

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	31,596	0.1	18.7
Nifty-50	9,857	0.0	20.4
Nifty-M 100	17,964	0.6	25.2
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,443	0.2	9.1
Nasdaq	6,266	-0.1	16.4
FTSE 100	7,401	-0.1	3.6
DAX	12,168	-0.1	6.0
Hang Seng	11,288	2.1	20.2
Nikkei 225	19,453	0.5	1.8
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	52	-0.6	-7.0
Gold (\$/OZ)	1,287	-0.1	11.0
Cu (US\$/MT)	6,663	1.9	20.6
Almn (US\$/MT)	2,107	0.2	23.6
Currency	Close	Chg. %	YTD.%
USD/INR	64.0	-0.1	-5.6
USD/EUR	1.2	0.1	11.8
USD/JPY	109.4	-0.1	-6.6
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.5	0.0	0.0
10 Yrs AAA Corp	7.5	0.0	-0.1
Flows (USD b)	24-Aug	MTD	YTD
FII	-0.1	-2.1	6.7
DII	0.2	2.3	6.3
Volumes (INRb)	24-Aug	MTD*	YTD*
Cash	276	302	289
F&O	10,132	6,837	5,231

Note: YTD is calendar year, *Avg

Today's top research theme

Exchanges: The confluence of growth drivers

- ✓ The increasing share of savings into financial assets over physical assets offers long growth runway for capital market ecosystem, including Exchanges. Per-capita demat accounts in India stand at 0.03, ~19x lower than bank accounts. Only 40% of savings are in financial assets. Only 5% of financial savings are in equities in India, much lower than 15- 40% in regions such as China, Brazil, Western Europe and the US.
- ✓ The Regulator's push to drive greater proportion of savings into financial instruments, and evolve asset classes, (reforms around commodity derivatives exchanges are a popular example), should help bring maturity in segments other than equities.
- ✓ We believe MCX is well-placed to ride the reforms in commodity derivatives (Buy). BSE is an Option value on new segments, which may take time to scale (initiate with Neutral).

Research covered

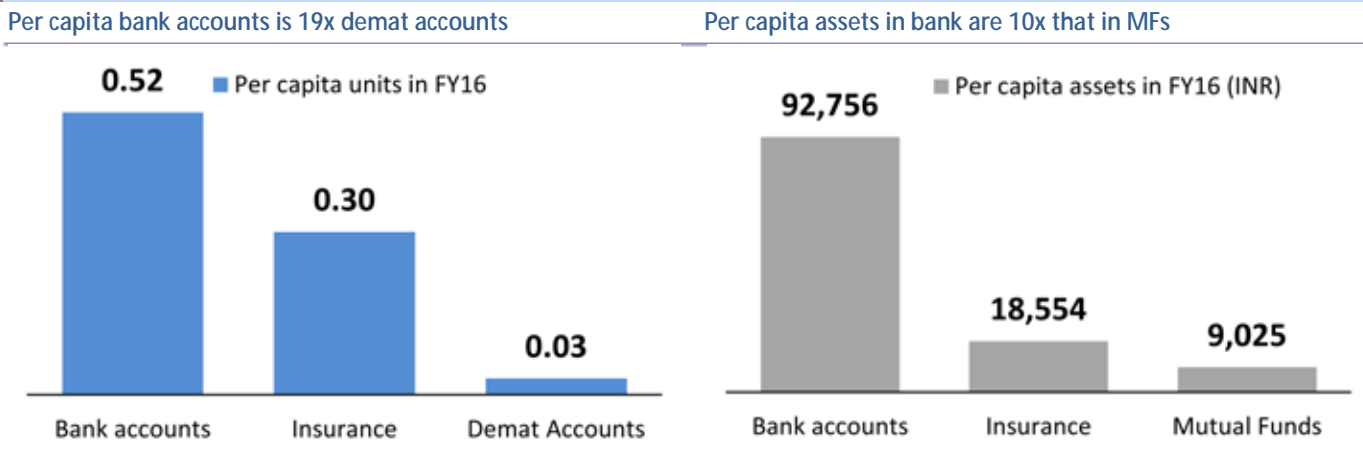
Cos/Sector	Key Highlights
Exchanges	Thematic The confluence of growth drivers
Infosys	Steadfast peace with the arrival of Mr. Nandan Nilekani
EcoScope	Impact of doubling of minimum wages on India's manufacturing sector
Nestle India	Silver linings appear among dark clouds; Upgrading from Sell to Neutral
Castrol India	EBITDA below estimate; lower volumes due to pre-GST destocking

Piping hot news

Vodafone flags concerns over further cut in MTC

- ✓ British telecom major Vodafone has sought a reduction in interest rate on deferred spectrum payment and also expressed concerns over risks associated with a possible cut in mobile termination charges (MTC).

Chart of the Day: Exchanges - The confluence of growth drivers



Research

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

DLF says stake sale to GIC will lead to Rs13,000 crore capital infusion by November

A stake sale by DLF Ltd's promoters to an affiliate of Singapore's sovereign wealth fund GIC Pte Ltd will see capital infusion of nearly Rs13,000 crore into India's largest property developer, DLF said in an analyst presentation on Sunday...

2

GDP growth likely to be at 6.5% in Q1

Higher government spending and robust farm sector growth are expected to boost economic growth in the first quarter of the current fiscal year to at least 6.5 per cent, if not higher. But the manufacturing sector may remain sluggish due to several factors, including the rollout of the Goods and Services Tax (GST). Official data on GDP growth for April to June 2017 is scheduled to be released on August 31...

3

India, China jointly propose removal of US, EU farm subsidies

China and India have jointly proposed the elimination of \$160 billion of trade-distorting farm subsidies in the US, European Union and other wealthy nations, a move that has come as a game changer in global farm trade negotiations at the World Trade Organization, say trade envoys familiar with the development...

4

IPOs worth Rs2,000 crore set for September

At least four companies plan to go public to collectively raise upwards of Rs2,000 crore in September, four people aware of the development said. The companies that have firmed up initial share sale plans for the next month include online matchmaking company Matrimony.com Ltd...

5

'Government ready to provide capital support for PSU banks' merger'

The finance ministry is open to providing capital support for facilitating consolidation among state-owned banks, which are reeling under mounting bad loans, official sources said. The Union cabinet has approved the setting up of an alternative mechanism, or a panel of ministers, to decide on consolidation proposals for state-run banks...

6

Health ministry objects to pharma policy proposals

The health ministry has objected to a proposal that will end its role in selecting drugs to be brought under price control and cede control of regulator Central Drugs Standard Control Organization (CDSCO) to the department of pharmaceuticals under the fertilizer and chemicals ministry...

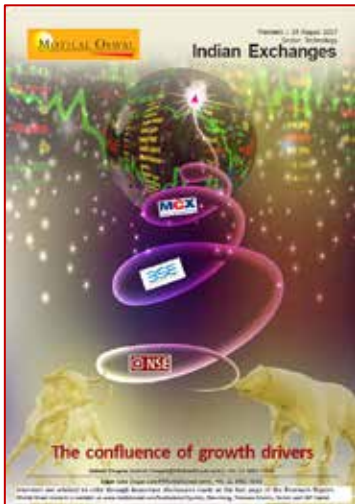
7

Public sector banks take recovery action against 5,954 wilful defaulters

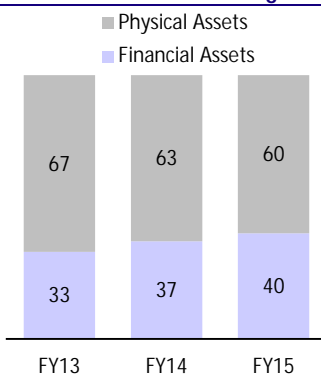
Public sector banks have taken loan recovery action under Sarfaesi law against 5,954 wilful defaulters owing about Rs70,000 crore to the lenders. At the end of 31 March 2017, 21 banks together have taken action against 5,954 wilful defaulter under Securitisation and Reconstruction of Financial Assets ...



Exchanges



Share of savings in financial assets has been increasing



Source: NSE DRHP, MOSL

Exchanges

The confluence of growth drivers



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The confluence of growth drivers

Trio of Economy, Reforms and Technology to fuel multi-year growth

- n The increasing share of savings into financial assets over physical assets offers long growth runway for capital market ecosystem including Exchanges
- n The Regulator's push to evolve asset classes, more evident in the case of commodity derivatives exchanges, should help bring maturity in segments other than equities.
- n We believe MCX is well-placed to ride the reforms in commodity derivatives (Buy). BSE is an Option value on new segments, which may take time to scale (initiate with Neutral).

Increasing Retail penetration has a long growth runway ahead...

- n Per-capita demat accounts in India stand at 0.03, ~19x lower than bank accounts. Only 40% of savings are in financial assets and 60% still in physical assets. Only 5% of financial savings are in equities in India, much lower than 15-40% in regions such as China, Brazil, Western Europe and the US.
- n India's trading measures, such as the market cap-to-GDP ratio and cash turnover velocity, are well below historical peaks, implying accelerated growth potential in economy up-cycle. Cash turnover velocity also suffers from low free float in the country v/s global peers, but free float has been gradually increasing, which is encouraging.

...Three structural drivers will fuel this long term growth

Indian exchanges industry is well positioned for sustained growth over the medium-to-long term, with the trajectory supported by the following fundamental pillars.

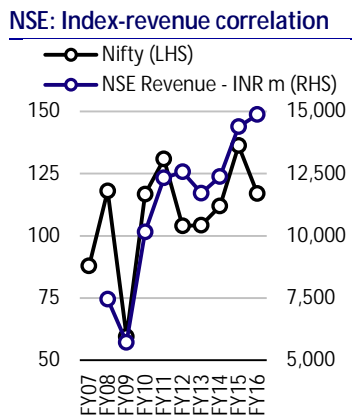
1. The **economy** steadily advancing towards a sustained healthy growth phase driven by multiple reforms, with the big-bang ones being the Goods and Services Tax (GST) that followed demonetization.
2. Regulators pushing **reforms** to: (i) drive greater proportion of savings into financial instruments (through schemes such as EPFO) and (ii) accelerate the evolution of segments other than equities, such as commodities, currency and corporate bond markets.
3. Use of **technology** to push new products and drive segments like ETFs and algorithmic trades.

Near-to-medium term is a play on overall market's upside momentum

Correlation of an exchange's revenue growth with the movement of its market index as observed in the case of NASDAQ, SGX and NSE suggest that revenue growth performance will likely be a proxy play on the underlying market performance. The operating leverage in the business model would imply that the consequent earnings will be even more strongly leveraged to the trend.

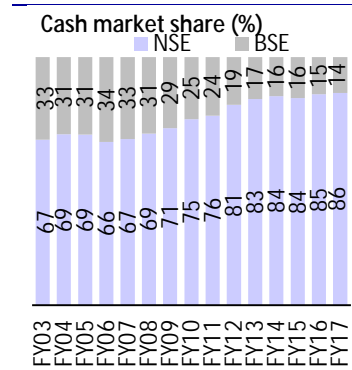
India – winner-takes-all market, with equities the only mature segment...

- n NSE, BSE and MCX dominate the Indian exchanges landscape, with the former two in equities (led by NSE and followed by BSE) and MCX in commodities derivatives (~85-90% market share).



Source: Bloomberg, MOSL

NSE has dominated the equity cash segment over the last decade



Source: MOSL

BSE	Neutral
MCX	Buy
NSE	Not Listed
CDSL	Not Rated

- Equities (both cash and derivatives) are the only mature product class for the Indian exchange industry. Currency and commodities are fast-evolving, while fixed income and interest rates are in the nascent stage.
- Exchanges derive revenues from four key sources: (i) transaction fees, (ii) membership fees, (iii) listing fees and (iv) market data fees. For the Indian exchanges, transaction fees dominate revenues at the NSE and MCX (75-85% of FY16 revenues), while listing services form a major component of annual income for the BSE (~70% of FY16 revenues).
- NSE ranks first globally in terms of number of index options contracts traded on the exchange. The BSE ranks first globally and the NSE eleventh in terms of number of listed companies on exchanges.

... Global norm of consolidation should protect the leaders' relevance

- Given the winner-takes-all nature of the industry globally, consolidation of exchanges in mature markets is a natural phenomenon. The examples of market share shift have been rare globally. One such example is of Deutsche Terminbörse (DTB) in the 90s, one of the world's first electronic exchanges that combatted the dominance of London Financial Futures Exchange in trading German government bond futures (The Bund).
- In India, the concept of universal exchanges – wherein all exchanges will be allowed to offer all asset classes – will bring in a period of heightened competition and likely lead to some consolidation in the Indian capital market. But creation of absolute monopolies may create regulatory hurdles.

MCX is set to ride the reforms wave, Initiate coverage on BSE with a Neutral

- MCX has retained its market leadership position with a share of 80-90% over FY09-16, even during the most turbulent months of FY13-14, when the parent's existence was in deep waters due to issues related to fraud around the National Spot Exchange (NSEL). With the Securities and Exchange Board of India's (SEBI) reforms underway, there is a strong potential for volumes to grow multifold with the introduction of new participants and new products. Our base case assumes a return to pre-commodities transaction tax (CTT) average daily turnover of ~INR400b by end-FY19. This compares with current ADT of INR200-220b. Our target is INR1,230, which discounts forward earnings by 30x. **Buy.**
- There appear remote, if any, chances of NSE ceding ground on the front of equity derivatives and cash segments. NSE also enjoys the early lead in other new product segments, suggesting it may be a clear beneficiary of the reforms in new segments. Its recent investigation of the colocation facilities adds an element of contingency in the foreseeable future.
- BSE is a distant second in equities, but off the block quickly in the new segments, making a case for its business model in the long run. It is the only exchange operating in GIFT city. We initiate our coverage with a **Neutral.**
- CDSL is a part of the duopoly driving another component of the trading ecosystem – Depositories. While the performance is linked to the market momentum as with the stock NSE and BSE, ~36% of annuity revenue obtained from corporates and little risk to the competitive landscape make a case for some valuation premium, along with better return ratios.

Infosys

BSE SENSEX 31,596 S&P CNX 9,857

CMP: INR913 TP: INR1,030(+13%) Buy



Stock Info

Bloomberg	INFO IN
Equity Shares (m)	2,285.6
52-Week Range (INR)	1081 / 884
1, 6, 12 Rel. Per (%)	-6/-18/-22
M.Cap. (INR b)	2,117
M.Cap. (USD b)	33.0
Avg Val, INRm	3831
Free float (%)	87.3

Financials Snapshot (INR b)

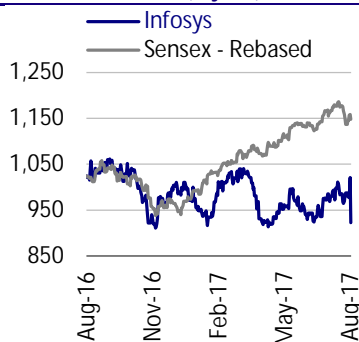
Y/E Mar	2017	2018E	2019E
Sales	684.9	706.5	781.8
EBITDA	186.1	184.6	203.4
PAT	143.8	142.2	153.6
EPS (INR)	62.9	62.2	67.2
EPS Gr. (%)	6.6	-1.1	8.0
RoE (%)	22.0	19.6	19.3
RoCE (%)	22.0	19.6	19.3
Payout (%)	40.9	48.2	50.6
P/E (x)	14.5	14.7	13.6
Div Yield (%)	2.8	3.3	3.7

Shareholding pattern (%)

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

FII Includes depository receipts

Stock Performance (1-year)



Steadfast peace with the arrival of Mr. Nandan Nilekani

Addresses risk of further downside; more to do for gradual valuation re-rating

- n INFO announced the appointment of Mr. Nandan Nilekani as non-executive non-independent Chairman of the Board.
- n It also accepted the resignation of Mr. R. Seshasayee, Professor Jeffrey Lehman and Professor John Etchemendy with immediate effect.
- n Dr. Sikka too stepped down as Executive Vice Chairman and as a Director.
- n With Nandan Nilekani as Chairman, Ravi Venkatesan stepped down as the Co-Chairman of the Board; he would however continue as an Independent Director.

What do the developments mean for Infosys, the stock?

Steadfast return of peace puts downside risks behind

- n At 14.6x FY18E and 13.6x FY9E earnings, only continued brawl in the open and prolonged Board and leadership uncertainty presented further downside risk. But INFOs steadfast actions around the near-dissolution of the Board and return of Mr. Nandan Nilekani – the consensus choice in the scenario – has taken care of that risk.
- n The fact that it took only a week for this to play out, is a positive, as INFO can now look forward to addressing business issues.

Response to a few tough questions will determine the extent of upside

Who could be INFO's new CEO?

INFO's founder team collectively distanced itself from any role in the company when Dr. Sikka came in, as it was deemed necessary to attract a high caliber leader. The scenario this time prima-facie appears to be the opposite. Mr. Nilekani is on the board, and new appointments to the Board may have no less founder influence. The overpowering thought for any prospect will be the extent of free hand he / she will enjoy in the business – when it comes to matters such as employee compensations, strategic acquisitions and valuations thereof, etc. Also, it remains to be seen whether the current think-tank believes that an internal candidate may be better suited for the role. INFO's long term attractiveness will undoubtedly hinge on the new leader.

Panaya investigation documents – what next here?

Developments on this issue will be interesting, given that it was the latest bone of contention between Mr. Murthy and the Board. Nandan's return has received Murthy's thumbs-up, but if retracting from this demand will be perceived as inconsistent pitch for governance, and continued demand could open up multiple possibilities. One such is that if the documents are made public, and there is clear instance of wrong-doing, it leads to follow-up course of actions detrimental to INFO in the near future. Is there a middle path here? This will attract media interest contrary to Nandan's wish of getting dull and boring soon.

Possible downward revision of earnings growth

First steps have been swift, but expecting similar execution around the constitution of the Board and appointment of new CEO may just be asking for too much. Plus, there are a lot of personnel brought on-board by the previous leadership, many of them based overseas, who will be compelled to reassess their stay within the company – such a shake-up is not unusual in reaction to the events of this nature. In the interim, the distractions that admittedly hurt INFO's performance in last couple of quarters have been at their peak in this one, and hence, the impact on business is natural. As a result, the run-up in the stock will be tested with the company's commentary around the outlook in the near term.

Expect recouping of some lost ground on valuations

- n Nandan that there are no second thoughts on the Buyback, that will compound to swift movement on the changes and drive some positive reaction on the stock, a relief rally after the sharp fall.
- n We had lowered our price target to INR1,030, by cutting the target multiple to 15x (from 17x), at some discount to TCS' 16x. That will unlikely be breached for now, with the sleuth of changes yet to take place, but offers upside from current 13.6x.
- n However, further re-rating needs to see a combination of: [1] The back of search process and focus on business growth, [2] At least comparable performance to those setting the industry pace.

Valuation view

- n **The strategy execution was on track so far:** INFO's strategy 'renew and new' – renewing the way of delivering existing services and also building new services of the future - resonates with the changing landscape of technology demand. Gradual progress on the strategy was helping INFO take steps towards regaining its bellwether status with industry-leading growth at strong profitability. A small metric of the same was INFO's latest disclosure around revenues from new areas. Since 1QFY15, nearly 50% of INFO USD2b incremental revenues have come from new services and software which did not exist before, and now constitute 8.3% of 1QFY18 revenues.
- n **Addressed various pain points under new management:** Over FY16-FY17, INFO's improving traction is demonstrated in multiple areas:
 1. Volume growth has picked up gradually from 9.3% in FY15 to 14.5% YoY in FY16.
 2. Attrition rate in high performance employees is down to 7.3% while overall attrition is well within manageable levels.
 3. Improvement in client mining—top-10 accounts, which were flattish till 1QFY15 have turned around impressively, till they hit a roadblock midway through FY17.
 4. Cost optimization levers have helped deliver on margins despite pricing pressure—IT Services utilization excluding trainees is up to 84% in 1QFY18, and this was merely 73% in FY13.
 5. Product revenue for FY17 grew by 16.5% YoY, the second consecutive year of strong growth (14.9% in FY15).
- n **Recovery delayed amid turbulent environment:** The company faced multiple challenges in FY17; execution issues in Consulting and the loss of the RBS contract being the major ones, resulting in a loss of revenue growth momentum. The weak exit rate has also resulted in a tepid guidance of 6.5-8.5%

CC growth in FY18. However, 1Q execution suggested that INFO remains on track to meet the same, despite this needing acceleration in required COGR of 2.2-2.9%, after having printed 1.4% CC COGR in FY17. Moreover, recent INR appreciation and investments laid towards augmenting onsite presence in the US will take a toll on margins despite efforts on cost optimization and automation.

- n At 14.6/13.6x FY18/FY19E earnings, INFO now is the least expensive stock among the top-4 Indian IT. With the Founder-Board feud quickly redressed with the appointment of Mr. Nandan Nilekani as non-executive non-independent Director and Chairman of Board, along with resignation of four Directors. This takes care of the risk from further downside following the resignation of Dr.Sikka as the CEO, as the company now looks forward to the appointment of a new leader alongwith Board's reconstitution.
- n Near-term attractiveness may be higher given the proposed buyback. However, beyond the event, the developments around new CEO, Panaya investigation and INFO's near term outlook will determine the extent of potential re-rating.
- n We had lowered our price target to INR1,030, by cutting the target multiple to 15x (from 17x), at some discount to TCS' 16x. That will unlikely be breached for now, with the sleuth of changes yet to take place, but offers upside from current 13.6x, driving our Buy rating.



Impact of doubling of minimum wages on India's manufacturing sector

Traditional labor-intensive industries to be worst hit

- n The 'Code on Wages, 2017' bill was tabled for discussion in the Indian Parliament during the recently concluded monsoon session. According to various media [articles](#), the government is considering doubling of national minimum wage to INR18,000/month per worker.
- n In this note, we argue that such revision would hurt the traditional labor-intensive industries significantly, along with their exportability. Also, higher minimum wages may [further exacerbate](#) the differential between cost of a unit of labor and a unit of capital, potentially curtailing labour employment growth and dampening the government's target to create 100m manufacturing jobs. Finally, it may lead to a 'reverse/adverse shift' of jobs from the formal to informal sector.
- n We estimate that average monthly wage is ~INR14,000/worker in India's organized manufacturing sector. This means that an increase to INR18,000/month per worker will cost at least INR47b to the organized manufacturing sector.
- n An industry-wise analysis reveals that traditional labor-intensive industries such as 'tobacco products,' 'wearing apparels,' 'leather products,' 'textiles' and 'food products & beverages' would be worst affected. On the other hand, some capital-intensive industries would be least affected.
- n Furthermore, the organized manufacturing sector in Bihar (BH), Telangana (TR), Punjab (PB) and Kerala (KL) would be worst affected, while Maharashtra would be least hurt.

The Indian government introduced 'the Code on Wages, 2017' [bill](#) in the Parliament on 10 August 2017 with an intention to combine and simplify the relevant provisions of the following four central labor enactments relating to wages: the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965; and the Equal Remuneration Act, 1976.

While these intentions are admirable, several [media reports](#) suggest that the government is considering to double minimum wage to INR18,000/month per worker. Using data from Annual Survey of Industries (ASI), the most comprehensive annual database on India's organized manufacturing sector, we measure the impact of doubling of minimum wages and make five key conclusions:

1. Traditional labor-intensive industries such as 'tobacco products,' 'wearing apparels,' 'leather products,' 'textiles' and 'food products & beverages' would be worst affected, as the average wages are very low in these industries.
2. The organized manufacturing sector in Bihar (BH), Telangana (TR), Punjab (PB) and Kerala (KL) would be worst affected, while Maharashtra would be least hurt.
3. Doubling of minimum wages would [further exacerbate](#) the differential between cost of a unit of labor and a unit of capital. It could potentially restrict employment growth in the manufacturing sector and hurt the government's plan to create 100m manufacturing jobs by 2022.
4. Moreover, expensive labor will hurt labor-intensive, export-oriented sectors such as textiles, which account for more than 15% of total merchandise exports.
5. Finally, the move may lead to a 'reverse/adverse shift' as jobs could shift from the organized to unorganized sector – in complete contrast to the government's intention and need of the hour.

Doubling of minimum wages would further exacerbate the differential between cost of a unit of labor and a unit of capital. It could potentially restrict employment growth in the manufacturing sector and hurt the government's plan to create 100m manufacturing jobs by 2022



Nestle India

BSE SENSEX 31,596 S&P CNX 9,857

CMP: INR6,595 TP: INR6,160(-7%) Upgrade to Neutral



Stock Info

	NEST IN
Bloomberg	NEST IN
Equity Shares (m)	96.4
52-Week Range (INR)	7062 / 5701
1, 6, 12 Rel. Per (%)	-1/-6/-16
M.Cap. (INR b)	636
M.Cap. (USD b)	9.9
Avg Val, INRm	271
Free float (%)	37.2

Financials Snapshot (INR b)

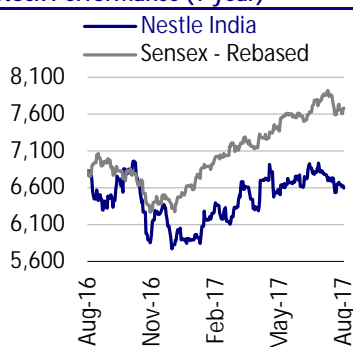
Y/E Dec	2016	2017E	2018E
Net Sales	91.6	98.2	109.8
EBITDA (Rs b)	18.0	17.7	20.6
Net Profit	11.4	11.1	12.9
EPS	118.0	115.1	133.6
EPS Gr. (%)	-1.6	-2.5	16.2
BV/Share (Rs)	312.6	336.0	365.8
RoE (%)	39.0	35.5	38.1
RoCE (%)	38.8	35.2	37.8
P/E (x)	55.9	57.3	49.4
P/BV (x)	21.1	19.6	18.0

Shareholding pattern (%)

As On	Jun-17	Mar-17	Jun-16
Promoter	62.8	62.8	62.8
DII	7.2	7.5	6.0
FII	12.6	12.5	14.3
Others	17.5	17.2	17.0

FII Includes depository receipts

Stock Performance (1-year)



Silver linings appear among dark clouds

Upgrading from Sell to Neutral

We attended NEST's analyst meet. Our key takeaways:

- n New launches have met with good response; contributed 2.8% of sales in 1HCY17.
- n Mantras that the company is chanting involve volume growth, flexibility of working and simplification.
- n Volume growth is yet to recover in Milk & Nutrition, but Beverages has witnessed uptick after a long time and Maggi did well off a low base. New products are also supporting volume growth.
- n Advertising growth – not shared earlier – remains disappointingly low at 6% YoY in 1HCY17, despite 43 products launched between January 2016 and May 2017.
- n With reasonable success in new launches, signs of pick-up in volumes in a couple of new launches, and limited downside as we roll forward to September 2019 numbers, we upgrade our rating to Neutral.

GST transition smooth; June quarter sales impacted by around 2%, less than peers due to low wholesale proportion

- n NEST had to interact with 3,500 suppliers and 1,600 distributors one-on-one to make them understand the process of invoicing under GST. It also had external experts in these meetings, guiding channel partners. Invoicing started on day-3, ensuring smooth transition.
- n Dairy Whiteners, Sauces and Infant Cereals saw favorable rate of GST compared to earlier indirect tax incidence. The company passed on the benefits of low GST rates to customers.
- n The June month was negatively impacted by softer trading. Quarterly effect was around 2% of sales. For NEST, wholesale trade and rural share are lower than peers; therefore, the impact was lower.
- n GST rates are higher for Confectionary and Coffee. The company has not yet taken pricing action.
- n There is no shift apparent from the unorganized to the organized segment in the two months after GST implementation.

Mantras the company is chanting involve volume growth, flexibility of working, and simplification

- n **Consumer-led growth:** Double-digit volume growth and consumer insight will lead growth. NEST is seeking to launch new products in each category: "Won't know what works until we try!"
- n **Winning edge:** (a) Aiming to be fast, focused and flexible in both thoughts and action, (b) Seeking to embrace powerful ways of working; and enable, empower, engage and energize colleagues.
- n **Simplify to energize:** Targeting 30-40% process reduction, and 50% reduction in number of meetings; zero tolerance on non-compliance.
- n These are largely things the company has been chanting for nearly two years now, but has only started to deliver to some extent this year.

Focusing on sustainable growth

- n **For individuals and families:** Encouraging nutrition focus and breastfeeding philosophies.
- n **For communities:** Access to water and sanitation, safe and hygienic food.
- n **For the planet:** Reducing water usage in agriculture; recycling of waste.

Why is food fortification a big deal?

- n In India, (a) 70% children have iron deficiency, (b) 65% have vitamin-A deficiency, and (c) 45% have zinc deficiency.
- n **Currently, only 2-5% of food products in India meet these nutrition requirements.** Adding these to existing products requires technology and food expertise, as any added mineral changes organoleptic substantially.
- n The company has already added iron to *Maggi* noodles and *Maggi* Masala-e-Magic. It is looking to launch *Milo* RTD with 40% less sugar and *Ceregrow* fully-fortified foods for kids. Later, it will also have fortified milk under the 'A+' brand, and many more such products.

Response to new products has been encouraging

- n **Between January 2016 and May 2017, the company has launched 43 products and SKUs.** Of these, 14 were value-up products, 22 were mainstream products, and only seven were popularly positioned products (PPP). PPP is only an entry point and not a core focus area.
- n New products are doing well. Their contribution has grown gradually from 0.7% of sales in 1HCY16, to 2.2% of sales in 2HCY16, and to 2.8% sales in 1HCY17.
- n **What has done well?** In Chocolates, *Munch Nuts* and *Kit Kat Duo* have done well. In Prepared Dishes, *Maggi Hot Heads* and *Maggi No Onion No Garlic* have done well. Even newly-launched *Maggi Masalas of India* has done well in the limited time since launch. *Milo* and *Nescafe* ready-to-drink (RTD) have also done well.
- n **What has not done well?** *Everyday Masala Fusion* has not done as well. The company is looking to restage *Nescafe Insta-Filter*, as customers were confused about the product proposition.

What's new on products of late?

- n Re-launched *Maggi Atta* and *Oats* noodles, with breakfast positioning and nutrition proposition.
- n Re-launch of *Milkybar* in process. Core benefit is to cut sugar and increase amount of milk.
- n *Grekyo* yogurt with litchi.
- n In the process of launching fortified milk (A+).

1HFY17 additional highlights not provided in results (company does not have post-results call)

- n Exports were down 5.7% in 1HCY17; export volumes were up 2.4%.
- n Domestic sales grew 9.3%, almost entirely volume-led. Base was affected by *Maggi* issue.
- n Even taking into account low base of *Maggi*, the company clarified that of the 9.3% sales growth, *Maggi* recovery contributed 2.8% growth, new products 2.4%, and rest of the portfolio 4.1%.
- n 2QCY17 saw 59.9% market share for *Maggi*. There has been plateauing off of gains in the last 2-3 quarters. Noodles category has not recovered to earlier levels and *Maggi* has not recovered to its pre-crisis market share of 75-80%.

- n Advertising increase remains disappointingly low at 6% YoY in 1HCY17, despite 43 products launched between January 2016 and May 2017. NEST does not share this cost item in the results.
- n Milk and Nutrition (largest business segment): Sales and volumes disappointed (48.5% of total 1HCY17 sales), with 3.4% value growth and 0.2% volume decline. Volume decline has been a multi-year phenomenon in this segment.
- n Prepared dishes: *Maggi* sales grew 17.9% by value and 16.1% by volume, off a low base. *Maggi* was re-launched only in November 2015, and was gradually inching up on market share until July-August, last year. Prepared dishes were 27.6% of sales in 1HCY17.
- n Chocolates and Confectionary was 13% of sales in 1HCY17. Sales growth was 10.9%, with 5.7% volume growth. This is another category where volumes have not seen growth for many years, and are in fact, close to CY08 levels.
- n Beverages were 10.9% of sales in 1HCY17 and showed healthy mid-teens sales growth, with over 20% volume growth. RTD launches of *Milo* and *Nescafe* have done well. Overall, *Nescafe* did well after many years. This is another category where volumes have declined consistently year after year.
- n Gross margins were down by around 160bp YoY. Margins were impacted because commodity costs were not totally passed on to customers. Commodity costs increased 270bp, of which the company mitigated 110bp through realization and mix.
- n Price increases could not be taken because of weak environment and competition. Management is looking for price increases in a couple of months, if the environment becomes favorable.
- n Milk prices have hardened in the last three quarters. This has been the case with green coffee as well as sugar.
- n Excise duty is higher due to Pantnagar plant benefits expiring, and mix of higher excise products in 1HCY17. Samalkha Unit-2 has also completed five years on March 31, 2017, and is off 100% benefits. For the next five years, there will be 30% benefits.

Other takeaways

- n The company reaches over 4m outlets in terms of total coverage. Direct reach is 1.5m outlets. The management did not give direct or total reach expansion targets.
- n Digital was less than 5% of A&P five years ago. Now, in many categories, it ranges from 15% to 50% across many brands.

Silver linings seen; upgrading from Sell to Neutral on limited downside

- n There is no change to our EPS forecasts. Silver linings are appearing amidst gloomy clouds in the form of new products and possible volume growth recovery, albeit off a low base. Opportunity in the Indian packaged food space is massive, and while NEST has proven itself inept for nearly a decade at utilizing this opportunity, there is some evidence now that the company could get things right now, though the path would still be challenging. As we roll forward to September 2019, the downside is also limited to 7% at the derived target price of INR6,160. We maintain our target P/E at 25% discount to the 3-year average P/E multiple.



Castrol India

BSE SENSEX	S&P CNX
31,596	9,857
Bloomberg	CSTRL IN
Equity Shares (m)	495
M.Cap. (INRb)/(USDb)	213.2 / 3.2
52-Week Range (INR)	493 / 352
1, 6, 12 Rel. Per (%)	-3/-16/-21
Avg Val, INRm	567
Free float (%)	49.0

Financials & Valuations (INR b)

Dec	2016	2017E	2018E
Net Sales	33.6	34.4	35.8
EBITDA	9.9	10.2	10.0
PAT	6.7	6.9	6.9
EPS (INR)	13.6	13.9	14.0
Gr. (%)	6.3	1.5	0.8
BV/Sh (INR)	12.0	13.4	14.8
RoE (%)	115.2	108.9	99.2
RoCE (%)	115.4	109.1	99.4
P/E (x)	28.6	28.2	28.0
P/BV (x)	32.4	29.2	26.5

Estimate change

TP change

Rating change

CMP: INR391

TP: INR489(+25%)

Buy

EBITDA below estimate; lower volumes due to pre-GST destocking

- n CSTRL's 2QCY17 revenue declined 10% YoY (-1% QoQ) to INR8.7b (our estimate: INR9.4b), driven largely by lower volumes due to the impact of GST transition and lingering effect of demonetization. Total volume declined 10% YoY (grew 1% QoQ) to 50.9m liters. Implied realization declined to INR171/liter (flat YoY; -3% QoQ) due to the rebates given in June 2017.
- n Reported EBITDA of INR2.1b (-33% YoY, -20% QoQ) was significantly below our estimate of INR2.9b, led by an increase in base oil prices due to major supply-demand imbalance in Asia. EBITDA margin shrank to 24.1% in 2QCY17 v/s 29.8% in 1QCY17 and 32.5% in 2QCY16. PAT declined 33% YoY and 23% QoQ to INR1.4b (our estimate: INR1.9b).
- n CSTRL declared an interim dividend of INR4.5/share for CY17; record date: September 6, 2017.
- n **Volumes down 10% YoY:** CSTRL's total volumes were lower due to pre-GST destocking and decline in volume growth for CVO category (~45% volume share). Volumes grew in PCMO category (~42% volume share), power brands and industrial segment (~13% volume share).
- n **Reducing estimates:** On lack of visibility on volume growth, we reduce our volume growth estimates to ~1%/2% v/s 5% earlier for CY17/18. This results in 5/8% cut in our earnings estimates for CY17/18.

Valuation and view

The stock is trading at 28x (~10% discount to 3-year average) CY18E EPS of INR14. Our fair value stands at INR489 (35x CY18E EPS), implying 25% upside. Maintain **Buy**.

Quarterly Performance

Y/E December	CY16				CY17				CY16	CY17E	CY17	Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Volume (m litres)	50.2	56.6	45.7	47.0	50.2	50.9	48.5	50.9	200	200	54.4	-6%
Realization	170	171	166	166	176	171	171	169	168	172	172	-1%
Net Sales	8,521	9,679	7,589	7,791	8,822	8,704	8,294	8,603	33,580	34,423	9,357	-7%
YoY Change (%)	7.1	5.2	-2.8	-1.2	3.5	-10.1	9.3	10.4	2.2	2.5	-3.3	
Total Expenditure	6,005	6,535	5,488	5,627	6,189	6,609	6,310	5,107	23,655	24,215	6,450	2%
EBITDA	2,516	3,144	2,101	2,164	2,633	2,095	1,984	3,496	9,925	10,208	2,907	-28%
YoY Change (%)	34.3	15.2	-1.2	3.4	4.7	-33.4	-5.6	61.6	12.5	2.8	-7.5	
Margins (%)	29.5	32.5	27.7	27.8	29.8	24.1	23.9	40.6	29.6	29.7	31.1	
Depreciation	86	149	107	108	123	118	145	178	450	564	143	-17%
Interest	4	7	1	3	3	1	4	7	15	15	4	-75%
Other Income	223	202	183	389	185	155	212	270	997	822	212	-27%
PBT	2,649	3,190	2,176	2,442	2,692	2,131	2,047	3,582	10,457	10,451	2,972	-28%
Tax	925	1,121	778	884	902	752	696	1,312	3,708	3,658	1,040	-28%
Rate (%)	35	35	36	36	34	35	34	37	35	35	35	
PAT	1,724	2,069	1,398	1,558	1,790	1,379	1,351	2,270	6,749	6,793	1,932	-29%
YoY Change (%)	48.4	12.1	-2.4	10.7	3.8	-33.3	-3.4	45.7	15.4	0.7	-6.6	
Margins (%)	20.2	21.4	18.4	20.0	20.3	15.8	16.3	26.4	20.1	19.7	20.6	

E: MOSL Estimates



1. Growth in demand for steel may be around 5%: JSW Steel; Seshagiri Rao, Joint MD & Group CFO

- n Internationally steel prices went up further therefore there is a scope for Indian steel prices to go up.
- n Considering overall demand situation and outlook, expect steel prices to remain buoyant in international market and domestic steel prices to fluctuate in line with that.
- n Generally growth in demand in second half of the year is much better. Hope to see repeat of same thing so growth in demand for steel will be around 5 percent.
- n Wanted to be a 40 million tonne steel company by 2025. Could be by way of inorganic or organic growth.

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2. Looking at improvement in operating margin for MEP Biz: Blue Star; Vir Advani, MD

- n Have built up MEP business over the last ten years. Have executed over 75 MEP projects in the country.
- n Three new projects significant; much larger in value than earlier ones.
- n Expect new orders to be completed within 2 years.
- n Current order is about Rs 210 crore as of June 30. About 80-85% are MEP projects.
- n Looking at improvement in operation margin for MEP business

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3. Not searching for another partner; focusing on growing business: Max Life; Rajesh Sud, CEO & MD

- n Not searching for another partner currently. Focusing on growing business.
- n Yes Bank a strong partner for company with regard to bancassurance business.
- n Bancassurance is an important channel for company.
- n First year premium grew by 19% in Q1.
- n Financial savings in India have improved after demonetization and other events. More money coming through formal channels.

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1. Fixing the trade deficit with china won't be easy

- n The ongoing military stand-off with China in the icy Himalayan mountain range has once again brought the issue of trade imbalances with that country to the fore. A bilateral trade deficit should not be a worry in normal circumstances. What really matters is the overall trade balance rather than its individual components. China is quite another matter. Its quest for regional military dominance makes trade imbalances with it a strategic concern for a country such as India. The problem is that the strategic response to this bilateral trade deficit has to go beyond vacuous statements about trade wars or boycotts of Chinese goods. Some soul-searching will also be necessary.

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2. Creating well-paid jobs for Indians

- n NITI Aayog has recently issued a set of three documents which give us a fair idea about where national economic policy is headed in the coming years. One of these documents charts out an action agenda for policymakers over the next three years. This article looks past the policy changes that are needed in individual sectors; it focuses on the broader agenda for trade, industry and services outlined by NITI Aayog. The emphasis of the action plan for trade, industry and services is clearly on creating well-paid jobs. NITI Aayog, after making a strong case for export-led re-industrialization, argues, "India needs a focused strategy for creating an environment in which export competitive firms can emerge, especially in labour-intensive sectors.

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3. The republic of statistical scramble


- n Many a caustic word has been exchanged in the acrimonious debate over the Indian economy's employment data. One set of numbers claims the current phase of economic growth as jobless. Alternative data sets have accompanied vigorous assertions of rising employment. And then there are many in the middle, trying to make sense of the scant (and outdated) data and wondering how anybody reached any conclusion at all. Welcome to the republic of statistical scramble in the age of Big Data. The Bharatiya Janata Party's (BJP's) 2014 election victory was predicated partly on the promise of enhanced economic well-being; straightening out data inconsistencies should be a priority on the path to fulfilling that promise.

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International

4. Next fed chair won't really control the fed

- n Economists seem increasingly confident that Gary Cohn, the investment banker and White House adviser, will succeed Janet Yellen as head of the Federal Reserve (Fed) when her term ends in February. Whether Cohn or someone else gets the nod, the horse race masks some of the broader dynamics at work in the past decade that have fundamentally altered the Fed, mostly for the better, and continue to shape it in ways once thought inconceivable. The central bank, rightly, gets far more scrutiny from Congress, the media and the public than ever before. That scrutiny stems mainly from the searing 2008-2009 recession and the dramatic steps the Fed took to shore up the financial system and the broader economy. Some public reckoning was bound to result and, properly, seems here to stay.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Automobiles														
Amara Raja	Buy	779	986	27	28.0	28.2	37.9	27.8	27.6	5.1	4.5	20.3	17.3	19.9
Ashok Ley.	Buy	103	118	15	4.6	5.2	7.0	22.6	19.9	4.9	4.3	23.1	23.2	27.0
Bajaj Auto	Buy	2,734	3,281	20	132.3	137.2	163.6	20.7	19.9	4.6	4.2	25.3	22.2	24.0
Bharat Forge	Buy	1,148	1,353	18	26.2	36.5	50.5	43.9	31.5	6.5	5.7	16.2	19.2	22.8
Bosch	Neutral	21,672	21,994	1	473.1	547.2	705.7	45.8	39.6	7.5	6.8	15.8	18.0	20.7
CEAT	Buy	1,650	2,029	23	93.3	94.2	126.8	17.7	17.5	2.8	2.4	16.9	14.8	17.3
Eicher Mot.	Buy	30,807	35,854	16	612.7	852.9	1,092.8	50.3	36.1	15.7	11.7	37.1	37.0	35.4
Endurance Tech.	Buy	960	1,059	10	23.5	29.3	37.9	40.9	32.8	7.8	6.5	20.8	21.6	23.3
Escorts	Neutral	613	732	19	20.0	37.1	45.8	30.7	16.5	3.1	2.7	10.6	17.3	18.3
Exide Ind	Buy	202	269	33	8.1	9.2	11.0	24.9	22.0	3.5	3.1	13.9	14.1	15.0
Hero Moto	Neutral	3,875	3,818	-1	169.1	189.3	199.1	22.9	20.5	7.7	6.6	35.7	34.6	31.5
M&M	Buy	1,376	1,618	18	54.3	68.5	82.4	25.3	20.1	3.2	2.9	14.2	13.9	14.9
Mahindra CIE	Not Rated	240	-		5.4	9.9	11.8	44.8	24.3	2.8	2.5	6.4	10.8	11.5
Maruti Suzuki	Buy	7,602	8,819	16	248.6	281.7	374.5	30.6	27.0	6.3	5.5	20.3	20.1	22.8
Tata Motors	Buy	384	542	41	19.8	22.4	59.8	19.4	17.1	2.2	2.0	9.8	12.3	26.6
TVS Motor	Buy	593	612	3	11.7	14.4	23.7	50.5	41.2	11.7	9.6	25.6	25.7	33.6
Aggregate								27.8	24.0	4.8	4.2	17.1	17.4	22.3
Banks - Private														
Axis Bank	Neutral	506	545	8	15.4	21.8	38.1	32.9	23.2	2.2	2.1	6.9	9.3	14.7
DCB Bank	Neutral	184	192	4	7.0	8.4	10.4	26.3	22.0	2.7	2.2	10.8	11.4	11.8
Equitas Hold.	Buy	157	201	28	5.0	1.7	6.1	31.2	90.9	2.4	2.3	9.5	2.6	8.7
Federal Bank	Buy	107	139	30	4.8	5.4	6.8	22.1	19.8	2.1	1.7	9.9	10.0	10.5
HDFC Bank	Buy	1,766	2,000	13	56.8	68.2	82.1	31.1	25.9	5.3	4.5	18.3	18.8	19.6
ICICI Bank	Buy	298	366	23	15.3	14.9	17.0	19.5	20.0	2.2	2.0	10.2	8.9	9.5
IDFC Bank	Neutral	55	62	13	2.3	2.8	3.2	23.6	19.8	1.3	1.2	5.6	6.3	6.9
IndusInd	Buy	1,672	1,800	8	47.9	61.9	76.8	34.9	27.0	5.0	4.4	15.4	17.3	18.5
J&K Bank	Neutral	81	91	12	-31.3	3.8	8.2	NM	21.2	0.7	0.7	-27.0	3.5	7.2
Kotak Mah. Bk	Buy	974	1,153	18	26.8	32.4	41.0	36.3	30.0	4.7	4.2	13.8	15.0	16.3
RBL Bank	Under Review	510	-		11.9	18.0	23.7	42.9	28.3	4.5	3.2	12.3	13.6	13.9
South Indian	Buy	28	34	22	2.2	2.9	3.7	12.8	9.7	1.1	1.0	9.5	10.8	12.7
Yes Bank	Buy	1,721	2,133	24	73.0	92.3	114.5	23.6	18.6	3.7	3.2	18.9	18.3	19.5
Aggregate								29.7	23.9	3.4	3.0	11.5	12.5	14.2
Banks - PSU														
BOB	Buy	143	198	39	6.0	9.5	20.8	23.9	15.0	0.9	0.9	4.0	6.1	12.4
BOI	Neutral	144	149	3	-14.8	-11.2	6.6	NM	NM	0.6	0.7	-6.7	-5.2	3.0
Canara	Neutral	341	360	6	18.8	30.1	47.0	18.2	11.3	0.7	0.7	4.2	6.2	9.1
IDBI Bk	Neutral	55	49	-10	1.5	6.4	8.6	35.8	8.5	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	295	382	29	29.3	34.4	38.3	10.1	8.6	1.0	0.9	10.1	10.9	11.2
OBC	Neutral	125	150	20	-31.6	17.1	21.4	NM	7.3	0.3	0.3	-8.4	4.6	5.4
PNB	Buy	144	184	28	6.2	5.8	11.0	23.1	24.7	0.8	0.8	3.6	3.2	5.9
SBI	Buy	280	341	22	0.3	14.6	26.8	942.8	19.2	1.3	1.2	-0.2	7.0	11.4
Union Bk	Neutral	136	140	3	8.1	9.0	19.1	16.9	15.1	0.4	0.4	2.7	3.0	6.1
Aggregate								101.1	17.9	0.9	0.8	0.9	4.6	8.3
NBFCs														
Bajaj Fin.	Buy	1,762	1,800	2	33.6	47.6	62.9	52.5	37.0	10.0	8.1	21.7	24.3	25.9
Bharat Fin.	Neutral	880	820	-7	21.0	31.8	68.7	41.9	27.7	5.0	4.0	15.1	16.1	28.0
Capital First	Buy	712	925	30	24.6	33.3	44.3	28.9	21.4	3.0	2.7	12.0	13.3	15.6
Cholaman.Inv.&Fn	Buy	1,146	1,400	22	46.0	56.0	67.3	24.9	20.5	4.2	3.5	18.0	18.6	19.0
Dewan Hsg.	Buy	473	630	33	29.6	37.7	47.1	16.0	12.6	1.9	1.7	14.4	14.1	15.6
GRUH Fin.	Neutral	512	450	-12	8.1	9.9	12.1	62.9	51.4	18.8	15.4	32.5	33.0	32.8
HDFC	Buy	1,756	1,900	8	46.8	52.9	59.0	37.5	33.2	6.9	6.3	18.9	19.3	18.4
Indiabulls Hsg	Buy	1,210	1,350	12	69.0	86.3	108.4	17.5	14.0	4.2	3.7	25.5	28.2	31.3
L&T Fin Holdings	Buy	175	200	15	5.2	7.3	10.6	33.4	23.9	3.9	3.4	12.4	15.6	19.1
LIC Hsg Fin	Neutral	658	708	8	38.2	41.6	48.9	17.2	15.8	3.1	2.7	19.4	18.2	18.5

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Manappuram	Not Rated	96	-		8.6	10.8	12.5	11.1	8.9	2.4	2.2	24.0	25.9	26.9
M&M Fin.	Buy	409	459	12	7.1	13.9	17.8	57.7	29.4	3.7	3.4	6.5	12.0	14.2
Muthoot Fin	Buy	444	550	24	29.5	38.2	44.2	15.0	11.6	2.7	2.3	19.4	21.5	21.2
PFC	Neutral	121	117	-3	25.7	27.2	30.2	4.7	4.4	0.8	0.7	17.9	17.0	16.8
Repco Home	Buy	649	800	23	29.1	34.5	39.3	22.3	18.8	3.6	3.0	17.4	17.5	17.0
REC	Neutral	160	134	-16	31.4	35.0	40.4	5.1	4.6	0.9	0.8	19.9	19.1	19.1
Shriram City Union	Buy	2,192	2,800	28	84.3	121.7	164.1	26.0	18.0	2.9	2.5	11.7	15.0	17.6
STF	Buy	975	1,330	36	55.6	80.0	102.4	17.5	12.2	2.0	1.7	11.7	15.0	16.9
Aggregate								20.6	17.3	3.5	3.0	16.8	17.6	18.1
Capital Goods														
ABB	Sell	1,351	1,200	-11	19.7	22.4	31.6	68.6	60.3	8.7	7.6	12.7	12.6	15.8
Bharat Elec.	Buy	188	210	12	6.9	7.4	8.3	27.1	25.3	5.6	4.3	20.6	17.0	16.9
BHEL	Sell	127	100	-21	2.1	4.6	4.9	59.2	27.9	1.0	0.9	1.6	3.4	3.5
Blue Star	Neutral	745	650	-13	12.9	17.5	26.1	57.8	42.5	9.4	8.8	18.0	21.4	29.6
CG Cons. Elec.	Buy	214	250	17	4.7	5.0	6.4	45.8	42.6	24.9	18.4	76.4	49.7	49.7
CG Power & Indu.	Neutral	80	80	0	4.1	2.0	2.5	19.4	39.2	1.2	1.2	6.2	3.0	3.7
Cummins	Buy	889	1,170	32	26.5	27.7	35.0	33.6	32.2	6.6	6.1	21.2	19.7	22.8
GE T&D	Neutral	382	395	3	5.7	9.3	11.3	66.6	41.1	9.5	8.3	12.4	21.5	22.7
Havells	Neutral	487	455	-7	9.6	10.9	13.8	51.0	44.5	9.3	8.3	18.2	18.6	20.7
K E C Intl	Neutral	297	295	-1	11.9	13.1	16.4	25.0	22.7	4.8	4.1	21.2	19.5	20.9
L&T	Buy	1,131	1,345	19	42.3	44.8	51.7	26.7	25.2	3.2	3.0	12.2	12.1	12.9
Pennar Eng.	Not Rated	94	-		7.1	9.1	11.2	13.3	10.4	1.4	1.2	10.2	11.6	12.6
Siemens	Neutral	1,263	1,355	7	17.8	22.7	33.0	70.9	55.6	6.6	5.7	9.3	10.3	13.7
Solar Ind	Neutral	878	900	3	20.6	24.2	30.0	42.6	36.2	7.8	6.7	19.8	19.8	20.9
Suzlon Energy	Not Rated	16	-		0.6	0.9	1.0	25.8	18.5	-1.5	-1.6	NM	-8.8	-11.0
Thermax	Neutral	881	830	-6	30.8	30.0	33.2	28.6	29.4	3.9	3.6	14.3	12.7	12.8
Va Tech Wab.	Buy	610	800	31	29.8	34.6	39.8	20.5	17.7	3.4	2.9	16.8	17.6	17.4
Voltas	Sell	521	430	-17	15.5	16.8	19.1	33.7	31.0	5.2	4.6	18.0	15.8	16.0
Aggregate								34.1	30.2	3.8	3.5	11.2	11.6	12.6
Cement														
Ambuja Cem.	Buy	275	308	12	4.9	7.0	8.2	56.3	39.6	2.9	2.7	5.1	7.0	7.9
ACC	Neutral	1,780	1,622	-9	36.1	49.8	65.0	49.3	35.8	3.9	3.7	7.9	10.6	13.1
Birla Corp.	Buy	956	1,150	20	29.4	40.9	58.9	32.6	23.3	2.2	2.1	7.3	9.2	12.2
Dalmia Bharat	Buy	2,623	3,282	25	38.8	68.7	89.9	67.7	38.2	4.7	4.2	7.2	11.6	13.4
Grasim Inds.	Neutral	1,133	1,079	-5	67.9	71.3	102.7	16.7	15.9	1.8	1.6	11.5	10.9	13.9
India Cem	Neutral	178	201	13	5.6	8.0	11.8	31.6	22.2	1.1	1.0	3.4	4.7	6.6
J K Cements	Buy	1,019	1,277	25	33.7	39.7	54.4	30.2	25.6	4.0	3.6	14.4	14.8	17.5
JK Lakshmi Ce	Buy	412	519	26	7.0	9.7	16.4	59.3	42.4	3.5	3.2	6.0	7.9	12.1
Ramco Cem	Buy	664	806	21	27.3	27.4	34.4	24.4	24.3	4.2	3.7	19.0	16.1	17.5
Orient Cem	Buy	150	185	23	-1.6	4.4	7.1	NM	34.0	3.1	2.9	-3.2	8.8	12.8
Prism Cem	Buy	110	140	28	0.3	3.5	5.6	401.1	31.4	5.8	5.0	1.4	17.0	22.9
Shree Cem	Buy	17,004	22,360	31	384.4	460.4	547.8	44.2	36.9	7.7	6.5	18.4	19.1	19.1
Ultratech	Buy	3,938	4,936	25	96.1	91.5	138.8	41.0	43.0	4.5	4.2	11.6	10.1	14.0
Aggregate								36.4	31.2	3.5	3.2	9.6	10.3	12.7
Consumer														
Asian Paints	Neutral	1,136	1,200	6	21.0	22.2	26.5	54.1	51.2	14.3	13.0	28.5	26.7	28.1
Britannia	Buy	4,218	4,660	10	73.7	85.3	104.6	57.2	49.4	18.8	15.5	36.9	34.3	34.5
Colgate	Buy	1,093	1,285	18	21.2	24.4	29.8	51.5	44.7	23.3	22.1	50.4	50.8	58.2
Dabur	Neutral	300	315	5	7.2	7.7	9.1	41.4	38.8	10.9	9.3	28.4	26.0	26.3
Emami	Buy	1,074	1,310	22	26.5	26.9	33.1	40.5	39.9	13.9	11.8	35.8	32.0	33.9
Godrej Cons.	Neutral	915	995	9	18.9	21.5	24.7	48.4	42.5	11.8	9.1	24.6	24.2	22.8
GSK Cons.	Sell	5,283	4,500	-15	156.1	158.1	182.1	33.8	33.4	7.1	7.0	22.2	21.1	22.6
HUL	Buy	1,179	1,360	15	19.6	22.9	27.3	60.0	51.4	38.3	36.9	65.6	73.1	82.8
ITC	Neutral	282	280	-1	8.4	9.3	10.3	33.5	30.4	7.6	7.5	23.5	24.8	26.3
Jyothy Lab	Neutral	376	395	5	11.2	9.8	11.1	33.5	38.3	6.3	6.3	21.1	16.5	18.4

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Marico	Neutral	316	355	13	6.3	6.8	8.2	50.2	46.3	17.5	15.0	36.7	34.9	37.7
Nestle	Neutral	6,595	6,160	-13	118.0	115.1	133.6	55.9	57.3	21.1	19.6	39.0	35.5	38.1
Page Inds	Buy	17,220	19,600	14	238.7	294.7	398.4	72.1	58.4	28.8	23.1	40.0	39.6	43.1
Parag Milk	Neutral	240	245	2	3.6	9.1	12.5	66.5	26.3	3.1	2.7	6.0	11.0	13.3
Pidilite Ind.	Neutral	828	810	-2	16.7	18.1	20.6	49.5	45.9	12.8	10.5	28.2	25.2	23.5
P&G Hygiene	Neutral	8,068	8,800	9	132.9	151.6	176.0	60.7	53.2	38.0	31.6	39.3	64.9	62.8
Prabhat Dairy	Not Rated	132	-		3.5	3.5	6.4	37.4	38.0	1.9	1.8	5.2	4.9	8.5
United Brew	Neutral	809	875	8	8.7	10.1	15.0	93.0	80.3	9.3	8.5	10.4	11.0	14.7
United Spirits	Neutral	2,568	2,525	-2	26.7	34.5	51.5	96.0	74.4	19.3	13.4	21.3	18.0	20.3
Aggregate								46.3	41.8	12.7	11.8	27.5	28.2	29.3
Healthcare														
Alembic Phar	Neutral	510	510	0	21.6	20.5	25.5	23.6	24.9	5.1	4.4	23.0	19.0	20.4
Alkem Lab	Neutral	1,783	1,830	3	75.7	73.5	91.6	23.6	24.3	5.0	4.3	23.4	19.2	20.5
Ajanta Pharma	Buy	1,233	1,606	30	58.4	52.8	64.2	21.1	23.4	7.0	5.6	37.7	26.5	25.9
Aurobindo	Buy	733	850	16	39.3	44.9	50.0	18.6	16.3	4.6	3.6	27.6	24.8	22.1
Biocon	Sell	338	330	-2	10.2	9.7	14.2	33.2	34.8	4.2	3.9	12.3	11.1	14.5
Cadila	Buy	495	555	12	14.2	17.9	24.1	34.8	27.7	7.3	6.1	23.0	23.9	26.3
Cipla	Neutral	573	520	-9	15.9	21.1	26.0	36.1	27.2	3.7	3.3	10.2	12.1	13.2
Divis Lab	Neutral	673	680	1	39.7	33.6	40.0	17.0	20.0	3.8	3.5	23.5	18.1	19.4
Dr Reddy's	Neutral	2,088	2,500	20	72.6	85.1	125.2	28.8	24.5	2.8	2.6	9.6	11.3	14.8
Fortis Health	Buy	152	220	45	10.3	2.2	5.6	14.7	69.5	1.6	1.4	11.3	2.1	4.9
Glenmark	Neutral	618	775	25	39.3	42.9	51.7	15.7	14.4	3.9	3.1	24.7	21.6	20.9
Granules	Buy	130	200	54	7.2	8.2	11.5	18.0	15.9	3.3	2.3	21.1	17.7	18.8
GSK Pharma	Neutral	2,385	2,500	5	34.4	46.8	54.9	69.4	51.0	10.1	11.7	14.5	23.0	30.9
IPCA Labs	Neutral	414	430	4	16.1	16.6	26.8	25.8	25.0	2.1	2.0	8.6	8.2	12.2
Jubilant Life	Buy	723	905	25	37.0	47.1	56.7	19.6	15.4	3.3	2.7	18.1	19.5	19.6
Lupin	Buy	992	1,125	13	55.8	41.4	56.3	17.8	24.0	3.3	3.0	20.6	13.2	16.0
Sanofi India	Buy	4,007	4,820	20	129.1	133.6	160.6	31.0	30.0	5.3	5.0	17.1	16.6	18.1
Shilpa Medicare	Buy	565	805	43	14.0	21.1	30.4	40.3	26.7	4.9	4.2	14.4	17.0	20.4
Strides Shasun	Buy	937	1,300	39	32.3	47.4	74.8	29.0	19.8	3.1	2.7	10.7	14.7	20.2
Sun Pharma	Buy	483	515	7	26.1	15.1	23.3	18.5	32.1	3.2	3.2	18.5	10.0	14.7
Syngene Intl	Not Rated	444	-		13.0	16.1	18.0	34.1	27.5	6.9	5.6	22.2	22.5	20.7
Torrent Pharma	Neutral	1,227	1,350	10	55.2	53.4	67.3	22.3	23.0	4.8	4.2	23.8	19.5	21.5
Aggregate								22.2	24.3	3.8	3.4	16.9	14.1	16.3
Logistics														
Allcargo Logistics	Buy	164	212	29	9.8	11.2	13.3	16.7	14.6	2.5	2.2	12.6	16.0	16.8
Blue Dart	Not Rated	4,114	-		102.5	129.9	163.2	40.1	31.7	17.8	13.6	50.5	48.6	46.8
Concor	Neutral	1,268	1,214	-4	38.0	42.1	48.6	33.4	30.1	3.5	3.3	10.8	11.3	12.4
Gateway Distriparks	Buy	233	272	17	6.8	9.0	12.4	34.3	26.0	2.5	2.4	7.3	9.4	12.4
Gati	Not Rated	114	-		8.4	15.9	23.9	13.6	7.2	1.9	1.6	12.4	19.4	25.4
Transport Corp.	Not Rated	275	-		16.9	21.0	25.9	16.2	13.1	2.5	2.1	16.7	17.8	18.6
Aggregate								29.6	24.8	3.7	3.4	12.4	13.8	15.4
Media														
Dish TV	Buy	80	106	33	1.0	1.3	4.3	80.6	60.9	17.3	13.5	24.1	24.9	99.2
D B Corp	Buy	373	450	21	20.4	23.7	27.6	18.3	15.7	4.3	3.8	25.5	25.8	26.6
Den Net.	Neutral	93	90	-3	-8.6	-2.7	0.3	NM	NM	1.7	1.9	-12.0	-5.3	0.7
Ent.Network	Neutral	846	928	10	11.4	13.4	21.7	74.0	63.3	4.7	4.4	6.7	7.2	10.7
Hind. Media	Buy	273	350	28	25.9	28.3	33.6	10.6	9.6	1.8	1.5	19.0	17.3	17.3
HT Media	Neutral	92	90	-2	7.4	7.9	8.1	12.3	11.5	0.8	0.8	7.1	6.9	6.4
Jagran Prak.	Buy	174	225	29	10.8	12.4	14.1	16.2	14.1	2.4	2.3	17.6	16.5	17.4
Music Broadcast	Buy	372	469	26	6.4	9.3	14.0	57.9	39.9	3.9	3.5	11.2	9.3	12.4
PVR	Buy	1,264	1,628	29	20.5	30.9	46.9	61.6	40.9	6.1	5.4	10.4	14.0	18.2
Siti Net.	Neutral	25	32	29	-1.8	-0.3	0.4	NM	NM	3.4	3.6	-23.5	-4.1	6.2
Sun TV	Neutral	713	860	21	24.9	28.5	35.9	28.7	25.0	6.8	6.2	23.6	25.0	28.8

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Zee Ent.	Buy	513	630	23	23.1	14.7	18.9	22.2	34.8	8.5	7.3	24.7	22.6	24.5
Aggregate								38.7	29.6	5.4	5.0	14.0	16.7	21.3
Metals														
Hindalco	Buy	232	309	33	16.2	22.0	26.3	14.4	10.6	1.8	1.5	14.0	15.3	15.4
Hind. Zinc	Neutral	284	301	6	19.7	22.6	26.9	14.5	12.6	3.9	4.2	24.4	32.0	35.1
JSPL	Buy	135	194	43	-20.9	-15.8	2.0	NM	NM	0.4	0.4	-7.9	-4.9	0.6
JSW Steel	Buy	246	297	21	14.8	21.9	25.7	16.6	11.2	2.6	2.2	17.3	21.3	20.8
Nalco	Neutral	70	63	-9	3.7	3.5	4.2	18.9	20.1	1.3	1.3	7.2	6.5	7.7
NMDC	Buy	122	180	47	10.0	12.4	12.1	12.3	9.8	1.7	1.6	12.8	15.2	15.6
SAIL	Sell	61	30	-51	-6.2	-7.7	-4.2	NM	NM	0.7	0.7	-6.7	-9.1	-5.3
Vedanta	Buy	298	316	6	15.1	24.8	33.1	19.7	12.0	1.8	1.7	9.7	14.8	18.4
Tata Steel	Neutral	639	591	-8	37.9	65.1	64.3	16.8	9.8	1.9	1.7	15.7	18.6	16.2
Aggregate								20.4	14.0	1.7	1.6	8.2	11.4	13.3
Oil & Gas														
BPCL	Neutral	508	515	1	48.3	34.3	41.3	10.5	14.8	3.2	2.8	32.4	20.4	21.4
GAIL	Sell	383	346	-10	22.6	26.5	31.3	17.0	14.4	1.7	1.6	9.6	11.3	12.4
Gujarat Gas	Sell	789	691	-12	20.4	37.2	46.1	38.8	21.2	6.6	5.3	17.8	27.6	27.4
Gujarat St. Pet.	Neutral	193	171	-11	8.8	11.1	13.3	21.9	17.3	2.4	2.2	11.6	13.2	14.2
HPCL	Buy	466	510	9	40.7	34.1	36.3	11.5	13.7	3.5	3.0	32.4	23.6	21.7
IOC	Buy	428	458	7	43.0	36.7	40.4	10.0	11.7	2.0	1.8	21.2	16.0	15.8
IGL	Neutral	1,252	1,152	-8	44.0	49.9	56.3	28.5	25.1	6.0	5.1	21.0	21.9	20.9
MRPL	Sell	125	113	-10	14.8	9.4	11.7	8.5	13.2	2.2	1.9	31.4	15.5	17.0
Oil India	Buy	283	316	12	19.3	27.9	31.1	14.7	10.2	0.8	0.7	5.7	7.5	8.0
ONGC	Buy	159	195	22	16.4	16.5	19.7	9.7	9.7	0.9	0.9	10.1	9.4	10.9
PLNG	Buy	226	274	21	11.4	14.0	17.9	19.9	16.2	4.2	3.5	23.2	23.7	25.5
Reliance Ind.	Neutral	1,567	1,499	-4	96.7	115.5	128.1	16.2	13.6	1.6	1.4	11.6	12.3	12.3
Aggregate								12.7	12.8	1.7	1.5	13.3	12.2	12.7
Retail														
Jubilant Food	Sell	1,391	850	-39	10.0	14.8	20.7	139.0	93.9	11.4	10.5	8.2	11.1	14.0
Titan Co.	Neutral	607	565	-7	9.0	10.6	12.6	67.3	57.2	12.7	11.6	20.6	21.3	22.2
Aggregate								72.7	60.6	12.5	11.4	17.2	18.9	19.6
Technology														
Cyient	Buy	531	600	13	30.6	35.4	41.9	17.3	15.0	2.8	2.5	16.2	16.6	17.3
HCL Tech.	Neutral	867	950	10	59.8	61.8	65.9	14.5	14.0	3.6	3.2	27.5	24.9	23.8
Hexaware	Neutral	274	250	-9	13.7	15.7	16.5	20.1	17.5	4.9	4.2	26.5	25.7	23.1
Infosys	Buy	913	1,030	13	62.9	62.2	67.2	14.5	14.7	3.0	2.7	22.0	19.6	19.3
KPIT Tech	Neutral	115	140	22	11.9	10.6	13.1	9.6	10.8	1.4	1.3	14.3	13.0	14.2
L&T Infotech	Buy	738	880	19	55.5	60.2	68.0	13.3	12.3	4.6	3.6	40.4	33.0	29.4
Mindtree	Neutral	467	450	-4	24.9	28.7	32.9	18.8	16.3	3.1	3.0	16.8	17.3	20.1
Mphasis	Neutral	605	610	1	38.9	40.3	43.0	15.5	15.0	2.1	2.2	13.2	14.5	16.2
NIIT Tech	Neutral	497	540	9	38.0	42.3	48.7	13.1	11.7	1.7	1.7	13.7	14.4	15.4
Persistent Sys	Buy	616	750	22	37.7	43.3	52.0	16.3	14.2	2.5	2.4	17.0	17.9	20.7
Tata Elxsi	Buy	1,635	1,992	22	56.3	67.4	79.7	29.1	24.3	9.1	7.3	37.1	33.5	32.2
TCS	Neutral	2,495	2,350	-6	133.4	133.6	147.7	18.7	18.7	5.6	6.0	32.6	31.1	33.5
Tech Mah	Buy	428	490	14	30.9	34.0	36.8	13.9	12.6	2.3	2.1	18.4	17.4	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	782	950	21	52.1	51.9	70.0	15.0	15.1	2.4	2.1	17.2	15.0	17.9
Aggregate								16.6	16.5	3.8	3.8	22.9	22.8	22.0
Telecom														
Bharti Airtel	Buy	433	490	13	11.1	4.3	6.6	39.0	99.7	2.6	2.5	6.7	2.5	3.8
Bharti Infratel	Buy	384	480	25	14.9	17.9	20.4	25.8	21.4	4.6	4.0	16.2	19.8	19.4
Idea Cellular	Buy	90	110	22	-1.1	-10.9	-11.3	NM	NM	1.3	1.6	-1.6	-17.3	-21.7
Tata Comm	Buy	642	775	21	27.2	8.7	26.1	23.6	73.7	11.5	9.9	132.2	14.5	33.6
Aggregate								39.1	216.8	2.7	2.7	6.9	1.2	2.8
Utilities														

Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
Coal India	Buy	241	275	14	14.9	18.3	19.1	16.2	13.2	6.1	5.8	37.8	44.2	44.2
CESC	Buy	957	1,360	42	51.9	88.9	99.3	18.4	10.8	1.2	1.1	6.5	10.6	10.8
JSW Energy	Sell	64	49	-23	3.8	3.4	2.7	16.6	18.9	1.0	1.0	6.3	5.3	4.2
NTPC	Buy	169	204	21	13.0	13.3	16.3	13.0	12.7	1.4	1.3	11.5	10.8	12.4
Power Grid	Buy	220	262	19	14.2	17.4	20.6	15.4	12.6	2.3	2.0	16.2	17.3	17.8
Tata Power	Sell	79	68	-14	5.2	6.4	6.7	15.3	12.4	1.8	1.6	11.2	13.9	12.1
Aggregate								14.8	12.9	2.2	2.0	14.9	15.9	16.6
Others														
Arvind	Neutral	364	375	3	12.4	12.9	18.6	29.3	28.1	2.6	2.5	10.3	9.1	12.0
Avenue Supermarts	Neutral	994	882	-11	7.7	12.7	17.6	129.6	78.2	16.2	14.1	17.9	19.3	23.0
Bata India	Under Review	668	-		13.5	15.7	19.4	49.4	42.5	6.5	5.8	13.9	14.4	15.8
Castrol India	Buy	391	-		13.6	14.4	15.0	28.6	27.0	32.4	29.0	115.2	113.3	106.1
Century Ply.	Neutral	260	323	24	8.7	9.8	12.9	29.9	26.5	8.1	6.7	31.1	27.7	29.6
Coromandel Intl	Buy	429	523	22	16.6	24.1	29.0	25.8	17.8	4.3	3.7	17.5	22.5	23.4
Delta Corp	Buy	182	237	30	3.1	5.8	7.9	59.6	31.5	4.6	3.1	8.1	12.3	12.6
Dynamatic Tech	Buy	2,136	3,334	56	67.6	112.9	166.7	31.6	18.9	4.4	3.5	15.1	20.7	24.3
Eveready Inds.	Buy	296	358	21	12.9	13.6	16.3	23.0	21.7	7.4	6.1	37.7	30.8	30.1
Interglobe	Neutral	1,187	1,312	11	46.0	63.9	93.7	25.8	18.6	21.2	18.9	86.2	107.5	137.7
Indo Count	Neutral	110	129	18	13.0	8.9	10.8	8.4	12.4	2.6	2.1	34.8	18.6	18.3
Info Edge	Buy	935	1,130	21	15.7	21.8	24.7	59.7	43.0	5.7	5.2	10.2	12.7	13.1
Inox Leisure	Sell	233	240	3	3.3	8.0	12.0	69.9	29.0	4.1	3.6	5.9	12.5	16.2
Jain Irrigation	Under Review	96	-		5.5	7.6	10.0	17.2	12.6	1.5	1.4	8.6	11.7	14.8
Just Dial	Neutral	362	465	29	17.5	18.5	21.1	20.7	19.6	2.8	2.5	14.8	13.4	13.7
Kaveri Seed	Buy	541	738	36	19.1	34.0	41.0	28.4	15.9	3.7	3.9	13.6	23.3	27.4
Kitex Garm.	Buy	227	394	73	18.6	22.1	26.2	12.3	10.3	3.3	2.7	29.8	28.6	27.6
Manpasand	Buy	827	926	12	12.7	20.2	30.9	65.1	41.0	4.1	3.8	7.3	8.5	13.5
MCX	Buy	1,022	1,300	27	24.8	28.0	42.2	41.2	36.5	3.8	3.6	10.2	10.2	14.5
Monsanto	Buy	2,448	3,295	35	86.2	105.1	126.7	28.4	23.3	8.0	7.2	31.6	32.5	34.5
Navneet Education	Buy	157	226	44	7.8	9.4	11.3	20.2	16.6	5.0	4.3	26.8	27.8	28.2
PI Inds.	Buy	729	894	23	33.4	30.4	35.8	21.8	24.0	6.2	5.1	32.8	23.4	22.9
Piramal Enterp.	Buy	2,669	3,044	14	72.6	104.1	144.6	36.8	25.6	3.5	3.2	9.8	13.0	16.4
SRF	Buy	1,450	1,648	14	85.9	80.2	103.0	16.9	18.1	2.7	2.4	16.6	13.7	16.0
S H Kelkar	Buy	247	298	21	7.2	7.6	9.9	34.1	32.5	4.4	4.0	13.7	12.9	15.2
Symphony	Sell	1,260	1,288	2	23.7	35.1	42.9	53.3	35.9	19.8	17.4	43.3	51.6	54.5
Trident	Buy	87	114	32	6.6	8.3	10.4	13.1	10.5	1.6	1.4	13.0	14.5	16.1
TTK Prestige	Neutral	6,383	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	182	167	-8	3.6	4.5	6.0	50.9	40.6	12.1	9.9	27.4	26.9	28.8
Wonderla	Buy	337	393	17	7.0	11.9	16.0	48.1	28.2	4.4	3.9	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
Automobiles			
Amara Raja	1.7	-7.7	-12.7
Ashok Ley.	0.1	-1.1	16.2
Bajaj Auto	-0.9	-3.3	-4.8
Bharat Forge	-1.7	1.6	34.1
Bosch	-0.8	-9.9	-8.4
CEAT	-1.3	-10.5	89.9
Eicher Mot.	0.5	6.8	39.3
Endurance Tech.	0.1	5.5	
Escorts	-0.1	-6.2	93.0
Exide Ind	1.6	-5.9	15.7
Hero Moto	-0.4	5.0	17.1
M&M	0.2	-0.9	-4.1
Mahindra CIE	0.1	-3.7	30.2
Maruti Suzuki	0.3	0.7	53.6
Tata Motors	1.0	-17.2	-22.9
TVS Motor	1.6	2.9	93.5
Banks - Private			
Axis Bank	0.5	-5.4	-13.4
DCB Bank	0.7	-5.8	60.1
Equitas Hold.	-0.2	-6.0	-13.0
Federal Bank	0.0	-8.9	57.4
HDFC Bank	-0.4	1.8	39.9
ICICI Bank	-0.2	-1.7	31.7
IDFC Bank	-1.0	-8.9	2.7
IndusInd	0.7	7.7	41.5
J&K Bank	0.9	-10.4	15.9
Kotak Mah. Bk	-0.7	-1.8	25.3
RBL Bank	-0.1	-3.0	
South Indian	2.4	-5.1	35.3
Yes Bank	-0.1	8.0	28.5
Banks - PSU			
BOB	1.4	-12.9	-12.4
BOI	0.3	-9.8	25.8
Canara	1.5	-3.4	29.4
IDBI Bk	0.5	-9.5	-23.6
Indian Bk	-0.9	-8.4	29.5
OBC	0.9	-18.4	3.6
PNB	1.1	-10.7	14.0
SBI	0.6	-4.8	10.1
Union Bk	1.5	-13.4	0.2
NBFCs			
Bajaj Fin.	-1.0	10.2	75.3
Bharat Fin.	-0.9	12.2	16.5
Capital First	-0.8	-6.1	-1.2
Cholaman.Inv.&Fn	-0.1	1.5	5.3
Dewan Hsg.	1.1	3.9	68.2
GRUH Fin.	1.7	9.6	61.8
HDFC	-0.4	7.4	26.8
Indiabulls Hsg	-0.6	4.7	49.7
L&T Fin.Holdings	0.9	13.5	84.2
LIC Hsg Fin	-0.3	-11.3	18.6
Manappuram	3.1	-11.7	12.0
M&M Fin.	-0.6	12.3	23.1
Muthoot Fin	-0.2	-3.9	31.6
PFC	0.6	-5.1	0.5
Repc Home	0.3	-17.0	-19.9
REC	2.0	-11.5	37.6
STF	0.2	1.1	-22.9
Shriram City Union	-0.5	-5.2	1.3

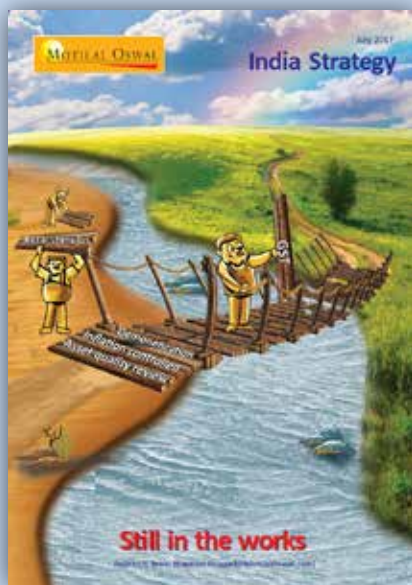
Company	1 Day (%)	1M (%)	12M (%)
Capital Goods			
ABB	-0.3	-6.7	16.3
Bharat Elec.	2.7	9.0	52.9
BHEL	-0.2	-12.9	-6.9
Blue Star	1.5	11.0	53.1
CG Cons. Elec.	-0.1	4.1	29.6
CG Power & Inds Sol.	-0.7	-6.6	-7.8
Cummins	1.0	-13.5	-1.3
GE T&D	-1.2	16.2	18.4
Havells	2.2	5.6	18.5
K E C Intl	-0.8	3.0	118.2
L&T	0.6	-4.0	15.2
Pennar Eng.	-1.2	-23.6	-47.2
Siemens	0.5	-8.0	-1.7
Solar Ind	2.2	-2.4	39.4
Suzlon Energy	-0.3	-13.7	-0.6
Thermax	1.0	-3.8	5.2
Va Tech Wab.	0.9	3.4	6.9
Voltas	-0.2	4.1	34.4
Cement			
Ambuja Cem.	-0.3	2.7	3.0
ACC	-1.2	3.1	8.0
Birla Corp.	0.2	1.8	46.2
Dalmia Bharat	1.2	0.0	73.3
Grasim Inds.	1.2	7.6	48.4
India Cem	-0.3	-15.0	22.5
J K Cements	0.6	3.5	29.9
JK Lakshmi Ce	-0.8	-11.9	-8.8
Ramco Cem	-0.2	-1.6	18.5
Orient Cem	-0.3	-6.1	-13.2
Prism Cem	-1.2	-9.5	-5.2
Shree Cem	-1.0	-4.0	-0.2
Ultratech	-0.6	-5.9	3.1
Consumer			
Asian Paints	-0.3	-1.7	1.6
Britannia	-0.8	10.3	22.7
Colgate	0.7	2.2	15.3
Dabur	0.5	-1.9	2.0
Emami	-1.1	-2.7	-5.6
Godrej Cons.	1.1	-7.7	19.2
GSK Cons.	-1.2	-4.2	-15.4
HUL	-0.7	1.8	28.2
ITC	-0.3	-4.0	12.5
Jyothy Lab	1.1	-0.6	27.6
Marico	0.0	-4.5	8.3
Nestle	-0.5	-3.4	-3.4
Page Inds	0.0	2.9	20.8
Parag Milk	0.5	-5.3	-24.0
Pidilite Ind.	1.6	2.1	19.0
P&G Hygiene	-1.1	-2.1	18.2
Prabhat Dairy	-0.2	-3.5	58.1
United Brew	0.6	-0.7	1.0
United Spirits	3.9	-2.8	11.2
Healthcare			
Alembic Phar	0.8	-6.6	-20.3
Alkem Lab	-0.9	-0.8	16.3
Ajanta Pharma	3.5	-14.5	-38.4
Aurobindo	4.9	-1.7	-7.0
Biocon	2.4	-15.2	15.0
Cadila	7.0	-6.9	31.4
Cipla	2.5	0.7	1.3



Company	1 Day (%)	1M (%)	12M (%)
Divis Lab	5.3	-2.0	-50.1
Dr Reddy's	2.9	-22.5	-31.3
Fortis Health	-0.5	-9.3	-16.3
Glenmark	2.7	-10.3	-27.9
Granules	1.6	-8.5	-0.3
GSK Pharma	0.2	-6.7	-21.7
IPCA Labs	0.8	-13.6	-23.8
Jubilant Life	0.9	-2.5	43.1
Lupin	3.9	-13.2	-34.8
Sanofi India	0.4	-6.5	-7.1
Shilpa Medicare	1.9	-16.8	-3.7
Strides Shasun	2.4	-13.5	-2.9
Sun Pharma	3.1	-15.4	-37.3
Syngene Intl	1.1	-7.1	2.2
Torrent Pharma	1.6	-3.1	-27.9
Logistics			
Allcargo Logistics	0.1	-7.1	-13.2
Blue Dart	0.0	-6.2	-22.3
Concor	0.4	7.9	16.3
Gateway Distriparks	1.6	-13.2	-17.4
Gati	-0.4	-8.0	-25.2
Transport Corp.	0.7	-13.6	23.6
Media			
Dish TV	-0.6	0.1	-18.3
D B Corp	0.6	0.3	-8.4
Den Net.	2.4	18.4	7.7
Ent.Network	3.2	-6.3	20.9
Hind. Media	2.4	-1.1	-1.4
HT Media	0.2	3.8	15.6
Jagran Prak.	-0.4	0.3	-6.4
Music Broadcast	0.5	2.3	
PVR	0.4	-7.7	6.8
Siti Net.	0.8	-3.5	-31.9
Sun TV	-0.2	-12.0	53.9
Zee Ent.	-0.3	-6.8	-1.8
Metals			
Hindalco	0.6	8.7	48.2
Hind. Zinc	-0.8	2.2	25.0
JSPL	1.6	-2.3	54.5
JSW Steel	2.7	14.9	39.8
Nalco	-0.3	-0.2	46.2
NMDC	-0.7	-0.1	12.5
SAIL	0.2	-3.8	22.3
Vedanta	-0.4	12.8	69.7
Tata Steel	0.9	16.7	68.1
Oil & Gas			
BPCL	-0.3	9.0	31.0
GAIL	-0.3	1.9	39.6
Gujarat Gas	-0.7	3.6	21.0
Gujarat St. Pet.	-2.3	6.8	28.4
HPCL	1.8	26.1	79.1
IOC	0.5	13.6	51.7
IGL	-1.4	10.0	65.4
MRPL	-0.4	4.5	59.2
Oil India	1.9	0.7	-2.3
ONGC	-0.2	-2.4	-0.8
PLNG	-1.9	11.8	33.4
Reliance Ind.	-0.9	-3.0	53.6
Retail			
Jubilant Food	0.8	11.2	12.7
Titan Co.	-0.1	13.2	50.4

Company	1 Day (%)	1M (%)	12M (%)
Technology			
Cyient	2.3	-1.9	1.6
HCL Tech.	-1.2	-4.0	10.2
Hexaware	2.1	13.4	26.2
Infosys	2.0	-7.9	-13.7
KPIT Tech	1.3	-6.9	-15.4
L&T Infotech	-0.6	-3.4	15.4
Mindtree	1.5	-3.5	-17.8
Mphasis	2.1	4.3	14.1
NIIT Tech	0.3	-7.3	20.9
Persistent Sys	-0.2	-3.2	-4.0
Tata Elxsi	-0.6	-2.1	0.4
TCS	0.1	-1.5	-3.0
Tech Mah	-0.4	7.3	-8.4
Wipro	-0.4	-0.8	11.4
Zensar Tech	-0.4	-3.3	-27.5
Telecom			
Bharti Airtel	0.2	3.0	22.8
Bharti Infratel	0.2	-6.3	10.7
Idea Cellular	-0.6	-2.0	-8.3
Tata Comm	0.7	-0.8	27.4
Utilities			
Coal India	0.1	-7.7	-27.8
CESC	1.7	6.4	46.9
JSW Energy	4.2	-3.0	-19.1
NTPC	-0.4	3.1	4.9
Power Grid	0.3	1.4	20.6
Tata Power	0.6	-4.5	3.7
Others			
Arvind	0.0	-1.7	16.1
Avenue Super.	0.5	8.3	
Bata India	-1.6	13.7	22.8
Castrol India	0.5	-4.6	-8.3
Century Ply.	0.1	-8.9	17.9
Coromandel Intl	1.5	-3.0	58.4
Delta Corp	0.0	4.7	24.5
Dynamatic Tech	0.3	-9.8	-26.9
Eveready Inds.	0.5	-10.3	6.5
Interglobe	-2.4	-3.7	35.1
Indo Count	0.5	-29.5	-35.4
Info Edge	-1.4	-4.9	10.2
Inox Leisure	0.2	-12.4	-10.4
Jain Irrigation	0.5	-13.1	14.9
Just Dial	0.7	-4.6	-22.6
Kaveri Seed	-0.4	-16.9	43.3
Kitex Garm.	-1.5	-16.4	-34.7
Manpasand	-0.5	6.2	15.6
MCX	1.1	-12.2	3.8
Monsanto	-1.1	-10.7	0.5
Navneet Educat.	-0.2	-7.4	51.2
PI Inds.	-1.0	-3.0	-8.9
Piramal Enterp.	1.7	-8.7	33.0
SRF	-1.0	-3.4	-13.8
S H Kelkar	0.1	-10.4	-16.2
Symphony	0.9	-10.7	10.2
Trident	0.0	1.5	86.4
TTK Prestige	0.2	-0.1	30.2
V-Guard	-0.4	0.7	47.0
Wonderla	0.5	-5.3	-18.7

THEMATIC/STRATEGY RESEARCH GALLERY



REPORT GALLERY

RECENT INITIATING COVERAGE REPORTS

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Sector: Healthcare

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Making great strides

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Shilpa Medicare

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Capitalizing on multiple opportunities

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Off to a new start

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Sector: Retail

Avenue Supermarts

Delivering Value

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Sector: Finance

Cholamandalam Finance

Prepared, Equipped and Armed

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MOTILAL OSWAL Initiating Coverage | 20 April 2017
Sector: Energy

Tata Power

Struggling for RoE

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MOTILAL OSWAL Initiating Coverage | 20 April 2017
Sector: Energy

Gujarat Gas

Long road ahead

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DIFFERENTIATED PRODUCT GALLERY

MOTILAL OSWAL 4 July 2017

Annual Report Threadbare

28E ENTERTAINMENT FY17

The FY17 annual report highlights several key insights into the performance of 28E and its growth in various segments. Key highlights include:

- Revenue growth driven by advertising revenue, which increased by 12% to ₹1,100 crore.
- Operating profit growth of 15% to ₹1,100 crore, primarily driven by advertising revenue.
- Net profit growth of 15% to ₹1,100 crore, primarily driven by advertising revenue.

Key Metrics:

Metric	2016-17	2017-18
Revenue	₹980	₹1,100
Operating Profit	₹950	₹1,100
Net Profit	₹950	₹1,100

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MOTILAL OSWAL 10 July 2017

VOICES

India Inc on Call

India's quarterly growth has been robust, but the government's fiscal deficit has been a concern. Key insights include:

- India's quarterly growth has been robust, driven by strong manufacturing growth.
- The government's fiscal deficit has been a concern, with the budget deficit at ₹1.5 lakh crore.
- The RBI has kept the repo rate at 6.5%, which is expected to remain unchanged.

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MOTILAL OSWAL 17 March 2017

EcoKnowledge

Two states implement 17% Pay Commission in FY18

The 17% Pay Commission has been implemented in two states, which is a positive sign for the government. Key insights include:

- The 17% Pay Commission has been implemented in two states, which is a positive sign for the government.
- The government has also announced a 10% hike in the Dearness Allowance (DA).
- The RBI has kept the repo rate at 6.5%, which is expected to remain unchanged.

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MOTILAL OSWAL 10 July 2017

The CornerOffice

Focus on double-digit volume growth

India's economy is showing signs of recovery, but the government's fiscal deficit has been a concern. Key insights include:

- India's economy is showing signs of recovery, but the government's fiscal deficit has been a concern.
- The RBI has kept the repo rate at 6.5%, which is expected to remain unchanged.
- The government has also announced a 10% hike in the Dearness Allowance (DA).

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MOTILAL OSWAL

BULLS & BEARS

INDIA VALUATIONS HANDBOOK

Highlights of July edition:

- Nifty up 5.2% in July - Highest MoM rise in 36 months.
- PSU Banks, Telecom, Metals, and Cement top performers.
- Consumer only sector to deliver negative returns in July.
- Midcaps underperform large caps by 3.4% in July.

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MOTILAL OSWAL

FUND FOLIO

Indian Mutual Fund Tracker

Key Metrics:

- Nifty up 5.2% in July - Highest MoM rise in 36 months.
- PSU Banks, Telecom, Metals, and Cement top performers.
- Consumer only sector to deliver negative returns in July.
- Midcaps underperform large caps by 3.4% in July.

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