

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	31,284	0.0	17.5
Nifty-50	9,634	-0.2	17.7
Nifty-M 100	18,046	0.2	25.7
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,436	-0.1	8.8
Nasdaq	6,234	0.7	15.8
FTSE 100	7,448	-0.3	4.3
DAX	12,774	-0.3	11.3
Hang Seng	10,394	-0.7	10.6
Nikkei 225	20,139	0.5	5.4
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	44	-2.2	-20.2
Gold (\$/OZ)	1,247	0.1	7.6
Cu (US\$/MT)	5,718	1.5	3.5
Almn (US\$/MT)	1,858	-1.0	9.0
Currency	Close	Chg .%	YTD.%
USD/INR	64.5	0.0	-5.0
USD/EUR	1.1	0.0	5.7
USD/JPY	111.2	-0.4	-5.0
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.4	0.0	-0.1
10 Yrs AAA Corp	7.5	0.0	-0.1
Flows (USD b)	21-Jun	MTD	YTD
FII	0.0	0.2	8.1
DII	0.0	0.7	2.9
Volumes (INRb)	21-Jun	MTD*	YTD*
Cash	291	264	285
F&O	5,032	4,372	4,746

Note: YTD is calendar year, \*Avg

Quote of the day

There is a gigantic difference between earning a great deal of money and being rich



Today's top research idea

Avenue Supermarts (DMART): Delivering value

Expect PAT CAGR of 41% over FY17-21

- ❖ DMART derives ~80% of its revenues from Maharashtra and Gujarat, which together account for 21% of its retail spends in India. DMART intends to invest 75% of its profits in the existing clusters and plans to add 25 stores annually to boost its growth potential.
- ❖ Focus on cluster-based store expansion, rich product assortment, owned store model, centralized sourcing and efficiency (40% of revenues), lower employee cost (below 2% of sales v/s >4.5% for peers) and upfront payment to get cash discount have made DMART India's only retail company to showcase consistent and profitable growth over the last decade.
- ❖ We expect DMART to deliver CAGR of 31% in revenue and 41% in PAT over FY17-21. We value the stock at 45x FY19E EPS, and initiate coverage with a **Neutral** rating and a target price of INR804.



Research covered

Cos/Sector	Key Highlights
Avenue Supermarts (DMART)	(Initiating Coverage) Delivering value
Automobiles	Mini segment recovery helps Maruti gain market share
Aviation	Fare uptick visible in a seasonally strong 1Q



Piping hot news

Karnataka waives Rs 8,165 cr in farm loans, cites weak monsoon for decision

- ❖ Karnataka joined states such as Uttar Pradesh, Punjab and Maharashtra to announce part waiver of farmer loans taken from cooperative banks, as the ruling Congress gears up for elections next year.

Chart of the Day: Avenue Supermarts (DMART): Delivering value

Virtuous cycle of value retailing

Everyday Low Cost through sourcing efficiency, owned stores, basic store layout, low employee cost



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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

**MPC meeting minutes:  
Dholakia argued for at least  
50-bp rate cut**

Ravindra H Dholakia's proposition, that plunging inflation called for a drastic rate cut of 50 basis points (bps) or more, clearly did not find other buyers in the six-member Monetary Policy Committee (MPC) that met on June 6 and 7...

2

**Sebi joins fight against bad loans**

The Securities and Exchange Board of India (Sebi) on Wednesday joined the fight against bad loans by providing several relaxations to the rules of share acquisitions in the case of distressed companies. The market regulator said an investor gaining control of a stressed company in the listed space would not have to make an open offer. Also, Sebi's pricing formula for acquisition of shares would not be applicable in such cases...

3

**Delhi HC refuses to issue  
notice to Singh brothers on  
plea filed by Daiichi**

Delhi High Court today refused to issue notice to former Ranbaxy promoters Malvinder and Shivinder Singh on contempt plea filed by Japanese drugmaker Daiichi Sankyo. HC said it can't allow Daiichi to "hold a gun to Fortis head" for every deal the brothers enter into...

4

**Lenders to decide fate of  
Bhushan and Essar Steel today**

Banks led by State Bank of India will decide on Thursday the fate of three large defaulters — Essar Steel, Bhushan Steel and Electrosteel Steels — which constitute nearly half the loans of the top 12 defaulters identified by the Reserve Bank of India, thus marking a significant phase in the effort of lenders to clean up...

5

**Reliance Industries likely to  
declare Jio results separately  
from Q2**

RIL) is likely to formally declare separate results for Reliance Jio Infocomm (Jio) only from the July-September quarter and not the quarter to June. "The board will take the final call but that's the thought process..."

6

**Delhi Metro to meet a sixth of  
its energy needs from solar to  
curtail costs**

In an attempt to promote and encourage clean energy, the Delhi Metro Rail Corporation plans to meet nearly a sixth of its power requirements from solar energy. The corporation's electricity consumption is expected to touch 300 MW in the next five years...

7

**Tata, govt hold talks for stake  
in Air India**

The Tata group is believed to have held preliminary discussions with senior government officials for participating in the privatisation process of the beleaguered airline...



# Avenue Supermarts

BSE Sensex  
31,284

S&P CNX  
9,634

**CMP: INR818**

**TP: INR804 (-2%)**

**Neutral**



## Stock Info

Bloomberg	DMART IN
Equity Shares (m)	624.1
52-Week Range (INR)	839 / 559
1,6,12 Rel. Perf. (%)	-11/-/-
M.Cap. (INR b)	510.5
M.Cap. (USD b)	7.9
Avg Val, (INR m)	5183
Free float (%)	17.8

## Financial Snapshot (INR b)

Y/E Mar	FY17	FY18E	FY19E
Sales	119.0	163.1	217.9
EBITDA	9.8	13.7	18.7
NP	4.8	8.0	11.2
EPS (Rs)	7.7	12.8	17.9
EPS Growth (%)	34.5	67.2	39.3
BV/Share (Rs)	61.6	70.5	83.0
P/E (x)	106.6	63.8	45.8
P/BV (x)	13.3	11.6	9.8
RoE (%)	17.9	19.4	23.3
RoCE (%)	14.2	16.7	23.4

## Shareholding pattern (%)

As On	Mar-17
Promoter	82.2
Public	17.8
Others	-

## Avenue Supermarts Delivering value



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Avenue Supermarts (DMART) owns and operates an emerging national supermarket chain, 'D-MART'. Focused on value retailing, it offers a wide range of fast-moving consumer (food and non-food) products, general merchandise and apparel. DMART has grown impressively from opening its first store in Mumbai in 2002 to 131 stores spread across 11 states. Over the last five years, it has expanded its total area of operations at a CAGR of 21% to 4.1m sf and grown its sales and PAT at a CAGR of 40% and 51% respectively.

## Delivering value

### Expect PAT CAGR of 41% over FY17-21

- Size of India's retail sector stands at USD616bn with share of organized brick and mortar retail at USD55bn (9%). While overall retail is expected to grow at a CAGR of 11.7% to USD960b by 2020, organized brick and mortar retail is expected to grow at a faster CAGR of 20.2% to USD115b (12%) thereby providing huge opportunity of growth for DMART.
- While food and grocery forms the largest share of organized brick and mortar retail in 2016 at 24%, penetration of food and grocery still stood at 3% in 2016 of total retail is expected to improve to 5% by 2020 which should provide significant opportunity for DMART given it derives 53.6% of its revenues from food and grocery segment.
- Additionally, DMART derives ~80% of its total revenues from Maharashtra and Gujarat which accounts for 21% of total retail spends in India. DMART intends to invest 75% of its profits in the existing clusters and plans to add 25 stores annually (83.5% increase in area to 7.5m sf by FY21) embellishing its growth potential.
- Focus on cluster-based approach towards store expansion, rich product assortment, owned store model, centralized sourcing and efficiency (40% of revenues), lower employee cost (below 2% of sales v/s >4.5% for peers), upfront payment to get cash discount have made DMART India's only retail company to showcase consistent and profitable growth over last decade.
- We expect it to deliver 31% revenue CAGR and 41% PAT CAGR over FY17-21. EBITDA margin is likely to expand 60bp to 8.8% by FY21, which along with savings on interest cost, would drive up PAT margin from 4% to 5.4%. With higher asset turns, RoCE and ROE is likely to improve from 14% and 18% in FY17 to 27.5% and 27.4% respectively in FY21.
- DMART stock has given 2.7x return from IPO price, which largely captures past track record of creating unique scalable retail business model driven by flawless execution as well as captures the future growth. We value the stock at 45x FY19E EPS, and initiate coverage with a Neutral rating. Our target price of INR804 implies 2% downside.

## Massive untapped opportunity offers high growth potential

The Indian retail industry is expected to grow at a CAGR of 11.7% to USD960b by 2020 from USD616b, organized brick and mortar retail is expected to grow at a faster CAGR of 20.2% to USD115b (12%). Thus, we believe, India's retail industry offers massive scope for growth. With its strong track record and its cluster-based approach towards expansion, DMART is well placed to benefit. Positioned

as a value retailer, its overall revenue has grown at a CAGR of 40% and like-to-like revenue has grown higher than 20% in the last five years. Revenue per square foot has grown at a CAGR of 16% to INR29,019. Unlike most of its peers, DMART has been able to grow profitably without sacrificing on margins. It has grown from one store in 2002 to 131 stores across 11 states/UT's. It is typically an early mover in areas populated by lower-middle, middle and aspiring upper-middle income consumers in the income bracket of INR25,000-75,000 per month. DMART plans to open 25 new stores every year. Given that Gujarat and Maharashtra, which contribute ~80% to its revenue, contribute only 21% towards total retail spend in India (USD616b), the growth potential for DMART is immense.

### **Its secret sauce for success has stood the endurance test**

A combination of rich product assortment and making it available at everyday low price (EDLP) is DMART's winning formula in value retailing. For EDLP, the company focuses on everyday low cost (EDLC), the key ingredients of which are:

- **Right product assortment:** DMART focuses on the most popular SKUs (from the perspective of its target customers' monthly purchase basket) in each product category. We believe this helps to improve sales velocity, lower pilferage and ensure fresh products on the shelf. DMART enjoys revenue per square foot of INR29,019 against less than INR17,500 (FY16 data) for peers. For DMART, pilferage is less than 50bp of sales.
- **Owned stores model:** Its strategy of expanding through owned stores ensures savings in rent costs (4-5% for peers) and protects it from escalation in rentals. DMART believes that RoCE of owned stores is low for the first nine years, but is substantially higher thereafter. Of its 131 stores, DMART owns ~85%.
- **Sourcing efficiency:** DMART purchases directly from manufacturers and primary vendors, thus saving on distributor/dealer margins. Upfront payments to suppliers (lowest payables among peers: 9 days) help it to avail cash discounts, which it passes on to end consumers. The logistics partners we interacted with indicate that though working with DMART means lower revenue per km, the turnover offered is higher and payment is immediate.
- **Centralized sourcing:** 40% of DMART's total sourcing is centralized, giving it greater bargaining power. It stocks faster moving products like food and grocery in warehouses closer to its stores and slower moving products like apparel further away, thus optimizing storage costs. We believe DMART can increase centralized sourcing to 60%, leading to further savings in procurement, which can be passed on to the end consumer.
- **Lower employee cost:** DMART works on a variable employee model, which ensures low employee costs – below 2% of sales. Only ~4,200 employees are on its direct payroll. The balance staff are third-party party hires.
- **Input metric focus:** DMART rates its managers based on number of idle cash counters, empty shelves (especially when stocks exist in warehouses), and level of pilferage. It allots ESOPs to deserving employees, creating a sense of ownership amongst employees.

EDLC-EDLP creates a powerful virtuous cycle of growth for the company.

### Participating in e-tail opportunity, too

E-tail penetration in foods and groceries (F&G; key revenue contributor to DMART) is miniscule at 0.03% and is expected to be 0.2-0.45% by 2020. Key factors like supply chain & logistics, perishable nature of products, and maintenance of consistent quality will restrict the growth of e-tailing in the F&G category. We do not see competition from web-only e-tailers in the F&G space as a big threat for DMART. Yet, DMART intends to participate in the e-tail opportunity and is piloting its online model in some areas of Mumbai, where customers can buy online and choose to pick up their purchases at *D-Mart Ready* pick-up points or get doorstep delivery against delivery charges. DMART considers the in-store model more beneficial, as it helps to spread the fixed costs better, as against the typical e-tail model, where delivery costs are involved.

### PAT to register 41% CAGR over FY17-21

We expect DMART to register revenue CAGR of 31% to INR349b in FY21, driven by addition of 25 stores every year and improving revenue per square foot. DMART has clocked high inventory turns of ~12x and fixed asset turnover of 4x over FY12-17, despite asset heavy model which in our view is commendable. With increasing scale, its ability to source at better prices is expected to improve further, which should drive 60bp EBITDA margin expansion to 8.8%, though DMART would pass on most of the benefits to the consumer. With full debt repayment (post IPO proceeds) leading to savings in interest cost, we expect PAT to register 41% CAGR over FY17-21. With net working capital at 26 days, mainly through efficient management of inventory (stable around 34 days) and improving RoCE (14.2% in FY17 to 27.5% in FY21E), we believe DMART resembles the performance and track record of the world's largest and most successful retailer, 'Walmart'.

### Valuation and view

We believe DMART deserves to be valued at a premium as it stands out on account of its top-notch execution capabilities. Our key rationales for premium valuations include:

1. **The only retail company to grow consistently and profitably:** DMART has grown its total area of operations at 21% CAGR over FY12-17 and that too without sacrificing its profitability. Its PAT grew at 51% CAGR over the same period.
2. **Profitable expansion without sacrificing on returns:** DMART has consistently improved its return ratios despite following an asset-heavy model. Its post tax RoCE improved from 8% in FY12 to 14.2% in FY17 (FY17 includes impact of fund raising). Most of Indian peers follow an asset-light approach and have been unable to make a positive RoE.
4. **High Resemblance to Wal-Mart on all parameters:** Wal-Mart has showcased consistent performance in terms of margins and return ratio over last 30 years. During 2006-16, its gross margins have broadly remained in the range of 24-25% while EBITDA and PAT margins have remained in range of 7.5-8% and 3.5-4% respectively. Accordingly, it has consistently delivered an average RoE of 21%. Similarly, DMART currently in its growth phase and has exhibited superior performance on all parameters. It has registered revenue CAGR of 40% over

FY12-17, with consistent improvement in EBITDA/PAT margins from 6.3% / 2.7% in FY12 to 8.2% / 4% in FY17 with RoE improving from 9.5% in FY12 to 18% in FY17 (FY17 includes impact of fund raising). Although, the gross margins of Wal-Mart is higher at 25% vs DMART's 15%, EBITDA margins of DMART are higher at 8% vs 7% of Wal-Mart because of low employee cost structure and other expenses. PAT margins for FY17 stood at 4% (DMART) vs 3% (Wal-Mart).

Thus, we take Wal-Mart as a benchmark for valuations considering DMART's high resemblance with it on financial parameters and performance. Wal-Mart during its high growth phase period CY98-CY00, registered earnings CAGR of ~20% with average 1 year forward valuation of 33x. Post its high growth phase, the growth has tapered off mainly due to advent of online players. The earnings CAGR for CY01-16 has been 7% which also led to decline in PE multiple (average PE during the period was 18x). We believe DMART is currently in its high growth phase and expect it to register revenue/PAT CAGR of 31% / 41% over FY17-21 with improving RoCE and ROE (14.2% and 18% in FY17 to 27.5% and 27.4% in FY21E, respectively). Given DMART's flawless execution in the past and visibility of high earnings growth going forward, we believe it deserves P/E of 45x (35% premium to Wal-Mart average PE of 33x) FY19E EPS, arriving at a price target of INR804. We initiate coverage with a **Neutral** rating.



# Automobiles

## Mini segment recovery helps Maruti gain market share

### Mini segment recovering, while Compact UVs facing heated competition

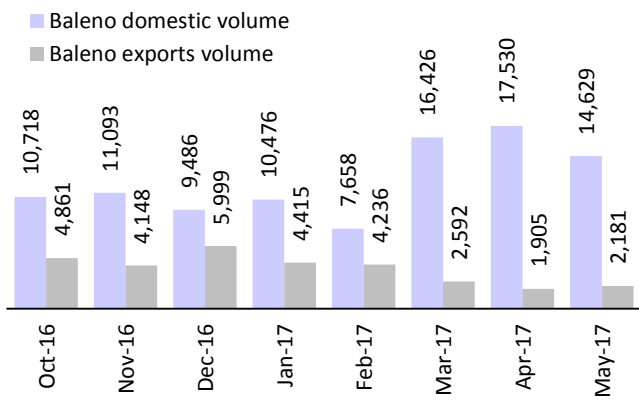
**Pawan Goenka, MD Mahindra & Mahindra, said**

“We will put in another Rs 600 crore in the next couple of years to take the cumulative total to Rs 1,200 crore not including product development spend and the investment in the high-end luxury electric vehicle being developed by Pininfarina. To that end, the company has also restructured its entire electric vehicle business using its the earlier Mahindra Reva plant in Bengaluru to make electric powertrains only. We are working on increasing productivity and launching a new 360-600 V powertrain that will go into the Pininfarina badged luxury electric car, small buses and other high-end vehicles. It will also be used by SsangYong for its e-vehicle range”.

- **Mini segment recovering from demonetization blues:** **Kwid** volumes stood at only 7k units in May-17, down from average of 9.1k units in FY17. On the other hand, **Alto** reported volumes of 23.6k units (nine-month high), up 19% YoY. **Maruti's share in the Mini segment is at a yearly high of ~74%.**
- **Compact segment receives Baleno push:** **Baleno** volumes increased 46% YoY to 14.6k units in May-17. **Grand i10 and i20** reported volumes of 13k units (up ~8% YoY) and 10.7k (up ~2% YoY) units, respectively. **Celerio** reported volumes of 6.1k units (nine-month low) in May, down 17% YoY. **Tiago** continued to report strong volumes at 4.9k units, up 49% YoY. **IGNIS** volumes stood at 4.5k units in May (its fifth month since launch) v/s average of 4.8k units in FY17.
- **Compact sedan segment sees flurry of refreshes/facelifts:** **New Dzire** reported volumes of only 9k units as May included only part of wholesale volumes. **Tigor** reported 2.3k units in its third month. Due to competition from new Dzire, volumes of peers like **Amaze** (1.3k units), **Xcent** (3.8k units) and **Zest** (1.4k units) declined 6%, 19% & 13%, respectively, in May.
- **Mid-size segment:** **CIAZ** reported volumes of 4.7k units, down 9% YoY, due to the transition to the Nexa channel, while **Honda City** volumes were at 4k units.
- **UV-1 segment (compact SUVs) – competition heating up:** **Brezza** reported **highest volumes at 12.4k units**, as against average of 9k units in FY17, while **Creta** reported volumes of 8.4k units. **KUV100** continues to struggle at 2k units, whereas **TUV300** is stable at ~2.3k units. **Ertiga** reported volumes at 7.1k units (**44-month high**), while **Bolero** volumes stood at 6k units, as against average of 4.7k units in FY17. **Ford EcoSport** volumes were consistent at ~3.5k units. **Honda WR-V** reported volumes of 2.8k units in its third month of launch. **In the UV-1 segment, Maruti's market share is at ~45%**, as against average of 38% in FY17, while **MM's share was at ~22%, as against ~25% in FY17.**
- **UV-2 segment – MM gradually recovering:** **Scorpio** reported volumes of 4.7k units, as against average of 4.1k units in FY17, while **XUV500** volumes were at 2.1k units, as against average of 2.2k units in FY17. MM is gradually gaining ground in its bread & butter models. **Hexa** reported paltry volumes of 727 units in its fifth month since launch. **Innova** reported volumes of 5.6k units, down 22% YoY. In this segment, **MM is the leader with ~54% market share, as against 44% in FY17.**
- **Overall market share:** Maruti's market share in the PV segment was at ~52%, as against 47.4% in FY17. Hyundai maintained its share at ~27%, followed by MM (~8%) and Tata Motors (~5%).
- **Exports:** Maruti Baleno's export volumes have been declining over the last three months; however, its overall mix is improving led by higher Ertiga, Brezza and Baleno domestic volumes.

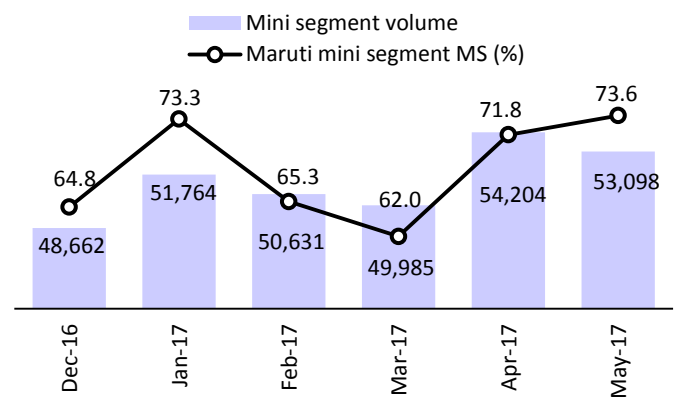
■ **Valuation and view:** We prefer 4Ws over 2Ws and CVs due to stronger volume growth and a stable competitive environment. While we expect 2W volumes to benefit from a rural recovery in the near term, competitive intensity remains high in the segment due to changing customer preferences. For CVs, we expect volumes to remain muted at least for the next 2-3 quarters due to pre-buying, GST implementation and cost inflation with relatively weak freight availability. Our **top picks are Tata Motors, Maruti Suzuki and Amara Raja**. We also like **MM as the best bet on a rural market recovery**.

**Exhibit 1: Baleno domestic volumes inch up, while exports decline**



Source: SIAM, Company, MOSL

**Exhibit 2: Mini segment recovering post demonetization, Maruti is the key beneficiary**



Source: SIAM, Company, MOSL





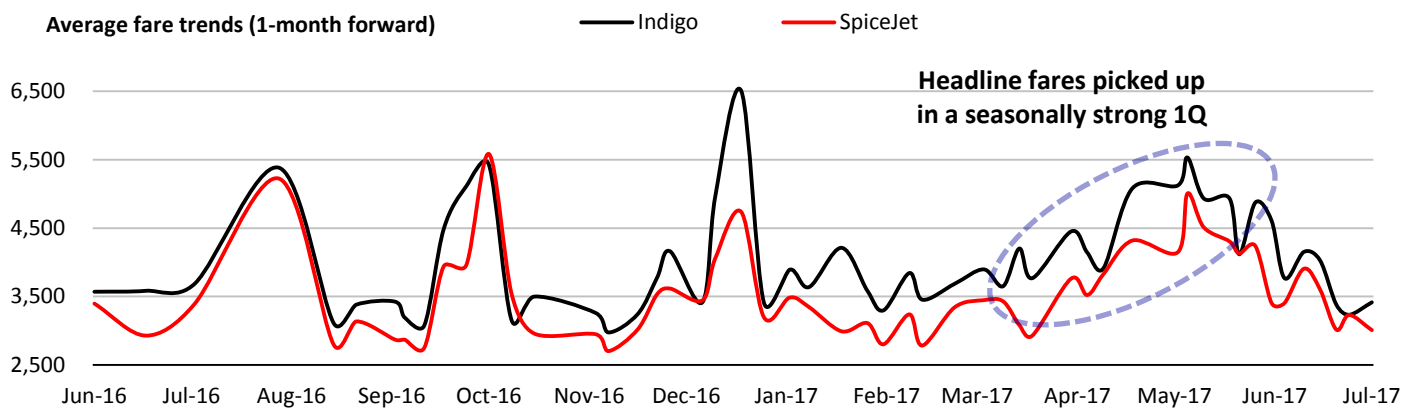
# Aviation

## Fare uptick visible in a seasonally strong 1Q

### Sequentially lower ATF prices, strong INR to support profitability further

- Fare uptick visible:** Our one-month forward fare tracker for 11 routes shows an upward trend in fares over a seasonally strong 1Q. We believe yields for airlines (IndiGo and SpiceJet) would improve QoQ in 1QFY18. In 4QFY17, airlines' fares faced downward pressure due to seasonal weakness; IndiGo's yield declined ~5% YoY and SpiceJet's yield declined ~8% YoY.
- Domestic passenger growth slipped below 20% YoY; industry at peak PLFs:** Domestic passenger growth rate slipped below 20% YoY recently, primarily due slower capacity addition in the domestic market. Average passenger growth for April-May was 16.4% YoY (v/s 22% in FY17), driven by 14.8% YoY growth in ASK (v/s 20% in FY17). Average RPK grew ahead of ASK at 16.7% YoY (v/s 22% in FY17) due to increased PLF at 87.2% (84.4% in FY17). We believe slower domestic capacity addition and peak load factor in a seasonally strong period should allow airlines to exercise some pricing power.
- Lower ATF prices and strong INR to support profitability:** In 1QFY18, ATF price declined 5% QoQ (from INR55.4/liter in 4QFY17) and increased 16% YoY (from INR45.4/liter in 1QFY17) to INR52.7/liter. INR appreciation along with lower ATF prices and increased air ticket fares should result in sequentially higher profitability for airlines.
- Airlines' profitability to improve in 1QFY18:** As expected, headline fares have picked up in a seasonally strong 1Q. IndiGo's slower capacity addition in the domestic market (17% in April-May 2017 v/s 25% earlier) gives a breather for yields in the domestic market. We believe increased air ticket fares along with lower ATF prices (down ~6% QoQ) and INR appreciation would further support airlines' profitability in 1QFY18.

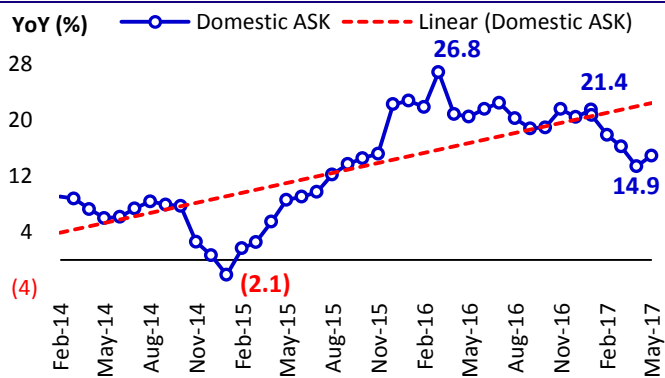
Exhibit 1: Average fare trends of 11 major routes\*: 1-month forward fares on major routes since February 2016



\*Note: Not a reflection of company-level averages

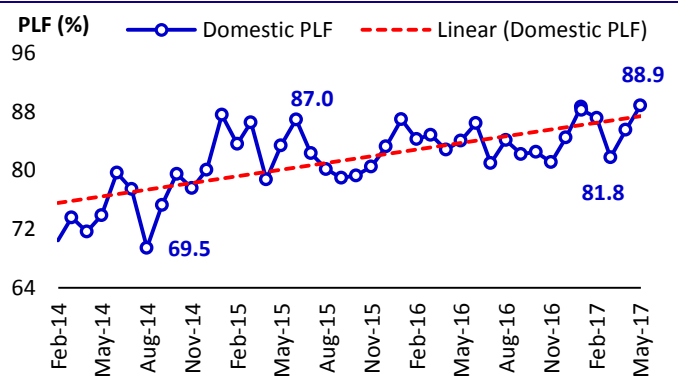
Source: MOSL

Exhibit 2: Domestic ASK addition growth has slipped below 20% in the recent period



Source: DGCA, MOSL

Exhibit 3: Domestic passenger load factor has increased significantly; clocked 85.5/88.9 in April/May 2017



Source: DGCA, MOSL



### 1. Confident of achieving guided growth of 30-35% for 3-4 years: RBL Bank; Vishwavir Ahuja, MD & CEO

- Going forward confident of achieving 30-35% growth for 3-4 years.
- Research shows that at the customer end quality of service and fulfilment is still a challenge for even the best and the biggest. The bank's internal tag-line is, "Relationship with responsibility,"
- Maintained GNPA under 1.25% throughout. However, in the current year expects headwinds in the micro-banking space, which has been a star performing segment for the last 4-5 years.
- GNPA's could be slightly higher in the quarter and next 6 months but by the end of the financial year, should come back to the 1.25%
- Has been able to avoid the problems in power, infra and other sensitive sectors.

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### 2. GST rates fair; company positioned to become stronger post GST: Raymond; Gautam Singhania, CMD & Sanjay Behl, CEO

- GST is reasonably fair. In the textile sector, a lot of small scale industries will become compliant
- Raymond is positioned to do much better in GST compliant era."
- No reason to get unnecessarily worried or concerned about any price increases, he said.

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### 3. Eyeing Rs 45000-50000 cr naval orders over next one year: L&T defence; JD Patil, Wholetime Director & Sr VP-Defence

- Will submit final bids for Rs 25,000 cr LPD project this week
- Order for the LPD or the landing platform dock may come in by March 2018 or a quarter after that.
- Looking at three major other naval vessel programmes and one of them is ahead of LPD. There are also diving support vessels and large hydrography survey vessels for navy.
- All these are utility ships and together they could be looking at Rs 45000-50000 cr of naval orders over next one year.
- Strategic partnership policy on P75I project for Scorpene Submarines, have been announced about a month back and now it is under physical implementation. Within one or two months EOI should be out both for Indian partners as well as the possible foreign partners. Post that it would take around four months to decide on potential partnerships and based on that physical bidding would happen. There is possibility of the bids to be made in this financial year

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### 4. Will gain market share from organised players post GST: Allcargo Logistics; Prakash Tulsiani, ED & COO

- Will gain market share from organised players post GST,
- Unorganised sector in logistics stands at 50 percent.
- Organised sector, should grow at least at the rate of 20 percent

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### 1. India's money illusion problem

- The recent farmer protests in some parts of the country throw fresh light on an old economic problem. People think in nominal rather than real terms. Price changes matter. The paradox of farmer protests when farm output is at record levels is less puzzling once we take falling food prices into account. It is the nominal rather than the real trend that is hurting farmers. It is useful to remember that two of the biggest movements launched by M.K. Gandhi were timed with the deflation in farm prices after World War I and the Great Depression across the world. The fact that it is lower prices that have brought farmers to the streets seems to have got widespread acceptance in recent weeks. This is a good cue to extend the discussion to some broader economic issues, especially about why the Indian economy does not “feel” like it is growing at 7%. Is it because too many people are not taking a closer look at what has happened to prices in recent quarters? More on that later. The sharp fall in inflation in recent years has pulled down the growth in nominal gross domestic product (GDP). Many analytical muddles have followed.

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### 2. Charting the Indian banking sector's future

- The Indian banking sector is at a critical juncture in its evolution. It is now clear that the slump in credit growth and increase in stressed assets has affected the profitability of all banks, and threatens the very survival of some of them. State-owned banks account for more than three-fourths of the stressed asset load, which is now far higher than their net worth. Provision levels are inadequate, as the banks hold only 28% of gross non-performing assets and restructured assets, as provisions. There is a \$110 billion gap between the stressed assets in the system and the provisions made. Shifts in consumer preferences, combined with changes in technology and regulations, have created a perfect storm. The way out will depend to a large extent on the speed and direction of stakeholder reactions.

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### 3. GST will have a positive impact on economy, industry and consumers; here is why

- From July 1, GST will be in force, redefining India's indirect tax system and reshaping the way business is done in the country. Almost two decades in the making, the new tax system represents a historic success story in our economic reforms journey. While the benefits of GST to the economy, industry and consumers are well-known, it notably represents a structural reform. The process of drafting the new system was unprecedented as it took place through a committee of finance ministers from all states, taking off from the original empowered committee created in 1999 for the introduction of state-level VAT. State governments from different political parties with different ideologies came together with the ministry of finance on a single platform for the larger national good. With free discussions and consensus-building, this created requisite buy-in from all states. Such a model could be replicated for future policy development on issues such as labour reforms, land acquisition, agricultural policies, etc.

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#### 4. Reservations in universities, government must realise quota is anathema to creating global class

- Given how few Indian universities feature in global rankings—only three, from over 700, make it to the top-200 in the latest QS World University Rankings—a lot was expected from the government’s vision of creating 20 world-class universities, if only because over 2 lakh Indian students go overseas to study each year and spend over \$10 billion while doing so. But the policy fell short since what was required was a complete overhaul in approach and, now, the wait for these institutes of eminence (10 government and 10 private) has got longer. Mint reports that the government has deferred the plan till an inter-ministerial group comprising HRD minister Prakash Javadekar, former HRD (now textiles) minister Smriti Irani, power minister Piyush Goyal and commerce & industry minister Nirmala Sitharaman work out a few kinks.

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### International

#### 5. Amazon goes back to the future of groceries

- Just when we thought we understood Amazon, it surprises us. We are used to observing an online retailer that cuts prices relentlessly to undermine brick and mortar stores. It has now decided to buy Whole Foods Market, a premium chain for Americans who can afford fancy cheese and fish. If it wanted to turn physical, the Amazon of our imagination might have followed Aldi, the private German retailer, by investing \$5bn to expand its US discount stores, or have directly taken on Walmart’s 3,500 grocery and hardware Supercentres. Jeff Bezos, Amazon’s founder, is instead entering the top end of the grocery market by offering \$13.7bn for Whole Foods.

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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	842	1,044	24	28.0	34.5	41.8	30.1	24.4	5.5	4.7	20.3	20.8	21.2
Ashok Ley.	Buy	94	117	25	4.6	5.5	7.1	20.4	17.1	4.5	3.9	23.3	24.4	26.9
Bajaj Auto	Buy	2,821	3,422	21	132.3	150.4	178.2	21.3	18.8	4.8	4.3	25.3	24.1	25.6
Bharat Forge	Buy	1,168	1,242	6	26.2	37.7	49.7	44.7	31.0	6.6	5.8	16.2	19.9	22.5
Bosch	Neutral	24,298	23,287	-4	473.1	650.7	776.2	51.4	37.3	8.4	7.4	15.8	21.2	22.2
CEAT	Buy	1,870	1,741	-7	93.3	104.9	133.9	20.0	17.8	3.1	2.7	16.9	16.3	17.9
Eicher Mot.	Buy	27,562	30,402	10	613.8	892.0	1,135.1	44.9	30.9	15.6	11.1	40.3	41.9	38.5
Endurance Tech.	Buy	897	948	6	23.5	30.8	37.9	38.2	29.1	7.3	6.0	20.8	22.6	23.1
Escorts	Neutral	718	711	-1	23.2	35.9	44.4	31.0	20.0	3.6	3.1	12.3	16.8	17.9
Exide Ind	Buy	225	274	22	8.2	9.5	11.8	27.6	23.8	3.9	3.4	14.0	14.5	15.8
Hero Moto	Neutral	3,769	3,622	-4	169.1	198.1	201.2	22.3	19.0	7.4	6.3	35.7	35.9	31.3
M&M	Buy	1,385	1,603	16	54.3	69.6	81.7	25.5	19.9	3.2	2.9	14.2	14.2	14.4
Mahindra CIE	Not Rated	240	-		5.4	9.9	11.8	44.8	24.4	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	7,266	8,060	11	248.6	300.0	370.9	29.2	24.2	6.1	5.2	20.3	21.2	22.3
Tata Motors	Buy	457	635	39	19.8	30.8	65.8	23.1	14.9	2.7	2.3	9.8	16.5	27.8
TVS Motor	Buy	545	581	7	11.7	16.7	26.7	46.4	32.6	10.8	8.5	25.6	29.2	35.9
<b>Aggregate</b>								<b>28.4</b>	<b>21.7</b>	<b>4.9</b>	<b>4.2</b>	<b>17.1</b>	<b>19.3</b>	<b>22.8</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	508	525	3	15.4	23.4	41.2	33.0	21.6	2.2	2.1	6.9	9.9	15.7
DCB Bank	Neutral	209	170	-18	7.0	8.8	11.2	29.8	23.7	3.1	2.8	10.9	12.4	14.0
Equitas Hold.	Buy	156	210	34	4.7	4.8	7.5	33.1	32.3	2.4	2.2	8.9	7.1	10.1
Federal Bank	Buy	117	125	7	4.8	5.8	7.3	24.2	20.3	2.3	2.1	9.9	10.9	12.5
HDFC Bank	Buy	1,700	1,790	5	56.8	67.1	79.4	29.9	25.3	5.1	4.4	17.9	18.2	19.0
ICICI Bank	Buy	291	329	13	15.3	16.3	18.7	19.0	17.9	2.1	2.0	10.2	9.9	10.6
IDFC Bank	Neutral	57	62	8	3.0	3.3	4.3	19.1	17.3	1.3	1.3	7.2	7.4	9.0
IndusInd	Buy	1,495	1,700	14	50.1	59.4	72.0	29.8	25.1	4.5	3.9	16.0	16.5	17.3
J&K Bank	Neutral	95	89	-6	-31.3	4.4	8.0	NM	21.6	0.9	0.8	-27.0	4.0	7.0
Kotak Mah. Bk	Buy	992	1,050	6	26.8	32.3	40.5	37.0	30.7	4.8	4.2	13.8	14.5	15.7
RBL Bank	Under Review	513	-		11.9	17.6	23.8	43.2	29.1	4.5	4.0	12.3	14.6	17.3
South Indian	Buy	30	31	5	2.2	2.9	3.6	13.5	10.3	1.1	1.0	9.4	10.6	12.2
Yes Bank	Buy	1,432	2,110	47	73.0	90.5	114.0	19.6	15.8	3.7	3.1	18.9	17.9	19.4
<b>Aggregate</b>								<b>28.5</b>	<b>22.7</b>	<b>3.3</b>	<b>3.0</b>	<b>11.4</b>	<b>13.0</b>	<b>14.7</b>
<b>Banks - PSU</b>														
BOB	Buy	167	217	30	6.0	19.0	24.9	27.9	8.8	1.1	1.0	4.1	12.3	14.5
BOI	Neutral	137	147	7	-14.8	13.7	22.0	NM	10.0	0.6	0.6	-6.7	6.1	9.0
Canara	Neutral	353	380	8	18.8	33.0	48.9	18.8	10.7	0.8	0.7	4.2	6.8	9.4
IDBI Bk	Neutral	57	49	-13	1.5	6.4	8.6	37.2	8.8	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	300	360	20	29.3	33.3	38.1	10.3	9.0	1.0	0.9	10.1	10.6	11.1
OBC	Neutral	148	150	1	-31.6	17.1	21.4	NM	8.7	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	146	184	26	6.2	10.3	14.5	23.5	14.3	0.8	0.8	3.6	5.6	7.5
SBI	Buy	290	375	29	0.3	19.7	25.9	959.2	14.7	1.3	1.2	-0.2	8.9	10.7
Union Bk	Neutral	151	174	15	7.6	24.6	34.5	19.8	6.2	0.5	0.5	2.7	8.1	10.5
<b>Aggregate</b>								<b>101.0</b>	<b>12.0</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>7.4</b>	<b>9.3</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,415	1,550	10	33.6	47.0	63.6	42.1	30.1	8.1	6.6	21.7	24.0	26.2
Bharat Fin.	Neutral	720	769	7	21.0	32.4	45.3	34.3	22.2	4.1	3.4	15.1	16.7	19.5
Cholaman.Inv.&FnBuy		1,117	1,250	12	46.0	56.7	70.6	24.3	19.7	4.1	3.5	18.1	19.0	19.9
Dewan Hsg.	Buy	461	559	21	29.6	38.6	45.5	15.6	11.9	1.8	1.6	14.4	14.5	15.2
GRUH Fin.	Neutral	446	421	-6	8.1	10.3	12.5	54.8	43.4	14.6	12.1	30.4	30.6	30.9
HDFC	Buy	1,627	1,797	10	46.8	50.7	55.9	34.7	32.1	6.4	5.8	19.3	18.3	17.4
Indiabulls Hsg	Buy	1,121	1,227	9	69.0	82.2	101.6	16.2	13.6	3.9	3.5	25.5	27.0	29.6
LIC Hsg Fin	Neutral	772	723	-6	38.2	44.6	51.2	20.2	17.3	3.6	3.1	19.4	19.3	19.0
Manappuram	Not Rated	94	-		8.2	11.1	14.0	11.5	8.5	2.6	2.3	23.9	29.0	32.2
M&M Fin.	Buy	345	400	16	7.1	12.9	16.4	48.8	26.7	3.0	2.8	6.4	10.9	12.9



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Muthoot Fin	Buy	459	465	1	29.7	34.5	40.0	15.5	13.3	2.9	2.5	19.7	20.2	20.6
PFC	Neutral	130	117	-10	25.7	27.2	30.2	5.1	4.8	0.9	0.8	17.9	17.0	16.8
Repco Home	Buy	881	900	2	29.1	36.0	43.3	30.3	24.5	4.9	4.1	17.4	18.2	18.5
REC	Neutral	185	134	-28	31.4	35.0	40.4	5.9	5.3	1.1	0.9	19.9	19.1	19.1
Shriram City Union	Buy	2,393	2,689	12	84.3	130.4	164.7	28.4	18.3	3.2	2.8	11.8	16.2	17.8
STF	Buy	999	1,269	27	55.6	77.4	98.6	18.0	12.9	2.0	1.8	11.7	14.5	16.3
<b>Aggregate</b>								<b>19.1</b>	<b>16.4</b>	<b>3.3</b>	<b>2.9</b>	<b>17.2</b>	<b>17.7</b>	<b>17.9</b>
<b>Capital Goods</b>														
ABB	Sell	1,506	1,200	-20	19.7	25.1	32.2	76.5	60.1	9.7	8.4	12.7	13.9	15.8
Bharat Elec.	Buy	169	200	18	6.9	7.2	8.1	24.4	23.6	5.0	3.9	20.6	16.5	16.8
BHEL	Sell	136	100	-27	2.0	4.4	5.0	67.4	31.3	1.0	1.0	1.5	3.3	3.6
Blue Star	Neutral	636	610	-4	12.9	17.9	26.6	49.4	35.4	8.0	7.5	18.0	21.9	30.1
CG Cons. Elec.	Buy	220	240	9	4.7	5.6	6.7	47.0	39.5	25.6	18.4	76.4	54.2	50.3
CG Power & Indu.	Sell	85	65	-24	4.1	2.3	4.5	20.8	37.3	1.3	1.2	6.2	3.4	4.2
Cummins	Neutral	912	950	4	26.5	28.8	35.5	34.4	31.7	6.8	6.2	21.2	20.5	23.2
GE T&D	Neutral	341	320	-6	5.7	8.9	10.6	59.4	38.1	8.4	7.4	12.4	20.7	21.5
Havells	Neutral	482	480	0	9.6	12.1	14.5	50.5	39.9	9.2	8.1	18.2	20.4	21.4
Inox Wind	Under Review	144	-		12.8	-3.2	15.5	11.3	NM	1.5	1.5	14.9	-3.3	15.1
K E C Intl	Neutral	246	250	2	11.9	13.6	16.8	20.7	18.1	4.0	3.4	21.2	20.3	21.2
L&T	Buy	1,754	2,000	14	63.3	68.0	78.3	27.7	25.8	3.3	3.2	12.6	12.5	13.6
Pennar Eng.	Not Rated	134	-		5.8	7.5	10.0	23.1	17.9	2.0	1.8	8.6	10.0	11.8
Siemens	Neutral	1,333	1,355	2	17.8	24.3	33.3	74.8	54.9	7.0	6.0	9.3	11.0	13.7
Solar Ind	Neutral	818	825	1	20.6	22.0	27.5	39.7	37.2	7.3	6.3	19.8	18.1	19.5
Suzlon Energy	Not Rated	19	-		0.6	0.9	1.0	29.5	21.2	-1.7	-1.9	NM	-8.8	-11.0
Thermax	Sell	942	850	-10	30.8	32.3	34.0	30.6	29.2	4.2	3.8	14.3	13.6	12.9
Va Tech Wab.	Buy	732	800	9	28.9	34.9	39.8	25.3	21.0	4.0	3.5	16.3	17.7	17.5
Voltas	Sell	468	400	-15	15.5	16.0	18.1	30.3	29.2	4.7	4.2	18.0	15.1	15.3
<b>Aggregate</b>								<b>34.6</b>	<b>30.8</b>	<b>3.9</b>	<b>3.6</b>	<b>11.2</b>	<b>11.7</b>	<b>12.9</b>
<b>Cement</b>														
Ambuja Cem.	Buy	241	283	18	4.9	6.6	7.2	49.3	36.3	2.5	2.4	5.0	6.7	7.1
ACC	Neutral	1,653	1,521	-8	33.7	49.2	63.6	49.0	33.6	3.7	3.7	7.5	11.0	14.2
Birla Corp.	Buy	903	998	10	29.4	40.9	58.9	30.8	22.1	2.1	2.0	7.5	9.2	12.2
Dalmia Bharat	Buy	2,536	3,162	25	38.8	66.7	87.1	65.4	38.0	4.5	4.1	7.2	11.3	13.1
Grasim Inds.	Neutral	1,133	1,234	9	67.9	86.9	114.5	16.7	13.0	1.8	1.6	11.5	13.1	15.1
India Cem	Neutral	216	210	-3	5.6	9.3	12.9	38.4	23.2	1.3	1.2	3.4	5.5	7.2
J K Cements	Buy	982	1,322	35	33.7	46.4	59.5	29.1	21.2	3.9	3.3	14.4	17.0	18.6
JK Lakshmi Ce	Buy	496	550	11	7.0	11.4	20.5	71.2	43.5	4.2	3.8	6.0	9.2	14.7
Ramco Cem	Buy	694	823	19	27.3	31.1	37.5	25.5	22.3	4.5	3.9	19.2	18.6	19.1
Orient Cem	Buy	146	185	27	-1.6	4.5	6.8	NM	32.4	3.0	2.8	-3.2	9.0	12.3
Prism Cem	Buy	117	138	18	0.3	3.7	5.8	336.6	31.6	5.9	5.1	1.8	17.2	22.6
Shree Cem	Buy	17,388	23,316	34	384.4	480.7	621.0	45.2	36.2	8.6	7.1	20.2	21.5	22.6
Ultratech	Buy	4,018	4,928	23	96.1	121.4	159.1	41.8	33.1	4.8	4.3	12.0	13.6	15.7
<b>Aggregate</b>								<b>36.3</b>	<b>27.2</b>	<b>3.5</b>	<b>3.2</b>	<b>9.7</b>	<b>11.8</b>	<b>13.7</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,156	1,210	5	21.0	23.1	27.4	55.0	50.0	14.6	14.0	28.5	28.6	30.6
Britannia	Buy	3,669	4,050	10	73.7	82.1	101.3	49.8	44.7	16.3	15.2	36.9	35.2	37.2
Colgate	Buy	1,103	1,180	7	21.2	25.7	31.1	52.0	43.0	23.6	22.2	50.4	53.2	60.3
Dabur	Neutral	288	295	3	7.2	7.7	9.1	39.7	37.2	10.5	9.0	28.4	26.0	26.3
Emami	Buy	1,128	1,250	11	26.5	29.2	34.7	42.5	38.6	14.6	11.8	35.8	33.8	32.2
Godrej Cons.	Neutral	1,954	1,950	0	37.8	43.6	50.0	51.7	44.8	12.6	9.7	24.6	24.5	23.0
GSK Cons.	Sell	5,362	4,380	-18	156.1	169.7	185.5	34.3	31.6	7.2	7.1	22.2	22.6	23.0
HUL	Buy	1,124	1,215	8	19.6	22.8	27.0	57.2	49.3	36.5	35.3	65.6	72.8	82.5
ITC	Buy	309	355	15	8.4	9.6	11.5	36.8	32.3	8.3	8.2	23.5	25.6	28.9
Jyothy Lab	Neutral	384	390	1	11.2	8.9	11.0	34.2	43.0	6.4	6.6	21.1	15.1	18.4



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
Marico	Neutral	316	335	6	6.3	6.9	8.4	50.3	45.5	17.5	15.0	36.7	35.5	38.1
Nestle	Sell	6,767	5,715	-16	118.0	118.6	139.5	57.4	57.0	21.7	19.9	39.0	36.4	39.0
Page Inds	Buy	16,306	18,000	10	238.7	313.9	400.0	68.3	51.9	27.3	21.6	40.0	41.6	42.8
Parag Milk	Neutral	218	245	12	3.6	7.4	12.3	60.5	29.3	2.8	2.5	5.9	9.1	13.4
Pidilite Ind.	Neutral	818	762	-7	16.7	18.4	21.2	48.9	44.3	12.7	10.3	28.2	25.6	24.0
P&G Hygiene	Buy	8,002	8,760	9	144.9	155.8	181.6	55.2	51.4	45.6	36.4	45.3	78.9	74.0
Prabhat Dairy	Not Rated	129	-		3.5	3.5	6.4	36.6	37.1	1.8	1.8	5.2	4.9	8.5
United Brew	Neutral	782	830	6	8.7	9.7	14.7	90.0	80.7	9.0	8.2	10.4	10.7	14.6
United Spirits	Neutral	2,323	2,415	4	26.7	37.4	51.8	86.9	62.2	17.4	12.0	21.3	19.3	19.7
<b>Aggregate</b>								<b>46.4</b>	<b>41.0</b>	<b>12.8</b>	<b>11.9</b>	<b>27.6</b>	<b>29.0</b>	<b>30.6</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	532	640	20	21.6	26.0	32.1	24.7	20.4	5.3	4.4	23.1	23.6	24.1
Alkem Lab	Neutral	1,870	1,900	2	75.7	80.0	94.9	24.7	23.4	5.3	4.5	23.4	20.8	21.0
Ajanta Pharma	Buy	1,531	2,028	32	58.4	66.4	79.9	26.2	23.1	8.6	6.6	37.7	32.3	30.0
Aurobindo	Buy	655	750	14	39.3	44.1	50.2	16.7	14.8	4.2	3.3	28.3	24.8	22.5
Biocon	Sell	337	300	-11	20.4	22.0	29.9	16.5	15.3	2.3	2.0	13.6	13.3	16.1
Cadila	Buy	521	510	-2	14.2	18.1	23.2	36.7	28.7	8.3	6.8	24.8	26.1	27.1
Cipla	Neutral	541	500	-8	15.9	20.0	25.0	34.0	27.1	3.5	3.1	10.2	11.5	12.8
Divis Lab	Neutral	644	600	-7	39.7	35.8	39.8	16.2	18.0	3.6	3.3	23.5	19.2	19.2
Dr Reddy's	Neutral	2,684	2,625	-2	72.6	107.1	144.5	37.0	25.1	3.6	3.0	9.6	13.3	15.1
Fortis Health	Buy	195	240	23	10.3	2.1	6.1	18.8	92.3	2.0	1.8	11.3	2.0	5.3
Glenmark	Neutral	629	800	27	39.3	45.0	53.5	16.0	14.0	4.0	3.1	24.7	22.4	21.3
Granules	Buy	138	200	44	7.3	8.1	11.4	19.1	17.0	3.2	2.3	20.0	16.4	17.6
GSK Pharma	Neutral	2,458	2,700	10	34.4	51.9	60.1	71.5	47.3	15.4	18.8	21.5	39.7	54.4
IPCA Labs	Neutral	471	480	2	16.1	22.4	29.9	29.3	21.0	2.4	2.2	8.6	11.0	13.2
Lupin	Buy	1,094	1,475	35	59.2	60.2	73.7	18.5	18.2	3.7	3.2	22.0	18.9	19.7
Sanofi India	Buy	4,318	4,850	12	129.1	131.0	173.4	33.4	33.0	5.7	5.4	17.1	16.3	19.3
Sun Pharma	Buy	528	650	23	26.1	25.4	30.8	20.2	20.8	3.5	3.3	18.5	16.3	17.9
Syngene Intl	Not Rated	462	-		13.0	16.1	18.0	35.5	28.7	7.2	5.9	22.2	22.5	20.7
Torrent Pharma	Buy	1,196	1,450	21	55.2	59.8	73.2	21.7	20.0	5.1	4.4	25.3	23.5	24.6
<b>Aggregate</b>								<b>23.5</b>	<b>21.7</b>	<b>4.1</b>	<b>3.6</b>	<b>17.5</b>	<b>16.6</b>	<b>17.6</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	175	228	30	9.8	12.2	14.3	17.8	14.4	2.6	2.3	12.6	17.2	17.8
Blue Dart	Not Rated	4,285	-		102.5	129.9	163.2	41.8	33.0	18.5	14.1	50.5	48.6	46.8
Concor	Neutral	1,190	1,162	-2	38.0	41.2	45.8	31.3	28.9	3.3	3.1	10.8	11.1	11.7
Gateway Distriparks	Buy	258	310	20	6.8	11.6	14.3	37.9	22.2	2.2	2.1	5.9	9.9	11.7
Gati	Not Rated	134	-		8.4	15.9	23.9	16.0	8.5	2.2	1.9	12.4	19.4	25.4
Transport Corp.	Not Rated	305	-		16.9	21.0	25.9	18.0	14.5	2.8	2.4	16.7	17.8	18.6
<b>Aggregate</b>								<b>29.3</b>	<b>24.2</b>	<b>3.6</b>	<b>3.3</b>	<b>12.2</b>	<b>13.7</b>	<b>15.0</b>
<b>Media</b>														
Dish TV	Buy	79	106	35	1.0	2.1	3.8	79.6	38.3	17.1	11.8	24.1	36.5	44.1
D B Corp	Buy	376	460	22	20.4	24.1	28.7	18.4	15.6	4.3	3.9	25.5	26.2	27.6
Den Net.	Neutral	84	90	7	-8.6	-2.7	0.3	NM	NM	1.6	1.7	-12.0	-5.3	0.7
Hind. Media	Buy	271	360	33	26.4	27.1	29.9	10.3	10.0	1.8	1.5	19.3	16.6	15.6
HT Media	Neutral	82	85	4	7.4	7.9	8.3	11.1	10.4	0.7	0.7	7.1	6.9	6.6
Jagran Prak.	Buy	182	225	24	10.8	12.2	14.0	16.9	15.0	2.5	2.4	17.6	16.3	17.3
PVR	Buy	1,583	1,666	5	20.5	36.1	54.7	77.1	43.9	7.7	6.6	10.4	16.1	20.5
Siti Net.	Neutral	30	36	20	-1.8	-0.5	0.1	NM	NM	4.2	4.6	-23.5	-7.8	1.5
Sun TV	Neutral	848	860	1	24.9	29.5	38.4	34.1	28.7	8.5	7.8	25.0	27.3	31.9
Zee Ent.	Buy	504	600	19	23.1	16.4	19.5	21.8	30.8	8.0	6.8	23.7	23.8	23.8
<b>Aggregate</b>								<b>41.1</b>	<b>29.2</b>	<b>5.9</b>	<b>5.3</b>	<b>14.3</b>	<b>18.1</b>	<b>20.6</b>
<b>Metals</b>														
Hindalco	Buy	197	250	27	16.2	22.6	25.9	12.2	8.7	1.5	1.2	14.0	15.6	15.1
Hind. Zinc	Sell	249	235	-6	19.7	21.5	23.7	12.6	11.5	3.4	2.9	24.4	27.2	25.4



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
JSPL	Buy	125	184	48	-20.9	-16.0	-2.5	NM	NM	0.4	0.4	-7.9	-5.0	-0.8
JSW Steel	Buy	200	241	20	14.8	20.1	22.6	13.5	9.9	2.1	1.8	17.3	19.7	18.8
Nalco	Neutral	63	65	3	3.7	3.6	4.0	17.1	17.6	1.2	1.2	7.2	6.7	7.3
NMDC	Under Review	111	-		10.0	12.0	12.7	11.2	9.2	1.6	1.5	12.4	14.9	15.7
SAIL	Sell	57	30	-48	-6.2	-12.6	0.4	NM	NM	0.6	0.7	-6.7	-15.2	0.5
Vedanta	Neutral	238	225	-6	15.1	24.5	27.4	15.7	9.7	1.5	1.4	9.7	14.8	15.3
Tata Steel	Sell	518	451	-13	37.0	50.2	66.5	14.0	10.3	1.6	1.4	15.4	14.5	17.1
<b>Aggregate</b>								<b>17.4</b>	<b>13.6</b>	<b>1.4</b>	<b>1.3</b>	<b>8.0</b>	<b>9.7</b>	<b>12.3</b>
<b>Oil &amp; Gas</b>														
BPCL	Neutral	655	779	19	72.5	64.5	70.3	9.0	10.1	2.8	2.4	32.4	25.1	23.3
GAIL	Sell	368	357	-3	22.6	27.4	31.6	16.3	13.4	1.6	1.5	10.2	11.7	12.5
Gujarat Gas	Sell	795	699	-12	20.4	38.5	46.6	38.9	20.7	6.7	5.3	17.8	28.5	27.5
Gujarat St. Pet.	Neutral	165	171	4	8.8	11.2	13.4	18.7	14.7	2.1	1.9	11.9	13.7	14.6
HPCL	Buy	529	632	19	61.0	45.6	45.8	8.7	11.6	2.6	2.3	32.4	21.2	18.7
IOC	Neutral	408	457	12	41.0	41.9	43.3	10.0	9.8	1.9	2.0	22.3	20.2	19.9
IGL	Neutral	1,091	1,067	-2	43.1	46.7	51.8	25.3	23.4	5.2	4.5	21.0	20.6	19.5
MRPL	Neutral	124	124	0	11.7	12.8	13.3	10.6	9.7	2.2	1.8	24.8	20.5	18.4
Oil India	Buy	287	363	26	19.3	34.7	37.4	14.9	8.3	0.8	0.8	5.7	9.3	9.6
ONGC	Buy	165	229	39	16.4	20.6	23.9	10.1	8.0	1.0	0.9	10.4	11.7	13.0
PLNG	Buy	443	546	23	22.7	26.3	35.9	19.5	16.8	4.1	3.5	23.2	22.4	25.7
Reliance Ind.	Neutral	1,418	1,264	-11	106.6	121.7	127.8	13.3	11.7	1.4	1.3	11.9	11.8	11.2
<b>Aggregate</b>								<b>12.0</b>	<b>11.0</b>	<b>1.6</b>	<b>1.5</b>	<b>13.2</b>	<b>13.4</b>	<b>13.4</b>
<b>Retail</b>														
Jubilant Food	Sell	927	680	-27	10.0	12.2	17.9	92.6	76.2	7.6	7.1	8.2	9.3	12.6
Titan Co.	Neutral	523	505	-3	9.0	10.3	12.1	57.9	50.9	11.0	9.7	20.6	20.2	20.9
<b>Aggregate</b>								<b>61.0</b>	<b>53.3</b>	<b>10.5</b>	<b>9.4</b>	<b>17.2</b>	<b>17.6</b>	<b>18.5</b>
<b>Technology</b>														
Cyient	Buy	508	620	22	30.6	38.3	44.2	16.6	13.3	2.7	2.4	16.2	17.8	17.9
HCL Tech.	Buy	844	960	14	59.8	61.9	67.6	14.1	13.6	3.5	3.5	27.5	25.4	26.0
Hexaware	Neutral	258	235	-9	13.7	15.4	16.7	18.8	16.8	4.6	4.0	26.5	25.3	23.5
Infosys	Buy	944	1,200	27	62.9	64.7	71.1	15.0	14.6	3.1	2.8	23.3	21.4	21.2
KPIT Tech	Neutral	123	150	22	11.9	13.4	15.2	10.3	9.2	1.6	1.3	14.3	15.6	15.2
L&T Infotech	Buy	826	850	3	55.5	59.7	65.0	14.9	13.8	5.2	4.0	40.4	32.8	28.3
Mindtree	Neutral	519	475	-9	24.9	30.5	36.5	20.9	17.0	3.4	3.1	16.8	18.9	20.5
Mphasis	Neutral	594	600	1	38.9	41.7	45.0	15.3	14.2	2.0	2.3	13.2	14.0	15.7
NIIT Tech	Neutral	580	470	-19	42.8	42.5	46.1	13.6	13.7	2.1	1.9	16.1	14.8	14.7
Persistent Sys	Buy	681	700	3	37.7	43.9	51.4	18.1	15.5	2.8	2.7	17.0	18.1	20.3
Tata Elxsi	Buy	1,618	1,607	-1	56.3	68.0	80.4	28.7	23.8	9.0	7.2	37.1	33.7	32.3
TCS	Neutral	2,406	2,400	0	133.4	139.7	149.6	18.0	17.2	5.7	5.8	33.5	32.4	32.3
Tech Mah	Buy	391	500	28	30.9	32.3	36.9	12.7	12.1	2.1	1.9	18.4	16.7	17.0
Wipro	Neutral	256	250	-2	16.9	17.3	19.1	15.1	14.8	2.4	2.2	16.9	15.5	15.7
Zensar Tech	Buy	870	1,020	17	54.9	65.5	76.0	15.8	13.3	2.4	2.1	16.3	17.2	17.4
<b>Aggregate</b>								<b>16.3</b>	<b>15.9</b>	<b>3.8</b>	<b>3.6</b>	<b>23.2</b>	<b>22.6</b>	<b>22.0</b>
<b>Telecom</b>														
Bharti Airtel	Buy	366	430	17	11.1	6.3	11.5	32.9	58.2	2.2	2.1	6.7	3.7	6.4
Bharti Infratel	Buy	372	440	18	14.9	17.5	19.9	25.0	21.2	4.4	3.8	16.2	19.4	19.1
Idea Cellular	Buy	81	110	36	-1.1	-12.9	-13.6	NM	NM	1.2	1.4	-1.6	-20.8	-27.4
Tata Comm	Buy	753	811	8	26.0	18.1	36.0	28.9	41.5	13.5	10.2	126.2	27.9	39.1
<b>Aggregate</b>								<b>35.7</b>	<b>166.7</b>	<b>2.5</b>	<b>2.5</b>	<b>6.9</b>	<b>1.5</b>	<b>3.9</b>
<b>Utilites</b>														
Coal India	Buy	251	316	26	14.9	18.3	20.7	16.8	13.7	6.3	6.3	37.8	46.2	52.1
CESC	Buy	899	1,040	16	51.9	73.4	80.6	17.3	12.2	2.0	1.8	11.4	15.5	15.0
JSW Energy	Buy	65	88	36	3.9	2.1	1.8	16.7	30.5	1.0	1.0	6.7	3.3	2.8
NTPC	Buy	160	198	24	13.0	13.4	16.2	12.3	11.9	1.3	1.3	11.5	10.9	12.3
Power Grid	Buy	206	242	18	14.2	17.6	20.5	14.5	11.7	2.2	1.9	16.2	17.5	17.8





Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Tata Power	Sell	82	67	-18	5.2	6.7	7.0	15.8	12.1	1.9	1.7	11.2	14.6	13.6
<b>Aggregate</b>								<b>14.6</b>	<b>12.7</b>	<b>2.2</b>	<b>2.1</b>	<b>15.3</b>	<b>16.3</b>	<b>17.4</b>
<b>Others</b>														
Arvind	Neutral	382	382	0	12.4	16.6	23.6	30.9	23.0	2.8	2.5	10.3	11.5	14.7
Bata India	Under Review	528	-		13.5	15.6	19.3	39.2	33.8	5.2	4.6	13.9	14.5	15.9
Castrol India	Buy	416	531	28	13.6	14.6	15.2	30.5	28.6	34.5	30.9	115.2	114.1	106.8
Century Ply.	Neutral	300	323	8	8.7	9.8	12.9	34.5	30.5	9.3	7.7	31.1	27.7	29.6
Coromandel Intl	Under Review	430	-		16.0	18.3	23.6	27.0	23.5	4.7	4.2	18.2	18.9	21.7
Delta Corp	Buy	166	229	38	4.2	5.3	7.1	39.3	31.4	4.2	2.8	11.1	11.3	11.5
Dynamatic Tech	Buy	2,506	3,334	33	67.6	112.9	166.7	37.1	22.2	5.1	4.2	15.1	20.7	24.3
Eveready Inds.	Buy	353	368	4	12.9	14.4	17.5	27.4	24.5	8.9	7.1	37.7	32.3	31.6
Interglobe	Neutral	1,250	1,234	-1	46.0	65.6	88.2	27.1	19.1	22.3	19.8	86.2	110.2	129.8
Indo Count	Buy	185	229	24	13.0	14.6	17.6	14.2	12.7	4.3	3.2	34.8	28.8	25.9
Info Edge	Buy	972	1,050	8	15.7	20.3	22.9	62.0	48.0	6.0	5.5	10.2	11.9	12.3
Inox Leisure	Sell	282	240	-15	3.3	8.0	12.0	84.7	35.2	4.9	4.3	5.9	12.5	16.2
Jain Irrigation	Under Review	108	-		5.5	7.6	10.0	19.5	14.2	1.7	1.6	8.6	11.7	14.8
Just Dial	Neutral	409	465	14	17.5	18.5	21.1	23.4	22.1	3.1	2.8	14.8	13.4	13.7
Kaveri Seed	Buy	635	653	3	19.1	29.5	36.3	33.3	21.5	4.3	4.7	13.6	20.5	25.4
Kitex Garm.	Buy	388	551	42	26.0	31.0	36.7	14.9	12.5	4.0	3.3	29.9	28.7	27.7
Manpasand	Buy	804	900	12	12.7	21.0	30.0	63.3	38.2	4.0	3.7	7.3	8.8	13.1
MCX	Buy	1,099	1,300	18	24.8	30.5	42.9	44.3	36.0	4.1	3.9	9.9	11.1	14.6
Monsanto	Buy	2,801	2,841	1	72.9	89.3	109.3	38.4	31.4	11.7	10.9	30.4	35.9	39.6
Navneet Education	Buy	185	226	22	7.8	9.4	11.3	23.8	19.6	6.0	5.0	26.8	27.8	28.2
PI Inds.	Buy	810	952	17	33.4	33.4	38.1	24.3	24.2	6.9	5.6	32.8	25.4	23.8
Piramal Enterp.	Buy	2,874	3,044	6	72.6	104.1	144.6	39.6	27.6	3.7	3.4	9.8	13.0	16.4
SRF	Buy	1,633	1,816	11	85.9	89.0	111.5	19.0	18.3	3.0	2.7	16.6	15.1	17.0
S H Kelkar	Buy	287	367	28	7.2	9.6	12.2	39.5	29.8	5.1	4.6	13.7	16.1	18.2
Symphony	Sell	1,351	1,288	-5	27.0	35.1	42.9	50.0	38.5	27.2	23.2	56.8	65.0	66.3
TTK Prestige	Neutral	6,623	5,281	-20	106.9	137.7	176.0	61.9	48.1	9.8	8.9	16.5	19.4	22.2
V-Guard	Neutral	184	167	-9	3.6	4.5	6.0	51.4	41.0	12.2	10.0	27.4	26.9	28.8
Wonderla	Buy	376	393	4	7.0	11.9	16.0	53.8	31.5	4.9	4.4	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	0.8	-5.8	-2.2
Ashok Ley.	0.6	10.3	-8.3
Bajaj Auto	0.2	-5.1	7.5
Bharat Forge	-1.2	10.6	54.5
Bosch	-1.7	5.5	10.8
CEAT	0.1	4.9	124.9
Eicher Mot.	-1.1	-1.2	47.2
Endurance Tech.	-0.8	12.3	
Escorts	-0.9	12.3	294.2
Exide Ind	-0.1	-5.4	38.5
Hero Moto	-0.9	5.5	23.6
M&M	-0.3	3.9	1.6
Mahindra CIE	-0.4	-3.2	24.1
Maruti Suzuki	0.7	7.0	74.8
Tata Motors	-2.1	3.2	-5.7
TVS Motor	-0.8	3.8	84.0
<b>Banks - Private</b>			
Axis Bank	-0.8	1.3	-1.9
DCB Bank	-0.4	9.1	113.4
Equitas Hold.	-1.0	-1.0	-11.3
Federal Bank	-1.8	4.0	106.1
HDFC Bank	0.7	9.0	45.8
ICICI Bank	-0.5	4.2	34.4
IDFC Bank	-0.1	-5.5	23.8
IndusInd	-1.3	7.6	37.0
J&K Bank	-0.6	11.9	40.4
Kotak Mah. Bk	0.9	5.8	33.0
RBL Bank	0.5	-7.7	
South Indian	0.5	12.4	60.9
Yes Bank	-0.7	0.2	33.8
<b>Banks - PSU</b>			
BOB	-0.1	-11.3	11.5
BOI	0.3	-23.0	42.9
Canara	0.2	-3.8	71.1
IDBI Bk	1.8	-17.3	-19.5
Indian Bk	-0.4	-12.8	113.1
OBC	-0.3	-5.8	47.5
PNB	1.6	-5.9	50.5
SBI	0.1	-5.8	35.7
Union Bk	0.0	-13.2	20.5
<b>NBFCs</b>			
Bajaj Fin.	0.3	9.6	86.1
Bharat Fin.	-0.7	3.5	3.1
Cholaman.Inv.&Fn	-1.3	7.8	18.9
Dewan Hsg.	0.2	13.7	126.1
GRUH Fin.	0.7	12.3	61.2
HDFC	-0.4	7.0	31.5
Indiabulls Hsg	-0.7	7.6	61.3
LIC Hsg Fin	-0.3	13.2	59.3
Manappuram	1.2	4.5	47.1
M&M Fin.	-2.7	9.6	7.2
Muthoot Fin	-1.0	21.1	71.5
PFC	-1.3	-15.8	55.7
Repco Home	-0.6	17.0	16.4
REC	-1.8	-14.7	117.3
STF	0.8	-0.1	-13.6
Shriram City Union	-1.4	11.7	46.6

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	0.7	-1.4	22.3
Bharat Elec.	0.7	-3.0	31.6
BHEL	-0.9	-16.8	12.0
Blue Star	-2.4	-1.7	50.0
CG Cons. Elec.	0.2	-1.2	59.9
CG Power & Inds Sol.	0.6	-6.9	17.9
Cummins	-1.4	-5.7	13.9
GE T&D	0.1	-6.3	-3.2
Havells	-0.4	-0.5	31.3
Inox Wind	-1.1	-8.6	-38.1
K E C Intl	-1.3	0.3	79.5
L&T	0.2	1.7	17.3
Pennar Eng.	-1.7	2.6	-11.2
Siemens	0.3	-3.1	5.4
Solar Ind	-0.6	-0.6	30.4
Suzlon Energy	0.8	-9.0	5.9
Thermax	-2.2	-4.1	16.8
Va Tech Wab.	1.1	9.1	25.8
Voltas	-0.5	12.6	45.0
<b>Cement</b>			
Ambuja Cem.	0.1	-4.1	0.2
ACC	0.3	-1.6	6.2
Birla Corp.	-1.2	17.8	84.0
Dalmia Bharat	-0.5	4.5	135.2
Grasim Inds.	-0.9	1.0	31.5
India Cem	-0.1	4.2	108.6
J K Cements	-1.7	-11.6	51.8
JK Lakshmi Ce	2.2	5.0	27.0
Ramco Cem	0.1	1.2	25.2
Orient Cem	-1.3	-4.3	-10.3
Prism Cem	1.2	-2.8	24.5
Shree Cem	-1.1	-6.9	25.4
Ultratech	-1.2	-7.8	19.9
<b>Consumer</b>			
Asian Paints	0.4	3.0	17.8
Britannia	2.5	2.2	43.0
Colgate	2.0	8.8	25.0
Dabur	0.3	4.4	-7.1
Emami	1.1	1.9	5.5
Godrej Cons.	0.8	8.6	24.6
GSK Cons.	0.2	1.4	-7.2
HUL	2.5	11.5	28.8
ITC	0.2	8.1	29.3
Jyothy Lab	0.8	3.0	29.1
Marico	-0.5	2.1	23.7
Nestle	0.9	3.6	3.8
Page Inds	-0.2	12.3	20.3
Parag Milk	-0.8	-9.5	-16.5
Pidilite Ind.	0.6	7.4	18.0
P&G Hygiene	0.5	5.5	27.8
Prabhat Dairy	1.2	6.3	26.3
United Brew	0.2	1.1	4.9
United Spirits	1.7	21.0	-4.4
<b>Healthcare</b>			
Alembic Phar	1.7	-11.4	-1.8
Alkem Lab	-0.1	-0.2	37.0
Ajanta Pharma	-0.2	-8.6	4.2

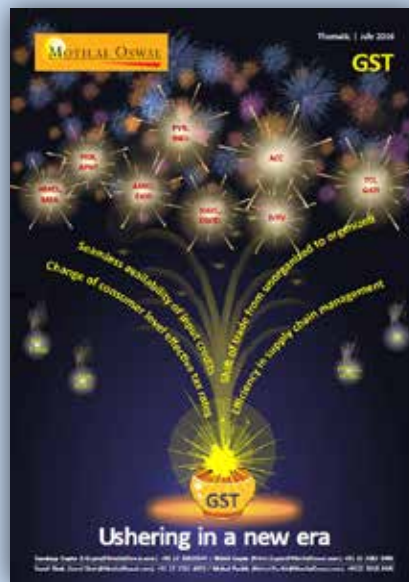
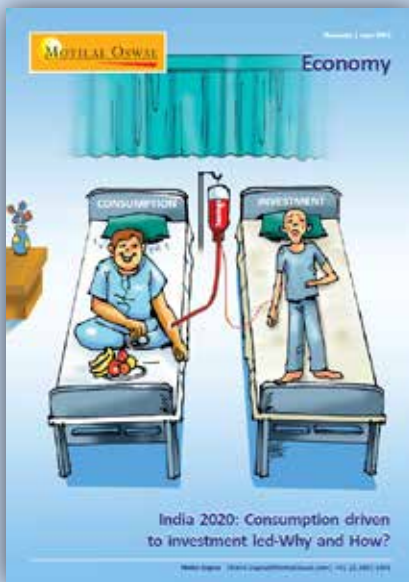
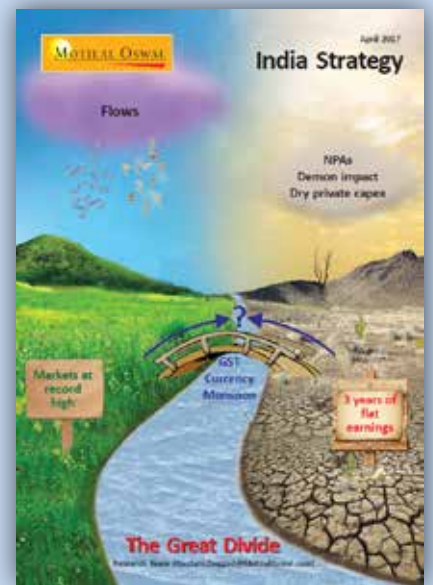
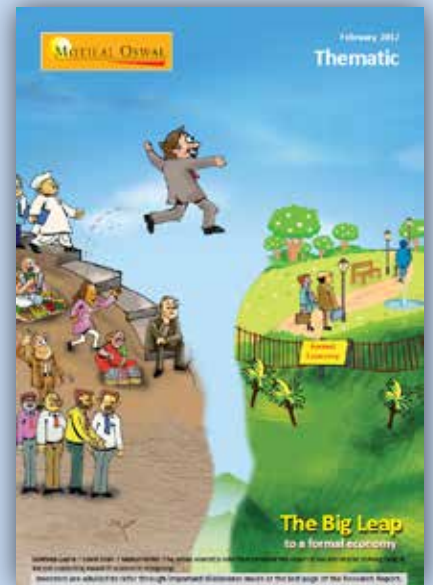
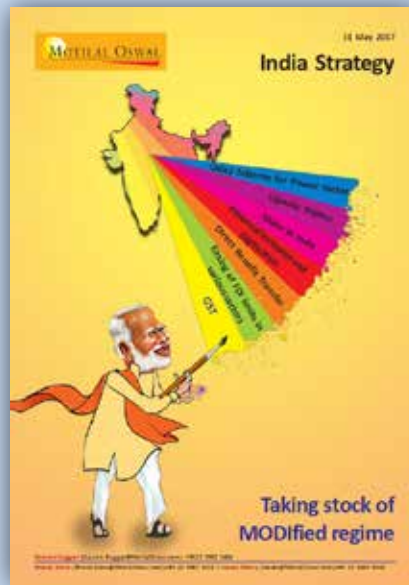


Company	1 Day (%)	1M (%)	12M (%)
Aurobindo	-0.6	9.8	-9.3
Biocon	0.5	3.1	39.5
Cadila	-0.6	13.4	64.6
Cipla	-1.0	-4.0	12.0
Divis Lab	0.1	5.4	-42.3
Dr Reddy's	0.5	1.1	-12.0
Fortis Health	-1.8	-4.2	19.6
Glenmark	0.0	-4.7	-17.5
Granules	0.0	-7.0	-0.1
GSK Pharma	-0.2	0.6	-29.9
IPCA Labs	-0.7	-11.0	-4.1
Lupin	-1.6	-16.8	-24.5
Sanofi India	1.7	6.1	3.1
Sun Pharma	0.8	-19.1	-28.3
Syngene Intl	-0.8	-4.3	13.1
Torrent Pharma	0.1	-7.0	-10.1
<b>Logistics</b>			
Allcargo Logistics	-1.0	-1.6	5.0
Blue Dart	1.2	-0.4	-26.9
Concor	0.3	-0.5	11.7
Gateway Distriparks	1.2	5.1	-17.6
Gati	1.6	-0.5	-18.1
Transport Corp.	-1.7	16.9	60.4
<b>Media</b>			
Dish TV	-0.9	-20.6	-17.0
D B Corp	-0.3	2.2	-0.5
Den Net.	1.3	-12.4	-7.2
Hind. Media	-1.3	-1.7	-0.3
HT Media	0.4	-0.8	4.3
Jagran Prak.	0.0	-2.2	4.8
PVR	0.8	4.2	66.3
Siti Net.	2.7	-5.2	-21.2
Sun TV	0.2	-0.5	132.4
Zee Ent.	-0.1	-1.2	12.6
<b>Metals</b>			
Hindalco	-2.7	2.9	59.4
Hind. Zinc	-1.5	1.1	40.9
JSPL	-1.2	11.4	87.2
JSW Steel	0.5	3.4	42.9
Nalco	-0.4	-6.8	50.2
NMDC	-1.3	-9.5	21.0
SAIL	-0.3	-5.3	28.4
Vedanta	-1.3	3.5	89.7
Tata Steel	-0.9	5.8	55.1
<b>Oil &amp; Gas</b>			
BPCL	-1.5	-6.8	30.1
GAIL	-2.0	-8.2	28.5
Gujarat Gas	-0.6	1.7	52.9
Gujarat St. Pet.	-1.7	-5.1	23.7
HPCL	-0.8	1.6	70.6
IOC	-0.7	-6.2	97.9
IGL	0.7	9.2	77.0
MRPL	-2.4	-7.3	88.8
Oil India	-2.5	-9.3	7.7
ONGC	-2.1	-8.3	14.0
PLNG	-0.3	-1.1	56.1
Reliance Ind.	0.4	7.6	43.6
<b>Retail</b>			
Jubilant Food	0.1	-8.9	-12.7

Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	-0.9	10.9	39.2
<b>Technology</b>			
Cyient	0.1	-0.9	1.8
HCL Tech.	-1.2	-0.2	9.8
Hexaware	0.4	2.1	21.4
Infosys	0.0	-1.5	-21.7
KPIT Tech	-1.0	-2.6	-35.5
L&T Infotech	0.0	6.8	
Mindtree	-0.1	4.5	-20.8
Mphasis	-0.1	2.3	9.5
NIIT Tech	0.7	16.3	9.9
Persistent Sys	0.0	18.0	-2.3
Tata Elxsi	0.0	4.4	-9.3
TCS	-1.5	-4.0	-9.1
Tech Mah	-0.8	-6.0	-27.2
Wipro	0.7	-1.4	-8.6
Zensar Tech	0.1	-2.3	-10.1
<b>Telecom</b>			
Bharti Airtel	0.0	-1.7	1.1
Bharti Infratel	-1.5	-2.0	6.8
Idea Cellular	-1.5	-8.2	-21.0
Tata Comm	0.9	11.6	64.1
<b>Utilities</b>			
Coal India	-1.3	-9.5	-19.8
CESC	1.2	2.4	54.4
JSW Energy	3.2	-0.4	-22.3
NTPC	0.7	0.8	5.4
Power Grid	-1.1	0.0	32.3
Tata Power	-0.4	-2.9	11.4
<b>Others</b>			
Arvind	0.2	1.5	17.0
Bata India	-0.8	-3.3	-1.8
Castrol India	0.7	-4.8	10.4
Century Ply.	2.3	18.0	49.4
Coromandel Intl	2.1	5.3	76.5
Delta Corp	1.7	8.5	81.4
Dynamatic Tech	-2.5	-8.7	-1.8
Eveready Inds.	0.0	8.4	37.0
Interglobe	1.5	17.4	20.4
Indo Count	2.2	-5.0	-3.7
Info Edge	-2.0	14.2	20.0
Inox Leisure	-1.3	-1.9	25.3
Jain Irrigation	0.0	16.6	60.8
Just Dial	0.0	-19.8	-38.7
Kaveri Seed	1.9	18.2	42.0
Kitex Garm.	-2.8	-1.4	-22.4
Manpasand	0.6	1.4	48.8
MCX	0.7	10.9	11.7
Monsanto	-1.8	0.7	7.4
Navneet Educat.	1.2	13.6	97.8
PI Inds.	-0.5	0.0	18.9
Piramal Enterp.	-1.2	1.4	111.6
SRF	0.2	-6.4	29.4
S H Kelkar	1.4	-0.8	32.8
Symphony	0.9	-4.7	12.1
TTK Prestige	-1.4	4.3	42.9
V-Guard	-1.5	-9.9	87.7
Wonderla	0.1	-2.2	-5.1

## NOTES

# THEMATIC/STRATEGY RESEARCH GALLERY



# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

**MOTILAL OSWAL** Initiating Coverage | 22 June 2017  
Sector: Finance

### Cholamandam Finance

**Prepared, Equipped and Armed**

Share Register: Finance Department, Motilal Oswal, Plot 27, Sector 4, Gurgaon, Haryana. Contact: +91 122 6862 6000. Website: www.motilal.com

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**MOTILAL OSWAL** Initiating Coverage | 28 April 2017  
Sector: Utilities

### Tata Power

**Struggling for RoE**

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**MOTILAL OSWAL** Initiating Coverage | 28 April 2017  
Sector: Oil and Gas

### Gujarat Gas

**Long road ahead**

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**MOTILAL OSWAL** Initiating Coverage | 28 March 2017  
Sector: Education

### Navneet Education

**Steadfast; growth gaining momentum**

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**MOTILAL OSWAL** Initiating Coverage | 23 March 2017  
Sector: Entertainment

### Delta Corp

**Favorable odds**

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**MOTILAL OSWAL** Initiating Coverage | 27 March 2017  
Sector: Healthcare

### Ajanta Pharma

**Promising growth trajectory**

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**MOTILAL OSWAL** Initiating Coverage | 13 February 2017  
Sector: Automobile

### Piramal Enterprises

**Winner's Edge**

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**MOTILAL OSWAL** Initiating Coverage | 25 February 2017  
Sector: Automobile

### CEAT

**Well balanced**

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**MOTILAL OSWAL** Initiating Coverage | 23 December 2016  
Sector: Consumer Product

### SH Kelkar

**Adding flavor to fragrance**

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# DIFFERENTIATED PRODUCT GALLERY

## MOTILAL OSWAL

27 March 2017

### Annual Report 2016

#### JC LAKSHMI CEMENT

**Strong performance in FY16**

After a record year in FY15, JC Lakshmi Cement delivered another stellar performance, with revenue growing 10% to ₹1,175 crore and EBITDA growing 23% to ₹205 crore. Strong financial and operational performance of the group led to a 10% increase in EBITDA per unit. The company reported 40% growth in its cement production, which is a testament to its high capacity and operational excellence. The company's strong performance is a result of its focus on operational excellence, cost optimization, and a strong partnership with its stakeholders. The company's revenue growth is supported by its strong operational performance, which is a result of its focus on operational excellence, cost optimization, and a strong partnership with its stakeholders.

**Key highlights:**

- Operating performance remains strong with EBITDA at ₹205 crore (vs. ₹162.74 crore in FY15), as EBITDA margin improved from 17.5% to 17.5%.
- High financial and operational performance, with EBITDA margin improving from 17.5% to 17.5%.
- Operating performance remains strong with EBITDA at ₹205 crore (vs. ₹162.74 crore in FY15), as EBITDA margin improved from 17.5% to 17.5%.

**Key figures:**

Revenue	₹1,175
EBITDA	₹205
EBITDA Margin	17.5%
Operating Profit	₹150
Net Profit	₹100

## MOTILAL OSWAL

19 April 2017

### VOICES

**India Inc on Call**

India Inc is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy. It is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy. It is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy.

**Key highlights:**

- India Inc is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy.
- India Inc is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy.

## MOTILAL OSWAL

17 March 2017

### EcoKnowledge

**Only two states implement 17th Pay Commission in FY16**

The 17th Pay Commission (PC) is a landmark event for the Indian government, which is expected to be implemented in FY16. The 17th Pay Commission (PC) is a landmark event for the Indian government, which is expected to be implemented in FY16. The 17th Pay Commission (PC) is a landmark event for the Indian government, which is expected to be implemented in FY16.

**Key highlights:**

- Only two states (Andhra Pradesh and Karnataka) have implemented the 17th Pay Commission in FY16.
- The 17th Pay Commission (PC) is a landmark event for the Indian government, which is expected to be implemented in FY16.

**Chart: 17th Pay Commission implementation status (FY16)**

State	Implementation Status
Andhra Pradesh	Implemented
Karnataka	Implemented
Other States	Not Implemented

## MOTILAL OSWAL

28 June 2017

### CornerOffice

**Profession built on rolling**

CornerOffice is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy. It is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy. It is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy.

**Key highlights:**

- CornerOffice is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy.
- CornerOffice is a quarterly publication that provides a clear view of the post-monsoon growth outlook for the Indian economy.

## MOTILAL OSWAL

### BULLS & BEARS

**INDIA VALUATIONS HANDBOOK**

**Highlights of May edition:**

- Another positive month for Bulls - up 3.4% in May
- Private Banks, Consumer, Technology and Auto top performers for May
- Eight sectors achieved positive returns in May
- Midcaps outperformed large caps for the first time in last four months

**Best Performing Sectors (%)**

Banking	3.4%
Consumer Goods	2.8%
Technology	2.5%
Auto	2.1%
Others	1.5%

**Worst Performing Sectors (%)**

Oil & Gas	-1.2%
Metals	-0.8%
Others	-0.5%

## MOTILAL OSWAL

### FUND FOLIO

**Indian Mutual Fund Tracker**

**Key highlights:**

- Equity AUM of all industry at new high, up 40% in 12 months
- IRRS-2x
- Midcaps outperformed large caps for the first time in last four months

**Chart: Equity AUM of all industry (₹ lakh crore)**

Year	Equity AUM
2014	1.5
2015	2.5
2016	4.0
2017	6.0

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SEBI pursuant to a complaint from client Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudicate violation of SEBI Regulations: MOSL replied to the Show Cause Notice whereby SEBI granted us an opportunity of Inspection of Documents. Since all the documents requested by us were not covered we have requested to SEBI vide our letter dated June 23, 2015 to provide pending list of documents for inspection.

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