

Market snapshot



Equities - India	Close	Chg .%	YTD.%
Sensex	33,478	0.4	25.7
Nifty-50	10,327	0.3	26.2
Nifty-M 100	19,830	0.2	38.2
Equities-Global	Close	Chg .%	YTD.%
S&P 500	2,599	0.7	16.1
Nasdaq	6,862	1.1	27.5
FTSE 100	7,411	0.3	3.8
DAX	13,168	0.8	14.7
Hang Seng	11,874	2.9	26.4
Nikkei 225	22,416	0.7	17.3
Commodities	Close	Chg .%	YTD.%
Brent (US\$/Bbl)	63	0.9	12.8
Gold (\$/OZ)	1,281	0.3	11.1
Cu (US\$/MT)	6,878	1.2	24.5
Almn (US\$/MT)	2,066	-0.2	21.2
Currency	Close	Chg .%	YTD.%
USD/INR	64.9	-0.3	-4.5
USD/EUR	1.2	0.0	11.7
USD/JPY	112.4	-0.1	-3.9
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.9	0.0	0.4
10 Yrs AAA Corp	7.7	0.0	0.1
Flows (USD b)	21-Nov	MTD	YTD
FII	-0.1	2.3	7.8
DII	0.1	1.1	12.4
Volumes (INRb)	21-Nov	MTD*	YTD*
Cash	385	401	305
F&O	4,956	6,522	5,599

Note: YTD is calendar year, *Avg



Today's top research idea

Mindtree: A play on business momentum revival

Upgrade to Buy

- ❖ Revenue growth at MTCL had faltered from its otherwise industry-leading trajectory, courtesy weakness in top clients exacerbating the already existent traditional pressures. Smaller deal sizes in Digital restricted MTCL's ability to contain headwinds despite it forming a high proportion of revenue.
- ❖ With Digital becoming mainstream and top clients seeing stability, we expect a revival in revenue growth momentum. At parallel, margin improvement should be a function of initiatives both at an organic and inorganic level. Following our interaction, we believe that the margin recovery could play out sooner, especially if Magnet360 and Bluefin EBITDAs revert to the black.
- ❖ We see MTCL's margins improving to 14.4% by FY19 and potentially by another 110bp to 15.5% by FY20, driving 7%/8% upgrade in our earnings estimates for FY19/FY20. Such combination of growth and margin performance warrants a re-rating. Our revised price target of INR600 discounts forward earnings by 15x. We upgrade MTCL to **Buy**.



Research covered

Cos/Sector	Key Highlights
Voices India Inc on Call	Consumption reviving; GST settling down
Mindtree (Corner Office)	A play on business momentum revival
Shriram Transport Finance	Better days ahead
Financials-NBFC	MSME lending – Challenging outlook; LAP losing its sheen
CESC	Gets 185MW PPA under flexi-coal scheme
Utilities	Seven things we learned at a conference on power distribution



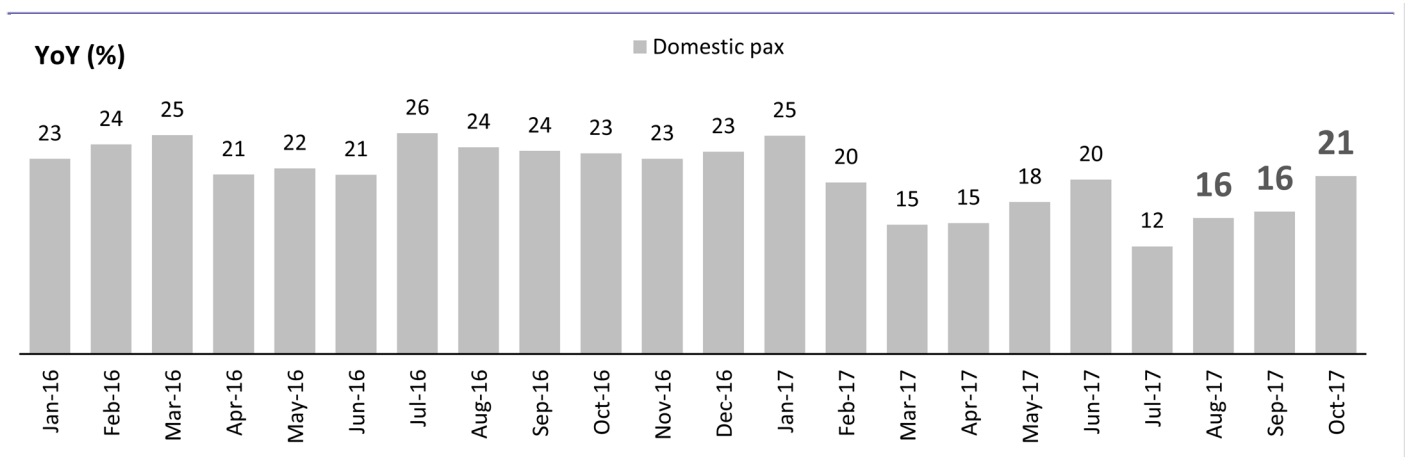
Piping hot news

Trai suggests easing caps on spectrum holding by telecom firms

- ❖ In a move that will boost mergers and acquisitions, the Telecom Regulatory Authority of India (Trai) on Tuesday recommended doing away with caps on spectrum holding in individual bands, and also mooted relaxing the overall ceiling...



Chart of the Day: Aviation–Domestic air passenger growth picked up in October 2017 led by festive demand, grew 21% YoY



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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

Trai suggests easing caps on spectrum holding by telecom firms

In a move that will boost mergers and acquisitions, the Telecom Regulatory Authority of India (Trai) on Tuesday recommended doing away with caps on spectrum holding in individual bands, and also mooted relaxing the overall ceiling. Trai,...

2

Kishore Biyani unveils plan to make Future Group a trillion-dollar-revenue group by 2047

After several attempts at integrating the company's digital and brick and mortar retail businesses, Future Group chairman and chief executive Kishore Biyani has unveiled Retail 3.0, a digital strategy aimed at making the group Asia's largest leading integrated consumer company with a trillion dollars in revenue by 2047. The group expects to grow at a 20% compound annual growth rate for the next 30 years, Biyani said in Mumbai on Tuesday...

3

Railways may put 30,000 km of power lines on the block

In a major disinvestment initiative that follows New Delhi's decision to dilute its Air India ownership, the Centre is considering a proposal to put on the block about 30,000 km of Indian Railways power lines, potentially fetching the national transporter Rs 1 crore for each kilometre of infrastructure...

4

FMCG, auto products' sales pick up pace in rural India, outsmart cities

Purchases of consumer products and automobiles in rural India picked up pace during July-September, outstripping the rate in cities, as a good monsoon lifted farm income. Rural sales of FMCG products by both value and volume — the number of products sold — increased 13% during the...

5

Mahindra Group chief Anand Mahindra reveals succession roadmap in place; investors cheer move

Investors and analysts are a relieved bunch after Mahindra Group executive chairman Anand Mahindra revealed on Tuesday his choice of successor was known to the governing board. India Inc has seen several family battles over assets and the value-destroying consequences for stakeholders. One of the epic examples of a family tussle was the spat between the Ambani brothers. Even the Tata Group was, not so long ago, embroiled in a nasty public display of acrimony between Ratan Tata and Cyrus Mistry...

6

Over 4.3 million businesses file initial GST returns for October

Over 4.3 million businesses have filed first set of returns for October, notching up the highest monthly filing by the due date since the new tax rolled out on July 1. The last date for filing GSTR-3B, the initial sales returns, was November 20 for the previous month. Around 56% of the registered taxpayers had filed their GSTR-3B returns...

7

Venture capital firms struggle to justify large funds as deals dry up

Most of India's top venture capital firms raised successively large funds in 2015 and 2016, betting on what looked like an internet gold mine then. After the slowdown in the growth of the consumer internet business since the start of 2016, venture capital firms are struggling to justify the large funds they raised...



Consumption reviving; GST settling down

Commentary turns more optimistic; however, private capex revival still sometime away

- 2QFY18 earnings performance and management commentaries indicate tell-tale signs of demand revival, especially in rural consumption. The first quarter post GST implementation came with attendant anomalies, especially in accounting. However, corporate commentaries suggest gradual return of normalcy in trade channels. As GST settles down further, India Inc expects demand trends to strengthen in 2HFY18. 2QFY18 has come as breath of fresh air after many quarters of misses, disappointments and downgrades. Earnings quality has also improved substantially, as discussed in greater detail in our recently released [India Strategy](#).
- B2C sectors like Consumer, Retail, Autos, Durables, and Cement benefitted from re-stocking post GST implementation. Early festive season helped too, as inventory filling happened in September in CY17 versus October in CY16 (and hence, captured in 3QFY17 results). Jewelry and Modern Retail were the key beneficiaries of an early festive season.
- In BFSI, slippages declined in 2QFY18, though provisioning costs remain high. The sharp divergence in loan growth between Private and PSU Banks continues. Managements across the board have guided significant reduction in slippages, going forward. Given the recent hardening of bond yields, incremental benefits from lower cost of funds seem largely behind. NBFCs delivered another quarter of consistent and broad-based growth, with continued recovery in MFI post demonetization. Competitive intensity continues to inch up in Housing Finance.
- For Consumer, 2QFY18 was one of the best quarters of broad-based delivery in recent times, with double-digit profit growth. Management commentaries point towards ensuing demand revival in 2HFY18, especially in Rural India, as GST-related glitches recede and trade supply chains revert to normalcy in wholesale and rural markets. Recent changes in GST rates should lead to pricing actions, in-turn boosting demand. Most companies also spoke about cost-cutting projects underway, reflected in widespread savings in other expenses. In Autos, most OEMs expect volume growth to sustain/improve in 2HFY18. Companies, however, pointed out commodity cost inflation and need for pricing action.
- In Oil & Gas, companies guided strong benchmark refining margins in light of heavy unplanned shutdowns across the globe. Indian refiners are expected to benefit. Private players continue to be marginalized in marketing of petroleum products.
- Pharmaceutical companies continued to highlight persistent pricing pressure in US markets even as domestic business benefitted from re-stocking in 2QFY18. In Metals, management commentary on demand was optimistic. Government spending is expected to be the key trigger for growth. There is some renewed optimism in the sector. Companies with strong balance sheets are evaluating expansion opportunities, including inorganic expansion.



- **Capital Goods companies shared a cautious stance on order inflow, given near-term disruption caused by GST implementation. On the execution front, there was a slowdown, with GST transition impacting projects under execution. Execution is expected to pick up in 2HFY18.**

Autos

- Most OEMs expect an improvement in FY18 volumes, with double-digit growth in PVs and tractors. The 2W industry should see higher single-digit growth, led by return of volumes from rural markets, expectations of good monsoon, and better economic growth. GST impact for most OEMs is neutral on volumes; however, there is some impact on financial accounting. Higher GST on hybrid vehicles is resulting in a shift from hybrid to non-hybrid vehicles. Commodity price inflation could put further pressure in 2HFY18, as the prices of key commodities are on an uptrend.



Capital Goods

- Most Capital Goods companies shared a cautious stance on order inflow, given near-term disruption caused by GST implementation. Companies expect ordering activity to pick up gradually. Segments like transmission, renewables, defense, roads, and railways continue to show traction. On the execution front, there is a slowdown – GST transition has impacted projects under execution. Execution is likely to pick up in 2HFY18. Competitive intensity remains high.
- In Consumer Durables, restocking has started to pick up gradually. However, secondary demand remains muted, with advance purchases by customers in June 2017 on de-stocking discounts given by dealers.



Cement

- Companies expect demand revival to begin from 2HFY18, led by pick-up in rural demand on the back of good monsoon. With no capacity additions coming up for the next 18-24 months in the North, utilizations are expected to improve, leading to better prices, and hence, better realizations. The recent increase in petcoke prices is likely to impact the cost curve of cement companies in 2HFY18. Additionally, higher diesel prices and busy season surcharge in rail transport would increase freight cost.



Consumer

- Post GST, the trade channels are getting back to normal and consumer off-take has improved. Rural outlook appears buoyant, with companies like HUL, Marico and Dabur reporting either similar or faster growth in rural sales compared to urban sales after a long time. Worries on both the wholesale channel and rural sales are receding faster than expected. Importantly, rural sales have started gaining momentum even before the benefits of good monsoon and government initiatives like DBT, MSP increases and farm loan waivers have started to come in. The much-vaunted earnings revival in the sector appears poised to come through, and rural-dependent plays are likely to be at the vanguard.



Financials

- The government has announced a PSU Bank recapitalization plan amounting to INR2.1t, which comprises of (i) front-ended capital infusion of INR1.35t to be funded via recapitalization bonds, and (ii) INR760b of capital infusion from budgetary support and proposed capital raising by the PSU Banks, of which INR180b will be infused in FY18 as part of the 'Indradhanush' plan. Operational performance improved in 2QFY18, with fresh NPL accretion declining for most PSU and Private Banks (barring divergence-related impact for AXSB and YES).SMA-2 advances have also moderated. Margins for PSU Banks showed early

signs of stabilization, with most PSU banks reporting modest margin expansion on the back of lower interest reversals, as slippages have slowed down. CASA growth continues uninterrupted despite several large banks lowering their SA rate, which will drive further reduction in funding cost. However, we are now watchful of the impact of rising bond yields witnessed over the past one month. The size of watch list/stressed asset pool has declined and most banks have suggested a decline in slippages over the medium term. However, near-term credit cost is likely to stay elevated on (1) NPL ageing-related provisions, and (2) loan loss towards NPL resolution via NCLT. We expect earnings growth to show a healthy bounce from 2HFY19, as core income growth revives, margin pressure eases, and the investment cycle begins to show some recovery.



Healthcare

- Post GST, domestic business of Pharma companies has improved on the back of channel re-filling at stockiest level to near pre-GST level. In 1QFY18, companies lost ~30 days of sales, as inventory days came down to 17 days from a peak of 43 days. In 2Q, companies recovered almost 15 days of sales and expect further 5-10 days of recovery in 3QFY18. For FY18, although 6-8 days of sales may be lost, companies expect domestic business to grow in low teens.
- As price erosion and channel consolidation continues, companies expect US business to improve, as intensity of price erosion comes down. Price erosion is expected to come down from high double-digits to low double-digits, while some companies expect price erosion to bottom out during the quarter.
- US business is expected to improve from 2HFY18, as large companies (including Sun Pharma, Lupin, Dr Reddy's) expect approval of key products and resolution at key facilities.



Media

- Marred by demonetization and GST in the previous quarters, our Media universe witnessed some solace, with the onset of the festive season in 2QFY18. However, November-December 2017 would be the decisive period – performance post the festive season would help ascertain whether the ad growth is sustainable.
- Broadcasters within our coverage universe expect to match TV industry ad revenue growth of 12-14%.
- Regulatory uncertainty around the implementation of the new tariff order continues to be contested in courts. In terms of content, companies are expected to opt for diverging strategies to protect their viewership shares (for example, Zee plans to target Kerala and Punjab through green-field organic expansion and is expected to step up its investment in movies, while Sun TV is focused on improving its share in Telugu). Within the distribution pack, the outlook on both ARPU and subscriber addition remains somber. The Print pack is expected to see a recovery in ad volumes in FY18, as the demonetization and GST impact is largely behind.



Metals

- Management commentary on demand was optimistic. Government spending is expected to be the key growth trigger. There is renewed optimism in the sector. Companies with strong balance sheets are evaluating expansion opportunities, including inorganic expansion. Hindalco and Vedanta are positive on aluminum prices, given stricter environment measures adopted by China. Vedanta is also positive on zinc prices, given the closure of large mines and steady demand growth. In steel, long-product prices are expected to remain weak in the near term, but improve as domestic demand picks up. GST disruption is largely



behind and volume benefit in 2Q was partly aided by re-stocking following GST disruption in 1Q.

Oil & Gas

- Gas consumption has begun increasing, led by higher availability of domestic gas and higher LNG imports. This is expected to continue in the next few quarters. However, increase in consumption of gas due to absence of sufficient domestic coal with power producers may wane.
- Benchmark refining margins should stay strong, in light of heavy unplanned shutdowns across the globe. Indian refiners would benefit. Private players continue to be marginalized in marketing of petroleum products.



Retail

- Titan stated that festive season sales were good. Sales from 21st September to 31st October were up 16-17% YoY. If not for PMLA, growth would have been even better, despite high base of 50% sales growth in the festive season last year. Management maintained that market share gains were happening across large, medium and small towns. There was a definite change in the tone of management commentary – the management is now saying that it would give up ‘margin expansion’ for growth instead of saying that it might give up ‘margins’ in the quest for growth. Jubilant Foodworks expects store openings to resume in 3Q and 4Q. It intends to open 30-40 stores this year compared to earlier guidance of 40-50 stores. There has been healthy growth after product refreshment in August. The management did not comment on its sustainability after a couple of months after launch.



Technology

- Growth commentary for FY18 looks moderate for most companies on a constant currency, organic basis. A full-thrust recovery still seems elusive, as the BFSI and Retail verticals have been soft, though the description of worries around Retail appears to be better for some players. The profitability surprise in the quarter was led by favorable currency movement and increased operational efficiencies. This resulted in optimism going forward too, mainly hinged on to further headroom on operational parameters.



Telecom

- While data volume growth has been buoyant, lower ARPU packs have pulled down pricing and revenues. The next 2-3 quarters may see high competitive intensity, but expect ARPU accretion, as Rjio has taken four price actions since turning paid, signaling ARPU accretion, which has been hostage to competition. Bharti’s capex intensity is likely to remain high in FY18 to continue 4G network rollout, even though capacity has far outstripped demand. Idea’s capex intensity has reduced.



Utilities

- Overall, electricity demand is expected to improve, driven by measures like UDAY and focus on ‘Make in India’ and ‘Power for All’. Electricity demand growth was relatively strong in 2Q. Spot power prices were higher in 2Q due to domestic coal shortage, but are likely to normalize soon, as coal supply improves. There is no visibility on long-term PPAs; however, companies are evaluating opportunities in short-term and medium-term contracts. Power Grid is positive on future growth opportunities from solar, wind and opening up of the intra-state transmission network. NTPC expects a pick-up in project execution.

VOICES: INDIA INC ON CALL



Concall Audio Links for 179 companies



Key takeaways from the post results management commentary for 145 companies under coverage



Links to the full earnings call transcripts



Links to our Results Updates on each company



A play on business momentum revival

Upgrade to Buy

- Revenue growth at MTCL had faltered from its otherwise industry-leading trajectory, courtesy weakness in top clients exacerbating the already existent traditional pressures. Smaller deal sizes in Digital restricted MTCL's ability to contain headwinds despite it forming a high proportion of revenue.
- With Digital becoming mainstream and top clients seeing stability, we expect a revival in revenue growth momentum. At parallel, margin improvement should be a function of initiatives both at an organic and inorganic level. Following our interaction, we believe that the margin recovery could play out sooner, especially if Magnet360 and Bluefin EBITDAs revert to the black.
- We see MTCL's margins improving to 14.4% by FY19 and potentially by another 110bp to 15.5% by FY20, driving 7%/8% upgrade in our earnings estimates for FY19/FY20. Such combination of growth and margin performance warrants a re-rating. Our revised price target of INR600 discounts forward earnings by 15x. We upgrade MTCL to Buy.

The lackluster recent growth rates at MTCL and the industry

- The industry's growth rate has softened, largely led by account-specific concerns across vendors. At MTCL (and peers), this has been compounded by cost pressures in traditional segments. The combination of challenges has not been completely offset by Digital, given its much lower base. Add to that the deflationary impact from Cloud and SaaS options to infrastructure and applications, respectively, and the growth environment gets tougher.
- That said, the median deal sizes in Digital have seen significant improvement, and are up as much as ~3x compared to the early days a couple of years ago. Growth of Digital base and resolution of account-specific issues are likely to help drive improvement in overall revenue traction, going forward.
- To corroborate that is a significantly improved pipeline, which is also a reflection of MTCL's improved perception as a provider of Digital solutions. Endorsement of its capabilities by the Analyst community (such as Gartner) has also played a key part.

Digital becoming mainstream-enough for offshore

- With the novelty of Digital and MTCL growing revenues mainly at onsite, the share of onsite revenues grew from 34.5% in 4QFY12 to 60.5% in 4QFY17. However, more and more incremental business in Digital will be carried out from offshore, as the capabilities have built up over time. Onsite revenues will not come down, but offshore will take over gradually.
- MTCL already has 80+ sales plays within Digital. Over the last few years, everything – from training to sales methods – has undergone significant change. The overarching encapsulation has been of selling solutions to clients rather than technologically-qualified staff.

Margins should only go up

- The margins in acquired entities of Bluefin and Magnet360 suffered amid revenue volatility as a consequence of high fixed cost base from expensive consulting. The combined EBITDA margin is loss of 15-20% compared to 6-7% positive EBITDA at the time of acquisition. This should recover, going forward, and the attempt is to resurrect profitability here to at least pre-acquisition levels.

Mindtree



Mr Rostow Ravanan— CEO, Managing Director

Mr Rostow Ravanan has played a pivotal role in the growth and success of Mindtree since inception. As CEO and Managing Director, he is responsible for providing strategic direction and achieving industry-leading growth for Mindtree. He is focused on delivering superior financial performance along with high customer and people satisfaction with a goal to make Mindtree a memorable company. In his most recent role, he headed the Enterprise Service Lines group and was responsible for growing Mindtree's European operations, across both existing and new clients. Previously, Mr Ravanan has also served as the Chief Financial Officer for more than 10 years, where he was responsible for finance and allied functions.

- That leaves the company to tackle one big issue – of expanding margins in the organic business. Adjusted organic EBITDA in 2QFY18 was 13.8%. This is a predominant focus of the senior leadership, which the company will gradually address in due course.

What has changed in our outlook post the interaction?

- We were modeling USD revenue CAGR of 9% over FY17-20 and EBITDA margin to inch up from 12.2% in FY18 to 13.7% in FY19, followed by 14.4% in FY20.
- Following our interaction, we believe that the recovery in margins could play out sooner, especially if Magnet360 and Bluefin EBITDAs revert to the black. We see MTCL's margins improving to 14.4% by FY19 and potentially by another 110bp to 15.5% by FY20. This drives 7%/8% upgrade in our earnings estimates for FY19/FY20.
- Going forward, stability in top-10 accounts combined with recent deal wins will drive revenue momentum, while margins improve on a combination of initiatives in both organic and inorganic businesses.
- We believe such a combination of growth and margin performance warrants a re-rating. Our revised price target of INR600 discounts forward earnings by 15x (18% upside). **We upgrade MTCL to Buy.**
- MTCL's average multiple of 14x embeds its worst periods, which have followed the acquisitions (Kyocera earlier, and Bluefin and Magnet360 now). However, the company has commanded a steep premium to peers, given its ability to resurrect from issues and demonstrate lengthy periods of outperformance after.



Shriram Transport Finance

BSE SENSEX 33,478 S&P CNX 10,327

CMP: INR1,267 TP: INR1,500 (18%) Buy



Stock Info

	SHTF IN
Bloomberg	SHTF IN
Equity Shares (m)	227
52-Week Range (INR)	1,336/778
1, 6, 12 Rel. Per (%)	15/21/27
M.Cap. (INR b)	295.4
M.Cap. (USD b)	4.6
Avg Val, INRm	853.2
Free float (%)	73.9

Financials Snapshot (INR b)

Y/E March	2018E	2019E	2020E
Net Inc.	66.3	74.8	86.8
PPP	53.4	60.1	70.0
PAT	18.0	23.7	28.9
EPS (INR)	79.5	104.5	127.3
EPS Gr. (%)	43.5	31.4	21.9
Cons. EPS (INR)	80.6	106.2	127.6
BV/Sh (INR)	558	644	749
Cons. BV (INR)	561	649	754
RoA on AUM (%)	2.7	3.1	3.3
RoE (%)	15.1	17.4	18.3
Payout (%)	17.4	17.4	17.4

Valuations

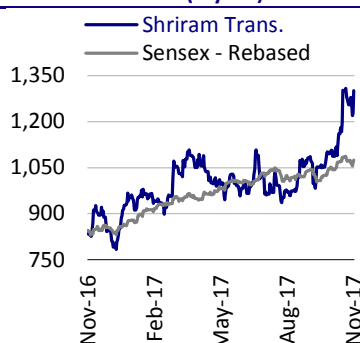
P/E (x)	15.7	11.9	9.9
P/BV (x)	2.3	2.0	1.7
Div. Yield (%)	0.9	1.2	1.5

Shareholding pattern (%)

As On	Sep-17	Jun-17	Sep-16
Promoter	26.1	26.1	26.1
DII	4.9	3.0	3.2
FII	48.1	49.5	30.3
Others	20.9	21.5	40.5

FII Includes depository receipts

Stock Performance (1-year)



Better days ahead

- We believe that Shriram Transport Finance (SHTF) is on the cusp of a strong earnings trajectory. Company-specific drivers (reduction in credit cost, C/I ratio), along with a recovery in the CV market, should lead to 30%+ earnings growth over FY17-20.
- Also, we reiterate our stance that SHTF will be a big beneficiary of CoF reduction due to a large share of high-cost legacy borrowings. Thus, contrary to investor fears of a margin contraction due to rapid migration toward lower-vintage vehicle financing, margins should actually remain steady or even improve, in our view.
- Asset quality has been stable on an apples-to-apples basis. Over the past several quarters, the GNPL ratio has ranged from 4-4.5% on a 180-dpd basis – similar to the levels seen in FY16 before the NPL migration. However, a key point here is that the NPL provision buffer has almost doubled from INR20b in 3QFY16 (prior to NPL migration) to INR35b (ex-CE provisions) in 2QFY18. Despite the NPL migration, SHTF has stuck with a PCR policy of 70%+, which impacted its earnings, in our view.
- Meanwhile, an analysis of write-offs (which we believe reflects the only credit loss to the company) suggests that asset quality has been rather stable over the past 3-4 years. Write-offs, as a percentage of two-year-lag average AUM, have been steady at 2.0-2.2%, suggesting that the rise in GNPLs is merely statutory and not economic.
- We acknowledge that SHTF is highly levered to the economy. However, given its (a) niche, difficult-to-replicate business model, (b) virtual monopoly in old vehicle (6+ years vintage) financing and (c) 12-15%+ AUM growth and 17-18% steady-state RoE, we believe that SHTG warrants a higher multiple. Every 25bp higher margin/lower credit cost has a positive impact of 15-20bp on ROAUM, leading to a 5% upgrade in earnings. We thus expect earnings upgrades for vehicle financiers, going ahead.

Valuation view

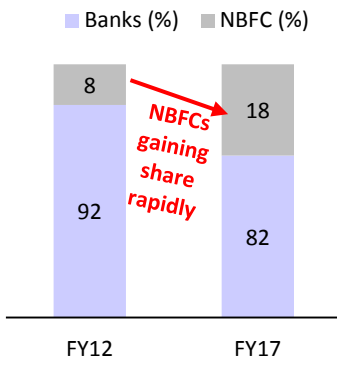
SHTF's return ratios are just off cyclical lows, with decadal high credit cost and NPLs. However, the elevated credit costs for the company over the past two years are just statutory and not economic – i.e. write-offs (as % of AUM) have been stable. Credit costs have been high only in order to maintain PCR and not because of high net credit losses. We believe that the worst of asset quality troubles is behind and that the company should witness improving return ratios due to lower credit costs. Additionally, we believe that margin compression fears are overplayed, with the company yet to reap benefits in its cost of funds (CoF).

We expect RoA/RoE of 3%/17% in FY19 and similar return ratios in the subsequent years. **With RoA of 3%, SHTF will be at the upper end of the RoA range of our NBFC universe.** However, its relatively slow AUM growth may limit the multiple that investors will pay for the stock, in our view. We use an RI model, with Rf of 7%, CoE of 14% and a terminal growth rate of 5%, to arrive at a target price of INR1,500 (2.1x Sep'19E BVPS). **Buy.**

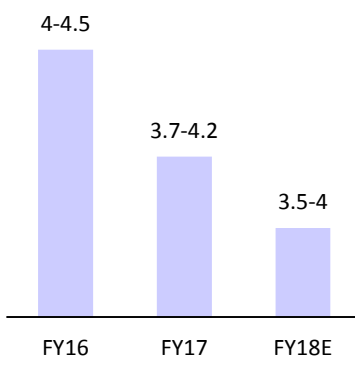


Financials - NBFC

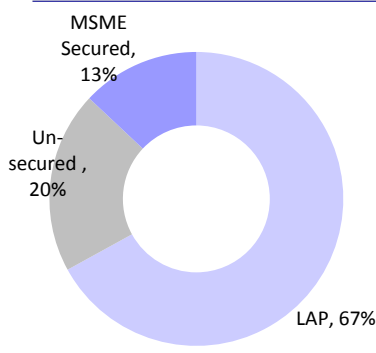
MSME financing for NBFCs faster than banks resulting in higher share for NBFCs (%)



Margins in LAP on the decline (%)



Mix for NBFCs – LAP is bulk of MSME credit



MSME lending – Challenging outlook

LAP losing its sheen; some dilution in underwriting standards

CRISIL conducted a webinar on its outlook for the MSME financing sector in India. NBFCs gaining market share rapidly

Against overall system-wide credit growth of ~9% in the past 5 years, the MSME lending book of banks and NBFCs grew at 13% CAGR to INR14tn currently. With a more customer-centric, on-the-ground approach, NBFCs have achieved stronger growth than banks with their MSME lending book growing at 32% CAGR vis-a-vis 10% for banks. Consequently, their market share increased from 8% in FY12 to 18% in FY17. **Going forward, NBFCs are expected to grow this book at ~20% CAGR, while that of banks should grow at ~9% CAGR.**

LAP a key driver of MSME lending...

As is well known, LAP has been a focused product for several NBFCs over the past few years, given large scalability potential, attractive margins and modest delinquencies. **As a result, the LAP portfolio (for banks and NBFCs) grew at 26% CAGR over FY12-17 as compared to 10% CAGR over the same time period for non-LAP MSME financing.** It now accounts for 24% of overall MSME lending, compared to 15% in FY12. For NBFCs alone, it accounts for 67% of the MSME lending book. However, given increased competition, declining margins and lower demand post demonetization and GST, **the LAP portfolio is expected to grow at 13-15% CAGR over the next two years, reaching a size of ~INR4.2t by FY19.**

...but losing its sheen, of late

In the first half of the decade, NBFCs engaged in LAP enjoyed strong growth with superior margins, and thus, very good return ratios. However, with increasing competition over the years, attractiveness of the sector has somewhat faded. **As per CRISIL, NIMs for NBFCs in LAP declined 30bp from 4-4.5% in FY16 to 3.7-4.2% in FY17 and is expected to reduce another 20bp in FY18.** At the same time, given increased delinquencies, GNPL ratio (2-year lagged) increased from 3.1% to 3.9% over FY15-17. For the whole MSME portfolio of NBFCs, the GNPL ratio increased from 2.9% to 6.1% over the same time period. Asset quality is expected to worsen in the near term due to GST-related challenges faced by the unorganised sector.

Intense competition leading to moderation in underwriting standards

A key trend observed by CRISIL is that NBFCs have been migrating more towards lower-ticket LAP due to better yields and lesser competition. Apart from this, there have been some concerning trends of dilution in underwriting standards witnessed over the past few quarters. For example, in order to maintain yields, **the share of commercial properties taken as mortgage for LAP has increased.** Similarly, **the share of unsecured lending by NBFCs is on the rise.** While it currently stands at 20% of overall MSME lending, on an incremental basis, 35% of disbursements are unsecured. In addition, there have been cases of 3-4 year loan tenures of unsecured loans being given today (v/s average of 1-2 years). Also, as per CRISIL, **around 35-40% of disbursements in LAP are balance transfer cases.**

GST to benefit the organized MSME sector

According to CRISIL, organized MSMEs will gain from GST driven by a) higher share of funding from formal sources b) elimination of cascading effect of taxes and efficiency in logistics c) availability of input tax credit for business overheads. However, there would be some disadvantages too, such as a) Lower threshold limit for tax exemption b) liable to pay taxes on procurement from unregistered suppliers c) extension of working capital cycle due to mismatch in purchase and sales invoice

Our view - Marked impact seen in the performance of some NBFCs

Some of the above-mentioned facts have been seen in the numbers reported by some NBFCs over the past few quarters. For example –

- **LAP margins of CIBC declined 70bp from 5.1% in FY16 to 4.4% in FY17**, and remained unchanged YoY in 1HFY18. At the same time, the GNPL ratio increased substantially from 3.4% in FY16 (120dpd) to 6% as of 1HFY18 (90dpd).
- **Growth in the LAP book slowed down significantly for both, BAF and CIBC.** BAF was one of the first NBFCs to go slow on LAP – the size of its LAP book has been largely stable since FY15. For CIBC, LAP book growth slowed down from 22% in FY16 to 8% in FY17 and further to 1% in 1HFY18.
- **Share of unsecured loans in the overall loan book for SCUF** increased from 5% in FY16 to 20% in FY17, implying that ~90% of incremental lending was unsecured.
- **Commercial real estate exposure for PNBHF** almost tripled from INR46b in FY16 to INR114b in FY17 (share of CRE exposure increased from 17% in FY16 to 29% in FY17).



BSE SENSEX 33,478 S&P CNX 10,327

CMP: INR1,016 TP: INR1,360(+34%) Buy



Stock Info

Bloomberg	CESC IN
Equity Shares (m)	133.2
52-Week Range (INR)	1080 / 555
1, 6, 12 Rel. Per (%)	-5/6/45
M.Cap. (INR b)	135.4
M.Cap. (USD b)	2.1
Avg Val (INRm)/Vol m	608
Free float (%)	50.1

Financials Snapshot (INR b)

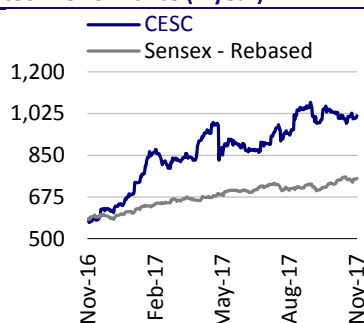
Y/E Mar	2017	2018E	2019E
Net Sales	139.0	149.1	160.6
EBITDA	31.6	36.7	38.9
PAT	6.9	11.9	13.6
EPS (INR)	51.9	89.1	102.1
Gr. (%)	14.7	71.7	14.7
BV/Sh (INR)	797.4	874.4	964.5
RoE (%)	6.5	10.7	11.1
RoCE (%)	7.3	8.4	8.7
P/E (x)	19.4	11.3	9.9
P/BV (x)	1.3	1.2	1.0

Shareholding pattern (%)

As On	Sep-17	Jun-17	Sep-16
Promoter	49.9	49.9	49.9
DII	22.1	40.9	19.0
FII	16.4	0.0	23.2
Others	11.5	9.2	7.9

FII Includes depository receipts

Stock Performance (1-year)



Gets 185MW PPA under flexi-coal scheme

Demerger to unlock value; maintain Buy

Dhariwal wins 185MW short-term PPA under flexi-coal scheme

Dhariwal is L1 to supply 185MW (net) to Maharashtra (MH) at INR2.76/kWh during December 2017 to June 2018. The contract is part of the flexible coal scheme ([report link](#)) under which coal will be supplied by MH at Coal India’s notified price. We estimate contribution margin of INR0.7-0.8/kWh. Dhariwal will supply the power from its second unit of 300MW (2x300MW plant). Though the margin is low, the strategy partially de-risks it from the volatile merchant market. Moreover, Dhariwal can now look to supply in day-ahead market from the remaining 115MW capacity, given that operation of part of the unit is now assured. MH could extend the contract, as the price is lower than variable cost of its own plants. We have increased PLF estimate from ~50% earlier to ~70% over FY19-20 for Dhariwal.

UP regulator rejects additional regulated PPA for Noida; no surprises

In another development, the Uttar Pradesh (UP) regulator has rejected the proposal for an additional regulated PPA between Dhariwal and Noida DISCOM. It has argued that a competitive bid can fetch lower tariff than the regulated tariff offered by Dhariwal. The decision does not come as a surprise. We were building in just ~50% PLF over FY18-20 at Dhariwal (existing long-term PPAs of 287MW and some merchant sales). There is no impact on our estimates. The probability of a long-term PPA was already low, given attractive merchant power rates.

Spencer’s – turnaround progressing well; focus shifting to growth

For Spencer’s, sales performance in the last couple of quarters was impacted by GST transition and some licensing issues in Andhra Pradesh (AP) and Telangana. Yet, it managed to report positive EBITDA (v/s -ve 1.3% margin in FY17), driven by savings in overheads. Sales have begun to recover from October and cost savings should continue. The management expects Spencer’s to turn PAT-positive from FY19. The focus in the last few years was to close unviable stores and reduce overheads. With performance improving, the focus will now shift back to growth.

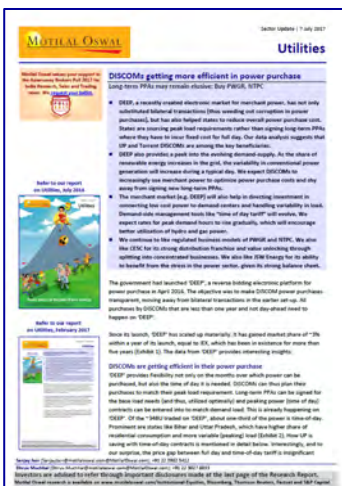
Demerger to unlock value; maintain Buy

We raise our PAT estimates marginally by ~3% to INR13.6b/INR14.8b for FY19/20 on higher PLF at Dhariwal. CESC’s demerger plans remain on track. It has received exchange and SEBI approval. Shareholder meeting is scheduled on December 15, 2017. The demerger into four separate businesses would drive value through unlocking the potential of the distribution and retail businesses. Distribution business will get re-rated on reduced volatility in earnings and lower cost of equity. Spencer’s too will command better valuations after expected turnaround in FY18. Our SOTP value is INR1,360/share. Maintain **Buy**.



Utilities

Our latest reports on Utilities



Seven things we learned at a conference on power distribution

We attended a conference on the power distribution sector organized by 'Powerline' on November 15-16, 2017. Our key takeaways:

1. Dr Arun Kumar Verma, Joint Secretary, Ministry of Power highlighted increasing focus on strengthening distribution infrastructure, metering and improving financial health of DISCOMs.
2. Distribution network is getting strengthened on improved central funding.
3. Madhya Pradesh (MP), Maharashtra, Rajasthan and Andhra Pradesh (AP) have started supplying power round the clock. However, this has not boosted overall demand. Peak load has declined in MP after feeder separation. Metering and feeder-wise monitoring impacts consumption by freeloaders. These states also mentioned that they have sufficient long-term PPAs to meet demand growth over the next 2-3 years.
4. DISCOMs continue to discourage open access. However, they are wooing back industrial customers with lower tariff.
5. Political will has improved to tackle AT&C losses in some states.
6. There was little discussion on privatization of DISCOMs and carriage & content, as states are less enthusiastic about them.
7. The business model of distribution companies and the regulatory framework will have to evolve from content providers to solution providers. Home automation, energy services, load management will be some of the new service areas.

We continue to like **Power Grid** and **NTPC**, being regulated, and offering strong earnings growth potential and good visibility. We also like **CESC**, as we see potential for value unlocking through demerger.

Sector valuation

	Rating	CMP (INR)	TP (INR)	Up/ (dw) %	MCAP USD m	EPS			P/E (x)		P/B(x)		RoE (%)	
						FY17E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E	FY18E	FY19E
Powergrid	Buy	209	261	25	17,039	14.0	17.4	20.4	12.0	10.2	1.9	1.7	17.0	17.4
NTPC	Buy	180	211	17	23,153	12.0	13.4	15.7	13.4	11.5	1.4	1.3	11.0	11.9
JSW Energy	Sell	81	49	-39	2,067	3.9	3.4	2.7	23.8	29.9	1.3	1.2	5.3	4.2
CESC	Buy	1,007	1,364	35	2,090	51.9	92.9	103.3	10.8	9.7	1.1	1.0	11.1	11.2
Tata Power	Sell	92	72	-22	3,868	7.4	7.3	7.5	12.6	12.2	1.9	1.7	16.0	14.6
Coal India	Buy	278	335	20	27,395	14.9	17.5	20.7	15.9	13.5	6.7	6.4	43.4	48.9

Source: MOSL, Company



1. BANK OF BARODA: Looking to raise funds via qip or rights issue in Q3FY18; PS Jayakumar, MD & CEO

- Looking to raise funds via qualified institutional placement (QIP) or rights issue in Q3 of FY18.
- Regarding PSU banks recapitalisation, the nature of tendering the projects has changed.
- Issues with regards to new loans possibly becoming non-performing assets (NPAs) are lower.
- Loan growth of 13.8 percent in the domestic business is sustainable.
- Have exposure to accounts worth Rs 4,500 crore under second National Company Law Tribunal (NCLT) list.
- Incremental provision for second list is around Rs 1,100-1,200 crore.
- Steel sector backed by running assets will hopefully see a turnaround.

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2. QUESS CORP: TBSS good investment for company; will invest more if it needs more capital; Ajit Isaac, CMD & CEO

- Company wanted to be in the customer lifecycle management space for a long while. Happy to have found a good target with TBSS. Think it is a good investment to make in this space.
- TBSS has a growth potential of 20 percent per annum. Think we can scale it further.
- Committed to growing the company so if it needs more capital, happy to put in more money into the company.
- Organically looking to grow businesses between 15 and 20 percent and layer acquisitions on top of that.
- Company looking at opportunity in landscaping space and services facilities for phones.

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3. JET AIRWAYS: Our drive towards debt reduction would continue; Amit Agarwal, CFO

- Have been focused on cost reduction drive for the last two-and-a-half years.
- In the last three years, the company has reduced the debt by Rs 2,850 crore.
- The focus of the company in the last two-and-a-half years to three years has been to reduce the cost and whatever cash flow is being generated from the business is going towards the debt reduction. Drive towards debt reduction would continue.
- Rs 8,000 crore is the current debt of the company.
- The upgrade on the Moody's rating is also going to help in terms of the sale and leaseback of the various aircrafts which company is going to get.

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1. Insiders do more than trade in India's bull market

- In India, you don't really exist till you're on the right WhatsApp groups. It's on those private chat rooms that political campaigns are sharpest; where India's sprawling extended families quarrel and make decisions; and, according to a recent Reuters investigation, where company quarterly results are predicted with surprising prescience. There's no proof of insider trading yet, but officials from the Securities and Exchange Board of India, or Sebi—India's market regulator—told the Economic Times that they were looking into the reports. This is just another reminder of the fact that, while nominally India's financial markets are set up to protect ordinary investors and market participants, in actual fact they work to protect insiders. This isn't generally understood, given that India's laws against insider trading and protecting minority shareholders are strict on paper. In the World Bank's ease of doing business indicators, for example, one of the few domains in which India has consistently done well is in the protection of minority shareholders.

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2. When Ambani brothers' bonds decoupled

- Two billionaire brothers, two bonds, two very different fates. This isn't the plot of yet another sequel to Jeffrey Archer's Kane and Abel, though it could very well be. Mukesh Ambani, India's richest man, sold 10-year dollar notes at just 130 basis points over US Treasuries on Monday. None of the existing debt of Indian non-financial issuers, including state-owned firms, was raised this cheaply, according to Bloomberg News reporters Carrie Hong and Neha D'silva. Moreover, Reliance Industries Ltd's \$800 million offer came days after a default by Reliance Communications Ltd, run by Mukesh's younger sibling, Anil Ambani. My apprehension that global investors would paint all Reliance bonds with the same brush—and punish the older brother for the younger's missed coupon—turned out to be unfounded.

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3. A matter of finding the right interest rate

- Let me begin by expressing my appreciation of Sudipto Mundle (Finding A Goldilocks Policy Interest Rate Mint, 19 October) for bringing to public attention the extremely important, but neglected, issue of the appropriate level of interest rates in India. In recent years, the discourse has focused on whether the current levels of interest rates should go up or down without reference to any benchmark. The general attitude is that interest rates are like any other price, determined in the market by supply and demand, with the government's role limited to manipulating it at the margin to sub-serve some policy objective, usually inflation rate. This view is incorrect, and perhaps even dangerous. The level of interest rate should be a key public policy objective in itself since it is central to determining savings and investment, choice of technologies and the structure and time-path of the economy. Moreover, it is naïve to believe that interest rates are "pure" prices determined entirely by the market. Interest rates on public debt instruments of different maturities set the floor for all interest rates in the economy.

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4. REACHING THE BOTTOM OF INDIA'S DIGITAL PYRAMID

- Digitization has received a significant policy push in India. There has been an emphasis on linking bank accounts and mobile number with Aadhaar, maintaining digital records, enforcing digital payments through demonetization or Aadhaar-enabled payments systems and making digitization as one of the core requirements in GST (goods and services tax) filings. However, the policy push towards digitization is one leg of the story. Its success crucially depends also on its adoption by the majority of the population living in far-flung rural areas. Without that, the result could be islands of the unempowered communities at the bottom of the digital pyramid with vast skill gaps risking a digitally divided India. It is in this perspective that we revisit the challenges of digitization at the bottom of the digital pyramid.

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International

A SILVER LINING FOR A HARD BREXIT

- It is easy to forget that defense and security are not the same thing. Defense is what countries must resort to when their security breaks down. And during peacetime, countries spend money on defense precisely because they fear for their security. Since 2014, the security environment for Britain and the European Union has deteriorated sharply. In March of that year, Russia invaded Ukraine and annexed Crimea. It was the first time since World War II that a major European power sought to redraw its own borders by force of arms. In 1994, Russia agreed to defend Ukraine's territorial integrity in exchange for Ukraine's handover of the nuclear weapons it had inherited from the Soviet Union. But Russia didn't stop with Crimea; since then, it has waged a low-intensity unconventional war against Ukraine in the country's eastern Donbas region.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Automobiles														
Amara Raja	Buy	803	856	7	28.0	28.3	34.2	28.7	28.4	5.3	4.6	20.3	17.3	18.1
Ashok Ley.	Buy	115	134	17	4.6	4.5	6.2	25.2	25.6	5.5	5.0	23.1	20.4	25.2
Bajaj Auto	Buy	3,293	3,753	14	132.3	145.2	175.0	24.9	22.7	5.6	5.0	25.3	23.3	25.3
Bharat Forge	Buy	710	844	19	13.1	19.1	26.0	54.3	37.1	8.0	6.9	16.2	20.1	23.2
Bosch	Neutral	19,253	19,965	4	473.1	457.8	603.0	40.7	42.1	6.7	6.1	15.8	15.2	18.1
CEAT	Buy	1,840	2,116	15	93.3	82.5	116.9	19.7	22.3	3.1	2.8	16.9	13.0	16.2
Eicher Mot.	Buy	30,397	34,722	14	612.7	814.7	1,062.7	49.6	37.3	15.5	11.7	37.1	35.7	35.0
Endurance Tech.	Buy	1,193	1,334	12	23.5	27.6	36.7	50.8	43.2	9.7	8.1	20.8	20.5	22.8
Escorts	Sell	696	688	-1	20.0	35.8	45.9	34.8	19.4	3.5	3.0	10.6	16.8	18.4
Exide Ind	Buy	203	254	25	8.1	7.9	9.7	25.0	25.7	3.5	3.2	13.9	12.5	13.7
Hero Moto	Neutral	3,681	3,819	4	169.1	183.1	193.9	21.8	20.1	7.3	6.3	35.7	33.7	31.1
M&M	Buy	1,418	1,607	13	54.3	75.0	85.7	26.1	18.9	3.3	3.0	14.2	14.5	14.6
Mahindra CIE	Not Rated	236	-		5.4	9.9	11.8	44.1	23.9	2.7	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	8,424	9,466	12	248.6	288.1	381.0	33.9	29.2	7.0	6.1	20.3	20.5	23.0
Tata Motors	Buy	424	575	36	19.8	24.6	64.8	21.4	17.2	2.5	2.2	9.8	13.4	28.3
TVS Motor	Neutral	708	764	8	11.7	14.9	25.8	60.3	47.5	14.0	11.4	25.6	26.5	35.6
Aggregate								29.8	25.2	5.1	4.5	17.1	17.7	22.7
Banks - Private														
Axis Bank	Buy	547	680	24	15.4	18.4	30.8	35.6	29.7	2.4	2.0	6.9	7.3	10.8
DCB Bank	Neutral	180	197	10	7.0	8.5	10.5	25.7	21.1	2.6	2.1	10.8	11.5	11.8
Equitas Hold.	Buy	145	209	44	5.0	1.7	5.7	28.8	83.9	2.2	2.1	9.5	2.6	8.2
Federal Bank	Buy	112	146	30	4.8	5.5	6.6	23.2	20.2	2.2	1.8	9.9	9.6	10.0
HDFC Bank	Buy	1,846	2,150	16	56.8	68.7	84.7	32.5	26.9	5.5	4.8	18.3	18.8	20.4
ICICI Bank	Buy	320	355	11	15.3	13.6	17.0	20.9	23.5	2.4	2.5	10.9	8.8	10.5
IDFC Bank	Neutral	55	56	2	3.0	2.8	3.2	18.3	19.7	1.3	1.2	7.2	6.3	6.9
IndusInd	Buy	1,646	2,000	22	48.1	60.9	78.6	34.2	27.0	4.8	4.3	15.3	16.9	19.0
J&K Bank	Buy	75	100	33	-31.3	4.1	8.7	NM	18.2	0.7	0.7	-27.0	4.0	8.0
Kotak Mah. Bk	Buy	1,029	1,179	15	26.8	32.1	41.6	38.4	32.1	5.0	4.4	13.8	14.8	16.5
RBL Bank	Buy	511	665	30	11.9	16.4	23.0	43.0	31.3	4.5	3.2	12.3	12.4	13.7
South Indian	Buy	31	36	15	2.5	1.9	3.8	12.6	16.9	1.2	1.2	9.0	6.7	12.6
Yes Bank	Buy	312	382	22	14.6	17.8	23.3	21.4	17.5	3.3	2.8	18.9	17.3	19.5
Aggregate								30.6	25.8	3.5	3.1	11.5	11.9	13.9
Banks - PSU														
BOB	Buy	181	201	11	6.0	17.9	22.6	30.2	10.1	1.2	1.1	4.0	6.4	9.4
BOI	Neutral	202	201	0	-14.8	3.2	9.2	NM	63.4	0.9	1.0	-6.7	1.5	4.3
Canara	Neutral	392	386	-2	18.8	16.1	30.3	20.9	24.3	0.8	0.8	4.2	3.4	6.1
IDBI Bk	Neutral	61	49	-18	1.5	6.4	8.6	39.6	9.4	0.6	0.5	1.4	5.8	7.3
Indian Bk	Buy	410	438	7	29.3	36.7	44.0	14.0	11.2	1.4	1.2	10.1	11.6	12.7
OBC	Neutral	128	150	17	-31.6	17.1	21.4	NM	7.5	0.4	0.3	-8.4	4.6	5.4
PNB	Buy	186	250	34	6.2	8.5	13.5	29.9	21.8	1.0	1.0	3.6	4.7	7.1
SBI	Buy	331	415	25	0.3	14.6	26.8	1,111.9	22.6	1.6	1.5	-0.2	7.0	11.4
Union Bk	Neutral	168	175	4	8.1	-13.5	6.0	20.8	NM	0.5	0.6	2.7	-4.7	2.1
Aggregate								124.2	21.7	1.1	1.0	0.9	4.6	7.7
NBFCs														
Aditya Birla Cap	Buy	205	231	12	0.0	3.7	5.4	NA	55.3	NA	5.3	0.0	12.5	12.3
Bajaj Fin.	Buy	1,806	2,300	27	32.0	45.7	63.7	56.4	39.5	10.8	6.3	21.6	20.2	20.4
Bharat Fin.	Under Review	974	-		21.0	30.3	47.2	46.4	32.2	5.5	4.5	15.1	15.3	19.3
Capital First	Buy	707	925	31	24.6	32.8	43.7	28.7	21.6	3.0	2.7	12.0	13.2	15.4
Cholaman.Inv.&Fn	Buy	1,294	1,500	16	46.0	59.2	70.4	28.1	21.9	4.7	3.9	18.0	19.6	19.6
Dewan Hsg.	Buy	622	690	11	29.6	37.6	46.0	21.0	16.5	2.5	2.2	14.4	14.1	15.3
GRUH Fin.	Neutral	503	500	-1	8.1	9.9	12.0	61.8	50.9	18.5	15.2	32.5	32.8	32.8
HDFC	Buy	1,692	2,000	18	46.8	51.6	57.1	36.1	32.8	6.7	6.1	18.9	19.3	18.6
HDFC Stand. Life	Buy	386	370	-4	4.5	4.7	5.4	86.2	81.8	NA	NA	25.5	22.7	22.2
Indiabulls Hsg	Buy	1,177	1,550	32	68.6	83.6	105.1	17.2	14.1	4.1	3.7	25.5	27.6	30.7

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
L&T Fin Holdings	Buy	179	240	34	5.2	6.9	10.4	34.2	25.8	4.0	3.5	12.4	14.9	18.9
LIC Hsg Fin	Neutral	601	680	13	38.2	41.0	46.5	15.7	14.7	2.7	2.4	19.1	17.4	17.2
Manappuram	Not Rated	101	-		8.6	9.2	9.7	11.7	11.0	2.6	2.3	24.0	22.3	21.4
M&M Fin.	Buy	437	481	10	7.1	14.2	19.1	61.7	30.9	3.8	3.6	6.4	11.9	14.8
Muthoot Fin	Neutral	452	550	22	29.5	42.6	42.0	15.3	10.6	2.8	2.3	19.4	23.8	19.9
PNB Housing	Buy	1,386	1,750	26	31.6	52.5	66.5	43.8	26.4	4.2	3.7	13.8	15.0	16.7
Repco Home	Buy	617	800	30	29.1	36.0	41.9	21.2	17.2	3.4	2.8	17.4	18.0	17.6
Shriram City Union	Buy	2,055	2,650	29	84.3	115.6	145.3	24.4	17.8	2.7	2.4	11.7	14.3	15.9
STF	Buy	1,267	1,415	12	55.6	80.6	106.2	22.8	15.7	2.6	2.3	11.7	15.1	17.4
Aggregate								33.7	26.9	5.4	4.6	16.1	17.2	17.9
Capital Goods														
ABB	Sell	1,383	1,230	-11	19.7	20.2	28.7	70.2	68.3	8.9	7.9	12.7	11.6	14.6
Bharat Elec.	Buy	178	210	18	6.3	7.1	8.0	28.2	25.0	5.8	4.5	20.6	17.9	18.1
BHEL	Sell	88	78	-11	1.3	2.9	3.0	65.3	29.8	1.0	1.0	1.5	3.3	3.3
Blue Star	Neutral	697	685	-2	12.9	16.5	24.4	54.1	42.3	8.8	8.3	18.0	20.2	27.8
CG Cons. Elec.	Buy	244	260	7	4.7	5.2	6.5	52.1	47.0	28.3	20.8	76.4	51.0	49.6
CG Power & Indu.	Neutral	86	90	5	4.1	1.4	2.3	21.0	59.7	1.3	1.3	6.2	2.1	3.3
Cummins	Buy	851	1,150	35	26.5	25.3	35.0	32.1	33.6	6.3	5.9	21.2	18.1	22.2
GE T&D	Neutral	406	440	8	5.7	9.4	11.2	70.9	43.1	10.1	8.8	12.4	21.8	22.6
Havells	Neutral	507	570	13	9.6	11.5	14.3	53.0	44.0	9.7	8.6	18.2	19.5	21.2
K E C Intl	Neutral	301	350	16	11.9	14.3	17.6	25.4	21.1	4.9	4.1	19.2	19.5	20.2
L&T	Buy	1,222	1,450	19	42.3	49.0	57.5	28.9	24.9	3.4	3.1	12.5	13.1	14.0
Pennar Eng.	Not Rated	102	-		7.1	9.1	11.2	14.4	11.2	1.5	1.3	10.2	11.6	12.6
Siemens	Neutral	1,196	1,355	13	17.8	21.7	33.4	67.1	55.2	6.2	5.4	9.3	9.8	13.8
Solar Ind	Neutral	1,190	1,120	-6	20.6	26.2	31.3	57.7	45.4	10.6	8.9	19.8	21.4	21.5
Suzlon Energy	Not Rated	14	-		0.6	0.9	1.0	21.9	15.8	-1.3	-1.4	NM	-8.8	-11.0
Thermax	Neutral	1,052	930	-12	30.8	29.9	34.4	34.1	35.2	4.7	4.3	14.3	12.6	13.2
Va Tech Wab.	Buy	548	745	36	29.9	34.5	37.2	18.3	15.9	3.0	2.6	16.9	17.5	16.4
Voltas	Neutral	627	550	-12	15.5	17.5	19.6	40.6	35.8	6.3	5.6	18.0	16.5	16.3
Aggregate								36.3	30.8	4.1	3.7	11.2	11.9	13.0
Cement														
Ambuja Cem.	Neutral	262	314	20	4.9	6.9	8.4	53.6	37.7	2.7	2.6	5.1	7.0	8.0
ACC	Neutral	1,705	1,797	5	36.1	52.2	70.9	47.2	32.7	3.7	3.5	7.9	11.1	14.2
Birla Corp.	Buy	1,115	1,435	29	28.5	32.2	56.7	39.1	34.6	2.6	2.5	7.1	7.3	12.0
Dalmia Bharat	Buy	3,019	3,517	16	38.8	60.8	83.7	77.9	49.7	5.4	4.9	7.2	10.3	12.7
Grasim Inds.	Neutral	1,168	1,302	11	67.8	81.9	116.8	17.2	14.3	1.7	1.6	10.8	11.5	14.5
India Cem	Neutral	170	188	10	5.6	5.8	10.5	30.3	29.2	1.0	1.0	3.4	3.5	6.0
J K Cements	Buy	994	1,324	33	33.7	47.8	61.8	29.5	20.8	3.9	3.4	14.4	17.5	19.2
JK Lakshmi Ce	Buy	399	512	28	7.0	12.1	19.1	57.3	32.9	3.4	3.1	6.1	9.9	13.9
Ramco Cem	Buy	711	853	20	27.3	27.1	35.1	26.1	26.2	4.5	3.9	19.0	16.0	17.9
Orient Cem	Buy	165	205	24	-1.6	6.3	9.1	NM	26.3	3.4	3.1	-3.2	12.3	15.6
Prism Cem	Buy	111	128	15	0.3	2.7	5.0	407.7	40.6	5.9	5.3	1.4	13.7	21.3
Shree Cem	Buy	16,951	21,852	29	384.4	486.2	499.3	44.1	34.9	7.7	6.4	18.4	20.0	17.4
Ultratech	Buy	4,162	4,906	18	96.1	102.2	147.1	43.3	40.7	4.8	4.3	11.6	11.1	14.2
Aggregate								37.6	30.2	3.5	3.2	9.4	10.7	12.9
Consumer														
Asian Paints	Neutral	1,161	1,280	10	21.0	21.6	25.8	55.2	53.8	14.7	14.3	28.5	26.9	29.4
Britannia	Buy	4,821	5,845	21	73.7	84.5	106.9	65.4	57.0	21.5	17.7	36.9	34.0	35.2
Colgate	Buy	1,044	1,328	27	21.2	23.4	28.6	49.2	44.6	22.3	21.2	50.4	48.7	56.2
Dabur	Buy	339	395	16	7.2	7.7	9.3	46.8	43.9	12.3	10.6	28.4	26.0	27.3
Emami	Buy	1,272	1,435	13	26.5	26.6	33.2	48.0	47.9	16.5	14.1	35.8	31.7	34.0
Godrej Cons.	Neutral	953	1,015	7	18.9	21.2	24.5	50.4	45.0	12.2	9.6	24.6	23.8	22.9
GSK Cons.	Neutral	6,022	5,400	-10	156.1	160.8	182.3	38.6	37.5	8.1	7.9	22.2	21.4	22.6
HUL	Buy	1,277	1,440	13	19.6	22.8	27.6	65.0	56.0	42.6	42.4	66.5	75.9	88.0
ITC	Neutral	256	280	9	8.4	9.1	10.0	30.5	28.1	6.9	6.8	23.5	24.4	25.6

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Jyothy Lab	Neutral	346	365	5	11.2	9.2	10.9	30.8	37.7	5.8	5.9	21.1	15.5	18.3
Marico	Neutral	304	340	12	6.3	6.5	7.9	48.4	46.8	16.9	14.7	36.7	33.6	37.1
Nestle	Neutral	7,750	7,750	0	123.7	128.4	149.0	62.7	60.3	24.8	22.4	40.9	39.0	40.9
Page Inds	Buy	22,981	25,580	11	238.7	296.6	413.1	96.3	77.5	38.5	30.8	40.0	39.8	44.4
Parag Milk	Neutral	237	275	16	3.6	8.9	12.4	65.7	26.5	3.0	2.7	6.0	10.8	13.3
Pidilite Ind.	Buy	837	975	17	16.7	17.2	20.8	50.0	48.6	13.0	10.7	28.2	24.1	23.9
P&G Hygiene	Neutral	9,209	9,267	1	132.9	151.5	176.7	69.3	60.8	43.4	36.0	39.3	64.8	62.9
Prabhat Dairy	Not Rated	162	-		3.5	3.5	6.4	46.0	46.7	2.3	2.2	5.2	4.9	8.5
United Brew	Buy	1,071	1,320	23	8.7	14.7	18.0	123.3	73.0	12.1	10.6	10.2	15.5	16.5
United Spirits	Neutral	3,205	2,970	-7	26.7	34.9	53.7	119.9	91.8	24.0	16.7	21.3	18.2	20.9
Aggregate								48.3	44.0	13.3	12.4	27.6	28.2	29.5
Healthcare														
Alembic Phar	Neutral	515	540	5	21.6	21.6	24.9	23.9	23.8	5.1	4.4	23.0	19.9	19.8
Alkem Lab	Neutral	1,954	1,950	0	74.6	68.8	90.7	26.2	28.4	5.2	4.6	21.9	17.2	19.6
Ajanta Pharma	Buy	1,343	1,606	20	57.3	52.7	64.1	23.4	25.5	7.6	6.1	36.7	26.4	25.7
Aurobindo	Buy	709	900	27	39.3	44.6	50.3	18.1	15.9	4.4	3.5	27.6	24.6	22.3
Biocon	Neutral	420	335	-20	10.2	6.1	10.5	41.1	68.8	5.2	4.9	12.3	7.2	11.4
Cadila	Buy	448	555	24	14.2	17.5	23.7	31.5	25.6	6.6	5.5	23.0	23.4	26.1
Cipla	Neutral	617	600	-3	15.9	21.1	27.0	38.8	29.2	4.0	3.5	10.2	12.1	13.6
Divis Lab	Neutral	1,043	1,100	6	39.9	32.4	43.7	26.1	32.2	5.2	5.4	22.0	16.3	21.2
Dr Reddy's	Neutral	2,391	2,575	8	72.6	60.6	115.2	32.9	39.5	3.2	3.1	9.7	8.2	14.1
Fortis Health	Buy	129	185	43	10.3	1.9	4.9	12.5	68.6	1.2	1.0	10.0	1.6	3.9
Glenmark	Neutral	592	650	10	39.3	37.9	42.8	15.1	15.6	3.7	3.1	24.7	19.6	18.4
Granules	Buy	126	200	59	7.2	8.0	11.0	17.4	15.7	3.2	2.2	21.1	17.7	18.8
GSK Pharma	Neutral	2,491	2,500	0	34.4	44.2	54.9	72.5	56.4	10.5	12.4	14.5	22.0	31.4
IPCA Labs	Neutral	542	550	2	16.1	18.6	26.5	33.7	29.2	2.8	2.6	8.6	9.2	12.0
Jubilant Life	Buy	649	861	33	36.9	44.2	55.0	17.6	14.7	2.9	2.5	18.0	18.4	19.2
Lupin	Buy	838	1,000	19	56.6	37.6	42.7	14.8	22.3	2.8	2.6	20.9	12.0	12.5
Sanofi India	Buy	4,477	5,000	12	129.1	139.0	156.2	34.7	32.2	5.9	5.5	17.1	17.1	17.6
Shilpa Medicare	Buy	641	797	24	14.0	18.1	29.9	45.8	35.4	5.6	4.9	14.4	14.7	20.5
Strides Shasun	Buy	826	1,214	47	32.3	41.8	69.2	25.6	19.8	2.7	2.4	10.8	12.9	18.3
Sun Pharma	Buy	538	610	13	26.1	14.4	22.9	20.6	37.5	3.5	3.4	18.1	9.2	13.7
Syngene Intl	Not Rated	517	-		13.0	16.1	18.0	39.7	32.0	8.0	6.6	22.2	22.5	20.7
Torrent Pharma	Neutral	1,273	1,400	10	55.2	50.0	61.4	23.1	25.4	5.0	4.4	23.8	18.3	19.9
Aggregate								23.7	27.8	4.0	3.6	16.8	12.9	15.4
Infrastructure														
Ashoka Buildcon	Buy	214	260	21	-0.5	1.8	7.1	NM	118.4	2.4	2.2	-0.6	1.9	7.0
IRB Infra	Neutral	230	240	5	20.3	22.9	23.2	11.3	10.0	1.5	1.3	14.0	14.1	12.9
KNR Constructions	Buy	275	295	7	12.0	13.3	14.1	23.0	20.6	4.3	3.6	20.7	19.1	17.0
Sadbhav Engineering	Buy	340	385	13	11.0	14.3	14.5	31.1	23.8	3.5	3.1	12.0	13.8	12.5
Aggregate								20.2	16.8	2.2	2.0	11.0	11.8	11.6
Logistics														
Allcargo Logistics	Buy	171	215	26	9.8	10.9	13.3	17.4	15.7	2.3	2.1	13.7	14.1	15.4
Blue Dart	Not Rated	4,182	-		102.5	129.9	163.2	40.8	32.2	18.1	13.8	50.5	48.6	46.8
Concor	Neutral	1,356	1,496	10	38.0	42.7	55.2	35.7	31.8	3.7	3.6	10.8	11.5	14.1
Gateway Distriparks	Buy	263	282	7	6.8	8.8	11.6	38.7	30.0	2.8	2.7	7.3	9.2	11.7
Gati	Not Rated	133	-		8.4	15.9	23.9	15.9	8.4	2.2	1.9	12.4	19.4	25.4
Transport Corp.	Not Rated	287	-		16.9	21.0	25.9	17.0	13.7	2.6	2.2	16.7	17.8	18.6
Aggregate								31.5	26.4	3.9	3.6	12.3	13.6	16.1
Media														
Dish TV	Buy	77	106	38	1.0	1.0	2.4	74.7	75.4	16.6	13.6	25.1	19.9	35.2
D B Corp	Buy	361	430	19	20.0	21.7	25.4	18.1	16.6	4.2	3.5	24.6	22.8	22.2
Den Net.	Neutral	93	90	-3	-9.3	-2.9	0.1	NM	NM	2.0	2.1	-19.1	-6.4	0.2

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Ent.Network	Neutral	791	910	15	11.4	11.6	20.1	69.2	68.4	4.4	4.2	6.7	6.3	10.1
Hind. Media	Buy	243	302	24	25.8	25.6	30.2	9.4	9.5	1.5	1.3	18.2	15.0	15.3
HT Media	Neutral	100	113	13	7.4	10.4	11.9	13.5	9.6	1.0	0.9	7.9	10.2	10.6
Jagran Prak.	Buy	163	225	38	10.7	11.3	13.4	15.3	14.5	2.5	2.5	18.5	17.3	19.3
Music Broadcast	Buy	368	469	27	6.4	9.0	14.2	57.3	40.8	3.8	3.5	11.2	9.0	12.6
PVR	Buy	1,367	1,640	20	20.5	27.1	43.0	66.6	50.5	6.6	5.9	10.4	12.4	17.0
Prime Focus	Buy	101	130	28	1.2	3.1	6.1	82.9	32.9	5.4	4.7	7.6	15.3	24.8
Siti Net.	Neutral	25	27	9	-1.9	-0.8	0.1	NM	NM	4.0	4.7	-29.4	-14.2	2.4
Sun TV	Buy	848	1,005	18	24.9	28.1	35.7	34.1	30.2	8.3	7.7	26.0	26.4	30.7
Zee Ent.	Buy	540	630	17	12.1	10.5	16.0	44.5	51.6	6.1	5.6	17.0	12.8	16.8
Aggregate								40.8	34.9	5.1	4.7	12.6	13.5	17.2
Metals														
Hindalco	Buy	261	326	25	8.6	18.8	26.4	30.5	13.9	2.0	1.8	7.4	13.6	16.5
Hind. Zinc	Neutral	316	322	2	19.7	22.7	33.5	16.1	13.9	4.3	4.6	24.4	32.3	42.5
JSPL	Buy	173	209	21	-20.9	-15.1	0.5	NM	NM	0.5	0.6	-7.9	-4.7	0.1
JSW Steel	Buy	268	297	11	14.8	20.3	24.9	18.1	13.2	2.9	2.4	17.3	19.8	20.2
Nalco	Neutral	83	87	5	3.7	4.7	5.8	22.3	17.8	1.6	1.5	7.2	8.6	10.1
NMDC	Buy	126	187	48	10.0	13.3	12.7	12.7	9.5	1.8	1.6	12.8	15.7	16.3
SAIL	Sell	83	43	-48	-10.1	-6.4	-4.3	NM	NM	0.9	0.9	-9.9	-6.9	-4.9
Rain Industries	Buy	304	492	62	9.6	25.5	38.9	31.5	11.9	3.4	2.7	10.9	25.2	29.7
Vedanta	Buy	313	394	26	15.1	25.5	44.4	20.7	12.3	1.9	1.8	9.7	15.1	23.8
Tata Steel	Neutral	711	672	-6	37.9	59.4	65.2	18.7	12.0	2.2	2.0	15.7	17.1	16.6
Aggregate								26.2	15.5	1.8	1.8	7.0	11.4	15.3
Oil & Gas														
BPCL	Buy	512	643	26	48.3	43.1	52.1	10.6	11.9	3.3	2.8	32.4	25.2	25.8
GAIL	Sell	459	378	-18	22.6	28.1	31.9	20.3	16.3	2.0	1.9	9.6	12.0	12.6
Gujarat Gas	Sell	843	721	-14	16.1	29.7	44.1	52.5	28.4	7.1	5.9	14.0	22.6	27.3
Gujarat St. Pet.	Neutral	208	184	-12	8.8	12.1	13.2	23.6	17.1	2.6	2.3	11.6	14.4	14.0
HPCL	Buy	418	579	38	40.7	36.4	42.8	10.3	11.5	3.1	2.7	32.4	25.1	25.0
IOC	Buy	396	554	40	41.9	39.5	43.6	9.5	10.0	1.8	1.6	20.7	17.2	16.9
IGL	Neutral	310	301	-3	8.8	9.9	11.0	35.3	31.3	7.4	6.3	21.0	21.7	20.4
MRPL	Sell	126	110	-13	14.8	9.2	11.5	8.5	13.7	2.2	2.0	31.4	15.1	16.7
Oil India	Buy	354	418	18	19.3	29.8	40.5	18.3	11.9	1.0	0.9	5.7	8.0	10.4
ONGC	Buy	181	231	28	16.4	19.0	22.8	11.0	9.5	1.0	1.0	10.1	10.8	12.5
PLNG	Buy	253	312	23	11.4	15.0	16.7	22.2	16.9	4.7	3.9	23.2	25.2	23.7
Reliance Ind.	Buy	932	1,077	16	48.3	56.7	62.1	19.3	16.4	2.0	1.8	11.6	12.1	12.0
Aggregate								14.0	13.0	1.8	1.7	13.1	12.9	13.5
Retail														
Jubilant Food	Sell	1,732	1,270	-27	10.0	21.4	27.4	173.1	80.8	14.2	13.3	8.2	16.5	20.9
Titan Co.	Buy	817	850	4	9.0	12.5	15.9	90.4	65.3	17.0	13.8	20.6	23.4	25.5
Aggregate								93.4	64.8	16.0	13.3	17.1	20.5	23.9
Technology														
Cyient	Buy	555	600	8	30.6	36.0	41.9	18.1	15.4	2.9	2.7	16.2	17.4	18.3
HCL Tech.	Neutral	837	970	16	59.8	63.2	68.2	14.0	13.3	3.5	3.3	27.5	25.9	25.6
Hexaware	Neutral	336	270	-20	13.7	16.3	17.0	24.5	20.6	6.0	5.1	26.5	26.4	23.4
Infosys	Buy	966	1,100	14	62.8	63.8	67.8	15.4	15.1	3.2	3.5	22.0	21.8	22.5
KPIT Tech	Neutral	173	160	-7	11.9	11.9	14.1	14.5	14.5	2.2	1.9	14.3	14.1	14.5
L&T Infotech	Buy	976	950	-3	55.5	61.6	66.0	17.6	15.8	6.4	4.9	41.6	35.2	29.6
Mindtree	Buy	507	600	18	24.9	28.5	33.6	20.4	17.8	3.3	3.2	16.8	17.3	20.4
Mphasis	Neutral	727	670	-8	38.9	42.0	46.0	18.7	17.3	2.5	2.8	13.2	14.6	17.3
NIIT Tech	Neutral	637	600	-6	38.0	43.7	50.3	16.8	14.6	2.2	2.2	13.7	15.1	16.4
Persistent Sys	Buy	652	780	20	37.7	43.3	52.4	17.3	15.1	2.7	2.6	17.0	17.9	20.8
Tata Elxsi	Buy	932	1,004	8	28.1	33.8	40.2	33.1	27.5	10.4	8.4	37.1	33.6	32.4
TCS	Neutral	2,677	2,450	-8	133.4	131.8	151.4	20.1	20.3	6.0	6.4	32.6	30.6	33.5
Tech Mah	Buy	494	560	13	30.9	35.8	37.7	16.0	13.8	2.6	2.5	18.4	18.9	18.2

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Wipro	Neutral	294	280	-5	16.9	19.1	20.1	17.4	15.4	2.8	2.7	16.9	17.0	16.7
Zensar Tech	Buy	879	1,020	16	52.1	52.8	72.7	16.9	16.7	2.7	2.4	17.2	15.3	18.4
Aggregate								17.7	17.5	4.1	4.3	22.9	24.4	23.2
Telecom														
Bharti Airtel	Buy	503	680	35	11.3	3.8	6.5	44.4	134.0	3.0	2.9	6.8	2.2	3.7
Bharti Infratel	Neutral	383	440	15	14.9	16.8	19.2	25.8	22.8	4.6	4.6	16.2	20.2	22.8
Idea Cellular	Buy	101	110	9	-1.1	-16.1	-18.0	NM	NM	1.5	1.9	-1.6	-26.6	-41.4
Tata Comm	Buy	699	780	12	10.0	5.4	18.2	70.0	128.7	12.5	13.6	48.4	10.1	30.0
Aggregate								45.6	-313.0	3.0	3.1	6.6	-1.0	0.2
Utilities														
Coal India	Buy	274	335	22	14.9	17.5	20.7	18.4	15.7	6.9	6.6	37.8	42.4	47.7
CESC	Buy	1,016	1,360	34	51.9	88.9	99.3	19.6	11.4	1.3	1.2	6.5	10.6	10.8
JSW Energy	Sell	80	51	-36	3.8	4.0	3.3	20.8	19.8	1.3	1.2	6.3	6.3	5.0
NTPC	Buy	183	211	15	12.0	13.4	15.7	15.3	13.6	1.5	1.4	10.5	11.0	11.9
Power Grid	Buy	207	261	26	14.0	17.4	20.4	14.8	11.9	2.2	1.9	15.6	17.0	17.4
Tata Power	Sell	93	72	-22	7.4	7.3	7.5	12.5	12.7	2.1	2.0	17.1	16.0	14.6
Aggregate								16.5	13.9	2.4	2.2	14.4	15.7	16.8
Others														
Arvind	Neutral	429	425	-1	12.4	10.5	16.5	34.6	40.7	3.1	3.0	10.3	7.4	10.9
Avenue Supermarts	Sell	1,112	873	-22	7.7	12.0	17.5	145.0	92.8	18.1	15.9	17.9	18.2	22.9
Bata India	Under Review	767	-		13.5	16.3	20.1	56.7	47.1	7.4	6.6	13.9	14.9	16.3
BSE	Neutral	951	1,100	16	41.0	45.3	46.1	23.2	21.0	1.9	1.9	8.3	9.3	8.0
Castrol India	Buy	390	467	20	13.6	12.6	13.3	28.7	30.9	32.6	29.5	115.0	100.3	96.1
Century Ply.	Neutral	295	323	10	8.7	9.8	12.9	33.9	30.0	9.2	7.6	31.1	27.7	29.6
Coromandel Intl	Buy	509	523	3	16.6	24.1	29.0	30.6	21.1	5.1	4.4	17.5	22.5	23.4
Delta Corp	Buy	263	257	-2	3.1	5.7	8.0	86.0	46.4	6.6	4.4	8.1	12.1	12.9
Dynamatic Tech	Buy	2,050	3,334	63	67.6	112.9	166.7	30.3	18.2	4.2	3.4	15.1	20.7	24.3
Eveready Inds.	Buy	407	400	-2	12.9	14.3	17.4	31.6	28.4	10.2	8.2	37.7	32.1	31.5
Interglobe	Neutral	1,168	1,291	11	43.2	63.2	75.4	27.0	18.5	11.9	6.8	51.0	46.8	43.0
Indo Count	Neutral	124	128	4	13.0	8.0	10.7	9.5	15.4	2.9	2.4	34.8	17.0	18.5
Info Edge	Buy	1,203	1,300	8	15.7	23.6	26.2	76.8	50.9	7.4	6.6	10.2	13.7	13.7
Inox Leisure	Sell	284	240	-15	3.3	8.0	12.0	85.2	35.4	4.9	4.4	5.9	12.5	16.2
Jain Irrigation	Under Review	114	-		5.5	7.6	10.0	20.6	15.1	1.8	1.7	8.6	11.7	14.8
Just Dial	Neutral	537	465	-13	17.5	18.5	21.1	30.8	29.1	4.1	3.7	14.8	13.4	13.7
Kaveri Seed	Buy	548	738	35	19.1	34.1	41.0	28.8	16.1	3.7	3.9	13.6	23.3	27.4
Kitex Garm.	Buy	307	394	28	18.6	22.1	26.2	16.5	13.9	4.4	3.6	29.8	28.6	27.6
Manpasand	Buy	414	492	19	6.3	9.9	15.4	65.2	41.7	4.1	3.8	7.3	8.4	13.5
MCX	Buy	962	1,300	35	24.8	26.5	43.4	38.8	36.4	3.6	3.7	10.2	10.0	15.9
Monsanto	Buy	2,489	3,295	32	86.2	105.0	126.6	28.9	23.7	8.1	7.3	31.5	32.5	34.5
Navneet Education	Buy	156	209	34	7.3	8.4	10.4	21.4	18.5	5.3	4.5	26.7	26.3	27.9
Qess Corp	Buy	907	1,170	29	10.0	31.1	32.7	90.7	29.2	12.3	5.0	19.0	24.2	16.4
PI Inds.	Buy	820	890	9	33.4	29.9	35.6	24.6	27.4	6.9	5.8	32.8	23.0	22.9
Piramal Enterp.	Buy	2,620	3,266	25	72.6	104.6	149.7	36.1	25.1	3.0	2.8	9.0	11.7	15.3
SRF	Buy	1,766	1,992	13	85.9	76.7	104.9	20.6	23.0	3.2	2.9	16.6	13.2	16.3
S H Kelkar	Buy	255	301	18	7.2	6.6	9.7	35.1	38.5	4.5	4.2	13.7	11.3	15.1
Symphony	Sell	1,564	1,288	-18	23.7	35.1	42.9	66.1	44.6	24.5	21.6	43.3	51.6	54.5
Team Lease Serv.	Buy	1,892	2,300	22	38.8	43.0	66.4	48.8	44.0	8.5	7.1	19.2	17.6	22.2
Trident	Buy	87	114	31	6.6	8.3	10.4	13.1	10.5	1.6	1.4	13.0	14.5	16.1
TTK Prestige	Neutral	6,772	5,281	-22	132.1	137.8	176.1	51.3	49.1	9.3	8.4	19.5	18.0	20.7
V-Guard	Neutral	232	167	-28	3.6	4.5	6.0	64.9	51.8	15.5	12.6	27.4	26.9	28.8
Wonderla	Buy	364	393	8	7.0	11.9	16.0	52.1	30.5	4.8	4.3	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	0.0	17.5	-11.6
Ashok Ley.	-0.2	-11.1	51.1
Bajaj Auto	1.5	2.4	30.3
Bharat Forge	1.8	12.9	65.6
Bosch	-0.7	-10.9	4.1
CEAT	3.5	7.2	59.0
Eicher Mot.	-0.8	-3.5	49.3
Endurance Tech.	-0.9	8.4	128.5
Escorts	0.4	-3.4	146.1
Exide Ind	0.8	-2.2	19.2
Hero Moto	0.6	-1.5	25.7
M&M	0.7	3.2	18.2
Mahindra CIE	-1.1	0.1	29.9
Maruti Suzuki	0.0	8.9	75.9
Tata Motors	0.4	-0.7	-7.1
TVS Motor	-0.1	3.3	105.5
Banks - Private			
Axis Bank	0.3	18.8	17.4
DCB Bank	-0.7	0.6	69.0
Equitas Hold.	-0.8	-4.9	-3.1
Federal Bank	-1.1	-10.2	67.3
HDFC Bank	0.5	-0.2	54.0
ICICI Bank	0.5	24.1	34.6
IDFC Bank	-0.1	-2.7	-19.9
IndusInd	-0.1	-2.9	55.5
J&K Bank	-0.5	1.8	28.8
Kotak Mah. Bk	-0.8	-4.6	35.0
RBL Bank	-0.5	-2.1	53.6
South Indian	-0.2	-2.2	65.6
Yes Bank	-0.4	-12.9	40.2
Banks - PSU			
BOB	-2.2	33.7	11.8
BOI	-1.7	50.0	72.2
Canara	-0.2	30.0	31.4
IDBI Bk	-0.8	17.0	-11.0
Indian Bk	-1.9	57.9	63.6
OBC	-1.4	13.1	9.9
PNB	-0.7	43.6	36.4
SBI	-0.7	36.4	28.3
Union Bk	-1.4	33.3	12.9
NBFCs			
Aditya Birla Cap	0.6	11.8	
Bajaj Fin.	0.0	-2.2	116.8
Bharat Fin.	-0.3	-4.1	44.3
Capital First	0.3	-6.4	44.5
Cholaman.Inv.&Fn	0.9	16.2	32.0
Dewan Hsg.	-2.6	4.4	183.5
GRUH Fin.	1.0	-2.0	75.3
HDFC	0.1	-3.1	38.1
HDFC Stand. Life	8.6		
Indiabulls Hsg	-1.8	-13.6	80.7
L&T Fin.Holdings	-5.0	-12.9	115.7
LIC Hsg Fin	-0.7	-9.2	20.0
Manappuram	-1.6	-1.9	44.6
M&M Fin.	0.3	3.2	64.6

Company	1 Day (%)	1M (%)	12M (%)
Bharat Elec.	-1.1	3.1	53.0
BHEL	0.3	3.2	2.0
Blue Star	-0.6	-13.0	51.0
CG Cons. Elec.	-0.7	12.9	61.1
CG Power & Inds Sol.	2.4	5.6	24.0
Cummins	-0.3	-4.6	11.6
GE T&D	0.2	7.3	23.0
Havells	-0.8	-7.5	62.6
K E C Intl	1.8	0.3	116.6
L&T	-0.5	7.1	35.9
Pennar Eng.	-0.5	-13.1	-30.4
Siemens	1.1	-2.5	10.5
Solar Ind	0.1	18.7	82.1
Suzlon Energy	2.2	-10.0	-0.5
Thermax	3.1	7.7	25.4
Va Tech Wab.	0.0	-8.4	14.9
Voltas	-0.3	17.5	112.2
Cement			
Ambuja Cem.	-1.2	-4.8	35.3
ACC	-0.1	-3.5	33.9
Birla Corp.	-1.2	9.5	69.1
Dalmia Bharat	-0.3	11.8	105.9
Grasim Inds.	-1.2	3.4	78.1
India Cem	-0.5	-4.2	60.2
J K Cements	-3.6	2.4	49.3
JK Lakshmi Ce	-2.4	-0.8	13.9
Ramco Cem	1.6	2.8	35.7
Orient Cem	0.0	5.3	27.0
Prism Cem	-0.1	1.6	27.5
Shree Cem	-3.3	-7.0	18.1
Ultratech	-0.7	3.4	25.2
Consumer			
Asian Paints	-0.6	-1.6	29.1
Britannia	1.3	3.8	66.5
Colgate	-0.1	-0.3	17.6
Dabur	0.6	6.7	23.1
Emami	-1.5	9.9	18.3
Godrej Cons.	-0.5	-0.7	34.8
GSK Cons.	-0.3	20.6	20.1
HUL	0.3	1.4	59.7
ITC	-1.1	-4.9	14.2
Jyothy Lab	4.1	-10.9	3.5
Marico	0.2	-3.5	22.0
Nestle	0.4	7.1	32.4
Page Inds	-0.4	21.5	81.1
Parag Milk	0.9	-13.3	-7.6
Pidilite Ind.	-1.5	4.4	38.7
P&G Hygiene	1.6	5.9	40.6
Prabhat Dairy	8.0	8.3	62.5
United Brew	-0.6	27.8	26.7
United Spirits	-1.1	29.7	79.5
Healthcare			
Alembic Phar	-0.1	2.8	-15.6
Alkem Lab	-0.8	6.3	22.5
Ajanta Pharma	0.5	12.2	-23.6
Aurobindo	0.4	-5.9	-0.3

Company	1 Day (%)	1M (%)	12M (%)
Muthoot Fin	0.4	-9.2	56.6
PNB Housing	0.0	-6.5	73.8
PFC	0.8	-1.5	8.0
Repco Home	-1.5	-4.6	8.1
REC	1.6	3.4	28.7
STF	-1.0	16.5	53.1
Shriram City Union	-1.5	-1.8	10.9
Capital Goods			
ABB	-0.1	3.2	32.2

Company	1 Day (%)	1M (%)	12M (%)
Biocon	-0.8	11.4	47.9
Cadila	0.4	-8.7	22.7
Cipla	2.3	1.4	13.1
Divis Lab	-0.1	18.6	-10.7
Dr Reddy's	5.0	0.8	-23.7
Fortis Health	-1.5	-11.6	-18.3
Glenmark	0.1	-2.8	-32.9



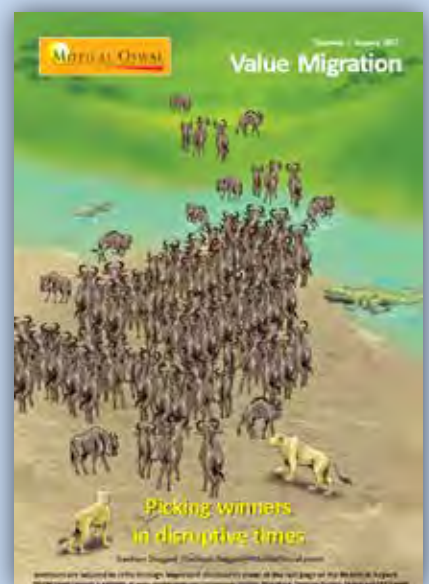
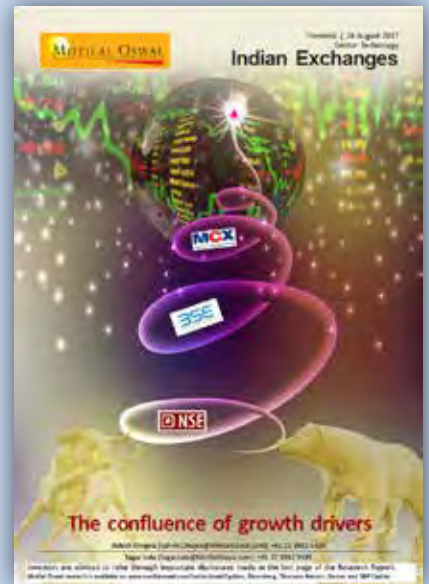
Company	1 Day (%)	1M (%)	12M (%)
Granules	0.2	-12.7	27.4
GSK Pharma	0.1	2.4	-7.0
IPCA Labs	-0.3	9.2	1.0
Jubilant Life	-1.5	1.9	7.0
Lupin	1.4	-20.4	-40.1
Sanofi India	0.7	7.6	8.3
Shilpa Medicare	3.6	-4.0	17.8
Strides Shasun	1.1	-4.9	-19.2
Sun Pharma	4.2	0.5	-22.1
Syngene Intl	-1.3	2.4	-0.5
Torrent Pharma	2.1	-6.2	-2.5
Infrastructure			
Ashoka Buildcon	3.2	14.0	48.1
IRB Infra.Devl.	-2.4	10.3	21.2
KNR Construct.	2.0	26.8	88.8
Sadbhav Engg.	7.3	21.2	24.4
Logistics			
Allcargo Logistics	1.4	1.3	9.2
Blue Dart	1.3	1.9	-9.6
Concor	-0.5	2.8	45.8
Gateway Distriparks	1.3	10.8	15.3
Gati	-5.8	15.4	12.7
Transport Corp.	-1.5	2.4	74.1
Media			
Dish TV	-0.5	7.4	-9.7
D B Corp	-1.0	-2.0	-2.2
Den Net.	0.8	11.2	24.2
Ent.Network	2.2	3.6	13.8
Hind. Media	0.5	-1.0	-9.3
HT Media	0.4	-2.9	36.9
Jagran Prak.	0.5	-7.7	-4.5
Music Broadcast	0.0	-3.6	
PVR	-0.9	0.1	22.4
Prime Focus	-0.3	-6.7	51.7
Siti Net.	-0.2	0.8	-29.0
Sun TV	1.5	5.3	93.4
Zee Ent.	1.3	10.1	24.4
Metals			
Hindalco	0.1	-4.6	66.1
Hind. Zinc	0.4	-1.9	29.8
JSPL	-0.8	7.8	165.1
JSW Steel	0.8	5.5	65.1
Nalco	-2.9	-2.9	69.7
NMDC	0.3	3.0	16.3
Rain Industries	-4.6	39.7	577.0
SAIL	1.9	40.4	74.4
Vedanta	-0.1	-4.5	58.8
Tata Steel	1.5	1.0	91.4
Oil & Gas			
BPCL	1.5	0.7	21.2
GAIL	0.1	5.9	45.6
Gujarat Gas	1.6	-8.6	57.7
Gujarat St. Pet.	-0.1	2.3	37.0
HPCL	0.7	-9.2	42.0
IOC	0.8	-3.5	35.7
IGL	2.0	-0.3	89.7

Company	1 Day (%)	1M (%)	12M (%)
Titan Co.	4.2	34.5	168.5
Technology			
Cyient	0.5	1.0	16.1
HCL Tech.	-0.6	-9.1	10.3
Hexaware	1.5	19.4	78.5
Infosys	0.5	4.2	6.1
KPIT Tech	3.0	36.3	36.6
L&T Infotech	1.4	20.2	63.5
Mindtree	0.0	1.8	14.6
Mphasis	3.2	11.7	40.4
NIIT Tech	-0.7	4.0	60.3
Persistent Sys	0.5	-2.0	10.2
Tata Elxsi	-0.1	11.2	81.1
TCS	-1.0	3.7	25.5
Tech Mah	3.3	7.7	10.6
Wipro	-0.2	0.7	33.1
Zensar Tech	-0.4	17.3	-10.9
Telecom			
Bharti Airtel	2.1	6.2	68.0
Bharti Infratel	-0.1	-16.8	6.7
Idea Cellular	-0.3	10.6	41.9
Tata Comm	-1.0	-0.4	16.7
Utilities			
Coal India	-1.5	-4.2	-9.0
CESC	1.0	-1.4	75.3
JSW Energy	-1.3	-1.4	46.2
NTPC	1.6	4.5	18.2
Power Grid	-1.0	-1.8	11.8
Tata Power	1.2	13.6	35.4
Others			
Arvind	1.1	9.0	27.7
Avenue Super.	0.7	-4.7	
Bata India	3.3	-3.3	83.1
BSE	-1.1	-2.2	
Castrol India	-0.7	3.3	1.4
Century Ply.	1.8	5.0	68.1
Coromandel Intl	1.0	7.2	119.3
Delta Corp	0.2	15.4	144.4
Dynamatic Tech	-1.0	-1.2	-28.9
Eveready Inds.	-0.6	23.9	86.6
Interglobe	-0.4	1.3	37.7
Indo Count	-3.6	8.3	-13.2
Info Edge	0.3	8.1	29.7
Inox Leisure	0.3	24.0	30.2
Jain Irrigation	4.4	22.1	36.4
Just Dial	-2.7	29.2	39.8
Kaveri Seed	1.3	-1.5	47.3
Kitex Garm.	-0.5	39.9	16.9
Manpasand	2.5	-8.6	30.7
MCX	-1.0	-12.3	-21.1
Monsanto	-0.6	2.1	10.6
Navneet Educat.	0.3	-7.3	49.4
PI Inds.	-0.6	4.8	7.5
Piramal Enterp.	0.3	-5.5	81.6
Quess Corp	4.8	7.9	57.8
SRF	0.3	7.1	23.0

Company	1 Day (%)	1M (%)	12M (%)
MRPL	-0.4	-2.5	54.1
Oil India	0.3	3.9	13.3
ONGC	0.5	5.1	-1.6
PLNG	-0.1	-4.1	37.7
Reliance Ind.	1.5	2.4	88.2
Retail			
Jubilant Food	-0.8	13.2	95.0

Company	1 Day (%)	1M (%)	12M (%)
S H Kelkar	1.1	-8.4	-8.5
Symphony	-0.2	8.9	27.8
Team Lease Serv.	2.0	17.7	119.9
Trident	-1.0	-13.4	74.6
TTK Prestige	0.7	10.8	32.5
V-Guard	2.6	22.1	92.5
Wonderla	0.1	0.1	12.8

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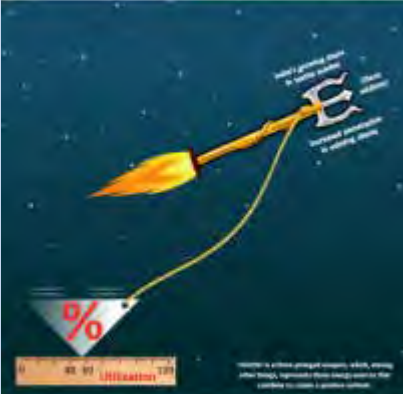


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Strides Shasun




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Sector: Healthcare

Shilpa Medicare



Manufacturing capacity
Healthy product pipeline
Regulatory compliance in place
Forward integration

Injecting Growth

Research Report | Research Analyst: Pratik Aggarwal | pratik@moswala.com | 91 11 2602 4000
Sector: Healthcare | Report Analyst: Pratik Aggarwal | pratik@moswala.com | 91 11 2602 4000
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MOTILAL OSWAL Initiating Coverage | 18 Aug 2021
Sector: Insurance

Capital First



30%+ PAT CAGR
17% RoE
Focused Underwriting
New Products

Capitalizing on multiple opportunities

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MOTILAL OSWAL Initiating Coverage | 18 Aug 2021
Sector: Finance

L&T Finance Holdings



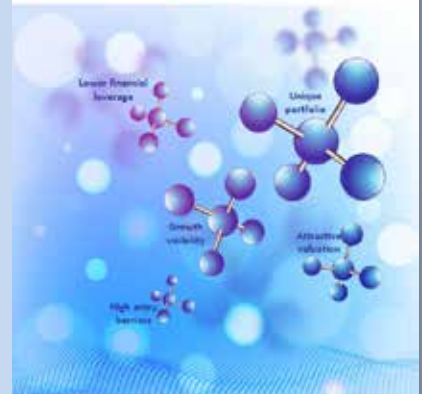
10% ROE
15% ROE
20% ROE

Focused approach

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MOTILAL OSWAL Initiating Coverage | 14 Aug 2021
Sector: Healthcare

Jubilant Life Sciences



Lowest financial leverage
Strong R&D pipeline
High attrition
Attractive valuation
Unique portfolio

Promising formulation

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Sector: Healthcare | Report Analyst: Pratik Aggarwal | pratik@moswala.com | 91 11 2602 4000
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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL 24 November 2017

Annual Report Threadbare

LUPIN FY17

Supporting FY17 annual report covers highlights the management's increasing focus on strengthening its core business across customer and addressing growth through expansion. The report also includes the following key highlights:

- Revenue growth of 10% in FY17, driven by strong performance in the core business, supported by the new product launches.
- Operating profit margin of 18% in FY17, supported by the strong performance in the core business.
- Net profit margin of 12% in FY17, supported by the strong performance in the core business.

Key Metrics:

Revenue	₹1,000
Operating Profit	₹180
Net Profit	₹120

Key Highlights:

- Revenue growth of 10% in FY17, driven by strong performance in the core business.
- Operating profit margin of 18% in FY17, supported by the strong performance in the core business.
- Net profit margin of 12% in FY17, supported by the strong performance in the core business.

MOTILAL OSWAL 23/11/2017

VOICES

India Inc on Call

VOICES is a quarterly publication that provides a ready reference list of the most relevant insights shared by the industry experts during the quarter. VOICES is a quarterly publication that provides a ready reference list of the most relevant insights shared by the industry experts during the quarter.

Key Highlights:

- Revenue growth of 10% in FY17, driven by strong performance in the core business.
- Operating profit margin of 18% in FY17, supported by the strong performance in the core business.
- Net profit margin of 12% in FY17, supported by the strong performance in the core business.

MOTILAL OSWAL 24 Nov 2017

EcoKnowledge

India Inc on Call

VOICES is a quarterly publication that provides a ready reference list of the most relevant insights shared by the industry experts during the quarter. VOICES is a quarterly publication that provides a ready reference list of the most relevant insights shared by the industry experts during the quarter.

Key Highlights:

- Revenue growth of 10% in FY17, driven by strong performance in the core business.
- Operating profit margin of 18% in FY17, supported by the strong performance in the core business.
- Net profit margin of 12% in FY17, supported by the strong performance in the core business.

MOTILAL OSWAL 23/11/2017

The CornerOffice

Healthy volume growth led by restoring post GST

TO has demonstrated its ability to restore post GST growth to pre-GST levels.

Key Highlights:

- Revenue growth of 10% in FY17, driven by strong performance in the core business.
- Operating profit margin of 18% in FY17, supported by the strong performance in the core business.
- Net profit margin of 12% in FY17, supported by the strong performance in the core business.

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BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of October edition

- Nifty up 5.4% in October - Annual Highest MoM rise in its 125 months
- All sectors closed in green, Telecom, PSU banks and Oil top performers
- FII net buyers after five months of selling, DII bought stocks worth ₹1,037.26 in the last three months

Best Performing Stocks (YTD)

Stock	Return (%)
Reliance	25.5
Wipro	22.5
Infosys	20.5

Worst Performing Stocks (YTD)

Stock	Return (%)
Coal India	-15.5
Oil India	-12.5
Power Grid	-10.5

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FUND FOLIO

Indian Mutual Fund Tracker

Key Highlights:

- Nifty up 5.4% in October - Annual Highest MoM rise in its 125 months
- All sectors closed in green, Telecom, PSU banks and Oil top performers
- FII net buyers after five months of selling, DII bought stocks worth ₹1,037.26 in the last three months

Best Performing Funds (YTD)

Fund	Return (%)
Axis Focused Equity	15.5
ICICI Prudential Equity	12.5
Wipro	10.5

Worst Performing Funds (YTD)

Fund	Return (%)
Coal India	-15.5
Oil India	-12.5
Power Grid	-10.5

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