

Motilal Oswal values your support in the Asiamoney Brokers Poll 2017 for India Research, Sales and Trading team. We [request your ballot](#).



Market snapshot



Equities - India	Close	Chg. %	YTD. %
Sensex	32,382	0.5	21.6
Nifty-50	10,021	0.6	22.4
Nifty-M 100	18,429	0.3	28.4
Equities-Global	Close	Chg. %	YTD. %
S&P 500	2,478	0.0	10.7
Nasdaq	6,423	0.2	19.3
FTSE 100	7,452	0.2	4.3
DAX	12,305	0.3	7.2
Hang Seng	10,832	0.5	15.3
Nikkei 225	20,050	0.5	4.9
Commodities	Close	Chg. %	YTD. %
Brent (US\$/Bbl)	50	0.3	-9.0
Gold (\$/OZ)	1,248	-0.3	7.6
Cu (US\$/MT)	6,298	1.6	14.0
Almn (US\$/MT)	1,921	0.6	12.7
Currency	Close	Chg. %	YTD. %
USD/INR	64.4	-0.1	-5.2
USD/EUR	1.2	-0.1	10.4
USD/JPY	111.9	0.5	-4.4
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.4	0.0	-0.1
10 Yrs AAA Corp	7.5	0.0	-0.1
Flows (USD b)	26-Jul	MTD	YTD
FII	0.0	0.2	8.7
DII	0.1	0.6	3.9
Volumes (INRb)	26-Jul	MTD*	YTD*
Cash	331	290	286
F&O	6,947	5,569	4,994

Note: YTD is calendar year, *Avg



Today's top research idea

India Strategy: Nifty hits 10k mark after a stirring 22-year journey

- ✓ Nifty yesterday crossed and closed above the 10K mark – an all-time high. Against this backdrop, we take a trip down the memory lane and compare various aspects of Nifty now and 22 years ago.
- ✓ Since its inception, Nifty has delivered 11% CAGR returns. Over the same period, Mcap of Nifty companies has expanded at 20% CAGR. Notably, 30% of Nifty constituents have been part of the index since inception, delivering market cap CAGR of 18%.
- ✓ Private Banks – which had the lowest weight in Nifty at 0.4% then – now hold the highest weight of 23.9%. Consumer – which had the highest weight then at 17% – now accounts for 10%.
- ✓ Meanwhile, valuations are rich, with Nifty trailing P/E at 25% premium to LPA and trailing P/B at 10% premium to LPA.



Research covered

Cos/Sector	Key Highlights
India Strategy	Nifty hits 10k mark after a stirring 22-year journey
HDFC	Core operating performance helped by pick-up in non-retail loans
Yes Bank	Stellar all-round performance
Bharti Airtel	Decent quarter; light at the end of the tunnel
Nestle India	Results miss estimates, higher RM costs impact margins
Pidilite Inds	Results below expectation; expect normalcy from 3QFY18
Federal Bank	Slippages dent profitability; Underlying story intact
Amara Raja Batt.	Annual Report Strengthening products and market presence
Mphasis	HP-driven beat topped with deal wins worth USD183m
Bharat Financial	Up-fronting provisions; stressed loans pool declines
PVR	Expansion in southern market to lead growth
Delta Corp	Steady growth in gaming drives revenue beat
Orient Cement	Profitability uptick led by high pricing
Healthcare	Moderate growth in June 2017
Results Expectation	BIOS CFC CROMPTON DRRD EXID GNP HCLT ICICIBV IDEA IDFCBK ITC MSIL ONGC TELX



Piping hot news

US Federal Reserve keeps benchmark interest rate unchanged

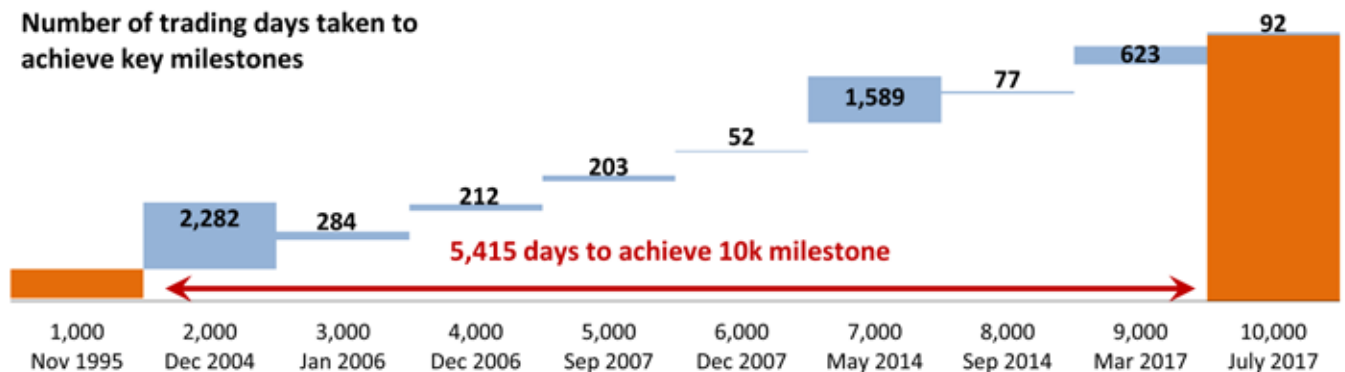
- ✓ The Federal Reserve kept interest rates unchanged on Wednesday and said it expected to start winding down its massive holdings of bonds "relatively soon" in a sign of confidence in the U.S. economy.



Chart of the Day: India Strategy - Nifty hits 10k mark after a stirring 22-year journey

The journey of Nifty from 1K to 10K...

Number of trading days taken to achieve key milestones



Research Team (Gautam.Duggad@MotilalOswal.com)

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

HPCL-ONGC deal: Govt steps on the gas

Kicking off the process of stake sale in Hindustan Petroleum Corporation (HPCL), the department of investment and public asset management (Dipam) has started the process for selecting two consultants and a law firm...

2

Airtel to launch VoLTE service to counter Reliance Jio

Apart from launching VoLTE service by March 2018, Airtel says will partner phone makers for 4G feature phones, less than a week after Reliance Jio unveiled the JioPhone...

3

Niti Aayog clears six proposals for high-tech public transport

Mass rapid transportation technologies such as hyperloop, metrino and pod taxis could soon be a reality in India after Niti Aayog cleared half-a-dozen proposals of the transport ministry exploring options to improve public transport...

4

Vodafone moves court for transparent IUC consultations by Trai

Vodafone has again dragged the telecom regulator to court, this time calling for greater transparency in its consultation process on the contentious interconnect usage charge (IUC)...

5

Demonetisation crackdown round two: Tax sleuths target corporate accounts

After targeting individuals who made large cash deposits in banks during or after demonetisation, the income-tax department is now going after businesses that deposited lots of cash in corporate accounts in the second round of demonetisation tax notices...

6

Grand Alliance 2.0: Nitish Kumar, BJP to form government in Bihar again

Hours after Nitish Kumar quit as the chief minister of Bihar, he was back with the JDU's old suitor, BJP, and the new alliance began the process of forming the next government that will have Kumar in the saddle and BJP's Sushil Modi as the deputy chief minister...

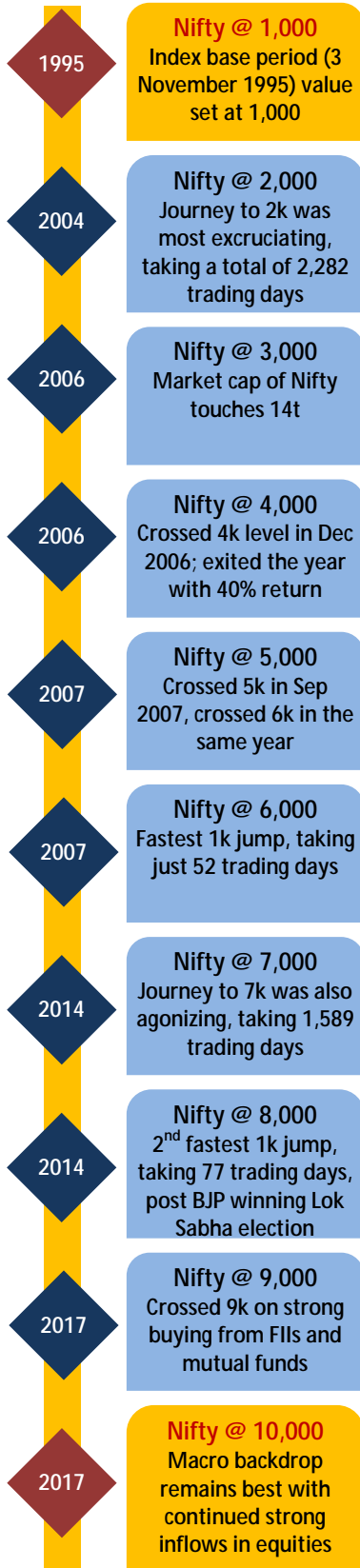
7

Insolvency case: NCLT admits bankruptcy plea against Bhushan Steel

The Delhi bench of National Company Law Tribunal (NCLT) admits insolvency petition against Bhushan Steel and Bhushan Power and Steel. While State Bank of India filed a petition against Bhushan Steel, Punjab National Bank filed a petition against Bhushan Power and Steel...



NIFTY MILESTONE JOURNEY



Nifty hits 10k mark after a stirring 22-year journey

Taking a trip down the memory lane – Nifty: Then and Now

A flashback – 1995 to 2017

- n For the first time in its history, the Nifty has crossed and closed above the psychological 10K mark. With this, the Nifty has now become the second Indian benchmark index to trade in five digits.
- n The Indian markets remain buoyed by continued liquidity inflow amid a strong macro backdrop. Domestic MF inflows in CY17 YTD stand at USD7b, matching inflows recorded in the entire last calendar year. Even more notable are FII flows of USD8.6b, higher than those recorded in CY15 and CY16. We note that the macro backdrop remains best in recent times, with inflation under control, twin deficits in check, stable currency, and policy momentum intact (evident from the smooth and timely GST implementation). Only missing link in an otherwise positive set-up is earnings recovery, in our view. Nifty earnings have remained flat for the last five years (4% CAGR over FY12-17) and hold the key for further re-rating, in our view.
- n In markets, one always looks at the future. Today, we make a small departure to this trend and look back at the past. In this note, we will also share some interesting tidbits of the Nifty's journey from 1,000 in 1995 to 10k today.

Nifty up 10x in ~22 years, market cap expands 48x

- n While traversing its journey from 1K to 10K, the Nifty has delivered 11% CAGR returns. Meanwhile, the market capitalization of the index has expanded 48x from INR1.5t to INR70.6t, implying a CAGR of 20%.
- n The journey of Nifty from 1k to 2k was most excruciating, which took a total 2,282 trading days (almost nine years). The move from 6K to 7K also took some time (1,589 trading days, 6.5 years), with the markets being stranded in a long phase of correction in the aftermath of the Global Financial Crisis (GFC) in 2008.
- n From 26 June 2009, the index shifted its computation to free-float methodology.

30% of index constituents unchanged over 22 years

- n Out of the 50 stocks in Nifty, 15 have been part of the index since its inception - RIL, HDFC BANK, HDFC, SBI, HUL, ITC, TATA MOTORS, HERO MOTORS, TATA STEEL, HINDALCO, ACC, AMBUJA, L&T, DR. REDDY and TATA POWER.
- n The combined market-cap of these 15 stocks increased at 18% CAGR since inception. These 15 stocks weigh 46% in Nifty today v/s 53% at inception.
- n Best performers (mkt. cap multiple since Nifty inception, % CAGR): HDFC Bank (693x – 36%), Hero Motocorp (126x – 26%), HDFC (68x – 22%), ITC (65x – 22%), Dr Reddy's Lab (65x – 22%) and Reliance Inds (55x – 21%).

Sunrise and Sunset: Some sectors acquire prominence, others fade

- n Over the years, the sectoral representation in the Nifty has undergone a sea change, in consonance with the changes in the underlying economy – new sectors have evolved, while some of the erstwhile dominant sectors of the economy have lost relative importance in the new India.

- n Consumer (with 17.6%) had the highest weight in the Nifty at inception. Today, it stands shoulder-to-shoulder with IT, Oil & Gas and Auto, with ~10-11% weight.
- n PSU Banks had the second highest weight of 12.2% at inception, while Private Banks (0.4%) had the lowest weight, with sole representation of HDFC Bank. Today, at 23.9%, Private Banks have the highest weight, while PSU Banks have just 3.3% weight.
- n Textile and Chemicals, which had 8.3% weight at inception, have no representation today. On the contrary, Information Technology and Telecom, which had no presence in the index in 1996, today form 14% of the index.

Key changes in market-cap ranks v/s January 2008 peak

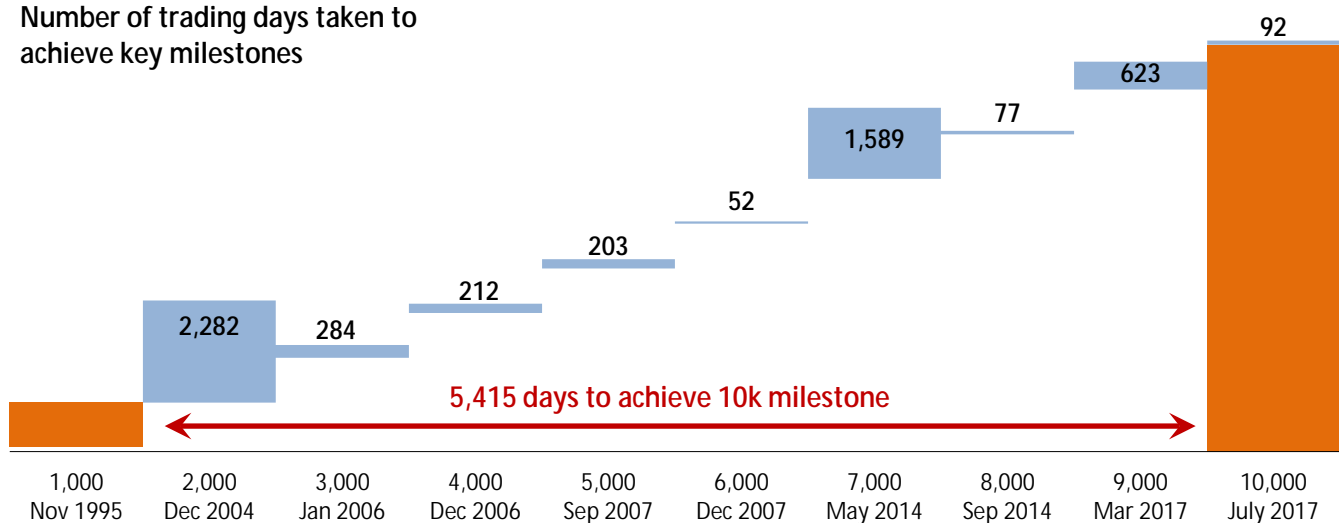
- n The drivers of market earnings growth have changed over the last decade. While the large part of the first decade of the 21st century was characterized by stronger earnings performance from Cyclical and Infrastructure sectors, the story has changed post the Global Financial Crisis. Financials and Consumer/Consumer Discretionary have exhibited earnings outperformance over 2008-17. The same is reflected in the change in their market capitalization ranks.
- n The disproportionate influence of Financials and Consumer/Consumer Discretionary in the current cycle has been reinforced – these sectors have delivered best earnings performance and are re-rated significantly. Naturally, they have gained in prominence in the market cap rankings.
- n Biggest gainers in market cap ranks are: **Maruti, IndusInd Bank, Ultratech, Asian Paints, Eicher Motors, HDFC Bank and HUL**. Similarly, the underperformance of Cyclical is reflected in the change in market-cap ranks at the bottom, with **Tata Steel, Hindalco, ACC and Tata Power** being the key losers.

Valuations ~25% above long-period averages; 19% premium to Jan 2008 levels

- n The Nifty is trading at a trailing P/E of 22.3x, at a 25% premium to its own long-period average. Comparing the Nifty's current valuations with those in January 2008 (earlier peak), we note that the index now trades at a 19% premium.
- n Nifty trailing P/B, at 3.1x, is at a 10% premium to LAP, but at a 22% discount to January 2008 P/B of 3.9x.

The journey of Nifty from 1K to 10K...

Number of trading days taken to achieve key milestones



Source: NSE, MOSL



BSE SENSEX	S&P CNX
32,382	10,021

Bloomberg	HDFC IN
Equity Shares (m)	1,574
M.Cap. (INRb)/(USD\$b)	2,571.5 / 39.9
52-Week Range (INR)	1681 / 1185
1, 6, 12 Rel. Per (%)	-5/5/4
Avg Val, INRm	3906
Free float (%)	100.0

Financials & Valuations (INR b)

Y/E March	2017	2018E	2019E
NII	99.5	113.2	129.0
PAT	74.4	84.0	95.9
Adj. EPS (INR)	35.7	41.4	47.0
EPS Gr. (%)	9.7	16.0	13.5
BV/Sh. (INR)	253.0	280.0	337.8
ABV/Sh. (INR)	201.2	228.3	287.2
RoAA (%)	2.4	2.3	2.3
Core RoE (%)	18.9	19.3	18.4
Payout (%)	37.1	43.5	43.5

Valuation

AP/E (x)	28.3	21.8	16.9
P/BV (x)	6.5	5.8	4.8
AP/ABV (x)	5.0	4.0	2.8
Div. Yield (%)	1.1	1.2	1.4

CMP: INR1,633 TP: INR1,900 (+17%) Buy

Core operating performance helped by pick-up in non-retail loans

- HDFC's 1QFY18 core PBT growth of 15% YoY beat our estimates by 3%. Reported PAT missed our estimate by 3%, driven by marginally higher taxes. Continued pick-up in corporate loan growth (+7% QoQ, +22% YoY) helped HDFC to report healthy core income growth (+16% YoY; 6% beat).
- AUM increased 18% YoY to INR3.55t. Retail loan growth of 16% YoY was similar to growth seen in 4QFY17, but still short of the earlier growth rates of 17-18%. Corporate loans grew 22% YoY (+7% QoQ). We are encouraged by sustained pick-up in corporate loan growth over the past four quarters. Share of corporate loans increased 50bp QoQ to 27.7%.
- Asset quality deteriorated, with GNPA % at 1.12% v/s 0.8% a quarter ago, led by a rise in GNPA % in non-retail loans to 2.1% v/s 1.2% a quarter ago. HDFC recognized one large steel account (belonging to 12 cases referred to NCLT) of INR9.1b as NPA. It had already made contingent provisions on this account of INR2.75b in FY17, which were utilized in the quarter.
- Spreads improved by 3bp YoY to 2.29%, helped by mix shift toward non-retail loans (+100bp YoY to 28.5%) and benefit on cost of funds. Spreads were impacted (5bp, in our view) by non-recognition of interest on the two large corporate accounts slipped during last three quarters.
- Valuation view:** HDFC's retail loan growth is impressive, despite intense competition and a high base. Over the past three quarters, corporate loan growth has also picked up smartly – this remains a key for overall spreads, considering individual spreads are under pressure. We upgrade estimates by ~5% to factor in better-than-expected corporate loan growth. We expect core PBT CAGR ~14% over FY17-20. We expect AUM CAGR of ~16%. **Buy** with an SOTP-based TP of INR1,900.

HDFC: Quarterly Performance

Y/E March	FY17				FY18				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18
Net Interest Income	22,291	22,972	25,755	28,524	25,852	25,959	29,299	32,128	99,542	113,238
YoY Change (%)	9.3	14.5	18.0	15.5	16.0	13.0	13.8	12.6	14.5	13.8
Gross fee income	1,913	1,985	1,944	2,702	2,097	2,100	2,125	2,154	8,486	8,459
Core Income	24,204	24,958	27,699	31,226	27,949	28,059	31,424	34,282	108,029	121,698
YoY Change (%)	9.3	14.4	17.2	13.2	15.5	12.4	13.4	9.8	13.6	12.7
Operating Expenses	2,274	2,048	2,142	1,904	2,536	2,320	2,440	2,158	8,368	9,455
% of core income	9.4	8.2	7.7	6.1	9.1	8.3	7.8	6.3	7.7	7.8
Commission expenses	1,369	1,344	1,011	1,300	1,704	1,400	1,450	1,475	5,024	6,029
% of core income	5.7	5.4	3.6	4.2	6.1	5.0	4.6	4.3	4.7	5.0
Core Operating profits	20,561	21,565	24,546	28,023	23,709	24,339	27,534	30,649	94,637	106,215
YoY Change (%)	7.5	14.2	19.5	13.9	15.3	12.9	12.2	9.4	13.8	12.2
Provisions	650	950	1,170	1,480	850	950	1,000	1,100	4,250	3,900
Core PBT	19,911	20,615	23,376	26,543	22,859	23,389	26,534	29,549	90,387	102,315
YoY Change (%)	6.9	12.2	17.7	12.2	14.8	13.5	13.5	11.3	12.3	13.2
Profit on Sale of Inv.	9,216	281	34	486	21	2,500	2,500	4,979	10,017	10,000
Dividend income	510	4,560	1,788	2,228	599	6,500	2,000	1,896	9,144	10,995
Other Income	111	118	114	125	109	135	135	135	468	538
PBT	26,997	25,575	25,312	29,382	23,587	30,724	30,268	35,458	110,016	120,048
YoY Change (%)	38.3	10.1	15.6	-19.3	-12.6	20.1	19.6	20.7	4.2	9.1
Provision for Tax	8,290	7,310	8,300	8,940	8,030	8,910	8,778	10,297	32,840	36,014
PAT	18,707	18,265	17,012	20,442	15,557	21,814	21,490	25,162	77,176	84,033
YoY Change (%)	37.5	13.9	11.9	-21.6	-16.8	19.4	26.3	23.1	2.3	8.9

E: MOSL Estimates



Yes Bank

BSE SENSEX 32,382
S&P CNX 10,021

CMP: INR1,713 TP: INR2,123 (+24%)

Buy

Bloomberg	YES IN
Equity Shares (m)	456.5
M.Cap.(INRb)/(USDb)	786.1 / 12.2
52-Week Range	1723 / 1091
1, 6, 12 Rel. Per (%)	15/5/27
Avg Val, INRm	4021
Free float (%)	79.9

Financials & Valuations (INR b)

Y/E March	2018E	2019E	2020E
NII	75.7	94.4	121.1
OP	70.4	88.8	116.0
NP	42.1	52.3	65.7
NIM (%)	3.5	3.6	3.7
EPS (INR)	92.3	114.5	143.9
EPS Gr. (%)	26.5	24.1	25.7
BV/Sh. (INR)	542.1	633.3	746.8
ABV/Sh. (INR)	535.1	623.1	736.4
RoE (%)	18.3	19.5	20.9
RoA (%)	1.8	1.8	1.8

Valuations

P/E(X)	18.7	15.0	12.0
P/BV (X)	3.2	2.7	2.3

Stellar all-round performance

- Yes Bank's (YES) NII grew 45% YoY (+10% QoQ) to INR18.1b, helped by 30bp YoY NIM improvement (to 3.7%) and customer assets growth of 32% YoY (+5% QoQ). Strong NII and 13% beat on other income (+17% YoY) drove PPOp outperformance (+30% YoY; 6% beat). This was partly offset by higher-than-expected provisioning (INR1b of prudent provisioning), leading to PAT of INR9.1b (5% beat, 32% YoY).
- Asset quality improved during the quarter, with GNPA of 97bp v/s 1.52% in 4Q. In absolute terms, GNPA declined to INR13.6b. This includes one borrower with gross exposure of 0.26% (INR3.66b; down from INR9.11b in 4Q as the bank recovered INR5.46b on the account) and net exposure of 0.10% (INR1.38b). Specific provision held in this account is INR2.27b. Total net stressed loans stood at 1.6% of advances.
- Deposits grew 5%/23% QoQ/YoY to INR1.5t, led by continued CASA inflows. Strengthening of liability franchise continued, with CASA ratio improving 50bp QoQ to 36.8%, helped by 66.7%/45.8% YoY growth in CA/SA deposits.
- Other highlights: a) NIM improved 10bp QoQ, helped by capital raise benefit. b) Loans grew 32% YoY to INR1.4t. c) Retail fee income showed robust growth of 45% YoY. d) RWA/TA declined 300bp+ QoQ to 83% and CET 1 ratio improved 50bp QoQ to 11.9%.
- Valuation and view:** With significant investment in people (20,000+ v/s 3,929 in FY11), branches (1,000 v/s 214 in FY11) and new products, YES is expected to grow significantly faster than the system. The bank has best-in-class return ratio, with RoA/RoE of 1.8%/19%+. YES is adequately capitalized for the next stage of growth (CET1 ~11.9%). We largely maintain earnings estimates and reiterate **Buy** with a target price of INR2,123 (3.2x June 19) – based on residual income model.

Quarterly Performance

	(INR Million)									
	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Interest Income	37,973	40,604	42,134	43,490	46,538	47,461	48,913	50,800	1,64,246	1,93,712
Interest Expense	25,457	26,482	27,241	27,093	28,449	29,018	29,743	30,841	1,06,273	1,18,051
Net Interest Income	12,516	14,122	14,893	16,397	18,089	18,444	19,170	19,958	57,973	75,662
% Change (Y-o-Y)	18.1	27.4	28.7	32.1	44.5	30.6	28.7	21.7	26.9	30.5
Other Income	9,655	9,219	10,165	12,574	11,322	11,100	12,000	13,276	41,568	47,647
Net Income	22,171	23,340	25,059	28,971	29,411	29,544	31,170	33,235	99,541	1,23,309
Operating Expenses	9,103	9,481	10,520	12,061	12,369	12,263	13,410	14,895	41,165	52,937
Operating Profit	13,068	13,860	14,538	16,910	17,042	17,281	17,760	18,340	58,375	70,372
% Change (Y-o-Y)	43.9	36.0	26.5	38.0	30.4	24.7	22.2	8.5	35.7	20.6
Other Provisions	2,066	1,617	1,154	3,097	2,858	2,550	1,525	1,495	7,934	8,428
Profit before Tax	11,001	12,243	13,384	13,813	14,184	14,731	16,235	16,844	50,441	61,944
Tax Provisions	3,683	4,228	4,558	4,671	4,529	4,714	5,195	5,384	17,140	19,822
Net Profit	7,318	8,015	8,826	9,141	9,655	10,017	11,040	11,460	33,301	42,122
% Change (Y-o-Y)	32.8	31.3	30.6	30.2	31.9	25.0	25.1	25.4	31.1	26.5
Operating Parameters										
NIM (Cal, %)	3.3	3.6	3.6	3.8	3.9	3.7	3.7	3.6	3.6	3.7
Deposit Growth (%)	28.6	28.9	30.5	27.9	22.6	23.2	25.1	22.0	27.9	22.0
Loan Growth (%)	33.0	37.7	38.8	34.7	32.1	34.6	34.3	28.0	34.7	28.0
CD Ratio (%)	86.4	86.1	88.5	92.6	93.2	94.1	94.9	97.1	92.6	0.0
CASA Ratio (%)	29.6	30.3	33.3	36.3					36.3	37.1
Asset Quality										
Gross NPA (INR B)	8.4	9.2	10.1	20.2	13.6	14.0	14.2	14.0	20.2	14.0
Gross NPA (%)	0.8	0.8	0.9	1.5	1.0	0.9	0.9	0.8	1.5	0.8

E: MOSL Estimates



Bharti Airtel

BSE SENSEX	S&P CNX
32,382	10,021

CMP: INR426 TP: INR490 (+15%) Buy

Bloomberg	BHARTI IN
Equity Shares (m)	3,997.3
M.Cap.(INRb)/(USDb)	1,709.8 / 26.5
52-Week Range (INR)	431 / 284
1, 6, 12 Rel. Per (%)	12/20/0
Avg Val, INRm	1479
Free float (%)	32.9

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	954.7	922.7	1022.0
EBITDA	353.3	336.3	381.4
NP	37.9	17.1	26.6
EPS (INR)	11.1	4.3	6.6
EPS Gr. (%)	-6.4	-54.9	53.1
BV/Sh. (INR)	168.8	171.8	177.3
RoE (%)	6.7	2.5	3.8
RoCE (%)	5.4	3.8	4.5
P/E (x)	38.3	98.2	64.2
P/BV (x)	2.5	2.5	2.4

Estimate change	
TP change	
Rating change	

Decent quarter; light at the end of the tunnel

- Consolidated EBITDA drops meager 1% QoQ:** Consol. EBITDA fell 1% QoQ (-19% YoY) to INR77.6b (4% above estimate) on the back of flat revenue. Bucking the last two quarter's declining trend, India wireless revenues stabilized in 1QFY18 (+0.4% QoQ, -14.2% YoY) to INR129.1b, as traffic recovered post RJio ending its free usage offer. India wireless EBITDA declined 8% QoQ (-31% YoY) to INR44.3b due to high discretionary costs. Currency devaluation pulled Africa revenue down by 4% QoQ (-22% YoY) to INR48.5b (2% below estimates); however, in dollar terms, it increased 1% QoQ. Backed by efficiency in operating cost, Africa EBITDA increased (+4% QoQ; -3% YoY) for the second consecutive quarter to INR13.6b. PAT slipped 2% QoQ (-75% YoY) to INR3.7b.
- Resurgence of voice/data revenue:** Data revenue recovered after two quarters of decline, increasing 3% QoQ (-20% YoY) to INR28.1b. Voice revenue stabilized, with flat QoQ growth (-12% YoY) to INR92.6b. Both segments witnessed steep volume growth, offsetting by price decline as industry shifts to ARPU model. Blended ARPU declined 2% QoQ to INR154.
- Growth avenues in sight:** Bharti's market share improvement in the current hyper-competitive market highlights its strong network and market standing. RJio's gradual reduction of smartphone-oriented freebies should support growth, in our view. RJio's VoLTE feature phone should see limited disruption due to its ARPU-accretive offering and limited product differentiation.
- Maintain Buy with revised TP of INR490:** The stock is trading at 6.8x on FY19E EV/EBITDA, with potential FCFE yield of 6-7% as the market bottoms out. Our EBITDA factors in 5% decline in FY18 and 13% growth in FY19. We have revised our TP to INR490 (from INR430 earlier), based on 3.5x EV/EBITDA to Africa business (3x earlier) and higher EBITDA estimates after two consecutive quarters of earnings improvement. We assign 7.5x to India excl. tower and 15% discount to our Bharti Infratel valuations. Maintain **Buy**.

Exhibit 1: Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Gross Revenue	255,465	246,515	233,357	219,346	219,581	226,391	233,885	242,835	954,683	922,692
YoY Change (%)	7.9	3.4	-3.0	-12.1	-14.0	-8.2	0.2	10.7	-1.1	-3.4
Total Expenditure	159,985	152,113	148,542	140,746	141,997	144,372	147,936	152,107	601,386	586,412
EBITDA	95,480	94,402	84,815	78,600	77,584	82,019	85,949	90,728	353,297	336,279
Margins (%)	37.4	38.3	36.3	35.8	35.3	36.2	36.7	37.4	37.0	36.4
Depreciation	50,402	49,560	48,350	49,418	48,192	49,282	51,746	54,210	197,730	203,430
Interest	19,399	19,057	19,356	19,162	18,274	21,459	21,459	21,459	76,974	82,652
Other Income	2,787	1,568	3,487	2,494	3,698	3,698	3,698	3,698	10,336	14,792
PBT before EO expense	28,466	27,353	20,596	12,514	14,816	14,976	16,442	18,756	88,929	64,990
Extra-Ord expense	3,536	66	2,040	6,055	503	0	0	0	11,697	503
PBT	24,930	27,287	18,556	6,459	14,313	14,976	16,442	18,756	77,232	64,487
Tax	10,089	11,136	11,841	1,753	8,136	8,224	9,029	10,300	34,819	35,688
Rate (%)	40.5	40.8	63.8	27.1	56.8	54.9	54.9	54.9	45.1	55.3
Minority Interest & Profit/Loss of Asso. Cos.	222	1,544	1,678	972	2,504	2,737	3,005	3,428	4,416	11,674
Reported PAT	14,619	14,607	5,037	3,734	3,673	4,015	4,408	5,029	37,997	17,124

Source: MOSL, Company



Nestle India

BSE SENSEX	S&P CNX
32,382	10,021

CMP: INR6,787 TP: INR5,740(-15%)

Sell

Bloomberg	NEST IN
Equity Shares (m)	96.4
M.Cap.(INRb)/(USD\$b)	654.4 / 10.2
52-Week Range (INR)	7390 / 5701
1, 6, 12 Rel. Per (%)	-1/-3/-21
Avg Val, INRm/ Vol m	263
Free float (%)	37.2

Financials & Valuations (INR b)

Y/E Dec	2016	2017E	2018E
Net Sales	91.6	98.2	109.8
EBITDA	18.0	17.7	20.6
PAT	11.4	11.1	12.9
EPS (INR)	118.0	115.1	133.6
Gr. (%)	-1.6	-2.5	16.2
BV/Sh (INR)	312.6	336.0	365.8
RoE (%)	39.0	35.5	38.1
RoCE (%)	38.8	35.2	37.8
P/E (x)	57.5	59.0	50.8
EV/EBITDA (x)	35.0	35.3	29.9

Estimate change

TP change

Rating change



Results miss estimates, higher RM costs impact margins

- Net sales were up by only 6.9% YoY (est. of +16%) to INR23.9b (Ind-AS). EBITDA (Ind-AS) was down 6.1% YoY (est. of +10%) to INR4.4b. Adj. PAT was down 11.8% YoY (est. of +5.4% YoY) to INR2.5b (Ind-AS).
- Weak base makes revenue performance disappointing:** The base quarter was weak as Maggi was still recovering in terms of sales and market share. Overall gross sales grew 7.3% YoY in 2QCY17, but net sales growth was weaker owing to end of tax holiday at the Pantnagar unit from June 2016.
- EBITDA margin shrinks 260bp YoY:** Gross margin contracted 270bp to 54.8% (est. of -150bp), which management attributed to rising cost of milk derivatives. Staff costs increased 50bp YoY due to adoption of long-term approach of compensating most factory employees in line with industry practice. Other expenses, however, were down 70bp YoY. Consequently EBITDA margin shrunk 260bp YoY (est. of -100bp) to 18.6%.
- Valuation and view:** We have cut our EPS by 3%/4% for CY17/CY18E to model the revenue and margin miss. It has now been over five long years of abysmal volumes. While recent new product launches and rebuild of Maggi noodles should support volumes, double-digit volume-led sales growth seems long time away. Nestle is no longer the business it was before CY11 (it used to report consistent double-digit volume growth with over 100% RoCEs) and may never be so. Considering that valuations are rich at 50.8x CY18E EPS, we maintain **Sell** with a revised target of INR5,740 (INR5,990 earlier; 39x June'19 EPS, 25% discount to three-year avg. multiple).

Quarterly performance

Y/E December									(INR Million)			
	CY16				CY17				CY16	CY17E	Estimate	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QCY17E	
Net Sales	22,770	22,332	23,252	22,410	24,757	23,865	24,414	24,651	91,593	98,214	26,171	-8.8%
YoY Change (%)					8.7	6.9	5.0	10.0	12.8	7.2	16.0	
COGS	9,872	9,495	9,860	9,601	10,939	10,791	10,719	11,054	38,797	43,285	11,407	
Gross Profit	12,898	12,837	13,392	12,808	13,818	13,075	13,696	13,596	52,796	54,929	14,763	-11.4%
Margin (%)	56.6	57.5	57.6	57.2	55.8	54.8	56.1	55.2	57.6	55.9	56.4	
Operating Exp	7,375	8,119	8,548	8,242	8,708	8,645	9,097	8,820	34,838	37,245	9,971	
EBITDA	5,523	4,718	4,844	4,566	5,110	4,430	4,598	4,776	17,958	17,684	4,792	-7.6%
Margins (%)	24.3	21.1	20.8	20.4	20.6	18.6	18.8	19.4	19.6	18.0	18.3	
YoY Growth (%)			69.5	30.8	-7.5	-6.1	-5.1	4.6	12.6	-1.5	10.0	
Depreciation	891	889	883	873	867	854	838	830	3,536	3,414	907	
Interest	259	220	220	210	228	229	220	210	35	38	0	
Other income	421	524	547	668	578	569	629	768	2,139	2,326	600	
PBT	4,793	4,132	4,289	4,150	4,593	3,915	4,169	4,504	16,526	16,558	4,486	-12.7%
Tax	1,722	1,288	1,269	1,332	1,468	1,408	1,376	1,486	5,150	5,464	1,480	
Rate (%)	35.9	31.2	29.6	32.1	32.0	36.0	33.0	33.0	31.2	33.0	33.0	
Adjusted PAT	3,071	2,844	3,020	2,818	3,126	2,507	2,793	3,018	11,376	11,094	3,005	-16.6%
YoY Change (%)		22.5	83.1	35.1	1.8	-11.8	-7.5	7.1	16.5	-2.5	5.4	

Note: Quarterly numbers are as per Ind-AS

E: MOSL Estimates



Pidilite Industries

BSE SENSEX	S&P CNX
32,382	10,021

Bloomberg	PIDI IN
Equity Shares (m)	512.7
M.Cap.(INRb)/(USD\$b)	427.6 / 6.6
52-Week Range (INR)	837 / 569
1, 6, 12 Rel. Per (%)	-7/0/-5
Avg. Val, INR m/Vol m	385
Free float (%)	30.4

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	56.2	62.4	72.4
EBITDA	12.6	13.6	15.5
PAT	8.6	9.3	10.6
EPS (INR)	16.7	18.1	20.6
Gr. (%)	6.7	7.9	14.0
BV/Sh (INR)	64.5	79.0	96.1
RoE (%)	28.2	25.2	23.5
RoCE (%)	26.8	24.1	22.7
P/E (x)	48.1	44.6	39.1
EV/EBITDA (x)	32.0	29.4	25.3

Estimate change

TP change

Rating change



CMP: INR805

TP: INR810 (+1%)

Neutral

Results below expectation; expect normalcy from 3QFY18

- PIDI's 1QFY18 results came in below expectations.** Gross sales were down 1.3% YoY to INR16.7b. Net sales declined 2.6% YoY (est. of flat growth) to INR15.3b, with flattish volume growth (est. of flat growth) in the Consumer Bazaar segment. EBITDA was down 18.5% YoY (est. of -4% YoY) to INR3.2b, while adj. PAT declined 16.7% YoY (est. of -6.1%) to INR2.3b.
- Gross margin contracted 60bp YoY to 51.7%**, led by uptrend in key raw material costs. Staff costs increased 150bp YoY to 11.8%. Other expenses were up 200bp YoY to 18.9%, led by 39.6% increase in adspend due to timing difference between advertisement and promotion spends compared to 1QFY17. EBITDA margin thus contracted 410bp YoY (est. of -150bp YoY) to 21%.
- Consolidated segmental performance:** Consumer Bazaar revenues were down 1.6% YoY to INR14.3b. Segmental EBIT margin shrunk sharply by 390bp YoY to 23.0%. Consumer Bazaar EBIT declined 15.7% to INR3.3b. Industrial segment was flat at INR2.5b, with margin contraction of 360bp to 14.7%.
- Concall highlights:** 1) No significant schemes launched in 1QFY18 to push stock. Provided certain amount of money to channel partners for loss on stock due to GST transition; accounted fully in other expenses in 1QFY18. 2) Company had taken price hikes in segments that were affected more by RM inflation; no price hikes taken in bigger products like Fevicol and Fevikwik. 3) Company sees reasonable pick-up in demand after 1st week of July.
- Valuation and view:** We cut our EPS numbers by 2%/3% for FY18/FY19 to build in the miss on revenue and margins. PIDI offers a high-quality discretionary play with strong competitive positioning, proven in-market excellence, and an impeccable track record of generating long-term shareholder value over multiple periods. While we admire the business franchise and long-term growth prospects, fair valuations at 39x FY19E EPS lead us to maintain our **Neutral** rating with a revised target price of INR810 (INR835 earlier, 38x FY19E EPS, 5% premium to three-year average).

Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var. (%)
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	15,694	14,177	13,344	12,954	15,289	15,594	16,146	15,384	56,168	62,414	16,008	-4.5
YoY Change (%)	6.8	7.5	-0.3	4.9	-2.6	10.0	21.0	18.8	4.8	11.1	2.0	
Total Expenditure	11,754	10,951	10,477	10,375	12,079	12,015	12,516	12,250	43,570	48,861	12,226	
EBITDA	3,939	3,225	2,866	2,579	3,210	3,579	3,629	3,134	12,598	13,552	3,782	-15.1
Margins (%)	25.1	22.8	21.5	19.9	21.0	23.0	22.5	20.4	22.4	21.7	23.6	
Depreciation	258	303	295	296	313	318	316	318	1,151	1,264	270	
Interest	35	26	30	48	37	26	30	34	139	127	32	
Other Income	241	324	272	286	432	275	272	279	1,123	1,259	193	
PBT	3,887	3,209	2,814	2,520	3,292	3,510	3,556	3,061	12,430	13,419	3,672	-10.4
Tax	1,174	912	793	971	1,033	1,088	1,102	937	3,851	4,160	1,120	
Rate (%)	30.2	28.4	28.2	38.5	31.4	31.0	31.0	30.6	31.0	31.0	30.5	
Adj PAT	2,713	2,309	2,020	1,549	2,260	2,422	2,454	2,124	8,579	9,259	2,552	-11.5
YoY Change (%)	16.3	12.4	1.5	-7.5	-16.7	4.9	21.5	37.1	6.7	7.9	-6.1	
Margins (%)	17.3	16.3	15.1	12.0	14.8	15.5	15.2	13.8	15.3	14.8	15.9	

E: MOSL Estimates



Federal Bank

BSE SENSEX	S&P CNX
32,382	10,021

CMP: INR115 TP:INR139 (+21%) Buy

Bloomberg	FB IN
Equity Shares (m)	1,719.0
M.Cap.(INRb)/(USDb)	139.2/2.1
52-Week Range (INR)	82/41
1, 6, 12 Rel. Per (%)	13/61/40
Avg Val, INRm	414
Free float (%)	100.0

Financials & Valuations (INR b)

Y/E Mar	2018E	2019E	2020E
NII	35.4	43.4	52.0
OP	23.4	27.5	33.9
NP	10.4	13.3	16.7
NIM (%)	3.1	3.1	3.0
EPS (INR)	5.4	6.8	8.6
EPS Gr. (%)	11.6	27.0	25.7
BV/Sh. (INR)	62.3	67.7	74.6
ABV/Sh. (INR)	58.9	64.1	71.7
ROE (%)	10.0	10.5	12.1
ROA (%)	0.8	0.9	0.9
Payout (%)	20.3	19.7	19.7
Valuations			
P/E(X)	21.3	16.7	13.3
P/BV (X)	1.8	1.7	1.5

Slippages dent profitability; Underlying story intact

- n Federal Bank's (FB) 1QFY18 PAT declined 18% QoQ (+26% YoY) to INR2.1b (14% miss), despite in-line PPop (+2%/31% QoQ/YoY), due to the twin impact on NII and provisions from a spike in corporate slippages, with a restructured account slipping into NPA.
- n NII growth came in at -5%/16% QoQ/YoY (7% miss) owing to interest reversals of ~INR160m, adjusted for which, calculated NIM would stand at 3.11% instead of 3.05%. Capital raise benefit (+15bp) will help near-term NIMs. Other income grew 17%/39% QoQ/YoY due to a lumpy contribution of INR2b of treasury income. CI ratio improved 60bp QoQ to 50.6%.
- n Loan growth of 4%/29% QoQ/YoY was broad-based, with strong growth across segments. Corporate growth was the strongest at 6%/39% QoQ/YoY. Retail & agri loans grew by 3%/27% QoQ/YoY, and SME loans by 3%/17% QoQ/YoY.
- n Asset quality deteriorated, with one bulky restructured account of INR1.05b (62% of corporate slippages) slipping into NPA; GNPA/NNPA increased to 2.42%/1.39% (+9bp/+11bp QoQ), with slippage ratio shooting up to 2.88% v/s 1.68% in 4QFY17. Recoveries and upgrades declined 34% QoQ. During the quarter, the bank sold ~INR480m from existing accounts to ARCs.
- n Other highlights: a) CASA increased 33% YoY led by 28% CA growth. b) Growth picking up outside Kerala with 20%/25% growth in loans/SA, while overall loans/SA growth was 14%/19%.
- n **Valuation and view:** We believe FB's asset quality concerns, which are largely legacy issues, are largely behind. The bank is ahead of corporate lending peer banks on the asset quality curve, especially with opportunistic entry into the mid-commercial segment. Considering asset quality distractions in the PSU space, we believe FB is well positioned to gain market share in highly rated corporates. Post QIP, the bank is comfortably positioned with respect to capital (Tier 1 ratio of 14.7%). We largely maintain estimates for FY18/19 and reiterate **Buy** with a target price of INR139 (2x June 2019 BV) based on RI model.

Quarterly Performance

	FY17				FY18E				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18E
Net Interest Income	6,927	7,262	7,914	8,424	8,007	8,707	9,059	9,657	30,526	35,429
% Change (YoY)	14.5	19.4	30.7	22.8	15.6	19.9	14.5	14.6	21.7	16.1
Other Income	2,370	2,616	2,747	2,821	3,291	3,148	3,461	3,952	10,818	13,851
Net Income	9,297	9,878	10,661	11,245	11,298	11,855	12,519	13,609	41,345	49,280
Operating Expenses	5,039	5,128	5,912	5,753	5,719	6,076	6,727	7,351	22,095	25,874
Operating Profit	4,259	4,750	4,749	5,492	5,579	5,779	5,792	6,258	19,249	23,406
% Change (YoY)	16.0	41.1	45.9	39.2	31.0	21.7	22.0	13.9	35.2	21.6
Other Provisions	1,685	1,684	1,588	1,227	2,364	2,000	1,600	1,369	6,184	7,334
Profit before Tax	2,574	3,066	3,161	4,265	3,214	3,779	4,192	4,889	13,065	16,073
Tax Provisions	901	1,053	1,104	1,699	1,113	1,323	1,467	1,723	4,757	5,625
Net Profit	1,673	2,013	2,057	2,566	2,102	2,456	2,725	3,166	8,308	10,447
% Change (YoY)	18.3	24.8	26.4	2,400.9	25.6	22.0	32.5	23.4	74.7	25.7
Operating Parameters										
NIM (Reported,%)	3.3	3.3	3.3	3.4					3.3	
Deposit Growth (%)	12.5	17.0	23.3	23.4	18.1	17.7	18.4	21.0	23.4	21.0
Loan Growth (%)	19.3	27.2	32.0	26.2	29.1	23.9	22.0	25.0	26.2	25.0
CASA Ratio (%)	32.8	31.0	34.7	32.6					32.8	33.3
Asset Quality										
Gross NPA (INR b)	17.5	18.2	19.5	17.3	18.7	19.3	19.6	19.6	17.3	19.6
Gross NPA (%)	2.9	2.8	2.8	2.3	2.4	2.4	2.3	2.1	2.3	2.1

E: MOSL Estimates



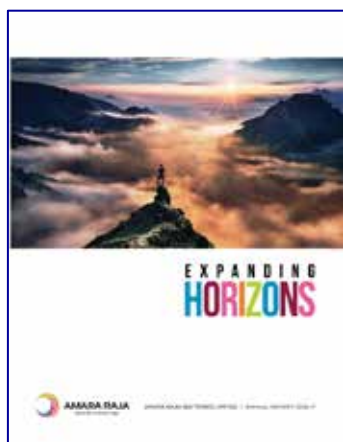
Amara Raja Batteries

BSE SENSEX
32,382

S&P CNX
10,021

CMP: INR847 TP: INR1,095(+29%)

Buy



Strengthening products and market presence

Expanding technology and offerings to challenge leader

AMRJ's FY17 annual report, themed 'Expanding Horizons' highlights initiatives on new technologies, applications and markets. It has prioritized segments such as e-rickshaws, renewable energy, motive power products and exports to keep its growth momentum intact in FY18. Further, it is exploring and evaluating possibilities of foraying into other technologies even as it continues to strengthen its leadership in the lead-acid space.

Expanding horizons across every aspect of business

FY17 was an important year for AMRJ, as it expanded its horizon across every aspect of business: (a) Technology – absorbed glass mat batteries, flat plate gel, tubular gel, etc, (b) Products – batteries for micro-hybrid vehicles, customized batteries for UPS segment, etc, and (c) Processes. Further, it is exploring products for renewable energy and e-mobility.

Technological innovations to enhance product offerings

In the lead acid space, AMRJ is targeting to launch flat plate and tubular gel batteries developed on gel-based platforms in FY18. It expects to launch products based on EFB (enhance flooded battery) technology for micro hybrid vehicles in 1HFY18. In FY17, it developed products on AGM (absorbed glass mat) platform and customized batteries for UPS applications. AMRJ expects the domestic battery industry to grow at a CAGR of 7-9% till 2020.

Key priorities for FY18

- n Implement punch greed technology across segments
- n Capacity enhancement in 2W and 4W space
- n Increase in automation levels to handle materials on the shop floor
- n Expand network and market share in EXID-dominated East and West markets
- n Strengthen marketing of in-house manufactured tubular batteries for home UPS and e-rickshaw applications
- n Establish strong presence in high potential exports markets like Saudi Arabia and Australia
- n Launch high warranty and energy-efficient products in industrial segment
- n Focus on increasing volumes of batteries used in data center applications
- n Increase focus on renewable energy and motive power segment

Targets to double 2W battery capacity in three years

AMRJ intends to continue its capacity expansion drive, as long-term growth prospects remain robust. It is establishing a 14m units/year greenfield 2W battery capacity in four phases over the next five years. This will take its total 2W battery capacity to 24m units/year. In addition to the recently-commissioned 2.25m units/year capacity, AMRJ is setting up three additional lines in the 4W segment.

Stock Info

Bloomberg	AMRJ IN
Equity Shares (m)	170.8
52-Week Range (INR)	1,077/807
1,6,12 Rel. Perf. (%)	-3/-21/-21
M.Cap. (INR b)	144.6
M.Cap. (USD b)	2.2
Avg Val, INRm	353.0
Free float (%)	47.9

Financials Snapshot (INR b)

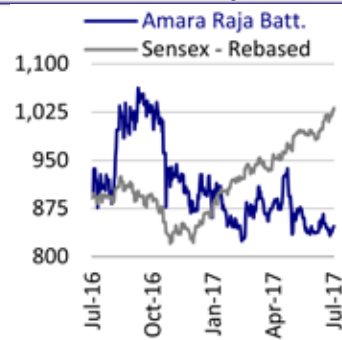
Y/E Mar	2017	2018E	2019E
Sales	53.2	62.1	73.6
EBITDA	8.5	9.9	11.7
NP	4.8	6.0	7.2
EPS (INR)	28	35	42
EPS Gr. (%)	(2.7)	26.1	19.2
BV/Sh. (INR)	152	181	215
RoE (%)	20.3	21.2	21.3
RoCE (%)	19.4	20.3	20.4
P/E (x)	30.2	24.0	20.1
P/BV (x)	5.6	4.7	3.9

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	52.1	52.1	52.1
DII	10.9	8.9	8.2
FII	19.0	19.7	20.6
Others	18.0	19.4	19.2

FII Includes depository receipts

Stock Performance (1-year)



Focus on new segments to fuel growth

AMRJ is targeting new segments like renewable energy, e-mobility, motive power and data center applications. It is banking on government schemes like FAME, Auto Mission Plan II and National Electric Mobility Mission Plan (NEMMP) 2020, which are expected to drive demand for automotive batteries in the future.

On-boarding new customers across segments

In the 2W battery space, AMRJ commenced supplies to Bajaj Auto (BJAUT) in FY17 and has on-boarded Hero MotoCorp (HMCL) as new customer. In 4Ws, AMRJ is the sole supplier to Renault Kwid, and has added new platforms from existing customers. It has also begun supplies to Volvo for its earth-moving vehicles.

Exploring India-like export markets to de-risk India exposure

AMRJ is expanding its presence in key markets such as South-East Asia, the Middle East, Australia and Africa. Its exports grew 48% in FY17 and it targets to raise the contribution of exports from 6.8% of revenue in FY17. For South-East Asian markets, AMRJ is targeting telecom and UPS batteries for volume growth.

Double-digit revenue growth in automotive segment (60% of revenue)

In FY17, automotive segment revenue grew in double digits, led by healthy growth in the 4W and 2W OEM space. AMRJ commenced supplies to BJAUT and will soon start supplies to HMCL to further boost 2W OEM revenue. On the replacement side, AMRJ continued its growth momentum, led by strengthening of brands, expansion of network, and varied product offerings.

Telecom and UPS segments moderated industrial segment growth

AMRJ has highlighted that the entry of Reliance Jio with lithium-ion batteries has impacted volume off-take for replacement batteries. Additionally, lead inflation presented challenges in the telecom and UPS segments. However, preferred supplier status with major OEMs, after sales service, and strong performance of brands like *PowerStack*, *Quanta* and *QRS* supported sales.

Valuation and view

With stable competitive environment and demand recovery, we estimate 17.6% Revenues CAGR, 17.3% EBITDA CAGR and 22.6% PAT CAGR over FY17-19. FCF generation (INR8.2b over FY17-19E) and RoE of 21% coupled with potential shift from unorganized to organized players due to GST would continue to drive stock re-rating. The stock trades at 24x FY18E and 20.1x FY19E EPS. Maintain **Buy** with a target price of ~INR1,095 (25x June 2019E EPS).

BSE SENSEX 27836.51
S&P CNX 8615.25

CMP: INR595 TP: INR600(+1%)

Neutral

We will revisit our estimates post earnings call/management interaction.

Conference Call Details



Date: 27th July 2017
Time: 11:00 IST
Dial-in details:
+91-22-3938 1095

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	60.8	62.3	69.2
EBITDA	9.7	9.9	11.2
NP	8.2	8.2	8.9
EPS (INR)	38.9	42.3	46.2
EPS Gr. (%)	12.9	8.8	9.1
BV/Sh. (INR)	292.4	254.6	272.8
RoE (%)	13.2	14.2	16.1
RoCE (%)	12.4	13.7	15.8
Payout (%)	43.7	52.0	47.6
Div. Yield	2.9	3.8	3.8

HP-driven beat topped with deal wins worth USD183m

Strength seen in HP and Direct International

- MPHL's dollar revenue of USD231m was up 4.2% QoQ, above our estimate of USD224m. In INR terms, revenue grew 2.0% QoQ (est. of -1.6%) to INR15.36b.
- EBITDA margin contracted 90bp QoQ to 14.9%, below our estimate of 15.7%. Our expectation of stable margins was driven by offsetting of INR appreciation and visa expenses by a better revenue mix.
- PAT was INR1,872m, below our estimate of INR2,011m, led by lower margins and other income.

Deal wins of USD183m in 1QFY18, up 40% YoY LTM

- A strong rebound was seen in revenue from the HP channel, which grew by 10.3% QoQ. Traction was also seen continuing in the Direct International business, which grew by 4% QoQ.
- Growth was dragged lower by further pressure in Digital Risk, which declined by ~9% QoQ. The run-rate in Digital Risk has reduced by 25% compared to the previous year.
- The margin contraction was primarily seen at the gross level, with gross margins contracting 140bp QoQ. This can be explained by the ~300bp shift of revenue to onsite.
- While S&M expenses increased 20bp QoQ, hefty savings were witnessed in G&A expenses, which declined by 60bp to 5.2% of revenue.

Valuation and view: We will revisit our estimates post the earnings call. Outlook on growth in Direct Core, strategy under new leadership and the margin outlook would be keenly watched. Based on current estimates, it trades at 14.2/13.0x FY18/19E EPS. **Neutral.**

Quarterly Performance (Consolidated)

Y/E March	FY17				FY18E				FY17	Est. Jun 17	Var. (% / bp)
	Jun 16	Jun 16	Dec 16	Mar 17	Jun 17	Sep 17	Dec 17	Mar 18			
Revenue (USD m)	224	224	224	222	231	225	229	237	894	225.9	2.2
QoQ (%)	-0.3	-0.2	-0.3	-0.9	4.2	-2.8	2.0	3.4	-3.5	2.0	228bp
Revenue (INR m)	15,167	15,176	15,361	15,059	15,360	14,826	15,189	15,779	60,763	14,815	3.7
YoY (%)	1.5	-2.6	1.3	-0.7	1.3	-2.3	-1.1	4.8	-0.2	-2.3	360bp
GPM (%)	28.1	28.1	27.8	28.7	27.3	24.7	23.4	24.3	28.2	28.2	-88bp
SGA (%)	12.0	11.8	12.3	12.8	12.4	12.6	12.3	12.4	12.2	12.5	-12bp
EBITDA	2,445	2,463	2,396	2,384	2,295	1,798	1,683	1,885	9,688	2,323	-1.2
EBITDA Margin (%)	16.1	16.2	15.6	15.8	14.9	12.1	11.1	11.9	15.9	15.7	-74bp
EBIT Margin (%)	15.2	15.3	14.7	14.6	13.8	10.7	9.7	10.6	15.0	14.5	-74bp
Other income	572	711	617	485	469	512	483	546	2,385	648	-27.6
ETR (%)	27.7	27.5	28.5	27.5	26.9	26.9	26.9	26.9	27.8	27.5	-57bp
PAT	2,043	2,166	2,044	1,934	1,872	1,518	1,413	1,604	8,188	2,011	-6.9
QoQ (%)	6.4	6.0	-5.6	-5.4	-3.2	-18.9	-6.9	13.5		4.0	
YoY (%)	23.2	14.0	17.7	0.7	-8.4	-29.9	-30.9	-17.1	13.0	-1.6	
EPS (INR)	9.7	10.3	9.7	8.8	9.1	7.4	6.9	7.8	38.5	10.4	
Headcount	22,374	22,284	22,018	21,979	21,878	21,023	21,568	22,088	21,979	20,954	4.4
Net Additions	50	-90	-266	-39	-101	-855	545	520	-345	-1025.0	
HP Channel rev. (%)	23.4	23.9	24.0	24.4	25.8						
Fixed Price (%)	19.8	19.1	20.6	19.3	21.3						



Bharat Financial Inclusion

BSE SENSEX	S&P CNX
32,382	10,021

CMP: INR789

TP: INR820 (+4%)

Neutral

Bloomberg	BHAFIN IN
Equity Shares (m)	138.0
M.Cap.(INRb)/(USDb)	110.9/1.7
52-Week Range (INR)	939 / 465
1, 6, 12 Rel. Per (%)	-4/-12/10
Avg Val, INRm	2496
Free float (%)	98.3

Financials & Valuations (INR m)

Y/E March	2017	2018E	2019E
NII	7,774	9,210	13,920
PPP	5,522	6,860	11,200
PAT	2,897	4,387	9,484
EPS (INR)	21.0	31.8	68.7
BV/Sh (INR)	177.3	218.6	271.6
RoA on AUM(%)	3.3	3.4	5.3
RoE (%)	15.1	16.1	28.0
Valuations			
P/E (x)	37.6	24.8	11.5
P/BV (x)	4.4	3.6	2.9

Up-fronting provisions; stressed loans pool declines

- n BHAFIN reported 1QFY18 net loss of INR371m, driven by a provision hit of INR1.76b. The company up-fronted bulk of the provisions which it plans to make for the year. We view this as a key positive.
- n Collection efficiency trends have been encouraging. First month collection rate improved from 91% in November 2016 to 92% in April and 96.2% in July. Collection efficiency on a lagged basis also witnessed an improving trend.
- n Interestingly, the company disclosed collection efficiency trends on loans disbursed over Jan-Jun 2017 across geographies. The minimum cumulative collection efficiency in any state is 99.7%.
- n The pool of overall stressed loans continues to decline. Total overdue portfolio declined QoQ from INR7.12b to INR5.55b. The company now holds provisions of INR3.94b as against INR4.64b of 8 weeks+ overdue loans.
- n Number of loans disbursed increased 8% QoQ, while total disbursements declined 4% sequentially.
- n **Valuation and view:** Large unmet demand, low competitive intensity, supportive regulations, strong balance sheet and best-in-class operating metrics have put BHAFIN on a high-growth path. While there has been a hit due to demonetization and other external factors, we believe that the long-term growth story remains unchanged. However, the stock trades at 2.9x FY19E BVPS, which we believe leaves little room for upside. However, we acknowledge that upside could accrue with potential events (M&A) and better-than-expected profit growth. Maintain **Neutral** with a TP of INR820 (3.0x FY19E P/B).

Quarterly Performance

Y/E March	FY17				FY18				(INR Million)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	FY17	FY18
Income from operations	3,341	3,692	3,682	3,290	3,720	3,943	4,416	4,952	14,005	17,030
Other Income	348	382	407	388	392	431	475	661	1,526	1,959
Total income	3,690	4,074	4,089	3,678	4,112	4,374	4,890	5,613	15,531	18,989
Y-o-Y Growth (%)	53.2	39.9	33.1	61.0	11.4	7.4	19.6	61.0	32.8	22.3
Interest expenses	1,361	1,576	1,643	1,646	1,749	1,784	1,963	2,324	6,225	7,821
Other income	452	422	460	415	519	545	599	662	1,748	2,325
Net Income	2,780	2,921	2,906	2,447	2,881	3,135	3,527	3,951	11,054	13,494
Y-o-Y Growth (%)	52.9	40.9	37.9	3.6	3.6	7.3	21.4	61.4	32.2	22.1
Operating Expenses	1,269	1,372	1,440	1,451	1,493	1,578	1,735	1,828	5,533	6,634
Provisions	120	90	38	3,346	1,759	400	200	114	3,594	2,473
Profit before tax	1,391	1,459	1,428	-2,349	-371	1,156	1,592	2,009	1,928	4,387
Y-o-Y Growth (%)	74.9	44.2	38.5	-313.3	-126.6	-20.7	11.5	-185.5	-51.0	127.5
Tax Provisions	-969	0	0	0	0	0	0	0	-969	0
Net Profit	2,359	1,459	1,428	-2,349	-371	1,156	1,592	2,009	2,897	4,387
Y-o-Y Growth (%)	285.8	87.4	79.6	-378.1	-115.7	-20.7	11.5	-185.5	-4.4	51.4

E: MOST Estimates



BSE SENSEX	S&P CNX
32,382	10,021

Bloomberg	PVRL IN
Equity Shares (m)	47
M.Cap.(INRb)/(USDb)	64.6 / 1.0
52-Week Range (INR)	1660 / 1011
1, 6, 12 Rel. Per (%)	-14/-12/8
Avg Val, INRm	261
Free float (%)	79.8

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	21.2	24.6	29.3
EBITDA	3.1	4.1	5.4
PAT	1.0	1.4	2.2
EPS (INR)	20.5	30.9	46.9
Gr. (%)	-3.8	50.5	51.7
BV/Sh (INR)	206.5	235.5	280.0
RoE (%)	10.4	14.0	18.2
RoCE (%)	9.5	11.5	14.6
P/E (x)	65.9	43.8	28.9
P/BV (x)	6.6	5.7	4.8

Estimate change



TP change



Rating change



CMP: INR1,353 TP: INR1,628(+20%) Buy

Expansion in southern market to lead growth

- Revenue in-line, EBITDA and PAT below estimates: PVR reported overall revenue of INR6.4b (est. INR6.3b) in 1QFY18 as against INR5.6b in 1QFY17 marking a YoY growth of 13.2%. EBITDA margins declined to 17.6% in 1QFY18 (est. 20.5%) from 19% in 1QFY17. EBITDA stood at INR1,120m (est. INR1,309m) as against INR1,065m in 1QFY17. The margins declined on account of higher movie exhibition cost which increased by 90bp to 22.8% of net sales and higher employee expenses which increased by 100bp to 10.7%. Consequently, adjusted PAT stood at INR445m in 1QFY18 (est. INR506m) as against INR444m in 1QFY17.
- Screen additions in South market to aid growth: PVR added 8 new screens in 1QFY18 out of which 5 were added in Chennai and 3 in Kota. 30 more screens are ready and await licenses or completion certificate from the developers' end. The company plans to leverage on the lesser penetrated markets of south and expand its footprint there. Going forward, the company plans to open 65-70 new screens in FY18 to leverage on the strong pipeline of upcoming content.
- Advertisement revenue to maintain uptrend: PVR reported a sponsorship income of INR674m as compared to INR515m in 1QFY17, a growth of 31%. The growth was primarily led by strong content which usually fetches significantly higher advertisement revenue. The strong growth is expected to continue with strong content in pipeline for 2QFY18. Further, the quarter also witnessed a growth of 10% in average ticket price (ATP) which went up to INR214 with the company intending to sustain price at existing levels.
- Valuation and view: We expect long-term growth will be driven by expansion into under penetrated markets and a robust content pipeline driving advertisement revenue. Hence, keeping FY18E estimates unchanged, we raise our PAT estimate of FY19E by 4%. We expect revenue CAGR of 18% and PAT CAGR of 49% over FY17-19E. We value the stock at 15x EV/EBITDA and maintain our Buy rating with a target price of INR1,628.

Quarterly Performance

Y/E March									(INR Million)		FY18 1QE	Var %
	FY17				FY18				FY17	FY18E		
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE				
Net Sales	5,622	5,542	5,377	4,826	6,366	6,373	6,345	5,550	21,194	24,646	6,387	0
YoY Change (%)	15.7	16.8	7.4	18.4	13.2	15.0	18.0	15.0	14.6	16.3	12.0	
Total Expenditure	4,557	4,612	4,488	4,358	5,246	5,194	5,139	4,922	18,058	20,506	5,077	
EBITDA	1,065	930	890	467	1,120	1,179	1,206	627	3,136	4,141	1,309	-14
Margins (%)	19.0	16.8	16.5	9.7	17.6	18.5	19.0	11.3	14.8	16.8	20.5	
Depreciation	331	346	345	363	376	390	420	450	1,384	1,660	390	
Interest	193	193	204	216	208	197	215	226	806	870	184	
Other Income	165	49	21	171	164	40	41	56	623	560	33	
PBT before EO expense	707	440	363	60	700	632	612	7	1,569	2,171	768	-9
Extra-Ord expense	26	0	0	15	0	0	0	0	41	0	0	
PBT	681	440	363	45	700	632	612	7	1,528	2,171	768	-9
Tax	249	149	127	45	258	217	213	2	570.0	727.3	263	
Rate (%)	36.6	33.8	35.1	99.8	36.8	34.4	34.8	34.0	37.3	33.5	34.2	
Reported PAT	428	291	239	-0.5	445	415	399	4.7	958	1,444	506	-12
Adj PAT	444	291	239	-0.5	445	415	399	4.7	984	1,444	506	-12
YoY Change (%)	-3.0	-8.7	-23.5	NM	0.1	42.3	66.9	NM	-8.0	46.7	14	
Margins (%)	7.6	5.3	4.4	0.0	7.0	6.5	6.3	0.1	4.5	5.9	7.9	

E: MOSL Estimates



Delta Corp

BSE SENSEX	S&P CNX
32,382	10,021

Bloomberg	DELTA IN
Equity Shares (m)	267
M.Cap.(INRb)/(USDb)	39.4 / 0.6
52-Week Range (INR)	218 / 90
1, 6, 12 Rel. Per (%)	8/14/72
Avg Val, INRm	790
Free float (%)	64.7

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	4.5	6.8	8.6
EBITDA	1.6	2.5	3.3
PAT	0.7	1.5	2.1
EPS (INR)	3.1	5.8	7.9
Gr. (%)	125.5	89.1	36.7
BV/Sh (INR)	39.7	59.4	65.7
RoE (%)	8.1	12.3	12.6
RoCE (%)	9.6	12.6	12.6
P/E (x)	55.7	29.4	21.5
P/BV (x)	4.3	2.9	2.6

Estimate change



TP change



Rating change



CMP: INR170 TP: INR237(39%) Buy

Steady growth in gaming drives revenue beat

Expanding share of online gaming to bolster growth

- Revenue exceeds but PAT below estimates:** DELTA reported overall revenue of INR1,286m (est. of INR1,180m) v/s INR1,087m in 1QFY17, marking an increase of 18.4%, driven by healthy growth of 20% in gaming. EBITDA margin shrunk 300bp YoY to 35.2% (est. of 38.1%) in 1QFY18, and EBITDA stood at INR453m (est. of INR450m) v/s INR415m in 1QFY17. Consequently, adj. PAT came in at INR211m (below est. of INR255m), as against INR170m in 1QFY17, because of higher tax-rate of 36% v/s 29% in 1QFY17.
- Online gaming – the next big opportunity:** Adda52 posted consolidated revenue of INR290m, with EBITDA of INR80m in 1QFY18, which sets the stage for robust growth of ~70% in FY18 (FY17 revenue: INR720m). Adda52 has aggressive plans to ramp-up its online Rummy business and launch Teen Patti in the UK market, which should drive sustainable long-term growth.
- Change in Goa casino policy – a big game changer:** As per media articles, the cabinet of Goa is likely to make a change in Goa's casino policy, whereby all the offshore license holders will be allowed to set up a live onshore gaming casino on land in lieu of their offshore licenses. We believe this will be a major game-changer for DELTA as it would not only significantly increase the scale of the business, but also bring down the cost of operations.
- Valuation and view:** Considering significant growth expected in online gaming, we upgrade our sales estimate for FY18E by 6%, but keep PAT estimate unchanged. However, we increase sales and PAT estimates for FY19E by 10% and 11%, respectively. We expect the company to deliver sales/PAT CAGR of 38%/69% over FY17-19E, and value the stock at 30x FY19E EPS to arrive at a TP of INR237. Maintain **Buy**.

Consolidated - Quarterly Earning Model

Y/E March	FY17				FY18				FY17	FY18E	FY18	Var
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE	10E	11E	12E	%
Net Sales	1,087	1,343	1,036	1,081	1,286	1,746	1,916	1,860	4,547	6,827	1,180	9
YoY Change (%)	34.6	43.8	3.4	5.3	18.4	30.0	85.0	72.0	21.2	50.1	8.6	
Total Expenditure	671	776	723	737	833	1,047	1,249	1,172	2,907	4,314	730	
EBITDA	415	567	313	344	453	698	667	688	1,640	2,512	450	1
Margins (%)	38.2	42.2	30.2	31.8	35.2	40.0	34.8	37.0	36.1	36.8	38.1	
Depreciation	91	93	89	87	89	105	112	112	361	423	94	
Interest	87	87	82	94	70	33	0	0	350	100	37	
Other Income	9	11	11	19	37	45	50	55	49	187	26	
PBT before EO expense	246	399	152	182	332	605	605	631	978	2,176	344	-4
Extra-Ord expense	-46	2	5	0	-18	0	0	0	42	0	0	
PBT	292	397	147	181	350	605	605	631	936	2,176	344	2
Tax	85	91	40	64	127	169	169	177	280	631	89	
Rate (%)	29.2	22.9	27.2	35.4	36.1	28.0	28.0	28.0	29.9	29.0	26.0	
Minority Interest & Profit/Los	4	-16	6	3	1	0	0	0	2	3	0	
Reported PAT	202	322	101	114	223	436	435	454	654	1,543	255	-12
Adj PAT	170	323	105	114	211	436	435	454	683	1,543	255	-17
YoY Change (%)	2,539.9	494.1	-9.4	-29.3	24.4	34.8	316.4	299.1	118.8	125.8	50.1	
Margins (%)	15.6	24.1	10.1	10.5	16.4	25.0	22.7	24.4	15.0	22.6	21.6	

E: MOSL Estimates



Orient Cement

BSE SENSEX	S&P CNX
32,382	10,021
Bloomberg	ORCMNT IN
Equity Shares (m)	204.9
M.Cap.(INRb)/(USDb)	32.9/0.5
52-Week Range (INR)	241 / 115
1, 6, 12 Rel. Per (%)	8/5/-20
Avg Val, INRm	58
Free float (%)	62.5

CMP: INR160 TP: INR185 (+15%) Buy

Profitability uptick led by high pricing

- Muted volume growth:** 1QFY18 revenue increased 30% YoY (-5% QoQ) to INR5.68b (est. of INR5.92b), as volume growth was flat YoY at 1.40mt (est. of 1.6mt) on account of destocking ahead of GST roll-out. Realizations increased 18% QoQ (+30% YoY) to INR4,065/t (est. of INR3,693) due to sharp pricing improvement in AP/Telangana and also Maharashtra (~84% of sales volume). Realization improvement looks sequentially overstated by ~INR100/t due to lesser proportion of ex-factory sales in 1QFY18.
- Favorable pricing improves margins:** Cost/ton rose 7% QoQ (+13% YoY) to INR3,229 (est. of INR3,029), led by (a) increase of 6% YoY in power/fuel cost due to higher petcoke prices, partially offset by a rise in proportion of petcoke consumption, (c) increase of 43% YoY in freight cost/t due a shift in invoicing toward FOR terms. EBITDA thus rose 189% YoY (+55% QoQ) to INR1,169m (est. of INR1,065m), with margin at 20.6% (9.3% in 1QFY17). EBITDA/ton grew INR400 QoQ (+INR546 YoY) to INR836 (est. of INR665).
- Other key highlights:** (1) PPC sales at 68% of overall operations. (2) Petcoke usage at 96% in Chittapur and 32% in Devapur on calorific value. (3) Lead distance maintained at ~280km. (4) Market mix tilted toward west at 47%, with south at 37% and others at 16%.
- Valuation view:** Proposed acquisition of JPA's assets would help ORCMNT to raise capacity by 38% at reasonable valuation and significantly reduce lead time. While the move would be dilutive to earnings and return ratios over the near term, it will help the company to become a pan-India player by diversifying into the newer markets of central/east India. We like the quality of asset, and thus, believe that the combined valuation of USD84/t (i.e. Orient's current + proposed asset valuations) is attractive. The stock trades at EV of 9.8x FY19E EBITDA and USD79 per ton on standalone operations. We value ORCMNT at EV/ton of USD88 on FY19E, at a 20% discount to replacement cost, and accordingly assign a TP of INR185. Maintain **Buy**.

Financials & Valuations (INR b)

Y/E Mar	2017	2018E	2019E
Net Sales	18.8	23.6	26.5
EBITDA	1.8	3.5	4.3
NP	-0.3	0.9	1.5
EPS (INR)	-1.6	4.4	7.1
EPS Gr. (%)	-151.5	-382.2	60.5
BV/Sh. (INR)	48.2	52.0	58.5
RoE (%)	-3.2	8.8	12.8
RoCE (%)	1.4	7.9	9.0
EV/EBITDA (x)	24.7	12.4	9.8
EV/Ton (USD)	83	81	79

Estimate change ↔

TP change ↔

Rating change

Quarterly Performance

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1Q	2QE	3QE	4QE		
Sales Dispat. (m ton)	1.39	1.17	1.25	1.73	1.40	1.26	1.38	2.07	5.55	6.11
YoY Change (%)	43%	16%	19%	25%	0%	5%	10%	20%	25.9	10.0
Realization (INR/Ton)	3,138	3,273	3,646	3,443	4,065	3,865	3,965	3,646	3,379	3,859
YoY Change (%)	-13%	-4%	9%	10%	30%	18%	9%	6%	1.8	14.2
QoQ Change (%)	-5%	4%	11%	-6%	18%	-5%	3%	-8%		
Net Sales	4,371	3,843	4,565	5,967	5,682	4,855	5,460	7,560	18,751	23,557
YoY Change (%)	25.3	11.8	30.2	37.0	30.0	26.3	19.6	26.7	28.2	25.6
EBITDA	404	160	456	755	1,169	666	895	802	1,781	3,532
Margins (%)	9.3	4.2	10.0	12.7	20.6	13.7	16.4	10.6	9.5	15.0
Depreciation	291	312	307	306	310	310	310	310	1,215	1,240
Interest	293	362	358	341	333	310	310	271	1,353	1,224
Other Income	35	27	28	39	63	30	30	17	123	140
PBT	-145	-488	-180	148	589	76	305	238	-665	1,208
Tax	-69	-194	-64	-17	199	19	76	7	(344)	302
Rate (%)	47.8	39.7	35.4	-11.5	33.9	25.0	25.0	3.0	51.7	25.0
Adj PAT	-76	-294	-117	165	389	57	229	231	-321	906
YoY Change (%)	-127.1	-204.9	-10.7	-10.5	-614.9	-119.3	-296.2	39.7	-151.5	-382.2
Margins (%)	-1.7	-7.6	-2.6	2.8	6.9	1.2	4.2	3.1	-1.7	3.8

E: MOSL Estimates



Healthcare

Performance of top companies: (June 2017)

Company	MAT gr (%)	Jun-17 (%)
IPM	10.1	7.5
Sun Pharma	11.3	5.7
Abbott India	10.0	8.7
Cipla	6.9	3.2
Zydus Cadila	16.8	19.4
Mankind	9.1	12.3
Alkem	10.6	(2.0)
Lupin	12.7	16.4
GSK Pharma	2.3	9.2
Pfizer	1.3	5.9
Glenmark Pharma	12.7	3.0
Sanofi	12.6	18.3
Dr Reddy Labs	7.0	6.3
Torrent Pharma	12.6	0.9
Alembic Pharma	7.3	(1.2)
Ipca Labs	10.8	.01
Natco	(9.5)	7.8
Ajanta Pharma	11.5	2.9
Merck	7.5	9.1
Biocon	11.0	18.3

Moderate growth in June 2017

- n The Indian pharmaceutical market (IPM) grew 7.5% YoY in June 2017 against 7.2% YoY in May. It grew 7.6% YoY for the quarter ended June 2017 (1QFY18).
- n Volume growth in 1QFY18 was lower at 2.6% compared to 4% in 4QFY17. The industry saw a moderate rise in price growth to 2.1% after being subdued for 6-8 months; new product growth in the quarter was 3%. We expect industry growth to remain muted in the coming months due to GST impact.
- n Moving annual (MAT) growth for May was 7.2% YoY, primarily driven by muted volume growth of 2.6% and price growth of 2.1%; while new product growth contributed 3%.

Cadila, Sanofi, Biocon and Lupin saw highest growth in June

Cadila posted robust growth for the month of June (19.4%), followed by Sanofi and Biocon (18.3% each), and Lupin (16.4%). Conversely, for Alkem, growth declined by 2%, followed by Alembic Pharma (1.2% down).

Vaccines, Anti-Diabetic and Cardiac led among therapies

Vaccines - Therapeutic (1.9% of IPM) continued to witness robust growth at 29% YoY in June 2017, followed by Anti-Diabetic - Therapeutic (8.9% of IPM) at 18.3% YoY, and Cardiac - Therapeutic (12.3% of IPM) at 10.7% YoY. Most therapies posted low to mid-single-digit growth against high-single-digit growth in May. Gynecological (9%) and Derma (8.1%) posted higher growth than the market.

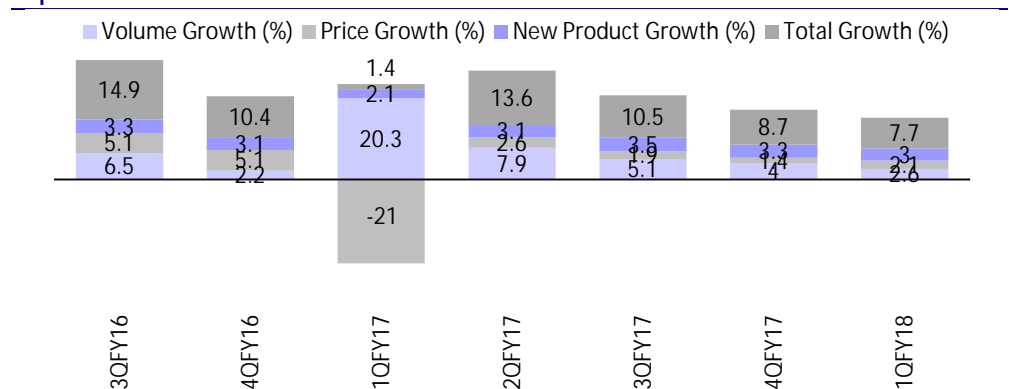
DPCO v/s non-DPCO market (June 2017)

In value terms, secondary sales of DPCO-listed products declined 3.5% YoY, while secondary sales of non-DPCO products grew 8.9% YoY. Volume grew 1.6% YoY for DPCO-listed products and declined 0.3% YoY for non-DPCO products.

FDC ban impact (June 2017)

FDC-banned drugs (-2.4% of IPM in value terms) continued to be a key drag on IPM sales. Secondary sales of proposed FDC-banned drugs declined 10.9% YoY in June while secondary sales of non-banned drugs grew 7.9% YoY. Secondary sales for Indian companies grew 2% YoY, while MNCs saw a significant decline of 36.1% YoY in the FDC segment in the month of June 2017.

Exhibit 1. After remaining subdued for six months, price growth saw marginal improvement in the month of June 2017



Source: AIOCD, MOSL

Indian Pharma Market - June 2017

Exhibit 2: Performance of top companies: June 2017

Company	MAT June -17		Last 8 Quarters in Growth (%)									1M
	Value (INR m)	Market Share (%)	Growth (%)	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Jun-17
IPM	1,137,387	100.0	10.1	14.6	17.7	13.6	9.0	14.1	10.3	8.6	7.6	7.5
Sun Pharma	97,259	8.6	11.3	13.9	10.7	13.5	4.0	14.8	14.0	9.0	7.8	5.7
Abbott India	70,154	6.2	10.0	15.4	14.6	5.9	8.3	10.3	13.6	9.0	7.2	8.7
Cipla	53,082	4.7	6.9	9.1	17.9	8.3	5.8	15.5	5.9	3.8	2.6	3.2
Zydus Cadila	49,774	4.4	16.8	11.8	12.7	11.0	6.8	12.0	16.0	21.5	17.5	19.4
Mankind	41,800	3.7	9.1	15.3	23.4	21.9	16.2	17.3	2.6	6.2	10.2	12.3
Alkem	39,236	3.5	10.6	6.4	16.2	10.8	15.3	25.1	10.4	7.4	0.0	(2.0)
Lupin	37,823	3.4	12.7	13.7	14.4	17.3	7.9	14.5	14.6	8.1	13.4	16.4
GSK Pharma	34,149	3.0	2.3	3.1	14.0	4.0	(4.7)	1.4	(5.9)	6.3	8.6	9.2
Pfizer	28,458	2.5	1.3	10.1	5.5	(2.3)	(1.0)	4.9	2.0	(0.2)	(1.8)	5.9
Glenmark Pharma	27,105	2.4	12.7	22.6	22.7	16.3	5.9	14.1	11.2	15.4	10.1	3.0
Sanofi	25,339	2.2	12.6	5.7	0.4	(6.1)	(1.2)	14.4	12.2	9.4	14.3	18.3
Dr Reddy Labs	25,551	2.3	7.0	13.4	26.8	21.0	(1.2)	15.0	2.8	2.2	8.4	6.3
Torrent Pharma	26,450	2.3	12.6	19.8	11.6	10.8	4.4	15.3	15.6	11.7	8.3	0.9
Alembic Pharma	15,043	1.3	7.3	12.9	23.5	15.4	10.3	19.5	4.7	2.3	2.5	(1.2)
Ipca Labs	16,695	1.5	10.8	21.5	34.7	22.6	13.4	20.5	9.0	9.2	3.7	0.1
Natco	9,796	0.9	(9.5)	31.5	(4.8)	48.1	20.4	2.0	6.1	(29.3)	(8.8)	7.8
Ajanta Pharma	7,072	0.6	11.5	(14.6)	(3.0)	(5.3)	12.5	12.8	11.6	14.0	7.7	2.9
Merck	6,710	0.6	7.5	53.9	27.9	9.8	9.5	4.7	8.3	5.9	10.9	9.1
Biocon	3,794	0.3	11.0	(36.0)	(29.3)	(29.2)	(19.2)	7.4	12.5	5.8	18.3	18.3

Source: AIOCD, MOSL

Exhibit 3: Performance of top therapies: June 2017

Therapy	MAT June -17		Last 8 Quarters in Growth (%)									1M
	Value (INR m)	Market Share (%)	Growth (%)	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Jun-17
IPM	113,739	100.0	10.1	14.6	17.7	13.6	9.0	14.1	10.3	8.6	7.6	7.5
Anti-Infectives	16,217	14.3	4.6	4.8	16.9	10.4	5.8	18.0	1.1	(2.7)	1.0	3.1
Cardiac	14,025	12.3	11.4	15.3	14.0	13.2	9.2	11.4	14.2	10.8	9.4	10.7
Gastro Intestinal	13,198	11.6	9.9	15.9	17.3	14.5	8.9	13.1	9.6	9.7	7.2	6.2
Anti Diabetic	10,148	8.9	19.2	24.2	22.9	18.0	16.5	17.9	21.4	20.2	17.6	18.3
Vitamins / Minerals / Nutrients	9,951	8.7	8.6	13.1	10.9	12.3	9.9	11.4	11.6	8.0	3.7	1.6
Respiratory	8,478	7.5	9.4	5.6	18.5	7.5	2.2	27.5	4.6	2.9	4.3	3.0
Pain / Analgesics	7,832	6.9	9.8	12.4	18.1	12.8	8.1	14.8	9.5	8.2	6.4	5.3
Derma	6,859	6.0	12.7	18.6	17.2	16.0	10.1	11.3	13.7	15.4	10.6	8.1
Neuro / CNS	6,847	6.0	8.4	16.7	16.9	17.4	11.2	11.9	11.0	6.2	5.0	5.3
Gynaecological	5,926	5.2	11.1	17.5	16.7	14.8	10.9	9.9	13.0	13.2	8.9	9.0
Anti-Neoplastics	2,391	2.1	7.2	63.2	51.0	43.9	8.7	(3.1)	16.8	8.5	7.9	1.7
Vaccines	2,131	1.9	20.3	24.7	33.6	(2.1)	2.7	14.1	13.5	26.1	28.6	29.0
Ophthal	2,085	1.8	6.4	54.6	10.6	17.6	12.1	7.2	6.6	5.0	6.9	6.5
Hormones	1,918	1.7	9.0	15.7	19.4	13.9	6.0	8.7	10.0	5.7	11.7	17.2

Source: AIOCD, MOSL



Biocon

Bloomberg	BIOS IN
Equity Shares (m)	600.0
M. Cap. (INR b)/(USD b)	200 / 3
52-Week Range (INR)	396 / 230
1,6,12 Rel Perf. (%)	3 / -11 / 20

Financial Snapshot (INR Billion)

y/e march	2017	2018E	2019E	2020E
Sales	38.8	47.8	59.3	69.9
EBITDA	9.3	11.5	15.1	18.9
NP	6.1	6.2	8.6	11.1
EPS (INR)	10.2	10.4	14.4	18.5
EPS Gro. (%)	31.7	1.7	38.8	29.0
BV/Sh. (INR)	74.8	82.1	92.3	105.4
RoE (%)	13.6	12.6	15.6	17.6
RoCE (%)	9.3	9.0	14.7	17.0

Valuations

P/E (x)	32.6	32.1	23.1	17.9
P/BV (x)	4.4	4.1	3.6	3.2
EV/EBITDA (x)	21.6	17.8	13.3	10.4
Div. Yield (%)	0.8	0.8	1.1	1.4

CMP: INR333 TP: INR300 (-10%) Sell

- Biocon's revenue is likely to post muted growth of 2.7% YoY to INR10b, mainly due to the subdued performance in the small molecules business (72% of sales).
- EBITDA is expected to decline ~8% YoY to INR2.3b, with EBITDA margins at 23.2%.
- We expect PAT to decline to INR1.2b, primarily due to an increase in depreciation due to the commencement of Malaysian facility.
- Key growth drivers for FY18E will be 1) commercialization and ramp-up of the insulin plant in Malaysia, 2) ramp-up in CRO division, 3) contribution from API/immuno-suppressants supplies to partners and 4) branded formulations in India. However, capex for long-term initiatives is likely to exert pressure on profitability and return ratios in the near term.
- Recent stock price run-up is mainly led by positive developments in Biosimilars. Although the progress is impressive, we believe there are some uncertainties capping upside potential. In the near term, commissioning of the Malaysia plant would pressurize profits. Maintain Sell with revised a TP of INR300 @ 20x FY19E EPS

Key issues to watch out

- Update on Middle-East problems.
- Progress on Rh-Insulin/Glargine in Europe/US and other out-licensing opportunities.

Quarterly Performance Consolidated

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	9,814	9,400	10,290	9,250	10,076	10,939	12,033	14,757	38,760	47,806
YoY Change (%)	21.1	19.6	24.2	-2.1	2.7	16.4	16.9	59.5	12.3	23.3
Total Expenditure	7,276	7,150	7,680	7,430	7,738	8,313	9,145	11,131	29,421	36,328
EBITDA	2,538	2,250	2,610	1,820	2,338	2,625	2,888	3,626	9,339	11,477
Margins (%)	25.9	23.9	25.4	19.7	23.2	24.0	24.0	24.6	24.1	24.0
Depreciation	661	680	710	730	950	1,000	1,050	1,080	2,772	4,080
Interest	57	70	90	50	68	68	68	68	260	272
Other Income	502	520	630	490	500	500	500	500	2,024	2,000
PBT	2,322	2,020	2,440	1,530	1,820	2,057	2,270	2,979	8,331	9,126
Tax	552	420	550	110	437	494	545	715	1,616	2,190
Rate (%)	23.8	20.8	22.5	7.2	24.0	24.0	24.0	24.0	19.4	24.0
Minority Interest	104	130	180	150	175	175	175	191	597	716
PAT	1,666	1,470	1,710	1,270	1,208	1,389	1,550	2,073	6,118	6,219
YoY Change (%)	34.6	51.5	66.0	-61.6	-27.5	-5.5	-9.3	63.2	31.7	1.7
Margins (%)	17.0	15.6	16.6	13.7	12.0	12.7	12.9	14.0	15.8	13.0



Cholamandalam Inv & Fin

Bloomberg	CIFC IN
Equity Shares (m)	156.3
M. Cap. (INR b)/(USD b)	171 / 3
52-Week Range (INR)	1244 / 805
1,6,12 Rel Perf. (%)	6 / -4 / -1

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	23.5	28.1	32.8	38.4
PPP	14.2	17.6	21.2	25.3
Adj. PAT	7.2	8.6	10.4	12.4
EPS (INR)	46.0	55.0	66.4	79.4
EPS Gr. (%)	26.3	19.7	20.6	19.7
BV (INR)	274	322	380	449
BVPS Gr. (%)	17	17	18	18
RoAA (%)	2.6	2.7	2.8	2.8
RoE (%)	18.1	18.5	18.9	19.2
Valuations				
P/E (x)	23.7	19.8	16.4	13.7
P/BV (x)	4.0	3.4	2.9	2.4
Div. Yield (%)	0.5	0.5	0.6	0.7

CMP: INR1,091 TP: INR1,300 (+19%) Buy

- n Vehicle finance segment continues to register strong growth. Home equity too has witnessed some pick-up this quarter.
- n Disbursements are expected to increase 15% YoY, resulting in 15%/4% YoY/QoQ increase in AUM.
- n Margins are expected to increase slightly on a YoY basis, driven by higher share of vehicle finance loans. We expect NIM of 7.7%.
- n As a result, NII growth is expected to be strong at 20% YoY.
- n Calculated cost-to-income ratio should decline 20bp to 40.2%.
- n We believe GNPLs have topped out and should decline going forward, as the company has started invoking SARFAESI to repossess properties. We expect provisions of INR1b v/s INR0.5b in 4QFY17 and INR0.8b in 1QFY17.
- n Net profit is likely to grow 19% YoY to INR1.97b.
- n The stock trades at 3.4x FY18E and 2.9x FY19E BV. Maintain Buy.

Key issues to watch for

- Ø Business growth trends and management commentary on the same.
- Ø Impact of BS4 and GST on business going forward.
- Ø Trend in opex, given management's intent to reduce expense ratio to 2.5% by FY20.

CIFC: Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Income from Operations	11,017	11,558	11,698	12,069	12,190	12,677	13,311	13,970	45,781	51,463
Interest Expenses	5,481	5,694	5,658	5,476	5,530	5,751	6,039	6,046	22,308	23,367
Net Interest Income	5,536	5,864	6,040	6,594	6,660	6,926	7,272	7,925	23,473	28,097
YoY Growth (%)	13.8	20.6	20.1	22.5	20.3	18.1	20.4	20.2	13.3	19.7
Other Op. and Other Income	68	69	60	65	69	69	69	77	822	969
Net Operating Income	5,604	5,933	6,100	6,659	6,728	6,995	7,341	8,001	24,296	29,065
YoY Growth (%)	14.3	21.0	20.5	22.6	20.1	17.9	20.3	20.2	13.4	19.6
Operating Expenses	2,264	2,527	2,588	2,754	2,706	2,794	2,885	3,042	10,133	11,426
Operating Profit	3,341	3,405	3,512	3,905	4,023	4,201	4,456	4,960	14,162	17,639
YoY Growth (%)	20.4	22.7	17.9	19.1	20.4	23.4	26.9	27.0	9.1	24.6
Provisions & Loan Losses	804	772	1,003	529	1,000	1,000	1,400	1,005	3,106	4,405
Profit before Tax	2,537	2,634	2,509	3,376	3,023	3,201	3,056	3,954	11,056	13,234
Tax Provisions	880	924	884	1,181	1,058	1,120	1,070	1,383	3,868	4,631
Net Profit	1,657	1,709	1,625	2,196	1,965	2,081	1,987	2,572	7,187	8,603
YoY Growth (%)	50.3	55.0	34.9	50.7	18.5	21.7	22.2	17.1	26.4	19.7

E: MOSL Estimates; * Quarterly nos and full year nos will not tally due to different way of reporting financial nos



CG Consumer Electricals

Bloomberg	CROMPTON IN
Equity Shares (m)	626.8
M. Cap. (INR b)/(USD b)	141 / 2
52-Week Range (INR)	246 / 135
1,6,12 Rel Perf. (%)	-7 / 31 / 43

CMP: INR224 TP: INR255 (14%) Buy

- n We expect sales to grow 7% YoY, driven by 9% YoY growth in the consumer durables segment and 1% YoY in the lighting segment.
- n We expect operating profit of INR1.7b in 1QFY18, an improvement of 7% YoY, and stable EBITDA margin of 13.8%.
- n Net profit is expected to be INR1.0b in 1QFY18, as against INR919m in 1QFY17, implying growth of 10.7%.

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Net Sales	39.8	43.6	49.7	56.7
EBITDA	4.9	5.6	6.5	7.7
Adj. PAT	2.9	3.4	4.1	5.1
EPS (INR)	4.7	5.5	6.6	8.1
EPS Gr. (%)	146.2	17.2	20.2	22.7
BV/Sh. (INR)	8.6	11.9	14.5	17.8
RoE (%)	76.4	53.4	49.8	50.0
RoCE (%)	32.4	30.0	30.9	35.8
Payout (%)	32.7	33.0	50.0	50.0

Valuations

P/E (x)	47.0	40.1	33.4	27.2
P/BV (x)	25.6	18.5	15.1	12.4
EV/EBITDA, x	29.3	25.2	21.5	18.0
Div Yield (%)	0.7	0.8	1.5	1.8

* Consolidated

Key issues to watch

- Ø Impact on the operating performance of the company on account of the destocking measures taken by dealers amid GST implementation.
- Ø Details of segmental sales, as CROMPTON intends to improve sales of its premium category products.
- Ø Ad spends incurred by the company during the quarter, as CROMPTON intends to position itself as an electrical consumer durables brand as against its current positioning as a fans brand.

Crompton: Quarterly Estimates (Standalone)

Y/E March	FY17				FY18				FY17	FY18
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales	11,208	8,900	8,889	10,762	12,000	9,900	10,000	11,719	39,759	43,619
Change (%)			9.7	7.4	7.1	11.2	12.5	8.9	119.5	9.7
EBITDA	1,550	974	993	1,386	1,650	1,150	1,190	1,624	4,902	5,614
Change (%)			19.9	9.0	6.5	18.1	19.8	17.2	134.0	14.5
As of % Sales	13.8	10.9	11.2	12.9	13.8	11.6	11.9	13.9	12.3	12.9
Depreciation	28	27	26	29	30	30	30	28	110	118
Interest	180	161	162	153	153	153	153	163	655	655
Other Income	34	42	50	69	50	60	60	65	195	235
PBT	1,376	827	855	1,273	1,517	1,027	1,067	1,499	4,332	5,076
Tax	457	273	281	388	500	350	350	440	1,399	1,640
Effective Tax Rate (%)	33.2	33.0	32.9	30.5	33.0	34.1	32.8	29.3	32.3	32.3
Adjusted PAT	919	554	574	885	1,017	677	717	1,059	2,933	3,436
Change (%)			35	16.6	10.7	22.3	25.1	19.7	138.8	17.2
Extra-ordinary Income (net)	-	-	-	(20.7)	-	-	-	-		
Reported PAT	919	554	574	864	1,017	677	717	1,059	2,907	3,436
Change (%)			39	29.8	10.7	22.3	25.1	22.5	167.0	18.2



Dr Reddy's Labs

Bloomberg	DRRD IN
Equity Shares (m)	170.5
M. Cap. (INR b)/(USD b)	448 / 7
52-Week Range (INR)	3689 / 2382
1,6,12 Rel Perf. (%)	3 / -32 / -38

CMP: INR2,630 TP: INR2,600 (-1%) Neutral

Financial Snapshot (INR Billion)

y/e march	2017	2018E	2019E	2020E
Sales	140.8	162.1	188.3	219.0
EBITDA	24.2	34.0	44.4	51.7
NP	12.0	18.1	24.4	28.2
EPS (INR)	72.6	106.2	143.0	165.3
EPS Gro. (%)	-45.1	46.3	34.6	15.6
BV/Sh. (INR)	740	896	1,020	1,161
RoE (%)	9.6	13.2	14.9	15.2
RoCE (%)	6.3	9.3	11.3	12.1

Valuations

P/E (x)	36.2	24.8	18.4	15.9
P/BV (x)	3.6	2.9	2.6	2.3
EV/EBITDA (x)	19.5	13.5	10.1	8.5
Dividend Yield (%)	0.4	0.6	0.8	0.9

- Dr Reddy's Lab is expected to report 12.4% YoY growth in 1QFY18, with revenue at INR36.3b.
- US business is likely to improve ~4% YoY to INR16b after declining 19% in 4QFY17, on the back of launch of Vitorin (>USD125m product annually), while Russia and CIS region sales are expected to post significant growth of ~41% YoY. India business is expected to report growth of 15% YoY to INR6b.
- EBITDA is expected to increase 104% YoY to INR7.6b, and the margin to expand 934bp YoY to 21%. This is mainly attributed to higher remediation cost (USD16m), and cost related to the launch of 505 (b)(2) products in 1QFY17.
- PAT is expected to increase to INR3.8b on the back of higher margin.
- Although long-term fundamentals remain intact, the stock will remain range bound in the near term due to regulatory concerns. We value the company at 18x FY19E PER, at a 10-15% discount to peers, due to added regulatory uncertainty related to Duvvada and Bachupalli. Maintain Neutral with a TP of INR2,600 @ 18x FY19E PER.

Key issues to watch out

- Update on USFDA resolution of warning letters for Srikakulam, Duvvada and Miryalaguda API plants.
- FY18 outlook for both the generics and PSAL businesses.
- Impact of pricing pressure in the US.

Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Sales	32,345	35,857	37,065	35,542	36,348	38,804	40,831	46,103	140,809	162,086
YoY Change (%)	-13.9	-10.1	-6.6	-5.4	12.4	8.2	10.2	29.7	-9.0	15.1
Total Expenditure	28,572	29,834	28,539	29,708	28,715	30,655	32,256	36,422	116,654	128,048
EBITDA	3,773	6,023	8,526	5,834	7,633	8,149	8,574	9,682	24,155	34,038
Margins (%)	11.7	16.8	23.0	16.4	21.0	21.0	21.0	21.0	17.2	21.0
Amortization	2,681	2,914	2,924	3,204	3,150	3,000	3,000	3,006	11,722	12,156
Other Income	615	726	320	559	485	485	485	507	2,220	1,962
Profit before Tax	1,707	3,835	5,922	3,189	4,968	5,634	6,059	7,182	14,652	23,842
Tax	444	885	1,221	64	1,192	1,352	1,454	1,724	2,614	5,722
Rate (%)	26.0	23.1	20.6	2.0	24.0	24.0	24.0	24.0	17.8	24.0
Reported PAT	1,263	2,950	4,701	3,125	3,776	4,282	4,605	5,458	12,038	18,120
Adjusted PAT	1,263	3,244	4,701	3,125	3,776	4,282	4,605	5,458	12,038	18,120
YoY Change (%)	-79.8	-55.1	-18.8	-16.9	198.9	32.0	-2.0	74.7	-39.8	50.5
Margins (%)	3.9	9.0	12.7	8.8	10.4	11.0	11.3	11.8	8.5	11.2



Exide Industries

Bloomberg	EXID IN
Equity Shares (m)	850.0
M. Cap. (INR b)/(USD b)	192 / 3
52-Week Range (INR)	250 / 168
1,6,12 Rel Perf. (%)	0 / 7 / 15

Financial Snapshot (INR b)

Y/E MARCH	2017	2018E	2019E	2020E
Net Sales	76.2	86.5	99.2	115.3
EBITDA	10.9	12.9	15.2	17.8
Adj. PAT	6.9	8.2	10.1	11.6
Adj. EPS (INR)	8.2	9.7	11.9	13.7
EPS Gr. (%)	11.1	18.5	23.2	15.0
BV/Sh. (INR)	58.4	65.5	74.8	84.7
RoE (%)	14.0	14.8	15.9	16.2
RoCE (%)	14.4	15.2	16.5	16.8
Payout (%)	29.4	22.8	18.5	23.4

Valuations

P/E (x)	27.7	23.4	15.8	13.8
P/BV (x)	3.9	3.5	2.5	2.2
EV/EBITDA (x)	15.3	12.7	8.1	6.4
Div. Yield (%)	1.1	1.0	1.2	1.7

CMP: INR226 TP:INR317 (+40%) Buy

- We expect net revenue to grow 8.9% YoY (and 11.4% QoQ) to INR21.8b, led by better OEM and replacement demand.
- EBITDA margin is likely to decline 84bp YoY (but expand 157bp QoQ) to 15% due to YoY increase in lead price. However, price increase of ~2-3% in replacement segment should arrest the decline in margins.
- Spot LME lead prices decreased ~9% QoQ but increased 20.4% YoY in 4QFY17.
- EBITDA is likely to increase 3% YoY (and 24% QoQ) to ~INR3.2b.
- PAT is likely to increase by 6% YoY (and 26% QoQ) to INR2.1b, led by higher other income and lower tax rate.
- The stock trades at 23.4x FY18E and 15.8x FY19E EPS; maintain **Buy**.

Key issues to watch

- ⊘ Update on demand environment for OEMs, auto replacement, and industrial battery segments, post demonetization.
- ⊘ Market share in autos and non-autos.
- ⊘ Outlook for raw material cost trend, recent pricing action and currency hedges, if any.

S/A Quarterly Performance

Y/E March (INR m)	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	20,081	19,233	17,253	19,636	21,876	21,584	20,202	22,792	76,203	86,454
Growth YoY (%)	11.2	10.3	12.6	11.3	8.9	12.2	17.1	16.1	11.3	13.5
RM(%)	62.4	61.1	60.0	62.6	62.0	62.0	62.0	62.0	61.6	62.0
Employee cost (%)	6.4	6.8	7.4	6.6	6.5	6.7	7.2	6.4	6.8	6.7
Other Exp(%)	15.5	16.9	19.3	17.6	16.7	16.3	16.5	16.2	17.2	16.4
EBITDA	3,150	2,927	2,296	2,618	3,249	3,236	2,902	3,513	10,949	12,900
EBITDA Margin(%)	15.7	15.2	13.3	13.2	14.8	15.0	14.3	15.4	14.3	14.9
Change (%)	18.6	14.7	-4.0	-1.7	3.2	10.5	26.4	34.2	7.1	17.8
Non-Operating Income	143	190	350	215	200	225	250	226	899	901
Interest	17	6	46	0	8	8	8	8	30	30
Depreciation	491	506	522	544	550	570	600	639	2,063	2,359
PBT after EO Exp	2,784	2,606	2,079	2,289	2,892	2,883	2,544	3,093	9,755	11,412
Effective Tax Rate (%)	29.6	30.4	27.1	28.0	28.0	28.0	28.0	28.0	28.9	28.0
Adj. PAT	1,961	1,813	1,515	1,648	2,082	2,076	1,832	2,227	6,935	8,217
Change (%)	25.9	16.9	9.4	-6.0	6.2	14.5	20.9	35.1	11.0	18.5

E: MOSL Estimates



Glenmark Pharma

Bloomberg	GNP IN
Equity Shares (m)	282.3
M. Cap. (INR b)/(USD b)	181 / 3
52-Week Range (INR)	993 / 600
1,6,12 Rel Perf. (%)	-1 / -46 / -36

CMP: INR642 TP:INR800 (+25%) Neutral

- We expect Glenmark Pharmaceuticals (GNP) to report robust 24.6% YoY growth in overall revenues to INR23.5b, driven by buoyant performance in the US.
- The India branded business is likely to grow 10% YoY, while the US generic segment is expected to drive strong growth, primarily aided by gZetia sales. LatAm business is expected decline ~30% YoY on the back of absence of sale from Venezuela.
- EBITDA is likely to increase 68.3% YoY to INR5.3b. We expect margin to expand to ~23% on the back of Zetia launch in Dec-16. Adjusted PAT is expected at INR3.5b, up 53.5% YoY, aided by lower tax rate of 25%, as against 34.8% in 1QFY17, and expansion in EBITDA margin.
- The significant miss on sales/profit guidance is a key overhang. Weak cash flow conversion and high net debt remain key concerns. Maintain Neutral with a TP of INR800 @ 15x FY19E EPS. Any big in-licensing deal in the innovation business could act as a positive catalyst.

Financial Snapshot (INR Billion)

y/e Mar	2017	2018E	2019E	2020E
Sales	89.7	97.8	113.2	130.4
EBITDA	18.2	19.1	22.2	26.2
NP	11.1	12.1	14.6	17.5
EPS (INR)	39.3	42.9	51.7	62.1
EPS Gro. (%)	58.0	9.2	20.3	20.3
BV/Sh. (INR)	159.2	198.5	246.5	305.0
RoE (%)	24.7	21.6	20.9	20.4
RoCE (%)	19.1	18.6	20.5	21.9

Valuations

P/E (x)	16.3	15.0	12.4	10.3
P/BV (x)	4.0	3.2	2.6	2.1
EV/EBITDA (x)	12.0	11.1	9.3	7.6
D. Yield (%)	0.5	0.5	0.5	0.5

Key issues to watch out

- Ø New ANDA filings in complex category.
- Ø Update on free-cash generation and debt repayment schedule.
- Ø Progress of NCE/NBE pipeline and potential out-licensing prospects.

Quarterly Performance

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Revenues (Core)	18,832	21,732	24,630	24,244	23,461	24,197	23,620	26,490	89,701	97,769
YoY Change (%)	15.8	17.9	42.8	11.5	24.6	11.3	-4.1	9.3	18.2	9.0
EBITDA	3,192	3,978	6,929	4,111	5,373	4,452	4,582	4,670	18,211	19,077
Margins (%)	17.0	18.3	28.1	17.0	22.9	18.4	19.4	17.6	20.3	19.5
Depreciation	642	770	625	689	744	744	744	744	2,644	2,976
Interest	430	629	617	697	488	488	488	488	2,373	1,953
Other Income	1,358	491	866	-185	500	500	500	500	2,530	2,000
PBT before EO Expense	3,477	3,070	6,553	2,540	4,640	3,720	3,850	3,938	15,724	16,148
Extra-Ord Expense	0	0	0	809	0	0	0	0	809	0
PBT after EO Expense	3,477	3,070	6,553	1,730	4,640	3,720	3,850	3,938	15,724	16,148
Tax	1,209	876	1,782	-107	1,160	930	962	984	3,827	4,037
Rate (%)	34.8	28.5	27.2	-6.2	25.0	25.0	25.0	25.0	24.3	25.0
Reported PAT (incl one-offs)	2,268	2,193	4,771	1,838	3,480	2,790	2,887	2,953	11,897	12,111
Reported PAT (excl MI)	2,268	2,193	4,771	1,838	3,480	2,790	2,887	2,953	11,897	12,111
YoY Change (%)	24.0	9.4	180.8	23.5	53.5	27.2	-39.5	60.7	56.5	1.8
Margins (%)	12.0	10.1	19.4	7.6	14.8	11.5	12.2	11.1	13.3	12.4

E: MOSL Estimates



HCL Technologies

Bloomberg	HCLT IN
Equity Shares (m)	1412.9
M. Cap. (INR b)/(USD b)	1187 / 18
52-Week Range (INR)	908 / 710
1,6,12 Rel Perf. (%)	-2 / -19 / -2

Financial Snapshot (INR b)

y/e JUNE	2017	2018E	2019E	2020E
Sales	467.2	509.1	563.3	610.4
EBITDA	103.1	108.7	119.9	124.5
PAT	84.6	84.8	92.3	98.5
EPS (INR)	59.8	61.4	66.7	71.0
EPS Gr. (%)	49.2	2.6	8.6	6.5
BV/Sh. (INR)	239.0	241.2	268.9	296.3
RoE (%)	27.5	25.2	25.8	24.8
RoCE (%)	25.3	23.2	24.1	23.4
Payout (%)	40.1	45.6	48.0	50.7

Valuation

P/E (x)	14.0	13.6	12.6	11.8
P/BV (x)	3.5	3.5	3.1	2.8
EV/EBITDA (x)	10.2	9.7	8.6	9.5
DIV yld (%)	2.9	3.3	3.8	4.3

CMP: INR838 TP: INR960 (+15%) Buy

- We expect HCLT's USD revenue to grow 4.3% QoQ and 3.1% QoQ on a constant currency basis.
- It is expected to be divided as follows: Organic: 1.6pp, Geometric: 1.1pp (USD20m), and new IBM partnership: 0.4pp (USD7.5m).
- We expect organic momentum to take a step down. HCLT's 10.5-12.5% CC guidance implies organic growth of 5.5-7.5%; which means CC CQGR of 1.2-2% (mid-point of 1.6% v/s 2.2% achieved in FY17).
- EBIT margins are likely to decline by 50bp to 19.5% because of continued investments in the business, integration of lower margin businesses and INR appreciation.
- With this, we expect 19.4% EBIT margin for FY18 – towards the lower-end of the 19.5-20.5% guidance range.
- Adjusted PAT estimate for the quarter is INR20.6b, +1.6% QoQ, on the back of lower margins.
- The stock trades at 13.6x FY18E and 12.6x FY19E EPS. Maintain Buy.

Key issues to watch for

Traction in IMS and Engineering Services.
Margin movement, given lower organic growth.
Traction in Digital.

HCL Tech Quarterly Performance (US GAAP, INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Revenue (USD m)	1,691	1,722	1,745	1,817	1,896	1,947	1,962	1,999	6,975	7,804
QoQ (%)	6.5	1.9	1.4	4.1	4.3	2.7	0.8	1.9	11.9	11.9
Revenue (INR m)	113,360	115,190	118,140	120,530	122,084	126,546	128,505	131,949	467,220	509,084
YoY (%)	15.9	14.1	14.2	12.7	7.7	9.9	8.8	9.5	14.2	9.0
GPM (%)	34.4	33.6	33.9	33.7	32.0	31.6	31.9	32.1	33.9	31.9
SGA (%)	12.1	11.8	11.7	11.8	10.6	10.5	10.5	10.5	11.8	10.6
EBITDA (INRm)	25,210	25,110	26,280	26,490	26,144	26,676	27,424	28,428	103,090	108,671
EBITDA Margin (%)	22.2	21.8	22.2	22.0	21.4	21.1	21.3	21.5	22.1	21.3
EBIT Margin (%)	20.6	20.1	20.4	20.0	19.5	19.2	19.4	19.6	20.3	19.4
Other income	2,530	2,350	2,310	2,150	2,392	2,069	2,298	2,293	9,340	9,052
ETR (%)	21.0	21.1	21.5	11.5	21.5	21.5	21.5	21.5	18.8	21.5
PAT before EOI	20,430	20,150	20,710	20,250	20,568	20,669	21,407	22,142	84,570	84,786
QoQ (%)	6.1	-1.4	2.8	-2.2	1.6	0.5	3.6	3.4		
YoY (%)	14.6	10.5	7.9	5.2	0.7	2.6	3.4	9.3	13.5	0.3
EPS	14.5	14.3	14.7	16.5	14.9	15.0	15.5	16.0	59.8	61.4
Headcount	107,968	109,795	111,092	115,973	120,073	123,073	123,973	126,723	115,973	126,723
Util excl. trainees (%)	85.8	85.3	84.6	85.7	85.7	85.8	85.6	85.7	83.1	83.2
Attrition (%)	17.8	18.6	17.9	16.9						
Fixed Price (%)	60.9	61.3	63.2	61.6						

E: MOSL Estimates



ICICI Bank

Bloomberg	ICICIBC IN
Equity Shares (m)	6408.1
M. Cap. (INR b)/(USD b)	1855 / 29
52-Week Range (INR)	298 / 215
1,6,12 Rel Perf. (%)	0 / 10 / 14

CMP: INR289 TP: INR340 (+17%) Buy

- n We expect loan growth to moderate to ~5% YoY (+1.5% QoQ): corporate loan growth would be moderate and international loan exposure would continue to decline. Retail loans should continue to exhibit healthy growth.
- n NIMs are expected to expand sharply by ~20bp to 3.5% (although decline ~8bp QoQ), as 1QFY17 was impacted by interest income reversals. Resultantly, NII should increase ~15% YoY.
- n Fee income growth is expected to remain moderate at ~10% YoY. Moderate trading gains, coupled with one-off stake sale and repatriation gains (both totaling ~24b) in 1QFY17, would reflect in muted non-interest income growth (-1% YoY).
- n Gross slippages are expected to remain high in 1QFY18 (4.5% slippage ratio). O/s watch-list stood at INR190b (~3.7% of customer assets). Recoveries from the cement account recognized as NPL in 4QFY17 could lead to reversal of provisions.
- n We expect PBT growth of 22% YoY, despite ~6% growth in PPOp, as 1QFY17 was impacted by higher credit costs. ICICIBC trades at 1.2x FY19E core BV and 10.5x FY19E EPS. Buy.

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	217.4	243.8	275.3	317.8
OP	264.9	227.5	253.6	289.8
NP	98.0	100.3	114.7	136.7
NIM (%)	3.3	3.4	3.4	3.3
EPS (INR)	15.3	15.6	17.9	21.3
EPS Gr (%)	0.6	2.3	14.5	19.2
BV/Sh (INR)*	135.4	146.6	159.2	174.3
ABV/Sh (INR)*	107.9	116.8	139.9	161.5
RoE (%)	10.2	9.4	10.1	11.3
RoA (%)	1.3	1.2	1.2	1.3

Valuations

AP/E (x)	14.2	13.0	10.5	7.6
AP/BV (x)	1.6	1.4	1.2	0.9
AP/ABV (x)	2.0	1.7	1.3	1.0

* BV adj for invt in subsidiaries

Key issues to watch for

- Ø Movement of watch-list accounts.
- Ø Plans on monetization of stakes in various ventures.
- Ø Outlook on asset quality and trend on further relapse from RL.

Quarterly Performance

(INR million)

	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	51,585	52,533	53,634	59,622	59,107	59,457	61,337	63,892	217,373	243,793
% Change (YoY)	0.8	0.0	-1.6	10.3	14.6	13.2	14.4	7.2	2.4	12.2
Other Income	34,293	91,197	39,383	30,172	33,819	37,216	38,789	39,888	195,045	149,712
Net Income	85,878	143,730	93,017	89,794	92,926	96,672	100,126	103,781	412,418	393,505
Operating Expenses	33,731	37,369	37,777	38,674	37,863	41,774	42,698	43,660	147,551	165,994
Operating Profit	52,147	106,361	55,239	51,120	55,064	54,899	57,427	60,121	264,867	227,511
% Change (YoY)	3.5	106.2	-15.8	-28.1	5.6	-48.4	4.0	17.6	11.0	-14.1
Other Provisions	25,145	70,827	27,127	28,982	22,000	22,000	22,000	22,269	152,081	88,269
Profit before Tax	27,002	35,534	28,112	22,138	33,064	32,899	35,427	37,852	112,786	139,241
Tax Provisions	4,679	4,511	3,694	1,892	9,258	9,212	9,920	10,598	14,775	38,988
Net Profit	22,324	31,023	24,418	20,246	23,806	23,687	25,508	27,253	98,011	100,254
% Change (YoY)	-25.0	2.4	-19.1	188.5	6.6	-23.6	4.5	34.6	0.8	2.3
Operating Parameters										
NIM (Cal, %)	3.3	3.3	3.3	3.6	3.5	3.5	3.5	3.5	3.3	3.5
Deposit Growth (%)	15.3	16.8	14.2	16.3	19.6	16.3	15.6	16.2	16.3	16.2
Loan Growth (%)	12.4	10.9	5.2	6.7	4.8	6.3	10.3	14.1	6.7	14.1
Tax Rate (%)	17.3	12.7	13.1	8.5	28.0	28.0	28.0	28.0	13.1	28.0
Asset Quality										
Gross NPA (INR b)	271.9	321.8	380.9	425.5	441.1	446.5	449.8	446.1	425.5	446.1
Gross NPA (%)	5.9	6.8	7.9	7.9	9.0	8.9	8.6	8.2	7.9	8.2



Idea Cellular

Bloomberg	IDEA IN
Equity Shares (m)	3600.5
M. Cap. (INR b)/(USD b)	302 / 5
52-Week Range (INR)	124 / 66
1,6,12 Rel Perf. (%)	5 / -4 / -35

Financial Snapshot (INR Million)

Y/E March	2017	2018E	2019E	2020E
Net Sales	355.8	341.8	366.1	390.2
EBITDA	102.8	87.5	96.2	113.3
Adj. NP	-4.0	-35.1	-40.5	-29.8
AdjEPS (INR)	-1.1	-9.7	-11.2	-8.3
Adj.EPSGr(%)	-113.0	776.9	15.4	-26.3
BV/Sh(INR)	68.6	58.9	48.9	42.0
RoE (%)	-1.6	-15.3	-20.8	-18.2
RoCE (%)	1.5	0.0	0.5	1.8
Payout (%)	0.0	0.0	0.0	0.0

Valuations

P/E (x)	-75.1	-8.6	-7.4	-10.1
P/BV (x)	1.2	1.4	1.7	2.0
EV/EBITDA(x)	8.3	9.8	9.3	7.6
Div. Yield (%)	0.0	0.0	0.0	0.0

CMP: INR84 TP: INR110 (+31%) Buy

- n We expect consolidated revenue to decline 1.9% QoQ (and 16% YoY) to INR79.7b.
- n Voice revenue is expected to remain flat QoQ at INR59.5b, while data revenue is likely to fall 10% to INR13.1b.
- n EBITDA margin is expected to contract ~320bp QoQ/860bp YoY to 23.8% due to weak revenue and increased network cost.
- n We expect Idea to continue to increase net loss to INR8.4b against a net loss of INR3.3b in 4QFY17.
- n Idea trades at an EV/EBITDA of 9.8x FY18E and 9.3x FY19E.

Key monitorables

- Ø Blended ARPU (we expect INR135.2, 5% QoQ fall).
- Ø Voice revenue performance (we expect flat QoQ).
- Ø Data revenue performance (we expect 10% decline QoQ).
- Ø EBITDA margin (we expect ~320bp contraction QoQ).

Consolidated - Quarterly Earning Model

(INR Million)

Y/E March	FY17				1QE	FY18			FY17	FY18
	1Q	2Q	3Q	4Q		2Q	3Q	4Q		
Gross Revenue	94,866	93,002	86,627	81,261	79,689	83,673	87,140	91,269	355,758	341,771
YoY Change (%)	7.9	7.0	-3.9	-14.3	-16.0	-10.0	0.6	12.3	12.7	-3.9
Total Expenditure	64,124	64,601	64,973	59,316	60,713	62,831	64,866	65,893	252,995	254,303
EBITDA	30,742	28,401	21,655	21,945	18,977	20,843	22,273	25,375	102,763	87,468
Margins (%)	32.4	30.5	25.0	27.0	23.8	24.9	25.6	27.8	28.9	25.6
Depreciation	19,192	19,543	19,653	19,885	20,857	21,366	22,177	23,200	78,272	87,600
Share in Profits from Associates	1,035	1,057	1,143	983	1,003	1,023	1,043	1,064	4,218	4,133
Interest	9,224	8,753	9,232	10,112	10,513	10,513	10,513	10,513	37,342	42,051
Other Income	0	0	0	0	0	0	0	0	0	0
PBT before EO expense	3,362	1,162	-6,087	-7,069	-11,391	-10,013	-9,373	-7,273	-8,633	-38,051
PBT	3,362	1,162	-6,087	-7,069	-11,391	-10,013	-9,373	-7,273	-8,633	-38,051
Tax	1,158	247	-2,248	-3,792	-3,000	0	0	0	-4,636	-3,000
Rate (%)	34.4	21.3	36.9	53.6	26.3	0.0	0.0	0.0	53.7	7.9
Reported PAT	2,204	915	-3,839	-3,277	-8,391	-10,013	-9,373	-7,273	-3,997	-35,051
Margins (%)	2.3	1.0	-4.4	-4.0	-10.5	-12.0	-10.8	-8.0	-1.1	-10.3

E: MOSL Estimates



IDFC Bank

Bloomberg	IDFCBK IN
Equity Shares (m)	3392.6
M. Cap. (INR b)/(USD b)	192 / 3
52-Week Range (INR)	83 / 45
1,6,12 Rel Perf. (%)	-3 / -23 / 8

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
NII	20.2	24.0	29.4	34.5
OP	17.5	19.3	23.6	26.6
NP	10.2	11.9	14.2	15.5
NIM (%)	2.3	2.1	2.1	2.2
EPS (INR)	3.0	3.5	4.2	4.6
EPS Gr. (%)		17.1	18.6	9.5
BV/Sh. (INR)	43.2	45.9	49	53
ABV/Sh. (INR)	40.6	42.9	46	49
RoE (%)	7.2	7.9	8.8	9.0
RoA (%)	1.0	0.9	0.9	0.9

Valuations

P/E(X)	18.9	16.1	13.6	12.4
P/BV (X)	1.3	1.2	1.2	1.1

CMP: INR57 TP: INR56 (-1%) Neutral

- n We expect loan growth to pick-up to 12% YoY (+4% QoQ), with incremental growth to be driven by the retail segment, as the bank is conservative on corporate growth.
- n Yields are expected to remain under pressure and we factor in ~15bp QoQ improvement in margins on a very low base to ~2.1% (~30bp decline on a YoY basis). Overall NII is expected to grow ~10% YoY.
- n Non-interest income is likely to increase ~29% YoY to INR2.75b, largely driven by a sharp increase in trading gains. Fee income is expected to remain moderate.
- n Opex is likely to grow 28% YoY, driven by costs associated with expansion of retail and rural banking franchise. Overall PPOp is expected to grow ~8% YoY.
- n Stress additions would keep credit costs elevated, and we expect high provisioning at INR550m. We expect PAT growth of ~9% YoY to INR2.9b.
- n The stock trades at 1.2x FY19E BV and 13.6x FY19E EPS. Neutral.

Key issues to watch for

- Ø Outlook on balance sheet growth and costs.
- Ø Retail franchise building plans and update.

Quarterly Performance

	(INR Million)									
	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Interest Income	4,989	4,956	5,208	5,021	5,485	5,822	6,166	6,507	20,173	23,979
% Change (Y-o-Y)			34.8	20.5	9.9	17.5	18.4	29.6	NA	18.9
Other Income	2,128	4,101	3,350	563	2,750	2,700	3,150	3,471	10,131	12,071
Net Income	7,117	9,057	8,558	5,584	8,235	8,522	9,316	9,978	30,304	36,050
Operating Expenses	2,768	3,234	3,798	2,981	3,550	3,814	4,524	4,815	12,770	16,703
Operating Profit	4,349	5,823	4,760	2,602	4,686	4,708	4,792	5,163	17,535	19,348
% Change (Y-o-Y)			22.4	0.2	7.7	-19.2	0.7	98.4	NA	10.3
Other Provisions	236	223	2,318	48	550	550	550	643	2,825	2,293
Profit before Tax	4,113	5,600	2,443	2,555	4,136	4,158	4,242	4,520	14,710	17,055
Tax Provisions	1,465	1,722	530	795	1,241	1,247	1,272	1,356	4,512	5,116
Net Profit	2,648	3,878	1,913	1,760	2,895	2,910	2,969	3,164	10,197	11,938
% Change (Y-o-Y)	NA	NA	-21.0	6.6	9.3	-24.9	55.2	79.8	NA	17.1
Operating Parameters										
NIM (Cal, %)	2.4	2.0	2.0	1.9	2.1	2.1	2.1	2.1	2.1	2.1
Loan Growth (%)		19.7	9.3	8.1	11.9	7.5	22.9	29.1	8.1	29.1
Tax Rate (%)	35.6	30.8	21.7	31.1	30.0	30.0	30.0	30.0	30.7	30.0
Asset Quality										
Gross NPA (INR b)	30.3	32.2	35.9	15.4	21.8	28.2	34.7	41.1	15.4	41.1
Gross NPA (on customer assets, %)	6.1	6.0	7.0	3.0	4.1	5.1	5.8	6.2	3.0	6.2

E: MOSL Estimates



Bloomberg	ITC IN
Equity Shares (m)	12147.4
M. Cap. (INR b)/(USD b)	4095 / 63
52-Week Range (INR)	353 / 222
1,6,12 Rel Perf. (%)	6 / 21 / 23

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	396.4	442.3	514.0	599.4
EBITDA	145.8	164.9	199.8	240.5
Adj. PAT	102.0	117.2	141.1	169.2
Adj. EPS (INR)	8.4	9.6	11.6	13.9
EPS Gr. (%)	9.4	14.9	20.4	19.9
BV/Sh.(INR)	37.2	37.7	41.6	46.1
RoE (%)	23.5	25.8	29.3	31.8
RoCE (%)	22.6	24.8	28.2	30.9
Payout (%)	66.2	70.2	70.2	70.2

Valuations

P/E (x)	40.1	34.9	29.0	24.2
P/BV (x)	9.1	8.9	8.1	7.3
EV/EBITDA (x)	26.6	23.5	19.3	15.9
Div. Yield (%)	1.6	2.0	2.4	2.9

CMP: INR337 TP: INR380 (+13%) Buy

- n We expect net sales to grow by 4% YoY to INR104.6b, with cigarette volume declining by 2% YoY (base quarter saw 3% volume growth).
- n We expect cigarette EBIT to grow 3.9% YoY. We have factored in EBITDA growth of 2.5% YoY to INR36.2b for the company.
- n We expect Other FMCG to post revenue growth of ~4% YoY.
- n We estimate PAT growth of 6.2% YoY to INR25.3b.
- n The stock trades at 29x FY19E EPS of INR11.6; maintain Buy.

Key issues to watch for:

- Ø Trends in cigarette volume.
- Ø Demand outlook for FMCG categories and segmental profitability.

Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Cigarette Vol Gr (%)	3.0	4.0	-1.0	0.0	-2.0	5.0	10.0	10.0	1.5	6.0
Net Sales	100,540	96,607	92,484	111,255	104,562	106,268	106,356	129,512	400,887	446,698
YoY Change (%)	9.8	9.8	4.3	14.0	4.0	10.0	15.0	16.4	9.6	11.4
Total Exp	65,278	60,307	57,020	72,502	68,412	66,337	65,041	82,013	255,106	281,804
EBITDA	35,262	36,300	35,464	38,754	36,150	39,930	41,315	47,498	145,780	164,894
Growth (%)	8.4	7.3	2.1	7.5	2.5	10.0	16.5	22.6	6.3	13.1
Margins (%)	35.1	37.6	38.3	34.8	34.6	37.6	38.8	36.7	36.4	36.9
Depreciation	2,613	2,684	2,665	2,418	2,874	2,953	2,932	2,948	10,380	11,707
Interest	101	107	136	-115	101	107	136	-115	230	230
Other Income	4,205	4,754	6,879	4,021	4,626	5,229	7,567	4,501	19,859	21,923
PBT	36,754	38,262	39,542	40,471	37,801	42,099	45,815	49,165	155,030	174,880
Tax	12,907	13,262	13,075	13,777	12,474	13,893	15,119	16,224	53,021	57,710
Rate (%)	35.1	34.7	33.1	34.0	33.0	33.0	33.0	33.0	34.2	33.0
Adj PAT	23,847	25,000	26,467	26,695	25,327	28,206	30,696	32,941	102,009	117,169
YoY Change (%)	10.1	10.5	5.7	12.1	6.2	12.8	16.0	23.4	9.5	14.9

E: MOSL Estimates



Maruti Suzuki

Bloomberg	MSIL IN
Equity Shares (m)	302.1
M. Cap. (INR b)/(USD b)	1915 / 29
52-Week Range (INR)	6356 / 3419
1,6,12 Rel Perf. (%)	4 / 5 / 58

Financial Snapshot (INR b)

Y/E March	2017	2018E	2019E	2020E
Sales	680.3	815.9	955.9	1,103
EBITDA	104.7	123.5	156.0	178.9
Adj. PAT	74.2	86.7	112.9	132.8
*EPS (INR)	248.6	292.6	379.7	446.1
EPS Gr. (%)	36.6	17.7	29.8	17.5
BV/Sh. (INR)	1,197	1,382	1,636	1,943
RoE (%)	20.3	20.8	22.8	22.6
RoCE (%)	27.3	27.7	30.0	29.8
Payout (%)	37.1	35.6	32.2	30.1

Valuations

P/E (x)	29.6	25.2	19.4	16.5
P/CE (x)	22.0	18.7	15.0	12.9
EV/EBITDA (x)	18.6	15.3	11.6	9.5
Div. Yield (%)	1.0	1.2	1.4	1.5

*Consol. & adjusted

CMP: INR7,372 TP:INR8,483 (+15%) Buy

- n Volume grew ~13% YoY (and 5% QoQ) to ~394,571 units, led by better performance from *Baleno* and *Brezza* with incremental Gujarat production, though slightly impacted by GST transition.
- n Net realization is likely to improve 4% YoY (and 0.5% QoQ) to INR444,579 per unit, boosting net revenue by ~18% YoY (and 22.6% QoQ) to INR172.6b. Growth in realization is likely to be driven by improvement in product mix due to compact UV, *Vitarra Brezza*, and premium hatchback, *Baleno*.
- n We expect margin to decline 110bp YoY (and 80bp QoQ) to 13.8%, led by the impact of Gujarat plant and higher fixed cost due to same. Also, higher offers due to GST transition would impact margins.
- n The compensation to dealers for the loss of input tax credit (ITC) on inventory following the transition to GST is likely to impact margin by 25bp in 2QFY18.
- n EBITDA is likely to grow ~10% YoY (but decline 9% QoQ) to INR24.3b.
- n We expect PAT to grow ~10% YoY (but decline 10% QoQ) to INR16.3b, led by higher depreciation.
- n The stock trades at 25.2x FY18E and 19.4x FY19E EPS. **Buy.**

Key issues to watch

- Ø Update on demand scenario, channel inventory, discounting trends and new launches.
- Ø Gujarat plant product pipeline.
- Ø Impact of GST on demand.

Quarterly Performance

	FY17				FY18E				(INR Million)	
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE	FY17	FY18E
Total Volumes (nos)	348,443	418,470	387,251	414,439	394,571	461,664	435,255	514,916	1,568,603	1,806,406
Change (%)	2.1	18.4	3.5	15.0	13.2	10.3	12.4	24.2	9.8	15.2
Realizations (INR/car)	428,202	426,382	435,500	442,367	444,579	447,913	452,392	459,899	433,729	451,680
Change (%)	9.3	8.8	8.5	4.6	3.8	5.0	3.9	4.0	7.9	4.1
Net operating revenues	149,204	178,428	168,648	183,334	175,418	206,785	196,906	236,809	680,348	815,918
Change (%)	11.5	28.8	12.3	20.3	17.6	15.9	16.8	29.2	18.4	19.9
RM Cost (% of sales)	67.9	67.7	69.2	69.6	69.4	69.7	68.6	68.2	68.7	68.9
Staff Cost (% of sales)	3.9	2.9	3.7	3.4	4.0	3.4	3.8	3.2	3.4	3.5
Other Cost (% of sales)	13.4	12.4	12.4	12.4	12.8	12.5	12.2	12.1	12.5	12.4
EBITDA	22,157	30,374	24,890	26,787	24,276	29,800	30,403	38,972	104,710	123,452
EBITDA Margins (%)	14.9	17.0	14.8	14.6	13.8	14.4	15.4	16.5	15.4	15.1
Depreciation	6,389	6,300	6,349	7,010	7,500	7,600	7,700	7,746	26,021	30,546
Interest	181	197	290	226	210	210	210	220	894	850
Non-Operating Income	4,833	8,126	5,919	4,449	5,500	6,250	6,750	6,987	22,798	25,487
PBT	20,420	32,003	24,170	22,820	22,066	28,240	29,243	37,994	99,413	117,543
Effective Tax Rate (%)	27.2	25.1	27.8	25.1	26.3	26.3	26.3	26.3	26.2	26.3
Adjusted PAT	14,862	23,980	17,445	17,974	16,274	20,827	21,567	28,020	74,248	86,688
Change (%)	23.0	60.2	47.5	21.8	9.5	-13.1	23.6	55.9	40.8	16.8

E:MOSL Estimates



ONGC

Bloomberg	ONGC IN
Equity Shares (m)	12833.3
M. Cap. (INR b)/(USD b)	2053 / 32
52-Week Range (INR)	212 / 144
1,6,12 Rel Perf. (%)	-8 / -35 / -11

Financial snapshot (INR b)

y/e march	2017	2018E	2019E	2020E
Sales	1421	1501	1706	1755
EBITDA	471	605	700	726
Adj. PAT	211	223	253	241
Adj.EPS (INR)	16.4	17.4	19.7	18.8
EPS Gr. (%)	20.8	6.0	13.4	-4.7
BV/Sh.(INR)	172	178	185	192
RoE (%)	10.1	9.9	10.8	10.0
RoCE (%)	8.5	8.7	9.3	8.5
Payout (%)	52.5	64.9	64.9	64.9

Valuation

P/E (x)	9.7	9.2	8.1	8.5
P/BV (x)	0.9	0.9	0.9	0.8
EV/EBITDA	4.9	3.8	3.3	2.9
Div. Yield (%)	4.7	6.0	6.8	9.8

CMP: INR160 TP: INR195 (+22%) Buy

- n We expect ONGC to report adjusted PAT of INR52b in 1QFY18 (v/s INR43.4b in 4QFY17 and INR42.3b in 1QFY17).
- n We estimate EBITDA at INR109.7b (v/s INR67.3b in 4QFY17 and INR92.7b in 1QFY17), led by lower opex assumption.
- n We estimate gross and net realization at USD51.2/bbl, as we expect the entire subsidy to be borne by the government.
- n Our Brent price assumption is USD50/bbl for FY18 and USD55/bbl for FY19/20.
- n The stock trades at 8.1x FY19E consolidated EPS of INR19.7, with implied dividend yield of ~5%. Maintain Buy.

Key issues to watch for

- Ø Subsidy sharing.
- Ø DD&A charges.
- Ø Oil & gas production volumes.
- Ø Development plan for KG Basin.

Standalone - Quarterly Earning Model

(INR Million)

Y/E March	FY17				FY18E				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	176,704	182,866	199,338	217,140	202,876	202,369	206,958	208,471	776,048	820,674
YoY Change (%)	-21.5	-11.1	9.2	33.7	14.8	10.7	3.8	-4.0	0.1	5.8
Total Expenditure	83,942	87,476	96,440	149,889	93,195	93,388	94,116	94,475	417,746	375,174
EBITDA	92,761	95,391	102,898	67,252	109,681	108,982	112,842	113,996	358,302	445,500
Margins (%)	52.5	52.2	51.6	31.0	54.1	53.9	54.5	54.7	46.2	54.3
Depreciation	36,997	34,529	47,039	53,875	44,451	44,451	44,451	44,451	172,440	177,805
Interest	2,920	3,034	3,062	3,202	960	960	960	960	12,217	3,840
Other Income	10,668	12,920	9,727	45,195	13,931	13,931	13,931	13,931	78,511	55,725
PBT before EO expense	63,512	70,748	62,524	55,371	78,201	77,502	81,362	82,516	252,155	319,581
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0
PBT	63,512	70,748	62,524	55,371	78,201	77,502	81,362	82,516	252,155	319,581
Tax	21,186	20,999	19,001	11,969	26,064	25,831	27,118	27,503	73,155	106,516
Rate (%)	33.4	29.7	30.4	21.6	33.3	33.3	33.3	33.3	29.0	33
Reported PAT	42,325	49,749	43,523	43,402	52,137	51,670	54,244	55,013	179,000	213,065
Adj. PAT	42,325	49,749	43,523	43,402	52,137	51,670	54,244	55,013	179,000	213,065
YoY Change (%)	-21.2	2.7	3.3	-0.3	23.2	3.9	24.6	26.8	-8.3	19.0
Margins (%)	24.0	27.2	21.8	20.0	25.7	25.5	26.2	26.4	23.1	26.0
Key Assumptions (USD/bbl)										
Fx rate (INR/USD)	66.9	67.0	67.4	67.2	64.4	65.5	66.0	66.5	67.1	65.6
Gross Oil Realization	46.1	47.9	50.1	54.9	51.2	50.9	50.9	50.9	49.8	51.0
Subsidy	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Oil Realization	46.1	47.9	50.1	54.9	51.2	50.9	50.9	50.9	49.8	51.0
Subsidy (INR b)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

E: MOSL Estimates



Tata Elxsi

Bloomberg	TELX IN
Equity Shares (m)	31.1
M. Cap. (INR b)/(USD b)	52 / 1
1863	1783 / 1022
1,6,12 Rel Perf. (%)	23 / 0 / -20

CMP: INR1,669 TP: INR1,848 (11%) Buy

- n We expect revenue to grow 12% YoY to INR3.3b in 1QFY18, driven by steady growth in both Transportation and Broadcast business.
- n We expect EBITDA margin to expand 30bp YoY to 23.8%. Consequently, we expect EBITDA to increase 14% YoY to INR785m.
- n We expect adjusted PAT to grow 16% to INR488m. **Buy.**

Financial Snapshot (INR Billion)

Y/E March	2017	2018E	2019E	2020E
Sales	12.3	14.2	16.4	19.7
EBITDA	2.9	3.4	4.0	4.9
NP	1.8	2.1	2.5	3.0
EPS (Rs)	56.3	68.0	80.4	96.8
EPS Gr. (%)	13.2	20.8	18.2	20.5
BV/Share	179.5	223.5	273.9	327.5
RoE (%)	37.1	33.7	32.3	32.2
RoCE (%)	37.1	33.7	32.3	48.6

Valuations

P/E (x)	29.7	24.6	20.8	17.2
P/BV (x)	9.3	7.5	6.1	5.1
EV/EBITDA (x)	16.9	13.7	11.3	9.9
Div. Yield (%)	1.0	1.2	1.5	-2.2

Key things to watch for

- ⊗ Addition of new customers and subsequent realization.
- ⊗ JLR's contribution to revenues.

Consolidated Quarterly Performance

(INR Million)

Y/E March	FY17				FY18				FY17	FY18E
	1Q	2Q	3Q	4Q	1QE	2QE	3QE	4QE		
Net Sales	2,943	3,033	3,094	3,260	3,296	3,488	3,620	3,815	12,330	14,220
YoY Change (%)	20.9	15.0	12.9	10.9	12.0	15.0	17.0	17.0	14.7	15.3
Total Expenditure	2,253	2,288	2,355	2,503	2,512	2,605	2,744	2,918	9,398	10,778
EBITDA	691	745	739	758	785	882	876	896	2,932	3,441
Margins (%)	23.5	24.6	23.9	23.2	23.8	25.3	24.2	23.5	23.8	24.2
Depreciation	67	64	69	68	68	78	70	82	269	298
Interest	0	0	0	0	0	0	0	0	0	0
Other Income	11	26	23	-21	15	12	13	10	-48	50
PBT before EO expense	634	707	693	669	732	816	819	824	2,615	3,194
Extra-Ord expense	0	57	31	0	0	0	0	0	0	0
PBT	634	651	662	669	732	816	819	824	2,615	3,194
Tax	215	220	224	224	244	275	280	277	862	1,077
Rate (%)	33.8	33.8	33.9	33.4	33.3	33.7	34.2	33.6	33.0	33.7
Reported PAT	419	431	438	445	488	541	539	547	1,753	2,116
Adj PAT	419	468	458	445	488	541	539	547	1,753	2,116
YoY Change (%)	17.4	22.9	12.5	8.3	16.4	15.6	17.6	23.0	12.6	20.8
Margins (%)	14.2	15.4	14.8	13.6	14.8	15.5	14.9	14.4	14.2	14.9

E: MOSL Estimates



1. No plans to exit insurance biz; to maintain slippages at Rs 240-250 Cr: Federal Bank; Shyam Srinivasan, MD and CEO

- n Fall in net interest margins (NIM) was on a pre-guided large corporate account that slipped.
- n For a normal quarter the slippages have been around Rs 250-260 crore but in Q1 it was around Rs 425 crore because of that large account. There was also a small uptick in retail and agri slippages. The incremental slippage is a restructured account
- n The large account is a steel account in the East of the size of Rs 140 crore.
- n GNPA's and restructured book has been trending down and it did in this quarter as well.
- n The trend line of slippages has been in the tune of Rs 240-250 crore, and that will continue.
- n There could be a minor uptick of Rs 20-30 crore because of demonetisation led retail accounts but not that will not shift the trend line of slippage
- n One of the finest quarters in a long time both in terms of operating profit and growth. The operating strength of the bank is only getting better
- n Was an excellent Q in terms of retail disbursement
- n Will not be exiting IDBI Federal Life insurance business but the three partners are trying to come at the value of the company because the JV agreement allow for the two domestic partners to reduce their stake provided the international partner want to raise their holding. That process is underway

[→ Read More](#)

2. Looking at acquisitions worth Rs 200cr this year: Allcargo Logistics; Shashi Kiran Shetty

- n Country adopted GST very well and no one is talking negative about it.
- n On business front, Allcargo will cross 10 million square feet of warehouse by 2020.
- n Actively working towards a foray into last mile delivery.
- n Looking at acquisitions worth Rs 200 crore in this year

[→ Read More](#)

3. Expect retail growth to continue: Axis Bank; V Srinivasan, Deputy MD

- n At the start of the year, Axis Bank had indicated that the credit cost for this year would be in the range of 175 basis points (bps) to 225 bps, which is substantially lower than last year. Expect credit cost to go further down towards a long-term average in FY19
- n NII is a function of topline as well as interest reversals. As stress comes off, growth and NII will pick up
- n Watchlist has reduced compared to where we started in April 2016
- n Indicated at the beginning of the year that 20 bps dilution of net interest margins (NIMs) from full year NIMs of last year
- n Enough capital for growth as far as bank is concerned
- n Retail has been a big driver for growth and he expects it to continue throughout this year.

[→ Read More](#)

4. To focus on asset-light growth; aiming at double-digit roce FOR FY18: Raymond; Sanjay Bahl, Group CFO

- n Upcoming festive season there will be lot of stocking that will happen and so the outlook is more positive going ahead. Due to GST destocking had taken place.
- n Volume growth for apparel business to continue with higher offtake from channel partners. Moreover, good monsoons will help consumption.
- n Outlook for Q2 remains positive. Earlier the guidance was of growing in double-digits in terms of volumes, adding that margin growth will also be significantly higher compared to last year, which was impacted due to demonetisation.
- n Ahead of our internal plans for the current year. Hope of return on capital (RoC) getting back to double-digits in FY18, however, one must also keep in mind that the capex investment plans for FY18 are high.
- n With regards to 2020 plans, the capex investments will reduce and RoCE will be higher. The focus going forward will be on asset-light growth through franchise model to help return on capital employed plans.
- n The company is still working on the monetization of land bank at Thane.

[➔ Read More](#)

5. Expect to get NBFC licence by q3 of FY18: Welspun enterprises; Sandeep Garg, MD

- n MBL has financial difficulty right now, it is a very profitable project for them but given the situation with MBL Infra, they have chosen to take us as a sponsor
- n On NBFC plans, there is no plan to spin-off NBFC into separate unit.
- n Expects to get the NBFC licence by Q3 of FY18.
- n On core business, order book target is at Rs 4,000-4,500 crore for this year. Welspun Enterprises will invest around Rs 250 crore in the hybrid annuity model projects.

[➔ Read More](#)

6. No concrete plans to acquire housing finance co: Hudco; Rakesh Kumar Arora, Director Finance

- n 91 percent of the loan book is to the government and government related agencies and 9 percent is to private sector.
- n Government book NNPA's at 0.01 percent and for the private sector the total outstanding is around Rs 3600 crore, out of that Rs 1900 crore has been provided for.
- n The two NPAs that were added in Q1 are related to the private sector, but as per regulatory norms provisions were made for that.
- n The two accounts under stress are worth Rs 700 crore.
- n Retail loan book stands at only 1.5 percent of the total book and lending is only for projects.
- n Clarified that as of now there was nothing on the cards with respect of acquisition of Housing Finance Companies.
- n The disbursements last year grew at 12 percent and looking at growth in the first quarter, hope to grow at a similar pace

[➔ Read More](#)



1. Telecom interconnect charges: economic principles, not popular voice should be deciding factor

- n Trai recently conclude the consultation on the issue of Interconnection Usage Charge (IUC) where it had raised some questions for consultation. Should there be an IUC? Since interconnect plus usage charge translates into IUC it is clear that when we discuss the issue of IUC we are acknowledging that interconnection between various telecom operators is mandatory. This, indeed, is the case in our licensing and regulatory regime. Interconnection and IUC, may be two different things but are complementary and in the absence of one the other may not be workable. That there is a charge involved in interconnecting different networks is a fact that cannot be ignored. If this charge is not defined and mandated, differences can arise with operators not willing to interconnect. Of course, this charge cannot be zero and there has to be a cost-based IUC charge.

[→ Read More](#)

2. A greater market role in bankruptcy process

- n One of the major challenges for the Narendra Modi government in the next two years is the revival of private investment in the country. Failure on this count could hurt employment generation, exacerbate economic inequality and threaten social unrest. An International Monetary Fund paper (goo.gl/cfp4cm) by Sonali Das and Volodymyr Tulin, released last month, noted that the rise in gross fixed capital formation over the last five years in India averaged only 3.5%, compared to 12% per year over the decade ending 2011-12. A major cause of investment slowdown, the paper argues, is the rise in financial leverage of firms. This is especially true for firms whose earnings are insufficient to service their debt. Higher leverage not only cripples the ability of firms to undertake new investments, but also impedes the completion of ongoing projects. As a result, these firms continue to suffer from low productivity. In such situations, a strong exit mechanism goes a long way in ensuring an efficient reallocation of both capital and labour to productive businesses, thereby contributing to higher output.

[→ Read More](#)


3. The vexed question of financing Indian cities

- n About 814 million people are expected to live in Indian cities by 2050. Just in terms of scale, the task of effectively managing cities in India will potentially be touted as the world's greatest managerial challenge. And while China might have an almost equal number living in its cities, it is better poised to handle its urban explosion than India. The numbers paint a disappointing picture. A 2010 McKinsey report estimates that India will need to spend \$1.2 trillion by 2030, a far cry from current spending estimates. India's annual per capita spending on cities stands at a measly \$50. The corresponding figures for China and the UK are about \$362 and \$1,772, respectively. The financial health of Indian cities is in such a pathetic state that revenue generated by urban local bodies accounts for less than 0.9% of the total GDP (gross domestic product) despite cities contributing almost 60% towards GDP.

[→ Read More](#)

4. Trade agreements: theory and reality

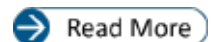
- n Ever since the days of David Ricardo in the early 19th century, it has been established, and remains unquestioned to date, that free trade is a win-win for everybody. The key word is “free”, meaning without coercion, fully voluntary. Ricardo’s clever insight was that trade between nations could be mutually beneficial, even if one nation was more efficient than the other in all commodities. This was his theory of comparative advantage. Most economists swear by this maxim. The simplest illustration is this: a lawyer may be a faster typist than her assistant, but her time should be spent in legal stuff, not in typing, which should be left to the assistant. The lawyer thus specializes in law, not in typing.

 Read More

International

5. Banking union will transform Europe’s politics

- n In our excitement over what is new, we often miss what is important. The election of Emmanuel Macron has triggered expectations of a Franco-German entente on further fiscal integration in the eurozone. Brexit has given new momentum to proposals for a multi-speed Europe. But behind these speculative possibilities real, profound change is proceeding relatively unnoticed except by technical experts. The European banking union, launched in 2012 for the eurozone but enjoying increasing interest by non-euro countries, is shaping up to be the most significant transformation brought about by the financial crisis — not just of Europe’s economic structure, but of its political economy. Within weeks in June, unrelated failing banks in Spain and Italy were wound down. Together, they illustrate how much banking union has transformed Europe’s financial governance.

 Read More



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Automobiles														
Amara Raja	Buy	847	1,073	27	28.0	33.8	40.5	30.2	25.1	5.6	4.7	20.3	20.4	20.7
Ashok Ley.	Buy	106	118	11	4.6	5.2	7.0	23.3	20.5	5.1	4.5	23.1	23.2	27.0
Bajaj Auto	Buy	2,838	3,281	16	132.3	137.2	163.6	21.5	20.7	4.8	4.4	25.3	22.2	24.0
Bharat Forge	Buy	1,138	1,330	17	26.2	37.7	49.7	43.5	30.2	6.4	5.6	16.2	19.8	22.3
Bosch	Neutral	24,237	23,738	-2	473.1	649.9	766.2	51.2	37.3	8.4	7.4	15.8	21.1	21.9
CEAT	Buy	1,873	2,100	12	93.3	96.2	131.3	20.1	19.5	3.1	2.8	16.9	15.1	17.8
Eicher Mot.	Buy	28,959	31,326	8	613.8	861.2	1,102.9	47.2	33.6	16.4	11.8	40.3	40.8	38.0
Endurance Tech.	Buy	913	1,025	12	23.5	30.5	38.8	38.9	29.9	7.4	6.1	20.8	22.4	23.6
Escorts	Neutral	651	731	12	20.0	36.9	45.7	32.6	17.6	3.3	2.8	10.6	17.3	18.3
Exide Ind	Buy	217	286	32	8.2	9.7	11.9	26.6	22.4	3.7	3.3	14.0	14.8	15.9
Hero Moto	Neutral	3,718	3,818	3	169.1	189.3	199.1	22.0	19.6	7.3	6.3	35.7	34.6	31.5
M&M	Buy	1,413	1,625	15	54.3	66.7	79.9	26.0	21.2	3.3	3.0	14.2	14.1	14.6
Mahindra CIE	Not Rated	252	-		5.4	9.9	11.8	47.1	25.6	2.9	2.6	6.4	10.8	11.5
Maruti Suzuki	Buy	7,578	8,483	12	248.6	292.6	379.7	30.5	25.9	6.3	5.5	20.3	20.8	22.8
Tata Motors	Buy	457	666	46	19.8	30.9	64.3	23.1	14.8	2.7	2.2	9.8	16.5	27.3
TVS Motor	Buy	571	606	6	11.7	16.3	25.9	48.6	35.1	11.3	9.0	25.6	28.6	35.2
Aggregate								28.7	22.5	4.9	4.2	17.1	18.9	22.6
Banks - Private														
Axis Bank	Neutral	529	545	3	15.4	21.8	38.1	34.4	24.2	2.3	2.2	6.9	9.3	14.7
DCB Bank	Neutral	198	192	-3	7.0	8.4	10.4	28.3	23.7	2.9	2.4	10.8	11.4	11.8
Equitas Hold.	Buy	169	207	23	4.7	4.8	7.4	35.7	34.9	2.6	2.4	8.9	7.1	10.1
Federal Bank	Buy	115	134	17	4.8	5.5	6.8	23.8	21.0	2.3	1.8	9.9	10.2	10.5
HDFC Bank	Buy	1,750	2,000	14	56.8	68.2	82.1	30.8	25.6	5.2	4.5	18.3	18.8	19.6
ICICI Bank	Buy	310	340	10	15.3	15.6	17.9	20.3	19.8	2.3	2.1	10.2	9.4	10.1
IDFC Bank	Neutral	60	62	3	3.0	3.5	4.2	20.1	17.2	1.4	1.3	7.2	7.9	8.8
IndusInd	Buy	1,580	1,800	14	47.9	61.9	76.8	33.0	25.5	4.8	4.1	15.4	17.3	18.5
J&K Bank	Neutral	87	91	5	-31.3	3.8	8.2	NM	22.7	0.8	0.8	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	987	1,153	17	26.8	32.4	41.0	36.8	30.4	4.8	4.2	13.8	15.0	16.3
RBL Bank	Under Review	528	-		11.9	18.0	23.7	44.4	29.3	4.7	3.3	12.3	13.6	13.9
South Indian	Buy	31	34	11	2.2	2.9	3.7	14.0	10.7	1.2	1.1	9.5	10.8	12.7
Yes Bank	Buy	1,713	2,121	24	73.0	90.7	114.6	23.5	18.9	3.7	3.2	18.9	18.0	19.5
Aggregate								29.5	23.6	3.4	3.0	11.5	12.7	14.4
Banks - PSU														
BOB	Buy	163	212	30	6.0	18.4	22.5	27.3	8.9	1.1	1.0	4.1	11.9	13.2
BOI	Neutral	161	147	-8	-14.8	13.7	22.0	NM	11.7	0.7	0.7	-6.7	6.1	9.0
Canara	Neutral	357	360	1	18.8	30.1	47.0	19.0	11.9	0.8	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	62	49	-21	1.5	6.4	8.6	40.6	9.6	0.6	0.5	1.4	5.8	7.3
Indian Bk	Buy	315	382	21	29.3	34.4	38.3	10.7	9.1	1.0	1.0	10.1	10.9	11.2
OBC	Neutral	152	150	-1	-31.6	17.1	21.4	NM	8.9	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	159	184	16	6.2	10.3	14.5	25.5	15.5	0.9	0.8	3.6	5.6	7.5
SBI	Buy	296	362	22	0.3	17.9	23.3	994.3	16.5	1.4	1.3	-0.2	8.7	10.0
Union Bk	Neutral	160	162	2	7.6	24.6	34.5	20.9	6.5	0.5	0.5	2.7	8.1	10.5
Aggregate								110.2	13.3	1.0	0.9	0.9	6.7	8.3
NBFCs														
Bajaj Fin.	Buy	1,686	1,800	7	33.6	47.6	62.9	50.2	35.4	9.6	7.8	21.7	24.3	25.9
Bharat Fin.	Neutral	789	800	1	21.0	41.3	53.0	37.6	19.1	4.4	3.6	15.1	20.9	21.6
Cholaman. Inv. & F n	Buy	1,145	1,300	14	46.0	55.0	66.4	24.9	20.8	4.2	3.6	18.1	18.5	18.9
Dewan Hsg.	Buy	460	630	37	29.6	37.7	47.1	15.5	12.2	1.8	1.6	14.4	14.1	15.6
GRUH Fin.	Neutral	458	450	-2	8.1	9.9	12.1	56.3	46.1	16.9	13.8	32.5	33.0	32.8
HDFC	Under Review	1,633	-		46.8	50.7	55.9	34.9	32.2	6.5	5.9	19.3	18.3	17.4
Indiabulls Hsg	Buy	1,187	1,350	14	69.0	86.3	108.4	17.2	13.8	4.1	3.7	25.5	28.2	31.3
L&T Fin Holdings	Buy	161	180	12	5.2	7.2	9.6	30.7	22.4	3.6	3.2	12.4	15.3	17.5
LIC Hsg Fin	Neutral	737	750	2	38.2	47.9	53.8	19.3	15.4	3.5	2.9	19.4	20.6	19.7

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
Manappuram	Not Rated	107	-		8.6	10.8	12.5	12.4	9.9	2.7	2.4	24.0	25.9	26.9
M&M Fin.	Buy	396	459	16	7.1	13.9	17.8	55.9	28.6	3.5	3.3	6.5	12.0	14.2
Muthoot Fin	Buy	478	550	15	29.5	41.0	43.3	16.2	11.7	2.9	2.5	19.4	23.2	21.4
PFC	Neutral	123	117	-5	25.7	27.2	30.2	4.8	4.5	0.8	0.7	17.9	17.0	16.8
Repco Home	Buy	781	936	20	29.1	35.8	42.5	26.8	21.8	4.3	3.6	17.4	18.1	18.2
REC	Neutral	176	134	-24	31.4	35.0	40.4	5.6	5.0	1.0	0.9	19.9	19.1	19.1
Shriram Union	City Buy	2,279	2,900	27	84.3	132.8	171.2	27.0	17.2	3.0	2.6	11.7	16.2	18.1
STF	Buy	983	1,340	36	55.6	78.5	98.5	17.7	12.5	2.0	1.7	11.7	14.7	16.3
Aggregate								19.8	16.6	3.4	2.9	16.9	17.8	17.9
Capital Goods														
ABB	Sell	1,445	1,200	-17	19.7	22.4	31.6	73.3	64.5	9.3	8.1	12.7	12.6	15.8
Bharat Elec.	Buy	176	200	14	6.9	7.2	8.1	25.4	24.5	5.2	4.0	20.6	16.5	16.8
BHEL	Sell	144	100	-31	2.1	3.6	4.7	67.0	40.4	1.1	1.1	1.6	2.7	3.4
Blue Star	Neutral	697	610	-13	12.9	17.8	26.6	54.2	39.2	8.8	8.3	18.0	21.7	30.1
CG Cons. Elec.	Buy	205	240	17	4.7	5.5	6.6	43.9	37.4	23.9	17.2	76.4	53.4	49.8
CG Power & Indu.	Sell	85	65	-23	4.1	2.3	4.5	20.7	37.1	1.3	1.2	6.2	3.4	4.2
Cummins	Buy	999	1,200	20	26.5	29.2	36.0	37.7	34.2	7.4	6.8	21.2	20.7	23.5
GE T&D	Neutral	393	320	-18	5.7	7.2	8.5	68.5	54.9	9.7	8.8	12.4	16.8	18.0
Havells	Neutral	461	455	-1	9.6	10.9	13.8	48.2	42.1	8.8	7.9	18.2	18.6	20.7
K E C Intl	Neutral	302	250	-17	11.9	12.8	16.4	25.5	23.6	4.9	4.2	21.2	19.2	20.9
L&T	Buy	1,180	1,340	14	42.3	47.1	54.0	27.9	25.1	3.3	3.1	12.2	12.6	13.4
Pennar Eng.	Not Rated	121	-		7.1	9.1	11.2	17.1	13.3	1.8	1.5	10.2	11.6	12.6
Siemens	Neutral	1,385	1,355	-2	17.8	24.3	33.3	77.7	57.0	7.2	6.3	9.3	11.0	13.7
Solar Ind	Neutral	895	825	-8	20.6	22.6	28.2	43.4	39.6	8.0	6.9	19.8	18.6	19.9
Suzlon Energy	Not Rated	19	-		0.6	0.9	1.0	30.1	21.7	-1.7	-1.9	NM	-8.8	-11.0
Thermax	Sell	906	850	-6	30.8	32.7	34.0	29.4	27.7	4.0	3.6	14.3	13.7	12.9
Va Tech Wab.	Buy	596	800	34	28.9	34.9	39.8	20.6	17.1	3.3	2.8	16.3	17.7	17.5
Voltas	Sell	498	400	-20	15.5	15.6	17.6	32.2	32.0	5.0	4.5	18.0	14.7	14.9
Aggregate								35.3	31.1	4.0	3.6	11.2	11.6	12.8
Cement														
Ambuja Cem.	Buy	265	308	16	4.9	7.0	8.2	54.2	38.1	2.7	2.6	5.1	7.0	7.9
ACC	Neutral	1,710	1,622	-5	36.1	49.8	65.0	47.4	34.4	3.7	3.6	7.9	10.6	13.1
Birla Corp.	Buy	940	1,205	28	29.4	40.9	58.9	32.0	23.0	2.2	2.1	7.5	9.2	12.2
Dalmia Bharat	Buy	2,604	3,162	21	38.8	66.7	87.1	67.2	39.0	4.7	4.2	7.2	11.3	13.1
Grasim Inds.	Neutral	1,069	1,384	30	67.9	71.2	102.6	15.7	15.0	1.7	1.6	11.5	10.9	13.9
India Cem	Neutral	212	219	3	5.6	9.3	12.9	37.7	22.7	1.3	1.2	3.4	5.5	7.2
J K Cements	Buy	988	1,287	30	33.7	40.4	53.5	29.3	24.4	3.9	3.4	14.4	15.0	17.2
JK Lakshmi Ce	Buy	459	553	21	7.0	11.4	19.2	65.9	40.2	3.8	3.5	6.0	9.2	13.8
Ramco Cem	Buy	669	823	23	27.3	31.1	37.5	24.5	21.5	4.4	3.7	19.2	18.6	19.1
Orient Cem	Buy	160	178	11	-1.6	4.6	7.0	NM	34.7	3.3	3.1	-3.2	9.2	12.6
Prism Cem	Buy	123	145	18	0.3	3.7	5.6	353.7	33.2	6.2	5.3	1.8	17.2	22.0
Shree Cem	Buy	17,450	21,052	21	384.4	454.7	575.2	45.4	38.4	8.6	7.2	20.2	20.4	21.3
Ultratech	Buy	4,077	4,936	21	96.1	91.5	138.8	42.4	44.5	4.7	4.3	11.6	10.1	14.0
Aggregate								36.6	31.0	3.5	3.2	9.7	10.5	12.9
Consumer														
Asian Paints	Neutral	1,134	1,200	6	21.0	22.2	26.5	53.9	51.1	14.3	13.0	28.5	26.7	28.1
Britannia	Buy	3,854	4,450	15	73.7	85.4	105.5	52.3	45.1	17.2	14.1	36.9	34.4	34.7
Colgate	Buy	1,066	1,335	25	21.2	25.7	31.1	50.2	41.5	22.8	21.5	50.4	53.2	60.3
Dabur	Neutral	306	315	3	7.2	7.7	9.1	42.2	39.6	11.1	9.5	28.4	26.0	26.3
Emami	Buy	1,113	1,265	14	26.5	28.3	33.9	41.9	39.4	14.4	12.1	35.8	33.4	34.1
Godrej Cons.	Neutral	1,025	930	-9	18.9	21.8	25.0	54.2	47.0	13.2	10.2	24.6	24.5	23.0
GSK Cons.	Sell	5,504	4,500	-18	156.1	166.3	181.9	35.3	33.1	7.4	7.2	22.2	22.1	22.4
HUL	Buy	1,164	1,285	10	19.6	22.9	27.3	59.3	50.7	37.8	36.4	65.6	73.1	82.8
ITC	Neutral	293	280	-5	8.4	9.3	10.3	34.9	31.7	7.9	7.8	23.5	24.8	26.3

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Jyothy Lab	Neutral	376	405	8	11.2	8.9	11.0	33.5	42.0	6.3	6.4	21.1	15.1	18.4
Marico	Neutral	326	360	10	6.3	6.9	8.4	51.9	47.0	18.1	15.4	36.7	35.5	38.1
Nestle	Sell	6,787	5,990	-12	118.0	118.6	139.5	57.5	57.2	21.7	20.0	39.0	36.4	39.0
Page Inds	Buy	16,786	20,195	20	238.7	317.0	400.0	70.3	52.9	28.1	22.2	40.0	42.0	42.8
Parag Milk	Neutral	255	240	-6	3.6	7.4	12.3	70.8	34.3	3.3	3.0	5.9	9.1	13.4
Pidilite Ind.	Neutral	805	835	4	16.7	18.4	21.2	48.1	43.6	12.5	10.1	28.2	25.6	24.0
P&G Hygiene	Buy	8,063	9,082	13	144.9	155.8	181.6	55.6	51.7	46.0	36.7	45.3	78.9	74.0
Prabhat Dairy	Not Rated	137	-		3.5	3.5	6.4	38.9	39.5	1.9	1.9	5.2	4.9	8.5
United Brew	Neutral	816	850	4	8.7	9.7	14.7	93.9	84.1	9.4	8.6	10.4	10.7	14.6
United Spirits	Neutral	2,572	2,525	-2	26.7	34.5	51.5	96.2	74.5	19.3	13.4	21.3	18.0	20.3
Aggregate								46.8	42.0	12.9	11.9	27.6	28.4	29.4
Healthcare														
Alembic Phar	Neutral	543	510	-6	21.6	20.5	25.5	25.1	26.5	5.4	4.7	23.0	19.0	20.4
Alkem Lab	Neutral	1,845	1,900	3	75.7	79.7	95.0	24.4	23.2	5.2	4.4	23.4	20.7	21.0
Ajanta Pharma	Buy	1,435	2,028	41	58.4	66.1	79.6	24.6	21.7	8.1	6.2	37.7	32.2	29.9
Aurobindo	Buy	748	850	14	39.3	45.7	50.0	19.0	16.4	4.8	3.7	28.3	25.5	22.3
Biocon	Sell	404	300	-26	10.2	10.4	14.4	39.6	38.9	5.4	4.9	13.6	12.6	15.6
Cadila	Buy	548	510	-7	14.2	17.8	23.2	38.6	30.8	8.8	7.2	24.8	25.7	27.2
Cipla	Neutral	575	500	-13	15.9	20.0	25.0	36.2	28.8	3.7	3.3	10.2	11.5	12.8
Divis Lab	Neutral	679	680	0	39.7	33.6	40.0	17.1	20.2	3.8	3.5	23.5	18.1	19.4
Dr Reddy's	Neutral	2,711	2,600	-4	72.6	106.2	143.0	37.3	25.5	3.7	3.0	9.6	13.2	14.9
Fortis Health	Buy	166	240	44	10.3	2.1	6.1	16.1	78.7	1.7	1.5	11.3	2.0	5.3
Glenmark	Neutral	707	800	13	39.3	42.9	51.7	18.0	16.5	4.4	3.6	24.7	21.6	20.9
Granules	Buy	140	200	42	7.2	8.2	11.5	19.4	17.2	3.6	2.5	21.1	17.7	18.8
GSK Pharma	Neutral	2,479	2,500	1	34.4	46.8	54.9	72.1	53.0	10.5	12.2	14.5	23.0	30.9
IPCA Labs	Neutral	493	480	-3	16.1	21.3	28.5	30.6	23.1	2.5	2.3	8.6	10.5	12.7
Jubilant Life	Buy	739	905	22	37.0	47.1	56.7	20.0	15.7	3.3	2.8	18.1	19.5	19.6
Lupin	Buy	1,124	1,475	31	59.2	57.9	72.0	19.0	19.4	3.8	3.3	22.0	18.2	19.4
Sanofi India	Buy	4,294	4,820	12	129.1	133.6	160.6	33.3	32.1	5.7	5.3	17.1	16.6	18.1
Sun Pharma	Buy	578	650	12	26.1	25.2	30.8	22.1	22.9	3.8	3.6	18.5	16.1	17.9
Syngene Intl	Not Rated	485	-		13.0	16.1	18.0	37.3	30.1	7.5	6.2	22.2	22.5	20.7
Torrent Pharma	Buy	1,273	1,450	14	55.2	56.8	71.4	23.1	22.4	5.4	4.7	25.3	22.4	24.2
Aggregate								25.0	23.5	4.4	3.8	17.4	16.3	17.4
Logistics														
Allcargo Logistics	Buy	172	228	33	9.8	12.2	14.3	17.5	14.1	2.6	2.3	12.6	17.2	17.8
Blue Dart	Not Rated	4,386	-		102.5	129.9	163.2	42.8	33.8	19.0	14.5	50.5	48.6	46.8
Concor	Neutral	1,173	1,236	5	38.0	39.2	45.8	30.9	29.9	3.2	3.1	10.8	10.6	11.8
Gateway Distriparks	Buy	272	313	15	6.8	10.7	13.6	40.0	25.4	2.4	2.3	5.9	9.1	11.1
Gati	Not Rated	124	-		8.4	15.9	23.9	14.8	7.8	2.0	1.8	12.4	19.4	25.4
Transport Corp.	Not Rated	318	-		16.9	21.0	25.9	18.8	15.1	2.9	2.5	16.7	17.8	18.6
Aggregate								29.3	24.9	3.6	3.3	12.2	13.4	15.0
Media														
Dish TV	Buy	79	105	32	1.0	1.4	4.0	80.5	55.9	17.3	13.2	24.1	26.8	327.5
D B Corp	Buy	377	450	19	20.4	23.7	27.6	18.5	15.9	4.3	3.9	25.5	25.8	26.6
Den Net.	Neutral	82	90	10	-8.6	-2.7	0.3	NM	NM	1.5	1.7	-12.0	-5.3	0.7
Ent.Network	Neutral	919	928	1	11.4	13.8	21.2	80.4	66.6	5.1	4.8	6.7	7.4	10.5
Hind. Media	Buy	281	350	25	25.9	28.3	33.6	10.8	9.9	1.9	1.6	19.0	17.3	17.3
HT Media	Neutral	87	90	4	7.4	7.9	8.1	11.7	10.9	0.8	0.7	7.1	6.9	6.4
Jagran Prak.	Buy	175	225	29	10.8	12.3	14.0	16.3	14.2	2.4	2.3	17.6	16.4	17.2
Music Broadcast	Buy	363	469	29	6.4	10.0	14.3	56.5	36.2	3.8	3.4	11.2	9.9	12.6
PVR	Buy	1,353	1,588	17	20.5	28.9	45.1	65.9	46.8	6.6	5.8	10.4	13.2	17.7
Siti Net.	Neutral	26	32	24	-1.8	-0.1	0.5	NM	NM	3.6	3.7	-23.5	-2.0	6.9
Sun TV	Neutral	805	860	7	24.9	28.5	35.9	32.4	28.2	8.1	7.4	25.0	26.3	30.2
Zee Ent.	Buy	529	630	19	23.1	14.7	18.9	22.9	35.9	8.7	7.5	24.7	22.6	24.5

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Aggregate								40.8	31.1	5.8	5.3	14.2	17.0	22.1
Metals														
Hindalco	Buy	221	308	39	16.2	21.8	26.1	13.7	10.1	1.7	1.4	14.0	15.2	15.4
Hind. Zinc	Sell	285	246	-14	19.7	22.6	26.9	14.5	12.6	3.9	4.2	24.4	32.0	35.1
JSPL	Buy	152	190	25	-20.9	-17.2	2.4	NM	NM	0.5	0.5	-7.9	-5.4	0.8
JSW Steel	Buy	219	281	28	14.8	19.0	22.6	14.8	11.6	2.3	2.0	17.3	18.7	19.0
Nalco	Neutral	71	70	-1	3.7	3.8	4.2	19.2	18.8	1.3	1.3	7.2	7.0	7.5
NMDC	Buy	124	180	45	10.0	12.1	12.2	12.4	10.2	1.7	1.6	12.4	15.0	15.5
SAIL	Sell	64	37	-42	-6.2	-10.6	-4.2	NM	NM	0.7	0.8	-6.7	-12.6	-5.5
Vedanta	Buy	281	316	13	15.1	24.8	33.1	18.6	11.3	1.7	1.6	9.7	14.8	18.4
Tata Steel	Neutral	565	583	3	37.9	49.6	65.6	14.9	11.4	1.7	1.6	15.7	14.3	16.8
Aggregate								19.3	14.8	1.6	1.5	8.2	10.4	13.3
Oil & Gas														
BPCL	Neutral	471	511	9	48.3	36.7	43.5	9.8	12.9	3.0	2.6	32.4	21.7	22.3
GAIL	Sell	376	340	-10	22.6	26.3	29.8	16.6	14.3	1.7	1.6	9.6	11.3	11.8
Gujarat Gas	Sell	765	697	-9	20.4	33.7	46.5	37.4	22.7	6.4	5.2	17.8	25.3	28.0
Gujarat St. Pet.	Neutral	185	168	-9	8.8	11.0	13.1	21.0	16.7	2.3	2.1	11.6	13.1	14.0
HPCL	Buy	370	420	13	40.7	29.5	32.6	9.1	12.5	2.8	2.4	32.4	20.6	20.0
IOC	Neutral	374	459	23	43.0	36.0	40.0	8.7	10.4	1.7	1.6	21.2	15.8	15.8
IGL	Neutral	1,136	1,070	-6	42.5	46.8	51.9	26.7	24.3	5.4	4.6	21.0	20.6	19.6
MRPL	Sell	121	113	-7	14.8	9.4	11.7	8.2	12.8	2.1	1.9	31.4	15.5	17.0
Oil India	Buy	282	305	8	19.3	27.9	30.1	14.6	10.1	0.8	0.7	5.7	7.5	7.8
ONGC	Buy	164	195	19	16.4	17.4	19.7	10.0	9.4	1.0	0.9	10.1	9.9	10.8
PLNG	Buy	208	259	25	11.4	8.6	17.6	18.3	24.2	3.8	3.5	23.2	15.1	26.4
Reliance Ind.	Neutral	1,622	1,499	-8	96.7	115.5	128.1	16.8	14.0	1.7	1.5	11.6	12.3	12.3
Aggregate								12.3	12.4	1.6	1.5	13.3	12.1	12.6
Retail														
Jubilant Food	Sell	1,282	850	-34	10.0	14.8	20.7	128.1	86.6	10.5	9.6	8.2	11.1	14.0
Titan Co.	Neutral	537	545	1	9.0	10.3	12.1	59.5	52.3	11.3	10.3	20.6	20.6	21.6
Aggregate								64.7	55.6	11.1	10.2	17.2	18.4	19.2
Technology														
Cyient	Buy	535	600	12	30.6	35.4	41.9	17.5	15.1	2.8	2.5	16.2	16.6	17.3
HCL Tech.	Buy	891	960	8	59.8	61.4	66.7	14.9	14.5	3.7	3.7	27.5	25.2	25.8
Hexaware	Neutral	256	235	-8	13.7	15.4	16.7	18.7	16.7	4.6	4.0	26.5	25.3	23.5
Infosys	Buy	994	1,200	21	62.9	63.7	69.5	15.8	15.6	3.3	3.0	22.0	20.0	19.8
KPIT Tech	Neutral	128	140	10	11.9	10.6	13.1	10.7	12.1	1.6	1.5	14.3	13.0	14.2
L&T Infotech	Buy	772	880	14	55.5	60.2	68.0	13.9	12.8	4.8	3.8	40.4	33.0	29.4
Mindtree	Sell	481	450	-6	24.9	28.7	32.9	19.3	16.7	3.1	3.1	16.8	17.3	20.1
Mphasis	Neutral	595	600	1	38.9	42.3	46.2	15.3	14.0	2.0	2.3	13.2	14.2	16.1
NIIT Tech	Neutral	522	540	3	38.0	42.3	48.7	13.7	12.4	1.8	1.7	13.7	14.4	15.4
Persistent Sys	Buy	640	750	17	37.7	43.3	52.0	17.0	14.8	2.6	2.5	17.0	17.9	20.7
Tata Elxsi	Buy	1,679	1,607	-4	56.3	68.0	80.4	29.8	24.7	9.4	7.5	37.1	33.7	32.3
TCS	Neutral	2,555	2,350	-8	133.4	133.6	147.7	19.1	19.1	5.7	6.1	32.6	31.1	33.5
Tech Mah	Buy	389	465	20	30.9	31.0	36.2	12.6	12.6	2.1	1.9	18.4	16.0	16.9
Wipro	Neutral	290	270	-7	16.9	18.1	19.1	17.1	16.0	2.7	2.7	16.9	16.1	16.1
Zensar Tech	Buy	811	950	17	52.1	51.9	70.0	15.6	15.6	2.5	2.2	17.2	15.0	17.9
Aggregate								17.2	17.2	3.9	3.9	22.9	22.9	22.3
Telecom														
Bharti Airtel	Buy	426	435	2	11.1	4.0	6.5	38.4	106.1	2.5	2.5	6.7	2.4	3.7
Bharti Infratel	Buy	414	480	16	14.9	17.9	20.4	27.9	23.1	4.9	4.3	16.2	19.8	19.4
Idea Cellular	Buy	95	110	16	-1.1	-9.7	-11.2	NM	NM	1.4	1.6	-1.6	-15.3	-20.8
Tata Comm	Buy	680	775	14	27.2	8.7	26.1	25.0	78.0	12.2	10.5	132.2	14.5	33.6
Aggregate								40.2	182.7	2.8	2.8	6.9	1.5	2.8
Utilities														
Coal India	Buy	260	315	21	14.9	17.6	18.6	17.4	14.8	6.6	6.6	37.8	44.5	47.0

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
CESC	Buy	897	1,140	27	51.9	78.6	86.0	17.3	11.4	1.7	1.5	10.5	14.4	13.9
JSW Energy	Buy	68	85	25	3.9	3.2	3.1	17.6	21.6	1.1	1.1	6.3	4.9	4.8
NTPC	Buy	166	198	19	13.0	13.4	16.2	12.8	12.4	1.4	1.3	11.5	10.9	12.3
Power Grid	Buy	217	242	12	14.2	17.6	20.6	15.2	12.3	2.3	2.0	16.2	17.5	17.8
Tata Power	Sell	82	68	-17	5.2	6.4	6.7	15.9	12.9	1.9	1.7	11.2	13.9	12.1
Aggregate								15.0	13.2	2.3	2.1	15.2	16.1	16.8
Others														
Arvind	Neutral	370	359	-3	12.4	12.5	18.1	29.9	29.6	2.7	2.5	10.3	8.8	11.8
Avenue Supermarts	Neutral	911	882	-3	7.7	12.7	17.6	118.7	71.6	14.8	12.9	17.9	19.3	23.0
Bata India	Under Review	584	-		13.5	15.7	19.4	43.2	37.2	5.7	5.1	13.9	14.4	15.8
Castrol India	Buy	408	527	29	13.6	14.4	15.0	29.9	28.2	33.9	30.3	115.2	113.3	106.1
Century Ply.	Neutral	299	323	8	8.7	9.8	12.9	34.4	30.4	9.3	7.7	31.1	27.7	29.6
Coromandel Intl	Under Review	443	-		16.6	21.8	26.1	26.6	20.3	4.5	3.9	17.5	20.6	21.6
Delta Corp	Buy	170	215	26	3.1	5.7	7.2	55.7	29.9	4.3	2.9	8.1	12.1	11.5
Dynatomic Tech	Buy	2,382	3,334	40	67.6	112.9	166.7	35.2	21.1	4.9	4.0	15.1	20.7	24.3
Eveready Inds.	Buy	323	368	14	12.9	14.4	17.5	25.1	22.4	8.1	6.5	37.7	32.3	31.6
Interglobe	Neutral	1,233	1,283	4	46.0	57.9	91.6	26.8	21.3	22.0	19.8	86.2	98.0	136.2
Indo Count	Buy	155	200	29	13.0	13.2	15.4	11.9	11.8	3.6	2.7	34.8	26.4	23.5
Info Edge	Buy	984	1,130	15	15.7	21.8	24.7	62.8	45.2	6.0	5.5	10.2	12.7	13.1
Inox Leisure	Sell	264	240	-9	3.3	8.0	12.0	79.3	32.9	4.6	4.1	5.9	12.5	16.2
Jain Irrigation	Under Review	108	-		5.5	7.6	10.0	19.4	14.2	1.7	1.6	8.6	11.7	14.8
Just Dial	Neutral	370	465	26	17.5	18.5	21.1	21.2	20.0	2.8	2.5	14.8	13.4	13.7
Kaveri Seed	Buy	662	755	14	19.1	31.3	37.7	34.7	21.1	4.5	4.8	13.6	21.6	26.0
Kitex Garm.	Buy	291	394	35	18.6	22.1	26.2	15.7	13.1	4.2	3.4	29.8	28.6	27.6
Manpasand	Buy	794	927	17	12.7	20.3	30.9	62.5	39.2	3.9	3.7	7.3	8.5	13.5
MCX	Buy	1,142	1,300	14	24.8	28.0	42.2	46.0	40.8	4.3	4.1	10.2	10.2	14.5
Monsanto	Buy	2,760	3,295	19	86.2	105.1	126.7	32.0	26.3	9.0	8.1	31.6	32.5	34.5
Navneet Education	Buy	169	226	34	7.8	9.4	11.3	21.8	17.9	5.4	4.6	26.8	27.8	28.2
PI Inds.	Buy	777	952	23	33.4	33.4	38.1	23.3	23.2	6.6	5.4	32.8	25.4	23.8
Piramal Enterp.	Buy	2,901	3,044	5	72.6	104.1	144.6	40.0	27.9	3.8	3.5	9.8	13.0	16.4
SRF	Buy	1,562	1,816	16	85.9	86.3	109.2	18.2	18.1	2.9	2.6	16.6	14.7	16.7
S H Kelkar	Buy	276	287	4	7.2	8.6	10.3	38.0	32.1	4.9	4.4	13.7	14.5	15.6
Symphony	Sell	1,448	1,288	-11	23.7	35.1	42.9	61.2	41.2	22.7	20.0	43.3	51.6	54.5
TTK Prestige	Neutral	6,384	5,281	-17	132.1	137.8	176.1	48.3	46.3	8.7	7.9	19.5	18.0	20.7
V-Guard	Neutral	189	167	-12	3.6	4.5	6.0	53.0	42.3	12.6	10.3	27.4	26.9	28.8
Wonderla	Buy	353	393	11	7.0	11.9	16.0	50.5	29.6	4.6	4.1	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	0.1	0.9	-4.9
Ashok Ley.	1.2	15.1	12.3
Bajaj Auto	-0.2	0.5	6.3
Bharat Forge	1.6	2.6	54.5
Bosch	0.2	1.7	0.7
CEAT	-0.2	3.8	116.4
Eicher Mot.	2.1	6.6	43.9
Endurance Tech.	0.0	4.0	
Escorts	0.7	-3.9	160.7
Exide Ind	0.1	0.2	22.5
Hero Moto	0.3	1.6	15.8
M&M	1.7	2.7	-2.6
Mahindra CIE	0.2	9.3	41.6
Maruti Suzuki	0.8	4.7	69.0
Tata Motors	0.1	3.1	-9.2
TVS Motor	0.1	6.4	95.9
Banks - Private			
Axis Bank	-2.9	4.8	-4.5
DCB Bank	0.3	-0.9	99.1
Equitas Hold.	0.3	10.4	-13.1
Federal Bank	-3.6	-0.1	78.4
HDFC Bank	0.6	4.2	41.3
ICICI Bank	2.1	6.4	30.2
IDFC Bank	-0.2	6.0	14.5
IndusInd	2.4	6.0	37.0
J&K Bank	-2.8	-4.1	28.2
Kotak Mah. Bk	-0.1	0.1	31.6
RBL Bank	-0.4	4.4	
South Indian	3.2	8.5	58.0
Yes Bank	6.1	19.2	42.7
Banks - PSU			
BOB	-1.0	1.6	5.8
BOI	-2.1	19.8	45.2
Canara	0.0	5.2	42.5
IDBI Bk	0.8	10.7	-15.4
Indian Bk	-2.0	8.9	107.0
OBC	-3.3	5.6	31.5
PNB	-2.5	10.4	22.7
SBI	-0.2	2.4	30.6
Union Bk	-1.0	8.8	23.0
NBFCs			
Bajaj Fin.	3.9	20.3	71.1
Bharat Fin.	-0.4	11.2	-10.2
Cholaman.Inv.&Fn	-0.8	7.7	10.0
Dewan Hsg.	-0.5	4.5	107.0
GRUH Fin.	-0.8	5.1	58.8
HDFC	0.1	-1.1	19.4
Indiabulls Hsg	-1.0	7.4	55.3
L&T Fin.Holdings	3.7	14.8	105.5
LIC Hsg Fin	0.7	-2.1	43.7
Manappuram	-1.2	12.5	37.8
M&M Fin.	-0.8	19.7	26.0
Muthoot Fin	2.3	7.0	66.2
PFC	-1.6	0.5	13.5
Repc Home	-0.4	-7.3	-5.8
REC	-1.1	-0.1	64.8
STF	-1.4	1.8	-18.9
Shriram City Union	-1.1	-5.8	20.8

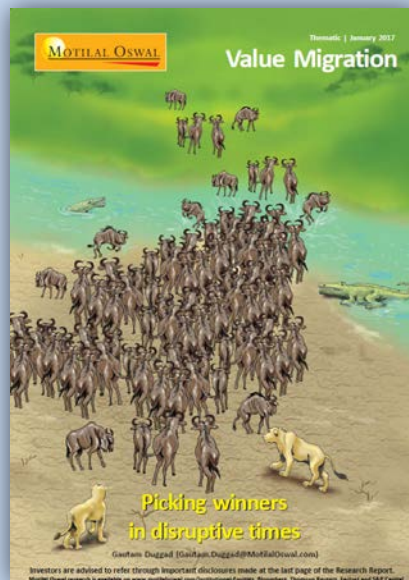
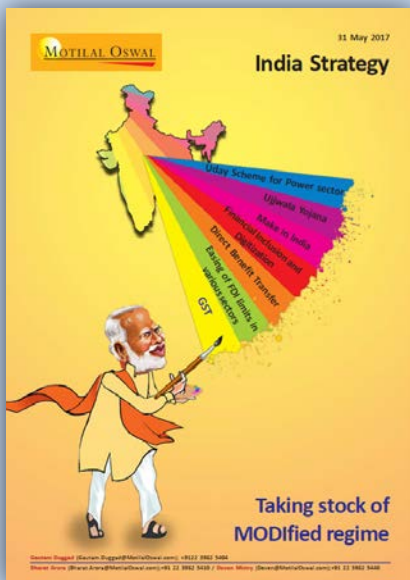
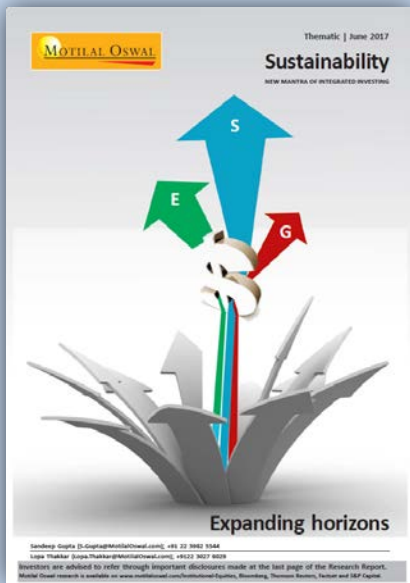
Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	0.9	0.3	12.1
Bharat Elec.	1.9	6.6	43.1
BHEL	-1.0	6.8	-2.2
Blue Star	-1.1	13.2	46.8
CG Cons. Elec.	0.5	-6.3	33.1
CG Power & Inds Sol.	-0.1	4.3	16.8
Cummins	-0.6	10.3	12.1
GE T&D	19.9	14.8	9.9
Havells	0.7	-0.6	24.3
K E C Intl	2.4	23.4	113.8
L&T	0.7	2.7	11.2
Pennar Eng.	0.5	-10.4	-35.3
Siemens	1.4	4.2	4.3
Solar Ind	0.1	10.2	33.1
Suzlon Energy	0.8	4.1	8.8
Thermax	-0.4	-3.3	1.6
Va Tech Wab.	2.0	-15.0	2.9
Voltas	-1.2	9.6	45.4
Cement			
Ambuja Cem.	-1.0	9.0	-1.9
ACC	-0.9	4.5	2.3
Birla Corp.	-1.6	6.9	74.5
Dalmia Bharat	0.5	5.2	87.4
Grasim Inds.	-0.6	9.3	31.8
India Cem	0.8	5.3	84.6
JK Cements	1.6	2.3	41.3
JK Lakshmi Ce	-1.9	-6.2	9.0
Ramco Cem	0.2	-1.9	20.2
Orient Cem	-0.2	11.7	-4.5
Prism Cem	1.9	3.5	16.3
Shree Cem	-0.7	3.1	9.2
Ultratech	-0.7	1.9	12.3
Consumer			
Asian Paints	-1.6	-1.8	6.9
Britannia	-0.1	5.6	36.9
Colgate	-0.3	-3.7	10.1
Dabur	-0.3	6.0	0.9
Emami	0.7	1.8	-1.6
Godrej Cons.	2.8	7.2	28.9
GSK Cons.	0.3	2.3	-12.3
HUL	1.3	6.2	29.0
ITC	0.7	-5.6	16.6
Jyothy Lab	-0.9	2.7	29.9
Marico	-1.6	4.8	13.9
Nestle	-0.4	2.6	-5.0
Page Inds	0.4	2.8	26.0
Parag Milk	-0.2	20.3	-20.9
Pidilite Ind.	-2.7	-2.8	10.8
P&G Hygiene	-0.7	0.1	26.4
Prabhat Dairy	0.8	4.1	44.2
United Brew	0.7	4.6	4.4
United Spirits	-0.9	14.5	4.5
Healthcare			
Alembic Phar	0.2	6.8	-8.6
Alkem Lab	1.3	1.1	21.2
Ajanta Pharma	-1.1	-5.1	-15.6
Aurobindo	-0.4	11.4	-4.7
Biocon	-0.1	22.4	50.3
Cadila	0.6	4.3	46.0



Company	1 Day (%)	1M (%)	12M (%)
Cipla	1.8	6.3	9.9
Divis Lab	0.5	6.3	-42.7
Dr Reddy's	0.8	2.6	-18.4
Fortis Health	-1.5	-3.6	-3.2
Glenmark	0.7	12.6	-16.2
Granules	0.1	3.6	0.2
GSK Pharma	-1.3	0.6	-26.8
IPCA Labs	2.6	4.0	1.9
Jubilant Life	0.4	9.9	125.5
Lupin	0.4	6.0	-33.9
Sanofi India	0.8	3.4	-6.3
Sun Pharma	2.1	6.3	-27.7
Syngene Intl	3.0	5.7	16.0
Torrent Pharma	0.6	8.1	-12.9
Logistics			
Allcargo Logistics	-1.3	-0.9	-9.8
Blue Dart	-0.1	3.6	-25.8
Concor	0.0	0.7	1.4
Gateway Distriparks	2.0	5.6	2.0
Gati	-0.4	-3.8	-28.1
Transport Corp.	-0.8	8.0	50.1
Media			
Dish TV	0.0	7.5	-19.5
D B Corp	2.5	-1.3	-6.5
Den Net.	3.4	1.1	-6.7
Ent.Network	-0.8	-0.2	30.9
Hind. Media	-2.4	2.5	2.5
HT Media	-2.0	4.2	8.7
Jagran Prak.	1.1	-2.8	-2.2
Music Broadcast	-1.0	1.9	
PVR	-2.2	-10.4	24.2
Siti Net.	0.6	-10.7	-30.9
Sun TV	-1.2	-0.6	87.6
Zee Ent.	-1.8	4.0	11.5
Metals			
Hindalco	0.7	17.2	67.9
Hind. Zinc	0.9	13.4	40.5
JSPL	8.4	27.9	88.6
JSW Steel	1.9	12.0	32.1
Nalco	-0.2	14.5	50.3
NMDC	2.1	15.4	24.1
SAIL	0.6	11.3	31.5
Vedanta	2.3	18.6	65.5
Tata Steel	2.2	11.4	53.8
Oil & Gas			
BPCL	1.0	12.1	20.2
GAIL	0.7	6.1	30.0
Gujarat Gas	0.2	0.7	39.0
Gujarat St. Pet.	1.3	16.3	42.5
HPCL	-0.8	9.2	37.7
IOC	-0.1	-2.5	40.3
IGL	0.8	6.3	83.3
MRPL	-1.3	2.8	40.4
Oil India	0.9	2.4	0.8
ONGC	0.2	3.8	9.8
PLNG	0.8	-5.2	40.2
Reliance Ind.	1.2	13.0	58.5
Retail			
Jubilant Food	-1.0	39.2	7.3
Titan Co.	0.2	4.9	29.9

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	0.0	4.1	10.5
HCL Tech.	-0.3	4.8	19.7
Hexaware	3.7	3.8	13.6
Infosys	0.0	5.3	-8.7
KPIT Tech	3.2	6.6	-4.3
L&T Infotech	0.1	-4.3	11.4
Mindtree	-0.1	-9.6	-15.0
Mphasis	3.1	0.4	11.1
NIIT Tech	-1.1	-7.0	11.8
Persistent Sys	-0.8	-3.1	-7.1
Tata Elxsi	1.0	4.5	1.3
TCS	-0.6	8.2	0.3
Tech Mah	-0.6	2.2	-22.5
Wipro	0.0	12.9	6.0
Zensar Tech	0.6	-6.4	-19.9
Telecom			
Bharti Airtel	-0.3	16.5	15.3
Bharti Infratel	-0.6	11.2	14.2
Idea Cellular	-3.2	19.3	-12.1
Tata Comm	1.2	-6.0	48.0
Utilities			
Coal India	0.6	6.0	-20.8
CESC	0.2	3.2	46.7
JSW Energy	2.3	7.5	-14.5
NTPC	1.2	5.1	5.0
Power Grid	0.2	5.6	26.5
Tata Power	-0.5	1.2	15.2
Others			
Arvind	0.7	0.3	21.5
Avenue Super.	-1.6	13.9	
Bata India	0.0	12.1	2.4
Castrol India	-1.1	0.0	-0.8
Century Ply.	4.1	-0.4	28.1
Coromandel Intl	-0.8	4.1	91.2
Delta Corp	0.8	11.9	88.0
Dynamatic Tech	-0.7	-0.1	-7.2
Eveready Inds.	-1.3	-7.8	22.1
Interglobe	-1.0	-0.7	30.9
Indo Count	1.1	-11.6	-10.5
Info Edge	-1.0	-0.4	18.9
Inox Leisure	-0.8	-3.2	8.1
Jain Irrigation	-1.1	2.2	54.0
Just Dial	-3.2	-5.5	-30.7
Kaveri Seed	1.2	4.4	76.9
Kitex Garm.	7.1	3.6	-16.8
Manpasand	1.2	1.9	16.4
MCX	-1.2	5.6	11.0
Monsanto	1.4	3.3	15.0
Navneet Educat.	1.0	-5.0	76.8
PI Inds.	3.0	-4.0	6.8
Piramal Enterp.	-0.4	2.8	82.9
SRF	2.9	-1.8	12.4
S H Kelkar	-0.4	1.8	14.1
Symphony	-1.4	8.9	17.4
TTK Prestige	-0.1	-4.6	36.3
V-Guard	4.6	5.5	70.8
Wonderla	-0.9	-5.2	-13.6

THEMATIC/STRATEGY RESEARCH GALLERY



DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL 27 March 2017

Annual Report 2016-17

JC LAKSHMI CEMENT

Strong performance in FY17

After a record quarter in FY16, the cement company performed well with a revenue doubling to INR 1,07,000 crore on the back of an 8% fall in realisation for JCLC's cement, but volume growth of 23% in a year. After a record year in FY16, the cement company's performance in FY17 was also strong, with revenue doubling to INR 1,07,000 crore on the back of an 8% fall in realisation for JCLC's cement, but volume growth of 23% in a year. After a record year in FY16, the cement company's performance in FY17 was also strong, with revenue doubling to INR 1,07,000 crore on the back of an 8% fall in realisation for JCLC's cement, but volume growth of 23% in a year.

Key highlights:

- Operating performance remains strong (FY17: INR 1,07,000 crore vs FY16: INR 53,500 crore), as healthy 23% volume growth (FY17: 23% vs FY16: 23%) and a 8% fall in realisation for JCLC's cement (FY17: 8% vs FY16: 8%) led to a 23% increase in revenue.
- High volume and expansion, and strong profitability: The company continued to increase its production capacity to 1.15 billion tonnes per annum (TPA) and expansion stage to INR 1,07,000 crore in FY17, as compared to INR 53,500 crore in FY16. The company's production capacity is now 1.15 billion tonnes per annum (TPA) and expansion stage to INR 1,07,000 crore in FY17, as compared to INR 53,500 crore in FY16.
- High volume and expansion, and strong profitability: The company continued to increase its production capacity to 1.15 billion tonnes per annum (TPA) and expansion stage to INR 1,07,000 crore in FY17, as compared to INR 53,500 crore in FY16.

Key Metrics:

Revenue	INR 1,07,000
Operating Profit	INR 10,700
Net Profit	INR 10,700
EPS	INR 107
Dividend	INR 107

Key Metrics (FY17 vs FY16):

Revenue	INR 1,07,000	INR 53,500
Operating Profit	INR 10,700	INR 5,350
Net Profit	INR 10,700	INR 5,350
EPS	INR 107	INR 53.5
Dividend	INR 107	INR 53.5

Key Metrics (FY17 vs FY16):

Revenue	INR 1,07,000	INR 53,500
Operating Profit	INR 10,700	INR 5,350
Net Profit	INR 10,700	INR 5,350
EPS	INR 107	INR 53.5
Dividend	INR 107	INR 53.5

MOTILAL OSWAL 28 June 2017

CornerOffice

Interaction with the CEO

Profession built on rolling -

Available on all opportunities in the global post-optimization era.

Key highlights:

- Opportunity for JCLC cement sales from (1) increase in sales volume, (2) market access to new customers and (3) market access to new markets.
- The cement sales volume of JCLC cement has been growing at a steady pace of 23% per annum, with the most recent year being FY17. The cement sales volume of JCLC cement has been growing at a steady pace of 23% per annum, with the most recent year being FY17.
- High volume and expansion, and strong profitability: The company continued to increase its production capacity to 1.15 billion tonnes per annum (TPA) and expansion stage to INR 1,07,000 crore in FY17, as compared to INR 53,500 crore in FY16.

Key Metrics:

Revenue	INR 1,07,000
Operating Profit	INR 10,700
Net Profit	INR 10,700
EPS	INR 107
Dividend	INR 107

MOTILAL OSWAL 14 April 2017

VOICES

India Inc on Call

India Inc on Call is a quarterly podcast that features thought leaders, provides a clear view on all the post-optimization era, and offers a platform for the industry to share their views on the current market conditions, trends and outlook of the respective industries.

Key highlights:

- India Inc on Call is a quarterly podcast that features thought leaders, provides a clear view on all the post-optimization era, and offers a platform for the industry to share their views on the current market conditions, trends and outlook of the respective industries.
- India Inc on Call is a quarterly podcast that features thought leaders, provides a clear view on all the post-optimization era, and offers a platform for the industry to share their views on the current market conditions, trends and outlook of the respective industries.

Key Metrics:

Revenue	INR 1,07,000
Operating Profit	INR 10,700
Net Profit	INR 10,700
EPS	INR 107
Dividend	INR 107

MOTILAL OSWAL 17 March 2017

EcoKnowledge

Diving into Economic Debates

On the status of implementation of Pay Commission in FY18

Pay Commission (PC) implementation is a key issue for the government and the private sector. The government has been struggling to implement the PC in FY18, and the private sector is also facing challenges in this regard.

Key highlights:

- The government has been struggling to implement the PC in FY18, and the private sector is also facing challenges in this regard.
- The government has been struggling to implement the PC in FY18, and the private sector is also facing challenges in this regard.

Key Metrics:

Revenue	INR 1,07,000
Operating Profit	INR 10,700
Net Profit	INR 10,700
EPS	INR 107
Dividend	INR 107

MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of May edition:

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

Key Metrics:

Revenue	INR 1,07,000
Operating Profit	INR 10,700
Net Profit	INR 10,700
EPS	INR 107
Dividend	INR 107

MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Key highlights:

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

Key Metrics:

Revenue	INR 1,07,000
Operating Profit	INR 10,700
Net Profit	INR 10,700
EPS	INR 107
Dividend	INR 107

Disclosures:

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Securities Ltd. (MOSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Investment Advisory Services, Depository participant services & distribution of various financial products. MOSL is a subsidiary company of Motilal Oswal Financial Service Ltd. (MOFSL). MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Metropolitan Stock Exchange Of India Ltd. (MSE) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) & National Securities Depository Limited (NSDL) and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products. Details of associate entities of Motilal Oswal Securities Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

Pending Regulatory Enquiries against Motilal Oswal Securities Limited by SEBI:

SEBI pursuant to a complaint from Shri C.R. Mohanraj alleging unauthorized trading, issued a letter dated 29th April 2014 to MOSL notifying appointment of an Adjudicating Officer as per SEBI regulations to hold inquiry and adjudge violation of SEBI Regulations; MOSL requested SEBI to provide all documents, records, investigation report relied upon by SEBI which were referred in Show Cause Notice and also sought personal hearing. The matter is currently pending.

MOSL, its associates, Research Analyst or their relative may have any financial interest in the subject company. MOSL and/or its associates and/or Research Analyst may have beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report. MOSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report. Research Analyst may have served as director/officer, etc. in the subject company in the last 12 month period. MOSL and/or its associates may have received any compensation from the subject company in the past 12 months.

In the last 12 months period ending on the last day of the month immediately preceding the date of publication of this research report, MOSL or any of its associates may have:

- managed or co-managed public offering of securities from subject company of this research report,
- received compensation for investment banking or merchant banking or brokerage services from subject company of this research report,
- received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company of this research report.
- Subject Company may have been a client of MOSL or its associates during twelve months preceding the date of distribution of the research report.

MOSL and its associates have not received any compensation or other benefits from the subject company or third party in connection with the research report. To enhance transparency, MOSL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report. MOSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

Terms & Conditions:

This report has been prepared by MOSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOSL will not treat recipients as customers by virtue of their receiving this report.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Disclosure of Interest Statement

Companies where there is interest

- Analyst ownership of the stock

No

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOSL research activity and therefore it can have an independent view with regards to subject company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Securities Limited (MOSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered / qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

Motilal Oswal Capital Markets Singapore Pte Limited is acting as an exempt financial advisor under section 23(1)(f) of the Financial Advisers Act (FAA) read with regulation 17(1)(d) of the Financial Advisers Regulations and is a subsidiary of Motilal Oswal Securities Limited in India. This research is distributed in Singapore by Motilal Oswal Capital Markets Singapore Pte Limited and it is only directed in Singapore to accredited investors, as defined in the Financial Advisers Regulations and the Securities and Futures Act (Chapter 289), as amended from time to time. In respect of any matter arising from or in connection with the research you could contact the following representatives of Motilal Oswal Capital Markets Singapore Pte Limited:

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions - including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOSL or any of its affiliates or employees from, and all responsibility/liability arising from such misuse and agrees not to hold MOSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022-3980 4263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 3080 1000. Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-30801085.

Registration details of group entities.: MOSL: NSE (Cash): INB231041238; NSE (F&O): INF231041238; NSE (CD): INE231041238; BSE (Cash): INB011041257; BSE(F&O): INF011041257; BSE(CD); MSE(Cash): INB261041231; MSE(F&O): INF261041231; MSE(CD): INE261041231; CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412. AMFI: ARN 17397. Investment Adviser: INA000007100. Motilal Oswal Asset Management Company Ltd. (MOAMC): PMS (Registration No.: INP000000670) offers PMS and Mutual Funds products. Motilal Oswal Wealth Management Ltd. (MOWML): PMS (Registration No.: INP000004409) offers wealth management solutions. *Motilal Oswal Securities Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Bond, NCDs, Insurance and IPO products. * Motilal Oswal Commodities Broker Pvt. Ltd. offers Commodities Products. * Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd. offers Real Estate products. * Motilal Oswal Private Equity Investment Advisors Pvt. Ltd. offers Private Equity products