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Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	31,795	0.1	19.4
Nifty-50	9,904	0.1	21.0
Nifty-M 100	18,126	0.2	26.3
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,430	-1.5	8.5
Nasdaq	6,222	-1.9	15.6
FTSE 100	7,388	-0.6	3.4
DAX	12,203	-0.5	6.3
Hang Seng	10,801	-0.2	15.0
Nikkei 225	19,703	-0.1	3.1
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	50	0.8	-9.1
Gold (\$/OZ)	1,285	1.2	10.9
Cu (US\$/MT)	6,456	-0.6	16.9
Almn (US\$/MT)	2,083	-0.8	22.3
Currency	Close	Chg. %	YTD.%
USD/INR	64.2	0.0	-5.5
USD/EUR	1.2	0.0	10.9
USD/JPY	110.0	-0.8	-6.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.5	0.0	0.0
10 Yrs AAA Corp	7.4	0.0	-0.1
Flows (USD b)	17-Aug	MTD	YTD
FII	-0.2	-1.0	7.8
DII	0.1	1.6	5.6
Volumes (INRb)	17-Aug	MTD*	YTD*
Cash	276	309	289
F&O	11,472	6,916	5,185

Note: YTD is calendar year, *Avg

Today's top research theme

India Strategy - 1QFY18 Earnings Review: Weak start to FY18

Earnings recovery remains elusive

- ✓ The 1QFY18 earnings season marked another quarter of weak performance and a subdued start to FY18. The performance was also hit by GST-related de-stocking in several consumer-oriented sectors – Auto, FMCG, Healthcare and Consumer Durables. Destocking-driven volume/top-line miss exacerbated the impact at EBITDA level, as it resulted in operating de-leverage.
- ✓ Nifty aggregate sales grew by 8.9% (est. of +5.9%), while EBITDA declined by 0.7% (est. of +4.6%) and PAT by 9.8% (est. decline of 1.1%).
- ✓ The underlying operating performance remains weak. 44% of our Universe reported a profit decline – a trend similar to 4QFY17.
- ✓ Domestic Cyclical drove the performance, aided by a low base. Defensives posted another quarter of earnings decline, dragged by Healthcare. Metals stood out with earnings growth significantly above expectations.
- ✓ We have revised our Nifty EPS estimate downwards for FY18 by 2.6 % to INR484 and maintained FY19 Nifty EPS at INR602.

Research covered

Cos/Sector	Key Highlights
India Strategy	1QFY18 Earnings Review
Cement	Seasonal price correction across most markets
Maruti Suzuki	Several initiatives to further deepen, build moats
Dish TV	Exhibits partial recovery as demon impact fades
Tata Elxsi	Optimum blend of design and technology

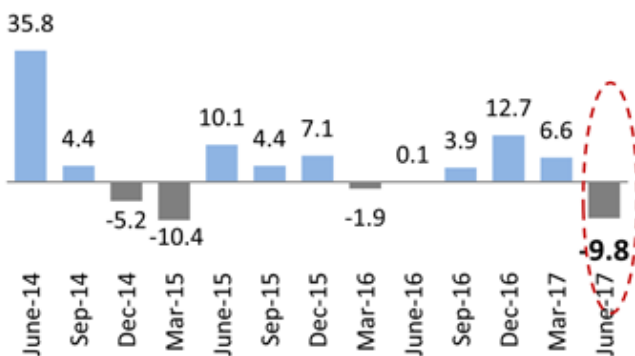
Piping hot news

HDFC Bank, PNB & YES Bank cut savings bank rate

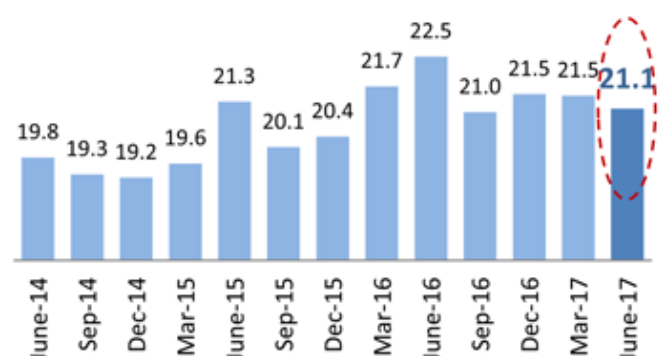
- ✓ HDFC Bank, Punjab National Bank (PNB) and YES Bank have taken a cue from the recent move by State Bank of India (SBI) and a couple of other lenders to lower their savings bank deposit rates.

Chart of the Day: Nifty PAT growth lowest in nine quarters; EBIDTA margins ex Financials and OMCs contract 140bps YoY

Nifty universe PAT growth (YoY, %)



Nifty universe EBIDTA margin ex-financials & OMCs (%)



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

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



Kindly click on textbox for the detailed news link

1

FDI reforms: Narendra Modi government mulls relaxing food retail norms, may allow retailers to sell non-food items

The government is weighing a proposal to relax foreign direct investment (FDI) guidelines in food retail to allow a certain percentage of locally-produced non-food items along with the edible products...

2

First shipment of US crude oil worth \$100 million to reach India next month

The first shipment of American crude oil worth \$100 million will reach India next month, with US President Donald Trump promising to be a "reliable, long-term supplier" of energy to India's developmental needs. The shipment of crude oil to India comes nearly two years after the then US president Barack Obama lifted the 40-year-old ban on its export...

3

SC allows Delhi Airport to commercially utilize land for non-aeronautical purposes

The Supreme Court on Thursday upheld a ruling of the Delhi high court that allowed Delhi International Airport Ltd (DIAL), a unit of GMR Group, to put airport land to commercial use for non-aeronautical purposes...

4

Shapoorji Pallonji Group says Tata group loses more if business ties snapped

The Shapoorji Pallonji (SP) Group said it gives more business to the Tata group of companies than it gets from the latter. Any step to snap business ties is detrimental, not to the SP Group, but to the interests of the Tatas, said a Shapoorji Pallonji spokesperson...

5

Volvo bets big on India reforms

Swedish auto giant Volvo is betting on economic reforms of the Narendra Modi government, including the recently introduced goods and services tax, for growth in India, adding that there is scope to improve the flexibility of hiring and firing labourers in the country...

6

Centrum Group gets insurance broking licence

The Centrum Group, controlled by former Standard Chartered Asia chief Jaspal Bindra, has obtained an insurance broking licence, a move seen as a possible precursor to the financial services organisation running a standalone insurance company through acquisition...

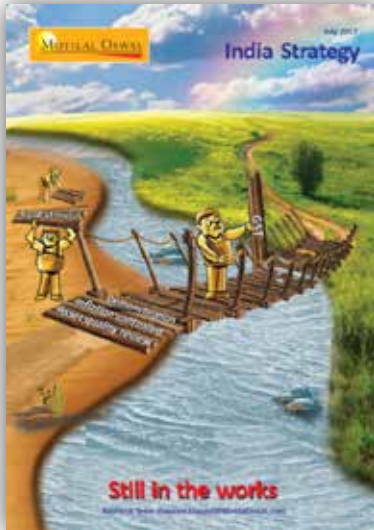
7

Hyundai shifts gears to electric car

Hyundai Motor Co said on Thursday it was placing electric vehicles at the centre of its product strategy — one that includes plans for a premium long-distance electric car as it seeks to catch up to Tesla and other rivals...



Refer our Jun-17
Quarter Preview



1QFY18 Earnings Review

Weak start to FY18

Ten key takeaways from 1QFY18

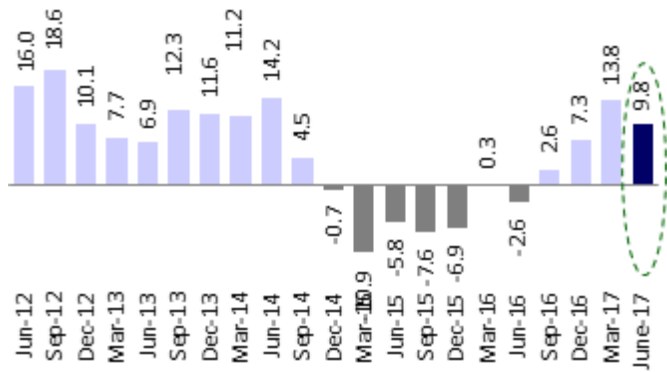
- n The 1QFY18 earnings season marked another quarter of weak performance and a subdued start to FY18. The performance was also hit by GST-related de-stocking in several consumer-oriented sectors – Auto, FMCG, Healthcare and Consumer Durables. Destocking-driven volume/top-line miss exacerbated the impact at EBITDA level, as it resulted in operating de-leverage. Several companies compensated dealers/distributors for taxation hit due to GST.
- n Underlying operating performance remains weak. 44% of our Universe reported a profit decline – a trend similar to 4QFY17.
- n 1QFY18 performance in a way makes the FY18 earnings recovery thesis that much more challenging. We expect GST-related volatility to continue even in 2QFY18 before the low base of demonetization in 2HFY17 comes to the rescue.
- n The 1QFY18 miss at the Nifty PAT level is accounted for by just five companies – Tata Motors, IOC, BPCL, Sun Pharma and Bharti Airtel.
- n Domestic Cyclical drove the quarterly performance, aided by a low base. Defensives posted another quarter of earnings decline, dragged by Healthcare. Metals stood out with earnings growth significantly above expectations.
- n Consumer sector posted marginal but first PAT decline (-0.2% YoY) in 25 quarters.
- n The impact of GST-related destocking was witnessed the most in sectors like Auto, Healthcare and Consumers.
- n Healthcare reported another washout quarter, with a 48% YoY decline in profits – a significant miss.
- n Operating margin for MOSL Universe (Ex- OMCs, Financials) contracted 180bp YoY to 19.6% (Est. 20.5%), exacerbated by GST-related destocking.
- n Earnings downgrade/upgrade ratio is still skewed in favor of downgrades, with 81 companies seeing earnings cut of 3%+ and 38 companies seeing earnings upgrades of 3%+. We marginally cut Nifty EPS by 2.6% for FY18E, but keep FY19E EPS unchanged. We now expect Nifty EPS to grow 14% to INR484 in FY18 and 24% to INR602 in FY19.

Key highlights for 1QFY18

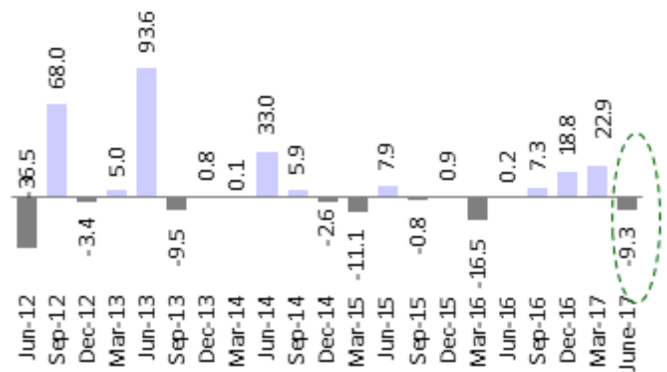
- n **MOSL Universe aggregate PAT declined 9% YoY (big miss):** Aggregate sales of MOSL Universe grew 9.8% YoY (our estimate: +6.6%), EBITDA was up 1.1% YoY (our estimate: +3.7%) and PAT declined 9.3% YoY (our estimate: -2.8%). MOSL Universe (ex OMCs) posted sales, EBITDA and PAT growth of 6.9%, 1% and -0.9%, as against estimates of 7.2%, 4.3% and 5.5%, respectively.
- n **Nifty PAT declined 10% YoY (well below estimate):** Nifty aggregate sales grew 8.9% YoY (our estimate: +5.9%), EBITDA declined 0.7% (our estimate: +4.6%) and PAT fell 9.8% (our estimate: -1.1%). Excluding OMCs, Nifty PAT declined 0.7% YoY v/s estimate of 8% growth.
- n **Major earnings surprises** were from HUL, Tata Steel, Ultratech, JSW Steel, Tech Mahindra, United Breweries, Titan, Shree Cement, Interglobe Aviation and Bharat Electronics.

- Major disappointments in earnings were from Dr. Reddy, Tata Motors, Sun Pharma, Ashok Leyland, Lupin, SBI, Emami, United Spirits, ONGC and LIC Housing Finance.
- Rating downgrades/upgrades: In our Universe, we downgraded ratings for nine stocks and upgraded for five stocks in 1QFY18. We have revised our Nifty EPS estimate downward for FY18 by 2.6% to INR484 and maintained FY19 Nifty EPS at INR602. We are now building in 14% EPS growth for Nifty for FY18E. We note that 2HFY18 has benefit of low base on account of demonetization-related disruption in 2HFY17.

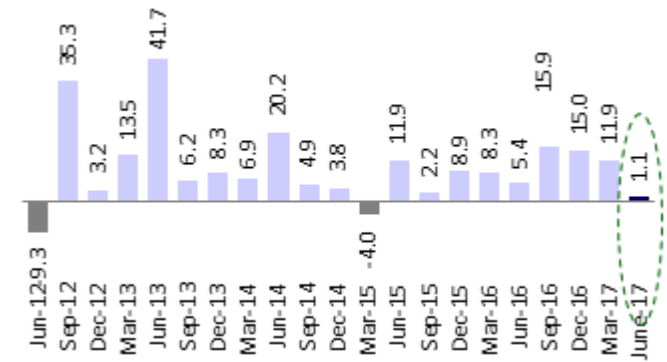
MOSL Universe sales growth at 9.8% (YoY, %)



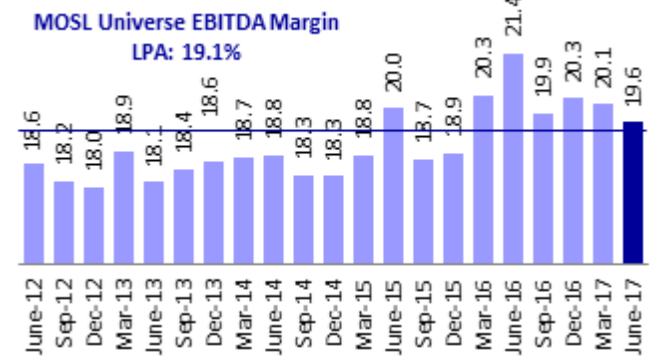
MOSL Universe PAT growth at five-quarter low (YoY, %)



MOSL Universe EBITDA growth at nine-quarter low (YoY, %)



EBITDA margin (ex-Financials & OMCs) contracted for 2 cons. quarters



Sector performance: Metals, Capital Goods stand out; Six sectors post YoY PAT decline

- Sales growth was led by Retail(37%), Metals (24%), NBFCs (23%), Private Banks (15%), and Oil & Gas (20%). Autos (-1%), Healthcare(-9%) and Telecom (-11%) dragged sales.
- EBITDA growth was led by Metals (31%), NBFC (23%) and Retail(29%). Autos, Consumer, Healthcare and Telecom reported EBITDA decline of 23%, 1%, 35% and 20%, respectively.
- PAT growth was led by Capital Goods (24%), PSU Banks (218%), Private Banks (11%), Metals (79%) and Logistics(27%). Autos reported PAT decline of 32%, Telecom reported 90% fall, and Healthcare reported 48% decline.

- n Auto missed our PAT estimates by 19% (owing to Tata Motors), PSU Banks by 44%, Healthcare by 41%, and Oil & Gas PAT by 12%.

Sectoral actual v/s expected - MOSL universe (INR b)

Sector (no of companies)	Sales				EBITDA				PAT				EBIDTA Margin	
	Jun 2017	Chg. % QoQ	Chg. % YoY	Var. over Exp. (%)	Jun 2017	Chg. % QoQ	Chg. % YoY	Var. over Exp. (%)	Jun 2017	Chg. % QoQ	Chg. % YoY	Var. over Exp. (%)	Jun 2017 (%)	Chg. YoY bp
High growth sectors	2,249	-14	15	1	566	-25	12	0	152	5	68	2	25.2	-73
Banks - PSU (7)	338	-11	0	-8	259	-27	1	-6	34	LP	218	-44	76.6	40
Metals (9)	1,158	-12	23	3	213	-23	30	8	67	-35	79	72	18.4	98
Logistics (3)	30	1	7	5	4	-28	8	15	3	-36	27	32	14.7	7
Capital Goods (13)	468	-30	10	1	35	-54	9	-10	21	-62	24	2	7.5	-6
Media (7)	51	12	4	1	16	21	9	3	8	18	18	-10	30.8	154
Others (14)	158	13	14	1	34	34	12	2	17	53	16	10	21.7	-39
Retail (2)	47	15	37	14	4	34	29	20	3	25	15	12	9.5	-57
Med/Low growth sectors	1,944	0	6	0	672	0	7	2	405	1	4	0	34.6	45
NBFC (13)	126	-2	23	3	95	-5	23	1	50	1	11	-8	75.6	-3
Banks - Private (11)	274	0	15	-2	236	3	15	3	108	3	11	0	86.1	-51
Cement (9)	234	2	11	0	50	23	5	7	27	26	2	4	21.5	-128
Technology (15)	895	-1	3	0	196	-5	-2	-1	155	-2	0	2	21.9	-93
Consumer (17)	415	-2	1	-2	95	-3	-1	1	64	-3	0	-1	22.8	-37
PAT de-growth sectors	5,829	-4	9	5	866	-10	-9	-7	360	-25	-32	-16	14.9	-294
Telecom (4)	380	0	-11	1	118	-2	-20	3	3	-76	-90	62	31.0	-345
Healthcare (17)	337	-6	-8	-13	57	-15	-35	-33	31	-33	-48	-41	17.0	-698
Automobiles (15)	1,220	-13	-1	-1	139	-31	-23	-16	61	-42	-32	-19	11.4	-333
Oil & Gas (12)	3,325	-1	20	12	379	-8	5	0	190	-20	-31	-12	11.4	-166
Utilities (6)	568	-5	5	-2	174	8	1	-6	75	-7	-4	-9	30.5	-129
MOSL Universe (174)	10,023	-6.1	9.8	3.0	2,104	-12.0	1.1	-2.6	917	-10.7	-9.3	-6.8	21.0	-181
MOSL Ex OMCs (171)	7,863	-8.5	6.9	-0.2	1,989	-11.8	1.0	-3.2	874	-8.3	-0.9	-6.1	25.3	-149
Sensex (30)	4,489	-10.1	3.8	0.0	1,198	-13.1	-3.4	-6.1	559	-10.5	-4.3	-8.4	26.7	-197
Nifty (50)	7,284	-6.7	8.9	2.8	1,569	-12.1	-0.7	-5.1	727	-10.0	-9.8	-8.9	21.5	-206

Nifty performance: 10% PAT decline; performance weak even excluding OMC's

- n Nifty aggregate sales grew by 8.9% (our estimate: 5.9%), EBITDA declined by 0.7% (our estimate: +4.6%) and PAT declined by 9.8% (our estimate: decline of 1.1%).
- n 13 Nifty companies reported PAT above estimates, 25 below estimates, and 12 in-line.
- n Highest PAT growth companies: SBI, Tata Steel, Vedanta, Tata Power, Larsen & Turbo, ACC, Yes Bank and Hindalco.
- n Top PAT de-growth companies: IOC, BPCL, Tata Motors, Sun Pharma, Bharti Airtel, Lupin, Dr. Reddy and Bank of Baroda.

EPS downgrade de-construct

- n We have cut our FY18E Nifty EPS by 2.6% to INR484 and maintained our FY19E EPS at INR602.
- n We now expect Nifty EPS to grow by 13.6% in FY18 and 24.4% in FY19.
- n However, confidence in FY19 recovery remains low given the current underlying operating metrics of various sectors.
- n Tata Steel, Vedanta, Tech Mahindra and Cipla have seen healthy upgrades of 29%, 13%, 10% and 6%, respectively. Bank of Baroda, Sun Pharma, Lupin, Tata Motors, Bharti Airtel, Dr. Reddy's, SBI and Bosch India have seen EPS downgrades of 48%, 40%, 29%, 28%, 26%, 20%, 19% and 16%, respectively.

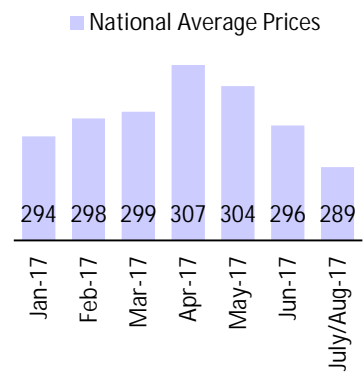
Nifty stock revision since preview

(INR)	Current EPS (INR)			EPS Upgrade / Downgrade (%)		EPS Growth (%)		
	FY17	FY18E	FY19E	FY18E	FY19E	FY17	FY18E	FY19E
Tata Steel	37.9	65.1	64.3	28.9	-3.3	394.2	71.6	-1.3
Vedanta	15.1	24.8	33.1	12.5	42.4	40.6	63.7	33.7
Tech Mahindra	30.9	34.0	36.8	9.6	1.6	-11.9	9.9	8.3
Cipla	15.9	21.1	26.0	5.7	4.0	-15.5	32.7	23.2
Wipro	16.9	18.1	19.1	4.8	1.0	-6.3	7.1	5.4
Bharti Infratel	14.9	17.9	20.4	4.4	5.3	25.3	20.7	13.6
HDFC	46.8	52.9	59.0	4.4	5.6	4.3	12.9	11.6
Coal India	14.9	18.3	19.1	3.7	2.5	-33.9	22.3	4.6
IndusInd Bank	47.9	61.9	76.8	3.0	3.5	24.8	29.1	24.1
Mahindra & Mahindra	54.3	68.5	82.4	2.7	3.1	4.3	26.1	20.3
IOC	43.0	36.7	40.4	2.0	1.2	106.9	-14.7	10.2
Yes Bank	73.0	92.3	114.5	1.7	-0.1	20.8	26.5	24.1
Aurobindo Pharma	39.3	44.9	50.0	1.7	-0.5	13.5	14.3	11.3
HDFC Bank	56.8	68.2	82.1	1.6	3.4	16.7	20.2	20.4
GAIL	22.6	26.5	31.3	0.8	5.1	71.4	17.6	17.8
Kotak Mahindra Bank	26.8	32.4	41.0	0.7	1.7	42.3	20.9	26.5
Hind. Unilever	19.6	22.9	27.3	0.7	1.4	1.9	16.8	19.2
HCL Technologies	59.8	61.8	65.9	0.6	-1.2	49.2	3.2	6.6
Hindalco	16.2	22.0	26.3	0.5	0.5	35.1	35.8	19.8
Infosys	62.9	63.7	69.5	0.5	0.8	6.6	1.2	9.1
Adani Ports	18.9	17.7	20.5	0.0	0.0	35.0	-6.4	16.1
Tata Power	5.2	6.4	6.7	0.0	0.0	21.1	23.4	5.1
NTPC	13.0	13.4	16.2	0.0	0.0	5.4	3.1	20.8
ACC	36.1	49.8	65.0	-0.2	0.1	-4.0	37.9	30.6
Eicher Motors	612.7	852.9	1092.8	-1.0	-0.9	24.4	39.2	28.1
Power Grid Corp.	14.2	17.4	20.6	-1.3	0.0	23.9	22.1	18.1
Indiabulls Housing	69.0	86.3	108.4	-2.9	-4.9	24.0	25.0	25.6
ITC	8.4	9.3	10.3	-3.9	-11.1	9.4	10.4	11.4
Maruti Suzuki	248.6	281.0	375.3	-4.0	-1.2	36.6	13.0	33.5
Asian Paints	21.0	22.2	26.5	-4.0	-3.4	8.7	5.6	19.5
Ambuja Cements	4.9	7.0	8.2	-4.2	0.5	-10.6	42.2	18.4
TCS	133.4	133.6	147.7	-4.3	-2.5	8.3	0.1	10.5
Bajaj Auto	132.3	137.2	163.6	-4.4	-2.6	-2.6	3.7	19.2
Hero MotoCorp	169.1	189.3	199.1	-4.5	0.2	6.9	12.0	5.1
Ultratech Cement	96.1	91.5	138.8	-4.5	-3.1	11.2	-4.7	51.6
Larsen & Toubro	42.3	44.8	51.7	-4.5	-4.1	43.0	5.9	15.3
ICICI Bank	15.3	14.9	17.0	-4.8	-4.9	0.6	-2.7	14.3
Zee Entertainment	23.1	14.7	18.9	-5.3	2.0	149.4	-36.2	28.4
Reliance Inds.	96.7	115.5	128.1	-5.4	-2.2	14.6	19.5	10.9
ONGC	16.4	16.5	19.7	-5.4	0.0	20.8	0.3	19.9
BPCL	48.3	34.3	41.3	-6.4	-4.9	17.5	-29.0	20.4
Axis Bank	15.4	21.8	38.1	-8.2	-5.5	-55.5	42.2	74.4
Bosch	473.1	547.2	705.7	-15.8	-7.9	-1.8	15.7	29.0
State Bank	0.3	14.6	26.8	-18.5	15.1	-98.1	4809.5	83.8
Dr Reddy's Labs	72.6	85.1	125.2	-19.8	-12.5	-45.1	17.3	47.0
Bharti Airtel	11.1	4.3	6.6	-26.1	-38.8	-6.4	-60.9	53.1
Tata Motors	19.8	22.4	59.8	-27.5	-7.0	-48.4	13.3	166.5
Lupin	55.8	41.4	56.3	-28.5	-21.8	10.8	-25.8	36.0
Sun Pharma	26.1	15.1	23.3	-40.2	-24.6	33.6	-42.3	54.3
Bank of Baroda	6.0	9.5	20.8	-48.2	-7.6	-125.6	59.3	117.8
Nifty (50)	426	484	602	-2.6	0.1	7.6	13.6	24.4



Cement

Average national price declines ~3% MoM in July/Aug (prices in INR/bag)



Seasonal price correction across most markets

- n July and August 2017 have seen MoM cement price correction across most markets due to seasonal weakness and pass-through of rate differential in taxes following the implementation of Goods and Services Tax (GST).
- n Price correction in July/August has been the highest (INR15-20/bag) in Pune/Nagpur markets, but very limited (less than INR5/bag) in the north and central markets.
- n Correction from the 1QFY18 average price has been the highest in the north and south markets.
- n North and central markets witnessed healthy demand growth in July on account of a favorable base and smooth GST transition. However, the south markets witnessed 4-5% YoY decline due to sustained demand weakness from TN market. Demand growth in the east was largely flattish.

Seasonal weakness in pricing: All-India cement prices in July/August 2017 have corrected MoM (by INR8/bag) due to seasonal weakness and pass-through of rate differential in taxes following GST rollout (rate of 28% for cement). Prices corrected by INR16/bag MoM in the west, while correction in most other regions was less than INR10/bag.

Highest price decline seen in Pune/Nagpur: Cement price correction MoM has been the sharpest in Pune/Nagpur (by INR18-20/bag) due to weak demand. Price correction has also been high at INR15-20/bag in Bangalore and Chhattisgarh. The decline in Chhattisgarh has been more predominant due to price cap enforcement by the government.

Correction from 1QFY18 average price highest in north, south: North and south markets have witnessed the highest cement price correction (after peaking in May-17) from average 1QFY18 prices due to weak demand. QoQ price correction in the north and south markets is INR17 and INR20/bag, respectively. Correction from 1QFY18 average prices has been minimal in east and west (less than INR10/bag).

Demand growth healthy in north and central markets: Our channel check suggests that demand in the north and central markets has seen healthy growth in excess of 5% YoY in July-17 due to favorable base and smooth GST transition. East has seen muted demand growth due to the impact of GST. South saw a decline of 4-5% YoY due to weak demand from TN on account of sand and water shortage.



Maruti Suzuki

BSE SENSEX 31,771 S&P CNX 9,897

CMP: INR7,702 TP: INR8,819 (+15%) Buy



Way of Life!



Stock Info

Bloomberg	MSIL IN
Equity Shares (m)	302.1
52-Week Range (INR)	7920 / 4770
1, 6, 12 Rel. Per (%)	3/16/45
M.Cap. (INR b)	2,326.5
M.Cap. (USD b)	36.3
Avg Val, INRm	3653
Free float (%)	43.8

Financials Snapshot (INR b)

Y/E Mar	2018E	2019E	2020E
Sales	806.0	953.5	1,100.3
EBITDA	119.2	153.4	177.4
Adj. PAT	83.4	111.3	128.4
Adj. EPS (INR)*	281.7	374.5	431.5
EPS Gr. (%)	13.3	32.9	15.2
BV/Sh. (INR)	1,371	1,620	1,912
RoE (%)	20.1	22.8	22.2
RoCE (%)	28.0	30.8	30.1
P/E (x)	27.3	20.6	17.9
P/CE (x)	20.5	16.0	14.0

*Consolidated.

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	56.2	56.2	56.2
DII	11.8	12.3	13.6
FII	25.0	24.6	23.6
Others	7.0	7.0	6.6

FII Includes depository receipts

Several initiatives to further deepen, build moats

Hybrids as a step towards full EV, supported by Suzuki's Li-ion battery JV

MSILs FY17 annual report gives insights on MSILs approach to Electric Vehicle (EV) and strategic investments in land, apart from update on other strategic initiatives. Also, MSIL has further increased disclosures on Sustainability, which highlights its holistic approach to business. Insights from FY17 annual report instills confidence in longevity of growth for MSIL, as it deepens its existing moats and creates new ones by a) further strengthening distribution network, b) increase dealer viability through strategic investments in land for dealerships, c) building loyalty as well as control residual value of MSIL used cars through higher focus on True Value network and d) increase local capabilities in R&D. MSIL has increased its dividend payout policy, with upper limit for the payout at 40%, higher than 30% earlier. Key highlights from MSIL's FY17 annual report:

- n **Hybrid vehicles – stepping stone toward electric vehicles:** MSIL will introduce EVs as soon as it sees signs of readiness at the customer end. In interim, it is focusing on hybrid technology, and sees it as a step toward electric mobility. Li-ion battery plant, which is being set-up by JV between Suzuki, Toshiba and Denso, would help to reduce cost of hybrids and EVs. Also, global alliance with Toyota would also address future technologies issues.
- n **Strategic investments in land – creating another moat:** It has initiated strategic investments in land at prominent and upcoming locations for expansion of sales and service outlets (to improve viability of new & existing dealership). In FY17, 77 land parcels were identified, which are at various stages of the commercial and regulatory approval process. In FY18, it is targeting to acquire 400-500 sites.
- n **Distribution – further strengthening its network:** Based on MSIL's assessment, it would require at least 3,500 sales outlets (from ~2,300 as of Mar-17) and ~5,000 workshops (from ~3,300) over the next few years. Along with network expansion, MSIL is focusing on upgrading the quality of network through better infrastructure and superior customer experience.
- n **True Value – revamping used-car business to target new first-time car buyers:** MSIL is implementing lessons from the successful NEXA channel to upgrade the True Value channel. Unlike the past, it is planning to set-up 150 independent True Value outlets by Mar-18, which will be expanded to 300 outlets in the next few years. It already has 1,184 True Value outlets (added 177 outlets in FY17). It sold ~350k used cars in FY17, with plans to sell ~600k by FY20.
- n **Valuations & view:** We remain positive on MSIL, considering a) multi-year favorable product lifecycle, b) improvement in product mix (increasing share of premium products) aiding realizations and consequently margins, c) reducing JPY exposure, d) lower capex intensity, e) improvement in FCF conversion and f) high FCF generation & sharp improvement in RoIC. We value MSIL at 25x Jun-19 Core EPS - at 35% premium 5yr/10yr LPA. The stock trades at 27.3x/20.6x FY18E/19E EPS. Maintain Buy with a TP of INR8,819 (~25x Jun-19 Core EPS + INR1,383 cash/share). MSIL is one of our top-picks in the Auto sector.



BSE SENSEX	S&P CNX
31,795	9,904

Bloomberg	DITV IN
Equity Shares (m)	1,066
M.Cap.(INRb)/(USDb)	78.7 / 1.2
52-Week Range (INR)	111 / 70
1, 6, 12 Rel. Per (%)	-5/-28/-34
Avg Val, INRm	552
Free float (%)	35.6

Financials & Valuations (INR b)

Y/E March	2017	2018E
Net Sales	30.1	32.3
EBITDA	9.7	11.2
NP	1.1	1.4
EPS (INR)	1.0	1.3
EPS Gr. (%)	-84.2	27.5
BV/Sh. (INR)	4.6	5.9
RoE (%)	25	25
RoCE (%)	11.3	27.6

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR74 TP: INR106(+43%) Buy

Exhibits partial recovery as demon impact fades

EBITDA revival from 2HFY18E

- Resurgence in ARPU uplift revenues:** Bucking the trend of the last two quarters, DISH's operating revenue grew 4.3% QoQ (-5.1% YoY) to INR7.4b (3% beat). The fading impact of demonetization drove subscription revenue by 11.5% QoQ (-5% YoY) to INR6.92b. This was steered by a) healthy 10% QoQ jump (-10% YoY) in ARPU to INR148 (4% beat) and b) net adds of 0.186m (+12.7% QoQ, reaching net subscriber base of 15.7m). Monthly churn stood at 1% v/s 0.9% in the previous quarter.
- Assault on content cost:** Despite the recovery in ARPU in 1QFY18, EBITDA grew 5.6% QoQ (-23% YoY) to INR2.01b, with the margin at 27.2% (+35bp QoQ, -630bpYoY; 110bp miss). This was mainly due to an increase in content cost (INR190m) and marketing expenses QoQ, which offset the impact of 22% reduction in transponder costs. Net loss trimmed to INR139.4m.
- Expect moderate revenue growth, margin outlook remains upbeat:** Management expects 7-8% revenue growth in FY18, led by improving ARPUs toward 2HFY18 and healthy subscriber additions of 1m in FY18. EBITDA margin is expected to hover at 29-31% v/s 27.2% in 1QFY18. Management successfully reduced content cost with one of the large broadcasters in July 2017, and expects further reduction with other broadcasters. The merger with Videocon should be completed by Oct'17. Thus, we have excluded FY19 estimates and will include Videocon merger estimates with revised workings. According to management, the merged entity should drive INR1.8b synergies in FY18 and INR51b in FY19, driving EBITDA growth.
- Valuation and view:** We have largely maintained our revenue and EBITDA estimates, factoring in margin recovery in FY18, led by content cost reduction and synergy gains from merger. The stock is trading at EV/EBITDA 8.8x on FY18E. Maintain **Buy** with DCF-based TP of INR106.

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18				FY17	FY18E	1QFY18E	Var %
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Sales	7,786	7,793	7,480	7,086	7,389	7,812	8,273	8,774	30,144	32,292	7,182	2.9
YoY Change (%)	5.7	3.6	-3.0	-11.4	-5.1	0.2	10.6	23.8	-1.5	7.1	-7.7	
Operating expenses	5,176	5,151	4,985	5,181	5,377	5,478	5,644	5,581	20,456	22,079	5,147	4.5
EBITDA	2,610	2,642	2,495	1,905	2,012	2,334	2,629	3,193	9,688	10,212	2,035	-1.1
YoY Change (%)	10.2	3.6	-6.1	-27.6	-22.9	-11.7	5.4	67.6	-5.5	5.4	-22.0	
EBITDA margin (%)	33.5	33.9	33.4	26.9	27.2	29.9	31.8	36.4	32.1	31.6	28.3	-110bp
Depreciation	1,649	1,635	1,656	1,728	1,822	1,700	1,700	1,607	6,631	6,830	1,700	7.2
Interest	526	554	591	573	590	560	532	386	2,239	2,068	556	6.1
Other Income	115	111	181	104	98	200	200	298	475	796	200	-51.0
PBT	550	565	429	-292	-302	274	597	1,498	1,334	2,152	-20	1381.0
Tax	189	-136	163	-7	-162	93	203	584	241	718	-7	2243.2
Effective Tax Rate (%)	34.3	(24.1)	37.9	2.4	53.8	34.0	34.0	39.0	18.1	33.4	34.0	
Net profit	361	701	266	-285	-139	181	394	914	1,093	1,434	-13	936.8
YoY Change (%)	-33.4	-19.4	-61.2	-105.9	-138.6	-74.2	48.0	-421.1	-84.2	31.2	-103.7	

Source: MOSL, Company



Tata Elxsi

BSE SENSEX	S&P CNX
31,771	9,897

CMP: INR1,692 TP: INR1,992 (+18%) Buy

Stock Info

Bloomberg	TELX IN
Equity Shares (m)	31
52-Week Range (INR)	1775 / 1022
1, 6, 12 Rel. Per (%)	0/3/-9
M.Cap. (INR b)	50.6
M.Cap. (USD b)	0.8
Avg Val, INRm	714
Free float (%)	55.4

Financials Snapshot (INR b)

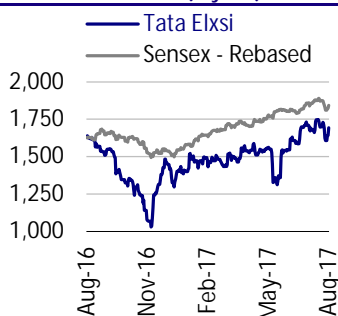
Y/E Mar	2017	2018E	2019E
Net Sales	12.3	14.2	16.4
EBITDA	2.9	3.4	4.0
PAT	1.8	2.1	2.5
EPS (INR)	56.3	67.4	79.7
Gr. (%)	13.2	19.7	18.3
BV/Sh (INR)	179.5	222.9	272.6
RoE (%)	37.1	33.5	32.2
RoCE (%)	37.1	33.5	32.2
P/E (x)	30.1	25.1	21.2
P/BV (x)	9.4	7.6	6.2

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	44.6	44.6	44.6
DII	6.5	5.9	3.5
FII	10.1	9.0	12.5
Others	38.9	40.5	39.4

FII Includes depository receipts

Stock Performance (1-year)



Optimum blend of design and technology

Exciting opportunities ahead

Tata Elxsi (TELX) held its investor meet in Mumbai, where Mr Madukar Dev (CEO) and Mr Nitin Pai (Head – Marketing) spoke in detail about its businesses and strategy for future growth. The company remains confident of exploring opportunities that lie ahead in its specialized verticals of automotive, video broadcasting, healthcare and industrial design & visualization. The company plans to identify technologies that can be implemented in these verticals and then build capabilities to invest in solutions. With the advent of Internet of Things (IoT), Robotics and AI, etc., the focus would be on adopting such technologies and blending it with solutions such as OTT, driverless cars and automated testing to cater to various ecosystems, including consortiums, R&D institutions, start-ups and silicon vendors.

Automotive – use of electronics in transportation to provide opportunities

Automotive continues to be the fastest-growing and highest revenue contributor (~48% of overall revenue and ~60% of EPD revenue) for the company. Growth in the segment has been primarily driven by investments in solutions related to infotainment, active safety, connected cars, and body electronics, among others. The company's advanced autonomous vehicle middleware platform 'AUTONOMAI' was recently licensed by one of the world's top five automotive OEMs for its driverless car R&D. The platform not only provides carmakers and tier-1 automotive suppliers with a solution covering perception, GNC and drive-by-wire systems to build, test and deploy autonomous vehicles, but also allows rapid region-specific adaptation through its pre-integrated validation datasets and AI & deep-learning capabilities.

The company has also implemented solutions like "ConnectNext" infotainment for Zest and "JukeCar" app for Tiago. However, the primary focus, going forward, would be to further develop capabilities in active safety, with implementation of driverless cars as the end-goal.

The company recently conducted a study for a leading German OEM, visualizing the services a car would offer by CY25. TELX is building capabilities on similar lines with a view to develop intelligent cars, which would provide customized services to the user. The car would not only monitor the location and speed of itself, but also of surrounding cars, keeping the user informed at all times regarding the decision the car intends to take (whether to overtake or follow).

With the use of electronics in cars on the rise, TELX will continue identifying technologies that can be molded and implemented in the automotive segment, providing the company with enough opportunities to grow, in our view.

Video broadcasting – steady growth led by OTT: The segment contributes ~32% of overall revenue and ~40% of EPD revenues, with a steady growth rate, primarily driven by OTT. The company is the prime integration partner for Airtel Internet TV, and is now pioneering in the field of software defined network (SDN) by developing a solution for network segmentation and security for the US multinational technology company, Avaya. The solution is being implemented in the healthcare industry – it enables the movement of data and equipment around the hospital, ensuring privacy and security.

Furthermore, the company has developed a multi-screen test automation, diagnosis and monitoring device called 'Falcon Eye', which has already been licensed to six operators. The solution helps in automation of testing, workflows and monitoring the development with increased efficiency.

Healthcare – in nascent stage, but significant growth opportunities

The healthcare vertical of TELX is a relatively new business. Despite being in the investment phase, the business has gained significant traction. The company in the recent past has won key customers by developing major products such as:

- n 'Sternum saw' to assist in open heart surgery (developed in association with Narayana Hrudalaya).
- n Portable blood group classifier and sample analyzer.
- n Infusion pumps to regulate and monitor drug delivery.

The company also recently tied up with Hemex Health to engineer and design its diagnostic device, which would allow quick, accurate and affordable diagnosis of malaria and sickle cell disease. The product will be focused on the rural segment on account of its easy portability and affordable diagnosis (expected price per diagnosis to be less than INR100).

With increased focus of the US healthcare policy makers to prevent relapses and enable better care at home too, the company sees significant growth opportunities on horizon, such as at-home sensors to monitor health parameters, gas stove, water overflow and door sensors (will monitor every activity of the patient and raise an alarm if it witnesses anything abnormal – e.g., opening of the door in case of a patient suffering from dementia and no door close activity is recorded for more than a certain time).

Industrial design & visualization – leveraging on changing design needs

The industrial design industry is witnessing a shift toward intelligent packaging and product design. This provides TELX with opportunities to explore technologies, which in blend with design can be implemented as solutions. The company already is involved in packaging design for many leaders of the industries such as HUL, P&G, Bluestar, Mother Dairy, Emami, L'Oreal and Protex. The company has also partnered with TAL for the design of 'Make in India' robot.

Apart from packaging design, the industry is witnessing significant traction in experience design solutions. In that domain, TELX has already designed passenger

space for Mumbai T2 Terminal, Mumbai Monorail, Bangalore International Airport, Chennai, Bangalore and Kochi Metro. It has also recently been selected by Airports Authority of India (AAI) to improve passenger experience at all AAI-managed airports, with the work already started across the shortlisted 10 airports – Goa, Kolkata, Varanasi, Lucknow, Chennai, Bhubaneswar, Pune, Trivandrum, Coimbatore and Guwahati.

Valuation and view

We believe significant growth opportunities lie ahead for TELX. Considering this and the company's continuous efforts to optimize cost, we expect revenue CAGR of 16% and PAT CAGR of 19% over FY17-19. The company has further hinted to try new deals on 'part payment for effort and part for success of product' with a view to boost margins above 25% over the next 2-3 years. With offshore contributing ~60% of overall revenue and being much higher in terms of efforts, a revenue sharing model linked to efforts as well as success is set to boost margins by 100-200bp.

We value the stock at 25x FY19E EPS, arriving at a TP of INR1,992. Maintain **Buy**.

Operating metrics

Exhibit 1: Key operating metrics

Assumptions	FY13	FY14	FY15	FY16	FY17	FY18E	FY19E
Software Development	5,530	6,827	7,817	10,075	11,665	13,553	15,779
Systems Integration	687	921	676	667	667	667	667
Total Revenues (INR m)	6,217	7,748	8,493	10,741	12,332	14,220	16,446
Software Development	22%	23%	15%	29%	16%	16%	16%
Systems Integration	-19%	34%	-27%	-1%	0%	0%	0%
Total Revenue Growth (%)	15%	25%	10%	26%	15%	15%	16%
Software Development	89%	88%	92%	94%	95%	95%	96%
Systems Integration	11%	12%	8%	6%	5%	5%	4%
Total Revenue Mix (%)	100%	100%	100%	100%	100%	100%	100%
Software Development	624	1,379	1,763	2,597	2,998	3,578	4,324
Systems Integration	17	84	59	67	67	67	67
Total EBITDA (INRm)	721	1,364	1,766	2,471	3,074	3,537	4,249
Software Development	11%	20%	23%	26%	26%	26%	27%
Systems Integration	2%	9%	9%	10%	10%	10%	10%
Total EBITDA Margin (%)	12%	18%	21%	23%	25%	25%	26%
Software Development	97%	94%	97%	97%	98%	98%	98%
Systems Integration	3%	6%	3%	3%	2%	2%	2%
Total EBITDA Mix (%)	100%	100%	100%	100%	100%	100%	100%

Source: Company, MOSL



1. Will unleash significant portion of product pipeline by 2020: Lupin; Ramesh Swaminathan, CFO

- n Price erosion was there all the time. Fortament and Glumetza had generic competition and eroded overall margins as well as revenue share in the US.
- n Will unleash significant portion of production pipeline by 2020.
- n On draft pharmaceutical policy front, a cap on loan licensing would have a negative impact on Indian generic industry.
- n Too much emphasis on affordability will impact accessibility of medicines in India.
- n Emphasis on API manufacturing in India will go a long way.
- n July was fairly decent month. August till date is turning out pretty good.
- n Confident about rest of year. Looking at growth rate of 15-20% versus industry growth of 8-12% depending on the way economy turns out.

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2. Plan to raise Rs 1,150 crore via institutional placement: Quesq corp; Ajit Issac, CMD & CEO

- n Money raised through IPO has been deployed either for internal investments or for acquisitions.
- n Company has completed six acquisitions last year. All have added almost Rs. 100 crore of EBITDA to company.
- n Money raised currently will be used further for acquisitions in various businesses.
- n Through IPP, company issues close to 11 million shares. Target was to raise about Rs. 800-900 crore. Have added a set of marquee long-only global investors.
- n Allotment price for QIP will be decided today.
- n Have been acquisitive by nature. Strong M&A practice inside business and are good for a few more.

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3. Will attain order inflows worth Rs 12,000cr in fy18, says NCC; YD Murthy, Executive VP-Finance

- n Confident of achieving the targeted order accretion guidance. May exceed even.
- n Will attain order inflows worth Rs. 12,000 crore in FY18.
- n Looking to monetize two road assets.
- n Expect inflows worth Rs. 100 crore from real estate subsidiary NCC Urban. NCC Urban has land bank of 200 acres spread over various places.
- n Expect finance cost for FY18 to be at Rs. 360 crore versus Rs. 396 crore in FY17.
- n Can expect some further reduction in cost of borrowing.
- n Receiving large amount of orders from commercial building space. Building order book stands at Rs. 22,000 crore.

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1. Slash IUC, licence and spectrum fees

- n The telecom regulator's proposal to bring down the Interconnect Usage Charge (IUC) promises to both increase bad blood in the telecom sector and worsen its finances. The government must intervene to protect the consumer and the sector's viability. IUC is the charge that an operator, in whose network a call originates, pays the operator in whose network the call terminates, for the service of receiving the call from the originating network and carrying it on to the called party. As compared to the old 2G days, the network usage per call is lower now when calls are converted into discrete packets that are sent over the network interspersed with packets of other calls and assorted data. This is the rationale for trimming IUC.

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2. The great gasification wave has passed

- n Conventional wisdom says that Middle East natural gas demand will continue to surge. In the 10 years through 2016, consumption rose by 25 billion cubic feet (Bcf) a day—much more than in both the US, despite its shale boom, and China. BP Plc's 2017 energy outlook sees demand rising from 47 Bcf a day in 2015 to 73 Bcf by 2035. National oil companies and liquefied natural gas exporters are both relying on the region's appetite to justify ambitious expansion plans. But this is about to change. The story of how we got here can be simply told. The region's economic boom from the early 2000s on, fuelled by high oil prices, led to rapid growth, the construction of new cities and demand for air-conditioning, winter heating, cooking, desalinated water and all the other accoutrements of a comfortable life.

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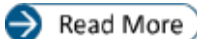
3. Having a minimum wage law is a mistake

- n The cabinet recently approved the Code on Wages Bill, which proposes to make minimum wages a statutory right for all citizens. The Bill, which was tabled in Parliament in the monsoon session, proposes a monthly minimum wage to be set across India, which will be binding on all the states. Once it is passed, the states cannot set a minimum wage lower than the one set by the Central government. The proposed Code on Wages will subsume four extant Acts: the Minimum Wages Act of 1948, the Payment of Wages Act of 1936, the Payment of Bonus Act of 1965 and the Equal Remuneration Act of 1976. The Bill is aimed at reducing disparity in minimum wages across geographical regions and sectors.

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4. How to reverse export momentum loss

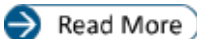
- n India's exports may now have risen eleven months in a row but the recent loss in momentum is worrying. Exports have decelerated two months in a row, to 4.4% y-o-y in June and 3.9% in July from 8.3% in May. And, when seasonally adjusted month-on-month, they have fallen for the fifth straight month. Economists at Nomura point out export volumes in July (ex-oil) contracted year-on-year. While the appreciating rupee is certainly a factor that needs to be addressed, economists at HSBC argue exchange rates explain less than 20% of weakness in exports while domestic bottlenecks explain half the slowdown and the balance third is explained by global growth. Also, the currency matters more for services than for goods—the rupee has gained 1.4% against the dollar in the last two years whereas the Bangladeshi taka has lost 3.7%, and the Chinese renminbi has depreciated by 4.2%.

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International

5. State support has a downside for China's tech titans

- n Are China's internet titans about to conquer the world? Listen to the talk in Beijing and in some circles in the west and the triumph of Chinese tech is all but certain. At the very least it will compete on an equal footing with the world-beating incumbents headquartered in Silicon Valley. Take Richard Liu. The founder and chief executive of JD.com, China's second-largest e-commerce company and the world's third-largest internet company by revenue, believes his business and competitors such as Alibaba, Tencent and Baidu will one day pose a serious challenge to the likes of Google, Facebook and Amazon — but not for at least another decade. Instrumental in this is the support of the Chinese state. To a greater or lesser extent, all of China's big and successful internet companies have benefited from the communist party's efforts to exclude Silicon Valley's finest. Facebook, Google, Twitter, Instagram and YouTube are all blocked in China.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Automobiles														
Amara Raja	Buy	807	986	22	28.0	28.2	37.9	28.8	28.6	5.3	4.6	20.3	17.3	19.9
Ashok Ley.	Buy	105	118	12	4.6	5.2	7.0	23.1	20.4	5.0	4.5	23.1	23.2	27.0
Bajaj Auto	Buy	2,821	3,281	16	132.3	137.2	163.6	21.3	20.6	4.8	4.4	25.3	22.2	24.0
Bharat Forge	Buy	1,188	1,353	14	26.2	36.5	50.5	45.4	32.6	6.7	5.9	16.2	19.2	22.8
Bosch	Neutral	22,061	21,994	0	473.1	547.2	705.7	46.6	40.3	7.7	6.9	15.8	18.0	20.7
CEAT	Buy	1,731	2,029	17	93.3	94.2	126.8	18.5	18.4	2.9	2.6	16.9	14.8	17.3
Eicher Mot.	Buy	30,848	35,854	16	612.7	852.9	1,092.8	50.3	36.2	15.7	11.7	37.1	37.0	35.4
Endurance Tech.	Buy	1,001	1,059	6	23.5	29.3	37.9	42.6	34.2	8.1	6.8	20.8	21.6	23.3
Escorts	Neutral	629	732	16	20.0	37.1	45.8	31.5	17.0	3.2	2.7	10.6	17.3	18.3
Exide Ind	Buy	213	269	26	8.1	9.2	11.0	26.2	23.2	3.6	3.3	13.9	14.1	15.0
Hero Moto	Neutral	3,997	3,818	-4	169.1	189.3	199.1	23.6	21.1	7.9	6.8	35.7	34.6	31.5
M&M	Buy	1,364	1,618	19	54.3	68.5	82.4	25.1	19.9	3.2	2.9	14.2	13.9	14.9
Mahindra CIE	Not Rated	238	-		5.4	9.9	11.8	44.4	24.1	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	7,607	8,819	16	248.6	281.7	374.5	30.6	27.0	6.4	5.5	20.3	20.1	22.8
Tata Motors	Buy	385	542	41	19.8	22.4	59.8	19.4	17.2	2.3	2.0	9.8	12.3	26.6
TVS Motor	Buy	581	612	5	11.7	14.4	23.7	49.5	40.3	11.5	9.4	25.6	25.7	33.6
Aggregate								28.3	24.4	4.8	4.3	17.1	17.4	22.3
Banks - Private														
Axis Bank	Neutral	497	545	10	15.4	21.8	38.1	32.3	22.7	2.2	2.0	6.9	9.3	14.7
DCB Bank	Neutral	184	192	4	7.0	8.4	10.4	26.3	22.0	2.7	2.2	10.8	11.4	11.8
Equitas Hold.	Buy	161	201	25	5.0	1.7	6.1	31.8	92.8	2.4	2.4	9.5	2.6	8.7
Federal Bank	Buy	110	139	26	4.8	5.4	6.8	22.8	20.5	2.2	1.8	9.9	10.0	10.5
HDFC Bank	Buy	1,767	2,000	13	56.8	68.2	82.1	31.1	25.9	5.3	4.6	18.3	18.8	19.6
ICICI Bank	Buy	294	366	25	15.3	14.9	17.0	19.2	19.7	2.2	2.0	10.2	8.9	9.5
IDFC Bank	Neutral	56	62	10	2.3	2.8	3.2	24.1	20.3	1.3	1.2	5.6	6.3	6.9
IndusInd	Buy	1,626	1,800	11	47.9	61.9	76.8	33.9	26.3	4.9	4.2	15.4	17.3	18.5
J&K Bank	Neutral	80	91	13	-31.3	3.8	8.2	NM	21.0	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	990	1,153	16	26.8	32.4	41.0	36.9	30.5	4.8	4.3	13.8	15.0	16.3
RBL Bank	Under Review	517	-		11.9	18.0	23.7	43.5	28.7	4.6	3.2	12.3	13.6	13.9
South Indian	Buy	28	34	22	2.2	2.9	3.7	12.8	9.7	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,739	2,133	23	73.0	92.3	114.5	23.8	18.8	3.7	3.2	18.9	18.3	19.5
Aggregate								29.8	24.0	3.4	3.0	11.5	12.5	14.2
Banks - PSU														
BOB	Buy	148	198	33	6.0	9.5	20.8	24.8	15.6	1.0	0.9	4.0	6.1	12.4
BOI	Neutral	146	149	2	-14.8	-11.2	6.6	NM	NM	0.7	0.7	-6.7	-5.2	3.0
Canara	Neutral	336	360	7	18.8	30.1	47.0	17.9	11.2	0.7	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	54	49	-8	1.5	6.4	8.6	35.1	8.3	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	304	382	26	29.3	34.4	38.3	10.4	8.8	1.0	0.9	10.1	10.9	11.2
OBC	Neutral	125	150	20	-31.6	17.1	21.4	NM	7.4	0.3	0.3	-8.4	4.6	5.4
PNB	Buy	147	184	26	6.2	5.8	11.0	23.5	25.1	0.8	0.8	3.6	3.2	5.9
SBI	Buy	281	341	21	0.3	14.6	26.8	943.8	19.2	1.3	1.2	-0.2	7.0	11.4
Union Bk	Neutral	133	140	5	8.1	9.0	19.1	16.5	14.7	0.4	0.4	2.7	3.0	6.1
Aggregate								102.7	18.2	0.9	0.8	0.9	4.6	8.3
NBFCs														
Bajaj Fin.	Buy	1,729	1,800	4	33.6	47.6	62.9	51.5	36.3	9.8	8.0	21.7	24.3	25.9
Bharat Fin.	Neutral	847	820	-3	21.0	31.8	68.7	40.4	26.7	4.8	3.9	15.1	16.1	28.0
Capital First	Buy	733	925	26	24.6	33.3	44.3	29.7	22.0	3.1	2.8	12.0	13.3	15.6
Cholaman.Inv.&F n	Buy	1,153	1,400	21	46.0	56.0	67.3	25.1	20.6	4.2	3.6	18.0	18.6	19.0
Dewan Hsg.	Buy	448	630	41	29.6	37.7	47.1	15.1	11.9	1.8	1.6	14.4	14.1	15.6
GRUH Fin.	Neutral	483	450	-7	8.1	9.9	12.1	59.3	48.5	17.8	14.6	32.5	33.0	32.8
HDFC	Buy	1,758	1,900	8	46.8	52.9	59.0	37.5	33.2	6.9	6.3	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,199	1,350	13	69.0	86.3	108.4	17.4	13.9	4.2	3.7	25.5	28.2	31.3

Company	Reco	CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Downside	FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
L&T Fin Holdings	Buy	176	200	14	5.2	7.3	10.6	33.6	24.0	4.0	3.5	12.4	15.6	19.1
LIC Hsg Fin	Neutral	661	708	7	38.2	41.6	48.9	17.3	15.9	3.1	2.7	19.4	18.2	18.5
Manappuram	Not Rated	88	-		8.6	10.8	12.5	10.2	8.2	2.2	2.0	24.0	25.9	26.9
M&M Fin.	Buy	420	459	9	7.1	13.9	17.8	59.3	30.3	3.8	3.5	6.5	12.0	14.2
Muthoot Fin	Buy	463	550	19	29.5	38.2	44.2	15.7	12.1	2.8	2.4	19.4	21.5	21.2
PFC	Neutral	126	117	-7	25.7	27.2	30.2	4.9	4.6	0.8	0.7	17.9	17.0	16.8
Repco Home	Buy	682	800	17	29.1	34.5	39.3	23.4	19.8	3.8	3.2	17.4	17.5	17.0
REC	Neutral	169	134	-21	31.4	35.0	40.4	5.4	4.8	1.0	0.9	19.9	19.1	19.1
Shriram City Union	Buy	2,170	2,800	29	84.3	121.7	164.1	25.7	17.8	2.8	2.5	11.7	15.0	17.6
STF	Buy	975	1,330	36	55.6	80.0	102.4	17.5	12.2	2.0	1.7	11.7	15.0	16.9
Aggregate								20.4	17.1	3.4	3.0	16.8	17.6	18.1
Capital Goods														
ABB	Sell	1,369	1,200	-12	19.7	22.4	31.6	69.5	61.1	8.8	7.7	12.7	12.6	15.8
Bharat Elec.	Buy	183	210	15	6.9	7.4	8.3	26.3	24.6	5.4	4.2	20.6	17.0	16.9
BHEL	Sell	129	100	-23	2.1	4.6	4.9	60.2	28.3	1.0	1.0	1.6	3.4	3.5
Blue Star	Neutral	738	650	-12	12.9	17.5	26.1	57.3	42.1	9.3	8.7	18.0	21.4	29.6
CG Cons. Elec.	Buy	223	240	7	4.7	5.0	6.4	47.8	44.4	26.0	19.2	76.4	49.7	49.7
CG Power & Indu.	Neutral	80	80	0	4.1	2.0	2.5	19.5	39.5	1.2	1.2	6.2	3.0	3.7
Cummins	Buy	902	1,170	30	26.5	27.7	35.0	34.0	32.6	6.7	6.2	21.2	19.7	22.8
GE T&D	Neutral	375	395	5	5.7	9.3	11.3	65.5	40.4	9.3	8.1	12.4	21.5	22.7
Havells	Neutral	473	455	-4	9.6	10.9	13.8	49.5	43.2	9.0	8.1	18.2	18.6	20.7
K E C Intl	Neutral	302	295	-2	11.9	13.1	16.4	25.5	23.1	4.9	4.2	21.2	19.5	20.9
L&T	Buy	1,133	1,345	19	42.3	44.8	51.7	26.8	25.3	3.2	3.0	12.2	12.1	12.9
Pennar Eng.	Not Rated	88	-		7.1	9.1	11.2	12.4	9.7	1.3	1.1	10.2	11.6	12.6
Siemens	Neutral	1,322	1,355	3	17.8	22.7	33.0	74.2	58.2	6.9	6.0	9.3	10.3	13.7
Solar Ind	Neutral	870	900	3	20.6	24.2	30.0	42.2	35.9	7.7	6.6	19.8	19.8	20.9
Suzlon Energy	Not Rated	17	-		0.6	0.9	1.0	27.1	19.5	-1.6	-1.7	NM	-8.8	-11.0
Thermax	Neutral	879	830	-6	30.8	30.0	33.2	28.5	29.3	3.9	3.6	14.3	12.7	12.8
Va Tech Wab.	Buy	628	800	27	29.8	34.6	39.8	21.1	18.2	3.5	3.0	16.8	17.6	17.4
Voltas	Sell	543	430	-21	15.5	16.8	19.1	35.1	32.3	5.4	4.8	18.0	15.8	16.0
Aggregate								34.5	30.5	3.9	3.5	11.2	11.6	12.6
Cement														
Ambuja Cem.	Buy	270	308	14	4.9	7.0	8.2	55.3	38.9	2.8	2.7	5.1	7.0	7.9
ACC	Neutral	1,777	1,622	-9	36.1	49.8	65.0	49.2	35.7	3.9	3.7	7.9	10.6	13.1
Birla Corp.	Buy	957	1,150	20	29.4	40.9	58.9	32.6	23.4	2.2	2.1	7.3	9.2	12.2
Dalmia Bharat	Buy	2,619	3,282	25	38.8	68.7	89.9	67.6	38.1	4.7	4.2	7.2	11.6	13.4
Grasim Inds.	Neutral	1,099	1,079	-2	67.9	71.3	102.7	16.2	15.4	1.8	1.6	11.5	10.9	13.9
India Cem	Neutral	185	201	9	5.6	8.0	11.8	32.8	23.1	1.1	1.1	3.4	4.7	6.6
J K Cements	Buy	1,032	1,277	24	33.7	39.7	54.4	30.6	26.0	4.1	3.6	14.4	14.8	17.5
JK Lakshmi Ce	Buy	419	519	24	7.0	9.7	16.4	60.2	43.1	3.5	3.3	6.0	7.9	12.1
Ramco Cem	Buy	695	806	16	27.3	27.4	34.4	25.5	25.4	4.4	3.8	19.0	16.1	17.5
Orient Cem	Buy	154	185	20	-1.6	4.4	7.1	NM	34.8	3.2	3.0	-3.2	8.8	12.8
Prism Cem	Buy	112	140	25	0.3	3.5	5.6	409.9	32.1	5.9	5.1	1.4	17.0	22.9
Shree Cem	Buy	17,327	22,360	29	384.4	460.4	547.8	45.1	37.6	7.8	6.6	18.4	19.1	19.1
Ultratech	Buy	3,937	4,936	25	96.1	91.5	138.8	41.0	43.0	4.5	4.2	11.6	10.1	14.0
Aggregate								36.4	31.2	3.5	3.2	9.6	10.3	12.7
Consumer														
Asian Paints	Neutral	1,134	1,200	6	21.0	22.2	26.5	53.9	51.1	14.3	13.0	28.5	26.7	28.1
Britannia	Buy	4,246	4,660	10	73.7	85.3	104.6	57.6	49.8	18.9	15.6	36.9	34.3	34.5
Colgate	Buy	1,059	1,285	21	21.2	24.4	29.8	49.9	43.3	22.6	21.4	50.4	50.8	58.2
Dabur	Neutral	308	315	2	7.2	7.7	9.1	42.5	39.8	11.2	9.6	28.4	26.0	26.3
Emami	Buy	1,091	1,310	20	26.5	26.9	33.1	41.1	40.5	14.1	12.0	35.8	32.0	33.9
Godrej Cons.	Neutral	920	995	8	18.9	21.5	24.7	48.7	42.7	11.8	9.2	24.6	24.2	22.8
GSK Cons.	Sell	5,293	4,500	-15	156.1	158.1	182.1	33.9	33.5	7.1	7.0	22.2	21.1	22.6

Company	Reco	CMP	TP	% Upside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
		(INR)	(INR)	Downside	FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
HUL	Buy	1,175	1,285	9	19.6	22.9	27.3	59.8	51.2	38.1	36.8	65.6	73.1	82.8
ITC	Neutral	279	280	0	8.4	9.3	10.3	33.3	30.1	7.5	7.4	23.5	24.8	26.3
Jyothy Lab	Neutral	376	395	5	11.2	8.9	11.0	33.5	42.2	6.3	6.4	21.1	15.1	18.6
Marico	Neutral	319	355	11	6.3	6.8	8.2	50.8	46.8	17.7	15.2	36.7	34.9	37.7
Nestle	Sell	6,675	5,740	-14	118.0	115.1	133.6	56.6	58.0	21.4	19.9	39.0	35.5	38.1
Page Inds	Buy	16,889	19,600	16	238.7	294.7	398.4	70.7	57.3	28.3	22.7	40.0	39.6	43.1
Parag Milk	Neutral	236	245	4	3.6	9.1	12.5	65.4	25.9	3.0	2.7	6.0	11.0	13.3
Pidilite Ind.	Neutral	816	810	-1	16.7	18.1	20.6	48.7	45.2	12.6	10.3	28.2	25.2	23.5
P&G Hygiene	Buy	8,170	9,082	11	144.9	155.8	181.6	56.4	52.4	46.6	37.2	45.3	78.9	74.0
Prabhat Dairy	Not Rated	129	-		3.5	3.5	6.4	36.5	37.1	1.8	1.8	5.2	4.9	8.5
United Brew	Neutral	805	875	9	8.7	10.1	15.0	92.6	79.9	9.2	8.4	10.4	11.0	14.7
United Spirits	Neutral	2,603	2,525	-3	26.7	34.5	51.5	97.4	75.4	19.5	13.6	21.3	18.0	20.3
Aggregate								46.3	41.9	12.8	11.8	27.6	28.2	29.3
Healthcare														
Alembic Phar	Neutral	514	510	-1	21.6	20.5	25.5	23.8	25.1	5.1	4.5	23.0	19.0	20.4
Alkem Lab	Neutral	1,820	1,830	1	75.7	73.5	91.6	24.0	24.8	5.1	4.4	23.4	19.2	20.5
Ajanta Pharma	Buy	1,214	1,606	32	58.4	52.8	64.2	20.8	23.0	6.8	5.5	37.7	26.5	25.9
Aurobindo	Buy	704	850	21	39.3	44.9	50.0	17.9	15.7	4.4	3.5	27.6	24.8	22.1
Biocon	Sell	329	330	0	10.2	9.7	14.2	32.3	33.9	4.1	3.8	12.3	11.1	14.5
Cadila	Buy	482	555	15	14.2	17.9	24.1	33.9	26.9	7.1	5.9	23.0	23.9	26.3
Cipla	Neutral	573	520	-9	15.9	21.1	26.0	36.1	27.2	3.7	3.3	10.2	12.1	13.2
Divis Lab	Neutral	646	680	5	39.7	33.6	40.0	16.3	19.2	3.7	3.3	23.5	18.1	19.4
Dr Reddy's	Neutral	2,010	2,500	24	72.6	85.1	125.2	27.7	23.6	2.7	2.5	9.6	11.3	14.8
Fortis Health	Buy	151	220	46	10.3	2.2	5.6	14.6	69.3	1.6	1.4	11.3	2.1	4.9
Glenmark	Neutral	620	775	25	39.3	42.9	51.7	15.8	14.4	3.9	3.1	24.7	21.6	20.9
Granules	Buy	127	200	58	7.2	8.2	11.5	17.5	15.5	3.2	2.2	21.1	17.7	18.8
GSK Pharma	Neutral	2,385	2,500	5	34.4	46.8	54.9	69.4	51.0	10.1	11.7	14.5	23.0	30.9
IPCA Labs	Neutral	417	430	3	16.1	16.6	26.8	26.0	25.2	2.1	2.0	8.6	8.2	12.2
Jubilant Life	Buy	723	905	25	37.0	47.1	56.7	19.6	15.4	3.3	2.7	18.1	19.5	19.6
Lupin	Buy	954	1,125	18	55.8	41.4	56.3	17.1	23.0	3.2	2.9	20.6	13.2	16.0
Sanofi India	Buy	4,090	4,820	18	129.1	133.6	160.6	31.7	30.6	5.4	5.1	17.1	16.6	18.1
Shilpa Medicare	Buy	572	805	41	14.0	21.1	30.4	40.8	27.1	5.0	4.3	14.4	17.0	20.4
Strides Shasun	Buy	917	1,300	42	32.3	47.4	74.8	28.4	19.3	3.0	2.7	10.7	14.7	20.2
Sun Pharma	Buy	489	515	5	26.1	15.1	23.3	18.7	32.4	3.2	3.3	18.5	10.0	14.7
Syngene Intl	Not Rated	450	-		13.0	16.1	18.0	34.6	27.9	7.0	5.7	22.2	22.5	20.7
Torrent Pharma	Neutral	1,304	1,350	4	55.2	53.4	67.3	23.6	24.4	5.1	4.5	23.8	19.5	21.5
Aggregate								22.8	24.9	3.9	3.5	16.9	14.1	16.3
Logistics														
Allcargo Logistics	Buy	164	212	29	9.8	11.2	13.3	16.7	14.6	2.5	2.2	12.6	16.0	16.8
Blue Dart	Not Rated	3,997	-		102.5	129.9	163.2	39.0	30.8	17.3	13.2	50.5	48.6	46.8
Concor	Neutral	1,243	1,214	-2	38.0	42.1	48.6	32.7	29.5	3.4	3.3	10.8	11.3	12.4
Gateway Distriparks	Buy	246	313	27	6.8	10.9	13.8	36.1	22.6	2.1	2.0	5.9	9.2	11.2
Gati	Not Rated	113	-		8.4	15.9	23.9	13.5	7.1	1.8	1.6	12.4	19.4	25.4
Transport Corp.	Not Rated	286	-		16.9	21.0	25.9	16.9	13.6	2.6	2.2	16.7	17.8	18.6
Aggregate								29.2	24.2	3.6	3.3	12.2	13.7	15.2
Media														
Dish TV	Buy	74	105	42	1.0	1.4	4.0	74.8	52.0	16.0	12.3	24.1	26.8	327.5
D B Corp	Buy	371	450	21	20.4	23.7	27.6	18.2	15.6	4.3	3.8	25.5	25.8	26.6
Den Net.	Neutral	83	90	8	-8.6	-2.7	0.3	NM	NM	1.5	1.7	-12.0	-5.3	0.7
Ent.Network	Neutral	800	928	16	11.4	13.4	21.7	70.0	59.8	4.5	4.2	6.7	7.2	10.7
Hind. Media	Buy	270	350	30	25.9	28.3	33.6	10.4	9.5	1.8	1.5	19.0	17.3	17.3
HT Media	Neutral	87	90	3	7.4	7.9	8.1	11.7	11.0	0.8	0.7	7.1	6.9	6.4
Jagran Prak.	Buy	176	225	28	10.8	12.4	14.1	16.4	14.3	2.4	2.4	17.6	16.5	17.4
Music Broadcast	Buy	374	469	25	6.4	9.3	14.0	58.2	40.1	3.9	3.5	11.2	9.3	12.4

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
PVR	Buy	1,302	1,628	25	20.5	30.9	46.9	63.4	42.2	6.3	5.5	10.4	14.0	18.2
Siti Net.	Neutral	25	32	27	-1.8	-0.3	0.4	NM	NM	3.5	3.7	-23.5	-4.1	6.2
Sun TV	Neutral	752	860	14	24.9	28.5	35.9	30.2	26.4	7.1	6.6	23.6	25.0	28.8
Zee Ent.	Buy	527	630	20	23.1	14.7	18.9	22.8	35.7	8.7	7.5	24.7	22.6	24.5
Aggregate								38.9	29.7	5.5	5.0	14.0	16.8	22.0
Metals														
Hindalco	Buy	230	309	34	16.2	22.0	26.3	14.2	10.5	1.8	1.5	14.0	15.3	15.4
Hind. Zinc	Sell	295	246	-16	19.7	22.6	26.9	15.0	13.1	4.0	4.3	24.4	32.0	35.1
JSPL	Buy	140	194	39	-20.9	-15.8	2.0	NM	NM	0.4	0.4	-7.9	-4.9	0.6
JSW Steel	Buy	235	297	27	14.8	21.9	25.7	15.8	10.7	2.5	2.1	17.3	21.3	20.8
Nalco	Neutral	71	63	-11	3.7	3.5	4.2	19.2	20.4	1.3	1.3	7.2	6.5	7.7
NMDC	Buy	123	180	46	10.0	12.4	12.1	12.4	9.9	1.7	1.6	12.8	15.2	15.6
SAIL	Sell	59	30	-49	-6.2	-7.7	-4.2	NM	NM	0.7	0.7	-6.7	-9.1	-5.3
Vedanta	Buy	304	316	4	15.1	24.8	33.1	20.1	12.3	1.9	1.8	9.7	14.8	18.4
Tata Steel	Neutral	626	591	-6	37.9	65.1	64.3	16.5	9.6	1.9	1.7	15.7	18.6	16.2
Aggregate								20.4	14.0	1.7	1.6	8.2	11.4	13.3
Oil & Gas														
BPCL	Neutral	493	515	4	48.3	34.3	41.3	10.2	14.4	3.1	2.7	32.4	20.4	21.4
GAIL	Sell	375	346	-8	22.6	26.5	31.3	16.6	14.1	1.7	1.5	9.6	11.3	12.4
Gujarat Gas	Sell	771	691	-10	20.4	37.2	46.1	37.9	20.7	6.5	5.1	17.8	27.6	27.4
Gujarat St. Pet.	Neutral	183	171	-6	8.8	11.1	13.3	20.7	16.4	2.3	2.1	11.6	13.2	14.2
HPCL	Buy	434	510	17	40.7	34.1	36.3	10.7	12.7	3.3	2.8	32.4	23.6	21.7
IOC	Buy	425	458	8	43.0	36.7	40.4	9.9	11.6	2.0	1.8	21.2	16.0	15.8
IGL	Neutral	1,279	1,152	-10	44.0	49.9	56.3	29.1	25.6	6.1	5.2	21.0	21.9	20.9
MRPL	Sell	122	113	-7	14.8	9.4	11.7	8.2	12.9	2.1	1.9	31.4	15.5	17.0
Oil India	Buy	283	316	12	19.3	27.9	31.1	14.7	10.2	0.8	0.7	5.7	7.5	8.0
ONGC	Buy	161	195	21	16.4	16.5	19.7	9.8	9.7	0.9	0.9	10.1	9.4	10.9
PLNG	Buy	228	274	20	11.4	14.0	17.9	20.1	16.3	4.2	3.6	23.2	23.7	25.5
Reliance Ind.	Neutral	1,566	1,499	-4	96.7	115.5	128.1	16.2	13.6	1.6	1.4	11.6	12.3	12.3
Aggregate								12.5	12.6	1.7	1.5	13.3	12.2	12.7
Retail														
Jubilant Food	Sell	1,399	850	-39	10.0	14.8	20.7	139.8	94.5	11.5	10.5	8.2	11.1	14.0
Titan Co.	Neutral	621	565	-9	9.0	10.6	12.6	68.8	58.5	13.0	11.9	20.6	21.3	22.2
Aggregate								74.6	62.2	12.9	11.7	17.2	18.9	19.6
Technology														
Cyient	Buy	507	600	18	30.6	35.4	41.9	16.6	14.3	2.7	2.4	16.2	16.6	17.3
HCL Tech.	Neutral	868	950	9	59.8	61.8	65.9	14.5	14.0	3.6	3.2	27.5	24.9	23.8
Hexaware	Neutral	278	250	-10	13.7	15.7	16.5	20.3	17.7	4.9	4.3	26.5	25.7	23.1
Infosys	Buy	1,021	1,200	18	62.9	63.7	69.5	16.2	16.0	3.4	3.0	22.0	20.0	19.8
KPIT Tech	Neutral	116	140	21	11.9	10.6	13.1	9.7	10.9	1.5	1.4	14.3	13.0	14.2
L&T Infotech	Buy	778	880	13	55.5	60.2	68.0	14.0	12.9	4.9	3.8	40.4	33.0	29.4
Mindtree	Sell	475	450	-5	24.9	28.7	32.9	19.1	16.6	3.1	3.0	16.8	17.3	20.1
Mphasis	Neutral	585	610	4	38.9	40.3	43.0	15.0	14.5	2.0	2.1	13.2	14.5	16.2
NIIT Tech	Neutral	497	540	9	38.0	42.3	48.7	13.1	11.8	1.7	1.7	13.7	14.4	15.4
Persistent Sys	Buy	618	750	21	37.7	43.3	52.0	16.4	14.3	2.5	2.4	17.0	17.9	20.7
Tata Elxsi	Buy	1,688	1,992	18	56.3	67.4	79.7	30.0	25.1	9.4	7.6	37.1	33.5	32.2
TCS	Neutral	2,480	2,350	-5	133.4	133.6	147.7	18.6	18.6	5.5	5.9	32.6	31.1	33.5
Tech Mah	Buy	424	490	15	30.9	34.0	36.8	13.7	12.5	2.3	2.0	18.4	17.4	16.9
Wipro	Neutral	289	270	-7	16.9	18.1	19.1	17.1	15.9	2.7	2.6	16.9	16.1	16.1
Zensar Tech	Buy	800	950	19	52.1	51.9	70.0	15.4	15.4	2.5	2.2	17.2	15.0	17.9
Aggregate								16.9	16.7	3.9	3.8	22.9	22.8	22.1
Telecom														
Bharti Airtel	Buy	417	490	18	11.1	4.3	6.6	37.5	96.0	2.5	2.4	6.7	2.5	3.8
Bharti Infratel	Buy	379	480	27	14.9	17.9	20.4	25.5	21.1	4.5	3.9	16.2	19.8	19.4
Idea Cellular	Buy	89	110	23	-1.1	-10.9	-11.3	NM	NM	1.3	1.5	-1.6	-17.3	-21.7

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
Tata Comm	Buy	642	775	21	27.2	8.7	26.1	23.6	73.7	11.5	9.9	132.2	14.5	33.6
Aggregate								37.6	208.3	2.6	2.6	6.9	1.2	2.8
Utilities														
Coal India	Buy	247	275	11	14.9	18.3	19.1	16.5	13.5	6.3	6.0	37.8	44.2	44.2
CESC	Buy	954	1,360	43	51.9	88.9	99.3	18.4	10.7	1.2	1.1	6.5	10.6	10.8
JSW Energy	Sell	64	49	-24	3.8	3.4	2.7	16.8	19.0	1.0	1.0	6.3	5.3	4.2
NTPC	Buy	177	198	12	13.0	13.4	16.2	13.6	13.2	1.5	1.4	11.5	10.9	12.3
Power Grid	Buy	219	262	19	14.2	17.4	20.6	15.4	12.6	2.3	2.0	16.2	17.3	17.8
Tata Power	Sell	81	68	-16	5.2	6.4	6.7	15.8	12.8	1.9	1.7	11.2	13.9	12.1
Aggregate								14.8	12.8	2.2	2.0	14.9	15.9	16.6
Others														
Arvind	Neutral	371	375	1	12.4	12.9	18.6	29.9	28.7	2.7	2.5	10.3	9.1	12.0
Avenue Supermarts	Neutral	922	882	-4	7.7	12.7	17.6	120.1	72.5	15.0	13.1	17.9	19.3	23.0
Bata India	Under Review	675	-		13.5	15.7	19.4	50.0	43.0	6.6	5.9	13.9	14.4	15.8
Castrol India	Buy	383	527	38	13.6	14.4	15.0	28.1	26.5	31.8	28.5	115.2	113.3	106.1
Century Ply.	Neutral	251	323	29	8.7	9.8	12.9	28.9	25.6	7.8	6.4	31.1	27.7	29.6
Coromandel Intl	Buy	444	523	18	16.6	24.1	29.0	26.7	18.4	4.5	3.9	17.5	22.5	23.4
Delta Corp	Buy	171	237	39	3.1	5.8	7.9	55.9	29.6	4.3	2.9	8.1	12.3	12.6
Dynomatic Tech	Buy	2,152	3,334	55	67.6	112.9	166.7	31.8	19.1	4.4	3.6	15.1	20.7	24.3
Eveready Inds.	Buy	301	358	19	12.9	13.6	16.3	23.4	22.1	7.6	6.2	37.7	30.8	30.1
Interglobe	Neutral	1,311	1,312	0	46.0	63.9	93.7	28.5	20.5	23.4	20.8	86.2	107.5	137.7
Indo Count	Neutral	116	129	11	13.0	8.9	10.8	8.9	13.0	2.7	2.2	34.8	18.6	18.3
Info Edge	Buy	957	1,130	18	15.7	21.8	24.7	61.0	44.0	5.9	5.3	10.2	12.7	13.1
Inox Leisure	Sell	245	240	-2	3.3	8.0	12.0	73.6	30.6	4.3	3.8	5.9	12.5	16.2
Jain Irrigation	Under Review	98	-		5.5	7.6	10.0	17.7	12.9	1.5	1.5	8.6	11.7	14.8
Just Dial	Neutral	361	465	29	17.5	18.5	21.1	20.7	19.6	2.8	2.5	14.8	13.4	13.7
Kaveri Seed	Buy	549	738	35	19.1	34.0	41.0	28.8	16.1	3.7	3.9	13.6	23.3	27.4
Kitex Garm.	Buy	241	394	63	18.6	22.1	26.2	13.0	10.9	3.5	2.8	29.8	28.6	27.6
Manpasand	Buy	822	926	13	12.7	20.2	30.9	64.7	40.8	4.1	3.8	7.3	8.5	13.5
MCX	Buy	1,063	1,300	22	24.8	28.0	42.2	42.8	38.0	4.0	3.8	10.2	10.2	14.5
Monsanto	Buy	2,490	3,295	32	86.2	105.1	126.7	28.9	23.7	8.1	7.3	31.6	32.5	34.5
Navneet Education	Buy	158	226	43	7.8	9.4	11.3	20.3	16.7	5.1	4.3	26.8	27.8	28.2
PI Inds.	Buy	740	894	21	33.4	30.4	35.8	22.1	24.3	6.3	5.2	32.8	23.4	22.9
Piramal Enterp.	Buy	2,719	3,044	12	72.6	104.1	144.6	37.5	26.1	3.5	3.2	9.8	13.0	16.4
SRF	Buy	1,493	1,648	10	85.9	80.2	103.0	17.4	18.6	2.7	2.5	16.6	13.7	16.0
S H Kelkar	Buy	257	298	16	7.2	7.6	9.9	35.4	33.8	4.6	4.2	13.7	12.9	15.2
Symphony	Sell	1,243	1,288	4	23.7	35.1	42.9	52.5	35.4	19.5	17.2	43.3	51.6	54.5
TTK Prestige	Neutral	6,331	5,281	-17	132.1	137.8	176.1	47.9	45.9	8.6	7.9	19.5	18.0	20.7
V-Guard	Neutral	180	167	-7	3.6	4.5	6.0	50.3	40.1	12.0	9.8	27.4	26.9	28.8
Wonderla	Buy	341	393	15	7.0	11.9	16.0	48.8	28.6	4.5	4.0	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	-0.7	-4.0	-12.9
Ashok Ley.	0.7	-2.7	21.2
Bajaj Auto	-1.0	0.3	-3.8
Bharat Forge	0.0	3.8	40.4
Bosch	-1.0	-10.3	-7.9
CEAT	1.1	-8.6	95.3
Eicher Mot.	0.8	10.0	38.5
Endurance Tech.	-0.9	12.3	
Escorts	-1.4	-5.9	101.6
Exide Ind	3.1	-3.9	21.0
Hero Moto	-0.5	6.2	18.9
M&M	-0.3	-1.4	-5.9
Mahindra CIE	0.4	-1.7	30.4
Maruti Suzuki	-1.2	1.1	55.5
Tata Motors	-1.0	-15.2	-24.5
TVS Motor	-0.8	1.6	85.6
Banks - Private			
Axis Bank	-0.5	-2.8	-15.7
DCB Bank	-0.7	-7.3	59.8
Equitas Hold.	2.1	-4.5	-8.2
Federal Bank	-0.1	-3.6	71.6
HDFC Bank	-0.7	5.0	43.2
ICICI Bank	-0.2	-3.1	30.6
IDFC Bank	0.8	-8.5	6.9
IndusInd	-1.3	2.8	40.8
J&K Bank	-0.6	-3.4	14.6
Kotak Mah. Bk	-1.2	1.2	29.5
RBL Bank	-1.0	-2.6	
South Indian	-0.5	-2.5	44.1
Yes Bank	-1.3	12.4	33.0
Banks - PSU			
BOB	0.8	-9.7	-1.9
BOI	-0.9	-1.6	29.4
Canara	-0.2	-8.8	32.9
IDBI Bk	1.2	-7.2	-21.1
Indian Bk	2.6	-4.3	40.1
OBC	1.2	-16.1	7.9
PNB	-0.7	-4.2	17.3
SBI	-0.8	-4.1	14.0
Union Bk	0.0	-14.2	1.1
NBFCs			
Bajaj Fin.	0.4	12.4	69.7
Bharat Fin.	3.3	6.2	13.8
Capital First	-1.1	-0.9	3.1
Cholaman.Inv.&Fn	-0.9	0.8	2.6
Dewan Hsg.	-0.2	-1.8	69.8
GRUH Fin.	2.0	-2.3	56.8
HDFC	1.0	6.4	28.8
Indiabulls Hsg	-0.6	5.2	48.2
L&T Fin.Holdings	-0.5	17.9	88.0
LIC Hsg Fin	0.2	-11.2	20.7
Manappuram	-2.8	-13.6	2.1
M&M Fin.	-0.8	14.6	25.8
Muthoot Fin	2.1	-1.0	29.4
PFC	5.9	0.8	7.6
Repc Home	-2.2	-12.7	-18.0
REC	3.2	-9.2	45.3
STF	-0.2	-3.3	-23.7
Shriram City Union	0.6	-4.2	-3.4

Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	0.6	-5.3	16.8
Bharat Elec.	4.2	4.4	47.2
BHEL	-0.5	-8.3	-6.2
Blue Star	5.7	13.1	51.0
CG Cons. Elec.	-0.6	3.9	35.3
CG Power & Inds Sol.	-1.1	-5.5	-7.2
Cummins	-1.7	-3.4	0.9
GE T&D	-0.2	14.0	14.0
Havells	1.6	1.5	14.1
K E C Intl	5.2	0.5	123.3
L&T	-0.8	-3.2	13.2
Pennar Eng.	-6.7	-28.9	-50.8
Siemens	0.9	-2.6	2.2
Solar Ind	-0.3	2.2	44.5
Suzlon Energy	-2.0	-8.8	2.4
Thermax	-0.7	-2.4	2.8
Va Tech Wab.	-0.6	-6.3	7.8
Voltas	0.2	12.2	47.6
Cement			
Ambuja Cem.	0.0	1.6	0.3
ACC	-1.8	1.5	6.1
Birla Corp.	0.9	2.5	46.7
Dalmia Bharat	0.2	-4.7	76.6
Grasim Inds.	-0.5	0.8	45.7
India Cem	-0.1	-12.0	48.8
J K Cements	0.0	6.4	30.6
JK Lakshmi Ce	0.2	-10.5	-5.9
Ramco Cem	0.2	-0.9	26.1
Orient Cem	0.4	-1.0	-6.6
Prism Cem	-0.5	-7.6	4.9
Shree Cem	-1.0	-4.4	1.2
Ultratech	-0.1	-9.5	6.4
Consumer			
Asian Paints	-0.8	0.7	1.8
Britannia	-1.2	14.8	27.3
Colgate	-0.7	-1.1	8.9
Dabur	-0.4	1.8	1.6
Emami	-2.6	1.9	-8.1
Godrej Cons.	-0.3	-4.8	20.5
GSK Cons.	-1.5	-3.8	-17.0
HUL	-1.0	1.9	28.6
ITC	0.1	-14.2	10.4
Jyothy Lab	-1.2	2.5	32.4
Marico	0.7	-2.3	6.5
Nestle	0.0	-2.7	-0.5
Page Inds	-0.9	-0.4	18.2
Parag Milk	-1.3	-0.1	-26.4
Pidilite Ind.	-0.3	1.0	15.2
P&G Hygiene	0.0	1.7	20.1
Prabhat Dairy	-0.9	-6.8	61.3
United Brew	-0.4	-1.9	0.7
United Spirits	2.1	-5.5	18.3
Healthcare			
Alembic Phar	-0.2	-5.8	-20.5
Alkem Lab	0.5	3.6	18.7
Ajanta Pharma	-3.0	-18.2	-37.1
Aurobindo	-1.5	-6.3	-5.9
Biocon	0.1	-19.2	17.0
Cadila	-0.4	-10.4	29.1
Cipla	-2.9	3.1	4.3



Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	-1.7	-11.7	-49.1
Dr Reddy's	0.6	-25.4	-33.0
Fortis Health	0.1	1.6	-19.3
Glenmark	-0.5	-9.2	-28.1
Granules	0.2	-9.2	-4.1
GSK Pharma	0.8	-5.8	-24.9
IPCA Labs	-0.6	-13.8	-19.8
Jubilant Life	3.5	1.6	64.7
Lupin	-0.8	-16.9	-40.2
Sanofi India	-0.9	-1.9	-5.3
Shilpa Medicare	-0.6	-17.3	2.9
Strides Shasun	0.2	-12.4	-13.4
Sun Pharma	0.7	-14.5	-37.8
Syngene Intl	-0.5	-10.0	10.1
Torrent Pharma	-1.0	1.0	-13.4
Logistics			
Allcargo Logistics	-0.6	-5.7	-11.1
Blue Dart	-0.2	-15.3	-26.4
Concor	0.9	5.3	10.1
Gateway Distriparks	0.2	-8.9	-10.7
Gati	-0.1	-9.9	-23.4
Transport Corp.	0.5	-10.3	35.5
Media			
Dish TV	2.5	-5.4	-20.2
D B Corp	2.0	-0.6	-9.6
Den Net.	1.7	6.5	-1.9
Ent.Network	-1.4	-14.7	14.3
Hind. Media	0.7	-2.5	0.7
HT Media	-0.2	4.7	11.7
Jagran Prak.	1.8	1.5	-5.7
Music Broadcast	0.1	3.8	
PVR	-2.0	-6.0	6.0
Siti Net.	-1.2	-2.9	-33.0
Sun TV	0.5	-9.8	62.8
Zee Ent.	1.8	0.7	5.9
Metals			
Hindalco	-1.4	10.2	47.7
Hind. Zinc	1.3	5.7	31.9
JSPL	0.8	-1.3	70.1
JSW Steel	-1.4	7.9	32.3
Nalco	1.6	1.0	48.7
NMDC	1.7	2.8	19.1
SAIL	-0.3	-4.4	22.5
Vedanta	2.2	12.7	78.0
Tata Steel	-0.6	12.0	59.9
Oil & Gas			
BPCL	1.9	5.7	25.9
GAIL	1.3	-2.6	35.3
Gujarat Gas	-0.3	3.9	20.7
Gujarat St. Pet.	-0.5	8.0	27.6
HPCL	-0.5	15.0	60.2
IOC	0.9	13.9	56.0
IGL	0.3	11.8	87.3
MRPL	-2.2	-1.2	57.1
Oil India	-0.7	3.2	1.9
ONGC	-0.3	0.3	1.3
PLNG	-0.5	9.3	42.5
Reliance Ind.	-0.1	0.9	54.4
Retail			
Jubilant Food	0.4	9.8	12.8
Titan Co.	-0.8	16.6	53.5

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	1.5	-1.5	3.0
HCL Tech.	0.5	0.1	10.4
Hexaware	5.0	14.0	28.5
Infosys	4.5	3.6	-1.2
KPIT Tech	2.4	-15.1	-8.6
L&T Infotech	4.8	0.5	14.6
Mindtree	1.6	-7.6	-16.1
Mphasis	-0.5	2.5	10.7
NIIT Tech	1.0	-10.3	21.9
Persistent Sys	-0.9	-5.0	-8.3
Tata Elxsi	-0.3	-1.2	3.0
TCS	-0.4	3.5	-5.5
Tech Mah	1.5	8.3	-10.5
Wipro	-0.4	7.9	9.2
Zensar Tech	0.7	1.0	-24.9
Telecom			
Bharti Airtel	2.4	1.9	20.7
Bharti Infratel	-1.0	-9.4	8.6
Idea Cellular	2.8	0.6	-4.3
Tata Comm	2.2	-3.3	31.1
Utilities			
Coal India	4.2	-0.1	-29.0
CESC	1.4	5.9	46.3
JSW Energy	-0.6	2.6	-18.7
NTPC	4.0	5.2	9.5
Power Grid	-0.5	1.3	25.7
Tata Power	-1.0	-2.3	4.8
Others			
Arvind	-1.2	-2.8	19.5
Avenue Super.	1.4	1.2	
Bata India	0.5	21.7	24.6
Castrol India	-1.0	-6.2	-7.0
Century Ply.	-2.7	-14.5	15.1
Coromandel Intl	-1.0	4.5	63.7
Delta Corp	0.7	3.5	23.9
Dynamatic Tech	-0.9	-11.6	-13.2
Eveready Inds.	-0.8	-10.7	16.8
Interglobe	-0.6	2.3	52.8
Indo Count	-1.3	-29.1	-35.0
Info Edge	0.3	-6.4	14.2
Inox Leisure	-0.5	-7.9	-6.6
Jain Irrigation	3.0	-6.8	20.2
Just Dial	3.4	1.1	-23.4
Kaveri Seed	-2.6	-15.0	46.4
Kitex Garm.	1.8	-11.9	-23.2
Manpasand	1.8	9.1	15.6
MCX	-1.0	-2.6	7.7
Monsanto	0.1	-7.9	3.2
Navneet Educat.	-0.3	-10.6	57.2
PI Inds.	-0.8	-6.7	-7.0
Piramal Enterp.	-0.9	-7.1	47.4
SRF	0.7	-3.4	-7.3
S H Kelkar	0.7	-2.8	-13.6
Symphony	0.8	-4.9	9.0
TTK Prestige	0.2	-0.7	28.9
V-Guard	0.3	-1.3	49.7
Wonderla	0.6	-4.6	-15.1

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

MOTILAL OSWAL Initiating Coverage | 7 August 2017
Sector: Healthcare

Strides Shasun

Making great strides

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MOTILAL OSWAL Initiating Coverage | 31 May 2017
Sector: Healthcare

Shilpa Medicare

Injecting Growth

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MOTILAL OSWAL Initiating Coverage | 18 Aug 2017
Sector: Insurance

Capital First

Capitalizing on multiple opportunities

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MOTILAL OSWAL Initiating Coverage | 18 May 2017
Sector: NBFC

L&T Finance Holdings

Off to a new start

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MOTILAL OSWAL Initiating Coverage | 14 May 2017
Sector: Healthcare

Jubilant Life Sciences

Promising formulation

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MOTILAL OSWAL Initiating Coverage | 21 April 2017
Sector: Retail

Avenue Supermarts

Delivering Value

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MOTILAL OSWAL Initiating Coverage | 11 June 2017
Sector: Finance

Cholamandalam Finance

Prepared, Equipped and Armed

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MOTILAL OSWAL Initiating Coverage | 20 April 2017
Sector: Power

Tata Power

Struggling for RoE

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Sector: Energy

Gujarat Gas

Long road ahead

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL 6 July 2017

Annual Report Threadbare

282 ENTERTAINMENT FY17

The FY17 annual report highlights such earnings as cash flow conversion of 17% with increase in cash conversion ratio by 2% over FY16 (14.8%). This is primarily due to the increase in operating (primarily movie rights), which increased from 48% in FY16 to 50% in FY17, and the higher utilization of 100% of net assets (FY16: 94.8%). Our aggressive marketing on several occasions combined with better aggressive business to increase rights acquisition led to higher cash conversion of 17%. Total cash conversion ratio is 16.5% of net assets, yielding returns of 6.4%, which dropped from 16.5% in FY16 to 14.8%.

- Revenue growth drove margin down. Revenue grew 17% in FY17, with (i) advertisement services growing 19% (FY16: 24%), due to better placement and subscription revenue, rising 17% (FY16: margin increased 17% to 25.7%), but FY17 margin (adjusted for gain on sports broadcast) was lower at 15.1% due to the valuation loss on financial investments of 100.2%.
- Year-over margin decline, adjusted for profit on the sale of the sports broadcast, the effective rate increased to 10.3% (FY16: 25.2%). This is primarily on account of the valuation loss on preference shares, which is a non-recurring item. The before-tax rate was 10% margin higher than the margin for FY16, and these performance items are not included.
- Higher amount set aside for financial investment. The decrease in the cost of the rights (due to lower 100% number), and the increase in the rights (due to higher 100% number), also drove and partly offset the increase in the margin. The increase in the margin is primarily due to the increase in the margin on the sale of the sports broadcast, which is a non-recurring item.
- High margin advertisement services. The increase in the margin on the sale of the sports broadcast, which is a non-recurring item, is primarily due to the increase in the margin on the sale of the sports broadcast, which is a non-recurring item.

Key Performance Indicators

Year	2017	2016	2015
Revenue	11.1	10.1	10.1
Operating Profit	4.0	4.4	4.2
Operating Margin	36.1	43.6	41.6
EPS	4.2	4.2	4.4

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MOTILAL OSWAL 10 July 2017

VOICES

India Inc on Call

India's quarterly growth has been steady, despite a heavy reliance on the private sector. The growth rate is expected to remain stable in the next few quarters. The government's focus on infrastructure and digitalization is expected to drive growth in the long term.

Key Takeaways from the report:

- India's quarterly growth has been steady, despite a heavy reliance on the private sector.
- The government's focus on infrastructure and digitalization is expected to drive growth in the long term.

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MOTILAL OSWAL 17 March 2017

EcoKnowledge

Did you know?

Only two states implemented 17% Pay Commission in FY18

FY18 budget deficit, however, much higher than budgeted.

17% Pay Commission in FY18: Only two states (Madhya Pradesh and Rajasthan) have implemented the 17% Pay Commission in FY18. In other states, the government has implemented the 17% Pay Commission in FY17.

17% Pay Commission in FY17: The government has implemented the 17% Pay Commission in FY17 in all states. The implementation of the 17% Pay Commission in FY17 was a significant step towards the implementation of the 17% Pay Commission in FY18.

Key Takeaways from the report:

- Only two states (Madhya Pradesh and Rajasthan) have implemented the 17% Pay Commission in FY18.
- The government has implemented the 17% Pay Commission in FY17 in all states.

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MOTILAL OSWAL 10 July 2017

The CornerOffice

Focus on double-digit volume growth

At the end of the quarter, the company reported a 10% increase in revenue, driven by a 10% increase in volume. The company's focus on double-digit volume growth is expected to drive revenue growth in the long term.

Key Takeaways from the report:

- At the end of the quarter, the company reported a 10% increase in revenue, driven by a 10% increase in volume.
- The company's focus on double-digit volume growth is expected to drive revenue growth in the long term.

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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of July edition:

- Nifty up 5.2% in July - Highest MoM rise in 36 months.
- PSU Banks, Telecom, Metals, and Cement top performers.
- Consumer only sector to deliver negative returns in July.
- Mid-caps underperform large caps by 3.4% in July.

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MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Assets inflows up by 27% in last five years

Key Takeaways from the report:

- Assets inflows up by 27% in last five years.
- The mutual fund industry is expected to continue its growth in the long term.

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