

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	33,343	0.7	25.2
Nifty-50	10,284	0.7	25.6
Nifty-M 100	19,643	1.0	36.9
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,579	-0.3	15.2
Nasdaq	6,783	-0.2	26.0
FTSE 100	7,381	-0.1	3.3
DAX	12,994	-0.4	13.2
Hang Seng	11,609	0.6	23.6
Nikkei 225	22,397	0.2	17.2
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	62	2.1	12.5
Gold (\$/OZ)	1,294	1.2	12.3
Cu (US\$/MT)	6,744	0.6	22.1
Almn (US\$/MT)	2,087	0.1	22.4
Currency	Close	Chg .%	YTD.%
USD/INR	65.0	-0.5	-4.3
USD/EUR	1.2	0.2	12.1
USD/JPY	112.1	-0.8	-4.2
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	7.0	0.0	0.5
10 Yrs AAA Corp	7.8	0.0	0.2
Flows (USD b)	17-Nov	MTD	YTD
FII	0.2	2.4	7.9
DII	0.2	0.9	12.3
Volumes (INRb)	17-Nov	MTD*	YTD*
Cash	415	409	305
F&O	5,338	6,860	5,611

Note: YTD is calendar year, \*Avg



Today's top research idea

HDFC Standard Life (Initiating Coverage): Another 'compounder'

Quality franchise; attractive valuations

- ❖ HDFC SL has reported strong growth trends, which has enabled it to consistently rank among India's top three private insurers. It has steadily improved the share of high-margin protection products to 26.4% as at Sep-17, which has helped it to deliver best-in-class new business margins.
- ❖ We estimate the company to deliver 25% CAGR in new business APE over FY17-20E, aided by its increasing bancassurance tie-ups, improvement in agency channel and higher direct sales.
- ❖ We estimate HDFCSL to deliver average RoEV of ~19% over FY17-20E, while new business margins are likely to improve further to 23%. We value HDFCSL at 3.5x Mar-20E EV at INR370/sh (implied new business multiple of 28x).



Research covered

Cos/Sector	Key Highlights
HDFC Standard Life	Another 'compounder'; Quality franchise; attractive valuations
Strides Shasun	Divestment to focus on profitable businesses
Cement (Petcoke Ban Update)	Environment ministry prohibits usage of petcoke in U.P, Rajasthan & Haryana
EcoScope	Fears of fiscal deficit slippage are exaggerated
EcoScope	Moody's upgrades India to highest sovereign rating post liberalization
Healthcare	IPM – early signs of revival
Cement	Prices largely flattish; Hikes likely in south markets



Piping hot news

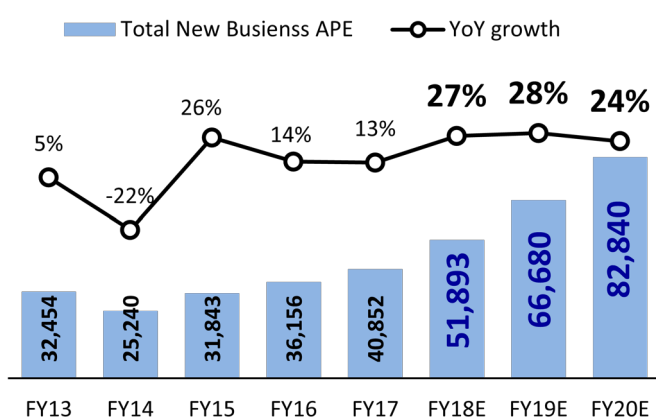
India up one place on Per Capita GDP terms to 126, Qatar No 1: IMF report

- ❖ India has moved up one position to 126th in terms of per capita GDP of countries while Qatar remains the world's richest on this parameter, as per IMF data. The data, which forms part of the latest World Economic Outlook report of the International Monetary Fund (IMF),...

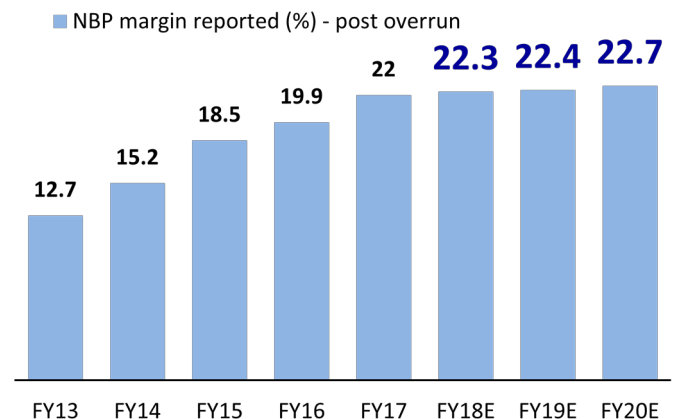


Chart of the Day: HDFC Standard Life – Another 'compounder'; Quality franchise; attractive valuations

Trend in APE premium and growth



Trend in new business margin



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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

**FPIs inflow in equities at \$2-billion in November so far**

Foreign investors have pumped in a whopping over USD 2 billion in the Indian equity markets this month so far, enthused by government's announcement of recapitalising PSU banks, improvement in global sentiment and stable currency...

2

**Government looks to cut GST on white goods**

After consumer products and other daily-use items, the government is now looking to reduce goods and services tax (GST) on consumer durables like washing machines and refrigerators from the current level of 28% as part of the next round of rationalisation. While the move is expected to help push demand in the sector, amid repeated complaints of a slowdown and excess capacity, the exercise will also be aimed at women and will reduce their daily workload by making such white goods cheaper, said a senior government official, who did not wish to be quoted...

3

**Indian Oil Corp opens India's first electric charging station in Nagpur**

In a major step in spreading the use of green energy, India's first electric vehicle (EV) charging station was started here on Sunday by Indian Oil, according to the state-run oil marketing company. Indian Oil has partnered with cab aggregator Ola to set up the charging station at an IOC petrol pump here...

4

**India's NHPC could bid for Nepal's \$2.5 billion power project pulled from China**

Indian power company NHPC Ltd could bid for a \$2.5 billion hydropower project in Nepal, its chairman told Reuters, after Kathmandu cancelled a deal with China Gezhouba Group Corp. China and India jostle for influence over infrastructure projects in Nepal...

5

**Centre may ban import of pet coke to curb pollution**

The government is considering banning import of pet coke — a cheap but polluting fuel widely used by cement, paper, brick kiln, chemicals and textile industries — to cut industrial pollution that's contributing to hazy skies. The Supreme Court has already forbidden the use of this fuel in the National Capital Region as intense smog over Delhi earlier this month prompted a series of measures including advancing of BS-VI fuel introduction in Delhi...

6

**Budget deficit may rise in FY18, but will improve in years ahead: Moody's**

Lower taxes and higher public expenditure could widen budget deficit in 2017-18, but steps taken by the government to broaden the tax base and improve spending efficiency would help in narrowing it going forward, U.S.-based rating agency Moody's said...

7

**CPSEs dividends: Companies to shell out as much as 25 pct more than budgeted Rs 67,529 crore**

Central public sector undertakings (CPSEs), which are giving an unprecedentedly high level of support to public capex for the second year in a row, will nevertheless shell out dividends at least 25% higher than the budgeted Rs 67,529 crore in FY18, officials said...



# HDFC Standard Life Insurance

BSE Sensex  
33,107

S&P CNX  
10,215

CMP: INR290

TP: INR370 (+28%)

Buy



Sar Utha Ke Jiyo

**Stock info**

Equity Shares (m)	2,009
MCap (INR b)	582.6
MCap (USD b)	8.9

**Financial snapshot (INRb)**

Y/E MARCH	FY18E	FY19E	FY20E
Net Premium	231.2	282.5	349.6
Total Income	331.7	398.3	492.5
Opex	27.5	33.7	41.5
Op. profit	292.5	350.6	434.0
Surplus/Deficit	10.9	12.7	15.7
PAT	9.5	10.8	13.5
New bus gr. %*	30	28	26
Renewal Prem.gr. (%)	11.9	16.9	21.5
P/EV (X)	3.9	3.3	2.8
P/EPS(x)	61.5	54.0	43.1

\*Un-weighted

**Shareholding pattern (%)**

Nov-17	%
Promoter	81.0
Others	19.0

## Another 'compounder'

Quality franchise; attractive valuations

HDFC Standard Life (HDFCSL) is one of India’s top three private sector life insurers and offers a wide range of insurance products. It has strengthened its position in a highly competitive industry and has a well-diversified business mix. HDFCSL has strong return ratios (FY17 RoEV at 21%) and the highest new business margin (22% for FY17) among the major private insurers, backed by its balanced product mix (47% ULIPs, 26% PAR, 27% Non-Participating business in FY17), strong distribution network and lower operating cost. HDFCSL has made significant investments in building its digital platform, which has enabled it to improve customer satisfaction and attract new business. We estimate HDFCSL to deliver RoEV of ~19% over FY17-20E and value it on 3.5x Mar-20E EV at INR370 per share, which implies an upside of 28% from the issue price. Initiate coverage with BUY.

- **New business premium to grow at 25% CAGR over FY17-20E:** HDFCSL has reported strong growth trends, which has enabled it to consistently rank among India’s top three private insurers. We expect the company to deliver 25% CAGR in new business APE over FY17-20. This will be aided by its increasing bancassurance tie-ups, improvement in agency channel and higher direct sales.
- **Diversified product mix, improving operating metrics to keep margins buoyant:** HDFCSL has a balanced product mix between participating, non-participating and ULIP products. It has steadily improved the share of high-margin protection products to 26.4% as at Sep-17, which has helped it deliver higher new business margins. Its diversified product portfolio and continued improvement in operating metrics (persistency, productivity) will keep margins/return ratios buoyant.
- **Strong distribution network; cost ratios to remain best-in-class:** HDFCSL continues to benefit from the strong distribution network of its bancassurance partners and has increased its bancassurance partner count to 125. This will help widen its reach and support premium growth. HDFCSL maintains strong control on cost ratios, aided by rising proportion of direct/online sales and multiple technology initiatives.
- **Valuation:** We expect HDFCSL to further improve its new business margin to 23% by FY20E, while operating RoEV/RoEV should sustain at 21%/19% respectively over FY17-20E. We value HDFCSL at 3.5x Mar-20E EV at INR370 per share (new business multiple of 28x), which implies an upside of 28% from the issue price. HDFCSL’s strong new business margins, healthy return ratios and stronger growth potential will enable it to trade at a premium to other insurers. Initiate coverage with BUY.

**Exhibit 1: HDFC Life: Key financials**

INRb	Net Premiums	Surplus /Deficit	PAT	VNB	NBP margin	EVOP as % of IEV	RoEV	RoE	Dividend	EV	P/EV	EPS	P/EPS	P/AUM
FY16	161.8	9.6	8.2	7.4	19.9%	20.9%	16.1%	28.5%	9.0%	102.3	5.7	4.1	70.7	78.5%
FY17	192.7	9.5	8.9	9.1	22.0%	21.0%	21.1%	25.5%	11.0%	123.9	4.7	4.5	64.9	63.5%
FY18E	231.2	10.9	9.5	11.4	22.3%	21.5%	19.9%	22.7%	12.5%	148.5	3.9	4.7	61.5	52.9%
FY19E	282.5	12.7	10.8	14.8	22.4%	21.3%	19.0%	22.2%	15.0%	176.8	3.3	5.4	54.0	44.0%
FY20E	349.6	15.7	13.5	18.3	22.7%	21.1%	18.8%	23.8%	17.5%	210.0	2.8	6.7	43.1	36.3%

**Exhibit 2: Snapshot of major insurers**

	HDFC Life		ICICI Life		Max India		SBI Life	
	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
<b>Profit and Loss matrix (INR m)</b>								
Operating Profit	154,644	273,421	177,018	340,640	83,708	115,546	169,482	277,959
Surplus / Deficit	9,597	9,476	14,124	11,527	4,632	-1,721	6,642	6,543
PAT (Shareholder's a/c)	8,183	8,921	16,505	16,822	4,391	6,599	8,610	9,547
<b>Premium (INR m) &amp; growth (%)</b>								
New business prem – wrp	36,156	40,852	51,085	64,862	21,627	27,485	48,781	66,009
Total premium – unwtd	64,872	86,964	67,658	77,604	28,817	36,664	71,066	101,439
Market share	4.7%	5.0%	4.9%	4.5%	2.1%	2.1%	5.1%	5.8%
New business growth – wrp	13.5%	13.0%	9.9%	27.0%	8.7%	27.1%	37.4%	35.3%
Total prem growth – unwtd	18.1%	34.1%	26.9%	14.7%	12.0%	27.2%	28.5%	42.7%
<b>New business mix – wrp (%)</b>								
Participating	26.8%	25.9%	11.4%	11.7%	62.6%	61.4%	27.7%	22.9%
Non-participating	20.5%	27.4%	13.6%	13.6%	13.0%	13.7%	28.7%	29.3%
ULIPs	52.8%	46.7%	75.1%	74.8%	24.4%	24.9%	43.6%	47.8%
<b>Operating ratios (%)</b>								
Investment yield (%)	2.5%	12.6%	1.2%	13.0%	4.2%	9.1%	4.6%	10.2%
Commissions / GWP	4.3%	4.1%	3.2%	3.4%	8.9%	8.7%	4.5%	3.7%
Total expense ratio	15.8%	16.3%	13.1%	13.9%	22.5%	23.4%	13.7%	11.6%
Solvency margin	198.4%	191.6%	320.0%	3.4%	343.0%	309.0%	212.0%	204.0%
<b>Persistency ratios (%)</b>								
13th Month	79.0%	81.0%	82.4%	85.7%	78.8%	80.4%	80.0%	80.6%
25th Month	67.0%	73.0%	71.2%	73.9%	66.6%	70.4%	72.1%	73.0%
49th Month	63.0%	58.0%	62.2%	59.3%	55.6%	54.9%	77.2%	65.0%
61st Month	50.0%	57.0%	46.0%	56.2%	42.7%	53.0%	50.6%	68.1%
<b>Valuation ratios and other data points</b>								
NBP margin (%)	19.9%	22.0%	8.0%	10.1%	17.9%	18.8%	16.0%	15.4%
RoE (%)	28.5%	25.5%	31.2%	28.7%	21.5%	29.1%	19.6%	18.6%
RoIC (%)	37.8%	41.0%	34.3%	34.8%	22.1%	33.2%	86.1%	95.5%
Total AUMs, INRb	742	917	1,039	1,229	364	444	798	977
RoEV (%)	16.1%	21.1%	0.8%	16.1%	6.9%	16.6%	NA	21.4%
Operating RoEV (%)	20.9%	21.0%	15.3%	16.5%	17.0%	19.9%	19.0%	23.0%
Dividend (%)	9.0%	11.0%	84.0%	73.5%	136.6%	52.5%	12.0%	15.0%
Dividend payout ratio (%)	26.4%	29.6%	87.7%	39.5%	100.0%	25.5%	16.8%	18.9%
EPS, INR	4.1	4.5	11.5	11.7	11.5	17.3	8.6	9.5
Embedded Value, INRb	102.3	123.9	139.4	161.8	56.2	67.4	130.0	165.4
P/E (x)	70.7	64.9	33.0	32.4	48.1	32.0	75.5	68.1
P/EV(x)	5.7	4.7	3.9	3.4	3.8	3.2	5.0	3.9
P/AUM	79%	64%	52%	44%	41%	34%	81%	67%
VIF as a % of EV	68%	67%	60%	58%	63%	62%	NA	58%

Source: Company, MOSL



# Strides Shasun

BSE SENSEX 33,343 S&P CNX 10,284

CMP: INR787 TP: INR1,214(+54%) Buy



### Stock Info

Bloomberg	STR IN
Equity Shares (m)	89.5
52-Week Range (INR)	1,259/754
1, 6, 12 Rel. Per (%)	-13/-30/-50
M.Cap. (INR b)	70.4
M.Cap. (USD b)	1.1
Avg Val ( INRm)/Vol m	423.2 / 0.4
Free float (%)	68.9

### Financials Snapshot (INR b)

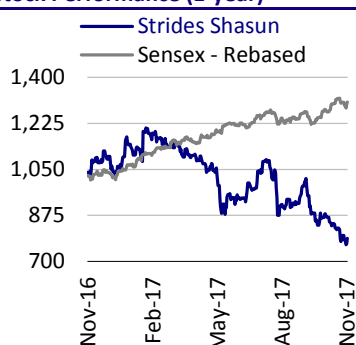
Y/E Mar	2017	2018E	2019E
Net Sales	34.8	40.4	49.4
EBITDA	6.4	7.8	10.4
PAT	2.9	3.7	6.2
EPS (INR)	32.3	41.8	69.2
Gr. (%)	77.6	29.5	65.5
BV/Sh (INR)	303.1	342.5	411.6
RoE (%)	10.8	12.9	18.3
RoCE (%)	8.3	9.3	12.0
P/E (x)	24.4	18.8	11.4
P/BV (x)	2.6	2.3	1.9

### Shareholding pattern (%)

As On	Sep-17	Jun-17	Sep-16
Promoter	31.1	31.1	31.1
DII	16.5	15.5	12.6
FII	33.6	33.9	35.3
Others	18.8	19.5	21.0

FII Includes depository receipts

### Stock Performance (1-year)



## Divestment to focus on profitable businesses

We believe that sale of domestic formulation business at 2.7x EV/FY17 sales is not only at good multiple but would also enable Strides Shasun (STR) to focus on US and Australia's regulated market and Africa business in emerging market. The deal also enables STR to reduce financial leverage, thereby improving profitability.

- Transaction details:** Strides Shasun (STR) has entered into definitive agreement with Eris Lifesciences for sale of domestic branded formulation business for cash consideration of INR5b. In this transaction, STR would divest portfolio of 130+ brands along-with employees forming part of the domestic branded business. STR would retain global rights of these products. The transaction is subject to customary closing conditions and both companies intend to close the transaction by 30 November 2017.
- Deal to improve operating margin and reduce financial leverage:** STR, over past two years had spent ~INR2.5b to acquire brands from J&J, Sun Pharma and Medispan. The sale of these brands was INR1.8b in FY17, implying EV/sales of 2.7x, which is decent as this business has been EBITDA neutral for STR. Thus, sale of this business would reduce revenue for STR and improve EBITDA margin. Repayment of debt of INR4b would reduce annual interest outgo to the tune of INR350m, thereby improving profitability as well.
- Change in estimates and view:** We tweak our estimates to incorporate sales of business and use of proceeds to repay debt. Accordingly, we marginally raise our EPS estimate to INR47.4/INR74.8/INR92.1 for FY18E/FY19E/FY20E and raise our price target to INR1,214 (SOTP basis). We continue to like STR on the back of robust ANDA pipeline, consistent compliance, outperforming industry in Australia market and lower net debt to equity ratio. Re-iterate Buy

# Cement

## Environment ministry prohibits usage of petcoke in U.P, Rajasthan & Haryana

### Supreme court suggests petcoke ban on all India basis

#### Petcoke ban update

- **Event:** Ministry of Environment, forests and climate change has issued direction under section 5 of the environment act 1986 to states of U.P, Haryana and Rajasthan to prohibit usage of petcoke and furnace oil with immediate effect until further orders. In regards to the above Chairman of Central Pollution Control Board has issued a direction to prohibit the usage of petcoke and furnace oil by any industry within states of U.P, Haryana and Rajasthan with immediate effect.
- Supreme Court has requested all the other state governments to consider taking similar measures of prohibiting usage of petcoke in order to control pollution and the case on this subject will be listed on 4th of December 2017.
- **Impact on profitability of cement companies:** We estimate that prohibition of usage of petcoke in states of Rajasthan, U.P and Haryana will result in higher fuel cost for cement companies operating out of these states as alternate fuel of imported coal is 15-20% costlier than petcoke cost on per kcal basis. We have not calculated the impact of shift of petcoke to imported coal on power cost as the proportion of petcoke used in power plants is not exactly known as also split grinding units typically depend on grid power for electricity and is unlikely to have any meaningful impact.
- We estimate the impact of shift of 100% petcoke to imported coal to result in increase in fuel cost/t by INR94/t for Rajasthan, U.P and Haryana cement manufacturing companies. The realization hike which would be required to initiate to offset the impact of increase in cost would be INR6-7/bag. We highlight with the recent sand mining ban in Rajasthan, this may be a slightly difficult proposition in the short term.
- We have given below that in case of an event the cost push in not passed on to end consumer, the likely impact in company's EBITDA adjusted for petcoke consumption and mix of volume produced in Rajasthan, Haryana and U.P. We estimate that JK Lakshmi, JK cement and Shree cement are likely to see impact of 8%/6%/5% respectively on overall EBITDA due to the impact of cost push. The other risk which the industry has highlighted is the increase in cost of imported coal due to higher demand. While our analysis suggests that the additional demand for imported coal will increase by ~7-8mt which is not likely to push the prices of imported coal substantially. However if petcoke ban is levied across the country, additional demand for imported coal could push up the prices of imported coal.

**Impact on company's financials due to petcoke ban in 3 states of U.P/Rajasthan and Haryana**

<b>Company</b>	<b>% of overall volume produced in 3 states</b>	<b>% of petcoke consumption</b>	<b>Increase in fuel cost/t adj. for volume in 3 states and % of petcoke consumption</b>	<b>Company FY19 EBITDA/t</b>	<b>% impact in EBITDA</b>
Shree Cement	77%	100%	73	1,339	5%
ACC	10%	65%	6	752	1%
Ambuja Cement	11%	65%	7	972	1%
JK Cement	75%	85%	60	1,012	6%
JK Lakshmi	75%	80%	57	688	8%
Birla Corp	34%	90%	29	862	3%
Ultratech Cement	21%	75%	15	1,345	1%
India Cement	11%	80%	8	867	1%



## Fears of fiscal deficit slippage are exaggerated

### Combined analysis of center and 16 states discards such fears

- One of the serious contentions today, which has afflicted the analysis of the monthly accounts of the central government, is if the center has appropriately distributed the tax collection with states (especially collection under integrated GST, IGST). Based on the adjustments made to address this issue, conclusions are reached, which could be highly misleading, in our view. To address this, we have performed a combined analysis of the monthly accounts of the center and selected 16 states (which account for ~80% of total spending by all states) to assess the likelihood of the government witnessing a shortfall in taxes, and thus fiscal deficit, in FY18.
- We believe there are two benefits of this analysis. (1) It helps to assess the overall tax receipts of the general government (center + 16 states) by removing the uncertainty involved in analyzing monthly data of the central government in terms of its appropriate distribution of taxes to states. (2) It gives us clarity on the likelihood of the general government breaching its fiscal deficit target for FY18.
- Our analysis of the combined tax receipts of the center and the 16 states up to September 2017 reveals:
  1. States' finances confirm weakness in tax receipts...: During the first two months of GST implementation (although GST became effective from July 2017, the taxes pertaining to July were collected in August 2017), the tax receipts of the 16 states grew only 2.3% YoY, as against 17.6% growth in the corresponding period last year and three-year average of 11.1%. Only four states – Maharashtra (MH), Odisha (OR), Punjab (PB) and Rajasthan (RJ) – witnessed higher growth in August-September 2017 compared to the past years.
  2. ...however, overall tax receipts in FY18 could over-shoot the budget estimates (BEs) for the first time in seven years: The combined tax receipts of the general government, however, grew 15% YoY in August-September 2017, marking the fastest pace compared to the corresponding period of the last six years (when it averaged ~11%). In fact, growth of 16.6% YoY in the combined taxes in 1HFY18 was the highest if we compare it to the corresponding periods of the last five years. Since tax receipts (like spending) grow faster in the second half in comparison to the first half, we estimate that the total tax receipts of the general government could over-shoot the BEs by *at least* INR410b – INR27.57t v/s BE of INR27.16t. Even if we adjust the estimates of tax collection in 2HFY18 for the loss in taxes due to the recent changes in GST rates (~INR75b for the remaining FY18) and a cut in excise duty on fuel products (~INR130b), tax collection would be higher by *at least* INR200b.
  3. Fears of fiscal slippages are exaggerated: Higher-than-budgeted tax receipts would offset the majority of the expected shortfall in the non-tax receipts (to the tune of INR300b due to lower dividends from the RBI), which implies that the total receipts of the general government in FY18 would be closer to the BEs. Consequently, not only the government will not be required to cut spending, but also it is unlikely to breach its FY18 fiscal deficit target.



## Moody's upgrades India to highest sovereign rating post liberalization

Further upgrades from Moody's unlikely, but other agencies could follow suit

- Moody's upgraded India's sovereign credit rating to Baa2 from Baa3, the highest rating that the country has received from the global ratings agency post liberalization. Outlook on the rating is also changed to stable from positive. Notably, Moody's has upgraded India's rating after nearly 14 years (last in January 2004).
- The ratings agency attributed the upgrade to a host of economic and institutional reforms (such as GST, better monetary policy framework, bank recapitalization, demonetization and DBT), which are expected to drive a gradual improvement in India's fiscal metrics. India's real GDP growth is also expected to improve from 6.7% in FY18 to 7.5% in FY19, and then remain high in the ensuing years.
- Although the upgrade has no impact on the country's fundamentals, it is a sentiment booster and largely reflects the governments' past and ongoing actions.
- Moody's clarified that further upgrades will depend on a *material* improvement in fiscal metrics, along with a *strong and durable recovery* of the investment cycle. On the contrary, a material deterioration in fiscal metrics/health of the banking system could prompt a downgrade. Overall, we do not expect any further rating change from Moody's in the near future; however, an upgrade from other rating agencies (Standard & Poor's and Fitch) is long due, in our view.

Moody's – one of the three major global ratings agencies – upgraded the Government of India's local and foreign currency issuer ratings by one notch to Baa2 from Baa3. The outlook on the rating was also changed to stable from positive. The global ratings agency has upgraded India's rating after nearly 14 years (last in January 2004; Exhibit 1). This is India's highest credit rating by Moody's post liberalization.

### Reasons for the upgrade

Moody's took note of the Indian government's wide range of economic and institutional reforms, such as the GST (would promote productivity by removing barriers to inter-state trade), improvement in the monetary policy framework, measures to address the overhang of non-performing loans (NPL) in the banking system, demonetization, and Aadhar and the Direct Benefit Transfer (DBT) system for targeted delivery of benefits. The rating agency expects India's GDP growth to accelerate to 7.5% in FY19 from 6.7% in FY18; it sees "similarly robust levels" of growth in the ensuing years. Moody's also highlighted that India has stronger long-term growth potential than most other Baa-rated sovereigns.

Exhibit 1: Movements in India's ratings by three major rating agencies

Standard & Poor's (S&P)		Fitch		Moody's	
Rating	Date	Rating	Date	Rating	Date
BB+	7-Dec-92	BB+	8-Mar-00	Ba2 (Lowest)	28-Jul-99
BB ↓ (Lowest)	22-Oct-98	BB ↓ (Lowest)	21-Nov-01	Ba1 ↑	3-Feb-03
BB+ ↑	2-Feb-05	BB+ ↑	21-Jan-04	Baa3 ↑	22-Jan-04
BBB- ↑ (Highest)	30-Jan-07	BBB- ↑ (Highest)	1-Aug-06	Baa2 ↑ (Highest)	16-Nov-17

The table doesn't include change in ratings' outlook

Source: Bloomberg, MOSL



# Healthcare

## Performance of top companies: October 2017

Company	MAT gr (%)	Oct-17 (%)
<b>IPM</b>	6.0	6.5
Sun Pharma	7.5	5.6
Abbott India	8.5	8.9
Cipla	2.5	8.0
Zydus Cadila	10.6	2.9
Mankind	7.8	21.1
Alkem	3.2	13.2
Lupin	7.6	2.0
GSK Pharma	6.1	23.7
Pfizer	(3.2)	(8.9)
Glenmark Pharma	10.2	8.6
Sanofi	10.4	4.6
Dr Reddy Labs	2.7	1.3
Torrent Pharma	9.4	9.8
Alembic Pharma	(1.2)	0.6
Ipca Labs	(2.0)	(11.6)
Natco	(9.8)	22.7
Ajanta Pharma	9.4	10.6
Merck	6.6	0.6
Biocon	12.1	11.0

## IPM – Early signs of revival

- Indian pharmaceutical market's (IPM) secondary sales grew at a healthy rate in October, led by strong volume growth. Price growth, however, witnessed a downtrend in the month. IPM grew by 6.5% YoY in October 2017 and 3.8% YoY over August-October 2017.
- After declining 0.3% YoY over May-July 2017, industry volumes grew by 3% over August-October 2017. Growth in new products came down to 2.6% YoY over August-October 2017, from a high of 7.4% YoY in the year-ago period. Prices declined 1.8% YoY in the recent quarter, after increasing marginally by 0.6% in May-July 2017. We believe the negative impact from GST is now behind, and expect a gradual recovery over the coming months.
- Moving annual total (MAT) growth for October stood at 6.0%, as against -6.2% YoY in September.

## GSK Pharma, Natco and Mankind witness highest growth

- GSK Pharma (+23.7%) posted robust growth for October, followed by Natco (+22.7%) and Mankind (+21.1%). More than 50% of the companies posted high-single-digit to high-double-digit growth in the month.
- IPCA' secondary sales continued to decline (-11.6%) in October, followed by Pfizer (-6.8%).

## Vaccines, Derma and Anti-diabetic lead among therapies

- Vaccines (1.9% of IPM) saw significant growth of 23.5% in October, followed by Derma (+13.5%; 6.3% of IPM) and Anti-diabetic (+11.4%; 9.1% of IPM). 60% of the therapies grew in high-single-digit to double-digit. Anti-infectives (13.8% of IPM) grew marginally by 1.6% v/s a decline of 2.4% in the previous month. All therapies reported growth in October. However, Anti-Neoplastic (+3.1%), Pain (+3.7%), Gynecological (+4%) and Vitamins (+4.8%) underperformed the IPM.

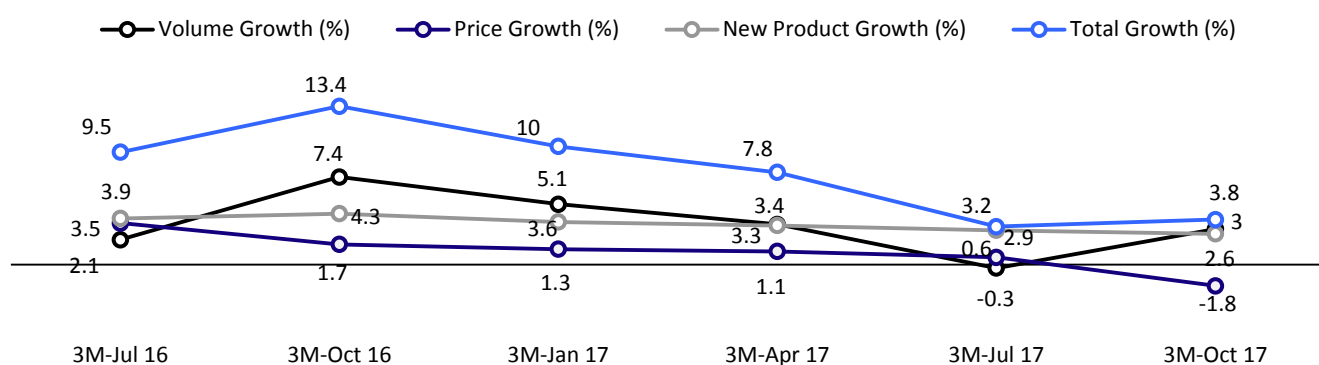
## DPCO v/s non-DPCO market (October-17)

- In value terms, secondary sales of DPCO-listed products increased by 3.3% YoY and of non-DPCO products by 7.1% YoY.

## FDC ban impact (October-17)

- FDC-banned drugs (+10.3% in October; ~2.4% of IPM in value terms) continued to grow for the second consecutive month, while non-banned drugs grew by 7.2% YoY. Secondary sales for Indian companies increased 6.6% YoY, while those of MNC companies grew by 6.3% YoY.

Exhibit 3: Although industry witnessed volume growth, price growth continued to decline

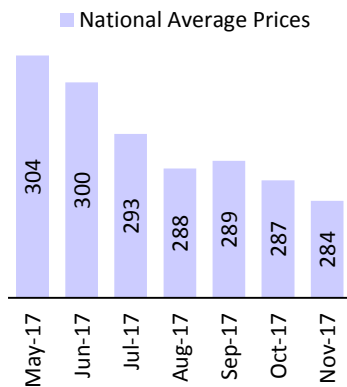


Source: AIOCD, MOSL



# Cement

Average national price declines ~1% MoM in mid-November-17 (prices in INR/bag)



## Prices largely flattish

### Hikes likely in south markets

- Cement prices declined marginally by 1% MoM in the first half of November 2017 due to price weakness in the south market.
- Prices in south are likely to be hiked by INR15-20/bag next week to compensate for the correction over the last three months.
- Prices in north are likely to be flattish until mid-December due to reduced construction activity in the NCR region (as per NGT ruling) and the sand mining ban in Rajasthan.
- Cement demand for October was healthy in north, with growth coming from the IHB segment. Demand in south declined by ~1% YoY due to weakness in Tamil Nadu, partly offset by strong demand from AP/Telangana.

### Cement prices correct marginally at all-India average level

All-India cement prices were marginally lower by 1% MoM for the first half of November due to a 3% MoM price correction in south, driven by lower prices in AP/Telangana. Cement prices in north/west/east/central were largely flattish MoM, with selected regions like Mumbai and Ahmadabad witnessing price volatility in the first week of November.

### Prices likely to be increased in south

Cement prices in south have declined by 3% MoM in November (down 13% from the peak in April 2017) due to demand weakness. Our channel checks suggest that cement prices are likely to be increased by INR15-20/bag in AP/Telangana and by INR5-10/bag in Karnataka. However, prices in Tamil Nadu may remain unchanged, with monsoon keeping demand muted.

### North may not see price increase until mid-December

Cement prices in north are unlikely to improve meaningfully (contrary to our earlier expectations), as demand has remained weak due to reduced construction activity in NCR region, as per orders of NGT. Additionally, the recent order by the Supreme Court on sand mining ban in Rajasthan could impact volumes. However, there could be cost push in form of higher fuel prices, as usage of petcoke has been banned in Uttar Pradesh, Rajasthan and Haryana. This will further increase power & fuel cost/t for the companies.

### Demand continues to be stable

Cement demand in October was stable in north (up ~4-5% YoY on higher demand from the IHB segment), Gujarat (up 4-5% YoY after a sustained decline for the past few months) and east (up MoM with the end of festival season). South demand declined by 2% YoY, as demand improvement in AP/Telangana to the extent of 18% YoY was largely offset by ~26% decline in Tamil Nadu. Demand remained weak in the central region due to the sand mining ban.



### 1. HDFC: Rating upgrade was long overdue; Deepak Parekh, Chairman

- Rating agencies have not been fair to India, the upgrade was long overdue.
- Reforms have been transformational and big bang and not incremental. Reforms have been well executed by the government and so on these grounds the upgrades should have come much earlier.
- Going forward maybe the next upgrades could come quicker.
- Regarding higher oil prices on India, there is a lot of uncertainty in the OPEC countries.
- With reserves at USD 400 billion, India is better prepared and could be able to manage if the oil price went to levels of USD 70-75 per barrel but if they go upto USD 100/bbl and above it would be a killer for India.
- Government is using the housing sector to pump-prime the economy.
- Under the MIG-I category, the carpet area of the houses has been enhanced from 90 sq metres to 120 sq metres, while under the MIG-II segment, it has been increased to 150 sq metres from the current 110 sq metres. Housing would definitely be the engine for growth because it impacts other sectors like cement, steel, labour, building material etc. So, it basically kicks starts the economy.
- This government has been the first to give a maximum thrust to housing.

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### 2. HPCL: Upgrade to help reduce interest rate cost by 30-50bps; MK Surana, CMD

- Company has got foreign exchange borrowing at USD 1.6 billion and has capex plans at around USD 10 billion.
- Upgrades may help in reducing borrowing cost. Expectations are that it may help to the extent of around 30-50 basis points (bps) on the interest rate.
- If rupee continues to strengthen, the crude cost may reduce.

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### 3. WESTLIFE: Withdrawal of input tax credit increased our costs; Amit Jatia, Vice-Chairman

- Welcome government's move to bring down GST from 18 percent to 5 percent.
- For the organised players, the real cost is not 5 percent - the government while bringing 5 percent down, took away the benefit of input tax credit.
- The input tax credit which was available to company for the last 20 years has now been taken away which added cost.

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### 4. CIPLA: See limited competition for Pulmicort; expect 3-4 more approvals by fy18-end; Umang Vohra, MD & Global CEO

- Pulmicort approval is limited in nature. There is an IP situation around Pulmicort, which will get resolved sometime in 2018 and so, there could be further competition coming in as well.
- It is a product candidate which is of Form Fill Seal (FFS) solution – actually a suspension product and difficult to make. Not many facilities in the world that make it and so think the competition is limited.

- Competition could be doing close to USD 15-20 million in terms of revenues and so they would also roughly be in that range.
- Company would continue supplying it to Sandos, as contract manufacturer for the drug.
- Post the Q2 numbers, the company had guided for a steady stream of limited competition drugs in the US.
- Not all of them would be limited competition but till the end of FY18 expect to get another 3 or 4 more approvals, and possibly more after that.
- Trajectory is to grow 10 percent quarter on quarter. Have now bottomed out and are beginning to see growth in US.
- Regarding pricing pressure in the US impacting their portfolio, percentage impact is similar to all the others players, which is around 10-15 percent price erosion. However, only difference is that since other players' base is smaller, they do not see the same dollar absolute hits.
- For past 3-5 quarters have been trying to balance the erosion with whatever approvals company is getting. The trajectory will move up once the limited drugs start.
- The US remains the largest market in the world and look at it as an attractive opportunity.

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### 1. Moody's thumbs up for pm Modi's longer-term reforms

- The timing of Moody's ratings upgrade, the first in 13 years, is ironic since it comes at a time when, while still good, India's fundamentals don't look as solid as they did, say, a year ago. While the government was hopeful of getting an upgrade at that point, rating agency S&P refused to oblige, and there are doubts as to whether India will be able to accelerate growth fast enough. But even while it is likely the government will slip on its fiscal commitments this year, Moody's seems to have, rightly, shifted its focus from just traditional deficit- and debt-based indicators and, instead, looked at the big reforms undertaken in the last few years. Indeed, the Moody's statement says, at 68% of GDP, India's consolidated fiscal deficit is significantly higher than the Baa median of 44%, and that it expects India's debt-to-GDP ratio to rise about one percentage point due to the slowing of nominal GDP as well as the implementation of GST. If the rating agency has upped its rating despite this, it is because the various reforms will, over time, change India in a fundamental manner and, once GDP grows faster again, the debt- and deficit numbers will look better

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### 2. Mukesh Ambani's online approach may outsmart Amazon

- Amazon.com Inc. had better watch out. The \$200 billion e-commerce market Morgan Stanley is forecasting for India by 2027 just got a new contender—with a very different plan. Energy tycoon Mukesh Ambani has already disrupted the country's telecom industry. His next big foray may be online retail. But India's richest man may not create a marketplace of his own. According to an Economic Times report, Ambani's Reliance Industries Ltd wants to leverage its Jio wireless service and hand out digital coupons, which customers can then use to get discounts at their neighbourhood stores. Why is this a smart move? There are clues in Morgan Stanley's research. India has 432 million internet users, but only 60 million online shoppers. The e-commerce industry, including online food delivery, is just \$15 billion a year, or 40% less than Alibaba Group Holding Ltd.'s Singles' Day sales in China

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### 3. Narrow banking is an idea whose time has come

- The most heartening takeaway from last week's public sector bank executive jamboree was the discussion around differentiated lending structures. The ThinkShop (earlier editions were called Gyan Sangams) suggested that large banks focus on corporate lending, while smaller lenders focus on retail loans or specific geographies. It is a good start. One of the key things the three credit crises in the Indian banking system over the past three decades have taught us is how little progress has been made to improve the impaired credit culture of state-owned banks. Taking differentiated lending to its logical end, the time has come to consider converting the worst performers among state-owned lenders to narrow banks, which won't lend at all.

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## International

### 4. Asian cities should be focal points for climate action

- The global response to climate change has so far been focused entirely on nation states. Until the Paris Agreement and the recently concluded Kigali Agreement, the inability of nation states to broker any agreement resulted in inadequate positive action. This is amply borne out by the increase in both the duration and frequency of extreme climatic events. It is only now that the emphasis of the climate change debate is shifting to cities, particularly mega cities. Cities cover less than 2% of the earth's surface, but consume 78% of its energy. According to the International Energy Agency's World Energy Outlook (2008), urban areas account for over 71% of energy-related global greenhouse gases (GHGs), particularly carbon dioxide (CO<sub>2</sub>) emissions, mainly through concentrated and increased energy consumption by transport and industry, and biomass use. This figure is expected to rise to 76% by 2030.

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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
<b>Automobiles</b>														
Amara Raja	Buy	799	856	7	28.0	28.3	34.2	28.5	28.3	5.3	4.6	20.3	17.3	18.1
Ashok Ley.	Buy	116	134	16	4.6	4.5	6.2	25.4	25.8	5.5	5.0	23.1	20.4	25.2
Bajaj Auto	Buy	3,212	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	697	844	21	13.1	19.1	26.0	53.3	36.4	7.9	6.8	16.2	20.1	23.2
Bosch	Neutral	18,985	19,965	5	473.1	457.8	603.0	40.1	41.5	6.6	6.0	15.8	15.2	18.1
CEAT	Buy	1,777	2,116	19	93.3	82.5	116.9	19.0	21.5	3.0	2.7	16.9	13.0	16.2
Eicher Mot.	Buy	30,638	34,722	13	612.7	814.7	1,062.7	50.0	37.6	15.6	11.8	37.1	35.7	35.0
Endurance Tech.	Buy	1,198	1,334	11	23.5	27.6	36.7	51.0	43.4	9.7	8.2	20.8	20.5	22.8
Escorts	Sell	694	688	-1	20.0	35.8	45.9	34.8	19.4	3.5	3.0	10.6	16.8	18.4
Exide Ind	Buy	201	254	26	8.1	7.9	9.7	24.7	25.4	3.4	3.2	13.9	12.5	13.7
Hero Moto	Neutral	3,635	3,819	5	169.1	183.1	193.9	21.5	19.9	7.2	6.3	35.7	33.7	31.1
M&M	Buy	1,417	1,607	13	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	8,341	9,466	13	248.6	288.1	381.0	33.5	29.0	7.0	6.1	20.3	20.5	23.0
Tata Motors	Buy	421	575	36	19.8	24.6	64.8	21.3	17.1	2.5	2.2	9.8	13.4	28.3
TVS Motor	Neutral	709	764	8	11.7	14.9	25.8	60.3	47.5	14.0	11.4	25.6	26.5	35.6
<b>Aggregate</b>								<b>29.4</b>	<b>24.8</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	542	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	179	197	10	7.0	8.5	10.5	25.6	21.0	2.6	2.1	10.8	11.5	11.8
Equitas Hold.	Buy	141	209	48	5.0	1.7	5.7	27.9	81.4	2.1	2.1	9.5	2.6	8.2
Federal Bank	Buy	113	146	30	4.8	5.5	6.6	23.4	20.3	2.2	1.8	9.9	9.6	10.0
HDFC Bank	Buy	1,827	2,150	18	56.8	68.7	84.7	32.2	26.6	5.4	4.8	18.3	18.8	20.4
ICICI Bank	Buy	325	355	9	15.3	13.6	17.0	21.3	23.9	2.4	2.5	10.9	8.8	10.5
IDFC Bank	Neutral	55	56	2	3.0	2.8	3.2	18.3	19.8	1.3	1.2	7.2	6.3	6.9
IndusInd	Buy	1,631	2,000	23	48.1	60.9	78.6	33.9	26.8	4.7	4.2	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	1,024	1,179	15	26.8	32.1	41.6	38.2	31.9	4.9	4.4	13.8	14.8	16.5
RBL Bank	Buy	511	665	30	11.9	16.4	23.0	43.0	31.3	4.5	3.2	12.3	12.4	13.7
South Indian	Buy	31	36	18	2.5	1.9	3.8	12.3	16.5	1.2	1.1	9.0	6.7	12.6
Yes Bank	Buy	306	382	25	14.6	17.8	23.3	21.0	17.2	3.3	2.8	18.9	17.3	19.5
<b>Aggregate</b>								<b>30.1</b>	<b>25.4</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	184	201	10	6.0	17.9	22.6	30.7	10.2	1.2	1.1	4.0	6.4	9.4
BOI	Neutral	208	201	-3	-14.8	3.2	9.2	NM	65.4	0.9	1.0	-6.7	1.5	4.3
Canara	Neutral	388	386	-1	18.8	16.1	30.3	20.7	24.1	0.8	0.8	4.2	3.4	6.1
IDBI Bk	Neutral	60	49	-17	1.5	6.4	8.6	38.9	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	128	150	17	-31.6	17.1	21.4	NM	7.5	0.4	0.3	-8.4	4.6	5.4
PNB	Buy	191	250	31	6.2	8.5	13.5	30.6	22.4	1.1	1.0	3.6	4.7	7.1
SBI	Buy	337	415	23	0.3	14.6	26.8	1,134.3	23.1	1.6	1.5	-0.2	7.0	11.4
Union Bk	Neutral	170	175	3	8.1	-13.5	6.0	21.1	NM	0.5	0.6	2.7	-4.7	2.1
<b>Aggregate</b>								<b>124.2</b>	<b>21.7</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	198	231	17	0.0	3.7	5.4	NA	53.3	NA	5.1	0.0	12.5	12.3
Bajaj Fin.	Buy	1,787	2,300	29	32.0	45.7	63.7	55.8	39.1	10.7	6.3	21.6	20.2	20.4
Bharat Fin.	Under Review	968	-		21.0	30.3	47.2	46.1	32.0	5.5	4.4	15.1	15.3	19.3
Capital First	Buy	695	925	33	24.6	32.8	43.7	28.2	21.2	3.0	2.6	12.0	13.2	15.4
Cholaman.Inv.&Fn	Buy	1,276	1,500	18	46.0	59.2	70.4	27.8	21.6	4.6	3.9	18.0	19.6	19.6
Dewan Hsg.	Buy	635	690	9	29.6	37.6	46.0	21.5	16.9	2.5	2.3	14.4	14.1	15.3
GRUH Fin.	Neutral	506	500	-1	8.1	9.9	12.0	62.2	51.3	18.6	15.3	32.5	32.8	32.8
HDFC	Buy	1,701	2,000	18	46.8	51.6	57.1	36.3	33.0	6.7	6.1	18.9	19.3	18.6
HDFC Stand. Life	Buy	344	370	7	4.5	4.7	5.4	77.0	73.1	NA	NA	25.5	22.7	22.2
Indiabulls Hsg	Buy	1,189	1,550	30	68.6	83.6	105.1	17.3	14.2	4.2	3.7	25.5	27.6	30.7



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	190	240	26	5.2	6.9	10.4	36.3	27.3	4.3	3.8	12.4	14.9	18.9
LIC Hsg Fin	Neutral	605	680	12	38.2	41.0	46.5	15.8	14.7	2.8	2.4	19.1	17.4	17.2
Manappuram	Not Rated	103	-		8.6	9.2	9.7	11.9	11.2	2.6	2.4	24.0	22.3	21.4
M&M Fin.	Buy	438	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	1,372	1,750	28	31.6	52.5	66.5	43.4	26.1	4.2	3.7	13.8	15.0	16.7
Repco Home	Buy	622	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	2,021	2,650	31	84.3	115.6	145.3	24.0	17.5	2.6	2.4	11.7	14.3	15.9
STF	Buy	1,301	1,415	9	55.6	80.6	106.2	23.4	16.1	2.6	2.3	11.7	15.1	17.4
<b>Aggregate</b>								<b>32.6</b>	<b>26.0</b>	<b>5.2</b>	<b>4.5</b>	<b>16.1</b>	<b>17.2</b>	<b>17.9</b>
<b>Capital Goods</b>														
ABB	Sell	1,374	1,230	-10	19.7	20.2	28.7	69.7	67.9	8.9	7.8	12.7	11.6	14.6
Bharat Elec.	Buy	179	210	17	6.3	7.1	8.0	28.4	25.2	5.8	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	695	685	-1	12.9	16.5	24.4	54.0	42.2	8.8	8.3	18.0	20.2	27.8
CG Cons. Elec.	Buy	244	260	7	4.7	5.2	6.5	52.1	47.0	28.3	20.8	76.4	51.0	49.6
CG Power & Indu.	Neutral	83	90	8	4.1	1.4	2.3	20.2	57.6	1.2	1.2	6.2	2.1	3.3
Cummins	Buy	855	1,150	34	26.5	25.3	35.0	32.3	33.8	6.3	5.9	21.2	18.1	22.2
GE T&D	Neutral	411	440	7	5.7	9.4	11.2	71.6	43.6	10.2	8.9	12.4	21.8	22.6
Havells	Neutral	508	460	-9	9.6	11.5	14.3	53.1	44.1	9.7	8.6	18.2	19.5	21.2
K E C Intl	Neutral	292	350	20	11.9	14.3	17.6	24.7	20.5	4.7	4.0	19.2	19.5	20.2
L&T	Buy	1,221	1,450	19	42.3	49.0	57.5	28.9	24.9	3.4	3.1	12.5	13.1	14.0
Pennar Eng.	Not Rated	101	-		7.1	9.1	11.2	14.3	11.1	1.5	1.3	10.2	11.6	12.6
Siemens	Neutral	1,192	1,355	14	17.8	21.7	33.4	66.9	55.0	6.2	5.4	9.3	9.8	13.8
Solar Ind	Neutral	1,156	1,120	-3	20.6	26.2	31.3	56.1	44.1	10.3	8.7	19.8	21.4	21.5
Suzlon Energy	Not Rated	14	-		0.6	0.9	1.0	21.7	15.6	-1.3	-1.4	NM	-8.8	-11.0
Thermax	Neutral	1,021	930	-9	30.8	29.9	34.4	33.1	34.2	4.5	4.1	14.3	12.6	13.2
Va Tech Wab.	Buy	545	745	37	29.9	34.5	37.2	18.2	15.8	3.0	2.6	16.9	17.5	16.4
Voltas	Neutral	610	550	-10	15.5	17.5	19.6	39.5	34.8	6.1	5.4	18.0	16.5	16.3
<b>Aggregate</b>								<b>35.9</b>	<b>30.5</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	274	314	14	4.9	6.9	8.4	56.2	39.5	2.8	2.7	5.1	7.0	8.0
ACC	Neutral	1,766	1,797	2	36.1	52.2	70.9	48.9	33.8	3.8	3.7	7.9	11.1	14.2
Birla Corp.	Buy	1,122	1,435	28	28.5	32.2	56.7	39.3	34.9	2.6	2.5	7.1	7.3	12.0
Dalmia Bharat	Buy	3,070	3,517	15	38.8	60.8	83.7	79.2	50.5	5.5	5.0	7.2	10.3	12.7
Grasim Inds.	Neutral	1,175	1,302	11	67.8	81.9	116.8	17.3	14.3	1.7	1.6	10.8	11.5	14.5
India Cem	Neutral	177	188	6	5.6	5.8	10.5	31.4	30.2	1.1	1.0	3.4	3.5	6.0
J K Cements	Buy	1,083	1,324	22	33.7	47.8	61.8	32.1	22.7	4.3	3.7	14.4	17.5	19.2
JK Lakshmi Ce	Buy	428	512	20	7.0	12.1	19.1	61.5	35.3	3.6	3.3	6.1	9.9	13.9
Ramco Cem	Buy	726	853	17	27.3	27.1	35.1	26.6	26.8	4.6	4.0	19.0	16.0	17.9
Orient Cem	Buy	165	205	25	-1.6	6.3	9.1	NM	26.2	3.4	3.1	-3.2	12.3	15.6
Prism Cem	Buy	114	128	12	0.3	2.7	5.0	416.9	41.5	6.0	5.4	1.4	13.7	21.3
Shree Cem	Buy	18,300	21,852	19	384.4	486.2	499.3	47.6	37.6	8.3	6.9	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>38.3</b>	<b>30.8</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	1,171	1,280	9	21.0	21.6	25.8	55.7	54.3	14.8	14.4	28.5	26.9	29.4
Britannia	Buy	4,736	5,845	23	73.7	84.5	106.9	64.3	56.0	21.1	17.4	36.9	34.0	35.2
Colgate	Buy	1,040	1,328	28	21.2	23.4	28.6	49.0	44.5	22.2	21.1	50.4	48.7	56.2
Dabur	Buy	337	395	17	7.2	7.7	9.3	46.4	43.5	12.2	10.5	28.4	26.0	27.3
Emami	Buy	1,279	1,435	12	26.5	26.6	33.2	48.2	48.1	16.5	14.1	35.8	31.7	34.0
Godrej Cons.	Neutral	944	1,015	7	18.9	21.2	24.5	50.0	44.6	12.1	9.5	24.6	23.8	22.9
GSK Cons.	Neutral	6,009	5,400	-10	156.1	160.8	182.3	38.5	37.4	8.1	7.9	22.2	21.4	22.6
HUL	Buy	1,279	1,440	13	19.6	22.8	27.6	65.1	56.0	42.6	42.4	66.5	75.9	88.0
ITC	Neutral	258	280	9	8.4	9.1	10.0	30.7	28.3	6.9	6.9	23.5	24.4	25.6

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
Jyothy Lab	Neutral	335	365	9	11.2	9.2	10.9	29.8	36.5	5.6	5.7	21.1	15.5	18.3
Marico	Neutral	306	340	11	6.3	6.5	7.9	48.8	47.1	17.0	14.8	36.7	33.6	37.1
Nestle	Neutral	7,689	7,750	1	123.7	128.4	149.0	62.2	59.9	24.6	22.3	40.9	39.0	40.9
Page Inds	Buy	23,535	25,580	9	238.7	296.6	413.1	98.6	79.3	39.4	31.6	40.0	39.8	44.4
Parag Milk	Neutral	234	275	17	3.6	8.9	12.4	65.0	26.3	3.0	2.7	6.0	10.8	13.3
Pidilite Ind.	Buy	835	975	17	16.7	17.2	20.8	49.9	48.5	12.9	10.7	28.2	24.1	23.9
P&G Hygiene	Neutral	9,100	9,267	2	132.9	151.5	176.7	68.5	60.1	42.9	35.6	39.3	64.8	62.9
Prabhat Dairy	Not Rated	154	-		3.5	3.5	6.4	43.7	44.4	2.2	2.1	5.2	4.9	8.5
United Brew	Buy	1,107	1,320	19	8.7	14.7	18.0	127.5	75.5	12.5	11.0	10.2	15.5	16.5
United Spirits	Neutral	3,188	2,970	-7	26.7	34.9	53.7	119.2	91.3	23.9	16.6	21.3	18.2	20.9
<b>Aggregate</b>								<b>48.0</b>	<b>43.7</b>	<b>13.2</b>	<b>12.3</b>	<b>27.6</b>	<b>28.2</b>	<b>29.5</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	514	540	5	21.6	21.6	24.9	23.8	23.7	5.1	4.4	23.0	19.9	19.8
Alkem Lab	Neutral	1,967	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	1,272	1,606	26	57.3	52.7	64.1	22.2	24.1	7.2	5.7	36.7	26.4	25.7
Aurobindo	Buy	708	900	27	39.3	44.6	50.3	18.0	15.9	4.4	3.5	27.6	24.6	22.3
Biocon	Neutral	394	335	-15	10.2	6.1	10.5	38.7	64.7	4.9	4.6	12.3	7.2	11.4
Cadila	Buy	446	555	24	14.2	17.5	23.7	31.4	25.5	6.6	5.5	23.0	23.4	26.1
Cipla	Neutral	609	600	-1	15.9	21.1	27.0	38.3	28.9	3.9	3.5	10.2	12.1	13.6
Divis Lab	Neutral	1,018	1,100	8	39.9	32.4	43.7	25.5	31.4	5.0	5.2	22.0	16.3	21.2
Dr Reddy's	Neutral	2,325	2,575	11	72.6	60.6	115.2	32.0	38.4	3.1	3.0	9.7	8.2	14.1
Fortis Health	Buy	130	185	42	10.3	1.9	4.9	12.6	69.0	1.2	1.0	10.0	1.6	3.9
Glenmark	Neutral	584	650	11	39.3	37.9	42.8	14.9	15.4	3.7	3.0	24.7	19.6	18.4
Granules	Buy	123	200	63	7.2	8.0	11.0	17.0	15.4	3.1	2.2	21.1	17.7	18.8
GSK Pharma	Neutral	2,511	2,500	0	34.4	44.2	54.9	73.1	56.8	10.6	12.5	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	676	861	27	36.9	44.2	55.0	18.3	15.3	3.1	2.6	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	4,485	5,000	11	129.1	139.0	156.2	34.7	32.3	5.9	5.5	17.1	17.1	17.6
Shilpa Medicare	Buy	621	797	28	14.0	18.1	29.9	44.3	34.3	5.4	4.7	14.4	14.7	20.5
Strides Shasun	Buy	788	1,201	52	32.3	41.7	68.3	24.4	18.9	2.6	2.3	10.8	12.9	18.0
Sun Pharma	Buy	517	610	18	26.1	14.4	22.9	19.8	36.0	3.4	3.2	18.1	9.2	13.7
Syngene Intl	Not Rated	515	-		13.0	16.1	18.0	39.5	31.9	8.0	6.5	22.2	22.5	20.7
Torrent Pharma	Neutral	1,258	1,400	11	55.2	50.0	61.4	22.8	25.2	4.9	4.4	23.8	18.3	19.9
<b>Aggregate</b>								<b>23.4</b>	<b>27.4</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	211	260	23	-0.5	1.8	7.1	NM	116.9	2.4	2.2	-0.6	1.9	7.0
IRB Infra	Neutral	233	240	3	20.3	22.9	23.2	11.5	10.2	1.5	1.4	14.0	14.1	12.9
KNR Constructions	Buy	268	295	10	12.0	13.3	14.1	22.4	20.1	4.2	3.5	20.7	19.1	17.0
Sadbhav Engineering	Buy	319	385	21	11.0	14.3	14.5	29.1	22.3	3.3	2.9	12.0	13.8	12.5
<b>Aggregate</b>								<b>19.8</b>	<b>16.5</b>	<b>2.2</b>	<b>1.9</b>	<b>11.0</b>	<b>11.8</b>	<b>11.6</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	168	215	28	9.8	10.9	13.3	17.1	15.4	2.3	2.1	13.7	14.1	15.4
Blue Dart	Not Rated	4,097	-		102.5	129.9	163.2	40.0	31.5	17.7	13.5	50.5	48.6	46.8
Concor	Neutral	1,344	1,496	11	38.0	42.7	55.2	35.4	31.5	3.7	3.5	10.8	11.5	14.1
Gateway Distriparks	Buy	258	282	9	6.8	8.8	11.6	37.9	29.4	2.8	2.7	7.3	9.2	11.7
Gati	Not Rated	131	-		8.4	15.9	23.9	15.7	8.3	2.1	1.9	12.4	19.4	25.4
Transport Corp.	Not Rated	287	-		16.9	21.0	25.9	16.9	13.6	2.6	2.2	16.7	17.8	18.6
<b>Aggregate</b>								<b>30.5</b>	<b>25.5</b>	<b>3.7</b>	<b>3.5</b>	<b>12.3</b>	<b>13.6</b>	<b>16.1</b>
<b>Media</b>														
Dish TV	Buy	76	106	39	1.0	1.0	2.4	74.4	75.1	16.6	13.6	25.1	19.9	35.2
D B Corp	Buy	368	430	17	20.0	21.7	25.4	18.4	16.9	4.2	3.5	24.6	22.8	22.2
Den Net.	Neutral	92	90	-2	-9.3	-2.9	0.1	NM	NM	2.0	2.1	-19.1	-6.4	0.2

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
Ent.Network	Neutral	791	910	15	11.4	11.6	20.1	69.2	68.4	4.4	4.2	6.7	6.3	10.1
Hind. Media	Buy	240	302	26	25.8	25.6	30.2	9.3	9.4	1.5	1.3	18.2	15.0	15.3
HT Media	Neutral	96	113	17	7.4	10.4	11.9	13.0	9.3	1.0	0.9	7.9	10.2	10.6
Jagran Prak.	Buy	162	225	39	10.7	11.3	13.4	15.1	14.3	2.5	2.5	18.5	17.3	19.3
Music Broadcast	Buy	365	469	29	6.4	9.0	14.2	56.8	40.4	3.8	3.5	11.2	9.0	12.6
PVR	Buy	1,408	1,640	16	20.5	27.1	43.0	68.6	52.0	6.8	6.1	10.4	12.4	17.0
Prime Focus	Buy	99	130	31	1.2	3.1	6.1	81.1	32.2	5.3	4.6	7.6	15.3	24.8
Siti Net.	Neutral	25	27	8	-1.9	-0.8	0.1	NM	NM	4.1	4.7	-29.4	-14.2	2.4
Sun TV	Buy	842	1,005	19	24.9	28.1	35.7	33.9	30.0	8.2	7.6	26.0	26.4	30.7
Zee Ent.	Buy	536	630	18	12.1	10.5	16.0	44.2	51.2	6.0	5.5	17.0	12.8	16.8
<b>Aggregate</b>								<b>41.0</b>	<b>35.2</b>	<b>5.1</b>	<b>4.8</b>	<b>12.6</b>	<b>13.5</b>	<b>17.2</b>
<b>Metals</b>														
Hindalco	Buy	259	326	26	8.6	18.8	26.4	30.2	13.7	2.0	1.8	7.4	13.6	16.5
Hind. Zinc	Neutral	311	322	4	19.7	22.7	33.5	15.8	13.7	4.3	4.6	24.4	32.3	42.5
JSPL	Buy	165	209	27	-20.9	-15.1	0.5	NM	NM	0.5	0.5	-7.9	-4.7	0.1
JSW Steel	Buy	267	297	11	14.8	20.3	24.9	18.0	13.1	2.8	2.4	17.3	19.8	20.2
Nalco	Neutral	82	87	6	3.7	4.7	5.8	22.0	17.5	1.5	1.5	7.2	8.6	10.1
NMDC	Buy	125	187	50	10.0	13.3	12.7	12.5	9.4	1.8	1.6	12.8	15.7	16.3
SAIL	Sell	79	43	-45	-10.1	-6.4	-4.3	NM	NM	0.8	0.9	-9.9	-6.9	-4.9
Rain Industries	Buy	330	492	49	9.6	25.5	38.9	34.3	12.9	3.7	2.9	10.9	25.2	29.7
Vedanta	Buy	307	394	28	15.1	25.5	44.4	20.3	12.0	1.9	1.8	9.7	15.1	23.8
Tata Steel	Neutral	701	672	-4	37.9	59.4	65.2	18.5	11.8	2.1	1.9	15.7	17.1	16.6
<b>Aggregate</b>								<b>25.4</b>	<b>15.0</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	504	643	27	48.3	43.1	52.1	10.4	11.7	3.2	2.7	32.4	25.2	25.8
GAIL	Sell	445	378	-15	22.6	28.1	31.9	19.7	15.8	2.0	1.8	9.6	12.0	12.6
Gujarat Gas	Sell	846	721	-15	16.1	29.7	44.1	52.7	28.5	7.1	5.9	14.0	22.6	27.3
Gujarat St. Pet.	Neutral	208	184	-11	8.8	12.1	13.2	23.6	17.1	2.6	2.3	11.6	14.4	14.0
HPCL	Buy	415	579	40	40.7	36.4	42.8	10.2	11.4	3.1	2.6	32.4	25.1	25.0
IOC	Buy	395	554	40	41.9	39.5	43.6	9.4	10.0	1.8	1.6	20.7	17.2	16.9
IGL	Neutral	302	301	0	8.8	9.9	11.0	34.3	30.4	7.2	6.1	21.0	21.7	20.4
MRPL	Sell	122	110	-10	14.8	9.2	11.5	8.2	13.2	2.1	1.9	31.4	15.1	16.7
Oil India	Buy	353	418	18	19.3	29.8	40.5	18.3	11.8	1.0	0.9	5.7	8.0	10.4
ONGC	Buy	178	231	30	16.4	19.0	22.8	10.8	9.4	1.0	1.0	10.1	10.8	12.5
PLNG	Buy	255	312	22	11.4	15.0	16.7	22.4	17.0	4.7	3.9	23.2	25.2	23.7
Reliance Ind.	Buy	910	1,077	18	48.3	56.7	62.1	18.8	16.0	2.0	1.8	11.6	12.1	12.0
<b>Aggregate</b>								<b>13.8</b>	<b>12.8</b>	<b>1.8</b>	<b>1.7</b>	<b>13.1</b>	<b>12.9</b>	<b>13.5</b>
<b>Retail</b>														
Jubilant Food	Sell	1,761	1,270	-28	10.0	21.4	27.4	176.0	82.2	14.4	13.6	8.2	16.5	20.9
Titan Co.	Buy	786	850	8	9.0	12.5	15.9	87.1	62.9	16.4	13.3	20.6	23.4	25.5
<b>Aggregate</b>								<b>92.3</b>	<b>64.0</b>	<b>15.8</b>	<b>13.1</b>	<b>17.1</b>	<b>20.5</b>	<b>23.9</b>
<b>Technology</b>														
Cyient	Buy	544	600	10	30.6	36.0	41.9	17.8	15.1	2.9	2.6	16.2	17.4	18.3
HCL Tech.	Neutral	840	970	16	59.8	63.2	68.2	14.0	13.3	3.5	3.3	27.5	25.9	25.6
Hexaware	Neutral	331	270	-18	13.7	16.3	17.0	24.2	20.3	5.9	5.0	26.5	26.4	23.4
Infosys	Buy	971	1,100	13	62.8	63.8	67.8	15.5	15.2	3.2	3.5	22.0	21.8	22.5
KPIT Tech	Neutral	166	160	-4	11.9	11.9	14.1	13.9	14.0	2.1	1.8	14.3	14.1	14.5
L&T Infotech	Buy	964	950	-1	55.5	61.6	66.0	17.4	15.7	6.4	4.9	41.6	35.2	29.6
Mindtree	Neutral	515	480	-7	24.9	28.5	33.6	20.7	18.0	3.4	3.3	16.8	17.3	20.4
Mphasis	Neutral	709	670	-6	38.9	42.0	46.0	18.2	16.9	2.4	2.8	13.2	14.6	17.3
NIIT Tech	Neutral	641	600	-6	38.0	43.7	50.3	16.9	14.7	2.2	2.2	13.7	15.1	16.4
Persistent Sys	Buy	646	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	893	1,004	12	28.1	33.8	40.2	31.7	26.4	9.9	8.0	37.1	33.6	32.4
TCS	Neutral	2,710	2,450	-10	133.4	131.8	151.4	20.3	20.6	6.0	6.5	32.6	30.6	33.5
Tech Mah	Buy	485	560	15	30.9	35.8	37.7	15.7	13.6	2.6	2.5	18.4	18.9	18.2

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Wipro	Neutral	295	280	-5	16.9	19.1	20.1	17.4	15.4	2.8	2.7	16.9	17.0	16.7
Zensar Tech	Buy	873	1,020	17	52.1	52.8	72.7	16.8	16.5	2.7	2.4	17.2	15.3	18.4
<b>Aggregate</b>								<b>18.0</b>	<b>17.8</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	494	680	38	11.3	3.8	6.5	43.6	131.5	2.9	2.9	6.8	2.2	3.7
Bharti Infratel	Neutral	380	440	16	14.9	16.8	19.2	25.6	22.6	4.5	4.6	16.2	20.2	22.8
Idea Cellular	Buy	95	110	16	-1.1	-16.1	-18.0	NM	NM	1.4	1.8	-1.6	-26.6	-41.4
Tata Comm	Buy	701	780	11	10.0	5.4	18.2	70.3	129.1	12.6	13.6	48.4	10.1	30.0
<b>Aggregate</b>								<b>45.1</b>	<b>-310.1</b>	<b>3.0</b>	<b>3.1</b>	<b>6.6</b>	<b>-1.0</b>	<b>0.2</b>
<b>Utilities</b>														
Coal India	Buy	273	335	23	14.9	17.5	20.7	18.3	15.6	6.9	6.6	37.8	42.4	47.7
CESC	Buy	1,005	1,360	35	51.9	88.9	99.3	19.4	11.3	1.3	1.1	6.5	10.6	10.8
JSW Energy	Sell	81	51	-37	3.8	4.0	3.3	21.0	20.0	1.3	1.2	6.3	6.3	5.0
NTPC	Buy	177	211	19	12.0	13.4	15.7	14.8	13.2	1.5	1.4	10.5	11.0	11.9
Power Grid	Buy	209	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	89	72	-19	7.4	7.3	7.5	12.0	12.2	2.0	1.9	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	422	425	1	12.4	10.5	16.5	34.1	40.1	3.1	2.9	10.3	7.4	10.9
Avenue Supermarts	Sell	1,108	873	-21	7.7	12.0	17.5	144.4	92.4	18.0	15.8	17.9	18.2	22.9
Bata India	Under Review	751	-		13.5	16.3	20.1	55.6	46.2	7.3	6.5	13.9	14.9	16.3
BSE	Neutral	962	1,100	14	41.0	45.3	46.1	23.5	21.2	1.9	2.0	8.3	9.3	8.0
Castrol India	Buy	396	467	18	13.6	12.6	13.3	29.1	31.3	33.0	29.9	115.0	100.3	96.1
Century Ply.	Neutral	294	323	10	8.7	9.8	12.9	33.9	29.9	9.2	7.6	31.1	27.7	29.6
Coromandel Intl	Buy	507	523	3	16.6	24.1	29.0	30.5	21.0	5.1	4.4	17.5	22.5	23.4
Delta Corp	Buy	258	257	0	3.1	5.7	8.0	84.3	45.5	6.5	4.3	8.1	12.1	12.9
Dynamatic Tech	Buy	2,060	3,334	62	67.6	112.9	166.7	30.5	18.2	4.2	3.4	15.1	20.7	24.3
Eveready Inds.	Buy	398	400	1	12.9	14.3	17.4	30.9	27.8	10.0	8.0	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	128	128	0	13.0	8.0	10.7	9.8	15.9	3.0	2.5	34.8	17.0	18.5
Info Edge	Buy	1,180	1,300	10	15.7	23.6	26.2	75.3	49.9	7.2	6.5	10.2	13.7	13.7
Inox Leisure	Sell	279	240	-14	3.3	8.0	12.0	83.7	34.7	4.9	4.3	5.9	12.5	16.2
Jain Irrigation	Under Review	106	-		5.5	7.6	10.0	19.0	13.9	1.6	1.6	8.6	11.7	14.8
Just Dial	Neutral	552	465	-16	17.5	18.5	21.1	31.6	29.9	4.2	3.8	14.8	13.4	13.7
Kaveri Seed	Buy	532	738	39	19.1	34.1	41.0	27.9	15.6	3.6	3.8	13.6	23.3	27.4
Kitex Garm.	Buy	305	394	29	18.6	22.1	26.2	16.4	13.8	4.4	3.6	29.8	28.6	27.6
Manpasand	Buy	405	492	21	6.3	9.9	15.4	63.9	40.8	4.0	3.7	7.3	8.4	13.5
MCX	Buy	948	1,300	37	24.8	26.5	43.4	38.2	35.8	3.6	3.6	10.2	10.0	15.9
Monsanto	Buy	2,486	3,295	33	86.2	105.0	126.6	28.8	23.7	8.1	7.3	31.5	32.5	34.5
Navneet Education	Buy	158	209	32	7.3	8.4	10.4	21.6	18.7	5.3	4.6	26.7	26.3	27.9
Qess Corp	Buy	819	1,040	27	10.0	27.7	29.1	81.9	29.6	11.1	4.6	19.0	21.9	15.0
PI Inds.	Buy	824	890	8	33.4	29.9	35.6	24.7	27.5	7.0	5.8	32.8	23.0	22.9
Piramal Enterp.	Buy	2,605	3,266	25	72.6	104.6	149.7	35.9	24.9	3.0	2.8	9.0	11.7	15.3
SRF	Buy	1,773	1,992	12	85.9	76.7	104.9	20.6	23.1	3.3	2.9	16.6	13.2	16.3
S H Kelkar	Buy	256	301	17	7.2	6.6	9.7	35.4	38.8	4.6	4.2	13.7	11.3	15.1
Symphony	Sell	1,570	1,288	-18	23.7	35.1	42.9	66.4	44.7	24.6	21.7	43.3	51.6	54.5
Team Lease Serv.	Buy	1,821	2,300	26	38.8	43.0	66.4	46.9	42.3	8.2	6.8	19.2	17.6	22.2
Trident	Buy	88	114	30	6.6	8.3	10.4	13.3	10.6	1.6	1.5	13.0	14.5	16.1
TTK Prestige	Neutral	6,663	5,281	-21	132.1	137.8	176.1	50.5	48.3	9.1	8.3	19.5	18.0	20.7
V-Guard	Neutral	223	167	-25	3.6	4.5	6.0	62.5	49.9	14.9	12.2	27.4	26.9	28.8
Wonderla	Buy	369	393	7	7.0	11.9	16.0	52.7	30.9	4.8	4.3	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	0.8	15.2	-14.1
Ashok Ley.	1.4	-9.6	46.7
Bajaj Auto	0.1	-1.6	26.2
Bharat Forge	-0.2	9.8	55.0
Bosch	-1.5	-13.7	-0.4
CEAT	0.2	2.2	44.9
Eicher Mot.	0.5	-3.7	45.7
Endurance Tech.	0.7	7.8	118.2
Escorts	0.1	-4.5	132.2
Exide Ind	1.6	-3.4	13.1
Hero Moto	-0.7	-4.1	26.3
M&M	0.1	3.1	16.2
Mahindra CIE	0.1	2.0	33.9
Maruti Suzuki	2.1	6.3	69.1
Tata Motors	1.9	-2.4	-10.8
TVS Motor	0.5	2.8	95.7
<b>Banks - Private</b>			
Axis Bank	-0.1	5.6	14.2
DCB Bank	2.8	-2.9	68.8
Equitas Hold.	1.8	-9.4	-9.8
Federal Bank	0.3	-10.6	53.9
HDFC Bank	1.2	-1.3	48.6
ICICI Bank	1.9	18.7	33.6
IDFC Bank	1.5	-4.2	-23.4
IndusInd	1.7	-4.5	48.3
J&K Bank	0.2	1.2	26.4
Kotak Mah. Bk	0.7	-5.1	32.0
RBL Bank	0.8	-2.0	49.0
South Indian	0.5	-4.8	50.9
Yes Bank	1.6	-17.9	30.5
<b>Banks - PSU</b>			
BOB	0.6	32.0	5.1
BOI	0.2	51.0	73.5
Canara	1.1	25.8	23.4
IDBI Bk	0.3	12.9	-15.1
Indian Bk	0.1	51.9	67.1
OBC	-1.2	11.4	4.9
PNB	0.7	41.8	29.2
SBI	1.2	34.3	21.5
Union Bk	-1.7	33.3	14.0
<b>NBFCs</b>			
Aditya Birla Cap	-0.4	8.5	
Bajaj Fin.	1.5	-4.3	105.4
Bharat Fin.	1.2	-5.4	40.2
Capital First	1.0	-8.7	31.0
Cholaman.Inv.&Fn	-1.8	12.8	27.7
Dewan Hsg.	1.9	7.7	175.7
GRUH Fin.	0.6	-0.1	73.4
HDFC	2.2	-3.3	36.1
HDFC Stand. Life	18.7		
Indiabulls Hsg	0.9	-10.3	77.7
L&T Fin.Holdings	1.8	-7.8	122.7
LIC Hsg Fin	3.7	-9.7	19.5
Manappuram	-0.8	-0.3	31.5
M&M Fin.	0.0	1.1	59.4

Company	1 Day (%)	1M (%)	12M (%)
Bharat Elec.	-0.6	4.8	49.9
BHEL	0.0	4.2	-1.5
Blue Star	-0.5	-12.9	51.6
CG Cons. Elec.	0.6	14.8	60.8
CG Power & Inds Sol.	3.2	4.8	14.6
Cummins	0.2	-4.3	9.4
GE T&D	3.5	8.3	20.9
Havells	1.9	-7.1	54.9
K E C Intl	-1.7	-2.2	112.7
L&T	0.3	6.3	33.6
Pennar Eng.	-2.5	1.5	-31.5
Siemens	1.3	-2.6	7.0
Solar Ind	2.5	17.2	70.8
Suzlon Energy	2.2	-11.6	-5.3
Thermax	-1.1	3.9	21.1
Va Tech Wab.	0.2	-8.8	12.2
Voltas	-0.6	13.4	101.7
<b>Cement</b>			
Ambuja Cem.	-0.2	-2.4	41.3
ACC	-1.2	-1.5	35.5
Birla Corp.	0.2	12.0	67.9
Dalmia Bharat	2.0	13.5	100.6
Grasim Inds.	1.4	3.7	71.4
India Cem	2.5	-2.8	57.3
J K Cements	1.3	12.9	45.4
JK Lakshmi Ce	-1.5	8.6	18.5
Ramco Cem	1.9	4.8	30.8
Orient Cem	2.2	4.2	24.2
Prism Cem	0.2	3.0	36.9
Shree Cem	2.3	-1.6	35.5
Ultratech	0.0	4.6	28.2
<b>Consumer</b>			
Asian Paints	-0.8	-2.0	27.5
Britannia	0.0	2.5	61.4
Colgate	0.2	-0.3	12.3
Dabur	-0.8	5.3	21.7
Emami	-0.5	11.8	17.7
Godrej Cons.	1.4	-2.6	34.7
GSK Cons.	-0.4	21.3	20.7
HUL	0.2	-0.1	57.4
ITC	1.0	-3.6	10.8
Jyothy Lab	1.6	-13.5	-3.5
Marico	0.7	-4.7	23.1
Nestle	0.4	4.4	29.1
Page Inds	-2.5	23.3	79.5
Parag Milk	-1.4	-12.5	-11.1
Pidilite Ind.	2.0	3.7	35.5
P&G Hygiene	2.7	5.4	39.3
Prabhat Dairy	3.0	2.8	55.4
United Brew	-1.4	33.3	29.6
United Spirits	2.5	27.9	69.0
<b>Healthcare</b>			
Alembic Phar	-0.8	3.0	-15.7
Alkem Lab	-0.1	7.7	21.8
Ajanta Pharma	4.0	6.1	-29.2
Aurobindo	-0.8	-7.3	-0.7

Company	1 Day (%)	1M (%)	12M (%)
Muthoot Fin	-0.1	-8.4	45.1
PNB Housing	2.9	-8.3	69.5
PFC	0.8	-1.5	4.7
Repco Home	0.2	-3.5	10.6
REC	3.2	3.6	24.1
STF	6.0	17.5	54.0
Shriram City Union	1.9	-4.7	12.4
<b>Capital Goods</b>			
ABB	0.6	2.3	30.7

Company	1 Day (%)	1M (%)	12M (%)
Biocon	2.9	2.3	34.2
Cadila	0.8	-10.2	20.8
Cipla	2.6	-3.6	11.7
Divis Lab	1.3	15.3	-12.6
Dr Reddy's	-0.4	-2.4	-27.5
Fortis Health	-0.8	-13.1	-19.4
Glenmark	0.5	-4.4	-33.8



Company	1 Day (%)	1M (%)	12M (%)
Granules	1.4	-13.7	19.8
GSK Pharma	-0.9	2.8	-6.5
IPCA Labs	0.1	6.8	-0.7
Jubilant Life	9.5	5.3	12.0
Lupin	0.0	-22.2	-41.3
Sanofi India	0.6	6.5	7.2
Shilpa Medicare	0.8	-5.4	12.5
Strides Shasun	2.7	-10.6	-23.3
Sun Pharma	1.7	-5.5	-22.9
Syngene Intl	1.6	4.1	-2.0
Torrent Pharma	-0.9	-5.3	-0.2
<b>Infrastructure</b>			
Ashoka Buildcon	4.2	13.9	40.0
IRB Infra.Devl.	1.4	12.1	23.8
KNR Construct.	2.6	24.5	79.6
Sadbhav Engg.	1.4	14.0	14.0
<b>Logistics</b>			
Allcargo Logistics	1.8	2.3	-1.2
Blue Dart	3.2	-1.1	-11.7
Concor	1.4	0.4	33.8
Gateway Distriparks	2.8	7.5	9.6
Gati	9.8	13.0	9.3
Transport Corp.	5.6	0.6	65.8
<b>Media</b>			
Dish TV	-0.4	5.8	-16.4
D B Corp	0.5	-0.1	-2.1
Den Net.	-1.4	9.3	25.7
Ent.Network	1.8	0.3	12.4
Hind. Media	-0.4	-2.0	-11.6
HT Media	-1.0	-6.0	31.8
Jagran Prak.	-1.5	-6.3	-7.4
Music Broadcast	-1.4	-5.4	
PVR	1.3	1.5	22.6
Prime Focus	0.2	-7.3	41.4
Siti Net.	-1.0	1.4	-28.0
Sun TV	-0.3	3.2	75.9
Zee Ent.	-0.7	8.2	16.5
<b>Metals</b>			
Hindalco	1.4	-6.3	53.7
Hind. Zinc	3.0	-4.9	23.9
JSPL	-0.5	1.8	142.4
JSW Steel	3.0	2.6	60.9
Nalco	0.7	-7.9	64.7
NMDC	0.7	1.0	6.6
Rain Industries	-5.0	51.8	620.0
SAIL	1.9	33.1	57.7
Vedanta	1.8	-8.1	43.5
Tata Steel	2.1	-1.6	78.5
<b>Oil &amp; Gas</b>			
BPCL	1.1	-1.7	19.0
GAIL	-0.7	1.7	36.3
Gujarat Gas	-1.1	-7.8	63.3
Gujarat St. Pet.	0.2	5.0	38.1
HPCL	0.6	-11.8	40.3
IOC	0.7	-4.6	34.6
IGL	0.8	0.6	79.5

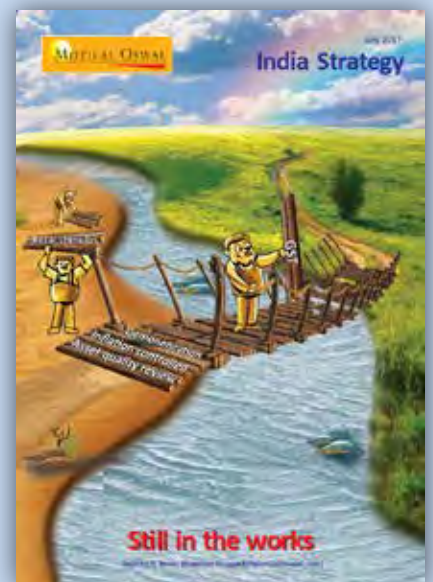
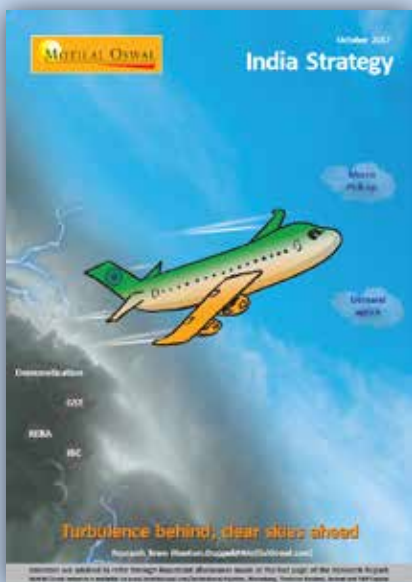
Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	2.0	25.8	148.8
<b>Technology</b>			
Cyient	-1.0	-1.6	16.0
HCL Tech.	-1.3	-8.8	10.5
Hexaware	-1.5	17.9	72.4
Infosys	-1.8	4.2	4.5
KPIT Tech	-1.3	28.9	28.7
L&T Infotech	0.8	19.2	58.6
Mindtree	0.9	2.3	16.7
Mphasis	-0.3	8.3	43.4
NIIT Tech	0.4	1.1	59.2
Persistent Sys	0.5	-1.5	6.4
Tata Elxsi	-0.3	5.3	67.1
TCS	-1.3	4.4	26.5
Tech Mah	-2.7	2.8	10.0
Wipro	-1.0	1.8	34.1
Zensar Tech	-0.2	14.9	-11.1
<b>Telecom</b>			
Bharti Airtel	0.7	5.9	66.5
Bharti Infratel	-1.2	-20.5	6.0
Idea Cellular	-0.7	5.8	36.0
Tata Comm	1.0	-3.3	16.3
<b>Utilities</b>			
Coal India	1.5	-5.9	-10.9
CESC	0.3	-3.2	69.6
JSW Energy	0.1	-2.0	41.4
NTPC	0.4	0.9	17.0
Power Grid	0.0	1.8	8.1
Tata Power	5.0	9.0	27.0
<b>Others</b>			
Arvind	-0.2	8.5	22.4
Avenue Super.	-0.4	-9.1	
Bata India	1.2	-4.4	76.3
BSE	-0.6	-1.1	
Castrol India	0.5	4.5	-1.1
Century Ply.	0.2	4.7	65.4
Coromandel Intl	-1.7	5.4	110.5
Delta Corp	-0.7	15.3	129.4
Dynamatic Tech	1.9	-1.8	-30.3
Eveready Inds.	7.0	20.2	73.7
Interglobe	0.0	5.1	35.7
Indo Count	2.9	11.8	-9.4
Info Edge	0.8	6.0	35.1
Inox Leisure	2.0	20.1	19.2
Jain Irrigation	-0.1	10.8	19.4
Just Dial	5.3	34.2	39.4
Kaveri Seed	2.9	-6.5	39.8
Kitex Garm.	1.2	40.5	11.0
Manpasand	-0.4	-9.5	19.3
MCX	1.8	-16.0	-27.5
Monsanto	0.1	1.4	10.0
Navneet Educat.	2.0	-7.1	46.8
PI Inds.	-1.3	4.3	2.2
Piramal Enterp.	1.1	-5.8	82.8
Quess Corp	0.4	-0.9	37.8
SRF	1.8	3.2	21.3

Company	1 Day (%)	1M (%)	12M (%)
MRPL	0.7	-5.5	40.4
Oil India	1.0	2.3	15.4
ONGC	-1.0	3.7	-2.5
PLNG	1.0	-2.1	46.8
Reliance Ind.	0.8	4.1	85.4
<b>Retail</b>			
Jubilant Food	-0.7	11.4	97.1

Company	1 Day (%)	1M (%)	12M (%)
S H Kelkar	0.2	-7.9	-11.3
Symphony	0.6	9.6	31.2
Team Lease Serv.	-1.5	15.8	107.7
Trident	0.7	-13.3	73.0
TTK Prestige	-0.4	8.9	26.9
V-Guard	0.2	18.7	75.1
Wonderla	0.5	0.6	9.0



# THEMATIC/STRATEGY RESEARCH GALLERY



# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

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

### Rain Industries

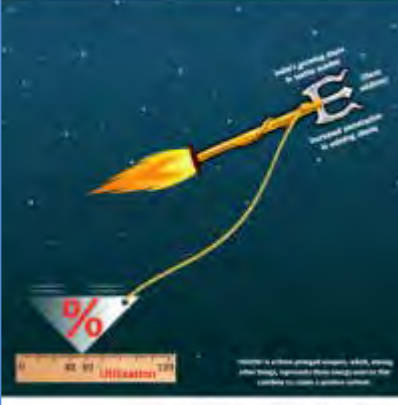


**Enduring Tailwinds**

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

### Trident



**An attractive utilization play**

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Sector: Healthcare

### Strides Shasun



**Making great strides**

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**MOTILAL OSWAL** Initiating Coverage | 10 July 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 | 15 July 2017  
Sector: Finance

### L&T Finance Holdings

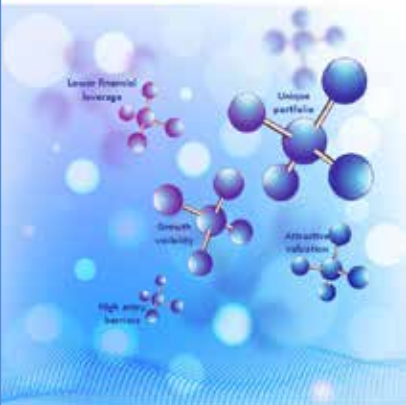


**Focused approach**

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

### Jubilant Life Sciences

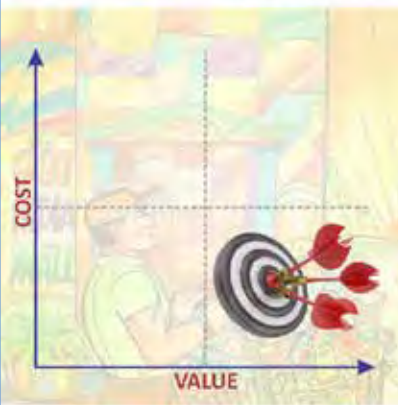


**Promising formulation**

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

### Avenue Supermarts



**Delivering Value**

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

### Cholamandam Finance



**Prepared, Equipped and Armed**

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# DIFFERENTIATED PRODUCT GALLERY

**MOTILAL OSWAL** October 2017

## Annual Report Threadbare

**INTERGLOBE AVIATION FY17**  
 INTERGLOBE Aviation (IAG) has reported a record performance for FY17. Revenue increased by 14% over FY16 to ₹1,071.50 Crores. Profit after tax (PAT) increased by 18% to ₹100.50 Crores. IAG's operating leverage was 1.1x, indicating that for every 1% increase in revenue, PAT increased by 1.1%. IAG's operating leverage was 1.1x, indicating that for every 1% increase in revenue, PAT increased by 1.1%. IAG's operating leverage was 1.1x, indicating that for every 1% increase in revenue, PAT increased by 1.1%.

**Key Metrics:**  
 Revenue: ₹1,071.50 Crores  
 PAT: ₹100.50 Crores  
 Operating Leverage: 1.1x

**Key Highlights:**  
 - Revenue increased by 14% over FY16.  
 - PAT increased by 18% over FY16.  
 - Operating leverage was 1.1x.

**MOTILAL OSWAL** 14 June 2017

## The CornerOffice

**Focused growth strategy leveraging on trends in 2Ws**  
 Special Events, mergers & Acquisitions, debt reduction - Increasing Profit

**Insights**  
 The most critical success factor for the Indian economy in FY17 is the growth of the services sector. The services sector is expected to contribute 55% to the GDP in FY17. The services sector is expected to contribute 55% to the GDP in FY17. The services sector is expected to contribute 55% to the GDP in FY17.

**Key Metrics:**  
 Services Sector: 55% of GDP  
 GDP Growth: 7.5%

**Key Highlights:**  
 - Services sector is expected to contribute 55% to the GDP.  
 - GDP growth is expected to be 7.5%.

**MOTILAL OSWAL** 12th July 2017

## VOICES

**India Inc on Call**  
 VOICES is a quarterly report that provides a platform for the industry to voice its views on the government's policies and actions. It is a platform for the industry to voice its views on the government's policies and actions. It is a platform for the industry to voice its views on the government's policies and actions.

**Key Metrics:**  
 Industry Views: 100% Positive  
 Government Actions: 80% Positive

**Key Highlights:**  
 - Industry views are 100% positive.  
 - Government actions are 80% positive.

**MOTILAL OSWAL** 14 June 2017

## EcoKnowlEdge

**India Inc on Call**  
 India Inc on Call is a quarterly report that provides a platform for the industry to voice its views on the government's policies and actions. It is a platform for the industry to voice its views on the government's policies and actions. It is a platform for the industry to voice its views on the government's policies and actions.

**Key Metrics:**  
 Industry Views: 100% Positive  
 Government Actions: 80% Positive

**Key Highlights:**  
 - Industry views are 100% positive.  
 - Government actions are 80% positive.

**MOTILAL OSWAL**

## BULLS & BEARS

**INDIA VALUATIONS HANDBOOK**

**Highlights of October edition**

- Nifty up 5.4% in October - Annual Highest MoM rise in last 52 months
- All sectors closed in green, Telecom, PSU Banks and Oil top outperformers
- 1st net buyers after 8 months of selling, DRs bought stocks worth ₹1,037.26 in the last three months

**Best Performing Sectors (YTD)**  
 Telecom: 18.5%  
 PSU Banks: 15.2%  
 Oil: 12.1%

**Worst Performing Sectors (YTD)**  
 IT: -2.1%  
 Auto: -1.5%  
 Banking: -0.8%

**MOTILAL OSWAL**

## FUND FOLIO

**Indian Mutual Fund Tracker**

**Key Metrics:**  
 Nifty 50: 10.5%  
 Sensex: 12.1%  
 BSE Sensex: 11.8%

**Key Highlights:**  
 - Nifty 50 up 10.5% in October.  
 - Sensex up 12.1% in October.  
 - BSE Sensex up 11.8% in October.

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