

Market snapshot



Equities - India	Close	Chg. %	YTD.%
Sensex	30,834	-0.4	15.8
Nifty-50	9,491	-0.2	15.9
Nifty-M 100	17,523	0.4	22.1
Equities-Global	Close	Chg. %	YTD.%
S&P 500	2,441	0.9	9.0
Nasdaq	6,234	1.4	15.8
FTSE 100	7,388	-0.6	3.4
DAX	12,647	-0.2	10.2
Hang Seng	10,408	-0.9	10.8
Nikkei 225	20,130	0.5	5.3
Commodities	Close	Chg. %	YTD.%
Brent (US\$/Bbl)	47	2.8	-15.2
Gold (\$/OZ)	1,249	0.2	8.4
Cu (US\$/MT)	5,867	0.5	6.2
Alm (US\$/MT)	1,891	0.8	11.0
Currency	Close	Chg. %	YTD.%
USD/INR	64.6	0.0	-5.0
USD/EUR	1.1	0.6	8.2
USD/JPY	112.2	-0.1	-4.1
YIELD (%)	Close	1MChg	YTDchg
10 Yrs G-Sec	6.5	0.0	0.0
10 Yrs AAA Corp	7.6	0.0	0.0
Flows (USD b)	28-Jun	MTD	YTD
FII	-0.1	0.5	8.3
DII	0.0	0.7	3.0
Volumes (INRb)	28-Jun	MTD*	YTD*
Cash	257	270	285
F&O	7,839	5,126	4,852

Note: YTD is calendar year, \*Avg

Quote of the day

Money is like muck—not good unless it be spread



Today's top research idea

Cement: Speed breakers ahead

Prefer stocks with good long-term earnings prospects

- ✓ May-17 saw price correction across the north, south and central markets due to demand weakness and government intervention to curb price increases.
- ✓ Prices in the east have been stable, barring some correction in Chhattisgarh. West was an exception, witnessing price increase in May-17.
- ✓ Heavy volume base from June 2016 and demand uncertainty due to impending GST implementation are likely to keep demand muted.
- ✓ We expect price correction, particularly in the north and central markets, in monsoon this year due to weak demand conditions and ramp-up of JPA's assets acquired by Ultratech in 1HFY18.
- ✓ Against the backdrop, we prefer stocks with good long-term earnings prospects – Dalmia Cement, Birla Corporation, Ramco Cement, JK Cement and Shree Cement.



Research covered

Cos/Sector	Key Highlights
Cement	Speed breakers ahead
United Breweries	Slew of new launches encouraging
Persistent Systems	Headwinds to near-term profitability
Healthcare	US FDA introduces policy to expedite approval process



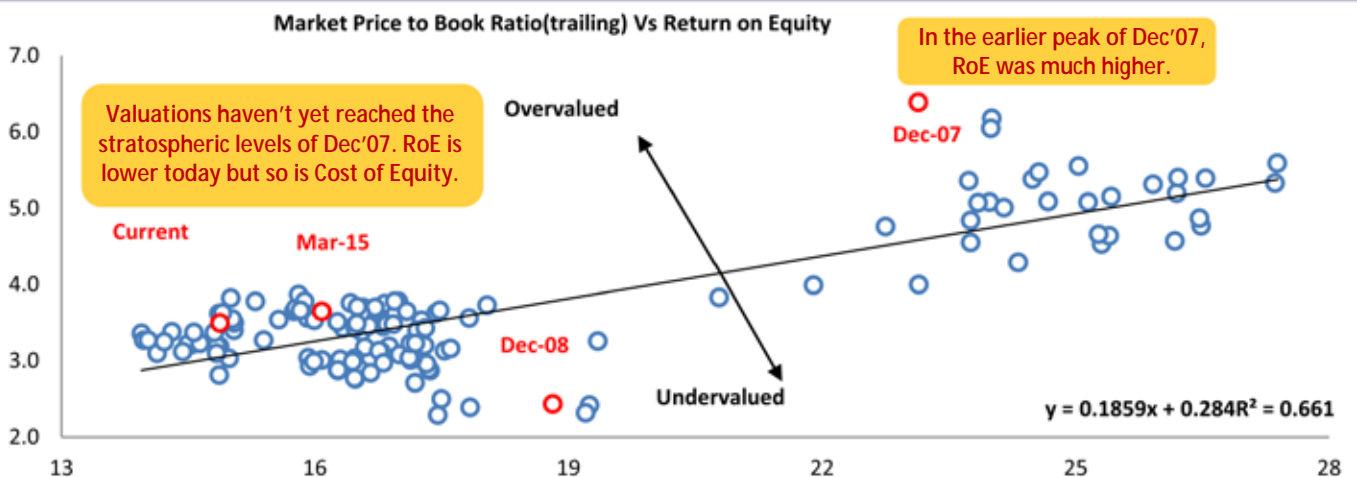
Piping hot news

Banks refer Amtek Auto, Electrosteel Steels, Jyoti Structures for bankruptcy proceedings

- ✓ Banks on Wednesday initiated bankruptcy proceedings against Amtek Auto Ltd, Electrosteel Steels Ltd and Jyoti Structures Ltd on, taking the total number of cases filed under the Insolvency and Bankruptcy Code (IBC) to five, said two people aware of the matter.



Chart of the Day: Contrarian Investing - Herd behavior evident in 2007-2008 – Nifty P/B (trailing) v/s RoE



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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.



Kindly click on textbox for the detailed news link

1

### Sebi seeks to ease norms for FPIs to shun P-Note route

The Securities and Exchange Board of India (Sebi) on Wednesday unveiled a discussion paper proposing to ease the entry norms for foreign portfolio investors (FPIs). The move is aimed at encouraging FPIs to invest directly in Indian markets without taking recourse to the so-called...

2

### Cabinet gives in-principle nod for Air India divestment

The Union Cabinet has given in-principle approval to the Civil Aviation Ministry's proposal to divest a stake in Air India, said Finance Minister Arun Jaitley, adding that a Group of Ministers will now look into the quantum, mechanism, debt and other issues of disinvestment. The Cabinet nod is based on the Niti Aayog recommendations on disinvestment of Air India and five of its subsidiaries. The think tank has suggested constitution of an Air India-specific Alternative Mechanism headed by the Finance Minister, and including the Civil Aviation and other ministers...

3

### Ashok Leyland sees short-term blips in CV sales due to GST transition

Ashok Leyland expects short-term moderation in medium and heavy commercial vehicle (M&HCV) sales due to the effects of GST transition. However, the commercial vehicle major has indicated that M&HCV industry is projected to record a growth of 10 per cent during 2017-18 when compared with ...

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### Blackstone exits Jagran Prakashan holding firm, sells stake to promoters

Jagran Prakashan Ltd (JPL), the publisher of Dainik Jagran, India's most-read newspaper, on Tuesday said its promoters have purchased the entire stake held by private equity investor Blackstone Group in the company...

5

### GST Council to consider more pleas on GST rates only after 1 July

The goods and services tax (GST) Council will consider more requests for relief on GST rates and compliance requirement from businesses and traders after the rollout of the nation's biggest indirect tax reform on 1 July...

6

### Sebi proposes to ease foreign investors' compliance burden

The Securities and Exchange Board of India (Sebi) has proposed to ease the compliance burden on foreign portfolio investors (FPI) by reducing documentation and doing away with approvals for merger of schemes....

7

### Cabinet approves 7th Pay Commission recommendations with 34 changes, to benefit 48 lakh employees

The union cabinet on Wednesday approved the Seventh Pay Commission recommendations on allowances for government employees, clearing the way for payment of higher house rent and other benefits to 48 lakh of government employees...



# Cement

Refer to our report dated 16 June 2016



## Speed breakers ahead

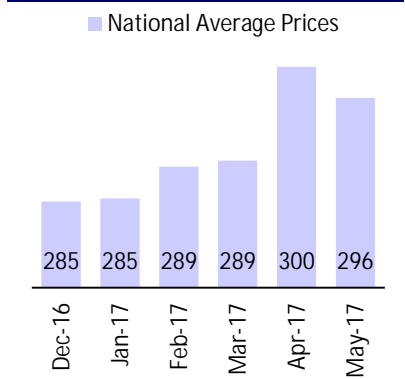
### Prefer stocks with good long-term earnings prospects

- n May-17 saw price correction across majority of the markets from the highs of April due to demand weakness and the government’s intervention to curb sharp price increases.
- n Price corrections have been the highest in the north, south and central markets due to demand weakness in the central and south markets led by non-availability of sand. The trend of price weakness in these markets has continued into June-17.
- n Pricing in the eastern market has been largely stable, barring some correction in Chhattisgarh. The west market has been the only exception, where prices increased as late as the first week of May-17. Gujarat has seen price increase in month of June-17 as well.
- n Additionally, June-16 was a very heavy month in terms of volumes on account of higher construction activity in the north and central markets due to delay in the onset of monsoon. Hence, a heavy base, along with demand uncertainty in June-17 due to GST implementation, is likely to keep demand muted on a YoY basis.
- n We expect price correction, particularly in the north and central markets, in monsoon this year (unlike last year, when there was no price correction) due to weak demand conditions and ramp-up of JPA’s assets acquired by Ultratech in 1HFY18 in north and central markets.
- n Against the backdrop of weak demand/pricing this monsoon, in the event of correction in stock prices, we would prefer stocks with good long-term earnings prospects, and recommend investors to gain exposure to Dalmia Cement, Birla Corporation, Ramco Cement, JK Cement and Shree Cement.

**Price correction across most markets in May-17 due to demand slackness:** All-India cement prices witnessed some decline in May-17 from the highs of April-17 due to demand slackness and the government’s intervention toward end-April against the steep price increases initiated in most regions. Both demand weakness and government pressure resulted in price correction in most markets, with all-India average price declining 1% MoM in May-2017. The trend of price weakness has largely continued in month of June-17.

**North, south and central markets witness sharp decline:** After seeing a sustained rise since February-17, cement prices in north fell by 2% MoM in May-17 and further by ~1-2% in June-17. Prices in south, which had increased strongly in the first week of April-17, fell by over 3% MoM in May-17, led by price declines in AP/Telangana. The central market also saw a price decline of ~3% due to weak demand led by the sand mining ban in UP. However, given demand weakness, prices in the north and central markets have not corrected in tandem, as implementation of overloading restriction since last 2-3 months led to curtailed supply, restricting price decline.

Average national price declines ~1% (Prices in INR/bag)



Source: MOSL, Company

**Pricing in east stable, but steep increases seen in west:** Cement prices in east, after witnessing hikes in April 2017, were largely stable, barring some correction in select regions such as Chhattisgarh (saw price decline of INR10-15/bag). Demand in east has been extremely strong, recovering strongly post demonetization. Western market was the only exception, where prices increased MoM in May-17, led by hikes in Maharashtra and Gujarat. Demand in Maharashtra has been extremely robust due to higher demand from infrastructure projects and pick-up in rural demand. Gujarat market has seen price increase in month of June-17.

#### **Demand in June-17 could be muted**

Last year, cement demand in June was very strong, particularly in the north and central markets, as delay in the onset of monsoon had resulted in increased construction activity. Higher demand was accompanied by price increases, providing strong impetus to the sector going into a seasonally weak quarter. However, this year, demand in June has been lackluster, which could result in muted demand growth for the sector.

#### **Prices could be under pressure this monsoon**

Cement prices last year had firmed up going into monsoon on the back of strong demand in June. However, this year, there has been demand slackness and price correction in most markets. Additionally, in the north and central markets, there could be additional volumes from the ramp-up of JPA's unit once it is taken over by Ultratech, exerting further pressure on pricing.

#### **Prefer stocks with good long-term earnings prospects**

While short-term price correction is expected in north and central India, we remain positive on the longer-term prospects of these markets, given limited capacity addition and demand stabilization. Hence, we believe Shree Cement, JK Cement and Birla Corporation could be attractive picks on short-term dips. Also, we prefer Dalmia Cement and Ramco Cement, which are likely to record strong earnings CAGR over the next two years, led by healthy volume growth and stable margins.

#### **Shree Cement**

- 1) Capacity addition far ahead of industry, resulting in strong market share gains over FY17-FY19
- 2) Attractive valuations on FY19E adjusted capacity as increasing capacity by 44% over FY17-FY19 at significant discount to industry average capex

#### **JK Cement**

- 1) Play on revival in north India cement market, with meaningful improvement in return ratios
- 2) White cement deserves to trade at premium due to constraint on resource side, and JK Cement with 40% market share is gaining significant earnings traction
- 3) Grey cement profitability to improve structurally due to higher proportion of production from newer assets relative to inefficient assets

#### **Ramco Cement**

- 1) Play on expected demand recovery in south, led by AP/Telangana, with its cost-efficient operations

- 2) Strong annual free cash generation of INR7-8b due to sharp improvement in profitability and minimal capex commitment
- 3) Earnings CAGR of 20% over FY17-FY19, led by improvement in profitability and sharp reduction in interest cost due to debt reduction

#### **Birla Corp**

- 1) Strong performance by acquired subsidiary Reliance Cement due to cost efficiencies and tax incentives
- 2) ~23% market share in Satna cluster, and potential to expand to multiple states as Reliance Cement has mineral concession
- 3) Potential for multiple re-rating, driven by efficient execution of the acquired subsidiary Reliance Cement

#### **Dalmia Cement**

- 1) Deleveraging play could re-rate the stock from current levels
- 2) Superior volume growth v/s peers
- 3) Improved realizations to drive profitability due to launch of premium cement in new regions

## Slew of new launches encouraging

Highway ban and GST pose significant near-term challenges

### Key highlights:

- n United Breweries (UBBL) has planned a slew of new launches in FY18, which is encouraging. After the successful launch of its premium strong beer brand Kingfisher Storm in early May 2017, the company plans to come up with five premium brands from the Heineken stable.
- n Highway ban and GST implementation are expected to adversely impact the company's near-term sales and margins.
- n Premiumization and zero-based budgeting strategies are being employed to mitigate the impact on margins
- n Efforts on water sustainability are commendable, with 40% of water requirement at end-FY17 being met by rain water harvesting and water shed management. The company is targeting to be water-positive by 2025, which is remarkable for a company that uses water as key ingredient in manufacturing.

We see strong long-term volume and earnings growth opportunity (FY17 PAT at USD36m) for UBBL - India's largest beer player - given the strong barriers to entry in the form of distribution, brewery reach, scale and brands. However, the operating environment over the next year is expected to be challenging, both due to the highway ban and the margin hit on account of GST. Owing to limited upside to our target price of INR850 (target multiple at 33x June 2019E cash EPS), we maintain Neutral rating on the stock.

### Kerala and Maharashtra impacted the most from highway ban

- n So far, Kerala and Maharashtra have witnessed a high impact of the Supreme Court's (SC) ban on the sale of alcoholic beverages along highways. Some highway stretches in Mumbai have been denotified to get around the ban, but the rest of the state has been affected.
- n In several other states (including Karnataka, Telangana and Andhra Pradesh), the ban will be imposed from 1 July 2017. These states will more time to prepare and take necessary measures (e.g. Karnataka is reportedly looking to denotify highways) to minimize the impact of the ban, unlike states like Maharashtra and Kerala which had just one-day notice. Another SC hearing is expected in the first half of July after the restaurant community requested to relax norms for onsite consumption.
- n Beer may be affected more than spirits from the highway ban because of its: (a) sensitivity to summer months and (b) lower informal channel sales due to the need for cold chain infrastructure.
- n Despite the highway ban, Orissa, Rajasthan and Uttar Pradesh have witnessed an increase in sales.

### New launches, premiumization to boost longer-term growth prospects...

- n In early May 2017, the company launched Kingfisher Storm (premium strong beer brand with 8% alcohol) in Mumbai and Karnataka. Initial response to this brand has been very good.
- n Management is also planning to launch five imported premium beers from the Heineken stable this year (including Sol, Dos Equis, Desperados and Edelweiss). Pricing will be at a premium to Heineken (UBBL's most expensive product in India) and close to that of Corona. These launches may not contribute significantly to incremental volumes growth, but would tap into the ongoing strong premiumization in the category. Existing premium brands Kingfisher Ultra (growing at 30%) and Heineken have ~5-6% market share put together and are aiding gross margin improvement.
- n We expect more new launches from the Heineken stable over the coming years. Also, the slew of new launches planned in FY18 amid the prevailing challenging environment will go a long way in boosting the longer-term growth prospects. Management is expecting single-digit sales growth in FY18.

## United Breweries



Mr Shekhar Ramamurthy—  
Managing Director

Mr Shekhar Ramamurthy has been part of the UB Group for nearly 26 years, initially in corporate planning and subsequently in what is now United Spirits Limited before being transferred to United Breweries Limited (UBBL). For the last three years, as joint president of UBBL (also appointed on the board, effective 1 August 2015), Mr Ramamurthy has been part of the company's dynamic growth story, which saw Kingfisher establish an unrivalled market leadership in the country. He graduated from IIT Delhi in 1985 and subsequently from IIM Calcutta in 1987.

### ...aiding margins amid multiple challenges

- n Ongoing premiumization and new premium product launches will help limit the impact on margins from GST and highway ban. Management is also implementing zero-based budgeting to cut non-value-added costs, but it admits that sustained margin improvement needs volumes growth revival.

### Competitive intensity not a big worry

- n Over the past few years, beer sales have been highly dominated by the top three players – UBBL, AB Inbev- SAB Miller combine and Carlsberg. The top three players account for ~95% of beer sales in almost all markets, barring Tamil Nadu and Madhya Pradesh. AB Inbev-SAB Miller is apparently struggling with integration, leading to further loss of its market share to UBBL and Carlsberg. We also note that with Carlsberg's focus on profitability in India, there could be a case of decline in promotional intensity in the segment.
- n UB has a higher market share than its national average of ~53% in many states. Also, the company is doing well in many regions of these states, leading to significantly higher profitability for UB relative to AB-SAB Miller combine and Carlsberg. It has ~60% share in Delhi, and even more at ~70% in Karnataka, Mumbai and Goa.

### Admirable sustainability efforts

- n The company's remarkable efforts on sustainability continue. It has reduced water usage per liter of beer from 7 liters a decade ago to 3.5 liters now, even better than the global average of 4 liters. Notably, 40% of water requirement in FY17 was sourced from rainwater harvesting or watershed development. Management reiterated its target of turning water-positive by 2025, which is phenomenal for a beer company. There is in fact strong possibility of it turning water-positive even ahead of the target. The company also aims to publish its first full-fledged sustainability report in FY18.

### Use of data analytics in sales & marketing

- n Data availability (e.g. outlet-wise market share in some states) in this sector is good. Management is thus making use of analytics in sales & marketing efforts. All frontline sales personnel are provided tablets, which helps them gain value-added information for discussion with retailers (unlike in FMCG space, where tablets are used for order taking/collection as well).

### Other highlights

- n In Bihar, after prohibition, the company has obtained permission for making non-alcoholic beer (positioned as an adult soft drink).
- n GST on new bottles will be 18% (earlier 14%). There is no impact on used bottles, which will be addressed at margin rate; service tax after abatement on freight at 5% v/s 4.5% earlier.
- n The company has taken price increases in Karnataka and Maharashtra.
- n Entry into specialty beers is an option (will look at it when there is scale); company is also looking at other options (it will disclose in a few months).



# Persistent Systems

BSE SENSEX 30,834 S&P CNX 9,491

**CMP: INR649 TP: INR740 (+15%) Buy**



### Stock Info

Bloomberg	PSYS IN
Equity Shares (m)	80
52-Week Range (INR)	710 / 501
1, 6, 12 Rel. Per (%)	12/-13/-24
M.Cap. (INR b)	51.4
M.Cap. (USD b)	0.8
Avg Val, INRm	70
Free float (%)	65.0

### Financials Snapshot (INR b)

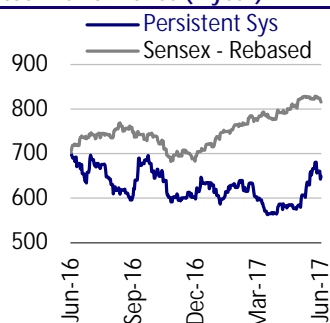
Y/E March	2017	2018E	2019E
Sales	28.8	31.0	34.8
EBITDA	4.7	5.2	6.1
Adj. PAT	3.1	3.5	4.2
Adj. EPS (INR)	37.7	44.0	52.3
EPS Gr. (%)	1.4	16.8	18.9
BV/Sh.(INR)	244.5	254.3	264.6
RoE (%)	17.0	18.2	20.8
RoCE (%)	16.7	16.0	17.3
P/E (x)	17.1	14.6	12.3
P/BV (x)	2.6	2.5	2.4

### Shareholding pattern (%)

As On	Mar-17	Dec-16	Mar-16
Promoter	35.0	36.2	38.5
DII	14.3	13.5	12.0
FII	24.8	25.7	26.8
Others	25.9	24.6	22.7

FII Includes depository receipts

### Stock Performance (1-year)



## Headwinds to near-term profitability...

...but on track to revive margins

We discussed with Persistent Systems (PSYS) about its business prospects amid multiple headwinds to profitability. Key takeaways:

### Three key headwinds to 1QFY18 profitability...

Three factors challenge the 1QFY18 margin performance at PSYS, the collective impact of which should be up to ~250bp+, in our view:

1. ~3.3% appreciation of the INR (~110bp)
2. Visa expenses (100-110bp)
3. 4Q base of some write-back of bad debt provision (~40-50bp).

### ... could be partially negated by IBM-IoT seasonality

- n JFM is the weakest quarter for PSYS' IoT deal with IBM, and in the previous quarter too, it had a shortfall of ~USD3m.
- n The non-linear nature of the segment means that incremental revenues should contribute positively to the operating margins.
- n We model USD1.5m incremental revenues from the same in 1QFY18, which implies ~130bp offset to margin headwinds during the quarter.
- n We are modeling EBITDA margin of 16.5% (-140bp QoQ). This is expansion of 140bp YoY from 15.1% in 1QFY17, implying on-track margin recovery (key thesis for our recent upgrade).

### Revenue growth drivers intact

- n Digital and IBM IoT should continue their growth trajectory. Digital has grown at a CQGR of 11.5% over the past three quarters. That may take a pause in 1Q and grow in low-single-digit.
- n Alliance segment will grow, mainly on account of the IoT seasonality. Services and Accelerite remain steady.
- n Considering these drivers, we expect 3.4% QoQ revenue growth in 1QFY18. While this is a slightly soft start to the season at 7.6% YoY, Digital should come back in the quarters going forward to drive ~10% full-year revenue growth.

### No major changes to our estimates

- n We continue to expect CAGR of 10% in revenues and 16% in earnings over FY17-19. Earnings are expected to be led by margin expansion of 120bp over this period, despite a stronger INR.
- n We note that within the sector PSYS will be one of the rare companies witnessing margin expansion in FY18, despite strengthening currency and other challenges facing the industry.
- n The stock trades at 14.6x FY18E and 12.3x FY19E EPS. Our target price of INR740 discounts FY19E EPS by 14x, implying 15% upside. **Buy**.





# Healthcare

## US FDA introduces policy to expedite approval process

### Empirical evidence analysis

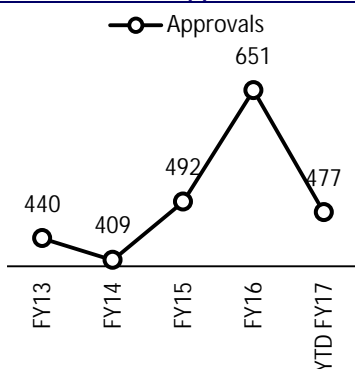
- n The US FDA has announced two measures with an aim to promote competition and expedite the approval process.
- n **US FDA publishes a list of off-patent, off-exclusivity branded drugs without approved generics** ([Link to the list](#)): Part 1 of the list includes 194 drugs, where the FDA could immediately accept an ANDA without prior discussion. Part 2 of the list includes 128 drugs that involve potential legal, regulatory or scientific issues, which should be addressed with the agency prior to submission of an ANDA.
- n **US FDA formulates a new policy to expedite the review of generic drug applications** where competition is limited ([Link to the detailed policy](#)). The FDA will expedite the review of generic drug applications until there are three approved generics for a given drug product. There are several other criteria as well in which a firm can apply for expedited review of its ANDA application (e.g. when there are drug shortages).
- n **FDA guidelines to facilitate more generic competition:** The US FDA has outlined eight cases in which it will prioritize the ANDA review process. This initiative is in line with the US FDA commissioner and the government's strategy to promote competition. Channel consolidation, along with more competitors in the market, will lead to price erosion in the base business beyond FY18 as well.
- n **R&D expense unsustainable in the current context for many players:** In the last three years, R&D expense has increased by more than 3x for many generic players. We believe this is unsustainable for many players in the current context, where the revenue growth outlook is muted and margins are under pressure.
- n **Industry will get divided between commodity and niche players:** In this context, we believe that the industry will get divided between (a) players that will take the risk upfront and work on clinical trials-based filings and (b) commodity players that will focus on keeping a watch on R&D and will be content with smaller revenue contribution and normalized margins (e.g. Aurobindo Pharma).
- n **Large players will continue facing more pressure in the near term:** Given that specialty business ramp-up will still take some time for players like Sun Pharma/Lupin, the base business will continue to be under pressure due to intensified competition in the market.
- n **Disruptors and disrupted:** Although this will exert further pressure on the base business of the established players, it could help the smaller players which may receive approvals sooner than earlier (although revenue potential of these products may come down). In this context, we have put companies in two buckets:
  - n **Disrupted:** Players that have a limited competition product basket and will get impacted by more competition (Sun Pharma, Lupin and Dr. Reddy's).
  - n **Disruptor:** Players that have a small base business or matured base business, and will see faster approvals going forward (Alkem Labs, Ajanta Pharma, Strides Arcolabs and Aurobindo Pharma).

### US sales

Companies	US Sales (USD m)	% of total sales
Alkem	179.4	21%
Aurobindo	1017.5	45%
Cadila	552.8	39%
Cipla	391.1	17%
Dr Reddy	1001.0	48%
Glenmark	551.5	41%
IPCA	10.3	2%
Lupin	1207.0	48%
Sun Pharma	2050.5	45%
Torrent Pharma	200.6	23%

Source: Company, MOSL

### Increase in ANDA approvals



Source: US FDI, MOSL



### 1. Not worried over affordable housing demand/supply in tier 2 & 3 cities: Repco home; R Varadarajan, MD

- n Not been any major impact on the supply with regards to affordable housing.
- n Exposure to salaried segment is <2% of the book.
- n Focused in tier II and III centers and 60% of the books is of non-salaried class. Therefore, does not see any impact on demand.
- n Unsold inventories are mainly seen in tier I areas and not so much in tier II and III, where they operate
- n Banks' focus on retail and housing loans will not impact them because banks are not focused in tier II and III areas, where Repco operates.
- n Not even 10-12 percent of the demand for housing loans in these areas is met by the organised sector.
- n Aiming at 20% growth in loan book as of now but after September may even look at higher growth and reset target.
- n Confident of maintaining spreads above 3% and NIM's ~4% and any benefit on CoF will be passed on to the customers without sacrificing on spread and NIMs.

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### 2. Discounts have led to market expansion: Blue Star; B Thiagarajan, JMD of Blue Star & Nilesh Gupta, Managing Partner at Vijay Sales

- n Upped the demand. A lot of people who were not planning to buy, also bought because of these offers
- n Expects demand to go down in July, though a good festival season will happen
- n Discounted products have run out of stock. This month has been as good as Diwali
- n Expects Diwali to be better than last Diwali.
- n Dealers are liquidating their stocks so primary sales in the month of June are flat
- n Blue Star's secondary sales growth in June is expected to be at 20 percent.

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### 3. GST unlikely to impact margins; aim to maintain 5-10% volume growth in fy18: Dabur; Sunil Duggal, CEO

- n GST rates are in-line with company's current tax incidence, it could impact volume growth in the first quarter.
- n The dealers, trade partners, wholesalers, distributors have collectively decided to down stock from advice of associations
- n Despite incentives from the company, destocking has been gaining traction since June 20, he added.
- n Volume growth is expected to normalise by the second quarter and recovery would happen in H2FY18,
- n Maintains volume growth expectation of 5-10%
- n Demand is recovering smartly, rural demand is showing signs of revival.
- n There won't be a substantial impact of GST on margins. The impact of GST is not substantial on end prices
- n International business could remain under pressure in the 1HFY18. Recovery will happen from second half onwards

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### 1. Important lessons for the smart cities mission

- n With the 26th UN-Habitat governing council conference (GC26) held last month, the new urban agenda (NUA) has once again come to the fore. As the world moves towards a globalized policy discourse, one wonders if the NUA is an improvement on the existing unratifiable global documents. India's minister for urban development, Venkaiah Naidu, chairing GC26, provided a fillip to the government's motto of "Integrated, Inclusive and Sustainable Urban Development". In his keynote address, Naidu highlighted the Smart Cities Mission (SCM) as prominently allied to the goals of the UN-Habitat. In this situation, one is tempted to ask, what next? How does the introduction of the NUA drive urban policy discourse for the Indian scenario? While the NUA is not without its faults, one must use it as a lens to study policy developments, rather than view it as a stand-alone manuscript. Coming on the heels of the announcement of the UN's sustainable development goals (SDGs), the NUA is a landmark vision document that calls for a paradigm shift in addressing urban issues, rooted in concerns of sustainability.

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### 2. The challenge of long-term finance

- n The 2008 financial crash is understood to have been caused by a combination of greedy loan-pushing bankers, carefree NINJA borrowers (or No Income, No Job or Assets), negligent rating agencies, hungry investors (for yield), and indulgent regulators. Nobody so far (outside of Iceland) has gone to jail for misdeeds in a crisis that unleashed such a large-scale humanitarian cost. In a way, it was nobody's fault or everybody's fault. One aspect of the crisis which came in for much scrutiny post-Lehman was the practice of using short-term borrowing for funding long-term assets. Non-bank finance companies used a leverage of 50 or 100 times their equity base to borrow overnight money-market funds to fund long-term assets. These, in turn, were securitized and units were sold to gullible investors who became more and more remote to the origination of the loan asset, or its end-use.

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### 3. The difficulty of being a farmer

- n The Indian farmer has always been like an areca nut in a nutcracker—always under pressure from both the supply and the demand sides. There are about 145 million landholdings in the country. With about 92% of them being wholly owned and self-operated, we may assume that we have about 130 million farmers. With more than 40% of our cultivated area of 175 million hectares being irrigated, there is a clear distinction between farmers with irrigation and those with rain-fed acreages. The most disadvantaged are the farmers who own patches of the 20 million hectares of unproductive saline land in the country. While farmers who have access to irrigation are better placed, those who are in rain-fed and drought-prone areas are most vulnerable. They occupy 60% of the cultivated area but contribute only 45% of the total agricultural production. These are the farmers without the financial wherewithal to withstand the vagaries of nature. A single crop failure due to drought, flood or similar reasons can destroy them.

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#### 4. GST impact on consumer goods: here is all you want to know

n For the general populace a tax scheme's success is often gauged by how much disruption it causes to everyday life. While it is true that GST is expected to make processes much easier, both for the government as well as businesses, it is its impact on FMCG sector that is of much consumer interest. And, the Indian economy's fourth-largest sector—fast-moving consumer goods (FMCG)—will be significantly impacted by the GST. Logistics are an integral part of the sector and as logistics costs are expected to decrease in the GST regime—CARE ratings expects a 20% trim—FMCG companies will benefit. Distribution costs companies 2-7% of their turnover. Earlier, FMCG companies would establish warehouses in states where effective taxation was low. With the implementation of GST, owing to uniformity in taxation firms would be free to setup warehouses in any state, reducing costs of transportation.

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### International

#### 5. Fed didn't make a mistake by hiking rates

n By encouraging systemically important central banks to move forward with interest rate hikes, the Bank for International Settlements' (BIS') well-written annual report will add fuel to the growing debate about the wisdom of the Federal Reserve's ongoing process of policy normalization. Some have already argued that, having hiked for a second time this year and signalled its intention for another rate rise in the second half of 2017, the Fed is making a policy mistake that risks choking economic growth. Others, including the BIS, welcome the central bank's willingness to gradually move away from too many years of exceptional monetary stimulus. Where you come out on this debate depends primarily on the absolute and relative weights you ascribe to four main factors—all of which are subject to genuine analytical uncertainty.

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Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
<b>Automobiles</b>														
Amara Raja	Buy	838	1,044	25	28.0	34.5	41.8	29.9	24.3	5.5	4.7	20.3	20.8	21.2
Ashok Ley.	Buy	92	117	27	4.6	5.5	7.1	20.1	16.8	4.4	3.8	23.3	24.4	26.9
Bajaj Auto	Buy	2,781	3,422	23	132.3	150.4	178.2	21.0	18.5	4.7	4.2	25.3	24.1	25.6
Bharat Forge	Buy	1,055	1,242	18	26.2	37.7	49.7	40.3	28.0	6.0	5.2	16.2	19.9	22.5
Bosch	Neutral	23,309	23,287	0	473.1	650.7	776.2	49.3	35.8	8.1	7.1	15.8	21.2	22.2
CEAT	Buy	1,810	1,741	-4	93.3	104.9	133.9	19.4	17.3	3.0	2.6	16.9	16.3	17.9
Eicher Mot.	Buy	27,228	30,402	12	613.8	892.0	1,135.1	44.4	30.5	15.4	11.0	40.3	41.9	38.5
Endurance Tech.	Buy	883	948	7	23.5	30.8	37.9	37.6	28.7	7.2	5.9	20.8	22.6	23.1
Escorts	Neutral	654	711	9	23.2	35.9	44.4	28.2	18.2	3.3	2.8	12.3	16.8	17.9
Exide Ind	Buy	217	274	26	8.2	9.5	11.8	26.6	22.9	3.7	3.3	14.0	14.5	15.8
Hero Moto	Neutral	3,688	3,622	-2	169.1	198.1	201.2	21.8	18.6	7.3	6.2	35.7	35.9	31.3
M&M	Buy	1,355	1,603	18	54.3	69.6	81.7	25.0	19.5	3.1	2.8	14.2	14.2	14.4
Mahindra CIE	Not Rated	229	-		5.4	9.9	11.8	42.8	23.3	2.7	2.4	6.4	10.8	11.5
Maruti Suzuki	Buy	7,239	8,060	11	248.6	300.0	370.9	29.1	24.1	6.0	5.2	20.3	21.2	22.3
Tata Motors	Buy	442	635	44	19.8	30.8	65.8	22.3	14.4	2.6	2.2	9.8	16.5	27.8
TVS Motor	Buy	535	581	9	11.7	16.7	26.7	45.6	32.0	10.6	8.4	25.6	29.2	35.9
<b>Aggregate</b>								<b>27.6</b>	<b>21.1</b>	<b>4.7</b>	<b>4.1</b>	<b>17.1</b>	<b>19.3</b>	<b>22.8</b>
<b>Banks - Private</b>														
Axis Bank	Neutral	495	525	6	15.4	23.4	41.2	32.2	21.1	2.2	2.0	6.9	9.9	15.7
DCB Bank	Neutral	196	170	-13	7.0	8.8	11.2	28.1	22.3	2.9	2.6	10.9	12.4	14.0
Equitas Hold.	Buy	149	210	41	4.7	4.8	7.5	31.6	30.8	2.3	2.1	8.9	7.1	10.1
Federal Bank	Buy	112	125	12	4.8	5.8	7.3	23.2	19.4	2.2	2.0	9.9	10.9	12.5
HDFC Bank	Buy	1,666	1,790	7	56.8	67.1	79.4	29.3	24.8	5.0	4.3	17.9	18.2	19.0
ICICI Bank	Buy	291	329	13	15.3	16.3	18.7	19.0	17.9	2.1	2.0	10.2	9.9	10.6
IDFC Bank	Neutral	55	62	12	3.0	3.3	4.3	18.4	16.7	1.3	1.2	7.2	7.4	9.0
IndusInd	Buy	1,490	1,700	14	50.1	59.4	72.0	29.7	25.1	4.5	3.9	16.0	16.5	17.3
J&K Bank	Neutral	88	89	1	-31.3	4.4	8.0	NM	20.1	0.8	0.8	-27.0	4.0	7.0
Kotak Mah. Bk	Buy	974	1,050	8	26.8	32.3	40.5	36.3	30.2	4.7	4.1	13.8	14.5	15.7
RBL Bank	Under Review	505	-		11.9	17.6	23.8	42.5	28.6	4.5	3.9	12.3	14.6	17.3
South Indian	Buy	28	31	13	2.2	2.9	3.6	12.6	9.6	1.1	1.0	9.4	10.6	12.2
Yes Bank	Buy	1,449	2,110	46	73.0	90.5	114.0	19.9	16.0	3.7	3.1	18.9	17.9	19.4
<b>Aggregate</b>								<b>28.0</b>	<b>22.4</b>	<b>3.2</b>	<b>2.9</b>	<b>11.4</b>	<b>13.0</b>	<b>14.7</b>
<b>Banks - PSU</b>														
BOB	Buy	155	217	40	6.0	19.0	24.9	26.0	8.2	1.1	1.0	4.1	12.3	14.5
BOI	Neutral	136	147	8	-14.8	13.7	22.0	NM	9.9	0.6	0.6	-6.7	6.1	9.0
Canara	Neutral	325	380	17	18.8	33.0	48.9	17.3	9.9	0.7	0.7	4.2	6.8	9.4
IDBI Bk	Neutral	54	49	-9	1.5	6.4	8.6	35.3	8.4	0.5	0.5	1.4	5.8	7.3
Indian Bk	Buy	281	360	28	29.3	33.3	38.1	9.6	8.4	0.9	0.9	10.1	10.6	11.1
OBC	Neutral	142	150	6	-31.6	17.1	21.4	NM	8.3	0.4	0.4	-8.4	4.6	5.4
PNB	Buy	136	184	35	6.2	10.3	14.5	21.9	13.3	0.8	0.7	3.6	5.6	7.5
SBI	Buy	276	375	36	0.3	19.7	25.9	913.6	14.0	1.2	1.2	-0.2	8.9	10.7
Union Bk	Neutral	146	174	19	7.6	24.6	34.5	19.1	5.9	0.5	0.5	2.7	8.1	10.5
<b>Aggregate</b>								<b>96.4</b>	<b>11.5</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>7.4</b>	<b>9.3</b>
<b>NBFCs</b>														
Bajaj Fin.	Buy	1,370	1,550	13	33.6	47.0	63.6	40.8	29.1	7.8	6.4	21.7	24.0	26.2
Bharat Fin.	Neutral	704	769	9	21.0	32.4	45.3	33.5	21.7	4.0	3.4	15.1	16.7	19.5
Cholaman.Inv.&F n	Buy	1,081	1,250	16	46.0	56.7	70.6	23.5	19.1	3.9	3.3	18.1	19.0	19.9
Dewan Hsg.	Buy	428	559	31	29.6	38.6	45.5	14.5	11.1	1.7	1.5	14.4	14.5	15.2
GRUH Fin.	Neutral	424	421	-1	8.1	10.3	12.5	52.1	41.2	13.9	11.5	30.4	30.6	30.9
HDFC	Buy	1,629	1,797	10	46.8	50.7	55.9	34.8	32.1	6.4	5.8	19.3	18.3	17.4
Indiabulls Hsg	Buy	1,076	1,227	14	69.0	82.2	101.6	15.6	13.1	3.7	3.3	25.5	27.0	29.6
LIC Hsg Fin	Neutral	742	723	-3	38.2	44.6	51.2	19.4	16.7	3.5	3.0	19.4	19.3	19.0
Manappuram	Not Rated	95	-		8.2	11.1	14.0	11.6	8.5	2.6	2.3	23.9	29.0	32.2



Company	Reco	CMP (INR)	TP (INR)	% Upside Downside	EPS (INR)			P/E (x)		P/B (x)		ROE (%)		
					FY17	FY18E	FY19E	FY17	FY18E	FY17	FY18E	FY17	FY18E	FY19E
M&M Fin.	Buy	337	400	19	7.1	12.9	16.4	47.6	26.1	2.9	2.8	6.4	10.9	12.9
Muthoot Fin	Buy	446	465	4	29.7	34.5	40.0	15.0	12.9	2.8	2.5	19.7	20.2	20.6
PFC	Neutral	124	117	-6	25.7	27.2	30.2	4.8	4.6	0.8	0.7	17.9	17.0	16.8
Repcos Home	Buy	808	900	11	29.1	36.0	43.3	27.8	22.5	4.4	3.8	17.4	18.2	18.5
REC	Neutral	171	134	-22	31.4	35.0	40.4	5.5	4.9	1.0	0.9	19.9	19.1	19.1
Shriram Union City	Buy	2,400	2,689	12	84.3	130.4	164.7	28.5	18.4	3.2	2.8	11.8	16.2	17.8
STF	Buy	999	1,269	27	55.6	77.4	98.6	18.0	12.9	2.0	1.8	11.7	14.5	16.3
<b>Aggregate</b>								<b>18.6</b>	<b>16.0</b>	<b>3.2</b>	<b>2.8</b>	<b>17.2</b>	<b>17.7</b>	<b>17.9</b>
<b>Capital Goods</b>														
ABB	Sell	1,452	1,200	-17	19.7	25.1	32.2	73.7	58.0	9.4	8.1	12.7	13.9	15.8
Bharat Elec.	Buy	159	200	26	6.9	7.2	8.1	23.0	22.2	4.7	3.7	20.6	16.5	16.8
BHEL	Sell	136	100	-26	2.1	3.6	4.7	63.3	38.2	1.0	1.0	1.6	2.7	3.4
Blue Star	Neutral	606	610	1	12.9	17.8	26.6	47.0	34.1	7.6	7.2	18.0	21.7	30.1
CG Cons. Elec.	Buy	219	240	10	4.7	5.5	6.6	46.8	39.9	25.4	18.4	76.4	53.4	49.8
CG Power & Indu.	Sell	80	65	-19	4.1	2.3	4.5	19.6	35.1	1.2	1.2	6.2	3.4	4.2
Cummins	Neutral	911	950	4	26.5	28.8	35.5	34.4	31.6	6.7	6.2	21.2	20.5	23.2
GE T&D	Neutral	337	320	-5	5.7	8.9	10.6	58.8	37.7	8.3	7.3	12.4	20.7	21.5
Havells	Neutral	462	480	4	9.6	11.7	14.2	48.4	39.6	8.8	7.8	18.2	19.8	21.1
Inox Wind	Under Review	142	-		12.8	-3.2	15.5	11.1	NM	1.4	1.5	14.9	-3.3	15.1
K E C Intl	Neutral	244	250	2	11.9	13.6	16.8	20.6	17.9	4.0	3.4	21.2	20.3	21.2
L&T	Buy	1,699	2,000	18	63.3	69.6	80.1	26.8	24.4	3.2	2.9	12.2	12.5	13.3
Pennar Eng.	Not Rated	123	-		5.8	7.5	10.0	21.1	16.3	1.8	1.6	8.6	10.0	11.8
Siemens	Neutral	1,291	1,355	5	17.8	24.3	33.3	72.4	53.2	6.7	5.8	9.3	11.0	13.7
Solar Ind	Neutral	814	825	1	20.6	22.0	27.5	39.5	37.0	7.2	6.3	19.8	18.1	19.5
Suzlon Energy	Not Rated	18	-		0.6	0.9	1.0	27.9	20.1	-1.6	-1.8	NM	-8.8	-11.0
Thermax	Sell	942	850	-10	30.8	32.7	34.0	30.6	28.8	4.2	3.8	14.3	13.7	12.9
Va Tech Wab.	Buy	682	800	17	28.9	34.9	39.8	23.6	19.5	3.7	3.2	16.3	17.7	17.5
Voltas	Sell	450	400	-11	15.5	15.6	17.6	29.1	28.9	4.5	4.0	18.0	14.7	14.9
<b>Aggregate</b>								<b>33.5</b>	<b>30.1</b>	<b>3.8</b>	<b>3.4</b>	<b>11.3</b>	<b>11.4</b>	<b>12.8</b>
<b>Cement</b>														
Ambuja Cem.	Buy	245	283	16	4.9	6.6	7.2	50.1	36.9	2.5	2.4	5.0	6.6	6.8
ACC	Neutral	1,582	1,521	-4	33.7	49.2	63.6	46.9	32.2	3.5	3.4	7.5	10.7	13.1
Birla Corp.	Buy	868	998	15	29.4	40.9	58.9	29.5	21.2	2.0	1.9	7.5	9.2	12.2
Dalmia Bharat	Buy	2,423	3,162	31	38.8	66.7	87.1	62.5	36.3	4.3	3.9	7.2	11.3	13.1
Grasim Inds.	Neutral	1,205	1,234	2	67.9	86.9	114.5	17.8	13.9	1.9	1.7	11.5	13.1	15.1
India Cem	Neutral	191	210	10	5.6	9.3	12.9	34.0	20.5	1.2	1.1	3.4	5.5	7.2
J K Cements	Buy	946	1,322	40	33.7	46.4	59.5	28.1	20.4	3.8	3.2	14.4	17.0	18.6
JK Lakshmi Ce	Buy	482	550	14	7.0	11.4	20.5	69.2	42.2	4.0	3.7	6.0	9.2	14.7
Ramco Cem	Buy	682	823	21	27.3	31.1	37.5	25.0	22.0	4.4	3.8	19.2	18.6	19.1
Orient Cem	Buy	138	185	34	-1.6	4.5	6.8	NM	30.6	2.9	2.7	-3.2	9.0	12.3
Prism Cem	Buy	119	138	16	0.3	3.7	5.8	341.5	32.0	5.9	5.1	1.8	17.2	22.6
Shree Cem	Buy	16,583	23,316	41	384.4	480.7	621.0	43.1	34.5	8.2	6.7	20.2	21.5	22.6
Ultratech	Buy	3,958	4,928	25	96.1	121.4	159.1	41.2	32.6	4.7	4.2	12.0	13.6	15.7
<b>Aggregate</b>								<b>35.4</b>	<b>26.5</b>	<b>3.4</b>	<b>3.1</b>	<b>9.7</b>	<b>11.8</b>	<b>13.5</b>
<b>Consumer</b>														
Asian Paints	Neutral	1,109	1,210	9	21.0	23.1	27.4	52.8	48.0	14.0	13.4	28.5	28.6	30.6
Britannia	Buy	3,640	4,050	11	73.7	82.1	101.3	49.4	44.3	16.2	15.0	36.9	35.2	37.2
Colgate	Buy	1,087	1,180	9	21.2	25.7	31.1	51.2	42.4	23.2	21.9	50.4	53.2	60.3
Dabur	Neutral	290	295	2	7.2	7.7	9.1	40.0	37.5	10.5	9.0	28.4	26.0	26.3
Emami	Buy	1,061	1,250	18	26.5	29.2	34.7	40.0	36.3	13.7	11.1	35.8	33.8	32.2
Godrej Cons.	Neutral	940	975	4	18.9	21.8	25.0	49.7	43.1	12.1	9.4	24.6	24.5	23.0
GSK Cons.	Sell	5,400	4,380	-19	156.1	169.7	185.5	34.6	31.8	7.3	7.1	22.2	22.6	23.0
HUL	Buy	1,090	1,215	12	19.6	22.8	27.0	55.5	47.8	35.4	34.3	65.6	72.8	82.5
ITC	Buy	308	355	15	8.4	9.6	11.5	36.7	32.2	8.3	8.2	23.5	25.6	28.9



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	353	390	11	11.2	8.9	11.0	31.4	39.4	5.9	6.0	21.1	15.1	18.4
Marico	Neutral	311	335	8	6.3	6.9	8.4	49.5	44.8	17.2	14.7	36.7	35.5	38.1
Nestle	Sell	6,635	5,715	-14	118.0	118.6	139.5	56.2	55.9	21.2	19.5	39.0	36.4	39.0
Page Inds	Buy	16,847	18,000	7	238.7	313.9	400.0	70.6	53.7	28.2	22.3	40.0	41.6	42.8
Parag Milk	Neutral	217	245	13	3.6	7.4	12.3	60.2	29.1	2.8	2.5	5.9	9.1	13.4
Pidilite Ind.	Neutral	782	762	-3	16.7	18.4	21.2	46.7	42.4	12.1	9.8	28.2	25.6	24.0
P&G Hygiene	Buy	7,973	8,760	10	144.9	155.8	181.6	55.0	51.2	45.5	36.3	45.3	78.9	74.0
Prabhat Dairy	Not Rated	128	-		3.5	3.5	6.4	36.2	36.8	1.8	1.8	5.2	4.9	8.5
United Brew	Neutral	786	830	6	8.7	9.7	14.7	90.4	81.0	9.0	8.3	10.4	10.7	14.6
United Spirits	Neutral	2,370	2,415	2	26.7	37.4	51.8	88.6	63.4	17.8	12.2	21.3	19.3	19.7
<b>Aggregate</b>								<b>46.3</b>	<b>41.0</b>	<b>12.8</b>	<b>11.9</b>	<b>27.6</b>	<b>29.0</b>	<b>30.6</b>
<b>Healthcare</b>														
Alembic Phar	Neutral	503	640	27	21.6	26.0	32.1	23.3	19.3	5.0	4.2	23.1	23.6	24.1
Alkem Lab	Neutral	1,825	1,900	4	75.7	80.0	94.9	24.1	22.8	5.2	4.4	23.4	20.8	21.0
Ajanta Pharma	Buy	1,546	2,028	31	58.4	66.4	79.9	26.5	23.3	8.7	6.6	37.7	32.3	30.0
Aurobindo	Buy	671	750	12	39.3	44.1	50.2	17.1	15.2	4.3	3.4	28.3	24.8	22.5
Biocon	Sell	328	300	-8	10.2	11.0	15.0	32.2	29.8	4.4	4.0	13.6	13.3	16.1
Cadila	Buy	527	510	-3	14.2	18.1	23.2	37.1	29.1	8.4	6.9	24.8	26.1	27.1
Cipla	Neutral	537	500	-7	15.9	20.0	25.0	33.8	26.9	3.4	3.1	10.2	11.5	12.8
Divis Lab	Neutral	641	600	-6	39.7	35.8	39.8	16.1	17.9	3.6	3.3	23.5	19.2	19.2
Dr Reddy's	Neutral	2,651	2,625	-1	72.6	107.1	144.5	36.5	24.8	3.6	3.0	9.6	13.3	15.1
Fortis Health	Buy	167	240	44	10.3	2.1	6.1	16.1	79.1	1.7	1.5	11.3	2.0	5.3
Glenmark	Neutral	629	800	27	39.3	45.0	53.5	16.0	14.0	4.0	3.1	24.7	22.4	21.3
Granules	Buy	132	200	52	7.3	8.1	11.4	18.2	16.2	3.0	2.2	20.0	16.4	17.6
GSK Pharma	Neutral	2,452	2,700	10	34.4	51.9	60.1	71.4	47.2	15.4	18.7	21.5	39.7	54.4
IPCA Labs	Neutral	479	480	0	16.1	22.4	29.9	29.8	21.4	2.5	2.2	8.6	11.0	13.2
Lupin	Buy	1,065	1,475	39	59.2	60.2	73.7	18.0	17.7	3.6	3.1	22.0	18.9	19.7
Sanofi India	Buy	4,140	4,850	17	129.1	131.0	173.4	32.1	31.6	5.5	5.1	17.1	16.3	19.3
Sun Pharma	Buy	545	650	19	26.1	25.4	30.8	20.9	21.5	3.6	3.4	18.5	16.3	17.9
Syngene Intl	Not Rated	457	-		13.0	16.1	18.0	35.1	28.3	7.1	5.8	22.2	22.5	20.7
Torrent Pharma	Buy	1,167	1,450	24	55.2	59.8	73.2	21.1	19.5	5.0	4.3	25.3	23.5	24.6
<b>Aggregate</b>								<b>23.9</b>	<b>22.0</b>	<b>4.2</b>	<b>3.7</b>	<b>17.5</b>	<b>16.6</b>	<b>17.6</b>
<b>Logistics</b>														
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	4,290	-		102.5	129.9	163.2	41.8	33.0	18.5	14.1	50.5	48.6	46.8
Concor	Neutral	1,133	1,162	3	38.0	41.2	45.8	29.8	27.5	3.1	3.0	10.8	11.1	11.7
Gateway Distriparks	Buy	256	310	21	6.8	11.6	14.3	37.6	22.0	2.2	2.1	5.9	9.9	11.7
Gati	Not Rated	128	-		8.4	15.9	23.9	15.3	8.1	2.1	1.9	12.4	19.4	25.4
Transport Corp.	Not Rated	291	-		16.9	21.0	25.9	17.2	13.8	2.7	2.3	16.7	17.8	18.6
<b>Aggregate</b>								<b>28.4</b>	<b>23.4</b>	<b>3.5</b>	<b>3.2</b>	<b>12.2</b>	<b>13.7</b>	<b>15.0</b>
<b>Media</b>														
Dish TV	Buy	75	106	40	1.0	2.1	3.8	76.4	36.7	16.4	11.3	24.1	36.5	44.1
D B Corp	Buy	377	460	22	20.4	24.1	28.7	18.5	15.6	4.3	3.9	25.5	26.2	27.6
Den Net.	Neutral	78	90	15	-8.6	-2.7	0.3	NM	NM	1.4	1.6	-12.0	-5.3	0.7
Hind. Media	Buy	275	360	31	26.4	27.1	29.9	10.4	10.1	1.8	1.6	19.3	16.6	15.6
HT Media	Neutral	82	85	4	7.4	7.9	8.3	11.1	10.5	0.7	0.7	7.1	6.9	6.6
Jagran Prak.	Buy	180	225	25	10.8	12.2	14.0	16.7	14.8	2.4	2.4	17.6	16.3	17.3
PVR	Buy	1,404	1,666	19	20.5	36.1	54.7	68.4	38.9	6.8	5.8	10.4	16.1	20.5
Siti Net.	Neutral	28	36	28	-1.8	-0.5	0.1	NM	NM	3.9	4.3	-23.5	-7.8	1.5
Sun TV	Neutral	808	860	6	24.9	29.5	38.4	32.5	27.3	8.1	7.5	25.0	27.3	31.9
Zee Ent.	Buy	485	600	24	23.1	16.4	19.5	21.0	29.6	7.7	6.5	23.7	23.8	23.8
<b>Aggregate</b>								<b>39.4</b>	<b>28.0</b>	<b>5.6</b>	<b>5.1</b>	<b>14.3</b>	<b>18.1</b>	<b>20.6</b>
<b>Metals</b>														
Hindalco	Buy	190	250	32	16.2	22.6	25.9	11.7	8.4	1.5	1.2	14.0	15.6	15.1



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
Hind. Zinc	Sell	260	235	-9	19.7	21.5	23.7	13.2	12.0	3.6	3.0	24.4	27.2	25.4
JSPL	Buy	119	184	54	-20.9	-16.0	-2.5	NM	NM	0.4	0.4	-7.9	-5.0	-0.8
JSW Steel	Buy	198	280	42	14.8	19.8	22.6	13.3	10.0	2.1	1.8	17.3	19.4	18.8
Nalco	Neutral	65	65	1	3.7	3.6	4.0	17.6	18.1	1.2	1.2	7.2	6.7	7.3
NMDC	Under Review	106	-		10.0	12.0	12.7	10.7	8.8	1.5	1.4	12.4	14.9	15.7
SAIL	Sell	57	30	-48	-6.2	-12.6	0.4	NM	NM	0.6	0.7	-6.7	-15.2	0.5
Vedanta	Neutral	242	225	-7	15.1	24.5	27.4	16.0	9.9	1.5	1.4	9.7	14.8	15.3
Tata Steel	Neutral	520	581	12	37.0	50.2	66.5	14.1	10.4	1.6	1.4	15.4	14.5	17.1
<b>Aggregate</b>								<b>17.0</b>	<b>13.3</b>	<b>1.4</b>	<b>1.3</b>	<b>8.0</b>	<b>9.7</b>	<b>12.3</b>
<b>Oil &amp; Gas</b>														
BPCL	Neutral	617	779	26	72.5	64.5	70.3	8.5	9.6	2.6	2.2	32.4	25.1	23.3
GAIL	Sell	356	357	0	22.6	27.4	31.6	15.8	13.0	1.6	1.5	10.2	11.7	12.5
Gujarat Gas	Sell	744	699	-6	20.4	38.5	46.6	36.4	19.3	6.2	4.9	17.8	28.5	27.5
Gujarat St. Pet.	Neutral	173	171	-1	8.8	11.2	13.4	19.7	15.5	2.2	2.0	11.9	13.7	14.6
HPCL	Buy	512	632	23	61.0	45.6	45.8	8.4	11.2	2.6	2.2	32.4	21.2	18.7
IOC	Neutral	388	457	18	41.0	41.9	43.3	9.5	9.3	1.8	1.9	22.3	20.2	19.9
IGL	Neutral	1,036	1,067	3	43.1	46.7	51.8	24.0	22.2	5.0	4.2	21.0	20.6	19.5
MRPL	Neutral	119	124	4	11.7	12.8	13.3	10.2	9.4	2.1	1.8	24.8	20.5	18.4
Oil India	Buy	265	363	37	19.3	34.7	37.4	13.7	7.7	0.7	0.7	5.7	9.3	9.6
ONGC	Buy	158	229	45	16.4	20.6	23.9	9.6	7.7	0.9	0.9	10.4	11.7	13.0
PLNG	Buy	432	546	26	22.7	26.3	35.9	19.0	16.4	4.0	3.4	23.2	22.4	25.7
Reliance Ind.	Neutral	1,399	1,264	-10	106.6	121.7	127.8	13.1	11.5	1.4	1.3	11.9	11.8	11.2
<b>Aggregate</b>								<b>11.6</b>	<b>10.7</b>	<b>1.5</b>	<b>1.4</b>	<b>13.2</b>	<b>13.4</b>	<b>13.4</b>
<b>Retail</b>														
Jubilant Food	Sell	936	680	-27	10.0	12.2	17.9	93.5	76.9	7.7	7.2	8.2	9.3	12.6
Titan Co.	Neutral	507	505	0	9.0	10.3	12.1	56.2	49.4	10.6	9.4	20.6	20.2	20.9
<b>Aggregate</b>								<b>59.9</b>	<b>52.4</b>	<b>10.3</b>	<b>9.2</b>	<b>17.2</b>	<b>17.6</b>	<b>18.5</b>
<b>Technology</b>														
Cyient	Buy	510	620	22	30.6	38.3	44.2	16.6	13.3	2.7	2.4	16.2	17.8	17.9
HCL Tech.	Buy	847	960	13	59.8	61.9	67.6	14.1	13.7	3.5	3.5	27.5	25.4	26.0
Hexaware	Neutral	242	235	-3	13.7	15.4	16.7	17.7	15.8	4.3	3.8	26.5	25.3	23.5
Infosys	Buy	924	1,200	30	62.9	64.7	71.1	14.7	14.3	3.1	2.7	23.3	21.4	21.2
KPIT Tech	Neutral	123	150	22	11.9	13.4	15.2	10.3	9.1	1.5	1.3	14.3	15.6	15.2
L&T Infotech	Buy	787	850	8	55.5	59.7	65.0	14.2	13.2	4.9	3.8	40.4	32.8	28.3
Mindtree	Neutral	531	475	-11	24.9	30.5	36.5	21.3	17.4	3.5	3.1	16.8	18.9	20.5
Mphasis	Neutral	593	600	1	38.9	41.7	45.0	15.2	14.2	2.0	2.3	13.2	14.0	15.7
NIIT Tech	Neutral	578	470	-19	42.8	42.5	46.1	13.5	13.6	2.1	1.9	16.1	14.8	14.7
Persistent Sys	Buy	649	700	8	37.7	43.9	51.4	17.2	14.8	2.7	2.5	17.0	18.1	20.3
Tata Elxsi	Buy	1,591	1,607	1	56.3	68.0	80.4	28.3	23.4	8.9	7.1	37.1	33.7	32.3
TCS	Neutral	2,351	2,400	2	133.4	139.7	149.6	17.6	16.8	5.5	5.7	33.5	32.4	32.3
Tech Mah	Buy	392	500	28	30.9	32.3	36.9	12.7	12.1	2.1	1.9	18.4	16.7	17.0
Wipro	Neutral	258	250	-3	16.9	17.3	19.1	15.3	14.9	2.4	2.2	16.9	15.5	15.7
Zensar Tech	Buy	840	1,020	21	54.9	65.5	76.0	15.3	12.8	2.4	2.1	16.3	17.2	17.4
<b>Aggregate</b>								<b>15.9</b>	<b>15.5</b>	<b>3.7</b>	<b>3.5</b>	<b>23.2</b>	<b>22.6</b>	<b>22.0</b>
<b>Telecom</b>														
Bharti Airtel	Buy	377	430	14	11.1	6.3	11.5	34.0	60.0	2.2	2.2	6.7	3.7	6.4
Bharti Infratel	Buy	376	440	17	14.9	17.5	19.9	25.3	21.5	4.5	3.9	16.2	19.4	19.1
Idea Cellular	Buy	83	110	32	-1.1	-12.9	-13.6	NM	NM	1.2	1.5	-1.6	-20.8	-27.4
Tata Comm	Buy	719	811	13	26.0	18.1	36.0	27.7	39.7	12.9	9.7	126.2	27.9	39.1
<b>Aggregate</b>								<b>35.8</b>	<b>167.1</b>	<b>2.5</b>	<b>2.5</b>	<b>6.9</b>	<b>1.5</b>	<b>3.9</b>
<b>Utilities</b>														
Coal India	Buy	246	290	18	14.9	17.6	18.6	16.5	14.0	6.2	6.2	37.8	44.5	47.0
CESC	Buy	879	1,040	18	51.9	73.4	80.6	16.9	12.0	2.0	1.7	11.4	15.5	15.0
JSW Energy	Buy	63	88	39	3.9	2.1	1.8	16.4	29.9	1.0	1.0	6.7	3.3	2.8
NTPC	Buy	159	198	25	13.0	13.4	16.2	12.2	11.9	1.3	1.3	11.5	10.9	12.3





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
Power Grid	Buy	207	242	17	14.2	17.6	20.5	14.6	11.8	2.2	1.9	16.2	17.5	17.8
Tata Power	Sell	82	67	-18	5.2	6.7	7.0	15.8	12.1	1.9	1.7	11.2	14.6	13.6
<b>Aggregate</b>								<b>14.3</b>	<b>12.6</b>	<b>2.2</b>	<b>2.0</b>	<b>15.3</b>	<b>16.1</b>	<b>16.8</b>
<b>Others</b>														
Arvind	Neutral	357	362	1	12.4	14.1	21.2	28.8	25.3	2.6	2.4	10.3	9.8	13.5
Avenue Supermarts	Neutral	818	804	-2	7.7	12.8	17.9	106.6	63.7	13.3	11.6	17.9	19.4	23.3
Bata India	Under Review	530	-		13.5	15.6	19.3	39.4	33.9	5.2	4.7	13.9	14.5	15.9
Castrol India	Buy	404	531	31	13.6	14.6	15.2	29.6	27.8	33.6	30.0	115.2	114.1	106.8
Century Ply.	Neutral	301	323	7	8.7	9.8	12.9	34.6	30.6	9.4	7.7	31.1	27.7	29.6
Coromandel Intl	Under Review	409	-		16.0	18.3	23.6	25.6	22.3	4.4	4.0	18.2	18.9	21.7
Delta Corp	Buy	155	229	48	4.2	5.3	7.1	36.7	29.3	3.9	2.6	11.1	11.3	11.5
Dynamatic Tech	Buy	2,467	3,334	35	67.6	112.9	166.7	36.5	21.8	5.0	4.1	15.1	20.7	24.3
Eveready Inds.	Buy	346	368	6	12.9	14.4	17.5	26.9	24.0	8.7	7.0	37.7	32.3	31.6
Interglobe	Neutral	1,263	1,234	-2	46.0	65.6	88.2	27.4	19.3	22.6	20.0	86.2	110.2	129.8
Indo Count	Buy	168	229	36	13.0	14.6	17.6	12.9	11.6	3.9	2.9	34.8	28.8	25.9
Info Edge	Buy	986	1,050	6	15.7	20.3	22.9	62.9	48.7	6.1	5.6	10.2	11.9	12.3
Inox Leisure	Sell	263	240	-9	3.3	8.0	12.0	78.8	32.7	4.6	4.0	5.9	12.5	16.2
Jain Irrigation	Under Review	103	-		5.5	7.6	10.0	18.6	13.6	1.6	1.5	8.6	11.7	14.8
Just Dial	Neutral	373	465	25	17.5	18.5	21.1	21.4	20.2	2.9	2.6	14.8	13.4	13.7
Kaveri Seed	Buy	652	653	0	19.1	29.5	36.3	34.2	22.1	4.4	4.8	13.6	20.5	25.4
Kitex Garm.	Buy	276	394	42	18.6	22.1	26.2	14.9	12.5	4.0	3.2	29.8	28.6	27.6
Manpasand	Buy	750	900	20	12.7	21.0	30.0	59.1	35.7	3.7	3.4	7.3	8.8	13.1
MCX	Buy	1,061	1,300	22	24.8	30.5	42.9	42.8	34.7	4.0	3.8	9.9	11.1	14.6
Monsanto	Buy	2,723	2,841	4	72.9	89.3	109.3	37.3	30.5	11.3	10.6	30.4	35.9	39.6
Navneet Education	Buy	168	226	34	7.8	9.4	11.3	21.7	17.8	5.4	4.6	26.8	27.8	28.2
PI Inds.	Buy	813	952	17	33.4	33.4	38.1	24.3	24.3	6.9	5.6	32.8	25.4	23.8
Piramal Enterp.	Buy	2,799	3,044	9	72.6	104.1	144.6	38.6	26.9	3.6	3.3	9.8	13.0	16.4
SRF	Buy	1,517	1,816	20	85.9	89.0	111.5	17.7	17.0	2.8	2.5	16.6	15.1	17.0
S H Kelkar	Buy	269	367	36	7.2	9.6	12.2	37.1	28.0	4.8	4.3	13.7	16.1	18.2
Symphony	Sell	1,345	1,288	-4	27.0	35.1	42.9	49.8	38.3	27.1	23.1	56.8	65.0	66.3
TTK Prestige	Neutral	6,613	5,281	-20	106.9	137.7	176.0	61.9	48.0	9.8	8.9	16.5	19.4	22.2
V-Guard	Neutral	174	167	-4	3.6	4.5	6.0	48.7	38.9	11.6	9.5	27.4	26.9	28.8
Wonderla	Buy	359	393	10	7.0	11.9	16.0	51.3	30.0	4.7	4.2	9.5	14.8	17.5



Company	1 Day (%)	1M (%)	12M (%)
<b>Automobiles</b>			
Amara Raja	0.1	-3.3	-2.8
Ashok Ley.	1.4	0.5	-6.9
Bajaj Auto	0.1	-1.2	5.9
Bharat Forge	-3.2	-6.8	42.3
Bosch	0.2	-1.3	8.3
CEAT	1.6	7.6	122.3
Eicher Mot.	2.1	-4.0	41.9
Endurance Tech.	-1.1	9.0	
Escorts	0.6	1.8	197.7
Exide Ind	1.8	-6.9	30.0
Hero Moto	-0.2	2.0	21.9
M&M	-1.1	1.1	-3.8
Mahindra CIE	-0.2	-5.9	30.5
Maruti Suzuki	0.7	2.3	77.7
Tata Motors	0.1	-8.0	0.4
TVS Motor	0.4	0.3	80.2
<b>Banks - Private</b>			
Axis Bank	0.3	-3.3	-3.9
DCB Bank	1.2	1.3	103.2
Equitas Hold.	-1.3	-3.0	-12.4
Federal Bank	-0.5	-0.5	100.0
HDFC Bank	-0.1	2.5	42.7
ICICI Bank	1.0	-0.5	37.3
IDFC Bank	-1.2	-5.5	24.1
IndusInd	0.0	0.8	37.4
J&K Bank	-1.8	4.6	28.9
Kotak Mah. Bk	0.0	1.0	31.0
RBL Bank	-0.5	-2.2	
South Indian	-0.2	2.0	51.5
Yes Bank	2.3	-2.9	35.5
<b>Banks - PSU</b>			
BOB	0.4	-13.5	0.7
BOI	1.9	-8.3	36.6
Canara	0.3	-9.6	55.3
IDBI Bk	-2.2	-13.8	-20.6
Indian Bk	2.0	-13.7	99.8
OBC	1.9	-7.4	32.7
PNB	-0.5	-9.6	31.0
SBI	-1.1	-4.2	27.8
Union Bk	2.5	-9.4	14.7
<b>NBFCs</b>			
Bajaj Fin.	1.4	4.0	78.9
Bharat Fin.	-0.4	-4.7	1.2
Cholaman.Inv.&Fn	0.1	6.8	13.0
Dewan Hsg.	0.3	4.0	111.4
GRUH Fin.	-0.4	7.3	50.1
HDFC	-1.4	5.2	32.5
Indiabulls Hsg	-0.4	-0.8	61.7
LIC Hsg Fin	-0.8	5.5	49.2
Manappuram	1.1	4.1	42.5
M&M Fin.	1.7	7.8	8.4
Muthoot Fin	2.3	12.0	59.8
PFC	2.2	-13.6	51.8
Repco Home	-2.2	3.7	5.3
REC	1.3	-16.2	106.4
STF	1.1	1.2	-13.4
Shriram City Union	-1.2	6.5	49.4

Company	1 Day (%)	1M (%)	12M (%)
<b>Capital Goods</b>			
ABB	0.7	-1.8	21.1
Bharat Elec.	-0.8	-9.0	27.0
BHEL	1.6	-14.1	14.1
Blue Star	-0.4	-6.2	44.2
CG Cons. Elec.	-0.6	-2.6	63.2
CG Power & Inds Sol.	0.5	-14.0	12.6
Cummins	0.3	-4.3	12.8
GE T&D	-1.2	-6.4	-2.6
Havells	-1.9	-2.1	29.3
Inox Wind	2.8	0.7	-38.5
K E C Intl	1.1	-4.0	75.4
L&T	-0.2	-5.0	15.3
Pennar Eng.	-5.6	-11.1	-21.8
Siemens	-1.1	-7.0	2.2
Solar Ind	0.7	-2.6	32.9
Suzlon Energy	-2.2	-10.6	2.6
Thermax	1.6	-7.0	16.3
Va Tech Wab.	-1.1	0.8	16.2
Voltas	0.7	-9.8	43.4
<b>Cement</b>			
Ambuja Cem.	1.9	1.7	-2.8
ACC	0.3	-2.8	-1.0
Birla Corp.	0.1	12.2	57.9
Dalmia Bharat	1.9	-1.5	109.4
Grasim Inds.	-1.0	8.7	34.9
India Cem	1.1	-3.8	84.4
JK Cements	0.2	-13.5	43.6
JK Lakshmi Ce	-2.0	0.2	24.5
Ramco Cem	0.4	-1.3	19.7
Orient Cem	-2.4	-10.2	-21.0
Prism Cem	0.6	-1.9	20.4
Shree Cem	-0.6	-6.2	17.7
Ultratech	2.0	-4.7	16.4
<b>Consumer</b>			
Asian Paints	-2.2	-1.8	13.4
Britannia	0.0	6.7	32.7
Colgate	-0.6	8.8	21.1
Dabur	0.0	7.2	-7.3
Emami	-0.7	-2.7	-3.5
Godrej Cons.	-2.6	2.7	22.7
GSK Cons.	-0.1	1.8	-8.1
HUL	-0.2	4.7	22.7
ITC	-1.1	-0.2	25.5
Jyothy Lab	-1.0	-4.8	19.2
Marico	1.0	-1.5	21.3
Nestle	0.5	-0.1	2.8
Page Inds	3.4	17.5	22.5
Parag Milk	4.1	-12.8	-17.9
Pidilite Ind.	-3.1	2.5	10.7
P&G Hygiene	-0.3	5.9	35.9
Prabhat Dairy	0.1	11.4	28.7
United Brew	0.4	-0.1	7.4
United Spirits	4.2	15.1	-1.9
<b>Healthcare</b>			
Alembic Phar	1.4	-10.0	-6.9
Alkem Lab	0.3	-2.2	31.6
Ajanta Pharma	1.9	-3.2	2.1
Aurobindo	0.0	25.8	-8.1



Company	1 Day (%)	1M (%)	12M (%)
Biocon	1.5	4.6	31.1
Cadila	0.3	18.8	64.8
Cipla	0.5	9.2	8.1
Divis Lab	-0.2	17.2	-42.2
Dr Reddy's	-0.1	9.9	-18.8
Fortis Health	1.2	-17.7	4.9
Glenmark	-0.1	1.3	-19.8
Granules	2.3	-3.0	-3.3
GSK Pharma	-0.5	3.6	-29.7
IPCA Labs	0.4	-4.9	-1.6
Lupin	0.1	-4.2	-31.0
Sanofi India	0.0	3.2	-1.9
Sun Pharma	0.3	-4.1	-28.8
Syngene Intl	0.2	-1.2	13.3
Torrent Pharma	-1.4	-4.7	-13.1
<b>Logistics</b>			
Allcargo Logistics	-0.1	-3.8	-4.3
Blue Dart	1.0	-2.3	-25.7
Concor	-0.1	-6.1	2.6
Gateway Distriparks	-0.8	4.5	-16.2
Gati	1.6	2.6	-25.3
Transport Corp.	0.1	11.4	56.0
<b>Media</b>			
Dish TV	1.0	-13.3	-19.4
D B Corp	-0.5	2.3	0.3
Den Net.	-0.1	-12.8	-11.9
Hind. Media	1.5	-0.2	0.1
HT Media	-0.6	0.4	5.9
Jagran Prak.	0.1	0.3	6.4
PVR	-3.3	-4.8	47.8
Siti Net.	-1.6	-10.8	-24.4
Sun TV	1.9	-0.1	127.4
Zee Ent.	-1.4	-6.8	10.8
<b>Metals</b>			
Hindalco	1.1	-4.5	60.7
Hind. Zinc	1.8	7.5	64.8
JSPL	1.8	-4.4	80.3
JSW Steel	1.8	-0.8	38.4
Nalco	3.5	-5.4	55.3
NMDC	2.3	-8.7	15.9
SAIL	1.4	-3.3	33.3
Vedanta	2.2	0.0	97.0
Tata Steel	1.9	1.6	66.9
<b>Oil &amp; Gas</b>			
BPCL	0.8	-17.8	20.2
GAIL	-1.1	-11.3	25.6
Gujarat Gas	-0.7	-1.3	33.7
Gujarat St. Pet.	6.5	1.8	26.0
HPCL	1.9	-9.7	54.9
IOC	-0.6	-9.1	78.3
IGL	-1.6	0.9	69.1
MRPL	0.0	-11.0	82.2
Oil India	-1.4	-14.6	2.1
ONGC	-1.1	-10.0	12.4
PLNG	-0.6	-2.3	51.9
Reliance Ind.	-2.6	4.7	46.0
<b>Retail</b>			
Jubilant Food	0.7	-5.7	-11.8
Titan Co.	-1.8	7.1	30.2

Company	1 Day (%)	1M (%)	12M (%)
<b>Technology</b>			
Cyient	0.3	1.0	6.7
HCL Tech.	0.6	-1.5	18.7
Hexaware	-1.4	-3.9	6.4
Infosys	-0.2	-7.2	-20.4
KPIT Tech	0.6	3.0	-31.6
L&T Infotech	0.7	-1.1	
Mindtree	0.8	-0.6	-19.4
Mphasis	-0.1	1.9	3.3
NIIT Tech	3.7	15.8	18.1
Persistent Sys	0.9	11.0	-7.6
Tata Elxsi	0.1	17.0	-5.9
TCS	0.2	-8.8	-4.5
Tech Mah	3.1	-8.7	-20.8
Wipro	0.9	-4.1	-4.7
Zensar Tech	-2.2	-4.8	-12.6
<b>Telecom</b>			
Bharti Airtel	1.5	1.0	5.6
Bharti Infratel	0.8	1.8	11.5
Idea Cellular	2.8	4.8	-20.0
Tata Comm	-0.5	10.0	56.5
<b>Utilities</b>			
Coal India	0.4	-8.4	-21.5
CESC	1.6	-2.1	50.4
JSW Energy	0.2	-2.1	-20.9
NTPC	0.7	1.7	7.2
Power Grid	1.0	2.2	33.3
Tata Power	0.7	0.8	13.6
<b>Others</b>			
Arvind	-0.8	-6.0	10.3
Avenue Super.	1.7	14.0	
Bata India	0.0	-1.2	-1.8
Castrol India	-0.2	-4.0	8.4
Century Ply.	3.6	15.9	57.6
Coromandel Intl	-1.4	6.6	59.3
Delta Corp	2.9	0.3	58.3
Dynamatic Tech	4.4	-8.1	-0.4
Eveready Inds.	1.5	7.6	32.7
Interglobe	3.7	15.8	24.3
Indo Count	1.6	-3.2	-10.0
Info Edge	0.3	14.0	22.7
Inox Leisure	-1.6	-10.6	20.1
Jain Irrigation	0.5	4.5	40.5
Just Dial	-0.8	-19.6	-37.8
Kaveri Seed	0.4	14.5	47.1
Kitex Garm.	2.2	-1.0	-22.3
Manpasand	-2.0	-11.2	37.4
MCX	-0.2	6.9	6.2
Monsanto	1.7	-1.3	6.3
Navneet Educat.	-1.5	0.1	80.8
PI Inds.	0.7	-0.9	14.4
Piramal Enterp.	-0.2	2.8	102.7
SRF	-1.3	-8.8	18.5
S H Kelkar	0.5	-4.3	25.6
Symphony	0.3	0.9	7.9
TTK Prestige	-1.8	2.5	40.4
V-Guard	-1.1	-3.4	80.1
Wonderla	-2.2	-3.1	-11.6

## NOTES

# THEMATIC/STRATEGY RESEARCH GALLERY


**MOTILAL OSWAL** Thematic | June 2017  
**Sustainability**  
www.motilal-oswal.com



**Expanding horizons**

Research Team: S.Chandrasekhar@motilal-oswal.com, Mr. D. Kishor Kumar  
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**MOTILAL OSWAL** 14 May 2017  
**India Strategy**



**Taking stock of Modified regime**

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**MOTILAL OSWAL** February 2017  
**Thematic**



**The Big Leap to a formal economy**

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**MOTILAL OSWAL** Thematic | January 2017  
**Value Migration**



**Picking winners in disruptive times**

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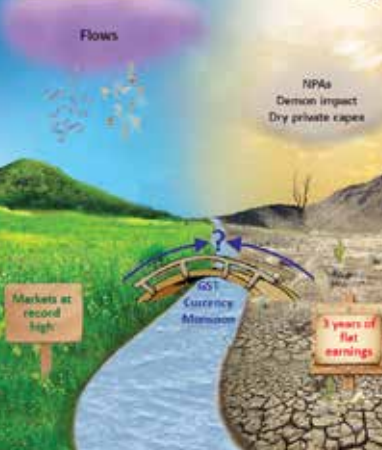
**MOTILAL OSWAL** December 2016  
**India Strategy**



**Decoding earnings impact**

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**MOTILAL OSWAL** April 2017  
**India Strategy**



**The Great Divide**


**Flows**  
NPA's  
Demon impact  
Dry private capex

**Markets at record high**  
**3 years of flat earnings**

**GST Currency Movement**

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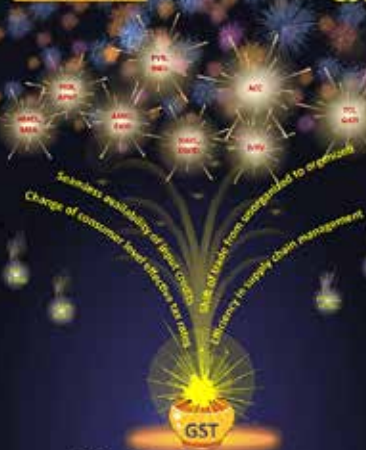
**MOTILAL OSWAL** Thematic | June 2016  
**Economy**



**India 2020: Consumption driven to investment led-Why and How?**

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**MOTILAL OSWAL** Thematic | July 2016  
**GST**



**Ushering in a new era**

**Seamless availability of direct credit to all of India from unorganized to organized**  
**Change of consumer levered customer mix**  
**Transition to complete chain management**

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**MOTILAL OSWAL** March 2016  
**Financials**



**Digital banking | Where's your money?**

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# REPORT GALLERY

## RECENT INITIATING COVERAGE REPORTS

**MOTILAL OSWAL** Initiating Coverage | 23 June 2017  
Sector: Finance

### Cholamandalam Finance



**Prepared, Equipped and Armed**

Source: Motilal Oswal Research & Analytics Pvt. Ltd. (MSRA) | MSRA is a subsidiary of Motilal Oswal Financial Services Pvt. Ltd. (MSFS) | MSRA is a subsidiary of Motilal Oswal Financial Services Pvt. Ltd. (MSFS) | MSRA is a subsidiary of Motilal Oswal Financial Services Pvt. Ltd. (MSFS)

**MOTILAL OSWAL** Initiating Coverage | 20 April 2017  
Sector: Utilities

### Tata Power

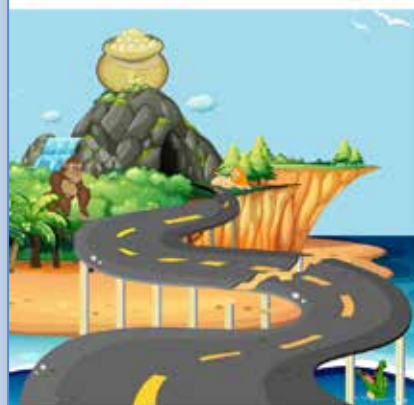


**Struggling for RoE**

Source: Motilal Oswal Research & Analytics Pvt. Ltd. (MSRA) | MSRA is a subsidiary of Motilal Oswal Financial Services Pvt. Ltd. (MSFS) | MSRA is a subsidiary of Motilal Oswal Financial Services Pvt. Ltd. (MSFS)

**MOTILAL OSWAL** Initiating Coverage | 28 April 2017  
Sector: Oil and Gas

### Gujarat Gas



**Long road ahead**

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**MOTILAL OSWAL** Initiating Coverage | 28 March 2017  
Sector: Education

### Navneet Education



**Steadfast; growth gaining momentum**

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**MOTILAL OSWAL** Initiating Coverage | 23 March 2017  
Sector: Information

### Delta Corp




**Favorable odds**

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**MOTILAL OSWAL** Initiating Coverage | 27 March 2017  
Sector: Healthcare

### Ajanta Pharma



**Promising growth trajectory**

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**MOTILAL OSWAL** Initiating Coverage | 14 February 2017  
Sector: Automobile

### Piramal Enterprises



**Winner's Edge**

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**MOTILAL OSWAL** Initiating Coverage | 23 February 2017  
Sector: Automobile

### CEAT



**Well balanced**

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**MOTILAL OSWAL** Initiating Coverage | 23 December 2016  
Sector: Consumer Product

### SH Kelkar



**Adding flavor to fragrance**

Source: Motilal Oswal Research & Analytics Pvt. Ltd. (MSRA) | MSRA is a subsidiary of Motilal Oswal Financial Services Pvt. Ltd. (MSFS) | MSRA is a subsidiary of Motilal Oswal Financial Services Pvt. Ltd. (MSFS)

# DIFFERENTIATED PRODUCT GALLERY

**MOTILAL OSWAL** 27 March 2017

## Annual Report 2016-17

### JC LAKSHMI CEMENT

**Strong performance in FY17**

After a record year in FY16, JC Lakshmi Cement delivered a strong performance in FY17, with revenue growing 23% on an 8% fall in production. The company's revenue growth was driven by a 10% increase in sales volume, which was supported by a 10% increase in production. The company's revenue growth was supported by a 10% increase in production, which was supported by a 10% increase in production.

**Key highlights:**

- Revenue grew 23% to ₹1,100 crore
- Production increased 10% to 1.1 million tonnes
- Operating profit grew 15% to ₹150 crore
- Net profit grew 10% to ₹100 crore

**Key metrics:**

Particulars	2017	2016
Revenue	1100	900
Operating Profit	150	130
Net Profit	100	90

**Key metrics (continued):**

Particulars	2017	2016
Production	1100	1000
Operating Profit	150	130
Net Profit	100	90

**Key metrics (continued):**

Particulars	2017	2016
Revenue	1100	900
Operating Profit	150	130
Net Profit	100	90

**MOTILAL OSWAL** 28 June 2017

## CornerOffice

### Subtraction with the CEO

#### Profession built on selling

**Key highlights:**

- Revenue grew 15% to ₹100 crore
- Operating profit grew 10% to ₹10 crore
- Net profit grew 5% to ₹5 crore

**Key metrics:**

Particulars	2017	2016
Revenue	100	85
Operating Profit	10	9
Net Profit	5	4.5

**MOTILAL OSWAL** 14 April 2017

## VOICES

### India Inc on Call

**Key highlights:**

- Revenue grew 10% to ₹100 crore
- Operating profit grew 5% to ₹5 crore
- Net profit grew 2% to ₹2 crore

**Key metrics:**

Particulars	2017	2016
Revenue	100	90
Operating Profit	5	4.5
Net Profit	2	1.8

**MOTILAL OSWAL** 17 March 2017

## EcoKnowledge

### Diving into Telecom Debts

#### Only two states implement 7% Pay Commission in FY18

**Key highlights:**

- Revenue grew 12% to ₹100 crore
- Operating profit grew 8% to ₹8 crore
- Net profit grew 3% to ₹3 crore

**Key metrics:**

Particulars	2017	2016
Revenue	100	88
Operating Profit	8	7.2
Net Profit	3	2.7

**MOTILAL OSWAL**

## BULLS & BEARS

### INDIA VALUATIONS HANDBOOK

**Key highlights:**

- Revenue grew 10% to ₹100 crore
- Operating profit grew 5% to ₹5 crore
- Net profit grew 2% to ₹2 crore

**Key metrics:**

Particulars	2017	2016
Revenue	100	90
Operating Profit	5	4.5
Net Profit	2	1.8

**MOTILAL OSWAL**

## FUND FOLIO

### Indian Mutual Fund Tracker

**Key highlights:**

- Revenue grew 15% to ₹100 crore
- Operating profit grew 10% to ₹10 crore
- Net profit grew 5% to ₹5 crore

**Key metrics:**

Particulars	2017	2016
Revenue	100	85
Operating Profit	10	9
Net Profit	5	4.5

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