

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	31,259	-0.8	17.4
Nifty-50	9,754	-0.8	19.2
Nifty-M 100	17,782	-1.5	23.9
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,428	0.1	8.5
Nasdaq	6,213	-0.1	15.4
FTSE 100	7,319	-0.1	2.5
DAX	12,066	-0.8	5.1
Hang Seng	10,752	0.5	14.4
Nikkei 225	19,393	-0.4	1.5
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	52	0.0	-5.3
Gold (\$/OZ)	1,287	-0.6	11.0
Cu (US\$/MT)	6,551	1.5	18.6
Almn (US\$/MT)	2,089	0.9	22.6
Currency	Close	Chg .%	YTD.%
USD/INR	64.1	0.0	-5.5
USD/EUR	1.2	0.1	11.5
USD/JPY	109.1	0.1	-6.8
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.5	0.0	0.0
10 Yrs AAA Corp	7.4	0.0	-0.2
Flows (USD b)	21-Aug	MTD	YTD
FII	-0.3	-1.8	7.0
DII	0.1	1.7	5.8
Volumes (INRb)	21-Aug	MTD*	YTD*
Cash	287	309	290
F&O	5,044	6,618	5,181

Note: YTD is calendar year, \*Avg



Today's top research idea

NTPC: Kudgi and Solapur projects on track

Earnings growth to accelerate; valuations attractive

- ✓ NTPC has strong pipeline of CoDs. There is good visibility of 3.7GW of organic and 1GW of inorganic growth at NTPCsa. This will add INR81b or 18.4% to regulated equity in FY18.
- ✓ In addition, 445MW will be added to commercial capacity of JVs in FY18. The visibility of CoDs for FY19 too is improving, with expected commissioning of 2.65GW in FY18. We expect regulated equity to grow at ~20% CAGR and consolidated PAT to grow at 12% CAGR over FY17-20. Capitalization would start to outpace capex, boosting RoE and driving stock re-rating.
- ✓ The stock trades at 1.3x FY19E BV. We value the stock at INR204/share even after factoring 150bp regulatory risk to RoE from FY20 in our DCF model. **Buy.**



Research covered

Cos/Sector	Key Highlights
NTPC	Kudgi and Solapur projects on track
Infosys	The uncertainty discount over buyback premium
Marico	Confidence on long-term prospects intact
MindTree Consulting	Well placed to address the Digital opportunity
Gateway Distriparks	Rail profitability impacted sharply by increased imbalance
Metals Weekly	Aluminum and zinc prices increase on supply measures



Piping hot news

ONGC board approves HPCL takeover

- ✓ The board of state-owned Oil and Natural Gas Corp today gave 'in-principle' approval to acquire government's 51.11 per cent stake in Hindustan Petroleum Corp Ltd, the company said in a regulatory filing.



Chart of the Day: EcoScope (State-wise details of growth in tax collections, revenue expenditure and capital expenditure, % YoY, #)

(% YoY)	Tax collection		Revenue spending		Capital spending	
	FY17	FY18	FY17	FY18	FY17	FY18
Karnataka (KA)	11.0	12.5	13.5	10.5	14.1	34.4
Madhya Pradesh (MP)	5.1	16.1	10.3	10.5	46.6	(28.5)
Maharashtra (MH)	9.6	19.5	36.6	2.7	128.2	6.6
Punjab (PB)	(4.5)	22.1	12.1	15.5	1,349.1	(94.1)
Rajasthan (RJ)	6.8	14.7	(7.3)	0.1	19.3	(26.1)
Tamil Nadu (TN)	(2.8)	17.2	4.0	1.8	(33.1)	88.9
Uttar Pradesh (UP)	10.2	14.0	22.4	11.1	55.6	(78.2)
West Bengal (WB)	9.3	(21.2)	44.2	15.6	94.7	(18.0)
<b>14 state governments</b>	<b>6.9</b>	<b>16.3</b>	<b>14.7</b>	<b>11.0</b>	<b>59.5</b>	<b>(24.8)</b>

# April-June period

Source: CAG, State government finance ministries, CGA, MOSL

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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

### Bank unions on all-India strike today against consolidation plans

Services at public sector banks are expected to be hit on Tuesday with employee unions going on a nationwide strike. The employees are protesting against the proposed consolidation of public sector banks...

2

### GST impact: Government gets Rs 42000 cr tax so far in first filing

As much as Rs 42,000 crore has already come in as taxes so far in the first monthly filing under the new Goods and Services Tax (GST) regime and the revenues are expected to swell further as the filing cycle closes this later this week. A senior official said that about Rs 15,000 crore has come in as Integrated-GST, which is levied on inter-state movement of goods, and another Rs 5,000 crore by way of cess on demerit goods like cars and tobacco...

3

### BSE to 'compulsorily' delist 200 firms, bar promoters, from 23 August

Leading stock exchange BSE will 'compulsorily' delist 200 firms this week and bar their promoters from the markets for 10 years as trading in these shares have remained suspended for over a decade. All these companies will be delisted from 23 August...

4

### With Rosneft deal, Essar reduces debt by Rs70,000 crore

The Essar group's debt will reduce by close to Rs70,000 crore with the completion of the sale of Essar Oil and related port assets, said group director Prashant Ruia on Monday...

5

### Tata Motors to fuel business with Rs 4,000-crore investment

Saddled with losses in its domestic commercial and passenger vehicle business, home-grown auto major Tata Motors on Monday reiterated its turnaround plan focused on cost reduction, new products, and bringing in efficiencies in the supply chain...

6

### To stay afloat, defence shipyards may be allowed to borrow abroad

In an effort to revive the deeply stressed defence shipyards and boost the shipbuilding industry, the Centre may soon allow them to bring External Commercial Borrowing (ECB) funds under the automatic route to meet their working capital requirements, including refinancing...

7

### Hospitals move GST Council for relief from higher taxes on inputs, services

Although healthcare is exempt under the goods and services tax (GST) regime, increased rates of taxes on inputs such as medical equipment, diagnostics, reagents, labour and maintenance of medical equipment have started pinching healthcare providers, who warn that the higher costs may soon trickle...



BSE SENSEX 31,525 S&P CNX 9,837

**CMP: INR173 TP: INR204 (+18%)**

**Buy**



**Stock Info**

Bloomberg	NTPC IN
Equity Shares (m)	8245.5
52-Week Range (INR)	179/143
1, 6, 12 Rel. Per (%)	4/-9/-8
M.Cap. (INR b)	1428.9
M.Cap. (USD b)	22.3
Avg Val, INRm	781
Free float (%)	30.3

**Financials Snapshot (INR b)**

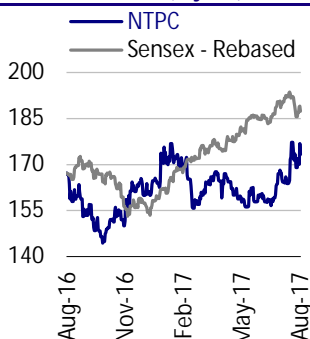
Y/E Mar	2017	2018E	2019E
Sales	820.8	849.9	974.4
EBITDA	218.3	249.2	323.0
NP	107.1	109.7	134.7
EPS (INR)	13.0	13.3	16.3
EPS Gr. (%)	5.4	2.4	22.9
BV/Sh. (INR)	118.7	126.6	136.9
P/E (x)	13.3	13.0	10.6
P/BV (x)	1.5	1.4	1.3
RoE (%)	11.5	10.8	12.4
RoCE (%)	7.0	7.3	8.8

**Shareholding pattern (%)**

As On	Jun-17	Mar-17	Jun-16
Promoter	69.7	69.7	70.0
DII	17.0	17.0	16.9
FII	10.2	10.4	11.0
Others	3.0	2.8	2.2

FII Includes depository receipts

**Stock Performance (1-year)**



**Kudgi and Solapur projects on track**

**Earnings growth to accelerate; valuations attractive**

We visited two of NTPCsa's (NTPC standalone) major greenfield sites at Solapur and Kudgi, which will add INR73.6b or 17% to regulated equity. Our key takeaways:

**Kudgi (3 x 800MW = 2,400MW): On track for full CoD in FY18**

- n The project faced two major hurdles – land acquisition for approach rail line and delays in coal handling plant due to financial stress of vendor. NTPC overcame the first by building a viaduct (Exhibit 3) and the second by dealing directly with the sub-vendors.
- n The project sources water from the Almatti dam, which is 43km away. There is no shortage of water, as the dam has sufficient water.
- n The first unit of 800MW (Unit-1), which began commercial generation on July 31, 2017 (commercial operational date; CoD), was operating at 511MW (Exhibit 1). Though the ECR (energy charge rate) is ~INR3/kwh, it is getting scheduled in the merit order. Coal is being sourced from SCCL under bridge linkages.
- n Unit-2 was commissioned on March 23, 2017. It has also achieved full load, but CoD is pending due to delay in ramping up coal supply. CoD is planned in September 2017.
- n Unit-3 is in the final stages of commissioning (Exhibit 2). The commissioning and CoD is expected by December 2017. While this unit may be commissioned by December, the CoD may spill over into FY19.

**Solapur (2 x 660MW): Expect unit-1 CoD by September 2017**

- n The first unit (660MW) was commissioned on April 7, 2017. The unit was running at 264.4MW (Exhibit 4) at the time of our visit. There have been minor leakages in the boiler tube, which are being addressed. Water is being sourced through a 120km pipeline from nearby river. The railway siding too is completed. Coal is being sourced from WCL through bridge linkage. Regular coal supply is linked to MCL. CoD is expected latest by September 26. The ECR is expected to be above INR2.5/kwh.
- n Unit-2: Boiler light-up is planned in March 2018. The unit is expected to be synchronized in August 2018 and CoD is planned in December 2018.

**Earnings growth to accelerate; valuations attractive**

- n NTPC has strong pipeline of CoDs. There is good visibility of 3.7GW of organic and 1GW of inorganic growth at NTPCsa. This will add INR81b or 18.4% to regulated equity in FY18. In addition, 445MW will be added to commercial capacity of JVs in FY18. The visibility of CoDs for FY19 too is improving, with expected commissioning of 2.65GW in FY18 (Exhibit 7).
- n We expect regulated equity to grow at ~20% CAGR and consolidated PAT to grow at 12% CAGR over FY17-20. Capitalization would start to outpace capex, boosting RoE and driving stock re-rating. The stock trades at 1.3x FY19E BV. We value the stock at INR204/share even after factoring 150bp regulatory risk to RoE from FY20 in our DCF model. **Maintain Buy.**



BSE SENSEX 31,259 S&P CNX 9,754

**CMP: INR874 TP: INR1,030(+17%) Buy**



**Stock Info**

Bloomberg	INFO IN
Equity Shares (m)	2,285.6
52-Week Range (INR)	1081 / 870
1, 6, 12 Rel. Per (%)	-8/-22/-26
M.Cap. (INR b)	1,998
M.Cap. (USD b)	31.2
Avg Val, INRm	3831
Free float (%)	87.3

**Financials Snapshot (INR b)**

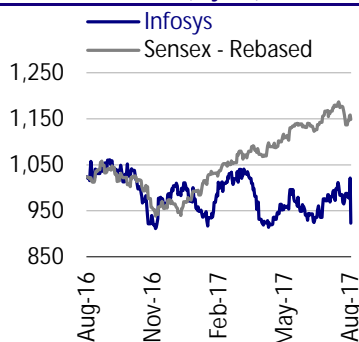
Y/E Mar	2017	2018E	2019E
Sales	684.9	706.5	781.8
EBITDA	186.1	184.6	203.4
PAT	143.8	142.2	153.6
EPS (INR)	62.9	62.2	67.2
EPS Gr. (%)	6.6	-1.1	8.0
BV/Sh. (INR)	302	333.5	361.9
RoE (%)	22.0	19.6	19.3
RoCE (%)	22.0	19.6	19.3
P/E (x)	13.9	14.0	13.0
P/BV (x)	2.9	2.6	2.4

**Shareholding pattern (%)**

As On	Jun-17	Mar-17	Jun-16
Promoter	12.8	12.8	12.8
DII	20.2	20.3	17.3
FII	38.0	38.8	41.0
Others	29.0	28.1	29.1

FII Includes depository receipts

**Stock Performance (1-year)**



## The uncertainty discount over buyback premium

### Duality of Founder-Board feud and CEO hunt overshadow valuation attractiveness

- Following the turn of events over last week (CEO resignation, the pointed attack on the founder by the Board and consequent announcement of buyback) – the fall in INFO’s valuations (14% in two sessions) may be stemmed amid the buyback.
- That said, return of business stability may be prolonged till INFO is settled on dual fronts of: [1] New CEO search, and [2] Peace between the current Board and Mr. Narayana Murthy, amid what is a battle out in the open. Given that Panaya acquisition and the associated corporate governance issues have been at the center of the saga, we believe there may be calls for significant Board changes as well.
- These factors may limit upside in INFO despite attractive valuations. Our price target of INR1,030 (15x forward earnings) implies a 17% upside, driving our Buy rating. We will revisit the same as developments around the differences and appointment of the new CEO unfold.

### Back to square one with the exit of Dr. Vishal Sikka

#### #1: A call for changes to the Board?

- At one end, the handling of matters related to corporate governance around the Panaya acquisition and the severance concerning Rajiv Bansal/David Kennedy have raised ire among founder investors. Consequently, there has been a call for a change in the Board’s composition.
- On the other hand, the remaining minority investors have suffered from the unending saga. They would have hoped that the Board nips the problem at its bud before it balloons to the proportion beyond repair. However, this did not happen. Thus, albeit for different reasons, a collective call for a series of changes is an understandable possibility following today’s developments.

#### #2: Key man risk plays out

- The key man risk, in our view, had been the highest at INFO among the top-tier IT. All initiatives driving INFO’s strategic execution – e.g. NIA, Zero Distance and Edge suite of solutions – were initiated and being driven by Dr Sikka.
- Dr Sikka was based out of Palo Alto and had made multiple prominent additions to his core team in the region. His exit puts in question the base of his replacement and continuation of the relevant core team members.
- INFO’s financial performance was back to the industry’s top quartile, with utilization at all-time high, attrition reduced, revenue productivity on the up and margins in a tight band. The new CEO will thus have big boots to fill.

#### #3: The saga doesn’t end here

Message from INFO’s Board was clear that Mr Narayana Murthy will not be asked to join in any capacity. On the other hand, NRN had been calling for changes to the Board, which has not happened. With allegations and counter allegations after the resignation, the business may take time to be distraction-free, in our view.

**#4: New CEO, more changes, inward focus**

- n While the broader agenda of INFO's transformation may not change, a seamless transition to the new order appears unlikely to us.
- n We expect a new style of functioning, a new mix of top personnel more amenable to his/her style of functioning, and more inward focus.
- n At the very least, one can expect a reasonable gestation until things have settled and normal business priorities have ensued.

**#5: Comforting clients is another challenge**

- n Concern for INFO is the view clients will take on the whole situation, especially where bread-n-butter contracts are up for renewal. We expect the big guns like ACN, TCS and CTSH to make that extra push to lure them away from incumbent INFO. Clients' existing experience and relationship with these vendors, and lowering switching costs, don't help INFO's case.

**Valuation view**

- n At 14/13x FY18/FY19E earnings, INFO now is the least expensive stock among the top-4 Indian IT. That said, we do not rule out multi-pronged internal and external pressure on the denominator.
- n Near-term valuation protection may come from the proposed buyback. On the other side, the overhang of uncertainties and their possible consequences enlisted above limit confidence on the potential upside.
- n Owing to the same, we have cut our target multiple to 15x from 17x earlier, and our revised price target is INR1,030 (17% upside). Our Buy rating remains on valuations; and we will revisit the same as developments around the differences and appointment of the new CEO unfold.





## Confidence on long-term prospects intact

### Targeting 8-10% volume CAGR in India

#### Key highlights:

- n Marico's (MRCO) management appears optimistic about growth prospects from 2HFY18 onward.
- n Following GST rollout, the company expects to gain market share from unorganized players over the longer term.
- n Key pillars of 15% sales CAGR are (1) rural opportunities, (2) premiumization, (3) underpenetrated male grooming segment, (4) products enabling hair fall control, and other such problem-solving products involving hair and (5) horizon 2 projects like 'Beardo,' which cater to the new-age customer. The 15% sales CAGR is expected to be driven by volumes (8-10% in India), double-digit constant currency growth in the overseas business, commodity-led inflation (3-4%), and premiumization and new products.
- n We remain positive on MRCO's longer-term earnings growth prospects. Its investments in distribution technology earlier and on analytics now are far ahead of peers, and should serve it in good stead over the long term. However, valuations at 38.7x FY19E EPS do not leave much room for upside, in our view. We thus maintain our Neutral rating with a target price of INR355 (41x June 2019E EPS, 10% premium to three-year average, led by likely return to ~20% EPS CAGR post the GST hit in 1QFY18).

#### GST impact – the worst seems to be behind

- n Recovery has commenced in Canteen Stores Department (CSD; accounts for ~7% of MRCO's sales) in July, with things likely to be largely normal by end of 2QFY18. Post that, only product categories that witnessed significant leakage from the CSD channel are likely to suffer (as huge price arbitrage offered by CSD earlier no longer exists).
- n Wholesale-dependent channels, particularly in the eastern part of the country, are still affected.
- n Wholesalers have the willingness to comply with the new GST regulations, but many challenges remain on this front (route for compliance, history of non-compliance, etc.). Nevertheless, Mr Saugata Gupta (MD & CEO) believes that a large part of wholesalers will survive as they gradually become compliant. However, a small but considerable section of wholesalers may close down operations, particularly those surviving because of the higher margins that they were able to offer to retail trade due to non-compliance.
- n For MRCO, 35% of general trade (GT) sales come from wholesale trade, which is lower than many peers (45-50%).
- n Organized players are still doing far better and gaining share from unorganized players, for whom the effect has been far more severe.

#### Longer-term impact of GST to be positive

- n According to Mr Gupta, sustained market share gains from unorganized players will take time. For categories like Parachute, the unorganized segment constitutes 30-35% of the total market. A shift from unorganized to organized trade will lead to steady volume growth every year.

### Marico



**Mr Saugata Gupta—  
Managing Director**

Saugata leads the Company's operations in India and the International markets. He joined Marico Limited in Jan'04 as head of Marketing. In 2007 he was elevated to become the CEO of the Company's India business. Saugata has 20 years of experience primarily in FMCG sector. Prior to joining Marico, he was Chief of Marketing and Group Sales at ICICI Prudential, and was part of the startup team that was instrumental in establishing ICICI Pru as the largest private sector insurance firm in the country. He started his career with Cadbury's where he spent 9 years in various roles in Sales and Marketing. His last role was Marketing Manager - Chocolates. He has an engineering degree from IIT Kharagpur and a management degree from IIM Bangalore.

- n Management believes that after 1QFY18 (when uncertainty prevailed, particularly as rules on GST were clarified only in April), a few FMCG players like MRCO have understood the need to recalibrate upwards their erstwhile direct reach expansion targets.

### Growth outlook from 2HFY18 is substantially brighter

- n Normalization in sales is likely in 2HFY18. In fact, after the 1QFY18 results, MRCO was among the first ones to call out near normalization in 2QFY18 itself.
- n Management also stated in the post results concall that the companies with lower pipeline inventory and higher sales channel automation will recover faster.
- n Monsoon progress has been reasonable, which means that rural demand should recover in 2HFY18, particularly off a weak base of the past three years. For MRCO, 31% of sales are derived from rural areas, a proportion that is increasing over the past few years.
- n Importantly, CPI and CPI food inflation are low, which means that food items are unlikely to take away wallet share from consumer products.
- n 2HFY18 will enjoy a demonetization-led weak base. However, MRCO may not benefit as much as others, as it had a very good 4QFY17 with ~10% volume growth in India.
- n From a near-to-longer-term perspective, the one factor that Mr Gupta found most favorable for rural demand recovery was the expansion of Direct Benefits Transfer (DBT) in FY17 and particularly FY18. Since DBT is directly credited to the deserving population, it prevents system leakages, which were high earlier.
- n Management does not expect a recovery in the MENA region any time soon, although no severe incremental impact may be witnessed YoY from 2HFY18. Apart from political and currency upheavals, the other problem is that budgets for a few countries in the region are assuming crude at a much higher rate per barrel than the current rate, which is unrealistic. MRCO has low exposure to the MENA region, contributing ~3% of its consolidated sales.

### Targeting ~15% CAGR top-line growth; Primacy is on 8-10% volume growth

- n Five drivers of doubling of sales by FY22:
  1. Rural opportunity, which remains very high. For MRCO, proportion of rural sales, albeit rising, is only ~31% of sales
  2. Premiumization across categories
  3. Male grooming
  4. Products enabling hair fall control and other such problem-solving products involving hair
  5. Horizon 2 projects like Beardo (e.g. MRCO is already prototyping some related products in association with *Enrich Salons*)
- n Ayurveda is part of hair fall and premiumization – the pillars of growth. MRCO wants to ensure efficacy of all products under this category, and thus, is moving steadily but surely on product rollout.
- n Parachute and Value Added Hair Oil (VAHO) categories are actually getting a boost from modernization. As more people are using modern treatments like hair coloring and hair straightening, the damage caused to the hair is eventually encouraging usage of hair oils. Also, conditioners do not yield benefits beyond a few days, unlike the right kind of hair oils. Pollution-related damage is also prompting consumers moving to/switching back to good-quality hair oils.
- n With a choice between *build* and *buy*, MRCO in most cases chooses the former option. It has learnt a lot from acquisitions made in the past on what, when and from whom to acquire.
- n Management stated that top line is targeted grow at ~15% CAGR over the next few years, aided by 8-10% volume growth in India and double-digit constant currency growth in the international business.
- n Inflation-led price increase from 2010 to 2015 was ~6%. Management expects this to be a couple of percentage points lower over the next five years. If inflation-led sales growth is higher than ~4%, then it will be an added bonus. The company expects to make up for some of the slack from lower price-led growth through premiumization and new product development. Inorganic growth opportunities are not part of the targeted 15% sales CAGR.

- n EBITDA margins in India are likely to be ~20%, and ~17-18% at consolidated level. Operating leverage will be a big factor driving margin upward in the international business, as investments in terms of personnel and infrastructure have already been made.

#### What could be the likely disruptors to the growth story – private labels, online retail?

- n Germany has the highest amount of private labels, followed by Switzerland and the UK in that order. The US has relatively far lower share of private labels due to high brand power and brand investment in that country.
- n An analysis of markets where private labels have succeeded indicates that home products, household cleaning products, some staples and foods are categories where private labels have had maximum impact. Very high penetration and, more importantly, lack of innovation result in some categories being vulnerable to threat from private labels.
- n In categories like hair care and skin care, it is far more difficult for private labels to make a dent.
- n In case of online retail, it is far easier and economical for online players to attain the desired scale rapidly with the aid of incumbent brands rather than competing against them.
- n Power of the brands that FMCG players have, as well as power of the systems, processes and talent that FMCG players have, is often underestimated.
- n One thing management firmly believes that FMCG companies/brick-and-mortar retailers in India can learn from online players/modern retailers is the usage of data analytics for cross-selling. FMCG companies like MRCO have been working with large local retailers for a few years, but data analytics still lags well behind the best-of-breed e-commerce and brick-and-mortar retailers globally. With the implementation of technology across its distribution channels, MRCO gets a humongous amount of data that is ripe to be analyzed. The company has also started making efforts recently to stay one step ahead of peers by trying to harness the utility of this data for better decision-making.

#### Other interesting points

- n **In hair colors:** While the company is the market leader in Bangladesh and a leading player in South Africa, it believes that it does not yet have a right-to-win in this category in India.
- n **In Amla hair oil:** The company had already guided toward the end of FY17 that it will attain market leadership by end-FY18. Its market share of ~40% in this category is already breathing down the neck of Dabur (~41% share).
- n **On cooling oils:** Management believes that the product has nothing to do with hair, and if the company enters the category, it will be through a new brand and not through its incumbent hair oil brands.
- n **Kerala distributor issue:** In Kerala, distribution space is unionized unlike other states. Distributors in the state are protesting against high compliance costs under GST, and thus, seeking higher trade margins. If their demands are not met, they have threatened to cut retailer margins. Management clarified that compliance cost increase is only marginal, and thus, demand by the unionized distributors is unreasonable. One of the FMCG peers has taken a tough stance and refused to meet demands, irrespective of near-term loss of sales. MRCO expects this situation to ease out in the next few months.





# MindTree Consulting

BSE SENSEX 31,259 S&P CNX 9,754

**CMP: INR462 TP: INR450(-3%) Upgrade to Neutral**



## Well placed to address the Digital opportunity...

...but status quo on near-term challenges

### Stock Info

Bloomberg	MTCL IN
Equity Shares (m)	168
52-Week Range (INR)	579 / 400
1, 6, 12 Rel. Per (%)	-2/-11/-30
M.Cap. (INR b)	77.6
M.Cap. (USD b)	1.2
Avg Val, INRm	317
Free float (%)	86.4

### Financials Snapshot (INR b)

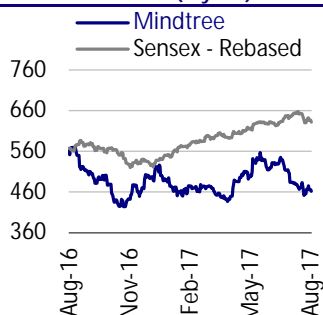
Y/E Mar	2017	2018E	2019E
Net Sales	52.4	54.4	61.7
EBITDA	7.2	6.7	8.4
PAT	4.2	4.5	5.4
EPS (INR)	24.9	28.7	32.9
Gr. (%)	-30.6	15.4	14.6
BV/Sh (INR)	153.0	156.1	170.9
RoE (%)	16.8	17.3	20.1
RoCE (%)	20.1	18.2	23.5
P/E (x)	20.4	17.6	15.4
P/BV (x)	3.3	3.2	3.0

### Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	13.6	13.7	13.7
DII	6.9	7.1	7.2
FII	39.9	39.2	40.9
Others	39.6	40.1	38.2

FII Includes depository receipts

### Stock Performance (1-year)



- n We attended MindTree's (MTCL) analyst meet, where the company highlighted its roadmap to capitalize on the Digital opportunity.
- n Its differentiated approach in Digital is led by its holistic approach of [1] reimagining customer experience, [2] modernizing ecosystem and processes, and [3] harnessing the power of data.
- n While several challenges, especially pressure in top customers and a steep decline in profitability continue to loom over the near-term, 40% revenue from Digital makes for a favorable long-term positioning. Over the past month, the stock has corrected by ~10%, factoring these in. Upgrade to Neutral.
- n **Accelerated market shifts:** The Indian IT sector has been witnessing a rapid change in traditional models, which are being transformed by the shift to packaged applications, insourcing/localization, introduction of new technologies like automation, IoT and cognitive, and new developments on the political front. These forces make way for a play in Digital, led by innovation and a partnership-led approach with customers.
- n **Getting ready for the next phase...:** MTCL unleashed its 3.0 strategy, which focuses on driving change to maintain Digital leadership. It is based on the pillars of:
  - o Accelerated growth through a focus on Digital packages and platforms
  - o Focused innovation for run and grow by creating a bi-modal sales, delivery and operating model
  - o Automation that balances itself with talent transformation
  - o A consulting-first approach to drive competitive advantage
- n **...building organizational readiness:** In order to win in the Digital-game, MTCL has been investing in [1] Building a Digital workplace, [2] Digital technology leadership, [3] Challenger sales team, and [4] Delivery centers near clients. Signs of success are being demonstrated by the increased TCv of deal wins and the progress on a multi-year, multi-million win with a global CPG company for the implementation of a CRM and data analytics platform.
- n **Differentiated proposition in Digital:** MTCL has been aiming to become the anchor partner for its clients' Digital journeys. The blueprint for focus on elevating the customer experience includes [1] reimagining customer experiences, [2] modernizing the ecosystem and processes and [3] harnessing the power of data. It intends to execute on this strategy with a structured account focus, proactive selling of identified market plays, strengthening partnerships and offerings, development of IP and building consulting services to shape Digital transformation.
- n **Salesforce, an example of huge opportunity:** The addressable market for Salesforce is expected to double by FY21 as it aggressively releases upgrades for existing products, launches extensions in newer areas and taps into newer business models. It is estimated that every dollar spent on Salesforce creates

an ecosystem opportunity of USD4. Magnet360, with its strong partnership with Salesforce and ability to expand client relationships through the MTCL network, is well placed to continue tapping this opportunity.

- n **Revenue growth outlook downgraded in 1QFY18:** MTCL revised its FY18 revenue growth outlook to high-single-digits from low-double-digits, after a slow start in the organic business and lack of predictability in segments such as Salesforce and Bluefin. Pressures in multiple top accounts have been dragging the overall performance, despite the strength seen in deal wins.
- n **Near-term profitability challenges:** MTCL also revised its expectations around profitability, from an earlier estimate of margin expansion in FY18, to that happening only in the standalone segment. Consolidated margins will likely be lower due to continued losses in the recently acquired companies. MTCL however has several medium-long term levers in the form of acquisition profitability, higher solution sales, cost optimization, higher utilization, tighter pyramid control, higher offshore component and scale in Digital, which should help recoup part, if not all, of the lost profitability.
- n **Valuation view:** MTCL has been facing challenges, which are not limited to the performance of its acquired entities (only ~7% of revenues), but span across standalone profitability and revenues from top accounts. These issues drive our expectation of 7% revenue growth in FY18 and 135bp EBITDA margin contraction, which comes post an already dismal FY17. We had downgraded MTCL to Sell post the 1QFY18 result at a price of 507, signifying 11% downside. But in the past one month stock has corrected ~10%, nearing our TP. With the near-term softness now embedded in the price, we upgrade to Neutral from Sell. Our price target of INR450 discounts forward earnings by 13x.



# Gateway Distriparks

BSE SENSEX	S&P CNX
31,259	9,754
Bloomberg	GDPL IN
Equity Shares (m)	109
M.Cap.(INRb)/(USDb)	28.2 / 0.4
52-Week Range (INR)	325 / 206
1, 6, 12 Rel. Per (%)	1/0/-20
Avg Val, INRm	41
Free float (%)	74.8

## Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
Sales	12.0	14.3	17.3
EBITDA	2.3	2.9	3.8
NP	1.0	1.4	1.7
EPS (INR)	9.0	12.4	16.1
EPS Gr. (%)	32.1	38.3	29.3
RoE (%)	9.4	12.4	15.2
RoCE (%)	10.0	13.8	18.2
P/E (x)	26.3	19.0	14.7
EV/EBITDA (x)	11.6	9.1	6.9
Div. Yield (%)	1.7	2.5	3.6

Estimate change



TP change



Rating change



**CMP: INR237 TP: INR272(+15%)**

**Buy**

## Rail profitability impacted sharply by increased imbalance

GDPL reported EBITDA (Rail + CFS) of INR450m (est. of INR531m; -19% YoY, -14% QoQ). PAT (before associate/minority interests) of INR180m (-20% YoY, -19% QoQ) was below our estimate of INR250m due to lower margins in the Rail segment. CFS profitability was largely in line, as the better performance in standalone operations was offset by the weaker subsidiary performance.

## Rail profitability impacted by higher EXIM imbalance

n Rail reported EBITDA of INR252m (est. of INR340m; -22% YoY, -24% QoQ).  
n Container volumes stood at 51,000TEU (est. of 54,472; -2% YoY, -12% QoQ).  
n Rail realization stood at INR32,810/TEU (-6% YoY, -12% QoQ). EBITDA/TEU declined 20% YoY (14% QoQ) to INR4,947 (est. of INR5,800), led by a sharp increase in EXIM imbalance on account higher imports, lower productivity of trains in one of the routes, and higher discounts in export direction.

## CFS profitability impacted by lower dwell times

n Consol. CFS EBITDA stood at INR198m (in-line; -15% YoY, +3% QoQ).  
n Consol. volume stood at 95,977 TEU (est. of 95,000; +4% YoY, +5% QoQ).  
n Realizations stood at INR10,310/TEU (est. of 10,200; -1% YoY, flat QoQ), while EBITDA/TEU was at INR2,062 (est. of INR2,100; -18% YoY, -2% QoQ).

## Valuation and view

Our FY17-20 volume CAGR assumptions for the Rail/CFS divisions stand at ~16%/10%. We value GDPL based on SOTP-based fair value of INR272 /share, implying 15% upside, valuing CFS business at 11x FY20E earnings, 40% stake in Snowman at 50% discount to market value, and Rail segment at 12x FY20E EV/EBITDA. The stock trades at 14.7x FY20E EPS of INR16.1. Maintain **Buy**.

## Quarterly Performance

Y/E March (Consolidated)	FY17				FY18				FY17	FY18E	FY18 1QE	Var. vs est
	1Q*	2Q*	3Q*	4Q*	1Q*	2QE	3QE	4QE				
Net Sales	2,782	2,857	2,876	3,077	2,661	3,035	3,089	3,194	11,592	11,978	2,757	-3%
YoY Change (%)	5.9	10.1	7.7	19.5	-4.4	6.2	7.4	3.8	10.7	3.3	-0.9	
Total Expenditure	2,227	2,276	2,289	2,554	2,211	2,481	2,493	2,526	9,346	9,711	2,226	-1%
EBITDA	555	581	587	523	450	554	595	668	2,246	2,267	531	-15%
Margins (%)	19.9	20.3	20.4	17.0	16.9	18.2	19.3	20.9	19.4	18.9	19.3	
YoY Change (%)	-20	-9	-5	-8	-19	-5	1	28	-11	1	-4	
Depreciation	195	194	192	189	202	212	212	218	770	844	192	5%
Interest	51	88	50	61	24	71	70	-72	251	93	71	-66%
Other Income	40	80	59	59	6	52	52	26	238	135	60	-90%
PBT	349	379	403	332	229	323	366	548	1,463	1,465	328	-30%
Tax	124	127	146	109	49	77	81	131	506	339	78	-37%
Rate (%)	35.6	33.6	36.2	32.8	21.5	23.8	22.3	24.0	34.6	23.1	23.8	
PAT before minority / profit of assoc.	225	252	257	223	180	246	284	416	957	1,126	250	-28%
YoY Change (%)	13.0	-15.0	-11.9	-5.6	-20.1	-2.4	10.6	86.5	-6.5	17.7	11.2	
Margins (%)	8.1	8.8	8.9	7.3	6.8	8.1	9.2	13.0	8.3	9.4	9.1	
Less: Minority/Add: Profit of Asso.	39	79	54	31	47	36	36	59	203	178	69	-32%
Reported PAT	186	173	203	192	133	210	248	358	754	948	181	-27%
Adj PAT	186	173	203	192	133	210	248	358	754	948	181	-27%
YoY Change (%)	-47.8	-43.5	-34.3	-27.5	-28.7	21.3	22.1	86.5	-31.2	25.8	-2.9	
Margins (%)	6.7	6.0	7.1	6.2	5.0	6.9	8.0	11.2	6.5	7.9	6.6	

E: MOSL Estimates, \*Indicates addition of Rail and CFS details as provided and not actual consolidated number

## Aluminum and zinc prices increase on supply measures

- Indian Steel: Long product (TMT Mumbai) prices were up ~2% WoW. Sponge iron prices were up ~3% WoW, while domestic scrap prices were up ~1% WoW. Private iron ore mines raised prices by INR150/300 per ton for fines/lumps. Pellet prices were higher. Domestic HRC prices were up ~3% WoW, while imported HRC price offers were up ~2% WoW.
- Raw materials: Iron ore prices (China cfr) were up ~4% WoW. Chinese iron ore port inventories were lower. Thermal coal prices were down 4% WoW. Coking coal prices were down ~2% WoW. China's pellet import prices were unchanged.
- Europe: HRC prices were unchanged. CIS HRC export prices were up ~5% WoW. Rotterdam scrap prices were up ~2% WoW.
- China: Local HRC prices were up ~2% WoW, while rebar prices were up ~1% WoW. Export HRC/rebar prices were up ~3%/1% WoW.
- Base metals: Aluminum (cash LME) prices were up ~3% WoW and ~11% since the end of July on slowing supply growth in China. Production rose by just ~1% YoY in China in July. Zinc (cash LME) rose 8% WoW to USD3,117/t on tightening ore availability due to environment inspections in China. Lead was up ~3% WoW. Copper was up ~2% WoW. Crude oil (Brent) prices were up ~1% WoW.

### Metal Prices

	CMP	change since						
		18-Aug	%	11-Aug	%	1-Apr	%	1-Jan
<b>STEEL</b>								
TMT- Mumbai (INR/ton)	32,400	2	31,800	-4	33,600	6	30,600	
HRC- Mumbai (INR/ton)	38,500	3	37,500	3	37,333	1	38,222	
HRC (USD/ton) fob CIS	545	5	520	13	483	10	495	
<b>METALLICS</b>								
Sponge iron - Raipur (INR/ton)	19,300	3	18,700	4	18,500	21	15,950	
Pig iron - Raipur (INR/ton)	24,800	1	24,450	4	23,850	10	22,550	
Iron ore spot (USD/ton) cfr China	78	4	75	4	75	-1	79	
Coking coal (USD/ton) fob Aus.	195	-2	198	-31	283	-19	240	
Shred. scrap (USD/ton) Rotterdam	336	2	329	29	260	21	278	
<b>ALUM.</b>								
LME Spot (USD/ton)	2,105	3	2,041	9	1,930	16	1,814	
Indian prices (INR '000/ton)	120	-1	121	-3	124	4	116	
LME inventories ('000 ton)	1,287	0	1,291	-29	1,818	-42	2,202	
<b>ZINC</b>								
LME Spot (USD/ton)	3,117	8	2,887	17	2,665	22	2,563	
Indian prices (INR '000/ton)	178	0	177	4	172	2	174	
LME inventories ('000 ton)	248	-3	255	-32	367	-42	428	
<b>COPPER</b>								
LME Spot (USD/ton)	6,453	2	6,354	12	5,770	17	5,501	
Indian prices (INR '000/ton)	404	-1	407	6	381	8	374	
LME inventories ('000 ton)	271	-4	283	2	265	-13	312	
<b>OTHERS</b>								
Gold (INR/10gms)	29,134	1	28,901	1	28,845	5	27,812	
Sliver (INR/1kg)	39,108	1	38,765	-7	41,896	0	38,921	
Lead Spot LME (USD/ton)	2,389	3	2,323	6	2,260	20	1,985	
Brent crude (USD/bbl)	52.7	1	52.1	-4	55.2	-7	56.8	
<b>MISC.</b>								
INR/USD	64.1	0	64.1	0	64.3	-6	68.0	
BDI	1,260	9	1,155	3	1,223	31	961	

### Valuations: Indian companies

Company	Price (INR)	EV/EBITDA (x) FY18E	P/B (x) FY19E	P/B (x) FY18E
<b>Steel</b>				
Tata Steel	626	6.5	6.5	1.7
JSW Steel	235	7.6	6.9	2.1
JSPL	140	9.8	6.8	0.4
SAIL	59	34.6	14.6	0.8
<b>Non-Ferrous</b>				
Hindalco	230	6.4	5.6	1.5
Nalco	71	7.7	6.9	1.3
Vedanta	304	7.3	5.5	1.8
<b>Mining</b>				
Coal India	247	7.3	7.1	6.0
HZL	295	8.1	6.3	4.3
NMDC	123	6.2	6.2	1.6

Note: Detailed table on pg 25 Source: MOSL

### Valuations: Global companies

	Price	EV/EBITDA (x) CY17	P/B (x) CY18	P/B (x) CY17
<b>Mining</b>				
BHP	AUD 25.39	6.2	6.6	1.8
FMG	AUD 5.5	5.3	5.8	1.4
Rio Tinto	AUD 63.19	5.5	6.4	2.1
Vale	USD 29.34	5.4	6.0	1.1
Teck Res.	USD 23.3	4.3	5.5	0.9
<b>Steel</b>				
A. Mittal	EUR 22.2	5.1	5.1	0.8
Posco	KRW 330.5	6.0	6.0	0.7
US Steel	USD 23.7	4.9	4.3	1.6
Nucor	USD 51.11	6.8	6.3	2.0
JFE	JPY 2187.5	7.3	6.7	nm
Gerdau	BRL 11.18	7.8	6.3	1.1
Angang	CNY 6.72	9.0	8.5	0.8
<b>Non Ferrous</b>				
Alcoa	USD 37.76	4.6	4.9	1.2
Hydro	NOK 51.5	6.4	5.6	1.3
Rusal	HKD 5.34	9.7	9.2	nm

Note: Detailed on pg 25 Source: Bloomberg



### 1. Margin will be in double-digit by end of year, says Tech Mahindra; Mr. Vineet Nayyar, VC

- n Fairly positive that there will be an accretion in margin going ahead.
- n Infosys has always been a trailblazer for the industry. Hope company will continue to do business as it is.
- n Margin will be in double-digit by end of year.
- n Not looking aggressively for any acquisitions currently.

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### 2. Company has lowest NPAS amongst all financing companies, says REC; Mr. PV Ramesh, CMD

- n Comptroller and Auditor General (CAG) pulled up company and PFC earlier this month for failing to comply with RBI norms on loans to power companies, citing lack of due diligence during credit appraisal.
- n CAG report a joint report for both PFC and company, which are sister organizations.
- n Several observations do not relate to company.
- n Private sector exposure at 14% of total portfolio.
- n Company has lowest NPAs amongst all the financial companies.
- n Restructured book comprises of projects that are delayed in commissioning.

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### 3. Enough opportunity in smaller towns; target 25 plus stores in FY18: V-Mart; Lalit Agarwal, CMD

- n Longer wedding season and preponed Eid festivities aided growth
- n There is enough opportunity in smaller towns.
- n Continue to target more than 25 stores for this year.

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### 4. Margin will be in double-digit by end of year, says Tech Mahindra; Vineet Nayyar, VC

- n Fairly positive that there will be an accretion in margin going ahead
- n Speaking about Infosys, has always been a trailblazer for the industry.
- n Hope Infosys will continue to do business as it is
- n On business front, margin will be in double-digit by end of year.
- n Not looking aggressively for any acquisitions currently

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### 1. Infosys fight isn't Tata Redux. It's a lot worse

- n The similarities are hard to miss. Last October, the 79-year-old Ratan Tata staged a coup to oust his successor Cyrus Mistry, 49, as chairman of the \$100 billion conglomerate that bears his family's name. Last week, the 50-year-old Vishal Sikka quit Bangalore-based Infosys Ltd after constant attacks by founder N.R. Narayana Murthy, 71, who had snagged the younger man as CEO from SAP SE just three years ago. It's both easy and wrong, however, to paint the machinations at Infosys as Tata redux. Unlike Ratan Tata, who was in control of the group holding company's board, Murthy—and the other co-founders, if they side with him—are just shareholders taking on a hostile board from the outside. That won't work. Either they bulk up their 13% ownership share to fight, or they sell out.

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### 2. Aviation woes are not just about Air India

- n Volume 2 of Economic Survey 2016-17 highlights aspects which show that divestment of Air India is only one of the many problems that the aviation sector is trying to deal with. It talks about reforms such as privatisation/disinvestment of Air India, creation of aviation hubs and reconsidering the 0/20 rule as ways to improve Indian airlines' share in the international market. (The 0/20 rule says that any airline that sets aside 20 per cent of its fleet or has 20 aircraft can fly on international routes.) All these are valid points. There is a reason why foreign airlines have been able to walk away with a lion's share of Indians travelling abroad. In the 1980s, the Government allowed only Air India and a few foreign airlines to operate to a restricted number of airports.

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### 3. Crop insurance falls short of promise

- n Appala Venkatesh is a farmer owning and farming in 1.25 acres of his land in Laxmapur village of Telangana. By mid-June, he was ready with his nursery for paddy, expecting monsoon to hit by mid-July. Ideally, Venkatesh should have transplanted from the nursery to the regular field in a month. Considering the dry spells, he postponed the sowing by 15 more days. Finally, about 50 per cent of the nursery was transplanted as he could not afford to waste the entire season. He took a leap of faith that there would be rains and that his modest borewell would pump some water as he knew that he was running out of time. India Meteorological Department released a forecast of normal rainfall across the country during the current monsoons. Unfortunately, as we talk, monsoons in central India and South India are deficient by 2 per cent and 18 per cent, respectively.

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#### 4. Credit growth decline in India: here is the untold story

- n There is no denying the fact that credit growth continues to decline. In the current fiscal, there has been an incremental credit de-growth of Rs 1.5 lakh crore. However, interspersing RBI's sectoral deployment of bank credit data with that of sectors filtered from listed corporate loan funds data, we find that (1) credit flow in certain sectors to have flown away from listed sectors (based on listed companies data) and (2) traditional lending source has also undergone a structural change. Here is our understanding of how the credit numbers tell the story. Going by the sectoral deployment of bank credit, non-food credit grew by 28.3% or a CAGR of 9% during last three years, i.e. FY14-17. Within non-food credit, loans to personal segment as well as agriculture and allied activities put together grew by around 56% in the same period, yielding a CAGR of 16%. Barring the above two segments, the other non-food credit grew at a snail's pace at CAGR of 5.2%. Clearly, credit to industry barely grew during the last three years!

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### International

#### 5. Business can fill the trump leadership vacuum

- n Are we entering a new era of the statesman chief executive? It's a question worth asking after the disbanding of President Donald Trump's two major business councils last week. Many of the chiefs involved, who harboured mixed feelings about engaging with the president, did so because they hoped to push through a business friendly agenda that included tax and educational reform as well as major infrastructure projects and stay in the good graces of the White House, historically a net positive for corporate prospects. What has become clear over the past few days is that being close to this "business friendly" president is not necessarily good for business.

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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	760	986	30	28.0	28.2	37.9	27.1	26.9	5.0	4.3	20.3	17.3	19.9
Ashok Ley.	Buy	102	118	15	4.6	5.2	7.0	22.5	19.8	4.9	4.3	23.1	23.2	27.0
Bajaj Auto	Buy	2,771	3,281	18	132.3	137.2	163.6	20.9	20.2	4.7	4.3	25.3	22.2	24.0
Bharat Forge	Buy	1,137	1,353	19	26.2	36.5	50.5	43.5	31.2	6.4	5.6	16.2	19.2	22.8
Bosch	Neutral	21,945	21,994	0	473.1	547.2	705.7	46.4	40.1	7.6	6.8	15.8	18.0	20.7
CEAT	Buy	1,676	2,029	21	93.3	94.2	126.8	18.0	17.8	2.8	2.5	16.9	14.8	17.3
Eicher Mot.	Buy	31,523	35,854	14	612.7	852.9	1,092.8	51.5	37.0	16.0	11.9	37.1	37.0	35.4
Endurance Tech.	Buy	957	1,059	11	23.5	29.3	37.9	40.8	32.7	7.8	6.5	20.8	21.6	23.3
Escorts	Neutral	602	732	22	20.0	37.1	45.8	30.2	16.2	3.1	2.6	10.6	17.3	18.3
Exide Ind	Buy	201	269	34	8.1	9.2	11.0	24.8	21.9	3.4	3.1	13.9	14.1	15.0
Hero Moto	Neutral	3,968	3,818	-4	169.1	189.3	199.1	23.5	21.0	7.8	6.8	35.7	34.6	31.5
M&M	Buy	1,375	1,618	18	54.3	68.5	82.4	25.3	20.1	3.2	2.9	14.2	13.9	14.9
Mahindra CIE	Not Rated	233	-		5.4	9.9	11.8	43.5	23.7	2.7	2.4	6.4	10.8	11.5
Maruti Suzuki	Buy	7,514	8,819	17	248.6	281.7	374.5	30.2	26.7	6.3	5.5	20.3	20.1	22.8
Tata Motors	Buy	375	542	45	19.8	22.4	59.8	18.9	16.7	2.2	1.9	9.8	12.3	26.6
TVS Motor	Buy	575	612	6	11.7	14.4	23.7	49.0	39.9	11.3	9.4	25.6	25.7	33.6
<b>Aggregate</b>								<b>28.1</b>	<b>24.2</b>	<b>4.8</b>	<b>4.2</b>	<b>17.1</b>	<b>17.4</b>	<b>22.3</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	494	545	10	15.4	21.8	38.1	32.2	22.6	2.2	2.0	6.9	9.3	14.7
DCB Bank	Neutral	179	192	8	7.0	8.4	10.4	25.5	21.4	2.6	2.1	10.8	11.4	11.8
Equitas Hold.	Buy	156	201	29	5.0	1.7	6.1	30.9	90.0	2.4	2.3	9.5	2.6	8.7
Federal Bank	Buy	106	139	31	4.8	5.4	6.8	22.0	19.7	2.1	1.7	9.9	10.0	10.5
HDFC Bank	Buy	1,744	2,000	15	56.8	68.2	82.1	30.7	25.6	5.2	4.5	18.3	18.8	19.6
ICICI Bank	Buy	293	366	25	15.3	14.9	17.0	19.2	19.7	2.2	2.0	10.2	8.9	9.5
IDFC Bank	Neutral	55	62	13	2.3	2.8	3.2	23.4	19.7	1.3	1.2	5.6	6.3	6.9
IndusInd	Buy	1,615	1,800	11	47.9	61.9	76.8	33.7	26.1	4.9	4.2	15.4	17.3	18.5
J&K Bank	Neutral	81	91	13	-31.3	3.8	8.2	NM	21.1	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	969	1,153	19	26.8	32.4	41.0	36.1	29.9	4.7	4.2	13.8	15.0	16.3
RBL Bank	Under Review	507	-		11.9	18.0	23.7	42.7	28.2	4.5	3.2	12.3	13.6	13.9
South Indian	Buy	27	34	26	2.2	2.9	3.7	12.4	9.4	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,718	2,133	24	73.0	92.3	114.5	23.5	18.6	3.7	3.2	18.9	18.3	19.5
<b>Aggregate</b>								<b>29.4</b>	<b>23.7</b>	<b>3.4</b>	<b>3.0</b>	<b>11.5</b>	<b>12.5</b>	<b>14.2</b>
<b>Banks - PSU</b>														
BOB	Buy	142	198	39	6.0	9.5	20.8	23.7	14.9	0.9	0.9	4.0	6.1	12.4
BOI	Neutral	140	149	7	-14.8	-11.2	6.6	NM	NM	0.6	0.6	-6.7	-5.2	3.0
Canara	Neutral	327	360	10	18.8	30.1	47.0	17.4	10.9	0.7	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	54	49	-9	1.5	6.4	8.6	35.3	8.4	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	297	382	29	29.3	34.4	38.3	10.1	8.6	1.0	0.9	10.1	10.9	11.2
OBC	Neutral	120	150	25	-31.6	17.1	21.4	NM	7.0	0.3	0.3	-8.4	4.6	5.4
PNB	Buy	138	184	34	6.2	5.8	11.0	22.1	23.6	0.8	0.8	3.6	3.2	5.9
SBI	Buy	275	341	24	0.3	14.6	26.8	923.3	18.8	1.3	1.2	-0.2	7.0	11.4
Union Bk	Neutral	131	140	7	8.1	9.0	19.1	16.2	14.5	0.4	0.4	2.7	3.0	6.1
<b>Aggregate</b>								<b>101.4</b>	<b>18.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.9</b>	<b>4.6</b>	<b>8.3</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,692	1,800	6	33.6	47.6	62.9	50.4	35.5	9.6	7.8	21.7	24.3	25.9
Bharat Fin.	Neutral	866	820	-5	21.0	31.8	68.7	41.2	27.2	4.9	4.0	15.1	16.1	28.0
Capital First	Buy	708	925	31	24.6	33.3	44.3	28.7	21.3	3.0	2.7	12.0	13.3	15.6
Cholaman.Inv.&Fn	Buy	1,150	1,400	22	46.0	56.0	67.3	25.0	20.5	4.2	3.5	18.0	18.6	19.0
Dewan Hsg.	Buy	449	630	40	29.6	37.7	47.1	15.2	11.9	1.8	1.6	14.4	14.1	15.6
GRUH Fin.	Neutral	496	450	-9	8.1	9.9	12.1	61.0	49.9	18.3	15.0	32.5	33.0	32.8
HDFC	Buy	1,739	1,900	9	46.8	52.9	59.0	37.1	32.9	6.9	6.2	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,199	1,350	13	69.0	86.3	108.4	17.4	13.9	4.2	3.7	25.5	28.2	31.3
L&T Fin Holdings	Buy	172	200	16	5.2	7.3	10.6	32.8	23.5	3.9	3.4	12.4	15.6	19.1
LIC Hsg Fin	Neutral	649	708	9	38.2	41.6	48.9	17.0	15.6	3.1	2.6	19.4	18.2	18.5

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Manappuram	Not Rated	95	-		8.6	10.8	12.5	11.0	8.8	2.4	2.2	24.0	25.9	26.9
M&M Fin.	Buy	404	459	14	7.1	13.9	17.8	57.0	29.1	3.6	3.4	6.5	12.0	14.2
Muthoot Fin	Buy	451	550	22	29.5	38.2	44.2	15.3	11.8	2.8	2.3	19.4	21.5	21.2
PFC	Neutral	119	117	-1	25.7	27.2	30.2	4.6	4.4	0.8	0.7	17.9	17.0	16.8
Repco Home	Buy	643	800	24	29.1	34.5	39.3	22.1	18.7	3.5	3.0	17.4	17.5	17.0
REC	Neutral	161	134	-17	31.4	35.0	40.4	5.1	4.6	1.0	0.8	19.9	19.1	19.1
Shriram City Union	Buy	2,191	2,800	28	84.3	121.7	164.1	26.0	18.0	2.9	2.5	11.7	15.0	17.6
STF	Buy	959	1,330	39	55.6	80.0	102.4	17.3	12.0	1.9	1.7	11.7	15.0	16.9
<b>Aggregate</b>								<b>20.4</b>	<b>17.1</b>	<b>3.4</b>	<b>3.0</b>	<b>16.8</b>	<b>17.6</b>	<b>18.1</b>
<b>Capital Goods</b>														
ABB	Sell	1,352	1,200	-11	19.7	22.4	31.6	68.6	60.3	8.7	7.6	12.7	12.6	15.8
Bharat Elec.	Buy	179	210	17	6.9	7.4	8.3	25.9	24.1	5.3	4.1	20.6	17.0	16.9
BHEL	Sell	125	100	-20	2.1	4.6	4.9	58.1	27.3	0.9	0.9	1.6	3.4	3.5
Blue Star	Neutral	733	650	-11	12.9	17.5	26.1	56.9	41.8	9.3	8.7	18.0	21.4	29.6
CG Cons. Elec.	Buy	225	240	6	4.7	5.0	6.4	48.2	44.8	26.2	19.4	76.4	49.7	49.7
CG Power & Indu.	Neutral	81	80	-2	4.1	2.0	2.5	19.8	39.9	1.2	1.2	6.2	3.0	3.7
Cummins	Buy	882	1,170	33	26.5	27.7	35.0	33.3	31.9	6.5	6.1	21.2	19.7	22.8
GE T&D	Neutral	376	395	5	5.7	9.3	11.3	65.7	40.5	9.3	8.2	12.4	21.5	22.7
Havells	Neutral	474	455	-4	9.6	10.9	13.8	49.6	43.3	9.0	8.1	18.2	18.6	20.7
K E C Intl	Neutral	297	295	-1	11.9	13.1	16.4	25.1	22.7	4.8	4.1	21.2	19.5	20.9
L&T	Buy	1,127	1,345	19	42.3	44.8	51.7	26.6	25.1	3.1	2.9	12.2	12.1	12.9
Pennar Eng.	Not Rated	90	-		7.1	9.1	11.2	12.7	9.9	1.3	1.2	10.2	11.6	12.6
Siemens	Neutral	1,282	1,355	6	17.8	22.7	33.0	71.9	56.5	6.7	5.8	9.3	10.3	13.7
Solar Ind	Neutral	850	900	6	20.6	24.2	30.0	41.2	35.1	7.6	6.5	19.8	19.8	20.9
Suzlon Energy	Not Rated	16	-		0.6	0.9	1.0	25.5	18.3	-1.5	-1.6	NM	-8.8	-11.0
Thermax	Neutral	888	830	-7	30.8	30.0	33.2	28.8	29.6	3.9	3.6	14.3	12.7	12.8
Va Tech Wab.	Buy	615	800	30	29.8	34.6	39.8	20.7	17.8	3.4	2.9	16.8	17.6	17.4
Voltas	Sell	532	430	-19	15.5	16.8	19.1	34.4	31.7	5.3	4.7	18.0	15.8	16.0
<b>Aggregate</b>								<b>34.5</b>	<b>30.5</b>	<b>3.9</b>	<b>3.5</b>	<b>11.2</b>	<b>11.6</b>	<b>12.6</b>
<b>Cement</b>														
Ambuja Cem.	Buy	276	308	12	4.9	7.0	8.2	56.5	39.7	2.9	2.7	5.1	7.0	7.9
ACC	Neutral	1,790	1,622	-9	36.1	49.8	65.0	49.6	36.0	3.9	3.7	7.9	10.6	13.1
Birla Corp.	Buy	950	1,150	21	29.4	40.9	58.9	32.3	23.2	2.2	2.1	7.3	9.2	12.2
Dalmia Bharat	Buy	2,587	3,282	27	38.8	68.7	89.9	66.7	37.7	4.6	4.1	7.2	11.6	13.4
Grasim Inds.	Neutral	1,107	1,079	-3	67.9	71.3	102.7	16.3	15.5	1.8	1.6	11.5	10.9	13.9
India Cem	Neutral	178	201	13	5.6	8.0	11.8	31.7	22.3	1.1	1.0	3.4	4.7	6.6
J K Cements	Buy	995	1,277	28	33.7	39.7	54.4	29.5	25.0	4.0	3.5	14.4	14.8	17.5
JK Lakshmi Ce	Buy	413	519	26	7.0	9.7	16.4	59.4	42.5	3.5	3.2	6.0	7.9	12.1
Ramco Cem	Buy	663	806	22	27.3	27.4	34.4	24.3	24.2	4.2	3.7	19.0	16.1	17.5
Orient Cem	Buy	150	185	23	-1.6	4.4	7.1	NM	34.0	3.1	2.9	-3.2	8.8	12.8
Prism Cem	Buy	111	140	26	0.3	3.5	5.6	407.2	31.9	5.9	5.1	1.4	17.0	22.9
Shree Cem	Buy	17,131	22,360	31	384.4	460.4	547.8	44.6	37.2	7.8	6.5	18.4	19.1	19.1
Ultratech	Buy	4,010	4,936	23	96.1	91.5	138.8	41.7	43.8	4.6	4.2	11.6	10.1	14.0
<b>Aggregate</b>								<b>36.5</b>	<b>31.3</b>	<b>3.5</b>	<b>3.2</b>	<b>9.6</b>	<b>10.3</b>	<b>12.7</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,135	1,200	6	21.0	22.2	26.5	54.0	51.2	14.3	13.0	28.5	26.7	28.1
Britannia	Buy	4,236	4,660	10	73.7	85.3	104.6	57.5	49.6	18.9	15.6	36.9	34.3	34.5
Colgate	Buy	1,078	1,285	19	21.2	24.4	29.8	50.8	44.1	23.0	21.8	50.4	50.8	58.2
Dabur	Neutral	304	315	4	7.2	7.7	9.1	41.9	39.3	11.0	9.5	28.4	26.0	26.3
Emami	Buy	1,106	1,310	18	26.5	26.9	33.1	41.7	41.1	14.3	12.2	35.8	32.0	33.9
Godrej Cons.	Neutral	905	995	10	18.9	21.5	24.7	47.9	42.0	11.6	9.0	24.6	24.2	22.8
GSK Cons.	Sell	5,376	4,500	-16	156.1	158.1	182.1	34.4	34.0	7.2	7.1	22.2	21.1	22.6
HUL	Buy	1,193	1,285	8	19.6	22.9	27.3	60.8	52.0	38.7	37.4	65.6	73.1	82.8
ITC	Neutral	282	280	-1	8.4	9.3	10.3	33.6	30.4	7.6	7.5	23.5	24.8	26.3
Jyothy Lab	Neutral	375	395	5	11.2	8.9	11.0	33.4	42.0	6.3	6.4	21.1	15.1	18.6

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
Marico	Neutral	317	355	12	6.3	6.8	8.2	50.4	46.4	17.6	15.1	36.7	34.9	37.7
Nestle	Sell	6,618	5,740	-13	118.0	115.1	133.6	56.1	57.5	21.2	19.7	39.0	35.5	38.1
Page Inds	Buy	17,001	19,600	15	238.7	294.7	398.4	71.2	57.7	28.5	22.8	40.0	39.6	43.1
Parag Milk	Neutral	238	245	3	3.6	9.1	12.5	66.0	26.1	3.0	2.7	6.0	11.0	13.3
Pidilite Ind.	Neutral	813	810	0	16.7	18.1	20.6	48.6	45.0	12.6	10.3	28.2	25.2	23.5
P&G Hygiene	Buy	8,151	9,082	11	144.9	155.8	181.6	56.3	52.3	46.5	37.1	45.3	78.9	74.0
Prabhat Dairy	Not Rated	133	-		3.5	3.5	6.4	37.6	38.1	1.9	1.8	5.2	4.9	8.5
United Brew	Neutral	801	875	9	8.7	10.1	15.0	92.1	79.5	9.2	8.4	10.4	11.0	14.7
United Spirits	Neutral	2,541	2,525	-1	26.7	34.5	51.5	95.0	73.6	19.1	13.3	21.3	18.0	20.3
<b>Aggregate</b>								<b>46.5</b>	<b>42.1</b>	<b>12.8</b>	<b>11.9</b>	<b>27.6</b>	<b>28.2</b>	<b>29.3</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	514	510	-1	21.6	20.5	25.5	23.8	25.1	5.1	4.5	23.0	19.0	20.4
Alkem Lab	Neutral	1,811	1,830	1	75.7	73.5	91.6	23.9	24.6	5.1	4.4	23.4	19.2	20.5
Ajanta Pharma	Buy	1,160	1,606	38	58.4	52.8	64.2	19.9	22.0	6.5	5.2	37.7	26.5	25.9
Aurobindo	Buy	696	850	22	39.3	44.9	50.0	17.7	15.5	4.3	3.4	27.6	24.8	22.1
Biocon	Sell	327	330	1	10.2	9.7	14.2	32.1	33.7	4.1	3.7	12.3	11.1	14.5
Cadila	Buy	473	555	17	14.2	17.9	24.1	33.3	26.4	7.0	5.8	23.0	23.9	26.3
Cipla	Neutral	561	520	-7	15.9	21.1	26.0	35.3	26.6	3.6	3.2	10.2	12.1	13.2
Divis Lab	Neutral	622	680	9	39.7	33.6	40.0	15.7	18.5	3.5	3.2	23.5	18.1	19.4
Dr Reddy's	Neutral	1,933	2,500	29	72.6	85.1	125.2	26.6	22.7	2.6	2.4	9.6	11.3	14.8
Fortis Health	Buy	144	220	53	10.3	2.2	5.6	13.9	65.7	1.5	1.3	11.3	2.1	4.9
Glenmark	Neutral	596	775	30	39.3	42.9	51.7	15.2	13.9	3.7	3.0	24.7	21.6	20.9
Granules	Buy	126	200	59	7.2	8.2	11.5	17.4	15.4	3.2	2.2	21.1	17.7	18.8
GSK Pharma	Neutral	2,381	2,500	5	34.4	46.8	54.9	69.3	50.9	10.1	11.7	14.5	23.0	30.9
IPCA Labs	Neutral	410	430	5	16.1	16.6	26.8	25.5	24.7	2.1	2.0	8.6	8.2	12.2
Jubilant Life	Buy	699	905	29	37.0	47.1	56.7	18.9	14.9	3.2	2.7	18.1	19.5	19.6
Lupin	Buy	923	1,125	22	55.8	41.4	56.3	16.5	22.3	3.1	2.8	20.6	13.2	16.0
Sanofi India	Buy	3,992	4,820	21	129.1	133.6	160.6	30.9	29.9	5.3	4.9	17.1	16.6	18.1
Shilpa Medicare	Buy	550	805	46	14.0	21.1	30.4	39.3	26.1	4.8	4.1	14.4	17.0	20.4
Strides Shasun	Buy	900	1,300	44	32.3	47.4	74.8	27.9	19.0	3.0	2.6	10.7	14.7	20.2
Sun Pharma	Buy	461	515	12	26.1	15.1	23.3	17.6	30.6	3.0	3.1	18.5	10.0	14.7
Syngene Intl	Not Rated	444	-		13.0	16.1	18.0	34.1	27.5	6.9	5.6	22.2	22.5	20.7
Torrent Pharma	Neutral	1,250	1,350	8	55.2	53.4	67.3	22.7	23.4	4.9	4.3	23.8	19.5	21.5
<b>Aggregate</b>								<b>22.3</b>	<b>24.4</b>	<b>3.8</b>	<b>3.4</b>	<b>16.9</b>	<b>14.1</b>	<b>16.3</b>
<b>Logistics</b>														
Allcargo Logistics	Buy	160	212	32	9.8	11.2	13.3	16.3	14.2	2.4	2.2	12.6	16.0	16.8
Blue Dart	Not Rated	4,100	-		102.5	129.9	163.2	40.0	31.6	17.7	13.5	50.5	48.6	46.8
Concor	Neutral	1,223	1,214	-1	38.0	42.1	48.6	32.2	29.0	3.4	3.2	10.8	11.3	12.4
Gateway Distriparks	Buy	237	313	32	6.8	10.9	13.8	34.8	21.8	2.0	2.0	5.9	9.2	11.2
Gati	Not Rated	108	-		8.4	15.9	23.9	12.9	6.8	1.8	1.6	12.4	19.4	25.4
Transport Corp.	Not Rated	274	-		16.9	21.0	25.9	16.2	13.0	2.5	2.1	16.7	17.8	18.6
<b>Aggregate</b>								<b>29.5</b>	<b>24.5</b>	<b>3.6</b>	<b>3.3</b>	<b>12.2</b>	<b>13.7</b>	<b>15.2</b>
<b>Media</b>														
Dish TV	Buy	76	106	39	1.0	1.3	4.3	77.2	58.3	16.6	12.9	24.1	24.9	99.2
D B Corp	Buy	377	450	19	20.4	23.7	27.6	18.5	15.9	4.3	3.9	25.5	25.8	26.6
Den Net.	Neutral	82	90	9	-8.6	-2.7	0.3	NM	NM	1.5	1.7	-12.0	-5.3	0.7
Ent.Network	Neutral	795	928	17	11.4	13.4	21.7	69.6	59.5	4.4	4.1	6.7	7.2	10.7
Hind. Media	Buy	268	350	31	25.9	28.3	33.6	10.4	9.5	1.8	1.5	19.0	17.3	17.3
HT Media	Neutral	92	90	-2	7.4	7.9	8.1	12.4	11.5	0.8	0.8	7.1	6.9	6.4
Jagran Prak.	Buy	173	225	30	10.8	12.4	14.1	16.0	14.0	2.3	2.3	17.6	16.5	17.4
Music Broadcast	Buy	368	469	27	6.4	9.3	14.0	57.3	39.5	3.8	3.5	11.2	9.3	12.4
PVR	Buy	1,282	1,628	27	20.5	30.9	46.9	62.4	41.5	6.2	5.4	10.4	14.0	18.2
Siti Net.	Neutral	25	32	27	-1.8	-0.3	0.4	NM	NM	3.5	3.7	-23.5	-4.1	6.2
Sun TV	Neutral	719	860	20	24.9	28.5	35.9	28.9	25.2	6.8	6.3	23.6	25.0	28.8
Zee Ent.	Buy	510	630	23	23.1	14.7	18.9	22.1	34.6	8.4	7.3	24.7	22.6	24.5



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
<b>Aggregate</b>								<b>39.0</b>	<b>29.8</b>	<b>5.5</b>	<b>5.0</b>	<b>14.0</b>	<b>16.7</b>	<b>21.3</b>
<b>Metals</b>														
Hindalco	Buy	225	309	37	16.2	22.0	26.3	13.9	10.2	1.7	1.4	14.0	15.3	15.4
Hind. Zinc	Neutral	291	301	4	19.7	22.6	26.9	14.8	12.9	4.0	4.3	24.4	32.0	35.1
JSPL	Buy	132	194	47	-20.9	-15.8	2.0	NM	NM	0.4	0.4	-7.9	-4.9	0.6
JSW Steel	Buy	234	297	27	14.8	21.9	25.7	15.8	10.6	2.5	2.1	17.3	21.3	20.8
Nalco	Neutral	69	63	-9	3.7	3.5	4.2	18.8	20.0	1.3	1.3	7.2	6.5	7.7
NMDC	Buy	121	180	48	10.0	12.4	12.1	12.2	9.8	1.7	1.6	12.8	15.2	15.6
SAIL	Sell	59	30	-50	-6.2	-7.7	-4.2	NM	NM	0.7	0.7	-6.7	-9.1	-5.3
Vedanta	Buy	293	316	8	15.1	24.8	33.1	19.3	11.8	1.8	1.7	9.7	14.8	18.4
Tata Steel	Neutral	622	591	-5	37.9	65.1	64.3	16.4	9.6	1.9	1.7	15.7	18.6	16.2
<b>Aggregate</b>								<b>20.4</b>	<b>14.0</b>	<b>1.7</b>	<b>1.6</b>	<b>8.2</b>	<b>11.4</b>	<b>13.3</b>
<b>Oil &amp; Gas</b>														
BPCL	Neutral	498	515	3	48.3	34.3	41.3	10.3	14.5	3.2	2.8	32.4	20.4	21.4
GAIL	Sell	376	346	-8	22.6	26.5	31.3	16.6	14.2	1.7	1.6	9.6	11.3	12.4
Gujarat Gas	Sell	765	691	-10	20.4	37.2	46.1	37.6	20.6	6.4	5.1	17.8	27.6	27.4
Gujarat St. Pet.	Neutral	187	171	-9	8.8	11.1	13.3	21.3	16.8	2.3	2.1	11.6	13.2	14.2
HPCL	Buy	434	510	17	40.7	34.1	36.3	10.7	12.7	3.3	2.8	32.4	23.6	21.7
IOC	Buy	413	458	11	43.0	36.7	40.4	9.6	11.2	1.9	1.7	21.2	16.0	15.8
IGL	Neutral	1,257	1,152	-8	44.0	49.9	56.3	28.6	25.2	6.0	5.1	21.0	21.9	20.9
MRPL	Sell	123	113	-8	14.8	9.4	11.7	8.3	13.1	2.1	1.9	31.4	15.5	17.0
Oil India	Buy	273	316	16	19.3	27.9	31.1	14.1	9.8	0.8	0.7	5.7	7.5	8.0
ONGC	Buy	158	195	24	16.4	16.5	19.7	9.6	9.6	0.9	0.9	10.1	9.4	10.9
PLNG	Buy	229	274	20	11.4	14.0	17.9	20.1	16.4	4.2	3.6	23.2	23.7	25.5
Reliance Ind.	Neutral	1,566	1,499	-4	96.7	115.5	128.1	16.2	13.6	1.6	1.4	11.6	12.3	12.3
<b>Aggregate</b>								<b>12.6</b>	<b>12.7</b>	<b>1.7</b>	<b>1.5</b>	<b>13.3</b>	<b>12.2</b>	<b>12.7</b>
<b>Retail</b>														
Jubilant Food	Sell	1,383	850	-39	10.0	14.8	20.7	138.2	93.4	11.3	10.4	8.2	11.1	14.0
Titan Co.	Neutral	615	565	-8	9.0	10.6	12.6	68.1	57.9	12.9	11.8	20.6	21.3	22.2
<b>Aggregate</b>								<b>74.5</b>	<b>62.2</b>	<b>12.8</b>	<b>11.7</b>	<b>17.2</b>	<b>18.9</b>	<b>19.6</b>
<b>Technology</b>														
Cyient	Buy	508	600	18	30.6	35.4	41.9	16.6	14.4	2.7	2.4	16.2	16.6	17.3
HCL Tech.	Neutral	873	950	9	59.8	61.8	65.9	14.6	14.1	3.7	3.2	27.5	24.9	23.8
Hexaware	Neutral	265	250	-6	13.7	15.7	16.5	19.4	16.9	4.7	4.1	26.5	25.7	23.1
Infosys	Buy	874	1,030	20	62.9	63.7	69.5	13.9	13.7	2.9	2.6	22.0	20.0	19.8
KPIT Tech	Neutral	111	140	26	11.9	10.6	13.1	9.3	10.5	1.4	1.3	14.3	13.0	14.2
L&T Infotech	Buy	754	880	17	55.5	60.2	68.0	13.6	12.5	4.7	3.7	40.4	33.0	29.4
Mindtree	Sell	462	450	-3	24.9	28.7	32.9	18.5	16.1	3.0	3.0	16.8	17.3	20.1
Mphasis	Neutral	590	610	3	38.9	40.3	43.0	15.2	14.7	2.0	2.1	13.2	14.5	16.2
NIIT Tech	Neutral	484	540	12	38.0	42.3	48.7	12.7	11.5	1.7	1.6	13.7	14.4	15.4
Persistent Sys	Buy	625	750	20	37.7	43.3	52.0	16.6	14.4	2.6	2.5	17.0	17.9	20.7
Tata Elxsi	Buy	1,643	1,992	21	56.3	67.4	79.7	29.2	24.4	9.2	7.4	37.1	33.5	32.2
TCS	Neutral	2,521	2,350	-7	133.4	133.6	147.7	18.9	18.9	5.6	6.0	32.6	31.1	33.5
Tech Mah	Buy	431	490	14	30.9	34.0	36.8	14.0	12.7	2.3	2.1	18.4	17.4	16.9
Wipro	Neutral	288	270	-6	16.9	18.1	19.1	17.0	15.9	2.7	2.6	16.9	16.1	16.1
Zensar Tech	Buy	791	950	20	52.1	51.9	70.0	15.2	15.2	2.4	2.2	17.2	15.0	17.9
<b>Aggregate</b>								<b>16.8</b>	<b>16.6</b>	<b>3.8</b>	<b>3.8</b>	<b>22.9</b>	<b>22.8</b>	<b>22.1</b>
<b>Telecom</b>														
Bharti Airtel	Buy	419	490	17	11.1	4.3	6.6	37.7	96.5	2.5	2.4	6.7	2.5	3.8
Bharti Infratel	Buy	386	480	24	14.9	17.9	20.4	26.0	21.5	4.6	4.0	16.2	19.8	19.4
Idea Cellular	Buy	89	110	24	-1.1	-10.9	-11.3	NM	NM	1.3	1.5	-1.6	-17.3	-21.7
Tata Comm	Buy	631	775	23	27.2	8.7	26.1	23.2	72.5	11.3	9.8	132.2	14.5	33.6
<b>Aggregate</b>								<b>38.9</b>	<b>215.4</b>	<b>2.7</b>	<b>2.7</b>	<b>6.9</b>	<b>1.2</b>	<b>2.8</b>
<b>Utilities</b>														
Coal India	Buy	239	275	15	14.9	18.3	19.1	16.0	13.1	6.1	5.8	37.8	44.2	44.2

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
CESC	Buy	942	1,360	44	51.9	88.9	99.3	18.2	10.6	1.2	1.1	6.5	10.6	10.8
JSW Energy	Sell	63	49	-22	3.8	3.4	2.7	16.4	18.6	1.0	1.0	6.3	5.3	4.2
NTPC	Buy	172	204	19	13.0	13.3	16.3	13.2	12.9	1.4	1.4	11.5	10.8	12.4
Power Grid	Buy	220	262	19	14.2	17.4	20.6	15.4	12.6	2.3	2.0	16.2	17.3	17.8
Tata Power	Sell	80	68	-15	5.2	6.4	6.7	15.5	12.6	1.8	1.7	11.2	13.9	12.1
<b>Aggregate</b>								<b>15.1</b>	<b>13.1</b>	<b>2.3</b>	<b>2.1</b>	<b>14.9</b>	<b>15.9</b>	<b>16.6</b>
<b>Others</b>														
Arvind	Neutral	365	375	3	12.4	12.9	18.6	29.5	28.2	2.6	2.5	10.3	9.1	12.0
Avenue Supermarts	Neutral	927	882	-5	7.7	12.7	17.6	120.9	72.9	15.1	13.2	17.9	19.3	23.0
Bata India	Under Review	669	-		13.5	15.7	19.4	49.5	42.6	6.5	5.8	13.9	14.4	15.8
Castrol India	Buy	387	527	36	13.6	14.4	15.0	28.3	26.8	32.1	28.8	115.2	113.3	106.1
Century Ply.	Neutral	253	323	28	8.7	9.8	12.9	29.1	25.7	7.9	6.5	31.1	27.7	29.6
Coromandel Intl	Buy	437	523	20	16.6	24.1	29.0	26.3	18.1	4.4	3.8	17.5	22.5	23.4
Delta Corp	Buy	172	237	38	3.1	5.8	7.9	56.2	29.7	4.3	2.9	8.1	12.3	12.6
Dynamatic Tech	Buy	2,159	3,334	54	67.6	112.9	166.7	31.9	19.1	4.4	3.6	15.1	20.7	24.3
Eveready Inds.	Buy	301	358	19	12.9	13.6	16.3	23.4	22.1	7.6	6.2	37.7	30.8	30.1
Interglobe	Neutral	1,269	1,312	3	46.0	63.9	93.7	27.6	19.9	22.7	20.2	86.2	107.5	137.7
Indo Count	Neutral	109	129	19	13.0	8.9	10.8	8.4	12.2	2.5	2.1	34.8	18.6	18.3
Info Edge	Buy	933	1,130	21	15.7	21.8	24.7	59.5	42.9	5.7	5.2	10.2	12.7	13.1
Inox Leisure	Sell	231	240	4	3.3	8.0	12.0	69.3	28.8	4.0	3.5	5.9	12.5	16.2
Jain Irrigation	Under Review	96	-		5.5	7.6	10.0	17.3	12.6	1.5	1.4	8.6	11.7	14.8
Just Dial	Neutral	363	465	28	17.5	18.5	21.1	20.8	19.7	2.8	2.5	14.8	13.4	13.7
Kaveri Seed	Buy	542	738	36	19.1	34.0	41.0	28.4	15.9	3.7	3.9	13.6	23.3	27.4
Kitex Garm.	Buy	231	394	71	18.6	22.1	26.2	12.4	10.4	3.3	2.7	29.8	28.6	27.6
Manpasand	Buy	816	926	13	12.7	20.2	30.9	64.3	40.5	4.0	3.8	7.3	8.5	13.5
MCX	Buy	994	1,300	31	24.8	28.0	42.2	40.0	35.5	3.7	3.5	10.2	10.2	14.5
Monsanto	Buy	2,448	3,295	35	86.2	105.1	126.7	28.4	23.3	8.0	7.2	31.6	32.5	34.5
Navneet Education	Buy	157	226	44	7.8	9.4	11.3	20.2	16.6	5.1	4.3	26.8	27.8	28.2
PI Inds.	Buy	749	894	19	33.4	30.4	35.8	22.4	24.6	6.3	5.3	32.8	23.4	22.9
Piramal Enterp.	Buy	2,612	3,044	17	72.6	104.1	144.6	36.0	25.1	3.4	3.1	9.8	13.0	16.4
SRF	Buy	1,482	1,648	11	85.9	80.2	103.0	17.2	18.5	2.7	2.4	16.6	13.7	16.0
S H Kelkar	Buy	250	298	19	7.2	7.6	9.9	34.5	32.9	4.5	4.1	13.7	12.9	15.2
Symphony	Sell	1,224	1,288	5	23.7	35.1	42.9	51.7	34.9	19.2	16.9	43.3	51.6	54.5
TTK Prestige	Neutral	6,316	5,281	-16	132.1	137.8	176.1	47.8	45.8	8.6	7.9	19.5	18.0	20.7
V-Guard	Neutral	178	167	-6	3.6	4.5	6.0	49.8	39.7	11.9	9.7	27.4	26.9	28.8
Wonderla	Buy	340	393	16	7.0	11.9	16.0	48.6	28.5	4.4	4.0	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	-4.6	-9.4	-17.4
Ashok Ley.	-1.3	-0.8	17.5
Bajaj Auto	-1.6	-1.6	-5.5
Bharat Forge	-2.9	0.2	35.4
Bosch	-0.3	-8.6	-8.4
CEAT	-1.7	-9.4	93.7
Eicher Mot.	0.2	9.2	44.9
Endurance Tech.	-2.8	7.5	
Escorts	-3.9	-8.1	97.8
Exide Ind	-3.6	-7.0	12.9
Hero Moto	-0.4	7.8	18.1
M&M	0.3	-0.6	-5.4
Mahindra CIE	-1.0	-4.9	27.1
Maruti Suzuki	-1.4	-0.2	53.4
Tata Motors	-1.6	-19.4	-26.6
TVS Motor	-1.5	0.8	84.6
<b>Banks - Private</b>			
Axis Bank	0.7	-8.5	-16.0
DCB Bank	-2.4	-8.4	53.2
Equitas Hold.	-1.6	-7.2	-16.0
Federal Bank	-2.3	-9.7	59.6
HDFC Bank	-0.5	2.4	40.1
ICICI Bank	0.0	-2.7	26.9
IDFC Bank	-2.0	-9.4	2.6
IndusInd	-0.3	3.0	35.8
J&K Bank	-1.0	-3.7	12.1
Kotak Mah. Bk	-1.4	-2.9	24.9
RBL Bank	-3.2	-4.5	
South Indian	-3.2	-5.6	33.5
Yes Bank	-0.1	8.8	28.5
<b>Banks - PSU</b>			
BOB	-3.5	-12.2	-12.2
BOI	-2.5	-9.8	23.5
Canara	-1.6	-6.8	26.3
IDBI Bk	-0.4	-8.5	-23.8
Indian Bk	-2.2	-9.7	29.8
OBC	-2.4	-20.0	1.7
PNB	-3.2	-12.9	7.5
SBI	-1.4	-5.4	6.2
Union Bk	-0.7	-15.2	-3.5
<b>NBFCs</b>			
Bajaj Fin.	-0.9	4.6	66.3
Bharat Fin.	-1.2	10.8	10.1
Capital First	-3.0	-6.8	-3.0
Cholaman.Inv.&Fn	-0.5	1.1	3.3
Dewan Hsg.	-0.2	-2.1	70.6
GRUH Fin.	2.9	4.3	61.8
HDFC	0.2	5.9	27.0
Indiabulls Hsg	-0.2	5.3	49.8
L&T Fin.Holdings	-2.2	12.4	82.3
LIC Hsg Fin	-1.5	-12.4	17.2
Manappuram	11.4	-9.8	8.2
M&M Fin.	-2.8	14.1	20.0
Muthoot Fin	-2.8	-0.3	29.1
PFC	-3.5	-7.5	0.0
Repco Home	-2.9	-19.4	-22.4
REC	-3.4	-11.7	36.5
STF	-1.2	-0.5	-24.5
Shriram City Union	1.4	-7.1	-5.1

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	-0.8	-7.5	16.2
Bharat Elec.	-1.7	4.6	45.4
BHEL	-3.7	-13.9	-12.0
Blue Star	2.6	8.6	47.9
CG Cons. Elec.	0.2	10.3	35.3
CG Power & Inds Sol.	-0.4	-5.3	-6.7
Cummins	-1.7	-12.4	-1.4
GE T&D	-0.8	15.0	15.4
Havells	-0.7	2.6	14.3
K E C Intl	0.7	1.3	116.8
L&T	-0.4	-4.5	13.4
Pennar Eng.	-2.6	-27.3	-50.6
Siemens	-1.9	-5.8	-1.9
Solar Ind	-1.6	-5.0	42.9
Suzlon Energy	-4.7	-15.7	-2.1
Thermax	-0.9	-4.2	5.5
Va Tech Wab.	-2.4	1.0	6.3
Voltas	-1.0	6.7	39.3
<b>Cement</b>			
Ambuja Cem.	0.4	4.0	-0.1
ACC	0.0	4.6	6.0
Birla Corp.	0.1	0.4	40.7
Dalmia Bharat	-0.7	-2.1	80.8
Grasim Inds.	1.0	4.4	43.7
India Cem	-2.6	-14.6	34.9
J K Cements	-1.1	1.2	25.5
JK Lakshmi Ce	-1.1	-10.9	-6.1
Ramco Cem	-2.8	-1.8	17.0
Orient Cem	-3.1	-5.9	-10.7
Prism Cem	-0.6	-9.1	0.7
Shree Cem	-0.9	-3.2	1.4
Ultratech	0.1	-4.0	2.4
<b>Consumer</b>			
Asian Paints	-0.4	-1.8	2.0
Britannia	-0.3	10.6	26.6
Colgate	0.8	0.7	12.3
Dabur	-2.3	0.4	1.5
Emami	0.6	0.6	-6.1
Godrej Cons.	-1.6	-5.7	17.3
GSK Cons.	-0.4	-1.6	-14.7
HUL	-0.5	3.0	30.8
ITC	0.1	-2.2	12.4
Jyothy Lab	-0.4	-2.3	32.2
Marico	-0.8	-3.8	5.2
Nestle	-0.4	-2.9	-1.6
Page Inds	-0.3	1.2	18.7
Parag Milk	0.9	-6.4	-25.0
Pidilite Ind.	-0.8	1.2	15.9
P&G Hygiene	-0.8	1.2	22.3
Prabhat Dairy	1.6	-2.6	68.4
United Brew	0.0	-1.6	0.1
United Spirits	-2.4	-6.2	12.4
<b>Healthcare</b>			
Alembic Phar	-0.3	-4.8	-20.5
Alkem Lab	1.1	2.1	17.7
Ajanta Pharma	-3.8	-20.7	-41.1
Aurobindo	-1.3	-7.0	-8.9
Biocon	-0.5	-18.3	16.0
Cadila	-0.1	-10.4	27.0
Cipla	-0.9	-0.9	0.9

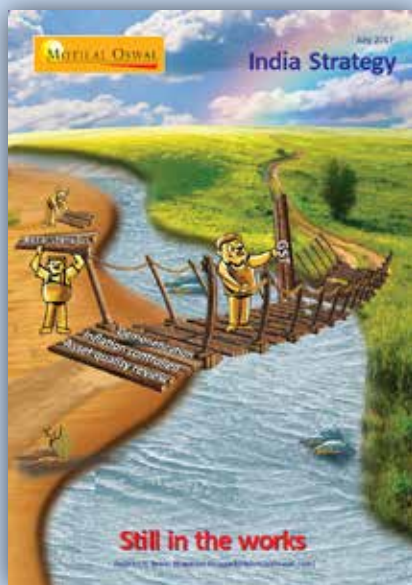


Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	-1.8	-13.7	-52.3
Dr Reddy's	-2.5	-30.0	-35.8
Fortis Health	-1.1	-12.3	-23.6
Glenmark	-2.5	-14.5	-31.0
Granules	-0.6	-11.1	-4.6
GSK Pharma	-0.4	-6.2	-23.6
IPCA Labs	-0.7	-14.6	-20.3
Jubilant Life	-0.9	-6.8	37.7
Lupin	-1.9	-19.3	-41.5
Sanofi India	-1.0	-4.3	-8.1
Shilpa Medicare	-2.5	-19.5	-4.7
Strides Shasun	-0.7	-16.6	-8.8
Sun Pharma	-2.0	-20.1	-41.2
Syngene Intl	-2.1	-7.9	5.3
Torrent Pharma	-1.4	-1.7	-19.4
<b>Logistics</b>			
Allcargo Logistics	-3.0	-9.3	-16.1
Blue Dart	0.7	-8.0	-25.2
Concor	-2.5	3.6	11.9
Gateway Distriparks	-3.0	-10.9	-16.5
Gati	-1.5	-13.3	-29.2
Transport Corp.	-1.2	-14.6	27.5
<b>Media</b>			
Dish TV	-2.4	-2.3	-19.3
D B Corp	0.5	0.2	-7.4
Den Net.	-1.4	4.3	-3.9
Ent.Network	0.6	-12.3	15.3
Hind. Media	-0.7	-5.1	0.2
HT Media	5.7	8.0	16.7
Jagran Prak.	0.1	-1.3	-6.3
Music Broadcast	-2.0	0.8	
PVR	-3.0	-6.1	4.6
Siti Net.	0.8	-2.3	-31.7
Sun TV	-3.0	-10.7	49.2
Zee Ent.	-0.5	-8.0	1.4
<b>Metals</b>			
Hindalco	-2.2	5.0	42.0
Hind. Zinc	-1.0	3.8	39.1
JSPL	-3.5	-3.6	50.0
JSW Steel	-1.6	9.0	30.6
Nalco	-0.8	-1.9	45.5
NMDC	0.5	-1.1	11.4
SAIL	-0.6	-4.7	19.7
Vedanta	-1.8	9.2	63.5
Tata Steel	-0.6	12.5	58.5
<b>Oil &amp; Gas</b>			
BPCL	-1.0	6.5	29.1
GAIL	-1.6	-0.4	37.7
Gujarat Gas	-0.7	0.4	12.9
Gujarat St. Pet.	1.6	7.9	23.9
HPCL	-1.9	18.2	57.6
IOC	-3.3	8.5	45.9
IGL	-1.7	10.0	79.8
MRPL	-1.1	-2.6	54.4
Oil India	-4.8	-3.4	-2.8
ONGC	-2.0	-4.3	-2.3
PLNG	-0.1	11.5	33.3
Reliance Ind.	-0.6	-1.3	54.3
<b>Retail</b>			
Jubilant Food	-0.9	10.4	12.8
Titan Co.	-1.6	13.2	53.0

Company	1 Day (%)	1M (%)	12M (%)
<b>Technology</b>			
Cyient	-0.4	-4.3	0.6
HCL Tech.	-0.4	-3.5	11.8
Hexaware	-2.9	9.0	22.4
Infosys	-5.4	-10.9	-14.5
KPIT Tech	-2.1	-12.0	-17.5
L&T Infotech	-2.4	-1.8	13.5
Mindtree	-0.9	-4.6	-18.6
Mphasis	-0.5	2.5	10.4
NIIT Tech	-2.5	-10.7	15.1
Persistent Sys	0.7	-4.7	-3.4
Tata Elxsi	-2.4	-2.3	1.2
TCS	0.3	1.2	-3.2
Tech Mah	0.8	9.1	-8.9
Wipro	0.1	0.7	10.8
Zensar Tech	-0.8	-4.6	-26.3
<b>Telecom</b>			
Bharti Airtel	-0.6	1.9	19.4
Bharti Infratel	-2.2	-5.9	12.8
Idea Cellular	-1.3	-3.1	-4.9
Tata Comm	-1.4	-3.7	25.3
<b>Utilities</b>			
Coal India	-1.7	-8.8	-28.5
CESC	0.0	4.8	42.8
JSW Energy	-1.8	-6.1	-21.0
NTPC	-0.8	4.6	3.1
Power Grid	-1.3	2.1	21.6
Tata Power	-0.2	-3.8	2.8
<b>Others</b>			
Arvind	-1.5	-1.3	15.5
Avenue Super.	0.2	1.5	
Bata India	-1.6	15.4	21.5
Castrol India	-0.1	-5.6	-4.3
Century Ply.	1.7	-12.1	17.9
Coromandel Intl	-1.7	1.0	61.8
Delta Corp	1.0	0.4	16.2
Dynamatic Tech	2.3	-9.3	-23.3
Eveready Inds.	-1.1	-8.1	13.9
Interglobe	-0.1	2.2	44.1
Indo Count	-5.1	-29.8	-40.2
Info Edge	-1.9	-7.4	12.7
Inox Leisure	-2.6	-15.3	-14.6
Jain Irrigation	-2.1	-12.2	18.2
Just Dial	0.0	-4.7	-23.8
Kaveri Seed	-3.3	-15.0	43.2
Kitex Garm.	-1.8	-14.7	-31.0
Manpasand	-0.7	6.2	11.4
MCX	-3.8	-11.9	0.4
Monsanto	0.3	-10.0	3.9
Navneet Educat.	-0.1	-9.0	53.0
PI Inds.	-1.6	-1.6	-5.3
Piramal Enterp.	-3.2	-10.4	28.2
SRF	-0.6	-2.0	-8.1
S H Kelkar	-1.5	-7.6	-13.7
Symphony	0.9	-9.3	7.5
TTK Prestige	2.2	-1.1	28.0
V-Guard	-1.1	-1.7	41.4
Wonderla	-0.3	-5.0	-15.7



# THEMATIC/STRATEGY RESEARCH GALLERY











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