	1M (%)	12M (%)
MRPL	-0.5	-5.3	39.6
Oil India	-1.4	0.6	14.1
ONGC	1.1	4.3	-1.2
PLNG	0.7	0.7	43.2
Reliance Ind.	2.3	3.1	83.1
<b>Retail</b>			
Jubilant Food	3.3	14.5	101.4

Company	1 Day (%)	1M (%)	12M (%)
S H Kelkar	0.4	-8.5	-13.3
Symphony	0.7	10.0	29.6
Team Lease Serv.	0.6	14.7	105.1
Trident	1.8	-14.1	72.4
TTK Prestige	2.3	9.7	30.0
V-Guard	-0.6	17.5	74.6
Wonderla	-3.6	1.2	8.2

## NOTES

# THEMATIC/STRATEGY RESEARCH GALLERY





# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

**MOTILAL OSWAL** Initiating Coverage | 11 December 2017  
Sector: Metals

### Rain Industries

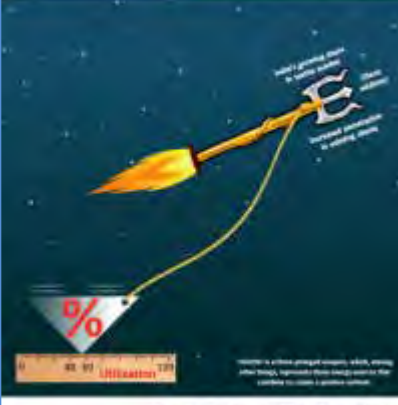


**Enduring Tailwinds**

Analyst: Anil K. Research Analyst, anil.k@motilaloswal.com, 91 11 2618 2000  
SVP, Research: Divya Chhabra, divya.c@motilaloswal.com, 91 11 2618 2100  
Disclaimer: See attached to this Research Report document for details on the full page of the Research Report. Motilal Oswal is not a registered investment advisor. Research, Trading, Brokerage, and other services are provided by Motilal Oswal Financial Services Private Limited.

**MOTILAL OSWAL** Initiating Coverage | 22 August 2017  
Sector: Metals

### Trident



**An attractive utilization play**

Analyst: Anil K. Research Analyst, anil.k@motilaloswal.com, 91 11 2618 2000  
SVP, Research: Divya Chhabra, divya.c@motilaloswal.com, 91 11 2618 2100  
Disclaimer: See attached to this Research Report document for details on the full page of the Research Report. Motilal Oswal is not a registered investment advisor. Research, Trading, Brokerage, and other services are provided by Motilal Oswal Financial Services Private Limited.

**MOTILAL OSWAL** Initiating Coverage | 7 August 2017  
Sector: Healthcare

### Strides Shasun



**Making great strides**

Analyst: Anil K. Research Analyst, anil.k@motilaloswal.com, 91 11 2618 2000  
SVP, Research: Divya Chhabra, divya.c@motilaloswal.com, 91 11 2618 2100  
Disclaimer: See attached to this Research Report document for details on the full page of the Research Report. Motilal Oswal is not a registered investment advisor. Research, Trading, Brokerage, and other services are provided by Motilal Oswal Financial Services Private Limited.

**MOTILAL OSWAL** Initiating Coverage | 10 July 2017  
Sector: Healthcare

### Shilpa Medicare



**Injecting Growth**

Analyst: Anil K. Research Analyst, anil.k@motilaloswal.com, 91 11 2618 2000  
SVP, Research: Divya Chhabra, divya.c@motilaloswal.com, 91 11 2618 2100  
Disclaimer: See attached to this Research Report document for details on the full page of the Research Report. Motilal Oswal is not a registered investment advisor. Research, Trading, Brokerage, and other services are provided by Motilal Oswal Financial Services Private Limited.

**MOTILAL OSWAL** Initiating Coverage | 18 July 2017  
Sector: Insurance

### Capital First



**Capitalizing on multiple opportunities**

Analyst: Anil K. Research Analyst, anil.k@motilaloswal.com, 91 11 2618 2000  
SVP, Research: Divya Chhabra, divya.c@motilaloswal.com, 91 11 2618 2100  
Disclaimer: See attached to this Research Report document for details on the full page of the Research Report. Motilal Oswal is not a registered investment advisor. Research, Trading, Brokerage, and other services are provided by Motilal Oswal Financial Services Private Limited.

**MOTILAL OSWAL** Initiating Coverage | 15 July 2017  
Sector: Insurance

### L&T Finance Holdings

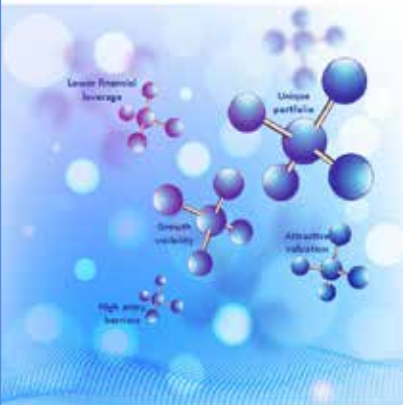


**Focused approach**

Analyst: Anil K. Research Analyst, anil.k@motilaloswal.com, 91 11 2618 2000  
SVP, Research: Divya Chhabra, divya.c@motilaloswal.com, 91 11 2618 2100  
Disclaimer: See attached to this Research Report document for details on the full page of the Research Report. Motilal Oswal is not a registered investment advisor. Research, Trading, Brokerage, and other services are provided by Motilal Oswal Financial Services Private Limited.

**MOTILAL OSWAL** Initiating Coverage | 14 July 2017  
Sector: Healthcare

### Jubilant Life Sciences

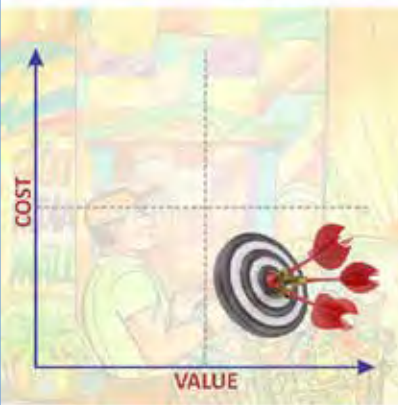


**Promising formulation**

Analyst: Anil K. Research Analyst, anil.k@motilaloswal.com, 91 11 2618 2000  
SVP, Research: Divya Chhabra, divya.c@motilaloswal.com, 91 11 2618 2100  
Disclaimer: See attached to this Research Report document for details on the full page of the Research Report. Motilal Oswal is not a registered investment advisor. Research, Trading, Brokerage, and other services are provided by Motilal Oswal Financial Services Private Limited.

**MOTILAL OSWAL** Initiating Coverage | 21 June 2017  
Sector: Retail

### Avenue Supermarts



**Delivering Value**

Analyst: Anil K. Research Analyst, anil.k@motilaloswal.com, 91 11 2618 2000  
SVP, Research: Divya Chhabra, divya.c@motilaloswal.com, 91 11 2618 2100  
Disclaimer: See attached to this Research Report document for details on the full page of the Research Report. Motilal Oswal is not a registered investment advisor. Research, Trading, Brokerage, and other services are provided by Motilal Oswal Financial Services Private Limited.

**MOTILAL OSWAL** Initiating Coverage | 21 June 2017  
Sector: Finance

### Cholamandam Finance



**Prepared, Equipped and Armed**

Analyst: Anil K. Research Analyst, anil.k@motilaloswal.com, 91 11 2618 2000  
SVP, Research: Divya Chhabra, divya.c@motilaloswal.com, 91 11 2618 2100  
Disclaimer: See attached to this Research Report document for details on the full page of the Research Report. Motilal Oswal is not a registered investment advisor. Research, Trading, Brokerage, and other services are provided by Motilal Oswal Financial Services Private Limited.



# DIFFERENTIATED PRODUCT GALLERY

**MOTILAL OSWAL** October 2017

## Annual Report Threadbare

**INTERGLOBE AVIATION FY17**  
 INTERGLOBE Aviation (IAG) has reported a record year for FY17. The company's performance was supported by higher order business in IAG's key markets, IAG's continued expansion in emerging markets, and IAG's strong performance in the IAG's key markets. IAG's revenue for FY17 was ₹1,000 crore, an increase of 15% over FY16. IAG's operating profit for FY17 was ₹150 crore, an increase of 20% over FY16. IAG's EBITDA for FY17 was ₹200 crore, an increase of 25% over FY16. IAG's net profit for FY17 was ₹100 crore, an increase of 30% over FY16. IAG's key metrics for FY17 are as follows:

Revenue	₹1,000
Operating Profit	₹150
EBITDA	₹200
Net Profit	₹100

**Key Metrics:**  
 Revenue: ₹1,000 crore  
 Operating Profit: ₹150 crore  
 EBITDA: ₹200 crore  
 Net Profit: ₹100 crore

**Key Highlights:**  
 - Revenue growth of 15% over FY16  
 - Operating profit growth of 20% over FY16  
 - EBITDA growth of 25% over FY16  
 - Net profit growth of 30% over FY16

**Key Challenges:**  
 - Increased competition in the IAG's key markets  
 - Higher fuel costs  
 - Increased operational costs

**Key Opportunities:**  
 - Expansion into emerging markets  
 - Diversification of the IAG's revenue streams  
 - Investment in new aircraft

**Key Risks:**  
 - Increased competition  
 - Higher fuel costs  
 - Increased operational costs

**Key Outlook:**  
 - Continued growth in the IAG's key markets  
 - Expansion into emerging markets  
 - Diversification of the IAG's revenue streams

**Key Contact:**  
 Mr. [Name], [Designation]  
 [Address]  
 [Phone Number]  
 [Email Address]

**MOTILAL OSWAL** 14 June 2017

## The CornerOffice

**Focused growth strategy leveraging on trends in 2Ws**  
 Special events, mergers & acquisitions, and business deals

**Insights**  
 The market has seen a period of consolidation in the last few months. This is due to the fact that the market has been overvalued and is now trading at a discount. This has led to a period of consolidation in the market. The market has seen a period of consolidation in the last few months. This is due to the fact that the market has been overvalued and is now trading at a discount. This has led to a period of consolidation in the market.

**Key Highlights:**  
 - Special events, mergers & acquisitions, and business deals  
 - Market consolidation  
 - Overvaluation and discount

**Key Challenges:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Opportunities:**  
 - Special events, mergers & acquisitions, and business deals  
 - Market consolidation

**Key Risks:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Outlook:**  
 - Continued consolidation in the market  
 - Market consolidation

**Key Contact:**  
 Mr. [Name], [Designation]  
 [Address]  
 [Phone Number]  
 [Email Address]

**MOTILAL OSWAL** 13th August 2017

## VOICES

**India Inc on Call**

**Key Highlights:**  
 - India Inc on Call  
 - Market consolidation  
 - Overvaluation and discount

**Key Challenges:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Opportunities:**  
 - India Inc on Call  
 - Market consolidation

**Key Risks:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Outlook:**  
 - Continued consolidation in the market  
 - Market consolidation

**Key Contact:**  
 Mr. [Name], [Designation]  
 [Address]  
 [Phone Number]  
 [Email Address]

**MOTILAL OSWAL** 14 June 2017

## EcoKnowLedge

**India Inc on Call**

**Key Highlights:**  
 - India Inc on Call  
 - Market consolidation  
 - Overvaluation and discount

**Key Challenges:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Opportunities:**  
 - India Inc on Call  
 - Market consolidation

**Key Risks:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Outlook:**  
 - Continued consolidation in the market  
 - Market consolidation

**Key Contact:**  
 Mr. [Name], [Designation]  
 [Address]  
 [Phone Number]  
 [Email Address]

**MOTILAL OSWAL**

## BULLS & BEARS

**INDIA VALUATIONS HANDBOOK**

**Key Highlights:**  
 - Bulls & Bears  
 - Market consolidation  
 - Overvaluation and discount

**Key Challenges:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Opportunities:**  
 - Bulls & Bears  
 - Market consolidation

**Key Risks:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Outlook:**  
 - Continued consolidation in the market  
 - Market consolidation

**Key Contact:**  
 Mr. [Name], [Designation]  
 [Address]  
 [Phone Number]  
 [Email Address]

**MOTILAL OSWAL**

## FUND FOLIO

**Indian Mutual Fund Tracker**

**Key Highlights:**  
 - Fund Folio  
 - Market consolidation  
 - Overvaluation and discount

**Key Challenges:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Opportunities:**  
 - Fund Folio  
 - Market consolidation

**Key Risks:**  
 - Market consolidation  
 - Overvaluation and discount

**Key Outlook:**  
 - Continued consolidation in the market  
 - Market consolidation

**Key Contact:**  
 Mr. [Name], [Designation]  
 [Address]  
 [Phone Number]  
 [Email Address]

## Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Securities Ltd. (MOSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOSL is a subsidiary company of Motilal Oswal Financial Service Ltd. (MOFSL). MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Metropolitan Stock Exchange of India Ltd. (MSE) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) & National Securities Depository Limited (NSDL) and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products. Details of associate entities of Motilal Oswal Securities Limited are available on the website at <http://online-reports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

### Pending Regulatory Enquiries against Motilal Oswal Securities Limited by SEBI:

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.

MOSL, its associates, Research Analyst or their relative may have any financial interest in the subject company. MOSL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. MOSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. MOSL and/or its associates may have received any compensation from the subject company in the past 12 months.

In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, MOSL or any of its associates may have:

- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
- Subject Company may have been a client of MOSL or its associates during twelve months preceding the date of distribution of the research report.

MOSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. To enhance transparency, MOSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

### Terms & Conditions:

This report has been prepared by MOSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOSL will not treat recipients as customers by virtue of their receiving this report.

### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

### Disclosure of Interest Statement

#### Companies where there is interest

- Analyst ownership of the stock

No

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Securities Limited (MOSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

Motilal Oswal Capital Markets Singapore Pte Limited is acting as an exempt financial advisor under section 23(1)(f) of the Financial Advisers Act (FAA) read with regulation 17(1)(d) of the Financial Advisers Regulations and is a subsidiary of Motilal Oswal Securities Limited in India. This research is distributed in Singapore by Motilal Oswal Capital Markets Singapore Pte Limited and it is only directed in Singapore to accredited investors, as defined in the Financial Advisers Regulations and the Securities and Futures Act (Chapter 289), as amended from time to time. In respect of any matter arising from or in connection with the research you could contact the following representatives of Motilal Oswal Capital Markets Singapore Pte Limited:

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; [www.motilaloswal.com](http://www.motilaloswal.com). Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 3080 1000. Compliance Officer: Neeraj Agarwal, Email Id: [na@motilaloswal.com](mailto:na@motilaloswal.com), Contact No.:022-30801085.

Registration details of group entities: MOSL: NSE (Cash): INB231041238; NSE (F&O): INF231041238; NSE (CD): INE231041238; BSE (Cash): INB011041257; BSE(F&O): INF011041257; MSE(CD); MSE(Cash): INB261041231; MSE(F&O): INF261041231; MSE(CD): INE261041231; CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN 17397. Investment Adviser: INA00007100. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP00000670) offers PMS and Mutual Funds products. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP00004409) offers wealth management solutions. \*Motilal Oswal Securities Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance and IPO products. \* Motilal Oswal Commodities Broker Pvt. Ltd. offers Commodities Products. \* Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. offers Real Estate products. \* Motilal Oswal Private Equity Investment Advisors Pvt. Ltd. offers Private Equity products