

Market snapshot



| Equities - India | Close  | Chg .% | YTD.%  |
|------------------|--------|--------|--------|
| Sensex           | 32,507 | 0.4    | 22.1   |
| Nifty-50         | 10,185 | 0.4    | 24.4   |
| Nifty-M 100      | 18,845 | 0.3    | 31.3   |
| Equities-Global  | Close  | Chg .% | YTD.%  |
| S&P 500          | 2,565  | -0.4   | 14.6   |
| Nasdaq           | 6,587  | -0.6   | 22.4   |
| FTSE 100         | 7,524  | 0.0    | 5.3    |
| DAX              | 13,003 | 0.1    | 13.3   |
| Hang Seng        | 11,491 | -0.6   | 22.3   |
| Nikkei 225       | 21,697 | 1.1    | 13.5   |
| Commodities      | Close  | Chg .% | YTD.%  |
| Brent (US\$/Bbl) | 57     | -1.5   | 3.5    |
| Gold (\$/OZ)     | 1,276  | -0.5   | 10.0   |
| Cu (US\$/MT)     | 6,975  | 0.8    | 26.3   |
| Almn (US\$/MT)   | 2,125  | 0.0    | 24.7   |
| Currency         | Close  | Chg .% | YTD.%  |
| USD/INR          | 65.0   | -0.1   | -4.2   |
| USD/EUR          | 1.2    | -0.5   | 11.4   |
| USD/JPY          | 113.9  | 0.4    | -2.8   |
| YIELD (%)        | Close  | 1MChg  | YTDchg |
| 10 Yrs G-Sec     | 6.8    | 0.0    | 0.3    |
| 10 Yrs AAA Corp  | 7.6    | 0.0    | 0.0    |
| Flows (USD b)    | 19-Oct | MTD    | YTD    |
| FII              | 0.0    | -0.9   | 4.3    |
| DII              | 0.0    | 1.5    | 11.3   |
| Volumes (INRb)   | 19-Oct | MTD*   | YTD*   |
| Cash             | 331    | 295    | 294    |
| F&O              | 6,997  | 6,206  | 5,478  |

Note: YTD is calendar year, \*Avg

Today's top research idea



Indiabulls Housing Finance 2QFY18: Strong growth

Stable performance overall

- ✓ IHFL's transformation from a diversified lender to a focused mortgage player has yielded returns, with RoE/RoA improving from 3%/0.8% in FY09 to 26%/3.4% in FY17.
- ✓ Focus on core mortgage loans and market share gains should drive AUM growth of 25%+ over the next three years.
- ✓ IHFL is among the lowest-levered HFCs. Asset quality trend is likely to remain stable.

Research covered



| Cos/Sector          | Key Highlights  |
|---------------------|---|
| Hindustan Zinc      | Strong performance as expected; Zinc price outlook bullish                    |
| Indiabulls Hsg Fin  | Strong growth, stable performance overall                                     |
| Havells India       | Operating performance exceeds expectations                                    |
| Oil & Gas           | Auto fuel consumption remains strong; Positive on OMCs                        |
| Automobile          | Growth seen across segments, barring premium (ex RE)                          |
| Metals Weekly       | Steel and aluminum production run-rate declines in China in Sep               |
| Results Expectation | A B B   Ambuja Cement   Asian Paints   HDFC Bank   Infosys   Zee Entertainmen |

Piping hot news



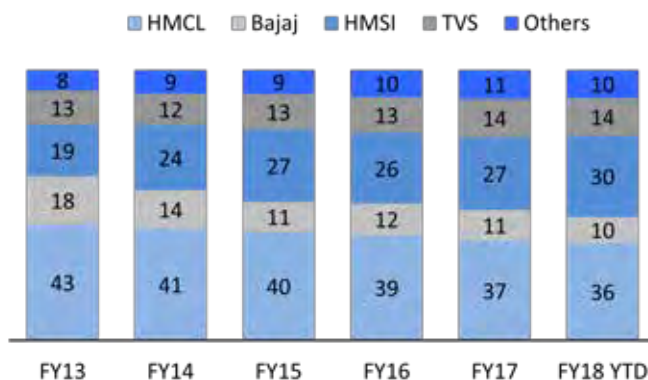
DII holdings in BSE companies at their highest in 25 quarters

The holdings of domestic mutual funds and insurance companies in India's largest listed companies rose to their highest level in at least 25 quarters as household savings shifted from gold and real estate to financial assets...

Chart of the Day: Automobiles – Growth seen across segments, barring premium (ex RE)

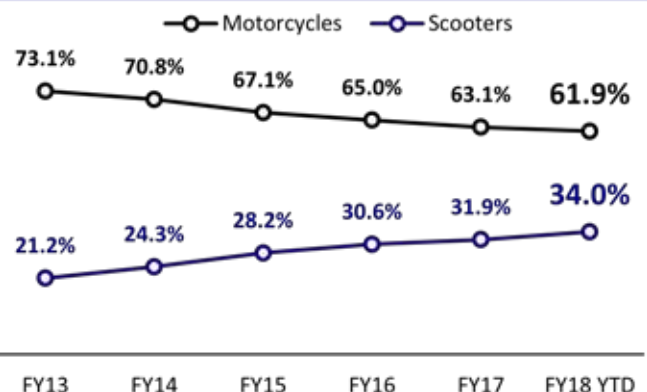


Dom. 2W market share: Gap between HMCL and HMSI gradually narrowing down



Source: SIAM, MOSL

Executive 100 segment losing out to Scooters



Source: SIAM, 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

**Jan Dhan accounts see surge in cash inflows in past 3 months**

There has been a spurt in cash flows into Prime Minister Jan Dhan Yojana (PMJDY) bank accounts in the past three months. The period between July and October witnessed a steep rise in the cumulative balances,...

2

**331 infra projects see cost overrun of ₹1.72 lakh crore**

As many as 331 infrastructure projects, each worth ₹150 crore or above, have seen a cost overrun of ₹1.72 lakh crore because of various reasons including delays, according to a government report. Ministry of Statistics and Programme Implementation monitors infrastructure projects worth ₹150 and above. The total original cost of implementing 1,257 projects was ₹15,76,903.56 crore and their anticipated completion cost is likely to be ₹17,49,274.62 crore, with a cost overrun of ₹1,72,371.06 crore (10.93 per cent of the original), the Ministry's flash report for July this year has stated...

3

**World energy bodies caution India on wind projects**

The recent tariff-based auctions for wind power capacity, which threw up a surprise low tariff of Rs. 2.64 a kWhr, is all fine, but make sure that the projects do come up, say world energy bodies. Commenting on the auctions,...

4

**Infosys likely to name next CEO today**

Infosys is likely to name its next chief executive officer on Tuesday. Finding a CEO was among the key tasks taken up by co-founder and Chairman Nandan Nilekani when he took charge in August. Among the probable candidates for the post are B G Srinivas and Ashok Vemuri...

5

**Drug MNCs lobby against price cuts of stents & knee implants**

Multinational drug makers are pulling out all the stops in reaching out to the highest Indian government officials to express discontent over the drug pricing regulator's decision to cut prices of cardiac stents and knee implants. This time, the negotiations will be held directly by the international lobby group of drugmakers instead of their domestic offshoots. ET has learnt that representatives of global medical device makers and pharma companies have met with various Indian government officials to express their views...

6

**Government keen to woo \$100 billion FDI in tourism**

The government wants to attract \$100 billion foreign direct investment in tourism sector and generate up to 100 million jobs over the next five years. "Tourism industry has a multiplier effect on the economy..."

7

**Insolvency: Tatas, Ruias submit bids for debt-laden Essar Steel**

Tata Steel and the Ruias themselves have put in bids for debt-laden Essar Steel after the company was put up for sale under the Insolvency and Bankruptcy Code (IBC). Sajjan Jindal-led JSW Steel, aggressive in bidding for Monnet Ispat's and Bhushan Steel's businesses,...

# Hindustan Zinc

|                       |                    |
|-----------------------|--------------------|
| <b>BSE SENSEX</b>     | <b>S&amp;P CNX</b> |
| 32,507                | 10,185             |
| Bloomberg             | HZ IN              |
| Equity Shares (m)     | 4,225              |
| M.Cap.(INRb)/(USDb)   | 1,342.8 / 20.7     |
| 52-Week Range (INR)   | 331 / 213          |
| 1, 6, 12 Rel. Per (%) | 7/8/12             |
| Avg Val, INRm         | 728.5              |
| Free float (%)        | 35.1               |

## Financials & Valuations (INR b)

| Y/E March      | 2017  | 2018E | 2019E |
|----------------|-------|-------|-------|
| Sales          | 173.0 | 221   | 271   |
| EBITDA         | 97.4  | 126.6 | 162.2 |
| NP             | 83.2  | 96.1  | 124.4 |
| Adj. EPS (INR) | 19.7  | 22.7  | 29.4  |
| EPS Gr(%)      |       | 15.5  | 29.5  |
| BV/Sh. (INR)   | 72.9  | 68.1  | 86.9  |
| RoE (%)        | 24.4  | 32.3  | 38.0  |
| RoCE (%)       | 29.4  | 40.4  | 51.5  |
| P/E (x)        | 16.2  | 14.0  | 10.8  |
| P/BV           | 13.3  | 11.8  | 9.2   |

Estimate change 

TP change 

Rating change 

**CMP: INR318 TP: INR322(+1%)**

**Neutral**

## Strong performance as expected

### Zinc price outlook bullish, but priced in; Maintain Neutral

#### Strong performance as expected

- n HZL's 2QFY17 EBITDA grew 46% YoY/27% QoQ to INR30.2b (in-line).
- n Mine production was contained (-6% QoQ to 219kt) to draw down inventory. Sales volumes grew 2% QoQ for zinc (to 193kt), 18% QoQ for lead (to 40kt) and 33% QoQ for silver (to 146t).
- n Reported CoP grew 1% QoQ (22% YoY due to higher coal cost) to USD984/t.
- n Reversal of DMF of INR2.9b for the period Jan-Sep 2015 pursuant to the Supreme Court order was reported as exceptional.
- n Adj. PAT grew 34% YoY/36% QoQ to INR22.5b (in-line), as higher other income and lower depreciation were offset by a higher tax rate (23% v/s est. of 21%).

#### Hedges volumes to offset price volatility; Capacity expansion on track

- n HZL sold zinc (220kt @ USD3,084/t) and lead (30kt @ USD2,418/t) forwards to offset extreme price volatility in recent months. The deliveries are scheduled over 4QFY18-1QFY19.
- n Guidance for project capex was maintained at USD300-325m for FY18E, and for CoP was raised to USD900-950/t for FY18E (as expected) on higher coal cost. Expansion to 1.2mt mine metal capacity by FY20 remains on track.

### Zinc price outlook remains bullish, but priced in; Maintain Neutral

- n Zinc market remains tight even as demand growth is modest on lag in supply response. Thus, the price outlook remains bullish. At zinc LME of USD3,400/t for FY19E, the stock is trading at 6.4x EV/EBITDA, leaving limited upside potential. Maintain Neutral with a TP of INR322/sh. based on 6.5x FY19E EV/EBITDA.

## Quarterly Performance (Standalone) – INR m

| Y/E March                   | FY17          |               |               |               | FY18          |               |               |               | FY17           | FY18E          | vs Est.       |           |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|-----------|
|                             | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |                |                | 2QE           | %         |
| Zinc refined (kt)           | 120           | 148           | 211           | 217           | 190           | 193           | 203           | 209           | 696            | 795            | 192           | 1         |
| Lead refined (kt)           | 23            | 32            | 36            | 47            | 34            | 40            | 39            | 41            | 138            | 154            | 38            | 5         |
| Silver (tonnes)             | 88            | 107           | 117           | 135           | 110           | 146           | 120           | 124           | 447            | 499            | 140           | 4         |
| Zinc LME (USD/t)            | 1,918         | 2,252         | 2,518         | 2,777         | 2,589         | 2,950         | 3,200         | 3,200         | 2,366          | 2,985          | 2,950         | 0         |
| <b>Net Sales</b>            | <b>25,306</b> | <b>35,257</b> | <b>49,799</b> | <b>62,602</b> | <b>45,760</b> | <b>53,090</b> | <b>60,210</b> | <b>62,227</b> | <b>172,964</b> | <b>221,287</b> | <b>53,002</b> | <b>0</b>  |
| Change (YoY %)              | -30.3         | -12.6         | 45.2          | 99.9          | 80.8          | 50.6          | 20.9          | -0.6          | 21.6           | 27.9           | 50.3          |           |
| <b>EBITDA</b>               | <b>11,309</b> | <b>20,767</b> | <b>27,834</b> | <b>37,480</b> | <b>23,840</b> | <b>30,240</b> | <b>35,723</b> | <b>36,826</b> | <b>97,390</b>  | <b>126,629</b> | <b>30,337</b> | <b>0</b>  |
| Change (YoY %)              | -42.5         | 2.6           | 88.3          | 186.5         | 110.8         | 45.6          | 28.3          | -1.7          | 43.7           | 30.0           | 46.1          |           |
| Finance cost                | 712           | 712           | 451           | 142           | 1,370         | 840           | 0             | 0             | 2,017          | 2,210          | 0             |           |
| DD&A                        | 3,644         | 4,317         | 4,589         | 5,321         | 3,600         | 3,940         | 5,054         | 5,105         | 17,871         | 17,699         | 5,004         | -21       |
| Other Income                | 6,101         | 7,702         | 5,882         | 4,811         | 5,300         | 4,870         | 3,636         | 3,292         | 24,496         | 17,098         | 3,206         | 52        |
| <b>PBT (before EO item)</b> | <b>13,053</b> | <b>23,440</b> | <b>28,676</b> | <b>36,829</b> | <b>24,170</b> | <b>30,330</b> | <b>34,305</b> | <b>35,013</b> | <b>101,998</b> | <b>123,817</b> | <b>28,538</b> | <b>6</b>  |
| EO exp. (income)            | -5            | 0             | 0             | 0             | 0             | -2,910        | 0             | 0             | -5             | -2,910         | 0             |           |
| <b>PBT (after EO item)</b>  | <b>13,059</b> | <b>23,440</b> | <b>28,676</b> | <b>36,829</b> | <b>24,170</b> | <b>33,240</b> | <b>34,305</b> | <b>35,013</b> | <b>102,003</b> | <b>126,727</b> | <b>28,538</b> | <b>16</b> |
| Total Tax                   | 2,680         | 4,421         | 5,477         | 6,259         | 5,410         | 7,790         | 7,204         | 7,353         | 18,837         | 27,757         | 5,993         | 30        |
| % Tax                       | 20.5          | 18.9          | 19.1          | 17.0          | 22.4          | 23.4          | 21.0          | 21.0          | 18.5           | 21.9           | 21.0          |           |
| <b>Reported PAT</b>         | <b>10,379</b> | <b>19,019</b> | <b>23,199</b> | <b>30,570</b> | <b>18,760</b> | <b>25,450</b> | <b>27,101</b> | <b>27,660</b> | <b>83,166</b>  | <b>98,971</b>  | <b>22,545</b> | <b>13</b> |
| <b>Adjusted PAT</b>         | <b>10,374</b> | <b>19,019</b> | <b>23,199</b> | <b>30,570</b> | <b>18,760</b> | <b>22,540</b> | <b>27,101</b> | <b>27,660</b> | <b>83,161</b>  | <b>96,061</b>  | <b>22,545</b> | <b>0</b>  |
| Change (YoY %)              | -53.4         | -11.4         | 28.1          | 42.2          | 80.8          | 18.5          | 16.8          | -9.5          | -0.7           | 15.5           | 18.5          | -0.1      |



# Indiabulls Housing Finance

|                       |                    |
|-----------------------|--------------------|
| <b>BSE SENSEX</b>     | <b>S&amp;P CNX</b> |
| 32,507                | 10,185             |
| <b>Bloomberg</b>      | <b>IHFL IN</b>     |
| Equity Shares (m)     | 421.3              |
| M.Cap.(INRb)/(USD\$)  | 486.6/7.6          |
| 52-Week Range (INR)   | 1375 / 616         |
| 1, 6, 12 Rel. Per (%) | 6/24/37            |
| Avg Val, INRm         | 1872               |
| Free float (%)        | 76.4               |

## Financials & Valuations (INR b)

| Y/E March         | 2017 | 2018E | 2019E |
|-------------------|------|-------|-------|
| Net Fin inc       | 35.3 | 52.9  | 65.9  |
| PPP               | 45.5 | 55.9  | 71.0  |
| EPS (INR)         | 68.6 | 83.6  | 105.1 |
| EPS Gr. (%)       | 23.2 | 21.9  | 25.8  |
| BV/Sh. (INR)      | 286  | 321   | 364   |
| RoA on AUM (%)    | 3.1  | 2.9   | 2.8   |
| RoE (%)           | 25.5 | 27.6  | 30.7  |
| Payout (%)        | 39.3 | 50.0  | 50.0  |
| <b>Valuations</b> |      |       |       |
| P/E (x)           | 19.6 | 16.1  | 12.8  |
| P/BV (x)          | 4.7  | 4.2   | 3.7   |
| P/ABV (x)         | 4.7  | 4.2   | 3.7   |
| Div. Yield (%)    | 2.0  | 3.1   | 3.9   |

**CMP: INR1,343 TP: INR1,550 (+15%) Buy**

## Strong growth, stable performance overall

- Indiabulls Housing Finance's (IHFL) PAT grew 26% YoY to INR8.6b (4% above our estimate). Core operating performance was robust, with strong AUM growth (+33% YoY) and stable spreads. However, other income (income from the liquid investment book) remains subdued due to lower incremental yields. Note that IHFL had generated a good spread on its investment book above cost of funds in FY16 and FY17 - that is beginning to vanish now.
- AUM growth was in line with trend at 33% YoY to reach INR1t. This was driven by 36% YoY growth in disbursements to INR95b. Management is bullish on pick-up in supply in the affordable housing space.
- Despite competitive pressures, IHFL managed to hold spreads steady at 3.25%. Management continues to guide for incremental spreads in the range of 2.75-3% and book spreads of 3-3.25%. Incremental cost of funds is around 7.3-7.5%.
- The share of home loans in the overall book inched up 100bp to 58%. With the share continuously inching up (to the target of 66% by FY20), we believe spread pressure will continue.
- Valuation and view:** IHFL's transformation from a diversified lender to a focused mortgage player has yielded returns, with RoE/RoA improving from 3%/0.8% in FY09 to 26%/3.4% in FY17. Focus on core mortgage loans and market share gains should drive AUM growth of 25%+ over the next three years. IHFL is among the lowest-levered HFCs. Asset quality trend is likely to remain stable. We keep our EPS estimates largely unchanged. Maintain **Buy** with a TP of INR1,550 (4x Sep19E P/B).

## Quarterly Performance

| Y/E March                  | FY17          |               |               |               | FY18          |               |               |               | (INR Million)  |                |
|----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
|                            | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3Q            | 4Q            | FY17           | FY18           |
| Income from operations     | 23,720        | 25,098        | 25,859        | 29,314        | 29,560        | 30,670        | 32,511        | 35,952        | 103,990        | 128,693        |
| Other Income               | 2,255         | 3,651         | 4,186         | 2,935         | 2,690         | 2,755         | 3,100         | 3,274         | 13,027         | 11,819         |
| <b>Total income</b>        | <b>25,975</b> | <b>28,749</b> | <b>30,045</b> | <b>32,249</b> | <b>32,250</b> | <b>33,425</b> | <b>35,611</b> | <b>39,227</b> | <b>117,017</b> | <b>140,512</b> |
| Y-o-Y Growth (%)           | 28.3          | 28.0          | 30.2          | 21.8          | 24.2          | 16.3          | 18.5          | 21.6          | 26.8           | 20.1           |
| Interest expenses          | 14,109        | 16,279        | 16,329        | 17,391        | 17,722        | 18,355        | 19,273        | 20,434        | 64,108         | 75,783         |
| <b>Net Income</b>          | <b>11,866</b> | <b>12,470</b> | <b>13,716</b> | <b>14,858</b> | <b>14,528</b> | <b>15,070</b> | <b>16,338</b> | <b>18,793</b> | <b>52,910</b>  | <b>64,729</b>  |
| Y-o-Y Growth (%)           | 33.9          | 24.6          | 26.8          | 15.6          | 22.4          | 20.8          | 19.1          | 26.5          | 24.4           | 22.3           |
| Operating Expenses         | 3,116         | 3,258         | 3,658         | 5,160         | 3,928         | 3,935         | 4,083         | 5,360         | 15,192         | 17,305         |
| <b>Profit before tax</b>   | <b>8,750</b>  | <b>9,212</b>  | <b>10,058</b> | <b>9,698</b>  | <b>10,600</b> | <b>11,135</b> | <b>12,255</b> | <b>13,433</b> | <b>37,718</b>  | <b>47,423</b>  |
| Y-o-Y Growth (%)           | 26.4          | 24.3          | 24.9          | 9.0           | 21.1          | 20.9          | 21.9          | 38.5          | 20.5           | 25.7           |
| Tax Provisions             | 2,401         | 2,352         | 2,555         | 1,325         | 2,764         | 2,615         | 3,186         | 3,527         | 8,633          | 12,093         |
| <b>Net Profit</b>          | <b>6,349</b>  | <b>6,861</b>  | <b>7,502</b>  | <b>8,373</b>  | <b>7,836</b>  | <b>8,520</b>  | <b>9,069</b>  | <b>9,906</b>  | <b>29,085</b>  | <b>35,330</b>  |
| Minority Int               | -49           | -18           | 13            | 32            | 46            | 91            | 100           | 130           | -22            | 367            |
| <b>Net Profit after MI</b> | <b>6,301</b>  | <b>6,843</b>  | <b>7,515</b>  | <b>8,405</b>  | <b>7,882</b>  | <b>8,611</b>  | <b>9,169</b>  | <b>10,036</b> | <b>29,064</b>  | <b>34,963</b>  |
| Y-o-Y Growth (%)           | 23.2          | 23.2          | 24.7          | 24.4          | 25.1          | 25.8          | 22.0          | 19.4          | 24.0           | 20.3           |

E: MOSL Estimates





# Havells India

|                       |                    |
|-----------------------|--------------------|
| <b>BSE SENSEX</b>     | <b>S&amp;P CNX</b> |
| 32,507                | 10,185             |
| Bloomberg             | HAVL IN            |
| Equity Shares (m)     | 625                |
| M.Cap.(INRb)/(USDb)   | 340.8 / 5.0        |
| 52-Week Range (INR)   | 554 / 304          |
| 1, 6, 12 Rel. Per (%) | 8/3/16             |
| Avg Val, INRm         | 614.0              |
| Free float (%)        | 38.4               |

## Financials & Valuations (INR b)

| Y/E Mar       | 2018E | 2019E | 2020E |
|---------------|-------|-------|-------|
| Net Sales     | 83.2  | 100.4 | 114.7 |
| EBITDA        | 10.7  | 13.6  | 15.8  |
| Adj PAT       | 7.2   | 8.9   | 10.5  |
| Adj EPS (INR) | 11.5  | 14.3  | 16.8  |
| EPS Gr. (%)   | 20.5  | 23.9  | 17.7  |
| BV/Sh(INR)    | 59.0  | 67.2  | 76.8  |
| RoE (%)       | 19.5  | 21.2  | 21.9  |
| RoCE (%)      | 19.7  | 21.9  | 22.8  |
| P/E (x)       | 47.1  | 38.0  | 32.3  |
| P/BV (x)      | 9.2   | 8.1   | 7.1   |

Estimate change



TP change



Rating change



**CMP: INR542 TP: INR570 (+5%) Neutral**

## Operating performance exceeds expectations

- Operating performance impressive led by better-than-estimated margins:** Revenue grew 22.4% YoY to INR17.8b (est. of INR19b) in 2QFY18. However, operating profit of INR2.6b (+26.3% YoY) was ahead of our estimate of INR2.2b, led by price hikes in the cables & wires segment, lower ad spend and withdrawal of dealer schemes. PAT of INR1.7b (+17.3% YoY) was above our estimate of INR1.4b.
- Core business (ex-Lloyd) growth muted on weak demand and low level of restocking:** Core business revenue grew at a muted 4% YoY to INR15.1b (+6.7% YoY, adj. for excise impact on exempted zones), below our estimate of INR15.8b, due to weak demand in construction and industrial segments and lower-than-expected restocking by retailers. Despite muted revenue growth, operating profit increased 17% YoY to INR2.4b and adjusted EBITDA margin improved 180bp YoY to 15.8%, driven by price hikes taken in the cables & wires segment, low advertising spend and withdrawal of dealer schemes (2.3% v/s 3.3% in 2QFY17). Net profit improved 9% YoY to INR1.1b.
- Lloyd's consumer business grows 11% YoY:** The newly acquired Lloyd business recorded revenue of INR2.7b (+11% YoY). Operating profit stood at INR189m and EBITDA margin at 7.0%. Cost-control measures led to margin improvement on a QoQ basis (7.0% v/s 4.8% in 1QFY18).
- Working capital cycle contraction led by increase in payable days:** Core net working capital cycle contracted to -1 day from 30 days in 2QFY17. During the quarter, creditor days were up to 89 from 48 in 2QFY17 due to vendor financing and extended credit cycle provided by Lloyd's vendors.
- Valuation and view:** We raise our earnings estimate for FY18/19 by 5% each to factor in better-than-estimated operating margins driven by cost-control measures. We maintain our **Neutral** rating and raise our target price to INR570, as we roll over our exit multiple to Dec-19E EPS of INR16.5.

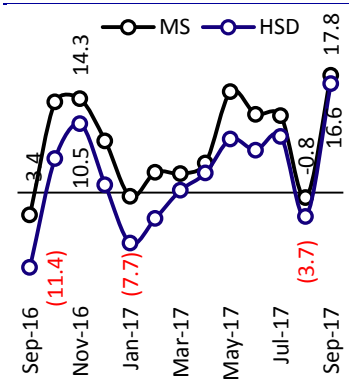
## Quarterly Performance (Standalone)

| Y/E March              | FY17          |               |               |               | FY18          |               |               |               | FY17          | FY18E         | MOSL          | Var.  |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           | 2QE           | 2QE           |               |       |
| <b>Sales</b>           | <b>14,668</b> | <b>14,522</b> | <b>15,060</b> | <b>17,102</b> | <b>18,605</b> | <b>17,774</b> | <b>20,883</b> | <b>25,978</b> | <b>61,353</b> | <b>83,240</b> | <b>19,030</b> | -6.6% |
| Change (%)             | 17.1          | 8.7           | 13.2          | 17.2          | 26.8          | 22.4          | 38.7          | 51.9          | 6.2           | 35.7          | 31.0          |       |
| <b>Adj EBITDA</b>      | <b>2,004</b>  | <b>2,034</b>  | <b>1,907</b>  | <b>2,296</b>  | <b>1,724</b>  | <b>2,569</b>  | <b>2,958</b>  | <b>3,424</b>  | <b>8,241</b>  | <b>10,675</b> | <b>2,165</b>  | 18.6% |
| Change (%)             | 23.7          | 7.6           | 4.0           | 3.5           | -14.0         | 26.3          | 55.1          | 49.1          | 9.2           | 29.5          | 6.5           |       |
| Adj EBITDA margin (%)  | 13.7          | 14.0          | 12.7          | 13.4          | 9.3           | 14.5          | 14.2          | 13.2          | 13.4          | 12.8          | 11.4          |       |
| Depreciation           | 280           | 308           | 301           | 308           | 336           | 349           | 320           | 309           | 1,196         | 1,314         | 330           |       |
| Interest               | 16            | 19            | 15            | 71            | 34            | 67            | 70            | 79            | 122           | 250           | 30            |       |
| Other Income           | 314           | 323           | 264           | 419           | 348           | 287           | 100           | 115           | 1,343         | 850           | 120           |       |
| Extra-ordinary Items   | -             | -             | 189.5         | (768)         | -             | -             | -             | -             | -             | -             | 0.0           |       |
| <b>PBT</b>             | <b>2,022</b>  | <b>2,030</b>  | <b>1,877</b>  | <b>2,337</b>  | <b>1,703</b>  | <b>2,440</b>  | <b>2,668</b>  | <b>3,151</b>  | <b>8,266</b>  | <b>9,962</b>  | <b>1,925</b>  | 26.7% |
| Tax                    | 567           | 572           | 537           | 622           | 489           | 730           | 747           | 803           | 2,298         | 2,769         | 539           |       |
| Effective Tax Rate (%) | 28.0          | 28.2          | 28.6          | 26.6          | 28.7          | 29.9          | 28.0          | 25.5          | 27.8          | 27.8          | 28.0          |       |
| <b>Reported PAT</b>    | <b>1,456</b>  | <b>1,458</b>  | <b>1,530</b>  | <b>947</b>    | <b>1,214</b>  | <b>1,710</b>  | <b>1,921</b>  | <b>2,347</b>  | <b>5,969</b>  | <b>7,192</b>  | <b>1,386</b>  | 23.4% |
| Change (%)             | 36.3          | 22.0          | 27.6          | -74.1         | -16.6         | 17.3          | 25.6          | 147.9         | -34.2         | 20.5          | -4.9          |       |
| <b>Adj PAT</b>         | <b>1,456</b>  | <b>1,458</b>  | <b>1,135</b>  | <b>1,715</b>  | <b>1,214</b>  | <b>1,710</b>  | <b>1,921</b>  | <b>2,347</b>  | <b>5,969</b>  | <b>7,192</b>  | <b>1,386</b>  | 23.4% |
| Change (%)             | 22.2          | 21.1          | -4.0          | 5.0           | -16.6         | 17.3          | 69.2          | 36.9          | 16.9          | 20.5          | -1.6          |       |

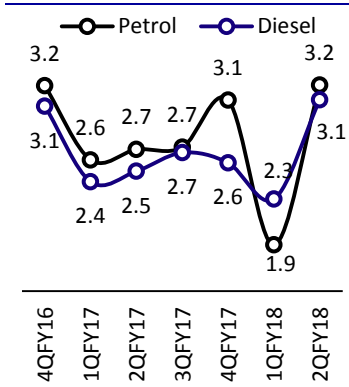


# Oil & Gas

## Auto fuel consumption growth (% YoY)



## Gross marketing margins (INR/ltr)



## Our recommendations

| OMCs | CMP | TP  | Rating |
|------|-----|-----|--------|
| IOC  | 404 | 559 | Buy    |
| HPCL | 461 | 585 | Buy    |
| BPCL | 512 | 644 | Buy    |

Refer to our earlier report on OMC's



## Auto fuel consumption remains strong

### Positive on OMCs, with preference for IOC

Latest petroleum data suggest strong growth of 9.8% and 6.2% in petrol (MS) and diesel (HSD) consumption, respectively, in YTD FY18. During the same period, consumption of LPG grew by 10% and of kerosene (SKO) declined by 35.6%. Strong auto fuel consumption is positive for the OMCs (IOC, BPCL and HPCL). We maintain our optimistic stance on the OMCs, with a relatively high preference for IOC.

### Strong consumption growth of 9.8% in MS and 6.2% in HSD

- Total petroleum products consumption in India grew by 9.9% YoY (+3.2% MoM) to 16.3mmt in September 2017. For YTD FY18, consumption is up 1.5% YoY to 98.3mmt.
- Consumption in September was driven by strong growth in HSD (+17.8% YoY to 2.1mmt) and MS (+16.6% YoY to 6.1mmt) consumption. YTD FY18 growth for MS and HSD stands at 9.8% YoY and 6.2% YoY, respectively.
- While LPG consumption grew 4.1% YoY to 1.9mmt, SKO consumption declined 33.6% YoY to 333kmt in September. YTD FY18 consumption growth for LPG and SKO stands at 10% YoY and -35.6% YoY, respectively.
- Naphtha consumption grew 4.9% YoY to 1.2mmt in September; it is down 13% YoY in YTD FY18.
- Consumption of lubricants & grease grew 34% YoY to 296kmt, while that of FO & LSHS declined 14% YoY. In YTD FY18, consumption of lubricant & grease and FO & LSHS is down 2.5% YoY and 8.7% YoY, respectively.
- ATF consumption grew 7.3% YoY to 615kmt in September; YTD FY18 growth stands at 9.2% YoY. Bitumen consumption grew 7.4% YoY to 287kmt in the month; it is down 4.1% YoY in YTD FY18.

### Strong consumption growth is positive for OMCs

- Strong consumption of auto fuel is positive for OMCs. MS and HSD consumption grew 8.9% YoY and 6.6% YoY, respectively, in 2QFY18. ATF consumption grew 9.2% YoY in 2QFY18, led by double-digit growth in air passenger traffic.
- While LPG consumption grew 9.3% YoY, SKO consumption declined 37.2% YoY in 2QFY18. The continuous decline in SKO consumption is positive for OMCs, as under-recoveries are becoming irrelevant.
- We have observed strong gross margins for auto fuels in 2QFY18 for OMCs, supported by daily retail price revisions.
- Global refining and marketing companies trade at an EV/EBITDA of 6.9x FY19E and a P/E of 10x FY19E. OMCs trade at an EV/EBITDA of 7.9x FY19E and a P/E of 10.9x FY19E (consensus) with superior return ratios compared to global peers. The OMCs remain in a sweet spot considering high consumption growth, potential marketing margin expansion, and low competitive intensity.
- We reiterate Buy on IOCL, HPCL and BPCL, with targets of INR559, INR585 and INR644, respectively.

**Exhibit 1: MS and HSD consumption grew 9.8% and 6.2% YoY for YTD FY18 ('000 Metric Tonne)**

| PRODUCT                                      | Sep-17        | YoY gr %     | MoM gr %     | Q2 FY18       | Q2 FY17       | YoY gr %      | YTD FY18      | YTD FY17      | YoY gr %     |
|--|---------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|--------------|
| <b>(A) Sensitive Products</b>                |               |              |              |               |               |               |               |               |              |
| LPG  | 1,945         | 4.1%         | -5.5%        | 5,921         | 5,417         | 9.3%          | 11,253        | 10,220        | 10.1%        |
| SKO  | 333           | -33.6%       | 14.0%        | 942           | 1,500         | -37.2%        | 1,984         | 3,079         | -35.6%       |
| <b>Sub total</b>                             | <b>2,278</b>  | <b>-3.9%</b> | <b>-3.0%</b> | <b>6,863</b>  | <b>6,916</b>  | <b>-0.8%</b>  | <b>13,237</b> | <b>13,299</b> | <b>-0.5%</b> |
| <b>(B) Major Decontrolled Products</b>       |               |              |              |               |               |               |               |               |              |
| MS   | 2,139         | 17.8%        | -2.2%        | 6,469         | 5,937         | 8.9%          | 13,022        | 11,861        | 9.8%         |
| HSD  | 6,078         | 16.6%        | 2.8%         | 18,292        | 17,154        | 6.6%          | 39,580        | 37,263        | 6.2%         |
| Naptha+NGL                                   | 1,162         | 4.9%         | 9.8%         | 2,929         | 3,459         | -15.3%        | 5,900         | 6,790         | -13.1%       |
| ATF  | 615           | 7.3%         | 0.2%         | 1,843         | 1,687         | 9.2%          | 3,681         | 3,368         | 9.3%         |
| LDO  | 43            | 17.1%        | 16.8%        | 118           | 113           | 4.8%          | 224           | 220           | 1.9%         |
| Lubricants & Greases                         | 296           | 34.1%        | 12.8%        | 803           | 768           | 4.5%          | 1,624         | 1,665         | -2.5%        |
| FO & LSHS                                    | 573           | -14.0%       | 5.7%         | 1,659         | 1,843         | -10.0%        | 3,414         | 3,741         | -8.7%        |
| Bitumen                                      | 287           | 7.4%         | 25.6%        | 765           | 705           | 8.4%          | 2,475         | 2,580         | -4.1%        |
| <b>Sub total</b>                             | <b>11,193</b> | <b>13.1%</b> | <b>3.3%</b>  | <b>32,877</b> | <b>31,667</b> | <b>3.8%</b>   | <b>69,920</b> | <b>67,489</b> | <b>3.6%</b>  |
| <b>(C) Other Minor Decontrolled Products</b> |               |              |              |               |               |               |               |               |              |
| Petroleum coke                               | 2,100         | 7.4%         | 8.1%         | 5,856         | 6,870         | -14.8%        | 11,483        | 12,665        | -9.3%        |
| Others                                       | 685           | 20.2%        | 11.1%        | 1,885         | 1,749         | 7.8%          | 3,651         | 3,354         | 8.8%         |
| <b>Sub total</b>                             | <b>2,785</b>  | <b>10.3%</b> | <b>8.8%</b>  | <b>7,741</b>  | <b>8,619</b>  | <b>-10.2%</b> | <b>15,133</b> | <b>16,019</b> | <b>-5.5%</b> |
| <b>All Products total</b>                    | <b>16,256</b> | <b>9.9%</b>  | <b>3.2%</b>  | <b>47,481</b> | <b>47,202</b> | <b>0.6%</b>   | <b>98,291</b> | <b>96,807</b> | <b>1.5%</b>  |

Source: Company, MOSL



# Automobiles

## Growth seen across segments, barring premium (ex RE)

### HMSI gains market share led by strong growth across segments; overtakes BJAUT to occupy second spot in motorcycles

- n 1HFY18 saw continuation of the scooterization trend, with scooters (~34% share v/s 32% in FY17) eating into the share of executive segment (32% share v/s 31% in FY17).
- n Economy segment grew 17% YoY in 1HFY18. HMCL's volumes in this segment grew 32% YoY; the company now commands a market share of 57.7% in economy (v/s 55.1% in FY17).
- n Executive segment grew ~4% in 1HFY18, driven by 125cc segment (+9.8% YoY). Scooterization continued to impact executive 100cc segment (grew just ~2%; -4% CAGR over FY13-17).
- n Premium segment grew 5% in 1HFY18, but declined by 1% excluding Royal Enfield. BJAUT's premium segment volumes fell 20% YoY in 1HFY18, led by higher competition from HMSI (+420bp to 14.9% market share) and TVS (+250bp to 13.4%).
- n Overall, HMSI, with a 29.8% market share, was the biggest gainer in 2Ws (overtook BJAUT to occupy #2 spot in motorcycles; market share up ~290bp in 1HFY18). BJAUT, with a 9.6% market share in 1HFY18, was the biggest loser (market share down ~180bp over FY17). However, BJAUT appeared to be reversing its fortunes in Sep-17, with its market share at 12.1%, led by new launches.

### Scooterization trend continues

- n In 2Ws, scooter volumes grew 17% YoY, while motorcycle volumes rose 8% YoY in 1HFY18. Scooters have expanded its share by ~220bp to 34% (v/s FY17), led by growing urban demand and increasing popularity among women population.
- n HMCL lost ~170bp market share to HMSI in 1HFY18. HMSI's market share stood at 59% in 1HFY18 (+190bp v/s FY17).
- n TVS' scooter volume increased 41% YoY; it gained 113bp market share in 1HFY18 v/s FY17. TVS' market share within scooters stood at 15.9% in 1HFY18.
- n Suzuki gained ~70bp market share to reach 5.7% in 1HFY18, led by its 125cc offering Access (+67% YoY).

### Bajaj loses share, HMSI emerges as #2 in motorcycles

- n BJAUT was the biggest loser in motorcycles; lost ~250bp market share to 15.5% in 1HFY18 v/s FY17.
- n HMSI emerged #2 in motorcycles, gaining ~225bp market share in 1HFY18.
- n Interestingly, aided by its new launches, BJAUT regained the #2 spot within motorcycles in Sep-17, with a market share of 19.5% (v/s 15.5% in 1HFY18).

### Economy segment grows 17% YoY

- n CD Dawn & Deluxe volume rose 32% YoY in 1HFY18. Consequently, HMCL gained ~260bp market share in economy (v/s FY17) to 57.7%.
- n BJAUT lost 350bp market share within this segment in 1HFY18; its market share now stands at 29% (v/s 32.5% in FY17). With BJAUT's new offerings (CT100 ES and new Platina) within this segment picking up pace, its market share has shot up to 36.3% in Sep-17.



### Executive segment witnesses growth after three years of de-growth

- n Executive 100cc segment grew 2% YoY in 1HFY18, as HMCL's *Splendor* volumes grew 6% YoY, while Executive 125cc volumes increased 10% YoY.
- n HMSI's *Shine* continues to gain share from HMCL's *Glamour* in Executive 125cc segment. Consequently, the market share gap between HMSI and HMCL has widened, with the former achieving a comfortable #1 spot (48% market share in 1HFY18 v/s 44.5% in FY17).
- n HMSI's Executive segment volumes grew 7% in 1HFY18, resulting in 300bp market share gain in the segment at HMCL's expense. BJAUT's presence in this segment is gradually languishing, as V12 and Discover volumes are on a downtrend.

### Premium segment (ex-RE) loses out, de-grows by 1% YoY

- n Overall premium segment grew 5% in 1HFY18, but declined 1% excluding Royal Enfield.
- n BJAUT's share in the premium segment shrunk 670bp to 31.6% in 1HFY18. However, the company seems to be on track to capture lost market share in the segment. With the launch of the new Pulsar NS series, its share within the segment inched up to 36.1% in Sep-17. Pulsar also witnessed the highest monthly dispatches in Sep-17.
- n KTM is also doing well in the segment (+43% YoY in 1HFY18), led by its new *250 Duke* and *390 Duke*.
- n BJAUT's loss in the premium segment resulted in market share gains for HMSI and TVS, which have increased their market shares to 14.9% (+420bp v/s FY17) and 13.4% (+250bp), respectively. HMSI's premium segment volumes grew 59% YoY in 1HFY18, while TVS' volumes grew by 21% YoY, with *Apache* clocking the highest monthly dispatch volumes in Sep-17 (39.5k).
- n Royal Enfield volumes grew 23% YoY, with its market share within the premium segment expanding by 110bp to 25.2% in 1HFY18 v/s FY17.

### Valuation and view

- n We prefer 4Ws over 2Ws/CVs due to stronger volume growth and a stable competitive environment.
- n While we expect 2W volumes to benefit from a rural recovery in the near term, competitive intensity remains high in the segment due to changing customer preferences.
- n **Our top picks in autos are MSIL, TTMT, Ashok Leyland and Amara Raja.**
- n We also like MM as the best bet on a rural market recovery.
- n **Eicher Motors** is our preferred pick in 2Ws.



# Metals Weekly

## Steel and aluminum production run-rate declines in China in Sep

- Indian steel:** Long product (TMT Mumbai) prices were up ~1% WoW. Sponge iron prices were up 3% WoW, but domestic scrap prices were unchanged. A few private miners have cut iron ore prices by INR100-200/t. Pellet prices were also lower. Domestic HRC prices were unchanged.
- Raw materials:** Iron ore prices (China cfr) were unchanged. Thermal coal prices were down 1% WoW. Coking coal prices were down ~2% WoW. China's pellet import prices were up ~2% WoW.
- Europe:** HRC prices were unchanged. CIS HRC export prices were marginally lower WoW. Rotterdam scrap prices were down ~3% WoW.
- China:** Local HRC and rebar prices were down ~2%/~3% WoW. Export HRC prices rose ~2% WoW, but rebar prices were down ~3% WoW.
- Base metals:** Aluminum (cash LME) prices were up ~1% WoW. Alumina prices were up ~4% WoW. Zinc (cash LME) was down ~4%. Lead was down ~2% WoW. Copper was up ~2% WoW. Crude oil (Brent) prices were up ~1% WoW.
- Steel/aluminum production in China moderates in Sep:** Crude steel production growth decelerated from 9%/11% in August/July to 5.4% YoY (to 71.8mt) in September in China. Aluminum production declined 5% YoY in September, accelerating from decline of ~3% in August. Early winter cuts and closure of illegal capacities are driving lower production run-rate, in our view.

### Metal Prices

|                                   | CMP    | change since |        |        |        |       |        |       |
|-----------------------------------|--------|--------------|--------|--------|--------|-------|--------|-------|
|                                   |        | 20-Oct       | %      | 13-Oct | %      | 1-Apr | %      | 1-Jan |
| <b>STEEL</b>                      |        |              |        |        |        |       |        |       |
| TMT- Mumbai (INR/ton)             | 29,900 | 1            | 29,700 | -11    | 33,600 | -2    | 30,600 |       |
| HRC- Mumbai (INR/ton)             | 38,000 | 0            | 38,000 | 2      | 37,333 | -1    | 38,222 |       |
| HRC (USD/ton) fob CIS             | 558    | 0            | 560    | 15     | 483    | 13    | 495    |       |
| <b>METALLICS</b>                  |        |              |        |        |        |       |        |       |
| Sponge iron - Raipur (INR/ton)    | 17,000 | 3            | 16,500 | -8     | 18,500 | 7     | 15,950 |       |
| Pig iron - Raipur (INR/ton)       | 24,500 | -1           | 24,750 | 3      | 23,850 | 9     | 22,550 |       |
| Iron ore spot (USD/ton) cfr China | 62     | 0            | 63     | -17    | 75     | -21   | 79     |       |
| Coking coal (USD/ton) fob Aus.    | 178    | -2           | 182    | -37    | 283    | -26   | 240    |       |
| Shred. scrap (USD/ton) Rotterdam  | 286    | -3           | 295    | 10     | 260    | 3     | 278    |       |
| <b>ALUM.</b>                      |        |              |        |        |        |       |        |       |
| LME Spot (USD/ton)                | 2,159  | 1            | 2,140  | 12     | 1,930  | 19    | 1,814  |       |
| Indian prices (INR '000/ton)      | 139    | 0            | 139    | 12     | 124    | 20    | 116    |       |
| LME inventories ('000 ton)        | 1,202  | -1           | 1,219  | -34    | 1,818  | -45   | 2,202  |       |
| <b>ZINC</b>                       |        |              |        |        |        |       |        |       |
| LME Spot (USD/ton)                | 3,208  | -4           | 3,325  | 20     | 2,665  | 25    | 2,563  |       |
| Indian prices (INR '000/ton)      | 216    | 0            | 216    | 25     | 172    | 24    | 174    |       |
| LME inventories ('000 ton)        | 269    | -1           | 272    | -27    | 367    | -37   | 428    |       |
| <b>COPPER</b>                     |        |              |        |        |        |       |        |       |
| LME Spot (USD/ton)                | 7,009  | 2            | 6,858  | 21     | 5,770  | 27    | 5,501  |       |
| Indian prices (INR '000/ton)      | 448    | 0            | 448    | 18     | 381    | -20   | 374    |       |
| LME inventories ('000 ton)        | 288    | 1            | 285    | 9      | 265    | -8    | 312    |       |
| <b>OTHERS</b>                     |        |              |        |        |        |       |        |       |
| Gold (INR/10gms)                  | 29,611 | -1           | 29,868 | 3      | 28,845 | 6     | 27,812 |       |
| Silver (INR/1kg)                  | 39,267 | -2           | 40,021 | -6     | 41,896 | 1     | 38,921 |       |
| Lead Spot LME (USD/ton)           | 2,502  | -2           | 2,542  | 11     | 2,260  | 26    | 1,985  |       |
| Brent crude (USD/bbl)             | 57.8   | 1            | 57.2   | 5      | 55.2   | 2     | 56.8   |       |
| <b>MISC.</b>                      |        |              |        |        |        |       |        |       |
| INR/USD                           | 65.1   | 1            | 64.7   | 1      | 64.3   | -4    | 68.0   |       |
| BDI                               | 1,578  | 4            | 1,523  | 29     | 1,223  | 64    | 961    |       |

### Valuations: Indian companies

| Company            | Price (INR) | EV/EBITDA (x) FY18E | EV/EBITDA (x) FY19E | P/B (x) FY18E |
|--------------------|-------------|---------------------|---------------------|---------------|
| <b>Steel</b>       |             |                     |                     |               |
| Tata Steel         | 709         | 6.8                 | 6.9                 | 1.9           |
| JSW Steel          | 259         | 8.0                 | 7.3                 | 2.3           |
| JSPL               | 163         | 10.2                | 7.0                 | 0.5           |
| SAIL               | 60          | 34.7                | 14.6                | 0.8           |
| <b>Non-Ferrous</b> |             |                     |                     |               |
| Hindalco           | 266         | 7.0                 | 6.1                 | 1.7           |
| Nalco              | 85          | 9.7                 | 8.8                 | 1.6           |
| Vedanta            | 321         | 7.7                 | 5.2                 | 1.8           |
| <b>Mining</b>      |             |                     |                     |               |
| Coal India         | 288         | 8.6                 | 7.4                 | 7.0           |
| HZL                | 320         | 9.1                 | 6.5                 | 4.7           |
| NMDC               | 120         | 6.1                 | 6.0                 | 1.6           |

Note: Detailed table on pg 25 Source: MOSL

### Valuations: Global companies

|                    | Price      | EV/EBITDA (x) CY17 | EV/EBITDA (x) CY18 | P/B (x) CY17 |
|--------------------|------------|--------------------|--------------------|--------------|
| <b>Mining</b>      |            |                    |                    |              |
| BHP                | AUD 26.68  | 6.1                | 6.4                | nm           |
| FMG                | AUD 4.93   | 4.0                | 4.6                | 1.2          |
| Rio Tinto          | AUD 69.06  | 5.6                | 6.4                | 2.2          |
| Vale               | USD 30.67  | 5.5                | 6.2                | 1.2          |
| Teck Res.          | USD 22.74  | 4.0                | 5.0                | 0.9          |
| <b>Steel</b>       |            |                    |                    |              |
| A. Mittal          | EUR 25.175 | 5.5                | 5.5                | 0.8          |
| Posco              | k KRW 337  | 5.7                | 5.7                | 0.7          |
| US Steel           | USD 28.43  | 5.8                | 5.0                | 1.9          |
| Nucor              | USD 60     | 8.1                | 7.4                | 2.3          |
| JFE                | JPY 2313   | 7.3                | 6.8                | nm           |
| Gerdau             | BRL 11.68  | 8.1                | 6.7                | 1.1          |
| Angang             | CNY 6.54   | 7.5                | 7.3                | 0.8          |
| <b>Non Ferrous</b> |            |                    |                    |              |
| Alcoa              | USD 47.93  | 4.9                | 4.9                | 1.5          |
| Hydro              | NOK 60.3   | 7.3                | 5.9                | 1.5          |
| Rusal              | HKD 5.28   | 9.0                | 8.2                | nm           |

Note: Detailed on pg 25 Source: Bloomberg



**ABB**

|                         |            |
|-------------------------|------------|
| Bloomberg               | ABB IN     |
| Equity Shares (m)       | 211.9      |
| M. Cap. (INR b)/(USD b) | 294 / 5    |
| 52-Week Range (INR)     | 1619 / 950 |
| 1,6,12 Rel Perf. (%)    | 4 / 0 / 7  |

**CMP: INR1,388 TP: INR1,235 (-11%) Sell**

- n ABB has received orders to supply solar inverters to 750 railway stations in North India.
- n During the quarter, we expect ABB to register 12% YoY growth in revenue, led by robust performance from the electrification products segment (+32% YoY growth).
- n We expect 150bp gross margin improvement on YoY basis to 35.8%, led by efficiencies generated on account of supply chain initiatives taken by the company.
- n We expect 110bp YoY expansion in EBITDA margin to 8.5%.
- n Net profit growth is likely to remain a muted 3% YoY to INR897m on account of higher interest cost (INR300m v/s INR178m in 3QCY17). Maintain **Sell**.

**Financial Snapshot (INR b)**

| Y/E Dec        | 2016  | 2017E | 2018E | 2019E |
|----------------|-------|-------|-------|-------|
| Net Sales      | 86.6  | 94.9  | 112.6 | 125.6 |
| EBITDA         | 7.9   | 9.0   | 12.0  | 14.1  |
| Adj. PAT       | 3.7   | 4.7   | 6.7   | 8.1   |
| Adj. EPS (INR) | 19.7  | 22.4  | 31.6  | 38.2  |
| EPS Gr (%)     | 25.0  | 13.8  | 41.0  | 20.9  |
| BV/Sh (INR)    | 154.9 | 177.3 | 200.7 | 228.9 |
| RoE (%)        | 12.7  | 12.6  | 15.8  | 16.7  |
| RoCE (%)       | 18.3  | 19.2  | 23.4  | 25.0  |
| Payout (%)     | 19.9  | 22.5  | 22.5  | 22.5  |

**Valuations**

|                |      |      |      |      |
|----------------|------|------|------|------|
| P/E (x)        | 73.8 | 58.0 | 45.2 | 37.1 |
| P/BV (x)       | 9.4  | 8.1  | 7.1  | 6.2  |
| EV/EBITDA (x)  | 32.4 | 24.9 | 18.9 | 14.2 |
| Div. Yield (%) | 0.3  | 0.4  | 0.5  | 0.6  |

**Key issues to watch**

- ⊗ Management commentary suggests cautious optimism. Continued focus on exports and services to be an important driver of projected strong double-digit revenue and profit growth.
- ⊗ Continued preference for cash generation vis-à-vis profits.

**Quarterly Performance**

| Y/E December           | CY16          |               |               |               | CY17          |               |               |               | CY16          | CY17E         |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                        | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           |               |               |
| <b>Sales</b>           | <b>20,035</b> | <b>20,947</b> | <b>20,550</b> | <b>24,915</b> | <b>21,689</b> | <b>22,237</b> | <b>23,050</b> | <b>27,960</b> | <b>85,318</b> | <b>93,568</b> |
| Change (%)             | 10.4          | 8.4           | 4.4           | 2.7           | 8.3           | 6.2           | 12.2          | 12.2          | 6.4           | 9.7           |
| <b>EBITDA</b>          | <b>1,808</b>  | <b>1,136</b>  | <b>1,516</b>  | <b>2,819</b>  | <b>1,715</b>  | <b>1,473</b>  | <b>1,950</b>  | <b>3,851</b>  | <b>7,901</b>  | <b>8,989</b>  |
| Change (%)             | 25.9          | -29.5         | -2.7          | 7.1           | -5.2          | 29.7          | 28.6          | 36.6          | 5.8           | 13.8          |
| As % of Sales          | 9.0           | 5.4           | 7.4           | 11.3          | 7.9           | 6.6           | 8.5           | 13.8          | 9.3           | 9.6           |
| Depreciation           | 359           | 357           | 406           | 389           | 376           | 383           | 393           | 420           | 1510          | 1573          |
| Interest               | 223           | 197           | 178           | 285           | 212           | 231           | 300           | 426           | 919           | 1,169         |
| Other Income           | 149           | 299           | 299           | 95            | 186           | 326           | 100           | 117           | 658           | 728           |
| <b>PBT</b>             | <b>1,376</b>  | <b>881</b>    | <b>1,231</b>  | <b>2,241</b>  | <b>1,312</b>  | <b>1,185</b>  | <b>1,357</b>  | <b>3,121</b>  | <b>6,131</b>  | <b>6,975</b>  |
| Tax                    | 442           | 324           | 427           | 773           | 428           | 435           | 460           | 903           | 1,957         | 2,226         |
| Effective Tax Rate (%) | 32.1          | 36.8          | 34.7          | 34.5          | 32.6          | 36.7          | 33.9          | 28.9          | 31.9          | 31.9          |
| <b>Reported PAT</b>    | <b>854</b>    | <b>556</b>    | <b>811</b>    | <b>1,468</b>  | <b>884</b>    | <b>751</b>    | <b>897</b>    | <b>2,217</b>  | <b>3,687</b>  | <b>4,749</b>  |
| <b>Adj. PAT</b>        | <b>934</b>    | <b>556</b>    | <b>871</b>    | <b>1,468</b>  | <b>884</b>    | <b>751</b>    | <b>897</b>    | <b>2,217</b>  | <b>4,175</b>  | <b>4,749</b>  |
| Change (%)             | 72.0          | -18.7         | 48.2          | 13.4          | -5.3          | 34.9          | 3.0           | 51.1          | 25.0          | 13.8          |



# Ambuja Cements

|                         |              |
|-------------------------|--------------|
| Bloomberg               | ACEM IN      |
| Equity Shares (m)       | 1985.7       |
| M. Cap. (INR b)/(USD b) | 545 / 8      |
| 52-Week Range (INR)     | 291 / 191    |
| 1,6,12 Rel Perf. (%)    | -2 / 10 / -5 |

## Financial Snapshot (INR Billion)

| Y/E DEC        | 2016  | 2017E | 2018E | 2019E |
|----------------|-------|-------|-------|-------|
| Sales          | 91.6  | 102.0 | 113.0 | 126.2 |
| EBITDA         | 15.8  | 18.0  | 21.8  | 27.2  |
| NP             | 9.7   | 13.8  | 16.3  | 20.1  |
| Adj. EPS (INR) | 4.9   | 7.0   | 8.2   | 10.1  |
| EPS Gr. (%)    | -10.6 | 42.2  | 18.4  | 23.1  |
| BV/Sh. (INR)   | 96.4  | 101.7 | 107.6 | 111.6 |
| RoE (%)        | 5.1   | 7.0   | 7.9   | 9.2   |
| RoCE (%)       | 6.9   | 7.2   | 8.1   | 9.5   |
| Payout (%)     | 29.6  | 23.5  | 28.4  | 60.1  |

## Valuations

|               |      |      |      |      |
|---------------|------|------|------|------|
| P/E (x)       | 39.6 | 27.9 | 23.5 | 19.1 |
| P/BV (x)      | 2.0  | 1.9  | 1.8  | 1.7  |
| EV/EBITDA (x) | 23.3 | 19.6 | 15.7 | 12.6 |
| EV/Ton (USD)  | 186  | 178  | 165  | 151  |

**CMP: INR274 TP: INR317 (+16%) Buy**

- Dispatches in 3QCY17 are estimated to increase 10% YoY to 5.05mt, led by market share gains in north and a favorable base. Average realizations are expected to decrease by 2.4% QoQ to INR4,541/ton due to weak pricing. Revenue is estimated at INR22.9b (+14% YoY).
- EBITDA margin is expected to be 15.2% (-6.5pp QoQ, +1.4pp YoY). EBITDA/ton is estimated at INR691 (-INR319 QoQ, +INR88 YoY).
- Adjusted PAT is estimated to increase 5.3% YoY to INR2.9b due to weak profitability.
- The stock trades at P/E of 23.5x/19x on CY18E/CY19E earnings and 15.7x/12.6x CY18E/CY19E EV/EBITDA and CY18E/CY19E EV/ton of USD165/USD151. Maintain Buy.

### Key issues to watch out for:

- Volume growth recovery and outlook.
- Cement pricing outlook and sustainability.
- Cost curve trend in CY17.

## Quarterly Performance

| Y/E December                  | CY16          |               |               |               | CY17          |               |               |               | (INR m)       |                |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
|                               | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2Q            | 3QE           | 4QE           | CY16          | CY17E          |
| Sales Volume (m ton)*         | 5.97          | 5.85          | 4.58          | 5.09          | 6.02          | 6.07          | 5.05          | 5.68          | 21.49         | 22.82          |
| YoY Change (%)                | 9.9           | -1.7          | -6.5          | -7.1          | 0.9           | 3.8           | 10.3          | 11.6          | -1.2          | 6.2            |
| Realization (INR/ton)         | 4,032         | 4,322         | 4,376         | 4,316         | 4,208         | 4,651         | 4,541         | 4,483         | 4,263         | 4,468          |
| YoY Change (%)                | -9.7          | 3.2           | 2.3           | 0.4           | 4.4           | 7.6           | 3.8           | 3.9           | -1.0          | 4.8            |
| QoQ Change (%)                | -6.2          | 7.2           | 1.3           | -1.4          | -2.5          | 10.5          | -2.4          | -1.3          |               |                |
| <b>Net Sales</b>              | <b>24,060</b> | <b>25,281</b> | <b>20,043</b> | <b>21,967</b> | <b>25,334</b> | <b>28,233</b> | <b>22,933</b> | <b>25,461</b> | <b>91,604</b> | <b>101,961</b> |
| YoY Change (%)                | -0.8          | 1.4           | -4.3          | -6.8          | 5.3           | 11.7          | 14.4          | 15.9          | 7.7           | 5.4            |
| <b>EBITDA</b>                 | <b>4,255</b>  | <b>5,782</b>  | <b>2,760</b>  | <b>2,947</b>  | <b>3,651</b>  | <b>6,131</b>  | <b>3,490</b>  | <b>4,683</b>  | <b>15,755</b> | <b>17,953</b>  |
| Margins (%)                   | 17.7          | 22.9          | 13.8          | 13.4          | 14.4          | 21.7          | 15.2          | 18.4          | 17.2          | 17.6           |
| Depreciation                  | 3,830         | 1,507         | 1,595         | 1,563         | 1,460         | 1,439         | 1,500         | 1,495         | 8,501         | 5,894          |
| Interest                      | 188           | 212           | 192           | 136           | 377           | 165           | 150           | -103          | 715           | 589            |
| Other Income                  | 1,303         | 1,900         | 2,503         | 755           | 1,310         | 940           | 2,000         | 1,751         | 6,837         | 6,000          |
| <b>PBT before EO Item</b>     | <b>1,541</b>  | <b>5,963</b>  | <b>3,477</b>  | <b>2,003</b>  | <b>3,124</b>  | <b>5,466</b>  | <b>3,840</b>  | <b>5,041</b>  | <b>13,376</b> | <b>17,471</b>  |
| Extraordinary Inc/(Exp)       | 210           | 0             | 0             | -105          | 0             | 0             | 0             | 0             | 0             | 0              |
| <b>PBT after EO Exp/(Inc)</b> | <b>1,751</b>  | <b>5,963</b>  | <b>3,477</b>  | <b>1,898</b>  | <b>3,124</b>  | <b>5,466</b>  | <b>3,840</b>  | <b>5,041</b>  | <b>13,376</b> | <b>17,471</b>  |
| Tax                           | 1,216         | 1,444         | 707           | 297           | 658           | 1,544         | 922           | 545           | 3,672         | 3,669          |
| Rate (%)                      | 69.4          | 24.2          | 20.3          | 15.7          | 21.1          | 28.2          | 24.0          | 10.8          | 27.5          | 21.0           |
| <b>Reported Profit</b>        | <b>535</b>    | <b>4,519</b>  | <b>2,770</b>  | <b>1,601</b>  | <b>2,465</b>  | <b>3,922</b>  | <b>2,918</b>  | <b>4,496</b>  | <b>9,703</b>  | <b>13,802</b>  |
| <b>Adj PAT</b>                | <b>471</b>    | <b>4,519</b>  | <b>2,770</b>  | <b>1,689</b>  | <b>2,465</b>  | <b>3,922</b>  | <b>2,918</b>  | <b>4,496</b>  | <b>9,703</b>  | <b>13,802</b>  |
| YoY Change (%)                | -85.2         | 99.7          | 80.4          | 16.2          | 423.7         | -13.2         | 5.3           | 166.2         | 14.4          | 42.2           |

E: MOSL Estimates



# Asian Paints

|                         |              |
|-------------------------|--------------|
| Bloomberg               | APNT IN      |
| Equity Shares (m)       | 959.2        |
| M. Cap. (INR b)/(USD b) | 1105 / 17    |
| 52-Week Range (INR)     | 1261 / 850   |
| 1,6,12 Rel Perf. (%)    | -4 / 1 / -17 |

### Financial Snapshot (INR b)

| y/e March    | 2017  | 2018E | 2019E | 2020E |
|--------------|-------|-------|-------|-------|
| Sales        | 152.9 | 166.2 | 202.2 | 242.4 |
| EBITDA       | 30.2  | 32.8  | 39.0  | 46.6  |
| Adj. PAT     | 20.2  | 21.3  | 25.4  | 30.7  |
| Adj. EPS.INR | 21.0  | 22.2  | 26.5  | 32.0  |
| EPS Gr. (%)  | 8.7   | 5.6   | 19.5  | 20.8  |
| BV/Sh.(INR)  | 79.3  | 87.1  | 101.3 | 120.5 |
| RoE (%)      | 28.5  | 26.7  | 28.1  | 28.9  |
| RoCE (%)     | 24.3  | 23.0  | 24.7  | 25.9  |
| Payout (%)   | 37.8  | 45.1  | 39.6  | 34.3  |

### Valuations

|                |      |      |      |      |
|----------------|------|------|------|------|
| P/E (x)        | 54.8 | 51.9 | 43.5 | 36.0 |
| P/BV (x)       | 14.5 | 13.2 | 11.4 | 9.6  |
| EV/EBITDA      | 35.6 | 32.9 | 27.4 | 22.6 |
| Div. Yield (%) | 0.8  | 1.0  | 1.1  | 1.1  |

**CMP: INR1,152 TP: INR1,315 (+14%) Neutral**

- ▢ We expect revenue to grow 12.5% YoY to INR42.3b in 2QFY18, with 15% volume growth in the domestic decorative business. We have factored in GST related accounting impact of 7.5% on sales and no impact on absolute EBITDA.
- ▢ We note that crude prices are up 13% YoY and 3% QoQ in 2QFY18. The magnitude of price movement in crude derivatives is lower vis-à-vis crude prices.
- ▢ Operating margin is likely to expand slightly by 20bp to 19.1% in 2QFY18.
- ▢ We estimate 10.7% PAT growth for 2QFY18.
- ▢ The stock trades at 43.5x FY19E EPS of INR26.5; maintain **Neutral**.

### Key issues to watch for

- ⊗ Volume growth trends and demand scenario in urban and rural geographies.
- ⊗ Demand outlook for industrial paints.
- ⊗ Outlook for raw materials/pricing actions.

### Quarterly Performance (Consolidated)

(INR Million)

| Y/E March                | FY17   |        |        |        | FY18   |        |        |        | FY17    | FY18    |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
|                          | 1Q     | 2Q     | 3Q     | 4Q     | 1Q     | 2QE    | 3QE    | 4QE    |         |         |
| Dom Deco Volume Growth % | 11.0   | 12.0   | 2.0    | 10.0   | 4.0    | 15.0   | 15.0   | 10.0   | 8.8     | 11.0    |
| Net Sales                | 35,870 | 37,633 | 39,370 | 39,525 | 38,152 | 42,337 | 44,292 | 41,388 | 152,398 | 166,169 |
| Change (%)               | 7.6    | 9.6    | 2.6    | 7.8    | 6.4    | 12.5   | 12.5   | 4.7    | 6.8     | 9.0     |
| EBITDA                   | 8,162  | 7,130  | 7,763  | 7,119  | 6,654  | 8,106  | 9,310  | 8,703  | 30,173  | 32,772  |
| Margin (%)               | 22.8   | 18.9   | 19.7   | 18.0   | 17.4   | 19.1   | 21.0   | 21.0   | 19.8    | 19.7    |
| Change (%)               | 20.3   | 17.3   | -1.2   | 2.1    | -18.5  | 13.7   | 19.9   | 22.3   | 9.0     | 8.6     |
| Interest                 | 63     | 60     | 92     | 90     | 80     | 80     | 80     | 104    | 305     | 344     |
| Depreciation             | 844    | 844    | 855    | 835    | 905    | 970    | 983    | 998    | 3,378   | 3,857   |
| Other Income             | 719    | 791    | 415    | 701    | 783    | 886    | 456    | 742    | 2,626   | 2,867   |
| PBT                      | 7,973  | 7,017  | 7,231  | 6,895  | 6,452  | 7,942  | 8,702  | 8,342  | 29,116  | 31,438  |
| Tax                      | 2,593  | 2,207  | 2,465  | 2,205  | 2,160  | 2,621  | 2,872  | 2,722  | 9,469   | 10,375  |
| Effective Tax Rate (%)   | 32.5   | 31.5   | 34.1   | 32.0   | 33.5   | 33.0   | 33.0   | 32.6   | 32.5    | 33.0    |
| Adjusted PAT             | 5,506  | 4,759  | 4,662  | 4,796  | 4,382  | 5,271  | 5,726  | 5,911  | 20,162  | 21,289  |

E: MOSL Estimates





# HDFC Bank

|                         |             |
|-------------------------|-------------|
| Bloomberg               | HDFCB IN    |
| Equity Shares (m)       | 2562.5      |
| M. Cap. (INR b)/(USD b) | 4611 / 71   |
| 52-Week Range (INR)     | 1868 / 1159 |
| 1,6,12 Rel Perf. (%)    | 3 / 20 / 28 |

### Financial Snapshot (INR b)

| Y/E MARCH     | 2017  | 2018E | 2019E | 2020E |
|---------------|-------|-------|-------|-------|
| NII           | 331.4 | 400.9 | 479.4 | 576.0 |
| OP            | 257.3 | 321.6 | 389.0 | 466.8 |
| NP            | 145.5 | 174.8 | 211.6 | 255.1 |
| NIM (%)       | 4.6   | 4.7   | 4.6   | 4.5   |
| EPS (INR)     | 56.8  | 68.2  | 82.6  | 99.6  |
| EPS Gr. (%)   | 16.7  | 20.1  | 21.0  | 20.6  |
| BV/Sh. (INR)  | 336   | 388.2 | 451.5 | 527.9 |
| ABV/Sh. (INR) | 331   | 381.7 | 448.1 | 523.2 |
| RoE (%)       | 18.3  | 18.8  | 19.7  | 20.3  |
| RoA (%)       | 1.8   | 1.8   | 1.9   | 1.8   |
| Payout (%)    | 23.4  | 23.4  | 23.4  | 23.4  |

### Valuations

|                |      |      |      |      |
|----------------|------|------|------|------|
| P/E(X)         | 31.7 | 26.4 | 21.8 | 18.1 |
| P/BV (X)       | 5.4  | 4.6  | 4.0  | 3.4  |
| P/ABV (X)      | 5.4  | 4.7  | 4.0  | 3.4  |
| Div. Yield (%) | 0.6  | 0.8  | 0.9  | 1.1  |

**CMP: INR1,799 TP: INR2,066 (+15%) Buy**

- Loan growth will be strong at 26% YoY. Deposit growth will be healthy at ~18% YoY, led by CASA inflows.
- COF decline would help to negate the impact of declining yields environment, and we expect HDFCB to report only a marginal ~10bp contraction in margins and report strong NIM of 4.6%. NII is expected to grow at 22% YoY.
- Other income growth is expected to moderate to ~17% YoY, factoring in lower trading gains. Fee income should remain healthy. Tie-up with new banca partners will drive fee income growth.
- Opex growth would be lower than total income growth at ~15% YoY, aided by the bank's strong digital initiatives and focus on cutting excess flab (headcount reduced by ~10k in 2HFY17).
- Healthy PPOP growth would lead to 22% YoY PAT growth, largely in line with 20% growth trend exhibited by the bank in the last few years. Asset quality is expected to remain stable, with GNPA at ~1.3%.
- HDFCB trades at 4x FY19E BV and 21.8x FY19E EPS. Comfort on earnings (~21% CAGR over FY17-20) remains high. Maintain Buy.

### Key issues to watch for

- Performance in retail loan/agri portfolio, especially in CV/CE.
- Trends in digital banking/payments and various initiatives; overall B/S growth outlook and economic recovery.

### Quarterly Performance

|                             | FY17            |                 |                 |                 | FY18E           |                 |                 |                 | FY17            | FY18            |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                             | 1Q              | 2Q              | 3Q              | 4Q              | 1Q              | 2QE             | 3QE             | 4QE             |                 |                 |
| <b>Net Interest Income</b>  | <b>77,814</b>   | <b>79,936</b>   | <b>83,091</b>   | <b>90,551</b>   | <b>93,707</b>   | <b>97,661</b>   | <b>1,02,403</b> | <b>1,07,091</b> | <b>3,31,392</b> | <b>4,00,863</b> |
| % Change (Y-o-Y)            | 21.8            | 19.6            | 17.6            | 21.5            | 20.4            | 22.2            | 23.2            | 18.3            | 20.1            | 21.0            |
| Other Income                | 28,066          | 29,010          | 31,427          | 34,463          | 35,167          | 33,840          | 36,341          | 41,327          | 1,22,965        | 1,46,675        |
| <b>Net Income</b>           | <b>1,05,881</b> | <b>1,08,945</b> | <b>1,14,518</b> | <b>1,25,014</b> | <b>1,28,874</b> | <b>1,31,502</b> | <b>1,38,744</b> | <b>1,48,418</b> | <b>4,54,357</b> | <b>5,47,538</b> |
| Operating Expenses          | 47,689          | 48,700          | 48,425          | 52,220          | 53,675          | 55,942          | 56,451          | 59,898          | 1,97,033        | 2,25,965        |
| <b>Operating Profit</b>     | <b>58,192</b>   | <b>60,246</b>   | <b>66,093</b>   | <b>72,794</b>   | <b>75,199</b>   | <b>75,559</b>   | <b>82,293</b>   | <b>88,521</b>   | <b>2,57,324</b> | <b>3,21,573</b> |
| % Change (Y-o-Y)            | 20.0            | 19.5            | 15.2            | 26.9            | 29.2            | 25.4            | 24.5            | 21.6            | 20.4            | 25.0            |
| Other Provisions            | 8,667           | 7,490           | 7,158           | 12,618          | 15,588          | 11,000          | 12,500          | 15,659          | 35,933          | 54,747          |
| <b>Profit before Tax</b>    | <b>49,525</b>   | <b>52,756</b>   | <b>58,935</b>   | <b>60,176</b>   | <b>59,612</b>   | <b>64,559</b>   | <b>69,793</b>   | <b>72,862</b>   | <b>2,21,391</b> | <b>2,66,826</b> |
| Tax Provisions              | 17,136          | 18,202          | 20,281          | 20,275          | 20,673          | 22,273          | 24,079          | 25,030          | 75,894          | 92,055          |
| <b>Net Profit</b>           | <b>32,389</b>   | <b>34,553</b>   | <b>38,653</b>   | <b>39,901</b>   | <b>38,938</b>   | <b>42,286</b>   | <b>45,714</b>   | <b>47,832</b>   | <b>1,45,496</b> | <b>1,74,771</b> |
| % Change (Y-o-Y)            | 20.2            | 20.4            | 15.1            | 18.3            | 20.2            | 22.4            | 18.3            | 19.9            | 18.3            | 20.1            |
| <b>Operating Parameters</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| NIM (Reported,%)*           | 4.4             | 4.2             | 4.1             | 4.3             |                 |                 |                 |                 | 4.3             | 4.2             |
| NIM (Cal, %) #              | 4.7             | 4.5             | 4.6             | 4.8             | 4.7             | 4.6             | 4.6             | 4.6             | 4.6             | 4.6             |
| Deposit Growth (%)          | 18.5            | 16.7            | 21.1            | 17.8            | 17.0            | 18.0            | 16.1            | 22.0            | 17.8            | 22.0            |
| Loan Growth (%)             | 23.2            | 18.1            | 13.4            | 19.4            | 23.4            | 25.7            | 31.9            | 22.0            | 19.4            | 22.0            |
| CD Ratio (%)                | 82.0            | 83.6            | 78.0            | 86.2            | 86.5            | 89.0            | 88.6            | 86.2            | 86.2            | 86.2            |
| CASA Ratio (%)              | 39.9            | 40.4            | 45.4            | 48.0            |                 |                 |                 | 0.0             | 48.0            | 46.0            |
| <b>Asset Quality</b>        |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| OSRL (INR B)                | 4.7             | 4.9             | 5.0             | 3.3             | 0.0             | 0.0             | 0.0             | 0.0             | 3.3             |                 |
| OSRL (%)                    | 0.1             | 0.1             | 0.1             | 0.1             | 0.0             | 0.0             | 0.0             | 0.0             | 0.1             |                 |
| Gross NPA (INR B)           | 49.2            | 50.7            | 52.3            | 58.9            | 72.4            | 81.4            | 90.4            | 94.7            | 58.9            | 94.7            |
| Gross NPA (%)               | 1.0             | 1.0             | 1.1             | 1.1             | 1.2             | 1.3             | 1.4             | 1.4             | 1.1             | 1.4             |

E: MOSL Estimates; \* Reported on total assets; # Cal. on interest earning assets



# Infosys

|                         |               |
|-------------------------|---------------|
| Bloomberg               | INFO IN       |
| Equity Shares (m)       | 2285.6        |
| M. Cap. (INR b)/(USD b) | 2064 / 32     |
| 52-Week Range (INR)     | 1081 / 862    |
| 1,6,12 Rel Perf. (%)    | 1 / -15 / -25 |

**CMP: INR903 TP: INR1,050 (+16%)**

**Buy**

### Financial Snapshot (INR b)

| y/e mar      | 2017  | 2018E | 2019E | 2020E |
|--------------|-------|-------|-------|-------|
| Sales        | 684.9 | 706.0 | 772.8 | 846.2 |
| EBITDA       | 186.1 | 184.5 | 200.3 | 219.3 |
| PAT          | 143.8 | 142.3 | 151.6 | 169.5 |
| EPS (INR)    | 62.9  | 62.3  | 66.3  | 74.2  |
| EPS Gr. (%)  | 6.6   | -1.1  | 6.5   | 11.8  |
| BV/Sh. (INR) | 302   | 333.5 | 361.1 | 391.7 |
| RoE (%)      | 22.0  | 19.6  | 19.1  | 19.7  |
| RoCE (%)     | 22.0  | 19.6  | 19.1  | 19.7  |
| Payout (%)   | 40.9  | 48.2  | 51.3  | 51.2  |

### Valuations

|               |      |      |      |      |
|---------------|------|------|------|------|
| P/E (x)       | 14.4 | 14.5 | 13.6 | 12.2 |
| P/BV (x)      | 3.0  | 2.7  | 2.5  | 2.3  |
| EV/EBITDA (x) | 9.0  | 8.7  | 7.8  | 6.9  |
| Div Yield (%) | 2.9  | 3.3  | 3.8  | 4.2  |

- n In CC terms, our revenue growth estimate for 1QFY18 is 2% QoQ. We expect absence of a seasonal pick-up, given the softness witnessed in BFS and Retail. Cross-currency tailwinds of 110bp would result in USD revenue growth of 3.1%.
- n At the end of 4QFY17, INFO guided for 6.5-8.5% YoY CC growth, implying a CQGR of 2.2-3%. FY17 guidance would be tested by 2Q revenue growth, and by expectations of momentum going forward as the company continues to be faced with multiple internal issues.
- n We expect EBITDA margin to decline by 80bp QoQ to 25.9%, led by continued investments in the business and the fact that operational efficiency levers have been squeezed materially over the last few quarters.
- n With this, we expect full-year EBIT margin at 23.6%, at the lower end of the revised profitability guidance range of 23-25%.
- n Our PAT estimate is INR35.5b, +1.8% QoQ, led by lower profitability and higher ETR.
- n The stock trades at 14.5x FY18E and 13.6x FY19E earnings. Buy.

### Key issues to watch for

- ⊗ Update on internal stability of the company.
- ⊗ Commentary around contribution of newly launched services, and revenue scale and growth from products and solutions.
- ⊗ Commentary around macro, verticals, margins and pricing.

### Quarterly Performance (IFRS)

| Y/E March              | FY17    |         |         |         | FY18E   |         |         |         | (INR m) |         |
|------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                        | 1Q      | 2Q      | 3Q      | 4Q      | 1Q      | 2QE     | 3QE     | 4QE     | FY17    | FY18E   |
| Revenue (USD m)        | 2,501   | 2,587   | 2,551   | 2,569   | 2,651   | 2,732   | 2,751   | 2,802   | 10,208  | 10,936  |
| QoQ (%)                | 2.2     | 3.4     | -1.4    | 0.7     | 3.2     | 3.1     | 0.7     | 1.9     | 7.4     | 7.1     |
| Revenue (INR m)        | 167,820 | 173,100 | 172,730 | 171,200 | 170,780 | 175,683 | 177,417 | 171,200 | 684,850 | 705,992 |
| YoY (%)                | 16.9    | 10.7    | 8.6     | 3.4     | 1.8     | 1.5     | 2.7     | 0.0     | 9.7     | 3.1     |
| GPM (%)                | 38.7    | 39.1    | 39.7    | 39.7    | 38.8    | 38.1    | 38.1    | 38.4    | 39.3    | 38.3    |
| SGA (%)                | 12.2    | 11.8    | 12.2    | 12.5    | 12.1    | 12.2    | 12.3    | 12.2    | 12.2    | 12.2    |
| EBITDA                 | 44,470  | 47,330  | 47,670  | 46,580  | 45,610  | 45,455  | 45,794  | 47,625  | 186,050 | 184,485 |
| EBITDA Margin (%)      | 26.5    | 27.3    | 27.6    | 27.2    | 26.7    | 25.9    | 25.8    | 27.8    | 27.2    | 26.1    |
| EBIT Margin (%)        | 24.1    | 24.9    | 25.1    | 24.6    | 23.7    | 23.3    | 23.3    | 23.6    | 24.7    | 23.6    |
| Other income           | 7,530   | 7,600   | 8,200   | 7,460   | 8,140   | 9,038   | 7,659   | 8,262   | 30,790  | 33,100  |
| ETR (%)                | 28.4    | 28.8    | 28.1    | 27.0    | 28.2    | 29.0    | 29.0    | 29.0    | 28.0    | 28.7    |
| PAT                    | 34,360  | 36,060  | 37,080  | 36,030  | 34,880  | 35,503  | 34,738  | 36,430  | 143,830 | 142,261 |
| QoQ (%)                | -4.5    | 4.9     | 2.8     | -2.8    | -3.2    | 1.8     | -2.2    | 4.9     |         |         |
| YoY (%)                | 13.4    | 6.1     | 7.0     | 0.2     | 1.5     | -1.5    | -6.3    | 1.1     | 6.6     | -1.1    |
| EPS (INR)              | 15.0    | 15.8    | 16.2    | 15.8    | 15.3    | 15.5    | 15.2    | 15.9    | 62.9    | 62.3    |
| Headcount              | 197,050 | 199,829 | 199,763 | 200,364 | 198,553 | 202,141 | 211,885 | 215,126 | 200,364 | 215,126 |
| Util excl. trainees    | 81.1    | 83.1    | 82.4    | 82.6    | 84.5    | 87.0    | 84.2    | 83.8    | 82.8    | 84.9    |
| Attrition (%)          | 21.0    | 20.0    | 18.4    | 17.1    | 21.0    |         |         |         |         |         |
| Offshore rev. (%) (IT) | 43.0    | 43.0    | 43.5    | 43.3    | 43.4    |         |         |         |         |         |
| Fixed Price (%)        | 45.7    | 47.1    | 49.5    | 49.4    | 49.3    |         |         |         |         |         |

E: MOSL Estimates



# Zee Entertainment

|                         |              |
|-------------------------|--------------|
| Bloomberg               | Z IN         |
| Equity Shares (m)       | 960.4        |
| M. Cap. (INR b)/(USD b) | 501 / 8      |
| 52-Week Range (INR)     | 580 / 429    |
| 1,6,12 Rel Perf. (%)    | 1 / -9 / -20 |

**CMP: INR522 TP: INR630 (+21%) Buy**

- n We expect advertising revenue to grow 4% YoY to INR9.2b. Ex-sports, ad revenue is expected to grow 3% YoY, as it will be offset by RBL revenues. GST impacted ad growth in July and August significantly.
- n Domestic subscription revenue is likely to decline 18% YoY to INR4.8b. Excluding sports, it has grown 9%.
- n Total revenue is expected to decline 7% YoY to INR15.7b. Ex-sports, revenue is likely to grow 4% YoY.
- n We expect EBITDA margin to improve 110bp YoY to 29.9% due to the sale of sports business. Ex-Sports EBITDA margin is expected to contract 420bp.
- n Adjusted PAT is expected to grow ~29% YoY to INR3.1b.
- n The stock trades at 42.6x FY18E and 29.1x FY19E EPS. Buy.

## Financial Snapshot (INR Billion)

| Y/E MARCH        | 2017 | 2018E | 2019E | 2020E |
|------------------|------|-------|-------|-------|
| Net Sales        | 64.3 | 64.6  | 75.9  | 87.8  |
| EBITDA           | 19.3 | 20.3  | 26.9  | 32.1  |
| Adj. NP          | 14.5 | 13.1  | 18.2  | 22.1  |
| Adj. EPS (INR)   | 13.9 | 12.2  | 17.8  | 22.1  |
| Adj. EPS Gr. (%) | 80.7 | -12.4 | 46.4  | 24.1  |
| BV/Sh (INR)      | 89.2 | 95.4  | 106.8 | 122.2 |
| RoE (%)          | 19.3 | 14.7  | 18.7  | 20.1  |
| RoCE (%)         | 20.7 | 15.7  | 19.5  | 20.5  |
| Div. Payout (%)  | 13.0 | 22.7  | 19.0  | 15.7  |

## Valuations

|                |      |      |      |      |
|----------------|------|------|------|------|
| P/E (x)        | 37.6 | 42.9 | 29.3 | 23.6 |
| P/BV (x)       | 5.9  | 5.5  | 4.9  | 4.3  |
| EV/EBITDA (x)  | 24.7 | 22.9 | 17.1 | 14.0 |
| Div. Yield (%) | 0.5  | 0.5  | 0.6  | 0.6  |

## Key things to watch for

- Ø YoY ad growth (Ex-sports 3% growth).
- Ø Domestic subscription (Ex-sports 9% growth).

## Consolidated - Quarterly Earning Model

(INR m)

| Y/E March                             | FY17          |               |               |               | FY18          |               |               |               | FY17          | FY18E         |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                       | 1Q            | 2Q            | 3Q            | 4Q            | 1Q            | 2QE           | 3QE           | 4QE           |               |               |
| <b>Total Revenue from Operations</b>  | <b>15,717</b> | <b>16,954</b> | <b>16,391</b> | <b>15,280</b> | <b>15,402</b> | <b>15,745</b> | <b>17,441</b> | <b>16,014</b> | <b>64,342</b> | <b>64,602</b> |
| YoY Change (%)                        | 18.5          | 23.0          | 3.4           | 0.4           | -2.0          | -7.1          | 6.4           | 4.8           | 10.7          | 0.4           |
| Total Expenditure                     | 11,185        | 12,062        | 11,233        | 10,593        | 10,559        | 11,033        | 11,830        | 10,863        | 45,073        | 44,285        |
| <b>EBITDA</b>                         | <b>4,532</b>  | <b>4,892</b>  | <b>5,158</b>  | <b>4,688</b>  | <b>4,844</b>  | <b>4,712</b>  | <b>5,611</b>  | <b>5,151</b>  | <b>19,269</b> | <b>20,317</b> |
| Margins (%)                           | 28.8          | 28.9          | 31.5          | 30.7          | 31.4          | 29.9          | 32.2          | 32.2          | 29.9          | 31.4          |
| Depreciation                          | 251           | 336           | 249           | 316           | 311           | 336           | 336           | 336           | 1,152         | 1,319         |
| Interest                              | 75            | 86            | 90            | 1,122         | 147           | 410           | 410           | 410           | 1,372         | 1,377         |
| Other Income                          | 734           | 432           | 525           | 549           | 1,011         | 698           | 698           | 698           | 2,240         | 3,104         |
| <b>PBT before EO expense</b>          | <b>4,940</b>  | <b>4,903</b>  | <b>5,343</b>  | <b>3,799</b>  | <b>5,396</b>  | <b>4,664</b>  | <b>5,563</b>  | <b>5,102</b>  | <b>18,985</b> | <b>20,726</b> |
| Extra-Ord expense                     | 1,132         | 829           | 714           | -12,705       | 532           | 0             | 0             | 0             | -10,030       | 532           |
| <b>PBT</b>                            | <b>3,808</b>  | <b>4,074</b>  | <b>4,630</b>  | <b>16,504</b> | <b>4,864</b>  | <b>4,664</b>  | <b>5,563</b>  | <b>5,102</b>  | <b>29,015</b> | <b>20,193</b> |
| Tax                                   | 1,626         | 1,634         | 2,081         | 1,464         | 2,344         | 1,586         | 1,891         | 1,647         | 6,805         | 7,469         |
| Rate (%)                              | 42.7          | 40.1          | 44.9          | 8.9           | 48.2          | 34.0          | 34.0          | 32.3          | 23.5          | 37.0          |
| Minority Interest & P/L of Asso. Cos. | 13            | 56            | 41            | -116          | 4             | 0             | 0             | 0             | -7            | 4             |
| <b>Reported PAT</b>                   | <b>2,169</b>  | <b>2,383</b>  | <b>2,508</b>  | <b>15,156</b> | <b>2,516</b>  | <b>3,078</b>  | <b>3,672</b>  | <b>3,455</b>  | <b>22,216</b> | <b>12,721</b> |
| <b>Adj PAT</b>                        | <b>2,818</b>  | <b>2,880</b>  | <b>2,901</b>  | <b>3,578</b>  | <b>2,791</b>  | <b>3,078</b>  | <b>3,672</b>  | <b>3,455</b>  | <b>12,177</b> | <b>12,996</b> |
| YoY Change (%)                        | 31.4          | 18.8          | 15.0          | 101.2         | -0.9          | 6.9           | 26.6          | -3.4          | 37.3          | 6.7           |
| Margins (%)                           | 17.9          | 17.0          | 17.7          | 23.4          | 18.1          | 19.6          | 21.1          | 21.6          | 18.9          | 20.1          |

E: MOSL Estimates



### 1. BAJAJ AUTO: No official notification of 3-wheeler import ban in Sri Lanka yet; S Ravikumar, President of Business Development and Assurance

- n Waiting for official notification on the import ban in Sri Lanka for 3-wheelers and in touch with distributors over there.
- n Sri Lanka's budget is due next week and usually before that these kind of reports come.
- n Between domestic and international, company looking at sale of 6 lakh three-wheelers. So far the numbers are quite good.
- n Total dependence on Sri Lanka with regards to 3-wheeler exports is 6 percent of overall number.
- n Demand for exports have risen in the current year and demand is outstripping production. The production is running at about over 100 percent installed capacity and will continue for next few months even if Sri Lanka news is true. See no impact on demand for the company and impact on earnings contribution of the company.
- n With de-risking strategy in mind the company has come out with a 'Qute' model which has all the benefits of three wheelers and is low risk and has low emission.
- n Company in par with the guidance of 25 percent sales for the festive season. Saw good traction for Platina and CT100, and Pulsar is also doing great.

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### 2. PC JEWELLER: Expect 30% sales growth for FY18; Sanjeev Bhatia, CFO

- n Festive season starts from Navratri and it peaks during Dhanteras. Therefore, saw good growth in this festive season.
- n Also getting market share from unorganised players.
- n Expect 30 percent sales growth for FY18.
- n Store rollout funding will be done via internal accruals

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### 3. SKIPPER: Expect 25% growth for polymer business in FY18; Sharan Bansal, Director

- n Expect 25 percent growth for polymer business in FY18.
- n For consolidated revenue, expect 15-20 percent growth in FY18.
- n Expect capacity utilisation to go up to 65 percent by end of FY18.
- n Order book for engineering projects is at Rs 2,650 crore. Seeing pickup in engineering order inflows.

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### 4. IEX: Fund raising plans and growth targets; SN Goel, MD and CEO

- n Will not require any fund for the existing business. Initial public offering (IPO) was to provide an exit option to some investors.
- n Tata Power Company which was an early investor from 2008 is exiting completely.

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### 1. Axis Bank has uncovered a second porky pie of bad loans

n Axis Bank Ltd. has been caught lying again. On Tuesday evening, the Indian lender reported that the central bank wasn't happy with its classification of nine large corporate accounts as standard assets. As a result, the non-state-owned bank, the country's sixth-largest by market value, has decided to rebrand the entire \$750 million as nonperforming. It's the second time this year that Axis has had to bump up its bad-loan count under pressure from the Reserve Bank of India. In May, it reported a previously undisclosed soured asset of almost \$1.5 billion. That time around, it wasn't the only financial institution to try and hide a bad egg. ICICI Bank Ltd. and Yes Bank Ltd. made similar disclosures, prompting me to coin a new metric to value Indian banks: the price-to-truth ratio.

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### 2. Can Block Chain technology be an answer to India's land governance woes?

n Anyone who has watched Dibakar Banerjee's comedy drama, *Khosla ka Ghosla*, knows the nightmare of Kamal Kishore Khosla when his land—bought out of hard earned 'middle class' income—is usurped by the land-shark Kishen Khurana. Khosla's original land ownership papers are no match for the forged papers created by Khurana. No prizes for guessing that the judicial process to reclaim land would have been far more complicated and Khosla would almost certainly have failed to convince the courts due to the lack of 'confirmed titling'. As a result, the movie shows his sons attempting to 'buy' their land back from Khurana. The brilliant plot provides only a glimpse of the complex world of land conflicts, which is a cause for stalling of investments to the tune of Rs12 trillion in India. But it nudges us to ask why we have a land titling problem? The apparent reason is an archaic piece of legislation, The Registration Act, 1908 that allows only 'presumptive' ownership

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### 3. Will an economic slowdown hamper Narendra Modi's re-election bid?

n Apparently, "there is something in the New Delhi air". Veteran political observers of India reckon that slowing economic growth over the last six quarters has infused pollutants into what was once considered the clean and visible air of the 2019 general elections. It is undeniable that measured in the metric of gross domestic product (GDP) growth, the economy has experienced a slowdown. Political science theorists and public commentators intuit a relationship between GDP and electoral outcomes and thus proclaim that the 2019 electoral air is now getting murkier. Successful re-elections in the last decade of Narendra Modi as chief minister of Gujarat, Nitish Kumar in Bihar and Shivraj Singh Chouhan in Madhya Pradesh are often cited as examples to argue that high GDP growth can help an incumbent get re-elected. In national elections, the National Democratic Alliance (NDA) government from 1999-2004 delivered average 5.8% GDP growth and was voted out while the United Progressive Alliance (UPA) 1 (2004-09) delivered 8% GDP growth and was voted back.

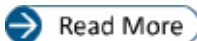
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## International

### 4. Apple losing its supply chain mojo is a major threat

- n While consumers remember the iPhone for its cool design, closed-wall operating system and hefty price tag, industry insiders in Asia turn to the US giant as an example of incredible manufacturing discipline. First under Tim Cook, and now Jeff Williams, the current chief operating officer, Apple has shone as a beacon of how to discover and develop unique materials, coerce and cajole suppliers, and churn out millions of units all without owning any factories. By now, everyone has heard about delays in the supply chain. But analysts have so far forgiven Apple, with full-year sales forecasts swinging by a mere 1.5% in the past six months. A look at its key suppliers shows a different story. Thanks to Taiwan rules requiring the disclosure of monthly sales, we can track endemic weakness at its exclusive processor maker Taiwan Semiconductor Manufacturing Co. and primary assembler Hon Hai Precision Industry Co.

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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       | 694       | 854      | 23                | 28.0      | 25.6  | 32.9    | 24.8        | 27.1        | 4.6        | 4.0        | 20.3        | 15.8        | 17.7        |
| Ashok Ley.             | Buy       | 128       | 145      | 13                | 4.6       | 5.3   | 7.0     | 28.2        | 24.1        | 6.1        | 5.4        | 23.1        | 23.8        | 27.0        |
| Bajaj Auto             | Buy       | 3,216     | 3,753    | 17                | 132.3     | 145.2 | 175.0   | 24.3        | 22.2        | 5.5        | 4.9        | 25.3        | 23.3        | 25.3        |
| Bharat Forge           | Buy       | 640       | 726      | 13                | 13.1      | 18.3  | 25.5    | 48.9        | 35.0        | 7.2        | 6.3        | 16.2        | 19.3        | 22.9        |
| Bosch                  | Neutral   | 21,251    | 22,781   | 7                 | 473.1     | 540.8 | 698.6   | 44.9        | 39.3        | 7.4        | 6.6        | 15.8        | 17.8        | 20.5        |
| CEAT                   | Buy       | 1,684     | 2,029    | 20                | 93.3      | 94.2  | 126.8   | 18.0        | 17.9        | 2.8        | 2.5        | 16.9        | 14.8        | 17.3        |
| Eicher Mot.            | Buy       | 31,141    | 36,487   | 17                | 612.7     | 826.7 | 1,119.2 | 50.8        | 37.7        | 15.9       | 11.9       | 37.1        | 36.1        | 36.4        |
| Endurance Tech.        | Buy       | 1,073     | 1,229    | 15                | 23.5      | 29.6  | 39.3    | 45.7        | 36.2        | 8.7        | 7.2        | 20.8        | 21.8        | 24.0        |
| Escorts                | Neutral   | 724       | 732      | 1                 | 20.0      | 37.1  | 45.8    | 36.3        | 19.5        | 3.7        | 3.1        | 10.6        | 17.3        | 18.3        |
| Exide Ind              | Buy       | 206       | 279      | 35                | 8.1       | 8.9   | 10.8    | 25.4        | 23.1        | 3.5        | 3.2        | 13.9        | 13.8        | 14.8        |
| Hero Moto              | Neutral   | 3,790     | 3,868    | 2                 | 169.1     | 185.0 | 197.1   | 22.4        | 20.5        | 7.5        | 6.5        | 35.7        | 34.0        | 31.4        |
| M&M                    | Buy       | 1,367     | 1,585    | 16                | 54.3      | 69.5  | 81.7    | 25.2        | 19.7        | 3.2        | 2.9        | 14.2        | 13.5        | 14.3        |
| Mahindra CIE           | Not Rated | 239       | -        |                   | 5.4       | 9.9   | 11.8    | 44.6        | 24.3        | 2.8        | 2.5        | 6.4         | 10.8        | 11.5        |
| Maruti Suzuki          | Buy       | 7,819     | 9,417    | 20                | 248.6     | 285.5 | 381.7   | 31.4        | 27.4        | 6.5        | 5.7        | 20.3        | 20.4        | 23.0        |
| Tata Motors            | Buy       | 422       | 562      | 33                | 19.8      | 20.0  | 61.3    | 21.3        | 21.1        | 2.5        | 2.2        | 9.8         | 11.0        | 27.4        |
| TVS Motor              | Buy       | 686       | 719      | 5                 | 11.7      | 15.1  | 24.5    | 58.4        | 45.4        | 13.5       | 11.0       | 25.6        | 26.7        | 34.2        |
| <b>Aggregate</b>       |           |           |          |                   |           |       |         | <b>29.4</b> | <b>25.7</b> | <b>5.0</b> | <b>4.4</b> | <b>17.1</b> | <b>17.2</b> | <b>22.6</b> |
| <b>Banks - Private</b> |           |           |          |                   |           |       |         |             |             |            |            |             |             |             |
| Axis Bank              | Neutral   | 450       | 470      | 4                 | 15.4      | 18.1  | 29.9    | 29.3        | 24.8        | 2.0        | 1.8        | 6.9         | 7.6         | 11.6        |
| DCB Bank               | Neutral   | 182       | 197      | 8                 | 7.0       | 8.5   | 10.5    | 26.1        | 21.4        | 2.7        | 2.2        | 10.8        | 11.5        | 11.8        |
| Equitas Hold.          | Buy       | 152       | 212      | 40                | 5.0       | 1.7   | 6.1     | 30.1        | 89.3        | 2.3        | 2.2        | 9.5         | 2.5         | 8.6         |
| Federal Bank           | Buy       | 125       | 146      | 17                | 4.8       | 5.5   | 6.6     | 25.9        | 22.5        | 2.5        | 2.0        | 9.9         | 9.6         | 10.0        |
| HDFC Bank              | Buy       | 1,863     | 2,066    | 11                | 56.8      | 68.2  | 82.6    | 32.8        | 27.3        | 5.5        | 4.8        | 18.3        | 18.8        | 19.7        |
| ICICI Bank             | Buy       | 263       | 366      | 39                | 15.3      | 14.5  | 16.6    | 17.2        | 18.1        | 1.9        | 1.8        | 10.2        | 8.6         | 9.3         |
| IDFC Bank              | Neutral   | 56        | 56       | -1                | 3.0       | 2.8   | 3.2     | 18.8        | 20.3        | 1.3        | 1.2        | 7.2         | 6.3         | 6.9         |
| IndusInd               | Buy       | 1,696     | 2,000    | 18                | 48.1      | 60.9  | 78.6    | 35.3        | 27.8        | 4.9        | 4.4        | 15.3        | 16.9        | 19.0        |
| J&K Bank               | Neutral   | 73        | 91       | 25                | -31.3     | 3.9   | 8.3     | NM          | 18.9        | 0.7        | 0.7        | -27.0       | 3.5         | 7.2         |
| Kotak Mah. Bk          | Buy       | 1,062     | 1,197    | 13                | 26.8      | 32.4  | 41.0    | 39.6        | 32.7        | 5.1        | 4.6        | 13.8        | 15.0        | 16.3        |
| RBL Bank               | Buy       | 528       | 651      | 23                | 11.9      | 17.2  | 22.5    | 44.4        | 30.7        | 4.7        | 3.3        | 12.3        | 13.0        | 13.3        |
| South Indian           | Buy       | 32        | 36       | 13                | 2.5       | 1.9   | 3.8     | 12.8        | 17.2        | 1.2        | 1.2        | 9.0         | 6.7         | 12.6        |
| Yes Bank               | Buy       | 354       | 446      | 26                | 14.6      | 18.5  | 22.9    | 24.3        | 19.2        | 3.8        | 3.3        | 18.9        | 18.3        | 19.5        |
| <b>Aggregate</b>       |           |           |          |                   |           |       |         | <b>29.8</b> | <b>24.9</b> | <b>3.4</b> | <b>3.0</b> | <b>11.5</b> | <b>12.2</b> | <b>13.8</b> |
| <b>Banks - PSU</b>     |           |           |          |                   |           |       |         |             |             |            |            |             |             |             |
| BOB                    | Buy       | 138       | 217      | 57                | 6.0       | 9.5   | 20.8    | 23.0        | 14.5        | 0.9        | 0.9        | 4.0         | 6.1         | 12.4        |
| BOI                    | Neutral   | 135       | 141      | 4                 | -14.8     | -11.2 | 6.6     | NM          | NM          | 0.6        | 0.6        | -6.7        | -5.2        | 3.0         |
| Canara                 | Neutral   | 306       | 323      | 6                 | 18.8      | 30.1  | 47.0    | 16.3        | 10.2        | 0.6        | 0.6        | 4.2         | 6.2         | 9.1         |
| IDBI Bk                | Neutral   | 52        | 49       | -5                | 1.5       | 6.4   | 8.6     | 33.8        | 8.0         | 0.5        | 0.5        | 1.4         | 5.8         | 7.3         |
| Indian Bk              | Buy       | 264       | 333      | 26                | 29.3      | 34.4  | 38.3    | 9.0         | 7.7         | 0.9        | 0.8        | 10.1        | 10.9        | 11.2        |
| OBC                    | Neutral   | 114       | 150      | 32                | -31.6     | 17.1  | 21.4    | NM          | 6.7         | 0.3        | 0.3        | -8.4        | 4.6         | 5.4         |
| PNB                    | Buy       | 131       | 184      | 41                | 6.2       | 5.8   | 11.0    | 21.0        | 22.4        | 0.7        | 0.7        | 3.6         | 3.2         | 5.9         |
| SBI                    | Buy       | 246       | 341      | 39                | 0.3       | 14.6  | 26.8    | 826.2       | 16.8        | 1.2        | 1.1        | -0.2        | 7.0         | 11.4        |
| Union Bk               | Neutral   | 127       | 135      | 7                 | 8.1       | 9.0   | 19.1    | 15.7        | 14.0        | 0.4        | 0.4        | 2.7         | 3.0         | 6.1         |
| <b>Aggregate</b>       |           |           |          |                   |           |       |         | <b>89.9</b> | <b>15.9</b> | <b>0.8</b> | <b>0.7</b> | <b>0.9</b>  | <b>4.6</b>  | <b>8.3</b>  |
| <b>NBFCs</b>           |           |           |          |                   |           |       |         |             |             |            |            |             |             |             |
| Bajaj Fin.             | Buy       | 1,834     | 2,300    | 25                | 32.0      | 45.7  | 63.7    | 57.3        | 40.1        | 11.0       | 6.4        | 21.6        | 20.2        | 20.4        |
| Bharat Fin.            | Neutral   | 1,014     | 900      | -11               | 21.0      | 29.9  | 54.9    | 48.3        | 33.9        | 5.7        | 4.6        | 15.1        | 15.1        | 22.4        |
| Capital First          | Buy       | 746       | 925      | 24                | 24.6      | 32.8  | 42.4    | 30.3        | 22.7        | 3.2        | 2.8        | 12.0        | 13.2        | 15.0        |
| Cholaman.Inv.&Fn       | Buy       | 1,140     | 1,400    | 23                | 46.0      | 56.0  | 68.1    | 24.8        | 20.4        | 4.1        | 3.5        | 18.0        | 18.6        | 19.2        |
| Dewan Hsg.             | Buy       | 583       | 690      | 18                | 29.6      | 37.6  | 46.0    | 19.7        | 15.5        | 2.3        | 2.1        | 14.4        | 14.1        | 15.3        |
| GRUH Fin.              | Neutral   | 503       | 500      | -1                | 8.1       | 9.9   | 12.0    | 61.9        | 51.0        | 18.5       | 15.2       | 32.5        | 32.8        | 32.8        |
| HDFC                   | Buy       | 1,721     | 2,020    | 17                | 46.8      | 52.2  | 58.2    | 36.7        | 32.9        | 6.8        | 6.2        | 18.9        | 18.6        | 17.8        |
| Indiabulls Hsg         | Buy       | 1,343     | 1,450    | 8                 | 69.0      | 84.2  | 105.6   | 19.5        | 16.0        | 4.7        | 4.2        | 25.5        | 27.6        | 30.6        |
| L&T Fin Holdings       | Buy       | 209       | 230      | 10                | 5.2       | 6.8   | 10.1    | 40.0        | 30.6        | 4.7        | 4.1        | 12.4        | 14.7        | 18.5        |
| LIC Hsg Fin            | Neutral   | 652       | 730      | 12                | 38.2      | 41.6  | 48.9    | 17.1        | 15.7        | 3.1        | 2.7        | 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 | 102       | -        |                   | 8.6       | 9.2   | 9.7   | 11.8        | 11.1        | 2.6        | 2.4        | 24.0        | 22.3        | 21.4        |
| M&M Fin.             | Buy       | 423       | 481      | 14                | 7.1       | 13.9  | 17.8  | 59.7        | 30.5        | 3.8        | 3.5        | 6.5         | 12.0        | 14.2        |
| Muthoot Fin          | Buy       | 498       | 550      | 11                | 29.5      | 38.7  | 44.4  | 16.8        | 12.9        | 3.1        | 2.6        | 19.4        | 21.8        | 21.2        |
| PNB Housing          | Buy       | 1,460     | 1,750    | 20                | 31.6      | 48.1  | 65.1  | 46.2        | 30.3        | 4.4        | 4.0        | 13.8        | 13.8        | 16.6        |
| Repco Home           | Buy       | 652       | 800      | 23                | 29.1      | 33.7  | 38.4  | 22.4        | 19.3        | 3.6        | 3.1        | 17.4        | 17.1        | 16.7        |
| Shriram City Union   | Buy       | 2,137     | 2,700    | 26                | 84.3      | 118.3 | 155.3 | 25.3        | 18.1        | 2.8        | 2.5        | 11.7        | 14.6        | 16.8        |
| STF                  | Buy       | 1,112     | 1,320    | 19                | 55.6      | 80.0  | 102.4 | 20.0        | 13.9        | 2.2        | 2.0        | 11.7        | 15.0        | 16.9        |
| <b>Aggregate</b>     |           |           |          |                   |           |       |       | <b>31.6</b> | <b>25.5</b> | <b>5.1</b> | <b>4.4</b> | <b>16.1</b> | <b>17.1</b> | <b>18.0</b> |
| <b>Capital Goods</b> |           |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| ABB                  | Sell      | 1,332     | 1,235    | -7                | 19.7      | 22.4  | 31.6  | 67.6        | 59.4        | 8.6        | 7.5        | 12.7        | 12.6        | 15.8        |
| Bharat Elec.         | Buy       | 174       | 187      | 7                 | 6.3       | 6.7   | 7.4   | 27.7        | 25.9        | 5.7        | 4.4        | 20.6        | 17.1        | 17.0        |
| BHEL                 | Sell      | 87        | 75       | -14               | 1.3       | 2.7   | 3.8   | 64.8        | 31.9        | 1.0        | 1.0        | 1.5         | 3.1         | 4.1         |
| Blue Star            | Neutral   | 805       | 690      | -14               | 12.9      | 17.1  | 25.5  | 62.5        | 47.2        | 10.2       | 9.5        | 18.0        | 20.9        | 28.9        |
| CG Cons. Elec.       | Buy       | 222       | 240      | 8                 | 4.7       | 5.0   | 6.3   | 47.4        | 44.1        | 25.8       | 19.1       | 76.4        | 49.7        | 48.8        |
| CG Power & Indu.     | Neutral   | 81        | 80       | -1                | 4.1       | 2.0   | 2.5   | 19.6        | 39.6        | 1.2        | 1.2        | 6.2         | 3.0         | 3.7         |
| Cummins              | Buy       | 899       | 1,170    | 30                | 26.5      | 27.7  | 35.0  | 33.9        | 32.5        | 6.7        | 6.2        | 21.2        | 19.7        | 22.8        |
| GE T&D               | Neutral   | 380       | 395      | 4                 | 5.7       | 9.3   | 11.3  | 66.3        | 40.9        | 9.4        | 8.2        | 12.4        | 21.5        | 22.7        |
| Havells              | Neutral   | 542       | 460      | -15               | 9.6       | 10.7  | 13.9  | 56.7        | 50.4        | 10.3       | 9.2        | 18.2        | 18.3        | 20.9        |
| 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       | 1,135     | 1,400    | 23                | 42.3      | 46.5  | 56.6  | 26.8        | 24.4        | 3.2        | 2.9        | 12.5        | 12.4        | 13.8        |
| Pennar Eng.          | Not Rated | 112       | -        |                   | 7.1       | 9.1   | 11.2  | 15.9        | 12.4        | 1.6        | 1.4        | 10.2        | 11.6        | 12.6        |
| Siemens              | Neutral   | 1,208     | 1,355    | 12                | 17.8      | 21.7  | 33.4  | 67.8        | 55.8        | 6.3        | 5.5        | 9.3         | 9.8         | 13.8        |
| Solar Ind            | Neutral   | 985       | 900      | -9                | 20.6      | 24.2  | 30.0  | 47.8        | 40.7        | 8.8        | 7.5        | 19.8        | 19.8        | 20.9        |
| Suzlon Energy        | Not Rated | 15        | -        |                   | 0.6       | 0.9   | 1.0   | 24.3        | 17.5        | -1.4       | -1.5       | NM          | -8.8        | -11.0       |
| Thermax              | Neutral   | 977       | 840      | -14               | 30.8      | 30.1  | 33.4  | 31.7        | 32.4        | 4.3        | 3.9        | 14.3        | 12.7        | 12.8        |
| Va Tech Wab.         | Buy       | 598       | 800      | 34                | 29.8      | 34.6  | 39.8  | 20.1        | 17.3        | 3.3        | 2.8        | 16.8        | 17.6        | 17.4        |
| Voltas               | Sell      | 543       | 470      | -13               | 15.5      | 16.8  | 19.1  | 35.1        | 32.3        | 5.4        | 4.8        | 18.0        | 15.8        | 16.0        |
| <b>Aggregate</b>     |           |           |          |                   |           |       |       | <b>35.0</b> | <b>30.7</b> | <b>3.9</b> | <b>3.6</b> | <b>11.2</b> | <b>11.6</b> | <b>13.1</b> |
| <b>Cement</b>        |           |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| Ambuja Cem.          | Buy       | 282       | 317      | 13                | 4.9       | 7.0   | 8.2   | 57.7        | 40.5        | 2.9        | 2.8        | 5.1         | 7.0         | 7.9         |
| ACC                  | Neutral   | 1,780     | 1,797    | 1                 | 36.1      | 52.2  | 70.9  | 49.3        | 34.1        | 3.9        | 3.7        | 7.9         | 11.1        | 14.2        |
| Birla Corp.          | Buy       | 1,007     | 1,150    | 14                | 28.5      | 40.9  | 58.9  | 35.3        | 24.6        | 2.3        | 2.2        | 7.1         | 9.2         | 12.2        |
| Dalmia Bharat        | Buy       | 2,731     | 3,272    | 20                | 38.8      | 62.9  | 88.3  | 70.4        | 43.4        | 4.9        | 4.4        | 7.2         | 10.7        | 13.3        |
| Grasim Inds.         | Neutral   | 1,181     | 1,276    | 8                 | 67.8      | 70.6  | 101.2 | 17.4        | 16.7        | 1.8        | 1.6        | 10.8        | 10.0        | 12.9        |
| India Cem            | Neutral   | 181       | 198      | 9                 | 5.6       | 7.5   | 10.8  | 32.2        | 24.1        | 1.1        | 1.1        | 3.4         | 4.4         | 6.1         |
| J K Cements          | Buy       | 954       | 1,196    | 25                | 33.7      | 39.7  | 54.4  | 28.3        | 24.0        | 3.8        | 3.3        | 14.4        | 14.8        | 17.5        |
| JK Lakshmi Ce        | Buy       | 409       | 485      | 19                | 7.0       | 9.7   | 16.4  | 58.7        | 42.0        | 3.5        | 3.2        | 6.1         | 8.0         | 12.3        |
| Ramco Cem            | Buy       | 699       | 832      | 19                | 27.3      | 27.4  | 34.4  | 25.6        | 25.5        | 4.4        | 3.9        | 19.0        | 16.1        | 17.5        |
| Orient Cem           | Buy       | 158       | 182      | 15                | -1.6      | 4.4   | 7.1   | NM          | 35.7        | 3.3        | 3.0        | -3.2        | 8.8         | 12.8        |
| Prism Cem            | Buy       | 113       | 140      | 24                | 0.3       | 3.5   | 5.6   | 412.5       | 32.3        | 5.9        | 5.1        | 1.4         | 17.0        | 22.9        |
| Shree Cem            | Buy       | 19,024    | 22,084   | 16                | 384.4     | 507.1 | 547.8 | 49.5        | 37.5        | 8.6        | 7.1        | 18.4        | 20.8        | 18.8        |
| Ultratech            | Buy       | 4,209     | 4,906    | 17                | 96.1      | 102.2 | 147.1 | 43.8        | 41.2        | 4.8        | 4.3        | 11.6        | 11.1        | 14.2        |
| <b>Aggregate</b>     |           |           |          |                   |           |       |       | <b>37.1</b> | <b>30.7</b> | <b>3.5</b> | <b>3.2</b> | <b>9.4</b>  | <b>10.4</b> | <b>12.5</b> |
| <b>Consumer</b>      |           |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| Asian Paints         | Neutral   | 1,172     | 1,315    | 12                | 21.0      | 22.2  | 26.5  | 55.8        | 52.8        | 14.8       | 13.5       | 28.5        | 26.7        | 28.1        |
| Britannia            | Buy       | 4,666     | 5,165    | 11                | 73.7      | 85.3  | 104.6 | 63.3        | 54.7        | 20.8       | 17.1       | 36.9        | 34.3        | 34.5        |
| Colgate              | Buy       | 1,062     | 1,328    | 25                | 21.2      | 23.4  | 28.6  | 50.0        | 45.4        | 22.7       | 21.6       | 50.4        | 48.7        | 56.2        |
| Dabur                | Neutral   | 317       | 330      | 4                 | 7.2       | 7.7   | 9.1   | 43.7        | 41.0        | 11.5       | 9.9        | 28.4        | 26.0        | 26.3        |
| Emami                | Buy       | 1,144     | 1,400    | 22                | 26.5      | 26.9  | 33.1  | 43.1        | 42.5        | 14.8       | 12.6       | 35.8        | 32.0        | 33.9        |
| Godrej Cons.         | Neutral   | 938       | 1,005    | 7                 | 18.9      | 21.5  | 24.7  | 49.6        | 43.6        | 12.1       | 9.4        | 24.6        | 24.2        | 22.8        |
| GSK Cons.            | Neutral   | 4,944     | 4,630    | -6                | 156.1     | 158.1 | 182.1 | 31.7        | 31.3        | 6.7        | 6.5        | 22.2        | 21.1        | 22.6        |
| HUL                  | Buy       | 1,249     | 1,400    | 12                | 19.6      | 22.9  | 27.4  | 63.6        | 54.4        | 41.6       | 41.3       | 66.5        | 76.2        | 87.2        |
| ITC                  | Neutral   | 267       | 290      | 9                 | 8.4       | 9.3   | 10.3  | 31.8        | 28.8        | 7.2        | 7.1        | 23.5        | 24.8        | 26.3        |
| Jyothy Lab           | Neutral   | 384       | 410      | 7                 | 11.2      | 9.8   | 11.1  | 34.2        | 39.1        | 6.4        | 6.5        | 21.1        | 16.5        | 18.4        |
| Marico               | Neutral   | 317       | 350      | 10                | 6.3       | 6.8   | 8.2   | 50.5        | 46.5        | 17.6       | 15.1       | 36.7        | 34.9        | 37.7        |

| 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       |
| Nestle              | Neutral   | 7,245     | 6,160    | -15               | 118.0     | 115.0 | 133.6 | 61.4        | 63.0        | 23.2        | 21.6        | 39.0        | 35.5        | 38.1        |
| Page Inds           | Buy       | 19,615    | 21,310   | 9                 | 238.7     | 294.7 | 398.4 | 82.2        | 66.6        | 32.9        | 26.4        | 40.0        | 39.6        | 43.1        |
| Parag Milk          | Neutral   | 275       | 280      | 2                 | 3.6       | 9.1   | 12.5  | 76.3        | 30.2        | 3.5         | 3.2         | 6.0         | 11.0        | 13.3        |
| Pidilite Ind.       | Neutral   | 801       | 865      | 8                 | 16.7      | 18.1  | 20.6  | 47.9        | 44.3        | 12.4        | 10.1        | 28.2        | 25.2        | 23.5        |
| P&G Hygiene         | Neutral   | 8,593     | 9,200    | 7                 | 132.9     | 151.6 | 176.0 | 64.6        | 56.7        | 40.5        | 33.6        | 39.3        | 64.9        | 62.8        |
| Prabhat Dairy       | Not Rated | 148       | -        |                   | 3.5       | 3.5   | 6.4   | 41.8        | 42.5        | 2.1         | 2.0         | 5.2         | 4.9         | 8.5         |
| United Brew         | Buy       | 838       | 980      | 17                | 8.7       | 9.9   | 14.0  | 96.5        | 84.7        | 9.5         | 8.7         | 10.2        | 10.7        | 13.6        |
| United Spirits      | Neutral   | 2,497     | 2,600    | 4                 | 26.7      | 34.5  | 51.5  | 93.4        | 72.4        | 18.7        | 13.0        | 21.3        | 18.0        | 20.3        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>47.3</b> | <b>42.7</b> | <b>13.0</b> | <b>12.1</b> | <b>27.5</b> | <b>28.2</b> | <b>29.3</b> |
| <b>Healthcare</b>   |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Alembic Phar        | Neutral   | 496       | 510      | 3                 | 21.6      | 19.8  | 25.5  | 23.0        | 25.1        | 4.9         | 4.3         | 23.0        | 18.4        | 20.5        |
| Alkem Lab           | Neutral   | 1,856     | 1,830    | -1                | 75.7      | 72.5  | 93.3  | 24.5        | 25.6        | 5.3         | 4.5         | 23.4        | 19.0        | 20.9        |
| Ajanta Pharma       | Buy       | 1,173     | 1,605    | 37                | 58.4      | 52.8  | 64.2  | 20.1        | 22.2        | 6.6         | 5.3         | 37.7        | 26.5        | 25.9        |
| Aurobindo           | Buy       | 751       | 850      | 13                | 39.3      | 44.9  | 50.0  | 19.1        | 16.7        | 4.7         | 3.7         | 27.6        | 24.8        | 22.1        |
| Biocon              | Sell      | 364       | 330      | -9                | 10.2      | 9.7   | 14.2  | 35.6        | 37.4        | 4.5         | 4.2         | 12.3        | 11.1        | 14.5        |
| Cadila              | Buy       | 491       | 555      | 13                | 14.2      | 17.5  | 23.6  | 34.6        | 28.0        | 7.2         | 6.1         | 23.0        | 23.5        | 26.0        |
| Cipla               | Neutral   | 594       | 520      | -12               | 15.9      | 21.1  | 26.0  | 37.3        | 28.1        | 3.8         | 3.4         | 10.2        | 12.1        | 13.2        |
| Divis Lab           | Neutral   | 874       | 720      | -18               | 39.9      | 33.9  | 40.4  | 21.9        | 25.8        | 4.3         | 4.5         | 22.0        | 17.0        | 19.5        |
| Dr Reddy's          | Neutral   | 2,365     | 2,400    | 1                 | 72.6      | 72.6  | 119.9 | 32.6        | 32.6        | 3.2         | 3.0         | 9.7         | 9.7         | 14.4        |
| Fortis Health       | Buy       | 145       | 220      | 52                | 10.3      | 2.2   | 5.6   | 14.0        | 66.5        | 1.5         | 1.3         | 11.3        | 2.1         | 4.9         |
| Glenmark            | Neutral   | 599       | 775      | 29                | 39.3      | 39.7  | 49.1  | 15.2        | 15.1        | 3.8         | 3.1         | 24.7        | 20.3        | 20.4        |
| Granules            | Buy       | 141       | 200      | 42                | 7.2       | 8.0   | 11.0  | 19.5        | 17.7        | 3.6         | 2.5         | 21.1        | 17.7        | 18.8        |
| GSK Pharma          | Neutral   | 2,436     | 2,500    | 3                 | 34.4      | 46.8  | 54.9  | 70.9        | 52.0        | 10.3        | 12.0        | 14.5        | 23.0        | 30.9        |
| IPCA Labs           | Neutral   | 489       | 430      | -12               | 16.1      | 16.6  | 26.8  | 30.4        | 29.5        | 2.5         | 2.3         | 8.6         | 8.2         | 12.2        |
| Jubilant Life       | Buy       | 620       | 905      | 46                | 37.0      | 47.1  | 56.7  | 16.8        | 13.2        | 2.8         | 2.4         | 18.1        | 19.5        | 19.6        |
| Lupin               | Buy       | 1,037     | 1,125    | 9                 | 56.6      | 41.4  | 58.0  | 18.3        | 25.0        | 3.5         | 3.1         | 20.9        | 13.2        | 16.4        |
| Sanofi India        | Buy       | 4,222     | 4,850    | 15                | 129.1     | 133.6 | 160.6 | 32.7        | 31.6        | 5.6         | 5.2         | 17.1        | 16.6        | 18.1        |
| Shilpa Medicare     | Buy       | 657       | 805      | 23                | 14.0      | 21.1  | 30.4  | 46.9        | 31.1        | 5.7         | 4.9         | 14.4        | 17.0        | 20.4        |
| Strides Shasun      | Buy       | 851       | 1,300    | 53                | 32.3      | 47.4  | 74.8  | 26.4        | 18.0        | 2.8         | 2.5         | 10.7        | 14.7        | 20.2        |
| Sun Pharma          | Buy       | 540       | 515      | -5                | 26.1      | 15.1  | 23.3  | 20.7        | 35.8        | 3.5         | 3.4         | 18.1        | 9.6         | 13.8        |
| Syngene Intl        | Not Rated | 497       | -        |                   | 13.0      | 16.1  | 18.0  | 38.2        | 30.8        | 7.7         | 6.3         | 22.2        | 22.5        | 20.7        |
| Torrent Pharma      | Neutral   | 1,373     | 1,350    | -2                | 55.2      | 53.4  | 67.3  | 24.9        | 25.7        | 5.3         | 4.7         | 23.8        | 19.5        | 21.5        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>24.4</b> | <b>27.1</b> | <b>4.1</b>  | <b>3.7</b>  | <b>16.9</b> | <b>13.6</b> | <b>16.1</b> |
| <b>Logistics</b>    |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Allcargo Logistics  | Buy       | 170       | 206      | 21                | 9.8       | 10.3  | 12.9  | 17.3        | 16.5        | 2.3         | 2.1         | 13.7        | 13.4        | 15.1        |
| Blue Dart           | Not Rated | 4,112     | -        |                   | 102.5     | 129.9 | 163.2 | 40.1        | 31.7        | 17.8        | 13.6        | 50.5        | 48.6        | 46.8        |
| Concor              | Neutral   | 1,332     | 1,503    | 13                | 38.0      | 46.8  | 57.8  | 35.1        | 28.5        | 3.7         | 3.5         | 10.8        | 12.5        | 14.6        |
| Gateway Distriparks | Buy       | 239       | 277      | 16                | 6.8       | 8.4   | 11.0  | 35.1        | 28.3        | 2.6         | 2.5         | 7.3         | 8.8         | 11.0        |
| Gati                | Not Rated | 116       | -        |                   | 8.4       | 15.9  | 23.9  | 13.9        | 7.3         | 1.9         | 1.7         | 12.4        | 19.4        | 25.4        |
| Transport Corp.     | Not Rated | 282       | -        |                   | 16.9      | 21.0  | 25.9  | 16.7        | 13.4        | 2.6         | 2.2         | 16.7        | 17.8        | 18.6        |
| <b>Aggregate</b>    |           |           |          |                   |           |       |       | <b>30.6</b> | <b>24.6</b> | <b>3.8</b>  | <b>3.5</b>  | <b>12.3</b> | <b>14.1</b> | <b>16.3</b> |
| <b>Media</b>        |           |           |          |                   |           |       |       |             |             |             |             |             |             |             |
| Dish TV             | Buy       | 69        | 106      | 54                | 1.0       | 1.0   | 2.4   | 67.2        | 67.8        | 15.0        | 12.3        | 25.1        | 19.9        | 35.2        |
| D B Corp            | Buy       | 367       | 450      | 23                | 20.4      | 23.7  | 28.0  | 18.0        | 15.5        | 4.2         | 3.5         | 25.1        | 24.7        | 23.9        |
| Den Net.            | Neutral   | 83        | 90       | 8                 | -9.3      | -2.9  | 0.1   | NM          | NM          | 1.8         | 1.9         | -19.1       | -6.4        | 0.2         |
| Ent.Network         | Neutral   | 782       | 928      | 19                | 11.4      | 12.2  | 20.6  | 68.4        | 64.2        | 4.4         | 4.1         | 6.7         | 6.6         | 10.3        |
| Hind. Media         | Buy       | 242       | 302      | 25                | 25.8      | 25.6  | 30.2  | 9.4         | 9.5         | 1.5         | 1.3         | 18.2        | 15.0        | 15.3        |
| HT Media            | Neutral   | 103       | 113      | 9                 | 7.4       | 10.4  | 11.9  | 14.0        | 10.0        | 1.1         | 1.0         | 7.9         | 10.2        | 10.6        |
| Jagran Prak.        | Buy       | 177       | 225      | 27                | 10.7      | 12.2  | 13.4  | 16.6        | 14.5        | 2.7         | 2.7         | 18.5        | 18.6        | 19.0        |
| Music Broadcast     | Buy       | 383       | 469      | 23                | 6.4       | 9.3   | 14.0  | 59.5        | 41.1        | 4.0         | 3.6         | 11.2        | 9.3         | 12.4        |
| PVR                 | Buy       | 1,415     | 1,597    | 13                | 20.5      | 26.5  | 43.6  | 68.9        | 53.4        | 6.9         | 6.1         | 10.4        | 12.1        | 17.3        |
| Prime Focus         | Buy       | 103       | 130      | 26                | 1.2       | 3.0   | 5.9   | 84.7        | 34.2        | 5.6         | 4.8         | 7.6         | 15.0        | 23.9        |
| Siti Net.           | Neutral   | 24        | 32       | 33                | -1.8      | -0.4  | 0.4   | NM          | NM          | 3.9         | 4.2         | -28.7       | -7.5        | 6.4         |
| Sun TV              | Neutral   | 804       | 860      | 7                 | 24.9      | 28.8  | 36.9  | 32.3        | 27.9        | 7.9         | 7.2         | 26.0        | 27.0        | 31.6        |

| 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       |
| Zee Ent.             | Buy     | 493       | 630      | 28                | 13.9      | 12.2  | 17.8  | 35.5        | 40.5          | 5.5         | 5.2         | 19.3        | 14.7        | 18.7        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>36.9</b> | <b>31.0</b>   | <b>4.9</b>  | <b>4.5</b>  | <b>13.3</b> | <b>14.6</b> | <b>18.1</b> |
| <b>Metals</b>        |         |           |          |                   |           |       |       |             |               |             |             |             |             |             |
| Hindalco             | Buy     | 272       | 308      | 13                | 8.6       | 19.8  | 24.5  | 31.8        | 13.7          | 2.1         | 1.8         | 7.4         | 14.3        | 15.4        |
| Hind. Zinc           | Neutral | 318       | 322      | 1                 | 19.7      | 22.4  | 29.3  | 16.1        | 14.2          | 4.4         | 4.7         | 24.4        | 31.8        | 37.9        |
| JSPL                 | Buy     | 158       | 192      | 22                | -20.9     | -17.4 | 2.0   | NM          | NM            | 0.5         | 0.5         | -7.9        | -5.5        | 0.6         |
| JSW Steel            | Buy     | 260       | 298      | 15                | 14.8      | 22.3  | 25.7  | 17.5        | 11.7          | 2.8         | 2.3         | 17.3        | 21.6        | 20.8        |
| Nalco                | Neutral | 85        | 87       | 3                 | 3.7       | 4.5   | 5.8   | 22.8        | 19.0          | 1.6         | 1.5         | 7.2         | 8.3         | 10.1        |
| NMDC                 | Buy     | 121       | 188      | 56                | 10.0      | 13.1  | 12.9  | 12.1        | 9.2           | 1.7         | 1.6         | 12.8        | 15.5        | 16.2        |
| SAIL                 | Sell    | 59        | 30       | -49               | -6.2      | -7.7  | -4.2  | NM          | NM            | 0.7         | 0.7         | -6.7        | -9.1        | -5.3        |
| Vedanta              | Buy     | 329       | 360      | 9                 | 15.1      | 25.4  | 37.5  | 21.7        | 13.0          | 2.0         | 1.9         | 9.7         | 15.0        | 20.3        |
| Tata Steel           | Neutral | 711       | 665      | -7                | 37.9      | 66.9  | 63.4  | 18.8        | 10.6          | 2.2         | 1.9         | 15.7        | 19.1        | 15.9        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>24.1</b> | <b>15.3</b>   | <b>1.8</b>  | <b>1.8</b>  | <b>7.6</b>  | <b>11.5</b> | <b>14.1</b> |
| <b>Oil &amp; Gas</b> |         |           |          |                   |           |       |       |             |               |             |             |             |             |             |
| BPCL                 | Buy     | 511       | 644      | 26                | 48.3      | 49.2  | 52.0  | 10.6        | 10.4          | 3.3         | 2.7         | 32.4        | 28.5        | 25.2        |
| GAIL                 | Sell    | 434       | 634      | 46                | 22.6      | 26.5  | 30.0  | 19.3        | 16.4          | 1.9         | 1.8         | 9.6         | 11.3        | 11.9        |
| Gujarat Gas          | Sell    | 908       | 712      | -22               | 16.2      | 31.6  | 44.0  | 56.0        | 28.8          | 7.6         | 6.3         | 14.2        | 23.9        | 27.0        |
| Gujarat St. Pet.     | Neutral | 208       | 180      | -14               | 8.8       | 12.1  | 13.3  | 23.7        | 17.3          | 2.6         | 2.3         | 11.6        | 14.3        | 14.1        |
| HPCL                 | Buy     | 461       | 585      | 27                | 40.7      | 45.9  | 42.9  | 11.3        | 10.0          | 3.5         | 2.8         | 32.4        | 31.0        | 24.2        |
| IOC                  | Buy     | 404       | 559      | 38                | 43.0      | 51.1  | 46.5  | 9.4         | 7.9           | 1.9         | 1.6         | 21.2        | 21.9        | 17.4        |
| IGL                  | Neutral | 1,612     | 1,295    | -20               | 44.0      | 49.6  | 54.8  | 36.7        | 32.5          | 7.7         | 6.5         | 21.0        | 21.7        | 20.4        |
| MRPL                 | Sell    | 130       | 112      | -14               | 14.8      | 10.7  | 11.6  | 8.8         | 12.2          | 2.3         | 2.0         | 31.4        | 17.3        | 16.5        |
| Oil India            | Buy     | 338       | 340      | 0                 | 19.3      | 29.1  | 34.1  | 17.5        | 11.6          | 0.9         | 0.9         | 5.7         | 7.9         | 8.8         |
| ONGC                 | Buy     | 172       | 190      | 11                | 16.4      | 17.8  | 19.2  | 10.4        | 9.6           | 1.0         | 1.0         | 10.1        | 10.2        | 10.5        |
| PLNG                 | Buy     | 273       | 275      | 1                 | 11.4      | 14.1  | 18.0  | 24.0        | 19.3          | 5.1         | 4.3         | 23.2        | 23.9        | 25.5        |
| Reliance Ind.        | Buy     | 938       | 1,005    | 7                 | 48.3      | 55.5  | 64.0  | 19.4        | 16.9          | 2.0         | 1.8         | 11.6        | 11.9        | 12.3        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>13.9</b> | <b>12.3</b>   | <b>1.8</b>  | <b>1.7</b>  | <b>13.2</b> | <b>13.5</b> | <b>13.1</b> |
| <b>Retail</b>        |         |           |          |                   |           |       |       |             |               |             |             |             |             |             |
| Jubilant Food        | Sell    | 1,547     | 960      | -38               | 10.0      | 14.8  | 20.7  | 154.6       | 104.4         | 12.7        | 11.6        | 8.2         | 11.1        | 14.0        |
| Titan Co.            | Neutral | 604       | 590      | -2                | 9.0       | 10.5  | 12.6  | 66.9        | 57.7          | 12.7        | 11.6        | 20.6        | 21.0        | 22.2        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>73.7</b> | <b>62.3</b>   | <b>12.7</b> | <b>11.6</b> | <b>17.2</b> | <b>18.6</b> | <b>19.6</b> |
| <b>Technology</b>    |         |           |          |                   |           |       |       |             |               |             |             |             |             |             |
| Cyient               | Buy     | 544       | 600      | 10                | 30.6      | 36.0  | 41.9  | 17.7        | 15.1          | 2.9         | 2.6         | 16.2        | 17.4        | 18.3        |
| HCL Tech.            | Neutral | 935       | 950      | 2                 | 59.8      | 63.5  | 68.9  | 15.6        | 14.7          | 3.9         | 3.4         | 27.5        | 25.5        | 24.6        |
| Hexaware             | Neutral | 283       | 250      | -12               | 13.7      | 15.6  | 16.5  | 20.7        | 18.1          | 5.0         | 4.4         | 26.5        | 25.6        | 23.1        |
| Infosys              | Buy     | 940       | 1,050    | 12                | 62.9      | 62.3  | 66.3  | 14.9        | 15.1          | 3.1         | 2.8         | 22.0        | 19.6        | 19.1        |
| KPIT Tech            | Neutral | 127       | 140      | 10                | 11.9      | 10.8  | 13.6  | 10.6        | 11.7          | 1.6         | 1.5         | 14.3        | 13.3        | 14.7        |
| L&T Infotech         | Buy     | 804       | 880      | 9                 | 55.5      | 60.9  | 65.3  | 14.5        | 13.2          | 5.0         | 3.9         | 40.4        | 33.3        | 28.3        |
| Mindtree             | Neutral | 503       | 450      | -11               | 24.9      | 28.4  | 32.9  | 20.2        | 17.7          | 3.3         | 3.2         | 16.8        | 17.2        | 20.1        |
| Mphasis              | Neutral | 672       | 610      | -9                | 38.9      | 40.2  | 43.0  | 17.3        | 16.7          | 2.3         | 2.4         | 13.2        | 14.4        | 16.2        |
| NIIT Tech            | Neutral | 611       | 600      | -2                | 38.0      | 43.7  | 50.3  | 16.1        | 14.0          | 2.1         | 2.1         | 13.7        | 15.1        | 16.4        |
| Persistent Sys       | Buy     | 667       | 780      | 17                | 37.7      | 43.3  | 52.4  | 17.7        | 15.4          | 2.7         | 2.6         | 17.0        | 17.9        | 20.8        |
| Tata Elxsi           | Buy     | 850       | 996      | 17                | 28.1      | 33.8  | 40.2  | 30.2        | 25.1          | 9.5         | 7.6         | 37.1        | 33.6        | 32.4        |
| TCS                  | Neutral | 2,586     | 2,450    | -5                | 133.4     | 131.8 | 151.4 | 19.4        | 19.6          | 5.8         | 6.2         | 32.6        | 30.6        | 33.5        |
| Tech Mah             | Buy     | 462       | 490      | 6                 | 30.9      | 34.8  | 37.3  | 15.0        | 13.3          | 2.5         | 2.2         | 18.4        | 17.9        | 17.1        |
| Wipro                | Neutral | 297       | 280      | -6                | 16.9      | 19.1  | 20.1  | 17.5        | 15.5          | 2.8         | 2.7         | 16.9        | 17.0        | 16.7        |
| Zensar Tech          | Buy     | 751       | 950      | 26                | 52.1      | 51.5  | 70.0  | 14.4        | 14.6          | 2.3         | 2.1         | 17.2        | 14.9        | 17.9        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>17.2</b> | <b>17.0</b>   | <b>3.9</b>  | <b>3.9</b>  | <b>22.9</b> | <b>22.9</b> | <b>22.1</b> |
| <b>Telecom</b>       |         |           |          |                   |           |       |       |             |               |             |             |             |             |             |
| Bharti Airtel        | Buy     | 498       | 470      | -6                | 11.1      | 2.4   | 3.2   | 44.8        | 207.6         | 2.9         | 2.9         | 6.7         | 1.4         | 1.9         |
| Bharti Infratel      | Buy     | 449       | 440      | -2                | 14.9      | 17.3  | 19.7  | 30.2        | 26.0          | 5.4         | 5.4         | 16.2        | 20.7        | 23.2        |
| Idea Cellular        | Buy     | 98        | 105      | 7                 | -1.1      | -15.5 | -14.9 | NM          | NM            | 1.4         | 1.9         | -1.6        | -25.6       | -32.6       |
| Tata Comm            | Buy     | 718       | 775      | 8                 | 27.2      | 8.3   | 25.4  | 26.4        | 86.9          | 12.9        | 11.2        | 132.2       | 13.8        | 33.1        |
| <b>Aggregate</b>     |         |           |          |                   |           |       |       | <b>43.6</b> | <b>-271.7</b> | <b>3.0</b>  | <b>3.2</b>  | <b>6.9</b>  | <b>-1.2</b> | <b>0.3</b>  |
| <b>Utilities</b>     |         |           |          |                   |           |       |       |             |               |             |             |             |             |             |



| 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       |
| Coal India        | Buy          | 290       | 335      | 16                | 14.9      | 17.5  | 20.7  | 19.4        | 16.6        | 7.3        | 7.0        | 37.8        | 42.4        | 47.7        |
| CESC              | Buy          | 1,024     | 1,360    | 33                | 51.9      | 88.9  | 99.3  | 19.8        | 11.5        | 1.3        | 1.2        | 6.5         | 10.6        | 10.8        |
| JSW Energy        | Sell         | 81        | 49       | -40               | 3.8       | 3.3   | 2.7   | 21.1        | 24.2        | 1.3        | 1.3        | 6.3         | 5.3         | 4.2         |
| NTPC              | Buy          | 177       | 211      | 19                | 12.0      | 13.5  | 15.7  | 14.8        | 13.1        | 1.5        | 1.4        | 10.5        | 11.0        | 11.9        |
| Power Grid        | Buy          | 213       | 262      | 23                | 14.2      | 17.4  | 20.6  | 14.9        | 12.2        | 2.3        | 2.0        | 16.2        | 17.3        | 17.8        |
| Tata Power        | Sell         | 82        | 71       | -13               | 7.4       | 7.3   | 7.3   | 11.0        | 11.3        | 1.9        | 1.7        | 17.1        | 15.8        | 14.2        |
| <b>Aggregate</b>  |              |           |          |                   |           |       |       | <b>16.5</b> | <b>14.0</b> | <b>2.4</b> | <b>2.2</b> | <b>14.5</b> | <b>15.7</b> | <b>16.8</b> |
| <b>Others</b>     |              |           |          |                   |           |       |       |             |             |            |            |             |             |             |
| Arvind            | Neutral      | 392       | 376      | -4                | 12.4      | 12.9  | 18.6  | 31.7        | 30.3        | 2.8        | 2.7        | 10.3        | 9.1         | 12.0        |
| Avenue Supermarts | Sell         | 1,128     | 873      | -23               | 7.7       | 12.0  | 17.5  | 147.0       | 94.1        | 18.3       | 16.1       | 17.9        | 18.2        | 22.9        |
| Bata India        | Under Review | 794       | -        |                   | 13.5      | 15.7  | 19.4  | 58.8        | 50.6        | 7.7        | 6.9        | 13.9        | 14.4        | 15.8        |
| BSE               | Neutral      | 969       | 1,100    | 14                | 41.0      | 42.2  | 44.6  | 23.6        | 23.0        | 2.0        | 1.9        | 8.3         | 8.5         | 7.7         |
| Castrol India     | Buy          | 377       | 467      | 24                | 13.6      | 12.6  | 13.3  | 27.6        | 29.8        | 31.3       | 28.4       | 115.2       | 99.8        | 95.8        |
| Century Ply.      | Neutral      | 279       | 323      | 16                | 8.7       | 9.8   | 12.9  | 32.0        | 28.3        | 8.7        | 7.1        | 31.1        | 27.7        | 29.6        |
| Coromandel Intl   | Buy          | 495       | 523      | 6                 | 16.6      | 24.1  | 29.0  | 29.8        | 20.5        | 5.0        | 4.3        | 17.5        | 22.5        | 23.4        |
| Delta Corp        | Buy          | 236       | 257      | 9                 | 3.1       | 5.7   | 8.0   | 77.4        | 41.7        | 5.9        | 4.0        | 8.1         | 12.1        | 12.9        |
| Dynamatic Tech    | Buy          | 2,068     | 3,334    | 61                | 67.6      | 112.9 | 166.7 | 30.6        | 18.3        | 4.2        | 3.4        | 15.1        | 20.7        | 24.3        |
| Eveready Inds.    | Buy          | 323       | 358      | 11                | 12.9      | 13.6  | 16.3  | 25.1        | 23.7        | 8.1        | 6.6        | 37.7        | 30.8        | 30.1        |
| Interglobe        | Neutral      | 1,159     | 1,142    | -1                | 43.2      | 55.2  | 81.6  | 26.8        | 21.0        | 11.8       | 6.8        | 51.0        | 41.1        | 46.6        |
| Indo Count        | Neutral      | 112       | 118      | 5                 | 13.0      | 8.9   | 10.8  | 8.6         | 12.6        | 2.6        | 2.1        | 34.8        | 18.6        | 18.3        |
| Info Edge         | Buy          | 1,102     | 1,130    | 3                 | 15.7      | 21.8  | 24.7  | 70.3        | 50.6        | 6.8        | 6.1        | 10.2        | 12.7        | 13.1        |
| Inox Leisure      | Sell         | 229       | 240      | 5                 | 3.3       | 8.0   | 12.0  | 68.8        | 28.6        | 4.0        | 3.5        | 5.9         | 12.5        | 16.2        |
| Jain Irrigation   | Under Review | 94        | -        |                   | 5.5       | 7.6   | 10.0  | 16.9        | 12.3        | 1.4        | 1.4        | 8.6         | 11.7        | 14.8        |
| Just Dial         | Neutral      | 412       | 465      | 13                | 17.5      | 18.5  | 21.1  | 23.6        | 22.3        | 3.2        | 2.8        | 14.8        | 13.4        | 13.7        |
| Kaveri Seed       | Buy          | 556       | 738      | 33                | 19.1      | 34.1  | 41.0  | 29.2        | 16.3        | 3.8        | 4.0        | 13.6        | 23.3        | 27.4        |
| Kitex Garm.       | Buy          | 215       | 394      | 83                | 18.6      | 22.1  | 26.2  | 11.6        | 9.7         | 3.1        | 2.5        | 29.8        | 28.6        | 27.6        |
| Manpasand         | Buy          | 438       | 534      | 22                | 6.3       | 9.7   | 15.3  | 69.0        | 45.0        | 4.3        | 4.1        | 7.3         | 8.2         | 13.4        |
| MCX               | Buy          | 1,091     | 1,300    | 19                | 24.8      | 26.5  | 43.4  | 44.0        | 41.2        | 4.1        | 4.2        | 10.2        | 10.0        | 15.9        |
| Monsanto          | Buy          | 2,412     | 3,295    | 37                | 86.2      | 105.0 | 126.6 | 28.0        | 23.0        | 7.9        | 7.1        | 31.5        | 32.5        | 34.5        |
| Navneet Education | Buy          | 171       | 209      | 23                | 7.3       | 8.4   | 10.4  | 23.4        | 20.2        | 5.7        | 5.0        | 26.7        | 26.3        | 27.9        |
| Qess Corp         | Buy          | 829       | 990      | 19                | 10.0      | 19.1  | 27.8  | 82.9        | 43.5        | 11.2       | 4.9        | 19.0        | 15.6        | 15.0        |
| PI Inds.          | Buy          | 778       | 894      | 15                | 33.4      | 30.4  | 35.8  | 23.3        | 25.6        | 6.6        | 5.5        | 32.8        | 23.4        | 22.9        |
| Piramal Enterp.   | Buy          | 2,736     | 3,266    | 19                | 72.6      | 104.6 | 149.7 | 37.7        | 26.2        | 3.2        | 2.9        | 9.0         | 11.7        | 15.3        |
| SRF               | Buy          | 1,682     | 1,751    | 4                 | 85.9      | 80.2  | 103.0 | 19.6        | 21.0        | 3.1        | 2.8        | 16.6        | 13.7        | 16.0        |
| S H Kelkar        | Buy          | 280       | 298      | 7                 | 7.2       | 7.6   | 9.9   | 38.6        | 36.8        | 5.0        | 4.5        | 13.7        | 12.9        | 15.2        |
| Symphony          | Sell         | 1,400     | 1,288    | -8                | 23.7      | 35.1  | 42.9  | 59.2        | 39.9        | 22.0       | 19.3       | 43.3        | 51.6        | 54.5        |
| Team Lease Serv.  | Buy          | 1,650     | 1,990    | 21                | 38.8      | 36.8  | 56.0  | 42.5        | 44.8        | 7.4        | 6.4        | 19.2        | 15.3        | 19.5        |
| Trident           | Buy          | 100       | 114      | 15                | 6.6       | 8.3   | 10.4  | 15.0        | 12.0        | 1.8        | 1.6        | 13.0        | 14.5        | 16.1        |
| TTK Prestige      | Neutral      | 6,170     | 5,281    | -14               | 132.1     | 137.8 | 176.1 | 46.7        | 44.8        | 8.4        | 7.7        | 19.5        | 18.0        | 20.7        |
| V-Guard           | Neutral      | 195       | 167      | -14               | 3.6       | 4.5   | 6.0   | 54.4        | 43.4        | 13.0       | 10.6       | 27.4        | 26.9        | 28.8        |
| Wonderla          | Buy          | 369       | 393      | 7                 | 7.0       | 11.9  | 16.0  | 52.7        | 30.9        | 4.8        | 4.3        | 9.5         | 14.8        | 17.5        |



| Company                | 1 Day (%) | 1M (%) | 12M (%) |
|------------------------|-----------|--------|---------|
| <b>Automobiles</b>     |           |        |         |
| Amara Raja             | 1.5       | -9.8   | -32.3   |
| Ashok Ley.             | -0.5      | 12.3   | 47.9    |
| Bajaj Auto             | 0.0       | 5.8    | 14.9    |
| Bharat Forge           | 1.7       | 4.2    | 43.5    |
| Bosch                  | -1.7      | -1.1   | -5.8    |
| CEAT                   | -1.9      | -2.9   | 27.9    |
| Eicher Mot.            | -1.1      | -1.2   | 24.0    |
| Endurance Tech.        | -2.5      | 5.8    | 72.1    |
| Escorts                | 0.5       | 13.9   | 82.6    |
| Exide Ind              | -0.7      | -1.5   | 1.2     |
| Hero Moto              | 1.4       | 0.1    | 12.8    |
| M&M                    | -0.5      | 6.3    | 3.0     |
| Mahindra CIE           | 1.4       | 0.0    | 22.8    |
| Maruti Suzuki          | 1.1       | -3.2   | 38.4    |
| Tata Motors            | -1.2      | 2.7    | -22.4   |
| TVS Motor              | 0.0       | 8.1    | 73.3    |
| <b>Banks - Private</b> |           |        |         |
| Axis Bank              | -2.3      | -10.9  | -14.6   |
| DCB Bank               | 2.0       | -1.2   | 42.1    |
| Equitas Hold.          | -0.7      | -2.3   | -17.1   |
| Federal Bank           | 0.0       | 9.6    | 70.2    |
| HDFC Bank              | 0.7       | 2.1    | 46.6    |
| ICICI Bank             | 1.8       | -5.3   | 4.0     |
| IDFC Bank              | 0.1       | -2.1   | -26.4   |
| IndusInd               | 0.1       | -0.7   | 38.9    |
| J&K Bank               | -1.3      | -4.1   | 4.1     |
| Kotak Mah. Bk          | -1.6      | 3.8    | 36.0    |
| RBL Bank               | 1.1       | 2.3    | 61.0    |
| South Indian           | -0.6      | 8.9    | 46.2    |
| Yes Bank               | -1.1      | -1.8   | 34.4    |
| <b>Banks - PSU</b>     |           |        |         |
| BOB                    | 2.1       | -2.8   | -11.8   |
| BOI                    | 0.4       | -7.2   | 19.1    |
| Canara                 | 1.3       | -6.2   | -1.6    |
| IDBI Bk                | 0.0       | -4.1   | -32.3   |
| Indian Bk              | 1.8       | -2.7   | 17.6    |
| OBC                    | 0.7       | -11.2  | -13.6   |
| PNB                    | 1.0       | -5.0   | -11.3   |
| SBI                    | 1.3       | -6.2   | -4.9    |
| Union Bk               | 0.4       | -2.6   | -13.9   |
| <b>NBFCs</b>           |           |        |         |
| Bajaj Fin.             | -0.7      | -1.4   | 61.7    |
| Bharat Fin.            | -0.2      | 7.7    | 10.4    |
| Capital First          | -1.3      | -4.0   | -2.6    |
| Cholaman.Inv.&Fn       | 2.4       | 0.2    | -5.0    |
| Dewan Hsg.             | -2.1      | 2.6    | 75.6    |
| GRUH Fin.              | -1.9      | -7.2   | 48.6    |
| HDFC                   | -1.5      | -3.5   | 28.8    |
| Indiabulls Hsg         | -1.4      | 8.1    | 53.2    |
| L&T Fin.Holdings       | 2.3       | 3.5    | 105.2   |
| LIC Hsg Fin            | -1.4      | 2.3    | 8.8     |
| Manappuram             | -0.9      | 2.4    | 2.3     |
| M&M Fin.               | -0.2      | 3.0    | 16.5    |
| Muthoot Fin            | -0.1      | 2.0    | 43.8    |
| PNB Housing            | -1.8      | -6.6   |         |
| PFC                    | 1.7       | 5.2    | 3.9     |
| Repco Home             | 0.7       | 5.7    | -17.3   |
| REC                    | -0.5      | -4.2   | 12.4    |
| STF                    | 2.3       | 11.3   | -3.5    |
| Shriram City Union     | 2.2       | 2.3    | -7.2    |

| Company              | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-----------|--------|---------|
| <b>Capital Goods</b> |           |        |         |
| ABB                  | -0.6      | -6.5   | 18.6    |
| Bharat Elec.         | 1.2       | 5.9    | 51.3    |
| BHEL                 | 2.3       | 0.3    | -8.2    |
| Blue Star            | 0.4       | 7.8    | 48.8    |
| CG Cons. Elec.       | 2.9       | 5.0    | 21.1    |
| CG Power & Inds Sol. | -1.2      | 1.9    | 5.5     |
| Cummins              | 0.8       | 0.4    | 5.7     |
| GE T&D               | 0.3       | -2.7   | 9.0     |
| Havells              | -1.0      | 9.7    | 31.4    |
| K E C Intl           | -1.1      | -2.9   | 135.3   |
| L&T                  | -0.5      | -4.2   | 12.7    |
| Pennar Eng.          | -4.1      | 7.7    | -40.0   |
| Siemens              | -1.5      | -11.4  | -1.6    |
| Solar Ind            | -1.7      | 7.6    | 49.5    |
| Suzlon Energy        | -0.3      | -5.5   | 4.0     |
| Thermax              | 0.0       | 11.3   | 11.6    |
| Va Tech Wab.         | -0.1      | -3.2   | 17.9    |
| Voltas               | 1.7       | 5.6    | 37.9    |
| <b>Cement</b>        |           |        |         |
| Ambuja Cem.          | 2.4       | 4.9    | 13.7    |
| ACC                  | 0.8       | 5.3    | 14.0    |
| Birla Corp.          | -1.2      | 9.1    | 37.5    |
| Dalmia Bharat        | 1.1       | 2.5    | 41.6    |
| Grasim Inds.         | 4.5       | 0.5    | 45.6    |
| India Cem            | 1.7       | 3.0    | 16.9    |
| J K Cements          | -1.7      | 0.3    | 0.4     |
| JK Lakshmi Ce        | 1.7       | 0.9    | -18.0   |
| Ramco Cem            | 1.0       | -1.5   | 11.6    |
| Orient Cem           | 0.6       | 0.2    | -11.5   |
| Prism Cem            | 2.8       | 6.2    | 4.9     |
| Shree Cem            | 4.4       | 7.3    | 10.6    |
| Ultratech            | 4.6       | 5.4    | 5.7     |
| <b>Consumer</b>      |           |        |         |
| Asian Paints         | -0.7      | -3.5   | 1.6     |
| Britannia            | 0.4       | 9.5    | 41.1    |
| Colgate              | 1.4       | -3.5   | 11.4    |
| Dabur                | -0.3      | 4.0    | 11.6    |
| Emami                | -1.2      | 2.4    | -0.6    |
| Godrej Cons.         | -2.2      | 2.6    | 15.5    |
| GSK Cons.            | -1.0      | -0.6   | -19.2   |
| HUL                  | -0.8      | 0.7    | 46.7    |
| ITC                  | -1.1      | -0.6   | 11.2    |
| Jyothy Lab           | -1.3      | 1.0    | 7.8     |
| Marico               | 0.5       | -1.2   | 11.3    |
| Nestle               | 0.1       | 1.1    | 5.7     |
| Page Inds            | 3.7       | 3.1    | 19.2    |
| Parag Milk           | 0.5       | 15.4   | -14.3   |
| Pidilite Ind.        | -0.1      | -1.6   | 12.2    |
| P&G Hygiene          | -1.2      | 3.2    | 22.6    |
| Prabhat Dairy        | -1.5      | 11.9   | 18.3    |
| United Brew          | 0.0       | 3.6    | -8.5    |
| United Spirits       | 1.0       | 1.3    | 4.6     |
| <b>Healthcare</b>    |           |        |         |
| Alembic Phar         | -0.9      | 1.5    | -26.6   |
| Alkem Lab            | 1.0       | 3.1    | 12.1    |
| Ajanta Pharma        | -2.0      | -3.3   | -40.7   |
| Aurobindo            | -0.4      | 3.7    | -8.9    |
| Biocon               | -3.5      | 2.4    | 8.4     |
| Cadila               | 0.1       | 0.4    | 25.4    |
| Cipla                | -2.4      | 1.7    | 1.9     |

| Company              | 1 Day (%) | 1M (%) | 12M (%) |
|----------------------|-----------|--------|---------|
| Divis Lab            | -0.6      | -9.8   | -31.2   |
| Dr Reddy's           | -0.3      | -3.7   | -23.9   |
| Fortis Health        | -0.7      | -3.7   | -18.0   |
| Glenmark             | -1.8      | -4.7   | -35.8   |
| Granules             | -1.8      | 15.1   | 14.7    |
| GSK Pharma           | 0.1       | 0.3    | -17.7   |
| IPCA Labs            | -1.4      | -6.4   | -22.5   |
| Jubilant Life        | -2.8      | -6.4   | -9.5    |
| Lupin                | -1.5      | 2.3    | -30.8   |
| Sanofi India         | 1.5       | 5.1    | -2.3    |
| Shilpa Medicare      | -1.7      | 12.8   | 8.9     |
| Strides Shasun       | -2.0      | -10.3  | -14.7   |
| Sun Pharma           | 0.9       | 5.3    | -27.7   |
| Syngene Intl         | -1.4      | 1.9    | -9.1    |
| Torrent Pharma       | 1.2       | 8.7    | -13.4   |
| <b>Logistics</b>     |           |        |         |
| Allcargo Logistics   | 0.6       | -1.6   | -4.7    |
| Blue Dart            | 0.2       | -1.8   | -18.7   |
| Concor               | 1.0       | 2.0    | 23.1    |
| Gateway Distriparks  | 0.5       | 5.5    | -5.3    |
| Gati                 | 0.9       | 3.3    | -15.1   |
| Transport Corp.      | 0.7       | 3.5    | 56.3    |
| <b>Media</b>         |           |        |         |
| Dish TV              | -3.4      | -8.1   | -28.1   |
| D B Corp             | -0.4      | -0.7   | -7.6    |
| Den Net.             | -0.6      | -6.0   | 13.5    |
| Ent.Network          | 2.0       | -4.9   | -3.3    |
| Hind. Media          | -1.4      | -8.9   | -19.4   |
| HT Media             | 0.7       | 5.0    | 12.3    |
| Jagran Prak.         | 0.1       | -1.2   | -13.6   |
| Music Broadcast      | 0.3       | -0.8   |         |
| PVR                  | 3.6       | 16.0   | 15.3    |
| Prime Focus          | -4.8      | 7.3    | 41.0    |
| Siti Net.            | -2.2      | -4.8   | -29.6   |
| Sun TV               | -0.2      | -1.8   | 51.0    |
| Zee Ent.             | 0.5       | -5.5   | -5.5    |
| <b>Metals</b>        |           |        |         |
| Hindalco             | -0.6      | 17.8   | 79.3    |
| Hind. Zinc           | -1.4      | 8.6    | 27.6    |
| JSPL                 | -1.4      | 13.2   | 106.9   |
| JSW Steel            | 2.1       | 5.1    | 49.7    |
| Nalco                | -0.8      | 11.5   | 65.7    |
| NMDC                 | -1.7      | -1.4   | -2.6    |
| SAIL                 | 0.1       | 2.2    | 17.6    |
| Vedanta              | 0.4       | 6.8    | 61.8    |
| Tata Steel           | 1.0       | 8.7    | 66.5    |
| <b>Oil &amp; Gas</b> |           |        |         |
| BPCL                 | 0.5       | 3.9    | 14.7    |
| GAIL                 | 0.3       | 9.4    | 31.5    |
| Gujarat Gas          | -1.4      | 9.0    | 55.2    |
| Gujarat St. Pet.     | 2.5       | 6.1    | 30.7    |
| HPCL                 | 0.0       | 5.0    | 53.7    |
| IOC                  | -1.5      | -1.1   | 24.6    |
| IGL                  | 3.5       | 12.2   | 86.6    |
| MRPL                 | 0.2       | 1.5    | 45.1    |
| Oil India            | -0.7      | 2.9    | 8.9     |
| ONGC                 | -0.3      | 4.3    | -8.1    |
| PLNG                 | 3.6       | 21.2   | 40.4    |
| Reliance Ind.        | 3.0       | 14.8   | 76.3    |
| <b>Retail</b>        |           |        |         |
| Jubilant Food        | 1.0       | 12.4   | 40.7    |
| Titan Co.            | -0.5      | 0.4    | 59.2    |

| Company           | 1 Day (%) | 1M (%) | 12M (%) |
|-------------------|-----------|--------|---------|
| <b>Technology</b> |           |        |         |
| Cyient            | -1.1      | 6.3    | 7.3     |
| HCL Tech.         | 1.5       | 5.7    | 12.5    |
| Hexaware          | 0.7       | 5.6    | 44.0    |
| Infosys           | 1.4       | 4.6    | -9.5    |
| KPIT Tech         | 0.2       | 6.7    | -9.4    |
| L&T Infotech      | -0.9      | 3.1    | 29.4    |
| Mindtree          | 1.0       | 8.6    | 5.0     |
| Mphasis           | 3.2       | 9.4    | 30.0    |
| NIIT Tech         | -0.2      | 17.7   | 43.0    |
| Persistent Sys    | 0.2       | 4.0    | -1.6    |
| Tata Elxsi        | 1.4       | 0.4    | 26.6    |
| TCS               | 0.2       | 3.3    | 6.5     |
| Tech Mah          | 0.8       | 0.8    | 6.5     |
| Wipro             | 1.6       | 0.9    | 18.8    |
| Zensar Tech       | 0.3       | 0.1    | -24.1   |
| <b>Telecom</b>    |           |        |         |
| Bharti Airtel     | 5.0       | 25.9   | 60.8    |
| Bharti Infratel   | -2.5      | 15.2   | 23.8    |
| Idea Cellular     | 7.7       | 25.5   | 22.7    |
| Tata Comm         | 2.4       | 5.5    | 5.8     |
| <b>Utilites</b>   |           |        |         |
| Coal India        | 1.3       | 14.2   | -7.5    |
| CESC              | -0.7      | 1.1    | 66.5    |
| JSW Energy        | 0.1       | 10.6   | 14.2    |
| NTPC              | 0.9       | 6.3    | 18.2    |
| Power Grid        | 1.0       | 1.4    | 20.7    |
| Tata Power        | 0.0       | 1.6    | -2.2    |
| <b>Others</b>     |           |        |         |
| Arvind            | -0.3      | 3.4    | 11.8    |
| Avenue Super.     | -3.4      | 8.8    |         |
| Bata India        | 0.2       | 9.6    | 61.3    |
| BSE               | -0.4      | -3.1   |         |
| Castrol India     | -0.3      | 0.5    | -19.3   |
| Century Ply.      | -0.7      | 12.5   | 10.5    |
| Coromandel Intl   | 4.3       | 13.6   | 78.5    |
| Delta Corp        | 3.8       | 20.2   | 32.2    |
| Dynamatic Tech    | -0.3      | -4.5   | -37.5   |
| Eveready Inds.    | -1.5      | 8.3    | 27.3    |
| Interglobe        | 0.5       | 4.3    | 23.9    |
| Indo Count        | -1.8      | 4.7    | -27.7   |
| Info Edge         | -1.0      | 4.0    | 22.6    |
| Inox Leisure      | 0.1       | -0.8   | -15.7   |
| Jain Irrigation   | 0.2       | -5.9   | -9.9    |
| Just Dial         | -0.9      | 6.6    | -8.2    |
| Kaveri Seed       | -0.1      | 4.7    | 27.3    |
| Kitex Garm.       | -2.0      | -1.6   | -38.9   |
| Manpasand         | -3.2      | -9.6   | 21.5    |
| MCX               | -0.5      | 0.8    | -15.8   |
| Monsanto          | -1.0      | -2.5   | 2.0     |
| Navneet Educat.   | 1.2       | 1.4    | 69.4    |
| PI Inds.          | -0.5      | 2.4    | -3.9    |
| Piramal Enterp.   | -1.3      | -0.4   | 47.7    |
| Quess Corp        | -1.4      | 0.7    | 32.4    |
| SRF               | 2.0       | 9.2    | -11.9   |
| S H Kelkar        | 0.6       | 8.6    | -7.5    |
| Symphony          | -2.5      | 0.5    | 19.1    |
| Team Lease Serv.  | 2.6       | 3.8    | 63.2    |
| Trident           | -0.6      | 2.4    | 65.8    |
| TTK Prestige      | 0.9       | -2.2   | 10.4    |
| V-Guard           | 2.3       | 3.2    | 46.9    |
| Wonderla          | 1.3       | 4.8    | -9.5    |



# THEMATIC/STRATEGY RESEARCH GALLERY

**MOTILAL OSWAL** | Research | December 2017

## Staffing

**Well placed!**

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**MOTILAL OSWAL** | Research | 28 August 2017  
Sector: Technology

## Indian Exchanges

**The confluence of growth drivers**

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**MOTILAL OSWAL** | Research | August 2017

## Rural India

**Back on the saddle**

Direct benefits transfer  
 Normal monsoon  
 MSP hikes  
 Kisan Suvidha

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## Radio

Strong Phase III impacts  
 Healthy listenership  
 Asset monetization

**Well tuned to flourish**

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**MOTILAL OSWAL** | Research | June 2017

## The Big Leap to a formal economy

Volume 2.2

**Ground Reality Jewelry**

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**MOTILAL OSWAL** | Research | June 2017

## The Big Leap to a formal economy

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**Ground Reality Tiles**

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**MOTILAL OSWAL** | Research | June 2017

## India Strategy

SEF Series: E1, E2, E3

**Still in the works**

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## Sustainability

**Expanding horizons**

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# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

**MOTILAL OSWAL** Initiating Coverage | 12 August 2017  
Sector: Metals

### Trident

Health is a critical growth driver, which, along with rising disposable income, is expected to boost the demand for health products.

**An attractive utilization play**

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**MOTILAL OSWAL** Initiating Coverage | 7 August 2017  
Sector: Healthcare

### Strides Shasun

Strides Shasun is a leading pharmaceutical company in India, with a strong focus on research and development. The company has a robust pipeline of products and is well-positioned to benefit from the growing demand for pharmaceuticals in India.

**Making great strides**

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**MOTILAL OSWAL** Initiating Coverage | 10 Aug 2017  
Sector: Healthcare

### Shilpa Medicare

Shilpa Medicare is a leading pharmaceutical company in India, with a strong focus on research and development. The company has a robust pipeline of products and is well-positioned to benefit from the growing demand for pharmaceuticals in India.

**Injecting Growth**

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**MOTILAL OSWAL** Initiating Coverage | 18 Aug 2017  
Sector: Insurance

### Capital First

Capital First is a leading insurance company in India, with a strong focus on research and development. The company has a robust pipeline of products and is well-positioned to benefit from the growing demand for insurance in India.

**Capitalizing on multiple opportunities**

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**MOTILAL OSWAL** Initiating Coverage | 17 Aug 2017  
Sector: Finance

### L&T Finance Holdings

L&T Finance Holdings is a leading financial services company in India, with a strong focus on research and development. The company has a robust pipeline of products and is well-positioned to benefit from the growing demand for financial services in India.

**Focused approach**

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

### Jubilant Life Sciences

Jubilant Life Sciences is a leading pharmaceutical company in India, with a strong focus on research and development. The company has a robust pipeline of products and is well-positioned to benefit from the growing demand for pharmaceuticals in India.

**Promising formulation**

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

### Avenue Supermarts

Avenue Supermarts is a leading retail company in India, with a strong focus on research and development. The company has a robust pipeline of products and is well-positioned to benefit from the growing demand for retail in India.

**Delivering Value**

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

### Cholamandam Finance

Cholamandam Finance is a leading financial services company in India, with a strong focus on research and development. The company has a robust pipeline of products and is well-positioned to benefit from the growing demand for financial services in India.

**Prepared, Equipped and Armed**

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**MOTILAL OSWAL** Initiating Coverage | 18 Aug 2017  
Sector: Utilities

### Tata Power

Tata Power is a leading utility company in India, with a strong focus on research and development. The company has a robust pipeline of products and is well-positioned to benefit from the growing demand for utilities in India.

**Struggling for RoE**

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# DIFFERENTIATED PRODUCT GALLERY

**MOTILAL OSWAL** 30 September 2017

## Annual Report Threadbare

**ALROBINDO PHARMA FY17**

ALROBINDO PHARMA FY17 annual report highlights a year of evolving growth. FY17 was the 10th anniversary of the group's formation as a public company. The group has achieved a turnover of ₹1,000 crore in FY17, a significant milestone in its growth journey. The group has also achieved a turnover of ₹1,000 crore in FY17, a significant milestone in its growth journey.

**Key Highlights:**

- Revenue growth of 15% over FY16
- Operating profit of ₹100 crore
- Net profit of ₹50 crore
- Dividend of ₹10 per share

**Financial Summary:**

| Particulars      | FY17 | FY16 |
|------------------|------|------|
| Revenue          | 1000 | 870  |
| Operating Profit | 100  | 80   |
| Net Profit       | 50   | 40   |
| Dividend         | 10   | 10   |

**Shareholding Pattern:**

| Category | Shareholders | Shares | Percentage |
|----------|--------------|--------|------------|
| Public   | 1000         | 1000   | 100%       |

**Company Information:**

**Company Name:** Alrobindo Pharma Ltd.  
**Registered Office:** Plot No. 1, Sector 10, Gurgaon, Haryana.  
**Director:** Mr. Anil Kumar  
**Chairman:** Mr. Anil Kumar

**MOTILAL OSWAL** 12th August 2017

## VOICES

**India Inc on Call**

VOICES is a quarterly report that provides a ready reference for all the most significant events that are likely to impact the Indian market. It provides a ready reference for all the most significant events that are likely to impact the Indian market.

**Key Highlights:**

- India Inc on Call
- Quarterly report
- Ready reference for all the most significant events

**Subscription Information:**

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**MOTILAL OSWAL** 04 Aug 2017

## EcoKnowLedgE

Driving into Tomorrow's Chapter

**India Inc on Call**

India Inc on Call is a quarterly report that provides a ready reference for all the most significant events that are likely to impact the Indian market. It provides a ready reference for all the most significant events that are likely to impact the Indian market.

**Key Highlights:**

- India Inc on Call
- Quarterly report
- Ready reference for all the most significant events

**Subscription Information:**

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**MOTILAL OSWAL** 22 August 2017

## Confidence on long term prospects intact

Despite a 10% decline in share prices, the confidence of investors in the long term prospects of the Indian market remains intact.

**Key Highlights:**

- Confidence on long term prospects intact
- Despite a 10% decline in share prices
- Investors remain confident in the long term prospects of the Indian market

**Market Outlook:**

The Indian market is expected to continue its growth trajectory in the coming months. The government's focus on infrastructure development and digital transformation is expected to drive the economy forward.

**MOTILAL OSWAL**

## BULLS & BEARS

INDIA VALUATIONS HANDBOOK

**Highlights of August edition:**

- Nifty down 1.8% in August - but two months of negative return in Nifty
- Global Cyclicals outperforms PSU
- Banks underperform
- Technology stocks near historical averages, drag month led by Infosys
- EB selling of USDB during the month

**Market Performance:**

| Index      | Change (%) |
|------------|------------|
| Nifty 50   | -1.8%      |
| Sensex     | -2.5%      |
| Bank Nifty | -3.2%      |
| IT Nifty   | -1.5%      |
| PSU Nifty  | -1.2%      |

**Global Cyclicals vs PSU:**

| Category         | Change (%) |
|------------------|------------|
| Global Cyclicals | +0.5%      |
| PSU              | -0.8%      |

**MOTILAL OSWAL**

## FUND FOLIO

Indian Mutual Fund Tracker

**Performance of Top Funds:**

| Fund Name | Return (%) |
|-----------|------------|
| HERZODU   | +12.5%     |
| HERZODU   | +10.2%     |
| HERZODU   | +8.8%      |

**Market Outlook:**

The Indian market is expected to continue its growth trajectory in the coming months. The government's focus on infrastructure development and digital transformation is expected to drive the economy forward.

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§ Analyst ownership of the stock

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